Symbiotec Pharmalab Ltd.

Sector: Pharmaceuticals (Steroid APIs, CDMO, Complex Injectables)

CMP(₹): 1,279.5

12m P/E based TP: ₹1,510	Upside: 18%	**Rating: ACCUMULATE**

Steroid API leader adding two new growth platforms

Initiating coverage with ACCUMULATE and a TP of ₹1,510

At Avalon Investments, we initiate coverage on Symbiotec Pharmalab Ltd. (Symbol: SYMBIOTEC) with an **ACCUMULATE** rating and a 12-month target price of **₹1,510**, based on 45x FY29E EPS discounted to a 12-month view. Symbiotec is the largest producer of corticosteroid and steroidal-hormone APIs globally by volume and is adding biotech CDMO and complex injectables, which we expect to deliver 71% of revenue growth over FY26-29E.

Business Overview

Symbiotec started in 1995 as a lab-scale steroid API maker in Indore, commissioned its first industrial plant at Rau in 2004 and is led by founder **Anil Satwani**. It is one of the few fully backward-integrated steroid API producers globally: soybean-derived phytosterols are fermented into steroid intermediates and converted by chemical synthesis into **60+ corticosteroid and steroidal-hormone APIs**, supported by 44 US DMFs and 25 CEPs.

The company holds **80.1% of global hydrocortisone volume, 76.4% of testosterone and 76.0% of methylprednisolone** and serves **200+ customers in 40+ countries**; ~70% of FY26 revenue came from customers served for more than seven years. APIs contributed 96% of FY26 revenue of ₹869 Cr. Two new verticals were commissioned in March 2026: biotech CDMO at Ujjain (400 KL of fermentation) and complex injectables through Knovea at Mhow (18-20 mn double-chamber vials a year).

Investment Thesis

1. Global leader in steroid APIs with a backward-integrated cost base

- Only company present across the top ten corticosteroid and steroidal-hormone APIs; key starting materials made in-house for over 80% of products by revenue.
- Raw material cost fell from 51.5% of sales in FY23 to 36.3% in FY26; API gross margin is above 60% and API EBITDA margin is ~30%.
- Customers name Symbiotec as the API source in their regulatory filings, so switching requires product-by-product requalification.

2. Core API business grows at high single digits

- Corticosteroid API demand grows 1.6-3.0% a year and steroidal hormones 1.0-2.5% (Frost & Sullivan).
- We model 8% API growth, from ₹835 Cr. in FY26 to ₹1,052 Cr. in FY29E, on share gains, regulated-market mix and new fermentation-derived APIs; management guides high-single-digit growth.
- API plants run at 70-80% utilisation, leaving headroom for volume growth without major new capex.

3. DCV and biotech CDMO to deliver 71% of incremental revenue to FY29E

- Mhow (DCV) and Ujjain (fermentation) commissioned in March 2026; ~₹960 Cr. committed to the two platforms, of which ₹827 Cr. was invested by June 2026.
- First DCV ANDA filed in September 2026; exclusive US agreement signed on 30-Sep-26. CDMO capacity is contracted on take-or-pay terms. We estimate ₹575 Cr. of revenue from the two platforms in FY29E.
- Ujjain Phase 1 (600 KL) construction starts in Q3FY27 for a term-sheet customer; Phases 1 and 2 would take fermentation capacity to about four times the current level over two to three years.

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Market Data

NSE / BSE code	**SYMBIOTEC / 544889**
Shares outstanding	**6.42 Cr.**
Market Cap	**₹8,208 Cr.**
Enterprise Value	**₹8,439 Cr.**
High / Low since listing	**₹1,310 / ₹934**
Promoter shares pledged	**38.5%**

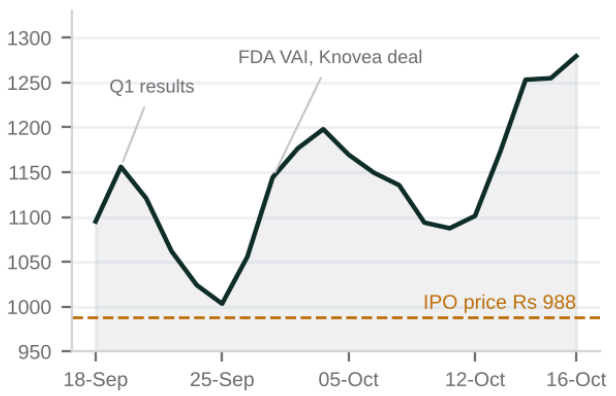
Financials & Valuations (₹ Cr.)

Y/E March	FY26A	FY27E	FY28E	FY29E
Sales	869	1,028	1,290	1,626
EBITDA	241	287	369	478
Adj. PAT	110	125	178	251
EBITDA margin (%)	27.6	27.8	28.5	29.2
EPS (₹)	19.1	19.4	27.7	39.1
EPS growth (%)	10.0	1.6	42.6	41.3
BV/share (₹)	183	222	250	289
Ratios				
Net D/E (x)	0.33	0.22	0.23	0.18
RoE (%)	9.6	8.7	11.1	13.5
RoCE (%)	12.2	10.6	13.0	15.7
Valuations				
P/E (x)	66.9	65.9	46.2	32.7
EV/EBITDA (x)	35.0	29.4	22.9	17.7
P/B (x)	7.0	5.8	5.1	4.4
FCF yield (%)	-0.6	-0.5	0.1	1.2

Quick Snapshot

TTM revenue	**₹884 Cr.**
Revenue CAGR, FY23-26	**15.3%**
PAT CAGR, FY26-29E	**31.7%**
TTM EBITDA margin	**25.8%**
TTM PAT margin	**10.6%**
Return since IPO (₹988)	**29.5%**

One-month price performance



Source: NSE closing prices, 18-Sep-26 to 16-Oct-26; Avalon estimates.

4. PAT to compound at 31.7% over FY26-29E; FCF turns positive in FY28E

- Revenue, EBITDA and PAT CAGRs of 23.2%, 25.6% and 31.7% over FY26-29E.
- FY27E is the trough year: depreciation rises to ₹100 Cr. and new-business opex runs at ~₹23 Cr. a quarter while the plants ramp up; RoCE dips to 10.6% before recovering to 15.7% in FY29E.
- Guided capex of ₹250 / 225 / 200 Cr. over FY27E-29E keeps FCF negative at -₹45 Cr. in FY27E; FCF turns positive in FY28E and reaches ₹101 Cr. in FY29E, while net debt moves from ₹381 Cr. in FY26 to ₹329 Cr.

5. Valuation leaves limited room for execution delays

- At CMP, the stock trades at 65.9x FY27E and 32.7x FY29E EPS.
- Scenario values of ₹607 / ₹1,761 / ₹3,137 per share by March 2029 at 30x / 45x / 60x FY29E EPS; the base case discounted at the 11.07% cost of equity gives a TP of ₹1,510 (+18%).
- We initiate at ACCUMULATE: most of the upside depends on a US DCV approval and the CDMO ramp-up, neither of which has been delivered yet.

Exhibit 1 PAT CAGR of 31.7% over FY26-29E; P/E falls to 32.7x FY29E at CMP

₹ CR.	FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
Revenue from operations	716	752	869	1,028	1,290	1,626
Growth		+4.9%	+15.6%	+18.3%	+25.5%	+26.1%
EBITDA	177	206	241	287	369	478
EBITDA margin	24.5%	27.3%	27.6%	27.8%	28.5%	29.2%
PAT	100	97	110	125	178	251
EPS (₹)	18.0	17.4	19.1	19.4	27.7	39.1
EPS growth		-3.4%	+10.0%	+1.6%	+42.6%	+41.3%
RoE	14.0%	11.9%	9.6%	8.7%	11.1%	13.5%
RoCE	14.3%	12.0%	12.2%	10.6%	13.0%	15.7%
P/E at CMP	71.1x	73.6x	66.9x	65.9x	46.2x	32.7x
EV/EBITDA at CMP	47.7x	40.9x	35.0x	29.4x	22.9x	17.7x

Source: Company RHP (FY24A-FY26A), Avalon estimates. EBITDA includes other income, as reported. Valuation at CMP ₹1,279.5 and pro forma EV of ₹8,439 Cr.

Exhibit 2 Segment build: new platforms add ₹575 Cr. of revenue by FY29E; API falls to 65% of the mix

₹ CR.	FY26A	FY27E	FY28E	FY29E	CAGR FY26-29E
API	835	902	974	1,052	8.0%
Complex injectables (DCV)	33	66	176	295	n.m.
CDMO services	1	60	140	280	n.m.
Revenue from operations	**869**	**1,028**	**1,290**	**1,626**	**23.2%**
API share of revenue	96%	88%	76%	65%	
New platforms share of revenue	4%	12%	24%	35%	

Source: Company RHP (FY26A), Avalon estimates.

- We expect DCV to contribute more than CDMO by FY29E (₹295 Cr. against ₹280 Cr.): DCV has a contracted US partner and an ANDA on file, while CDMO commercial supply only starts in Q4FY27.

Exhibit 3 Key debates: the core API franchise is secure; the new businesses carry the execution risk

DEBATE	BULL VIEW	BEAR VIEW	OUR VIEW
Is the core franchise secure?	Volume leader in the top molecules; KSMs in-house; 10-year customer relationships	Slow end markets; FY23 showed margins can halve when input costs spike	Secure and cash generative; growth capped by 1-3% end markets
Will DCV succeed?	Owns the API for both lead products; US partner signed; single-innovator market	One ANDA filed; approval and launch timing uncertain	Likely, but FY28 is the earliest year of meaningful US sales
Will CDMO succeed?	Take-or-pay contracts; fermentation expertise; China+1 demand	No commercial track record; Laurus adding fermentation scale	The larger uncertainty; we model below management targets
Is the stock cheap?	Trailing EV/EBITDA of 35.0x, below the 42.6x peer median, with faster expected growth	66x FY27E P/E; DCF value of ₹164 per share	Fairly valued on the base case; upside requires execution

Source: Avalon analysis.

Exhibit 4 Valuation summary: the base case gives a 12-month TP of ₹1,510; probability-weighted value of ₹1,560

SCENARIO	FY29E PAT (₹ CR.)	EXIT P/E	VALUE, MAR-29	PROBABILITY	12-MONTH VALUE	VS CMP
Bear	130	30x	₹607	25%	₹521	-59.2%
Base	251	45x	₹1,761	50%	₹1,512	+18.2%
Bull	335	60x	₹3,137	25%	₹2,694	+110.6%
Probability-weighted			**₹1,817**	**100%**	**₹1,560**	**+21.9%**

Source: Avalon estimates. Values discounted to a 12-month view at the 11.07% cost of equity over 1.45 years.

Business Segments

Symbiotec manufactures corticosteroid and steroidal-hormone APIs through an integrated chain that starts with soybean-derived phytosterols. Fermentation converts the sterols into steroid intermediates, and multi-step chemical synthesis turns these into more than 60 APIs used in anti-inflammatory, allergy, transplant, hormone replacement and contraceptive therapies. Control of the intermediate steps lets the company choose between making and buying key inputs, which protects margins when input prices move.

The company operates three verticals on this base. Organic chemistry produces APIs at Rau and Pithampur. Biotechnology runs fermentation at Pithampur and Ujjain for in-house intermediates and, since FY25, for third-party CDMO customers. Complex injectables, run through the subsidiary Knovea, manufactures double-chamber vials (DCVs) at Mhow, which hold a powdered drug and its diluent in one sealed device for mixing at the point of use.

Fermentation is the main reason the steroid API business is difficult to replicate. Most generic APIs are made by chemical synthesis, where a documented reaction route can be reproduced by a competent team. The fused-ring steroid structure can also be built chemically, but only through many steps with low yields. Fermentation uses an engineered micro-organism to build the difficult part of the structure, and chemistry completes the molecule. The know-how lies in the strain, the feed profile, aeration, temperature control and harvest timing, which are accumulated empirically and are not available in published form. Symbiotec developed this capability from 2008 onwards to support its backward integration, and the same competence now underpins the CDMO business.

Backward integration gives the company a make-or-buy choice for the key starting materials of products accounting for over 80% of revenue, which management describes as its main defence of margins when intermediate prices move. The integration is not complete: solvents are purchased externally, and logistics and solvent costs remain sources of margin variation. The new verticals are housed in two wholly owned subsidiaries, Knovea Pharmaceutical (complex injectables) and Symbiotec Zenfold (biotech fermentation assets). The parent funds them through inter-company loans; the interest income it earns is eliminated on consolidation while the subsidiaries' operating costs and depreciation remain, which is why standalone profit currently runs well ahead of consolidated profit.

