

IPO ANALYSIS

Sector: Healthcare
Issue Price: INR 372 to INR 391
Issue Size: INR 578 to INR 582 Cr
Issue Opens/Closes: December 20 / December 24

IPO Basics

Promoters: Swapnil Jatinbhai Shah And Ashokkumar Vijaysinh Barot
Selling Shareholders: Swapnil Jatinbhai Shah, Ashokkumar Vijaysinh Barot, Sangeeta Mukur Barot, Prakash M Sanghvi
Lead Managers: Equirus Capital, Ambit Pvt Ltd, Nuvama Wealth
Registered Office: Ahmedabad, Gujarat
Registrar: Link Intime India Pvt Ltd
Listing: BSE and NSE

IPO Capital Structure

| | |
|-------------------------------------------------------|------------------------------------------|
| Fresh Issue | 12,787,723 equity shares upto INR 500 Cr |
| Offer for Sale | 2,100,000 equity shares upto INR 82 Cr |
| Total Issue as % of total capital (Post-Issue) | 32.31% |
| Post Issue No. of Shares | 46,053,588 |
| Post Issue Market Cap | INR 1,737 Cr – INR 1,801 Cr |
| Face Value | INR 10 |
| Issue Route | Book Build Issue |
| <i>All values calculated at upper band</i> | |

Financial Snapshot (INR in crs)

| Y/E Mar | FY23 | FY24 | H1FY25 |
|---------------------------|--------------|---------------|---------------|
| Share Capital | 9.82 | 30.51 | 33.27 |
| Reserves | 35.68 | 173.76 | 258.24 |
| Net Worth | 45.50 | 204.27 | 291.51 |
| Revenue from ops | 35.34 | 214.52 | 181.02 |
| Revenue Growth (%) | 149.40% | 507.02% | - |
| EBITDA | 16.35 | 44.41 | 46.91 |
| EBITDA (%) | 46.28% | 20.70% | 25.91% |
| Net Profit | 8.43 | 32.71 | 23.94 |
| Net Profit (%) | 23.87% | 15.25% | 13.23% |
| Basic EPS | 8.87 | 13.67 | 7.20^ |
| Diluted EPS | 8.87 | 13.67 | 7.20^ |
| NAV (INR) | 46.36 | 66.96 | 87.63 |
| ROE (%) | 20.55% | 23.60% | 8.69%^ |
| ROCE(%) | 18.56% | 11.73% | 7.59%^ |
| P/E (Based on Upper Band) | | | 28.60 |
| Average Industry P/E | | | 38.84 |
| P/B (Based on Upper Band) | | | 4.46 |

Shareholding Pattern

| Holders | Pre-Issue | Post Issue |
|----------------------|----------------|----------------|
| Promoters | 23.39% | 15.16% |
| Promoters Group | 43.27% | 30.61% |
| Public – Selling S/h | 4.44% | 1.03% |
| Public - Others | 28.90% | 53.20% |
| Total | 100.00% | 100.00% |

Source: RHP, ^not annualized, PE/PB based on upper price band

| Particulars | Retail Category | NII bid between INR 2 lakhs- INR 10 lakhs | NII bid above INR 10 lakhs |
|----------------------------------|-----------------|-------------------------------------------|----------------------------|
| Minimum Bid Lot (Shares) | 38 | 532 | 2,584 |
| Minimum Bid Lot Amount | INR 14,858 | INR 2,08,012 | INR 10,10,344 |
| No of Applications for 1x | 38,981 | 1,392 | 2,784 |

Senores Pharmaceuticals Limited

Dec 20, 2024

Issue Highlights:

- Senores Pharmaceuticals, established on December 26, 2007, is a globally focused pharmaceutical company specializing in research-driven development and manufacturing of diverse pharmaceutical products. The company operates primarily in regulated markets such as the US, Canada, and the United Kingdom, while also maintaining a significant presence in emerging markets. Leveraging advanced data analytics, market research, and experienced leadership, Senores strategically identifies commercially underserved molecules to introduce in both regulated and emerging markets, ensuring consistent growth.
- The company conducts its regulated markets business through two subsidiaries: Havix, which manages its US FDA-approved oral solid dosage (OSD) facility in Atlanta, US, and SPI, a US-based entity responsible for the company's intellectual property, particularly ANDA approvals. SPI collaborates with marketing partners to optimize distribution and market penetration. This dual-subsidary structure bolsters Senores' operational efficiency and market reach within the highly competitive regulated markets.
- Senores' curated portfolio includes complex products spanning various therapeutic areas and dosage forms, solidifying partnerships with prominent pharmaceutical firms like Prasco LLC, Lannett Company Inc., Jubilant Cadista Pharmaceuticals Inc., Alkem Laboratories Ltd, and Cipla USA Inc. These collaborations have strengthened its presence in the regulated markets, ensuring a steady flow of innovative and market-relevant pharmaceutical solutions.
- In the contract development and manufacturing organization (CDMO) segment, Senores collaborates with companies like Ajanta Pharma Ltd and La Renon Healthcare Pvt Ltd to develop and manufacture complex oral solids and injectables. These products are targeted for both the Indian market and various emerging markets. With operations in 43 countries, Senores focuses on regions such as Latin America, Africa, Southeast Asia, and the Middle East, driving business expansion in these high-growth markets.
- Senores has established a robust presence in emerging markets, driven by a strategic product selection process. As of September 30, 2024, the company boasts a portfolio of 205 products and combination molecules marketed under diverse models. Emerging markets contributed significantly to the company's performance in Fiscal 2024, generating INR44.20 crore in revenue, which represented 20.60% of its total revenue from operations..

