

Eris Lifesciences

Execution phase is key; downgrade to ADD

Eris Lifesciences (Eris) is set to enter an execution phase after multiple M&As over FY23–25, with an investment of INR 38–40 bn to create multiple levers of growth, such as: (1) strengthening the diabetes portfolio, (2) foraying into the insulin business, critical care and oncology through the acquisition of Biocon Biologics India's business, (3) increasing focus on injectable and foraying into exports through the acquisition of Swiss Parenteral, (4) developing a new engine of growth by creating capabilities for the GLP-1 opportunity in India and EMs (through the acquisition of Levim), and (5) investing in new launches to drive organic growth (plant and field force expansions). We note that GLP-1 is a large but competitive opportunity. Moreover, rh-insulin represents a sizable opportunity for the company over the next few years, with the exit of innovator Novo Nordisk (which will be present only in vials). We note that Novo's brand clocked revenues of INR 8.03 bn in FY25 (as per IQVIA), with ~INR 6.02 bn as an available market (pen and cartridge share is ~75%). Eris is expanding its Bhopal facility with cartridge-filling by Dec'25. While we see that growth investments are on track and Eris is now entering an execution phase for the next few years—largely led by anti-diabetic (insulins) and obesity (GLP-1) categories—its base business challenges persist (muted growth in cardiac and VMN). While we have raised the multiple to 32x from 30x (implying 18x EV/E) for Q1FY28E EPS and revised the TP to INR 1,850, we downgrade Eris to ADD from BUY, as the strong run-up in the stock price (up 39%/67% in the last 6/12 months) factors in near-term triggers. Debt reduction is a key monitorable.

Growth visibility intact, but challenges in cardiac and VMN remains: Eris's aspiration of (a) organic growth of 1.5x IPM over FY26–28 seems difficult, given the market share loss in key legacy brands, which continues to make base growth challenging; (b) scale-up in the exports business by leveraging Swiss Parenteral's capabilities (new launches, geographical expansion, CDMO in the EU, plant commercialization, etc.) is a key monitorable, as since acquisition, the quarterly sales rate has remained stagnant at INR 700–900 mn; (c) GLP-1 (diabetes and obesity) drugs in India will be a key growth driver, as the company is creating commercial ground with the launch of gVictoza (liraglutide) in FY25 and plans to launch gSaxenda in FY26. This will pave the way for its major GLP-1 launch of Semaglutide in India (CY26). These will be supported by Eris's capacity readiness with the commissioning of the Bhopal plant, Levim facility, and Chemman Labs.

GLP-1 opportunity in India and RoW markets: Eris was among the few players to launch the first GLP-1, liraglutide, in the Indian market during FY25. Further, the company plans to launch Semaglutide on day one of patent expiry (in Mar'26). It has dedicated a capex of ~INR 500 mn for the validation (at the Bhopal site) of GLP-1 products and aims to leverage its strong positioning in the anti-diabetic and chronic space to gain market share in GLP-1s. Moreover, it targets the launch of Semaglutide in markets like Brazil and RoW (through Swiss Parenteral).

Strong outlook: Over FY19–25, ERIS delivered a 20% sales and EBITDA CAGR. Looking ahead, we expect a sales CAGR of 15% for FY25–28E and an EBITDA margin improvement to ~37.2% in FY28E (from 35.2% in FY25), with an EBITDA CAGR of 17%. Its debt reduction strategy (targeting net debt of ~INR 2 bn by FY28 from ~INR 22 bn in FY25) is expected to drive an EPS CAGR of 38% for FY25–28E.

Financial Summary

YE March (INR bn)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
India sales (INR bn)	13,262	16,618	19,360	25,533	29,638	34,213	39,082
Net Sales	13,470	16,851	20,092	28,936	33,521	38,642	44,089
EBITDA	4,850	5,367	6,748	10,172	12,159	14,202	16,382
APAT	4,061	3,822	3,904	3,517	5,580	7,410	9,271
Diluted EPS (INR)	29.8	28.1	28.7	25.8	41.0	54.4	68.1
P/E (x)	59.2	62.9	61.6	68.4	43.1	32.5	25.9
EV / EBITDA (x)	49.4	46.3	38.6	26.3	21.7	18.0	15.1
RoCE (%)	24	16	10	11	14	17	20

Source: Company, HSIE Research

ADD

CMP (as on 23 Jul 2025)	INR 1,766
Target Price	INR 1,850
NIFTY	25,220

KEY CHANGES	OLD	NEW
Rating	BUY	ADD
Price Target	INR 1640	INR 1850
EPS %	FY27E -0.3	Q1FY28E -0.5

KEY STOCK DATA

Bloomberg code	ERIS IN
No. of Shares (mn)	136
MCap (INR bn) / (\$ mn)	241/2,787
6m avg traded value (INR mn)	372
52 Week high / low	INR 1,910/994

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	19.9	41.8	70.5
Relative (%)	16.7	33.7	67.6

SHAREHOLDING PATTERN (%)

	Mar-25	Jun-25
Promoters	54.85	54.83
FIs & Local MFs	18.07	18.18
FPIs	8.43	8.39
Public & Others	18.65	18.6
Pledged Shares	18.5	16.9

Source : BSE

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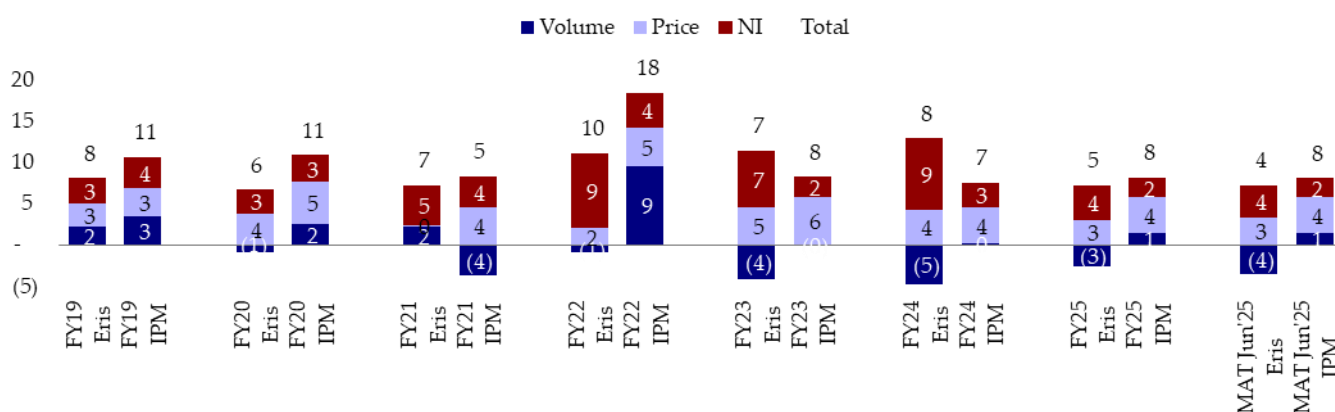
Eris Lifesciences: Company Update

