

Rubicon Research Limited

Company Overview:

Rubicon Research Ltd (RRL) is an innovation-driven and R&D focused pharmaceutical formulations company with an increasing portfolio of specialty products and drug-device combination products concentrated in USA (~99.6% of 1QFY26 revenue). As of Jun'25, its product portfolio included 72 active Abbreviated New Drug Applications (ANDAs), 9 active New Drug Applications (NDAs) and 1 Over-the-Counter (OTC) monograph listed with the United States Food & Drug Administration (USFDA), which includes 16 specialty products. During FY25, RRL held a market share of more than 25% by value for 9 of its 66 commercialised products in USA. Further, its product pipeline as of Jun'25 includes 17 products which are awaiting USFDA approvals and 63 products which are across various stages of development.

Key Highlights:

1. Data-driven product selection ensuring competitive pricing: RRL employs a data-driven and multi-disciplinary product selection framework. This approach helps the company leverage its competitive strengths in development, manufacturing and commercialisation and helps it establish a first-mover advantage. As a result, RRL has been able to design complex and low-competitive density drugs which can find insulation from pricing pressures. This can be evidenced by the company's average price per unit growing by ~8%, while the US generic drug industry experienced an erosion of ~5.2% between FY22-FY25.

2. Strong R&D capabilities leading to high commercialisation rate: As of Jun'25, the company operates R&D facilities at Thane, Maharashtra and Ontario, Canada and employs a total of 170 R&D scientists. Both of these facilities are USFDA compliant which allows the company to carry out in-house product innovation & development capabilities. Through its focus on R&D, the company has developed 9 proprietary technologies for drug deliveries which are backed by 10 patents in various countries including India and USA as of Jun'25. Further, with 70 commercialised products out of the total active 81 USFDA approved ANDAs & NDAs, the company held a commercialisation rate of 86.4% in USA that allows it to better monetize expenditure on development of products.

3. USFDA compliant manufacturing facilities: As of Jun'25, RRL operated a total of 4 manufacturing facilities in India which are all compliant with USFDA. Further, none of these facilities has received an 'Official Action Indicated' as of Jul'25 portraying the company's focus on compliance backed manufacturing processes.

4. Established distribution network in USA: During FY22, the company started its own distribution activities through its wholly-owned subsidiary AdvaGen Pharma which is licensed to sell products in 49 states in USA. Further, the company acquired Validus a branded formulations company with presence in 44 states in USA. RRL aims to leverage Validus' existing relationships with prescribers to rapidly roll out new products.

Valuation: Rubicon Research Ltd is an innovation led pharmaceutical formulations company with a product portfolio of 72 active ANDAs, 9 active NDAs and 1 OTC monograph listed with USFDA. The company operates 4 manufacturing facilities and 2 R&D facilities all of which are approved by USFDA. The company has reported a robust Revenue/EBITDA CAGR of 80.7%/272.0% respectively between FY23-FY25. At upper price band of Rs 485, the issue is valued at FY25 P/E multiple of 59.5x based on post-issue capital. During 1QFY26, the company has already achieved 27.4%/29.4%/32.2% of its FY25 Revenue/EBITDA/PAT respectively.

Issue Details	
Date of Opening	9 th October 2025
Date of Closing	13 th October 2025
Price Band (Rs)	461 – 485
Issue Size (Rs cr)	1,377.5
Offer for sale (Rs cr)	877.5
Fresh Issue (Rs cr)	500.0
Issue Size (shares) @ upper band	2,84,02,041
Face Value (Rs)	1.0
Post Issue Market Cap (Rs cr)	7,620 – 7,990
BRLMs	Axis Capital Ltd, IIFL Capital Services Ltd, JM Financial Ltd, SBI Capital Markets Ltd
Registrar	MUFG Intime India Pvt Ltd
Bid Lot	30 shares and in multiples thereof
QIB shares	75%
Retail shares	10%
NII shares	15%

Objects of Issue	
Particulars	Estimated utilisation from net proceeds (Rs cr)
Pre-payment or repayment of certain outstanding borrowings availed by the company	310.0
Funding inorganic growth through strategic acquisitions & other strategic initiatives and General corporate purposes*	-
Net proceeds from the issue	500.0