Key Risks:

- The company faces risks from dependence on long-term marketing agreements with distributors in regulated and emerging markets, exposing it to competition, pricing pressures, and partner loss.
- The company's revenue relies heavily on the growth of regulated and emerging markets. Market slowdowns or increased competition could adversely affect business performance, financial stability, and cash flows

| Particulars | No of Shares at Lower Band (Cr.) | No of Shares at Upper Band (Cr.) | Issue size amount at Lower Band (INR cr) | Issue size amount at Upper Band INR cr) | % Of Issue |
|----------------------------------------------|----------------------------------|----------------------------------|------------------------------------------|-----------------------------------------|----------------|
| QIB | 1.16 | 1.11 | 431.50 | 434.38 | 75% |
| NIB | 0.23 | 0.22 | 86.30 | 86.88 | 15% |
| -NIB2 (Bid above INR 10 Lakhs) | 0.15 | 0.15 | 57.53 | 57.92 | - |
| -NIB1 (Bid between INR 2 to 10 Lakhs) | 0.08 | 0.07 | 28.77 | 28.96 | - |
| Retail | 0.15 | 0.15 | 57.53 | 57.92 | 10% |
| Employee | 0.01 | 0.01 | 2.79 | 2.93 | - |
| Total | 1.55 | 1.49 | 578.12 | 582.11 | 100.00% |

An Indicative Timetable Post Issue Closing

| Particulars | Tentative Date |
|---------------------------------------------|-------------------|
| Finalization of Basis of Allotment | December 26, 2024 |
| Refunds/un-blocking of ASBA Accounts | December 26, 2024 |
| Credit of Equity Shares to DP Ac | December 27, 2024 |
| Trading Commences | December 30, 2024 |

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

BACKGROUND**Company and Directors**

The Company was originally incorporated as “Senores Pharmaceuticals Private Limited” on December 26, 2007. Swapnil Jatinbhai Shah and Ashokkumar Vijaysinh Barot are the Promoters of the company. Currently, promoters cumulatively hold 7,781,311 Equity Shares, representing 23.39% of the paid-up Equity Share capital of the company.

Brief Biographies of Directors & Key Managerial Personnel

Swapnil Jatinbhai Shah is the Promoter and Managing Director of the company. He has over 15 years of experience in the pharmaceutical sector. He is currently leading the company’s overall functioning and is a part of the core management team. He is also responsible for product portfolio management, corporate strategy, business development and overall strategic management of the company. He was previously associated as a strategist at Planet Payment Inc. (now acquired by Fintx, Inc., a fintech company listed on the NASDAQ).

Sanjay Shaileshbhai Majmudar is the Chairman and Non-Executive, Non-Independent Director of the company. He has over 39 years of experience. He currently serves as a director on the board of AIA Engineering Ltd. He serves on the board of Ashima Ltd, M&B Engineering Ltd and Welcast Steels Ltd.

Hemanshu Nitinchandra Pandya is the Non-Executive, Non-Independent Director of the company. He has over 4 years of experience in the pharmaceuticals industry. He was previously associated with Cyrilmed LLC and is currently associated with Havix Group Inc. d/b/a Aavis Pharmaceuticals.

Jitendra Babulal Sanghvi is the Non-Executive, Non-Independent Director of the company. He has over 15 years of experience in the pharmaceutical industry. He has been associated with Ratnatris Pharmaceuticals Pvt Ltd.

Chetan Bipinchandra Shah is the Whole-Time Director and Chief Operating Officer of the company. He has over 24 years of experience in the pharmaceutical industry and was previously associated with pharmaceutical companies such as Torrent Pharmaceuticals Ltd and Cadila Pharmaceuticals Ltd. He was also associated with Reliance Retail Ltd, Reliance Fresh Ltd, and Reliance Corporate IT Park Ltd. He is currently responsible for the overall operations of the company.

Deval Rajnikant Shah is the Whole-Time Director and Chief Financial Officer of the company. He has more than 40 years of experience in chartered accountancy, engineering and pharmaceuticals. He was previously associated with SAI Consulting Engineers Pvt Ltd.

Ashokkumar Vijaysinh Barot is the Promoter and Non-Executive, Non-Independent Director of the company. He has over 21 years of experience in the pharmaceutical industry. He has been on the board of Di-Cal Pharma Pvt Ltd.

Arpit Deepakkumar Shah is the Non-Executive, Non-Independent Director of the company. He has over 10 years of experience. He was previously associated with Case-Mate Inc. He is also the promoter and managing director of Remus Pharmaceuticals Ltd, a company listed on the Emerge platform of NSE Ltd.

Naresh Bansilal Shah is the Non-Executive, Independent Director of the company. He has over 17 years of experience in the pharmaceuticals industry. He was previously associated with Cadila Healthcare Ltd and Ranbaxy Laboratories Ltd and is currently the chief operating officer at Inventia Healthcare Ltd.

Manjula Devi Shroff is the Non-Executive, Independent Director of the company. She has over 15 years of experience.

Kalpiti Rajesh Gandhi is the Non-Executive, Independent Director of the company. He has over 15 years of experience. He currently serves on the board of Vadilal Industries Ltd.

Udayan Dileep Choksi is the Non-Executive, Independent Director of the company. He has over 17 years of experience in the legal industry. He is currently a partner at Khaitan & Co.

Vinay Kumar Mishra is the Company Secretary and Compliance Officer of the company. He has been associated with the company from August 1, 2024. He has over 10 years of experience.

