PL Capital PRABHUDAS LILLADHER

Q1FY27 Result Update

# Divi's Laboratories (DIVI IN)

August 03, 2026

☑ Estimate Change | ☑ Target | ■ Reco.

**Change in Estimates**

| | Current | | Previous | |
|---|---|---|---|---|
| | FY27E | FY28E | FY27E | FY28E |
| Rating | Accumulate | | Accumulate | |
| Target Price | 8,600 | | 6,900 | |
| Sales (INR mn) | 125,629 | 147,209 | 121,913 | 142,771 |
| *% Chng.* | *3.0* | *3.1* | | |
| EBITDA (INR mn) | 44,641 | 53,165 | 40,783 | 49,699 |
| *% Chng.* | *9.5* | *7.0* | | |
| EPS (INR) | 119.5 | 142.0 | 109.3 | 132.9 |
| *% Chng.* | *9.3* | *6.8* | | |

| Key Data | DIVI.BO \| DIVI IN |
|---|---|
| BSE Code | 532488 |
| NSE Code | DIVISLAB |
| 52-W High / Low | INR 8,090 / INR 5,636 |
| Face Value | 2 |
| Sensex / Nifty | 78,095 / 24,384 |
| Market Cap | INR 2,139 bn / $ 22,419 mn |
| Shares Outstanding | 265.47 mn |
| 3M Avg. Daily Value | INR 2,980.61 mn |

**Shareholding Pattern (%)**

| | |
|---|---|
| Promoters | 51.88 |
| FIIs | 20.20 |
| Mutual Funds | 13.87 |
| Domestic Institutions | 5.51 |
| Public & Others | 8.54 |
| Promoter's Pledge (INR bn) | - |

**Stock Performance (%)**

| | 1M | 3M | 6M | 12M |
|---|---|---|---|---|
| Absolute | 22.5 | 23.9 | 33.1 | 22.1 |
| Relative | 19.9 | 22.0 | 40.3 | 27.0 |

**Key Financials - Consolidated**

| Y/e Mar | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|
| Sales (INR mn) | 93,600 | 105,600 | 125,629 | 147,209 |
| EBITDA (INR mn) | 29,680 | 34,410 | 44,641 | 53,165 |
| *Margin (%)* | *31.7* | *32.6* | *35.5* | *36.1* |
| PAT (INR mn) | 21,910 | 27,160 | 31,670 | 37,635 |
| EV (INR mn) | 2,097,690 | 2,100,700 | 2,096,775 | 2,091,379 |
| Total Debt (INR mn) | - | - | - | - |
| C&C Eq. (INR mn) | 37,150 | 34,140 | 38,065 | 43,461 |
| EPS (INR) | 82.7 | 102.5 | 119.5 | 142.0 |
| *Gr. (%)* | *36.9* | *24.0* | *16.6* | *18.8* |
| DPS (INR) | 30.1 | 30.1 | 30.1 | 30.1 |
| *Yield (%)* | *0.4* | *0.4* | *0.4* | *0.4* |
| *RoE (%)* | *15.4* | *17.1* | *17.6* | *18.3* |
| *RoCE (%)* | *18.0* | *18.8* | *21.9* | *22.7* |
| EV/Sales (x) | 22.4 | 19.9 | 16.7 | 14.2 |
| EV/EBITDA (x) | 70.7 | 61.0 | 47.0 | 39.3 |
| PE (x) | 97.4 | 78.6 | 67.4 | 56.7 |
| P/BV (x) | 14.3 | 12.7 | 11.2 | 9.7 |

## Strong beat; growth to sustain

**Quick Pointers**

- Reiterated delivering double digit revenue growth in FY27E
- Growth in CS segment was aided as validation batches of three major capex projects started

**Divi's Laboratories (DIVI) Q1FY27 EBITDA growth of 72% YoY strongly beat our estimates by 48%. Revenues were largely aided by CS segment and currency tailwind. Mgmt cited that revenue growth in CS was aided by commencement of three capex projects entering validation stage. Further inventory gains also aided higher GMs. We expect margins and CS revenues to accelerate in FY27/28 with GLP based opportunities. Our FY27E/FY28E EPS estimates stand increased by 7-9%. We expect 25% EBITDA and PAT CAGR over FY26-28E. At CMP, stock is trading at 57x FY28E EPS. We Maintain our 'Accumulate' rating with revised TP of INR 8,600/share.**

**Strong revenue growth aided by CS segment:** DIVI's Q1FY27 revenues came in at INR 31bn (up 28% YoY); beat our estimates. Generic revenues came at INR 9.3bn; up 6% YoY while Custom synthesis (CS) grew by 45% YoY at INR 18.5bn. In Q1FY27 overall exports stood at 90% and exports to EU and US stood at 75% of revenue. Product mix for generics and CS in Q1FY27 were at 40% and 60% of revenue. Nutraceutical business for Q1 was INR 2.98bn, up 19% YoY.

