Choice Institutional Equities

Management Meet – Plant Visit Note

Gaudium IVF and Women Health : Management Meet & Facility Visit

July 14, 2026 | CMP: INR 130

Not Rated

Sector View: Positive

Company Description

Gaudium IVF and Women Health (GAUDIUMI) is a specialised healthcare company focussed on fertility treatment, assisted reproductive technology (ART) and comprehensive women's healthcare services. The company operates fertility centers offering IVF, IUI, reproductive medicine, gynecology, and maternity-related services. Through a patient-centric approach, advanced clinical expertise, and expanding center network, Gaudium aims to address the growing demand for women's healthcare and fertility services.

Company Info	
BB Code	GAUDIUMI IN EQUITY
Face value (INR)	5.0
52-w high/low (INR)	133 / 70
CMP (INR)	130
Market Cap (INR Bn)	9.5
Shares o/s (Mn)	72.8

Key Financials

INR Bn	FY23	FY24	FY25	FY26
Revenue	0.4	0.5	0.7	1.0
YoY (%)	18.9	9.1	47.9	46.5
EBITDA	0.2	0.2	0.3	0.4
EBITDAM %	45.5	39.6	40.8	36.5
PAT	0.1	0.1	0.2	0.2
EPS (INR)	136.5	104.2	3.1	3.4
ROE %	60.9	37.1	40.4	15.8
ROCE %	54.3	38.6	39.7	19.8
PE(x)	NA	NA	NA	38.7
EV/EBITDA	NA	NA	NA	25.2

Shareholding Pattern (%)

	Mar-26	Jun-26
Promoters	71.29	71.29
FIIs	6.70	3.01
DIIs	2.63	2.22
Public	19.39	23.47

Deepika Murarka
Email: deepika.murarka@choiceindia.com
Ph: +91 22 6707 9513

Stuti Bagadia
Email: stuti.bagadia@choiceindia.com
Ph: +91 22 6707 9511

India's fertility market is witnessing robust growth and GAUDIUMI is well-positioned to capitalise on the increasing demand through an aggressive expansion strategy and differentiated clinical outcome. **We met the management of GAUDIUMI, Dr. Manika Khanna - Promoter & CMD and Mr. Rakesh Kumar Sharma - CFO. Additionally, we visited the company's Janakpuri hospital.**

GAUDIUMI plans to significantly expand its network in the next two years by increasing its **footprint, from 7 hubs and 28 spokes to approximately 26 hubs and nearly 100 spokes**. This strategy is aimed at strengthening the company's pan-India presence and making fertility treatment more accessible to patients across the country. The company also has a strong international presence, with around **25% of its patient base coming from nearly 30 countries**. GAUDIUMI continues to demonstrate strong clinical outcome, achieving an **IVF first-cycle success rate of ~58% and a cumulative pregnancy success rate of ~85% within three treatment cycles.**

Expansion Strategy

- The company follows a **capital-efficient hub-and-spoke model** where fully equipped IVF hubs perform critical procedures while spoke centers mainly handle patient acquisition, counselling, diagnostics and initial treatment
- The management plans to expand, from **7 hubs and 28 spokes** to approximately **26 hubs and nearly 100 spokes within the next two years**, funded primarily through IPO proceeds. The objective is to strengthen its presence across India while improving accessibility of fertility treatment
- The plan is to start 10 hubs in FY27, of which **3 already started in Q1FY27 and introducing 25-bedded only-women hospital in Lucknow**
- The company is actively strengthening its international presence by expanding spoke centers in countries, such as **UK, France, and Nigeria**. These centers primarily serve as patient acquisition channels for medical tourism, bringing international patients to India for treatment
- **~25% of patients currently come from international patients across nearly 30 countries**. These international patients generate revenue nearly 3x of domestic patients, making medical tourism an important contributor to future profitability
- Each new IVF hub requires only about **INR 2.5 Cr** of investment; nearly **INR 1.5 Cr allocated for specialised equipment** and the remainder for interiors. Since the company designs laboratories internally, it saves substantial capital as compared to outsourcing lab construction.

