

IPO ANALYSIS

Sector: Pharmaceuticals
Issue Price: INR 960 to INR 1,008
Issue Size: INR 1,897 to 1,952 Crores
Issue Opens/Closes: July 03 / July 05

IPO Basics

Promoters: Satish Ramanlal Mehta, Sunil Rajanikant Mehta, Namita Vikas Thapar and Samit Satish Mehta

Selling Shareholders: Satish Ramanlal Mehta, Sunil Rajanikant Mehta, Namita Vikas Thapar, Samit Satish Mehta, Pushpa Rajnikant Mehta, Bhavana Satish Mehta, Kamini Sunil Mehta, BC Investments IV Ltd, Arunkumar Purshotamlal Khanna, Berjis Minoo Desai, Sonali Sanjay Mehta

Lead Managers: Axis Capital, Kotak Mahindra Capital, Jefferies India, J. P. Morgan India

Registered Office: Pune

Registrar: Link Intime India Pvt Ltd

Listing: BSE and NSE

IPO Capital Structure

Fresh Issue	79,46,231 equity shares upto INR 800 Cr
Offer for Sale	1,14,28,839 equity shares upto INR 1,152 Cr
Total Issue as % of total capital (Post-Issue)	10.24%
Post Issue No. of Shares	18,90,98,347
Post Issue Market Cap	INR 18,182 – 19,061 Cr
Face Value	INR 10
Issue Route	Book Build Issue

All values calculated at upper band

Financial Snapshot (INR in crs)

Y/E Mar	FY22	FY23	FY24
Equity Share Capital	180.85	180.85	181.15
Reserves	1,806.70	2,320.27	2,771.13
Net worth	1,987.55	2,501.13	2,952.28
Revenue from Ops	5,855.39	5,985.81	6,658.25
Growth (%) YoY	-	2.23%	11.23%
EBITDA	1,393.38	1,220.94	1,276.78
EBITDA (%)	23.54%	20.24%	19.01%
Net Profit	702.56	561.85	527.58
Net Profit (%)	11.81%	9.31%	7.86%
Basic EPS	36.62	29.42	27.54
Diluted EPS	36.62	29.42	27.54
RONW (%)	33.32%	21.27%	16.87%
ROCE (%)	29.69%	22.01%	19.37%
NAV (INR)	109.90	138.30	163.22
P/E (Based on Upper Band)			36.60
Average Industry P/E			40.41
P/B (Based on Upper Band)			6.18

Shareholding Pattern

Holders	Pre-issue	Post Issue
Promoters	54.42%	51.22%
Promoter Group	28.78%	27.02%
Public - Selling S/h	14.48%	9.36%
Public - Other	2.31%	10.93%
Total	100.00%	100.00%

Particulars	Retail Category	NII bid between Rs 2 lakhs- Rs 10 lakhs	NII bid above Rs 10 lakhs
Minimum Bid Lot (Shares)	14	210	994
Minimum Bid Lot Amount (₹)	₹14,112	₹ 2,11,680	₹ 10,01,952
No of Applications for 1x	4,83,886	4,608	9,217

Emcure Pharmaceuticals Limited

July 02, 2024

Issue Highlights:

- Emcure Pharmaceuticals, incorporated as 'Emcure Pharmaceuticals Pvt Ltd' in 1981 and renamed 'Emcure Pharmaceuticals Ltd' in 2001, is engaged in developing, manufacturing, and globally marketing a wide range of pharmaceutical products. The company, focused on chronic therapeutic areas, has a differentiated product portfolio including orals, injectables, and biotherapeutics.
- As of FY24, Emcure is the 13th largest pharmaceutical company in India by Domestic Sales and 4th largest by market share in its Covered Markets. It leads the gynecology and HIV antivirals therapeutic areas in India by Domestic Sales. By March 31, 2024, Emcure had filed over 1,800 dossiers globally (including 209 in the EU and 142 in Canada), been granted 220 patents, had 30 pending patent applications, and submitted 102 DMFs for APIs with the USFDA.
- In the gynecology therapeutic area, Emcure holds a 13.53% market share in the Indian pharmaceutical market, 1.70 times the share of the next largest competitor. The company operates 13 manufacturing facilities across Maharashtra, Gujarat, Sikkim, Karnataka, and Jammu and Kashmir, producing a wide range of dosage forms.
- Emcure's India sales accounted for 48.28% of its total revenue for FY24, with Domestic Sales growing at a CAGR of 9.73% between FY20 and FY24. The company's covered market presence was 52.66% of the IPM by Domestic Sales for MAT FY24. Emcure's product portfolio includes gynecology, cardiovascular, vitamins, minerals, nutrients, HIV antivirals, blood-related, and oncology products, with iron, chiral, biotherapeutics, injectables, and photochemistry products contributing 52.97% of its revenue in India for FY24.
- Internationally, Emcure operates in over 70 countries, with exports contributing 51.72% of total revenue for FY24. The company's exports grew at a CAGR of 19.51% from FY20 to FY24. Emcure's core strength is its ability to develop and manufacture specialty pharmaceutical products for high-growth areas with limited competition.
- By March 31, 2024, Emcure employed 548 scientists and operated five R&D facilities in India. Over the past three financial years, Emcure invested ₹1,148.74 crore in new manufacturing facilities and strategic acquisitions.

Key Risks:

- Significant working capital needs; insufficient cash flows or inability to secure collateral may impact business and financial condition.
- Dependence on third parties for distribution and marketing; failure to maintain or increase partnerships could affect business and financial condition.
- Revenue reliance on certain therapeutic areas; underperformance or competition could affect business and financial condition.
- Ongoing civil proceedings in the U.S. may result in significant losses and liabilities despite demerging U.S. operations.

