

## Result Preview



### Company

Alembic Pharma.

Ajanta Pharma

Alkem Lab.

Apollo Hospitals

Aurobindo Pharma

Biocon

Cipla

Dr. Agarwal's Healthcare

Divi's Lab.

Dr. Reddy's Lab.

Eris Lifesciences

Gland Pharma

Glenmark Pharma.

Global Health

Granules India

GSK Pharma

IPCA Lab.

Laurus Labs

Lupin

Mankind Pharma

Max Healthcare

Piramal Pharma

Rubicon Research

Sun Pharma

Torrent Pharma

Zydus Lifesciences

## EBITDA growth trails revenue growth for third straight quarter

### Chronic-led DF growth and capacity expansion to shape sectoral trends

We expect pharma companies to deliver steady growth in aggregate revenue in 3QFY26, supported by improving domestic formulations (DF) momentum. However, increased competition in select products for US market and slower pace of potential launches should keep EBITDA growth trend in check. Aggregate DF sales are projected to grow 8.7% YoY to INR256b, led by continued outperformance of chronic therapies, while acute therapies remain subdued. US generics sales are expected to decline due to competition in select products, namely g-Revlimid.

The hospital sector is expected to post 9% YoY revenue growth, even as occupancy declines due to aggressive capacity additions. Average revenue per occupied bed (ARPOB) should improve moderately on a higher chronic specialty mix. Having said this, the front-loading of opex related to newer hospitals/bed additions would keep margins under pressure.

### DF: Expect recovery post GST disruption/steady thrust in chronic therapies

#### Coverage companies to see sequential improvement in growth

For companies under our coverage, we expect aggregate DF segment sales to increase by 8.7% YoY to INR256b in 3QFY26. Sequential improvement in DF is attributed to higher sales after GST transition. However, growth is likely to remain below the double-digit levels seen in earlier quarters due to weak seasonality. That said, our coverage companies are expected to track industry growth, supported by continued product launches and an increasing focus on chronic therapy portfolios.

### Chronic therapies to outperform as acute growth remains subdued

In the first two months of 3QFY26 (Oct/Nov'25), chronic therapies recorded strong growth of 15.5% YoY, significantly outperforming the 11.0%/11.3% YoY growth seen in 1Q/2QFY26. In contrast, acute therapies continued to see muted performance, with growth of 7.0% YoY vs. 7.7%/5.0% YoY in 1Q/2QFY26. Robust traction in cardiac and anti-diabetic therapies supported outperformance vs. IPM during the quarter. However, overall IPM growth was partially constrained by weaker trends in anti-infective, gastro, and pain segments.

### AJP/SUNP to record strong YoY DF sales in 3QFY26

We expect AJP/SUNP to report sales growth of 16.2%/13.2% YoY, driven by price increases, new product launches, and improved productivity from the medical representative (MR) force. AJP is expected to deliver double-digit growth across dermatology, ophthalmology, and pain therapies, based on IQVIA data for the three months ending Nov'25. IPCA is likely to record broad-based growth across therapies, although the anti-infective segment is expected to remain subdued. We expect ERIS to report growth of 15% YoY driven by growth in both branded DF and exports.

**US sales: 3Q to reflect minimal contribution from g-revlimid****US sales expected to decline YoY in 3QFY26; excl. DRRD, sales likely to rise**

For our coverage universe, US revenue is expected to decline 1.3% YoY to USD2.3b in 3QFY26, driven largely by a sharp 21.5% YoY decline in DRRD's sales to USD310m. Excluding DRRD, US revenue is expected to grow 2.8% YoY. Cipla/ARBP are expected to post 15%/7% YoY decline in US sales due to lower sales of g-Revlimid. **Notably, 3Q would showcase base business performance for DRRD and Cipla in US segment.**

**LPC/TRP to be outperformers for the quarter**

The overall decline would be mitigated by robust growth in LPC/TRP. LPC is likely to deliver strong US growth of 27.6% YoY on account of steady traction in g-Tolvaptan/g-Spiriva/Mirabegron, offset by price erosion in base portfolio and competition in g-Albuterol. Delayed competitor approval of g-Tolvaptan would extend the low-competition window, supporting continued growth.

TRP/ALKEM/ALPM/ZYDUS are expected to grow 25%/8.5%/5%/3.5% YoY in 3QFY26, driven by contributions from new product launches. GNP is likely to report stable US revenue as pricing pressure in base portfolio may constrain growth.

**Pace of approvals for our coverage companies has slowed down**

During the quarter, 12 facilities belonging to our coverage companies were inspected by the USFDA. **At the industry level, final approvals stood at 154 in 3QFY26 (vs. 144 approvals in 2QFY26).** For companies under our coverage, there were 32 final approvals during 3QFY26. The approval trend turned meaningfully weaker after 4QFY25, with approvals declining for three consecutive quarters, indicating consistent moderation in regulatory clearances.

**Hospitals: Capacity-led growth with temporary pressure on operating metrics**

For the hospitals under our coverage, revenue is expected to grow 9% YoY to INR95b in 3QFY26, driven by consistent operational execution, strong expansion of bed capacities, along with the development of new facilities, which together have enhanced operating metrics and profitability. For 3Q, we expect EBITDA margins of our coverage companies to be ~19% and aggregate EBITDA to grow 10% YoY.

Overall occupancy is expected to decline by ~480bp YoY, while ARPOB is projected to see a moderate increase, supported by a greater focus on chronic specialties. Hospitals will continue to undertake aggressive capacity expansion through new bed additions and doctor hiring to scale patient volumes and improve occupancy levels. Sector growth has been impacted by the rollout of GST 2.0 and seasonal factors. Near-term margins are expected to stay subdued owing to higher operating costs linked to capacity ramp-up, although profitability and returns should normalize and improve over the medium term as utilization improves.

MAXHEALTH plans to add ~800 beds in FY26 at Nanavati Max, the Saket Complex, and Gomti Nagar through brownfield expansion. APHS plans to operationalize 1,687 beds during 2HFY26-FY27. It has recently commissioned a 250-bed facility in Swargate, Pune. Medanta fully commercialized its 550-bed super-specialty hospital in 3QFY26 and plans to add ~400 beds in Lucknow and Patna by the end of FY27.

We expect APHS to post 11%/20%/23% YoY growth in sales/EBITDA/PAT for 3QFY26. MEDANTA is expected to deliver sales/PAT growth of 13%/7% YoY, while EBITDA may decline 1% YoY. Profitability is likely to remain subdued as operating expenses from the recently commissioned Noida hospital continue to weigh on margins. MAXHEALTH is also likely to deliver subdued performance, with sales/EBITDA posting 4%/2% YoY growth and PAT declining 1% YoY.

### GNP/LPC/LAURUS to outperform within the healthcare pack

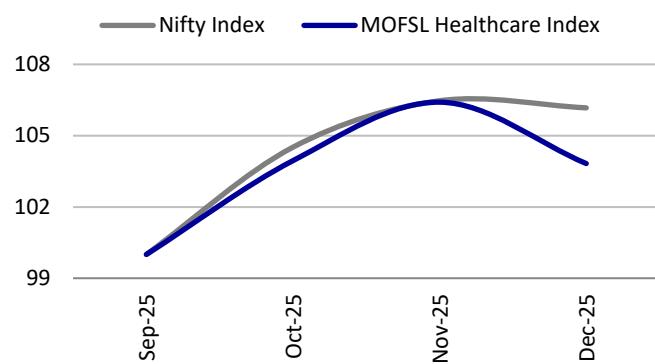
- In 3QFY26, we expect GNP/LPC/LAURUS to deliver 41%/38%/36% YoY growth in EBITDA. For GNP, income from ISB2001 deal and progress on scale-up of DF business after GST-led inventory corrections to drive financial performance.
- Steady approval in US and focus on chronic therapies in DF to support superior show for LPC in 3QFY26. Improvement in product mix and better operational efficiency should drive EBITDA growth for LAURUS in 3QFY26.
- DRRD/CIPLA/PIRPHARM are expected to report a YoY decline of 21%/20%/11% in EBITDA for the quarter. Increased competition, leading to heightened pricing pressure on products including g-Revlimid, along with operational inefficiencies, may weigh on EBITDA performance.
- We have reduced our estimates for PIRPHARM by 13%/9% for FY27/FY28, reflecting our expectation of only a gradual recovery across its segments over the mid-term and the need for greater visibility on order inflows going forward.
- **Our top ideas:** Laurus Labs (CDMO differentiation), Biocon (biosimilar frontrunner), and Rubicon (differentiated US play).

### Exhibit 1: Summary of quarterly performance

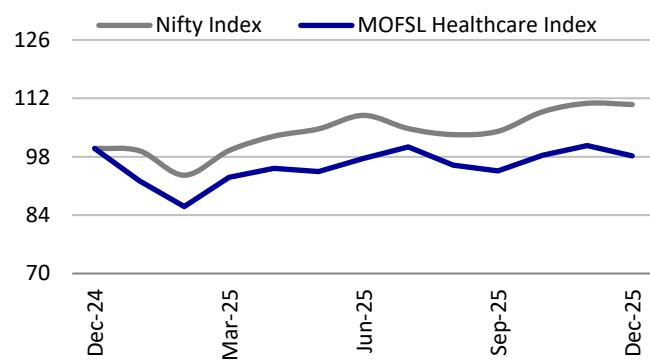
| Sector              | CMP             |             | SALES (INR m) |                 |            | EBITDA (INR M) |                 |            | NET PROFIT (INR m) |       |       |
|---------------------|-----------------|-------------|---------------|-----------------|------------|----------------|-----------------|------------|--------------------|-------|-------|
|                     | (INR)           | Reco        | Dec-25        | Var             | Var        | Dec-25         | Var             | Var        | Dec-25             | Var   | Var   |
|                     |                 |             |               | % YoY           | % QoQ      |                | % YoY           | % QoQ      |                    | % YoY | % QoQ |
| Ajanta Pharma       | 2937            | Buy         | 13,155        | 14.8            | -2.8       | 3,644          | 13.6            | -1.2       | 2,594              | 18.1  | -0.7  |
| Alembic Pharma      | 836             | Neutral     | 18,509        | 9.3             | -3.1       | 3,035          | 16.7            | -3.8       | 1,796              | 29.7  | 4.7   |
| Alkem Lab           | 5588            | Neutral     | 36,750        | 8.9             | -8.1       | 7,093          | -6.6            | -23.0      | 5,776              | -7.7  | -27.9 |
| Apollo Hospitals    | 7129            | Buy         | 61,260        | 10.8            | -2.8       | 9,128          | 19.9            | -3.0       | 4,563              | 22.6  | -4.4  |
| Aurobindo Pharma    | 1215            | Buy         | 80,651        | 1.1             | -2.7       | 16,937         | 4.0             | 0.9        | 9,315              | 5.7   | 10.2  |
| Biocon              | 393             | Buy         | 45,447        | 18.9            | 5.8        | 8,953          | 13.9            | 7.2        | 1,580              | 259.6 | 73.6  |
| Blue Jet Healthcare | 531             | Buy         | 3,284         | 3.5             | 98.5       | 1,168          | -5.1            | 112.6      | 932                | -4.9  | 78.7  |
| Cipla               | 1511            | Neutral     | 72,820        | 3.0             | -4.1       | 15,875         | -20.2           | -16.2      | 11,270             | -17.4 | -16.6 |
| Divis Labs          | 6390            | Neutral     | 26,788        | 15.5            | -1.3       | 8,438          | 13.6            | -5.0       | 6,148              | 5.8   | -4.1  |
| Dr Agarwals Health. | 502             | Buy         | 5,169         | 20.0            | 3.6        | 1,339          | 22.1            | -1.7       | 313                | 67.3  | 5.4   |
| Dr Reddy's Labs     | 1255            | Neutral     | 80,851        | -1.8            | -8.2       | 17,221         | -20.7           | -19.0      | 11,473             | -13.0 | -25.6 |
| Eris Lifescience    | 1531            | Neutral     | 8,366         | 15.0            | 5.6        | 3,045          | 21.7            | 5.7        | 1,268              | 51.6  | 5.7   |
| Gland Pharma        | 1714            | Buy         | 16,065        | 16.1            | 8.0        | 3,807          | 5.8             | 21.3       | 2,347              | 14.7  | 27.8  |
| Glenmark Pharma     | 2066            | Buy         | 37,704        | 11.3            | 58.6       | 8,483          | 41.3            | LP         | 5,281              | 51.8  | LP    |
| Global Health       | 1217            | Buy         | 10,684        | 13.2            | -2.8       | 2,393          | -0.8            | 3.6        | 1,522              | 6.5   | 4.4   |
| Granules India      | 615             | Buy         | 12,611        | 10.9            | -2.8       | 2,775          | 20.5            | -0.3       | 1,403              | 19.3  | 7.4   |
| GSK Pharma          | 2483            | Neutral     | 10,529        | 10.9            | 7.4        | 3,643          | 28.8            | 8.5        | 2,752              | 24.6  | 8.0   |
| IPCA Labs.          | 1404            | Buy         | 24,081        | 7.2             | -5.8       | 4,840          | 4.5             | -11.2      | 2,779              | 12.0  | -14.4 |
| Laurus Labs         | 1107            | Buy         | 16,611        | 17.4            | 0.5        | 3,887          | 36.3            | -3.6       | 1,618              | 75.3  | -16.6 |
| Laxmi Dental        | 271             | Buy         | 678           | 10.0            | -6.1       | 105            | 9.4             | -4.6       | 75                 | 57.1  | -11.6 |
| Lupin               | 2106            | Neutral     | 67,614        | 18.8            | -4.1       | 18,999         | 38.0            | -11.1      | 11,992             | 40.2  | -9.6  |
| Mankind Pharma      | 2203            | Buy         | 35,711        | 11.6            | -3.4       | 8,928          | 9.4             | -3.1       | 5,040              | 34.9  | -0.6  |
| Max Healthcare      | 1063            | Buy         | 23,658        | 4.3             | -8.0       | 6,293          | 2.0             | -8.4       | 3,949              | -0.7  | -7.2  |
| Piramal Pharma      | 179             | Buy         | 22,961        | 4.2             | 12.3       | 3,008          | -10.9           | 89.5       | 315                | 757.2 | LP    |
| Rubicon Research    | 662             | Buy         | 4,580         | NA              | 11.2       | 1,008          | NA              | 6.9        | 627                | NA    | 16.4  |
| Sun Pharma          | 1729            | Buy         | 1,46,486      | 12.2            | 1.7        | 39,991         | 11.9            | -0.6       | 30,123             | 9.0   | 7.8   |
| Torrent Pharma      | 3885            | Neutral     | 31,944        | 13.7            | -3.3       | 10,318         | 12.9            | -4.7       | 5,865              | 16.6  | -2.4  |
| Zydus Lifesciences  | 917             | Neutral     | 63,704        | 20.9            | 4.0        | 15,799         | 21.5            | -1.4       | 9,675              | 1.9   | -4.7  |
| <b>Healthcare</b>   | <b>9,78,672</b> | <b>10.4</b> | <b>0.0</b>    | <b>2,30,153</b> | <b>8.0</b> | <b>2.7</b>     | <b>1,42,392</b> | <b>9.8</b> | <b>6.5</b>         |       |       |

Source: Company, MOFSL

**Exhibit 2: Relative performance – three months (%)**

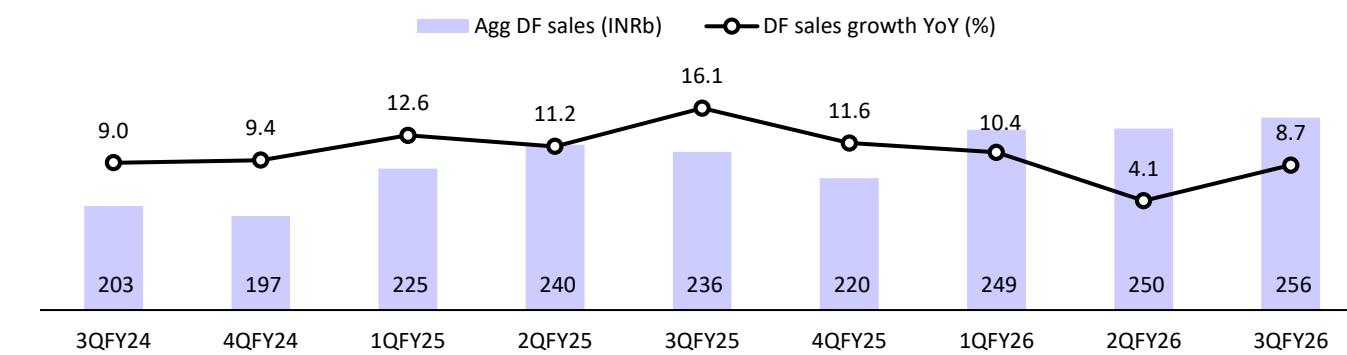


**Exhibit 3: Relative performance – one year (%)**



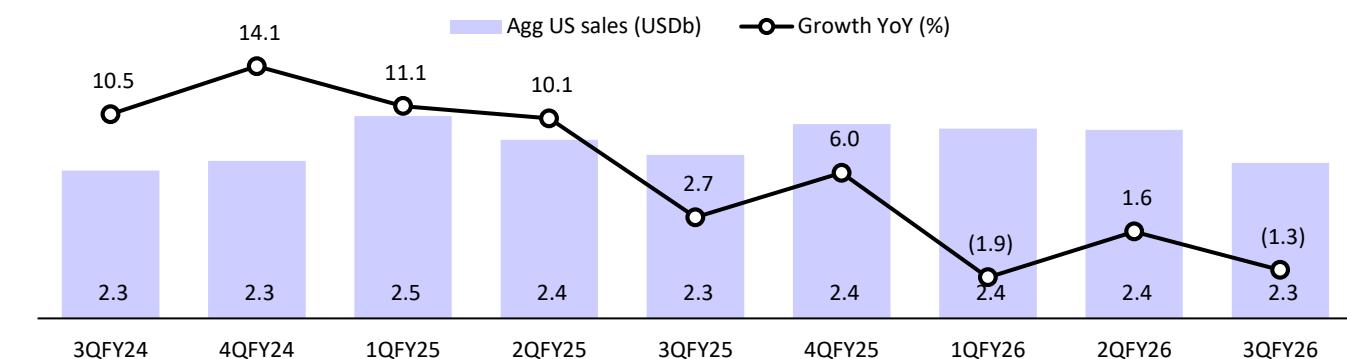
Source: Bloomberg, MOFSL

**Exhibit 4: DF sales to grow 8.7% YoY in 3QFY26**



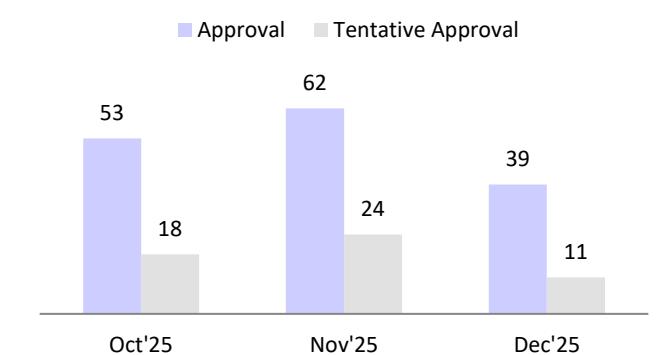
Note: Growth is ex-Mankind, Source: MOFSL, Company

