

Rating: Subscribe

Issue Offer

Total issue size: INR 13,775 Mn (28.40 Mn shares) - OFS of INR 8,775 Mn (18.09 Mn shares) and a Fresh Issue of INR 5,000 Mn (10.31 Mn shares).

Issue Summary

Price Band (INR)	461-485
Face Value (INR)	1
Implied Market Cap (INR mn)	79,902.1
Market Lot	30
Issue Opens on	09 October, 2025
Issue Close on	13 October, 2025
No. of share pre-issue	154,437,251
No. of share post issue	164,746,529
Listing	NSE / BSE

Issue Break-up (%)

QIB Portion	≥75
NIB Portion	≤15
Retail Portion	≥10

Book Running Lead Managers

Axis Capital Ltd

Registrar

MUFG Intime India Ltd

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	77.97%	62.10%
Public & Others	22.03%	37.90%

Objects of the issue

Exp. Amt (INR Mn.)

Prepayment or scheduled repayment of all or a portion of certain outstanding borrowings availed by the Company

3,100

Funding inorganic growth through unidentified acquisitions and other strategic initiatives and General corporate purposes

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Rubicon Research Ltd incorporated in 1999, is a pharmaceutical company engaged in developing, manufacturing, and commercializing differentiated formulations across generics and specialty segments. As of June 30, 2025, the company had 72 approved ANDA and NDA products with the U.S. FDA. With 17 new products awaiting approval and 63 under development, Rubicon maintains a strong innovation pipeline. Beyond the U.S, the company has filed 48 product applications across key international markets and operates three manufacturing facilities in India along with two U.S. FDA-inspected R&D centers in India and Canada.

Investment Rationale:

Leadership in the U.S. Generics Market

The company has established a strong presence in the U.S. generics market with 66 commercialized products and a 25%+ market share in nine of them. Ranking among the top 12 Indian firms in cumulative ANDA approvals, Rubicon's consistent launch execution and regulatory compliance demonstrate its capability to compete effectively with larger players. This leadership provides a solid foundation for long-term growth in the world's largest generics market.

Expansion into Specialty Pharmaceuticals through Validus Acquisition

The acquisition of Validus Pharmaceuticals marks Rubicon's strategic entry into the U.S. specialty branded segment. The portfolio includes 16 products led by Raldesy—the first oral liquid trazodone approved by the U.S. FDA. With direct prescriber access across 44 states through Validus marketing network, the company is well-positioned to build high-margin, brand-driven growth beyond generics.

Integrated Global Operations and Efficient Supply Chain

Rubicon manages over 350 SKUs and 96 customers, including the top three U.S. wholesalers that account for 90% of U.S. distribution. Supported by Indian manufacturing facilities and three U.S. based warehouses, the company ensures cost efficiency and reliable delivery. This integrated, asset-light supply chain strengthens customer relationships and enables scalable, flexible operations.

Valuation & Outlook: Rubicon Research Ltd is an integrated pharmaceutical product development company with a strong presence in the U.S. generics and specialty markets. The company focuses on complex generics, specialty formulations, and value-added products, supported by robust in-house R&D and regulatory capabilities. With over 65 commercialized products, a deep development pipeline, and manufacturing facilities in India serving global markets, Rubicon combines innovation with cost efficiency. Its recent entry into the specialty branded space through the Validus acquisition enhances growth visibility, while its data-driven portfolio strategy and integrated supply chain ensure sustainable profitability and scalability. **At the upper band of INR 485, the issue is valued at a P/E ratio of ~60x, based on annualized PAT of FY25 EPS of INR 8.2. OFS of INR 8,775 Mn (18.09 Mn shares) and a Fresh Issue of INR 5,000 Mn (10.31 Mn shares). We are recommending a "Subscribe" rating for this issue.**

Financial Information:

Particulars (INR Mn)	FY23	FY24	FY25
Revenue	4,190	8,724	12,962
Growth (% YoY)		108%	49%
EBITDA	440	1,731	2,679
Margins	10%	20%	21%
PAT	-168.9	910	1,344
Margins	-4%	10%	5%
Debt	3,179	3,964	3,932

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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