

Aurobindo Pharma Limited

BUY

Sector: Pharmaceuticals

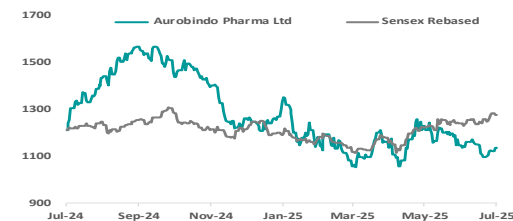
04th July, 2025

Key Changes	Target ▼	Rating ●	Earnings ▼	Target	Rs. 1,348
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Mid Cap	ARBP:IN	83,239	AUROPHARMA	524804	12 Months
				CMP	Rs. 1,156
				Return	+17%

Date as of : 03-07-2025

Company Data			
Market Cap (Rs.cr)	67,105		
52 Week High — Low (Rs.)	1,593 - 994		
Enterprise Value (Rs. cr)	69,478		
Outstanding Shares (cr)	58.1		
Free Float (%)	48.0		
Dividend Yield (%)	0.0		
6m average volume (cr)	0.1		
Beta	1.0		
Face value (Rs.)	1.0		
Shareholding (%)	Q2FY25	Q3FY25	Q4FY25
Promoters	51.8	51.8	51.8
FII's	16.6	16.3	15.3
MFs/Institutions	25.1	25.2	26.2
Public	5.9	6.1	6.0
Others	0.6	0.6	0.6
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	-2%	-15%	-6%
Absolute Sensex	8%	7%	5%
Relative Return	-10%	-22%	-12%

*over or under performance to benchmark index



Y.E March (cr)	FY25A	FY26E	FY27E
Sales	31,724	34,756	37,579
Growth (%)	9.4	9.6	8.1
EBITDA	6,605	7,282	7,965
EBITDA Margin (%)	20.8	21.0	21.2
PAT Adjusted	3,486	4,011	4,457
Growth (%)	3.6	15.1	11.1
Adjusted EPS	59.8	69.1	76.7
Growth (%)	4.2	15.1	11.1
P/E	19.3	16.6	15.0
P/B	2.1	1.8	1.7
EV/EBITDA	10.6	9.3	8.4
ROE (%)	10.7	11.1	11.1
D/E	0.2	0.2	0.2

New launches light the path

Aurobindo Pharma Ltd (ARBP) is a leading vertically integrated pharmaceutical company. Its business units comprise formulations, custom synthesis, peptides, aurozymes, research and development (R&D) and active pharmaceutical ingredients (API).

- In Q4FY25, consolidated revenue grew 10.6% YoY to Rs. 8,382cr, driven by strong growth in the US, Europe and ARV (antiretroviral) segments, despite a decline in the growth market
- US formulation revenue rose 13.5% YoY to Rs. 4,072cr, driven by volume expansion, a stable pricing environment and five new product launches in Q4FY25.
- Europe revenue increased 17.2% YoY to Rs. 2,147cr, due to robust performance across all major markets and consistent demand.
- The company is targeting 8-9% revenue growth in the EU in FY26, driven by new launches of LOE (loss of exclusivity) products.
- EBITDA increased 6.2% YoY to Rs. 1,792cr, while EBITDA margin deteriorated 90bps YoY to 21.4% due to increase in cost of sales by 12.0% YoY.
- Reported PAT decreased 0.5% to Rs. 903cr, driven by higher tax expenses.
- Aurobindo pharma is targeting high single-digit revenue growth in FY26 and aims to maintain EBITDA margins at FY25 levels.

Outlook & Valuation

The company delivered strong double-digit performance, backed by robust product momentum, operational discipline and sustained growth in key international markets. Management aims to maintain the current margin levels while targeting stable growth through LOE launches in Europe, improved capacity utilisation and pipeline monetisation. The biosimilar product is expected to gain meaningful traction with multiple regulatory milestones lined up in the coming quarters. Execution of the pipeline delivery and expansion initiatives is expected to support long-term value creation. Therefore, **we maintain our rating on the stock at BUY, with rolled-forward target price of Rs. 1,348, based on 17.5x FY27x Adj. EPS.**

