

21 February 2026

India | Equity Research | Quarterly Results Review

Pharma

Currency tailwind boosts exports; India show steady

Aggregate revenue/EBITDA/PAT of pharma companies under coverage grew 11.6%/7.7%/6.6% YoY in Q3FY26. Revenue growth was mainly led by India (+12.1% YoY), while US, on constant currency basis, grew mere 1.4% YoY. Currency tailwind may have boosted US sales by 5-6%. Q3FY26 marks the last quarter for exclusivity of gRevlimid, though supplies had already started dipping as companies had exhausted their limits and the product lost patent in Jan'26. Pharma companies with exposure to this drug have cautioned on near-term slowdown in growth and margins. We cut FY27E EPS for 13 out of 24 companies by 1–49% post Q3FY26 results. **Top picks: Aurobindo, Sun Pharma, Alkem, Gland Pharma, OneSource, Piramal Pharma, and Pfizer.**

Synopsis of quarterly performance

Revenue for our coverage universe grew 11.6% YoY (+2.1% QoQ) to INR 857bn in Q3FY26, driven by India business and favourable exchange rate. GM expanded 45bps YoY (50bps QoQ) to 67.6% due to a favourable mix. EBITDA grew 7.7% YoY (+3.8% QoQ) to ~INR 207bn. EBITDA margin contracted 87bps YoY (+39bps QoQ) to 24.2%. Adj. profit of our coverage universe increased 6.6% YoY (6.2% QoQ) to ~INR 131bn. Lupin, GSK, Pfizer and Akums delivered results ahead of our expectations.

High base and lower supplies of gRevlimid curb US growth

Aggregate quarterly US sales of our coverage stood at USD 2.4bn, up 1.4% YoY (-3.3% QoQ) due to softer gRevlimid supplies and price erosion. Lupin's revenue grew a robust 45.8% YoY, mainly led by strong momentum in Tolvaptan, Mirabegron and Risperdal Consta. Zydus grew 10.2% YoY, aided by better supplies for Mirabegron, while Torrent grew 12.5% YoY driven by its recent launches like gEntresto and existing products. Lower revenue from gRevlimid and supply challenges in Lanreotide dented Cipla's US sales by 26.1% YoY, while Dr. Reddy's US sales dipped 15.7% YoY due to lower gRevlimid revenue.

Listed companies continue to outpace IPM growth

India business of our coverage companies grew 12.1% YoY to ~INR 247bn in Q3FY26, driven by new launches and better volumes. As per IQVIA, IPM grew 11.8% YoY in Q3FY26. Within our coverage universe, Gland grew the fastest at 32.4% YoY, followed by Natco and Glenmark at ~25% and ~22%, YoY, respectively. Torrent, Sun, Dr. Reddy's and Ajanta reported growth between 16–19% YoY. Among MNCs, Pfizer grew the fastest at ~20% YoY, while GSK and Abbott grew 9.7% and 6.8%, YoY, respectively.

Surge in overheads starts to drag margins

Favourable mix led to 45bps YoY/50bps QoQ expansion in gross margin at 67.6%. Aggregate R&D spending of our coverage stood at 6.9% of sales, higher than 6.5% in Q3FY25 (6.7% in Q2FY26). EBITDA margin contracted 87bps YoY (+39bps QoQ) to 24.2%.

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CDMO: Divi's and Gland did well among the pack

Divi's revenue grew 12.3% YoY, driven by custom synthesis business while constant currency growth slowed to ~2% YoY (8.6% for 9MFY26 and 18% in FY25). Gland registered strong growth of 22.5% YoY, supported by new launches in US and Europe and turnaround in Cenexi. Cohance and Piramal Pharma's revenue dipped 19.5% and 2.9%, YoY, respectively, due to slowdown in CDMO segment. Delayed approval for gSemaglutide for customers in Canada led to a decline of 26.0% YoY for OneSource.

Exhibit 1: Key financials

Company	Revenue (INR mn)					EBITDA (INR mn)					PAT (INR mn)				
	Q3FY26	Q2FY26	Q3FY25	QoQ (%)	YoY (%)	Q3FY26	Q2FY26	Q3FY25	QoQ (%)	YoY (%)	Q3FY26	Q2FY26	Q3FY25	QoQ (%)	YoY (%)
Sun Pharma	1,50,304	1,44,783	1,32,954	3.8	13.0	43,045	40,966	38,123	5.1	12.9	30,952	27,939	30,037	10.8	3.0
Dr Reddy's	87,268	88,051	83,586	(0.9)	4.4	20,124	21,295	22,991	(5.5)	(12.5)	13,209	14,262	14,130	(7.4)	(6.5)
Aurobindo	86,459	82,857	79,785	4.3	8.4	17,733	16,781	16,278	5.7	8.9	9,319	8,451	8,809	10.3	5.8
Zydus Lifesciences	68,645	61,232	52,691	12.1	30.3	16,515	16,382	13,062	0.8	26.4	9,851	10,076	8,081	(2.2)	21.9
Cipla	70,745	75,894	70,730	(6.8)	0.0	12,551	18,948	19,889	(33.8)	(36.9)	8,842	13,512	13,779	(34.6)	(35.8)
Lupin	71,675	70,475	57,677	1.7	24.3	22,095	21,376	14,515	3.4	52.2	14,712	13,170	9,221	11.7	59.6
Biocon	41,730	42,955	38,214	(2.9)	9.2	8,335	8,631	7,518	(3.4)	10.9	1,240	1,139	130	8.8	853.8
Glenmark	37,433	23,769	33,875	57.5	10.5	7,125	(8,289)	6,002	(186.0)	18.7	4,219	(8,143)	3,480	(151.8)	21.2
Torrent Pharma	33,030	33,020	28,090	0.0	17.6	10,880	10,830	9,140	0.5	19.0	6,428	6,007	5,030	7.0	27.8
JB Chemicals	10,647	10,849	9,635	(1.9)	10.5	2,958	3,096	2,545	(4.5)	16.2	1,979	2,078	1,625	(4.8)	21.8
Ajanta Pharma	13,748	13,537	11,461	1.6	20.0	3,962	3,688	3,208	7.4	23.5	2,796	2,612	2,196	7.0	27.3
Alkem	37,368	40,010	33,743	(6.6)	10.7	8,280	9,208	7,594	(10.1)	9.0	6,802	7,651	6,258	(11.1)	8.7
Alembic Pharma	18,763	19,102	16,927	(1.8)	10.8	2,935	3,157	2,602	(7.0)	12.8	1,676	1,847	1,384	(9.3)	21.1
Natco	6,473	13,630	4,748	(52.5)	36.3	1,587	5,792	388	(72.6)	309.0	1,515	5,184	424	(70.8)	257.3
Divi's	26,040	27,150	23,190	(4.1)	12.3	8,900	8,880	7,430	0.2	19.8	6,241	6,414	5,809	(2.7)	7.4
Abbott India	17,240	17,572	16,143	(1.9)	6.8	4,635	5,022	4,361	(7.7)	6.3	3,668	4,152	3,608	(11.7)	1.7
Pfizer	6,450	6,423	5,380	0.4	19.9	2,282	2,299	1,460	(0.8)	56.3	1,849	1,890	1,276	(2.2)	44.9
GSK Pharma	10,413	9,799	9,494	6.3	9.7	3,832	3,197	2,919	19.8	31.3	2,914	2,389	2,299	22.0	26.8
Piramal Pharma	21,399	20,437	22,042	4.7	(2.9)	1,957	1,587	3,377	23.3	(42.0)	(1,074)	(992)	37	8.3	(3,022.0)
Akums	11,596	10,175	10,104	14.0	14.8	1,469	945	1,214	55.4	21.0	787	408	617	93.0	27.6
Innova	4,503	3,804	3,165	18.4	42.3	694	519	466	33.8	49.1	421	297	342	42.1	23.3
Cohance Lifesciences	5,446	5,556	6,762	(2.0)	(19.5)	954	1,264	2,374	(24.5)	(59.8)	416	795	1,535	(47.7)	(72.9)
Gland Pharma	16,954	14,869	13,841	14.0	22.5	4,349	3,215	3,600	35.3	20.8	2,791	1,886	2,047	48.0	36.3
OneSource	2,903	3,758	3,926	(22.7)	(26.0)	173	1,065	1,432	(83.7)	(87.9)	(819)	105	543	(881.5)	(250.9)
Coverage Universe	8,57,233	8,39,707	7,68,163	2.1	11.6	2,07,369	1,99,851	1,92,488	3.8	7.7	1,30,731	1,23,128	1,22,695	6.2	6.6

Source: Company data, I-Sec research

*Note: Glenmark's revenue is adjusted for one-time upfront payment received by its subsidiary IGI from Abbvie for out licensing of ISB-2001 (INR 45bn recognized in Q2FY26) and INR 8.3bn towards asset impairment and other charges.

