

Result Update

Q1 FY26

Alivus Lifesciences Ltd.

Institutional
Research

Alivus Life Sciences Ltd.



BP WEALTH

Pharmaceuticals | Q1FY26 Result Update

04th August 2025

Steady quarterly performance amid market headwinds

Result Highlights:

Alivus Life Sciences reported a revenue growth of 2.2% YoY / down 7.3% QoQ to Rs. 6,018 mn, below our expectations of Rs. 6,240 mn. The company reflected a modest YoY growth of 2.2%, driven mainly by a 14.5% YoY growth in the non-GPL business due to successful new launches. However, this was partially offset by a 22% YoY decline in the GPL business owing to inventory rationalisation by Glenmark. Geographically, growth was supported by India, Europe, LATAM, Japan, and other emerging markets. EBITDA increased 8.0% YoY / down 13.2% QoQ to Rs. 1,723 mn, while EBITDA margin stood at 28.6% (above 154bps YoY) in Q1FY26, aided by expansion in gross margins by 397bps YoY to 55.1%, aided by lower raw material costs and operational efficiencies. Profit after Tax stood at Rs. 1,215 mn (up 9.0% YoY / down 14.3% QoQ) in Q1FY26. PAT margin came at 20.2% versus 21.8% in the previous quarter. The company remains confident of achieving high single-digit revenue growth in FY26, with stronger momentum expected in the second half. Margins are projected to remain healthy in the 28–30% range.

Valuation & Outlook:

Alivus Life Sciences delivered a steady performance in Q1FY26 despite headwinds in its GPL-linked business. Revenue growth was modest annually, primarily driven by strong growth in the non-GPL segment, aided by new launches and strong traction in chronic therapies. While the GPL business declined 22% annually due to inventory rationalisation, the company's overall profitability improved, with gross margin expanding led by operating leverage and cost efficiencies. As we advance, the company maintains mid-teens volume growth guidance for FY26, though revenue growth is expected to be in high single digits due to pricing pressure. Stronger performance is expected in H2FY26, led by recovery in the GPL business and CDMO project ramp-up. The company has advanced its Rs. 600 crore CapEx plan for FY26, including Rs. 190 crore carried over from FY25. The Solapur facility is set to commence operations in Q4FY26, with ROW business expected in H1FY27. The Dahej brownfield expansion will support the ramp-up of the fourth CDMO project, while Ankleshwar is being expanded to cater to upcoming product launches. Despite the loss of PLI, EBITDA margins are projected to remain in the 28% to 30% band in the foreseeable future, supported by better gross margins and operational efficiencies. Overall, Alivus Life Sciences presents a combination of financial strength, growth visibility, and strategic expansion into premium pharmaceutical segments, making it an attractive long-term growth play. We, thus, believe Alivus is well-positioned to emerge as a key player in the global API and CDMO landscape in the coming years. **We value the company at 27x FY26e EPS and arrive at a TP of Rs. 1,147 per share, implying an upside of 18%.**

Key Highlights

Particulars (Rs. Crs.)	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
Net Sales	6,018	5,886	2.2%	6,495	-7.3%
Gross Profit	3,315	3,008	10.2%	3,669	-9.7%
Gross Margin (%)	55.1%	51.1%	397bps	56.5%	-142bps
EBITDA	1,723	1,595	8.0%	1,984	-13.2%
OPM (%)	28.6%	27.1%	154bps	30.5%	-192bps
Net Profit	1,215	1,115	9.0%	1,419	-14.3%
Net Profit Margin (%)	20.2%	18.9%	125bps	21.8%	-165bps

Source: Company, BP Equities Research

Sector Outlook

Neutral

Stock

CMP (Rs.)	968
Target Price (Rs.)	1,382
BSE code	543322
NSE Symbol	ALIVUS
Bloomberg	ALIVUS IN
Reuters	GLEM.BO

