

10 July 2025

India | Equity Research | Quarterly results preview

Pharma

Q1FY26 preview: Anticipate a modest quarter

We expect revenue across our coverage companies to grow at a modest pace of 9.4% YoY, primarily driven by India (+9.9%), while US growth (+2.7%) could moderate as companies start facing the brunt of lower sales in gRevlimid. We expect our coverage companies to report 9.4%/9.6%/11.1% YoY growth in revenue/EBITDA/PAT in Q1FY26. We build in USD 125/40/40/25/25mn from gRevlimid for Dr Reddy's/Zydus/Cipla/Aurobindo/Sun. Further, in Q1FY26, we see USD 35mn/50mn from gSprivia/gMyrbetriq for Lupin and USD 60mn from gMyrbetriq for Zydus. We expect aggregate India sales of our coverage to grow at a steady pace of 9.9% to INR 232bn, supported by a recovery in acute therapies. We remain bullish on **Cipla, Aurobindo Pharma, Sun Pharma, Piramal Pharma, Akums, Cohance and OneSource**.

Synopsis of Q1FY26E performance

Revenue of our coverage universe is likely to grow 9.4%/1.7% YoY/QoQ to INR 816bn led by traction in India. Gross margin may contract ~10bps YoY (+90bps QoQ) to 67.8%. EBITDA may grow 9.6% YoY (5.4% QoQ) to INR 211bn, while margins may remain flat YoY (+92bps QoQ) at 25.8%. Profit for our coverage companies may surge 11.1% YoY (3.0% QoQ) to INR 140bn. Profit growth of Biocon, Gland, Akums, Divi's, Torrent and Lupin could outpace peers.

Erosion in gRevlimid sales to start denting US performance

Aggregate US sales of our coverage may scale up to USD 2.7bn, up 2.7%/2.9% YoY/QoQ. Lupin's US business is likely to grow the fastest among larger peers at 20% YoY to USD 272mn, mainly led by the launch of Tolvaptan. Aurobindo is likely to grow 7.0% YoY led by better volumes. Sun's specialty revenue is likely to surge 8% YoY (-3% QoQ); aggregate US revenue is expected to surge 1.6% YoY (+2% QoQ). Cipla's revenue is likely to decline 11.6% YoY due to lower sales of Lanreotide and gRevlimid. Lower uptick in gRevlimid is likely to drag Dr Reddy's' sales by ~2.2% YoY, while Zydus' sales may be flat YoY.

Chronic-focused companies to outperform in India

We expect domestic business of our coverage to grow at 9.9% YoY in Q1FY26, mainly driven by continued surge in demand for chronic drugs and price hikes. Sun and Torrent's India businesses could continue their outperformance and report growth of ~12% YoY. However, in-licensing deals may continue to boost JB Chemicals and Dr Reddy's' growth by 12% YoY each. Ajanta, Glenmark and Alembic are also likely to grow between 10–11% YoY. Among MNCs under coverage, Abbott should grow the fastest at 11% YoY.

CDMO performance may be a mixed bag

Among CDMOs under coverage, Divi's may grow its revenue/EBITDA/PAT at 17.2%/24.1%/32.1% YoY, respectively. However, midcap CDMO companies like Piramal could post flattish revenue and a dip of 18.8% in EBITDA. Cohance may report a 13.2% surge in revenue, but its EBITDA/PAT may dip 5.4%/29.6%, respectively. Gland may post 9%/20.2%/35% surge in revenue/EBITDA/PAT in Q1FY26E. OneSource may report a 10.6% QoQ surge in revenue while its EBITDA/PAT may dip 14.8%/36.1% QoQ, respectively.

Key risks

Tariffs on US shipments, competition in exclusive products, adverse outcome of regulatory inspections and inclusion of more products under NLEM in India.

