Midas
Equities and Research

Orchid Pharma Ltd.

Q2FY27 Result Update

18 Nov 2026

- ✓ **Revenue grew 14% Y-o-Y to Rs. 341 cr (+12% Q-o-Q), with gross margin expanding 828 bps Y-o-Y to 38.9%**
- ✓ **EBITDA rose to Rs. 24 cr from Rs. 3 cr Y-o-Y, with margin expanding 604 bps to 7.1%**
- ✓ **PAT rose to Rs. 29 cr from a Rs. 1 cr loss YoY, though other income of Rs. 18 cr drove most of the gain**

Rating	**ACCUMULATE** Rating Maintained	**1Y Target Price**	**Rs. 986** Revised Upwards from Rs. 788 Reflecting Merged Entity	**CMP**	**Rs. 931** 1Y Upside: 6% | 26.4x FY28E P/E

Estimate Update Post Merger: FY27E Revenue Rs. 1,430 cr | FY27E PAT Rs. 90 cr | FY28E Revenue Rs. 1,903 cr | FY28E PAT Rs. 211 cr | Midas valuation multiple revised to 28x FY28E P/E

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Spark Result Update Reports – Rebooted!

Outlining the framework from our desk

In our new, rejuvenated approach to publishing fundamental research ideas, we aim to balance a traditional, time-tested framework with a contemporary and, hopefully, refreshing approach to stock-picking. Accordingly, our Result Update reports will be presented in four sections: **(1) Business Assessment Scores, (2) Valuation Framework, (3) Decision Tree, and (4) Stock Buzz & Influencing Factors.**

This report is underpinned by three key beliefs: (1) business assessment should be separated from valuation frameworks, allowing equity research to objectively calibrate the mix when making stock calls; (2) the decision tree we publish makes this process simple and objective, highlighting the three major factors that underpin our recommendation; and (3) reactions to "buzz" and other factors that influence price action must be identified and given due regard when timing stock calls, particularly in the current environment, where information flow is incessant.

Business Assessment Scores

To assess whether a company's business can emerge as a long-term winner, we draw on Porter's Five Forces framework to examine key aspects such as revenue models, pricing risks, market positioning, and competitive moats. Our financial analysis and estimates are anchored in our assessment of both the company's current performance and its long-term potential. To ensure that this assessment remains objective and is not influenced by subjective judgment, we employ a scoring model that captures the key drivers of business quality across five composite vectors. The resulting scores form the basis of our call on the business.

Valuation Framework

We have often observed how markets can make target multiples seem to emerge like the proverbial rabbits out of a hat. To avoid the temptation of retrospectively justifying valuations in line with the broader market, we returned to first principles while designing our Valuation Framework. Anchored in market, peer, and historical absolute benchmarks, our valuation scores incorporate Economic Value Added, return profiles, growth prospects, and leadership positions, mapped against relevant valuation multiples. Ultimately, the central question remains: given everything we know about the business, markets, and peers, does the current pricing appear attractive? This question forms the bedrock of stock-picking in equity research.

Stock Buzz & Influencing Factors

The Buzz Chart & Liquidity Chart track stock-specific news flow, events, and market activity to help identify periods of elevated attention or sentiment shifts, complementing fundamental and valuation analysis.

Decision tree

A schematic view of what we hinge our stock recommendation on. In our opinion, a discerning investor can identify the essence of our pitch from a limited, yet reasonably exhaustive, set of factors that can be organized as branches of a tree. The decision tree we publish makes this process simple and objective, highlighting the three major factors that underpin our recommendation.

Source: Company, and Midas Research

Q2FY27 Results Summary

(In Rs. cr)

