

October 9, 2025

US-focused Pharma player with an emphasis on R&D...

About the Company: Rubicon Research is innovation driven research focused pharmaceutical company with a portfolio of specialty products and drug-device combination products targeting US Market.

- Rubicon has two R&D facilities – one each in India and Canada, and three manufacturing facilities in India with capabilities of manufacturing Oral solid dosages, Nasal dosages, Oral liquids and topical ointments.
- Revenue Mix FY25 – Analgesics: 27.8%, CVS: 19%, CNS: 22.8%, Others: 30.4%

Key Highlights:

- Rubicon is one of the fastest growing Indian pharmaceutical companies focusing completely on the US market which contributed ~99% of the FY25 revenues. It has a pipeline of 17 products under review with the USFDA and 63 products at various stages of development.
- Company has two established marketing, sales, and distribution platforms in the US categorized as Advagen which markets non-branded prescription products and Validus which markets branded prescription products and promotes them to healthcare practitioners.
- Commercialization rate stood at 86.4% in the US for Q1FY26, where 70 out of 81 ANDAs/NDAs were commercially launched. R&D expenditure as a percentage of total revenues during FY23-25 stood at 12.3%.
- Rubicon's portfolio witnessed an average per unit price growth of 8.0% during FY22-25 compared to industry average of 5.2% erosion during the same period.
- It owns a portfolio of 16 Specialty Products (having not more than one competitor) with 3 branded products - Raldesy, Equetro, Lopressor OS contributing ~27% of gross margin share.

Our View & Rating

- Revenues grew at a CAGR of 80% over FY23-25, led by increase in market share of products and introduction of new drugs. Rubicon clocked EBITDA margins of 19.9% in FY25 with RoCE placed at 26%.
- Strong growth and financial ratios notwithstanding, the IPO, at the upper band, is being valued at 59x PE and 32x EBITDA which seems pricier in the backdrop of US revenues concentration and associated compliance risk. We assign **UNRATED** rating.

Key risk & concerns

- Concentration risk – Rubicon's top five customers contributed 71.22% of the revenues during FY25. Any loss of one or more such customers could adversely affect business.
- With almost entire revenues being generated from the US, the company is exposed to frequent USFDA audits. Any adverse outcome may have significant impact on revenues.

Key Financial Summary

Particulars (in ₹ Crore)	FY23	FY24	FY25	2-Year CAGR FY23-25 (%)
Revenues	393.5	853.9	1284.3	80.7
EBITDA	18.5	154.6	255.9	272.0
EBITDA Margins (%)	4.7	18.1	19.9	
Net Profit	-16.9	91.0	134.4	LP
EPS (Adjusted)	-1.0	5.5	8.2	
PE (x)	-473.0	87.8	59.5	
EV to EBITDA (x)	446.0	54.0	32.4	
RoCE (%)	-3.2	15.5	26.3	
RoE (%)	-5.9	23.6	24.8	

Source: RHP, ICICI Direct Research; LP- loss in previous and profit in current



INNOVATION
QUALITY
CARE

IPO Details

Issue Details

Issue opens	09 October 2025
Issue closes	13 October 2025
Issue size	
QIB (Institutional) Share	Not less than 75% of the Offer
Non Institutional Share	Not more than 15% of the Offer
Retail share	Not more than 10% of the Offer
Issue Type	OFS and Fresh Issue
Price band (₹/share)	₹461-485
Market Lot	30 shares
Face value	₹ 1
Bid lot	30 shares
Listing Market Cap @ Upper Price Band	₹7990crore

Shareholding pattern

	Pre-Issue (%)	Post-Issue (%)
Promoters	78.0	62.1
Public	22.0	37.9
Total	100	100

Objects of the issue

Prepayment or scheduled repayment of outstanding borrowings ~₹310 crore. And Funding inorganic through acquisitions and other strategic initiatives.

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Financial summary

Exhibit 1: Profit and loss statement

₹ crore

(Year-end March)/ (₹ crore)	FY23	FY24	FY25
Total Operating Income	393.5	853.9	1,284.3
Growth (%)	N/A	117.0	50.4
Raw Material Expenses	113.2	279.1	375.4
Gross Profit	280.3	574.8	908.9
Gross Profit Margins (%)	71.2	67.3	70.8
Employee Expenses	97.1	125.3	211.1
Other Expenditure	164.7	294.9	441.9
Total Operating Expenditure	375.0	699.3	1,028.3
EBITDA	18.5	154.6	255.9
Growth (%)	N/A	736.0	65.6
Interest	19.0	31.3	36.8
Depreciation	36.1	39.0	36.6
Other Income	25.5	18.5	11.9
PBT before Exceptional Items	-11.0	102.9	194.5
Less: Exceptional Items	0.0	0.0	0.0
PBT after Exceptional Items	-11.0	102.9	194.5
Total Tax	5.8	11.8	60.2
PAT before MI	-16.9	91.0	134.4
PAT	-16.9	91.0	134.4
Growth (%)	N/A	-638.9	47.6
EPS (Adjusted)	-1.0	5.5	8.2
Other income as % of (Cash+investment)		32%	10%