Exhibit 2: Valuation summary

Company	Mkt. Cap (INR bn)	Target Price (INR)	Rating	EPS (INR)			RoCE (%)			P/E (x)			EV/EBITDA (x)		
				FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sun	4138	1,900	BUY	48.3	55.0	63.3	14.9	15.3	15.9	35.7	31.3	27.2	23.3	20.4	17.6
Dr Reddy's	1065	1,300	ADD	66.1	55.7	66.6	13.0	10.0	11.0	19.3	22.9	19.2	12.0	12.2	10.0
Aurobindo	682	1,490	BUY	61.5	91.1	112.1	9.4	12.8	14.3	18.9	12.8	10.4	9.3	6.9	5.5
Lupin	1011	2,200	HOLD	106.3	111.2	110.0	22.4	20.2	17.3	20.9	20.0	20.2	13.2	12.6	12.6
Cipla	1081	1,450	ADD	53.3	57.7	66.5	13.5	13.5	14.1	25.1	23.2	20.1	16.3	14.7	12.6
Zydus Lifesciences	925	900	HOLD	42.5	38.9	45.2	14.7	12.0	12.4	21.2	23.2	20.0	12.7	12.9	10.8
Biocon	621	330	REDUCE	3.9	11.1	14.5	2.9	4.6	5.6	98.4	34.6	26.5	21.3	15.7	13.0
Glenmark	577	1,640	SELL	16.8	67.7	81.5	5.9	16.9	17.3	121.7	30.2	25.1	48.3	19.6	16.6
Torrent	1561	4,150	HOLD	62.8	67.9	87.1	10.2	8.4	9.9	67.2	62.1	48.5	36.5	25.7	22.6
Alkem	644	6,500	BUY	214.2	177.1	205.1	21.7	15.9	16.7	25.2	30.4	26.3	20.5	18.5	16.0
Ajanta	371	2,925	ADD	85.6	100.4	117.0	26.1	24.8	23.7	34.3	29.2	25.1	24.0	20.1	17.0
Alembic	150	930	ADD	36.5	44.0	51.5	12.1	13.4	14.4	20.9	17.3	14.8	12.6	10.9	9.4
JB Chemicals	310	1,900	HOLD	52.1	61.0	71.0	24.9	21.1	17.9	38.3	32.7	28.1	24.9	21.2	18.0
Natco	162	870	HOLD	73.8	42.6	50.4	15.7	7.6	8.2	12.1	21.0	17.7	8.8	16.0	13.4
Abbott India	559	32,000	BUY	728.5	820.4	914.6	35.5	36.1	36.3	36.1	32.1	28.8	29.3	26.1	23.3
Pfizer India	227	6,100	BUY	170.2	193.9	220.1	17.5	17.7	17.9	29.1	25.6	22.5	20.8	18.2	15.8
GSK Pharma	440	2,850	ADD	62.0	66.8	74.7	51.5	45.0	40.6	41.9	38.9	34.8	31.1	28.9	25.7
Divi's	1669	5,900	REDUCE	93.4	123.4	169.9	15.9	18.4	22.3	67.4	51.0	37.1	46.3	36.5	26.8
Piramal Pharma	212	210	BUY	-1.1	2.4	6.4	-15.4	4.1	8.2	-	65.7	24.9	26.0	16.9	11.3
Akums	73	680	BUY	16.9	23.6	33.8	8.6	9.6	11.8	28.3	20.2	14.1	11.4	8.7	6.5
Innova Captab	38	865	BUY	24.2	33.1	43.3	10.8	12.4	14.2	27.7	20.2	15.5	16.8	13.1	9.9
Cohance Lifesciences	117	350	HOLD	6.1	8.2	11.6	7.5	9.0	11.2	50.3	37.3	26.4	24.5	20.3	14.9
Gland	300	2,200	BUY	62.2	77.2	94.1	9.6	10.6	11.4	29.3	23.6	19.4	21.1	17.7	15.2
OneSource Specialty	145	2,200	BUY	(9.6)	32.9	82.3	0.3	6.9	13.4	-	38.4	15.4	54.3	19.4	10.6

Source: Company data, I-Sec research

Exhibit 3: Earnings revision for coverage universe post Q3FY26 results

Company	Target Price (INR)	EPS (INR) - Pre-results		EPS (INR) - Post-results		Earnings revision		Rating	
		FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	Pre-results	Post-results
Sun	1,900	54.0	62.3	55.0	63.3	1.9	1.7	ADD	BUY
Dr Reddy's	1,300	56.1	66.6	55.7	66.6	-0.7	0.1	HOLD	ADD
Aurobindo	1,490	91.5	112.9	91.1	112.1	-0.5	-0.7	BUY	BUY
Lupin	2,200	95.7	104.8	111.2	110.0	16.2	5.0	HOLD	HOLD
Cipla	1,450	65.0	71.7	57.7	66.5	-11.3	-7.3	ADD	ADD
Zydus Lifesciences	900	41.5	44.9	38.9	45.2	-6.1	0.6	HOLD	HOLD
Biocon	330	9.5	12.8	11.1	14.5	16.9	13.5	SELL	REDUCE
Torrent	4,150	75.5	93.8	67.9	87.1	-10.1	-7.2	HOLD	HOLD
Alkem	6,500	177.5	204.5	177.1	205.1	-0.2	0.3	BUY	BUY
Ajanta	2,925	102.9	118.7	100.4	117.0	-2.4	-1.4	ADD	ADD
Alembic	930	43.0	50.9	44.0	51.5	2.5	1.3	HOLD	ADD
JB Chemicals	1,900	61.5	71.9	61.0	71.0	-0.8	-1.3	HOLD	HOLD
Natco	870	43.7	51.5	42.6	50.4	-2.6	-2.2	REDUCE	HOLD
Abbott India	32,000	907.4	1024.0	820.4	914.6	-9.6	-10.7	BUY	BUY
Pfizer India	6,100	191.3	217.3	193.9	220.1	1.3	1.3	BUY	BUY
GSK Pharma	2,850	66.4	73.9	66.8	74.7	0.5	1.1	HOLD	ADD
Divi's	5,900	135.1	183.7	123.4	169.9	-8.7	-7.5	SELL	REDUCE
Piramal Pharma	210	3.2	6.7	2.4	6.4	-24.9	-3.5	BUY	BUY
Akums	680	22.4	33.6	23.6	33.8	5.7	0.6	BUY	BUY
Innova	865	31.9	41.0	33.1	43.3	4.0	5.6	ADD	BUY
Cohance	350	12.0	17.6	8.2	11.6	-31.5	-34.0	REDUCE	HOLD
Gland Pharma	2,200	79.7	96.1	77.2	94.1	-3.0	-2.1	ADD	BUY
OneSource Specialty	2,200	64.3	93.5	32.9	82.3	-48.8	-12.0	BUY	BUY
Glenmark Pharma	1,640	68.7	78.8	67.7	81.5	-1.4	3.4	SELL	SELL

