**HOLD** (Maintain)

CMP: **INR 956** Target Price: **INR 910** ▼ -5%

ICICI Securities

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13 August 2025

India | Equity Research | Results Update

# Zydus Lifesciences

Pharma

## Momentum may fizzle out on loss of exclusivities

Zydus Lifesciences (Zydus)'s Q1FY26 print beat our expectations, though its revenue grew a mere 5.9% while EBITDA/PAT shrunk 3.3%/0.7% YoY. US biz sales were flat YoY. The company has started facing pricing headwinds in gRevlimid and the outcome of the litigation in Feb'26 shall be crucial for supplies of Mirabegron beyond Q4FY26. In the near term, its pipeline of 505 b(2) products like Sitagliptin and Docetaxel would aid strength to its US biz. India biz growth of 8% was in-line with IPM and the trend is likely to sustain in quarters ahead. Management maintains its single-digit growth guidance in US in FY26. Gross/EBITDA margin guidance of ~64%/26% for FY26 is retained. We cut FY26E/FY27E earnings by ~1% to factor in slightly lower margins. Retain **HOLD** with TP of INR 910, based on 22x FY27E earnings.

### Profit beat led by better margins in exports

Zydus' Q1FY26 revenue was up 5.9% YoY (0.7% QoQ) to INR 65.7bn (I-Sec: INR 65.5bn) driven by international formulations and domestic business. Gross margin contracted by ~130bps YoY (-60bps QoQ) to 72.4%. R&D spending rose 23.7% YoY (+1.2% QoQ) to INR 4.9bn. EBITDA declined 3.3%YoY to INR 20.4bn (I-Sec: INR 19.3bn). EBITDA margins contracted 294bps YoY (-215bps QoQ) to 31.0%. Adjusted PAT at INR 14.3bn (I-Sec: INR 12.8bn), declined 0.7% YoY (+2.7% QoQ).

### Muted showing in US, domestic growth in-line with IPM

Domestic formulation business grew 8.0% YoY (-1.3% QoQ) to INR 15.2bn driven by strong performance across key therapies. We expect the segment to grow at a CAGR of 9% over FY25–27E. Consumer business revenue grew 2.2% YoY (-5.9% QoQ) at INR 8.5bn. Excluding the impact of early monsoon on seasonal brands it registered double-digit growth. US business was flat YoY (+2.5% QoQ) at USD 372mn (I-Sec: USD 370mn). Sales for gRevlimid and Mirabegron were flat QoQ. Zydus has supplied majority of its fixed volumes in gRevlimid in Q1 and the product may not be a material sales contributor in quarters ahead. In Q1FY26, it launched 3 new products in US. In Q1, it filed 3 ANDAs and received approval for 6 ANDAs. We factor in a 3.7% CAGR for its US business over FY25–27E. Emerging markets and Europe grew a strong 36.8% (+31.0% QoQ) YoY to INR 7.3bn led by growth across key geographies. API business grew 11.3% YoY (+22.1% QoQ) to INR 1.6bn.

### Financial Summary

| Y/E March (INR mn) | FY24A | FY25A | FY26E | FY27E |
|---|---|---|---|---|
| Net Revenue | 1,95,474 | 2,32,415 | 2,58,101 | 2,80,399 |
| EBITDA | 53,533 | 69,901 | 68,222 | 65,869 |
| EBITDA Margin (%) | 27.4 | 30.1 | 26.4 | 23.5 |
| Net Profit | 38,461 | 45,122 | 43,382 | 41,061 |
| EPS (INR) | 38.2 | 44.9 | 43.1 | 40.8 |
| EPS % Chg YoY | 74.9 | 17.3 | (3.9) | (5.4) |
| P/E (x) | 25.1 | 21.2 | 22.0 | 23.4 |
| EV/EBITDA (x) | 18.4 | 13.5 | 13.5 | 13.6 |
| RoCE (%) | 17.9 | 18.9 | 15.4 | 13.1 |
| RoE (%) | 20.6 | 20.6 | 16.8 | 14.0 |


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### Market Data

| | |
|---|---|
| Market Cap (INR) | 962bn |
| Market Cap (USD) | 10,963mn |
| Bloomberg Code | ZYDUSLIF IN |
| Reuters Code | ZYDU BO |
| 52-week Range (INR) | 1,300 /795 |
| Free Float (%) | 25.0 |
| ADTV-3M (mn) (USD) | 11.2 |

| Price Performance (%) | 3m | 6m | 12m |
|---|---|---|---|
| Absolute | 8.0 | 2.3 | (23.6) |
| Relative to Sensex | 10.7 | (3.0) | (24.3) |

| ESG Score | 2023 | 2024 | Change |
|---|---|---|---|
| ESG score | 70.3 | 67.8 | (2.5) |
| Environment | 64.9 | 63.3 | (1.6) |
| Social | 58.2 | 57.4 | (0.8) |
| Governance | 80.4 | 80.3 | (0.1) |

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

| Earnings Revisions (%) | FY26E | FY27E |
|---|---|---|
| Revenue | (0.4) | (0.7) |
| EBITDA | (0.6) | (0.8) |
| EPS | (0.8) | (1.0) |

### Previous Reports


21-05-2025: Q4FY25 results review
06-02-2025: Q3FY25 results review

## Valuation and risks

Zydus' US sales in Q1FY26 were driven by supplies of gRevlimid and Mirabegron while sales of Asacol is declining due to competitive pressure. US sales run-rate and profitability of the company is expected to decline sharply as sales of gRevlimid may not be recorded for the next couple of quarters and supplies of Mirabegron beyond Q4FY26 would depend on the litigation outcome scheduled in Feb'26. Management expects high single-digit growth in US in FY26 supported by 505 (b)(2) products like Sitagliptin and Docetaxel (commercialisation in Q2FY26) and other new launches while further sizeable exclusive launches for US are lined up in FY27. Robust growth, along with increasing share in the chronic segment, drove traction in the India branded business while the consumer business was impacted by seasonality. Further, for India and emerging markets, it has developed a novel dosage of semaglutide, which would provide ease of administration to patients. Zydus shall file this GLP-1 drug in the near term in markets such as Brazil and Canda.

