

March 20, 2026

Formulation player looking for expansion...

About the Company: Sai Parenteral's is a Hyderabad-based global formulations company engaged in developing and manufacturing of formulations across multiple therapeutic areas and dosage forms.

- The company owns installed capacities for injectables, tablets, capsules, liquid orals and ointments, with a total of 5 manufacturing facilities in Hyderabad (Telangana) and Ongole (Andhra Pradesh).
- In 2025, the company acquired 74.6% stake in Australia-based Noumed Pharmaceuticals (including its New-Zealand subsidiary) for ₹125 crore.

Key Highlights:

- Expansion into global injectable formulations market:** To strengthen its injectable formulations segment, the company has earmarked ₹110.7 crore from the IPO proceeds for capacity expansion and regulatory upgrades across Units I-IV, including injectable-focused Units I and II. These enhancements are aimed at achieving EU-GMP compliance, enabling entry into regulated and semi-regulated export markets. Post-expansion, injectable capacity across Units I, II, and IV is expected to rise from 75 million to 117 million units per annum (single shift). The plan also includes adding lyophilized vial capabilities for sterile products such as anti-infectives along with the introduction of cartridge-based injectable delivery systems.
- Recent Noumed acquisition is expected to provide the scale -** Noumed acquisition is expected to strengthen the company's front-end presence in Australia through established supply agreements with pharmacy chains, while adding an IP portfolio of 451 TGA-approved dossiers, enabling accelerated filings across regulated and semi-regulated markets (LATAM, SEA, MENA, Africa). Additionally, the under-construction Australian facility is expected to support backward integration, improve margin profile, and position the company to benefit from increasing onshoring trends.

Valuation

- Revenues grew at a CAGR of 30% over FY23-25. While EBITDA and PAT grew at the CAGR of 50% and 82% respectively. Considering the post-IPO equity and proforma FY25 financials, the IPO is valued at 3.5x Price/Sales, 34x EV/ EBITDA and ~88x Price to Earnings (P/E). As the company embarks into a significant expansion phase (India and Australia), we keep tab on the progress and execution of the same and its impact on the balance sheet before arriving at a recommendation.

Key risk & concerns

- Overseas expansion an uncharted territory –The company is establishing its first overseas manufacturing unit (Noumed), having no prior experience in foreign facility development or operations.
- Concentration risk- The company's branded formulation top 5 players contribute more than 50% of overall revenues.

Key Financial Summary

₹ crore	FY23	FY24	FY25	Proforma	2-Year	H1FY26
				FY25	CAGR(FY23-25)	
Net Sales	96.80	153.76	163.11	494.96	30%	86.92
EBITDA	17.64	31.70	39.44	54.35	50%	16.24
EBITDA Margin (%)	18.2%	20.6%	24.2%	11.0%		18.7%
Net Profit	4.38	8.42	14.45	19.68	82%	7.76
EPS annualised	0.99	1.90	3.27	4.45		8.9%
Price/Sales	17.9	11.3	10.6	3.5		
P/E(x)	396	206	120	88		
EV to EBITDA(x)	103	58	46	34		
RoNW(%)	13.9	11.0	15.1	15.9		
RoCE(%)	21.0	20.5	28.9	30.6		

*Price/Sales, P/E and EV to EBITDA are calculated based on upper price band of ₹392

*Proforma FY25 financials includes Noumad financials

IPO Details

Issue Details	
Issue opens	24 March 2026
Issue closes	27 March 2026
Issue size (₹ crore) at upper band	₹ 408
QIB (Institutional) Share	Not more than 50% of the Offer
Non Institutional Share	Not less than 15% of the Offer
Retail share	Not less than 35% of the Offer
Issue Type	OFS and Fresh Issue
Price band (₹/share)	₹372-392
Bid Lot	38 shares
Face value	₹ 5
Listing Market Cap (₹ crore) @ Upper Price Band	₹1732 crore

Shareholding pattern

	Pre-Issue (%)	Post-Issue (%)
Promoters	61.2	51.2
Public	38.8	48.8
Total	100	100

Objects of the issue

Fresh Issue Worth ₹ 285 crore and Offer for sale worth ₹123 crore

Research Analyst

Sidhant Khandekar
siddhant.khandekar@icicisecurities.com

Shubh Mehta
shubh.mehta@icicisecurities.com

Vedant Nilekar
vedant.nilekar@icicisecurities.com

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Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

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Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal

Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Jeetu Jawrani Email address: headservicequality@icicidirect.com Contact Number: 18601231122

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