# Emcure Pharmaceuticals (EMCPHA)

CMP: ₹ 1860 | Target: ₹ 2305 (24%) | Target Period: 12 month | BUY

September 4, 2026

## Niche focus, strategic alliances/ acquisitions at the fore...

**About the company-** Pune headquartered Emcure Pharmaceuticals is a diversified pharma player focused on developing, manufacturing and marketing a broad range of pharmaceutical products in the domestic / international markets.

- Emcure operates 13 manufacturing facilities producing a wide range of dosage forms including oral solids, oral liquids, lyophilized and liposomal injectables, complex APIs, peptides, cytotoxic drugs, and biotherapeutics among others.
- FY26 Revenues Mix –Domestic Formulations- 44%; Europe- 20%; Emerging Markets- 20% and Canada- 16%.

### Investment Rationale

- **Domestic business- Focus on partnerships, complex products, broader therapy coverage**- In its pursuit of focusing on complex products, Emcure has been active in forming partnerships and alliances besides in-house development of these products. Strategic in-licensing and distribution partnerships with Sanofi and Roche provide incremental revenue opportunities, while the Poviztra partnership with Novo Nordisk offers exposure to the high-growth diabetology/ obesity segment besides incremental opportunities from approval for MASH. Emcure continues to strengthen its presence across chronic and acute therapeutic areas, with a strong focus on women's health, cardiology, diabetology, oncology, nephrology, CNS, among others through product development, strategic partnerships and in-licensing initiatives. The company is ranked 13th in the Indian Pharma Market (IPM). Injectables account for ~one-third of domestic business. We expect domestic business to grow at a CAGR of ~12% over FY26-28E to be driven by Women's Health, Cardio-Diabetology, Biosimilars, and new initiatives.
- **International business – time tested strategy of M&As, strategic product focus in targeted markets**– Emcure has one of the best track records of inorganic expansion in international markets. Over a span of 10-12 years, the company has made few important acquisitions especially in Canada and Europe targeting the front-end in those geographies. Canada and Europe are top destinations for Emcure along with RoW markets. The company owns a strong future pipeline in these geographies with focus on niche opportunities such as Semaglutide in Canada, Liposomal Amphotericin B in both Europe and RoW markets and Lenacapavir in RoW markets. These products are characterised by relatively high entry barriers, growing market potential and low competition. We expect international business to grow at ~17% CAGR during FY26-FY28E to be driven by better capacity utilisation and niche launches besides base business growth.

### Rating and Target Price

- We value Emcure at **₹2305** based on **30x** FY28E EPS of ₹ 76.8.

Emcure®

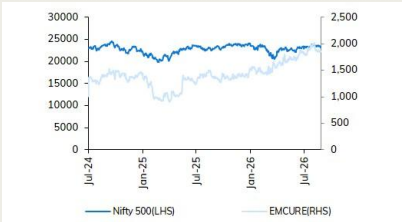
**Particulars**

| Particuar | Amount |
|---|---|
| Market Cap. | ₹ 35302 crore |
| Debt (FY26) | ₹ 1521 crore |
| Cash (FY26) | ₹ 136.7 crore |
| EV | ₹ 36687 crore |
| 52 Week H/L (₹) | 2048/1260 |
| Equity Capital | ₹ 190 crore |
| Face Value | ₹ 10 |

**Shareholding pattern (%)**

| In % | Sep-25 | Dec-25 | Mar-26 | Jun-26 |
|---|---|---|---|---|
| Promoters | 77.9 | 77.9 | 77.9 | 77.8 |
| FIIs | 3.3 | 3.6 | 3.4 | 4.9 |
| DIIs | 4.4 | 6.1 | 6.1 | 8.5 |
| Others | 14.5 | 12.4 | 12.7 | 8.8 |

**Price Chart**




**Key risks**

- Unsuccessful/ Delayed integration of acquired/in-licensed portfolios.
- Delay in product approvals in Canada and other export markets

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Conviction Pick

ICICI Securities – Retail Equity Research

**Key Financial Summary**

| Particulars | FY23 | FY24 | FY25 | FY26 | CAGR FY23-26 (%) | FY27E | FY28E | CAGR FY26-28E (%) |
|---|---|---|---|---|---|---|---|---|
| Revenues | 5985.8 | 6658.3 | 7896.0 | 9203.5 | 15.4 | 10602.5 | 12080.3 | 14.6 |
| EBITDA | 1181.2 | 1242.3 | 1474.2 | 1907.4 | 17.3 | 2273.3 | 2668.1 | 18.3 |
| EBITDA Margins (%) | 19.7 | 18.7 | 18.7 | 20.7 | | 21.4 | 22.1 | |
| Net Profit | 561.8 | 527.6 | 681.3 | 924.3 | 18.1 | 1180.5 | 1455.5 | 25.7 |
| EPS (Adjusted) | 28.4 | 26.8 | 36.5 | 52.7 | | 62.3 | 76.8 | |
| PE (x) | 66.3 | 70.8 | 51.8 | 38.2 | | 29.9 | 24.2 | |
| EV to EBITDA (x) | 31.6 | 30.1 | 24.5 | 19.2 | | 15.8 | 13.1 | |
| RoCE (%) | 19.2 | 16.9 | 19.5 | 23.3 | | 23.5 | 24.8 | |
| RoE (%) | 21.5 | 17.2 | 15.6 | 20.2 | | 19.5 | 19.6 | |

*Source: Company, ICICI Direct Research*

## Company Background

Established in 1981 by first generation entrepreneur Mr Satish Mehta, Pune-based Emcure Pharmaceuticals Ltd. (Emcure) is engaged in developing, manufacturing and globally marketing a broad range of pharmaceutical products. Emcure develops and manufactures a wide range of differentiated pharmaceutical products across several major therapeutic areas. It is ranked 13th in the Domestic formulations Sales as per MAT June 2026. On the exports front, Emcure is present in 80+ countries including Europe and Canada. It operates 5 R&D centres and 13 manufacturing sites across India that can produce a wide range of dosage forms, including oral solids, oral liquids, lyophilized and liposomal injectables, complex APIs, peptides, cytotoxic drugs, and biotherapeutics.

R&D spend as a % of revenues remains in the range of 4-5% with a focus on complex injectables including long-acting injectables, iron products, chiral molecules and biosimilars among others.

Exhibit 1: Manufacturing facilities

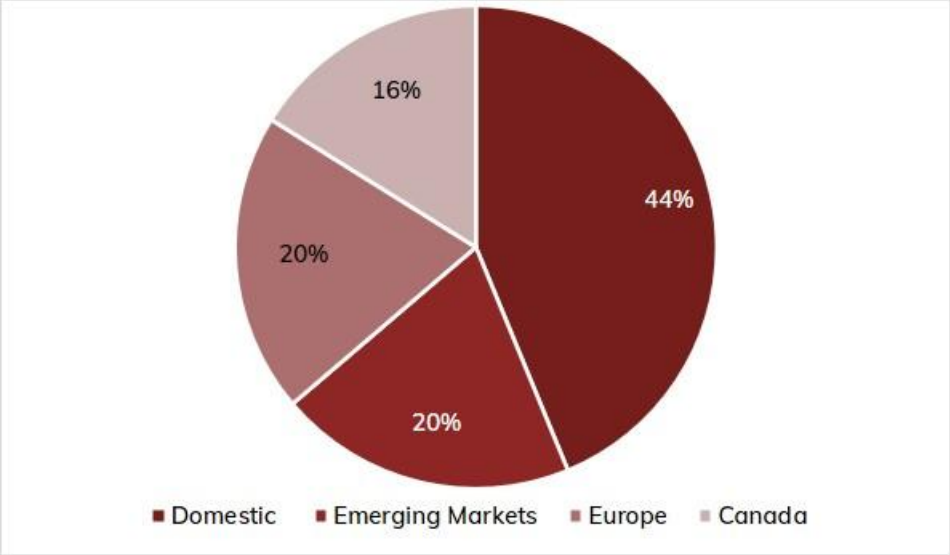
| Sr. No. | Facility | Location | Description | Key approvals |
|---|---|---|---|---|
| 1 | Oral Solid Doses, Hinjawadi | Pune, Maharashtra | Formulations - solid orals | Health Canada; NIPN Hungary; TGA Australia; GCC; cGMP India; ANVISA Brazil; SAHPRA South Africa |
| 2 | Biotech Formulations, Hinjawadi | Pune, Maharashtra | Formulations - injectables | cGMP India |
| 3 | Injectables, Sanand | Ahmedabad, Gujarat | Formulations - general injectables | USFDA; Health Canada; NIPN Hungary; cGMP India |
| 4 | Oncology Injectables, Sanand | Ahmedabad, Gujarat | Formulations - oncology injectables | Health Canada; NIPN Hungary; ANVISA Brazil |
| 5 | Orals, Kadu | Surendranagar, Gujarat | Formulations - solid orals | cGMP India; USFDA; MCAZ (Zimbabwe) |
| 6 | Orals, Mehsana | Mehsana, Gujarat | Formulations - solid orals and general injectables | cGMP India; Malta Medicines Authority (Malta); PPB Kenya |
| 7 | Orals, Jammu – 1 | Jammu, Jammu and Kashmir | Formulations - solid and liquid orals | MCAZ Zimbabwe; PPB Kenya; cGMP India |
| 8 | API, Kurkumbh | Pune, Maharashtra | API manufacturing facility | USFDA; EDQM (Europe); cGMP India |
| 9 | API, Pimpri | Pune, Maharashtra | API manufacturing facility | USFDA; cGMP India |
| 10 | Orals, Jammu – 2 | Jammu, Jammu and Kashmir | Formulations - solid orals, liquid orals and injectables | cGMP India; NDA Uganda; PPB Kenya; Ethiopian FDA |
| 11 | Orals, Sikkim | East Sikkim, Sikkim | Formulations - solid and liquid orals | cGMP India; NDA Uganda; PPB Kenya; Ethiopian FDA |
| 12 | Orals, Bengaluru | Bengaluru Rural, Karnataka | Formulations - liquid orals | State FDA; NDA Uganda; PPB Kenya; Ethiopian FDA |
| 13 | Biotech, Hinjawadi | Pune, Maharashtra | Formulations - injectables | MCAZ Zimbabwe; PPB Kenya; TFDA Tanzania; NDA Uganda; NMRA Sri Lanka; cGMP India |

