

Corona Remedies (CORONA) - ADD

Result Update

Current Market Price (CMP) Rs.1613	Fair Value (FV) Rs.1850
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Rationale:

- Corona's margins in Q4FY26 missed estimates due to ongoing investments, yet the company comfortably surpassed its full-year PAT guidance.
- Outlook remains robust with it guiding for 15%+ organic sales growth, 25%+ growth in acquired brands and 20%+ PAT growth in FY27E.
- EBITDA margins expected to improve yoy as PCPM improves further.
- Driven by a robust sales uptick and improved MR productivity, we expect Corona to deliver robust ~23%/27% EBITDA/EPS CAGRs over FY26-29E, which are the highest in our coverage.
- We retain ADD with a revised FV of Rs1,850 (Rs1,725 earlier).

👍 Positives:

- Corona's overall sales grew 20% yoy in Q4FY26.
- Corona's EBITDA grew 14% yoy in Q4FY26.
- Corona's adjusted PAT grew 44% yoy in Q4FY26.
- Expect domestic sales contribution to remain at 95-96% of overall sales over FY27-29E.
- We bake in a healthy ~16% sales CAGR for Corona over FY26-29.
- Growth engine with ~27% EPS CAGR over FY26-29E.

👎 Negatives:

- International: Gross margins are lower than the domestic business.

(CAGR - Compound Annual Growth Rate, EBITDA - Earnings Before Interest, Taxes, Depreciation, and Amortization, EPS- Earning Per Share,)



The content of this document has been derived from KIE research report. Kotak's PCG Research has summarized the report (Research Team: shrikant.chouhan@kotak.com). Readers who wish to access the complete report are kindly requested to contact their respective Relationship Manager. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 months

RATING SCALE (PRIVATE CLIENT GROUP)

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- BUY** – We expect the stock to deliver more than 15% returns over the next 12 months
- ADD** – We expect the stock to deliver 5% - 15% returns over the next 12 months
- REDUCE** – We expect the stock to deliver -5% - +5% returns over the next 12 months
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- NR** – **Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
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- NA** – **Not Available or Not Applicable.** The information is not available for display or is not applicable
- NM** – **Not Meaningful.** The information is not meaningful and is therefore excluded.
- NOTE** – Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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