BUY
TP: Rs 835 | ⮝ 19%

ANTHEM BIOSCIENCES | Pharmaceuticals | 27 February 2026

Full-spectrum CRDMO capabilities

- **Being one of the few backward-integrated peptide manufacturers, gives it cost edge over China competitors in GLP**
- **Undergoing capacity expansion; plans to add 400kl in custom synthesis and 100-200 kl fermentation capacity at unit 4**
- **One of the highest EBITDA margins in the industry. Ascribe a PE of 56x on Mar'28 EPS to arrive at TP of Rs 835. Initiate with a BUY**

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Gamut of innovative modalities - ANTHEM has integrated services for NCE and NBE capabilities across discovery, development and manufacturing. It has a gamut of innovative modalities like ADC, Oligonucleotide, RNAi, peptides and Lipids across platforms like Flow Chemistry, fermentation, Custom Synthesis etc. — all under one roof. The company provides this facility for both lab work as well as manufacturing.

Commercial molecules sales likely to increase – ANTHEM has 10 molecules under the commercialization phase, where they supply API or Intermediates. Total end market size of these molecules was around USD11bn in CY24, which were all supported since the discovery stage. Molecules sales are further likely to grow by USD 21.4bn. by CY29, indicating a CAGR of 13.5% CAGR from CY24-29.

4 molecules to be incrementally commercialized – ANTHEM's 4 new molecules shifted to commercial phase from late-stage phase 3. Peak market sales of these 4 products are said to be ~USD10bn.

Expanding capacities to spur growth - ANTHEM has completed capacity expansion at unit 1 & 2. Unit 3 (Neo Anthem) is for manufacturing peptides with current capacity of 16kl, likely to increase to 32 – 40 kl. Currently, there are three empty blocks in Unit 3 that would be utilised for Custom Synthesis, Fermentation, etc., followed by Rs10bn capex earmarked for phase 1 in Unit 4.

Valuation - ANTHEM's industry-high margin is expected to sustain, given the ramp-up in peptides capacity, including backward integration and installing unit 4 for small molecules, which the company is undergoing civil work. At CMP, the stock is trading at a PE of 53x for FY27 and 46x on FY28E EPS. Due to the industry-high margins, we ascribe a PE equivalent to Divi's of 56x on Mar'28 EPS of Rs 14.9x to arrive at TP of Rs 835 per share.

Ticker/Price	ANTHEM IN/Rs 701
Market cap	US$ 4.3bn
Free float	25%
3M ADV	US$ 2.2mn
52wk high/low	Rs 874/Rs 579
Promoter/FPI/DII	75%/1%/8%

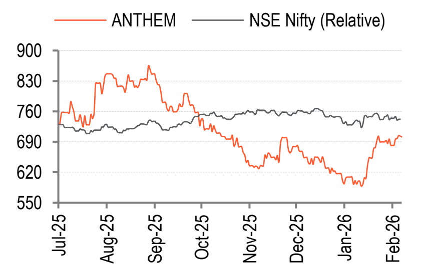
Source: NSE | Price as of 27 Feb 2026

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	18,446	21,202	25,851
EBITDA (Rs mn)	6,708	8,061	10,251
Adj. net profit (Rs mn)	4,509	6,063	7,382
Adj. EPS (Rs)	8.0	10.4	13.2
Consensus EPS (Rs)	8.0	10.4	13.2
Adj. ROAE (%)	18.7	20.1	19.7
Adj. P/E (x)	87.2	67.7	53.3
EV/EBITDA (x)	59.0	49.8	39.6
Adj. EPS growth (%)	24.1	28.8	27.1

