



Senores
Committed to Global Wellness!



Issue Opens - December 20, 2024 to December 24, 2024

Price Band
₹372 to ₹391

Face Value
₹10

Issue Size
₹582.11 Cr

Lot Size
38 Shares

Issue Type
Book Built

Issue Size

1,48,87,723 shares / ₹582.11 Cr

Fresh Issue

1,27,87,723 shares / ₹ 500.00 Cr

Offer for Sale

21,00,000 shares / ₹82.11 Cr

Basis of Allotment

Thursday, December 26, 2024

Initiation of Refunds

Friday, December 27, 2024

Credit of Shares to Demat

Friday, December 27, 2024

Senores Pharma Listing Day

Monday, December 30, 2024

research@ganeshstock.com



Objects of The Offer

The company plans to use the net proceeds for the following purposes:

1. Investing in its subsidiary, Havix Group (Aavis Pharmaceuticals), to fund capital expenditure for setting up a sterile injection manufacturing facility in Atlanta.
2. Repaying or prepaying part or all of the company's borrowings.
3. Investing in Havix to repay or prepay part or all of its borrowings.
4. Funding the company's working capital needs.
5. Investing in its subsidiaries, Senores Pharmaceuticals Inc. (SPI) and Ratnatris Pharmaceutical, to support their working capital.
6. Supporting growth through acquisitions, strategic initiatives, and general corporate purposes.

Brief profile of the Directors

PSwapnil Jatinbhai Shah is the Promoter and Managing Director of our company, with over 15 years of experience in the pharmaceutical sector. He has led operations at a Delaware-based pharmaceutical company and now oversees our company's overall functioning, including product management, strategy, and business development. He holds an MBA from Hofstra University, New York, and a chemical engineering degree from Nirma University. He is also the Promoter and Chairman of Remus Pharmaceuticals Limited and has previously worked as a strategist at Planet Payment Inc.

Sanjay Shaileshbhai Majmudar is the Chairman and Non-Executive, Non-Independent Director. He holds degrees in commerce and law from Gujarat University and is a Fellow of the Institute of Chartered Accountants of India. With over 39 years of experience, he is a partner at Parikh & Majumdar and serves on the boards of several companies, including AIA Engineering Limited and Ashima Limited.

Hemanshu Nitinchandra Pandya is a Non-Executive, Non-Independent Director. He holds a bachelor's degree from Rutgers College, USA, and has over four years of experience in the pharmaceutical industry. He has worked with Cyrilmed LLC and currently serves as Director and Chief Business Officer at Havix Group Inc.



Jitendra Babul Sanghvi is a Non-Executive, Non-Independent Director with over 15 years of experience in the pharmaceutical industry. He has been a director at Ratnatris Pharmaceuticals Private Limited since 2009 and was awarded 'Young Pharma Entrepreneur of the Year' in 2013.

Chetan Bipinchandra Shah is the Whole-Time Director and Chief Operating Officer with over 24 years of experience. He has worked with major companies like Torrent Pharmaceuticals and Cadila Pharmaceuticals. He oversees our company's operations, supply chain, strategy, and risk management. He holds a degree in industrial engineering and various diplomas in human resources and labor laws.

Key Business Operations

Senores Pharmaceuticals specializes in: Specialty Pharmaceuticals: Developing complex generics and patented molecules, including therapeutic areas like antibiotics, anti-fungal, and cardiovascular drugs.

- **Manufacturing Facilities:** The company operates a US FDA-approved facility in Atlanta, which allows it to produce controlled substances and sterile injectables. This facility is crucial for meeting the demands of regulated markets.
- **Focus on Emerging Markets** In addition to its operations in regulated markets, Senores Pharmaceuticals also targets emerging markets across 49 countries. This strategy includes: **Affordable Medicines:** Developing cost-effective generics to meet the healthcare needs of patients in these regions.
- **Expanding Market Presence:** Actively pursuing growth opportunities in less saturated markets.



