Alivus Life Sciences (GLELIF)

CMP: ₹1140 | Target ₹ 1330 (+17%) | Target Period: 12 months | BUY

July 31, 2026

Quest for quality growth with a calibrated capex…

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.

Result Performance & Investment Rationale:

- **Q1FY27 – Growth largely in line with healthy margins**: Revenues grew 9% on a YoY basis to ₹640 crore, driven by non-GPL API sales, which grew 30% on a YoY basis to ₹520 crore. The growth was muted in GPL API business which de-grew 53% YoY to ₹72.3 crore, on account of inventory rationalisation. CDMO Business also saw muted growth of 5% YoY to ~₹38 crore. EBITDA grew 11.6% YoY to ₹221.4 crore with a margin of 31.8% (up 126 bps YoY). PAT grew ~15% YoY to ₹162.7 crore.

- **Volume driven growth in non-GPL segment:** The Non-GPL business continues to demonstrate healthy momentum, with recently launched products scaling up well across geographies. The growth was driven by ~21% volume growth, thus overcoming 1-2% price erosion. The GPL segment remained subdued during the quarter due to 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. The CDMO business has also witnessed muted performance. However, the management expects two additional contracts likely to get commercialised during H2FY27, which should regain the growth 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. 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 upgraded its FY27 revenues growth guidance from high single digits to 10–12%, while reiterating its confidence in maintaining healthy profitability with EBITDA margins of 32%+. Improved growth outlook coupled with sustained margin strength and an expanding CDMO opportunity pipeline supports a constructive earnings trajectory.

Rating and Target Price:

- We maintain our BUY rating with a revised TP of ₹1330 based on 15x FY28E EBITDA of ₹1029 crore.

ALIVUS LIFE SCIENCES
Evolve every day

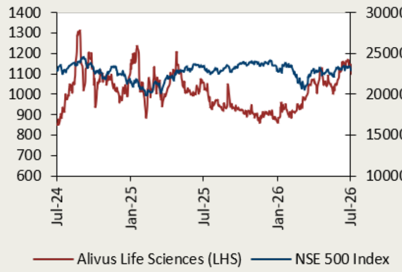
Particulars

Particular	Amount
Market Capitalisation	13968 crore
Debt (FY26)	₹ 57 crore
Cash (FY26)	₹ 2 crore
EV	14023 crore
52-week H/L	₹1194/819
Equity capital	₹ 24.5 crore
Face value	₹ 2

Shareholding pattern

	Sep-25	Dec-25	Mar-26	Jun-26
Promoter	74.9	74.9	74.9	74.9
FII	6.8	5.1	5.3	5.5
DII	5.5	7.1	7.3	7.2
Others	12.8	12.9	12.6	12.4

Price Chart



Key risks

(i) Uncertainty in CDMO Business

(ii) Volatility in GPL Business

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Result Update

ICICI Securities – Retail Equity Research

Key Financial Summary

Key Financials (₹ Crore)	FY23	FY24	FY25	FY26	3-year CAGR (FY23-26)	FY27E	FY28E	2-year CAGR (FY26-28E)
Revenues	2161.2	2283.3	2386.8	2551.9	5.7	2818.4	3188.8	11.8
EBITDA	642.3	674.3	682.5	797.3	7.5	905.8	1029.0	13.6
EBITDA Margins (%)	29.7	29.5	28.6	31.2		32.1	32.3	
Net Profit	467.0	471.0	485.6	564.5	6.5	671.7	756.5	15.8
Adjusted EPS (₹)	38.1	38.4	39.6	48.2		54.8	61.7	
PE (x)	29.9	29.7	28.8	24.7		20.8	18.5	
EV/EBITDA (x)	21.3	20.3	20.4	16.6		14.6	12.7	
RoCE (%)	28.6	26.2	22.3	22.4		22.4	22.0	
RoE (%)	21.8	20.2	17.2	17.7		17.5	17.2	

Source: Company, ICICI Direct Research

Recent earnings call highlights

API Business –

- New launches/High Potent molecules are not yet significant contributors to top-line revenue growth. The growth from the molecules is expected to contribute materially from FY28.
- GPL business witnessed a de-growth on account of inventory rationalization and is expected to be flattish in FY27 as recovery is expected in second half of the fiscal.
- The non-GPL business continued its strong growth trajectory, driven by healthy demand across geographies and increasing contributions from new product launches.
- Company has 29 HPAPI products in the active development grid with a TAM of ~US $82 billion. Of these, 13 products have been validated, seven are in advanced stages of development, and the remaining nine are progressing through lab development.
- API segment saw 21% volume growth while 1-2% price erosion.

