

**BUY****TP: Rs 1,530 | ▲ 20%****EMCURE PHARMA**

| Pharmaceuticals

| 01 October 2025

## Immune to US tariff woes

- Domestic business is expected to recover with increasing traction from Sanofi's portfolio, leading to growth higher than IPM
- Anticipate operating leverage to play out through a healthy product mix; EBITDA margin to increase to 21.4% in FY28E from 18.6% in FY25
- EMCURE remains in high growth trajectory. Initiate with BUY, ascribe PE of 24x on Sep'27 to arrive at TP of Rs 1,530

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**Domestic business to grow above IPM:** Emcure's highest contributing domestic segment did not perform until 2025. From FY25, growth in the domestic region was driven by portfolio expansion and integration of Sanofi brands. Prior to acquiring Sanofi's portfolio, Gynecology was the highest contributing therapy, largely due to its flagship brand Orofer (11% of total sales), but post integration, Cardiovascular therapy climbed to the highest contributing therapy with 20.8%. We expect flagship and Sanofi's brands to continue performing well with better MR productivity, hence domestic sales should likely grow at a CAGR of 12% from FY26-28E.

**North America to be immune to US tariff woes:** As Emcure demerged its US entity Avet Lifesciences, it is present only in the Canada region. This makes Emcure immune to the US tariff uncertainty. To further strengthen its focus in the Canada market, the company has done acquisitions that gave it presence in the Pan Canada region. Going forward we expect Emcure's North America region to grow at a CAGR of 11% from FY26-28 driven by 1) participation in Semaglutide through synthetic route, 2) increasing market share in existing brands and 3) new launches.

**ROW market to maintain growth trajectory:** The ROW market growth is driven by both ARV and non-ARV sales across 70 countries. ARV sales will likely get strengthened with backward integration in the key ARV molecules and in-licensing of Lenacapavir. The non-ARV sales are expected to rise from biosimilars and complex generics. The company has also filed for Liposomal Amphotericin B in the key markets of RoW, which is expected to receive approval in FY26. Due to these factors, we expect the RoW region to grow at a CAGR of 12% from FY26-28E.

**Valuation:** We believe EMCURE is immune to US tariff headwinds as it has no presence in the US, followed by recovery in domestic business via Sanofi portfolio integration, steady growth in Canada & Europe regions, and a strong pipeline in complex modalities (ADC, Peptides). We initiate with a BUY rating on the stock and assign 24x PE on Sep'27 to arrive at TP of Rs1,530.

Ticker/Price	EMCURE IN/Rs 1,280
Market cap	US\$ 2.7bn
Free float	22%
3M ADV	US\$ 3.4mn
52wk high/low	Rs 1,533/Rs 889
Promoter/FPI/DII	78%/3%/3%

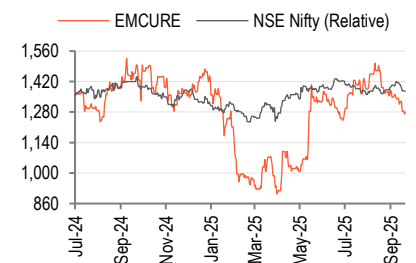
Source: NSE | Price as of 30 Sep 2025

### Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	78,960	88,943	99,444
EBITDA (Rs mn)	14,689	17,229	19,893
Adj. net profit (Rs mn)	6,917	9,043	10,747
Adj. EPS (Rs)	36.0	47.7	56.7
Consensus EPS (Rs)	36.9	50.3	60.5
Adj. ROAE (%)	18.7	20.7	24.9
Adj. P/E (x)	35.6	26.8	22.6
EV/EBITDA (x)	15.1	13.2	11.3
Adj. EPS growth (%)	30.8	32.7	18.8

Source: Company, Bloomberg, BOBCAPS Research

### Stock performance



Source: NSE

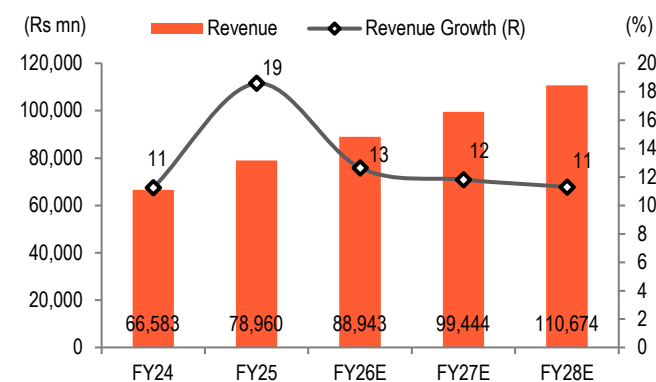


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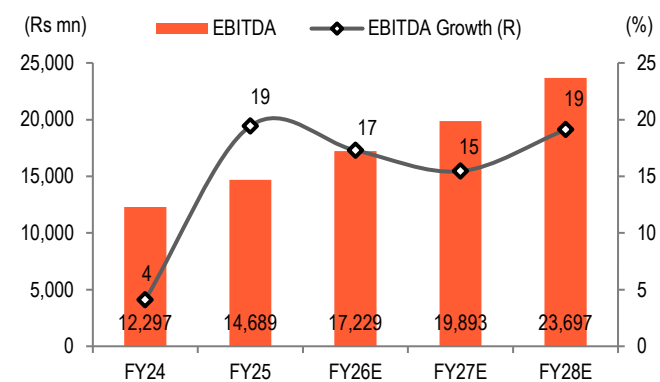
## Story in charts