Description	Q2FY26	Q1FY27	Q2FY27	Y-o-Y	Q-o-Q
Net Sales	**298**	**304**	**341**	**14%**	**12%**
COGS	(207)	(204)	(208)	1%	2%
Gross Profit	91	100	133	45%	33%
Gross Margin	***30.6%***	***32.8%***	***38.9%***	**828bps**	**609bps**
Employee cost	(31)	(28)	(31)	0%	12%
% of revenue	-10.5%	-9.2%	-9.2%	133bps	2bps
Other expenses	(57)	(58)	(77)	36%	34%
% of revenue	-19.1%	-19.0%	-22.6%	-358bps	-364bps
EBITDA	**3**	**14**	**24**	**683%**	**72%**
EBITDA Margin	***1.0%***	***4.6%***	***7.1%***	**604bps**	**247bps**
Depreciation	(11)	(11)	(11)	6%	4%
% of revenue	*-3.6%*	*-3.6%*	*-3.3%*	28bps	26bps
EBIT	**(8)**	**3**	**13**	-265%	317%
EBIT Margin	***-2.6%***	***1.0%***	***3.7%***	**632bps**	**273bps**
Other Income	12	2	18	53%	871%
% of revenue	*3.9%*	*0.6%*	*5.2%*	*130bps*	*460bps*
Interest	(3)	(2)	(4)	42%	63%
% of revenue	*-0.9%*	*-0.7%*	*-1.1%*	*-21bps*	*-33bps*
Exceptional Items	-	-	-	n/a	n/a
% of revenue	*0.0%*	*0.0%*	*0.0%*	*0bps*	*0bps*
PBT	1	3	27	1900%	913%
PBT Margin	*0.4%*	*0.9%*	*7.9%*	*741bps*	*699bps*
Tax	0	(0)	0	-70%	-162%
Tax Rate	*11.1%*	*-2.7%*	*0.2%*	*-1088bps*	*290bps*
Share of associates	(2)	1	2	-172%	165%
Profit After Tax	**(1)**	**3**	**29**	**NA**	**787%**
PAT Margin	***-0.3%***	***1.1%***	***8.4%***	**868bps**	**732bps**
EPS	**(0.2)**	**0.5**	**4.8**	**NA**	**783%**
Adj EPS	**(0.2)**	**0.5**	**4.8**	**NA**	**783%**

Revenue Y-o-Y
14%
Rs. 341 cr, with revenue also up 12% QoQ

EBITDA Margin
7.1%
Up 604 bps YoY on 828 bps gross margin expansion

PAT Y-o-Y
~29 cr
Turnaround from a Rs. 1 cr loss in Q2FY26

EPS QoQ
+783%
EPS of Rs. 4.8 vs Rs. 0.5 in Q1FY27

Source: Company, and Midas Research

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Q2FY27 Conference Call – Key Takeaways

Core Business

- Revenue stood at Rs. 341 cr, up 14% Y-o-Y and 12% Q-o-Q. Gross margin improved by ~8 percentage points to 39%, led by the normalisation of high-cost inventory, better volumes and a favourable product mix. EBITDA, including other income, rose 148% to Rs. 52 cr, with the margin expanding to 15% from 7%.
- The quarter included an expected credit loss provision of ~Rs. 5 cr and a merger-related impairment of ~Rs. 5 cr, both one-time in nature. Excluding these, EBITDA before other income would have been ~Rs. 34 cr, compared with the reported Rs. 24 cr. Power and fuel costs were ~30% higher Y-o-Y.
- Working capital declined from March 2026 levels, with receivable days also improving. H1 operating cash flow remained positive.
- Management aims to sustain gross margins at ~35%, supported by product mix. Injectables have recovered, while oral formulations continue to face capacity-related constraints. Cefixime pricing has improved only marginally.
- Merger integration is underway across procurement, manufacturing, quality and support functions, with initial synergies expected towards the end of FY27. Duplicate capacities will be rationalised, with Dhanuka operating at 80–90% utilisation and Orchid at ~60%.

7-ACA Project and funding

- The Jammu plant (1,000 MTPA) is scheduled to commence commercial operations in March 2027, with a significant portion of the investment already completed. Pilot technology has been validated, and yields have reached the minimum threshold required for commercialisation.
- The technology partner earns a royalty linked to improvements in raw material costs, aligning both parties towards yield optimisation. Initial production will be directed towards internal consumption, with third-party sales expected to commence subsequently. Management indicated that achieving full utilisation within two quarters of commissioning is unlikely.
- 7-ACA prices were stable in the past few years, unlike Pen-G, while rupee depreciation provides a favourable backdrop. The PLI incentive tenure remains uncertain pending commercialisation, while GST benefits & lower tax outgo from the Jammu facility are likely to accrue.
- The board has approved an enabling fund-raise, although the timeline and mode of fund-raising have not been finalised. The proceeds are intended to fund the 7-ACA project cost overrun arising from commodity inflation, repay debt raised for the Cefiderocol project and finance the Chennai downstream investment, for which approvals are now in place.

