Academic Research Project –Not a Recommendation

Equity Research Report

Piramal Pharma Limited

Company aims by FY30 with revenue of $2 billion.

About The Company

Piramal Pharma Limited, established as a public entity on March 4, 2020, has a diversified portfolio of pharmaceutical products and services. Its offerings include a comprehensive Contract Development & Manufacturing Organization (CDMO) business, a Complex Hospital Generics (CHG) business, and an India-focused Over-the-Counter Healthcare (ICH) division. With 17 global manufacturing facilities and a distribution network covering over 100 countries, Piramal provides end-to-end capabilities. Additionally, the company has a joint venture with Allergan, a global leader in ophthalmology, for the Indian market.

The company owns 15 CDMO plants—9 in India, 4 in North America, and 2 in Europe. Within India, Piramal Pharma ranks among the top 3 CDMO players, and globally, PPL is the 13th largest. The CDMO segment serves 500+ clients, with 84% of its revenue coming from regulated markets like the US, Europe, and Japan.

The Complex Hospital Generics segment manufactures critical care generic medicines for hospitals. Its key categories include inhalation anesthesia, intrathecal therapy, and pain management. PPL is the 4th largest player in the world in Inhalation Anesthesia. This segment serves 6,000+ customers, has manufacturing sites in India and the US, and maintains a product pipeline of 24 products.

The India Consumer Healthcare segment produces over-the-counter products. This segment operates on an asset-light and self-funded model. It serves 1,80,000+ customers, and 150 new products have been launched in the past 3 years. Starting in 2008 with revenue of ₹100 crore, this segment has grown into a ₹1,000+ crore business by 2024.

Highlights

- PPL wants to triple its EBITDA (operating profit) from current levels, with a target to achieve an EBITDA margin of around 25% by FY2030.
- The company is aiming to grow its revenue to over **₹16,700 crore by FY2030**, which reflects an aspiration to double its current revenue.
- PPL also intends to reduce its debt or increase EBITDA in order to bring the Net Debt to EBITDA ratio down to ~1x, as the company wants to strengthen its balance sheet.
- By FY2030, PPL is targeting $2+ billion in revenue from its three key segments, with the largest contribution expected from the CDMO segment. At the same time, the company has a clear focus on maintaining strong EBITDA margins across all segments.

Recommendation	**:XXX**
CMP	**:INR 191**
Target Price	**:XXX**

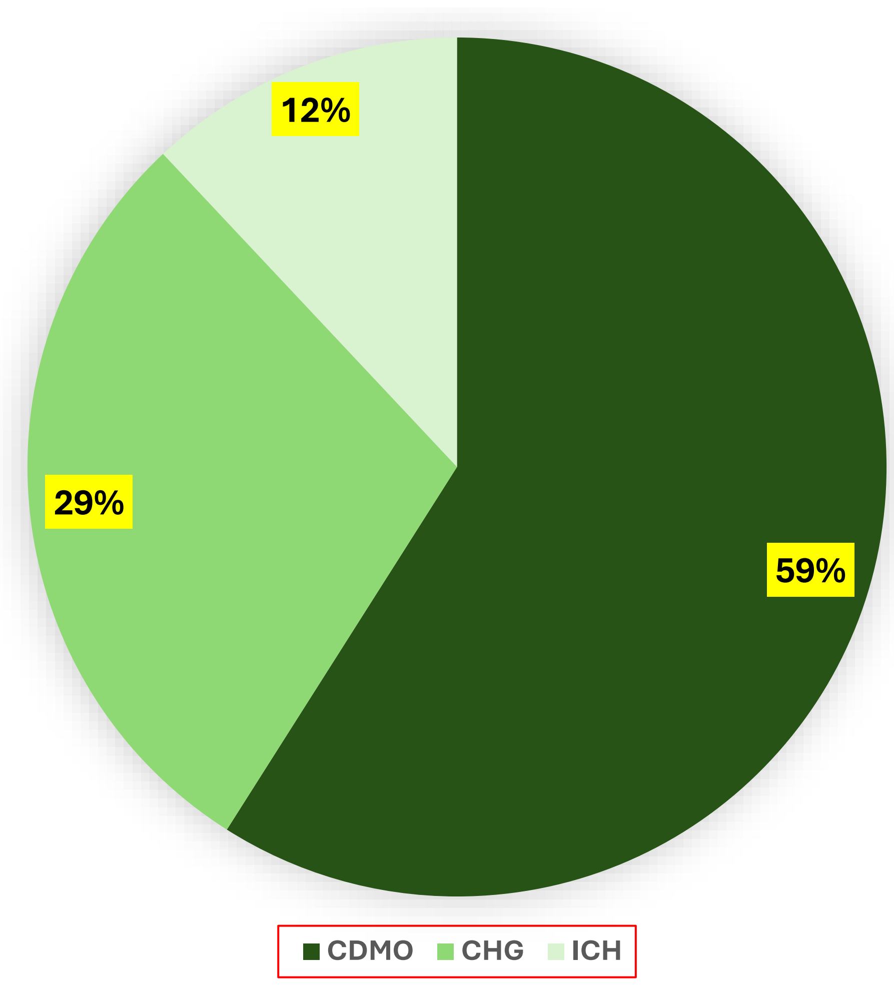
Stock Data (as on June 01,2025)	
Nifty	:INR24,565
52 Weeks H/L (INR)	:308/165
Market Cap (INR)	:25342
Outstaning Shares (Crs)	:133
Dividend Yield (%)	:0.07%
NSE Code	:PPLPHARMA

Absolute Return	
3month	:-3.0%
6month	:-14.1%
12month	:20.7%

Shareholding Pattern (as on June 31, 2025)	
Promoters	:34.85%
FII's	:30.86%
DII's	:14.25%
Public	:19.46%

Return On Equity	
Mar-21	:14.90%
Mar-22	:5.6%
Mar-23	:-2.80%
Mar-24	:0.20%
Mar-25	:1.10%

FY2025 Revenue Spilt



Source : Company

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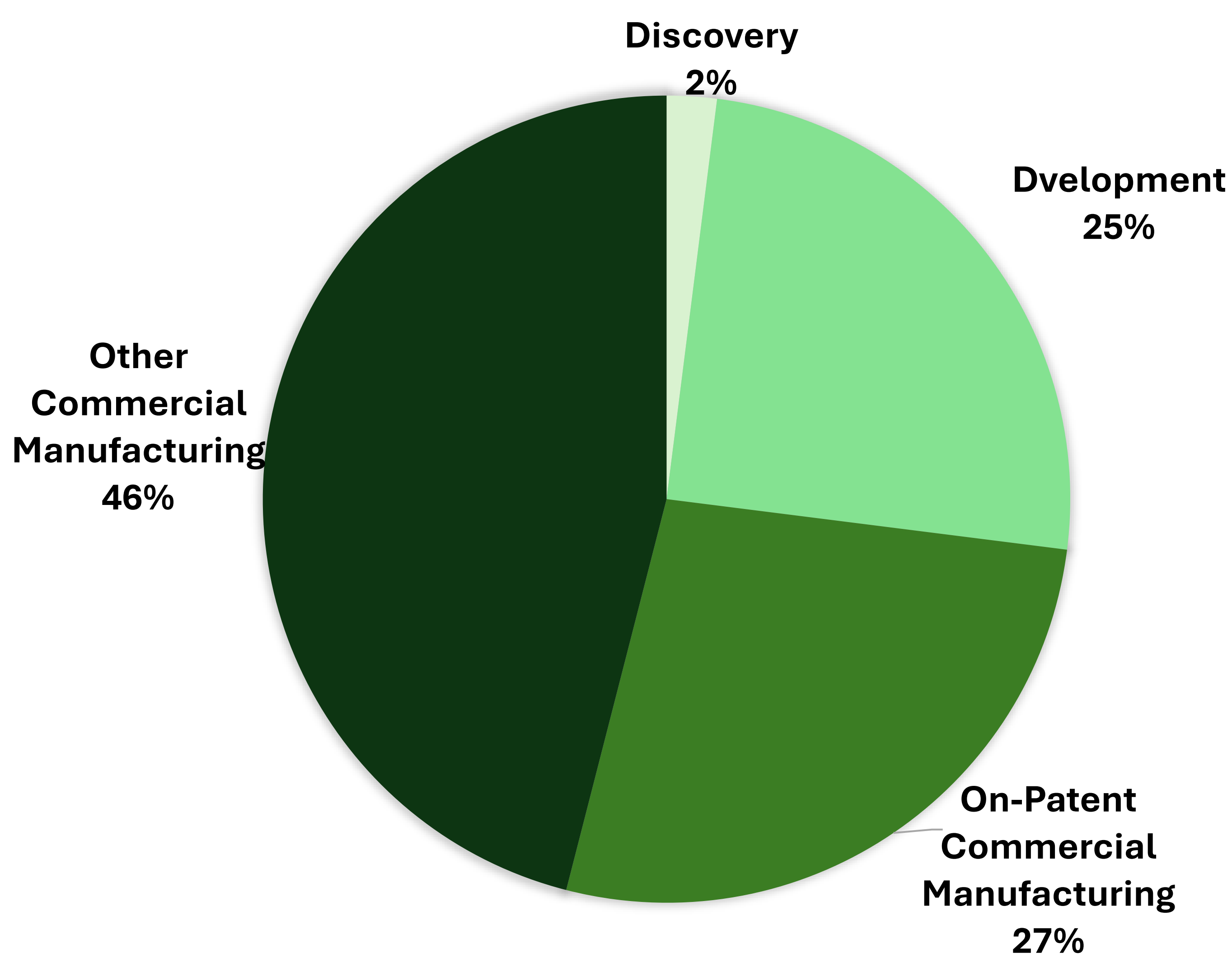
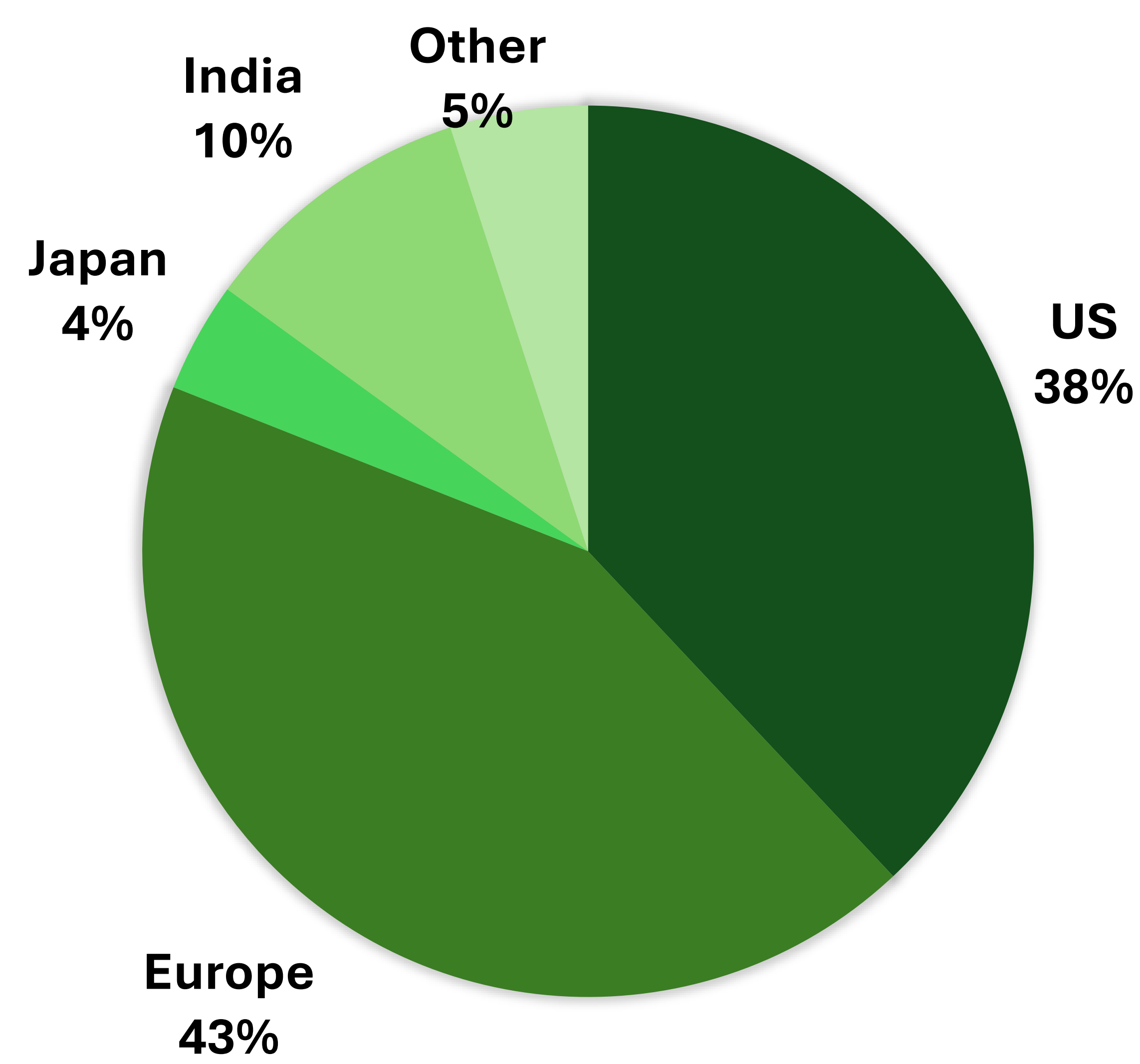
Piramal Pharma Limited

