IPO NOTE

DR. AGARWAL'S HEALTH CARE LIMITED

Date: 28.01.2025

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Canara Bank Securities Ltd
A Wholly Owned Subsidiary Of Canara Bank

- The Company was incorporated as "Dr. Agarwal's Health Care Ltd" in Chennai, Tamil Nadu as a public Ltd company in April 2010.
- They offer a comprehensive range of eye care services, including:

⇒ **Cataract surgeries:** Small incision cataract surgery, phacoemulsification, robotic cataract surgery, and glued intraocular lens treatments.

⇒ **Refractive surgeries:** LASIK, SMILE, implantable collamer lenses, and photorefractive keratectomy (PRK) to correct eye refractive errors.

⇒ **Other surgeries:** Surgical retinal treatments, corneal transplantation, pinhole pupilloplasty, oculoplasty, and surgeries for glaucoma and pterygium.

⇒ Consultations, diagnoses, and non-surgical treatments.

⇒ Selling opticals, contact lenses, accessories, and eye care related pharmaceutical products.

- Dr. Agarwal's Health Care is the largest eye care service chain in India by revenue from operations for FY 2024, with approximately 1.7 times the revenue of the second-largest eye care service chain in the country.
- According to the CRISIL MI&A Report, the company held a market share of approximately 25% of the total eye care service chain market in India during FY 2024.
- They operate through a network of 209 facilities as of September 30, 2024, addressing all the needs of their patients in their eye treatment journey.
- Among their listed and unlisted peers, they had the highest number of eye care service facilities in India as of September 30, 2024, according to the CRISIL MI&A Report.
- As of September 30, 2024:

⇒ 737 doctors served patients across their facilities.

⇒ Served 2.13 million patients and performed 220,523 surgeries during FY 2024.

⇒ Served 1.15 million patients and performed 140,787 surgeries during the six months ended September 30, 2024.

Issue Details

Price Band (in ₹ per share)	382-402
Issue size (in ₹ Crore)	2891.58-3027.26
Fresh Issue (in ₹ Crore)	300.00
OFS (in ₹ Crore)	2591.58-2727.26
Issue open date	29.01.25
Issue close date	31.01.25
Tentative date of Allotment	03.02.25
Tentative date of Listing	05.02.25
Total number of shares (lakhs)	756.96-753.05
No. of shares for QIBs (50%) (lakhs)	364.93-362.98
No. of shares for NII (15%) (lakhs)	109.48-108.89
No. of shares for S-HNI (33%)(lakhs)	36.49-36.30
No. of shares for B-HNI (66%)(lakhs)	72.99-72.60
No. of shares for retail investors (35%) (lakhs)	255.45-254.09
No of shares for Employee Reservation (lakhs)	15.79
No of shares for Shareholder Reservation (lakhs)	11.30
Minimum order quantity	35
Face value (in ₹)	1.00
Amount for retail investors (1 lot)	13370-14070
Maximum number of shares for Retail investors at Lower Band	490 (14 lots)
Maximum number of shares for Retail investors at Upper Band	490 (14 lots)
Maximum amount for retail investors at lower band - upper band	187180-196980
Minimum number of shares for sHNI (2 Lakhs) at upper band	525 (15 lots)
Maximum number of shares for sHNI (10 Lakhs) at upper band	2485 (71 lots)
Minimum number of shares for bHNI at upper band	2520 (72 lots)
Exchanges to be listed on	BSE, NSE

Promoters

- DR. AMAR AGARWAL, DR. ATHIYA AGARWAL
- DR ADIL AGARWAL, DR. ANOSH AGARWAL
- DR ASHVIN AGARWAL, DR. ASHAR AGARWAL
- DR. AMAR AGARWAL FAMILY TRUST
- DR ADIL AGARWAL FAMILY TRUST
- DR. ANOSH AGARWAL FAMILY TRUST
- DR ASHVIN AGARWAL FAMILY TRUST
- DR. ASHAR AGARWAL FAMILY TRUST
- DR AGARWAL'S EYE INSTITUTE AND DR AGARWAL'S EYE INSTITUTE PRIVATE LIMITED

Objects of the Offer

- **Repayment/prepayment, in part or in full, of certain of the borrowings up to Rs.195 crores**
- **General corporate purposes**

