Retail Research	IPO Note
Sector: Healthcare - Diagnostics	Price Band (Rs): 768 – 807
7th August 2026	Recommendation: SUBSCRIBE for Long Term

Molbio Diagnostics Ltd.

Company Overview:

Molbio Diagnostics Ltd. (MDL) is a leading Indian molecular diagnostic company that develops, manufactures, and commercializes point-of-care (POC) molecular diagnostic platforms. The company's flagship product platform, 'Truenat', is a portable, battery-operated, micro-PCR testing system designed to deliver rapid, accurate, and automated molecular diagnostic results at the point of care. As of Mar'26, MDL offers commercial molecular testing for 30 diseases across 43 assays, including Tuberculosis (TB), Hepatitis B and C, HIV, HPV, and COVID-19. MDL operates six manufacturing facilities across India (Goa, Bengaluru, Visakhapatnam, and Pune) and a dedicated R&D unit in Bengaluru operated through its wholly-owned subsidiary, Bigtec Pvt Ltd. The company aligns its distribution strategy with public healthcare programs, delivering products across central and state government channels in India as well as through international aid agencies.

Key Highlights:

1. Market leadership in decentralized POC molecular diagnostics: MDL's leadership position is anchored by its proprietary 'Truenat' platform which enables decentralized micro-PCR testing at the point of care without requiring specialized laboratory infrastructure. Driven by extensive adoption across public health initiatives, test kit sales represented 74.0% of FY26 product revenue.

2. Robust R&D engine powering menu of tests expansion and technological edge: The company maintains a strong focus on continuous innovation through its wholly-owned R&D arm, Bigtec, with R&D spending accounting for 6.1% of revenue in FY26. MDL is expanding its diagnostic capabilities with an active pipeline of 34 planned assays across 22 communicable and non-communicable diseases. This proprietary technology is protected by a strong IP portfolio comprising 207 registered patents (16 in India and 191 overseas), 29 trademarks, 11 designs, and 3 copyrights, with an additional 22 patents (7 in India and 15 foreign) and 10 designs currently under application.

3. Strategic alignment with public healthcare infrastructure & institutional buyers: MDL benefits from deep integration into large-scale public health programs run by Indian central and state governments, as well as international aid agencies. Revenue derived from public sector entities and international aid organizations accounted for 84.6% of product sales revenue in FY26.

4. Expanding global reach and comprehensive diagnostic ecosystem: Beyond domestic public health, MDL has exported its devices and test kits to over 90 countries as of Mar'26, with overseas revenue contributing 9.6% in FY26. The company is building a multi-modal diagnostic ecosystem by integrating complementary technologies including digital pathology scanners via OptraScan (60.0% stake) and radiology systems through Prognosys Medical (70.0% stake).

Valuation: Molbio Diagnostics Ltd. is a leading player in point-of-care (POC) molecular diagnostics supported by its proprietary WHO-endorsed Truenat platform. The company has demonstrated healthy financial performance over FY24-26, with Revenue/EBITDA/Adj. PAT growing at a CAGR of 31.5%/17.2%/9.7%, respectively. At the upper price band of Rs 807, the issue is priced at an FY26 P/E of 56.5x and EV/EBITDA of 28.5x. The issue appears reasonably valued relative to its growth profile, profitability metrics, return ratios and established position in the diagnostics ecosystem. Growth going forward will be driven by assay expansion, increasing adoption of molecular diagnostics, international market penetration, and investments in R&D and manufacturing capabilities. However, dependence on TB-related testing revenues, customer concentration, and government procurement programs remain key monitorables. Considering the company's strong technology platform and established market position, we recommend investors to SUBSCRIBE to the issue for Long Term investment horizon.

Issue Details	
Date of Opening	10th August 2026
Date of Closing	12th August 2026
Price Band (Rs)	768 – 807
Issue Size (Rs cr)	940 @ upper price band
Issue Size (No. of shares)	1,16,44,315 @ upper price band
Face Value (Rs)	1
Post Issue Market Cap (Rs cr)	8,860 – 9,300
BRLMs	Motilal Oswal Investment Advisors Ltd, Jefferies India Pvt Ltd, IIFL Capital Services Ltd, and Kotak Mahindra Capital Co Ltd.
Registrar	Kfin Technologies Ltd.
Bid Lot	18 shares and in multiples thereof
QIB shares	50%
NII shares	15%
Retail shares	35%
Employee Quota (Rs cr)	1.5
Employee Discount (Rs)	76

Objects of Issue

Particulars (Rs cr)	Estimated utilization from net proceeds
Funding capex towards the setting up of infrastructure for a R&D facility and Center of Excellence	105.5
Funding capex towards the purchase of certain plant, machinery and other equipment for Goa Unit I, Goa Unit II and Visakhapatnam Unit	72.3
General corporate purposes*	-
Net proceeds from fresh issue*	**-**