**Exhibit 5: US sales to decline 1.3% YoY in 3QFY26**



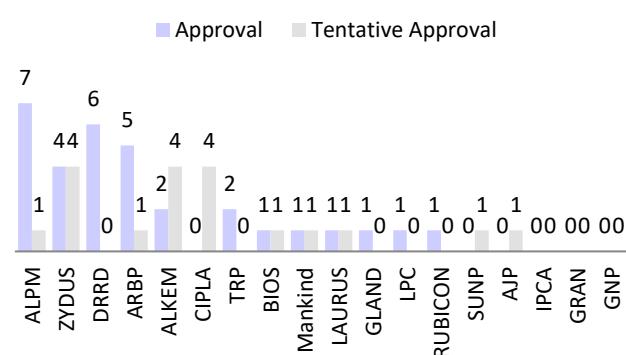
Source: MOFSL, Company

**Exhibit 6: 154 approvals in 3Q on an industry-wide basis**

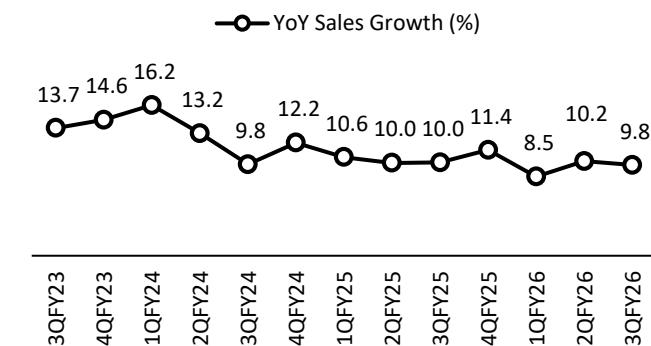


Source: MOFSL, Company

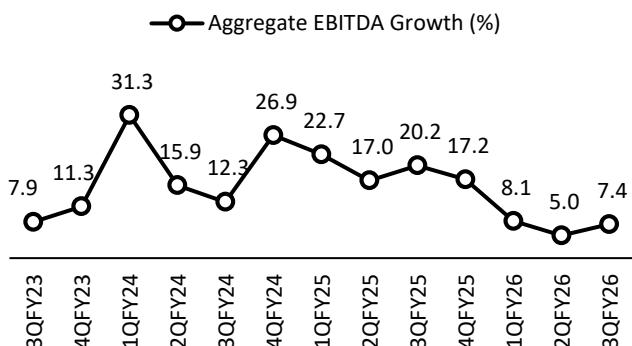
**Exhibit 7: 32 ANDAs approved on an aggregate basis for our coverage universe in 3QFY26**



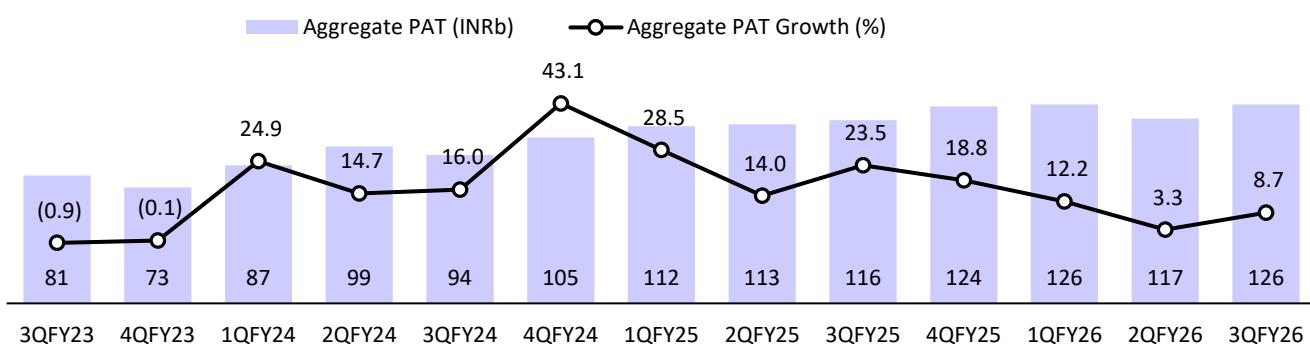
Source: MOFSL, Company

**Exhibit 8: Expect sales to grow 10% YoY in 3QFY26**


Source: MOFSL, Company

**Exhibit 9: EBITDA to grow 7% YoY**


Source: MOFSL, Company

**Exhibit 10: PAT to grow 8.7% YoY**


Source: MOFSL, Company

**Exhibit 11: The USFDA inspection history of our coverage companies for the quarter**

| Company          | Inspection Date | Inspection Facility                              | Outcome  | Observations |
|------------------|-----------------|--|----------|--------------|
| Biocon           | Oct-25          | Cranbury, New Jersey                             | EIR      | VAI          |
|                  | Nov-25          | API Facility (Site 6), Visakhapatnam             | Form 483 | 2            |
| Aurobindo Pharma | Dec-25          | Unit V, Apitoria, Sangareddy                     | Form 483 | 3            |
|                  | Dec-25          | Unit IV, APL Healthcare, SPSR Nellore            | Form 483 | 5            |
| Dr Reddy         | Nov-25          | API Facility, Srikakulam                         | Form 483 | 0            |
|                  | Dec-25          | Formulations Facility, Srikakulam                | Form 483 | 5            |
| Lupin            | Nov-25          | Nagpur Unit-1                                    | Form 483 | 0            |
|                  | Nov-25          | Bioresearch Centre, Pune                         | Form 483 | 0            |
|                  | Nov-25          | Goa  | Form 483 | 7            |
| Zydus            | Nov-25          | SEZ I, Ahmedabad                                 | Form 483 | 2            |
| IPCA             | Dec-25          | Tarapur, Palghar                                 | Form 483 | 3            |
| Glenmark Pharma  | Nov-25          | Formulations Facility, Chhatrapati Sambhajinagar | Form 483 | 0            |

Source: MOFSL, Company

**Exhibit 12: Comparative valuation**

| Company Name        | CMP<br>(INR) | EPS (INR) |       |       | PE (x) |             |             | PB (x)      |            |            | ROE (%)    |             |             |             |
|---------------------|--------------|-----------|-------|-------|--------|-------------|-------------|-------------|------------|------------|------------|-------------|-------------|-------------|
|                     |              | Reco      | FY26E | FY27E | FY28E  | FY26E       | FY27E       | FY28E       | FY26E      | FY27E      | FY28E      | FY26E       | FY27E       | FY28E       |
| <b>Healthcare</b>   |              |           |       |       |        | <b>35.9</b> | <b>30.7</b> | <b>26.8</b> | <b>4.9</b> | <b>4.3</b> | <b>3.8</b> | <b>13.7</b> | <b>14.1</b> | <b>14.2</b> |
| Ajanta Pharma       | 2,937        | Buy       | 83.0  | 99.7  | 111.7  | 35.4        | 29.5        | 26.3        | 8.0        | 6.7        | 5.6        | 24.9        | 24.8        | 23.2        |
| Alembic Pharma      | 836          | Neutral   | 36.2  | 44.9  | 53.7   | 23.1        | 18.6        | 15.6        | 2.8        | 2.5        | 2.2        | 12.8        | 14.2        | 14.9        |
| Alkem Lab           | 5,588        | Neutral   | 197.0 | 185.8 | 207.3  | 28.4        | 30.1        | 27.0        | 4.9        | 4.4        | 4.0        | 18.4        | 15.5        | 15.6        |
| Apollo Hospitals    | 7,129        | Buy       | 130.8 | 155.6 | 193.1  | 54.5        | 45.8        | 36.9        | 9.9        | 8.2        | 6.7        | 20.6        | 20.2        | 20.5        |
| Aurobindo Pharma    | 1,215        | Buy       | 61.9  | 77.7  | 90.6   | 19.6        | 15.6        | 13.4        | 2.0        | 1.8        | 1.6        | 10.5        | 11.8        | 12.3        |
| Biocon              | 393          | Buy       | 3.0   | 7.1   | 9.4    | 132.8       | 55.5        | 41.9        | 2.1        | 2.0        | 1.9        | 2.2         | 5.1         | 6.4         |
| Blue Jet Healthcare | 531          | Buy       | 19.7  | 23.3  | 28.5   | 26.9        | 22.8        | 18.6        | 6.3        | 5.0        | 4.0        | 26.5        | 24.6        | 24.0        |
| Cipla               | 1,511        | Neutral   | 61.2  | 61.7  | 68.6   | 24.7        | 24.5        | 22.0        | 3.4        | 3.0        | 2.7        | 13.8        | 12.4        | 12.2        |
| Divis Labs          | 6,390        | Neutral   | 91.1  | 114.9 | 137.0  | 70.1        | 55.6        | 46.6        | 10.1       | 9.0        | 7.9        | 15.3        | 17.2        | 18.1        |
| Dr Agarwals Health. | 502          | Buy       | 4.0   | 5.2   | 7.9    | 125.8       | 96.0        | 63.8        | 7.9        | 7.3        | 6.6        | 6.5         | 7.9         | 10.8        |
| Dr Reddy's Labs     | 1,255        | Neutral   | 65.7  | 62.6  | 67.3   | 19.1        | 20.1        | 18.7        | 2.7        | 2.4        | 2.1        | 15.1        | 12.7        | 12.2        |
| Eris Lifescience    | 1,531        | Neutral   | 36.0  | 50.8  | 61.1   | 42.6        | 30.1        | 25.1        | 6.4        | 5.4        | 4.5        | 16.1        | 19.5        | 19.6        |
| Gland Pharma        | 1,714        | Buy       | 54.2  | 68.0  | 80.4   | 31.6        | 25.2        | 21.3        | 2.8        | 2.5        | 2.3        | 9.3         | 10.6        | 11.2        |
| Glenmark Pharma     | 2,066        | Buy       | 19.1  | 77.5  | 87.4   | 108.1       | 26.7        | 23.6        | 6.3        | 5.1        | 4.3        | 5.9         | 21.2        | 19.7        |
| Global Health       | 1,217        | Buy       | 22.3  | 29.5  | 35.4   | 54.7        | 41.3        | 34.3        | 8.4        | 7.2        | 6.1        | 16.4        | 18.8        | 19.3        |
| Granules India      | 615          | Buy       | 23.5  | 31.2  | 38.1   | 26.2        | 19.7        | 16.2        | 3.5        | 3.0        | 2.5        | 14.3        | 16.4        | 17.1        |
| GSK Pharma          | 2,483        | Neutral   | 61.3  | 70.6  | 79.8   | 40.5        | 35.2        | 31.1        | 16.7       | 12.9       | 10.2       | 41.2        | 36.8        | 32.7        |
| IPCA Labs.          | 1,404        | Buy       | 42.8  | 52.0  | 61.6   | 32.8        | 27.0        | 22.8        | 4.5        | 4.0        | 3.5        | 14.7        | 15.7        | 16.2        |
| Laurus Labs         | 1,107        | Buy       | 13.4  | 16.8  | 19.6   | 82.4        | 65.9        | 56.4        | 11.4       | 10.0       | 8.7        | 14.7        | 16.2        | 16.5        |
| Laxmi Dental        | 271          | Buy       | 7.5   | 10.9  | 13.2   | 35.9        | 24.8        | 20.6        | 6.0        | 4.8        | 3.9        | 18.1        | 21.4        | 20.9        |
| Lupin               | 2,106        | Neutral   | 102.9 | 100.1 | 102.6  | 20.5        | 21.0        | 20.5        | 4.2        | 3.5        | 3.0        | 23.4        | 18.3        | 15.9        |
| Mankind Pharma      | 2,203        | Buy       | 45.6  | 59.3  | 72.1   | 48.3        | 37.1        | 30.6        | 5.8        | 5.1        | 4.5        | 12.5        | 14.6        | 15.8        |
| Max Healthcare      | 1,063        | Buy       | 16.9  | 23.4  | 25.5   | 63.0        | 45.4        | 41.6        | 8.5        | 7.3        | 6.2        | 14.5        | 17.3        | 16.1        |
| Piramal Pharma      | 179          | Buy       | -0.5  | 1.3   | 3.2    | -330.6      | 142.3       | 55.3        | 2.6        | 2.6        | 2.5        | -0.9        | 2.0         | 5.1         |
| Rubicon Research    | 662          | Buy       | 13.6  | 18.3  | 24.6   | 48.6        | 36.1        | 27.0        | 9.0        | 7.4        | 5.9        | 25.6        | 22.5        | 24.4        |
| Sun Pharma          | 1,729        | Buy       | 49.2  | 57.5  | 64.7   | 35.1        | 30.1        | 26.7        | 5.1        | 4.5        | 4.0        | 15.4        | 16.0        | 15.8        |
| Torrent Pharma      | 3,885        | Neutral   | 69.4  | 83.8  | 103.2  | 55.9        | 46.3        | 37.6        | 7.2        | 6.0        | 5.0        | 28.2        | 28.4        | 29.1        |
| Zydus Lifesciences  | 917          | Neutral   | 44.6  | 44.7  | 48.9   | 20.5        | 20.5        | 18.8        | 3.2        | 2.8        | 2.5        | 17.1        | 14.8        | 14.2        |

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

## Ajanta Pharma

Buy

**CMP: INR2,937 | TP: INR3,400 (16%)**
**EPS CHANGE (%): FY26|27|28: 0|0|0**

- Expect DF sales to grow 14% YoY to INR4b, due to superior show in derma/anti-diabetic/ophthal.
- US growth momentum to sustain in 3QFY26, with 26% YoY growth driven by new launches and market share gains.
- Postponement of supplies across Asian geographies is projected to revive growth in 3QFY26 to some extent.
- Growth momentum in Africa to sustain with 18.6% YoY growth led by superior execution and partly on low base.

### Consolidated - Quarterly Earning Model

(INR m)

| Y/E March                    | FY25          |               |               |               | FY26E         |               |               |               | FY25          | FY26E         |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                              | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2Q            | 3QE           | 4QE           |               |               |
| <b>Net Sales</b>             | <b>11,449</b> | <b>11,866</b> | <b>11,461</b> | <b>11,704</b> | <b>13,027</b> | <b>13,537</b> | <b>13,155</b> | <b>13,012</b> | <b>46,481</b> | <b>52,731</b> |
| YoY Change (%)               | 12.1          | 15.4          | 3.7           | 11.0          | 13.8          | 14.1          | 14.8          | 11.2          | 10.4          | 13.4          |
| Total Expenditure            | 7,846         | 8,498         | 8,253         | 8,733         | 9,262         | 9,850         | 9,511         | 9,434         | 33,330        | 38,056        |
| <b>EBITDA</b>                | <b>3,604</b>  | <b>3,368</b>  | <b>3,208</b>  | <b>2,972</b>  | <b>3,765</b>  | <b>3,688</b>  | <b>3,644</b>  | <b>3,578</b>  | <b>13,152</b> | <b>14,675</b> |
| YoY Change (%)               | 28.1          | 15.9          | -0.3          | 6.8           | 4.5           | 9.5           | 13.6          | 20.4          | 12.2          | 11.6          |
| Margins (%)                  | 31.5          | 28.4          | 28.0          | 25.4          | 28.9          | 27.2          | 27.7          | 27.5          | 28.3          | 27.8          |
| Depreciation                 | 340           | 344           | 360           | 398           | 413           | 430           | 375           | 371           | 1,441         | 1,588         |
| <b>EBIT</b>                  | <b>3,264</b>  | <b>3,024</b>  | <b>2,849</b>  | <b>2,574</b>  | <b>3,352</b>  | <b>3,258</b>  | <b>3,269</b>  | <b>3,208</b>  | <b>11,710</b> | <b>13,087</b> |
| YoY Change (%)               | 31.5          | 17.7          | -0.9          | 5.4           | 2.7           | 7.7           | 14.8          | 24.6          | 13.0          | 11.8          |
| Interest                     | 7             | 60            | 79            | 61            | 53            | 34            | 66            | 66            | 207           | 218           |
| Other Income                 | 182           | 195           | 129           | 111           | 170           | 197           | 165           | 175           | 616           | 706           |
| <b>PBT before EO expense</b> | <b>3,439</b>  | <b>3,159</b>  | <b>2,898</b>  | <b>2,624</b>  | <b>3,469</b>  | <b>3,421</b>  | <b>3,368</b>  | <b>3,316</b>  | <b>12,119</b> | <b>13,575</b> |
| Extra-Ord expense            | -217          | -257          | 176           | 71            | -158          | -13           | 0             | 0             | -227          | -171          |
| <b>PBT</b>                   | <b>3,221</b>  | <b>2,902</b>  | <b>3,074</b>  | <b>2,694</b>  | <b>3,311</b>  | <b>3,408</b>  | <b>3,368</b>  | <b>3,316</b>  | <b>11,892</b> | <b>13,404</b> |
| Tax                          | 764           | 738           | 745           | 442           | 758           | 806           | 775           | 789           | 2,688         | 3,128         |
| Effective Rate (%)           | 23.7          | 25.4          | 24.2          | 16.4          | 22.9          | 23.7          | 23.0          | 23.8          | 22.6          | 23.3          |
| <b>Reported PAT</b>          | <b>2,458</b>  | <b>2,165</b>  | <b>2,329</b>  | <b>2,253</b>  | <b>2,553</b>  | <b>2,602</b>  | <b>2,594</b>  | <b>2,527</b>  | <b>9,204</b>  | <b>10,276</b> |
| <b>Adj PAT</b>               | <b>2,624</b>  | <b>2,356</b>  | <b>2,196</b>  | <b>2,194</b>  | <b>2,675</b>  | <b>2,612</b>  | <b>2,594</b>  | <b>2,527</b>  | <b>9,369</b>  | <b>10,407</b> |
| YoY Change (%)               | 30.8          | 26.5          | 3.3           | 16.4          | 2.0           | 10.9          | 18.1          | 15.2          | 18.9          | 11.1          |
| Margins (%)                  | 22.6          | 19.5          | 18.9          | 18.6          | 20.3          | 19.0          | 19.5          | 19.2          | 19.9          | 19.5          |

## Alembic Pharma

Neutral

**CMP: INR848 | TP: INR882 (6%)**
**EPS CHANGE (%): FY26|27|28: 2|1.9|3**

- New launches to drive 9% YoY growth in US sales, reaching USD66m during the quarter.
- EBITDA margins expected to improve to 16.4% driven by better operating leverage.
- Expect DF sales to grow modestly by 4.3% YoY in 3Q, impacted by muted show in anti-infective, respiratory and gastro therapies.
- Expect 12% YoY growth in the API business, led by lower base and improved demand.

### Consolidated - Quarterly Earning Model

(INR m)

| Y/E March              | FY25          |               |               |               | FY26E         |               |               |               | FY25          | FY26E         |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                        | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2Q            | 3QE           | 4QE           |               |               |
| <b>Net Sales</b>       | <b>15,617</b> | <b>16,480</b> | <b>16,927</b> | <b>17,696</b> | <b>17,107</b> | <b>19,102</b> | <b>18,509</b> | <b>18,870</b> | <b>66,721</b> | <b>73,588</b> |
| YoY Change (%)         | 5.1           | 3.3           | 3.8           | 16.7          | 9.5           | 15.9          | 9.3           | 6.6           | 7.1           | 10.3          |
| Total Expenditure      | 13,249        | 14,087        | 14,325        | 14,977        | 14,294        | 15,945        | 15,474        | 15,757        | 56,639        | 61,469        |
| <b>EBITDA</b>          | <b>2,368</b>  | <b>2,393</b>  | <b>2,602</b>  | <b>2,719</b>  | <b>2,813</b>  | <b>3,157</b>  | <b>3,035</b>  | <b>3,114</b>  | <b>10,082</b> | <b>12,119</b> |
| YoY Change (%)         | 19.2          | 14.9          | -2.4          | 4.6           | 18.8          | 31.9          | 16.7          | 14.5          | 8.1           | 20.2          |
| Margins (%)            | 15.2          | 14.5          | 15.4          | 15.4          | 16.4          | 16.5          | 16.4          | 16.5          | 15.1          | 16.5          |
| Depreciation           | 690           | 705           | 700           | 690           | 738           | 761           | 798           | 813           | 2,786         | 3,109         |
| <b>EBIT</b>            | <b>1,678</b>  | <b>1,688</b>  | <b>1,902</b>  | <b>2,029</b>  | <b>2,075</b>  | <b>2,396</b>  | <b>2,238</b>  | <b>2,300</b>  | <b>7,297</b>  | <b>9,010</b>  |
| YoY Change (%)         | 26.6          | 19.9          | -3.6          | 6.5           | 23.7          | 42.0          | 17.7          | 13.3          | 10.5          | 23.5          |
| Interest               | 132           | 188           | 223           | 245           | 235           | 242           | 205           | 159           | 788           | 841           |
| Other Income           | 21            | 167           | 95            | 142           | 65            | 69            | 171           | 375           | 425           | 680           |
| <b>PBT</b>             | <b>1,567</b>  | <b>1,796</b>  | <b>1,774</b>  | <b>1,926</b>  | <b>1,905</b>  | <b>2,223</b>  | <b>2,204</b>  | <b>2,516</b>  | <b>7,063</b>  | <b>8,848</b>  |
| Rate (%)               | 14.4          | 15.2          | 22.6          | 18.3          | 19.1          | 23.9          | 18.1          | 18.0          | 17.7          | 19.8          |
| MI & P/L of Asso. Cos. | -5            | -11           | -11           | 4             | -3            | -24           | 9             | 11            | -23           | -7            |
| <b>Reported PAT</b>    | <b>1,347</b>  | <b>1,534</b>  | <b>1,384</b>  | <b>1,569</b>  | <b>1,544</b>  | <b>1,715</b>  | <b>1,796</b>  | <b>2,052</b>  | <b>5,834</b>  | <b>7,107</b>  |
| <b>Adj PAT</b>         | <b>1,347</b>  | <b>1,425</b>  | <b>1,384</b>  | <b>1,569</b>  | <b>1,544</b>  | <b>1,715</b>  | <b>1,796</b>  | <b>2,052</b>  | <b>5,725</b>  | <b>7,107</b>  |
| YoY Change (%)         | 11.6          | 3.6           | -23.5         | -12.3         | 14.6          | 20.4          | 29.7          | 30.8          | -7.2          | 24.1          |
| Margins (%)            | 8.6           | 8.6           | 8.2           | 8.9           | 9.0           | 9.0           | 9.7           | 10.9          | 8.6           | 9.7           |

## Alkem Labs

**Neutral**
**CMP: INR5,588 | TP: INR5,500 (-2%)**
**EPS CHANGE (%): FY26|27|28: (6.7)|(1)|(1)**

- Expect DF sales to grow 8% YoY, impacted by weakness in Anti-infectives.
- Expect opex related to Enzene US plant/med tech to affect profitability for 3Q.
- Expect US sales to grow by 14% YoY to INR7.2b, backed by new product launches.
- Ex-US sales to grow at 22% YoY on the back of superior execution in Australia and other European markets.

