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ANTHEM BIOSCIENCES LIMITED

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IPO Report

12th July '25

Snapshot

Company is an innovation-driven and technology-focused Contract Research, Development and Manufacturing Organization ("CRDMO") with fully integrated operations spanning across drug discovery, development and manufacturing. Company is one of the few companies in India with integrated New Chemical Entity ("NCE") and New Biological Entity ("NBE") capabilities across drug discovery, development, and commercial manufacturing, according to the F&S Report.

VALUATION

Company is bringing the issue at price band of Rs 540-575 per share at p/e multiple of approx. 38x on FY25 basis.

Company offer comprehensive one-stop service capabilities across the drug life cycle (drug discovery, development and manufacturing) for both small molecules and biologics and company are the fastest growing Indian CRDMO.Company's differentiated business model catering to the needs of small pharmaceutical and emerging biotech companies, from discovery to commercial manufacturing. Company has wide specialty ingredients portfolio, well positioned to capitalize on the large market opportunity for niche specialty ingredients Company has demonstrated industry-leading growth, profitability and capital efficiency from Fiscal 2024 to Fiscal 2025 alongside a robust growth pipeline .Hence we recommend "Subscribe" to this ipo.

Price Band (Rs./Share)	**540-575**
Opening date of the issue	**14th July '2025**
Closing Date of the issue	**16th July '2025**
No of shares pre issue	13,16,79,484 Eq Shares
Issue Size	Rs 3395 Cr
Offer For Sale	Rs 3395 Cr
Face Value (Rs/ share)	Rs 2/share
Bid Lot	26
Employee Discount	Rs 50/share
BIDDING DETAILS	
QIBs (Including Anchor)	50% of the offer (Approx 3,13,58,795 Eq Shares)
Non-Institutional	15% of the offer (Approx 94,07,639 Eq Shares)
Retail	35% of the offer (Approx 2,19,51,158 Eq Shares)
Employee Reservation	1,68,367 Eq Shares
Lead managers	JM Financial, Citigroup Global, J.P. Morgan India, Nomura Financial
Registrar to the issue	KFintech Technologies Ltd

WHAT WE LIKE

Company offer comprehensive one-stop service capabilities across the drug life cycle (drug discovery, development and manufacturing) for both small molecules and biologics and company is the fastest growing Indian CRDMO

Company offer a comprehensive, integrated and highly customizable range of CRDMO services across the NCE and NBE lifecycle, from target identification and lead selection to preclinical development, supporting its customers by manufacturing development batches of molecules used for clinical (Phase I, II, III) trials, and by offering commercial manufacturing. According to the F&S Report, company is one of the few Indian companies with integrated NCE and NBE capabilities across all three segments of drug discovery, development and manufacturing.

Differentiated business model catering to the needs of small pharmaceutical and emerging biotech companies, from discovery to commercial manufacturing

According to the F&S Report, while large multinational pharmaceutical companies currently dominate the global pharmaceuticals market, there is a growing prominence of small pharmaceutical and biotech companies which reflects a broader shift in the pharmaceutical industry towards novel therapies and innovation-driven growth. The market share of small pharmaceutical and biotech companies is expected to increase at a faster rate of a CAGR of 8.5% as compared to a CAGR of 4.9% for large pharmaceutical companies between 2024 and 2029, according to the F&S Report.

Long-standing relationships with a large, diversified and loyal customer base

Company serve a diverse set of customers, including (a) small pharmaceutical and emerging biotech companies who outsource endto-end services, (b) large-scale pharmaceutical customers (such as Bayer AG) who have multiple projects and larger R&D budgets, including those who acquire small pharmaceutical and emerging biotech companies, and (c) mid-sized pharmaceutical customers who are both innovator and generic focused with faster time-to-market

COMPANY BACKGROUND

As a one-stop service provider, company serve a range of customers, encompassing innovator-focused emerging biotech and large pharmaceutical companies globally. Company is one of the youngest Indian CRDMO companies and the fastest Indian CRDMO among the assessed peers to achieve a milestone of ₹10,000 million of revenue within 14 years of operations, reaching this milestone in Fiscal 2021, according to the F&S Report. Company also recorded the highest revenue growth in Fiscal 2024 to Fiscal 2025 as compared to company's assessed peers in India and globally, according to the F&S Report.

