Choice Institutional Equities

Supriya Lifescience: Long-term Growth Intact

August 14, 2026 | CMP: INR 813 | Target Price: INR 1,030

BUY

Expected Share Price Return: 26.4% I Dividend Yield: 0.1% I Potential Upside: 26.5%

Sector View: Positive

Q1FY27 Result Update

Change in Estimates	✓
Change in Target Price	✗
Change in Recommendation	✗

Company Info

BB Code	SUPRIYA IN EQUITY
Face Value (INR)	2.0
52-week High/Low (INR)	831 / 546
Mkt Cap (Bn)	INR 66.9 / USD 0.7
Shares o/s (Mn)	80.5
3M Avg. Daily Volume	5,75,018

Change in CIE Estimates

	FY27E			FY28E		
INR Bn	**New**	**Old**	**Dev. (%)**	**New**	**Old**	**Dev. (%)**
Revenue	9.9	9.9	-	12.4	12.4	-
EBITDA	3.4	3.5	(1.4)	4.4	4.4	-
EBITDAM %	34.5	35.0	(50) bps	35.5	35.5	-
PAT	2.4	2.4	(1.5)	3.1	3.1	-
EPS (INR)	29.5	29.9	(1.5)	38.8	38.8	-

Actual vs CIE Estimates

INR Bn	Q1FY27A	CIE Estimate	Dev.%
Revenue	1.9	2.0	(2.7)
EBITDA	0.5	0.6	(18.9)
EBITDAM %	25.0	30.0	(499) bps
PAT	0.2	0.4	(36.7)

Key Financials

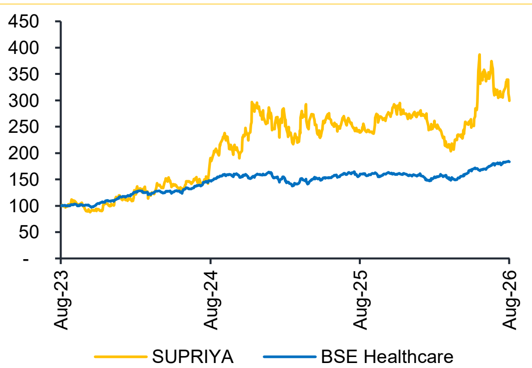
INR Bn	FY25	FY26	FY27E	FY28E	FY29E
Revenue	7.0	8.3	9.9	12.4	15.5
YoY (%)	22.1	18.9	20.0	25.0	25.0
EBITDA	2.6	2.9	3.4	4.4	5.6
EBITDAM %	37.4	35.5	34.5	35.5	36.0
PAT	1.9	2.1	2.4	3.1	4.0
EPS (INR)	23.4	26.0	29.5	38.8	49.6
ROE %	18.9	17.5	16.6	18.0	18.8
ROCE %	24.1	22.2	21.3	22.7	23.7
PE (x)	34.8	31.3	27.6	21.0	16.4
EV/EBITDA (x)	24.8	22.0	18.8	14.4	11.1

Shareholding Pattern (%)

	Jun 2026	Mar 2026	Dec 2025
Promoters	68.30	68.30	68.30
FIIs	6.18	5.16	5.19
DIIs	5.30	5.70	5.00
Public	20.21	20.83	21.49

Relative Performance (%)

YTD	3Y	2Y	1Y
BSE Healthcare	83.4	24.4	14.4
SUPRIYA	199.1	56.8	24.0



Maitri Sheth
Email: Maitri.Sheth@choiceindia.com
Ph: +91 22 6707 9511

Stuti Bagadia
Email: Stuti.Bagadia@choiceindia.com
Ph: +91 22 6707 9511

Temporary Setbacks, Long-term Growth Intact

Despite the challenges faced in Q1FY27, including delayed rains, higher power costs following the policy change and lower EU sales, we ***maintain our positive view on the company***, as these headwinds are largely temporary and do not alter the overall FY27E outlook. We expect revenue to grow at a 23% CAGR in FY26–29E, with EBITDA margin remaining within the earlier guided range of 33–35%. ***Growth is expected to normalise from H2FY27E***, as Q2 is likely to be impacted by planned maintenance shutdowns at select blocks. However, underlying demand remains intact, while ***the Ambernath facility is expected to start contributing from H2FY27E***, supporting the company's growth trajectory.
We marginally revise our FY27E estimates downwards by 1.5%, while maintaining our TP of **INR 1,030** (27x FY28E EPS)and **'BUY'** rating. This implies a **PEG of 1.1x**.

Revenue Grows YoY, While Margin and Profitability Weakens

- Revenue grew 30.8% YoY / declined 31.4% QoQ to INR 1,897 Mn (vs. CIE estimate of INR 1,950 Mn).
- EBITDA declined 8.2% YoY / 51.4% QoQ to INR 475 Mn; margin contracted 1,063 bps YoY / 1,029 bps QoQ to 25.0% (vs. CIE estimate of 30.0%).
- PAT declined 30.9% YoY / 67.6% QoQ to INR 240 Mn (vs. CIE estimate of INR 380 Mn).

