



IPO Details:

Emcure Pharmaceuticals Ltd is coming out with an IPO of about Rs. 1,952.03 cr consisting of 1,93,65,347 shares of face value of Rs. 10 each in a price band of Rs. 960 – Rs. 1,008. The IPO comprises of Fresh Issue of Rs. 800.00 cr and an Offer for Sale of Rs. 1,152.03 cr by the promoters and existing individual as well as institutional shareholders. The IPO opens on 3rd July' 2024 and closes on 5th July' 2024.

Company Details:

- **R&D driven pharma company** engaged in developing, manufacturing and globally marketing a broad range of pharmaceutical products across several major therapeutic areas.
- **Has built a differentiated product portfolio** that includes orals, injectables and biotherapeutics. This has enabled it to reach a range of target markets across over 70 countries, with a strong presence in India, Europe and Canada.
- **Established international presence** by either developing its own front-end distribution capabilities or focusing on alliances with local and multi-national companies that have an established presence in the focused therapeutic areas.
- Operates **13 manufacturing plants** across India, which produces pharmaceutical and biopharmaceutical products across a wide range of dosage forms, including oral solids, oral liquids, injectables and complex APIs.

Strength:

- **13th** largest pharmaceutical company in India in terms of domestic sales in financial year 2024.
- **Largest pharmaceutical company in gynecology and HIV** antivirals therapeutic areas in India in terms of domestic sales in FY 2024. Market share of **13.53%** in the gynecology therapeutic area in domestic market and it was **1.70x** its next largest competitor.
- **26** of its brands had domestic sales of **over Rs. 50 cr** in FY24 while **16 of its top 20 brands** each ranked among the **three highest selling brands** in their respective therapeutic areas in the domestic market.
- Wide range of products and geographical presence provides it with a **risk-minimizing business model** that delivers considerable resilience through different revenue streams.



- Ability to manufacture its own APIs and formulations has facilitated **significant degree of vertical integration**, allowing it to source products in a cost-effective manner, ensure quality and security of availability of an essential raw material and protect its intellectual property.

Growth Drivers:

- Indian domestic formulations market is expected to grow at a CAGR of approximately **8% - 9%** over the next **five** years to reach about **Rs. 2.9 trillion to Rs. 3.0 trillion** by FY29.
- **Focus towards** pharmaceutical products used in chronic therapeutic areas in India, which are expected to register **higher growth** than acute therapeutic areas over the **next 5 financial years**.
- Agreement with Sanofi India Ltd and Sanofi Healthcare India Pvt. Ltd **to exclusively distribute and promote their products** which include brands like Cardace, Clexane, Lasix, etc. in India.
- **Increasing penetration** across the domestic market with an increased focus on hospitals and pharmacy chains as well as in rural and semi-rural parts of India where there is significant growth potential for Company's products.

Objectives of Fund Raise – Fresh Issue of Rs. 800.00 cr:

- Rs. 600 cr will be utilized repayment and/or prepayment of all or a portion of certain outstanding borrowings availed by the Company.
- Balance funds will be utilized towards general corporate purposes.

Key Financial Highlights:

Emcure Pharmaceuticals Ltd (Rs. Cr)

Year	Revenue	Ebitda	Ebitda Margins (%)	PAT	EPS	RoCE (%)	RoE (%)
FY22	5,855.39	1,329.91	22.7%	662.20	36.62	29.7%	33.3%
FY23	5,985.81	1,181.18	19.7%	532.02	29.42	22.0%	21.3%
FY24	6,658.25	1,229.72	18.5%	498.18	27.54	19.4%	16.9%



- Operating Revenue has grown at a CAGR of 6.6% between FY22 – FY24 to reach Rs. 6,658.25.00 cr in FY24..
- Ebitda has however, de-grown at a CAGR of 3.8% between FY22 – FY24, primarily due to increase in Other Expenses which as a percentage to operating revenues has inched up from 21.9% in FY22 to 24.9% in FY24. As a result, Ebitda margins have declined from 22.7% in FY22 to 18.5% in FY24.
- Profits after Tax has also de-grown from Rs. 662.20 cr in FY22 to Rs. 498.18 cr in FY24, mainly due to drop in Ebitda margins.
- Capital Efficiency in the business has been good with RoCE and RoE in FY24 at 19.4% and 16.9% respectively.

Valuations:

- At Upper end of the IPO price band of Rs. 1,008, Emcure Pharmaceuticals Ltd will be valued at about Rs. 19,060.13 cr.
- On EV/Ebitda basis, Company is available at 17.20x its FY24, Ebitda of Rs. 1,229.72 cr while on PE basis, Company will be available at 36.60x its FY24 EPS 27.54.
- **Investments can be made in Emcure Pharmaceuticals Ltd, from long term perspective considering leadership position in gynecology and HIV anti-viral therapeutics, diversified product portfolio across therapeutics, balanced domestic – exports sales mix, vertical integration, focus on high-growth chronic therapeutic areas and fair valuations.**

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*Long Term Investments could range from 3-5 years.