Exhibit 5 Symbiotec controls four of the five steps from plant sterol to finished dose

STAGE	PROCESS	SYMBIOTEC'S POSITION
1. Plant sterols	Sterols extracted from soybean and similar crops form the raw feedstock	Purchased; sourcing shifted away from China
2. Fermentation	Microbial fermentation converts sterols into a steroid backbone (e.g. androstenedione)	300 KL at Pithampur; also sold as an API
3. Key starting materials	The backbone is converted into molecule-specific intermediates	Made in-house for over 80% of products by revenue
4. API synthesis	Multi-step chemistry produces the finished, regulated API	60+ APIs at Rau and Pithampur; 44 US DMFs, 25 CEPs
5. Finished dose	Customers formulate the API into creams, tablets and injections	Entering through DCV injectables at Mhow

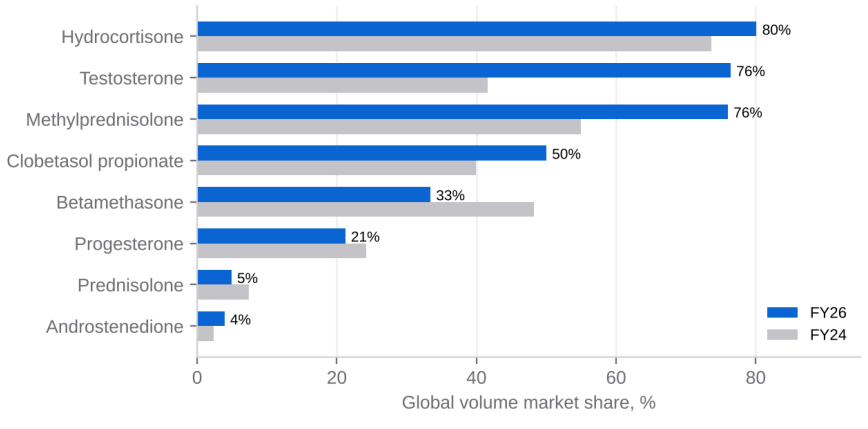
Source: Company RHP, Q1FY27 earnings call, Avalon analysis.

Exhibit 6 Two revenue-generating API sites; two new platform sites commissioned in March 2026

FACILITY	PLATFORM	CAPACITY	STATUS AND APPROVALS
Rau, Indore	Sterile and non-sterile corticosteroid API blocks	92 MT	US FDA, EU-GMP, WHO-GMP, Japan PMDA
Pithampur SEZ	Isolated hormone blocks, synthesis, fermentation	492.67 MT; 300 KL fermentation (20 KL in 2010, 280 KL added in 2013)	US FDA audit Aug-26; EIR with VAI status on 29-Sep-26
Ujjain	Biomanufacturing (CDMO); biologics unit	400 KL fermentation; 14 KL biologics under construction	Commissioned; take-or-pay contracts; first revenue in Q4FY27
Mhow (Knovea)	Lyophilisation, aseptic fill-finish; DCV, bag and syringe platforms	18-20 mn vials a year; space for further lines	Commissioned; first US ANDA filed Sep-26; US partner signed 30-Sep-26

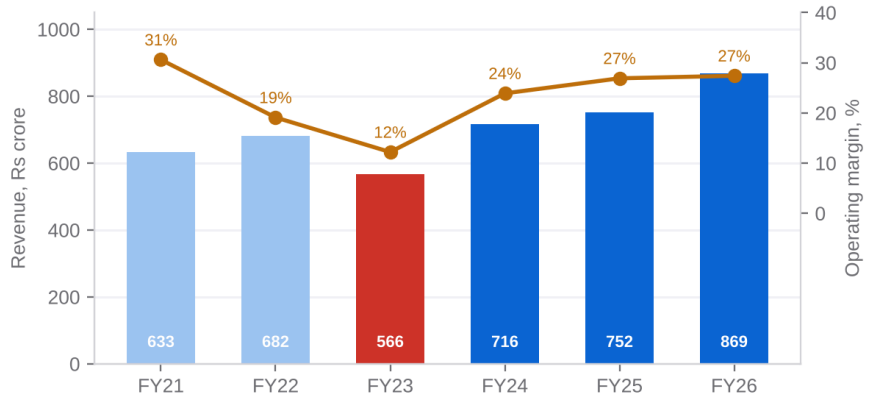
Source: Company RHP, Q1FY27 investor presentation and earnings call, NSE filings.

Exhibit 7 Global volume share above 75% in hydrocortisone, testosterone and methylprednisolone



Source: Frost & Sullivan via company RHP.

Exhibit 8 Operating margin rebuilt from 12% in FY23 to 27% in FY26



Source: Company RHP, Screener.in. Operating margin on revenue, before other income.

FY23 downturn and recovery: margins rebuilt through backward integration

FY23 revenue fell 17% and operating margin dropped to 12% as input costs rose and pricing weakened. The recovery came largely from company-specific actions: in-house key starting materials, lower dependence on China (China's share of total expenses fell from 53% in FY24 to 24% in FY26) and volume gains. The top five customers account for 43% of revenue and the top ten for 57.6%; the top five products account for 62%.

Exhibit 9 API revenue grew 12% in FY26 as the US share rose to 13%

	FY24	FY25	FY26
API revenue (₹ Cr.)	716	745	835
API revenue growth		+4.0%	+12.1%
US share of revenue	9.0%	4.0%	13.1%
New customers added	89	96	101
China share of total expenses	53%	n.a.	24%
Return on net worth	13.9%	11.8%	9.5%

Source: Company RHP.

Exhibit 10 Corticosteroids account for ~60% of API sales

FAMILY	MAIN USES	LEAD APIS
Corticosteroids (~60% of API sales)	Inflammation, skin conditions, allergy and asthma, transplant and oncology support	Hydrocortisone, methylprednisolone, betamethasone, clobetasol, prednisolone
Steroidal hormones (~40%)	Hormone replacement, contraception, testosterone therapy	Testosterone, progesterone, androstenedione; conjugated estrogens in development

Source: Company RHP, Frost & Sullivan.

Customers: regulatory qualification creates structural switching costs

Symbiotec sells to drug manufacturers rather than to pharmacies or hospitals. A customer launching a generic product first shortlists API suppliers holding the relevant DMF or CEP, audits the facility, pays for validation batches tested against the pharmacopoeial specification and then files its marketing authorisation referencing Symbiotec's documentation. Once approved, the customer's registration names Symbiotec's API and site. Changing supplier thereafter requires a variation filing, new validation batches and a regulatory review while the product is on the market. The API is a small part of the customer's cost but a large part of its regulatory risk, which is why relationships are long and churn is low.

- **Technical lock-in:** particle size, polymorphic form and impurity profile affect how the finished formulation behaves, and a change of supplier requires these to be re-established; for injectable-grade API, sterility assurance and endotoxin control raise the bar further.
- **Customer mix:** innovators, large pharmaceutical companies and generic and specialty manufacturers. Two of the top five customers are innovators, which apply the most stringent supplier qualification in the industry; generic formulators buying off-patent molecules negotiate harder on price.
- **Contract structure:** API sales are repeat purchases under annual or multi-year supply arrangements rather than take-or-pay contracts, so revenue follows customer ordering patterns. The US revenue line moves sharply from year to year as individual innovator accounts place or defer orders.
- **Geography:** direct exports are weighted to regulated markets, and part of domestic sales goes to Indian formulators that export to the US and Europe, so reported exports understate regulated-market exposure.
- **Concentration:** the offer document discloses product concentration (a small group of molecules generates most of revenue); customer concentration will be disclosed more fully in the first annual report.

Exhibit 11 A portfolio of 60 steroid APIs, extended into fermentation APIs and specialty ingredients

CATEGORY	PRODUCTS	THERAPEUTIC USE OR STATUS
Corticosteroids	Hydrocortisone, methylprednisolone, prednisolone, betamethasone valerate, triamcinolone acetonide, dexamethasone, clobetasol	Anti-inflammatory use in asthma, arthritis, allergy, dermatology and autoimmune conditions
Steroidal hormones	Testosterone, progesterone, estrone, hydroxyprogesterone caproate, androstenedione	Hormone replacement, contraception, fertility and prenatal care
Conjugated estrogens	Generic API for the Premarin reference product	Development complete; launch depends on the partner's formulation filing
Fermentation and specialty APIs	Mupirocin, serratiopeptidase, teicoplanin, vancomycin, ursodeoxycholic acid, tacrolimus, caspofungin, micafungin, exemestane, rocuronium bromide	Diversification beyond steroids; mupirocin and serratiopeptidase being scaled up
Specialty ingredients	Vegan vitamin D3, algal DHA; vitamin D3 derivatives in development	Nutraceutical and food markets
Process technology	Continuous-flow manufacturing block	Trials under way at Pithampur

Source: Company RHP, Q1FY27 investor presentation and earnings call.

API: 8% CAGR to ₹1,052 Cr. by FY29E on share gains, mix and new molecules

The API business runs on a gross block of ~₹640 Cr. and generated ₹835 Cr. of FY26 revenue, an asset turn of ~1.5x at 70-80% capacity utilisation. We model 8% annual growth, ahead of 1-3% market growth, supported by share gains (methylprednisolone share rose from 55.0% to 76.0% in two years), a continued shift towards regulated markets and higher-value molecules, and the scale-up of newer fermentation APIs.

Conjugated estrogens are the most distinctive product in development. The reference product, Premarin, is derived from pregnant mare urine, which must be collected and shipped at deeply sub-zero temperatures; this supply chain is the reason only one generic substitute exists despite long-expired exclusivity. Symbiotec is among the first companies to develop a generic API for the product, targeting a USD 380 mn US generic market. The opportunity is a niche, and hormone therapy use has declined, but the barrier to entry is high. Development of the API is complete; launch timing depends on the formulation partner's FDA submission and is not guided.

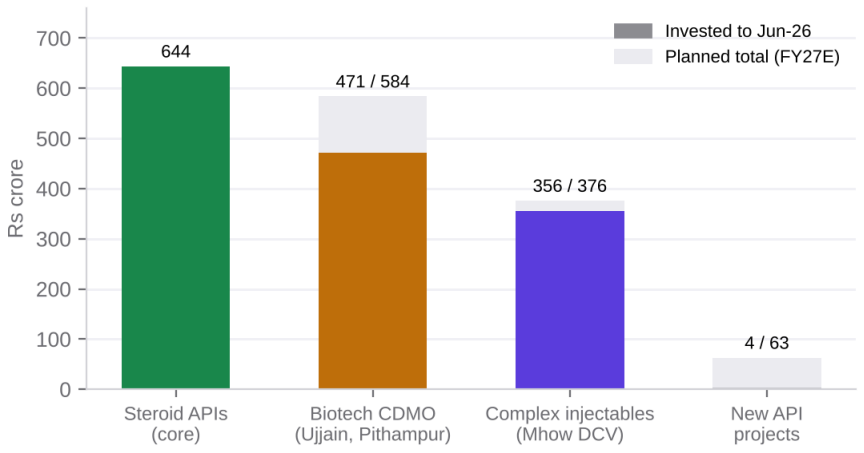
Exhibit 12 API growth levers: share gains and mix, with new molecules as optionality

LEVER	STATUS	EVIDENCE TO DATE
Share gains in existing molecules	Ongoing	Methylprednisolone volume share rose from 55.0% to 76.0% over FY24-26; 101 new customers added in FY26
Regulated-market and product mix	Ongoing	Gross margin above 60% in Q1FY27; API EBITDA +9% YoY against revenue +6%
New multinational customer qualifications	In progress	Management states not all target multinationals have yet been qualified
Fermentation APIs (mupirocin, serratiopeptidase)	Scale-up	Launched; volumes and economics not disclosed
Conjugated estrogens	API development complete	Launch depends on partner formulation filing; no timeline guided
Continuous-flow manufacturing	Trials at Pithampur	Process efficiency objective; completion date not disclosed

Source: Company RHP, Q1FY27 investor presentation and earnings call.

Capex of ₹1,475 Cr. to June 2026; new platforms to reach 35% of revenue by FY29E

Exhibit 13 ₹827 Cr. invested in the two new platforms by June 2026



Source: Q1FY27 investor presentation. ₹1,475 Cr. invested to Jun-26; ₹1,666 Cr. gross block planned by end-FY27.

Exhibit 14 API generates 96% of FY26 revenue; DCV and CDMO drive growth to FY29E

SEGMENT (₹ CR.)	FY26	FY29E	MARGIN PROFILE	REVENUE MODEL
API	835	1,052	GM >60%, EBITDA ~30%	Long-term supply contracts
Complex injectables	33	295	GM >70%, EBITDA >35%*	Milestones plus US profit share
Biotech CDMO	1	280	GM >70%, EBITDA >35%*	Time-based take-or-pay
Total	**869**	**1,626**		

Source: Company RHP, Q1FY27 earnings call, Avalon estimates. *Industry margins cited by management.

Complex injectables: ₹295 Cr. of FY29E revenue at 67% utilisation of Mhow

We build DCV revenue from Mhow capacity: 15% utilisation in FY27E, 40% in FY28E and 67% in FY29E at ₹220 per vial, giving ₹66 / ₹176 / ₹295 Cr. The US agreement signed on 30-Sep-26 grants exclusive US rights to a global pharma partner in exchange for milestones across development, approval and launch, followed by a profit share; Knovea remains the developer, filer and manufacturer.

