

04 July 2025

India | Equity Research | Company Update

Inventurus Knowledge Solutions

Technology

Second big leap: Upward integration in client engagements

Event: Inventurus Knowledge Solutions Ltd (IKS) announced a USD 17mn investment via its US subsidiary to acquire a 48.02% stake in IKS WWMG MSO LLC, a newly formed Management Services Organization (MSO) in the US.

I-Sec's remarks: We reckon a resemblance with the Palomar-like deal blueprint (announced in Q3FY25, wherein IKS paid USD 16.5mn). This JV investment reflects IKS' maturing capital strategy—moving from balance-sheet leveraged deals to structured, transparent, and accountable JVs. It will likely forge client stickiness for IKS. Success shall hinge on disciplined execution, integration with core offerings, and realisation of strategic and financial synergies. We maintain our **ADD** rating on IKS with a Q2FY27 TP of INR 1,820 (based on 35x target P/E). Key risk: Lack of cost and revenue synergies with Aquity.

The WHY: Key emerging macro trends are adverse

1) Physician aggregation model has fallen short amid higher cost of care and utilisation. 2) Shift towards value-based care from quantity-based is yet to yield desired profitability. 3) Healthcare provider margins (single digit) unaligned with healthcare IT (~25%). These industry headwinds have urged IKS Health to explore innovative client engagement models.

The HOW: Moving from plain vanilla deal structure to combining capabilities with capital, leading to more skin in the game

IKS has come up with three key client engagement models: 1) Underwriting performance outcome model (e.g., Palomar Health – running successfully currently). 2) Investing in medical group growth. 3) JV structure, which has the lowest level of capital requirement – currently in use for WWMG deal. These constructs lead to higher EBITDA gains on top of ~900bps of EBITDA gain just from platform implementation – from synergies (220bps) and compounding effect (60bps), resulting in total EBITDA gains worth 1,170bps.

The WHAT: Key features of WWMG investment

1) Upstream alignment with physician group via MSO. 2) The practice shall pay the MSO a management fee equal to 62.6% of collections for non-clinical services, retaining 37.4% for provider compensation. 3) The entity's RoE should reach the group level (not tough given RoE track record of IKS' strategic investments; **Exhibit: 4**). 4) Pre-money MSO valuation of USD 18.4mn. 5) Key edge of this construct – locking the customer into a longer timeline, enabling higher revenue visibility. IKS is a capital-prudent entity, but such investments are required to cement its position as a transformation partner, according to management.

Financial Summary

Y/E March (INR mn)	FY25A	FY26E	FY27E	FY28E
Net Revenue	26,640	31,598	38,745	47,602
EBITDA	7,692	9,830	12,212	15,480
EBITDA Margin (%)	28.9	31.1	31.5	32.5
Net Profit	4,863	6,180	8,168	11,000
EPS (INR)	29.2	37.1	49.1	66.1
EPS % Chg YoY	31.9	27.1	32.2	34.7
P/E (x)	55.1	43.4	32.8	24.4
EV/EBITDA (x)	38.5	29.5	23.1	17.6
RoCE (%)	24.7	27.0	28.2	28.0
RoE (%)	33.0	29.4	29.0	29.1

Ruchi Mukhija

ruchi.mukhija@icicisecurities.com
+91 22 6807 7573

Seema Nayak

seema.nayak@icicisecurities.com

Aditi Patil

aditi.patil@icicisecurities.com

Market Data

Market Cap (INR)	276bn
Market Cap (USD)	3,220mn
Bloomberg Code	IKS IN
Reuters Code	INUV.BO
52-week Range (INR)	2,190 / 1,226
Free Float (%)	15.0
ADTV-3M (mn) (USD)	8.2

Price Performance (%)	3m	6m	12m
Absolute	5.3 (16.1)		0.0
Relative to Sensex	(2.7) (23.1)		0.0

