CMP: Rs. 1,752 Target: Rs. 2,110 (20%) Target Period: 12 months

BUY

September 7, 2026

Riding the healthcare workflow outsourcing wave...

About the company- Inventurus Knowledge Solutions (IKS), founded in 2006, is a comprehensive healthcare enablement platform (PaaS) focused on delegating chore tasks so providers can focus on core care delivery, primarily in U.S. healthcare sector.

Investment Rationale

A play on large, underpenetrated healthcare workflow outsourcing market: IKS is addressing a **US$260bn provider workflow opportunity**, of which only ~US$35bn is outsourced today. With the outsourced market growing at ~12% CAGR, healthcare providers are increasingly outsourcing non-core workflows amid physician shortages, rising regulatory complexity and mounting reimbursement pressure. At ~US$380mn FY26 revenue, IKS has only ~1% share of the outsourced market, leaving a long runway for share gains. Its **450+ large enterprise customers, ~85% repeat revenue and expanding wallet share** provide a strong base to compound organically. **We estimate ~14.9% organic US$ revenue CAGR (~37% on reported basis) over FY26–29E.**

Strategic acquisitions strengthen capabilities and expand addressable market: The strategic value of Aquity and TruBridge extends well beyond incremental revenue. Aquity has added critical clinical documentation and coding capabilities and is now largely integrated, with margins recovering to ~33% in Q1FY27. TruBridge **adds ~US$162bn rural healthcare market, 2,200+ rural hospitals, a ~700–800 hospital EHR footprint and 15mn+ patient records**, materially deepening IKS' access to healthcare workflows and data. Combined with its 16+ workflow capabilities and AI products across documentation, coding, RCM and patient access, **IKS is moving from "doing the work" to orchestrating the workflow.** Greater workflow depth, proprietary data and AI-led automation could strengthen customer stickiness, cross-sell and margins over time. This creates a potential data flywheel - more clients → more workflow data → better AI models → better outcomes → higher client wins — which, over time, could translate into a durable competitive advantage in healthcare workflows.

Targeting FY30 EBITDA of ₹3,000 crore: IKS FY30 EBITDA target of ₹3,000 crore implies nearly 3x growth from ~₹1,000 crore TTM EBITDA as of December 2025 (₹1,148 crore on an LTM-June-2026 basis), implying a FY26-30 EBITDA CAGR of ~30%. The Aquity experience demonstrates management's ability to integrate acquisitions and expand margins. Importantly, IKS remains highly cash generative, with operating cash flow exceeding 85% of EBITDA in recent quarters. This provides a credible route to deleverage the balance sheet following the ~₹5,100–5,200 crore TruBridge acquisition debt. If management executes on integration, margin expansion and debt reduction, **earnings growth could outpace revenue growth materially through FY30**. **We bake in EBITDA margins of 28.3%/ 29%/ 29.6% in FY27E/FY28E/FY29E.**

Rating and Target Price: We initiate our coverage on IKS with a **BUY** rating and **target price of ₹2,110 based on 32x FY28E EPS.**

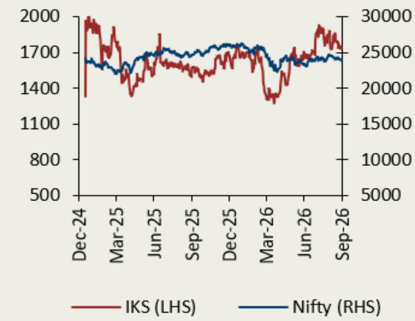
Particulars

Particulars	Amount
Market Cap (₹ Crore)	29,872
Total Debt (₹ Crore)	641
Cash & Invests (₹ Crore)	609
EV (₹ Crore)	29,904
52 week H/L	1933/1262
Equity capital (₹ Crore)	17.1
Face value (₹)	1.0

Shareholding pattern (%)

Particulars	Sep-25	Dec-25	Mar-26	Jun-26
Promoters	63.7	63.7	63.7	63.7
FII	7.0	7.6	8.2	8.0
DII	4.9	6.1	6.4	7.5
Others	24.4	22.7	21.7	20.8

Price Chart



Key risks

- Longer than expected time to get back to pre-TruBridge net debt levels
- Regulatory changes in the healthcare industry, particularly US (~96% of revenues)

Research Analyst

Bhupendra Tiwary, CFA
bhupendra.tiwary@icicisecurities.com

CA Anjini Sharma
anjini.sharma@icicisecurities.com

Conviction Pick

ICICI Securities – Retail Equity Research

Key Financial Summary

₹ Crore	FY25	FY26	5 Year CAGR (FY21-26)	FY27E	FY28E	FY29E	3 Year CAGR (FY26-29E)
Net Sales	2,664	3,194	43.0	6,004	7,746	8,842	40.4
EBITDA	770	1,091	38.4	1,700	2,246	2,617	33.9
EBITDA Margin (%)	28.9	34.2		28.3	29.0	29.6	
Net Profit	486	722	32.7	821	1,123	1,382	24.2
EPS (₹)	28.7	42.2		48.1	65.8	81.0	
P/E	61.2	41.4		36.4	26.6	21.6	
RoNW (%)	27.2	25.8		22.7	23.7	23.6	
RoCE (%)	24.9	26.6		14.1	18.8	21.5	

Source: Company, ICICI Direct Research

Company Background

Established in 2006, IKS Health (IKS) is a technology-enabled healthcare solutions provider focused on reducing the administrative and documentation burden faced by physicians and healthcare organisations. The company's proposition is centred on improving clinical and administrative efficiency, enabling physicians to spend more time on patient care while helping providers improve revenue realisation and operational productivity.

