

Sagility (SAGILITY IN)

Analyst Meet
Update

March 27, 2026

Navigating policy & AI disruption with domain solutions

Key Data

SAGL.BO | SAGILITY IN

BSE Code	544282
NSE Code	SAGILITY
52-W High / Low	58 / 36
Face Value	10
Sensex / Nifty	75,273 / 23,306
Market Cap	INR 186.7 bn / \$ 2,025.4 mn
Shares Outstanding	4,681.3 mn
3M Avg. Daily Value	INR 1,545 mn

Quick Pointers

- Create domain specific agentic AI solutions to expand TAM
- Sustain revenue momentum while maintaining margins

Shareholding Pattern (%)

Promoter's	50.95
Foreign	10.25
Mutual Funds	13.36
Domestic Institution	8.00
Public & Others	17.44
Promoter Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	0.8	-24.2	-7.6	-6.3
Relative	9.4	-13.7	0.6	-7.8

Key Financials - Standalone

Y/e Mar	FY23	FY24	FY25
Sales (INR mn)	42,184	47,536	55,699
EBITDA (INR mn)	10,449	11,160	13,542
Margin (%)	24.8	23.5	24.3
PAT (INR mn)	1,436	2,283	5,391
EV (INR mn)	1,93,672	1,93,672	1,93,672
Total Debt (INR mn)	28,958	25,317	14,019
C&C Eq. (INR mn)	5,853	3,441	3,438
EPS (INR)	0.3	0.5	1.2
Gr. (%)	-	59.0	119.8
DPS (INR)	-	-	-
Yield (%)	-	-	-
RoE (%)	2.8	3.6	7.3
RoCE (%)	21.3	28.9	43.7
EV/Sales (x)	4.6	4.1	3.5
EV/EBITDA (x)	18.5	17.4	14.3
PE (x)	119.1	74.9	34.1
P/BV (x)	2.8	2.7	2.2

We attended Sagility's Investor Day, where management outlined how US healthcare policy changes and AI adoption are reshaping its business, and how the company is turning these headwinds into growth opportunities. Policy-driven margin pressures on payer clients are accelerating the shift toward cost-saving outsourcing, where Sagility's human in the loop agentic solutions, built on two decades of domain expertise across both payers and providers, can reduce client costs and effort by ~30% by plugging operational leakages that off-the-shelf AI vendors cannot meaningfully deliver. Unlike horizontal AI vendors, Sagility's deep regulatory knowledge and cross-functional operating experience positions it to build regulatory compliant, domain-specific solutions, targeting an addressable opportunity of ~USD 200–300 bn in MLR reduction and operational inefficiencies.

On the financial and strategic front, management guided for revenue growth in the low double digits to mid-teens with EBITDA margins maintained at ~24–26%, while its GTM strategy focuses on deepening wallet share in top accounts, expanding its mid-market client base, and strengthening its partner ecosystem to sustain growth momentum despite near-term macro headwinds.

Impact of AI on business: Management acknowledged that AI adoption in healthcare will be slower given the industry's highly regulated nature, but views this as a competitive opportunity rather than a headwind. Regulatory complexity forces business functions to operate in silos, making it difficult for generic third-party AI vendors to deliver optimal solutions, while Sagility's deep domain knowledge positions it to build human in the loop agentic solutions across functions, reducing client costs and effort meaningfully. Management further noted that these solutions present an opportunity to capture work previously done in-house by clients, expanding TAM well beyond any revenue cannibalization risk, as both payers and providers seek to reduce costs to protect their margins..

Strengthening key partnerships & GTM strategy: Management highlighted their aim to strengthen partnerships with key alliance partners across an ecosystem of strategic platform and capability partners, SI partners, and hyperscaler partners to expand its capabilities and offerings. They further laid out their GTM strategy for sustaining growth in the near term despite macro headwinds and AI-related disruption, through continued expansion in its top accounts, growing its small and mid-market client base, and developing new service offerings through in-house investment or acquisitions.

Sustained growth & Margin trajectory: Management is confident of sustaining its growth momentum, targeting revenue growth in the low double digits to mid-teens in the near term. On the margin front, management indicated that EBITDA margins will be maintained at the current ~24–26% level, as the company plans to pass back some of the productivity benefits to clients while also investing excess margins above the aspiration band for future growth.

