

Supriya Lifescience Ltd — May 2026 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

Result: Strong Beat (on Q4 Execution) / Inline (on FY26 Guidance) **One-line:** Management successfully delivered the "hockey stick" Q4 recovery promised in Q3, validating the demand spillover narrative and cementing the ₹1,000 Cr FY27 revenue target as highly credible.

Dimension	This Quarter	Signal / Evidence	Sentiment
Beat/Miss vs Guidance	Strong Beat	Q4 Revenue of ₹277 Cr (34.5% QoQ) nearly bridged the entire gap from the seasonal Q3 miss.	☐
Earnings Quality	High (Core driven)	35.5% EBITDA margins sustained through 76% backward integration despite crude/solvent price volatility.	☐
Guidance Confidence	Strong	Reaffirmed ₹1,000 Cr FY27 target; guided growth of ~20% annually with 33-35% margin floor.	☐
Management Credibility	Strong	Delivered a record revenue quarter after skepticism in Q3; successfully navigated surprise USFDA audit with VAI/1 observation.	☐
Business Quality Signal	Improving	Cardiovascular and ADHD segments are scaling; transition from pure API to FDF (Ambernath) has begun.	☐
Key Q&A Exchange	Q#10 - Contrast Media	Delayed launch to H2 FY27 to "enhance economics" signals margin discipline over short-term revenue chasing.	☐
The Street's Primary Anxiety	Sustainability of Q4 Run-rate	Can the ₹277 Cr run-rate hold? Mgmt warns of August shutdown (Blocks A&D) but remains confident in annual targets.	☐
Capital Cycle Stage	Investment	Phased groundbreaking for Patalganga (₹200 Cr Phase 1) and Ambernath capitalization.	☐
Margin Trajectory	Stable	35.5% margins are at the upper end of the 33-35% guidance band despite new product entries in semi-regulated markets.	☐
Pricing Power	Stable	Successfully passed on raw material/solvent price increases to customers on a PO basis.	☐
FCF Conversion & Quality	Distorted	CFO likely impacted by elevated inventory (200 days) to support the "China-plus-one" supply reliability strategy.	☐
Competitive Moat Signals	Widening	USFDA EIR and 76% backward integration create a formidable barrier against non-GMP Chinese competitors.	☐
Balance Sheet Strength	Strong	Zero utilization of working capital limits (except LC/BG); internal accruals funding capex.	☐
Working Capital Efficiency	Deteriorating	Inventory days remain high (~200 days); Net Working Capital at 170-180 days is the new stable state.	☐
Mgmt Guidance Track Record	Reliable	Delivered 18.9% growth vs 20% guidance; margin guidance (33-35%) consistently met.	☐
Key Vulnerability	Audit Timelines	FY27-28 upside depends on H2 FY27 EU audit for Ambernath; any delay pushes high-margin regulated sales.	☐
Management Tone	Highly Confident	Dr. Satish Wagh emphasized not competing with Indian peers, but fighting for global market share against China.	☐

Sentiment: ☐Positive **Key Takeaways:** * **Positives:** The structural moat (76% backward integration) provided a hard floor for margins (35.5%) despite geopolitical and supply chain headwinds. The "Cardiovascular" scale-up is real, with management signaling near-full utilization of the 300-ton target for FY27. The USFDA EIR for Lote de-risks the existing asset base. * **Negatives:** Working capital intensity is structurally higher (170-180 days) as the company maintains higher inventory buffers to act as a reliable "China Alternative." The Contrast Media launch delay removes a near-term catalyst. * **Street Concern:** Analysts were focused on the non-linearity of growth (August maintenance shutdown) and the ramp-up speed of the Ambernath FDF facility. Management clarified that while Ambernath revenue has started, the "full effect" is a 3-4 year journey. * **Watchpoint:** Execution of Phase 1 groundbreaking at Patalganga and the receipt of specific audit dates for the Ambernath EU inspection in H2 FY27.

2. BUSINESS PERFORMANCE

2A. KEY METRICS

DATA SOURCE: PPT not available — all numbers sourced from concall transcript.

