

Long runway for growth

Sagility (SAGILITY IN) is a pure-play healthcare focused technology provider that predominantly supports US payers (90% revenue mix). The company has 80+ clients in total, with an average tenure of 18 years for its top-five largest clients. SAGILITY is set to benefit from: i) sustained cost pressure for payers, thus creating further outsourcing opportunities, ii) end-to-end capabilities across payer value chain, and iii) further account mining scope in top-10 clients. Expect SAGILITY to post 13.9%/ 20.0% revenue /earnings CAGRs (INR-denominated) in FY26E-28E. We initiate with a BUY and a TP of INR 54, implying an upside of 26%, valuing SAGILITY at 19x FY28E EPS. Key risks are slower-than-expected outsourcing in US healthcare, muted growth in top accounts and lower-than-expected earnings.

Revenue from top-five accounts can potentially double from here: SAGILITY generated 60%/71%/85% of its revenue from top 3/5/10 clients, as on TTM Dec '25. With a view to gauging the potential scale-up in these accounts in the long-term, per our analysis, revenue from top three accounts was USD 465mn as on TTM Dec '25 with potential to be scaled up further by 40% (biggest opportunity for client 2/3). At the same time, revenue from top five accounts was USD 550mn as on TTM Dec '25 and these five accounts can be scaled further by 80-90%, with maximum opportunities in client 3/4/5.

Higher MLR, rising administrative cost creating more outsourcing opportunities: Medical Loss ratio (claims paid/ premium earned) is rising across payers (e.g. United Healthcare, Humana, CVS Aetna, Elevance Health, Cigna HC, Centene Corp etc). At the same time, they have witnessed a continuous rise in admin cost, and costs have spiked at 2.5-18% CAGR in the past decade. We expect both these factors, creating further outsourcing opportunities. SAGILITY has guided 22.5% revenue growth in FY26, with guidance of low-to-mid teen medium term growth, which does not seem challenging, in our view.

Earnings growth to support multiple expansion: We build in 12.4%/13.9% USD/INR revenue CAGRs through FY26E-28E, majorly to be driven by FTE addition with minor improvement in revenue per employee. We do not see any major change in revenue mix in the medium term. Adjusted EBITDA margin may see some dip in FY26E due to integration of Broadpath business (low margin), but margin may settle at 25% by FY28E. Expect earnings to see jump in FY28E driven by absence of finance costs (planned full debt repayment in FY27E). We are building in 20% earnings CAGR through FY26E-28E.

Initiate with Buy and a TP of INR 54: The stock is trading at 15.2x FY28E EPS, which is at a discount to some peers, possibly on account of client concentration risks and scalability of top accounts, which we believe is unwarranted. There is enough scope to scale up top accounts, which with new client additions and full debt repayment in FY27, may aid 20.0% earnings CAGR through FY26E-28E. We believe that with strong earnings growth, the stock should trade at a better multiple. We initiate with a BUY and a TP INR 54, based on 19x FY28E EPS. A downtrend in MLR (medical loss ratio) and administration costs for payer will likely reduce the need for outsourcing, which is a key risk, in our view.

Key Financials

YE March (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue (INR mn)	47,536	55,699	71,490	82,794	92,737
YoY (%)	10.6	14.9	22.6	12.7	12.0
Adj EBITDA (INR mn)	11,437	14,685	18,118	20,500	23,084
Adj EBITDA margin (%)	24.1	26.4	25.3	24.8	24.9
Adj PAT (INR mn)	5,896	8,107	11,741	12,950	15,181
YoY (%)	59.0	136.2	70.9	18.9	21.0
Adj EPS (INR)	1.4	1.8	2.5	2.8	3.2
RoE (%)	9.3	11.0	13.3	13.2	13.8
RoCE (%)	4.7	9.5	13.3	14.8	15.6
P/E (x)	31.5	24.5	17.3	15.6	13.3
EV/EBITDA (x)	19.2	16.1	11.9	10.3	9.1

Note: Pricing as on 17 April 2026; Source: Company, Elara Securities Estimate

Rating: Buy
 Target Price: INR 54
 Upside: 26%
 CMP: INR 43
 As on 17 April 2026

Key data

Bloomberg	SAGILITY IN
Reuters Code	SAGLNS
Shares outstanding (mn)	4,681
Market cap (INR bn/USD mn)	202/2,168
EV (INR bn/USD mn)	209/2,242
ADTV 3M (INR mn/USD mn)	1,559/17
52 week high/low	58/36
Free float (%)	49

Note: as on 17 April 2026; Source: Bloomberg

Price chart



Source: Bloomberg

Shareholding (%)	Q4	Q1	Q2	Q3
	FY25	FY26	FY26	FY26
Promoter	82.4	67.4	67.4	51.0
% Pledge	100.0	0.0	0.0	0.0
FII	3.4	6.0	5.6	10.3
DII	7.5	14.1	14.9	21.4
Others	6.7	12.6	12.2	17.4

Source: BSE

Price performance (%)	3M	6M	12M
Nifty	(5.8)	(5.4)	3.2
Sagility	(19.2)	(5.8)	1.0
NSE Mid-cap	(2.8)	(2.5)	8.4
NSE Small-cap	(0.1)	(5.4)	5.3

Source: Bloomberg

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IT Services

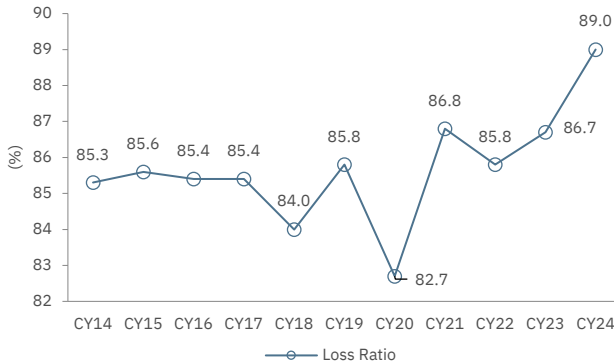
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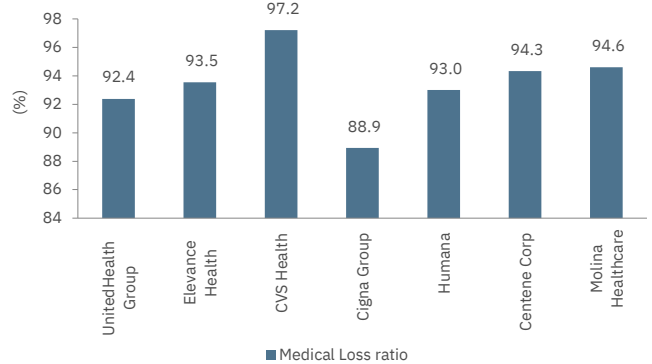
Story in charts

Exhibit 1: Payer industry – Medical loss ratio up since COVID....



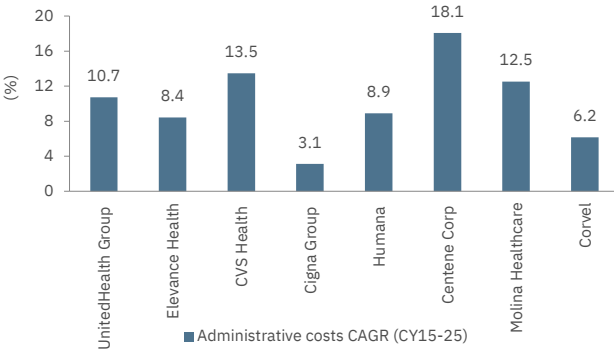
Note: Medical loss ratio (MLR) = Total claims paid / premiums earned; Source: National Association of Insurance Commissioners, Elara Securities Research

Exhibit 2:and elevated at 89-97% across payers (Q4CY25)...



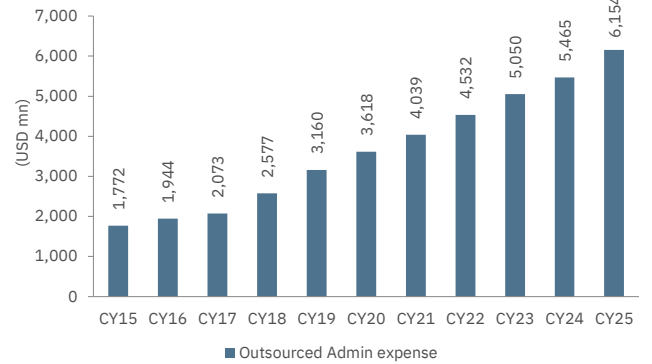
Source: Company, Elara Securities Research

Exhibit 3: ...even as administrative costs are rising...



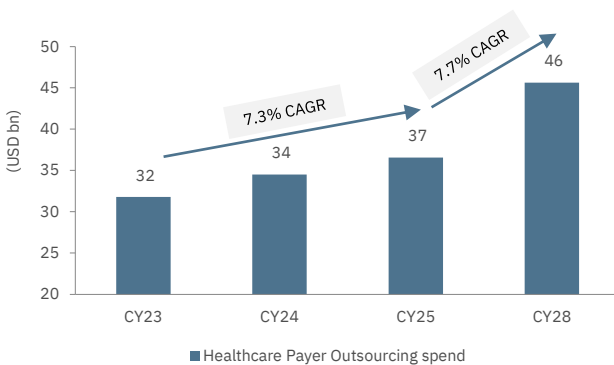
Source: Company, Elara Securities Research

Exhibit 4: ...creating a strong case for further outsourcing ...



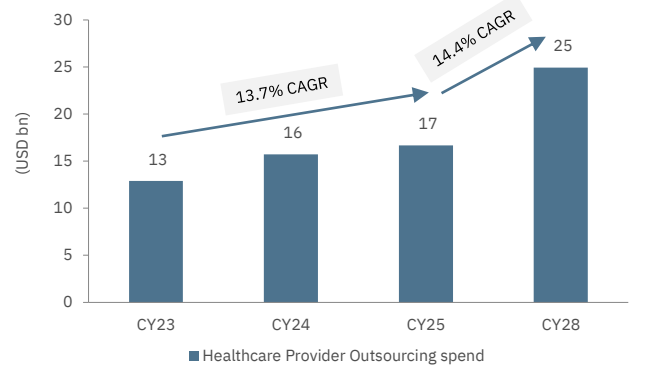
Source: Company, Elara Securities Research

Exhibit 5: Payer outsourced market set to post 7.7% CAGR...



Note: Everest Group is an independent research and advisory firm focused on technology and business services; Source: Everest Group, Elara Securities Research

Exhibit 6: ...with provider CAGR of 14.4% through CY25-28E



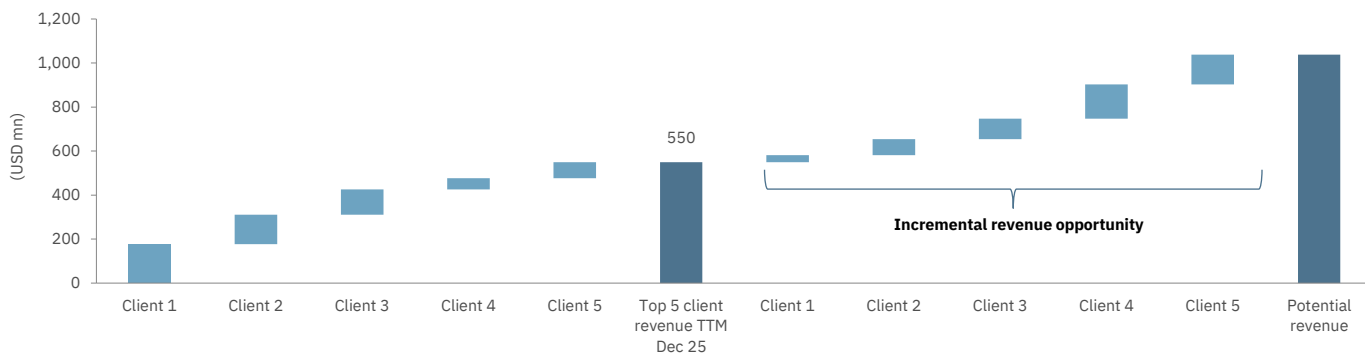
Note: Everest Group is an independent research and advisory firm focused on technology and business services; Source: Everest Group, Elara Securities Research

Exhibit 7: SAGILITY, with leadership position, set to benefit from outsourcing opportunity

Service provider classification – Depth and breadth	Healthcare specialists				Broad-based IT and BPOs			Product-based companies		Broad-based CX firms with healthcare presence
Service provider functions	SAGILITY	Shearwater Health	Omega Healthcare	CorroHealth	Cognizant	EXL	Accenture	Cotiviti	FinThrive	ResultCX
Healthcare Payer	High coverage	Medium coverage	Medium coverage	Limited to no coverage	High coverage	High coverage	High coverage	Medium coverage	Limited to no coverage	Medium coverage
Value chain functions										
- Claims management										
- Payment integrity										
- Clinical management										
- Provider network operations (provider engagement)										
- Member engagement										
- Risk adjustment and support services										
- Product development										
Position of Everest Group's healthcare payer operations peak matrix® 2023	Leader	Major contender	Major contender	Not profiled	Leader	Leader	Leader	Not profiled	Not profiled	Not profiled
Healthcare Provider	High coverage	Medium coverage	High coverage	Medium coverage	High coverage	Limited to no coverage	Limited to no coverage	Limited to no coverage	High coverage	Limited to no coverage
Value chain functions										
- Patient access										
- Medical billing										
- Claims management										
- A/R management										
- Care management										
Position of Everest Group's revenue cycle management peak matrix® 2023	Major contender	Major contender	Leader	Major contender	Leader	Not profiled	Not profiled	Not profiled	Not profiled	Not profiled
% revenue from Healthcare and Life Sciences (2023)	100%	NA	NA	NA	29.30%	NA	12%	NA	NA	NA

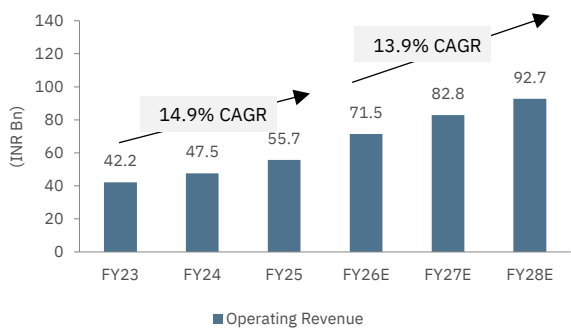
Note: Green = high coverage, Yellow = medium coverage, Red = limited to no coverage; Source: Company, Elara Securities Research

Exhibit 8: ... while there is enough scope for account mining which with new client additions may fuel growth



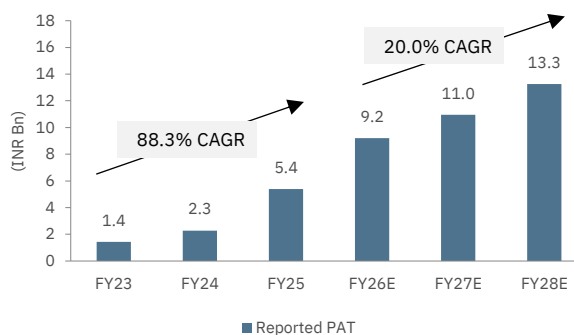
Source: Company, Elara Securities Estimate

Exhibit 9: Expect revenue CAGR of 13.9% through FY26E-28E...



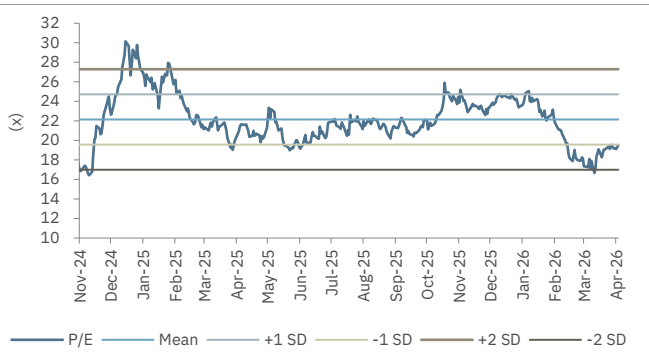
Source: Company, Elara Securities Estimate

Exhibit 10: ...with PAT CAGR of 20.0% through FY26E-28E



Source: Company, Elara Securities Estimate

Exhibit 11: SAGILITY is currently trading at 19.1x 1-yr fwd EPS...



Note: Pricing data for 17 April 2026; Source: NSE, Elara Securities Estimate

Exhibit 12: ...offering better return proposition

	Market cap (USD mn)	FY28E			PAT CAGR (FY26E-28E, %)
		P/E (x)	PEG ratio (x)	EV/EBITDA (x)	PAT
SAGILITY	2,165	15.2	0.7	7.5	20.0
IKS*	2,761	23.7	1.1	17.6	22.8
Indegene*	1,265	18.6	0.8	11.8	20.0
Firstsource*	1,794	15.6	0.9	9.2	20.7
Eclerx*	1,650	16.2	1.0	10.2	16.3
Avg India BPM		17.9	0.9	11.3	20.0

Note: Pricing data for 17 April 2026, *Bloomberg Consensus; Source: Bloomberg, Elara Securities Estimate

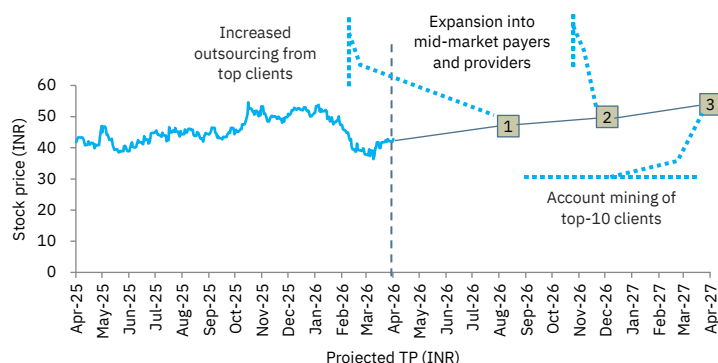
Investment Rationale

The trend of US healthcare payers outsourcing demand is strong, driven by rising medical loss ratios and sustained inflation in administrative cost.

SAGILITY, with ~90% revenue exposure to US payers, leadership in Everest Group's Peak matrix reports, and deep entrenchment across the top-10 payer cohort (servicing seven of the top 10 payers), is set to accelerate its growth.

