

Zydus Lifesciences (ZYDUSLIF IN)

**Q4FY26 Result
Update**

May 20, 2026

 Estimate Change | Target | Reco.

Change in Estimates

| | Current | | Previous | |
|-----------------|------------|---------|------------|---------|
| | FY27E | FY28E | FY27E | FY28E |
| Rating | Accumulate | | Accumulate | |
| Target Price | 1,080 | | 1,020 | |
| Sales (INR mn) | 304,363 | 322,730 | 285,870 | 305,497 |
| % Chng. | 6.5 | 5.6 | | |
| EBITDA (INR mn) | 74,661 | 79,489 | 73,777 | 78,492 |
| % Chng. | 1.2 | 1.3 | | |
| EPS (INR) | 42.9 | 46.6 | 43.4 | 47.0 |
| % Chng. | (1.2) | (0.9) | | |

| Key Data | ZYDU.BO ZYDUSLIF IN |
|---------------------|-----------------------------|
| BSE Code | 532321 |
| NSE Code | CADILAHC |
| 52-W High / Low | INR 1,059 / INR 835 |
| Face Value | 1 |
| Sensex / Nifty | 75,201 / 23,618 |
| Market Cap | INR 1,025 bn / \$ 10,621 mn |
| Shares Outstanding | 1006.23 mn |
| 3M Avg. Daily Value | INR 767.60 mn |

Shareholding Pattern (%)

| | |
|----------------------------|------|
| Promoters | 75 |
| FII's | 6.95 |
| Mutual Funds | 4.88 |
| Domestic Institutions | 6.32 |
| Public & Others | 6.86 |
| Promoter's Pledge (INR bn) | - |

Stock Performance (%)

| | 1M | 3M | 6M | 12M |
|----------|------|------|------|------|
| Absolute | 7.9 | 12.9 | 9.5 | 11.8 |
| Relative | 12.7 | 23.9 | 24.1 | 22.0 |

Key Financials - Consolidated

| Y/e Mar | FY25 | FY26 | FY27E | FY28E |
|---------------------|-----------|-----------|-----------|-----------|
| Sales (INR mn) | 232,439 | 271,484 | 304,363 | 322,730 |
| EBITDA (INR mn) | 68,975 | 71,946 | 74,661 | 79,489 |
| Margin (%) | 29.7 | 26.5 | 24.5 | 24.6 |
| PAT (INR mn) | 45,279 | 50,400 | 43,216 | 46,907 |
| EV (INR mn) | 1,051,193 | 1,153,250 | 1,122,039 | 1,090,212 |
| Total Debt (INR mn) | 31,695 | 117,695 | 112,695 | 102,695 |
| C&C Eq. (INR mn) | 29,568 | 14,166 | 40,377 | 62,205 |
| EPS (INR) | 45.0 | 50.1 | 43.0 | 46.6 |
| Gr. (%) | 18.0 | 11.3 | (14.3) | 8.5 |
| DPS (INR) | 11.0 | 1.0 | 2.0 | 2.0 |
| Yield (%) | 1.1 | 0.1 | 0.2 | 0.2 |
| RoE (%) | 20.7 | 19.7 | 14.8 | 14.0 |
| RoCE (%) | 25.1 | 17.5 | 13.7 | 13.4 |
| EV/Sales (x) | 4.5 | 4.2 | 3.7 | 3.4 |
| EV/EBITDA (x) | 15.2 | 16.0 | 15.0 | 13.7 |
| PE (x) | 22.6 | 20.3 | 23.7 | 21.9 |
| P/BV (x) | 4.3 | 3.8 | 3.3 | 2.9 |

Strong FY27 guidance

Quick Pointers

- EBITDA margin guidance of ~24% in FY27E
- Revenue growth guidance at high teens in FY27

Zydus Lifesciences (ZYDUSLIF) Q4 EBITDA was sharply above our estimates aided by higher revenues across key markets. We believe base business remains steady with mild erosion. Though, company is working on a robust pipeline of complex products, including injectables, 505(b)2, transdermals, NCE, biosimilars and vaccines, they are expected to materialize over the next 2–3 years. We expect US sales to remain largely flat over FY26-28E given sales erosion in some of key products and thereby expect flat EPS CAGR adjusted for forex over FY26-28E. Mgmt have guided for 2-3 high value launches over FY27E/28E, timely launch will be key to sustaining momentum in US sales. Our FY27/28E EPS broadly remain unchanged. We maintain our 'Accumulate' rating with TP of INR 1,080, valuing at 23x FY28E EPS.