Temporary Disruptions Do Not Alter Growth Outlook

Revenue growth remained healthy during the quarter, although profitability was impacted by several temporary factors, including, changes in Maharashtra's solar policy, water scarcity due to delayed monsoons and lower sales in Europe. ***Excluding these one-offs, margin would have largely been in line with expectations***. We believe these ***issues are transitory in nature*** and expect the company to deliver a ***revenue CAGR of 23% in FY26–29E***, supported by continued demand and a strong launch pipeline in relatively non-competitive therapies such as ADHD, anesthetics and cardiovascular.

Growth may not be evenly distributed across quarters, as ***Q2FY27E is expected to witness a temporary slowdown due to planned maintenance shutdowns*** in Blocks A–D at its Lote facility for technology upgrades aligned with the new Block E. The shutdown is being implemented in a phased manner as the company has already lost 15–20 days of production. Hence, while Q2 growth may be softer, ***we do not expect any material impact on overall FY27 performance.***

Margin Recovery Expected Through Cost Pass-Through and Integration Benefits

We expect ***EBITDA margin to remain within the earlier guided range of 33–35% in FY27E***, supported by the company's plans to pass on the incremental costs arising from changes in solar policy to customers. In addition, normalisation in European sales, stronger backward integration and improving operating leverage should support margin recovery over the coming quarters.

Particulars (INR Mn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)
Revenue	1,897	1,451	30.8	2,765	(31.4)
Cost of Goods Sold	564	318	77.5	1,053	(46.5)
Gross Margin (%)	70.3	78.1	(782) bps	61.9	837 bps
Operating Expenses	859	616	73.1	736	32.5
EBITDA	475	517	(8.2)	976	(51.4)
EBITDA Margin (%)	25.0	35.6	(1,063) bps	35.3	(1,029) bps
Depreciation	89	65	38.6	85	5.2
Interest	4	5	(27.0)	5	(20.1)
PBT	408	474	(14.0)	921	(55.7)
Tax	167	126	32.7	179	(6.4)
PAT	240	348	(30.9)	742	(67.6)
EPS (INR)	3.0	4.3	(30.9)	9.2	(67.6)

Geographical Mix (INR Mn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)
Asia	1,015	464	118.7	940	8.0
Europe	1,314	595	120.9	1,217	8.0
LATAM	508	247	105.9	470	8.0
North America	30	58	(48.5)	28	8.0
Others	119	87	37.2	111	8.0

Source: SUPRIYA, Choice Institutional Equities

Management Call – Highlights

The management remains confident of achieving around INR 10 Bn revenue in FY27E, despite the Q1 disruption, with growth expected to strengthen in H2FY27E.

CMO/CDMO is being developed as a key growth vertical, with one large anaesthetic opportunity approaching the term-sheet stage.

.

Segment/Product Mix

- New product launches across cardiovascular, ADHD and anaesthetics are gaining healthy traction and should support growth as customer qualifications progress.
- Ambernath has launched two liquid anaesthetic products, with additional finished-formulation products in the pipeline.
- Contrast media remains on track for an H2FY27 launch, creating opportunities across both API and finished formulations.
- DSM has reached a steady state, with pharma validation completed and volumes approaching peak levels.

Geographical

- Europe and LATAM remain the key export markets, with continued demand across the existing portfolio.
- North America is expected to scale gradually as customers complete validation of products linked to the multiple DMFs already filed.
- The upcoming EU audit at Ambernath in November could unlock additional opportunities in regulated markets for finished formulations.
- Anaesthetic APIs are gaining traction in Korea and Taiwan, while CEP approval should support entry into regulated European markets.

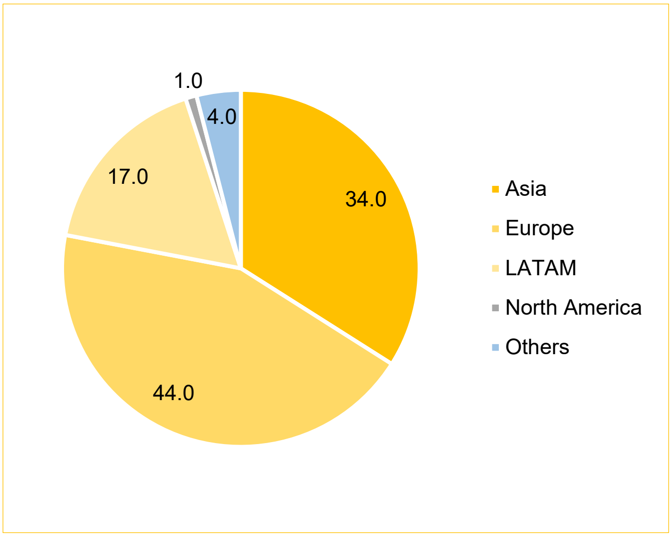
EBITDA Margin

- Margin recovery is expected to be driven primarily by the normalisation of temporary power, water and solvent-related headwinds seen in Q1FY27.
- Higher operating costs are expected to be passed through to customers, limiting the impact of sustained cost inflation.
- Recovery in regulated-market volumes, along with a better geographical and product mix, should support margin improvement.
- Scaling of new products, stronger backward integration and increasing utilisation at Ambernath should provide further mix benefits.