With industry tailwinds strengthening and wallet-share gains across large payer accounts, we expect INR revenue CAGR of 13.9% and earnings CAGR of 20.0% through FY26E-28E

Valuation Triggers



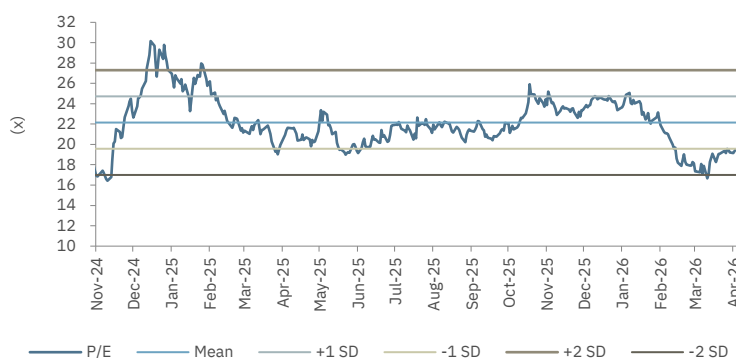
Valuation triggers

- ▶ Increased outsourcing from top clients
- ▶ Expansion into mid-market payers and providers
- ▶ Account mining of top-10 clients

Our assumptions

- ▶ Expect INR revenue CAGR of 13.9% in FY26E-28E
- ▶ Adj EBITDA margin to settle at ~25% by FY28E
- ▶ Expect earnings CAGR of 20.0% in FY26E-28E

Valuation drivers: Rolling forward P/E



Source: Bloomberg, Company, Elara Securities Estimate

Key risks (downside)

- ▶ Slower-than-expected outsourcing in US healthcare
- ▶ Muted growth in top accounts
- ▶ Disruption in the business model

Valuation

(INR)	
TTM EPS	1.8
Target Reported EPS (FY28E)	2.82
Target P/E (x)	19
TP	54
CMP	43
Upside (%)	26

Note: Pricing as on 17 April 2026; Source: Elara Securities Estimate

Industry trends and macro factors

- ▶ Outsourcing of US healthcare continues to accelerate, driven by rising medical loss ratios, inflation in administrative cost, and regulatory changes.
- ▶ Expect healthcare operations to grow from USD 211bn in CY24 to USD 253-263bn by CY28E, at a 4.6–5.7% CAGR, while the outsourced segment is set to expand from USD 45bn to USD 71bn over the same period, at a robust 9% CAGR.

Market position and competitive landscape

- ▶ SAGILITY's 90% revenue is derived from payers and established relationships with seven of the top-10 US healthcare payers.
- ▶ SAGILITY has sharply strengthened its capability maturity, progressing from a "major contender" in 2019 to a "leader" in Everest Group's Payer BPO peak matrix by 2023, reflecting proven depth in claims operations, clinical services, payment integrity, and member/provider engagement.

Financials (YE March)

Income Statement (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
Total Revenue	47,536	55,699	71,490	82,794	92,737
Gross Profit	18,159	20,710	26,632	30,710	34,542
EBITDA	10,881	12,979	17,547	20,377	23,022
EBIT	3,989	8,310	12,644	14,954	17,205
Interest expense	1,851	1,271	1,017	922	-
Other income	279	563	851	572	472
Exceptional/ Extra-ordinary items	-	-	328	-	-
PBT	2,417	7,602	12,149	14,605	17,677
Tax	134	2,211	2,935	3,651	4,419
Minority interest/Associates income	-	-	-	-	-
Reported PAT	2,283	5,391	9,214	10,954	13,258
Adjusted PAT	5,896	8,107	11,741	12,950	15,181
Balance Sheet (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
Shareholders' Equity	64,431	83,361	92,575	103,529	116,787
Minority Interest	-	-	-	-	-
Trade Payables	2,593	2,136	2,546	2,949	3,303
Provisions & Other Current Liabilities	9,240	6,256	7,702	8,708	9,593
Total Borrowings	19,335	8,170	5,670	0	0
Other long term liabilities	11,043	10,585	10,585	10,585	10,585
Total liabilities & equity	106,642	110,507	119,078	125,771	140,268
Net Fixed Assets	9,554	9,221	9,487	9,681	9,895
Goodwill	57,096	60,390	60,390	60,390	60,390
Intangible assets	20,078	20,362	18,592	16,912	15,288
Business Investments / other NC assets	2,714	2,326	2,326	2,326	2,326
Cash, Bank Balances & treasury investments	3,441	3,438	9,537	14,753	28,052
Inventories	-	-	-	-	-
Sundry Debtors	11,813	12,668	16,061	18,600	20,834
Other Current Assets	1,945	2,102	2,685	3,110	3,483
Total Assets	106,642	110,507	119,078	125,771	140,268
Cash Flow Statement (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
Cashflow from Operations	9,733	12,141	13,015	15,743	17,706
Capital expenditure	(1,827)	(1,244)	(3,399)	(3,936)	(4,407)
Acquisitions / divestitures	(3,010)	(8,582)	-	-	-
Other Business cashflow	(2,863)	(8,398)	-	-	-
Free Cash Flow	5,042	2,499	9,616	11,807	13,300
Cashflow from Financing	(7,513)	(2,561)	(3,516)	(6,592)	-
Net Change in Cash / treasury investments	(2,412)	(4)	6,100	5,215	13,300
Key assumptions & Ratios	FY24	FY25	FY26E	FY27E	FY28E
Dividend per share (INR)	-	-	-	-	-
Book value per share (INR)	15.0	18.1	19.7	22.0	24.9
RoCE (Pre-tax) (%)	4.7	9.5	13.3	14.8	15.6
ROIC (Pre-tax) (%)	5.0	9.9	14.3	16.9	19.4
ROE (%)	9.3	11.0	13.3	13.2	13.8
Asset Turnover (x)	5.3	5.9	7.6	8.6	9.5
Net Debt to Equity (x)	0.2	0.1	0.0	(0.1)	(0.2)
Net Debt to EBITDA (x)	1.5	0.4	(0.2)	(0.7)	(1.2)
Interest cover (x) (EBITDA/ int exp)	5.9	10.2	17.2	22.1	-
Total Working capital days (WC/rev)	68.5	69.9	73.0	69.5	68.4
Valuation	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	31.5	24.5	17.3	15.6	13.3
P/Sales (x)	4.2	3.6	2.8	2.4	2.2
EV/ EBITDA (x)	19.2	16.1	11.9	10.3	9.1
EV/ OCF (x)	21.3	17.1	15.9	13.2	11.7
FCF Yield	4.7	4.3	4.7	4.7	4.9
Price to BV (x)	2.9	2.4	2.2	2.0	1.7
Dividend yield (%)	-	-	-	-	-

Note: Pricing as on 17 April 2026; Source: Company, Elara Securities Estimate

Long runway for growth

- ▶ Revenue from top-five accounts can potentially double from here
- ▶ Higher MLR and rising administrative cost creating more outsourcing opportunities
- ▶ Earnings growth to support multiple expansion

Revenue from top-five accounts can potentially double from here

History of strong scale-up across existing clients

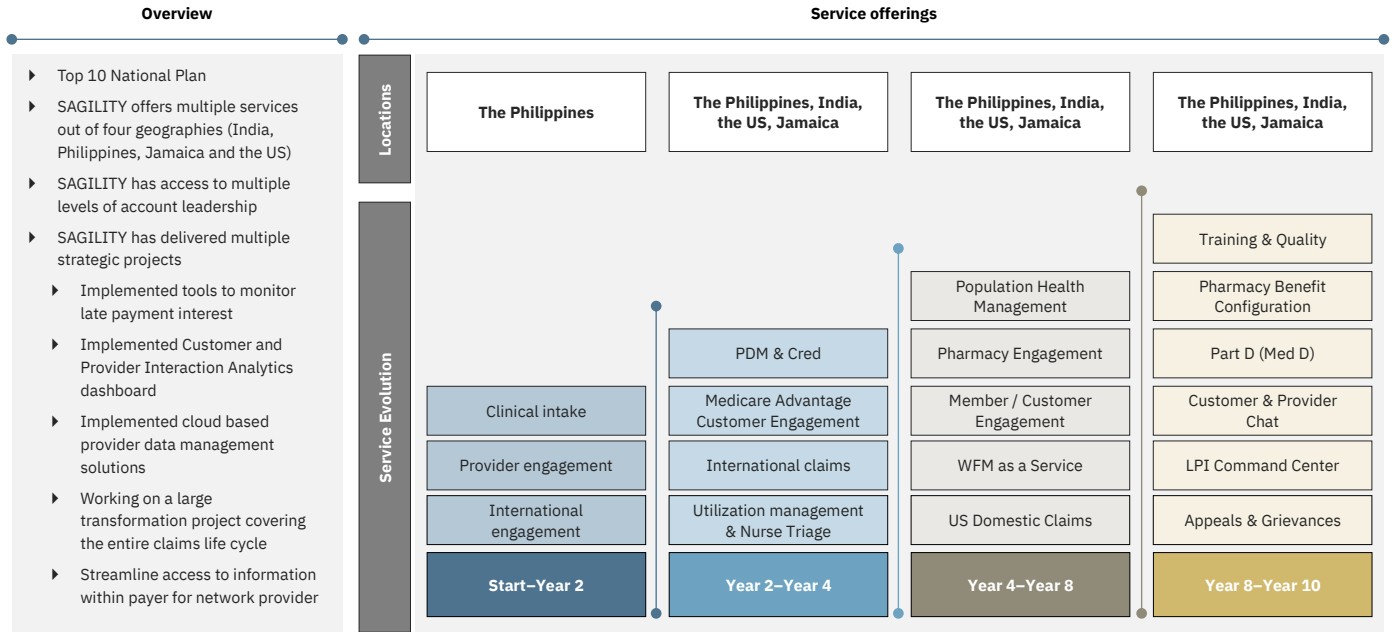
SAGILITY typically starts with a payer client with one service or two services. It tries to convert this into third and fourth service and so on. If it gets into an account in one service in a year, next year, even if it can add an additional service, the business from that account is likely to double. SAGILITY's top-five clients have an average tenure of 18 years – This includes one client which has competed for 25 years with the company, as on FY25 (Exhibit 14).

Exhibit 13: Top payers and providers – Likely clients of SAGILITY

Healthcare payers	Healthcare providers
UnitedHealthcare	Johns Hopkins Hospital
Elevance Health	Tenet Healthcare
Centene Corporation	UCSF Health
CVS Health	Cedars-Sinai
Cigna Healthcare	Cigna Healthcare
Humana	Humana
Health Care Service Corporation	Cleveland Clinic
Highmark	Northwestern Memorial Hospital
Kaiser Permanente	Universal Health Services

Source: Company, Elara Securities Research

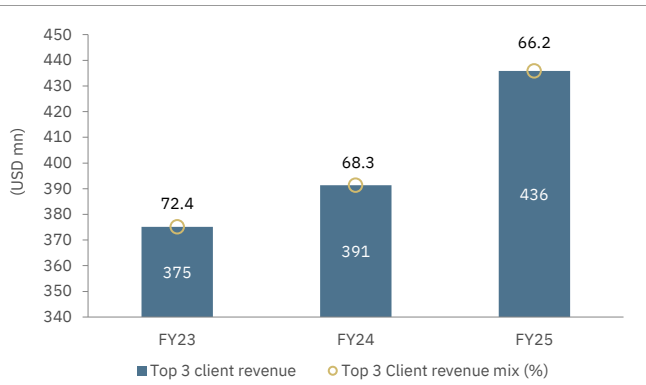
Exhibit 14: SAGILITY expanded service lines for a large top-10 national payer over a 10-year period



Source: Company, Elara Securities Research

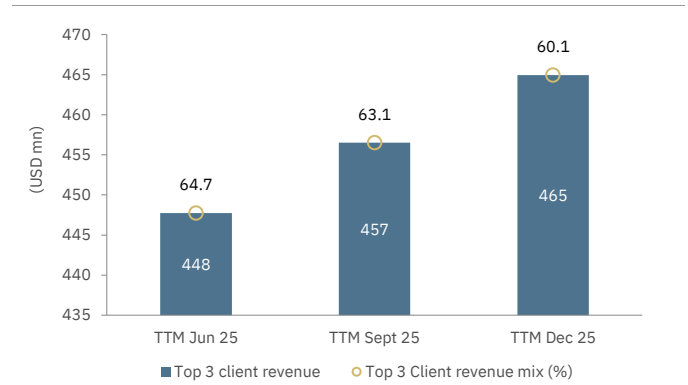
SAGILITY’s top three accounts formed 66.3% of its revenue mix in FY25 and for TTM Dec '25, that mix is now 60.1%. The company’s top-five accounts formed 77.9% of the revenue mix in FY25 and for TTM Dec '25, that mix is now 71.1%. The company’s top 10 accounts formed 90.5% of the revenue mix in FY25 and for TTM Dec '25, that mix is now 84.6%. Top 3/5/10 accounts compounded at 8%/11%/12.6% CAGRs in FY23-25.

Exhibit 15: Top-three clients compounded at ~8% CAGR in FY23-25



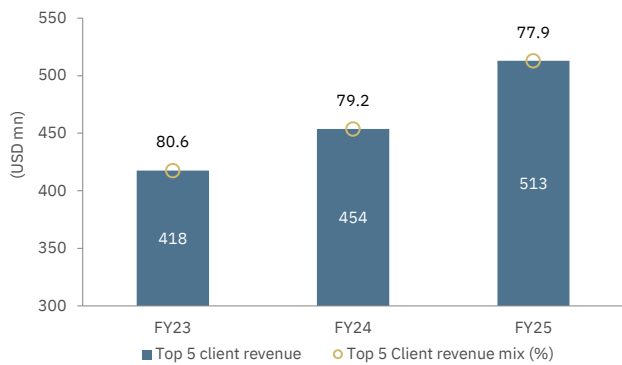
Source: Company, Elara Securities Research

Exhibit 16: Continued revenue scale-up in top-three clients to USD 465mn



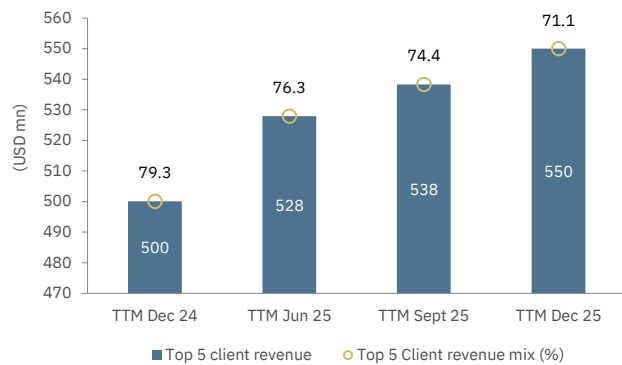
Source: Company, Elara Securities Research

Exhibit 17: Top-five clients compounded at ~11% CAGR in FY23-25



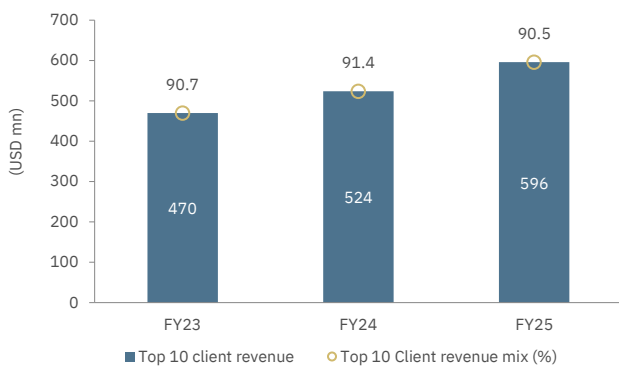
Source: Company, Elara Securities Research

Exhibit 18: Continued revenue scale-up in top-five clients to USD 550mn



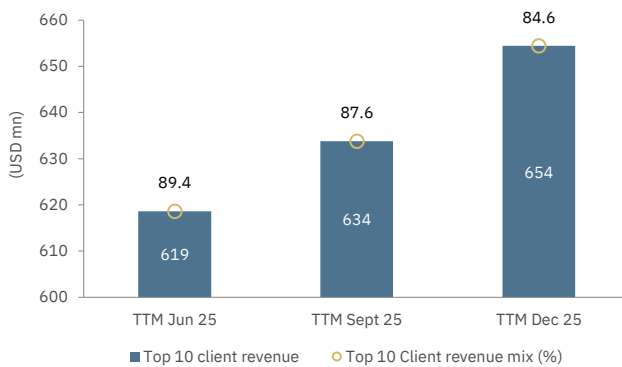
Source: Company, Elara Securities Research

Exhibit 19: Top 10 clients compounded at 12.6% CAGR in FY23-25



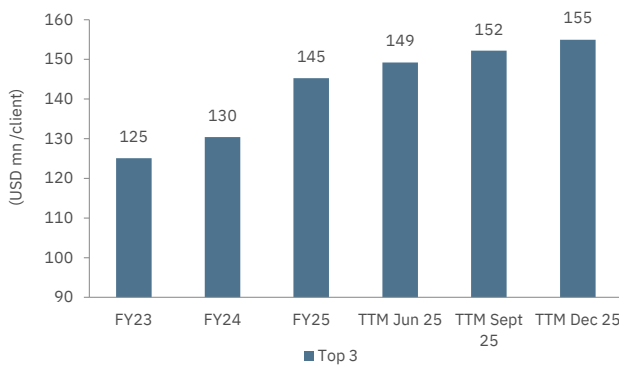
Source: Company, Elara Securities Research

Exhibit 20: Continued revenue scale-up in top-10 clients to USD 654mn



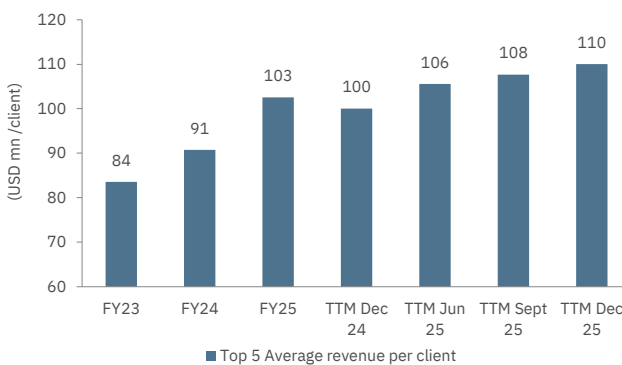
Source: Company, Elara Securities Research

Exhibit 21: Rev per client at USD 155 in top-three client accounts...



Source: Company, Elara Securities Research

Exhibit 22: ... and at USD 110mn in top-five client accounts



Source: Company, Elara Securities Research

Ample room for account mining

If we consider SAGILITY's portfolio in top-seven clients and then map it across Claims Management, Member Life Cycle Management, Provider Life Cycle Management, Clinical Management and Payment Integrity service lines, many gaps emerge (indicated by hollow or incomplete circles in Exhibit 23). SAGILITY serves all five service lines only for its top client, while there are at least one or two service line gaps till client 5. There are maximum gaps in clients 6 and 7.

