

# Cipla (CIPLA IN)

**Q1FY27 Result Update**

July 24, 2026

☒ Estimate Change | ☒ Target | ☐ Reco.

## Change in Estimates

|                 | Current    |         | Previous   |         |
|-----------------|------------|---------|------------|---------|
|                 | FY27E      | FY28E   | FY27E      | FY28E   |
| Rating          | Accumulate |         | Accumulate |         |
| Target Price    | 1,450      |         | 1,400      |         |
| Sales (INR mn)  | 306,900    | 341,351 | 306,097    | 341,755 |
| % Chng.         | 0.3        | (0.1)   |            |         |
| EBITDA (INR mn) | 58,707     | 69,159  | 58,966     | 69,172  |
| % Chng.         | (0.4)      | (0.0)   |            |         |
| EPS (INR)       | 50.2       | 60.4    | 50.6       | 60.6    |
| % Chng.         | (0.8)      | (0.3)   |            |         |

## Key Data

CIPL.BO | CIPLA IN

|                     |                             |
|---------------------|-----------------------------|
| BSE Code            | 500087                      |
| NSE Code            | CIPLA                       |
| 52-W High / Low     | INR 1,673 / INR 1,165       |
| Face Value          | 2                           |
| Sensex / Nifty      | 76,391 / 23,870             |
| Market Cap          | INR 1,125 bn / \$ 11,653 mn |
| Shares Outstanding  | 807.85 mn                   |
| 3M Avg. Daily Value | INR 2,698.87 mn             |

## Shareholding Pattern (%)

|                            |       |
|----------------------------|-------|
| Promoters                  | 29.21 |
| FIs                        | 20.19 |
| Mutual Funds               | 20.54 |
| Domestic Institutions      | 14.06 |
| Public & Others            | 16    |
| Promoter's Pledge (INR bn) | -     |

## Stock Performance (%)

|          | 1M    | 3M  | 6M   | 12M   |
|----------|-------|-----|------|-------|
| Absolute | (2.8) | 6.7 | 5.9  | (5.5) |
| Relative | (3.0) | 8.4 | 13.1 | 2.4   |

## Key Financials - Consolidated

| Y/e Mar             | FY25      | FY26      | FY27E     | FY28E     |
|---------------------|-----------|-----------|-----------|-----------|
| Sales (INR mn)      | 275,478   | 281,631   | 306,900   | 341,351   |
| EBITDA (INR mn)     | 71,281    | 58,834    | 58,707    | 69,159    |
| Margin (%)          | 25.9      | 20.9      | 19.1      | 20.3      |
| PAT (INR mn)        | 52,727    | 41,556    | 40,588    | 48,804    |
| EV (INR mn)         | 1,121,981 | 1,118,585 | 1,111,592 | 1,099,768 |
| Total Debt (INR mn) | 4,381     | 6,138     | 5,138     | 5,138     |
| C&C Eq. (INR mn)    | 7,998     | 13,074    | 19,067    | 30,891    |
| EPS (INR)           | 65.3      | 51.5      | 50.3      | 60.4      |
| Gr. (%)             | 27.9      | (21.2)    | (2.3)     | 20.2      |
| DPS (INR)           | 15.9      | 12.9      | 12.9      | 12.9      |
| Yield (%)           | 1.1       | 0.9       | 0.9       | 0.9       |
| RoE (%)             | 18.2      | 12.7      | 11.3      | 12.5      |
| RoCE (%)            | 20.4      | 14.0      | 12.6      | 14.0      |
| EV/Sales (x)        | 4.1       | 4.0       | 3.6       | 3.2       |
| EV/EBITDA (x)       | 15.7      | 19.0      | 18.9      | 15.9      |
| PE (x)              | 21.3      | 27.1      | 27.7      | 23.0      |
| P/BV (x)            | 3.6       | 3.3       | 3.0       | 2.7       |

Timely US launches will be key

## Quick Pointers

- Reiterate USD 1bn exit run rate and 18.5-20% OPM in FY27E.
- Guided for 3 respiratory and 1 peptide launches in US for FY27

CIPLA's Q1FY27 EBITDA (INR 11.9bn; 16.7% OPM) missed our estimates by 6% on account of lower GMs. Management reiterate FY27E margin guidance at 18.5-20% with exclusion of gLanreotide recovery; alternate US manufacturing site being pursued owing to temporary supply disruptions. Our FY27E/28E EPS broadly remain unchanged. We expect Cipla US annual sales run-rate at USD 775/925mn in FY27/28E. Timely approval of key respiratory products, ramp up of gVentolin and normalization of gLanreotide by H2FY27 will be key. Cipla's strong net cash position of +\$1bn provides flexibility to pursue strategic M&A opportunities. At CMP, stock is trading 23x FY28E EPS. Given high FY25/26 base led by gRevlimid and gLanreotide; we see flat EPS in FY27E. We maintain our Accumulate rating with TP of INR 1,450/share, valuing at 24x on FY28E EPS. Timely launch of critical high-value products in the US in FY27E will be key.

**In-line revenues aided by domestic and EM markets:** CIPLA's Q1FY27 revenues improved 2% YoY to INR 71bn, we est INR 70bn. Domestic formulation reported strong growth of 12% YoY, in line with our est. Key therapies such as Respiratory, Urology, Anti diabetic and Cardiac outpaced the market. US sales stood at USD 162mn, up 4.5% QoQ. One Africa business reported growth of 12% YoY; whereas EMs and EU markets were up 16% YoY.