Outlook

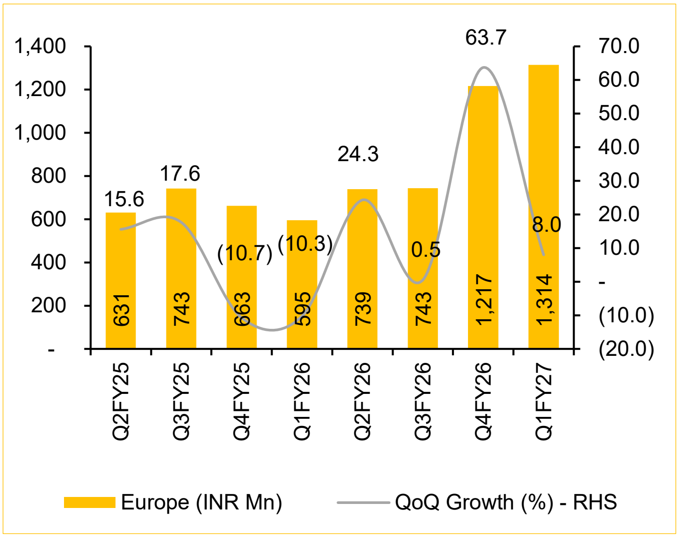
- The management remains confident of achieving around INR 10 Bn revenue in FY27E, despite the Q1 disruption, with growth expected to strengthen in H2FY27E.
- Beyond FY27E, growth is expected to remain around the 20% CAGR trajectory, with potential upside as new capacities and products scale up.
- CMO/CDMO is being developed as a key growth vertical, with one large anaesthetic opportunity approaching the term-sheet stage.
- Patalganga, Ambernath and the expanding product pipeline provide the capacity and infrastructure to support the next phase of growth.

Q1FY27 Segment Revenue Split (INR 1.9 Bn)



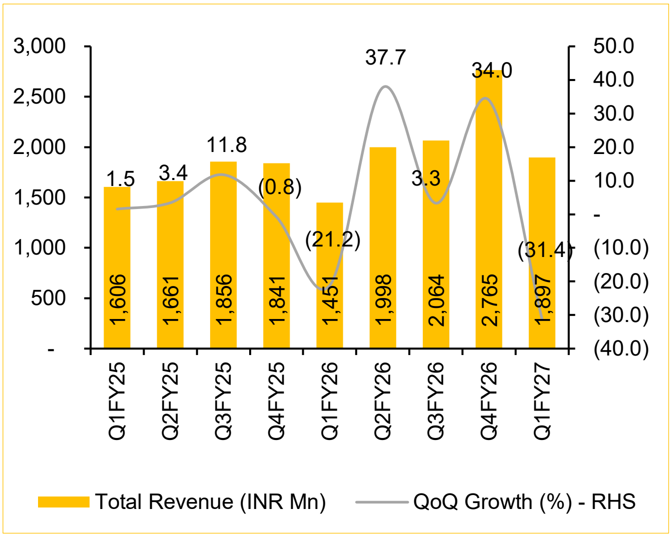
Source: SUPRIYA, Choice Institutional Equities

Europe Continues to see Stable Growth



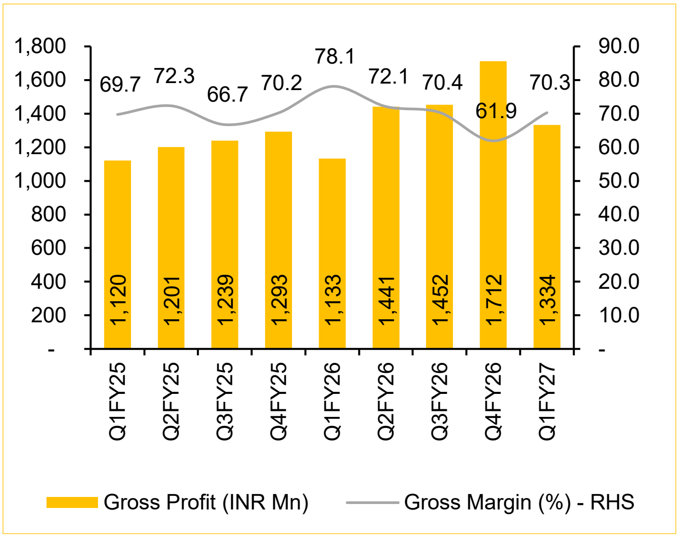
Source: SUPRIYA, Choice Institutional Equities