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Q1FY26 preview

Exhibit 1: Key financials

Company	Revenue (INR mn)					EBITDA (INR mn)					PAT (INR mn)				
	Q1FY26E	Q4FY25	Q1FY25	QoQ (%)	YoY(%)	Q1FY26E	Q4FY25	Q1FY25	QoQ (%)	YoY(%)	Q1FY26E	Q4FY25	Q1FY25	QoQ (%)	YoY(%)
Sun Pharma	1,36,281	1,29,588	1,26,528	5.2	7.7	39,385	34,249	36,581	15.0	7.7	31,327	28,891	28,779	8.4	8.9
Dr Reddy's	89,385	85,060	76,727	5.1	16.5	24,223	20,497	21,266	18.2	13.9	15,687	16,547	13,924	(5.2)	12.7
Aurobindo	83,624	83,821	75,670	(0.2)	10.5	18,146	17,919	16,196	1.3	12.0	10,394	9,035	9,185	15.0	13.2
Zydus Lifesciences	65,484	65,279	62,075	0.3	5.5	19,252	21,649	21,073	(11.1)	(8.6)	12,791	13,905	14,379	(8.0)	(11.0)
Cipla	68,485	67,297	66,939	1.8	2.3	17,669	15,376	17,158	14.9	3.0	12,467	12,218	11,776	2.0	5.9
Lupin	61,817	56,671	56,003	9.1	10.4	16,752	12,921	13,614	29.7	23.1	11,376	8,317	8,856	36.8	28.5
Biocon	39,845	44,170	34,329	(9.8)	16.1	8,049	10,782	6,204	(25.4)	29.7	911	3,252	422	(72.0)	116.2
Glenmark	34,693	32,562	32,442	6.5	6.9	6,522	5,610	6,102	16.3	6.9	3,898	3,466	3,554	12.5	9.7
Torrent Pharma	32,127	29,590	28,590	8.6	12.4	10,602	9,640	9,240	10.0	14.7	6,193	5,160	4,709	20.0	31.5
JB Chemicals	11,031	9,495	10,044	16.2	9.8	3,022	2,264	2,804	33.5	7.8	1,984	1,457	1,768	36.2	12.2
Ajanta Pharma	12,570	11,704	11,449	7.4	9.8	3,620	2,972	3,224	21.8	12.3	2,664	2,253	2,397	18.3	11.2
Alkem	32,165	31,438	30,318	2.3	6.1	6,304	3,913	6,086	61.1	3.6	5,537	3,059	5,452	81.0	1.6
Alembic Pharma	16,999	17,696	15,617	(3.9)	8.8	2,788	2,719	2,368	2.5	17.7	1,520	1,564	1,345	(2.8)	13.0
Natco	14,984	12,210	13,626	22.7	10.0	8,796	5,731	8,048	53.5	9.3	7,429	4,810	6,685	54.4	11.1
Divi's	24,823	25,850	21,180	(4.0)	17.2	7,794	8,860	6,230	(12.0)	25.1	5,689	6,543	4,307	(13.1)	32.1
Abbott India	17,289	16,046	15,576	7.8	11.0	3,890	4,285	3,910	(9.2)	(0.5)	3,715	3,670	3,280	1.2	13.3
Pfizer	6,135	5,919	5,629	3.7	9.0	2,000	2,275	1,775	(12.1)	12.7	1,696	1,966	1,507	(13.7)	12.6
GSK Pharma	8,798	9,744	8,147	(9.7)	8.0	2,569	3,332	2,305	(22.9)	11.4	2,108	2,629	1,823	(19.8)	15.6
Piramal Pharma	19,537	27,541	19,511	(29.1)	0.1	1,661	5,610	2,045	(70.4)	(18.8)	(1,279)	1,535	(886)	(183.3)	44.3
Akums	10,923	10,555	10,191	3.5	7.2	1,354	939	1,242	44.2	9.1	764	1,313	575	(41.8)	33.0
Innova	3,165	3,147	2,943	0.6	7.6	494	477	422	3.6	17.1	307	296	295	4.0	4.3
Cohance Lifesciences	5,524	8,412	4,881	(34.3)	13.2	1,188	2,632	1,256	(54.9)	(5.4)	516	1,441	733	(64.2)	(29.6)
Gland Pharma	15,277	14,249	14,017	7.2	9.0	3,178	3,475	2,644	(8.6)	20.2	1,941	1,865	1,438	4.1	35.0
OneSource	4,711	4,260	2,923	10.6	61.2	1,554	1,825	643	(14.8)	141.8	634	992	(50)	(36.1)	(1,364.4)
Coverage Universe	8,15,672	8,02,305	7,45,355	1.7	9.4	2,10,814	1,99,953	1,92,435	5.4	9.6	1,40,271	1,36,183	1,26,253	3.0	11.1

Source: Company data, I-Sec research

Exhibit 2: Valuation summary

Pharma Company	Target Price (INR)	Reco	EPS (INR)			RoCE (%)			P/E (x)			EV/EBITDA (x)		
			FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E
Sun	1,895	ADD	47.2	52.9	59.0	15.6	16.1	16.2	35.6	31.8	28.5	25.9	22.9	20.4
Dr Reddy's	1,115	HOLD	70.2	70.3	56.5	16.5	14.3	11.2	18.7	18.6	23.2	12.4	11.7	13.6
Aurobindo	1,330	ADD	60.3	69.8	83.2	10.2	10.7	11.8	19.6	17.0	14.2	10.5	9.1	7.5
Lupin	2,110	HOLD	76.9	87.2	96.1	19.6	18.3	18.2	25.7	22.7	20.6	16.6	14.5	13.1
Cipla	1,800	BUY	62.7	63.8	68.1	18.6	16.0	15.3	23.9	23.5	22.0	15.9	15.3	14.1
Zydus Lifesciences	910	HOLD	44.9	43.5	41.2	18.9	15.1	12.8	22.3	23.0	24.2	14.1	14.1	14.1
Biocon	270	Sell	2.6	4.6	9.6	2.1	2.5	3.6	126.5	71.8	34.5	18.8	16.2	12.1
Glenmark	1,300	REDUCE	49.2	58.3	71.9	16.9	16.9	17.7	37.8	31.9	25.9	22.3	19.5	16.2
Torrent	3,500	HOLD	47.2	57.5	63.1	15.3	18.9	12.4	71.0	58.3	53.1	37.9	34.0	29.6
Alkem	5,900	ADD	181.1	194.0	160.4	21.0	19.8	14.7	26.9	25.1	30.4	22.6	20.3	17.8
Ajanta	2,500	REDUCE	74.2	87.5	102.8	26.0	26.6	25.3	35.8	30.3	25.8	25.7	21.5	17.9
Alembic	885	HOLD	29.0	34.5	42.2	10.8	11.3	13.3	33.9	28.6	23.4	20.2	17.3	14.8
JB Chemicals	1,815	ADD	35.6	42.4	49.2	27.8	24.1	20.9	46.0	38.6	33.3	28.2	24.2	20.9
Natco	890	HOLD	104.5	69.8	45.1	26.8	15.1	9.0	9.3	13.9	21.6	6.9	10.0	16.3
Abbott India	35,750	BUY	665.6	773.6	891.4	36.3	37.4	38.8	51.8	44.5	38.7	42.2	36.5	31.5
Pfizer India	5,466	ADD	139.2	158.9	181.9	16.3	16.3	16.7	41.9	36.7	32.1	32.4	28.3	24.8
GSK Pharma	2,643	REDUCE	54.5	61.4	69.0	53.7	51.1	45.9	60.2	53.5	47.6	45.1	40.9	36.4
Divi's	5,610	REDUCE	81.2	106.7	139.9	14.8	17.5	20.5	84.8	64.5	49.2	60.2	45.8	34.8
Piramal Pharma	280	BUY	0.7	1.3	4.6	1.4	2.5	6.0	294.0	152.3	44.1	21.5	20.8	14.7
Akums	710	BUY	21.0	22.8	30.3	12.0	10.5	12.4	26.2	24.1	18.2	17.3	13.2	10.3
Innova Captab	1,030	ADD	22.4	29.2	41.1	10.8	12.2	14.9	38.7	29.7	21.1	28.1	19.4	13.9
Cohance Lifesciences	1,365	BUY	14.0	16.2	22.3	18.0	16.3	17.9	71.0	61.3	44.7	44.1	36.6	28.1
Gland Pharma	2,050	ADD	42.4	56.4	73.3	7.2	8.8	10.2	44.2	33.3	25.6	26.5	23.0	18.6
OneSource	2,475	BUY	1.0	31.2	67.7	0.8	5.7	10.6	2009.6	63.6	29.2	50.2	33.6	20.7

