RESULTS FLASH

11 August 2025

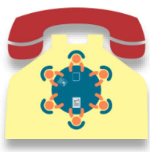
Results Flash | Sector: Healthcare

IPCA Labs

BSE SENSEX	S&P CNX
80.604	24,585

CMP: INR1,335

Conference Call Details



Date: 12th August 2025

Time: **3**:30 pm IST

Dial-in details:

Zoom Link

Misses estimates; branded exports & Unichem drag profitability

- IPCA's sales grew 10.3% YoY to INR23b (our est: INR23.7b) in 1QFY26.
- Formulations sales grew 11% YoY to INR14b (62% of sales).
- Exports of formulation sales grew 13.7% YoY to INR4.4b (20% of total sales).
- Domestic formulation sales grew 10% YoY to INR9.6b (42% of total sales).
- Exports (generic formulation) grew 19% YoY to INR2.7b (60% of export sales).
- Exports (branded formulation) rose 9.6% YoY to INR1.2b (28% of export sales).
- Exports (institutional sales) were flat YoY at INR580m (12% of export sales).
- API sales grew 13% YoY to INR3.3b (14% of sales).
- Export API sales grew 28% YoY to INR2.5b (77% of API sales).
- Domestic API sales declined 18% YoY to INR760m (23% of API sales).
- Revenue from subsidiaries grew 7% YoY to INR5.6b (24% of sales).
- Gross margin (GM) expanded 80bp YoY to 70%, due to superior product mix/lower RM costs.
- However, EBITDA margin contracted 70bp YoY to 18% (our est: 20.7%), as higher GM was offset by higher opex (other expenses up 130bp YoY as % of sales).
- EBITDA grew 6% YoY to INR4.2b (our est: INR4.9b).
- PAT grew 21% YoY to INR2.3b (our estimate: INR2.8b).
- **Unichem financials:** Sales came in at INR5.3b, up 18% YoY. EBITDA margin at 4.3%, down 550bp YoY. Loss of INR105m in 1QFY26 vs PAT of INR93m YoY.
- Revenue/EBITDA/ PAT missed BBG estimates by 1%/10%/5% for 1QFY26.

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Sales	89.4	99.4	111.1
EBITDA	17.3	19.6	24.1
Adjusted PAT	9.1	11.2	13.8
EBIT Margin (%)	14.9	15.6	17.8
Cons. Adj EPS (INR)	36.0	44.1	54.2
EPS Gr. (%)	44.8	22.7	22.9
BV/Sh. (INR)	273.9	311.4	357.5
Ratios			
Net D-E	0.1	0.1	0.0
RoE (%)	13.7	15.1	16.2
RoCE (%)	13.2	13.2	14.9
Payout (%)	11.2	11.4	14.9
Valuation			
P/E (x)	38.5	31.4	24.6
EV/EBITDA (x)	20.9	18.3	14.6
Div. Yield (%)	0.3	0.4	0.6
FCF Yield (%)	1.2	1.2	3.0
EV/Sales (x)	4.0	3.6	3.2

Quarterly Performance

(INRm)

