

Piramal Pharma | BUY

One more blockbuster win in CDMO

Piramal Pharma Solutions (PPS), the CDMO arm of Piramal Pharma, has announced a multi-million-dollar investment in partnership with NewAmsterdam Pharma to establish a dedicated Oral Solid Dosage (OSD) suite at its Sellersville, Pennsylvania facility. The new suite will support the commercial production of NewAmsterdam's fixed dose combination (FDC) of Obicetrapib and Ezetimibe, significantly enhancing Piramal's global OSD capabilities while reinforcing its integrated US-India network and long-term growth visibility. The products are currently in filing stage, with launch likely in FY27. Further, the tie-up is likely to improve the US business profitability as the products are expected to carry high margin. To accommodate the partnership, we have revised our FY27 and FY28 estimates upwards, with EBITDA in both the years being increased by 4% and 7%, respectively. We continue to value the company using SOTP methodology, valuing the segmental June'27 EBITDA at the same multiples, to arrive at an updated June'26 TP of INR 313.

- **About the products:** Obicetrapib is a novel, oral, low-dose CETP inhibitor being developed by NewAmsterdam Pharma to address the limitations of existing LDL-C lowering therapies. In multiple Phase 2 and 3 trials, it has shown significant reductions in LDL cholesterol with a placebo-like safety profile. When combined with Ezetimibe, a widely used cholesterol absorption inhibitor, the fixed dose combination (FDC) offers a potent, non-statin alternative for patients at risk of cardiovascular disease who are not adequately managed by current treatments. The product has market potential of USD 1-2bn.
- **Long standing partnership:** The partnership between the two entities goes beyond the new Sellersville OSD suite. Piramal's integrated global network has already supported Obicetrapib's development, with its Ahmedabad site playing a critical role in formulation work and the Pithampur site providing dual sourcing to ensure supply chain resilience. This reflects a long-standing, collaborative relationship where Piramal has acted not just as a manufacturer but as a strategic development partner, enabling NewAmsterdam to advance Obicetrapib efficiently toward commercialization.
- **Financial implication:** Piramal is likely to be the exclusive supplier as the partnership entails two facilities for the formulations. Further, the project will enhance the US business profitability as the margins are expected to be upwards of 30%. The contributions from the tie-up are expected to materialize from FY27 onwards and have USD 50-100mn annual top-line potential for the first three years. Thus, we expect an additional INR 2.6bn/5.1bn in revenue for FY27E/FY28E and an incremental INR 0.9bn/1.8bn EBITDA for the company over same horizon. This represents a revenue estimate revision of +2%/+4% and EBITDA estimate revision of +4%/+7% over FY27E/28E. Further, the FY27E/FY28E estimates of net profit has been revised by +8%/+12%. Thus, valuing the segments at the same multiple in SOTP methodology, we arrive at June'26 TP of INR 313.

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	81,712	91,512	96,390	1,23,262	1,39,792
Sales Growth (%)	15.4	12.0	5.3	27.9	13.4
EBITDA	11,963	14,448	13,928	23,605	27,399
EBITDA Margin (%)	14.6	15.8	14.5	19.2	19.6
Adjusted Net Profit	178	911	1,642	8,331	10,829
Diluted EPS (INR)	0.1	0.7	1.2	6.3	8.2
Diluted EPS Growth (%)	0.0	411.4	80.1	407.5	30.0
ROIC (%)	-1.5	0.3	1.7	8.2	9.9
ROE (%)	0.2	1.1	2.0	9.6	11.2
P/E (x)	1,391.2	272.0	151.0	29.8	22.9
P/B (x)	3.1	3.1	3.0	2.7	2.4
EV/EBITDA (x)	24.0	20.1	20.8	12.3	10.4
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 02/Sep/2025



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	313
Upside/(Downside)	67.6%
Previous Price Target	295
Change	6.1%

Key Data – PIRPHARM IN

Current Market Price	INR187
Market cap (bn)	INR248.2/US\$2.8
Free Float	64%
Shares in issue (mn)	1,325.7
Diluted share (mn)	1,325.7
3-mon avg daily val (mn)	INR924.8/US\$10.5
52-week range	308/180
Sensex/Nifty	80,158/24,580
INR/US\$	88.2

