

**im**degene®



**Issue Opens - May 6, 2024 to May 8, 2024**

**Price Band**  
₹430 to ₹452

**Face Value**  
₹2

**Lot Size**  
33 Shares

**Issue Size**  
₹1,841.76 Cr

**Issue Type**  
Book Built

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# Important Events

Issue Size

40,746,891 shares / ₹1,841.76 Cr

Fresh Issue

16,814,159 shares / ₹760.00 Cr

Offer for Sale

23,932,732 shares of ₹2 / ₹1,081.76 Cr

Basis of Allotment

Thursday, May 9, 2024

Initiation of Refunds

Friday, May 10, 2024

Credit of Shares to Demat

Friday, May 10, 2024

Indegene India Listing Day

Monday, May 13, 2024

## Promoters

- **Krishnamurthy Venugopala Tennet ( Non-Executive Independent Director)**
- **Dr. Ashish Gupta (Non - Executive Independent Director)**
- **Jairaj Manohar Purandare ( Non - Executive Independent Director)**
- **Manish Gupta (Chairman, Executive Director and Chief Executive Officer)**

Promoters collectively hold 90.70% (Pre Issue) of the Equity Share.

# About The Company.



Indegene is a digital-first life sciences commercialization partner. They focus on biopharma, biotech, and medical device companies, helping them develop, launch, and grow their products throughout the lifecycle. With over 20 years of experience, they combine deep industry knowledge with digital solutions. Their services span marketing, medical affairs, clinical research, and regulatory submissions. Notably, they partner with the top 20 global biopharmaceutical companies.

## Description of Their Business

They are a "digital-first" commercialization company exclusively focused on the global life sciences industry. Their solutions empower biopharmaceutical, emerging biotech, and medical device companies to develop products, launch them in the market, and drive sales throughout their life cycle more effectively, efficiently, and modernly. They achieve this by combining over two decades of healthcare domain expertise with purpose-built technology. Their portfolio of solutions covers all aspects of commercial, medical, regulatory, and R&D operations for life sciences companies.

Enterprise Commercial Solutions are specialized in by them, primarily assisting life sciences companies with their digital marketing operations. According to the Everest Report, sales and marketing were the largest segment of life sciences operations expenditure in 2021.



Their services include:

- Customized marketing plans and campaigns creation based on approved clinical trial data.
- Driving scale efficiency and technology-enabled personalization of engagement strategies for healthcare professionals (HCPs) and patients.
- Consolidation of promotional and educational content development and marketing campaign execution across products and geographies.
- Provision of digital asset management, marketing automation, customer data management, and analytics solutions to measure marketing campaign effectiveness.

Proprietary Natural Language Processing (NLP) based tools and platforms are leveraged by us to reduce dependence on manpower, drive efficiency, and ensure regulatory compliance.

Omnichannel Activation solutions are provided by us to help life sciences companies promote products to HCPs across multiple digital channels, achieving higher efficiencies and reduced costs compared to traditional face-to-face interactions.

Under our Enterprise Medical Solutions, centers of excellence (CoEs) are established by us to consolidate large-scale regulatory and medical operations for our clients. These include writing medical content, regulatory submissions, product labels, pharmacovigilance services, and conducting real-world evidence (RWE) based medical research. Additionally, Enterprise Clinical Solutions and consultancy services are offered by us, including digitally-enabled patient recruitment for clinical trials, clinical data management, regulatory submissions assistance, and consultancy services for digital transformation efforts.

## **Objects of The Offer**

The company intends to use the net proceeds from the issue to finance the following objects:

1. Repayment/prepayment of indebtedness of one of the Material Subsidiaries, ILSL Holdings, Inc.;
2. Funding the capital expenditure requirements of the Company and one of the Material Subsidiaries, Indegene, Inc.; and
3. General corporate purposes and inorganic growth.

# Track Record Of Financial Performance

## Statement of Profit and Loss

(All amounts are in millions of Indian Rupee; except per share data)

Particulars	Notes- Annexure VI	For the period ended 30 June 2022	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
I Revenue from operations	22	5,209.77	16,646.09	9,662.74	6,429.33
II Other income (net)	23	187.28	258.88	306.46	34.50
<b>III Total income (I + II)</b>		<b>5,397.05</b>	<b>16,904.97</b>	<b>9,969.20</b>	<b>6,463.83</b>
<b>IV Expenses</b>					
Employee benefits expense	24	3,121.42	10,143.43	5,355.96	3,699.19
Finance costs	25	23.71	59.63	69.57	88.35
Depreciation and amortization expense	26	98.02	334.51	255.46	193.36
Other expenses	27	1,004.82	3,633.45	2,001.48	1,293.61
<b>Total expenses (IV)</b>		<b>4,247.97</b>	<b>14,171.02</b>	<b>7,682.47</b>	<b>5,274.51</b>
<b>V Restated profit before exceptional items, share of profit in associates and tax (III-IV)</b>		<b>1,149.08</b>	<b>2,733.95</b>	<b>2,286.73</b>	<b>1,189.32</b>
Share of (loss)/profit in an associate	5	-	-	(2.00)	5.28
<b>VI Restated profit before exceptional items and tax</b>		<b>1,149.08</b>	<b>2,733.95</b>	<b>2,284.73</b>	<b>1,194.60</b>
Exceptional items (net)	31	-	(468.99)	29.89	(436.60)
<b>VII Restated profit before tax from continuing</b>		<b>1,149.08</b>	<b>2,264.96</b>	<b>2,314.62</b>	<b>758.00</b>
<b>VIII Tax expense:</b>					
(i) Current tax	29	187.69	947.08	471.31	324.77
(ii) Deferred tax		103.24	(310.30)	(13.51)	(63.61)
<b>Total tax expense</b>		<b>290.93</b>	<b>636.78</b>	<b>457.80</b>	<b>261.16</b>
<b>IX Restated profit from continuing operations after tax (VII-VIII)</b>		<b>858.15</b>	<b>1,628.18</b>	<b>1,856.82</b>	<b>496.84</b>
<b>X Discontinued operation</b>	39				
Loss from discontinued operation		-	-	356.15	606.77
Tax expense of discontinued operation		-	-	6.54	14.30
<b>Loss from discontinued operation after tax</b>		<b>-</b>	<b>-</b>	<b>362.69</b>	<b>621.07</b>
<b>XI Restated profit/(loss) for the period/ year (IX-X)</b>		<b>858.15</b>	<b>1,628.18</b>	<b>1,494.13</b>	<b>(124.23)</b>
<b>Restated total comprehensive income/(loss) for the year attributable to:</b>					
Owners of the Parent		967.97	1,666.72	1,451.83	33.29
Non-controlling interest		-	(19.44)	0.08	(61.24)
		<b>967.97</b>	<b>1,647.28</b>	<b>1,451.91</b>	<b>(27.95)</b>