- DCVs integrate the drug and diluent in one sealed device, reducing preparation steps, contamination risk and dosing errors in emergency and critical-care settings; this supports a price premium over conventional single vials.
- FY26 complex injectables revenue of ~₹33 Cr. was milestone income recognised in Q4FY26; no new-business revenue was booked in Q1FY27.
- Second DCV ANDA due in Q4FY27; five to six further products are developed and moving to plant validation. Management has indicated a second line may be needed once launches begin.
- Mhow also holds double-chamber bag (in stability testing) and syringe platforms, and has physical space for further lines. The vial, separating stopper and plunger are specialised purchased components; backward integration covers the API, not the device.
- The offer document expected US commercialisation of the two DCV products in the listing year; by the first earnings call this had become a filing timeline. A standard FDA review takes about ten months, so commercial US sales in FY28 are possible but not certain.

Biotech CDMO: ₹280 Cr. of FY29E revenue at 70% utilisation on take-or-pay contracts

Ujjain's 400 KL plant (Phase 0) is largely booked under three take-or-pay arrangements: a five-year insulin drug substance agreement, a ten-year agreement with a US alternate-protein company and a ten-year term sheet with a European alternate-protein company. Contracts are time-based with no profit share. We model 15% / 35% / 70% utilisation at ₹1 Cr. of revenue per KL, giving ₹60 / ₹140 / ₹280 Cr., a 0.7x asset turn on ~₹400 Cr. of Ujjain capex by FY29E against management's target of above 1x.

- Phase 1 (600 KL brownfield, 15-18 months to build) is for the term-sheet customer, with construction from Q3FY27; Phases 1 and 2 would take capacity to about four times the current level over two to three years.
- Customers are mainly synthetic-biology companies moving from laboratory to commercial scale; Symbiotec offers GMP fermentation experience under FDA and EU inspection, in-house plant engineering and downstream processing.
- Ujjain is designed for industrial-scale fermentation, with fermenters across the platform ranging from 5 KL to 100 KL and technology demonstrated at 100 KL. Vessel volume is not annual output: a plant running many batches a year processes far more broth than its nameplate volume, which is why a facility can serve contracts described as larger than the plant.
- The European term sheet covers an initial volume with a right to scale up substantially. Contract values have not been disclosed, citing confidentiality; the market knows the tenor of the contracts but not their pricing or margins.
- Management is in advanced discussions with more than six further customers, each seeking capacity of over a million litres; partners are expected to co-fund part of the capex.
- CDMO revenue starts at a small scale in Q4FY27 and becomes significant in FY28; insulin (biologics) revenue begins in early FY28, subject to DCGI approval.

Industry, Competition & Catalysts

Steroid APIs: a ~USD 0.7 bn niche market growing ~2% a year

The global corticosteroid API market was worth ~USD 421 mn in 2025, having grown at 2.1% a year since 2020, and the steroidal-hormone API market ~USD 301 mn (Frost & Sullivan). Both are small compared with the ~USD 305 bn global API market. Most molecules in the category are old and off-patent, so volume growth is low, and buyers select suppliers on reliability of supply, regulatory track record and the breadth of filings rather than on price alone. Third-party research puts the corticosteroid API market at ~USD 2.6 bn (Valuates, 2024) on a broader definition; we use the Frost & Sullivan figures cited in the offer document.

Demand is steady rather than growing. Corticosteroid consumption is supported by the prevalence of inflammatory and autoimmune disease, while steroid hormones are driven by reproductive health, metabolic disorders and hormone replacement, where bioidentical hormones and transdermal delivery are gaining share. Cyclicality in the ordinary economic sense is low; the variability that matters comes from customer inventory cycles and the timing of customers' own product launches.

Symbiotec estimates it holds ~10% of a ~USD 1 bn steroid API pool by value, and 38.2% and 23.8% of global corticosteroid and steroidal-hormone volume respectively. In a market of this size, a volume leader can grow faster than the market only by gaining share from less integrated competitors or by moving downstream into finished products, which is the rationale for the DCV and CDMO investments.

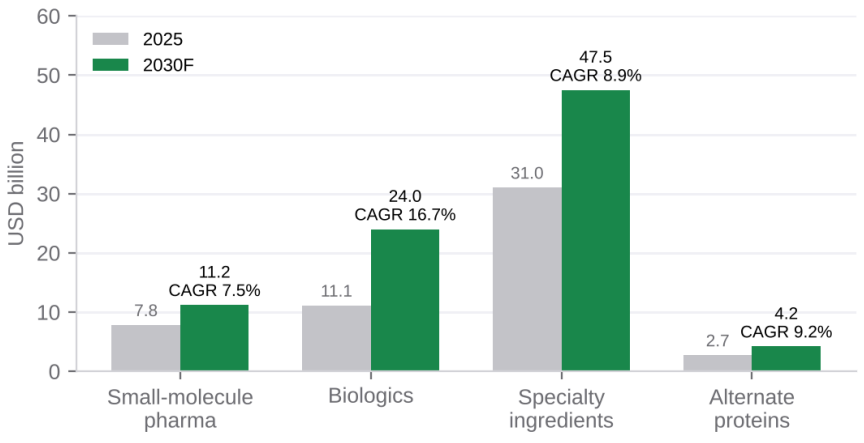
Third-party research profiles Chinese producers such as Tianjin Tianyao and Zhejiang Xianju among the main corticosteroid API suppliers, alongside European steroid manufacturers. Symbiotec describes itself as the only Indian company with a strong presence across the major steroid molecules. Competitive intensity is highest in commodity corticosteroids, where Chinese producers compete on price; Symbiotec's defence is its in-house intermediates and the breadth of its regulatory filings.

Exhibit 15 Market size estimates vary widely by definition; we rely on Frost & Sullivan for steroid APIs

SOURCE	MARKET	SIZE	YEAR	GROWTH
Frost & Sullivan (via RHP)	Corticosteroid APIs	USD 421 mn	2025	2.1% CAGR, 2020-25
Frost & Sullivan (via RHP)	Steroidal-hormone APIs	USD 301 mn	2025	1.0-2.5% a year
Valuates Reports	Corticosteroid APIs (broader definition)	USD 2,593 mn	2024	~6% CAGR to 2031
Towards Healthcare	Steroid hormone APIs (broader definition)	USD 3.74 bn	2025	n.a.
Persistence Market Research	Microbial fermentation CMO	USD 6.2 bn	2026	9.5% CAGR to 2033
Mordor Intelligence	Microbial fermentation technology	USD 39.4 bn	2026	n.a.
IMARC	India API market	USD 20.7 bn	2026	n.a.

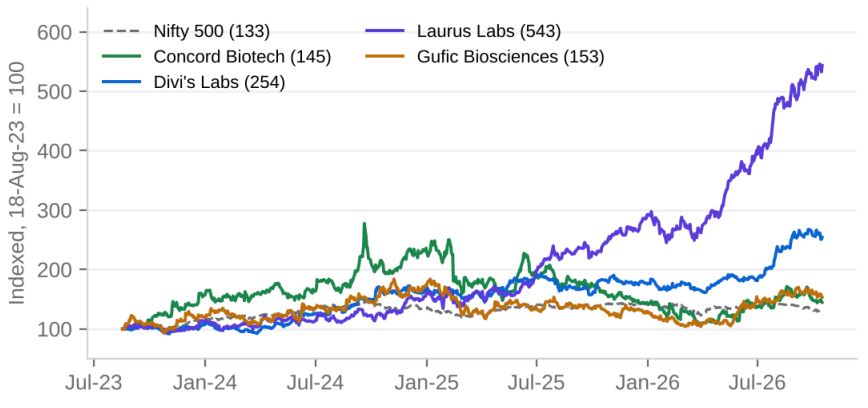
Source: Company RHP, Valuates Reports (May-25), Towards Healthcare (Oct-25), Persistence Market Research, Mordor Intelligence (Sep-26), IMARC (Sep-26).

Exhibit 16 Fermentation-led markets to grow at 7.5-16.7% a year to 2030



Source: Industry estimates.

Exhibit 17 Laurus has re-rated 5.4x since Aug-23 as its CDMO business scaled



Source: NSE closing prices, 18-Aug-23 to 16-Oct-26; latest index level in brackets.

Double-chamber vials: a USD 288 mn US opportunity served by a single innovator

The two lead DCV products, methylprednisolone sodium succinate and hydrocortisone sodium succinate, address a combined US market of ~USD 288 mn, ~90% of which is served by the innovator's vials. Drug-device combinations such as DCVs typically sell at a 20-50% premium to conventional vials, and innovators retain 65-70% of the DCV market because generic entry requires approval of the vial, stopper and freeze-drying process in addition to the drug. Symbiotec already supplies 76-80% of global volume of both underlying APIs, which gives it a cost and supply advantage over other potential generic entrants. The broader 505(b)(2) DCV opportunity is estimated at ~USD 890 mn.

Fermentation CDMO: a USD 6.2 bn market growing at 9.5% a year

The microbial fermentation CMO market is estimated at USD 6.2 bn in 2026 and is projected to reach USD 11.7 bn by 2033, a 9.5% CAGR (Persistence Market Research). Demand comes from biologics such as insulin and peptides, specialty ingredients and alternate proteins, where synthetic-biology companies have developed products at laboratory scale but lack the capital and operating experience to manufacture commercially. Across fermentation-led end markets, specialty ingredients is the largest pool (USD 31 bn in 2025) and biologics the fastest growing (16.7% CAGR to 2030). Management cites McKinsey and BCG estimates that over 1 bn litres of fermentation capacity will be needed over the next decade, against a few million litres available today.

Supply is tight: most fermentation facilities are small relative to the batch sizes customers seek, and only a minority can offer the largest scale. Production is also shifting geographically. Geopolitical concerns, supply-chain vulnerabilities and stricter environmental norms are moving fermentation API production out of China, and India is the main alternative, supported by production-linked incentives, bulk drug parks and a policy push for API self-sufficiency. Only a small fraction of global API manufacturers meet current good manufacturing practice requirements, and fewer still have fermentation capability.

Specialty injectables: better pricing, higher barriers, structural shortages

Injectables are growing faster than oral solids, as nearly all biologics are injectables and they form a rising share of drug candidates in development. Price erosion after loss of exclusivity is less severe than in oral solids. Regulators impose strict requirements on sterility assurance, endotoxin and particulate control and aseptic processing, and many injectable generics require bioequivalence studies, which raises the cost of entry and slows competition. The segment is also the most exposed to shortages, given fewer manufacturers per molecule and a narrow base of vial, stopper and syringe suppliers. Within injectables, double-chamber formats are a specialised sub-segment that commands a price premium; adoption among generics has been limited by technical and cost barriers, which has allowed innovators to retain most of the market. Vials are the largest double-chamber format, while bags and syringes are smaller and growing faster.

India: export scale, with continued dependence on Chinese intermediates

India's pharmaceutical exports exceeded USD 31 bn in FY26; over April-February they were USD 28.3 bn (+5.6% YoY), with the US accounting for 34%, and the domestic API market is estimated at USD 20.7 bn in 2026 (IMARC). The Department of Pharmaceuticals has acknowledged a heavy dependence on China for critical bulk drugs and intermediates, which policy has sought to address through production-linked incentives and bulk drug parks. Chinese producers have, however, cut prices sharply on specific molecules, including some where Indian producers committed capacity under the PLI scheme. Symbiotec has reduced its own exposure through in-house key starting materials: China's share of its total expenses fell from 53% in FY24 to 24% in FY26.

US policy: generics exempt from Section 232; BIOSECURE list due by December 2026

The Section 232 order of April 2026 imposed a 100% tariff on patented drugs and their ingredients; generics, biosimilars and their inputs remain exempt, subject to a review by April 2027. All of Symbiotec's products are off-patent, so direct tariff exposure is limited today, although the review remains a risk for 2027. The BIOSECURE Act became law in December 2025 through the FY2026 NDAA, and OMB must publish the first list of biotechnology companies of concern by 18 December 2026. WuXi AppTec was added to the Pentagon's 1260H list in June 2026, though a court blocked enforcement in August. Large customers have already begun qualifying second sources outside China, and Jefferies estimates Indian CRDMOs could gain ~USD 700 mn a year from the shift.

Peers: CDMO demand lifted Divi's and Laurus revenue 28-29% in Q1FY27

Exhibit 18 Divi's and Laurus Q1FY27 results confirm strong demand for Indian CDMO capacity

METRIC	DIVI'S LABORATORIES	LAURUS LABS	IMPLICATION FOR SYMBIOTEC
Revenue growth YoY	27.8%	29.1%	Demand for Indian CDMO capacity is strong
EBITDA margin	40.7%	31.5%	Scale CDMO earns well above API margins
Custom synthesis / CDMO	~60% of revenue, +45% YoY	Small-molecule CDMO +69% YoY	Innovators are moving volume to India
Fermentation plans	Not a focus	400+ KL commercial fermentation at Vizag by end-CY26	Direct competition for biotech CDMO

Source: Company filings (Q1FY27 results and investor presentations).

