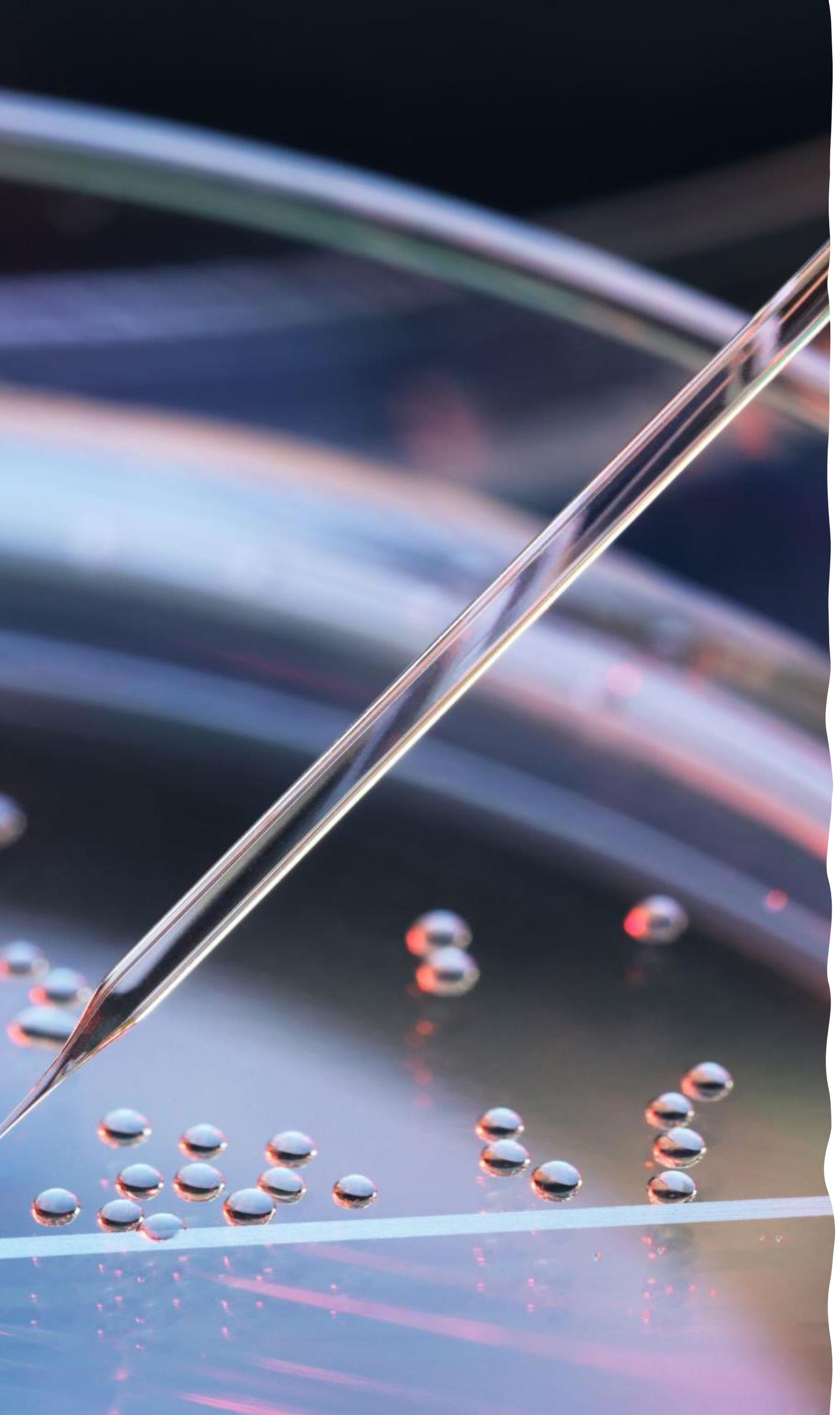

Panacea Biotech

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Summary

Panacea Biotec Ltd. (PBL) is recognized as a research-driven biotechnology firm.

