

# NVS Wealth Managers Pvt. Ltd.

Investment Advisers

## Mankind Pharma Limited.

Issue Open: 25<sup>th</sup> April, 2023

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Price Band: Rs. 1,026 – 1,080

Issue Close: 27<sup>th</sup> April, 2023

Initial Public Offer of 4,00,58,844 Equity Shares with FV Rs. 1/- each, aggregating up to Rs 4,326 Crs, comprising an Offer for sale at a Price Band of Rs. 1,026 – 1,080 per Equity Share.

Post Issue M-Cap at the Upper Price Band of Rs.1,080 is Rs. 43,264 Crs.

Post Issue Share Capital is Rs 40.06 Crs. (FV Rs. 1/-)

FY2022 Total Income: Rs 7,978 Crs; EBITDA: Rs 2,185 Crs; PAT: Rs 1,453 Crs.

## I. ABOUT THE COMPANY

- **Mankind Pharma is India's 3<sup>rd</sup> largest pharmaceutical company in terms of sales volume** with a strong presence in more than 34 countries worldwide.
- **Mankind Pharma has a robust portfolio of products** for the treatment of various diseases and a strong distribution network. The company manufactures and distributes a wide range of pharmaceutical products, including prescription drugs, over-the-counter medications and consumer health products.
- **Mankind pharma has launched their consumer healthcare business in 2007** and have expanded the business to cover various categories, such as condoms, pregnancy detection, emergency contraceptives, antacid powders, vitamin and mineral supplements, and anti-acne preparations. **The total covered market of these categories comprises of Rs. 20,682 Crs. in 2022.**
- **The Company operates 25 manufacturing facilities across India with a total installed capacity of 42.05 billion units** per annum across a wide range of dosage forms including **tablets, capsules, syrups, vials, ampoules, blow fill seal, soft and hard gels, eye drops, creams, contraceptives and other over-the-counter products.**
- **Mankind has primarily grown organically and is the youngest company among the 5 largest pharmaceutical companies in India**, in terms of Domestic Sales in 2022. The company has one of the largest distribution networks of medical representatives in the Indian Pharmaceutical Market (IPM) **and over 80% of doctors in India prescribed Mankind's formulations**, as per the IQVIA Dataset. Mankind has a pan-India marketing presence, with a field force of 11,691 medical representatives and 3,561 field managers.
- **Mankind Pharma acquired pharmaceutical formulations brands from Panacea Biotec's in India and Nepal for Rs 1,872 Crs.** This acquisition was announced on February 28, 2022. This move is expected to bolster Mankind Pharma's position in the pharmaceutical industry and expand its product offerings. Mankind Pharma is already one of India's largest pharmaceutical companies and this acquisition of Panacea will strengthen their position in the market even further.
- **Mankind has also acquired dermatology brand – Daffy and a respiratory brand – Combihale from Dr. Reddy's laboratories in February 2022.** This acquisition of Daffy and combihale will allow Mankind's Portfolio to expand its presence in dermatology industry as well as in respiratory market.



## II. SHAREHOLDING PATTERN

CATEGORY OF SHAREHOLDER	PRE-ISSUE		POST-ISSUE	
	HOLDING PRE-ISSUE	HOLDING AS A %	HOLDING POST-ISSUE	HOLDING AS A %
Promoters	31,64,64,857	79.00%	30,64,50,146	76.50%
Public	84,123,583	21.00%	94,138,294	23.50%
<b>Total</b>	<b>400,588,440</b>	<b>100%</b>	<b>400,588,440</b>	<b>100%</b>

## III. FINANCIAL PERFORMANCE AT A GLANCE

(Rs. in Crs.)