Cefiderocol

- The project is at an advanced stage, with commissioning targeted by December 2026, followed by validation and initial batches between January and March 2027. The inauguration is scheduled for January 2027, in the presence of Shionogi and GARDP.
- The India marketing licence is close to being finalised, with management indicating that the partner has agreed to grant the licence. India could account for 30–40% of total consumption.
- DCGI approval is expected within ~six months of completion of manufacturing, subject to a clinical-trial waiver, indicating potential commercialisation around September–October 2027. Manufacturing margin terms remain unchanged, while a separate marketing margin is under negotiation.

Exblifep and AMS

- Royalty and milestone receipts are currently running at US$3–4 mn annually. The new Latin America licensing agreement, which excludes Brazil and covers select markets in the region, has an estimated 10-year value of ~US$80 mn, adding to the earlier Russia deal. Product registration is expected to take 20–24 months.
- Three to four additional licensing agreements are expected over the next two quarters, covering markets across Australia, Southeast Asia, Japan, Latin America and North Africa. The US opportunity remains at a preliminary stage, with no defined timeline.
- The UK is the only major European market among the Big Five where sales have yet to commence, with procurement structured around guaranteed volumes. Launches in the Middle East and South Africa are expected by Q1CY27. The European patent is valid until 2034, with the German patent extended to November 2036.
- AMS business's EBITDA drag has narrowed. Its portfolio comprises 15 products & 18 SKUs, with 120 hospitals placing regular orders out of ~400 hospitals reached. Business is growing at 10–15% Q-o-Q.

Source: Company, Spark PWM Pvt. Ltd.

Orchid Pharma Ltd – Q2FY27 Result Update

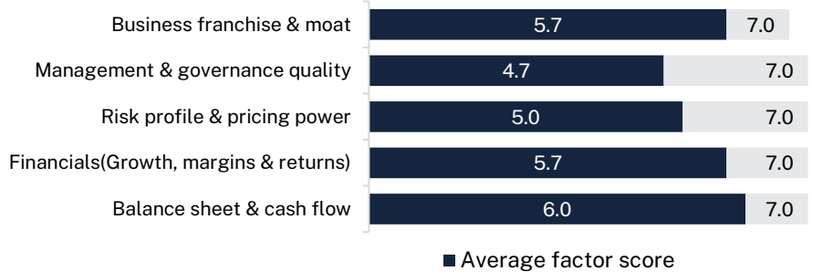
CMP
~Rs. 931

Rating
ACCUMULATE

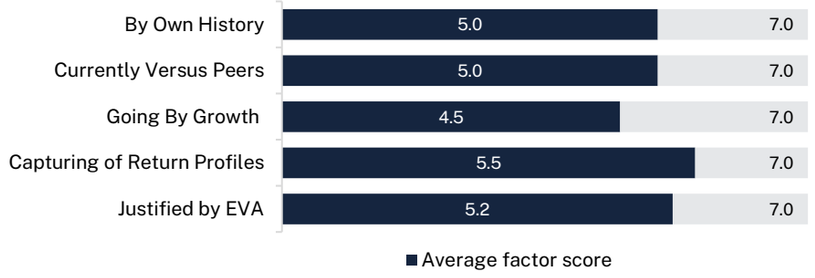
Orchid Pharma - Our Commentary On Results

- Net sales grew 14% Y-o-Y to Rs. 341 cr and 12% Q-o-Q from Rs. 304 cr, marking a sequential recovery following the weak Q1.
- EBITDA increased to Rs. 24 cr from Rs. 3 cr in Q2FY26 and Rs. 14 cr in Q1FY27, with the EBITDA margin expanding 604 bps Y-o-Y and 247 bps Q-o-Q to 7.1%. Gross margin expanded 828 bps Y-o-Y to 38.9%; however, much of the improvement was absorbed by other expenses, which rose 36% Y-o-Y to 22.6% of revenue (+358 bps). Employee costs remained flat Y-o-Y at 9.2% of revenue. Q2FY27 is also the first quarter to include Synmedic's formulations business, which is not reported separately; hence, the Y-o-Y cost comparison is not entirely like-for-like.
- PAT stood at Rs. 29 cr, compared with losses of Rs. 1 cr in Q2FY26 and Rs. 3 cr in Q1FY27, translating into a PAT margin of 8.4%. Other income of Rs. 18 cr (vs. Rs. 2 cr in Q1FY27) accounted for about two-thirds of PBT of Rs. 27 cr, with PAT growth significantly outpacing operating improvement.

