

Specialty Chemicals player focusing on Pharma, Food and Nutrition ...

About the Company: Sudeep Pharma is a manufacturer of excipients and specialty ingredients for the pharmaceutical, food and nutrition industries.

- Revenue Mix FY25 – Pharma, Food & Nutrition (66% of mix); Specialty Ingredients (34% of mix).
- The company is in the process of setting up a manufacturing facility to produce precursor cathode active materials (pCAM), beginning with battery-grade iron phosphate for lithium iron phosphate batteries.

Key Highlights:

- Foray into new businesses:** The company has established a wholly owned subsidiary, Sudeep Advanced Materials Private Limited (SAMPL), to leverage their expertise in mineral chemistry and precision processing. SAMPL is in the process of setting up a manufacturing facility to produce precursor cathode active materials (pCAM), beginning with battery-grade iron phosphate for lithium iron phosphate batteries used in electric vehicles and energy storage systems.
- M&A led capability building:** The company has recently acquired Nutrition Supplies Services (NSS), a prominent European premix solutions provider. This move enhances the company's ability to integrate high-end premix capabilities with its mineral portfolio, global distribution reach. The combined portfolio will offer comprehensive, science-backed solutions to customers across Europe, Asia, Africa, and the Middle East.
- Experienced leadership:** Sujit Bhayani is the Founder and MD of the Sudeep Group. A Chemistry graduate from the University of Tulsa, he has been the guiding force behind the company's growth for over 35 years.

Valuation

- Revenues grew at a CAGR of 8.2% over FY23-25, driven by higher demand from the pharmaceutical products and increased volumes for specialty ingredients segment. While EBITDA and PAT grew at the CAGR of 46% and 49% respectively,
- Considering the post-IPO equity and FY25 financials, the IPO is valued at 53x EV / Sales, 35x EV/ EBITDA and 48x Price to Earnings (P/E).

Key risk & concerns

- Concentration risk – Sudeep Pharma's top 10 customers contribute 35% and its Pharma Food & Nutrition contributes 60%+ to the total mix. This increases vulnerability to client or segment-level slowdowns.
- All manufacturing facilities are located in Gujarat, exposing operations to regional disruptions.
- The company generates ~60% of its revenue from exports, making it susceptible to any adverse developments in the global economy.

Key Financial Summary

Particulars (in ₹ Crore)	FY23	FY24	FY25	Q1FY26	2-Year CAGR FY23-25 (%)
Revenues	428.7	459.3	502.0	124.9	8.2
EBITDA	89.1	181.7	190.0	43.9	46.0
EBITDA Margins (%)	20.8	39.6	37.8	35.1	
Net Profit	62.3	133.2	138.7	31.3	49.2
EPS (Adjusted)	5.7	12.3	12.8	2.8	
PE (x)	107.5	50.3	48.3	NA	
EV to EBITDA (x)	75.0	36.8	35.2	NA	
RoCE (%)	29.4	41.2	29.8	5.5	
RoE (%)	27.9	37.4	28.1	4.5	

Source: RHP, ICICI Direct Research



IPO Details

Issue Details	
Issue opens	21st November 2025
Issue closes	25th November 2025
Issue size	₹895 crore
QIB (Institutional) Share	50%
Non Institutional Share	15%
Retail share	35%
Issue Type	OFS and Fresh Issue
Price band (₹/share)	₹563-₹593
Market Lot	25 shares
Face value	₹ 1
Listing Market Cap @	₹6698crore
Upper Price Band	

Shareholding pattern

Particulars	Pre-Issue (%)	Post-Issue (%)
Promoters	89.4	76.2
Public	10.6	23.8
Total	100	100

Objects of the issue

Net proceeds of the fresh issue are proposed to be utilised for –

- The company will utilise net proceeds from the fresh issue of ₹95 crore towards the procurement of machinery for its production line located at Nandesari Facility I.
- The company has an offer for sale of 1.34 crore shares amounting to ₹800 crore.

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