RESULT REVIEW

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

**HOLD**

**TP: Rs 1,160 | ▲ 5%**

**LAURUS LABS** | Pharmaceuticals | 03 May 2026

# A long runway for CDMO expansion

- **Sales/EBITDA/PAT were -2.5%/2.7%/4.3% above our estimates. EBITDA Margin was reported 144 bps above our estimates**
- **CDMO sales contribution to grow to 50% by FY30 vs 31% in FY26. Small molecule capacity to increase to 10k kl vs 8.2k currently**
- **We continue to ascribe 50x PE on FY28 EPS of Rs 23.3 to arrive at TP of Rs 1,160. Maintain HOLD**


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**In-line numbers -** Laurus reported in-line set of numbers, where sales grew by 5.3%, EBITDA grew by 21.8% and PAT grew by 19.8%. Segmentally, generics grew by 12.5%, CDMO by 13.7%, large molecules (Bio) grew by 124% which was offset by 7% decline in formulations segment. Healthy product mix, process improvement, better utilisation and RM cost rationalisation led to 685 bps YoY increase in gross margin to 61.4% and 382 bps increase in EBITDA Margin at 28.3%.

**CDMO growth primarily driven by commercialised products –** During the quarter, small molecules segment grew by 13.7% YoY to Rs 5.2bn in 4QFY26 and 38% YoY growth in FY26, on the back of late-stage pipeline and commercial molecules supplying NCE API. The company supplies advance intermediates and APIs for human health and animal health, while the crop science segment remains in the development phase, with meaningful contribution expected over the next two years. Overall, the company guided for strong global demand for complex APIs where Laurus is a strategic supplier to its global partners. Hence, Laurus is undergoing various capex programs and expects to increase reactor volume capacity from 8200 kl to 10,000 kl by FY28E. Thus, we expect the segment to grow at 30% CAGR from FY26-29E to Rs 41 bn by FY29E.

**Laurus Bio capacity to expand multifold –** In 4QFY26, Laurus Bio sales grew by 124% YoY to Rs 650 mn and 15% YoY to Rs 1.8bn in FY26. The growth was led by a low base, customer revenue diversification and pipeline progress from the current 240 kl fermentation capacity. Laurus Bio has presence in various segments like Biocatalysis, enzyme manufacturing, animal origin, free cell culture ingredients, precision fermentation, cell therapy, gene therapy and fermentation of pharmaceutical intermediate. Due to a good order visibility, the company expects to raise fermentation capacity to 400 kl by CY26 and the facility has the potential to accommodate up to 600 kl. The company expects commercialization of two products, one of which will require scaling up of fermentation capacity to ~1 million liters (1,000 KL). We expect this segment to grow at 10% CAGR from FY26-29 to Rs 2.4bn by FY29.

## Key changes

| Target | Rating |
|---|---|
| ▲ | ◀ ▶ |

| | |
|---|---|
| Ticker/Price | LAURUS IN/Rs 1,101 |
| Market cap | US$ 6.2bn |
| Free float | 74% |
| 3M ADV | US$ 18.2mn |
| 52wk high/low | Rs 1,145/Rs 572 |
| Promoter/FPI/DII | 27%/23%/5% |

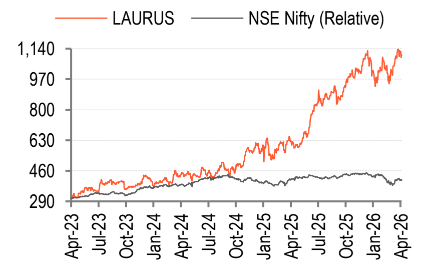
Source: NSE | Price as of 30 Apr 2026

## Key financials

| Y/E 31 Mar | FY26A | FY27E | FY28E |
|---|---|---|---|
| Total revenue (Rs mn) | 68,129 | 79,304 | 91,368 |
| EBITDA (Rs mn) | 17,463 | 21,808 | 25,583 |
| Adj. net profit (Rs mn) | 8,574 | 10,690 | 12,525 |
| Adj. EPS (Rs) | 16.0 | 19.9 | 23.3 |
| Consensus EPS (Rs) | 16.0 | 19.4 | 23.7 |
| Adj. ROAE (%) | 17.5 | 18.5 | 18.3 |
| Adj. P/E (x) | 68.9 | 55.3 | 47.2 |
| EV/EBITDA (x) | 32.3 | 25.8 | 21.9 |
| Adj. EPS growth (%) | 139.3 | 24.7 | 17.2 |

Source: Company, Bloomberg, BOBCAPS Research

## Stock performance




Source: NSE

**Formulations growth driven by increased capacity in FY26 –** Laurus's formulation segment declined by 17% YoY to Rs 4.5bn; however, grew by 26% YoY to Rs 19.8bn in FY26. The decline on quarterly basis was due to a high base, but on an annual basis, growth was due to increase in capacity to 12bn units (KRKA JV) from earlier 10 bn units. Going forward, 1bn incremental capacity is expected to come onstream; hence, we expect this segment to grow at 12% CAGR from FY26-29 to Rs 28.15bn by FY29E.

