

January 22, 2026

Sagility Limited: Ratings upgraded to [ICRA]BBB+ (Stable)/[ICRA]A2 and withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term/Short-term – Fund-based limits – Others	300.00	300.00	[ICRA]BBB+ (Stable)/ [ICRA]A2; upgraded from [ICRA]BBB (Stable)/ [ICRA]A3+ and withdrawn
Total	300.00	300.00	

*Instrument details are provided in Annexure-I

Rationale

ICRA has upgraded and withdrawn the ratings assigned to the bank facilities of Sagility Limited (Sagility) at the request of the company and based on the no objection certificates (NOC) and no dues certificates received from its bankers, and in accordance with ICRA's policy on withdrawal of credit ratings.

While arriving at the ratings of Sagility, ICRA has considered the consolidated credit profiles of Sagility and its parent, Sagility B.V., which holds a 67.4% stake in Sagility (as of September 30, 2025).

The ratings upgrade factors in the strengthening of Sagility's financial risk profile, as marked by a consistent healthy revenue growth and sustenance of its robust operating profitability, resulting in improving capital structure and cash flows. The company's operating income (OI) rose at a compounded annual growth rate (CAGR) of 15% over FY2024-FY2025, and at 17% on a YoY basis to Rs. 5,569.9 crore in FY2025, supported by its established track record and diverse service offerings in the US healthcare outsourced operations services industry. The business is further supported by a reputed client base of top healthcare firms in the US and global delivery footprint, leading to healthy operating profit margin (OPM), relative to industry peers. In January 2025, Sagility acquired the US-based healthcare solutions provider, BroadPath Healthcare Solutions US (BroadPath) for a consideration of Rs. 502 crore, funded through internal surplus funds. BroadPath's expanded service offerings and presence in the mid-segment players in the US healthcare market complements Sagility's existing capabilities and broadens its presence in the industry. The integration of BroadPath along with healthy demand resulted in a robust YoY growth of 25% in H1 FY2026 for the company. Going forward, Sagility's financial profile is expected to be supported by its healthy cash flow generation, strong capital structure and adequate liquidity position. Additionally, the ratings factor in the financial flexibility arising from its strong sponsor, EQT Private Capital Asia (EQT).

The ratings are, however, constrained by client and sectoral concentration risks as its top five customers generated 78% of its revenues in FY2025, which came entirely from the healthcare sector. However, the reputed profile of its clients, high repeat revenues and strong relationships with these customers mitigate the risks to an extent. The profitability remains exposed to wage-cost inflation and high attrition rates prevalent in the healthcare outsourced operations services industry. Also, given its vast geographical presence with revenues in US dollar and costs in various currencies, it is exposed to fluctuations in foreign exchange (forex) rates. However, the risk is mitigated to an extent owing to a selective hedging policy.

The leverage levels, at the parent level, remain high on account of the debt-funded acquisition of this business from Hinduja Global Solutions (HGS), resulting in moderate debt coverage metrics on a consolidated basis for Sagility and its parent. While the parent has made part repayment of this debt over FY2025 through fund-raises/stake dilution in Sagility, which has resulted in some improvement in the consolidated debt coverage metrics, subsequent repayments of this debt over the next three fiscals, along with steady cash flow generation and no likely increase in external debt, are expected to improve the company's overall credit profile over the medium term.

The Stable outlook on the long-term rating reflects ICRA's opinion that Sagility will maintain its credit profile, supported by its established business profile, strong client base, and healthy cash flow generation.

Key rating drivers and their description

Credit strengths

Established track record of serving the US healthcare sector – Sagility has an established track record of providing outsourced operations services to the healthcare sector in the US, serving both the payers (healthcare insurance companies) and the providers (hospitals/laboratories/durable medical equipment manufacturers, etc.). With 90% of the OI derived from payers, the company's services are diversified across the value chain of the payor life cycle and provider network, which includes voice work, member enrolment, claim processing, analytics, revenue cycle management, and payment integrity, among others. In January 2022, the business was acquired from HGS by EQT through partial debt funding.

Reputed customer base, supported by a global delivery footprint – The company has a reputed clientele in the healthcare and insurance sector, including top US-based healthcare insurance firms, and shares more than decade-long relationships with some of them. This led to high recurring revenues and increasing market share over the years. Moreover, the company has added new clients in the mid-segment of the industry with integration of BroadPath into the business since January 2025. The operations are further supported by a global delivery footprint with offshore delivery centres in India, the Philippines, Jamaica, and Colombia and an onshore presence in the US, serviced by 44,185 employees (as of September 2025).

Healthy financial profile – Sagility's financial risk profile is healthy, characterised by increasing scale of operations, sizeable net worth, healthy debt protection metrics and adequate liquidity position. The company noted a healthy YoY growth rate of 17% and 25% in FY2025 and H1 FY2026, respectively, along with sustenance of its OPM at above 22% in recent years. Improving cash accrual generation, limited reliance on external debt (except lease liabilities) and part debt repayment at the parent level resulted in a healthy capital structure and improvement in the debt coverage metrics for the company over FY2025. Going forward, Sagility's credit profile is expected to be supported by its healthy cash flow generation, strong capital structure and adequate liquidity position.

Credit challenges

Client and sectoral concentration risks – Sagility remains exposed to moderate client concentration risk as its top five customers generated 78% to its overall revenues in FY2025. However, the reputed profile of its clients, high repeat revenues and strong relationships with these customers mitigate the risk to an extent. While it generates 100% of revenue from the healthcare sector, the significant size of the US healthcare market along with its highly regulated nature act as entry barriers for any new player, thus providing ample growth opportunities for the company.