Source: Company data, I-Sec research

Exhibit 3: Company-wise key developments in Q1FY26

Company	Key Highlights
Sun Pharma	<ul style="list-style-type: none"> Sun's Philogen S.p.A announced the decision to voluntarily withdraw the application for marketing authorisation to the European Medicines Agency (EMA) for Nidlegly.
	<ul style="list-style-type: none"> USFDA conducted a Good Manufacturing Practices (GMP) inspection of Halol facility (Gujarat, India) and issued form 483 with 8 observations.
	<ul style="list-style-type: none"> Sun Pharma appoints Kirti Ganorkar as Managing Director; Dilip Shanghvi to continue as Executive Chairman of the Board.
	<ul style="list-style-type: none"> Announced top-line results from Phase 2 clinical trial evaluating the safety and efficacy of SCD-044 for moderate to severe psoriasis.
	<ul style="list-style-type: none"> Sun Pharma completed acquisition of Checkpoint Therapeutics.
	<ul style="list-style-type: none"> It has entered into an agreement with US-based Pharmazz Inc., pursuant to which Sun Pharma has agreed to invest up to USD 25mn for aggregate stake of up to ~22.7% in Pharmazz.
	<ul style="list-style-type: none"> Appointed Ms. Vidhi Shanghvi as Whole-time Director for a period of five years, effective from 22 May'25.
	<ul style="list-style-type: none"> USFDA approves Next Generation BLU-U® Blue Light Photodynamic Therapy Illuminator for Actinic Keratosis.
Dr Reddys	<ul style="list-style-type: none"> Sun Pharma and Moebius Medical Announce Dual Publications on MM-II's Phase 2b clinical trial results and Mechanism of Action in osteoarthritis and cartilage.
	<ul style="list-style-type: none"> Introduced a novel class of drug, Fexuclue (Fexuprazan) in India for treatment of Erosive Esophagitis.
	<ul style="list-style-type: none"> Dr. Reddy's have entered into a collaboration and license agreement with Alvotech to co-develop, manufacture and commercialise a biosimilar candidate to Keytruda (pembrolizumab) for global markets.
Aurobindo	<ul style="list-style-type: none"> USFDA completed a GMP inspection at Dr. Reddy's Laboratories Limited's API manufacturing facility (CTO-5) in Miryalaguda, Telangana, India.
	<ul style="list-style-type: none"> Dr. Reddy's Laboratories has recalled Levetiracetam 0.75% in sodium chloride injection from US markets due to labelling and manufacturing errors.
	<ul style="list-style-type: none"> It will acquire 26% in Swarnaakshu by 30 Sep'25, subject to the receipt of approval from the concerned state government.
	<ul style="list-style-type: none"> The company has resumed manufacturing of Pencillin-G at Kakinada facility post receipt of "Consent to Operate" from Andhra Pradesh Pollution Control Board.
	<ul style="list-style-type: none"> Curateq Biologics has received marketing authorisation from UKMHRA for Dyrupreg (BP14, a pegylated filgrastim biosimilar).
	<ul style="list-style-type: none"> CuraTeQ Biologics received approval for biosimilar Zefylti (filgrastim) from UKMHRA.
	<ul style="list-style-type: none"> CuraTeQ Biologics has received EU marketing authorisation of Dazublys (Trastuzumab).
	<ul style="list-style-type: none"> Eugia Pharma received USFDA Approval for Dasatinib tablets.
Zydus Lifesciences	<ul style="list-style-type: none"> Aurobindo Pharma received final ANDA approval for Rivaroxaban tablets USP, 2.5mg and tentative approval for other strengths of Rivaroxaban tablets USP.
	<ul style="list-style-type: none"> USFDA has completed an inspection at Raleigh Plant, North Carolina, USA with 11 observations.
	<ul style="list-style-type: none"> CuraTeQ Biologics completed a successful Phase 1 Pharmacokinetics study of Denosumab BP16, a proposed biosimilar to Prolia® and Xgeva®.
	<ul style="list-style-type: none"> USFDA ended inspection at Zydus' oncology injectable plant in Ahmedabad, with 2 observations.
	<ul style="list-style-type: none"> Zydus Healthcare Limited (wholly-owned subsidiary) appointed Ms. Swati Dalal as Additional Director and Managing Director.
	<ul style="list-style-type: none"> Received EIR for API manufacturing facility at Ankleshwar, Dabhasa and Ambarnath (Maharashtra).
	<ul style="list-style-type: none"> Zydus gets exclusive licensing rights for next gen immuno-oncology platforms from the US-based Agenus.
	<ul style="list-style-type: none"> Zydus Lifesciences Limited has entered into definitive agreement with Agenus West LLC, and Agenus Inc., USA to acquire two US based biologics manufacturing facilities of Agenus.
	<ul style="list-style-type: none"> Received tentative approval from USFDA for Rifaximin tablets, 550 mg.
	<ul style="list-style-type: none"> USFDA granted 'Fast Track Designation' for Usnoflast, a novel oral NLRP3 inhibitor, for the treatment of Amyotrophic Lateral Sclerosis (ALS).
	<ul style="list-style-type: none"> Received final approval from USFDA for Isotretinoin Capsules USP, 10 mg, 20 mg, 25 mg, 30 mg, 35 mg and 40 mg.
	<ul style="list-style-type: none"> Mr. Tushar Shroff has been appointed as Chief Financial Officer w.e.f. 1 Sep'25.
Cipla	<ul style="list-style-type: none"> Received final approval from USFDA for Glatiramer Acetate Injection, the generic version of Copaxone 20 mg/ml, 40 mg/ml, Single-Dose Prefilled Syringes.
	<ul style="list-style-type: none"> Received final approval from USFDA to manufacture Niacin Extended-Release tablets USP, 500 mg, 750 mg, and 1,000 mg.
	<ul style="list-style-type: none"> Zydus Medtech and Braile Biomedica of Brazil announce global licensing pact to commercialise TAVI technology.
	<ul style="list-style-type: none"> Zynext Ventures, the VC arm of Zydus Lifesciences Invests in Feldan Therapeutics to Drive Innovation in Intracellular Drug Delivery.
	<ul style="list-style-type: none"> Appointed Mr Prabhakaran Balakrishnan Nair as Global Chief Manufacturing Officer of the company w.e.f. 1 Jul'25.
Lupin	<ul style="list-style-type: none"> USFDA has conducted a cGMP inspection at manufacturing facility in Bommasandra, Bengaluru; inspection ended with 1 form 483 observation.
	<ul style="list-style-type: none"> Jay Precision Pharmaceuticals Private Limited, subsidiary of Cipla Limited, has entered into an agreement to acquire 26% stake in AMPIN Energy C&I Eighteen Private Limited.
	<ul style="list-style-type: none"> Cipla Medispray facility in Goa received a VAI classification from the USFDA.
	<ul style="list-style-type: none"> Cipla received final approval from USFDA for Paclitaxel Protein-bound Particles for Injectable Suspension (albumin-bound), 100 mg/vial, Single-Dose Vial.
Lupin	<ul style="list-style-type: none"> Received approval from USFDA for Loteprednol Etabonate Ophthalmic Gel.
	<ul style="list-style-type: none"> Lupin has carved out its consumer healthcare business into a separate unit under Lupin Life Consumer Healthcare Ltd.
	<ul style="list-style-type: none"> Received approval from USFDA for Prucalopride tablets, 1 mg, and 2 mg.
	<ul style="list-style-type: none"> Lupin has signed a license and supply agreement with Sino Universal Pharmaceuticals (SUP), for commercialisation of Tiotropium Dry Powder Inhaler.
	<ul style="list-style-type: none"> Received tentative approval from USFDA for Oxcarbazepine ER tablets.
	<ul style="list-style-type: none"> The company presented Phase 1 Data on LNP7457, a PRMT5 inhibitor at the American Society of Clinical Oncology in Chicago.
	<ul style="list-style-type: none"> Lupin has entered into a license and supply agreement with SteinCares, for commercialisation of Lupin's biosimilar ranibizumab across Latin America excluding Mexico and Argentina.
	<ul style="list-style-type: none"> Punita Lal Joins Lupin Board as Additional Director.
	<ul style="list-style-type: none"> Received approval from USFDA for Rivaroxaban tablets USP, 10 mg, 15 mg, and 20 mg.