**Generics API sales growth on volume –** During the quarter, the segment grew by 13.7% YoY and 13% in FY26. The growth was largely driven by ARV and Oncology API. Overall, ARV revenue declined by 15% YoY to Rs 6.8bn in 4QFY26; though increased 10% for FY26, contributing 41% of total sales. Out of total ARV sales, 66% of sales is attributed to API supplied to Aspen. Overall, ARV sales will likely hover around 2.8bn +-3%. The entire generics API segment is expected to be driven by stable prices and higher volumes; hence, we expect the segment to grow by 5% CAGR from FY26-29 to Rs 31.78bn by FY29E.

**Margins on a Growth trajectory -** Laurus reported the highest margins, where gross margin increased by 685 bps YoY and 41bps QoQ to 61.4%; EBITDA margin by 382 bps YoY and 27 bps QoQ to 28.3% for 4QFY26. For FY26, gross margin went up by 500 bps YoY to 60.4% and EBITDA Margin grew 663 bps YoY to 25.6%. The increase in gross margin is due to a shift in the product mix towards high-margin CDMO segment (small + large molecules), where the segment contributed 33% for 4QFY26 and 31% in FY26. Going forward, the growth in CDMO segment is expected to continue amidst a high base, due to increase in orderbook, long-term traction in commercial molecules and progress of late-stage molecules. Hence, we expect CDMO to contribute 35% in FY27, 39% in FY28 and 42% by FY29; thereby increasing EBITDA Margin to 27.5% in FY27, 28% in FY28 and 28.5% in FY29, despite increase in annual capex from 10bn to 15bn for two years.

**Valuation -** The company is ramping up manufacturing capacity as it has order visibility in small molecules to 10,000 kl and fermentation capacity to 400 kl and post the commercialisation of a product, expects to increase it to 1mn litres. Thus, profitability is also like to improve. Thus, we raise our FY27 and FY28 EPS by 8% and 1% respectively. We add in FY29 estimates, resulting in our sales/EBITDA/EPS CAGR growing at 15%/19%/19% respectively. At CMP, the stock trades at 47x on FY28 PE. We continue to ascribe PE of 50x on FY28 EPS of Rs 23.3 to arrive at TP of Rs 1,160; implying 6% upside; and thus, maintain HOLD.

# Financial Highlights

### Fig 1 – Quarterly Snapshot

| (Rs mn) | Q4FY26 | Q4FY25 | YoY (%) | Q3FY26 | QoQ (%) | Q4FY26E | Variance (%) |
|---|---|---|---|---|---|---|---|
| Net Sales | 18,116 | 17,203 | 5.3 | 17,783 | 1.9 | 18,580 | (2.5) |
| Total Expenses | 12,235 | 12,337 | (0.8) | 12,291 | (0.5) | 12,911 | (5.2) |
| (%) of net sales | 68 | 72 | | 69 | | 69 | |
| Raw material consumed | 7,001 | 7,827 | (10.6) | 6,946 | 0.8 | 7,246 | (3.4) |
| (%) of net sales | 39 | 45 | | 39 | | 39 | |
| Staff cost | 2,359 | 1,777 | 32.7 | 2,292 | 2.9 | 2,415 | (2.4) |
| (%) of net sales | 13 | 10 | | 13 | | 13 | |
| SG&A | 2,875 | 2,733 | 5.2 | 3,053 | (5.8) | 3,250 | (11.5) |
| (%) of net sales | 15.9 | 15.9 | | 17.2 | | 17.5 | |
| EBITDA | 5,121 | 4,206 | 21.8 | 4,802 | 6.6 | 4,985 | 2.7 |
| Depreciation | 1,221 | 1,104 | 10.6 | 1,206 | 1.2 | 1,210 | 0.9 |
| EBIT | 3,900 | 3,102 | 25.7 | 3,596 | 8.5 | 3,775 | 3.3 |
| Interest | 404 | 564 | (28.3) | 388 | 4.3 | 400 | 1.1 |
| Other Income | 118 | 586 | (79.9) | 58 | 104.9 | 60 | 96.7 |
| PBT | 3,614 | 3,123 | 15.7 | 3,266 | 10.7 | 3,435 | 5.2 |
| Less: Taxation | 795 | 785 | 1.3 | 735 | 8.2 | 773 | 2.8 |
| Less: Minority Interest | 28 | 9 | 207.8 | 15 | 91.0 | (15) | (284.7) |
| Recurring PAT | 2,791 | 2,330 | 19.8 | 2,517 | 10.9 | 2,677 | 4.3 |
| **Key Ratios (%)** | | | | | | | |
| Gross Margin | 61.4 | 54.5 | 685 | 60.9 | 41 | 61.0 | 35 |
| EBITDA Margin | 28.3 | 24.4 | 382 | 27.0 | 126 | 26.8 | 144 |
| Tax / PBT | 22.0 | 25.1 | (313) | 22.5 | (50) | 22.5 | (50) |
| NPM | 15.4 | 13.5 | 187 | 14.2 | 126 | 14.4 | 100 |
| EPS (Rs) | 5.2 | 4.3 | 19.8 | 4.7 | 10.9 | 5.0 | 4.3 |