**The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

Shareholding Pattern

Pre-Issue	No. of Shares	%
Promoter & Promoter Group	5,25,97,450	46.6
Public & Others	6,01,62,300	53.4
Total	**11,27,59,750**	**100.0**

Post Issue @ Upper Price Band	No. of Shares	%
Promoter & Promoter Group	4,95,65,450	43.0
Public & Others	6,56,72,615	57.0
Total	**11,52,38,065**	**100.0**

Source: RHP, SBICAP Securities Research

Key Financials

Particulars (Rs cr)	FY24	FY25	FY26
Revenue from operations	837	1,020	1,446
EBITDA	234	262	321
Adj. PAT	137	150	165
EBITDA Margin (%)	28.0	25.7	22.2
Adj. PAT Margin (%)	16.3	14.7	11.4
RoE (%)	16.6	15.5	14.1
RoCE (%)	19.8	20.6	16.9
P/E (x)*	66.6	60.8	55.3
EV/EBITDA (x)*	39.5	34.7	28.5
Total Debt / Equity (x)	0.2	0.1	0.4
P/BV (x)*	11.1	9.4	7.8

Note: Pre-issue P/E, EV/EBITDA and P/BV based on upper price band
Source: RHP, SBICAP Securities Research

Selling Shareholders

Selling Shareholders	Classification	No. of Shares
Exxora Trading LLP	Promoter	18,11,000
Dr. Chandrasekhar Bhaskaran Nair	Promoter	12,21,000
India Business Excellence Fund III	Public	10,00,000
Abdul Qadir Mohamed Theruvath	Public	48,000
Chewbacca Services Limited	Public	1,93,000
J. Guru Dutt	Public	9,02,000
Gopalkrishna Mangalore Kini	Public	11,25,000
Gopalakrishna Sampathgiri	Public	9,02,000
M.A. Rohit	Public	2,48,000
Others	Public	17,16,000
Total		**91,66,000**