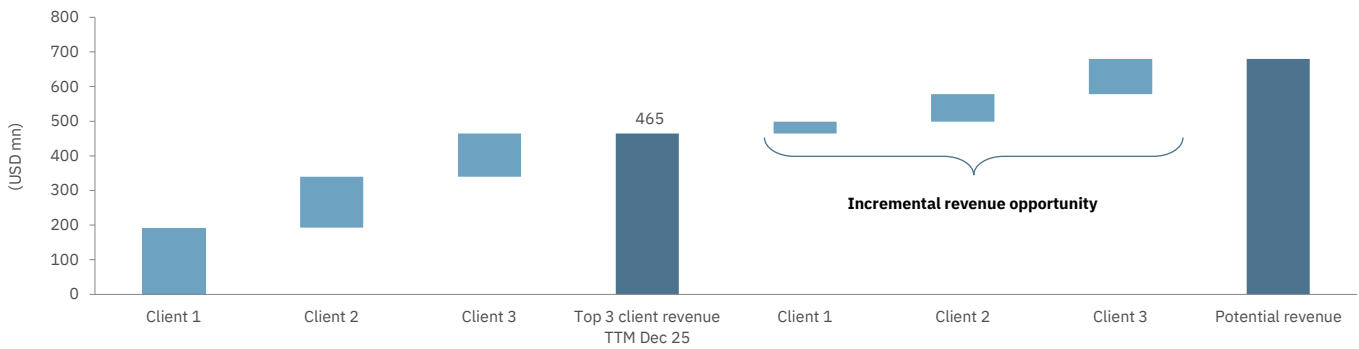
Exhibit 23: Room for expansion within top accounts

Top accounts	Member LCM	Provider LCM	Claims management	Clinical UM/CM	Payment integrity
Client 1	●	●	●	●	●
Client 2	●	●	●	●	○
Client 3	●	●	●	○	○
Client 4	○	○	○	○	●
Client 5	●	●	○	○	○
Client 6	○	○	○	○	●
Client 7	○	○	○	○	○

Note: ● = Strong presence; ● = moderate presence; ○ = limited presence; ○ = minimal/negligible presence; Source: Company, Elara Securities Research

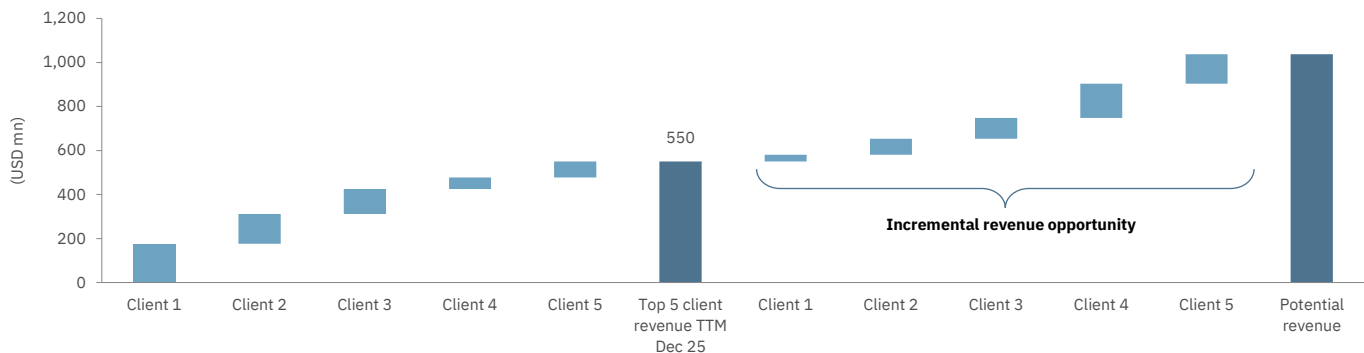
We made an attempt to identify intrinsic scope to scale up top-seven accounts individually. In case of top three accounts, wherein SAGILITY generated USD 465mn revenue as on Dec '25 on TTM basis, the scope to scale up these accounts is ~USD 700mn. This means that there is an incremental opportunity available to the tune of USD 215mn, as per our calculation. Based on similar calculation for top-five accounts, wherein SAGILITY generated USD 550mn revenue as on Dec '25 on TTM basis, the scope to scale up these accounts is ~USD 1bn. This means that there is an incremental opportunity available to the tune of USD 490mn, as per our calculation. Based on similar calculation for top-10 accounts, wherein SAGILITY generated USD 654mn revenue as on Dec '25 on TTM basis, there is a scope to scale up these accounts to ~USD 1.9bn, which means that there is an incremental opportunity to the tune of USD 1.2bn as per our calculation.

Exhibit 24: Scale-up and potential opportunity in top three client accounts



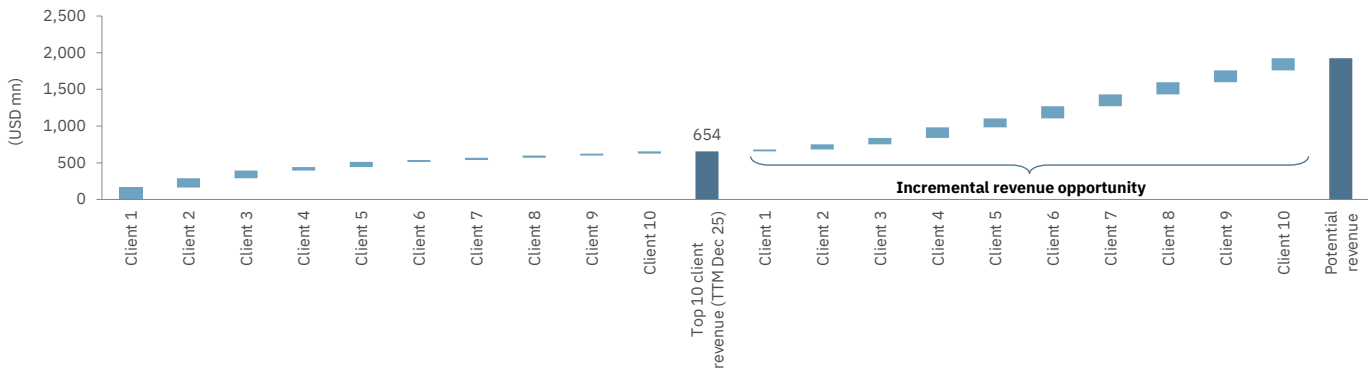
Source: Company, Elara Securities Estimate

Exhibit 25: Scale-up and potential opportunity in top five client accounts



Source: Company, Elara Securities Estimate

Exhibit 26: Scale-up and potential opportunity in top-10 client accounts



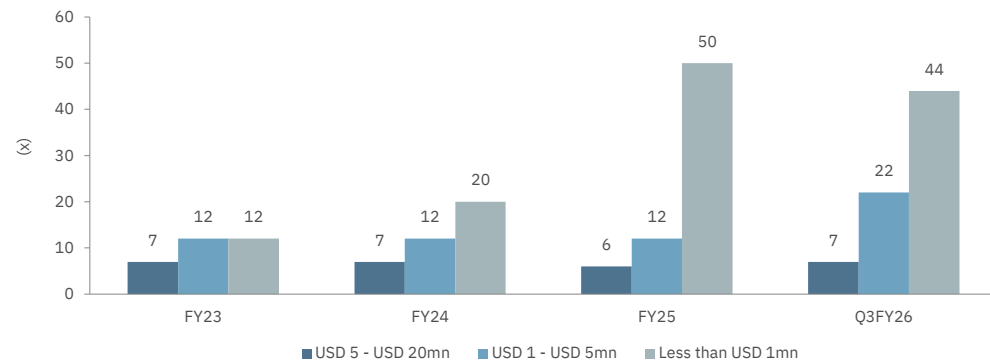
Source: Company, Elara Securities Estimate

New client additions to catalyze growth

SAGILITY continues to broaden its client footprint by leveraging the credibility built with large US payers and providers, supported by strong delivery, technology capability and domain expertise. The company added 38/13/7 new clients in FY25/FY24/FY23, underscoring consistent new-logo momentum. Its go-to-market efforts have been strengthened through the appointment of a Chief Growth Officer in 2022 and expanded sales/marketing resources focused on content development, proposal management and account-based marketing, with many team members stationed in the US.

On the provider side, SAGILITY is targeting growth in RCM services across hospitals, health systems and adjacent segments such as accountable care organizations (ACOs), and independent physician associations (IPAs). There exists room to grow in pharmacy benefit management (PBM) operations, both by deepening support for current PBM clients and adding new logos. Strategic partnerships with technology and consulting firms shall enhance value propositions during new-client acquisition.

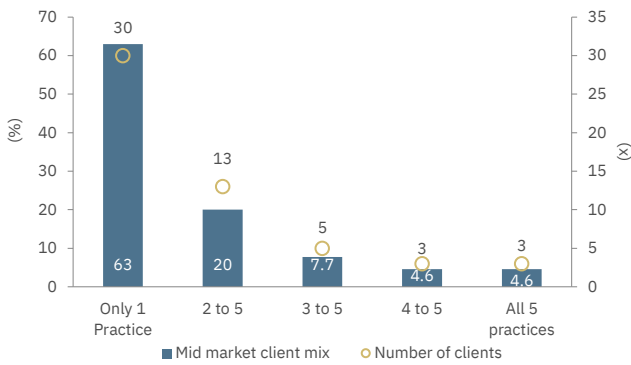
Exhibit 27: Number of clients have almost doubled in the past two years



Source: Company, Elara Securities Research

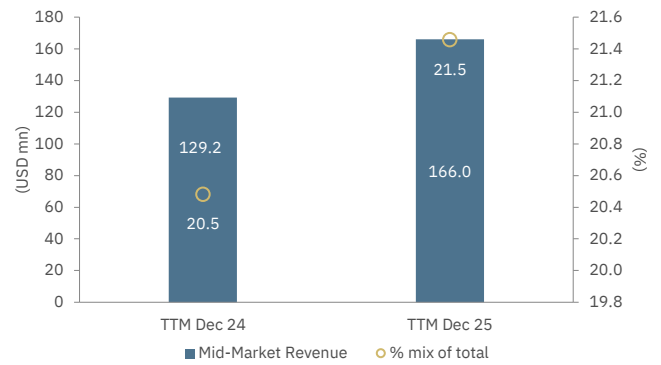
The mid-market segment represents a significant under-penetrated growth engine, with revenue surging 28.5% YoY to USD 166.0mn in TTM Dec '25, now accounting for 21.5% of the total mix (up 100bps YoY). Furthermore, a massive cross-selling runway exists, as 63% of mid-market clients currently use only one practice, representing 30 distinct accounts with high wallet-share expansion potential.

Exhibit 28: Significant opportunities to expand into small and mid-market clients (63% of clients only use one practice)



Source: Company, Elara Securities Research

Exhibit 29: Mid-market growing at 28.5% YoY



Source: Company, Elara Securities Research

Strategic acquisitions to expand capabilities

SAGILITY strategically pursues acquisitions to strengthen its domain expertise, expand service offerings, and enhance value for clients. With a dedicated team focused on identifying, evaluating, and executing high-potential opportunities, it aims to grow its portfolio across Payer, Provider, and adjacent healthcare segments, while augmenting its technology capabilities. SAGILITY also benefits from its promoter EQT’s global expertise in sourcing and executing acquisitions. These acquisitions provide access to specialized talent, unique capabilities, and new client relationships, enabling SAGILITY to scale up in high-growth areas and solidify its presence in key markets.

Exhibit 30: SAGILITY – Acquisition history

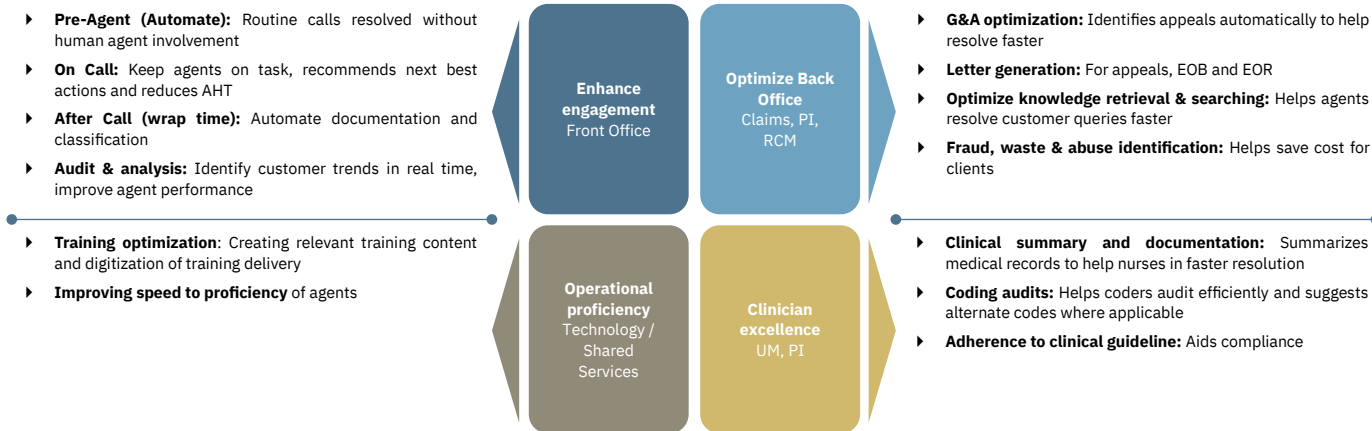
Acquisition	Acquisition/ Incorporation date	Acquisition rationale	Purchase consideration (USD mn)	Revenue contribution in FY25 (USD mn)
Devlin Consulting	19th April 2023	Strengthens SAGILITY’s payment integrity suite with pre-pay cost avoidance and post-pay recovery capabilities; improves service to national and regional health plans.	40	12.3
Birch	22nd March 2024	Enhances AI-driven customer engagement and automation; enables real-time GenAI support and accelerates adoption of AI-led workflows.	9.63	0.3
BroadPath Healthcare Solutions	29th January 2025	Expands US onshore delivery and payer client base; broadens service depth, unlocks revenue and cost synergies, and strengthens competitive positioning.	58	9.8

Source: Company, Elara Securities Research

SAGILITY’s 2024 acquisition of Birch strengthens its cloud-based GenAI capabilities across payer and provider operations. BirchAI’s real-time AI tools, including proprietary speech-to-text and LLM-driven interaction summarization and insights, enhances member and provider engagement while reducing operational costs. The acquisition accelerates SAGILITY’s AI Center of Excellence, boosting efficiencies in clinical decision support, customer engagement, and complex healthcare transaction management.

Exhibit 31: Birch acquisition accelerates SAGILITY’s AI offerings

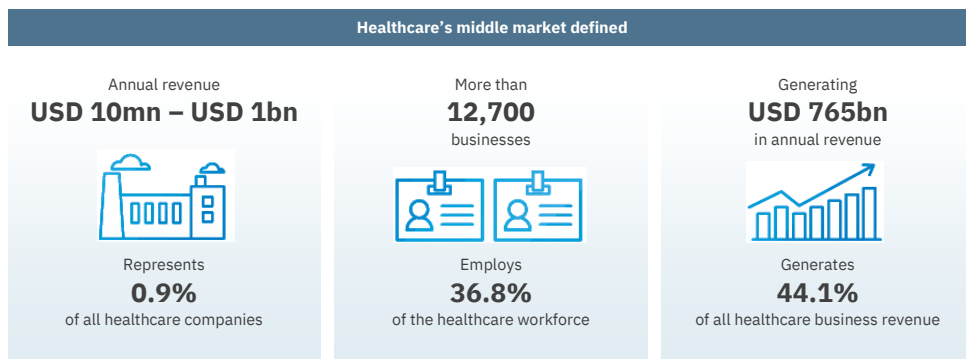
BirchAI’s proprietary technology uses healthcare-specific models from Speech-to-Text to LLMs



Sagility AI team will leverage BirchAI’s expertise to drive client transformation use cases

Note: AHT: Average Handle Time, PI: Payment Integrity, RCM: Revenue Cycle Management, EOB: Explanation of Benefits, EOR: Explanation of Review, UM: Utilization Management, G&A: Grievance and Appeals; Source: Company, Elara Securities Research

Exhibit 32: Healthcare mid-market accounts for 44% of all healthcare revenue in the US



Source: National Centre for the Middle Market, Elara Securities Research

Transition from major contender to leader, as per Everest Group

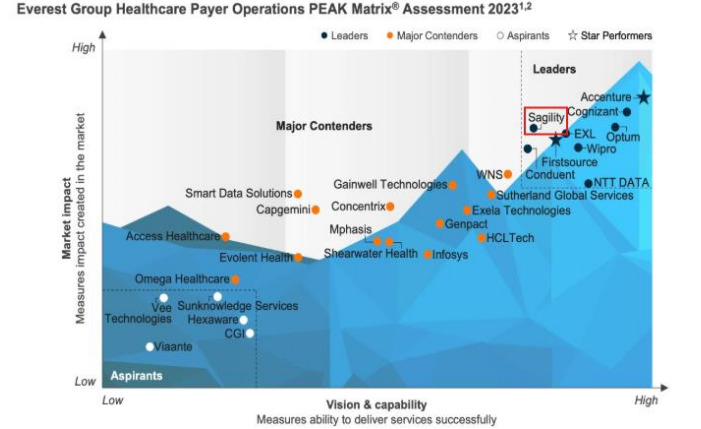
SAGILITY (erstwhile HGS) has shown a sustained and broad-based rise in competitive positioning, within Everest Peak Matrix Reports, steadily advancing from ‘Major Contenders’ category in 2019 across Payer BPO, Clinical & Care Management, and Payment Integrity to a much stronger standing in recent assessments. By 2023, SAGILITY had already broken into the leaders quadrant in Payer BPO, reflecting material strengthening in scale, digital enablement, and outcome-driven delivery. Further, the 2025 Everest assessments show SAGILITY moving closer to the Leaders category in both Clinical & Care Management and Payment Integrity, driven by deeper domain capabilities, enhanced clinical and analytics solutions, and greater market impact.

