

10 September 2025

India | Equity Research | Initiating Coverage

Indegene

Technology

Diagnosing opportunity, injecting technology

Indegene (INDGN), a digital-first life sciences commercialisation company, enables biopharmaceutical (biopharma) players to launch and scale products with speed, precision and efficiency. INDGN's business moat is fortified by: 1) its longstanding marquee client relationships (global top-20 pharma companies account for 64% of revenue); 2) premium positioning vs. IT services peers, given its specialised higher value services; and 3) its track record of systematic and consistent organic (12%+ workforce dedicated for next generation technology) as well as inorganic investments (13+ acquisitions). INDGN's distinct positioning in AI-enabled solutions, diversified service portfolio and consistent execution provide visibility for sustainable double-digit earnings growth. We initiate coverage on INDGN with an **ADD** rating, balancing near-term valuation comfort and strong medium-term growth potential.

We model 11%/15% USD revenue/PAT CAGRs over FY25–28E. We assign a 26x target multiple (1 SD below lifetime avg. P/E) on Sep'27E-ending EPS of INR 24 to arrive at a target price of INR 630. **Key risk:** Any future client-specific issues.

Structural drivers in favour

INDGN operates at the intersection of healthcare and technology, offering digital-first solutions across medical, regulatory, commercial and clinical functions. The company addresses large and expanding market opportunity of USD 135bn+ in life sciences operations spend, aided by secular trends – patent expiries, drug launch velocity, pricing pressure and accelerating outsourcing adoption (9–14% CAGR, FY22–26E). Its deep domain expertise, proprietary technology, and high trust among the top-20 global biopharma players allows INDGN to capture an outsized share of healthcare digital transformation cycle.

Marquee client portfolio driving growth visibility

INDGN is a trusted partner to the world's leading biopharma companies, with 64% of its revenue stemming from the top 20 global players. The company's client base is both deep and wide – 70 active clients, including 40 contributing USD 1mn+ annually, seven in USD 10–25mn and two in the USD 25mn+ category. With service portfolio enhancements (launch of Tectonic in Q1FY26), INDGN is ascending the client value chain. Importantly, client-specific challenges that weighed on FY25 growth – regulatory delays and project deferrals – are behind, with momentum in top accounts back on track.

Financial Summary

Y/E March (INR mn)	FY25A	FY26E	FY27E	FY28E
Net Revenue	28,393	31,533	35,386	39,581
EBITDA	5,343	6,187	6,909	7,725
EBITDA Margin (%)	18.8	19.6	19.5	19.5
Net Profit	4,067	4,742	5,444	6,182
EPS (INR)	17.1	19.8	22.7	25.8
EPS % Chg YoY	12.8	15.6	14.8	13.6
P/E (x)	32.3	28.0	24.4	21.4
EV/EBITDA (x)	20.5	17.1	14.7	12.5
RoCE (%)	15.4	14.4	13.8	13.4
RoE (%)	20.1	16.8	16.6	16.3

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Market Data

Market Cap (INR)	133bn
Market Cap (USD)	1,506mn
Bloomberg Code	INDGN IN
Reuters Code	INEGE.BO
52-week Range (INR)	737 / 485
Free Float (%)	42.0
ADTV-3M (mn) (USD)	4.6

Price Performance (%)	3m	6m	12m
Absolute	(4.8)	3.7	(16.7)
Relative to Sensex	(2.8)	(5.0)	(15.8)

ESG Score	2024	2025	Change
ESG score	NA	68.0	NA
Environment	NA	52.9	NA
Social	NA	68.0	NA
Governance	NA	75.9	NA

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Executive Summary

1) Introduction

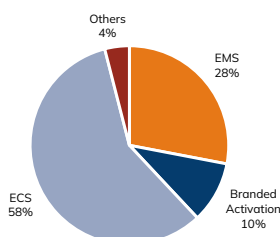
Indegene operates in the US and Europe life sciences industry, enabling pharmaceutical companies to automate, streamline and optimise their commercialisation, customer engagement, clinical trials, pharmacovigilance, medical documentation and omnichannel channel activation processes. Co-founded by first-generation entrepreneur Mr. Manish Gupta 25 years ago, the company focusses on specialised high-value services and grew at a FY21-25 CAGR of 26.6%. Covid created a fillip for digitisation in life sciences operations, leading INDGN to achieve its superlative growth of 71% in FY22. Indegene has maintained its EBIT margin within the 15-17% range over the last four years.

2) Business model

Indegene operates across three key business segments: 1) Enterprise Commercial-Solutions - ECS, 2) Enterprise Medical Solutions - EMS and 3) Brand Activation, with ECS being its largest segment forming 58.5% of Q1FY26 revenue, along with achieving the best segmental margin. Pricing is a mix of fixed price and outcome based. The billing is usually done on a unitised basis under fixed price model. The company also does outcome-based pricing for select Omnichannel activations.

3) Key strengths

Company's key strength lies in commercial solutions



Sector tailwinds

- Non-discretionary nature of the life sciences industry with a TAM worth USD135bn (from operations such as marketing and sales, regulatory and medical affairs, pharmacovigilance, drug discovery and clinical trials).
- Constant pressure on drug pricing will likely lead to pharmaceutical companies outsourcing more cost optimisation work.
- Upcoming patent cliff to urge companies to increase R&D for new drugs resulting in a slew of opportunities for Indegene.

Company USP

- Strong relationships with top-20 pharmaceutical giants, along with strong client additions (client portfolio expanded from 40 to 70 over last five years).
- The company targets a critical and high-value market, addressing the sales and marketing spend of life sciences firms, a segment representing 35% of operational expenses and outpacing drug discovery and clinical trial costs (at 23%).
- Highest revenue/ employee in the industry along with the highest % of employees with specialised skills – 23.8% of revenue in FY25
- Resilient operating margins (EBIT margin within the 15-17% range), despite growth deceleration post FY22.

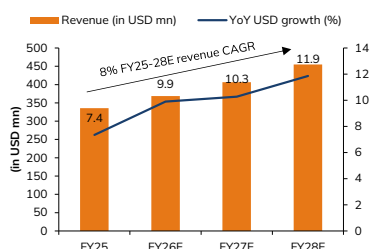
4) Estimates and Valuation

- We expect a FY25-28 revenue and EPS CAGR of 10.7%/ 14.7%.
- We value the company at a one-year forward PE of 26x, in line with our allocated multiple for Sagility, also roughly in line with Indegene's lifetime average – 1SD multiple a Q3FY27 one year forward EPS of INR24/sh to arrive at a Dec'26 TP of INR630/sh.

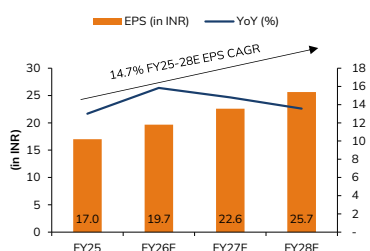
5) Key risks

- Upcoming patent cliff causing delayed decision-making cycles,
- client specific issues cropping up again and
- regulatory headwinds.

Revenue growth estimates



EPS growth estimates



Source: Company data, I-Sec research

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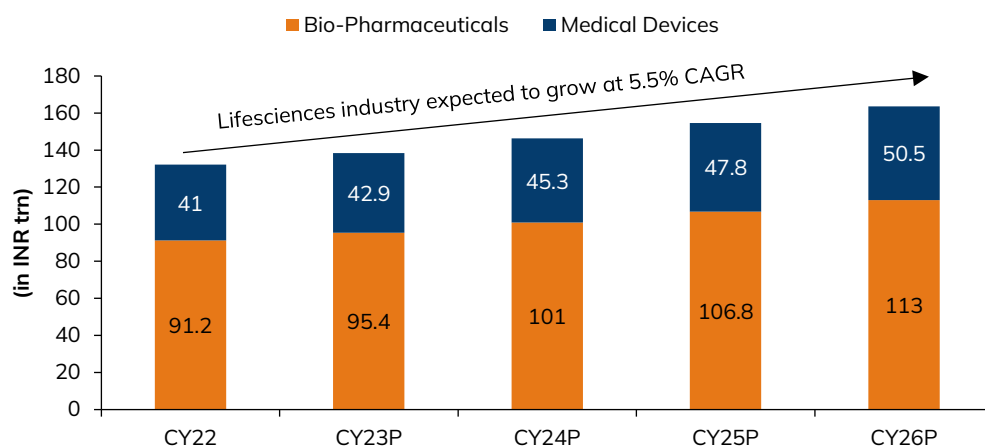
Industry overview

Introduction

INDGN operates in the global life-sciences industry. The industry has two key sub-segments: **1) biopharmaceuticals (pharma);** and **2) medical devices.** Biopharmaceutical constituted ~70% of life sciences spend in CY22 and rest was contributed by medical devices. The companies operating in this industry focus on a few key areas, i.e., research and development (R&D), manufacturing and marketing of medical devices, sales, overall marketing and commercial solutions.

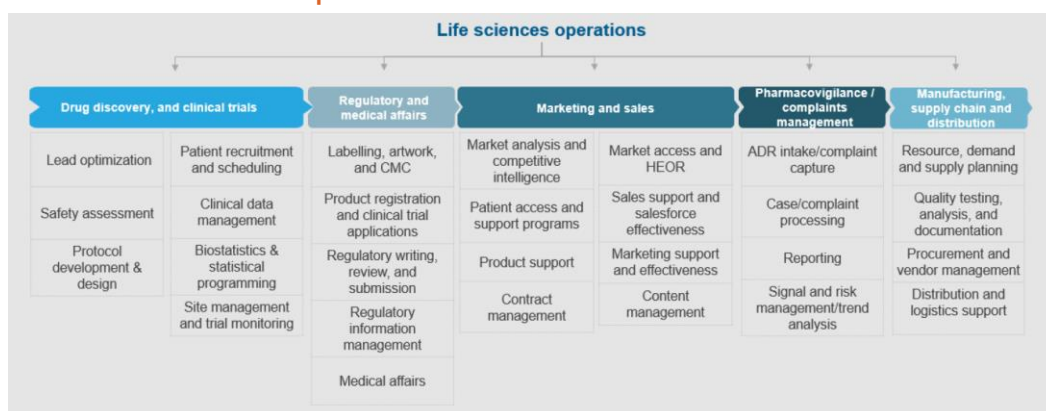
Key value chain segments in life sciences domain are: 1) drug discovery and clinical trials; 2) regulatory and medical affairs; 3) marketing and sales; 4) pharmacovigilance and complaints management; and 5) manufacturing, supply chain and distribution. Life-sciences' operations spend has witnessed a 6.7% CAGR from CY20–22. The overall life sciences operations spend is expected to expand at a CAGR of ~6.5% to reach INR 15.5trn (USD 201bn) by CY26.

Exhibit 1: Top line revenue estimates



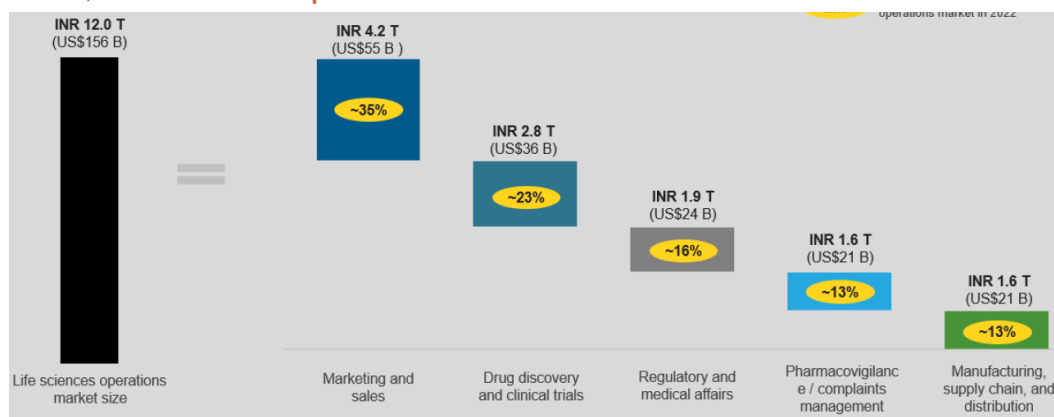
Source: I-Sec research, Company RHP

Exhibit 2: Life sciences operations value chain



Source: Company RHP

Exhibit 3: Life sciences – split by value chain; marketing and sales form largest chunk, at 35% of total spend



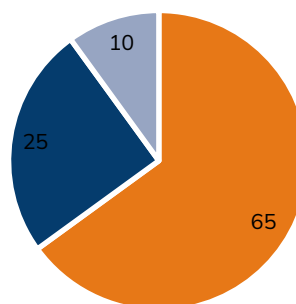
Source: Company RHP

US is the hub of life sciences companies, followed by Europe. US forms 65% of the global life sciences operations' spend. Factors driving the expected 6.5% CAGR between 2022-2026 are: 1) ongoing clinical trials; and 2) robust drug pipeline. Other driving factors include: 1) rise in ageing population; 2) greater prevalence of chronic diseases; 3) growing digitalisation of life sciences and health tech; and 4) innovation in bio technology and novel drug therapy.