Business Assessment Scores



Valuation Framework



Financials and Estimates Summary

Particulars (Rs. cr)	Revenue	EBITDA	EBITDA %	PAT	EPS	RoE %	RoCE %	PE	EV/EBITDA
FY25	1,398	144.4	10.3	135.1	22.6	9.9	6.8		
FY26	1,233	33.6	2.7	10.0	1.7	1.1	(0.5)	322.4	172.5
FY27E	1,430	107.4	7.5	90.0	15.0	5.6	2.8	61.9	53.9
FY28E	1,903	280.5	14.7	210.8	35.2	12.0	8.0	26.4	20.6

Source: Company reports, Bloomberg, Midas Research

18 Nov 2026

Industry	Pharmaceuticals

Key Stock Data

Bloomberg	ORCP IN
Shares o/s (cr)	6.0
Market Cap (Rs. cr)	5,574
52-wk High/Low	1,144/480
20D ADV (In '000)	106.2
Index	BSE 1000
F&O	N

Latest Shareholding (%)

	Sept 26	Jun 26	Mar 25
Promoters	74.5	69.8	69.8
Institutions	18.4	21.6	10.9
Public	7.2	8.8	20.8
Pledge	0.0	0.0	0.0

Stock Performance (%)

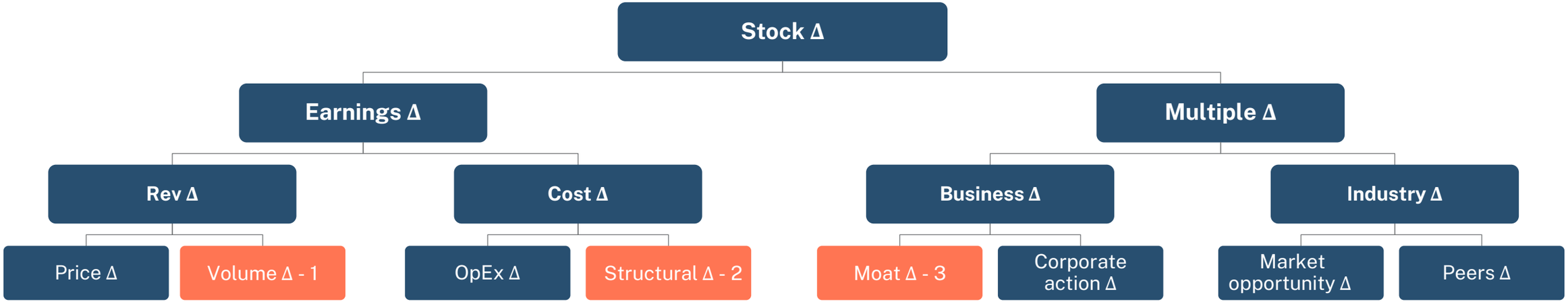
	1M	3M	12M
Orchid Pharma	6.3	(6.7)	12.8
Nifty Microcap 250	0.4	(2.9)	7.9

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Decision Tree – Stock call

CMP	Rating
~Rs. 931	ACCUMULATE



1 Reason 1

- Volume and product mix, rather than pricing, are driving realisation. Injectables have recovered, supported by complex sterile products and limited competition, while orals remain under pressure from industry overcapacity. Our estimates assume no pricing upcycle.
- Growth is likely to broaden beyond the base API portfolio. The Dhanuka business, the 7-ACA downstream chain from FY28E and the specialty portfolio (Exblifep, AMS & Ceftaroline) are expected to add new volume streams, with regulated markets commanding a structural premium over ROW.
- We expect revenue to grow from Rs. 1,233 cr in FY26 to Rs. 1,430 cr in FY27E and Rs. 1,903 cr in FY28E, translating into a ~24% FY26–28E CAGR.

2 Reason 2

- 7-ACA backward integration is a key cost lever, enabling the replacement of bought-in KSM from China once the Jammu plant commences commercial operations in March 2027. Initial output will be consumed internally, with third-party sales expected to follow.
- The Dhanuka merger provides a second lever for margin improvement. Integration across procurement, manufacturing, quality and support functions, along with the rationalisation of duplicate capacities, is expected to drive synergies from FY27 and restore the Dhanuka business to profitability.
- We expect EBITDA to rise from Rs. 34 cr in FY26 (2.7% margin) to Rs. 107 cr in FY27E (7.5%) & Rs. 281 cr in FY28E (14.7%).