Exhibit 33: SAGILITY (erstwhile HGS) amongst ‘major contenders’ in payer BPO services, as of 2019



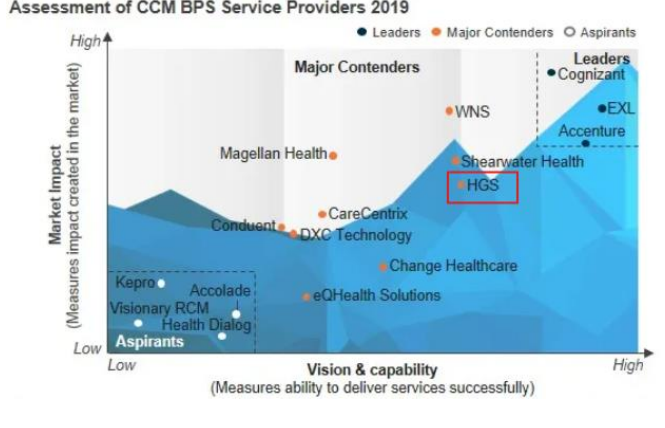
Note: Assessment for Apexon Health, CGI, Omega Healthcare, Tech Mahindra, Teleperformance, and Visionary RCM excludes service provider inputs in this particular study and is based on Everest Group’s estimates that leverage Everest Group’s proprietary Transaction Intelligence (TI) database, ongoing coverage of these service providers, their public disclosures, and interaction with buyers; Source: Everest Group, Elara Securities Research

Exhibit 34: SAGILITY now in the leaders category, as per Everest’s 2023 assessment



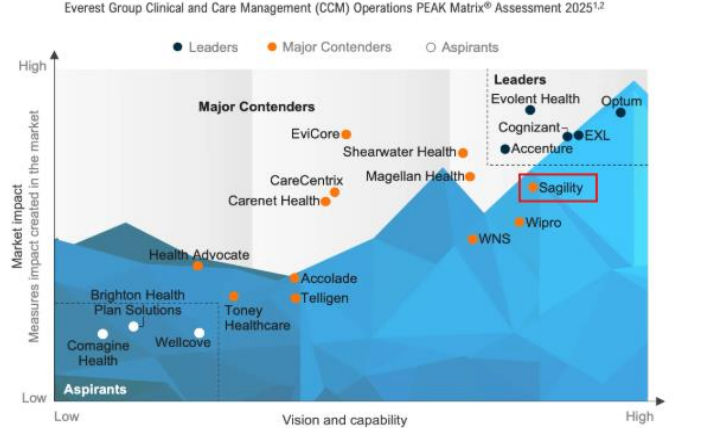
Note: Assessment for Caggemini, CGI, Concentrix, Evolent Health, Gainwell Technologies, HCLTech, Hexaware, Omega Healthcare, Sunknowledge Services, and Vee Technologies excludes service provider inputs in this study and is based on Everest Group’s proprietary Transaction Intelligence (TI) database, ongoing coverage of the service providers, their public disclosures, and interaction with buyers; Source: Everest Group, Elara Securities Research

Exhibit 35: SAGILITY (erstwhile HGS) amongst ‘major contenders’ in Clinical and Care Management, as of 2019



Note: Assessment for Accolade, CareCentrix, Change Healthcare, Conduent, eQHealth Solutions, Health Dialog, Kepro, Magellan Health, and Visionary RCM excludes service provider inputs in this particular study and is based on Everest Group’s estimates that leverage Everest Group’s proprietary Transaction Intelligence (TI) database, ongoing coverage of these service providers, their public disclosures, and interaction with buyers. For these companies, Everest Group’s data for assessment may be less complete.; Source: Everest Group, Elara Securities Research

Exhibit 36: SAGILITY moving closer to ‘leaders’ category, with improvement in capabilities and market impact, as of 2025



Note: 1. Assessments for Accolade, Brighton Health Plan Solutions, CareCentrix, CareFirst Health, Comagine Health, EviCore, Evolent Health, Health Advocate, Magellan Health, Optum, Telligen, Toney Healthcare, and Wellcove exclude provider inputs and are based on Everest Group’s proprietary Transaction Intelligence (TI) database; provider public disclosures; and interactions with buyers, 2. Analysis for Accolade is based on capabilities prior to its merger with Transcarent; Source: Everest Group, Elara Securities Research

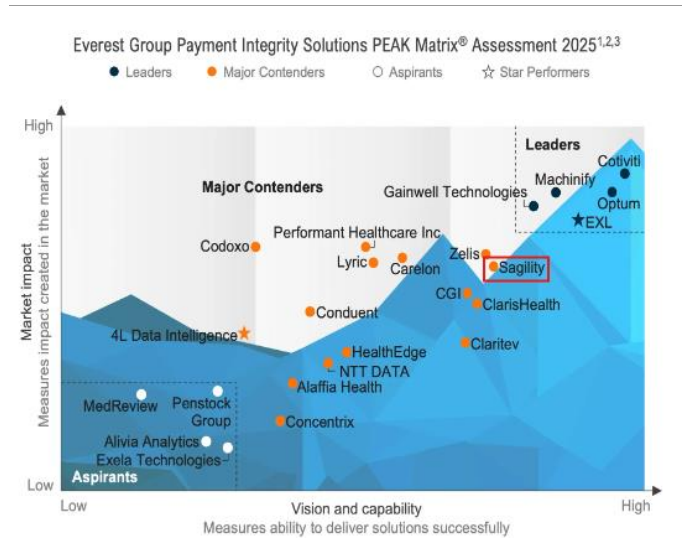
Exhibit 37: Sagility (erstwhile HGS) amongst ‘major contenders’ in Payment Integrity Solutions, as of 2024



¹ Assessments for Advanced Medical Strategies, Cotiviti, Gainwell Technologies, HealthEdge, Lyric, MedReview, MultiPlan, Performant Financial Corporation, and Zelis exclude provider inputs and are based on Everest Group’s proprietary Transaction Intelligence (TI) database, provider public disclosures, and Everest Group’s interactions with payment integrity solution buyers

Note: Assessments for Advanced Medical Strategies, Cotiviti, Gainwell Technologies, HealthEdge, Lyric, MedReview, MultiPlan, Performant Financial Corporation, and Zelis exclude provider inputs and are based on Everest Group’s proprietary Transaction Intelligence (TI) database, provider public disclosures, and Everest Group’s interactions with payment integrity solution buyers; Source: Everest Group, Elara Securities Research

Exhibit 38: Sagility moving closer to ‘leaders’ category, with improvement in capabilities and market impact, as of 2025



Note: 1. Assessment for Alivia Analytics, ClarisHealth, Claritev, HealthEdge, Lyric, and MedReview excludes provider inputs and is based on Everest Group’s proprietary Transaction Intelligence (TI) database and provider public disclosures, and Everest Group’s interactions with payment integrity solution buyers. 2. In February 2025, Machinify was merged with Apixio, The Rawlings Group, and Varis. In this study, data has been considered for the combined entity, rebranded as Machinify. 3. In February 2025, MultiPlan rebranded as Claritev; Source: Everest Group, Elara Securities Research

Generative AI may not be a major threat to SAGILITY’s revenues

SAGILITY uses generative AI to improve existing capabilities as well as to identify opportunities to assist clients – To illustrate, Nurse Assist Solution. Nurse Assist tool annotates and summarizes medical documents for nurses. This annotation and summarization allow nurses to review medical documentation more efficiently and with higher accuracy when planning to approve a service for reimbursement. This tool functions as an interactive workflow technology designed to use AI for reviewing unstructured clinical text. Nurse Assist leverages NLP (Natural Language Algorithm) to identify and infer clinical information from medical records. It scans the record for key medical terms, diagnoses, treatments codes, symptoms and diagnoses and other clinical content, ensuring requisite information is highlighted and accurately summarized.

Exhibit 39: Generative AI – Use cases

Market segment	Use case (non-exhaustive)	Business problem	Outcomes of GenAI-enabled solutions
Payer	Market support	High call volumes and complex inquire may lead to a delay in resolutions, impacting, member experience and ratings	Generate personalized responses based on user interaction Assist customer services agents with after call work and sentiment analysis Reduces average handling time by call route optimization and real-time assistance
	Enhanced claims management	High claim volumes straining operational capacity may result in incorrect adjudications and higher denial rates	Intelligent document processing for mailroom operations Claims denials prediction, appeals and grievances response
Provider	Improved clinical documentation and coding	Time-consuming documentation detracts providers from patient care	Detects discrepancies and simplifies clinical documentation Increased coder accuracy by assigning appropriate codes and streamline coding audits
	Enhanced claims management	Complex registration, delays in appointment, and lack of information about the services, cost, etc. impact patient experience	Assists agents in handling patient inquiries such as scheduling requests, provider matching, and billing inquiries

Source: Company, Elara Securities Research

Exhibit 40: Key generative AI tools and platforms

Use case	Description	Technology / capabilities
Document Processing Engine	Digitizes inbound document workflows (paper/email/fax) for payer operations. Automates classification, data extraction, validation, and flags urgent/duplicate/misrouted documents to improve turnaround time.	Optical character recognition (OCR), Natural language Processing (NLP), Intelligent Content Processing (ICP), context-aware data extraction, workflow automation
Nurse Assist	AI-powered assistant for nurses that annotates, summarizes, and reviews unstructured clinical documents. Supports clinical decision workflows like prior authorization by aligning records with medical guidelines.	Generative AI, Machine Learning (ML), NLP, clinical language models trained with healthcare subject matter experts (SMEs)
Member Engagement Platform	Enables interaction between care teams and patients via targeted programs and self-service portals. Tracks patient engagement and progress against health goals.	Digital engagement platform, workflow orchestration, portal-based interfaces, analytics tracking
Provider Forward™	Manages provider data and credentialing workflows for payers. Includes task tracking for agents and a self-service portal for providers to verify and update their information.	Workflow engine, web-based self-service portal, data management systems
Speech Analytics Suite	Enhances contact center operations with real-time call insights, summarization, and sentiment analysis. Assists agents with next-best actions during live interactions using real time speech transcripts.	Speech-to-text, real-time NLP, sentiment analysis, conversational AI, analytics dashboards
Contract Central Platform	Identifies claims overpayments by reprocessing claims using contract terms and regulatory guidelines. Compares expected versus actual payouts to flag discrepancies.	Rules engine, claims reprocessing algorithms, data analytics, contract parsing
Enrollment & Plan Building Automation	Automates member onboarding and insurance plan configuration. Handles applications, premium calculations, ID generation, and supports complex plan design structures.	Process automation (RPA), rules-based engines, workflow automation, pricing/configuration logic
Revenue Cycle Management Platform	End-to-end solution for provider RCM, including eligibility checks, claims tracking, and collections optimization. Additionally, for DME and lab providers, the platform streamlines order management and supports cash-collection processes, helping reduce bad-debt risk	AI and ML for collectability prediction, automation bots, integration with payer portals, analytics

Source: Company, Elara Securities Research

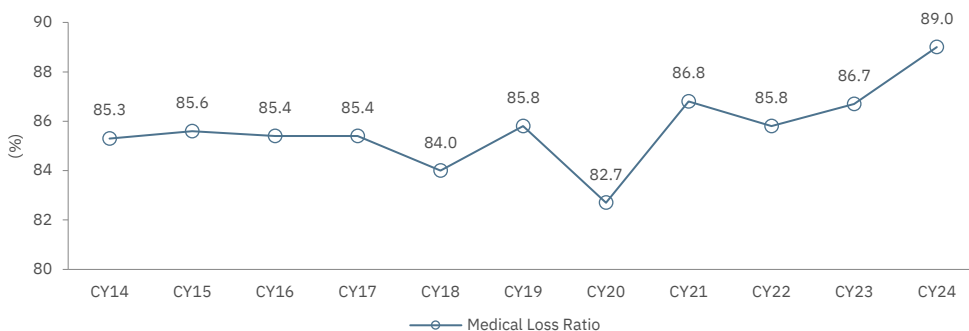
The integration of Gen AI into healthcare comes with many challenges and risks. The healthcare industry lacks a centralized data pool as healthcare enterprises often use multiple IT systems that are fragmented and disparate. AI algorithms, on the other hand, require a robust data set for training and validation. As a result, the lack of a comprehensive data repository, limited interoperability, biases in training data, and unclear data origin can restrict the use of generative AI. In addition, AI hallucinations, which are erroneous outcomes resulting from inadequate training data or biases, may have further consequences. Lastly, regulatory and ethical concerns surrounding patient privacy, data ownership, and accountability need to be alleviated as several government agencies plan to regulate AI use within defined frameworks. In this context, we believe that dent on SAGILITY’s revenues may be limited. The company did call out for 1.5-2% revenue risk due to AI deflation, while also mentioned that full automation may not be achieved in this space – Automation beyond 15-20% seems difficult due to above-mentioned regulatory reasons.

Higher MLR, rising administrative cost creating more outsourcing opportunities

Higher medical loss ratio (MLR) accelerating the shift to outsourcing

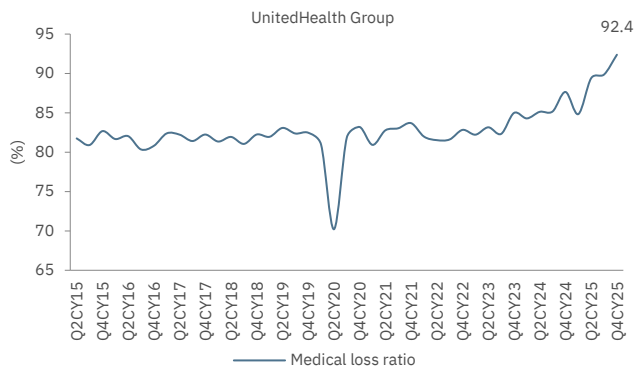
Medical loss ratios (MLRs), the premium earned less medical claim, have been steadily rising across US payers since CY20. Payers are facing intensifying pressure to structurally optimize their operating cost base. The Affordable Care Act requires insurance companies to spend at least 80% or 85% of premium dollars on medical care. The increasing loss ratio is pushing insurers to accelerate outsourcing across core and non-core workflows, including claims adjudication, provider management, care management, and member services to remain profitable. With MLRs trending upward and regulatory scrutiny limiting premium hikes, the outsourcing imperative becomes even stronger, positioning SAGILITY well to capture incremental share as payers rebalance cost structures toward more scalable, partnered delivery models.

Exhibit 41: Medical loss ratio increasing for payers since COVID



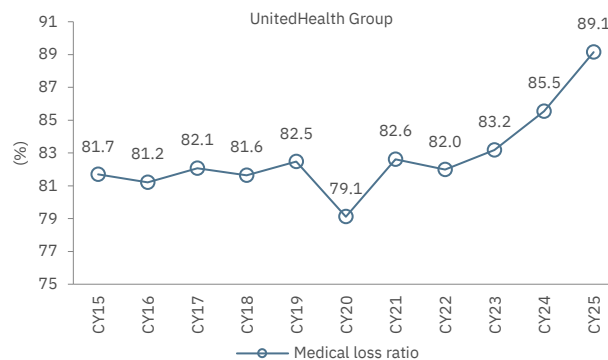
Note: Medical loss ratio (MLR) = Total claims paid / premiums earned; Source: NAIC, Elara Securities Research

Exhibit 42: Medical loss ratio at 92.4% for United Health Group...



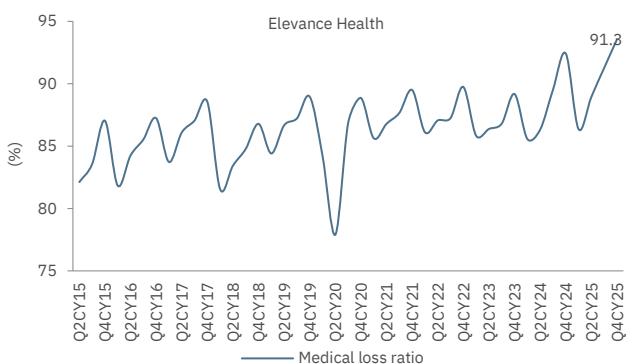
Source: Company, Elara Securities Research

Exhibit 43: ... an increase from 79.1% in CY20 to 89.1% in CY25



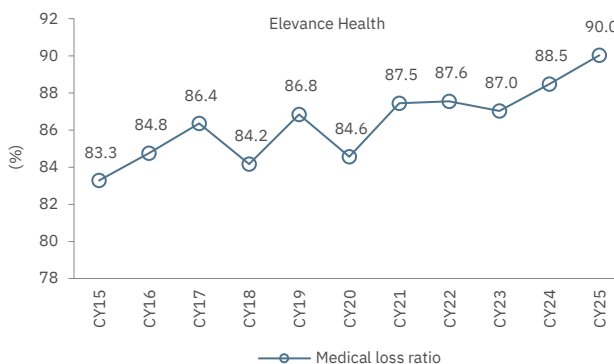
Source: Company, Elara Securities Research

Exhibit 44: Medical loss ratio at 93.5% for Elevance Health...



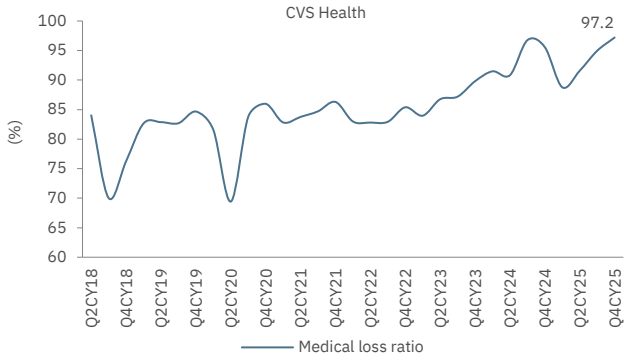
Source: Company, Elara Securities Research

Exhibit 45: ... an increase from 84.6% in CY20 to 90.0% in CY25



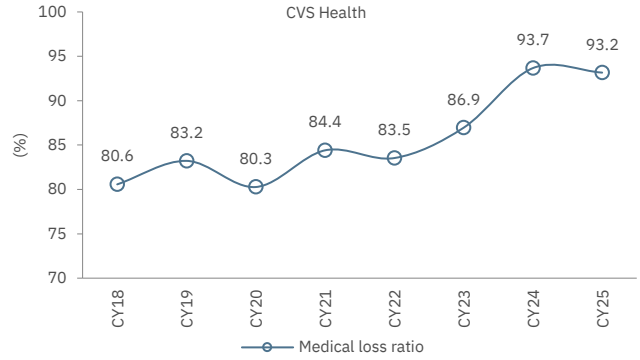
Source: Company, Elara Securities Research

Exhibit 46: Medical loss ratio at 97.2% for CVS Health...



