

Research Report

Aurobindo Pharma Limited



Prepared By-

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About

Aurobindo Pharma is principally engaged in manufacturing and marketing of active pharmaceutical ingredients, generic pharmaceuticals and related services. Leading Pharmaceutical Company

The company is India's 2nd-largest listed pharma company based on revenue & the largest generics company in the US. It is ranked among the top 10 generic companies in 8 European countries.

Business Segments

A) Formulations (87% in Q3 FY25 vs 84% in FY23): The company manufactures medications in various dosage forms, including oral solids, liquids, and injectables, targeting key therapeutic areas like CNS, Anti-Retroviral, CVS, Antibiotics, Gastroenterological, Anti-Diabetics, and Anti-Allergic.

B) API (13% in Q3 FY25 vs 16% in FY23): The company produces APIs across multiple therapeutic areas and is one of the few operating in both beta-lactams and non-beta-lactams. Within beta-lactams, it offers sterile and non-sterile Penicillin, Cephalosporins, and Penems.

Revenue Mix:

USA: 53% in Q3 FY25 vs 55% in FY23

Europe: 30% in Q3 FY25 vs 31% in FY23

Growth Markets: 13% in Q3 FY25 vs 9% in FY23

ARV: 4% in Q3 FY25 vs 5% in FY23

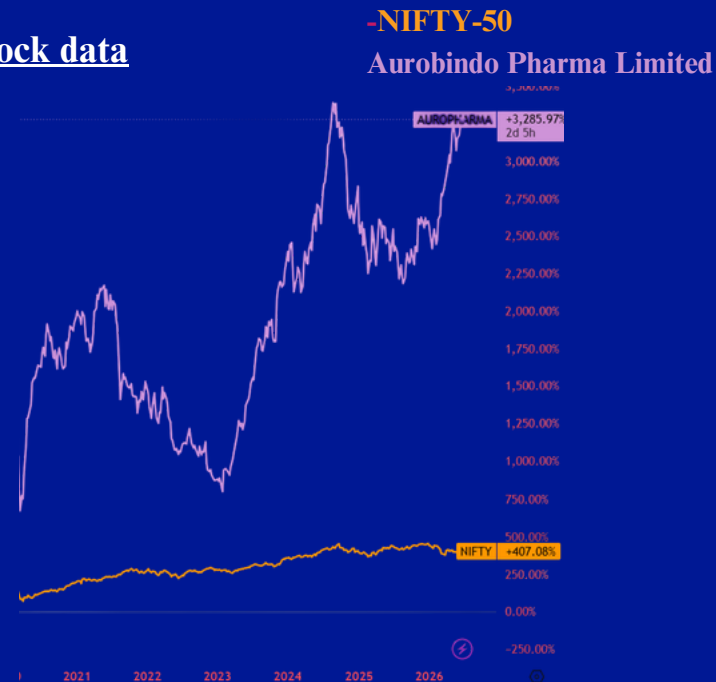
Synopsis of Financials

- FY26: Revenue ₹33,653 cr, EBITDA ₹6,856 cr (20.4%); management called this the "highest-ever revenues and highest-ever EBITDA, both quarterly and annually."
- Q4 FY26: Revenue ₹8,853 cr, EBITDA ₹1,801 cr (20.3%); PAT ₹921 cr (+2% YoY).
- Gross contribution: ₹20,165 cr (~60%) for FY26 (about +100 bps); Q4 gross margin 61.3% (+153 bps QoQ).

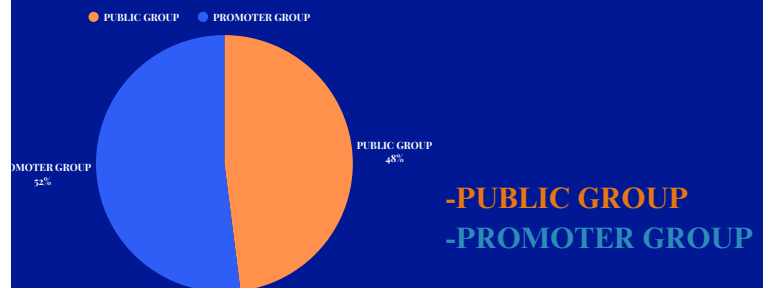
Stock data (as 23th June 2026)

Nifty Price	: 24,099.20
52 week High (in Rs.)	: 1,550.00
52 week Low (in Rs.)	: 1,016.10
Market Cap. (in Crore)	: 87,399.90
NSE Code	: INE406A01037

Stock data



Shareholding Pattern (March 2026)



Financial Summary

Particular	Mar-22	Mar-23	Mar-24	Mar-25	Mar-26
Sales -	23,455	24,855	29,002	31,724	33,653
Sales Growth %	-5.32%	5.97%	16.68%	9.39%	6.08%
Expenses +	19,060	21,148	23,176	25,173	26,807
Operating Profit	4,396	3,707	5,826	6,551	6,846
OPM %	19%	15%	20%	21%	20%
Net Profit +	2,647	1,928	3,169	3,484	3,503
EPS in Rs	45.2	32.9	54.15	60.02	60.34
Dividend Payout %	20%	23%	8%	0%	7%

