PL Capital
PRABHUDAS LILLADHER

Sudeep Pharma (SUDEEPPH IN)

Q4FY26 Result Update

May 22, 2026

☑ Estimate Change | ☑ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	REDUCE		REDUCE	
Target Price	627		638	
Sales (INR mn)	7,276	8,191	7,276	8,217
% Chng.	*-0.0*	*-0.3*		
EBITDA (INR mn)	2,546	2,867	2,509	2,833
% Chng.	*1.5*	*1.2*		
EPS (INR)	17.3	19.0	18.1	19.9
% Chng.	*-4.6*	*-4.7*		

Key Data SUDP.BO | SUDEEPPH IN

BSE Code	544619
NSE Code	SUDEEPPHRM
52-W High / Low	INR 795 / INR 524
Face Value	1
Sensex / Nifty	75,415 / 23,719
Market Cap	INR 76 bn / $ 795 mn
Shares Outstanding	112.95 mn
3M Avg. Daily Value	INR 75.47 mn

Shareholding Pattern (%)

Promoters	76.15
FIIs	1.55
Mutual Funds	6.19
Domestic Institutions	11.92
Public & Others	4.18
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(0.2)	1.3	-	-
Relative	3.9	11.2	-	-

Key Financials - Consolidated

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR mn)	5,020	6,423	7,276	8,191
EBITDA (INR mn)	1,900	2,219	2,546	2,867
Margin (%)	*37.8*	*34.6*	*35.0*	*35.0*
PAT (INR mn)	1,387	1,743	1,954	2,146
EV (INR mn)	66,452	77,417	76,671	76,492
Total Debt (INR mn)	1,353	1,483	1,943	2,143
C&C Eq. (INR mn)	368	267	1,326	1,706
EPS (INR)	14.3	15.4	17.3	19.0
Gr. (%)	*(84.9)*	*8.1*	*12.1*	*9.8*
DPS (INR)	-	-	-	-
Yield (%)	-	-	-	-
RoE (%)	*32.7*	*25.3*	*19.9*	*18.1*
RoCE (%)	*33.9*	*25.0*	*20.5*	*18.6*
EV/Sales (x)	13.2	12.1	10.5	9.3
EV/EBITDA (x)	35.0	34.9	30.1	26.7
PE (x)	47.2	43.6	38.9	35.4
P/BV (x)	13.3	8.6	7.1	5.9

Phase-1 of pCAM to commission by April'27

Quick Pointers

- Management expect PFN EBITDA to grow by ~15% in FY27 and FY28
- EBITDAM guidance of 37% in FY27

Sudeep Pharma reported consolidated revenue of Rs1.8bn in Q4FY26, registering growth of 16% YoY and 6% QoQ, while FY26 revenue increased 28% YoY to Rs6.4bn. The Specialty Ingredients (SI) segment reported revenue growth of 105% YoY and 26% QoQ, driven by higher demand across infant nutrition, medical nutrition and dietary supplements. The SI business contributed around 44% to FY26 revenue, EBIT margins remained largely stable. The Pharmaceutical, Food & Nutrition (PFN) segment declined 20% YoY and 9% QoQ; The management expects EBITDA growth of ~15% in the PFN business over FY27 and FY28, supported by higher capacity utilization. The company's pCAM project remains on track for Phase-1 commissioning by April'27, supported by rising global demand and China+1 sourcing opportunities.

Management has guided FY27 EBITDA margins of around 37%, while inventory levels to remain high to support customer demand and ensure raw material availability. The commissioning of the PFN expansion has been delayed due to customer validation timelines, which are expected to take around 6–12 months. The stock is currently trading at 35x FY28E EPS. We value the company at 33x FY28E EPS and maintain our 'Reduce' rating with a target price of Rs627.

Consolidated revenue increased 16%YoY/6%QoQ: Consolidated revenue stood at Rs1.8bn (16% YoY/ 6% QoQ). FY26 Revenue stood at Rs6.4bn increased by 28% YoY driven by speciality ingredients segment revenue grew by 105% YoY and 26% QoQ. Gross margin was at 65.3% (vs 62.1% in Q4FY25 and 65% in Q3FY26). Absolute Gross profit was at 1.2bn, increased 6% QoQ and 21%YoY

EBITDA increased 6%YoY/4%QoQ: EBITDA came in at Rs626mn (6% YoY/ 4% QoQ), and EBITDA margin came at 34.3% (vs 37.3% in Q4FY25 and 34.8% in Q3FY26). PAT increased to Rs485mn (10% YoY / +2% QoQ), while PAT margin remained stable at 27% (vs. 28% in Q4FY25 and 28% in Q3FY26).