**EBITDA beat; OPMs at 41%:** GM higher at 67.9%; up 766 bps YoY and 751bps QoQ above our estimates. We believe there were some inventory gain which aided GMs. Employee expenses grew by 20% YoY whereas other expenses were up 12% YoY. EBITDA stood at INR 12.6bn up 72% YoY vs our estimate of INR 8.5bn. OPM stood at 41%, up 1050bps YoY and 775bps QoQ. There was a forex loss of INR 70mn. Tax rate was at 23.6%. Adj for forex PAT came in at INR 9.1bn; up 66% YoY; vs our estimate of INR 6bn.

**Quarter Summary**

| Y/e Mar | Q1'27E | Q1'27A | % Var. | Q1'26A | YoY gr. (%) |
|---|---|---|---|---|---|
| Net Sales (INR mn) | 27,071 | 30,800 | *14.0* | 24,100 | *28.0* |
| EBITDA (INR mn) | 8,468 | 12,550 | *48.0* | 7,290 | *72.0* |
| *Margin (%)* | *31.3* | *40.7* | *940 bps* | *30.2* | *1050 bps* |
| PAT (INR mn) | 5,931 | 9,020 | *52.0* | 5,450 | *66.0* |

*Source: Company, PL*

Param Desai
paramdesai@plindia.com | +91-22-66322259

Kushal Shah
kushalshah@plindia.com | +91-22-66322490

## Key Conference Takeaways

### Generic business:

- Generic API volumes remained stable, while pricing continued to reflect a competitive market environment.
- Generic API price increases were primarily driven by pass-through of elevated raw material and solvent costs, rather than an improvement in industry pricing.
- Divi's filed 4 new DMFs in recent years, with validation supplies already completed and commercial supplies expected over the next 3–6 months.
- One newly filed product is under discussion for a long-term exclusive supply agreement.
- Backward integration into key starting materials (KSMs) and intermediates continues to provide supply assurance and manufacturing efficiencies

### Custom synthesis:

- 3 major dedicated capex projects have entered the validation stage, with initial validation batches already supplied to customers.
- Commercial supplies are contingent upon customer qualification, regulatory filings and approvals.
- Around 18–20 projects are commercialized or currently entering commercialization, while several additional projects are progressing across clinical and validation stages.

### Peptides:

- Several peptide fragment programs have been validated and supplied, while additional fragment projects are expected to advance over the coming quarters.
- Divi's continues expanding peptide capacity through installation of additional 3,000L SPPS reactors.
- Management highlighted its fully backward-integrated peptide manufacturing platform from basic raw materials and protected amino acids to peptide fragments as a key competitive differentiator.

### Kakinada unit:

- Unit III is increasingly supporting backward integration by undertaking selected pre-chemistry operations and manufacturing of critical intermediates.
- The facility is helping free up capacity at existing regulatory-approved plants while improving manufacturing flexibility.
- Management intends to gradually qualify Unit III for regulated commercial manufacturing following regulatory approvals.
- Overall utilization across manufacturing facilities remains healthy at ~80–85%.

### Capex:

- 3 major expansion projects (~INR 20bn are approximately 70% complete, with validation activities currently underway.

- Commercialization of these projects now depends primarily on customer qualification and regulatory approvals.
- Capital work-in-progress stood at INR 20bn crore as of Q1FY27.