ESG Score	2023	2024	Change
ESG score	NA	NA	NA
Environment	NA	NA	NA
Social	NA	NA	NA
Governance	NA	NA	NA

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Previous Reports

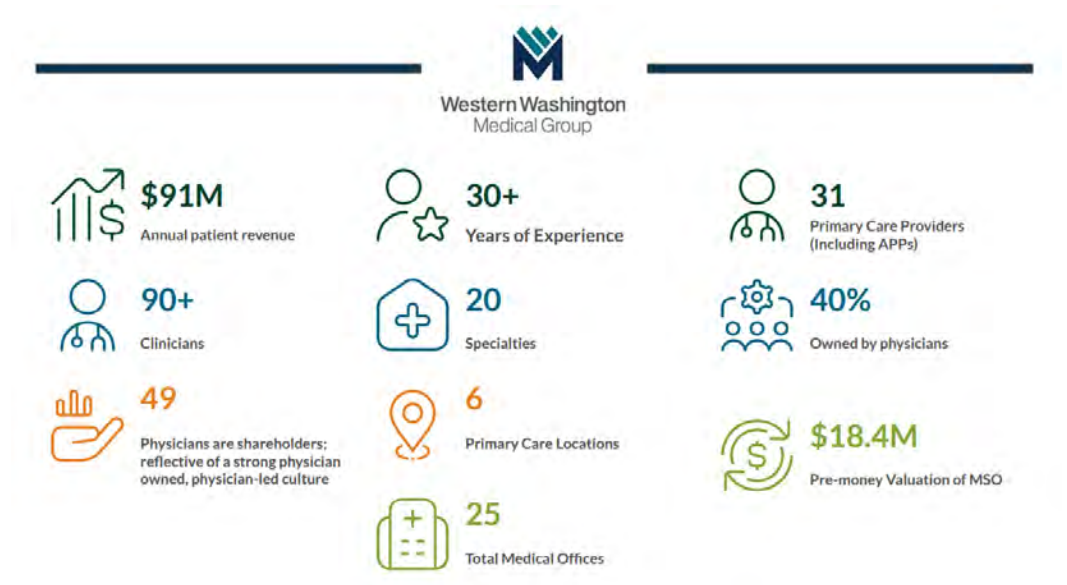
02-07-2025: [Company update](#)

19-05-2025: [Q4FY25 results review](#)

Other highlights

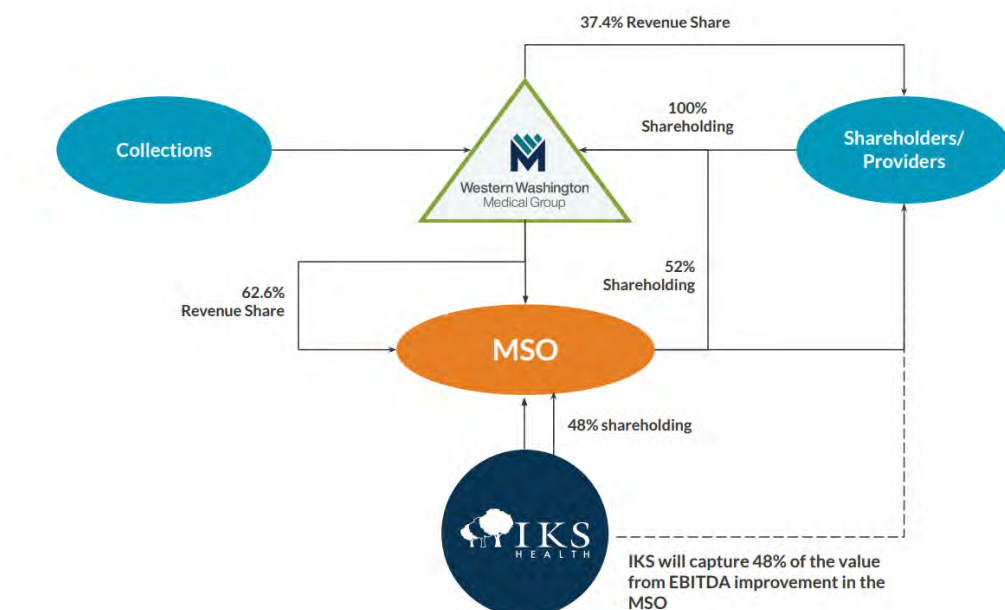
- **US healthcare industry facing headwinds:** This is a tough time for the industry given: 1) reimbursements adjusted for inflation are declining with revenue having grown by 10% and costs up 15%; and 2) operating costs synergies have not played out upon aggregation in the manner envisaged.
- **IKS positioning its comprehensive platform with value propositions across dimensions such as:** 1) reducing overall cost of operations; 2) enabling better quality of care; 3) facilitating expanded capacity and access; and 4) reducing cost of care.
- This engagement is similar to the full platform-based Palomar deal, wherein IKS is able to offer synergies from a full platform implementation and lock in the client for longer timeline, thus creating revenue predictability.
- This MSO can include other clients in its fold, or a similar construct can be implemented for other physician groups.
- Company vets the customer across several parameters prior to offering upstream alignment engagement constructs. Cultural and mindset alignment with physicians is key. Traditional sales engine has been given mandate to only do arms-length deal transactions.

