

Retail Research	IPO Note
Sector: Agrochemicals	Price Band (Rs): 95 – 100
26 th September 2025	Recommendation: NEUTRAL

Advance Agrolife Ltd.

Company Overview:

Advance Agrolife Ltd. (AAL) is engaged in manufacturing of a wide range of agrochemicals which support the entire lifecycle of crops across major cereals, vegetables & horticulture crops across both the kharif and rabi sowing season. It primarily sells its products through direct sales to corporate customers in 19 states & 2 UTs. Further, it also exports its products to UAE, Bangladesh, China, Turkey, Egypt, Kenya and Nepal.

Key Highlights:

1. Integrated manufacturing facilities: As of Aug'25, the company operates 3 manufacturing facilities at Jaipur, Rajasthan with total installed capacity of 89,900 MTPA. These facilities are equipped with advanced machinery and equipment which enables the production of both Technical and Formulation products. These integrated facilities provide operational flexibilities allowing the company to customize production to meet specific customer requirements.

2. Diversified product portfolio: AAL's product portfolio includes insecticides, herbicides, fungicides, plant growth regulators, etc. As of Mar'25, the company has obtained 410 generic registrations, 380 formulation grade registrations and 30 technical grade registrations for agrochemical products. Further, AAL has obtained registration for its formulation grade products in 13 states which enables the company to legally distribute and supply products across these regions.

3. Well established client base: During FY23, FY24 and FY25, the company served a total of 1,135, 1,194 and 849 corporate customers respectively. Further, the customer base includes marquee names like DCM Shriram Ltd, IFFCO MC Crop Science Pvt Ltd, Indogulf Crop Sciences, Mankind Agritech Pvt Ltd, HPM Chemical & Fertilizers Ltd, ULink AgriTech Pvt Ltd etc. These well-established customer relationships offer significant competitive advantages like revenue visibility, industry goodwill, quality assurance, etc.

Industry Outlook: Indian pesticides market is expected to grow from USD 1.4 bn in FY24 to USD 2.1 bn by FY29P, at a CAGR of ~8.8%.

Key Risks: The company's business is dependent on government policies and regulations including subsidies and incentives provided to farmers, thus any adverse changes in government regulations may have an adverse impact on the business. Further, any inability to meet quality standards prescribed by Indian or foreign regulatory authorities may have an adverse impact on the business. AAL's debtor days have increased from 78 days in FY23 to 111 days in FY25; any failure to recover trade receivables may have an adverse impact on the business.

View & Valuation: Advance Agrolife Ltd is engaged in the manufacturing of agrochemical products with presence across 19 states and 2 UTs in India. The company has obtained 410 generic registrations, 380 formulation grade registrations and 30 technical grade registrations for agrochemical products as of Mar'25 which are sold to marquee customers like DCM Shriram, Indogulf Crop Sciences, etc. Additionally, the company had total installed capacity of 89,900 MTPA and plans to expand its technical grade manufacturing capabilities by setting up a backward integration facility at Gidhani, Rajasthan. At upper price band of Rs 100, the issue is valued at P/E multiple of 25.1x and EV/EBITDA multiple of 15.1x on post-issue capital. Between FY23-FY25, the company has delivered Revenue/EBITDA/PAT CAGR of 12.4%/37.9%/31.3% respectively. We maintain a NEUTRAL view on the company and would like to monitor the performance of the company vis-à-vis its major peers post listing.

Issue Details	
Date of Opening	30 th September 2025
Date of Closing	3 rd October 2025
Price Band (Rs)	95 – 100
Fresh Issue (Rs cr) @ upper band	192.9
Issue Size (Rs cr) @ upper band	192.9
Issue Size (No. of shares)	1,92,85,720
Face Value (Rs)	10.0
Post Issue Market Cap (Rs cr) @ upper band	643.0
BRLMs	Choice Capital Advisors Pvt Ltd
Registrar	KFin Technologies Ltd.
Bid Lot	150 shares and in multiples thereof
QIB shares	50%
Retail shares	35%
NIB shares	15%

Objects of Issue	
	Estimated utilization from net proceeds (Rs cr)
Funding working capital requirements of the company	135.0
General corporate purposes*	57.9
Net proceeds from fresh issue*	192.9

*At upper price band of Rs 100

Shareholding Pattern		
Pre-Issue	No. of Shares	%
Promoter & Promoter Group	4,49,30,000	99.8
Public & Others	70,000	0.2
Total	4,50,00,000	100.0

Post Issue @Upper Price Band	No. of Shares	%
Promoter & Promoter Group	4,49,30,000	69.9
Public & Others	1,93,55,720	30.1
Total	6,42,85,720	100.0

Source: RHP, SSL Research

Financial Overview

Particulars (Rs cr)	FY23	FY24	FY25	FY23-FY25 CAGR (%)
Revenue	397.8	455.9	502.3	12.4
YoY (%)	-	14.6	10.2	-
EBITDA	25.1	38.9	47.6	37.9
YoY (%)	-	55.3	22.4	-
PAT	14.9	24.7	25.6	31.3
YoY (%)	-	66.3	3.7	-
EBITDA Margin (%)	6.3	8.5	9.5	-
PAT Margin (%)	3.7	5.4	5.1	-
ROE (%)	29.4	32.9	25.4	-
ROCE (%)	30.0	30.5	22.6	-
D/E (x)	0.5	0.6	0.8	-
P/E (x)*	30.3	18.2	17.6	-
EV/EBITDA*	19.0	12.7	11.1	-
CFO	6.2	14.8	5.7	-
CFI	(8.1)	(31.1)	(33.9)	-
CFF	1.4	16.6	28.3	-
FCF	(2.0)	(15.4)	(27.9)	-

Source: RHP, SSL Research

*Pre-Issue based on upper price band

Peer Comparison – FY25

Particulars (Rs cr)	Advance Agrolife Ltd	Dharmaj Crop Guard Ltd	Insecticides India Ltd	Heranba Industries Ltd	Dhanuka Agritech Ltd	Indogulf Cropsciences Ltd
CMP (Rs @ UB)	100	320	772	314	1,547	109
Mkt Cap (@ UB)	643	1,082	2,245	1,257	7,051	687
Revenue	502	951	2,000	1,410	2,035	590
EBITDA	48	75	221	98	417	64
PAT	26	35	142	3	297	31
EBITDA Margin (%)	9.5	7.9	11.1	7.0	20.5	10.8
PAT Margin (%)	5.1	3.7	7.1	0.2	14.6	5.3
RoE (%)	8.7	8.8	13.1	0.4	21.2	11.3
P/E (x)	25.1	31.1	15.8	364.3	23.7	22.1
EV/EBITDA (x)	15.1	16.0	10.3	15.8	17.0	14.0
P/Sales (x)	1.3	1.1	1.1	0.9	3.5	1.2

Source: RHP, SSL Research.

For Advance Agrolife Ltd, financials based on FY25 data and the Market Cap, EV/EBITDA (x), P/Sales, P/E (x) and RoE (%) are calculated on post-issue equity capital at the upper price band.

CMP of peer companies is as of 23rd September, 2025.

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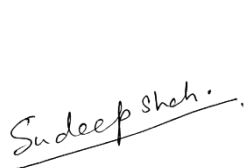
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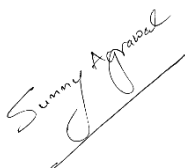
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