Healthy YoY growth across geographies: ZYDUSLIF showed revenue growth of 16% YoY to INR 76bn, 10% above our estimate. The YoY growth was aided by higher US sales, MedTech and Comfort click consolidation. Domestic formulation delivered growth of ~14% YoY. Consumer business grew by 61% YoY. There was full quarter of Comfort click consolidation performance. Mgmt cited adj for comfort click volume growth was at double digit. US sales came in at USD 323mn up 2.5% QoQ. We est USD 300mn. EM markets were up by 51% YoY to INR 7.3bn. API revenues remained flat YoY. Medtech business reported revenues of INR 3.3bn; up 10% QoQ.

Higher R&D impacted EBITDA YoY: EBITDA, including other operating income, came in at higher INR 19.1bn; down 12% YoY, above our estimates. OPM stood at 25.7%, down 800bps YoY. GMs were flat YoY and 70bps QoQ to ~74%. R&D expenses came in higher at INR 6.9bn (9.2% of revenue), up 45.5% YoY. Other expenses ex R&D were up 45% YoY and 8% QoQ given new business consolidation. Other operating income came at INR 1.5bn. There was forex gain of INR 6.4bn. Tax rate stood lower at 15.5%. Reported PAT of INR 12.7bn. EPS adj for forex and one offs at INR 10/share.

Quarter Summary

| Y/e Mar | Q4'26E | Q4'26A | % Var. | Q4'25A | YoY gr. (%) |
|--------------------|--------|--------|--------|--------|-------------|
| Net Sales (INR mn) | 68,880 | 75,870 | 10.1 | 65,279 | 16.2 |
| EBITDA (INR mn) | 16,674 | 19,095 | 14.5 | 21,649 | -11.8 |
| Margin (%) | 24.2 | 25.2 | 96 bps | 33.2 | -800 bps |
| PAT (INR mn) | 8,733 | 12,725 | 45.7 | 11,709 | 8.7 |

Source: Company, PL

Key Conference Call Highlights:

India formulation:

- Key therapies including cardiology, respiratory, dermatology, oncology and nephrology outperformed market growth.
- Chronic portfolio contribution improved to 46.3%, up 620bps over last 3 years.
- Retained leadership position in oncology super-specialty segment.
- Launched world's first biosimilar bNivolumab in India. Launched Anyra, indigenously developed biosimilar of bAflibercept 2mg.
- Initiated Phase-3 trial for second biosimilar ADC in India.
- No immediate requirement for additional MR expansion.
- Management confident of sustaining strong double-digit India growth over next 2–3 years.

Medtech business:

- Expanded into nephrology and cardiovascular devices through Amplitude acquisition.
- Setting up high-end dialyzer membrane facility for nephrology business.
- Amplitude business currently operates at 20%+ EBITDA margin.

Consumer health:

- Comfort Click aided performance. EPS accretive in Q4FY26.

GLP – 1:

- Partnered with Lupin & Torrent for co-marketing Semaglyn, Mashema and Alterme semaglutide injections.
- Mgmt cited differentiated pen device and assured supply as key strength

US markets:

- Base US business continued healthy volume-led growth; Q4 benefited from normalisation post Q3 destocking.
- Higher gMirabegron market share gains aided QoQ performance with zero gRevlimid contribution in Q4.
- Filed 3 ANDAs and launched 6 new products in Q4FY26.
- Signed definitive agreement to acquire Assertio Holdings for USD166mn, strengthening US specialty and oncology supportive-care presence.
- Assertio acquisition to create high-margin US oncology specialty platform.
- Management expects Assertio acquisition to be EBITDA accretive.
- Rolvedon currently holds ~4% market share.
- Guided for single-digit US business growth in FY27E despite high base.

Specialty & 505b(2)

- Filed 2 new product dossiers through 505(b)(2) route in the US.
- Launched Zycubo (copper histidinate) for Menkes disease during the quarter.
- 505(b)(2) portfolio scaling up through sitagliptin franchise, oncology supportive care and Liqmeds portfolio.
- Ranibizumab launch expected by end-FY27E.
- Specialty business scale-up expected to accelerate meaningfully from FY28E onwards.
- Saroglitazar commercialization preparations underway including hiring and pre-launch activities.
- Company may explore Europe/ROW partnerships later for the same.

International markets:

- International business growth driven by both Emerging Markets and Europe.
- Continued strengthening portfolio breadth and market presence in Europe.
- Desidustat received approval in China for renal anemia, marking entry into the world's second-largest pharma market.
- China launch expected in Q2FY27E through partner China Medical Systems.
- Management expects strong momentum in international business to continue in FY27E.

Others:

- Q4FY26 capex stood at INR 3.6bn.
- Net debt stood at INR 43bn at FY26-end.
- Board approved buyback of up to INR 11bn at INR 1,150/share (16% premium to CMP)
- FY26 R&D mix: ~50% generics and remaining towards NCEs, biologics and vaccines.
- FY27E R&D spend guided at ~8% of revenue with indication of higher investment towards NCEs and biologics.
- Q4 depreciation was higher due to capitalisation of Mirabegron settlement.

