

IPO Note: Anthem Biosciences Ltd.

Industry: Pharma

Date: July 14, 2025

Issue Snapshot		Issue Break up		
Company Name	Anthem Biosciences Ltd.	QIB ex Anchor	20%	1,18,83,333
Issue Opens	July 14, 2025 to July 16, 2025	Anchor Investor	30%	1,78,25,000
Price Band	Rs. 540 – Rs. 570	HNI<Rs. 10 Lakhs	5%	29,70,833
Bid Lot	26 Equity Shares and in multiples thereof.	HNI>Rs. 10 Lakhs	10%	59,41,667
The Offer	Public issue of 5,95,61,404 Equity shares of Face value Rs. 2 each, (Comprising of Offer for Sale by Selling Shareholder).	RII	35%	2,07,95,833
Issue Size	Rs. 3,395.0 Crores	Total Public	100%	5,94,16,667
IPO Process	100% Book Building	Employee Reservation		1,44,737
Face Value	Rs. 2.00	Total		5,95,61,404
Exchanges	NSE & BSE			
BRLM	JM Financial Ltd., Citigroup Global Markets India Pvt. Ltd., J.P. Morgan India Pvt. Ltd., Nomura Financial Advisory and Securities (India) Pvt. Ltd.	Equity Share Pre Issue (Nos. Cr.)		56.2
Registrar	KFin Technologies Ltd.	OFS Share (Nos. Cr.)		6.0
		Equity Share Post Issue (Nos. Cr.)		56.2
		Market Cap (Rs. Cr.)		32,011.8
		Stake Sale by OFS		10.6%

Objects of the Offer

Offer for Sale

The Company will not receive any proceeds of the Offer for Sale by the Selling Shareholder. (by Ganesh Sambasivam up to Rs. 350 crore, by K Ravindra Chandrappa up to Rs. 350 crore, by Viridity Tone LLP, up to Rs. 1325 crore, by Portsmouth Technologies LLC up to Rs. 320 crore, by Malay J Barua up to Rs. 320 crore, by Rupesh N Kinekar up to Rs. 320 crore, by Satish Sharma up to Rs. 320 crore, by Prakash Kariabettan up to Rs. 80 crore and by K Ramakrishnan up to Rs. 10 crore)

Company Highlights

- 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. It 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, according to the F&S Report. As a one-stop service provider, it serves a range of customers, encompassing innovator-focused emerging biotech and large pharmaceutical companies globally. ABL is one of the youngest Indian CRDMO companies and the fastest Indian CRDMO among the assessed peers to achieve a milestone of Rs. 1000 cr. of revenue within 14 years of operations, reaching this milestone in FY21, according to the F&S Report. The company also recorded the highest revenue growth in FY24 to FY25 as compared to its assessed peers in India and globally, according to the F&S Report. Innovation forms the cornerstone of organization, and it has undertaken several initiatives to differentiate itself across modalities and manufacturing capabilities aimed at meeting customers' evolving requirements while maintaining a commitment to sustainability and efficiency.
- ABL's business comprises CRDMO services and the manufacture and sale of specialty ingredients. Its CRDMO business caters to customers in regulated markets, while specialty ingredients business complements its 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). Its specialty ingredients business enables it to draw on technological capabilities across biology and chemistry and leverage its

fermentation capacity to manufacture and commercialize specialty ingredients as an additional revenue stream. Since inception in 2007, it has completed over 8,000 Projects and worked on molecules with more than 675 customers at various stages of the drug development lifecycle under CRDMO business. Over the last three Fiscals it has served a diverse, global customer base of 287 customers across more than 3,000 Projects.

- Over the last 15 years, ABL has 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 CRDMO business. For FY25, it manufactured API and advance intermediates for 10 commercialized molecules, all of which it has supported since discovery. 5 of the top 6 commercialized molecules in revenue terms for FY25 it manufactured are for 3 large pharmaceutical companies (including after acquisitions or consolidations). These 5 commercialized molecules the company manufactures for the 3 large pharmaceutical companies (including after acquisitions or consolidations), had a collective end market sales value of US\$ 11.3 billion in 2024 and are expected to grow at a CAGR of 13.5% to US\$ 21.4 billion in value with a 1.5% market share by 2029, according to the F&S Report. Its 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.