### Consolidated - Quarterly Earning Model

| Y/E March                          | FY25          |               |               |               | FY26          |               |               |               | FY25           | FY26E          |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
|                                    | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2Q            | 3QE           | 4QE           |                |                |
| <b>Net Revenues</b>                | <b>30,318</b> | <b>34,147</b> | <b>33,743</b> | <b>31,438</b> | <b>33,711</b> | <b>40,010</b> | <b>36,750</b> | <b>34,116</b> | <b>129,645</b> | <b>144,127</b> |
| YoY Change (%)                     | 2.2           | -0.7          | 1.5           | 7.1           | 11.2          | 17.2          | 8.9           | 8.5           | 2.3            | 11.2           |
| <b>Total Expenditure</b>           | <b>24,232</b> | <b>26,618</b> | <b>26,149</b> | <b>27,525</b> | <b>26,321</b> | <b>30,802</b> | <b>29,658</b> | <b>29,340</b> | <b>104,524</b> | <b>73,705</b>  |
| <b>EBITDA</b>                      | <b>6,086</b>  | <b>7,528</b>  | <b>7,594</b>  | <b>3,913</b>  | <b>7,391</b>  | <b>9,208</b>  | <b>7,093</b>  | <b>4,776</b>  | <b>25,121</b>  | <b>28,007</b>  |
| YoY Change (%)                     | 56.4          | 0.8           | 7.3           | -2.7          | 21.4          | 22.3          | -6.6          | 22.1          | 11.9           | 11.5           |
| Margins (%)                        | 20.1          | 22.0          | 22.5          | 12.4          | 21.9          | 23.0          | 19.3          | 14.0          | 19.4           | 19.4           |
| <b>Depreciation</b>                | <b>805</b>    | <b>789</b>    | <b>853</b>    | <b>1,125</b>  | <b>877</b>    | <b>936</b>    | <b>955</b>    | <b>928</b>    | <b>3,572</b>   | <b>3,696</b>   |
| <b>EBIT</b>                        | <b>5,282</b>  | <b>6,739</b>  | <b>6,741</b>  | <b>2,788</b>  | <b>6,514</b>  | <b>8,272</b>  | <b>6,138</b>  | <b>3,848</b>  | <b>21,550</b>  | <b>24,311</b>  |
| YoY Change (%)                     | 66.7          | 0.2           | 5.7           | -12.5         | 23.3          | 22.7          | -8.9          | 38.0          | 57.4           | 24.9           |
| Margins (%)                        | 17.4          | 19.7          | 20.0          | 8.9           | 19.3          | 20.7          | 16.7          | 11.3          | 16.6           | 16.9           |
| <b>Interest</b>                    | <b>291</b>    | <b>281</b>    | <b>360</b>    | <b>284</b>    | <b>298</b>    | <b>350</b>    | <b>310</b>    | <b>320</b>    | <b>1,217</b>   | <b>1,278</b>   |
| <b>Other Income</b>                | <b>1,203</b>  | <b>1,345</b>  | <b>930</b>    | <b>1,460</b>  | <b>1,365</b>  | <b>1,400</b>  | <b>1,150</b>  | <b>1,050</b>  | <b>4,937</b>   | <b>4,965</b>   |
| <b>PBT after EO Exp</b>            | <b>6,194</b>  | <b>7,803</b>  | <b>7,311</b>  | <b>3,963</b>  | <b>7,710</b>  | <b>9,321</b>  | <b>6,978</b>  | <b>4,578</b>  | <b>25,270</b>  | <b>28,127</b>  |
| Tax                                | 691           | 783           | 903           | 733           | 1,027         | 1,162         | 1,012         | 687           | 3,110          | 3,888          |
| Rate (%)                           | 11.2          | 10.0          | 12.3          | 18.5          | 13.3          | 12.5          | 14.5          | 15.0          | 12.3           | 13.9           |
| <b>PAT (pre Minority Interest)</b> | <b>5,502</b>  | <b>7,020</b>  | <b>6,408</b>  | <b>3,230</b>  | <b>6,683</b>  | <b>8,159</b>  | <b>5,966</b>  | <b>3,891</b>  | <b>22,160</b>  | <b>24,240</b>  |
| Minority Interest                  | 51            | 133           | 150           | 172           | 41            | 145           | 190           | 195           | 505            | 571            |
| <b>Reported PAT</b>                | <b>5,452</b>  | <b>6,886</b>  | <b>6,258</b>  | <b>3,059</b>  | <b>6,643</b>  | <b>8,014</b>  | <b>5,776</b>  | <b>3,696</b>  | <b>21,655</b>  | <b>23,669</b>  |
| <b>Adj Net Profit</b>              | <b>5,452</b>  | <b>6,886</b>  | <b>6,258</b>  | <b>3,059</b>  | <b>6,531</b>  | <b>8,014</b>  | <b>5,776</b>  | <b>3,696</b>  | <b>21,655</b>  | <b>24,017</b>  |
| YoY Change (%)                     | 90.1          | 2.0           | -2.6          | 0.6           | 19.8          | 16.4          | -7.7          | 20.8          | 13.5           | 10.9           |

## Apollo Hospitals

**Buy**
**CMP: INR7,129 | TP: INR9,015 (26%)**
**EPS CHANGE (%): FY26|27|28: 0.5|0|0**

- Sales/EBITDA are likely to grow 11%/16% YoY to INR61b/INR8.8b, supported by steady growth across segments.
- Progress on comprehensive franchise build-up of healthco comprising online/offline pharmacy and back-end integration
- Progress on new projects in hospital segment.
- Outlook on GMV growth to drive the profitability of the online pharmacy business.

### Consolidated - Quarterly Earning Model

| Y/E March<br>(INRm)                           | FY25          |               |               |               | FY26E         |               |               |               | FY25           | FY26E           |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|-----------------|
|   | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2Q            | 3QE           | 4QE           |                |                 |
| <b>Gross Sales</b>                            | <b>50,856</b> | <b>55,893</b> | <b>55,269</b> | <b>55,922</b> | <b>58,421</b> | <b>63,035</b> | <b>61,260</b> | <b>63,839</b> | <b>217,940</b> | <b>246,555</b>  |
| YoY Change (%)                                | 15.1          | 15.3          | 13.9          | 13.1          | 14.9          | 12.8          | 10.8          | 14.2          | 14.3           | 13.1            |
| <b>Total Expenditure</b>                      | <b>44,105</b> | <b>47,738</b> | <b>47,654</b> | <b>48,225</b> | <b>49,902</b> | <b>53,624</b> | <b>52,132</b> | <b>54,582</b> | <b>187,722</b> | <b>2,10,240</b> |
| <b>EBITDA</b>                                 | <b>6,751</b>  | <b>8,155</b>  | <b>7,615</b>  | <b>7,697</b>  | <b>8,519</b>  | <b>9,411</b>  | <b>9,128</b>  | <b>9,257</b>  | <b>30,218</b>  | <b>36,314</b>   |
| YoY Change (%)                                | 32.6          | 30.0          | 24.1          | 20.2          | 26.2          | 15.4          | 19.9          | 20.3          | 26.4           | 20.2            |
| Margins (%)                                   | 13.3          | 14.6          | 13.8          | 13.8          | 14.6          | 14.9          | 14.9          | 14.5          | 13.9           | 14.7            |
| Depreciation                                  | 1,774         | 1,845         | 1,846         | 2,110         | 2,147         | 2,178         | 2,161         | 2,252         | 7,575          | 8,738           |
| Interest                                      | 1,164         | 1,175         | 1,098         | 1,148         | 1,083         | 1,096         | 1,120         | 1,167         | 4,585          | 4,466           |
| Other Income                                  | 372           | 382           | 638           | 611           | 402           | 547           | 560           | 758           | 2,003          | 2,267           |
| <b>PBT</b>                                    | <b>4,185</b>  | <b>5,517</b>  | <b>5,309</b>  | <b>5,050</b>  | <b>5,691</b>  | <b>6,684</b>  | <b>6,407</b>  | <b>6,595</b>  | <b>20,061</b>  | <b>25,377</b>   |
| Rate (%)                                      | 27.4          | 29.3          | 29.5          | 20.0          | 24.9          | 27.0          | 27.5          | 27.8          | 26.6           | 25.4            |
| Minority Interest & Profit/Loss of Asso. Cos. | -12           | 112           | 18            | 144           | -54           | 105           | 82            | 71            | 262            | 204             |
| <b>Reported PAT</b>                           | <b>3,052</b>  | <b>3,788</b>  | <b>3,723</b>  | <b>3,896</b>  | <b>4,328</b>  | <b>4,772</b>  | <b>4,563</b>  | <b>4,690</b>  | <b>14,459</b>  | <b>18,714</b>   |
| <b>Adj PAT</b>                                | <b>3,052</b>  | <b>3,788</b>  | <b>3,723</b>  | <b>3,896</b>  | <b>4,328</b>  | <b>4,772</b>  | <b>4,563</b>  | <b>4,690</b>  | <b>14,459</b>  | <b>18,800</b>   |
| YoY Change (%)                                | 83.2          | 63.5          | 51.8          | 53.5          | 41.8          | 26.0          | 22.6          | 20.4          | 61.1           | 30.0            |
| Margins (%)                                   | 6.0           | 6.8           | 6.7           | 7.0           | 7.4           | 7.6           | 7.4           | 7.3           | 6.6            | 7.6             |

## Aurobindo Pharma

**Buy**
**CMP: INR1,215 | TP: INR1,430 (18%)**
**EPS CHANGE (%): FY26|27|28: (0.8)|(0.8)|(0.7)**

- Expect a 7% YoY decline in the US sales to USD405m during the quarter, partly due to reduced g-Revlimid
- Expect breakeven of China OSD facility; enhancing supply reliability and cost efficiency for European markets.
- Expect EU sales to grow 12.3% YoY to INR23b, driven by expanded offerings and increasing reach.
- Progress on capacity utilization of the PENG plant with govt in final stages to approve minimum import price for PEN-G.

### Consolidated - Quarterly Earning Model

**(INRm)**

| Y/E March                     | FY25          |               |               |               |               |               |               |               | FY26E          |                | FY25 | FY26E |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|------|-------|
|                               | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2Q            | 3QE           | 4QE           |                |                |      |       |
| <b>Net Sales</b>              | <b>75,670</b> | <b>77,961</b> | <b>79,785</b> | <b>83,821</b> | <b>78,681</b> | <b>82,857</b> | <b>80,651</b> | <b>84,286</b> | <b>317,237</b> | <b>326,475</b> |      |       |
| YoY Change (%)                | 10.5          | 8.0           | 8.5           | 10.6          | 4.0           | 6.3           | 1.1           | 0.6           | 9.4            | 2.9            |      |       |
| <b>Total Expenditure</b>      | <b>58,724</b> | <b>62,299</b> | <b>63,507</b> | <b>65,202</b> | <b>62,647</b> | <b>66,076</b> | <b>63,714</b> | <b>64,479</b> | <b>249,732</b> | <b>256,916</b> |      |       |
| <b>EBITDA</b>                 | <b>16,947</b> | <b>15,661</b> | <b>16,278</b> | <b>18,619</b> | <b>16,034</b> | <b>16,781</b> | <b>16,937</b> | <b>19,807</b> | <b>67,505</b>  | <b>69,559</b>  |      |       |
| YoY Change (%)                | 47.2          | 11.6          | 1.7           | 10.4          | -5.4          | 7.1           | 4.0           | 6.4           | 15.5           | 3.0            |      |       |
| Margins (%)                   | 22.4          | 20.1          | 20.4          | 22.2          | 20.4          | 20.3          | 21.0          | 23.5          | 21.3           | 21.3           |      |       |
| Depreciation                  | 4,042         | 3,823         | 4,185         | 4,444         | 4,057         | 4,292         | 4,471         | 4,672         | 16,494         | 17,492         |      |       |
| Interest                      | 1,110         | 1,127         | 1,185         | 1,150         | 978           | 952           | 942           | 906           | 4,572          | 3,778          |      |       |
| Other Income                  | 1,199         | 1,360         | 1,573         | 1,232         | 1,053         | 1,156         | 1,380         | 1,400         | 5,364          | 4,989          |      |       |
| Forex loss/(gain)             | -10           | 0             | 498           | -116          | 4             | -50           | 0             | 0             | 372            | -46            |      |       |
| Exceptional (expenses)/income | 249           | 0             | 0             | (700)         | 0             | 0             | 0             | 0             | -451           | 0              |      |       |
| <b>PBT</b>                    | <b>13,254</b> | <b>12,072</b> | <b>11,983</b> | <b>13,673</b> | <b>12,049</b> | <b>12,743</b> | <b>12,904</b> | <b>15,628</b> | <b>50,981</b>  | <b>53,324</b>  |      |       |
| Tax                           | 4,057         | 3,905         | 3,543         | 4,323         | 3,826         | 4,278         | 3,484         | 5,575         | 15,827         | 17,163         |      |       |
| Rate (%)                      | 30.6          | 32.3          | 29.6          | 31.6          | 31.8          | 33.6          | 27.0          | 35.7          | 31.0           | 32.2           |      |       |
| Minority Interest             | 4             | -7            | -18           | 315           | -25           | -20           | 105           | 111           | 294            | 172            |      |       |
| <b>Reported PAT</b>           | <b>9,193</b>  | <b>8,174</b>  | <b>8,458</b>  | <b>9,035</b>  | <b>8,248</b>  | <b>8,485</b>  | <b>9,315</b>  | <b>9,942</b>  | <b>34,860</b>  | <b>35,989</b>  |      |       |
| <b>Adj PAT</b>                | <b>9,013</b>  | <b>8,174</b>  | <b>8,809</b>  | <b>9,434</b>  | <b>8,250</b>  | <b>8,451</b>  | <b>9,315</b>  | <b>9,939</b>  | <b>35,430</b>  | <b>35,956</b>  |      |       |
| YoY Change (%)                | 51.9          | 5.1           | -2.4          | -6.6          | -8.5          | 3.4           | 5.7           | 5.4           | 7.9            | 1.5            |      |       |
| Margins (%)                   | 11.9          | 10.5          | 11.0          | 11.3          | 10.5          | 10.2          | 11.5          | 11.8          | 11.2           | 11.0           |      |       |

## Biocon

**Buy**
**CMP: INR393 | TP: INR460 (17%)**
**EPS CHANGE (%): FY26|27|28: 0|0|0**

- Expect biologics sales to grow 22% YoY to INR27.8b, supported by new launches and better traction in existing products
- Expect Syngene sales to grow 8% YoY to INR10.2b.
- Outlook on GLP1 filings in other emerging markets.
- Increased competition in the generics segment is expected to keep generics sales at INR8.1b.
- Expect scale-up in biologics sales from the launch of Insulin Aspart in the US.

### Consolidated - Quarterly Earning Model

| Y/E March                | FY25          |               |               |               |               |               |               |               | FY26E          |                | FY25 | FY26E |
|--------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|------|-------|
|                          | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2Q            | 3QE           | 4QE           |                |                |      |       |
| <b>Net Sales</b>         | <b>34,329</b> | <b>35,904</b> | <b>38,214</b> | <b>44,170</b> | <b>39,420</b> | <b>42,960</b> | <b>45,447</b> | <b>47,054</b> | <b>152,617</b> | <b>174,880</b> |      |       |
| YoY Change (%)           | 0.3           | 3.7           | 6.0           | 12.8          | 14.8          | 19.7          | 18.9          | 6.5           | 5.9            | 14.6           |      |       |
| <b>Total Expenditure</b> | <b>28,120</b> | <b>29,040</b> | <b>30,357</b> | <b>33,390</b> | <b>31,770</b> | <b>34,610</b> | <b>36,494</b> | <b>37,596</b> | <b>120,907</b> | <b>140,470</b> |      |       |
| <b>EBITDA</b>            | <b>6,209</b>  | <b>6,864</b>  | <b>7,857</b>  | <b>10,780</b> | <b>7,650</b>  | <b>8,350</b>  | <b>8,953</b>  | <b>9,458</b>  | <b>31,710</b>  | <b>34,411</b>  |      |       |
| YoY Change (%)           | -12.9         | -7.4          | 36.2          | 17.7          | 23.2          | 21.6          | 13.9          | -12.3         | 7.6            | 8.5            |      |       |
| Margins (%)              | 18.1          | 19.1          | 20.6          | 24.4          | 19.4          | 19.4          | 19.7          | 20.1          | 20.8           | 19.7           |      |       |
| Depreciation             | 4,050         | 4,200         | 4,250         | 4,360         | 4,550         | 4,730         | 4,825         | 4,995         | 16,860         | 19,100         |      |       |
| Interest                 | 2,360         | 2,260         | 2,230         | 2,120         | 2,770         | 2,720         | 2,350         | 2,100         | 8,970          | 9,940          |      |       |
| Other Income             | 767           | 330           | 350           | 370           | 800           | 930           | 960           | 980           | 1,817          | 3,670          |      |       |
| Extraordinary Income     | 10,893        | 260           | -163          | 210           | -170          | -120          | 0             | 0             | 11,200         | -290           |      |       |
| <b>PBT</b>               | <b>11,459</b> | <b>994</b>    | <b>1,564</b>  | <b>4,880</b>  | <b>960</b>    | <b>1,710</b>  | <b>2,738</b>  | <b>3,343</b>  | <b>18,897</b>  | <b>8,751</b>   |      |       |
| Tax Rate (%)             | 24.8          | 71.4          | 47.9          | 5.7           | 8.3           | 22.8          | 21.5          | 21.0          | 24.2           | 20.1           |      |       |
| Minority Interest        | 2,030         | 430           | 560           | 1,150         | 580           | 480           | 570           | 590           | 4,170          | 2,220          |      |       |
| <b>PAT</b>               | <b>6,589</b>  | <b>-146</b>   | <b>254</b>    | <b>3,450</b>  | <b>300</b>    | <b>840</b>    | <b>1,580</b>  | <b>2,051</b>  | <b>10,147</b>  | <b>4,770</b>   |      |       |
| <b>Adj PAT</b>           | <b>-1,604</b> | <b>365</b>    | <b>439</b>    | <b>3,252</b>  | <b>300</b>    | <b>910</b>    | <b>1,580</b>  | <b>2,051</b>  | <b>2,452</b>   | <b>4,840</b>   |      |       |
| YoY Change (%)           | -260.4        | -74.7         | -125.8        | 128.4         | -118.7        | 149.2         | 259.6         | -36.9         | 13.2           | 97.4           |      |       |
| Margins (%)              | 19.2          | -0.4          | 0.7           | 7.8           | 0.8           | 2.0           | 3.5           | 4.4           | 6.6            | 2.7            |      |       |

**Cipla**
**Neutral**
**CMP: INR1,511 | TP: INR1,500 (-1%)**
**EPS CHANGE (%): FY26|27|28: (0.8)|(0.3)|(0.5)**

- US sales to decline 15% YoY to USD192m for 3QFY26, driven by higher competition in g-Revlimid.
- Expect DF sales to witness single-digit growth of 7% YoY, hurt by a decline in Gastro and muted growth in AI.
- Progress on the deal with Eli Lilly to distribute and promote Terzapatide in India.
- Expanding into the Orthopaedics to broaden therapy coverage in India, supported by product launches in recent quarter.

