



LAXMI DENTAL LIMITED

IPO NOTE – Investor Education Series

January 2025

ISSUE HIGHLIGHTS

- The Company was incorporated as 'Laxmi Dental Export Pvt. Ltd' on July 8, 2004, at Mumbai, Maharashtra. The name was changed to 'Laxmi Dental Pvt. Ltd', on 18 June 2024. Subsequently, on conversion to public limited company the name was changed to 'Laxmi Dental Limited', on August 02, 2024.
- Laxmi Dental is an end-to-end integrated dental products company with comprehensive portfolio including custom-made crowns and bridges, branded dental products such as aligner solutions including clear aligners, thermoforming sheets, aligner-related products, and paediatric dental products.
- The company is amongst the Top 2 largest Indian dental laboratories based on revenue for FY2024. The company is the largest and most profitable vertically integrated indigenous B2B2C dental aligner solutions company, based on the products offered and revenue from operations and PAT Margin for FY 2023.
- 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 FY 2022 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's facilities in Boisar follow the quality system regulations enforced by the US FDA and the manufacturing facilities in Mira Road and Boisar have received certifications for ISO 13485:2016 compliance, an internationally recognized standard for medical device quality.
- 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.
- The company's revenues from operations have grown from ₹ 136.84 Cr in FY2022 to ₹ 193.56 Cr in FY2024, while the Adjusted EBITDA margins improved from 3.85% in FY2022 to 16.88% in FY2024. The Company reported a Net Profit in FY2024 of ₹ 25.23 Cr as compared to Net Loss of ₹ 18.68 Cr in FY2022.

BRIEF FINANCIAL DETAILS*

(₹ In Cr)

Particulars	As at Sept 30 th , 2024 (6)	As at March 31 st ,		
		2024 (12)	2023(12)	2022(12)
Share Capital	5.56	0.31	0.31	0.31
Net Worth as stated	67.09	44.57	19.48	22.94
Total Borrowings	40.91	42.03	31.44	29.63
Revenue from Operations	116.78	193.56	161.63	136.84
Revenue Growth (%) as stated	-	19.75%	18.11%	-
Adj. EBITDA as stated	27.98	32.68	9.57	5.27
Adj. EBITDA Margin (%) as stated	23.96%	16.88%	5.92%	3.85%
Net Profit for the period	22.74	25.23	(4.16)	(18.68)
Net Profit (%) as stated	19.47%	13.03%	(2.58%)	(13.65%)
EPS – Basic & Diluted (₹)	4.39*	4.80	(0.77)	(3.56)
ROE (%)	40.73%*	78.78%	(19.62%)	(60.47%)
ROCE (%)	24.64%*	19.97%	(0.33%)	(19.40%)
Asset Turnover (%)	79.78%*	167.54%	162.21%	1.28%
NAV (₹) as stated**	12.97	8.63	3.77	4.44

Source: RHP, * Not annualized, ** after adjusting CCPs; Note the co. issued 26,270,100 bonus shares on June 4, 2024 and converted 290,597 outstanding CCPs into 23,922,450 Equity Shares on December 19, 2024.

Issue Details

Fresh Issue of Equity Shares aggregating to ₹ 138 Cr + Offer for Sale of up to 1,30,85,467 Equity Shares

Issue size: ₹ 671-698 Cr

No. of shares: 1,64,76,130~1,63,09,767^Shares

Face value: ₹ 2/-

Price band: ₹ 407-428

Bid Lot: 33 Shares and in multiple thereof

Post Issue Implied Market Cap =

₹ 2,244 Cr - ₹ 2,352 Cr

BRLMs: Nuvama Wealth Management Ltd, Motilal Oswal Investment Advisors, SBI Capital Markets

Registrar: MUFG Intime India Pvt. Ltd

Issue opens on: Monday, 13th January 2025

Issue closes on: Wednesday, 15th January 2025

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	16-01-2025
Refunds/Unblocking ASBA Fund	17-01-2025
Credit of equity shares to DP A/c	17-01-2025
Trading commences	20-01-2025

Issue break-up

	No. of Shares		₹ In Cr		% of Issue
	@Lower	@Upper	@Lower	@Upper	
QIB	1,23,57,099	1,22,32,326	502.93	523.54	75%
NIB	24,71,419	24,46,464	100.59	104.71	15%
-NIB2	16,47,612	16,30,976	67.06	69.81	
-NIB1	8,23,807	8,15,488	33.53	34.90	
RET	16,47,612	16,30,976	67.06	69.81	10%
Total	1,64,76,130	1,63,09,767	670.58	698.06	100%

NIB-1=NII Bid between ₹ 2 to 10 Lakhs

NIB-2 =NII Bid Above ₹ 10 Lakhs

Category	Retail Category	NII-Bid between ₹ 2 - 10 Lakhs	NII-Bid Above ₹ 10 Lakhs
Minimum Bid Lot (Shares)	33 Shares	495 Shares	2,343 Shares
Minimum Bid Lot Amount (₹)	₹ 14,124^	₹ 2,11,860^	₹ 10,02,804^
Appl for 1x	49,424 Applications	1,647 Applications	3,295 Applications

Listing: BSE & NSE

Shareholding (No. of Shares)

Pre-issue	Post issue~	Post issue^
5,17,37,850	5,51,28,513	5,49,62,149

~Lower price Band ^ Upper Price Band

Shareholding* (%)

	Pre-Issue	Post-Issue
Promoter	36.19%	32.92%
Promoters Group	10.37%	8.78%
Public -Others	53.44%	58.30%
Total	100.00%	100.00%

* As per RHP

BACKGROUND

Company and Directors

The Company was incorporated as 'Laxmi Dental Export Pvt. Ltd' on July 8, 2004, at Mumbai, Maharashtra. The name was changed to 'Laxmi Dental Pvt. Ltd', on 18 June 2024. Subsequently, on conversion to public limited company the name was changed to 'Laxmi Dental Limited', on August 02, 2024. Laxmi Dental Ltd is an end-to-end integrated dental products company with comprehensive portfolio including custom-made crowns and bridges, branded dental products such as aligner solutions including clear aligners, thermoforming sheets, aligner-related products, and paediatric dental products.