Exhibit 1: Revenue, EBITDA, and PAT assumptions

(INR mn)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
India formulations	10,582	11,926	13,262	16,618	19,360	25,533	29,638	34,213	39,082
YoY growth	9%	13%	11%	25%	17%	32%	16%	15%	14%
% of sales	99%	98%	98%	99%	96%	88%	88%	89%	89%
Export formulations					553	3,260	3,716	4,237	4,787
YoY growth						NA	14%	14%	13%
% of sales					3%	11%	11%	11%	11%
Total revenues	10,741	12,119	13,470	16,851	20,092	28,936	33,521	38,642	44,089
YoY growth	9%	13%	11%	25%	19%	44%	16%	15%	14%
Gross profit	9,025	9,736	10,885	13,328	16,291	21,797	25,361	29,395	33,633
Gross Margin (%)	84.0%	80.3%	80.8%	79.1%	81.1%	75.3%	75.7%	76.1%	76.3%
EBITDA	3,684	4,306	4,850	5,367	6,748	10,172	12,159	14,202	16,382
YoY growth	7%	17%	13%	11%	26%	51%	20%	17%	15%
EBITDA Margin (%)	34.3%	35.5%	36.0%	31.9%	33.6%	35.2%	36.3%	36.8%	37.2%
Adj PAT	2,965	3,551	4,061	3,822	3,904	3,517	5,580	7,410	9,271
YoY growth	2%	20%	14%	-6%	2%	-10%	59%	33%	25%

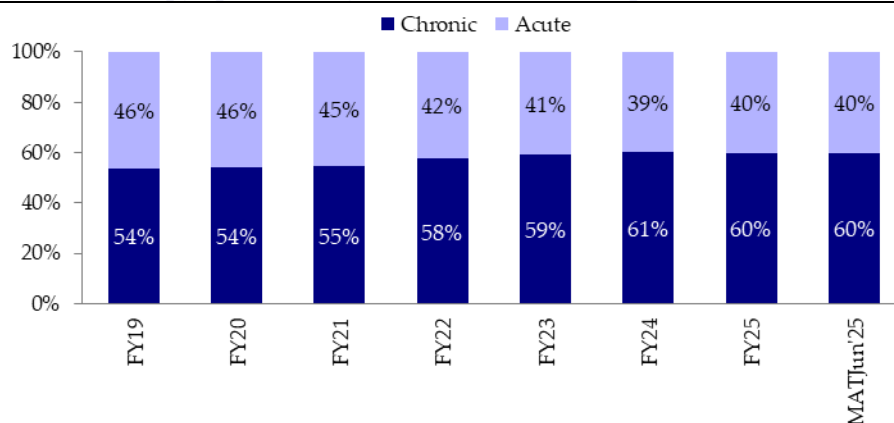
Source: Company, HSIE Research, EBITDA/ PAT adjusted for forex and one-offs.

Exhibit 2: Eris' growth was largely led by price and new launches, volume continued to declined



Source: IQVIA, HSIE Research

Exhibit 3: Therapy split moving towards chronic therapies



Source: IQVIA, HSIE Research

Exhibit 4: Strong growth in anti-diabetic and derma was offset by muted growth in cardiac and VMN

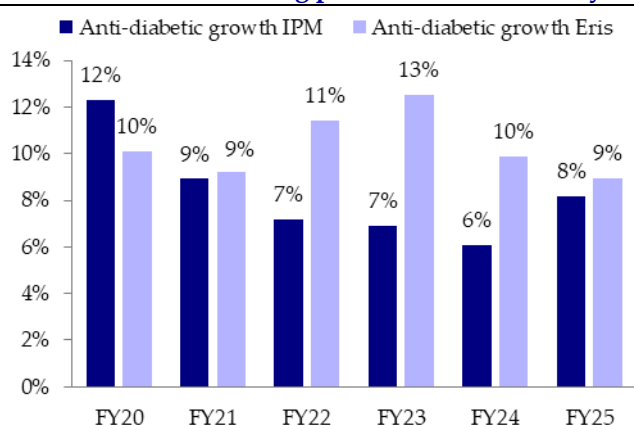
Eris therapy YoY %	% of FY25 sales	FY20	FY21	FY22	FY23	FY24	FY25	Q4'25	Q1'26
Anti Diabetic	32%	10%	9%	11%	13%	10%	9%	10%	12%
Cardiac	15%	10%	13%	10%	-1%	9%	3%	1%	3%
Derma	13%	11%	28%	2%	8%	-9%	16%	11%	13%
Vitamins/Minerals/Nutrients	13%	12%	16%	14%	-1%	12%	6%	-3%	-6%
Antineoplast/Immunomodulator	6%	124%	-3%	-91%	28%	16%	-12%	-20%	-13%
Gynaec.	5%	5%	7%	11%	37%	18%	-6%	-11%	4%
Neuro / Cns	4%	3%	18%	20%	16%	7%	-7%	-9%	-12%
Gastro Intestinal	3%	-6%	2%	8%	-9%	3%	11%	12%	8%
Pain / Analgesics	3%	-19%	-33%	13%	16%	20%	2%	6%	-13%
Anti-Infectives	2%	-8%	-28%	-6%	-13%	14%	-13%	-13%	18%
Eris total	100%	7%	11%	10%	7%	8%	5%	2%	4%

Source: IQVIA, HSIE Research

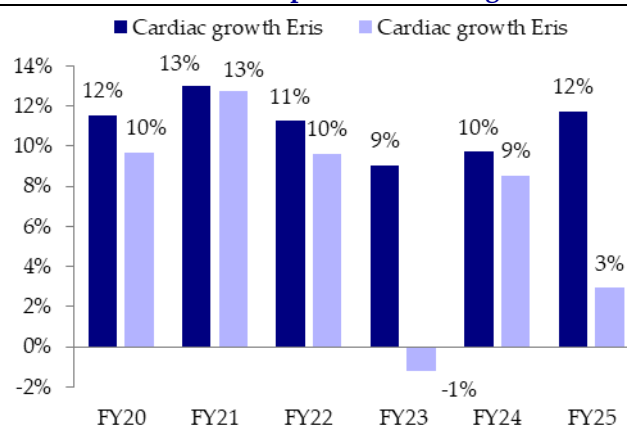
Exhibit 5: Market share gains in anti-diabetic (led by acquisition of Biocon Biologics' India business) and derma (Oaknet) were offset by market share loss in other key therapies such as cardiac and VMN