Particulars	No. of shares at Lower band (Cr.)	No. of shares at Upper band (Cr.)	Issue Size Amount at Lower band (Rs. Cr.)	Issue Size Amount at Upper band (Rs. Cr.)	% Of Issue
QIB	0.98	0.96	943.85	971.01	50.00%
NIB	0.29	0.29	283.15	291.30	15.00%
-NIB2 (Bid above ₹ 10 Lakhs)	0.20	0.19	188.77	194.20	-
-NIB1 (Bid between ₹ 2 to 10 Lakhs)	0.10	0.10	94.38	97.10	-
Retail	0.69	0.67	660.69	679.71	35.00%
Employee	0.01	0.01	9.47	10.00	-
Total	1.97	1.93	1,897.17	1,952.03	100.00%

An Indicative Timetable Post Issue Closing

Particulars	Tentative Date
Finalization of Basis of Allotment	July 08, 2024
Refunds/un-blocking of ASBA Accounts	July 09, 2024
Credit of Equity Shares to DP Ac	July 09, 2024
Trading Commences	July 10, 2024

Investors are advised to refer disclosures made at the end of the research report.

BACKGROUND**Brief Biographies of Directors**

Berjis Minoo Desai is the Chairman and Non-Executive Director of the Company. He has been on the Board of the Company since April 3, 1997. He has experience in private client practice, business laws, transactional and dispute resolution. He was previously associated as a managing partner with J. Sagar Associates, Advocates & Solicitors.

Satish Ramanlal Mehta is the MD & CEO of the Company. He has been associated with the Company since its incorporation on April 16, 1981, as one of the first directors of the Company. He has significant experience in the pharmaceutical industry.

Sunil Rajanikant Mehta is a Whole-time Director of the Company. He has been associated with the Company since February 1, 1985, in the position of manager of the Company.

Namita Vikas Thapar is a Whole-time Director of the Company. She has been associated with the Company since August 1, 2006, and was previously the CFO of the Company.

Samit Satish Mehta is a Whole-time Director of the Company. He has been associated with the company since April 1, 2003, in various capacities such as the manager – business development and president - operations of the Company and has been a Whole-time Director since July 28, 2022.

Mukund Keshao Gurjar is a Whole-time Director of the Company. He has been associated with the Company since July 23, 2001, as a Director of the Company. Previously, he was working with the National Chemical Laboratory, Pune for 24 years.

Samonnoi Banerjee is a Non-Executive Director of the Company. He has previously worked with McKinsey & Company, Inc. as engagement manager (management consultant) and Accenture India Private Limited as a consultant.

Palamadai Sundararajan Jayakumar is an Independent Director of the Company. Previously he has worked with Citibank N.A and was also the MD and CEO of VBHC Value Homes Pvt. Ltd. Further, he was the MD and CEO of Bank of Baroda.

Vijay Keshav Gokhale is an Independent Director of the Company. Previously, he has been appointed as a High Commissioner of India to Malaysia as well as an Ambassador of India to the Federal Republic of Germany and the People's Republic of China.

Vidya Rajiv Yeravdekar is an Independent Director of the Company. She is a principal director of Symbiosis Society, and the pro Chancellor of Symbiosis International University. She has previously served as the joint director of Symbiosis Society and director of Symbiosis Centre of Health Care.

Shailesh Kripalu Ayyangar is an Independent Director of the Company. Previously he was associated with Sanofi India Ltd as its MD and later as its non-executive director and with Sanofi Synthelabo (India) Pvt. Ltd as its MD and Head of strategic projects.

Tajuddin Sabir Shaikh is the Chief Financial Officer of the Company. He has been associated with us since October 1, 2003 and has been appointed as the Chief Financial Officer on April 16, 2021. Previously, he has worked with S.R. Batliboi & Associates.

Chetan Rajendra Sharma is the Company Secretary and Compliance Officer of the Company. He has been associated with us since December 24, 2019 and has been appointed as the Company Secretary on June 1, 2023. Previously he was associated with Cadila Pharmaceuticals Ltd as its deputy manager (CS), Varroc Engineering Ltd as its senior manager (legal and secretarial) and Zuventus, Subsidiary of the Company, as its company secretary and compliance officer.

OBJECTS OF THE ISSUE

Objects	Amount (₹ Cr)
▪ Repayment and/or prepayment of all / portion of certain outstanding borrowings availed by the Company	600.00
▪ General Corporate Purposes	[•]
Total	[•]

OFFER DETAILS

The Offer for Sale by:		WACA per Equity Share (₹)
Promoter Selling Shareholders:		
Satish Ramanlal Mehta	Up to 420,000 Equity Shares	19.37
Sunil Rajanikant Mehta	Up to 40,000 Equity Shares	13.34
Namita Vikas Thapar	Up to 1,268,600 Equity Shares	3.44
Samit Satish Mehta	Up to 10,000 Equity Shares	5.43
Promoter Group Selling Shareholders:		
Pushpa Rajnikant Mehta	Up to 450,000 Equity Shares	0.04
Bhavana Satish Mehta	Up to 471,400 Equity Shares	4.30
Kamini Sunil Mehta	Up to 125,000 Equity Shares	5.03
Investor / Other Selling Shareholders:		
BC Investments IV Limited	Up to 7,234,085 Equity Shares	277.12
Arunkumar Purshotamlal Khanna	Up to 300,000 Equity Shares	2.41
Berjis Minoo Desai	Up to 144,642 Equity Shares	1.23
Sonali Sanjay Mehta	Up to 125,000 Equity Shares	7.96

