

Equity Research Desk

ALPHA



Be Unique. Go Big.



Established: 1990 |
HQ: Chennai



Markets: LATAM,
Francophone Africa,
expanding in US & EU



Integration: APIs → Finished
Formulations → R&D → CRO
→ Distribution → Pharmacy
Automation



Origins: Started with ointments
& creams, now spanning
tablets, injectables & more



Value Chain Presence: End-to-
end coverage across pharma
innovation, manufacturing
& delivery

Subsidiaries



13 subsidiaries; 1 associate company
(as of FY24)

Growth Strategies



Emerging Market Growth

- Strengthening LATAM footprint with new partnerships & dossiers in Mexico & Chile
- 35+ filings in Mexico (17 approved) | 80+ more to be filed in next 12 months
- Secured US\$7.6M govt tenders in Central America (supplies in Q2–Q3 FY26)
- New facilities & warehouses set up in LATAM; first phase to focus on oral liquids & dermatology
- Vizag General API facility completed (GMP certification underway) → backward integration for injectables & OSD
- Acquired Neoethicals Chile SpA & Triwin Pharma Mexico → stronger distribution channels

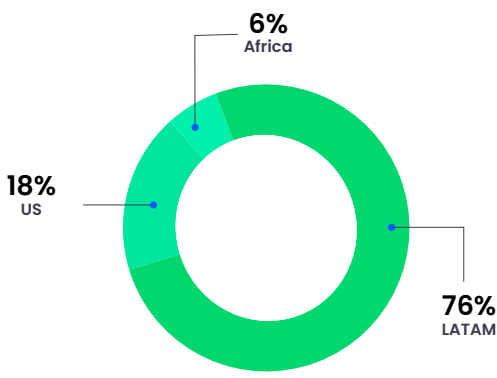


Regulated Market Expansion

- Entered US market via Caplin Steriles USA Inc. (profitable within first few quarters)
- 21 products launched in US; 15 more in pipeline
- Key USFDA approvals: COMBIGAN, Vitamin K1 injection, HALDOL
- Expanding filings/approvals in Canada, Mexico, Saudi Arabia, UAE & South Africa
- Early traction in high-margin generics supports strong earnings visibility

Revenue Breakup (FY25)

Total Revenue (FY25) – ₹1,937 crore



Financial Highlights



Q1FY26

- Revenue: ₹510 Cr (↑ 11% YoY)
- EBITDA: ₹201 Cr (↑ 18% YoY)
- Net Profit: ₹151 Cr (↑ 21% YoY)

Steady performance backed by growth in emerging markets and strong US traction



FY25

- Revenue: ₹1,937 Cr (↑ 14% YoY)
- EBITDA: ₹743 Cr (↑ 20% YoY)
- Net Profit: ₹541 Cr (↑ 17% YoY)

Strong growth supported by expanding LATAM presence & steady US traction

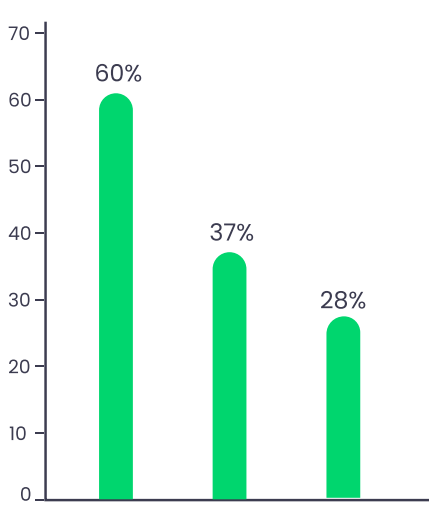


3 Year Financial Performance

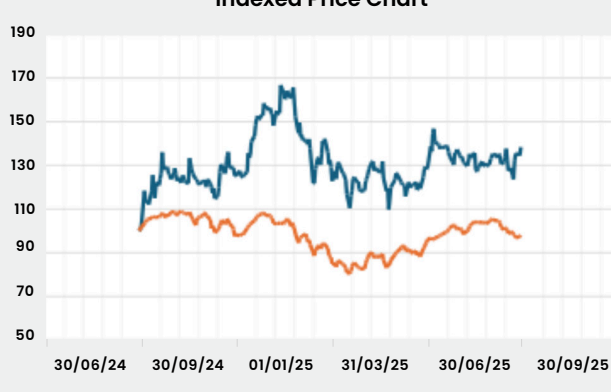
- Revenue CAGR: ~15%
- Net Profit CAGR: ~21%
- Avg. ROE: 24%
- Avg. ROCE: 26%
- Debt-to-Equity Ratio: 0 (Debt-Free)

Consistent growth with superior returns and a strong, debt-free balance sheet.