Source: Company data, I-Sec research

Exhibit 4: Q3FY26 – takeaways on India business

Company	India Business Commentary
Sun Pharma	<ul style="list-style-type: none"> India business grew 16.2% YoY to INR 50bn, mainly led by better volumes vs. price-led growth of IPM. It launched 12 new products in Q3FY26 and 27 products in 9MFY26. The company launched its innovative drug Illumya in India. Sun has received approval for an injectable version of gSemaglutide from the Indian regulatory agency. It will launch two semaglutide generic brands viz NovelTreat (weight loss) and Sematrinity (type 2 diabetes) post patent expiry.
Dr Reddy's Labs	<ul style="list-style-type: none"> Domestic sales grew 19.1% YoY aided by growth in innovation portfolio (10-15% of India sales), price hikes, higher volumes and recently acquired Stugeron portfolio. Organic growth stood at 17% YoY. Growth was not aided by any spillover of sales from Q2FY26 due to the implementation of GST rate cut. It launched two new brands in Q3FY26, taking the total to 18 for 9MFY26. Management expects 15-16% growth in India biz going forward.
Cipla	<ul style="list-style-type: none"> Branded biz grew 10% YoY; key therapies like urology, anti-diabetes, cardiac, anti-infectives and dermatology outpaced market growth. It entered into an exclusive marketing and distribution agreement with Pfizer for four key brands - Corex, Dolonex, Neksium and Dalacin C - in India. Trade generics recorded strong double-digit growth driven by new introductions and technological interventions. The company launched Yurpeak (Eli Lilly's GLP-1 brand) during Q3 and is witnessing good traction with material opportunity in tier 2&3 towns. It is focusing on gTirzepatide launch but will enter gSemaglutide market depending on market dynamics. In-licensed brands account for less than 10% of the company's India portfolio. Management aims for double-digit growth in India ahead.
Lupin	<ul style="list-style-type: none"> Adjusting for loss of exclusivity in a couple of diabetes products, company's domestic revenue grew by 11.2%. Lupin entered into an exclusive partnership with a China-based company, Gan & Lee, for Bofanglutide – a novel fortnightly GLP-1, for Indian market. Management is confident of growing its India sales in double digits for next couple of years, driven by insulin and GLP-1 products. Management believes GLP-1 opportunity in India is INR 15bn; of which, Lupin may eye sales of INR 500-600mn. The company launched two new divisions, including obesity for launch of gSemaglutide and other GLP-1 products. Currently, it has 200 MRs across both these divisions.
Zydus Lifesciences	<ul style="list-style-type: none"> Domestic formulation business grew 12.9% YoY, led by traction across key therapies and innovative products. Branded biz continued to outperform IPM growth, led by the innovative portfolio (+23% YoY). The base biz of its consumer segment (ex- Comfort Click) delivered double digit volume growth. Zydus intends to be in the first wave of gSemaglutide launches in India. Apart from launching its own brand, it has also partnered with 2-3 companies for its novel semaglutide product (device) for India. This product provides ease of use to the patient at a lower cost while ensuring that the patient is on the same dose throughout the treatment regime. The company expanded presence in diagnostics through a strategic collaboration with Myriad Genetics of US. It launched three advanced tests viz. MyChoice, MyRisk, and Prolaris in precision oncology segment. India biz is expected to grow in double digits ahead.
Torrent	<ul style="list-style-type: none"> India biz grew ~14% YoY led by better volumes and momentum in cardiac, gastro-intestinal and diabetes (OAD) segments. Curatio portfolio grew 27% due to higher OTC ad spends and MR addition. Better volumes fetched 5.5% YoY growth; price hike aided 5.8% growth and 2.7% growth came in from new product launches Torrent added 100 MRs in Q3, taking the total count to 6,900 at the end of Q3. It may have 7,000-7,100 MRs by the end of FY26 and 7,500 in FY27. India biz is expected to outperform market growth ahead, led by field-force productivity improvement and growth in Curatio.
Glenmark Pharma	<ul style="list-style-type: none"> India business revenue grew ~22% YoY, led by new launches and market share gains across most therapies. Secondary sales growth of India formulation biz stood at 15.8% vs. overall market at 10.9% in Q3FY26. It witnessed a strong uptick in Innovative Oncology portfolio comprising Tevimbra, Brukinsa and Akynzeo. and is expected to meaningfully contribute to domestic growth ahead. Lirafit has maintained market leadership position and ahead management plans to launch other GLP-1 agonists in India. Chronic oncology and respiratory portfolios are likely to drive growth ahead.
Alkem	<ul style="list-style-type: none"> Adjusting for certain one-time sales in Q3FY25, India biz grew in double digits in Q3FY26. Alkem Wellness is carved out as a separate biz and is currently facing headwinds, though the core prescription business remains robust. The company plans to launch gSemaglutide in the first wave and may add dedicated MRs for this therapeutic group. Management aims to outpace IPM growth rate (pegged at 8-8.5%) by 100-150bps in FY26 and expects outperformance of IPM growth by 150-200bps post that.
JB Chemicals	<ul style="list-style-type: none"> Domestic formulation sales for Q3 stood at INR 6.2bn. As per IQVIA, the acquired ophthalmology brands from Novartis had revenue of INR 590mn in Q3FY26. Management is eyeing double-digit growth in ophthalmology portfolio ahead with monthly sales run-rate expected to inch up to INR 170-180mn in next couple of months. Razel franchisee grew 11% in 9MFY26. JB Pharma takes an average price hike of 7% every year in its overall India portfolio. The company had witnessed a slowdown in acute therapies like gastro-intestinal in Q3. India biz could continue to outperform the pharma market growth rate by 200-300bps in FY26.
Ajanta	<ul style="list-style-type: none"> Ajanta grew 11.4% YoY (volume 3.1%, new products 3.9%) vs. IPM growth of 8.9% YoY (volume 2.1%, new products 2.5% growth), as per IQVIA MAT Dec'25. New therapy of gynaecology is shaping up well and is likely to contribute meaningfully from FY27. Added 150 MRs in Q3 (300 in 9MFY26) across four therapies viz cardiology, ophthalmology, dermatology and pain management. Total MR count now stands at 3,750. It launched six new products in Q3 (16 in 9MFY26). Ajanta aims to be in the first wave of GLP-1 launch. Competitive intensity is expected to be lower in emerging markets with 4-6 players likely vs. India where ~15-20 companies are expected.

Company	India Business Commentary
Alembic	<ul style="list-style-type: none"> India biz grew at 6.2%, driven by better performance in gynaecology, ophthalmology and animal health segment while growth in anti-infective therapy was in line with the market. Alembic launched four new products in Q3. It aims to grow in line with market growth, driven by execution improvement in Q1FY27.
Natco	<ul style="list-style-type: none"> Domestic formulations revenue grew 24.7% YoY to INR 1.2bn. Approval for gSemaglutide is expected in Feb'26. Fill-finish of GLP-1 products has been outsourced to OneSource. Apart from India, Natco is actively pursuing GLP-1 opportunity only in regulated markets. gSemaglutide market in India is expected to be extremely competitive with 10-15 players. The company has total 600 MRs in India; of which, it has allocated 350 for gSemaglutide covering endocrinologist, specialists and consulting physicians. India biz is expected to grow 20% in FY27, mainly driven by gSemaglutide launch.
GSK	<ul style="list-style-type: none"> Revenue growth of 10% YoY was led by strong double-digit growth in key therapies, along with its specialty portfolio (Nucala, Trelegy and oncology brands). Vaccine portfolio (22-25% of sales) has delivered double-digit growth for six consecutive quarters. Fire at CMO manufacturing plant in May'25 disrupted supplies of Calpol and a few other brands. This issue has been resolved, with a normalised Nov'25 and supplies gaining normalcy in Q4FY26. Supply disruption and GST rate cut had an impact of 4% on H1FY26 revenue growth. Imposition of minimum import price (MIP) on PEN-G will not have any material impact on gross and EBITDA margins. Paediatric vaccines' portfolio recorded value growth of ~11% YoY led by double-digit growth in Boostrix, Varilrix and Havrix. Post the recent approval for primary line of treatment, Jemperli's addressable population size has increased from 800 to 6,000 patients suffering from endocrinal cancer. Regulatory approval for the rectal cancer indication is expected in CY26. Overall, on-field MR strength stands at 2,000 employees; company does not plan to add MRs in its general medicine and vaccine segment in the near term.
Akums	<ul style="list-style-type: none"> CDMO biz grew 16.3% YoY, driven by strong volume growth of ~27.6% YoY, which was partially offset by unfavourable pricing and mix. API pricing stayed under pressure; however, stabilisation in certain molecules and disciplined cost management have helped it mitigate the impact on margins. Losses in trade generics were curtailed, though the quarterly run-rate may rise in Q4FY26. Through better control on overheads, Akums has managed to improve the margin profile of domestic branded formulations biz to ~22%. Management aims to grow this biz in India at par with market growth rate in FY27. The company's API biz remained under pressure with pricing softness persisting across key molecules; however, the pace of decline has moderated. Cephalosporin prices continue to trend lower, but the losses have been controlled.
Innova	<ul style="list-style-type: none"> CDMO business growth was driven by better order flow from existing and new clients coupled with introduction of new products. It recorded volume growth of 6-10% YoY (ex-Jammu) while residual growth came from product and sales mix improvement. API prices are stabilising on a sequential basis, though prices continue to be lower than last year. Cephalosporin prices have witnessed a slight increase in the last couple of months. Jammu facility is ramping up well with supplies to most (out of 14) customers expected to start by Q1FY27. In Q3, it recorded revenue of INR 890mn vs. INR 600mn in Q2.

Source: Company data, I-Sec research

Exhibit 5: Q3FY26 - US Commentary

Company	US Business Commentary
Sun Pharma	<ul style="list-style-type: none"> Revenue grew a marginal 0.6% YoY, mainly led by the innovative biz while revenue of its generic biz (ex-gRevlimid) declined due to competition in certain products. Sun recorded a small contribution from gRevlimid sales in Q3. In Q3, it launched three new generics and innovative drug Unloxyt in US. Growth recovery for generic portfolio in US is dependent on few plants regaining regulatory compliance, though, innovative portfolio could continue to grow. Sun is re-evaluating its strategy for biosimilars including manufacturing and profitability of the venture.
Aurobindo Pharma	<ul style="list-style-type: none"> US sales dipped 3.4% YoY to USD 420mn. Ex-sales of gRevlimid, US oral solid portfolio recorded a healthy growth (price erosion stood at 1%) and overall revenue grew 9% YoY while gross profit and PAT were up 13% and 15%, YoY, respectively. The company launched nine products and received approvals for seven ANDAs from the USFDA in Q3. Revenue generation from new manufacturing facility in Dayton will start from FY27. Lanett acquisition will complete in Q1FY27 and will further strengthen the company's US biz. Liability arising from settlements will be paid by Lannett while Aurobindo will only pay the agreed deal amount on closure of the deal. US OTC biz has picked up in the last three years and is a fast-growing segment within the US portfolio. It is on track to launch Pomalidamide in the US in Q4FY26. The recent 11 observations by the USFDA for Unit 3 were procedural in nature.
Dr. Reddy's Labs	<ul style="list-style-type: none"> Sales declined 15.7% YoY mainly due to lower sales of gRevlimid and pricing pressure in base portfolio. During Q3, it launched six new products (18 in 9MFY26) and filed four new ANDAs with the USFDA (10 for 9MFY26). The company will continue to sell gRevlimid in Q4FY26; however, it will no longer be bound by the agreement with the innovator. Received a form 483 with five observations post a GMP and a PAI conducted by the USFDA at FTO-SEZ PU-01 (formulations facility) in Srikakulam, Andhra Pradesh. The company has filed its reply with the USFDA within the stipulated timeline. Management expects single-digit growth in US (ex-gRevlimid) going forward.