OBJECTS OF THE ISSUE

| Objects | Amount (INR Cr) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| <ul style="list-style-type: none"> Investment in one of the subsidiaries, Havix, to fund capital expenditure requirements for setting up a manufacturing facility for the production of sterile injections in the Atlanta Facility | 107.00 |
| <ul style="list-style-type: none"> Re-payment/pre-payment, in full or in part, of certain borrowings availed by the company | 73.48 |
| <ul style="list-style-type: none"> Funding the working capital requirements of the company | 20.22 |
| <ul style="list-style-type: none"> Investment in the subsidiaries, namely, SPI and Ratnatris to fund their working capital requirements | 43.26 |
| <ul style="list-style-type: none"> Funding inorganic growth through acquisition and other strategic initiatives | 59.48 |
| <ul style="list-style-type: none"> General Corporate Purposes | [•] |
| Total | [•] |

OFFER DETAILS

| Particulars | No. of Shares | WACA per Equity Share (INR) |
|------------------------------------------------------------|-----------------------------------------------|-----------------------------|
| Fresh Issue (INR 500 Cr) | Upto 13,440,860~ - 12,787,723^ Equity Shares^ | – |
| The Promoter Selling Shareholders: | | |
| Swapnil Jatinbhai Shah – Promoter Selling Shareholder | Upto 250,000 Equity Shares | 51.31 |
| Ashokkumar Vijaysinh Barot - Promoter Selling Shareholder | Upto 550,000 Equity Shares | 57.54 |
| Sangeeta Mukur Barot – Promoters Group Selling Shareholder | Upto 300,000 Equity Shares | 37.20 |
| Prakash M Sanghvi – Other Selling Shareholder | Upto 1,000,000 Equity Shares | 60.97 |

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

SHAREHOLDING PATTERN

| Particulars | Pre-offer# | | Offer for Sale Shares and Fresh Issue | Post-offer | |
|--------------------------------------|----------------------------|------------------------------------|---------------------------------------------|----------------------------|------------------------------------|
| | Number of Equity Shares | % of Total Equity Share Capital | | Number of Equity Shares | % of Total Equity Share Capital |
| Promoter | 7,781,311 | 23.39% | 800,000 | 6,981,311 | 15.16% |
| Promoters Group | 14,394,768 | 43.27% | 300,000 | 14,094,768 | 30.61% |
| Total for Promoter | 22,176,079 | 66.66% | 1,100,000 | 21,076,079 | 45.76% |
| Public - Other Selling Shareholder | 1,476,190 | 4.44% | 1,000,000 | 476,190 | 1.03% |
| Public - Other | 9,613,596 | 28.90% | 12,787,723 | 24,501,319 | 53.20% |
| Total for Public Shareholders | 11,089,786 | 33.34% | | 24,977,509 | 54.24% |
| Total Equity Share Capital | 33,265,865 | 100.00% | | 46,053,588 | 100.00% |

Source: RHP

BUSINESS OVERVIEW

Senores Pharmaceuticals (“Senores”) is a global pharmaceutical company specializing in developing and manufacturing a wide range of pharmaceutical products, primarily for the Regulated Markets of the US, Canada, and the United Kingdom, with a presence in Emerging Markets. The company focuses on specialty, underpenetrated, and complex pharmaceutical products, leveraging data analytics and experienced management to identify commercially underpenetrated molecules for launch in global markets.

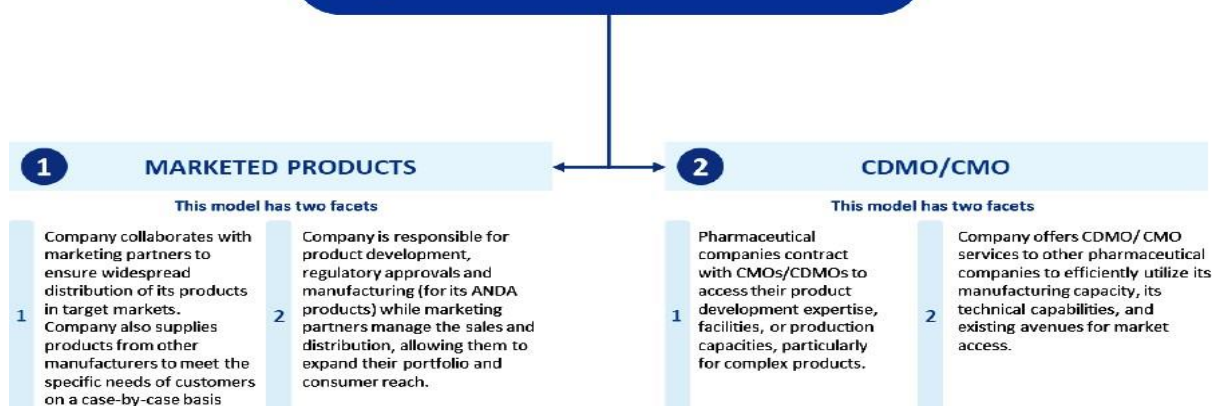
The company uses its R&D capabilities to develop differentiated, complex pharmaceutical products. Their focus on quality and specialty molecules has resulted in a curated pipeline of complex products across diverse dosage forms and therapeutic domains. Senores has partnerships with prominent foreign and Indian pharmaceutical companies such as Prasco LLC, Lannett Company Inc., Jubilant Cadista, Alkem Laboratories Ltd, and Cipla USA Inc. They are active in Regulated Markets and Emerging Markets across 43 countries.



Source: RHP, * The API business was housed under the wholly owned subsidiary RLPL until RLPL merged with Senores, with the appointed date being January 1, 2024.

REGULATED MARKET BUSINESS

Regulated Market Business Models



Source: RHP

Company's Regulated Markets Business operates through two subsidiaries: Havix, housing their US FDA-approved oral solid dosage (OSD) facility in Atlanta, US, and SPI, which holds intellectual property for ANDA approvals and engages with marketing partners. Their Regulated Markets Business serves the US, Canada, and United Kingdom while expanding into other Regulated and Semi-Regulated Markets.

The company has diversified revenue streams:

Marketed Products including:

- ANDA Products
- Sourced Products

Contract development and manufacturing operations (“CDMO”)/ contract manufacturing operations (“CMO”).