Contract Development & Manufacturing Organization

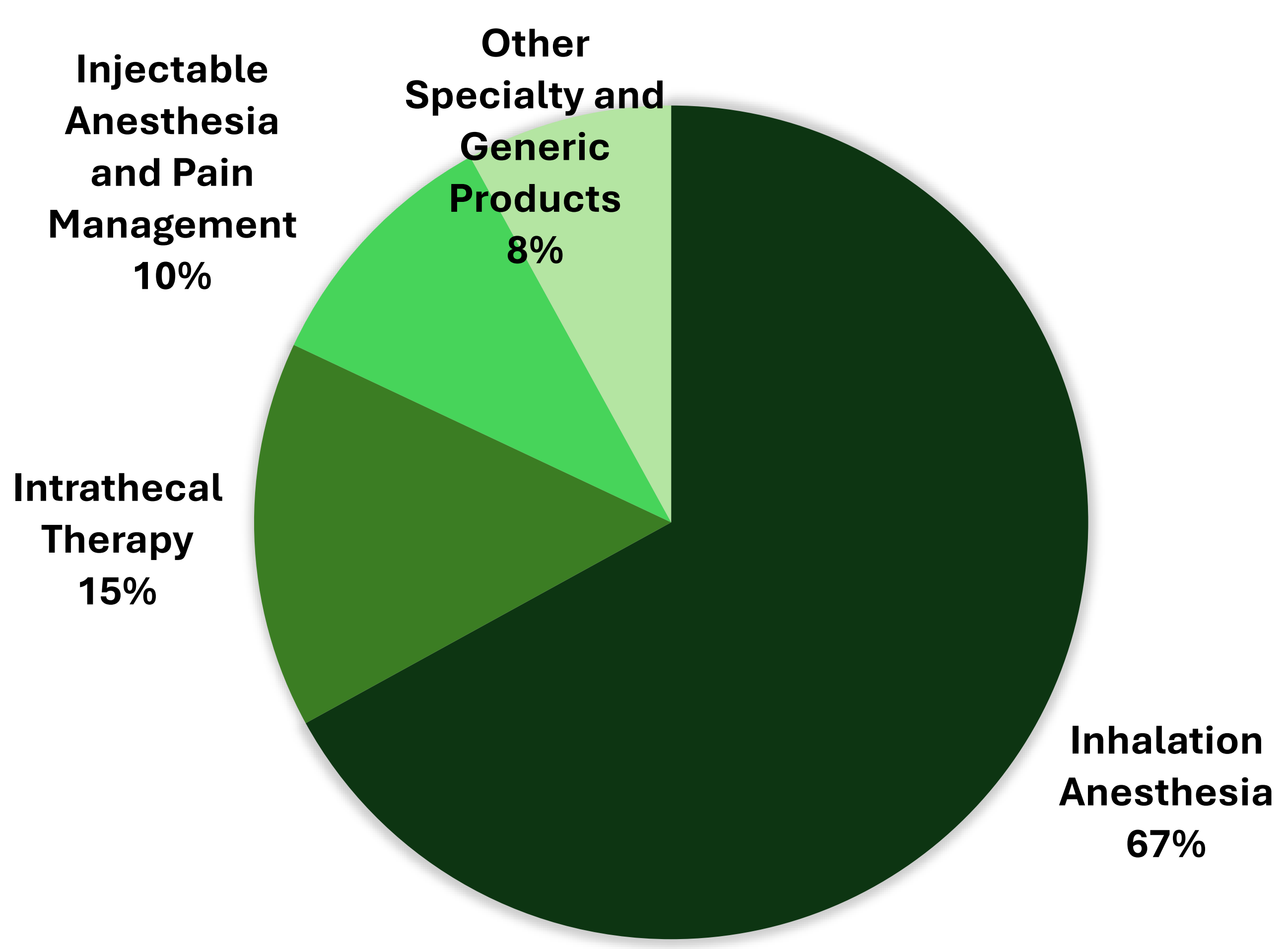


FY2025 CDMO Revenue by Service

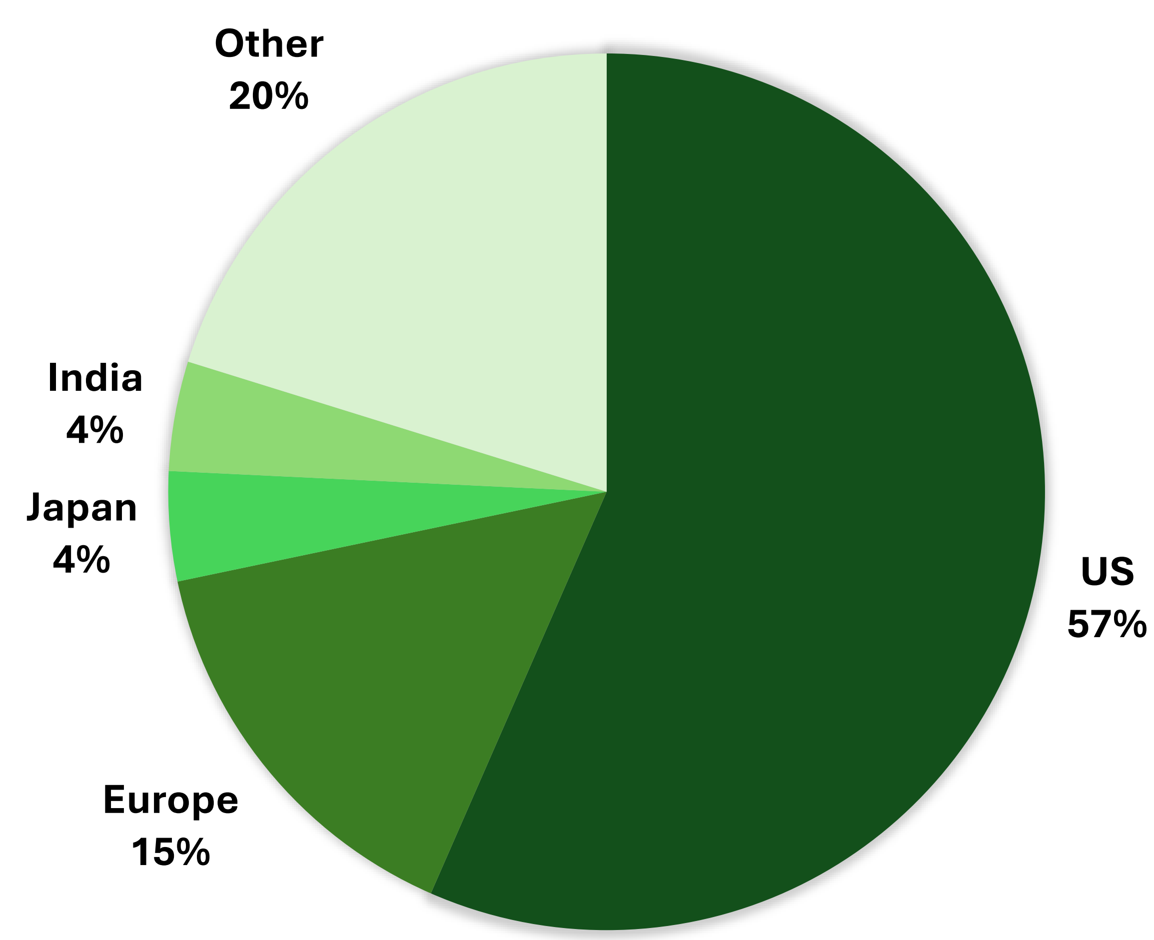


FY2025 CDMO Revenue by Geography

Complex hospital Generics

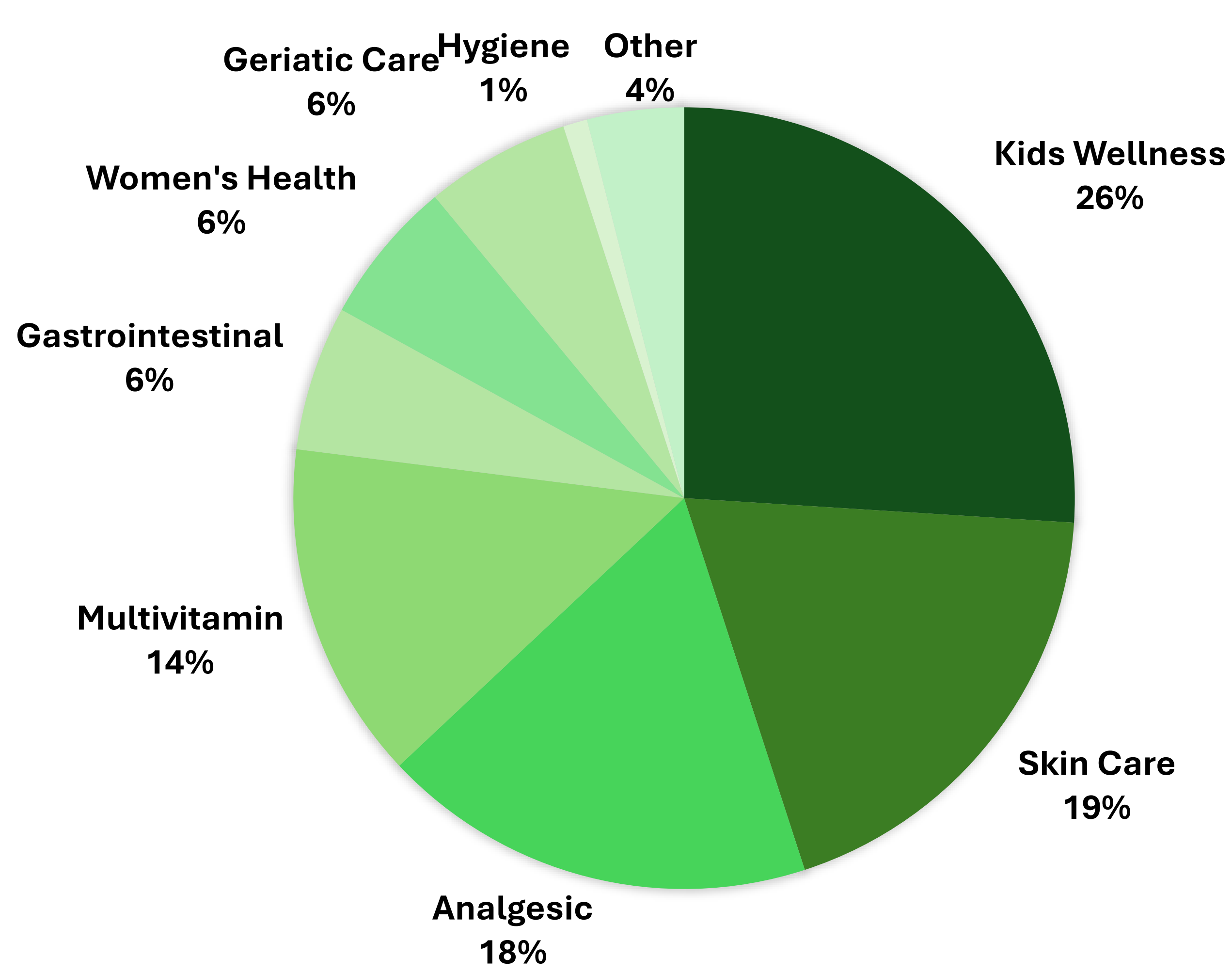


FY2025 CHG Revenue by Segment



FY2025 CHG Revenue by Geography

India Consumer Healthcare

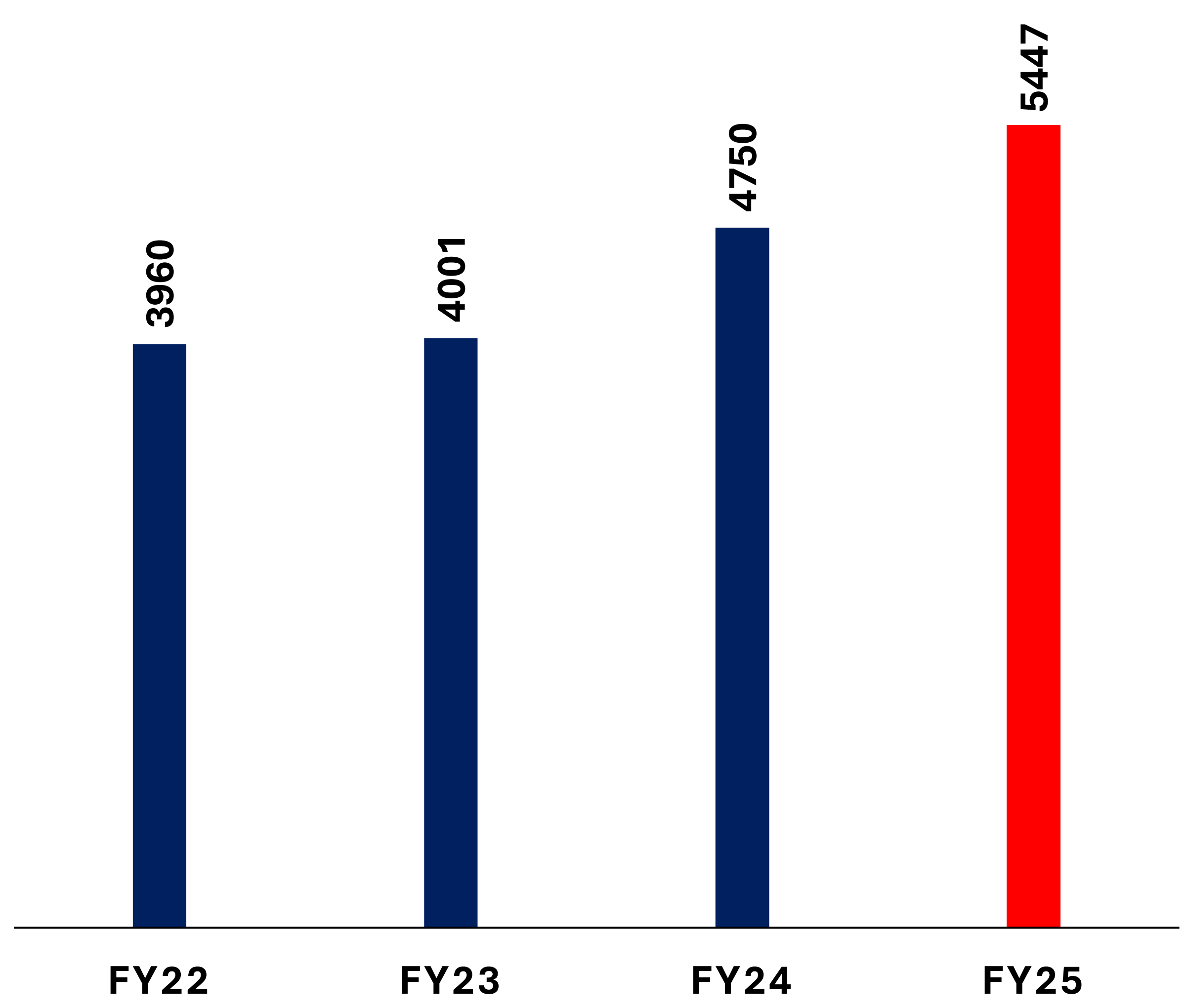


FY2025 ICH Revenue by Category

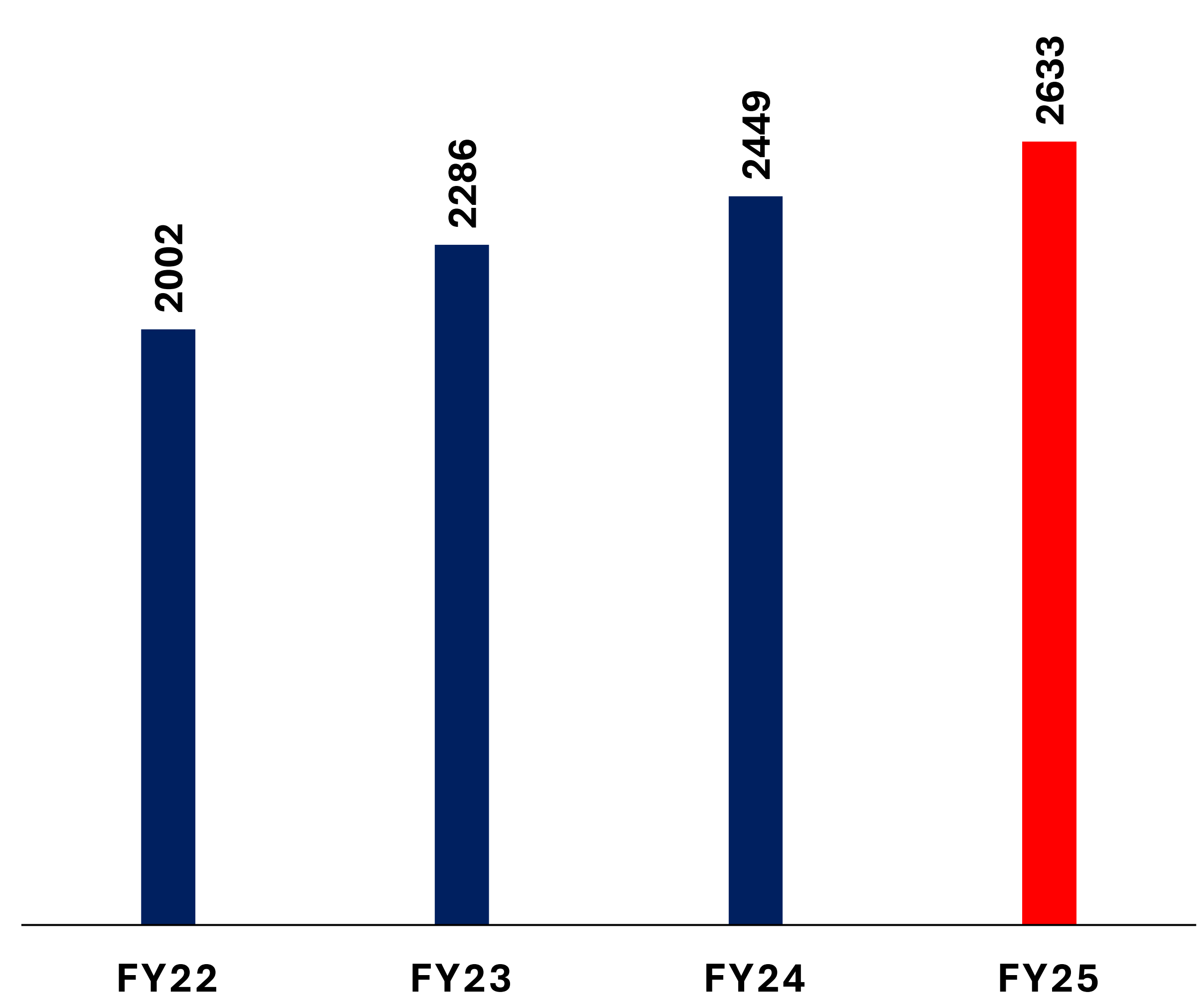
Source : Company

Story In Chart