Metric	Current Qtr	YoY Change	QoQ Change	Trend	Mgmt Commentary
Revenue (₹Cr)	277.0	↑ 50.5%	↑ 34.5%	↑	Growth driven by volume scale-up in CVS, ADHD, and Anesthetics.
Total Revenue FY26 (₹Cr)	828.0	↑ 18.9%	N/A	↑	Achieved 19% growth, broadly in line with 20% guidance.
EBITDA (₹Cr)	98.0	↑ 44.1%	↑ 36.1%	↑	Record quarterly EBITDA; absolute growth tracks revenue.
EBITDA Margin %	35.5%	↓ 150 bps	↑ 50 bps	→	Surpassed guidance (33-35%) despite crude price impact on solvents.
PAT (₹Cr)	74.0	↑ 48.0%	↑ 48.0%	↑	PAT margins at 26.8% (Q4) and 25.3% (FY26).
Exports (%)	82.0%	→	→	→	Maintained high export focus; Europe at 40% share.
Backward Integration (%)	76.0%	↑ 200 bps	↑ 200 bps	↑	Strengthened from 74% in Q3; core driver of cost efficiency.
FY26 Capex (₹Cr)	152.0	N/A	N/A	↑	Driven by Ambernath, Ribo Block, and maintenance.
Inventory Days	~200	→	→	☐	Structurally high to support backward integration and supply security.
NWC Days	170	↑	↑	↓	Increased from 158 days in FY25; driven by higher debtor/inventory days.
Debtors Days	78-85	↑	↑	↓	Upward shift due to heavy billing in the last two months of the fiscal.

2B. SEGMENT BREAKDOWN

Segment	Revenue (₹Cr)	YoY Growth	Margin	Trend	vs Company Avg	Key Development
Existing APIs	~220.0*	High	35%+	↑	In-line	Strength in Anesthetics and Vitamins (DSM contract stabilized).
New Launches	~57.0*	New	33%	↑	Lower	Cardiovascular, ADHD, and Liquid Anesthetics starting to scale.
CDMO (DSM)	~35.0 (FY26)	New	High	↑	Above	Current run-rate ~3 tons/month; peak ₹60 Cr expected in FY27.
Formulations	Small	New	High	→	TBD	Ambernath generating small revenue from semi-regulated markets.

**Estimated based on FY/Q4 delta and management commentary.*

3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate / Mathematical Feasibility	Historical Delivery	Risk Flag
Guidance	Revenue	₹1,000 Cr FY27 Target	Needs ~21% growth on FY26 base; highly feasible given Q4 momentum.	Delivered (FY26 19%)	Low
Guidance	Margins	33% - 35% EBITDA	Sustained 35.5%; guidance remains conservative but realistic.	On Track	Low
Guidance	New Launches	3-4 products per year	Focus on Anesthetics, ADHD, and Contrast Media.	Delivered	Low
Guidance	Capex Plan	₹200 Cr Phase 1 (Patalganga)	Groundbreaking in FY27; phased development over 2 years.	New Target	Moderate
Strategy	Backward Integration	76% (Current)	Targeting incremental efficiency; protects against China volatility.	On Track	Low
Strategy	CDMO Mix	Ambernath Ramp-up	Full contribution takes 3-4 years; focus on high-margin injectables.	Early Stage	Moderate
Macro	Geopolitics	Supply chain disruptions	Impacted Q4 revenue by ₹10 Cr; solvent prices remain elevated.	Ongoing	Moderate
Balance	Debt	Zero WC utilization	Funding growth through internal accruals and net cash status.	Delivered	Low

4. ANALYST Q&A

Q#	Relevance	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded / Not Addressed	Credibility	Verdict
1	4.0	Rachna Kukreja / SIMPL	Therapy Mix	Business Overview	"Other therapeutic areas have contributed around 9% in FY26 versus 7%. Is this a one-time event?"	Management clarified growth is driven by new Anesthetics (6-7 products now), CVS scale-up, and stabilized Vitamin volumes. This signals a broadening revenue base beyond the core historical portfolio.	None	4.0	Directional with evidence
1a	3.5	Rachna Kukreja / SIMPL	Market Growth	Business Overview	"What has driven growth in Asia and Europe?"	Europe growth is attributed to new CEP approvals for existing products; Asia growth stems from the lower regulatory barrier for 3 new product launches. This confirms the "Regulated Market" focus remains the long-term margin driver.	None	4.0	Logical explanation
2	4.5	Sajal Kapoor / Antifragile	Historical Evolution	Management Commentary and Outlook	"What problem is Supriya now capable of taking on that would have seemed out of reach 10 years ago?"	Management cited their ability to handle surprise USFDA audits across 7 blocks and a doubled R&D budget allowing 3-4 launches annually. This	None	5.0	Specific and evidence based