Eris therapy MS %	% of FY25 sales	FY19	FY20	FY21	FY22	FY23	FY24	FY25	Q4'25	Q1'26
Anti Diabetic	32%	2.8	2.8	2.8	2.9	4.5	4.7	4.7	4.9	4.8
Cardiac	15%	1.9	1.8	1.8	1.8	1.7	1.6	1.5	1.5	1.4
Derma	13%	2.0	2.1	2.5	2.3	2.6	2.2	2.4	2.4	2.5
Vitamins/Minerals/Nutrients	13%	2.1	2.1	2.2	2.2	2.0	2.1	2.1	2.1	1.9
Antineoplast/Immunomodulator	6%	0.0	0.0	0.0	0.0	4.1	3.9	3.0	2.8	2.6
Gynaec.	5%	1.1	1.1	1.1	1.1	1.3	1.4	1.3	1.2	1.3
Neuro / Cns	4%	1.0	0.9	1.0	1.1	1.1	1.1	1.0	0.9	0.9
Gastro Intestinal	3%	0.7	0.6	0.6	0.5	0.4	0.4	0.4	0.4	0.4
Pain / Analgesics	3%	0.8	0.6	0.4	0.4	0.4	0.5	0.4	0.5	0.4
Anti-Infectives	2%	0.1	0.1	0.1	0.1	0.3	0.3	0.3	0.3	0.3
Eris total	100%	1.1	1.1	1.1	1.1	1.3	1.3	1.3	1.3	1.3

Source: Company, HSIE Research

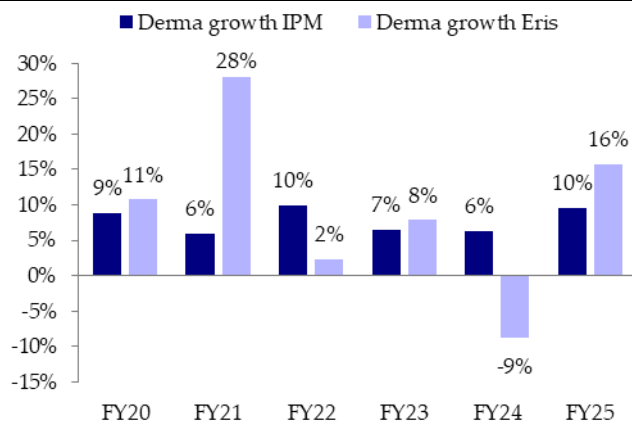
Exhibit 6: Diabetes-strong performance in recent years