Quarterly Financials Consolidated

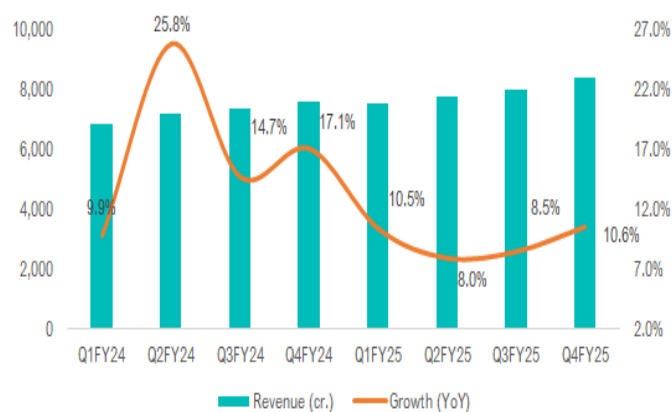
Rs.cr	Q4FY25	Q4FY24	YoY (%)	Q3FY25	QoQ (%)	FY25	FY24	YoY (%)
Sales	8,382	7,580	10.6	7,979	5.1	31,724	29,002	9.4
EBITDA	1,792	1,687	6.2	1,628	10.1	6,605	5,843	13.0
Margin (%)	21.4	22.3	-90bps	20.4	100bps	20.8	20.1	70bps
EBIT	1,347	1,333	1.1	1,209	11.4	4,956	4,321	14.7
PBT	1,335	1,230	8.6	1,200	11.3	5,066	4,380	15.7
Rep. PAT	903	907	-0.5	846	6.8	3,484	3,169	9.9
Adj PAT	903	1,031	-12.4	846	6.8	3,486	3,365	3.6
Adj. EPS (Rs)	15.6	17.6	-11.6	14.4	7.8	59.8	57.4	4.2



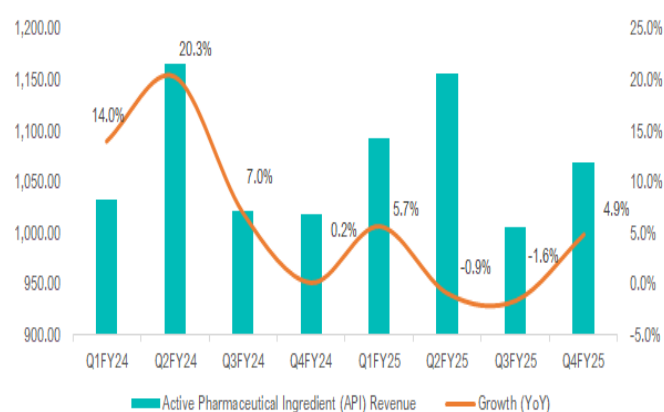
Key concall highlights

- The company received the European Commission's approval for biosimilars Dyrupeg and Zefylti, with first WU supplies expected in Q3/ Q4 FY26, reflecting growing traction in its biological strategy.
- ARBP has guided for projected tax rate in the range of 28%- 30% for FY26, reflecting jurisdictional mix of earnings.
- It is scaling up biosimilar batch sizes and will operationalise to 2x2500L mammalian cell culture bioreactors in Q2FY26.
- The company has eight biosimilar candidates in development with combined global market potential exceeding USD 50 billion by 2030.
- The company targets its first US FDA biosimilar submission in FY26, signaling a strategic shift towards regulated biological markets.
- ARBP aims to file biosimilar BP16 (to Prolia) in Q3FY26, expanding its footprint in the osteoporosis treatment space.
- It has cumulatively filed 861 ANDAs with 690 final and 29 tentative approvals as of March 2025, sustaining its US growth engine.
- The company invested \$90mn in Q4FY25 in capacity enhancement and new business development initiatives.
- The Eugia III facility is pivotal for injectables growth, with 145 ANDAs filled. It will drive the US specialty portfolio and upcoming high-margin launches.