Quarterly Results

Particular	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
Sales -	7,979	8,382	7,868	8,286	8,646	8,853
YOY Sales Growth %	8.53%	10.58%	3.98%	6.28%	8.36%	5.62%
Expenses -	6,401	6,622	6,265	6,608	6,873	7,103
Material Cost %	41.55%	40.90%	41.17%	40.30%	40.26%	38.73%
Employee Cost %	14.18%	13.87%	15.62%	15.42%	15.15%	15.52%
Operating Profit	1,578	1,760	1,603	1,678	1,773	1,750
OPM %	20%	21%	20%	20%	21%	20%
Other Income -	159	135	107	122	123	117
Other income normal	159	135	107	122	188	117
Interest	118	115	98	95	93	98
Depreciation	419	444	406	429	465	479
Profit before tax	1,200	1,335	1,207	1,276	1,339	1,291
Tax %	30%	32%	32%	34%	32%	29%
Net Profit +	846	903	824	848	910	921

Source: Screener

Key Ratios

Significant Financial Ratios

Ratios	March 31, 2025	March 31, 2024
Debtors Turnover	6.0	6.3
Inventory Turnover	3.1	3.2
Interest Coverage Ratio	12.2	16.7
Current Ratio	1.9	1.9
Debt Equity Ratio	0.08	0.11
Operating Profit Margin (%) (EBITDA margin %)	20.8%	20.1%
Net Profit Margin (%)	11.0%	10.9%
Return on Equity (ROE)%	11.1%	11.2%
Cash Conversion Cycle (Days)	201	183
Return on Capital Employed	14.5%	14.4%
Fixed Asset Turnover	2.1	2.0

Source: Company Annual Report

Yearly Results

Particulars	March 2022	March 2023	March2024	March2025	March2026
Equity Capital	59	59	59	58	58
Reserves	24,517	26,781	29,784	32,595	37,833
Borrowings	2,851	5,286	6,648	8,263	8,073
Other Liabilities	6,211	7,379	8,227	8,566	12,538
Total Liabilities	33,638	39,505	44,717	49,482	58,502
Fixed Assets	10,532	11,024	14,493	14,794	19,611
CWIP	3,747	5,390	3,869	4,900	3,009
Investments	997	543	372	252	1,051
Other Assets	18,362	22,549	25,983	29,536	34,831
Total Assets	33,638	39,505	44,717	49,482	58,502

Synopsis Quarter Results

Concall Notes - May-2026: Key Highlights

Financial performance: record revenue/EBITDA; mix-led margin resilience despite gRevlimid fade:

- FY26: Revenue ₹33,653 cr, EBITDA ₹6,856 cr (20.4%); management called this the “highest-ever revenues and highest-ever EBITDA, both quarterly and annually.”
- Q4 FY26: Revenue ₹8,853 cr, EBITDA ₹1,801 cr (20.3%); PAT ₹921 cr (+2% YoY).
- Management emphasized that gRevlimid was insignificant vs Q4 FY25, yet “EBITDA before Forex remained flat year-on-year” and grew 2% QoQ, highlighting portfolio breadth and improved mix.
- Ex-gRevlimid growth: FY26 +9.5%; Q4 YoY +15.3% (and “in USD terms, it was 7%”).
- Gross contribution: ₹20,165 cr (~60%) for FY26 (about +100 bps); Q4 gross margin 61.3% (+153 bps QoQ).

Capital allocation, cash flow and balance sheet:

- R&D: ₹400 cr Q4; ₹1,590 cr FY26 (~5% of revenue).
- Net capex: \$82m Q4; \$341m FY26 (capacity enhancements + plant expenses + CMO project).
- Cash: net cash improved to \$317m (Mar'26) from \$276m (Dec'25); includes Khandelwal non-oncology business purchase consideration ~\$32m; company still generated net cash inflow ~\$35m after this payment.
- Finance cost: ~5% average in Q4.

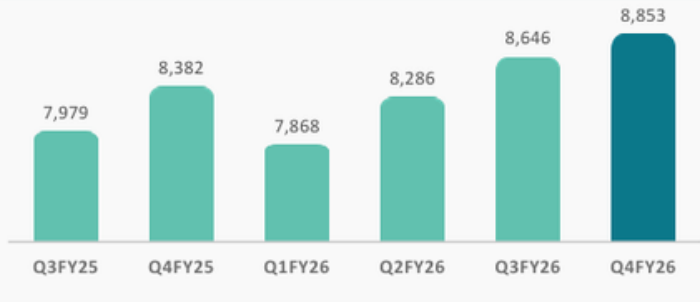
FY27 outlook and key watch items:

- Financial: EBITDA margin expected to “sustain and progressively improve to north of 21%” (not framed as purely FX-driven; net of cost inflation and logistics).
- Operational inflections to monitor (per management commentary):
 - Pen-G/6-APA: continuation of improved yields and external offtake after Q4's ₹100+ cr external sales.
 - China OSD: targeted shift to low double-digit EBITDA.
 - US scale-up: Lannett close (early Q2), plus in-licensing/ANDA tuck-ins; push toward \$2bn medium-term.
 - Eugia regulatory outcomes for Unit III and Unit I (audits completed; awaiting status), which management implied is prerequisite for more aggressive injectable launch commentary.

