MOLBIO DIAGNOSTICS LIMITED

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IPO Report

10th Aug 26

Snapshot

Company is an innovative point-of-care ("**POC**") diagnostics company focused on expanding access to accurate, rapid and cost-effective healthcare technologies to diagnose infectious and non-communicable diseases. Company have developed its 'Truenat' platform, which is a novel POC polymerase chain reaction ("**PCR**") platform that can operate in resource limited settings since its battery operated, facilitating decentralized diagnosis within an hour. As of March 31, 2026, Truenat is patented in more than 100 countries for the diagnosis of multiple infectious and non-communicable diseases. As of March 31, 2026, company offer molecular testing for 30 diseases, including tuberculosis ("**TB**"), COVID, Hepatitis B and C, Human immunodeficiency virus ("**HIV**"), and Human Papillomavirus ("**HPV**") with 43 assays.

VALUATION

Company is bringing the issue at price band of Rs 768-807 per share at p/e multiple of 57x on post issue FY26 basis.

Company is well placed to address unmet demand in a large and growing molecular diagnostic market with gaining credence of point-of-care testing .Also, company has Innovative, R&D focussed business have developed and commercialized a novel portable multi-disease point-of-care molecular diagnostics platform. Company have a scalable business model with strong entry barriers, high proportion of recurring revenues and a growing suite of tests. Company's strategic collaborations and acquisitions enhance company's capabilities and offerings . Hence, we recommend "Subscribe" to issue.

Price Band (Rs./Share)	**768-807**
Opening date of the issue	**10th Aug '2026**
Closing Date of the issue	**12th Aug '2026**
No of shares pre issue	11,27,59,750 Eq Shares
Issue Size	Rs 904-940 Cr
Fresh Issue	Rs 200 Cr
OFS	91,66,000 Eq Shares
Face Value (Rs/ share)	Rs 1/share
Bid Lot	18
Employee Discount	Rs 76/share
BIDDING DETAILS	
QIBs (Including Anchor)	50% of the offer (Approx 58,12,862 eq Shares)
Non-Institutional	15% of the offer (Approx 17,43,860 eq Shares)
Retail	35% of the offer (Approx 40,69,005 eq Shares)
Employee Reservation	Rs 1.5 Cr
Lead managers	Kotak Mahindra Capital, IIFL Capital, Jefferies India, Motilal Oswal
Registrar to the issue	KFin Technologies Ltd

WHAT WE LIKE

Well placed to address unmet demand in a large and growing molecular diagnostic market with gaining credence of point-of-care testing

Company's 'Truenat' platform enables screening and diagnosis for 30 infectious and non-communicable diseases, including TB, COVID, Hepatitis B and C, HIV, and HPV as of March 31, 2026. Over the years, company have established its expertise in providing testing solutions to the last mile, offering accurate and rapid solutions to improve disease diagnosis and pandemic preparedness. For example, in 2020, company received its first major order of 1,512 devices from the Government of India under the TB Programme, which were then quickly repurposed for COVID 19 testing using its test kits.

Developed and commercialized a novel portable multi-disease point-of-care molecular diagnostics platform

Company have developed and commercialized a novel portable POC molecular diagnostics platform, which uses PCR technology to enable accurate and rapid molecular diagnostics. Company's 'Truenat' platform comprises two portable instruments - the Trueprep universal nucleic acid extraction device, which performs fully automated sample preparation; and the Truelab analyzer, which conducts real-time PCR. These tests are conducted using company's diseasespecific 'Truenat' test kits. These test kits are ready-to-use, room temperature stable, single-use consumables that are pre-loaded with all reagents required to conduct a real-time PCR test on the Truelab analyzers

Scalable business model with strong entry barriers, high proportion of recurring revenues and a growing suite of tests

Company operate in an oligopolistic market with high entry barriers, evidenced by the fact that company's platform underwent 13 years of R&D to obtain ICMR certification and its 'Truenat' platform for diagnosing TB is the only one by an Indian company and one of the only two rapid molecular tests in the world, which has been endorsed by the WHO for initial diagnosis of TB and rifampicin resistance detection using molecular diagnostic technology continued focus on efficiency and productivity improvements and cost rationalization have enabled it to deliver better financial performance.

COMPANY BACKGROUND

Company operate in an oligopolistic market with high entry barriers, evidenced by the fact that its platform underwent 13 years of R&D to obtain Indian Council of Medical Research ("**ICMR**") certification and its 'Truenat' test chip for diagnosing TB is the only one by an Indian company and one of the only two rapid molecular tests in the world, which has been endorsed by the World Health Organization ("**WHO**") for initial diagnosis of TB and rifampicin resistance detection using molecular diagnostic technology.

Company also provide devices, enabling radiology, digital pathology and breast health screening, through its Subsidiaries, Prognosys and OptraScan and collaboration partner - UE Lifesciences. Further, company is focussed towards building a pipeline of additional products and platforms that are currently at various stages of development.

