



AXIS CAPITAL



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**INDEGENE LIMITED**

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**IPO NOTE**

*May 2024*

## ISSUE HIGHLIGHTS

- Incorporated on October 16, 1998, **Indegene** is a Provider of **digital-led** commercialization services for the life sciences industry, including biopharmaceutical, emerging biotech and medical devices companies and the sales and marketing of their products. Their solutions enable life sciences companies to develop products, launch them in the market, and drive sales through their life cycle in a more effective, efficient and modern manner. The company achieves this by combining over 2 decades of healthcare domain expertise and fit-for-purpose technology. Their portfolio of solutions covers all aspects of commercial, medical, regulatory, and R&D operations of life sciences companies.
- Company's **Enterprise Commercial Solutions** and **Omnichannel Activation solutions** cater to the commercial functions of life sciences companies while their **Enterprise Medical Solutions** and **Enterprise Clinical Solutions** cater to their medical and R&D functions. Enterprise Commercial Solutions primarily involve assisting life sciences companies with their digital marketing operations.
- The company also provides **digital asset management, marketing automation, customer data management and analytics solutions to measure the effectiveness of marketing campaigns.**
- Omnichannel Activation solutions help life sciences companies leverage a “**digital first**” approach for optimizing the last-mile promotion of biopharmaceutical products and medical devices to healthcare professionals HCPs across multiple channels.
- Under the Enterprise Medical Solutions, indigene establishes Centres of Excellence (“**CoEs**”) to consolidate large scale regulatory and medical operations for their clients.
- Indegene also offers **Enterprise Clinical Solutions** and **consultancy services.** Their Enterprise Clinical Solutions help drive efficiencies in the drug discovery and clinical trial operations of life sciences companies. They provide consultancy services through their subsidiary, DT Associates Ltd, under the “**DT Consulting**” brand.
- Indegene** has established client relationships with each of the 20 largest biopharmaceutical companies in the world by revenue for the FY2023, having earned more than 69% of their total revenue from continuing operations for each of the FY2023, FY2022 and FY2021 from these 20 customers.
- Since their inception, Indegene has completed a total of **13 acquisitions**, and enjoyed synergistic benefits from each of these acquisitions.
- As of December 31, 2023, Indegene had **65 active clients** whom they deliver solutions from their operation hubs located across North America, Europe, and Asia.

## BRIEF FINANCIAL DETAILS\*

(₹ IN Cr)

	As at Dec' 31,		As at Mar' 31,		
	2023(09)	2022(09)	2023(12)	2022(12)	2021(12)
Share Capital	44.35	44.25	44.30	0.35	0.31
Reserves	1,282.65	967.24	1,019.43	763.55	324.20
Net Worth as stated	1,327.00	1,011.49	1,063.72	763.90	333.09
Revenue from Operations	1,916.61	1,673.89	2,306.13	1,664.61	966.27
Revenue Growth (%) as stated	14.50%	-	38.54%	72.27%	-
Adj. EBITDA as stated	419.85	343.54	454.19	312.81	261.18
Adj. EBITDA Margin (%) as stated	21.91%	20.52%	19.69%	18.79%	27.03%
Net Profit for the year~	241.90	217.28	266.10	162.82	185.68
Net Profit (%) as stated	12.62%	12.98%	11.54%	9.78%	19.22%
EPS - Basic (₹) #	10.91^	9.83^	12.03	7.50	7.56
EPS - Diluted (₹) #	10.84^	9.79^	11.97	7.46	7.01
RONW (%)	18.23%^	21.48%^	25.02%	21.57%	46.04%
NAV (₹)	59.86	45.75	48.10	34.80	16.42

Source: RHP, \*Restated Consolidated, ^ not annualised, ~from continued Operations # from continued and discontinued operations

## Issue Details

**Fresh Issue of Equity Shares aggregating upto ₹ 760 Cr and Offer for Sale of upto 23,932,732 Equity Shares**

**Issue size: ₹ 1,789 – 1,842 Cr**

**No. of shares: 41,628,952 – 4,076,550 Shares**

**Face value: ₹ 2/-**

**Employee Reservation: Equity shares aggregating upto ₹ 12.50 Cr**

**Price band: ₹ 430 – 452**

**Bid Lot: 33 Shares** and in multiple thereof

**Employee Discount: ₹ 30/- per share**

**Post Issue Implied Market Cap =**

**₹ 10,346 – 10,836 Cr**

**BRLMs:** Kotak Mahindra Capital, Citigroup Global, J.P.Morgan, Nomura Financial

**Registrar:** Link Intime India Pvt Ltd

**Issue opens on:** Monday, 6<sup>th</sup> May'2024

**Issue closes on:** Wednesday, 8<sup>th</sup> May'2024

## Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	09-05-2024
Refunds/Unblocking ASBA Fund	10-05-2024
Credit of equity shares to DP A/c	10-05-2024
Trading commences	13-05-2024

## Issue Break-up

	No. of Shares		₹ In Cr		% of Issue
	@Lower	@Upper	@Lower	@Upper	
QIB	20,658,225	20,235,170	888.30	914.63	50%
NIB	6,197,468	6,070,552	266.49	274.39	15%
-NIB2	4,131,645	4,047,034	177.66	182.93	-
-NIB1	2,065,823	2,023,518	88.83	91.46	-
RET	14,460,759	14,164,620	621.81	640.24	35%
EMP	312,500	296,208	12.50	12.50	-
<b>Total</b>	<b>41,628,952</b>	<b>40,766,550</b>	<b>1,789.11</b>	<b>1,841.76</b>	<b>100%</b>

NIB-1=NII Bid between ₹ 2 to 10 Lakhs

NIB-2 =NII Bid Above ₹ 10 Lakhs

Category	Retail Category	NII-Bid between ₹ 2 - 10 Lakhs	NII - Bid Above ₹ 10 Lakhs
Minimum Bid Lot (Shares)	33 Shares	462 Shares	2,244 Shares
Minimum Bid Lot Amount (₹)	₹ 14,916^	₹ 2,08,824^	₹ 10,14,288^
Appl for 1x	4,29,231 Applications	4,380 Applications	8,760 Applications

## Listing: BSE & NSE

### Shareholding (No. of Shares)

Pre-issue	Post-issue~#	Post-issue^#
222,435,091	240,606,392	239,743,990

~@Lower price Band ^@ Upper Price Band  
#Shares Fully diluted including vested options

### Shareholding (%)

	Pre-Issue	Post-Issue
Public – Individual Selling S/h	19.89%	16.20%
Public – Investor Selling S/h	36.70%	26.42%
Public - Others	43.24%	57.23%
Employee Trust	0.17%	0.16%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

## BACKGROUND

### Company and Directors

The Company was incorporated as “Indegene Lifesystems Private Limited” on October 16, 1998. The company is a professionally managed company and does not have an identifiable promoter in terms of the SEBI ICDR Regulations and the Companies Act. Currently, Nadathur Group (through Nadathur Fareast Pte. Ltd. Holding 23.64% and Vida Trustees Pvt Ltd (Trustee of Fig Tree Trust) in its capacity as partner of Group Life Spring holding 4.12%) holds 27.76% and CA Dawn Investments hold 20.42% of the voting rights in the company on a fully diluted basis.