Windfall from exclusive products in US had helped the company in paring debt (net cash balance of INR 56.3bn at end of Q1FY25). R&D (~8% of overall sales) for development of NCEs and complex generic products may curb margins in the near term, but are required for long-term sustainability of the business. It has completed the acquisition of Amplitude Surgical that paved its entry in the medtech segment in India. The company also intends to foray into the global biologics CDMO business with the acquisition of Agenus for the exclusive manufacturing of immuno-oncology products viz. Botensilimab and Balstilimab. Besides, the company may pursue M&A in US specialty and India branded generics spaces to further improve scale and fill in the gap created by exclusive products.

We cut our FY26E/FY27E earnings by ~1% each to factor in lower margins. At CMP, the stock trades at valuations of 22x FY26E and 23.4x FY27E earnings, and EV/EBITDA of 13.5x FY26E and 13.6x FY27E. Maintain **HOLD** with an unchanged target price of INR 910, based on 22x FY27E EPS (unchanged).

**Upside risks:** Better-than-expected sales in non-exclusive products; and slower price erosion in US.

**Downside risks:** More products under price control in India; competition in US; and regulatory hurdles.

## Q1FY26 conference call highlights

**India branded formulations**

- Branded biz in India grew at a faster pace of 9% (vs. reported growth of 8% in India).
- Zydus surpassed market growth in key therapies like cardiology, respiratory, anti-infectives, pain management and oncology.
- Share of chronic therapies stood at 43.7%, expansion of over 420bps in last 3 years.
- The company shall launch new formulation of Semaglutide in India, which would have ease in administration. The product shall also be filed in Brazil and Canada in FY26.

**India consumer**

- Excluding sales of seasonal brands, growth stood in double-digits.
- E-commerce contributed 14.5%, and modern trade contributed 16.4% of segmental sales.

**US**

- Zydus would scale up presence in specialty segment by enhancing launches of 505 b(2) and pediatric products.
- It plans to launch over 30 products in FY26, clearance of injectable site will likely further boost new launches.
- Management has maintained single-digit growth guidance in US for FY26 led by by 505 b(2) and other new launches.
- Sales of Asacol HD have declined in the quarter and witnessed decent growth in base biz.
- Ibrance (Palbociclib) and 505 b(2) product launches will likely boost growth in FY27.
- Annual sales run-rate in gRevlimid and Mirabegron are identical. Sales of these products were flattish QoQ.
- Sitagliptin and docetaxel (to be commercialize in Q2) are likely to be key 505 b(2) products in the portfolio. It has filed 15 505 b(2) products so far with USFDA and more shall be filed in near term.
- The company has decent revenue and profitability contribution from 505 b(2) products.
- Shipped majority of CY26 quantities for lenalidomide in Q1. Run-rate is expected to scale down ahead.

**M&A**

- Successfully completed acquisition of Amplitude Surgical SA, France, a European MedTech leader in high-quality, lower-limb orthopedic technologies.
- It will launch Amplitude products in new markets like Australia, Brazil and India.
- The company is also conducting clinical trial in Europe and India for intervention cardiology in partnership with Braile Biomedica of Brazil to commercialize Braile's TAVI (Transcatheter Aortic Valve Implantation) technology.

- Management is confident of achieving good success in med-tech biz.
- Plans to acquire Agenus Inc.'s US based biologics manufacturing facilities. Zydus to pat USD 75mn upfront payment for two manufacturing facilities each in Emeryville and Berkeley, the US and further USD 50mn in contingent payments.
- Zydus has exclusive manufacturing agreement for immuno-oncology products viz. Botensilimab (BOT) and Balstilimab (BAL) with Agenus.

**NCE & Biosimilars**

- Saroglitizar data read-out is likely to happen in next couple of months, if favorable then NDA will be filed with the USFDA.
- Initiated Phase II(b) clinical trials of Usnoflast to begin in next 2-3 months in the US in patients with ALS. Based on the data they may go for approval post this trial. The USFDA granted Fast Track designation to the molecule for ALS indication. The molecule also holds an ODD from the USFDA for this indication. The company is on verge to start clinical trial, outcome likely in 2-3 years.
- Received regulatory approval to initiate Phase III clinical trials for the second ADC molecule.
- Completed Phase II clinical trials of Hepatitis E Vaccine.
- Initiated Phase IV clinical trials of rabies vaccine to evaluate the long-term immunogenicity and safety viz-a-viz the WHO pre-qualified vaccine in animal bite cases.
- CUTX 101 approval expected in FY26.
- Partnered for desidustat in China. Zydus is in process of launching the product. It has an addressable market of USD 1bn and product approval is anticipated in FY26. Zydus shall have a markup on supplies of this product plus royalty income on sales of desidustat in China.