Revenue Hit Sequentially due to One-offs



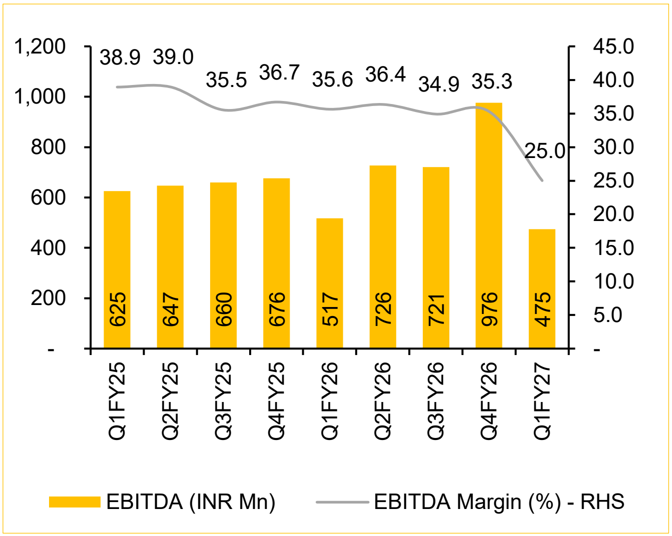
Source: SUPRIYA, Choice Institutional Equities

Gross Margin Affected due to Supply Chain Issue



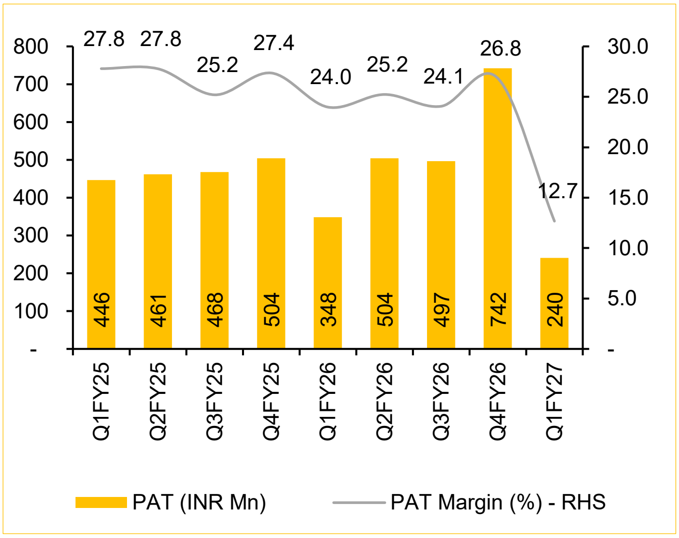
Source: SUPRIYA, Choice Institutional Equities

EBITDA Margin Contracted Sharply due to External Factors



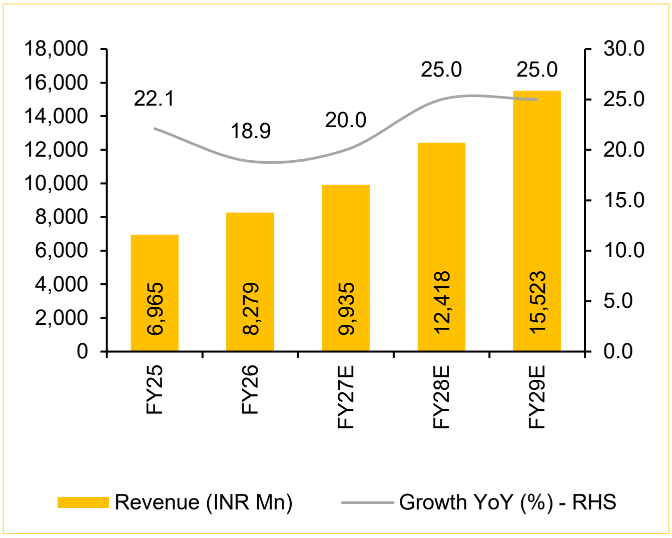
Source: SUPRIYA, Choice Institutional Equities

PAT Decline in line with EBITDA



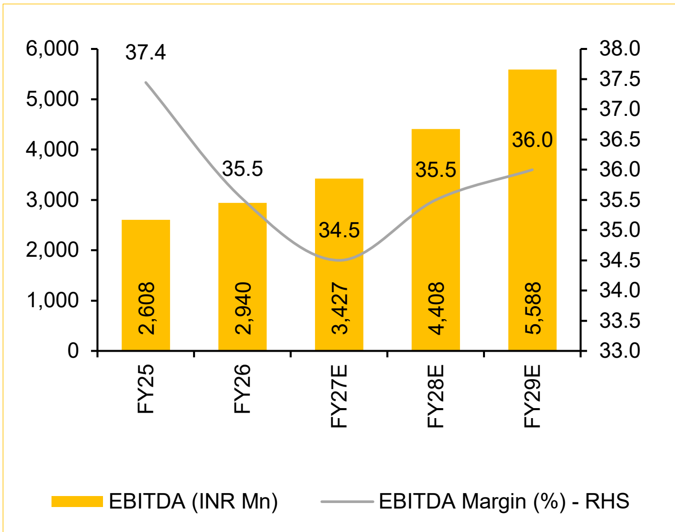
Source: SUPRIYA, Choice Institutional Equities