Exhibit 1 : Strong beat aided by higher US sales

| Y/e March (INR mn) | Q4FY26 | Q4FY25 | YoY gr. (%) | Q4FY26E | % Var | Q3FY26 | QoQ gr. (%) | FY26 | FY25 | YoY gr. (%) |
|-----------------------|---------------|---------------|---------------|---------------|-------------|---------------|-------------|---------------|---------------|--------------|
| Net Sales | 75,870 | 65,279 | 16.2 | 68,880 | 10.1 | 68,645 | 10.5 | 2,71,484 | 2,32,415 | 16.8 |
| Raw Material | 19,763 | 16,971 | 16.5 | 23,239 | (15.0) | 18,363 | 7.6 | 72,926 | 63,380 | 15.1 |
| % of Net Sales | 26.0 | 26.0 | | 33.7 | | 26.8 | | 26.9 | 27.3 | |
| Personnel Cost | 12,388 | 9,714 | 27.5 | 9,432 | 31.3 | 11,397 | 8.7 | 44,179 | 36,806 | 20.0 |
| % of Net Sales | 16.3 | 14.9 | | 13.7 | | 16.6 | (1.7) | 16.3 | 15.8 | |
| Others | 24,624 | 16,945 | 45.3 | 19,535 | 26.1 | 22,365 | 10.1 | 82,433 | 63,278 | 30.3 |
| % of Net Sales | 32.5 | 26.0 | | 28.4 | | 32.6 | | 30.4 | 27.2 | |
| Total Expenditure | 56,775 | 43,630 | 30.1 | 52,206 | 8.8 | 52,125 | 8.9 | 1,99,538 | 1,63,464 | 22.1 |
| EBITDA | 19,095 | 21,649 | (11.8) | 16,674 | 14.5 | 16,520 | 15.6 | 71,946 | 68,951 | 4.3 |
| Margin (%) | 25.2 | 33.2 | | 24.2 | | 24.1 | | 26.5 | 29.7 | |
| Depreciation | 5,084 | 2,379 | 113.7 | 3,586 | 41.8 | 3,596 | 41.4 | 14,080 | 9,158 | 53.7 |
| EBIT | 14,011 | 19,270 | (27.3) | 13,088 | 7.1 | 12,924 | 8.4 | 57,866 | 59,793 | (3.2) |
| Other Income | 7,791 | 412 | 1,791.0 | 1,047 | 644.1 | 2,758 | 182.5 | 17,900 | 4,329 | 313.5 |
| Interest | 1,230 | 766 | 60.6 | 1,341 | (8.3) | 1,299 | (5.3) | 4,389 | 1,659 | 164.6 |
| PBT | 20,572 | 18,916 | 8.8 | 12,794 | 60.8 | 14,383 | 43.0 | 71,377 | 62,463 | 14.3 |
| Extra-Ord. Inc./Exps. | 3,975 | 2,196 | 81.0 | - | #DIV/0! | 849 | 368.2 | 5,166 | 2,196 | 135.2 |
| Total Taxes | 3,184 | 4,232 | (24.8) | 3,137 | 1.5 | 3,883 | (18.0) | 15,947 | 14,119 | 12.9 |
| ETR (%) | 15.5 | 22.4 | | 24.5 | | 27.0 | | 22.3 | 22.6 | |
| Minority interest | (688) | (779) | | (924) | (25.5) | 770 | | 136 | (893) | |
| Reported PAT | 12,725 | 11,709 | 8.7 | 8,733 | 45.7 | 10,421 | 22.1 | 50,400 | 45,255 | 11.4 |