**To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount cumulative amount utilised for funding inorganic growth & other strategic initiatives and general corporate purposes shall not exceed 35% of the Gross Proceeds*

Shareholding Pattern		
Pre-Issue	No. of Shares	%
Promoter & Promoter Group	12,04,07,506	78.0
Public & Others	3,40,29,745	22.0
Total	15,44,37,251	100.0

Post Issue @ Upper Price Band	No. of Shares	%
Promoter & Promoter Group	10,23,14,743	62.1
Public & Others	6,24,31,786	37.9
Total	16,47,46,529	100.0

Selling shareholders through OFS	Classification	Amount (Rs cr)
General Atlantic Singapore	Promoter	877.5
Total		877.5

Source: RHP, SSL Research

Note: SBI Capital Markets Ltd. is the BRLM to the issue and hence as per compliance led restrictions, SBI Securities Ltd. cannot assign any rating to the issue. IPO note can be used to understand the business model and decode the key operational and financial metrics.

Key Financials

Particulars (Rs cr)	FY23	FY24	FY25	1QFY26
Revenue from operations	394	854	1,284	352
EBITDA	18	155	256	75
Reported PAT	(17)	91	134	43
EBITDA Margin (%)	4.7	18.1	19.9	21.4
Reported PAT Margin (%)	-	10.7	10.5	12.3
RoE (%)	-	27.1	29.0	-
RoCE (%)	1.4	18.6	26.5	-
P/E (x)*	-	82.3	55.7	-

**Note: Pre-issue P/E based on upper price band*

Source: RHP, SSL Research

Risk Factors

- **Geographical concentration:** During FY23/FY24/FY25/1QFY26, the company derived 99.5%/98.8%/97.6%/95.0% of its revenue from sale of goods from USA. Further, the current administration is conducting an investigation under Section 232, which determine the effect of pharma import on national security. Any adverse developments in the investigation and subsequent imposition of tariffs may have an adverse impact on the company's performance.
- **Product quality risk:** The company's products are subject to stringent quality and regulatory standards and any failure to maintain these standards may have an adverse impact on the company's performance.
- **Customer concentration:** During FY23/FY24/FY25/1QFY26, the company derived 63.0%/65.1%/71.2%/77.0% of its revenue from sale of goods from its Top 5 customers. Any loss of one or more of these customers may have an adverse impact on the company's performance.
- **High working capital requirements:** The company's operations are subject to high working capital and capital expenditure requirements, and any inability to maintain an optimal level of working capital or financing required may have an adverse impact on the company's performance.

Growth Strategies

- Grow product portfolio of specialty products and drug-device combinations.
- Develop new products and build leadership positions in regulated markets for generic products.
- Expand market presence in USA and leverage intellectual property & product portfolio in other key regulated markets.
- Pursue synergistic business developments and external innovation opportunities.

Revenue from Sale of Goods – Therapy mix

Particulars	FY23		FY24		FY25		1QFY26	
	Rs cr	as a % of Total Revenue	Rs cr	as a % of Total Revenue	Rs cr	as a % of Total Revenue	Rs cr	as a % of Total Revenue
Analgesics / Pain Management	104.9	27.9	282.5	33.6	356.9	28.3	85.0	24.6
CVS	120.8	32.1	211.2	25.2	244.2	19.3	66.5	19.2
CNS	29.0	7.7	136.4	16.2	293.3	23.2	96.1	27.8
Hypokalemia	2.1	0.5	48.7	5.8	118.1	9.4	25.8	7.4
Skeletal Muscle Relaxants	25.8	6.9	41.7	5.0	58.5	4.6	12.5	3.6
NRT	60.9	16.2	33.8	4.0	24.4	1.9	1.3	0.4
Gastrointestinal	4.4	1.2	16.0	1.9	10.9	0.9	1.8	0.5
Metabolic	-	-	12.9	1.5	54.8	4.3	17.1	4.9
Immunosuppressant	-	-	11.6	1.4	48.3	3.8	16.2	4.7
Others	28.4	7.6	45.0	5.4	52.7	4.2	23.7	6.9
Total	376.4	100.0	839.8	100.0	1,262.1	100.0	346.0	100.0