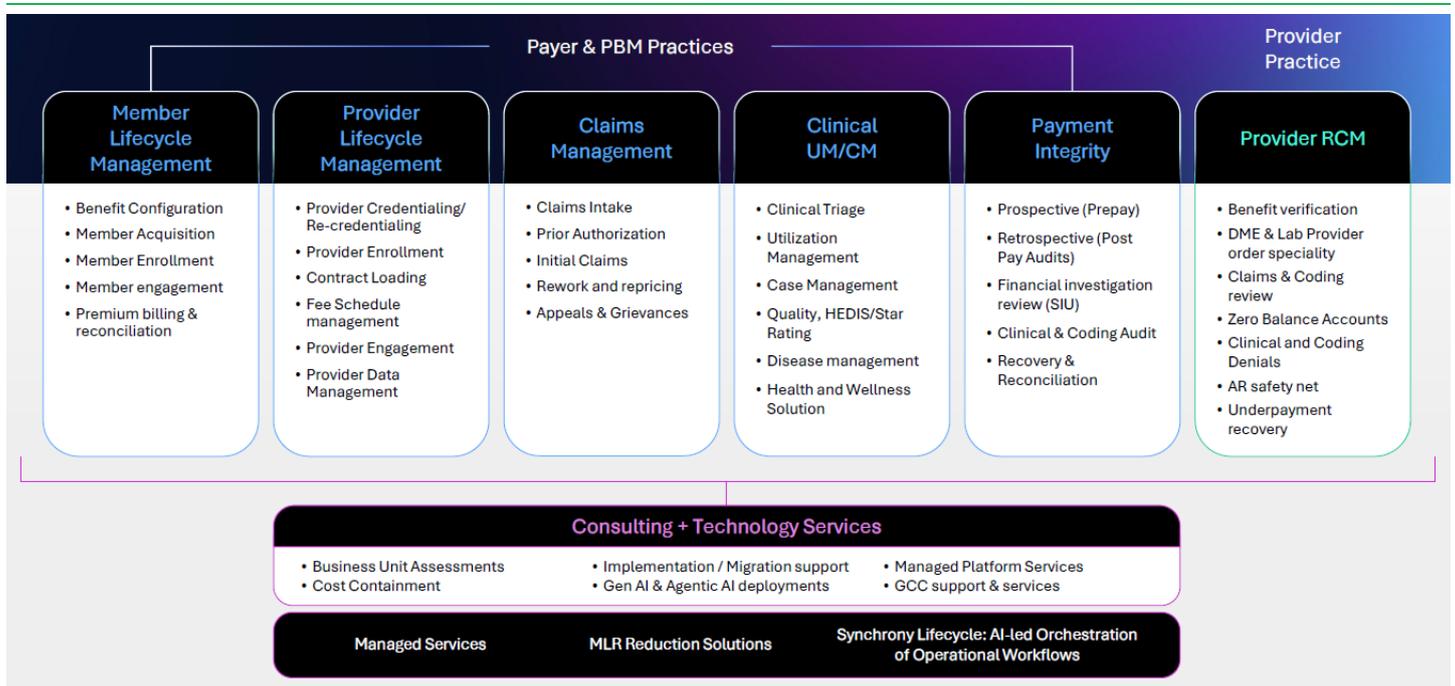
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Investor Day: Other Key takeaways

- Enterprise-wide AI adoption is driving a structural shift from traditional FTE and FPP based engagement models toward outcome-based business models, which aligns well with Sagility's evolving service delivery approach
- On GTM strategy, management highlighted that growth within its top clients will sustain by opportunities to expand into business functions not previously serviced by the company. However, near-term growth is expected to be driven by small and mid-market clients, which are likely to grow faster than the company's overall growth rate, as Sagility looks to deepen its presence beyond the single business functions it currently serves in most non-top 10 client accounts.
- Management highlighted that the company is actively investing to expand its offerings in the provider segment, with an aim to increase the revenue mix beyond the current ~10% levels. Key investment areas include predictive modelling and claims management solutions, where the company is building an agentic layer to develop and deliver next-generation service offerings.
- Sagility generates ~90% of its revenue from the payer segment, of which approximately one-third is from claims management, one-third from clinical and payment integrity, and the balance one-third from member and provider lifecycle management.
- Management highlighted that its domain expertise and broad offerings have created a competitive advantage over its peers across small, mid, and large segments, and that the company currently does not aspire to expand beyond its existing payer and provider business segments.
- M&A remains an active part of Sagility's growth strategy, primarily aimed at acquiring capabilities and expanding its client base. The company is currently evaluating acquisition opportunities in the clinical solutions space. Management noted that returns from recent acquisitions have been satisfactory and indicated that the company will continue pursuing a similar M&A approach going forward.