CDMO Business –

- CDMO contribution from new and existing projects continues and is expected to translate into better growth in H2FY27.
- Company is in active discussion for 7 different projects.

Other Aspects –

- Capex guidance for FY27 is ₹540 crore entirely funded through internal accruals.
- Management remain confident of achieving revenue growth of 10% - 12% in FY27, while sustaining EBITDA margins in the 30%–32% range.
- Inventory days are expected to elevate in coming year.
- Construction has begun for the new R&D facility in Taloja (Navi Mumbai) to establish a state-of-the-art R&D centre. The centre will focus on flow chemistry, complex products, particle engineering, oncology research and green chemistry, strengthening the pipeline across key therapeutic areas.
- Solapur Phase 3 Capacity expansion will be done after inspection from regulatory authorities.

Exhibit 1: Quarterly Summary (₹ crore)

(₹ crore)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Net Sales	520.0	577.9	497.9	626.6	637.5	588.1	574.2	662.6	679.6	640.4	8.9	-5.8
Other Operating Income	16.6	10.7	9.0	15.2	12.0	13.7	13.8	10.3	9.5	10.5	-23.5	10.5
Total Operating Income	536.6	588.6	506.9	641.8	649.5	601.8	588.0	672.9	689.1	650.9	8.2	-5.5
Variable Cost of Sales	238.7	287.8	225.2	285.3	282.6	270.4	248.9	276.4	270.8	255.0	-5.7	-5.8
% of Revenue	44.5	48.9	44.4	44.4	43.5	44.9	42.3	41.1	39.3	39.2	-574 bps	-12 bps
Gross Profit	297.9	300.8	281.7	356.5	366.9	331.5	339.1	396.5	418.3	395.9	19.4	-5.4
Gross Profit Margin (%)	55.5	51.1	55.6	55.6	56.5	55.1	57.7	58.9	60.7	60.8	574 bps	12 bps
Employee Expenses	72.3	56.8	62.4	65.7	66.7	61.6	66.4	66.4	78.1	68.2	10.8	-12.6
% of Revenue	13.5	9.7	12.3	10.2	10.3	10.2	11.3	9.9	11.3	10.5	25 bps	-85 bps
Other Expenditure	84.2	84.5	84.9	100.6	101.8	97.6	93.5	98.8	125.6	105.4	8.0	-16.1
% of Revenue	15.7	14.4	16.7	15.7	15.7	16.2	15.9	14.7	18.2	16.2	-2 bps	-204 bps
Total Expenditure	395.2	429.1	372.5	451.5	451.1	429.5	408.8	441.6	474.6	428.7	-0.2	-9.7
% of Revenue	73.6	72.9	73.5	70.4	69.5	71.4	69.5	65.6	68.9	65.9	-551 bps	-301 bps
EBITDA	141.4	159.5	134.4	190.3	198.4	172.3	179.2	231.3	214.5	222.2	29.0	3.6
EBITDA Margin (%)	26.4	27.1	26.5	29.6	30.5	28.6	30.5	34.4	31.1	34.1	551 bps	301 bps
Depreciation	14.5	14.4	15.1	15.2	16.0	17.1	18.4	19.7	20.2	20.6	20.6	1.9
Interest	0.4	0.4	0.3	0.5	1.3	1.3	1.3	1.5	1.3	1.3	4.5	-0.2
Other Income	3.1	5.5	8.5	10.5	10.1	9.0	14.7	13.9	22.8	22.4	149.3	-1.7
PBT	152.5	168.0	140.6	194.5	203.1	179.1	181.6	235.5	210.6	219.1	22.3	4.0
Total Tax	31.7	38.8	32.1	48.2	49.4	41.4	44.1	48.1	53.1	52.1	25.8	-1.9
Tax rate (%)	20.8	23.1	22.9	24.8	24.3	23.1	24.3	20.4	25.2	23.8	66 bps	-143 bps
PAT	97.9	111.5	95.3	136.9	141.9	121.5	130.0	150.3	162.7	160.1	31.7	-1.6
PAT Margin (%)	18.3	18.9	18.8	21.3	21.8	20.2	22.1	22.3	23.6	24.6	440 bps	99 bps