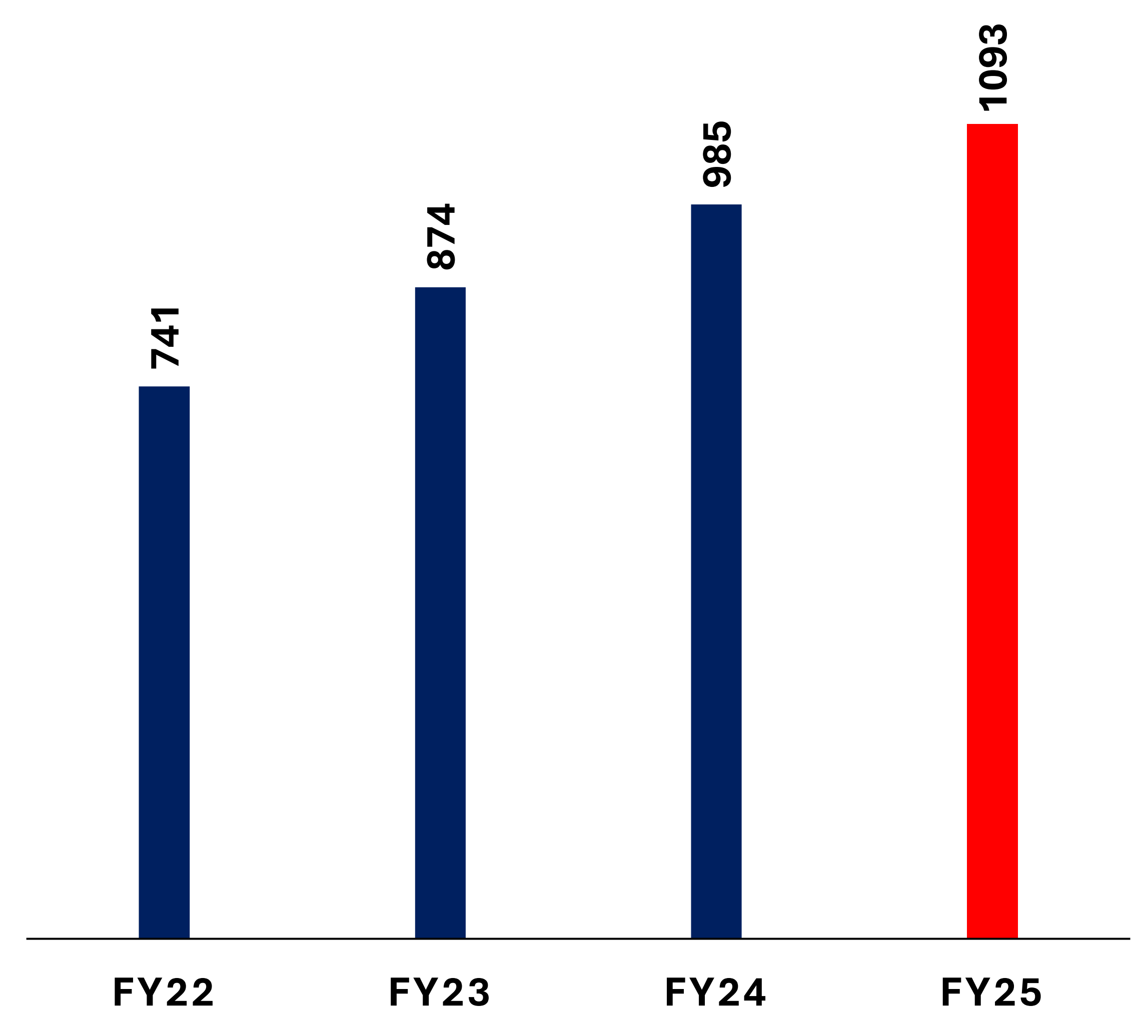
CDMO Revenue in the Last Four Years
(In INR Crore)



CHG Revenue in the Last Four Years
(In INR Crore)



ICH Revenue in the Last Four Years
(In INR crore)



Consolidated Financials Highlights

(In INR Cr. Or as started)

Particulars	Q1FY26	Q1FY25	%Change
Revenue From Operations	**1934**	**1951**	**-1%**
CDMO	997	1057	-6%
CHG	637	631	1%
ICH	302	263	15%
EBITDA	**165**	**224**	**-26%**
EBITDA Margin	**9%**	**11%**	
PAT (after exceptional item)	**-82**	**-89**	**8%**