## Other highlights:

- Company adopted a rolling 3month inventory strategy to mitigate geopolitical disruptions and avoid production stoppages.
- Solvent prices remain elevated due to ongoing disruptions in West Asia, with selective cost pass-through to customers.
- Iodine contrast media: Commercial supplies have commenced for one customer, while another is expected to begin over the coming months under long-term contracts.
- Gadolinium contrast media: Programs remain in Phase II/III qualification and continue to progress alongside customer clinical development.
- Mgmt expects FY27E OPM to remain in line with FY26 margins

**Exhibit 1: Quarterly Estimates**

| (INR Mn) | Q1FY27 | YoY gr. (%) | Q2FY27E | YoY gr. (%) | Q3FY27E | YoY gr. (%) | Q4FY27E | YoY gr. (%) |
|---|---|---|---|---|---|---|---|---|
| Sales | 30,800 | 27.8 | 30,628 | 12.8 | 30,390 | 16.7 | 33,810 | 19.4 |
| EBITDA | 12,550 | 72.2 | 10,276 | 15.7 | 10,343 | 16.2 | 11,472 | 33.9 |
| *Margin (%)* | *40.7* | | *33.6* | | *34.0* | | *33.9* | |
| Adj. PAT | 9,020 | 65.5 | 7,272 | 5.5 | 7,299 | 25.2 | 8,078 | 7.6 |

*Source: Company, PL*

**Exhibit 2: Q1FY27 Result overview: Strong beat aided by CS segment and higher GM**

| (INR mn) | 1QFY27 | 1QFY26 | YoY gr. (%) | 1QFY27E | %Var | 4QFY26 | QoQ gr. (%) | FY26 | FY25 | YoY gr. (%) |
|---|---|---|---|---|---|---|---|---|---|---|
| **Net Sales** | **30,800** | **24,100** | **27.8** | **27,071** | **13.8** | **28,310** | **8.8** | **1,05,600** | **93,600** | **12.8** |
| Raw Material | 9,860 | 9,560 | 3.1 | 10,558 | (6.6) | 11,190 | (11.9) | 40,930 | 37,250 | 9.9 |
| *% of Net Sales* | *32.0* | *39.7* | | *39.0* | | *39.5* | | *38.8* | *39.8* | |
| Personnel Cost | 4,080 | 3,400 | 20.0 | 3,810 | 7.1 | 3,810 | 7.1 | 14,420 | 12,430 | 16.0 |
| *% of Net Sales* | *13.2* | *14.1* | | *14.1* | | *13.5* | | *13.7* | *13.3* | |
| Others | 4,310 | 3,850 | 11.9 | 4,235 | 1.8 | 3,970 | 8.6 | 15,840 | 14,240 | 11.2 |
| *% of Net Sales* | *14.0* | *16.0* | | *15.6* | | *14.0* | | *15.0* | *15.2* | |
| Total Expenditure | 18,250 | 16,810 | 8.6 | 18,603 | (1.9) | 18,970 | (3.8) | 71,190 | 63,920 | 11.4 |
| **EBITDA** | **12,550** | **7,290** | **72.2** | **8,468** | **48.2** | **9,340** | **34.4** | **34,410** | **29,680** | **15.9** |
| *Margin (%)* | *40.7* | *30.2* | | *31.3* | | *33.0* | | *32.6* | *31.7* | |
| Depreciation | 1,330 | 1,120 | 18.8 | 1,200 | 10.8 | 1,200 | 10.8 | 4,630 | 4,020 | 15.2 |
| **EBIT** | **11,220** | **6,170** | **81.8** | **7,268** | **54.4** | **8,140** | **37.8** | **29,780** | **25,660** | **16.1** |
| Other Income | 640 | 1,190 | (46.2) | 700 | (8.6) | 1,550 | (58.7) | 2,960 | 3,040 | (2.6) |
| Forex gain / (loss) | (70) | 390 | | - | | 900 | | 2,110 | 480 | |
| Interest | 60 | 30 | 100.0 | 60 | - | 60 | - | 230 | 20 | 1,050.0 |
| **PBT** | **11,800** | **7,330** | **61.0** | **7,908** | **49.2** | **9,630** | **22.5** | **34,620** | **29,160** | **18.7** |
| Extra-Ord. Inc./Exps. | - | - | | - | | - | | 740 | - | |
| Total Taxes | 2,780 | 1,880 | 47.9 | 1,977 | 40.6 | 2,120 | 31.1 | 8,200 | 7,250 | 13.1 |
| *ETR (%)* | *23.6* | *25.6* | | *25.0* | | *22.0* | | *23.7* | *24.9* | |
| **Reported PAT** | **9,020** | **5,450** | **65.5** | **5,931** | **52.1** | **7,510** | **20.1** | **25,680** | **21,910** | **17.2** |