*Source: Company, ICICI Direct Research*

Emcure has established international presence by either developing its' own front-end distribution capabilities or focusing on alliances with local and multi-national companies that have an established presence in the therapeutic areas of Emcure's

focus. As of FY26, Domestic business for Emcure accounted for ~44% of the consolidated business and within the international business Emerging Markets and Europe account for 20% each while Canada accounts for 16% of overall business.

**Exhibit 2: Geographical revenue bifurcation (FY26)**




*Source: Company, ICICI Direct Research*

**Exhibit 3: Timeline of Milestones for Emcure Pharma**

| Year | Milestone |
|---|---|
| 1981 | Emcure Pharmaceuticals Private Limited incorporated. |
| 1983 | First manufacturing facility became operational at Bhosari. |
| 1995 | Entered the Indian domestic branded generics market. |
| 2001 | Gennova Biopharmaceuticals Limited incorporated. |
| 2002 | Zuventus Healthcare Limited incorporated; first chiral product launched. |
| 2004 | In-house API R&D commenced. |
| 2005 | Commenced operations at the Hinjawadi solid oral facility |
| 2006 | API manufacturing facility commissioned at Kurkumbh. |
| 2007 | USFDA approvals received for the Hinjawadi injectable facility; launched first in-house biosimilar TNK-tPA. |
| 2009 | Solid dosage manufacturing facility commissioned at Jammu. |
| 2010 | Oncology injectable facility commenced operations at Hinjawadi. |
| 2012 | Acquired worldwide rights to BICNU from Bristol Myers Squibb; entered Europe. |
| 2014 | Acquired Tillomed Laboratories (UK); Bain Capital acquired Blackstone's stake in Emcure. |
| 2015 | Entered Canada through the acquisition of Marcan. |
| 2017 | Commissioned manufacturing facility at Sikkim/Bangalore. |
| 2019 | TENECTASE approved for emergency stroke care; Sanand injectables facility commissioned. |
| 2021 | Gennova's mRNA vaccine entered clinical trials. |
| 2023 | Expanded Canadian presence through acquisition of Mantra Pharma Inc., becoming pan-Canadian. |
| 2024 | Listed on Indian stock exchanges. |
| 2024 | Dermatology subsidiary Emcutix incorporated. |
| 2025 | Entered the Consumer Health business. |
| 2025 | Operationalized a new R&D centre. |

*Source: Company, ICICI Direct Research*

**Notable M&A deals-**

In April 2025, Emcure acquired remaining 20.42% minority stake in its' subsidiary Zuventus Healthcare for ₹724.9 crore. This transaction was aimed to enable full financial consolidation of Zuventus and alignment across its domestic business and unlock synergies.

In April 2025, Emcure's European subsidiary, Tillomed Laboratories, signed an asset purchase agreement with UK-based Manx Healthcare and its subsidiaries. Valued at around £19.7 million, this acquisition included product portfolios, marketing authorizations, and intellectual properties to expand their European footprint.

In April 2026, Emcure's step-down Canadian subsidiary, Mantra Pharma Inc., acquired 100% of the issued and outstanding shares of Cutimed Inc., effectively amalgamating it to strengthen its operations in Canada.

In July 2026, Emcure finalized a restructuring regarding its biotechnology subsidiary, Gennova Biopharmaceuticals Limited. The deal consists of a two-part transaction that turns Gennova into a wholly owned subsidiary of Emcure by acquiring 12.05% minority stake for ₹231.87 crore while divesting its non-core mRNA division.

## Investment Rationale

### Domestic business-Women's Health, partnerships and new therapies to drive growth

For the domestic market, the company continues to strengthen its presence across both chronic and acute therapeutic areas, with a strong focus on women's health, cardiology, diabetes, oncology, nephrology, CNS, among others through product development, strategic partnerships and in-licensing initiatives.

Emcure is ranked 13th in the Indian Pharma Market (IPM) as per IQVIA. Acute vs Chronic (including Sub-Chronic) split stands at ~40% and ~60% respectively in FY26. Around one-third of Emcure's domestic business comes from Injectables, which is not captured in the IQVIA data. The company has a medical representative (MR) strength of ~4,500, with a per capita per month (PCPM) of ~₹7 lakh and the management aspires to take it to ~₹8-8.5 lakh in the medium term.

Through Zuventus, its wholly owned subsidiary, Emcure has emerged as a leader in Acute and Semi-Chronic therapies in the domestic market. Zuventus has launched certain first-time products in India like Efnocar, Eslo, Troxipide, Seratrodost among others. Zuventus have been the leading manufacturer of the Eslo brand, as they have been producing Amlodipine for over 20 years. Emcure recently acquired the remaining 20.42% stake for ₹724.9 crore for financial consolidation and strengthening its market presence in the domestic market. This led to onboarding of a new leadership team in H2FY26, in addition to portfolio rationalization, and field-force restructuring across the segment. The exercise triggered attrition of 30%+ in Q4FY26 and short-term execution disruptions. As these initiatives pan-out we can expect Zuventus portfolio to aid the growth in domestic business.

Exhibit 4: Emcure Domestic Portfolio – Brand wise performance (in ₹ crore)

| Brands | Therapy | Rank | MAT JUL'23 | MAT JUL'24 | MAT JUL'25 | MAT JUL'26 | YoY | 3 yr CAGR |
|---|---|---|---|---|---|---|---|---|
| OROFER-XT | GYNAEC. | 1 | 235.3 | 250.7 | 275.3 | 293.8 | 7% | 8% |
| ZOSTUM | ANTI-TB | 2 | 148.8 | 199.2 | 245.8 | 273.9 | 11% | 23% |
| BEVON | VITAMINS/MINERALS/NUTRIENTS | 3 | 164.9 | 167.7 | 165.6 | 174.8 | 6% | 2% |
| OROFER FCM | GYNAEC. | 4 | 138.1 | 123.8 | 135.8 | 166.4 | 23% | 6% |
| AMARYL M | ANTI DIABETIC | 5 | 179.1 | 174.4 | 175.0 | 165.1 | -6% | -3% |
| MAXTRA | RESPIRATORY | 6 | 126.3 | 120.1 | 121.3 | 117.0 | -4% | -3% |
| CLEXANE | CARDIAC | 7 | 130.5 | 108.0 | 118.4 | 104.3 | -12% | -7% |
| METPURE-XL | CARDIAC | 8 | 86.4 | 96.5 | 100.2 | 93.6 | -7% | 3% |
| SPEGRA | ANTIVIRAL | 9 | 45.8 | 54.3 | 60.9 | 89.6 | 47% | 25% |
| AMARYL | ANTI DIABETIC | 10 | 79.8 | 80.5 | 81.4 | 88.1 | 8% | 3% |
| FERONIA-XT | GYNAEC. | 11 | 66.7 | 63.3 | 65.7 | 87.6 | 33% | 10% |
| CARDACE | CARDIAC | 12 | 88.5 | 74.0 | 77.9 | 74.1 | -5% | -6% |
| PAUSE | HAEMOTOLOGICAL | 13 | 61.7 | 63.5 | 67.8 | 72.7 | 7% | 6% |
| TARGOCID | ANTI-INFECTIVE | 14 | 46.2 | 65.4 | 78.3 | 70.3 | -10% | 15% |
| LORNIT | HEPATOPROTECTIVES | 15 | 51.0 | 56.2 | 66.5 | 68.9 | 4% | 11% |
| LASILACTONE | CARDIAC | 16 | 52.7 | 54.8 | 58.9 | 64.4 | 9% | 7% |
| OROFER-S | GYNAEC. | 17 | 83.2 | 75.3 | 68.9 | 63.9 | -7% | -8% |
| OXA | ONCOLOGY | 18 | 22.2 | 31.2 | 35.6 | 62.9 | 77% | 42% |
| TENECTASE | HAEMOTOLOGICAL | 19 | 35.4 | 40.2 | 52.3 | 62.2 | 19% | 21% |
| GROS | ANTINEOPLAST | 20 | 31.3 | 39.9 | 48.5 | 61.8 | 28% | 26% |
| ENCICARB | GYNAEC. | 21 | 45.8 | 58.9 | 72.9 | 61.6 | -16% | 10% |
| EMGRAST | ANTINEOPLAST | 22 | 8.6 | 17.2 | 36.1 | 61.5 | 71% | 93% |
| MAXILIV | HEPATOPROTECTIVES | 23 | 34.4 | 39.6 | 49.7 | 59.3 | 19% | 20% |
| OROFER XT PLUS | GYNAEC. | 24 | 58.6 | 55.8 | 53.5 | 58.8 | 10% | 0% |
| CORDARONE | CARDIAC | 25 | 42.6 | 44.0 | 51.0 | 56.9 | 12% | 10% |

