

## Senores Pharma: Robust Growth, Margin Upside

January 21, 2026 | CMP: INR 783 | Target Price: INR 1,045

BUY

Expected Share Price Return: 33.3% | Dividend Yield: 0.0% | Potential Upside: 33.3%

Sector View: Positive

Change in Estimates	✓
Change in Target Price	✓
Change in Recommendation	✗

<b>Company Info</b>	
BB Code	SENORES IN EQUITY
Face Value (INR)	10.0
52 W High/Low (INR)	876 / 458
Mkt Cap (Bn)	INR 36.1 / USD 0.4
Shares o/s (Mn)	46.1
3M Avg. Daily Volume	3,36,186

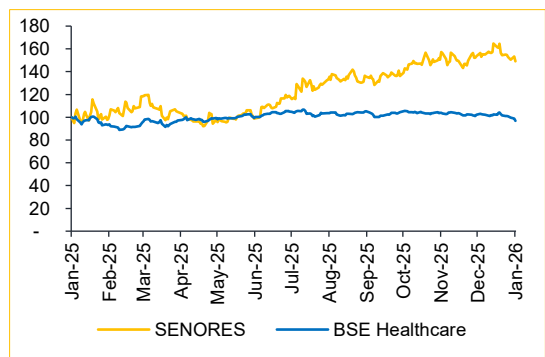
<b>Change in CIE Estimates</b>						
	FY26E			FY27E		
INR Bn	New	Old	Dev. (%)	New	Old	Dev. (%)
Revenue	6.2	6.2	0.0	7.6	7.6	0.0
EBITDA	1.8	1.7	3.8	2.2	2.2	2.4
EBITDAM %	29.2	28.0	120 bps	29.7	29.0	70 bps
Adj. PAT	1.1	1.1	3.6	1.4	1.4	3.1
Adj. EPS (INR)	24.3	23.5	3.6	31.4	30.5	3.1

<b>Actual vs CIE Estimates</b>			
INR Bn	Q3FY26A	CIE Estimate	Dev. %
Revenue	1.7	1.7	2.8
EBITDA	0.5	0.4	27.3
EBITDAM %	31.0	25.0	595 bps
PAT	0.3	0.3	9.4

<b>Key Financials</b>					
INR Bn	FY24	FY25	FY26E	FY27E	FY28E
Revenue	2.1	4.0	6.2	7.6	9.0
YoY (%)	507.1	85.6	54.9	22.5	18.8
EBITDA	0.4	0.9	1.8	2.2	2.8
EBITDAM %	19.4	22.5	29.2	29.7	30.7
Adj PAT	0.3	0.6	1.1	1.4	1.8
EPS (INR)	10.3	12.7	24.3	31.4	39.3
ROE %	15.4	7.4	12.5	13.9	14.8
ROCE %	7.0	6.7	12.3	13.7	14.8
PE(x)	75.9	61.6	32.2	24.9	19.9
EV/EBITDA	63.1	39.3	19.4	15.4	12.2

<b>Shareholding Pattern (%)</b>			
	Dec 2025	Sep 2025	Jun 2025
Promoters	45.81	45.80	45.78
FIIIs	3.35	4.28	3.66
DIIIs	9.32	8.62	9.51
Public	41.54	41.30	41.03

<b>Relative Performance (%)</b>			
YTD	1Y	9M	6M
BSE Healthcare	(3.2)	(0.2)	(7.5)
SENORES	49.1	42.5	28.4



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## FY26 Growth Remains Robust; EBITDA and PAT Set to Expand Sharply

SENORES *remains in a high-growth phase*, supported by a strong launch pipeline (28 ANDAs in regulated markets; 450 products in EM over 4–8 quarters) and ongoing geographical expansion. The company has *consistently seen higher contribution from its own products* across regions, which, along with backward integration efforts, has *driven faster-than-expected EBITDA margin expansion*. We now expect EBITDA margin at 29.0%, in line with the management's updated guidance (up from 24–26%), while revenue guidance remains at 50%+ and PAT at 100% growth for FY26E.