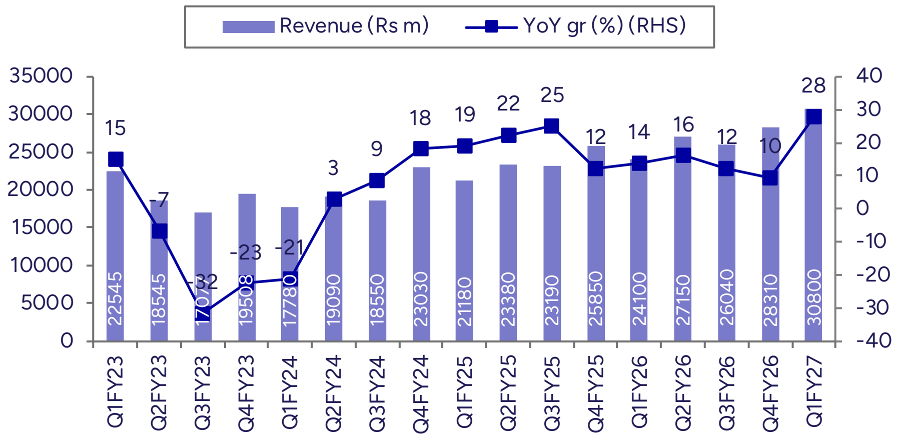
*Source: Company, PL*

**Exhibit 3: Segmental mix: CS contribution remained higher**

| Y/e March (INR mn) | 1QFY27 | 1QFY26 | YoY gr. (%) | 4QFY26 | QoQ gr. (%) | FY26 | FY25 | YoY gr. (%) |
|---|---|---|---|---|---|---|---|---|
| Generics | 9,340 | 8,827 | 5.8 | 10,650 | (12.3) | 38,060 | 37,590 | 1.3 |
| *% of Net Sales* | *30.3* | *36.6* | | *37.6* | | *36.0* | *40.2* | |
| CCS | 18480 | 12773 | 44.7 | 15260 | 21.1 | 58,080 | 48,200 | 20.5 |
| *% of Net Sales* | *60.0* | *53.0* | | *53.9* | | *55.0* | *51.5* | |
| Cartenoids | 2980 | 2500 | 19.2 | 2400 | 24.2 | 9,460 | 7,810 | 21.1 |
| *% of Net Sales* | *9.7* | *10.4* | | *8.5* | | *9.0* | *8.3* | |
| **Total Sales** | **30,800** | **24,100** | **27.8** | **28,310** | **8.8** | **1,05,600** | **93,600** | **12.8** |