(~ at lower price band and ^ upper price band) WACA = Weighted Average Cost of Acquisition

SHAREHOLDING PATTERN

Shareholders	Pre-offer		Fresh Issue and offer for sale shares^	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Promoter and Promoters Group					
Promoter	9,85,91,192	54.42%	17,38,600	9,68,52,592	51.22%
Promoters Group	5,21,39,276	28.78%	10,46,400	5,10,92,876	27.02%
Total for Promoter and Promoter Group	15,07,30,468	83.21%	27,85,000	14,79,45,468	78.24%
Public - Selling S/h	2,62,37,440	14.48%	85,34,939	1,77,02,501	9.36%
Public - Other	41,84,208	2.31%	79,46,231	2,06,65,378	10.93%
Total for Public Shareholder	2,62,37,440	16.79%	1,64,81,170	4,11,52,879	21.76%
Total Equity Share Capital	18,11,52,116	100.00%	1,92,66,170	18,90,98,347	100.00%

(^ at upper price band; # As per RHP)

Domestic Sales and growth by acute and chronic therapeutic areas

Therapy Segment	MAT FY24		MAT 5-Year CAGR (%)		MAT 3-Year CAGR (%)	
	Emcure (₹ Cr)	IPM (₹ Cr)	Emcure	IPM	Emcure	IPM
Acute	2,962.39	93,293.39	7.99%	7.67%	8.07%	6.83%
Chronic (including sub-chronic)	2,546.05	1,04,652.94	11.94%	8.66%	4.48%	9.11%
Total Domestic Sales	5,509.69	1,97,976.22^	9.73%	8.19%	6.38%	8.03%

Source: RHP; ^ the total of the figures provided for acute and chronic therapeutic areas does not equal to the figures for total Domestic Sales because certain molecules are not categorized into either acute or chronic therapeutic areas

Emcure Pharmaceuticals sells its differentiated products in over 70 countries, leveraging its own distribution capabilities and alliances with local and multinational companies. International sales contributed 51.72% of total revenue in FY24, with exports growing at a CAGR of 19.51% from FY20 to FY24, outpacing the Indian pharmaceutical exports' CAGR of 12.21%.

Emcure excels in researching, developing, and manufacturing in-house specialty pharmaceutical products for high-growth therapeutic areas with limited competition. As of March 31, 2024, Emcure employed 548 scientists, operated five R&D facilities in India, filed over 1,800 dossiers globally (209 in the EU, 142 in Canada), and had 220 patents and 30 pending applications. It also submitted 102 drug master files (DMFs) for APIs with the USFDA.

The company runs 13 manufacturing facilities across India, producing various dosage forms, including oral solids, oral liquids, injectables (liposomal and lyophilized), biotherapeutics, and complex APIs (chiral, iron, cytotoxic products). Over the past three financial years, Emcure invested ₹1,148.74 crore in new manufacturing facilities and strategic acquisitions.

REVENUE FROM OPERATIONS

Particulars	As at March 31 st					
	2024		2023		2022	
	Revenue (₹ Cr)	% of Revenue	Revenue (₹ Cr)	% of Revenue	Revenue (₹ Cr)	% of Revenue
Sales in India	3,214.90	48.28%	3,181.82	53.16%	3,204.67	54.73%
Sales outside India	3,443.35	51.72%	2,803.99	46.84%	2,650.72	45.27%
-Europe	1,423.57	21.38%	1,187.33	19.84%	896.82	15.32%
-North America	927.91	13.94%	729.42	12.19%	679.45	11.60%
-Other continents	1,091.87	16.40%	887.25	14.81%	1,074.45	18.35%
Revenue from operations	6,658.25	100.00%	5,985.81	100.00%	5,855.39	100.00%

Source: RHP

PRODUCTS AND SERVICES

Domestic Business: In India, the company focused on chronic (including sub-chronic) therapeutic areas, such as the gynecology, cardiovascular, oncology/anti-neoplastics, HIV, blood-related therapeutic areas.

Therapeutic Areas: Domestically, the company classifies its products based on their therapeutic use and, as of March 31, 2024, it was present in a total of 19 therapeutic areas.

Key therapeutic areas in comparison to the IPM

Therapeutic Area	MAT FY24 (₹ Cr)	As % of Domestic Sales	Market Rank in Covered Markets	Market Share in Covered Markets	Share of Covered Markets in IPM
Gynecology	1,327.44	24.09%	1	26.58%	50.91%
Cardiovascular	865.28	15.70%	4	5.85%	56.76%
Anti-infectives	604.67	10.97%	9	3.35%	74.04%
Vitamins, minerals and nutrients	484.06	8.79%	5	5.38%	51.87%
HIV antivirals	377.20	6.85%	1	63.45%	98.85%
Respiratory	350.08	6.35%	6	5.01%	43.61%
Gastrointestinal	349.83	6.35%	13	2.64%	57.21%
Pain and analgesics	301.96	5.48%	11	3.36%	63.85%
Blood-related	211.42	3.84%	1	13.79%	58.38%
Oncology/Anti-neoplastics	245.74	4.46%	3	10.19%	53.78%
Anti-diabetic	142.14	2.58%	21	1.29%	61.57%
Hormones	97.613	1.77%	3	12.06%	24.11%
Neurology/CNS	69.739	1.27%	16	1.23%	46.67%
Others	82.517	1.50%	-	1.33%	-
Total	5,509.69	100.00%	4	5.28%	52.66%