**EBITDA miss by 6%:** GMs stood at 62.3%, down 600bps YoY and 300bps QoQ. CIPLA reported EBITDA of INR 11.9bn; down 33% YoY; 6% below our estimates. The YoY decline was due to high base in US. OPM stood at 16.7%, down 880bps YoY. R&D expenses stood at INR 4.86bn (6.8% of revenue) up 12.5% YoY but down 5% QoQ. Ex R&D cost other expenses remained flat YoY. Resultant PAT stood at INR 7.9bn; down 39% YoY. EPS of INR 9.8/share in Q1FY27.

## Quarter Summary

| Y/e Mar            | Q1'27E | Q1'27A | % Var.   | Q1'26A | YoY gr. (%) |
|--------------------|--------|--------|----------|--------|-------------|
| Net Sales (INR mn) | 69,338 | 71,193 | 3.0      | 69,575 | 2.0         |
| EBITDA (INR mn)    | 12,666 | 11,923 | -6.0     | 17,781 | -33.0       |
| Margin (%)         | 18.3   | 16.7   | -160 bps | 25.6   | -890 bps    |
| PAT (INR mn)       | 8,519  | 7,891  | -7.0     | 12,976 | -39.0       |

Source: Company, PL

## Conference Call Highlights

**Domestic formulation:** Growth led by chronic therapies (Anti diabetic 43%, Cardiac 20%, Respiratory 15% and double digit Urology growth). Chronic mix share at 60.4%. Added 2 new INR 1bn+ brands, taking total to 33. Trade generics delivered healthy growth supported by distribution expansion and new launches. Trade generics did 3 new launches. Field force remains at around 12,000. Key launches across therapies include: Upadacitinib (UPADACIP) in immunology. Dual & Synchrobreathe inhalation platform. Bilafav M for allergic rhinitis. Nasal hygiene products under wellness portfolio.

**Consumer health:** Consumer health business maintained positive trajectory with Nicotex, Omnigel and Cipladine retaining leadership positions. Operating profitability in consumer health improved, reflecting scalability of the business.

**US business:** Respiratory pipeline includes 3 respiratory launches and 1 peptide opportunity for FY27. gAdvair remains one of it. The two respiratory filings are to be done from US facilities whereas 1 from Goa facility. gVentolin commercial shipments have commenced after approval received last quarter. Ramp up expected towards end of FY27E. Albuterol market share improved to 21% as per IQVIA. Launched other products such as Nintedanib, Dapagliflozin, Liraglutide variants.

**EMs:** Margin profile remained stable while leveraging internal pipeline assets. Europe remains a focus area for selective acquisitions and in-licensing.

**One Africa:** Private market continued to outperform. Lost tender will continue impacting reporting numbers for few quarters. OTC/private business continues growing well despite reported revenue weakness.

**GLP-1 portfolio:** Continued traction in obesity therapy Yurpeak (tirzepatide) after launch through Eli Lilly collaboration. Yurpeak generated around INR 800mn revenue during Q1 and has been witnessing sequential MoM growth.

**Other highlights:** PLI incentives will largely accrue in later quarters as sales milestones are achieved. Net cash stood at INR 95bn as of Q1FY27. Debt at 6bn

### Exhibit 1: Quarterly Estimates

| (INR Mn)   | Q1FY27 | YoY gr. (%) | Q2FY27E | YoY gr. (%) | Q3FY27E | YoY gr. (%) | Q4FY27E | YoY gr. (%) |
|------------|--------|-------------|---------|-------------|---------|-------------|---------|-------------|
| Sales      | 71,193 | 3.5         | 77,730  | 2.9         | 80,703  | 14.3        | 77,274  | 17.4        |
| EBITDA     | 11,923 | (30.6)      | 15,466  | (18.0)      | 16,906  | 38.2        | 14,413  | 41.7        |
| Margin (%) | 16.3   | 16.3        | 18.7    | 18.7        | 19.9    | 19.9        | 17.2    | 17.2        |
| Adj. PAT   | 7,891  | (39.2)      | 10,680  | (21.0)      | 11,978  | 25.9        | 10,039  | 68.3        |

Source: Company, PL

Exhibit 2: 1QFY27 Result overview (INR mn) – In line revenue growth, EBITDA miss est