**Europe and Emerging markets**

- Strong demand led growth across geographies.
- In Europe, it is focused on expanding coverage.
- Expect 15-25% growth in this segment in FY26.

**Guidance**

- Management is confident on meeting previously set guidance for FY26.
- On track to achieve over 26% EBITDA margins in FY26.
- It has a net cash balance of INR 56.3bn as on 30 Jun’25.
- Capex of INR 12bn (including INR 3bn for dialyzer facility) for FY26.

## Exhibit 1: Quarterly review

| Y/E Mar (INR mn) | Q1 FY26 | Q1 FY25 | YoY(%) | Q4 FY25 | QoQ (%) | FY25 | FY24 | YoY(%) |
|---|---|---|---|---|---|---|---|---|
| Net Sales | 65,737 | 62,075 | 5.9 | 65,279 | 0.7 | 2,25,738 | 1,90,215 | 18.7 |
| EBITDA | 20,243 | 21,073 | (3.9) | 21,649 | (6.5) | 69,901 | 53,533 | 30.6 |
| EBITDA Margins (%) | 30.8 | 33.9 | -315% | 33.2 | -237% | 31.0 | 28.1 | 502% |
| Other Income | 1,549 | 632 | 145.1 | 806 | 92.2 | 2,695 | 2,841 | (5.1) |
| Interest | 847 | 322 | 163.0 | 766 | 10.6 | 1,659 | 812 | (5.7) |
| Depreciation | 2,381 | 2,153 | 10.6 | 2,379 | 0.1 | 9,158 | 7,641 | 19.9 |
| PBT | 19,064 | 18,997 | 0.4 | 16,720 | 14.0 | 60,267 | 48,089 | 25.3 |
| Tax | 4,340 | 4,361 | (0.5) | 4,232 | 2.6 | 14,119 | 9,775 | 44.4 |
| Tax Rate (%) | 22.8 | 23.0 | | 25.3 | | 23.4 | 20.3 | |
| PAT | 14,724 | 14,636 | 0.6 | 12,488 | 17.9 | 46,148 | 38,314 | 20.4 |
| Minority Int/Others | 198 | 437 | (54.7) | 779 | (74.6) | (893) | 281 | |
| Net Income | 14,526 | 14,199 | 2.3 | 11,709 | 24.1 | 45,255 | 38,595 | 17.3 |
| Adj. PAT | 14,140 | 14,379 | (1.7) | 13,905 | 1.7 | 45,122 | 38,461 | 17.3 |
| NPM (%) | 22.1 | 22.9 | | 17.9 | | 20.0 | 20.3 | |

Source: Company data, I-Sec research

## Exhibit 2: Business mix

| INR mn | Q3FY23 | Q4FY23 | Q1FY24 | Q2FY24 | Q3FY24 | Q4FY24 | Q1FY25 | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 | % YoY | % QoQ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **India Formulations** | **12,316** | **12,896** | **12,270** | **13,341** | **14,273** | **13,912** | **14,073** | **14,569** | **15,145** | **15,394** | **15,195** | **8.0** | **(1.3)** |
| **India Consumer** | **4,120** | **7,075** | **6,936** | **4,352** | **3,974** | **7,755** | **8,366** | **4,875** | **4,488** | **9,081** | **8,549** | **2.2** | **(5.9)** |
| **Exports** | **22,576** | **27,303** | **29,933** | **23,491** | **23,759** | **30,667** | **36,611** | **30,498** | **30,062** | **37,137** | **39,351** | **7.5** | **6.0** |
| US | 19,250 | 22,525 | 24,541 | 18,648 | 18,427 | 25,235 | 30,929 | 24,168 | 24,096 | 31,307 | 31,817 | **2.9** | **1.6** |
| Europe & EM's | 3,078 | 4,393 | 4,893 | 4,504 | 4,937 | 4,960 | 5,309 | 5,389 | 5,702 | 5,547 | 7,265 | **36.8** | **31.0** |
| Alliances & JV | 248 | 385 | 499 | 339 | 395 | 472 | 373 | 941 | 264 | 283 | 269 | **(27.9)** | **(4.9)** |
| **API** | **1,881** | **1,251** | **1,389** | **1,402** | **1,431** | **1,436** | **1,415** | **1,194** | **1,703** | **1,290** | **1,575** | **11.3** | **22.1** |
| **Total** | **40,893** | **48,525** | **50,528** | **42,586** | **43,437** | **53,770** | **60,465** | **51,136** | **51,398** | **62,902** | **64,670** | **7.0** | **2.8** |
| **US sales (USD mn)** | **235** | **275** | **298** | **225** | **221** | **304** | **371** | **288** | **285** | **363** | **372** | **0.3** | **2.5** |