Brief Financials

PARTICULARS (Rs. Cr)*	H1FY25	FY24	FY23	FY22
Share Capital^^	30.76	9.33	7.93	6.86
Net Worth	1502.67	1337.68	627.83	212.34
Revenue from operation	820.06	1332.15	1017.98	696.08
EBITDA	228.48	406.56	283.86	199.82
EBITDA Margin (%)	27.27	29.54	27.52	27.99
Profit/(Loss) After Tax	39.56	95.05	103.23	43.16
EPS (in Rs.)	1.00	3.14	4.01	1.83
Net Asset Value (in Rs.)	52.72	50.53	26.73	10.32
Total Borrowing	373.68	387.79	356.18	290.18
P/E#	201.00^	128.03	NA	NA
P/B#	7.63	7.96	NA	NA

**Restated consolidated financials; #Calculated at upper price band; ^Annualised; ^^During September ending quarter, company's 54,200,000 equity shares of ₹10 were sub divided to 542,000,000 Equity Shares of face value ₹1 and Bonus issue in the ratio of 2 Equity Share for every 1 Equity Shares held by Share-holders*

Profit & Loss Statement

Particulars (In Crores)	FY2022	FY2023	FY2024
INCOME			
Revenue from operations	696.08	1017.98	1332.15
Other Income	17.71	13.51	44.30
Total Income	**713.78**	**1,031.49**	**1,376.45**
YoY Growth (%)	*-*	*44.51%*	*33.44%*
Cost of Raw Materials Consumed	1.09	1.76	1.08
Cost of Materials Consumed-% of Revenue	*0.16%*	*0.17%*	*0.08%*
Purchase of Stock-in-Trade	85.28	114.76	140.97
Changes in Purchase of Stock-in-Trade -% of Revenue	*12.25%*	*11.27%*	*10.58%*
Changes in Inventory of Finished Goods	-2.70	-3.06	-5.21
Changes in Inventory of Finished Goods -% of Revenue	*-0.39%*	*-0.30%*	*-0.39%*
Consumption of surgical lens including other consumables	76.30	120.45	164.15
Consumption of surgical lens including other consumables -% of Revenue	92.77	147.12	203.85
Employee benefit expenses	139.82	190.40	242.83
Employee Expenses-% of Revenue	*20.09%*	*18.70%*	*18.23%*
Consultancy charges for doctors	92.77	147.12	203.85
Consultancy charges for doctors-% of Revenue	*13.33%*	*14.45%*	*15.30%*
Other expenses	121.40	176.20	222.23
EBIDTA	**199.82**	**283.86**	**406.56**
EBIDTA Margin (%)	*28.71%*	*27.88%*	*30.52%*
Depreciation and amortisation expense	97.66	128.30	170.37
EBIT	**102.16**	**155.56**	**236.19**
EBIT Margin (%)	*14.31%*	*15.08%*	*17.16%*
Finance costs	45.40	71.97	95.62
Profit before tax	**56.76**	**83.59**	**140.57**
Tax expenses			
Current tax	14.68	20.22	27.76
Deferred Tax	-1.08	-39.86	17.76
Total tax expenses	**13.60**	**-19.64**	**45.52**
Profit for the year	**43.16**	**103.23**	**95.05**
PAT Margin (%)	*6.2%*	*10.14%*	*7.14%*
Earnings per share			
Basic earnings per share (?)	1.83	4.01	3.14

