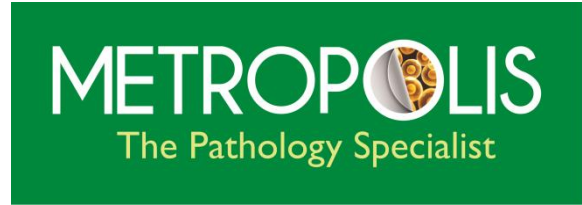




MSEARCH

IPO OFFERING

METROPOLIS HEALTHCARE LTD



About Company

Recommendation: Invest for listing Gain

Metropolis Healthcare Ltd (MHL) is a four decade old chain of diagnostic company incorporated in 1980. MHL has got a wide variety of operational network through which it offers a comprehensive range of clinical laboratory tests and profiles, which are used for prediction, early detection, diagnostic screening, confirmation and/or monitoring of the disease. It also provides analytical and support services for the clinical research projects to some clinical research organisations. It has implemented a 'hub and spoke' model for quick and efficient delivery of services through its widespread laboratory and service network which covers 197 cities in India, as of December 31, 2018. It's laboratory network consists of 115 clinical laboratories. It has major presence in mostly 19 states with leadership position in West and South India. MHL offers a broad range of approximately 3,487 clinical laboratory tests and 530 profiles, as of December 31, 2018. The profile comprises of a variety of test combinations which are specific to a disease or disorder as well as wellness profiles that are used for health and fitness screening.

| | |
|-----------------------|---|
| Price Band | : Rs. 877 to 880 per share |
| Bid Lot size | : 17 Shares |
| Issue size | : Rs. 1,204 Cr |
| Issue Opens | : April 3rd 2019, Wednesday |
| Issue Closes | : April 5th 2019, Friday |
| Min App Amount | : Rs. 14,960/- at upper band |

Msearch View:

We believe Metropolis is well placed in the rising healthcare sector and enjoys the second largest market share diagnostic player in India. The company has shown healthy financial performance in past backed by inorganic expansions and better service offerings. We assume rising healthcare awareness and rise in per capita income would be driving the sector. Industry says Metropolis's enjoys strong brand equity and specialised services retain its ability to command pricing premium. On valuation parse at the upper end of the price band, the issue is asking for a market cap to sales of 6.7x times (FY18), which is relatively lower to its peers and in terms of PE ratio company's issue is being offered at a PE of 43x Vs higher peers. Hence looking at lower valuation compared to its listed peers, better-operating metrics, we recommend investors to invest in the ipo for a limited 10-12% listing gain.

Kindly Contact Mehta Equities Ltd :
www.mehtagroup.in or Call @ 022-61507123/145

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