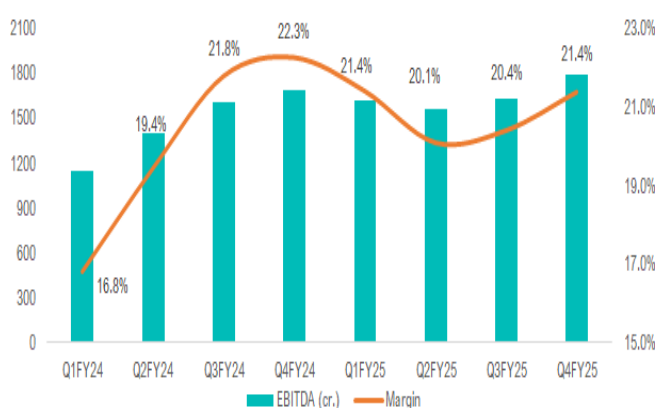
Revenue



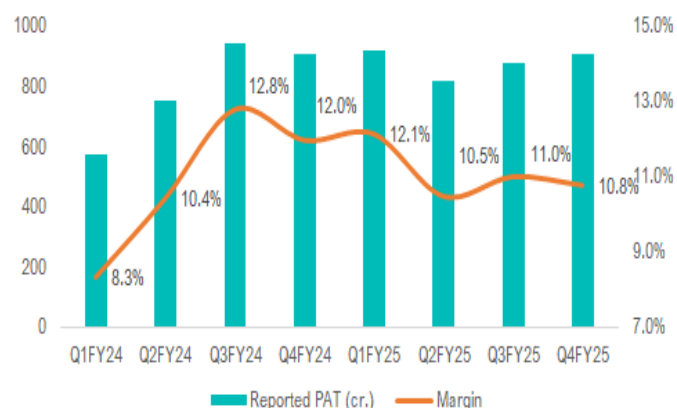
API Revenue



EBITDA



PAT



Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	35,441	-	34,756	37,579	-1.9	-
EBITDA	7,941	-	7,282	7,965	-8.3	-
Margins (%)	22.4	-	21.0	21.2	-140bps	-
Adj. PAT	4,471	-	4,011	4,457	-10.3	-
EPS	77.0	-	69.1	76.7	-10.3	-



Consolidated Financials

Profit & Loss

Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Sales	24,855	29,002	31,724	34,756	37,579
% change	6.0	16.7	9.4	9.6	8.1
EBITDA	3,758	5,843	6,605	7,282	7,965
% change	-14.3	55.5	13.0	10.2	9.4
Depreciation	1,245	1,522	1,649	1,717	1,863
EBIT	2,514	4,321	4,956	5,565	6,102
Interest	140	290	457	516	557
Other Income	-12	-209	-32	-30	-29
PBT	2,613	4,380	5,066	5,703	6,338
% change	-22.5	67.7	15.7	12.6	11.1
Tax	685	1,211	1,583	1,693	1,881
Tax Rate (%)	26.2	27.6	31.2	29.7	29.7
Reported PAT	1,928	3,169	3,484	4,010	4,456
PAT att. to common shareholder-	1,928	3,173	3,486	4,011	4,457
Adj.*	-	192	-	-	-
Adj. PAT	1,928	3,365	3,486	4,011	4,457
% change	-30.6	74.6	3.6	15.1	11.1
No. of shares (cr)	58.6	58.6	58.1	58.1	58.1
Adj EPS (Rs.)	32.9	57.4	59.8	69.1	76.7
% change	-30.6	74.6	4.2	15.1	11.1
DPS (Rs.)	7.5	4.5	-	7.0	7.0

Cashflow

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Net inc. + Depn.	3,172	4,691	5,133	5,727	6,319
Non-cash adj.	-134	-1,271	700	567	598
Other adjustments	-	-	-	-	-
Changes in W.C	-651	-985	-1,908	-1,009	-1,290
C.F. Operation	2,387	2,435	3,925	5,285	5,627
Capital exp.	-2,393	-2,720	-1,965	-2,085	-2,255
Change in inv.	-71	-628	-475	-871	-1,986
Other invest.CF	-1,514	-908	564	-	-
C.F - Investment	-3,978	-4,256	-1,876	-2,957	-4,240
Issue of equity	-	-	-	-	-
Issue/repay debt	2,365	1,315	1,494	14	19
Dividends paid	-440	-264	-1	-407	-407
Other finance.CF	-111	-251	-1,373	-516	-557
C.F - Finance	1,814	800	120	-908	-945
Chg. in cash	223	-1,021	2,169	1,420	442
Closing Cash	4,396	3,393	5,569	6,989	7,431

