

IPO Report

Choice

**“Subscribe for Long Term” to
Anthem Biosciences Ltd.**

Current pricing offers modest return potential.



Salient features of the IPO:

- Anthem Biosciences Ltd.** (ABL), is an innovation-driven and technology-focused Contract Research, Development and Manufacturing Organization (“CRDMO”) with fully integrated operations spanning across drug discovery, development and manufacturing, is coming up with an IPO to raise Rs. 3,395cr which opens on 14th July and closes on 16th July 2025. The price band is Rs. 540 - 570 per share.
- The IPO comprises entirely offer for sale (Rs. 3,395cr). The company will not receive any proceeds from the OFS portion.
- Some of the promoter & promoter group (P&PG) are participating in the OFS and are offloading 5.96 – 6.29cr equity shares. Post-IPO, the P&PG and public shareholders will have 75.03% and 24.97% stake in the company, respectively.

Key competitive strengths:

- Offers comprehensive one-stop service capabilities across the drug life cycle for both small molecules and biologics
- Offers a spectrum of technologically advanced solutions across modalities and manufacturing practices
- Differentiated business model catering to the needs of small pharmaceutical and emerging biotech companies, from discovery to commercial manufacturing
- Wide specialty ingredients portfolio, well positioned to capitalize on the large market opportunity for niche specialty ingredients
- Fully built-out automated manufacturing infrastructure with a consistent regulatory compliance track record

Risk and concerns:

- General slowdown in the global economic activities
- Risk of failure to develop or manufacture commercially viable drugs
- Risk of revenue loss from manufacturing services post-patent expiry
- Risk of foreign currency fluctuation
- Stringent regulatory requirements
- Risk of under utilisation of manufacturing facilities
- Competition

Below are the key highlights of the company:

- The global pharmaceutical industry is projected to grow to USD 2,076.0bn by FY29, and CROs and CDMOs are increasingly combining their services to establish integrated CRDMO business models.
- The Indian CRDMO industry is expected to grow at a CAGR of 13.4% from FY24 to FY29 to reach an estimated value of USD 15.4bn, which outpaces the global industry rate of 9.1% and other markets, although pharma companies are subject to challenges such as cost pressures, low rate of experimental compounds moving to commercialization stage and increased regulatory oversight.
- Incorporated in 2006, ABL is an innovation-driven and technology-focused CRDMO with fully integrated operations spanning across drug discovery, development and manufacturing. ABL is one of the few companies in India with integrated New Chemical Entity (“NCE”) and New Biological Entity (“NBE”) capabilities across drug discovery, development, and commercial manufacturing.
- As a one-stop service provider, it serve a range of customers, encompassing innovator-focused emerging biotech and large pharmaceutical companies globally. It is one of the youngest Indian CRDMO companies and the fastest Indian CRDMO among the assessed peers to achieve a milestone of Rs. 1,000cr of revenue within 14 years of operations, reaching this milestone in FY21.

Issue details	
Price band	Rs. 540 – 570 per share
Face value	Rs. 2
Share for OFS	5.96 – 6.29cr shares
OFS issue size	Rs. 3,395cr
Total issue size	5.96 – 6.29cr shares (Rs. 3,395cr)
Employee Reservation Portion	0.014 – 0.015cr shares (Rs. 8.25cr)
Bidding date	14 th July – 16 th July, 2025
Implied MCAP at higher price band	Rs. 31,867cr
Implied enterprise value at higher price band	Rs. 31,267cr
Book running lead manager	JM Financial Ltd., Citigroup Global Markets India Pvt. Ltd., J.P. Morgan India Pvt. Ltd., Nomura Financial Advisory and Securities (India) Pvt. Ltd.
Registrar	KFin Technologies Ltd.
Sector	Pharmaceutical
Promoters	Ajay Bhardwaj, Ganesh Sambasivam, K Ravindra Chandrappa And Ishaan Bhardwaj

Category	Percent of issue (%)	Number of shares
QIB portion	50%	2.97 – 3.14cr shares
Non institutional portion (Big)	10%	0.59 – 0.63cr shares
Non institutional portion (Small)	5%	0.30 - 0.31cr shares
Retail portion	35%	2.08 – 2.20cr shares

