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INITIAL PUBLIC OFFER (IPO)

11-07-2025

ANTHEM BIOSCIENCES LTD — 14-07-2025 TO 16-07-2025

Industry: Pharmaceuticals
Recommendation: Subscribe for long term

Price Band: ₹540-570
Post Implied Market Cap: – ₹30,190 - 31,867 Cr

Key Data

Issue Size (₹ Cr)	3,395
Fresh (₹)	0
OFS (₹)	3,395
No of shares offered	-
Face Value (₹ /share)	2
Bid Lot	26

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	17/07/2025
Refunds/Unblocking ASBA Fund	18/07/2025
Credit of equity shares to DP A/c	18/07/2025
Trading commences	21/07/2025

Shareholding (No. of shares)

Pre-Issue	551,610,051
Post Issue (Lower price band)	551,610,051
Post Issue (Higher price band)	551,610,051

Shareholding Pattern

Promoters	
Pre Issue	70.78%
Post Issue	68.60%
Promoters Group	
Pre Issue	6.09%
Post Issue	6.09%
Public-Investor Selling S/h	
Pre Issue	11.68%
Post Issue	6.54%
Public - Other Selling S/h	
Pre Issue	11.00%
Post Issue	7.72%
Public - Others:	
Pre Issue	0.45%
Post Issue	11.06%

Issue Breakup

QIB	50%
NIB	15%
Retail	35%

Other Details

BRLMs: JM Financial, Citigroup Global, J.P. Morgan India, Nomura Financial

Registrar: KFin Technologies Ltd.

Listing: BSE & NSE

Research Analyst

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About the Company

Anthem Biosciences Ltd (Anthem) is a leading innovation-driven CRDMO in India, offering fully integrated services across drug discovery, development, and manufacturing for both small and large molecules (biologics). It stands out as one of the few Indian firms with end-to-end NCE and NBE capabilities and is a pioneer in biologic manufacturing. Anthem leverages green chemistry (e.g., biotransformation, flow chemistry) and has delivered over 8,000 projects for more than 675 global clients over 15 years.

Investment Rationales

1) Comprehensive one-stop service capabilities across the drug life cycle (drug discovery, development and manufacturing) for both small molecules and biologics : Anthem is a rare Indian CRDMO with fully integrated NCE and NBE capabilities across discovery, development, and manufacturing for both small and large molecules. Since 2007, it has completed 8,000+ projects for 675+ clients. As of FY25, it has a strong pipeline of 242 projects, including 68 in discovery, 145 in early phase, and 16 in late phase, with active work in ADC (Antibody Drug Conjugate) development.

2) Innovation-focused approach to offer a spectrum of technologically advanced solutions across modalities and manufacturing practices : Anthem is the only Indian CRDMO with a strong presence in both small molecules and biologics, and is among the few focused on new biologics platforms. Since 2007, it has prioritized innovation and advanced technologies, offering the widest range of capabilities among biologics peers—such as biotransformation, flow chemistry, RNAi platforms, and fermentation-based manufacturing. It pioneered biotransformation (2014) and flow chemistry (2019) in India, with early adoption of green chemistry techniques.

3) Differentiated business model catering to the needs of small pharmaceutical and emerging biotech companies from discovery to commercial manufacturing : As of March 2025, 87% of Anthem's CRDMO clients were small pharma and emerging biotech firms, known for faster innovation and VC-backed growth. Anthem has partnered with 250+ such companies in the last 3 years, with 3 of 10 commercialized molecules originating from these clients—some later acquired by large pharma players.

4) Fully built-out automated manufacturing infrastructure with a consistent regulatory compliance track record : Anthem's manufacturing facilities are highly automated with advanced systems like Distributed Control System (DCS), integrating APIs, fermentation, and biologics to ensure quality and safety. They've received key global regulatory approvals (USFDA, TGA, ANVISA, PMDA) and underwent 42, 50, and 34 audits in FY25, FY24, and FY23, respectively. Anthem is also a pioneer in green chemistry in India, using techniques like biotransformation, flow chemistry, micellar tech, and pincer catalysis.