Company	Key Highlights
	<ul style="list-style-type: none"> Launched Tolvaptan tablets, 15 mg, 30 mg, 45 mg, 60 mg, and 90 mg in the US. Received approval from the USFDA for Raltegravir tablets USP, 600 mg. Launched Eslicarbazepine Acetate tablets, 200 mg, 400 mg, 600 mg, and 800 mg, in the US Lupin Diagnostics received NABL Accreditation for all greenfield labs. Received EIR from USFDA for its injectable facility in Nagpur. Lupin Healthcare Limited (wholly-owned subsidiary) has entered into a definitive agreement and acquired the entire share capital of Renascence Pharma Limited, UK.
Biocon	<ul style="list-style-type: none"> Health Canada has granted a Notice of Compliance (NOC) to Biocon Biologics for Yesafili for the launch of YESAFILI in Canada, scheduled for 4 Jul'25. Biocon Biologics has collaborated with National Cancer Society Malaysia to rollout Patient Assistance programme to expand affordable access to biosimilars. It raised INR 45bn (USD 523mn) in equity fund through QIP. Received approval in India for its Liraglutide drug substance. UKMHRA has granted marketing authorisation for YESINTEK (biosimilar Ustekinumab). Malaysian MoH Awards Insulins Supply Contract Extension to Biocon Biologics. Biocon Biologics commercial partner in Japan, Yoshindo Inc., has launched Ustekinumab (biosimilar Stelara) in Japan. The company had fully redeemed existing commercial papers worth INR 5.7bn and issued fresh commercial papers worth INR 6bn. Biocon Biologics has secured Market Entry Date for Yesafili, an Interchangeable Biosimilar to Eylea, in the US. Received approval for its ANDA for Rivaroxaban tablets USP from USFDA. Biocon Biologics received USFDA Approval for Jobevne (biosimilar Bevacizumab). Peter Bains ceased to be Group CEO with effect from 1 Apr'25.
Alkem	<ul style="list-style-type: none"> Completed sale of Pithampur manufacturing facility to Rubicon Research Limited. Acquired 100% stake in Adroit Biomed Limited, a company incorporated in India.
Natco	<ul style="list-style-type: none"> USFDA concluded inspection at Kothur plant, Hyderabad with 7 observations. Appointed Mr. Yerramshetty Krishna Rao as Senior Vice President – Operations. USFDA concluded inspection at API plant at Mekaguda, Hyderabad with one observation.
Glenmark	<ul style="list-style-type: none"> Launched TEVIMBRA (tislelizumab) in India. USFDA completed a GMP inspection at Monroe plant, North Carolina, USA with five observations. Launch DCGI-approved BRUKINSA in India to advance treatment of hematological malignancies. Appointment Mr. Anurag Mantri as Additional Director (Whole-Time Director - Designated as Executive Director) and Global Chief Financial Officer of the company. USFDA has classified the inspection at Indore plant as OAI. Ichnos Glenmark Innovation (IGI) received USFDA Fast Track Designation for ISB 2001 for relapsed/refractory multiple myeloma. Launched Dextroamphetamine Saccharate, Vancomycin Hydrochloride, Amphetamine Aspartate, Dextroamphetamine Sulfate and Amphetamine Sulfate tablets.
Torrent	<ul style="list-style-type: none"> Torrent Pharma is acquiring controlling stake in JBCPL from KKR at an equity valuation of INR 256.89bn. It will acquire 46.39% stake for INR 119.17bn (INR 1,600/share), funded through debt. Post the open offer (up to 26% stake at INR 1,639.18), Torrent may also look to merge JBCPL over the next 15-18 months (issue 51 shares for every 100 JBCPL shares). Torrent has entered into a SPA with certain employees of JBCPL for acquisition of up to 2.41% stake of JBCPL, for approx. INR 6.2bn in cash (INR 1,600/share). The balance 0.39% may be acquired from certain other employees, at not more than INR 1,600/share.
Abbott	<ul style="list-style-type: none"> Appointed Kartik Rajendran as new MD and Maithilee Mistry as new CFO of the company. Received USFDA final approval for Doxorubicin Hydrochloride Liposome injection. Received an EIR from USFDA for API-III facility at Karakhadi.
Alembic	<ul style="list-style-type: none"> USFDA inspection at API - I & II facility Located at Panelav ended with four observations. Received final approval from USFDA for Bosutinib, Rivaroxaban, Amlodipine, Ticagrelor, Carbamazepine, Pantoprazole Sodium and Atorvastatin tablets. Jigar Shah has been appointed as Head - Business Finance w.e.f. 15 May'25. Received EIR for oncology (injectable and oral solid) facility (F-2) at Panelav. Commissioned a new manufacturing facility at Pithampur, Madhya Pradesh
Piramal	<ul style="list-style-type: none"> Commenced manufacturing of Sevoflurane at Digwal facility, Telangana, India. USFDA concluded a general GMP inspection at Aurora facility, Canada without any observations. USFDA issued an EIR for Turbhe facility.
Divi	<ul style="list-style-type: none"> Venkatesa Perumallu Pasumarthy has been appointed as the new Chief Financial Officer of the company. It has signed a long-term manufacturing and supply agreement with a global pharma company for manufacturing and supply of advanced intermediates.
J.B. Chemicals & Pharmaceuticals (JBCP)	<ul style="list-style-type: none"> Torrent Pharma is acquiring controlling stake in JBCPL from KKR at an equity valuation of INR 256.89bn. It will acquire 46.39% stake for INR 119.17bn (INR 1,600/share), funded through debt. Post the open offer (up to 26% stake at INR 1,639.18), Torrent may also look to merge JBCPL over the next 15-18 months (issue 51 shares for every 100 JBCPL shares). Received approval from USFDA for Amitriptyline Hydrochloride and Bisoprolol
Cohance Lifesciences	<ul style="list-style-type: none"> Received the EIR from USFDA for API Unit-IV Medchal-alkajgiri, Telangana, India.
Gland	<ul style="list-style-type: none"> Gland received EIR from USFDA for Sterile APIs at its facility at JNPC, Visakhapatnam. ANSM, France, issued eleven observations post the GMP inspection at Cenexi's Fontenay manufacturing facility. Gland received approval from USFDA for Angiotensin II Acetate Injection, Latanoprostene Bunod Ophthalmic solution and Acetaminophen injection.
Onesource	<ul style="list-style-type: none"> OneSource and Xbrane Biopharma AB, announced a partnership focused on commercial manufacturing of Xbrane's biosimilar portfolio. OneSource secures Brazilian GMP approval for its Bangalore facility. Flagship facility at Bangalore, India, received a VAI classification from USFDA.