Source : Company

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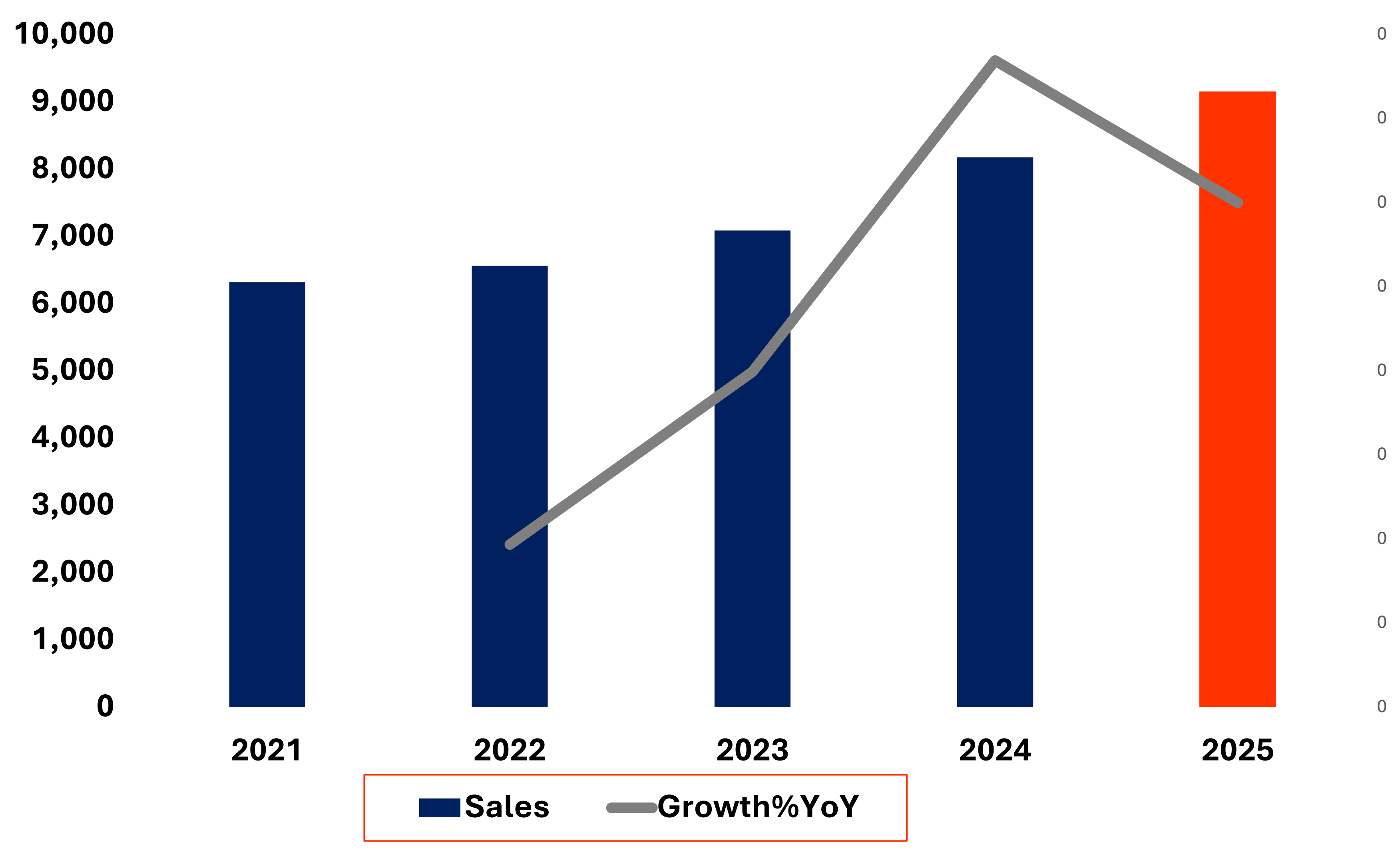
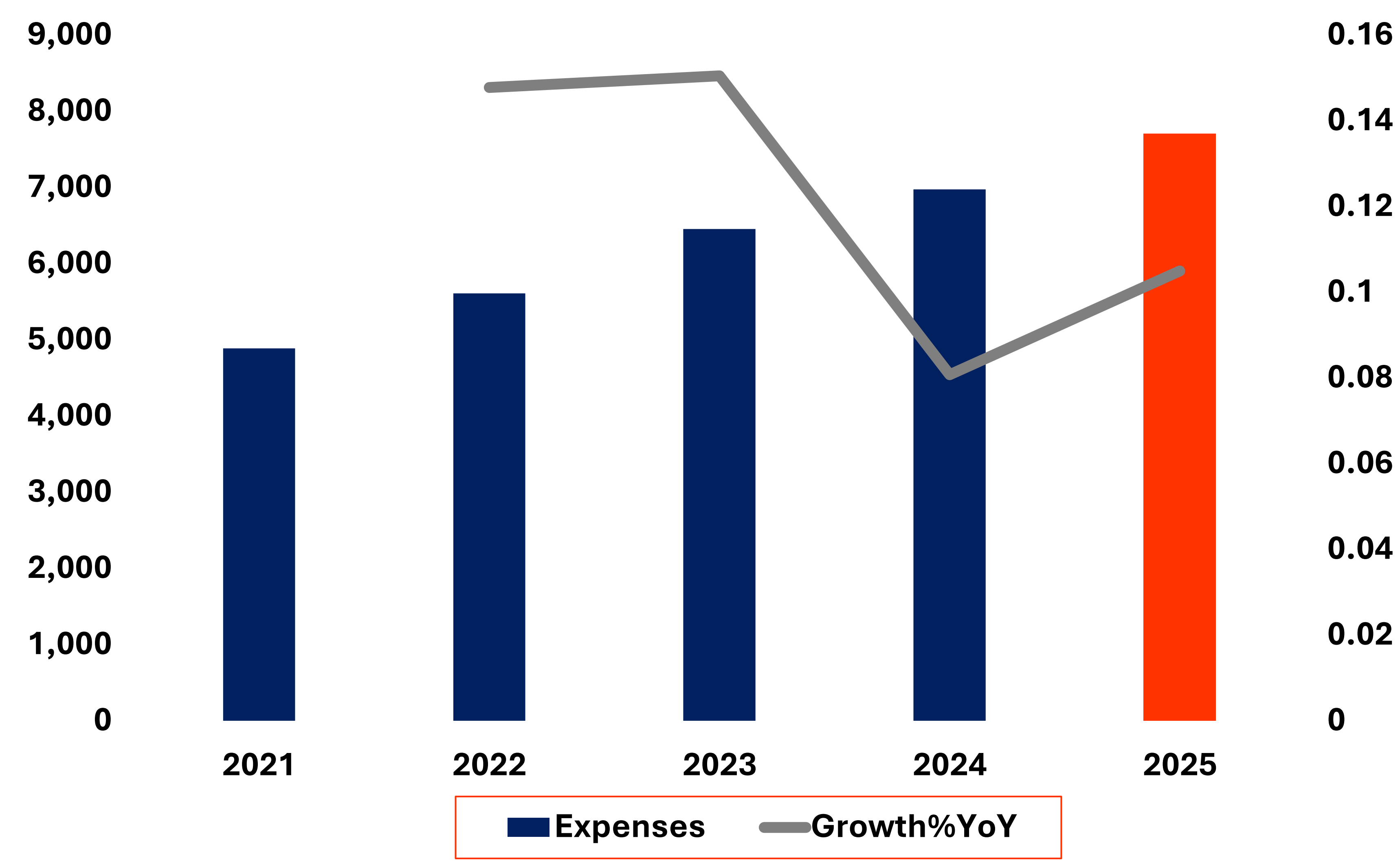