Company	US Business Commentary
Lupin	<ul style="list-style-type: none"> Revenue grew 45.8% YoY driven by strong traction in Tolvaptan, Mirabegron and Risperidone Consta and higher volumes in base biz including products like Albuterol and Oseltamavir. Company has settled Mirabegron with Astellas by agreeing to pay USD 90mn and a part of its sales of this product till Sep'27. Lupin has 40% market share in Mirabegron; management is looking to gain market share in this product and expects it to be a material contributor for next two years. Lupin has 35% market share in Tolvaptan. Difficulty across manufacturing and regulatory approvals for competitor have resulted in extended exclusivity in Tolvaptan for Lupin. Injectables like glucagon, respiridone and liraglutide will boost growth ahead, while other filings include dalbavancin (generic and 505 b(2)), eribulin (smaller product), iron sucrose. Injectables and biosimilar (bPegflgrastim, bRanibizumab and bAflibercept) portfolios are likely to have USD 100mn of sales each in next couple of years. Lupin has a sole FTF in Xywav with launch targeted in FY29 and is likely to launch bEtanercept in FY30. The company is working on several 505 (b)(2) products, which will be commercialised from FY27. Pharmacy Benefit Managers (PBMs) are tying up with biosimilar manufacturers to improve access and regulatory burden has eased which may result in higher competition. Lupin has been very selective and is developing only those products that it can launch in first wave and has a technological advantage. Management is confident of sustaining annual revenue rate at USD 1bn on account of multiple growth drivers.
Cipla	<ul style="list-style-type: none"> US sales stood at USD 167mn, down 26.1% YoY due to lower revenue of gRevlimid and supply challenges in Lanreotide from Dec'25. Ex-gRevlimid sales last year, it recorded a double-digit growth in US in Q3. Manufacturing of Lanreotide was temporarily halted in Dec'25, following the USFDA observations at its partner Pharmathen's facility and re-supply is expected in H1FY27. Supply will be limited till remediation is complete and the company is in advanced discussions for alternate site for future de-risking. US revenue in FY27 is likely to be lower than previously guided USD 1bn due to supply issues in Lanreotide. New launches will fill in the sales gap of gRevlimid though these products may have lower gross margins than gRevlimid. Management does not anticipate any impact on commercial prospects of its future pipeline products due to issues at Pharmathen's facility. It aims to launch four respiratory assets (for two of which Cipla is expected to be the sole generic player in initial phase) including gAdvair. These assets will have good gross margins as most of them are manufactured in-house. It will launch gLiraglutide in Q4FY26. Management anticipates a reinspection of its Indore manufacturing plant by the USFDA in the near term.
Zydus Lifesciences	<ul style="list-style-type: none"> Volume of base portfolio grew 11% in CY25. gRevlimid was not a major contributor in Q3 and management anticipates Q4FY26 EBITDA margin to contract to 23% vs. ~33% last year due to negligible sales of gRevlimid. Zydus launched four new products and received approvals for eight ANDAs (incl. four tentative approvals) from the USFDA in Q3. The company launched 505(b)(2) product Beizray (albumin solubilised docetaxel injection) during Q3. It entered into an exclusive licensing and commercialisation agreement for a novel sterile injectable 505 (b)(2) oncology product. NDA filing with the USFDA is expected in CY26. It completed the acquisition of two US-based biologics manufacturing facilities in Q3. Zydus entered into an exclusive in-licensing partnership for bPembrolizumab (Keytruda). Read out of phase-1 trial is likely in CY26 while launch could be along with other filers at the time of market formation (likely in CY29). It acquired commercial rights for Nufymco (interchangeable bRanibizumab) for which the USFDA has approved biosimilar application (BLA); US launch likely in H2FY27. bPembrolizumab and bRanibizumab will be supplied from Formycon's manufacturing facility in Europe and it may subsequently look to add an additional manufacturing source. In Jan'26, it received approval from the USFDA for Zycubo (copper histidinate), only approved therapy for ultra-rare Menkes disease. It aims to launch 4-5 sizeable products in FY26 and 40-45 products in FY27. Management is confident of growing its US generic portfolio in FY27.
Glenmark Pharma	<ul style="list-style-type: none"> Ex out-licensing deal income, core business grew 4.1% YoY. Glenmark launched four products in Q3. It is awaiting approvals for two generic nasal sprays as well as for gFlovent 44mcg pMDI in the near term. Glenmark has filed gFlovent 110mcg in Dec'25 and more respiratory products will be filed over the next 3-6 months. The company filed two ANDAs in Q3 and plans to file three more in Q4FY26. Glenmark received EIR for formulations manufacturing site in Monroe with a VAI. The company plans to restart commercial manufacturing in Q4FY26 for two approved products, and break even on operating level is expected in next four years with ~3 filings annually from the site. Going forward, products to the US market will be filed and commercialized mostly from Aurangabad and Monroe plant. Indore and Goa have a pending warning letter from the USFDA and hence the company has transferred some products to a CMO in US. It has discontinued US commercialisation and filing from Baddi plant.
Torrent	<ul style="list-style-type: none"> Constant currency growth of 12% YoY to USD 36mn was led by new launches and better volumes for existing products. Management is targeting to clock USD 200mn in sales by FY27 on the back of new launches.
Natco	<ul style="list-style-type: none"> Sales of gRevlimid were negligible in Q3FY26 and management does not expect any contribution from it ahead. None of the company's competitors have final approval from the USFDA for gSemaglutide. Natco has sole FTF for both the products (Ozempic and Wegovy). Natco has a strong pipeline of launches in US over the next 12 months. Approvals are likely to increase with the recent clearance of a warning letter at its Kothrud facility. Natco recently filed Niraparib (oncology product) in US, though not a FTF opportunity. One shared FTF will be launched in FY27. The company has settled Carfilzomib for US market. It has shared exclusivity for 60mg and sole FTF in other strength. Also, it plans to launch one shared FTF in FY27. Management aims to file 2-3 limited competition products in US every year.

Company	US Business Commentary
Ajanta	<ul style="list-style-type: none"> US grew 51.7% YoY to INR 4bn on the back of eight new launches and volume growth across existing products. Management is confident of sustaining its quarterly revenue run-rate in the near term and anticipates double-digit growth in this biz in FY27.
Alkem	<ul style="list-style-type: none"> Revenue growth was mainly led by new launches and higher volumes. It received seven ANDA approvals and filed two ANDAs with the USFDA. Alkem may launch bDenosumab in US by end of CY26 due to patent protection.
Gland Pharma	<ul style="list-style-type: none"> Launched nine molecules in the US in Q3, including Argatroban, Acetazolamide and Doxycycline. Growth in base biz was driven by products like Enoxaparin, Daptomycin, Diazepam. Gland has 15 products in co-development (including seven 505(b)(2) and eight ANDAs), with commercialisation anticipated to begin in FY28. It filed nine ANDAs and received approval for four products in Q3FY26. The company filed 20 ready to use (RTU) infusion bag products and has received approvals for 16 so far; 13 more are under development.