Source: RHP

Covered market growth

Therapeutic Area	MAT 5-Year CAGR (%)		MAT 3-Year CAGR (%)	
	Emcure	IPM	Emcure	IPM
Gynecology	9.94%	11.59%	9.00%	11.85%
Cardiovascular	5.90%	7.33%	-5.26%	12.83%
Anti-infectives	5.26%	5.81%	3.06%	4.86%
Vitamins, minerals and nutrients	7.47%	11.90%	-1.19%	8.16%
HIV antivirals	25.19%	12.57%	11.99%	11.31%
Respiratory	10.46%	12.10%	11.00%	11.88%
Gastrointestinal	8.23%	8.25%	7.20%	7.06%
Pain and analgesics	9.99%	11.18%	13.71%	8.42%
Blood-related	7.90%	8.46%	8.68%	15.75%
Oncology/Anti-neoplastics	25.72%	8.48%	34.03%	19.36%
Anti-diabetic	32.75%	12.78%	22.07%	18.34%
Hormones	21.17%	2.08%	26.05%	11.58%
Neurology/CNS	0.83%	4.27%	5.24%	6.12%
Others	-0.72%	5.75%	13.81%	19.79%
Total	0.10	8.60%	6.38%	10.32%

Source: RHP

Gynecology: Includes hematinics, iron combinations, and progestogen. Key brands: Orofer-XT, Orofer-FCM, Orofer-S, Ferium-XT, Feronia, Galact, Emprogest, Dydrofem (treats female infertility and menstrual issues). Ranked 1st in Domestic Sales for MAT FY24.

Cardiovascular: Includes chiral molecules, calcium channel blockers, beta blockers, antihypertensive combinations, statins, anticoagulants, and diuretics. Key brands: Metpure, Eslo, Elaxim, Lomoh, Asomex. New launches: Rivaroxaban, Efnocar, Exduo. Ranked 11th in Domestic Sales for MAT FY24.

Anti-infectives: Includes cephalosporins and ampicillin. Key brands: Zostum, Augpen, Merotec, Tazotum, Scavista. Ranked 13th in Domestic Sales for MAT FY24.

Vitamins, Minerals, and Nutrients: Includes multivitamins, nutrients, metabolites, and protein supplements. Key brands: Bevon, Zinconia, Coralium D3, Zu-C 500, Vitanova. Ranked 8th in Domestic Sales for MAT FY24.

HIV Antivirals: Includes antiretrovirals. Key brands: Spegra, Instgra, Vonavir, Viropil, Atazor-R. Ranked 1st in Domestic Sales for MAT FY24.

Respiratory: Includes cold preparations, cough preparations, and antihistamines. Key brands: Maxtra, Soventus. Ranked 11th in Domestic Sales for MAT FY24.

Gastrointestinal: Includes anti-peptic ulcerants, ofloxacin combinations, laxatives. Key brands: Maxiliv, Zoreso-D, EvaNew, Lornit, Ursomax. Ranked 19th in Domestic Sales for MAT FY24.

Pain and Analgesics: Includes anti-rheumatics, anti-osteoporosis, muscle relaxants. Key brands: Emanzen, Proxym, Myotop. Ranked 16th in Domestic Sales for MAT FY24.

Blood-related: Includes antifibrinolytics and erythropoietin. Key brands: Pause, Vintor, Sylate, Eporise. Ranked 2nd in Domestic Sales for MAT FY24.

Oncology/Anti-neoplastics: Includes key injectable molecules: Filgrastim, Peg-Filgrastim, Pegaspargase, Oxaliplatin. Key brands: Oxa, Citafine, Xgrast, Hamsyl, Emgrast. Ranked 6th in Domestic Sales for MAT FY24.

Anti-diabetic: Includes oral antidiabetics: Glimepride, Vildagliptin. Recent launches: Hosit-FCM, Emsita, Emildap. Key brands: Vylda, Vylda M, XiLia.

Hormones: Includes oral hormonal products: Deflazacort, Teriparatide, Cetrorelix. Key brands: Cortimax, Osteri, Ciscure. Ranked 7th in Domestic Sales for MAT FY24.

Neurology/CNS: Includes third-generation thrombolytic Tenecteplase for Acute Ischemic Stroke (global patent).

International Markets

The company sells products in 70+ countries, focusing on Europe and Canada. Key acquisitions include Marcan in Canada (2015) and Tillomed Laboratories in the UK (2014).

In Canada, it markets diverse products through direct distribution. As of March 31, 2024, 142 products were filed for regulatory approval, with 120 approved and 105 launched.

In Europe, the company expands in retail and hospital sectors via direct operations and partnerships. By March 31, 2024, 209 products were filed for approval, with 186 approved and 122 launched.

With a 253-person international sales team, the company manages subsidiaries in Italy, Dubai, South Africa, Peru, Mexico, Germany, Brazil, the Philippines, Kenya, Nigeria, Canada, the UK, Spain, Malta, France, Chile, Australia, and the Dominican Republic.

Product Offerings

The company offers two types of products, namely formulations and APIs. For FY 2024, 2023 and 2022, a substantial portion of the revenue was attributable to sales of formulations.