Source: Company data, I-Sec research

## Exhibit 3: Key growth drivers of domestic business in Q1FY26

| Brands (INR mn) | Q1FY26 | Q1FY25 | YoY (%) | Q4FY25 | QoQ (%) | MAT Jun'25 | MAT Jun'24 | YoY (%) |
|---|---|---|---|---|---|---|---|---|
| Deriphyllin | 514 | 478 | 7.4 | 598 | -14.1 | 2,139 | 2,133 | 0.3 |
| Lipaglyn | 752 | 502 | 50.0 | 671 | 12.1 | 2,656 | 1,545 | 71.9 |
| Atorva | 543 | 401 | 35.4 | 480 | 13.2 | 1,964 | 1,634 | 20.1 |
| Thrombophob | 518 | 398 | 30.2 | 329 | 57.7 | 866 | 0 | #DIV/0! |
| Amicin | 346 | 357 | -3.0 | 286 | 21.2 | 1,311 | 1,410 | -7.0 |
| Monotax | 312 | 300 | 4.1 | 322 | -3.0 | 1,383 | 1,096 | 26.2 |
| Formonide | 301 | 275 | 9.2 | 322 | -6.7 | 1,239 | 1,176 | 5.4 |
| Vivitra | 405 | 351 | 15.2 | 316 | 28.1 | 1,271 | 1,058 | 20.1 |
| Skinlite | 247 | 272 | -9.3 | 276 | -10.5 | 1,038 | 1,123 | -7.5 |
| Dexona | 228 | 247 | -7.6 | 246 | -7.5 | 1,022 | 1,053 | -2.9 |

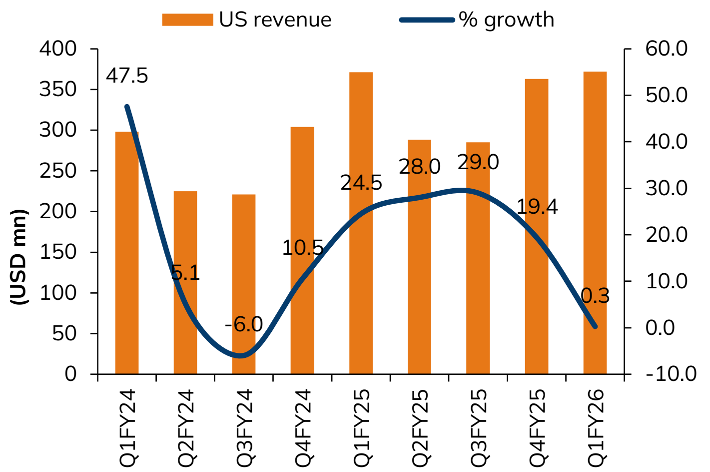
Source: IQVIA

## Exhibit 4: Growth profile of key therapies in India

| Therapies (INR mn) | Q1FY26 | Q1FY25 | YoY (%) | Q4FY25 | QoQ (%) | MAT Jun'25 | MAT Jun'24 | YoY (%) |
|---|---|---|---|---|---|---|---|---|
| Cardiac | 2,814 | 2,297 | 22.5 | 2,542 | 10.7 | 10,392 | 8,426 | 23.3 |
| Respiratory | 2,253 | 1,995 | 12.9 | 2,529 | -10.9 | 9,458 | 8,784 | 7.7 |
| Anti-Infectives | 2,136 | 1,979 | 7.9 | 2,174 | -1.8 | 8,978 | 7,809 | 15.0 |
| Gastro Intestinal | 1,753 | 1,707 | 2.7 | 1,546 | 13.4 | 6,568 | 6,243 | 5.2 |
| Pain / Analgesics | 1,371 | 1,254 | 9.3 | 1,297 | 5.7 | 5,294 | 4,939 | 7.2 |
| Antineoplast / Immunomodulator | 1,539 | 1,339 | 15.0 | 1,340 | 14.8 | 5,439 | 4,556 | 19.4 |
| Gynaec. | 1,190 | 1,175 | 1.3 | 1,101 | 8.1 | 4,478 | 4,516 | -0.8 |
| Derma | 1,020 | 1,047 | -2.6 | 977 | 4.4 | 4,017 | 4,024 | -0.2 |
| Vitamins/Minerals/Nutrients | 633 | 647 | -2.2 | 575 | 9.9 | 2,320 | 2,376 | -2.4 |
| Hormones | 512 | 544 | -5.9 | 539 | -5.0 | 2,192 | 2,110 | 3.9 |