Exhibit 4: Life sciences operations' market is concentrated in US and Europe

Global Lifesciences operations spends mix (%)

■ North America ■ Europe ■ ROW



Source: I-Sec research, Company RHP

Sectoral tailwinds

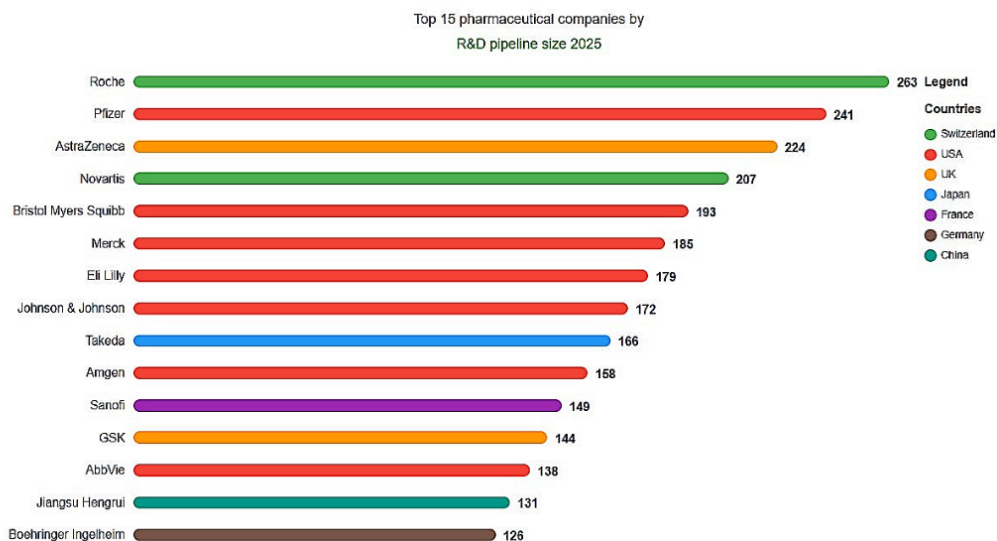
Resultant net positive drug pipeline: The sector demand is a net result of drugs falling out of patent and new drugs in the pipeline eventually coming to market. In 2025-2037, the global pharmaceutical industry is set for a 'patent cliff' where several large pharma companies will see patent expiry of their key drugs (**Exhibit 5**). However, at the same time, new drug pipeline is at an all-time high for top-15 pharma companies along with a record high number of companies with an active R&D pipeline, which will result in a demand tailwind for the likes of INDGN (**Exhibits 6 and 7**).

Exhibit 5: Patent cliff – key pharma and their key drugs losing exclusivity between CY25–37



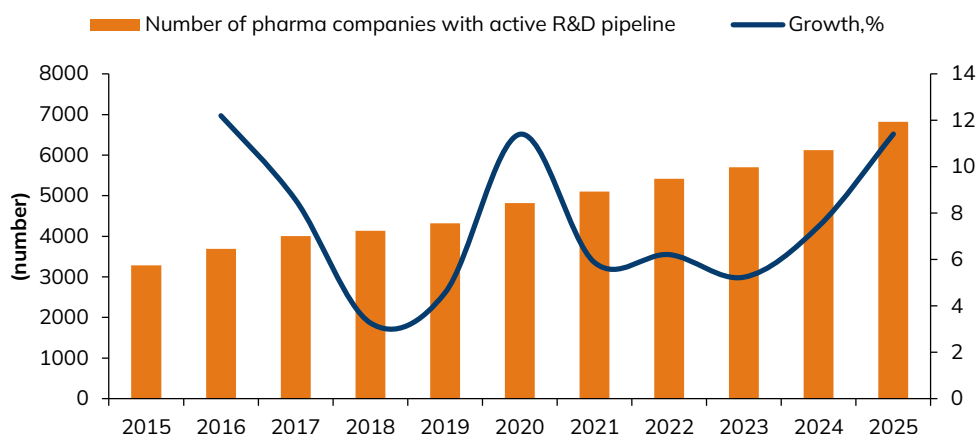
Source: esko.com

Exhibit 6: Top-15 pharma companies, by R&D pipeline size in 2025



Source: hcareindia.com, I-Sec research

Exhibit 7: Growth in number of pharma companies with active R&D pipeline now comparable to Covid-19 period



Source: Statista, I-Sec research

Top companies' R&D budget: Top US pharma companies, on an average, spend a mid-teens to mid-twenties percentage of their revenues on drug R&D.

Though INDGN is little involved in the R&D process of pharmaceutical clients, tracking R&D expense is important as the company's business is primarily focused on innovators in the pharmaceutical industry. Also, down the line, these companies would spend highly on the marketing and sales of their newly innovated drugs in contrast to the generic drug sellers. R&D spend is an indicator of the drug pipeline going forward. Incidentally, the correlation between top pharma companies' R&D spend and INDGN's revenue is at a 0.92 high (Exhibit 9).

Exhibit 8: R&D expense at top pharmaceuticals grew in CY24, faring better than CY22 and stable vs. CY23

YoY growth, %	CY21	CY22	CY23	CY24	Primary areas of R&D
Johnson and Johnson	21.0%	-3.9%	6.7%	14.2%	immunology, infectious diseases, neuroscience, oncology, and cardiovascular and metabolic diseases.
Roche	16.7%	3.7%	-5.8%	9.9%	oncology, immunology, ophthalmology, infectious diseases, neuroscience, and rare diseases
Merck and Co.	-8.6%	10.6%	125.4%	-41.2%	vaccine development, antiviral drugs, and oncology research
Pfizer	10.3%	10.3%	-6.6%	1.3%	vaccines, oncology, inflammation and immunology, and rare diseases.
Abbvie	8.5%	-6.0%	17.9%	66.7%	immunology, oncology, neuroscience, and virology.
Bayer	-21.3%	8.1%	-16.1%	15.6%	Medicine and modern agriculture
Sanofi	6.6%	4.9%	36.8%	-17.2%	diabetes, cardiovascular diseases, and rare diseases
Astra Zeneca	62.5%	0.3%	12.0%	24.2%	oncology, hematology, immunology, cardiovascular, and neuroscience
Novartis	6.2%	-3.9%	24.0%	-11.9%	cardiovascular, renal and metabolic diseases, oncology, immunology, and neuroscience
Bristol Myers Squibb	-8.5%	-6.7%	-2.2%	20.0%	oncology, hematology, immunology, cardiovascular, and neuroscience
GSK	5.5%	-1.7%	14.1%	5.7%	respiratory, HIV, and immuno-inflammation.
Eli Lilly	16.0%	3.8%	29.5%	18.0%	diabetes, oncology, immunology, weight loss and neuroscience
Novo Nordisk	19.3%	20.5%	38.3%	48.0%	weight loss, cardiovascular, renal and metabolic diseases, oncology, immunology, and neuroscience
Takeda	-5.1%	9.0%	0.0%	7.9%	Gastrointestinal and Inflammation, Neuroscience, Oncology, and Rare Genetics and Hematology
Amgen	14.5%	-8.0%	7.9%	24.7%	cardiovascular, oncology, neuroscience, inflammation, and nephrology.
Gilead Sciences	-6.6%	8.2%	14.9%	3.3%	HIV, hepatitis C, and influenza.
Teva Pharmaceutical	-3.0%	-13.3%	13.7%	4.7%	central nervous system (CNS) disorders, respiratory conditions, and oncology
Viatis	35.3%	-11.8%	21.6%	0.4%	dermatology, ophthalmology, and gastroenterology.
Bayer	-21.3%	8.1%	-16.1%	15.6%	Medicine and modern agriculture

Source: I-Sec research, Bloomberg, Company data.

Exhibit 9: Incidentally high correlation of R&D expenses at top pharmas with INDGN's revenues

	CY20	CY21	CY22	CY23	CY24
Sum of R&D expense of top players (in USD mn)	1,30,090	1,40,016	1,43,132	1,65,565	1,70,520
Revenue of INDGN (in INR mn)	9,663	16,646	23,061	25,896	28,393
Correlation	0.92				

Source: I-Sec research, Company data

INDGN's revenues are highly correlated with revenues of top-20 pharmaceutical giants globally. The correlation is higher for top 10-20 clients. The correlation with revenue is 86% and that with clients' SG&A spends is 71%.

Exhibit 10: INDGN's revenue – highly correlated with top-20 pharma companies' revenue globally

	CY20	CY21	CY22	CY23	CY24	CY25
Sum of revenues of top players (in USD mn)	7,55,319	8,62,242	8,84,490	8,31,989	8,94,752	9,58,310
Revenue of INDGN (in INR mn)	9,663	16,646	23,061	25,896	28,393	32,615
Correlation	0.86					

Source: I-Sec research, Company data | * INDGN follows financial year.

Exhibit 11: INDGN's revenue – also highly correlated with top-20 pharma companies' SG&A spending globally

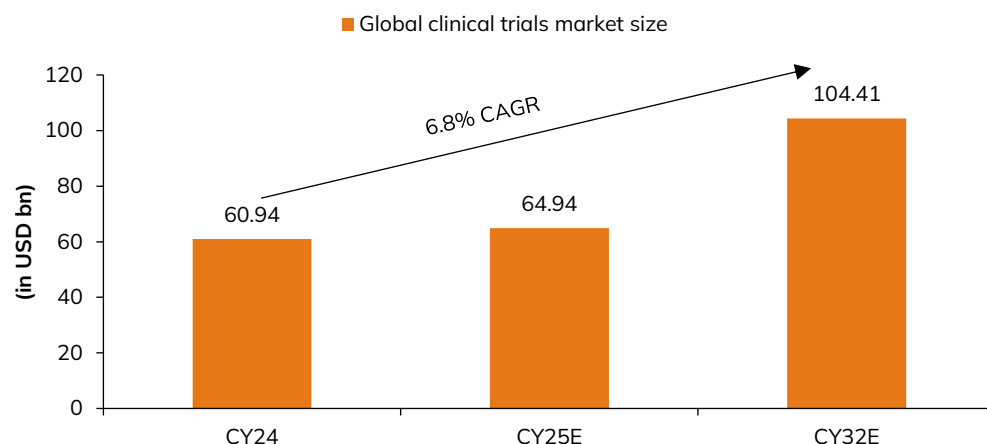
	CY20	CY21	CY22	CY23	CY24
Sum of SG&A of top players (in USD mn)	1,94,700	2,01,023	1,97,443	2,01,927	2,19,140
Revenue of INDGN (in INR mn)	9662.74	16646.09	23061.33	25896	28393
Correlation	0.71				

Source: I-Sec research, Company data

While 2023 was a tough year for the life sciences industry, 2024 saw moderate growth. A decent recovery is hoped for in CY25. Pharma companies are dealing with pricing pressures. Digitisation of commercial and clinical trial processes would help achieve cost efficiency.

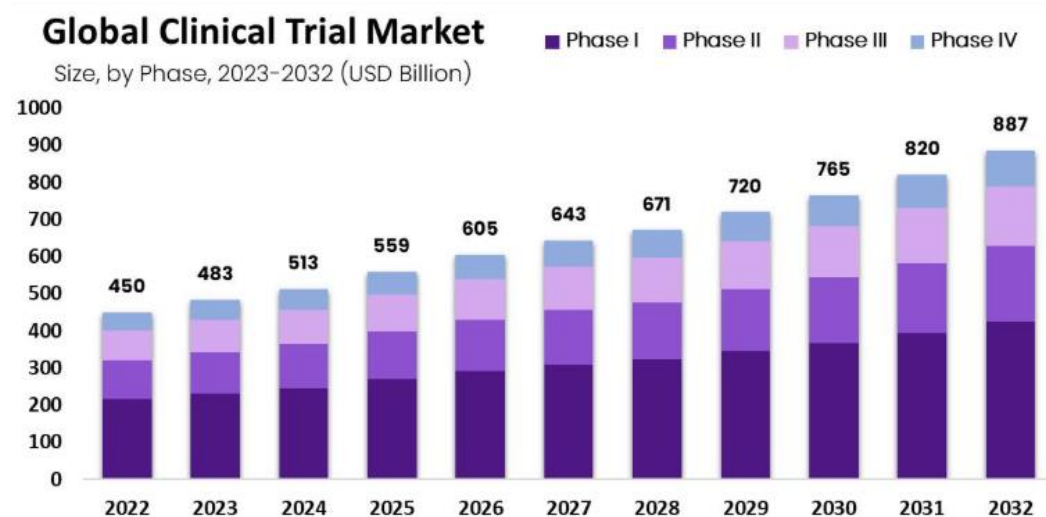
Clinical trials: The clinical trials market size is pegged to expand at a 6.6% CAGR over CY26–32 (source: market.us). As per Cervicorn consulting, the global clinical trials market will likely experience good growth, with a projected value of USD 95.6bn by 2034, growing at a CAGR of 4.67% between 2025 to 2034. US dominates the clinical trials market with a ~44% share in CY24.

