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CM RATING 44 / 100

Hexagon Nutrition

Nutrition products and solutions provider

Expanding into new nutrition and wellness categories

Hexagon Nutrition is a research-driven nutrition company. It is engaged in developing and manufacturing products across micronutrient premixes, branded wellness and clinical nutrition, therapeutic formulations, and ready-to-use foods.

Started as a micronutrient formulations player in 1993 and has steadily moved up the value chain, building brands such as PENTASURE, OBESIGO and PEDIAGOLD across the health, wellness and clinical nutrition segments. The portfolio was further strengthened in FY24 with the launch of NUTRONE.

The product portfolio is classified into three segments: (1) Branded wellness and clinical nutrition products (B2C), which offer a range of branded wellness and clinical nutrition products designed to meet the daily nutritional requirements of consumers across all age groups. (2) Premix formulations (B2B2C), under which customized vitamin and mineral premixes are supplied to leading Indian and multinational FMCG companies, making it one of the largest premix players in India. (3) Ready-to-Use Foods (RUFs) and Micronutrient Powders (MNPs) under ESG initiatives, which include nutrient-dense RUFs in paste form fortified with vitamins and minerals to help treat malnutrition in children and support the nutritional needs of pregnant and lactating women. The segment also supplies MNPs to international organizations, including United Nations agencies and Ministries of Health of various countries, for food fortification and public health programmes aimed at improving micronutrient intake among vulnerable populations.

During 9M FY26, Branded wellness and clinical nutrition products segment contributed 30.34% to revenue, Premix formulations 51.47%, RUFs and MNPs 17.93%, and others 0.26%.

In addition to its domestic presence, products were exported to over 75 countries across during 9M FY26 and FY23-FY25. Key export markets include South Africa, Malaysia, Ethiopia, France, Indonesia, Kenya, Nigeria, the UAE, Mauritius and Brazil.

During 9M FY26, domestic market contributed 43.92% to sales, and exports 55.82%.

Going forward, aims to strengthen presence in the domestic market by leveraging existing capabilities across sourcing, product development, quality control and distribution. Also plans to expand the international footprint by increasing volumes in existing markets and entering new high-growth geographies.

During 9M FY26, Fiscals 2025, 2024, and 2023, under B2C, B2B2C and ESG Segment, it served 423, 456, 491, and 462 customers, respectively. Of these, 286, 294, 284, and 246 customers placed repeat orders in the corresponding reporting periods.

Operates a pan-India omnichannel distribution network with a presence across retail pharmacies, hospital networks, e-commerce platforms and own websites.

The domestic distribution network comprises over 350 non-exclusive distributors, including eight multi-state distributors, ensuring wide reach across the country. Internationally, its distribution network extends across non-exclusive 20 regional distributors covering North and South America, Southeast Asia, Africa, and the Middle East.

During 9M FY26, sales force of over 160 members actively engaged with approximately over 20,000 healthcare professionals across India to recommend its branded nutrition products.

Operates three manufacturing facilities in India, located at Nasik (Maharashtra), Chennai (Tamil Nadu), and Thoothukudi (Tamil Nadu), along with an international unit in Tashkent, Uzbekistan. Two Indian facilities are situated in SEZ zones at Chennai and Thoothukudi, providing strategic advantages such as proximity to ports and duty-free imports.

Manufacturing facilities have received various certifications and accreditations, including the FSSC 22000, Good Manufacturing Practice (GMP) certification, ISO 9001:2015 Certification, Halal Certification, amongst others from various local and international accreditation agencies.

Operates two dedicated in-house R&D facilities located in Nasik and Chennai and a team of 12 professionally qualified and experienced members overseeing the R&D activity.

Intend to pursue growth by expanding product portfolio through the introduction of new categories within the broader nutrition and wellness space. During 9M FY26 and the last three years, developed 11 new products. As on 25 May 2026, approximately 9 products under development at the R&D and pilot stages, reflecting active innovation pipeline and continuous efforts to expand and enhance product portfolio.

Plans to cater to the growing consumer requirements for immunity building and nutritional food including fortified foods by offering new products to the end users.

Offer and its objects

The IPO consists entirely of an offer for sale of 3,08,59,704 equity shares aggregating up to Rs 138.87 crore by existing shareholders Arun Purushottam Kelkar, Subhash Purushottam Kelkar, Aditya Kelkar and Nutan Subhash Kelkar.

Price band for the IPO is Rs 42 to Rs 45 per equity share of face value Re 1 each.

The company will not directly receive any proceeds from the Offer, and all the Offer Proceeds will be received by the Selling Shareholders, in proportion to the Offered Shares sold by them.

The promoters are Arun Purushottam Kelkar, Subhash Purushottam Kelkar, Vikram Arun Kelkar, Nikhil Arun Kelkar and Aditya Kelkar. The promoters and promoter group hold an aggregate of 10,98,83,804 equity shares, aggregating to 89.4% of the pre-offer issued and paid-up equity share capital. Their post IPO shareholding is expected to be around 64.29%.

The issue, through the book-building process, will open on 5 June 2026 and will close on 9 June 2026.

Strengths

Fully integrated business operating across the entire value chain from research and product development to manufacturing and marketing, enabling quality control and operational efficiency.