Revenue Forecast to Expand at 23.3% CAGR over FY26–29E



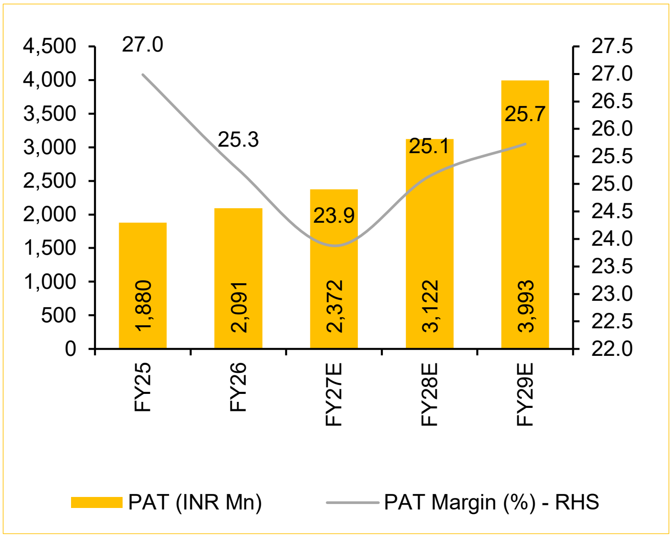
Source: SUPRIYA, Choice Institutional Equities

EBITDA Margin Anticipated to Expand from FY28E



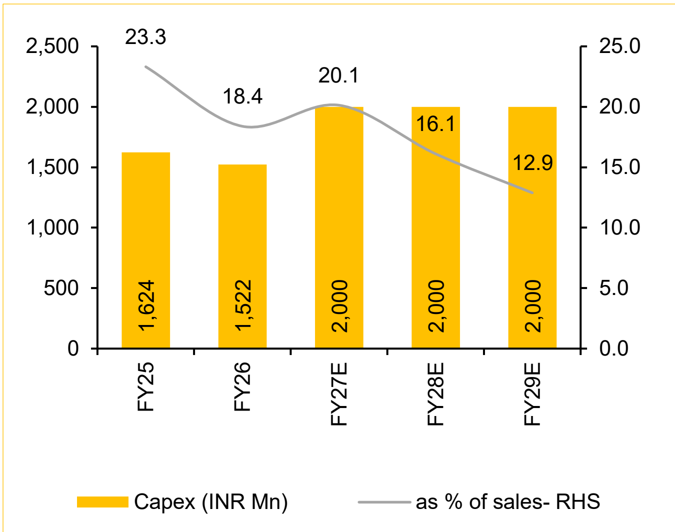
Source: SUPRIYA, Choice Institutional Equities

PAT Expected to track EBITDA Trend



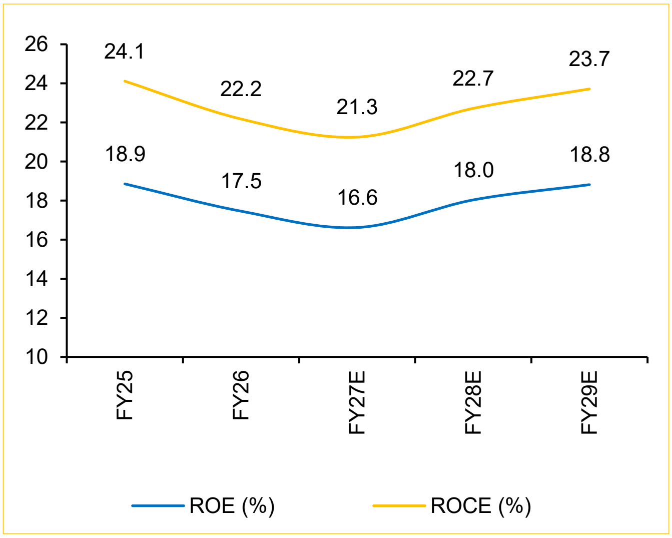
Source: SUPRIYA, Choice Institutional Equities

Capex to see an Increase from FY27E



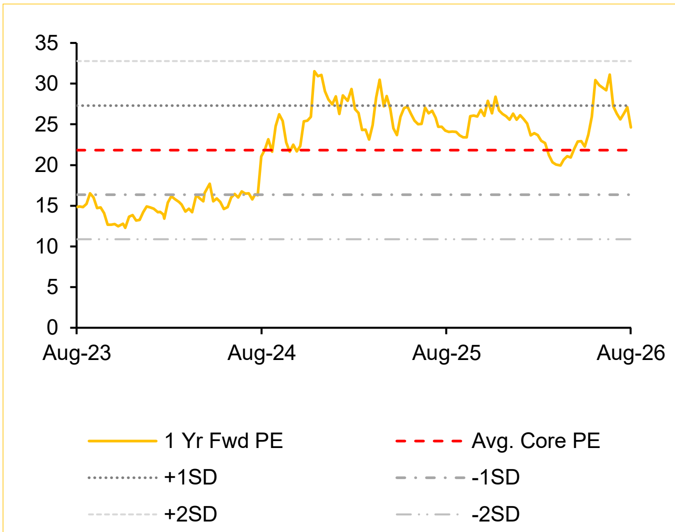
Source: SUPRIYA, Choice Institutional Equities

