IPO Note

BONANZA WEALTH MANAGEMENT RESEARCH

Bonanza

4 June 2026

Hexagon Nutrition Ltd.- Neutral

Company Overview

Hexagon Nutrition Limited (HNL) is a research driven nutrition company engaged in the development, manufacturing and marketing of micronutrient premixes, clinical nutrition products, wellness supplements and therapeutic nutrition solutions. Founded in 1993, the company operates across three key segments - premix formulations (B2B), branded nutrition products (B2C), and therapeutic nutrition solutions, catering to FMCG companies, healthcare institutions, governments, NGOs and international health organizations.

The company is among India's leading manufacturers of customized micronutrient premixes and one of the largest licensed suppliers of Micronutrient Powders (MNPs) under UN-backed nutrition programs. Its portfolio includes established brands such as Pentasure, Obesigo, Pediagold and Nutrone, serving clinical, preventive healthcare and wellness segments. With manufacturing facilities across India and Uzbekistan, strong in-house R&D capabilities, exports to over 70 countries and long standing partnerships with global health agencies, Hexagon is well positioned to benefit from growing demand for clinical nutrition, food fortification and preventive healthcare solutions globally.

Investment Rationale

- Hexagon is one of India's leading manufacturers of customized micronutrient premixes and a key supplier of Micronutrient Powders (MNPs) under UN-backed nutrition programs. Its integrated presence across premixes, clinical nutrition, wellness products and therapeutic nutrition provides a differentiated business model.
- The company derives revenue from premix formulations, branded nutrition products and therapeutic nutrition solutions, providing balanced exposure across B2B, B2C and institutional channels. This diversification reduces dependence on any single product category or customer segment.
- Hexagon has built recognized brands such as Pentasure, Obesigo, Pediagold and Nutrone across specialized nutrition categories including diabetes care, pediatric nutrition, weight management and healthy ageing, supporting higher 0margin growth opportunities.
- Exports contributed nearly 56% of revenue in 9MFY26, with products sold in over 75 countries. Long-standing relationships with multinational corporations, governments, NGOs and international health agencies provide a strong platform for global expansion.
- Dedicated R&D centers, formulation expertise and product development capabilities enable Hexagon to develop customized nutrition solutions, maintain regulatory compliance and continuously expand its product portfolio.
- Rising health awareness, increasing demand for preventive healthcare, growing adoption of food fortification, expanding clinical nutrition markets and government-led nutrition initiatives are expected to drive long-term growth for the company.

Valuation

At the upper price band of Rs.45, Hexagon Nutrition is valued at 15.3x annualized 9MFY26 earnings and 2.4x book value, which appears reasonable considering its leadership in micronutrient premixes, diversified nutrition portfolio and strong export presence. The company operates in a structurally growing nutrition and wellness industry, supported by increasing health awareness, food fortification initiatives and rising demand for clinical nutrition products.

Hexagon has demonstrated strong profitability improvement, with Revenue, EBITDA and PAT growing at a CAGR of 8.0%, 35.1% and 104.6%, respectively, during FY23-FY25, driven by operating leverage, product diversification and expanding international business. Given its integrated nutrition platform, established brands, strong R&D capabilities and favorable industry tailwinds, we assign a **NEUTRAL** rating for investors.

IPO Details

Industry	FMCG - Nutrition
Issue Open Date	05th June 2026
Issue Close Date	09th June 2026
Price Band (Rs.)	42-45
Issue Size (Cr)*	Rs. 138.87
Issue Size *(Shares)	3,08,59,704
Bid Lot	333 Shares
Listing Exchanges	BSE and NSE
Face Value (Rs.)	Rs. 1.0/-

* **At highest price band**

Issue Details

Sale Type (Rs. Cr)	Offer for Sale – 139
Issue Type	Book Building
Book Running Lead Manager	Cumulative Capital Pvt. Ltd., Catalyst Capital Partners Pvt. Ltd.
Registar	Kfin Technologies Ltd
Issue structure	QIB: 50.0% Non Institutional: 15.0% Retail: 35.0%
Credit of Shares to Demat Account	11th June 2026
Issue Listing Date	12th June 2026

* **At highest price band**

Objective of Issue

Particular	Estimated utilization from Net proceeds (Rs Cr.)

This is a pure **Offer for Sale (OFS),** meaning no funds from the issue will flow into the company. The entire proceeds will be received by thr promoter and promoter group , with no capital deployment at the company level.

Shareholding Pattern

Shareholding (%)	Pre(%)	Post*(%)
Promoter	89.4	64.3
Public & Others	10.6	35.7

* **At highest price band**

Business Highlights

- Hexagon Nutrition operates across micronutrient premixes (B2B2C), branded clinical anc wellness nutrition products (B2C), and therapeutic nutrition solutions, providing multipl growth avenues and reducing dependence on a single segment.
- The company is among India's largest customized vitamin and mineral premi manufacturers and one of the largest licensed suppliers of Micronutrient Powders (MNPs under UN backed nutrition programs, catering to FMCG companies, governments, NGOs, anc international organizations.
- Hexagon has developed a portfolio of science backed brands including Pentasure, Obesigo Pediagold, and Nutrone, serving specialized nutrition categories such as diabetes, renal care pediatric nutrition, weight management, and healthy ageing.
- The company exports to more than 75 countries and derives over half of its revenue fron international markets. It has expanded its global reach through subsidiaries anc manufacturing operations in Uzbekistan, along with regional hubs in Africa and Asia.
- Hexagon serves a diversified customer base comprising consumers, multinational FMC(companies, governments, NGOs, and humanitarian organizations. A significant portion c revenue comes from repeat customers, supporting revenue visibility and business stability.
- The company operates two dedicated R&D centres in Nashik and Chennai, supported b specialized formulation expertise and advanced testing infrastructure. It has develope multiple new products in recent years and maintains an active pipeline across clinica wellness, and therapeutic nutrition categories.
- Hexagon operates manufacturing facilities across India and Uzbekistan with globall recognized certifications and stringent quality control processes, ensuring regulator compliance and product consistency.
- The company is expanding into new product categories, therapy areas, and delivery format while benefiting from growing awareness around preventive healthcare, food fortificatior clinical nutrition, and immunity enhancing products globally.