Source: IQVIA, HSIE Research

Exhibit 7: Cardiac underperformed IPM growth

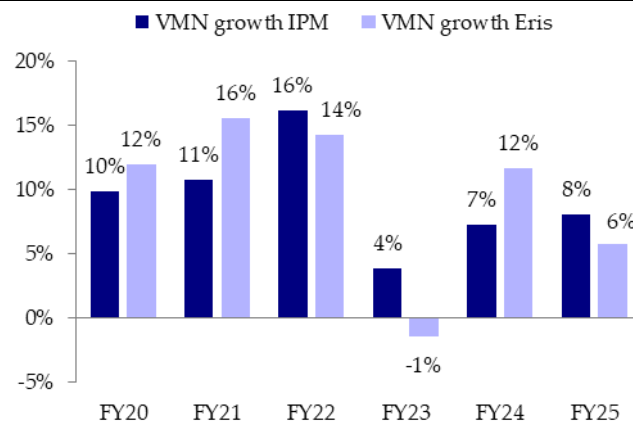
Source: IQVIA, HSIE Research

Exhibit 8: Derma growth improved in FY25, ahead of IPM



Source: IQVIA, HSIE Research

Exhibit 9: VMN underperforming IPM growth



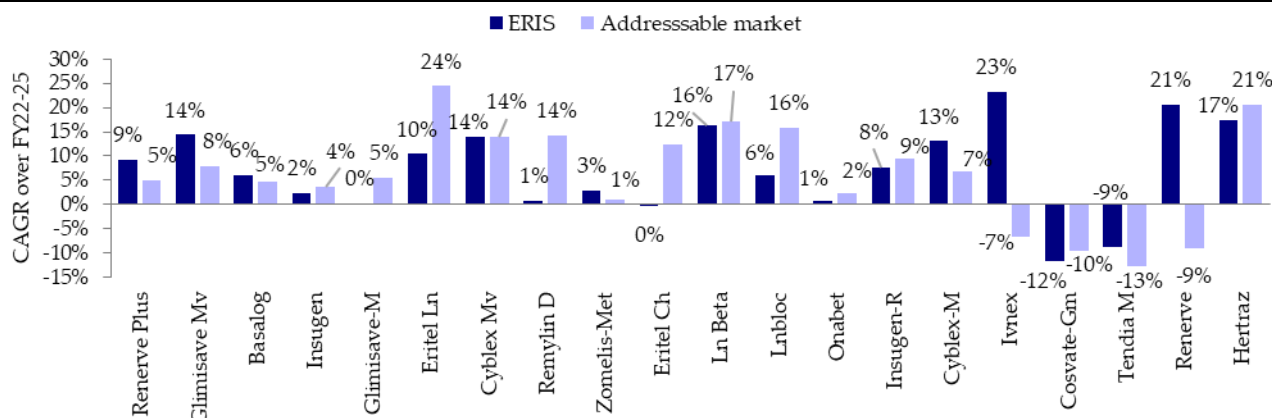
Source: IQVIA, HSIE Research

Exhibit 10: Steady growth in the leading brands

Eris brands YoY	Therapy	% of FY25 sales	FY25 sales (Rs bn)	FY20	FY21	FY22	FY23	FY24	FY25	Q4'25	Q1'26
Renerve Plus	Vitamins/Minerals/Nutrients	5%	1.4	17%	12%	6%	22%	4%	2%	2%	5%
Glimisave Mv	Anti Diabetic	5%	1.4	29%	25%	10%	18%	15%	10%	8%	4%
Basalog	Anti Diabetic	3%	1.0	NA	NA	NA	4%	0%	14%	21%	11%
Insugen	Anti Diabetic	3%	1.0	NA	NA	NA	-8%	2%	15%	31%	44%
Glimisave-M	Anti Diabetic	3%	1.0	9%	8%	-1%	2%	1%	-2%	-3%	2%
Eritel Ln	Cardiac	2%	0.5	14%	21%	15%	9%	15%	7%	3%	12%
Cyblex Mv	Anti Diabetic	2%	0.5	30%	33%	15%	5%	12%	25%	23%	21%
Remylin D	Vitamins/Minerals/Nutrients	2%	0.5	1%	3%	-9%	-9%	9%	3%	4%	-14%
Zomelis-Met	Anti Diabetic	1%	0.4	4%	-17%	29%	15%	4%	-9%	-16%	-12%
Canmab	Antineoplast/Immunomodulator	1%	0.4	NA	NA	NA	511%	46%	-21%	-31%	-61%
Top 10 brands		27%	8.2	15%	13%	4%	11%	8%	5%	8%	8%
11-25 brands		15%	4.4	5%	-11%	24%	3%	4%	14%	11%	9%
26-50 brands		16%	4.8	10%	15%	3%	17%	14%	-3%	-3%	1%
Above 50 brands		43%	13.0	1%	18%	12%	3%	7%	4%	-1%	1%
Eris total		100%	30.4	7%	11%	10%	7%	8%	5%	2%	4%

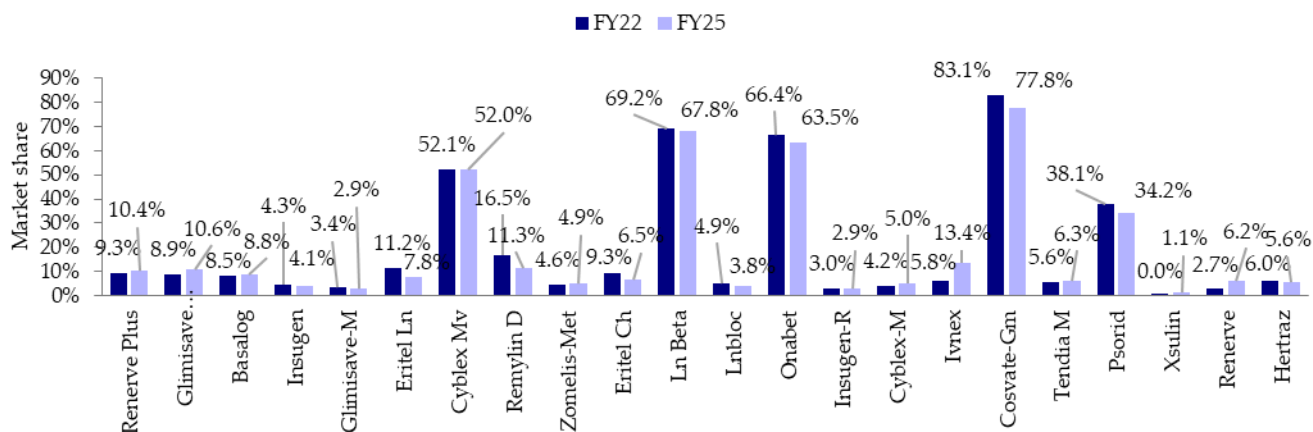
Source: IQVIA, HSIE Research

Exhibit 11: Select legacy brands growing at pat or ahead of addressable markets



Source: IQVIA, HSIE Research

Exhibit 12: Lost market share in some of the legacy brands while sustained or improved in some



Source: IQVIA, HSIE Research

Exhibit 13: Steady growth in acquired Biocon portfolio

Mother brand Name (Sales in INR mn)	Sub-group	Therapy	FY21	FY22	FY23	FY24	FY25	CAGR FY21-25
BASALOG	Long Acting	ANTI DIABETIC	75.1	87.3	90.8	90.9	104.1	8%
YoY Growth				16%	4%	0%	14%	
INSUGEN	Inter.-Acting Fast Acting	ANTI DIABETIC	98.4	95.8	87.9	89.4	102.9	1%
YoY Growth				-3%	-8%	2%	15%	
CANMAB	Trastuzumab Recombinant	ANTINEOPLAST/I MMUNOMODULA TOR	8.9	5.5	33.4	48.7	38.4	44%
YoY Growth				-38%	511%	46%	-21%	
INSUGEN-R	Fast Acting	ANTI DIABETIC	21.5	22.9	23.1	27.0	28.6	7%
YoY Growth				7%	1%	17%	6%	
IVNEX	Human Normal Immunoglobul	VACCINES	6.1	15.0	13.6	22.5	28.0	46%
YoY Growth				146%	-9%	65%	24%	
PSORID	Ciclosporin	ANTINEOPLAST/I MMUNOMODULA TOR	16.0	21.8	28.0	25.8	26.8	14%
YoY Growth				36%	28%	-8%	4%	
HERTRAZ	Trastuzumab Recombinant	ANTINEOPLAST/I MMUNOMODULA TOR	31.3	16.1	18.3	18.1	26.0	-5%
YoY Growth				-49%	14%	-1%	44%	
BIOMAB EGFR	Other Mab.Antineoplastics	ANTINEOPLAST/I MMUNOMODULA TOR	5.1	7.8	12.4	15.4	18.7	39%
YoY Growth				54%	59%	24%	21%	
TACROGRAF	Tacrolimus	ANTINEOPLAST/I MMUNOMODULA TOR	29.0	29.3	29.9	34.0	18.6	-11%
YoY Growth				1%	2%	14%	-45%	
PROLOP	Paracetamol Injections	PAIN / ANALGESICS	4.5	6.3	10.5	12.0	16.3	38%
YoY Growth				41%	66%	14%	36%	
Total			483.1	551.1	570.4	618.3	611.7	6%
YoY Growth				14%	3%	8%	-1%	

Source: IQVIA, HSIE Research.

Exhibit 14: Steady growth in acquired Derma portfolio from Dr. Reddy's

Mother brand Name (Sales in INR mn)	Sub-group	Therapy	FY21	FY22	FY23	FY24	FY25	CAGR FY21-25
HYDROHEAL-AM	Silver Preparations	DERMA	15.9	17.9	19.0	12.7	14.9	-2%
YoY Growth				13%	6%	-33%	17%	
REVILUS KZ	Ketoconazole & Comb	DERMA	1.7	3.3	3.1	2.2	2.4	9%
YoY Growth				89%	-3%	-31%	12%	
SALICYLIX	Salicylate Comb Excl Cort.	DERMA	1.6	1.7	1.9	1.6	2.2	8%
YoY Growth				8%	8%	-16%	38%	
REVILUS	OTH Hair Care Preps.	DERMA	1.3	2.1	2.4	1.7	2.1	14%
YoY Growth				64%	15%	-28%	25%	
ACROFY	Other Anti-acne Prep.	DERMA	1.6	2.0	2.4	1.7	2.1	7%
YoY Growth				28%	18%	-31%	26%	
Total			33.1	38.6	39.3	26.3	32.1	-1%
YoY Growth				17%	2%	-33%	22%	

Source: IQVIA, HSIE Research.