Source: Company data, I-Sec research

Exhibit 4: India business trends over the quarters

(INR mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26E	% YoY	% QoQ
Sun Pharma	35,604	38,425	37,785	37,078	41,445	42,652	43,004	42,130	46,419	12.0	10.2
Dr Reddy's	11,482	11,860	11,800	11,265	13,252	13,971	13,464	13,047	14,842	12.0	13.8
Zydus Lifesciences	12,270	13,341	14,273	13,912	13,758	14,569	15,145	15,394	14,859	8.0	(3.5)
Cipla	27,720	28,170	28,590	24,170	28,980	29,480	31,460	26,220	31,298	8.0	19.4
Lupin	16,384	16,915	17,251	16,015	19,259	20,096	19,305	17,113	20,800	8.0	21.5
Glenmark	10,693	11,252	2,658	9,391	11,962	12,817	10,637	9,430	13,158	10.0	39.5
Torrent Pharma	14,260	14,440	14,150	13,800	16,350	16,320	15,810	15,450	18,312	12.0	18.5
JB Chemicals	4,890	4,810	4,620	4,650	5,950	5,880	5,660	5,190	6,664	12.0	28.4
Ajanta Pharma	3,190	3,550	3,080	3,260	3,530	3,860	3,450	3,690	3,918	11.0	6.2
Alkem	19,007	23,278	22,328	19,755	20,223	24,610	23,649	21,355	21,841	8.0	2.3
Alembic Pharma	5,240	5,770	5,960	5,030	5,720	6,090	6,140	5,450	6,292	10.0	15.4
Natco	1,324	1,025	994	524	1,022	1,023	961	994	1,104	8.0	11.0
Abbott India	14,790	14,941	14,371	14,386	15,576	16,327	16,143	16,046	17,289	11.0	7.8
Pfizer	5,314	5,752	5,400	5,466	5,629	5,886	5,380	5,919	6,135	9.0	3.7
GSK Pharma	7,617	9,570	8,053	9,298	8,147	10,108	9,494	9,744	8,798	8.0	(9.7)
Gland Pharma	647	876	761	526	527	874	562	525	578	9.6	10.0
Total Domestic sales	1,90,431	2,03,975	1,92,074	1,88,527	2,11,329	2,24,562	2,20,263	2,07,696	2,32,307	9.9	11.8
Growth (YoY)	6.7	7.6	4.8	6.0	11.0	10.1	14.7	10.2	9.9		