Balance Sheet

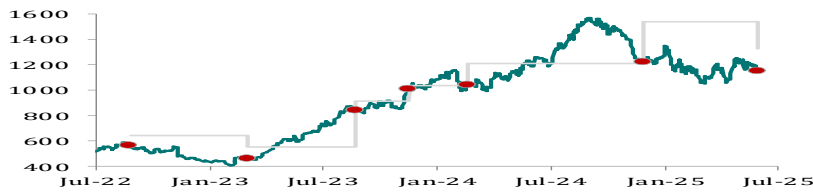
Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	4,396	3,393	5,569	6,989	7,431
Accts. Receivable	4,466	4,817	5,746	6,499	7,215
Inventories	8,511	9,808	10,544	11,828	12,827
Other Cur. Assets	4,172	6,187	5,304	6,363	8,089
Investments	302	227	206	247	297
Gross Fixed Assets	12,918	12,918	14,883	16,968	19,223
Net Fixed Assets	7,995	11,546	12,189	12,480	12,789
CWIP	4,496	2,739	3,266	3,344	3,427
Intangible Assets	3,922	4,077	4,239	4,402	4,672
Def. Tax -Net	677	1,213	1,293	1,383	1,537
Other Assets	951	1,065	1,429	1,488	1,552
Total Assets	39,890	45,072	49,785	55,023	59,836
Current Liabilities	7,251	8,019	8,302	9,565	10,231
Provisions	173	226	283	289	294
Debt Funds	4,862	6,315	7,942	7,956	7,975
Other Liabilities	753	661	611	963	1,036
Equity Capital	59	59	58	58	58
Res. & Surplus	26,781	29,784	32,595	36,199	40,249
Shareholder Funds	26,840	29,843	32,653	36,257	40,308
Minority Interest	12	8	-6	-7	-7
Total Liabilities	39,890	45,072	49,785	55,023	59,836
BVPS	458	509	562	624	694

Ratio

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Profitab. & Return					
EBITDA margin (%)	15.1	20.1	20.8	21.0	21.2
EBIT margin (%)	10.1	14.9	15.6	16.0	16.2
Net profit mgn.(%)	7.8	10.9	11.0	11.5	11.9
ROE (%)	7.2	10.6	10.7	11.1	11.1
ROCE (%)	7.9	11.9	12.2	12.6	12.6
W.C & Liquidity					
Receivables (days)	65.6	60.6	66.1	68.3	70.1
Inventory (days)	275.1	284.1	295.4	300.0	301.7
Payables (days)	125.1	129.0	117.4	132.4	132.7
Current ratio (x)	1.9	2.0	1.9	2.0	2.2
Quick ratio (x)	0.9	0.9	1.0	1.1	1.2
Turnover & Leverage					
Gross asset T.O (x)	2.4	2.4	2.5	2.5	2.4
Total asset T.O (x)	0.7	0.7	0.7	0.7	0.7
Int. covge. ratio (x)	17.9	14.9	10.8	10.8	11.0
Adj. debt/equity (x)	0.2	0.2	0.2	0.2	0.2
Valuation					
EV/Sales (x)	1.2	2.3	2.2	1.9	1.8
EV/EBITDA (x)	8.2	11.4	10.6	9.3	8.4
P/E (x)	15.7	19.0	19.3	16.6	15.0
P/BV (x)	1.1	2.1	2.1	1.8	1.7



Recommendation Summary - (last 3 years)



Dates	Rating	Target
24-Aug-22	BUY	645
1-Mar-23	BUY	554
23-Aug-23	HOLD	915
17-Nov-23	HOLD	1,037
19-Feb-24	BUY	1,209
27-Nov-24	BUY	1,540
04-Jul-25	BUY	1,348

Investment Rating Criteria


Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%


Not rated/Neutral


Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:

 Upgrade

 No Change

 Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

The recommendations are based on 12 month horizon, unless otherwise specified. The investment ratings are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating. For reasons of valuations/ return/lack of clarity/event we may revisit rating at appropriate time. Please note that the stock always carries the risk of being upgraded to BUY or downgraded to a HOLD, REDUCE or SELL.

Not rated/Neutral- The analyst has no investment opinion on the stock under review.

DISCLAIMER & DISCLOSURES

Certification: I, Gopika Gopan, author of this Report, hereby certify that all the views expressed in this research report reflect our personal views about any or all of the subject issuer or securities. This report has been prepared by the Research Team of Geojit Investments Limited, hereinafter referred to as GIL.

For general disclosures and disclaimer: Please [Click here](#)

CRISIL has provided research support in preparation of this research report and the investment rationale contained herein along with financial forecast. The target price and recommendation provided in the report are strictly GIL's views and are NOT PROVIDED by CRISIL. Further, CRISIL expresses no opinion on valuation and the associated recommendations. CRISIL has no financial liability whatsoever, to the subscribers / users of this report.

Regulatory Disclosures:

Group companies/ Fellow subsidiaries of Geojit Investments Ltd (GIL) are Geojit Financial Services Limited (GFSL), Geojit Technologies Private Limited (Software Solutions provider), Geojit Credits Private Limited (NBFC), Geojit Fintech Private Ltd, Geojit IFSC Ltd (a company incorporated under IFSC Regulations), Qurum Business Group Geojit Securities LLC (a subsidiary of holding company in Oman engaged in Financial Services), Barjeel Geojit Financial Services LLC (a joint venture of holding company in UAE engaged in Financial Services), and BBK Geojit Consultancy and Information KSC (C) (a joint venture in Kuwait-engaged in Financial services). In the context of the SEBI Regulations on Research Analysts (2014), GIL affirms that we are a SEBI registered Research Entity and in the course of our business as a stock market intermediary, we issue research reports /research analysis etc. that are prepared by our Research Analysts. We also affirm and undertake that no disciplinary action has been taken against us or our Analysts in connection with our business activities.

