

RESEARCH**[INITIATION] ANTHEM BIOSCIENCES | TARGET: Rs 835 | +19% | BUY**

Full-spectrum CRDMO capabilities

BOB ECONOMICS RESEARCH | GDP ANALYSIS

GDP growth pegged at 7.6% for FY26

SUMMARY**[INITIATION] ANTHEM BIOSCIENCES**

- Being one of the few backward-integrated peptide manufacturers, gives it cost edge over China competitors in GLP
- Undergoing capacity expansion; plans to add 400kl in custom synthesis and 100-200 kl fermentation capacity at unit 4
- One of the highest EBITDA margins in the industry. Ascribe a PE of 56x on Mar'28 EPS to arrive at TP of Rs 835. Initiate with a BUY

[Click here](#) for the full report.

INDIA ECONOMICS: GDP ANALYSIS

India's GDP growth clocked 7.8% in Q3FY26, following 7.4% growth in Q3FY25. For full year, growth is estimated at 7.6% given robust growth in manufacturing sector. These estimates have been revised upwards from previous estimate of 7.4% to align with the new base year (2022-23). With respect to the revision, major change that has been incorporated include, double deflation in agriculture and manufacturing in order to capture price issue appropriately. Going forward, growth is expected to advance in Q4 further as has been evident form the high frequency indicators.

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BUY

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ANTHEM BIOSCIENCES

Pharmaceuticals

27 February 2026

Full-spectrum CRDMO capabilities

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Gamut of innovative modalities - ANTHEM has integrated services for NCE and NBE capabilities across discovery, development and manufacturing. It has a gamut of innovative modalities like ADC, Oligonucleotide, RNAi, peptides and Lipids across platforms like Flow Chemistry, fermentation, Custom Synthesis etc. — all under one roof. The company provides this facility for both lab work as well as manufacturing.

Commercial molecules sales likely to increase – ANTHEM has 10 molecules under the commercialization phase, where they supply API or Intermediates. Total end market size of these molecules was around USD11bn in CY24, which were all supported since the discovery stage. Molecules sales are further likely to grow by USD 21.4bn. by CY29, indicating a CAGR of 13.5% CAGR from CY24-29.

4 molecules to be incrementally commercialized – ANTHEM's 4 new molecules shifted to commercial phase from late-stage phase 3. Peak market sales of these 4 products are said to be ~USD10bn.

Expanding capacities to spur growth - ANTHEM has completed capacity expansion at unit 1 & 2. Unit 3 (Neo Anthem) is for manufacturing peptides with current capacity of 16kl, likely to increase to 32 – 40 kl. Currently, there are three empty blocks in Unit 3 that would be utilised for Custom Synthesis, Fermentation, etc., followed by Rs10bn capex earmarked for phase 1 in Unit 4.

Valuation - ANTHEM's industry-high margin is expected to sustain, given the ramp-up in peptides capacity, including backward integration and installing unit 4 for small molecules, which the company is undergoing civil work. At CMP, the stock is trading at a PE of 53x for FY27 and 46x on FY28E EPS. Due to the industry-high margins, we ascribe a PE equivalent to Divi's of 56x on Mar'28 EPS of Rs 14.9x to arrive at TP of Rs 835 per share.

Ticker/Price	ANTHEM IN/Rs 701
Market cap	US\$ 4.3bn
Free float	25%
3M ADV	US\$ 2.2mn
52wk high/low	Rs 874/Rs 579
Promoter/FPI/DII	75%/1%/8%

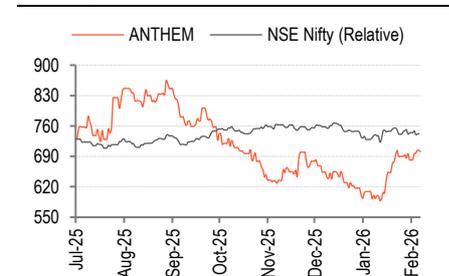
Source: NSE | Price as of 27 Feb 2026

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	18,446	21,202	25,851
EBITDA (Rs mn)	6,708	8,061	10,251
Adj. net profit (Rs mn)	4,509	6,063	7,382
Adj. EPS (Rs)	8.0	10.4	13.2
Consensus EPS (Rs)	8.0	10.4	13.2
Adj. ROAE (%)	18.7	20.1	19.7
Adj. P/E (x)	87.2	67.7	53.3
EV/EBITDA (x)	59.0	49.8	39.6
Adj. EPS growth (%)	24.1	28.8	27.1

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



GDP ANALYSIS

27 February 2026

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Jahnvi Prabhakar
Economist

This will be supported by strong boost to consumption spending along with revival in investment, as well as accommodative monetary conditions and benign inflation, these bodes well for the growth outlook. Given the rebasing of the GDP series, we do not expect much bearing on fiscal ratios. Overall, we stick with our estimate of GDP growth of 7-7.5% for FY27.

Q3FY26 GDP improves

GDP growth in Q3FY26 accelerates to 7.8% from 7.4% in Q3FY25 on a YoY basis. On expenditure side, higher pace of growth was driven by PFCE with a growth of 8.7% in Q3FY26 against 6% in Q3FY25. Strength was also noted in investment with GFCE growth of 7.8% compared with 6.3% growth in Q3FY25. Imports growth rose to 8.6% growth in Q3FY26 from 2.9% growth clocked in the previous year of the same quarter. On the other hand, moderation was noted in government spending with 4.7% growth against 7.6% growth previously. Moreover, given the uncertainty on the tariff front during the same period, exports growth eased to 5.6% from 10.5% growth noted in Q3FY25.

On the nominal side, barring imports and investment, broad-based moderation was noted across all the components. Private and government spending was marginally down with 8.9% (from 10.8%) and 9% (from 12.6%) growth in Q3FY26 respectively. Exports growth continue to clock double digit growth albeit at a tad slower pace of 10.3% against 11.3% in Q3FY25. On the brighter side, investment growth with over 30% share inched up by 9% in Q3 compared with 8.8% growth in Q3FY25. Imports growth an increase of 13.4% growth against 9.9% growth for the same period of last year.

GVA maintains momentum

GVA registered a growth of 7.8% in Q3FY26, up from Q3FY25 (7.4%) as per the new series. Amongst the sectors, major momentum was delivered by both services and manufacturing.



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SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

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