ROE and ROCE trend



Source: SUPRIYA, Choice Institutional Equities

1-year Forward PE Band



Source: SUPRIYA, Choice Institutional Equities

Income Statement (INR Mn)

Particulars	FY25	FY26	FY27E	FY28E	FY29E
Revenue	6,965	8,279	9,935	12,418	15,523
Gross Profit	4,853	5,738	6,904	8,631	10,788
EBITDA	2,608	2,940	3,427	4,408	5,588
Depreciation	204	284	395	475	555
EBIT	2,404	2,656	3,032	3,933	5,033
Other Income	98	115	149	248	310
Interest Expense	17	19	19	19	19
PBT	2,485	2,748	3,162	4,163	5,325
PAT	1,880	2,091	2,372	3,122	3,993
EPS (INR)	23.4	26.0	29.5	38.8	49.6

Ratio Analysis	FY25	FY26	FY27E	FY28E	FY29E
Growth Ratios (%)					
Revenues	22.1	18.9	20.0	25.0	25.0
Gross Profit	39.2	18.2	20.3	25.0	25.0
EBITDA	50.7	12.8	16.6	28.6	26.8
PAT	57.8	11.3	13.4	31.6	27.9
Margins (%)					
Gross Profit Margin	69.7	69.3	69.5	69.5	69.5
EBITDA Margin	37.4	35.5	34.5	35.5	36.0
PBT Margin	35.7	33.2	31.8	33.5	34.3
Tax Rate	24.4	23.9	25.0	25.0	25.0
PAT Margin	27.0	25.3	23.9	25.1	25.7
Profitability (%)					
ROE	18.9	17.5	16.6	18.0	18.8
ROIC	19.8	18.1	17.2	19.0	21.0
ROCE	24.1	22.2	21.3	22.7	23.7
Financial leverage (x)					
OCF/EBITDA	0.6	0.6	0.7	0.6	0.6
OCF/Net Profit	0.9	0.9	1.0	0.9	0.9
Debt to Equity	0.0	0.0	0.0	0.0	0.0
Interest Coverage	142.6	140.6	160.5	208.2	266.4
Working Capital					
Inventory Days	205	229	200	200	200
Debtor Days	70	97	90	90	90
Payable Days	129	159	120	120	120
Cash Conversion Cycle	146	167	170	170	170
Valuation Metrics					
No of Shares (Mn)	80.5	80.5	80.5	80.5	80.5
EPS (INR)	23.4	26.0	29.5	38.8	49.6
BVPS (INR)	123.8	148.8	177.3	215.1	263.7
Market Cap (INR Bn)	65.5	65.5	65.5	65.5	65.5
PE	34.8	31.3	27.6	21.0	16.4
P/BV	6.6	5.5	4.6	3.8	3.1
EV/EBITDA	24.8	22.0	18.8	14.4	11.1
EV/Sales	9.3	7.8	6.5	5.1	4.0

Source: SUPRIYA, Choice Institutional Equities

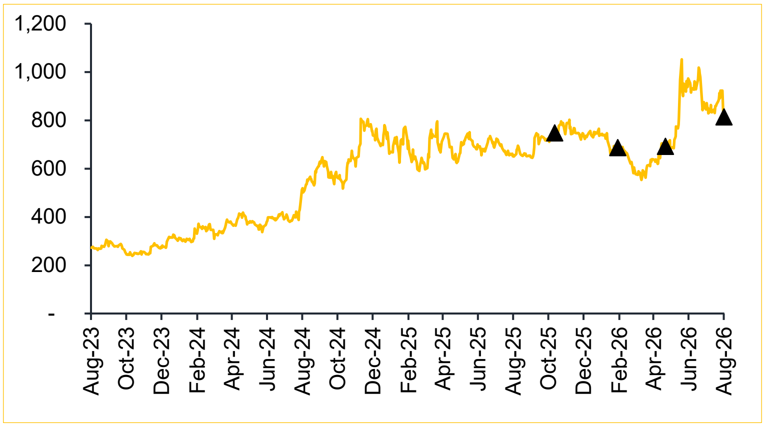
Balance Sheet (INR Mn)

Particulars	FY25	FY26	FY27E	FY28E	FY29E
Net Worth	9,968	11,977	14,269	17,310	21,223
Borrowings	54	54	54	54	54
Trade Payables	745	1,108	996	1,245	1,557
Other Non-current Liabilities	283	331	331	331	331
Other Current Liabilities	73	100	100	100	100
Total Net Worth & Liabilities	**11,123**	**13,571**	**15,750**	**19,041**	**23,265**
Net Block	4,468	6,833	8,438	9,963	11,408
Capital WIP	1,527	401	401	401	401
Goodwill & Intangible Assets	14	13	13	13	13
Investments	632	985	985	985	985
Trade Receivables	1,344	2,194	2,450	3,062	3,828
Cash & Cash Equivalents	792	789	1,043	1,782	3,277
Other Non-current Assets	112	16	16	16	16
Other Current Assets	2,235	2,340	2,404	2,819	3,338
Total Assets	**11,123**	**13,571**	**15,750**	**19,041**	**23,265**

