



IPO NOTE

SUDEEP PHARMA LIMITED

SUBSCRIBE

Rating:

SUBSCRIBE



Incorporated in 1989, Sudeep Pharma Ltd. is an Indian company that specializes in manufacturing pharmaceutical excipients and specialty chemicals.

OBJECTS OF THE ISSUE

- Capital expenditure towards procurement of machinery for the production line located at Nandesari Facility.
- General corporate purposes.

FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (IN CRORE)	FY 2025	FY 2024	FY 2023
Equity Share Capital	0.97	0.14	0.14
Net Worth	497.53	359.07	226.29
Revenue	501.9	459.2	428.7
EBITDA Margin%	39.70%	40.88%	23.01%
Net Profit/Loss of the year	138.69	133.15	62.32

FINANCIAL RATIOS OF FY25

ISSUE BREAK-UP (%)

QIB Portion		50%
NII Portion		15%
Retail Portion		35%



OUTLOOK & VALUATION

- The company delivers robust performance with rising revenues, high EBITDA margins, and an impressive FY25 RONW of 27.88%.
- It operates as a preferred partner for critical pharma-grade ingredients, serving a solid roster of marquee global customers.
- The issue is considered "aggressively priced" at a P/E of 45-48x, fully capturing its current stable profitability.
- This steep valuation leaves very little room for immediate listing gains or short-term "pops."
- Aggressive Investors are advised to apply only if they have a holding horizon of 2-5 years.



COMPANY PROFILE

- The company operates six manufacturing facilities with a combined production capacity of 50,000 MT, specializing in minerals such as calcium, iron, magnesium, zinc, potassium, and sodium.
- The company supplies more than 200 products to a diverse customer base across pharma, food, and nutrition sectors
- The company has strong R&D capabilities with in-house labs and pilot-scale facilities focused on mineral salts and excipients.
- Product Portfolio:**
 - Pharmaceutical, Food and Nutrition Business
 - Specialty Ingredients Business
 - Triturates
- Sudeep Pharma holds multiple global certifications: US FDA, WHO-GMP, EXCiPACT, FSSC 22000, ISO 9001, HACCP, Kosher, and Halal.
- In 2025, they acquired European premix firm NSS to strengthen their nutrition business.



COMPETITIVE STRATEGIES

- Expand into high growth businesses.
- Expand market reach through multiple growth initiatives.
- Integrate recently acquired entities and continue evaluating inorganic growth opportunities.
- Enhance manufacturing capabilities.



KEY CONCERNs

- Top 10 customers contribute 35%+ of revenue, posing concentration risk.
- 60%+ revenue from one segment poses concentration risk.
- Quality lapses or audit failures may lead to order loss and reputational harm.
- Operational concentration in Gujarat exposes the business to regional disruption risks.
- Delays or failures in new product launches may impact growth and profitability.
- Unsuccessful acquisitions may strain resources and dilute expected synergies.



KEY STRENGTHS

- Strong R&D drives innovation and product advancement.
- Experienced leadership with deep industry and functional expertise.
- Advanced, compliant facilities with global certifications and scalable capacity.
- Long-standing relationships with global blue-chip and Fortune 500 customers.
- Market leader with a diversified portfolio in a high-entry-barrier ingredients industry.

COMPARISON WITH LISTED INDUSTRY PEERS (GLOBAL)

There are no peer group companies listed in India which are in the same line of business as this Company.



DISCLAIMER:

The information contained herein are strictly confidential and are meant solely for the information of the recipient and shall not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written permission of Swastika Investmart Ltd. ("SIL"). The contents of this document are for information purpose only. This document is not an investment advice and must not alone be taken as the basis for an investment decision. Before taking any decision to invest, the recipient of this document must read carefully the Red Herring Prospectus ("RHP") issued to know the details of IPO and various risks and uncertainties associated with the investment in the IPO of the Company. All recipients of this document must before acting on the given information/details, make their own investigation and apply independent judgment based on their specific investment objectives and financial position. They can also seek appropriate professional advice from their own legal and tax consultants, advisors, etc. to understand the risks and investment considerations arising from such investment. The investor should possess appropriate resources to analyze such investment and the suitability of such investment to such investor's particular circumstances before making any decisions on the investment. The Investor shall be solely responsible for any action taken based on this document. SIL shall not be liable for any direct or indirect losses arising from the use of the information contained in this document and accept no responsibility for statements made otherwise issued or any other source of information received by the investor and the investor would be doing so at his/her/its own risk. The information contained in this document should not be construed as forecast or promise or guarantee or assurance of any kind. The investors are not being offered any assurance or guaranteed or fixed returns on their investments. The users of this document must bear in mind that past performances if any, are not indicative of future results. The actual returns on investment may be materially different than the past. Investments in Securities market products and instruments including in the IPO of the Company are highly risky and they are generally not an appropriate avenue for someone with limited resources/ limited investment and low risk tolerance. Such Investments are subject to market risks including, without limitation, price, volatility and liquidity and capital risks. Therefore, the users of this document must carefully consider all the information given in the RHP including the risks factors before making any investment in the Equity Shares of the Company.

Swastika Investmart Ltd or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither Swastika Investmart Ltd nor Research Analysts have any material conflict of interest at the time of publication of this report. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Swastika Investment Ltd may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. We have not received any compensation/benefits from the Subject Company or third party in connection with the Research Report.

CORPORATE & ADMINISTRATIVE OFFICE - 48, Jaora Compound, M.Y.H. Road, Indore - 452 001 | Phone 0731 - 6644000

Compliance Officer: Ms. Sheetal Durapre Email: compliance@swastika.co.in Phone: (0731) 6644 241

Swastika Investmart Limited, SEBI Reg. No. : NSE/BSE/MSEI: INZ000192732 Merchant Banking: INM000012102 Investment Adviser: INA000009843 MCX/NCDEX: INZ000072532 CDSL/NSDL: IN-DP-115-2015 RBI Reg. No.: B-03-00174 IRDA Reg. No.: 713.