Price Performance

%	1M	6M	12M
Absolute	-2.1	-1.7	-4.2
Relative*	-1.5	-10.3	-1.4

* To the BSE Sensex

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Exhibit 1. Upwards revision of estimates

INR mn	FY27E				FY28E			
	Old	New	YoY growth	change %	Old	New	YoY growth	change %
Net sales	1,20,712	1,23,262	28%	2%	1,34,692	1,39,792	13%	4%
EBITDA	22,694	23,605	69%	4%	25,592	27,399	16%	7%
- margin	18.3%	19.2%	470 bps	85 bps	18.3%	19.6%	45 bps	130 bps
EPS	5.8	6.3	407%	8%	7.3	8.2	30%	12%

Source: JM Financial

Exhibit 2. SOTP valuation

Segment	June'27 EBITDA	Multiple	EV
CDMO	14,355	21	3,01,453
% margin	18%		
CHG	9,035	14	1,26,495
% margin	26%		
ICH	1,160	20	23,200
% margin	7%		
Abbvie JV (June'27 PAT)	814	7	5,699
Total EV			4,56,847
Net Debt			41,897
Total Market cap			4,14,950
New TP			313
CMP			187

Source: JM Financial

Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	81,712	91,512	96,390	1,23,262	1,39,792
Sales Growth	15.4%	12.0%	5.3%	27.9%	13.4%
Other Operating Income	0	0	0	0	0
Total Revenue	81,712	91,512	96,390	1,23,262	1,39,792
Cost of Goods Sold/Op. Exp	29,540	32,317	34,700	42,525	47,529
Personnel Cost	20,295	23,075	25,109	29,583	33,550
Other Expenses	19,914	21,672	22,652	27,549	31,313
EBITDA	11,963	14,448	13,928	23,605	27,399
EBITDA Margin	14.6%	15.8%	14.5%	19.2%	19.6%
EBITDA Growth	90.4%	20.8%	-3.6%	69.5%	16.1%
Depn. & Amort.	7,406	8,163	8,575	9,247	9,791
EBIT	4,557	6,285	5,353	14,357	17,608
Other Income	1,754	1,348	1,375	1,403	1,431
Finance Cost	4,485	4,216	4,226	4,181	4,136
PBT before Excep. & Forex	1,826	3,417	2,502	11,579	14,903
Excep. & Forex Inc./Loss(-)	-628	0	0	0	0
PBT	1,198	3,417	2,502	11,579	14,903
Taxes	1,615	3,235	1,627	4,053	4,918
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	595	729	766	804	844
Reported Net Profit	178	911	1,642	8,331	10,829
Adjusted Net Profit	178	911	1,642	8,331	10,829
Net Margin	0.2%	1.0%	1.7%	6.8%	7.7%
Diluted Share Cap. (mn)	1,325.7	1,325.7	1,325.7	1,325.7	1,325.7
Diluted EPS (INR)	0.1	0.7	1.2	6.3	8.2
Diluted EPS Growth	0.0%	411.4%	80.1%	407.5%	30.0%
Total Dividend + Tax	0	0	0	0	0
Dividend Per Share (INR)	0.0	0.0	0.0	0.0	0.0

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	1,826	3,417	2,502	11,579	14,903
Depn. & Amort.	7,406	8,163	8,575	9,247	9,791
Net Interest Exp. / Inc. (-)	4,366	4,112	2,851	2,778	2,705
Inc (-) / Dec in WCap.	-2,343	-4,877	-1,356	-8,472	-6,341
Others	360	1,451	0	0	0
Taxes Paid	-1,568	-3,344	-1,627	-4,053	-4,918
Operating Cash Flow	10,046	8,923	10,946	11,080	16,141
Capex	-7,120	-6,644	-8,000	-8,000	-8,000
Free Cash Flow	2,925	2,279	2,946	3,080	8,141
Inc (-) / Dec in Investments	2,807	1,654	0	0	0
Others	-27	216	1,375	1,403	1,431
Investing Cash Flow	-4,340	-4,775	-6,625	-6,597	-6,569
Inc / Dec (-) in Capital	10,359	0	0	0	0
Dividend + Tax thereon	0	-145	0	0	0
Inc / Dec (-) in Loans	-9,715	487	-500	-500	-500
Others	-4,867	-4,751	-4,226	-4,181	-4,136
Financing Cash Flow	-4,224	-4,408	-4,726	-4,681	-4,636
Inc / Dec (-) in Cash	1,482	-260	-405	-198	4,935
Opening Cash Balance	710	2,083	5,015	4,610	4,412
Closing Cash Balance	2,192	1,823	4,610	4,412	9,347