Cash Flows (INR Mn)	FY25	FY26	FY27E	FY28E	FY29E
Cash Flows from Operations	1,647	1,858	2,354	2,838	3,594
Cash Flows from Investing	(1,522)	(1,762)	(2,000)	(2,000)	(2,000)
Cash Flows from Financing	(82)	(99)	(99)	(99)	(99)

DuPont Analysis	FY25	FY26	FY27E	FY28E	FY29E
Tax Burden (%)	75.6	76.1	75.0	75.0	75.0
Interest Burden (%)	103.4	103.4	104.3	105.8	105.8
EBIT Margin (%)	34.5	32.1	30.5	31.7	32.4
Asset Turnover (x)	0.6	0.6	0.6	0.7	0.7
Equity Multiplier (x)	1.1	1.1	1.1	1.1	1.1
ROE (%)	**18.9**	**17.5**	**16.6**	**18.0**	**18.8**

Historical Price Chart: SUPRIYA



Date	Rating	Target Price
November 12, 2025	BUY	1,030
February 11, 2026	BUY	1,030
May 29, 2026	BUY	1,030
August 14, 2026	BUY	1,030

Institutional Research Team			
Utsav Verma, CFA	Head of Institutional Research, India Equity Strategy and SMIDs	utsav.verma@choiceindia.com	+91 22 6707 9440
Purvi Mundhra	Economist	purvi.mundhra@choiceindia.com	+91 22 6707 9241
Ambrish Shah	Analyst - Power	ambrish.shah@choiceindia.com	+91 22 6707 9251
Ashutosh Murarka	Analyst – Building Materials	ashutosh.murarka@choiceindia.com	+91 22 6707 9521
Bhavik Shah, CFA	Analyst – Metals & Mining	Bhavik.shah@choiceindia.com	+91 22 6707 9521
Deepika Murarka	Analyst – Healthcare	deepika.murarka@choiceindia.com	+91 22 6707 9513
Dhaval Popat	Analyst – Energy	dhaval.popat@choiceindia.com	+91 22 6707 9949
Fenil Brahmbhatt	Analyst – Realty & Building Materials	fenil.brahmbhatt@choiceindia.com	+91 22 6707 9930
Ishank Gupta	Analyst – NBFCs	ishank.gupta@choiceindia.com	+91 22 6707 9867
Karan Kamdar	Analyst – Consumer Discretionary, SMIDs	karan.kamdar@choiceindia.com	+91 22 6707 9451
Kunal Bajaj	Analyst – Technology	kunal.bajaj@choiceindia.com	+91 22 6707 9901
Maitri Sheth	Analyst – Pharmaceuticals	maitri.sheth@choiceindia.com	+91 22 6707 9511
Putta Ravi Kumar	Analyst – Defence	ravi.putta@choiceindia.com	+91 22 6707 9908
Preeyam Tolia	Analyst – FMCG & Retail	preeyam.tolia@choiceindia.com	+91 22 6707 9987
Vijiya Rao	Analyst – AMC & Insurance	vijiya.rao@choiceindia.com	+91 22 6707 9531
Aayush Saboo	Sr. Associate– Realty	aayush.saboo@choiceindia.com	+91 22 6707 9930
Avi Jhaveri	Sr. Associate – Technology	avi.jhaveri@choiceindia.com	+91 22 6707 9901
Bharat Kumar Kudikyala	Sr. Associate – Building Materials	bharat.kudikyala@choiceindia.com	+91 22 6707 9930
Samarth Goel	Sr. Associate– Small and Midcaps	samarth.goel@choiceindia.com	+91 22 6707 9451
Subhash Gate	Sr. Associate – Autos	subhash.gate@choiceindia.com	+91 22 6707 9233
Heer Gogri	Associate – Small and Midcaps	heer.gogri@choiceindia.com	+91 22 6707 9433
Heet Chheda	Associate – Autos	heet.chheda@choiceindia.com	+91 22 6707 9233
Rushil Katiyar	Associate – Technology	rushil.katiyar@choiceindia.com	+91 22 6707 9901
Shreya Mehra	Associate – Technology	shreya.mehra@choiceindia.com	+91 22 6707 9535
Stuti Bagadia	Associate – Pharmaceuticals	stuti.bagadia@choiceindia.com	+91 22 6707 9511
Vinay Rawal	Associate – Small and Midcaps	vinay.rawal@choiceindia.com	+91 22 6707 9433

CHOICE RATING DISTRIBUTION & METHODOLOGY	
Large Cap*	
BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
Mid & Small Cap*	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
Other Ratings	
NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
Sector View	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in stasis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