Indicative IPO process time line	
Finalization of basis of allotment	17 th July, 2025
Unblocking of ASBA account	18 th July, 2025
Credit to demat accounts	18 th July, 2025
Commencement of trading	21 st July, 2025

Pre and post - issue shareholding pattern		
	Pre-issue	Post-issue
Promoter & promoter group	77.23%	75.03%
Public	22.77%	24.97%
Non-promoter & Non-public	0.00%	0.00%
Total	100.00%	100.00%

Retail application money at higher cut-off price per lot	
Number of shares per lot	26 Shares
Application money	Rs.14,040

Key highlights of the company (Contd...):

Company name	Face value (Rs.)	CMP (Rs.)	MCAP (Rs. cr)	Enterprise value (Rs. cr)	Stock return				FY25 total operating revenue (Rs. cr)	FY25 EBITDA (Rs. cr)	FY25 PAT (Rs. cr)	FY25 gross margin (%)	FY25 EBITDA margin (%)	FY25 PAT margin (%)
					1 month	3 months	6 months	1 year						
Anthem Biosciences Ltd.	2	570	31,867	31,267					1,845	671	451	59.7%	36.4%	24.5%
Divi's Laboratories Ltd.	2	6,614	175,576	171,863	-1.8%	13.3%	12.5%	45.5%	9,360	2,968	2,191	60.2%	31.7%	23.4%
Sai Life Sciences Ltd.	1	747	15,577	15,242	1.7%	1.1%	0.1%		1,695	406	170	69.3%	23.9%	10.0%
Syngene International Ltd.	10	646	26,000	24,722	-0.7%	-10.4%	-23.7%	-9.0%	3,642	1,042	497	74.1%	28.6%	13.7%
Cohance Lifesciences Ltd.	1	1,002	38,337	38,135	-8.2%	-10.0%	-12.7%	37.4%	1,220	369	261	73.3%	30.2%	21.4%
Average												69.3%	28.6%	17.1%

Company name	3Y top-line growth (CAGR)	3Y EBITDA growth (CAGR)	3Y PAT growth (CAGR)	Average 3Y EBITDA margin	Average 3Y PAT margin	3Y capital employed growth (CAGR)	3Y CFO growth (CAGR)	3Y average working capital cycle	3Y average CFO / EBITDA	3Y average CFO / Capital employed	3Y average fixed asset turnover	3Y average total asset turnover	3Y average RoE	3Y average RoIC
Anthem Biosciences Ltd.	32.1%	25.1%	18.1%	37.5%	27.0%	31.6%	16.9%	119.7	53.8%	20.4%	1.8	0.6	18.8%	16.1%
Divi's Laboratories Ltd.	9.8%	11.9%	9.6%	30.1%	22.4%	13.6%	-18.0%	195.0	72.2%	17.8%	1.5	0.5	13.6%	11.5%
Sai Life Sciences Ltd.	18.0%	55.0%	310.4%	19.1%	5.5%	10.4%	19.6%	44.8	99.6%	14.4%	1.1	0.6	5.9%	7.0%
Syngene International Ltd.	6.8%	5.7%	3.5%	29.0%	14.3%	11.3%	19.1%	50.7	101.0%	26.7%	1.0	0.6	11.8%	10.6%
Cohance Lifesciences Ltd.	-5.5%	-19.2%	-19.8%	37.6%	27.1%	33.2%	-20.6%	109.2	81.6%	23.8%	1.2	0.5	18.0%	15.6%
Average	7.3%	13.4%	75.9%	29.0%	17.3%	17.1%	0.0%	99.9	88.6%	20.6%	1.2	0.5	12.3%	11.2%