Exhibit 15: Steady growth in acquired Derma portfolio from Glenmark Pharma

Mother brand Name (Sales in INR mn)	Sub-group	Therapy	FY21	FY22	FY23	FY24	FY25	CAGR FY21-25
ONABET	Sertaconazole	DERMA	32.7	28.5	27.2	25.2	28.7	-3%
YoY Growth				-13%	-4%	-8%	14%	
DEMELAN	Kojic Acid And Comb.	DERMA	8.3	9.1	10.3	17.6	20.0	24%
YoY Growth				9%	13%	71%	14%	
SORVATE-C	Vitamin D3 Analogues	DERMA	7.8	8.6	9.1	9.6	13.2	14%
YoY Growth				11%	5%	6%	37%	
HALOVATE-S	Ulobetasol+Salicyclic Acid	DERMA	8.1	8.8	9.1	9.3	13.0	13%
YoY Growth				9%	4%	2%	40%	
HALOVATE	Ulobetasol	DERMA	9.7	9.9	10.1	9.1	11.4	4%
YoY Growth				3%	1%	-10%	25%	
Total			109.4	111.2	116.7	114.9	139.2	6%
YoY Growth				2%	5%	-2%	21%	

Source: IQVIA, HSIE Research.

Exhibit 16: Slow growth in acquired Oaknet Healthcare portfolio

Mother brand Name (Sales in INR mn)	Sub-group	Therapy	FY21	FY22	FY23	FY24	FY25	CAGR FY21-25
COSVATE-GM	Clobetasol.+Gen.+Mico.	DERMA	42.5	40.2	29.8	16.4	27.8	-10%
YoY Growth				-6%	-26%	-45%	70%	
COSVATE-G	Clobetasol.+Genta.	DERMA	12.3	11.4	13.7	13.9	13.8	3%
YoY Growth				-7%	20%	1%	-1%	
COSMELITE	Hydroqu.+Treti.+Momet.	DERMA	18.3	17.8	19.1	13.6	11.6	-11%
YoY Growth				-3%	8%	-29%	-15%	
AMROLSTAR	Amorofilne	DERMA	6.4	7.3	8.9	8.1	10.3	12%
YoY Growth				13%	23%	-9%	27%	
COSVATE-GM ++ OLD	Clobet+Miconazol+Neomycin	DERMA	0.0	0.0	15.3	19.4	8.0	
YoY Growth						27%	-59%	
JECTOCOS PLUS	Conv.Iron Inj.	GYNAEC.	7.7	7.7	8.2	6.9	7.0	-2%
YoY Growth				0%	6%	-15%	1%	
MENABOL	Anabolic Hormones Plain	HORMONES	6.1	6.2	6.8	5.8	6.7	2%
YoY Growth				2%	9%	-14%	15%	
FLUCOS	Other Topical Anitfungals	DERMA	6.4	6.4	7.2	6.0	6.6	1%
YoY Growth				-1%	13%	-17%	10%	
COSLYTE	Oral Electrolytes	GASTRO INTESTINAL	8.5	8.6	7.7	5.4	6.2	-8%
YoY Growth				1%	-11%	-30%	15%	
LULILOK	Luliconazole	DERMA	3.8	4.3	5.2	5.0	6.1	13%
YoY Growth				13%	21%	-4%	24%	
Total			196.0	199.2	215.8	205.5	213.9	2%
YoY Growth				2%	8%	-5%	4%	

Source: IQVIA, HSIE Research

Exhibit 17: Eris outperformed IPM over FY20/21 but was at par or underperformed over FY22-25

Value YoY growth %	FY20	FY21	FY22	FY23	FY24	FY25	Q4'25	Q1'26
India Pharma								
Alkem	17	0	28	13	5	6	6	9
Alembic Pharma	6	1	23	8	4	1	(2)	2
Cipla	8	11	14	7	8	7	9	7
Dr Reddy's	7	3	22	2	9	8	5	11
Eris Life	7	11	10	7	8	5	2	4
Glenmark	15	14	26	(4)	9	12	10	15
IPCA	19	11	22	14	13	13	14	9
Lupin	10	3	15	6	6	8	6	7
Sun Pharma	10	5	16	11	9	10	11	11
Torrent Pharma	8	8	11	14	8	8	7	10
Zydus	8	5	15	7	5	10	10	9
Aristo Pharma	20	6	25	7	9	3	4	8
Ajanta Pharma	13	7	18	17	10	11	8	11
Emcure	12	4	22	2	3	6	5	8
FDC	14	(1)	19	16	6	13	16	8
Intas Pharma	14	6	18	16	12	11	10	11
Indoco	14	(6)	20	3	0	3	3	10
JB Chemical	15	23	25	21	10	12	13	13
Macleods	10	(0)	25	12	9	5	4	8
Mankind	13	11	18	9	8	8	6	9
Micro Labs	13	(2)	37	4	2	3	1	5
USV	10	10	13	9	8	5	3	7
MNC Pharma								
Abbott	8	3	14	10	8	10	8	8
GSK Pharma	6	(1)	14	7	1	1	0	4
Pfizer	6	6	12	(1)	(5)	8	11	(1)
Sanofi	11	4	11	5	0	4	0	1
IPM	11	5	18	8	7	8	7	9