Reflecting the revised margin outlook, we have upwardly revised our estimates by 3.6%/3.1% for FY26E/FY27E. We continue to value the stock at 30x average FY27–28E EPS, resulting in a revised TP of **INR 1,045** (previously INR 1,010). Valuation is further supported by a **PEG of 0.61x**. We maintain our **BUY** rating.

## Strong Top-line Growth with EBITDA Margin Expansion

- Revenue grew 69.4% YoY / 7.9% QoQ to INR 1,746 Mn (vs. CIE estimate: INR 1,698 Mn).
- EBITDA grew 109.8% YoY / 9.1% QoQ to INR 540 Mn (vs. CIE estimate: INR 425 Mn); margin expanded 597 bps YoY / 33 bps QoQ to 31.0% (vs. CIE estimate: 25.0%).
- PAT increased 83.5% YoY / (2.2%) QoQ to INR 317 Mn (vs. CIE estimate: INR 289 Mn)

## Robust Growth across Regions; ~50% FY26 Revenue Upside

SENORES delivered another quarter of strong growth, led by regulated and emerging markets franchise. The *management has guided for slightly above 50% revenue growth in FY26E* and a medium-term CAGR of 25–30%, which we believe is achievable, supported by the following drivers:

- Regulated Markets:** We see regulated markets as the *primary growth engine*, underpinned by a robust pipeline of **28 approved ANDAs scheduled for launch over the next 6–8 quarters** as well as increasing contribution from own products. We expect the segment to grow at ~60% in FY26E.
- Emerging Markets:** The EM portfolio continues to scale up rapidly, with **56 new approvals**, taking the total to 450. These are expected to be commercialised over the next 4–6 quarters. We forecast ~20% growth, driven by product launches and *geographic expansion, particularly in Southeast Asia*.

## Backward Integration and Improved Mix to Drive EBITDA Margin Expansion

*EBITDA margin improved significantly YoY*, supported by benefits from backward integration and a favourable product mix driven by *higher contribution from own products*. We expect **FY26E blended EBITDA margin to expand to 29.0%** (from 22.5% in FY25), in line with management guidance, as these factors continue to contribute. **Further improvement is possible in FY27E through operational leverage**, particularly from the backward integration efforts from the new API block.

Particulars (INR Mn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)
Revenue	1,746	1,031	69.4	1,618	7.9
Cost of Goods Sold	670	407	64.7	571	17.4
Gross Margin (%)	61.6	60.5	109 bps	64.7	(311) bps
Operating Expenses	535	366	91.1	552	(7.0)
EBITDA	540	258	109.8	495	9.1
EBITDA Margin (%)	31.0	25.0	597 bps	30.6	33 bps
Depreciation	79	42	87.1	81	(2.8)
Interest	53	62	(13.5)	62	(13.9)
PBT	446	206	116.9	407	9.7
Tax	110	41	171.4	105	4.9
PAT	317	173	83.5	324	(2.2)
EPS (INR)	6.9	3.7	83.5	7.0	(2.2)
Geographical Mix (INR Mn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)
Regulated Markets	1,127	702	60.5	1,069	5.4
Emerging Markets	384	261	47.1	317	21.1
API + Injectables	235	68	245.6	232	1.3

Source: SENORES, Choice Institutional Equities

## Management Call – Highlights

### Regulated Markets

- 46 ANDAs approved (18 launched, 28 yet to launch) and 22 under development, **launches over next 6–8 quarters**.
- Apnar acquisition (USFDA, UK MHRA, Health Canada approved) provides capacity expansion, allows shifting some US products to India and strengthens CDMO/CMO offering.
- Zoraya Pharmaceuticals (US) set up for vertical integration and branded launches.
- The management expects the region to be the backbone for overall growth in the company.**

### Emerging Markets

- 450 registered products, over 850 under registration; 56 approved in Q3, commercialisation ongoing.
- Focus on niche molecules, refined go-to-market** and increasing share of direct exports for higher USD revenue.
- Chhatral manufacturing facility regulatory approval will expand reach** to Vietnam, South Africa and other markets.
- EBITDA margin improving with higher own products contribution.

