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Q1FY27 Result Update
14th August 2026

Supriya Lifescience Ltd.

Deferred, Not Derailed: Supriya Banks on H2 to Hit FY27 Guidance

CMP: INR 792

Rating: BUY

Target Price: INR 1,066

Stock Info	
BSE	543434
NSE	SUPRIYA
Bloomberg	SUPRIYA:IN
Sector	Pharmaceutical
Face Value (INR)	2
Equity Capital (INR Mn)	161
Mkt Cap (INR Mn)	70,800
52w H/L (INR)	1086 / 546
Avg Yearly Vol (in 000')	325

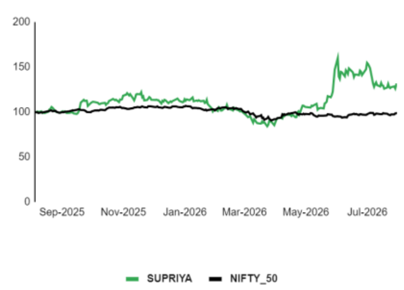
Shareholding Pattern %

(As on July 2026)

Promoters	68.3
Public & Others	31.7

Stock Performance (%)	1m	6m	12m
Supriya Lifescience	-7.12	17.33	19.51
Nifty	1.22	-5.13	-2.05

Supriya Lifescience Vs Nifty



Abhishek Jain
abhishek.jain@arihantcapital.com
022-422548871

Q1FY27 Revenue Print Falls Short, but FY27 Guidance Reaffirmed: Supriya Lifescience reported Q1FY27 revenue of INR 1900 mn, well below the run-rate needed to hit the full-year target. Despite this, management reaffirmed its INR 10,000 mn FY27 revenue guidance, which now implies the company must generate ~INR 8100 mn over the remaining three quarters — an average quarterly run-rate of ~INR 2700 mn, a sharp step-up from Q1 levels. Management attributed the weak start to deferred sales (INR 250–300 mn) and a water-shortage-related disruption, both of which are expected to reverse in coming quarters. The company continues to guide for a stronger H2FY27, backed by new product launches, CDMO progress, and recovery in export markets, and reiterated a ~20% revenue CAGR beyond FY27. Given the magnitude of the required acceleration, execution over the next two quarters remains a key monitorable.

Margin Guidance Maintained Despite Q1 Miss, Europe Recovery Key: Q1FY27 EBITDA margin came in at 25%, well below the 32–35% FY27 guidance band that management chose to retain. The margin miss was driven by the water-shortage disruption, deferred sales, and a one-time solar-related charge, none of which management expects to repeat. Recovery is expected to be led by Europe — the company's highest-margin market — alongside normalisation of these temporary cost pressures. Notably, management has not laid out a quarter-by-quarter margin bridge, which leaves the pace of recovery somewhat opaque and adds to execution risk around the full-year guidance.

New Launches and CDMO Progress to Anchor H2 Growth: The company plans to launch two anesthetic liquid inhalation products in Q2FY27, with two ADHD products also in the pipeline, while the contrast media launch has slipped further to H2FY27 (an R&D-related delay of ~two quarters). On the CDMO front, a term sheet for a liquid anesthetic contract is expected around Q2FY27, with the Ambarnath facility earmarked for this business; management sees CDMO becoming one of the company's strongest growth verticals over the next 3–4 years, though the contract is yet to be signed and commentary remains measured. Regulated-market progress includes an EU audit at Ambarnath scheduled for H2 November and an expected CEP approval for the anesthetic API, while North America remains at an early, pre-revenue stage following recent US DMF filings.

Capacity Expansion and Inventory Support the H2 Recovery Thesis: The Patalganga greenfield project remains central to medium-term capacity plans, with Phase 1 capex of INR 2000 mn for API and utility blocks; boundary wall work has begun and Block F construction is expected over the next couple of quarters, ahead of a potential Phase 2 investment of at least INR 2000 mn for finished formulations. Separately, elevated closing inventory of INR 2300–2400 mn is expected to be liquidated over the next 3–4 quarters, providing a cushion for the deferred-sales recovery embedded in H2 guidance. That said, continued delays in customer demand or execution could erode this benefit, making inventory drawdown and Patalganga execution key items to track alongside the broader H2 ramp-up.