*Source: IQVIA, ICICI Direct Research*

The domestic formulations business is led by Mr. R.S. Vasan, President – India Business, who recently joined Emcure. Mr. Vasan has over 40 years of experience in the pharmaceutical industry and has held various senior leadership positions at GSK, Johnson & Johnson and Sun Pharma. Earlier, he was associated with Sun Pharma as Cluster Head and Senior Vice-President for 15 years. Mr. Vasan holds a postgraduate degree in Management from Macquarie Graduate School of Management, Sydney, Australia, and is also a rank holder in Master of Science in Organic Chemistry.

**Women's health**

Emcure has a strong position in Women's Health and ranks 2nd in the Gynaecology segment in the IPM. This position is supported by strong brands such as Orofer XT (₹290+ crore), Pause Injection (₹70+ crore), Orofer FCM (₹160+ crore), Ferium and Dydrofem. Emcure sees significant unmet need in the anaemia-affected female population, with 57% of women in India aged 15–49 being anaemic, as per the National Family Health Survey 5. The company has launched products in underpenetrated segments such as menopause and PCOS. Its deep engagement with gynaecologists and strong brand recall provide a solid platform for further market expansion.

**In-licensing and Distribution partnerships**

Emcure has signed several in-licensing and distribution agreements for the domestic market, under which it markets products for other companies in return for a marketing margin. In March 2024, Sanofi entered into an exclusive distribution and promotion agreement with Emcure for Sanofi's Cardiovascular portfolio, including Cardace, Clexane, Targocid, Lasix and Lasilactone. In July 2025, Sanofi signed an exclusive agreement for its' Oral Anti Diabetic products distribution in India with Emcure. Under the arrangement, Sanofi continues to own, import and manufacture these brands across its plants in India and internationally, while Emcure markets the products across India. Dating back to 2014, Emcure had also handled the marketing and distribution of Sanofi's oncology range, including Taxotere and Levtana, as well as its anti-rabies vaccine Verorab, in the Indian market.

In March 2026, Emcure signed a distribution agreement with Swiss major Roche to market Mircera and Neorecormo, therapies used in chronic kidney disease and anaemia management, as well as CellCept, an immunosuppressant used in transplant care. The companies also had an arrangement dating back to 2012 to locally manufacture and co-market key anti-cancer biologics, Herceptin (trastuzumab) and MabThera (rituximab), in India to provide more affordable treatment.

These types of in-licensing and distribution deals enable Emcure to generate additional revenues without significant incremental costs and can also provide opportunities for cross-selling its' own products to patients with co-morbidities.

**GLP-1/Weight Management**

Another growth lever for Emcure is its foray into the GLP-1 or weight-management drug category. In November 2025, Novo Nordisk India, traditionally focused on endocrinologists, partnered with Emcure to exclusively market and distribute Poviztra (semaglutide injection in 0.25 mg, 0.5 mg, 1.0 mg, 1.7 mg and a maintenance dosing of 2.4 mg) in India. While Novo Nordisk has traditionally focused on endocrinologists, Emcure will expand the reach of the product to cardiologists, diabetologists and general practitioners. Poviztra serves as a second brand alongside Novo's weight-loss treatment Wegovy, with the aim of expanding access to chronic weight-management therapies beyond major metropolitan areas. Emcure acts as the exclusive marketer and distributor, leveraging its deep reach across urban and rural pharmacies in India.

In July 2026, Emcure received approval from CDSCO for an expanded indication for Poviztra for the treatment of non-cirrhotic metabolic dysfunction-associated steatohepatitis (MASH) in adults with moderate-to-advanced liver fibrosis (F2–F3). The approval makes semaglutide the first and only GLP-1 receptor agonist approved in India for MASH. Poviztra will be commercialised through Zuventus Healthcare's gastroenterology and hepatology portfolio to expand disease awareness, diagnosis and patient access. This is expected to help Emcure reach a wider pool of specialists, which was previously limited primarily to endocrinologists and diabetologists, thereby improving traction.

**Ophthalmics**

Emcure also plans to foray into Ophthalmics through the launch of biosimilar Bevacizumab (bBevacizumab). The product has received endorsement from the CDSCO's Subject Expert Committee for use in wet AMD (Age-Related Macular Degeneration), a condition in which abnormal blood vessels grow under the retina and leak fluid or blood into the macula. Commercial launch is targeted for H1FY27, subject to final approval.

Exhibit 5: Emcure Domestic Portfolio – Therapy wise performance (in ₹ crore)

| Therapy | Rank | MAT JUL'23 | MAT JUL'24 | MAT JUL'25 | MAT JUL'26 | YoY | 3 yr CAGR |
|---|---|---|---|---|---|---|---|
| CARDIAC | 1 | 1020.2 | 1027.5 | 1078.7 | 1087.6 | 1% | 2% |
| GYNAEC. | 2 | 949.9 | 923.6 | 982.9 | 1048.9 | 7% | 3% |
| ANTI-INFECTIVES | 3 | 551.9 | 598.2 | 671.0 | 673.9 | 0% | 7% |
| ANTI DIABETIC | 4 | 455.6 | 476.5 | 479.1 | 453.2 | -5% | 0% |
| ANTINEOPLAST/IMMUNOMODULATOR | 5 | 208.5 | 251.5 | 292.3 | 403.6 | 38% | 25% |
| PAIN / ANALGESICS | 6 | 314.7 | 347.3 | 368.3 | 369.1 | 0% | 5% |
| VITAMINS/MINERALS/NUTRIENTS | 7 | 328.4 | 337.7 | 342.6 | 357.2 | 4% | 3% |
| BLOOD RELATED | 8 | 278.7 | 280.7 | 301.7 | 324.2 | 7% | 5% |
| RESPIRATORY | 9 | 274.8 | 259.4 | 266.4 | 271.1 | 2% | 0% |
| ANTIVIRAL | 10 | 172.5 | 242.6 | 227.8 | 254.6 | 12% | 14% |
| GASTRO INTESTINAL | 11 | 178.8 | 186.3 | 185.5 | 186.7 | 1% | 1% |
| HEPATOPROTECTIVES | 12 | 104.1 | 116.9 | 135.9 | 143.9 | 6% | 11% |
| NEURO / CNS | 13 | 90.4 | 87.3 | 82.8 | 84.2 | 2% | -2% |
| HORMONES | 14 | 30.8 | 34.9 | 46.3 | 63.8 | 38% | 27% |
| DERMA | 15 | 38.9 | 37.3 | 28.6 | 30.8 | 7% | -8% |
| OTHERS | 16 | 24.4 | 25.9 | 30.4 | 28.7 | -5% | 6% |
| STOMATOLOGICALS | 17 | 6.0 | 8.2 | 10.1 | 11.8 | 17% | 26% |
| ANTI MALARIALS | 18 | 6.6 | 8.3 | 8.8 | 6.4 | -27% | -1% |
| UROLOGY | 19 | 2.1 | 2.1 | 3.8 | 4.8 | 24% | 31% |
| PARENTERAL | 20 | 1.1 | 1.7 | 6.4 | 2.4 | -62% | 32% |
| VACCINES | 21 | 4.6 | 2.7 | 8.2 | 1.2 | -85% | -35% |
| ANTI-PARASITIC | 22 | 0.035 | 0.017 | 0.006 | 0.004 | -34% | -51% |

*Source: IQVIA, ICICI Direct Research*

### Dermatology

Emcure operates its dermatology business through its wholly owned subsidiary, Emcutix Biopharmaceuticals Limited. The business focuses primarily on skin-barrier health, pigmentation, sun protection, acne and ageing—areas that continue to see rising consumer and prescriber interest. Dermatology segment has a Total Addressable Market of US$1.8+ billion growing at 10%+ CAGR. Emcutix has a dedicated team headed by G. Sathya Narayanan, who brings over three decades of extensive experience in the dermatology sector, with his last stint as Managing Director of Galderma for South Asia, including India. His notable career includes building some of the most iconic brands across prescription, consumer and aesthetic dermatology. Going forward, Emcutix's growth strategy will focus on scaling existing brands while expanding into high-growth, underpenetrated categories with differentiated products.