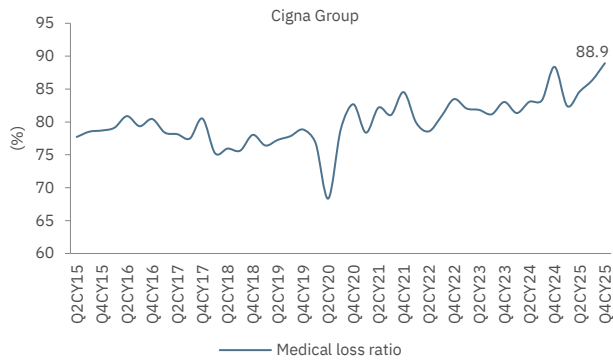
Source: Company, Elara Securities Research

Exhibit 47: ... an increase from 80.3% in CY20 to 93.2% in CY25



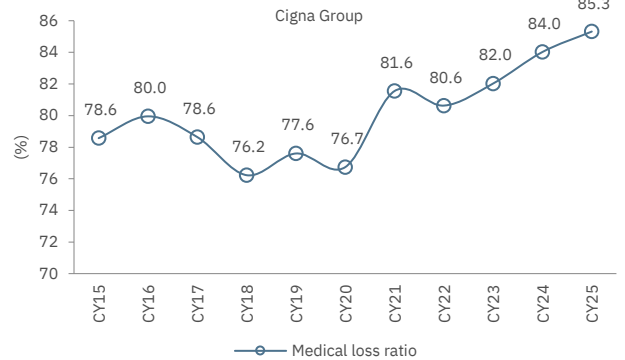
Source: Company, Elara Securities Research

Exhibit 48: Medical loss ratio at 88.9% for Cigna Group...



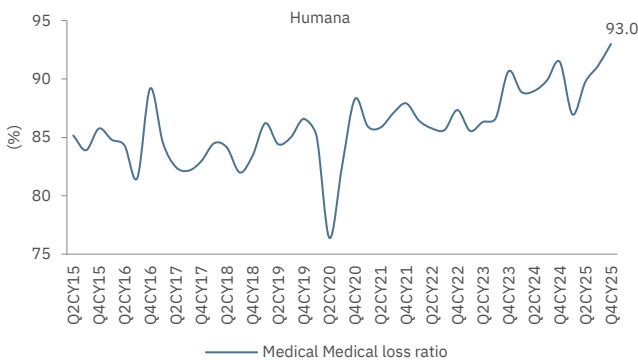
Source: Company, Elara Securities Research

Exhibit 49: ... an increase from 76.7% in CY20 to 85.3% in CY25



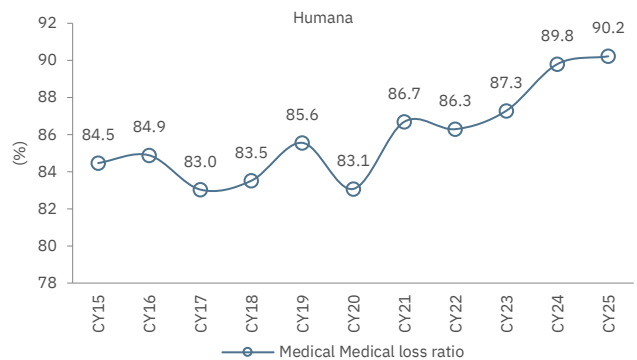
Source: Company, Elara Securities Research

Exhibit 50: Medical loss ratio at 93.0% for Humana...



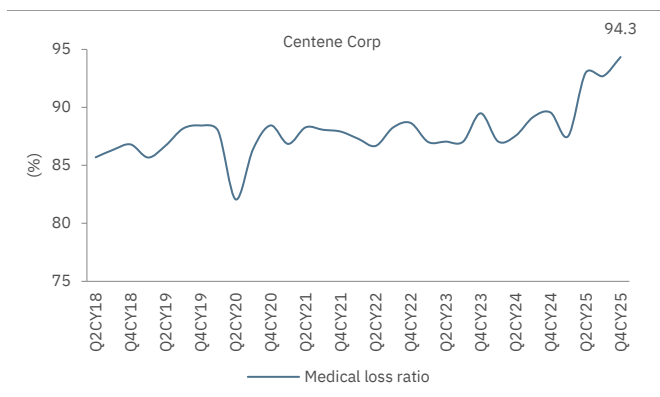
Source: Company, Elara Securities Research

Exhibit 51: ... an increase from 83.1% in CY20 to 90.2% in CY25



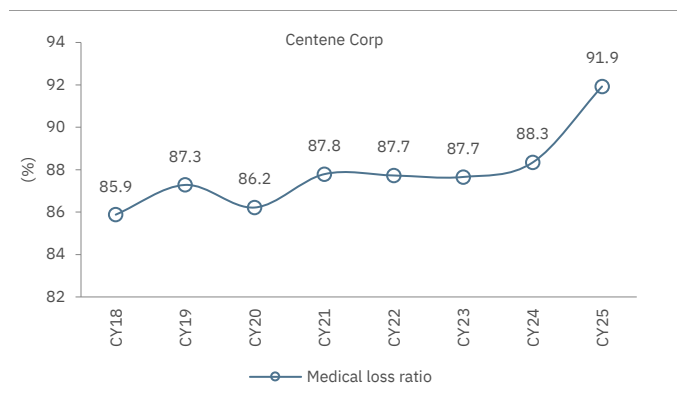
Source: Company, Elara Securities Research

Exhibit 52: Medical loss ratio at 94.3% for Centene...



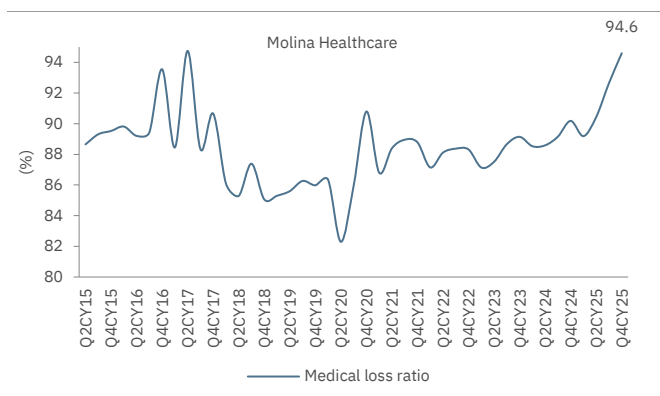
Source: Company, Elara Securities Research

Exhibit 53: ... an increase from 86.2% in CY20 to 91.9% in CY25



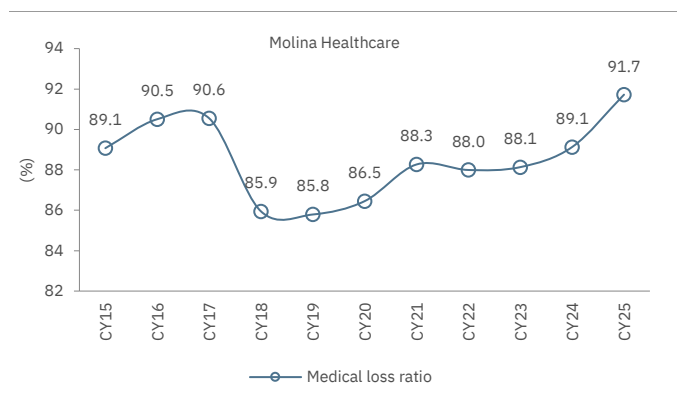
Source: Company, Elara Securities Research

Exhibit 54: Medical loss ratio at 94.6% for Molina...



Source: Company, Elara Securities Research

Exhibit 55: ... an increase from 86.5% in CY20 to 91.7% in CY25

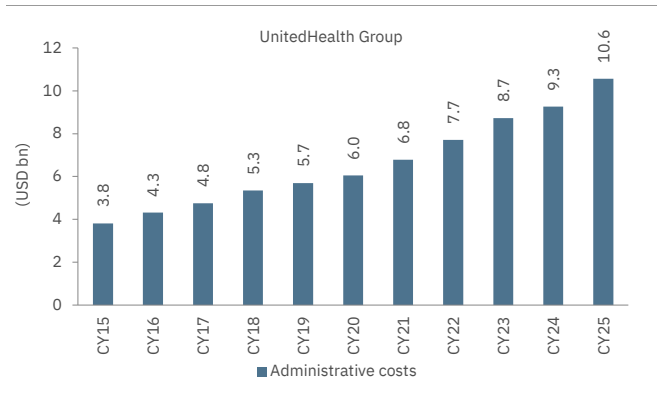


Source: Company, Elara Securities Research

Administrative costs of clients continue to rise, creating future opportunities

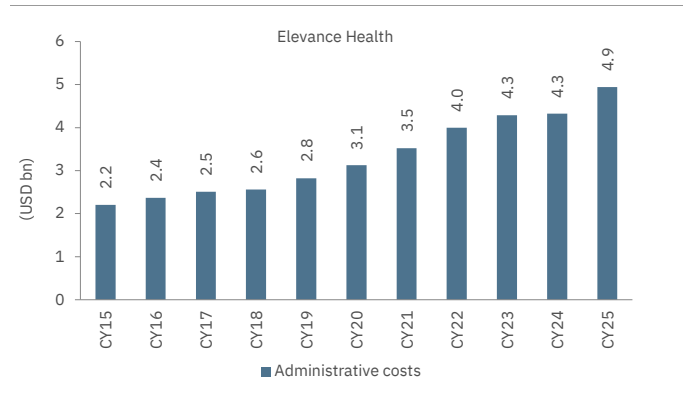
Higher medical loss ratio (MLR) is forcing clients to optimise administrative cost, so as to maintain profitability. Healthcare industry in the US is highly regulated, and is a non-discretionary spend that cannot be reduced – Outsourcing is the way out here. The US payer outsourcing opportunity continues to expand, structurally underpinned by rising cost pressure across large insurers. Admin cost base has compounded at a 10.7% CAGR in CY15-25 for United Health, and the outsourcing opportunity is set to rise further (from USD 2bn in CY25, in our view). A similar trend was visible for Humana, CVS Aetna, Elevance, Cigna HC, Centene. We do not see this trend slowing down, creating future outsourcing opportunities for players such as SAGILITY.

Exhibit 56: Costs compounded at 10.7% CAGR for United Health through CY15-25



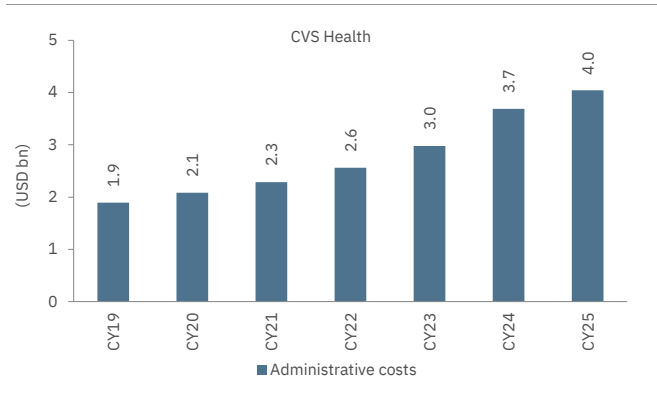
Source: Company, Elara Securities Research

Exhibit 57: Costs compounded at 8.42% CAGR for Elevance through CY15-25



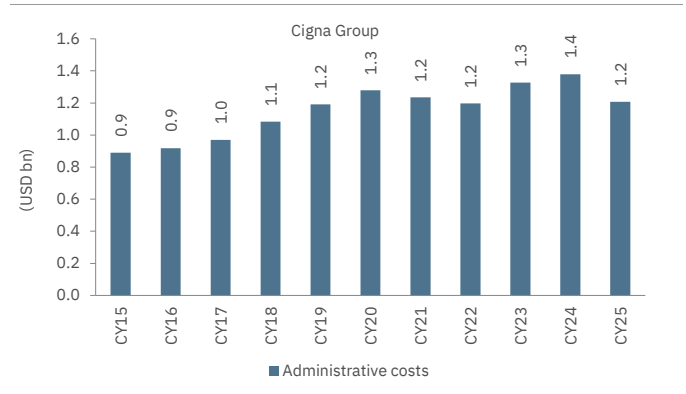
Source: Company, Elara Securities Research

Exhibit 58: Costs compounded at 13.47% CAGR for CVS through CY19-25



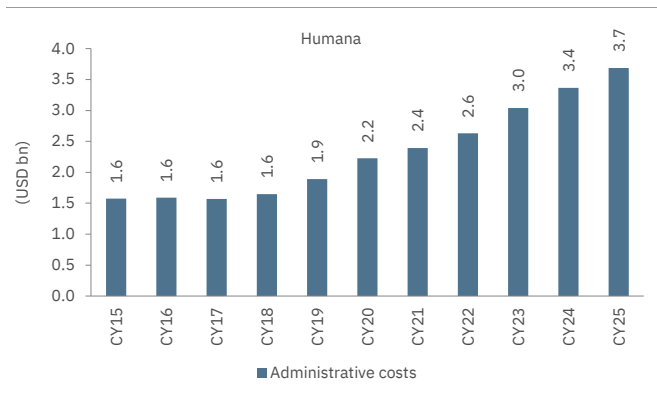
Source: Company, Elara Securities Research

Exhibit 59: Costs compounded at 3.1% CAGR for Cigna through CY15-25



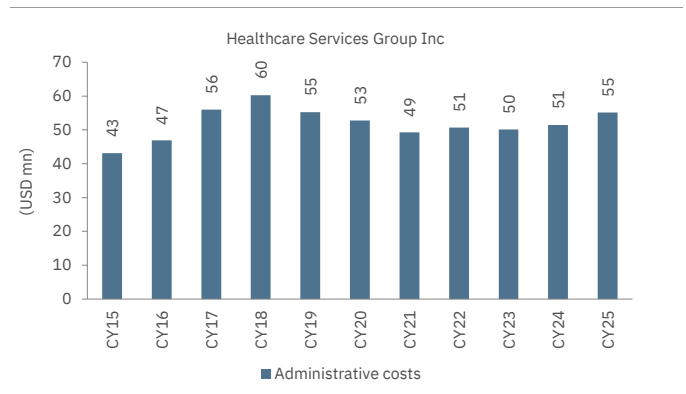
Source: Company, Elara Securities Research

Exhibit 60: Costs compounded at 8.9% CAGR for Humana through CY15-25



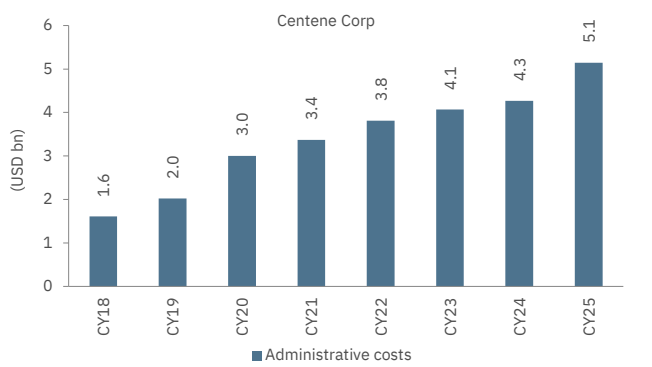
Source: Company, Elara Securities Research

Exhibit 61: Costs compounded at 2.5% CAGR for HSG through CY15-25



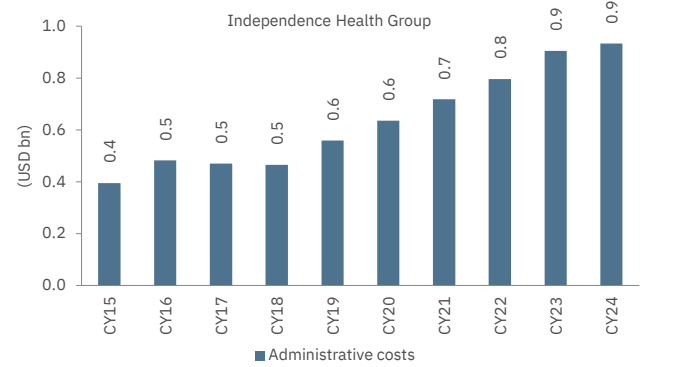
Source: Company, Elara Securities Research

Exhibit 62: Costs compounded at 18.1% CAGR for Centene through CY18-25



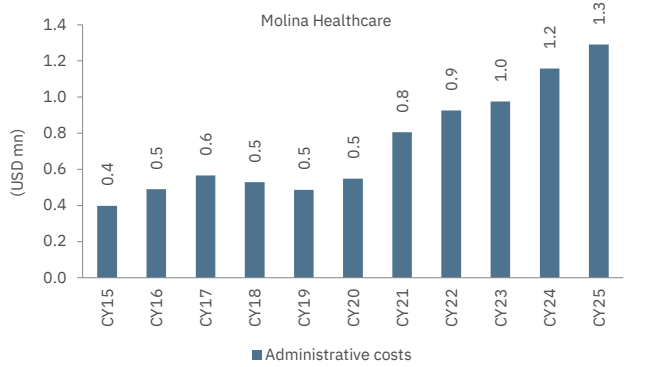
Source: Company, Elara Securities Research

Exhibit 63: Costs compounded at 10.0% CAGR for IHG through CY15-25



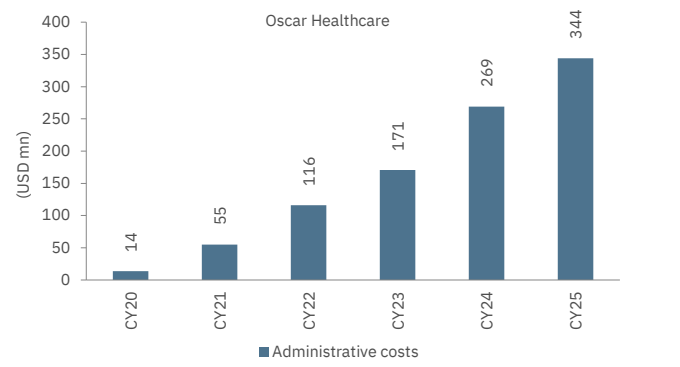
Source: Company, Elara Securities Research

Exhibit 64: Costs compounded at 12.5% CAGR for Molina through CY15-25



Source: Company, Elara Securities Research

Exhibit 65: Costs compounded at 90% CAGR for Oscar through CY20-25



Source: Company, Elara Securities Research

Exhibit 66: Key priorities of payers in 2026

Payer	2026 management focus
United HealthCare	Margin recovery
Humana	Five-Star focus and exiting unprofitable plans
CVS Aetna	Improving utilization
Elevance	Realign cost structure, improve margin consistency
Cigna	Focus on PBM business
Centene	Margin improvement

Source: Company, Elara Securities Research

Exhibit 67: Margin recovery, cost discipline, and utilization management, key priorities of payers

“

As part of our **efforts to address elevated trend and funding cuts**, we planned for some Medicare Advantage membership contraction in 2026. We now expect UHC Medicare Advantage contraction will be in the range of 1.3mn to 1.4mn members for the full year...These are greater losses than originally anticipated, as competitive market dynamics drove higher than expected plan shopping during the intensely competitive Annual Enrolment Period.
- UHC CEO, Q4 2025

As a reminder, **we expect the increase between first quarter and fourth quarter MBR** to be ~850bps in 2026, which is **slightly steeper than the initial expectations** we provided for 2025.
- Aetna CFO, Q4 2025