Source: RHP, SSL Research

Revenue from Sale of Goods – Geographical mix

Particulars	FY23		FY24		FY25		1QFY26	
	Rs cr	as a % of Total Revenue	Rs cr	as a % of Total Revenue	Rs cr	as a % of Total Revenue	Rs cr	as a % of Total Revenue
USA	357.6	95.0	820.0	97.6	1,246.8	98.8	344.4	99.5
India	10.6	2.8	10.7	1.3	9.5	0.8	1.2	0.3
Others	8.1	2.2	9.1	1.1	5.8	0.5	0.4	0.1
Total	376.4	100.0	839.8	100.0	1,262.1	100.0	346.0	100.0

Source: RHP, SSL Research

R&D investments & Product Approvals

Particulars	FY23	FY24	FY25	1QFY26
R&D expenses as a % of Revenue	18.5	13.0	10.5	10.4
Number of ANDAs & NDAs approved during the year	12	14	12	6
Number of ANDAs & NDAs filed during the year	7	17	11	6

Source: RHP, SSL Research

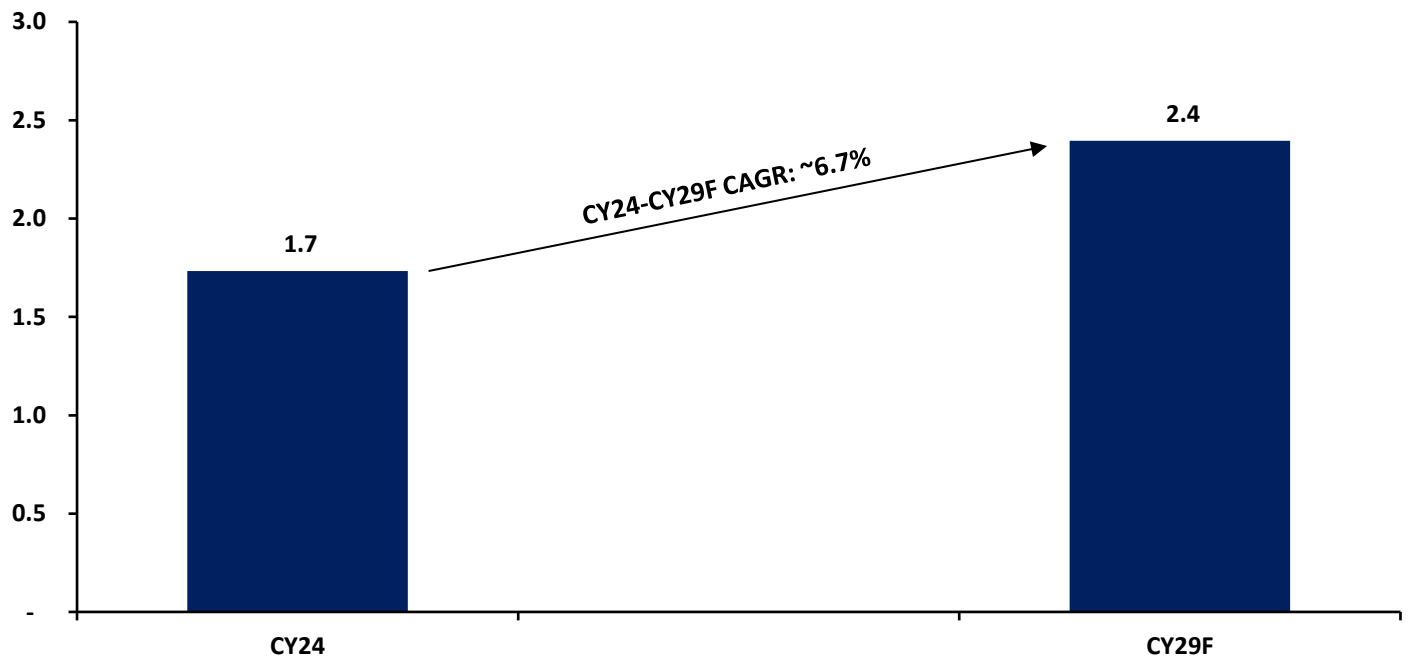
Installed Capacity & Capacity Utilisation (%)