### Brief Biographies of Directors

**Krishnamurthy Venugopala Tenneti** is a Non-Executive Independent Director on the Board of the company. He has been an advisor to the board of ANI Technologies Pvt Ltd since 2017 and has experience in management advisory.

**Dr. Ashish Gupta** is a Non-Executive Independent Director on the Board of the company. He has several years of experience in information technology. He is also an independent director on the board of Info Edge (India) Ltd since 2017. He was first appointed as a Director on the Board of the company on April 28, 2022.

**Jairaj Manohar Purandare** is a Non-Executive Independent Director on the Board of the company. He has several years of experience in taxation. Previously, he was an Executive Director at PricewaterhouseCoopers Pvt Ltd. and has been the chairman of Ernst & Young LLP. He was first appointed as a Director on the Board of the company on April 28, 2022.

**Pravin Udhavara Bhadya Rao** is a Non-Executive Independent Director on the Board of the company. He has 36 years of experience in the information technology sector. Previously, he was the chief operating officer at Infosys Ltd. He was first appointed as a Director on the Board of the company on June 8, 2022.

**Georgia Nikolakopoulou Papathomas** is a Non-Executive Independent Director on the Board of the company. In the past, she has worked at Johnson & Johnson and she has experience in the pharmaceutical industry. She was first appointed as a Director on the Board of the company on September 30, 2022.

**Manish Gupta** is the Chairman, Executive Director and the Chief Executive Officer of the company. He has 24 years of experience in technology-led healthcare solutions provider sector. He has been Director of the company since February 11, 2000.

**Dr. Sanjay Suresh Parikh** is an Executive Director and Executive Vice President of the company. He has 31 years of experience in pharmaceuticals industry and technology-led healthcare solutions provider sector. He was appointed as a Director on the Board of the company on January 29, 2002.

**Dr. Rajesh Bhaskaran Nair** is a Non-Executive Director on the Board of the company. He has 25 years of experience in technology-led healthcare solutions provider sector. He is the President of Indegene, Inc. since September 1, 2005. He was first appointed as a Director on the Board of the company on October 16, 1998.

**Neeraj Bharadwaj** is a Non-Executive Nominee Director on the Board of the company. He has several years of experience in private equity. He is a managing director of Carlyle Asia Buyout Fund. He is a nominee of CA Dawn Investments on the board of the company. He was first appointed as a Director on the Board of the company on April 16, 2021.

**Mark Francis Dzialga** is a Non-Executive Nominee Director on the Board of the company. He has 29 years of experience in investment banking and asset management. He has previously worked at Goldman Sachs Group, Inc. and General Atlantic LLC. He is the managing partner of Brighton Park Capital. He is a nominee of BPC Group. He was first appointed as a Director on the Board of the company on April 16, 2021.

**Suhas Prabhu** is the Chief Financial Officer of the company since November 3, 2022. He has 21 years of experience in finance. Prior to joining the company, he was associated with Sasken Communication Technologies Ltd. He has been associated with the company for over 18 years.

**Srishti Ramesh Kaushik** is the Company Secretary and Compliance Officer of the company since November 3, 2022. She has 14 years of experience as a company secretary. Prior to joining the company, she was associated with Paramount Cosmetics (India) Pvt Ltd. She has been associated with the company for over 13 years.

## OFFER DETAILS

Fresh Issue	No. of Shares	WACA per Equity Share on a fully diluted basis (₹)
Fresh Issue (₹ 760 Cr)	Upto 17,674,419~ - 16,814,159^ Equity Shares^	-
<b>The Offer for Sale by:</b>	<b>Upto 23,932,732 Equity Shares</b>	
<b>Individual Selling Shareholders:</b>		
Manish Gupta	Upto 1,118,596 Equity Shares	0.05
Dr. Rajesh Bhaskaran Nair	Upto 3,233,818 Equity Shares	0.11
Anita Nair	Upto 1,151,454 Equity Shares	Negligible
<b>Investor Selling Shareholders:</b>		
Vida Trustees Pvt Ltd (Trustee of Fig Tree Trust) in its capacity as partner of Group Life Spring	Upto 3,600,000 Equity Shares	93.71
BPC Genesis Fund I SPV, Ltd	Upto 2,657,687 Equity Shares	201.48
BPC Genesis Fund I -A SPV, Ltd	Upto 1,378,527 Equity Shares	201.48
CA Dawn Investments	Upto 10,792,650 Equity Shares	201.48

(~ at lower price band and ^at upper price band); WACA=Weighted Average Cost of Acquisition

## SHAREHOLDING PATTERN

Shareholders	Pre-offer#		Offer for Sale Shares and Fresh Issue^	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Public – Individual Selling Shareholders	44,253,174	19.89%	5,503,868	38,749,306	16.20%
Public – Investor Selling Shareholders	81,628,727	36.70%	18,428,864	63,199,863	26.42%
Public – Other	96,180,482	43.24%	16,814,159	136,927,373	57.23%
<b>Total for Public Shareholders</b>	<b>222,062,383</b>	<b>99.83%</b>		<b>238,876,542</b>	<b>99.84%</b>
Shares held by Employee Trust	372,708	0.17%		372,708	0.16%
<b>Total Equity Share Capital</b>	<b>222,435,091</b>	<b>100.00%</b>		<b>239,249,250</b>	<b>100.00%</b>

# In addition, Option holders holds 475,081 equity shares. (^ at upper price band);

## BUSINESS OVERVIEW

Indegene Limited (“Indegene”) is a Provider of **digital-led** commercialization services for the life sciences industry, including biopharmaceutical, emerging biotech and medical devices companies, that assist them with drug development and clinical trials, regulatory submissions, pharmacovigilance and complaints management, and the sales and marketing of their products. Their solutions enable life sciences companies to develop products, launch them in the market, and drive sales through their life cycle in a more effective, efficient and modern manner. The company achieves this by combining over 2 decades of healthcare domain expertise and fit-for-purpose technology. Their portfolio of solutions covers all aspects of commercial, medical, regulatory, and R&D operations of life sciences companies.