(₹ in Cr, except percentages)

	For the Financial Year ended March 31,					
	2024		2023		2022	
	Amount	%	Amount	%	Amount	%
Formulations:						
Generic products	2,622.81	40.13%	2,011.42	34.24%	1,765.24	31.20%
Branded generics	3,454.19	52.84%	3,321.76	56.54%	3,401.58	60.11%
Branded patented products	180.25	2.76%	226.51	3.86%	258.62	4.57%
APIs	279.04	4.27%	314.64	5.36%	233.20	4.12%
Revenue from sale of products	6,536.29	100.00%	5,874.33	100.00%	5,658.64	100.00%

Solid orals: The company manufactures a significant amount of tablets annually as well as a wide range of dissolvable and chewable tablets and capsules with a focus on controlled release.

Oral liquids: The company has dedicated liquid manufacturing lines that are equipped with manufacturing blocks for the production of dry syrups such as beta lactam and cephalosporin antibiotics.

Injectables: The company manufactures injectable products in different packaging formats, such as vials and pre-filled syringes, and forms, such as lyophilized, liquid and sterile powder fill.

Active Pharmaceutical Ingredients

The company develops, manufactures and markets non-commoditized APIs. As of March 31, 2024, the company had a total of 62 commercialized APIs. Going forward, the company plans to scale its API product offerings. As the company manufactures a wide range of APIs predominantly for use in manufacturing of pharmaceutical products, the company is able to use its own APIs in the manufacturing of its pharmaceutical products.

MANUFACTURING FACILITIES & APPROVALS

The company has 13 manufacturing facilities across the states of Maharashtra, Gujarat, Sikkim and Karnataka and the union territory of Jammu and Kashmir, in India, 11 of which are situated on leasehold land.

Facility	Location	Description	Key approvals
Oral Solid Doses, Hinjawadi	Pune, Maharashtra, India	Formulations manufacturing facility for solid orals	<ul style="list-style-type: none"> Health Canada NIPN Hungary TGA Australia GCC cGMP India ANVISA Brazil SAHPRA South Africa
Biotech Formulations, Hinjawadi	Pune, Maharashtra, India	Formulations manufacturing facility for injectables	<ul style="list-style-type: none"> cGMP India
Injectables, Sanand	Ahmedabad, Gujarat, India	Formulations manufacturing facility for general injectables	<ul style="list-style-type: none"> USFDA Health Canada NIPN Hungary cGMP India
Oncology Injectables, Sanand	Ahmedabad, Gujarat, India	Formulations manufacturing facility for oncology injectables	<ul style="list-style-type: none"> Health Canada NIPN Hungary ANVISA Brazil
Orals, Kadu	Surendranagar, Gujarat, India	Formulations manufacturing facility for solid orals	<ul style="list-style-type: none"> cGMP India USFDA MCAZ (Zimbabwe)
Orals, Mehsana	Mehsana, Gujarat, India	Formulations manufacturing facility for solid orals and general injectables	<ul style="list-style-type: none"> cGMP India Malta Medicines Authority (Malta)
Orals, Jammu – 1	Jammu, Jammu and Kashmir, India	Formulations manufacturing facility for solid and liquid orals	<ul style="list-style-type: none"> MCAZ Zimbabwe PPB Kenya cGMP India
API, Kurkumbh	Pune, Maharashtra, India	API manufacturing facility	<ul style="list-style-type: none"> USFDA EDQM (Europe) cGMP India
API, Pimpri	Pune, Maharashtra, India	API manufacturing facility	<ul style="list-style-type: none"> USFDA cGMP India
Orals, Jammu – 2	Jammu, Jammu and Kashmir, India	Formulations manufacturing facility for solid orals, liquid orals and injectables	<ul style="list-style-type: none"> cGMP India NDA Uganda PPB Kenya Ethiopian FDA
Orals, Sikkim	East Sikkim, Sikkim, India	Formulations manufacturing facility for solid and liquid orals	<ul style="list-style-type: none"> cGMP India NDA Uganda PPB Kenya Ethiopian FDA
Orals, Bengaluru	Bengaluru Rural, Karnataka, India	Formulations manufacturing facility for liquid orals	<ul style="list-style-type: none"> State FDA NDA Uganda PPB Kenya Ethiopian FDA
Biotech, Hinjawadi	Pune, Maharashtra, India	Formulations manufacturing facility for injectables	<ul style="list-style-type: none"> MCAZ Zimbabwe PPB Kenya TFDA Tanzania NDA Uganda NMRA Sri Lanka cGMP India

Source: RHP

COMPETITIVE STRENGTHS

Well-placed to leverage the position in the domestic market: Emcure Pharmaceuticals focuses on the Indian market, contributing 48.28% of FY24 sales. It has consistently outperformed the Indian Pharmaceutical Market (IPM) in key areas like gynecology, HIV antivirals, and oncology/anti-neoplastics from FY20 to FY24, holding a 52.66% Covered Market presence. Ranked among the top 5 by market share in gynecology, cardiovascular, vitamins, HIV antivirals, and oncology/antineoplastics for FY24, it leverages global partnerships for new product launches.

Specialist prescriptions dominated with 70.67% of total prescriptions in February 2024, leading India's pharmaceutical sector. Emcure is the leader in gynecology with a 13.53% market share, significantly ahead of competitors. Products like Orofer-XT and Dydrofem cater to comprehensive women's health needs.

Separate management teams handle acute and chronic therapeutic businesses. The company's robust marketing involves 5,000+ personnel and a wide distribution network with 5,000+ stockists managed by 37 carry-and-forward agents as of March 31, 2024.