Source: Company, Bloomberg, BOBCAPS Research

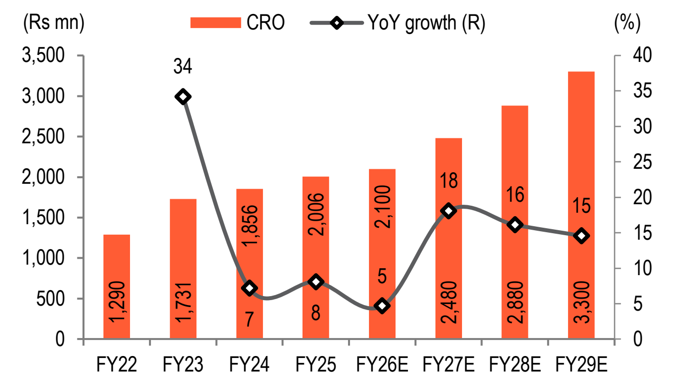
Stock performance



Source: NSE

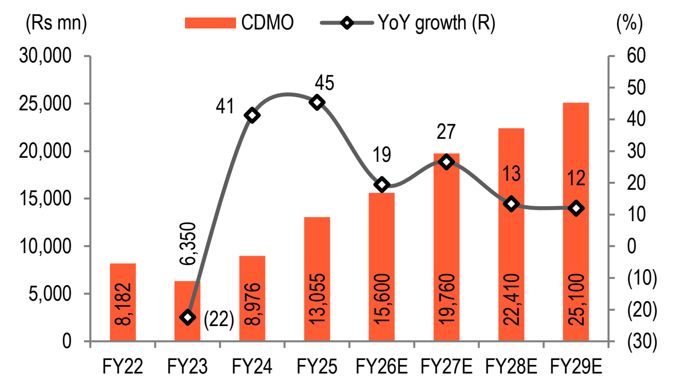
Revenue Driver in Charts

Fig 1 – CRO sales



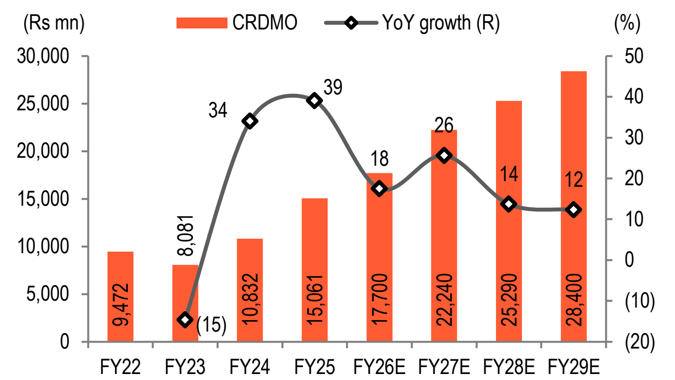
Source: Company, BOBCAPS Research

Fig 2 – CDMO sales



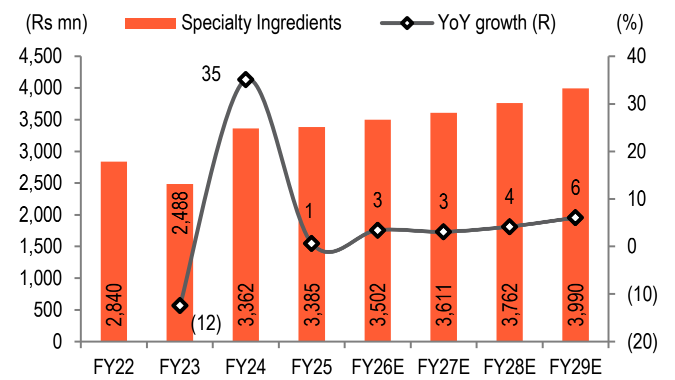
Source: Company, BOBCAPS Research

Fig 3 – CRDMO sales



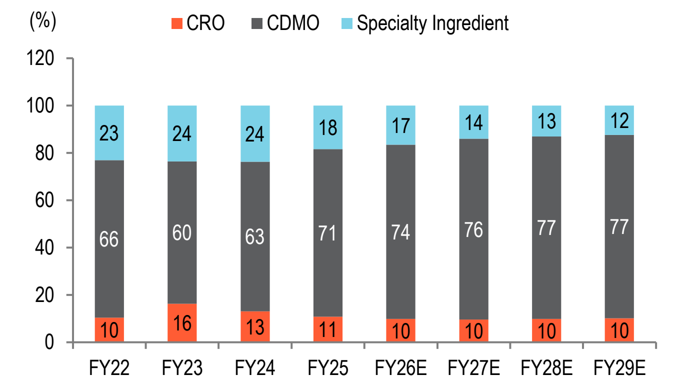
Source: Company, BOBCAPS Research

Fig 4 – Specialty Ingredient sales



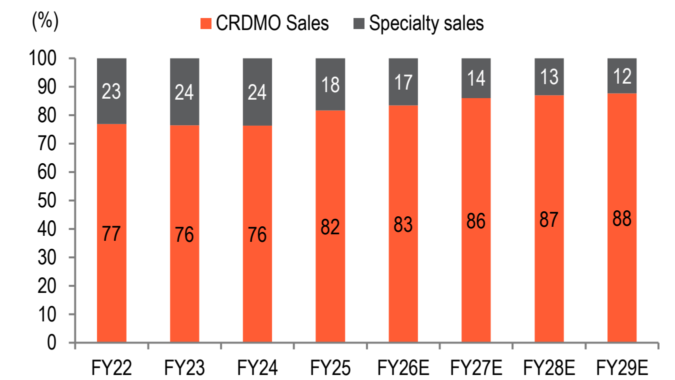
Source: Company, BOBCAPS Research

Fig 5 – Segmental sales



Source: Company, BOBCAPS Research

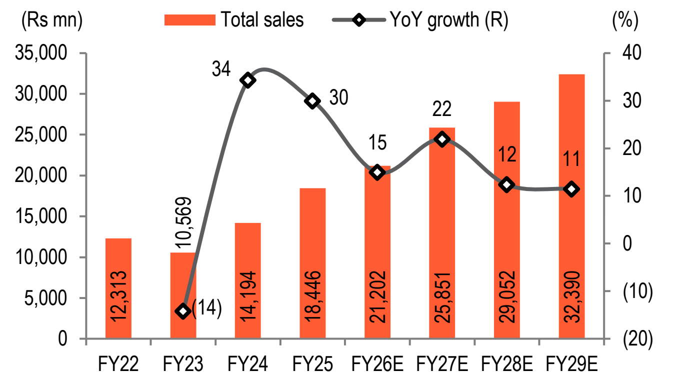
Fig 6 – Revenue Breakup



Source: Company, BOBCAPS Research

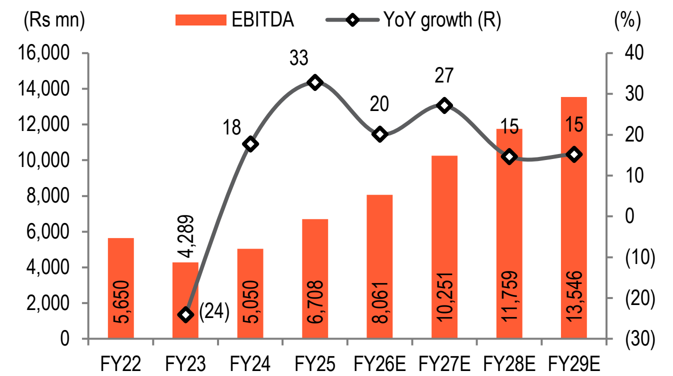
Financials in Charts

Fig 7 – Sales growth



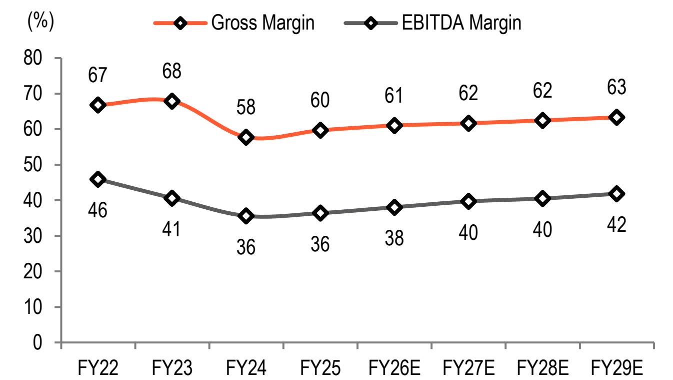
Source: Company, BOBCAPS Research

Fig 8 – EBITDA growth



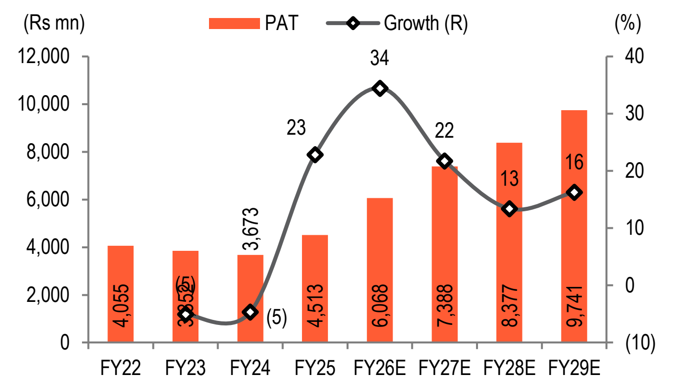
Source: Company, BOBCAPS Research

Fig 9 – Margin Trend



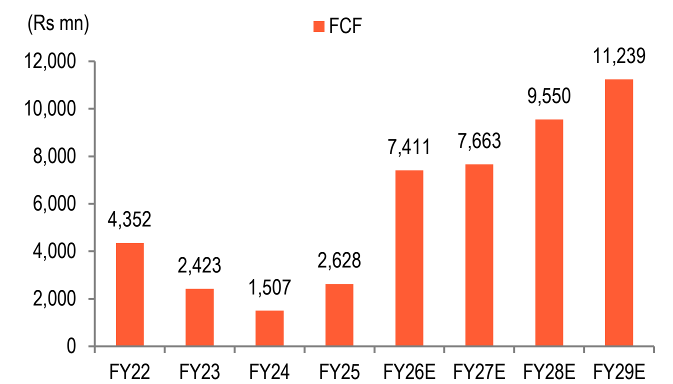
Source: Company, BOBCAPS Research

Fig 10 – PAT growth



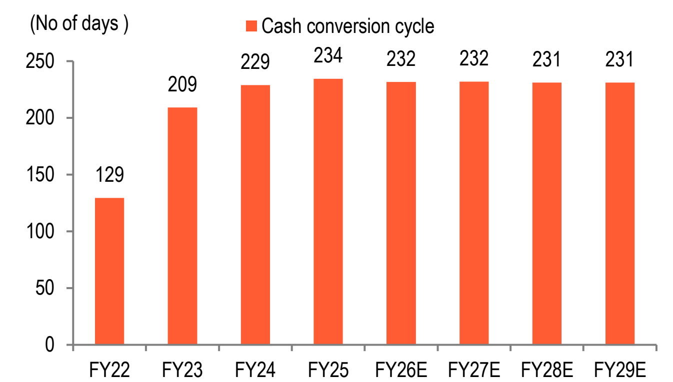
Source: Company, BOBCAPS Research

Fig 11 – FCF generation



Source: Company, BOBCAPS Research

Fig 12 – Cash conversion cycle trend

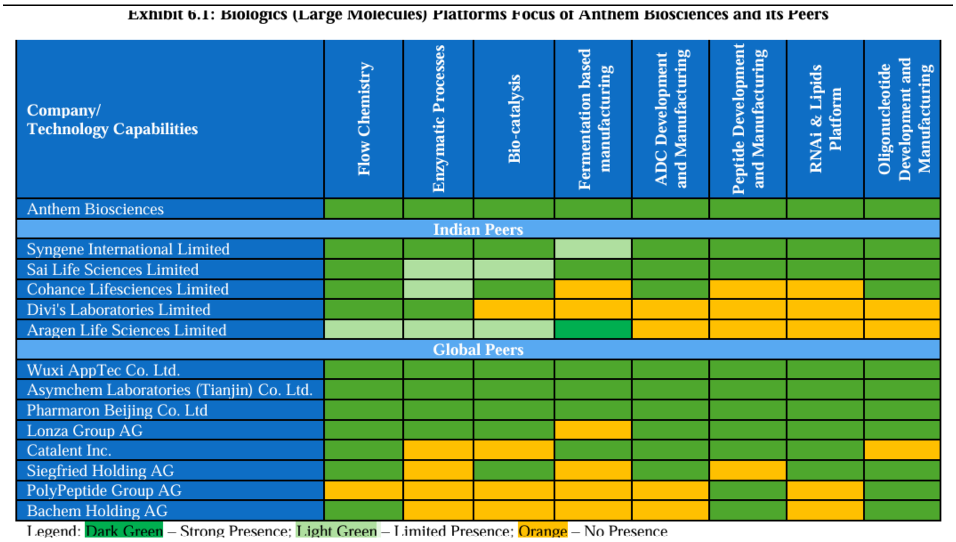


Source: Company, BOBCAPS Research

Investment Rationale

Gamut of innovative products – Anthem is one of the few CRDMO companies to have a complete product basket ranging from small molecules to large molecules. It offers services from lab scale discovery to late-stage commercialization of products. It has wide range of modalities like ADC, RNAi, Peptides, Oligonucleotides which are high barrier fast growing modalities in India due to increase complexity. Anthem's existing involve complex molecules across modalities and stages of development, including 7 in the ADC space, 2 RNAi, 10 lipids, 10 peptides and 1 oligonucleotide. These products are sold across regulated markets like the US, Europe and India. In large molecules, it is integrated into some of the modalities like peptides where it does its own fermentation with capacity of 142 KL.

Fig 13 – Anthem's modalities



Source: Company, BOBCAPS Research

Following is the list of modalities where the company has presence:

1- **ADC -** ANTHEM was one of the few companies to venture early in ADC in India. The company worked on first Linker57 in 2016 and saw the molecule successfully moving to Late Phase as of March 31, 2025. The company also worked on its first payload58 in 2019 for MAB with the molecule currently in Early Phase. The ADC market, valued at USD 13.3 bn in 2024, is one of the fastest growing biologic segments, anticipated to grow to USD 45.0 bn by 2029 at 27.6% CAGR.

2- **Proteins & Peptides -** Protein and peptide market was valued at USD 146.5 bn in 2024 and is projected to grow to USD 231.0 bn by 2029 at a CAGR of 9.5%. This segment falls under Specialty Chemicals for ANTHEM. The specialty ingredient business is complimentary to the CRDMO business. Peptides are operated from unit 3 and the company is currently working on 10 novel peptides, out of which the company also participates in Semaglutide opportunity in the domestic and international markets (post patent expiry).

b) Peptides - Anthem has the technical know-how and capabilities in peptide synthesis, employing three distinct approaches – (a) solution phase (b) solid phase (c) innovative hybrid mode; thereby providing flexibility in designing an efficient synthesis route for the molecule. ANTHEM's peptide profile consists of therapeutic peptides like Semaglutide, Plecanatide, Linaclotide, Liraglutide, and Cilengitide, targeting conditions such as Type 2 Diabetes mellitus, Chronic Idiopathic Constipation, Irritable Bowel Syndrome, and Obesity. Anthem also produces glucagon-like peptide 1 (GLP-1) agonists and commercialize GLP-1 following the expiry of the existing patent in 2026. According to F&S Report, the expiry of the existing patent of GLP-1 in 2026 is expected to create opportunities for biosimilars of GLP-1 and as one of the few CRDMOs in India with GLP-1 manufacturing capabilities.