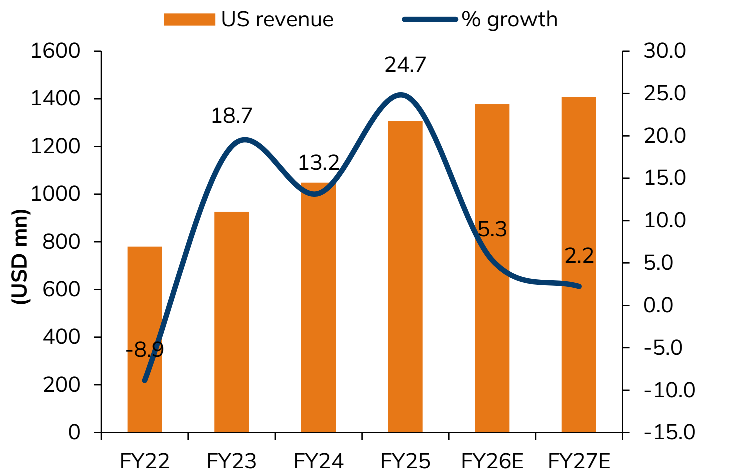
Source: IQVIA

### Exhibit 5: Flattish sales of Mirabegron and Revlimid led to muted growth



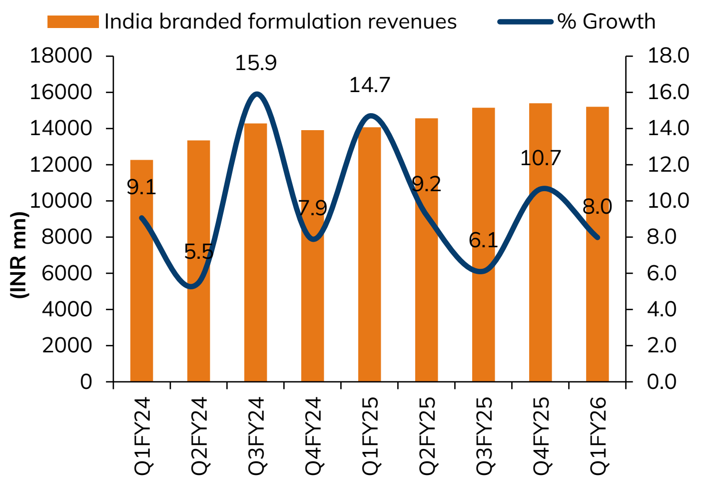

Source: I-Sec research, Company data

### Exhibit 6: US sales to grow at a modest pace ahead



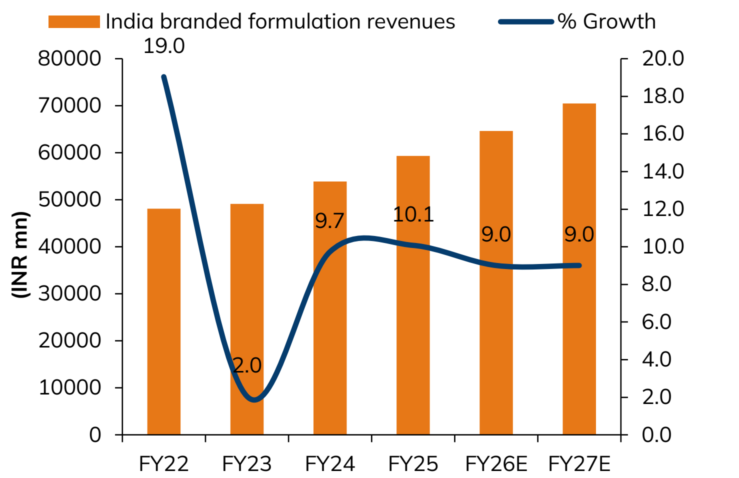

Source: I-Sec research, Company data

### Exhibit 7: Better traction across therapies delivered a marked linked growth in India



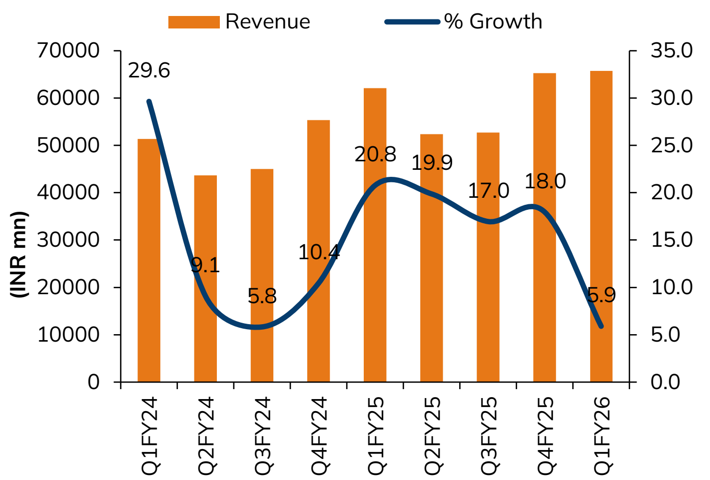

Source: I-Sec research, Company data

### Exhibit 8: Traction in acute portfolio and new launches to boost India sales ahead



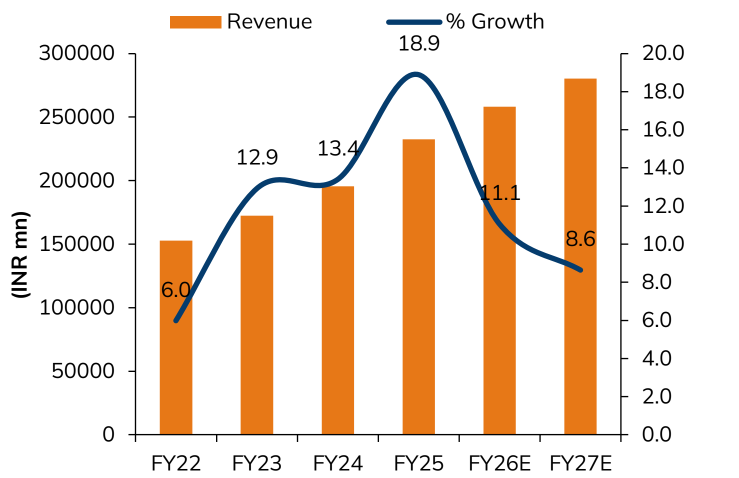

Source: I-Sec research, Company data

### Exhibit 9: Growth driven by India and European markets



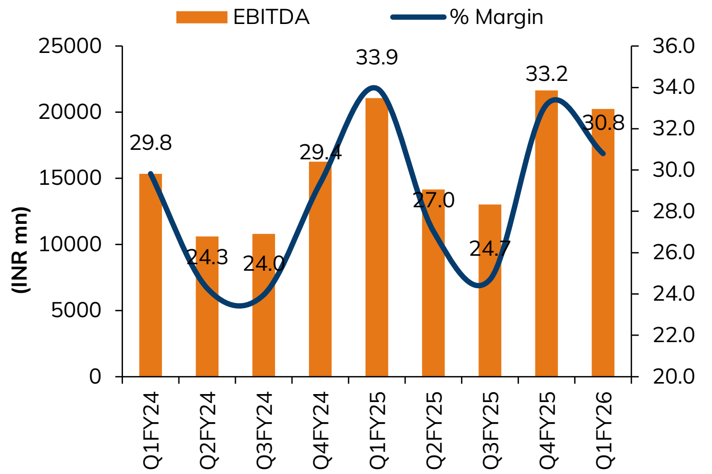

Source: I-Sec research, Company data

### Exhibit 10: Revenue CAGR likely at 9.8% over FY25–27E



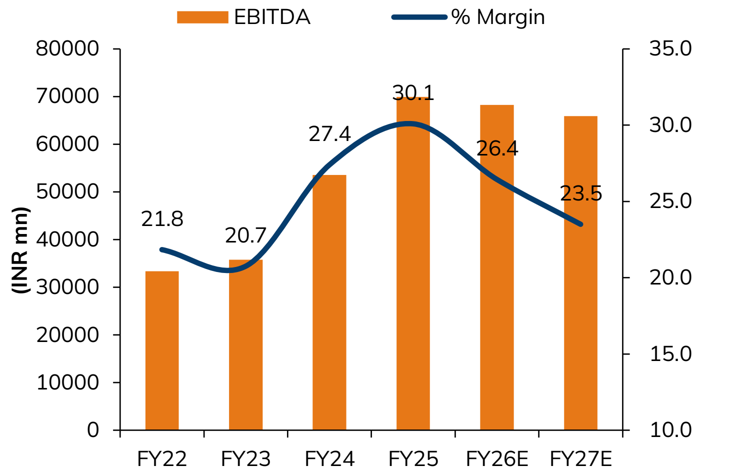

Source: I-Sec research, Company data

## Exhibit 11: Margins contracted 294bps YoY



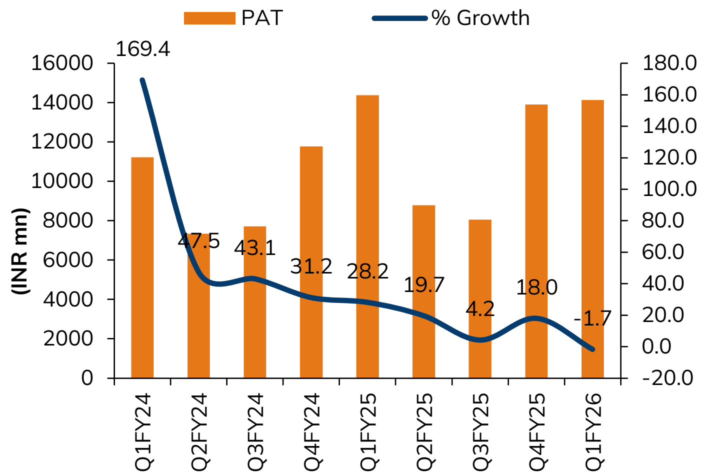

Source: I-Sec research, Company data