Brief Biographies of Directors & Key Managerial Personnel

Rajesh Vrajlal Khakhar is one of the Promoters, Chairperson and Whole-Time Director of the Company, and he is currently responsible for managing business partnerships with leading international customers and oversees business development activities of the Company. He is also a director of one of the company's Subsidiaries, Bizdent Devices Pvt. Ltd. He has more than 30 years of experience.

Sameer Kamlesh Merchant is one of the Promoters, Managing Director and Chief Executive Officer of the Company and he is currently responsible for the overall business strategy, operations, financial performance and management of the Company. He is also the designated partner of the company's jointly controlled entity, Kids-E-Dental LLP and a director of one of the company's Subsidiaries, Bizdent Devices Pvt. Ltd. He has more than 20 years of experience and he has contributed to diversifying the offerings of the Company.

Sumona Chakraborty is a Non-Executive, Non-Independent (Nominee) Director of the Company and a nominee of OrbiMed Asia II Mauritius Ltd. She has more than 10 years of experience. She is currently a Director with OrbiMed Advisors India Pvt. Ltd.

Rajesh Shashikant Dalal is a Non-Executive, Independent Director of the Company. He has more than 34 years of experience. Previously, he was associated with OrbiMed Advisors India Pvt. Ltd (a wholly owned subsidiary of OrbiMed Advisors LLC) from June 23, 2010 until December 21, 2014 and Johnson and Johnson Pvt. Ltd.

Anjana Rajendra Grewal is a Non-Executive, Independent Director of the Company. She has more than 23 years of experience. She is currently a Professor at SDA Bocconi Asia Center. Previously she was associated with Birla Sun life Insurance, Global Trust Bank, ANZ Grindlays Bank and Colgate-Palmolive (India) Ltd.

Devesh Ghanshyam Chawla is a Non-Executive, Independent Director of the Company. He has more than 15 years of experience. Previously he was associated with Client Associated and M/s. Universal Sompo General Insurance Company Ltd.

Dharmesh Bhupendra Dattani is one of the Promoters and is the Chief Financial Officer of the Company. He has been associated with the Company since 2008. He has more than 15 years of experience. Previously, he was associated with Enterprise Nexus Communication Pvt. Ltd, Federal Express India Pvt. Ltd (Fedex Express).

Nupur Joshi is the Company Secretary and Compliance Officer of the Company. She has been associated with the Company since 2024. She has 6+ years of experience in managing company secretarial functions. Previously, she was associated with Kalpatru Power Transmission Ltd and Makarand M. Joshi and Company.

OBJECTS OF THE ISSUE

Objects	Amount (₹ Cr)
• Repayment/prepayment, in full or in part, of certain outstanding borrowings availed by the Company	22.98
• Investment in certain Subsidiaries for the repayment/prepayment, in full or in part, of certain outstanding borrowings	4.60
• Funding the capital expenditure requirements for purchase of new machinery for the Company	43.51
• Investment in Subsidiary, Bizdent Devices Pvt. Ltd, for the capex requirements for the purchase of new machinery	25.00
• General Corporate Purposes	[•]
Total	[•]

OFFER DETAILS

Fresh Issue	No. of Shares	WACA per Equity Share (₹)
Fresh Issue (₹ 138 Cr)	Up to 33,90,663~32,24,299 ^ Equity Shares	-

Offer for Sale by:	No. of Shares	WACA per Equity Share (₹)
Rajesh Vrajlal Khakhar	Up to 1,96,604 Equity Shares	0.73
Sameer Kamlesh Merchant	Up to 4,34,598 Equity Shares	0.5
OrbiMed Asia II Mauritius Ltd	Up to 1,16,14,267 Equity Shares	26.12
Jigna Rajesh Khakhar	Up to 2,39,838 Equity Shares	0.06
Hasmukh Vrajlal Khakhar	Up to 1,50,040 Equity Shares	Nil
Amrish Mahendrabhai Desai	Up to 1,50,040 Equity Shares	Nil
Parag Jamnadas Bhimjiyani	Up to 1,50,040 Equity Shares	Nil
Kunal Kamlesh Merchant	Up to 1,50,040 Equity Shares	3.33

SHAREHOLDING PATTERN

Shareholders	Pre-offer		Fresh Issue & Offer for Sale of Equity Shares [^]	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Promoter and Promoters Group					
<i>Promoter</i>	1,87,26,178	36.19%	6,31,202	1,80,94,976	32.92%
<i>Promoters Group</i>	53,65,152	10.37%	5,39,918	48,25,234	8.78%
Total for Promoter & Promoter Group	2,40,91,330	46.56%	11,71,120	2,29,20,210	41.70%
Investor Selling Shareholder	2,39,31,450	46.26%	1,16,14,267	1,23,17,183	22.41%
Other Selling Shareholder	25,15,500	4.86%	3,00,080	22,15,420	4.03%
Public Others	11,99,570	2.32%	32,24,299	1,75,09,336	31.86%
Total for Public Shareholder	2,76,46,520	53.44%		3,20,41,939	58.30%
Total Equity Share Capital	5,17,37,850	100.00%		5,49,62,149	100.00%