Innovation forms the cornerstone of company's organization, and have undertaken several initiatives to differentiate itself across modalities and manufacturing capabilities aimed at meeting company's customers' evolving requirements while maintaining a commitment to sustainability and efficiency. These include the following:
• Innovation in modalities: With innovation at the center of company's operations, have developed various platforms such as RNA interference ("RNAi"), Antibody-Drug Conjugates ("ADCs"), peptides, lipids and oligonucleotides over time. Company's innovative capabilities include the following:

o Company was one of the first in India to venture into ADC development, where it worked on the first Linker in 2016, as per the F&S Report and saw the molecule successfully moving to Late Phase as of March 31, 2025.
Company also worked on the first payload for monoclonal antibodies ("mAbs") in 2019, as per the F&S Report, with the molecule currently in Early Phase as of March 31, 2025.
o In 2016, company started working on glycolipids as a modality for RNAi delivery, which represents a significant step forward in the field of gene expression amongst Indian CRDMOs, as per the F&S Report.

• Advanced technologies and manufacturing capabilities: Company have proactively made various investments to enhance its manufacturing capabilities including through increasing its manufacturing capacity and machine automation to improve efficiency and quality. Company have also focused on enhancing company's competitive positioning through advancements in company's technological platforms across different modalities and techniques. Company is one of the pioneers for green chemistry techniques in India having introduced biotransformation as a manufacturing capability in 2014 and flow chemistry in 2019, according to the F&S Report. Such green chemistry techniques have enabled company to reduce wastage and realize cleaner reactions thereby achieving cost efficiencies. As of the date of this Red Herring Prospectus, company's technologies and manufacturing capabilities include custom synthesis, flow chemistry, fermentation and biotransformation. According to the F&S Report, company's bio-catalysis and biosynthesis capabilities enable it to provide differentiated solutions for custom synthesis and chemical manufacturing using enzymes, and companye plan to continue to invest in advanced technologies in company's business processes.
• Investments to enhance company's service offerings: Over the years, company have made investments to enhance its offerings across modalities and technologies. These include the following:
o Establishing company's solid-state peptide synthesis laboratory in 2016, o Introducing large scale fermentation manufacturing capabilities in 2017,
o Scaling its custom synthesis capacity by 24 kL in 2012 to 270 kL in October 2022,
o Setting up a cGMP-scale continuous flow manufacturing facility in 2022, and
o Developing oligonucleotide synthesis laboratory in 2023.

Company's business comprises CRDMO services and the manufacture and sale of specialty ingredients. Company's CRDMO business caters to customers in regulated markets, while its specialty ingredients business complements company's CRDMO business by targeting both regulated markets (such as United States and Europe) as well as semi-regulated markets 185 (such as India, South and Southeast Asia, Latin America and Middle East). Company's specialty ingredients business enables it to draw on its technological capabilities across biology and chemistry and leverage its fermentation capacity to manufacture and commercialize specialty ingredients as an additional revenue stream. Company's products and services offered under these 2 businesses are as outlined below:
• CRDMO Services: Company offer a comprehensive, integrated and highly customizable range of CRDMO services across the NCE and NBE lifecycles, from target identification and lead selection to preclinical development, supporting its customers by manufacturing development batches of molecules used for clinical (Phase I, II and III) trials, and by offering commercial manufacturing capabilities. According to the F&S Report, company is the only CRDMO in India among the assessed peers with a strong capability in both small molecules and biologics (large molecules). With a strong presence across various modalities, such as RNAi, ADC, peptides, lipids and oligonucleotides, and manufacturing techniques, such as flow chemistry, enzymatic processes, biocatalysis and fermentation, company offer a wide range of technology capabilities for drug development relative to its assessed peers in India, according to the F&S Report. Company's revenue generated from its CRDMO services comprise revenues from research and development services ("R&D") and developmental and commercial manufacturing ("D&M").
• Specialty Ingredients: Company manufacture and sell complex specialized fermentation-based Active Pharmaceutical Ingredients ("APIs"), including probiotics, enzymes, peptides, nutritional actives, vitamin analogues and biosimilars. Company's specialty ingredients business is complementary to company's CRDMO business. Company is one of the few Indian CRDMOs with specialty ingredients offerings which are sold in both regulated and semi-regulated markets, according to the F&S Report, contributing to its overall growth and enhancing company's manufacturing credentials with global customers.