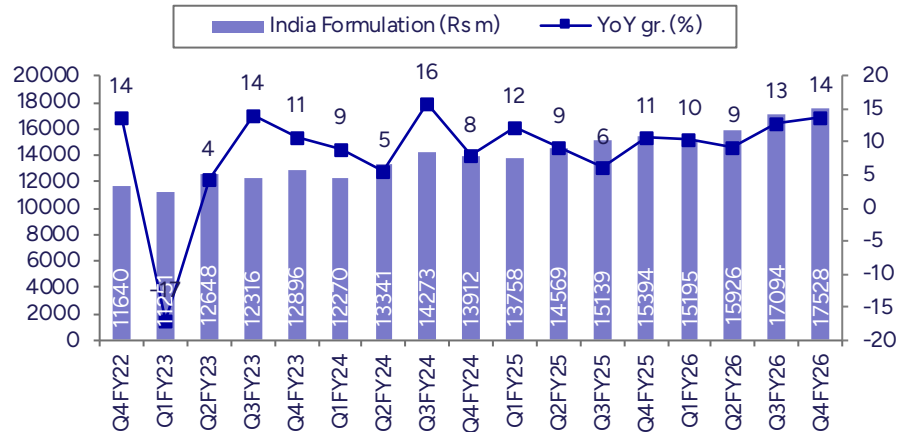
Source: Company, PL

Exhibit 2 : Domestic formulation and US supports growth YoY

| Major Sources of Revenues | Q4FY26 | Q4FY25 | YoY gr. (%) | Q3FY26 | QoQ gr. (%) | FY26 | FY25 | YoY gr. (%) |
|---------------------------|---------------|---------------|-------------|---------------|-------------|-----------------|-----------------|-------------|
| Domestic | 32,161 | 24,475 | 31.4 | 26,672 | 20.6 | 1,04,877 | 85,670 | 22.4 |
| % of Net Sales | 43.3% | 38.9% | | 39.3% | | 39.3% | 37.9% | |
| Formulation | 17,528 | 15,394 | 13.9 | 17,094 | 2.5 | 65,743 | 58,860 | 11.7 |
| % of Net Sales | 23.6% | 24.5% | | 25.2% | | 24.6% | 26.1% | |
| Consumer HC & Others | 14,633 | 9,081 | 61.1 | 9,578 | 52.8 | 39,134 | 26,810 | 46.0 |
| % of Net Sales | 19.7% | 14.4% | | 14.1% | | 14.6% | 11.9% | |
| Exports | 38,908 | 38,427 | 1.3 | 38,136 | 2.0 | 1,54,517 | 1,40,061 | 10.3 |
| % of Net Sales | 52.3% | 61.1% | | 56.2% | | 57.8% | 62.0% | |
| Formulation | 37,564 | 36,854 | 1.9 | 35,924 | 4.6 | 1,47,520 | 1,32,447 | 11.4 |
| % of Net Sales | 50.5% | 58.6% | | 53.0% | | 55.2% | 58.7% | |
| North America | 29,523 | 31,307 | (5.7) | 28,043 | 5.3 | 1,16,820 | 1,10,500 | 5.7 |
| EU & LATAM | 8,041 | 5,547 | 45.0 | 7,881 | 2.0 | 30,700 | 21,947 | 39.9 |
| API | 1,219 | 1,290 | (5.5) | 2,143 | (43.1) | 6,409 | 5,602 | 14.4 |
| JV | 125 | 283 | (55.8) | 69 | 81.2 | 588 | 2,012 | (70.8) |
| MedTech | 3,275 | 17 | | 2,996 | | 7,803 | 24 | |
| Total | 74,344 | 62,919 | 18.2 | 67,804 | 9.6 | 2,67,197 | 2,25,755 | 18.4 |