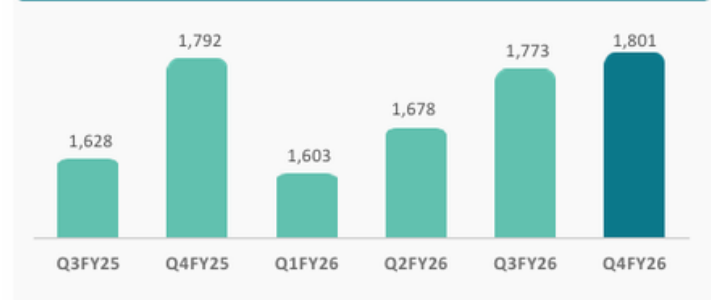
Highlights

Quarterly Performance – Q4FY26

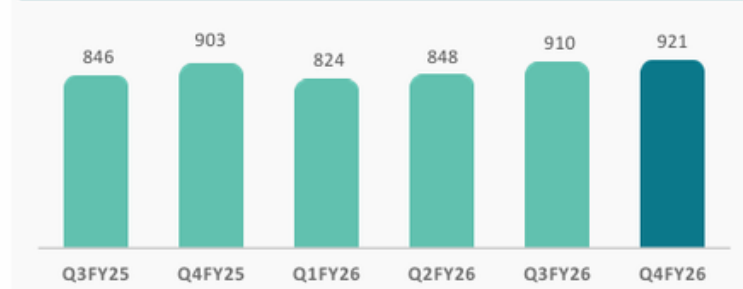
Revenue (Rs Crore)



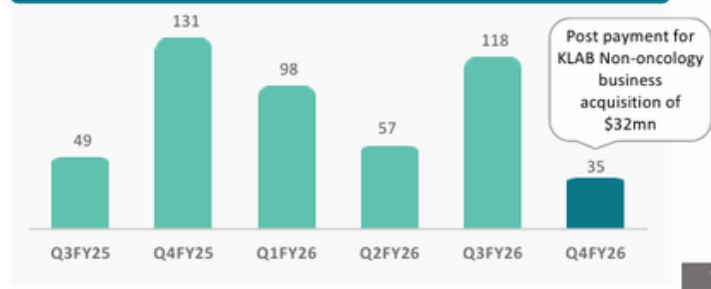
EBITDA (Rs Crore)



PAT (Rs Crore)



Cash flows before dividend and buyback (\$ Mn)



Peer Comparison

Peer Stock Performance (5Y) Indexed



Source: Trading View

Peer Financial Performance

Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
Name	1121.25	20.76	112824	0.09	1341	21.92	7587	16.22	21.15
Dr Reddy's Labs	1303.6	25.97	108808.4	0.61	221.3	-86.14	7546.4	-11.51	13.64
Lupin	2368	18.79	108272.7	0.51	1468.67	101.49	7474.66	31.89	30.32
Aurobindo Pharma	1520	24.87	88281.81	0.27	920.84	1.97	8853.34	5.62	12.8

Source: Screener

Final Outlook

AUROPHARMA : HOLD | LTP: 1,527.50

Summary:

Aurobindo Pharma has delivered strong financial performance with record revenue and EBITDA in FY26. The company continues to benefit from its leadership position in the global generics market, particularly in the United States and Europe. Strong product diversification, improving margins, and consistent earnings growth have strengthened its financial position. The company is also investing heavily in R&D, manufacturing expansion, and specialty products, which can support future growth. While regulatory risks and pricing pressure remain common challenges in the pharmaceutical industry, Aurobindo's scale, product portfolio, and global presence position it well for long-term growth.

Recent Performance (FY26 – Easy View)

- FY26 Revenue reached a record ₹33,653 Cr.
- EBITDA stood at ₹6,856 Cr, the highest in the company's history.
- Q4 FY26 Revenue: ₹8,853 Cr (+5.6% YoY).
- Q4 FY26 PAT: ₹921 Cr (+2% YoY).
- Gross margins improved to 61.3% in Q4.
- Management expects EBITDA margins to improve further and move above 21% in FY27.

Simple Understanding

- Revenue has grown consistently over the last three years.
- Profitability has recovered strongly after FY23.
- Operating margins remain healthy around 20–21%.
- EPS has improved significantly, reflecting stronger earnings.
- The company continues to invest in growth while maintaining financial stability.

Aurobindo Pharma is a financially strong pharmaceutical company with improving profitability, healthy margins, and a dominant position in the global generics market. The company's record FY26 performance, strong cash generation, expanding product portfolio, and positive FY27 margin outlook provide confidence in its future growth prospects.

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