Y/E March	FY25				FY26				FY25	FY26E	% Chg
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		1QE	
Net Revenues (Core)	**20,926**	**23,549**	**22,454**	**22,467**	**23,089**	**26,452**	**25,466**	**23,784**	**89,396**	**23,720**	**-2.7**
YoY Change (%)	31.8	15.8	9.4	10.5	10.3	12.3	13.4	5.9	16.0	13.4	
EBITDA	**3,927**	**4,425**	**4,631**	**4,289**	**4,164**	**5,608**	**4,966**	**4,162**	**17,271**	**4,910**	**-15.2**
YoY Change (%)	33.5	22.7	39.9	33.2	6.0	26.7	7.2	-2.9	32.1	25.0	
Margins (%)	18.8	18.8	20.6	19.1	18.0	21.2	19.5	17.5	19.3	20.7	
Depreciation	989	1,004	985	1,001	1,001	1,101	1,060	990	3,978	981	
EBIT	**2,938**	**3,421**	**3,646**	**3,287**	**3,164**	**4,507**	**3,906**	**3,172**	**13,293**	**3,929**	**-19.5**
YoY Change (%)	30.7	26.6	57.5	46.9	7.7	31.7	7.1	-3.5	39.9	33.7	
Margins (%)	14.0	14.5	16.2	14.6	13.7	17.0	15.3	13.3	14.9	16.6	
Interest	241	226	168	215	185	131	131	131	849	131	
Other Income	206	263	201	258	327	238	238	238	928	238	
PBT before EO Expense	**2,904**	**3,458**	**3,679**	**3,331**	**3,305**	**4,613**	**4,012**	**3,278**	**13,372**	**4,035**	
One-off (gain)/ Expense	0	0	0	2,051	0	0	0	0	2,051	0	
PBT after EO Expense	**2,904**	**3,458**	**3,679**	**1,280**	**3,305**	**4,613**	**4,012**	**3,278**	**11,321**	**4,035**	
Tax	914	994	906	622	961	1,393	1,220	1,001	3,436	1,211	
Rate (%)	31.5	28.7	24.6	48.6	29.1	30.2	30.4	30.5	25.7	30.0	
Reported PAT	**1,990**	**2,464**	**2,773**	**658**	**2,344**	**3,220**	**2,792**	**2,278**	**7,885**	**2,825**	**-17.0**
Minority Interest	-67	-160	-292	20	-12	16	19	20	-499	12	
Adj PAT after Minority Int	**1,922**	**2,305**	**2,481**	**2,418**	**2,332**	**3,236**	**2,811**	**2,298**	**9,127**	**2,837**	**-17.8**
YoY Change (%)	24.9	36.4	122.5	23.4	21.3	40.4	13.3	-5.0	44.8	47.6	
Margins (%)	9.2	9.8	11.1	10.8	10.1	12.2	11.0	9.7	10.2	12.0	

E: MOFSL Estimates. Quarter - Standalone; Full year - Consolidated

Consolidated - Quarterly Earning Model

(INRm)

Y/E March	FY25				FY26				FY25	FY26E	FY25E	vs Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
Gross Sales	**8,611**	**9,566**	**9,434**	**9,312**	**10,308**	**9,880**	**10,059**	**10,600**	**36,923**	**40,846**	**9,643**	**7%**
YoY Change (%)	11.4	13.3	12.8	15.2	19.7	3.3	6.6	13.8	12.7	10.6	12.0	
Total Expenditure	6,699	7,222	7,023	7,066	8,038	7,558	7,594	7,971	28,008	31,161	7,425	
EBITDA	**1,912**	**2,344**	**2,412**	**2,247**	**2,270**	**2,322**	**2,464**	**2,629**	**8,915**	**9,685**	**2,218**	**2%**
YoY Change (%)	3.7	7.3	8.9	17.6	18.7	-0.9	2.2	17.0	7.6	8.6	16.0	
Margins (%)	22.2	24.5	25.6	24.1	22.0	23.5	24.5	24.8	24.1	23.7	23.0	
Depreciation	515	555	519	493	451	528	538	567	2,082	2,083	524	
Interest	180	160	163	150	138	155	160	181	653	634	152	
Other Income	219	182	160	229	205	245	252	343	791	1,045	230	
PBT before EO expense	**1,437**	**1,811**	**1,891**	**1,833**	**1,886**	**1,884**	**2,019**	**2,224**	**6,972**	**8,012**	**1,772**	**6%**
Extra-Ord expense/(Income)	0	0	0	-499	196	0	0	0	-499	-196	0	
PBT	**1,437**	**1,811**	**1,891**	**1,334**	**2,081**	**1,884**	**2,019**	**2,224**	**6,473**	**7,816**	**1,772**	**17%**
Tax	374	503	462	321	492	437	474	520	1,659	1,923	416	
Rate (%)	26.0	27.8	24.4	24.0	23.6	23.2	23.5	23.4	25.6	24.6	23.5	
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	**1,063**	**1,308**	**1,429**	**1,014**	**1,590**	**1,447**	**1,544**	**1,704**	**4,813**	**5,892**	**1,355**	**17%**
Adj PAT	**1,063**	**1,308**	**1,429**	**1,393**	**1,440**	**1,447**	**1,544**	**1,704**	**5,193**	**6,040**	**1,355**	**6%**
YoY Change (%)	4.2	4.5	15.6	9.4	35.6	10.6	8.1	22.3	8.6	16.3	27.6	
Margins (%)	12.3	13.7	15.1	15.0	14.0	14.6	15.4	16.1	14.1	14.8	14.1	