The Q1FY27 results of Divi's and Laurus show that innovator companies are moving more development and manufacturing work to India and that CDMO earns higher margins than APIs. Concord Biotech, a fermentation-based API maker, reported revenue growth of 26% YoY to ₹257.5 Cr. The results also show the level of competition: Laurus has an established innovator customer base and is commissioning 400+ KL of commercial fermentation capacity at Vizag by end-CY26, so Symbiotec will need to win CDMO business on its steroid and fermentation process expertise and its cost of capacity.

Exhibit 19 Symbiotec is the only listed peer combining steroid APIs, fermentation CDMO and complex injectables

COMPANY	CORE BUSINESS	FERMENTATION	CDMO EXPOSURE	Q1FY27 REVENUE GROWTH
Symbiotec Pharmalab	Steroid APIs (96% of FY26 revenue)	Ujjain 400 KL for CDMO; Pithampur 300 KL in-house	Biotech CDMO from Q4FY27; DCV injectables	+7.4%
Divi's Laboratories	APIs, nutraceuticals, custom synthesis	Not a focus	Custom synthesis ~60% of revenue	+27.8%
Laurus Labs	APIs, formulations, CDMO, biotech	400+ KL at Vizag by end-CY26	Small-molecule CDMO ~41% of sales	+29.1%
Concord Biotech	Fermentation-based APIs	Core manufacturing platform	Limited	+26%
Gufic Biosciences	Lyophilised injectables	Not a focus	Limited	n.a.

Source: Company filings, Avalon analysis.

Steroid APIs: a narrow field with layered barriers to entry

The competitive structure differs sharply across Symbiotec's three businesses. In corticosteroid and steroid-hormone APIs the field is narrow: a handful of Chinese fermentation producers, a few Indian manufacturers and the captive production of large pharmaceutical companies. A small, slow-growing market does not attract many new entrants. Symbiotec competes on scale within the category, the breadth of its portfolio and the depth of its regulatory documentation; it is the only company, Indian or international, with a presence across all of the largest corticosteroid and steroid-hormone molecules. It is most exposed where a customer simply wants the lowest-cost compliant kilogram and a producer with lower environmental compliance costs is willing to supply it, which is typically in semi-regulated markets.

Barriers to entry are layered and each takes years to overcome. Capital: a fermentation facility with downstream purification and effluent handling is a large project. Regulation: each site needs approval for each product, and each customer must qualify the supplier inside its own filing. Know-how: strain development and process control are accumulated empirically and cannot be purchased. The company's criminal complaint against former employees, alleging the transfer of process data including codes, formulae and licence documents to a competitor, illustrates the value placed on this know-how.

Double-chamber injectables: a stronger field led by the innovator

The double-chamber field is better documented and stronger at the top. The offer document names Pfizer, Vetter Pharma and Gufic in double-chamber vials, and B Braun and Baxter in frozen and double-chamber bags. Innovators hold the large majority of the double-chamber vial market. In the two lead US products, the innovator is currently the only company offering a double-chamber presentation, so Symbiotec's product would be the second presentation and the first generic. Its advantage is that it manufactures the API that goes into the device, which controls the cost base and supply chain and removes one hand-off from the regulatory filing. Its gaps are equally clear: no US sales force, which is why exclusive US commercialisation was assigned to a partner, a single production line, and no record of supplying commercial sterile volumes to the US.

Fermentation CDMO: competing on cost and available capacity

In fermentation CDMO the competitive set is global. Evonik operates a large installed base of fermentation capacity across the US, Europe and Asia, while Lonza, Samsung Biologics, WuXi Biologics, Fujifilm Diosynth and Boehringer Ingelheim dominate large-molecule capacity. In India, Neuland and Biocon have established franchises, and Laurus is adding commercial fermentation at Vizag. Against these players Symbiotec is small. Its positioning rests on India's cost advantage (the company cites materially lower set-up, commissioning and operating costs than Western facilities and a build timeline of one to two years), one of the lowest capital costs per kilolitre of fermentation capacity according to management, and the availability of capacity for customers that need it now.

Exhibit 20 Competitor map: Symbiotec leads in steroid APIs and is an entrant in injectables and CDMO

COMPETITOR	WHERE THEY COMPETE	RELATIVE STRENGTH	SYMBIOTEC'S POSITION
Chinese fermentation API producers	Corticosteroid and hormone APIs, semi-regulated markets	Cost, lower environmental compliance costs, scale	Wins on regulatory documentation and regulated-market access; loses on price in semi-regulated markets
Pfizer	Double-chamber vials, US market	Brand, hospital relationships, incumbent device franchise	Generic entrant to a market created by the innovator
Vetter Pharma	Double-chamber vials, aseptic fill-finish globally	Scale and sterile manufacturing reputation	Offers in-house API, which Vetter must purchase
Gufic Biosciences	Double-chamber vials, Indian market	Existing double-chamber products, domestic presence	Larger in APIs, smaller in finished injectables
B Braun, Baxter	Double-chamber and frozen bags	Hospital infrastructure, device integration	Different format; overlap only where formats are substitutable
Evonik, Lonza, WuXi Biologics	Fermentation CDMO globally	Large installed capacity and long track records	Competes on Indian cost base and available capacity
Neuland, Biocon, Laurus	Indian fermentation and CDMO	Established CDMO franchises, peptide and insulin capability	Newer fermentation train, less CDMO track record

Source: Company RHP, Q1FY27 earnings call, company and industry disclosures, Avalon analysis.

Where Symbiotec's differentiation is strongest and weakest

- **Strongest in APIs:** internal precursor capability combined with customer qualification. Integration affects production cost; qualification raises the customer's cost of switching. Long relationship tenure is evidence that both mechanisms work in practice.
- **Credible but unproven in CDMO:** management cites a 30-50% Indian set-up and commissioning cost advantage and competitive operating cost per kilogram. These are company claims without published project-level comparisons, and contract pricing is undisclosed.
- **Narrow but real in injectables:** an integrated double-chamber presentation with in-house API and a commercialisation partner. This is a position in two specific products, not leadership in injectables.
- **Key dependency:** sterol feedstock and some key starting materials are sourced from China, the same geography as the main low-cost API competitors.

Catalysts: Q2FY27 results, the BIOSECURE list and the first DCV milestone income

Exhibit 21 Eight catalysts over the next 12 months; the DCV approval is the largest swing factor

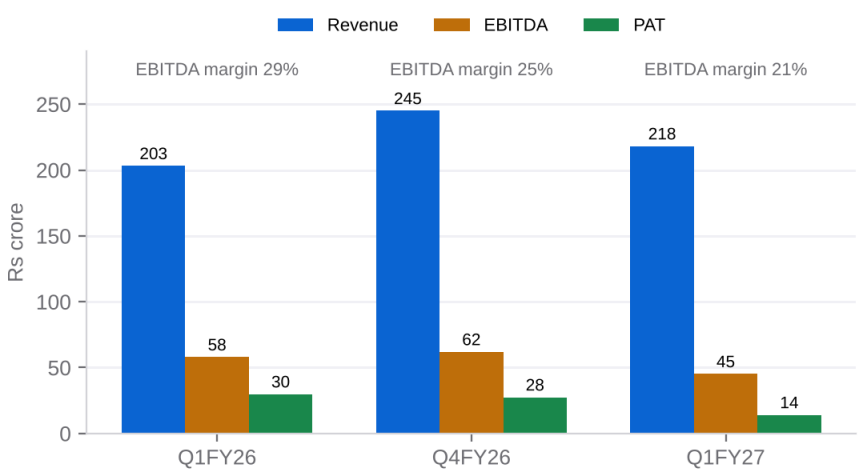
EXPECTED TIMING	EVENT	SIGNIFICANCE
November 2026	Q2FY27 results	First read on the H2 ramp and new-business cost run rate
25 November 2026	90-day lock-in ends on the second half of the ₹526 Cr. anchor book	Short-term supply overhang
By 18 December 2026	OMB publishes the first BIOSECURE list	Firms up China+1 demand for Indian CDMOs
Q3-Q4FY27	First DCV milestone income under the US agreement	Validates partner economics; expected to offset FY27 new-business opex
Q4FY27 (Jan-Mar 2027)	Second DCV ANDA; first Ujjain CDMO revenue	Converts ₹584 Cr. of Ujjain capex into revenue
Around March 2027	Six-month lock-in ends for pre-IPO shareholders	Possible supply from PE holders
By April 2027	US review of the generics exemption under Section 232	Tariff risk on generic APIs and injectables
FY28	FDA action on the first DCV ANDA; insulin revenue (DCGI approval)	Largest swing factor for FY28E-29E

Source: Company filings and Q1FY27 earnings call, Chittorgarh (anchor lock-in), DLA Piper (BIOSECURE), India Briefing (Section 232), Avalon estimates.

Q1FY27 & Guidance

Q1FY27: API revenue +6% YoY; new-business costs cut consolidated PAT 53%

Exhibit 22 EBITDA margin compressed to 21% as new-business costs hit the P&L



Source: Company results, Screener.in.

Exhibit 23 API steady; consolidated profit hit by ₹34 Cr. of new-business costs

₹ CR.	Q1FY26	Q1FY27	YOY
Revenue from operations	203.2	218.2	+7.4%
of which API	~203	215.3	+6%
Gross margin	62%	65%	+300 bps
API EBITDA (management)		66.0	+9%
EBITDA	58.0	45.2	-22%
EBITDA margin	29%	21%	-800 bps
New-business opex / depreciation		23.0 / 11.0	
PAT	29.9	14.1	-53%
Standalone PAT	44.5	47.0	+5.6%

Source: Company results (21-Sep-26), Q1FY27 earnings call.

Q1FY27 was the first quarter to carry the full operating cost of the new plants. Consolidated revenue grew 7.4% YoY to ₹218.2 Cr., almost entirely from APIs (+6% to ₹215.3 Cr., volume-led), and gross margin expanded ~300 bps to 65%. API EBITDA grew 9% to ₹66 Cr., but consolidated EBITDA fell 22% to ₹45.2 Cr. as ₹23 Cr. of new-business opex flowed through the P&L; a further ~₹11 Cr. of depreciation on the new plants took consolidated PAT down 53% to ₹14.1 Cr. In Q1FY26 these costs were capitalised as pre-operative expenses, so the YoY comparison overstates the decline in the core business. Standalone PAT, which excludes the subsidiaries, rose 5.6%.

Management's FY27 guidance of ~20% revenue and ~25% EBITDA growth is back-ended: after 7% revenue growth in Q1, the remaining three quarters need ~24% growth to reach 20% for the year, which depends on H2 milestone income from the DCV partner. Our FY27E assumes 18.3% revenue and 19.1% EBITDA growth. Net debt fell from ₹398 Cr. at 30-Jun-26 to ~₹326 Cr. after ₹142 Cr. of net IPO proceeds; Q1 capex was ₹68 Cr.

Highlights from the management commentary

- **API:** high-single-digit growth guided, with capacity utilisation at 70-80%. Gross margin base of ~60% (currently higher) and EBITDA margin of ~30%, supported by the shift to regulated markets and long-term contracts.
- **Customers:** ~70% of FY26 revenue came from customers served for over seven years; the average tenure with the top five customers exceeds ten years.
- **DCV:** term sheet with a large US-based pharmaceutical multinational signed in August 2026, ahead of the definitive agreement. Second ANDA in Q4FY27; five to six further products developed; approvals expected in FY28; a second line may be required.
- **CDMO contracts:** time-based take-or-pay agreements with no profit sharing; each contract is a multi-million-dollar opportunity from Phase 0 capacity alone. Phase 0 (400 KL) is largely booked.
- **CDMO expansion:** Phase 1 (600 KL) construction from Q3FY27, 15-18 months to build; more than six further customers in advanced discussions. Management cites one of the lowest capital costs per kilolitre of fermentation capacity.
- **Capex:** at least ₹200-250 Cr. a year for two to three years, funded by internal accruals and partner capital; spending could accelerate with new contracts.
- **Biologics:** insulin revenue to begin in early FY28 after validation, stability studies and DCGI approval; no clinical trials are required.
- **Margins and mix:** CDMO and complex injectables expected to earn industry-level gross margins above 70% and EBITDA margins above 35%. API share of revenue to fall below 50% over five to six years; R&D to rise from 3-4% to ~5% of sales.
- **Revenue recognition:** new-business milestone revenue is periodic rather than quarterly; ₹33 Cr. was recognised in Q4FY26 and none in Q1FY27, so quarterly results will be uneven. Over ₹500 Cr. of the ~₹1,000 Cr. invested in new businesses is in biomanufacturing and biopharma fermentation.
- **Conjugated estrogens:** API development complete; launch timing depends on the formulation partner's FDA submission and is not guided.

What we will track in Q2 and Q3FY27. The first milestone payment under the DCV partnership, any FDA update on the ANDA review, CDMO validation batches at Ujjain ahead of Q4 commercial supply, and whether new-business opex starts to be offset by revenue. Progress on at least two of these by the Q3 results would keep our base case on track.