Exhibit 12: Global clinical trials market size to see a 6.8% CAGR for CY24–32



Source: Fortune business insights, I-Sec research

Exhibit 13: Clinical trial market size to expand at a 6.6% CAGR over CY26–32



Source: Market.us

Drug development: Drug development growth is now higher than ever. The global R&D pipeline has surged from 5,995 drugs in 2001 to 23,875, as of Jul'25 (source: VisualCapitalist). Pressure on drug prices is a key trend that pushes pharma companies to seek out cost efficiency. This bodes well for INDGN, as it is a partner that provides the necessary efficient solutions for the commercialisation process.

Increased regulatory complexity: Regulatory complexity continues to increase across manufacturing, clinical trials and safety, putting increased pressure on in-house regulatory teams, thus leading to greater outsourcing as well as adoption of technology. This provides an opportunity for players like INDGN to support the medical and regulatory functions.

Pressure on drug prices: There has been continuous pressure on drug prices. Some of the recent executive orders by US President, Donald Trump (EO 14297, 14273) aim to reduce prices by tying them to those in other countries, a 'Most Favored Nation' (MFN) approach. These EOs are a step towards including US in the MFN pricing and bring drug prices in US at parity with other developed nations. This policy has sparked debate, with some arguing it could lead to increased drug costs in other countries while others question its effectiveness and potential legal challenges. Overall, these EOs would push pharma companies to look for cost efficiency and innovation through outsourcing.

Impact of 'One Big Beautiful' Act: The Bill gives preferential tax treatment to R&D spending of pharma. Some other positives for the pharma industry include broad exemption for rare disease drugs from the Medicare price negotiation program.

Apart from the 'One Big Beautiful' Act, in Mar'25, Department of Health and Human Services (HHS) announced reduction of 3,500 FDA employees in a cost-cutting effort to save USD 1.8bn annually. This also results in slow approvals, potential delays in submission reviews, disruption in meeting and early engagement, especially for biotech firms.

Company offerings

With more than two decades of operational history, INDGN has cultivated a profound and deep-rooted knowledge base within the life sciences domain. The company operates at the niche intersection of life sciences, medical devices and technology.

INDGN addresses an USD 135bn+ (9–14% CAGR between FY22-26) market opportunity, consisting of marketing and sales, regulatory and medical affairs, pharmacovigilance and drug discovery and clinical trial.

The company has key offerings in essentially four segments: 1) enterprise commercial solutions (ECS); 2) enterprise medical solutions (EMS); 3) brand activation (erstwhile omnichannel activation) and 4) others- includes operations related to drug discovery and clinical trial.

- **ECS** (56% of FY25 revenue): Enterprise Commercial Solutions primarily involve assisting life sciences companies with their digital marketing operations. INDGN assists life sciences companies by creating customized marketing plans and campaigns, expanding their reach to healthcare professionals (“HCPs”), and providing insights on HCP preferences. INDGN helps clients drive scale efficiency as well as technology and analytics enabled personalization of their engagement strategies for HCPs and patients, and operations

INDGN consolidates the widely fragmented activities involved in the development of promotional and educational content, as well as the design and execution of marketing campaigns directed at HCPs, i.e., physicians, and patients using digital communication channels such as websites, emails, and social media. It also provides digital asset management, marketing automation, customer data management and analytics solutions to measure the effectiveness of marketing campaigns.

- **Omnichannel activation** (12% of FY25 revenue): Omnichannel Activation solutions help life sciences companies leverage a “digital first” approach for optimizing the last-mile promotion of biopharmaceutical products and medical devices to HCPs across multiple channels. INDGN provides digital equivalent of “medical representatives who promote products to HCPs through face-to-face interactions”, using digital technologies and proprietary analytics, at higher efficiencies and reduced costs.
- **EMS** (28% of FY25 revenue): Enterprise medical solution offering comprises of 1) writing medical content, regulatory submissions, product labels and other medical information; 2) reviewing medical communications to ensure compliance with regulatory guidelines and ethical practices; 3) pharmacovigilance services, i.e., the monitoring and processing of adverse occurrences arising from the use of biopharmaceutical products; and 4) conducting real-world evidence (“RWE”) based medical research to support market access and pricing strategies.
- **Others** (4% of FY25 revenue): INDGN provides digital solutions around clinical trials design, patient recruitment, clinical data management, trial management and conduct, real world evidence generation, consulting services. These offerings help in streamlining clinical operations.
- INDGN also has several AI-led life sciences offerings such as: Cortex platform, content super app, MLR automation and medical writing platform.

Exhibit 14: INDGN's service offerings at a glance

S r. No.	Offerings	Part of Pharmaceuticals' value chain being addressed	Remarks
1	Enterprise Commercial Solutions (ECS)	<ul style="list-style-type: none"> Aids the commercialization process for pharmaceuticals Caters to digital marketing operations of life sciences companies. 	<ul style="list-style-type: none"> This is the key segment for Indegene from where maximum growth is expected. Company is building AI strengths and deep expertise in ECS. Sales and marketing spend accounts for largest operational spend for life-sciences companies. Sequential growth has been consistent for the past 4-5 quarters.
2	Enterprise Medical Solutions (EMS)	<ul style="list-style-type: none"> Aims to consolidate large-scale regulatory and medical operations for life sciences companies through Centers of Excellence (CoEs), comprising multi-disciplinary teams. 	<ul style="list-style-type: none"> Indegene helps companies modernize their medical affairs functions to deliver personalized, data-driven content to physicians, patients, and payers.
3	Brand Activation (earlier named as Omnichannel Activation)	<ul style="list-style-type: none"> Augments the promotion of biopharmaceutical products and medical devices to HCPs for life sciences companies across channels. 	<ul style="list-style-type: none"> INDGN's acquisition aimed to enhance its commercialization offerings for life sciences clients by adding CultHealth's creative and marketing expertise
4	Others	<ul style="list-style-type: none"> Assists the drug discovery and clinical trials of life sciences companies by digitizing activities such as: drug discovery and clinical trial operations, patient recruitment for clinical trials, clinical data management and assistance with regulatory submissions. 	<ul style="list-style-type: none"> Company offers consulting services through DT Consulting.

Source: I-Sec research, Company data

Exhibit 15: Case study

Sr. No.	Client	Challenge	Solution	Outcome
1	INDGN's AI solution improve content discoverability	A global pharma leader with 350+ products spanning 150+ markets faced limitations with their existing closed-loop marketing (CLM) application. Limited content discoverability, laborious file searches, and inadequate customer insights were hindering their time-to-market efficiency.	Indegene first introduced Indegene Closed Loop Marketing (iCLM), a customizable search interface for tagged keyword-based content discoverability. Taking it a step further, Indegene implemented its proprietary artificial intelligence (AI) platform, NEXT Commercial Content Intelligence, as a fully automated keyword tagging solution.	After a successful pilot in a single market, the customer expanded automated keyword generation using NEXT Commercial Content Intelligence keyword tagging to 30+ markets in 18+ languages, while tagging over 200,000 pages of content in the process.
2	INDGN facilitate 85% compliance among cancer patients	A traditional one-size-fits-all approach to PSPs that does not cater to specific patient needs resulting in a subpar patient experience	INDGN designed and delivered an innovative patient support program (PSP) to improve medication access and compliance in patients with cancer	INDGN's innovative PSP enabled the client to deliver value to 4000+ cancer patients spread across 900 hospitals
3	INDGN streamline Digital Asset Management	The aim to simplify and automate approval cycles across USA and Europe, and enable quick creation and assembly of pharmaceutical digital assets. Challenges: 1) Primitive and manual process for identifying digital assets 2) Poor asset repurposing, and disconnected asset flow across brands 3) Poor asset analytics and 4) No dedicated digital search and discoverability	provided an end-to-end Digital Asset Management (DAM) solution, starting from assessment, consulting, deployment, and maintenance. INDGN also provided asset analytics for the entire asset creation, repurpose, and distribution processes across the organization.	<ul style="list-style-type: none"> - 63% Reduction in time for asset operations - 45% Reduction in cost of asset operations - 50% Increase in overall asset re-use and re-purpose
4	INDGN leverages Generative AI to Develop Informed Consent Forms and Plain Language Protocol Synopsis	Complex, manual and time-consuming process	INDGN established an innovation hub for leveraging Generative AI to generate lay language from complex clinical protocols	<ul style="list-style-type: none"> -30% increase in throughput -50% effort reduction

Source: I-Sec research, Company data

Investment thesis

Digital-first approach

Commercialisation process (Sales and marketing activity) has traditionally been done in-house by life sciences companies. These processes being time, resource and cost intensive, opened up opportunities for outsourcing these tasks. INDGN with combination of technology and vertical domain expertise has created industry leading digital-first offerings and capitalized on pharma industry trend of shift towards digital and outsourcing.

Exhibit 16 and 17 also substantiates above point. Aggregate sales and marketing (S&M) spend of top 20 pharma companies have grown at single digit CAGR over last 10 years, whereas Indegene has grown much faster (31.1% revenue CAGR over FY15-24) implying higher outsourcing of S&M spends and shift towards digital channels.

INDGN has strong track record with 31.1% revenue CAGR over FY15-24, adjusted EBITDA at 41.2% and healthy RoCE/RoE at 34.6%/36.1% for the last 10-years. This is driven by its industry leading service offerings.

Exhibit 16: Aggregate SG&A spends of global pharma companies have grown at ~2% CAGR over last 10 years

SG&A YoY %	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Johnson and Johnson	-6%	8%	5%	-2%	0%	12%	-18%	6%	6%
Roche	-2%	10%	-13%	26%	-3%	3%	-4%	19%	4%
Merck and Co.	-2%	5%	0%	-6%	-16%	17%	7%	3%	3%
Pfizer	3%	0%	-2%	-14%	-11%	9%	8%	11%	1%
Abbvie	3%	1%	14%	0%	47%	22%	1%	8%	1%
Bayer	-10%	4%	18%	3%	1%	0%	-2%	-9%	7%
Sanofi	1%	8%	2%	-5%	-3%	5%	-2%	-36%	41%
Astra Zeneca	-10%	2%	10%	6%	2%	1%	16%	7%	39%
Novartis	0%	6%	-9%	5%	-2%	5%	-18%	3%	1%
Bristol Myers Squibb	1%	-3%	-4%	7%	57%	0%	1%	-1%	4%
GSK	-2%	6%	1%	8%	1%	-33%	8%	12%	2%
Eli Lilly	-1%	4%	-11%	4%	-1%	5%	0%	15%	16%
Novo Nordisk	0%	1%	8%	0%	5%	16%	10%	25%	9%
Takeda	-3%	5%	0%	14%	18%	8%	-4%	-7%	-1%
Amgen	6%	-4%	9%	-3%	11%	-7%	1%	2%	29%
Gilead Sciences	-1%	15%	3%	9%	10%	3%	12%	9%	-3%
Teva Pharmaceutical	5%	-2%	-13%	-10%	-4%	-3%	-2%	2%	6%
Viatris	15%	5%	-4%	6%	39%	17%	-9%	7%	-4%
Bayer	-10%	4%	18%	3%	1%	0%	-2%	-9%	7%
Aggregate	-3%	4%	3%	2%	3%	3%	-2%	2%	9%

Source: I-Sec research, Company data

Exhibit 17: SG&A as proportion of revenue has widely fluctuated for individual global pharma companies

SG&A as a % of revenue	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Johnson and Johnson	30.3	27.7	28.1	27.6	27.0	24.9	26.3	25.3	25.3	25.7
Roche	22.4	21.4	22.3	18.1	21.5	20.7	19.3	19.2	23.1	22.8
Merck and Co.	24.8	24.1	25.0	23.8	24.2	19.2	19.1	16.8	17.1	16.5
Pfizer	29.3	27.9	28.1	26.9	30.4	26.7	14.9	13.0	24.3	23.0
Abbvie	24.6	22.5	20.7	20.4	20.1	21.4	21.3	20.9	24.1	23.5
Bayer	31.2	37.1	37.5	40.5	37.1	38.5	34.8	33.4	31.4	34.2
Sanofi	26.9	27.3	27.8	27.6	26.3	25.1	24.4	23.1	15.6	20.7
Astra Zeneca	42.6	41.1	42.9	47.8	45.9	42.9	30.9	30.1	31.2	36.7
Novartis	28.0	28.5	29.9	29.7	29.4	28.2	28.0	27.9	26.8	24.3
Bristol Myers Squibb	29.2	25.3	22.9	20.2	18.6	18.0	16.6	16.8	17.1	16.5
GSK	32.9	31.0	32.0	30.7	31.7	31.4	27.3	27.7	29.8	28.6
Eli Lilly	32.7	30.4	29.2	27.8	27.8	24.9	22.7	22.6	21.7	19.1
Novo Nordisk	29.8	28.9	28.6	29.6	28.7	28.4	28.6	28.1	26.1	22.8
Takeda	34.5	36.0	35.6	35.5	34.2	25.2	27.4	24.8	24.8	24.7
Amgen	22.1	22.0	21.3	22.4	22.0	22.5	20.6	20.6	19.6	21.2
Gilead Sciences	10.5	11.1	14.9	18.1	19.5	19.6	18.2	20.5	22.5	20.5
Teva Pharmaceutical	24.0	22.7	22.2	23.0	22.5	21.9	22.2	23.1	22.1	22.4
Viatis	20.7	20.3	19.8	19.9	21.0	28.0	21.9	21.8	24.7	24.7
Bayer	31.2	37.1	37.5	40.5	37.1	38.5	34.8	33.4	31.4	34.2
Weighted average (%)	27.9	27.6	28.1	28.1	28.1	26.6	24.0	23.0	24.3	24.5

Source: I-Sec research, Company data

Key aspects of Indegene's digital-first approach include- 1) omnichannel i.e. integrating digital and in-person channels for a complete customer centric experience, 2) Personalization at scale leveraging AI and 3) data driven decision making.