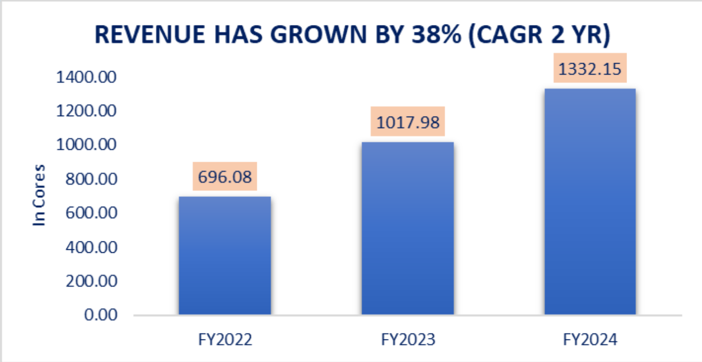
Cashflow Statement

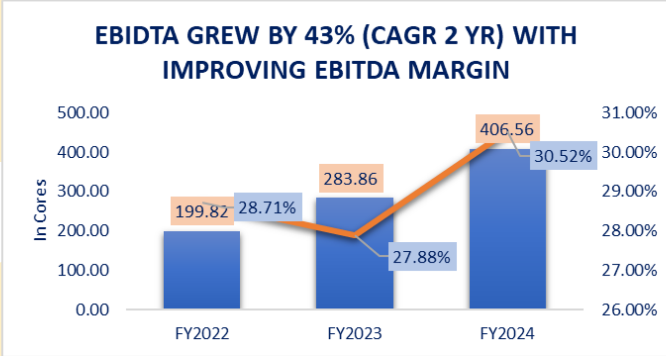
Particulars (In Crores)	FY2022	FY2023	FY2024
Cash generated from operations	179.92	268.49	378.05
Income tax paid (net of refunds)	-15.60	-35.38	-32.09
Net cash generated from operating activities	**164.33**	**233.11**	**345.96**
Net cash used in investing activities	-155.35	-509.09	-913.86
Net cash used in financing activities	35.43	303.34	552.67
Net increase/ (decrease) in cash and cash equivalents	**44.41**	**27.36**	**-15.23**
Cash and cash equivalents at the beginning of the year	55.21	99.62	126.98
Cash and cash equivalent as at year end	**99.62**	**126.98**	**111.75**

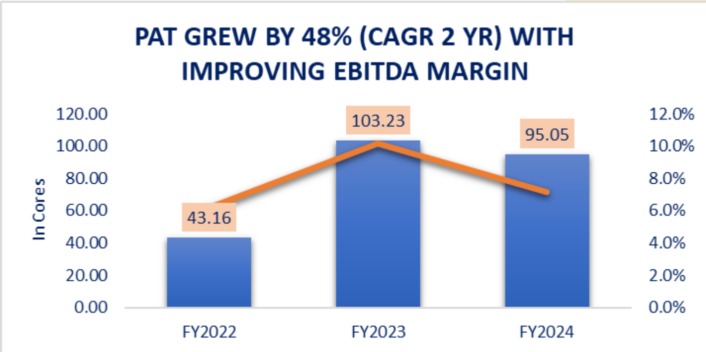
Balance Sheet

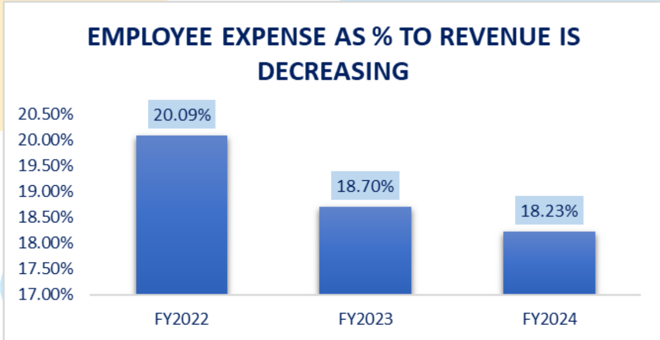
Particulars (In Crores)	FY2022	FY2023	FY2024
Assets			
Non-current assets			
Property, Plant and Equipment	498.47	342.95	208.19
Right of use assets	522.29	460.47	306.47
Capital work-in-progress	113.95	97.61	28.43
Goodwill	461.95	273.24	148.05
Other intangible assets	263.52	216.37	38.76
Intangible assets under development	4.25	1.76	0.00
Financial assets			
Other financial assets	33.88	26.42	21.44
Non current tax assets (net)	48.76	32.48	22.85
Deferred tax assets (net)	36.69	55.46	14.15
Other non-current assets	10.47	8.26	10.31
Total non- current assets	**1994.23**	**1515.00**	**798.65**
Current assets			
Inventories	51.90	36.04	32.92
Financial Assets			
Investments	470.53	33.66	0.00
Trade receivables	96.83	76.33	56.72
Cash and cash equivalents	111.75	126.98	99.62
Bank balances other than cash and cash equivalents	13.12	21.55	17.06
Other financial assets	4.41	4.00	4.06
Other current assets	10.06	11.62	17.11
Total current assets	**758.59**	**310.18**	**227.48**
Total assets	**2752.82**	**1825.17**	**1026.13**
Equity and liabilities			
Equity			
Equity Share Capital	9.33	7.93	6.86
Instruments in the nature of Equity	0.03	0.00	0.00
Other Equity	1330.05	621.63	205.52
Total equity attributable to shareholders of the Group	**1339.41**	**629.56**	**212.38**
Non-Controlling Interest	40.10	29.51	21.44
Total equity	**1379.51**	**659.07**	**233.82**
Liabilities			
Non-Current liabilities			
Financial Liabilities			
Borrowings	309.62	305.60	253.88
Lease liabilities	525.77	456.10	316.38
Other Financial Liabilities	122.66	90.17	8.02
Provisions	13.95	10.47	6.75
Deferred Tax Liabilities (Net)	1.51	2.45	1.28
Total Non-Current liabilities	**973.51**	**864.79**	**586.31**
Current liabilities			
Financial liabilities			
Borrowings	78.17	50.58	36.30
Lease liabilities	52.88	45.07	26.76
Trade payables			
Due to MSME	18.61	16.76	8.74
Due to other than MSME	114.36	84.54	80.34
Other financial liabilities	94.21	83.44	28.08
Other current liabilities	22.48	14.04	14.21
Current tax liabilities (net)	15.86	4.33	10.07
Provisions	3.24	2.56	1.50
Total current liabilities	**399.80**	**301.32**	**206.00**
Total liabilities	**1373.31**	**1166.10**	**792.31**
Total equity and liabilities	**2752.82**	**1825.17**	**1026.13**