Indegene has established client relationships with each of the 20 largest biopharmaceutical companies in the world by revenue for the FY2023, having earned more than 69% of their total revenue from operations for each of the 9 months ended December 31, 2023 and 2022 and the FY2023, FY2022 and FY2021 from these 20 customers. As of December 31, 2023, they had a total of 65 active clients (i.e., clients from whom they earned US\$0.25 million or more in revenues during the 12 months preceding the relevant date). They had 27 clients from whom they earned between US\$1 million and US\$10 million in revenues, 5 clients from whom they earned between US\$10 million and US\$25 million in revenues, and 3 clients from whom they earned more than US\$25 million in revenues, during the 12 months ended December 31, 2023.

Life sciences enterprises require a talent pool with in-depth domain expertise on the journey of a drug or medical device from the research lab to the market to organize and analyse scientific and clinical data, navigate the regulatory landscape and the ethical guidelines within which the industry operates, and to develop the requisite medical content for healthcare professionals, patients, and payers. Scarcity of such talent is a major hindrance in operations. At the same time, drug pricing caps create margin pressures on biopharmaceutical companies, thus risking the overall profitability of the industry and consequently, operations spend. While there are such talent gaps and margin pressures, life sciences companies are placing greater emphasis on digital innovation and enterprise-wide transformation initiatives to improve operational efficiencies. The growing maturity of technology tools is also leading to requirements of domain-centric digital expertise. Life sciences companies are embracing technological partners with the requisite domain expertise to aid them in this digital journey and this is where company’s role lies.

Positioned at the intersection of healthcare and technology, company's Enterprise Commercial Solutions and Omnichannel Activation solutions cater to the commercial functions of life sciences companies while their Enterprise Medical Solutions and Enterprise Clinical Solutions cater to their medical and R&D functions.

The description of the company solutions:

- **Enterprise Commercial Solutions:**

Enterprise Commercial Solutions primarily involve assisting life sciences companies with their digital marketing operations. Sales and marketing was the largest segment of life sciences operations expenditure in 2022. Service providers in this segment assist life sciences companies by creating customized marketing plans and campaigns expanding their reach to healthcare professionals ("HCPs") and providing insights on HCP preferences. Through their Enterprise Commercial Solutions, Indegene help life sciences companies drive scale efficiency as well as technology and analytics enabled personalization of their engagement strategies for HCPs and patients, and operations.

Across products and geographies, Indegene helps their clients consolidate the widely fragmented activities involved in the development of promotional and educational content, as well as the design and execution of marketing campaigns directed at HCPs, i.e., physicians, and patients using digital communication channels such as websites, emails, and social media. The company also provides **digital asset management, marketing automation, customer data management and analytics solutions to measure the effectiveness of marketing campaigns**. Their Enterprise Commercial Solutions leverage their proprietary Natural Language Processing ("NLP") based tools and platforms for achieving reduction in dependence on manpower, efficiency and driving regulatory compliance.

The company offers analytics for Creation of HCP cohorts, optimization of channel and content mix, Recommendations and suggestions for content personalization, Forecasting, Measurement of content and campaign effectiveness and Client experience strategy.

**Customer Experience Quotient ("CXQ")** CXQ is their proprietary customer experience measurement framework that provides their clients with insights regarding service design, content strategy and channel engagement choices. This framework is integrated at the point of their clients' interaction with their customers, and results are calculated from customers' responses.

- **Omnichannel Activation:**

Omnichannel Activation solutions help life sciences companies leverage a "**digital first**" approach for optimizing the last-mile promotion of biopharmaceutical products and medical devices to HCPs across multiple channels. Here, Indegene plays the role that has traditionally been played by medical representatives who promote products to HCPs through face-to-face interactions. However, using digital technologies and proprietary analytics, they seek to achieve the same outcome at higher efficiencies and reduced costs. This ability to provide '**Digital Rep Equivalence**' is delivered through their NEXT HCP Journey Optimization platform, which assists with customer segmentation and channel optimization activities, and also helps their clients deploy medical representatives more effectively.

Through the Omnichannel Activation solutions, Indegene seeks to reduce marketing costs for their clients while achieving: (i) augmenting the impact of their field sales force; (ii) marketing to previously untapped clients; (iii) acceleration of sales for newly launched products by improving their visibility; and (iv) stemming any reduction in sales for mature products, including on account of loss of patent.

- **Enterprise Medical Solutions:**

Under the Enterprise Medical Solutions, indigene establishes centres of excellence ("**CoEs**") to consolidate large scale regulatory and medical operations for their clients. CoEs comprise multidisciplinary teams that work on one or more client engagements. Through these CoEs, they assist with: (i) writing medical content, regulatory submissions, product labels and other medical information; (ii) reviewing medical communications to ensure compliance with regulatory guidelines and ethical practices; (iii) pharmacovigilance services, i.e., the monitoring and processing of adverse occurrences arising from the use of biopharmaceutical products; and (iv) conducting real-world evidence ("**RWE**") based medical research to support market access and pricing strategies. Their Enterprise Medical Solutions are offered through their proprietary NLP-based tools that are customized to handle medical information. Their tools help them improve the quality of medical content, ensure regulatory compliance of medical content, and achieve headcount-independent scalability.

- **Others:**

Indegene also offers **Enterprise Clinical Solutions** and **consultancy services**. Their Enterprise Clinical Solutions help drive efficiencies in the drug discovery and clinical trial operations of life sciences companies. These solutions include digitally enabled patient recruitment for clinical trials, clinical data management and assistance with regulatory submissions. They leverages real-world data ("**RWD**") to help identify the right sites for clinical trials, relevant patient cohorts to recruit and thereby fast track site selection and patient recruitment. They also bring in their expertise in data management and analytics in helping biopharmaceutical companies seamlessly handle and analyse multiple sources of

data during clinical trials and build a case for regulatory approvals. They provide consultancy services through their subsidiary, DT Associates Ltd, under the “**DT Consulting**” brand. Under their consultancy business, Indegene help life sciences companies take charge of their digital transformation efforts for continued customer experience success.

### Delivery Model

Company’s solutions are offered primarily under 2 delivery models:

- **Enterprise-wide technology-enabled CoEs:**

The company has established CoEs which comprise individuals with subject expertise across multiple functional areas. These CoEs have the ability to stitch together multiple upstream and downstream activities and work with multiple business verticals or with different global and regional teams of the same organization.