**Consolidated - Quarterly Earning Model**
**(INR m)**

| Y/E March                 | FY25          |               |               |               | FY26          |               |               |               | FY25           | FY26E          |
|---------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
|                           | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2Q            | 3QE           | 4QE           |                |                |
| <b>Net Revenues</b>       | <b>66,939</b> | <b>70,510</b> | <b>70,730</b> | <b>67,297</b> | <b>69,575</b> | <b>75,894</b> | <b>72,820</b> | <b>70,259</b> | <b>275,476</b> | <b>288,548</b> |
| YoY Change (%)            | 5.8           | 5.6           | 7.1           | 9.2           | 3.9           | 7.6           | 3.0           | 4.4           | 6.9            | 4.7            |
| Total Expenditure         | 49,781        | 51,654        | 50,841        | 51,921        | 51,793        | 56,947        | 56,945        | 54,099        | 204,197        | 219,784        |
| <b>EBITDA</b>             | <b>17,158</b> | <b>18,856</b> | <b>19,889</b> | <b>15,376</b> | <b>17,781</b> | <b>18,948</b> | <b>15,875</b> | <b>16,159</b> | <b>71,279</b>  | <b>68,763</b>  |
| YoY Change (%)            | 14.9          | 8.8           | 13.8          | 16.9          | 3.6           | 0.5           | -20.2         | 5.1           | 13.3           | -3.5           |
| Margins (%)               | 25.6          | 26.7          | 28.1          | 22.8          | 25.6          | 25.0          | 21.8          | 23.0          | 25.9           | 23.8           |
| Depreciation              | 2,467         | 2,717         | 2,798         | 3,087         | 2,527         | 2,970         | 3,118         | 3,009         | 11,070         | 11,624         |
| Interest                  | 180           | 154           | 146           | 140           | 141           | 132           | 110           | 100           | 620            | 482            |
| Other Income              | 1,602         | 1,906         | 1,546         | 2,895         | 2,586         | 2,690         | 2,300         | 2,400         | 7,949          | 9,975          |
| <b>Profit before Tax</b>  | <b>16,114</b> | <b>17,891</b> | <b>18,491</b> | <b>15,043</b> | <b>17,699</b> | <b>18,535</b> | <b>14,946</b> | <b>15,451</b> | <b>67,538</b>  | <b>66,632</b>  |
| One-time (expense)/income | 0             | 0             | 670           | 0             | 0             | 0             | 0             | 0             | 670            | 0              |
| Tax                       | 4,351         | 4,830         | 3,324         | 2,793         | 4,779         | 5,005         | 3,737         | 3,940         | 15,298         | 17,460         |
| Rate (%)                  | 27.0          | 27.0          | 18.0          | 18.6          | 27.0          | 27.0          | 25.0          | 25.5          | 22.7           | 26.2           |
| Minority Interest         | -13.5         | 34.9          | 132.1         | 31.8          | -55.7         | 19.0          | -60.0         | -140.0        | 185.3          | -236.7         |
| <b>Reported PAT</b>       | <b>11,776</b> | <b>13,025</b> | <b>15,705</b> | <b>12,218</b> | <b>12,976</b> | <b>13,512</b> | <b>11,270</b> | <b>11,651</b> | <b>52,725</b>  | <b>49,409</b>  |
| <b>Adj PAT</b>            | <b>11,776</b> | <b>13,025</b> | <b>13,644</b> | <b>12,218</b> | <b>12,976</b> | <b>13,512</b> | <b>11,270</b> | <b>11,651</b> | <b>50,664</b>  | <b>49,409</b>  |
| YoY Change (%)            | 18.3          | 10.9          | 14.0          | 40.6          | 10.2          | 3.7           | -17.4         | -4.6          | 19.6           | -2.5           |

**Dr Agarwal's Healthcare**
**Buy**
**CMP: INR502 | TP: INR600 (20%)**
**EPS CHANGE (%): FY26|27|28: 0|0|0**

- Expect sales growth of 20%, largely led by the number of patients being treated.
- Watch out for the performance of newly launched facilities opened in Hassan/Palakkad.
- Progress on addition of facilities in 3Q as well as in upcoming quarters.
- Progress on the merger of Dr. Agarwal's Eye Hospital with Dr. Agarwal's Healthcare.

**Consolidated - Quarterly Earning Model**
**(INR m)**

| Y/E March              | FY25         |              |              |              | FY26E        |              |              |              | FY25          | FY26E         |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                        | 1Q           | 2Q           | 3Q           | 4Q           | 1Q           | 2Q           | 3QE          | 4QE          |               |               |
| <b>Net Sales</b>       | <b>4,035</b> | <b>4,166</b> | <b>4,307</b> | <b>4,602</b> | <b>4,874</b> | <b>4,987</b> | <b>5,169</b> | <b>5,445</b> | <b>17,110</b> | <b>20,475</b> |
| YoY Change (%)         |              |              | 29.5         | 31.9         | 20.8         | 19.7         | 20.0         | 18.3         | 28.4          | 19.7          |
| Total Expenditure      | 2,998        | 3,096        | 3,211        | 3,272        | 3,596        | 3,626        | 3,830        | 4,059        | 12,578        | 15,111        |
| <b>EBITDA</b>          | <b>1,037</b> | <b>1,070</b> | <b>1,096</b> | <b>1,330</b> | <b>1,279</b> | <b>1,361</b> | <b>1,339</b> | <b>1,386</b> | <b>4,532</b>  | <b>5,364</b>  |
| YoY Change (%)         |              |              | 23.2         | 24.2         | 23.3         | 27.3         | 22.1         | 4.2          | 25.1          | 18.4          |
| Margins (%)            | 25.7         | 25.7         | 25.4         | 28.9         | 26.2         | 27.3         | 25.9         | 25.4         | 26.5          | 26.2          |
| Depreciation           | 555          | 572          | 582          | 604          | 630          | 679          | 690          | 705          | 2,313         | 2,703         |
| Interest               | 270          | 284          | 284          | 250          | 247          | 226          | 230          | 270          | 1,088         | 972           |
| Other Income           | 60           | 119          | 127          | 154          | 134          | 79           | 131          | 147          | 460           | 491           |
| Extra-Ord expense      | 0            | 0            | -52          | 45           | 0            | 0            | 0            | 0            | 7             | 0             |
| <b>PBT</b>             | <b>272</b>   | <b>333</b>   | <b>409</b>   | <b>585</b>   | <b>536</b>   | <b>537</b>   | <b>550</b>   | <b>558</b>   | <b>1,599</b>  | <b>2,180</b>  |
| Tax                    | 89           | 119          | 128          | 160          | 155          | 172          | 162          | 144          | 495           | 632           |
| Rate (%)               | 32.6         | 35.9         | 31.2         | 27.3         | 29.0         | 32.0         | 29.4         | 25.7         | 31.0          | 29.0          |
| MI & P/L of Asso. Cos. | 62           | 48           | 59           | 100          | 80           | 68           | 75           | 73           | 269           | 296           |
| <b>Reported PAT</b>    | <b>121</b>   | <b>165</b>   | <b>223</b>   | <b>326</b>   | <b>301</b>   | <b>297</b>   | <b>313</b>   | <b>342</b>   | <b>835</b>    | <b>1,252</b>  |
| <b>Adj PAT</b>         | <b>121</b>   | <b>165</b>   | <b>187</b>   | <b>358</b>   | <b>301</b>   | <b>297</b>   | <b>313</b>   | <b>342</b>   | <b>832</b>    | <b>1,252</b>  |
| YoY Change (%)         |              |              | -5.6         | -7.4         | 148.3        | 79.5         | 67.3         | -4.6         | 0.2           | 50.5          |
| Margins (%)            | 3.0          | 4.0          | 4.3          | 7.8          | 6.2          | 6.0          | 6.1          | 6.3          | 4.9           | 6.1           |
| <b>EPS</b>             | <b>0.4</b>   | <b>0.5</b>   | <b>0.6</b>   | <b>1.1</b>   | <b>1.0</b>   | <b>0.9</b>   | <b>1.0</b>   | <b>1.1</b>   | <b>2.7</b>    | <b>4.0</b>    |

## Divis Labs

**Neutral**
**CMP: INR6,390 | TP: INR6,930 (8%)**
**EPS CHANGE (%): FY26|27|28: (1.6)|0.2|(0.1)**

- DIVI is expected to deliver 15.5% YoY growth in sales on account of growth across segments.
- Expect 20%/5% YoY growth in CS/Generics sales for the quarter.
- Continue to add newer API molecules to sustain competitiveness while navigating weak pricing cycles.
- Progress on iodine-based/ gadolinium-based contrast media-related projects.

**Consolidated - Quarterly Earning Model**

| Y/E March<br>(INRm)         | FY25          |               |               |               | FY26E         |               |               |               | FY25          | FY26E          |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
|                             | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2Q            | 3QE           | 4QE           |               |                |
| <b>Net Sales</b>            | <b>21,180</b> | <b>23,380</b> | <b>23,190</b> | <b>25,850</b> | <b>24,100</b> | <b>27,150</b> | <b>26,788</b> | <b>27,935</b> | <b>93,600</b> | <b>105,973</b> |
| YoY Change (%)              | 19.1          | 22.5          | 25.0          | 12.2          | 13.8          | 16.1          | 15.5          | 8.1           | 19.3          | 13.2           |
| <b>Total Expenditure</b>    | <b>14,960</b> | <b>16,220</b> | <b>15,760</b> | <b>16,990</b> | <b>16,810</b> | <b>18,270</b> | <b>18,350</b> | <b>18,940</b> | <b>63,930</b> | <b>72,370</b>  |
| <b>EBITDA</b>               | <b>6,220</b>  | <b>7,160</b>  | <b>7,430</b>  | <b>8,860</b>  | <b>7,290</b>  | <b>8,880</b>  | <b>8,438</b>  | <b>8,995</b>  | <b>29,670</b> | <b>33,603</b>  |
| YoY Change (%)              | 23.4          | 43.5          | 51.9          | 21.2          | 17.2          | 24.0          | 13.6          | 1.5           | 33.5          | 13.3           |
| Margins (%)                 | 29.4          | 30.6          | 32.0          | 34.3          | 30.2          | 32.7          | 31.5          | 32.2          | 31.7          | 31.7           |
| Depreciation                | 970           | 990           | 990           | 1,070         | 1,120         | 1,130         | 1,128         | 1,165         | 4,020         | 4,543          |
| Interest                    | 0             | 0             | 0             | 10            | 30            | 80            | 0             | 0             | 10            | 110            |
| Other Income                | 780           | 770           | 720           | 760           | 800           | 820           | 833           | 795           | 3,030         | 3,249          |
| <b>PBT before EO Income</b> | <b>6,030</b>  | <b>6,940</b>  | <b>7,160</b>  | <b>8,540</b>  | <b>6,940</b>  | <b>8,490</b>  | <b>8,143</b>  | <b>8,625</b>  | <b>28,670</b> | <b>32,199</b>  |
| Forex gain /(Loss)          | 10            | 290           | 100           | 100           | 390           | 630           | 0             | 0             | 500           | 1,020          |
| <b>PBT</b>                  | <b>6,040</b>  | <b>7,230</b>  | <b>7,260</b>  | <b>8,640</b>  | <b>7,330</b>  | <b>9,120</b>  | <b>8,143</b>  | <b>8,625</b>  | <b>29,170</b> | <b>33,219</b>  |
| Tax                         | 1,740         | 2,120         | 1,370         | 2,020         | 1,880         | 2,230         | 1,995         | 2,156         | 7,250         | 8,261          |
| Rate (%)                    | 28.8          | 29.3          | 18.9          | 23.4          | 25.6          | 24.5          | 24.5          | 25.0          | 24.9          | 24.9           |
| <b>PAT</b>                  | <b>4,300</b>  | <b>5,110</b>  | <b>5,890</b>  | <b>6,620</b>  | <b>5,450</b>  | <b>6,890</b>  | <b>6,148</b>  | <b>6,469</b>  | <b>21,920</b> | <b>24,957</b>  |
| <b>Adj. PAT</b>             | <b>4,293</b>  | <b>4,905</b>  | <b>5,809</b>  | <b>6,543</b>  | <b>5,160</b>  | <b>6,414</b>  | <b>6,148</b>  | <b>6,469</b>  | <b>21,550</b> | <b>24,191</b>  |
| YoY Change (%)              | 20.3          | 38.3          | 68.5          | 22.0          | 20.2          | 30.8          | 5.8           | -1.1          | 35.3          | 12.3           |
| Margins (%)                 | 20.3          | 21.9          | 25.4          | 25.6          | 22.6          | 25.4          | 23.0          | 23.2          | 23.4          | 23.6           |
| <b>Adj. EPS</b>             | <b>16.2</b>   | <b>18.5</b>   | <b>21.9</b>   | <b>24.7</b>   | <b>19.4</b>   | <b>24.2</b>   | <b>23.2</b>   | <b>24.4</b>   | <b>81.2</b>   | <b>91.1</b>    |

## Dr Reddy's Labs

**Neutral**
**CMP: INR1,255 | TP: INR1,249 (-1%)**
**EPS CHANGE (%): FY26 | 27 | 28: (4.7) | (0.1) | (0.1)**

- Expect NA sales to decline 21.6% YoY to USD310m, led by increased pricing pressure on g-Revlimid.
- Progress on semaglutide approval for the Canadian market. Progress on traction of differentiated products/categories in India market.
- Expect India business to grow 11% YoY, led by robust traction in the vaccine/cardiac/pain segment.
- Progress on filing Abatacept with the USFDA. Exploring a US CMO partnership to mitigate potential tariff related risks.

**Consolidated - Quarterly Earning Model (IFRS)**

| Y/E March                     | (INRm)        |               |               |               |               |               |               |               | FY25           | FY26E          |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
|                               | FY25          |               |               |               | FY26          |               |               |               |                |                |
|                               | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2Q            | 3QE           | 4QE           |                |                |
| <b>Sales</b>                  | <b>76,727</b> | <b>80,162</b> | <b>82,320</b> | <b>85,060</b> | <b>85,452</b> | <b>88,051</b> | <b>80,851</b> | <b>84,714</b> | <b>324,269</b> | <b>339,068</b> |
| YoY Change (%)                | 13.9          | 16.5          | 14.1          | 20.1          | 11.4          | 9.8           | -1.8          | -0.4          | 16.2           | 4.6            |
| Total Expenditure             | 55,452        | 58,134        | 60,590        | 64,555        | 63,951        | 66,798        | 63,630        | 63,959        | 238,731        | 258,338        |
| <b>EBITDA</b>                 | <b>21,275</b> | <b>22,028</b> | <b>21,730</b> | <b>20,505</b> | <b>21,501</b> | <b>21,253</b> | <b>17,221</b> | <b>20,755</b> | <b>85,538</b>  | <b>80,730</b>  |
| YoY Change (%)                | 4.0           | 10.3          | 7.1           | 16.1          | 1.1           | -3.5          | -20.7         | 1.2           | 9.1            | -5.6           |
| Margins (%)                   | 27.7          | 27.5          | 26.4          | 24.1          | 25.2          | 24.1          | 21.3          | 24.5          | 26.4           | 23.8           |
| Amortization                  | 3,815         | 3,975         | 4,719         | 4,555         | 4,765         | 5,051         | 4,400         | 4,820         | 17,064         | 19,036         |
| Other Income                  | 1,366         | 2,600         | 461           | 3,374         | 2,311         | 3,510         | 2,350         | 2,200         | 7,801          | 10,371         |
| <b>PBT before EO expenses</b> | <b>18,826</b> | <b>20,653</b> | <b>17,472</b> | <b>19,324</b> | <b>19,047</b> | <b>19,712</b> | <b>15,171</b> | <b>18,135</b> | <b>76,275</b>  | <b>72,065</b>  |
| One-off income/(expense)      | -5            | -1,486        | 1,270         | 730           | 0             | -1,362        | 0             | 0             | 509            | -1,362         |
| <b>Profit before Tax</b>      | <b>18,821</b> | <b>19,167</b> | <b>18,742</b> | <b>20,054</b> | <b>19,047</b> | <b>18,350</b> | <b>15,171</b> | <b>18,135</b> | <b>76,784</b>  | <b>70,703</b>  |
| Rate (%)                      | 26.0          | 30.0          | 25.1          | 20.8          | 26.0          | 22.2          | 25.0          | 25.5          | 25.4           | 24.7           |
| Minority Interest             | 0             | 862           | -95           | -66           | -82           | -104          | -95           | -110          | 701            | -391           |
| <b>Reported Profit</b>        | <b>13,920</b> | <b>12,553</b> | <b>14,133</b> | <b>15,939</b> | <b>14,178</b> | <b>14,372</b> | <b>11,473</b> | <b>13,621</b> | <b>56,545</b>  | <b>53,644</b>  |
| <b>Adjusted PAT</b>           | <b>13,924</b> | <b>13,593</b> | <b>13,182</b> | <b>15,361</b> | <b>14,178</b> | <b>15,431</b> | <b>11,473</b> | <b>13,621</b> | <b>56,060</b>  | <b>54,703</b>  |
| YoY Change (%)                | 2.0           | 2.4           | -4.3          | 26.7          | 1.8           | 13.5          | -13.0         | -11.3         | 6.1            | -2.4           |
| Margins (%)                   | 18.1          | 17.0          | 16.0          | 18.1          | 16.6          | 17.5          | 14.2          | 16.1          | 17.3           | 16.1           |

## Eris Lifesciences

**Neutral**
**CMP: INR1,531 | TP: INR1,530 (0%)**
**EPS CHANGE (%): FY26|27|28: 0.0|0.0|0.0**

- Eris is expected to deliver 15% YoY growth in sales.
- DF growth is likely to be witness healthy growth, led by superior show in Cardiac/Derma

- Watch out ANVISA's approval for oral liquid line at AMD unit with oral solid and injectables inspection scheduled
- Watch out upside from RHI Cartridges opportunity.