Source: Company data, I-Sec research

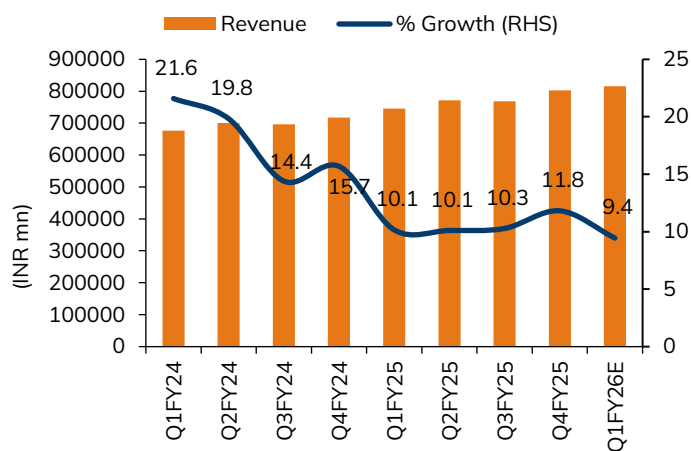
Exhibit 5: US business trends over the quarters

(USD mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26E	% YoY	% QoQ
Sun Pharma	471	430	477	476	466	517	474	464	473	1.6	2.0
Dr Reddy's	389	385	401	392	462	445	395	418	451	(2.2)	8.0
Aurobindo	382	409	451	432	426	421	435	470	456	7.0	(3.0)
Zydus Lifesciences	298	225	221	304	371	288	285	363	370	(0.2)	2.0
Cipla	222	229	230	226	250	237	226	221	221	(11.6)	-
Lupin	181	213	212	209	227	220	235	245	272	20.0	11.2
Glenmark	98	91	93	91	94	88	93	82	89	(5.0)	7.9
Torrent Pharma	36	30	33	32	31	32	32	35	36	16.3	3.0
Ajanta Pharma	26	29	31	32	28	28	32	40	31	12.0	(21.4)
Alkem	85	93	82	76	78	73	77	74	82	5.0	10.7
Alembic Pharma	47	53	57	51	55	56	62	59	62	12.0	4.1
Piramal Pharma	75	72	70	81	77	78	80	86	86	12.0	0.2
Gland Pharma	72	90	100	107	90	89	86	93	96	6.9	3.0
Total US sales	2,383	2,348	2,458	2,509	2,654	2,573	2,512	2,651	2,726	2.7	2.9
Growth (YoY)	23.8	12.8	10.8	15.3	11.4	9.6	2.2	5.6	2.7		

