ArihantCapital
Generating Wealth

IPO Note
15th October 2026

Sahajanand Medical Technologies Ltd

Neutral

Rating: Neutral

Issue Offer

Total issue size: OFS – INR 4,754.81 Mn (13.82 Mn Shares) by Promoters, Promoter Group & Investors; no Fresh Issue. Employee Reservation – 0.25 Mn Shares

Issue Summary	
Price Band (INR)	327-344
Face Value (INR)	1
Implied Market Cap (INR mn)	34,966.49
Market Lot	43
Issue Opens on	15 October, 2026
Issue Close on	19 October, 2026
No. of share pre-issue	10,16,46,778
No. of share post issue	10,16,46,778
Listing	NSE & BSE

Issue Break-up (%)	
QIB Portion	≤ 50
Retail Portion	≥ 35
NII Portion	≥ 15

Book Running Lead Managers
Motilal Oswal Investment Advisors Limited
Avendus Capital Private Limited
HSBC Securities & Capital Markets (India)
Nuvama Wealth Management Limited

Registrar
MUFG Intime India Private Limited

Shareholding Pattern	Pre-Issue	Post-Issue
Promoters & PG	40.82%	36.20%
Public & Others	59.18%	63.80%

Objects of the Offer	Exp. Amt (INR Mn.)
Offer for Sale by the Selling Shareholders (at upper band)	4,754.81
Net proceeds to the Company	Nil

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Sahajanand Medical Technologies (SMT) is a Surat-headquartered, R&D-driven maker of Class III (EU) and Class C/D (India) medical devices across vascular and structural heart intervention. Founded in 2001 by Mr. Dhirajlal Kotadia, its portfolio covers coronary stents (DES) and balloons under Vascular Intervention (61.1% of FY26 revenue), TAVI and Occluders under Structural Heart (16.8%), and renal stents, peripheral DCBs and traded products (22.1%). It operates three manufacturing facilities (two in India, one in Thailand) and two R&D centres, holds 119 granted patents, and sold its products in 77 countries in FY26 through direct, hybrid and distributor-led models.

Investment Rationale:

Leadership in Indian DES with Global Reach: As per the F&S Report, SMT held nearly 25% of India's DES sales volume in FY26 and is among the top five DES players by volume in Germany, Spain, Poland and Brazil. It was the first company globally to receive CE certification for a biodegradable polymer-based paclitaxel-eluting stent (Infinnium), and its flagship brands are backed by 75 clinical studies, with results published in The Lancet and NEJM. The key consideration is that the business remains dependent on the VI segment, which contributed 61.14% of FY26 revenue, making continued competitiveness in DES important for overall performance.

Structural Heart as the Next Growth Engine: SMT has expanded its portfolio from coronary intervention products into structural heart devices, including transcatheter aortic valve implantation (TAVI) systems and occluders. Its key brands include Supraflex Cruz in DES, Hydra in TAVI and Cocoon in occluders. Structural heart revenue increased from INR 1,105.43 Mn in FY24 to INR 1,573.17 Mn in FY25 and INR 2,030.62 Mn in FY26, representing growth of 46.58% in FY25 and 29.08% in FY26. Consequently, SH's contribution to revenue increased from 12.26% in FY24 to 16.77% in FY26. As per the F&S Report, India's TAVI and Occluder markets are expected to grow at 23.4% and 17.5% CAGR over 2025-30, while Indian DES volumes are projected to grow at 11.0% CAGR. The segment provides an additional growth avenue by allowing SMT to leverage its existing physician relationships, regulatory capabilities and international distribution network to introduce higher-value products.

Rising International Mix: Europe's share of revenue increased from 29.5% in FY24 to 38.7% in FY26 (37.7% in Q1FY27), with direct operations in Germany, Spain, France and the UK, while markets outside India contributed 73.9% of FY26 revenue. Acquiring its distributors in Spain (Imex) and Brazil (Zarek) has moved SMT to direct and hybrid models in these markets.

Consistent investment in R&D supports product differentiation: As of June 30, 2026, the company had two R&D centres in India and Thailand, supported by 156 professionals, including four consultants. It had 119 patents granted globally, 78 patent applications in the pipeline and five design registrations in India. R&D expenditure stood at INR 1,041.64 Mn in FY26, equivalent to 8.61% of revenue, compared with Rs 929.86 Mn in FY25 and INR 814.63 Mn in FY24. The company also reported 75 clinical studies across its flagship products as of June 30, 2026, comprising 66 completed and nine ongoing studies. These capabilities support product improvements, new product development and regulatory approvals across geographies.

Valuation & Outlook: The company's ~25% share of India's DES sales volume in FY26, presence across 77 countries and growing contribution from structural heart products provide multiple avenues for revenue growth. Continued investment in R&D, clinical evidence and product innovation could strengthen its competitive position and support entry into additional markets. The acquisition-led expansion and distribution network also provide opportunities to scale its product portfolio and international business. However, the sustainability of growth will depend on successful commercialisation of newer products, improved utilisation of its manufacturing facilities and the ability to convert revenue growth into stronger profitability and cash flows. **At the upper price band of INR 344, the issue is priced at a P/E of 50.62x based on FY26 EPS of INR 6.80. We recommend a "Neutral" rating for the issue.**

Particulars (INR Mn)	FY24	FY25	FY26
Revenue	9,016.04	10,248.79	12,105.04
Growth (%) YoY	-	*13.67%*	*18.11%*
EBITDA	1,100.47	1,280.21	1,706.55
Margins (%)	*12.21%*	*12.49%*	*14.10%*
PAT/(Loss)	(73.54)	251.52	690.82
Margins (%)	*(0.82%)*	*2.45%*	*5.71%*

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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