IKS serves a broad range of healthcare organisations in the US, including hospitals, health systems, academic medical centres, independent physician groups, multi-specialty physician networks and ancillary healthcare providers. **Its offerings span both clinical and administrative workflows, addressing increasingly critical pain points arising from rising regulatory complexity, payer scrutiny, physician workload and persistent labour shortages.**

The company currently offers 16 workflow capabilities across **three broad revenue clusters**:

1. **Revenue optimisation**
2. **Clinical support**
3. **Value-based care.**

Exhibit 1: 16 features across pre-visit, peri-visit, post-visit, in between visits and in acute settings by IKS

Source: Company, ICICI Direct Research

IKS has undergone a significant transformation over the past two decades. The company **initially built its business around physician-facing knowledge services** before embarking on an acquisition-led expansion strategy.

The **acquisition of Aquity Solutions**, completed in October 2023, was a major step in this evolution, **adding scale and capabilities across clinical documentation, coding, transcription and virtual scribing**. Following the acquisition, management focused on integrating the business, rationalising the customer base, migrating work offshore and improving operating efficiency. These initiatives have largely run their course, with the benefits becoming increasingly visible in margins. Cross-selling into the acquired customer base is now emerging as a more important growth driver.

IKS subsequently entered a new phase of its evolution, with **the focus shifting from technology-enabled services towards an AI-led workflow orchestration platform**. The company is developing solutions across ambient clinical documentation, autonomous coding, AI-enabled revenue-cycle management, denial management and patient access.

The acquisition of TruBridge, completed on July 10, 2026, represents the next leg of this strategy. Beyond the immediate revenue contribution, **TruBridge provides IKS with access to rural and community hospitals, an established EHR footprint and**

a deeper pool of healthcare data. This potentially broadens IKS' role from workflow execution towards becoming a more comprehensive healthcare system of record and system of action.

Exhibit 2: IKS journey

Phase	Strategic Move	Investor Implication
Pre-Aquity	Organic care enablement platform	High margins; concentrated but sticky enterprise base
Oct-23/FY24	Aquity acquisition	Adds scale, clinical documentation, data and 800+ clients
FY25-26	Cross-sell + tail rationalisation	Sharper client base; operating leverage; margin recovery
Jun-25 onward	WWMG MSO partnership	Upstream alignment with physician economics; deeper stickiness. IKS invested about US$17 million (₹140 crore) for a 48% stake in the Western Washington Medical Group's Management Services Organisation (WWMG MSO). The MSO handles non-clinical operations for WWMG, while IKS manages those functions through its platform, including documentation, revenue cycle, analytics, and patient engagement. This structure lets IKS earn in two ways: (a) *steady platform fee for services delivered, and (b) share of profits through its 48% equity stake.*
May-26	ARAI acquisition	AI IP/talent in knowledge graphs, ontology and clinical AI
Jul-26	TruBridge acquisition	Adds EHR + acute/rural RCM; creates system-of-action + system-of-record capabilities

Source: Company, ICICI Direct Research

From services provider to AI-native workflow platform

The strategic direction of IKS is increasingly clear; i.e., transition from a predominantly human-led services model towards an AI-native operating architecture. Operationally, IKS employs a large global workforce comprising 12,889 employees as of June 2026, including 1,902 clinically trained professionals. The company's workforce includes physicians, coders, nurses, workflow specialists, engineers and AI professionals. A key strategic focus has been increasing technology and AI talent, with the company now employing 565 technology professionals, a growing portion of whom are dedicated to AI engineering and data science

Under the emerging model, AI is expected to increasingly handle repetitive, rules-based workflow activities, while clinicians and other trained professionals focus on supervision, validation, exception handling and complex cases. This has the potential to improve scalability, productivity and margins while allowing IKS to participate more deeply in customers' workflows.

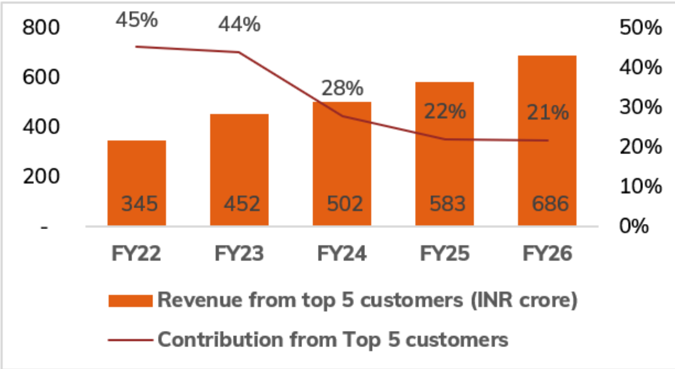
Key AI-driven offerings include:

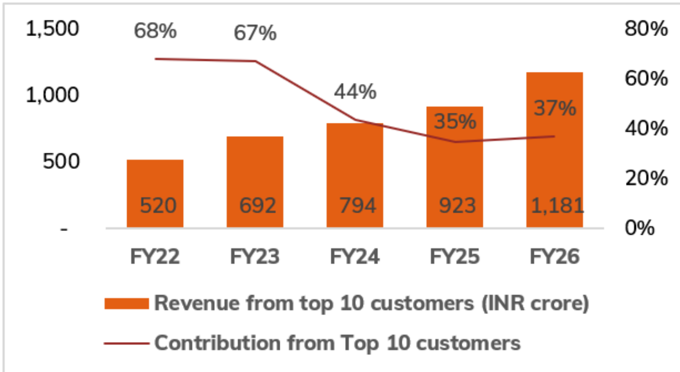
- Scribble Select (ambient AI scribing)
- MyCare Hub (multi-agent workflow orchestration)
- Autonomous coding engines
- AI-driven denial management
- Intelligent patient access workflows

The transition is still at an early stage, but the direction is strategically important. **If successfully executed, IKS could evolve from a technology-enabled outsourcing provider into a workflow platform with increasing levels of automation embedded across the healthcare revenue cycle and clinical ecosystem**

As of FY26 and Q1FY27, IKS served 600+ healthcare organizations, down from ~700+ a year earlier as management intentionally pruned smaller lower-margin accounts inherited through acquisitions (Aquity) to sharpen focus on larger enterprise clients where IKS can deploy multiple solutions and capture a larger share of the customer's workflow spend. The company currently derives the bulk of its growth from approximately 450 large enterprise customers, which represent its most strategic accounts. **Client relationships remain relatively sticky. The average tenure of top customers exceeds five years, with the Top 10 and Top 5 customer vintages at 5.76 years and 7.41 years, respectively, as of Q1FY27. ~85% of revenue is generated from repeat customers, highlighting the recurring nature of the business and the importance of the land-and-expand model.** Importantly, customer concentration has declined materially over the past four years, particularly at the Top 5 level lowering customer-specific risk, while indicating growth is driven by broader enterprise customer base, although Top 10 concentration has increased modestly in FY26 as IKS focuses on larger enterprise accounts.