3 Reason 3

- The integrated sterile platform, spanning fermentation and 7-ACA to fill-finish capabilities and dossiers, all housed within a USFDA-approved Indian manufacturing site, provides a key competitive barrier and now sits within a single listed entity.
- Exblifep builds a licensing platform, while Cefiderocol and US sterile filings deepen regulated-market presence.
- We expect PAT to grow from Rs. 10 cr in FY26 to Rs. 90 cr in FY27E and Rs. 211 cr in FY28E (EPS of Rs. 35.2).
- We see scope for a re-rating as earnings quality improves, with profits shifting from commodity oral APIs to captive 7-ACA, sterile products for regulated markets and licensing income. This should make earnings less cyclical and reduce dependence on Chinese KSM, within a simpler post-merger structure.

Source: Company, and Midas Research

Estimates Update

Context: With the Dhanuka Labs merger effective from FY27 and historical financials restated for the merged entity, our earlier standalone estimates are not comparable. Accordingly, we initiate estimates for the merged entity, with FY27E/FY28E EPS of Rs. 15.0/Rs. 35.2.

	New estimates	
Description	**FY27E**	**FY28E**
Net Sales (Rs. cr)	1,430	1,903
EBITDA (Rs. cr)	107	281
EBITDA Margin	7.5%	14.7%
Adj PAT (Rs. cr)	90	211
PAT Margin	6.3%	11.1%
EPS (Rs.)	15.0	35.2

- **Estimates Initiation:** We initiate estimates for the merged entity, projecting FY27E/FY28E revenue of Rs. 1,430/1,903 cr and EBITDA of Rs. 107/281 cr, respectively. EBITDA margin is likely to recover from 2.7% in FY26 to 7.5% in FY27E, a transition year, and further to 14.7% in FY28E, led by the commissioning of the 7-ACA facility.
- **Multiple Update:** We value the stock at 28x FY28E P/E, factoring in the benefits of 7-ACA integration and a shift towards sterile products, regulated markets and licensing income, which are expected to improve earnings quality and reduce cyclicality. RoE is expected to improve from 5.6% in FY27E to 12.0% in FY28E.

Valuation Summary

Target Multiple	Target EPS	1Y TP	1Y Upside (Incl. Dividends)
28x FY28E P/E	**~Rs. 35.2**	**Rs. 986**	**6%**
Merged entity	FY28E EPS	Incl. dividends	From CMP

Source: Company, and Midas Research

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What Changed: The Dhanuka Laboratories Amalgamation

One Orchid: NCLT scheme effective 10 Jul 2026, appointed date 1 Apr 2024 - FY25/FY26 restated

BOARD APPROVAL	NCLT SANCTION	EFFECTIVE DATE	NEW SHARES LISTED
6 Dec 2023	5 Jun 2026	10 Jul 2026 (appointed 1 Apr 2024)	23 Sep 2026

THE BUSINESS ABSORBED

- Dhanuka Laboratories Ltd. (DLL) is the Group's unlisted pharma arm, operating since 1998 and already under common promoter control with Orchid.
- It is a leading cephalosporin antibiotics player across emerging markets, with a presence in both APIs and finished dosage formulations, primarily serving ROW markets.
- DLL operates two API facilities – a cephalosporin plant and a non-penicillin, non-cephalosporin (NPNC) facility commissioned in 2018 – along with an NPNC formulations plant added in 2019.
- DLL reported FY26 revenue of ~Rs. 450 cr (management estimate; unaudited), with structurally lower margins than Orchid's core API business.

WHAT CHANGED IN THE REPORTED NUMBERS

- DLL is no longer a separate entity, with its manufacturing facilities, R&D and dossiers now consolidated into Orchid's standalone accounts from the appointed date.
- FY25 and FY26 standalone financials have been restated, with the FY26 numbers approved on 25 May 2026 subsequently revised.
- Restated FY26: revenue Rs. 1,233 cr, EBITDA Rs. 34 cr (2.7%), PAT Rs. 17 cr, versus FY25 of Rs. 1,398 cr, Rs. 144 cr (10.3%) and Rs. 135 cr
- Q2FY27 is therefore like-for-like: revenue Rs. 341 cr (+14% YoY), EBITDA Rs. 24 cr (7.1% vs 1.0%) and PAT of Rs. 29 cr against a Rs. 1 cr loss
- Combined revenue is net of inter-company sales, leading to a lower merged revenue base than the aggregate standalone revenue of the 2 entities.