([^] at upper price band)

BUSINESS OVERVIEW

Laxmi Dental Limited is India's only end-to-end integrated dental products company as at September 2024. The company offers a comprehensive portfolio of dental products, which includes 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 has a presence of 20+ years and based on revenue for FY2024, it is amongst the Top 2 largest Indian dental laboratories. Based on the revenue from operations and PAT Margin for FY 2023 and the products offered, the company is the largest and most profitable vertically integrated and indigenous B2B2C dental aligner solutions company. The company manufactures its dental products across 6 manufacturing facilities spread across 147,029.63 square feet.

Laboratory offerings: As per F&S report, the Indian market for custom-made crowns and bridges is estimated to grow from USD 1.4 Billion in 2023 to USD 3.1 Billion in 2030 at a higher rate of 11.8% compared to the global market which is estimated to grow from USD 71 Billion in 2023 to USD 121.6 Billion in 2030 at a rate of 8.0%.

Among the Indian dental labs, Laxmi Dental Ltd was the largest exporter for custom made dental prosthesis, catering primarily to US and UK, in terms of export revenue for FY 2023. 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 Fiscals 2022 to September 30, 2024 ("Dental Network").

The Primary dental products offered by the company's laboratory include custom made dental prosthesis such as metal free crowns and bridges, including its range of branded premium zirconia crowns and bridges "Illusion Zirconia", porcelain fused to metal ("PFM") crowns, bridges, and dentures. Further, the company on August 9, 2024, has launched iScanPro, branded intraoral scanners for digital dentistry, currently being employed by 264 dentists.

The company's facilities in Boisar are in compliance with the quality system regulations enforced by the United States Food and Drug Administration ("US FDA") and the manufacturing facilities in Mira Road and Boisar have received certifications for ISO 13485:2016 compliance, an internationally recognized standard for medical device quality.

Aligner Solutions: As per the F&S Report, in terms of retail sales, the Indian clear aligner market is estimated to grow from USD 133.6 million in 2023 to USD 569.0 million in 2030 at a much higher rate of 23.0% compared to the global market which is estimated to grow from USD 20.7 billion in 2023 to USD 54.9 billion in 2030 at a rate of 15.0%.

The company has a focussed approach towards capturing the Indian aligner market share. 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.

The company has adopted B2B2C business model for sale of its customised clear aligner solutions while offering a flexible ‘pay as you go’ model along with the upfront payment model, making the aligners more affordable to the end customers. The B2B2C model involves sale of clear aligners through its Dental Network who in turn offer the company’s dental products to end customers. Further, Laxmi Dental Ltd 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.

The company is one of the very few companies in India to manufacture and supply thermoforming sheets, thermoforming machines, dental consumables, biocompatible resins for 3D printing under brand ‘Taglus’ tailored for manufacturing of clear aligners. The company’s thermoforming machines, thermoforming sheets, and biocompatible resins have also received certificate of conformity under Regulation EU 2017/745.

Paediatric dental products: As per the F&S Report, in terms of retail sales, the Indian paediatric dental crown market is estimated to grow from USD 63.9 million in 2023 to USD 164.8 million in 2030 at a higher rate of 14.5% compared to the global market which is estimated to grow from USD 2.1 billion in 2023 to USD 3.5 billion in 2030 at a rate of 7.5%

The company in 2021 acquired 60% stake in Kids-E-Dental LLP – a jointly controlled entity thereby entering the paediatric dental market. The company is one of the leading paediatric dental product brands in India, in terms of revenue from operations as on March 31, 2024. Kids-E-Dental LLP is the only Indian company specialized in paediatric dental products and manufacturing of pre-formed metal free paediatric dental crowns. The company’s range of products include pre-formed branded paediatric crowns, Silver Diamide Fluoride (“SDF”), space maintainers, fissure sealant, reinforced splint and mineral trioxide aggregate.

The company is the only Indian manufacturer of US FDA cleared SDF. It has been granted a design registration on “Bioflx”, a semi-flexible tooth coloured pre-formed dental crown for children in India. Further, the company has partnered with a leading paediatric dental company for distribution of Bioflx crowns manufactured by the company, across 81 countries.

REVENUE FROM OPERATIONS – REPORTING CATEGORIES

Segment	As at Sept.30th 2024		Ast at March 31st,					
			2024		2023		2022	
	Amt (₹ Cr)	%	Amt (₹ Cr)	%	Amt (₹ Cr)	%	Amt (₹ Cr)	%
Dental Products & Related Services	112.76	96.56%	185.05	95.60%	153.20	94.78%	127.36	93.07%
Dental Clinical Services	2.92	2.50%	6.40	3.31%	5.75	3.55%	2.12	1.55%
Other Operating Income	1.10	0.94%	2.11	1.09%	2.69	1.67%	7.37	5.38%
Total Revenues from Operations	116.78	100.00%	193.56	100.00%	161.63	100.00%	136.84	100.00%