Molecule	Therapeutic Area	No. of peers in India^	MAT FY24		
			Amount (₹ Cr)	Market Rank	MARKET SHARE (%)
Ferric Carboxymaltose	Gynecology	6	259.78	1	58.56%
S-Amlodipine	Cardiovascular	2	151.36	1	87.84%
Tenecteplase	Cardiovascular	1	116.52	1	85.90%
S-Metoprolol	Cardiovascular	1	107.74	1	92.16%
Ibutilide	Cardiovascular	1	0.28	1	100.00%
Treosulfan	Anti-neoplastics	1	0.08	1	100.00%
Ferrous Ascorbate	Gynecology	1	0.19	1	100.00%

Source: RHP; ^ peers with sales of greater than ₹50 million in a molecule group for MAT FY2024

Demonstrated Capabilities of Building Brands: The company has a proven track record of building brands with 6 brands ranked amongst the top 300 selling brands in the Indian Pharmaceutical Market.

	MAT FY24	MAT FY20	Growth between MAT FY20 - MAT FY24
No. of brands with Domestic Sales over ₹ 100 Cr	10	7	1.43 times
No. of brands with Domestic Sales b/w ₹ 50 Cr- 100 Cr	16	6	2.67 times
No. of brands with Domestic Sales over ₹ 20 Cr -50 Cr	37	27	1.37 times

Source: RHP

Further, 16 of the company's top 20 brands were each ranked among the 3 highest selling brands in their respective therapeutic areas in the IPM, in terms of Domestic Sales for MAT FY24.

	Therapeutic Area	MAT FY24		
		Amount (₹ Cr)	Market Rank in Sub-Group	Market Share in Sub-Group (%)
Orofer-XT	Gynecology	368.83	1	50.89%
Bevon	Vitamins, minerals and nutrients	221.13	3	10.08%
Zostum	Anti-infectives	193.45	1	33.87%
Maxtra	Respiratory	139.75	1	34.17%
Orofer FCM	Gynecology	131.05	1	29.54%
Orofer-S	Cardiovascular	127.38	1	42.17%
Metpure XL	Cardiovascular	97.46	1	83.37%
Feronia XT	Gynecology	94.01	2	14.09%
Spegra	HIV antivirals	92.75	1	100.00%
Orofer XT Plus	Gynecology	90.18	1	59.81%
Exhep	Cardiovascular	82.51	4	10.74%
Eslo	Cardiovascular	74.16	1	43.04%
Viropil	HIV antivirals	67.82	1	93.15%
Elaxim	Cardiovascular	67.78	1	49.96%
Augpen	Anti-infectives	66.15	10	1.98%
Dydrofem	Gynecology	63.24	4	6.76%
Maxtra P	Respiratory	61.52	5	9.41%
Lornit	Gastrointestinal	58.79	2	34.34%
Pause	Blood-related	58.51	2	26.45%
Encicarb	Gynecology	57.97	2	13.07%

Source: RHP

The company also leverages its brand strength and leadership positions in the key therapeutic areas to launch related products and foray into adjacent therapeutic areas.

Large, Diversified and Fast-Growing Product Portfolio in International Markets: Emcure Pharmaceuticals has expanded into new markets through strategic acquisitions. International sales contributed 51.72% of total revenue in FY24, with no single geography outside India, Europe, and Canada exceeding 5.00% of revenue in FY24, FY23, or FY22. The international product portfolio includes specialty branded generics, injectables, and generic products.

Acquisitions like Marcan Pharmaceuticals Inc. in Canada (2015) and Tillomed Laboratories Ltd in the UK (2014) have significantly expanded Emcure's footprint. Tillomed's portfolio grew from 2 products in 2014 to 150 in 2024 across retail and hospital segments. In November 2023, Marcan acquired a majority stake in Mantra Pharma Inc., enhancing its presence in Quebec, Canada.

Emcure has successfully launched biotherapeutics and chirally pure products in diverse markets such as Brazil, Mexico, and South Korea. From FY22 to FY24, international sales grew at a CAGR of 13.97%, reaching ₹3,443.35 Cr by FY24.

Strong R&D Capabilities Driving Differentiated Product Portfolio: Emcure Pharmaceuticals boasts robust in-house R&D capabilities focused on developing a differentiated portfolio. With 548 scientists, including 11 post-doctorates and 48 PhDs, spread across 5 R&D facilities, the company holds 220 granted patents with 30 pending applications globally. The R&D strategy emphasizes developing technologies for complex molecules, including 9 chiral molecules and advanced pharmaceutical formulations.

The company's innovations include photo-chemistry applications for products like Dydrogesterone and advancements in chemotherapy drugs. Emcure is a pioneer in launching complex injectables and antiretroviral APIs, enhancing cost-efficiency and competitiveness. Additionally, it has developed microbial and mammalian-based platforms, leading to 6 commercial biologics in India's domestic market.

Extensive and Diversified Manufacturing Capacity: Initially a CDMO, Emcure Pharmaceuticals operates 13 manufacturing facilities across India, capable of producing a wide range of pharmaceuticals, including oral solids, injectables, biotherapeutics, and complex APIs. These facilities comply with stringent global standards, undergoing audits by USFDA, U.K. MHRA, Health Canada, and EDQM, ensuring regulatory compliance and quality assurance.

Highly Qualified, Experienced and Entrepreneurial Management Team and Board: Emcure is led by a capable management team and diverse Board of Directors with expertise spanning R&D, pharmaceutical sciences, business development, finance, and governance. This leadership drives strategic growth and operational excellence across the organization.

