

07 October 2025

India | Equity Research | Company Update

Indegene

Technology

Indegene's BioPharm acquisition strengthens its presence in brand activation

Indegene's acquisition of BioPharm strengthens its presence in brand activation and adds to marketing campaign execution capabilities. Total consideration to be paid for the acquisition is USD 104mn (including earnouts of USD 27mn), valuing BioPharm at 9.7x on trailing EV/EBITDA, as of CY24. BioPharm has a superior EBITDA margin profile of 27% (on net revenue) and management expects the acquisition to be EPS accretive post 5–6 quarters. We increase our revenue estimates by ~5%/10%/10% and cut our EPS by 0.5%/2.8%/0.6% for FY26/27/28 led by a cut in margin (due to the transaction, integrations and D&A expenses) and lower other income. We continue to value at 26x target multiple on Sep'27E-ending EPS of INR 23 to arrive at a target price of INR 610. Maintain **ADD**.

Acquisition rationale – strengthens presence in omnichannel and brand activation

BioPharm works with brand owners and has deeper capabilities in omnichannel digital marketing, brand activation and campaign execution. The acquisition brings – 1) deeper penetration across channels and marketing mix (email/programmatic/video/display/social/native etc.); 2) rich data assets built over two decades (1.8mn and 3mn records) – to give broader, deeper view of HCP (healthcare professional) engagement; 3) better penetration to TAs (therapeutic areas like oncology and rare diseases; and niche HCP universe like ophthalmology; and 4) leadership, with 20+ years of industry experience.

Biopharm serves 17 of the top 25 global pharma companies. Therefore, there is significant overlap between the logos that Biopharm and Indegene serve. But, both address different buying centres within these clients, as biopharma deals with brand owners and Indegene derives ~85% of revenue from enterprises (i.e., centralised buying).

BioPharm has higher margin profile; likely EPS accretive post 5–6 quarters

BioPharm has a higher margin profile with EBITDA margin of 27% on net revenue (gross revenue includes media inventory buying expenses for execution of marketing campaign and is pass through), as it provides targeted marketing solutions (not driven by time and material engagements) leveraging

Financial Summary

Y/E March (INR mn)	FY25A	FY26E	FY27E	FY28E
Net Revenue	28,393	33,187	39,015	43,640
EBITDA	5,343	6,174	7,301	8,437
EBITDA Margin (%)	18.8	18.6	18.7	19.3
Net Profit	4,067	4,641	5,197	6,036
EPS (INR)	17.1	19.4	21.7	25.2
EPS % Chg YoY	12.8	13.1	12.0	16.1
P/E (x)	33.4	29.5	26.4	22.7
EV/EBITDA (x)	21.7	19.3	16.1	13.4
RoCE (%)	15.4	14.0	14.3	14.4
RoE (%)	20.1	16.4	16.0	16.1

Ruchi Mukhija

ruchi.mukhija@icicisecurities.com
+91 22 6807 7573

Aditi Patil

aditi.patil@icicisecurities.com

Seema Nayak

seema.nayak@icicisecurities.com

Market Data

Market Cap (INR)	137bn
Market Cap (USD)	1,546mn
Bloomberg Code	INDGN IN
Reuters Code	INEGE.BO
52-week Range (INR)	735 /485
Free Float (%)	42.0
ADTV-3M (mn) (USD)	3.1

Price Performance (%)	3m	6m	12m
Absolute	0.8	3.0	(16.6)
Relative to Sensex	2.7	(5.6)	(16.8)

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

Earnings Revisions (%)	FY26E	FY27E	FY28E
Revenue	5.2	10.3	10.3
EBITDA	(0.6)	5.0	9.2
EPS	(0.5)	(2.8)	(0.6)

Previous Reports

10-09-2025: [Initiating Coverage](#)

combination of data, technology and biopharma domain expertise. We note that its sales and marketing and compliance investments are lower vs. Indegene, also adding to its margins.

Indegene expects the acquisition to be EPS accretive beyond 5–6 quarters. Transaction expenses (USD 0.8mn), integration costs (for both operations and data), incremental sales and marketing investments and lower interest income (because of the cash used to fund this acquisition) would likely be immediate headwinds on margins. The company expects cost synergies of USD 1mn annually to start accruing beyond the integration phase led by rationalisation of data purchase costs, licensing cost, SG&A costs and transition of talent from onsite to offshore.

Contours of acquisition and valuation

Indegene shall pay a total consideration of USD 104mn on debt-free and cash-free basis, which includes – 1) upfront payment of USD 65mn; 2) deferred payment of USD 12mn to be paid by Mar'26; 3) first earnout of up to USD 8mn to be paid based on CY25 performance; and 4) second earnout of up to USD 19mn based on CY26 performance.