Exposure to high attrition inherent in the outsourced operations industry – As the company operates in the healthcare outsourced operations services industry, which is characterised by continual wage increases and high attrition rates, its profitability remains exposed to fluctuations in hiring/training costs for its employees. ICRA, however, notes that the company's annualised attrition at the India level, accounting for about 40% of its employee base, moderated to about 25% in recent years from past level of 30-35%.

Liquidity position: Adequate

Sagility's liquidity is adequate, supported by free (unencumbered) cash and liquid investments of Rs. 599 crore and unutilised working capital limits of Rs. 230 crore in India, as of September 30, 2025. Further, Sagility has scheduled debt repayment of Rs. 235-570 crore and moderate capex plans of Rs. 250-300 crore per annum over the next two fiscals, which are to be adequately funded from healthy cash flow generation.

Rating sensitivities

Positive factors – Not applicable

Negative factors – Not applicable

Environmental and social risks

Environmental considerations: Given the service-oriented business, Sagility’s direct exposure to environmental risks as well as those emanating from regulations or policy changes is not material.

Social considerations: Like other Indian IT services companies, Sagility faces the risk of data breaches and cyberattacks that could affect the large volumes of customer data that it manages. Any material lapse on this front could result in substantive liabilities, fines, or penalties and reputation related impact. Also, the company remains exposed to the risk of changes in immigration laws in the key developed market where it provides its services. While such changes would be influenced by social and political considerations of those nations, they could increase competition among IT players for skilled workforce, resulting in higher attrition rates and may have an adverse impact on profitability.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology IT - Software & Services Policy on withdrawal of credit ratings
Parent/Group support	Not Applicable
Consolidation/Standalone	Consolidated, as of March 31, 2025, Sagility had 16 subsidiaries that are listed in Annexure-II

About the company

Sagility is a technology enabled, pure-play outsourced service provider in the healthcare domain serving the US market. The company was incorporated in 2021, while its business started effectively from January 6, 2022, when it was acquired from HGS at a consideration of \$1.2 billion by EQT (European investment firm). The company offers diverse services across the healthcare value chain for payers and providers, which include clinical, case management, member engagement, payment integrity, claims cost containment, revenue cycle management and analytics, among others. Its customer base includes reputed insurance players, hospitals and laboratories/durable medical equipment manufacturers of the US market. It delivers these services through five global service delivery locations in India, the Philippines, the U.S., Jamaica and Colombia. Sagility was listed on BSE and NSE on November 12, 2024.

Key financial indicators

Sagility – Consolidated	FY2024	FY2025	H1 FY2026*
Operating income	4,753.6	5,569.9	3,197.4
PAT	228.3	539.1	399.4
OPBDIT/OI	22.8%	23.5%	23.8%
PAT/OI	4.8%	9.7%	12.5%
Total outside liabilities/Tangible net worth (times)	0.6	0.3	0.3
Total debt/OPBDIT (times)	2.3	1.1	0.8
Interest coverage (times)	5.9	10.3	14.5

Source: Company, ICRA Research; *Results; All ratios as per ICRA’s calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current ratings (FY2026)		Chronology of rating history for the past 3 years					
		Amount Rated (Rs Crore)	FY2026	FY2025		FY2024		FY2023	
			Jan 22, 2026	Date	Rating	Date	Rating	Date	Rating
Fund based – Others	Long-term/ Short-term	300.00	[ICRA]BBB+ (Stable)/ [ICRA]A2; upgraded and withdrawn	Oct 9, 2024	[ICRA]BBB (Stable)/ [ICRA]A3+	Aug 14, 2023	[ICRA]BBB- (Stable)/ [ICRA]A3	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term/ Short-term-Fund Based Limits – Others	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund Based – Others	NA	NA	NA	300.00	[ICRA]BBB+ (Stable)/ [ICRA]A2; upgraded and withdrawn

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Sagility LLC (formerly known as HGS Healthcare, LLC)	100%	Full Consolidation
Sagility Provider Solutions LLC (formerly known as HGS EBOS, LLC)	100%	Full Consolidation
Sagility Technologies LLC (formerly known as HGS Colibrum, LLC)	100%	Full Consolidation
Sagility Care Management LLC (formerly known as HGS Axispoint Health, LLC)	100%	Full Consolidation
Sagility Operations Inc. (formerly known as HGS Healthcare Operations Inc.)	100%	Full Consolidation
Sagility (Jamaica) Limited (formerly known as Betaine (Jamaica) Limited)	100%	Full Consolidation
Sagility (US) Inc. (formerly known as Betaine (US) BidCo Inc.)	100%	Full Consolidation
Sagility (US) Holdings Inc. (formerly Betaine (US) Holdings Inc)	100%	Full Consolidation
Sagility Philippines B.V. –Philippine Branch (formerly known as Betaine (PH) B.V. –Philippine Branch)	100%	Full Consolidation
Sagility Philippines B.V. (formerly known as Betaine (PH) B.V.)	100%	Full Consolidation
Sagility (Colombia) SAS w.e.f 28 April 2022	100%	Full Consolidation
Sagility Payment Integrity Solutions LLC (formerly known as Devlin Consulting Inc.) w.e.f 19 April 2023	100%	Full Consolidation
Birch Technologies Inc w.e.f 22 March 2024	100%	Full Consolidation
Bhive Holdings LLC w.e.f. 29th January 2025	100%	Full Consolidation
BroadPath Global Services Inc. w.e.f. 29th January 2025	100%	Full Consolidation
BroadPath LLC w.e.f. 29th January 2025	100%	Full Consolidation

Source: Annual Report FY2025

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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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Branches



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