Concall takeaways: (1) In Pharma, Food & Nutrition segment revenue increased 10% YoY, driven by strong demand from India and Europe**. (2)** The company was able to pass on the increase in phosphoric acid and sulfuric acid prices to customers**. (3)** Capacity utilization stood at 65–70%. **(4)** In Specialty Ingredients segment revenue contribution in FY26 44%. **(5)** Strong global traction across infant nutrition, medical nutrition and dietary supplements. **(6)** Capacity utilization stood at 35–40%. **(7)** In Specialty Ingredients segment received 51 new approvals during FY26. **(8)** In Battery materials segment Phase-1 commissioning targeted by April'27. **(9)** Commissioned 5,000–7,000mt battery-grade capacity at the existing facility, with 50% allocated for customer validation and the remaining 50% for commercial sales.

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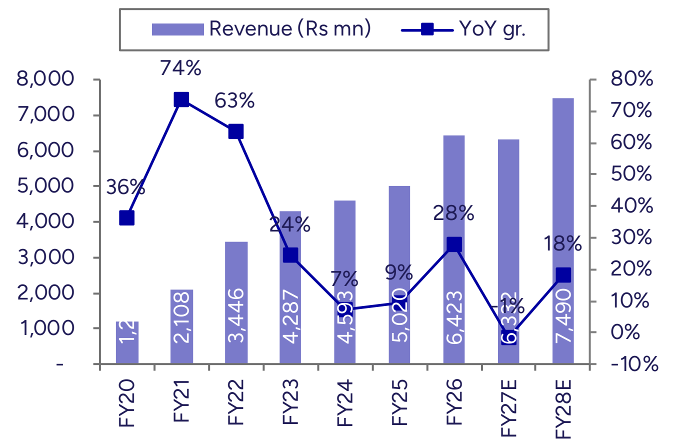
Exhibit 1 : Q4FY26 Result Overview

Y/e March	Q4FY26	Q4FY25	YoY gr. (%)	Q3FY26	QoQ gr. (%)	FY26	FY25	YoY gr. (%)
Net Sales	**1,823**	**1,575**	*16%*	**1,723**	*6%*	**6,423**	**5,020**	*28%*
Gross Profit	1,185	978	*21%*	1,121	*6%*	4,150	3,372	*23%*
Margin (%)	*65.0%*	*62.1%*		*65.1%*		*64.6%*	*67.2%*	
EBITDA	**626**	**588**	*6%*	**600**	*4%*	**2,219**	**1,900**	*17%*
Margin (%)	*34.3%*	*37.3%*		*34.8%*		*34.6%*	*37.8%*	
Other Income	64	37		68		286	93	
Depreciation	39	28	*37%*	39	*1%*	148	106	*40%*
EBIT	**651**	**597**	*9%*	**629**	*3%*	**2,357**	**1,887**	*25%*
Interest	24	18	*35%*	12	*109%*	76	58	*30%*
PBT before exceptional items	**627**	**579**	*8%*	**618**	*1%*	**2,281**	**1,829**	*25%*
Share of Profit of Associate and JV	-	-		-		-	-	
Total Tax	142	137	*4%*	141	*1%*	538	441	*22%*
ETR (%)	*23%*	*24%*		*23%*		*24%*	*24%*	
Adj. PAT	**485**	**443**	*10%*	**477**	*2%*	**1,743**	**1,387**	*26%*
Exceptional Items	-	-		-		-	-	
PAT	**485**	**443**	*10%*	**477**	*2%*	**1,743**	**1,387**	*26%*