Source: IQVIA, HSIE Research

Exhibit 18: Value share steadily increasing over the last few years

Market share (value)	FY25 Rank	FY19	FY20	FY21	FY22	FY23	FY24	FY25	Q4'25	Q1'26	Apr'25	May'25	Jun'25	FY22-FY25 (bps)
Gained market share														
Mankind	4	4.0%	4.1%	4.3%	4.3%	4.8%	4.8%	4.8%	4.8%	4.9%	4.9%	4.8%	4.8%	53
Sun*	1	7.6%	7.5%	7.6%	7.4%	7.7%	7.8%	7.9%	8.1%	8.0%	8.1%	7.9%	8.1%	49
Intas Pharma*	7	3.1%	3.2%	3.2%	3.2%	3.4%	3.6%	3.7%	3.7%	3.7%	3.7%	3.7%	3.8%	48
Ipca Labs	17	1.5%	1.6%	1.7%	1.8%	1.9%	2.0%	2.1%	1.9%	2.2%	2.2%	2.2%	2.2%	30
Eris Lifesciences*	23	1.1%	1.1%	1.1%	1.1%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	25
Abbott*	2	6.6%	6.4%	6.3%	6.0%	6.2%	6.2%	6.3%	6.5%	6.5%	6.5%	6.5%	6.3%	22
Torrent Pharma*	8	3.4%	3.3%	3.4%	3.2%	3.4%	3.4%	3.4%	3.4%	3.5%	3.6%	3.5%	3.5%	20
Jb Pharma*	22	0.8%	0.8%	0.9%	1.0%	1.1%	1.1%	1.2%	1.2%	1.2%	1.2%	1.3%	1.2%	18
Fdc	26	1.0%	1.0%	1.0%	1.0%	1.1%	1.0%	1.1%	1.1%	1.2%	1.3%	1.2%	1.1%	11
Macleods Pharma	9	3.2%	3.1%	3.0%	3.2%	3.3%	3.4%	3.3%	3.2%	3.2%	3.2%	3.2%	3.2%	10
Ajanta Pharma	26	0.7%	0.7%	0.7%	0.7%	0.7%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	9
Emcure*	14	2.0%	2.0%	2.0%	2.1%	2.3%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	8
Dr Reddys Labs	10	3.1%	3.0%	3.0%	3.0%	3.0%	3.1%	3.1%	3.1%	3.2%	3.2%	3.2%	3.2%	5
Cipla	3	5.5%	5.3%	5.7%	5.5%	5.5%	5.5%	5.5%	5.8%	5.1%	5.3%	5.1%	4.9%	2
Alkem*	5	3.6%	3.8%	3.6%	3.9%	4.1%	4.0%	3.9%	3.7%	3.8%	3.8%	3.8%	3.9%	1
Lost market share														
U S V	16	1.9%	1.9%	2.0%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	2.0%	1.9%	(3)
Zydus Cadila*	12	3.0%	3.0%	3.0%	2.9%	2.9%	2.8%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	(4)
Lupin Limited	6	3.7%	3.7%	3.6%	3.5%	3.5%	3.4%	3.4%	3.5%	3.4%	3.4%	3.5%	3.4%	(10)
Indoco*	29	0.7%	0.7%	0.7%	0.7%	0.6%	0.6%	0.6%	0.6%	0.5%	0.5%	0.5%	0.5%	(11)
Aristo Pharma*	11	2.5%	2.7%	2.8%	2.9%	2.9%	2.9%	2.8%	2.7%	2.7%	2.7%	2.7%	2.7%	(13)
Alembic	22	1.6%	1.5%	1.5%	1.5%	1.5%	1.5%	1.4%	1.3%	1.3%	1.3%	1.3%	1.3%	(14)
Glenmark Pharma	15	1.9%	2.0%	2.2%	2.3%	2.0%	2.1%	2.1%	2.3%	2.1%	2.2%	2.1%	2.1%	(16)
Micro Labs*	18	1.6%	1.6%	1.5%	1.8%	1.7%	1.6%	1.5%	1.4%	1.5%	1.4%	1.5%	1.5%	(23)
Glaxosmithkline*	13	3.0%	2.9%	2.7%	2.6%	2.5%	2.4%	2.2%	2.2%	2.1%	2.2%	2.1%	2.1%	(34)
Pfizer*	20	2.0%	1.9%	2.0%	1.8%	1.7%	1.5%	1.5%	1.5%	1.4%	1.5%	1.4%	1.4%	(36)
Sanofi*	21	1.8%	1.8%	1.8%	1.7%	1.1%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	0.9%	(72)