Exhibit 6: Arth by Emcure product portfolio

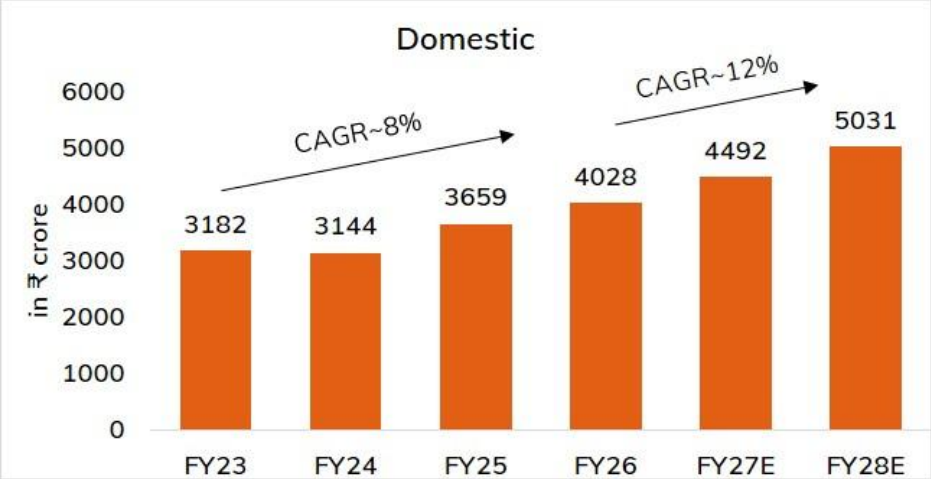
*Source: Annual Report, ICICI Direct Research*

### Consumer Health

In FY25, Emcure entered the consumer health segment with the launch of Galact, a supplement for post-pregnancy women, and Arth. The consumer healthcare/OTC segment has a total addressable market of US$ 12 billion growing at 10% CAGR. Arth has 28+ SKUs across categories such as sleep, cognition, fatigue, PCOS, weight management, skin and hair, and women's health, positioning itself in the Vitamins, Minerals and Nutrients (VMN) and nutraceuticals space.

From FY23 to FY26, Emcure's domestic business delivered a CAGR of ~8%. Below-par growth as compared to larger peers was primarily a result of patent expiry in few marketed products, portfolio-integration-related disruptions and manpower restructuring in the Zuventus business. Going forward, we expect the domestic business to register a CAGR of ~12% over FY26–28E, driven by improved traction in the Cardio-Diabeto portfolio, biologics, Women's Health and other new initiatives.

Exhibit 7: Emcure Domestic Pharma performance trend




Source: ICICI Direct Research

## International business - unique strategy of M&As and niche focus in targeted markets-

Emcure has one of the best track records of inorganic expansion in international markets. It has grown in those markets by developing own front-end distribution capabilities or focusing on alliances with local and multi-national companies that have an established presence in the therapeutic areas of the company's focus.

Canada and Europe are top destinations for Emcure along with RoW markets. The company owns a strong future pipeline in these geographies with focus on niche opportunities- a few examples- Semaglutide in Canada, Liposomal Amphotericin B in both Europe and RoW markets and Lenacapavir in RoW markets. These products are characterised by relatively high entry barriers, growing market potential and low competition.

Exhibit 8: Emcure Export Shipment Data

| Sr. No. | Particular | Therapy | FY24 | FY25 | FY26* | Contribution (FY26*) | YoY % | 2 year CAGR |
|---|---|---|---|---|---|---|---|---|
| 1 | DOLUTEGRAVIR and TENOFOVIR Combinations | Anti-retroviral (HIV) | 41.6 | 83.1 | 94.8 | 29% | 14% | 51% |
| 2 | AMPHOTERICIN | Anti-Infective | 0.4 | 16.2 | 23.5 | 7% | 45% | 659% |
| 3 | MYCOPHENOLATE - API | Immunosuppressant (For Transplants) | 5.7 | 12.1 | 9.9 | 3% | -18% | 32% |
| 4 | CARMUSTINE | Oncology | 6.7 | 5.8 | 9.4 | 3% | 61% | 19% |
| 5 | TREOSULFAN | Transplant | 2.8 | 4.6 | 9.2 | 3% | 98% | 82% |
| 6 | PLASMINOGEN ACTIVATOR | Haemotological | 10.9 | 6.5 | 7.1 | 2% | 9% | -19% |
| 7 | AMLODIPINE BESILATE | Cardiovascular | 10.0 | 5.7 | 6.5 | 2% | 14% | -19% |
| 8 | RITONAVIR | Anti-retroviral (HIV) | 16.0 | 12.0 | 5.4 | 2% | -55% | -42% |
| 9 | CIDOFOVIR | Anti-retroviral (HIV) | 4.8 | 8.5 | 4.9 | 1% | -43% | 1% |
| 10 | TRIENTINE | Nephrology | 2.5 | 1.5 | 4.0 | 1% | 167% | 26% |
| 11 | DULOXTINE | Central Nervous System | 3.5 | 7.8 | 3.7 | 1% | -53% | 3% |
| 12 | PENTAMIDINE ISETHIONATE | Anti-Infective | 1.4 | 0.9 | 3.7 | 1% | 330% | 60% |
| 13 | ENOXAPARIN | Blood thinner/Cardiovascular | 4.3 | 3.1 | 3.6 | 1% | 14% | -9% |
| 14 | APIXABAN | Blood thinner/Cardiovascular | 1.4 | 2.0 | 3.5 | 1% | 73% | 61% |
| 15 | MELPHALAN HYDROCHLORIDE | Oncology | 3.5 | 3.0 | 3.5 | 1% | 17% | -1% |
| 16 | IRON SUCROSE | Haemotological | 4.9 | 7.4 | 3.4 | 1% | -55% | -17% |
| 17 | PEGASPARGASE | Oncology | 5.8 | 3.0 | 3.2 | 1% | 9% | -25% |
| 18 | TREPROSTINIL | Haemotological/Pulmonary | 3.5 | 1.0 | 2.8 | 1% | 166% | -12% |
| **Total of Top 18 Products** | | | **129.9** | **184.6** | **202.1** | - | **10%** | **25%** |
| **% to Total** | | | **58%** | **66%** | **62%** | - | **-7%** | **3%** |
| **Total Exports** | | | **224.1** | **279.5** | **328.3** | - | **17%** | **21%** |

Source: Eximpedia, ICICI Direct Research, *FY26 data captured till 10 March 2026

### Canada foray via thoughtful acquisitions

Emcure entered Canadian market in 2015 by virtue of acquisition of local front-end company Marcan Pharmaceuticals Inc. for ~CA$ 93 million (₹ 462 crore). The company was dealing only in tablets but post the acquisition it has extended the portfolio beyond tablets.

Marcan in its current avatar manufactures and distributes 170+ dosages covering a wide array of therapeutic categories through numerous dosage forms. Marcan was amalgamated with Emcure Canada in 2021.

Markan in turn acquired another Canadian company Mantra, which was one of the many companies selling Markan products, in 2023 (complete acquisition in July 2026) in the Quebec region (French speaking) of Canada where the pharmacies are individually owned. Mantra now looks after the Quebec region while Markan caters to the rest of Canada. Quebec accounts for 1/3rd of the Canadian market.

Again, in April 2026, Emcure did one more small acquisition, this time through Mantra, which acquired Quebec based Cutimed Inc, which is engaged in the development and commercialisation of cosmetic and derma products including creams, cleansers and lip care products.

The company enjoys a vertically integrated business model in Canada with its own manufacturing base in India and a strong front-end presence across Canada.

Unlike the US, Canada is not a product concentration thesis. Each potential product could be around CA$ 2-3 million, max CA$ 10 million. Which is why big pipeline is required.

To succeed in Canada, a company must have a local presence through pharmacies. In Canada the company has a team of 30-40 MRs catering to 3000-4000 pharmacies.

Till date, the company has launched 110 products in Canada and expects to launch another 50+ products which are in pipeline.

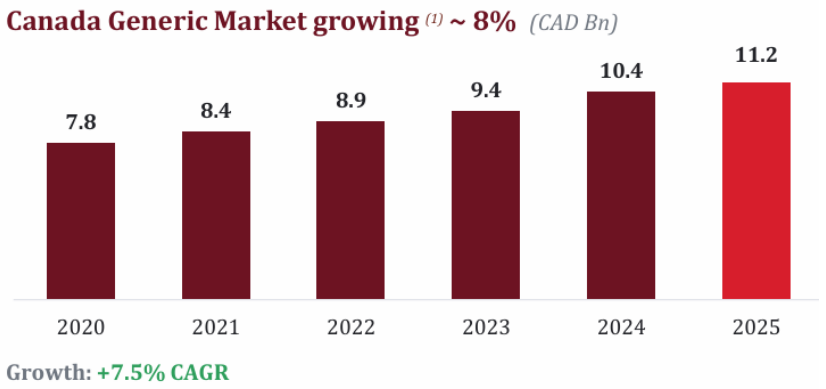
Exhibit 9: Few notable products to be launched in Canada

| Pipeline | Drug type |
|---|---|
| Amantadine | Central Nervous System |
| Sulfamethoxazole/Trimethoprim | Anti-Infective |
| Nortriptyline | Central Nervous System |
| Treosulfan injection | Stem cell transplant |
| Treprostinil injection | Pulmonary |
| Amphotericin B | Anti-Infective (fungus, bacteria) |
| Semaglutide injection | Anti-diabetic/obesity management |

Source: Company, ICICI Direct Research

Today, Emcure is amongst top 10 generic players in Canada. It is also the largest Indian player in Canada based on prescriptions. Canada generics drug market is worth CA$ 11 billion. Generics drugs account for ~80% of all prescriptions in volume terms and ~23% in value terms.