Source: Company data, I-Sec research

Exhibit 6: Outlook

Company	Guidance
Sun Pharma	<ul style="list-style-type: none"> R&D spending to be 6% of sales in FY26; likely to increase from current levels in FY27 due to clinical spend of GL0034 (Utreglutide). Marketing spend of Unloxcyt is likely to increase overall promotional cost of the company in H2CY26. In Q3FY26, the company initiated Phase 2b trial of GL0034 for diabetes indication, which should complete in next 12-18 months. Innovative medicines for US and emerging markets remain a key priority in Sun's M&A strategy for which the company is comfortable raising debt.
Aurobindo Pharma	<ul style="list-style-type: none"> For injectables, the management expects double-digit growth in FY27 driven by ramp-up in supplies. Management is confident of surpassing its EUR 1bn revenue guidance from Europe by the end of FY26. The company has incurred capex of USD 120-130mn so far under TheraNym Biologics and will further spend USD 80mn over the next two years. Aurobindo has a robust pipeline of eight early-stage biosimilar candidates in development with a total addressable market opportunity estimate of >USD 50bn in CY32. The company plans to file bOmalizumab and bDensoumab in EU & US by Jul'26 while bTrastuzumab 600mg sub-cutaneous dose is likely to enter clinical studies in CY26. The company plans to foray in Brazil; regulator ANVISA is scheduled to inspect the plant in May'26 post which it may be able to launch four new products in Brazil. PEN-g plant has reached utilisation of 65-70% and achieved EBITDA break-even with margins expected to improve from FY27. Imposition of MIP will boost the manufacturing of API while full benefits with rise in Amoxicillin prices will be visible from Apr'26 along with the start in external sales. The company is eligible for PLI incentive of INR 2.4bn on production of 10,000MT. EBITDA margin for FY26 is likely to be in 20-21% range.
Dr. Reddy's Labs	<ul style="list-style-type: none"> Management expects double-digit growth in other non-US markets going forward. R&D spending is likely to be 7-8% of sales for FY26. Gross margin of the company is expected to be between 50-55% in FY26. Complete integration of the acquired NRT portfolio is expected to be done by FY26 end (85% completed as of Dec'25). Operating expenses are expected to remain in the range of 28-30% ahead. In mid-Nov'25, the company submitted the response to Pharmaceutical Drugs Directorate in Canada for notice of non-compliance for semaglutide injection. Management expects a revert from the regulator by May'26 and is aiming to launch this product between Feb-May'26. Management does not anticipate an inspection of manufacturing plant from Health Canada for gSemaglutide approval. The company plans to launch gSemaglutide in India on 21 Mar'26 and Brazil by Jul'26. It plans to launch the product in ~80 markets. Abatacept is likely to be filed in Europe in Jul'26 and the launch is targeted by Jul'27. Aurigene Pharmaceutical (CDMO business) is likely to generate revenue of over USD 100mn in next 2-3 years. DRL has booked 12mn capacity for CY26 and has scope to increase capacity to 50mn in the long term. In-house fill-finish capacity is expected to be ready in ~12 months, post which it will also tie up with partners.
Divi's	<ul style="list-style-type: none"> Phase 1 of capacity expansion at Kakinada is ongoing and company is evaluating to enter phase 2 and start four new blocks. Three commercial molecules for dedicated projects are in validation stage currently, likely to commercialise in H2CY27. Post validation, products are sent to customers who then seek regulatory approvals while in the meantime, Divi's would start to build capacity or vacate existing capacity at Kakinada to scale up these products. The company aims to reach a gross asset turnover of 1.5-1.8x going ahead. Capex (ex-CS project) ahead is likely to be in line with historical trend. Withdrawal of export tax rebate on basic chemicals by China from Apr'26 may impact prices of a few KSMs in the near future. The company is qualifying additional suppliers and increasing inventory to manage the impact. Management does not foresee any impact from it for the next six months. The company has not hedged its currency exposure.
Cipla	<ul style="list-style-type: none"> Gross margins are expected to be between 60-65% ahead. Management lowered its FY26 margin guidance to 21% (22.75-24% earlier) on account of higher R&D, commercialisation of new launches and lower revenue contribution from gRevlimid and Lanreotide (150-200bps margin impact) in Q4FY26. R&D spend is expected to be between ~5-6% of sales though may fluctuate on QoQ due to development cost of certain niche products like oligonucleotides. Implementation of new labour codes could impact margins ahead. Growth slowdown in One Africa was due to inventory destocking impact and is expected to normalise by Q4FY26.
Lupin	<ul style="list-style-type: none"> R&D is likely to be between 7.5-8% of sales for FY26 and FY27; however, could increase in value terms, as the company increases spend on complex products. FY26 EBITDA margin is likely to be ~27-28% (vs. 25-26% of guidance earlier). While, for FY27, it may come down to 24-25%. Higher R&D and lower PLI incentive may exert pressure on margins in Q4FY26. Effective tax rate for FY26 is likely to be between 21-22%. It recorded provision of USD 15mn for settlement payment to Astellas while the balance USD 75mn would be amortised every quarter till Sep'27. It would expense out-licensing fee (above EBITDA) on sales of Mirabegron every quarter. Mirabegron would continue to be an attractive product for the company at EBITDA-level, even post settlement. Visufarma acquisition is expected to be completed in Q4FY26. It will add annual sales of EUR 55-60mn with margin of 21% (expected to scale up to 25-30% gradually). The company is looking to acquire specialty assets (deal size USD 250-300mn) for developed markets like US and Europe and branded biz in India.
Zydus Life	<ul style="list-style-type: none"> Other expenses (ex-R&D) are likely to remain in INR 17.5-18bn range per quarter. It may further incur marketing spend for Saroglitazar (likely in FY27) and ~USD 20mn for Agenesis. R&D spending is expected to be ~7.5-8% of sales in FY26. Management aims to achieve ~23% EBITDA margin in Q4FY26, as its consumer business (including Comfort Click) and Amplitude Surgicals could be a drag on margins. Zydus' global vaccine portfolio is likely to clock revenue of INR 10bn in a few years.

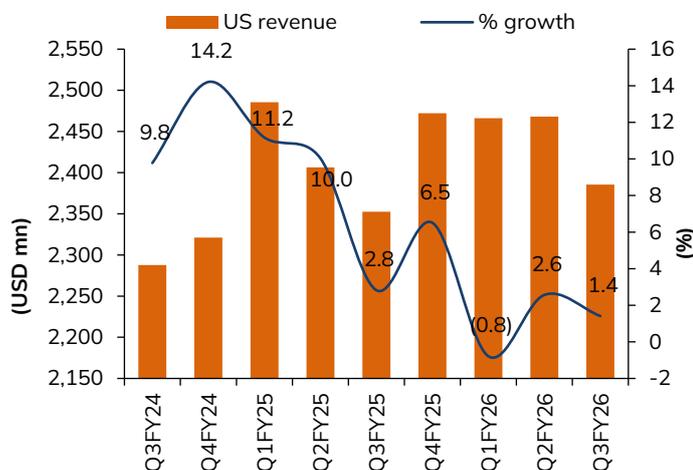
Company	Guidance
	<ul style="list-style-type: none"> The company may take 12 more months to launch gSemaglutide in a few markets apart from India. Commercialisation of bio CDMO biz would start from H2FY27 and could take a few years before it fully scales up. The company prefers equity raise only to fund an acquisition while current cashflow from the business should suffice to run routine operations. The company may do 1-2 deals (including in-licensing) in FY27 to strengthen its specialty portfolio. In Feb'26, Zydus settled its US patent litigation with Astellas regarding Mirabegron, and will pay upfront settlement fee of USD 120mn and licensing fee on sales till Sep'27.
Glenmark Pharma	<ul style="list-style-type: none"> EBITDA margin is expected to jump to ~23% in next four quarters, post which Aumolertinib and Hanroi launch across the markets will boost margins from FY28. The company remains on track to repay its entire gross debt by Mar'26. Annual capex outlay is expected to be ~INR 7-8bn. The company has received the marketing authorisation approval for Winlevi in the EU and is planning to initiate the commercial launch in its licensed EU territories by Q1FY27. Europe is expected to record single to low double-digit growth ahead. Secondary sales in Africa are expected to recover from Q4FY26 while launch of Aumolertinib in emerging markets in FY27 will boost strong growth from the region. Ryaltris is commercialised in 52 countries and is expected to be launched in 10-12 more countries in near term while QiNHAYO's commercial launch is expected by FY27. With regard to pipeline of its innovative portfolio (IGI) - ISB 2001 will continue dose expansion and is rapidly enrolling patients, IND for ISB 2301 is expected to be filed before CY26-end, and Phase-1 trial of ISB 830 was initiated in H1CY25 and company is engaging with partners to accelerate its development.
Torrent	<ul style="list-style-type: none"> Q4FY26 growth may be muted in India and international markets; management is confident of a bounce back in FY27. GLP-1 products will be first launched in India (in March), followed by other markets. It has capacity for oral solid products while other dosages would be launched through a partner. Torrent may launch GLP-1 products in Brazil next year; company believes it may have decent market opportunity despite a late entry. Management anticipates 45-50% price erosion post entry of generics in gSemaglutide. The company is yet to file oral solid gSemaglutide in the Brazilian market, but it is confident of securing a timely approval for Wegovy there. Torrent has acquired ~48.8% in JB Chemicals and would consolidate it in financials w.e.f. 21 Jan'26. Torrent would file an application with NCLT for its merger with JB Chem; approval is likely to arrive in next 6-8 months. Management aims to garner cost synergies of INR 4-4.5bn from JB Chemicals; of which, ~INR 800-900mn will be achieved in FY27. Revenue synergies would be evaluated post completion of the merger. Acquisition-related goodwill to be amortised by Torrent over a period of 15 years. In the next few years, management would work towards lifting JB's margin (28-29% in 9MFY26) at par with Torrent's (32-33% in 9MFY26). Torrent is planning to divest JB's trade generic biz, which is not contributing to EBITDA currently while it may not do so for JB's international operations.
Biocon	<ul style="list-style-type: none"> Management is optimistic of growing the biologics business at a faster pace in the near term; biosimilars launches may take over 4-6 quarters to reach their potential. Health Canada follows a different approach for approval of GLP-1 drugs. Regulatory guidelines are evolving resulting in a delay in approvals for generics. Management is confident of approval for gSemaglutide in Canada next year. gSemaglutide market in India is expected to be quite competitive. Biocon has partnered with two companies in India for gLiraglutide as the company has divested India branded business to Eris earlier. It will file gLiraglutide in other markets too. Performance of Syngene was impacted in Q3 due to disruption in order inflow at one manufacturing customer which is expected to normalise over time. The company is planning to double its insulin drug product capacity in Malaysia by FY27 on account of growing demand. Besides, it is also adding insulin drug substance capacity ahead. Overall capex spending is expected to decline from USD 275mn to USD 225mn. Further moderation is expected post the commercialisation of Malaysian facility. It is also expanding drug substance and commissioned drug product facility for GLP-1 drugs. Going ahead, it plans to incur only maintenance capex for generic division. Operating leverage on recently added capex to play out in the near term. Other expenses could be flattish going forward and may boost operating leverage. Current debt on balance sheet stands at USD 1.1-1.2bn; company has retired structured debt in Biocon Biologics from recent equity fund raise. The company targets INR 3bn in interest cost savings in FY27 due to repayment of structured debt of Biocon Biologics.
Alkem	<ul style="list-style-type: none"> Implementation of MIP on PEN-g and other products may impact Alkem's gross profit by INR 800mn-1bn. Management may offset the impact partially by taking price hikes in trade generics segment. It is maintaining 5-6 months of raw material inventory on its books. Alkem would buy up to 55% stake of Switzerland-based medtech company, Occlutech, from existing shareholders and current promoter (who will hold some stake post deal). Alkem may evaluate to acquire the balance stake in a few years. Current promoter and other senior executives of Occlutech would stay for next one year. Most large-ticket investments in medtech segment are behind. Occlutech is likely to record sales of INR 10bn (INR 6bn in CY26) with ~22% margin (~10% margin expected by FY27) in next five years. EBITDA margin expansion would be boosted by operating leverage and cost curtailment. Occlutech has debt of INR 4.5-5bn on balance sheet at 10% interest rate which Alkem is likely to refinance at a cheaper rate of 5%. In orthopaedic segment, the company plans to command 10% volume share (~50,000 implants) in Indian medical device market. Enzene and medtech would be value-accretive businesses for the company and both the businesses have the potential of ~25% margins in the next few years.
Natco	<ul style="list-style-type: none"> It has net cash balance of INR 25bn, which could be used for M&A. The company is actively exploring two M&A deals (similar size to Adcock) likely in the branded generic segment in emerging markets and expects to close one acquisition in CY26.