**Fig 1 – Revenue growth to be driven by higher growth across geographies**



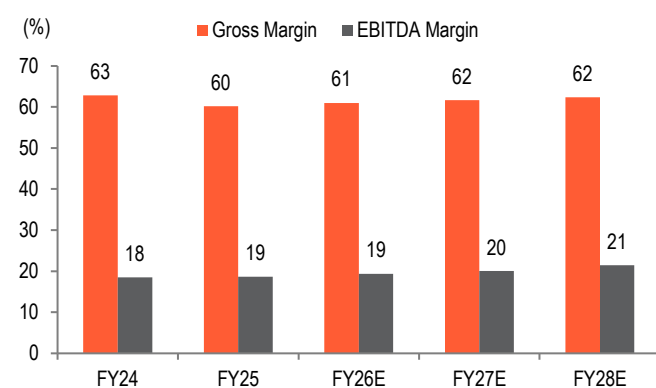
Source: Company, BOBCAPS Research

**Fig 2 – EBITDA growth to be driven by healthy product mix**



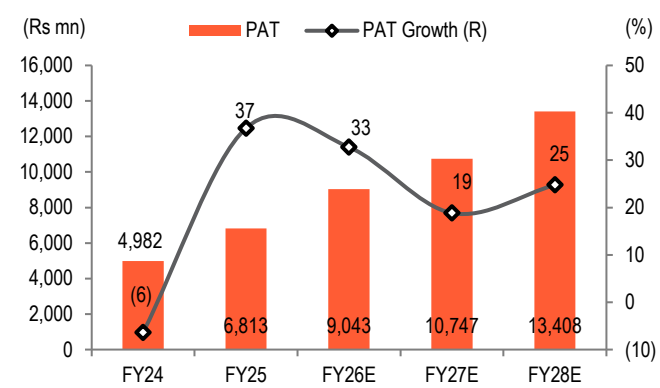
Source: Company, BOBCAPS Research

**Fig 3 – Margins expected to increase gradually**



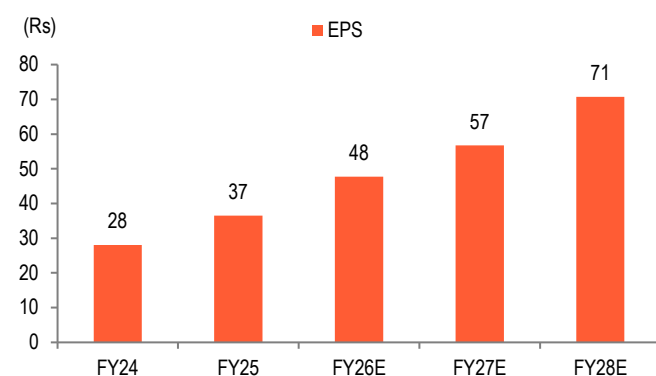
Source: Company, BOBCAPS Research

**Fig 4 – Healthy operations lead to better PAT**



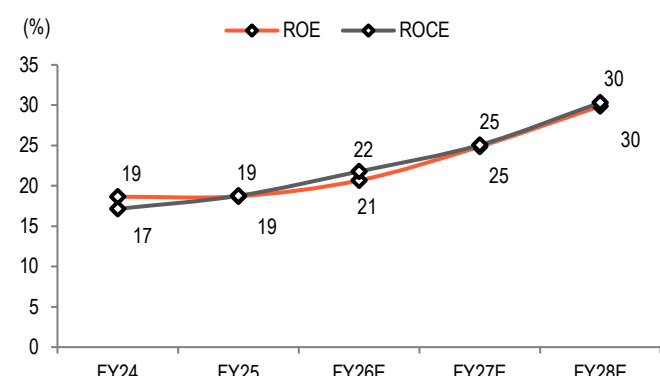
Source: Company, BOBCAPS Research

**Fig 5 – EPS expected to rise due to better operations**

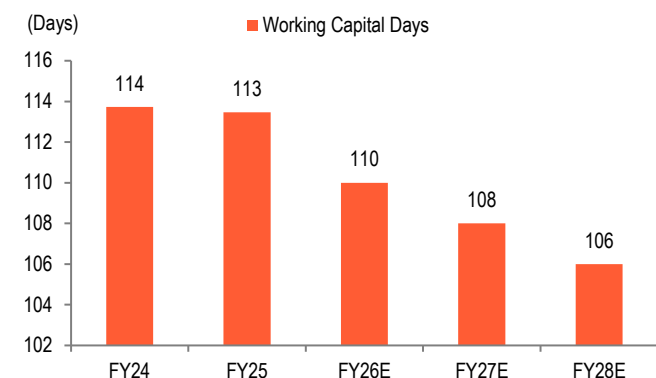


Source: Company, BOBCAPS Research

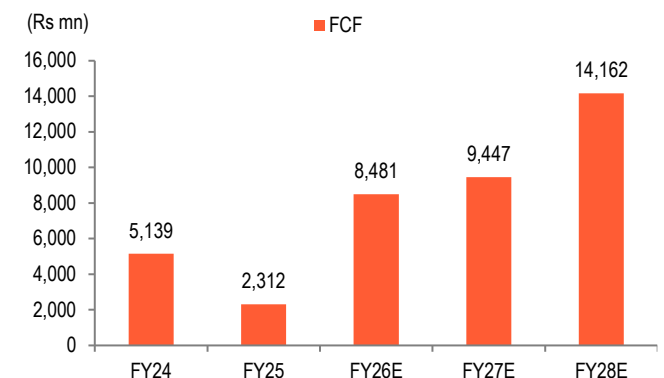
**Fig 6 – Return ratios expected to rise to all-time highs**



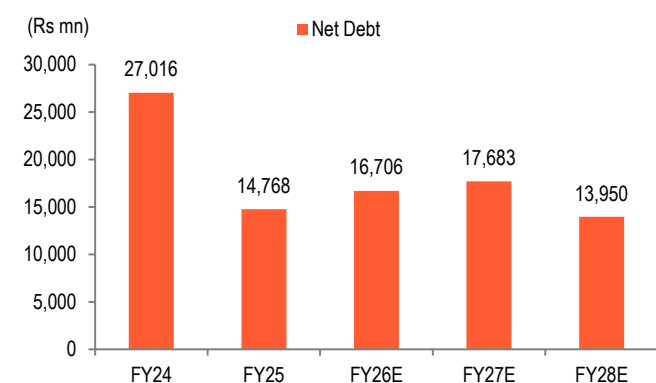
Source: Company, BOBCAPS Research

**Fig 7 – Working capital days expected to decline**

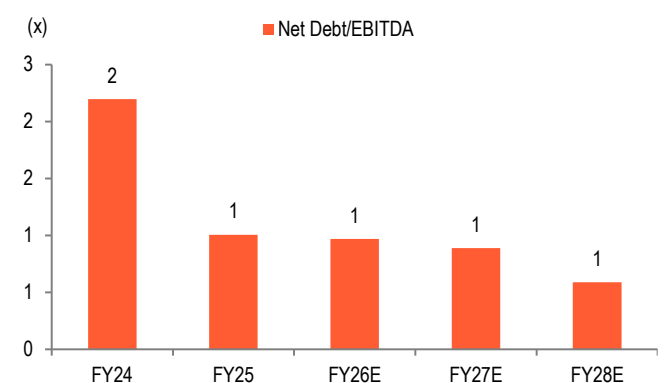
Source: Company, BOBCAPS Research

**Fig 8 – Healthy cash flow to result in healthy FCF**

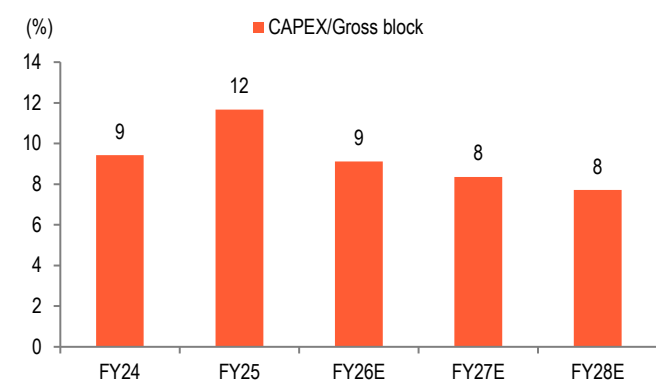
Source: Company, BOBCAPS Research

**Fig 9 – Net Debt expected to lower**

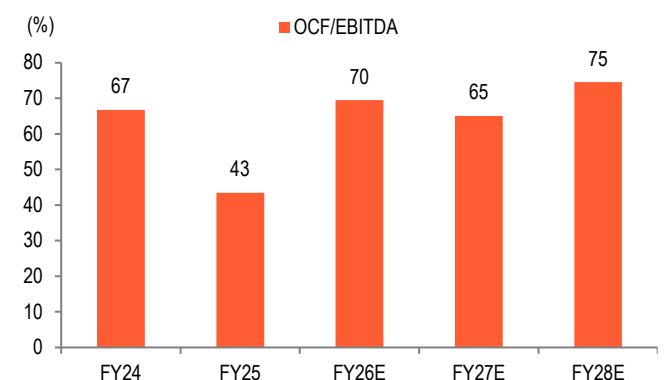
Source: Company, BOBCAPS Research

**Fig 10 – Net Debt/ EBITDA should likely hover around same rate**

Source: Company, BOBCAPS Research

**Fig 11 – Capex rate to moderate**

Source: Company, BOBCAPS Research

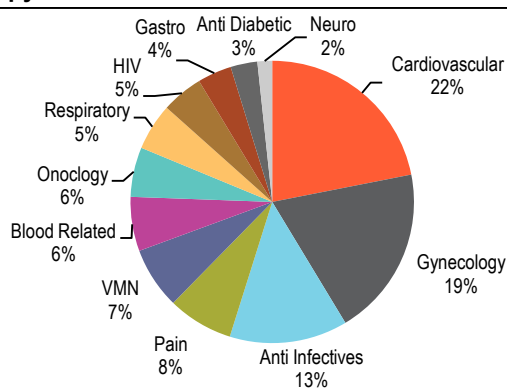
**Fig 12 – Company to have efficient use of cash flow**

Source: Company, BOBCAPS Research

## Investment Rationale

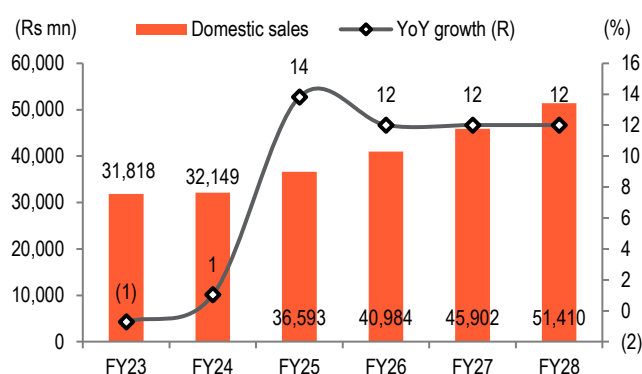
**Domestic business to continue growing above IPM:** Emcure's domestic business currently contributes 46% of sales and has grown at a CAGR of 7% from FY23-25. The growth was driven by ~4500 MRs and was largely driven by 4 therapies —Cardio (20.8% of domestic sales), Gynecology (18.5%), Anti-Infectives (12.8%), Pain/Analgesics (7.1%), Vitamins (6.7%), Blood Related (5.9%), Oncology (5.4%), Respiratory (5.1%), HIV Antivirals (4.5%), Gastro (3.7%) and Anti Diabetic (2.9%). Emcure has a strong leadership across multiple high-impact therapies, including Women's Health, Cardiovascular, VMN, HIV, Pain, Oncology, and CNS. Out of its top 20 brands, 19 are ranked amongst the top 3 in their respective therapies. It has some leading brands like Orofer xt, Zostum, Bevon, Tenectase and Metpure xl. Many of these brands, such as Orofer XT and Pause (Gynecology), Proxym (pain), Tenectase (CNS), Vylda (diabetology), and Vitanova (VMN), reported strong double-digit growth in FY25.

