

Senores Pharmaceuticals Limited

IPO Note



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Empowering Growth with Innovative Lighting and Power Solutions

The company is a global, research-driven pharmaceutical organization specializing in developing and manufacturing a wide range of pharmaceutical products. It focuses on Regulated Markets (US, Canada, UK) and has a growing presence in Emerging Markets. The company excels in developing specialty, underpenetrated, and complex pharmaceutical products, making it a preferred partner for leading customers in the industry.

For the six months ended September 30, 2024, the company reported revenue from operations of INR 1,810.18 million, with EBITDA margin at 25.91% and PAT margin at 13.23%. Regulated Markets contributed INR 1,103.69 million, representing 100% of revenue from this segment. ANDA Products and Sourced Products contributed 44.09% and 33.99% of Regulated Market revenue, respectively. The Emerging Market segment continues to grow, with 205 product registrations and filings for 406 additional products.

The company's focus on innovation and strategic expansion is evident in its financial metrics. ROCE for the six months ended September 30, 2024, stood at 7.59%, while ROE was 8.69%. This reflects steady growth compared to FY23, where ROCE and ROE were 18.56% and 20.55%, respectively.

With a focus on acquisitions, partnerships, and expanding its pipeline of complex products, the company is well-positioned for sustained growth in both Regulated and Emerging Markets. With strong R&D capabilities, the company leverages data analytics and market insights to identify and develop commercially viable molecules. Its differentiated product portfolio spans various dosage forms and therapeutic areas.

Strategic partnerships with key players like Prasco LLC, Lannett Company Inc., and Dr. Reddy's Laboratories drive its presence in Regulated Markets, while its WHO-GMP-certified Chhatral Facility in Gujarat caters to Emerging Markets, including 43 countries as of September 2024.

Key Consolidated Financial Data (INR Cr, unless specified)

	Revenue	EBITDA	Net Profit	EBITDA (%)	Net profit (%)	EPS (₹)	BVPS (₹)	RoE (%)	RoCE (%)	P/E (X)	EV/EBITDA (X)
FY22	14.2	2.0	1.0	13.8	7.0	0.2	8.0	2.7	2.1	1,814.9	927.0
FY23	35.3	12.7	8.4	35.9	23.9	1.8	9.9	18.5	6.9	213.3	146.7
FY24	214.5	41.6	32.7	19.4	15.2	6.8	50.4	15.4	9.1	57.2	48.9

Source: Ventura Research & Company update

Industry

Pharmaceuticals

Scrip Details

Listing	BSE & NSE
Open Date	Dec 20, 2024
Close Date	Dec 24, 2024
Price Band	INR 372 – 391
Face Value	INR 10
Market Lot	38 Shares
Minimum Lot	1

Issue Structure

Issue Size (INR cr)	INR 582.1
Issue Size (Shares)	14,887,723
QIB Share (%)	≤ 50%
Non-Inst Share (%)	≥ 35%
Retail Share (%)	≥ 15%
Pre Issue sh. (cr)	3.3
Post Issue sh. (cr)	4.6
Post Issue Market Cap (cr)	1,798

Shareholding (%)	Pre (%)	Post (%)
Promoter	71.10	46.80
Public	28.90	53.20
TOTAL	100	100

Issue Structure and Offer Details

Senores Pharmaceuticals IPO is a book built issue of INR 582.11 cr. The issue is a combination of fresh issue of 1.27 cr shares aggregating to INR 500.00 cr and offer for sale of 0.21 cr shares aggregating to INR 82.11 cr.

Issue Structure	
Investor Category	Allocation
QIB	Not more than 50.00% of the Offer
NII (HNI)	Not less than 35.00% of the Offer
Retail	Not less than 15.00% of the Offer

Number of shares based on a higher price band of INR 391

Source: Company Reports

Objects of the Issue

The Company proposes to utilize the Net Proceeds towards the following objects:

1. **Funds Havix Manufacturing:** Supports capital expenditure for a sterile injection manufacturing facility in Atlanta.
2. **Repays Borrowings:** Allocates funds for partial or full repayment of company borrowings.
3. **Invests in Havix Debt:** Provides funding to Havix for repaying its borrowings.
4. **Supports Working Capital:** Covers working capital needs of the company.
5. **Aids Subsidiaries' Operations:** Invests in SPI and Ratnatris for their working capital requirements.
6. **Drives Strategic Growth:** Funds acquisitions, strategic initiatives, and corporate purposes.