**Consolidated - Quarterly Earning Model**
**(INR m)**

| Y/E March                                     | FY25         |              |              |              | FY26E        |              |              |              | FY25          | FY26E         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|   | 1Q           | 2Q           | 3Q           | 4Q           | 1Q           | 2Q           | 3QE          | 4QE          |               |               |
| <b>Gross Sales</b>                            | <b>7,197</b> | <b>7,412</b> | <b>7,275</b> | <b>7,053</b> | <b>7,730</b> | <b>7,924</b> | <b>8,366</b> | <b>8,605</b> | <b>28,936</b> | <b>32,624</b> |
| YoY Change (%)                                | 54.2         | 46.7         | 49.6         | 28.0         | 7.4          | 6.9          | 15.0         | 22.0         | 44.0          | 12.7          |
| <b>Total Expenditure</b>                      | <b>4,697</b> | <b>4,767</b> | <b>4,771</b> | <b>4,529</b> | <b>4,963</b> | <b>5,042</b> | <b>5,321</b> | <b>5,473</b> | <b>18,764</b> | <b>20,798</b> |
| <b>EBITDA</b>                                 | <b>2,500</b> | <b>2,645</b> | <b>2,503</b> | <b>2,524</b> | <b>2,767</b> | <b>2,882</b> | <b>3,045</b> | <b>3,132</b> | <b>10,172</b> | <b>11,826</b> |
| Margins (%)                                   | 34.7         | 35.7         | 34.4         | 35.8         | 35.8         | 36.4         | 36.4         | 36.4         | 35.2          | 36.2          |
| Depreciation                                  | 759          | 805          | 812          | 773          | 705          | 691          | 772          | 794          | 3,149         | 2,962         |
| Interest                                      | 604          | 595          | 572          | 543          | 487          | 496          | 521          | 508          | 2,313         | 2,011         |
| Other Income                                  | 16           | 46           | 42           | 80           | 27           | 28           | 33           | 34           | 184           | 123           |
| <b>PBT before EO expense</b>                  | <b>1,153</b> | <b>1,291</b> | <b>1,162</b> | <b>1,288</b> | <b>1,602</b> | <b>1,724</b> | <b>1,785</b> | <b>1,865</b> | <b>4,894</b>  | <b>6,975</b>  |
| Extra-Ord expense                             | 0            | 0            | 0            | -1           | -9           | -3           | 0            | 0            | -1            | -12           |
| <b>PBT</b>                                    | <b>1,153</b> | <b>1,291</b> | <b>1,162</b> | <b>1,289</b> | <b>1,611</b> | <b>1,727</b> | <b>1,785</b> | <b>1,865</b> | <b>4,895</b>  | <b>6,987</b>  |
| Tax   | 259          | 328          | 292          | 265          | 360          | 382          | 407          | 431          | 1,144         | 1,580         |
| Rate (%)                                      | 22.5         | 25.4         | 25.2         | 20.6         | 22.3         | 22.1         | 22.8         | 23.1         | 23.4          | 22.6          |
| Minority Interest & Profit/Loss of Asso. Cos. | 62           | 48           | 33           | 85           | 71           | 143          | 110          | 129          | 228           | 452           |
| <b>Reported PAT</b>                           | <b>832</b>   | <b>916</b>   | <b>836</b>   | <b>938</b>   | <b>1,180</b> | <b>1,202</b> | <b>1,268</b> | <b>1,305</b> | <b>3,522</b>  | <b>4,955</b>  |
| <b>Adj PAT</b>                                | <b>832</b>   | <b>916</b>   | <b>836</b>   | <b>938</b>   | <b>1,173</b> | <b>1,200</b> | <b>1,268</b> | <b>1,305</b> | <b>3,522</b>  | <b>4,946</b>  |
| YoY Change (%)                                | -12.3        | -25.8        | -18.6        | 15.0         | 41.0         | 31.0         | 51.6         | 39.2         | -12.4         | 40.4          |
| Margins (%)                                   | 11.6         | 12.4         | 11.5         | 13.3         | 15.2         | 15.1         | 15.2         | 15.2         | 12.2          | 15.2          |

## GSK Pharma

**Neutral**
**CMP: INR2,483 | TP: INR2,560 (3%)**
**EPS CHANGE (%): FY26|27|28: 2.5|1.8|1.7**

- Expect sales growth of 11% YoY for the quarter, led by scale-up of products launched in recent past and healthy traction in legacy brands.
- Outlook on the launch and scale-up of Oncology products in the DF segment is a key monitorable.

- Progress on building the adult immunization category with Shingrix via digital screening and ongoing clinic initiatives
- Watch out for pipeline from parent to be launched in India.

**Consolidated - Quarterly Earning Model**
**(INRm)**

| Y/E March                                | FY25         |               |              |              | FY26E        |              |               |               | FY25          | FY26E         |
|--|--------------|---------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|
|  | 1Q           | 2Q            | 3Q           | 4Q           | 1Q           | 2Q           | 3QE           | 4Q            |               |               |
| <b>Net Sales</b>                         | <b>8,147</b> | <b>10,107</b> | <b>9,494</b> | <b>9,743</b> | <b>8,052</b> | <b>9,799</b> | <b>10,529</b> | <b>10,615</b> | <b>37,491</b> | <b>38,996</b> |
| YoY Change (%)                           | 7.0          | 5.6           | 17.9         | 4.8          | -1.2         | -3.0         | 10.9          | 8.9           | 8.6           | 4.0           |
| <b>Total Expenditure</b>                 | <b>5,841</b> | <b>6,891</b>  | <b>6,665</b> | <b>6,412</b> | <b>5,541</b> | <b>6,442</b> | <b>6,886</b>  | <b>6,857</b>  | <b>25,809</b> | <b>25,727</b> |
| <b>EBITDA</b>                            | <b>2,305</b> | <b>3,216</b>  | <b>2,829</b> | <b>3,332</b> | <b>2,511</b> | <b>3,357</b> | <b>3,643</b>  | <b>3,758</b>  | <b>11,682</b> | <b>13,269</b> |
| YoY Change (%)                           | 60.2         | 11.1          | 29.7         | 29.5         | 8.9          | 4.4          | 28.8          | 12.8          | 28.6          | 13.6          |
| Margins (%)                              | 28.3         | 31.8          | 29.8         | 34.2         | 31.2         | 34.3         | 34.6          | 35.4          | 31.2          | 34.0          |
| Depreciation                             | 164          | 169           | 188          | 147          | 155          | 174          | 197           | 203           | 668           | 728           |
| Interest                                 | 4            | 3             | 1            | 6            | 4            | 5            | 2             | 1             | 13            | 12            |
| Other Income                             | 356          | 345           | 351          | 407          | 437          | 336          | 300           | 550           | 1,459         | 1,623         |
| <b>PBT before EO Expense</b>             | <b>2,494</b> | <b>3,391</b>  | <b>2,991</b> | <b>3,585</b> | <b>2,789</b> | <b>3,514</b> | <b>3,745</b>  | <b>4,104</b>  | <b>12,461</b> | <b>14,151</b> |
| Tax                                      | 671          | 913           | 782          | 957          | 740          | 965          | 992           | 1,067         | 3,323         | 3,764         |
| Rate (%)                                 | 26.9         | 26.9          | 26.2         | 26.7         | 26.5         | 27.5         | 26.5          | 26.0          | 26.7          | 26.6          |
| <b>Adjusted PAT</b>                      | <b>1,823</b> | <b>2,477</b>  | <b>2,209</b> | <b>2,628</b> | <b>2,049</b> | <b>2,549</b> | <b>2,752</b>  | <b>3,037</b>  | <b>9,138</b>  | <b>10,387</b> |
| YoY Change (%)                           | 58.6         | 13.9          | 5.7          | 36.8         | 12.4         | 2.9          | 24.6          | 15.6          | 24.6          | 13.7          |
| Margins (%)                              | 22.4         | 24.5          | 23.3         | 27.0         | 25.5         | 26.0         | 26.1          | 28.6          | 24.4          | 26.6          |
| One-off Expense/(Income)                 | 0            | -47           | -90          | 0            | 0            | -26          | 0             | 0             | -137          | -26           |
| <b>Reported PAT</b>                      | <b>1,823</b> | <b>2,524</b>  | <b>2,299</b> | <b>2,628</b> | <b>2,049</b> | <b>2,575</b> | <b>2,752</b>  | <b>3,037</b>  | <b>9,275</b>  | <b>10,414</b> |
| <b>Reported PAT incl disc operations</b> | <b>1,823</b> | <b>2,477</b>  | <b>2,209</b> | <b>2,628</b> | <b>2,049</b> | <b>2,575</b> | <b>2,752</b>  | <b>3,037</b>  | <b>9,138</b>  | <b>10,414</b> |

## Gland Pharma

**Buy**
**CMP: INR1,714 | TP: INR2,090 (22%)**

- Expect sales growth of 16% in 3QFY26, led by improvement in core market and Cenxi performance.
- Progress on increasing capacity utilization of GLP-1 pens/cartridge for non-regulated market.
- Watch out facility upgrade/modification and addition of lyophilizers line at Cenxi facility.
- Status of approval for limited competition products in pipeline for next 9-12M.

**EPS CHANGE (%): FY26|27|28: (2.6)|(0.6)|(0.9)**
**Consolidated - Quarterly Earning Model**
**(INR m)**

| Y/E March                    | FY25          |               |               |               | FY26          |               |               |               | FY25          | FY26E         |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                              | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2Q            | 3QE           | 4QE           |               |               |
| <b>Net Sales</b>             | <b>14,017</b> | <b>14,058</b> | <b>13,841</b> | <b>14,249</b> | <b>15,056</b> | <b>14,869</b> | <b>16,065</b> | <b>17,055</b> | <b>56,165</b> | <b>63,045</b> |
| YoY Change (%)               | 16.0          | 2.4           | -10.4         | -7.3          | 7.4           | 5.8           | 16.1          | 19.7          | -0.9          | 12.3          |
| <b>Total Expenditure</b>     | <b>11,373</b> | <b>11,088</b> | <b>10,241</b> | <b>10,774</b> | <b>11,378</b> | <b>11,730</b> | <b>12,258</b> | <b>12,910</b> | <b>43,476</b> | <b>48,276</b> |
| <b>EBITDA</b>                | <b>2,644</b>  | <b>2,970</b>  | <b>3,600</b>  | <b>3,475</b>  | <b>3,678</b>  | <b>3,139</b>  | <b>3,807</b>  | <b>4,144</b>  | <b>12,689</b> | <b>14,769</b> |
| YoY Change (%)               | -10.1         | -8.3          | -3.8          | -3.1          | 39.1          | 5.7           | 5.8           | 19.3          | -6.1          | 16.4          |
| Margins (%)                  | 18.9          | 21.1          | 26.0          | 24.4          | 24.4          | 21.1          | 23.7          | 24.3          | 22.6          | 23.4          |
| Depreciation                 | 920           | 938           | 963           | 958           | 1,011         | 1,063         | 1,009         | 1,072         | 3,779         | 4,155         |
| Interest                     | 56            | 61            | 228           | 75            | 115           | 78            | 68            | 59            | 420           | 320           |
| Other Income                 | 514           | 597           | 585           | 440           | 575           | 842           | 623           | 647           | 2,136         | 2,687         |
| <b>PBT before EO expense</b> | <b>2,182</b>  | <b>2,567</b>  | <b>2,993</b>  | <b>2,883</b>  | <b>3,128</b>  | <b>2,839</b>  | <b>3,353</b>  | <b>3,661</b>  | <b>10,626</b> | <b>12,981</b> |
| One-off income/(expense)     | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| <b>PBT</b>                   | <b>2,182</b>  | <b>2,567</b>  | <b>2,993</b>  | <b>2,883</b>  | <b>3,128</b>  | <b>2,839</b>  | <b>3,353</b>  | <b>3,661</b>  | <b>10,626</b> | <b>12,981</b> |
| Tax                          | 745           | 932           | 946           | 1,018         | 973           | 1,002         | 1,006         | 1,073         | 3,641         | 4,054         |
| Rate (%)                     | 34.1          | 36.3          | 31.6          | 35.3          | 31.1          | 35.3          | 30.0          | 29.3          | 34.3          | 31.2          |
| <b>Reported PAT</b>          | <b>1,438</b>  | <b>1,635</b>  | <b>2,047</b>  | <b>1,865</b>  | <b>2,155</b>  | <b>1,837</b>  | <b>2,347</b>  | <b>2,588</b>  | <b>6,985</b>  | <b>8,928</b>  |
| <b>Adj PAT</b>               | <b>1,438</b>  | <b>1,635</b>  | <b>2,047</b>  | <b>1,865</b>  | <b>2,155</b>  | <b>1,837</b>  | <b>2,347</b>  | <b>2,588</b>  | <b>6,985</b>  | <b>8,928</b>  |
| YoY Change (%)               | -25.9         | -15.8         | 0.4           | -2.7          | 49.9          | 12.3          | 14.7          | 38.8          | -10.9         | 27.8          |
| Margins (%)                  | 10.3          | 11.6          | 14.8          | 13.1          | 14.3          | 12.4          | 14.6          | 15.2          | 12.4          | 14.2          |
| <b>EPS</b>                   | <b>8.7</b>    | <b>9.9</b>    | <b>12.4</b>   | <b>11.3</b>   | <b>13.1</b>   | <b>11.2</b>   | <b>14.3</b>   | <b>15.7</b>   | <b>42.4</b>   | <b>54.2</b>   |

## Glenmark Pharma

**Buy**
**CMP: INR2,066 | TP: INR2,380 (15%)**
**EPS CHANGE (%): FY26|27|28: (8.7)|4|0.3**

- DF is expected to grow 8.5% YoY. The growth will be driven by healthy uptake in Tevimbira/Brukinsa/Jabra offset by discontinuation of low margin brands.
- Progress on scale-up of DF business post GST led inventory corrections.
- US sales expected to deliver 4.1% YoY, on price erosion in the base portfolio. EU sales expected to deliver 15% YoY growth supported by Ryaltris/Winlevi.
- Cardiac/respiratory/anti-infective to drive growth in 3Q based on IQVIA data for 3M ending Nov'25.

**Consolidated - Quarterly Earning Model**

| Y/E March                           | FY25          |               |               |               | FY26E         |                |               |               | FY25           | FY26E          |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|----------------|----------------|
|                                     | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2Q             | 3QE           | 4QE           |                |                |
| <b>INRm</b>                         |               |               |               |               |               |                |               |               |                |                |
| <b>Net Revenues (Core)</b>          | <b>32,442</b> | <b>34,338</b> | <b>33,876</b> | <b>32,562</b> | <b>32,644</b> | <b>23,769</b>  | <b>37,704</b> | <b>38,320</b> | <b>133,217</b> | <b>132,437</b> |
| YoY Change (%)                      | 6.9           | 7.1           | 35.1          | 6.3           | 0.6           | -30.8          | 11.3          | 17.7          | 12.8           | -0.6           |
| <b>EBITDA</b>                       | <b>6,102</b>  | <b>6,019</b>  | <b>6,002</b>  | <b>5,610</b>  | <b>5,805</b>  | <b>-8,704</b>  | <b>8,483</b>  | <b>9,005</b>  | <b>23,734</b>  | <b>14,589</b>  |
| YoY Change (%)                      | 39.5          | 19.1          | -515.5        | 11.2          | -4.9          | -244.6         | 41.3          | 60.5          | 82.2           | -38.5          |
| Margins (%)                         | 18.8          | 17.5          | 17.7          | 17.2          | 17.8          | -36.6          | 22.5          | 23.5          | 17.8           | 11.0           |
| Depreciation                        | 1,178         | 1,203         | 1,227         | 1,252         | 1,299         | 1,412          | 1,328         | 1,379         | 4,860          | 5,418          |
| Interest                            | 396           | 485           | 523           | 667           | 582           | 665            | 250           | 55            | 2,071          | 1,551          |
| Other Income                        | 315           | 324           | 311           | 117           | 264           | 2,006          | 135           | 140           | 1,067          | 2,546          |
| One-off loss/(gain)                 | 220           | -70           | 0             | 3,728         | 3,232         | -18,449        | 0             | 0             | 3,878          | -15,217        |
| <b>PBT after EO Exp.</b>            | <b>4,623</b>  | <b>4,726</b>  | <b>4,563</b>  | <b>80</b>     | <b>956</b>    | <b>9,674</b>   | <b>7,041</b>  | <b>7,711</b>  | <b>13,992</b>  | <b>25,382</b>  |
| Rate (%)                            | 26.4          | 25.0          | 23.7          | 45.0          | 50.9          | 36.9           | 25.0          | 25.5          | 25.2           | 30.7           |
| <b>Rep.PAT</b>                      | <b>3,402</b>  | <b>3,545</b>  | <b>3,480</b>  | <b>44</b>     | <b>470</b>    | <b>6,104</b>   | <b>5,281</b>  | <b>5,745</b>  | <b>10,471</b>  | <b>17,600</b>  |
| Minority Interest                   | 0             | 3             | 1             | -3            | 1             | 1              | 0             | -2            | 0              | 0              |
| <b>Rep. PAT after Minority Int.</b> | <b>3,403</b>  | <b>3,542</b>  | <b>3,480</b>  | <b>47</b>     | <b>469</b>    | <b>6,104</b>   | <b>5,281</b>  | <b>5,747</b>  | <b>10,471</b>  | <b>17,600</b>  |
| <b>Adj PAT</b>                      | <b>3,565</b>  | <b>3,490</b>  | <b>3,480</b>  | <b>2,932</b>  | <b>3,140</b>  | <b>-8,776</b>  | <b>5,281</b>  | <b>5,747</b>  | <b>13,466</b>  | <b>5,392</b>   |
| YoY Change (%)                      | 220.9         | 149.8         | -199.8        | 74.6          | -11.9         | NA             | 51.8          | 96.0          | 1,821.0        | -60.0          |
| Margins (%)                         | 11.0          | 10.2          | 10.3          | 9.0           | 9.6           | -36.9          | 14.0          | 15.0          | 10.1           | 4.1            |
| <b>Overall Adj. PAT</b>             | <b>3,565</b>  | <b>3,490</b>  | <b>3,480</b>  | <b>2,932</b>  | <b>3,140</b>  | <b>(8,776)</b> | <b>5,281</b>  | <b>5,747</b>  | <b>13,466</b>  | <b>5,392</b>   |

## Global Health

**Buy**
**CMP: INR1,217 | TP: INR1,480 (22%)**
**EPS CHANGE (%): FY26|27|28: 0|0|0**

- ARPOB is expected to grow 11% YoY in mature hospitals, while developing hospitals may see modest 4% YoY growth.
- International patient volumes should remain strong and continue to support revenue growth.
- Occupancy at mature hospitals is expected to remain stable, while developing hospitals' occupancy is projected to rise
- Noida ramp-up is likely to pressure margins in the near term due to operating cost absorption but would start contributing meaningfully to revenue in the upcoming quarters.

### Consolidated - Quarterly Earning Model

| Y/E March                          | FY25  |       |       |       |        |        |        |       | FY26   |        | FY25 | FY26E |
|------------------------------------|-------|-------|-------|-------|--------|--------|--------|-------|--------|--------|------|-------|
|                                    | 1Q    | 2Q    | 3Q    | 4Q    | 1Q     | 2Q     | 3QE    | 4QE   |        |        |      |       |
| INRm                               |       |       |       |       |        |        |        |       |        |        |      |       |
| Gross Sales                        | 8,611 | 9,566 | 9,434 | 9,312 | 10,308 | 10,992 | 10,684 | 9,748 | 36,923 | 41,733 |      |       |
| YoY Change (%)                     | 11.4  | 13.3  | 12.8  | 15.2  | 19.7   | 14.9   | 13.2   | 4.7   | 12.7   | 13.0   |      |       |
| Total Expenditure                  | 6,699 | 7,222 | 7,023 | 7,066 | 8,038  | 8,683  | 8,291  | 7,350 | 28,008 | 32,362 |      |       |
| EBITDA                             | 1,912 | 2,344 | 2,412 | 2,247 | 2,270  | 2,309  | 2,393  | 2,398 | 8,915  | 9,371  |      |       |
| YoY Change (%)                     | 3.7   | 7.3   | 8.9   | 17.6  | 18.7   | -1.5   | -0.8   | 6.7   | 7.6    | 5.1    |      |       |
| Margins (%)                        | 22.2  | 24.5  | 25.6  | 24.1  | 22.0   | 21.0   | 22.4   | 24.6  | 24.1   | 22.5   |      |       |
| Depreciation                       | 515   | 555   | 519   | 493   | 451    | 497    | 559    | 510   | 2,082  | 2,017  |      |       |
| Interest                           | 180   | 160   | 163   | 150   | 138    | 171    | 160    | 165   | 653    | 634    |      |       |
| Other Income                       | 219   | 182   | 160   | 229   | 205    | 197    | 252    | 264   | 791    | 918    |      |       |
| PBT before EO expense              | 1,437 | 1,811 | 1,891 | 1,833 | 1,886  | 1,838  | 1,926  | 1,987 | 6,972  | 7,637  |      |       |
| Extra-Ord expense/(Income)         | 0     | 0     | 0     | -499  | 196    | 160    | 0      | 0     | -499   | 356    |      |       |
| PBT                                | 1,437 | 1,811 | 1,891 | 1,334 | 2,081  | 1,998  | 1,926  | 1,987 | 6,473  | 7,993  |      |       |
| Tax                                | 374   | 503   | 462   | 321   | 492    | 414    | 405    | 427   | 1,659  | 1,737  |      |       |
| Rate (%)                           | 26.0  | 27.8  | 24.4  | 24.0  | 23.6   | 20.7   | 21.0   | 21.5  | 25.6   | 21.7   |      |       |
| Minority Interest & Asso. Cos. P/L | 0     | 0     | 0     | 0     | 0      | 0      | 0      | 0     | 0      | 0      |      |       |
| Reported PAT                       | 1,063 | 1,308 | 1,429 | 1,014 | 1,590  | 1,584  | 1,522  | 1,560 | 4,813  | 6,255  |      |       |
| Adj PAT                            | 1,063 | 1,308 | 1,429 | 1,393 | 1,440  | 1,458  | 1,522  | 1,560 | 5,193  | 5,977  |      |       |
| YoY Change (%)                     | 4.2   | 4.5   | 15.6  | 9.4   | 35.6   | 11.4   | 6.5    | 12.0  | 8.6    | 15.1   |      |       |
| Margins (%)                        | 12.3  | 13.7  | 15.1  | 15.0  | 14.0   | 13.3   | 14.2   | 16.0  | 14.1   | 14.3   |      |       |

## Granules India

**Buy**
**CMP: INR615 | TP: INR710 (15%)**
**EPS CHANGE (%): FY26|27|28: (3.3)|(0.4)|1.2**

- Growth is expected to be driven by capacity expansion, portfolio diversification, and stronger compliance.
- Progress on CDMO scale-up as well as integration of the peptides R&D platform with India manufacturing.
- Progress on re-inspection at Gagillapur facility.
- USFDA approval for GLS's Hyderabad facility in Nov'25 should further contribute the finished-dosage business.