Source: Company, ICICI Direct Research

Exhibit 2: Cumulative Filing Status

Therapy	North America	Europe	Japan	Brazil	Australia	ROW	Total
CVS	40	41	4	27	11	41	164
CNS	45	26	8	21	4	22	126
Anti-Infectives	21	11	3	3	3	15	56
Diabetes	10	5	-	9	1	18	43
Dermatology	9	6	1	13	1	11	41
Others	62	31	6	28	5	55	187
Total	**187**	**120**	**22**	**101**	**25**	**162**	**617**

Source: Company, ICICI Direct Research

Financial summary

Exhibit 3: Profit and loss statement ₹ crore

(₹Crore)	FY25	FY26	FY27E	FY28E
Total Operating Income	**2,386.8**	**2,551.9**	**2,818.4**	**3,188.8**
Growth (%)	4.5	6.9	10.4	13.1
Raw Material Expenses	1,080.9	1,066.6	1,201.5	1,385.9
Gross Profit	1,306.0	1,485.3	1,616.9	1,802.9
Gross Margin (%)	54.7	58.2	57.4	56.5
Employee Expenses	251.7	272.5	275.7	295.6
Other Expenditure	371.8	415.5	435.4	478.3
Total Expenditure	1,704.3	1,754.5	1,912.5	2,159.8
EBITDA	**682.5**	**797.3**	**905.8**	**1,029.0**
Growth (%)	1.2	16.8	13.6	13.6
Interest	2.4	5.4	3.6	3.9
Depreciation	60.6	75.4	73.8	91.1
Other Income	34.6	60.4	66.0	74.6
PBT before Exceptional Items	654.1	777.0	894.4	1,008.7
Less: Exceptional Items	0.0	25.7	0.0	0.0
PBT after Excep. Items	654.1	751.4	894.4	1,008.7
Total Tax	168.5	186.8	222.7	252.2
PAT before MI	485.6	564.5	671.7	756.5
PAT	**485.6**	**564.5**	**671.7**	**756.5**
Growth (%)	3.1	16.3	19.0	12.6
EPS (Adjusted)	**39.6**	**48.2**	**54.8**	**61.7**

Source: Company, ICICI Direct Research

Exhibit 4: Cash flow statement ₹ crore

(₹Crore)	FY25	FY26	FY27E	FY28E
Profit/(Loss) after taxation	**491.2**	**751.3**	**671.7**	**756.5**
Add: Depreciation & Amort.	60.6	75.4	73.8	91.1
Net Increase in CA	-199.1	-115.9	-97.4	-282.0
Net Increase in CL	18.7	-12.7	49.5	66.9
Others	20.1	-132.7	3.6	3.9
CF from Operating activities	**391.5**	**565.4**	**701.2**	**636.4**
Investments	-470.1	-264.7	0.0	0.0
(Purchase)/Sale of Fixed Assets	-165.6	-306.4	-540.0	-300.0
Others	20.0	1.0	1.6	1.7
CF from Investing activities	**-615.6**	**-570.2**	**-538.4**	**-298.3**
(inc)/Dec in Loan	-6.8	-8.2	20.0	20.0
Dividend & Dividend tax	0.0	-61.3	-167.9	-189.1
Other	0.6	5.2	-3.6	-3.9
CF from Financing activities	**-6.2**	**-64.3**	**-151.5**	**-173.0**
Net Cash Flow	**-230.4**	**-69.1**	**11.3**	**165.1**
Cash and Cash Equivalent	301.4	71.1	2.0	13.3
Cash	71.1	2.0	13.3	178.4
Free Cash Flow	**226.0**	**259.0**	**161.2**	**336.4**

