

| RECOMMENDATION SNAPSHOT | | | | |
|-------------------------|-------------|----------------|--------|------------------|
| *CMP | MCap (Rsbn) | Recommendation | Target | Potential Upside |
| Rs347 | 34.8 | Accumulate | Rs400 | 15% |

*as on 01st June, 2026

About the Company:

Incorporated in 2000, Gufic Biosciences Limited (Gufic) is a Pharmaceutical company closely held by Choksi family, who hold 70% stake directly or through group companies. The company was formed through a buyout of a non-operational listed entity Central Finance Limited, a consumer credit company. The promoters of the company have been in the Pharma industry since 1960, ever since they incorporated Gufic Pharma Private Limited (GPPL). Gufic has been in the business of manufacturing and marketing injectable products since late 1970s. The group had earlier exited its API and formulations manufacturing division through a sell-off of its six major brands such as Mox (Amoxicillin) Injection, Zole (Miconazole Nitrate) etc. to Ranbaxy in 1997. The promoters then re-entered pharmaceutical formulations segment through incorporation of Gufic Biosciences Limited. Gufic has established itself in the Pharma, herbal and biotechnology business with the key focus being on contract manufacturing for various leading pharmaceutical companies in India.

Results: Quick Glance:

- The net sales reported growth of 22.8% at Rs2,518mn as compared to Rs2,050mn in Q4FY25
- The Ebitda margins for the quarter stood at 18.7% as compared to 12.9% in the comparative quarter last year
- The company reported profit of Rs219mn as compared to Rs77mn in the same quarter last year
- The EPS for the quarter stood at Rs2.18 as compared to Rs0.77 in the corresponding period of last year
- For FY26, the revenues came in at Rs9,440mn as compared to Rs8,198mn; growth of 15.2% while the PAT stood at Rs642mn as against Rs696mn. The EPS came in at Rs6.40 as against Rs6.95 in FY25
- The Board has recommended a final dividend of Re0.10 per share subject to approvals

Conference Call Highlights:

- **Indore Facility:** The asset was capitalized in Q3FY25, resulting in higher fixed-cost absorption (salaries, utilities, depreciation, interest). It has been on track with regard to the 30% utilization target for FY26. It is expected to be margin accretive from FY27E onwards. The tech transfer for existing products from Navsari & process validation batches for initial 40 products is completed and 27 more under development. The company has completed 20+ vendor audits for Indian pharma majors and more are lined up. The CMO contracts have commenced. On the global regulatory clearance, EU GMP & UK-MHRA is targeted for Q1FY27E while USFDA in FY29E
- **Criticare:** focus continues towards deepening market penetration by realigning the field force around high-potential hospitals, leveraging in-person and hybrid engagements, and reinforcing scientific leadership through real-world evidence studies and ongoing KOL advisory councils
- **Ferticare:** scaling a high-science fertility franchise by owning reproductive immunology and expanding the stimulation portfolio with cost-effective differentiation. Puregraf and Cetrocare ranges show robust traction, improving portfolio resilience beyond a single brand. Guficin Alpha has become a leading therapy in RIF with strong repeat usage and deepening account confidence
- **Aesthaderm and Neurocare:** Gufic continues growth in **Stunnox** through scientific practitioner programs and skill-building initiatives. The company is strengthening presence in **tier-1 and tier-2 aesthetic markets** via clinician network expansion. In terms of Neurocare, the company is scaling the therapeutic toxin franchise through injector creation and category expansion
- **Stellar & Spark Division (Zenova):** consolidated Spark and Stellar into a single, specialty-focused division to eliminate overlap and streamline engagement. It is scaling a stable specialty focused women's health and ortho platform. It has rationalized manpower and overhead costs to improve operational efficiency and profitability. Prescription-led transition: Rx-to-injectables ratio continues y-o-y improvement and stands now at 70:30. DD1 & Strennil are driving the q-o-q growth; reaffirmed as Zenova's flagship brands
- **Selvax:** The company is developing SVX-3001 (humanized anti-CD40 agonist antibody) co-administered intratumorally with IL-2 to amplify anti-tumour immune response while minimizing systemic toxicity
- **Sparsh:** contrast media and nutrition broadened TAM and accelerates wallet capture. The dual chamber bags have gained solid traction validating commercial acceptance for the innovative launches. The company is scaling distribution footprint to expand hospital reach, reduce supply lead times, and ensure consistent product availability. Sparsh underwent a deliberate operating model change in FY26 from direct-to-hospital billing (creating 150-180 debtor days) to a CFA/stockist-led architecture. This compressed Q3 revenues by Rs140-160mn and Q4 by Rs30-50mn

Conference Call Highlights (contd.):

