

API Holding Limited (PharmEasy)

About API Holding

API Holdings Ltd, parent company of India's largest digital healthcare brand, 'PharmEasy' is engaged in delivery of medicines and other medical equipment and diagnostics through the digital platform. They have also recently opened stores. Founded in 2014 with headquarters in Mumbai, the company helps patients to connect with local pharmacy stores and diagnostic centres enabling them to order medicines, healthcare products and diagnostic tests

The company aims to improve the supply chain in the pharmaceutical sector by digitizing the process

The API Holding is backed by well-known investors like Prosus Ventures, CDPQ, Temasek, and TPG Growth.

In 2021, the company acquired stakes in multiple companies in the healthcare space

1. Thyrocare, India's largest diagnostic centre
2. MedLife, one of India's leading digital healthcare companies
3. Aknamed, hospital supply chain platform
4. Marg, ERP system for hospitals.

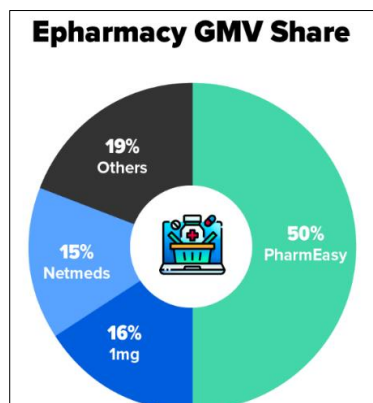
API Holding-Financials

1. Revenue in FY2021 is 2,335.27 crore which grew 3.5x over FY2020. In the first quarter of FY2022, it has clocked revenue of 1,207 crore, which is 50% of last year's revenue in a single quarter
2. EBITA margin is -27.20% in FY2021 compared to -50.20% in FY2020

Key Points

Strengths

1. PharmEasy is India's largest digital healthcare platform (based on GMV of products and services sold for the year ended March 31, 2021), according to RedSeer Report
2. Just before IPO filing, PharmEasy secured \$350 million from Amansa Capita, ApaH Capital, Janus Henderson, OrbiMed, Steadview Capital, Abu Dhabi's sovereign wealth fund ADQ etc.
3. It filed the draft IPO papers by issuing only new shares. No investor is planning to exit in the IPO
4. PharmEasy is aiming at an IPO valuation of around \$7-8 billion
5. Till date, the company has raised \$1 billion in funding



Weakness

1. The company is subject to extensive and evolving applicable healthcare and ecommerce regulatory requirements, non-compliance with which, or changes in which, may materially and adversely affect the business and prospects
2. The company competes with Tata-owned 1mg and Reliance Industries' Netmeds