Exhibit 1: Spectrum of services across payers & providers



Source: Company, PL

Exhibit 2: Broad offerings across different functions of the company



Source: Company, PL

Exhibit 3: Sagility's positioning across US healthcare regulatory and tech landscape



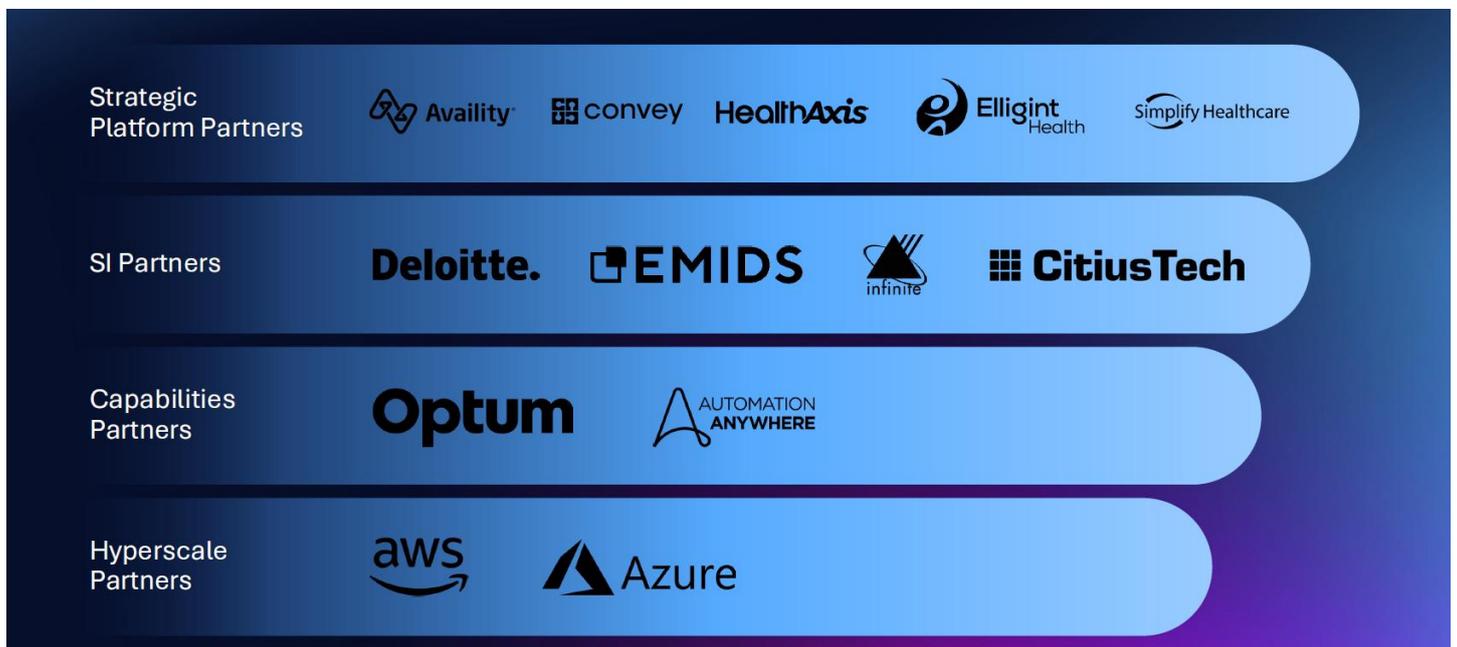
Source: Company, PL

Exhibit 4: GTM strategy for sustained growth momentum



Source: Company, PL

Exhibit 5: Key Strategic partners of Sagility



Source: Company, PL

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Fractal Analytics	BUY	1110	798
2	Latent View Analytics	BUY	490	327
3	Infosys	BUY	1900	1391
4	KPIT Technologies	Hold	1090	1047
5	Coforge	BUY	2150	1636
6	Mphasis	BUY	3480	2800
7	Persistent Systems	BUY	7360	6343
8	LTIMindtree	Hold	6000	6407
9	Tata Technologies	Hold	660	651
10	Tech Mahindra	Accumulate	1860	1671
11	Wipro	Hold	260	267
12	L&T Technology Services	Hold	4070	4244
13	Tata Elxsi	Hold	5500	5793
14	Tata Consultancy Services	BUY	4040	3240
15	HCL Technologies	BUY	1910	1667
16	Cyient	Hold	1070	1109

PL's Recommendation Nomenclature (Absolute Performance)

BUY	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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