### API + Injectables

- Growth driven by new launches**, hospital/government distribution and controlled substances (~15–20% revenue).
- Backward integration via Mehsana API plant supports formulation business and improves margin.
- Operating cash flow and EBITDA conversion improving; double-digit growth expected.
- API mainly used for backward integration.**

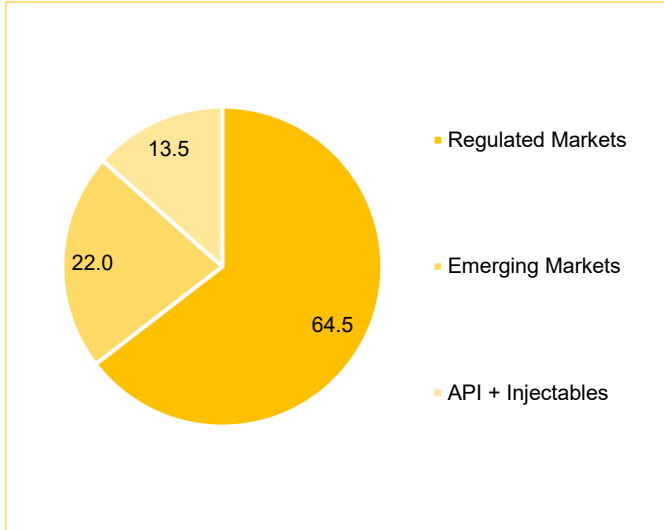
### Outlook & Management Guidance:

- FY26: Top-line growth 50% YoY; blended EBITDA ~29–30%.
- FY27+: Growth driven by ANDA launches, Apnar integration, emerging market expansion and India branded generics (injectables).
- Strategic focus:** Vertical integration, geographic diversification, branded presence in India and strong cash flow/profitability.

*FY26 Guidance Maintained: Top-line growth at 50% YoY, EBITDA and PAT growth at 100% YoY.*

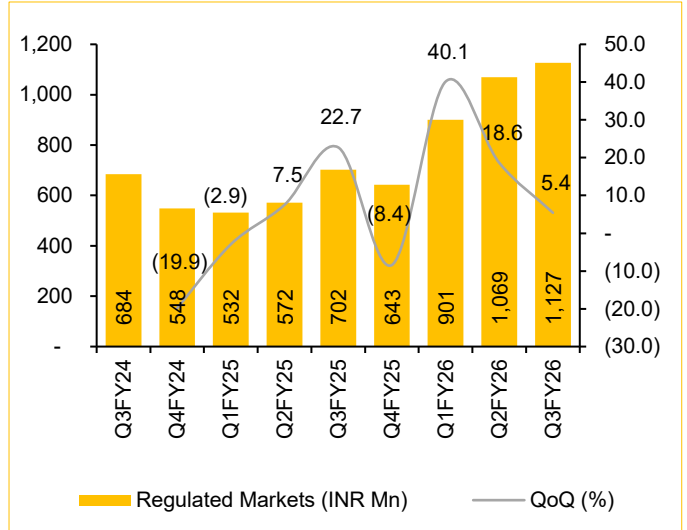
*Margin guidance improved to 29-30% from 24-26%.*