Valuation & View: Supriya's Q1FY27 print was soft on both revenue and margins, but management has reaffirmed FY27 guidance of INR 1,000 crore revenue and 32–35% EBITDA margins, banking on H2 recovery via Europe demand, new anesthetic/ADHD launches, CDMO progress, and deferred sales. We believe the underlying product mix and regulated-market traction (Europe, LATAM) remain intact, though the sharp acceleration required in H2 (~INR 270 crore/quarter) and lack of a clear margin bridge keep execution risk elevated. **We stay watchful on deferred sales recovery, CDMO term sheet closure, and the EU audit outcome, and maintain our estimates with a 25x multiple on FY28E EPS of INR35, arriving at a Target Price of INR 1,006/share. We maintain our BUY rating.**

Financial Performance

Key Financials (Rs mn)	FY24	FY25	FY26	FY27E	FY28E	FY29E
Revenue	5,703	6,965	8,279	9,935	11,723	13,748
EBITDA	1,730	2,608	2,940	3,417	4,056	4,853
EBITDA Margin (%)	30.3	37.4	35.5	34.4	34.6	35.3
Net profit	1,191	1,880	2,096	2,388	2,847	3,433
EPS Rs)	14.8	23.4	26.0	29.7	35.4	42.7
P/E (x)	53.5	33.9	30.4	26.7	22.4	18.6
P/B (x)	7.8	6.4	5.3	4.5	3.7	3.1
EV/EBITDA (x)	36.1	23.9	21.1	18.2	15.0	12.2
ROE (%)	14.6	18.9	17.5	16.7	16.7	16.9

Source: Arihant Research, Company Filings

Q1FY27 Standalone Performance

(Rs mn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)
Net Sales (Rs Mn)	**1,897**	**1,451**	**30.8**	**2,765**	**(31.4)**
Raw material	564	318	77.5	1,053	(46.5)
Employee cost	285	227	25.6	248	14.8
Other operating exp	574	389	47.5	488	17.7
Total Expenditure	1,423	934	52.4	1,789	(20.5)
EBITDA	**475**	**517**	**(8.2)**	**976**	**(51.4)**
Other Income	26	27	(1.0)	35	(23.9)
Interest	4	5	(27.0)	5	(20.1)
Depreciation	89	65	38.6	85	5.2
EOI	-	-		-	
PBT	408	474	(14.0)	921	(55.7)
Tax	167	126	32.7	179	(6.4)
Tax rate (%)	*19.4*	*21.4*		*25.6*	*(24.1)*
Adj. PAT	**240**	**348**	**(30.9)**	**742**	**(67.6)**
Reported PAT	**742**	**504**	**47.4**	**501**	**48.1**
EPS (Rs)	3.0	4.3	(30.9)	9.2	(67.6)
% of Sales					
Raw Material	*29.7*	*21.9*	*782*	*38.1*	*(837)*
Gross Profit Margin	*70.3*	*78.1*	*(782)*	*61.9*	*837*
Employee Cost	*15.0*	*15.6*	*(62)*	*9.0*	*604*
Other Exp	*30.3*	*26.8*	*344*	*17.6*	*1,262*
EBITDA	*25.0*	*35.6*	*(1,063)*	*35.3*	*(1,029)*
Adjusted Net Profit	12.7	24.0	*(1,131)*	26.8	*(1,417)*

Source: Arihant Research, Company Filings

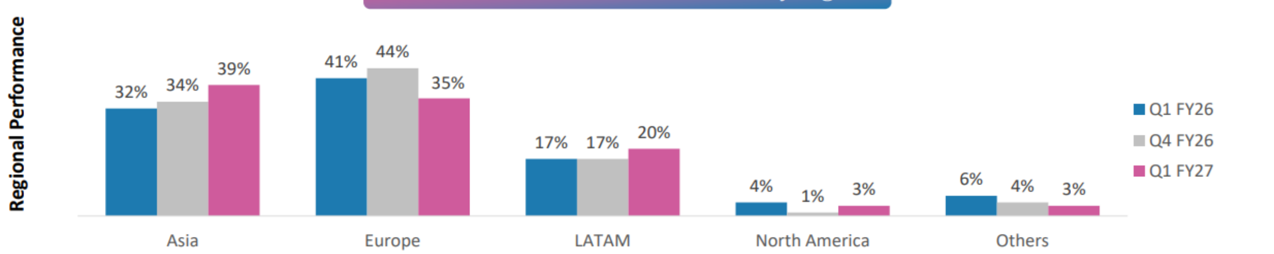
Q1 FY27 Highlights

SUPRIYA LIFESCIENCE LTD.