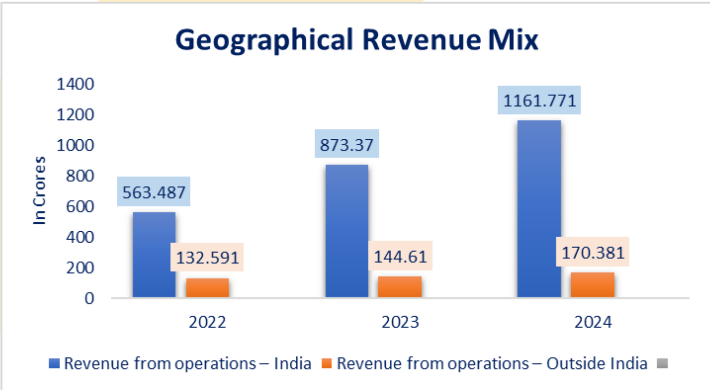
PERFORMANCE THROUGH CHARTS

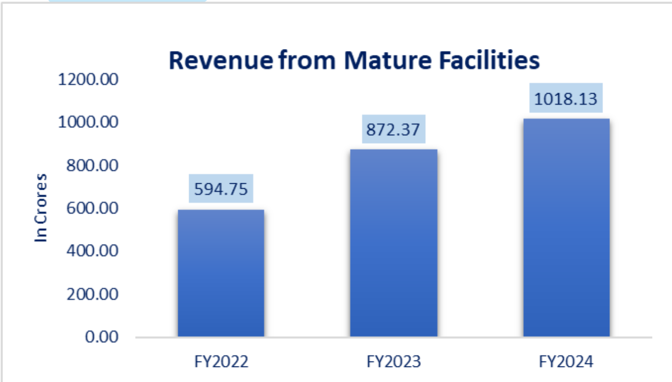


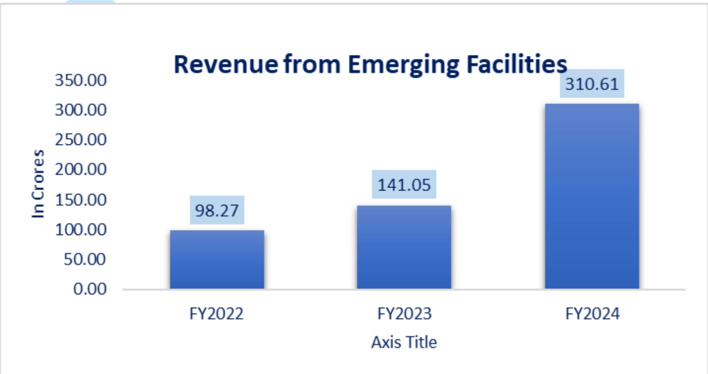


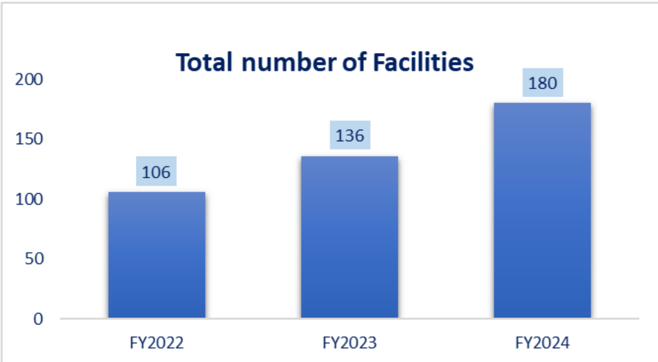


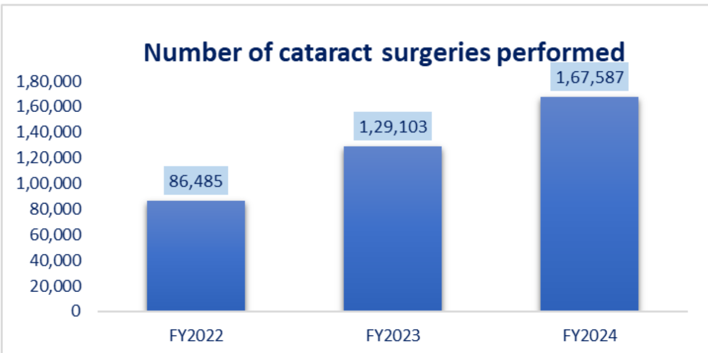












SINGLE SPECIALTY CENTRES IN THE HEALTHCARE INDUSTRY FOCUS ON SINGLE TYPES OF AILMENTS AND HAVE LOWER CAPEX THAN MULTISPECIALTY CENTRES.

- The single specialty centers in the hospital industry are healthcare facilities that provide comprehensive specialized care for patients with a particular illness, integrating all supportive medical fields under one roof. These centers build their infrastructure, budget, and other key developments based on the needs of patients suffering from a specific illness.
- These facilities have the resources and operational capabilities to address urgent patient needs. Single specialty centers have, typically, lower capital expenditure (capex) than that of multi-specialty hospitals, which cater to a broad range of conditions and specialties. Consequently, these centers are capex light, scalable, and replicable.
- They have the distinct advantage of delivering highly specialized therapeutic care and implementing superior clinical protocols, due to their extensive expertise and experience in their field, thereby providing high-quality care. Additionally, focusing on single specialty centers requires investment in specialized medical equipment, which may not be relevant in general healthcare centers.
- This specialization is a key reason why patients often prefer single specialty centers.