Source: Company, BOBCAPS Research

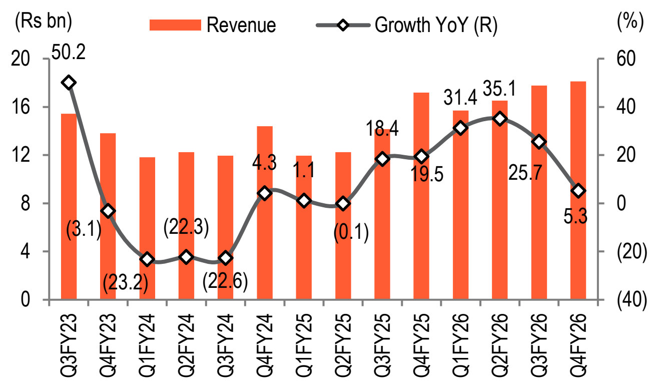
### Fig 2 – Segmental Sales

| (Rs Mn) | Q4FY26 | Q4FY25 | YoY (%) | Q3FY26 | QoQ (%) | Q4FY26E | Variance (%) |
|---|---|---|---|---|---|---|---|
| Generics – API | 7,720 | 6,860 | 12.5 | 7,200 | 7.2 | 7,485 | 3.1 |
| CDMO – Small Molecules | 5,240 | 4,610 | 13.7 | 4,080 | 28.4 | 4,933 | 6.2 |
| Formulations | 4,510 | 5,440 | (17.1) | 6,070 | (25.7) | 5,712 | (21.0) |
| Bio | 650 | 290 | 124.1 | 430 | 51.2 | 450 | 44.4 |
| Net Sales | 18,120 | 17,469 | 3.7 | 23,957 | (24.4) | 18,580 | (2.5) |

