Shubh Nivesh



Alivus Life Sciences (GLELIF)

CMP: ₹1420 | Target ₹ 1730 (22%) | Target Period: 12 months | BUY

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Numbers continue to improve with margin expansion...

About the stock: Alivus life sciences (erstwhile Glenmark life sciences) is a leading developer and manufacturer of APIs (~93% of FY26 revenues) with major focus in chronic therapeutic areas such as cardiovascular disease, central nervous system disease, pain management and diabetes. GLS caters to over 700 customers in more than 75 countries with a product basket of +150 products.

- The company is also into CDMO services (~7% of FY26 revenues) catering to a range of multinational and specialty pharmaceutical companies.
- It owns a total reactor capacity of ~1424 KL (1198 KL API & 226 KL Backward Integrated) with manufacturing facilities at Ankleshwar, Dahej in Gujarat and Mohol, Kurkumbh and Solapur (upcoming) in Maharashtra.

Investment Rationale:

- **Healthy growth with strong margins:** Revenues grew ~16% on a YoY basis to ₹682 crore, driven by non-GPL sales, which grew ~14% on a YoY basis to ₹461 crore. The growth was muted in GPL API business which grew 1% YoY to ₹145 crore. CDMO Business grew of 80% to ~₹50 crore. EBITDA grew 48% YoY to ₹265 crore with a margin of 38.9% (up 841 bps YoY) supported by strong GPM of 64.4% (up 672 bps). PAT grew ~51% YoY to ₹196.7 crore with 28.8% PAT margins.
- **Healthy pipeline, long term agreements to steer growth–** The Non-GPL business continues to demonstrate healthy momentum, with recently launched products scaling up well across geographies. On the other hand, GPL business was impacted by inventory rationalisation. However, given that the GPL business is structurally more H2-skiewed, management expects the segment to remain broadly flat in FY27, implying a recovery in the second half. CDMO segment witnessed strong traction in existing CDMO projects supported by recent launches. The management expects two additional contracts likely to get commercialised during H2FY27, which is expected to improve the traction further traction. Furthermore, the company is currently engaged in active discussions for seven new CDMO projects, creating a healthy medium-term pipeline that could drive future growth. On the capacity expansion front, project timelines have been pushed out across facilities as disclosed in Q1. We view this positively, as management has adopted a disciplined approach by aligning capital expenditure with demand visibility rather than undertaking premature capacity additions, thereby ensuring efficient capital allocation.
- Importantly, management has reiterated its FY27 revenue growth guidance of 10-12%, while upgrading its EBITDA margin guidance to 35-36% from the earlier 32%+ outlook. The expansion is mainly on account of incremental share of new APIs in the sales mix. Overall, improved growth visibility, supported by sustained margin strength and an expanding CDMO opportunity pipeline, supports a constructive earnings trajectory.

Rating and Target Price: We maintain BUY with TP of **₹1730** per share based on 18x FY28E EBITDA of ₹1109 crore.

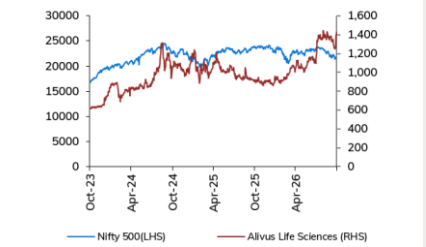
Particulars

Particular	Amount
Market Capitalisation	₹ 17399 crore
Debt (FY26)	₹ 57 crore
Cash (FY26)	₹ 2 crore
EV	₹ 17453 crore
52-week H/L	₹1495/819
Equity capital	₹ 24.5 crore
Face value	₹ 2

Shareholding pattern

(in %)	Sep-25	Dec-25	Mar-26	Jun-26
Promoters	74.9	74.9	74.9	74.9
FII	5.1	5.3	5.5	5.9
DII	7.1	7.3	7.2	7.0
Others	12.9	12.6	12.4	12.2

Price Chart



Key risks

(i) Uncertainty in CDMO business.

(ii) Volatility in GPL business.

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Key Financial Summary

Key Financials (₹ Crore)	FY23	FY24	FY25	FY26	CAGR FY23-26 (%)	FY27E	FY28E	CAGR FY26-28E (%)
Revenues	2161.2	2283.3	2386.8	2551.9	5.7	2863.6	3268.1	13.2
EBITDA	642.3	674.3	682.5	797.3	7.5	981.4	1108.6	17.9
EBITDA Margins (%)	29.7	29.5	28.6	31.2		34.3	33.9	
Net Profit	467.0	471.0	485.6	564.5	6.5	736.3	833.1	21.5
EPS (Adjusted)	38.1	38.4	39.6	48.2		60.1	68.0	
PE (x)	37.3	36.9	35.8	30.8		23.6	20.9	
EV to EBITDA (x)	26.7	25.4	25.5	20.9		16.8	14.6	
RoCE (%)	28.6	26.2	22.3	22.4		25.8	25.0	
RoE (%)	21.8	20.2	17.2	17.7		20.3	19.6	

Source: Company, ICICI Direct Research

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ICICI Securities – Retail Equity Research

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Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

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