- These centers are more agile in decision-making, avoid complex management issues, and may also have higher capital for investing in advanced technology and equipment.

THE INDIAN EYE CARE INDUSTRY IS PROJECTED TO GROW AT CAGR OF 12-14% BETWEEN FINANCIAL YEAR 2024 TO 2028 TO REACH MARKET SIZE OF ₹550-650 BILLION.

- According to IAPB, India has the highest number of visually impaired people in the world as nearly 1 out of every 5 individuals in India face vision loss disorder. There is a high burden across eye related ailments and diseases in India with increasing need for medical intervention.
- Because of high prevalence of eye disorders in the Indian population, eye care is an integral part of the Indian health care system. The eye care market in India has grown at CAGR of 11.5% between Financial Year 2019 and 2024 to reach the value of ₹378 billion in Financial Year 2024.
- This market includes surgical and non-surgical treatments for patients suffering from various eye disorders. Surgical treatments in this industry includes cataract surgery, glaucoma, retina surgeries, refractive surgeries, cornea and other eye related surgeries. Cataract surgery has the largest share of eye care surgery in India. Non-surgical treatments in the industry includes general checkups, pre-treatment assessment, post-treatment follow ups, diagnostics etc.
- In the eye care industry, qualified staff and experienced ophthalmologists is one of the key critical factors patients consider while selecting a hospital for treatment. Additionally, patient-focused approach is a key factor in how patients choose their eye care services provider.