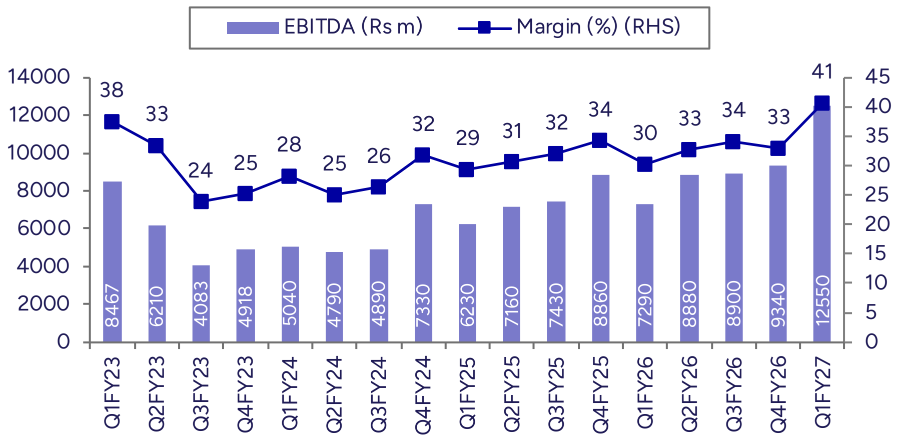
*Source: Company, PL*

**Exhibit 4: CS segment continues to drive momentum**



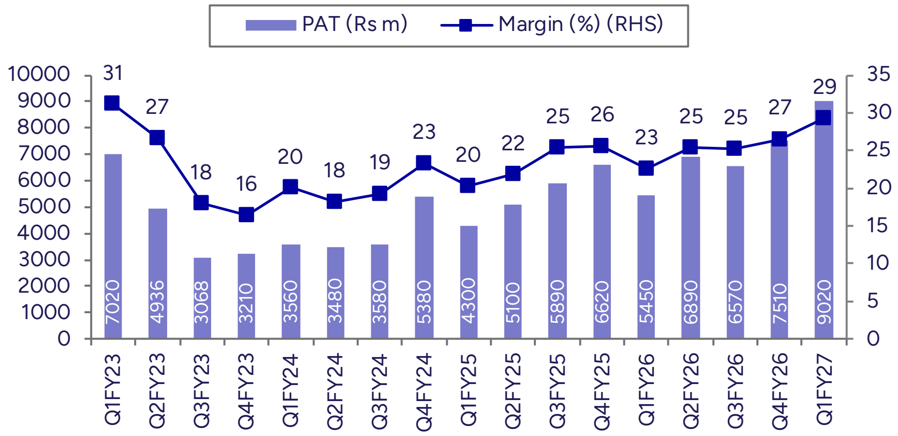

*Source: Company, PL*

**Exhibit 5: Highest margins in recent years**




*Source: Company, PL*

**Exhibit 6:** Adj for forex PAT growth at 66% YoY




*Source: Company, PL*

## Financials

### Income Statement (INR mn)

| Y/e Mar | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|
| **Net Revenues** | 93,600 | 105,600 | 125,629 | 147,209 |
| *YoY gr. (%)* | *19.3* | *12.8* | *19.0* | *17.2* |
| Cost of Goods Sold | 37,250 | 40,930 | 47,111 | 55,940 |
| Gross Profit | 56,350 | 64,670 | 78,518 | 91,270 |
| *Margin (%)* | *60.2* | *61.2* | *63.0* | *62.0* |
| Employee Cost | 12,430 | 14,420 | 16,295 | 18,413 |
| Other Expenses | 14,240 | 15,840 | 17,582 | 19,692 |
| | | | | |
| **EBITDA** | 29,680 | 34,410 | 44,641 | 53,165 |
| *YoY gr. (%)* | *34.6* | *15.9* | *29.7* | *19.1* |
| *Margin (%)* | *31.7* | *32.6* | *35.5* | *36.1* |
| | | | | |
| Depreciation and Amortization | 4,020 | 4,630 | 5,415 | 6,455 |
| | | | | |
| **EBIT** | 25,660 | 29,780 | 39,226 | 46,710 |
| *Margin (%)* | *27.4* | *28.2* | *31.2* | *31.7* |
| | | | | |
| Net Interest | 20 | 230 | 230 | 230 |
| Other Income | 3,520 | 5,070 | 3,230 | 3,700 |
| | | | | |
| **Profit Before Tax** | 29,160 | 34,620 | 42,226 | 50,180 |
| *Margin (%)* | *31.2* | *32.8* | *33.6* | *34.1* |
| | | | | |
| Total Tax | 7,250 | 8,200 | 10,557 | 12,545 |
| *Effective Tax Rate (%)* | *24.9* | *23.7* | *25.0* | *25.0* |
| | | | | |
| **Profit After Tax** | 21,910 | 26,420 | 31,670 | 37,635 |
| Minority Interest | - | - | - | - |
| Share Profit from Associate | - | - | - | - |
| | | | | |
| **Adjusted PAT** | 21,910 | 27,160 | 31,670 | 37,635 |
| *YoY gr. (%)* | *36.9* | *24.0* | *16.6* | *18.8* |
| *Margin (%)* | *23.4* | *25.7* | *25.2* | *25.6* |
| Extra Ord. Income / (Exp) | - | - | - | - |
| | | | | |
| **Reported PAT** | 21,910 | 27,160 | 31,670 | 37,635 |
| *YoY gr. (%)* | *36.9* | *24.0* | *16.6* | *18.8* |
| *Margin (%)* | *23.4* | *25.7* | *25.2* | *25.6* |
| | | | | |
| Other Comprehensive Income | - | - | - | - |
| Total Comprehensive Income | 21,910 | 27,160 | 31,670 | 37,635 |
| **Equity Shares O/s (mn)** | 265 | 265 | 265 | 265 |
| **EPS (INR)** | 82.7 | 102.5 | 119.5 | 142.0 |