The details in connection with their Regulated Markets Business and presence in Semi-Regulated Markets:



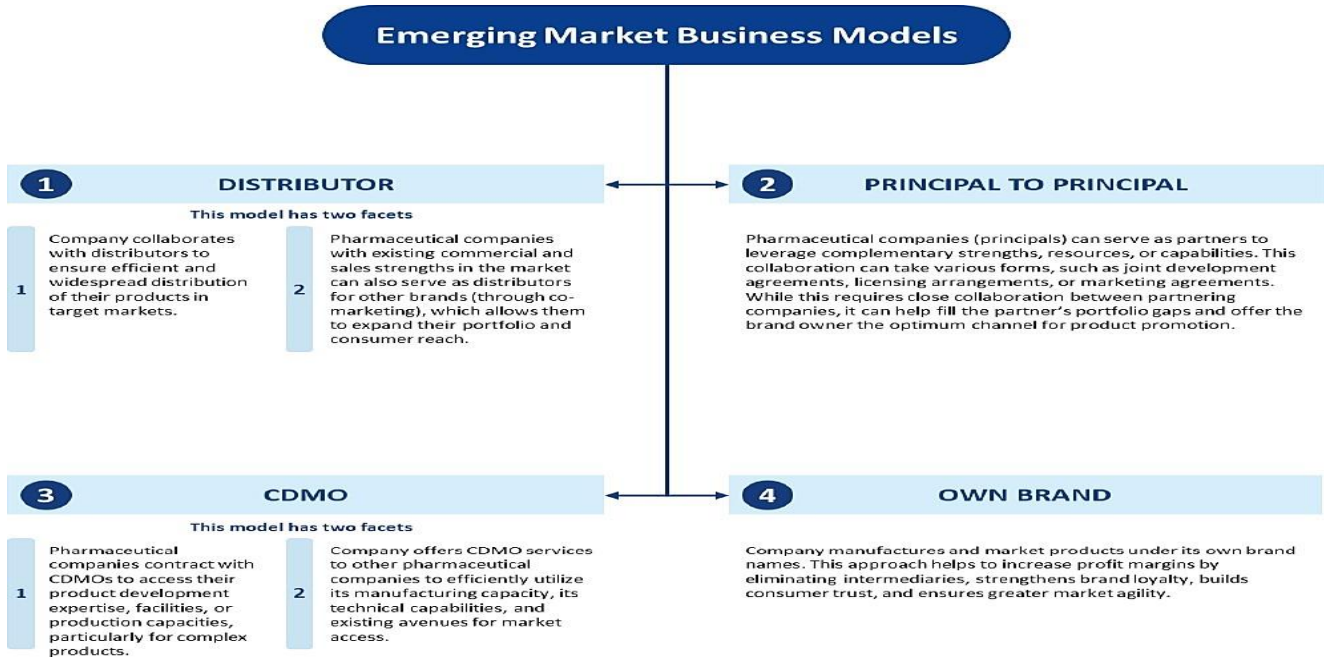
Source: RHP

Senores has entered into long-term marketing arrangements for a period ranging between 5-7 years with major generic pharmaceutical and marketing companies which operate in the Regulated Markets of US, Canada and United Kingdom

| Customers in Regulated Market | CDMO customers in Regulated Market | CMO Customers |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">Alkem Laboratories Ltd,Lannett Company Inc.,Prasco LLC,Jubilant Cadista Pharmaceuticals Inc.,Sun Pharmaceuticals Industries Ltd,Cintex Services LLCDr. Reddy’s Laboratories Inc | <ul style="list-style-type: none">Mint Pharmaceuticals Inc. (Canada),Solco Healthcare US LLC (US),Ambicare Pharmaceuticals Inc. (Canada),Amici Pharmaceuticals Inc. (US)Waymade PLC (UK). | <ul style="list-style-type: none">Alkem Laboratories LtdJubliant |

Source: RHP

EMERGING MARKETS BUSINESS



Source: RHP

The company develops, manufactures, and markets pharmaceutical products across major therapeutic areas for the Emerging Markets through their WHO-GMP-approved manufacturing facility in Chhatral, Gujarat.

As of September 30, 2024, they marketed products in 43 countries with 205 product registrations. They have introduced complex molecules in Emerging Markets based on their Regulated Markets process. These include patented molecules like Apixaban, Tofacitinib, Sacubitril + Valsartan, Sugammadex, Ferric Carboxymaltose, and Eltrombopag Olamine.

The presence in the countries in the Emerging Markets together with certain details in connection with these markets:



Source: RHP

API BUSINESS

Senores commenced API manufacturing in March 2023 as a backward integration activity. Currently catering to the domestic market, they plan to expand into Regulated and Semi-Regulated Markets in the medium to long term. Their expertise includes processes like nitration, hydrogenation, and bromination. As of September 30, 2024, they served 183 customers, including Akum Drugs & Pharmaceuticals Ltd, Lincoln Pharmaceuticals Ltd, and Acme Lifetech LLP.

CRITICAL CARE INJECTABLE BUSINESS

The company launched their Critical Care Injectables Business in August 2022 to supply critical care injectables to hospitals across India. Products are manufactured at their Chhatral Facility or sourced from Indian injectables players. As of September 30, 2024, they launched 55 products in therapeutic segments like antibiotics, anti-bacterial, anti-fungal, and blood line, with a presence in multiple hospitals across India through distributor tie-ups and hospital arrangements.

