

## Syngene International (SYNG) - BUY

### Q4FY26 Result Update

Current Market Price (CMP) <b>Rs.468</b>	Fair Value (FV) <b>Rs.705</b>
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### Rationale:

- Significant outperformance vis-à-vis recent guidance drives Q4FY26 beat.
- Syngene's Q4FY26 sales at Rs1,040 cr (+2% yoy, +13% qoq) were 8% ahead of estimates.
- Reflecting further decline in Librela sales in FY27E, Syngene is guiding for flat yoy c/c sales growth with flat EBITDA margins (mid-20s) in FY27E.
- While a bounce-back in growth and margins is largely contingent on new biologics contract wins, we believe Syngene's earnings have largely bottomed out.
- Valuations stay attractive. Retain BUY.

### 👍 Positives:

- Q4FY26 gross margins improved by 60 bps yoy to 77.5% (+350 bps vs KIE, +250 bps qoq).
- Adjusted PAT grew ~2X% qoq in Q4FY26.
- We forecast ~11% overall sales CAGR, over FY2026-29E, for Syngene.
- We forecast ~13% EBITDA CAGR over FY2026-29E for Syngene.

### 👎 Negatives:

- EBITDA margin at 31.3% (+940 bps versus KIE) declined by 290 bps yoy.

(EBITDA: Earnings before interest depreciation and tax, EPS: Earnings Per Share, CAGR: Compound Annual Growth Rate)



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

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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
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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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