Company name	EPS (Rs.)	BVPS (Rs.)	DPS (Rs.)	Debt equity ratio	Fixed asset turnover ratio	Total asset turnover ratio	RoE	RoCE	P / E	P / B	EV / Sales	EV / EBITDA	MCAP / Sales	Earnings yield
Anthem Biosciences Ltd.	8.1	43.1	0.0	0.1	1.8	0.7	18.7%	32.0%	70.6	13.2	17.0	46.6	17.3	1.4%
Divi's Laboratories Ltd.	82.5	563.9	0.0	0.0	1.4	0.6	14.6%	21.8%	80.1	11.7	18.4	57.9	18.8	1.2%
Sai Life Sciences Ltd.	8.2	102.1	0.0	0.1	1.3	0.5	8.0%	12.9%	91.6	7.3	9.0	37.6	9.2	1.1%
Syngene International Ltd.	12.4	117.4	1.2	0.0	1.0	0.5	10.5%	14.9%	52.3	5.5	6.8	23.7	7.1	1.9%
Cohance Lifesciences Ltd.	6.8	44.3	0.0	0.0	0.7	0.4	15.4%	11.7%	147.2	22.6	31.3	103.5	31.4	0.7%
Average			0.3	0.0	1.1	0.5	12.1%	15.3%	92.8	11.8	16.4	55.7	16.6	1.2%

Note: Considered financials for the period during FY21-24 and TTM basis (with IPO adjustment); Source: Choice Broking Research

- ABL's business comprises CRDMO services and the manufacture and sale of specialty ingredients. It's CRDMO business caters to customers in regulated markets, while specialty ingredients business complements CRDMO business by targeting both regulated markets (such as United States and Europe) as well as semi-regulated markets (such as India, South and Southeast Asia, Latin America and Middle East).
- CRDMO services, which are a major revenue contributor to the revenue contributing 81.7% to the total revenue are offered across the NCE and NBE lifecycles, from target identification and lead selection to preclinical development, supporting its customers by manufacturing development batches of molecules used for clinical (Phase I, II and III) trials, and by offering commercial manufacturing capabilities with a strong capability in both small molecules and biologics (large molecules).
- With a strong presence across various modalities, such as RNAi, ADC, peptides, lipids and oligonucleotides, and manufacturing techniques, such as flow chemistry, enzymatic processes, biocatalysis and fermentation, ABL offer a wide range of technology capabilities for drug development relative to its assessed peers in India, according to the RHP. Revenue generated from the CRDMO services comprise revenues from research and development services ("R&D") and developmental and commercial manufacturing ("D&M").
- Specialty Ingredients segments constitutes the remaining portion of revenue contributing 18.3% of the total revenue and across this segment company manufacture and sell complex specialized fermentation-based Active Pharmaceutical Ingredients ("APIs"), including probiotics, enzymes, peptides, nutritional actives, vitamin analogues and biosimilars.
- Over the last 15 years, ABL have completed over 8,000 unique programs commissioned by its customers ("Projects") and worked on molecules with more than 675 customers at various stages of the drug development lifecycle under its CRDMO business. For FY25, ABL manufactured API and advance intermediates for ten commercialized molecules, all of which they have supported since discovery. Five of the top six commercialized molecules in revenue terms for FY25 the company manufactured are for 3 large pharmaceutical companies (including after acquisitions or consolidations). These five commercialized molecules it manufactured for the 3 large pharmaceutical companies (including after acquisitions or consolidations), had a collective end market sales value of US\$ 11.3bn in FY24 and are expected to grow at a CAGR of 13.5% to US\$ 21.4bn in value with a 1.5% market share by FY29.

Key highlights of the company (Contd...):

- ABL's existing Projects as of March 31, 2025 involve complex molecules across various modalities and stages of development, including 7 in the ADC space, 2 RNAi, 10 lipids, 10 peptides and 1 oligonucleotide. It has a diverse mix of 242 Projects, with 68 discovery Projects (relating to 355 discovery molecules synthesized), 145 Early Phase Projects, 16 Late Phase Projects (relating to 10 Late Phase molecules) and 13 commercial manufacturing Projects (relating to API and advance intermediates for 10 commercialized molecules) for FY25.
- To target biotech and pharmaceutical companies in the United States, ABL formed a strategic partnership with DavosPharma, its sales partner in the United States, which is an affiliate of Portsmouth LLC, one of its Shareholders. Established in 1972, DavosPharma, as its strategic partner, has granted them access to their local industry knowledge, and helped maintain front-end presence, servicing functions as well as customer connections in the United States. As a result, it has onboarded an aggregate of 89 customers in United States including 83 emerging biotech customers over the last three Fiscals. Pursuant to its arrangements with DavosPharma, it either enter into a tripartite agreement with such customers, along with DavosPharma, or have a direct agreement with such customer.
- As of March 31, 2025, ABL have two operational manufacturing facilities in India, Unit I (Bommassandra, Karnataka) and Unit II (Harohalli, Karnataka), with an aggregate annual custom synthesis capacity and fermentation capacity of 270 kL and 142 kL, respectively. It is also in the process of expanding its custom synthesis capacity and fermentation capacity by constructing Unit III (Neo-Anthem), and further expanding its custom synthesis capacity at Unit II (Harohalli) by 130 kL, both expected to be fully operational by the first half of FY26. Following the completion of such expansion activities, its aggregate annual custom synthesis capacity and fermentation capacity is expected to increase to 425 kL and 182 kL, respectively.