Exhibit 1: Western Washington Medical Group at a glance



Source: Company data, I-Sec research

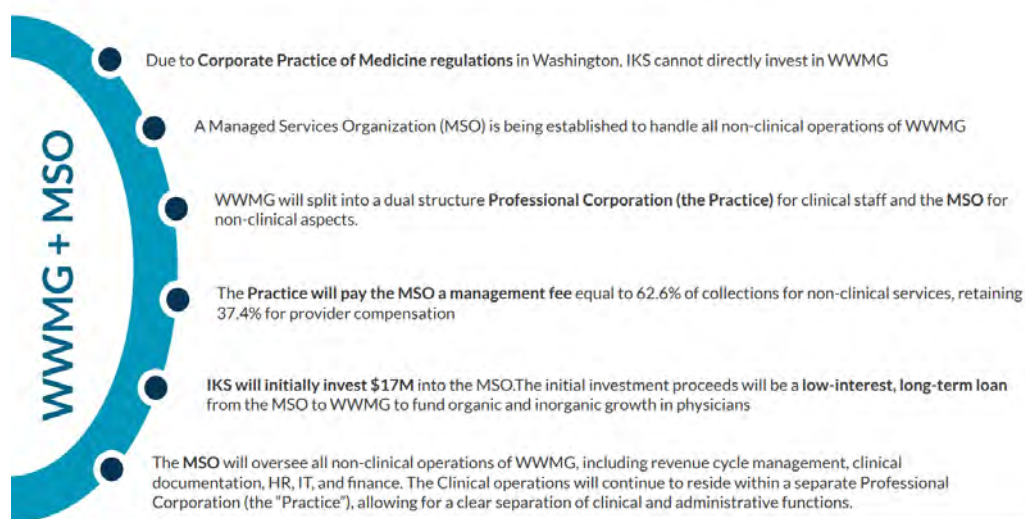
Exhibit 2: Transaction structure



Source: Company data, I-Sec research

Exhibit 3: Transaction structure – Genesis of the MSO

Transaction Structure - Genesis of the MSO



Source: Company data, I-Sec research

Exhibit 4: Solid track record of return on strategic investments so far

Strategic Investments	Status	Investment	Sale price/ Current Value	Total ROE	Investment CAGR
Lightbeam Health	Invested	100,000	1,300,000	1200%	33%
Sift Medical Data Inc	Sold	2,000,000	4,097,463	105%	94%
Abridge AI Inc	Invested	1,249,998	22,686,240	1715%	325%
Abridge AI Inc	Sold	3,750,002	14,092,144	276%	255%

The current valuation of securities is an estimate derived from recent fundraising valuations