Exhibit 10: Canada Generic Market growth trend




Source: Emcure PPT, ICICI Direct Research

**Canadian Semaglutide opportunity- potential delays but could be a decent money spinner**

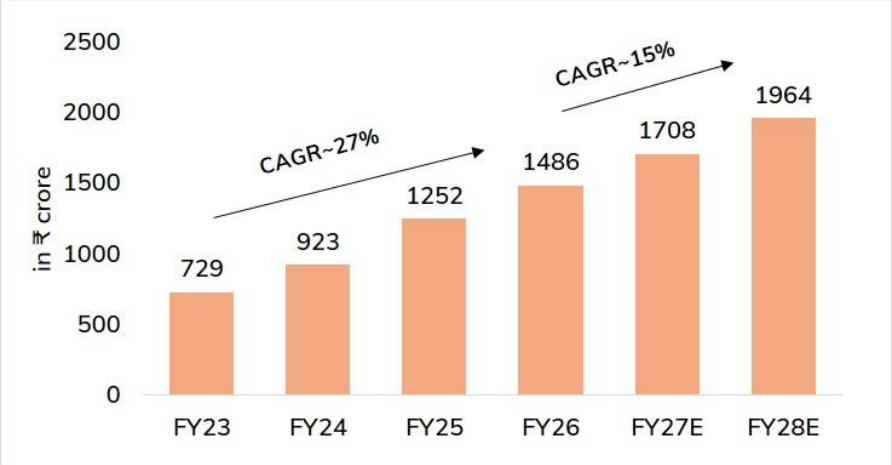
Emcure is planning to file its own anti-diabetic / obesity treatment Semaglutide version (besides DRL partnership) within the next few months. Paradoxically, it will be competing against Novo Nordisk for this drug in Canada. Heath Canada has been extra careful about GLP 1 approvals.

DRL received first generic approval in May 2026 followed by Apotex (which also received approval for obesity version i.e. gWegovy). Sandoz and Teva are other possible contenders among others.

The company (via subsidiary Mantra) has partnered with DRL for launch in Quebec region in Q2 but in the backdrop of DRL's API related issues and subsequent withdrawals, the launch is expected to be delayed. For rest of Canada, Emcure is expected to launch the same on its own. Given Emcure's strong presence in the front-end, it is well placed to exploit the opportunity. We expect Semaglutide opportunity to be back-loaded but can be significant over the next two-three years.

We expect Canada to grow at a CAGR of ~15% to ₹ 1964 crore to be driven by new launches from a strong product pipeline. As per management, the 50+ products in the pipeline have a total addressable market of CA$ 3 billion (including Semaglutide), thus providing a decent visibility.

**Exhibit 11: Canada business growth trajectory**




*Source: Company, ICICI Direct Research*

**Europe- dual focus strategy- UK and Continental Europe**

Emcure ventured into Europe by virtue of acquisition of UK based Tillomed Laboratories Limited in 2014. Starting with two products, the portfolio now comprises of 150+ products.

Like in Canada, the company continued with its quest to look for synergic targets. A testimony to that is the acquisition (via Tillomed) of UK based Manx Healthcare Limited (along with subsidiaries Manx Pharma Ltd and Manx Generics Limited) in April 2025. This was at £ 19.7 million (including inventory) with £ 6.2 million upfront and the rest through milestones over 18 months. Manx has a portfolio of 120+ marketing authorisations in the UK of which only 50% have been converted into sales so far, the rest 50% are expected to be materialised over the next two-three years.

Over the years Tillomed has extended presence in Continental Europe besides UK. Tillomed is focused on developing, licensing, and marketing complex generic drugs. As an Emcure subsidiary, Tillomed leverages on the manufacturing, R&D and distribution strength of Emcure.

Both these two markets (UK and Continental Europe) are different in characteristics and accordingly Emcure applies dual focus strategy. While the company sells both oral solids and injectables in UK, it sells only injectables in Continental Europe.

Sales in UK market are both via retail and institutional channels. In retail space, the company caters to large buyers' groups such as Walgreen, Mckesson etc through sales representatives. Institutional channels are mainly through hospital tenders.

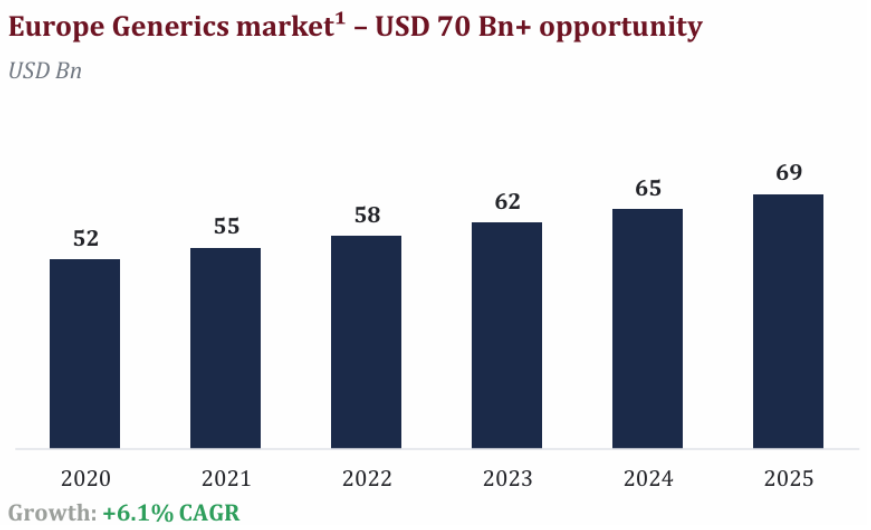
UK pharma market requires a portfolio approach due to peculiar drug pricing dynamics. Prices are regulated by regulator NHS, and they are adjusted for every month. In most of the cases, they are tightly controlled but in case of shortages, the price can shoot up by almost 10x. To take this advantage, a player must maintain high inventory. Thus, it can be highly rewarding if the portfolio is large enough to take the advantage of shortages.

Sales in Continental Europe are only through institutional channels. This approach

warrants local presence via partners. The company has tied with multiple partners in multiple countries for multiple products. The market is mainly dossier driven which are filed through local partners.

Despite entry barriers, the market is highly stable once established as almost 23 different countries will float multiple tenders and to capture these opportunities, local presence via local partner is a key differentiator.

Exhibit 12: Europe Generics Market growth trend




Source: Emcure PPT, ICICI Direct Research

**Liposomal Amphotericin B - a niche opportunity**

Amphotericin B is an intravenous antifungal drug (mainly injectable) used to treat severe, life-threatening systemic fungal infections and certain parasitic infections. Since its discovery in 1953, Amphotericin B has remained an important drug for treating many serious infectious diseases, such as invasive fungal infections and visceral leishmaniasis, particularly for patients who are immunocompromised, including those with advanced HIV infection.

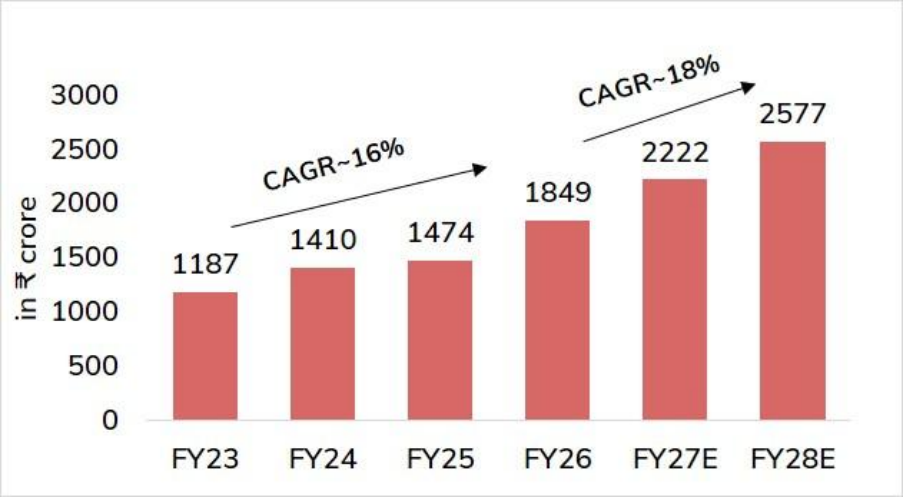
The development of liposomal amphotericin B (LAmB; came into picture since 1993), a lipid-based formulation, has provided a drug with a much more favourable tolerability and toxicity profile than the conventional amphotericin B deoxycholate formulation. The conventional version has largely been replaced in the developed countries with LAmB, because of certain advantages, including lower rates of adverse events, such as kidney toxicity and anaemia.