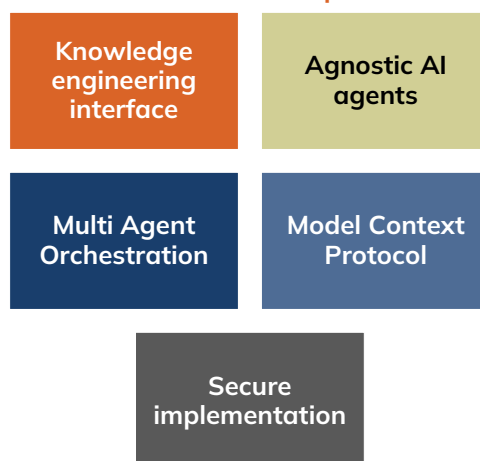
INDGN has GenAI based products and platforms and has advanced analytics capabilities. The company has integrated AI into its offerings such as: pharmacovigilance, content creation, regulatory writing, medical report writing. INDGN has a dedicated team of 600+ individuals (12%+ employees) working on new-age digital technologies.

INDGN's key AI products and platforms are:

- **Content super app:** An integrated platform for the creation, production, localisation, and personalisation of commercial content, accelerating speed-to-market while ensuring compliance
- **MLR automation:** A reimagined Medical-Legal-Regulatory (MLR) review process, enabling rapid, GenAI-powered content evaluation, adaptation and approval.
- **Medical writing platform:** A GenAI-native solution that automates first-draft creation of regulatory documents, boosting both quality and efficiency, with medical writers focusing on validation and nuance
- **Cortex:** INDGN's GenAI platform, Cortex, is contextualised for the life sciences industry. By embedding 25+ years of operational expertise into AI workflows, Cortex helps clients achieve real-world results while ensuring regulatory compliance and governance. **Cortex enables domain experts to codify knowledge;** thus, eliminating reliance on engineering teams. It enables enterprises to develop multiple agents and workflows that integrate with enterprises systems. Currently, INDGN is using domain and business experts to train GenAI agents in Cortex by leveraging years of data.
- **SME workbench:** Indegene had invested in SME workbench (one of its first AI endeavors). The SME workbench was used by multiple clients in setting up their own GenAI centres of excellence.

INDGN is enhancing its existing platforms with agentic workflows. The new agentic workflows under its NEXT platform include: Adverse Events Management, Forecasting, Channel Optimisation, Commercial Content Intelligence, Campaign Collaboration, Content Collaboration, Omnichannel Commercial Intelligence, Regulatory Submissions Planning. These are AI/ML-led platforms curated for specific tasks.

Exhibit 18: Features of Cortex AI platform

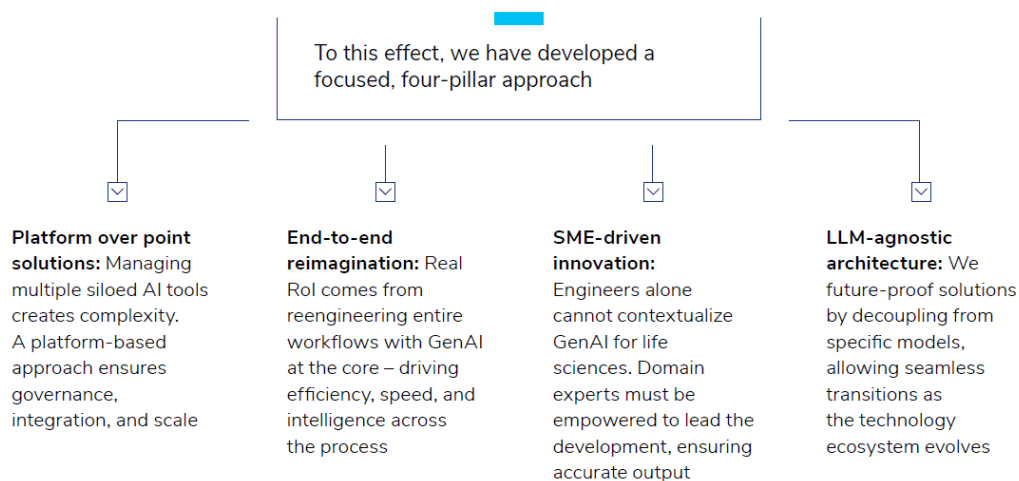


Source: I-Sec research, Company data

- **Tectonic:** Introduced in Q1FY26, Tectonic is a GenAI platform that is aiding revenue growth in its top-10 clients with USD 1mn+ engagements with two of the top-10 clients. Through Tectonic, INDGN is moving up the marketing value chain on the commercial content creation side and capturing the work from specialised healthcare agencies. INDGN shall be selling the solution to more top clients.
- **NEXT medical writing automation:** INDGN offers advanced medical writing automation solutions powered by AI technology to help life sciences organisations streamline their document creation processes. NEXT, its medical writing automation platform, leverages GenAI to accelerate the production of high-quality, compliant documents across clinical development and regulatory submissions.

Key features of INDGN's medical writing automation include: 1) Seamless integration with familiar environments like Microsoft Word and Regulatory Information Management (RIM) systems. 2) Automated draft generation that adapts to diverse sponsor formats and workflows. 3) Intelligent task assignments and scheduling to optimise workflow efficiency. 4) Robust data flow integration, ensuring consistency across documents.

Exhibit 19: INDGN's strategic framework for AI capabilities



Source: I-Sec research, Company data

Marquee clients

INDGN works with each of the top 20 global pharmaceutical giants. 64% of its revenue comes from clients who are among global top 20 pharma companies. INDGN has a sizable relationship with its top 3 clients (among top pharma companies) which contribute an annual revenue run-rate of more than USD 25mn. INDGN has a long-standing relationship with these clients which validates the company's ability to scale client relationships, strong delivery, execution capability and industry-leading competitive service offerings. Fortune 500 clients contribute 72.1% of FY24 revenues.

Client stickiness and retention is high for INDGN. INDGN employs the 'land and expand' strategy to grow wallet share. INDGN's revenue has 86.2% correlation with that of top-20 pharma companies across the globe. (Exhibit 10)

From FY20, Indegene also started focusing on mid-tier pharma companies beyond the top 20 to reduce client concentration. These are enterprises with USD 40-50 USD bn revenue, having operations in over 80-100 countries and 35-40 products. INDGN has expanded its client portfolio from 40 to 70 over the last five years. Top-10 client concentration has reduced from 63.9% Q4FY24 to 56.4% in Q4FY25.

Clients from biopharma industry are 94% of total clients followed by medical devices (2.6%) and emerging biotech (2.3%) in Q4FY25.

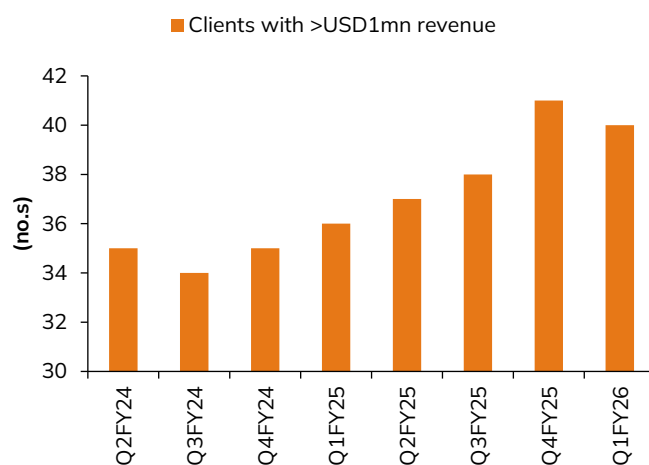
Client-specific challenges resolved: The company faced headwinds with two out of its top five customers in FY25, impacting growth in its ECS segment. FY25 saw soft USD growth of 7.4%, on account of unexpected client-specific weakness. As of Q1FY26, management does not see any specific challenges pertaining to its top-20 clients and the FY25 client challenges are largely behind for INDGN.

Exhibit 20: Top client concentration has been stable; top-5/10/20 concentration shrinking, indicating diversification efforts yielding results



Source: Company data, I-Sec research

Exhibit 21: INDGN has consistently grown its number of clients with >USD 1mn revenue



Source: Company data, I-Sec research

Premium positioning

INDGN does technology-led niche work addressing the biopharma sales and marketing spends. It has built deep domain expertise and technology accelerators which enable it to command premium pricing reflected in much higher revenue/employee – 1) 3x that of its BPO peers i.e. Sagility and IKS and 2) 30% higher than IT Services average. This also trickles down to higher EBITDA per employee vs peers (refer: **Exhibit 22**)

Exhibit 22: Indegene has premium positioning – reflected in revenue per employee for IDGN at 50% higher than IT services peers and ~3x times healthcare BPO peers

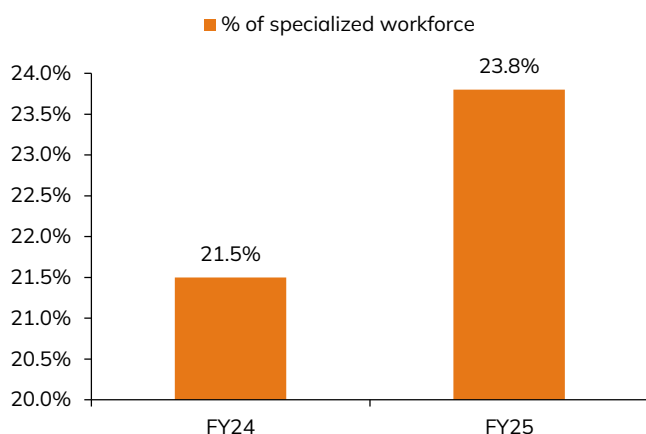
Company Name	Revenue (USD mn)	EBITDA (INR mn)	No of employees	Revenue/employee (USD)	EBITDA/employee (INR)	EBITDA/employee (USD)
Tata Consultancy Service	30,179	6,74,070	6,07,979	49,638	11,08,706	13,105
Infosys	19,277	3,92,350	3,23,578	59,575	12,12,536	14,332
Wipro	10,542	1,80,818	2,33,346	45,175	7,74,892	9,159
HCL Technologies	13,840	2,55,040	2,23,420	61,946	11,41,527	13,493
Tech Mahindra Ltd.	6,264	69,911	1,48,731	42,115	4,70,052	5,556
LTI Mindtree	4,493	64,949	84,307	53,287	7,70,387	9,106
IT Services Tier 1 - average				51,956		10,792
Mphasis	1,681	26,405	31,442	53,457	8,39,800	9,926
Coforge*	1,445	19,982	33,023	43,763	6,05,093	7,152
Persistent	1,409	20,582	24,594	57,294	8,36,864	9,892
IT Services Midcap - average				51,505		8,990
Sonata Software (International IT services)**	336	4,805	6,369	52,677	7,54,436	8,917
BirlaSoft	635	6,974	11,930	53,261	5,84,577	6,910
Happiest Minds	244	3,673	6,632	36,719	5,53,755	6,545
IT Services Small cap - average				52,159		8,314
L&T Tech.	1,259	18,924	24,258	51,900	7,80,114	9,221
Cyient (DET)	688	10,172	13,777	49,924	7,38,332	8,727
Tata Elxsi	442	9,927	12,414	35,566	7,99,682	9,452
Tata Technologies	611	9,342	12,644	48,300	7,38,809	8,733
KPIT	691	12,251	12,873	53,678	9,51,663	11,249
ER&D players - average				47,874		9,476
Eclerx	398	8,946	19,389	20,506	4,61,396	5,454
Firstsource	944	12,076	34,651	27,243	3,48,504	4,119
Sagility	659	12,604	39,409	16,716	3,19,813	3,780
IKS Health FY25	315	7,692	12,661	24,871	6,07,500	7,181
BPO players - average				21,503		5,467
Indegene	336	5,343	4,961	67,648	10,77,001	12,730
Newgen	176	3,762	4,600	38,207	8,17,796	9,666
Other Tech players - average				52,927		11,198