**Q3FY26 Segment Revenue Split (INR 1.7 Bn)**



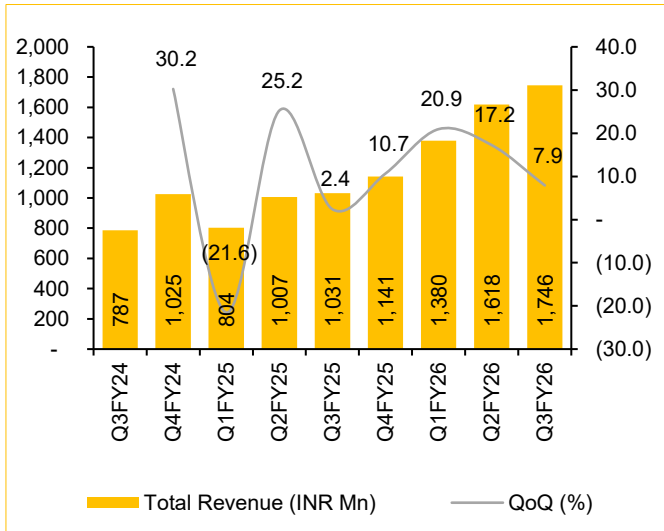
Source: SENORES, Choice Institutional Equities

**Continued Growth Trajectory in Regulated Markets**



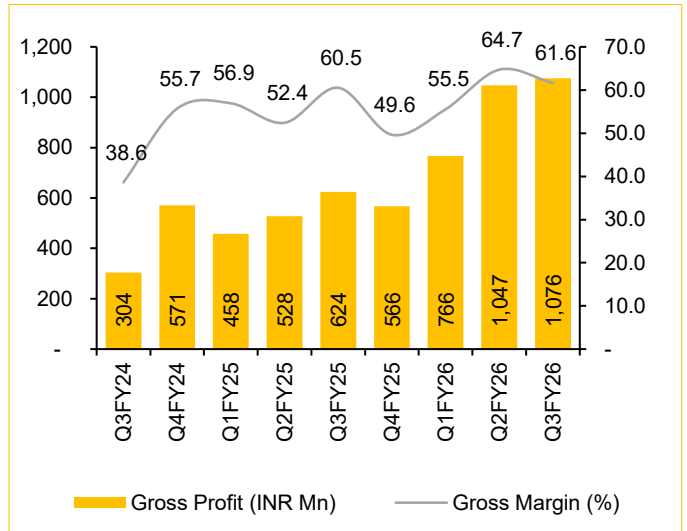
Source: SENORES, Choice Institutional Equities

**Revenue Growth above Estimate**



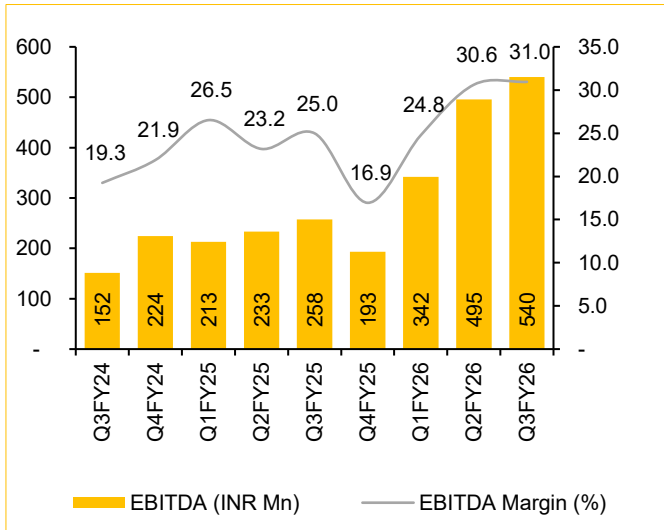
Source: SENORES, Choice Institutional Equities