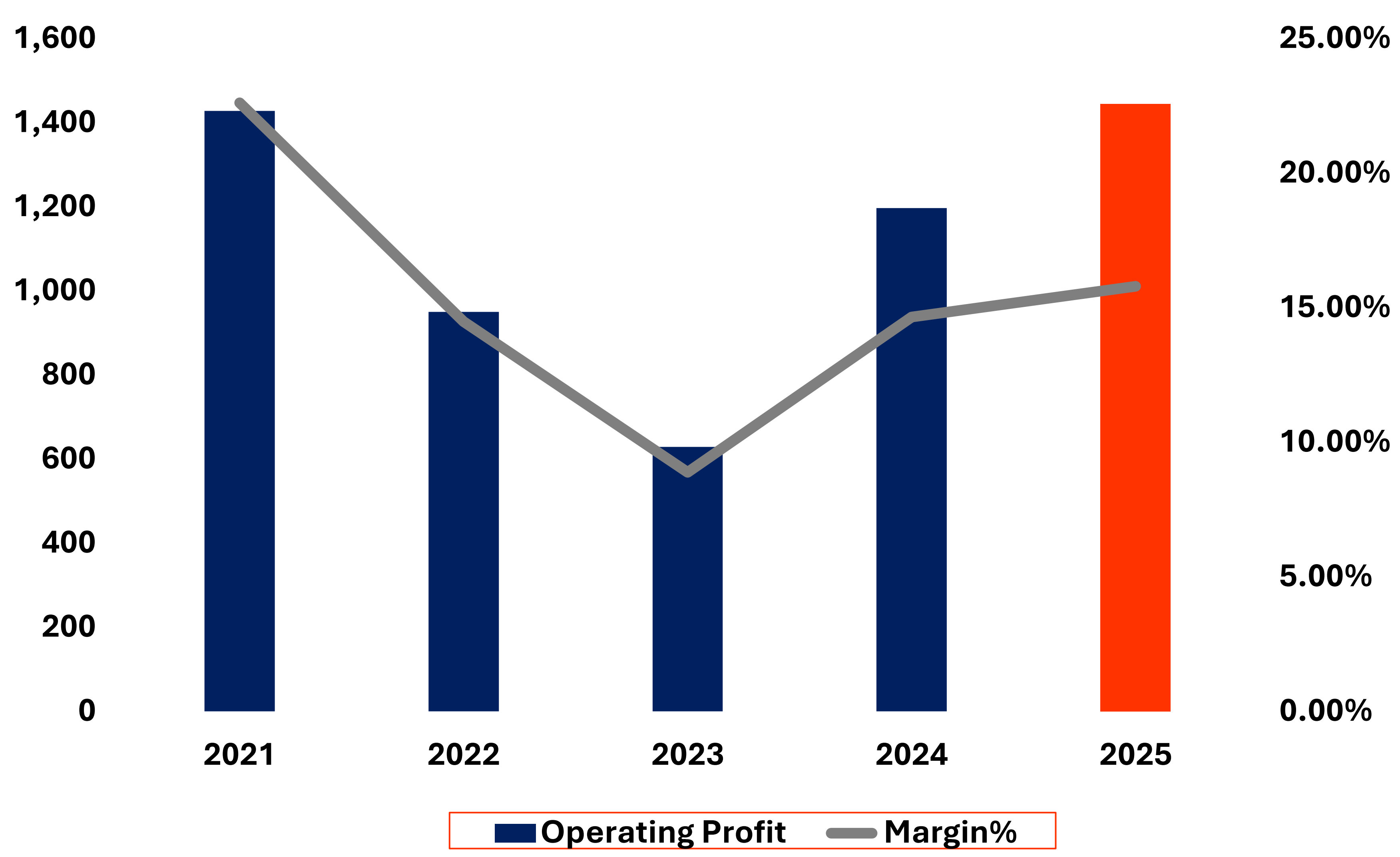
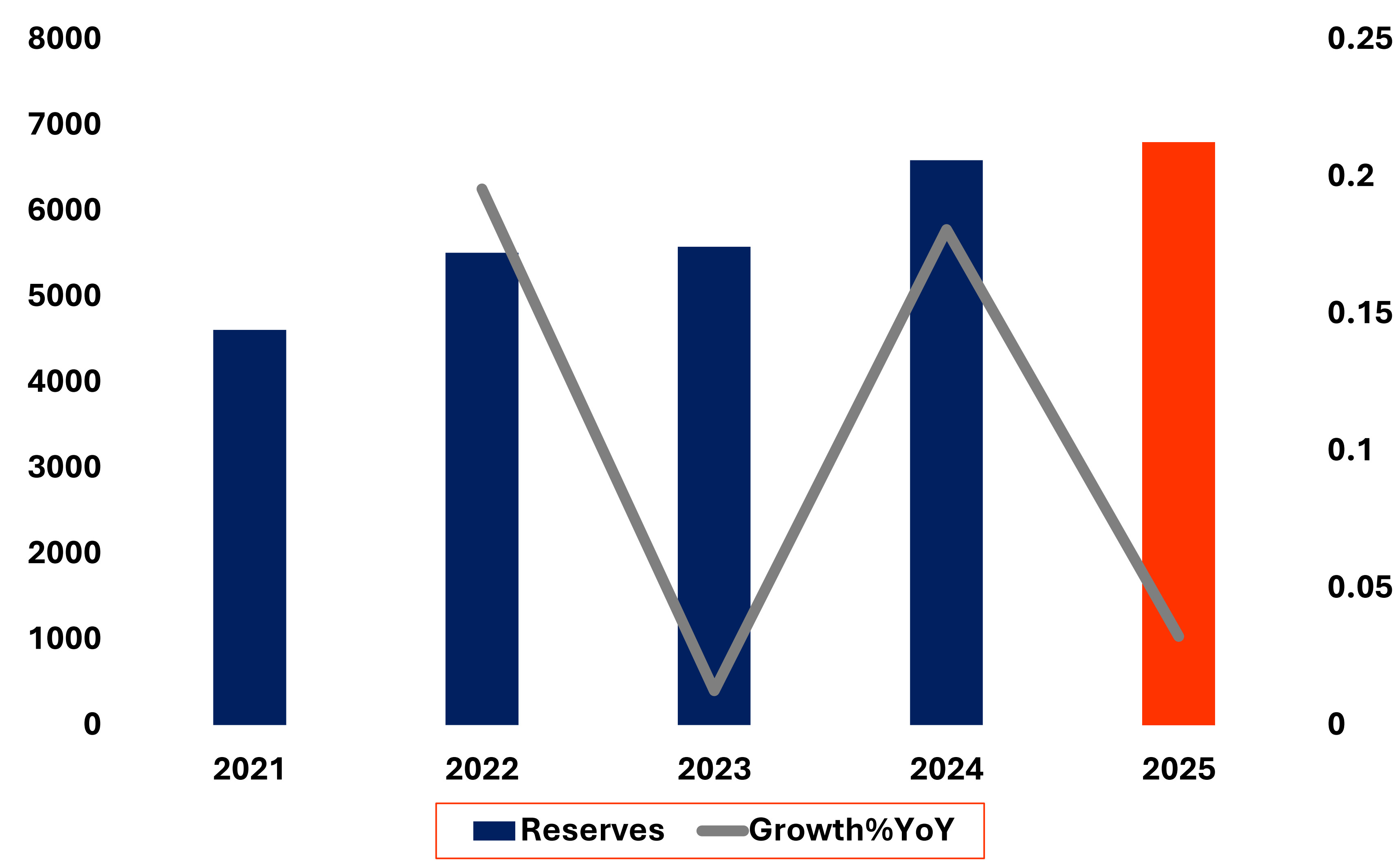
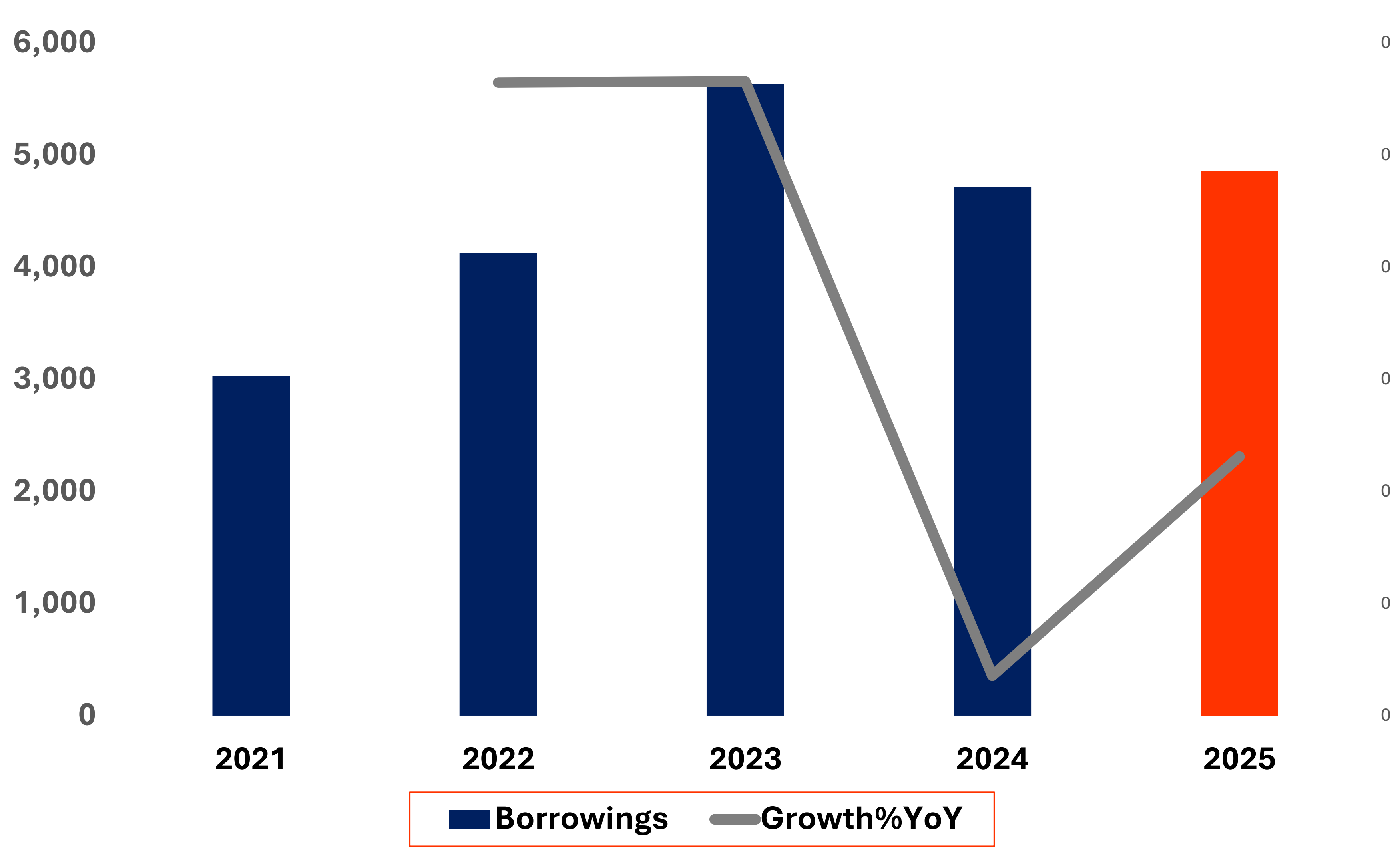
FINANCIAL ANALYSIS