Sr. No	Business Segment		Six months ended September 30, 2024		Fiscal 2024		Fiscal 2023 ¹		Fiscal 2022 ¹	
			Revenue contribution (in ₹ million)	Percentage of revenue from operations (%)	Revenue contribution (in ₹ million)	Percentage of revenue from operations (%)	Revenue contribution (in ₹ million)	Percentage of revenue from operations (%)	Revenue contribution (in ₹ million)	Percentage of revenue from operations (%)
(A)	Regulated Business	Markets	1,103.69	60.97%	1,451.52	67.66%	207.40	58.69%	8.87	6.26%
(B)	Emerging Business	Markets	585.87	32.37%	442.02	20.60%	-	-	-	-
(C)	Critical Care Business	Insectables	26.29	1.45%	57.10	2.66%	17.05	4.83%	-	-
(D)	API Business		61.71	3.41%	139.02	6.40%	19.78	5.60%	-	-
(E)	Other Operational	income	32.62	1.80%	55.58	2.59%	109.14	30.89%	132.83	93.74%
	Total Revenue from Operations		1,810.18	100.00%	2,145.24	100.00%	353.37	100.00%	141.70	100.00%

The table below sets out the breakdown of their revenue from operations in the Regulated Markets from Marketed Products and CDMO/ CMO, for the indicated periods:

Sr. No	Business Segment (Regulated Markets)	Six months ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
		Revenue contribution (in ₹ million)	Percentage of revenue from operations from the Regulated Markets (%)	Revenue contribution (in ₹ million)	Percentage of revenue from operations from the Regulated Markets (%)	Revenue contribution (in ₹ million)	Percentage of revenue from operations from the Regulated Markets (%)	Revenue contribution (in ₹ million)	Percentage of revenue from operations from the Regulated Markets (%)
(i)	Marketed Products	861.74	78.08%	1,007.62	90.05%	207.40	99.31%	7.50	84.57%
(a)	ANDA Products	486.59	44.09%	716.37	49.35%	195.01	93.38%	7.50	84.57%
(b)	Sourced Products	375.15	33.99%	590.66	40.69%	12.38	5.93%	0	0.00%
(ii)	CDMO/ CMO	241.96	21.92%	144.49	9.95%	1.45	0.69%	1.37	15.43%
	Total Revenue from Regulated Markets	1,103.69	100.00%	1,451.52	100.00%	208.85	100.00%	8.87	100.00%

Statement of Profit and Loss



(All amounts are in Indian Rupees millions, unless otherwise stated)

Particulars	For the Period Ended September 30, 2024	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
I. Revenue from operations	1,810.18	2,145.24	353.37	141.7
II. Other income	23.35	28.18	36.84	4.61
III. Total Income (I+II)	1,833.53	2,173.42	390.21	146.31
IV. Expenses				
Cost of materials consumed	475.96	319.55	3.45	0.01
Purchases of stock-in-trade	386.34	703.01	129.03	104.33
Changes in inventories of finished	-36.84	38.77	-4.82	-24
Employee benefits expenses	267.25	354.56	47.93	28.61
Finance costs	100.91	94.46	21.38	5.65
Depreciation & Amortisation exp	74.14	100.18	17.79	7.05
Other expenses	271.74	313.45	51.08	13.23
Total expenses	1,539.50	1,923.98	265.84	134.88
V. Profit before exceptional and extraordinary items and tax (I-IV)	294.03	249.44	124.37	11.43
VI. Exceptional items				
VII. Profit before tax (V-VI)	294.03	249.44	124.37	11.43
VIII. Tax expense:				
Current tax	27.32	80	14.26	1.73
Deferred tax	27.28	-157.64	25.78	-0.21
IX. Profit from continuing operations (VII-VIII)	54.6	-77.64	40.04	1.52
XIII. Profit for the period (IX+XII)	239.43	327.08	84.33	9.91
XV. Total Comprehensive Income for the period (XIII+XIV)	227.17	316.37	74.07	10.5