INVESTMENT RATIONALE	
Company's innovation-focused approach has enabled company to offer a spectrum of technologically advanced solutions across modalities and manufacturing practices	Since company's inception in 2007, its core focus has been to adopt a culture of innovation across company's business practices and work towards building unique advanced technological capabilities. According to the F&S Report, company is one of the few Indian companies which focuses on new biologics (large molecules) platforms and company offer a wide range of technology capabilities for drug development relative to its assessed peers focusing on biologics, including biotransformation, flow chemistry, RNAi platforms, and fermentation-based manufacturing. Company's CRDMO platform comprises 5 main modalities (RNAi, ADC, peptides, lipids and oligonucleotides) and 4 manufacturing capabilities (custom synthesis, flow chemistry, fermentation and biotransformation). According to the F&S Report, company is the only CRDMO in India among the assessed peers with a strong capability in both small molecules and biologics (large molecules). According to the F&S Report, company is also one of the pioneers in India to introduce biotransformation as a manufacturing capability in 2014 and flow chemistry in 2019 as well as one of the first to utilize green chemistry techniques such as biotransformation, micellar technology, pincer catalysis, and other innovative manufacturing techniques, including flow chemistry, in India
Wide specialty ingredients portfolio, well positioned to capitalize on the large market opportunity for niche specialty ingredients such as GLP-1, fermentation-based products, probiotics, enzymes, nutritional actives, vitamin analogues and biosimilars	In company's specialty ingredients business, company have leveraged itstechnological capabilities across biology and chemistry and developed and commercialized specialty products, serving as a complementary revenue stream. For the Fiscals 2025, 2024 and 2023, specialty ingredients accounted for ₹3,384.60 million, ₹3,362.01 million and ₹2,488.32 million or 18.35%, 23.69% and 23.54% of company's revenue, respectively. The specialty ingredients market is broadly divided into biosimilars which includes microbial and mammalian, vitamin K2, probiotics, peptides, industrial enzyme, protease, serratiopeptidase, nutritional actives and, vitamin analogues, according to the F&S Report. Company's specialty ingredients business demonstrates its technological capabilities as it often involves the use of complex methods. For instance, company successfully produced and commercialized natural Vitamin K2 (Menaquinone-7) through an innovative biotransformation process, combining chemical synthesis and fermentation. Company's specialty ingredients portfolio includes Fermentation Products, Probiotics, Enzymes, Nutritional Actives, Vitamin Analogues, Biosimilars and APIs. According to the F&S Report, among the assessed companies, very few global CRDMOs have sizeable fermentation capacity. As the company with the largest fermentation capacity of 142 kL as of March 31, 2025 among all assessed Indian CRDMOs, according to the F&S Report, company is well-equipped to capture market share in this segment. In 2024, company secured 2 contracts with major pharmaceutical companies based in India and the United States for the development and manufacturing of niche probiotics and biosimilars products
Demonstrated industry-leading growth, profitability and capital efficiency from Fiscal 2023 to Fiscal 2024 alongside a robust growth pipeline	Company is one of the top CRDMO players among the assessed peers in India and have achieved several industry-leading metrics in profitability and capital efficiency among the assessed peers, positioning company as a benchmark in the CRDMO sector, according to the F&S Report. According to the F&S Report, company is one of the youngest Indian CRDMO companies and the fastest Indian CRDMO among the assessed peers to achieve a milestone of ₹10,000 million of revenue within 14 years of operations, reaching this milestone in Fiscal 2021, as compared to its assessed peers in India.

OBJECTS OF OFFER

The objects of the Offer are to (i) to carry out the Offer for Sale by the Selling Shareholders aggregating up to ₹ 33,950.00 million; and to achieve the benefits of listing the Equity Shares on the Stock Exchanges.

RISKS

Company's business depends on the demand for its CRDMO services, which contributed to 81.65% of its revenue from operations in Fiscal 2025. Any adverse impact on company's CRDMO customers' business or the industries in which they operate may have a material adverse effect on company's business.

Source:RHP

INDUSTRY OVERVIEW

GLOBAL API AND SPECIALTY INGREDIENTS MARKET OVERVIEW

5.1 GLOBAL API MARKET

Active Pharmaceutical Ingredient (API) is any substance or combination of substances used in a finished pharmaceutical product (either small molecules or biologics (large molecules)), which is intended to furnish pharmacological activity or to otherwise have a direct effect in the diagnosis, cure, mitigation, treatment or prevention of disease, or to have direct effect in restoring, correcting or modifying physiological functions in human beings. The effectiveness and safety of a drug are closely linked to its precise API. As pharmaceutical demand rises, so does the need for APIs. The global API market was valued at USD 285.2 billion in 2024 and is projected to reach USD 399.9 billion by 2029, driven by increased drug consumption, including biologics (large molecules) and small molecules. The pharma industry is seeing a rise in demand for complex APIs like Highly Potent Active Pharmaceutical Ingredients (HPAPIs) and those derived from fermentation processes. These APIs offer enhanced drug efficacy but have higher production costs and technical complexity. Fermentation-derived APIs, produced through microbial or cell line fermentation, are integral to a wide range of pharmaceutical products. Fermentation technology provides economic advantages and a faster route to market, especially for protein, peptide, and antibody drugs.