PARTICULARS	FY2020	FY2021	FY2022	9MFY23
Total Income	5,976	6,385	7,978	6,778
EBITDA	1,559	1,819	2,185	1,575
PBT	1,438	1,692	1,975	1,294
PAT	1,056	1,293	1,453	1,016
EPS(Rs)	25.72	31.59	35.78	24.87
Face Value(Rs)	1	1	1	1
Equity Share Capital	41	41	41	41
Net-worth	3,672	4,863	6,316	7,326
BVPS	90	120	156	180
Debt	127	235	868	168
Cash & Cash Equivalent	1,085	2,007	1,280	1,165
<b>Margins</b>				
EBITDA (%)	26	28	27	23
PBT (%)	24	26	25	19
PAT (%)	18	20	18	15
ROCE(%)	38	34	28	18
ROE(%)	29	27	23	14



#### IV. PRODUCT PORTFOLIO

Brand	Molecule	Indication	Domestic sales (INR Crs.)	*Ranking	**Market share
<b>Anti-infectives</b>					
Moxikind-CV	Amoxicillin	Respiratory tract infection ("RTI")	312.3	3	8.9%
Gudcef	Cefpodoxime	RTI	167.6	2	13.7%
Gudcef-CV	Cefpodoxime	RTI	96.1	1	15.6%
Mahacef	Cefixime	Urinary tract infection ("UTI")	74.1	8	2.7%
Cefakind	Cefuroxime	Skin and soft tissue infection, RTI and UTI	109.8	2	12.4%
Zady	Azithromycin	RTI	63.6	4	4.6%
Zenflox	Ofloxacin	Gastrointestinal infection	52	3	19.6%
<b>Cardiovascular</b>					
Amlokind	Amlodipine	Hypertension	48.9	4	10.5%
Amlokind-AT	Amlodipine	Hypertension	182	1	29.0%
Telmikind	Telmisartan	Hypertension	109.2	2	10.1%
Telmikind-H	Telmisartan	Hypertension	111.1	2	14.2%
Telmikind-AM	Telmisartan	Hypertension	104.9	2	11.6%
<b>Gastrointestinal</b>					
Nurokind-LC	Mecobal	Chronic fatigue syndrome	125.7	1	50.2%
Vomikind	Ondansetron	Nausea, vomiting	105.9	3	21.3%
Rabekind-DSR	Rabeprazole	Hyperacidity	44.9	9	3.9%
Pantakind-DSR	Pantoprazole	Hyperacidity	36.4	6	2.5%
Zenflox-OZ	Ofloxacin	Gastrointestinal infection	43.5	2	12.3%
<b>Vitamins/minerals/nutrients</b>					
Nurokind Gold	Mecobalamin combination	Vitamin deficiency	130	1	6.2%
Nurokind PlusRF	Mecobalamin combination	Vitamin deficiency	115.6	2	14.2%
Health OK	Multivitamin	Vitamin deficiency	79.8	5	3.3%
Nurokind	Mecobalamin combination	Vitamin deficiency	58.7	3	9.6%
Argipreg	L-arginine	Nutritional deficiency	61.4	1	21.3%
<b>Respiratory</b>					
Codistar	Codeine	Cough suppressant	140.8	2	25.2%
Asthakind	Bromhexine, guaifenesin and terbutaline	Cough suppressant	49.1	13	1.9%
Asthakind-DX	Dextromethorphan	Cough suppressant	103	7	4.0%
Asthakind-LS	Levosalbutamol	Cough suppressant	41.3	4	4.8%
Monticope	Montelukast	Allergic conditions	105.5	3	7.3%
<b>Anti-diabetic</b>					
Glimestar-M	Glimepiride	Type 2 diabetes mellitus	158.8	6	5.1%
Glimestar-PM	Glimepiride	Type 2 diabetes mellitus	74.2	1	10.3%