View

- Anthem is one of the few Indian companies with integrated NCE and NBE capabilities across all 3 segments of drug discovery, development and manufacturing and the only company in India that has a strong presence across small molecules and biologics (large molecules). The company has the capability to provide integrated services and onboard, transfer and deliver drug technology across various stages of the drug development lifecycle.
- According to the F&S Report, the global pharmaceutical industry is projected to grow at a CAGR of 6.4% from 2024 to 2029 to reach U.S.\$ 2,076 billion by 2029, driven mainly by factors such as the growth of the elderly population, rising incidence of chronic diseases, sedentary lifestyles, and increasing health awareness. The share of revenue from innovator drugs (comprising the first version of New Chemical Entity ("NCE") and New Biological Entity ("NBE") to be developed, approved and marketed) is expected to increase from 51.3% in 2024 to 53.9% of the global pharmaceutical market in 2029.
- As of March 31, 2025, Anthem has 7 registered trademarks in India and has filed 10 trademark applications with the Trademarks Registry. In addition, as of March 31, 2025, the company has been granted 1 patent by the Patent Office in India and 7 that are pending. The company also has 7 patents granted by patent offices globally and have 10 pending before the respective Patent Offices as of March 31, 2025.
- The company intend to leverage its technological capabilities across chemistry and biology to attract new and existing customers to secure its pipeline of future projects across the discovery and development phase. The company aim to expand its technological capabilities to include laboratory-scale photochemistry and electro-synthesis capabilities, which are alternative procedures for the synthesis of new complexes.
- As of March 31, 2025, Anthem had 145 Early Phase Projects, 16 Late Phase Projects (relating to 10 Late Phase molecules) and 13 commercial manufacturing Projects (relating to 10 commercialised molecules). Accordingly, in line with its forward-looking approach of anticipating the needs of customers and the expected increase in business derived from commercialised and late-stage molecules, the company intend to focus on increasing its manufacturing capacity in these areas to cater to this expected increase in demand.
- In terms of the valuations, on the higher price band, ABL demands P/E multiple of 70.9x post issue FY25 EPS.

Revenue from Operations

	FY23		FY24		FY25	
	Amount (Rs. Cr.)	% to Total	Amount (Rs. Cr.)	% to Total	Amount (Rs. Cr.)	% to Total
Segment-wise						
CRDMO	808.1	76.5%	1083.2	76.3%	1506.1	81.7%
- Research and development ("R&D")	173.1	16.4%	185.6	13.1%	200.6	10.9%
- Development and manufacturing ("D&M")	635.0	60.1%	897.6	63.2%	1305.5	70.8%
Specialty Ingredients	248.8	23.5%	336.2	23.7%	338.5	18.4%
Total Revenue from Operations	1056.9	100.0%	1419.4	100.0%	1844.6	100.0%

Fee Models

Revenue from R&D Services (₹ Cr)	173.1		185.6		200.6	
Revenue from R&D services as a % of revenue from operations (%)	16.4%		13.1%		10.9%	
Revenue from Fee-For-Service ("FFS") contracts as a % of revenue from R&D (%)	75.2%		81.7%		89.7%	
Revenue from full-time equivalent ("FTE") contracts as a % of revenue from R&D (%)	24.9%		18.3%		10.4%	
Ratio of revenue from FFS:FTE within R&D Services	75:25:00		82:18:00		90:10:00	

Geographical

Export	843.9	79.8%	1110.2	78.2%	1539.0	83.4%
- North America (USA)	500.2	47.3%	429.3	30.2%	487.3	26.4%
- Europe	306.2	29.0%	612.8	43.2%	1007.4	54.6%
- Rest of Asia & Other	37.5	3.5%	68.1	4.8%	305.5	16.6%
Domestic	213.0	20.2%	309.1	21.8%	44.4	2.4%
Total	1056.9	100.0%	1419.4	100.0%	1844.6	100.0%

From Top Customers

Revenue from top 5 customers	696.0	65.8%	923.5	65.1%	1308.1	70.9%
Revenue from top 10 customers	790.4	74.7%	1028.1	72.4%	1426.3	77.3%
- DavosPharma	393.0 -		323.1 -		263.4 -	
- Other top 10 customers	397.4 -		705.0 -		1162.9 -	