**Gross Margin Improves YoY on Backward Integration**



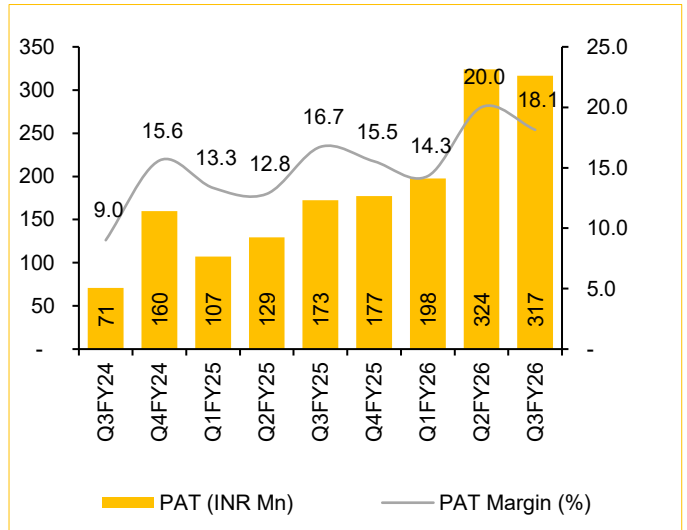
Source: SENORES, Choice Institutional Equities

**EBITDA and Margin Continued to Improve**



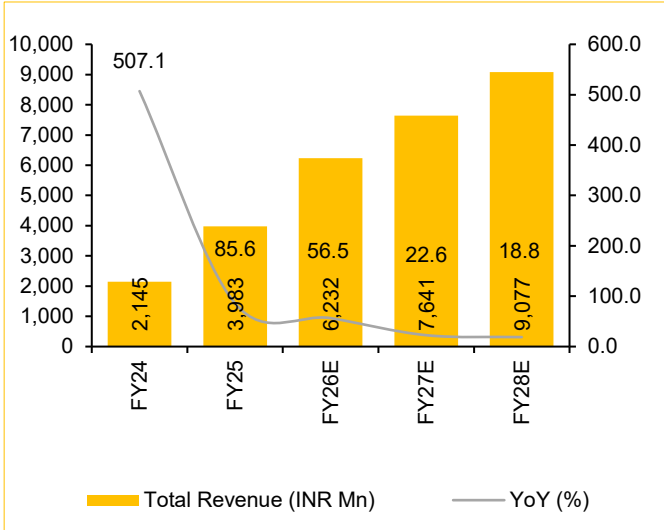
Source: SENORES, Choice Institutional Equities

**PAT Marginally below Estimates**



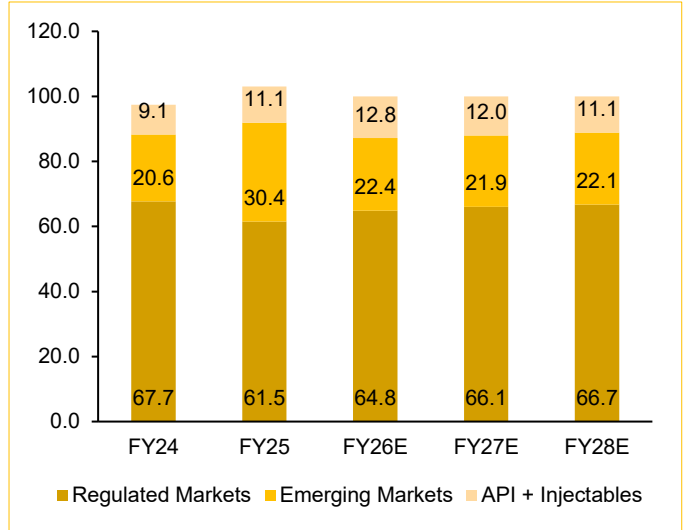
Source: SENORES, Choice Institutional Equities

