RUBICON RESEARCH LTD.

October 07, 2025

Rubicon RESEARCH
INNOVATION | QUALITY | CARE

SMC Ranking
★★☆☆☆ (2/5)

Issue Highlights

Industry	**Pharmaceutical**
Offer for sale (Shares)	18,092,762
Fresh Issue (Shares)	10,309,278
Net Offer to the Public	**28,402,040**
Issue Size (Rs. Cr.)	1309-1378
Price Band (Rs.)	461-485
Employee Discount	46
Offer Date	9-Oct-25
Close Date	13-Oct-25
Face Value	1
Lot Size	30 Shares

Issue Composition

	In shares
Total Issue for Sale	28,402,040
QIB	21,301,530
NIB	4,260,306
Retail	2,840,204

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	77.97%	62.10%
QIB	22.03%	33.59%
NIB	0.00%	2.59%
Retail	0.00%	1.72%
Total	**100.00%**	**100.00%**

*calculated on the upper price band

Objects of the Issue

The Company Rubicon Research IPO proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. Prepayment or scheduled repayment of all or a portion of certain outstanding borrowings availed by the Company
2. Funding inorganic growth through unidentified acquisitions and other strategic initiatives and General corporate purposes

Book Running Lead Manager

- Axis Capital Limited
- IIFL Capital Services Limited
- JM Financial Limited
- SBI Capital Markets Limited

Name of the registrar

- MUFG Intime India Private Limited

About the company

Rubicon Research Limited, incorporated in 1999, is an integrated pharmaceutical company specializing in complex generics, specialty pharmaceuticals, and innovative drug delivery. It operates state-of-the-art R&D facilities and GMP-certified manufacturing plants in Ambernath, Satara, and Pithampur, Maharashtra. Serving regulated markets globally, the company has a portfolio of over 80 active ANDAs and NDAs. Its business model combines contract development and manufacturing services with proprietary product commercialization, supported by a global presence via subsidiaries. The company also operates consumer healthcare and training verticals and has undertaken strategic acquisitions to strengthen its presence in branded pharmaceuticals and third-party logistics. Rubicon Research continues to invest significantly in R&D to deliver differentiated formulations.

Strength

Rapid growth and strong US focus: Rubicon Research is the fastest-growing Indian pharmaceutical company among its peers and the only Indian firm exclusively focused on the US market. According to F&S, the company generated over 97% of its revenue from the US between Fiscals 2023–2025 and the three months ended June 30, 2024 and 2025. Its total revenue CAGR of 75.89% between Fiscals 2023–2025 was more than seven times the peer average. In Fiscal 2025, it held over 25% market share by value for nine products in the US, up from two products in Fiscal 2023, reflecting strong competitive gains. As of July 15, 2025, the company ranks among the top 12 Indian firms for total ANDA approvals and has 17 new products under US FDA review.

Data-driven product selection and pricing resilience: The company employs a rigorous, ROI-focused product selection framework targeting low-competition generics and specialty products. While the US generic market saw 5.2% price erosion between Fiscal 2022–2025, Rubicon achieved an average per-unit price growth of 8.0%, with specialty products adding value through patient benefits and insurance coverage. Its high commercialization rate of 86.42% of approved products and strong gross margins (66.77%–72.44% for Fiscals 2023–2025) underline operational efficiency.

R&D capabilities and innovation: As of June 30, 2025, the R&D team includes 170 scientists across India and Canada. Facilities span 38,421 sq. ft. in Thane, India, and 13,609 sq. ft. in Ontario, Canada, focusing on multiple dosage forms and nasal/inhalation products. Rubicon has developed nine proprietary drug delivery technologies backed by 10 patents and holds four approved nasal spray products, with two under FDA review. R&D spend ranged from 10.42%–18.52% of total revenue between Fiscals 2023–2025, supporting a portfolio of 72 active ANDAs and nine NDAs.

US sales and distribution network: Rubicon operates a robust US distribution platform via AdvaGen Pharma (non-branded products) and Validus (branded products, CNS therapy focus). AdvaGen markets over 350 SKUs to 96 customers, including three major wholesalers accounting for over 90% of US distribution. This self-distribution model and a flexible supply chain enable rapid adaptation to market needs.

Regulatory compliance and cost efficiency: The company maintains high regulatory standards, with multiple US FDA inspections yielding only NAI/VAI classifications. Leveraging 30–40% lower Indian manufacturing costs and proprietary processes, Rubicon

maintains competitive pricing. Key US market shares in Fiscal 2025 include Baclofen (35.3%), Diclofenac Potassium (29.7%), and Metoprolol Tartrate (37.3%).