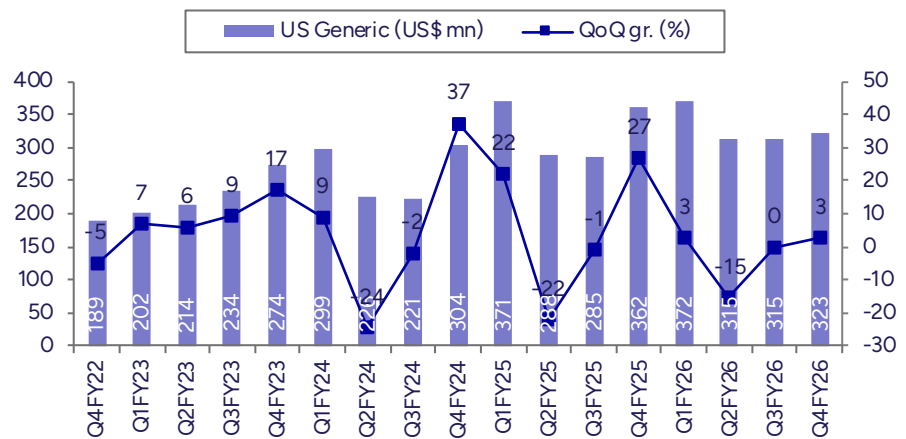
Source: Company, PL

Exhibit 3 : Key therapies outperform; Chronic contribution at 46.3%



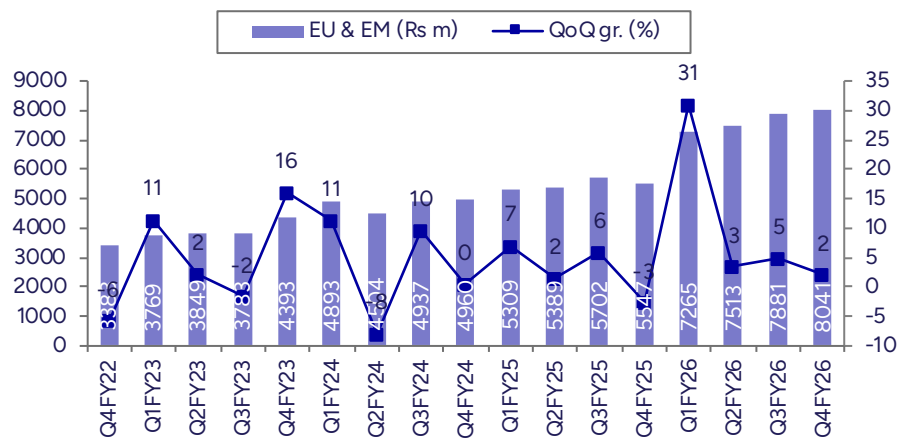
Source: Company, PL

Exhibit 4 : Momentum led by base business and new launches



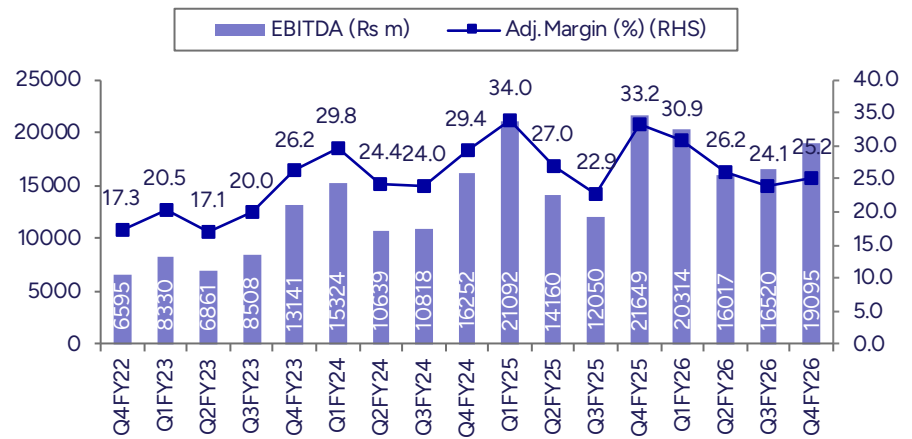
Source: Company, PL

Exhibit 5 : Strong growth across geographies YoY



Source: Company, PL

Exhibit 6 : Higher opex impacted EBITDA YoY



Source: PL, Company

Financials

Income Statement (INR mn)

| Y/e Mar | FY25 | FY26 | FY27E | FY28E |
|-------------------------------|----------------|----------------|----------------|----------------|
| Net Revenues | 232,439 | 271,484 | 304,363 | 322,730 |
| YoY gr. (%) | 18.9 | 16.8 | 12.1 | 6.0 |
| Cost of Goods Sold | 63,380 | 72,926 | 86,856 | 91,767 |
| Gross Profit | 169,059 | 198,558 | 217,507 | 230,963 |
| Margin (%) | 72.7 | 73.1 | 71.5 | 71.6 |
| Employee Cost | 36,806 | 44,179 | 51,689 | 56,341 |
| Other Expenses | 14,024 | 17,521 | 19,013 | 20,114 |
| EBITDA | 68,975 | 71,946 | 74,661 | 79,489 |
| YoY gr. (%) | 30.1 | 4.3 | 3.8 | 6.5 |
| Margin (%) | 29.7 | 26.5 | 24.5 | 24.6 |
| Depreciation and Amortization | 9,158 | 14,080 | 19,066 | 20,400 |
| EBIT | 59,817 | 57,866 | 55,596 | 59,089 |
| Margin (%) | 25.7 | 21.3 | 18.3 | 18.3 |
| Net Interest | 1,659 | 4,389 | 3,800 | 2,800 |
| Other Income | 4,329 | 17,900 | 5,000 | 5,500 |
| Profit Before Tax | 60,291 | 66,211 | 56,796 | 61,789 |
| Margin (%) | 25.9 | 24.4 | 18.7 | 19.1 |
| Total Tax | 14,119 | 15,947 | 13,679 | 14,882 |
| Effective Tax Rate (%) | 23.4 | 24.1 | 24.1 | 24.1 |
| Profit After Tax | 46,172 | 50,264 | 43,116 | 46,907 |
| Minority Interest | 1,471 | 835 | 900 | 1,000 |
| Share Profit from Associate | 578 | 971 | 1,000 | 1,000 |
| Adjusted PAT | 45,279 | 50,400 | 43,216 | 46,907 |
| YoY gr. (%) | 18.0 | 11.3 | (14.3) | 8.5 |
| Margin (%) | 19.5 | 18.6 | 14.2 | 14.5 |
| Extra Ord. Income / (Exp) | - | - | - | - |
| Reported PAT | 45,279 | 50,400 | 43,216 | 46,907 |
| YoY gr. (%) | 18.0 | 11.3 | (14.3) | 8.5 |
| Margin (%) | 19.5 | 18.6 | 14.2 | 14.5 |
| Other Comprehensive Income | - | - | - | - |
| Total Comprehensive Income | 45,279 | 50,400 | 43,216 | 46,907 |
| Equity Shares O/s (mn) | 1,006 | 1,006 | 1,006 | 1,006 |
| EPS (INR) | 45.0 | 50.1 | 43.0 | 46.6 |