**Fig 13 – Cardiovascular is the highest contributing therapy**



Source: Company, BOBCAPS Research

**Fig 14 – Domestic sales to rise, driven by organic and inorganic growth**



Source: Company, BOBCAPS Research

**Fig 15 – Brand-wise sales as on FY24**

Brands	Therapeutic Areas	MAT FY24	MAT Rank	MAT FY24 (%)
Orofer XT	Gynecology	3688.34	1	50.89
Bevon	VMN	2211.26	3	10.08
Zostum	Anti-Infectives	1934.46	1	33.87
Maxtra	Respiratory	1397.47	1	34.17
Orofer FCM	Gynecology	1310.47	1	29.54
Orofer - S	Cardiovascular	1273.78	1	42.17
Metpure XL	Cardiovascular	974.58	1	83.37
Feronia XT	Gynecology	940.12	2	14.09
Spegra	HIV Antivirals	927.54	1	100
Orofer XT Plus	Gynecology	901.76	1	59.81
Exhep	Cardiovascular	825.1	4	10.74
Eslo	Cardiovascular	741.64	1	43.04
Viropil	HIV Antivirals	678.23	1	93.15
Elaxim	Cardiovascular	677.76	1	49.96
Augpen	Anti Infectives	661.49	10	1.98
Dydrofem	Gynecology	632.35	4	6.76
Maxtra P	Respiratory	615.21	5	9.41
Lomit	Gastrointestinal	587.89	2	34.34
Pause	Blood Related	585.13	2	26.45
Encicarb	Gynecology	579.74	2	13.07

Source: Company RHP

## Key domestic therapies in covered market

**Cardiovascular:** This therapy contributes the most to Emcure's portfolio at 20.8% of domestic sales. In Mar'24, Emcure ranked 4<sup>th</sup> in the covered market, driven by key brands like Metpure, Eslo, Elaxim, Lomoh and Asomex. New launches in the cardiovascular therapeutic area include Rivaroxaban, an anticoagulant medication used to treat and prevent blood clots, Efnocar, a calcium channel blocker used to manage hypertension, and Exduo, a combination medicine used to treat heart failure. In Mar'24, Emcure also acquired distribution and promotional rights for Sanofi's cardiovascular products in India. It acquired brands like Cardace, Clexane, Targocid, Lasix and Lasilactone. Sanofi will continue to own, import and manufacture these brands across its plants in India as well as internationally. Emcure will leverage its strengths to engage healthcare professionals and expand the reach of these products for patients across India.

**Women's Health:** This therapy contributes 19% of domestic sales as on FY25 covering the entire female health lifecycle. Emcure has deepened its presence with new launches addressing critical, but underpenetrated segments such as menopause and PCOS through brands like iCare, UnMet. Despite women representing nearly half of India's population, access to care for conditions like anemia, PCOS, and menopause remains limited. Emcure is well positioned to lead this transformation by anchored brands like Orofer XT, the flagship brand in anemia management, which delivered robust double-digit growth in FY25. This performance was supported by sustained awareness efforts, including anemia screening camps, educational initiatives leading to higher prescriber base. However, rising awareness, urbanization, and supportive policy tailwinds are driving strong market expansion resulting in Indian women's health therapeutics market expected to grow at a CAGR of ~15% in the coming years as per the company.

**Fig 16 – Women's health portfolio**

Brand Name	Indication
Orofer xt / Ferium xt/ Feronia XT	Iron Deficiency / Anemia Management
Metpure xl, Numlo Asomex Temsan Eslo	Hypertension Management
Pause Sylate	Menstrual Disorder Management
Galact	Breastfeeding
Materna HCG, Materna HMG, Emprogest Exhep	Infertility Management
Dydrofem, Em Dydro	Pregnancy Support
Celol, Denmab, Osteri, Coralium	Post Menopausal Osteoporosis
Unmet	PCOS
Icare	Pre/Post Menopause

Source: Company RHP

**Derma Therapy** – In FY2025, Emcure entered this sector with the launch of Emcutix Biopharmaceuticals, a wholly owned subsidiary to consolidate its dermatology operations under a dedicated, innovation-driven platform. Within Derma therapy, emphasis has been placed on skin barriers like pigmentation, sun protection, acne, and aging which continue to see rising consumer and prescriber interest. Focus is on delivering upgraded formulations, first-to-market solutions, and superior consumer experience via both in-house R&D and global collaborations. Emcure recently upgraded

legacy brand AquaOat and also expanded the range of Emollients and Protectives through an enhanced formulation of a Canadian partnered urea-based moisturizers. Emcure has recently entered the fast-growing anti-acne segment with the launch of innovative range of products under the brand Flawlizo.

**Fig 17 – Existing and Pipeline of Derma products**

Market Segment	Existing Brands	New Launches in Pipeline
Emollients & Protectives	AquaOat	Urea Derma, Antipol
Anti Fungal	Ceastra Emluz	
Demelanizing Agents Sunscreen	SolGlo	Solglo
Anti - Acne		Flawlizo
Anti Wrinkles (Aesthetics)		PEX PLUS
Corticosteroids	Emcor	
Immuno modulators	Iminoral Emtofa	

Source: Company RHP

**Oncology** - This therapy contributes 6% of the domestic sales as on FY25. The company has commercialized multiple oncology products, such as Eribulin, which requires a 45 step synthesis process. The company is also the first to launch Treosulfan under the brand name Emtreo, a chemotherapy drug used to treat ovarian cancer, in India as per CRISIL Report. The oncology portfolio comprises key injectable molecules such as Filgrastim, Peg-Filgrastim, Pegaspargase, Oxaliplatin. Their key brands in the oncology/anti-neoplastics therapeutic area include Oxa, Citafine, Xgrast, Hamsyl and Emgrast. They filed for approval of recombinant Asparaginase, the first recombinant version of the molecule in India, representing a significant innovation in cancer care.

**Fig 18 – Oncology pipeline in short and medium term**

Therapy	Product
Oncology	r-Asparaginase
Oncology	Oncology Biosimilar - I
Oncology	ADC

Source: Company Annual Report

**Fig 19 – Emcure is present in low competition segment**

Molecules	Therapeutic Area	Number of peers in India	MAT FY24	MAT FY24 Rank	MAT FY24 Market share (%)
Ferric Carboxymaltose	Gynecology	6	2597.7	1	58.56
S-Amlodipine	Cardiovascular	2	1513.5	1	87.84
Tenecteplase	Cardiovascular	1	1165.2	1	85.90
S-Metoprolol	Cardiovascular	1	1077.3	1	92.16
Ibutilide	Cardiovascular	1	2.7	1	100
Treosulfan	Anti-neoplastics	1	0.7	1	100
Ferrous Ascorbate	Gynecology	1	1.9	1	100

Source: Company RHP

**Fig 20 – Brand size data**

Particulars	MAT FY24	MAT FY20	Growth between MAT FY20 and FY24 (%)
Number of domestic brands with sales over Rs 1bn	10	7	43
Number of domestic brands with sales Rs 0.5 - 1bn	16	6	167
Number of domestic brands with sales Rs 0.2 - 0.5bn	37	27	37

Source: Company RHP

**Fig 21 – Therapy-wise exposure in covered market**

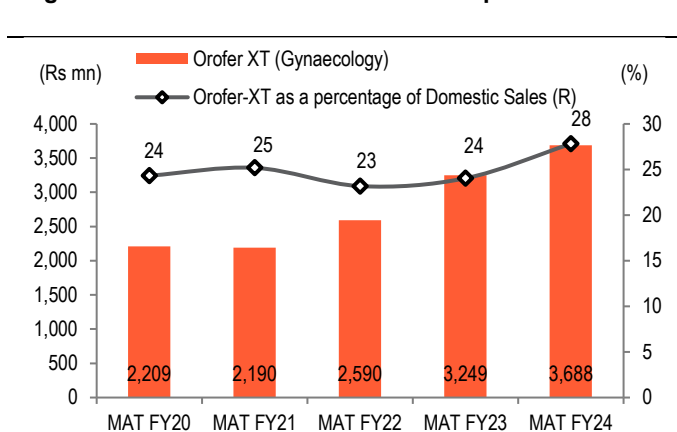
Therapy	MAT FY24 sales	% of domestic sales	Market rank in covered markets	Market Share in Covered Markets (%)	Share of Covered Markets in IPM (%)
Gynecology	13274	24.1	1	26.6	50.9
Cardiovascular	8653	15.7	4	5.9	56.8
Anti-infectives	6047	11.0	9	3.4	74.0
Vitamins, minerals and nutrients	4841	8.8	5	5.4	51.9
HIV antivirals	3772	6.9	1	63.5	98.9
Respiratory	3501	6.4	6	5.0	43.6
Gastrointestinal	3498	6.4	13	2.6	57.2
Pain and analgesics	3020	5.5	11	3.4	63.9
Blood-related	2114	3.8	1	13.8	58.4
Oncology/Anti-neoplastics	2457	4.5	3	10.2	53.8
Anti-diabetic	1421	2.6	21	1.3	61.6
Hormones	976	1.8	3	12.1	24.1
Neurology/CNS	697	1.3	16	1.2	46.7
Others	825	1.5	0	1.3	0.0
<b>Total</b>	<b>55097</b>	<b>100.0</b>	<b>4</b>	<b>5.3</b>	<b>52.7</b>