Product Description:

| API Products | |
|---------------------------|------------------------|
| API | Therapeutic Area |
| Anastrozole | Anti-Psychotic |
| Aripiprazole | Anti-Psychotic |
| Benfotiamine | Central Nervous System |
| Clomiphene Citrate | Infertility |
| Desloratadine | Antihistamine |
| Desvenlafaxine Succinate | Anti-depressant |
| Fluoxetine Hydrochloride | Anti-depressant |
| Imatinib Mesylate | Oncology |
| Letrozole | Oncology |
| Mesalamine | Anti-Inflammatory |
| Nicardipine Hydrochloride | Cardiovascular |
| Oxcarbazepine | Anticonvulsants |
| Rivaroxaban | Cardiovascular |
| Tamsulosin Hydrochloride | Urology |
| Tofacitinib Citrate | Alpha Blocker |

Source: RHP

| Critical Care Injectables Products | |
|------------------------------------|------------------|
| Product | Therapeutic Area |
| Albumin | Blood line |
| Colistimethate Sodium | Anti-Bacterial |
| Tigecycline | Antibiotics |
| Cefuxorime Axetil | Anti-Bacterial |
| Caspofungin Acetate | Anti-Fungal |
| Glutathione | Anti-Oxidant |
| Enaxoparin | Blood line |
| Teicoplanin | Anti-Bacterial |
| Meropenem | Antibiotics |
| Iron Sucrose | Blood line |

CDMO/CMO BUSINESS

The company uses their Atlanta Facility for CDMO/CMO business in the US, Canada, and United Kingdom, partnering early in drug development to support clinical and commercial manufacturing. They provide services like bioavailability studies, method development, validation, stability testing, project management, manufacturing, and regulatory support. They also act as contract manufacturers for companies like Alkem and Jubilant Cadista. As of September 30, 2024, they have CDMO/CMO contracts for over 40 products across multiple countries.

RESEARCH AND DEVELOPMENT

The company's pharmaceutical manufacturing in the US is supported by R&D capabilities, with a formulation development laboratory at the Atlanta Facility and back-end R&D in India aiding ANDA applications. They have dedicated R&D units for pharmaceutical products and APIs, employing 54 team members, including 2 doctorates, as of September 30, 2024. Their R&D labs at Chhatral and Naroda Facilities are equipped for advanced processes and testing. They are setting up a new R&D center in Ahmedabad.

The investments in R&D activities:

| Particulars | 6 months ended September 30, 2024 | | For the year ended March 31, | | | | | |
|-----------------|--------------------------------------|---------------------------------------|------------------------------|---------------------------------------|--------------------------|---------------------------------------|--------------------------|------------------------------------|
| | | | 2024 | | 2023 | | 2022 | |
| | Amount (INR in Cr) | % of Revenue from operations | Amount (INR in Cr) | % of Revenue from operations | Amount (INR in Cr) | % of Revenue from operations | Amount (INR in Cr) | % of Revenue from operations |
| R&D Investment* | 19.32 | 10.71% | 71.34 | 33.25% | 39.01 | 110.40% | 5.00 | 35.30% |

Source: RHP, * R&D Investments are additions in intangibles developed and under development, related to product development.

QUALITY CONTROL AND QUALITY ASSURANCE

Providing high-quality products is critical to the company's success and long-term customer relationships. A centralized corporate quality function ensures uniform standards across all facilities. Finished products undergo rigorous testing and stability programs. The Atlanta Facility has been audited and approved by the US FDA 4 times, with the latest in April 2024. The Chhatral Facility meets WHO-GMP standards and is approved by regulatory authorities in 10 countries. Their quality assurance team comprises experienced professionals.

The number of the quality control and quality assurance professionals as of September 30, 2024:

| Entity | Quality Assurance | Quality Control | Total |
|---------------------------------|-------------------|-----------------|------------|
| SPL (API) | 1 | 4 | 5 |
| RPPL (Emerging Markets) | 26 | 55 | 81 |
| SPL (Critical Care Injectables) | 1 | 1 | 2 |
| Havix (Regulated Markets) | 11 | 17 | 28 |
| Total | 49 | 77 | 126 |

Source: RHP

INTELLECTUAL PROPERTY

As of September 30, 2024, Senores obtained 19 ANDAs and commercialized 21 products. They aim to develop and acquire ANDAs to expedite market entry.

They marketed products in 43 Emerging Market countries, with 205 product registrations and 406 filings. Product registration details for various Emerging Market regions are as of September 30, 2024.

| Region | Product Registration | Product Applications Filed | Total |
|------------------------------------|----------------------|----------------------------|------------|
| Latin America | 70 | 95 | 165 |
| Commonwealth of Independent States | 60 | 14 | 74 |
| Southeast Asia | 52 | 192 | 244 |
| Africa | 22 | 102 | 124 |
| Middle East | 1 | 3 | 4 |
| Total | 205 | 406 | 600 |

Source: RHP

MANUFACTURING UNITS

They manufacture pharmaceutical products such as tablets, capsules, liquids, dry syrups, ORS, and injectables at the Chhatral Facility, which can produce four dosage forms: oral solids, oral liquids, injectables, and ORS. The facility is certified with ISO 9001:2015 for Beta Lactam products and approved by WHO-GMP standards and local GMP guidelines. As of September 30, 2024, it has approvals from regulatory authorities in 10 countries, including Kuwait, Cambodia, and Nigeria.