*Source: Company, PL*

### Balance Sheet (INR mn)

| Y/e Mar | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|
| **Non-Current Assets** | | | | |
| | | | | |
| **Gross Block** | 78,636 | 94,126 | 114,126 | 134,126 |
| Tangibles | 78,310 | 93,736 | 113,653 | 133,570 |
| Intangibles | 326 | 391 | 474 | 557 |
| | | | | |
| **Acc: Dep / Amortization** | 24,216 | 28,846 | 34,261 | 40,716 |
| Tangibles | 23,860 | 28,422 | 33,757 | 40,117 |
| Intangibles | 356 | 424 | 504 | 599 |
| | | | | |
| **Net Fixed Assets** | 54,420 | 65,280 | 79,865 | 93,411 |
| Tangibles | 54,450 | 65,314 | 79,896 | 93,453 |
| Intangibles | (30) | (34) | (30) | (42) |
| | | | | |
| Capital Work In Progress | 10,220 | 21,130 | 21,130 | 21,130 |
| Goodwill | - | - | - | - |
| Non-Current Investments | 650 | 690 | 690 | 690 |
| Net Deferred Tax Assets | (4,980) | (4,550) | (4,550) | (4,550) |
| Other Non-Current Assets | - | - | - | - |
| | | | | |
| **Current Assets** | | | | |
| Investments | - | - | - | - |
| Inventories | 32,360 | 39,540 | 41,876 | 49,070 |
| Trade Receivables | 27,310 | 29,840 | 32,105 | 37,620 |
| Cash & Bank Balance | 37,150 | 34,140 | 38,065 | 43,461 |
| Other Current Assets | - | - | - | - |
| **Total Assets** | 169,210 | 200,190 | 223,302 | 254,951 |
| | | | | |
| **Equity** | | | | |
| Equity Share Capital | 530 | 530 | 530 | 530 |
| Other Equity | 149,160 | 167,080 | 190,786 | 220,457 |
| **Total Networth** | 149,690 | 167,610 | 191,316 | 220,987 |
| | | | | |
| **Non-Current Liabilities** | | | | |
| Long Term Borrowings | - | - | - | - |
| Provisions | - | - | - | - |
| Other Non Current Liabilities | - | - | - | - |
| | | | | |
| **Current Liabilities** | | | | |
| ST Debt / Current of LT Debt | - | - | - | - |
| Trade Payables | 9,100 | 12,110 | 11,516 | 13,494 |
| Other Current Liabilities | 5,440 | 15,920 | 15,920 | 15,920 |
| **Total Equity & Liabilities** | 169,210 | 200,190 | 223,302 | 254,951 |

*Source: Company, PL*

## Cash Flow (INR mn)

| Y/e Mar | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|
| PBT | 25,680 | 30,010 | 39,456 | 46,940 |
| Add. Depreciation | 4,020 | 4,630 | 5,415 | 6,455 |
| Add. Interest | (20) | (230) | (230) | (230) |
| Less Financial Other Income | 3,520 | 5,070 | 3,230 | 3,700 |
| Add. Other | (370) | 600 | - | - |
| Op. Profit before WC Changes | 29,310 | 35,010 | 44,641 | 53,165 |
| Net Changes-WC | (4,900) | 990 | (5,195) | (10,730) |
| Direct Tax | (8,240) | (8,620) | (10,557) | (12,545) |
| **Net Cash from Op. Activities** | **16,170** | **27,380** | **28,889** | **29,889** |
| Capital Expenditures | (14,380) | (25,200) | (20,000) | (20,000) |
| Interest / Dividend Income | - | - | - | - |
| Others | - | - | - | - |
| **Net Cash from Invt. Activities** | **(14,380)** | **(25,200)** | **(20,000)** | **(20,000)** |
| Issue of Share Cap. / Premium | - | - | - | - |
| Debt Changes | - | - | - | - |
| Dividend Paid | (7,964) | (7,970) | (7,964) | (7,964) |
| Interest Paid | - | - | - | - |
| Others | 3,524 | 2,780 | 3,000 | 3,470 |
| **Net Cash from Fin. Activities** | **(4,440)** | **(5,190)** | **(4,964)** | **(4,494)** |
| **Net Change in Cash** | **(2,650)** | **(3,010)** | **3,925** | **5,395** |
| Free Cash Flow | 1,790 | 2,180 | 8,889 | 9,889 |