Source: Company, BOBCAPS Research

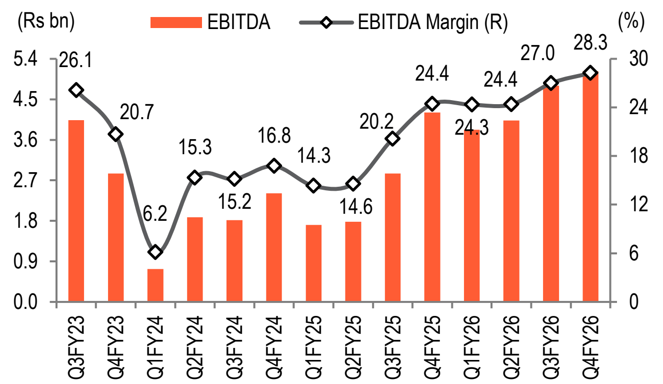
## Financial Charts

**Fig 3 – Sales increasing due to growth across most of the products**



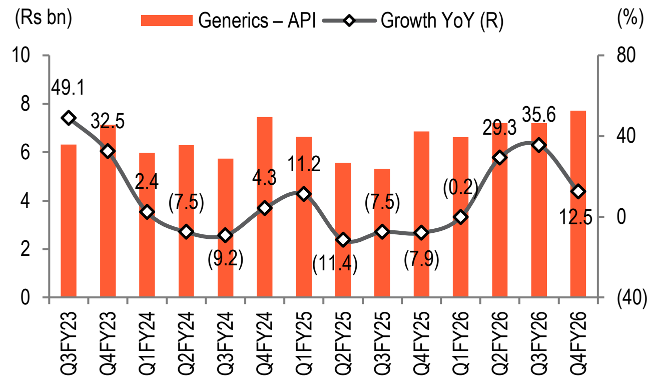

Source: Company, BOBCAPS Research

**Fig 4 – EBITDA increasing given the change in product mix**



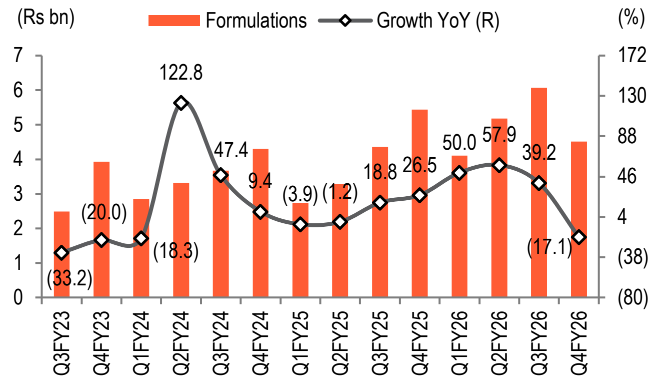

Source: Company, BOBCAPS Research

**Fig 5 – Generics API segment growing on higher volumes**



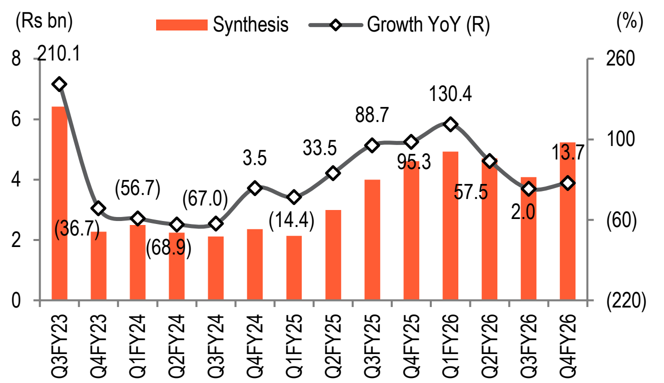

Source: Company, BOBCAPS Research

**Fig 6 – Formulations sales declined on a higher base**



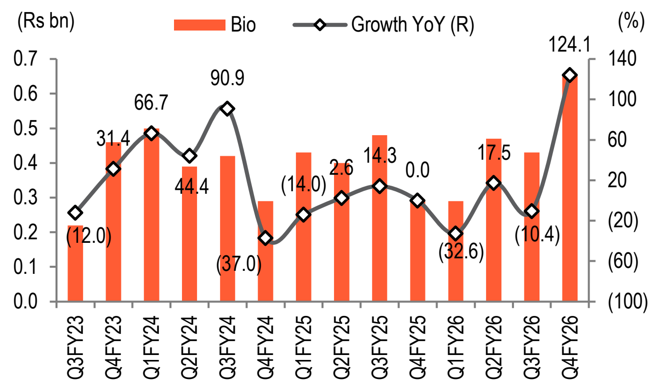

Source: Company, BOBCAPS Research

**Fig 7 – Synthesis sales up due to a better traction in commercialised products**



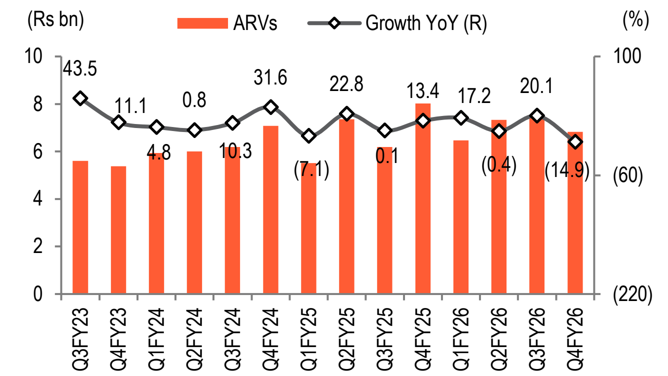

Source: Company, BOBCAPS Research

**Fig 8 – Bio sales up due to a lower base**



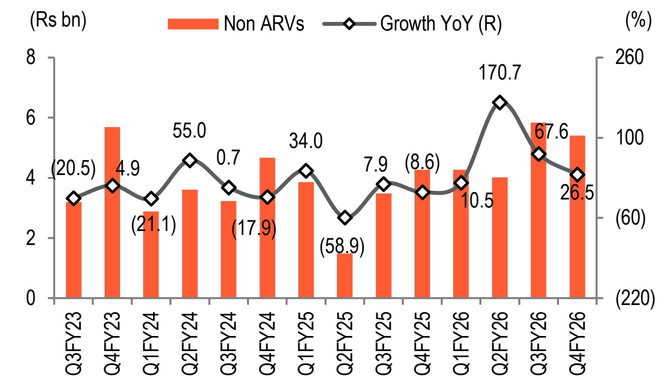

Source: Company, BOBCAPS Research

### Fig 9 – ARV sales affected by the pricing issue



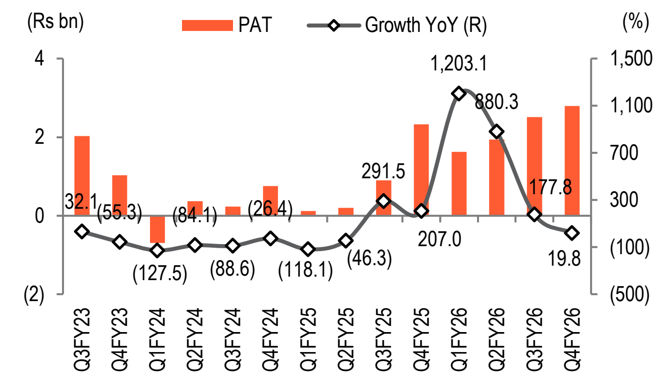

Source: Company, BOBCAPS Research

### Fig 10 – Non-ARV sales declining



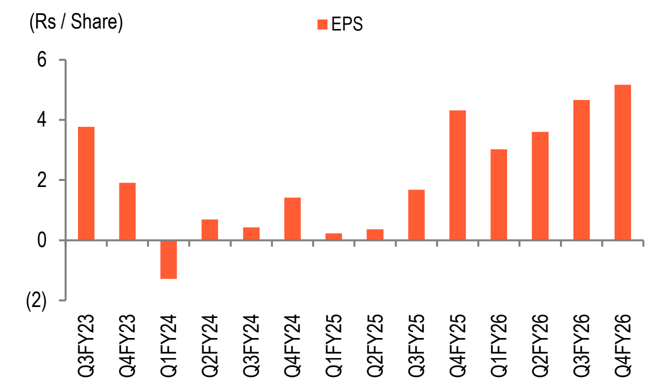

Source: Company, BOBCAPS Research

### Fig 11 – Healthy operations led to a healthy PAT




Source: Company, BOBCAPS Research

### Fig 12 – EPS continues to surge




Source: Company, BOBCAPS Research

# Earnings Call Highlights

## Outlook & Management Guidance

- **Gross Margins:** Management expects gross margins to be maintained around 60%.
- **EBITDA Margins:** Management expects maintaining/ improving EBITDA margin in FY27, with confidence in sustaining the current levels.
- **CDMO Growth:** FY27 CDMO is expected to report growth over FY26.
- **Business Transformation:** Management targets ~50% revenue contribution from CDMO by 2030.
- **Supply Chain:** No supply disruptions expected till at least the end of June 2026, despite global geopolitical challenges.
- **R&D Spend:** R&D spending to sales for FY27 is expected to be a similar percentage to FY26's i.e. 4.1%.
- **Animal Health:** Expect some meaningful revenue in FY27, given that meaningful API shipments have been undertaken.
- **Crop Science:** One commercial supply has been commercialised for one partner, with shipments expected to continue. Additional partners are being pursued, but meaningful revenues will start 1–2 years from now.
- **Debt:** Expected to increase slightly in the near term due to CapEx, though Net Debt/EBITDA will likely stay at similar levels.
- **CapEx Outlook:** Management indicated that CapEx will remain elevated in the next 2 years to support the upcoming large-scale projects. CapEx guidance for the next two years (FY27 and FY28) is around Rs 30,000 mn — an increase from the previously stated Rs 10,000 mn annually.

## Business Segment Highlights

## CDMO – Small Molecules

- **Full Year FY26:** Small Molecule CDMO clocked revenues of Rs 18,960 mn — a growth of ~38% YoY — driven by late-stage pipeline programs, commercial NCE API supplies to global partners, and ramp-up of growth projects.
- **Q4FY26:** CDMO small molecule sales stood at Rs 5,240 mn.
