

IPO FACT SHEET
IntelliCentrics Global Holdings Ltd. (6819)
ISSUE STATISTICS

Offer Size:	HK\$430.388m - HK\$581.671m
Placement Tranche:	80.9m shares
Price:	HK\$5.32 -HK\$7.19
Board lot:	500
Entry fee:	HK\$3,631.23
Historical PE	39.1x – 52.9x
Net tangible asset per share:	HK\$0.65-HK\$0.98
Market Cap (post-IPO):	HK\$2,390m - HK\$3,233m
Open:	18 Mar 2019
Close:	12.00 noon on 21 Mar 2019
Trading:	27 Mar 2019
Sponsor:	CLSA Capital Markets Limited

Year ended 31 Dec	(US'000)	yoy % chg
Revenue		
2016	30,834	2.3%
2017	31,399	1.8%
Profit for the year		
2016	7,009	45.5%
2017	7,812	11.5%

BACKGROUND

- The Group operate a credentialing platform for compliance and security purposes in the healthcare industry and they are a leading platform in the vendor credentialing market in the United States in terms of both the number of paying subscribers and vendor credentialing revenue in 2017, according to CIC.
- Their platform collects, processes and verifies data and information in accordance with the different requirements of locations of care (“LoCs”), including hospitals and other types of locations where healthcare services are provided, so that the data and information can be trusted to determine whether the subscriber is compliant with the requirements.
- They currently offer two main services: vendor credentialing solution and medical credentialing solution on their platform.
- They also offer certain “add-on” services. During the Track Record Period, approximately 95% of their total revenue each year was generated from annual membership fees received from their paying subscribers for their vendor credentialing solution, whose profitability remained stable in each year during the Track Record Period.

BUSINESS STRATEGY AND FUTURE PLANS

- Reinforce their leading position by further growing their registered LoC base.
- Ramp up the penetration of the addressable medical credentialing market.
- Continue innovation to enrich their solutions and add-on services.
- Tap into new geographical regions including China.
- Selectively pursue strategic alliances, investments and acquisition opportunities.

COMPETITIVE STRENGTHS

- Their leading market position and large business scale.
- Their business model that drives strong operating cash flow and high gross profit margin.
- Contemporary technology platform decreases time-to-market at low costs.
- Visionary and experienced management team.

KEY RISKS

- Their ability to maintain subscribers' and LoCs' trust in their platform.
- Unforeseen changes in the healthcare regulatory landscape in the jurisdictions where they operate.
- The data that their business generates, processes and stores, and the improper use or disclosure of such data.
- Their financial performance, in particular their profit margin, which could decline as they expand into new geographical regions and develop new solutions and add-on services.
- Their medical credentialing solution, which was launched recently and has a limited operating track record.
- Their ability to detect or prevent fraud or other misconduct committed by their subscribers or third parties in their verification process.

DIVIDEND POLICY

- Target to distribute dividends ranging from 3% to 10% of their annual net profits for the year ending December 31, 2019.

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation (%)
Funding potential acquisitions and developing strategic alliances that can complement their existing market share, improve their market position and diversify their solutions and add-on services.	38.3	8.8%
Sales and marketing efforts, primarily for promoting their newly launched medical credentialing solution and pipeline solutions over the next three years.	234.6	54.1%
Repaying the principal amount of a bank facility in connection with the Reorganization.	117.7	27.1%
Working capital and other general corporate purposes.	43.4	10.0%
Total:	433.9	100.00%

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