Quarterly

Revenue	EBITDA	PBT	PAT
INR 1,897.5 Mn	INR 474.6 Mn	INR 407.9 Mn	INR 240.4 Mn
▲ 31% YoY	▼ 8% YoY	▼ 14% YoY	▼ 31% YoY

Business Mix Revenue Contribution – By Region



Source: Arihant Research, Company Filings

Q1FY27 Concall Highlights

FY27 Growth Guidance

Reaffirmed its INR 10,000 mn FY27 revenue target despite Q1 revenue of INR 1,900 mn. This requires the company to generate around INR 8,100 mn over the remaining three quarters, implying an average quarterly revenue of about INR 2,700 mn. Management expects stronger H2 performance, supported by recovery in deferred sales, new product launches and progress in the CDMO business. It also expects revenue to grow at around 20% CAGR beyond FY27, with potential for higher growth.

Margin Recovery Hinges on Europe and Cost Normalisation

Maintained its 32–35% FY27 EBITDA margin guidance despite Q1 margin falling to 25%. The company expects margins to improve as the water-shortage disruption is resolved, deferred sales are recovered and the one-time solar-related charge does not repeat. Europe, which is the company's highest-margin market, will be important for the recovery. However, management has not provided a clear quarterly margin bridge, making the pace of improvement a key monitorable.

Patalganga Facility to Drive Long-Term Capacity Expansion

The Patalganga greenfield project remains a key medium-term growth initiative, with Phase 1 capex of INR 2,000 mn for API and utility blocks. The boundary wall work has started, while construction of Block F is expected over the next couple of quarters. The facility is intended to provide additional capacity as the existing Lotte arrangement gets exhausted. Phase 2 could involve additional investment of at least INR 2,000 mn for finished formulations.

CDMO Could Become a Major Growth Vertical

The company expects the CMO/CDMO business to become one of its strongest growth verticals over the next 3–4 years. A term sheet for a liquid anesthetic contract is expected to be signed around Q2FY27, with the Ambarnath facility identified for the business. However, the agreement is yet to be signed, and management's language remains cautious. Successful closure of the contract would be an important catalyst for future revenue diversification and higher-value business.

New Product Launches to Support H2 Growth

The company plans to launch two anesthetic liquid inhalation products in Q2FY27, while the contrast media launch remains targeted for H2FY27 after an R&D-related delay of around two quarters. Two ADHD products are also in the pipeline. The company expects these launches, along with recovery in existing export markets, to support the stronger H2 revenue trajectory required to achieve FY27 guidance.

Regulated-Market Expansion Depends on Key Approvals

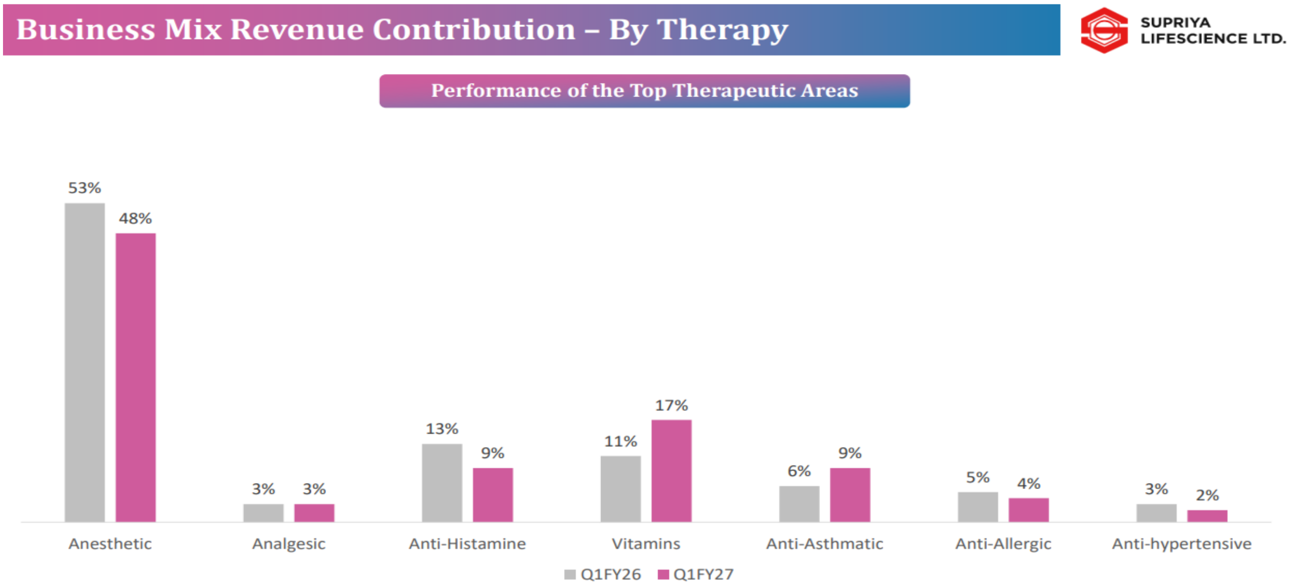
The Ambarnath facility's EU audit is scheduled for the second half of November, which is an important step toward expanding regulated-market business. The company also expects the CEP for its anesthetic API during the stated timeline, which should support the regulated-market opportunity. North America remains at an early stage following multiple US DMF filings and validation purchases, so it is unlikely to be a major near-term revenue contributor.