Source: RHP

REVENUE BREAK-UP – NATURE OF BUSINESS

Segment	As at Sept.30th 2024		Ast at March 31st,					
			2024		2023		2022	
	Amt (₹ Cr)	%	Amt (₹ Cr)	%	Amt (₹ Cr)	%	Amt (₹ Cr)	%
Laboratory	72.96	63.07%	123.96	64.75%	105.51	66.38%	93.21	71.99%
Aligner Solutions	35.98	31.10%	53.84	28.12%	35.06	22.06%	22.97	17.74%
Others	6.74	5.83%	13.65	7.13%	18.37	11.56%	13.30	10.27%
Total Revenues	115.68	100.00%	191.45	100.00%	158.94	100.00%	129.48	100.00%

Source: RHP; * excluding other operating income

REVENUE BREAK-UP – GEOGRAPHY-WISE

Segment	As at Sept.30th 2024		Ast at March 31st,					
			2024		2023		2022	
	Amt (₹ Cr)	%	Amt (₹ Cr)	%	Amt (₹ Cr)	%	Amt (₹ Cr)	%
India	78.09	67.51%	129.16	67.46%	108.82	68.47%	75.46	58.28%
USA	22.07	19.08%	37.17	19.41%	29.53	18.58%	36.72	28.36%
UK	8.48	7.33%	13.75	7.18%	11.60	7.30%	8.12	6.27%
Others	7.04	6.09%	11.38	5.94%	8.99	5.66%	9.18	7.09%
Total	115.68	100.00%	191.45	100.00%	158.94	100.00%	129.48	100.00%

Source: RHP; * excluding other operating income

Management and operations: The company has benefited significantly from the vision and leadership of its Promoters and investors, and they along with the board of directors and the senior management, has been instrumental in formulating and executing the core strategy of the Company.

The growth story of the Company has also benefitted from its private equity investor OrbiMed Asia II Mauritius FDI Investments Limited since amalgamated into OrbiMed Asia II Mauritius Limited, a healthcare-focused fund associated with them since 2015, which has provided the company continuous support through its growth in business.

As of September 30, 2024, the company has 6 manufacturing facilities, 3 of which are located in Mira Road, Mumbai Metropolitan Region, 2 in Boisar, Mumbai Metropolitan Region, Maharashtra and 1 in Kochi, Kerala, and further 5 supporting facilities 2 of which are located in Mumbai, and 1 each in Delhi, Bengaluru, and Ahmedabad with manufacturing capabilities. The following are the details of average capacity production and capacity utilisation of the (i) laboratory segment- which includes metal free products, PMF products and removables and other products; (ii) Aligner Solutions which are categorized into two broad groups on the basis of their different manufacturing process and (iii) Paediatric Dental Products, which are categorized into two broad groups on the basis of their different manufacturing process.

Laboratory Offerings

Particulars	6 months ended Sept. 30, 2024	As at March 31 st ,		
		2024	2023	2022
Average Capacity in SKUs	468,000	744,300	622,125	524,250
Actual Production in SKUs	407,613	651,250	549,161	506,516
Capacity Utilisation %	87.10%*	87.50%	88.27%	96.62%

*Not annualised

Aligner products

Particulars	6 months ended Sept. 30, 2024	As at March 31 st ,		
		2024	2023	2022
Average Capacity in SKUs	275,063	489,375	229,500	222,750
Actual Production in SKUs	182,850	374,689	193,753	60,539
Capacity Utilisation %	66.48%*	76.56%	84.42%	27.18%

*Not annualised

Other aligner related products

Particulars	6 months ended Sept. 30, 2024	As at March 31 st ,		
		2024	2023	2022
Average Capacity in SKUs	25,68,000	5,136,000	4,848,000	3,048,000
Actual Production in SKUs	831,233	1,758,083	1,477,896	2,221,454
Capacity Utilisation %	32.37%*	34.23%	30.48%	72.88%

*Not annualised

Paediatric products – I#: Crown products

Particulars	6 months ended Sept. 30, 2024	As at March 31 st ,		
		2024	2023	2022
Average Capacity in SKUs	810,000	1,620,000	1,080,000	-
Actual Production in SKUs	436,852	520,580	57,749	-
Capacity Utilisation %	53.93%^	32.13%	5.35%	-