Manufacturing of liposomal version has its own set of challenges with technological difficulties. Technical hurdles involved in its formulation, scaling, and quality control have created significant entry barriers, leaving only a handful of manufacturers globally.

Emcure launched this product in UK, Italy and select European markets so far and the plan is to cover the entire 23 countries gradually. Emcure is the only generic player so far in Europe. European regulations are very stringent for LAmB as is the case in the US (despite 5-6 generic approvals the innovator is still commanding ~20% market share in the US). As per management generic LAmB could be € 100 million opportunity in Europe (~€ 230 million innovator sales market).

With a generics size of ~€ 60 billion, Europe offers a sizable opportunity for players with a complex portfolio and strong local presence. We expect Emcure European business to grow at a CAGR of 19% to ₹2635 crore between FY26-28E to be driven by continued traction from LAmB, incremental launches from Manx UK and stable base business growth. The company plans to launch at least one complex product in Europe in every one or two years, going forward. (Doxorubicin- Anti-cancer and FCM- intravenous iron replacement drug are the drugs targeted beyond FY28).

Exhibit 13: Europe business growth trajectory




Source: Company, ICICI Direct Research

**RoW markets- Focus on complex ARV and others**

Emcure's RoW segment is almost equally divided between ARV and Non-ARV therapies. It has footprints across Latin America, Central America, Asia, MENA, Africa, ASEAN and CIS, covering 70+ countries.

**ARV business** is built on long-standing partnerships with governments, procurement agencies and global health institutions. Its access-led model is supported by approvals across key markets and established credibility with global procurement agencies.

ARV business has been mainly driven by Africa region on the back of large-scale institutional procurement through global funding agencies such as the US President's Emergency Plan for AIDS Relief (PEPFAR),Global Fund, Gates Foundation etc.

ARV market is characterised by high-volume, tender-based procurement systems, increasing adoption of dolutegravir-based regimens (preferred first- and second-line treatments for HIV that combine the drug dolutegravir with other antiviral medications) as the standard of care, and competitive pricing dynamics, where scale, reliability and compliance are key differentiators.

**Opportunity from ARV drug Lenacapavir (yet to be filed)-**

Lenacapavir is used for the treatment of adults with multi-drug-resistant HIV in combination with other antiretrovirals.

In October 2024, US based ARV drug giant Gilead signed a non-exclusive, royalty-free voluntary licensing agreements with six pharmaceutical manufacturers including Emcure to make and sell generic Lenacapavir, subject to required regulatory approvals, in 120 high-incidence, resource-limited countries which are primarily low- and lower-middle income countries (LMIC). The agreements were signed in advance of any global regulatory submissions to enable these countries to quickly introduce generic versions of Lenacapavir for HIV prevention, if approved.

As per WHO 2025 guidelines, Lenacapavir injection has been recommended as an additional pre-exposure prophylaxis (PrEP) option for HIV prevention, with twice a year application. The new guidelines came at a critical moment as HIV prevention efforts got stagnated with 1.3 million new HIV infections occurring in 2024, despite global progress driving down HIV rates and AIDS-related deaths since 2000. Gilead along with PEPFAR and Global Fund has set a target to deliver twice-yearly Lenacapavir for HIV prevention for up to two million people in primarily low- and lower-middle-income countries by 2028 from one million at present.

The generics entry is likely to be in 2027. Emcure plans to file the same in this Callender year. This can be a sizable opportunity given the fact that out of the six licensees, only three including Emcure can currently manufacture the same, given the limited API source.

**Non-ARV portfolio** comprises of branded generics- tender as well as non-tender, besides API exports in select markets. The company has presence through subsidiary driven model in most of the RoW countries for non-ARV business. The focus is to expand the market presence through new product registrations, MR productivity and

partnerships.

Like Europe, the company is planning to scale Amphotericin B in RoW markets which, according to the management can be a similar € 100 million opportunity.

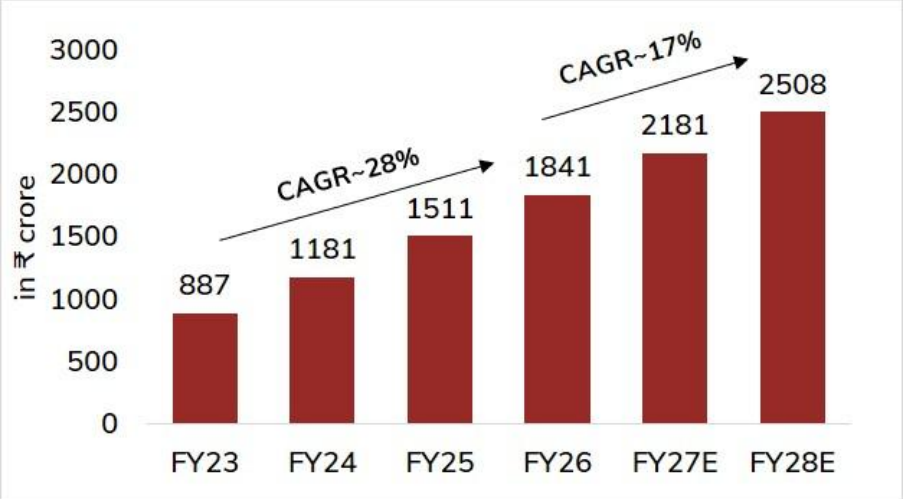
**Exhibit 14: Pipeline of products to be launched in RoW markets**

| Pipeline | Type |
|---|---|
| Amphotericin B | Liposomal Injectable |
| Tenecteplase | Biosimilar |
| Lenacapavir | Injectable |
| Ferric Carboxymaltose | Complex Iron Injectable |
| Bevacizumab | Biosimilar |
| Enoxaparin | Complex Injectable |

*Source: Company, ICICI Direct Research*

We expect RoW markets to grow at a CAGR of 17% to ₹ 2508 crore during FY26-28E. Besides a pipeline of 220+ dossiers to be executable over the next two-three years, we expect traction from Lenacapavir, Amphotericin B and other complex products to support growth.

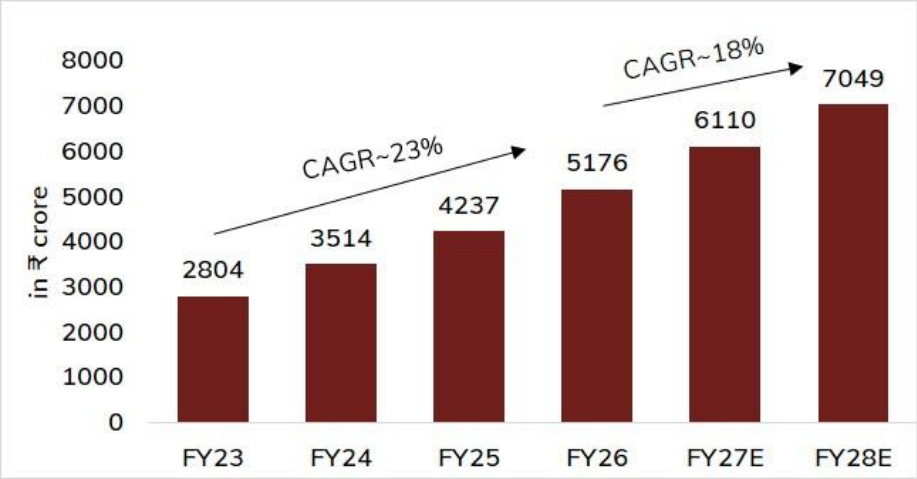
**Exhibit 15: RoW business growth trajectory**




*Source: Company, ICICI Direct Research*

For the combined International Business, growth for FY23-FY26 stood at a CAGR ~23% and going ahead we expect it to grow at ~18% CAGR from FY26-FY28E.