3- **BioCatalysis –** Amongst the list of manufacturing capabilities, ANTHEM manufactures via biocatalysis where it supplies through various forms such as including whole cell, cell-free extract solution, lyophilized powder and spray dried powder. These products are produced from Unit 3, which has the capacity to cater to the production of multiple tons of probiotic and enzymes. Here, the company is utilising living source enzymes to speed up the reactions and produce Chirally pure compounds, which have lower environmental impact due to their specific targeted biological activity, reduced side effects, differential degradation and lower dosage requirements.

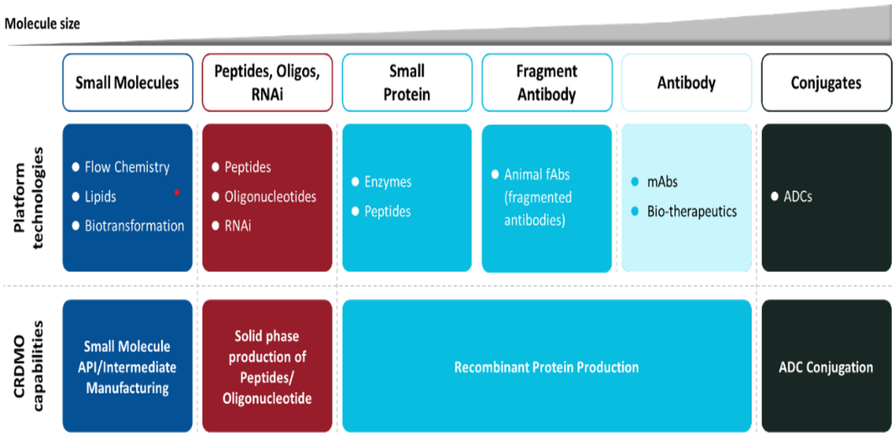
4- **Flow Chemistry -** Flow chemistry involves conducting chemical reactions in a continuously flowing stream vs traditional batch reactor. It is an automatic continuous process that substantially generates less byproducts and waste materials, maintains a steady production flow with reduced solvent requirements and synthesis cycle time. It substantially improves the safety, yield, waste disposal, cost efficiency and stability of the end products and the manufacturing processes. Anthem ventured into flow chemistry at a lab scale level in 2017 and currently have a cGMP compliant continuous flow manufacturing block in Unit II with a capacity of producing up to 150 kg per day.

5- **Enzymes -** It is also one of the leading enzymes solutions providers in India catering to global markets. Enzyme forms the part of Specialty ingredients business, complimentary to the CRDMO business.

6- **RNAi -** In 2016, Anthem started working on glycolipids as a modality for RNAi delivery, which represents a significant step forward in the field of gene expression amongst Indian CRDMOs. RNAi is gaining more salience in its key therapeutic areas such as liver-related disorders, cardiovascular disorders, and urinary disorders since it can effectively suppress the growth of advanced-stage tumours, has relatively low cost, and offers high specificity.

7- **Oligonucleotide -** Such as antisense and small interfering RNA (siRNA) therapies, represent a leap into genetic modulation, directly targeting RNA21 to alter protein production. Oligonucleotides are short, single- or double-stranded DNA or RNA molecules, which forms a part of xRNA22 therapies. The oligonucleotide market, estimated at USD 5.3 bn in 2024, is forecasted to grow to USD 12.3 bn by 2029, at a CAGR of 18.1%.

Fig 14 – Anthem's modalities



Source: Company, BOBCAPS Research

Fig 15 – Market opportunity of different modalities

Details	Biosimilar	Fermentation Products[1]	Probiotics & Enzymes	Peptides	Nutritional Actives and Vitamin Analogues
Market Size (2024) [2]	US$33.24bn	US$0.2bn	US$7.4bn	US$56.4bn	US$31.2bn
Growth (2024 to 2029F)[2]	18.8%	9.8%	6.2%	20.0%	6.4%
Growth Drivers[2]	• Patent expiry of biologics • Approximately 200 biosimilars under development in India as of 2023 – faster & cheaper than western countries	• **Vitamin K2:** requirement of blended vitamin K products • **Serratiopeptidase:** Non-opiod alternative to pain relief and inflation management	• **Probiotics:** Rising awareness, regulatory support on new strains & product approvals • **Enzymes:** Growing focus on sustainable production technologies	• Prevalence of chronic diseases • Significant opportunity with GLP-1 across diabetes and weight loss treatment (approximately 93.7% of peptides market in 2024)	• Higher incidence of lifestyle diseases • Preference of preventive healthcare options • Increasing demand for supplements
Use Case[2]	• Oncology, immunology, musculoskeletal, endocrine (anti-diabetes), ophthalmology and hematology	• **Vitamin K2:** Dietary supplements, nutrition F&B, childcare products, cosmetics, pharma • **Serratiopeptidase:** Pain management, inflammation drugs	• **Probiotics**: Functional F&B, dietary supplement, infant formula • **Enzymes:** Pharma, home care, paper & pulp processing, textiles	• Wide range of therapeutic areas, such as **Gastro-intestinal and metabolic disorders**	• Dietary supplements, F&B, personal care, pharma grade vitamins, specialized nutrition
Our Capabilities	• E. coli expression systems for **commercial production** of **human insulin & insulin analogues** • Diabetes related disorders + recombinant GCSF & PEG-GCSF for patients with neutropenia	• Commercialized products like **Serratiopeptidase Protease** • **Combined chemical synthesis & fermentation** in Unit II	• cGMP compliant manufacturing facility • **Multi-ton supply capacity** • Potent for **exclusive supply arrangements** with large domestic pharma	• **GLP-1 manufacturing capabilities** • Providing **GLP-1** samples to **global and domestic customers** looking to enter markets by **2026**	• Human nutrition and dietary supplements, animal nutrition and industrial product segments • **Exclusive product line and technical support to global markets**

Source: Company, BOBCAPS Research

2- End market sales of commercial molecules to rise –

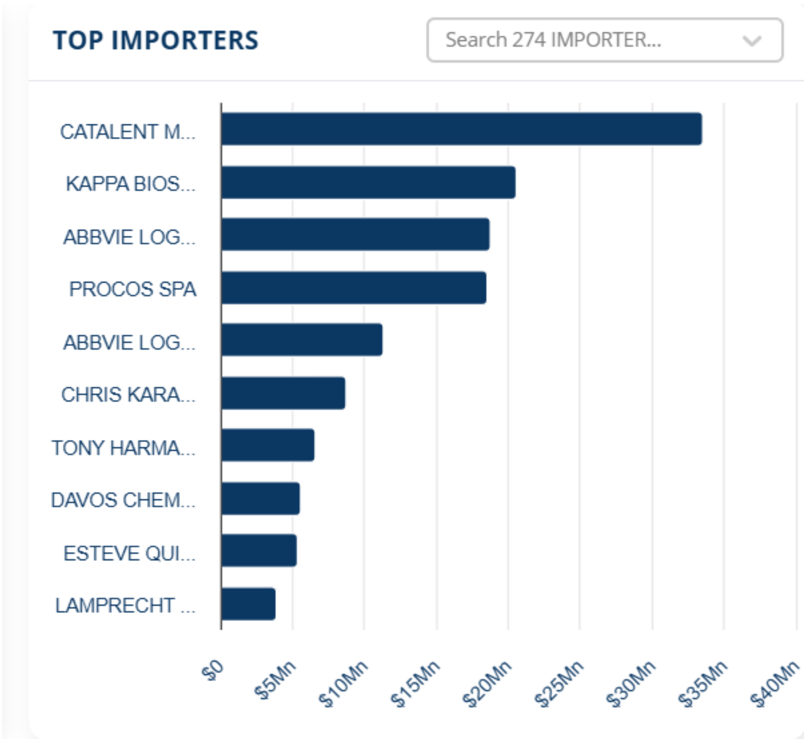
Anthem has 10 molecules under commercialised phase for 13 projects, supported since the discovery phase. End market size of these molecules is USD11bn, as of 2024. Sales of molecules are further expected to grow by 13.5% CAGR to USD 21.4bn by CY29. From the 10 molecules commercialized, 5 of them were supplied to 3 big pharma companies.

Customer A: Customer A accounted for the largest contribution to the revenue in FY2025 at 24.22%. Customer A has been their customer for more than 15 years. They have provided services to 3 of their commercialized molecules, which have blockbuster status with each achieving annual sales of over USD1 bn according to F&S Report, since the discovery stage.

Customer B: Customer B was the second largest contributor to the revenue in FY25 at 22.43%. Customer B became their customer after they acquired 2 commercialised molecules from one of their emerging biotech customers. Following such product acquisition by Customer B, doubled their revenues with them in FY 2025 compared to FY 2024 and 1 of their commercialized molecules has achieved blockbuster status with annual sales of over USD 1 bn, according to the F&S Report.

Customer D: Customer D has 9 ongoing projects with US as of March 31, 2025, including one commercialized molecule and 8 development projects — all of which are the result of acquisitions of emerging biotech customers, making them the sixth largest contributor to the revenue at 2.10% in FY25 as compared to nil in FY24 prior to the acquisitions.

