

## Company Business

Anthem Biosciences Limited's primary business is that of an **innovation-driven and technology-focused Contract Research, Development and Manufacturing Organization ("CRDMO")**. The company has fully integrated operations spanning across **drug discovery, development, and manufacturing, with integrated New Chemical Entity ("NCE") and New Biological Entity ("NBE") capabilities**.

In addition to its CRDMO services, the company also engages in the **manufacture and sale of specialty ingredients**. Here's a breakdown of Anthem Biosciences Limited's business segments:

### CRDMO Services

- This segment serves as a **one-stop shop**, providing **end-to-end services across the drug development lifecycle**.
- Services range from the **concept stage, preclinical, supporting customers by manufacturing development batches of molecules used for clinical (Phase I, II, and III) trials up to commercial manufacturing**, for both large and small therapeutic molecules.
- This comprehensive approach positions the company as a CRDMO partner throughout all stages of drug development.
- The CRDMO business primarily caters to customers in **regulated markets**.
- As of March 31, 2025, CRDMO services contributed **81.65% of the company's revenue from operations**.
- Developmental and commercial manufacturing, a part of CRDMO, contributed 70.78% of the revenue from operations in Fiscal 2025.

### Specialty Ingredients

- This business **complements the CRDMO business**.
- Specialty ingredients are sold in both **regulated markets** (such as the United States and Europe) and **semi-regulated markets** (such as India, South and Southeast Asia, Latin America, and the Middle East).
- This segment contributes to overall growth and enhances manufacturing credentials with global customers.
- In Fiscal 2025, specialty ingredients accounted for **18.35% of the company's revenue from operations**.
- Customers for specialty ingredients generally include large pharmaceutical companies, contract manufacturing organizations, and pharmaceutical traders and distributors in India and globally, who often sell these products under their own brands.

## IPO Details

- Total Issue Size : **5,95,61,404 shares**  
(Rs. 3,395 Cr.)
- Fresh issue : **Nil**
- OFS : **5,95,61,404 shares** (Rs. 3,395 Cr.)
- Issue Price Band : **₹540 to 570 per share**
- Lot Size : **26 shares**
- IPO Date : **July 14-16 2025**
- Pre IPO Promoters Holding : **76.88%**
- Post IPO Promoters Holding : **74.68%**

## Objects of the issue

The entire issue is OFS.



Financials of the company

(Fig. in Cr)

Particulars	March 31, 2025	March 31, 2024	March 31, 2023
Revenue from Operations	1,844.55	1,419.37	1,056.92
Revenue from R&D services	200.57	185.57	173.14
Revenue from D&M	1,305.51	897.59	634.95
Revenue from specialty ingredients	338.46	336.20	248.83
EBITDA	683.78	519.95	446.05
EBITDA Margins	36.81%	36.25%	41.53
PAT	451.25	367.31	385.18
PAT Margins	23.38%	24.77%	33.97%
Post Tax ROCE	26.88%	25.71%	31.69%
Operating Cash Flows	418.33	140.15	305.98

Comparison with Peers

Companies	Revenue	EBTDA%	PAT%	D/E Ratio	ROCE	MCap .	P/E
Anthem Biosciences	1,844.55 Cr.	36.81%	23.38%	0.04	26.88%	32,011 Cr.	70.94
Syngene International	3,642 Cr.	29%	13.61%	0.12	13.50%	25,474 Cr.	53.80
Anthem Sai Life Sciences Limited	1,642 Cr.	24%	10.53%	0.13	13.90%	16,407 Cr.	94.60
Cohance Lifesciences Limited	1,198 Cr.	31%	22.12%	0.16	16.80%	38,356 Cr.	145
Divi's Laboratories	9,360 Cr.	32%	23.40%	0.00	20.40%	1,82,644 Cr.	83.30



## Short Summary of the Industry

- ✦ The global pharmaceutical industry is undergoing rapid transformation, with a projected growth to **U.S.\$ 2,076.0 billion by 2029**, driven by factors such as an aging population, rising chronic diseases, sedentary lifestyles, and increasing health awareness. A key trend is the **growing prominence of small pharmaceutical and biotech companies**, which are expected to increase their market share from 23.7% in 2024 to 26.1% in 2029, reflecting a shift towards novel therapies and innovation-driven growth. This outpaces the growth rate of large pharmaceutical companies.
- ✦ In response to this evolution, Contract Research Organizations (CROs) and Contract Development and Manufacturing Organizations (CDMOs) are increasingly combining their services to establish integrated **CRDMO business models**, offering a "one-stop-shop" solution for pharmaceutical companies.
- ✦ The **Indian CRDMO industry is one of the fastest-growing globally**, with an expected **CAGR of 13.4% from 2024 to 2029**, reaching an estimated value of U.S.\$ 15.4 billion. This growth surpasses the global industry rate of 9.1%. This accelerated growth in India is attributed to multiple factors, including:
  - Cost-effective manufacturing capabilities.
  - **Availability of a skilled, English-speaking workforce**, including a strong base of STEM graduates and post-doctoral graduates.
  - A **large patient pool** for clinical trials.
  - **Conducive government policies** and regulatory compliance capabilities.
- ✦ While the Indian CRDMO industry has historically been dominated by small molecules, the **salience of biologics (large molecules) is increasing**. In addition to CRDMO services, the company operates in the **specialty ingredients market**, which includes complex fermentation-based Active Pharmaceutical Ingredients (APIs) like probiotics, enzymes, peptides, nutritional actives, vitamin analogues, and biosimilars. India is a significant player in the global API market.

## Risks

### Pros (Advantages & Strengths)

- ✦ Comprehensive Service Capabilities
- ✦ **Dual Modality Expertise** : In both small molecules and biologics (large molecules).
- ✦ Advanced Technological Platforms
- ✦ **High FFS Success Rate** : Anthem Biosciences boasts a **95.59% success rate in its CRDMO FFS contracts** over the last three Fiscals.
- ✦ Favorable Industry Growth in India
- ✦ **Geopolitical Tailwinds** : Global supply chain diversification, partly driven by geopolitical tensions and legislation like the US BIOSECURE Act aiming to reduce reliance on Chinese CDMOs, is expected to **benefit Indian players** like Anthem Biosciences.
- ✦ Strategic Focus on High-Margin Products

### Cons (Challenges & Risks)

- ✦ Extensive Regulatory Environment
- ✦ **Patent Expiry Impact** : A portion of the company's manufacturing revenue comes from innovator molecules protected by patents. The **expiry of these patents could lead to the availability of lower-cost generic or biosimilar alternatives**, potentially reducing Anthem's revenue from these products.
- ✦ **Competitive Pressures** : The **CRDMO market is highly fragmented and competitive**.
- ✦ No Direct Proceeds from Offer





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