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						reflects a transition from a lifecycle-managed company to a R&D-led specialized player.			
2a	4.5	Sajal Kapoor / Antifragile	Capital Allocation	Capex and Allocation	"What is the dominant priority: capital allocation, managing complexity, or improving utilization?"	Capacity building at Patalganga (₹200 Cr) is the priority to prepare for new product scale-up and CMO/CDMO traction. This signals that management is in an "aggressive investment" mode to capture demand.	None	4.0	Clear priority stated
3	5.0	Sanjay Kumar / ithought PMS	Cardiovascular	Business Overview	"Have we converted the 300-ton cardiovascular discussion to a final order? Can this be fully utilized in FY27?"	Management confirmed that Q4 saw a significant scale-up and orders are locked in with 3-4 large users to hit the 300-ton run-rate in FY27. This is a massive de-risking for the FY27 ₹1,000 Cr revenue guidance.	Pricing specifics	4.0	Quantified volume
3a	4.0	Sanjay Kumar / ithought PMS	Liquid Anesthetic	Business Overview	"Have we signed a CMO customer for liquid anesthetic? What is the	Discussion is at an "advanced stage" with 1,000+ MT capacity built,	Specific commercials	3.0	Hedges on timing

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					capacity and potential?"	but no term sheet is signed yet. This remains a "high-potential" overhang for FY27/28.			
4	3.5	Krishna Kansara / Molecule Ventures	F Block Capex	Capex and Allocation	"How much capacity and capex for the F block?"	Planning 150-200 KL addition with ₹40-50 Cr capex over the next 2 years. This ensures the Lote facility continues to grow while Patalganga is under construction.	None	5.0	Specific, quantified
5	4.0	Abhishek / Padmaja	US Market	Management Commentary and Outlook	"Why are we not able to scale in the US despite FDA regulation?"	Current portfolio has larger markets in Europe/ LATAM; new ADHD and Anesthetic launches are specifically targeted at the US market. The US is a "future" growth lever rather than a current one.	None	4.0	Strategic rationale
5a	3.0	Abhishek / Padmaja	Whey Protein	Business Overview	"Can we expect a jump in protein revenue in FY27?"	Formulators are still in the research phase with samples; no large revenue expected in FY27. This confirms the protein vertical is a	None	4.0	Realistic timeline

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						long-cycle bet, not a near-term driver.			
6	4.5	Rupesh Tatiya / LongEquity	Guidance Math	Financials	"300 tons of CVS alone provides the guided growth; are you expecting degrowth elsewhere?"	Management clarified the 300 tons will scale over 2-3 years, not hit fully in month 1 of FY27. This resolves the perceived guidance-to-product-potential inconsistency.	None	4.0	Clarified trajectory
6a	4.5	Rupesh Tatiya / LongEquity	Ambernath Audit	Management Commentary and Outlook	"Where are we on the European approval for the formulation facility? It looks delayed."	Audit is now indicated for H2 FY27 (October/ November) due to auditor unavailability. This is a crucial timeline delay that keeps Ambernath revenue in semi-regulated markets for another year.	None	3.0	Deflected (external)
7	4.0	Darshil Jhaveri / Crown Capital	Run-rate	Financials	"Can we maintain the Q4 run-rate of ₹277 Cr?"	Non-linear growth expected due to August maintenance shutdown; annual guidance (₹1,000 Cr) is the more reliable anchor. This prepares the street for a weaker Q2 FY27.	None	4.0	Candid on seasonal