Company	Guidance
	<ul style="list-style-type: none"> Natco is on track to register revenue of INR 40bn in FY26 (INR 7-7.5bn in Q4FY26). FY26 PAT guidance maintained at INR 12.8-13bn. Complete benefit from Adcock acquisition will be visible in two years. R&D costs are likely to be ~8% of sales. Natco is looking for partnership for complex generics and would share the R&D cost while it is doing sole R&D for some products. The company has received clearance for Kothur and Mekaguda facilities; it is awaiting classification for Chennai facility in next 30-40 days while Vizag facility would be inspected in CY26. On NCE front, eGenesis trial is progressing well and it could be a potential multi-bagger. Natco had invested in the company in early stages at a modest valuation.
Ajanta Pharma	<ul style="list-style-type: none"> Overall revenue growth for FY26 is expected to be in mid-teens while gross margin is likely to be ~77-79%. Recovery in Asia biz is anticipated in Q4FY26, as a few shipments have spilled over from Q3FY26. This segment is expected to grow 5-9% in FY26 (1.5% in 9MFY26). Africa's institution biz is likely to grow at a modest pace in FY26, signifying a strong traction in Q4FY26. As a % of sales, other expenses may remain at 9MFY26 levels while R&D shall remain at ~5%. EBITDA margin guidance maintained at 26-28% for FY26. Effective tax rate shall be ~23%. It would incur capex of INR 3bn in FY26. Ajanta aims to venture into newer therapies in international markets and enter in new territories like Latin America. It may also pursue M&A in these areas.
Alembic Pharma	<ul style="list-style-type: none"> R&D expenses could be in the range of INR 6-6.5bn (~8-9% of sales) in FY26. Gross margin could continue to be in the range of 70-75%.
JB Chemicals	<ul style="list-style-type: none"> Management has re-iterated gross margin and EBITDA margin guidance of 67-69% and 27-29%, respectively, for FY26. Balance ESOP charge out of the annual INR 400mn will be taken in Q4FY26 if Torrent acquires the stake from employees. For international generics segment, the company eyes double-digit growth in Q4FY26 led by a strong orderbook, translating into a high single-digit growth in FY26. CDMO biz is expected to clock revenue of INR 1.15-1.2bn in Q4FY26, while 10-12% revenue growth is likely in FY27.
Piramal	<ul style="list-style-type: none"> Management has reiterated its FY30 guidance of USD 2bn in revenue with 25%+ EBITDA margin. Management has maintained its FY26 guidance of flattish revenue and low teens EBITDA margin (including other income). The company is in touch with its customer of the large on-patent commercial product, though it has still not provided any timeline for resuming supplies. Lead time between order inflow and execution will be three quarters. Payload capacity at Riverview plant is set for commercialisation in Q4FY26 while expansion at Lexington plant will be done by end-FY27. Asset turn for overseas facility is currently below 1x, but is expected to be higher at 2-2.5x at scale. While Q4 is historically the strongest quarter driven by the CDMO biz, management anticipates sequential growth this year. It has 30+ products in phase-3 pipeline primarily containing products in areas of oncology, metabolic disorders and rare disease. Piramal Pharma has received the approval to sell Complex Hospital Generics (CHGs) manufactured at Digwal plant to regulated market. However, it is targeting supplies to lesser-regulated markets first, for which all approvals will likely flow in next 12-18 months. The company may continue to look for co-development, licensing and acquisition opportunities to boost growth in its CHG base business. It entered into an agreement to acquire Kenalog brand from Bristol-Myers Squibb (acquisition to be concluded in next three months), EBITDA margin of this brand is expected to be in line with Piramal's existing CHG business margin. Annual capex outlay is likely to be in the range of USD 70-100mn; however, it is slightly higher currently due to expansion at Lexington and Riverview facilities. Leverage for margin enhancement ahead include better capacity utilisation at overseas facility in CDMO biz and operating leverage in consumer health segment. In the long term, ETR is expected to stabilise at 24-25%.
GSK	<ul style="list-style-type: none"> Management aspires to grow its revenue at 12-13%, doubling its revenue in next 5-7 years. Profitability should broadly grow in line with revenue growth. The company's base biz, including general medicines and vaccines, is expected to continue delivering high single-digit growth. Development and launch of ADCs is one of the key focus areas for the company globally. Company's parent has 12-15 ADCs in development, which would also be launched in India. Products launched in the last 3-4 years are likely to contribute 10-15% of revenue in FY27. Employee costs likely to grow at 7-8% ahead.
Akums	<ul style="list-style-type: none"> Management expects double digit volume growth for its CDMO biz to continue in Q4. Management aims to grow its branded biz in India at par with market growth rate in FY27. Akums' oral liquid plant has received EU-GMP certification and supplies will start in FY28. It is a fixed price-based contract with EUR 35mn worth of annual shipments and will last for five years till Dec'32. EU-GMP certification of plant 1 was successfully renewed and supply of finished oral formulations to Europe will start in FY27. Regarding the Zambia JV, the company expects margin of 15-17% from the Indian plant while cost efficiencies will lead to better margins once it commissions Zambia facility. Utilisation at injectable facility is currently low; however, contribution to overall CDMO injectable facility to improve by Q2/Q3FY27. Implementation of MIP on PEN-g and its derivatives may have a marginal impact on its profitability. Overall capacity utilisation stood at 47% while peak utilisation can range between 55-60%.
Innova Captab	<ul style="list-style-type: none"> Management expects its overall FY27 revenue to grow at 20%. EBITDA margin to sustain at ~15% in the near term, with scope of improvement as Jammu becomes EBITDA positive. Management has maintained sales guidance from Jammu plant of INR 2.7-2.8bn for FY26. At peak utilisation of 55-60%, this facility can have annualised revenue of INR 14bn. Jammu facility is likely to turn EBITDA and PAT positive in FY27. The company is witnessing good traction in own brands in international biz.
Cohance Life	<ul style="list-style-type: none"> Management expects FY26 revenue to decline in early to mid-double digits YoY (vs. earlier guidance of flattish revenue).

