GEPL™

IPO Note

ANLON HEALTHCARE LIMITED

Aug 26th, 2025



anlon

Anlon Healthcare Limited

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Details of the Issue	
Price Band	₹ 86 - ₹ 91
Issue Size	₹ 121.03 Cr
Face Value	₹ 10
Bid Lot	164
Listing on	BSE,NSE
Post Issue Mcap	₹ 483.68 Cr
Investment Range	₹ 14,104 - ₹ 14,924

Important Indicative Dates (2025)	
Opening	26 - Aug
Closing	29 - Aug
Basis of Allotment	01 - Sep
Refund Initiation	02 - Sep
Credit to Demat	02 - Sep
Listing Date	03 - Sep

Lead Manager
Interactive Financial Services Ltd

Offer Details	
Offer Size	₹ 121.03 Cr
Fresh Issue	₹ 121.03 Cr
OFS	-

Type	In Rs Cr	No of Shares (Mn)		% of Issue
		Upper	Lower	
QIB	90.77	9.97	10.55	75
NII	18.15	1.99	2.11	15
Retail	12.10	1.33	1.40	10
Em-ploy.	-	-	-	-
Total	121	13.30	14.07	100

Invest Now

Company Profile

Anlon Healthcare Limited, is a chemical manufacturing company engaged in producing high-purity pharma intermediates and active pharmaceutical ingredients (APIs) for medicines, nutraceuticals, personal care, and veterinary products, adhering to global pharmacopeia standards (IP, BP, EP, JP, USP). The company also offers custom manufacturing of complex chemicals with enhanced purity and reduced impurities. It has received DMF approvals from ANVISA, NMPA, and PMDA for loxoprofen APIs, filed 21 DMFs globally, and is pursuing approvals for Ketoprofen and Dexketoprofen Trometamol. Its portfolio includes 65 commercialized products, 28 at the pilot stage, and 49 in laboratory testing. Backed by 4 labs and a 34 member R&D team (including 24 science graduates), the company ensures strict quality through testing, analysis, and process improvements. Key products include pharma intermediates like Cyanoethylbenzoic acid, Ketonitrile, and Methyldesloratadine, along with APIs used in tablets, capsules, ointments, syrups, nutraceuticals, and veterinary formulations. As of January 31, 2025, the company employed 105 staff (excluding trainees) and 8 contract workers.

GEPL's Insights & Investment Thesis:

- Anlon Healthcare Limited is engaged in manufacturing of Pharma Intermediates which used in API, Finished Dosage Formula, Nutraceuticals, and Animal Health product. Its strong product portfolio includes 65 commercialized products, 28 at the pilot stage, and 49 in laboratory testing.
- The company's revenue grew at a CAGR of 3% whereas its trade receivables increased at a CAGR of 29% between FY23-25. Trade receivable turnover days increased from 111 to 174 between FY23 to FY25, highest amongst its listed peers. This is leading to stretched working capital requirements and negative cash flow from operations over the last three years.
- Based on the FY25 earnings, relative to the company's post-IPO paid up capital, the issue is priced at a P/E ratio of 23.6x. We believe that the company faces the risjs of extended receivable turnover days and negative cash flow from operations from FY23 to FY25. Therefore, we recommend a **"Avoid"** rating for the issue.

Business Highlights & Services

Anlon Healthcare Limited is a chemical manufacturing company specializing in pharma intermediates and active pharmaceutical ingredients (APIs) manufactured to global pharmacopeia standards (IP, BP, EP, JP, USP). The company is among the few Indian manufacturers of loxoprofen sodium dihydrate, a key API for pain and inflammation treatment, approved in Brazil, Japan, and China, giving it access to large regulated markets. Backed by strong domain expertise, Anlon has expanded into custom manufacturing of complex chemicals, offering high-purity, tailor made solutions that enhance customer stickiness and margins.