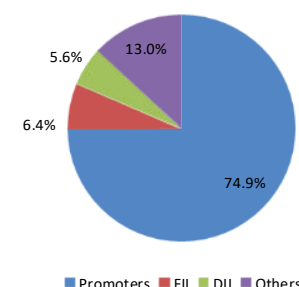
Key Data

Nifty	24723
52 Week H/L (Rs.)	1,335 / 850
O/s Shares (Mn)	123
Market Cap (Rs. bn)	199
Face Value (Rs.)	2

Average Volume

3 months	93,840
6 months	105,050
1 year	170,250

Share Holding (%)



Relative Price Chart



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Q1FY26 Concall Highlights**Addressable market opportunity:**

The company's high-potency API (HPAPI) pipeline is also advancing steadily, with 26 products under development targeting a total addressable market of approximately \$61 billion. Out of these, 12 products already have firm customer interest, leading to validation in the plant, with commercial activity in the oncology and high-potential pipeline expected to commence from late FY27, timed with patent expiration in early markets.

New Generic APIs launches:

Alivus Life Sciences reported that the growth in its non-GPL business was led by successful new launches of generic APIs across multiple geographies, including India, Europe, LATAM, emerging markets, and Japan. This continuous introduction of new products is part of the company's strategy to leverage its deep pipeline of 165 molecules and maintain strong growth in its API business, aiming for it to become a double-digit growth business in the future.

Therapy mix:

The company's therapeutic mix indicates a strong focus on chronic therapies, which contributed 70% to the top line. The company highlighted that Cardiovascular and CNS therapies continued to lead to growth during that quarter.

Strong Client Relationship:

Alivus showcase strong client relationships through several key aspects of its operations and strategic planning. The company benefits from a long-standing contractual obligation with Glenmark Pharma, which provides security for its GPL business, even amidst quarterly fluctuations. Their commitment to clients is also evident in their pipeline development, which is directly influenced by customer interest.

"The company reiterated its guidance of maintaining EBITDA margins in the 28-30% range going forward and remains confident in delivering mid-teen volume growth in FY26."

CDMO Outlook:

The CDMO business for Alivus Life Sciences remained subdued in Q1FY26 but is expected to witness a significant ramp-up in H2FY26. Validation batches for the fifth CDMO project have already commenced, with commercialisation anticipated in H2FY26. Alivus is confident that all five currently active CDMO projects will be commercial by the second half of the fiscal year, potentially reaching a run-rate of Rs. 50 crores per quarter. Management expects the CDMO segment to contribute meaningfully over the next 3–5 years, with revenue share increasing from the current ~6–7% to around 12–15%. The management remains optimistic that CDMO will be a significant value contributor, supported by differentiated capabilities and strong execution.

Capex Plan:

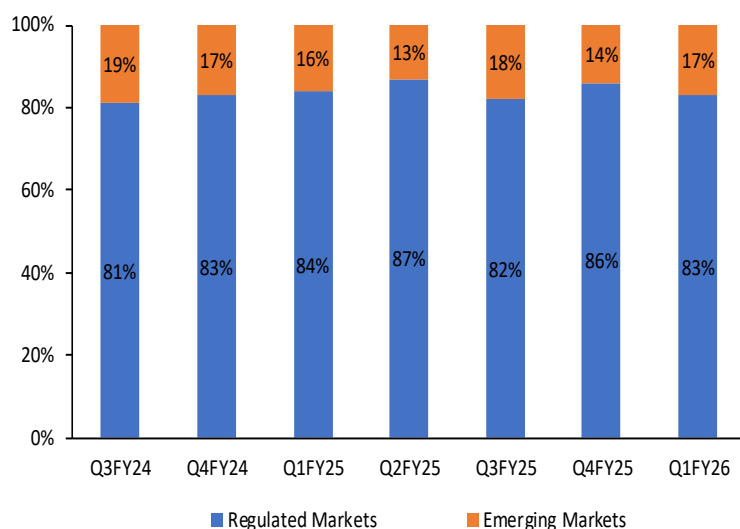
The company has received a total Capex outlay of Rs. 600 crores for FY26, which includes a carryover of Rs. 190 crores from FY25. This planned investment is directed toward completing key projects, including the Solapur greenfield facility, which is expected to go live in Q4FY26, and two major brownfield expansions at Ankleshwar and Dahej. These capex initiatives are aligned with its strategic goals of enhancing capacity for both generic APIs and CDMO services, including backwards integration and support for new molecule launches.

