

November 6, 2024

IPO Note

## IPO NOTE

### Issue Details

<b>Price Band: ₹ 70 to ₹ 74</b>
<b>Issue Opens on: November 7, 2024</b>
<b>Issue Closes on: November 11, 2024</b>
<b>Lot Size: 200 Shares &amp; in Multiples thereafter</b>

### Issue Highlights

<b>Issue Size:</b>	<b>₹ 2,200 Cr.</b>
<b>No of Shares:</b>	<b>297,297,297</b>
<b>Face Value:</b>	<b>₹ 10</b>

### Offer Structure

Issuance	₹ in Cr.
Fresh Issue	800.00
Offer for Sale	1,400.00
<b>Total</b>	<b>2,200.00</b>

### Issue Breakup

Reservation for	% of Issue	₹ in Cr. (at upper band)
QIB	75	1,650.00
HNI	15	330.00
Retail	10	220.00
<b>Total</b>	<b>100</b>	<b>2,200.00</b>

### Listing

**BSE & NSE**

### Lead Managers

- Axis Capital Limited
- HDFC Bank Limited
- ICICI Securities Limited
- Morgan Stanley India Co. Pvt. Ltd.
- Kotak Mahindra Capital Co. Ltd.
- Motilal Oswal Investment Advisors Ltd.

### Registrar

**KFin Technologies Limited**

### Contact Details

**Manan Divan**  
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## COMPANY OVERVIEW

Niva Bupa Health Insurance Company Limited ("Niva Bupa") is one of India's largest and fastest growing Standalone Health Insurers (SAHI) based on overall health GDPI of ₹ 54,944.28 million in Fiscal 2024. It had a market share in the Indian SAHI market of 17.29%, 16.24%, 15.58% and 13.87% for year-to-date August 2024 (Fiscal 2025), Fiscals 2024, 2023, and 2022 respectively based on retail health GDPI.

The company's products are broadly categorized into (a) retail products, which are intended for individuals and families and (b) group products, which are intended for employers and employees, as well as third parties such as customers of banks and other corporate agents. They have adopted a "digital-first" approach in the business and implement technology integration across every step of the customer journey, including customer onboarding, underwriting, claims and renewals. They have a diversified channel mix with corporate agents (banks and others), individual agents and broker channels.

With Bupa Singapore Holdings Pte. Ltd. and Bupa Investments Overseas Ltd. as company promoters, they are the only health insurance company in India majority controlled by a foreign global healthcare group. Niva Bupa had 1.50 crore active lives insured as of June 30, 2024. They are strategically focused on the retail health market and their GWP from their retail health products was 67.65% and 68.47% of their overall GWP for the 3 months ended June 30, 2024, and Fiscal 2024, respectively.

## HIGHLIGHTS

1. Granular retail health insurer with a focus on delivering robust GWP (Gross Written Premium) growth, capital efficiency and profitability
2. Diverse product suite for customers
3. Technology-led automated approach to customer servicing
4. Bupa parentage and brand associated with health insurance and healthcare
5. Multi-channel diversified pan-India distribution
6. Technology and analytics platforms

## OBJECTS OF THE ISSUE

Fresh Issue of Equity Shares aggregating up to ₹ 800 Cr

1. Augmentation of capital base to maintain and strengthen solvency levels; and
2. General corporate purposes.

Offer for sale of equity shares aggregating up-to ₹ 1,400 Cr. The company will not receive any proceeds from the Offer for sale.

## OUR VIEW

Incorporated in 2008, Niva Bupa is one of India's largest and fastest growing Standalone Health Insurers ("SAHI") based on overall health GDPI of ₹5,494.43 crore in Fiscal 2024. With 16 years of product innovation through their diverse and evolving product suite and their 'Niva Bupa Health' mobile application and website, they aim to provide their customers access to a range of healthcare and disease management solutions. Niva Bupa benefits from Bupa's extensive global healthcare expertise, serving 50 million customers worldwide.

There are a few risk factors which draws attention on their operations. The company is subject to regulatory guidelines, underwriting risks and appropriately pricing products, majority revenue generation from Health Insurance, dependence on intermediated distribution channels. It operates in a highly competitive segment with a few long-standing peers. Any change in particular demand or government policies can have a material adverse effect on the business, financial condition, results of operations and prospects.

Between FY22-24, Niva Bupa's overall GWP grew at a CAGR of 41.27%, while its retail health GWP increased at a CAGR of 33.41. Its overall health GDPI growth of 41.37% during this period was among the highest in the SAHI segment, nearly double the industry's average growth rate of 21.42%.

The revenue grew at a CAGR of 48% over FY22-24. The company profitability was volatile as it was negative in FY22 then turned positive till FY24 and again posted loss in Q1FY25.

The company is asking for a PE multiple of 145x on the upper end of the price band and using diluted EPS for FY24 (₹ 0.51), whereas industry average is 38.6x. The P/B stands at 6.19x on NAV of ₹ 11.95 as at 3MFY25. Looking at all the factors, risks, opportunities and aggressive valuation, the risk savvy investors may invest with long term horizon.

### Brief Financials

PARTICULARS	As at June 30, 2024	₹ in Million		
		FY '24	FY '23	FY '22
Total Income	11,248.99	41,186.31	28,592.35	18,845.42
EBITDA	(77.83)	1,379.95	712.82	(1,632.37)
Profit before Tax	(188.21)	818.52	125.40	(1,965.25)
Profit after Tax	(188.21)	818.52	125.40	(1,965.25)
Net Premium Earned	10,180.21	38,112.49	26,627.51	17,525.09
E.P.S. (Diluted)	(0.11)*	0.50	0.08	(1.42)
P/E (x) (Diluted)	-	148	-	-
RONW (%)	(0.92)*	5.68	1.87	(36.25)

\* Not Annualised

### PRICE CHART (@ ₹ 74) (Retail Category)

LOT SIZE	Amount
200	14,800
400	29,600
600	44,400
800	59,200
1,000	74,000
1,200	88,800
1,400	103,600
1,600	118,400
1,800	133,200
2,000	148,000
2,200	162,800
2,400	177,600
2,600	192,400

### HNI Payment Chart

Category	No. of Shares	Minimum Bid Lot Amount (Rs.)
Small HNI	2,800	207,200
Big HNI	13,600	1,006,400

### Indicative Time Table

Tentative Events	Indicative Dates
Finalisation of Basis of Allotment with the Designated Stock Exchange	12/11/2024
Initiation of refunds/unblocking ASBA Fund	13/11/2024
Credit of Equity Shares to demat accounts of Allottees	13/11/2024
Commencement of trading of the Equity Shares on the Stock Exchanges	14/11/2024

For more details, Please refer RHP,

[https://www.sebi.gov.in/filings/public-issues/nov-2024/niva-bupa-health-insurance-company-limited-rhp\\_88189.html](https://www.sebi.gov.in/filings/public-issues/nov-2024/niva-bupa-health-insurance-company-limited-rhp_88189.html)

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### **SEBI Registration No. INH00000867**

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