Poly Medicure Ltd

ISIN :INE205C01021 | NSE :POLYMED

Price: 2,584
Recommendation: Buy
Industry: Medical Equipment
Sector: Healthcare
Report Date: 28-Apr-2025

Poly Medicure Limited is a leading medical devices company specializing in innovative solutions across cardiology, oncology, dialysis, and critical care. With robust financial growth, a diversified product portfolio, and a commitment to sustainability, the company drives global expansion, operational excellence, and green energy initiatives, aiming to reduce its carbon footprint by 30% by 2030.

Sales		Profit & Loss		Profitability Matrix	
Current Year	1542 Cr	Operating Profit(Year)	427 Cr	Operating Profit Margin	27.7 %
Previous Year	1068 Cr	Operating Profit(Quarter)	116 Cr	EBITDA Margin	25.23 %
Current Quarter	411 Cr	PAT (Year)	236 Cr	Net Profit Margin	18.1 %
Previous Quarter	402 Cr	PAT (Quarter)	85.2 Cr	EPS	31.9
Revenue (QYoY)	321 Cr				
Valuation Matrix		**Growth(YoY)**		**Growth(QoQ)**	
Trailing P/E	83.0	Sales Growth	24.4 %	Sales Growth	2.24 %
PEG Ratio	2.84	PAT Growth	37.21 %	Sales Growth QYoY	28.04 %
EV/EBITDA	51.4	EPS Growth	21.76 %	PAT Growth	-2.29 %
P/B	10.2	Dividend Yield	0.12	PAT Growth QYoY	38.54 %
Capital Allocation		**Holdings**		**Leverage**	
RoE	17.6 %	Promoter	62.4 %	Debt/Equity	0.06
RoA	14.1 %	FII	11.5 %	Debt	151 Cr
RoCE	21.9 %	DII	12.0 %	Market Cap	26187 Cr
RoIC	18.7 %	Public	14.1 %	Enterprise value	26157 Cr
		No of Shares	10.1 Cr	Cash Equivalents	181 Cr

source : Company filings

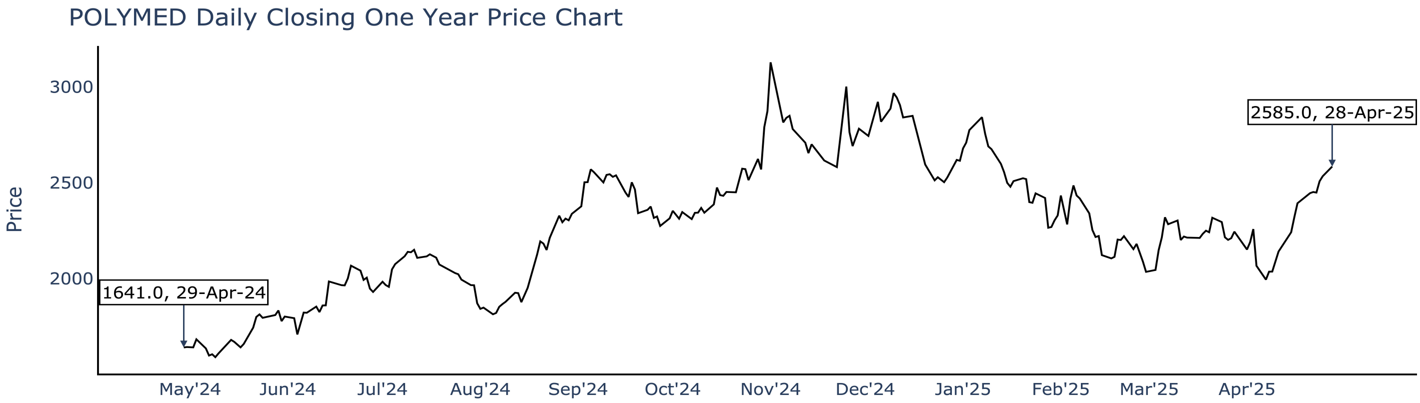
Company's Overview Based on Recent Concall and Performance:

Poly Medicure Limited showcased robust growth and strategic initiatives during its Q3 FY25 earnings call. The company reported a consolidated revenue increase of 24.9% YoY, reaching 424 crores, with EBITDA improving by 65 bps to 116 crores and PAT rising to 85 crores. Over nine months, revenue grew by 23.2% to 1,229 crores, aligning with its guidance of 22%-24% growth. The company sold 96 crore devices, added 64 sales personnel, and expanded its presence in cardiology and critical care divisions. Notable achievements include regulatory approval for drug-eluting stents, the launch of oncology implants, and a joint venture for solar power generation, reflecting its commitment to sustainability and innovation. These initiatives position Poly Medicure as a leader in the medical devices sector, with a focus on green energy and reducing its carbon footprint by 30% by 2030.

The company is actively diversifying its portfolio, entering high-value segments like cardiology, oncology, and critical care. The drug-eluting stent, manufactured in-house, is set to be commercialized soon, alongside complementary products like balloons and guidewires. The dialysis business continues to grow, with a monthly run rate of 40-50 machines and plans to double installations next year. Poly Medicure is leveraging government initiatives like increased reimbursement rates for dialysis treatments and standalone dialysis clinics to expand its market share. Additionally, the company plans to launch 50 new products across four categories over the next two years, targeting both domestic and international markets. These diversification efforts are expected to drive sustainable growth and enhance margins.

Future growth perspectives remain strong, with the company projecting a 20%+ growth trajectory supported by CAPEX investments and strategic expansions. Poly Medicure has allocated 500 crores from QIP proceeds for three new plants, expected to be operational within 18-21 months. The domestic market is a key growth driver, with plans to deepen hospital penetration and increase wallet share. Exports, contributing 70% of revenue, are growing steadily, particularly in Europe and the US. The company's focus on operational efficiency, product innovation, and regulatory approvals ensures predictable and durable growth. Margins are expected to improve by 50-100 bps annually, driven by scale and higher-value product categories.