Source: Company RHP

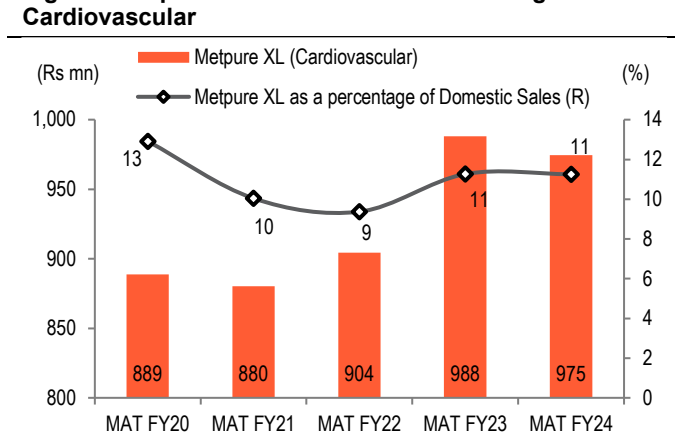
**Fig 22 – 4Y CAGR sales**

Brands	FY20	FY21	FY22	FY23	FY24	CAGR from FY20-24
<b>Orofer -xt</b>						
Domestic sales	2209	2190	2590	3249	3688	14
Market share in molecule (%)	42.09	41.96	45.23	47.14	50.89	
<b>Tenectase</b>						
Domestic sales	140	155	272	443	487	37
Market share in molecule (%)	17.76	17.26	21.10	29.81	35.94	
<b>Maxtra</b>						
Domestic sales	1505	1179	1865	2427	2164	10
Market share in molecule (%)	13.71	12.19	13.87	16.83	15.33	
<b>Bevon</b>						
Domestic sales	1501	2090	2197	2435	2372	12
Market share in molecule (%)	9.75	11.23	9.73	10.97	10.74	

Source: Company RHP

**Fig 23 – Orofer sales continue to scale up**

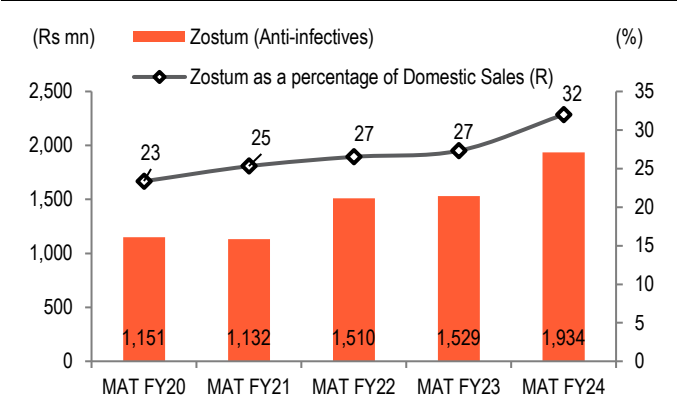
Source: Company RHP

**Fig 24 – Metpure XL sales increase with rising focus on Cardiovascular**

Source: Company RHP

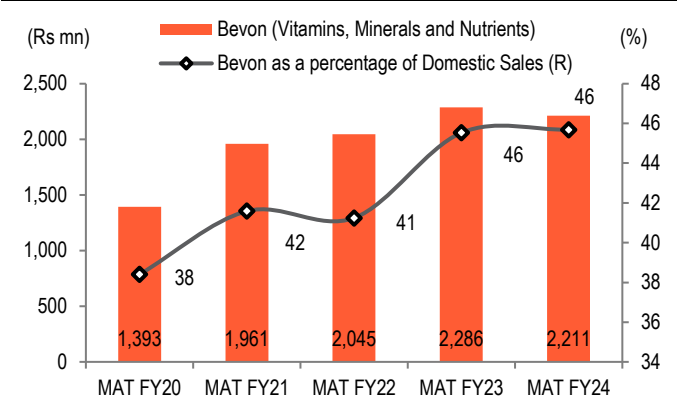


**Fig 25 – Top Zostun sales contribution increasing**



Source: Company RHP

**Fig 26 – Bevon sales ramp up on higher base**

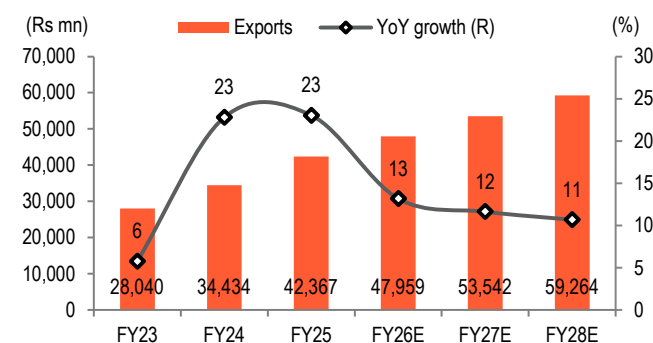


Source: Company RHP

## International Markets

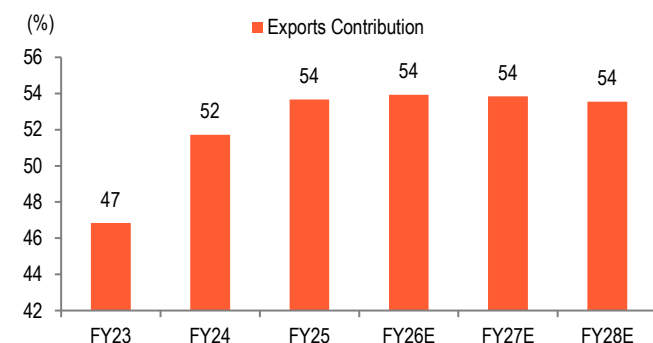
Emcure's exports contributes 54% of total sales as on FY25, driven from across 70 countries where key regions are North America, Canada and ROW market. In international markets, the company sells complex generics, injectables and biosimilars. The company has strengthened presence in international markets, both organically and inorganically. Emcure has undergone acquisition in Europe and Canada, while in ROW market, the growth is driven organically through the ARV and non-ARV portfolios. In the UK, Emcure acquired Tillomed Laboratories Limited, which significantly enhanced its commercial presence by getting access to 100+ product dossiers; more than half of which are yet to be commercialised in retail and hospital segments. In Canada, Emcure acquired Marcan Pharma that in-turn acquired Mantra Pharma.

**Fig 27 – Export sales expected to rise, driven by organic and inorganic growth**



Source: Company, BOBCAPS Research

**Fig 28 – Export sales contribution expected to remain steady**



Source: Company, BOBCAPS Research

Going forward, we expect growth from international markets at 11% CAGR, driven from 1) full-year impact from new product launches like Liposomal Amphotericin B and RTU products in Canada and EU 2) peptide drugs such as Atosiban and Avidadil 3) focusing on newer modalities like the ADC 4) targeting niche/differentiated products like r-Asparaginase for Oncology and Bevacizumab for Ophthalmology.

**Fig 29 – List of acquisitions in international market**

Date	Country	Acquiree	Acquired	Amount	Remarks
Apr'2014	UK	Emcure	Tillomed Laboratories	USD 14.6 mn	Aided product portfolio from 2 to more than 150 products.
Jan'2016	Canada	Emcure	Marcan Pharma	USD 40mn	Helped strengthen generics business and diversified into specialty products in Canada.
Apr'25	UK	Tillomed Laboratories	Manx Healthcare	USD 24.7 mn	Provides access to 100+ product dossiers, more than half of which are yet to be commercialised.

Source: Company, BOBCAPS Research

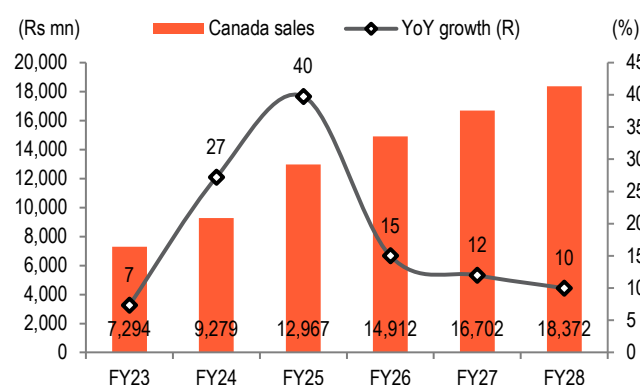
## North America region to be immune to US tariff woes

The North America region grew at 33% CAGR from FY23-25. The growth was driven by a range of differentiated products through own front-end distribution capabilities across retail, hospitals, and over-the-counter segments in Canada. Emcure filed 181 products as on FY25, out of which, 116 products were launched while ~50 are awaiting approval. In FY24, the Canadian subsidiary Marcan (acquired in 2015) acquired Mantra Pharma. In FY25, the latter was successfully integrated and expanded footprint in Quebec, enabling a pan Canada front-end presence. This resulted in 40% YoY growth in the North America region in FY25 to Rs12.9 bn.