Inventory Provides Support for Deferred Sales Recovery

Closing inventory of around INR 2,300–2,400 mn remains elevated, but management expects it to be liquidated over the next 3–4 quarters. Around INR 250–300 mn of Q1 sales were deferred and are expected to be recovered. This inventory provides some support to the H2 revenue recovery, although continued delays in customer demand or execution could reduce the benefit of this inventory over time.

Strong H2 Execution Required

Supriya Life Science has multiple growth levers across export recovery, new products, regulated-market approvals, CDMO and the Patalganga expansion. However, achieving the INR 10,000 mn FY27 revenue target requires a significant acceleration from the Q1 run-rate, while restoring EBITDA margins to 32–35% will depend heavily on Europe recovery and normalisation of temporary costs. The key monitorables over the next few quarters are the recovery of deferred sales, European demand, new product launches, the CDMO term sheet, EU audit outcome and execution of the Patalganga project.



Source: Arihant Research, Company Filings

Income Statement	FY24	FY25	FY26	FY27E	FY28E	FY29E
Net revenues	**5,703**	**6,965**	**8,279**	**9,935**	**11,723**	**13,748**
Expenditure	**3,974**	**4,357**	**5,338**	**6,517**	**7,667**	**8,895**
Raw materials	2,217	2,112	2,540	3,060	3,611	4,235
Employee expenses	676	805	967	1,172	1,383	1,622
Other expenditure	1,080	1,440	1,831	2,285	2,673	3,038
EBITDA	**1,730**	**2,608**	**2,940**	**3,417**	**4,056**	**4,853**
Other income	106	98	115	126	139	153
Depreciation	158	204	284	379	425	463
EBIT	1,678	2,502	2,771	3,164	3,770	4,543
Interest expense	21	17	19	22	24	26
PBT	**1,657**	**2,485**	**2,752**	**3,142**	**3,746**	**4,517**
Taxes	466	605	657	754	899	1,084
Reported PAT	**1,191**	**1,880**	**2,091**	**2,388**	**2,847**	**3,433**
Exceptional Items	-	-	(5)	-	-	-
Adj. PAT	**1,191**	**1,880**	**2,096**	**2,388**	**2,847**	**3,433**
Fully diluted EPS (Rs)	**14.8**	**23.4**	**26.0**	**29.7**	**35.4**	**42.7**
Y/E Fully Diluted shares (mn)	80	80	80	80	80	80

Balance sheet	FY24	FY25	FY26	FY27E	FY28E	FY29E
Equity capital	161	161	161	161	161	161
Reserves and surplus	7,993	9,807	11,816	14,116	16,866	20,191
Total Equity	**8,154**	**9,968**	**11,977**	**14,277**	**17,027**	**20,352**
Total borrowings	**55**	**54**	**54**	**54**	**54**	**54**
Deferred tax liability	232	270	312	312	312	312
Total capital	**8,440**	**10,292**	**12,344**	**14,643**	**17,393**	**20,719**
Goodwill	-	-	-	-	-	-
Cash	750	792	788	622	1,710	3,494
Inventory	853	1,184	1,596	1,960	2,345	2,787
Debtors	1,117	1,344	2,194	2,667	3,147	3,691
Loans & advances	1,261	1,052	744	925	1,092	1,281
Other Current Assets	7	112	16	18	18	18
Total current assets	**3,987**	**4,482**	**5,338**	**6,192**	**8,312**	**11,271**
Current liabilities	771	820	1,210	1,489	1,753	2,053
Provisions	4	12	17	27	32	38
Current liabilities & Prov.	**774**	**832**	**1,227**	**1,516**	**1,785**	**2,091**
Net current Assets	**3,213**	**3,650**	**4,112**	**4,676**	**6,527**	**9,181**
Gross block	3,707	5,339	7,985	9,985	11,185	12,185
Less: cumulative dep.	605	810	1,094	1,473	1,898	2,361
Net block	**3,101**	**4,529**	**6,892**	**8,512**	**9,287**	**9,824**
CWIP	1,488	1,480	355	391	430	473
Investments	638	632	985	1,064	1,149	1,241
Total assets	**8,440**	**10,292**	**12,344**	**14,643**	**17,393**	**20,719**

