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IHH Healthcare increases stake in Gleneagles Global Hospitals in India to meet growth strategy

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IHH HealthcareÃ?Â apoints Dr Prem Kumar Nair as CEO of IHH Healthcare Singapore



IHH Healthcare Bhd (“IHH”), through its wholly-owned subsidiary Gleneagles Development Private Limited, has entered into an agreement to buy out the entire remaining stake held by Dr Ravindranath Kancherla and his affiliates in Ravindranath GE Medical Associates Private Limited (“RGE”) for a total purchase consideration of approximately INR 7,400 million (equivalent to approximately RM 415 million).

Dr Ravindranath is the founder of RGE, which owns the chain of Gleneagles Global Hospitals, a leading tertiary and quaternary healthcare chain in India, including specialising in comprehensive multi-organ transplant services. Gleneagles Global Hospitals operates 6 multi-super-specialty hospitals across Hyderabad, Chennai, Bangalore, and Mumbai, with a capacity of approximately 1,500 beds and state-of-the-art, world-class facilities.

The transaction is expected to be completed by the fourth quarter of 2023. With this transaction, IHH will strengthen its leading position as a tertiary and quaternary care platform, including multi-organ transplants, in India and across its key markets.

Meanwhile, IHH appoints Dr Prem Kumar Nair, who is currently the CEO of IHH Healthcare Singapore, as the new Group Chief Executive Officer effective 1 October 2023. Having been appointed CEO of IHH Healthcare Singapore in April 2020, Dr Nair, a physician and healthcare executive has successfully led Singapore operations through COVID-19 while serving public and private healthcare sectors. He is also an Adjunct Associate Professor at the National University of Singapore’s Saw Swee Hock School of Public Health.

IHH will continue its organic growth path by expanding bed capacity by around 25% - adding close to 3,000 new beds across Malaysia, India, Türkiye and Europe over the next three years. It is also driving productivity and operational efficiencies by increasing occupancy rates, improving procurement synergies and investing into innovation and to reconfiguring portfolio to improve returns, with a focus on removing underperforming assets.

Concurrently, the Group will seek earnings-accretive opportunities to acquire assets across Asia and Europe, backed by its healthy balance sheet. IHH is also expanding its service offerings and developing new growth engines such as its laboratory business while investing into complementary digital health services and innovation. Overall, the Group expects continued revenue and ROE growth and will maintain a tight rein on costs and leverage operational synergies to mitigate inflationary and interest rates pressures.