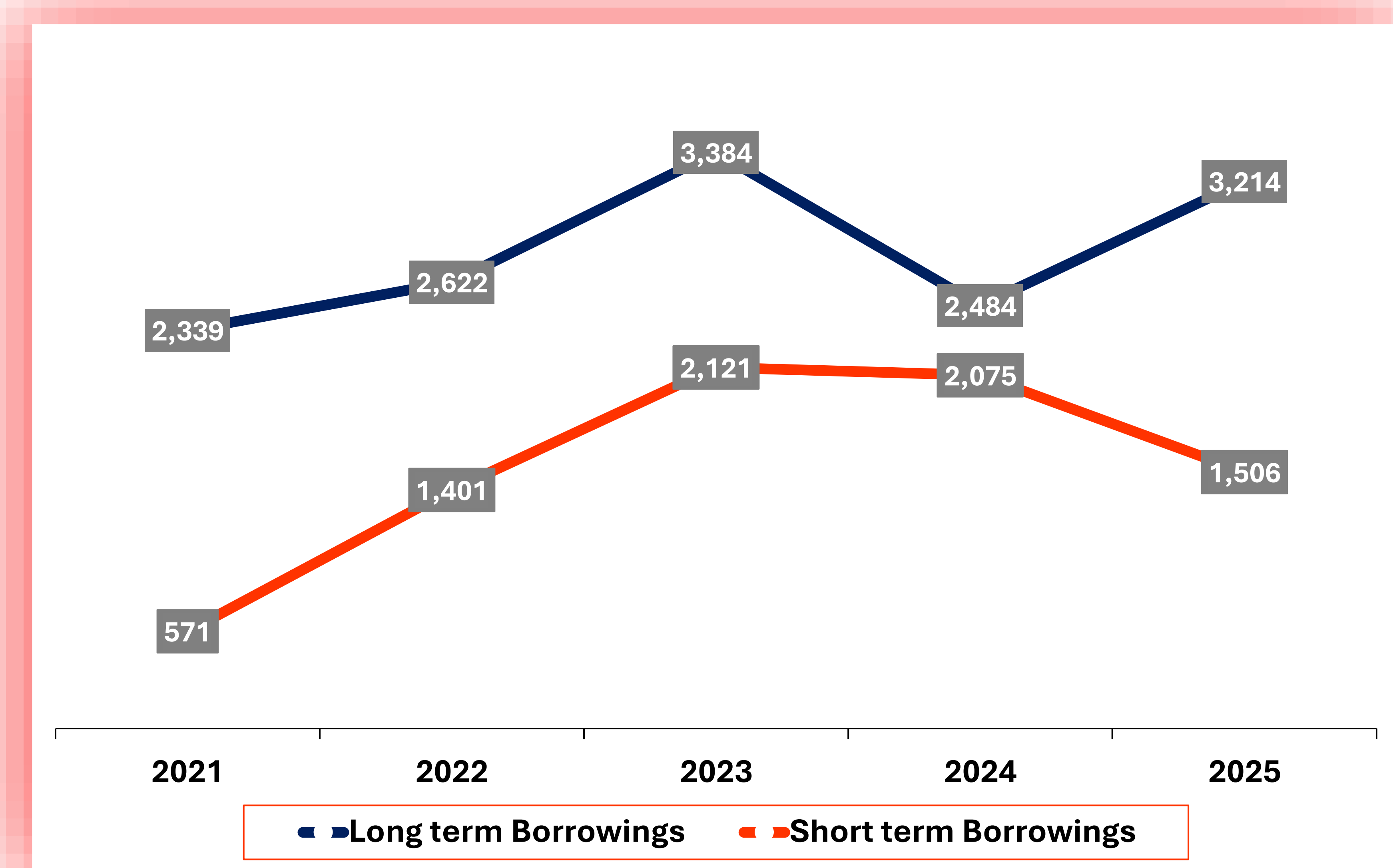












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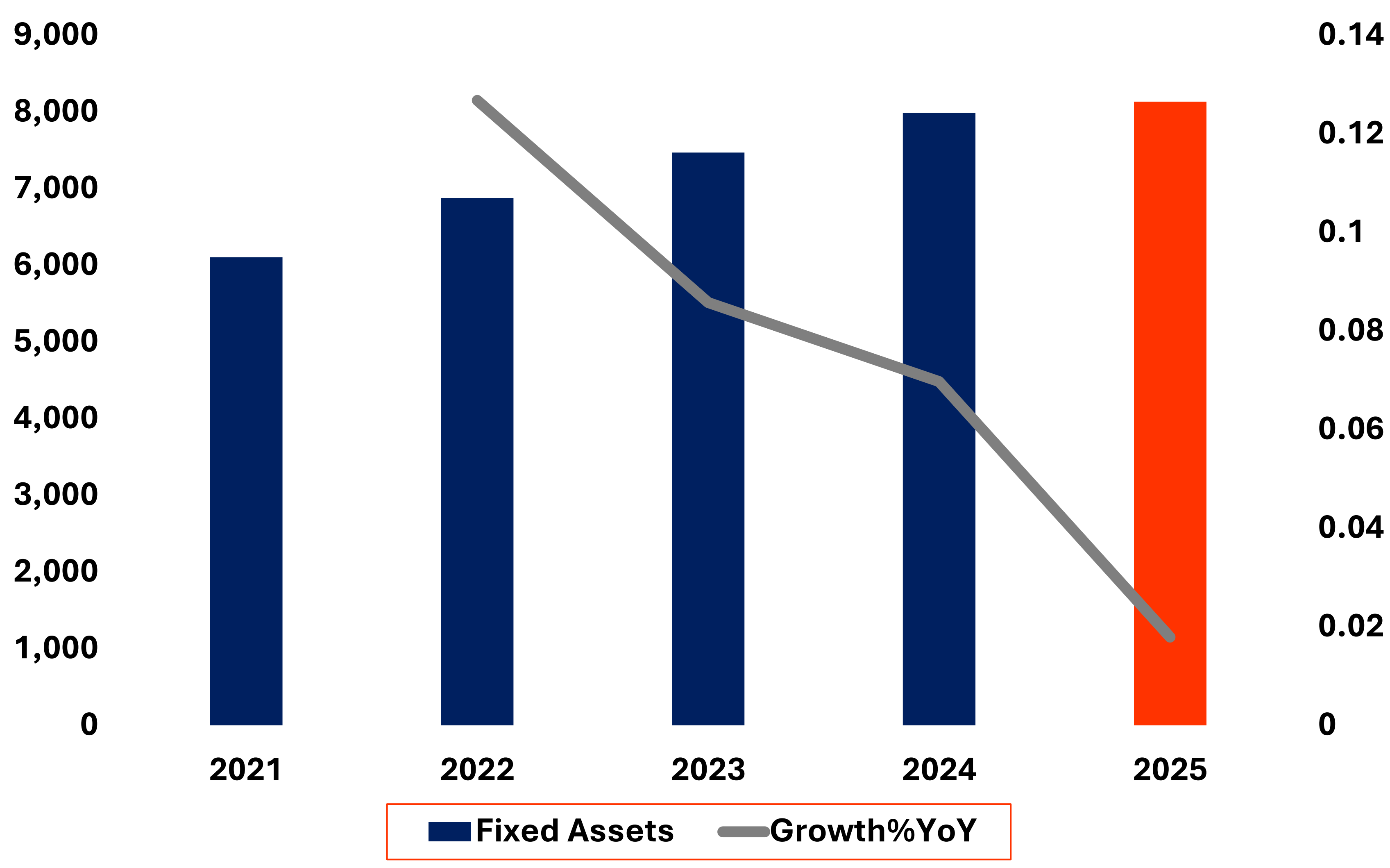
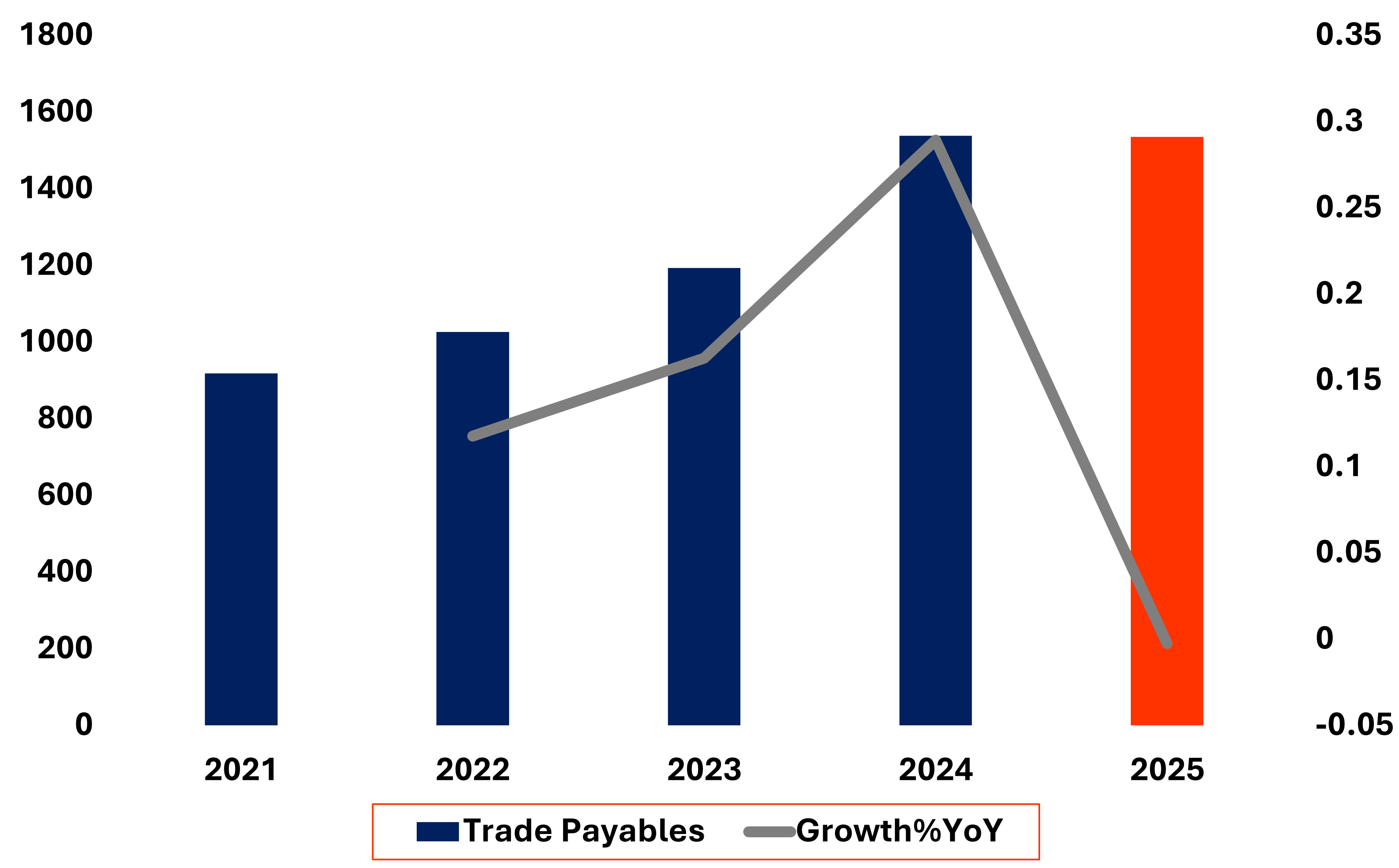
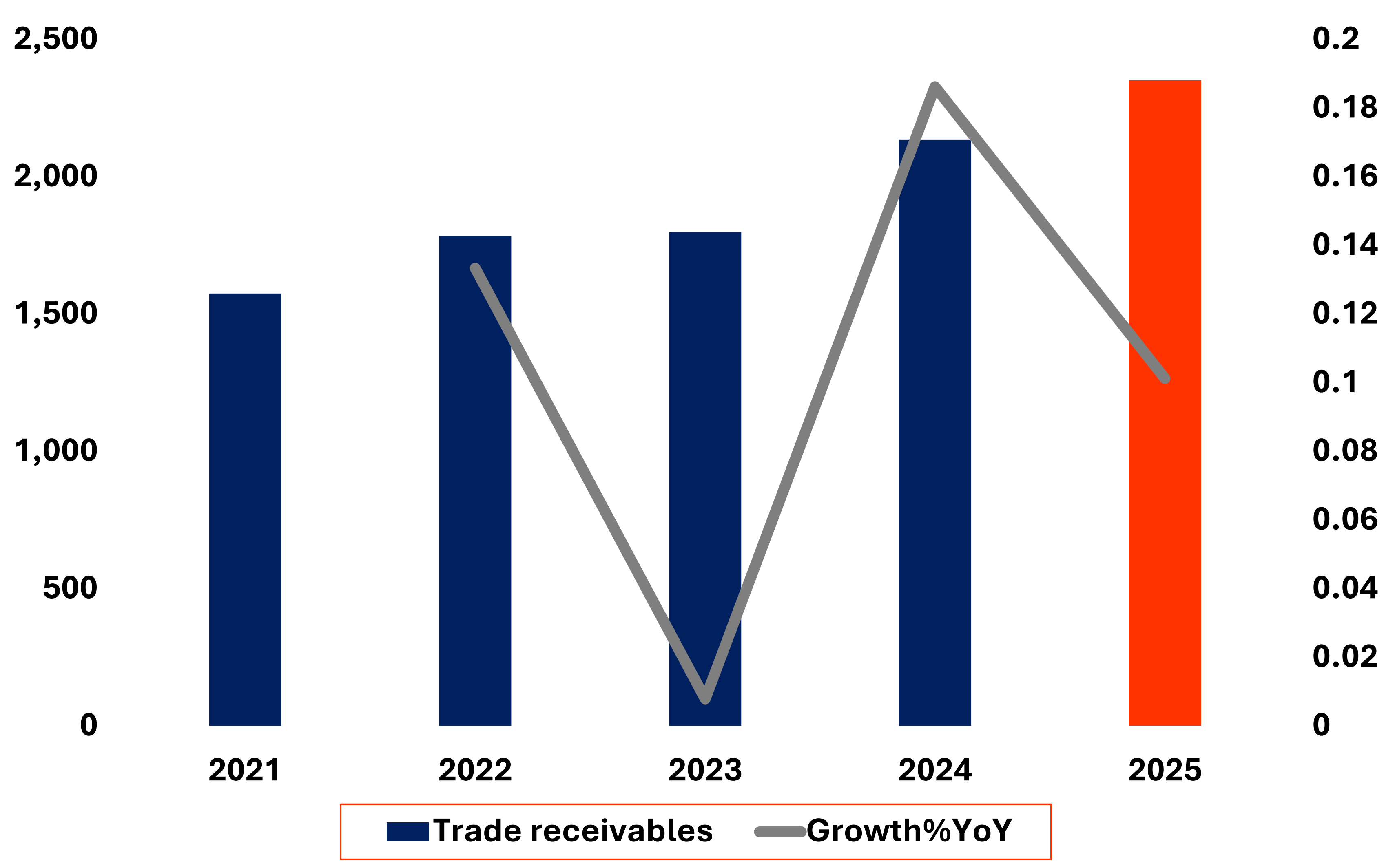
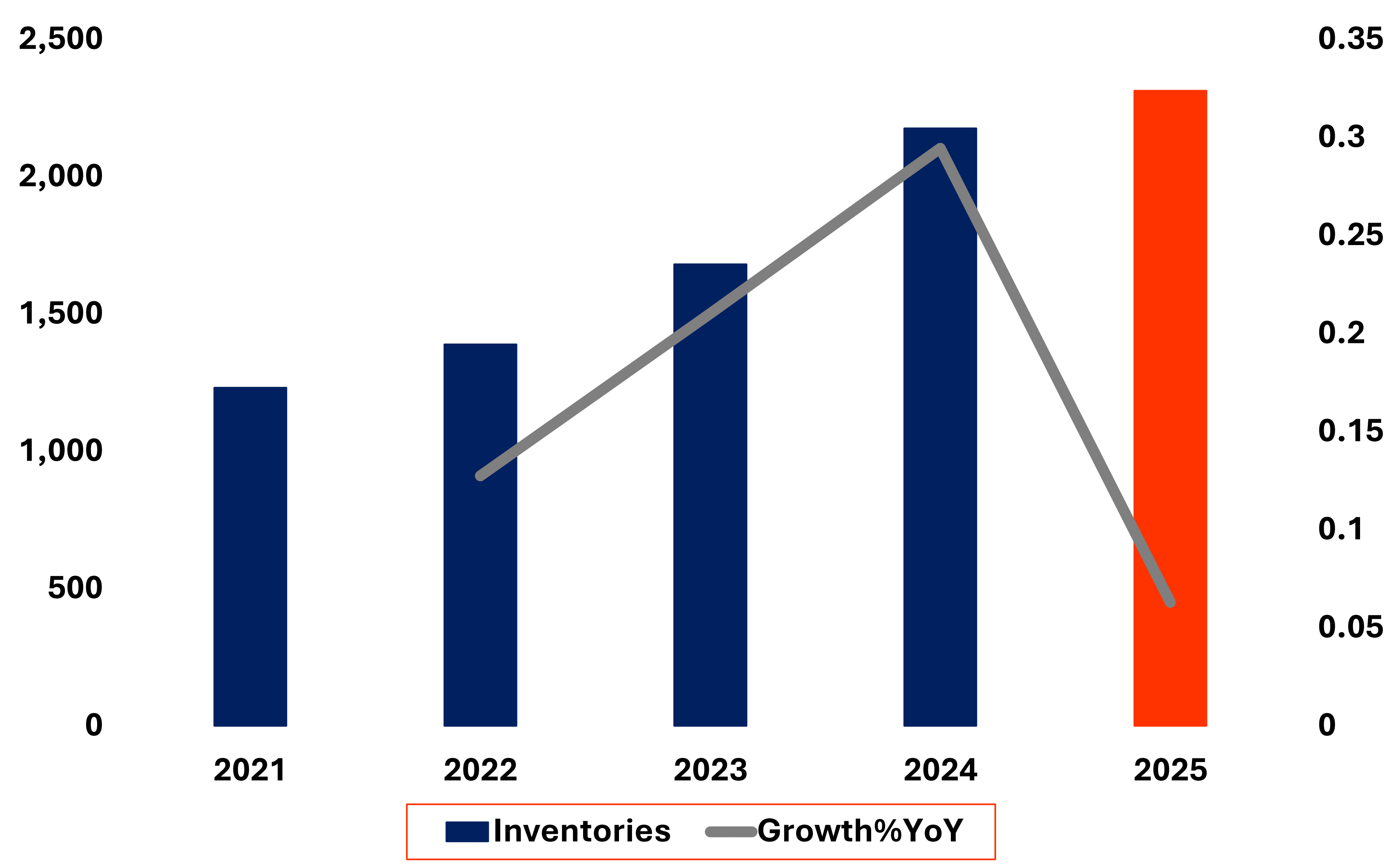








In 2000, pharma market size was just $4 billion, which surged to $50 billion by 2023. Projections indicate that this industry could grow at a 9% CAGR, reaching $450 billion between 2030 and 2047. The generics market is set for a massive opportunity as 253 drugs go off-patent in 2025, followed by 183 in 2026, and 118 in 2027—paving the way for increased competition and affordability.