Source: RHP, SBICAP Securities Research

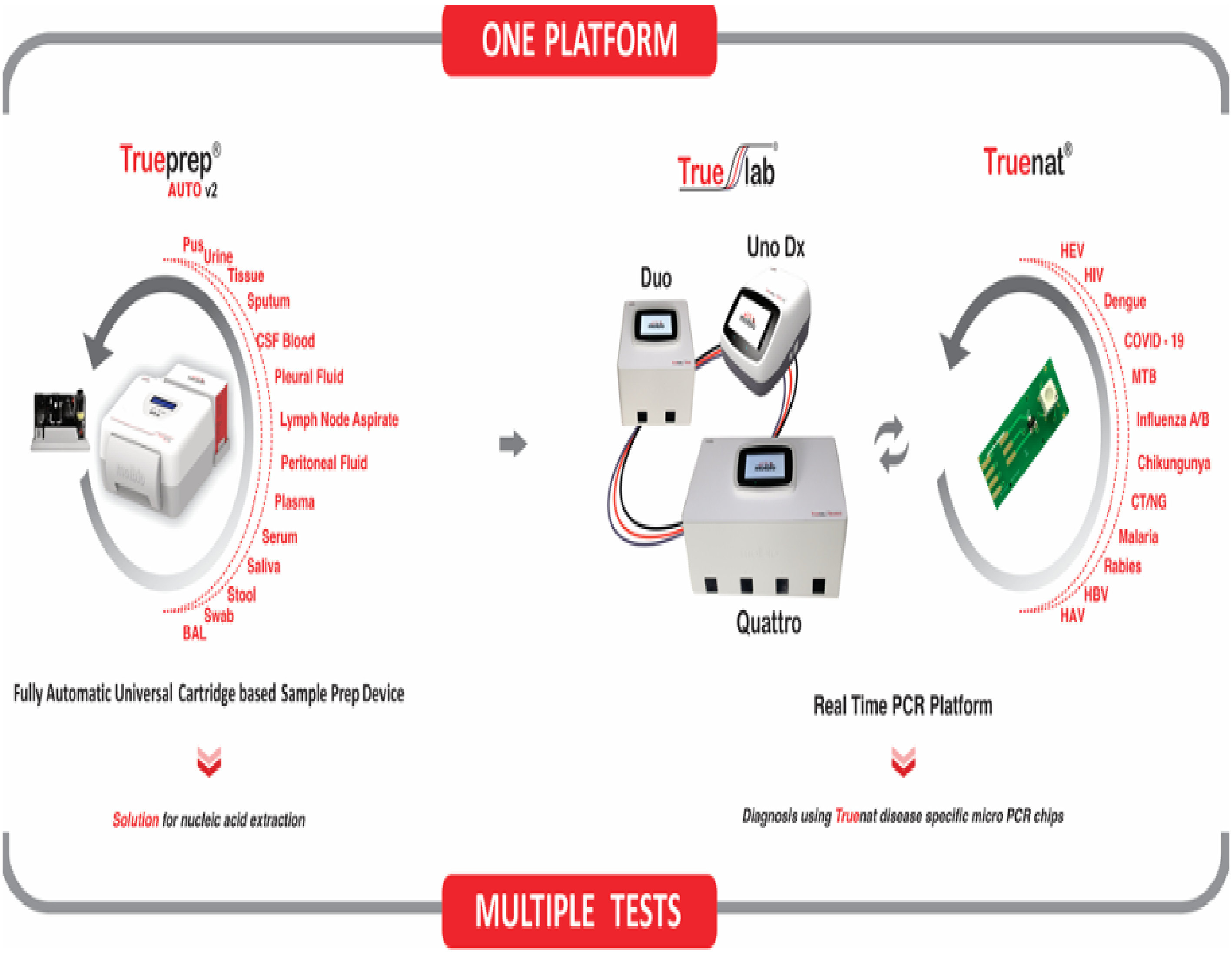
Growth Strategies

- Capitalize on R&D capabilities through Bigtec to expand the 'Truenat' portfolio by commercializing an active pipeline of 34 planned assays across 22 communicable and non-communicable diseases.
- Deepen market penetration in India across private healthcare and state government channels while scaling international footprint across Asia, Africa, Europe, and North America.
- Focus on continuous product innovation to launch next-generation POC testing platforms and broaden utility to capitalize growing market opportunities.
- Pursue selective inorganic growth through strategic acquisitions, partnerships, and deploy net proceeds to set up a dedicated Centre of Excellence for med-tech innovation.

Risk Factors

- **Product & Disease concentration:** MDL derived 70.2% of its FY26 test kits sales revenue from diagnostic test kits for Tuberculosis (TB). The business is sensitive to any reduction in demand for TB testing, changes in government TB programs (like NTEP), or supply chain disruptions.
- **Institutional & Public Sector concentration:** During FY26, the company derived 84.6% of its product sales revenue from Indian central/state governments and international aid agencies. Furthermore, its top 10 customers contributed 83.3% of product sales revenue. Any unfavorable policy changes or delays in public health budgets could adversely affect financial performance.
- **Supplier concentration & import dependency:** Sourcing relies heavily on a limited group of vendors with the top 10 suppliers accounting for 58.5% of raw material purchases in FY26. Additionally, imported raw materials comprised 42.0% of total raw material purchases in FY26, exposing operations to trade and currency risks.
- **High working capital intensity:** Operations demand substantial working capital with the average cash conversion cycle stood at 323 days in FY26. Long payment cycles from government bodies could stretch liquidity and impact cash flows.

Platform Workflow



Source: RHP, SBICAP Securities Research

Product Profile

	
Trueprep Auto v2 Universal Catridge based Sample Prep Device	**Trueprep AUTO v2 Universal Cartridge Based Sample Prep Kit**

Source: RHP, SBICAP Securities Research

Customer-wise Revenue Contribution

Particulars	FY24		FY25		FY26	
	Amount (Rs cr)	% of Rev	Amount (Rs cr)	% of Rev	Amount (Rs cr)	% of Rev
Indian Central government	276	33.8%	500	50.8%	791	56.5%
Indian State governments	415	50.9%	210	21.4%	326	23.3%
International aid agencies	56	6.8%	154	15.7%	66	4.8%
Non-government agencies	68	8.4%	120	12.2%	216	15.4%
Revenue from contracts with customers – Sale of products – Finished Goods	**815.2**	**100.0%**	**983.7**	**100.0%**	**1,398.8**	**100.0%**

***** *International aid agencies include organizations that provide assistance, both humanitarian and developmental, to countries and populations in need around the world which includes governmental, intergovernmental, or non-governmental organisations (NGOs). The company's arrangements with international aid agencies typically involve framework agreements or understandings for supply of products. These agreements do not include firm commitments regarding the quantity of devices or test kits to be procured. Instead, purchase orders are placed by these agencies on a need basis, depending on their program requirements.*

Source: RHP, SBICAP Securities Research

Facility Overview (in Units)

Manufacturing Facility	Product	FY24			FY25			FY26		
		Installed Capacity (1)	Actual Prod. (2)	Utilisation % (3)	Installed Capacity (1)	Actual Prod. (2)	Utilisation % (3)	Installed Capacity (1)	Actual Prod. (2)	Utilisation % (3)
Goa Facility I	Test Kits and its components	90,00,000	27,08,060	30.1%	90,00,000	29,18,040	32.4%	90,00,000	51,79,015	57.5%
Visakhapatnam Facility	Devices	3,600	714	19.8%	3,600	2,120	58.9%	5,400	2,284	42.3%
	Test Kits Components	2,52,00,000	32,01,101	12.7%	2,52,00,000	57,04,945	22.6%	1,44,00,000(4)	1,02,67,734	71.3%
Goa Facility II	Test Kits and its components	3,00,00,000	79,98,981	26.7%	3,00,00,000	1,40,25,040	46.8%	3,00,00,000	1,75,37,551	58.5%
Bengaluru Facility I	Test Kits Components	1,50,00,000	1,36,45,844	91.0%	1,50,00,000	1,41,24,425	94.2%	2,25,00,000	2,16,48,338	96.2%
Bengaluru Facility II	Xray Devices	3,640	423	11.6%	1,820	350	19.2%	1,820	923	50.7%
Pune Facility(5)	Digital Pathology Scanner	NA	NA	NA	NA	NA	NA	120	33	27.5%