| Y/e March             | 1QFY27 | 1QFY26 | YoY gr. (%) | 1QFY27E | %Var    | 4QFY26 | QoQ gr. (%) | FY26     | FY25     | YoY gr. (%) |
|-----------------------|--------|--------|-------------|---------|---------|--------|-------------|----------|----------|-------------|
| Net Sales             | 71,193 | 69,575 | 2.3         | 69,338  | 2.7     | 65,412 | 8.8         | 2,81,626 | 2,75,476 | 2.2         |
| Raw Material          | 26,672 | 21,707 | 22.9        | 23,576  | 13.1    | 22,487 | 18.6        | 95,491   | 89,346   | 6.9         |
| % of Net Sales        | 37.5   | 31.2   |             | 34.0    |         | 34.4   |             | 33.9     | 32.4     |             |
| Personnel Cost        | 14,974 | 13,123 | 14.1        | 14,435  | 3.7     | 14,143 | 5.9         | 53,663   | 48,328   | 11.0        |
| % of Net Sales        | 21.0   | 18.9   |             | 20.8    |         | 21.6   |             | 19.1     | 17.5     |             |
| Others                | 17,624 | 16,963 | 3.9         | 18,660  | (5.6)   | 18,813 | (6.3)       | 73,222   | 66,579   | 10.0        |
| % of Net Sales        | 24.8   | 24.4   |             | 26.9    |         | 28.8   |             | 26.0     | 24.2     |             |
| Total Expenditure     | 59,270 | 51,793 | 14.4        | 56,671  | 4.6     | 55,442 | 6.9         | 2,22,377 | 2,04,253 | 8.9         |
| EBITDA                | 11,923 | 17,781 | (32.9)      | 12,666  | (5.9)   | 9,970  | 19.6        | 59,249   | 71,223   | (16.8)      |
| Margin (%)            | 16.7   | 25.6   |             | 18.3    |         | 15.2   | 1.5         | 21.0     | 25.9     |             |
| Depreciation          | 3,042  | 2,527  | 20.4        | 3,100   | (1.9)   | 3,829  | (20.5)      | 12,110   | 11,070   | 9.4         |
| EBIT                  | 8,881  | 15,254 | (41.8)      | 9,566   | (7.2)   | 6,141  | 44.6        | 47,139   | 60,153   | (21.6)      |
| Other Income          | 2,109  | 2,586  | (18.4)      | 2,000   | 5.5     | 1,482  | 42.3        | 8,820    | 8,619    | 2.3         |
| Interest              | 170    | 141    | 21.2        | 115     |         | 131    | 29.7        | 544      | 620      | (12.3)      |
| PBT                   | 10,819 | 17,699 | (38.9)      | 11,451  | (5.5)   | 7,491  | 44.4        | 55,416   | 68,152   | (18.7)      |
| Extra-Ord. Inc./Exps. | -      | -      |             | -       | #DIV/0! | (420)  |             | (3,179)  | -        |             |
| Total Taxes           | 2,948  | 4,779  | (38.3)      | 2,977   | (1.0)   | 1,570  | 87.8        | 13,538   | 15,298   | (11.5)      |
| ETR (%)               | 27.3   | 27.0   |             | 26.0    |         | 21.0   |             | 24.4     | 22.4     |             |
| Minority interest     | 20     | 56     |             | 45      | (57.0)  | 45     |             | 94       | (126)    |             |
| Reported PAT          | 7,891  | 12,976 | (39.2)      | 8,519   | (7.4)   | 5,546  | 42.3        | 38,792   | 52,729   | (26.4)      |

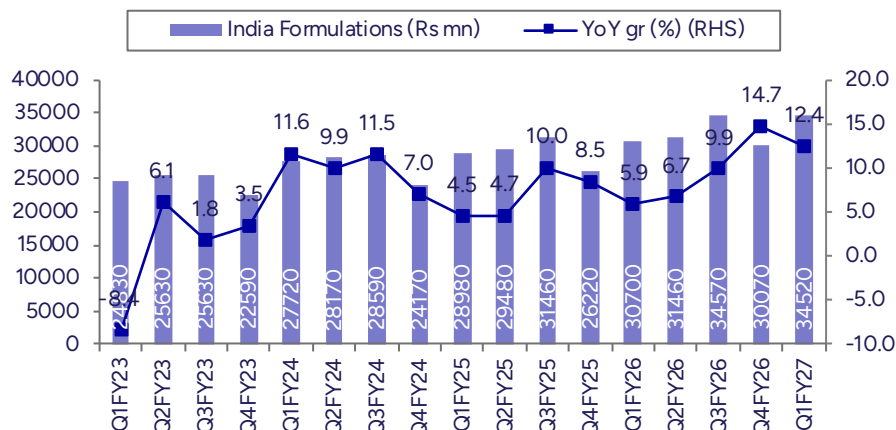
Source: Company, PL

Exhibit 3: Domestic markets and EMs supported growth YoY

| Revenue break up (INR mn)      | 1QFY27 | 1QFY26 | YoY gr. (%) | 4QFY26 | QoQ gr. (%) | FY26     | FY25     | YoY gr. (%) |
|--------------------------------|--------|--------|-------------|--------|-------------|----------|----------|-------------|
| Domestic market                | 34,520 | 30,700 | 12.4        | 30,070 | 14.8        | 1,26,800 | 1,16,140 | 9.2         |
| % of Sales                     | 48.5   | 44.1   |             | 46.4   |             | 45.1     | 42.2     |             |
| International market (Exports) | 36,680 | 38,880 | (5.7)       | 35,330 | 3.8         | 1,54,820 | 1,59,310 | (2.8)       |
| % of Sales                     | 51.5   | 55.9   |             | 54.6   |             | 55.1     | 57.8     |             |
| North America                  | 15,320 | 19,330 | (20.7)      | 14,140 | 8.3         | 68,710   | 78,980   | (13.0)      |
| % of Sales                     | 21.5   | 27.8   |             | 21.8   |             | 24.5     | 28.7     |             |
| SAGA                           | 9,770  | 8,710  | 12.2        | 12,360 | (21.0)      | 42,860   | 38,280   | 12.0        |
| % of Sales                     | 13.7   | 12.5   |             | 19.1   |             | 15.3     | 13.9     |             |
| International markets          | 9,990  | 8,610  | 16.0        | 8,190  | 22.0        | 35,760   | 33,040   | 8.2         |
| % of Sales                     | 14.0   | 12.4   |             | 12.6   |             | 12.7     | 12.0     |             |
| API & others                   | 1,600  | 2,230  | (28.3)      | -      | #DIV/0!     | 6,850    | 9,010    | (24.0)      |
| % of Sales                     | 2.2    | 3.2    |             | -      |             | 2.4      | 3.3      |             |
| Total                          | 71,200 | 69,580 | 2.3         | 65,400 | 8.9         | 2,81,620 | 2,75,450 | 2.2         |