Operational Performance

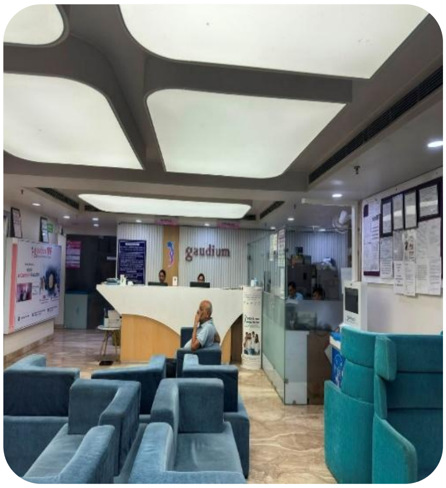
- The company delivers **~58% first-attempt IVF success rates** and **~85% cumulative pregnancy success within three treatment cycles**, placing it among the leading fertility providers globally and creating a strong competitive advantage through clinical excellence
- Over several years, the management **developed detailed SOPs** covering every aspect of IVF operations, including clinical protocols, embryology, laboratory design, nursing, counselling, administration, and housekeeping. This standardization allows consistent outcome across centers.
- The management highlighted that newly-established IVF hubs generally achieve **operational breakeven within three to six months**, requiring only about five treatment cycles monthly to cover operating expenses, making expansion relatively low-risk
- Unlike traditional IVF chains which invest heavily in every center, **spoke locations require negligible capital expenditure**. Existing gynaecologists are trained under company protocols and operate as exclusive fertility partners, allowing rapid market penetration, employing minimal investment
- Nearly **97% of business is generated directly from patients (B2C)** rather than doctor referrals. This reduces dependency on referral incentives and creates a stronger, more sustainable brand with healthier operating margin
- Every **patient follows a structured journey** involving counsellors, fertility experts, finance counsellors, pharmacy support, and continuous engagement.
- **AI-based IVF Technologies:** The company recently introduced advanced AI tools named **SID** and **ERICA**, which assist embryologists in selecting the highest-quality sperm and embryos. Early implementation has already demonstrated an estimated **8–10% improvement in IVF success rate**
- The management claims to be among the **first fertility chains in India and Asia to deploy these advanced AI technologies commercially**, creating a meaningful technological differentiation over competitors

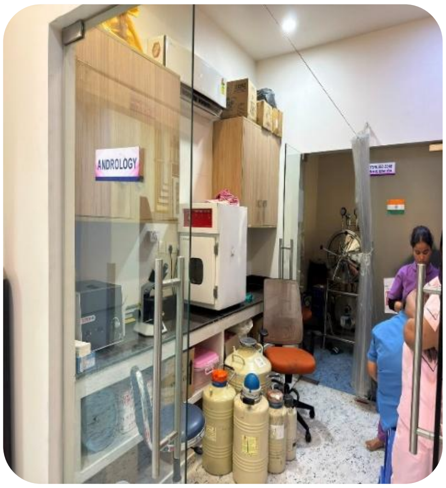
Growth Drivers

- The management estimates that, although infertility affects nearly **15–20% of couples**, only **~2% seek organised IVF treatment, at present**. Increasing awareness and accessibility provide a substantial long-term growth opportunity
- As awareness improves and affordability increases, the management expects significant **growth from non-metro markets** where demand for quality fertility treatment remains largely underserved
- **Government support for medical tourism, combined with the company's international reputation** and dedicated overseas patient management team, is expected to further accelerate international patient inflow
- The management highlighted that **existing hubs are still growing at ~30% annually**, significantly ahead of industry growth rate, providing organic growth even before new centers become operational.

Financial & Margin Highlights

- **High trade receivables:** The company's **consistently high trade receivables is a concerns about weak cash flow conversion and increasing working capital requirements**. Its dependence on extended patient credit and delayed treatment cycles ties up capital, reducing financial flexibility. **If receivables continue to grow alongside revenue, it could strain liquidity, elevate collection risks, and limit the company's ability to fund future expansion efficiently**.
- The **business operates with ~40% EBITDA margin**, supported by premium pricing, standardised operations, strong utilisation and the predominantly direct-to-consumer acquisition model
- The **spoke model requires negligible incremental capital expenditure**, while hub investments remain relatively modest. This enables faster scaling up without placing excessive pressure on the balance sheet
- The company **treats a large number of complex and multiple-failed IVF cases**. While standard treatment packages cost around INR 2–2.5 lakh, premium cases can generate significantly higher revenues, whereas **some packages cost up to INR 20 lakh**
- **International patients generate nearly 3x the revenue of domestic patients** owing to comprehensive treatment packages and additional services, making overseas expansion financially attractive
- The management believes **fertility treatment is an emotional decision rather than an impulse purchase**. Dedicated health counsellors, patient education, testimonials, and structured engagement are considered critical drivers of trust and conversion
- Unlike several fertility chains which rely on celebrity doctors or acquired practices, **the company intentionally created a brand-first model,** where standardised protocols ensure continuity even if individual doctors change
- **Treatment volumes typically soften during major festivals** and certain regional seasonal cycles, although the management indicated that the impact is temporary and average annual demand remains robust