KEY SUCCESS FACTORS FOR INDIAN CRDMOs, CROs, AND CDMOs

To grow to even larger scales and compete with global CRDMOs, Indian CRDMOs will have to focus on quality, offer scalability-flexibility-competency, and be able to serve across larger parts of the pharma value chain. Pharma companies seek reliability, specialization, and quality of services to select the right partner in this highly fragmented market with more than 1,000 CROs and CDMOs as of March, 2025. To stand out and win global market share, Indian CRDMOs need to emerge as true, long-term partners for pharmaceutical sponsors.

Full-Service Offerings: While sponsors highly value expertise and specialization across various therapy areas, drug development stages, and geographic regions, the convenience of working with a single vendor will always be preferred as it helps to streamline processes, shorten time to market, reduce project management complexities, optimize cost and technology transfer, and invest in building future capabilities with their partners. CRDMOs, thus need to offer comprehensive end-to-end services spanning non-clinical to clinical to post-marketing activities, including regulatory affairs, medical communication and writing, pharmacovigilance, post-approval services, Health Economic Outcomes Research (HEOR), and small to large-scale manufacturing.
Investments For Continuous Improvement: CRDMOs must strive to enhance and expand their capabilities, infrastructure, and suite of expertise on a constant basis. Investments are necessary to build scale for serving multiple sponsors simultaneously. CRDMOs must also embrace manufacturing technology upgrades and transition to green and sustainable manufacturing practices to enhance profitability for partners and to comply with environmental regulations. Together, these factors drive a preference for partnerships with sponsors.
Strong Delivery Track Record: A proven track record of successfully commercializing pharmaceutical products is crucial for building trust securing long-term partnerships and expanding the client base. Since efficiency and costeffectiveness are primary drivers for outsourcing clinical research & development, CRDMOs must adhere to pharma sponsors' budgets while ensuring timely delivery. Implementation of an effective risk mitigation framework by leveraging technology to protect delivery timelines and budgetary slippages is critical for success. Indian CRDMOs have an increasingly strengthening record of successful projects. For example, Anthem Biosciences has a history of commercializing 10 molecules, of which 5 of the top 6 commercialized molecules based on its revenue for Fiscal 2025 have an end-market value of USD 11.3 billion in 2024 and expected capture USD 21.4 billion by 2029. This helps the company build a pipeline of 242 ongoing projects with 145 projects in early-phase development and 16 projects in late-phase development of the NCE/NBE lifecycle for the fiscal year ended March 31, 2025.

Consolidated Financials

(Rs in Mn)

Financials	FY23	FY24	FY25
Total Revenue (A)	10569.24	14193.70	18445.53
Total Expenditure (B)	6280.38	9143.92	11737.17
EBIDTA	4288.86	5049.78	6708.36
EBIDTA Margin	40.58	35.58	36.37
Other Income	770.68	636.99	857.32
Depreciation	636.96	818.24	893.71
EBIT	4422.58	4868.53	6671.97
Interest	67.63	95.35	103.29
PBT	4354.95	4773.18	6568.68
Share of profit in Asso	0.00	0.00	0.00
PBIT	4354.95	4773.18	6568.68
Exceptional	618.02	0.00	0.00
PBT	4972.97	4773.18	6568.68
Tax	1121.13	1100.08	2056.08
PAT	3851.84	3673.10	4512.60
NPM	36.44	25.88	24.46
ROE%	24.93	20.03	20.82
EPS	6.75	6.48	8.07
Eq Cap	1,140.97	1,118.15	1,118.14
Net Worth	17,406.68	19,246.54	24,098.63

(Source: RHP)

Peer Comparison

Company Name	Face Value	EPS	P/E	ROE %	NAV
Anthem Biosciences Limited	***2.00***	***8.07***	***--***	***20.82***	***43.10***
Peers					
Syngene International Limited	10.00	12.35	51.54	11.05	117.42
Sai Life Sciences Limited	1.00	8.83	92.18	10.96	102.12
Cohance Lifescienc es Limited (Formerly Suven Pharmaceuticals)	1.00	10.52	97.29	13.61	72.31
Divi's Laboratories Limited	2.00	82.53	83.22	15.35	564.87

(Source: RHP)

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