Ankleshwar Facility Update:

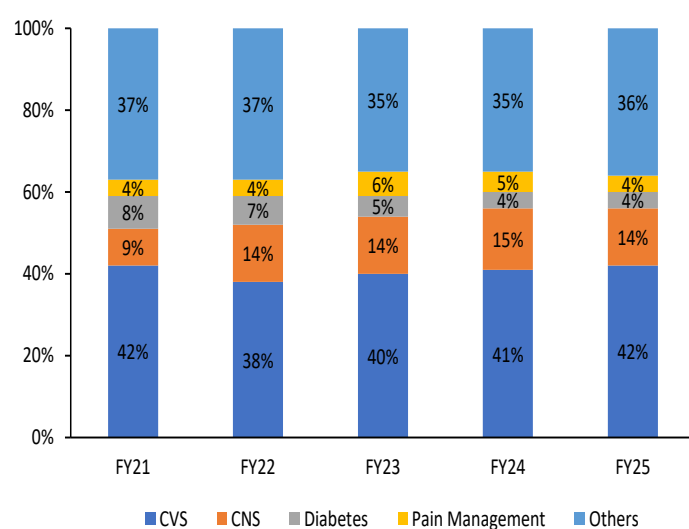
The site is currently undergoing a brownfield expansion to meet increasing demand from the company's deepening product pipeline, particularly in high-potency APIs and specialty molecules. Ankleshwar is expected to continue contributing significantly to revenue and capacity utilisation in the near to medium term.