**Revenue to Expand at 31.1% CAGR over FY25-28E**



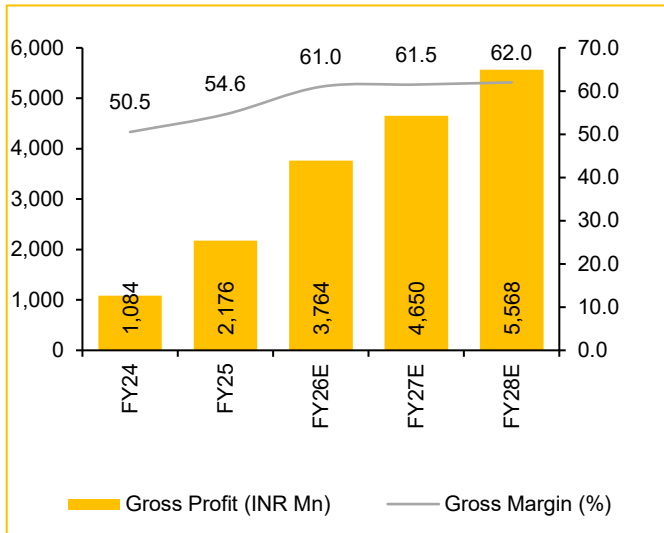
Source: SENORES, Choice Institutional Equities

**Segment Contribution (as a % of revenue)**



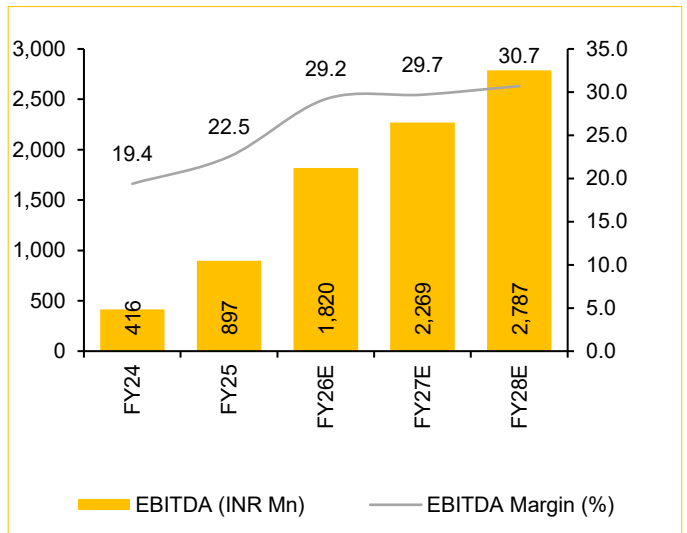
Source: SENORES, Choice Institutional Equities

**Gross Margin Expansion Supported by Backward Integration**



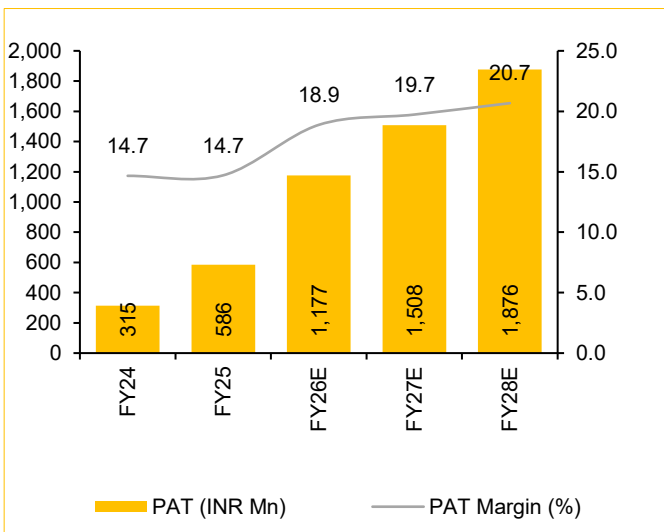
Source: SENORES, Choice Institutional Equities