- **International business:** FY26 pivot is structural, moving to an IP-owned, complex-injectable-led market access model where Gufic holds the Marketing Authorisation, controls the IP, and monetises assets through three mechanisms-direct supply, out-licensing, and tech-transfer fee. Gufic is building on the current high value molecules adding new products from Indore with a market share target of 5-10% in identified geographies over the next 3-5 years. The volumes are ramping up as Navsari capacity is opening up. Gufic Ireland secured its 1st marketing authorization in the EU; giving Gufic direct access to EU markets. In the current quarter, Gufic filed 2 of these products in 18 EU countries. In H1 it secured 24 key product and facility approvals across South Africa, Columbia, Portugal, Myanmar, Sri Lanka, Cambodia, Thailand, and Lithuania, bolstering regulatory footprint in critical care, gastro, and anti-infectives
- **Financials:** (i) the correction undertaken in terms of shift to CF led stockist architecture has been completed with revenue impact of Rs220mn in FY26; not to carry forward into FY27E, (ii) debt on the books is Rs4,000mn as of Mar'26 and is expected to remain at similar levels in tandem to the WC requirements of the expanding business, (iii) no major capex is foreseen in the next 2 years, but for the replacement capex that is expected to be Rs200mn/year, (iv) the revenue blend stands at 48-50% domestic, 18-19% CMO, 20-22% exports, (v) in terms of new products, introductions to the tune of Rs200-250mn is expected every year, (vi) the company has indicated of investment in the equity share capital of Saraswat Co-operative Bank by way of subscription to 57,50,800 equity shares having FV of Rs10 each. The borrowing exposure of Gufic is Rs2,500mn towards the bank

Financials:

| Performance (Q4&FY26) | | | | | | | | | |
|------------------------|--------|--------|--------|--------|--------|------|------|---------|-------|
| Q4&FY26 Result (Rs mn) | Mar-26 | Mar-25 | y-o-y | Dec-25 | q-o-q | FY26 | FY25 | y-o-y | FY27E |
| Total Revenue | 2518 | 2050 | 22.8% | 2314 | 8.8% | 9440 | 8198 | 15.2% | 10856 |
| EBITDA | 472 | 264 | 79.0% | 330 | 43.2% | 1513 | 1347 | 12.4% | 1770 |
| Other Income | (12) | 4 | - | 8 | - | 27 | 36 | (26.7%) | 27 |
| Interest | 94 | 84 | 12.4% | 84 | 12.9% | 366 | 231 | 58.4% | 402 |
| Depreciation | 76 | 78 | (2.5%) | 77 | (0.6%) | 308 | 211 | 46.4% | 309 |
| Tax | 71 | 28 | - | 53 | 33.2% | 223 | 245 | (8.8%) | 288 |
| Net Profit | 219 | 77 | - | 124 | 76.2% | 642 | 696 | (7.8%) | 798 |

Outlook and Recommendations: The company has reported revenue growth of 22.8% y-o-y with strong margins of 18.7%, translating into profits of Rs219mn as compared to Rs77mn in the same quarter last year. For the full year, overall revenues grew by 15.2% with margins of 16% and drop in the profits by 7.8% y-o-y, attributed to higher depreciation and interest outgo for the year. FY26 has offered a full fixed cost load in the form of a new facility for Gufic. Alongwith it, the company has also undertaken the exercise for fixing the WC structure which was at the cost of revenues. Thirdly, there have been investments for widening the leadership bandwidth across key business segments and geographies. The international business has reported the highest ever revenue growth in FY26 with the change of business model undertaken. Indore facility has been the centerpiece of focus for the company; and it has stood by its target of achieving 30% capacity utilization by FY26. It has Ebitda breakeven and is expected to be margin accretive in FY27E. After all the gestation, Indore now enters into a different phase of business with tech transfers completed for 40 products and another 27 in the pipeline. Indian pharma majors have taken Gufic as a partner of choice through successful vendor audits. The EU GMP audit for the Indore facility was completed in Dec'25 with certification expected shortly. Botulin contributes ~3.5% to the total revenues of the company. The market share is around 23%; with Gufic ranking in 02nd position. As toxins and fillers are complimentary, Gufic was well aware of lack and has entered into an in-licensing agreement with a Canadian company for filler options; Gufic will source it through them and sell under the international brand name. This is initially being done for the Indian markets. In terms of GLP-1 as an opportunity; Gufic is clear to stand as a pure CMO player to tap the markets through its partners. While Navsari would be for the pens and cartridge forms; Indore has been signed for lyophilized forms. In terms of guidance, the Management reiterates the 15% y-o-y growth in revenues. On the gross margins, it has indicated improvement of 0.5-1% every year backed by the business reset between domestic, international v/s CMO, new molecules being launched and upgrading to profitable geographies. Ebitda margins for FY27E are expected to be around 18%; target of above 20% by FY30E. Overall, we feel that the company is well on track in terms of the different divisions as well as specific molecules growth and contribution going forward. We have achieved our target of Rs350 and recommend to accumulate for a revised target of Rs400.

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