Source: GAUDIUMI, Choice Institutional Equities

Historical share price chart: HCL Technologies Limited

Institutional Research Team			
Utsav Verma, CFA	Head of Institutional Research, India Equity Strategy and Small and Midcaps	utsav.verma@choiceindia.com	+91 22 6707 9440
Purvi Mundhra	Economist	purvi.mundhra@choiceindia.com	+91 22 6707 9241
Ambrish Shah	Analyst - Power	ambrish.shah@choiceindia.com	+91 22 6707 9251
Ashutosh Murarka	Analyst – Building Materials	ashutosh.murarka@choiceindia.com	+91 22 6707 9521
Bhavik Shah, CFA	Analyst – Metals & Mining	Bhavik.shah@choiceindia.com	+91 22 6707 9521
Deepika Murarka	Analyst – Healthcare	deepika.murarka@choiceindia.com	+91 22 6707 9513
Dhaval Popat	Analyst – Energy	dhaval.popat@choiceindia.com	+91 22 6707 9949
Fenil Brahmbhatt	Analyst – Realty & Building Materials	fenil.brahmbhatt@choiceindia.com	+91 22 6707 9930
Ishank Gupta	Analyst – NBFCs	ishank.gupta@choiceindia.com	+91 22 6707 9867
Karan Kamdar	Analyst – Consumer Discretionary, Small and Midcaps	karan.kamdar@choiceindia.com	+91 22 6707 9451
Kunal Bajaj	Analyst – Technology	kunal.bajaj@choiceindia.com	+91 22 6707 9901
Maitri Sheth	Analyst – Pharmaceuticals	maitri.sheth@choiceindia.com	+91 22 6707 9511
Putta Ravi Kumar	Analyst – Defence	ravi.putta@choiceindia.com	+91 22 6707 9908
Preeyam Tolia	Analyst – FMCG & Retail	preeyam.tolia@choiceindia.com	+91 22 6707 9987
Vijiya Rao	Analyst – AMC & Insurance	vijiya.rao@choiceindia.com	+91 22 6707 9531
Aayush Saboo	Sr. Associate– Realty	aayush.saboo@choiceindia.com	+91 22 6707 9930
Avi Jhaveri	Sr. Associate – Technology	avi.jhaveri@choiceindia.com	+91 22 6707 9901
Bharat Kumar Kudikyala	Sr. Associate – Building Materials	bharat.kudikyala@choiceindia.com	+91 22 6707 9930
Samarth Goel	Sr. Associate– Small and Midcaps	samarth.goel@choiceindia.com	+91 22 6707 9451
Subhash Gate	Sr. Associate – Autos	subhash.gate@choiceindia.com	+91 22 6707 9233
Heer Gogri	Associate – Small and Midcaps	heer.gogri@choiceindia.com	+91 22 6707 9433
Heet Chheda	Associate – Autos	heet.chheda@choiceindia.com	+91 22 6707 9233
Rushil Katiyar	Associate – Technology	rushil.katiyar@choiceindia.com	+91 22 6707 9901
Shreya Mehra	Associate – Technology	shreya.mehra@choiceindia.com	+91 22 6707 9535
Stuti Bagadia	Associate – Pharmaceuticals	stuti.bagadia@choiceindia.com	+91 22 6707 9511
Vinay Rawal	Associate – Small and Midcaps	vinay.rawal@choiceindia.com	+91 22 6707 9433

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Large Cap*	
BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
Mid & Small Cap*	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
Other Ratings	
NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
Sector View	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in stasis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

***Large Cap: More Than INR 20,000 Cr Market Cap**
***Mid & Small Cap: Less Than INR 20,000 Cr Market Cap**

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Email- ig@choiceindia.com

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