Source: Company, PL

Balance Sheet (INR mn)

| Y/e Mar | FY25 | FY26 | FY27E | FY28E |
|---------------------------------------|----------------|----------------|----------------|----------------|
| Non-Current Assets | | | | |
| Gross Block | 227,884 | 363,273 | 383,273 | 408,273 |
| Tangibles | 116,871 | 186,306 | 196,563 | 209,385 |
| Intangibles | 111,013 | 176,967 | 186,710 | 198,888 |
| Acc: Dep / Amortization | 82,807 | 96,887 | 115,953 | 136,353 |
| Tangibles | 57,577 | 67,367 | 80,624 | 94,808 |
| Intangibles | 25,230 | 29,520 | 35,329 | 41,544 |
| Net Fixed Assets | 145,077 | 266,386 | 267,320 | 271,920 |
| Tangibles | 59,294 | 118,939 | 115,939 | 114,576 |
| Intangibles | 85,783 | 147,447 | 151,381 | 157,344 |
| Capital Work In Progress | 13,179 | 11,657 | 11,657 | 11,657 |
| Goodwill | - | - | - | - |
| Non-Current Investments | 64,078 | 75,399 | 75,399 | 75,399 |
| Net Deferred Tax Assets | 18,312 | 3,746 | 3,746 | 3,746 |
| Other Non-Current Assets | - | - | - | - |
| Current Assets | | | | |
| Investments | - | - | - | - |
| Inventories | 39,440 | 56,281 | 58,346 | 61,878 |
| Trade Receivables | 40,247 | 54,157 | 61,663 | 65,396 |
| Cash & Bank Balance | 29,568 | 14,166 | 40,377 | 62,205 |
| Other Current Assets | - | - | - | - |
| Total Assets | 348,579 | 502,980 | 542,190 | 578,626 |
| Equity | | | | |
| Equity Share Capital | 1,006 | 1,006 | 1,006 | 1,006 |
| Other Equity | 238,525 | 270,108 | 310,818 | 355,320 |
| Total Networth | 239,531 | 271,114 | 311,824 | 356,326 |
| Non-Current Liabilities | | | | |
| Long Term Borrowings | - | 31,880 | 31,880 | 31,880 |
| Provisions | 8,353 | 9,238 | 9,238 | 9,238 |
| Other Non Current Liabilities | - | - | - | - |
| Current Liabilities | | | | |
| ST Debt / Current of LT Debt | 31,695 | 85,815 | 80,815 | 70,815 |
| Trade Payables | 23,058 | 28,451 | 31,951 | 33,885 |
| Other Current Liabilities | 40,201 | 55,520 | 55,520 | 55,520 |
| Total Equity & Liabilities | 348,579 | 502,980 | 542,190 | 578,626 |

Source: Company, PL

Cash Flow (INR mn)

| Y/e Mar | FY25 | FY26 | FY27E | FY28E |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|
| PBT | 71,670 | 77,041 | 79,661 | 84,989 |
| Add. Depreciation | 9,158 | 14,080 | 19,066 | 20,400 |
| Add. Interest | 1,659 | 4,389 | 3,800 | 2,800 |
| Less Financial Other Income | 4,329 | 17,900 | 5,000 | 5,500 |
| Add. Other | (11,992) | (32,197) | (22,866) | (23,200) |
| Op. Profit before WC Changes | 70,495 | 63,313 | 79,661 | 84,989 |
| Net Changes-WC | 15,315 | (26,237) | (6,071) | (5,331) |
| Direct Tax | (18,019) | (15,910) | (13,679) | (14,882) |
| Net Cash from Op. Activities | 67,791 | 21,166 | 59,911 | 64,776 |
| Capital Expenditures | (20,816) | (92,733) | (20,000) | (25,000) |
| Interest / Dividend Income | - | - | - | - |
| Others | (45,336) | 6,839 | - | - |
| Net Cash from Inv. Activities | (66,152) | (85,894) | (20,000) | (25,000) |
| Issue of Share Cap. / Premium | - | - | - | - |
| Debt Changes | 25,601 | 64,979 | (7,493) | (12,743) |
| Dividend Paid | (3,025) | (11,063) | (2,406) | (2,406) |
| Interest Paid | (1,659) | (4,389) | (3,800) | (2,800) |
| Others | (4,039) | (201) | - | - |
| Net Cash from Fin. Activities | 16,878 | 49,326 | (13,699) | (17,949) |
| Net Change in Cash | 18,517 | (15,402) | 26,211 | 21,827 |
| Free Cash Flow | 50,665 | (5,549) | 39,911 | 39,776 |