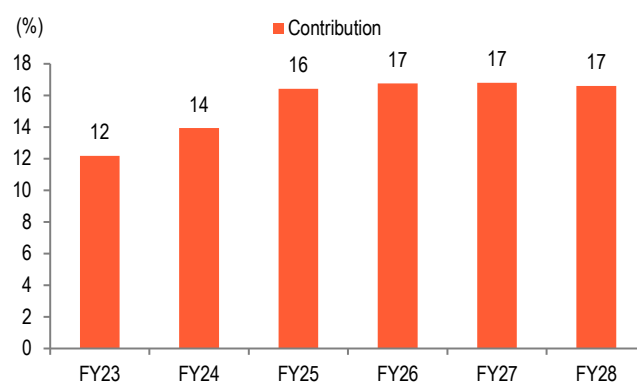
**Fig 30 – Marcan Pharma timeline of events**

Year	Event
2005	Founded IPG- Product development arm
2008	Launched 1st Rx product for licensing
2009	Launched 1st first-to-market generic.
2011	Established Marcan Pharmaceuticals Inc. the sales, marketing and distribution arm of the company
2015	Marcan/IPG acquired by Emcure Pharmaceuticals
2017	Launched first alternative dosage product in the form of an injectable.
2018	Continued development of hospital focused portfolio.
2023	Marcan acquired Mantra Pharma

Source: Company, BOBCAPS Research

**Fig 31 – Canada sales likely to rise with new product launches...**

Source: Company, BOBCAPS Research

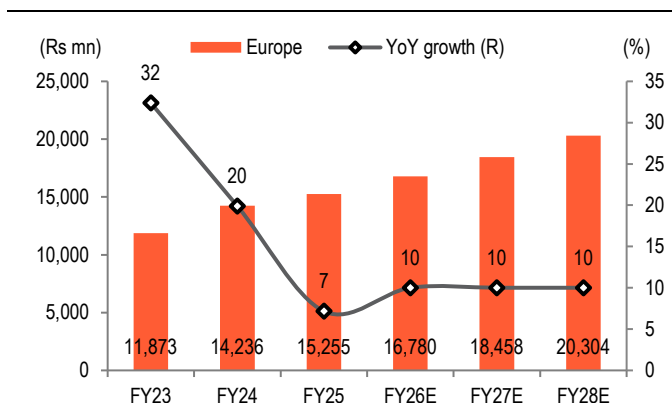
**Fig 32 – ... contribution to total sales expected to rise**

Source: Company, BOBCAPS Research

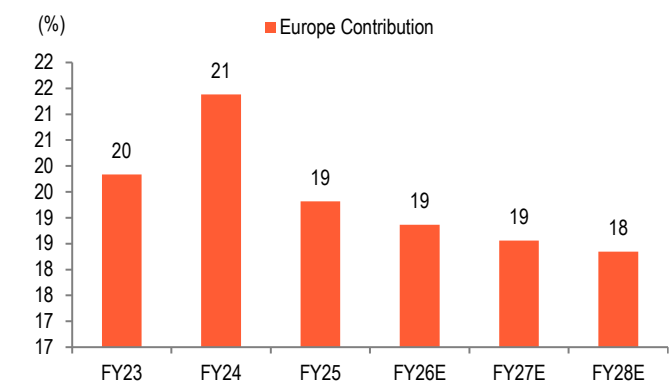
Emcure's Canada pipeline remains robust, led by injectables, complex generics, and OTC products. In addition to driving growth through new product launches, the company is also focused on gaining market share in its existing portfolio by leveraging the combined strength of its product basket and salesforce network. In FY25, the company also launched complex injectables like Liposomal Amphotericin B and RTU products in Canada and is developing peptide to tap the obesity market of Canada. We expect scaling up of complex injectables to result in the North America region growing at 11% CAGR from FY26-28.

### Europe Region: Growth to be driven by scaling up of complex products

The Europe segment grew at 13% CAGR from FY23-25, driven by front-end presence in the regions of UK and Italy. The company largely sells complex generics and injectables that are developed in-house. In most European countries, Emcure is primarily focused on the hospital segment. As of March 2025, Emcure filed 187 products for regulatory approval, of which 100 have been launched. Europe contributes 19% of total sales, out of which sales from iron, chiral, biotherapeutics, injectables and photo-chemistry products contributed to 35.35% of total Europe sales.

**Fig 33 – Europe sales growth to stay in double digits**

Source: Company, BOBCAPS Research

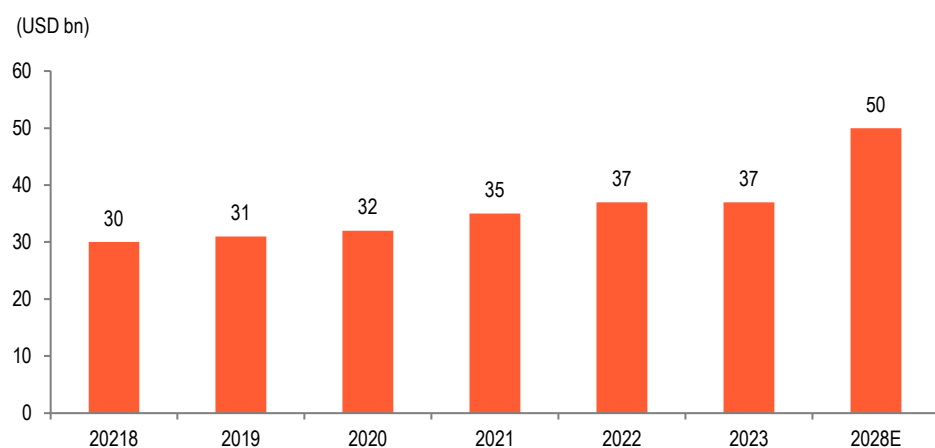
**Fig 34 – Europe sales contribution to hover around the same range**

Source: Company, BOBCAPS Research

Emcure has received some sole approvals in the high value segment in EU for products like Liposomal Amphotericin B in both the UK and EU. The key growth driver for the European market is its underpenetrated generic markets, such as Belgium (16.4%), the UK (29.0%), France (18.5%) and Germany (21.8%), which indicate tremendous untapped potential for growth of generic medicines. Going forward, we expect this region to grow at a CAGR of 10% from FY26-28 driven by 1) half commercial launches from access to 100 product dossiers from Manx healthcare, 2) increasing inhouse development of complex generics products and 3) deeper penetration into the European region.

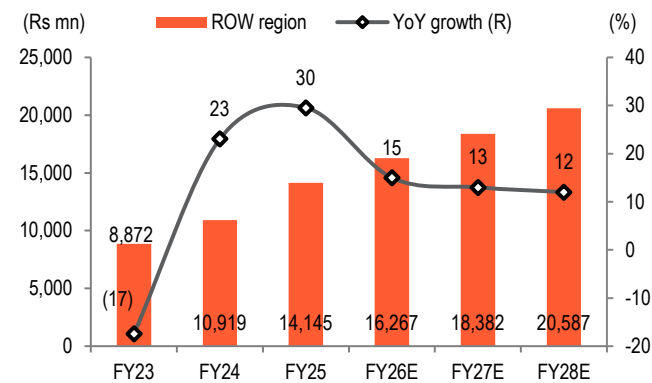
### ROW region to sustain its growth momentum

The ROW market grew at 26% CAGR from FY23-25, largely driven by diversified presence across 70 countries through strong traction in both ARV and non-ARV segment. In ROW region, 50% of sales is driven from the ARV segment. In the latter, the company is backward integrated in key ARV molecules, which gives them cost advantage to hold steady in a price-sensitive high-volume market. The growth in the ARV segment would be strengthened further by in-licensing Lenacapavir – expected to become the generation medicine to treat HIV/AIDS across countries.

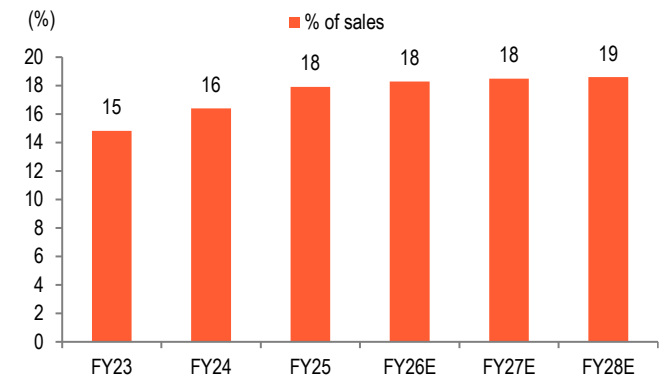
**Fig 35 – Global ARV industry expected to increase amidst funding issues**

Source: Company, BOBCAPS Research

Non-ARV segment: In the non-ARV segment, the company is present in the Complex Generics and Biosimilars in therapies like Oncology, Women's health, Cardiometabolic. In Biosimilars, the company witnessed strong traction in Tenecteplase and Pegaspargase. The company has filed for Liposomal Amphotericin B; which is a very complex product and has received approvals in major countries. The company expects this product to be meaningful, hence established large capacities in two facilities. Overall, we expect the ROW segment to grow at 12% CAGR from FY26-28E.