Company	Guidance
	<ul style="list-style-type: none"> Management expects revenue growth to return in FY27 led by product filing and product pipeline. It is committed to long-term revenue guidance of USD 1bn, though, may face some delays in achieving it. Growth recovery is anchored on execution, with focus on RFP conversions, capacity commissioning and commercial scale-up through business development. Remediation actions at Nacharam (less than 2% of total revenue) post OAI and subsequent Warning Letter are well underway with active regulatory engagement. Four phase-III projects are expected to commercialise in FY27, including two already approved by the USFDA and are in the initial launch phase. Further, one of the molecules has received priority review status and clinical readout of the last one is expected to happen in Canada in CY26. One large commercial molecule is likely to lose patent protection, resulting in lower volumes ahead. NJ has filed one new payload and three additional filings are expected in FY27. Recovery in NJ Bio's performance is expected beyond FY27 as capacity expansion has been deferred in line with programme timeline.
OneSource Specialty	<ul style="list-style-type: none"> Management anticipates a strong recovery in growth H2FY27 onwards. Management reiterated FY28 revenue guidance of USD 500mn (USD 400mn organic) and EBITDA margin of ~40%. Apart from the ongoing USD 75mn capex, iOneSource may need to increase microbial capacity in the near term. Semaglutide is expected to lose patent protection in ~100 EMs by Mar'26 and by Apr'26, many of the company's partners are expected to receive certification. Canada would be the second-biggest market for gSemaglutide followed by Brazil and Turkey. Peak utilisation on 40mn DDC capacity can be 70-75% in FY27. Management aims to maintain net debt to EBITDA level of <1.5x in the near term. Working capital was higher due to planned inventory buildup (backed by customer purchases and agreement) for upcoming DDC launches; to normalise over FY27.
Gland Pharma	<ul style="list-style-type: none"> Management aims for a 15% CAGR in the base biz over the next five years. For FY27, it expects consolidated biz to register growth of 12-13%, which may accelerate if it gets approval for CMS filing in the next six months. Cenexi is on track to achieve annualised revenue of EUR 200mn in FY27. For base biz, it would incur capex of INR 2.5bn FY26 and INR 4bn in FY27 while for Cenexi, company plans to incur EUR 25mn in FY26. Gland estimates ~INR 20bn worth of capex over the next five years, mainly towards increasing capacity for vials and lyophilized injectables VFS, ophthalmology and suspension products. Most of its existing high-value product lines are operating at utilisation levels of 80-90%. Asset turnover for these new lines is expected to be over 3x. Management expects strong performance in H2FY26, with base business growing ~20% and Cenexi maintaining quarterly revenue run-rate of EUR 50mn in the near term with positive contribution to EBITDA. ESOP charges are expected to reduce in FY27, though, overall cost in P&L may be higher vs. FY26, as it started recording the charge in mid-Q1FY26. Gland is in talks with 7-8 customers for GLP-1 products. Several clients have signed up for semaglutide generics as well. Out of the 40mn cartridge capacity, it has an orderbook to utilise 15-20mn capacity in FY27. Further, it is in talks with a company for insulin fill-finish, which would help to ramp-up utilisation for the balance capacity. Gland is increasing its cartridge capacity from ~40mn to 140mn units. Manufacturing of exhibit batches from the additional 100mn capacity is likely to start from Q2FY27. Biologics reactor capacity is being raised from 8KL to 23 KL (greenfield expansion) for which Gland is in active discussions with a few companies.

