



# IPO INSIGHTS



## VIJAYA DIAGNOSTIC CENTRE

### Issue Dates

**Opens: 01-09-2021 | Closes: 03-09-2021**

#### IPO Note

**One of the Largest Integrated Diagnostic Chain in Southern India, Healthcare Industry, Offer For Sale, High Risk – Valuation Priced-In**

#### Rating

**★★★ (GOOD)**

### IPO SNAPSHOT

Issue Size

₹ 1,895 Crores

Issue Type

Offer For Sale

Offer for Sale

₹ 1,895 Crores

Face Value Per Share

₹ 1

Price Band Per Share

₹ 522 – ₹ 531

Minimum Lot Size

28 shares

Listing On

BSE & NSE

Pre-Issue Paid-Up Capital

₹ 10.20 Crores

Post-Issue Paid-Up Capital

₹ 10.20 Crores

# IPO SNAPSHOT – VIJAYA DIAGNOSTICS LTD (VDCL)

## COMPANY INTRODUCTION

- Established in 1981, Vijaya Diagnostic Centre is one of the fastest-growing diagnostic chains in Southern India. The company offers a one-stop solution for pathology and radiology testing services. The company offers around 740 routine tests, 870 specialized pathology tests, 220 basic tests, and 320 advanced radiology tests. The company also offers a broad spectrum of customized health and wellness packages to its customers.
- Company's operational network consists of 80 diagnostic centers and 11 reference laboratories spread across 13 cities and towns in the states of Telangana, Andhra Pradesh, National Capital Region, and Kolkata. 96.2% of the revenue comes from Hyderabad, the rest of Telangana, and the Andhra Pradesh region. During the year ended March 31, 2021, the company conducted approximately 6.20 Mn pathology tests and 0.89 Mn radiology tests for approximately 2.63 Mn customers.
- As of March 31, 2021, all Vijaya Diagnostic Centre laboratories hold National Accreditation Board for Testing and Calibration Laboratories (NABL) accreditations, and three diagnostic centers hold Patient Safety & Quality of Care (NABH) accreditations.

## OBJECTS OF THE ISSUE

- Achieve the benefits of share listing on the Stock Exchanges.
- To make an offer for sale (OFS) of 35,688,064 shares.

## FINANCIAL SUMMARY (₹ in Crores, unless otherwise stated)

Particulars	FY 2019	FY 2020	FY 2021	June 30, 2021	YoY Growth	2-Yrs CAGR
Total Income	302.94	354.18	388.59	125.97	11%	13%
Net Profit	46.27	62.50	84.91	33.32	36%	35%
EPS (₹)	4.53	6.12	8.32	3.2*	35%	35%

\*EPS Not Annualized

Sources: Red Herring Prospectus & ACE Equity

## PROMOTERS

- Dr. S Surendranath Reddy



# IPO SNAPSHOT –VIJAYA DIAGNOSTICS LTD (VDCL)

## HIGHLIGHTS

- Vijaya Diagnostic Centre Limited (“VDCL”) is the largest integrated diagnostic chain in southern India, by operating revenue, and also one of the fastest-growing diagnostic chain by revenue for fiscal year 2020
- VDCL offers a comprehensive range of approximately 1,610 pathology tests, which are organized into approximately 740 routine tests and 870 specialized tests, as well as approximately 220 basic and 320 advanced radiology tests that cover a range of specialities and disciplines, as of June 30, 2021.
- For the three months ended June 30, 2021, and the fiscal year 2021, it derived 95.91% and 96.20% of revenue from operations from its core geographies, Hyderabad and the rest of Telangana and Andhra Pradesh, respectively.

## RECOMMENDATION

- On a consolidated basis, the company has posted total income/net profits of Rs. 302.94 cr. / Rs. 46.27 cr. (FY19), Rs. 354.18 cr. / Rs. 62.51 cr. (FY20) and Rs. 388.59 cr. / Rs. 84.91 cr. (FY21).
- For the first quarter ended on June 30, 2021, it has earned a net profit of Rs. 33.33 cr. on a total income of Rs. 125.97 cr.
- The company has posted the growing pattern for its top and bottom lines for all these periods.
- If we attribute annualized EPS for FY22 on the post issue equity, **then the asking price is at a P/E of 41.10.**
- VDCL has shown Dr Lal Pathlabs and Metropolis Healthcare as its listed peers. They are currently trading at a P/E of around 85.02 and 57.29

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