Established in 1984, the company has traditionally focused on vaccines and pharmaceuticals.

DFC funding of USD 20 million to expand capacity for Easy 6 to 70 million pa which is more than double the current capacity.

EAEU GMP Clearance in May 2025

UNICEF order for 315cr for bOPV

GOI Order ~129cr for bOPV

Management team

Management leadership

- **Dr. Rajesh Jain (Chairman & Managing Director):**

- **Mr. Sandeep Jain (Joint Managing Director):**

- **Mr. Harshet Jain and Mr. Ankesh Jain:**

Scientific and Financial Leadership

The R&D focus is supported by strong scientific acumen:

- **Dr. Sanjay Trehan (Director - Technical & Compliances):**

- **Dr. Amulya Panda (Associate Director - R&D Biologicals) and Dr. Khalid Ali Syed (Chief Scientific Officer):**

- **Mr. Vinod Goel (Group CFO & Company Secretary):**

Company Segmentation

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Vaccines: This segment represents the historical and future core strength, specializing in fully-liquid combination vaccines, such as EasySix® (hexavalent) and Easyfour® (tetravalent). The company boasts a significant history, including playing a pivotal role in polio eradication through the supply of over 10 billion doses of oral polio vaccines (OPV).

Pharmaceuticals: This involves generic and specialty pharmaceutical formulations covering diverse therapeutic areas, including oncology, nephrology, orthopedics, pain management, and gastro-intestinal disorders.

FMCG & Nutrition: This is the newest strategic diversification, initiated with the launch of baby care products (diapers and wipes) under the 'NikoMom' brand in early 2025. This segment aims to leverage the established quality reputation in the domestic consumer health market.

Market Dynamics and Competitive Positioning

Indian Pharmaceutical Sector Outlook

The Indian pharmaceutical industry is predicted to achieve a growth rate of **9-11% in FY 2025-26**. This growth is structurally supported by government policies, notably the Production Linked Incentive (PLI) scheme, which encourages domestic manufacturing and innovation. Increased export demand, particularly from regulated markets, is cementing India's reputation as a global manufacturing and supply powerhouse.

Long-term projections forecast the Indian pharmaceutical market to potentially soar to **USD 120-130 billion by 2030** , driven by the rising prevalence of chronic conditions and an increasing focus on integrated healthcare.

Global Vaccine Market Dynamics

The global combination vaccines market is a high-growth sector, estimated at **USD 13.5 billion in 2025** and projected to grow at a Compound Annual Growth Rate (CAGR) of 10.2% through 2034. Within this segment, the hexavalent vaccine category is gaining prominence, receiving a major boost with the Gavi Board's approval of the hexavalent program in June 2023. Furthermore, the demand for Inactivated Polio Vaccine (IPV) components, central to Panacea's EasySix® formulation, is expected to surge due to global hexavalent rollout programs.

High-Value Vaccines & New Consumer Healthcare

EasySix Hexavalent Vaccine (wP-IPV)

EasySix is strategically positioned to capture high-volume institutional demand. The hexavalent approach, covering six diseases in a single shot.

UNICEF forecasts massive demand for wP-IPV-based hexavalent vaccines from Gavi-supported countries:

- **2025 Demand:** 19 million doses
- **2030 Demand:** Over 100 million doses

Indian FMCG/Baby Diaper Market (NikoMom)

Panacea Biotec's diversification into fast-moving consumer goods (FMCG) through the NikoMom brand taps into a domestic market driven by demographic trends. The Indian baby diaper market is large, with size estimates ranging significantly from **USD 1.73 billion** (2024 valuation) to **USD 6.81 billion** (2025 valuation). The market is expected to grow robustly, exhibiting a CAGR between 6.5% and 15.3% over the forecast period (2025-2034). Growth is propelled by rising disposable incomes, rapid urbanization, and increased hygiene awareness.