Source: Company, PL

Quarterly Financials (INR mn)

| Y/e Mar | Q1FY26 | Q2FY26 | Q3FY26 | Q4FY26 |
|-----------------------------------|---------------|---------------|---------------|---------------|
| Net Revenues | 65,737 | 61,232 | 68,645 | 75,870 |
| YoY gr. (%) | 5.9 | 16.9 | 30.3 | 16.2 |
| Raw Material Expenses | 17,895 | 16,905 | 18,363 | 19,763 |
| Gross Profit | 47,842 | 44,327 | 50,282 | 56,107 |
| Margin (%) | 72.8 | 72.4 | 73.2 | 74.0 |
| EBITDA | 20,314 | 16,017 | 16,520 | 19,095 |
| YoY gr. (%) | (3.7) | 13.1 | 37.1 | (11.8) |
| Margin (%) | 30.9 | 26.2 | 24.1 | 25.2 |
| Depreciation / Depletion | 2,381 | 3,019 | 3,596 | 5,084 |
| EBIT | 17,933 | 12,998 | 12,924 | 14,011 |
| Margin (%) | 27.3 | 21.2 | 18.8 | 18.5 |
| Net Interest | 847 | 1,013 | 1,299 | 1,230 |
| Other Income | 2,120 | 5,231 | 2,758 | 7,791 |
| Profit before Tax | 19,206 | 17,216 | 14,383 | 20,572 |
| Margin (%) | 29.2 | 28.1 | 21.0 | 27.1 |
| Total Tax | 4,340 | 4,540 | 3,883 | 3,184 |
| Effective Tax Rate (%) | 22.6 | 26.4 | 27.0 | 15.5 |
| Profit After Tax | 14,866 | 12,676 | 10,500 | 17,388 |
| Minority Interest | 198 | (252) | (770) | 688 |
| Share Profit from Associate | - | - | - | - |
| Adjusted PAT | 14,668 | 12,586 | 10,421 | 12,725 |
| YoY gr. (%) | 3.3 | 38.2 | 1.8 | 8.7 |
| Margin (%) | 22.3 | 20.6 | 15.2 | 16.8 |
| Extra Ord. Income / (Exp) | - | - | - | - |
| Reported PAT | 14,668 | 12,586 | 10,421 | 12,725 |
| YoY gr. (%) | 3.3 | 38.2 | 1.8 | 8.7 |
| Margin (%) | 22.3 | 20.6 | 15.2 | 16.8 |
| Other Comprehensive Income | - | - | - | - |
| Total Comprehensive Income | 14,668 | 12,586 | 10,421 | 12,725 |
| Avg. Shares O/s (mn) | 1,025 | 1,025 | 1,025 | 1,025 |
| EPS (INR) | 14.3 | 12.3 | 10.2 | 12.4 |

Source: Company, PL

Key Financial Metrics

| Y/e Mar | FY25 | FY26 | FY27E | FY28E |
|----------------------------|-------|-------|-------|-------|
| Per Share (INR) | | | | |
| EPS | 45.0 | 50.1 | 43.0 | 46.6 |
| CEPS | 54.1 | 64.1 | 61.9 | 66.9 |
| BVPS | 238.1 | 269.5 | 310.0 | 354.2 |
| FCF | 50.4 | (5.5) | 39.7 | 39.5 |
| DPS | 11.0 | 1.0 | 2.0 | 2.0 |
| Return Ratio (%) | | | | |
| RoCE | 25.1 | 17.5 | 13.7 | 13.4 |
| ROIC | 18.8 | 11.8 | 11.1 | 11.4 |
| RoE | 20.7 | 19.7 | 14.8 | 14.0 |
| Balance Sheet | | | | |
| Net Debt : Equity (x) | - | 0.4 | 0.2 | 0.1 |
| Net Working Capital (Days) | 89 | 110 | 106 | 106 |
| Valuation (x) | | | | |
| PER | 22.6 | 20.3 | 23.7 | 21.8 |
| P/B | 4.2 | 3.7 | 3.2 | 2.8 |
| P/CEPS | 18.8 | 15.8 | 16.4 | 15.2 |
| EV/EBITDA | 15.2 | 16.0 | 15.0 | 13.7 |
| EV/Sales | 4.5 | 4.2 | 3.6 | 3.3 |
| Dividend Yield (%) | 1.0 | - | 0.1 | 0.1 |
| FCFF Yield (%) | 4.9 | - | 3.8 | 3.8 |
| PEG Ratio | 1.2 | 1.7 | (1.7) | 2.5 |