Source: Company data, I-Sec research

Exhibit 5: Shareholding pattern

%	Dec'24	Mar'25
Promoters	63.7	63.7
Institutional investors	9.9	9.4
MFs and other	1.9	1.7
Banks/ FIs	2.2	2.2
Insurance Cos.	0.3	0.1
FIs	5.5	5.4
Others	26.4	26.9

Source: Bloomberg, I-Sec research

Exhibit 6: Price chart


Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 7: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Net Sales (USD mn)	315	367	445	541
Net Sales (INR mn)	26,640	31,598	38,745	47,602
Operating Expense	18,948	21,768	26,533	32,122
EBITDA	7,692	9,830	12,212	15,480
EBITDA Margin (%)	28.9	31.1	31.5	32.5
Depreciation & Amortization	1,126	1,349	1,585	1,736
EBIT	6,566	8,481	10,627	13,744
Interest expenditure	898	781	517	-
Other Non-operating Income	214	123	361	542
Recurring PBT	6,065	7,823	10,471	14,286
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	1,202	1,643	2,304	3,286
PAT	4,863	6,180	8,168	11,000
Less: Minority Interest	-	-	-	-
Net Income (Reported)	4,863	6,180	8,168	11,000
Extraordinaries (Net)	-	-	-	-
Recurring Net Income	4,863	6,180	8,168	11,000

Source Company data, I-Sec research

Exhibit 8: Balance sheet

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Total Current Assets	8,055	12,659	16,895	28,756
of which cash & cash eqv.	1,804	5,316	7,977	17,887
Total Current Liabilities & Provisions	2,523	2,866	3,360	3,972
Net Current Assets	5,532	9,794	13,535	24,784
Investments	1,137	1,137	1,137	1,137
Net Fixed Assets	412	410	407	402
ROU Assets	828	460	142	154
Capital Work-in-Progress	53	53	53	53
Goodwill	11,973	11,973	11,973	11,973
Other assets	3,295	3,295	3,295	3,295
Deferred Tax Assets	-	-	-	-
Total Assets	27,996	31,629	34,793	45,793
Liabilities				
Borrowings	5,093	2,546	-	-
Deferred Tax Liability	1,325	1,325	1,325	1,325
provisions	201	201	201	201
other Liabilities	17	17	17	17
Minority Interest	-	-	-	-
Equity Share Capital	170	170	170	170
Reserves & Surplus*	17,727	23,907	32,074	43,074
Total Net Worth	17,897	24,077	32,245	43,245
Total Liabilities	27,996	31,629	34,793	45,793

Source Company data, I-Sec research

Exhibit 9: Quarterly trend

(INR mn, year ending March)

	Jun-24	Sep-24	Dec-24	Mar-25
Net Sales	6,400	6,428	6,572	7,240
% growth (YOY)			15.9%	16.8%
EBITDA	1,700	1,890	1,816	2,286
Margin %	26.6%	29.4%	27.6%	31.6%
Other Income	39	7	192	-24
Adjusted Net Profit	958	1,129	1,298	1,479

Source Company data, I-Sec research

Exhibit 10: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
CFO before WC changes	7,153	9,049	11,695	15,480
CFO after WC changes	2,017	9,080	11,132	14,141
Capital Commitments	247	722	1,007	1,488
Free Cashflow	2,932	6,716	7,821	9,368
Other investing cashflow	1,553	123	361	542
Cashflow from Investing Activities	2,444	(599)	(646)	(945)
Issue of Share Capital	(734)	(781)	(517)	-
Interest Cost	-	-	-	-
Inc (Dec) in Borrowings	-	-	-	-
Cash flow from Financing Activities	(3,895)	(3,327)	(5,521)	-
Dividend paid	-	-	-	-
Others	668	-	-	-
Chg. in Cash & Bank balance	1,729	3,512	2,661	9,910
Closing cash & balance	3,167	5,316	7,977	17,887

Source Company data, I-Sec research

Exhibit 11: Key ratios

(Year ending March)

