

## Vimta Labs Ltd. – Investment BUY Call – 6 Months Horizon

Dear Bajaj Capital Investors,

New Stock Recommendations for BUY on 6 May 2026

CMP -> 511

Upside Potential-> 13%

Investment Horizon -> 6 Months

Target price -> 577

Vimta Labs presents a compelling BUY opportunity, supported by its established leadership in the Contract Research & Testing Organization (CRTO) space and a diversified service portfolio. With over 4 decades of operational expertise, company offers integrated services across drug discovery and development, Food & Agri testing, electronics and electricals testing and environmental consultancy. Its broad-based presence across multiple high-growth sectors enhances revenue visibility & provides resilience against segment-specific slowdowns.

From a financial standpoint, company demonstrates strong fundamentals, characterized by a debt-free balance sheet and a healthy cash position of approximately INR 65 crore as of March 31, 2026. Operational performance remains robust, with Q4FY26 reflecting double-digit revenue growth along with sequential and year-on-year improvement in operating margins, indicating better cost efficiencies and operating leverage. Additionally, operating cash flow generation has seen a significant uptick to INR 147 crore in FY26 from INR 94 crore in FY25, reinforcing the company's strong cash conversion and financial discipline. The revenue mix remains well-balanced, with ~60% contribution from domestic markets and ~40% from exports, providing both stability and global exposure.

At current levels, the stock is trading at a reasonable valuation of ~29x TTM earnings, which appears justified considering its consistent earnings growth, margin expansion trajectory, and improving cash flows. Favourable industry tailwinds, particularly increasing outsourcing in pharmaceutical research, regulatory testing requirements, and rising demand for quality assurance across sectors, are expected to act as key growth drivers. Backed by improving technical indicators and strong earnings momentum, Vimta Labs is well-positioned to deliver upside potential over the near to medium term, warranting a BUY recommendation.

### Q4FY26 Results:

	YoY	QoQ	Mar 2026	Dec 2025	Mar 2025
Revenue Cr	15.7%	10.8%	109	99	94
Operating Profit Cr	^ 19.2%	15.0%	39	34	33
OPM %			36.0	34.7	35.0
PAT Cr	^ 15.2%	20.0%	21	18	18
NPM %			19.3	17.8	19.4
EPS ₹	15.1%	19.4%	4.7	4.0	4.1

Happy investing!

Thank you and best regards,

On behalf of Bajaj Capital's Research Team