Particulars	FY23	FY24	FY25	1QFY26
Ambernath, Maharashtra - Solid Oral Dosages (million tablets per annum)				
Installed Capacity	5,652.5	5,652.5	8,169.0	8,169.0
Actual Production Volume	2,422.9	3,478.2	5,246.8	1,311.7
<i>Capacity Utilisation</i>	43.4%	61.5%	64.2%	16.1%
Ambernath, Maharashtra - Nasal Products (million bottles/micro-vials per annum)				
Installed Capacity	2.5	2.5	2.5	2.5
Actual Production Volume	-	-	0.2	0.5
<i>Capacity Utilisation</i>	0.0%	0.0%	0.9%	1.8%
Satara, Maharashtra - Oral Liquids (kl per annum)				
Installed Capacity	3,459.1	3,459.1	3,459.1	3,459.1
Actual Production Volume	2,293.0	1,643.5	884.0	153.3
<i>Capacity Utilisation</i>	66.3%	47.5%	25.6%	4.4%
Pithampur, Madhya Pradesh - Solid Oral Dosage (million tablets per annum)				
Installed Capacity	-	-	-	2,057.6
Actual Production Volume	-	-	-	-
<i>Capacity Utilisation</i>	-	-	-	-
Pithampur, Madhya Pradesh - Ointments (million tubes per annum)				
Installed Capacity	-	-	-	4.1
Actual Production Volume	-	-	-	-
<i>Capacity Utilisation</i>	-	-	-	-

Source: RHP, SSL Research

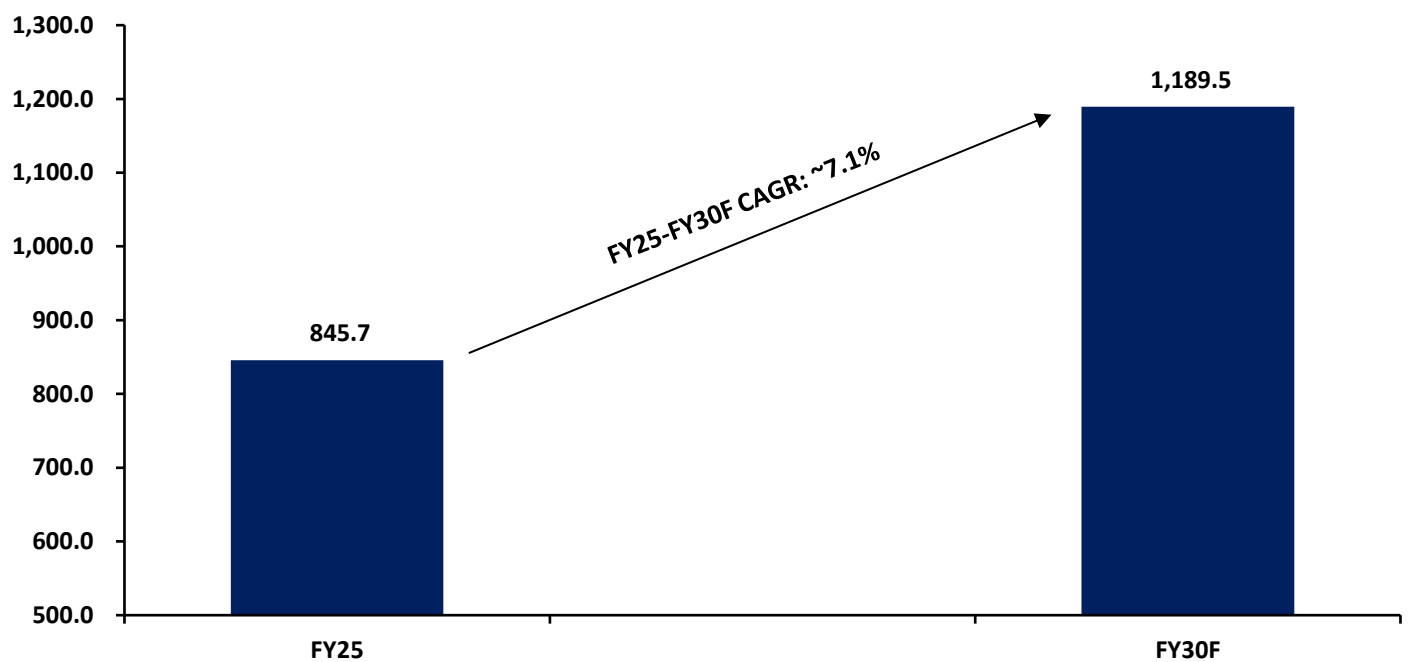
Industry Overview

Global Pharmaceutical Market (USD trillion)