SURGICAL TREATMENTS OCCUPY THE MAJORITY SHARE IN INDIAN EYE CARE INDUSTRY.

- The surgical treatments in the eye care industry are the majority contributor to revenues for eye care hospital as about 80-85% of revenue in the industry comes through these treatments.
- Key surgical treatments in the eye care industry include the cataract surgery, retina surgery, refractive surgery, glaucoma and cornea-based surgery.
- The non-surgical treatment in the eye care industry is essential for regular check-ups, proper screening and timely identification of key eye disorders which may require a surgical procedure to prevent vision loss.
- The non-surgical treatments also support the patient in the recovery post-surgical procedures with regular check-ups and monitoring of healing process.

Competitive Strengths of the Company

LARGEST EYE CARE SERVICES PROVIDER IN INDIA WITH A TRUSTED BRAND

- According to the CRISIL MI&A Report, they are India's largest eye care service chain by revenue from operations for the Financial Year 2024, with approximately 1.7 times the revenue from operations of the second-largest eye care service chain in the country during such period.
- Further, according to the CRISIL MI&A Report, they also had a market share of approximately 25% of the total eye care service chain market in India during the Financial Year 2024 and had the highest number of eye care service facilities in India, as of September 30, 2024.
- As of September 30, 2024, they have 193 Facilities in India spanning 14 states and 4 union territories, and 16 Facilities spread across nine countries in Africa.
- According to the CRISIL MI&A Report, they have a diversified presence across Tier-I cities (where 70 of their Facilities are located) and other cities (where 123 of their Facilities are located) in India.
- Their wide network maximizes their patient reach and fosters their brand visibility across urban and rural areas.

END-TO-END, COMPREHENSIVE EYE CARE SERVICES OFFERING

- They are an end-to-end eye care services provider offering a comprehensive set of services, which allows them to cater to all ophthalmic needs of their patients.
- They provide a comprehensive range of eye care services and products, covering cataract surgeries, refractive treatments and other surgeries; and other services, such as consultations, clinical investigations and nonsurgical treatments; along with optical and eye care related pharmaceutical products.
- According to the CRISIL MI&A Report, patient experience is a key parameter across all stages of operations in the eye care services industry. In addition, standard operating procedures ("SOPs") are vital growth drivers for eye care service chains in India.
- SOPs ensure consistent, high-quality patient care across all centers, building trust and reputation.
- They endeavour to offer a standardized level of experience to their patients across all their Facilities by streamlining their systems and operating protocols.
- Their Facilities follow similar operating and medical protocols across locations to smoothen the experience of their patients throughout their journey with them, including navigating through registration, optometrist check-ups, doctor consultations, counselling, diagnosis, and non-surgical treatments, surgeries, and post-surgery care, as well as sales of optical and eye care-related pharmaceutical products.

SCALABLE, ASSET-LIGHT, HUB-AND-SPOKE OPERATING MODEL

- Their network operates on a "hub-and-spoke" model which supports high patient volumes and yields economies of scale, allowing greater accessibility and choice to patients while driving efficiency of crucial doctor resources across the network.
- They lease all (except one) of their Facilities, which allows them to scale their operations with minimal upfront investment. Through this hub and spoke and asset-light approach, they were able to grow to 193 Facilities in India as of September 30, 2024, from 91 Facilities as of March 31, 2022.
- As of September 30, 2024, their network in India includes 28 "hubs" (which are Tertiary Facilities, including three COEs) and 165 "spokes" (comprising 53 Primary Facilities and 112 Secondary Facilities). In their "hub and spoke" model, patients can walk in to a "spoke" (i.e., their Primary Facilities and Secondary Facilities) nearest to them and can eventually be referred to a Secondary Facility or a Tertiary Facility (i.e., a "hub"), as required.

Risk Factors

THEY ENGAGE DOCTORS THROUGH RETAINERSHIP ARRANGEMENTS AND THERE IS NO ASSURANCE THAT THEIR DOCTORS WILL NOT PREMATURELY TERMINATE THEIR ARRANGEMENTS WITH THEM.