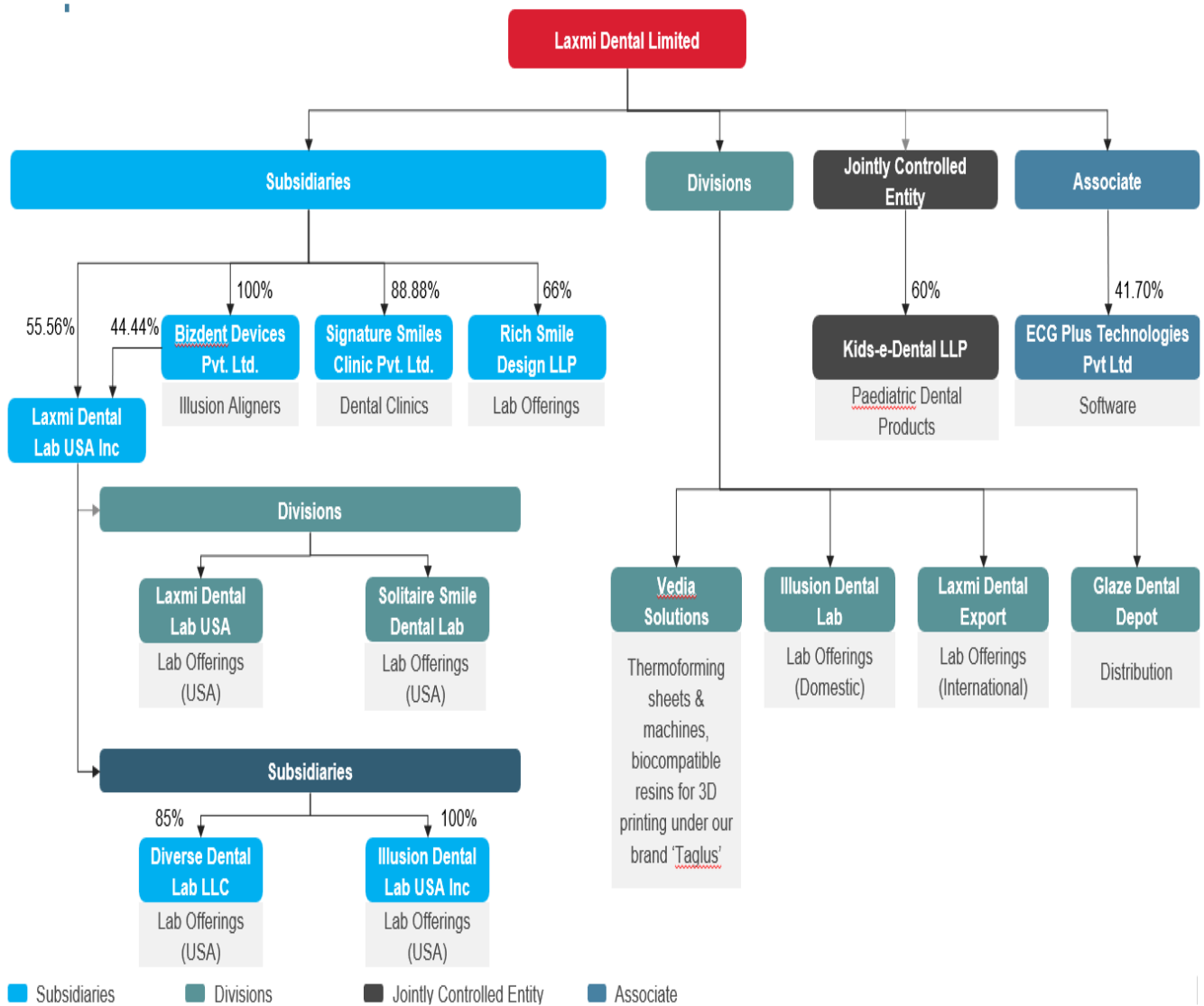
^Not annualised *These products were not offered by Kids-E-Dental LLP in FY 2022

Paediatric products – II#: Crown products and other products

Particulars	6 months ended Sept. 30, 2024	As at March 31 st ,		
		2024	2023	2022
Average Capacity in SKUs	56,700	113,400	59,400	37,800
Actual Production in SKUs	8,506	18,058	28,590	22,132
Capacity Utilisation %	15.00%*	15.92%	48.13%	58.55%

*Not annualised

GROUP STRUCTURE



COMPETITIVE STRENGTHS

- **The only integrated dental products company in India, well-positioned to capture industry tailwinds**

The Primary dental products offered by the company’s laboratory are focused on custom made dental prosthesis such as metal free crowns and bridges, including the company’s range of branded premium crowns under “Illusion Zirconia”, porcelain fused to metal (“PFM”) crowns, bridges, and dentures. The company has also launched iScanPro, branded intraoral scanners for digital dentistry. More than 160 intraoral scanners were deployed by the Company in Indian market to promote digital dentistry. One of the company’s divisions also undertakes the distribution of some of the dental products offered by the company’s laboratory.

In 2021, the company launched its brand Illusion Aligners, and it also offers aligner and retainer material, thermoforming sheets, biocompatible 3D printing resins, thermoforming machines and consumables under its brand ‘Taglus’ which are used for manufacturing clear aligners.

Kids-E-Dental offers a comprehensive range of paediatric products, including pre-formed branded paediatric crowns, silver diamide fluoride (“SDF”), space maintainers, fissure sealant, reinforced splint and mineral trioxide aggregate.

The company is among one of the few vertically integrated players globally which have a backward integrated (i.e. manufacturing the raw materials to designing of dental products) and forward integrated (that is offering solutions for treatment planning) business model.

- **Second largest player in domestic laboratory business and largest export laboratory with increasing adoption of digital dentistry**

The company's Dental Network has a reach of more than 22,000 dental clinics, dental companies and dentists and the company has catered to over 320 cities nationally between Fiscals 2022 to September 30, 2024.

Innovations in materials such as zirconia is expected to increase patient experience and drive adoption of novel materials among dentists. The company was one of the early companies to launch branded zirconia crowns under the brand name 'Illusion Zirconia'. Metal-free units contributed to 54.80%, 53.70% of total revenue from dental laboratory business catering to Indian Market and 32.49%, 36.31% of total revenue from dental laboratory business catering to International Markets respectively, for 6-month period ended September 30, 2024, and FY2024. Further, the company's 100% EOU laboratory catering to international markets offers fixed restorations such as CAD-CAM Zirconia, PFM, veneers, and removable restorations such as dentures, cast partial dentures, and night guards.