Manufacturing Facilities - Installed Capacity, Actual Production

Particulars	FY23			FY24			FY25		
	Installed capacity (MT)	Actual Production (MT)	% of Utilization	Installed capacity (MT)	Actual Production (MT)	% of Utilization	Installed capacity (MT)	Actual Production (MT)	% of Utilization
Unit I									
Custom Synthesis	23,842	17,227	72.3%	23,842	17,035	71.5%	23,862	17,115	71.8%
Fermentation	1,975	1,366	69.2%	1,975	1,580	80.0%	1,975	1,883	95.3%
Unit II									
Custom Synthesis	1,85,050	1,20,540	65.1%	2,46,050	1,84,958	75.2%	1,975	1,883	95.3%
Fermentation (Block 1)	80,106	49,452	61.7%	80,106	60,490	75.5%	1,40,106	66,591	47.5%
Fermentation (Block 2)	220 -	-		220 -	-		220 -	-	
Total (Units I and II)									
Custom Synthesis	2,08,892	1,37,767	70.0%	2,69,892	2,01,993	74.8%	2,69,912	2,09,825	77.7%
Fermentation	82,301	50,818	61.8%	82,301	62,070	75.4%	1,42,301	68,474	48.1%
Unit III									
Custom Synthesis	Na	Na	Na	Na	Na	Na	1,456	260	17.8%
Fermentation	Na	Na	Na	Na	Na	Na	Na	Na	Na

Financial Statement

(In Rs. Cr)	FY23	FY24	FY25
Share Capital	114.1	111.8	111.8
Net Worth	1740.7	1924.7	2409.9
Long Term Borrowings	96.2	111.7	47.0
Other Long Term Liabilities	13.7	23.2	24.5
Short-term borrowings	28.9	120.9	61.9
Other Current Liabilities	135.0	217.8	264.3
Fixed Assets	613.0	827.2	1002.0
Non Current Assets	691.3	89.3	68.9
Current Assets	1323.2	1481.6	1736.7
Total Assets	2014.5	2398.1	2807.6
Revenue from Operations	1056.9	1419.4	1844.6
Revenue Growth (%)		34.3	30.0
EBITDA	428.9	505.0	670.8
EBITDA Margin (%)	40.6	35.6	36.4
Net Profit	385.2	367.3	451.3
Net Profit Margin (%)	36.4	25.9	24.5
Earnings Per Share (Rs.)	6.8	6.5	8.0
Return on Networth (%)	24.9	20.0	20.8
Net Asset Value per Share (Rs.)	30.5	34.4	43.1

Source: RHP, Ashika Research

Cash Flow Statement

(In Rs. Cr)	FY23	FY24	FY25
Cash flow from Operations Activities	306.0	140.2	418.3
Cash flow from Investing Activities	(376.0)	(221.5)	(152.1)
Cash flow from Financing Activities	64.0	(77.2)	(133.6)
Net increase/(decrease) in cash and cash equivalents	(6.1)	(158.5)	132.6
Cash and cash equivalents at the beginning of the year	348.9	342.8	184.4
Cash and cash equivalents at the end of the year	342.8	184.4	317.0

Source: RHP

Comparison with Listed Industry Peers

Co Name	Net Sales (Rs. Cr.)	OPM (%)	D/E (x)	ROCE (%)	RONW (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	MCap/Sales (x)	Market Cap (Rs. Cr.)
Anthem Biosciences Ltd.	2459.4	36.4	0.0	27.0	18.7	70.9	13.3	47.4	17.4	32011.8
Divi's Laboratories Ltd.	7845.0	32.3	0.0	16.5	12.1	84.7	12.4	54.8	19.8	185609.0
Cohance Lifesciences Ltd.	1051.4	44.5	0.0	21.2	15.9	140.8	22.1	86.9	31.5	37711.6
Syngene International Ltd.	3642.4	30.5	0.0	15.4	11.2	51.8	5.5	22.5	7.1	25681.3
Sai Life Sciences Ltd.	1465.2	21.6	0.7	12.0	9.0	95.5	7.6	36.0	9.6	16244.5

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