	FY25A	FY26E	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	29.2	37.1	49.1	66.1
Diluted EPS	29.2	37.1	49.1	66.1
Cash EPS	36.0	45.2	58.6	76.5
Dividend per share (DPS)	-	-	-	-
Book Value per share (BV)	107.5	144.6	193.7	259.7
Dividend Payout (%)	-	-	-	-
Growth (%)				
Net Sales	46.5	18.6	22.6	22.9
EBITDA	47.8	27.8	24.2	26.8
EPS	31.9	27.1	32.2	34.7
Valuation Ratios (x)				
P/E	55.1	43.4	32.8	24.4
P/CEPS	44.8	35.6	27.5	21.0
P/BV	15.0	11.1	8.3	6.2
EV / EBITDA	38.5	29.5	23.1	17.6
P/S	10.9	9.2	7.5	6.1
Dividend Yield (%)	-	-	-	-
Operating Ratios				
EBITDA Margins (%)	28.9	31.1	31.5	32.5
EBIT Margins (%)	24.6	26.8	27.4	28.9
Effective Tax Rate (%)	19.8	21.0	22.0	23.0
Net Profit Margins (%)	18.3	19.6	21.1	23.1
Inventory Turnover Days	-	-	-	-
Fixed Asset Turnover (x)	53.5	68.0	83.9	104.0
Receivables Days	63	70	69	69
Payables Days	10	10	9	9
Working Capital Days	40	47	47	48
Net Debt / EBITDA (x)	0.7	0.0	(0.7)	(1.2)
Profitability Ratios				
RoCE (%)	24.7	27.0	28.2	28.0
RoC (%)	25.2	31.3	37.3	45.4
RoNW (%)	33.0	29.4	29.0	29.1

Source Company data, I-Sec research

This report may be distributed in Singapore by ICICI Securities, Inc. (Singapore branch). Any recipients of this report in Singapore should contact ICICI Securities, Inc. (Singapore branch) in respect of any matters arising from, or in connection with, this report. The contact details of ICICI Securities, Inc. (Singapore branch) are as follows: Address: 10 Collyer Quay, #40-92 Ocean Financial Tower, Singapore - 049315, Tel: +65 6232 2451 and email: navneet_babbar@icicisecuritiesinc.com, Rishi_agrawal@icicisecuritiesinc.com and Kadambari_balachandran@icicisecuritiesinc.com.

"In case of eligible investors based in Japan, charges for brokerage services on execution of transactions do not in substance constitute charge for research reports and no charges are levied for providing research reports to such investors."

New I-Sec investment ratings (all ratings based on absolute return; All ratings and target price refers to 12-month performance horizon, unless mentioned otherwise)
BUY: >15% return; ADD: 5% to 15% return; HOLD: Negative 5% to Positive 5% return; REDUCE: Negative 5% to Negative 15% return; SELL: < negative 15% return

ANALYST CERTIFICATION

I/We, Ruchi Mukhija, CA; Seema Nayak, MBA; Aditi Patil, MBA; authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of the ICICI Securities Inc. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager, Research Analyst and Alternative Investment Fund. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities AIF Trust's SEBI Registration number is IN/AIF3/23-24/1292 ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Institutional Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Retail Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances. This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

This report has not been prepared by ICICI Securities, Inc. However, ICICI Securities, Inc. has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk free return to the investors.

ICICI Securities Limited has not used any Artificial Intelligence tools for preparation of this Research Report.

SEBI Guidelines for Research Analyst (RA) requires all RAs to disclose terms and conditions pertaining to Research Services to all clients. Please go through the "Mandatory terms and conditions" and "Most Important Terms and Conditions. ([Link](#))

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal, Contact number: 022-40701000, **E-mail Address** : complianceofficer@icicisecurities.com

For any queries or grievances: [Mr. Bhavesh Soni](#) Email address: headservicequality@icicidirect.com Contact Number: 18601231122