Peer comparison and valuation: ABL, is an an innovation-driven and technology-focused CRDMO with fully integrated operations spanning across drug discovery, development and manufacturing. It is one of the few companies in India with integrated NCE and NBE capabilities across drug discovery, development, and commercial manufacturing.

At higher price band, ABL is demanding a P/E multiple of 70.6x based on FY25 EPS of Rs. 8.1 and EV/Sales of 17x, these valuations appear to be fully priced when compared to the peer average, after excluding high P/E multiples such as Cohance Lifesciences Ltd. The company has reported a declining trend in both its operating and PAT margins as the CRDMO sector is highly competitive with established players like Syngene and Divi's Labs commanding premium valuations. However, margins are better than the industry peers and going forward capacity expansion will lead to growth in revenue terms but there remains limited upside on the margin front. Therefore, considering the constrained upside potential and fierce market competition, we recommend a **"Subscribe for Long Term"** rating for the issue.

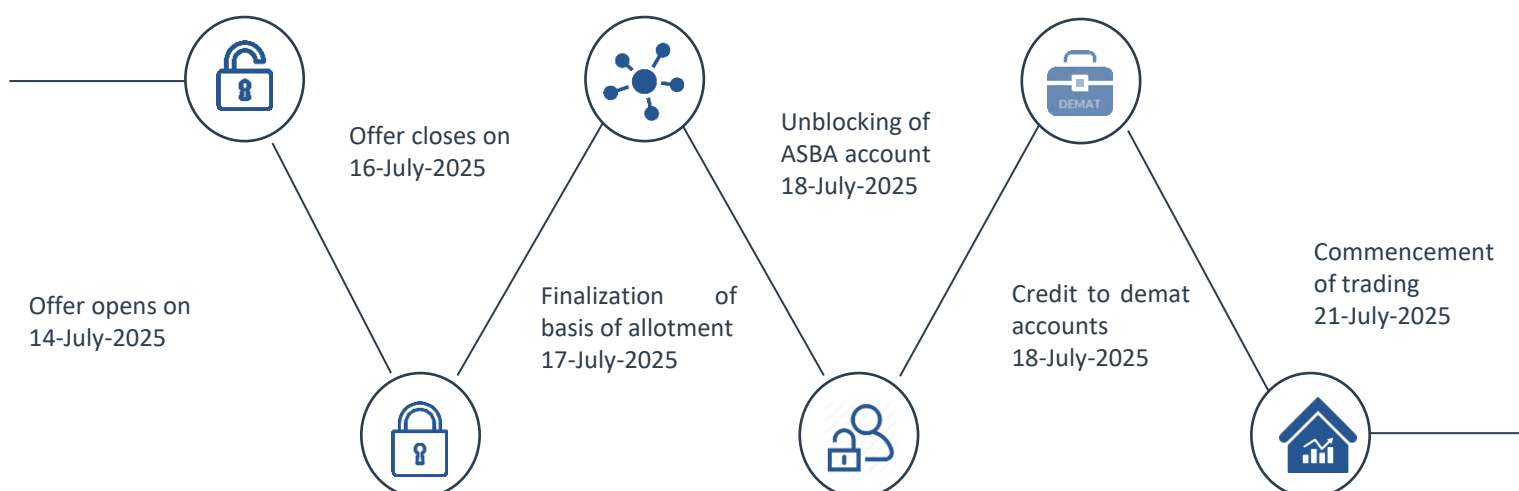
About the issue:

- ABL is coming up with an IPO with 5.96 – 6.29cr shares (OFS shares: 5.96 – 6.29cr shares) in offering. This offer represents 10.65 – 11.25% of the post-issue paid-up equity shares of the company. Total IPO size is Rs. 3,395cr.
- The issue is through book building process with a price band of Rs. 540 - 570 per share.
- Lot size comprises of 26 equity shares and in-multiple of 26 shares thereafter.
- The issue will open on 14th July 2025 and close on 16th July 2025.
- The IPO comprises entirely offer for sale (Rs. 3,395cr). The company will not receive any proceeds from the OFS portion.
- Some of the promoter & promoter group (P&PG) are participating in the OFS and is offloading 5.96 – 6.29cr equity shares. Post-IPO, the P&PG and public shareholders will have 75.03% and 24.97% stake in the company, respectively.
- 50% of the net issue is reserved for qualified institutional buyers, while 15% and 35% of the net issue is reserved for non-institutional bidders and retail investors, respectively.

Pre and post-issue shareholding pattern (%)		
	Pre-issue	Post-issue (at higher price band)
Promoter & promoter group	77.23%	75.03%
Public	22.77%	24.97%
Non-promoter & Non-public	0.00%	0.00%

Source: Choice Equity Broking

Indicative IPO process time line:



Pre-issue financial performance:

Performance over FY22-25: During this period, ABL demonstrated a significant growth in both its revenue and progress of molecules in pipeline through drug development lifecycle. Along with that, ABL has also witnessed significant growth in its speciality ingredients business and exports which was primarily due to increased sales of commercialised portfolio in CRDMO segment to its customers.

The company reported a significant growth, with total operating revenue reaching Rs. 1,844.6cr in FY25 compared to Rs. 1,231.3 in FY22, growing at a CAGR of 14.4%. This increase was primarily due to increase in revenue from development and manufacturing services under CRDMO business.

The company's EBITDA witnessed growth, increasing at a CAGR of 5.9% from Rs. 565cr in FY22 to Rs. 670.8cr in FY25. However, the EBITDA margin declined by 952 bps to 36.4% in FY25, compared to 45.9% in FY22. This decline is driven by increase in cost of raw material. Consequent to a rise in EBITDA, PAT also rose from Rs. 405.5cr in FY22 to Rs. 451.3cr in FY25. Due to declining EBITDA margins, the company's PAT margins also declined by 847 bps to 24.5% in FY25 from 32.9% in FY22.

ABL has steadily increased its borrowings over the years, leading to a rise in its debt-to-equity ratio from 0.1x in FY25 to nil in FY22. Pre-issue RoCE and RoE stood at 32.0% and 18.7%, respectively, in FY24.