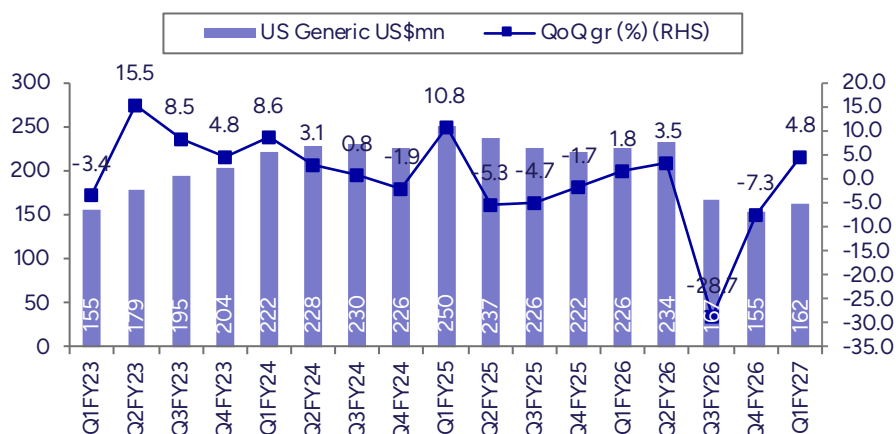
Source: Company, PL

Exhibit 4: Healthy uptake in Rx and Consumer Healthcare



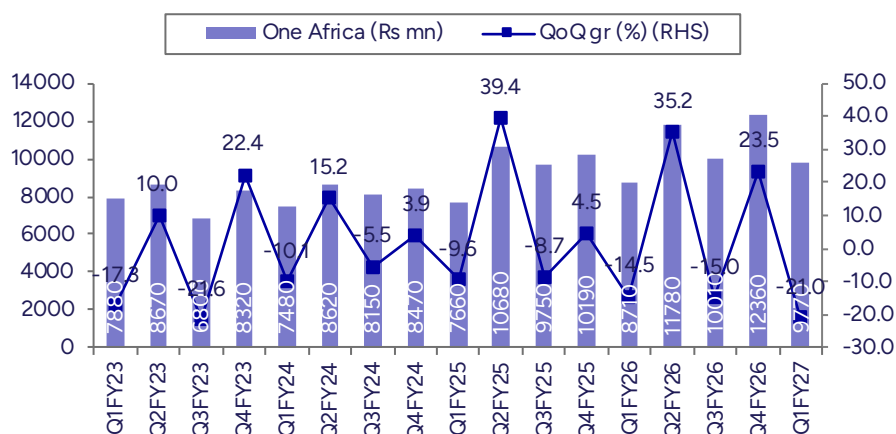
Source: Company, PL

Exhibit 5: Witness sequential improvement in US



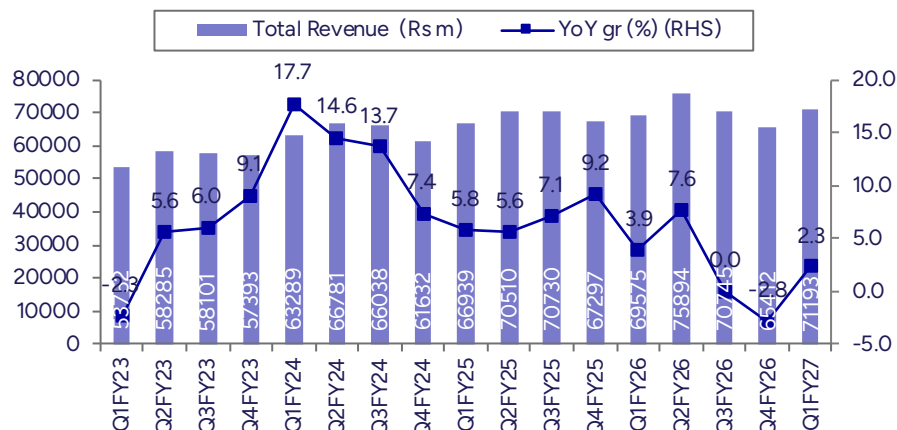
Source: Company, PL

Exhibit 6: Strong performance across its key therapies



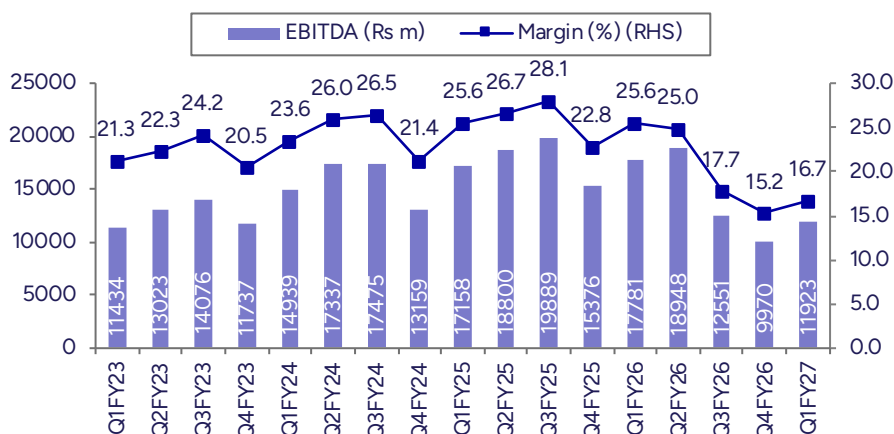
Source: PL, Company

Exhibit 7: Steady performance YoY



Source: Company, PL

Exhibit 8: Lower GMs impacted profitability YoY



Source: Company, PL

## Financials

### Income Statement (INR mn)

| Y/e Mar                       | FY25          | FY26          | FY27E         | FY28E         |
|-------------------------------|---------------|---------------|---------------|---------------|
| Net Revenues                  | 275,478       | 281,631       | 306,900       | 341,351       |
| YoY gr. (%)                   | 6.9           | 2.2           | 9.0           | 11.2          |
| Cost of Goods Sold            | 102,543       | 107,369       | 122,550       | 134,332       |
| Gross Profit                  | 172,934       | 174,262       | 184,350       | 207,020       |
| Margin (%)                    | 62.8          | 61.9          | 60.1          | 60.6          |
| Employee Cost                 | 44,110        | 48,199        | 53,447        | 59,265        |
| Other Expenses                | 57,544        | 67,228        | 72,196        | 78,596        |
| <b>EBITDA</b>                 | <b>71,281</b> | <b>58,834</b> | <b>58,707</b> | <b>69,159</b> |
| YoY gr. (%)                   | 13.3          | (17.5)        | -             | 17.8          |
| Margin (%)                    | 25.9          | 20.9          | 19.1          | 20.3          |
| Depreciation and Amortization | 11,070        | 12,110        | 12,836        | 13,735        |
| <b>EBIT</b>                   | <b>60,211</b> | <b>46,724</b> | <b>45,871</b> | <b>55,424</b> |