Exhibit 3: Top 5/10 client's revenue in absolute and % terms





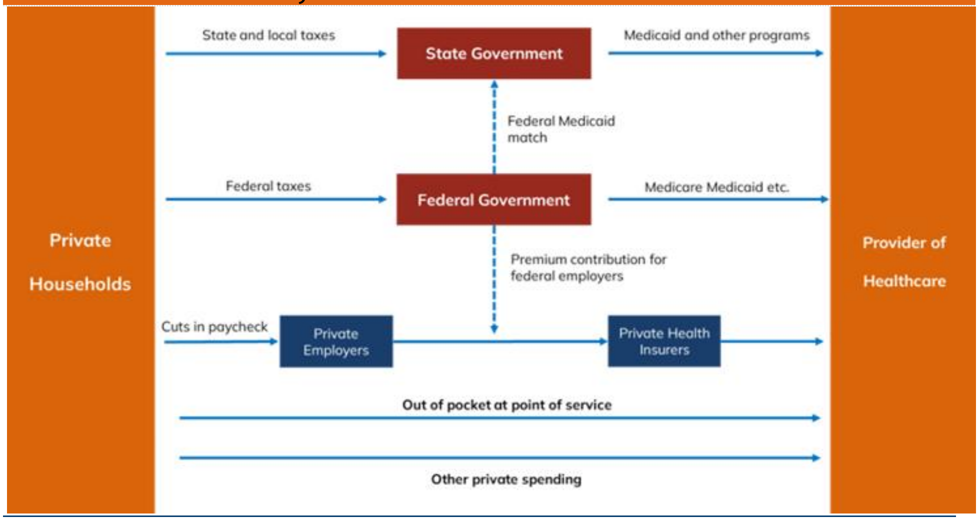
Source: Company, ICICI Direct Research

Industry Overview

The United States healthcare industry represents one of the largest service sectors globally, with annual expenditure exceeding **US$5 trillion** (CY 2024), accounting for nearly 18% of US GDP (Source - RHP), substantially higher than most developed economies.

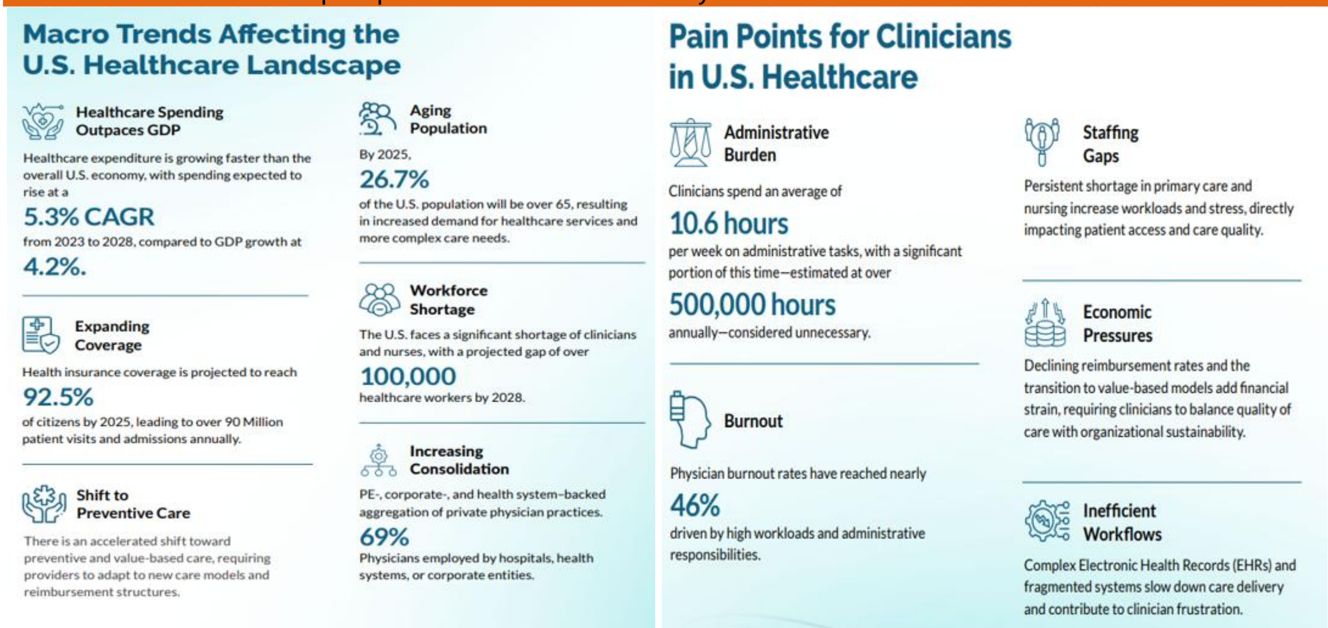
Despite its scale, the healthcare system remains highly fragmented and administratively complex, involving providers, payers, insurers, pharmacy networks, regulators and technology vendors. This complexity creates a large opportunity for workflow outsourcing and technology-enabled process transformation.