- The success of their business depends significantly on their ability to recruit and retain sufficient numbers of trained and skilled doctors and medical staff at their Facilities.
- Their doctors generally have retainership arrangements with them and are not under employment contracts, pursuant to which they work with them as consultants on a fixed fee basis (with a fixed monthly remuneration) along with periodic variable remuneration based on the revenues of the Facility where they are retained.
- While they are not dependent on a particular doctor to provide eyecare services to their patients, their patients may choose their Facilities based on the reputations of individual doctors.

THEIR BUSINESS DEPENDS ON THE STRENGTH OF THEIR BRAND EQUITY AND REPUTATION.

- Their brand and reputation, particularly for ensuring successful patient outcomes, are critical to their success and the growth of their business.
- Further, their brand and reputation may be adversely affected if, among other factors, their medical professionals provide inferior or negligent service, engage in medical malpractice, violate laws or regulations, commit fraud, harm a patient or mishandle personal healthcare information.
- Their business and reputation may also be adversely affected due to negative publicity in public media in connection with their brand, including due to allegations of malpractice or other deficiencies in their services.

THEY OPERATE IN A REGULATED INDUSTRY, AND THEIR FAILURE TO COMPLY WITH APPLICABLE SAFETY, HEALTH, ENVIRONMENTAL, LABOR AND OTHER REGULATIONS, OR TO OBTAIN OR RENEW APPROVALS, MAY ADVERSELY AFFECT THEIR BUSINESS, REPUTATION, FINANCIAL CONDITION, RESULTS OF OPERATIONS AND CASH FLOWS.

- The healthcare industry is subject to laws, rules and regulations in the regions where they conduct their business or in which they intend to expand their operations.
- They are required to obtain a number of approvals from governmental and regulatory authorities, including in relation to the operation of their facilities, procurement and operation of medical equipment, and storage and sale of drugs.
- They are yet to apply for certain approvals from the relevant pollution control boards for one material Facility each in Tamil Nadu Punjab and Haryana, operated by their Company.
- Further, they are yet to apply for trade licenses from the relevant local municipality for one material Facility each in Tamil Nadu and Punjab and Haryana operated by their Company, and one material Facility in Tamil Nadu operated by their Indian Material Subsidiary.
- Further, they have applied for certain approvals about the material Facilities of their Company and their Indian Material Subsidiary located in India, such as bio-medical waste authorizations, air and water pollution licenses, corneal transplant licenses and clinical establishment registrations, as applicable in the states of Tamil Nadu, Punjab & Haryana, Jammu & Kashmir, Maharashtra and Kerala and the Union Territory of Puducherry, which are yet to be received.

Peer Comparison

Name of the company	Revenue from Operations (in Cr)	Face Value (Rs per share)	EPS (in Rs)	NAV (Per share Rs)	RoNW (%)	P/E*	P/B*
Dr. Agarwal's Health Care	1332.15	1.00	3.14	50.53	6.21	128.03	7.96
Apollo Hospitals Enterprise	19059.20	5.00	62.5	481.93	12.98	107.14	13.89
Max Healthcare Institute	6849.00	10.00	10.89	86.54	12.58	94.39	11.88
Fortis Healthcare	6892.92	10.00	7.93	101.48	7.82	74.62	5.83
Global Health	3275.11	2.00	17.80	108.17	16.46	57.37	9.44
Narayana Hrudayalaya	5018.25	10.00	38.86	141.98	27.37	33.30	9.11
Krishna Inst. of Medical Sciences	2498.14	10.00	38.75	228.47	16.96	15.30	2.60
Aster DM Healthcare	3698.90	10.00	2.60	71.62	3.63	188.10	6.83
Rainbow Children's Medicare	1296.90	10.00	21.38	124.03	17.24	65.60	11.31

**P/E & P/B ratio based on closing market price as of January 27th, 2025, at the upper price and of IPO, financial details consolidated audited results as of FY24.*

BUSINESS INSIGHTS

Operational Scale and Expertise: The company manages 209 facilities, employing 700 full-time physicians, and serves 2 million patients annually. Its primary focus is on refractive procedures for younger individuals seeking to avoid glasses and addressing lens damage caused by diabetes through advanced solutions such as glued lenses. The company also performs eye transplants and pinhole surgeries, positioning itself as the largest eye care provider by revenue share. It prioritizes continuous training for its doctors to ensure sustained expertise.