Source: Company, ICICI Direct Research

Exhibit 5: Balance sheet ₹ crore

(₹ Crore)	FY25	FY26	FY27E	FY28E
Equity Capital	24.5	24.5	24.5	24.5
Reserve and Surplus	2,792.9	3,307.6	3,811.3	4,378.7
Total funds	2,817.4	3,332.1	3,835.9	4,403.3
Total Debt	56.6	56.8	76.8	96.8
Deferred Tax Liability	54.4	57.8	58.9	60.1
Long-Term Provisions	18.5	36.1	36.9	37.6
Other Non-Cur Liab.	0.0	6.5	6.6	6.7
Source of Funds	**2,946.9**	**3,489.3**	**4,015.1**	**4,604.5**
Gross Block - Fixed Assets	1,262.5	1,420.5	1,960.5	2,210.5
Accu. Depreciation	307.5	382.9	456.7	547.8
Net Block	954.9	1,037.6	1,503.7	1,662.6
Capital WIP	101.9	283.8	283.8	333.8
Fixed Assets	1,056.9	1,321.3	1,787.5	1,996.4
Investments	0.1	780.5	780.5	780.5
Other non-Current Assets	19.4	12.2	12.4	12.6
Inventory	673.9	691.9	740.6	873.3
Debtors	969.7	1,073.0	1,119.6	1,266.8
Other Current Assets	620.4	102.1	104.1	106.2
Cash	71.1	2.0	13.3	178.4
Total Current Assets	2,335.2	1,869.0	1,977.7	2,424.7
Creditors	390.5	372.4	419.5	483.9
Provisions	17.0	29.9	30.5	31.1
Other Current Liabilities	57.1	91.3	93.1	95.0
Total Current Liab.	464.5	493.6	543.1	610.0
Net Current Assets	1,870.6	1,375.4	1,434.6	1,814.8
Application of Funds	**2,946.9**	**3,489.3**	**4,014.9**	**4,604.2**

Source: Company, ICICI Direct Research

Exhibit 6: Key ratios

(Year-end March)	FY25	FY26	FY27E	FY28E
Per share data (₹)				
Reported EPS	39.6	46.1	54.8	61.7
Cash EPS	34.6	36.7	41.1	46.3
BV per share	229.9	272.0	313.1	359.4
Cash per Share	5.8	0.2	1.1	14.6
Dividend per share	5.0	11.5	13.7	15.4
Operating Ratios (%)				
Gross Profit Margins	54.7	58.2	57.4	56.5
EBITDA margins	28.6	31.2	32.1	32.3
PAT Margins	20.3	23.1	23.8	23.7
Cash Conversion Cycle	244.0	262.8	242.6	247.6
Fixed Asset Turnover	2.3	1.9	1.6	1.6
EBITDA conversion Rate	57.4	70.9	77.4	61.8
Return Ratios (%)				
RoE	17.2	17.7	17.5	17.2
RoCE	22.3	22.4	22.4	22.0
RoIC	22.4	29.8	28.3	28.3
Valuation Ratios (x)				
P/E	28.8	24.7	20.8	18.5
EV / EBITDA	20.4	16.6	14.6	12.7
EV / Net Sales	5.8	5.2	4.7	4.1
Market Cap / Sales	5.9	5.5	5.0	4.4
Price to Book Value	5.0	4.2	3.6	3.2
Solvency Ratios				
Debt / EBITDA	0.1	0.1	0.1	0.1
Debt / Equity	0.0	0.0	0.0	0.0
Current Ratio	4.9	3.8	3.6	3.7
Quick Ratio	3.4	2.4	2.3	2.3
Inventory days	228	237	225	230
Debtor days	148	153	145	145
Creditor days	132	127	127	127

Source: Company, ICICI Direct Research

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Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

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