| Margin (%)                    | 21.9          | 16.6          | 14.9          | 16.2          |
| Net Interest                  | 620           | 544           | 650           | 600           |
| Other Income                  | 8,619         | 8,820         | 9,500         | 11,000        |
| <b>Profit Before Tax</b>      | <b>68,210</b> | <b>55,000</b> | <b>54,721</b> | <b>65,824</b> |
| Margin (%)                    | 24.8          | 19.5          | 17.8          | 19.3          |
| Total Tax                     | 15,298        | 13,538        | 14,227        | 17,114        |
| Effective Tax Rate (%)        | 22.4          | 24.6          | 26.0          | 26.0          |
| <b>Profit After Tax</b>       | <b>52,912</b> | <b>41,462</b> | <b>40,494</b> | <b>48,709</b> |
| Minority Interest             | -             | -             | -             | -             |
| Share Profit from Associate   | (185)         | 94            | 94            | 94            |
| <b>Adjusted PAT</b>           | <b>52,727</b> | <b>41,556</b> | <b>40,588</b> | <b>48,804</b> |
| YoY gr. (%)                   | 27.9          | (21.2)        | (2.3)         | 20.2          |
| Margin (%)                    | 19.1          | 14.8          | 13.2          | 14.3          |
| Extra Ord. Income / (Exp)     | -             | -             | -             | -             |
| <b>Reported PAT</b>           | <b>52,727</b> | <b>41,556</b> | <b>40,588</b> | <b>48,804</b> |
| YoY gr. (%)                   | 22.1          | (21.2)        | (2.3)         | 20.2          |
| Margin (%)                    | 19.1          | 14.8          | 13.2          | 14.3          |
| Other Comprehensive Income    | -             | -             | -             | -             |
| Total Comprehensive Income    | 52,727        | 41,556        | 40,588        | 48,804        |
| <b>Equity Shares O/s (mn)</b> | <b>807</b>    | <b>807</b>    | <b>807</b>    | <b>807</b>    |
| <b>EPS (INR)</b>              | <b>65.3</b>   | <b>51.5</b>   | <b>50.3</b>   | <b>60.4</b>   |