Looking ahead, we expect our broader transformation efforts to increasingly impact results beginning this year. This includes **expanding outsourcing capabilities, simplifying and standardizing processes, and leveraging technology and automation**
- Humana CFO, Q4 2025

We continue to view 2026 as a trough year. We expect our Medicaid operating margin to be approximately negative 1.75%, with improvement over time as rates incorporate more current experience and our actions take hold.
- Elevance CEO, Q4 2025

70% of our portfolio, Cigna Healthcare and Specialty & Care Services, remains well positioned for growth in 2026 and beyond. And to **future-proof our company within our Pharmacy Benefit Services**, we continue to take significant actions.
- Cigna CEO, Q3 2025

Overall, we are **focused on driving margin improvement across the enterprise and delivering EPS growth in 202**. We have incredible runway ahead of us in the form of operational improvements, efficiency gains, and margin expansion.
- Centene CEO, Q3 2025

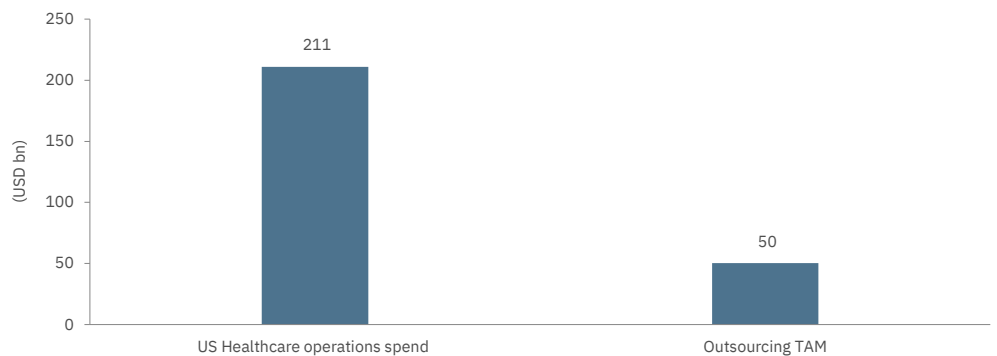
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Source: Company, Elara Securities Research

Healthcare outsourcing spend – A USD 70bn opportunity by CY28

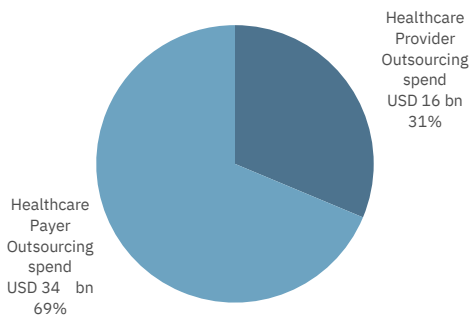
Outsourcing penetration in the US healthcare payer segment stood at 22.8-24.8% in CY24, and is projected to reach 23-25% in 2025, with spend likely compounding at a 6-8% CAGR in CY24-28E, driven by increased focus on cost containment (driving greater outsourcing of operationally intensive functions to reduce fixed overhead). Providers, at 20.8-22.8% penetration in CY24 (rising to 22.2-24.2% in 2025), are growing faster at an 11-13% CAGR, fueled by an aging population, chronic disease prevalence, and government initiatives. Providers, at 20.8-22.8% penetration in CY24 (rising to 22.2-24.2% in 2025), are growing faster at an 11-13% CAGR, fueled by an aging population, chronic disease prevalence, and government initiatives. Acute shortage in staffing is also accelerating outsourcing of care management and administrative functions, while regulatory complexities such as Medicaid redeterminations and evolving CMS mandates are pushing eligibility and member engagement work to external partners. Revenue integrity concerns, billing errors, and a sharp rise in cybersecurity breaches are further compelling organizations to seek specialized vendors with deep compliance and data protection capabilities.

Exhibit 68: US Healthcare outsourcing spend at USD 50bn in CY24



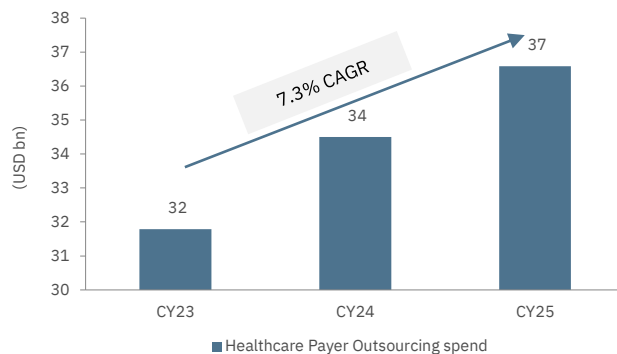
Source: Company, Elara Securities Research

Exhibit 69: Outsourcing mix for CY24



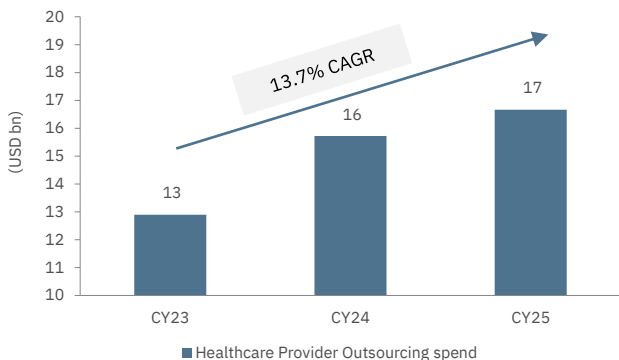
Source: Company, Elara Securities Research

Exhibit 70: Healthcare Payer outsourcing – TAM CAGR at 7.3% in CY23-25



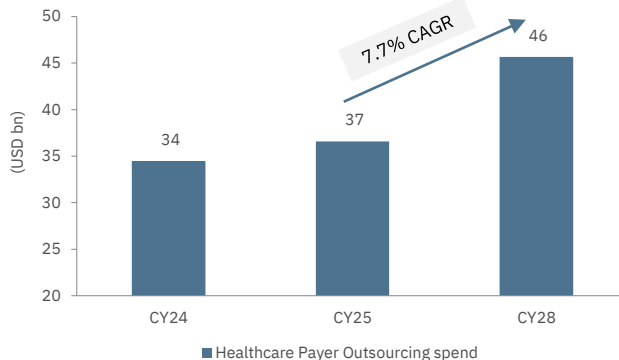
Source: Company, Elara Securities Research

Exhibit 71: Healthcare provider outsourcing – TAM CAGR at 13.7% in CY23-25



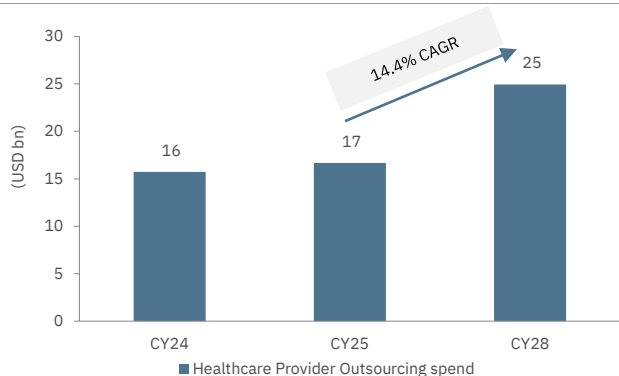
Source: Company, Elara Securities Research

Exhibit 72: Healthcare Payer outsourcing – TAM CAGR at 7.7% in CY25-28



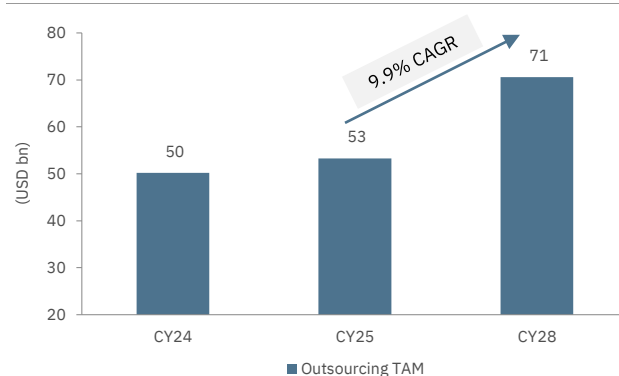
Source: Company, Elara Securities Research

Exhibit 73: Healthcare Provider outsourcing – TAM to compound at faster CAGR of 14.4% in CY25-28E



Source: Company, Elara Securities Research

Exhibit 74: Total outsourcing TAM CAGR at 9.9% in CY25-28E



Source: Company, Elara Securities Research

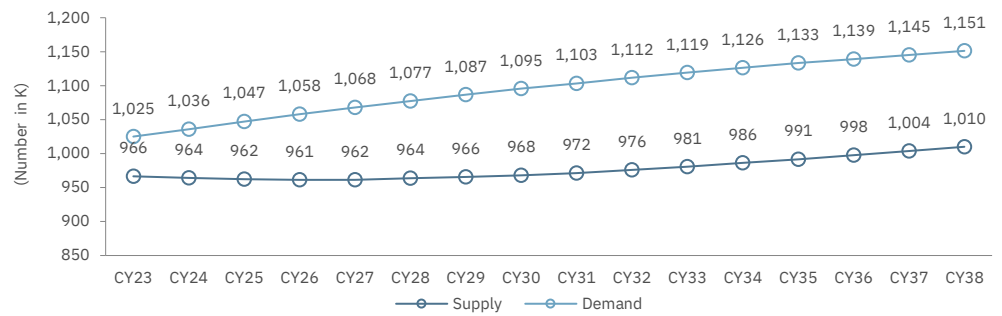
Structural shortages in US healthcare workforce driving outsourcing

The US healthcare system faces a structural shortage of clinical talent, which could impact care delivery and operational efficiency. According to projections by the US Health Resources & Services Administration (HRSA), by 2038, the system may face shortages of ~141k physicians, ~71k primary care physicians, and ~109k registered nurses, along with gaps in behavioral health professionals. This is expected to be more pronounced in non-metro regions and across specialties such as primary care,

mental services, and allied health, reflecting rising demand from an aging population and increased healthcare utilization.

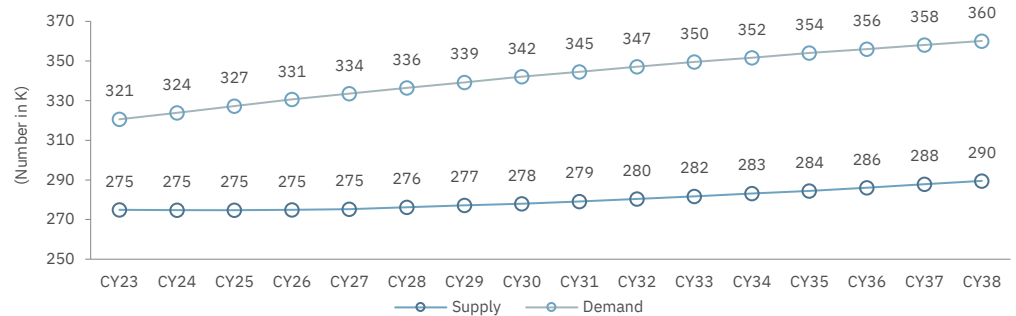
This scarcity could translate into reduced access to care, longer patient wait times, and lower patient satisfaction, potentially leading to deferred treatments and revenue leakage for healthcare providers. At the same time, clinicians may face higher workloads and burnout, increasing attrition and driving higher staffing costs as healthcare organizations compete to retain talent. The structural supply-demand gap in healthcare professionals could accelerate outsourcing and technology adoption as organizations look to ease clinician burden, manage costs, and maintain care delivery efficiency supporting long-term demand for services providers such as SAGILITY.

Exhibit 75: US to face an estimated shortage of ~141,000 physicians by 2038



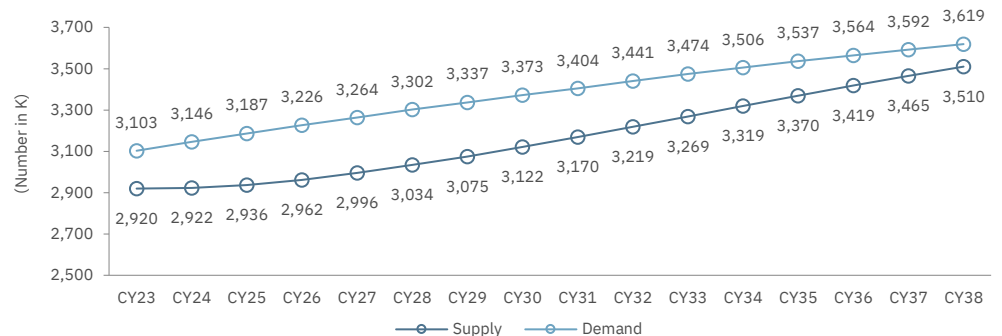
Source: U.S. Health Resources & Services Administration (HRSA), Elara Securities Research

Exhibit 76: US to face shortage of 70.6K primary care physicians by 2038



Source: U.S. Health Resources & Services Administration (HRSA), Elara Securities Research

Exhibit 77: US to face shortage of 109k registered nurses by 2038

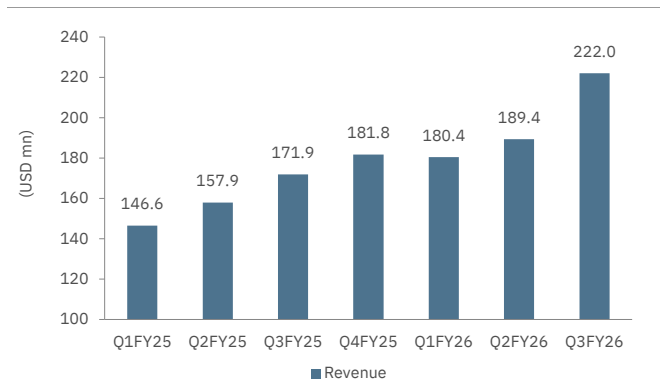


Source: U.S. Health Resources & Services Administration (HRSA), Elara Securities Research

Earnings growth to support multiple expansion

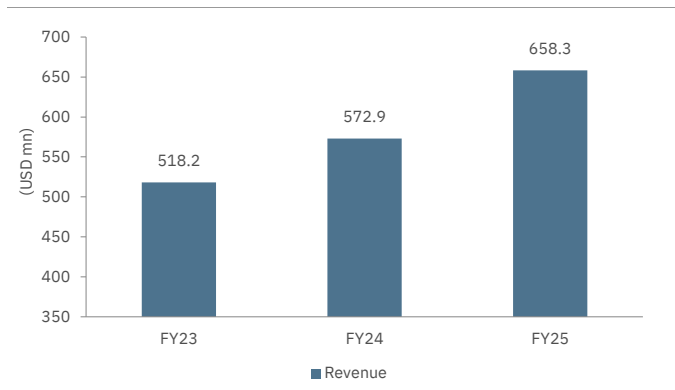
Both the segments of SAGILITY, i.e., payers and providers, have reported strong growth, fuelling revenue growth at the company level. Payers form 89% of the mix and providers 11%. We do not expect a major change in this mix in the next 2-3 years as we expect growth to be led by the payer segment. In the payer segment, we expect growth to be driven by continued additions of FTEs. We expect 12.4% USD revenue CAGR in FY26E-28E. We expect earnings to compound at a 20.0% CAGR in FY26E-28E. Earnings in FY28 may see a jump due to absence of finance costs as debt may be repaid fully by FY27.

Exhibit 78: USD revenue CQGR at 5.9% through to Q3FY26



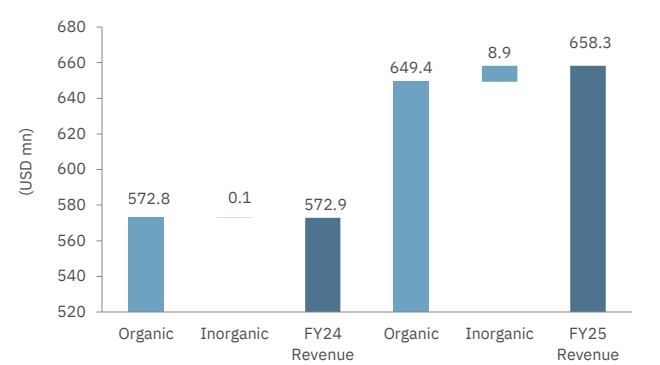
Source: Company, Elara Securities Research

Exhibit 79: USD revenue CAGR at 12.7% in FY23-25



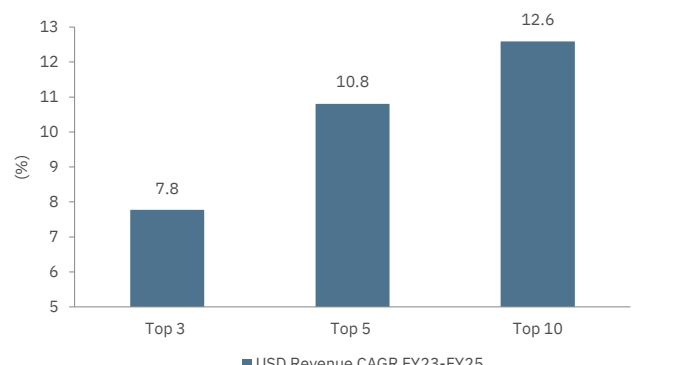
Source: Company, Elara Securities Research

Exhibit 80: Organic revenue CAGR of 14.1% in FY23-25



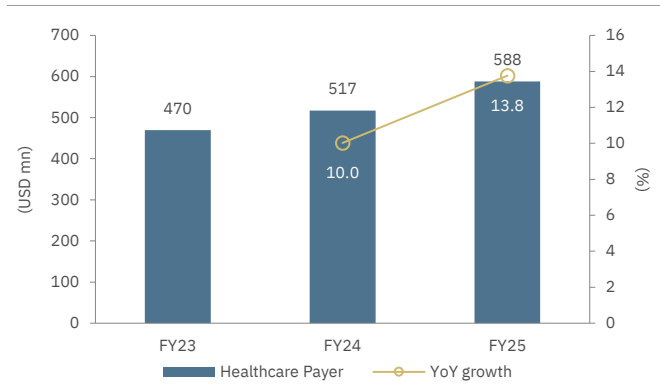
Source: Company, Elara Securities Research

Exhibit 81: USD revenue CAGR across top client cohorts



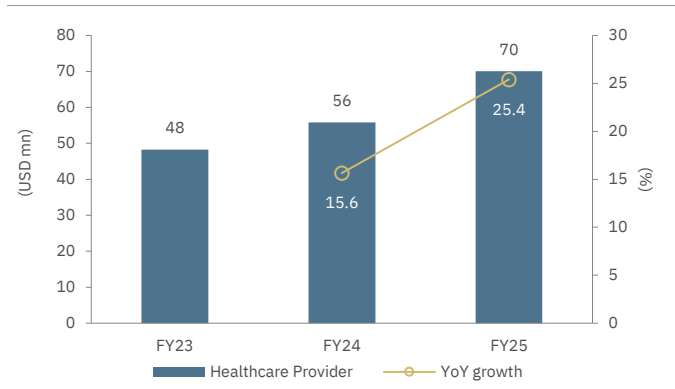
Source: Company, Elara Securities Research