*Source: Company, PL*

## Quarterly Financials (INR mn)

| Y/e Mar | Q2FY26 | Q3FY26 | Q4FY26 | Q1FY27 |
|---|---|---|---|---|
| **Net Revenues** | **27,150** | **26,040** | **28,310** | **30,800** |
| *YoY gr. (%)* | *16.1* | *12.3* | *9.5* | *27.8* |
| Raw Material Expenses | 10,730 | 9,450 | 11,190 | 9,860 |
| Gross Profit | 16,420 | 16,590 | 17,120 | 20,940 |
| *Margin (%)* | *60.5* | *63.7* | *60.5* | *68.0* |
| **EBITDA** | **8,880** | **8,900** | **9,340** | **12,550** |
| *YoY gr. (%)* | *24.0* | *19.8* | *5.4* | *72.2* |
| *Margin (%)* | *32.7* | *34.2* | *33.0* | *40.7* |
| Depreciation / Depletion | 1,130 | 1,180 | 1,200 | 1,330 |
| **EBIT** | **7,750** | **7,720** | **8,140** | **11,220** |
| *Margin (%)* | *28.5* | *29.6* | *28.8* | *36.4* |
| Net Interest | 80 | 60 | 60 | 60 |
| Other Income | 1,450 | 880 | 1,550 | 640 |
| **Profit before Tax** | **9,120** | **8,540** | **9,630** | **11,800** |
| *Margin (%)* | *33.6* | *32.8* | *34.0* | *38.3* |
| Total Tax | 2,230 | 1,970 | 2,120 | 2,780 |
| *Effective Tax Rate (%)* | *24.5* | *23.1* | *22.0* | *23.6* |
| **Profit After Tax** | **6,890** | **6,570** | **7,510** | **9,020** |
| Minority Interest | - | - | - | - |
| Share Profit from Associate | - | - | - | - |
| **Adjusted PAT** | **6,890** | **5,830** | **7,510** | **9,020** |
| *YoY gr. (%)* | *35.1* | *(1.0)* | *13.4* | *65.5* |
| *Margin (%)* | *25.4* | *22.4* | *26.5* | *29.3* |
| Extra Ord. Income / (Exp) | - | - | - | - |
| **Reported PAT** | **6,890** | **5,830** | **7,510** | **9,020** |
| *YoY gr. (%)* | *35.1* | *(1.0)* | *13.4* | *65.5* |
| *Margin (%)* | *25.4* | *22.4* | *26.5* | *29.3* |
| Other Comprehensive Income | - | - | - | - |
| **Total Comprehensive Income** | **6,890** | **5,830** | **7,510** | **9,020** |
| Avg. Shares O/s (mn) | 265 | 265 | 265 | 265 |
| **EPS (INR)** | **26.0** | **22.0** | **28.3** | **34.0** |

*Source: Company, PL*

## Key Financial Metrics

| Y/e Mar | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|
| **Per Share (INR)** | | | | |
| EPS | 82.7 | 102.5 | 119.5 | 142.0 |
| CEPS | 97.8 | 120.0 | 139.9 | 166.4 |
| BVPS | 564.9 | 632.5 | 721.9 | 833.9 |
| FCF | 6.8 | 8.2 | 33.5 | 37.3 |
| DPS | 30.1 | 30.1 | 30.1 | 30.1 |
| **Return Ratio (%)** | | | | |
| RoCE | 18.0 | 18.8 | 21.9 | 22.7 |
| ROIC | 19.4 | 17.9 | 21.2 | 22.1 |
| RoE | 15.4 | 17.1 | 17.6 | 18.3 |
| **Balance Sheet** | | | | |
| Net Debt : Equity (x) | - | - | - | - |
| Net Working Capital (Days) | 197 | 198 | 181 | 181 |
| **Valuation (x)** | | | | |
| PER | 97.4 | 78.6 | 67.4 | 56.7 |
| P/B | 14.2 | 12.7 | 11.1 | 9.6 |
| P/CEPS | 82.3 | 67.1 | 57.5 | 48.4 |
| EV/EBITDA | 70.6 | 61.0 | 46.9 | 39.3 |
| EV/Sales | 22.4 | 19.8 | 16.6 | 14.2 |
| Dividend Yield (%) | 0.3 | 0.3 | 0.3 | 0.3 |
| FCFF Yield (%) | - | 0.1 | 0.4 | 0.4 |
| PEG Ratio | 2.6 | 3.2 | 4.0 | 3.0 |