**Fig 36 – ROW sales growth to be driven by new launches**


Source: Company, BOBCAPS Research

**Fig 37 – ROW sales contribution to increase steadily**


Source: Company, BOBCAPS Research

## Manufacturing Facilities

Emcure operates **13 state-of-the-art manufacturing facilities** strategically located across India. All the facilities are compliant with stringent international quality standards, and have been successfully audited by leading regulatory agencies, including the USFDA, EU-GMP, ANVISA, TGA, UK-MHRA, Health Canada, and WHO-GMP. Facilities can produce pharmaceutical and biopharmaceutical products across a wide range of dosage forms, including oral solids, oral liquids, injectables, including liposomal and lyophilised injectables, biotherapeutics and complex APIs, including chiral molecules, iron molecules and cytotoxic products. Further, the company's ability to manufacture own APIs and formulations has created room to attain a significant degree of vertical integration, allowing to source products in a cost-effective manner, ensure quality and security of availability of an essential raw material and protect their intellectual property.

**Fig 38 – Manufacturing capacity update**

Manufacturing Facility	Location	Capacity (mn)	Units	Capacity Utilization (%)
Oral Solid Doses, Hinjawadi	Pune	2,128.05	Tablets/capsules	73.0
Biotech Formulations Hinjawadi	Pune	7.92	Vials	0.0
Injectables, Sanand	Ahmedabad	46.09	Vials	76.9
Oncology Injectables, Sanand	Ahmedabad	10.45	Vials	4.5
Orals, Kadu	Surendranagar	507.91	Tablets/capsules	10.8
Orals, Mehsana	Mehsana	547.80	Tablets/capsules	25.5
Orals, Jammu - 1	Jammu	1,415.04	Tablets/capsules	57.5
API, Kurkumbh	Pune	264.38	Tonnes	36.8
API, Pimpri	Pune	13.51	Tonnes	3.5
Orals, Jammu - 2	Jammu	153.85	Tablets/capsules	17.9
Orals, Sikkim	East Sikkim	804.17	Tablets/capsules	42.5
Orals, Bengaluru	Bengaluru Rural	42.34	Bottles	74.0
Biotech, Hinjawadi	Pune	6.34	Vials	77.9

Source: Company Annual Report

## Management profile

**Fig 39 – Management profile**

Key Management Personnel	Designation	Qualification & Experience
Satish Ramanlal Mehta	MD & CEO	Associated with the company since incorporation in 1981 as one of its first directors, he holds MSc (Chemistry) from the University of Pune. He has also obtained a PG Diploma in Business Administration from IIM-Ahmedabad. He has significant experience in the pharmaceutical industry.
Tajuddin Sabir Shaikh	Chief Financial Officer	Associated with the company since 2003, he has been appointed as the Chief Financial Officer in 2021. He is a qualified Chartered Accountant from the ICAI and cost accountant from the Institute of Cost Accountants of India. He has completed senior management programme course from IIM-Ahmedabad. Prior to this, he worked with S.R. Batliboi & Associates.
Berjis Minoo Desai	Chairman & Non-Executive Director	He has been on the Board of the company since 1997. He holds a Bachelor's degree in Law from Government Law College (University of Bombay) and a Master's degree in Law from the University of Cambridge, UK. He has experience in private client practice, business laws, transactional and dispute resolution. He was previously associated as a managing partner with J. Sagar Associates, Advocates & Solicitors.
Sunil Rajanikant Mehta	Whole-time Director	He has been associated with the company since 1985 as Manager. He holds a BCom from B.M. College of Commerce (University of Pune) and holds a master's diploma in business administration from the Institute of Management Development and Research, Pune.
Namita Vikas Thapar	Whole-time Director	She has been associated with the company since 2006 and was previously the Chief Financial Officer. She is a qualified Chartered Accountant and holds a BCom from the University of Pune, and MBA from the Fuqua School of Business, Duke University, USA.
Samit Satish Mehta	Whole-time Director	He has been associated with the company since 2003, in various capacities such as the Manager – Business Development and President - operations of the company and has been the Whole-time Director since 2022. He holds BCom from B. M. College of Commerce (University of Pune) and MBA from the Wharton School, University of Pennsylvania, Philadelphia.
Mukund Keshao Gurjar	Whole-time Director	Associated with the company since 2001 as Director, he holds BSc bachelor's degree in science, a master's degree in science and qualified as a Doctor of Philosophy in the faculty of science from Nagpur University. He is a Doctor of Philosophy from Queen Elizabeth College, University of London. Prior to this, he was working with the National Chemical Laboratory, Pune for 24 years. He has received a certificate of appreciation in recognition of 17 years of his valued services as an Editorial Advisory board member for Organic Process Research & Development, American Chemical Society.
Chetan Rajendra Sharma	Company Secretary & Compliance Officer	He has been associated with the company since December 2019 and has been appointed as Company Secretary in June 2023. He was appointed as Compliance Officer in December 2023. He is an associate of the Chartered Governance Institute, UK and BCom from Gujarat University and MCom in Business Policy and corporate governance from Indira Gandhi National Open University, New Delhi. Prior to this, he was associated with Cadila Pharmaceuticals Limited as Deputy Manager (CS), Varroc Engineering Limited as Senior Manager (legal and secretarial) and Zuventus, subsidiary of Emcure, as Company Secretary and Compliance Officer.

Source: Company Annual Report

## Peer Comparison

**Fig 40 – Peer analysis of domestic segment**

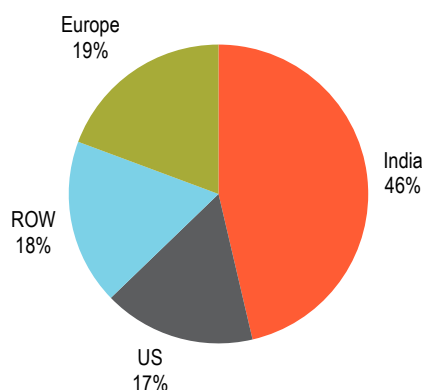
Companies	CMP (Rs)	Market cap (Rs mn)	Domestic Sales (Rs mn)	Domestic sales as of total sales (%)	FY25 Field Force	Productivity per MR (Rs mn)	Chronic (%)	EPS			PE			FY28		
								FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	ROCE	EV/EBITDA	PEG
Sun pharma	1,594	38,26,320	5,25,784	32	15,109	11.3	78	49.1	56.7	61.5	32.5	28.1	25.9	15.4	18.6	3.4
Cipla	1,503	12,14,666	2,75,476	42	11,512	10.1	62	64.7	63.6	69.3	23.2	23.6	21.7	17.4	14.3	2.9
Mankind	2,436	10,05,944	1,22,074	87	17,700	6.0	63	50.8	65.5	80.7	47.9	37.2	30.2	18.6	18.2	3.2
Alkem	5,425	6,51,000	1,29,645	69	12,500	7.2	15	198.0	168.8	194.4	27.4	32.1	27.9	22.9	16.7	2.9
Lupin	1,911	8,73,464	2,27,079	33	10,000	7.6	70	83.5	97.3	107.4	22.9	19.6	17.8	18.6	10.8	1.9
Torrent Pharma	3,603	12,17,882	1,15,161	56	6,400	10.0	76	72.7	86.5	101.1	49.6	41.7	35.6	30.8	21.1	2.6
Dr.Reddy's	1,224	10,21,790	3,26,439	16	7,400	7.3	66	63.9	63.8	75.0	19.2	19.2	16.3	17.5	10.6	2.1
Abbott	29,290	6,20,948	64,092	98	3,659	17.1	75	721.7	835.7	941.9	40.6	35.0	31.1	45.1	28.6	3.6
GSK	2,660	4,49,489	37,492	99	3,100	11.9	40	60.4	68.5	73.7	44.0	38.8	36.1	44.6	27.1	6.4
Emcure Pharma	1,293	2,45,670	78,960	46	4,100	8.9	65	46.8	58.6	69.8	27.6	22.1	18.5	29.9	10.8	1.6
Alembic	901	1,77,566	66,720	35	5,500	4.3	54	37.6	45.7	54.6	24.0	19.7	16.5	18.7	11.4	1.7
Eris	1,592	5,03,198	28,936	87	3,469	7.2	82	40.9	53.8	66.8	38.9	29.6	23.8	24.2	14.0	1.6
Ajanta Pharma	2,406	3,00,788	46,481	31	3,450	4.2	65	80.2	92.7	106.5	30.0	26.0	22.6	30.0	18.2	2.0

Source: Company, BOBCAPS Research



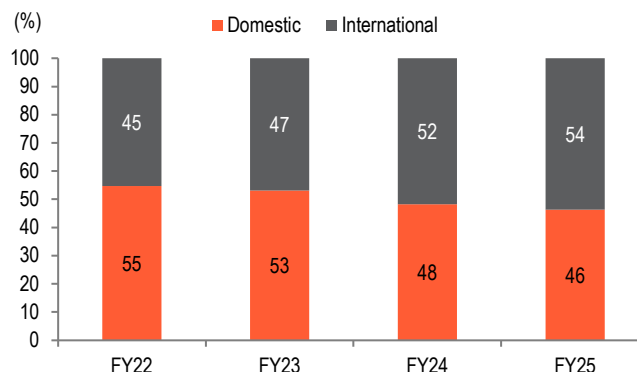
## About Company Charts

**Fig 41 – Geographical Mix**



Source: Company, BOBCAPS Research

**Fig 42 – Domestic vs International Mix**



Source: Company, BOBCAPS Research

## About the company

EMCURE is a diversified Indian pharmaceutical company with a strong domestic branded presence and a differentiated international portfolio. The company develops complex APIs and biotherapeutics including chiral molecules, iron-based products, and cytotoxins. It has built leading positions across multiple therapies including women's health, cardiovascular, VMN (vitamins, minerals & nutrients), HIV, pain management, oncology, and CNS. Its portfolio comprises more than 350 brands and a wide network of over 70 countries, with India, Europe, and Canada being its key markets.