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	79,114	81,255	82,896	91,227	1,02,056
Share Capital	13,230	13,244	13,244	13,244	13,244
Reserves & Surplus	65,884	68,011	69,653	77,983	88,812
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	45,589	47,203	46,703	46,203	45,703
Def. Tax Liab. / Assets (-)	-1,573	-1,448	-1,448	-1,448	-1,448
Total - Equity & Liab.	1,23,129	1,27,010	1,28,151	1,35,982	1,46,311
Net Fixed Assets	79,953	79,621	79,046	77,799	76,007
Gross Fixed Assets	66,139	74,857	82,857	90,857	98,857
Intangible Assets	49,132	49,132	49,132	49,132	49,132
Less: Depn. & Amort.	41,096	49,259	57,834	67,082	76,873
Capital WIP	5,778	4,891	4,891	4,891	4,891
Investments	15,075	14,389	15,154	15,958	16,803
Current Assets	54,226	58,835	61,085	72,528	87,437
Inventories	21,759	23,127	24,718	30,525	34,508
Sundry Debtors	21,344	23,495	24,560	30,393	36,384
Cash & Bank Balances	4,826	5,015	4,610	4,412	9,347
Loans & Advances	0	0	0	0	0
Other Current Assets	6,297	7,198	7,198	7,198	7,198
Current Liab. & Prov.	26,124	25,835	27,134	30,304	33,936
Current Liabilities	18,243	18,085	19,385	22,554	26,187
Provisions & Others	7,881	7,750	7,750	7,750	7,750
Net Current Assets	28,102	33,000	33,951	42,225	53,501
Total - Assets	1,23,129	1,27,010	1,28,151	1,35,982	1,46,311

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	0.2%	1.0%	1.7%	6.8%	7.7%
Asset Turnover (x)	0.6	0.7	0.7	0.9	0.9
Leverage Factor (x)	1.8	1.6	1.6	1.6	1.5
RoE	0.2%	1.1%	2.0%	9.6%	11.2%

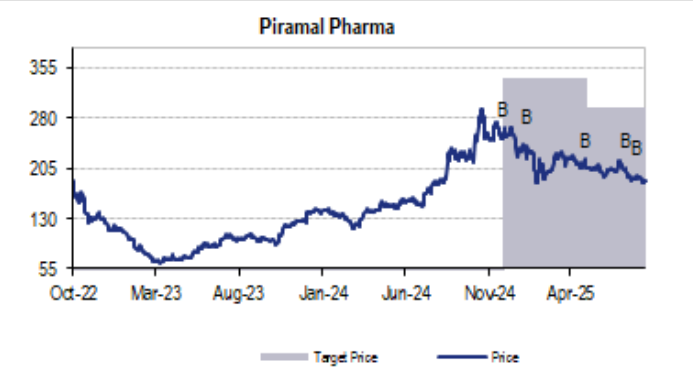
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	59.7	61.3	62.5	68.8	77.0
ROIC	-1.5%	0.3%	1.7%	8.2%	9.9%
ROE	0.2%	1.1%	2.0%	9.6%	11.2%
Net Debt/Equity (x)	0.5	0.5	0.5	0.5	0.4
P/E (x)	1,391.2	272.0	151.0	29.8	22.9
P/B (x)	3.1	3.1	3.0	2.7	2.4
EV/EBITDA (x)	24.0	20.1	20.8	12.3	10.4
EV/Sales (x)	3.5	3.2	3.0	2.3	2.0
Debtor days	95	94	93	90	95
Inventory days	97	92	94	90	90
Creditor days	81	73	74	73	76

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
16-Dec-24	Buy	340	
29-Jan-25	Buy	340	0.0
16-May-25	Buy	295	-13.2
29-Jul-25	Buy	295	0.0
19-Aug-25	Buy	295	0.0

Recommendation History



APPENDIX I

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