Source: RHP, ICICI Direct Research,

Exhibit 2: Cash flow statement

₹ crore

(Year-end March)/ (₹ crore)	FY23	FY24	FY25
Profit/(Loss) after taxation	-12.9	84.8	155.8
Add: Depreciation & Amortization	36.1	39.0	36.6
Net Increase in Current Assets	-162.0	-241.5	-244.2
Net Increase in Current Liabilities	54.9	106.4	154.2
Others	-9.7	32.4	56.8
CF from Operating activities	-93.7	21.0	159.1
Investments	0.0	1.6	0.0
(Purchase)/Sale of Fixed Assets	-44.4	-56.0	-67.8
Others	0.0	-14.1	3.0
CF from Investing activities	-33.8	-68.5	-64.8
(inc)/Dec in Loan	144.2	77.9	-4.5
Dividend & Dividend tax	-0.3	0.0	-0.3
Other	2.2	-30.9	-31.7
CF from Financing activities	146.1	47.0	-36.5
Net Cash Flow	18.7	-0.5	57.8
Cash and Cash Equivalent	38.7	58.9	58.4
Cash	57.3	58.4	116.2
Free Cash Flow	-138.1	-35.0	91.3

Source: RHP, ICICI Direct Research

Exhibit 3: Balance sheet

₹ crore

(Year-end March)	FY23	FY24	FY25
Equity Capital	5.1	15.2	15.4
Reserve and Surplus	281.3	369.7	525.4
Total Shareholders funds	286.4	384.9	540.8
Total Debt	317.9	418.4	409.7
Deferred Tax Liability	1.5	0.0	0.0
Long-Term Provisions	3.3	4.4	9.6
Minority Interest	0.0	0.0	0.0
Other Non Current Liabilities	0.0	33.0	33.8
Source of Funds	609.0	840.7	993.9
Gross Block - Fixed Assets	233.3	330.9	354.3
Accumulated Depreciation	36.1	75.0	75.0
Net Block	197.2	255.9	279.3
Capital WIP	24.5	9.7	6.7
Fixed Assets	221.7	265.6	286.0
Investments	0.1	0.1	0.1
Goodwill on consolidation	2.2	51.3	47.6
Other non-Current Assets	24.2	28.4	52.4
Long Term Loans and Advances	0.0	0.0	0.0
Deferred Tax Assets	0.0	0.9	1.8
Inventory	167.2	300.5	521.6
Debtors	225.0	301.5	323.8
Other Current Assets	50.5	102.8	101.7
Cash	58.9	58.4	116.2
Total Current Assets	501.6	763.1	1,063.4
Creditors	96.9	197.0	239.1
Provisions	13.9	52.9	132.0
Other Current Liabilities	30.0	18.8	86.2
Total Current Liabilities	140.7	268.7	457.3
Net Current Assets	360.9	494.4	606.0
Application of Funds	609.0	840.7	993.9

Source: RHP, ICICI Direct Research

Exhibit 4: Key ratios

(Year-end March)	FY23	FY24	FY25
Per share data (₹)			
Reported EPS	-1.0	5.5	8.2
Cash EPS	-1.0	5.5	8.2
BV per share	17.4	23.4	32.8
Cash per Share	3.6	3.5	7.1
Dividend per share	0.0	0.0	0.0
Operating Ratios (%)			
Gross Profit Margins	71.2	67.3	70.8
EBITDA margins	4.7	18.1	19.9
PAT Margins	-4.3	10.7	10.5
Cash Conversion Cycle	N/A	173.1	172.3
Asset Turnover	0.7	2.6	3.6
EBITDA conversion Rate	-506.5	13.6	62.2
Return Ratios (%)			
RoE	-5.9	23.6	24.8
RoCE	-3.2	15.5	26.3
RoIC	-3.8	17.1	30.8
Valuation Ratios (x)			
P/E	-473.0	87.8	59.5
EV / EBITDA	446.0	54.0	32.4
EV / Net Sales	21.0	9.8	6.4
Market Cap / Sales	20.3	9.4	6.2
Price to Book Value	27.9	20.8	14.8
Solvency Ratios			
Debt / EBITDA	17.2	2.7	1.6
Debt / Equity	1.1	1.1	0.8
Current Ratio	3.1	2.6	2.1
Quick Ratio	2.0	1.5	0.9
Inventory days	155.1	128.4	148.2
Debtor days	208.7	128.9	92.0
Creditor days	89.9	84.2	68.0

Source: Company, ICICI Direct Research

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Avoid: Do not apply for the IPO

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