- **Commercial Molecules:** The company has supplied 3 NCE molecules in the last 18 months. These molecules are very early in their commercial journey, and the underlying demand momentum remains strong. Partners have provided clear forecasts for the next several years with no stocking/destocking concerns at this time.
- **CDMO Destocking – No Risk:** In the last 18 months, Laurus delivered three APIs for commercial programs. These molecules have long patent lives and are very

early in their commercial journey. Partners have provided clear multi-year forecasts and there are no stocking/destocking challenges for these molecules at this point.

- **Technology Platforms:** Pipeline continues to expand with focus on biocatalysis, flow chemistry, hydrogenation, continuous manufacturing of drug products, and high potent APIs.
- **Peptide Manufacturing:** Advancing commercial peptide manufacturing capabilities based on customer demand. Capacity being created is fully integrated.

## Laurus Bio

- **Q4FY26:** Bio division reported sales of ~Rs 650 million, up 124% YoY (partly due to a low base in the prior year).
- **Full Year FY26:** Sales grew ~15% for the full year, supported by customer revenue diversification and continued pipeline progress on global accounts across both Animal Origin Free (AOF) portfolio and CDMO.
- **Fermentation Capacity Expansion:** Construction of the commercial-scale fermentation facility in Vizag is progressing as planned. Phase 1 capacity of ~400 kl (non-pharmaceutical – industrial chemicals, surfactants, and polymers – products with very high titers, minimal contamination risk, and straightforward downstream processing.) is expected to be operational by end of CY2026. These products are being transferred from the 45,000 litre fermenters at Bengaluru R2, where the commercials have already been achieved. The current 4×45,000 litre fermenters at R2 Bengaluru are fully occupied, necessitating this expansion.
- **Scale-Up Pathway:** Once commercialisation happens and first-to-commercial production is delivered, the company expects to expand the Vizag facility further to 1 million litres, for which space has already been allocated.

## Affordable Medicines (Generics)

- **Q4FY26:** Revenue from the Affordable Medicines division stood at Rs 12,230 mn in Q4, with the momentum continuing on an absolute basis, though growth moderated slightly.
- **Full Year FY26:** The division delivered Rs 47,330 mn in revenues, reflecting a strong 18% growth, driven by higher volumes across ARV and Oncology portfolios and strong traction from new launches in developed markets.
- **ARV Leadership:** The company continues to service one-third of the global HIV population and has maintained absolute sales and global leadership in HIV therapy. ARV revenues' contribution has come down from 67% to 41% in FY26, while sustaining absolute sales volumes. Percentage will go down in future.
- **Formulation Capacity:** Oral solid facility capacity increased by 20% in FY26 to 12 bn units.
- **Regulatory Filings:** Cumulative 92 DMFs filed to date. In developed markets, filed 7 dossiers and received 6 approvals in FY26, taking the cumulative product filings to 94.

- **Non-ARV Formulations:** Decent growth in FY26 vs FY25. Management confirmed that growth momentum in non-ARV formulations is expected to continue in FY27 vs FY26, driven by existing products and better capacity utilisation.