Fig 16 – Top 10 customers



Source: API FDF export data, BOBCAPS Research

Fig 17 – Revenue contribution from top 10 customers

Customer	FY 2025 Amount	FY 2025 (%)	FY 2024 Amount	FY 2024 (%)	FY 2023 Amount	FY 2023 (%)
Customer A	4,467.4	24.2	3,089.0	21.7	2,026.2	19.1
Customer B	4,137.1	22.4	1,962.1	13.8	-	-
DavosPharma	2,634.2	14.2	3,231.4	22.7	3,930.3	37.1
Customer C	1,149.6	6.2	633.7	4.4	388.1	3.6
Customer H	693.0	3.7	-	-	-	-
Customer D	386.6	2.1	-	-	-	-
Customer G	246.2	1.3	262.9	1.8	256.6	2.4
Customer F	187.8	1.0	-	-	197.8	1.8
Customer L	186.1	1.0	183.7	1.2	143.8	1.3
Customer I	175.0	0.9	-	-	-	-
Customer J	-	-	319	2.2	-	-
Customer K	-	-	294.5	2.0	358.4	3.3
Customer E	-	-	155.6	1.1	226.8	2.1
Customer M	-	-	149.1	1.0	191.9	1.8
Customer N	-	-	-	-	183.9	1.7
Total Top 10 Revenue	14,263.2	77.3	10,281.3	72.3	7,904.1	74.7

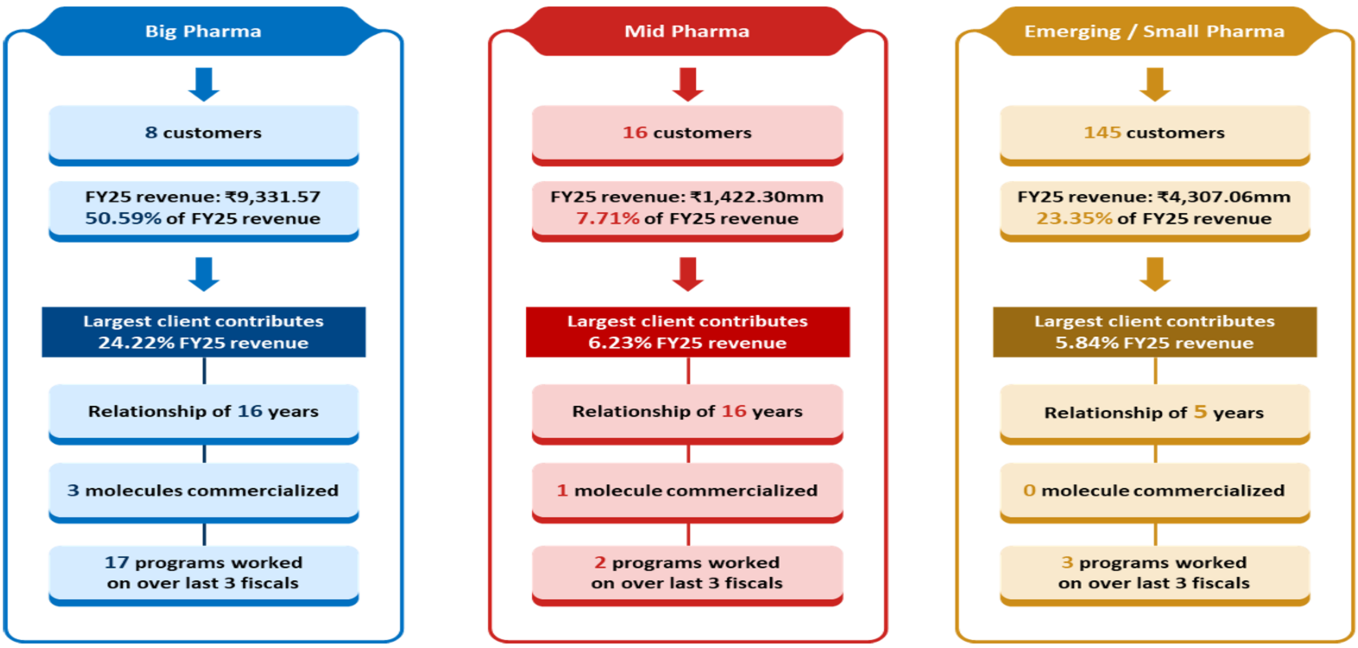
Source: Company, BOBCAPS Research

Fig 18 – Revenue contribution from clients

Metric	FY 2025 Rs mn	% of total revenue	FY 2024 Rs mn	% of total revenue	FY 2023 Rs mn	% of total revenue
Revenue from top 5 customers	13,081.44	70.92	9,235.30	65.07	6,959.72	65.80
Revenue from top 10 customers	14,263.19	77.33	10,281.35	72.39	7,904.18	74.73

Source: Company, BOBCAPS Research

Fig 19 – Client-wise revenue contribution



Source: Company, BOBCAPS Research

4 molecules to be incrementally commercialised

ANTHEM has 4 new molecules shifting to commercial stage from phase 3. Peak market sales of these 4 products are expected to be ~USD11bn. Until FY25, the company had 10 commercial molecules; addition of four more depicts its strong R&D capability and swift progression from discovery to late-stage commercial phase. Sales from molecules will likely further increase CDMO sales; thereby enabling the company to report 17% CAGR from FY26-29 on a higher base.

Fig 20 – Project-wise CRDMO sales, as estimating molecules is hard

Particulars	2023		2024		2025		2026		2027		2028		2029	
CRDMO Sales	No of projects/molecules	% of total number of projects	No of projects/molecules	% of total number of projects	No of projects/molecules	% of total number of projects	No of projects/molecules	% of total number of projects	No of projects/molecules	% of total number of projects	No of projects/molecules	% of total number of projects	No of projects/molecules	% of total number of projects
Discovery														
No of Discovery projects	72	28%	56	23%	68	28%	70		80		90		100	
Number of Discovery molecules synthesized	736		786		736		NA		NA		NA		NA	
R&D sales (Rs mn)	1731		1856		2006		2100		2480		2880		3300	
sales per project	24		33		29		30		31		32		33	
sales per molecule synthesized (Rs mn)	2		2		3		NA		NA		NA		NA	
Early Phase														
Early Phase Development & Manufacturing Projects	161	63%	157	65%	145	60%	140		135		125		120	
Number of Early Phase molecules														
Late Phase														
Late Phase Development & Manufacturing Projects(2	11	4%	15	6%	16	7%	17		18		19		20	
Number of Late Phase molecules	7		9		10		NA		NA		NA		NA	
Commercial Molecules														
Commercial Manufacturing Projects	11	4%	13	5%	13	5%	13		14		15		16	
Number of Commercial manufacturing molecules	8		10		10		NA		NA		NA		NA	
Total No of Projects	255		241		242		240		247		249		251	
Total CDMO sales (Rs mn)	6350		8976		13055		15600		19760		22410		25100	
Sales per CDMO project (Rs mn)	25		37		54		65		80		90		100	
YoY growth			50%		45%		20%		23%		13%		11%	

Source: Company, BOBCAPS Research

5 - Capacity expansion to spur growth - Anthem has completed capacity expansion at unit 1 & 2. Unit1 & 2 are cGMP facility used for the development of early-stage projects. Unit 2 incremental capacity addition of 130 kl was added on a 270kl capacity. Unit 3 (Neo Anthem) is currently for manufacturing peptides with current capacity of 16kl, which is expected to ramp up to 32 – 40 kl. Currently, there are three empty blocks in Unit 3 that would be utilized for Custom Synthesis, fermentation, etc. The company intends to free up Unit1 & 2 as these cGMP approved facilities can be utilised for increased orders of 4 newly commercialised molecules. The free up inventory from unit 1&2 and shift to Unit 3. The company is also backward integrated with fermentation capacity of 142 kl and incremental 40 kl is expected to be added in Neo Anthem. The company also intends to add unit 4 for small molecules, which would be spread across 30 acres of land where civil work is ongoing on 15 acres of land that would require Rs 10bn capex for Phase 1; likely to be completed by FY27.

Fig 21 – Summary of Manufacturing units

Particulars	Unit I: Bommasandra	Unit II: Harohalli	Unit III: NeoAnthem
Established	2007	2016	2022
Total Area (acres)	5 acres	14.21 acres	8.14 acres
Discovery	Yes	Yes	Yes
Development	Yes	Yes	Yes
Custom Synthesis Capacity	25 kL (27 reactors)	246 kL + additional 130 kL by 1st half of FY 2026	25 kL
Flow Chemistry Capacity	(Lab Scale)	(cGMP Scale)	-
Fermentation Capacity	2 kL	140 kL	40 kL
Peptide Synthesis	67 L (Pilot Scale)	-	16 kL capacity
High Potent Compounds	55 L (Lab / Pilot Scale)	-	2.5 kL capacity
Oligonucleotide	Lab Scale	-	-
RNAi	Yes	yes	-
Biotransformation	200 L	30 kL	10 Kl
Certifications	US FDA, PMDA (Japan), ANVISA (Brazil), EU agencies	US FDA, TGA (Australia), ANVISA (Brazil), CDSCO (India), FDA Food Safety Modernization Act	Phase-wise under commissioning, to be fully commissioned by 1st half of FY 2026