### Consolidated - Quarterly Earning Model

| Y/E March                          | FY25   |       |        |        |        |        |        |        | FY26E  |        | FY25 | FY26E |
|------------------------------------|--------|-------|--------|--------|--------|--------|--------|--------|--------|--------|------|-------|
|                                    | 1Q     | 2Q    | 3Q     | 4Q     | 1Q     | 2Q     | 3QE    | 4QE    |        |        |      |       |
| INRm                               |        |       |        |        |        |        |        |        |        |        |      |       |
| Net Sales                          | 11,799 | 9,666 | 11,377 | 11,974 | 12,101 | 12,970 | 12,611 | 13,920 | 44,816 | 51,602 |      |       |
| YoY Change (%)                     | 19.7   | -18.7 | -1.5   | 1.8    | 2.6    | 34.2   | 10.9   | 16.2   | -0.5   | 15.1   |      |       |
| Total Expenditure                  | 9,206  | 7,633 | 9,074  | 9,451  | 9,634  | 10,188 | 9,837  | 10,788 | 35,364 | 40,446 |      |       |
| EBITDA                             | 2,593  | 2,033 | 2,303  | 2,524  | 2,467  | 2,782  | 2,775  | 3,132  | 9,452  | 11,156 |      |       |
| YoY Change (%)                     | 64.2   | -4.5  | -8.1   | -1.3   | -4.8   | 36.8   | 20.5   | 24.1   | 7.8    | 18.0   |      |       |
| Margins (%)                        | 22.0   | 21.0  | 20.2   | 21.1   | 20.4   | 21.5   | 22.0   | 22.5   | 21.1   | 21.6   |      |       |
| Depreciation                       | 529    | 525   | 566    | 635    | 688    | 720    | 715    | 737    | 2,255  | 2,861  |      |       |
| EBIT                               | 2,064  | 1,508 | 1,737  | 1,889  | 1,779  | 2,062  | 2,060  | 2,395  | 7,197  | 8,295  |      |       |
| YoY Change (%)                     | 90.0   | -6.0  | -12.3  | -6.7   | -13.8  | 36.7   | 18.6   | 26.8   | 7.5    | 15.3   |      |       |
| Margins (%)                        | 17.5   | 15.6  | 15.3   | 15.8   | 14.7   | 15.9   | 16.3   | 17.2   | 16.1   | 16.1   |      |       |
| Interest                           | 270    | 257   | 266    | 240    | 238    | 292    | 283    | 283    | 1,032  | 1,096  |      |       |
| Other Income                       | 21     | 32    | 57     | 19     | 163    | -11    | 32     | 35     | 129    | 218    |      |       |
| PBT before EO expense              | 1,814  | 1,284 | 1,528  | 1,668  | 1,704  | 1,759  | 1,808  | 2,147  | 6,294  | 7,418  |      |       |
| Extra-Ord expense                  | 0      | 0     | 0      | -308   | 259    | 0      | 0      | 0      | -308   | 259    |      |       |
| PBT                                | 1,814  | 1,284 | 1,528  | 1,976  | 1,445  | 1,759  | 1,808  | 2,147  | 6,601  | 7,159  |      |       |
| Tax                                | 468    | 311   | 352    | 455    | 319    | 453    | 405    | 487    | 1,587  | 1,664  |      |       |
| Rate (%)                           | 25.8   | 24.3  | 23.0   | 23.0   | 22.1   | 25.7   | 22.4   | 22.7   | 24.0   | 23.2   |      |       |
| Minority Interest & Asso. Cos. P/L | 0      | 0     | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      |      |       |
| Reported PAT                       | 1,346  | 972   | 1,176  | 1,520  | 1,126  | 1,306  | 1,403  | 1,659  | 5,015  | 5,495  |      |       |
| Adjusted PAT                       | 1,346  | 972   | 1,176  | 1,284  | 1,328  | 1,306  | 1,403  | 1,659  | 4,778  | 5,697  |      |       |
| YoY Change (%)                     | 112.7  | -4.8  | -6.4   | -1.0   | -1.4   | 34.3   | 19.3   | 29.3   | 13.6   | 19.2   |      |       |
| Margins (%)                        | 11.4   | 10.1  | 10.3   | 10.7   | 11.0   | 10.1   | 11.1   | 11.9   | 10.7   | 11.0   |      |       |

## Ipcat Laboratories

Buy

CMP: INR1,404 | TP: INR1,645 (17%)

EPS CHANGE (%): FY26|27|28: (1.1)|(1.1)|(1.1)

- Overall sales are expected to grow 7.2% YoY, driven by domestic growth across Formulations and APIs.
- Weakness in Unichem performance to affect overall YoY growth for the quarter.
- DF is expected to grow 12.5% YoY, led by strong execution in antineoplastics, pain, and cardiac therapies, partially offset by stable growth in anti-infectives.
- Growth across both chronic and acute therapies should continue to support DF performance.

### Consolidated - Quarterly Earning Model

| Y/E March                          | FY25          |               |               |               | FY26          |               |               |               | FY25          | FY26E         |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                    | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2Q            | 3QE           | 4QE           |               |               |
| INRm                               |               |               |               |               |               |               |               |               |               |               |
| <b>Net Revenues (Core)</b>         | <b>20,926</b> | <b>23,549</b> | <b>22,454</b> | <b>22,467</b> | <b>23,089</b> | <b>25,565</b> | <b>24,081</b> | <b>23,804</b> | <b>89,396</b> | <b>96,538</b> |
| YoY Change (%)                     | 31.8          | 15.8          | 9.4           | 10.5          | 10.3          | 8.6           | 7.2           | 5.9           | 16.0          | 8.0           |
| <b>EBITDA</b>                      | <b>3,927</b>  | <b>4,425</b>  | <b>4,631</b>  | <b>4,289</b>  | <b>4,164</b>  | <b>5,449</b>  | <b>4,840</b>  | <b>4,427</b>  | <b>17,271</b> | <b>18,881</b> |
| YoY Change (%)                     | 33.5          | 22.7          | 39.9          | 33.2          | 6.0           | 23.2          | 4.5           | 3.2           | 32.1          | 9.3           |
| Margins (%)                        | 18.8          | 18.8          | 20.6          | 19.1          | 18.0          | 21.3          | 20.1          | 18.6          | 19.3          | 19.6          |
| Depreciation                       | 989           | 1,004         | 985           | 1,001         | 1,001         | 1,033         | 1,026         | 1,014         | 3,978         | 4,073         |
| <b>EBIT</b>                        | <b>2,938</b>  | <b>3,421</b>  | <b>3,646</b>  | <b>3,287</b>  | <b>3,164</b>  | <b>4,416</b>  | <b>3,815</b>  | <b>3,414</b>  | <b>13,293</b> | <b>14,808</b> |
| YoY Change (%)                     | 30.7          | 26.6          | 57.5          | 46.9          | 7.7           | 29.1          | 4.6           | 3.8           | 39.9          | 11.4          |
| Margins (%)                        | 14.0          | 14.5          | 16.2          | 14.6          | 13.7          | 17.3          | 15.8          | 14.3          | 14.9          | 15.3          |
| Interest                           | 241           | 226           | 168           | 215           | 185           | 196           | 184           | 171           | 849           | 736           |
| Other Income                       | 206           | 263           | 201           | 258           | 327           | 279           | 290           | 310           | 928           | 1,205         |
| <b>PBT before EO Expense</b>       | <b>2,904</b>  | <b>3,458</b>  | <b>3,679</b>  | <b>3,331</b>  | <b>3,305</b>  | <b>4,498</b>  | <b>3,921</b>  | <b>3,553</b>  | <b>13,372</b> | <b>15,277</b> |
| One-off (gain)/ Expense            | 0             | 0             | 0             | 2,051         | 0             | 583           | 0             | 0             | 2,051         | 583           |
| <b>PBT after EO Expense</b>        | <b>2,904</b>  | <b>3,458</b>  | <b>3,679</b>  | <b>1,280</b>  | <b>3,305</b>  | <b>3,916</b>  | <b>3,921</b>  | <b>3,553</b>  | <b>11,321</b> | <b>14,694</b> |
| Tax                                | 914           | 994           | 906           | 622           | 961           | 1,081         | 1,161         | 1,066         | 3,436         | 4,268         |
| Rate (%)                           | 31.5          | 28.7          | 24.6          | 48.6          | 29.1          | 27.6          | 29.6          | 30.0          | 25.7          | 27.9          |
| <b>Reported PAT</b>                | <b>1,990</b>  | <b>2,464</b>  | <b>2,773</b>  | <b>658</b>    | <b>2,344</b>  | <b>2,835</b>  | <b>2,760</b>  | <b>2,487</b>  | <b>7,885</b>  | <b>10,426</b> |
| Minority Interest & Asso. Cos. P/L | -67           | -160          | -292          | 20            | -12           | -9            | 19            | 20            | -499          | 18            |
| <b>Adj PAT after Minority Int</b>  | <b>1,922</b>  | <b>2,305</b>  | <b>2,481</b>  | <b>2,418</b>  | <b>2,332</b>  | <b>3,247</b>  | <b>2,779</b>  | <b>2,507</b>  | <b>9,127</b>  | <b>10,866</b> |
| YoY Change (%)                     | 24.9          | 36.4          | 122.5         | 23.4          | 21.3          | 40.9          | 12.0          | 3.7           | 44.8          | 19.1          |
| Margins (%)                        | 9.2           | 9.8           | 11.1          | 10.8          | 10.1          | 12.7          | 11.5          | 10.5          | 10.2          | 11.3          |

## Laurus Labs

Buy

CMP: INR1,107 | TP: INR1,280 (16%)

EPS CHANGE (%): FY26|27|28: 0.0|0.0|0.0

- Expect 17.4% YoY growth in revenue with quarterly run-rate crossing previous highs.
- EBITDA margins are projected to expand by 420 bps versus 3QFY25, driven by an improved CDMO mix and cost optimization initiatives.
- The FDF and API businesses are expected to sustain momentum, delivering ~15% YoY growth in 3Q.
- Phase I of the Vizag fermentation facility is expected to become operational by 4QFY26, providing an additional growth driver for the bio business.

### Consolidated- Quarterly Earning Model

| Y/E March                          | FY25          |               |               |               | FY26E         |               |               |               | FY25          | FY26E         |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                    | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2Q            | 3QE           | 4QE           |               |               |
| INRm                               |               |               |               |               |               |               |               |               |               |               |
| <b>Net Sales</b>                   | <b>11,949</b> | <b>12,237</b> | <b>14,151</b> | <b>17,203</b> | <b>15,696</b> | <b>16,535</b> | <b>16,611</b> | <b>17,968</b> | <b>55,540</b> | <b>66,809</b> |
| YoY Change (%)                     | 1.1           | -0.1          | 18.4          | 19.5          | 31.4          | 35.1          | 17.4          | 4.4           | 10.2          | 20.3          |
| <b>EBITDA</b>                      | <b>1,712</b>  | <b>1,783</b>  | <b>2,852</b>  | <b>4,206</b>  | <b>3,821</b>  | <b>4,033</b>  | <b>3,887</b>  | <b>4,600</b>  | <b>10,553</b> | <b>16,340</b> |
| YoY Change (%)                     | 2.7           | -5.1          | 57.2          | 74.2          | 123.2         | 126.1         | 36.3          | 9.4           | 35.7          | 54.8          |
| Margins (%)                        | 14.3          | 14.6          | 20.2          | 24.4          | 24.3          | 24.4          | 23.4          | 25.6          | 19.0          | 24.5          |
| Depreciation                       | 1,061         | 1,075         | 1,061         | 1,104         | 1,168         | 1,205         | 1,232         | 1,306         | 4,301         | 4,911         |
| <b>EBIT</b>                        | <b>651</b>    | <b>708</b>    | <b>1,791</b>  | <b>3,102</b>  | <b>2,653</b>  | <b>2,828</b>  | <b>2,655</b>  | <b>3,293</b>  | <b>6,252</b>  | <b>11,429</b> |
| YoY Change (%)                     | -14.5         | -25.1         | 115.7         | 122.8         | 307.3         | 299.3         | 48.3          | 6.2           | 59.1          | 82.8          |
| Margins (%)                        | 5.5           | 5.8           | 12.7          | 18.0          | 16.9          | 17.1          | 16.0          | 18.3          | 11.3          | 17.1          |
| Interest                           | 492           | 526           | 578           | 564           | 515           | 400           | 443           | 459           | 2,160         | 1,817         |
| Other Income                       | 25            | 46            | 94            | -3            | 104           | 270           | 56            | 52            | 163           | 482           |
| <b>PBT before EO expense</b>       | <b>185</b>    | <b>228</b>    | <b>1,307</b>  | <b>2,535</b>  | <b>2,242</b>  | <b>2,697</b>  | <b>2,268</b>  | <b>2,887</b>  | <b>4,254</b>  | <b>10,095</b> |
| <b>PBT</b>                         | <b>185</b>    | <b>228</b>    | <b>1,307</b>  | <b>3,123</b>  | <b>2,242</b>  | <b>2,697</b>  | <b>2,268</b>  | <b>2,887</b>  | <b>4,843</b>  | <b>10,095</b> |
| Tax                                | 63            | 51            | 401           | 785           | 631           | 760           | 635           | 794           | 1,299         | 2,820         |
| Rate (%)                           | 33.9          | 22.3          | 30.7          | 25.1          | 28.2          | 28.2          | 28.0          | 27.5          | 26.8          | 27.9          |
| Minority Interest & Asso. Cos. P/L | -5            | -21           | -17           | 20            | 7             | -3            | 15            | 16            | 13            | 36            |
| <b>Reported PAT</b>                | <b>127</b>    | <b>198</b>    | <b>923</b>    | <b>2,319</b>  | <b>1,603</b>  | <b>1,940</b>  | <b>1,618</b>  | <b>2,077</b>  | <b>3,531</b>  | <b>7,239</b>  |
| <b>Adj PAT</b>                     | <b>127</b>    | <b>198</b>    | <b>923</b>    | <b>1,878</b>  | <b>1,603</b>  | <b>1,940</b>  | <b>1,618</b>  | <b>2,077</b>  | <b>3,126</b>  | <b>7,239</b>  |
| YoY Change (%)                     | -52.7         | -46.3         | 298.9         | 148.4         | 1,164.5       | 877.9         | 75.3          | 10.6          | 92.4          | 131.5         |
| Margins (%)                        | 1.1           | 1.6           | 6.5           | 10.9          | 10.2          | 11.7          | 9.7           | 11.6          | 5.6           | 10.8          |

## Laxmi Dental

**Buy**
**CMP: INR271 | TP: INR340 (26%)**
**EPS CHANGE (%): FY26|27|28: (10.7)|(3.8)|(3.7)**

- Revenue is expected to grow at a low double-digit rate, impacted by global policy-related headwinds and a temporary slowdown in the Bizdent business.
- EBITDA margins are expected to remain broadly stable, due to lower operating leverage.
- Change in geo-political scenario will be a key monitorable.

**Consolidated - Quarterly Earning Model**

| Y/E March                    | FY25       |            |            |            | FY26E      |            |            |            | FY25         | FY26E        |
|------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|--------------|
|                              | 1Q         | 2Q         | 3Q         | 4Q         | 1Q         | 2Q         | 3QE        | 4QE        |              |              |
| <b>INRm</b>                  |            |            |            |            |            |            |            |            |              |              |
| <b>Net Sales</b>             | <b>597</b> | <b>571</b> | <b>617</b> | <b>607</b> | <b>656</b> | <b>723</b> | <b>678</b> | <b>784</b> | <b>2,391</b> | <b>2,841</b> |
| YoY Change (%)               | N/A        | N/A        | 29.0       | 10.2       | 9.9        | 26.5       | 10.0       | 29.2       | 23.5         | 18.8         |
| Total Expenditure            | 457        | 484        | 520        | 511        | 537        | 612        | 573        | 613        | 1,972        | 2,335        |
| <b>EBITDA</b>                | <b>140</b> | <b>87</b>  | <b>96</b>  | <b>95</b>  | <b>119</b> | <b>110</b> | <b>105</b> | <b>171</b> | <b>419</b>   | <b>506</b>   |
| YoY Change (%)               | N/A        | N/A        | 144.7      | -18.5      | -15.0      | 26.3       | 9.4        | 79.8       | 76.1         | 20.8         |
| Margins (%)                  | 23.5       | 15.3       | 15.6       | 15.7       | 18.2       | 15.3       | 15.5       | 21.8       | 17.5         | 17.8         |
| Depreciation                 | 34         | 34         | 40         | 43         | 36         | 37         | 39         | 44         | 150          | 156          |
| <b>EBIT</b>                  | <b>106</b> | <b>53</b>  | <b>57</b>  | <b>52</b>  | <b>83</b>  | <b>73</b>  | <b>66</b>  | <b>127</b> | <b>269</b>   | <b>349</b>   |
| YoY Change (%)               | N/A        | N/A        | 728.8      | -38.0      | -21.7      | 36.6       | 16.8       | 143.1      | 126.7        | 30.0         |
| Interest                     | 14         | 12         | 15         | 13         | 5          | 2          | 2          | 1          | 54           | 10           |
| Other Income                 | 4          | 7          | 6          | 16         | 17         | 24         | 22         | 15         | 33           | 78           |
| <b>PBT before EO expense</b> | <b>96</b>  | <b>49</b>  | <b>47</b>  | <b>56</b>  | <b>96</b>  | <b>94</b>  | <b>86</b>  | <b>141</b> | <b>248</b>   | <b>417</b>   |
| Extra-Ord expense            | -59        | 0          | 0          | -4         | 0          | 0          | 0          | 0          | -70          | 0            |
| <b>PBT</b>                   | <b>155</b> | <b>49</b>  | <b>47</b>  | <b>60</b>  | <b>96</b>  | <b>94</b>  | <b>86</b>  | <b>141</b> | <b>318</b>   | <b>417</b>   |
| Tax                          | 18         | 11         | 11         | 25         | 23         | 19         | 20         | 24         | 65           | 86           |
| Rate (%)                     | 11.4       | 23.3       | 22.7       | 41.2       | 23.8       | 19.8       | 23.5       | 17.2       | 20.3         | 20.6         |
| MI & P/L of Asso. Cos.       | -20        | -22        | -12        | -8         | 10         | 10         | 10         | 53         | 64           | 83           |
| <b>Reported PAT</b>          | <b>157</b> | <b>59</b>  | <b>48</b>  | <b>43</b>  | <b>83</b>  | <b>85</b>  | <b>75</b>  | <b>170</b> | <b>318</b>   | <b>414</b>   |
| <b>Adj PAT</b>               | <b>105</b> | <b>59</b>  | <b>48</b>  | <b>40</b>  | <b>83</b>  | <b>85</b>  | <b>75</b>  | <b>170</b> | <b>262</b>   | <b>414</b>   |
| YoY Change (%)               | N/A        | N/A        | 133.2      | -51.0      | -21.3      | 44.8       | 57.1       | 319.5      | 4.9          | 58.3         |
| Margins (%)                  | 17.6       | 10.3       | 7.8        | 6.7        | 12.6       | 11.8       | 11.1       | 21.6       | 10.9         | 14.6         |

## Lup

**Neutral**
**CMP: INR2,106 | TP: INR2,125 (1%)**
**EPS CHANGE (%): FY26|27|28: 1.5|1.2|1.2**

- US growth is expected to remain strong, supported by Tolvaptan exclusivity and continued traction in Mirabegron and g-Spiriva, offsetting mild price erosion.
- Emerging markets, including Brazil and South Africa, are expected to drive growth.
- Increased focus on chronic therapies should result in relatively better growth for domestic formulations in 3Q, majorly driven by cardiac/respiratory therapies.
- EBITDA margins may moderate sequentially due to higher R&D spend and lower PLI income.