**Exhibit 16: International business overall growth trajectory**



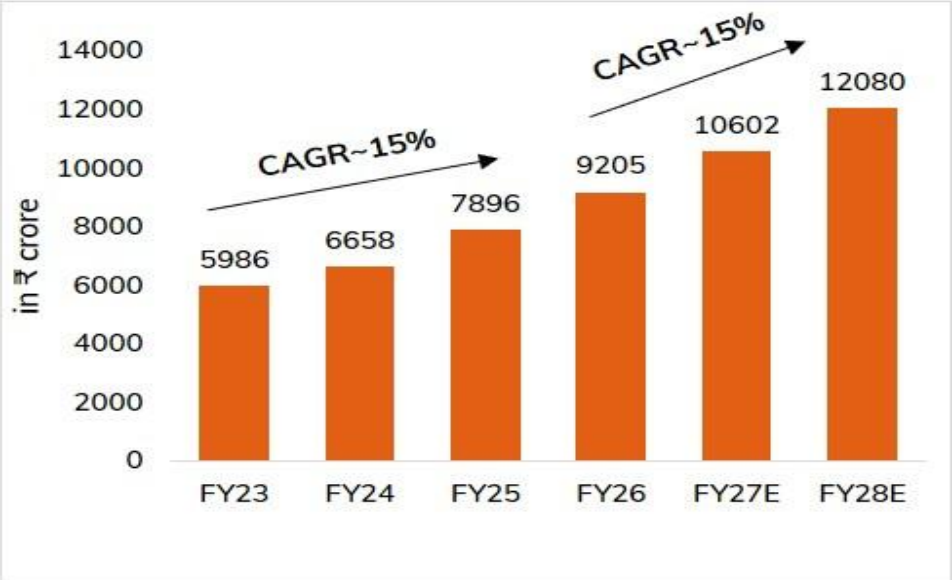

*Source: Company, ICICI Direct Research*

## Key Financial Summary

### Revenues CAGR of 15% for FY26-28E to be driven by increasing traction...

Revenues have witnessed a CAGR of 15% during FY23-26 mainly driven by strong performance in the international markets and steady growth in the domestic market. Going ahead, the domestic market is expected deliver a good growth owing to stabilisation in Zuventus structure, increasing traction in Women's health, consumer health and GLP-1 products. In the international markets growth will be driven by the new launches in various geographies; traction from Semaglutide in Canada, Amphotericin B (in Europe and RoW) and Lenacapavir including other complex products in RoW markets. We expect Emcure to deliver a revenue CAGR of ~15% during FY26-FY28E.

**Exhibit 17: Revenues to grow at 15% CAGR during FY26-28E**



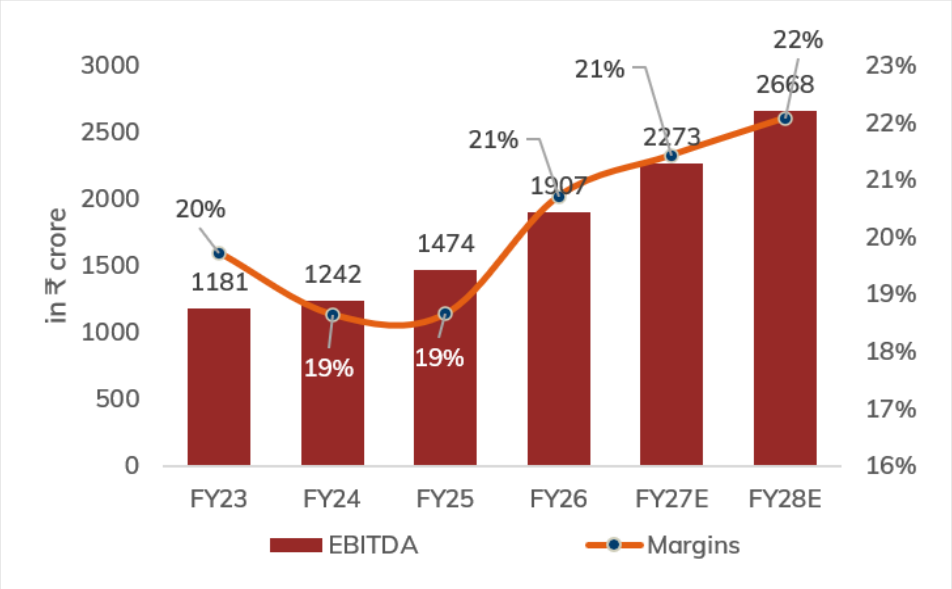

Source: Company, ICICI Direct Research

### EBITDA improvement to be driven by improving operating leverage...

Improvement in the EBITDA margin for FY26 was on account of increasing capacity utilisation and productivity gains. We expect EBITDA margins to increase 75 bps YoY from FY26 to FY28E on account of increasing contribution from complex products and growing capacity utilisations including Manx.

We expect EBITDA CAGR of 18% from FY26-FY28E with margins improving to ~22% in FY28E.

**Exhibit 18: EBITDA margins profile**

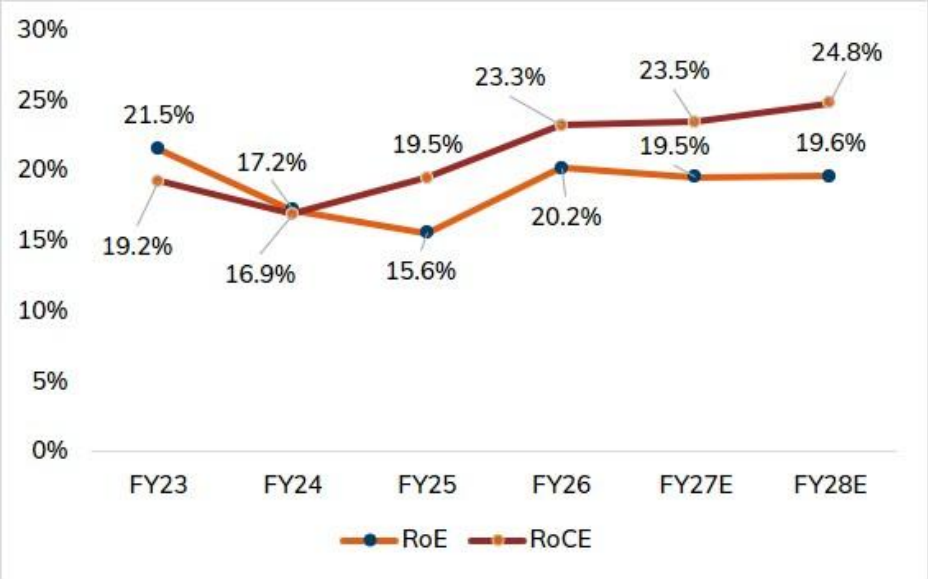



Source: Company, ICICI Direct Research

## Return ratios will grow steadily...

Post Emcure's IPO in FY25, RoE and RoCE have improved in FY26. Starting from FY27E we expect a gradual improvement in the RoCE as the consolidated margins expected to improve due to higher capacity utilisation across its plants and increased contribution from complex products from the pipeline. In parallel to this, we expect a slight moderation in the RoE as the annual capex of ~₹475 crore (ex of minority stake acquisition) will start hitting net profits due to higher depreciation.

**Exhibit 19: RoCE improves gradually and RoE moderates slightly...**




*Source: Company, ICICI Direct Research*

# Valuation

Emcure's domestic business combines a strong position in chronic and acute therapies, leadership in Women's care, a sizeable Injectables franchise and a differentiated front-end platform through Zuventus. Importantly, the company has multiple relatively low-risk growth opportunities through strategic in-licensing partnerships with global innovators, providing access to established products and emerging therapy areas without incurring significant R&D investments. The GLP-1 opportunity, expansion into MASH, Ophthalmics, Dermatology and Consumer Health provide additional optionality beyond the core portfolio. Internationally, Emcure has built strong front-end capabilities through a well-executed acquisition-led strategy in Canada and Europe, while maintaining a vertically integrated supply chain through its Indian manufacturing base. Its large and diversified product pipeline, presence in complex generics and differentiated opportunities such as Semaglutide, Liposomal Amphotericin B and Lenacapavir strengthen medium-term growth visibility. The combination of a diversified domestic franchise, scalable international platforms, proven M&A execution and multiple complex-product opportunities offer a stronger and more diversified growth profile. We value Emcure Pharma at **₹2305** per share, based on 30x FY28E EPS of ₹76.8.

**Exhibit 20: Peer Comparison (as per FY26)**

| (in ₹ crore) | Ajanta Pharma | Torrent Pharma* | Cipla | Emcure Pharma |
|---|---|---|---|---|
| Revenue | 5453 | 13980 | 28163 | 9204 |
| YoY Growth | 17% | 21% | 2% | 17% |
| EBITDA | 1500 | 4558 | 5883 | 1907 |
| EBITDA Margins | 28% | 33% | 21% | 21% |
| RoCE | 35% | 15% | 15% | 23% |
| Adj. PAT Margin | 21% | 15% | 13% | 11% |
| PE TTM. | 39x | 83x | 32x | 34x |
| EV/EBITDA TTM. | 26x | 39x | 18x | 18x |

*Source: Company, ICICI Direct Research, *-Torrent Pharma number contains post-merger JB Pharma numbers*

## Key Risk and Concerns

**Unsuccessful/Delayed integration of acquired/in-licensed portfolios –** Emcure has knack of acquiring companies/portfolios or in-licensing product portfolios for inorganic growth. Any delayed or unsuccessful integration could result delay in realising expected returns.

**Delay in product approvals in Canada:** Revenues from Canada account for ~16% on the consol. levels. Delay in product approvals from Health Canada due to staffing issues at the regulator could result a lag in growth for Emcure.

**Inability to attract/retain R&D talent:** Emcure's innovation and foray into new therapies or in new drugs depends upon cross functional teams (marketing, R&D etc.) across the organisation. Loss of key employees to competitors can disrupt the company's R&D pipeline.