Strengths



- **Access to Regulated Markets:** Senores Pharmaceuticals operates a US FDA-approved manufacturing facility, enabling it to cater directly to lucrative markets such as the US, Canada, and the UK. This facility also complies with stringent regulations, allowing the company to manufacture controlled substances.
- **Diverse Product Portfolio:** The company has developed a robust portfolio of over 270 commercial products, including complex generics across various therapeutic areas such as antibiotics and critical care injectables. This diversification helps mitigate risks associated with reliance on a single product line.
- **Strategic Partnerships:** The company has established long-term marketing arrangements with major pharmaceutical firms, enhancing its market presence and providing stable revenue streams. These partnerships also facilitate access to new markets and distribution channels.
- **Robust R&D Capabilities:** With dedicated R&D facilities in India and the US, Senores Pharmaceuticals invests heavily in research to develop innovative products. This focus on R&D supports the company's ability to launch new products quickly and stay competitive in the market.
- **Global Market Reach:** The company operates in 49 countries, tapping into both regulated and emerging markets. This global presence allows for diversified revenue streams and reduces dependence on any single market.

Threats

- **Regulatory Challenges:** Operating in highly regulated markets involves strict compliance with quality and safety standards. Any failure to meet these regulations could result in penalties or loss of licenses, impacting operations.
- **Dependence on Key Customers:** A significant portion of revenue is generated from sales to a limited number of customers in the US and Canada. This concentration poses a risk if any major contracts are lost or if these customers face their own business challenge.
- **Intense Competition:** The pharmaceutical industry is highly competitive, with numerous players vying for market share in specialty pharmaceuticals. Increased competition could lead to pricing pressures and reduced profit margins.
- **Market Volatility:** Economic fluctuations can impact healthcare spending, particularly in emerging markets where Senores operates. Changes in government policies or healthcare regulations can also affect demand for pharmaceutical products.
- **Debt Obligations:** As the company seeks to expand its operations through its IPO, it may incur additional debt obligations that could affect financial stability if not managed properly.

Valuation and Outlook



Senores Pharmaceuticals Limited IPO is expected to be priced between ₹372 to ₹391 per share. At this price, the company is valued at Price-to-Earnings (P/E) ratio of 28.6x whereas the industry average is 38.84x.

Company Name	Face Value per Share (₹)	Basic EPS (₹)	Diluted EPS (₹)	NAV (per share) (₹)	RoNW (%)	Total Revenue from Operations (in millions ₹)
Senores Pharmaceuticals Limited	10	13.67	12.21	66.96	23.60%	2,145.24
Listed Peers						
Ajanta Pharma Limited	2	64.82	64.77	281.6	23.47%	42,087.10
Alembic Pharmaceuticals Limited	2	31.33	31.33	245.12	13.40%	62,286.30
Caplin Point Laboratories Limited	2	60.79	59.9	309.03	21.69%	16,941.00
Gland Pharma Limited	1	46.9	46.9	529.65	9.26%	56,647.22
Strides Pharma Science Limited	10	-7.76	-7.76	225.43	-4.44%	40,511.24

Senores is a global pharmaceutical company known for its research-driven approach. It develops and manufactures a wide range of products for regulated and emerging markets, including the US and Canada. With a focus on R&D, the company offers a differentiated product portfolio and collaborates closely with CDMO partners during drug development, ensuring long-term relationships and consistent revenue. It has also secured long-term marketing agreements with major generic pharmaceutical companies for 5-7 years.

Senores' financial growth has been fueled by its leadership in key therapeutic areas, strong presence in regulated markets, strategic acquisitions, niche product offerings, and robust R&D.

We rate a "**Subscribe**" rating for long-term investments as well as for the listing gains.

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