The company has filed 21 DMFs with global regulatory authorities across the EU, Russia, Japan, South Korea, Iran, Jordan, and Pakistan, and is in the process of filing for Ketoprofen (USA) and Dexketoprofen Trometamol (Spain, Italy, Germany, Slovenia). With a wide portfolio of 65 commercialized products, 28 at pilot stage, and 49 under laboratory testing, spanning pharma intermediates, APIs, nutraceuticals, personal care, and veterinary products, Anlon is positioned to scale operations with a diversified product base, regulatory visibility, and growing export opportunities.

AHL is a manufacturer of pharma intermediates and APIs, with a multi-step production and purification process built around stringent domestic and international regulatory standards. Customer acquisition involves an extensive approval cycle, including DMF submissions, on-site inspections, and QEHS compliance, which creates high entry barriers and long-term customer stickiness. The company's facility has been audited and approved by 33 customers and regulatory agencies, with no cancellations post-audit, underscoring its reliability and quality standards. Supported by 4 testing laboratories and a 34 member Quality Control and Assurance team (including 24 science graduates), Anlon ensures rigorous testing, process optimization, and impurity reduction to meet global quality requirements while enabling custom manufacturing of complex, high-purity chemicals. Led by experienced professionals in product development and quality, the company has consistently invested in R&D and quality (₹1.45 Cr in FY25, ₹1.04 Cr in FY24, and ₹0.86 Cr in FY23), which has driven its portfolio expansion from 10 products in FY18 to 65 commercialized products in FY25. With deep industry expertise, robust compliance processes, and a scalable product pipeline, Anlon is strategically positioned to capture growth in regulated domestic and export markets.

The company operates a manufacturing facility in Rajkot, Gujarat, with an installed capacity of 400 MTPA, supported by adjacent leased land for storage. To scale operations, the company is setting up a new plant on its owned industrial freehold land near the existing site, adding 700 MTPA capacity through dedicated intermediate and API blocks, which will raise total production capacity to 1,100 MTPA. The expansion is aimed at manufacturing both existing and new pharma intermediates and APIs, enabling deeper wallet share with current customers while leveraging cross-selling opportunities. Strong relationships with domestic and multinational clients, evidenced by repeat and increased orders, position Anlon as a preferred supplier. The company also engages in early-stage product development support for customers, strengthening its long-term growth pipeline. Going forward, Anlon plans to expand its domestic and global customer base by leveraging its diversified product portfolio, operational expertise, and geographical footprint to serve customers entering new markets. Additionally, the accelerating adoption of the "China+1" strategy by global players presents a structural tailwind, with India emerging as a cost-efficient and technologically capable hub for API manufacturing, a trend expected to benefit Anlon significantly.

AHL has demonstrated a strong track record of product diversification, expanding its portfolio from 10 commercial products in FY2018 to 65 in FY2025, reflecting its ability to scale offerings across segments, sectors, and geographies. The company remains focused on strengthening its existing portfolio while strategically diversifying into new products with higher growth and profitability potential. Management aims to expand within current business segments and selectively enter new therapeutic and specialty chemical areas that present attractive market opportunities, thereby enhancing revenue visibility, profitability, and long-term scalability.

The company is aiming to enhance profitability through improved cost management, operational efficiencies, and process optimization, with a strategic focus on high-value, low-volume products and an optimized product selection strategy. As of March 31, 2025, the company's outstanding borrowings stood at ₹33.01 Cr, of which ₹5 Cr from the Net Proceeds is proposed to be utilized for repayment or prepayment of loans. This deleveraging will strengthen the balance sheet by lowering debt, improving the debt-equity ratio, and freeing internal accruals for reinvestment in growth initiatives. A healthier capital structure is also expected to improve financial flexibility, enabling the company to raise resources at more competitive rates to support future expansion and business development opportunities.