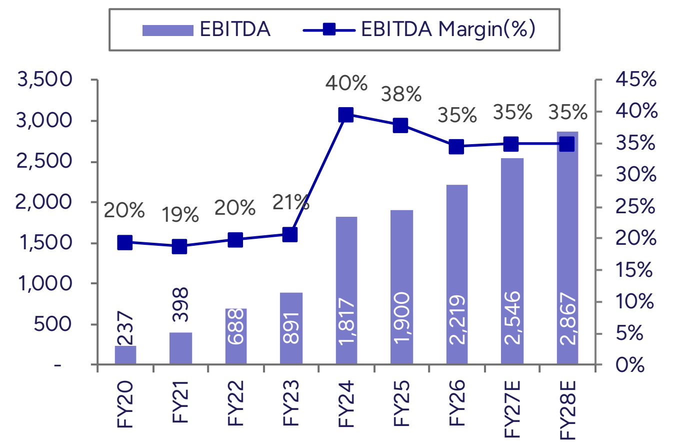
Source: Company, PL

Exhibit 2 : Revenue CAGR of 18% over FY25-28E



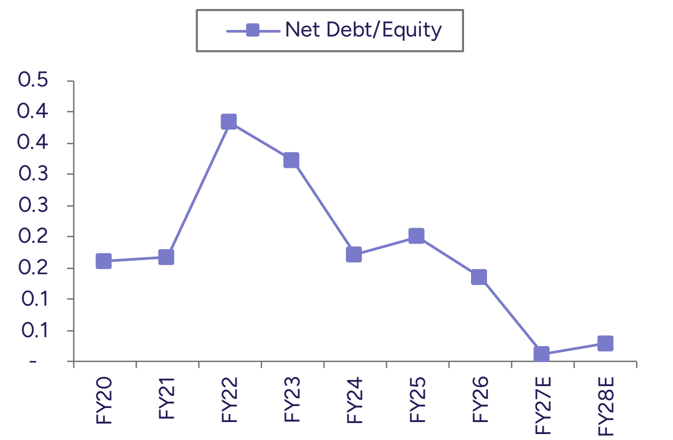
Source: Company, PL

Exhibit 3 : EBITDA margin to remain at 35% in FY28E



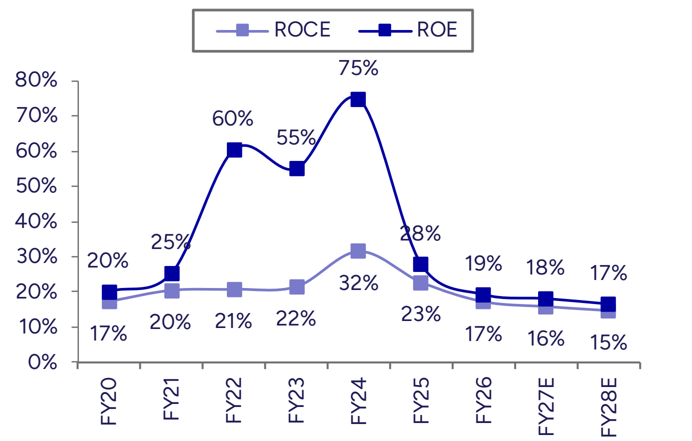
Source: Company, PL

Exhibit 4 : Net debt/Equity to decline going ahead



Source: Company, PL

Exhibit 5 : Return ratios to hover at 15%-17%



Source: Company, PL

Financials

Income Statement (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Net Revenues	**5,020**	**6,423**	**7,276**	**8,191**
YoY gr. (%)	*9.3*	*27.9*	*13.3*	*12.6*
Cost of Goods Sold	1,648	2,273	2,619	2,949
Gross Profit	3,372	4,150	4,656	5,242
Margin (%)	*67.2*	*64.6*	*64.0*	*64.0*
Employee Cost	383	519	582	655
Other Expenses	1,089	1,412	1,528	1,720
EBITDA	**1,900**	**2,219**	**2,546**	**2,867**
YoY gr. (%)	*4.6*	*16.8*	*14.8*	*12.6*
Margin (%)	*37.8*	*34.6*	*35.0*	*35.0*
Depreciation and Amortization	106	148	189	285
EBIT	**1,794**	**2,071**	**2,357**	**2,582**
Margin (%)	*35.7*	*32.2*	*32.4*	*31.5*
Net Interest	58	76	78	86
Other Income	93	286	291	328
Profit Before Tax	**1,829**	**2,281**	**2,571**	**2,824**
Margin (%)	*36.4*	*35.5*	*35.3*	*34.5*
Total Tax	441	538	617	678
Effective Tax Rate (%)	*24.1*	*23.6*	*24.0*	*24.0*
Profit After Tax	**1,387**	**1,743**	**1,954**	**2,146**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**1,387**	**1,743**	**1,954**	**2,146**
YoY gr. (%)	*4.2*	*25.6*	*12.1*	*9.8*
Margin (%)	*27.6*	*27.1*	*26.9*	*26.2*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**1,387**	**1,743**	**1,954**	**2,146**
YoY gr. (%)	*4.2*	*25.6*	*12.1*	*9.8*
Margin (%)	*27.6*	*27.1*	*26.9*	*26.2*
Other Comprehensive Income	(16)	(12)	-	-
Total Comprehensive Income	1,371	1,731	1,954	2,146
Equity Shares O/s (mn)	**97**	**113**	**113**	**113**
EPS (INR)	**14.3**	**15.4**	**17.3**	**19.0**

