



# Indian healthcare sector - investment trends to look for



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# Investment trends in the Indian healthcare space



## Single-specialty hospitals and specialty clinics

High on the radar of private equity funds, led by a scalable and an asset light model, heightened healthcare consumerism, better EBITDA margins and shorter payback

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Wide presence of doctor driven practices which are small to mid-sized and offer opportunities for platform consolidation, scalability and greater value creation

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Specialties in focus include ophthalmology, IVF, mother and child and oncology

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## Multispecialty hospitals

Multispecialty hospitals continue to attract interest with focus on control deals

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Strong fundamental demand, market consolidation, brownfield bed expansion (including strengthening Tier 2 footprint) continue to be the deal drivers

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Exits planned for existing investors and wide prevalence of standalone hospital assets offer opportunities to both strategic players and private equity funds to create larger platforms

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## Manufacturing – equipment and consumables

An uptick expected in deals – a ripple effect of growth in demand for healthcare services

From an Indian perspective, the segment has come a long way, with its focus on quality med-devices and consumables at affordable pricing, availability of R&D workforce and government initiatives supporting domestic manufacturing

Private equity funds and strategic acquisitions can provide growth capital for innovation, capacity expansion and aid domestic and global market expansion and create value

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## Healthcare technology

Transactions to pick up in medium to long term, driven by healthcare providers' increasing focus on digitising operations, coupled with consumers exhibiting increasing appetite for online platforms towards preventive healthcare, consultation, diagnosis and nutrition management

Businesses which aid B2B capacity and enhance treatment outcomes to gain VC and PE traction; such as AI based diagnostics, doctor to doctor collaboration platforms, cloud physicians, and improved productivity (better EMR and patient data management, supply chain management, etc.)

Solid tech capabilities supporting clinical outcomes would be crucial to deliver quality, personalized and efficient healthcare and drive transactions in this space

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## Diagnostics

Esoteric / genome-based diagnostic and point of care (POC) diagnostics to continue traction; limited deal activity in the non-esoteric space in the immediate term as market waits and watch margin corrections

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Long term fundamentals intact for strategic M&As, as players focus on merging expertise, accelerate patient reach (Tier 2 and Tier 3) and expand product portfolios to offer one-stop diagnostic services

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