Exhibit 82: Payer segment – Revenue growth robust



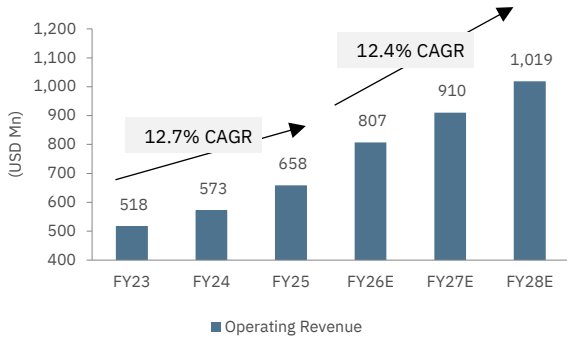
Source: Company, Elara Securities Research

Exhibit 83: Provider business – Growth also accelerating



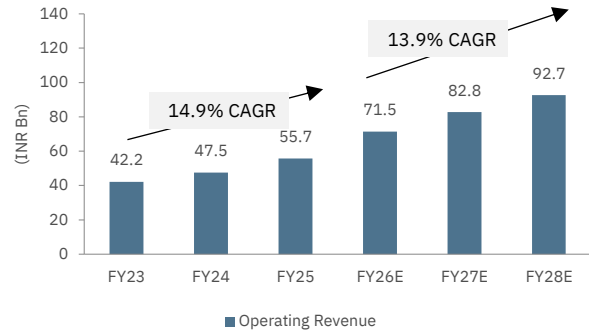
Source: Company, Elara Securities Research

Exhibit 84: Expect USD revenue CAGR of 12.4% in FY26E-28E



Source: Company, Elara Securities Estimate

Exhibit 85: INR revenue to compound at a faster clip of 13.9% CAGR

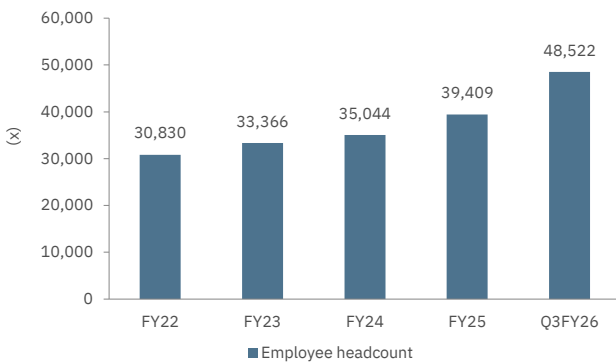


Source: Company, Elara Securities Estimate

Improving profitability with debt repayment

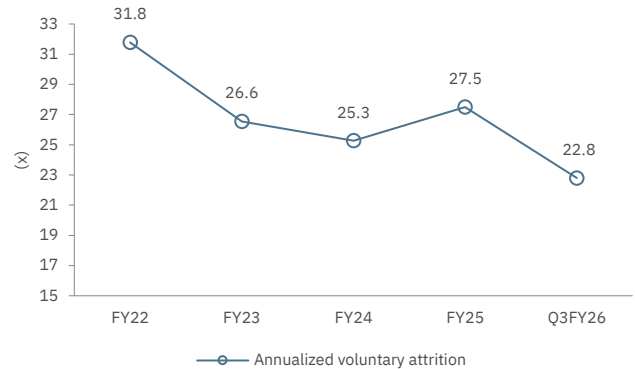
FY25 margins benefited from the cessation of amortisation charges related to intangibles from the acquisition of India Healthcare (from Hinduja Global Solutions in Jan-22) – these were fully amortised by FY24, driving a structural uplift in profitability. For FY26, SAGILITY has maintained its adjusted margin guidance at 25%, a dip from FY25 due to BroadPath's lower-margin portfolio. Management reiterated its steady-state margin guidance of 24-25% in the medium term. We expect profitability to improve in FY28 due to absence of finance costs as debt may be repaid fully in FY27.

Exhibit 86: Employee headcount expanding



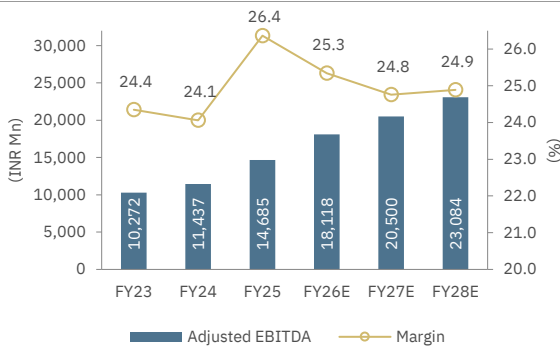
Source: Company, Elara Securities Research

Exhibit 87: Annualized attrition rate declining



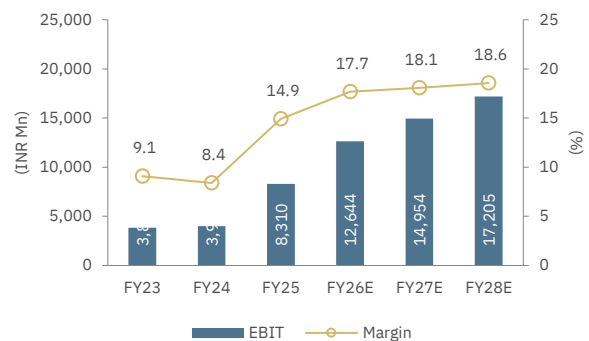
Source: Company, Elara Securities Research

Exhibit 88: Adj EBITDA margin to settle at ~25% in FY28E



Source: Company, Elara Securities Estimate

Exhibit 89: EBIT margin trend



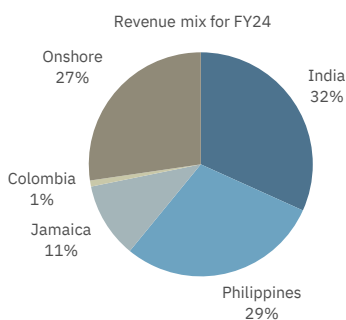
Source: Company, Elara Securities Estimate

Significant offshore mix to support margins

Delivery centres span five countries, with majority of the workforce concentrated in cost-arbitrage locations such as India and The Philippines, creating a significant offshore mix that supports margin resilience. The strategic use of nearshore centres in Jamaica and Colombia is designed to diversify the labor pool, mitigate wage inflation risks in established offshore markets, and offer specialized regional delivery capabilities, improving time-zone synchronization with US clients.

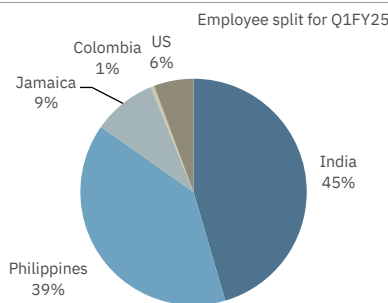
Service delivery locations are determined in consultation with clients, with a flexible work-from-home model in place. Dedicated leaders oversee each core service line across geographies, while streamlined global processes enable scalable and consistent service delivery. Quality control is implemented organization-wide, customized per service line, and aligned with ISO27001, SOC1, SOC2, HIPAA, and NCQA standards.

Exhibit 90: About 73% of revenue is from offshore subsidiaries...



Source: Company, Elara Securities Research

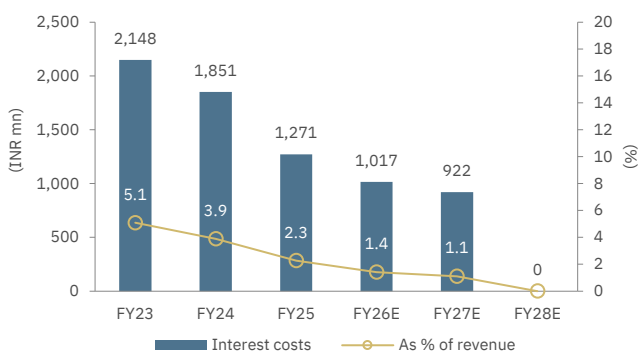
Exhibit 91: ... supported by +94% of employees offshore/nearshore



Source: Company, Elara Securities Research

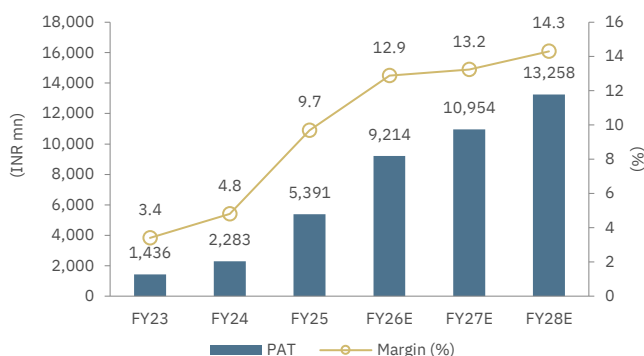
We build in a 20.0% PAT CAGR in FY26E-28E, with PAT margin expanding from 12.9% in FY26E to 14.3% by FY28E. Decreasing interest charges and strong operating performance may aid strong profitability through FY26E-28E.

Exhibit 92: Deleveraging balance sheet



Source: Company, Elara Securities Estimate

Exhibit 93: Expect PAT to compound at 20.0% CAGR in FY26E-28E

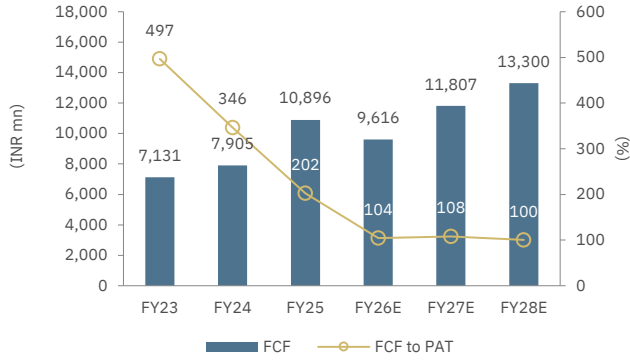


Source: Company, Elara Securities Estimate

Strong free cashflow generation, improving return ratios

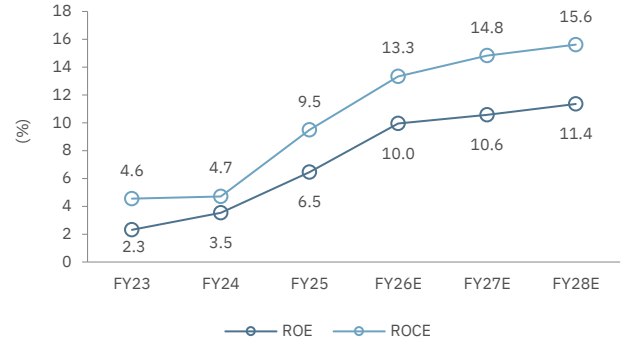
SAGILITY's financial strength is underscored by robust cash generation and improving return ratios, positioning it well for disciplined capital allocation. Free cash flow (FCF) growth has been strong at 23.6% CAGR in FY23-25, with healthy earnings conversion. Expect it to sustain at 17.6% CAGR in FY26E-28E, with FCF/PAT conversion strong at 100-108%. SAGILITY's ROE / ROCE may continue to expand to 11.4%/15.6% in FY28E

Exhibit 94: FCF to PAT conversion expected to be strong



Source: Company, Elara Securities Estimate

Exhibit 95: ROCE and ROE to continue to expand



Source: Company, Elara Securities Estimate

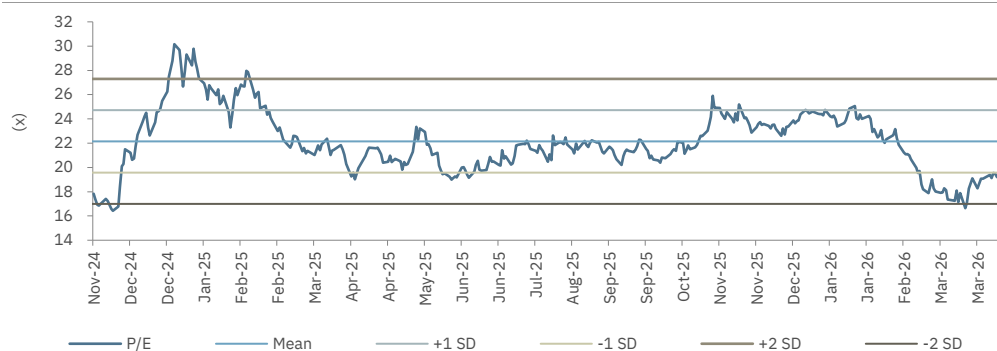
Valuations and recommendations

- ▶ Initiate with Buy and a TP of INR 54
- ▶ Key risks are a drop in outsourcing and disruption in the existing pricing model

Initiate with Buy and a TP of INR 54

SAGILITY trades at 15.2x FY28E EPS. This is at 18% and 36% discount to Indegene and IKS, respectively. We initiate with a BUY and TP of INR 54, based on 19x FY28E EPS.

Exhibit 96: SAGILITY currently trades at 19.4x on 1-year forward EPS



Note: Pricing as of 17 April 2026; Source: Company, Elara Securities Research

Exhibit 97: Valuation (FY28E)

(INR)	
TTM EPS	1.8
Target Reported EPS (FY28E)	2.82
Target P/E (x)	19
TP	54
CMP	43
Upside (%)	26

Note: Pricing as of 17 April 2026; Source: Company, Elara Securities Estimate

Exhibit 98: Peer valuations

Company	Ticker	Rating	Mcap (USD mn)	CMP (INR)	TP (INR)	Upside (%)	P/E (x)				EV/EBITDA (x)				ROE (%)			
							FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
SAGILITY	SAGILITY IN		2,165	43	54	26	36.7	21.9	18.4	15.2	15.6	11.3	9.2	7.5	35.3	36.5	30.0	26.9
IKS*	IKS IN	Not Rated	2,761	1,499	NR		52.4	35.8	29.1	23.7	29.1	24.7	20.6	17.6	33.0	33.2	30.5	28.7
Indegene*	INDGN IN	Not Rated	1,265	487	NR		28.6	26.8	22.9	18.6	18.4	16.8	13.8	11.8	20.1	15.6	16.0	17.1
Firstsource*	FSOL IN	Not Rated	1,794	239	NR		26.8	22.8	18.3	15.6	13.7	12.2	10.4	9.2	15.2	19.4	20.4	21.7
eClerx*	ECLX IN	Not Rated	1,650	1,631	NR		29.1	22.0	18.9	16.2	15.8	13.7	11.6	10.2	23.8	28.1	27.3	26.4

Note: Market data as of 17 April 2026, * Bloomberg Consensus; Source: Bloomberg, Company, Elara Securities Estimate

Key risks

- ▶ **Decline in outsourcing:** Per Everest Group, currently, payers in US healthcare outsource 20% of their healthcare operation expenses to players such as SAGILITY. SAGILITY expects this to rise by 500-600bps in the medium-to-long term due to elevated cost strain at the payer side. Any regulation that restricts the flow of outsourcing work to SAGILITY from payers may impact its growth and earnings materially.
- ▶ **Disruption in existing pricing model:** Most of SAGILITY's revenue is time based (hourly employee rates) or transaction based (fees on volumes handled – e.g., number of claims processed etc.). Any inability to keep pace with model shift/ change from time-based/transaction-based to outcome-based fees may disrupt current pricing models.

Company description

SAGILITY is a technology-enabled healthcare operations and business process management (BPM) services provider, focused primarily on the US healthcare market, serving both health payers and providers. The company offers end-to-end operational solutions, including claims management, payment integrity, member/provider engagement, clinical and case management, provider network operations, revenue cycle management, and analytic services to help clients optimize costs, improve care quality, and enhance member experiences.

Built on deep healthcare domain expertise, SAGILITY deploys AI, automation, advanced analytics, and cloud-native platforms to drive improved operational efficiency and measurable outcomes. Its solutions encompass both traditional BPM and tech-led BPaaS (Business Process as a Service) models delivered through a combination of talent and technology. The company operates globally with delivery centres across India, The Philippines, the US, Jamaica, and Colombia, leveraging a large skilled workforce to serve major US health insurance firms. Originally part of HGS Healthcare, SAGILITY is now a pure-play healthcare BPM leader, processing millions of claims and interactions annually and positioning itself as a strategic partner for digital transformation and cost-effective healthcare operations.

Annuity led revenue model with high recurring visibility

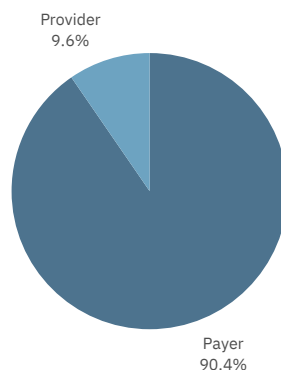
SAGILITY's business is primarily annuity-led, with 90%+ of revenue recurring, supported by multi-year (typically three-year) contracts and long-standing client relationships that have seen repeated renewals over 15-17 years. Once embedded within a client, SAGILITY scales through multi-stakeholder engagement, long-term MSAs, and multiple statements of works ("SOWs") across business lines. The company earns primarily through effort-based FTE and transaction-linked models, supplemented by per number, per month (PMPM) and contingency-based arrangements in RCM and payment integrity. One-off or implementation revenues form only a small proportion of the mix, with the core engine driven by stable operational services unless volumes decline or an SOW is lost.

- ▶ **Time-based:** Under time-based SOWs, SAGILITY charges for the services performed by its employees at hourly or monthly rates that are agreed at the time the SOW is executed.
- ▶ **Transaction-based:** Under transaction-based SOWs, SAGILITY charges its clients a per-transaction fee, and fees are based on the volume of transactions handled, such as the number of claims processed.
- ▶ **Outcome-based:** Under outcome-based SOWs, fee is linked to certain performance outcomes, such as cash collected on outstanding receivables or recovery made on overpaid claims.

Comprehensive offerings across payers' and providers' value chain

SAGILITY is a pure-play healthcare-focused tech solutions player – It works exclusively with clients across the healthcare spectrum, both payers (US health insurance companies that finance and reimburse the cost of care) and providers (hospitals, physicians, and diagnostic and medical device companies). As of March 2026, SAGILITY served seven out of top 10 healthcare payers by enrolments in the US. It has 48K employees and 80+ clients. Its clients include top payers and providers, while payer clients include United Health, Humana, CVS Aetna, Elevance, Cigna HC, Centene etc.