## Financial Summary

**Exhibit 21: Profit and loss statement** ₹ crore

| (Year-end March)/ (₹ crore) | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|
| **Total Operating Income** | **7,896.0** | **9,203.5** | **10,602.5** | **12,080.3** |
| Growth (%) | 18.6 | 16.6 | 15.2 | 13.9 |
| Raw Material Expenses | 3,146.6 | 3,657.1 | 4,201.8 | 4,711.3 |
| Gross Profit | 4,749.4 | 5,546.5 | 6,400.7 | 7,369.0 |
| Gross Profit Margins (%) | 60.1 | 60.3 | 60.4 | 61.0 |
| Employee Expenses | 1,446.3 | 1,552.2 | 1,717.1 | 1,874.1 |
| Other Expenditure | 1,828.9 | 2,086.9 | 2,410.4 | 2,826.8 |
| Total Operating Expenditure | 6,421.8 | 7,296.1 | 8,329.2 | 9,412.2 |
| **EBITDA** | **1,474.2** | **1,907.4** | **2,273.3** | **2,668.1** |
| Growth (%) | 18.7 | 29.4 | 19.2 | 17.4 |
| Interest | 175.8 | 143.7 | 126.1 | 91.4 |
| Depreciation | 384.1 | 415.1 | 563.4 | 609.6 |
| Other Income | 67.4 | 12.7 | 8.5 | 9.7 |
| PBT before Exceptional Items | 981.7 | 1,361.3 | 1,592.3 | 1,976.8 |
| Less: Exceptional Items | 10.4 | 74.2 | 0.0 | 0.0 |
| PBT after Exceptional Items | 971.3 | 1,287.1 | 1,592.3 | 1,976.8 |
| Total Tax | 263.9 | 345.9 | 408.8 | 514.0 |
| **PAT before MI** | **707.4** | **941.2** | **1,183.5** | **1,462.8** |
| PAT | 681.3 | 924.3 | 1,180.5 | 1,455.5 |
| Growth (%) | 29.1 | 35.7 | 27.7 | 23.3 |
| **EPS (Adjusted)** | **36.5** | **52.7** | **62.3** | **76.8** |
| Other income as % of (Cash+investmer | 39% | 8% | 2% | 1% |

Source: Company, ICICI Direct Research

**Exhibit 22: Profit and loss statement** ₹ crore

| (Year-end March)/ (₹ crore) | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|
| Profit/(Loss) after taxation | 974.1 | 919.0 | 1,180.5 | 1,455.5 |
| Add: Depreciation & Amortization | 384.1 | 415.0 | 563.4 | 609.6 |
| Net Increase in Current Assets | -599.9 | -913.5 | -616.3 | -786.4 |
| Net Increase in Current Liabilities | 175.6 | 383.5 | 296.7 | 312.7 |
| Others | -82.2 | 139.5 | 126.1 | 91.4 |
| **CF from Operating activities** | **851.7** | **943.5** | **1,550.5** | **1,682.8** |
| Investments | 210.3 | 75.2 | 0.0 | 0.0 |
| (Purchase)/Sale of Fixed Assets | -376.3 | -1,268.3 | -705.0 | -475.0 |
| Others | 72.0 | 0.1 | 2.0 | 2.0 |
| **CF from Investing activities** | **-94.0** | **-1,193.1** | **-703.0** | **-473.0** |
| (inc)/Dec in Loan | -1,464.5 | 551.1 | -250.0 | -350.0 |
| Dividend & Dividend tax | 0.0 | -56.9 | -82.3 | -87.2 |
| Other | 650.6 | -150.8 | -126.0 | -91.3 |
| **CF from Financing activities** | **-814.0** | **343.4** | **-458.4** | **-528.5** |
| Net Cash Flow | -56.3 | 93.9 | 389.1 | 681.3 |
| **Cash and Cash Equivalent** | **169.0** | **155.5** | **136.7** | **525.7** |
| Cash | 112.7 | 249.4 | 525.7 | 1,207.1 |
| **Free Cash Flow** | **475.4** | **-324.8** | **845.5** | **1207.8** |

Source: Company, ICICI Direct Research

**Exhibit 23: Balance Sheet** ₹ crore

| (Year-end March) | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|
| Equity Capital | 189.5 | 189.6 | 189.6 | 189.6 |
| Reserve and Surplus | 4,256.7 | 4,760.4 | 5,857.3 | 7,224.4 |
| Total Shareholders' funds | 4,446.2 | 4,950.0 | 6,046.9 | 7,414.0 |
| Total Debt | 1,022.7 | 1,521.2 | 1,271.2 | 921.2 |
| Deferred Tax Liability | 120.0 | 98.0 | 100.0 | 102.0 |
| Long-Term Provisions | 47.6 | 42.6 | 42.6 | 42.6 |
| Minority Interest | 195.4 | 26.6 | 26.6 | 26.6 |
| Other Non-Current Liabilities | 308.0 | 68.5 | 69.8 | 71.2 |
| **Source of Funds** | **6,139.9** | **6,707.0** | **7,557.2** | **8,577.7** |
| Gross Block - Fixed Assets | 5,180.7 | 5,671.7 | 6,276.7 | 6,651.7 |
| Accumulated Depreciation | 2,351.7 | 2,766.8 | 3,330.1 | 3,939.7 |
| Net Block | 2,829.0 | 2,905.0 | 2,946.6 | 2,712.0 |
| Capital WIP | 177.4 | 272.7 | 372.7 | 472.7 |
| Fixed Assets | 3,006.4 | 3,177.7 | 3,319.3 | 3,184.7 |
| Investments | 19.3 | 19.7 | 19.7 | 19.7 |
| Goodwill | 367.8 | 414.3 | 414.3 | 414.3 |
| Deferred Tax Assets | 205.0 | 236.3 | 236.3 | 236.3 |
| Other non-Current Assets | 78.4 | 152.5 | 152.5 | 152.5 |
| Inventory | 1,931.8 | 2,397.9 | 2,614.3 | 2,978.7 |
| Debtors | 2,002.2 | 2,562.7 | 2,952.2 | 3,363.7 |
| Other Current Assets | 466.3 | 514.9 | 525.2 | 535.7 |
| Cash | 155.5 | 136.7 | 525.7 | 1,207.1 |
| Total Current Assets | 4,555.9 | 5,612.1 | 6,617.5 | 8,085.1 |
| Creditors | 1,479.6 | 1,807.8 | 2,082.6 | 2,372.8 |
| Provisions | 54.5 | 72.3 | 73.7 | 75.2 |
| Other Current Liabilities | 558.7 | 1,025.5 | 1,046.0 | 1,066.9 |
| Total Current Liabilities | 2,092.8 | 2,905.5 | 3,202.2 | 3,514.9 |
| Net Current Assets | 2,463.1 | 2,706.6 | 3,415.2 | 4,570.2 |
| **Application of Funds** | **6,139.9** | **6,707.0** | **7,557.2** | **8,577.7** |

Source: Company, ICICI Direct Research

**Exhibit 24: Ratio Analysis** ₹ crore

| (Year-end March) | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|
| **Per share data (₹)** | | | | |
| Reported EPS | 35.9 | 48.8 | 62.3 | 76.8 |
| Cash EPS | 36.5 | 49.2 | 57.9 | 72.2 |
| BV per share | 234.5 | 261.1 | 318.9 | 391.0 |
| Cash per Share | 8.2 | 7.2 | 27.7 | 63.7 |
| Dividend per share | 0.0 | 3.5 | 4.3 | 4.6 |
| **Operating Ratios (%)** | | | | |
| Gross Profit Margins | 60.1 | 60.3 | 60.4 | 61.0 |
| EBITDA margins | 18.7 | 20.7 | 21.4 | 22.1 |
| PAT Margins | 8.8 | 10.8 | 11.1 | 12.0 |
| Cash Conversion Cycle | 113.5 | 125.0 | 119.9 | 119.9 |
| Asset Turnover | 1.5 | 1.6 | 1.7 | 1.8 |
| EBITDA conversion Rate | 57.8 | 49.5 | 68.2 | 63.1 |
| **Return Ratios (%)** | | | | |
| RoE | 15.6 | 20.2 | 19.5 | 19.6 |
| RoCE | 19.5 | 23.3 | 23.5 | 24.8 |
| RoIC | 19.5 | 24.6 | 26.6 | 30.9 |
| **Valuation Ratios (x)** | | | | |
| P/E | 51.8 | 38.2 | 29.9 | 24.2 |
| EV / EBITDA | 24.5 | 19.2 | 15.8 | 13.1 |
| EV / Net Sales | 4.6 | 4.0 | 3.4 | 2.9 |
| Market Cap / Sales | 4.5 | 3.8 | 3.3 | 2.9 |
| Price to Book Value | 7.9 | 7.1 | 5.8 | 4.8 |
| **Solvency Ratios** | | | | |
| Debt / EBITDA | 0.7 | 0.8 | 0.6 | 0.3 |
| Debt / Equity | 0.2 | 0.3 | 0.2 | 0.1 |
| Current Ratio | 2.1 | 1.9 | 1.9 | 2.0 |
| Quick Ratio | 1.2 | 1.1 | 1.1 | 1.1 |
| Inventory days | 89 | 95 | 90 | 90 |
| Debtor days | 93 | 102 | 102 | 102 |
| Creditor days | 68 | 72 | 72 | 72 |

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

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