## CapEx

- **FY26 CapEx:** Total CapEx for FY26 was Rs 10,700 mn. For Q4FY26, CapEx stood at Rs 3,350 mn. More than 75% of the investment went into the expansion of CDMO and CMO capabilities, with the remainder in common infrastructure such as ETP and maintenance.
- **Reactor Volume:** The company has exceeded 8,200 cubic metres of reactor volume for small molecule API and intermediate manufacturing in FY26.
- **Unit 7 – Greenfield (Vizag):** First production block of Unit 7 will be ready for commercial validation by March 2027, with 4 additional manufacturing blocks planned by FY28, adding a combined reactor volume of over 2,000 cubic metres.
- **Second Commercial Scale CDMO Block:** Second commercial scale manufacturing block will be ready for commercial scale validation during Q2FY27.
- **Animal Health (Unit 10):** Additional capacities are being added at Unit 10, adjacent to LSBL Unit 2.
- **Laurus Bio – Fermentation Greenfield:** Phase 1 of the greenfield fermentation site at Vizag will start by the end of CY2026.
- **KRKA JV – Formulation Facility:** Phase 1 of the formulation facility under the Krka JV in Hyderabad is expected to be completed by mid-2027.

## Strategic & Portfolio Highlights

- **Biotech Initiatives:** Laurus's biotech initiatives span across biocatalysis, enzyme manufacturing, animal origin free cell culture ingredients, precision fermentation, cell therapy, gene therapy, and fermentation of pharmaceutical intermediates. Multiple fronts are progressing simultaneously.
- **AI & Drug Discovery:** Laurus is not involved in the discovery side for any partners in its CDMO operations. Hence, the impact of AI disruption in discovery would be minimal, if any. From a broader industry perspective, AI is being leveraged globally in the discovery space for designing molecules and predicting profiles, leading to a faster pipeline generation. However, AI-designed molecules tend to be structurally more complex, which may increase the demand for complex synthesis capabilities.

## Valuation Methodology

Earnings were in line with our estimates and management's commentary also remains robust on CDMO. On a high base, the CDMO segment is expected to grow and contribute 50% to total sales by FY30. The company is undertaking various capital expenditure including greenfield capex of Rs 5bn to set up a large Manufacturing unit 7. The company is also expanding manufacturing capacity due to order visibility in small molecules to the extent of 10,000 KL and fermentation capacity to 400 kl and post commercialization of a product expects to increase capacity to 1mn liters. Thus, profitability is also likely to improve. Thus, we raise our FY27 and FY28 EPS by 8% and 1% respectively.

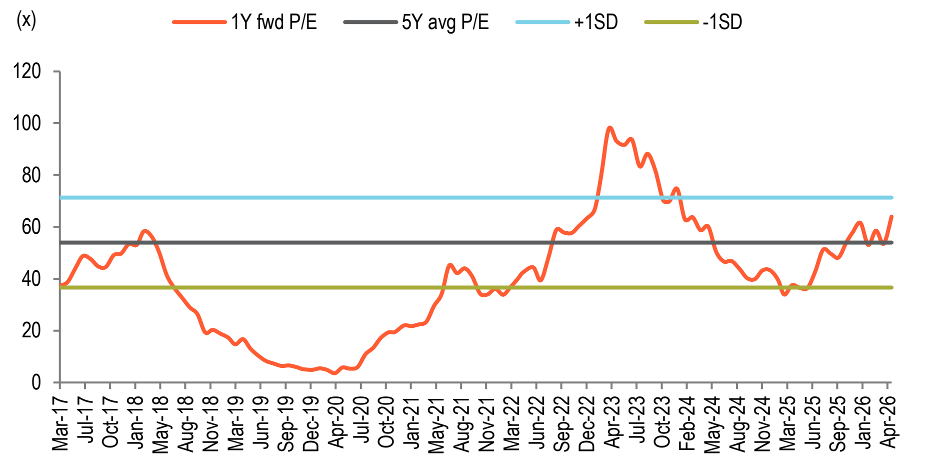
We add in FY29 estimates, resulting in our sales/EBITDA/EPS CAGR growing at 15%/19%/19% respectively. At CMP, the stock is trading at 47x on FY28 PE. We continue to ascribe PE of 50x on FY28 EPS of Rs 23.3 to arrive at TP of Rs 1,160, implying 6% upside; and thus, maintain HOLD.

**Fig 13 – Revised estimates**

| (Rs mn) | New | | | Old | | | Change (%) | | |
|---|---|---|---|---|---|---|---|---|---|
| | FY26E | FY27E | FY28E | FY26E | FY27E | FY28E | FY26E | FY27E | FY28E |
| Sales | 68,129 | 79,304 | 91,368 | 68,593 | 82,623 | 95,854 | (1) | (4) | (5) |
| EBITDA | 17,463 | 21,808 | 25,583 | 17,641 | 21,482 | 25,881 | (1) | 2 | (1) |
| EBITDA Margin (%) | 25.6 | 27.5 | 28.0 | 25.7 | 26.0 | 27.0 | (10bps) | 150bps | 100bps |
| EPS | 16.0 | 19.9 | 23.3 | 16.3 | 18.5 | 23.1 | (2) | 8 | 1 |

Source: BOBCAPS Research

**Fig 14 – P/E Band**




Source: Company, BOBCAPS Research

## Key Risks

Key upside/downside risks to our estimates:

### Key upside risks

- Faster-than-expected growth in the custom synthesis segment
- Asset turns higher than 1.1 in the near term

### Key downside risks

- Slower-than-expected growth in the custom synthesis segment
- Pricing pressure in API prices pose downward risk.