Source: Company, PL

### Balance Sheet (INR mn)

| Y/e Mar                               | FY25           | FY26           | FY27E          | FY28E          |
|---------------------------------------|----------------|----------------|----------------|----------------|
| <b>Non-Current Assets</b>             |                |                |                |                |
| <b>Gross Block</b>                    | <b>172,602</b> | <b>205,262</b> | <b>230,262</b> | <b>255,262</b> |
| Tangibles                             | 117,290        | 139,484        | 156,473        | 173,461        |
| Intangibles                           | 55,312         | 65,778         | 73,790         | 81,801         |
| <b>Acc: Dep / Amortization</b>        | <b>106,353</b> | <b>118,463</b> | <b>131,299</b> | <b>145,034</b> |
| Tangibles                             | 61,124         | 68,084         | 75,461         | 83,355         |
| Intangibles                           | 45,229         | 50,379         | 55,838         | 61,679         |
| <b>Net Fixed Assets</b>               | <b>66,249</b>  | <b>86,799</b>  | <b>98,963</b>  | <b>110,228</b> |
| Tangibles                             | 56,166         | 71,400         | 81,011         | 90,106         |
| Intangibles                           | 10,083         | 15,399         | 17,952         | 20,122         |
| Capital Work In Progress              | 15,663         | 20,422         | 20,422         | 20,422         |
| Goodwill                              | 32,703         | 37,544         | 37,544         | 37,544         |
| Non-Current Investments               | 80,440         | 82,234         | 82,234         | 82,234         |
| Net Deferred Tax Assets               | 5,913          | 7,478          | 7,478          | 7,478          |
| Other Non-Current Assets              | -              | -              | -              | -              |
| <b>Current Assets</b>                 |                |                |                |                |
| Investments                           | -              | -              | -              | -              |
| Inventories                           | 56,421         | 65,967         | 68,947         | 76,687         |
| Trade Receivables                     | 55,064         | 56,201         | 61,243         | 68,118         |
| Cash & Bank Balance                   | 7,998          | 13,074         | 19,067         | 30,891         |
| Other Current Assets                  | 52,402         | 53,449         | 56,121         | 58,928         |
| <b>Total Assets</b>                   | <b>367,422</b> | <b>415,950</b> | <b>444,801</b> | <b>485,311</b> |
| <b>Equity</b>                         |                |                |                |                |
| Equity Share Capital                  | 1,615          | 1,615          | 1,615          | 1,615          |
| Other Equity                          | 310,319        | 342,704        | 371,065        | 407,642        |
| <b>Total Network</b>                  | <b>311,934</b> | <b>344,319</b> | <b>372,680</b> | <b>409,257</b> |
| <b>Non-Current Liabilities</b>        |                |                |                |                |
| Long Term Borrowings                  | 2,524          | 3,820          | 3,820          | 3,820          |
| Provisions                            | -              | -              | -              | -              |
| Other Non Current Liabilities         | -              | -              | -              | -              |
| <b>Current Liabilities</b>            |                |                |                |                |
| ST Debt / Current of LT Debt          | 1,857          | 2,318          | 1,318          | 1,318          |
| Trade Payables                        | 28,375         | 32,299         | 33,633         | 37,408         |
| Other Current Liabilities             | 27,686         | 39,789         | 39,945         | 40,103         |
| <b>Total Equity &amp; Liabilities</b> | <b>367,422</b> | <b>415,950</b> | <b>444,801</b> | <b>485,311</b> |

Source: Company, PL

**Cash Flow (INR mn)**

| Y/e Mar                                | FY25            | FY26            | FY27E           | FY28E           |
|----------------------------------------|-----------------|-----------------|-----------------|-----------------|
| PBT                                    | 68,210          | 55,000          | 54,721          | 65,824          |
| Add. Depreciation                      | 11,070          | 12,110          | 12,836          | 13,735          |
| Add. Interest                          | 620             | 544             | 650             | 600             |
| Less Financial Other Income            | 8,619           | 8,820           | 9,500           | 11,000          |
| Add. Other                             | (3,611)         | 3,430           | 94              | 94              |
| Op. Profit before WC Changes           | 76,288          | 71,084          | 68,302          | 80,253          |
| Net Changes-WC                         | (9,557)         | 4,520           | (9,205)         | (13,487)        |
| Direct Tax                             | (16,681)        | (15,862)        | (14,227)        | (17,114)        |
| <b>Net Cash from Op. Activities</b>    | <b>50,050</b>   | <b>59,742</b>   | <b>44,869</b>   | <b>49,651</b>   |
| Capital Expenditures                   | (15,234)        | (31,029)        | (25,000)        | (25,000)        |
| Interest / Dividend Income             | -               | -               | -               | -               |
| Others                                 | -               | -               | -               | -               |
| <b>Net Cash from Invst. Activities</b> | <b>(15,234)</b> | <b>(31,029)</b> | <b>(25,000)</b> | <b>(25,000)</b> |
| Issue of Share Cap. / Premium          | -               | -               | -               | -               |
| Debt Changes                           | (980)           | 946             | (1,000)         | -               |
| Dividend Paid                          | (10,498)        | (12,924)        | (12,227)        | (12,227)        |
| Interest Paid                          | (620)           | (544)           | (650)           | (600)           |
| Others                                 | (23,469)        | (11,116)        | -               | -               |
| <b>Net Cash from Fin. Activities</b>   | <b>(35,568)</b> | <b>(23,638)</b> | <b>(13,877)</b> | <b>(12,827)</b> |
| <b>Net Change in Cash</b>              | <b>(751)</b>    | <b>5,076</b>    | <b>5,992</b>    | <b>11,825</b>   |
| Free Cash Flow                         | 34,816          | 28,713          | 19,869          | 24,651          |