*Large Cap: More Than INR 20,000 Cr Market Cap
*Mid & Small Cap: Less Than INR 20,000 Cr Market Cap

Disclaimer & Disclosure

Research Disclaimer and Disclosure inter-alia as required under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

Choice Equity Broking Private Limited is a registered Research Analyst Entity (Reg. No. INH000000222) CIN. NO.: U65999MH2010PTC198714. Reg. Add.: Sunil Patodia Tower, J B Nagar, Andheri (East), Mumbai 400099. Tel. No. 022-6707 9999 . Compliance Officer-Prashant Salian. Tel. 022-6707 9999-Ext. 896. Email-Compliance@choiceindia.com. Grievance officer-Deepika Singhvi Tel.022-67079999- Ext-834.

Email- ig@choiceindia.com

The Company uses artificial intelligence tools as part of its research process, including data analysis and content generation. Notwithstanding the foregoing, all analysis, views, and recommendations are independently formulated and duly reviewed by qualified research analysts prior to issuance.

General Disclaimer:

Investment in securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI, and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

This report ("Report") is prepared by Choice Equity Broking Private Limited as a Research Entity (hereinafter referred as "CEBPL") in its capacity as a SEBI-registered Research Analyst and is intended solely for informational and educational purposes. This Report is meant exclusively for the recipient and shall not be circulated, reproduced, or distributed, in whole or in part.

This Report does not take into account the specific investment objectives, financial situation, risk profile, or particular needs of any individual or class of investors and does not constitute a personal recommendation or investment advice. Any views, opinions, or recommendations expressed herein are based on publicly available information and internal analysis and are subject to change without notice.

Nothing contained in this Report shall be construed as an offer, solicitation, or inducement to buy, sell, or subscribe to any securities, derivatives, or other financial instruments, nor shall it be considered as investment, legal, accounting, or tax advice. Recipients are advised to conduct their own independent analysis and are encouraged to seek independent professional advice before making any investment or trading decisions.

The information contained in this Report has been compiled from sources believed to be reliable; however, CEBPL does not represent or warrant the accuracy, completeness, or reliability of such information. CEBPL, its directors, employees, or associates shall not be liable for any losses, damages, or expenses arising directly or indirectly from the use of or reliance upon this Report.

Investments in securities are subject to market risks. The price and value of investments and the income from them may fluctuate, and investors may incur losses. Past performance is not indicative of future results. Opinions expressed herein are as of the date of this Report and may differ from views expressed in other research reports due to differences in methodology, assumptions, or time horizons.

Disclaimers in respect of Jurisdiction:

This Report is not intended for distribution to, or use by, any person or entity who is a citizen or resident of, or located in, any jurisdiction where such distribution, publication, or use would be contrary to applicable laws or regulations, or would subject CEBPL to any registration or licensing requirements in such jurisdiction.

No action has been taken or will be taken by CEBPL in any jurisdiction outside India where such action would be required for distribution of this Report. Accordingly, this Report shall not be directly or indirectly distributed, published, or circulated in any such jurisdiction except in compliance with applicable laws and regulations.

Recipients of this Report are required to inform themselves of, and comply with, all applicable legal and regulatory restrictions at their own expense and without any liability to CEBPL. Any dispute arising out of or in connection with this Report shall be subject to the exclusive jurisdiction of the competent courts in Mumbai, India.

Disclosure on Ownership and Material Conflicts of Interest:

- "CEBPL", its Research Analyst(s), their associates and relatives may have any financial interest in the subject company covered in this Research Report.
- "CEBPL", its Research Analyst(s), their associates and relatives may have actual or beneficial ownership of one percent (1%) or more of the securities of the subject company, as on the last day of the month immediately preceding the date of publication of this Research Report.
- "CEBPL", its Research Analyst(s), their associates and relatives may have any other material conflict of interest at the time of publication of this Research Report.

Disclosure on Receipt of Compensation:

- "CEBPL" or its associates may have received compensation from the subject company during the past twelve months.
- "CEBPL" or its associates may have managed or co-managed public offerings of securities for the subject company during the past twelve months.
- "CEBPL" or its associates may have received compensation from the subject company during the past twelve months for investment banking, merchant banking or brokerage services.
- "CEBPL" or its associates may have received compensation from the subject company during the past twelve months for products or services other than investment banking, merchant banking or brokerage services.
- "CEBPL" or its associates have not received any compensation or other benefits from the subject company or any third party in connection with the preparation or publication of this Research Report.
- Research Analyst may have served as an officer, director or employee of the subject company covered in this Research Report.
- "CEBPL" and Research analyst may engage in market-making activity in the securities of the subject company.

Details of Associates of CEBPL and Brief History of Disciplinary action by regulatory authorities are available on our website i.e. www. https://choiceindia.com/research-listing

MAITRI J SHETH

Digitally signed by MAITRI J SHETH
Date: 2026.08.14 14:47:02 +05'30'