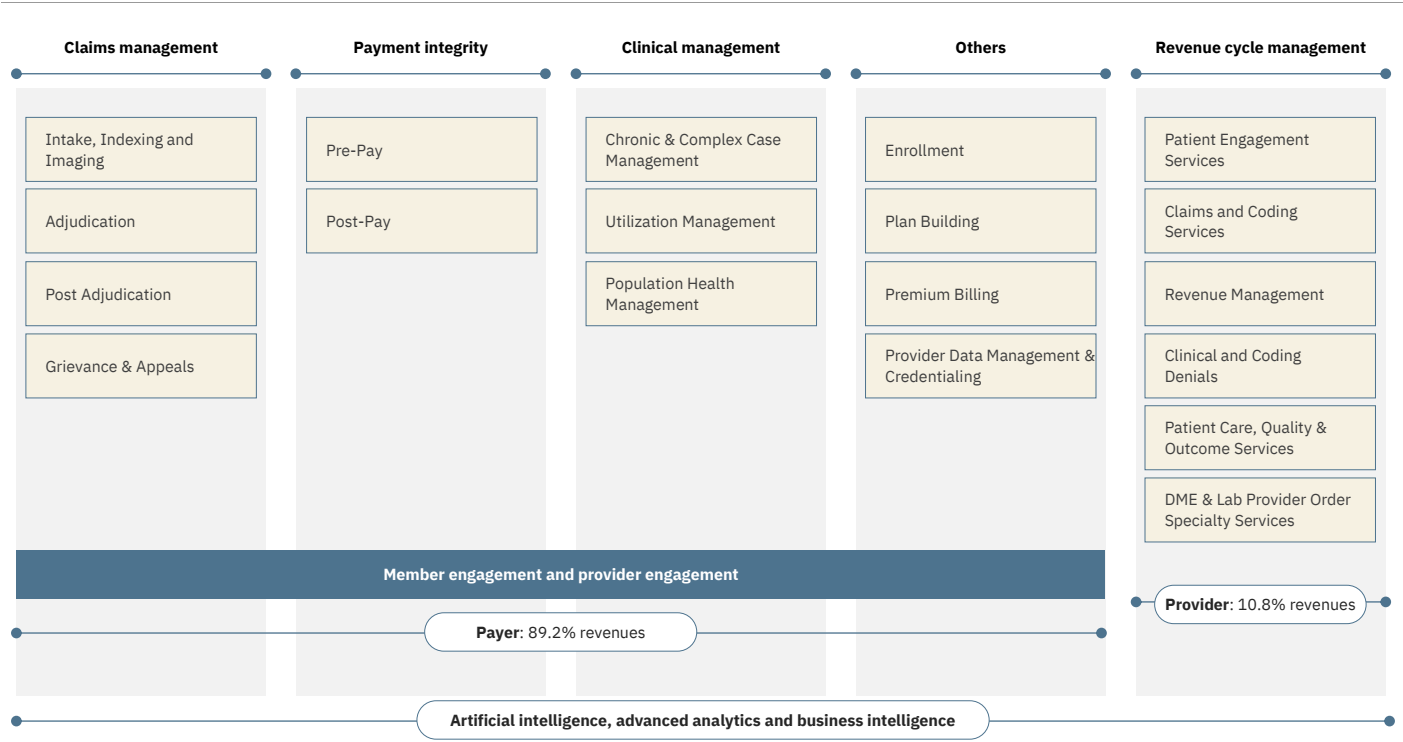
Exhibit 99: Payers accounted for 90.4% of revenue as of Q3FY26



Source: Company, Elara Securities Research

For payers, SAGILITY offers services spanning most of the value chain, including claims management, payment integrity, clinical management services, and provider network operations, helping reduce costs and enhance care experience. For providers, the company offer complete RCM (revenue cycle management) support, from scheduling and insurance verification to coding, billing, denial management, and collections. Back-end services include cash posting, credit balance resolution, and patient engagement.

Exhibit 100: Offerings across payers and providers

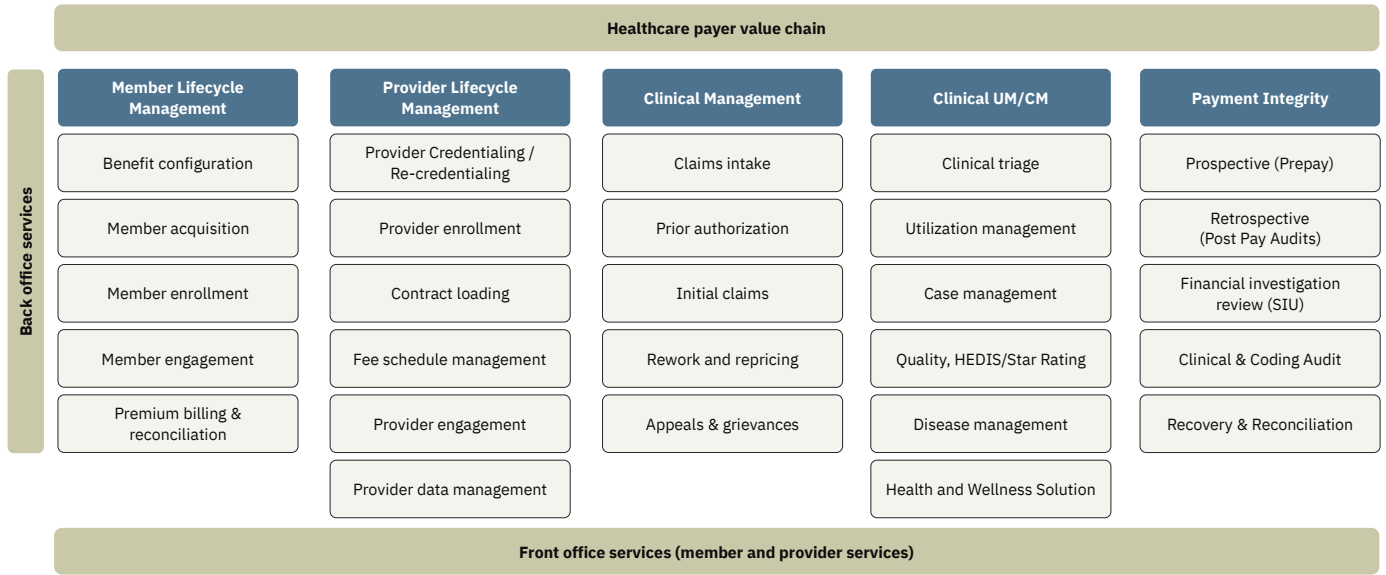


Note: DME: Durable Medical Equipment. 1. For H1FY25; Source: Company, Elara Securities Research

Payer offering includes

- ▶ **Member engagement:** SAGILITY engages members throughout the plan journey, handling onboarding, benefit queries, network information, billing, pre-authorizations, claim explanations, and program awareness. The solutions use GenAI, Natural Language Processing (NLP) and Natural Language Understanding (NLU), interaction analytics, and real-time transcription to improve service and drive insights.
- ▶ **Provider services for payers:** SAGILITY assists with provider onboarding, credentialing services, and maintaining directories through the provider forward platform. In the process of delivering services to the payers, it also engages with members and providers.
- ▶ **Claims management:** SAGILITY manages claims adjudication across inpatient, outpatient, pharmacy, dental, and vision claims, using automation and experienced staff. It utilizes cognitive extraction tools to automate manual tasks and provide support for grievances and appeals, with AI-driven prioritization for urgent cases.
- ▶ **Clinical UM/CM:** SAGILITY delivers technology-enabled clinical solutions that improve outcomes, reduce operational costs, and enhance member engagement through multidisciplinary care teams and advanced analytics. Its offerings span utilization management, care management, frailty resilience, telehealth, and specialty clinical reviews.
- ▶ **Payment integrity:** SAGILITY helps payers reduce overpayments by using machine learning (ML)-based data mining, predictive analytics, and its proprietary “Contract Central” platform to reprice claims as per state and contract rules. Services are offered both pre-pay and post-pay, and handled by certified coders, clinicians, and auditors.

Exhibit 101: Healthcare payer value chain

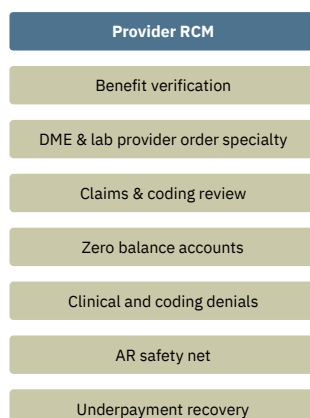


Source: Company, Elara Securities Research

Provider offerings

- ▶ **Patient access:** SAGILITY focuses on ensuring that the patients have timely and efficient access to healthcare services, including appointment scheduling, registration, and insurance verification, while leveraging technological solutions such as online portals and scheduling systems to improve efficiency.
- ▶ **Patient engagement:** SAGILITY enhances patient engagement for providers through AI-supported, omni-channel outreach powered by 5,200 specialized service agents, delivering higher satisfaction and actionable insights. Its inbound and outbound programs drive major efficiency gains, including 13-15% reduced handle times and 2-2.5x stronger outbound collections performance.
- ▶ **Medical billing:** This segment encompasses activities that are aimed at accurately billing patients or SAGILITY’s insurance providers for healthcare services rendered through activities such as clinical documentation improvement and medical coding, often utilizing technology solutions such as billing and coding systems to streamline processes and ensure accuracy.
- ▶ **Revenue cycle management:** SAGILITY’s Revenue Cycle Management (RCM) uses predictive analytics and machine learning to prioritize unpaid claims with smart automation, enabling claims accuracy and speed-to-pay. The RCM suite also includes A/R management and denials management.
- ▶ **Provider clinical solutions:** The solution integrates tech-enabled clinical denials management with virtual nurse and telehealth support to improve care quality and operational efficiency for hospitals and health systems. It streamlines denial resolution, enhances coding accuracy, and strengthens patient care through globally sourced, US-licensed virtual nursing support.
- ▶ **Labs and durable medical equipment support:** SAGILITY’s support for laboratories includes order entry, prior-authorization, billing management, A/R and denials management, and exceptional customer service. It streamlines processes through automation and technology.

Exhibit 102: Healthcare provider value chain



Source: Company, Elara Securities Research

Board of Directors

Name	Designation	Education	Previous Roles
Martin I. Cole	Chairman Non-Executive and Non-Independent Director	BA (Dartmouth College); MPA (University of Texas at Austin)	40+ years in BPO, cloud computing, and analytics; former Chief Executive, Accenture Technology Group; interim CEO, Cloudera
Venkat Krishnaswamy	Independent Director	B.E. Electronics & Communication (University of Madras); M.E. Electrical (IIT Delhi)	30+ years in IT and business services; ex-Vice Chairman Cognizant Healthcare & Life Sciences
Ramesh Gopalan	Group CEO & Managing Director	B. Tech (IIT Dhanbad); MBA (IIM Ahmedabad)	30+ years in healthcare operations, outsourcing, financial research; roles at HGS, Deloitte, Accenture
Hari Gopalakrishnan	Non-Executive Non-Independent Director	MBBS (University of Kerala); PGDM (IIM Ahmedabad)	16+ years in private equity; partner and global co-head of services, BPEA EQT
Dr. William Winkenwerder	Independent Director	MD (UNC School of Medicine); MBA (Wharton, UPenn); Davidson College	Former Asst. Secretary of Defence for Health Affairs; CEO Highmark Health; executive roles at Blue Cross Blue Shield, Prudential Healthcare
Anil Kumar Chanana	Independent Director	B.Com (Hons, University of Delhi); Financial Management Program (Stanford GSB); Chartered Accountant	30+ years in finance, IT, analytics; ex-CFO HCL Tech
Ginger Dusek	Independent Director	B. Sc (Indiana Univ.); MHA (Washington University)	25+ years in healthcare BPO; ex-Accenture North America BPO exec; built Radiant Health Management BPO
Dr. Shalini Sarin	Independent Director	B. Sc (University of Mumbai); PhD (Jamia Millia Islamia)	Academician and corporate director
Jimmy Mahtani	Non-Executive Non-Independent Director	Finance, International Business & Marketing (Georgetown University)	24+ years in private equity; founding member BPEA India; Partner & Chairman, EQT Private Capital Asia

Source: Company, Elara Securities Research

Key management

Name	Designation	Education	Key experience / previous roles
Ramesh Gopalan	Group CEO & Managing Director	B. Tech (IIT Dhanbad); MBA (IIM Ahmedabad)	More than thirty years of experience in healthcare operations, outsourcing, and financial research; leadership roles at HGS, Deloitte, Accenture.
Srinivas Mattapalli (MR)	Executive Vice President, Group CFO	B. Com (Osmania Univ.); ICWA; PGDM (IIM Bengaluru, Finance & Intl Business)	More than thirty years of experience in P&L management, commercial strategy, digital transformation; roles at Genpact, eFunds (FIS), Hindustan Coca-Cola, Colgate-Palmolive
Chris Shiffert	Chief Growth Officer	BA History; MBA (Xavier University)	More than twenty years of experience in healthcare, sales & business development, new logo acquisition; roles at BroadPath Healthcare Solutions, Xerox Services, Deloitte.
Madan Moudgal	Executive Vice President, Chief Digital Officer	B. Sc & M. Sc (Bengaluru University); MBA (NYU Stern)	More than fourteen years of experience in healthcare IT solutions, product strategy, consulting & services; prior roles at CareGain, EDS Information Services LLC
Mohit Saxena	Executive Vice President, Chief Delivery Officer	B.Com (University of Allahabad); MMS exams (NMIMS)	Extensive experience in global business leadership, operational excellence, and business transformation; prior roles at Hinduja Global Solutions, NetAmbit Infosource

Source: Company, Elara Securities Research

Exhibit 103: SAGILITY – Major events and key milestones

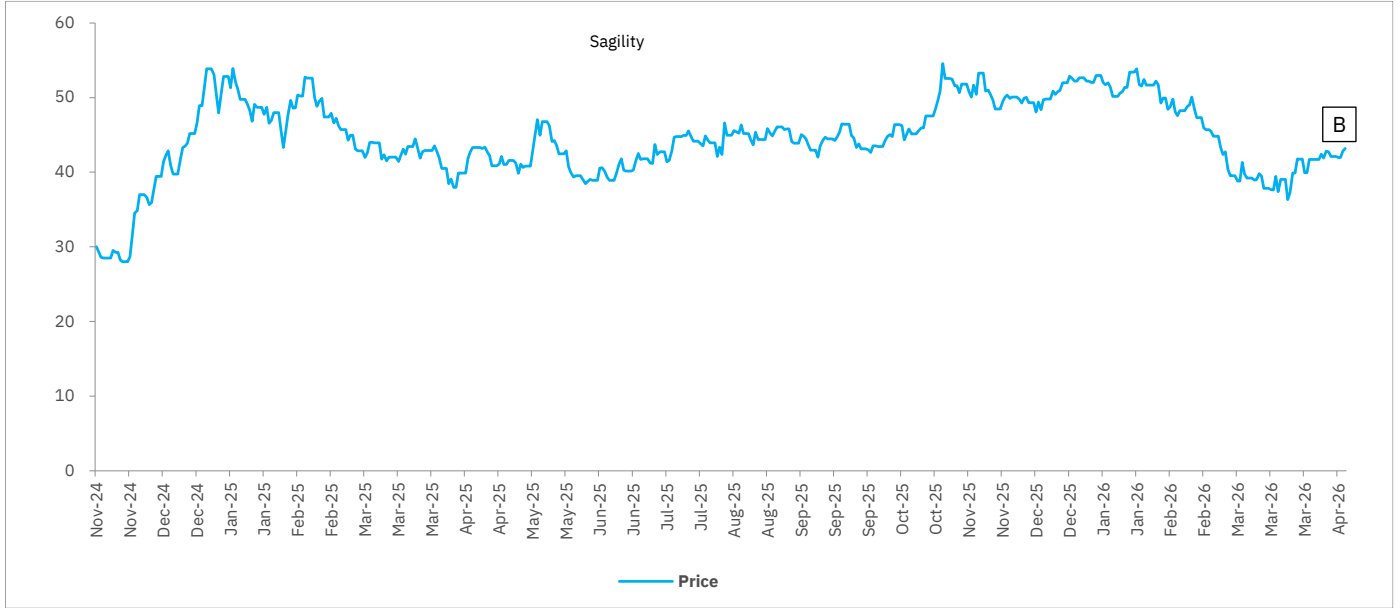
Calendar year	Acquisition / event details
2021	The company was incorporated in July 2021 as “Berkmeer India Private.”
2022	Acquired the Indian healthcare services undertaking of Hinduja Global Solutions.
2022	Sagility Philippines B.V. acquired the healthcare services undertaking of Hinduja Global Solutions’ Philippines branch.
2022	Sagility (Jamaica) acquired the Jamaican healthcare services undertaking of Team HGS.
2022	Sagility (US) Inc., formerly Betaine (US) Bidco Inc., acquired 100% shareholding of Sagility Operations Inc. (formerly HGS Healthcare Operations Inc.) along with its downstream subsidiaries.
2023	Sagility LLC acquired 100% shareholding of Sagility Payment Integrity Solutions LLC (formerly Delvin Consulting Inc.), making it an indirect subsidiary.
2024	Sagility LLC acquired 100% shareholding of Birch Technologies, LLC (formerly Birch Technologies, Inc.), making it an indirect subsidiary.
2024	Acquired 100% shareholding of Sagility (US) Holdings Inc. along with its downstream subsidiaries.
2024	Acquired 100% shareholding of Sagility Philippines B.V. (including its branch in The Philippines).

Source: Company, Elara Securities Research

Abbreviations and Acronyms

Abbreviation	Full form
AI	Artificial Intelligence
BPO	Business Process Outsourcing
BPaaS	Business Process as a Service
CRM	Customer Relationship Management
DME	Durable Medical Equipment
ECB	External Commercial Borrowing
FTE	Full-Time Employee
G&A	General and Administrative
GenAI	Generative Artificial Intelligence
HEDIS	Healthcare Effectiveness Data and Information Set
HIX	Health Insurance Exchange
ICP	Integrated Care Partners
IVR	Interactive Voice Response
LBO	Leveraged Buyout
ML	Machine Learning
MLR	Medical Loss Ratio
MSA	Master Service Agreement
NAIC	National Association of Insurance Commissioners
NLP	Natural Language Processing
NLU	Natural Language Understanding
OCR	Optical Character Recognition
PMPM	Per Member Per Month
QA	Quality Assurance
RCM	Revenue Cycle Management
RPA	Robotic Process Automation
SOW	Statement of Work

Coverage History



Date	Rating	Target Price (INR)	Closing Price (INR)
17-Apr-2026	Buy	54	43

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