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Non-Current Assets				
Gross Block	**2,017**	**2,635**	**4,135**	**5,635**
Tangibles	2,017	2,635	4,135	5,635
Intangibles	-	-	-	-
Acc: Dep / Amortization	**247**	**395**	**584**	**869**
Tangibles	247	395	584	869
Intangibles	-	-	-	-
Net Fixed Assets	**1,771**	**2,240**	**3,551**	**4,766**
Tangibles	1,771	2,240	3,551	4,766
Intangibles	-	-	-	-
Capital Work In Progress	884	1,852	1,852	1,852
Goodwill	-	682	-	-
Non-Current Investments	42	195	221	248
Net Deferred Tax Assets	(40)	(55)	(67)	(81)
Other Non-Current Assets	210	501	567	639
Current Assets				
Investments	1	-	-	-
Inventories	1,287	2,160	1,866	2,100
Trade Receivables	1,854	2,275	2,686	3,024
Cash & Bank Balance	368	267	1,326	1,706
Other Current Assets	629	1,481	1,677	1,888
Total Assets	**7,172**	**11,749**	**13,848**	**16,333**
Equity				
Equity Share Capital	97	113	113	113
Other Equity	4,834	8,720	10,674	12,820
Total Networth	**4,931**	**8,833**	**10,787**	**12,933**
Non-Current Liabilities				
Long Term Borrowings	396	343	343	343
Provisions	18	-	-	-
Other Non Current Liabilities	17	311	15	17
Current Liabilities				
ST Debt / Current of LT Debt	957	1,140	1,600	1,800
Trade Payables	605	684	775	873
Other Current Liabilities	186	195	221	247
Total Equity & Liabilities	**7,172**	**11,748**	**13,848**	**16,333**

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	1,829	2,281	2,571	2,824
Add. Depreciation	106	148	189	285
Add. Interest	58	76	78	86
Less Financial Other Income	93	286	291	328
Add. Other	(10)	(134)	-	-
Op. Profit before WC Changes	1,983	2,371	2,838	3,194
Net Changes-WC	(1,090)	(1,121)	(285)	(754)
Direct Tax	(406)	(555)	(617)	(678)
Net Cash from Op. Activities	**487**	**696**	**1,935**	**1,763**
Capital Expenditures	(639)	(854)	(1,500)	(1,500)
Interest / Dividend Income	1	34	-	-
Others	(150)	(2,489)	-	-
Net Cash from Invt. Activities	**(788)**	**(3,309)**	**(1,500)**	**(1,500)**
Issue of Share Cap. / Premium	380	70	-	-
Debt Changes	(86)	(103)	-	-
Dividend Paid	-	2,483	-	-
Interest Paid	(54)	(113)	(78)	(86)
Others	287	136	463	203
Net Cash from Fin. Activities	**527**	**2,473**	**385**	**117**
Net Change in Cash	**227**	**(141)**	**820**	**380**
Free Cash Flow	(155)	(158)	435	263

Source: Company, PL

Quarterly Financials (INR mn)

Y/e Mar	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Net Revenues	**1,249**	**1,627**	**1,723**	**1,823**
YoY gr. (%)	*55.9*	*9.3*	*49.2*	*15.7*
Raw Material Expenses	423	609	602	639
Gross Profit	826	1,017	1,121	1,185
Margin (%)	*66.1*	*62.5*	*65.1*	*65.0*
EBITDA	**439**	**555**	**600**	**626**
YoY gr. (%)	*54.5*	*(12.6)*	*52.6*	*6.4*
Margin (%)	*35.1*	*34.1*	*34.8*	*34.3*
Depreciation / Depletion	33	38	39	39
EBIT	**406**	**517**	**561**	**587**
Margin (%)	*32.5*	*31.8*	*32.6*	*32.2*
Net Interest	17	23	12	24
Other Income	52	102	68	64
Profit before Tax	**441**	**595**	**618**	**627**
Margin (%)	*35.3*	*36.6*	*35.8*	*34.4*
Total Tax	128	128	141	142
Effective Tax Rate (%)	*29.0*	*21.4*	*22.8*	*22.6*
Profit After Tax	**313**	**468**	**477**	**485**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**313**	**468**	**477**	**485**
YoY gr. (%)	*83.0*	*(4.0)*	*66.1*	*9.7*
Margin (%)	*25.0*	*28.8*	*27.7*	*26.6*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**313**	**468**	**477**	**485**
YoY gr. (%)	*83.0*	*(4.0)*	*66.1*	*9.7*
Margin (%)	*25.0*	*28.8*	*27.7*	*26.6*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**313**	**468**	**477**	**485**
Avg. Shares O/s (mn)	97	97	113	113
EPS (INR)	**3.2**	**4.8**	**4.2**	**4.3**