Exhibit 24 Management commitments to date: delivered on structure and capex, slipped on the DCV launch

COMMITMENT	WHEN MADE	OUTCOME SO FAR
US commercialisation of two DCV products in the listing year	Offer document	Slipped: first ANDA filed Sep-26, second due Q4FY27; launch now dependent on FDA review
US DCV deal structured as milestones plus profit share	Q1FY27 call	Delivered: definitive agreement on 30-Sep-26 on exactly that structure
Fresh-issue proceeds to repay working capital borrowings	Offer document	Partly delivered: net debt fell from ₹398 Cr. to ~₹326 Cr. within weeks of listing
Capex of ₹200-250 Cr. a year	Q1FY27 call	On track: Q1 capex of ₹68 Cr. annualises at the top of the range
CDMO contracts time-based, without profit sharing	Q1FY27 call	Disclosed voluntarily in response to an analyst question
New-business revenue within 6-12 months; H2 milestones to offset opex	Q1FY27 call	Not yet testable; depends on H2FY27

Source: Company RHP, Q1FY27 earnings call transcript, exchange filings, Avalon analysis.

Exhibit 25 Guidance tracker: our FY27E is within the revenue band and below the EBITDA band

GUIDANCE	TIMING	STATUS AT 18-OCT-26	IN OUR ESTIMATES
Revenue growth ~20% (±5%)	FY27	Q1 +7%; growth back-ended into H2	+18.3%: within the band
EBITDA growth ~25% (±5%)	FY27	Q1 -22%; H2 milestones to offset opex	+19.1%: below the band
US agreement for two DCV products	Early Q3FY27	Signed 30-Sep-26	DCV ₹66 Cr. in FY27E
Biotech CDMO revenue	Small in Q4FY27; significant in FY28	Ujjain commissioned; downstream changes under way	CDMO ₹60 Cr. FY27E; ₹140 Cr. FY28E
Second DCV ANDA	Q4FY27	On track; first ANDA filed Sep-26	Approval assumed in FY28
Insulin (biologics) revenue	Early FY28	Validation and DCGI approval pending	Within the CDMO line
CDMO asset turn above 1x	Steady state	Not started	0.7x by FY29E
Pithampur FDA closure	After Aug-26 audit	EIR with VAI status on 29-Sep-26	No disruption assumed

Source: Q1FY27 results and earnings call transcript (22-Sep-26), NSE filings, Avalon estimates.

Key Risks

1. **DCV approval, launch timing and partner dependence.** The offer document expected a US launch in the listing year; one ANDA has been filed and the second is due in Q4FY27. A deficiency letter requiring further stability or bioequivalence work could delay launch by a year or more, cutting FY28E DCV revenue by more than half and deferring the milestone income that management expects to offset FY27 new-business opex. Commercial success then depends on an unnamed partner with exclusive US rights, whose economics are undisclosed, and on a single sterile line at Mhow that relies on specialised purchased vials and stoppers.

2. **CDMO execution and contract economics.** Ujjain has no commercial supply history; contracted products still require downstream process adaptation, and insulin requires validation, stability studies and DCGI approval. Take-or-pay terms fix tenor and obligation, but prices and margins are undisclosed and the counterparty base is small, so a delayed start or a weak customer would leave ₹584 Cr. of capex under-utilised. Laurus is commissioning 400+ KL of commercial fermentation at Vizag by end-CY26.

3. **Capex, funding and working capital.** We model guided capex of ₹250 / 225 / 200 Cr. over FY27E-29E, which keeps FCF negative in FY27E and net debt above ₹300 Cr. through FY29E. We fund the gap with short-term borrowings, which rise to ₹380 Cr. by FY29E, keeping debt/equity at 0.23-0.24x. With inventory days of ~270-290 and current borrowings forming most of gross debt, capex above guidance or a working-capital build similar to FY25, when operating cash flow fell to 23% of EBITDA, would widen the funding gap and delay the recovery in return ratios.

4. **API pricing and dependence on Chinese inputs.** The core business funds the new verticals. China accounts for ~24% of expenses, including sterol feedstock and some key starting materials, and Chinese producers have cut prices sharply on specific molecules to defend share. FY23 showed the effect: operating margin fell to 12% as input costs rose and pricing weakened. Revenue is concentrated in a small group of molecules, so a price reset in hydrocortisone or methylprednisolone would affect earnings directly.

5. **Regulatory compliance at the API sites.** Pithampur, which carries a large share of API output, received a VAI classification after the August 2026 FDA inspection, meaning observations that do not require enforcement action. A weaker outcome at a future inspection of Pithampur or Rau would affect US supply, customer registrations that name the site, and the DCV filings.

6. **Valuation leaves little room for delay.** At CMP the stock trades at 66x FY27E EPS. In the bear case the investment loses 53% by March 2029. Any slippage in DCV approval or CDMO ramp-up is therefore likely to be reflected in the share price before it is visible in earnings.

7. **Promoter pledge and share supply.** Promoters own 33.28%, and 38.5% of that holding is encumbered to secure debentures issued by Satwani Holdings (India) Private Limited, outside the listed company. PE investors sold ₹1,463 Cr. in the IPO and retain stakes; lock-in expiries on 25-Nov-26 for the anchor book and around March 2027 for pre-IPO holders could add supply.

8. **Tax and legal contingencies.** Notices alleging violation of the concessional tax regime across several assessment years have led to re-assessment, with no provision recorded. Balaji Steroids and Hormones has filed a damages suit and a writ petition against the promoter and SEBI seeking a forensic audit of the offer document. The Mhow land, on which the entire injectables vertical sits, was reclassified to residential use under a draft master plan; the High Court has stayed the reclassification pending a decision.

Exhibit 26 Risk assessment: DCV timing and valuation carry the highest impact on our target price

RISK	LIKELIHOOD	IMPACT ON TP	MITIGANT	EARLY SIGNAL
1. DCV approval and partner	Medium	High	Exclusive partner carries US commercial risk	FDA correspondence on the first ANDA
2. CDMO execution	Medium	High	Take-or-pay contracts; partner co-funding of expansion	Timing of first Ujjain invoices
3. Capex and working capital	Medium	Medium	IPO proceeds reduced net debt; capex tied to contracts	Half-yearly CFO and inventory days
4. API pricing and China inputs	Low-Medium	Medium	In-house KSMs; regulated-market mix	API gross margin below ~60%
5. Regulatory compliance	Low	High	Clean recent record; VAI with no enforcement	Outcome of next FDA inspection
6. Valuation	Medium	High	Base case still implies 18% upside	Delays in DCV or CDMO milestones
7. Promoter pledge and supply	Medium	Low-Medium	Pledge at holding-company level	Lock-in expiries; pledge changes
8. Tax and legal	Low-Medium	Medium	Replies filed; High Court stay on land	Assessment orders; court rulings

Source: Avalon analysis.

Management & Shareholding

Anil Satwani, Chairman and Managing Director. Founder-promoter with over 30 years in pharmaceuticals. He started the business in 1995 as a lab-scale steroid API unit, built the first industrial plant at Rau in 2004 and led the backward integration into fermentation that underpins the current cost position. He is driving the move into biotech CDMO and complex injectables; the next generation of the family is now involved in the business.

Promoter directors. Sushil Satwani, director, leads commercial operations and Kashish Satwani, president, leads human resources; each has more than 23 years of experience. Krishna and Arjun Satwani represent the second generation; a formal succession plan has not been disclosed.

Leadership team. Raghavender Ramachandran is the CFO, and named leaders head operations, formulations, biotechnology, chemistry, quality assurance, regulatory affairs and IT; the senior operating team averages ~20 years of industry experience. SRBC & Co LLP is the statutory auditor.

Promoter group. Satwani Holdings LLP is the largest promoter holder, followed by Anil Satwani, Kashish Satwani, three family trusts and Sushil Satwani. Satwani Holdings sold ~₹144 Cr. of shares in the IPO, reducing promoter holding from 35.1% to 33.3%; 38.5% of the promoter holding is pledged.

R&D. 150+ scientists across three R&D centres in Indore covering organic chemistry, biotechnology and complex injectables. R&D spend was 3.4% of FY26 revenue and is guided to rise to ~5%.

Institutional base. Pre-IPO investors included InvAscent, Motilal Oswal, Actis, Franklin Templeton and the late Rakesh Jhunjhunwala. The IPO was subscribed 71x and listed at ₹988 on 1-Sep-26; domestic institutions now hold 33.17%, in line with the promoter group.

Exhibit 27 91% of the ₹1,757 Cr. IPO was an offer for sale

ITEM	₹ CR.
Fresh issue (debt repayment, general purposes)	150.0
OFS: Rosewood Investments	988
OFS: India Business Excellence Fund-III	475
OFS: Satwani Holdings LLP (promoter)	144
Total issue at ₹988	**1,757**

Source: Company RHP.

Exhibit 28 Three decades from a laboratory unit to an integrated, listed API and biotech platform

YEAR	MILESTONE
1995	Laboratory-scale steroid API manufacturing begins in Indore
2002	Company incorporated; SRBC & Co LLP is the statutory auditor
2004	Rau industrial API plant commissioned, moving the business to industrial scale
2008	Biotechnology development begins to support backward integration into steroid intermediates
2010	Pithampur steroid-hormone plant and 20 KL biotechnology plant commissioned
2013	280 KL fermentation expansion at Pithampur, taking fermentation volume to 300 KL
FY25	Biotech CDMO services begin
2025-26	Ujjain 400 KL biomanufacturing facility and Mhow double-chamber vial facility commissioned
Sep-2026	Listed on BSE and NSE on 1-Sep-26; first DCV ANDA filed; Pithampur EIR with VAI status; definitive US DCV agreement signed

Source: Company RHP, Q1FY27 investor presentation and earnings call, exchange filings.

Exhibit 29 Institutions hold 37%, above the 33% promoter stake

HOLDER	PRE-IPO	SEP-26
Promoter and promoter group	35.07%	33.28%
Domestic institutions		33.17%
Foreign institutions		3.79%
Public and others		29.77%
Total	**100.0%**	**100.0%**

Source: Company RHP, Screener.in (Sep-26).

Exhibit 30 Lock-ins expire in stages from November 2026 to March 2028

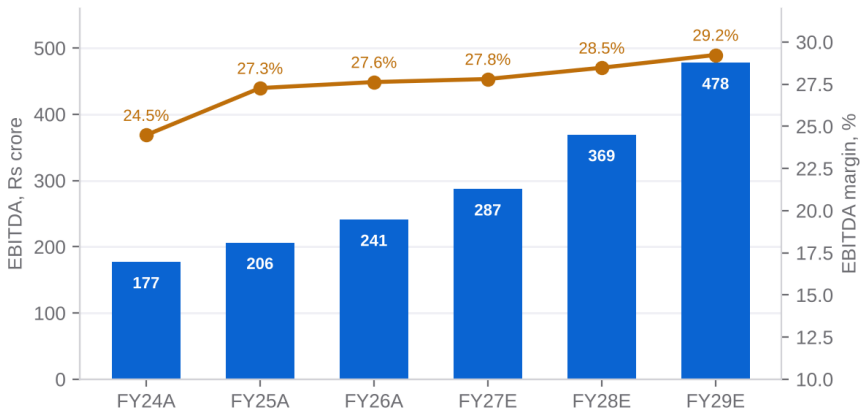
DATE	SHARES RELEASED	HOLDER
26-Sep-26	50% of anchor book	Anchor investors
25-Nov-26	Remaining 50% of ₹526 Cr. anchor book	Anchor investors
Around Mar-27	Pre-IPO non-promoter holdings; promoter stake above the minimum contribution	Rosewood, IBEF-III, promoter group
Around Mar-28	Promoter minimum contribution (20% of post-issue capital)	Promoter group

Source: Chittorgarh (anchor dates), company RHP, SEBI ICDR lock-in rules.

Financials

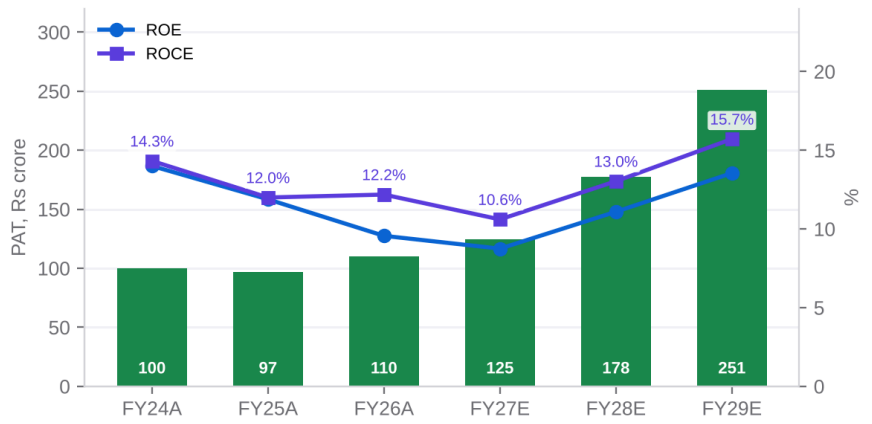
EBITDA margin to expand 161 bps to 29.2% by FY29E; return ratios trough in FY27E

Exhibit 31 EBITDA to grow at a 25.6% CAGR over FY26-29E



Source: Company RHP, Avalon estimates. Margin on total income, as reported.