They have established 2 types of CoEs:

**Commercial CoEs:** They provide digital sales and marketing solutions by developing digital content at scale and delivering marketing and promotional information across brands and geographies to HCPs.

**Medical CoEs:** They provide solutions that assist biopharmaceutical companies with managing their regulatory, safety and medical processes.

- **Digital omnichannel activation capabilities:**

Indegene has developed digital capabilities that allow them to run marketing campaigns; and thereby reduce or eliminate the need for biopharmaceutical companies to engage medical representatives. Their NEXT HCP Journey Optimization platform allows them to develop digital profiles of HCP cohorts that help them engage with them using customized content through the channels they use frequently.

### Revenue Models

Indegene typically employ 2 models to charge their clients,

- **Resource utilization model:** Under this model, Indegene charge their clients based on the number of employees assigned per engagement or by the number of hours spent on the engagement.
- **Fixed price / unutilized billing model:** Under this model, Indegene charge their clients a fixed fee which is based on their estimate of the total costs to be incurred on the project.

The Master Service Agreements (MSAs”) they execute with their clients typically provide for a combination of both pricing models.

In addition, for certain of their Omnichannel Activation solutions, they may also charge their clients under an outcome-based model, where their fees are linked to factors such as the revenue impact of their sales and marketing efforts for the clients’ products and may not be directly correlated to the costs incurred for the project.

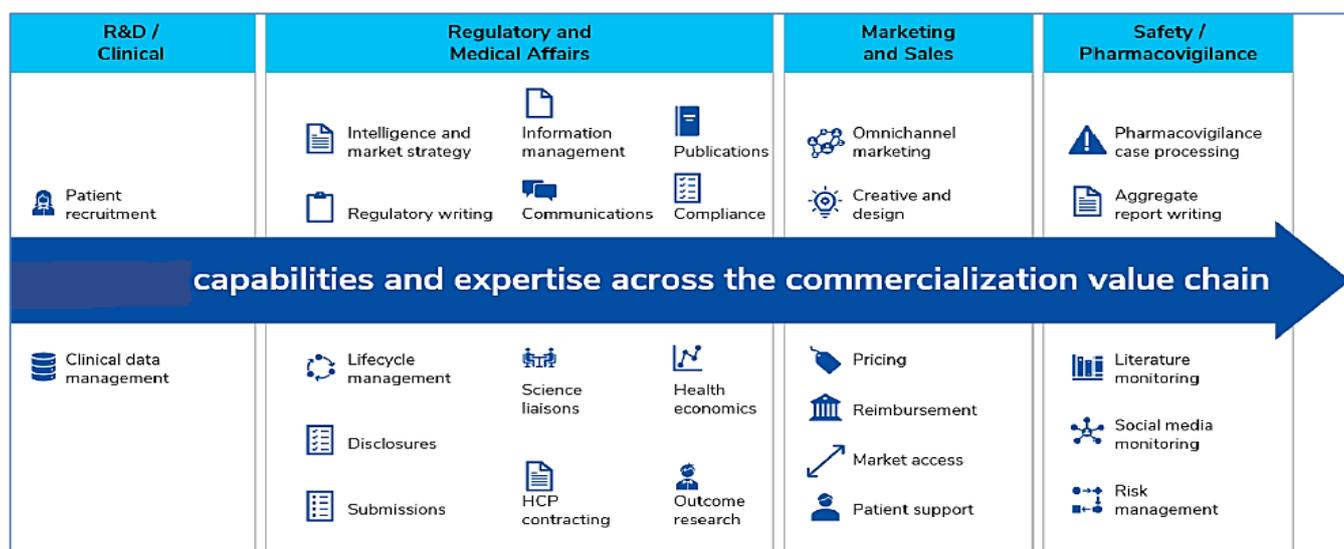
Indegene is well positioned to benefit from the expected growth in life sciences operations expenditure, which was estimated at ₹12 trillion in 2022 and is expected to grow at a CAGR of 6.5% to reach ₹15.5 trillion in 2026. Sales and marketing was the largest segment of life sciences operations expenditure, contributing ₹4.2 trillion or 35% of overall life sciences operations expenditure, but with a low outsourcing penetration rate of 7-12%. However, outsourcing expenditure in this segment is projected to grow at a CAGR of 14.5% between 2022 and 2026, representing room for growth. The company has already penetrated this segment through their Enterprise Commercial Solutions and derived ₹1,356.89 crore or 58.84% of their revenue from operations for the FY2023 from this segment. The regulatory and medical affairs segment and the pharmacovigilance segment together accounted for ₹3.5 trillion or 29% of overall life sciences operations expenditure. They cater to this segment through their Enterprise Medical Solutions and derived ₹560.23 crore or 24.29% of their revenue from operations for the FY2023 from this segment.

As of December 31, 2023, Indegene had 65 active clients. They deliver solutions to them from their operation hubs located across North America, Europe and Asia. They have internally developed artificial intelligence (“**AI**”) and machine learning (“**ML**”) based proprietary platforms, which allow them to offer their solutions across the globe at scale. Company’s delivery model allows them to operate where their clients are located. As of December 31, 2023, they had 5,181 full-time employees across 10 countries, of which 4,510 employees were delivery employees (i.e., employees who do not belong to corporate and support functions).

Company’s domain expertise in the life sciences industry and their technical capabilities have enabled them to deploy AI-powered solutions across the life sciences commercialization continuum. They have embedded a range of proprietary tools and platforms across each of the solutions they offer. Using these tools and platforms, they seek to improve cost efficiency,

speed to market, regulatory compliance and product quality at scale in a manner that requires less manpower and human intervention. Further, they have developed their tools and platforms to be integrated with well-established third-party technology platforms that are used in the life sciences industry.