Source: I-Sec research, Company data, Note *Post RSU EBITDA is considered, **Considered total employees for the company

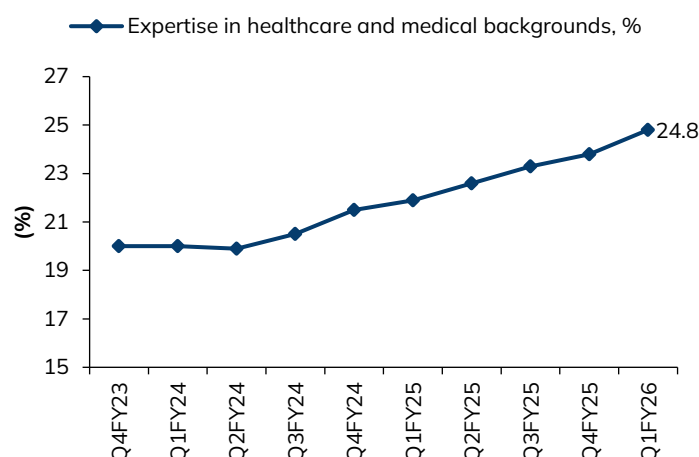
High share of employees with specialised skills: 21.5% of INDGN's employees in FY24, and 23.8% in FY25, were from healthcare-related backgrounds – MD, MBBS, PhD, BDS, MPharm and BPharm degrees. The company also continues to invest in having a robust sales employee count. Attrition is also in control – better vis-a vis peers.

Exhibit 23: Specialised workforce %, up 230bps in FY25

Exhibit 24: Consistent increase in % of healthcare and medical specialised workforce, QoQ



Source: I-Sec research, Company data



Source: I-Sec research, Company data

Limited threat from GCCs in the near term:

Work outsourced to GCCs pertain to support functions e.g. finance, procurement, HR and IT services which require homogeneous skill-set available at scale in offshore location. INDGN, on the other hand, offers specialised digital first sales and marketing services to pharma companies which require a variety of heterogeneous skill-sets. INDGN adds value by bringing together multiple skill sets across multiple technologies and geographies which cannot be replicated by GCCs. Once the outsourcing of commercialisation activities in pharma industry gain scale, there could be partial outsourcing to in-house GCCs.

Dynamic leadership team at the helm

Founded by first generation entrepreneurs and group of IIM/IIT alumni, INDGN is led by members from founding team. INDGN has scaled up under dynamic leadership of founders and mentorship from Nadathur Group (invested in INDGN in 2004). Founding team members while not classified as promoters group in shareholding structure, Mr. Manish Gupta – Chairman & CEO, Dr. Rajesh Nair - Non-Executive Director and Dr. Sanjay Parikh - Executive Director and Executive Vice President collectively hold ~21% stake in the company. In addition, each of them has the right to nominate themselves as a Director, as long as each:

- hold an executive position in the Company or its Subsidiaries, or
- hold a minimum of 4% stake in the Company

Exhibit 25: Leadership profile

Name	Designation	Remark
Manish Gupta	Chairman and CEO	IIT (Varanasi) and IIM (Ahmedabad) alumni with 22 years in technology-led healthcare solutions provider sector
Dr. Rajesh Nair	Non-Executive Director	Dr. Rajesh holds a bachelor of medicine and surgery degree from the University of Kerala and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He has 24 years of experience in technology-led healthcare solutions provider sector.
Dr. Sanjay Parikh	Executive Director and Executive Vice President	Dr. Sanjay holds a bachelor of technology degree in electrical engineering from the Indian Institute of Technology, Bombay and a master of science degree (clinical engineering) from the Case Western Reserve University, Ohio, USA. He also holds a doctorate in philosophy from the Johns Hopkins University. He has 30 years of experience in pharmaceuticals industry and technology-led healthcare solutions provider sector.
Gaurav Kapoor	Executive Vice President of Indegene, Inc.	Gaurav holds a bachelor's degree in pharmacy from Bangalore University. He has 22 years of experience in technology-led healthcare solutions provider sector.
Anand Nijegal	Executive Vice President - Global Operations	Anand holds a bachelor's degree in pharmacy and a master's degree in pharmacy, both from Birla Institute of Technology, Mesra, Ranchi, India. He has 22 years of experience in technology-led healthcare solutions provider sector.

Source: I-Sec research, Company data

Exhibit 26: Founding team members collectively hold 21% stake in the company

Shareholding	No of shares	% shareholding
Mr. Manish Gupta	2,14,74,076	9%
Dr. Rajesh Bhaskaran Nair	1,71,92,386	7%
Dr. Sanjay Suresh Parikh	1,20,08,172	5%
Total		21%

Source: I-Sec research, Company data

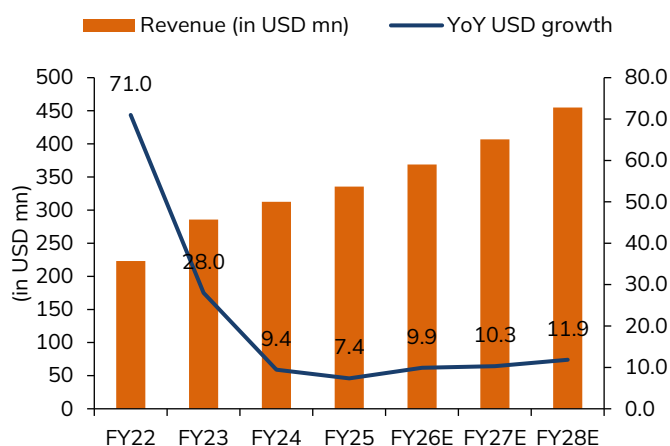
Financial analysis

Revenue growth impacted by client specific issues in recent past; which are now behind: The company's revenue growth has slipped sharply from its dizzying highs of 71% in FY22 to 7.4% in FY25. The slump is rooted in largest segment, ECS, losing steam (ECS forming 58.5% of Q1FY26 revenue). EMS grew comparatively better than ECS in FY25.

Pricing: The pricing is mix of fixed price and outcome based. The billing is usually done on a unitised basis under fixed price model. The company also does outcome-based pricing for select Omnichannel activations.

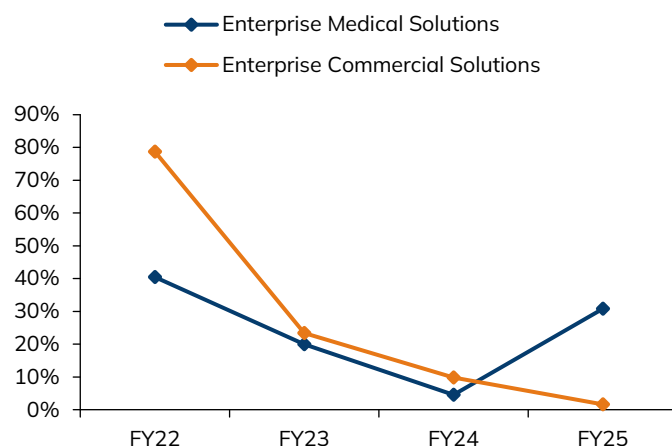
Most of the revenue from ECS and EMS segment is recurring in nature (forming 86.5% of Q1FY26 revenues). Omnichannel business is mostly project based in nature and more volatile.

Exhibit 27: We expect FY25–28E revenue CAGR at a healthy 10.7%, as drug pipeline improves and client specific issues ease



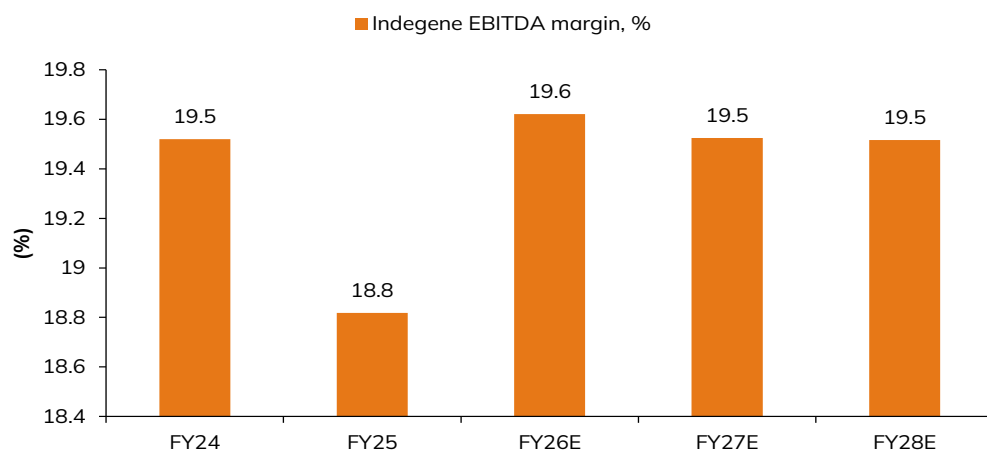
Source: I-Sec research, Company data

Exhibit 28: EMS led FY25 revenue growth; partially driven by Trilogy acquisition

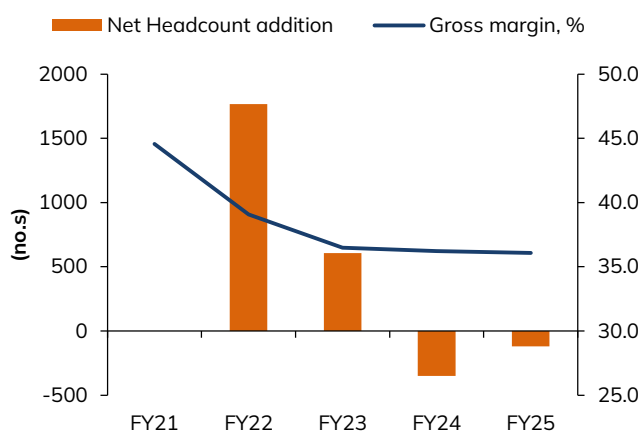


Source: I-Sec research, Company data

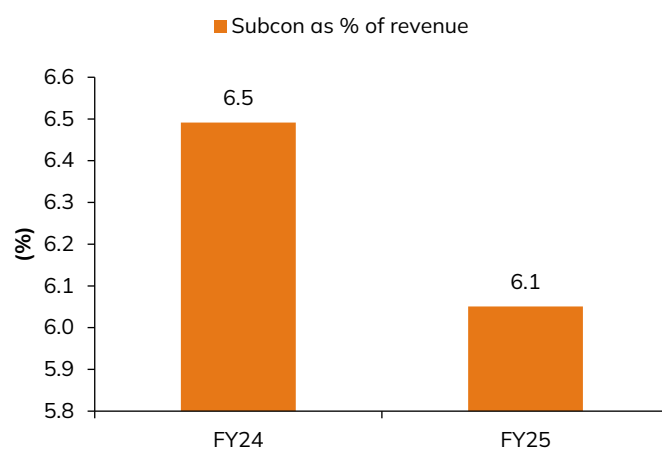
- Margin resilience despite sliding revenue growth:** The company has shown margin resilience despite faltering growth. INDGN has pared new hiring in order to contain its high employee cost (on account of the higher % of employee from healthcare and life sciences specific background). This has been achieved from tight cost management. The company's sub-contracting expenses, as a % of revenue, are a near industry-low of 6.1% for FY25. (**Exhibit: 31**). This has eased from the mid-teens in FY22. **We expect EBTDA margin to recover to its 19–20% range in FY26–28E.**

Exhibit 29: EBITDA margin to expand by 80bps in FY26E; shall stabilize thereafter