KEY BUSINESS STRATEGIES

Increase Market Share in the Domestic Market: Emcure aims to capitalize on India's growing formulations market, projected to reach ₹2.9-₹3.0 trillion by FY29 with an 8-9% CAGR. Plans include enhancing capabilities and expanding the specialty portfolio in key areas like gynecology, cardiovascular, and oncology. Leveraging leadership in therapeutic areas, the company intends to boost market share through strategic product launches, improved productivity, and enhanced doctor-patient connectivity.

Invest in R&D and Manufacturing Capabilities: Emcure continues to invest in R&D to bolster its differentiated product portfolio. Focus areas include developing novel drug delivery systems and expanding biotherapeutics manufacturing capabilities. Recent expansions in facilities for orals, injectables, and biotherapeutics aim to support upcoming launches and global market penetration.

Deepen and Expand International Presence: With a presence in 70 countries across 19 therapeutic areas, Emcure plans to strengthen international sales. The company holds 1,800 global dossiers, featuring specialized products like chiral molecules and complex injectables. Strategies include expanding product registrations and increasing market penetration through direct sales efforts and strategic partnerships.

Pursue Strategic Acquisitions, Partnerships, and In-Licensing: Emcure strategically acquires and partners to expand market presence. Recent acquisitions like Mantra Pharma in Canada and agreements with Sanofi in India underscore its growth strategy. The company aims to continue acquiring companies, products, and facilities globally to enhance its footprint in key therapeutic areas and new markets.

COMPETITION: The company's competitors vary by market, therapeutic area and product category, and within each category, upon dosage strengths and drug delivery. The principal competitors within India include leading Indian pharmaceutical companies like, Dr. Reddy's Laboratories Ltd, Cipla Ltd, Alkem Laboratories Ltd, Torrent Pharmaceuticals Ltd, Mankind Pharma Ltd, Abbott India Ltd and J.B. Chemicals & Pharmaceuticals Ltd, as well as MNC pharmaceutical companies who operate in the IPM in similar therapeutic areas. The company's main competitors in the international markets include regional companies and MNCs.

COMPARISON WITH INDUSTRY PEERS (AS ON 31ST MARCH 2023)

Name of the Company	Revenue from operations	Face value per equity share (₹)	CMP as on June 14, 2024	P/E (x)	EPS (Basic & diluted)	RoNW (%)	NAV (₹)
Emcure Pharmaceuticals	6,658.25	10.00	N.A.	36.60	27.54	16.87	163.22
Dr. Reddy's Laboratories	28,011.10	5.00	6,080.25	18.17	335.22	19.74	1,693.75
Cipla Limited	25,774.09	2.00	1,565.50	30.69	51.05	15.43	330.78
Alkem Laboratories	12,667.58	2.00	5,091.45	33.90	150.19	17.41	862.46
Torrent Pharmaceuticals	10,728.00	5.00	2,870.00	58.64	48.94	24.15	202.57
Mankind Pharma	10,334.78	1.00	2,228.00	46.73	47.75	20.43	233.73
Abbott India	5,848.91	10.00	27,509.95	48.67	565.28	32.48	1,740.71
J. B. Chemicals & Pharma	3,484.18	1.00	1,855.85	53.25	35.66	18.9	188.37

Source: RHP, P/E for Emcure Pharmaceuticals is based on upper price band.

COMPARISON OF KEY PERFORMANCE OF INDICATORS WITH PEER GROUP COMPANIES

Particulars	India Revenues (%)			Overseas Revenues (%)			EBITDA (₹ Cr)			EBITDA Margins (%)		
	FY24	FY23	FY22	FY24	FY23	FY22	FY24	FY23	FY22	FY24	FY23	FY22
Emcure Pharma	48.28	53.16	54.73	51.72	46.84	45.27	1,276.78	1,220.94	1,393.38	19.01	20.24	23.54
Dr. Reddy's Labs	NA	20.52	20.52	NA	79.48	79.48	8,842.10	7,441.50	4,322.40	30.59	28.93	19.62
Cipla	NA	43.37	45.16	NA	56.63	54.84	6,841.21	5,317.40	4,638.75	25.8	22.89	21.04
Alkem Labs	NA	70.35	70.78	NA	29.65	29.22	2,434.84	1,722.55	2,200.61	18.76	14.58	20.38
Torrent Pharma	NA	55.82	55.04	NA	44.18	44.96	3,514.00	2,887.19	2,143.13	32.58	29.87	24.62
Mankind Pharma	NA	96.62	97.60	NA	3.38	2.40	2,831.14	2,041.63	2,199.83	26.67	23.00	27.58
Abbott India (Standalone)	NA	98.67	98.23	NA	1.33	1.77	1,701.37	1,359.78	1,164.93	27.9	24.71	23.32
J. B. Chemicals & Pharma	NA	52.06	49.01	NA	47.94	50.99	934.16	705.69	582.68	26.53	22.34	23.65

Particulars	PAT (₹ Cr)			PAT Margins (%)			RoCE (%)		
	FY24	FY23	FY22	FY24	FY23	FY22	FY24	FY23	FY22
Emcure Pharma	527.58	561.85	702.56	7.86	9.31	11.87	19.37	22.01	29.69
Dr. Reddy's Labs	5,577.90	4,507.30	2,182.50	19.30	17.52	9.91	NA	27.3	16.04
Cipla	4,153.72	2,832.89	2,546.65	15.66	12.20	11.55	NA	19.68	18.70
Alkem Labs	1,811.46	1,006.81	1,680.32	13.96	8.52	15.56	NA	17.95	23.21
Torrent Pharma	1,656.00	1,245.23	777.18	15.35	12.88	8.93	NA	20.00	15.51
Mankind Pharma	1,941.77	1,309.68	1,452.96	18.29	14.75	18.21	NA	23.71	30.03
Abbott India (Standalone)	1,201.22	949.41	798.70	19.70	17.25	15.99	NA	1013.84	1335.96
J. B. Chemicals & Pharma	552.63	410.01	386.04	15.69	12.98	15.67	NA	20.13	24.19