Segmental wise revenue breakup

Segmental	FY25		FY24		FY23	
	Amount	%	Amount	%	Amount	%
API	48	40.27%	32	48.57%	50	44.39%
Finished Dosage Formlation	64	53.12%	29	44.07%	59	52.53%
Nutraceutical	8	6.61%	5	6.93%	2	1.72%
Other (Personal Care and Veterinary)	0	0.01%	0	0.43%	2	1.36%
Total	**120**	**100%**	**67**	**100%**	**113**	**100%**

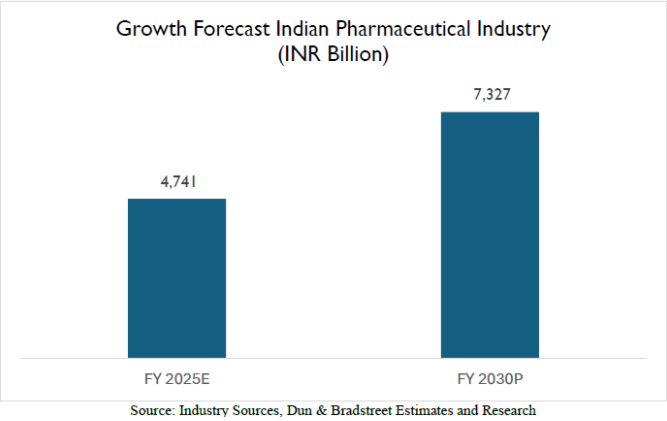
Product Pipeline and Product Commercialized Tend

Product Category	Development Stage	No. of Product		
		FY25	FY24	FY23
Pharmaceutical Intermediate	Laboratory Scale Stage	37	17	18
	Pilot Stage	18	5	4
	Commercilized	22	18	17
APIs	Laboratory Scale Stage	12	11	4
	Pilot Stage	10	2	1
	Commercilized	18	17	15
Nutraceutical API	Laboratory Scale Stage	0	3	16
	Pilot Stage	0	14	3
	Commercilized	20	3	0
Personal Care product	Laboratory Scale Stage	0	0	3
	Pilot Stage	0	3	0
	Commercilized	3	0	0
Animal Health Product	Laboratory Scale Stage	0	0	0
	Pilot Stage	0	0	2
	Commercilized	2	2	0
Total Product		**142**	**95**	**83**

Domestic Vs Export Sales Contribution

Geography	FY25		FY24		FY23	
	Amount	%	Amount	%	Amount	%
India (Domestic Sales)	116	96.76%	60	90.07%	101	89.35%
Overseas	4	3.24%	7	9.93%	12	10.65%
Total	**120**	**100%**	**67**	**100%**	**113**	**100%**

Industry Outlook



Source: Industry Sources, Dun & Bradstreet Estimates and Research

Peers Comparisons

Name of the company	Face Value (₹)	Total Revenue (₹ Cr)	EPS	NAV (₹)	P/E (x)	RoNW(%)
Anlon Healthcare Ltd	**10**	**120**	**6.38**	**20.18**	**NA**	**25.51**
Peers Group						
Kronox lab Sciences Ltd	10	1,002	6.91	24.28	26.18	28.26
Acutaas Chemicals Ltd	5	1,007	19.81	161.24	58.47	12.15
Supriya Lifesciences Ltd	2	697	23.35	123.85	29.27	18.86

Company's Competitive Strength

- Strong product portfolio and scalable business.
- Strong Promoters and Experienced Management Team.
- High entry and exit barriers due to long customer approval cycles and strict product standards.
- In-house Testing, Quality Control and Quality Assurance for quality control.
- Focus on Quality, Environment, Health and Safety (QEHS).

Key Strategies Implemented by Company

- Increasing the manufacturing capacity to focus on the growing demand of the core products
- Continue to increase the wallet share with existing customers and continued focus to expand customer base.
- Expand the existing product portfolio.
- Improve cost management and operational efficiencies along with focus on rationalizing the indebtedness.

Particular (INR in Cr)	FY25	FY24	FY23
Equity Capital	39.85	16.00	12.00
Reserves and Surplus	41	5	-5
Net Worth	80	21	7
Revenue	120	67	113
Growth (%)	81%	-41%	
EBITDA	32	17	6
EBITDAM (%)	26.3%	24.9%	5.2%
PAT	20	10	6
PATM (%)	3.1%	2.8%	1.6%

Notes

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