**EBITDA Margin to See Strong Expansion on Better Mix**



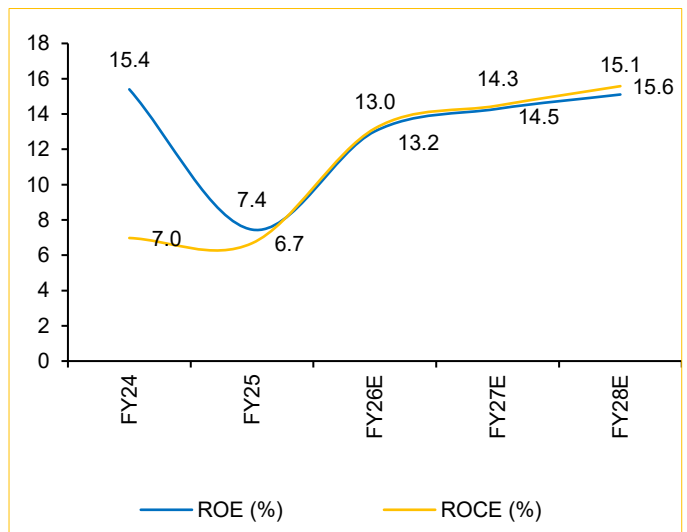
Source: SENORES, Choice Institutional Equities

**PAT Growth to Mirror EBITDA**



Source: SENORES, Choice Institutional Equities

**ROE and ROCE**



Source: SENORES, Choice Institutional Equities

## Income Statement (INR Mn)

Particulars	FY24	FY25	FY26E	FY27E	FY28E
Revenue	2,145	3,983	6,170	7,560	8,981
Gross Profit	1,084	2,176	3,764	4,650	5,568
EBITDA	416	897	1,802	2,245	2,757
Depreciation	100	168	227	302	377
EBIT	316	729	1,575	1,944	2,380
Other Income	28	193	167	227	269
Interest Expense	94	216	267	267	267
PBT	249	706	1,475	1,904	2,383
PAT	315	586	1,121	1,447	1,811
EPS (INR)	10.3	12.7	24.3	31.4	39.3

Ratio Analysis	FY24	FY25	FY26E	FY27E	FY28E
<b>Growth Ratios (%)</b>					
Revenue	507.1	85.6	54.9	22.5	18.8
Gross Profit	380.2	100.7	73.0	23.5	19.8
EBITDA	228.3	115.7	100.9	24.6	22.8
PAT	273.0	86.2	91.5	29.1	25.2
<b>Margins (%)</b>					
Gross Profit Margin	50.5	54.6	61.0	61.5	62.0
EBITDA Margin	19.4	22.5	29.2	29.7	30.7
PBT Margin	11.6	17.7	23.9	25.2	26.5
Tax Rate	(31.1)	17.3	24.0	24.0	24.0
PAT Margin	14.7	14.7	18.2	19.1	20.2
<b>Profitability (%)</b>					
ROE	15.4	7.4	12.5	13.9	14.8
ROIC	10.0	5.7	9.7	10.8	11.7
ROCE	7.0	6.7	12.3	13.7	14.8
<b>Financial Leverage</b>					
OCF/EBITDA (x)	(0.5)	(0.5)	0.8	0.8	0.8
OCF/Net Profit (x)	(0.6)	(0.8)	1.2	1.2	1.2
Debt to Equity	1.2	0.4	0.4	0.4	0.3
Interest Coverage	3.3	3.4	5.9	7.3	8.9
<b>Working Capital</b>					
Inventory Days	129	114	110	110	110
Debtor Days	191	114	90	90	90
Payable Days	389	136	110	110	110
Cash Conversion Cycle	-70	92	90	90	90
<b>Valuation Metrics</b>					
No of Shares (Mn)	31	46	46	46	46
EPS (INR)	10.3	12.7	24.3	31.4	39.3
BVPS (INR)	67.0	170.7	195.1	226.5	265.8
Market Cap (INR Bn)	23.9	36.1	36.1	36.1	36.1
PE	75.9	61.6	32.2	24.9	19.9
P/BV	11.7	4.6	4.0	3.5	2.9
EV/EBITDA	63.1	39.3	19.4	15.4	12.2
EV/Sales	12.2	8.9	5.7	4.6	3.7