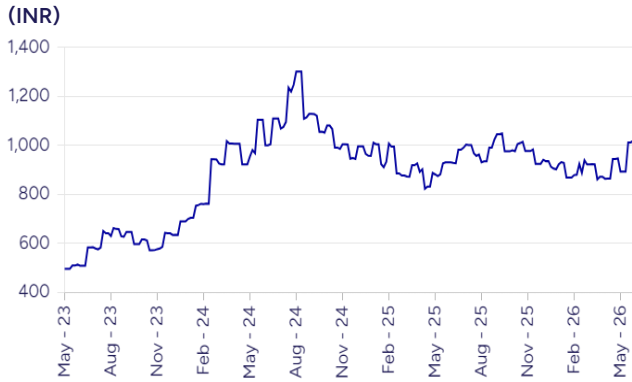
Source: Company, PL

Key Operating Metrics

| Y/e Mar | FY25 | FY26 | FY27E | FY28E |
|-----------------------------|---------|---------|---------|---------|
| US Formulations | 110,500 | 116,820 | 120,762 | 116,601 |
| Domestic Formulations | 59,315 | 65,740 | 72,971 | 80,998 |
| Consumer Healthcare | 26,810 | 39,134 | 50,896 | 58,022 |
| Export Formulations (ex-US) | 21,971 | 38,523 | 47,895 | 54,468 |
| API | 5,602 | 6,409 | 6,922 | 7,475 |
| Income from JVs | 1,564 | 571 | 617 | 666 |

Source: Company, PL

Price Chart



Recommendation History

| No. | Date | Rating | TP (INR) | Share Price (INR) |
|-----|-----------|------------|----------|-------------------|
| 1 | 09-Apr-26 | Accumulate | 1020 | 892 |
| 2 | 11-Feb-26 | Accumulate | 1020 | 887 |
| 3 | 08-Jan-26 | Accumulate | 1020 | 928 |
| 4 | 07-Nov-25 | Accumulate | 1020 | 937 |
| 5 | 08-Oct-25 | Accumulate | 970 | 987 |
| 6 | 13-Aug-25 | Accumulate | 970 | 956 |
| 7 | 08-Jul-25 | Accumulate | 970 | 999 |
| 8 | 21-May-25 | Accumulate | 970 | 884 |
| 9 | 08-Apr-25 | Accumulate | 1050 | 841 |
| 10 | 06-Feb-25 | Accumulate | 1050 | 977 |

Analyst Coverage Universe

| Sr. No. | Company Name | Rating | TP (INR) | Share Price (INR) |
|---------|---------------------------------------|------------|----------|-------------------|
| 1 | Ajanta Pharma | BUY | 3400 | 2898 |
| 2 | Anthem Biosciences | BUY | 755 | 691 |
| 3 | Apollo Hospitals Enterprise | BUY | 9000 | 7482 |
| 4 | Aster DM Healthcare | Buy | 800 | 701 |
| 5 | Aurobindo Pharma | BUY | 1300 | 1336 |
| 6 | Brigade Enterprises | Buy | 1045 | 758 |
| 7 | Cipla | Accumulate | 1400 | 1328 |
| 8 | Divi's Laboratories | Accumulate | 6850 | 5882 |
| 9 | Dr. Reddy's Laboratories | Accumulate | 1400 | 1270 |
| 10 | Eris Lifesciences | BUY | 1800 | 1354 |
| 11 | Fortis Healthcare | BUY | 1050 | 850 |
| 12 | Global Health | BUY | 1450 | 1243 |
| 13 | HealthCare Global Enterprises | BUY | 850 | 545 |
| 14 | Indoco Remedies | Hold | 325 | 225 |
| 15 | Ipca Laboratories | Buy | 1800 | 1445 |
| 16 | J.B. Chemicals & Pharmaceuticals | Buy | 2400 | 2135 |
| 17 | Jupiter Life Line Hospitals | Buy | 1600 | 1331 |
| 18 | Krishna Institute of Medical Sciences | Buy | 800 | 717 |
| 19 | Lupin | Accumulate | 2500 | 2380 |
| 20 | Max Healthcare Institute | BUY | 1300 | 955 |
| 21 | Narayana Hrudayalaya | BUY | 2150 | 1728 |
| 22 | Oberoi Realty | Accumulate | 1820 | 1635 |
| 23 | Prestige Estates Projects | Buy | 1875 | 1319 |
| 24 | Rainbow Children's Medicare | BUY | 1550 | 1254 |
| 25 | Sun Pharmaceutical Industries | BUY | 1900 | 1734 |
| 26 | Sunteck Realty | Buy | 520 | 356 |
| 27 | Torrent Pharmaceuticals | BUY | 4750 | 4029 |
| 28 | Zydus Lifesciences | Accumulate | 1020 | 892 |

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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