Exhibit 4: US Healthcare system's architecture



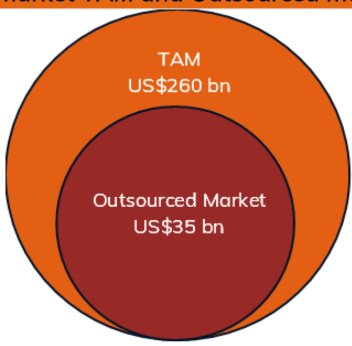
Source: Company, ICICI Direct Research

Exhibit 5: Macro trends and pain points in the US healthcare system



Source: Company, ICICI Direct Research; Annual Report 2025

Exhibit 6: US Healthcare market TAM and Outsourced market TAM



Source: Company, ICICI Direct Research

Investment Rationale

Large and underpenetrated healthcare workflow opportunity

The underlying market opportunity for IKS remains substantial. **Within the US healthcare expenditure base of roughly US$5tn, Management estimates the total provider workflow opportunity at approximately US$260bn,** covering administrative, clinical and revenue-cycle workflows. **Of this, only around US$35bn is currently outsourced, representing roughly 13–14% of the overall opportunity**. **More importantly, the outsourced segment is growing faster (~12% CAGR) than the underlying market (~8% CAGR), indicating rising adoption of external workflow partners.**

Exhibit 7: US Healthcare market TAM and outsourced market

Market Segment	Estimated Size	Growth Rate
Total Provider Workflow TAM	US$260 bn	~8% CAGR
Outsourced Workflow Market	US$35 bn	~12% CAGR

Source: Company, ICICI Direct Research

The gap between the overall workflow opportunity and the outsourced market provides significant structural headroom, with t**he drivers being increasingly compelling. Physician workloads continue to rise; healthcare organisations face persistent staffing constraints and reimbursement processes are becoming more complex. At the same time, providers are under increasing pressure to control costs while maintaining quality and complianc**e

Consequently, outsourcing is gradually moving beyond a pure cost-arbitrage proposition and becoming a strategic tool for improving workflow efficiency, productivity and revenue capture. **IKS remains a small participant relative to its opportunity. FY26 revenue of ₹3,193 crore (~US$380 million), represents market share of only ~1% of outsourced TAM.** Thus, even modest market-share gains could translate into meaningful revenue growth over an extended period.

We estimate <u>organic</u> US-dollar revenue growth of approximately 14.9% CAGR over FY26–29E, supported by continued outsourcing penetration, enterprise wallet-share expansion and increasing adoption of technology-led workflows.

Strategic Acquisitions: Building Capabilities, Data and Distribution

IKS' acquisition strategy has evolved from simply adding scale to acquiring **capabilities, customers, workflow data and distribution**. Each acquisition potentially expands the number of workflows IKS can address, increases access to healthcare data and creates additional opportunities to cross-sell its technology and AI solutions.

- **Aquity expanded scale and workflow breadth:** The acquisition of Aquity Solutions (completed in October 2023), materially expanded IKS' capabilities across medical coding, clinical documentation, transcription and virtual scribing. It also expanded the customer base to 800+ customers, including 500+ enterprise-scale customers, while bringing additional clinical workflow data and domain expertise onto the platform. **Post-acquisition, IKS focused on operational integration, client rationalization, offshore migration, cost optimization and cross-selling with the benefits increasingly visible in profitability**. **Blended EBITDA margins have improved to ~33% in Q1FY27 from ~28.6% post-Aquity in Q3FY25**. We believe the legacy Aquity customer base represents further meaningful cross-sell opportunity for IKS' broader revenue-cycle, clinical and value-based-care offerings.

- **TruBridge materially expands strategic optionality:** We believe the acquisition of TruBridge is strategically more significant than its near-term financial contribution suggests. TruBridge provides IKS with:
  - **Access to US$162 billion rural healthcare market**
  - **Presence across 2,200+ rural hospitals**
  - **An EHR footprint in ~700–800 hospitals**
  - **Access to 15mn+ patient records**

  The acquisition therefore provides IKS with something that is difficult to replicate organically: **deeper access to healthcare infrastructure and**

underlying workflow data. TruBridge's EHR presence provides access to the underlying patient and provider environment, while IKS can potentially layer workflow automation, clinical support and revenue-cycle capabilities on top of this infrastructure. The strategic value of TruBridge, thus, lies in moving IKS beyond workflow execution towards a broader healthcare system-of-record (SOR) and system-of-action (SOA) architecture

Management believes future AI leadership in healthcare will increasingly depend on access to proprietary patient datasets and longitudinal workflow data and in AI-led healthcare, access to longitudinal proprietary workflow data increasingly determines model quality and automation accuracy. Ownership of deeper workflow data improves: AI model training, predictive workflow intelligence, decision support accuracy and autonomous workflow execution. This, in our opinion, creates a powerful data flywheel: **More clients → More workflow data → Better AI models → Better outcomes → Higher client wins**

Over time, we believe this data advantage can evolve into a meaningful competitive moat, particularly in healthcare, where workflow accuracy, compliance and outcome reliability are mission critical.