This implies a valuation of 13x EV/EBITDA on CY24 EBITDA of USD 7.9mn. The acquisition would be funded through internal accruals and shall be consolidated from 1 Oct'25, as per the company. Earnout is based on revenue growth (~15–20% YoY) for CY25 and CY26 and order books for CY26 and CY27. Tangible assets of Biopharm are USD 6mn at the time of closing.

Including earnout payments, the acquisition is valued at USD 9.7mn on trailing EV/EBITDA at EBITDA of USD 7.9mn, as of CY24.

Biopharm's revenue growth has been soft and volatile with 12% YoY decline in CY23 and 6% YoY growth in CY24 due to its lower investments in sales and marketing, as per Indegene. Indegene plans to invest in a go-to-market strategy in BioPharm's business to unlock its growth potential.

About BioPharm

BioPharm is a Pennsylvania-based specialised marketing services agency and was a part of Omnicom Health Group. Founded in 2005, BioPharm's clients include 17 of the world's top 25 biopharma organisations. The agency brings deep expertise in omnichannel strategy, end-to-end media journey, spanning – strategy, planning and operations, and data-driven campaign execution -blending analytics, automation, and targeted engagement to deliver turnkey precision marketing solutions. It employs 100 people based in US.

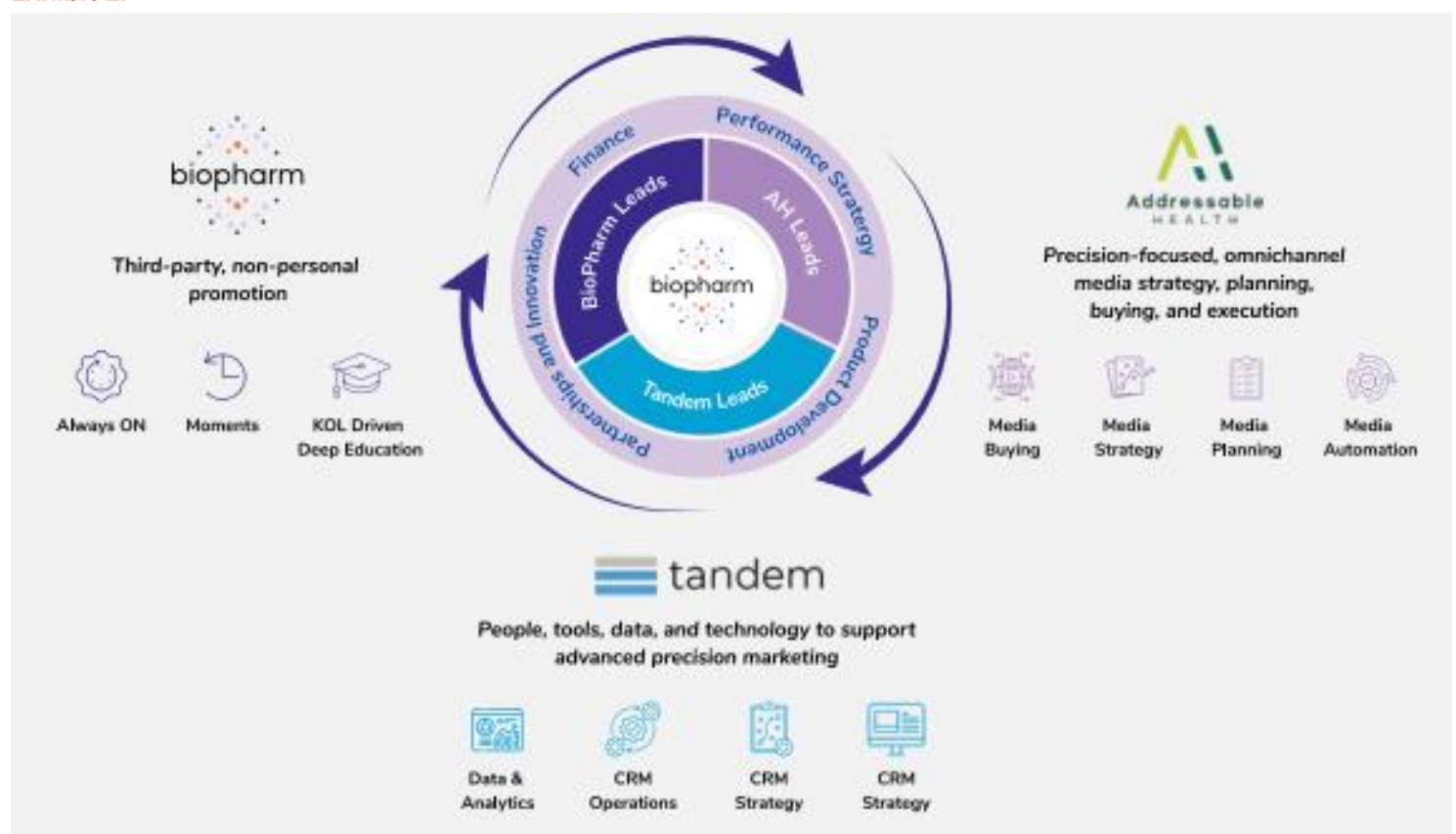
It has two offerings – 1) BioPharm – platform that creates push engagements through programmatic campaigns; and 2) Addressable Health – platform that creates pull engagement through precision and zero waste media programs suitable for brands reaching end of exclusivity. Tandem is BioPharm's proprietary rich-data and technology platform powering Biopharm and Addressable Health.