Business Snapshots

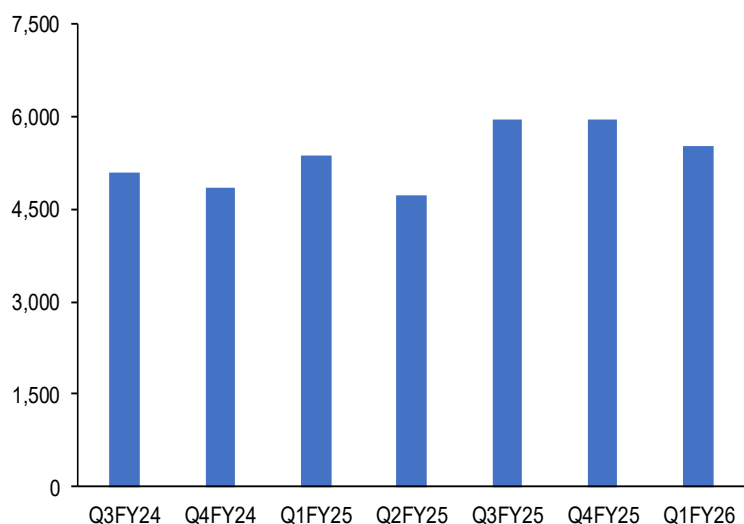
Market Mix



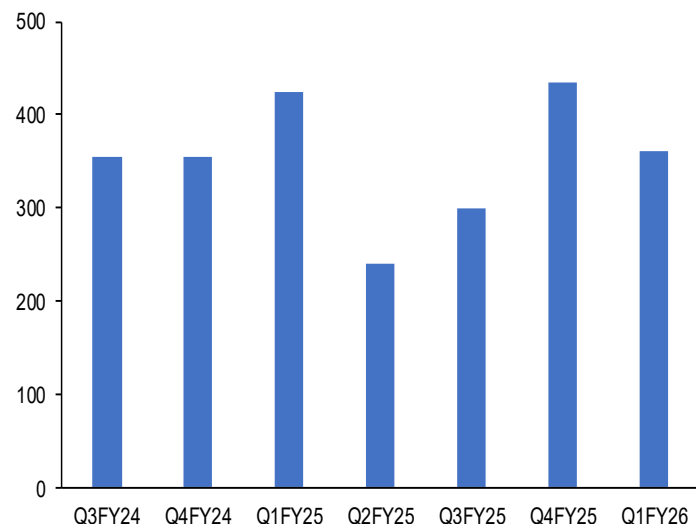
Therapeutic Area Mix



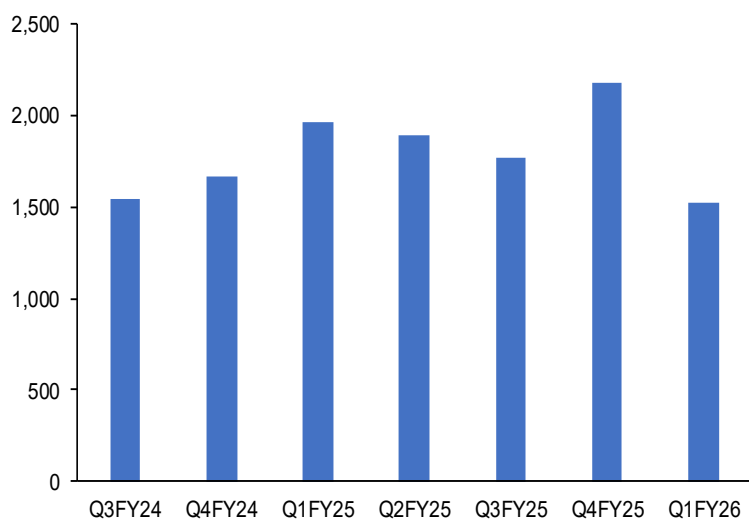
Generic API segmental performance (Rs. Mn)



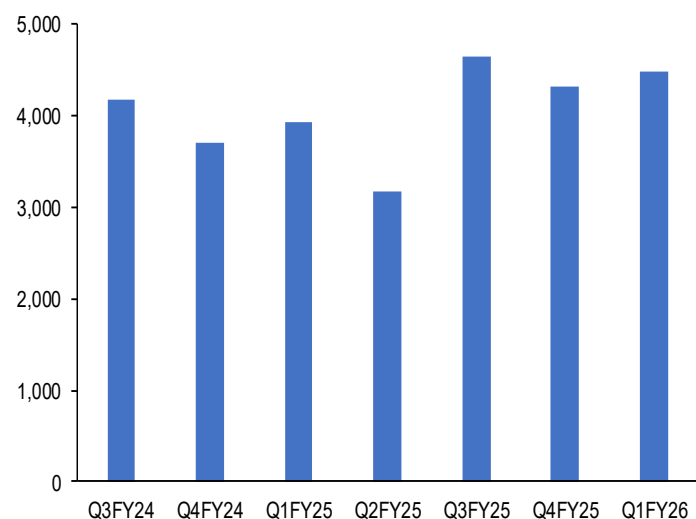
CDMO segmental performance (Rs. Mn)



GPL segmental performance (Rs. Mn)



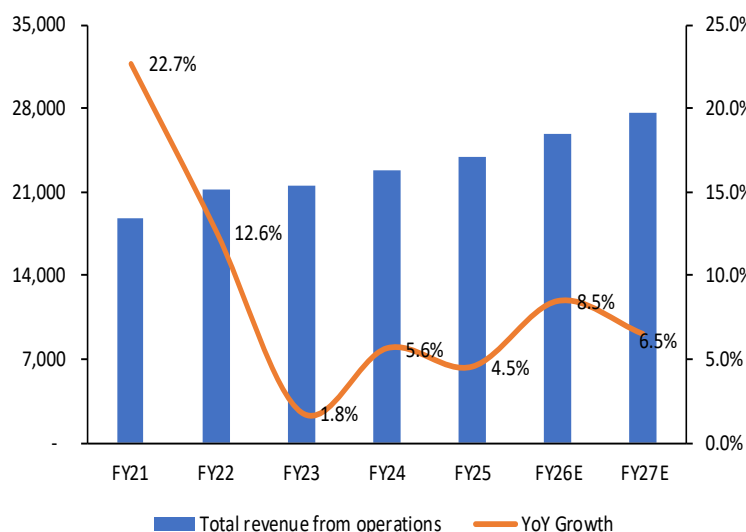
Non GPL segmental performance (Rs. Mn)