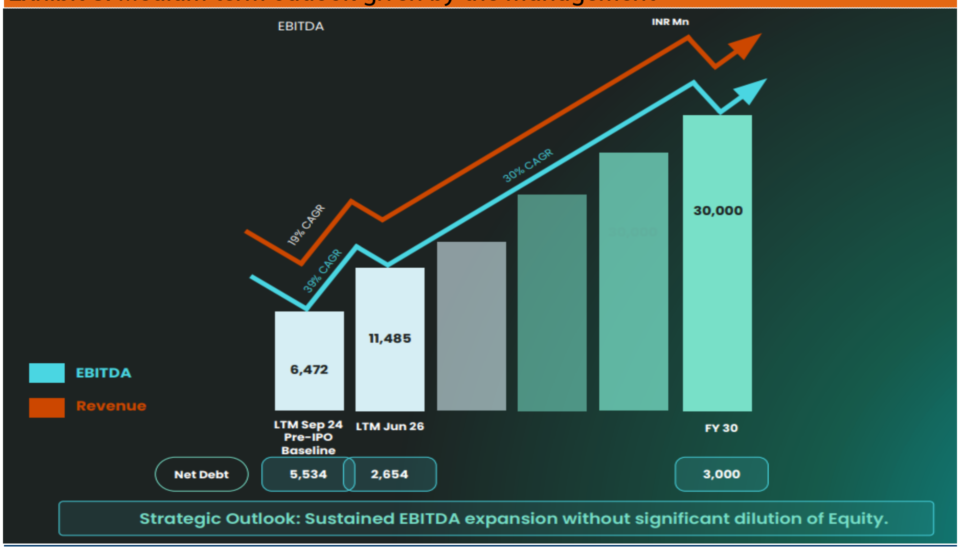
₹3,000 crore FY30 EBITDA target provides long term visibility

IKS has outlined a combined-entity FY30 EBITDA target of ₹3,000 crore, implying nearly 3x growth from ~₹1,000 crore TTM EBITDA as of December 2025 (₹1,148 crore on an LTM-June-2026 basis), implying a FY26-30 EBITDA CAGR of ~30% (Exhibit 8). **Management expects consolidated EBITDA margins to remain within the 30–35% range through this period.**

The near-term trajectory is likely to remain influenced by the integration of TruBridge, given its substantially lower profitability profile. TruBridge generated approximately US$347mn of revenue and US$ 69mn of adjusted EBITDA in CY2025, implying an EBITDA margin of roughly 20%**.** The acquisition is therefore likely to result in near-term margin dilution. However, IKS has already demonstrated its ability to improve the profitability of acquired businesses. The Aquity integration provides a useful precedent, with margins improving materially following operational integration, customer rationalisation and offshore migration. Applying a similar playbook to TruBridge could provide a meaningful margin opportunity over the medium term.

We therefore view the FY30 EBITDA target less as conventional near-term earnings forecast and more as an indication of the potential earnings capacity of the combined platform. We bake in EBITDA margins of 28.3%/ 29%/ 29.6% in FY27E/FY28E/FY29E.

Exhibit 8: Medium term outlook given by the management



Source: Company, ICICI Direct Research

Strong cash generation provides a credible path to deleveraging

The key concern following the TruBridge acquisition is the increase in leverage. IKS raised approximately US$611mn (~₹5,100–5,200cr) of acquisition debt in July 2026, significantly increasing the balance-sheet burden compared to FY26 net debt of ~₹251cr.

Management, however, is targeting net debt of approximately ₹300 crore by FY30, broadly bringing the balance sheet back towards pre-TruBridge levels (Exhibit 8). If achieved, this would imply net debt/EBITDA declining from an estimated ~3x immediately post-acquisition to ~0.1x by FY30.

We see three factors supporting the deleveraging trajectory:

- **Demonstrated debt-reduction track record:** IKS previously reduced acquisition-related net debt from a peak of approximately ₹850 crore to around ₹251 crore within roughly two years following the Aquity acquisition. The company therefore has a demonstrated ability to use internally generated cash flows to reduce acquisition-related leverage.
- **Strong cash conversion:** The business remains relatively asset light and has historically exhibited strong cash conversion, with operating cash flow exceeding 85% of EBITDA in recent quarters, providing substantial internal funding capacity. Management has also indicated that the FY30 growth plan is expected to be funded through sustained EBITDA expansion without significant equity dilution.
- E**BITDA growth aspirations itself provides a deleveraging path:** Even if absolute net debt were to remain at current post-acquisition levels, achieving ₹3,000 crore EBITDA would reduce leverage from ~3x to well below 2x. Any actual debt repayment would accelerate this process.

We view leverage as a near-term execution risk rather than a structural balance-sheet constraint, provided IKS delivers on its operating and integration targets.

Integrated Platform Architecture is the Core Competitive Advantage

One of IKS' key differentiators is its ability to combine healthcare domain expertise, workflow technology and AI within a single platform. Traditional healthcare outsourcing companies have historically competed primarily on labour arbitrage, while healthcare technology companies often address individual workflows through point solutions.

IKS occupies an increasingly differentiated position between these two models. Its platform brings together more than 16 workflow capabilities spanning clinical, administrative and revenue-cycle functions, supported by proprietary technologies such as IKS EVE, Optimix, Scribble, Stacks and AssuRx. The company also operates on an outcome-linked pricing model, with fees structured as a percentage of customer revenue rather than being directly tied to the number of FTEs deployed or transactions processed.

Under a traditional FTE-based outsourcing model, productivity improvements can potentially reduce the vendor's revenue opportunity. Under an outcome-linked model, however, IKS can theoretically benefit from improving customer economics while simultaneously increasing automation and reducing the human effort required to deliver the workflow. **This creates greater alignment between automation, customer outcomes and vendor economics.**

Exhibit 9: Four structural advantages of this platform architecture

Higher switching costs

As clients integrate multiple workflows into the IKS platform, switching vendors becomes increasingly difficult due to operational dependencies and workflow integration.

Stronger cross-sell opportunities:

IKS can expand wallet share by progressively onboarding clients onto additional workflow features over time.

Better workflow intelligence

Data generated across one workflow feature enhances automation and analytics across the broader platform.

Outcome accountability:

An integrated platform enables IKS to influence measurable client outcomes such as improved collections, lower denials and faster reimbursements

Source: Company, ICICI Direct Research

IKS' customer strategy is increasingly based on land and expand rather than simply acquiring new logos.