Source: Company, BOBCAPS Research

CRO Segment - one of the few companies to fetch developmental income

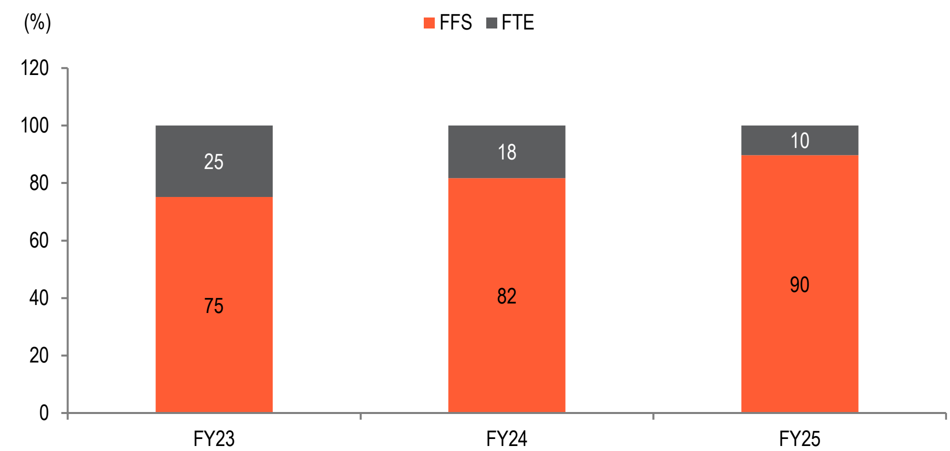
The company offers development service for their CRDMO segment through FFS (Fee for service) and FTE (Full Time Equivalent) contracts. The FFS model is preferred by small pharmaceutical and emerging biotech companies, due to their limited capacity and budget to repeat workstreams. Consequently, FFS contracts, generally, are more cost-effective, having a better pricing model and higher margins vs FTE model. Anthem's revenue break-up for FFS and FTE was 90 :10, as on FY25.

Fig 22 – CRO sales

Particulars	2023		2024		2025		2026		2027		2028		2029	
CRDMO Sales	No of projects/molecules	% of total number of projects	No of projects/molecules	% of total number of projects	No of projects/molecules	% of total number of projects	No of projects/molecules	% of total number of projects	No of projects/molecules	% of total number of projects	No of projects/molecules	% of total number of projects	No of projects/molecules	% of total number of projects
Discovery														
No of Discovery projects	72	28%	56	23%	68	28%	70		80		90		100	
R&D sales (Rs mn)	1731		1856		2006		2100		2480		2880		3300	
sales per project (Rs mn)	24		33		29		30		31		32		33	

Source: Company, BOBCAPS Research

Fig 23 – Revenue breakup for CRO segment



Source: Company, BOBCAPS Research

Specialty Ingredients

ANTHEM is one of the few Indian CRDMOs with specialty ingredients offerings like biosimilars which includes microbial and mammalian, vitamin K2, probiotics, peptides, industrial enzyme, protease, serratiopeptidase, nutritional actives and, vitamin analogues which are sold in both regulated and semi-regulated markets and enhancing their manufacturing credentials with global customers. The specialty ingredients business is complementary to their CRDMO business. On conservative basis, we expect sales to grow at 4% CAGR from FY26-28E to Rs 4bn in FY28E.

Fig 24 – Specialty ingredients revenue break up

Specialty Ingredients	FY23	FY24	FY25
Enzyme	**926**	**1379**	**1245**
YoY growth (%)		49	(10)
% of sales	40	44	39
Probiotics	**139**	**203**	**236**
YoY growth (%)		47	16
% of sales	6	7	7
Peptides	**5**	**27**	**33**
YoY growth (%)		471	23
% of sales	0	1	1
Nutritional Activities	**229**	**254**	**220**
YoY growth (%)		11	(14)
% of sales	10	8	7
Vitamins Analogues	**202**	**278**	**392**
YoY growth (%)		38	41
% of sales	9	9	12
APIs	**322**	**403**	**432**
YoY growth (%)		25	7
% of sales	14	13	14
Serratiopeptidase protease	**394**	**524**	**417**
YoY growth (%)		33	(20)
% of sales	17	17	13
Vitamin K2 (Menaquinone-7)	**125**	**49**	**183**
YoY growth (%)		(61)	274
% of sales	5	2	6
Total sales	**2341**	**3117**	**3157**
YoY growth (%)		33	1

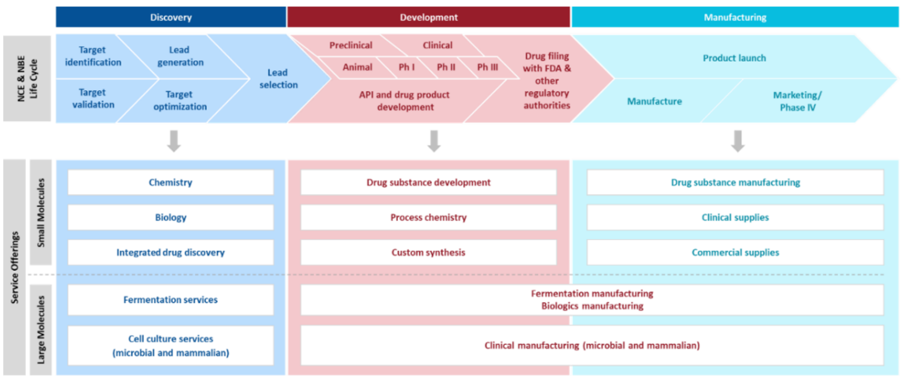
Source: Company, BOBCAPS Research

About the company

Anthem is one of India's fastest-growing, innovation-driven CRDMO companies, providing fully integrated services across drug discovery, development and manufacturing. With expertise in both New Chemical Entities (NCEs) and New Biological Entities (NBEs), they serve global biotech and pharmaceutical companies with cutting-edge capabilities

They have developed deep expertise across advanced modalities, such as RNAi, ADCs, peptides, lipids and oligonucleotides. Their platforms are designed to address evolving scientific demands with speed, efficiency and sustainability.

Fig 25 – About the company



Source: Company, BOBCAPS Research

Fig 26 – No of Employees

Function	Number of Employees As at March 31,		
	2025	2024	2023
Executive Directors	3	3	3
Sales and Business Development	27	23	27
Manufacturing	485	367	306
Quality (Quality Assurance and Quality Control)	569	514	450
R&D	592	588	549
Regulatory and Operations Support	177	148	131
Sales, Purchase and Logistics	37	38	38
Environmental, Health and Safety	87	76	58
Finance, HR, Legal, IT and Admin	85	68	59
Total	**2,062**	**1,825**	**1,621**

Source: Anthem RHP

Fig 27 – Employee qualification

Education Qualification	Number of Employees As at March 31,		
	2025	2024	2023
PhD degree	35	35	33
Master's Degree	1,147	1,049	910
Graduate degree	621	503	457
Undergraduate degree	259	238	221
Total	**2,062**	**1,825**	**1,621**

Source: Anthem RHP

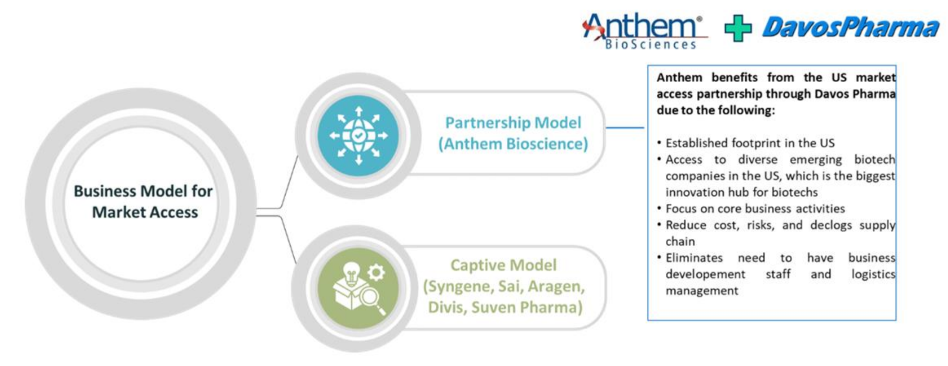
Key Timeline

Fig 28 – Timeline of Key Events

Year	Key Events
2006	Incorporation of the company
2007	Commenced operations at Unit I and established a custom synthesis plant with a capacity of 6 KL.
2008	Commencement of the discovery biology services with a fermentation capacity of 2 KL.
2010	Expanded capacity of custom synthesis plant at Unit I from 6 KL to 24 KL.
2013	Received the first USFDA approval for Unit I.
2016	Set up a high potent lab at Unit I - Bommasandra Facility.
2017	Established a flow chemistry lab scale and solid phase peptide synthesis GMP lab with a capacity of 6 KL at Unit I.
	Commenced operations of our Company at Unit II, setting up an automated GMP compliant custom synthesis plant with a capacity of 128 KL and a fermentation plant with a capacity of 80 KL
	Received the second USFDA approval for Unit I
2019	Received the third USFDA approval for Unit I
2020	Commenced operations in biological facility 2, earmarked for a specific client
2022	Expanded the custom synthesis plant at Unit II, expanding capacity to 246 KL.
2023	Cleared the first USFDA audit and first therapeutic goods administration audit for Unit II.
	Addition of Oligonucleotide lab in Unit I
	Set a cGMP scale continuous flow manufacturing facility for Unit II.
2024	Cleared the second USFDA audit for Unit II first ANVISA audit for Unit I first ANVISA audit for Unit II
	Commenced operations of Neoanthem Lifesciences Private Limited at Unit III, designed as a chemistry lab and customer synthesis pilot plant for development, technology transfer and large-scale projects.
	Fermentation capacity at Unit II expanded to 140 KL
	The company was converted into a Public limited company, under the name 'Anthem BioSciences Limited'
2025	Received the fourth USFDA approval for Unit I