Source: SENORES, Choice Institutional Equities

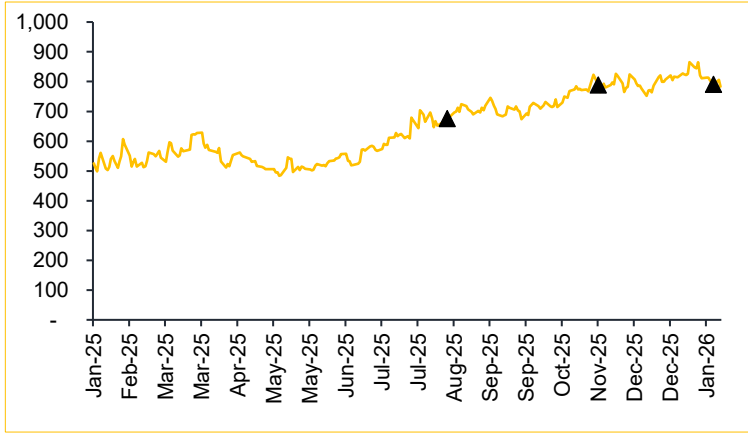
## Balance Sheet (INR Mn)

Particulars	FY24	FY25	FY26E	FY27E	FY28E
Net Worth	2,043	7,862	8,983	10,430	12,241
Minority Interest	274	261	261	261	261
Borrowings	2,576	3,148	3,908	3,908	3,908
Trade Payables	1,130	672	725	877	1,028
Other Non-current Liabilities	12	33	33	33	33
Other Current Liabilities	183	294	294	294	294
<b>Total Net Worth &amp; Liabilities</b>	<b>6,219</b>	<b>12,269</b>	<b>14,203</b>	<b>15,802</b>	<b>17,764</b>
Net Block	1,522	1,989	2,562	3,260	3,884
Capital WIP	178	442	742	742	742
Goodwill & Intangible Assets	741	925	1,125	1,325	1,525
Investments	0	0	113	150	150
Trade Receivables	1,120	1,239	1,521	1,864	2,214
Cash & Cash Equivalents	131	3,855	4,831	5,299	6,237
Other Non-current Assets	1,269	1,689	1,189	989	789
Other Current Assets	1,258	2,131	2,120	2,172	2,223
<b>Total Assets</b>	<b>6,219</b>	<b>12,269</b>	<b>14,203</b>	<b>15,802</b>	<b>17,764</b>

Cash Flows (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Cash Flows from Operations	(198)	(459)	1,395	1,773	2,204
Cash Flows from Investing	(547)	(4,295)	(912)	(1,038)	(1,000)
Cash Flows from Financing	870	5,731	493	(267)	(267)

DuPont Analysis	FY24	FY25	FY26E	FY27E	FY28E
Tax Burden (%)	126.1	83.0	76.0	76.0	76.0
Interest Burden (%)	79.0	96.9	93.7	98.0	100.1
EBIT Margin (%)	14.7	18.3	25.5	25.7	26.5
Asset Turnover (x)	0.3	0.3	0.4	0.5	0.5
Equity Multiplier (x)	3.0	1.6	1.6	1.5	1.5
<b>ROE (%)</b>	<b>15.4</b>	<b>7.4</b>	<b>12.5</b>	<b>13.9</b>	<b>14.8</b>

**Historical Price Chart: SENORES**



Date	Rating	Target Price
August 22, 2025	BUY	960
November 7, 2025	BUY	1,010
January 21, 2026	BUY	1,045

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<b>Large Cap*</b>	
BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
<b>Mid &amp; Small Cap*</b>	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
<b>Other Ratings</b>	
NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
<b>Sector View</b>	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in stasis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

\*Large Cap: More Than INR 20,000 Cr Market Cap  
\*Mid & Small Cap: Less Than INR 20,000 Cr Market Cap

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