## VALUE CHAIN



## REVENUE FROM OPERATIONS

(₹ Cr)

Revenue from:	CAGR (Between the FY 2021-23)	9 months ended September 31,		Year ended March 31,		
		2023	2022	2023	2022	2021
Enterprise Commercial Solutions	55.03%	1,136.03	986.01	1,356.89	1,016.16	564.58
Omnichannel Activation	89.48%	231.21	191.19	282.68	141.42	78.74
Enterprise Medical Solutions	35.53%	440.57	421.60	560.23	431.56	305.01
Others	143.37%	108.80	75.09	106.33	75.48	17.95
<b>Total</b>	<b>54.94%</b>	<b>1,916.61</b>	<b>1,673.89</b>	<b>2,306.13</b>	<b>1,664.61</b>	<b>966.27</b>

### Revenue from Operations: Industry Segment wise

Particulars	9 months ended December 31,				For the Financial Year					
	2023		2022		2023		2022		2021	
	Revenue (₹ Cr)	% to Revenue	Revenue (₹ Cr)	% to Revenue	Revenue (₹ Cr)	% to Revenue	Revenue (₹ Cr)	% to Revenue	Revenue (₹ Cr)	% to Revenue
Biopharmaceutical companies	1,788.05	93.29%	1,509.70	90.19%	2,086.38	90.47%	1,537.86	92.39%	899.85	93.13%
Medical devices companies	62.71	3.27%	77.92	4.66%	103.96	4.51%	68.60	4.12%	34.83	3.60%
Emerging biotech companies	52.41	2.73%	70.20	4.19%	93.45	4.05%	36.71	2.21%	9.46	0.98%
Others	13.43	0.70%	16.06	0.96%	22.35	0.97%	21.44	1.29%	22.13	2.29%
<b>Total Revenue from continuing operations</b>	<b>1,916.61</b>	<b>100.00%</b>	<b>1,673.89</b>	<b>100.00%</b>	<b>2,306.13</b>	<b>100.00%</b>	<b>1,664.61</b>	<b>100.00%</b>	<b>966.27</b>	<b>100.00%</b>

### Revenue from Operations: Sale of goods and services disaggregated by primary geographical market

(₹ in Cr)

Particulars	9 months ended December 31,		Year ended March 31,		
	2023	2022	2023	2022	2021
<b>North America</b>	<b>1,273.80</b>	<b>1,135.77</b>	<b>1,574.58</b>	<b>1,102.75</b>	<b>613.65</b>
- Enterprise Medical Solutions	334.15	345.85	461.43	368.61	229.98
- Enterprise Commercial Solutions	641.64	569.28	786.03	565.24	308.72
- Omnichannel Activation	220.98	182.54	269.55	133.68	73.29
- Others	77.03	38.10	57.57	35.22	1.67
<b>Europe</b>	<b>576.28</b>	<b>463.54</b>	<b>630.88</b>	<b>453.85</b>	<b>245.40</b>
- Enterprise Medical Solutions	96.90	64.30	84.40	57.63	42.92
- Enterprise Commercial Solutions	442.82	359.18	493.13	357.94	184.40

Particulars	9 months ended December 31,		Year ended March 31,		
	2023	2022	2023	2022	2021
- Omnichannel Activation	6.71	3.34	6.16	0.79	1.79
- Others	29.86	36.73	47.19	37.49	16.29
<b>India</b>	<b>15.53</b>	<b>27.42</b>	<b>35.56</b>	<b>33.29</b>	<b>31.31</b>
- Enterprise Medical Solutions	4.96	6.10	7.57	2.42	2.90
- Enterprise Commercial Solutions	9.00	15.80	20.59	28.08	27.48
- Omnichannel Activation	0.02	5.32	6.97	2.43	0.93
- Others	1.55	0.19	0.43	0.36	-
<b>Rest of the world</b>	<b>51.01</b>	<b>47.16</b>	<b>65.11</b>	<b>74.73</b>	<b>75.92</b>
- Enterprise Medical Solutions	4.56	5.35	6.82	2.90	29.21
- Enterprise Commercial Solutions	42.57	41.75	57.14	64.90	43.98
- Omnichannel Activation	3.51	0	-	4.51	2.73
- Others	0.36	0.07	1.15	2.42	-
<b>Total</b>	<b>1,916.61</b>	<b>1,673.89</b>	<b>2,306.13</b>	<b>1,664.61</b>	<b>966.27</b>

## KEY PERFORMANCE INDICATORS (“KPIs”)

(₹ in Cr, unless otherwise stated)

Particulars	9 months ended December 31,		Year ended March 31,		
	2023	2022	2023	2022	2021
Total number of active clients (no.)	65	62	62	46	44
Revenue from operations	1,916.61	1,673.89	2,306.13	1,664.61	966.27
YoY revenue growth from operations (%)	14.50%	NA	38.54%	72.27%	NA
Restated profit from continuing operations after tax	241.90	217.28	266.10	162.82	185.68
Profit Margin (%)	12.62%	12.98%	11.54%	9.78%	19.22%
EBITDA	419.85	343.54	454.19	265.91	263.97
Adjusted EBITDA	419.85	343.54	454.19	312.81	261.18
Adjusted EBITDA Margin (%)	21.91%	20.52%	19.69%	18.79%	27.03%

## GLOBAL FOOTPRINT

The company cater to the needs of their clients from 6 operation hubs and 17 offices located across North America, Europe and Asia. The operation hubs and offices illustrating the global footprint:



## KEY ACQUISITIONS

In 2016, Indegene acquired Encima Group, Inc. (“Encima”) in the United States, a company which provided marketing analytics and campaign execution solutions to several large life sciences companies. This acquisition enhanced company’s Enterprise Commercial Solutions offerings by adding capabilities in digital marketing and campaign operations, as well as additions to their senior management team.

More recently, in 2019, Indegene acquired a minority stake in DT Associates Research and Consulting Services Ltd (“**DT Associates Ltd**”), a digital transformation and client experience consulting firm in UK, to expand their strategic consulting capabilities, and which also added to their senior management team. In December 2020, Indegene acquired a majority stake in DT Associates Ltd. Post their acquisition, DT Associates revenues have grown from ₹14.10 crore in the FY2021 (beginning from Jan’ 2021) to ₹86.29 crore in the FY2023. For the 9 months ended December 31, 2023 and 2022, their revenues from DT Associates Ltd amounted to ₹74.23 crore and ₹65.39 crore, respectively.

The company has recently completed their acquisition of Cult Health on October 12, 2022. Cult Health is a full-service healthcare marketing agency for several life sciences brands. For the 9 months ended December 31, 2023 and 2022 and the FY2023, their revenues from Cult Health amounted to ₹170.33 crore, ₹36.50 crore and ₹89.09 crore, respectively.

Most recently, on March 22, 2024, they completed the acquisition of Trilogy Writing & Consulting GmbH (“**Trilogy**”). Trilogy is a company incorporated in Germany and, along with its subsidiaries, offers medical writing consultancy services to customers.

