

Sai Life Sciences Limited is a prominent Contract Research, Development, and Manufacturing Organization (CRDMO) offering comprehensive services across the drug discovery, development, and manufacturing spectrum for small molecule New Chemical Entities (NCEs). The company caters primarily to global pharmaceutical innovators and biotechnology firms, providing expertise in both Contract Research (CRO) and Contract Development and Manufacturing (CDMO).

Global Operations and Clientele

Operating internationally, Sai Life Sciences maintains research laboratories near innovation hubs in Watertown, Massachusetts, USA, and Manchester, UK, complemented by cost-effective labs and manufacturing facilities in India. In the fiscal year 2024, the company served over 280 pharmaceutical innovators, including 18 of the top 25 global pharmaceutical companies. Additionally, it supported more than 60 clients with integrated drug discovery programs during FY 2024 and the six months ending September 30, 2024.

Product Portfolio and Market Presence

The company's CDMO pipeline includes over 170 innovator pharmaceutical products. As of September 30, 2024, Sai Life Sciences was involved in the manufacturing of 28 commercial drugs through 38 supplied products. Its extensive operations span regulated markets such as the US, UK, Europe, and Japan, underscoring its global market presence.

Financial Performance

Sai Life Sciences has demonstrated robust financial growth over recent fiscal years:

- **FY 2022:** Total revenue from operations stood at ₹869 crore, with an EBITDA of ₹131 crore.
- **FY 2023:** Revenue increased to ₹1,217 crore, and EBITDA rose to ₹182 crore.
- **FY 2024:** Revenue further climbed to ₹1,465 crore, with EBITDA reaching ₹300 crore.

IPO Details

The company plans to issue a total of 55,421,123 shares, comprising a fresh issue of 17,304,189 shares and an offer for sale of 38,116,934 shares. The price band is set between ₹522 and ₹549 per equity share, with a lot size of 27 shares. The IPO is scheduled to open on December 11, 2024, and close on December 13, 2024, with listing anticipated on December 18, 2024, on both NSE and BSE.

Use of Proceeds

The net proceeds from the IPO are intended for:

1. **Repayment or prepayment** of certain outstanding borrowings.
2. **General corporate purposes.**

Management Team

- **Kanumuri Ranga Raju:** Chairman and Whole-time Director, with over 25 years in the pharmaceutical industry.
- **Krishnam Raju Kanumuri:** Managing Director and CEO, with over 13 years of business management experience.
- **Mitesh Daga:** Non-Executive Director (Nominee of TPG), a partner at TPG Capital Asia with over 17 years in private equity.

Conclusion

Sai Life Sciences Limited has established itself as a key player in the CRDMO sector, offering integrated services from drug discovery to commercialization. Its consistent financial growth, expansive global operations, and strong client base, including top-tier pharmaceutical companies, highlight its industry standing. The upcoming IPO aims to strengthen the company's financial position by reducing debt and supporting corporate initiatives, potentially enhancing its operational capabilities and market reach.

The IPO is priced at P/E of 137x which looks on higher side as compared to peers.

Note: Investors should conduct thorough due diligence and consider market conditions before making investment decisions