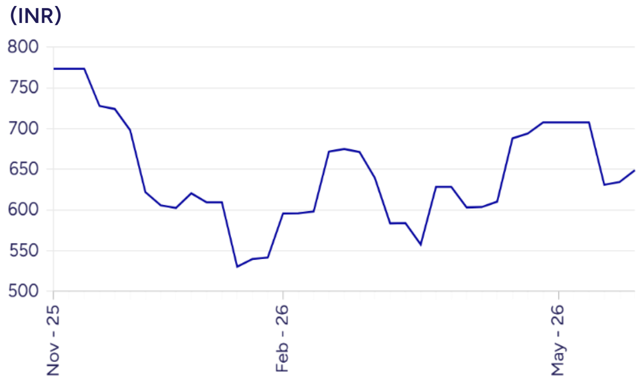
Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Per Share (INR)				
EPS	14.3	15.4	17.3	19.0
CEPS	15.4	16.7	19.0	21.5
BVPS	50.7	78.2	95.5	114.5
FCF	(1.6)	(1.4)	3.9	2.3
DPS	-	-	-	-
Return Ratio (%)				
RoCE	33.9	25.0	20.5	18.6
ROIC	27.0	19.8	16.7	15.8
RoE	32.7	25.3	19.9	18.1
Balance Sheet				
Net Debt : Equity (x)	0.2	0.1	0.1	-
Net Working Capital (Days)	184	213	189	189
Valuation (x)				
PER	47.1	43.6	38.9	35.4
P/B	13.2	8.6	7.0	5.8
P/CEPS	43.8	40.2	35.4	31.2
EV/EBITDA	34.9	34.8	30.1	26.6
EV/Sales	13.2	12.0	10.5	9.3
Dividend Yield (%)	-	-	-	-
FCFF Yield (%)	-	-	0.5	0.3
PEG Ratio	-	5.3	3.2	3.6

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	24-Apr-26	Reduce	638	682

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Aarti Industries	Accumulate	529	488
2	Bharat Petroleum Corporation	Accumulate	325	294
3	Bharti Airtel	BUY	2226	1884
4	Clean Science and Technology	Hold	846	818
5	Deepak Nitrite	REDUCE	1495	1749
6	Fine Organic Industries	BUY	5353	4607
7	GAIL (India)	Buy	170	145
8	Gujarat Fluorochemicals	HOLD	3316	3330
9	Gujarat Gas	Accumulate	342	313
10	Gujarat State Petronet	Hold	242	236
11	Hindustan Petroleum Corporation	Accumulate	427	390
12	Indian Oil Corporation	Accumulate	145	135
13	Indraprastha Gas	Buy	181	157
14	Jubilant Ingrevia	HOLD	657	635
15	Laxmi Organic Industries	REDUCE	116	125
16	Mahanagar Gas	Accumulate	1302	1174
17	Mangalore Refinery & Petrochemicals	Sell	143	186
18	Navin Fluorine International	Accumulate	7297	6759
19	NOCIL	HOLD	176	182
20	Oil & Natural Gas Corporation	Accumulate	309	287
21	Oil India	Accumulate	550	507
22	Petronet LNG	Accumulate	310	283
23	Reliance Industries	BUY	1635	1328
24	SRF	REDUCE	2579	2720
25	Sudeep Pharma	Reduce	638	682
26	Vinati Organics	Accumulate	1475	1288

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

ANALYST CERTIFICATION

Indian Clients

We/I Mr. Swarnendu Bhushan IIT, MBA Finance, Mr. Saurabh Ahire MBA, Passed CFA Level II, Mr. Tejas Kadam BCom Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

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