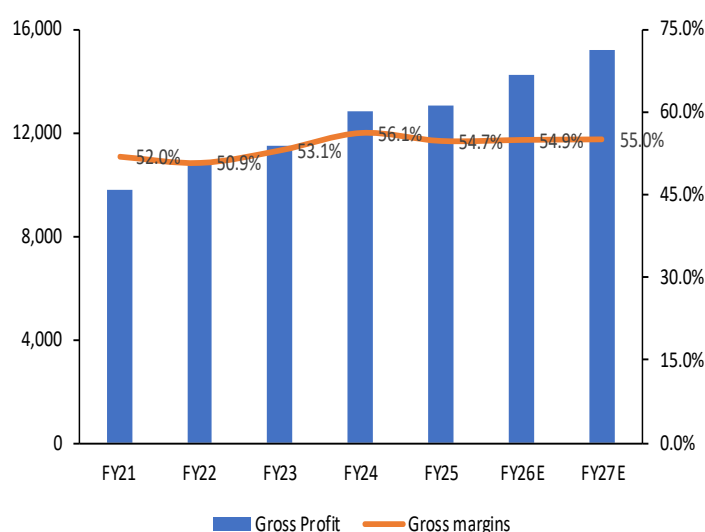
Source: Company, Bpwealth Research

Financial Snapshots

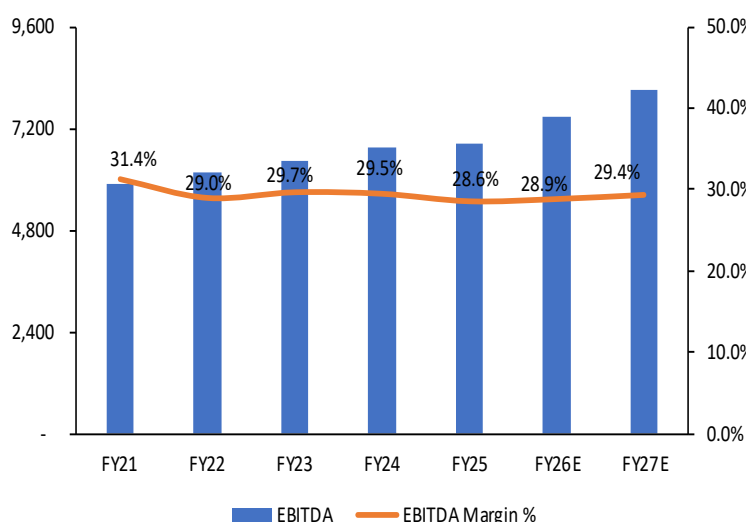
Revenues to Grow at a Healthy Pace



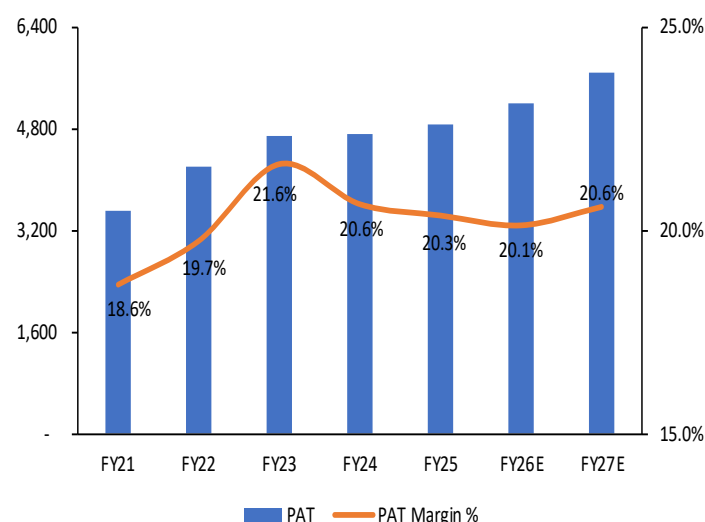
Gross Margin to Remains Stable



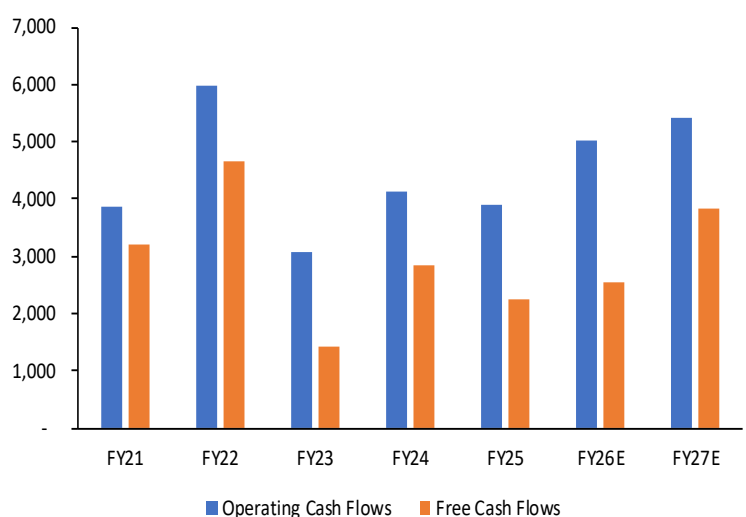
Operating Margin to Witness Recovery



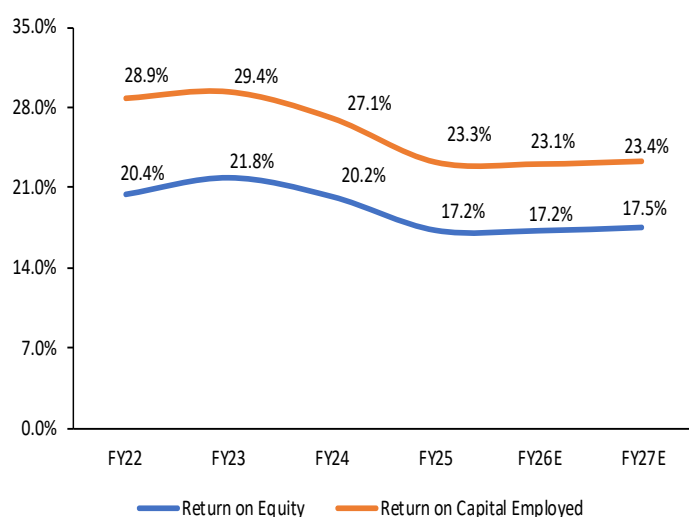
PAT Margin to Improve Going Ahead



OCF/FCF



Improved return ratios



Source: Company, Bpwealth Research

Financials

Profit & Loss A/c (Consolidated)

YE March (Rs. Crs.)	FY23	FY24	FY25	FY26E	FY27E
Revenue from Operations	21,612	22,832	23,869	25,890	27,573
% YoY growth	1.8%	5.6%	4.5%	8.5%	6.5%
Cost Of Revenues (incl Stock Adj)	10,141	10,020	10,809	11,676	12,408
Gross Profit	11,471	12,812	13,060	14,213	15,165
Gross margins	53.1%	56.1%	54.7%	54.9%	55.0%
Employee Cost	1,802	2,582	2,517	2,744	2,868
Other Operating Expenses	3,247	3,488	3,718	3,993	4,193
EBITDA	6,423	6,742	6,826	7,476	8,105
EBITDA margins	29.7%	29.5%	28.6%	28.9%	29.4%
Other Income	421	535	606	775	877
Net Interest Exp.	6,002	6,208	6,220	6,701	7,228
Depreciation	290	120	346	300	350
Exceptional Items	5	15	24	15	20
PBT	6,286	6,313	6,542	6,987	7,558
Tax	1,616	1,604	1,685	1,782	1,890
Profit After Tax	4,670	4,709	4,856	5,205	5,669
PAT margin (%)	21.6%	20.6%	20.3%	20.1%	20.6%
EPS	38.1	38.4	39.6	42.5	46.3

Source: Company, BP Equities Research

Balance Sheet (Consolidated)