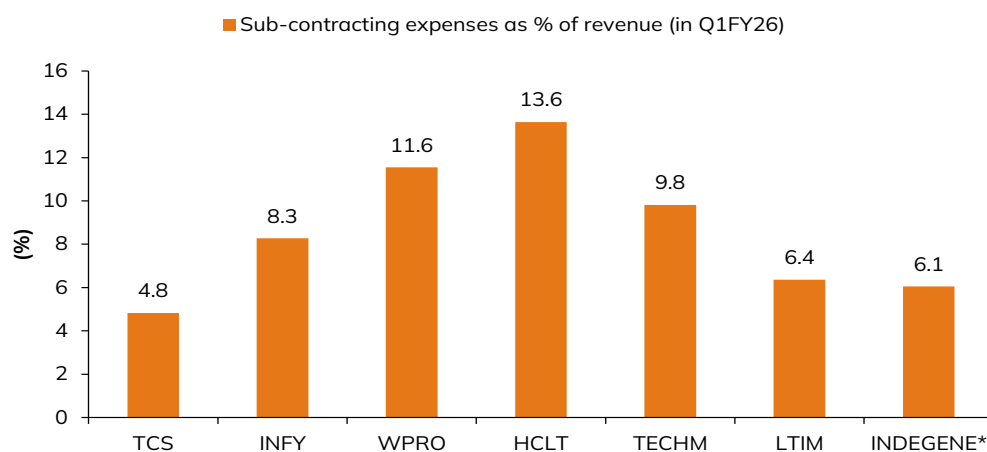
Source: I-Sec research, Company data

Exhibit 30: Receding gross margin despite muted headcount addition over the years as company hires specialised talent

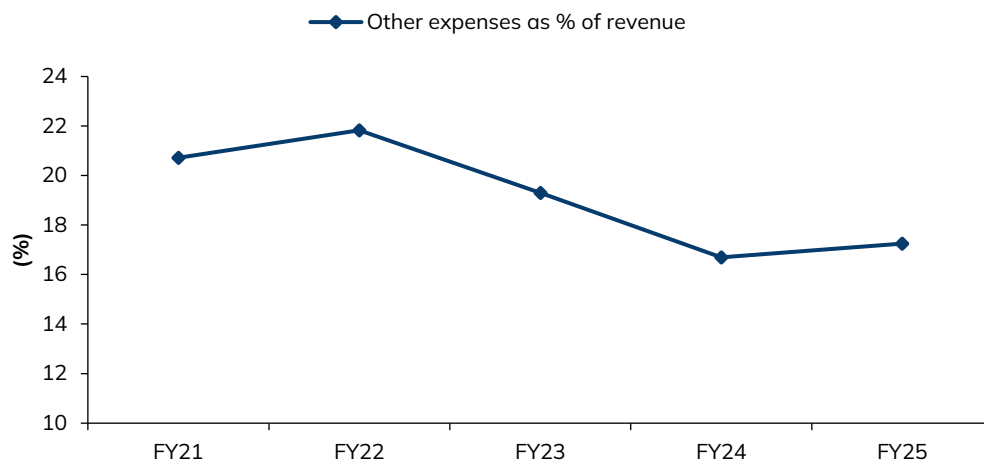
Source: I-Sec research, Company data

Exhibit 31: Sub-contracting expenses as % of revenue declining

Source: I-Sec research, Company data

Exhibit 32: Indegene's subcontracting cost stands at the lower end in the industry; next only to TCS

Source: I-Sec research, Company data | * for FY25

Exhibit 33: Reining in other expenses, as a % of revenue, consistently

Source: I-Sec research, Company data

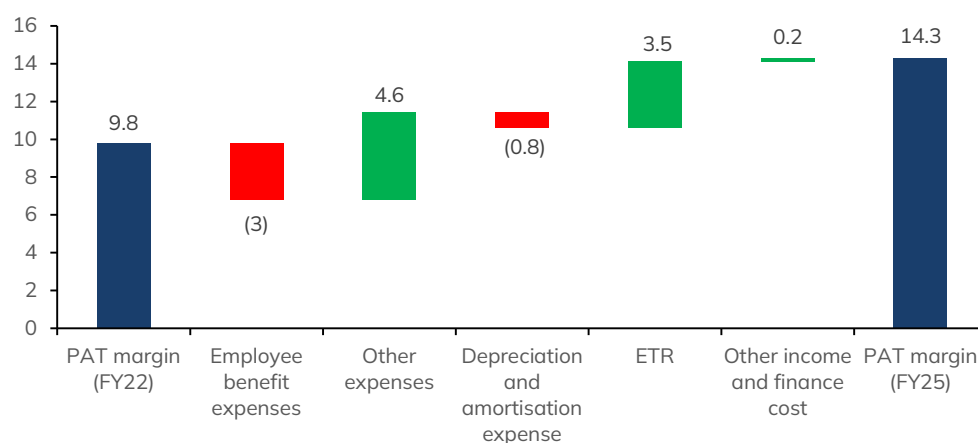
- Efforts are underway to drive margin improvement through operational efficiency in the EMS and ECS businesses.

Exhibit 34: EMS' segmental margin faring better

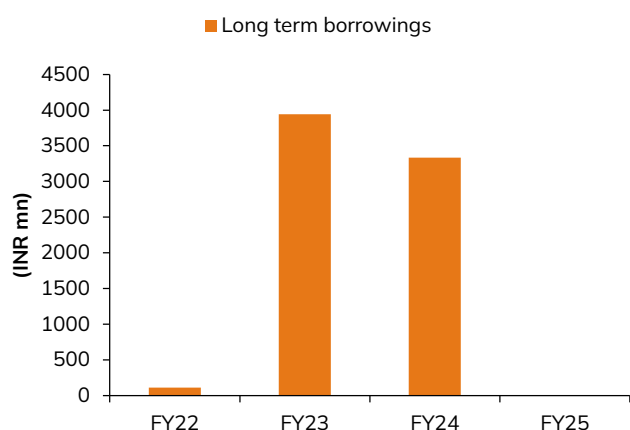
Segmental margin, %	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Enterprise Medical Solutions	19.7%	24.8%	26.9%	30.2%	29.7%	23.3%	26.4%	26.0%	27.8%	27.0%
Enterprise Commercial Solutions	23.5%	21.1%	23.4%	25.1%	25.2%	23.2%	20.6%	22.6%	21.5%	23.5%
Omnichannel Activation/ Brand Activation	6.6%	-5.4%	4.1%	18.5%	10.5%	10.7%	11.3%	14.8%	15.2%	6.7%
Others*	-30.1%	-23.4%	-12.6%	-6.6%	-19.9%	-23.4%	-41.3%	-23.8%	-44.1%	-18.9%

Source: I-Sec research, Company data

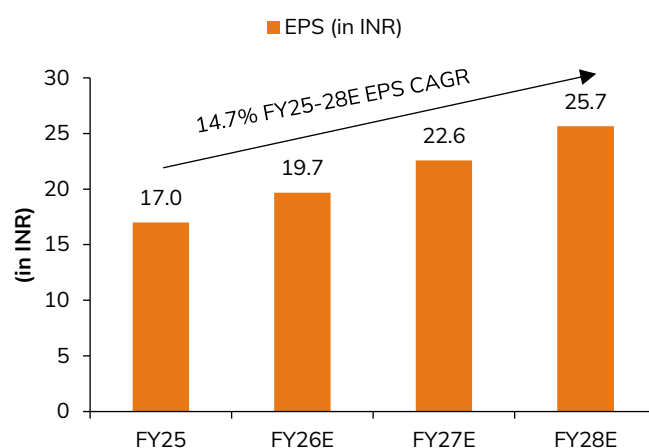
- Improved PAT margin from 9.8% in FY22 to 14.3% in FY25. This stems from a lowering of: 1) other expenses by 460bps; and 2) ETR by 350bps, which partially offset the headwinds from – i) 300bps of increased employee costs; and ii) 80bps of increased depreciation.

Exhibit 35: Margin walk – curtailing other expenses and lower ETR aided PAT margin expansion of 450bps in FY22–25

Source: I-Sec research, Company data

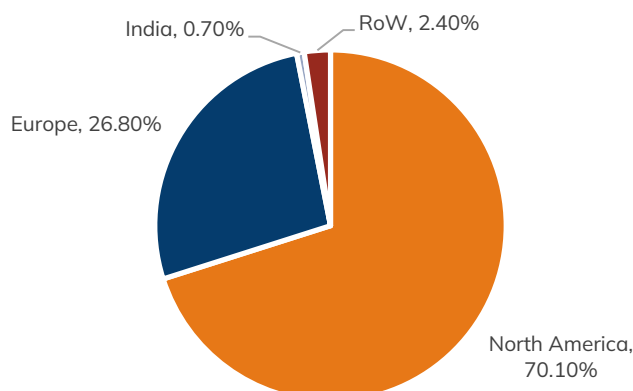
Exhibit 36: No long-term borrowings post IPO in May'24 **Exhibit 37: We expect 14.7% FY25–28E EPS CAGR**


Source: I-Sec research, Company data



Source: I-Sec research, Company data

- Debt of INR 3,934mn has been paid off with IPO proceeds in FY24. The company, currently, has no long-term borrowings.
- DSO-billed has been in the close range of 78–81 days. This is a bit on the higher side but manageable. It is in a similar range as Sagility and IKS Health.
- **Geographical footprint:** INDGN's major markets are US and Europe. The company has a presence in China. It has 4–5 hubs in Europe, through which the company manages the entire European continent's delivery and client relationships.

Exhibit 38: Geography-wise breakdown in FY25 – has a sizeable presence in Europe


Source: I-Sec research, Company data

Employee details

- INDGN has been investing in sales and marketing personnel, which has increased from 666 in Q4FY23 to 693 in Q1FY26.
- The % of employees with healthcare expertise has gone up from 20% in Q4FY23 to 23.8% in Q4FY25.

Acquisitions

- INDGN has undertaken 13 acquisitions till date. Trilogy and Cult Health being its most recent. Trilogy added to EMS segment's growth in FY25. Most of the acquisitions are in the domain of sales, marketing, commercial solutions, customer experience, that have clients in pharmaceuticals and life sciences domain. Most of these acquisitions bolster INDGN's strongest vertical, ECS, which formed 56.3% of Q4FY25 revenue – in-line with management's strategy.
- The company has a healthy M&A pipeline ready, as on Q1FY26. It will likely continue to pursue M&A targets using cash.

Exhibit 39: Acquisitions

S.No.	Company	Date	Location	Capabilities
1	Trilogy	Mar'24	Germany, UK and US	Medical writing consultancy with know-how in the development and delivery of clinical, regulatory, safety, and medical content. biopharmaceutical and medical devices industry with strong expertise across oncology, immunology, neurosciences, urology, anti-infectives, endocrinology, respiratory diseases, and many other therapeutic areas
2	Cult Health	Oct'22	US	Cult Health is a full-service, healthcare marketing agency with significant experience in medical strategy, creative and omnichannel planning services. It has a track record of delivering best-in-class creative for Direct To Consumer (DTC) campaigns, including numerous award-winning campaigns on digital TV/ video. Cult Health engages with life sciences companies at a medical/ academic level, bringing deep insight into drug Mechanism of Action (MOA) and customer behaviour to derive insights for superior brand campaigns and creatives.
3	Medical Marketing Economics	Aug'21	US, Europe	biopharmaceutical product pricing , reimbursement, and market access (PRMA) for almost 25 years.
4	DT Associates	Sep'19	UK	Aids capabilities in customer experience and digital operations enhancement for pharma companies.
5	Wincere	Dec'16	US	Wincere is deeply engaged with clinical R&D needs of many emerging biopharma companies . With this acquisition, INDGN aims to leverage technology-enabled clinical data management platform to help small, medium and large life sciences players to achieve cost-efficiency, quality, and acceleration in the medical outsourcing space. Wincere offers innovative solutions to the life sciences industry to remain ahead-of-the-curve.
6	Encima Group	Dec'16	US	Enhances capabilities of omnichannel marketing coupled with hybrid sales model that enable data-driven, targeted, and personalised customer engagement, resulting in better business outcomes and superior customer experience.
7	Scura Corporation	Apr'16	Canada	Aids omnichannel capabilities of INDGN, customer engagement, commercial solutions and expand commercial solutions portfolio.
8	Vantage Point Healthcare Information Systems	Oct'15	US	INDGN acquired SmartCare, a health analytics platform from Vantage Point.
9	Total Therapeutic Management	Dec'13	US	This provides marketing solutions to pharmaceutical, life science and healthcare organisation. This acquisition expands INDGN's presence in US.
10	Aptilon Holdings	Nov'12	Canada	Aptilon enables clients to effectively reach, connect and interact with over 500,000 physicians and healthcare professionals via multiple access channels including iPads, mobile and desktop media.
11	Medcases	Aug'06	US	e-learning solutions company in US.
12	Medsn	Sep'05	US	US-based medical education and marketing services company
13	Lifesystems	19-Nov-12	Canada	Multi-channel marketing.

Source: I-Sec research, Company data

Peer comparison

Client concentration: Comparing INDGN vs healthcare BPO peers, we note that it has lower client concentration despite operating in highly concentrated pharma environment. Top client concentration is range bound at ~10-12%. Top-10 client concentration is high at 56.4%, but lower than some of the peers (Sagility: 91% in FY24; IKS Health: 44% in FY24).