The success of this new venture, launched in January 2025 , depends on the company's ability to leverage its brand image for quality to capture a premium segment of this rapidly expanding market.

Consumer Healthcare Products

Brand	Category	Notes / details
ChilRun®	Paediatric nutrition / kids growth & development powders	Panacea's nutrition-line for children (above age 2) in the "growth & development" segment.
NikoMom®	Baby-care products: diapers & wipes, skin-care	Panacea launched a baby diaper / wipes brand "NikoMom" (and separately a baby skin-care line under same brand) as part of its expansion into baby hygiene/comfort products.
Staart Prime	Infant milk substitute	A recent launch: Panacea's subsidiary has announced "Staart Prime" infant milk substitute product.

SWOT Analysis

Strengths (S)

- Proprietary Vaccine Technology: EasySix® is the world's first fully-liquid wP-IPV hexavalent vaccine, offering clear clinical and logistical benefits for global immunization programs. Advanced R&D Pipeline: Holds late-stage assets including DengiAll (Phase III, ICMR collaboration) and NuCoVac-11 (PCV), providing future revenue options.
- Strategic Funding & Global Endorsement: Secured a crucial US$20M long-term loan from the DFC for capacity expansion. Promoter Commitment:
- Promoter holding is high (72.48%) with Zero Pledged Shares, signaling management stability and confidence.

Weaknesses (W)

- Fragile Profitability & Historical Volatility: The company has historically faced losses, and while Q1 FY26 marked a net profit turnaround, sustained profitability remains a short-term challenge.
- Negative Operational Cash Flow: Cash flow from operating activities stood negatively at Rs -274 million in FY25, highlighting working capital pressures.
- Debt Service Coverage: Earnings are reported as insufficient to cover interest expenses on outstanding debt relative to the industry median.

SWOT Analysis

Opportunities (O)

- Global Hexavalent Scale-up: The DFC-backed expansion to 70 million doses annually directly targets the rapidly expanding Gavi/UNICEF institutional demand (>100M doses by 2030). DengiAll Commercialization: Success in Phase III would address a massive domestic public health need, securing premium pricing and strategic importance in India.
- FMCG Diversification: Entry with NikoMom targets the high-CAGR Indian diaper market, potentially creating a stable, recurring domestic revenue stream.
- Export Market Access: Recent regulatory clearances in Africa (AMRH) and EAEU (Kazakhstan) open unified regulatory access to new, large institutional markets.

Threats (T)

- R&D Failure Risk: DengiAll remains a high-risk late-stage asset; efficacy results are the primary hurdle (requiring two years of follow-up post-vaccination). Competitive Intensity in Vaccines: Strong competition exists from global manufacturers (Sanofi, GSK) and domestic peers (Serum Institute of India) in institutional tenders.
- FMCG Market Concentration: The new NikoMom brand faces fierce competition from two entrenched global majors (P&G and Unicharm), which collectively hold nearly 80% of the market share.
- Regulatory Compliance: Ongoing maintenance of WHO PQ and international cGMP status is rigorous and mandatory for revenue generation in the core vaccine segment.