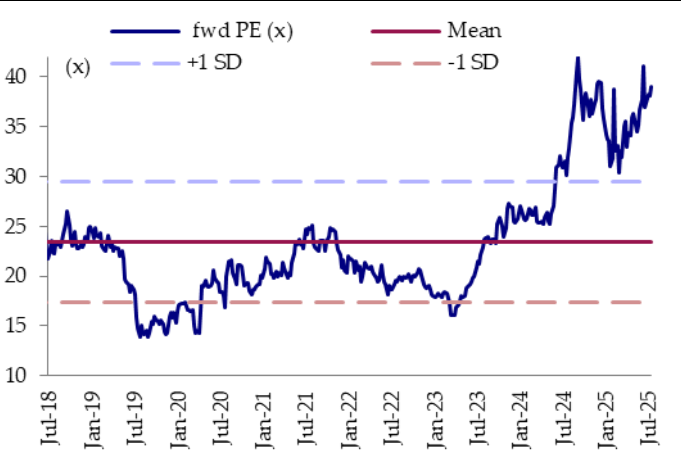
Source: IQVIA, HSIE Research

Exhibit 19: Volume share marginally increasing over the last few years

Market share (Unit)	FY25 Rank	FY19	FY20	FY21	FY22	FY23	FY24	FY25	Q4'25	Q1'26	Apr'25	May'25	Jun'25	FY22- FY25 (bps)
Gained market share														
Cipla	3	6.9%	7.1%	6.6%	7.0%	7.7%	7.9%	8.0%	8.7%	6.9%	7.3%	6.9%	6.5%	98
Mankind	4	5.1%	5.2%	5.7%	5.5%	5.8%	6.0%	6.0%	6.0%	6.2%	6.2%	6.3%	6.2%	54
Sun*	1	5.8%	5.7%	5.8%	5.5%	5.7%	5.9%	5.9%	6.0%	5.9%	5.9%	5.8%	6.0%	37
Macleods Pharma	9	2.9%	2.9%	2.8%	3.0%	3.2%	3.3%	3.3%	3.3%	3.3%	3.2%	3.3%	3.2%	27
Ipca Labs	17	1.8%	1.8%	1.9%	1.9%	2.0%	2.0%	2.1%	1.9%	2.2%	2.2%	2.2%	2.2%	18
Glenmark Pharma	15	1.0%	1.1%	1.1%	1.1%	1.2%	1.3%	1.3%	1.4%	1.2%	1.3%	1.2%	1.3%	13
Emcure*	14	1.1%	1.1%	1.1%	1.1%	1.3%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	11
Intas Pharma*	7	2.3%	2.1%	2.2%	2.2%	2.2%	2.2%	2.3%	2.3%	2.3%	2.2%	2.3%	2.3%	11
Alkem*	5	3.2%	3.4%	3.3%	3.6%	3.7%	3.6%	3.7%	3.5%	3.6%	3.5%	3.5%	3.6%	7
U S V	16	2.5%	2.5%	2.8%	2.6%	2.6%	2.7%	2.7%	2.7%	2.8%	2.7%	2.9%	2.8%	6
Ajanta Pharma	26	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.5%	0.4%	0.5%	0.5%	5
Eris Lifesciences*	23	0.8%	0.8%	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	1
Lost market share														
Lupin Limited	6	2.7%	2.6%	2.4%	2.4%	2.3%	2.4%	2.4%	2.3%	2.3%	2.3%	2.3%	2.3%	(1)
Abbott*	2	4.7%	4.5%	4.5%	4.4%	4.3%	4.3%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	(7)
Torrent Pharma*	8	3.1%	2.9%	3.0%	2.7%	2.7%	2.7%	2.6%	2.6%	2.7%	2.7%	2.7%	2.7%	(8)
Indoco*	29	0.8%	0.8%	0.8%	0.8%	0.7%	0.7%	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%	(11)
Alembic	22	1.2%	1.1%	1.0%	1.1%	1.1%	1.1%	1.0%	1.0%	0.9%	0.9%	0.9%	0.9%	(11)
Jb Pharma*	22	1.5%	1.6%	1.6%	1.5%	1.5%	1.5%	1.4%	1.4%	1.5%	1.5%	1.5%	1.5%	(11)
Dr Reddys Labs	10	2.6%	2.4%	2.4%	2.5%	2.3%	2.4%	2.4%	2.3%	2.4%	2.4%	2.5%	2.5%	(17)
Aristo Pharma*	11	3.2%	3.5%	3.6%	3.9%	3.7%	3.7%	3.6%	3.4%	3.4%	3.4%	3.4%	3.4%	(32)
Sanofi*	21	1.8%	1.8%	1.9%	1.7%	1.4%	1.4%	1.4%	1.3%	1.4%	1.4%	1.4%	1.4%	(36)
Micro Labs*	18	1.6%	1.7%	1.7%	2.1%	2.0%	1.8%	1.7%	1.6%	1.7%	1.6%	1.8%	1.7%	(39)
Pfizer*	20	2.0%	1.9%	2.0%	1.8%	1.6%	1.5%	1.4%	1.3%	1.4%	1.4%	1.4%	1.4%	(41)
Zydus Cadila*	12	4.0%	3.9%	3.8%	3.8%	3.5%	3.4%	3.3%	3.4%	3.2%	3.3%	3.2%	3.2%	(43)
Glaxosmithkline*	13	4.9%	4.6%	4.2%	4.1%	3.8%	3.6%	3.2%	3.2%	3.0%	3.0%	3.0%	3.0%	(82)

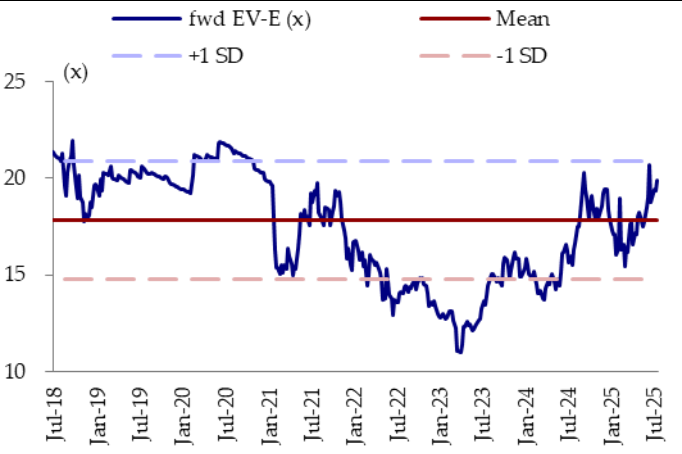
Source: IQVIA, HSIE Research

Exhibit 20: PE chart



Source: Bloomberg, HSIE Research

Exhibit 21: EV/EBITDA chart



Source: Bloomberg, HSIE Research

Financials (Consolidated)

Profit & Loss (INR mn)

March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net sales	11,926	13,262	16,618	19,913	28,793	33,354	38,450	43,870
Other operating income	192	209	233	179	144	167	192	219
Total operating income	12,119	13,470	16,851	20,092	28,936	33,521	38,642	44,089
Cost of goods sold	-2,383	-2,585	-3,524	-3,801	-7,140	-8,160	-9,247	-10,456
Gross profit	9,736	10,885	13,328	16,291	21,797	25,361	29,395	33,633
Gross margin (%)	80	81	79	81	75	76	76	76
Total operating expenses	-5,430	-6,036	-7,961	-9,543	-11,625	-13,201	-15,192	-17,251
EBITDA	4,306	4,850	5,367	6,748	10,172	12,159	14,202	16,382
EBITDA margin (%)	35.5	36.0	31.9	33.6	35.2	36.3	36.8	37.2
Depreciation	-430	-647	-1,171	-1,825	-3,155	-3,275	-3,386	-3,507
EBIT	3,876	4,203	4,197	4,923	7,017	8,884	10,816	12,875
Net interest	-18	-41	-262	-848	-2,313	-1,627	-1,228	-835
Other income	87	261	112	220	183	196	245	263
Profit before tax	3,945	4,422	4,046	4,276	4,886	7,453	9,833	12,304
Total taxation	-394	-364	-305	-342	-1,142	-1,639	-2,163	-2,707
Tax rate (%)	10	8	8	8	23	22	22	22
Profit after tax	3,551	4,058	3,742	3,934	3,744	5,813	7,670	9,597
Minorities	0	3	80	-51	-228	-233	-260	-326
Profit/ Loss associate co(s)	0	0	0	0	-1	-1	-1	-1
Adjusted net profit	3,551	4,061	3,822	3,904	3,517	5,580	7,410	9,271
Adj. PAT margin (%)	30	31	23	20	12	17	19	21
Net non-recurring items	0	0	0	17	2	0	0	0
Reported net profit	3,551	4,061	3,822	3,921	3,518	5,580	7,410	9,271

Balance sheet (INR mn)