The company launched iScanPro, branded intraoral scanners for its Dental Network in August 2024. The intraoral scanners have enabled dentists to tailor the treatment to each patient's unique needs, improve accuracy, optimize treatment planning, and predict outcomes accurately, and reduce production time and costs making dental restorations accessible to a broader range of patients. Dental restoration units prepared using digital impression by the company's domestic laboratory business constituted 62.43%, 48.61%, 36.36%, and 28.11% and by its international laboratory business constituted 61.78%, 55.48%, 27.94%, and 12.37% in six-month period ended September 30, 2024 and FY 2024, 2023, and 2022 respectively depicting annual growth.

- **Vertically integrated diverse branded product portfolio**

The company believes that its presence for over 20 years with its Dental Network has enabled it to expand its offerings from custom-made crowns and bridges to branded consumer dental products including clear aligners and paediatric dental products. The company has been able to leverage its Dental Network to scale up the company's offerings across metropolitan and non-metropolitan cities in a short span of time.

The company also offers thermoforming sheets, biocompatible 3D printing resins, thermoforming machines and consumables under our brand 'Taglus' which are used for manufacturing clear aligners. The company benefits from the first mover advantage by being one of the very few companies in India to manufacture and supply thermoforming sheets, thermoforming machines, dental consumables, biocompatible resins for 3D printing tailored for manufacturing of clear aligners. The company has a manufacturing facility spread across 38,656.2 square feet at Boisar and supplies the products to more than 95 countries. The company's revenues from Aligner Solutions grew at a CAGR of 49.25% between FY 2022 and 2024.

Additionally, the company also entered the paediatric dental market through acquisition of 60% stake in Kids-E-Dental LLP in 2021. Paediatric dental products business through Kids-E-Dental LLP generated revenue from operations of ₹ 16.00 Cr, ₹ 26.67 Cr, ₹ 7.93 Cr, and ₹ 2.18 Cr in 6-month period ended September 30, 2024 and FY 2024, 2023, and 2022 respectively.

- **Large Dental Network providing the company with competitive advantage in the market**

With market presence of more than 20 years, reinforced by a large Dental Network with a reach of over 22,000 dental clinics, dental companies and dentists over the 6-month period ended September 30, 2024, and last three Fiscals and have catered to global and domestic demand by exporting the company's dental products to more than 95 countries and selling across 320 cities in India between FY 2022 to September 30, 2024.

The company have adopted a B2B2C business model for sale of clear aligners, which means that its dental products are sold through the Dental Network to the end consumer patient, lending credibility to the company's dental products since they are being recommended by the Dental Network.

The B2B2C model has also helped the company in gaining a larger wallet share from its Dental Network as the company is able to offer a comprehensive portfolio of product offerings. The company believes that affordable pricing along with high quality of dental products has enabled it to tap into the large underpenetrated clear aligners market.

- **Robust technologically advanced capabilities with stringent regulatory compliance ensuring high quality standards**

The company has three manufacturing units at Mira Road and two manufacturing units in Boisar for production of dental products under its laboratory, aligners solutions and paediatric divisions including clear aligners under "Illusion Aligners" brand, and aligner sheets and thermoforming machines under its brand "Taglus".

The company employs advanced technological equipment and machinery such as iScanPro, branded intraoral scanners launched for its Dentist Network to optimize workflow. The company's operations involve use of milling machines, which include wet and dry milling for metal and metal-free restorations respectively, and 3D printing machines, for which the company has a range of printers with various build sizes. The company's robotic trimming machines remove manpower dependency and trim each aligner precisely resulting in consistent quality product. The company also employs speciality extrusion machines to produce thermoforming sheets. Other machines deployed at the facilities include laser sintering and laser cutting machines, and 3D lab scanners.

The company has received the US FDA registration for approval for products manufactured by them. The manufacturing facilities at Boisar and Mira Road, its division Vedia Solutions and have received certifications ISO 13485:2016 compliance. The company's Subsidiary Bizdent Devices Pvt. Ltd have received certifications ISO 13485:2016 for the quality management system of medical devices.

The company believes that changes in regulatory requirements will also accelerate the growth in share of organized ISO compliant laboratories and consequently of the company's dental laboratories which possess ISO 13485:2016 compliant quality management system.

- **Experienced management team with significant industry experience**

The company is led by a strong and dedicated team of experienced professionals with skill sets that are complementary and, are a requisite for the dental products business. Members of the management team have experience in the dental products business and, under their leadership over the last several years, the company has grown rapidly. The company's Board of Directors includes a combination of management executives and experts from the healthcare industry. Several key members of the management team including the Founder and Managing Director, and the Chief Executive Officer have extensive functional/industry experience.

KEY BUSINESS STRATEGIES

- **Deepen the penetration amongst existing Dental Network while also expanding the Dental Network**

The company has a large Dental Network with a reach of over 22,000 dental clinics, dental companies and dentists. The company has catered to global and domestic demand by exporting its dental products to more than 95 countries and selling to over 320 cities in India between FY 2022 to September 30, 2024. The company is the preferred partner for one of the largest DSO in the USA with more than 1,650 clinics in the USA, which in its opinion indicates headroom for significant expansion of the company's network in USA.

The company intends to grow its Dental Network by continuing to invest in sales and marketing activities for deeper penetration, engaging sales executives for promotion of digital technologies, targeted investments such as product improvements, technological innovations, advertising, and regular training of its Dental Network. In addition, the company plans to pursue expansion on an international level by obtaining registrations such as CE (regulatory agency per European standard), and ANVISA (Brazilian health regulatory agency) in relation to additional products. Moreover, the company plans to continue cross selling its dental products to existing Dental Network, building a strong brand to further penetrate the fragmented dental products market.