India (46% of sales) is its largest market, where the company ranks as the 12th largest pharmaceutical player overall and the 4th largest within its covered market. Emcure is a leader in women's healthcare through its anemia franchise, with Orofer XT ranked as the 17th largest brand in the domestic market. The company ranks second in gynecology within the IPM, and 19 of its top 20 brands are among the top three in their respective therapeutic segments. Emcure has also acquired Sanofi's cardiac portfolio, which includes brands such as Cardace, Clexane, Targocid, Lasix, and Lasilactone, which has further improved its position in this segment.

The company focuses on complex generics, injectables, and biosimilars in the international markets (54% of sales). EMCURE entered Canada through the acquisition of Marcan Pharma in 2015 and further expanded its presence in FY24 by acquiring a second company in Quebec and has established itself among the top 10 generic companies in the country. To expand its presence in Europe, EMCURE acquired Tillomed in 2014 and scaled the business ~10x over the past decade. In emerging markets, Emcure uses its products from India, Europe, and Canada to grow, as these markets behave in a similar way and have good growth potential. Emcure continues to scale up its launches (e.g., Liposomal Amphotericin B in Europe, biosimilars such as Tenecteplase and Peg-Asparaginase) while investing in new platforms (ADCs, biosimilars, long acting injectables, peptides, NDDS) and expanding its consumer and derma foray through Emcutix and the Arth wellness line.

### Foray into consumer health and wellness

The company has entered the consumer health and wellness segment with the launch of Galact and Arth brands, which are OTC products in the women's healthcare segment. This is in line with its strategy to maintain leadership in the women's healthcare segment. As a science-driven pharmaceutical company with deep therapeutic expertise, the company sees this space as a natural extension of its core prescription strengths. The product gained strong traction generating sales of about Rs 424 mn (MAT FY24) reflecting the unmet need in the women's healthcare space. Arth is a range of supplements which addresses rising health concerns such as sleep quality, cognitive health, intimate care, and daily nutritional support.

## Valuation Methodology

Emcure has the highest sales derived from the domestic region, which is expected to outperform the IPM, driven by 1) making big brands becoming bigger like Orofer, Metpure given its growth in Rx 2) Integration of Sanofi's portfolio 3) new product launches. The company has also hired MRs and does not intend to hire aggressively, thereby aiding productivity. Going forward, the company anticipates becoming a strong player in the Cardio Diabetic space in the domestic segment. It has a strong presence in the North America region through the Canada market that shields it from the US tariff threat. The Canadian market is expected to grow both organically and inorganically, followed by a deepening of traction in the European region with the supply of Liposomal Amphotericin B across Europe; already started in the UK. The ROW market growth is expected to grow from both ARV and non-ARV sales and with the approval of Liposomal Amphotericin B.

We anticipate 12% sales CAGR from FY26-28, driven by 12% CAGR from the India segment, 11% CAGR from North America region, 12% CAGR from ROW region and 10% CAGR from Europe region. We expect healthy product mix to drive operating leverage, hence expect EBITDA to grow at 17% CAGR and earnings to grow at 22% CAGR from FY26-28.

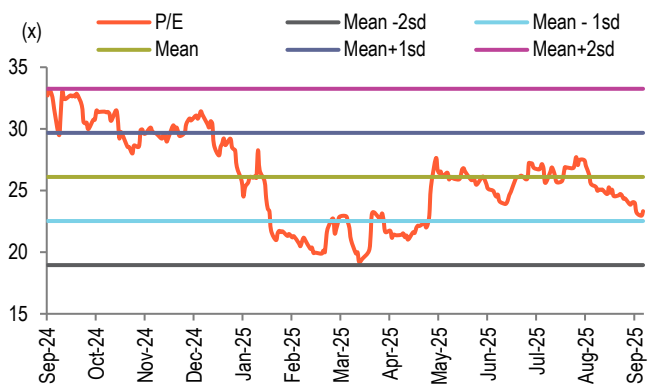
We believe EMCURE is immune to US tariff headwinds as it has no presence in the US, followed by recovery in domestic business via Sanofi portfolio integration, steady growth in Canada & Europe regions, and a strong pipeline in complex modalities (ADC, Peptides). We initiate with a BUY rating on the stock and assign 24x PE on Sep'27 to arrive at TP of Rs1,530.

## Key risks

- Key downside risks to our estimates:
- Slower-than-expected pickup in domestic region
- Delay in approval of key products
- Increasing competition in key brands