March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Paid-up capital	136	136	136	136	136	136	136	136
Reserves & surplus	15,628	18,947	21,824	25,725	28,407	32,927	39,299	47,458
Net worth	15,764	19,085	22,207	32,220	32,718	37,470	44,102	52,586
Borrowing	68	844	8,767	27,813	24,779	19,996	15,013	10,032
Other non-current liabilities	634	588	2,798	5,816	5,729	6,021	6,327	6,630
Total liabilities	18,348	22,725	36,673	70,404	70,332	71,669	74,776	79,805
Gross fixed assets	9,123	9,985	25,113	39,057	51,489	53,739	55,489	57,239
Less: Depreciation	-1,519	-1,740	-2,751	-4,537	-7,544	-10,730	-14,025	-17,435
Net fixed assets	7,604	8,245	22,363	34,520	43,945	43,008	41,464	39,804
Add: Capital WIP	16	270	217	197	670	670	670	670
Total fixed assets	7,620	8,515	22,580	34,717	44,615	43,678	42,134	40,473
Total Investment	2,940	5,204	367	155	670	680	691	702
Inventory	945	1,179	1,314	1,890	3,348	3,933	4,533	5,172
Debtors	1,405	1,610	2,927	4,220	4,586	6,983	8,050	9,185
Cash & bank	383	523	585	14,006	2,228	1,297	3,765	7,925
Loans & advances	95	258	50	66	69	78	88	100
Current liabilities	1,882	2,208	2,902	4,555	7,106	8,182	9,333	10,556
Total current assets	4,216	5,306	7,357	23,030	12,191	14,272	18,721	24,989
Net current assets	2,334	3,099	4,455	18,476	5,085	6,090	9,388	14,432
Other non-current assets	2,637	2,762	3,051	3,830	3,736	3,919	4,110	4,521
Total assets	18,348	22,721	36,673	70,404	70,332	71,669	74,776	79,805

Source: Company, HSIE Research

Cash flow (INR mn)

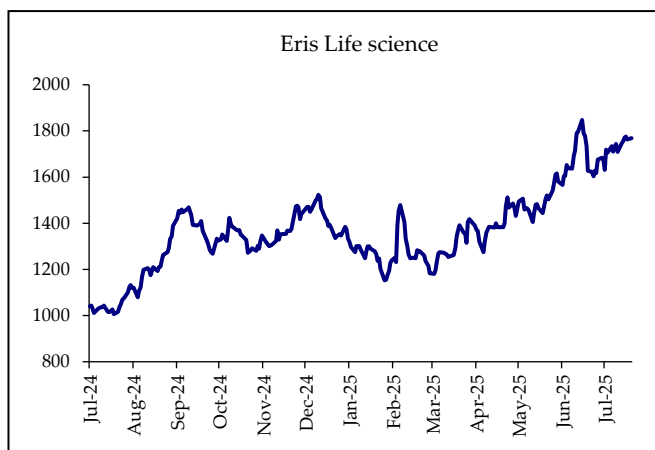
March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Profit before tax	3,945	4,422	4,046	4,276	4,886	7,453	9,833	12,304
Depreciation & Amortisation	-430	-647	-1,171	-1,825	-3,155	-3,275	-3,386	-3,507
Chg in working capital	53	-299	-1,755	-987	1,260	-1,827	-715	-993
CF from operations	3,754	3,783	2,917	4,860	10,650	8,798	11,435	12,795
Capital expenditure	-258	-1,210	-14,969	-6,960	-13,754	-2,250	-1,750	-1,750
CF from investing	-3,234	-3,196	-9,821	-18,545	-800	-2,240	-1,739	-1,740
Equity raised/ (repaid)	0	0	0	0	0	0	0	0
Debt raised/ (repaid)	-59	335	7,763	14,628	-4,059	-4,784	-4,982	-4,981
Dividend paid	-747	-816	-999	0	-1,001	-1,060	-1,037	-1,112
CF from financing	-824	-447	6,880	13,798	-8,813	-6,077	-6,279	-6,419
Net chg in cash	-304	140	-23	113	1,037	482	3,416	4,636

Key ratios

March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OPERATIONAL								
FDEPS (Rs)	26.1	29.8	28.1	28.7	25.8	41.0	54.4	68.1
CEPS (Rs)	29.2	34.6	36.7	42.2	49.0	65.0	79.3	93.8
DPS (Rs)	5.5	6.0	7.3	0.0	7.3	7.8	7.6	8.2
Dividend payout ratio (%)	21.0	20.1	26.2	0.0	28.4	19.0	14.0	12.0
GROWTH								
Net sales (%)	12.7	11.2	25.3	19.8	44.6	15.8	15.3	14.1
EBITDA (%)	16.9	12.6	10.7	25.7	50.7	19.5	16.8	15.3
Adj net profit (%)	19.8	14.4	(5.9)	2.2	(9.9)	58.7	32.8	25.1
FDEPS (%)	19.8	14.4	(5.9)	2.2	(9.9)	58.7	32.8	25.1
PERFORMANCE								
RoE (%)	24.7	23.3	18.6	16.3	12.9	18.1	20.4	21.3
RoCE (%)	26.2	24.1	15.9	10.3	11.2	14.3	17.2	19.5
EFFICIENCY								
Asset turnover (x)	1.3	1.4	0.9	0.6	0.6	0.6	0.7	0.8
Sales/ total assets (x)	0.7	0.6	0.6	0.4	0.4	0.5	0.5	0.6
Working capital/ sales (x)	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1
Receivable days	43	44	64	77	58	76	76	76
Inventory days	44	50	42	52	65	67	68	68
Payable days	48	50	40	60	65	67	67	68
FINANCIAL STABILITY								
Total debt/ equity (x)	0.0	0.0	0.4	1.0	0.8	0.6	0.4	0.2
Net debt/ equity (x)	(0.1)	(0.0)	0.4	0.5	0.7	0.5	0.3	0.0
Current ratio (x)	2.2	2.4	2.5	5.1	1.7	1.7	2.0	2.4
Interest cover (x)	215.1	101.4	16.0	5.8	3.0	5.5	8.8	15.4
VALUATION								
PE (x)	67.7	59.2	62.9	61.6	68.4	43.1	32.5	25.9
EV/ EBITDA (x)	55.7	49.4	46.3	38.6	26.3	21.7	18.0	15.1
EV/ Net sales (x)	20.1	18.1	15.0	13.1	9.3	7.9	6.7	5.6
PB (x)	15.3	12.6	11.0	9.3	8.4	7.3	6.1	5.1
Dividend yield (%)	0.3	0.3	0.4	0.0	0.4	0.4	0.4	0.5
Free cash flow yield (%)	1.5	1.1	(5.0)	(0.9)	(1.3)	2.7	4.0	4.6

Source: Company, HSIE Research

1 Yr Price Movement



Rating Criteria

BUY: >+15% return potential
 ADD: +5% to +15% return potential
 REDUCE: -10% to +5% return potential
 SELL: > 10% Downside return potential

Disclosure:

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