**Consolidated- Quarterly Earning Model**

| Y/E March                          | FY25          |               |               |               | FY26E         |               |               |               | FY25            | FY26E           |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                                    | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2Q            | 3QE           | 4QE           |                 |                 |
| <b>INRm</b>                        |               |               |               |               |               |               |               |               |                 |                 |
| <b>Net Sales</b>                   | <b>56,003</b> | <b>55,427</b> | <b>56,927</b> | <b>56,671</b> | <b>62,684</b> | <b>70,475</b> | <b>67,614</b> | <b>62,860</b> | <b>2,25,028</b> | <b>2,63,632</b> |
| YoY Change (%)                     | 21.5          | 10.0          | 9.5           | 14.2          | 11.9          | 27.1          | 18.8          | 10.9          | 13.6            | 17.2            |
| Total Expenditure                  | 42,389        | 43,059        | 43,162        | 43,750        | 46,269        | 49,099        | 48,614        | 46,265        | 1,72,361        | 1,90,247        |
| <b>EBITDA</b>                      | <b>13,614</b> | <b>12,368</b> | <b>13,765</b> | <b>12,921</b> | <b>16,415</b> | <b>21,376</b> | <b>18,999</b> | <b>16,595</b> | <b>52,668</b>   | <b>73,386</b>   |
| YoY Change (%)                     | 109.0         | 34.0          | 34.7          | 29.6          | 20.6          | 72.8          | 38.0          | 28.4          | 46.6            | 39.3            |
| Margins (%)                        | 24.3          | 22.3          | 24.2          | 22.8          | 26.2          | 30.3          | 28.1          | 26.4          | 23.4            | 27.8            |
| Depreciation                       | 2,477         | 2,569         | 2,715         | 3,932         | 2,990         | 3,168         | 3,434         | 3,192         | 11,693          | 12,783          |
| <b>EBIT</b>                        | <b>11,137</b> | <b>9,799</b>  | <b>11,050</b> | <b>8,989</b>  | <b>13,425</b> | <b>18,208</b> | <b>15,566</b> | <b>13,403</b> | <b>40,975</b>   | <b>60,603</b>   |
| YoY Change (%)                     | 167.3         | 45.1          | 44.5          | 21.3          | 20.5          | 85.8          | 40.9          | 49.1          | 57.7            | 47.9            |
| Margins (%)                        | 19.9          | 17.7          | 19.4          | 15.9          | 21.4          | 25.8          | 23.0          | 21.3          | 18.2            | 23.0            |
| Interest                           | 680           | 709           | 669           | 891           | 918           | 1,076         | 820           | 554           | 2,949           | 3,367           |
| Other Income                       | 678           | 423           | 537           | 570           | 790           | 900           | 620           | 140           | 2,207           | 2,450           |
| EO Exp/(Inc)                       | 1,204         | -1,036        | 956           | -291          | -859          | -2,037        | 0             | 0             | 834             | -2,896          |
| <b>PBT</b>                         | <b>9,930</b>  | <b>10,549</b> | <b>9,963</b>  | <b>8,958</b>  | <b>14,156</b> | <b>20,070</b> | <b>15,366</b> | <b>12,989</b> | <b>39,401</b>   | <b>62,582</b>   |
| Tax                                | 1,875         | 1,954         | 2,124         | 1,135         | 1,941         | 5,221         | 3,304         | 2,884         | 7,087           | 13,349          |
| Rate (%)                           | 18.9          | 18.5          | 21.3          | 12.7          | 13.7          | 26.0          | 21.5          | 22.2          | 18.0            | 21.3            |
| Minority Interest & Asso. Cos. P/L | -42           | -69           | -37           | -99           | -24           | -69           | -70           | -72           | -246            | -235            |
| <b>Reported PAT</b>                | <b>8,013</b>  | <b>8,526</b>  | <b>7,802</b>  | <b>7,726</b>  | <b>12,191</b> | <b>14,779</b> | <b>11,992</b> | <b>10,034</b> | <b>32,067</b>   | <b>48,996</b>   |
| <b>Adj PAT</b>                     | <b>8,990</b>  | <b>7,682</b>  | <b>8,554</b>  | <b>7,472</b>  | <b>11,450</b> | <b>13,272</b> | <b>11,992</b> | <b>10,034</b> | <b>32,698</b>   | <b>46,748</b>   |
| YoY Change (%)                     | 214.9         | 55.5          | 42.6          | 47.0          | 27.4          | 72.8          | 40.2          | 34.3          | 73.2            | 43.0            |
| Margins (%)                        | 16.1          | 13.9          | 15.0          | 13.2          | 18.3          | 18.8          | 17.7          | 16.0          | 14.5            | 17.7            |

## Mankind Pharma

**Buy**
**CMP: INR2,203 | TP: INR2,625 (19%)**
**EPS CHANGE (%): FY26 | 27 | 28: (0.3) | (3.5) | (2.4)**

- Full quarter impact of BSV and gradual revival in DF sales is expected to drive 11.6% YoY growth in sales.
- Expect OTC business to show growth uptick post GST led disruption in earlier quarter.
- Progress on results post corrective measures taken in Rx segment.
- Secondary sales for Mankind are expected to remain in the single digits, based on IQVIA data for the 3M ending Nov'25.

### Consolidated - Quarterly Earning Model

| Y/E March<br>(INR m)               | FY25         |              |              |              | FY26E        |              |              |              | FY25          | FY26E         |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                                    | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2Q           | 3QE          | 4QE          |               |               |
| Gross Sales                        | 28,934       | 30,765       | 31,988       | 30,794       | 35,704       | 36,972       | 35,711       | 33,982       | 1,22,481      | 1,42,369      |
| YoY Change (%)                     | 12.2         | 13.6         | 22.7         | 26.1         | 23.4         | 20.2         | 11.6         | 10.4         | 18.5          | 16.2          |
| Total Expenditure                  | 21,697       | 22,265       | 23,828       | 23,712       | 27,236       | 27,758       | 26,784       | 25,894       | 91,698        | 1,07,672      |
| <b>EBITDA</b>                      | <b>7,238</b> | <b>8,500</b> | <b>8,160</b> | <b>7,082</b> | <b>8,468</b> | <b>9,213</b> | <b>8,928</b> | <b>8,088</b> | <b>30,783</b> | <b>34,696</b> |
| YoY growth %                       | 10.5         | 24.5         | 34.5         | 19.8         | 17.0         | 8.4          | 9.4          | 14.2         | 21.4          | 12.7          |
| Margins (%)                        | 25.0         | 27.6         | 25.5         | 23.0         | 23.7         | 24.9         | 25.0         | 23.8         | 25.1          | 24.4          |
| Depreciation                       | 1,077        | 1,056        | 1,872        | 2,309        | 2,187        | 2,218        | 2,197        | 2,299        | 6,212         | 8,901         |
| Interest                           | 109          | 71           | 2,209        | 1,905        | 1,707        | 1,697        | 1,447        | 1,240        | 4,294         | 6,090         |
| Other Income                       | 1,006        | 1,094        | 770          | 1,013        | 799          | 919          | 839          | 856          | 5,368         | 3,412         |
| <b>PBT before EO expense</b>       | <b>7,057</b> | <b>8,468</b> | <b>4,849</b> | <b>3,881</b> | <b>5,373</b> | <b>6,217</b> | <b>6,124</b> | <b>5,404</b> | <b>25,645</b> | <b>23,118</b> |
| Extra-Ord expense                  | 420          | 0            | 0            | -1,250       | 0            | 0            | 0            | 0            | -830          | 0             |
| <b>PBT</b>                         | <b>6,637</b> | <b>8,468</b> | <b>4,849</b> | <b>3,881</b> | <b>5,373</b> | <b>6,217</b> | <b>6,124</b> | <b>5,404</b> | <b>26,475</b> | <b>23,118</b> |
| Tax                                | 1,246        | 1,904        | 1,105        | 864          | 958          | 1,038        | 1,053        | 962          | 5,097         | 4,012         |
| Rate (%)                           | 18.8         | 22.5         | 22.8         | 16.8         | 17.8         | 16.7         | 17.2         | 17.8         | 19.3          | 17.4          |
| Minority Interest & Asso. Cos. P/L | 26.7         | 28.4         | 8.5          | 15.6         | 94.7         | 109.9        | 30.0         | 46.6         | 79.2          | 281.2         |
| <b>Reported PAT</b>                | <b>5,365</b> | <b>6,535</b> | <b>3,736</b> | <b>4,251</b> | <b>4,320</b> | <b>5,069</b> | <b>5,040</b> | <b>4,396</b> | <b>21,298</b> | <b>18,825</b> |
| <b>Adj PAT</b>                     | <b>5,706</b> | <b>6,535</b> | <b>3,736</b> | <b>3,212</b> | <b>4,320</b> | <b>5,069</b> | <b>5,040</b> | <b>4,396</b> | <b>20,635</b> | <b>18,825</b> |
| YoY Change (%)                     | 17.2         | 30.4         | -17.7        | -31.8        | -24.3        | -22.4        | 34.9         | 36.9         | 7.9           | -8.8          |
| Margins (%)                        | 19.7         | 21.2         | 11.7         | 10.4         | 12.1         | 13.7         | 14.1         | 12.9         | 16.8          | 13.2          |

## Max Healthcare

**Buy**
**CMP: INR1,063 | TP: INR1,345 (27%)**
**EPS CHANGE (%): FY26 | 27 | 28: (6.7) | (1.3) | (1.4)**

- ARPOB is expected to remain stable at INR 77.4k, impacted by the addition of institutional and insurance patients.
- Sales growth in 3Q is expected to be in the low single digits at ~4% YoY, impacted by GST-related issues as well as seasonality and normalization of JP related higher base of past year.
- 25% YoY growth in test volumes and 10% YoY improvement in realizations to drive a 37% YoY growth in Maxlab revenue.
- Insurance cashless disruptions is expected to impact 3Q performance.
- Maxhome is expected to deliver consistent 20% YoY growth

### Consolidated - Quarterly Earning Model

| Y/E March<br>INRm                  | FY25         |              |              |              | FY26E        |              |              |              | FY25          | FY26E         |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                                    | 1Q           | 2Q           | 3Q           | 4Q           | 1Q           | 2Q           | 3QE          | 4QE          |               |               |
| Gross Sales                        | 19,310       | 21,190       | 22,690       | 23,020       | 24,510       | 25,720       | 23,658       | 26,462       | 86,210        | 1,00,350      |
| YoY Change (%)                     | 19.1         | 23.3         | 34.9         | 28.5         | 26.9         | 21.4         | 4.3          | 15.0         | 26.5          | 16.4          |
| Total Expenditure                  | 14,370       | 15,520       | 16,520       | 16,950       | 18,340       | 18,850       | 17,365       | 19,396       | 63,360        | 73,952        |
| <b>EBITDA</b>                      | <b>4,940</b> | <b>5,670</b> | <b>6,170</b> | <b>6,070</b> | <b>6,170</b> | <b>6,870</b> | <b>6,293</b> | <b>7,065</b> | <b>22,850</b> | <b>26,398</b> |
| Margins (%)                        | 25.6         | 26.8         | 27.2         | 26.4         | 25.2         | 26.7         | 26.6         | 26.7         | 26.5          | 26.3          |
| Depreciation                       | 900          | 970          | 1,060        | 1,140        | 1,170        | 1,220        | 1,141        | 1,276        | 4,070         | 4,807         |
| Interest                           | 80           | 50           | 350          | 360          | 340          | 410          | 427          | 443          | 840           | 1,620         |
| Other Income                       | 40           | 60           | 110          | 240          | 80           | 80           | 120          | 130          | 450           | 410           |
| <b>PBT before EO expense</b>       | <b>4,000</b> | <b>4,710</b> | <b>4,870</b> | <b>4,810</b> | <b>4,740</b> | <b>5,320</b> | <b>4,845</b> | <b>5,477</b> | <b>18,390</b> | <b>20,382</b> |
| Extra-Ord expense                  | 190          | 270          | 1,000        | 180          | 330          | 180          | 0            | 0            | 1,640         | 510           |
| <b>PBT</b>                         | <b>3,810</b> | <b>4,440</b> | <b>3,870</b> | <b>4,630</b> | <b>4,410</b> | <b>5,140</b> | <b>4,845</b> | <b>5,477</b> | <b>16,750</b> | <b>19,872</b> |
| Tax                                | 870          | 950          | 710          | 870          | 960          | -410         | 896          | 1,024        | 3,400         | 2,470         |
| Rate (%)                           | 22.8         | 21.4         | 18.3         | 18.8         | 21.8         | -8.0         | 18.5         | 18.7         | 20.3          | 12.4          |
| Minority Interest & Asso. Cos. P/L | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0             | 0             |
| <b>Reported PAT</b>                | <b>2,940</b> | <b>3,490</b> | <b>3,160</b> | <b>3,760</b> | <b>3,450</b> | <b>5,550</b> | <b>3,949</b> | <b>4,453</b> | <b>13,350</b> | <b>17,401</b> |
| <b>Adj PAT</b>                     | <b>3,087</b> | <b>3,702</b> | <b>3,977</b> | <b>3,906</b> | <b>3,708</b> | <b>4,254</b> | <b>3,949</b> | <b>4,453</b> | <b>14,672</b> | <b>16,364</b> |
| YoY Change (%)                     | 1.0          | 4.9          | 16.5         | 17.7         | 20.1         | 14.9         | -0.7         | 14.0         | 10.2          | 11.5          |
| Margins (%)                        | 16.0         | 17.5         | 17.5         | 17.0         | 15.1         | 16.5         | 16.7         | 16.8         | 17.0          | 16.3          |

## Piramal Pharma

Buy

**CMP: INR179 | TP: INR210 (18%)**
**EPS CHANGE (%): FY26|27|28: (NA)|(12.5)|(8.7)**

- Expect sales to increase 4% YoY to INR 22.9b, driven by YoY growth across all three segments: CDMO, CHG, and ICP.
- CHG sales are expected to grow 5% YoY following two stable quarters, supported by improved visibility on the resolution of supply-chain issues.
- EBITDA margins are expected to improve in 3Q, supported by better operating leverage.
- Scale-up of the CDMO business following the passage of the Biosecure Act will be a key monitorable.

### Consolidated - Quarterly Earning Model

| Y/E March                          | FY25         |              |              |              | FY26E         |              |              |              | FY25          | FY26E         |
|------------------------------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|---------------|---------------|
|                                    | 1Q           | 2Q           | 3Q           | 4Q           | 1Q            | 2Q           | 3QE          | 4QE          |               |               |
| INRm                               |              |              |              |              |               |              |              |              |               |               |
| Revenues                           | 19,511       | 22,418       | 22,042       | 27,541       | 19,337        | 20,437       | 22,961       | 27,921       | 91,511        | 90,656        |
| growth YoY(%)                      | 11.6         | 17.3         | 12.5         | 7.9          | -0.9          | -8.8         | 4.2          | 1.4          | 12.0          | -0.9          |
| CDMO                               | 10,570       | 13,240       | 12,780       | 17,880       | 9,970         | 10,440       | 13,036       | 17,344       | 54,470        | 50,789        |
| CHG                                | 6,310        | 6,430        | 6,540        | 7,050        | 6,370         | 6,440        | 6,867        | 7,508        | 26,330        | 27,185        |
| ICH                                | 2,640        | 2,770        | 2,780        | 2,740        | 3,020         | 3,190        | 3,058        | 3,069        | 10,930        | 12,337        |
| <b>EBITDA*</b>                     | <b>2,044</b> | <b>3,416</b> | <b>3,377</b> | <b>5,610</b> | <b>1,067</b>  | <b>1,587</b> | <b>3,008</b> | <b>4,579</b> | <b>14,447</b> | <b>10,241</b> |
| margin (%)                         | 10.5         | 15.2         | 15.3         | 20.4         | 5.5           | 7.8          | 13.1         | 16.4         | 15.8          | 11.3          |
| growth YoY(%)                      | 54.5         | 28.6         | 25.8         | 5.9          | -47.8         | -53.5        | -10.9        | -18.4        | 20.8          | -29.1         |
| Depreciation                       | 1,846        | 1,922        | 1,968        | 2,428        | 1,973         | 2,028        | 2,089        | 2,100        | 8,163         | 8,190         |
| <b>EBIT</b>                        | <b>198</b>   | <b>1,494</b> | <b>1,409</b> | <b>3,182</b> | <b>-906</b>   | <b>-441</b>  | <b>919</b>   | <b>2,479</b> | <b>6,284</b>  | <b>2,051</b>  |
| Other income                       | 195          | 611          | 121          | 420          | 584           | 656          | 555          | 590          | 1,348         | 2,385         |
| Interest expense                   | 1,070        | 1,076        | 1,033        | 1,037        | 862           | 824          | 860          | 855          | 4,216         | 3,401         |
| Minority Interest & Asso. Cos. P/L | 224          | 173          | 171          | 162          | 186           | 148          | 195          | 210          | 729           | 739           |
| <b>PBT</b>                         | <b>-452</b>  | <b>1,201</b> | <b>668</b>   | <b>2,728</b> | <b>-998</b>   | <b>-462</b>  | <b>809</b>   | <b>2,424</b> | <b>4,145</b>  | <b>1,773</b>  |
| <b>Taxes</b>                       | <b>436</b>   | <b>975</b>   | <b>631</b>   | <b>1,193</b> | <b>27</b>     | <b>530</b>   | <b>493</b>   | <b>1,430</b> | <b>3,235</b>  | <b>2,481</b>  |
| Tax Rate (%)                       | -96.4        | 81.2         | 94.5         | 43.7         | -3.4          | -114.9       | 61.0         | 59.0         | 78.0          | 125.2         |
| <b>Reported PAT</b>                | <b>-888</b>  | <b>226</b>   | <b>37</b>    | <b>1,535</b> | <b>-817</b>   | <b>-992</b>  | <b>315</b>   | <b>994</b>   | <b>910</b>    | <b>-500</b>   |
| <b>Adj. PAT</b>                    | <b>-888</b>  | <b>226</b>   | <b>37</b>    | <b>1,535</b> | <b>-1,031</b> | <b>-992</b>  | <b>315</b>   | <b>994</b>   | <b>910</b>    | <b>-714</b>   |
| Change (%)                         | NA           | 348.2        | -89.5        | 34.0         | NA            | NA           | 757.2        | -35.3        | 62.5          | -178.5        |

## Rubicon Research

Buy

**CMP: INR662 | TP: INR780 (18%)**
**EPS CHANGE (%): FY26|27|28: 0|0|0**

- Revenue is expected to grow 11% QoQ, supported by the scale-up of recently launched products and the commercialization of already approved assets.
- Expect quarterly revenue to cross previous highs.
- We expect gross margin to be on slight down trend due to higher outsourcing. R&D spend to remains elevated at 11% of sales to build potential product pipeline.
- Progress on traction in nasal spray products and branded products for US market.