Source: Company, BOBCAPS Research

Fig 29 – Business Model of Anthem



Source: Company, BOBCAPS Research

Key Managerial Personnel

Fig 30 – Profile of Board of Directors

Board of Directors	Designation	Description
Ajay Bhardwaj	Chairman, Managing Director & CEO	▪ Ajay Bhardwaj is the Chairman, MD & CEO. He holds a Bachelor's degree in Chemical Engineering from the IIT-Delhi and MSc in Chemical Engineering from Louisiana State University and Agricultural and Mechanical College. ▪ He was previously associated with Max India Limited as Projects Engineer and as President, marketing and technical services at Biocon Limited. ▪ He has 40+ years of experience in Life Sciences, Contract Research and Pharmaceutical Manufacturing.
Dr. Ganesh Sambasivam	Executive Director	▪ Dr. Ganesh Sambasivam, is Executive Director and Chief Scientific Officer. ▪ He holds BSc in Chemistry from the University of Madras, Master's degree in Organic Chemistry and a Ph.D. in Chemistry from the University of Pune. ▪ He was previously associated with Syngene International Limited as Chief Scientific Officer. He has 31+ years of experience in Process R&D.
K Ravindra Chandrappa	Executive Director	▪ K Ravindra Chandrappa is Executive Director and Chief Operating Officer. He holds a Bachelor's degree in Chemical Engineering from Bangalore University. ▪ Responsible for leading the end-to-end operations including R&D, Manufacturing, Quality and Regulatory compliance management. ▪ He has 30+ years of experience in Pharmaceutical and Biopharmaceutical, along with managing large-scale operations, driving process efficiencies and implementing global quality standards.
Satish Chander Subbanna	Non-Executive Nominee Director	▪ Satish Chander Subbanna is the Non-Executive Nominee Director.. He holds a Bachelor's degree in Mechanical Engineering from IIT-Madra and PG Diploma in Management from IIM, Calcutta. ▪ He has been associated with True North for over 20 years and leads True North's investments in sectors like Healthcare and Life Sciences.
Subramanian Madhavan	Non-Executive Independent Director	▪ Subramanian Madhavan is Non-Executive Independent Director. He holds a PG Diploma in Business Management from IIM, Ahmedabad and is also a Fellow member of the Institute of Chartered Accountants of India. ▪ He has around 4 decades of experience in Accountancy, Economics, Finance, Law, Information Technology, Human Resources, Risk Management, Business Management and Banking. He has also served as the President Northern Region, Indo-American Chamber of Commerce, as also former Co- Chairman, Taxation Committee, ASSOCHAM. ▪ He is a member of the Institute of Directors, the All India Management Association and Delhi Management Association. ▪ Former Board member of HCL Technologies Ltd and GSK Consumer Products Ltd., he is presently an independent director on the Boards of ICICI Bank, Sterlite Technologies Limited, P&G Health Limited and Lifestyle International Private Limited.
Ravikant Uppal	Non-Executive Independent Director	▪ Ravikant Uppal is a Non-Executive Independent Director. He holds a Bachelor's degree in Mechanical Engineering from IIT, Delhi and a Post Graduate Diploma in Business Administration from IIM, Ahmedabad. ▪ Additionally, he is also a Graduate of The Wharton Advanced Management Programme from the University of Pennsylvania. ▪ He has 23+ years of experience in business administration. He was previously associated with the ABB Group as President of Global Markets, as also with Maini Precision Products Limited, Steel Infra Solutions Private Limited, Siscol Infra Private Limited, Transport Corporation of India Limited, Ring Plus Aqua Limited and Surin Automotive Private Limited.
Ramesh Ramadurai	Non-Executive Independent Director	▪ Ramesh Ramadurai is the Non-Executive Independent Director. He holds a Bachelor's degree of Technology in Chemical Engineering from IIT, Kanpur and PG Diploma in Management from IIM, Calcutta. He currently serves as MD of 3M India Limited and has over 35 years of experience in 3M India Limited. ▪ He has served as Chairman of CII Karnataka during Fiscal 2021-2022, been a member of the CII Southern Region Council and has been on the India Advisory Council of US-India Business Council.

Source: Company, BOBCAPS Research

Valuation Methodology

We expect Anthem to report 15% sales CAGR from FY26-29E, driven by 16% sales CAGR from the CRO segment, 17% CAGR from CDMO business and 4% CAGR from specialty ingredient sales. We believe this growth rate can be achieved through better execution in CDMO sales with 14 commercial molecules. In our view, Anthem is one of the few companies in India to have a wide range of modalities across platforms and a history of being in the business since 2006, which infuses confidence in clients.

Anthem has one of the highest EBITDA margins (41% in 9MFY26). We expect the margin to stay high considering the ongoing capacity ramp-up in peptides and civil work for unit 4, which requires a capex of Rs 10bn for phase 1.

At CMP, the stock is trading at a PE of 53x for FY27 and 46x on FY28E EPS. Due to industry-high margins, we ascribe a PE equivalent to that of Divi's of 56x on Mar'28 EPS of Rs 14.9x to arrive at TP of Rs 835 per share.

Fig 31 – Key assumptions

Revenue Driver	2022	2023	2024	2025	2026E	2027E	2028E	2029E
CRDMO	**9472**	**8081**	**10832**	**15061**	**17700**	**22240**	**25290**	**28400**
YoY growth (%)		(15)	34	39	15	18	20	20
% of sales	77	76	76	82	83	86	87	88
R&D CRO	**1290**	**1731**	**1856**	**2006**	**2100**	**2480**	**2880**	**3300**
YoY growth (%)		34	7	8	5	18	16	15
% of CRDMO sales	14	21	17	13	12	11	11	12
% of total sales	10	16	13	11	10	10	10	10
D&M CDMO	**8182**	**6350**	**8976**	**13055**	**15600**	**19760**	**22410**	**25100**
YoY growth (%)		(22)	41	45	19	27	13	12
% of CRDMO sales	86	79	83	87	88	89	89	88
% of total sales	66	60	63	71	74	76	77	77
Specialty Ingredient	**2840**	**2488**	**3362**	**3385**	**3502**	**3611**	**3762**	**3990**
YoY growth (%)		(12)	35	1	3	3	4	6
% of sales	23	24	24	18	17	14	13	12
Total sales	**12312**	**10569**	**14194**	**18446**	**21202**	**25851**	**29052**	**32390**
YoY growth (%)		(14)	34	30	15	22	12	11

Source: Company, BOBCAPS Research

Key Risks

Destocking

The CDMO business is dependent on the demand from the innovators. Any pause or deferment in the demand may lead the risk of destocking.

Regulatory

Pharma companies undergo USFDA inspection periodically. Failure to adhere to USFDA norms may lead to regulatory issues.

Transfer of molecules across phases

As the company has CRO income, revenue is derived from the shift of molecules from one phase to another. Failure in shifting from the early development phase to late-stage commercial phase is a big risk.

CDMO Companies capabilities

Fig 32 – Peer comparison of CDMO companies

Particulars	Divi's	Laurus	Cohance	Sai	Anthem
No of molecules commercialised	30 in APIs; Custom Synthesis NA	15 APIs	16 molecules	30 commercial molecules	14 Commercial Molecules
CDMO/CRO	CDMO	CDMO	CDMO	66% CDMO, 34% CRO	90% CDMO 10% CRO
Top 5 products	Sacubitril Valsarta,lopromide, Valsartan, Naproxen Sodium & Gabapentin	Dolutegravir + Lamivudine + Tenofovir, Lamivudine, Metformin, Tenoforvir Disoproxil +l-Sepiapterin	Mebeverine, Entacapone, 4-Ethyl, 7 Ethyl, 3,6 Dihydro2h pyridine	Bilastine, Dichloro-4-Fluoro, 30 Chloro-5,7Dihydro, Hydroxyoctyl	Rimegepant, 4Bromophenyl, 3 Pyrroline, 5Hydroxy7Azaindole & All E Heptaprenol
Top 5 clients	Novartis, Bayer, MSD, Raybow & MSD Ireland	KRKA DD, Laurus Generics, Pfizer, Airpharma & Kenya Medical Supplies	Boehringer, Ingenus Pharma, Gilead & Lonza	Faes Farma, Abbvie, United Therapeutics, Zoetis Belgium, Bayer AG.	Procos Spa, Catalent, Davos Chem,Kappa Bios & Abbvie
Modalities	Small Molecules, High potent APIs & Peptide Synthesis & Contrast Media	Small Molecules (Human + Animals), ADCs, Cell & Gene therapy, High Potent APIs, Bio Catalysis, Flow Technology	Small Molecules, HPAPI Cytotoxic Drugs, Controlled Substance, ADC, Oligonucleotide & Protein Degraders	NCE Molecules, Peptide, ADC, Oligonucleotide and Lipids	CDMO -Custom Synthesis, Peptides, High Potent manufacturing, fermentation & Oligonucleotides, ADC, RNAi, Lipids, Enzymes, Probiotics
Strategic investment	Unit 3 Kakinada plant for backward integration	USD2mn in Aarvik Therapeutics for ADC drugs	NJ Bio invested USD 10 mn cGMP bioconjugation site expansion underway at Princeton to scale U.S. bioconjugation capabilities.	Peptides - clinical + Development (both GLP + non GLP)	Peptides (biosimilars Peptides)
Capacities	16500 kl	8000 kl in reactors	3000 kl	750 kl	400 kl
Fermentation capacity	NA	240 kl	NA	NA	142 kl
No. of CDMO Units	3 units	9 sites	5 sites	Unit 2 & Unit 4	Unit 2 &3
Gross block FY25 Rs mn	7830	5764	10875	15661	12701
Asset Turn (x)	1.2	0.9	0.9	1.6	1.5
CDMO as a % of total sales	56%	30%	41%	66%	90%
Scientist	700	1428	500	2605	1045
PHDs	NA	NA	15% of Scientist	340	57% PHDs +Masters
Backward integration in CDMO	Yes	No	Yes, in ADC through NJ	No	Yes, doing fermentation for peptides
World leadership	10 generic APIs	ARV & Onco	Top 3 player in 8 out of 10 APIs	NA	NA