Experienced leadership and strong PE backing: Rubicon benefits from an experienced management team and support from General Atlantic Singapore RR Pte. Ltd., majority shareholder since 2019, with assets under management of approximately ₹11,40,000 crore (USD 114 billion) as of June 30, 2025.

Strategy

Specialty products drug-device combinations & Generic product leadership: Rubicon focuses on specialty, complex, and low-competition products to sustain competitive advantage. Its pipeline includes 63 candidates, with 17 under US FDA review. A key focus is complex nasal spray drug-device combinations, an area with few competitors. The company leverages a data-driven, ROI-focused framework to optimize cost, scale manufacturing, and expand its generic product portfolio.

US market expansion and global leverage: With the US representing 46.9% of the global prescription market in 2024, Rubicon targets select regulated markets, specialty products, and upcoming patent expirations worth USD 94,800 crore (2025–2029) to drive growth. Its US approvals facilitate entry into other markets like the UK, Canada, and Australia.

Synergistic partnerships and external innovation: Rubicon markets select third-party products contributing 3.79%–4.72% of revenue in Fiscal 2025 and co-develops early-stage drugs, sharing costs and profits. It aims to acquire complementary manufacturing facilities in India to expand its portfolio.

Risk Factor

- Revenue dependence on the US: ₹35,073.6 crore (three months ended June 30, 2025) and ₹1,26,492.3 crore (Fiscal 2025), sensitive to US policy changes.
- Highly regulated, technically complex manufacturing; product recalls or inspection failures may adversely affect operations.
- Revenue concentration among top customers (62.99%–77.04% across Fiscals 2023–2025); loss of key customers may impact business.
- High working capital and capex requirements; suboptimal financing may affect operations.
- Operational disruptions at R&D or manufacturing facilities may materially affect business and cash flows.

Peer Comparison

Co_Name	Total Income	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
Dr Reddy's Labs	32,553.50	5,655.10	68.07	18.34	3.10	401.98	1.00	1,248.10	104,168.14
Lupin	22,192.11	3,281.62	80.99	24.35	5.24	376.64	2.00	1,972.00	90,072.65
Sun Pharma.Inds.	52,041.25	10,929.04	47.81	34.18	5.43	300.99	1.00	1,634.05	392,063.33
Aurobindo Pharma	31,378.13	3,485.88	57.88	18.89	1.96	557.29	1.00	1,093.60	64,078.25
Strides Pharma	4,565.34	3,593.46	40.79	20.37	3.00	276.85	10.00	830.75	7,657.25
Zydus Lifesci.	22,573.80	4,525.50	46.33	21.34	4.15	238.05	1.00	988.75	99,491.39
Alembic Pharma	6,672.08	583.42	30.17	30.20	3.45	264.09	2.00	911.00	17,906.90
RUBICON RESEARCH LTD	1,320.05	152.09	9.23	52.54	6.64	72.99	1.00	485.00	7,990.21

***Peer companies financials are TTM based**
*****RUBICON RESEARCH LTD Financial are based on TTM**

Valuation

Considering the P/E valuation, on the upper end of the price band of Rs.485, the stock is priced at pre issue P/E of 49.25x on TTM EPS of Rs.9.85. Post issue, the stock is priced at a P/E of 52.54x on its EPS of Rs. 9.23. Looking at the P/B ratio at Rs. 485 pre issue, book value of Rs. 45.49 of P/Bvx 10.66x. Post issue, book value of Rs.72.99 of P/Bvx 6.64x.

Considering the P/E valuation, on the lower end of the price band of Rs.461, the stock is priced at pre issue P/E of 46.81 x on FY25 EPS of Rs. 9.85. Post issue, the stock is priced at a P/E of 49.94x on its EPS of Rs.9.23. Looking at the P/B ratio at Rs.461 pre issue, book value of Rs. 45.49 of P/Bvx 10.14x. Post issue, book value of Rs.72.99 of P/Bvx 6.32x.

Industry Outlook

The US market is the dominant force in the global pharmaceutical industry, which accounted for a substantial 46.9% of the global prescription pharmaceuticals market in 2024 and is expected to maintain a share above 45% through 2029. This crucial market is forecasted to demonstrate strong growth, with a projected CAGR of 7.5%, expanding from USD 84.57 crore in Fiscal 2025 to USD 118.95 crore by Fiscal 2030 (forecasted, per F&S). A major opportunity for the generics segment is the upcoming wave of patent expirations for drugs generating a cumulative revenue of USD 9.48 crore in 2024 between 2025 and 2029, with the CNS and CVS therapy areas being particularly prominent targets, collectively representing nearly 27% of this revenue.