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8	4.0	Aditya / MSA Capital	EBITDA Pressure	Financials	"Why did EBITDA margins look slightly lower in percentage terms?"	Pre-operating expenses for Ambernath have started (opex) while revenue is still small. This indicates temporary "operating leverage" drag until Ambernath scales.	None	4.0	Structural explanation
9	4.0	Kiran / Table Tree	Pricing Pressure	Business Overview	"Are we seeing pricing pressures in Europe/US?"	No major pressure; RM/Solvent price increases are being successfully passed on via PO-based pricing. This confirms healthy pricing power in niche segments.	None	4.0	Directional with evidence
10	4.5	Saloni Wagh (Mgmt)	Contrast Media	Business Overview	"Contrast media was supposed to launch in Q4; what is the status?"	Launch delayed to H2 FY27 to implement a more cost-efficient "standout" process developed by R&D. This is a deliberate "margin-first" delay.	None	5.0	Specific and strategic
11	4.0	Deepankar Bisht / CCV	GLP-1 Segment	Management Commentary and Outlook	"Is the GLP-1 product agreement signed? When can we expect revenue?"	Advanced discussions with an Indian generic company; revenue expected in minimum 2 years. GLP-1	None	4.0	Timeline provided

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						is a "beyond FY28" growth story.			
12	4.0	Sajal Kapoor / Antifragile	Working Capital	Financials	"Is the 200-day inventory a deliberate buffer?"	Confirmed as a deliberate strategy to support backward integration and provide a USFDA-approved alternative to China. This justifies the structural cash flow drag as a "moat-building" cost.	None	5.0	Strategic confirmation

PATTERN FLAGS & SENTIMENT * **The CVS Growth Engine:** Analysts were highly focused on the 300-ton Cardiovascular product. Management's confirmation of locked-in orders and successful Q4 scale-up provided the most significant bullish signal for the FY27 revenue target. * **Ambernath/Patalganga Readiness:** Concern exists regarding the gestation period of new facilities. Management was candid that Ambernath's EU-audit delay pushes the "regulated market" formulation revenue into late FY27/FY28, while Patalganga is the long-term volume driver. * **Margin Discipline:** Management repeatedly used the phrase "margin-focused company" to justify the Contrast Media launch delay and the refusal to join PLI schemes or low-margin non-regulated battles. This reinforces investor confidence in the 33-35% EBITDA floor.

Analyst Sentiment Verdict: Highly Reassured. The skepticism from Q3 regarding the "back-ended" revenue target has been largely dismantled by the record Q4 print. While inventory levels and audit delays remain monitoring points, the combination of high margins, zero net debt, and USFDA clearance has shifted the analyst tone from "Can you hit the target?" to "How fast can you scale the new blocks?"

GUIDANCE GAPS REVEALED IN Q&A | Topic | What Mgmt Claimed (Prior Q) | What Q&A Revealed | Gap / Walk-back | Risk to Thesis | | :--- | :--- | :--- | :--- | :--- | | Contrast Media | Expected Q4 FY26 launch | Now H2 FY27 | **Delay:** 6-9 month walk-back for process improvement. | Low (Short-term revenue lag) | | Ambernath Audit | Expected H1 FY27 | Now H2 FY27 (Oct/Nov) | **Delay:** Auditor unavailability pushed timelines. | Moderate (Delays FDF margins) | | Revenue Growth | 20% Annual Target | 18.9% Actual | **Minor Miss:** Effectively delivered on guidance. | Negligible |

5. WHAT CHANGED vs PRIOR QUARTER

What Changed	Prior Quarter (Q3 FY26)	This Quarter (Q4 FY26)	Direction
Revenue Momentum	Seasonal plateau (£206 Cr)	Record Execution (£277 Cr)	↑ Improving
Regulatory Status	USFDA Surprise Audit pending	EIR Received (VAI)	↑ Improving
CVS Commercials	In advanced discussion	Scale-up achieved; Orders locked	↑ Improving
DSM Contribution	Pharma validation complete	£30-35 Cr annual revenue achieved	↑ Improving
Contrast Media	Launch imminent	Delayed to H2 FY27	↓ Deteriorating
Patalganga Status	EC received / Blueprinting	All clearances received; Groundbreaking FY27	↑ Improving
Ambernath Opex	Minimal impact	Impacting EBITDA percentage (Pre-op)	↓ Deteriorating
Working Capital	Inventory concern	Confirmed as deliberate "Moat" strategy	→ Stable
ADHD Segment	Product launched	Strong demand from LATAM/Europe	↑ Improving

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