

January 10, 2025

IPO Note

## IPO NOTE

### Issue Details

**Price Band: ₹ 407 to ₹ 428**

**Issue Opens on: January 13, 2025**

**Issue Closes on: January 15, 2025**

**Lot Size: 33 Shares & in Multiples thereafter**

### Issue Highlights

**Issue Size: ₹ 698.06 Cr.**

**No of Shares: 1,63,09,766**

**Face Value: ₹ 2**

### Offer Structure

Issuance	₹ in Cr.
Fresh Issue	138.00
Offer for Sale	560.06
<b>Total</b>	<b>698.06</b>

### Issue Breakup

Reservation for	% of Issue	₹ in Cr. (at upper band)
QIB	75	523.55
HNI	15	104.71
Retail	10	69.81
<b>Total</b>	<b>100</b>	<b>698.06</b>

### Listing

**BSE & NSE**

### Lead Managers

- Nuvama Wealth Management Ltd.
- Motilal Oswal Investment Advisors Ltd.
- SBI Capital Market Ltd.

### Registrar

**MUFG INTIME INDIA PRIVATE LIMITED**  
(Formerly known as LINK INTIME INDIA Pvt. Ltd.)

### Contact Details

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## COMPANY OVERVIEW

Laxmi Dental is India's only end-to-end integrated dental products company as at September, 2024. Their offerings include custom made crowns and bridges, branded dental products such as clear aligners, thermoforming sheets and aligner related products as a part of aligner solutions, and paediatric dental products. The company is amongst the Top 2 largest Indian dental laboratories based on revenue for FY24.

The company has a presence of 20 years in the dental laboratories business with a reach of over 22,000 dental clinics, dental companies and dentists between FY22 to September 30, 2024. The company has 6 manufacturing facilities, 3 of which are in Mira Road, MMR, 2 in Boisar, MMR, Maharashtra and 1 in Kochi, Kerala, and further 5 supporting facilities 2 of which are in Mumbai, and 1 each in Delhi, Bengaluru, and Ahmedabad with manufacturing capabilities.

The company launched clear aligners under the brand Illusion Aligners which is the first Indian brand to receive 510(k) clearance from US FDA in 2021 to market clear aligners. Further, it is the only aligner company in India which is fully vertically integrated having end-to-end capabilities from raw material to distribution, enabling significant control on the supply chain.

## HIGHLIGHTS

1. The only integrated dental products company in India, well-positioned to capture industry tailwinds
2. 2<sup>nd</sup> largest player in domestic laboratory business and largest export laboratory with increasing adoption of digital dentistry;
3. Vertically integrated diverse branded product portfolio
4. Large Dental Network providing us with competitive advantage in the market
5. Robust technologically advanced capabilities with stringent regulatory compliance ensuring high quality standards

## OBJECTS OF THE ISSUE

1. Repayment/prepayment, in full or in part, of certain outstanding borrowings availed by the Company (₹ 22.98 Cr.)
  2. Investment in certain Subsidiaries for the repayment/prepayment, in full or in part, of certain outstanding borrowings (₹ 4.6 Cr.)
  3. Funding the capital expenditure requirements for purchase of new machinery for the Company (₹ 43.51 Cr.)
  4. Investment in the Subsidiary, Bizdent Devices Private Limited, for the capital expenditure requirements for the purchase of new machinery (₹ 25 Cr.) and General Corporate Purposes
- To carry out the Offer for Sale of up to 1,30,85,467 Equity Shares of face value of ₹ 2 each by the Promoter Selling Shareholder. The company will not receive any proceeds from Offer for sale.

## OUR VIEW

Incorporated in July 2004, Laxmi Dental Ltd. is India's only integrated dental products company, offering custom-made crowns, clear aligners, and pediatric dental products. The company operate a fully integrated model, meaning they handle the entire process from design and manufacturing to distribution of dental products.

In terms of export revenue for the FY23 among the Indian dental labs, they are the largest exporter for custom made dental prosthesis, catering primarily to US and UK. They have launched iScanPro on August 9, 2024, branded intraoral scanners for digital dentistry, currently being employed by 264 dentists. It has adopted B2B2C business model for sale of customized clear aligner solutions while offering a flexible 'pay as you go' model along with the upfront payment model, making aligners more affordable to the end customers. However, risks to consider are reliance on specific regions for revenue, the need to expand its dental network, and the challenge of retaining skilled technicians, all of which could affect its operations and growth potential. On the financial front, the Revenue CAGR for the period FY22-24 grew at around 19% and it reported Positive profit after reporting loss in FY22 & FY23, while the Adjusted EBITDA margins improved from 3.85% in FY2022 to 16.88% in FY2024. As at H1FY25 the company's total borrowings stood at ₹ 40.91 Cr. and its Debt-to-equity ratio at 0.61x. It's ROE & ROCE stood at 40.73% and 21.95% as at H1FY25.

The issue is priced at a P/BV of 33 based on its NAV of Rs. 12.97 as of September 30, 2024 and is asking for a PE multiple of 95x on the upper end of the price band and using diluted EPS for FY24 (₹ 5.11) and if we attribute FY25 earnings, then the asking price is at P/E of 56x which seems reasonably priced when compared to the only competitor Poly Medicare Limited which is trading at 94.02x.

Laxmi Dental is the only fully integrated dental products company in India, which puts it in a strong position to take advantage of the growing industry. It has a diverse, vertically integrated portfolio of branded products. Looking at all the factors, risks, opportunities and valuation, investors can invest in the issue with Long term horizon.

### Brief Financials

PARTICULARS	As at Sept. 30, 2024	₹ in Lakhs		
		FY '24	FY '23	FY '22
Total Income	1,179.00	1,952.64	1,638.44	1,380.70
Total Expenditure	1,034.14	1,866.55	1,677.55	1,433.96
EBITDA	227.33	237.90	89.64	54.13
Profit before Tax	211.03	85.24	( 42.61)	(147.12)
Profit after Tax	181.97	179.41	(44.49)	(170.83)
E.P.S. (Diluted)	4.52*	5.11	(0.71)	(3.28)
P/E (x) (Diluted)	-	95	-	-
RONW (%)	40.73*	78.78	(19.62)	(60.47)

\* Not Annualised

### PRICE CHART (@ ₹ 428) (Retail Category)

LOT SIZE	Amount
33	14,124
66	28,248
99	42,372
132	56,496
165	70,620
198	84,744
231	98,868
264	112,992
297	127,116
330	141,240
363	155,364
396	169,488
429	183,612
462	197,736

### HNI Payment Chart

Category	No. of Shares	Minimum Bid Lot Amount (Rs.)
Small HNI	495	211,860
Big HNI	2,343	1,002,804

### Indicative Time Table

Tentative Events	Indicative Dates
Finalisation of Basis of Allotment with the Designated Stock Exchange	16/1/2025
Initiation of refunds/unblocking ASBA Fund	17/1/2025
Credit of Equity Shares to demat accounts of Allottees	17/1/2025
Commencement of trading of the Equity Shares on the Stock Exchanges	20/1/2025

For more details, Please refer RHP,

([https://www.sebi.gov.in/filings/public-issues/jan-2025/laxmi-dental-limited-rhp\\_90604.html](https://www.sebi.gov.in/filings/public-issues/jan-2025/laxmi-dental-limited-rhp_90604.html) )

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### **SEBI Registration No. INH00000867**

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