Dynaglipt-M	Teneligliptin	Type 2 diabetes mellitus	64.2	2	10.3%
Glizid-M	Gliclazide	Type 2 diabetes mellitus	57.6	2	12.3%
Dynaglipt	Teneligliptin	Type 2 diabetes mellitus	35.3	1	10.4%
Voglistar GM	Voglibose	Type 2 diabetes mellitus	41.8	7	3.7%
<b>Dermatology</b>					
Candiforce	Itraconazole	Fungal infection	172.5	1	18.2%
AcneStar	Clindamycin	Acne	61.2	1	12.9%
Terbinaforce	Terbinafine	Fungal infection	45.2	1	23.1%
<b>Gynaecology</b>					
Unwanted Kit	Mifepristone and misoprostol	Medical termination of pregnancy	204.7	1	48.6%
Dydroboon	Dydrogesterone	Female infertility	205	2	22.3%
Unwanted-72	Levonorgestrel	Emergency contraceptive	108.3	1	61.7%
<b>Pain/analgesics</b>					
Caldikind Plus	Calcitriol	Joint and bone pain	69.3	3	8.0%
Mefkind	Mefenamic Acid Paracetamol	Pain and fever	28.1	4	10.1%
Dolokind Plus	Aceclofenac	Pain and inflammation	26.2	3	5.1%
Dolokind Aqua	Diclofenac	Pain and inflammation	24.5	6	5.8%
<b>Neurology/Central Nervous System</b>					
Placida	Flupenthixol and melitracen	Anxiety and depression	51	1	61.7%
Clonafit	Clonazepam	Anxiety and depression	24.3	5	10.5%
Clonafit Plus	Clonazepam	Anxiety and depression	22.9	5	4.9%

\* Ranking based on domestic Sales for MAT Dec'2022

\*\* Market share as of Dec'31, 2022

# Source: IQVIA Dataset, IQVIA TSA MAT December 2022 Dataset for India (For FY20-22)

#### IV. CRITICAL ANALYSIS

- **Total Income CAGR ↑16% to Rs. 7,978 Crs.** in FY2022....(Rs. 5,976 Crs. in FY2020); **EBITDA CAGR ↑18% to Rs. 2,185 Crs....** (Rs. 1,559 Crs.) and **PAT CAGR ↑17% to Rs. 1,453 Crs....** (Rs. 1,056 Crs.).
- **Mankind pharma have recorded an outstanding ROCE of 28% in FY 2022 and a remarkable ROE of 23% in FY2022.**
- **At the Upper Price Band, Mankind Pharma is Commanding a P/E Multiple of ~34x.**
- **The Company is the third fastest growth at a CAGR of approximately 12% among the 10 largest corporates in the Indian pharmaceutical market (IPM) by Domestic Sales from Rs. 6,094.2 Crs. to Rs. 8,390.2 Crs.**
- The company has a strong track record of financial performance and is well positioned to capitalize on opportunities in the global pharmaceutical market.



## V. THE MANAGEMENT

NAME	DESIGNATION
Ramesh Juneja	Chairman and Whole-Time Director
Rajeev Juneja	Vice-Chairman and Managing Director
Sheetal Arora	Chief Executive Officer and Whole-Time Director
Satish Kumar Sharma	Whole-Time Director
Leonard Lee Kim	Non-Executive Director

## VI. IPO DETAILS

IPO Date	April 25 – April 27, 2023
Issue Type	Offer for Sale
Issue Size	Rs. 4,110 – 4,326 Cr
Face Value	Rs. 1
IPO Price	Rs. 1,026–1080
Market Lot	13 Shares and multiples
Reserved for QIB	2,163.18 Crs
Reserved for NII	648.95 Crs
Reserved for Retail	1,514.22 Crs
Lead Managers	Kotak Mahindra Capital Company Limited, Axis Capital Limited, IIFL Securities Limited, Jefferies India Private Limited, J.P Morgan India Private Limited
Registrar to the Issue	KFin Technologies Limited

- **The Offer Size** is for **4,00,58,844 Equity Shares** aggregating up to **Rs. 4,326 Crs.**
- **50%** of the total IPO shares reserved for **QIB**, **15%** for **Non - Institutional Investors** and **35%** for **Retail Investors.**
- Bids for the IPO can be made for a minimum of **13 Equity Shares** and in multiples thereafter.

### **MANKIND PHARMA LTD : OUR RECOMMENDATION**

**We recommend a SUBSCRIBE on MANKIND PHARMA LTD**

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