The total addressable market for global POCT (based on the number of tests conducted) currently stands at USD 29.3 billion (equivalent to ₹ 2,588.6 billion) (infectious and non-infectious diseases) and is projected to grow at CAGR of 17.9% between 2025 and 2030 to be a USD 67.1 billion (equivalent to ₹ 5,928.2 billion) market by 2030. (Source: 1Lattice Report) Infectious diseases remain one of the most critical global health challenges, accounting for approximately 31.0% (19.4 million) of global deaths in 2023. Of the estimated 1.5 million deaths globally caused by infectious diseases like TB, hepatitis and HPV, an average of over 4,100 deaths occurred daily. (Source: 1Lattice Report) Limited access to affordable diagnostics solutions, inadequate infrastructure, including electricity and laboratory resources, and a lack of facilities pose significant obstacles to providing healthcare for patients with infectious and non-communicable diseases, particularly in underserved populations across the globe. Molecular diagnostics tests play a crucial role in detecting specific infectious and non- communicable diseases, conditions, and genetic variances, enabling healthcare providers to enhance patient outcomes and reduce healthcare costs by facilitating early and accurate disease diagnosis and improved disease monitoring.

Company's 'Truenat' platform, equipped with fully automated, user-friendly features such as portability, simple workflow and rapid sample-to-result turnaround time, is designed to perform a wide array of tests swiftly and efficiently with high sensitivity and specificity compared to conventional diagnostic methods. (*Source: 1Lattice Report*) These features address the challenges faced by underserved populations worldwide, including limited access to diagnostic facilities, cost-effective diagnostic solutions, timely detection and treatment of diseases and electricity-dependent laboratory infrastructure. Company aim to establish a new standard of healthcare by ensuring accessibility to advanced testing technology for underserved populations globally through portable and cost effective testing solutions that deliver accurate results, ensuring essential medical care. Company's 'Truenat' platform comprises two portable instruments - the Trueprep universal nucleic acid extraction device, which performs fully automated sample preparation; and the Truelab analyzer, which conducts real-time PCR and is available in three variants: UnoDx, Duo, and Quattro, which are capable of performing one, two, and four tests simultaneously, respectively. These tests are conducted using its disease-specific 'Truenat' test kits. These test kits are ready-touse, room temperature stable, single-use consumables that are pre-loaded with necessary reagents required to conduct a real-time PCR test on the Truelab analyzers.

Company have strong in-house research and development ("**R&D**") capabilities with a focus on designing and developing diagnostic platforms that address clinical needs and can be deployed in POC settings through company's wholly-owned Subsidiary, Bigtec Private Limited ("**Bigtec**"). Bigtec was incorporated in 2000 and became company's wholly-owned Subsidiary in 2015. Company's dedicated R&D unit is based in Bengaluru, Karnataka. During the COVID- 19 pandemic, company's platform was crucial in India's efforts to fight the COVID virus and was among the first to be approved by ICMR for testing of COVID.

OBJECTS OF OFFER

The Offer comprises of a Fresh Issue, aggregating up to ₹ 2,000.00 million by Company and an Offer for Sale of up to 9,166,000 Equity Shares by the Selling Shareholders.

Fresh Issue

Company proposes to utilise the Net Proceeds from the Fresh Issue towards funding the following objects:

1. Funding capital expenditure towards the setting up of infrastructure for a research and development facility and Center of Excellence which will be operated by company's wholly-owned Subsidiary, Bigtec and connected office space for Company, Subsidiaries and Associate,
2. Funding capital expenditure towards the purchase of certain plant, machinery and other equipment for Goa Unit I, Goa Unit II and Visakhapatnam Unit, and
3. General corporate purposes

RISKS

Company derive a portion of its revenues from the sale of its products to the Indian central and state governments, and international aid agencies for their public healthcare programs. Company's revenue from such government and international aid agencies was 84.56%, 87.83% and 91.60% of revenue from contracts with customers - sale of products - finished goods in Fiscals 2026, 2025 and 2024, respectively. Any unfavourable policy changes by these agencies or a decrease in funding for public healthcare programs may impact the sale of company's products and adversely affect its business, financial condition, results of operations and cash flows. Further, company's revenue from the top 10 customers was 83.26%, 83.62% and 78.54% of revenue from contracts with customers - sale of products - finished goods in Fiscals 2026, 2025 and 2024, respectively. The loss of any of these customers or a decline in demand for company's products from them could also have an adverse effect on company's business, financial condition, results of operations and cash flows.

Source: RHP

Consolidated Financials

(Rs in Mn)

Financials	FY24	FY25	FY26
Total Revenue (A)	8365.61	10204.18	14456.87
Total Expenditure (B)	6023.80	7581.95	11242.44
EBIDTA	2341.81	2622.23	3214.43
EBIDTA Margin	27.99	25.70	22.23
Other Income	40.98	75.18	94.83
Depreciation	410.08	445.53	636.40
EBIT	1972.71	2251.88	2672.86
Interest	144.46	176.58	334.66
PBT	1828.25	2075.30	2338.20
Share of profit in Asso	-0.17	-19.70	-21.98
PBIT	1828.08	2055.60	2316.22
Exceptional	531.69	111.32	4.85
PBT	1296.39	1944.28	2311.37
Tax	460.97	558.49	669.97
PAT	835.42	1385.79	1641.40
NPM	9.99	13.58	11.35
ROE%	12.62	15.23	14.55
EPS	9.05	12.87	14.77
Eq Cap	22.54	22.56	112.76
Net Worth	8,288.37	9,672.85	13,087.76

(Source: RHP)

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