

**Rating: Subscribe**

**Issue Offer**

**Fresh Issue of INR 1,210 Mn (13.3 Mn shares).**

**Issue Summary**

Price Band (INR)	86-91
Face Value (INR)	10
Implied Market Cap (INR mn)	4,836.8
Market Lot	164
Issue Opens on	August 26, 2025
Issue Close on	August 29, 2025
No. of share pre-issue	3,98,51,500
No. of share post issue	5,31,51,500
Listing	NSE / BSE

**Issue Break-up (%)**

QIB Portion	≥75
NIB Portion	≤15
Retail Portion	≥10

**Book Running Lead Managers**

Interactive Financial Services Ltd

**Registrar**

Kfin Technologies Ltd

**Shareholding Pattern**

	Pre-Issue	Post-Issue
Promoters	70.26%	52.68%
Public & Others	29.70%	47.32%

**Objects of the issue**

Exp. Amt (INR Mn.)

Funding capital expenditure requirements for proposed expansion	307.2
Repayment/prepayment in full or in part, of certain outstanding borrowings	50
Funding the working capital requirements of the company	431.5

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Incorporated in 2013, Anlon Healthcare Ltd is a chemical manufacturing company engaged in producing high-purity pharmaceutical intermediates and APIs used in medicines, nutraceuticals, personal care and veterinary products. Its products are manufactured in compliance with global pharmacopeia standards like IP, BP, EP, JP, USP with capabilities extending to custom manufacturing of complex chemicals tailored to client needs. The company has filed 21 Drug Master Files globally and received approvals from ANVISA, NMPA and PMDA for APIs like loxoprofen sodium dihydrate and loxoprofen acid while additional filings for Ketoprofen and Dexketoprofen Trometamol are underway.

**Investment Rationale:**

**Diversified Product Portfolio with Strong Pipeline:** Company offers a wide portfolio of 65 commercialized products, 28 at pilot stage and 49 under laboratory testing, providing a strong base for sustained growth. This diverse product mix across pharmaceutical intermediates and APIs ensures business stability while enabling the company to capture new opportunities in different therapeutic segments.

**High Entry and Exit Barriers Ensuring Customer Loyalty:** Anlon Healthcare faces long customer approval cycles and strict regulatory standards, making vendor changes costly and time-consuming. With its facility audited and approved by 33 customers and agencies and no cancellations to date, the company benefits from strong customer stickiness and repeat business.

**Capacity Expansion to Meet Rising Demand:** Anlon Healthcare currently operates a 400 MTPA manufacturing facility in Rajkot, Gujarat with additional leased land for storage. To cater to increasing demand, the company plans to set up a new manufacturing plant on its nearby freehold industrial land adding 700 MTPA of capacity through an intermediate and API block. This expansion will nearly triple total capacity, enabling production of both existing and new pharma intermediates and APIs strengthening growth prospects.

**Valuation & Outlook:** Anlon Healthcare is positioned to benefit from its diverse product portfolio, regulatory approvals and planned capacity expansion. While long customer approval cycles create high entry barriers and promote customer stickiness, they may also delay new client acquisition. The upcoming capacity addition is expected to support future growth, though successful execution and demand realization will be key to sustaining momentum. **At the upper band of INR 91, the issue is valued at a P/E ratio of ~24x, based on annualized PAT of FY25 EPS of INR 3.9. Fresh Issue of INR 1,210 Mn (13.3 Mn shares). We are recommending a "Subscribe" rating for this issue.**

**Financial Information:**

Particulars (INR Mn)	FY23	FY24	FY25
Revenue	1,131	667	1,205
Growth (% YoY)		-41%	81%
EBITDA	126.6	156	324
Margins	11%	23%	27%
PAT	58.2	97	205
Margins	5%	14%	17%
Debt	664	746	584

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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