Source: RHP, SSL Research

US Pharmaceutical Market (USD billion)



Source: RHP, SSL Research

Financial Snapshot

INCOME STATEMENT				
Particulars (Rs cr)	FY23	FY24	FY25	1QFY26
Revenue from Operations	394	854	1,284	352
YoY growth	-	117.0%	50.4%	11.3%
Cost Of Revenues (incl. Stock Adj.)	113	279	375	103
Gross Profit	280	575	909	250
Gross margin	71.2%	67.3%	70.8%	70.8%
Employee Cost	97	125	211	58
Other Operating Expenses	165	295	442	116
EBITDA	18	155	256	75
EBITDA margin	4.7%	18.1%	19.9%	21.4%
Other Income	25	18	12	4
Interest Exp.	19	31	37	11
Depreciation	36	39	37	10
PBT	(11)	103	195	60
Tax	6	12	60	16
Reported PAT	(17)	91	134	43
Reported PAT margin	(4.3%)	10.7%	10.5%	12.3%
Reported EPS	(1)	6	9	3

BALANCE SHEET				
Particulars (Rs cr)	FY23	FY24	FY25	1QFY26
Assets				
Net Block	169	212	237	349
Capital WIP	25	10	7	26
Intangible Assets	21	60	58	57
Intangible Assets under development	-	-	-	1
Right of use assets	10	35	32	92
Other Non-current Assets	24	29	54	23
Current Assets				
Inventories	167	300	522	574
Trade receivables	225	301	324	313
Cash and Bank Balances	59	58	116	112
Other Current Assets	50	103	102	101
Total Current Assets	502	763	1,063	1,099
Current Liabilities & Provisions				
Trade payables	97	177	239	209
Other current liabilities	28	33	78	104
Short-term provisions	14	53	132	150
Total Current Liabilities	139	263	449	464
Net Current Assets	363	501	614	636
Total Assets	611	847	1,002	1,184
Liabilities				
Share Capital	5	15	15	15
Reserves and Surplus	281	370	526	578
Total Shareholders' Funds	286	385	541	594
Total Debt	318	396	393	496
Long Term Provisions	3	4	10	11
Lease Liabilities	2	28	24	49
Other Long-Term Liabilities	-	33	34	34
Net Deferred Tax Liability	1	-	-	-
Total Liabilities	611	847	1,002	1,184

CASH FLOW STATEMENT				
Particulars (Rs cr)	FY23	FY24	FY25	1QFY26
Cash flow from Operating Activities	(75)	21	159	44
Cash flow from Investing Activities	(34)	(69)	(65)	(143)
Cash flow from Financing Activities	123	44	(40)	90
Free Cash Flow	(119)	(35)	89	(99)

RATIOS			
Particulars	FY23	FY24	FY25
Profitability			
Return on Capital Employed	1.4%	18.6%	26.5%
Return on Equity	-	27.1%	29.0%
Margin Analysis			
Gross Margin	71.2%	67.3%	70.8%
EBITDA Margin	4.7%	18.1%	19.9%
Net Profit Margin	(4.3%)	10.7%	10.5%
Short-Term Liquidity			
Current Ratio (x)	1.4	1.3	1.4
Quick Ratio (x)	0.9	0.8	0.7
Avg. Days Sales Outstanding	209	129	92
Avg. Days Inventory Outstanding	539	393	507
Avg. Days Payables	94	92	85
Fixed asset turnover (x)	2.3	4.0	5.4
Debt-service coverage (x)	0.0	0.3	0.5
Long-Term Solvency			
Total Debt / Equity (x)	1.1	1.0	0.7
Interest Coverage Ratio (x)	0.4	4.3	6.3
Valuation Ratios*			
EV/EBITDA (x)	419.1	50.6	30.3
P/E (x)	-	82.3	55.7
P/B (x)	26.2	19.5	13.8
EV/Sales (x)	19.7	9.2	6.0
Mkt Cap/Sales (x)	19.0	8.8	5.8