Source: Company data, I-Sec research

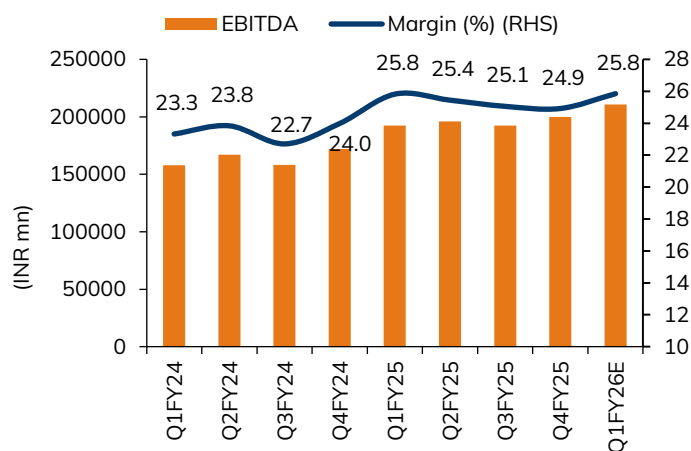
Quarterly trends in charts

Exhibit 6: Revenue of our coverage universe to grow ~9.4% YoY



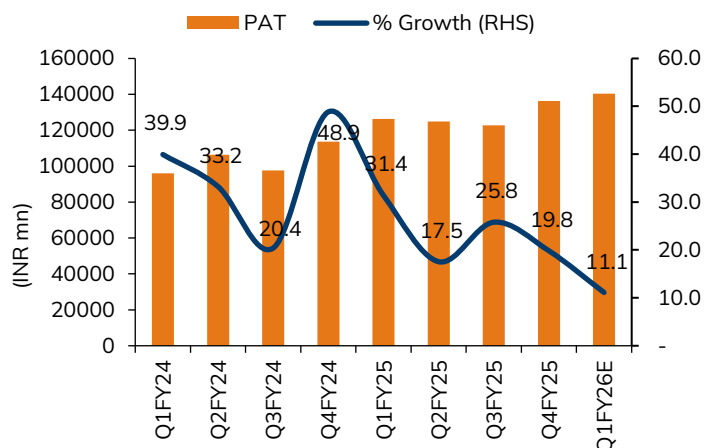
Source: Company data, I-Sec research

Exhibit 7: EBITDA margin to remain sturdy at ~26%



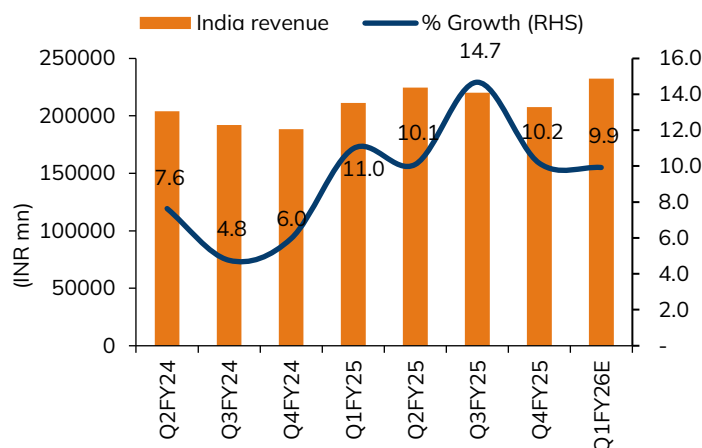
Source: Company data, I-Sec research

Exhibit 8: Net profit of our pharma coverage universe to grow 11.1% YoY



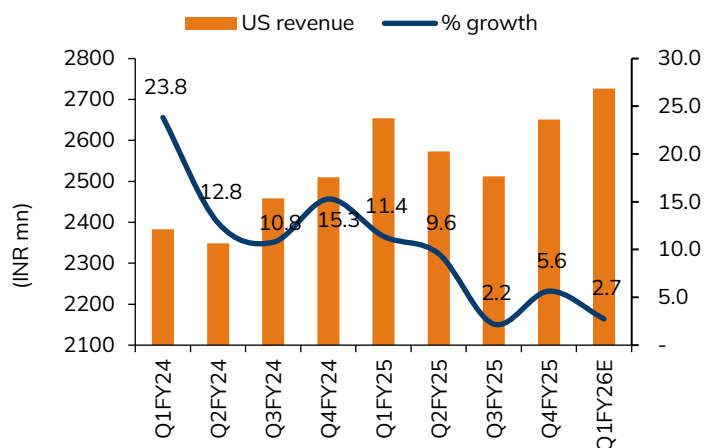
Source: Company data, I-Sec research

Exhibit 9: Steady growth expected in India business



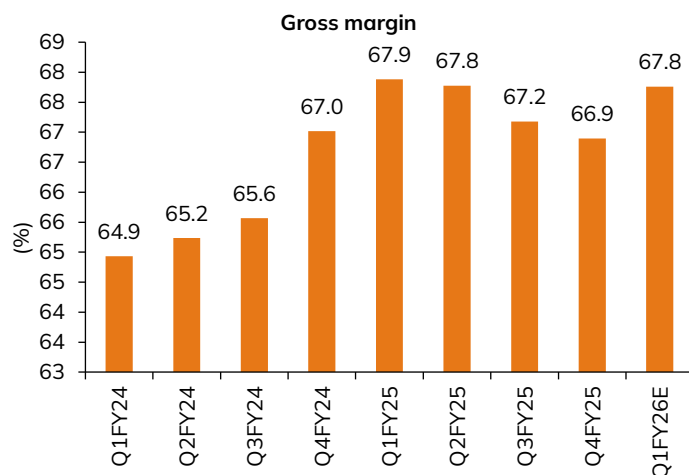
Source: Company data, I-Sec research

Exhibit 10: US sales to moderate led by lower sales in gRevlimid



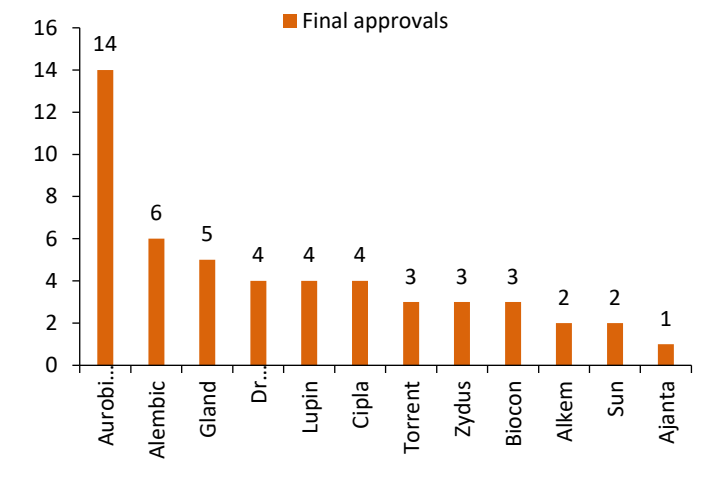
Source: Company data, I-Sec research

Exhibit 11: Lower RM and product mix to improve margins



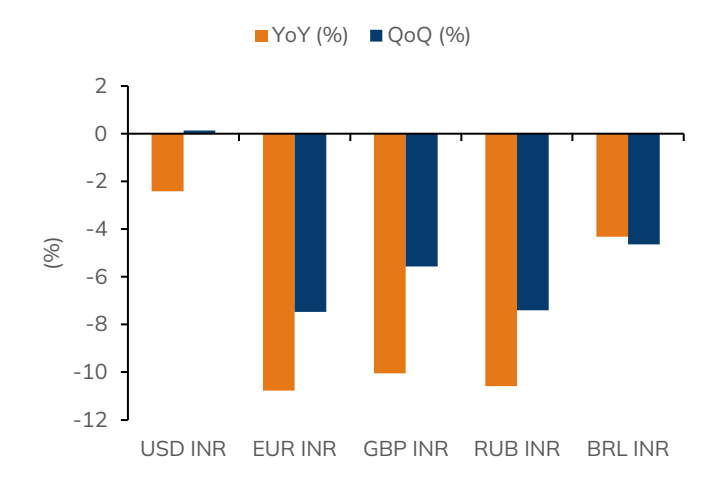
Source: Company data, I-Sec research

Exhibit 12: Aurobindo received highest number of approvals in Q1FY26



Source: USFDA, I-Sec research

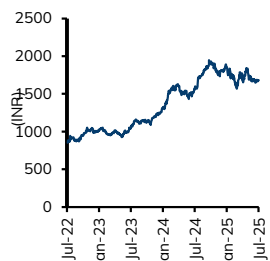
Exhibit 13: Softening of INR may benefit pharma companies