Exhibit 32 RoE troughs at 8.7% in FY27E before recovering to 13.5%



Source: Company RHP, Avalon estimates. Returns on closing balances.

Margins. Gross margin stays at 64-65% as higher-margin CDMO (~72% gross margin) offsets DCV, which we cost in line with the API business. EBITDA margin improves only modestly, from 27.6% in FY26 to 29.2% in FY29E, because part of the operating leverage from the new plants is absorbed by the staff and overheads required to run them. **Depreciation** rises from ₹53 Cr. in FY26 to ₹100 Cr. in FY27E after ₹736 Cr. was capitalised in FY26, which limits FY27E PAT growth to 13.4% against EBITDA growth of 19.1%. **Returns** trough at 8.7% RoE and 10.6% RoCE in FY27E and recover to 13.5% and 15.7% by FY29E as utilisation rises.

Guided capex keeps FY27E FCF negative; FCF turns positive in FY28E

Exhibit 33 FCF turns positive from FY28E; net debt peaks at ₹365 Cr. in FY28E

Source: Company RHP, Avalon estimates. FY27E includes ₹150.3 Cr. of IPO proceeds.

Exhibit 34 Net debt / EBITDA falls from 1.6x in FY26 to 0.7x in FY29E

	FY26A	FY27E	FY28E	FY29E
Inventory days (on materials)	286	270	265	260
Receivable days	83	83	83	83
Payable days	167	160	155	155
Cash conversion cycle (days)	202	193	193	188
Net debt (₹ Cr.)	381	317	365	329
Net debt / EBITDA	1.6x	1.1x	1.0x	0.7x
Debt / equity	0.34x	0.24x	0.23x	0.23x
Capex (₹ Cr.)	226	250	225	200

Source: Company RHP, Avalon estimates.

Cash flow. Capex of ₹744 Cr. over FY24-26 resulted in negative free cash flow and net debt of ₹381 Cr. in FY26. Our model follows management's capex guidance of ₹250 / 225 / 200 Cr. over FY27E-29E. Operating cash flow rises from ₹175 Cr. in FY26 to ₹301 Cr. in FY29E; free cash flow is -₹45 Cr. in FY27E, turns positive in FY28E and reaches ₹101 Cr. by FY29E. We fund the gap with short-term borrowings, which rise from ₹320 Cr. in FY26 to ₹380 Cr. in FY29E and keep debt/equity at 0.23-0.24x. Working capital remains the main drag: steroid APIs require long inventory cycles, and we assume inventory days improve only gradually, from 286 to 260. Capex above guidance is the main risk to these FCF estimates.

Exhibit 35 Capex stays at ₹200-250 Cr. a year, 1.7-2.5x depreciation

Source: Company RHP, Avalon estimates.

Exhibit 36 Materials fall from 44% to 35% of income; EBITDA share rises to 29%

Source: Company RHP, Avalon estimates.

Financial statements

Exhibit 37 Key forecast assumptions

ASSUMPTION	FY27E	FY28E	FY29E	BASIS
API revenue growth	8.0%	8.0%	8.0%	Share gains plus new capacity; end markets 1-3%
DCV: Mhow utilisation / price per vial	15% / ₹220	40% / ₹220	67% / ₹220	US end-market price band ₹203-234 per vial
CDMO: Ujjain utilisation / revenue per KL	15% / ₹1 Cr.	35% / ₹1 Cr.	70% / ₹1 Cr.	Take-or-pay contracts; below 1x asset-turn target
Materials, % of revenue	36.1%	35.8%	35.3%	API and DCV 35%, CDMO 28% of segment revenue
Employee cost, % of revenue	17.8%	17.5%	17.2%	FY26 at 17.8%; mild operating leverage
Other expenses, % of revenue	18.6%	18.6%	18.6%	Held at FY26 level
Depreciation rate on net PP&E	8.2%	8.2%	8.2%	Derived from FY26 with a part-year charge on additions
Capex (₹ Cr.)	250	225	200	Management guidance; includes Ujjain biologics block
Finance cost on average debt	5.7%	5.7%	5.7%	FY26 effective rate ~5.4%
Tax rate	25.17%	25.17%	25.17%	Section 115BAA
Inventory / receivable / payable days	270 / 83 / 160	265 / 83 / 155	260 / 83 / 155	Gradual inventory improvement

Source: Avalon model.

Exhibit 38 Recent quarters: EBITDA margin compressed for three consecutive quarters

₹ CR.	Q1FY26	Q4FY26	Q1FY27	YOY	QOQ
Revenue from operations	203.2	245.0	218.2	+7.4%	-10.9%
EBITDA	58.0	62.0	45.2	-22.1%	-27.1%
EBITDA margin	28.5%	25.3%	20.7%	-780 bps	-460 bps
PAT	29.9	27.5	14.1	-52.8%	-48.7%
PAT margin	14.7%	11.2%	6.4%	-830 bps	-480 bps

Source: Company results, Screener.in. Q4FY26 figures rounded as published.

Exhibit 39 Income statement: revenue CAGR of 23.2% over FY26-29E

₹ CR.	FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
API revenue	716.2	744.8	835.0	901.8	974.0	1,051.9
Complex injectables (DCV)	0.0	0.0	33.0	66.0	176.0	294.6
CDMO services	0.0	6.8	1.1	60.0	140.0	280.0
Revenue from operations	**716.2**	**751.5**	**869.1**	**1,027.8**	**1,290.0**	**1,626.5**
Growth		+4.9%	+15.6%	+18.3%	+25.5%	+26.1%
Other income	7.1	4.4	3.1	4.5	6.0	8.0
Materials and stock-in-trade	321.0	297.4	315.5	371.4	461.6	574.8
Gross margin (on revenue)	55.2%	60.4%	63.7%	63.9%	64.2%	64.7%
Employee benefits	104.1	122.3	154.3	183.0	225.7	279.7
Other expenses	121.2	130.2	161.5	191.0	239.7	302.2
EBITDA	**177.0**	**206.1**	**240.9**	**287.0**	**368.9**	**477.8**
EBITDA margin	24.5%	27.3%	27.6%	27.8%	28.5%	29.2%
Depreciation and amortisation	38.8	43.1	53.3	99.6	111.0	119.3
Finance cost	7.2	16.0	25.3	20.9	20.5	23.0
Exceptional item	-	-	(9.0)	-	-	-
Profit before tax	131.0	147.0	153.3	166.5	237.4	335.5
Tax	30.9	50.2	43.4	41.9	59.8	84.4
Profit after tax	**100.1**	**96.8**	**109.9**	**124.6**	**177.7**	**251.0**
PAT margin	13.8%	12.8%	12.6%	12.1%	13.7%	15.4%
Weighted shares (Cr.)	5.56	5.57	5.75	6.42	6.42	6.42
EPS (₹)	18.00	17.38	19.11	19.42	27.70	39.13

Source: Company RHP, Avalon estimates. FY24-FY25 other expenses restated so that EBITDA and PBT tie to the offer document.

Exhibit 40 Balance sheet: debt/equity falls from 0.34x in FY26 to 0.23x in FY29E

₹ CR.	FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
Net PP&E	411.2	401.5	1,084.4	1,234.8	1,348.8	1,429.5
Capital work in progress	208.3	568.2	64.5	64.5	64.5	64.5
Other non-current assets (incl. investment property)	166.7	117.1	146.3	166.6	200.0	242.8
Inventories	335.8	261.5	236.9	263.0	320.7	391.5
Trade receivables	125.7	175.7	197.6	233.7	293.3	369.9
Cash and equivalents	7.5	26.4	10.0	26.3	13.4	98.8
Other current assets	39.3	29.4	41.0	48.3	60.6	76.5
Total assets	**1,294.8**	**1,579.8**	**1,780.8**	**2,037.2**	**2,301.3**	**2,673.5**
Total equity	714.8	814.7	1,149.6	1,424.5	1,602.1	1,853.2
Borrowings (long and short term)	247.2	540.9	387.9	340.0	375.0	425.0
Lease liabilities	3.3	3.4	3.0	3.0	3.0	3.0
Trade payables	227.6	88.5	138.3	155.9	187.6	233.4
Other liabilities and provisions	101.8	132.2	102.0	113.9	133.6	158.9
Total equity and liabilities	**1,294.8**	**1,579.8**	**1,780.8**	**2,037.2**	**2,301.3**	**2,673.5**

Source: Company RHP, Avalon estimates.

Exhibit 41 Cash flow: CFO rises to ₹301 Cr. by FY29E while capex stays at ₹200-250 Cr.

₹ CR.	FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
Operating profit before working capital	117.4	178.2	203.8	287.0	368.9	477.8
Change in working capital	101.1	(80.7)	14.2	(40.0)	(78.2)	(92.1)
Tax paid	(30.9)	(50.2)	(43.4)	(41.9)	(59.8)	(84.4)
Cash from operations	**187.5**	**47.3**	**174.6**	**205.1**	**231.0**	**301.3**
Capex	(209.8)	(308.1)	(225.7)	(250.0)	(225.0)	(200.0)
Other investing	3.3	1.6	(1.2)	(20.3)	(33.4)	(42.8)
Cash from investing	**(206.4)**	**(306.6)**	**(226.9)**	**(270.3)**	**(258.4)**	**(242.8)**
Equity raised (rights, ESOP, IPO)	0.0	0.0	218.2	150.3	0.0	0.0
Net borrowings	29.3	294.0	(154.9)	(47.9)	35.0	50.0
Interest and lease payments	(7.5)	(15.8)	(27.3)	(20.9)	(20.5)	(23.0)
Cash from financing	**21.8**	**278.2**	**36.0**	**81.5**	**14.5**	**27.0**
Net change in cash	2.9	18.9	(16.4)	16.3	(12.9)	85.4
Closing cash	7.5	26.4	10.0	26.3	13.4	98.8
Free cash flow (CFO less capex)	(22.3)	(260.8)	(51.1)	(44.9)	6.0	101.3

Source: Company RHP, Avalon estimates.

Exhibit 42 Key ratios: RoCE rises to 15.7% and FCF yield to 1.2% by FY29E

	FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
Returns and margins						
RoE	14.0%	11.9%	9.6%	8.7%	11.1%	13.5%
RoCE	14.3%	12.0%	12.2%	10.6%	13.0%	15.7%
EBITDA margin	24.5%	27.3%	27.6%	27.8%	28.5%	29.2%
PAT margin	13.8%	12.8%	12.6%	12.1%	13.7%	15.4%
Balance sheet						
Net debt / EBITDA	1.4x	2.5x	1.6x	1.1x	1.0x	0.7x
Debt / equity	0.35x	0.66x	0.34x	0.24x	0.23x	0.23x
Cash conversion cycle (days)	190	307	202	193	193	188
CFO / EBITDA	106%	23%	72%	71%	63%	63%
Valuation at CMP ₹1,279.5						
P/E	71.1x	73.6x	66.9x	65.9x	46.2x	32.7x
EV/EBITDA	47.7x	40.9x	35.0x	29.4x	22.9x	17.7x
P/B	9.8x	8.6x	7.0x	5.8x	5.1x	4.4x
FCF yield	-0.3%	-3.2%	-0.6%	-0.5%	+0.1%	+1.2%

Source: Avalon estimates. Book value per share on period-end share count; EV pro forma for IPO proceeds.

Net debt stays above ₹300 Cr. as capex continues; debt/equity held at 0.23-0.24x

- Gross debt falls from ₹388 Cr. in FY26 to ₹340 Cr. in FY27E as IPO proceeds repay debt, then rises to ₹425 Cr. by FY29E as short-term borrowings fund capex and working capital; debt/equity stays at 0.23-0.24x.
- Net worth rises from ₹1,150 Cr. in FY26 to ₹1,853 Cr. in FY29E, with no dividend assumed.
- Net PP&E rises by ~₹345 Cr. over FY26-29E as ₹675 Cr. of capex exceeds ₹330 Cr. of depreciation; RoCE still improves as utilisation of the new plants rises.
- Working capital absorbs ₹40-92 Cr. a year over FY27E-29E as revenue scales, keeping CFO/EBITDA at 62-71%.

Valuation

P/E on FY29E earnings, cross-checked with EV/EBITDA, peers and DCF

Method. We value pharmaceutical companies primarily on P/E, with EV/EBITDA as a cross-check. We use FY29E as the valuation year because FY27E earnings are depressed by start-up costs and depreciation on idle capacity, and FY29E is the first year in which both new plants run at meaningful utilisation. Each scenario changes four operating drivers as well as the exit multiple, so the bear case carries both lower earnings and a lower multiple.