## Exhibit 12: EBITDA margins likely to have peaked in FY25



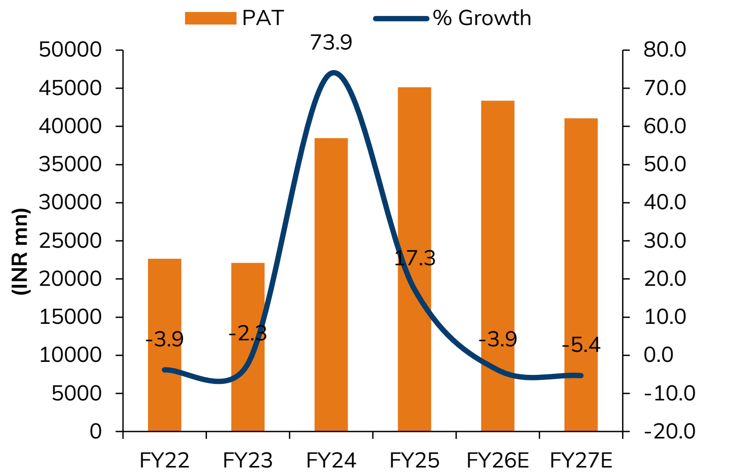

Source: I-Sec research, Company data

## Exhibit 13: PAT declined 1.7% YoY



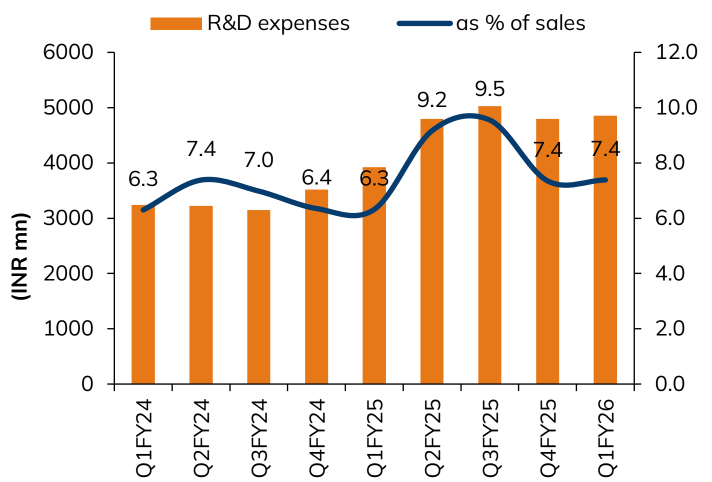

Source: I-Sec research, Company data

## Exhibit 14: Net profit growth to moderate going ahead



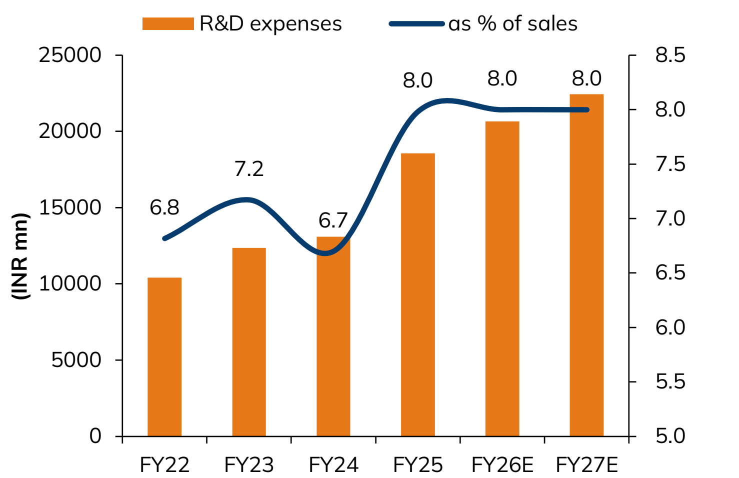

Source: I-Sec research, Company data

## Exhibit 15: R&D spending surged ~24% YoY in Q1FY26




Source: I-Sec research, Company data

## Exhibit 16: R&D spending to remain at 8% of sales for next few years



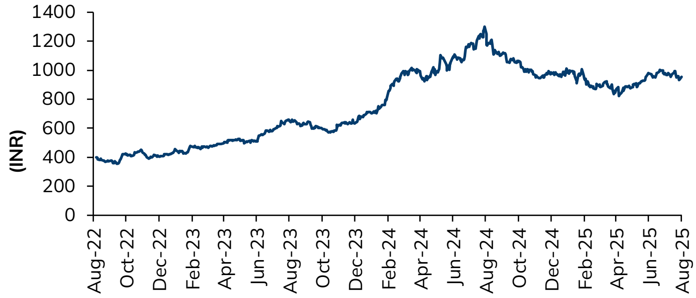

Source: I-Sec research, Company data

### Exhibit 17: Shareholding pattern

| % | Dec'24 | Mar'25 | Jun'25 |
|---|---|---|---|
| Promoters | 75.0 | 75.0 | 75.0 |
| Institutional investors | 18.0 | 18.1 | 18.0 |
| MFs and others | 6.3 | 6.4 | 5.6 |
| FIs/Banks | 0.1 | 0.1 | 0.0 |
| Insurance | 4.1 | 4.4 | 5.3 |
| FIIs | 7.5 | 7.3 | 7.1 |
| Others | 7.0 | 6.9 | 7.0 |

Source: Bloomberg

### Exhibit 18: Price chart




Source: Bloomberg

# Financial Summary

## Exhibit 19: Profit & Loss

(INR mn, year ending March)

| | FY24A | FY25A | FY26E | FY27E |