One of the largest premix players in India, with strong capabilities in customized vitamin and mineral formulations.

Strong pan-India distribution network complemented by exports to over 75 countries, enabling broad market reach and diversified revenue streams.

Long-standing customer relationships across B2C, B2B2C and ESG segments, with a significant share of revenue generated from repeat customers. During 9M FY26, Revenue from repeat customers was 55.54% of total revenue.

Expansion into new nutrition and wellness categories offers opportunities to increase wallet share from existing customers and attract new customer segments.

Manufacturing facilities are supported by multiple quality certifications. In addition, two SEZ-based plants located near ports provide export and cost advantages.

Established R&D capabilities support continuous product innovation and portfolio expansion.

Extensive experience of promoters and senior management personnel.

Weaknesses

Heavy dependence on premix formulations business. Any slowdown in demand, pricing pressure, customer loss, or regulatory changes in this segment could materially impact revenue. During 9M FY26, the segment contributed 51.47% to revenue.

Derives a significant portion of revenue from exports, which accounted for 55.82% in 9M FY26. This exposes the business to foreign exchange fluctuations, geopolitical tensions and disruptions in global trade.

Reconstruction of a portion of the Nashik facility pursuant to past regulatory actions may lead to temporary production disruptions, operational inefficiencies and potential revenue impact.

Absence of long-term contracts with raw material suppliers exposes the business to price volatility, supply disruptions and margin pressure.

New product launches may not succeed. Any failure to gain market traction could lead to inventory write-offs, marketing losses and reduced returns on investment.

Capacity utilization remains low at 28.76% in 9M FY26 and 30.03% in FY25, reflecting underutilization of installed capacity.

Operations across multiple countries expose the business to varying regulatory standards and compliance requirements.

Operating cash flows were negative in FY23 and 9M FY26 and may remain under pressure in the near term due to business expansion and portfolio enhancement initiatives.

Subsidiaries have incurred losses in the past and may continue to incur losses in the future.

Valuation

Net sales increased 9% to Rs 324.93 crore in FY2025 as compared with FY2024. The OPM improved 435 bps to 12.58%, leading to 67% increase in OP to Rs 40.87 crore. OI fell 8% to Rs 6.36 crore. Interest cost fell 5% to Rs 3.95 crore. Depreciation cost went up 8% to Rs 8.77 crore. PBT surged 80% to Rs 34.51 crore. Tax expenses were Rs 9.34 crore as compared with Rs 7.29 crore. Net profit soared 100% to Rs 24.38 crore.

During 9M FY26, the company reported net sales of Rs 267.59 crore with an OPM of 14.03%. Operating profit stood at Rs 37.55 crore, while other income was Rs 7.98 crore. Interest expense and depreciation amounted to Rs 2.89 crore and Rs 6.89 crore, respectively. As a result, PBT came in at Rs 35.75 crore. After accounting for tax expenses of Rs 8.72 crore, net profit stood at Rs 27.03 crore. EPS has not been annualized as annualizing a nine-month earnings period may not accurately reflect the company's full-year performance.

The FY2025 EPS (excluding extraordinary items and relevant tax) on post-issue equity works out to Rs 2. At the upper price band of Rs 45, P/E is 22.

None of the listed companies in India are exclusively engaged in a similar line of business.

Hexagon Nutrition: Issue highlights	
For Offer for Sale Offer size (in Rs crore)	
- On lower price band	129.61
- On upper price band	138.87
Offer size (in no of shares)	3,08,59,704
Price band (Rs)	42-45
Minimum Bid Lot (in no. of shares)	333
Post issue capital (Rs crore)	12.29

Post-issue promoter & Group shareholding (%)	64.29
Issue open date	05-06-2026
Issue closed date	09-06-2026
Listing	BSE, NSE
Rating	44/100

Hexagon Nutrition: Consolidated Financials				
	2303 (12)	2403 (12)	2503 (12)	2512 (9)
Sales	278.50	297.73	324.93	267.59
OPM (%)	8.03%	8.23%	12.58%	14.03%
OP	22.37	24.51	40.87	37.55
Other inc.	3.15	6.89	6.36	7.98
PBIDT	25.52	31.40	47.23	45.53
Interest	3.34	4.15	3.95	2.89
PBDT	22.17	27.25	43.28	42.64
Dep.	7.55	8.12	8.77	6.89
PBT	14.62	19.14	34.51	35.75
Share of Profit/(Loss) from Associates/JV	-	-	-	-
PBT before EO	14.62	19.14	34.51	35.75
Exceptional items	5.20	(0.36)	0.80	(0.01)
PBT after EO	9.42	19.50	33.72	35.75
Taxation	3.60	7.29	9.34	8.72
PAT	5.82	12.21	24.38	27.03
Minority Interest	-	-	-	-
Net Profit	5.82	12.21	24.38	27.03
EPS (Rs)*	0.7	1.0	2.0	#
* EPS is annualized on post issue equity capital of Rs 12.29 crore of face value of Re 1 each				
# EPS is not annualised due to seasonality of business				
EO: Extraordinary items. EPS is calculated after excluding EO and relevant tax				
Figures in Rs crore				
Source: Capitaline Corporate Database				