

# Onyx Biotec Limited IPO

## About Company

Onyx Biotec Limited specializes in manufacturing and distributing pharmaceutical products having B2B sales, focusing on:

- ✦ **Water for Injection (WFI):** High-purity water used in the preparation of parenteral solutions.
- ✦ **Dry Powder Injections:** Sterile powders reconstituted into injectable solutions for various therapeutic applications.
- ✦ **Dry Powder Syrups:** Powdered formulations intended for oral suspension upon reconstitution.

These products are produced at their facilities in Solan, Himachal Pradesh, and are supplied to both domestic and international pharmaceutical markets.

## Product wise revenue

Particulars (FY'2024)	%	Revenue (In cr.)
Sterile Water for Injections	59.55%	32
Dry Powder Injections	38.21%	20.53
Dry Powder Syrups	2.25%	1.20

## Financials

(Fig in Cr)

Particulars	For 2 months ended June 30, 2024	FY'24	FY'23	FY'22
Revenue	10.52	53.74	39.48	44.86
EBITDA	2.74	8.28	4.46	5.63
EBITDA Margin	26.04%*	15.40%	11.29%	12.55%
PAT	1.30	3.03	1.84	3.35
PAT Margin	12.35%	5.63%	4.66%	7.46%
CFOA	(1.19)	1.51	6.23	0.48

\* Sudden increase in EBITDA margins for 2 months ending May 31, 2024 may be due to deferment of any expenditure.

## Strong client List (Few client list)

- ✦ Aristo Pharmaceuticals Pvt. Ltd
- ✦ Glenmark
- ✦ FDC Limited
- ✦ Mankind
- ✦ Sun Pharma

## Risks in the business

- ✦ **New Product Development Challenges:** No guarantee that new products will receive regulatory approval.
- ✦ **Regulatory Compliance:** The pharmaceutical sector is subject to stringent regulations.
- ✦ **Market Competition:** The industry is highly competitive, with numerous players offering similar products.
- ✦ **Corporate Governance:** The company has experienced instances of delays in the payment of GST in the past and delays in filing certain statutory forms with the Registrar of Companies (RoC).
- ✦ **Capacity Utilization:** Company current capacity utilization is low:  
(Unit I: 59.87%) (Unit II: 40.90%)

## Peer Analysis

The peer company details given in the RHP is pharma company but their products are not same as the Onys Biotech Limited. So this comparison is not feasible.

Companies	Revenue	EBITDA	PAT	Mcap	P/E
Onyx Biotec Limited (FY 2024)	53.74 Cr.	8.28 Cr. (15.40%)	3.03 Cr. (5.63%)	110.61 Cr.	36.50
Suven Pharma (TTM)	934 Cr.	318 Cr. (34.04%)	240 Cr. (25.70%)	31,065 Cr.	129
JB Chemicals (TTM)	3,711 Cr.	972 Cr. (26.19%)	611 Cr. (16.46%)	27,504 Cr.	45



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## Conclusion —

Onyx Biotec Limited, while positioned in the pharmaceutical manufacturing sector, faces notable challenges. The company currently operates with low capacity utilization, raising concerns about operational efficiency. Its slightly high price-to-earnings (PE) ratio for SME and low cash flow from operating activities (CFOA) further indicate financial strain. Additionally, the absence of data on listed peers makes benchmarking and valuation comparisons challenging for investors. While the IPO may provide funds to scale and improve operations, addressing these fundamental issues is essential for long-term sustainability and investor confidence.





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