Source: Company, PL

**Quarterly Financials (INR mn)**

| Y/e Mar                           | Q2FY26        | Q3FY26        | Q4FY26        | Q1FY27        |
|-----------------------------------|---------------|---------------|---------------|---------------|
| <b>Net Revenues</b>               | <b>75,894</b> | <b>70,745</b> | <b>65,412</b> | <b>71,193</b> |
| YoY gr. (%)                       | 7.6           | -             | (2.8)         | 2.3           |
| Raw Material Expenses             | 24,976        | 26,321        | 22,487        | 26,672        |
| Gross Profit                      | 50,918        | 44,424        | 42,925        | 44,521        |
| Margin (%)                        | 67.1          | 62.8          | 65.6          | 62.5          |
| <b>EBITDA</b>                     | <b>18,948</b> | <b>12,551</b> | <b>9,970</b>  | <b>11,923</b> |
| YoY gr. (%)                       | 0.8           | (36.9)        | (35.2)        | (32.9)        |
| Margin (%)                        | 25.0          | 17.7          | 15.2          | 16.7          |
| Depreciation / Depletion          | 2,970         | 2,784         | 3,829         | 3,042         |
| <b>EBIT</b>                       | <b>15,978</b> | <b>9,767</b>  | <b>6,141</b>  | <b>8,881</b>  |
| Margin (%)                        | 21.1          | 13.8          | 9.4           | 12.5          |
| Net Interest                      | 132           | 140           | 131           | 170           |
| Other Income                      | 2,690         | 2,063         | 1,482         | 2,109         |
| <b>Profit before Tax</b>          | <b>18,535</b> | <b>11,690</b> | <b>7,491</b>  | <b>10,819</b> |
| Margin (%)                        | 24.4          | 16.5          | 11.5          | 15.2          |
| Total Tax                         | 5,005         | 2,186         | 1,570         | 2,948         |
| Effective Tax Rate (%)            | 27.0          | 18.7          | 21.0          | 27.3          |
| <b>Profit After Tax</b>           | <b>13,531</b> | <b>9,505</b>  | <b>5,921</b>  | <b>7,871</b>  |
| Minority Interest                 | 19            | (12)          | (45)          | (20)          |
| Share Profit from Associate       | -             | -             | -             | -             |
| <b>Adjusted PAT</b>               | <b>13,512</b> | <b>6,758</b>  | <b>5,546</b>  | <b>7,891</b>  |
| YoY gr. (%)                       | 3.7           | (57.0)        | (54.6)        | (39.2)        |
| Margin (%)                        | 17.8          | 9.6           | 8.5           | 11.1          |
| Extra Ord. Income / (Exp)         | -             | -             | -             | -             |
| <b>Reported PAT</b>               | <b>13,512</b> | <b>6,758</b>  | <b>5,546</b>  | <b>7,891</b>  |
| YoY gr. (%)                       | 3.7           | (57.0)        | (54.6)        | (39.2)        |
| Margin (%)                        | 17.8          | 9.6           | 8.5           | 11.1          |
| Other Comprehensive Income        | -             | -             | -             | -             |
| <b>Total Comprehensive Income</b> | <b>13,512</b> | <b>6,758</b>  | <b>5,546</b>  | <b>7,891</b>  |
| Avg. Shares O/s (mn)              | 804           | 804           | 804           | 804           |
| <b>EPS (INR)</b>                  | <b>16.8</b>   | <b>8.4</b>    | <b>6.8</b>    | <b>9.7</b>    |

Source: Company, PL

**Key Financial Metrics**

| Y/e Mar                    | FY25  | FY26  | FY27E  | FY28E |
|----------------------------|-------|-------|--------|-------|
| <b>Per Share (INR)</b>     |       |       |        |       |
| EPS                        | 65.3  | 51.5  | 50.3   | 60.4  |
| CEPS                       | 79.0  | 66.5  | 66.2   | 77.5  |
| BVPS                       | 386.4 | 426.5 | 461.6  | 506.9 |
| FCF                        | 43.1  | 35.6  | 24.6   | 30.5  |
| DPS                        | 15.9  | 12.9  | 12.9   | 12.9  |
| <b>Return Ratio (%)</b>    |       |       |        |       |
| RoCE                       | 20.4  | 14.0  | 12.6   | 14.0  |
| ROIC                       | 16.8  | 11.6  | 10.8   | 12.2  |
| RoE                        | 18.2  | 12.7  | 11.3   | 12.5  |
| <b>Balance Sheet</b>       |       |       |        |       |
| Net Debt : Equity (x)      | -     | -     | -      | -     |
| Net Working Capital (Days) | 110   | 116   | 115    | 115   |
| <b>Valuation (x)</b>       |       |       |        |       |
| PER                        | 21.3  | 27.0  | 27.7   | 23.0  |
| P/B                        | 3.6   | 3.2   | 3.0    | 2.7   |
| P/CEPS                     | 17.6  | 20.9  | 21.0   | 17.9  |
| EV/EBITDA                  | 15.7  | 19.0  | 18.9   | 15.9  |
| EV/Sales                   | 4.0   | 3.9   | 3.6    | 3.2   |
| Dividend Yield (%)         | 1.1   | 0.9   | 0.9    | 0.9   |
| FCFF Yield (%)             | 3.0   | 2.5   | 1.7    | 2.1   |
| PEG Ratio                  | 0.7   | (1.3) | (11.9) | 1.1   |