Key risk: Future client-specific issues.

Exhibit 1: Change in our estimates for Indegene

	New			Old			New vs Old		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenues (USD mn)	388	448	502	369	407	455	5.2%	10.3%	10.3%
Revenue growth YoY CC							0bps	0bps	0bps
Revenue growth YoY USD	15.7%	15.5%	11.9%	9.9%	10.3%	11.9%	580bps	520bps	0bps
USD/INR	85	87	87	85	87	87	0.0%	0.0%	0.0%
INR mn									
Revenues	33,187	39,015	43,640	31,533	35,386	39,581	5.2%	10.3%	10.3%
EBIT	5,171	6,089	7,080	5,200	5,799	6,485	-0.6%	5.0%	9.2%
EBIT margin	15.6%	15.6%	16.2%	16.5%	16.4%	16.4%	-90bps	-80bps	-20bps
PAT	4,641	5,197	6,036	4,663	5,348	6,071			
Diluted EPS (INR/share)	19.3	21.6	25.0	19.4	22.2	25.2	-0.5%	-2.8%	-0.6%

Source: I-Sec research, Company data

Exhibit 2: BioPharm's business model


Source: I-Sec research, Company data

Exhibit 3: BioPharm's core offerings

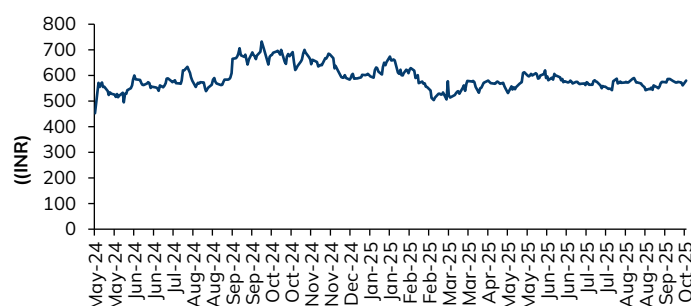


Exhibit 4: Shareholding pattern

%	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
FII's	7.2	7.5	13.9
Others	91.2	89.8	82.7

Source: Bloomberg, I-Sec research

Exhibit 5: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 6: 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	33,187	39,015	43,640
Operating Expense	23,050	27,013	31,714	35,204
EBITDA	5,343	6,174	7,301	8,437
EBITDA Margin (%)	18.8	18.6	18.7	19.3
Depreciation & Amortization	802	1,003	1,212	1,357
EBIT	4,541	5,171	6,089	7,080
Interest expenditure	-	-	-	-
Other Non-operating Income	1,072	1,038	854	967
Recurring PBT	5,393	6,065	6,790	7,887
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	1,326	1,423	1,594	1,851
PAT	4,067	4,641	5,197	6,036
Less: Minority Interest	-	-	-	-
Net Income (Reported)	4,067	4,641	5,197	6,036
Extraordinaries (Net)	-	-	-	-
Recurring Net Income	4,067	4,641	5,197	6,036

Source Company data, I-Sec research

Exhibit 7: Balance sheet

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Total Current Assets	12,403	9,924	13,574	19,330
of which cash & cash eqv.	3,746	230	1,968	6,461
Total Current Liabilities & Provisions	5,645	6,066	6,839	7,336
Net Current Assets	6,758	3,857	6,735	11,994
Investments	12,897	12,897	12,897	12,897
Net Fixed Assets	438	450	442	433
ROU Assets	947	596	172	(303)
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	31,734	36,295	41,636
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	29,797	34,358	39,699
Total Net Worth	26,156	30,276	34,837	40,178
Total Liabilities	27,614	31,734	36,295	41,636

Source Company data, I-Sec research

Exhibit 8: Quarterly trend

(INR mn, year ending March)

	Sep-24	Dec-24	Mar-25	Jun-25
Net Sales	6,868	7,204	7,556	7,608
% growth (YOY)	8.0%	7.0%	12.3%	12.5%
EBITDA	1,261	1,318	1,475	1,553
Margin %	18.4%	18.3%	19.5%	20.4%
Other Income	214	377	256	221
Extraordinaries	-	-	-	-
Adjusted Net Profit	917	1,097	1,176	1,164