Poly Medicure's strategic vision, backed by strong financials and innovative initiatives, positions it for long-term success. The company's emphasis on sustainability, product diversification, and market expansion reflects a forward-looking approach. With a robust pipeline of new products, increased manufacturing capacity, and a focus on high-growth segments, Poly Medicure is well-equipped to capitalize on emerging opportunities. Its commitment to quality, operational excellence, and customer-centric strategies ensures continued leadership in the medical devices industry.



Name	Mar Cap (Rs. Cr.)	P/E	ROE	Sales(G) QoQ	Sales(G) QYoY	PAT(G) QoQ	PAT(G) QYoY
Fortis Health.	50955.89	64.83	7.85%	-3.02%	14.80%	4.58%	76.38%
Narayana Hrudaya	36784.95	46.87	31.43%	-2.38%	13.55%	-2.86%	2.62%
Global Health	32343.30	63.72	17.93%	-1.37%	12.79%	9.21%	15.64%
Krishna Institu.	26889.46	77.18	17.63%	-0.63%	27.49%	-17.41%	23.47%
Poly Medicure	26186.61	83.00	17.56%	2.10%	28.07%	-2.37%	38.55%

Aspect	Commentary
Revenue	Poly Medicure's revenue grew 24.9% YoY to Rs.424 Cr in Q3 FY25, driven by strong domestic and export sales. Quarterly revenue rose 2.24% QoQ, reflecting steady demand. The company's diversified portfolio and focus on high-growth segments like cardiology and oncology underpin its revenue expansion.
Profit & Loss	PAT grew 37.21% YoY to Rs.85.2 Cr, supported by operational efficiencies and higher-margin products. However, QoQ PAT declined by 2.29%, indicating potential cost pressures. EPS of Rs.31.9 highlights strong shareholder returns, while EBITDA margin improvement reflects better cost management.
Profitability Matrix	Operating profit margin of 27.7% and net profit margin of 18.1% indicate robust profitability. EBITDA margin at 25.23% reflects operational efficiency. High RoCE of 21.9% and RoIC of 18.7% underscore effective capital utilization, supporting long-term value creation.
Valuation Matrix	Trailing P/E of 83.0 and PEG ratio of 2.84 suggest premium valuation, reflecting growth potential. EV/EBITDA of 51.4 indicates high investor confidence. Dividend yield of 0.12% is modest, aligning with reinvestment in growth. P/B ratio of 10.2 highlights strong asset valuation.
Growth (YoY)	Sales grew 24.4% YoY, driven by product diversification and market expansion. PAT growth of 37.21% YoY reflects improved profitability. EPS growth of 21.76% highlights earnings strength. The company's focus on high-value segments and operational efficiency supports sustained growth.
Growth (QoQ)	QoQ sales growth of 2.24% reflects steady demand, while PAT declined by 2.29%, indicating potential margin pressures. However, PAT QYoQ growth of 38.54% highlights recovery in profitability. The company's strategic initiatives are expected to drive consistent quarterly growth.
Capital Allocation	RoE of 17.6% and RoA of 14.1% indicate efficient capital deployment. Cash equivalents of Rs.181 Cr provide liquidity for growth initiatives. Low debt/equity of 0.06 and Rs.151 Cr debt reflect prudent financial management, supporting CAPEX plans and operational expansion.
Holdings	Promoter holding of 62.4% reflects strong ownership confidence. FII and DII holdings at 11.5% and 12.0%, respectively, indicate institutional trust. Public holding of 14.1% ensures market participation. The balanced shareholding structure supports long-term stability.
Leverage	Debt/equity ratio of 0.06 highlights minimal leverage, ensuring financial stability. Market cap of Rs.26,187 Cr and enterprise value of Rs.26,157 Cr reflect strong market positioning. Low debt levels and robust cash reserves enable the company to fund growth without significant risk.

Analyst viewpoint: Poly Medicure Ltd has demonstrated impressive growth metrics, with Q3 FY25 revenue increasing by 24.9% YoY to Rs. 424 Cr, supported by strong domestic and export sales. The company's diversified portfolio, particularly its focus on high-value segments like cardiology, oncology, and critical care, has been instrumental in driving this expansion. PAT growth of 37.21% YoY to Rs. 85.2 Cr underscores operational efficiencies and higher-margin products, while EPS growth of 21.76% reflects strong shareholder returns. The company's strategic initiatives, including regulatory approvals for drug-eluting stents, solar power generation ventures, and plans to launch 50 new products over the next two years, position it as a leader in the medical devices sector. With a robust CAPEX plan of Rs. 500 Cr for new manufacturing plants and steady export growth contributing 70% of revenue, Poly Medicure is well-poised for sustainable growth in both domestic and international markets.

Valuation metrics such as a trailing P/E of 83.0 and PEG ratio of 2.84 reflect premium investor confidence, supported by high RoCE of 21.9% and RoIC of 18.7%. The company's low debt/equity ratio of 0.06 and Rs. 181 Cr in cash equivalents highlight prudent financial management, enabling operational expansion without significant risk. While QoQ PAT declined by 2.29%, indicating potential cost pressures, the company's focus on operational efficiency and product innovation is expected to mitigate these challenges. Overall, Poly Medicure's strategic vision, backed by strong financials and innovative initiatives, makes it a compelling buy recommendation for short to mid-term investors.

Please read detailed disclosure on next page.

Explanation of Investment Rating*	
Investment Rating	Expected Return (over 12-month)
BUY	>=15%
SELL	<-10%
NEUTRAL	>-10% to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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