(1) Installed capacity represents the installed capacity as of the last date of the relevant Fiscal. The installed capacity is based on various assumptions and estimates, including standard capacity calculation practice in the diagnostic industry and the capacity of other ancillary equipment installed at the relevant manufacturing facility. Assumptions and estimates taken into account for measuring installed capacities and the available capacities include 300 working days in a year, at 3 shifts per day operating for 8 hours a day.

(2) Actual production represents quantum of production in the relevant Fiscal.

(3) Capacity utilization has been calculated on the basis of actual production in the relevant Fiscal divided by the installed capacity during such Fiscal.

(4) Production of ultrasonic weld cartridge ceased in FY26.

(5) OptraScan India Private Limited became a subsidiary of the Company in FY26.

Source: RHP, SBICAP Securities Research

Top-3 Countries by Revenue Contribution

Particulars	FY24		FY25		FY26	
	Amount (Rs cr)	% of Export Rev	Amount (Rs cr)	% of Export Rev	Amount (Rs cr)	% of Export Rev
Nigeria	0	0.0%	62	31.2%	26	18.6%
Peru	0	0.4%	9	4.8%	15	10.8%
Indonesia	1	1.5%	18	9.3%	11	7.6%

Source: RHP, SBICAP Securities Research

Key KPIs

Particulars	Unit	FY24	FY25	FY26
Revenue from sale of devices	Rs Cr	185	203	203
Revenue from sale of test kits	Rs Cr	553	731	1,035
Number of devices sold	Numbers	2,011	2,180	2,524
Number of test kits sold	Million Units	9	12	18
Diseases commercialized	Numbers	26	30	30
Assays commercialized	Numbers	38	42	43

Source: RHP, SBICAP Securities Research

Number of Test Kits Sold - Classified by Disease

Disease	FY24		FY25		FY26	
	Units (mn)	%	Units (mn)	%	Units (mn)	%
Tuberculosis	8.3	93.9%	11.6	94.8%	16.9	96.0%
Hepatitis B	0.1	1.4%	0.2	1.3%	0.2	1.3%
HLA-B27	0.1	0.7%	0.1	0.6%	0.1	0.6%
Other diseases*	0.4	4.0%	0.4	3.3%	0.4	2.1%
Number of test kits sold	**8.8**	**100.0%**	**12.3**	**100.0%**	**17.6**	**100.0%**

**Other diseases primarily include Hepatitis C, Influenza, Covid, Dengue, Chikungunya and HPV.*
Source: RHP, SBICAP Securities Research