Name of the acquired company / selling entity	Description of acquired company	Geography served	Year and month of acquisition
Trilogy Writing & Consulting GmbH	A company offering medical writing consultancy services.	Europe, the United Kingdom and North America	March 2024
Sotus 852 GmbH*	N.A.	N.A.	November 2022
Cult Health	A full-service healthcare marketing agency.	North America	October 2022
Medical Marketing Economics, LLC	A value-based pricing, market access and reimbursement strategy firm.	North America and Europe	August 2021
DT Associates Ltd	A digital transformation and customer experience (“ <b>CX</b> ”) consulting firm.	North America and United Kingdom	August 2019
Wincere, Inc.	A company providing clinical data management services.	North America	December 2016
Encima Group, Inc.	A company offering marketing automation and analytics services.	North America	November 2016
Skura Corporation Inc.	A company offering omnichannel sales enablement software products.	North America	April 2016
Vantage Point Healthcare Information Systems, Inc.	A population health analytics platform.	North America	October 2015
Total Therapeutic Management, Inc.	A healthcare quality improvement and clinician engagement business.	North America	December 2013
Aptilon Holdings, Inc.	A company engaged in building customer engagement technologies.	North America	November 2012
MedCases LLC	A company offering continuing medical education (“ <b>CME</b> ”) on digital platforms.	North America	August 2006
Medsn, Inc.	A biopharmaceutical sales training company.	North America	September 2005

## COMPETITIVE STRENGTHS

- Domain expertise in healthcare**

Company’s domain expertise assists them in contextualizing the use of technology to, among other things, optimize sales and marketing costs, drive omnichannel activation at scale, enable faster recruitment of patients for clinical trials and accelerate time taken to make regulatory submissions. Their teams have extensive healthcare expertise, with 20.49% of their delivery employees as of December 31, 2023, having healthcare-related educational backgrounds. They support life sciences companies across the commercialization value chain with their end-to-end capabilities and expertise.

- Robust digital capabilities and in-house developed technology portfolio**

The company has developed a suite of proprietary tools and platforms, including applications that automate and create AI-based efficiencies using AI, ML, NLP and advanced analytics capabilities that are core components of their solutions. These proprietary “NEXT”-branded tools and platforms assist in driving transformation across the commercialization lifecycle of biopharmaceutical products and medical devices. They aim to drive efficiency, effectiveness, and quality in various aspects of the R&D and commercialization processes of life sciences companies. Their technology innovation is supported by a dedicated team of 650 individuals.

They have built a Gen AI workbench that acts as an interface between their technology team and life sciences subject matter experts (“**SMEs**”). Their technology team evaluates different Gen AI models and sets up the technology infrastructure. Their SMEs are able to interact with this workbench using natural language and contextualize Gen AI for different business use

cases. Their NEXT suite of tools and platforms help them drive enterprise outcomes at scale in Content Management, Safety and pharmacovigilance, Regulatory intelligence and planning, Customer data management and advanced analytics, Clinical trials and Workflow management.

- **Track record of establishing long-standing client relationships**

Indegene has long-standing relationships with marquee biopharmaceutical companies including each of the 20 largest biopharmaceutical companies in the world by revenue for the Financial Year 2023. They typically enter into MSAs with their clients ranging from 1 to 3 years, which broadly set out terms of their engagements, and they execute separate work orders for individual engagements setting out commercial terms.

Due to the sticky nature of their solutions, recurring revenues account for a high proportion of their total revenues. Their retention rates were 122.83%, 159.89% and 129.90% for the Financial Years 2023, 2022 and 2021, respectively.

**Key metrics relating to the clients:**

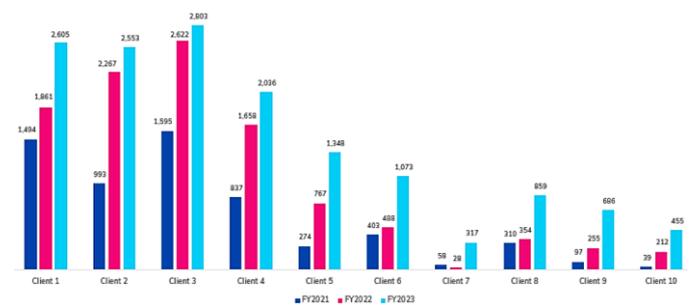
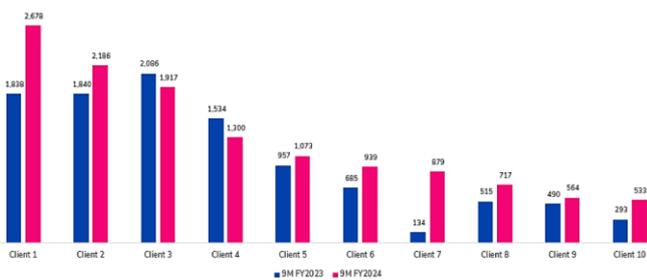
Particulars	9 months ended December 31,		As of and for the Financial Year		
	2023	2022	2023	2022	2021
<b>Total number of active clients (no.)</b>	<b>65</b>	<b>62</b>	<b>62</b>	<b>46</b>	<b>44</b>
Number of active clients added	3	NA	16	2	10
Earned revenues of US\$ 1 – 10 million	27	24	26	23	18
Earned revenues of US\$ 10 – 25 million	5	4	4	2	4
Earned revenues of more than US\$ 25 million	3	3	4	3	-

Company’s operations are centred around their clients’ revenue generating activities rather than managing cost centres, in contrast to several broad-based service providers. This allows them to develop strong and lasting relationships.

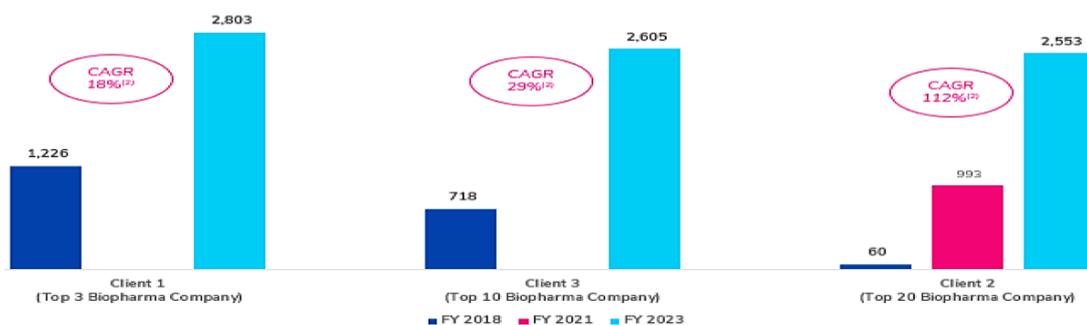
**The revenues from the 10 largest clients by revenue (in Rs. millions)**

During the 9 months ended December 31, 2023 and 2022

During the Financial Years 2023, 2022 and 2021.