Source: RHP

Restated Statement of Profit and Loss

(₹ In Cr)

Particulars	As at March 31st,		
	2024	2023	2024
Revenues:			
Revenue from operations	6,658.25	5,985.81	5,855.39
Other income	56.99	45.91	63.47
Total income	6,715.24	6,031.72	5,918.86
Expenses:			
Cost of materials consumed	1,333.13	1,146.59	1,296.10
Purchases of stock-in-trade	1,332.48	1,047.25	1,082.45
Changes in inventories	(190.19)	66.69	(145.40)
Employee benefit expenses	1,292.08	1,117.33	1,011.82
Depreciation and amortisation expense	312.41	260.12	244.86
Finance cost	237.15	213.61	175.98
Other expenses	1,661.03	1,426.77	1,280.50

Profit before exceptional items and tax	737.16	753.36	972.55
Exceptional items	9.93	6.15	-
Profit before tax	727.23	747.22	972.55
Total tax expenses	199.65	185.37	269.99
Profit for the year	527.58	561.85	702.56
Total Other comprehensive income /(loss)	15.63	16.41	(9.03)
Total comprehensive income for the year	543.20	578.25	693.52
EPS ₹ (Basic & Diluted)	27.54	29.42	36.62

Source: RHP;

Statement of Assets and Liabilities

(₹ In Cr)

Particulars	As at March 31st,		
	2024	2023	2022
ASSETS			
Non-current assets			
Property, plant and equipment	1,948.57	1,604.63	1,470.28
Capital work-in-progress	132.35	403.53	309.80
Right-of-use assets	316.29	206.59	205.38
Goodwill	378.69	217.74	217.40
Other Intangible assets	481.00	117.93	151.26
Intangible assets under development	26.769	7.88	10.095
Financial assets			
i) Investments	18.42	25.00	25.00
ii) Other non-current financial assets	40.768	64.58	47.786
Deferred tax assets (net)	96.796	99.126	116.08
Income tax assets (net)	87.248	63.307	50.997
Other non-current assets	19.36	26.30	35.29
Current assets			
Inventories	1,525.10	1,383.03	1,449.42
Financial assets			
i) Investments	299.65	0	0
ii) Trade receivables	1,858.81	1,648.30	1,308.51
iii) Cash and cash equivalents	169.00	242.34	162.85
iv) Bank balances other than (iii) above	63.408	215.91	150.45
v) Other current financial assets	68.948	58.932	55.583
Other current assets	269.58	287.40	297.30
Assets held for sale	5.424	0	0
Total Assets	7,806.16	6,672.53	6,063.47
EQUITY AND LIABILITIES			
Equity share capital	181.15	180.85	180.85
Other equity	2,771.13	2,320.27	1,806.70
Non-controlling interest	169.48	148.53	126.59
Total Equity	3,121.77	2,649.66	2,114.14
Non-Current Liabilities			
Financial Liabilities			
i) Borrowings	766.60	744.14	717.28
ii) Lease liabilities	215.74	115.18	111.28
iii) Other non-current financial liabilities	294.58	49.514	43.979
Provisions	43.32	39.665	42.105
Deferred tax liabilities (net)	137.42	38.895	42.614
Other non-current liabilities	16.266	16.29	27.24
Current Liabilities			
Financial Liabilities			
i) Borrowings	1,320.72	1,450.80	1,366.35
ii) Lease liabilities	31.919	24.19	22.296

iii) Trade payables	1,309.37	1,086.11	1,125.19
iv) Other current financial liabilities	304.42	280.59	270.62
Provisions	144.87	40.092	43.862
Current tax liabilities (net)	45.735	48.775	62.152
Other current liabilities	53.445	88.639	74.36
Total Equity and Liabilities	7,806.16	6,672.53	6,063.47

Source: RHP

Restated Statement of Cash Flows

(₹ In Cr)

Particulars	As at March 31st,		
	2024	2023	2022
Restated Profit/(Loss) before tax	727.23	747.22	972.55
Adjustments Related to Non-Cash & Non-Operating Items	543.147	492.349	398.742
Operating Profits before Working Capital Changes	1,270.38	1,239.56	1,371.29
Adjustments for Changes in Working Capital	50.52	(292.24)	(291.91)
Net cash generated from operations before tax	1,320.89	947.33	1,079.38
Income tax paid – (net)	(223.65)	(200.48)	(311.18)
Net cash generated from operating activities (a)	1,097.24	746.85	768.21
Net cash used in investing activities (b)	(712.51)	(467.69)	(788.79)
Net cash used in financing activities (c)	(164.21)	(145.40)	(151.85)
Net (decrease) / increase in cash and cash equivalents during the period (a+b+c)	220.52	133.77	(172.44)
Cash and Cash Equivalents at Beginning of the Year	(174.53)	(308.17)	(350.04)
Less: Transferred pursuant to composite scheme of arrangement	-	-	214.12
Exchange differences on translation of foreign operations	(2.00)	(0.13)	0.19
Cash and Cash Equivalents at End of the Year	43.99	(174.53)	(308.17)

Source: RHP

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