Pre-issue financial snapshot (Rs. cr)	FY22	FY23	FY24	FY25	CAGR over FY22-24	Y-o-Y (FY24 annual)
<i>Revenue Bifurcation by business verticals</i>						
Development & manufacturing	818.2	635.0	897.6	1,305.5	16.9%	45.4%
R&D services	129.0	173.1	185.6	200.6	15.8%	8.1%
Contract research development & manufacturing services	947.2	808.1	1,083.2	1,506.1	16.7%	39.0%
Speciality ingredients	284.0	248.8	336.2	338.5	6.0%	0.7%
India	231.8	213.0	309.1	305.5	9.6%	-1.2%
Outside India	999.5	843.9	1,110.2	1,539.0	15.5%	38.6%
Revenue from operations	1,231.3	1,056.9	1,419.4	1,844.6	14.4%	30.0%
Gross profit	822.3	717.6	819.8	1,100.6	10.2%	34.3%
EBITDA	565.0	428.9	505.0	670.8	5.9%	32.8%
Adjusted PAT	405.5	323.4	367.3	451.3	3.6%	22.9%
Restated adjusted EPS	7.3	5.8	6.6	8.1	3.6%	22.9%
Cash flow from operating activities	332.9	306.0	140.2	418.3	7.9%	198.5%
NOPLAT	376.7	282.9	325.6	399.5	2.0%	22.7%
FCF	-70.8	-148.2	288.3	-73.3	1.2%	-125.4%
RoIC (%)	27.9%	15.8%	16.2%	16.4%	(1,145) bps	22 bps
Revenue growth rate	-	-14.2%	34.3%	30.0%		
Gross profit growth rate	-	-12.7%	14.2%	34.3%		
Gross profit margin	66.8%	67.9%	57.8%	59.7%	(712) bps	191 bps
EBITDA growth rate	-	-24.1%	17.7%	32.8%		
EBITDA margin	45.9%	40.6%	35.6%	36.4%	(952) bps	79 bps
Restated PAT growth rate	-	-20.3%	13.6%	22.9%		
Restated PAT margin	32.9%	30.6%	25.9%	24.5%	(847) bps	(141) bps
Inventories days	13.8	32.4	43.8	54.6	58.0%	24.6%
Trade receivables days	86.1	103.6	98.3	93.1	2.6%	-5.3%
Trade payables days	-21.0	-23.6	-22.2	-20.9	-0.2%	-6.1%
Cash conversion cycle	78.9	112.4	119.9	126.8	17.1%	5.8%
Total asset turnover ratio	0.8	0.5	0.6	0.7		
Current ratio	4.9	9.2	4.9	5.7		
Total debt	44.1	136.8	255.6	132.3	44.3%	-48.2%
Net debt	(566.8)	(698.3)	(387.3)	(600.0)	1.9%	54.9%
Debt to equity	0.0	0.1	0.1	0.1		
Net debt to EBITDA	-0.4	-0.4	-0.2	-0.2		
RoE	29.9%	18.6%	19.1%	18.7%	(1,120) bps	(36) bps
RoA	25.1%	16.1%	15.3%	16.1%	(898) bps	76 bps
RoCE	62.2%	34.8%	27.4%	32.0%	(3,027) bps	459 bps

Note: Pre-IPO financials; Source: Choice Equity Broking

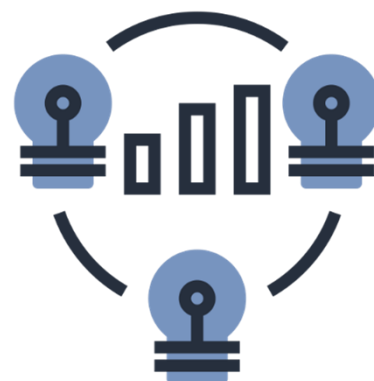


Competitive strengths:

- Offers comprehensive one-stop service capabilities across the drug life cycle for both small molecules and biologics
- Offers a spectrum of technologically advanced solutions across modalities and manufacturing practices
- Differentiated business model catering to the needs of small pharmaceutical and emerging biotech companies, from discovery to commercial manufacturing
- Wide specialty ingredients portfolio, well positioned to capitalize on the large market opportunity for niche specialty ingredients
- Fully built-out automated manufacturing infrastructure with a consistent regulatory compliance track record

Business strategy:

- Continue to expand technological capabilities to gain wallet share and to win new customers in the discovery and development phase
- Leverage on manufacturing capacity to cater to the expected increase in commercialized and late stage molecules
- Focus on growing complex specialty ingredients business with large market opportunity
- Improving cost management and operational efficiencies, including supply chain resilience
- Complement our overall growth through identifying opportunities for inorganic expansion
- Continue to implement sustainable manufacturing practices and green chemistry



Risk and concerns:

- General slowdown in the global economic activities
- Risk of failure to develop or manufacture commercially viable drugs
- Risk of revenue loss from manufacturing services post-patent expiry
- Risk of foreign currency fluctuation
- Stringent regulatory requirements
- Risk of under utilisation of manufacturing facilities
- Competition

Financial statements:

Restated consolidated profit and loss statement (Rs. cr)