YE March (Rs. Crs.)	FY23	FY24	FY25	FY26E	FY27E
Assets					
Net Block	7,749	7,950	9,427	11,152	11,875
Capital WIP	494	1,012	943	943	943
Intangible Assets under development	123	48	77	77	77
Other Non current Assets	153	334	317	326	333
Current Assets					
Current Investment	-	-	4,776	4,256	4,533
Inventories	6,042	6,666	6,739	7,872	7,690
Trade receivables	8,068	7,654	9,697	9,454	10,641
Cash and Bank Balances	3,094	3,016	712	925	1,285
Short-term loans and advances	-	-	-	-	-
Other Current Assets	1,300	1,824	1,426	1,567	1,669
Total Current Assets	18,503	19,160	23,352	24,074	25,817
Current Liabilities & Provisions					
Trade payables	4,272	3,687	3,961	4,267	4,496
Other current liabilities	616	581	571	581	619
Short-term provisions	77	120	170	184	196
Total Current Liabilities	4,965	4,388	4,702	5,032	5,311
Net Current Assets	13,538	14,772	18,650	19,042	20,507
Capital Applied	22,056	24,116	29,413	31,540	33,734
Liabilities					
Equity Capital	245	245	245	245	245
Reserves & Surplus	21,137	23,078	27,929	30,011	32,165
Equity	21,382	23,323	28,174	30,256	32,410
Total Debt	0	0	0	0	0
Long Term Provisions	79	158	185	187	191
Other Long Term Liabilities	171	148	510	553	589
Net Deferred Tax Liability	424	488	544	544	544
Capital Employed	22,056	24,116	29,413	31,540	33,734

Source: Company, BP Equities Research

Cash Flows (Consolidated)

YE March (Rs. Crs.)	FY23	FY24	FY25	FY26E	FY27E
PBT	6,286	6,313	6,541	6,987	7,558
Depreciation & Amortization	421	535	606	775	877
Other Adjustments	25	258	201	(285)	(330)
(Inc) / Dec in Working Capital	(2,137)	(1,341)	(1,804)	(665)	(794)
Taxes	(1,536)	(1,630)	(1,630)	(1,782)	(1,890)
Cash from Ops.	3,060	4,135	3,915	5,030	5,422
Capital Expenditure & investments	(1,467)	(1,165)	(6,156)	(1,679)	(1,527)
Cash from Investing	(1,467)	(1,165)	(6,156)	(1,679)	(1,527)
Cash from Financing	(3,876)	(2,794)	(62)	-3,138	-3,535
Extraordinary receipts/payment	-	-	-	1	2
Net Inc/Dec in cash equivalents	(2,283)	176	(2,304)	212	360
Opening Balance	5,122	2,838	3,014	712	925
Forex & Others	-	-	2	-	-
Closing Balance Cash & Cash Equivalents	2,838	3,014	711	925	1,285

Key Ratios (Consolidated)

YE March	FY23	FY24	FY25	FY26E	FY27E
Profitability					
Return on Assets	17.3%	16.5%	14.2%	14.2%	14.5%
Return on Capital Employed	29.4%	27.1%	23.3%	23.1%	23.4%
Return on Equity	21.8%	20.2%	17.2%	17.2%	17.5%
Margin Analysis					
Gross Margin	53.1%	56.1%	54.7%	54.9%	55.0%
EBITDA Margin	29.7%	29.5%	28.6%	28.9%	29.4%
Net Income Margin	22.2%	22.4%	21.4%	20.1%	20.6%
Short-Term Liquidity					
Current Ratio	3.7x	4.4x	5.0x	4.8x	4.9x
Quick Ratio	2.5x	2.8x	3.5x	3.2x	3.4x
Fixed Asset Turnover	2.7x	2.4x	2.2x	2.0x	1.8x
Long-Term Solvency					
Total Debt / Equity	0.0	0.0	0.0	0.0	0.0
EBITDA / Interest Expense	1150.2	409.3x	272.0x	466.8x	378.9x
Valuation Ratios					
EV/EBITDA	17.9x	17.0x	16.5x	15.1x	13.9x
PER	25.4x	25.2x	24.4x	22.8x	20.9x
P/B	5.5x	5.1x	4.2x	3.9x	3.7x

Source: Company, BP Equities Research



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