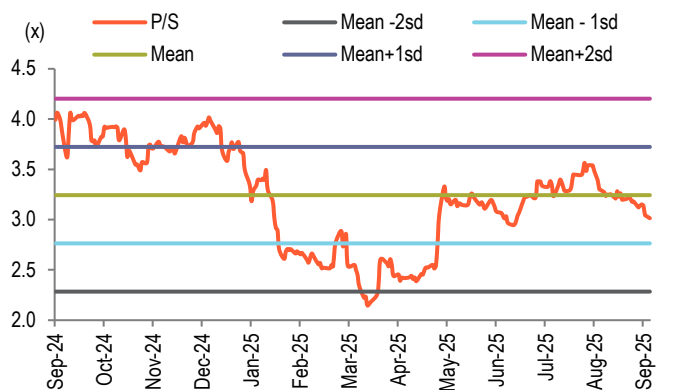
## Valuation Bands

**Fig 43 – P/E Band**



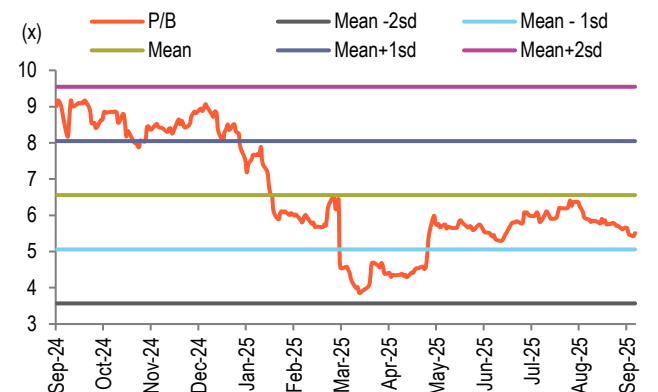
Source: , BOBCAPS Research, Company

**Fig 44 – P/S Band**



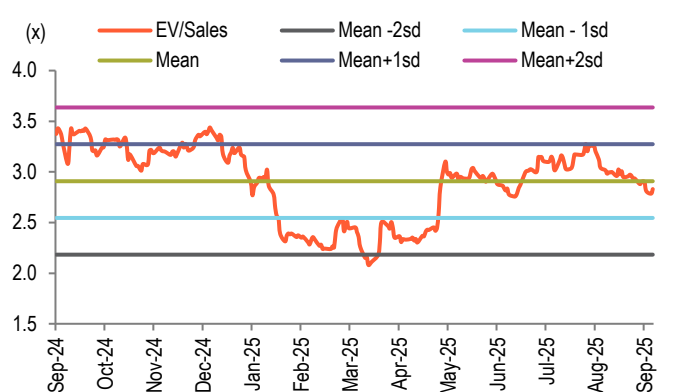
Source: , BOBCAPS Research, Company

**Fig 45 – P/B Band**



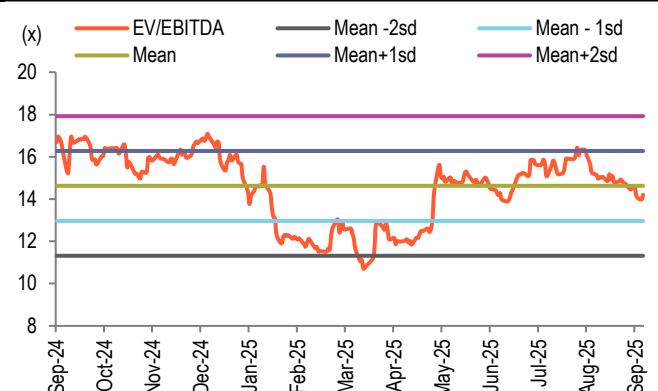
Source: Company, BOBCAPS Research

**Fig 46 – EV/Sales Band**



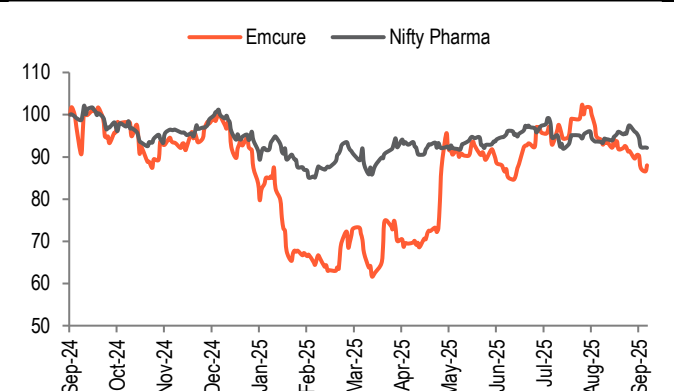
Source: Company, BOBCAPS Research

**Fig 47 – EV/EBITDA**



Source: Company, BOBCAPS Research

**Fig 48 – Relative chart**



Source: Company, BOBCAPS Research

## Financials

### Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
<b>Total revenue</b>	<b>66,583</b>	<b>78,960</b>	<b>88,943</b>	<b>99,444</b>	<b>110,674</b>
EBITDA	12,297	14,689	17,229	19,893	23,697
Depreciation	3,124	3,841	4,029	4,414	4,799
EBIT	9,173	10,847	13,201	15,479	18,899
Net interest inc./(exp.)	(2,371)	(1,758)	(1,293)	(1,296)	(1,195)
Other inc./(exp.)	570	728	527	528	564
Exceptional items	0	0	0	0	0
EBT	7,372	9,817	12,434	14,711	18,268
Income taxes	1,997	2,639	3,130	3,703	4,598
Extraordinary items	(99)	(104)	0	0	0
Min. int./Inc. from assoc.	294	261	261	261	261
<b>Reported net profit</b>	<b>4,982</b>	<b>6,813</b>	<b>9,043</b>	<b>10,747</b>	<b>13,408</b>
Adjustments	(99)	(104)	0	0	0
<b>Adjusted net profit</b>	<b>5,081</b>	<b>6,917</b>	<b>9,043</b>	<b>10,747</b>	<b>13,408</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	13,094	14,796	17,058	19,071	21,832
Other current liabilities	2,529	3,013	4,447	4,972	5,534
Provisions	1,882	1,682	1,894	2,118	2,357
Debt funds	29,340	16,421	18,063	18,966	15,173
Other liabilities	0	0	0	0	0
Equity capital	1,812	1,895	1,895	1,895	1,895
Reserves & surplus	29,406	44,521	43,240	43,668	46,762
Shareholders' fund	31,218	46,416	45,135	45,563	48,657
<b>Total liab. and equities</b>	<b>78,062</b>	<b>82,327</b>	<b>86,597</b>	<b>90,690</b>	<b>93,552</b>
Cash and cash eq.	2,324	1,653	1,357	1,283	1,223
Accounts receivables	18,588	20,022	22,175	24,520	27,289
Inventories	15,251	19,318	21,688	23,975	26,683
Other current assets	5,881	6,639	7,115	7,458	6,087
Investments	3,181	954	1,049	1,154	1,269
Net fixed assets	22,649	23,031	22,502	21,588	20,289
CWIP	1,323	1,241	1,241	1,241	1,241
Intangible assets	8,865	9,470	9,470	9,470	9,470
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
<b>Total assets</b>	<b>78,062</b>	<b>82,327</b>	<b>86,597</b>	<b>90,690</b>	<b>93,552</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
<b>Cash flow from operations</b>	<b>10,987</b>	<b>8,140</b>	<b>13,274</b>	<b>14,243</b>	<b>18,857</b>
Capital expenditures	(3,070)	(4,070)	(3,500)	(3,500)	(3,500)
Change in investments	(2,931)	2,227	(95)	(105)	(115)
Other investing cash flows	0	0	0	0	0
<b>Cash flow from investing</b>	<b>(6,001)</b>	<b>(1,843)</b>	<b>(3,595)</b>	<b>(3,605)</b>	<b>(3,615)</b>
Equities issued/Others	3	83	0	0	0
Debt raised/repaid	2,696	(12,919)	1,642	903	(3,793)
Interest expenses	(2,371)	(1,758)	(1,293)	(1,296)	(1,195)
Dividends paid	(9,963)	(10,422)	(10,422)	(10,422)	(10,422)
Other financing cash flows	(3,001)	16,031	0	0	0
<b>Cash flow from financing</b>	<b>(12,637)</b>	<b>(8,984)</b>	<b>(10,073)</b>	<b>(10,814)</b>	<b>(15,410)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>(7,651)</b>	<b>(2,687)</b>	<b>(394)</b>	<b>(177)</b>	<b>(168)</b>
<b>Closing cash &amp; cash eq.</b>	<b>(3,068)</b>	<b>(363)</b>	<b>1,259</b>	<b>1,180</b>	<b>1,115</b>

### Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	28.0	36.5	47.7	56.7	70.8
Adjusted EPS	27.5	36.0	47.7	56.7	70.8
Dividend per share	55.0	55.0	55.0	55.0	55.0
Book value per share	751.0	1,131.1	1,096.0	1,104.3	1,180.2

### Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	3.3	2.8	2.5	2.3	2.0
EV/EBITDA	17.7	15.1	13.2	11.3	9.6
Adjusted P/E	46.5	35.6	26.8	22.6	18.1
P/BV	1.7	1.1	1.2	1.2	1.1

### DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	68.9	70.5	72.7	73.1	73.4
Interest burden (PBT/EBIT)	80.4	90.5	94.2	95.0	96.7
EBIT margin (EBIT/Revenue)	13.8	13.7	14.8	15.6	17.1
Asset turnover (Rev./Avg TA)	29.3	32.0	35.3	38.9	43.1
Leverage (Avg TA/Avg Equity)	2.1	1.7	1.4	1.5	1.4
<b>Adjusted ROAE</b>	<b>18.6</b>	<b>18.7</b>	<b>20.7</b>	<b>24.9</b>	<b>29.9</b>

### Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
<b>YoY growth (%)</b>					
Revenue	11.2	18.6	12.6	11.8	11.3
EBITDA	4.1	19.4	17.3	15.5	19.1
Adjusted EPS	(6.5)	30.8	32.7	18.8	24.8
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	18.5	18.6	19.4	20.0	21.4
EBIT margin	13.8	13.7	14.8	15.6	17.1
Adjusted profit margin	7.6	8.8	10.2	10.8	12.1
Adjusted ROAE	18.6	18.7	20.7	24.9	29.9
ROCE	17.1	18.8	21.8	25.1	30.3
<b>Working capital days (days)</b>					
Receivables	102	93	91	90	90
Inventory	84	89	89	88	88
Payables	72	68	70	70	72
<b>Ratios (x)</b>					
Gross asset turnover	2.0	2.3	2.3	2.4	2.4
Current ratio	2.4	2.4	2.2	2.2	2.1
Net interest coverage ratio	3.9	6.2	10.2	11.9	15.8
<b>Adjusted debt/equity</b>	<b>0.9</b>	<b>0.3</b>	<b>0.4</b>	<b>0.4</b>	<b>0.3</b>

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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## Disclaimer

Name of the Research Entity: **BOB Capital Markets Limited**

Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**

SEBI Research Analyst Registration No: **INH0000000040 valid till 03 February 2025**

Brand Name: **BOBCAPS**

Trade Name: **www.barodaetrade.com**

CIN: **U65999MH1996GOI098009**

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Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

**Recommendation scale: Recommendations and Absolute returns (%) over 12 months**

**BUY** – Expected return >+15%

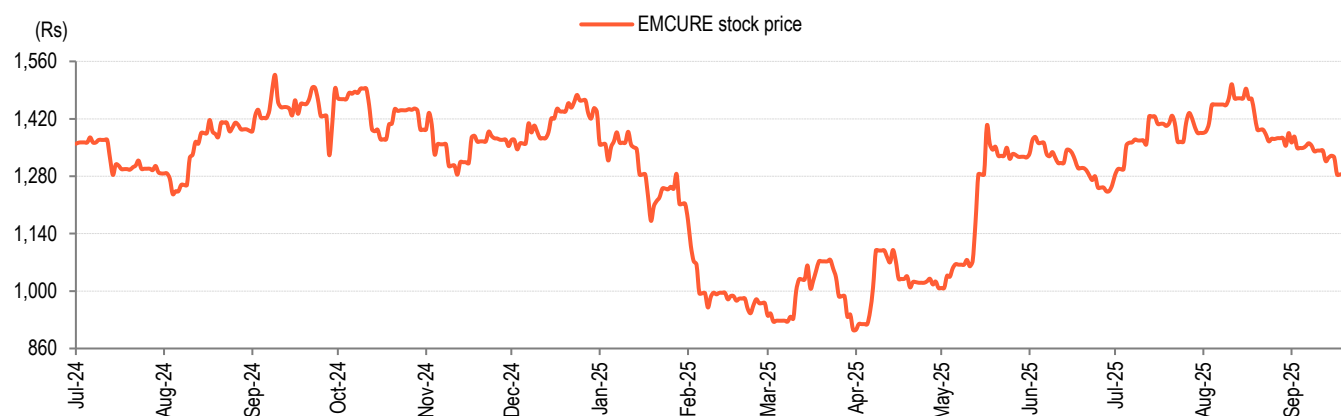
**HOLD** – Expected return from -6% to +15%

**SELL** – Expected return <-6%

**Note:** Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

## Ratings and Target Price (3-year history): EMCURE PHARMA (EMCURE IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

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