The information of Manufacturing Facilities:

| Facility & Location | Entity under which the Facility is housed under | Description | Key Approvals |
|------------------------------------------------|-------------------------------------------------|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Atlanta Facility, Atlanta, US | Havix | Facility for manufacturing oral solid dosages | <ul style="list-style-type: none"> US FDA, DEA, Compliant with Trade Agreements Act, Compliant with Buy American Act |
| Chhatral Facility Chhatral, Ahmedabad, Gujarat | RPPL | Facility for manufacturing oral solids, oral liquids, injectables and ORS. | <ul style="list-style-type: none"> WHO-GMP, Ministry of Health, Cambodia, Ministry of Health and Public Hygiene, Ivory Coast, Pharmacy and Poisons Board, Kenya, Pharmaceutical and Herbal Medicines Registration and Control Administration (Drug & Food Control), Kuwait, National Agency for Food and Drug Administration and Control, Nigeria (NAFDAC), National Authority of Medicines, Medical Devices and Health Products, Peru, Food and Drug Administration, Philippines, Drug Regulatory Authority, Sri Lanka, Zambia Medicines Regulatory Authority, Liberia Medicines & Health Products Regulatory Authority (LMHRA) |
| Naroda Facility Naroda, Gujarat | Senores | Facility for manufacturing APIs | Indian GMP Guidelines |

Source: RHP

The Atlanta Facility is spread across an area of 17,211.58 sq. mtr and comprises of 2 manufacturing lines. The Chhatral Facility is spread across an area of 35,205.00 sq. mtr. and comprises of 12 manufacturing lines and the Naroda Facility is spread across an area of 1,406.00 sq. mtr.

Installed capacity and capacity utilization:

| Particulars | 6 months ended September 30, 2024 | | | For the year ended March 31, | | | | | | | | |
|------------------------------|--------------------------------------------|-------------------------|---------------|--------------------------------------------|-------------------------|---------------|--------------------------------------------|-------------------------|---------------|--------------------------------------------|----------------------|---------------|
| | | | | 2024 | | | 2023 | | | 2022 | | |
| | Annual Installed Capacity (in Cr) | Capacity Utilization | | Annual Installed Capacity (in Cr) | Capacity Utilization | | Annual Installed Capacity (in Cr) | Capacity Utilization | | Annual Installed Capacity (in Cr) | Capacity Utilization | |
| | | (in Cr) | (%) | | (in Cr) | (%) | | (in Cr) | (%) | | (in Cr) | (%) |
| Atlanta Facility | | | | | | | | | | | | |
| Capsule | 7.68 | 3.54 | 92.06% | 3.84 | 1.04 | 27.15% | 2.93 | 0.60 | 20.42% | 1.15 | 0.17 | 14.69% |
| Tablet | 13.25 | 1.50 | 22.57% | 2.56 | 2.56 | 19.31% | 5.08 | 1.30 | 25.54% | 4.89 | 0.69 | 14.15% |
| Total | 20.93 | 5.03 | 48.07% | 3.60 | 3.60 | 21.07% | 8.00 | 1.89 | 23.67% | 6.04 | 0.86 | 14.25% |
| Chhatral Facility | | | | | | | | | | | | |
| General Oral Dosage | 139.80 | 52.86 | 76.64% | 89.86 | 58.00 | 64.55% | 89.86 | 60.93 | 67.81% | 89.86 | 51.96 | 57.82% |
| Injectables | 4.99 | 0.76 | 30.61% | 4.99 | 0.67 | 13.50% | 4.99 | 0.18 | 3.61% | 4.99 | 0.79 | 1.59% |
| Beta Lactum Oral Dosage Form | 51.17 | 1.68 | 6.58% | 51.17 | 25.12 | 49.09% | 51.17 | 27.01 | 52.79% | 51.17 | 17.44 | 3.41% |
| Total | 195.94 | 55.31 | 56.46% | 146.02 | 83.79 | 57.39% | 146.02 | 88.13 | 60.35% | 146.02 | 70.19 | 48.07% |
| Naroda Facility | | | | | | | | | | | | |
| API | 2.50 | 1.07 | 85.56% | 2.50 | 1.88 | 75.10% | 2.50 | 1.49 | 59.72% | 2.50 | 1.69 | 67.76% |

Source: RHP

REVENUE FROM OPERATIONS

(INR Cr)

| Particulars | 6 months ended September 30, 2024 | | For the year ended March 31, | | | | | |
|------------------------------------|--------------------------------------|---------------------------------------|-------------------------------|---------------------------------------|-------------------------------|---------------------------------------|-------------------------------|---------------------------------------|
| | | | 2024 | | 2023 | | 2022 | |
| | Revenue from operations | % of Revenue from operations | Revenue from operations | % of Revenue from operations | Revenue from operations | % of Revenue from operations | Revenue from operations | % of Revenue from operations |
| Regulated Markets Business | 110.37 | 60.97% | 145.15 | 67.66% | 20.74 | 58.69% | 0.89 | 6.26% |
| • <i>Marketed Products</i> | 86.17 | | 130.70 | | 20.74 | | 0.75 | |
| - <i>ANDA Products</i> | 48.66 | | 71.64 | | 19.50 | | 0.75 | |
| - <i>Sourced Products</i> | 37.51 | | 59.07 | | 1.24 | | - | |
| • <i>CDMO/CMO</i> | 24.20 | | 14.45 | | 0.15 | | 0.14 | |
| Emerging Markets Business | 58.59 | 32.37% | 44.20 | 20.60% | - | - | - | - |
| • <i>Distributor Model</i> | 21.33 | | 23.96 | | - | | - | |
| • <i>P2P Model</i> | 35.18 | | 20.03 | | - | | - | |
| • <i>CDMO</i> | 2.08 | | 0.21 | | - | | - | |
| Critical Care Injectables Business | 2.63 | 1.45% | 5.71 | 2.66% | 1.71 | 4.83% | - | - |
| API Business | 6.17 | 3.41% | 13.90 | 6.48% | 1.98 | 5.60% | - | - |
| Other Operational income | 3.26 | 1.80% | 5.56 | 2.59% | 10.91 | 30.89% | 13.28 | 93.74% |
| Total | 181.02 | 100.00% | 214.52 | 100.00% | 35.34 | 100.00% | 14.17 | 100.00% |