	FY22	FY23	FY24	FY25	CAGR (FY22-25)	Y-o-Y
Revenue from operations	1,231.3	1,056.9	1,419.4	1,844.6	14.4%	30.0%
Cost of material consumed	(410.3)	(348.3)	(640.8)	(830.6)	26.5%	29.6%
Change in work-in-progress	1.4	9.0	41.2	86.7	298.1%	110.3%
Gross profit	822.3	717.6	819.8	1,100.6	10.2%	34.3%
Employee benefits expenses	(137.5)	(153.2)	(182.9)	(260.5)	23.7%	42.4%
Other expenses	(119.8)	(135.5)	(131.9)	(169.3)	12.2%	28.4%
EBITDA	565.0	428.9	505.0	670.8	5.9%	32.8%
Depreciation and amortization expenses	(57.8)	(63.7)	(81.8)	(89.4)	15.7%	9.2%
EBIT	507.2	365.2	423.2	581.5	4.7%	37.4%
Finance costs	(10.1)	(6.8)	(9.5)	(10.3)	0.8%	8.3%
Other income	49.0	77.1	63.7	85.7	20.5%	34.6%
Exceptional items	0.0	61.8	0.0	0.0	-	-
PBT	546.1	497.3	477.3	656.9	6.3%	37.6%
Tax expenses	(140.6)	(112.1)	(110.0)	(205.6)	13.5%	86.9%
Reported PAT	405.5	385.2	367.3	451.3	3.6%	22.9%
Adjusted PAT	405.5	323.4	367.3	451.3	3.6%	22.9%

Restated consolidated balance sheet statement (Rs. cr)

	FY22	FY23	FY24	FY25	CAGR over FY22-24	Annual growth over FY23
Equity share capital	8.8	114.1	111.8	111.8	133.6%	0.0%
Other equity	1,346.2	1,626.6	1,812.8	2,298.0	19.5%	26.8%
Non-current borrowings	7.0	116.3	150.7	66.0	110.8%	-56.2%
Non-current lease liabilities	1.1	0.8	4.3	2.9	36.1%	-33.7%
Other non-current financial liabilities	3.9	6.2	11.2	13.2	49.7%	17.8%
Non-current provisions	5.1	5.4	6.5	7.5	14.0%	15.1%
Other non-current liabilities	21.7	1.4	1.2	0.9	-64.9%	-20.1%
Trade payables	64.8	71.9	100.7	110.1	19.3%	9.3%
Current borrowings	28.4	8.7	81.8	43.0	14.7%	-47.5%
Current lease liabilities	1.2	0.3	1.7	1.5	8.7%	-10.6%
Other current financial liabilities	2.4	4.5	5.9	5.8	35.2%	-1.4%
Current provisions	3.0	3.6	3.4	3.9	9.2%	16.1%
Net current tax liabilities	19.4	5.9	6.4	23.0	5.9%	259.2%
Other current liabilities	105.8	48.8	99.7	120.0	4.3%	20.4%
Total liabilities	1,618.9	2,014.5	2,398.1	2,807.6	20.1%	17.1%
Property, plant & equipments	319.6	438.5	470.0	696.4	29.6%	48.2%
Intangible assets	6.9	9.1	6.2	3.9	-17.5%	-38.0%
Capital work-in-progress	153.8	164.1	344.7	296.9	24.5%	-13.9%
Right-to-use assets	2.5	1.3	6.3	4.8	24.4%	-23.8%
Non-current investments	3.7	6.2	12.6	16.9	66.1%	34.9%
Non-current trade receivables	3.1	3.1	3.1	3.1	0.0%	0.1%
Non-current loans	4.8	4.8	5.1	3.3	-11.4%	-34.4%
Other non-current financial assets	4.3	4.6	6.0	12.0	40.4%	98.5%
Net deferred tax assets	15.9	24.9	41.4	17.9	4.0%	-56.6%
Net non-current tax assets	1.4	1.4	1.4	1.4	0.7%	0.0%
Other non-current assets	9.5	33.4	19.8	14.2	14.3%	-28.3%
Inventories	58.2	129.4	211.3	340.4	80.1%	61.1%
Trade receivables	326.2	274.1	490.4	450.4	11.4%	-8.2%
Current investments	269.1	492.9	459.1	416.1	15.6%	-9.4%
Cash & cash equivalents	341.8	342.2	183.9	316.1	-2.6%	71.9%
Bank balances other than Cash & cash equivalents	7.1	0.6	0.5	0.8	-51.0%	68.1%
Other current financial assets	0.3	0.2	0.4	0.4	13.7%	1.4%
Other current assets	90.6	83.7	135.9	212.3	32.9%	56.2%
Total assets	1,618.9	2,014.5	2,398.1	2,807.6	20.1%	17.1%