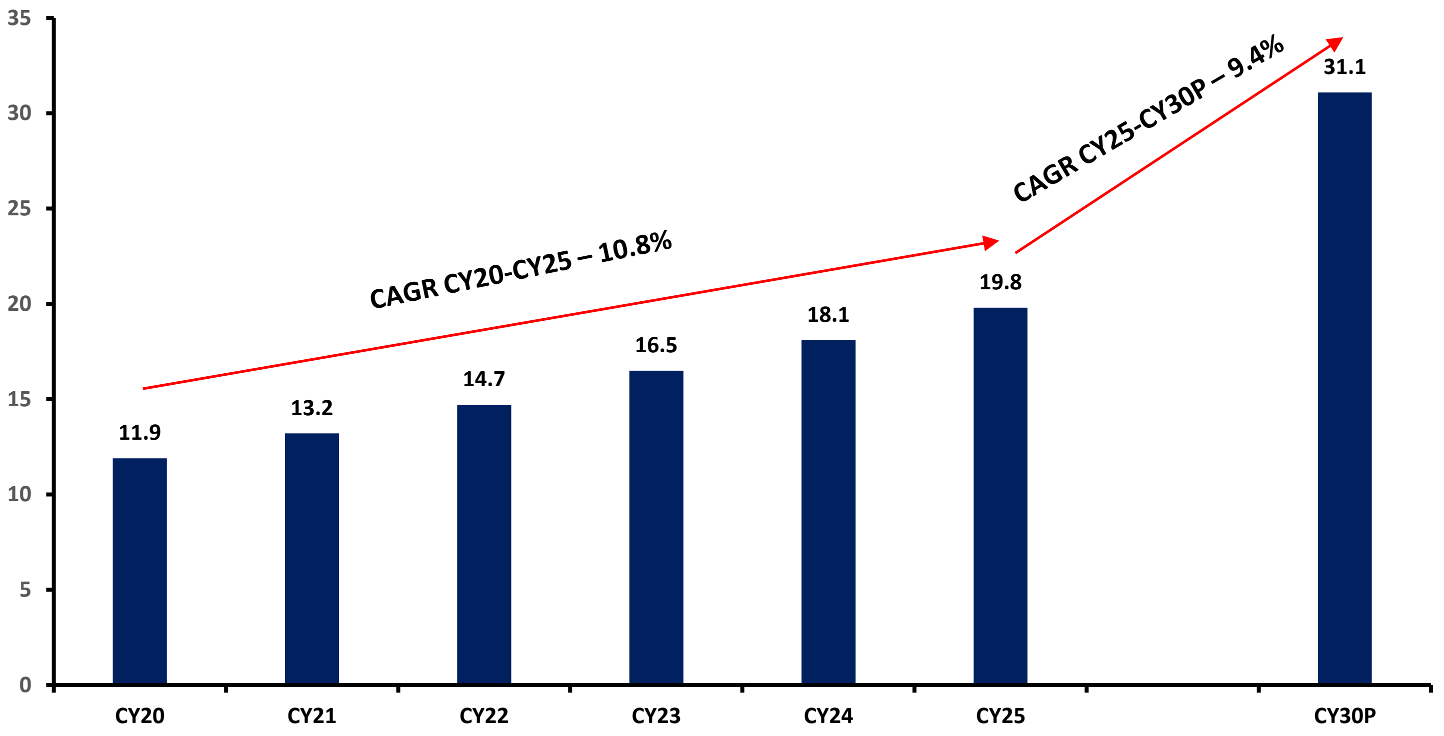
Geography-wise Revenue Contribution

Particulars	FY24		FY25		FY26	
	Amount (Rs cr)	% of Rev	Amount (Rs cr)	% of Rev	Amount (Rs cr)	% of Rev
Revenue from customers in India	754	90.2%	823	80.7%	1,307	90.4%
Revenue from customers outside India	82	9.8%	197	19.3%	139	9.6%
Total	**837**	**100.0%**	**1,020**	**100.0%**	**1,446**	**100.0%**