GROWTH AND OUTLOOK IMPLICATIONS

- Management guides to a 1–2% EBITDA margin expansion, driven by procurement synergies, elimination of duplicated functions, and lower compliance and administrative overheads.
- Merger creates an integrated anti-infectives platform spanning KSMs to finished dosage formulations, with combined R&D and capacity rationalisation ahead of 7-ACA commissioning in Q1CY27.
- Adds an NPNC API-plus-formulations vertical, diversifying the business beyond cephalosporins. While small today and requiring further development investment, it offers a second growth engine.
- Near-term caveat: DLL's lower-margin business mix will constrain headline margins initially, while synergies are expected to accrue progressively through FY27–28 rather than immediately.

Source: Company, and Midas Research

Merger Terms: 0.92 cr Net New Shares Cut the Public Stake by 4.6 Points

Orchid paid no cash: DLL shareholders, all belonging to the Dhanuka promoter group, received 161 Orchid shares for every 5 DLL shares

SHARE COUNT	PUBLIC STAKE	PROMOTER STAKE	EPS DILUTION
+18.1% (5.07 cr to 5.99 cr)	30.16% to 25.55%	69.84% to 74.45%	-15.3% from share count alone

SHARE ISSUE UNDER THE SCHEME (CR SHARES)

Orchid shares before merger	5.07
Less: held by DLL, cancelled	(3.54)
Add: new shares to DLL holders	4.46
Orchid shares after merger	5.99
Net new shares (real payment)	**0.92**

3.54 cr of the 4.46 cr new shares only replace what the family already held through DLL; the other 0.92 cr pay for the DLL business

WHAT ORCHID PAID AND RECEIVED (Rs.cr)

Net new shares, at Dec-23 price	541-597
Net new shares, at 10-Jul-26 price	**~928**
DLL net assets, excl. Orchid shares	242
DLL bank debt taken on	~124

Share prices: Rs. 590-651 (Dec-23), Rs. 1,013 (10-Jul-26). Also received: two plants, DLL customers and 590 employees

KEY TAKEAWAYS

- **Promoters gained most:** stake up 4.6 pts to 74.45%, now held directly in listed shares instead of through unlisted DLL
- **Public holders got no cash** and now share in DLL's lower-margin business and its bank debt
- **Price paid: ~3.8x DLL's net assets** at the effective-date share price
- In return, **related-party trade ends** and Rs. 143 cr of DLL-held 0% OCDs are cancelled
- **EPS falls 15.3%** on the same profit, before counting DLL's results

Source: NSE scheme notice (Annexure XII), BSE allotment filing (1 Aug 2026), FY26 Annual Report (note 58), Screener.in, and Midas Research

Merger Economics: DLL Added 52% to Revenue but Cut EBITDA Margin by 2.5 Points

Orchid alone vs. the merged company over the same periods: a bigger business, but with lower margins, higher working capital and more debt.

REVENUE ADDED
+52% in FY25 and FY26

GROSS MARGIN
-4.9 pts FY25, -3.7 pts FY26

EBITDA MARGIN
-2.6 pts FY25, -2.5 pts FY26

FY26 EPS (STANDALONE)
Rs. 8.91 to Rs. 5.78 (-35%)

ORCHID ALONE VS MERGED COMPANY, SAME PERIODS (Rs. cr, STANDALONE)

Measure	FY25 Orchid	FY25 merged	FY26 Orchid	FY26 merged
Revenue	922	1,398	811	1,233
Gross margin	41.0%	36.1%	35.2%	31.5%
EBITDA before other income	124	151	45	38
EBITDA margin	**13.4%**	**10.8%**	**5.6%**	**3.1%**
PAT	107	142	45	35
EPS (Rs.)	20.99	23.69	8.91	5.78
Receivables + inventory	568	810	520	754

FY25 merged PAT includes a Rs. 9.5 cr tax credit. Orchid-alone EPS on 5.07 cr shares; merged EPS on 5.99 cr shares