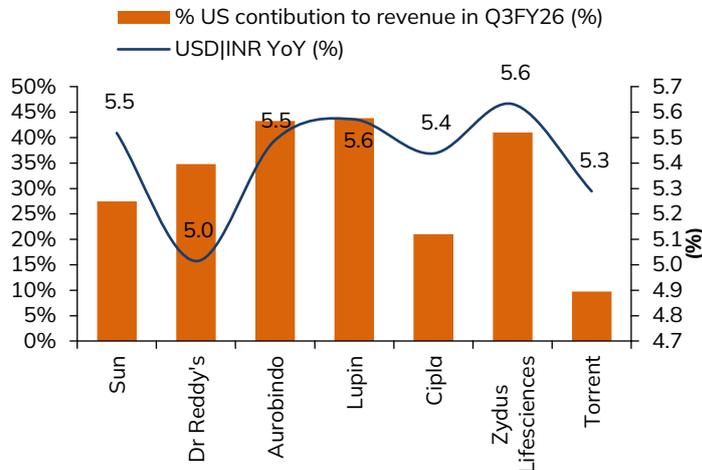
Source: Company data, I-Sec research

Exhibit 7: Lower sales of gRevlimid and pricing pressure dampens US growth



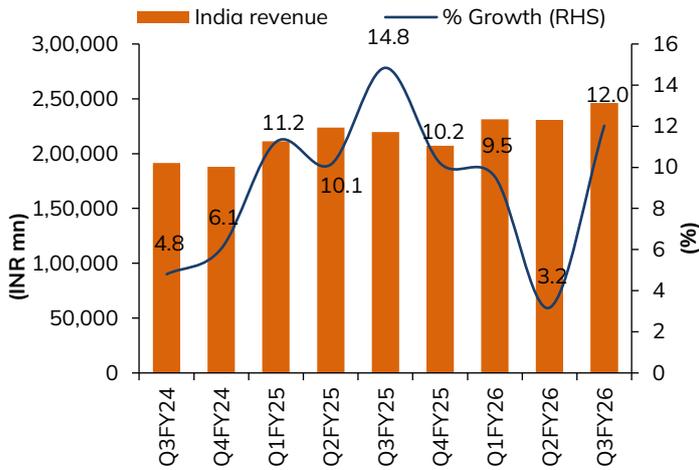
Source: Company data, I-Sec research

Exhibit 8: Depreciation of INR boosted reported US sales by 5-6%



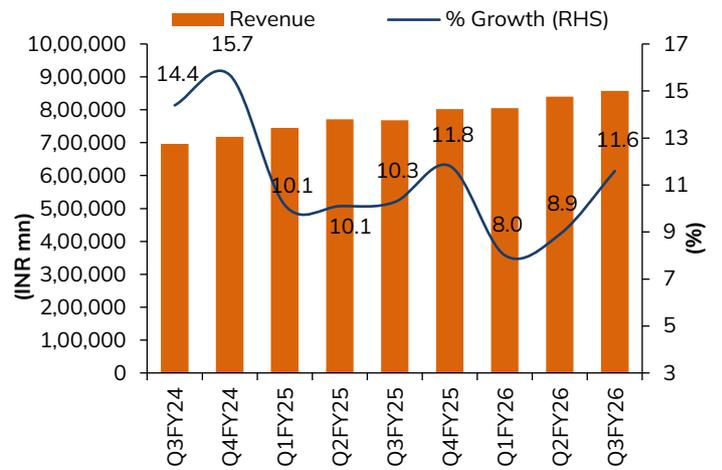
Source: Company data, I-Sec research

Exhibit 9: Domestic business continues to outperform market growth



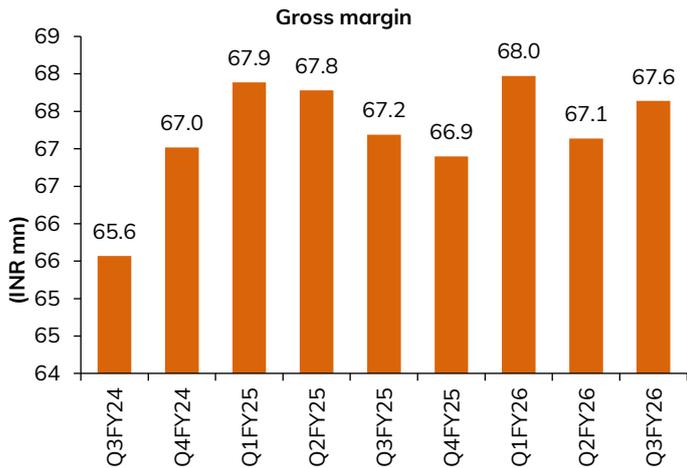
Source: Company data, I-Sec research

Exhibit 10: Revenue of our coverage universe grew 11.6% YoY



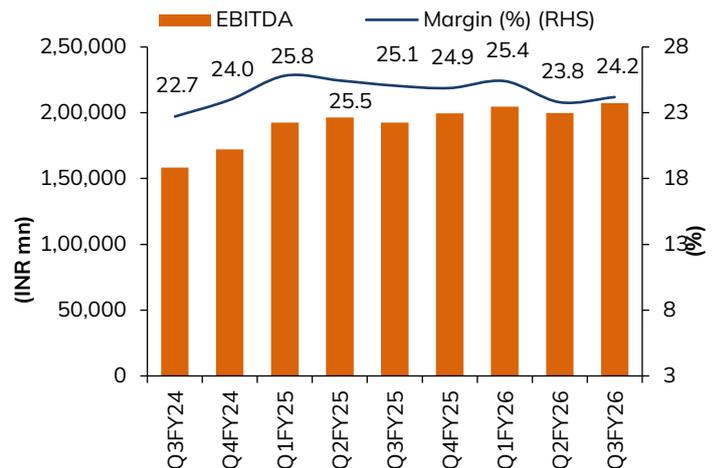
Source: Company data, I-Sec research

Exhibit 11: Favourable mix led to expansion in gross margins



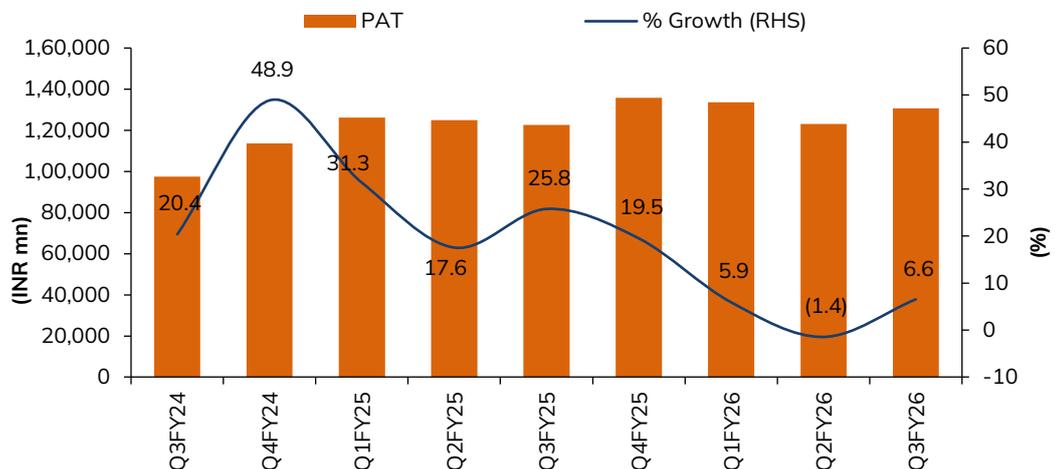
Source: Company data, I-Sec research

Exhibit 12: EBITDA margin contracted 87bps YoY due to rise in overheads



Source: Company data, I-Sec research

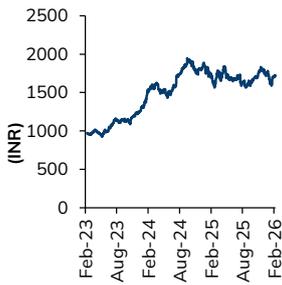
Exhibit 13: Adj. profit for our pharma coverage universe grew 6.6% YoY



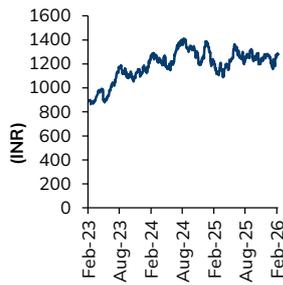
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Price charts

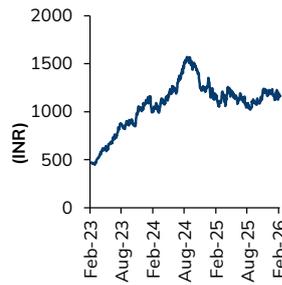
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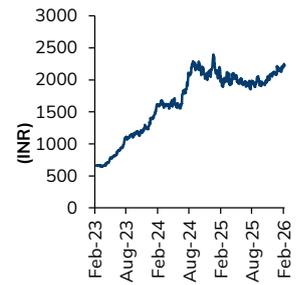
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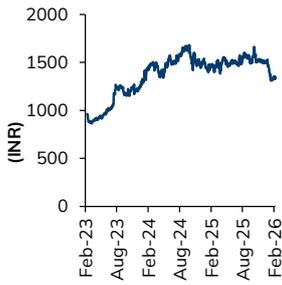
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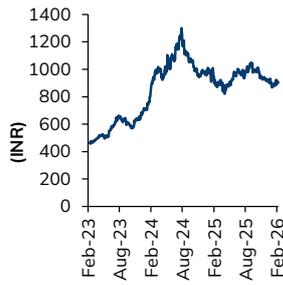
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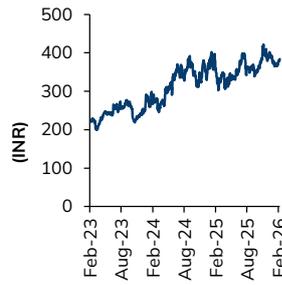
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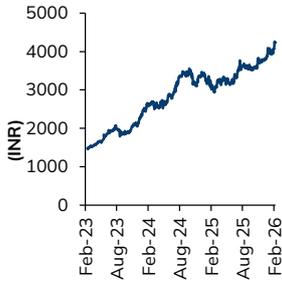
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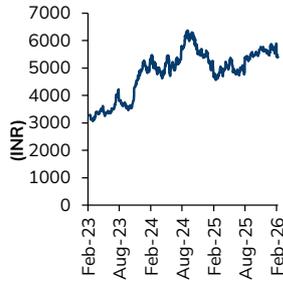
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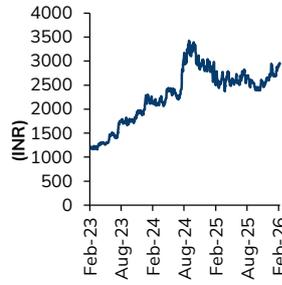
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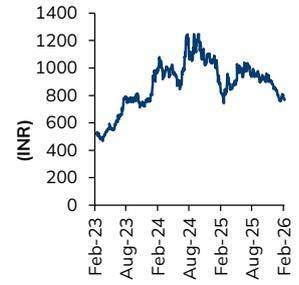
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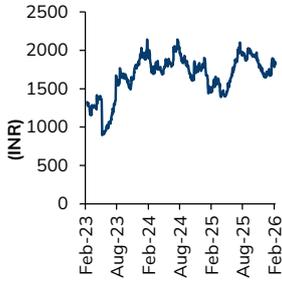
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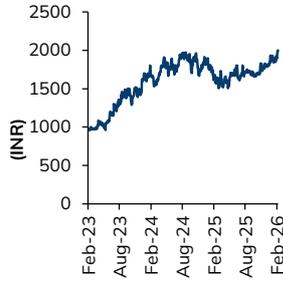
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Gland Pharma



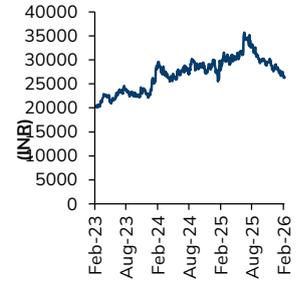
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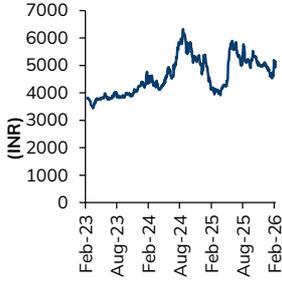
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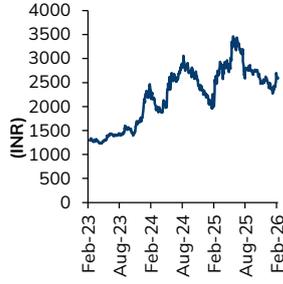
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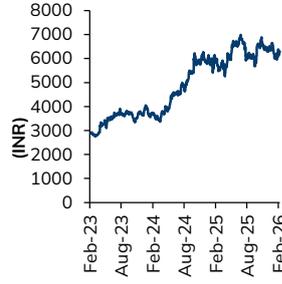
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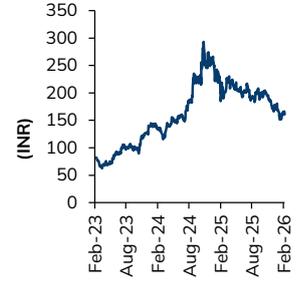
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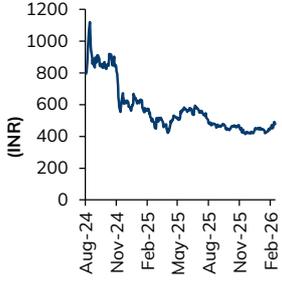
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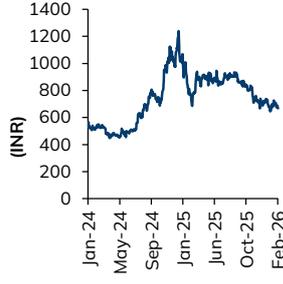
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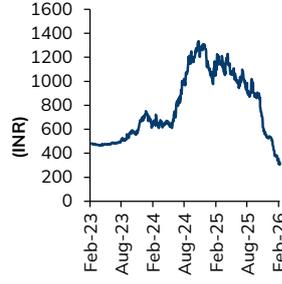
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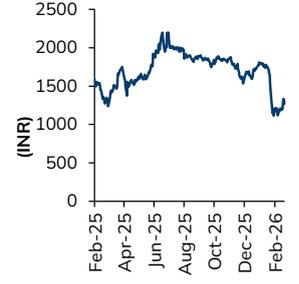
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