India's pharmaceutical industry is poised for strong growth, with the formulators' market expected to expand at a 10.5% CAGR, and the trade generics segment projected to grow at a 15% CAGR by 2028. Indian generics, which are 70–90% cheaper than US pharmaceuticals, already cover a vast range, with over 60,000 generics manufactured across 60 categories. The Biologics (Large Molecules) segment is expected to grow 1.5x between 2018 and 2028, while the Small Molecule market will also expand, albeit at a slower pace.

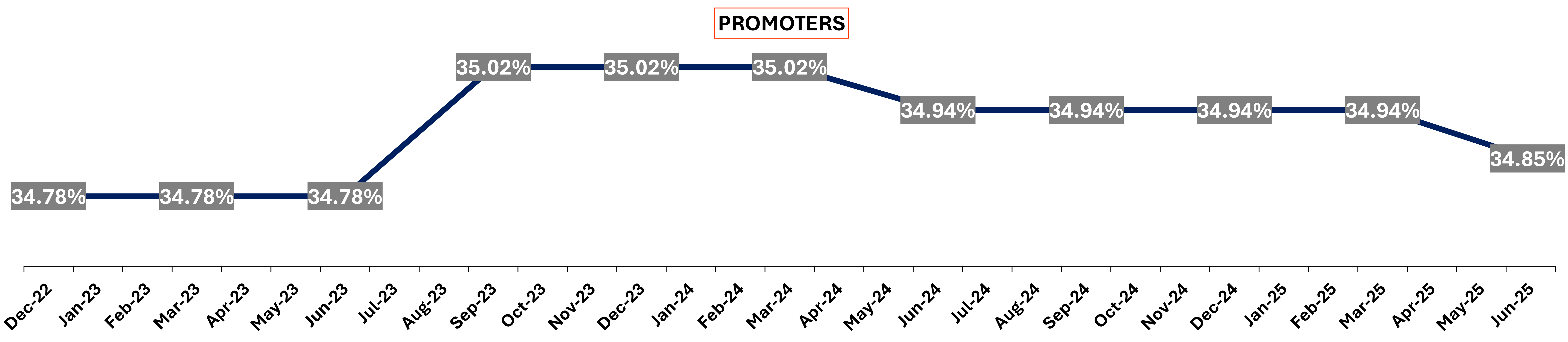
Overall, the total pharmaceutical market size is projected to nearly double, increasing from $1,135.8 billion in 2018 to $1,955.6 billion by 2028F. According to industry reports, the current size of the **global CDMO market is around $150 billion. Projections suggest that this market could grow at a 7–8% CAGR and reach $250 billion by 2030**.

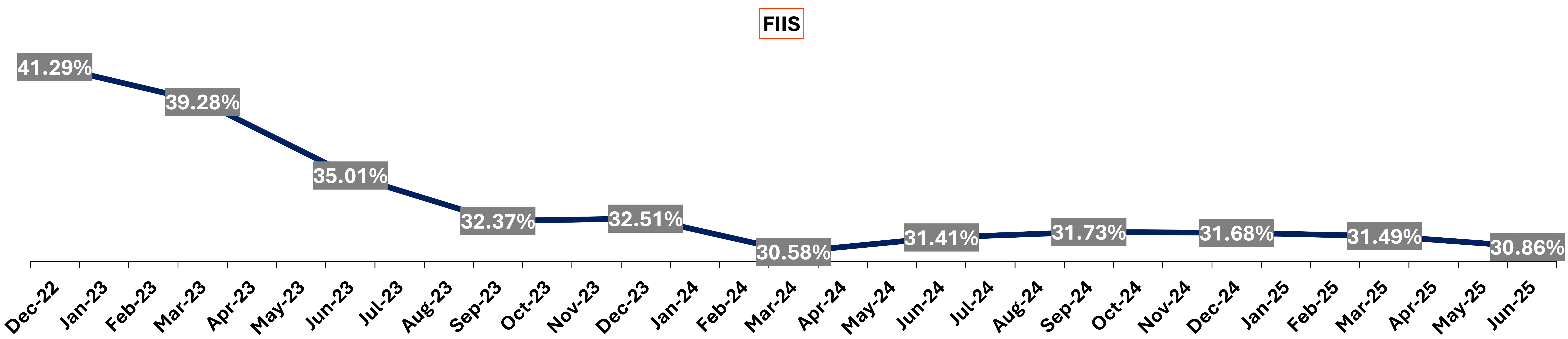
The CDMO industry is witnessing rapid growth because pharmaceutical companies are outsourcing more, new medicines are being developed, demand for generic drugs is increasing, and supply chains need to be secured and expanded. Therefore, this market could reach $250 billion by 2030.

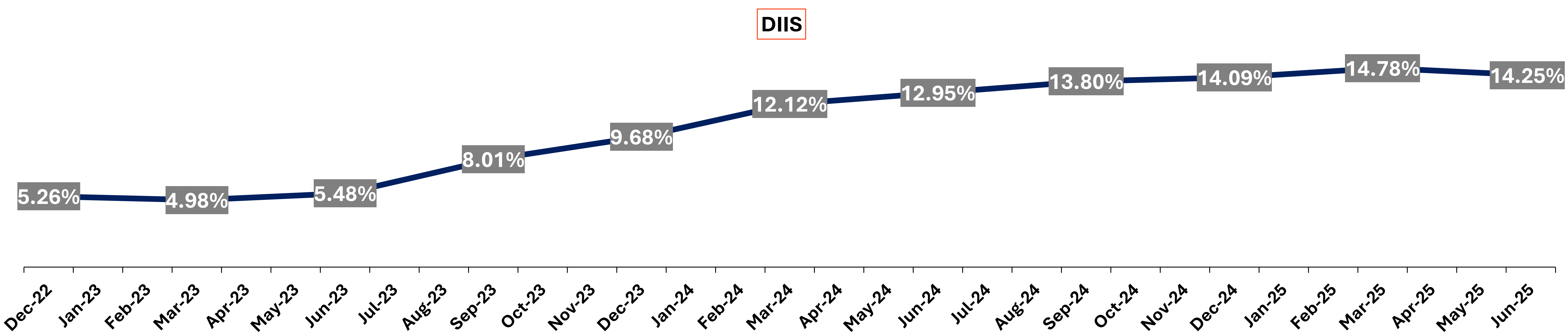
Management has confirmed that the FY26 revenue and margin targets will remain unchanged. For FY26, the company expects mid-single-digit revenue growth (approximately 4–6%) and is confident of maintaining EBITDA margins around 15% (mid-teens). Management stated that the first half of FY26 (1HFY26) will be soft or slow, but real growth is expected in the second half (2HFY26). Growth in the CDMO segment will be driven by investments in the ADC (Antibody Drug Conjugates) segment and expansion of UK facilities.

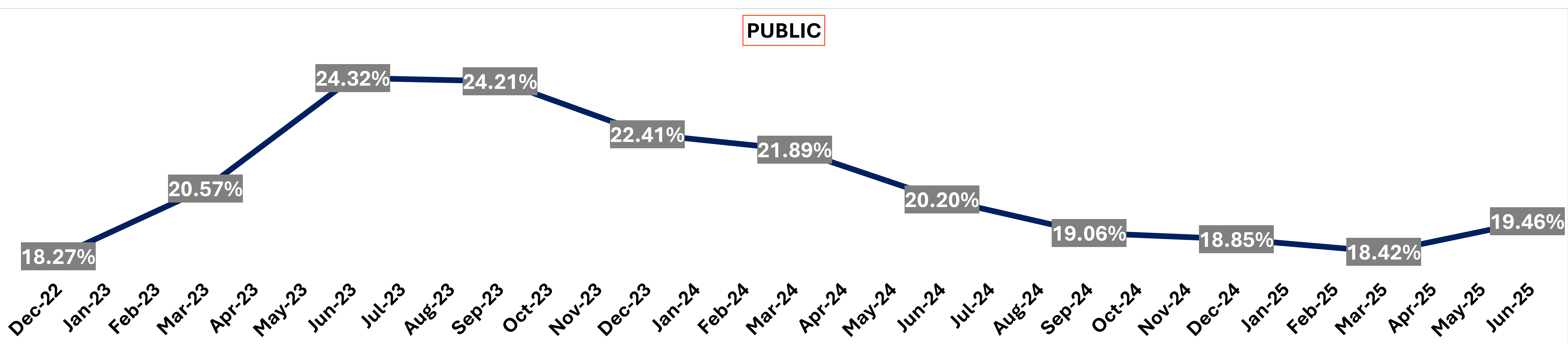
The company expects its gross margin to remain in the **62–65% range in the medium term**. In the future, margins are expected to improve due to innovation, commercial scale-up, and patented products. The CHG segment is expected to achieve double-digit growth for the full FY26. Piramal Pharma has made significant investments in both the UK and US. The company expects a slow start but a strong finish in FY26. With ADC investments, UK/US expansion, and a patented product pipeline, the company remains confident about long-term growth and margin expansion.

Shareholding Pattern ANALYSIS









Technical ANALYSIS

Piramal Pharma Limited is currently trading near its price support level on the weekly chart, and that level has not yet been breached. A flag pattern appears to be forming on the weekly chart. As soon as the pharma sector gets some relief from tariffs or receives a boost, this stock could potentially witness a breakout.

If the breakout happens with high volume and without an upper wick, it would be considered a positive signal for investors, traders, and swing traders. The stock could potentially deliver a 20–25% upside move in the short term.

Piramal Pharma Limited has a market capitalization of ₹25,342 crore. The company has shown consistent revenue growth. Since March 2023, its operating margins have also improved — from 9% in March 2023 to 16% in March 2025.

However, the company's financial ratios have weakened, mainly because it has taken on debt. But that borrowed capital is being invested in fixed assets such as plants, machinery, land, buildings, and equipment. Currently, the company is focused on improving margins and reducing debt.

Shareholders have been gradually reducing their holdings since March 2024. Their stake has decreased from 35.02% in March 2024 to 34.85% in June 2025. However, FIIs and DIIs hold a significant stake in the company. As of June 2025, FIIs hold 3.086% and DIIs hold 14.25%. The public holds 19.46%, and with 458,430 shareholders, the stock is considered a high-float stock.

DISCLAIMER