



MEDPLUS HEALTH SERVICES LIMITED

IPO NOTE

ISSUE KEY HIGHLIGHTS

PRICE*:	Rs.780– Rs.796	ISSUE OPENS:	13 th Dec 2021
ISSUE SIZE:	Rs.1398 crores	ISSUE CLOSE:	15 th Dec 2021

Particulars	No of Shares @ Higher Band (Cr)	No of Shares @ Lower Band (Cr)	%age	Higher band Amount (`Cr)	Lower band Amount (`Cr)
QIB	0.88	0.89	50%	696.65	696.65
NIB	0.26	0.27	15%	208.99	208.99
Retail	0.61	0.63	35%	487.65	487.65
Employee*	0.01	0.01		5.00	5.00
Total Issue	1.76	1.79	100%	1,398.29	1,398.29

*Employee Discount: ₹ 78/- per share

Issue Details:

Industry	Drug Retail
Promoters:	Gangadi Madhukar Reddy, Agilemed Investments Pvt Ltd, Lone Furrow Investments Pvt Ltd
Capital Structure:	
Fresh Issue (@Higher Band)	Rs. 600.00 Cr.
Offer for Sale (@Higher Band)	Rs.798.29 Cr.
Total Issue as % of total capital (Post-Issue) (@Higher Band)	14.72%
Post Issue No. of Shares @ Higher Band (Cr.)	11.9
Post Issue Market Cap @ Higher Band (Rs. Cr.)	9,496
Face Value	2
Issue Route	Book Build Issue
Bid Lot (Shares)	18
Lead Managers	Axis Capital, Credit Suisse Securities, Edelweiss Financial, Nomura Financial
Registered Office	Hyderabad
Registrar	KFin Technologies Pvt Ltd
Listing	BSE and NSE
Key Investment Details for Retail Investors: (UPI or ASBA)	
Min No. of Shares application	18
Amount on the Min. Application (Rs.)	₹14,328

An Indicative timetable post issue closing:

Particulars	On or about
Finalization of Basis of Allotment	20-Dec-2021
Refunds/un-blocking of ASBA Accounts	21-Dec-2021
Credit of Equity Shares to DP Ac	22-Dec-2021
Trading Commences	23-Dec-2021

Shareholding %:

Particulars	Pre-Issue	Post Issue
Promoters	43.16	40.43
Public	56.46	59.21
Employee Trust	0.38	0.36
Total	100.00	100.00

Business Overview:

- Medplus Health Services Limited (“Medplus”) was incorporated on November 30, 2006. Medplus is the **2nd largest pharmacy retailer in India**, in terms of (i) revenue from operations for the financial year 2021, and (ii) number of stores as of March 31, 2021. Medplus offers a wide range of products, including (i) pharmaceutical and wellness products, including medicines, vitamins, medical devices and test kits, and (ii) fast-moving consumer goods, such as home and personal care products, including toiletries, baby care products, soaps and detergents, and sanitizers.
- The company has maintained a strong focus on scaling up their store network, having grown from operating their initial 48 stores in Hyderabad at the conception of their business to operating India’s 2nd largest pharmacy **retail network of over 2,000 stores** distributed across Tamil Nadu, Andhra Pradesh, Telangana, Karnataka, Odisha, West Bengal and Maharashtra, as of March 31, 2021.
- Medplus started actively focusing on online sales in the financial year 2020. As part of their focus on “**speed**” and “**convenience**” as a customer value proposition for customers who place an order online to receive delivery of their purchased products, they offer delivery for online purchases in the cities in which they have stores. They are now able to **deliver their customers’ online purchases within 2 hours of purchase in select cities** of Hyderabad, Bangalore, Kolkata, Pune and Nagpur.
- Medplus employs a data analytics driven **cluster-based approach to their store network expansion**. Their cluster-based approach to store network expansion is also driven by their understanding of the catchment demographics, market dynamics, and their ability to support store expansion with back-end infrastructure, such as warehouses and distribution centres.

Brief Financial Details*:

Particulars	As at Sep’ 30,		As at Mar’ 31,		
	2021(06)	2020(06)	2021(12)	2020(12)	2019(12)
Equity Share Capital	6.44	0.19	0.45	0.19	0.19
Reserves	794.54	590.15	730.11	527.61	291.14
Net worth as stated	800.98	590.34	730.55	527.8	291.34
Revenue from Operations	1879.92	1462.56	3069.27	2870.6	2272.74
Revenue Growth (%)	28.54%	-	6.92%	26.31%	-
EBITDA as stated	169.64	106.56	238.21	150.96	131.35
EBITDA Margin (%)	9.02%	7.29%	7.76%	5.26%	5.78%
Adj. EBITDA as stated	166.24	141.55	270.38	174.74	130.43
Adj. EBITDA Margin (%)	8.84%	9.68%	8.81%	6.09%	5.74%
Profit Before Tax	83.56	37.28	95.1	29.36	22.75
Net Profit for the period	66.37	22.27	63.11	1.79	11.92
EPS - Basic (₹)	6.16 [^]	2.18 [^]	5.99	0.21	1.33
EPS - Diluted (₹)	5.99 [^]	2.09 [^]	5.75	0.2	1.27
RoNW (%)	8.35%	3.83%	8.74%	0.41%	4.09%
NAV – Basic (₹)	73.71	56.93	68.48	50.9	32.55
NAV – Diluted (₹)~	71.67	54.58	65.73	48.8	31