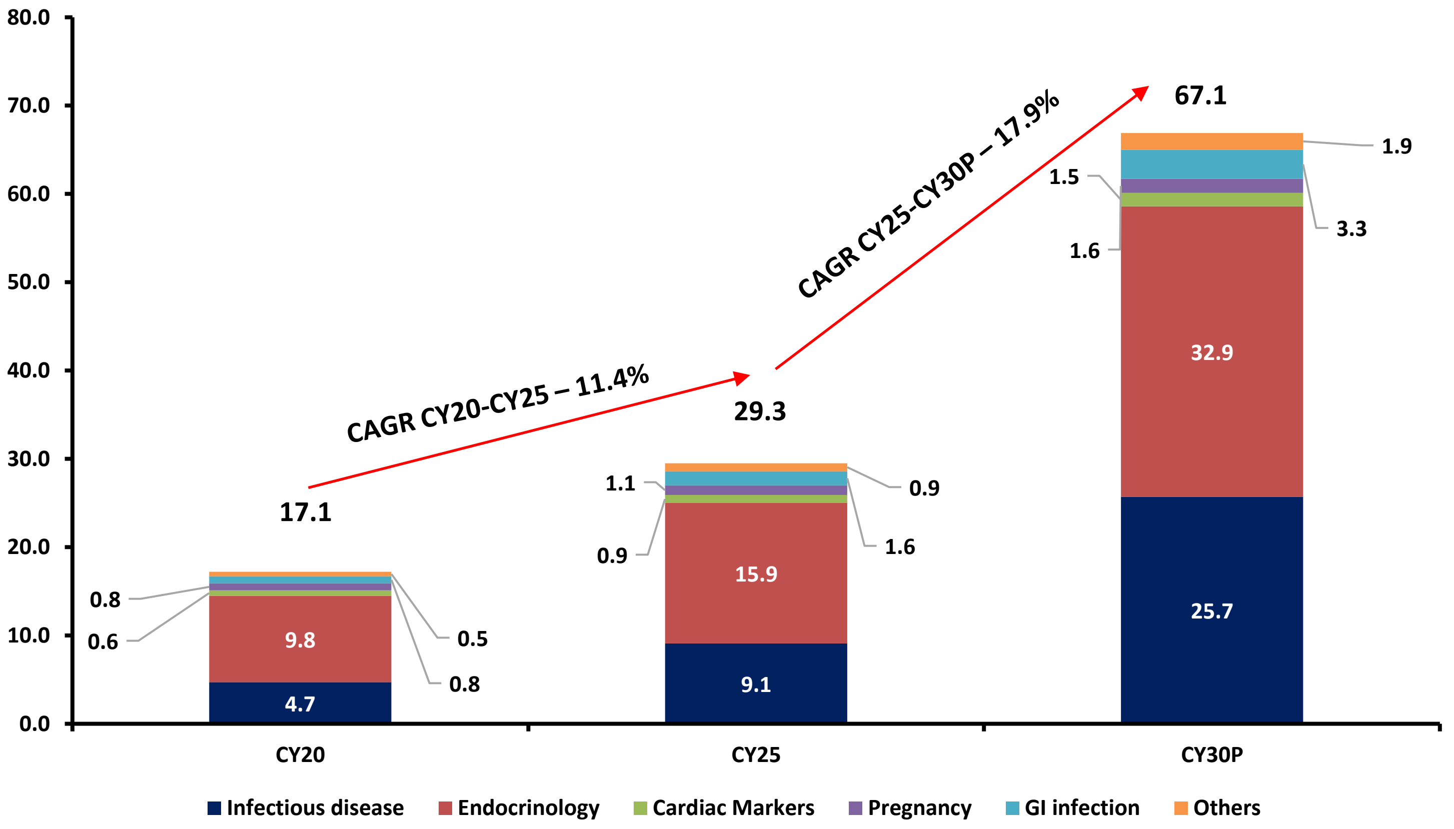
Source: RHP, SBICAP Securities Research

Industry Overview

Global Molecular Diagnostics Market Size (In USD Bn)

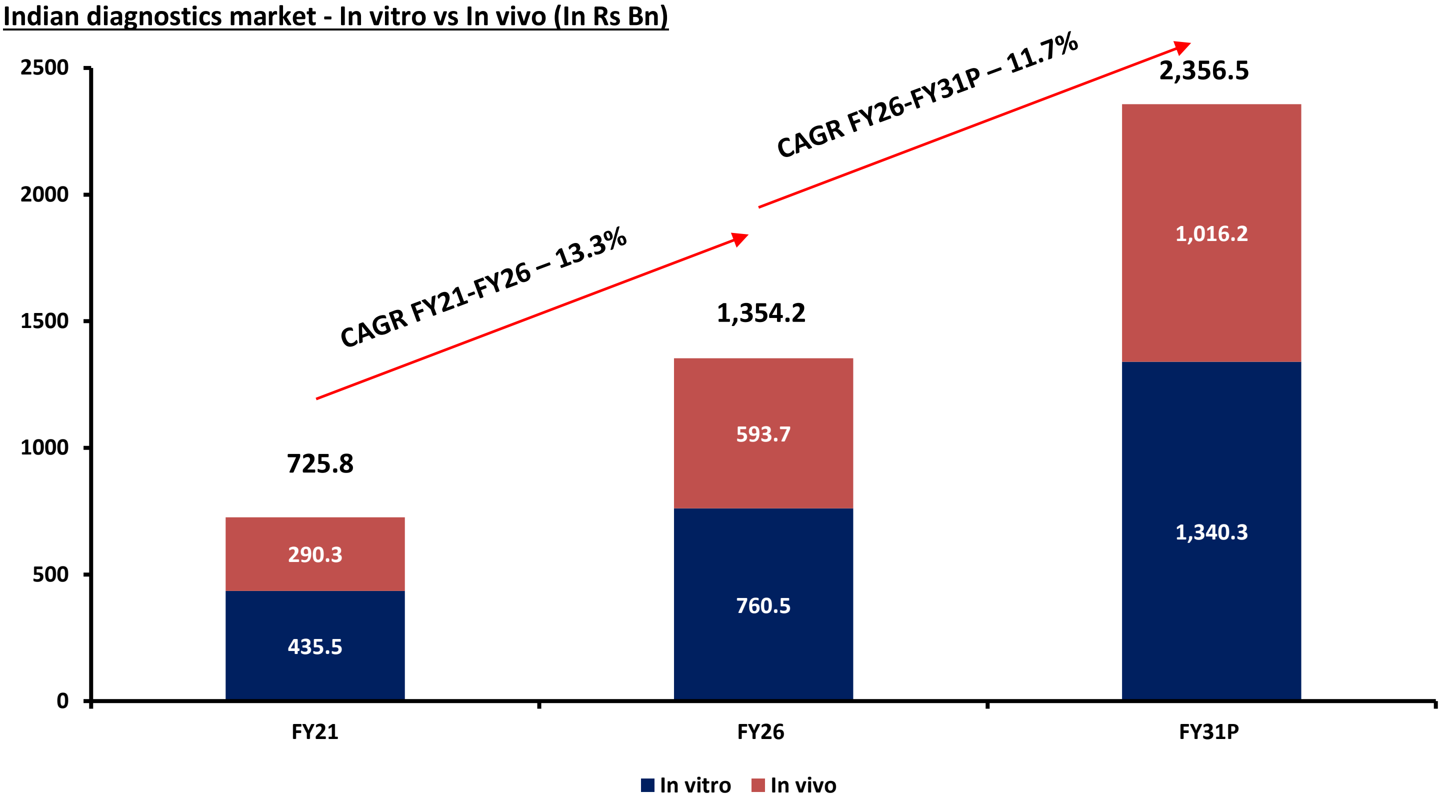


Global POCT market potential – TAM (In USD Bn)