Customers typically begin with one or two workflows before gradually adopting additional capabilities. As IKS gains deeper access to the customer's processes, the opportunity to introduce adjacent solutions increases. This creates a potentially attractive growth equation: **Customer acquisition → Workflow adoption → Cross-sell → Higher wallet share → Greater data → Better automation → Higher customer value**

The model can also improve customer economics because incremental revenue from existing accounts generally requires less acquisition expenditure than winning entirely new customers. **We note that ~85% of revenue comes from repeat customers, while the average tenure of key customers exceeds five years**. The reduction in Top 5/10 customer concentration further strengthens the model, suggesting that growth is broadening across the enterprise customer base

Exhibit 10: Client metrics as of Q1FY27

Metric	Q1FY27
Total Clients	600+
Large Enterprise Clients	~450
Revenue from Repeat Customers	~85%
Average Top Client Vintage	5+ years

Source: Company, ICICI Direct Research

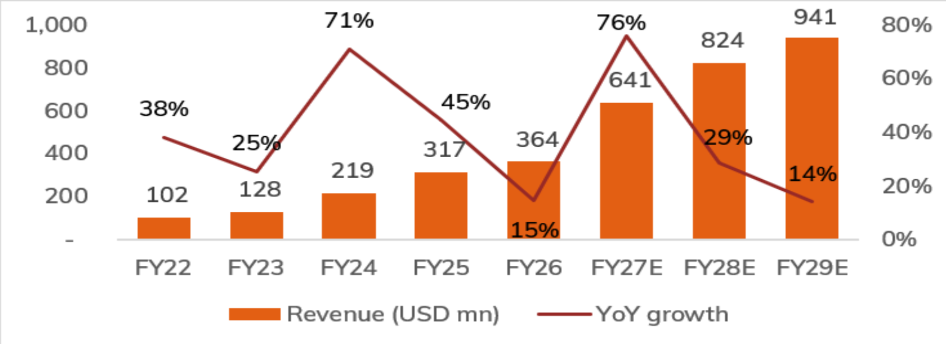
Key Financial Summary

US$ Revenues to grow at CAGR of 37% over FY26-29E...

IKS' US$ revenues grew at CAGR of 37% over FY22-26. It has been growing consistently ≥12% YoY CC on a quarterly basis i.e., beating the growth rate of the outsourced market of US$35 bn which is growing at CAGR of 12% YoY implying that IKS is gaining market share.

On organic basis, we estimate US-dollar revenue growth of approximately 14.9% CAGR over FY26–29E. On reported basis, we expect the company's US$ revenues to grow at CAGR of 37% over FY26-29E to US$941 mn in FY29E, aided by the acquisition of TruBridge and broader industry tailwinds.

Exhibit 11: Organic revenues to grow at 14.9% CAGR during FY26-29E



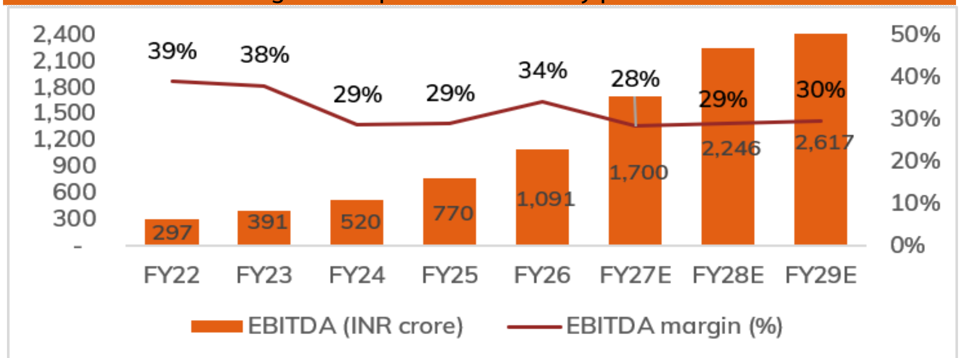
Source: Company, ICICI Direct Research

EBITDA margins to expand further led by integration and operating leverage...

IKS has a highly profitable business supported by offshore delivery and superior technology stack. FY24 saw a dip in margins due to Aquity being acquired which had a lower margin profile than IKS. It has outlined a combined-entity FY30 EBITDA target of ₹3,000 crore. Management has also indicated that combined EBITDA margins should sustain in the 30-35% band through this period.

The TruBridge acquisition is likely to dilute consolidated margin in the near term. However, management intends to apply the same playbook that helped improve Aquity's profitability and return to its mid-30s margins. **We expect margins to dip in FY27E and FY28E owing to the TruBridge integration before returning to the targeted mid-30s margins FY29E onwards. We thus, model 28.3%/29%/29.6% margins for FY27E/FY28E/FY29E.**

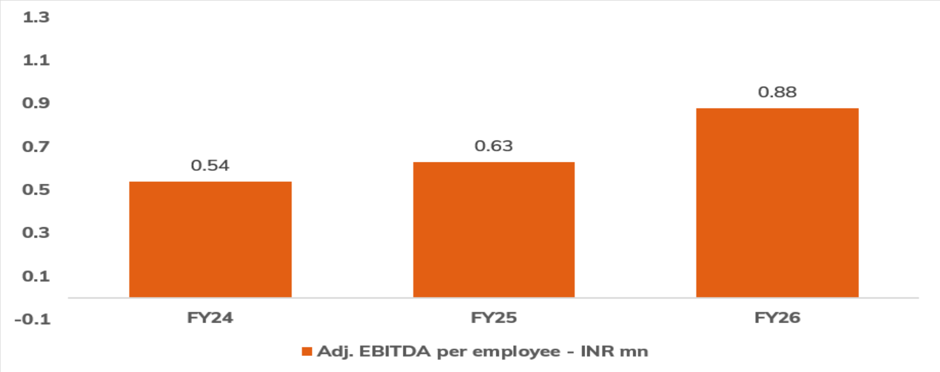
Exhibit 12: EBITDA margins to expand further led by premiumisation



Source: Company, ICICI Direct Research

The adjusted EBITDA per employee has also grown steadily as it leverages more of AI and automation for its features.

