

PharmEasy gets nod for ₹6,250 cr IPO

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API Holdings, the parent of e-pharmacy firm PharmEasy, on Monday said it has received approval from the Securities and Exchange Board of India (SEBI) to raise ₹6,250 crore through an initial public offering (IPO).

The Sebi approval comes amid rumours that PharmEasy may delay its IPO in the wake of market volatility that has battered shares of new-age companies that went public last year. API Holdings had filed its draft red herring prospectus (DRHP) in November following the IPOs and public listings of several new-age companies such as Zomato, PolicyBazaar, and Paytm.

The PharmEasy IPO will be a sale of new shares alone, with no investor exiting the company. The company will use ₹1,929 crore from the IPO proceeds to repay or prepay borrowings and ₹1,259 crore to fund organic growth initiatives. It will also allocate ₹1,500 crore for inorganic



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growth opportunities through acquisitions and other strategic initiatives.

Last year, it created history with the acquisition of listed diagnostics firm Thyrocare Technologies. The company may also consider a private placement aggregating up to ₹1,250 crore. If such placement is completed, the fresh issue size will be reduced, it noted.

Prior to filing for an IPO,

PharmEasy raised \$350 million in a pre-IPO round at a post-money valuation of \$5.6 billion in October. The company raised over \$955 million in 2021 alone, including the \$350 million Series E funding round at a valuation of over \$1 billion.

API Holdings counts Naspers (12.04%) and Temasek Holdings (10.84%) as key financial investors who own double-digit stakes in the

company apart from more than a dozen more financial backers including TPG Growth, CDPQ, Bessemer, B Capital and others. The founders—Siddharth Shah, Dhaval Shah, Dharmil Sheth, Harsh Parekh and Hardik Dedhia—and the investors are not selling shares in the IPO.

The company's digital healthcare platform provides end-to-end solutions for healthcare needs to customers through digital tools and information on illness and wellness, offering teleconsultation, offering diagnostics and radiology tests, and delivering treatment protocols including products and devices.

The firm's consolidated operating revenues more than tripled from ₹667.5 crore in FY20 to ₹2,335.3 crore in FY21. Its losses during the same period nearly doubled from ₹335 crore in FY20 to ₹645 crore in FY21.

Citigroup Global Markets India, JM Financial Ltd, Kotak Mahindra Capital, Morgan Stanley India and BoFA Securities India are joint bookrunners for the IPO.