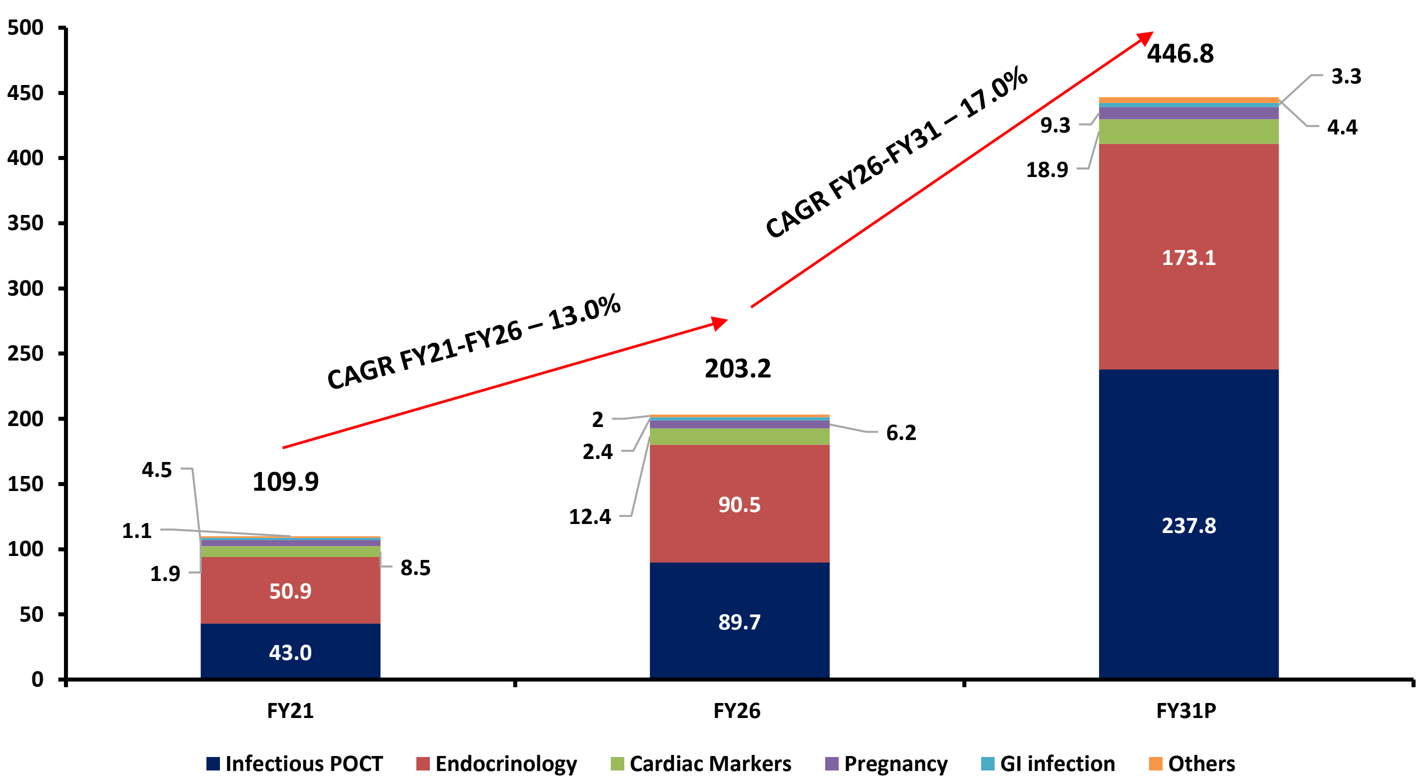
Source: RHP, SBICAP Securities Research

Indian diagnostics market - In vitro vs In vivo (In Rs Bn)



Source: RHP, SBICAP Securities Research

Indian POCT market potential – TAM (In Rs Bn)



Source: RHP, SBICAP Securities Research

Peer Comparison – FY26

Particulars (Rs cr)	Molbio Diagnostics Ltd.	Poly Medicure Ltd.	Dr. Lal Pathlabs Ltd.	Metropolis Healthcare Ltd.	Vijaya Diagnostics Centre Ltd.
CMP (Rs)	807	1,705	1,937	571	1,388
Mkt Cap.	9,300	17,282	32,466	11,849	14,298
Enterprise Value	9,145	17,536	31,556	11,806	14,245
Sales	1,446	1,875	2,763	1,646	814
EBITDA	321	442	783	406	337
Net Profit	165	327	522	194	173
EBITDA Margin (%)	22.2	23.6	28.3	24.7	41.4
Net Profit Margin (%)	11.4	17.4	18.9	11.8	21.3
RoE (%)	14.1	10.5	20.8	12.8	18.1
RoCE (%)	16.9	12.9	27.5	18.8	27.8
P/E (x)	56.5	52.9	62.2	61.1	82.6
EV/EBITDA (x)	28.5	39.7	40.3	29.1	42.3
EV/Sales (x)	6.3	9.4	11.4	7.2	17.5

Source: Bloomberg, RHP, SSL Research

For Molbio Diagnostic Ltd., Market Cap, P/E(x), P/B(x), EV/Sales(x), EV/EBITDA (x) are calculated on post-issue equity share capital based on the upper price band.