|---|---|---|---|---|
| **Net Sales** | **1,95,474** | **2,32,415** | **2,58,101** | **2,80,399** |
| Operating Expenses | 1,41,941 | 1,62,514 | 1,89,879 | 2,14,530 |
| **EBITDA** | **53,533** | **69,901** | **68,222** | **65,869** |
| EBITDA Margin (%) | 27.4 | 30.1 | 26.4 | 23.5 |
| Depreciation & Amortization | 7,641 | 9,158 | 10,178 | 11,308 |
| EBIT | 45,892 | 60,743 | 58,044 | 54,561 |
| Interest expenditure | 812 | 1,659 | 3,256 | 3,256 |
| Other Non-operating Income | 2,841 | 2,695 | 4,495 | 4,745 |
| **Recurring PBT** | **47,921** | **61,779** | **59,283** | **56,050** |
| **Profit / (Loss) from Associates** | **1,184** | **578** | **578** | **578** |
| Less: Taxes | 9,775 | 14,119 | 14,946 | 14,012 |
| PAT | 38,314 | 46,148 | 44,837 | 42,037 |
| Less: Minority Interest | 1,133 | 1,471 | 1,658 | 1,555 |
| Extraordinaries (Net) | - | - | - | - |
| **Net Income (Reported)** | **38,365** | **45,255** | **43,757** | **41,061** |
| **Net Income (Adjusted)** | **38,461** | **45,122** | **43,382** | **41,061** |

Source Company data, I-Sec research

## Exhibit 20: Balance sheet

(INR mn, year ending March)

