

# GIC to acquire larger stake in Asia Healthcare Holdings from majority owner TPG


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GIC had invested \$170 million ( ₹1,280 crore) to acquire a minority stake in AHH in February 2022 from TPG.

## SUMMARY

- TPG Growth is divesting a portion of its stake in AHH to provide liquidity to its limited partners ahead of the company's potential IPO in the next two years, sources told Mint.

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Singapore's GIC is close to raising its stake in Asia Healthcare Holdings (AHH) ahead of a potential public listing of the healthcare platform in the next year or two, four people aware of the development said.

The Singapore sovereign fund will acquire an additional 15% stake in AHH from the platform's majority owner TPG, one of the four people cited above said on the condition of anonymity. Once the transaction is complete, GIC will emerge as the biggest shareholder of the platform.

AHH, which owns Motherhood Hospitals, Asian Institute of Nephrology and Urology and Nova IVF, is a healthcare platform majority-owned by global private equity firm TPG. Founded in 2017, AHH is led by Vishal Bali, Asia head of healthcare at TPG Growth and a former CEO at Fortis Healthcare and Wockhardt Hospitals.

TPG, which has invested in AHH through TPG Growth, its equity investment arm, is selling some of its stake to return cash to its investors, the second person said.

The investment may value AHH at \$800-900 million, the third person said. "The transaction is currently in the documentation process," the person added.

Spokespersons for TPG Growth and AHH did not respond to *Mint's* queries. GIC declined to comment.

## Health check

While TPG holds the majority stake in Asia Healthcare, GIC, which invested \$170 million in February 2022, is the second largest

<b>GIC to</b> acquire 15% more in AHH
<b>Post-deal</b> GIC becomes largest shareholder AHH moves to minority shareholding
<b>AHH to</b> be valued at \$800-900 million
<b>IPO planned</b> in 1-2 years
<b>GIC-TPG</b> deal in the documentation stage

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Sumit Gupta, healthcare analyst at Centrum Broking, noted that several Indian hospitals as well as companies in diagnostics, medical devices and pharma distribution have gone public since the covid pandemic. "This trend has been fuelled by private equity promoter exits and a favourable environment for healthcare companies, driven by rising demand and strong growth prospects...Overall, in the healthcare space from April 2020, there have been more than 20 IPOs with a total size of ₹35000 crore, he added.

GIC had invested \$170 million ( ₹1,280 crore) to acquire a minority stake in AHH in February 2022 from TPG. Following the round, GIC held approximately 40-45% stake in AHH, with the management owning ESOPs, while TPG Growth retained the majority.

With this transaction, TPG is expected to transition to a minority stakeholder in the healthcare platform, while GIC will increase its stake to majority. "The deal may also include provisions for assured returns linked to the potential IPO," a fourth person told *Mint*.

AHH acquired a majority stake in the Asian Institute of Nephrology and Urology in September 2023 for ₹600 crore. Earlier in May 2019, TPG Growth sold Cancer Treatment Services International to NYSE-listed Varian Medical Systems for \$283 million, which had also provided TPG with some liquidity.

"With an increasing emphasis on holistic and integrated healthcare models, organizations are pursuing mergers and acquisitions to enhance their service portfolios, streamline operations, and improve patient outcomes - a trend that is less pronounced in many other industries. And single specialty is in the forefront for this segment," said Manmohan Tiwana, MD and CEO at Wodehouse Capital Advisors, a premier mid-market focused investment bank.

India's healthcare services market is worth around ₹6 trillion, said Vipin Singhal, associate director at Anand Rathi Investment Banking. "Favourable demographic shifts, a rising proportion of non-communicable diseases and greater ability to pay are the sector's key structural drivers. These would, in turn, lead to about 15% CAGR to around ₹7.7trillion over FY22-25."