Source: Choice Equity Broking

Financial statements (Contd...):

Restated consolidated cash flow statement (Rs. cr)						
	FY22	FY23	FY24	FY25	CAGR over FY22-24	Annual growth over FY23
Cash flow before working capital changes	594.8	524.6	522.1	729.7	7.1%	39.8%
Working capital changes	(138.9)	(103.6)	(262.0)	(152.4)	3.1%	-41.8%
Cash flow after working capital changes	455.9	421.0	260.2	577.3	8.2%	121.9%
Cash flow from operating activities	332.9	306.0	140.2	418.3	7.9%	198.5%
Purchase of fixed assets & CWIP	(25.6)	(183.6)	(116.6)	(314.7)	130.8%	169.9%
Cash flow from investing activities	(205.5)	(376.0)	(221.5)	(152.1)	-9.5%	-31.3%
Dividend paid	0.0	0.0	0.0	0.0	-	#DIV/0!
Cash flow from financing activities	180.7	64.0	(77.2)	(133.6)	-	73.1%
Net cash flow	308.1	(6.1)	(158.5)	132.6	-24.5%	-183.7%
Opening balance of cash	40.8	348.9	342.8	184.4	65.4%	-46.2%
Closing balance of cash from continuing operations	348.9	342.8	184.4	317.0	-3.1%	71.9%

Financial ratios				
Particulars	FY22	FY23	FY24	FY25
Profitability ratios				
Revenue growth rate	-	-14.2%	34.3%	30.0%
Gross profit growth rate	-	-12.7%	14.2%	34.3%
Gross profit margin	66.8%	67.9%	57.8%	59.7%
EBITDA growth rate	-	-24.1%	17.7%	32.8%
EBITDA margin	45.9%	40.6%	35.6%	36.4%
EBIT growth rate	-	-28.0%	15.9%	37.4%
EBIT margin	41.2%	34.6%	29.8%	31.5%
Restated Adjusted PAT growth rate	-	-20.3%	13.6%	22.9%
Restated Adjusted PAT margin	32.9%	30.6%	25.9%	24.5%
Turnover ratios				
Inventory receivable turnover ratio	26.4	11.3	8.3	6.7
Trade receivable turnover ratio	4.2	3.5	3.7	3.9
Accounts payable turnover ratio	17.4	15.5	16.4	17.5
Fixed asset turnover ratio	2.6	1.7	1.7	1.8
Total asset turnover ratio	0.8	0.5	0.6	0.7
Working capital turnover ratio	2.0	1.0	1.2	1.4
Liquidity ratios				
Current ratio	4.9	9.2	4.9	5.7
Quick ratio	4.6	8.3	4.2	4.5
Total debt	44.1	136.8	255.6	132.3
Net debt	-566.8	-698.3	-387.3	-600.0
Debt to equity	0.0	0.1	0.1	0.1
Net debt to EBITDA	-1.0	-1.6	-0.8	-0.9
Net debt to equity	-0.4	-0.4	-0.2	-0.2
Cash flow ratios				
CFO to PAT	0.8	0.9	0.4	0.9
CFO to Capex	13.0	1.7	1.2	1.3
CFO to total debt	7.6	2.2	0.5	3.2
CFO to current liabilities	1.5	2.1	0.5	1.4
Return ratios				
RoIC (%)	27.9%	15.8%	16.2%	16.4%
RoE (%)	29.9%	18.6%	19.1%	18.7%
RoA (%)	25.1%	16.1%	15.3%	16.1%
RoCE (%)	62.2%	34.8%	27.4%	32.0%
Per share data				
Restated EPS (Rs.)	7.3	5.8	6.6	8.1
DPS (Rs.)	0.0	0.0	0.0	0.0
BVPS (Rs.)	24.2	31.1	34.4	43.1
Operating cash flow per share (Rs.)	6.0	5.5	2.5	7.5

Source: Choice Equity Broking

IPO rating rationale

Subscribe: An IPO with strong growth prospects and valuation comfort.

Subscribe for Long Term: Relatively better growth prospects but with valuation discomfort.

Avoid: Concerns on both fundamentals and demanded valuation.

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