WHAT TO WATCH

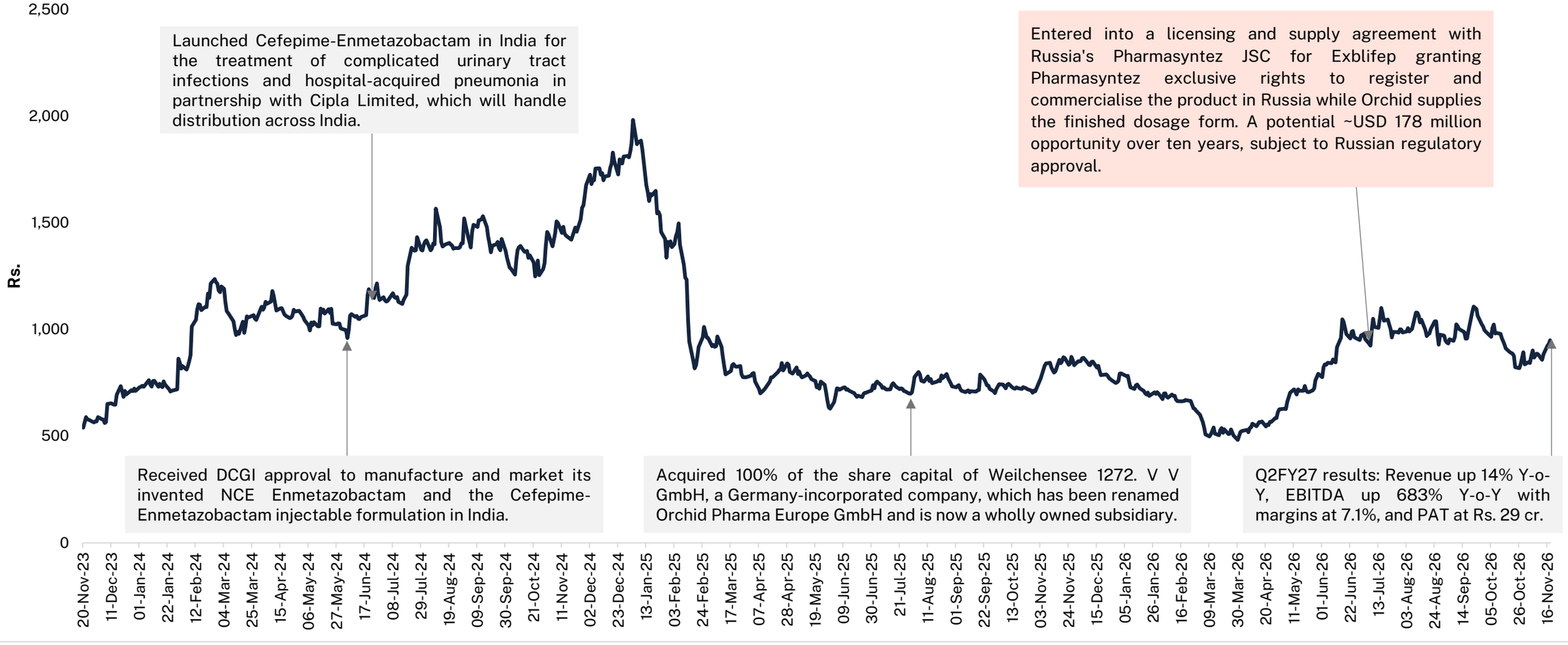
- **Synergies don't close the gap:** 1-2 pts of margin guided against a 2.5-2.6 pt dilution, with first savings expected towards the end of FY27
- **Recovery under way:** restated EBITDA margin rose from -2.1% in Q1FY26 to 7.1% in Q2FY27
- **Debt has risen:** borrowings went from Rs. 153 cr (Mar-25) to Rs. 544 cr (Sep-26), largely to fund capex
- **Integration still open:** DLL title transfers, asset reconciliation and accounting audit trail are being fixed
- **Oral API pricing:** cephalosporin prices and volumes fell 15-20% in FY26, with cefixime, an oral product like most of DLL's, hit hardest.