The following table sets forth a breakdown of our revenue from continuing operations by each category of solutions for the periods indicated.

(₹ in million, unless otherwise indicated)

	For the three months ended June 30,	For the Financial Year			CAGR <sup>(1)</sup> (Between the Financial Years 2020 – 2022)
	2022	2022	2021	2020	
Revenue from Enterprise Commercial Solutions	3,057.91	10,161.57	5,645.75	3,437.66	71.93%
Revenue from Omnichannel Activation	609.26	1,414.15	787.38	613.55	51.82%
Revenue from Enterprise Medical Solutions	1,302.78	4,315.59	3,050.08	2,378.12	34.71%
Revenue from others	239.82	754.78	179.53	N.A	N.A
<b>Total revenue from operations<sup>(2)</sup></b>	<b>5,209.77</b>	<b>16,646.09</b>	<b>9,662.74</b>	<b>6,429.33</b>	<b>60.91%</b>

The following table sets forth certain of their key performance indicators for the periods indicated

(₹ in million, unless otherwise indicated)

	As of and for the three months ended June 30,	As of and for the Financial Year		
	2022	2022	2021	2020
Total number of active clients (no.) <sup>(1)</sup>	52	46	44	34
Revenue from operations <sup>(2)</sup>	5,209.77	16,646.09	9,662.74	6,429.33
Revenue from operations <sup>(2)</sup> (US\$ in million)	67.68	223.81	130.54	90.84
YoY revenue growth from operations <sup>(4)</sup> (%)	N.A.	72.27%	50.29%	N.A.
Restated profit from continuing operations after tax	858.15	1,628.18	1,856.82	496.84
Profit margin <sup>(5)</sup> (%)	16.47%	9.78%	19.22%	7.73%
EBITDA <sup>(6)</sup>	1,270.81	2,659.10	2,639.65	1,039.71
Adjusted EBITDA <sup>(7)</sup>	1,270.81	3,128.09	2,611.76	1,471.03
Adjusted EBITDA Margin <sup>(7)</sup> (%)	24.39%	18.79%	27.03%	22.88%

Set forth below are key metrics relating to their clients:

	As of and for the three months ended June 30, 2022	As of and for the Financial Year		
		2022	2021	2020
Total number of active clients*	52	46	44	34
Number of active clients added	6	2	10	–
Clients from whom we earned revenues of US\$1 – 10 million	21	23	18	14
Clients from whom we earned revenues of US\$10 – 25 million	3	2	4	2
Clients from whom we earned revenues of more than US\$25 million	4	3	–	–

\*Active clients are clients from whom we have earned \$0.25 million or more in revenues for the last twelve months preceding the relevant date.



# Strengths

1. Healthcare domain expertise.
2. Robust digital capabilities and an in-house developed technology portfolio.
3. Long-standing client relationships established.
4. Global delivery model implemented.
5. Motivated talent pool and experienced management supported by marquee investors.
6. Value created through acquisitions demonstrated.

# Threats

1. Adverse impact in the life sciences industry can affect the company's business.
2. Inadequate disaster recovery and business continuity plans.
3. A significant portion of revenues comes from clients in North America and Europe.
4. Exposed to counterparty credit risks.
5. Highly competitive life sciences industry.

# Valuation and Outlook

The cost of the shares is expected to be between ₹ 430 to Rs 452 per share, If we look at the valuation. Indegene Ltd has a P/E ratio of 37.57x which is calculated using a price above ₹452 and an FY23 EPS of Rs Rs 12.03.

Indegene, with its Enterprise Commercial Solutions, is positioned to benefit from the growing Life Sciences expenditure, expected to reach INR 14.4 trillion (US\$187 billion) by 2025, already generating 61.04% of its revenue from this sector.

The company plans to further expand by tapping into the regulatory, medical affairs, and pharmacovigilance segments, which represent a significant portion of overall life sciences operations expenditure. Having already secured relationships with 19 of the top 20 global biopharmaceutical companies by revenue, Indegene strategically acquires complementary businesses to support its growth.

In FY23, Indegene reported significant growth, with revenues reaching INR 2,306.13 million, a year-on-year increase of 38.51%. Its EBITDA grew by 45.20% to INR 396.02 million, with an EBITDA margin of 17.17%.

Specializing in digitally guided commercialization services for the life sciences sector, Indegene serves medical devices, pharmaceuticals, and emerging biotech enterprises. With a client base of 65 active clients as of December 31, 2023, and a well-developed technology portfolio, the company is well-positioned for future growth.

**we recommend subscribing to the issue, considering the company's growth potential and strong financial performance.**



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