Source: Company, BOBCAPS Research

Indian & Global Peers

Fig 33 – Indian Companies

Name	CDMO (Yes/No)	Mkt Cap (INR)	EV	EV/EBITDA	EV/EBITDA FY1	EV/EBITDA FY2	P/E	P/E FY1	P/E FY2	P/FCF
SYNGENE INTERNATIONAL LTD	Yes	170766	165671	16	19	15	34	50	37	38
SAI LIFE SCIENCES LTD	Yes	211407	212520	-	34	28	123	60	51	-
DIVI'S LABORATORIES LTD	Yes	1708689	1676979	52	48	40	78	66	56	336
PIRAMAL PHARMA LTD	Yes	209556	250625	22	26	16	228	-	65	-
LAURUS LABS LTD	Yes	589172	1091	0	9	10	95	164	7	0

Source: Bloomberg

Fig 34 – Korean Pharma Companies

Name	CDMO (Yes/No)	Mkt Cap (KRW)	EV	EV/EBITDA	EV/EBITDA FY1	EV/EBITDA FY2	P/E	P/E FY1	P/E FY2	P/FCF
SAMSUNG BIOLOGICS CO LTD	Yes	79851890	1725000	0	-4	0	43	46	14	-
CELLTRION INC	Yes	54989486	57071450	48	28	25	52	40	35	87
SSY GROUP LTD	Yes	1445733	1956981	8	12	11	12	13	11	91
DAEWOONG PHARMACEUTICAL CO	Yes	2055458	2689564	11	10	9	22	13	11	-
SAM CHUN DANG PHARM CO LTD	Yes	19211670	19253121	1512	-	-	-	-	-	-
PHARMARESEARCH CO LTD	No	3631182	3131280	15	14	11	24	22	17	29
ST PHARM CO LTD	Yes	3176757	3139278	39	30	24	57	49	36	168
GREEN CROSS CORP	Yes	1975025	3108260	22	20	17	34	58	41	53
LOTUS PHARMACEUTICAL CO LTD	Yes	3414319	3725407	12	10	7	15	15	10	10
SAWAI GROUP HOLDINGS CO LTD	No	2472326	3171139	18	9	7	-	19	13	47
TOWA PHARMACEUTICAL CO LTD	Yes	2095408	3880564	9	9	8	10	11	11	34

Source: , Bloomberg

Fig 35 – Japan Pharma Companies

Name	CDMO (Yes/No)	Mkt Cap (JPY)	EV	EV/EBITDA	EV/EBITDA FY1	EV/EBITDA FY2	P/E	P/E FY1	P/E FY2	P/FCF
DAIICHI SANKYO CO LTD	Yes	5804290	5563393	15	13	11	19	18	16	-
OTSUKA HOLDINGS CO LTD	No	5815411	5540704	9	11	11	16	20	19	18
TAKEDA PHARMACEUTICAL CO LTD	No	9258502	13458033	10	11	11	81	12	12	9
ASTELLAS PHARMA INC	No	4707838	5180562	9	9	8	14	19	15	11
CHUGAI PHARMACEUTICAL CO LTD	Yes	17554548	16569100	28	23	21	40	35	31	54
EISAI CO LTD	No	1528533	1465088	16	15	13	35	32	26	20

Source: Bloomberg

Fig 36 – Chinese Companies

Name	CDMO (Yes/No)	Mkt Cap (CNY)	EV	EV/EBITDA	EV/EBITDA FY1	EV/EBITDA FY2	P/E	P/E FY1	P/E FY2	P/FCF
WUXI APPTEC CO LTD-A	Yes	295627	274924	-	13	13	19	19	19	-
WUXI BIOLOGICS CAYMAN INC	Yes	146520	142588	21	18	15	34	30	26	91
PHARMARON BEIJING CO LTD-A	Yes	49844	54522	-	16	14	35	31	25	39
ASYMCHEM LABORATORIES TIAN-A	Yes	34383	27151	-	17	14	34	31	26	75
SHANGHAI HAOYUAN CHEMEXPRE-A	Yes	15170	15931	-	-	-	51	49	36	854
ZHEJIANG JIUZHOU PHARMACEU-A	Yes	15690	13383	-	9	8	22	17	15	15
PORTON PHARMA SOLUTIONS L-A	Yes	12782	13607	-	22	17	-	129	52	80
HITGEN INC-A	Yes	11732	10982	-	64	56	103	110	91	300
R&G PHARMASTUDIES CO LTD-A	No	7128	5459	-	-	-	47	49	43	93
GENSCRIPT BIOTECH CORP	Yes	22853	17736	6	10	21	39	56	36	22
INNOVATIVE MEDICAL MANAGEM-A	No	13675	13318	-	-	-	-	-	-	-

Source: Bloomberg

Fig 37 – Swiss Companies

Name	CDMO (Yes/No)	Mkt Cap (CHF)	EV	EV/EBITDA	EV/EBITDA FY1	EV/EBITDA FY2	P/E	P/E FY1	P/E FY2	P/FCF
LONZA GROUP AG-REG	Yes	37362	40881	21	17	15	41	30	25	-
SIEGFRIED HOLDING AG-REG	Yes	3763	4034	13	12	11	22	20	18	355
BACHEM HOLDING AG	Yes	4391	4423	22	22	15	33	37	24	-

Source: Bloomberg

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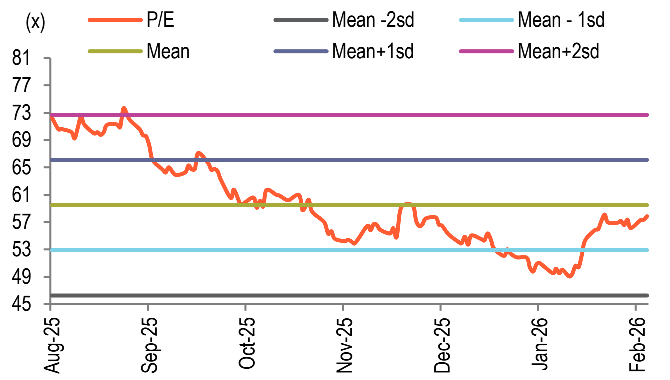
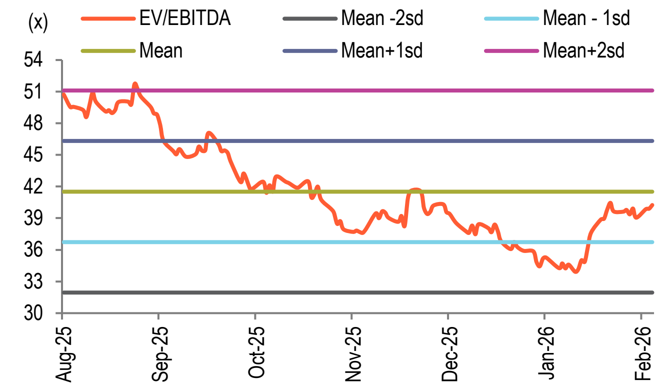
Valuation Bands