Financial history

Profit & Loss

RELATED PARTY | PRODUCT SEGMENTS

Consolidated Figures in Rs. Crores / View Standalone

	Mar 2014	Mar 2015	Mar 2016	Mar 2017	Mar 2018	Mar 2019	Mar 2020	Mar 2021	Mar 2022	Mar 2023	Mar 2024	Mar 2025	TTM
Sales +	510	687	653	544	593	457	544	625	661	460	559	559	610
Expenses +	582	643	541	505	509	591	490	548	674	558	574	584	623
Operating Profit	**-72**	**44**	**112**	**39**	**84**	**-134**	**54**	**77**	**-13**	**-98**	**-15**	**-25**	**-13**
OPM %	-14%	6%	17%	7%	14%	-29%	10%	12%	-2%	-21%	-3%	-4%	-2%
Other Income +	183	28	70	62	8	338	-14	9	1,687	154	57	55	67
Interest	150	105	127	101	101	105	174	185	181	4	4	4	4
Depreciation	71	67	73	68	57	54	43	46	44	39	37	35	34
Profit before tax	**-111**	**-99**	**-19**	**-67**	**-66**	**45**	**-178**	**-146**	**1,449**	**13**	**1**	**-8**	**16**
Tax %	2%	3%	10%	-16%	15%	17%	9%	1%	26%	363%	201%	10%	
Net Profit +	**-113**	**-108**	**-21**	**-56**	**-76**	**38**	**-194**	**-148**	**1,078**	**-34**	**-2**	**-9**	**11**
EPS in Rs	-18.29	-17.38	-2.98	-8.89	-12.07	6.15	-31.69	-24.09	175.91	-5.42	-0.19	-1.37	1.87
Dividend Payout %	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	

Key triggers

Catalyst	Timing	Impact on Valuation
EasySix Capacity Expansion Completion to 70M Doses/Year	**FY26 – FY27**	Volume Multiplier: Drives DCF value of core business; re-rating of P/S multiples.
DengiAll Phase III Enrollment Completion	**Oct 2025** (Imminent)	Risk Reduction: Confirms R&D execution and operational progress.
Initial EasySix Tender Deliveries to New Markets (Africa/EAEU)	**H2 FY26** (Ongoing)	Revenue Validation: Confirms market access conversion into actual volume.
DengiAll Phase III Efficacy Readout (Primary Endpoint)	**Q4 FY27 – H1 FY28** (Projected)	Maximum rNPV Uplift: If positive, this scientific success drives the exponential increase in pipeline option value.

Financial projections

Metric	FY 2026E	FY 2027E	FY 2028E	Rationale
Revenue (Vaccines)	550 – 600	850 – 950	1,150 – 1,300	Driven by EasySix capacity ramp-up and large institutional tender fulfillment.
Revenue (Generics/FMCG)	120 – 150	160 – 200	200 – 250	Stable generic formulations with growing domestic contribution from NikoMom.
Total Revenue	**670 – 750**	**1,010 – 1,150**	**1,350 – 1,550**	Strong acceleration of revenue growth based on volume execution.
Operating Profit Margin (OPM %)	5.0% - 7.0%	9.0% - 12.0%	14.0% - 18.0%	Substantial margin expansion due to operational leverage from high-volume proprietary vaccine sales.
Net Income	**7 – 15**	**40 – 70**	**100 – 155**	Strong profit realization as fixed costs are absorbed by capacity utilization.

Valuation

Scenario	Underlying Assumptions	Implied Multiples (FY27E P/S)	Target Price (INR)
Worst Case (Execution Failure/DengiAll Failure)	EasySix scale-up delayed/hampered by quality issues, leading to only 50% capacity realization by FY28. DengiAll Phase III fails. Core business revenues revert toward FY25 levels.	P/S: 0.5x – 0.8x (Based on distressed generics valuation)	
Normal Case (Base Scenario - Execution Success, Pipeline Option Maintained)	EasySix capacity (70M doses) achieved and utilized on schedule. Sustained institutional pricing. DengiAll PoS maintained at 50% rNPV. OPM reaches 12% by FY27E.	P/S: 1.2x – 1.6x (Reflects established, scaled vaccine supplier status)	
Best Case (Full Execution/DengiAll Success)	EasySix full capacity utilized ahead of schedule, confirming global leadership. DengiAll Phase III efficacy is positive in H1 FY28, PoS rises to 80%, driving licensing/commercialization efforts. OPM hits 18% by FY28E.	P/S: 2.0x – 2.5x (Reflects R&D premium and successful commercialization)	

- Questions and Thank you