Margins–FY25



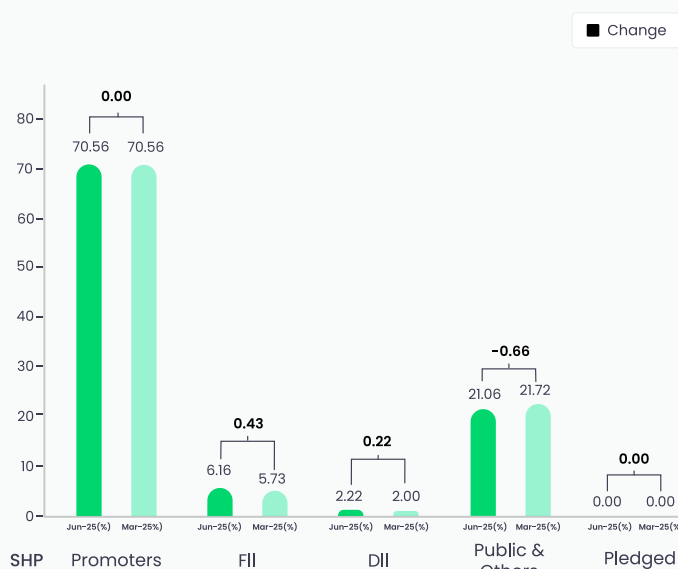
Indexed Price Chart



Market Data

| | |
|------------------|-----------------|
| CMP | ₹2135 |
| Date | 14-Aug-25 |
| Target Price | ₹2499 |
| Upside Potential | 17% |
| 52 Week High/Low | 2641/1535 |
| NSE Code | CAPLIPOINT |
| Market Cap | Small |
| Sector | Pharmaceuticals |
| Rating | BUY |

Shareholding Pattern



Ratios – FY25

| | |
|--------------|-------|
| ROE | 21% |
| ROCE | 26% |
| Div. Yield | 0.28% |
| PE Ratio (x) | 28.3 |
| Face Value | 2.00 |
| EPS | 70.56 |

Industry Outlook



Scale: 3rd largest globally by volume | Exports to 200+ countries



Global Role: Supplies 50% of global vaccines | Largest supplier of generics



Market Size: US\$ 65B (FY25) → US\$ 130B by 2030 → US\$ 450B by 2047



Strengths: Cost-effective manufacturing, innovation, govt. support



Recognition: "Pharmacy of the World" ensuring affordable global healthcare



Future Growth: MedTech exports projected to hit US\$ 20B by FY30

Growth Drivers



Budget Push: ₹5,269 Cr (US\$603M) allocated to Dept. of Pharmaceuticals (FY26)



FDI Policy: 100% FDI in Greenfield projects (auto route) | Up to 74% in Brownfield (auto route)



Clinical Edge: Strong trial infrastructure & large skilled talent pool supporting R&D growth

Competitive Advantage



Competes with Zydus Lifesciences, ERIS Lifesciences & others, while delivering steady revenue growth, superior capital returns, and strong earnings — showcasing financial stability and efficient capital allocation

Peer Analysis

| Company | CMP | Mcap | ROCE | ROE | 3Yr Sales CAGR | P/E | EPS |
|--------------|------|-------|--------|--------|----------------|-----|-------|
| Caplin Point | 2135 | 16156 | 26.00% | 22.00 | 15.00% | 29 | 74.35 |
| Zydus | 989 | 99159 | 24.00% | 21.00% | 15.00% | 22 | 45.44 |
| ERIS | 1685 | 23050 | 12.00% | 13.00% | 29.00% | 59 | 28.44 |

Outlook



R&D Pipeline: Oncology API facility (Thervoy) & dual-chamber syringe line (Puducherry) targeting high-margin, low-competition niches



Emerging Markets: Stronger LATAM presence with integrated supply chain & local manufacturing



Integrated Model: Backward integration + onshore production + owned distribution higher → efficiency & margins



BUY Rating with Target Price: ₹2,499 (26x FY27E EPS)

Note: We also encourage maintaining a stop-loss at 20% from the entry price to manage potential downside risk effectively.

SWOT Analysis



Strengths

- Focus on niche markets with limited competition
- Expanding sales & distribution network
- Healthy financials with debt-free capital structure



Weaknesses

- Exposure to foreign exchange volatility
- Subject to stringent regulatory scrutiny (e.g., USFDA)



Opportunities

- First-mover advantage in underserved global markets
- Continued expansion in both emerging & regulated regions
- Growth potential in high-margin segments



Threats

- Rising competitive pressures
- Regulatory risks including potential product bans & approval delays

Product Portfolio



Tablets & Capsules – Wide portfolio across therapeutic segments



Injectables – Liquid & lyophilized, pre-filled syringes, powder for injections



Topicals – Ointments, creams, gels



Softgels & Liquids – Softgel capsules, oral liquids



Special Formats – Suppositories, ovules, pre-mix bags



Inhalation Therapy – Inhalers & sprays

Note: To read the Disclaimer and Disclosure, [click here](#)

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