Financial Summary

Fig in INR Cr (unless specified)	FY22	FY23	FY24	Fig in INR Cr (unless specified)	FY22	FY23	FY24
Income Statement				Per share data & Yields			
Revenue	14.2	35.3	214.5	Adjusted EPS (INR)	0.2	1.8	6.8
YoY Growth (%)		149.4	507.1	Adjusted Cash EPS (INR)	0.4	2.2	9.0
Raw Material Cost	8.0	12.8	106.1	Adjusted BVPS (INR)	8.0	9.9	50.4
RM Cost to Sales (%)	56.7	36.1	49.5	Adjusted CFO per share (INR)	(2.3)	(0.2)	(4.3)
Employee Cost	2.9	4.8	35.5	CFO Yield (%)	(0.6)	(0.1)	(1.1)
Employee Cost to Sales (%)	20.2	13.6	16.5	Adjusted FCF per share (INR)	(4.5)	(10.2)	(12.9)
Other Expenses	1.3	5.1	31.3	FCF Yield (%)	(1.1)	(2.6)	(3.3)
Other Exp to Sales (%)	9.3	14.5	14.6	Solvency Ratio (X)			
EBITDA	2.0	12.7	41.6	Total Debt to Equity	0.4	1.3	1.1
Margin (%)	13.8	35.9	19.4	Net Debt to Equity	0.3	1.3	1.0
YoY Growth (%)		549.1	228.3	Net Debt to EBITDA	5.6	4.8	5.7
Depreciation & Amortization	0.7	1.8	10.0	Return Ratios (%)			
EBIT	1.2	10.9	31.6	Return on Equity	2.7	18.5	15.4
Margin (%)	8.8	30.8	14.7	Return on Capital Employed	2.1	6.9	9.1
YoY Growth (%)		773.4	189.9	Return on Invested Capital	2.6	10.3	7.2
Other Income	0.5	3.7	2.8	Working Capital Ratios			
Bill discounting & other charges	0.6	2.1	9.4	Payable Days (Nos)	184	140	192
Fin Charges Coverage (X)	2.2	5.1	3.3	Inventory Days (Nos)	77	32	64
Exceptional Item	0.0	0.0	0.0	Receivable Days (Nos)	506	228	191
PBT	1.1	12.4	24.9	Net Working Capital Days (Nos)	399	120	62
Margin (%)	8.1	35.2	11.6	Net Working Capital to Sales (%)	109.2	33.0	17.0
YoY Growth (%)		988.1	100.6	Valuation (X)			
Tax Expense	0.2	4.0	(7.8)	P/E	1,814.9	213.3	57.2
Tax Rate (%)	13.3	32.2	(31.1)	P/BV	49.2	39.5	7.8
PAT	1.0	8.4	32.7	EV/EBITDA	927.0	146.7	48.9
Margin (%)	7.0	23.9	15.2	EV/Sales	127.7	52.6	9.5
YoY Growth (%)		751.0	287.9	Cash Flow Statement			
Min Int/Sh of Assoc	0.0	0.0	(1.3)	PBT	1.1	12.4	24.9
Net Profit	1.0	8.4	31.5	Adjustments	1.1	(13.3)	(27.9)
Margin (%)	7.0	23.9	14.7	Change in Working Capital	(12.5)	3.8	(24.7)
YoY Growth (%)		751.0	273.0	Less: Tax Paid	(0.2)	(4.0)	7.8
Balance Sheet				Cash Flow from Operations	(10.4)	(1.1)	(19.9)
Share Capital	8.7	9.8	30.5	Net Capital Expenditure	(10.7)	(47.3)	(51.8)
Total Reserves	27.8	35.7	201.2	Change in Investments	(13.8)	(1.0)	(2.8)
Shareholders Fund	36.6	45.5	231.7	Cash Flow from Investing	(24.4)	(48.3)	(54.7)
Long Term Borrowings	12.2	29.7	133.7	Change in Borrowings	13.0	45.7	59.4
Deferred Tax Assets / Liabilities	(0.5)	2.1	(15.0)	Less: Finance Cost	(0.6)	(2.1)	(9.4)
Other Long Term Liabilities	0.4	1.6	7.8	Proceeds from Equity	24.0	2.7	37.0
Long Term Trade Payables	0.0	0.0	0.0	Buyback of Shares	0.0	0.0	0.0
Long Term Provisions	0.1	0.3	1.2	Dividend Paid	0.0	0.0	0.0
Total Liabilities	48.8	79.2	359.4	Cash flow from Financing	36.5	46.3	87.0
Net Block	6.9	27.2	235.4	Net Cash Flow	1.6	(3.1)	12.5
Capital Work in Progress	0.3	8.1	17.8	Forex Effect	0.0	0.0	0.0
Intangible assets under developme	7.7	26.4	79.3	Opening Balance of Cash	1.6	3.2	0.1
Non Current Investments	15.4	16.5	0.0	Closing Balance of Cash	3.2	0.1	12.6
Long Term Loans & Advances	1.1	1.2	4.0				
Other Non Current Assets	0.1	0.4	19.5				
Net Current Assets	17.2	(0.5)	3.4				
Total Assets	48.8	79.2	359.4				

Source: Company Reports

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