- **Continuing to scale up the branded product offerings**

The company offers clear aligners under its brand Illusion Aligners. The brand Taglus offers aligner and retainer material, thermoforming sheets, thermoforming machines, biocompatible 3D printing resins and consumables. The company offers its paediatric dental products under the brand "Kids-E-Dental". The company has a strong global foothold and has catered to global demand by exporting its dental products to more than 95 countries between FY 2022 to September 30, 2024.

The company has adopted a B2B2C business model for the sale of clear aligners. The company believes that this model allows it to leverage the company's Dental Network and will enable it to cross-sell its branded products to grow the branded product portfolio constituting 38.28% of the company's revenue from operations of ₹ 193.56 Cr in FY 2024, in addition to which the company's branded paediatric dental products business through Kids-E-Dental LLP generated a revenue from operations of ₹ 26.67 Cr in FY 2024. To scale up the distribution of paediatric branded product offerings, the company have partnered with a leading paediatric dental company for distribution of Biofix crowns, manufactured by the company, globally across 81 countries.

The company proposes to follow a disciplined approach while pursuing partnerships and consider various selection criteria such as product portfolio, customer base, end-market exposures, estimated costs as well as cultural fit.

- **Undertake product enhancements of existing dental products and launch new dental products**

The company intends to upgrade its zirconia restorations to offer greater strength, durability, and aesthetics and provide improved natural-looking appearance, augment its range of metal-free offerings. The company also intends to enhance its range of removable prosthesis to ensure greater comfort, functionality, usability and a more lifelike appearance for patients. Within aligner solutions, the company intends to launch an upgraded generation of clear aligners that are more comfortable, effective, and virtually invisible.

As part of our paediatric dental products business, the company plans to enhance its paediatric zirconia crowns. Additionally, the company will work on improved versions of other paediatric dental solutions offered by them.

- **Enhance manufacturing capacities with increasing focus on automation and adoption of new technologies**

The company intends to continue to focus on improving its operational efficiency by increased technology integration in its business. The company plans to incur capital expenditure towards purchase of new machinery including for (i) injection moulding and extrusion, (ii) CAD/CAM machinery such as computers, 3D printers, CAD/CAM software, scanners, (iii) other machinery such as packing, polishing, laser marking machine, pump, furnaces and weighing balance, resin machine, extrusion and tools. The company also expects to spend towards research and development and quality control through material testing and research and development for new products, including testing for biocompatibility, toxicology and mechanical.

- **Continue to follow a multi-channel approach in marketing**

The company plans to continue to follow a multi-channel marketing approach to increase patient flow into the Dental Network. The company intend to continue to follow both B2B and B2C marketing strategy by marketing through exhibition and events, hands-on workshop, in-clinic branding ("ICB"), social networking site marketing with Dental Network, key opinion leader tie-ups, digital marketing strategies, celebrity collaboration, digital technologies, training of dentists and influencer marketing.

COMPETITION

The company face competition from global and Indian dental lab companies, global and Indian dental product companies offering dental laboratory products and branded dental products.

Portfolio comparison among major global and Indian dental product and lab companies with presence in India

Company Type	Company	Custom-made fixed Prosthesis (Crowns, abutment)	Removable Prosthesis (Dentures)	Clear Aligners	Aligner Sheet	Thermo-forming Machine	Intra-oral Scanner	Paediatric Crowns
Global Dental Product Co.	Align Technology (Invisalign)	×	×	✓	×	×	✓	×
	Straumann	×	×	✓	✓	×	✓	×
Indian Dental Product Co.	Ampa Orthodontics (Toothsi)	×	×	✓	×	×	×	×
	32 Watts	×	×	✓	×	×	×	×
	Snazzy	×	×	✓	×	×	×	×
	DentCare	✓	✓	✓	×	×	×	×
	Laxmi Dental	✓	✓	✓	✓	✓	✓	✓

COMPARISON WITH INDUSTRY PEERS (AS ON 31ST MARCH 2024)

Company	Face Value (₹)	Total Income (₹ Cr)	CMP* (₹)	EPS (₹)		NAV per share (₹)	P/E (x)	RONW (%)
				Basic	Diluted			
Laxmi Dental	2.00	195.26	[●]	4.80	4.80	8.63	[●]	78.78
Poly Medicure	5.00	1,434.54	2,529.20	26.92	26.90	153.22	94.02	19.05

Source: RHP; *CMP as on December 24, 2024., P/E based on respective CMP

Restated Statement of Profit and Loss

(₹ In Cr)

Particulars	As at Sept. 30th, 2024	As at March 31st,		
		2024	2023	2022
INCOME				
Revenue from operations	116.78	193.56	161.63	136.84
Other Income	1.12	1.71	2.21	1.23
Total Income	117.90	195.26	163.84	138.07
EXPENSES				
Cost of material consumed	26.24	46.42	30.63	30.64
Purchase of stock-in-trade	2.48	3.84	10.07	10.06
Change in inventories of finished goods	(0.46)	(1.76)	(1.10)	(1.04)
Employee benefits expenses	38.34	71.51	65.34	53.08
Finance costs	2.60	4.95	4.09	3.57
Depreciation and amortization expenses	6.77	11.94	10.99	8.40
Other expenses	27.45	49.77	45.53	38.70
Total Expenses	103.41	186.66	167.76	143.40
Exceptional item	6.62	0.09	0.35	9.39
Profit / (loss) before tax	21.10	8.52	(4.26)	(14.71)
Income tax expense	2.91	(9.42)	0.19	2.37
Profit/ (loss) after tax	18.20	17.94	(4.45)	(17.08)
Share in profit after tax of Joint ventures	5.25	8.89	0.60	(0.15)
Profit/(loss) for the year from continuing operations	23.45	26.83	(3.85)	(17.23)
(Loss) before tax from discontinuing operations	(0.81)	(1.60)	(0.32)	(1.45)
Tax Income/(expenses) from discontinuing operations	0.10	-	-	-
(Loss) after tax from discontinuing operations	(0.71)	(1.60)	(0.32)	(1.45)
Profit/Loss for the year	22.74	25.23	(4.16)	(18.68)
Other Comprehensive Income	(0.02)	(0.14)	0.08	0.99
Total comprehensive income for the year/period	22.72	25.09	(4.08)	(17.69)

