



IPO NOTE

SAI LIFE SCIENCES LIMITED



Rating:
NEUTRAL



ISSUE OFFER

Issue Opens on	DEC 11, 2024
Issue Close on	DEC 13, 2024
Total IPO size (cr)	₹3,042.62
Fresh issue (cr)	₹950.00
Offer For Sale (cr)	₹2,092.62
Price Band (INR)	522-549
Market Lot	27
Face Value (INR)	₹1
Listing At	NSE, BSE
Market Capitalization (cr)	11418.63

ISSUE BREAK-UP (%)

QIB Portion	<div style="width: 50%;"></div>	50%
NII Portion	<div style="width: 15%;"></div>	15%
Retail Portion	<div style="width: 35%;"></div>	35%

INDICATIVE TIMETABLE

Basis of Allotment	16-12-2024
Refunds/Unblocking ASBA Fund	17-12-2024
Credit of Share to Demat A/c	17-12-2024
Listing Date	18-12-2024

Sai Life Sciences Limited an innovator-focused, contract research, development, and manufacturing organization. It provides end to-end services across the drug discovery, development, and manufacturing value chain, for small molecule new chemical entities ("NCE"), to global pharmaceutical innovator companies and biotechnology firms.

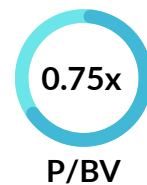
OBJECTS OF THE ISSUE

- Payment of borrowings.
- General corporate purposes.

FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (IN CRORE)	FY 2024	FY 2023	FY 2022
Equity Share Capital	18	18	17.94
Net Worth	975.1	888	878.5
ROCE %	10.26%	5.13%	3.21%
Revenue	1465.1	1217.1	869.5
Operating Profit Margin %	20.48%	14.97%	15.07%
Net Profit of the year	82.8	9.9	6.2

FINANCIAL RATIOS OF FY24



OUTLOOK & VALUATION

- The company discovers, develops, and manufactures small-molecule new chemical entities.
- Its financial performance has been positive with a sharp rise in profitability.
- High proportion of OFS, with limited direct benefits to the company.
- The IPO is significantly overvalued.
- Given the high valuation and limited direct benefits to the company from the IPO, a cautious approach is recommended.



COMPANY PROFILE

- It possesses (a) discovery/contract research and (b) chemistry, manufacturing, control/contract development, and manufacturing organization capabilities.
- It provides its services through its globally accredited manufacturing and R&D facilities with quality system.
- It has 2,353 scientific staff, with the majority of its scientific team holding advanced degrees, including 302 PhDs and 1,475 master's degrees.
- Its manufacturing facilities have received several regulatory approvals from the USFDA, PMDA, and CDSCO.



COMPETITIVE STRATEGIES

- Increase cross-selling with existing customers and win new customers.
- Continue to build a strong commercial development and manufacturing portfolio of CMC capabilities.
- Pursue more integrated Discovery projects to drive customer stickiness.
- Continue to expand its existing capacity and add new technical capabilities.
- Continue to drive operational excellence initiatives.



KEY CONCERNS

- Subject to extensive government regulation.
- Manufacturing interruptions or delays could affect its ability to meet customer demand.
- Its subsidiary, Sai Life Sciences Inc. has incurred losses.
- Fluctuations in exchange rates may result in foreign exchange losses.
- Pricing pressure from customers may affect its gross margin.
- The have significant working capital requirements.



KEY STRENGTHS

- One of the largest integrated Indian CRDMOs in terms of revenue.
- CDMO platform with a diverse mix of commercial and under-development molecules.
- Fast-growing, integrated Discovery capabilities.
- Long-standing relationship with a diverse customer base.
- Modern R&D infrastructure with a differentiated delivery model.
- Strategic business investments.

COMPARISON WITH LISTED INDUSTRY PEERS

Name of the Company	EPS (Basic)	NAV	P/E	TOTAL INCOME (In CR.)	RONW%
Sai Life Sciences Limited	4.57	53.83	126.42	1465.1	10.26%
Peer Group					
Divi's Laboratories Limited	60.27	511.21	103.0 4	7845	15.96%
Suven Pharmaceuticals Limited	11.80	94.04	109.3 7	1051.3	19.53%
Syngene International Limited	12.71	105.91	73.59	3488.6	13.88%


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