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# Financials

**Income Statement**

| Y/E 31 Mar (Rs mn) | FY25A | FY26A | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| **Total revenue** | **55,540** | **68,129** | **79,304** | **91,368** | **1,03,983** |
| EBITDA | 10,553 | 17,463 | 21,808 | 25,583 | 29,635 |
| Depreciation | 4,301 | 4,801 | 5,798 | 6,923 | 8,048 |
| EBIT | 6,252 | 12,663 | 16,010 | 18,660 | 21,587 |
| Net interest inc./(exp.) | (2,160) | (1,707) | (2,146) | (2,411) | (2,652) |
| Other inc./(exp.) | 751 | 550 | 436 | 503 | 572 |
| Exceptional items | 0 | 0 | 0 | 0 | 0 |
| EBT | 4,843 | 11,505 | 14,300 | 16,752 | 19,507 |
| Income taxes | 1,299 | 2,920 | 3,599 | 4,216 | 4,910 |
| Extraordinary items | 0 | 0 | 0 | 0 | 0 |
| Min. int./Inc. from assoc. | (39) | 11 | 11 | 11 | 11 |
| **Reported net profit** | **3,583** | **8,574** | **10,690** | **12,525** | **14,587** |
| Adjustments | 0 | 0 | 0 | 0 | 0 |
| **Adjusted net profit** | **3,583** | **8,574** | **10,690** | **12,525** | **14,587** |

**Balance Sheet**

| Y/E 31 Mar (Rs mn) | FY25A | FY26A | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| Accounts payables | 9,585 | 12,521 | 13,688 | 16,772 | 17,663 |
| Other current liabilities | 5,378 | 8,057 | 9,516 | 10,964 | 9,878 |
| Provisions | 1,354 | 1,700 | 1,870 | 2,057 | 2,262 |
| Debt funds | 31,013 | 28,521 | 32,799 | 36,079 | 39,686 |
| Other liabilities | 0 | 0 | 0 | 0 | 0 |
| Equity capital | 1,078 | 1,079 | 1,079 | 1,079 | 1,079 |
| Reserves & surplus | 44,947 | 53,234 | 62,913 | 74,427 | 88,003 |
| Shareholders' fund | 46,025 | 54,312 | 63,992 | 75,506 | 89,081 |
| **Total liab. and equities** | **93,355** | **1,05,111** | **1,21,865** | **1,41,377** | **1,58,571** |
| Cash and cash eq. | 1,504 | 1,136 | 1,212 | 1,443 | 1,634 |
| Accounts receivables | 20,072 | 21,550 | 28,245 | 32,542 | 37,035 |
| Inventories | 19,365 | 23,422 | 23,900 | 27,536 | 31,337 |
| Other current assets | 4,266 | 4,471 | 3,965 | 6,396 | 7,279 |
| Investments | 2,333 | 3,093 | 3,402 | 3,742 | 4,116 |
| Net fixed assets | 38,576 | 41,059 | 50,261 | 58,338 | 65,290 |
| CWIP | 4,584 | 7,733 | 8,233 | 8,733 | 9,233 |
| Intangible assets | 2,656 | 2,647 | 2,647 | 2,647 | 2,647 |
| Deferred tax assets, net | 0 | 0 | 0 | 0 | 0 |
| Other assets | 0 | 0 | 0 | 0 | 0 |
| **Total assets** | **93,355** | **1,05,111** | **1,21,865** | **1,41,377** | **1,58,571** |

**Cash Flows**

| Y/E 31 Mar (Rs mn) | FY25A | FY26A | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| **Cash flow from operations** | **3,031** | **13,595** | **12,618** | **13,803** | **13,468** |
| Capital expenditures | (6,410) | (10,000) | (15,000) | (15,000) | (15,000) |
| Change in investments | (1,093) | (760) | (309) | (340) | (374) |
| Other investing cash flows | 0 | 0 | 0 | 0 | 0 |
| **Cash flow from investing** | **(7,503)** | **(10,760)** | **(15,309)** | **(15,340)** | **(15,374)** |
| Equities issued/Others | 0 | 1 | 0 | 0 | 0 |
| Debt raised/repaid | 3,852 | (2,493) | 4,278 | 3,280 | 3,608 |
| Interest expenses | 0 | 0 | 0 | 0 | 0 |
| Dividends paid | (808) | (1,011) | (1,011) | (1,011) | (1,011) |
| Other financing cash flows | 1,516 | 300 | (500) | (500) | (500) |
| **Cash flow from financing** | **4,559** | **(3,202)** | **2,767** | **1,769** | **2,097** |
| **Chg in cash & cash eq.** | **87** | **(368)** | **76** | **231** | **191** |
| **Closing cash & cash eq.** | **1,504** | **1,136** | **1,212** | **1,443** | **1,634** |

**Per Share**

| Y/E 31 Mar (Rs) | FY25A | FY26A | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| Reported EPS | 6.7 | 16.0 | 19.9 | 23.3 | 27.2 |
| Adjusted EPS | 6.7 | 16.0 | 19.9 | 23.3 | 27.2 |
| Dividend per share | 1.2 | 1.5 | 1.5 | 1.5 | 1.5 |
| Book value per share | 83.3 | 98.8 | 116.8 | 138.3 | 163.6 |

