

May 2, 2024

IPO Note

## IPO NOTE

### Issue Details

**Price Band:** ₹ 430 to ₹ 452  
**Employee Discount:** ₹ 30/Share  
**Issue Opens on:** May 6, 2024  
**Issue Closes on:** May 8, 2024  
**Lot Size:** 33 Shares & in Multiples thereafter

### Issue Highlights

**Issue Size:** ₹ 1,841.76 Cr.  
**No of Shares:** 40,746,891  
**Face Value:** ₹ 2

### Offer Structure

Issuance	₹ in Cr.
Fresh Issue	760.00
Offer for Sale	1,081.76
<b>Total</b>	<b>1,841.76</b>

### Issue Breakup

Reservation for	% of Issue	₹ in Cr. (at upper band)
QIB	50	914.63
HNI	15	274.39
Retail	35	640.24
Employee	-	12.50
<b>Total</b>	<b>100</b>	<b>1,841.76</b>

### Listing

BSE &amp; NSE

### Lead Managers

- Kotak Mahindra Capital Company Limited  
 - Citigroup Global Markets India Private Limited  
 - J.P. Morgan India Private Limited  
 - Nomura Financial Advisory and Securities (India) Private Limited

### Registrar

Link Intime India Private Limited

### ANALYST

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## COMPANY OVERVIEW

Indigene provide digital-led commercialization services for the life sciences industry, including biopharmaceutical, emerging biotech and medical devices companies, that assist them with drug development and clinical trials, regulatory submissions, pharmacovigilance and complaints management, and the sales and marketing of their products. The solutions enable life sciences companies to develop products, launch them in the market, and drive sales through their life cycle in a more effective, efficient and modern manner. Their portfolio of solutions cover all aspects of commercial, medical, regulatory and R&D operations of life sciences companies.

The company achieve this by combining over two decades of healthcare domain expertise and fit-for-purpose technology. Their portfolio of solutions cover all aspects of commercial, medical, regulatory and R&D operations of life sciences companies. They have established client relationships with each of the 20 largest biopharmaceutical companies in the world by revenue for the FY 2023 having earned more than 69.00% of the total revenue from operations for each of the nine months ended December 31, 2023 and 2022 and the FY 2023, 2022 and 2021 from these 20 customers. As of December 31, 2023, they had a total of 65 active clients.

Company's Enterprise Commercial Solutions and Omnichannel Activation solutions cater to the commercial functions of life sciences companies while their Enterprise Medical Solutions and Enterprise Clinical Solutions cater to their medical and R&D functions. They also provide digital asset management, marketing automation, customer data management and analytics solutions to measure the effectiveness of marketing campaigns. Since their inception, it has completed a total of 13 acquisitions, and enjoyed synergistic benefits from each of these acquisitions.

### HIGHLIGHTS

1. Domain expertise in healthcare
2. Robust digital capabilities and in-house developed technology portfolio
3. Track record of establishing long-standing client relationships
4. Global delivery model
5. Track record of creating value through acquisitions

### OBJECTS OF THE ISSUE

1. Repayment/prepayment of indebtedness of one of their Material Subsidiaries, ILSL Holdings, Inc. (₹ 391.33 Cr.)
  2. Funding the capital expenditure requirements of the Company and one of their Material Subsidiaries, Indegene, Inc. (₹ 102.91 Cr.)
  3. General corporate purpose.
- Offer for Sale of up to 23,932,732 Equity Shares by selling shareholders. The company will not receive any proceeds from the Offer for sale.

### OUR VIEW

Founded in 1998, Indegene Limited provides digital services for the life sciences industry. They assist with drug development, clinical trials, regulatory submissions, pharmacovigilance, complaints management, and sales/marketing support. Indegene is well positioned to benefit from the expected growth in life sciences operations expenditure, which was estimated at ₹12.0 trillion (US\$156 billion) in 2022 and is expected to grow at a CAGR of 6.5% to reach ₹15.5 trillion (US\$201 billion) in 2026.

The company has a proven track-record of creating value via acquisitions. The primary strategy of the company remains to develop the technology portfolio and pursue strategic acquisitions. The company's operations are highly concentrated from the life-science space. The company faces competition from various business segments like IT companies, Contract research offices etc. The company has proposed to use majority of it net proceeds to retire the debt of their subsidiaries.

The revenue CAGR for the period FY 21-23 stood at about 54.5%. The company operated on an EBITDA margin of 19.7% and PAT margin of 11.5% for year ended FY23. The number was 21.9% and 12.6% respectively for 9MFY24. Generating an ROE of 25% for FY23.

The issue is priced at a P/BV of 7.55 based on its NAV of Rs. 59.86 as at 9MFY24. The company is asking for a PE multiple of 37.76x on the upper end of the price band and using diluted EPS for FY23 (₹ 11.97) and a PE of 31.3x annualizing diluted EPS for 9MFY24 (₹ 10.84).

There are no listed companies in India and globally. Looking at all the factors, risks, opportunities and valuation, investors may apply for the issue with medium to long term view.

### Brief Financials

PARTICULARS	As at December 31, 2023			₹ in Million
		FY '23	FY '22	FY '21
Total Income	19,697.49	23,640.98	16,904.97	9,969.20
Total Expenditure	16,446.42	20,010.51	14,171.02	7,682.47
EBITDA	4,198.51	4,541.89	2,659.10	2,639.65
Profit before Tax	3,251.07	3,630.47	2,264.96	2,314.62
Profit after Tax	2,419.02	2,660.99	1,628.18	1,494.13
E.P.S. (Diluted)	10.84*	11.97	7.46	8.74
P/E (x) (Diluted)	-	37.76	-	-
RONW (%)	18.23*	25.02	21.57	46.04

\* Not Annualised

### PRICE CHART (@ ₹ 452) (Retail Category)

LOT SIZE	Amount
33	14,916
66	29,832
99	44,748
132	59,664
165	74,580
198	89,496
231	104,412
264	119,328
297	134,244
330	149,160
363	164,076
396	178,992
429	193,908

### HNI Payment Chart

Category	No. of Shares	Minimum Bid Lot Amount(Rs.)
Small HNI	462	208,824
Big HNI	2,244	1,014,288

### Indicative Time Table

Tentative Events	Indicative Dates
Finalisation of Basis of Allotment with the Designated Stock Exchange	09/05/2024
Initiation of refunds/unblocking ASBA Fund	10/05/2024
Credit of Equity Shares to demat accounts of Allottees	10/05/2024
Commencement of trading of the Equity Shares on the Stock Exchanges	13/05/2024

**For more details, Please refer RHP,**

<https://resources.indegene.com/indegene/investor-relations/investor-update/red-herring-prospectus/indegene-limited-red-herring-prospectus.pdf>

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