**Valuation ratios are based on pre-issue capital at the upper price band*

Source: RHP, SSL Research

Peer Comparison – FY25

Particulars (Rs cr)	Rubicon Research Ltd	Sun Pharmaceuticals Industries Ltd	Lupin Ltd	Aurobindo Pharma Ltd	Alembic Pharmaceuticals Ltd	Strides Pharma Sciences Ltd*
CMP (Rs)	485	1,632	1,975	1,095	910	827
Sales	1,284	52,578	22,708	31,724	6,672	4,565
EBITDA	256	15,272	5,283	6,583	1,008	803
Net Profit	134	10,929	3,129	3,486	583	409
Mkt Cap.	7,990	3,91,571	90,210	63,598	17,887	7,623
Enterprise Value	7,767	3,82,109	92,144	63,304	18,993	9,281
EBITDA Margin (%)	19.9	29.0	23.3	20.8	15.1	17.6
Net Profit Margin (%)	10.5	20.8	13.8	11.0	8.7	9.0
RoE (%)	29.0	15.1	18.2	10.7	11.2	16.0
RoCE (%)	26.5	19.8	19.3	13.6	12.1	15.4
P/E (x)	59.5	35.8	28.8	18.2	30.7	18.6
EV/EBITDA (x)	30.3	25.0	17.4	9.6	18.8	11.6
EV/Sales (x)	6.0	7.3	4.1	2.0	2.8	2.0

For Rubicon Research Limited, the Market Cap, P/E(x), EV/EBITDA (x), EV/Sales (x) are calculated on post-issue equity share capital based on the upper price band.

CMP for peer companies is closing price as on 3rd October, 2025

*Adj PAT for Strides Pharma Sciences

Source: RHP, Exchange Filings, SSL Research

SBICAP Securities Limited

(CIN): U65999MH2005PLC155485 | Research Analyst Registration No INH000000602

SEBI Registration No.: Stock Broker: INZ000200032 | CDSL: IN-DP-314-2017 | NSDL: IN-DP-NSDL-369-2014 | Research Analyst: INH000000602

IRDA/RW/IR2/2015/081 | IRDA/RW/IR1/2016/041 | IRDA: CA0103

Registered & Corporate Office: Marathon Futorex, A Wing, 12th Floor, N. M. Joshi Marg, Lower Parel, Mumbai-400013.

For any information contact us:

022-6854 5555**E-mail: helpdesk@sbicapsec.com | Web: www.sbisecurities.in****DISCLOSURES & DISCLAIMERS:**

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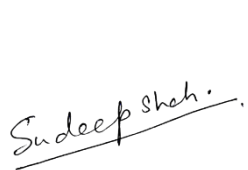
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Name	Qualification	Designation
Sudeep Shah	MMS-Finance	VP- Technical & Derivative Research
Sunny Agrawal	B.E, MBA (Finance)	DVP - Fundamental Research
Rajesh Gupta	PGDBM (Finance), MA (Bus. Eco)	AVP - Fundamental Research
Monica Chauhan	C.A.	Research Analyst - Equity Fundamentals
Harsh Vasa	CA	Research Analyst - Equity Fundamentals
Sumeet Shah	B.E., CFA	Research Analyst - Equity Fundamentals
Sweta Padhi	MBA (Finance)	Research Analyst - Equity Fundamentals
Uday Chandgothia	B-Tech, MBA (Finance)	Research Associate - Equity Fundamentals
Arnav Sane	BMS (Finance)	Research Associate - Equity Fundamentals
Shubham Purohit	BMS (Finance)	Research Associate - Equity Fundamentals
Vinit Mishra	B.Com	Research Associate - Equity Fundamentals
Gautam Updhyaya	MBA (Finance)	Research Analyst - Equity Derivatives
Vinayak Gangule	BE (IT)	Research Analyst - Equity Technicals
Ashwin Ramani	B.Com	Research Analyst- Equity Technicals
Sagar Peswani	B.Tech (ECE)	Research Associate - Equity Technicals
Kalpesh Mangade	B.Com	MIS Analyst - Retail Research

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Sudeep Shah

VP – Technical & Derivative Research


Sunny Agrawal

DVP – Fundamental Research