| | FY24A | FY25A | FY26E | FY27E |
|---|---|---|---|---|
| Total Current Assets | 1,12,489 | 1,21,950 | 1,63,055 | 1,98,310 |
| of which cash & cash eqv. | 11,051 | 29,568 | 52,160 | 77,834 |
| Total Current Liabilities & Provisions | 45,628 | 58,605 | 69,349 | 75,892 |
| **Net Current Assets** | **66,861** | **63,345** | **93,706** | **1,22,418** |
| Investments | 8,043 | 52,647 | 52,647 | 52,647 |
| Net Fixed Assets | 58,033 | 60,420 | 77,537 | 84,153 |
| ROU Assets | - | - | - | - |
| Capital Work-in-Progress | 24,233 | 26,919 | 26,919 | 26,919 |
| Total Intangible Assets | 65,652 | 70,917 | 60,722 | 59,898 |
| Other assets | 7,339 | 15,317 | 15,609 | 15,862 |
| Deferred Tax Assets | 16,442 | 23,438 | 23,438 | 23,438 |
| **Total Assets** | **2,47,180** | **3,13,412** | **3,51,032** | **3,85,828** |
| **Liabilities** | | | | |
| **Borrowings** | **8,042** | **32,132** | **32,132** | **32,132** |
| **Deferred Tax Liability** | **4,465** | **5,126** | **5,126** | **5,126** |
| provisions | 3,097 | 3,839 | 3,839 | 3,839 |
| other Liabilities | 10,560 | 8,731 | 9,696 | 10,534 |
| Equity Share Capital | 1,006 | 1,006 | 1,006 | 1,006 |
| Reserves & Surplus | 1,97,289 | 2,38,525 | 2,75,180 | 3,09,139 |
| **Total Net Worth** | **1,98,295** | **2,39,531** | **2,76,186** | **3,10,145** |
| Minority Interest | 22,721 | 24,053 | 24,053 | 24,053 |
| **Total Liabilities** | **2,47,180** | **3,13,412** | **3,51,032** | **3,85,828** |

Source Company data, I-Sec research

## Exhibit 21: Cashflow statement

(INR mn, year ending March)

| | FY24A | FY25A | FY26E | FY27E |
|---|---|---|---|---|
| **Operating Cashflow** | **42,607** | **68,301** | **46,635** | **49,365** |
| Working Capital Changes | (3,832) | (20,405) | 7,141 | 2,493 |
| Capital Commitments | 28,343 | 19,496 | 17,100 | 17,100 |
| **Free Cashflow** | **14,264** | **48,805** | **29,535** | **32,265** |
| **Other investing cashflow** | **(3,261)** | **51,873** | **-** | **-** |
| Cashflow from Investing Activities | (25,082) | (71,369) | (17,100) | (17,100) |
| Issue of Share Capital | (6) | - | - | - |
| Interest Cost | - | - | - | - |
| Inc (Dec) in Borrowings | (3,907) | 24,090 | - | - |
| Dividend paid | (3,018) | (4,024) | (4,024) | (4,024) |
| Others | (5,280) | 1,519 | (2,920) | (2,566) |
| Cash flow from Financing Activities | (12,211) | 21,585 | (6,944) | (6,590) |
| **Chg. in Cash & Bank balance** | **5,314** | **18,517** | **22,592** | **25,675** |
| Closing cash & balance | 11,045 | 29,568 | 52,160 | 77,834 |

Source Company data, I-Sec research

## Exhibit 22: Key ratios

(Year ending March)

| | FY24A | FY25A | FY26E | FY27E |
|---|---|---|---|---|
| **Per Share Data (INR)** | | | | |
| Reported EPS | 38.1 | 45.0 | 43.5 | 40.8 |
| Adjusted EPS (Diluted) | 38.2 | 44.9 | 43.1 | 40.8 |
| Cash EPS | 45.8 | 54.0 | 53.2 | 52.1 |
| Dividend per share (DPS) | 3.0 | 4.0 | 4.0 | 4.0 |
| Book Value per share (BV) | 197.1 | 238.1 | 274.5 | 308.3 |
| Dividend Payout (%) | 7.9 | 8.9 | 9.2 | 9.8 |
| | | | | |
| **Growth (%)** | | | | |
| Net Sales | 13.4 | 18.9 | 11.1 | 8.6 |
| EBITDA | 49.7 | 30.6 | (2.4) | (3.4) |
| EPS (INR) | 74.9 | 17.3 | (3.9) | (5.4) |
| | | | | |
| **Valuation Ratios (x)** | | | | |
| P/E | 25.1 | 21.2 | 22.0 | 23.4 |
| P/CEPS | 20.9 | 17.7 | 17.9 | 18.4 |
| P/BV | 4.8 | 4.0 | 3.5 | 3.1 |
| EV / EBITDA | 18.4 | 13.5 | 13.5 | 13.6 |
| P / Sales | 5.0 | 4.2 | 3.8 | 3.5 |
| Dividend Yield (%) | 0.0 | 0.0 | 0.0 | 0.0 |
| | | | | |
| **Operating Ratios** | | | | |
| Gross Profit Margins (%) | 68.1 | 72.7 | 69.1 | 65.8 |
| EBITDA Margins (%) | 27.4 | 30.1 | 26.4 | 23.5 |
| Effective Tax Rate (%) | 20.3 | 23.4 | 25.0 | 25.0 |
| Net Profit Margins (%) | 19.7 | 19.4 | 16.8 | 14.6 |
| NWC / Total Assets (%) | - | - | - | - |
| Net Debt / Equity (x) | (0.1) | (0.2) | (0.2) | (0.3) |
| Net Debt / EBITDA (x) | (0.2) | (0.7) | (1.1) | (1.5) |
| | | | | |
| **Profitability Ratios** | | | | |
| RoCE (%) | 17.9 | 18.9 | 15.4 | 13.1 |
| RoE (%) | 20.6 | 20.6 | 16.8 | 14.0 |
| RoIC (%) | 18.2 | 23.3 | 21.0 | 19.2 |
| Fixed Asset Turnover (x) | 3.4 | 3.9 | 3.7 | 3.5 |
| Inventory Turnover Days | 68 | 67 | 71 | 70 |
| Receivables Days | 104 | 69 | 72 | 72 |
| Payables Days | 42 | 39 | 47 | 49 |

Source Company data, I-Sec research

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