Financials

Particular (Rs./Cr.)	FY23	FY24	FY25	9MFY26
Revenue	278.5	297.7	324.9	267.6
EBIDTA	22.4	24.5	40.9	37.5
EBIDTA M(%)	8.0	8.2	12.6	14.0
PAT	5.8	12.2	24.4	27.0
PAT M(%)	2.1	4.1	7.5	10.1
Basic EPS	0.47	0.99	1.75	2.20

Risk & Concern

- Premix formulations contributed c.51.5% of revenue in 9MFY26, exposing the company to concentration risk within a single business segment.
- The top 10 customers accounted for c.41.8% of revenue in 9MFY26. Loss of key customers or reduced order volumes could impact growth and profitability.
- Manufacturing facilities are operating at relatively low utilization levels (c.29%), which may affect operating leverage and return ratios.
- The absence of long-term contracts with key suppliers and volatility in raw material prices may impact margins and supply stability.
- With exports contributing a significant portion of revenue, fluctuations in foreign currency exchange rates can affect earnings and profitability.
- The business operates in highly regulated nutrition, food, and healthcare categories, making it vulnerable to changes in regulations, certification requirements, and product approvals.
- Failure to maintain quality standards, regulatory certifications, or adverse findings in customer audits could result in loss of business and reputational damage.
- Counterfeit or look-alike products may dilute brand equity, while increasing competition could pressure market share and margins.

Graphs & Charts

Figure 1: Revenue Trend

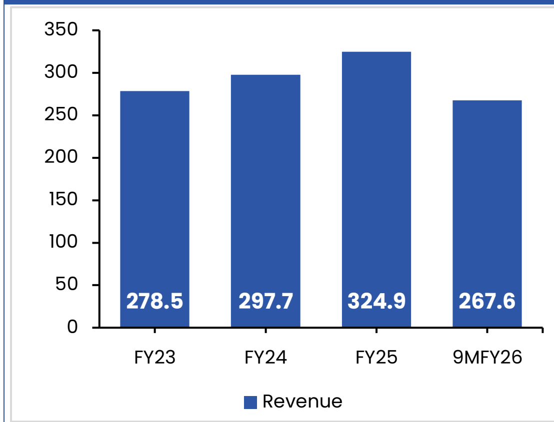


Figure 2: EBIDTA trend

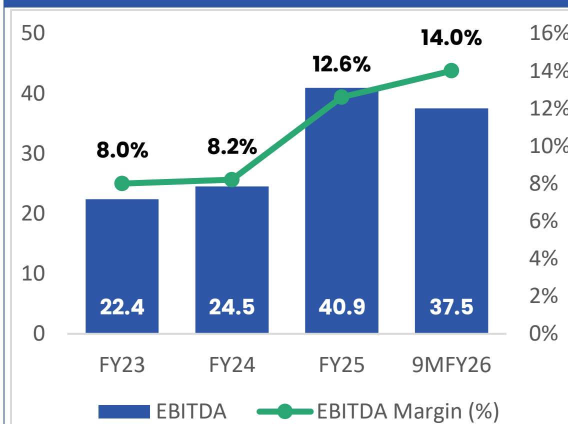


Figure 3: PAT Trend

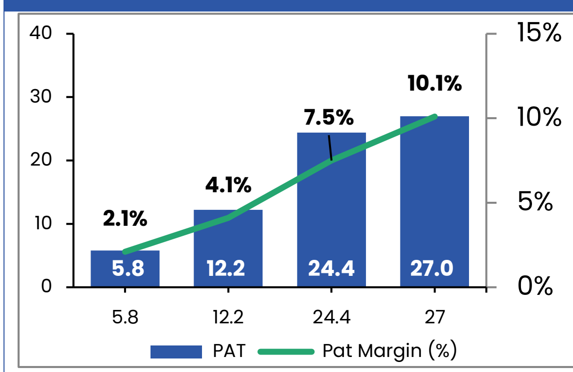
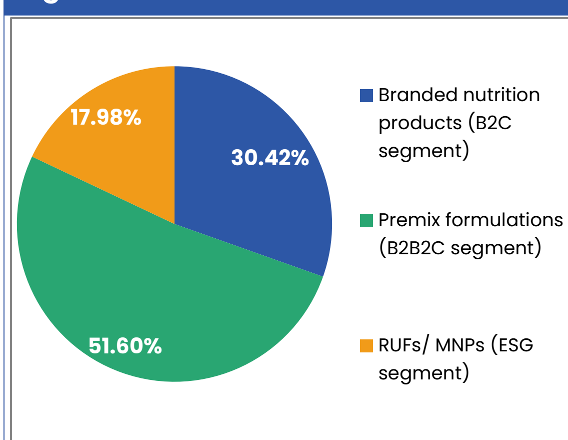


Figure 4: Revenue Mix for 9MFY26



Name	Designation	JAINAM BIMAL DOSHI	Digitally signed by JAINAM BIMAL DOSHI DN: cn=JAINAM BIMAL DOSHI c=IN o=Personal ou=Personal Reason: I am the author of this document Location: Date: 2026-06-04 19:44+05:30
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