Risk

1) High regulated industry.
2) High client concentration.

MView

We believe Anthem Biosciences Ltd IPO brings investors an opportunity to invest in the high-growth CRDMO space, uniquely positioned with fully integrated capabilities across small and large molecules, including NCE and NBE platforms—a rarity in India. We think with a strong track record of 8,000+ projects, deep engagement with 675+ clients, and a robust pipeline of 242 active projects, Anthem has demonstrated sustained innovation through early adoption of advanced modalities like ADC, RNAi, and flow chemistry, and a leadership position in green chemistry. We also think company's strategic focus on small and emerging biotech's has yielded long-standing relationships and proven value, evidenced by multiple clients being acquired by large pharma. By looking at the financials, company has demonstrated strong revenue from growth in FY 2024 and 2025 growing by 34.3% and 30% while the net profit surge by 22.9% in FY 2025 from a dip of 4.6% in FY 2024. On valuation parse at the upper price band of ₹570/-, the issue is asking for a market cap of ₹31867 cr. Based on FY 2025 annualized earnings and fully-diluted post-IPO paid-up capital, the company is asking for PE of 70x valuation and it does appear premium on the surface but when we look at the industry peer which are trading at an avg of ~80-90x, Anthem ask price looks reasonable leaving something on table for new investors. Considering the strong structural growth opportunity in CRDMO space and company has differentiated, innovation led platform, we believe it may command premium valuation relative to its peers post listing. As it is operationally, highly automated, globally compliant facilities and 100+ audits over three years reinforce execution strength and quality standards. Hence, looking at its all attributes we recommend investors to "SUBSCRIBE" the Anthem Biosciences ltd IPO for long-term perspective. For long-term investors, Anthem offers a strong structural story in a booming Indian CRDMO segment, justify the premium.

CONSOLIDATED FINANCIAL TABLES

BASIC FINANCIAL DETAILS

	As at March' 31		
Particulars ₹ (in Cr)	2025	2024	2023
Equity Share Capital	111.82	111.82	114.1
Reserves as stated	2,298.05	1,812.84	1,626.57
Net worth	2,409.9	1,924.7	1,740.7
Total Borrowings	109.0	232.5	125.1
Revenue from Operations	1,844.6	1,419.4	1,056.9
Revenue Growth (%)	30.0%	34.3%	-
EBITDA	683.8	520.0%	446.1
EBITDA Margin (%) as stated	36.8%	36.3%	41.5%
Net Profit for the period	451.26	367.31	385.19
Net Profit (%) as stated	23.4%	25.7%	31.7%
Restated EPS-Basic	8.07	6.48	6.75
RONW (%)	20.8%	20.0%	24.9%
ROCE (%)	27.64%	25.22%	28.9%
Net Asset Value (₹)	43.10	34.43	30.51
Debt to Equity	0.05	0.12	0.07

Source: Company RHP

COMPARISON WITH INDUSTRY LISTED PEERS ₹ (in Cr)

Companies	Total Revenue from Ops (₹ cr)	Mcap (in Cr)	FV	EPS	NAV (₹ per share)	P/B	P/E	RoNW
Anthem Biosciences	**1,844.55**	**31867**	**2**	**8.07**	**43.1**	**13.3**	**70.9**	**20.8%**
Syngene International	3,642.40	25585	10	12.35	117.4	5.4	54.1	11.1%
Sai Life Sciences	1,694.57	16406	1	8.6	102.1	7.5	94.6	11.0%
Suven Life Sciences	1,197.58	5866	1	10.5	72.3	53.3	-	13.6%
Divi's Laboratories	9,360.00	182699	2	82.5	564.9	12.2	83.4	15.4%

Date as on 31st March 2025, Cline Mcap,PE, PB calculated as on 10—07-2025
Anthem Biosciences Ltd, EPS/PE, P/B, NAV calculated on annualised basis post money

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Msearch’s Recommendation (Absolute Performance)
Buy: > 20% within the next 12 Months
Accumulate: 5% to 20% within the next 12 Months
Sell : < -20% within the next 12 Months

PRASHANTH TAPSE

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