Source Company data, I-Sec research

Exhibit 9: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
CFO before WC changes	6,260	9,020	6,729	8,838
CFO after WC changes	6,019	8,636	7,869	9,604
Tax Paid	(1,600)	(1,423)	(1,594)	(1,851)
Cashflow from Operations	4,419	7,212	6,275	7,753
Capital Commitments	(300)	(664)	(780)	(873)
Free Cashflow	4,119	6,548	5,494	6,880
Other investing cashflow	(6,527)	(8,399)	(2,968)	(1,533)
Cashflow from Investing Activities	(6,827)	(9,062)	(3,748)	(2,406)
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	(1,995)	2,375	5,187
Closing cash & balance	2,410	(106)	1,632	6,125

Source Company data, I-Sec research

Exhibit 10: Key ratios

(Year ending March)

	FY25A	FY26E	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	17.1	19.4	21.7	25.2
Diluted EPS	17.0	19.3	21.6	25.0
Cash EPS	21.0	24.4	27.7	31.9
Dividend per share (DPS)	-	-	-	-
Book Value per share (BV)	113.0	130.8	150.5	173.6
Dividend Payout (%)	-	-	-	-
Growth (%)				
Net Sales	9.6	16.9	17.6	11.9
EBITDA	5.7	15.6	18.3	15.6
EPS	12.8	13.1	12.0	16.1
Valuation Ratios (x)				
P/E	33.4	29.5	26.4	22.7
P/CEPS	27.2	23.4	20.6	17.9
P/BV	5.1	4.4	3.8	3.3
EV / EBITDA	21.7	19.3	16.1	13.4
P/S	4.7	4.0	3.4	3.0
Dividend Yield (%)	-	-	-	-
Operating Ratios				
EBITDA Margins (%)	18.8	18.6	18.7	19.3
EBIT Margins (%)	16.0	15.6	15.6	16.2
Effective Tax Rate (%)	24.6	23.5	23.5	23.5
Net Profit Margins (%)	14.3	14.0	13.3	13.8
Inventory Turnover Days	-	-	-	-
Fixed Asset Turnover (x)	73.0	74.8	87.5	99.7
Receivables Days	90	88	88	90
Payables Days	14	12	13	13
Working Capital Days	36	37	39	43
Net Debt / EBITDA (x)	(20.8)	(13.1)	(12.3)	(14.3)
Profitability Ratios				
RoCE (%)	15.4	14.0	14.3	14.4
RoIC (%)	38.6	23.5	23.2	25.3
RoNW (%)	20.1	16.4	16.0	16.1

Source Company data, I-Sec research

This report may be distributed in Singapore by ICICI Securities, Inc. (Singapore branch). Any recipients of this report in Singapore should contact ICICI Securities, Inc. (Singapore branch) in respect of any matters arising from, or in connection with, this report. The contact details of ICICI Securities, Inc. (Singapore branch) are as follows: Address: 10 Collyer Quay, #40-92 Ocean Financial Tower, Singapore - 049315, Tel: +65 6232 2451 and email: navneet_babbar@icicisecuritiesinc.com, Rishi_agrawal@icicisecuritiesinc.com and Kadambari_balachandran@icicisecuritiesinc.com.

"In case of eligible investors based in Japan, charges for brokerage services on execution of transactions do not in substance constitute charge for research reports and no charges are levied for providing research reports to such investors."

New I-Sec investment ratings (all ratings based on absolute return; All ratings and target price refers to 12-month performance horizon, unless mentioned otherwise)
BUY: >15% return; ADD: 5% to 15% return; HOLD: Negative 5% to Positive 5% return; REDUCE: Negative 5% to Negative 15% return; SELL: < negative 15% return

ANALYST CERTIFICATION

I/We, Ruchi Mukhija, CA; Aditi Patil, MBA; Seema Nayak, MBA; authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of the ICICI Securities Inc. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager, Research Analyst and Alternative Investment Fund. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities AIF Trust's SEBI Registration number is IN/AIF3/23-24/1292 ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Institutional Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Retail Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances. This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

This report has not been prepared by ICICI Securities, Inc. However, ICICI Securities, Inc. has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk free return to the investors.

ICICI Securities Limited has not used any Artificial Intelligence tools for preparation of this Research Report.

SEBI Guidelines for Research Analyst (RA) requires all RAs to disclose terms and conditions pertaining to Research Services to all clients. Please go through the "Mandatory terms and conditions" and "Most Important Terms and Conditions. ([Link](#))

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal, Contact number: 022-40701000, **E-mail Address** : complianceofficer@icicisecurities.com

For any queries or grievances: [Mr. Jeetu Jawrani](#) Email address: headservicequality@icicidirect.com Contact Number: 18601231122