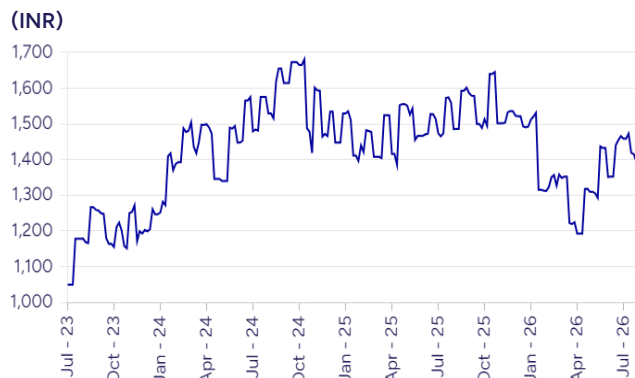
Source: Company, PL

**Key Operating Metrics**

| Y/e Mar            | FY25    | FY26    | FY27E   | FY28E   |
|--------------------|---------|---------|---------|---------|
| India Formulations | 116,150 | 126,800 | 141,483 | 154,651 |
| Exports            | 150,308 | 147,341 | 159,417 | 180,500 |
| APIs               | 9,020   | 7,490   | 6,000   | 6,200   |

Source: Company, PL

## Price Chart



## Recommendation History

| No. | Date      | Rating     | TP (INR) | Share Price (INR) |
|-----|-----------|------------|----------|-------------------|
| 1   | 09-Jul-26 | Accumulate | 1400     | 1432              |
| 2   | 14-May-26 | Accumulate | 1400     | 1328              |
| 3   | 09-Apr-26 | Accumulate | 1440     | 1216              |
| 4   | 27-Jan-26 | Accumulate | 1440     | 1315              |
| 5   | 08-Jan-26 | Accumulate | 1675     | 1468              |
| 6   | 31-Oct-25 | Accumulate | 1675     | 1541              |
| 7   | 08-Oct-25 | BUY        | 1730     | 1513              |
| 8   | 27-Jul-25 | BUY        | 1730     | 1533              |
| 9   | 08-Jul-25 | BUY        | 1730     | 1511              |
| 10  | 14-May-25 | BUY        | 1730     | 1520              |

## Analyst Coverage Universe

| Sr. No. | Company Name                          | Rating     | TP (INR) | Share Price (INR) |
|---------|---------------------------------------|------------|----------|-------------------|
| 1       | Ajanta Pharma                         | BUY        | 3400     | 3279              |
| 2       | Anthem Biosciences                    | Buy        | 850      | 779               |
| 3       | Apollo Hospitals Enterprise           | BUY        | 9350     | 8754              |
| 4       | Aster DM Healthcare                   | BUY        | 800      | 780               |
| 5       | Aurobindo Pharma                      | HOLD       | 1400     | 1557              |
| 6       | Brigade Enterprises                   | BUY        | 785      | 503               |
| 7       | Cipla                                 | Accumulate | 1400     | 1432              |
| 8       | Divi's Laboratories                   | Accumulate | 6900     | 6755              |
| 9       | Dr. Reddy's Laboratories              | Accumulate | 1300     | 1183              |
| 10      | Eris Lifesciences                     | BUY        | 1750     | 1416              |
| 11      | Fortis Healthcare                     | BUY        | 1120     | 944               |
| 12      | Global Health                         | BUY        | 1450     | 1305              |
| 13      | HealthCare Global Enterprises         | BUY        | 820      | 635               |
| 14      | Indoco Remedies                       | Hold       | 325      | 225               |
| 15      | Ipca Laboratories                     | Buy        | 1800     | 1762              |
| 16      | J.B. Chemicals & Pharmaceuticals      | Buy        | 2400     | 2135              |
| 17      | Jupiter Life Line Hospitals           | BUY        | 1600     | 1444              |
| 18      | Krishna Institute of Medical Sciences | BUY        | 800      | 806               |
| 19      | Lupin                                 | Accumulate | 2500     | 2459              |
| 20      | Max Healthcare Institute              | BUY        | 1175     | 1085              |
| 21      | Narayana Hrudayalaya                  | BUY        | 2250     | 1979              |
| 22      | Oberoi Realty                         | Accumulate | 2100     | 1883              |
| 23      | Prestige Estates Projects             | Buy        | 1800     | 1635              |
| 24      | Rainbow Children's Medicare           | BUY        | 1700     | 1431              |
| 25      | Sun Pharmaceutical Industries         | BUY        | 2070     | 1888              |
| 26      | Sunteck Realty                        | BUY        | 520      | 312               |
| 27      | Torrent Pharmaceuticals               | BUY        | 5000     | 4866              |
| 28      | Zydus Lifesciences                    | Accumulate | 1080     | 1148              |

## PL's Recommendation Nomenclature (Absolute Performance)

|                          |                                   |
|--------------------------|-----------------------------------|
| <b>BUY</b>               | : > 15%                           |
| <b>Accumulate</b>        | : 5% to 15%                       |
| <b>Hold</b>              | : +5% to -5%                      |
| <b>Reduce</b>            | : -5% to -15%                     |
| <b>Sell</b>              | : < -15%                          |
| <b>Not Rated (NR)</b>    | : No specific call on the stock   |
| <b>Under Review (UR)</b> | : Rating likely to change shortly |

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