Outlook

Rubicon Research is positioned for growth, leveraging its specialty and complex generics portfolio, strong R&D, and US distribution network to capture opportunities from patent expirations and specialty segments. However, the company faces risks from high revenue dependence on the US, regulatory and manufacturing complexities, historical net losses, customer concentration, high working capital needs, and the uncertainty of R&D outcomes. Strategic execution and continued compliance will be key to sustaining long-term growth and market leadership.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
BID/ISSUE OPENS ON	09-October-25
BID/ISSUE CLOSES ON	13-October-25
Finalisation of Basis of Allotment with the Designated Stock Exchange	14-October-25
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	15-October-25
Credit of Equity Shares to Demat Accounts of Allottees	15-October-25
Commencement of trading of the Equity Shares on the Stock Exchanges	16-October-25

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 30-Jun-25 (3 Months)	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)
Revenue from operations	352.49	1284.27	853.89
Total expenditure	277.20	1028.33	699.30
Operating Profit	**75.29**	**255.95**	**154.59**
OPM%	21.36	19.93	18.10
Other Income	4.45	11.95	18.50
Total Net Income	**79.74**	**267.89**	**173.09**
Interest	10.62	36.78	31.26
PBDT	**69.13**	**231.11**	**141.83**
Depreciation	9.57	36.59	38.97
Profit/ (loss) before tax	**59.56**	**194.52**	**102.86**
Tax	16.26	60.16	11.85
Profit & Loss	**43.30**	**134.36**	**91.01**

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 30-Jun-25	As on 31-Mar-25	As on 31-Mar-24
Non-current assets			
Property, Plant and Equipment	349.31	236.96	211.92
Capital Work In progress	25.61	6.67	9.58
Right of use assets	92.19	32.39	35.33
Intangible assets	9.53	9.95	8.64
Intangible assets under development	0.81	0.24	0.10
Goodwill	47.71	47.61	51.33
Financial assets			
Investments - in others	0.05	0.05	0.05
Other Financial Assets	4.91	7.38	7.91
Non Current Tax assets (net)	6.50	9.53	4.76
Deferred tax Assets (net)	0.00	1.77	0.93
Other non-current assets	11.68	35.52	15.77
Total non-current assets	**548.27**	**388.07**	**346.32**
Current asset			
Inventories	574.08	521.61	300.49
Financial Assets			
Trade receivables	312.87	323.79	301.47
Cash and cash equivalents	97.77	104.98	50.61
Bank balances other than (ii) above	14.06	11.26	7.79
Other financial assets	24.53	22.01	23.66
Other current assets	76.03	79.72	79.15
Total current assets	**1099.33**	**1063.37**	**763.17**
Total Assets	**1647.60**	**1451.43**	**1109.49**
Non-current liabilities			
Financial liabilities			
Borrowings	179.90	64.47	92.61
Lease Liabilities	39.98	16.57	22.04
Other financial liabilities	33.78	33.83	32.96
Provisions	10.74	9.55	4.39
Deferred tax liabilities (net)	0.34	0.00	0.00
Total Non- Current liabilities	**264.74**	**124.42**	**151.99**
Current liabilities			
Financial Liabilities			
Borrowings	315.87	328.70	303.81
Lease Liability	9.49	7.87	6.07
Trade payables- Total outstanding dues of micro and small enterprises	2.71	2.50	2.48
Trade payables-Total outstanding dues of creditors other than micro and small enterprises	206.44	236.62	174.26
Other Financial Liabilities	55.08	39.32	22.72
Other current liabilities	5.68	7.25	6.73
Provisions	150.42	131.97	52.88
Current tax liabilities (net)	43.50	31.81	3.55
Total - Current Liabilities	**789.19**	**786.03**	**572.50**
Total Liabilities	**1053.93**	**910.45**	**724.49**
Net worth represented by:			
Equity share capital	15.41	15.41	15.21
Other equity	578.26	525.57	369.79
Total Equity	**593.67**	**540.98**	**385.00**

RANKING METHODOLOGY

WEAK	★
NEUTRAL	★★
FAIR	★★★
GOOD	★★★★
EXCELLENT	★★★★★

E-mail: researchfeedback@smcindiaonline.com

Corporate Office:
11/6B, Shanti Chamber,
Pusa Road, New Delhi - 110005
Tel: +91-11-30111000
www.smcindiaonline.com

Mumbai Office:
Lotus Corporate Park , A Wing 401 / 402 ,
4th Floor ,Graham Firth Steel Compound,
Off Western Express Highway, Jay Coach Signal,
Goreagon (East) Mumbai - 400063
Tel: 91-22-67341600, Fax: 91-22-28805606

Kolkata Office:
18, Rabindra Sarani,
Poddar Court,Gate No.- 4, 5th Floor, Kolkata-700001
Tel: 91-33-39847000, Fax: 91-33-39847004

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