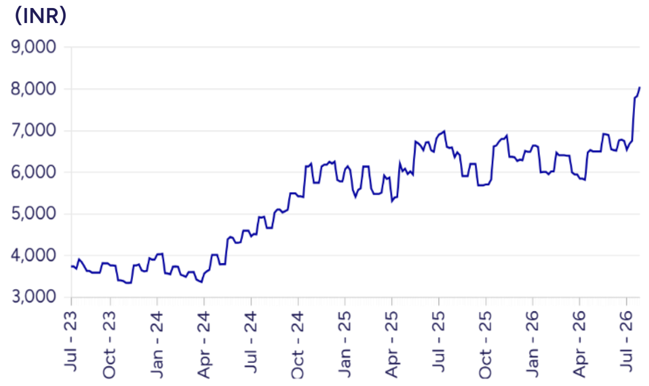
*Source: Company, PL*

## Key Operating Metrics

| Y/e Mar | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|
| Generic API | 37,950 | 38,060 | 41,866 | 48,146 |
| Custom Synthesis | 48,200 | 58,080 | 72,600 | 85,668 |
| Cartenoids | 7,810 | 9,460 | 11,163 | 13,395 |

*Source: Company, PL*

## Price Chart




## Recommendation History

| No. | Date | Rating | TP (INR) | Share Price (INR) |
|---|---|---|---|---|
| 1 | 09-Jul-26 | Accumulate | 6900 | 6755 |
| 2 | 25-May-26 | Accumulate | 6900 | 6887 |
| 3 | 09-Apr-26 | Accumulate | 6850 | 5882 |
| 4 | 12-Feb-26 | Accumulate | 6850 | 6387 |
| 5 | 08-Jan-26 | Accumulate | 7050 | 6643 |
| 6 | 10-Nov-25 | Accumulate | 7050 | 6657 |
| 7 | 08-Oct-25 | Accumulate | 6550 | 6105 |
| 8 | 07-Aug-25 | Accumulate | 6550 | 6134 |
| 9 | 08-Jul-25 | Accumulate | 6800 | 6889 |
| 10 | 19-May-25 | Accumulate | 6800 | 6280 |

## Analyst Coverage Universe

| Sr. No. | Company Name | Rating | TP (INR) | Share Price (INR) |
|---|---|---|---|---|
| 1 | Ajanta Pharma | BUY | 3730 | 3436 |
| 2 | Anthem Biosciences | Buy | 850 | 779 |
| 3 | Apollo Hospitals Enterprise | BUY | 9350 | 8754 |
| 4 | Aster DM Quality Care | BUY | 800 | 780 |
| 5 | Aurobindo Pharma | HOLD | 1400 | 1557 |
| 6 | Brigade Enterprises | BUY | 785 | 503 |
| 7 | Cipla | Accumulate | 1450 | 1393 |
| 8 | Divi's Laboratories | Accumulate | 6900 | 6755 |
| 9 | Dr. Reddy's Laboratories | Accumulate | 1300 | 1183 |
| 10 | Eris Lifesciences | BUY | 1700 | 1425 |
| 11 | Fortis Healthcare | BUY | 1120 | 944 |
| 12 | Global Health | BUY | 1600 | 1406 |
| 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 | 1595 |
| 24 | Rainbow Children's Medicare | BUY | 1700 | 1431 |
| 25 | Sun Pharmaceutical Industries | BUY | 2070 | 1888 |
| 26 | Sunteck Realty | BUY | 520 | 291 |
| 27 | Torrent Pharmaceuticals | BUY | 5500 | 4872 |
| 28 | Zydus Lifesciences | Accumulate | 1080 | 1148 |

## PL's Recommendation Nomenclature (Absolute Performance)

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

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## Prabhudas Lilladher Pvt. Ltd.

**Corporate Office**: 6th Floor, Tower 2B South Annex, One World Centre, 841, Senapati Bapat Marg, Lower Parel, Mumbai - 400013

**Registered Office**: 3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018

Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

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AMNISH AGGARWAL

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