Unique Business Model: The company's cost-efficient model utilizes only beds without in-patient services, eliminating the need to own or lease hospital premises. With a 67-year legacy, it operates a hub-and-spoke system to optimize outreach and efficiency.

Market Insights and Growth Potential:

- **Eye Care Industry:** Valued at ₹37,800 crore in FY2024, the industry is projected to grow at a 12-15% CAGR, reaching ₹55,000–65,000 crore by FY2028.
- **Optical Industry:** The Indian optical industry expanded from ₹205 billion in FY2019 to ₹356 billion in FY2024 at an 11.7% CAGR, with further growth of 12-14% anticipated until FY2028. The company derives 11-12% of its revenue from optical product sales.
- **Demographics:** India's population of 1.46 billion includes 8-10% aged 60+ (expected to reach 21.4% by 2028). Cataracts, which account for 66% of blindness cases, primarily affect individuals over 50, generating substantial demand.

Revenue and Financial Performance: Over three years, revenue increased by 38% to ₹1,332 crore, with EBITDA growing by 42% and maintaining a strong 30% margin. Revenue per facility rose from ₹7.8 crore to ₹10.9 crore, achieving 18.3% annual growth. The company's CFO/EBITDA ratio is robust at 88.4% (FY2024), indicating efficient financial management. Mature markets contribute 76% of revenue, while emerging markets, with a 23% share, offer higher margin potential due to expansion opportunities.

Growth in Core and Non-Core Markets: In core markets such as Tamil Nadu, Andhra Pradesh, and Karnataka, facilities reach breakeven within 6-7 months, whereas non-core markets take 15 months. Non-core facilities generate ₹4.5 crore in revenue in the first year, scaling to ₹15 crore by the fifth year, with margins of 33-34%.

Cataract Surgery Trends: India's cataract surgeries increased from 11 million in FY2019 to 14 million in FY2023 (4-6% CAGR) and are expected to reach 17-19 million by FY2028. Despite industry growth, the company's share remains modest at 1%, performing 1,29,103 surgeries in FY2023.

Doctor Retention and Incentives: The company offers doctors a combination of fixed and variable pay, along with benefits such as brand association, insurance, training, and resources. The variable pay component increased from 16% of salaries in FY2022 to 26% in FY2024, enhancing retention and motivation.

Geographical Focus: Primarily operating in South and West India, the company derives 10% of its revenue from Africa but is strategically reducing its focus there to prioritize higher-growth markets in India. Emerging facilities provide opportunities for expansion and improved margins.

Acquisition Strategy: Over the past five years, the company has strengthened its position through acquisitions, including Advanced Eye Institute, Aditya Jyot Eye Hospital, Ramchandra Madurai, and Thind Eyecare Pvt. Ltd.

Market Share and Leadership: The company holds a 13-15% market share in the Indian eye care service chain and claims a 25% share in terms of facilities and revenue. With significant room for expansion, particularly in emerging markets, it is well-positioned to capitalize on industry growth trends.

Our Views

The company's dominance in the eye care market is rooted in its innovative and efficient operational model, favorable industry trends, and strategic growth initiatives. The increasing demand for eye care, driven by rising diabetes prevalence, an aging population, and more cataract cases, aligns with the company's expertise and operational scale. Emerging markets and acquisitions offer potential for further margin improvement, while their asset-light model supports sustainable financial growth.

The company's Revenue from Operations grew to ₹1,332.15 crore for FY2024 from ₹696.08 crore in FY2022. EBITDA increased to ₹406.56 crore for FY2024 from ₹199.82 crore in FY2022. As of September 30, 2024, the company's debt-to-equity ratio was 0.66x, compared to 0.70x in FY2024 and 2.71x as of March 31, 2022. It is the only specialty eye care service provider to experience an increase in its operating profit margin from FY2023 to FY2024.

The company's issue is available at a P/E ratio of 128x for FY2024 and 200x for FY2025E, indicating aggressive pricing compared to established multi-specialty hospitals in the industry. Company is concentrated only in single specialty of eye care market. We are bullish on the company's growth prospects but valuation remains a concern. Hence, a **NEUTRAL** stance is recommended.

Sources: Company website and red herring prospectus

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