Exhibit 13: Adjusted EBITDA per employee trend



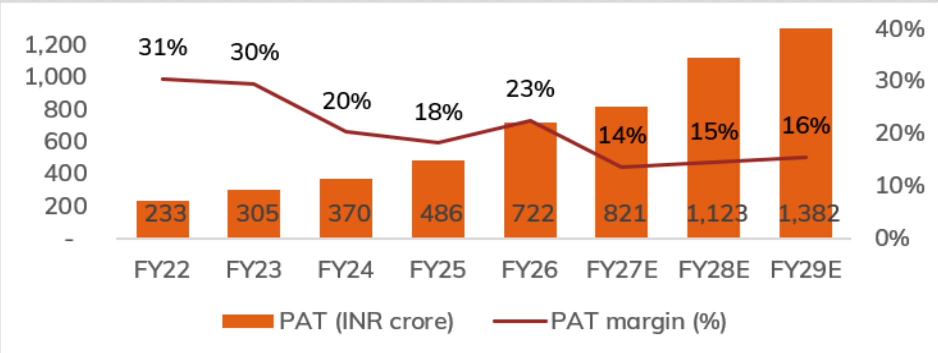
Source: Company, ICICI Direct Research

PAT to further improve led by better profitability...

IKS' PAT has improved steadily in absolute terms over FY22-26 from ₹233 crore in FY22 to ₹722 crore in FY26 led by consistent improvement in profitability and prudent de-leveraging / capital deployment.

We expect consistent profitable growth over FY27-29E as well, with margins dipping in FY27 owing to TruBridge, followed by recovery over the next two years.

Exhibit 14: PAT to improve ahead led by better profitability...

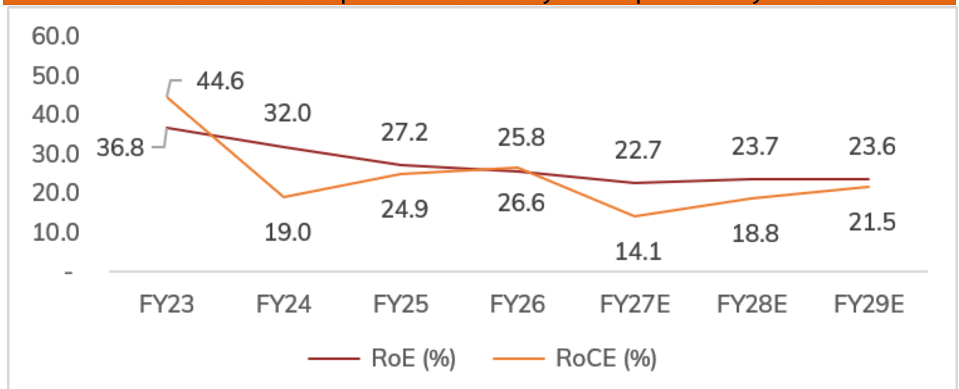


Source: Company, ICICI Direct Research

Return profile to further improve led by better profitability...

IKS' RoE and RoCE are expected to decline in FY27E owing to the integration of TruBridge and resultant debt being taken. Management is prioritising debt repayment, and we believe with the paring down of the debt, there shall be steady improvement in profitability over FY27-29E which shall aid further improvement in RoE/RoCE to 23.6%/21.5% in FY29E from 22.7%/ 14.1% in FY27E.

Exhibit 15: Return ratios to improve ahead led by better profitability...



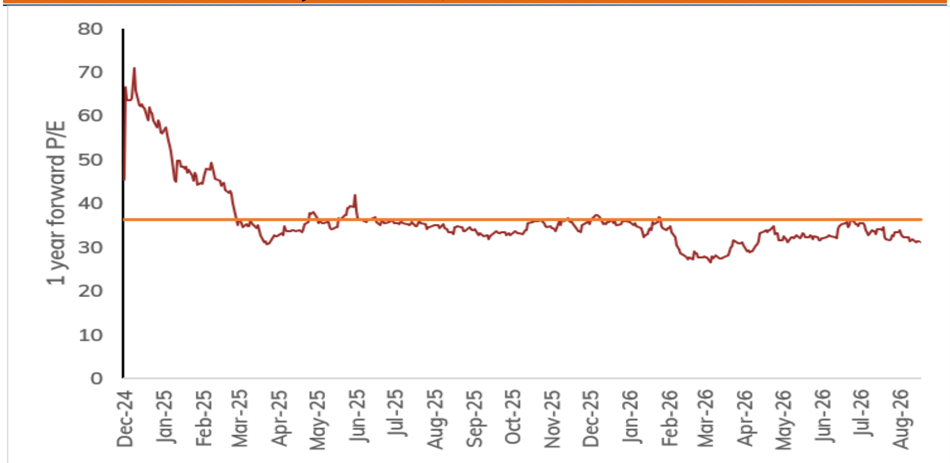
Source: Company, ICICI Direct Research

Valuation and Target Price

IKS has historically proven turnaround of margins and successful integration of a large acquisition with Aquity which we believe it can repeat with TruBridge as well. Moreover, the broader healthcare industry tailwinds support the growth story.

We initiate our coverage on IKS with a BUY rating and target price of ₹2,110 based on 32x FY28E EPS.

Exhibit 16: : Historical 1 year forward PE and average 1 year forward PE trend (Avg. PE = ~31.16x, currently at ~30.67x)



Source: Company, ICICI Direct Research;

Key Risk and Concerns

TruBridge integration: One of the key monitorable would be TruBridge integration and ability to lift its margins profile through cross selling, and other measures. Any failure to transform delivery economics could leave IKS with a lower-margin acquired business and elevated leverage.

Leverage / interest: Note that TruBridge acquisition is debt-funded. A slower cash conversion cycle or weaker operating performance would delay deleveraging and compress equity value.