**The growth of revenues from the 3 largest clients (in Rs. millions) over the last 6 Financial Years:**



- **Global delivery model**

Company’s solutions are offered primarily through 2 delivery models, namely their **enterprise-wide technology-enabled COEs** and the **digital Omnichannel Activation solutions**. Their COEs comprise individuals with subject expertise across multiple functional areas who work closely with their clients to deliver their technology-enabled solutions. These CoEs work closely with their clients to deliver their multi-year, enterprise-wide, global solutions.

Their digital Omnichannel Activation capabilities allow them to run sales and marketing campaigns digitally; and thereby reduce or eliminate the need for biopharmaceutical companies to engage medical representatives.

- ***Experienced management and motivated talent pool supported by marquee investors***

Company's Key Managerial Personnel are positioned across the globe, including in India, the United States, and the United Kingdom, and has domain experience in life sciences, marketing and digital transformation. Several of their Key Managerial Personnel have worked extensively in the healthcare industry across marketing and technology roles. They are supported by a motivated talent pool of employees. The diverse employee pool comes from 22 nationalities and helps the company serve their clients effectively across the regions that they operate in.

- ***Track record of creating value through acquisitions***

Since 2005, Indegene has successfully executed several acquisitions and have benefitted from the synergies, networks, technologies, and talent pools of the companies that they have acquired. Their acquisitions have helped them in accessing new technologies, markets and clients; and have helped them in expanding the range of solutions that they offer to their clients. The company expects this acquisition to augment their commercialization portfolio by adding brand strategy and marketing development capabilities along with patient engagement platforms.

## KEY BUSINESS STRATEGIES

- ***Strengthen the "go to market" engine***

The company has successfully followed a "land and expand strategy", through which they enter at different stages of their clients' commercialization process and thereafter expand the range of solutions they provide them over time. Company's wide portfolio of solutions include offerings that cater to the needs of each of the functions; and consequently, once they enter their clients' ecosystem, they are able to expand their services to various departments, both upstream and downstream, within their clients' organizations.

The company seeks to continue to strengthen their "go to market" approach through Deepening relationships with existing clients; Establishing new client relationship; Strengthening new market segments; Focusing on high value opportunities; and Scaling nascent business verticals.

- ***Develop the technology portfolio***

Indegene has developed a wide range of tools and platforms including applications that automate and create AI-based efficiencies in developing commercial assets (such as marketing content), regulatory documents, and medical content. In addition to these, they have applications that assist in managing various processes of their clients' workflow such as:

- Pharmacovigilance, i.e., case intake and processing in respect of safety incidents reported by patients and HCPs;
- Engagement with patients and HCPs; and
- Patient recruitment for clinical trials.

Company's applications are embedded with AI and NLP capabilities which help them in providing actionable insights to their clients. This assists in driving transformation across the R&D and commercialization lifecycle of drugs and medical devices. Their tools and platforms and their dedicated in-house technology team which includes data science and engineering professionals are a core part of their competitive strengths. They are working on new **Gen AI-enabled solutions** that can help them improve their clinical, pharmacovigilance and regulatory offerings and increase their market share in these areas.

- ***Pursue strategic acquisitions***

The company continuously seeks acquisition opportunities that fall in Capability buys, Technology play, Efficiency play and Tuck-ins/acqui-hires. Since their inception, Indegene has completed a total of 13 acquisitions, and enjoyed synergistic benefits from each of these acquisitions. Most recently, on March 22, 2024, they completed the acquisition of Trilogy, which offers medical writing consultancy services to customers across Europe, the United Kingdom, the United States and Canada.

- ***Focus on operational excellence***

Indegene is committed to a continuous focus on operational excellence, which they aim to achieve by Hiring and nurturing talent, focusing on quality and driving operational efficiency. They aim to identify candidates with the relevant skill sets, strong potential for performance and fits closely with organizational culture. They have also implemented quality control systems, processes and benchmarks including periodic audits.

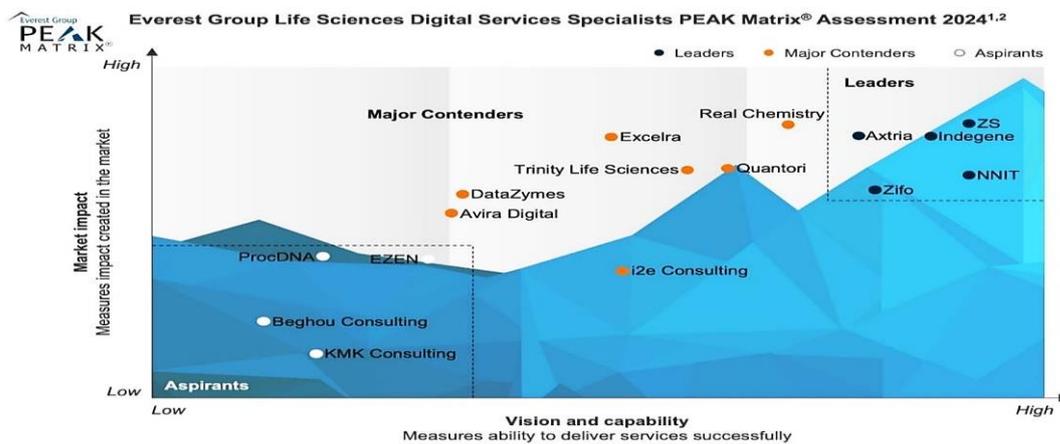
## COMPETITION

Indegene operates in an elaborate ecosystem of service providers, which includes:

- Information technology (“IT”) / business process outsourcing (“BPO”) service providers that are industry-agnostic service providers with offerings in multiple industries, offering an interplay of IT services.
- Life sciences specialist organizations that provide hyper-personalized and specialized services across the life sciences value chain segments such as marketing and sales, regulatory, and medical affairs and pharmacovigilance;
- Digital engineering firms that help enterprises with the ideation, design, and engineering of technological products such as platforms, software, and custom applications;
- Contract research organizations (“CROs”) and contract sales organizations (“CSOs”) that support biopharmaceutical and medical devices companies with capabilities in conducting clinical trials.
- Product / platform organizations that offer platforms which enable a unified view of data to support enterprises in managing their business operations.

### Everest Group Digital Services Specialists PEAK Matrix Assessment 2024 and Indegene’s positioning

This assessment featured 16 service providers with a focus on the digital services market. The scope of the assessment covered the entire life sciences value chain, including drug discovery and research, drug and product development, manufacturing operations, supply chain and distribution, and sales and marketing. The assessment focused on digital service providers that specialize in offering domain-focused solutions customized to meet enterprises’ needs. This assessment identified Indegene as a “Leader”.