**Valuations Ratios**

| Y/E 31 Mar (x) | FY25A | FY26A | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| EV/Sales | 10.2 | 8.3 | 7.1 | 6.1 | 5.4 |
| EV/EBITDA | 53.6 | 32.3 | 25.8 | 21.9 | 18.8 |
| Adjusted P/E | 164.9 | 68.9 | 55.3 | 47.2 | 40.5 |
| P/BV | 13.2 | 11.1 | 9.4 | 8.0 | 6.7 |

**DuPont Analysis**

| Y/E 31 Mar (%) | FY25A | FY26A | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| Tax burden (Net profit/PBT) | 74.0 | 74.5 | 74.8 | 74.8 | 74.8 |
| Interest burden (PBT/EBIT) | 77.5 | 90.9 | 89.3 | 89.8 | 90.4 |
| EBIT margin (EBIT/Revenue) | 11.3 | 18.6 | 20.2 | 20.4 | 20.8 |
| Asset turnover (Rev./Avg TA) | 19.1 | 21.3 | 22.1 | 21.9 | 21.6 |
| Leverage (Avg TA/Avg Equity) | 1.7 | 1.6 | 1.6 | 1.5 | 1.5 |
| Adjusted ROAE | 8.3 | 17.5 | 18.5 | 18.3 | 18.0 |

**Ratio Analysis**

| Y/E 31 Mar | FY25A | FY26A | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| **YoY growth (%)** | | | | | |
| Revenue | 10.2 | 22.7 | 16.4 | 15.2 | 13.8 |
| EBITDA | 35.7 | 65.5 | 24.9 | 17.3 | 15.8 |
| Adjusted EPS | 122.9 | 139.3 | 24.7 | 17.2 | 16.5 |
| **Profitability & Return ratios (%)** | | | | | |
| EBITDA margin | 19.0 | 25.6 | 27.5 | 28.0 | 28.5 |
| EBIT margin | 11.3 | 18.6 | 20.2 | 20.4 | 20.8 |
| Adjusted profit margin | 6.5 | 12.6 | 13.5 | 13.7 | 14.0 |
| Adjusted ROAE | 8.3 | 17.5 | 18.5 | 18.3 | 18.0 |
| ROCE | 9.6 | 16.5 | 18.3 | 18.4 | 18.4 |
| **Working capital days (days)** | | | | | |
| Receivables | 132 | 115 | 130 | 130 | 130 |
| Inventory | 127 | 125 | 110 | 110 | 110 |
| Payables | 63 | 67 | 63 | 67 | 62 |
| **Ratios (x)** | | | | | |
| Gross asset turnover | 0.9 | 1.0 | 0.9 | 0.9 | 0.9 |
| Current ratio | 2.8 | 2.3 | 2.3 | 2.3 | 2.6 |
| Net interest coverage ratio | 2.9 | 7.4 | 7.5 | 7.7 | 8.1 |
| Adjusted debt/equity | 0.7 | 0.5 | 0.5 | 0.5 | 0.4 |

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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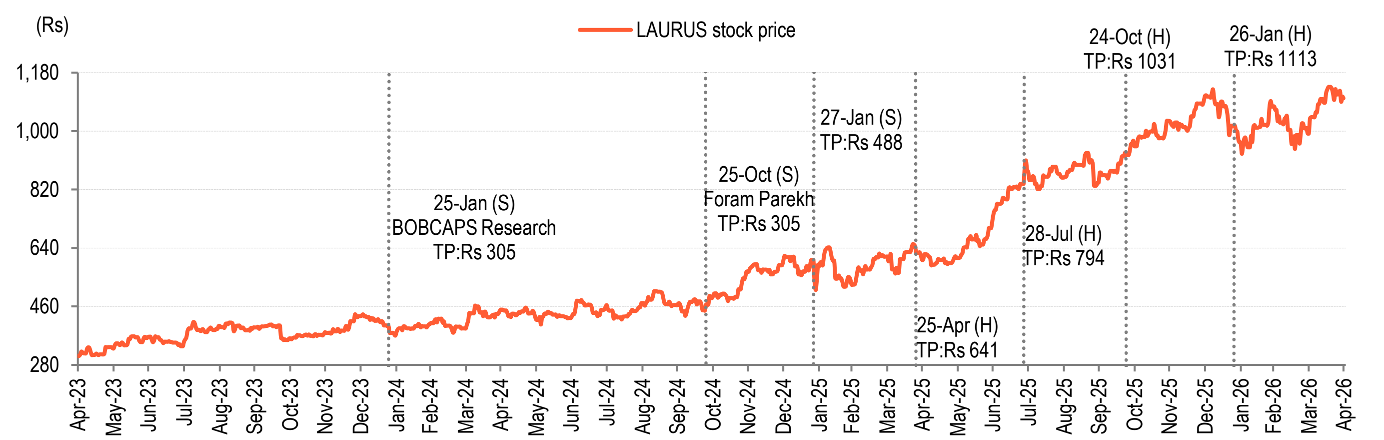


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