Customer concentration: Note that top 10 contribution has increased as IKS focuses on enterprise accounts. Thus, loss of a large client can create outsized quarterly volatility.

AI commoditisation: AI remains another risk prevalent to any tech workflow. With AI commoditisation enables competitors to replicate IKS workflows faster than IKS monetises automation, pricing pressure could offset productivity gains.

Healthcare policy / reimbursement: Medicare Advantage and value-based-care policy changes can alter client economics and outsourcing demand.

Insourcing/consolidation: Akin to other outsourced services, insourcing/consolidation is another risk factor. In case a large health system chooses to build internal capabilities or consolidate vendors, the industry as well as IKS could face growth challenge.

M&A / goodwill: Further acquisitions could add execution complexity and increase goodwill/intangible amortisation.

Financial Summary

Exhibit 17: Profit and loss statement Rs. crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Total Revenues	3,194	6,004	7,746	8,842
Growth (%)	19.9	88.0	29.0	14.1
Employee Benefit Expense	1,629	3,214	4,144	4,686
Other Expenses	474	1,089	1,356	1,538
EBITDA	**1,091**	**1,700**	**2,246**	**2,617**
Growth (%)	42	56	32	17
Depreciation	124	300	387	424
Other Income	17	24	24	36
Interest	70	313	360	360
Share of profit/(loss) of joint venture and associate (net of tax)	(9)	(21)	(21)	(21)
PBT	**905**	**1,089**	**1,502**	**1,848**
Growth (%)	49	20	38	23
Tax	183	268	378	466
PAT before Exceptional Items	**722**	**821**	**1,123**	**1,382**
Minority interest	-	-	-	-
Exceptional items	-	-	-	-
PAT after exceptional items	**722**	**821**	**1,123**	**1,382**
Growth (%)	48.5	13.8	36.9	23.0
Diluted EPS	42.2	48.1	65.8	81.0
EPS (Growth %)	**47.4**	**13.8**	**36.9**	**23.0**

Source: Company, ICICI Direct Research

Exhibit 18: Cash Flow Statement Rs. crore

(₹ Crore)	FY26	FY27E	FY28E	FY29E
Profit after tax	**722**	**821**	**1,123**	**1,382**
Finance cost	70	313	360	360
Depreciation	124	300	387	424
Others	(17)	(24)	(24)	(36)
Change in working capital	(131)	(705)	(429)	(270)
CF from operations	**768**	**706**	**1,417**	**1,860**
Other Investments	(406)	(146)	(81)	(30)
(Purchase)/Sale of FA	(141)	(300)	(387)	(442)
Intangible Assets and goodwill	(128)	(5,000)	-	-
CF from investing Activities	**(675)**	**(5,446)**	**(469)**	**(472)**
Inc / (Dec) in Equity Capital	312	-	0	-
Inc/(Dec) in borrowings/lease liab	(103)	5,600	(1,200)	(800)
Dividend & Dividend tax	(23)	-	-	(276)
Interest Paid on Loans	(70)	(313)	(360)	(360)
NCI	-	-	-	-
CF from Financial Activities	**116**	**5,287**	**(1,560)**	**(1,436)**
Net change in cash	208	546	(611)	(48)
Opening cash	180	389	934	323
Closing cash	**389**	**934**	**323**	**275**

Source: Company, ICICI Direct Research

Exhibit 19: Balance Sheet Rs. crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Equity	**17**	**17**	**17**	**17**
Reserves & Surplus	2,783	3,604	4,727	5,833
Networth	2,800	3,621	4,744	5,850
Total debt	641	6,241	5,041	4,241
Minority Interest	-	-	-	-
Other liabilities	256	256	256	256
Source of funds	**3,696**	**10,117**	**10,041**	**10,346**
Fixed assets	146	267	422	609
CWIP	-	-	-	-
Intangible assets	476	356	201	31
Goodwill	1,326	6,326	6,326	6,326
Non current investments	350	520	625	691
Other non current assets	660	1,180	1,502	1,705
Current Investments	220	220	220	220
Cash & Bank Balance	389	935	323	275
Inventories	0	0	0	0
Debtors	564	1,061	1,369	1,563
Other current assets	136	254	327	373
Trade payables	149	280	361	412
Other Current liabilities	423	722	915	1,037
Application of funds	**3,696**	**10,117**	**10,041**	**10,346**

Source: Company, ICICI Direct Research

Exhibit 20: Ratio Analysis

(Year-end March)	FY26	FY27E	FY28E	FY29E
Per share data (₹)				
Diluted EPS	42.3	48.1	65.8	81.0
BV	164.2	212.1	277.9	342.7
DPS	-	-	-	16.2
Cash Per Share	22.8	54.7	18.9	16.1
Operating Ratios (%)				
EBITDA Margin	34.2	28.3	29.0	29.6
PAT Margin	22.6	13.7	14.5	15.6
Debtor days	87	87	87	87
Creditor days	17	17	17	17
Return Ratios (%)				
RoE	25.8	22.7	23.7	23.6
RoCE	26.6	14.1	18.8	21.5
RoIC	31.4	15.6	19.6	22.3
Valuation Ratios (x)				
P/E	41.4	36.4	26.6	21.6
EV / EBITDA	27.4	20.6	15.3	12.8
Market Cap / Sales	9.4	5.0	3.9	3.4
Price to Book Value	10.7	8.3	6.3	5.1
Solvency Ratios				
Net Debt/Equity	0.0	1.4	0.9	0.6
Debt / EBITDA	0.6	3.7	2.2	1.6
Current Ratio	2.7	2.9	2.9	2.9
Quick Ratio	2.7	2.9	2.9	2.9

Source: Company, ICICI Direct Research

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Pankaj Pandey Head – Research pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

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Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal

Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Jeetu Jawrani Email address: headservicequality@icicidirect.com Contact Number: 18601231122
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