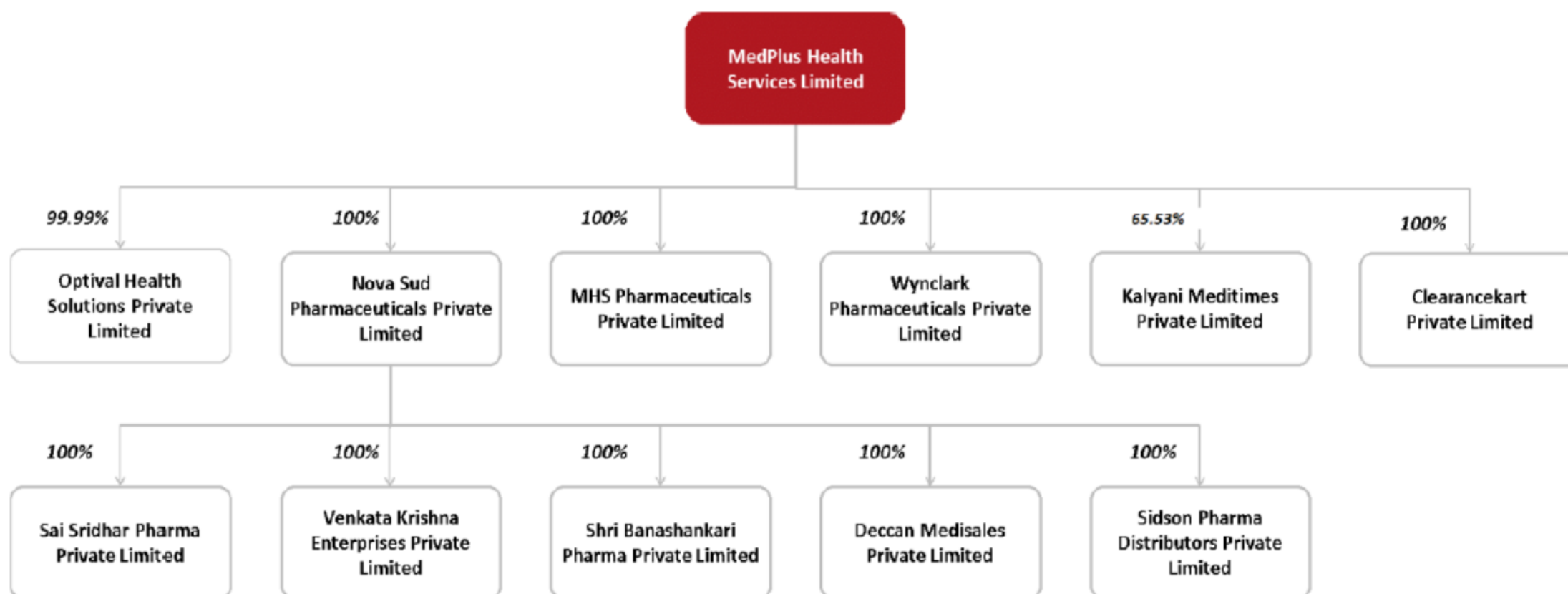
Source: RHP *Restated Consolidated, ^ not annualised, ~EPS and NAV calculated on increased share capital.

Offer Details:

The Offer	Amount	No. of Shares
Fresh Issue	₹ 600.00 Cr	Upto 7,699,430~ - 7,544,511^ Equity Shares
Offer for Sale	₹ 798.30 Cr	Upto 10,234,551~ - 10,028,831^ Equity Shares

~@Lower price Band ^@ Upper Price Band

Corporate Chart:



Industry Overview:

Name of the company	Revenue from Operations	Operating EBITDA	Stores Operated		
	CAGR between Financial Years 2019 to 2021	Financial Year 2021	Financial Year 2020	Financial Year 2019	
Apollo Pharmacy	20.20%	33.30%	4118	3766	3428
MedPlus	16.20%	63.20%	2081	1775	1653
Wellness Forever	16.80%	19.70%	223	172	139
API Holdings	NA	NA	NA	NA	NA
Tata 1mg	23.70%	NA	NA	NA	NA
Netmeds	NA	NA	NA	NA	NA

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