In compliance with the above-mentioned SEBI Regulations, the following additional disclosures are also provided which may be considered by the reader before making an investment decision:

1. Disclosures regarding Ownership:

GIL confirms that:

(i) I/its associates have no financial interest or any other material conflict in relation to the subject company (ies) covered herein, at the time of publication of the research report.

(ii) I/its associates have no actual beneficial ownership of 1% or more in relation to the subject company (ies) covered herein, at the end of the month immediately preceding the date of publication of the research report.

Further, the Analyst confirms that:

(i) He, his associates and his relatives shall take reasonable care to ensure that they do not have any financial interest in the subject company (ies) covered herein, and they have no other material conflict in the subject company, at the time of publication of the research report.

(ii) He, his associates and his relatives have no actual/beneficial ownership of 1% or more in the subject company covered, at the end of the month immediately preceding the date of publication of the research report.

2. Disclosures regarding Compensation:

During the past 12 months, GIL or its Associates:

(a) Have not received any compensation from the subject company; (b) Have not managed or co-managed public offering of securities for the subject company (c) Have not received any compensation for investment banking or merchant banking or brokerage services from the subject company. (d) Have not received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company. e) Have not received any compensation or other benefits from the subject company or third party in connection with the research report (f) The subject company is / was not a client during twelve months preceding the date of distribution of the research report.

3. Disclosure by GIL regarding the compensation paid to its Research Analyst:

GIL hereby confirms that no part of the compensation paid to the persons employed by it as Research Analysts is based on any specific brokerage services or transactions pertaining to trading in securities of companies contained in the Research Reports.

4. **Disclosure regarding the Research Analyst's connection with the subject company:** It is affirmed that I, Gopika Gopan, Research Analyst (s) of GIL have not served as an officer, director or employee of the subject company.

5. **Disclosure regarding Market Making activity:** Neither GIL/its Analysts have engaged in market making activities for the subject company.

6. **Disclosure regarding conflict of interests:** GIL shall abide by the applicable regulations/ circulars/ directions specified by SEBI and Research Analyst Administration and Supervisory Body (RAASB) from time to time in relation to disclosure and mitigation of any actual or potential conflict of interest. GIL will endeavour to promptly inform the client of any conflict of interest that may affect the services being rendered to the client.

7. "Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors."

8. Clients are required to keep contact details, including email id and mobile number/s updated with the GIL at all times.

9. In the course of providing research services by GIL, GIL cannot execute/carry out any trade (purchase/sell transaction) on behalf of, the client. Thus, the clients are advised not to permit GIL to execute any trade on their behalf.

10. GIL will never ask for the client's login credentials and OTPs for the client's Trading Account Demat Account and Bank Account. The Clients are advised not to share such information with anyone including GIL.

11. Standard Warning: "Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

12. Disclosures regarding Artificial Intelligence tools: Neither Geojit Investments Limited nor its Analysts have utilized any AI tools in the preparation of the research reports.

Please ensure that you have read the "Risk Disclosure Documents for Capital Market and Derivatives Segments" as prescribed by the Securities and Exchange Board of India before investing.

Geojit Investments Ltd. Registered Office: 7th Floor 34/659-P, Civil Line Road, Padivattom, Kochi-682024, Kerala, India. Phone: +91 484-2901000, Website : www.geojit.com/GIL . For investor queries: customercare@geojit.com

GRIEVANCES

Step 1: The client should first contact the RA using the details on its website or following

contact details: Compliance officer: Ms. Indu K. Address: 7th Floor, 34/659-P, Civil Line Road, Padivattom, Ernakulam,; Phone: +91 484-2901367; Email: compliance@geojit.com. For Grievances: grievances@geojit.com. **Step 2:** If the resolution is unsatisfactory, the client can also lodge grievances through SEBI's SCORES platform at www.scores.sebi.gov.in **Step 3:** The client may also consider the Online Dispute Resolution (ODR) through the Smart ODR portal at <https://smartodr.in>

Corporate Identity Number: U66110KL2023PLC080586, Research Entity SEBI Reg No: INH000019567; Depository Participant : IN-DP-781-2024.

