

## About Company

- Senores Pharmaceuticals is primarily engaged in the **development, manufacturing, and marketing** of pharmaceutical formulations. These formulations target various therapeutic segments to address diverse healthcare needs.
- The company operates both in **domestic and international markets**, providing products to customers across regulated and semi-regulated geographies.
- For the six months ending September 30, 2024, **Senores Pharmaceuticals Limited** derived **60.97%** of its revenue from the **Regulated Markets Business**(US, Canada and United Kingdom), **32.37%** from the **Emerging Markets Business**, **1.45%** from the **Critical Care Injectables segment**, **3.41%** from **API Business** and **1.80%** from **other operating Income**.

Now let's check its **Regulated Markets Business**. Company has two segments in this:

### Marketed Products(78% of Regulated Markets Business):

- Company is responsible for product development, regulatory approvals and manufacturing for its **ANDA (Abbreviated New Drug Application, i.e., for Generic Drugs)**.
- Company collaborates with marketing partners for distribution of its products. Company also supplies products from other manufacturers.

### CDMO/CMO (22% of Regulated Markets Business):

- Contract development and manufacturing.

**Note: Company is working in Generic brands and not in Innovator Brands.**

Now let's check its **Emerging Markets Business**.

- Company develops and manufacture pharmaceutical products across various therapeutic areas for the Emerging Markets through their **WHO-GMP** approved manufacturing facility at Chhatral (Ahmedabad), Gujarat. Chhatral Facility caters to countries in the Emerging Markets including Philippines, Uzbekistan, Tanzania and Peru.
- Company has filed 406 product applications and got registration of 205 products as of 30th Sep 2024. Emerging market Business Models includes:
  - Distributor
  - Principal to Principal
  - CDMO
  - Own Brand

## Objects of the issue

Particulars	Estimated amount ( ₹ in crore )
Investment in one of our Subsidiaries, Havix, to fund capital expenditure requirements for setting up a manufacturing facility for the production of sterile injections in our Atlanta Facility	107
Re-payment/pre-payment, in full or in part, of certain borrowings availed by our Company	73.4
Investment in our Subsidiary, namely, Havix, for re- payment/pre-payment in full or in part, of certain borrowings availed by such Subsidiaries	20.2
Particulars	Estimated amount ( ₹ in crore )
Funding the working capital requirements of our Company	43.2
Investment in our Subsidiaries, namely, SPI and Ratnatris to fund their working capital requirements	59.4
Funding inorganic growth through acquisition and other strategic initiatives and general corporate purposes <sup>(1)</sup>	[•]
<b>Total</b>	[•]

## IPO Details

- Open date :  
**Dec 20, 2024**
- Close date :  
**Dec 24, 2024**
- Issue Size :  
**1,48,87,723 Shares (Rs. 582.11 Cr.)**
- Fresh Issue :  
**1,27,87,723 Shares**
- OFS :  
**21,00,000 Shares**
- Price Band :  
**Rs. 372 – 391 Per Equity Shares**
- Pre IPO Promoter Holding :  
**66.67%**
- Post IPO Promoter Holding :  
**45.76%**

## Financials of the company

(Fig. in Cr)

Particulars	Sep 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations	181.01	214.52	35.33	14.17
EBITDA Margins	25.91%	20.70%	46.28%	17.03%
PAT Margins	13.23%	15.25%	23.87%	7%
ROCE	7.59%	11.73%	18.56%	5.38%
D/ERatio	0.76	1.07	1.34	0.39
CFOA	6.38	(19.87)	(1.07)	(10.44)

## Comparison with Peers

Companies	Revenue	EBITDA	PAT	D/E Ratio	MCap	P/E
Senores Pharmaceuticals (FY 2024)	214.52	20.70%	15.25%	0.76	1800.69 Cr.	55.05
Ajanta Pharma (TTM)	4,491 Cr.	27%	19.48%	0.01	36,060 Cr.	41.20
Alembic Pharmaceuticals (TTM)	6,357 Cr	16%	10.16%	0.22	20,625 Cr.	32.40
Caplin Point Laboratories (TTM)	1,831 Cr.	33%	27.14%	0.00	17,938 Cr.	36.40
Gland Pharma (TTM)	5,890 Cr.	22%	11.74%	0.04	29,407 Cr.	42.50
Strides Pharma Science (TTM)	4,410 Cr.	17%	5.12%	1.02	6,360 Cr.	31.90

## Positive and Negative Points

### Positive

- ✦ Strong growth in sales.
- ✦ **Diverse Market Presence:** The company operates in both regulated markets (e.g., the US, UK) and emerging markets, ensuring revenue streams from multiple geographies.
- ✦ **Strong Product Portfolio:** A wide range of pharmaceutical products catering to various therapeutic areas, including critical care injectables.
- ✦ **Strategic Acquisitions:** Recent acquisitions, such as controlling stakes in subsidiaries, enhance operational capabilities and market penetration.
- ✦ **Revenue Diversification:** Balanced revenue contributions from regulated markets (60.97%), emerging markets (32.37%), and critical care injectables (1.45%).
- ✦ **Growing Presence in Critical Care:** Entry into critical care injectables in 2022 adds a high-growth potential segment to its business.

### Negative

- ✦ **Dependency on Approval Processes:** Products for regulated markets require stringent approvals (e.g., ANDA in the US), leading to potential delays.
- ✦ **High Competition:** Faces stiff competition from other global and domestic pharmaceutical players.
- ✦ **Limited Revenue from Critical Care Injectables:** Although promising, this segment contributes only 1.45% of total revenue currently.
- ✦ **Stretched valuation at PE of 55.**
- ✦ **High D/E Ratio** as compared to peers.
- ✦ **Negative Cash flow from operation.**
- ✦ **Qualified Audit Report** for Fiscal 2022.
- ✦ **Low Capacity Utilization.**
- ✦ **Corporate Governance issue** as the company failed to file TDS, PF and GST returns in the past.



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