Client metrics: The company has 75 clients, as of FY25, up from 63 in FY24. It is comparable to Sagility, which has 75 clients. Prior to FY19, INDGN's focus was on gaining more wallet share among top-20 customers. However, post FY19, INDGN cast a wider net to gain more business from mid-sized clients. Its current sales strategy is more mining focused and less hunting focused, as most top-30 life sciences players are already part of INDGN's clientele.

INDGN has better geographical diversification: 27.1% of revenues is from Europe, unlike rest of the companies in healthcare and life-sciences space (Sagility and IKS) which are fully dependent on US geography.

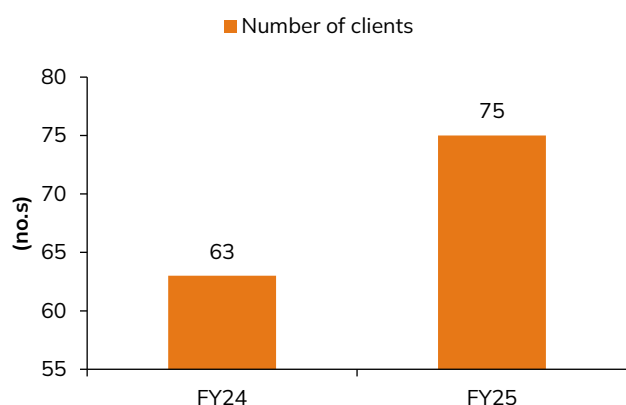
INDGN operates in a niche segment which differentiates the nature of services it provides vs Healthcare BPO peers IKS Health and Sagility which have more predictable nature of revenue. TAM for INDGN is also lower than IKS Health and Sagility owing to INDGN operating in niche segment.

Exhibit 40: Peer comparison of healthcare and life sciences BPO players

Parameters	IKS	Sagility	INDGN
TAM (in USD bn)	225	200	135
FY25 USD revenue (in mn)	315	659	336
FY25 USD revenue growth, %	43.5%	15.0%	7.4%
FY25 EBITDA margin	29%	27%	19%
FY25 YoY EBITDA margin expansion bps	25	273	-70
Top client concentration*	27%	66%	12%
Top-10 client concentration	39%	91%	56%
Number of clients	700+	75	73
FY25 RoE	33.0%	6.5%	20.1%
Portfolio nature	Healthcare-Providers	Healthcare-Payers	Life-Sciences (Mostly Pharmaceuticals)
Revenue/ employee (in FY25, INR)	21,04,064	14,13,362	57,23,241

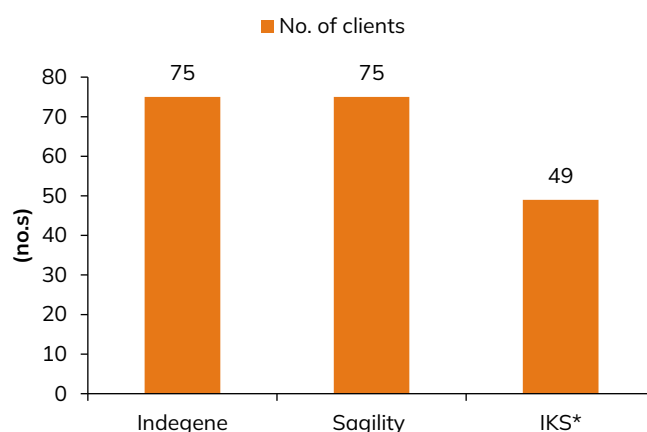
Source: I-Sec research, Company data | * top-5 for IKS

Exhibit 41: Company has added 10 clients in one year in a highly consolidated industry



Source: I-Sec research, Company data

Exhibit 42: Indegene has high number of clients in a consolidated industry



Source: I-Sec research, Company data | * No. of clients is prior to Aquity acquisition

INDGN's key private peers: Axtria, ZS Associates and Evalueserve are the key peers in the unlisted space. Among pure-play IT services companies, Cognizant and Hexaware are key peers in the life-sciences domain. Axtria offers life sciences analytics solutions, mainly to optimise revenue growth for pharma companies by targeted selling of drugs to HCPs and physicians.

Private equity holders' journey

The consortium led by Carlyle (along with Brighton Park Capital Partners) had invested USD 200mn to acquire minority stake of 38% in INDGN, valuing the company at USD 526mn. The deal was valued at EV/ EBITDA of 9.89x. In this transaction, Carlyle invested USD 122mn in Apr'21, buying 45.5mn shares at INR 201. The PE firm then planned their timely exit in three tranches: 1) at INR 452/share in the company's May'24 IPO, valuing company at USD 1,272 mn. 2) Next tranche in Dec'24 at INR 618/share valuing company at USD 1,694 mn. 3) Carlyle finally exited at INR 591/share in Jun'25 valuing company at USD 1,620 mn. Nadathur Group and BPC combined own ~25% stake in INDGN.

Exhibit 43: PE transaction details

Deal details	Stake acquired/ divested, %	Acquired by	Date	Invested amount (USD mn)	Revenue Multiple	EBITDA multiple
Acquired by Carlyle and BPC	38%	-	1 Apr'21	200	NA	9.89
Divested by Carlyle and BPC	Undisclosed	Avendus Future Leaders Fund II	30 Mar'23	Undisclosed	Undisclosed	Undisclosed
Divested By Carlyle	10.20%	NA	4 Jul'25	162	4.23x	22.5x

Source: Mergermarkets, I-Sec research

Valuation

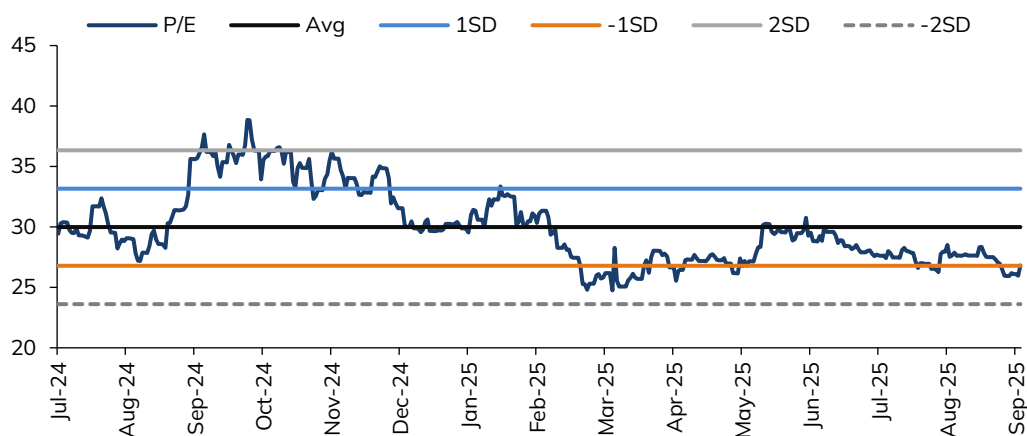
We like INDGN for its premium service positioning, marquee client portfolio and dynamic leadership.

INDGN's CMP of INR 553 is at a 22% premium over its IPO price (of INR 452) since its listing in May'24. The company has limited trading history and does not have a like-to-like listed comparable peer. Comparison with India-listed health-tech players or IT services peers needs adjustments for considerations, such as – INDGN's superior service positioning, one-vertical exposure, regulatory risk, financial sensitivity to macro dynamics and ownership structure.

INDGN's superior service profile merits valuation premium over health-tech players, or IT services peers. Moreover, discount for vertical concentration remains inconclusive when we examine industry peers (namely KPIT vs. LTTS for vertical diversification) to assess how investors account valuation discount or premium for such peculiarities. Contrary to the academic narrative, investors assign no decisive discount for a one-vertical exposure – as auto vertical focused KPIT trades at a ~25% premium over a diversified LTTS.

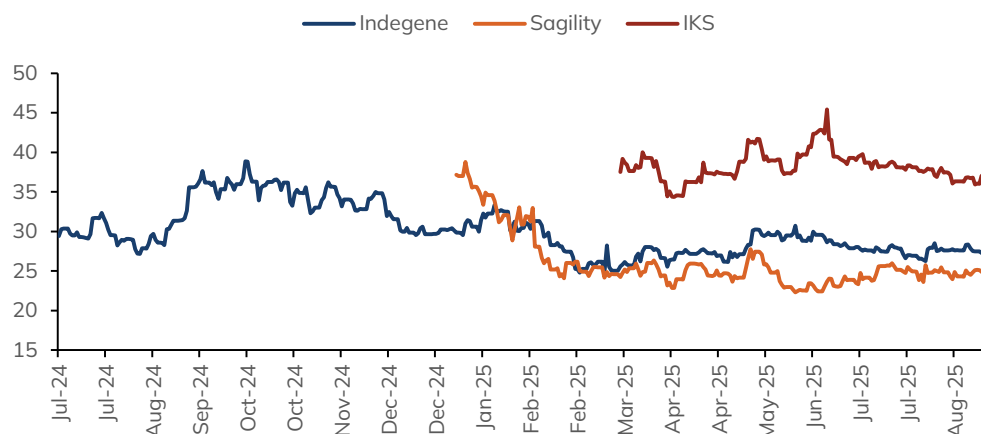
We assign a 26x Sep'27E target P/E for INDGN, which is in-line with I-Sec's target P/E multiple for Sagility, and INDG's average less 1 SD. With our one-year forward PE on Sep'27E quarter-ending EPS of INR 24, our target price works out to INR 630, implying 14% potential return. We initiate coverage with an ADD recommendation.

Exhibit 44: INDGN is trading at 26.8x (one-year forward P/E) near its average-1SD



Source: I-Sec research, Bloomberg

Exhibit 45: One year forward PE of Healthcare and life-sciences technology companies

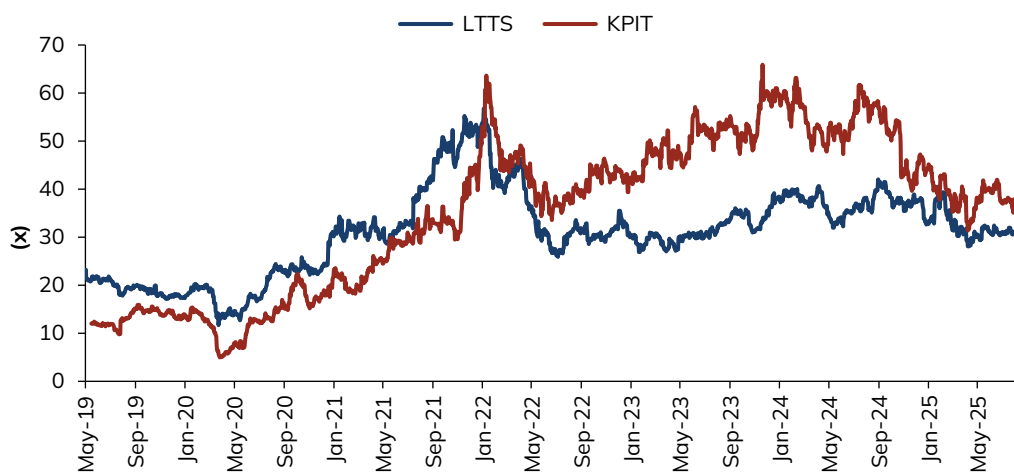


Source: I-Sec research, Company data

Case study: KPIT vs. LTTS

From our coverage universe, KPIT has a similar vertical profile as INDGN, with 100% of its revenue originating from one vertical (i.e. automotive). While LTTS has the most diversified portfolio, vertical-wise, with ER&D universe, KPIT is at the other end of the spectrum. As we can observe from the trading history, initially KPIT was discounted given its single vertical focus, but eventually the company consistently traded at a premium to LTTS with the acceleration in its revenue growth. Even in the current ER&D slump, amid EV slowdown and tariff led impact, KPIT continues to trade at a premium to LTTS. This implies that one vertical portfolio does not necessarily warrant a discount to valuation.