Source: RHP

Revenue from Operations – Product/Service wise

(INR Cr)

| Particulars | 6 months ended September 30, 2024 | For the year ended March 31, | | |
|-------------------------------------------------------|--------------------------------------|------------------------------|--------------|--------------|
| | | 2024 | 2023 | 2022 |
| API, Formulations & other related products | 143.61 | 188.95 | 31.90 | 8.55 |
| - Traded Goods | 43.99 | 76.48 | 8.97 | 2.98 |
| - Manufactured Goods | 99.62 | 112.47 | 22.93 | 5.57 |
| Sale of Services | 33.77 | 22.39 | 3.43 | 5.62 |
| - Consultancy Income | 1.01 | 0.31 | 2.64 | 2.07 |
| - Licencing Fees | 16.33 | 15.44 | 0.79 | 3.55 |
| - Tech Transfer Fees | 11.07 | 3.73 | - | - |
| - Jobwork Income | 0.63 | 0.22 | - | - |
| - R&D Incentives | 1.67 | 2.69 | - | - |
| - Product Development Income | 3.07 | - | - | - |
| Other Operating Income | 3.64 | 3.18 | 0.00 | 0.00 |
| Total | 181.02 | 214.52 | 35.34 | 14.17 |

Source: RHP

Revenue from Operations – Geographical disaggregation

(INR Cr)

| Particulars | 6 months ended September 30, 2024 | For the year ended March 31, | | |
|------------------------|--------------------------------------|------------------------------|----------------------------|----------------------------|
| | | 2024 | 2023 | 2022 |
| | Revenue from operations | Revenue from operations | Revenue from operations | Revenue from operations |
| Revenues outside India | 134.68 | 47.43 | 29.83 | 8.34 |
| Revenues within India | 46.34 | 167.10 | 5.51 | 5.83 |
| Total | 181.02 | 214.52 | 35.34 | 14.17 |

Source: RHP

COMPETITIVE STRENGTHS

Ability to cater to the Regulated Markets of US, Canada, and the United Kingdom through US FDA approved formulation manufacturing facility in the US

The company manufactures products for the US, Canada, and UK through their US FDA approved OSD facility at Atlanta. The facility is DEA-approved for controlled substances and offers CDMO services including bioavailability enhancement, formulation design, scaling up, and regulatory support.

Distinct niche product portfolio built in a short span for Regulated Markets

The company targets specialty, niche, and complex products for the US, Canada, and UK markets, where competition is minimal. They have 19 ANDAs approved by the US FDA, 21 products commercialized, and 33 ANDAs under development. They also had the first CGT approval globally for Chlorzoxazone 250mg.

Long-term marketing arrangements with pharmaceutical companies in the Regulated Markets of US, Canada, and the United Kingdom

Senores has long-term marketing agreements with generic pharmaceutical companies in the US, Canada, and UK. These partnerships ensure steady cash flows through agreed product sales proceeds and transfer prices, and they also maintain CDMO relationships with various partners.

Presence in the Emerging Markets with a product portfolio, including specialty or complex products

Senores markets products in 43 countries across Latin America, Africa, CIS, South-East Asia, and the Middle East. Their focus is on value-added, niche products. They also have CDMO partnerships with companies like Ajanta Pharma Ltd and La Renon Healthcare Pvt Ltd to develop complex products for Emerging Markets.

Robust R&D capabilities driving the differentiated portfolio of products

The company's R&D involves API equivalency, formulation development, bioequivalence, and stability studies. Their R&D labs in the US and India help with cost-efficient ANDA submissions. As of September 30, 2024, the R&D team includes 54 professionals, including two with doctoral qualifications.

Professional and dedicated management teams for the diverse business verticals

Senores is led by a qualified management team and Board of Directors with experience across pharmaceuticals, accounting, law, and sales. Their industry expertise, along with the guidance of the Promoters, strengthens the company’s operations in the healthcare domain.

KEY BUSINESS STRATEGIES

Enhance market presence of the Marketed Products in North America and other Regulated Markets

The company is expanding their Atlanta Facility and ramping up R&D capabilities with additional lab equipment. They plan to set up a niche injectables manufacturing facility in the US for high value-added injectables and critical care injectables.

Launch of products in the US with New Drug Applications (“NDA”) approval

The company plans to enter the NDA segment in the US market, targeting generic products with the potential for NDA approval, offering 5 years of exclusivity. They currently have 1 combination product in the pipeline.

Expanding into new Regulated and Emerging Markets

The company is investing in specialized infrastructure and advanced equipment to meet international standards. They are leveraging technology and digitization to enhance production, planning, and product diversity.

Strategic alliance for CMO/ CDMO in Regulated Markets

The company plans to expand into new Regulated and Emerging Markets, targeting niche formulations with higher margins. They aim to form CDMO/CMO partnerships in new Regulated and Semi-Regulated Markets, including the Philippines, Uzbekistan, Peru, Ghana, and more.

Pursuing an integrated approach to the business by enhancing the capabilities for greater backward integration

The company is enhancing vertical integration by manufacturing their own APIs, ensuring cost-effective sourcing and availability of raw materials. They are setting up a new API unit in Chhatral, Gujarat, to increase capacity from 25 MTPA to 169 MTPA.

Inorganic growth through synergistic acquisitions

The company acquired controlling stakes in Havix and RPPL in Fiscal 2024. They may pursue further strategic acquisitions or partnerships to strengthen their capabilities and expand into new markets.

COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31ST MARCH 2024)

| Name of the Company | Consolidated/ Standalone | Face Value | Total Revenue for Fiscal 2024 (INR Cr) | EPS (INR) | | P/E | RoNW | NAV (INR) |
|-------------------------------|-----------------------------|---------------|-------------------------------------------------|-----------|---------|-------|---------|-----------|
| | | | | Basic | Diluted | | | |
| Senores Pharmaceuticals Ltd | Consolidated | 10 | 214.52 | 13.67 | 12.21 | 28.60 | 23.60% | 66.96 |
| Ajanta Pharma Ltd | Consolidated | 2 | 4,208.71 | 64.82 | 64.77 | 43.34 | 23.47% | 281.60 |
| Alembic Pharmaceuticals Ltd | Consolidated | 2 | 6,228.63 | 31.33 | 31.33 | 33.90 | 13.40% | 245.12 |
| Caplin Point Laboratories Ltd | Consolidated | 2 | 1,694.10 | 60.79 | 59.90 | 40.84 | 21.69% | 309.03 |
| Gland Pharma Ltd | Standalone | 1 | 5,664.72 | 46.90 | 46.90 | 37.27 | 9.26% | 529.65 |
| Strides Pharma Science Ltd | Consolidated | 10 | 4,051.12 | (7.76) | (7.76) | NM | (4.44)% | 225.43 |

Source: RHP; PE of Senores based on upper price band, P/E of peers has been computed based on the closing market price of equity shares on December 13, 2024

COMPARISON WITH LISTED INDUSTRY PEERS

(INR Cr)

| | Senores Pharma | Ajanta Pharma | Alembic Pharma | Caplin Point | Gland Pharma | Strides Pharma | Senores Pharma | Ajanta Pharma | Alembic Pharma | Caplin Point | Gland Pharma | Strides Pharma |
|-------------------------|-----------------------------------|---------------|----------------|--------------|--------------|----------------|----------------|---------------|----------------|--------------|--------------|----------------|
| | 6 months ended September 30, 2024 | | | | | | Fiscal 2024 | | | | | |
| Revenue from Operations | 181.02 | 2,331.56 | 3,209.71 | 942.06 | 2,807.54 | 2,288.62 | 214.52 | 4,208.71 | 6,228.63 | 1,694.10 | 5,664.72 | 4,051.12 |
| EBITDA margin | 25.91% | 29.49% | 15.86% | 37.77% | 23.95% | 20.17% | 20.70% | 2986% | 15.42% | 36.52% | 26.54% | 10.32% |
| PAT margin | 13.23% | 19.83% | 8.98% | 27.15% | 10.95% | 7.08% | 15.25% | 19.39% | 9.89% | 27.24% | 13.64% | (2.33)% |
| ROCE | 7.59% | 17.09% | 6.64% | 13.13% | 5.38% | 8.13% | 11.73% | 32.22% | 13.42% | 26.55% | 13.63% | 4.19% |
| Return on equity | 8.69% | 12.76% | 5.94% | 10.39% | 3.51% | 7.56% | 23.60% | 23.47% | 13.40% | 21.69% | 9.26% | (4.44)% |
| Debt to Equity | 0.76 | 0.00 | 0.20 | 0.00 | 0.03 | 1.00 | 1.07 | 0.00 | 0.09 | 0.00 | 0.04 | 1.17 |
| | Fiscal 2023 | | | | | | Fiscal 2022 | | | | | |
| Revenue from Operations | 35.34 | 3,742.64 | 5,652.62 | 1,466.73 | 3,624.60 | 3,688.39 | 14.17 | 3,340.99 | 5,305.79 | 1,269.41 | 4,400.71 | 3,070.25 |
| EBITDA margin | 46.28% | 23.56% | 12.03% | 33.89% | 33.35% | 5.92% | 17.03% | 31.28% | 17.53% | 34.14% | 39.40% | (7.91)% |
| PAT margin | 23.87% | 15.71% | 6.05% | 25.70% | 21.55% | (5.76)% | 7.00% | 21.33% | 9.82% | 24.30% | 27.53% | (15.45)% |
| ROCE | 18.56% | 22.57% | 7.44% | 26.43% | 14.79% | (0.50)% | 5.38% | 29.37% | 11.16% | 28.31% | 24.85% | (9.63)% |
| Return on equity | 20.55% | 17.68% | 7.12% | 22.06% | 10.33% | (9.32)% | 4.35% | 22.77% | 10.11% | 22.74% | 18.55% | (18.28)% |
| Debt to Equity | 1.34 | 0.00 | 0.15 | 0.00 | 0.00 | 1.28 | 0.39 | 0.00 | 0.12 | 0.00 | 0.00 | 1.17 |

Source: RHP

Restated Consolidated Summary of Cash Flows

(INR Cr)

| | 6 months ended September 30, 2024 | For the year ended March 31, | | |
|--------------------------------------------------------------------------|--------------------------------------|------------------------------|---------------|----------------|
| | 2024 | 2024 | 2023 | 2022 |
| Profit before tax | 29.40 | 24.94 | 12.44 | 1.14 |
| Adjustments Related to Non-Cash & Non-Operating Items | 14.59 | 17.86 | 2.54 | 1.09 |
| Operating Profits before Working Capital Changes | 43.99 | 42.80 | 14.98 | 2.23 |
| Adjustments for Changes in Working Capital | (34.87) | (54.67) | (14.61) | (12.54) |
| Net cash generated from operations before tax | 9.12 | (11.87) | 0.37 | (10.31) |
| Income tax paid (net) | (2.73) | (8.01) | (1.45) | (0.14) |
| Net cash generated from operating activities | 6.39 | (19.88) | (1.08) | (10.45) |
| Net cash used in investing activities | (54.47) | (54.65) | (48.29) | (24.44) |
| Net cash used in financing activities | 48.95 | 86.98 | 46.25 | 36.46 |
| Net (decrease) / increase in cash and cash equivalents during the period | 0.87 | 12.45 | (3.12) | 1.57 |
| Add: Cash and cash equivalents as at the beginning of the period | 13.06 | 0.10 | 3.22 | 1.64 |
| Add: Cash & Bank Acquired in Business Combinations | - | 0.50 | - | - |
| Cash and cash equivalents as at the end of the period | 13.93 | 13.05 | 0.10 | 3.21 |

Source: RHP

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