Exhibit 43 Scenario values range from ₹607 to ₹3,137 per share by March 2029

	BEAR	BASE	BULL
Operating drivers			
API revenue growth p.a., FY26-29E	5%	8%	10%
DCV: Mhow utilisation, FY29E	20%	67%	85%
CDMO: Ujjain utilisation, FY29E	40%	70%	90%
EBITDA margin on revenue	26.0%	29.4%	32.0%
FY29E outcome (₹ Cr.)			
Revenue from operations	1,215	1,626	1,845
Non-API share of revenue	20%	35%	40%
EBITDA	316	478	591
PAT	130	251	335
Value			
Exit P/E on FY29E	30x	45x	60x
Implied value per share, March 2029 (₹)	607	1,761	3,137
CAGR from CMP	-26.2%	+13.9%	+44.2%
Probability weight	**25%**	**50%**	**25%**

Source: Avalon estimates, scenario sheet of the Avalon model; D&A, finance cost and tax held at base in all cases.

Exhibit 44 What each scenario requires operationally

DRIVER	BEAR	BASE	BULL
DCV	Deficiency letter; launch slips a year or more; partner seeks to renegotiate; second line deferred	Launch slips modestly; first commercial year limited by one line and the partner's ramp-up	Both products approved; rapid hospital uptake against a single competing presentation; second line added
CDMO	Phase 0 volumes taken at thin margins; insulin validation problems; Phase 1 under-utilised	Small revenue in Q4FY27; Phase 0 converts through FY28; Phase 1 fills over two years	Phase 0 fully invoiced; European contract ramps; insulin validated; Phase 1 committed before completion
API	A competitor defends a molecule and prices fall; growth stalls	Steady growth from share gains in slow end markets	China+1 adds regulated-market customers; conjugated estrogens launched
Balance sheet	Adverse tax or litigation outcome; leverage rises	New verticals cover their costs within one to two years	Consolidated RoCE moves towards the level of the API business

Source: Avalon analysis.

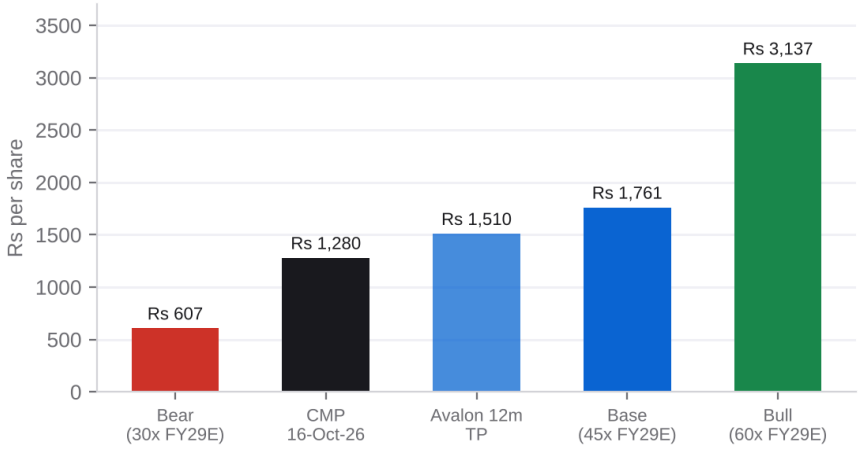
Exit multiples of 30x / 45x / 60x track the share of non-API revenue

Bear case, 30x. The business remains ~80% steroid API, with RoE of ~12% and ~10% earnings growth. Concord Biotech, a fermentation-API business with 20% RoE, listed at 32x in 2023, so a weaker version of that profile warrants a slight discount; the Nifty Pharma 10-year median P/E is 35.1x.

Base case, 45x. DCV and CDMO reach ~35% of revenue, the level at which Laurus's CDMO share crossed 30% and the market began to value it as a platform rather than a generics manufacturer. 45x is below Concord's ~50x because Symbiotec's RoE is ~14% and its US filings are unproven. At 45x, the implied FY29E EV/EBITDA is ~25x, against a peer median of 42.6x today.

Bull case, 60x. US DCV approval and contracted biotech CDMO at ~40% of revenue place Symbiotec alongside platform companies such as Gufic (~55x) and Laurus (~85x after its re-rating). 60x applies a discount to Laurus for scale and customer depth and is in line with the 58x paid at the IPO.

Exhibit 45 Our 12-month TP of ₹1,510 sits between the CMP and the base-case value of ₹1,761



Source: Avalon estimates.

Exhibit 46 Base-case value of ₹1,761 discounted at 11.07% gives a TP of ₹1,510

STEP	VALUE
Base-case value, March 2029	₹1,761
Cost of equity (model WACC sheet)	11.07%
Discount period, Oct-27 to Mar-29	1.45 years
12-month target price	**₹1,510**
Upside from CMP ₹1,279.5	+18.0%
Probability-weighted value, Mar-29	₹1,817
Discounted to a 12-month view	₹1,560
Peer median P/E on FY26 PAT	₹1,171
Peer median EV/EBITDA on FY26 EBITDA	₹1,580

Source: Avalon estimates, model comps sheet.

Rating: ACCUMULATE, TP ₹1,510. The base-case upside of 18% places the stock in our ACCUMULATE band, and we would not move higher yet: 71% of the revenue growth behind it comes from two businesses that earned ₹34 Cr. in FY26, and the bear case implies a 53% loss by March 2029. Visible DCV approval or a full quarter of CDMO commercial supply would make us more positive; we would add on weakness towards ₹1,100, where the base case returns over 20% a year.

DCF cross-check: ₹164 per share, with ~98% of EV in the terminal value

Exhibit 47 FCFF is negative in FY27E and turns positive in FY28E; DCF equity value of ₹1,053 Cr.

₹ CR.	FY27E	FY28E	FY29E
EBIT	187.4	258.0	358.4
Less: tax on EBIT	(47.2)	(64.9)	(90.2)
NOPAT	140.2	193.1	268.2
Add: depreciation	99.6	111.0	119.3
Less: capex	(250.0)	(225.0)	(200.0)
Less: increase in working capital	(40.0)	(78.2)	(92.1)
Free cash flow to the firm	**(50.2)**	**0.8**	**95.5**
Present value at 10.85%	(45.3)	0.7	70.1
Valuation			
Terminal value at FY29E (g = 5%)			1,713.6
Enterprise value			1,283.5
Less: net debt (pro forma for IPO)			230.6
Equity value / per share			**1,053 / ₹164**

Source: Avalon model, DCF and Comps sheet.

Exhibit 48 DCF value ranges from ₹105 to ₹312 per share across inputs

WACC \ G	4.0%	4.5%	5.0%	5.5%	6.0%
9.5%	₹183	₹205	₹233	₹267	₹312
10.0%	₹162	₹181	₹203	₹230	₹265
10.5%	₹145	₹160	₹179	₹201	₹228
11.0%	₹130	₹143	₹158	₹177	₹199
11.5%	₹117	₹128	₹141	₹157	₹175
12.0%	₹105	₹115	₹127	₹140	₹155

Source: Avalon model. Explicit forecast FY27E-FY29E; net debt pro forma for IPO proceeds.

The DCF gives ₹164 per share, about 13% of the market price. We include it because it shows how much of the value lies beyond our forecast period. With only three explicit years, FY29E is still a ramp-up year, so the terminal value is built on a year of heavy reinvestment and accounts for ~98% of enterprise value. The market is therefore pricing in growth well beyond FY29E, mainly from DCV and CDMO. We consider that a reasonable expectation for a business in this position, but it leaves the stock with little support from near-term cash flows if the new businesses are delayed.

Peers Comparison

Exhibit 49 Symbiotec trades at 35.0x trailing EV/EBITDA, below the peer median of 42.6x

COMPANY	MARKET CAP (₹ CR.)	P/E	EV/EBITDA	ROE	EBITDA MARGIN	REVENUE GROWTH
Symbiotec Pharmalab (FY26 basis)	8,208	74.7x	35.0x	9.6%	27.6%	15.6%
Concord Biotech	14,018	49.3x	30.8x	12.6%	36.0%	n.a.
Divi's Laboratories	244,493	82.1x	54.6x	16.5%	33.0%	12.8%
Laurus Labs	111,168	102.0x	54.4x	18.3%	26.0%	22.7%
Gufic Biosciences	4,013	54.6x	26.0x	10.0%	16.0%	17.7%
Cohance Lifesciences	17,797	165.0x	52.1x	4.9%	19.0%	-13.0%
Peer median (excluding Cohance)	**62,593**	**68.3x**	**42.6x**	**14.6%**	**29.5%**	**17.7%**

Source: Screener.in and company data (mid-October 2026, trailing basis); Symbiotec on FY26 with pro forma EV. Cohance excluded from the median as ramp-up costs depress its earnings.

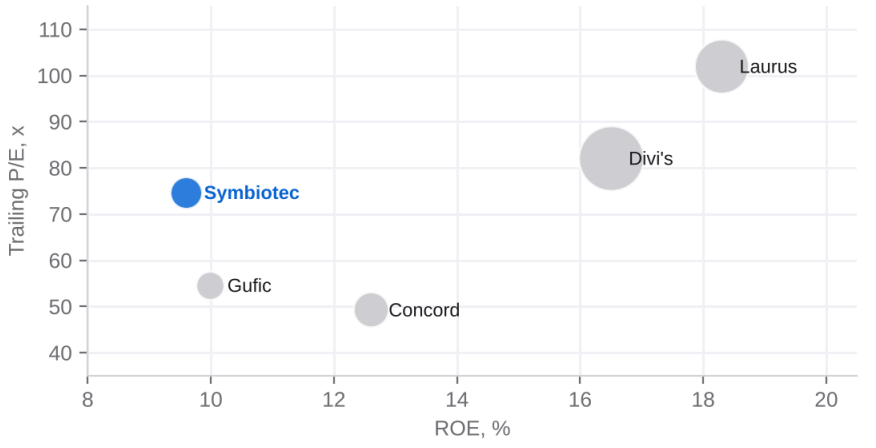
Exhibit 50 On our estimates, Symbiotec trades at 17.7x FY29E EV/EBITDA

SYMBIOTEC AT CMP	FY26A	FY27E	FY28E	FY29E
P/E	66.9x	65.9x	46.2x	32.7x
EV/EBITDA	35.0x	29.4x	22.9x	17.7x
P/S	9.4x	8.0x	6.4x	5.0x
P/B	7.0x	5.8x	5.1x	4.4x
RoE	9.6%	8.7%	11.1%	13.5%

Source: Avalon estimates. Pro forma EV after IPO proceeds.

Symbiotec trades at 35.0x trailing EV/EBITDA against a peer median of 42.6x, and at 17.7x on our FY29E EBITDA. We view a discount to peers as justified until the new businesses report revenue: our FY29E RoE of 13.5% is below the 18-33% trailing RoE of Divi's, Laurus and Concord, whose growth is already visible in reported numbers.

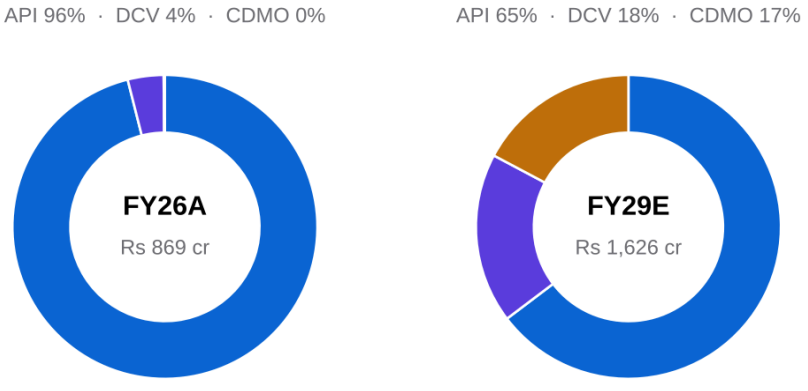
Exhibit 51 Symbiotec's trailing P/E is high relative to its current RoE



Source: Screener.in, company data, mid-October 2026.