Source: Arihant Research, Company Filings

Cash flow statement	FY24	FY25	FY26	FY27E	FY28E	FY29E
Cash flow from operating activity						
PBT	1,657	2,485	2,752	3,142	3,746	4,517
Add: Depreciation	158	204	284	379	425	463
Add: Interest	21	17	19	22	24	26
Less: taxes paid	(466)	(605)	(657)	(754)	(899)	(1,084)
Add: other adjustments	-	-	-	-	-	-
Less: wc changes	(177)	(401)	(471)	(731)	(762)	(870)
Total operating cash flows	**1,194**	**1,700**	**1,924**	**2,059**	**2,534**	**3,052**
Op. CF w/o WC changes	1,370	2,101	2,394	2,790	3,296	3,922
Cash flow from investing activity						
Capital expenditure	(1,454)	(1,624)	(1,522)	(2,036)	(1,239)	(1,043)
Change in investments	(385)	6	(353)	(79)	(85)	(92)
Total investing cash flow	**(1,839)**	**(1,618)**	**(1,875)**	**(2,114)**	**(1,324)**	**(1,135)**
Cash flow from financing activity						
Share issuances	-	-	(0)	-	-	-
Change in borrowings	(170)	(1)	1	(0)	-	-
Dividend	(48)	(64)	(80)	(89)	(97)	(107)
Interest payment	(21)	(17)	(19)	(22)	(24)	(26)
Total financing cash flow	**(239)**	**(82)**	**(99)**	**(111)**	**(121)**	**(133)**
Net change in cash	**(884)**	**(0)**	**(50)**	**(166)**	**1,088**	**1,784**
Opening cash & CE	1,576	750	792	788	622	1,710
Closing cash & CE	**750**	**791**	**788**	**622**	**1,710**	**3,494**

Key Ratios	FY24	FY25	FY26	FY27E	FY28E	FY29E
Effective tax rate (%)	28.1	24.4	23.9	24.0	24.0	24.0
EBITDA margin (%)	30.3	37.4	35.5	34.4	34.6	35.3
PAT Margin (%)	20.9	27.0	25.3	24.0	24.3	25.0
EPS (Rs)	14.8	23.4	26.0	29.7	35.4	42.7
Cash EPS (Rs)	16.8	25.9	29.6	34.4	40.7	48.4
BVPS (Rs)	101.3	123.8	148.8	177.4	211.5	252.9
Valuation Ratios						
ROaE (%)	14.6	18.9	17.5	16.7	16.7	16.9
ROaCE (%)	20.6	25.1	23.1	22.2	22.1	22.3
P/BV (x)	7.8	6.4	5.3	4.5	3.7	3.1
PE Ratio (x)	53.5	33.9	30.4	26.7	22.4	18.6
EV/EBITDA (x)	35.2	22.6	21.7	18.7	15.7	13.1
Growth metrics (%)						
Revenue		22.1	18.9	20.0	18.0	17.3
EBITDA		50.8	12.7	16.2	18.7	19.7
Net profit		57.8	11.5	14.0	19.2	20.6

Source: Arihant Research, Company Filings

Arihant Research Desk

Email: instresearch@arihantcapital.com

Tel. : 022-42254800

Head Office	Registered Office
#1011, Solitaire Corporate Park	
Building No. 10, 1st Floor	6 Lad Colony,
Andheri Ghatkopar Link Road	Y.N. Road,
Chakala, Andheri (E)	Indore - 452003, (M.P.)
Mumbai – 400093	Tel: (91-731) 4217100/101
Tel: (91-22) 42254800	CIN: L66120MP1992PLC007182

Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

Research Analyst Registration No.	Contact	Website	Email Id
INH000002764	**SMS: 'Arihant' to 56677**	www.arihantcapital.com	instresearch@arihantcapital.com

Arihant Capital Markets Ltd.
1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800

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Arihant Capital Markets Ltd.
1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800

Abhishek Chhajed Jain

Digitally signed by Abhishek Chhajed Jain
Date: 2026.08.17 09:40:24 +05'30'