Exhibit 46: KPIT vs. LTTS one-year forward PE chart



Source: I-Sec research, Company data

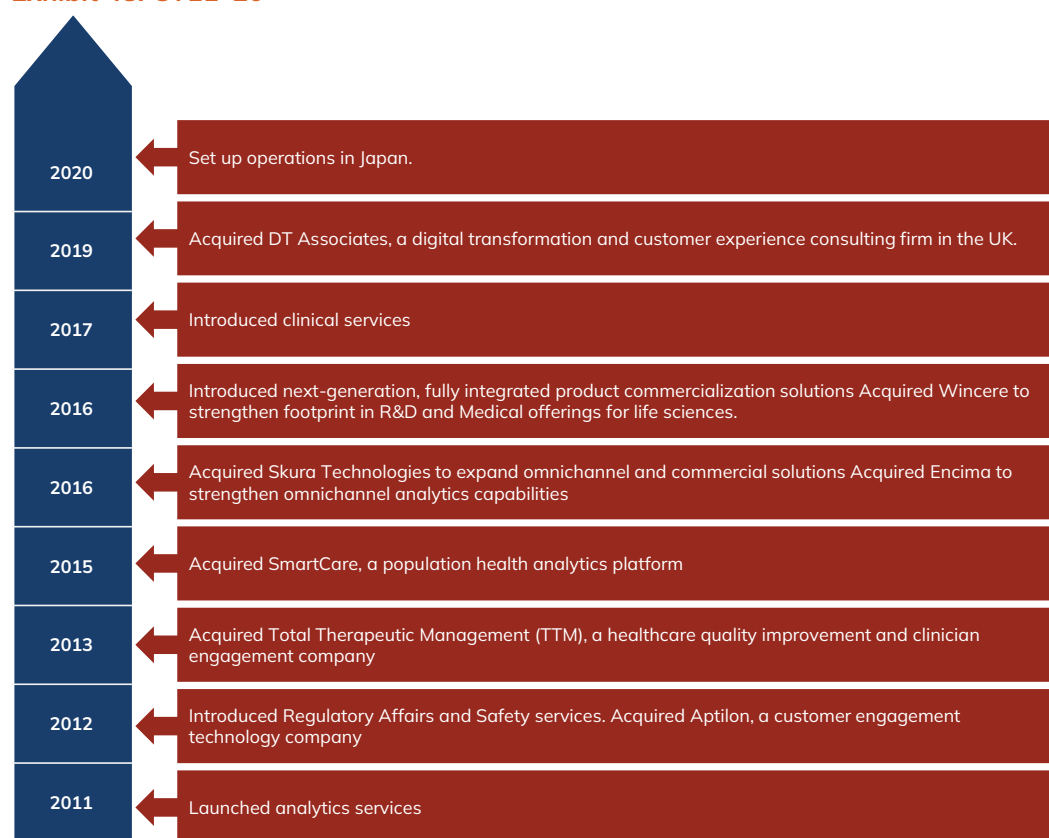
Timeline of key events

Exhibit 47: CY21–25



Source: I-Sec research, Company data

Exhibit 48: CY11–20



Source: I-Sec research, Company data

Exhibit 49: CY98–10



Source: I-Sec research, Company data

Exhibit 50: Board of Directors

Name	Designation	Profile
Krishnamurthy Venugopala Tenneti	Non-Executive Independent Director	Krishnamurthy holds a bachelor of technology degree in electrical engineering from the Indian Institute of Technology, Madras and a post graduate diploma in business administration from the Indian Institute of Management, Ahmedabad. He has been an advisor to the board of ANI Technologies Private Limited since 2017 and has experience in management advisory.
Dr. Ashish Gupta	Non-Executive Independent Director	Dr. Ashish holds a bachelor of technology degree in computer science and engineering from the Indian Institute of Technology, Kanpur where he received the president's gold medal on being adjudged as the best outgoing undergraduate student in 1988. He is a doctor of philosophy in computer science from the Leland Stanford Junior University, California. He has several years of experience in information technology. He is also an independent director on the board of Info Edge (India) Limited since 2017.
Jairaj Manohar Purandare	Non-Executive Independent Director	Jairaj holds a bachelor of science degree from the University of Bombay. He is a qualified chartered accountant. He has several years of experience in taxation. Previously, he was an Executive Director at PricewaterhouseCoopers Private Limited where he was member of the India leadership team as markets and industries leader and western India region managing partner and has been the chairman of Ernst & Young LLP. He is a member of the YPO Gold Mumbai Chapter. He was a member of Central Direct Taxes Advisory Committee of the Government of India constituted in 2008.
Pravin Udhyavara Bhadya Rao	Non-Executive Independent Director	Pravin holds a bachelor of engineering degree from the Bangalore University. He has 35 years of experience in the information technology sector. Previously, he was the chief operating officer at Infosys Limited.
Georgia Nikolakopoulou Papathomas	Non-Executive Independent Director	Georgia holds a bachelor of science degree from the Columbia University. She also holds a master's degree in philosophy, master's degree in science and is a doctor of philosophy from the Columbia University, New York, USA. In the past, she has worked at Johnson & Johnson and she has experience in the pharmaceutical industry. She is a member of The Scientific Research Society of North America, Columbia University chapter.
Manish Gupta	Chairman and Chief Executive Officer	Manish holds a bachelor of technology degree in mechanical engineering from the Indian Institute of Technology (Banaras Hindu University), Varanasi and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He has 22 years of experience in technology-led healthcare solutions provider sector.
Dr. Sanjay Suresh Parikh	Executive Director and Executive Vice President	Dr. Sanjay holds a bachelor of technology degree in electrical engineering from the Indian Institute of Technology, Bombay and a master of science degree (clinical engineering) from the Case Western Reserve University, Ohio, USA. He also holds a doctorate in philosophy from the Johns Hopkins University. He has 30 years of experience in pharmaceuticals industry and technology-led healthcare solutions provider sector.
Dr. Rajesh Bhaskaran Nair	Non-Executive Director	Dr. Rajesh holds a bachelor of medicine and surgery degree from the University of Kerala and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He has 24 years of experience in technology-led healthcare solutions provider sector.

Name	Designation	Profile
Neeraj Bharadwaj	Non-Executive Nominee Director	Neeraj holds a bachelor of science degree in economics from the University of Pennsylvania and a master's degree in business administration from the Harvard University. He has several years of experience in private equity. He is a managing director of Carlyle Asia Buyout Fund. He is a nominee of CA Dawn Investments on the board of our Company.
Mark Francis Dzialga	Non-Executive Nominee Director	Mark holds a bachelor of science degree from the Wehle School of Business, Canisius College and a master's degree in business administration from the Columbia University, New York, USA. He has 28 years of experience in investment banking and asset management. He is on the board of Columbia Business School. He has previously worked at Goldman Sachs Group, Inc. and General Atlantic LLC. He is the managing partner of Brighton Park Capital. He is a nominee of BPC Group

Source: I-Sec research, Company data

Exhibit 51: Key shareholders

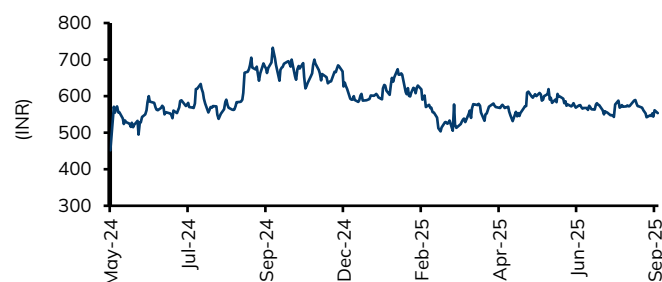
S.No.	Holder name	% outstanding
1	NADATHUR FAREAST PTE LTD	21.95
2	Manish Gupta	8.94
3	Rajesh Bhaskaran Nair	7.16
4	Sanjay S Parikh	5.00
5	Capital Group Cos Inc/The	3.23
6	BPC GENESIS FUND I A SPV LTD	3.00

Source: I-Sec research, Company data

Exhibit 52: Shareholding pattern

%	Dec'24	Mar'25	Jun'25
Promoters	0.0	0.0	0.0
Institutional investors	8.8	10.2	17.3
MFs and other	1.6	2.7	3.4
FIs/ Banks	0.0	0.0	0.0
Insurance Cos.	0.0	0.0	0.0
FIIIs	7.2	7.5	13.9
Others	91.2	89.8	82.7

Source: Bloomberg, I-Sec research

Exhibit 53: Price chart

Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 54: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Net Sales (USD mn)	30,179	30,179	30,179	30,179
Net Sales (INR mn)	28,393	31,533	35,386	39,581
Operating Expense	23,050	25,345	28,477	31,856
EBITDA	5,343	6,187	6,909	7,725
EBITDA Margin (%)	18.8	19.6	19.5	19.5
Depreciation & Amortization	802	884	990	1,106
EBIT	4,541	5,303	5,920	6,618
Interest expenditure	-	-	-	-
Other Non-operating Income	1,072	1,038	1,346	1,619
Recurring PBT	5,393	6,197	7,113	8,078
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	1,326	1,455	1,670	1,896
PAT	4,067	4,742	5,444	6,182
Less: Minority Interest	-	-	-	-
Net Income (Reported)	4,067	4,742	5,444	6,182
Extraordinaries (Net)	-	-	-	-
Recurring Net Income	4,067	4,742	5,444	6,182

Source Company data, I-Sec research

Exhibit 55: Balance sheet

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Total Current Assets	12,403	17,013	22,539	28,690
of which cash & cash eqv.	3,746	7,803	12,012	17,017
Total Current Liabilities & Provisions	5,645	5,874	6,408	6,859
Net Current Assets	6,758	11,140	16,131	21,831
Investments	12,897	12,897	12,897	12,897
Net Fixed Assets	438	494	559	631
ROU Assets	947	638	291	(96)
Capital Work-in-Progress	-	-	-	-
Goodwill	3,565	3,565	3,565	3,565
Other assets	1,014	1,014	1,014	1,014
Deferred Tax Assets	-	-	-	-
Total Assets	27,614	31,836	36,643	42,131
Liabilities				
Borrowings	-	-	-	-
Deferred Tax Liability	-	-	-	-
provisions	585	585	585	585
other Liabilities	149	149	149	149
Minority Interest	-	-	-	-
Equity Share Capital	479	479	479	479
Reserves & Surplus*	25,677	29,899	34,706	40,194
Total Net Worth	26,156	30,378	35,185	40,673
Total Liabilities	27,614	31,836	36,643	42,131

Source Company data, I-Sec research

Exhibit 56: Quarterly trend

(INR mn, year ending March)

	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Net Sales	6,868	7,204	7,556	7,608
% growth (YOY)	1.5%	4.9%	4.9%	0.7%
EBITDA	1,261	1,318	1,475	1,553
Margin %	18.4%	18.3%	19.5%	20.4%
Other Income	214	377	256	221
Adjusted Net Profit	917	1,097	1,176	1,164

Source Company data, I-Sec research

Exhibit 57: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
CFO before WC changes	6,260	7,614	8,036	9,574
CFO after WC changes	6,019	7,939	8,819	10,269
Tax Paid	(1,600)	(1,455)	(1,670)	(1,896)
Cashflow from Operations	4,419	6,485	7,149	8,373
Capital Commitments	(300)	(631)	(708)	(792)
Free Cashflow	4,119	5,854	6,441	7,581
Other investing cashflow	(6,527)	(1,132)	(1,444)	(1,722)
Cashflow from Investing Activities	(6,827)	(1,762)	(2,151)	(2,514)
Dividend and Buyback	-	-	-	-
Inc (Dec) in Borrowings	(4,349)	-	-	-
Others	-	-	-	-
Cash flow from Financing Activities	2,875	(145)	(152)	(160)
Chg. in Cash & Bank balance	467	4,577	4,845	5,699
Closing cash & balance	2,410	6,467	10,676	15,681

Source Company data, I-Sec research

Exhibit 58: Key ratios

(Year ending March)

	FY25A	FY26E	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	17.1	19.8	22.7	25.8
Diluted EPS	17.0	19.7	22.6	25.7
Cash EPS	21.0	24.3	27.8	31.5
Dividend per share (DPS)	-	-	-	-
Book Value per share (BV)	113.0	131.3	152.1	175.8
Dividend Payout (%)	-	-	-	-
Growth (%)				
Net Sales	9.6	11.1	12.2	11.9
EBITDA	5.7	15.8	11.7	11.8
EPS	12.8	15.6	14.8	13.6
Valuation Ratios (x)				
P/E	32.3	28.0	24.4	21.4
P/CEPS	26.3	22.8	19.9	17.6
P/BV	4.9	4.2	3.6	3.1
EV / EBITDA	20.5	17.1	14.7	12.5
P/S	4.4	4.0	3.6	3.2
Dividend Yield (%)	11	11	12	11
Operating Ratios				
EBITDA Margins (%)	18.8	19.6	19.5	19.5
EBIT Margins (%)	16.0	16.8	16.7	16.7
Effective Tax Rate (%)	24.6	23.5	23.5	23.5
Net Profit Margins (%)	14.3	15.0	15.4	15.6
Inventory Turnover Days	-	-	-	-
Fixed Asset Turnover (x)	73.0	67.6	67.2	66.5
Receivables Days	90	90	90	90
Payables Days	14	13	13	13
Working Capital Days	36	37	38	41
Net Debt / EBITDA (x)	(20.8)	(23.4)	(25.2)	(27.0)
Profitability Ratios				
RoCE (%)	15.4	14.4	13.8	13.4
RoIC (%)	38.6	43.4	44.0	45.4
RoNW (%)	20.1	16.8	16.6	16.3

Source Company data, I-Sec research

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