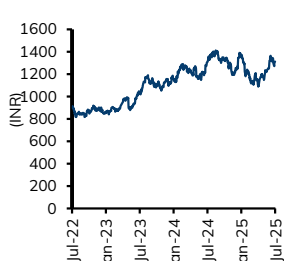
Source: Bloomberg, I-Sec research

Price chart

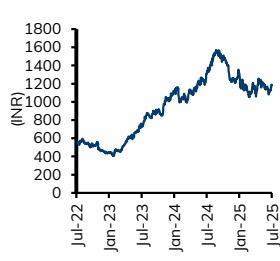
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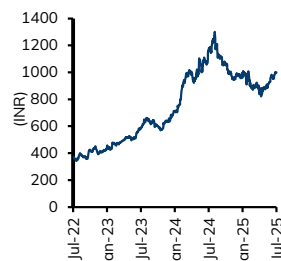
Dr Reddy's



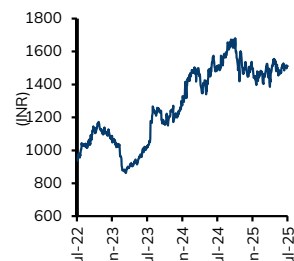
Aurobindo



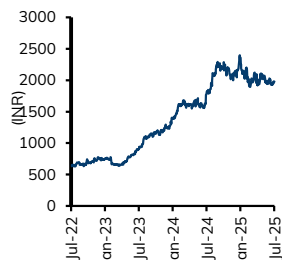
Zydus Lifesciences



Cipla



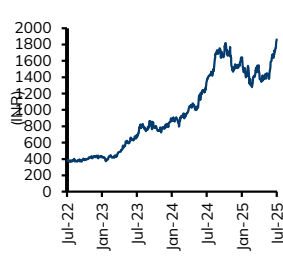
Lupin



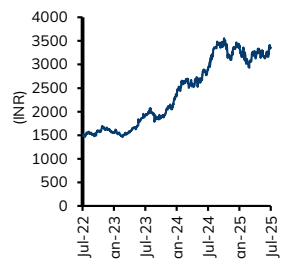
Biocon



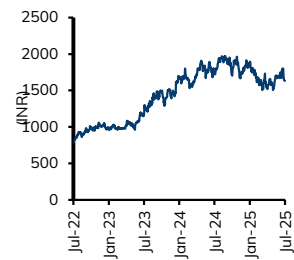
Glenmark



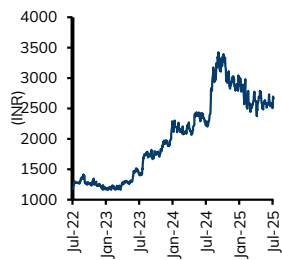
Torrent Pharma



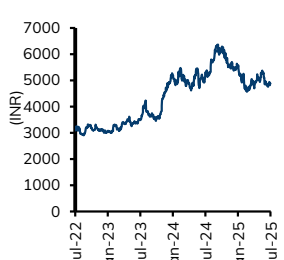
JB Chemicals



Ajanta Pharma



Alkem



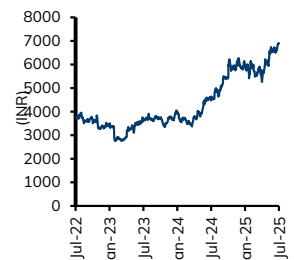
Alembic Pharma



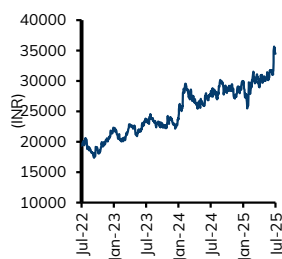
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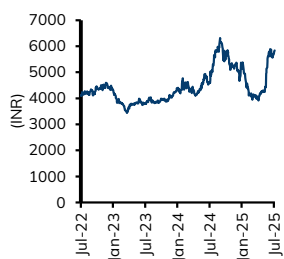
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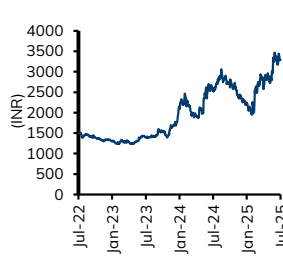
Abbott India



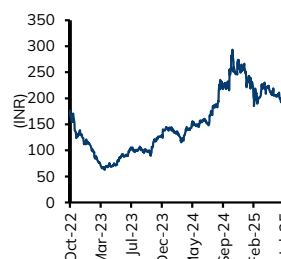
Pfizer



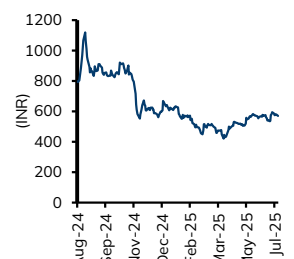
GSK Pharma



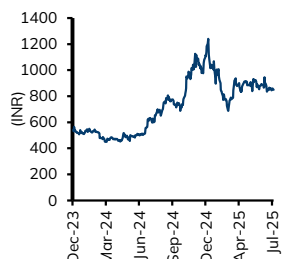
Piramal Pharma



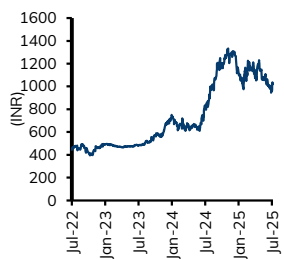
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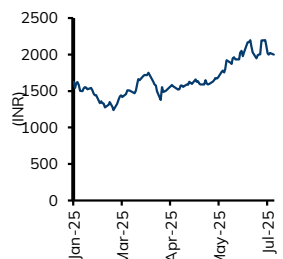
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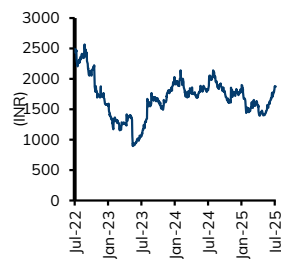
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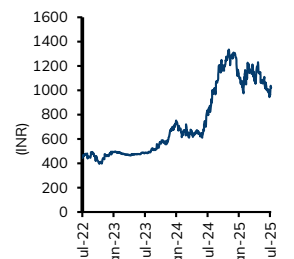
OneSource



Gland Pharma



Cohnace Lifesciences



Source: Bloomberg

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