Fig 38 – P/E Band



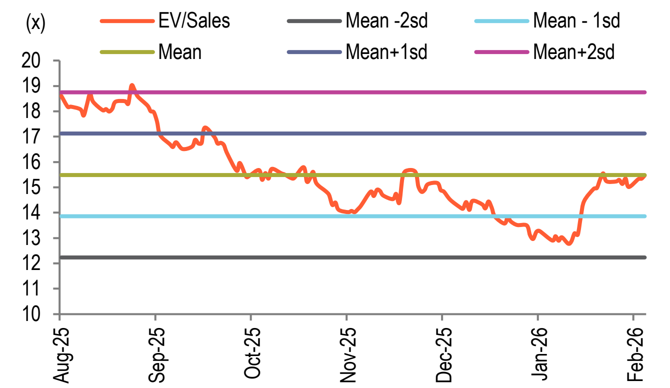
Source: Bloomberg

Fig 39 – EV/EBITDA Band



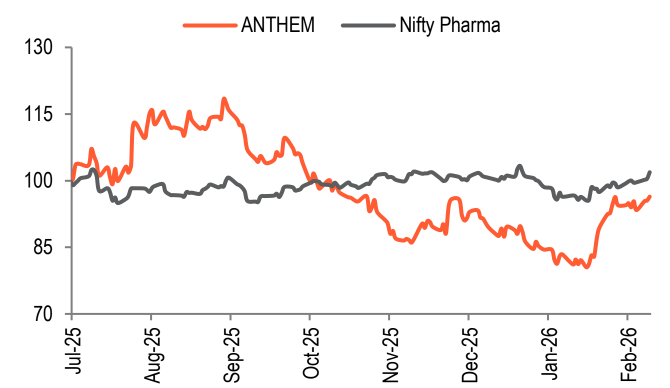
Source: Bloomberg

Fig 40 – EV/sales Band



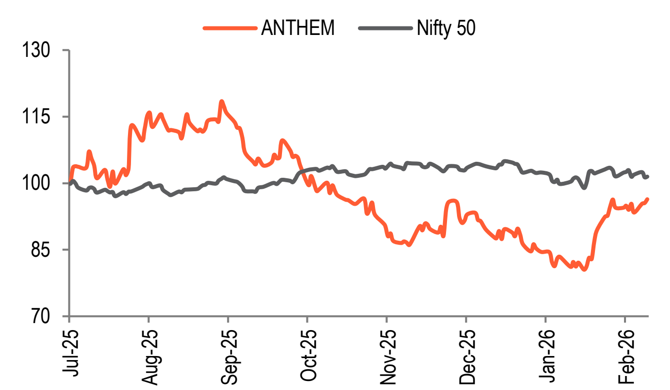
Source: Bloomberg

Fig 41 – Anthem Vs Nifty Pharma



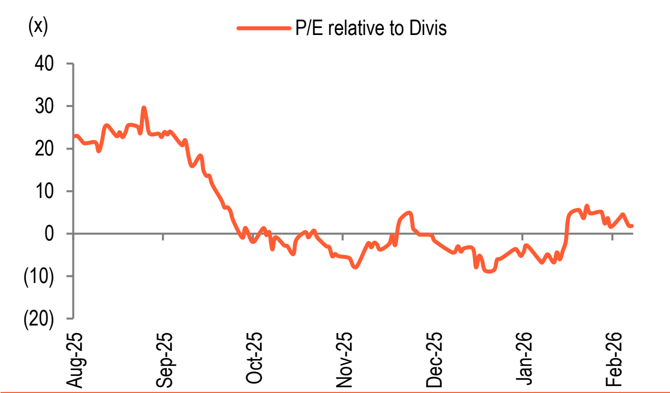
Source: Bloomberg

Fig 42 – ANTHEM Vs Nifty 50



Source: Bloomberg

Fig 43 – P/E relative to Divis



Source: Bloomberg

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26E	FY27E	FY28E	FY29E
Total revenue	**18,446**	**21,202**	**25,851**	**29,052**	**32,390**
EBITDA	6,708	8,061	10,251	11,759	13,546
Depreciation	894	923	1,041	1,173	1,300
EBIT	5,815	7,138	9,211	10,586	12,246
Net interest inc./(exp.)	(103)	(110)	(113)	(117)	(119)
Other inc./(exp.)	857	742	776	726	891
Exceptional items	4	5	6	7	7
EBT	6,569	7,770	9,873	11,195	13,018
Income taxes	2,056	1,956	2,485	2,818	3,277
Extraordinary items	0	254	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	**4,513**	**6,068**	**7,388**	**8,377**	**9,741**
Adjustments	4	5	6	7	7
Adjusted net profit	**4,509**	**6,063**	**7,382**	**8,370**	**9,734**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26E	FY27E	FY28E	FY29E
Accounts payables	1,101	1,468	1,806	2,096	2,413
Other current liabilities	1,488	1,808	2,141	2,371	2,610
Provisions	114	124	134	144	144
Debt funds	1,133	1,148	1,174	1,211	1,234
Other liabilities	141	141	141	141	141
Equity capital	1,118	1,118	1,118	1,118	1,118
Reserves & surplus	22,980	29,048	36,437	44,814	54,555
Shareholders' fund	24,099	30,167	37,555	45,932	55,673
Total liab. and equities	**28,076**	**34,855**	**42,950**	**51,894**	**62,215**
Cash and cash eq.	3,170	8,506	13,567	20,191	28,026
Accounts receivables	4,535	4,969	5,980	6,637	7,308
Inventories	3,404	3,849	4,671	5,167	5,696
Other current assets	2,128	1,837	2,239	2,516	2,805
Investments	4,331	4,348	4,366	4,387	4,409
Net fixed assets	7,012	7,596	8,377	9,246	10,222
CWIP	2,969	2,969	2,969	2,969	2,969
Intangible assets	39	39	39	39	39
Deferred tax assets, net	179	179	179	179	179
Other assets	309	309	309	309	309
Total assets	**28,076**	**34,601**	**42,696**	**51,640**	**61,961**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26E	FY27E	FY28E	FY29E
Cash flow from operations	**4,187**	**6,961**	**6,994**	**8,773**	**10,236**
Capital expenditures	(2,646)	(1,507)	(1,822)	(2,042)	(2,276)
Change in investments	386	0	0	0	0
Other investing cash flows	739	0	0	0	0
Cash flow from investing	**(1,521)**	**(1,507)**	**(1,822)**	**(2,042)**	**(2,276)**
Equities issued/Others	-	-	-	-	-
Debt raised/repaid	(1,238)	15	26	37	23
Interest expenses	(97)	(110)	(113)	(117)	(119)
Dividends paid	-	-	-	-	-
Other financing cash flows	(1)	0	0	0	0
Cash flow from financing	**(1,336)**	**(96)**	**(87)**	**(80)**	**(96)**
Chg in cash & cash eq.	**1,330**	**5,358**	**5,085**	**6,651**	**7,865**
Closing cash & cash eq.	**3,170**	**8,506**	**13,567**	**20,191**	**28,026**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26E	FY27E	FY28E	FY29E
Reported EPS	8.0	10.4	13.2	14.9	17.3
Adjusted EPS	8.0	10.4	13.2	14.9	17.3
Dividend per share	0.0	10.5	12.3	15.0	17.4
Book value per share	42.9	53.7	66.9	81.8	99.1

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26E	FY27E	FY28E	FY29E
EV/Sales	21.5	18.9	15.7	14.2	13.0
EV/EBITDA	59.0	49.8	39.6	35.1	31.1
Adjusted P/E	87.2	67.7	53.3	47.0	40.4
P/BV	16.3	13.1	10.5	8.6	7.1

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26E	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	68.6	78.0	74.8	74.8	74.8
Interest burden (PBT/EBIT)	113.0	108.8	107.2	105.8	106.3
EBIT margin (EBIT/Revenue)	31.5	33.7	35.6	36.4	37.8
Asset turnover (Rev./Avg TA)	65.7	61.3	60.5	56.3	52.3
Leverage (Avg TA/Avg Equity)	1.2	1.1	1.1	1.1	1.1
Adjusted ROAE	18.7	20.1	19.7	18.2	17.5

Ratio Analysis

Y/E 31 Mar	FY25A	FY26E	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	30.0	14.9	21.9	12.4	11.5
EBITDA	32.8	20.2	27.2	14.7	15.2
Adjusted EPS	24.1	28.8	27.1	13.4	16.3
Profitability & Return ratios (%)					
EBITDA margin	36.4	38.0	39.7	40.5	41.8
EBIT margin	31.5	33.7	35.6	36.4	37.8
Adjusted profit margin	24.4	28.6	28.6	28.8	30.1
Adjusted ROAE	18.7	20.1	19.7	18.2	17.5
ROCE	23.0	22.8	23.8	22.5	21.5
Working capital days (days)					
Receivables	89	85	84	83	82
Inventory	167	170	172	173	175
Payables	22	23	24	25	26
Ratios (x)					
Gross asset turnover	1.2	1.2	1.4	1.4	1.4
Current ratio	5.3	5.8	6.4	7.2	8.0
Net interest coverage ratio	56.3	64.6	81.5	90.7	102.9
Adjusted debt/equity	(0.1)	(0.2)	(0.3)	(0.4)	(0.5)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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BUY – Expected return >+15%

HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

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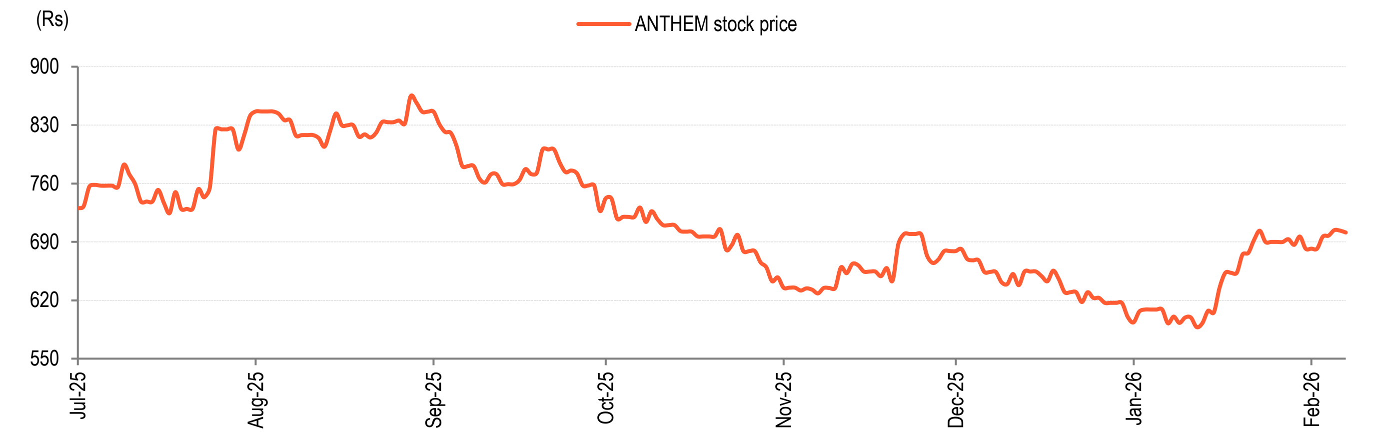

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