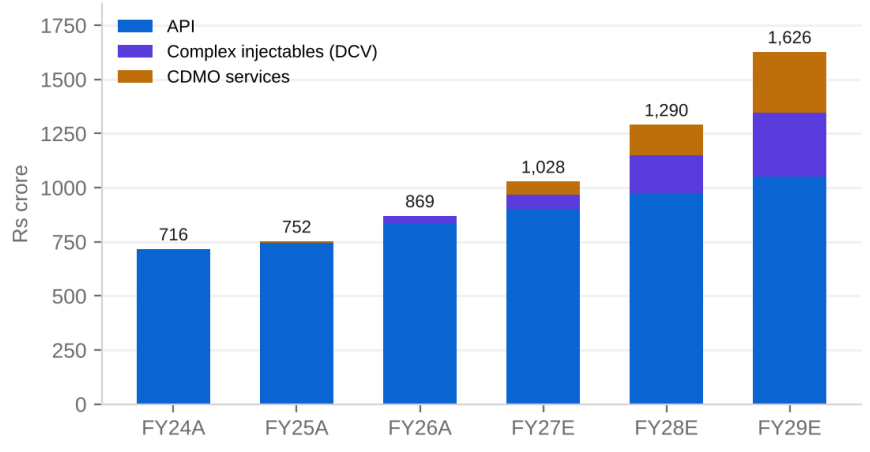
Story in Charts

Exhibit 52 API share of revenue falls from 96% in FY26 to 65% in FY29E



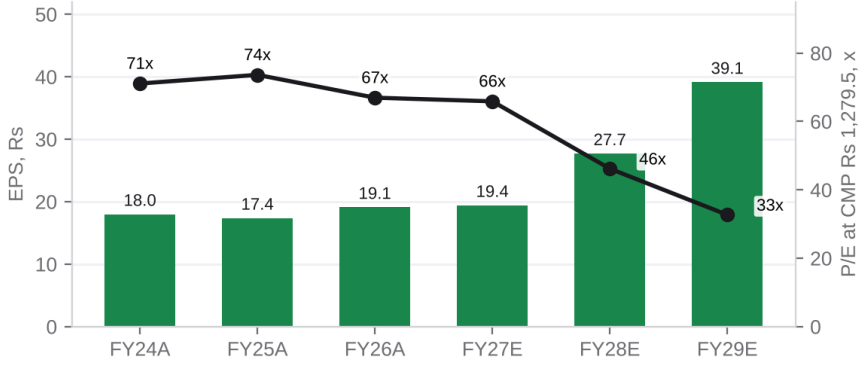
Source: Company RHP, Avalon estimates.

Exhibit 53 Revenue to grow at a 23.2% CAGR over FY26-29E



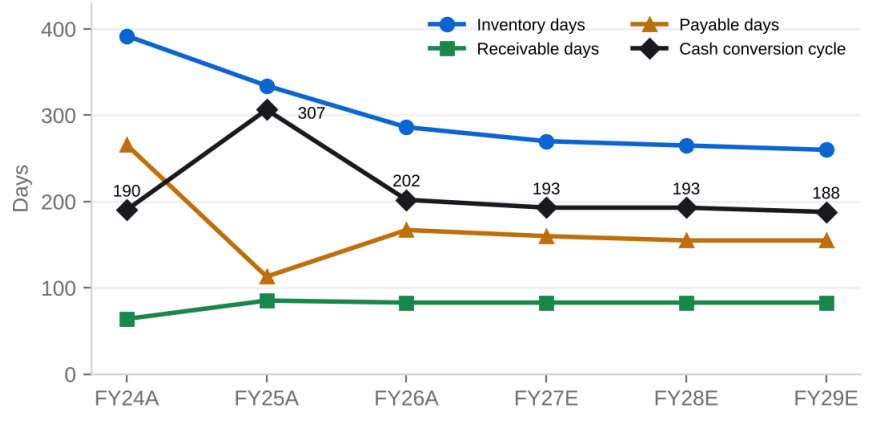
Source: Company RHP, Avalon estimates.

Exhibit 54 EPS to grow from ₹19.1 in FY26 to ₹39.1 in FY29E



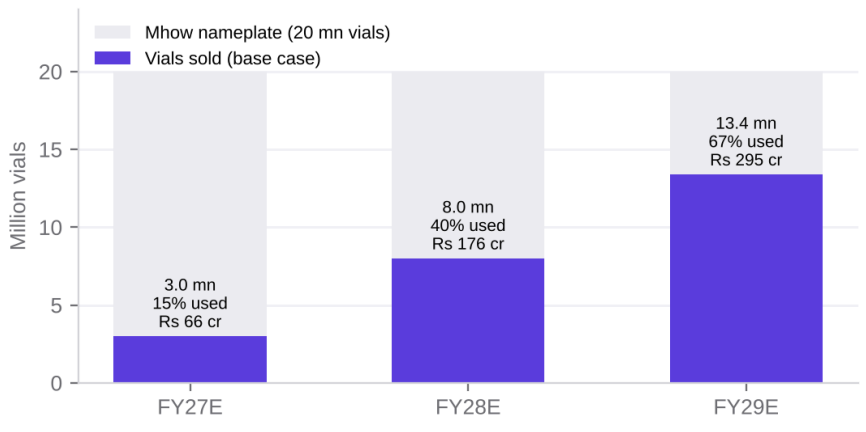
Source: Company RHP, Avalon estimates.

Exhibit 55 Cash conversion cycle to improve from 202 days in FY26 to 188 days in FY29E



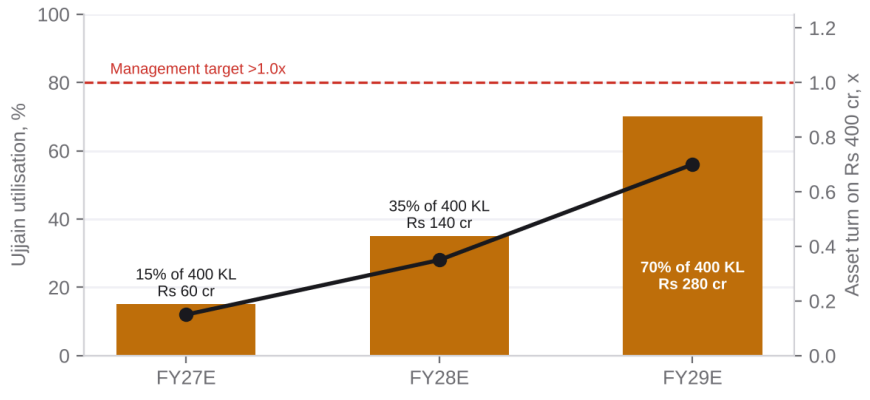
Source: Company RHP, Avalon estimates. Inventory and payable days on material cost.

Exhibit 56 DCV volumes reach 67% of Mhow nameplate by FY29E



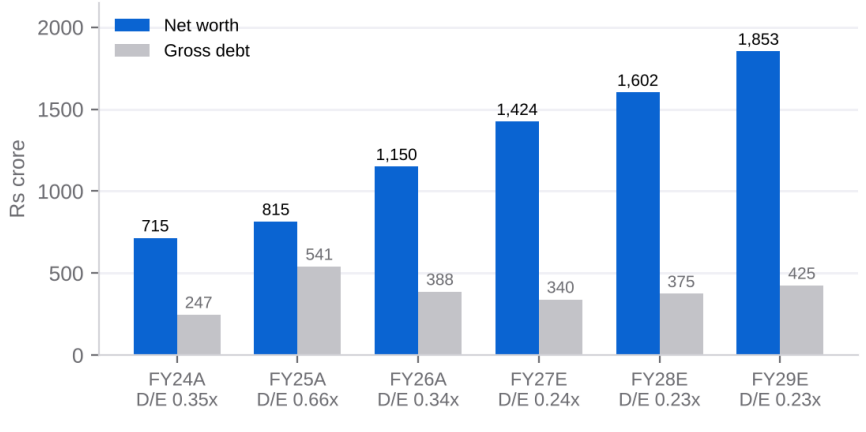
Source: Avalon estimates at ₹220 per vial.

Exhibit 57 Ujjain asset turn of 0.7x by FY29E, below the 1x target



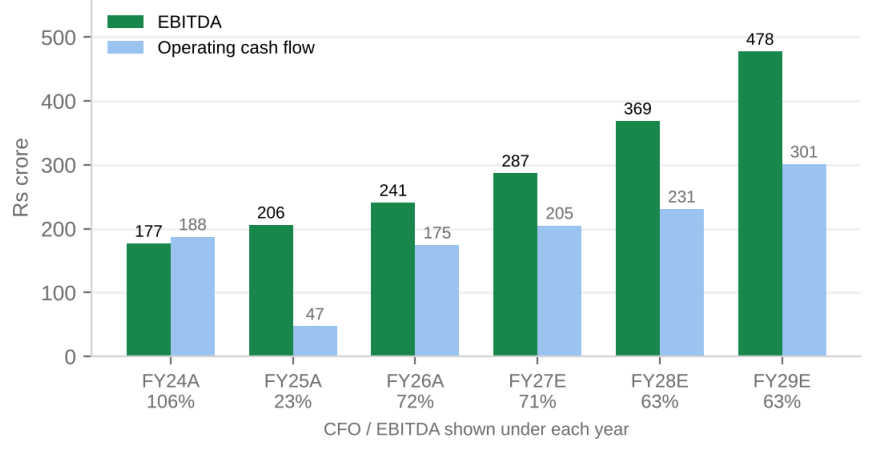
Source: Avalon estimates; management target from Q1FY27 earnings call.

Exhibit 58 Net worth rises to ₹1,853 Cr. by FY29E; debt/equity held at 0.23-0.24x



Source: Company RHP, Avalon estimates. Gross debt is long-term plus short-term borrowings.

Exhibit 59 CFO/EBITDA of 63-71% over FY27E-29E, against 23% in FY25



Source: Company RHP, Avalon estimates.

Key Monitorables, Glossary and Disclosures

Exhibit 60 Key monitorables: the indicators that will confirm or challenge the thesis

AREA	WHAT TO MONITOR	WHY IT MATTERS	FIRST READ
DCV regulatory	FDA acknowledgement, deficiency letters and approval of the two DCV ANDAs	Largest single driver of FY28E-29E revenue	Q3FY27 onwards
DCV economics	Milestone income recognised and cash received; launch timing; second Mhow line	Tests the partner structure and offsets new-business opex	H2FY27
CDMO conversion	First Ujjain invoices; European term sheet converted to a definitive agreement; Phase 1 construction	Converts contracted capacity into reported revenue	Q4FY27
Biologics	Insulin validation, stability data and DCGI approval	Starts the biologics revenue line	Early FY28
API franchise	API revenue growth, gross margin above ~60%, US order pattern, new regulated-market customers	Confirms the cash engine funding the new businesses	Every quarter
Cash and balance sheet	Capex against the ₹200-250 Cr. guide, working capital days, net debt	Determines whether expansion remains internally funded	Every half-year
Disclosure	Customer concentration in the first annual report; contract values; adjusted vs reported RoCE	Closes the main information gaps in the thesis	FY27 annual report
Legal and governance	Tax re-assessment, Balaji litigation, Mhow land stay, promoter encumbrance; recurring audit qualifications on a leasehold title and audit-trail features	Contingent liabilities not provided for; quality of disclosure	Ongoing

Source: Avalon analysis.

Exhibit 61 Corporate structure: the new businesses sit in two wholly owned subsidiaries

ENTITY	ROLE	COMMENT
Symbiotec Pharmalab Ltd. (parent)	Steroid API manufacturing at Rau and Pithampur	Generates substantially all current revenue; funds subsidiaries through inter-company loans
Knovea Pharmaceutical	Complex injectables (DCV, bags, syringes) at Mhow	Counterparty to the US DCV commercialisation agreement; Mhow land subject to a High Court stay
Symbiotec Zenfold	Biotech fermentation and CDMO assets	Holds the Ujjain biomanufacturing platform
Other subsidiaries and JV	Smaller entities, including a Singapore subsidiary	Impairment and loan write-off taken on the Singapore entity; four small subsidiaries not reviewed in Q1FY27

Source: Company RHP, Q1FY27 results and investor presentation.

Glossary

TERM	MEANING
API	Active pharmaceutical ingredient, the component of a medicine that produces its effect
KSM	Key starting material from which an API is synthesised
DMF	Drug master file, the dossier a US customer references to use an API
CEP	Certificate of suitability, the European equivalent of a DMF
CDMO	Contract development and manufacturing organisation
DCV	Double-chamber vial holding a powdered drug and its diluent in one sealed device
ANDA	Abbreviated new drug application, the US filing for a generic
Phytosterols	Plant-derived sterols used as the feedstock for steroid fermentation
DCGI	Drugs Controller General of India, the Indian drug regulator

TERM	MEANING
EIR / VAI	FDA establishment inspection report / voluntary action indicated: observations with no enforcement action
KL	Kilolitre, the unit for fermentation capacity
505(b)(2)	US filing route for a modified version of an approved drug
BIOSECURE	US law restricting federal contracting with listed biotechnology companies of concern
Section 232	US tariff on patented drugs; generics currently exempt
Take-or-pay	Contract under which the customer pays for reserved capacity whether or not it is used
Pre-operative cost	Operating cost of a plant before it generates revenue
GLP-1	Class of peptide drugs used in diabetes and obesity
Lyophilisation	Freeze-drying used to stabilise injectable powders

Exhibit 62 Rating definitions

RATING	EXPECTED 12-MONTH RETURN	DEFINITION
BUY	Above 20%	The main drivers of value are visible in reported numbers
ACCUMULATE	10% to 30%	Part of the value depends on catalysts not yet delivered; positions built on weakness
HOLD	-5% to 10%	Fairly valued
SELL	Below -5%	Price ahead of fundamentals

Sources. Company offer document (RHP), Q1FY27 results, investor presentation and earnings call transcript (22-Sep-26), NSE and BSE filings, Frost & Sullivan (via RHP), Persistence Market Research, Screener.in, NSE price data, Damodaran country risk data (July 2026) and the Avalon financial model.

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