Source: FY25 and FY26 Annual Reports (original and revised), audited FY26 results (25 May 2026), Q1 and Q2 FY27 results, Q4 FY26 and Q1 FY27 calls, and Midas Research

Stock Buzz & Influencing Factors

Follow the money

Orchid Pharma Ltd



Source: Company, Midas Research, Bloomberg

Financial Summary

All figures in Rs. cr

Particulars	FY25	FY26	FY27E	FY28E
Profit & Loss				
Revenue	1,398	1,233	1,430	1,903
Gross profit	504	388	515	704
EBITDA	144	34	107	281
Depreciation	(42)	(43)	(49)	(86)
EBIT	102	(10)	58	194
Other Income	32	36	40	43
Interest expense	(13)	(9)	(12)	(31)
Exceptional items	-	(7)	-	-
PBT	122	10	86	207
Reported PAT (after minority interest)	135.1	10.0	90.0	210.8
Adj PAT	135	17	90	211
EPS (Rs.)	23	2	15	35
Balance Sheet				
Net Worth	1,554	1,564	1,654	1,865
Total debt	153	301	681	681
Other liabilities and provisions	-	-	-	-
Total Networth and liabilities	1,707	1,866	2,336	2,547
Net fixed assets	707	687	1,535	1,557
Capital work-in-progress	81	414	-	-
Intangible Assets	-	-	-	-
Investments	60	67	71	75
Cash and bank balances	201	84	54	94
Loans & advances and other assets	65	46	46	46
Net working capital	594	569	630	775
Total assets	1,707	1,866	2,336	2,547
Capital Employed	1,707	1,866	2,336	2,547
Invested Capital (CE - cash - CWIP)	1,426	1,369	2,282	2,453
Net debt	(47)	218	627	588
Cash Flows				
Cash flows from Operations (Pre-tax)	67	123	46	135
Cash flows from Operations (post-tax)	51	126	46	135
Capex	(153)	(381)	(484)	(108)
Free cashflows	(102)	(255)	(437)	27
Free cashflows (post interest costs)	(115)	(264)	(449)	(3)
Cash flows from Investing	(36)	(277)	(444)	(64)
Cash flows from Financing	2	137	368	(31)
Total cash & liquid investments	**201**	**84**	**54**	**94**

Particulars	FY25	FY26	FY27E	FY28E
Growth ratios (%)				
Revenue	70.6%	-11.8%	16.0%	33.0%
EBITDA	30.4%	-76.7%	219.8%	161.3%
Adj PAT	46.6%	-87.2%	420.6%	134.2%
Margin ratios				
Gross	36.1%	31.5%	36.0%	37.0%
EBITDA	10.3%	2.7%	7.5%	14.7%
Adj PAT	9.7%	1.4%	6.3%	11.1%
Performance ratios				
Pre-tax OCF/EBITDA	46.1%	367.2%	43.3%	48.0%
OCF/IC (%)	3.6%	9.2%	2.0%	5.5%
RoE (%)	9.9%	1.1%	5.6%	12.0%
RoCE (%)	6.8%	-0.5%	2.8%	8.0%
Total asset turnover (x)	0.8	0.7	0.6	0.7
Financial stability ratios				
Net Debt to Equity (x)	N.a.	0.1	0.4	0.3
Net Debt to EBITDA (x)	N.a.	6.5	5.8	2.1
Interest cover (x)	8.0	(1.1)	4.8	6.3
Working capital days	155	168	161	149
Valuation metrics				
Fully Diluted Shares (cr)	6.0	6.0	6.0	6.0
Market cap (Rs. cr)		5,574		
P/E (x)	41.3	322.4	61.9	26.4
P/OCF(x)	108.5	44.4	119.9	41.4
EV (Rs.Cr) (ex-CWIP)		5,792		
EV/ EBITDA (x)	40.1	172.5	53.9	20.6
EV/ OCF(x)	112.8	46.1	124.6	43.0
FCF Yield	-1.8%	-4.6%	-7.8%	0.5%
Price to BV (x)	3.6	3.6	3.4	3.0
Dividend pay-out (%)	70.6%	-11.8%	16.0%	33.0%
Dividend yield (%)	30.4%	-76.7%	219.8%	161.3%
Cash as a % of CE	46.6%	-87.2%	420.6%	134.2%

Disclaimer (1/2)

Absolute Rating Interpretation

BUY	Stock expected to provide positive returns of >15% over a 1-year horizon	**REDUCE**	Stock expected to provide returns of <5% – -10% over a 1-year horizon
ACCUMULATE	Stock expected to provide positive returns of >5% – <15% over a 1-year horizon	**SELL**	Stock expected to fall >10% over a 1-year horizon

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