CMP for peer companies is live price as of 06th August, 2026.

Financial Snapshot

INCOME STATEMENT			
Particulars (Rs cr)	**FY24**	**FY25**	**FY26**
Revenue from Operations	**837**	**1,020**	**1,446**
YoY growth (%)	-	***22.0%***	***41.7%***
COGS (incl Stock Adj)	**340**	**415**	**576**
Gross Profit	**496**	**606**	**870**
Gross margins (%)	***59.3%***	***59.3%***	***60.1%***
Employee Cost	64	103	145
Other Operating Expenses	198	241	403
EBITDA	**234**	**262**	**321**
EBITDA margins (%)	***28.0%***	***25.7%***	***22.2%***
Other Income	4	8	9
Interest Exp.	14	18	33
Depreciation	41	45	64
PBT	**183**	**208**	**234**
Exceptional item	(53)	(11)	(0)
Tax	46	56	67
Share of profit of associates and JVs	(0)	(2)	(2)
PAT	**84**	**139**	**164**
PAT margin (%)	***10.0%***	***13.6%***	***11.4%***
EPS (Rs)	**7.4**	**12.3**	**14.6**
Adj. PAT	**136.7**	**149.7**	**164.6**
Adj. PAT margin (%)	***16.3%***	***14.7%***	***11.4%***
Adj. EPS	**12.1**	**13.3**	**14.6**

BALANCE SHEET			
Particulars (Rs cr)	**FY24**	**FY25**	**FY26**
Assets			
Net Block	168	204	248
Capital WIP	2	27	11
Intangible Assets	70	53	171
Intangible Assets under development	-	-	-
Goodwill	4	4	62
Right of use assets	14	29	55
Other Non-current Assets	140	215	216
Current Assets			
Current Investment	-	-	-
Inventories	315	436	449
Trade receivables	425	272	409
Cash and Bank Balances	22	129	367
Short-term loans and advances	-	-	-
Other Current Assets	60	93	160
Total Current Assets	**823**	**930**	**1,385**
Current Liabilities & Provisions			
Trade payables	94	230	200
Other current liabilities	64	67	116
Short-term provisions	21	21	31
Total Current Liabilities	**179**	**318**	**347**
Net Current Assets	**644**	**612**	**1,038**
Assets Classified as held for sale	-	-	-
Total Assets	**1,042**	**1,143**	**1,802**
Liabilities			
Share Capital	2	2	11
Reserves and Surplus	821	966	1,158
Total Shareholders' Funds	**823**	**968**	**1,169**
Minority Interest	5	(1)	139
Total Debt	175	123	413
Long Term Provisions	-	-	-
Lease Liabilities	9	24	37
Other Long-Term Liabilities	27	29	10
Net Deferred Tax Liability	3	0	33
Total Liabilities	**1,042**	**1,143**	**1,802**

Cash Flow Statement (Rs cr)	FY24	FY25	FY26
Cash flow from Operating Activities	9.6	287.1	50.4
Cash flow from Investing Activities	(45.0)	(122.7)	(93.2)
Cash flow from Financing Activities	(31.6)	(26.1)	276.1
Free Cash Flow	(39.5)	232.4	0.4

RATIOS			
Particulars	**FY24**	**FY25**	**FY26**
Profitability			
Return on Assets	11.2%	10.2%	7.7%
Return on Capital Employed	19.8%	20.6%	16.9%
Return on Equity	16.6%	15.5%	14.1%
Margin Analysis			
Gross Margin	59.3%	59.3%	60.1%
EBITDA Margin	28.0%	25.7%	22.2%
Net Profit Margin	16.3%	14.7%	11.4%
Short-Term Liquidity			
Current Ratio (x)	2.4	2.1	2.5
Quick Ratio (x)	1.5	1.1	1.7
Avg. Days Sales Outstanding	186	97	103
Avg. Days Inventory Outstanding	338	384	285
Avg. Days Payables	57	111	65
Fixed asset turnover (x)	3.3	3.6	3.0
Debt-service coverage (x)	1.0	1.6	0.6
Long-Term Solvency			
Total Debt / Equity (x)	0.2	0.1	0.4
Interest Coverage Ratio (x)	13.7	12.8	8.0
Valuation Ratios*			
EV/EBITDA (x)	39.5	34.7	28.5
P/E (x)	66.6	60.8	55.3
P/B (x)	11.1	9.4	7.8
EV/Sales (x)	11.1	8.9	6.3
P/Sales (x)	10.9	8.9	6.3

***Valuation ratios are based on pre-issue capital at the upper price band**
Source: RHP, SBICAP Securities Research

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