1 Assessments for Axtria, Beghou Consulting, KMK Consulting, Zifo, and ZS exclude provider inputs and are based on Everest Group’s proprietary Transaction Intelligence (TI) database, provider public disclosures, and Everest Group’s interactions with enterprise buyers  
 2 Assessment for EZEN and i2e Consulting are based on partial primary inputs  
 Source: Everest Group (2023)

## INDEGENE’S COMPETITIVE POSITIONS

The comparative assessment of Indegene and 12 other companies which provide services in various value chain segments of the life sciences industry:

Service provider classification	CROs/CSOs		Broad based IT/BPOs				LS Specialists				Digital Engineering Firms		
	IQVIA	Syneos Health	Accenture	Cognizant	TCS	Wipro	ZS	Axtria	Eversana	Indegene	EPAM systems	Globant	Endava
Service provider / functions													
LS-Specific functions													
Drug discovery and clinical trials	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗
Regulatory and medical affairs	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✗	✗
Marketing and Sales	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗
Pharmacovigilance / complaints management	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✗	✗	✗
LS manufacturing, supply chain, and distribution	✓	✗	✓	✓	✓	✓	✓	✓	✓	✗	✓	✗	✗
Horizontal functions													
Finance and accounting	✗	✗	✓	✓	✓	✓	✗	✗	✗	✗	✗	✗	✗
Human resources	✗	✗	✓	✗	✓	✓	✗	✗	✗	✗	✗	✗	✗
Data and analytics	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Application/software development and maintenance	✗	✗	✓	✓	✓	✓	✓	✗	✗	✗	✓	✓	✓
Cloud and infrastructure services	✗	✗	✓	✓	✓	✓	✗	✗	✗	✗	✓	✓	✓
Cybersecurity	✗	✗	✓	✓	✓	✓	✗	✗	✗	✗	✓	✓	✗

✓ Service provider possess offerings related to respective function  
✗ Limited evidence of service offering  
  Key functions involved in drug/device commercialization

As there are fewer specialists within the life sciences commercialization space, Everest Group has considered capabilities of 6 companies showcasing life sciences specialization or digital engineering expertise.

### Capabilities across sub-functions of the commercialization value chain (drug discovery and clinical trials, regulatory and medical affairs, marketing and sales, and pharmacovigilance / complaints management)

Service provider classification			LS Specialists				Digital Engineering Firms (DEF)	
service provider / Functions			ZS	Axtria	Eversana	Indegene	EPAM systems	Globant
1. Drug discovery and clinical trials	1.1	Lead optimization / new product development	✓	x	x	x	✓	✓
	1.2	Safety assessments	x	x	x	x	x	x
	1.3	Patient recruitment and scheduling	x	x	✓	✓	✓	✓
	1.4	Data management (clinical)	✓	✓	x	✓	✓	✓
	1.5	Protocol development and design	✓	✓	x	✓	x	x
	1.6	Biostatistics & statistical programming	✓	x	x	✓	x	x
	1.7	Site management and trial monitoring	✓	✓	x	✓	x	✓
2. Regulatory and medical affairs	2.1	Labelling, artwork, and CMC	x	x	x	✓	x	x
	2.2	Product registration and clinical trial applications	x	x	✓	✓	x	x
	2.3	Regulatory writing, review, and submission	x	x	✓	✓	x	x
	2.4	Regulatory information management	x	x	x	✓	x	x
	2.5	Medical affairs	✓	✓	✓	✓	x	x
3. Sales and marketing (commercial)	3.1	Market analysis and competitive intelligence	✓	✓	✓	✓	x	✓
	3.2	Patient access and support	✓	✓	✓	✓	x	✓
	3.3	Product support	x	x	✓	✓	x	x
	3.4	Contract Management	✓	✓	✓	✓	x	x
	3.5	Market access and HEOR	✓	✓	✓	✓	x	x
	3.6	Sales support and effectiveness	✓	✓	✓	✓	✓	x
	3.7	Marketing support and effectiveness	✓	✓	✓	✓	✓	✓
	3.8	Content creation	x	x	✓	✓	x	x
4. Pharmacovigilance / complaints management	4.1	ADR intake/complaint capture	x	✓	✓	✓	x	x
	4.2	Case/complaint processing	x	x	✓	✓	x	x
	4.3	Reporting	x	✓	✓	✓	x	x
	4.4	Signal and risk management trend analysis	x	✓	✓	✓	x	x

✓ Service provider possess offerings related to respective function
 x Limited evidence of LS-specific functional service offering

Source: Companies websites, case studies, and other public source

Note: Digital engineering firms primarily provide broad-based engineering and product services and hence its capabilities are assessed basis evidence of application in the given sub-segment; Endava has been excluded from this analysis due to unavailability of data pertaining to presence across sub-functions of the commercialization value chain.

### Restated Statement of Cash Flows

Particulars	For the 9 months ended Dec'31		Fiscal		
	2023	2022	2023	2022	2021
<b>Profit/(Loss) before tax</b>	<b>325.11</b>	<b>283.77</b>	<b>363.05</b>	<b>226.50</b>	<b>195.85</b>
Adjustments Related to Non-Cash & Non-Operating Items	67.93	48.09	91.38	87.08	17.28
<b>Operating Profits before Working Capital Changes</b>	<b>393.04</b>	<b>331.86</b>	<b>454.43</b>	<b>313.57</b>	<b>213.13</b>
Adjustments for Changes in Working Capital	38.93	(150.65)	(215.97)	53.83	8.51
<b>Net cash generated from operations before tax</b>	<b>431.97</b>	<b>181.21</b>	<b>238.46</b>	<b>367.40</b>	<b>221.64</b>
Income tax paid (net)	(77.70)	(106.71)	(108.24)	(70.35)	(49.61)
<b>Net cash generated from operating activities (a)</b>	<b>354.27</b>	<b>74.51</b>	<b>130.22</b>	<b>297.05</b>	<b>172.03</b>
Net cash used in investing activities (b)	(263.49)	(811.27)	(893.35)	(160.21)	(24.25)
Net cash used in financing activities (c)	(43.67)	367.47	333.09	233.48	(131.51)
Net (decrease) / increase in cash and cash equivalents during the period (a+b+c)	47.11	(369.30)	(430.04)	370.31	16.28
Add: Cash and cash equivalents as at the beginning of the period	73.58	506.28	506.28	133.36	173.86
Effect of Exchange rate changes on cash & Cash Equivalents	(0.75)	(24.85)	(2.65)	2.61	(56.78)
Cash and cash equivalents as at the end of the period	119.94	112.13	73.59	506.28	133.36

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