Source: RHP

Statement of Assets and Liabilities

(₹ In Cr)

Particulars	As at Sept. 30th, 2024	As at March 31st,		
		2024	2023	2022
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	39.43	36.43	31.26	29.99
Right of use assets	5.53	7.22	6.89	8.69
Investment property	0.04	0.75	0.78	0.81
Other Intangible assets	1.83	1.62	1.14	0.28
Investment in Joint ventures and associates	6.52	5.56	0.30	0.15
Other financial assets	4.06	2.56	2.48	2.53
Income tax assets (net)	0.42	0.03	0.37	0.31
Other Non-Current Assets	0.11	-	-	-
Deferred tax assets (net)	9.33	11.26	0.15	0.14
Total Non-Current Assets	67.26	65.42	43.37	42.89
Current Assets				
Inventories	23.44	24.72	24.23	29.50
Trade receivables	42.79	24.90	20.42	20.37
Cash and cash equivalents	0.98	0.70	0.96	1.05
Other bank balances	0.21	0.28	0.62	0.38
Loans	0.37	0.25	0.32	0.63
Other financial assets	2.39	1.42	0.94	4.00
Other current assets	20.77	11.85	5.68	3.93
Total Current Assets	90.95	64.12	53.17	59.86
Group's assets classified as held for sale	-	4.98	-	-
Total Assets	158.22	134.52	96.54	102.75
EQUITY AND LIABILITIES				
Equity				
Equity share capital	5.56	0.31	0.31	0.31
Other Equity	61.37	42.16	17.48	20.76
Total equity attributable to shareholders of the Group	66.94	42.47	17.79	21.07
Non-controlling interest	0.15	2.11	1.69	1.88

Particulars	As at Sept. 30th, 2024	As at March 31st,		
		2024	2023	2022
Total equity	67.09	44.57	19.48	22.94
Liabilities				
Non-Current Liabilities				
Borrowings	21.98	15.14	11.30	10.38
Lease liabilities	2.06	3.38	4.07	6.21
Other financial liabilities	0.71	0.81	0.95	1.15
Provisions	3.82	3.54	3.47	2.67
Total Non-Current Liabilities	28.57	22.86	19.79	20.41
Current Liabilities				
Borrowings	18.92	26.89	20.14	19.25
Lease liabilities	3.99	4.37	3.20	2.84
Trade payables	13.58	15.81	22.51	26.64
Other financial liabilities	8.55	6.61	5.10	4.14
Other current liabilities	13.24	10.86	6.20	6.16
Short term provisions	0.94	0.64	0.12	0.35
Current tax liabilities (net)	3.34	0.40	-	-
Group's liabilities directly associated with assets classified as held for sale	-	1.51	-	-
Total Current Liabilities	62.57	67.09	57.27	59.39
Total Liabilities	91.13	89.95	77.06	79.80
Total Equity and Liabilities	158.22	134.52	96.54	102.75

Source: RHP, the co. issued bonus share as on 4 June, 2024, subsequently, the total number of equity shares increased to 27,815,400, comprising 1,545,300 existing shares and 26,270,100 bonus shares. Further the company has converted 290,597 outstanding CCPs into 23,922,450 Equity Shares on December 19, 2024.

Restated Statement of Cash Flows

Particulars	As at Sept. 30th, 2024	As at March 31st,		
		2024	2023	2022
Restated Profit/(Loss) before tax	20.29	6.92	(4.58)	(16.16)
Adjustments Related to Non-Cash & Non-Operating Items	2.86	17.82	15.31	23.22
Operating Profits before Working Capital Changes	23.16	24.74	10.73	7.06
Adjustments for Changes in Working Capital	(23.47)	(15.56)	3.97	(9.04)
Net cash generated from operations before tax	(0.31)	9.19	14.71	(1.98)
Income tax paid – (net)	1.73	(1.04)	(0.26)	(0.02)
Net cash generated from operating activities (a)	1.42	8.15	14.44	(2.00)
Net cash used in investing activities (b)	0.86	(14.44)	(9.39)	3.04
Net cash used in financing activities (c)	0.72	0.97	(1.45)	(4.03)
Net (decrease) / increase in cash & cash equivalents during the period (a+b+c)	3.00	(5.32)	3.60	(2.98)
Effect of exchange rate changes on cash	0.07	(0.18)	(0.12)	(0.04)
Cash and Cash Equivalents at Beginning of the Year	(15.91)	(10.41)	(13.89)	(10.88)
Cash and Cash Equivalents at End of the Year	(12.84)	(15.91)	(10.41)	(13.89)

Source: RHP;

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