### Consolidated - Quarterly Earning Model

| Y/E March                                     | FY25         |              |              |              | FY26         |              |               |               | FY25 | FY26 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|------|------|
|   | 1Q           | 2Q           | 1Q           | 2Q           | 3QE          | 4QE          |               |               |      |      |
| INRm  |              |              |              |              |              |              |               |               |      |      |
| <b>Gross Sales</b>                            | <b>3,167</b> | <b>2,960</b> | <b>3,525</b> | <b>4,120</b> | <b>4,580</b> | <b>5,045</b> | <b>12,843</b> | <b>17,270</b> |      |      |
| YoY Change (%)                                | NA           | NA           | 11.3         | 39.2         | NA           | NA           | 50.4          | 34.5          |      |      |
| Total Expenditure                             | 2,565        | 2,343        | 2,734        | 3,177        | 3,572        | 4,022        | 10,200        | 13,505        |      |      |
| <b>EBITDA</b>                                 | <b>602</b>   | <b>617</b>   | <b>791</b>   | <b>943</b>   | <b>1,008</b> | <b>1,023</b> | <b>2,643</b>  | <b>3,765</b>  |      |      |
| YoY Change (%)                                |              |              | 31.4         | 52.9         | NA           | NA           |               |               |      |      |
| Margins (%)                                   | 19.0         | 20.8         | 22.4         | 22.9         | 22.0         | 20.3         | 20.6          | 21.8          |      |      |
| Depreciation                                  | 94           | 81           | 96           | 119          | 135          | 146          | 366           | 495           |      |      |
| <b>EBIT</b>                                   | <b>509</b>   | <b>535</b>   | <b>695</b>   | <b>824</b>   | <b>873</b>   | <b>877</b>   | <b>2,277</b>  | <b>3,270</b>  |      |      |
| YoY Change (%)                                |              |              | 36.7         | 54.0         | NA           | NA           | NA            | NA            |      |      |
| Margins (%)                                   | 16.1         | 18.1         | 19.7         | 20.0         | 19.1         | 17.4         | 18            | 19            |      |      |
| Interest                                      | 101          | 70           | 106          | 114          | 10           | 3            | 368           | 234           |      |      |
| Other Income                                  | 4            | 27           | 6            | 7            | 8            | 13           | 36            | 35            |      |      |
| <b>PBT before EO expense</b>                  | <b>412</b>   | <b>492</b>   | <b>596</b>   | <b>717</b>   | <b>871</b>   | <b>887</b>   | <b>1,945</b>  | <b>3,070</b>  |      |      |
| Extra-Ord expense                             | 0            | 0            | 0            | 0            | 0            | 0            | 0             | 0             |      |      |
| <b>PBT</b>                                    | <b>412</b>   | <b>492</b>   | <b>596</b>   | <b>717</b>   | <b>871</b>   | <b>887</b>   | <b>1,945</b>  | <b>3,070</b>  |      |      |
| Tax   | 156          | 147          | 163          | 179          | 244          | 244          | 602           | 829           |      |      |
| Rate (%)                                      | 37.9         | 29.9         | 27.3         | 24.9         | 28.0         | 27.5         | 30.9          | 27.0          |      |      |
| Minority Interest & Profit/Loss of Asso. Cos. | 0            | 0            | 0            | 0            | 0            | 0            | 0             | 0             |      |      |
| <b>Reported PAT</b>                           | <b>256</b>   | <b>345</b>   | <b>433</b>   | <b>539</b>   | <b>627</b>   | <b>643</b>   | <b>1,344</b>  | <b>2,241</b>  |      |      |
| <b>Adj PAT</b>                                | <b>256</b>   | <b>345</b>   | <b>433</b>   | <b>539</b>   | <b>627</b>   | <b>643</b>   | <b>1,344</b>  | <b>2,241</b>  |      |      |
| YoY Change (%)                                | NA           | NA           | 69.4         | 56.2         | NA           | NA           | 47.6          | 66.8          |      |      |
| Margins (%)                                   | 8.1          | 11.6         | 12.3         | 13.1         | 13.7         | 12.7         | 10.5          | 13.0          |      |      |

## Sun Pharma

**Buy**
**CMP: INR1,729 | TP: INR1,990 (15%)**
**EPS CHANGE (%): FY26|27|28: 0|0|0**

- Growth of 12% YoY in 3Q is expected, driven by strong performance in domestic and emerging markets, along with incremental growth in the US market.
- Unloxcyt is expected to be launched in 3Q, providing additional support to growth in the US market.
- Expect to sustain outperformance versus the industry, with DF sales growing 13% YoY during the quarter, led by new product launches, including Ilumya.
- EM/RoW are expected to deliver healthy growth of 18%/14% YoY, driven by the addition of branded generics/innovative products.

### Consolidated - Quarterly Earning Model

| Y/E March                          | FY25            |                 |                 |                 | FY26E           |                 |                 |                 | FY25            | FY26            |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                    | 1Q              | 2Q              | 3Q              | 4Q              | 1Q              | 2Q              | 3QE             | 4QE             |                 |                 |
| <b>INRm</b>                        |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Net Sales</b>                   | <b>1,25,245</b> | <b>1,32,642</b> | <b>1,30,569</b> | <b>1,28,156</b> | <b>1,37,861</b> | <b>1,44,052</b> | <b>1,46,486</b> | <b>1,46,256</b> | <b>5,16,612</b> | <b>5,74,655</b> |
| YoY Change (%)                     | 6.3             | 10.5            | 7.4             | 8.5             | 10.1            | 8.6             | 12.2            | 14.1            | 8.2             | 11.2            |
| <b>EBITDA</b>                      | <b>35,298</b>   | <b>37,837</b>   | <b>35,738</b>   | <b>32,816</b>   | <b>40,073</b>   | <b>40,235</b>   | <b>39,991</b>   | <b>39,343</b>   | <b>1,41,689</b> | <b>1,59,641</b> |
| Margins (%)                        | 28.2            | 28.5            | 27.4            | 25.6            | 29.1            | 27.9            | 27.3            | 26.9            | 27.4            | 27.8            |
| Depreciation                       | 6,551           | 6,259           | 6,306           | 6,638           | 7,006           | 7,295           | 6,703           | 6,692           | 25,754          | 27,695          |
| <b>EBIT</b>                        | <b>28,747</b>   | <b>31,578</b>   | <b>29,433</b>   | <b>26,178</b>   | <b>33,067</b>   | <b>32,940</b>   | <b>33,288</b>   | <b>32,651</b>   | <b>1,15,936</b> | <b>1,31,946</b> |
| Interest                           | 615             | 692             | 515             | 491             | 748             | 999             | 439             | 439             | 2,314           | 2,624           |
| Other Income                       | 6,608           | 3,811           | 7,041           | 7,561           | 5,298           | 5,430           | 7,487           | 7,765           | 25,022          | 25,980          |
| <b>PBT before EO expense</b>       | <b>34,740</b>   | <b>34,697</b>   | <b>35,959</b>   | <b>33,248</b>   | <b>37,617</b>   | <b>37,371</b>   | <b>40,337</b>   | <b>39,977</b>   | <b>1,38,644</b> | <b>1,55,303</b> |
| Extra-Ord expense                  | 505             | -1,281          | 1,195           | 705             | 5,890           | -4,305          | 0               | 0               | 1,123           | 1,585           |
| <b>PBT</b>                         | <b>34,235</b>   | <b>35,978</b>   | <b>34,764</b>   | <b>32,543</b>   | <b>31,728</b>   | <b>41,676</b>   | <b>40,337</b>   | <b>39,977</b>   | <b>1,37,520</b> | <b>1,53,718</b> |
| Tax                                | 5,523           | 5,672           | 5,589           | 10,937          | 8,702           | 10,305          | 10,084          | 9,794           | 27,720          | 38,885          |
| Rate (%)                           | 16.1            | 15.8            | 16.1            | 33.6            | 27.4            | 24.7            | 25.0            | 24.5            | 20.2            | 25.3            |
| Minority Interest & Asso. Cos. P/L | 356             | -95             | 142             | 108             | 240             | 191             | 130             | 133             | 511             | 694             |
| <b>Reported PAT</b>                | <b>28,356</b>   | <b>30,401</b>   | <b>29,034</b>   | <b>21,498</b>   | <b>22,786</b>   | <b>31,180</b>   | <b>30,122</b>   | <b>30,050</b>   | <b>1,09,289</b> | <b>1,14,138</b> |
| <b>Adj PAT</b>                     | <b>27,494</b>   | <b>29,052</b>   | <b>27,637</b>   | <b>28,891</b>   | <b>29,961</b>   | <b>27,939</b>   | <b>30,123</b>   | <b>30,050</b>   | <b>1,13,075</b> | <b>1,18,073</b> |
| YoY Change (%)                     | 20.4            | 20.8            | 11.6            | 3.0             | 9.0             | -3.8            | 3.7             | 8.7             | 13.4            | 4.4             |
| Margins (%)                        | 22.0            | 21.9            | 21.2            | 22.5            | 21.7            | 19.4            | 20.6            | 20.5            | 21.9            | 20.5            |

## Torrent Pharmaceuticals

**Neutral**
**CMP: INR3,885 | TP: INR3,930 (1%)**
**EPS CHANGE (%): FY26|27|28: (0.6)|(0.8)|(0.9)**

- DF is expected to sustain healthy YoY growth of ~10%, driven by continued focus on chronic therapies, field-force expansion, and the addition of new therapy areas.
- Progress on completion of JB chemical acquisition process. Progress on preparations for launching potential molecules like Semaglutide.
- US sales are expected to deliver healthy YoY growth of ~22.5%, supported by improved offtake under existing contracts and additional product launches.
- Brazil business is expected to maintain steady growth in the coming quarter, supported by a strong product portfolio and brand identity.

### Consolidated - Quarterly Earning Model

| Y/E March                    | FY25          |               |               |               | FY26E         |               |               |               | FY25            | FY26E           |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                              | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2Q            | 3QE           | 4QE           |                 |                 |
| <b>INRm</b>                  |               |               |               |               |               |               |               |               |                 |                 |
| <b>Net Revenues</b>          | <b>28,590</b> | <b>28,890</b> | <b>28,090</b> | <b>29,590</b> | <b>31,780</b> | <b>33,020</b> | <b>31,944</b> | <b>32,659</b> | <b>1,15,160</b> | <b>1,29,404</b> |
| YoY Change (%)               | 10.3          | 8.6           | 2.8           | 7.8           | 11.2          | 14.3          | 13.7          | 10.4          | 7.3             | 12.4            |
| <b>EBITDA</b>                | <b>9,240</b>  | <b>9,390</b>  | <b>9,140</b>  | <b>9,810</b>  | <b>10,470</b> | <b>10,830</b> | <b>10,318</b> | <b>10,647</b> | <b>37,580</b>   | <b>42,265</b>   |
| YoY Change (%)               | 16.8          | 13.8          | 5.2           | 11.1          | 13.3          | 15.3          | 12.9          | 8.5           | 11.6            | 12.5            |
| Margins (%)                  | 32.3          | 32.5          | 32.5          | 33.2          | 32.9          | 32.8          | 32.3          | 32.6          | 32.6            | 32.7            |
| <b>EBIT</b>                  | <b>7,270</b>  | <b>7,410</b>  | <b>7,150</b>  | <b>7,800</b>  | <b>8,460</b>  | <b>8,790</b>  | <b>8,232</b>  | <b>8,514</b>  | <b>29,630</b>   | <b>33,996</b>   |
| YoY Change (%)               | 21.2          | 18.8          | 9.0           | 14.7          | 16.4          | 18.6          | 15.1          | 9.2           | 15.7            | 14.7            |
| Margins (%)                  | 25.4          | 25.6          | 25.5          | 26.4          | 26.6          | 26.6          | 25.8          | 26.1          | 25.7            | 26.3            |
| Interest                     | 750           | 640           | 570           | 560           | 560           | 480           | 520           | 510           | 2,520           | 2,070           |
| Other Income                 | 240           | -160          | 330           | -180          | -370          | -270          | 182           | 171           | 230             | -287            |
| <b>PBT before EO Expense</b> | <b>6,760</b>  | <b>6,610</b>  | <b>6,910</b>  | <b>7,060</b>  | <b>7,530</b>  | <b>8,040</b>  | <b>7,894</b>  | <b>8,175</b>  | <b>27,340</b>   | <b>31,639</b>   |
| One-off expenses             | 200           | 0             | 0             | 410           | 150           | 130           | 0             | 0             | 610             | 280             |
| <b>PBT after EO Expense</b>  | <b>6,560</b>  | <b>6,610</b>  | <b>6,910</b>  | <b>6,650</b>  | <b>7,380</b>  | <b>7,910</b>  | <b>7,894</b>  | <b>8,175</b>  | <b>26,730</b>   | <b>31,359</b>   |
| Tax                          | 1,990         | 2,080         | 1,880         | 1,670         | 1,900         | 2,000         | 2,029         | 2,134         | 7,620           | 8,062           |
| Rate (%)                     | 29.4          | 31.5          | 27.2          | 23.7          | 25.2          | 24.9          | 25.7          | 26.1          | 27.9            | 25.5            |
| <b>Reported PAT</b>          | <b>4,570</b>  | <b>4,530</b>  | <b>5,030</b>  | <b>4,980</b>  | <b>5,480</b>  | <b>5,910</b>  | <b>5,865</b>  | <b>6,041</b>  | <b>19,110</b>   | <b>23,296</b>   |
| <b>Adj PAT</b>               | <b>4,709</b>  | <b>4,530</b>  | <b>5,030</b>  | <b>5,287</b>  | <b>5,591</b>  | <b>6,007</b>  | <b>5,865</b>  | <b>6,041</b>  | <b>19,556</b>   | <b>23,505</b>   |
| YoY Change (%)               | 24.6          | 17.4          | 31.9          | 17.8          | 18.7          | 32.6          | 16.6          | 14.3          | 22.7            | 20.2            |
| Margins (%)                  | 16.5          | 15.7          | 17.9          | 17.9          | 17.6          | 18.2          | 18.4          | 18.5          | 17.0            | 18.2            |

## Zydus Lifesciences

**Neutral**
**CMP: INR915 | TP: INR975 (6%)**
**EPS CHANGE (%): FY26|27|28: (0.6)|0.4|0.6**

- Expect revenue to grow 20.9% YoY, driven by healthy performance in base business and full quarter impact of acquisitions
- US to deliver low single-digit growth of ~5.9% YoY, supported by new product launches.
- DF growth of ~11% YoY is expected, primarily driven by chronic therapies, including cardiac and respiratory therapies.
- Expansion of the Comfort Click franchise into additional markets will be a key monitorable.

### Consolidated - Quarterly Earning Model

| Y/E March                          | FY25          |               |               |               |               |               |               |               | FY26E           |                 | FY25   | FY26E |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|--------|-------|
|                                    | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2Q            | 3QE           | 4QE           |                 |                 |        |       |
| INRm                               |               |               |               |               |               |               |               |               |                 |                 |        |       |
| <b>Net Revenues</b>                | <b>62,075</b> | <b>52,370</b> | <b>52,691</b> | <b>65,279</b> | <b>65,737</b> | <b>61,232</b> | <b>63,704</b> | <b>70,367</b> | <b>2,32,415</b> | <b>2,61,041</b> |        |       |
| YoY Change (%)                     | 20.8          | 19.9          | 17.0          | 18.0          | 5.9           | 16.9          | 20.9          | 7.8           | 18.9            | 12.3            |        |       |
| <b>Total Expenditure</b>           | <b>40,983</b> | <b>38,210</b> | <b>39,691</b> | <b>43,630</b> | <b>45,423</b> | <b>45,215</b> | <b>47,906</b> | <b>52,705</b> | <b>1,62,514</b> | <b>1,91,249</b> |        |       |
| <b>EBITDA</b>                      | <b>21,092</b> | <b>14,160</b> | <b>13,000</b> | <b>21,649</b> | <b>20,314</b> | <b>16,017</b> | <b>15,799</b> | <b>17,662</b> | <b>69,901</b>   | <b>69,792</b>   |        |       |
| YoY Change (%)                     | 37.6          | 33.1          | 20.2          | 33.2          | -3.7          | 13.1          | 21.5          | -18.4         | 31.8            | -0.2            |        |       |
| Margins (%)                        | 34.0          | 27.0          | 24.7          | 33.2          | 30.9          | 26.2          | 24.8          | 25.1          | 30.1            | 26.7            |        |       |
| <b>EBIT</b>                        | <b>18,939</b> | <b>11,824</b> | <b>10,710</b> | <b>19,270</b> | <b>17,933</b> | <b>12,998</b> | <b>12,668</b> | <b>14,271</b> | <b>60,743</b>   | <b>57,871</b>   |        |       |
| YoY Change (%)                     | 40.0          | 34.4          | 20.7          | 35.7          | -5.3          | 9.9           | 18.3          | -25.9         | 33.8            | -4.7            |        |       |
| Margins (%)                        | 30.5          | 22.6          | 20.3          | 29.5          | 27.3          | 21.2          | 19.9          | 20.3          | 26.1            | 22.2            |        |       |
| Interest                           | 322           | 251           | 320           | 766           | 847           | 1,013         | 830           | 790           | 1,659           | 3,480           |        |       |
| Other Income                       | 632           | 682           | 575           | 806           | 1,549         | 1,090         | 1,440         | 1,480         | 2,695           | 5,559           |        |       |
| <b>PBT before EO Income</b>        | <b>19,249</b> | <b>12,255</b> | <b>10,965</b> | <b>19,310</b> | <b>18,635</b> | <b>13,075</b> | <b>13,278</b> | <b>14,961</b> | <b>61,779</b>   | <b>59,950</b>   |        |       |
| EO Exp/(Inc)                       | 252           | -454          | -876          | 2,590         | -571          | -4,141        | 0             | 0             | 0               | 1,512           | -4,712 |       |
| <b>PBT after EO Income</b>         | <b>18,997</b> | <b>12,709</b> | <b>11,841</b> | <b>16,720</b> | <b>19,206</b> | <b>17,216</b> | <b>13,278</b> | <b>14,961</b> | <b>60,267</b>   | <b>64,662</b>   |        |       |
| Tax                                | 4,361         | 3,731         | 1,795         | 4,232         | 4,340         | 4,540         | 3,253         | 3,695         | 14,119          | 15,829          |        |       |
| Rate (%)                           | 23.0          | 29.4          | 15.2          | 25.3          | 22.6          | 26.4          | 24.5          | 24.7          | 23.4            | 24.5            |        |       |
| Minority Interest & Asso. Cos. P/L | -437          | 131           | 192           | -779          | -198          | 252           | -350          | -400          | -893            | -696            |        |       |
| <b>Reported PAT</b>                | <b>14,199</b> | <b>9,109</b>  | <b>10,238</b> | <b>11,709</b> | <b>14,668</b> | <b>12,928</b> | <b>9,675</b>  | <b>10,866</b> | <b>45,255</b>   | <b>48,137</b>   |        |       |
| <b>Adj PAT</b>                     | <b>14,393</b> | <b>8,788</b>  | <b>9,495</b>  | <b>13,643</b> | <b>14,226</b> | <b>10,150</b> | <b>9,675</b>  | <b>10,866</b> | <b>46,320</b>   | <b>44,917</b>   |        |       |
| YoY Change (%)                     | 28.2          | 19.1          | 26.3          | 16.1          | -1.2          | 15.5          | 1.9           | -20.4         | 22.3            | -3.0            |        |       |
| Margins (%)                        | 23.2          | 16.8          | 18.0          | 20.9          | 21.6          | 16.6          | 15.2          | 15.4          | 19.9            | 17.2            |        |       |

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| 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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