

BUY**TP: Rs 1,006 | ▲ 25%****SENORES PHARMA**

Pharmaceuticals

07 November 2025

All round beat; no slowdown in growth in near term

- Sales/EBITDA/PAT reported 3%/24%/29% above our estimates. Gross M surpassed 870 bps to 64.7% while EBITDA M surpassed 500 bps to 31%
- To launch ~15 new ANDAs every year in the regulated market till FY28E. EMs EBITDA margin to increase from 6% in H1FY26 to 12% in FY26E
- Healthy growth trajectory to sustain, ascribe similar 26x PE on Sep'27 roll forward and expect to continue trading above 1SD

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Strong beat on profitability – Sales reported 59% YoY to Rs 1.6bn, largely driven by 86% YoY growth in regulated markets, multifold jump in the branded markets which was offset by 13% YoY decline in the emerging markets (EMs) and 20% YoY decline in API sales. During the quarter, lower purchases resulted in Raw Material cost growth of mere 19% YoY and contribution fell sharply to 35% in 2QFY26 from 47% YoY in 2QFY25, thus resulting in 64.7% gross margin. Healthy sales from the regulated market resulted in 105% YoY growth in EBITDA and 680 bps increase in the EBITDA margin to 30.6%. Healthy operations resulted in 136% YoY increase in the PAT to Rs 324 mn.

Aggressive new launches drew growth in regulated market - During the quarter, 8 new ANDAs were launched, out of which 3-4 acquired ANDAs were launched vs 2 own ANDAs launched in 1QFY26. The company has a healthy pipeline of 70 own and 17 acquired ANDAs, out of which they intend to launch 15 new ANDAs every year.

CDMO segment to grow at 30% CAGR in next 2 years – The company has a strong portfolio of CDMO opportunities from government supplies of controlled substances with end-to-end solution and manufacturing capacity in the US. Currently, the company has USD12mn worth of contract for FY26 with 45 products in the pipeline. Going forward, the company is increasing its oral solids capacity from 1.2bn to 2bn, which would enable incremental CMO opportunity.

EMs margins on track of doubling in FY26E - During the quarter, Emerging Markets margin reported at 6.6%, however this is expected to double to 12% by FY26E driven by orders in hand and next year from incremental registration to approval and launch of products, EBITDA Margin can increase to 15-20% by FY28E

Sharp beat on EPS, Maintain BUY - We ascribe PE of 26x on Sep'27 roll forward and expect the stock to continue trading at above 1 standard deviation to arrive at TP of Rs 1,006 (earlier TP Rs 850)

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	SENORES IN/Rs 805
Market cap	US\$ 89.1mn
Free float	31%
3M ADV	US\$ 2.3mn
52wk high/low	Rs 829/Rs 435
Promoter/FPI/DII	66%/10%/15%

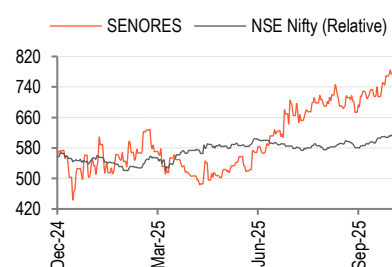
Source: NSE | Price as of 6 Nov 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	3,983	5,959	8,100
EBITDA (Rs mn)	897	1,549	2,228
Adj. net profit (Rs mn)	583	1,062	1,526
Adj. EPS (Rs)	12.7	23.1	33.1
Consensus EPS (Rs)	12.7	33.0	35.5
Adj. ROAE (%)	11.8	12.8	16.4
Adj. P/E (x)	63.5	34.9	24.3
EV/EBITDA (x)	8.9	7.0	5.5
Adj. EPS growth (%)	85.6	82.0	43.6

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Financial Highlights

Fig 1 – Quarterly Snapshot

(Rs mn)	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY25	H1FY26	YoY (%)	FY25	FY26E	FY27E	FY28E
Net Sales	1,618	1,006	60.7	1,380	17.2	1,810	2,998	65.6	3,983	5,959	8,100	9,634
Total Expenses	1,123	773	45.2	1,038	8.1	1,364	2,161	58.4	3,086	4,409	5,873	6,840
(%) of net sales	69.4	76.8		75.2		75.4	72.1		77.5	74.0	72.5	71.0
Raw material consumed	571	479	19.1	614	(7.0)	825	1,184	43.5	1,807	2,384	3,078	3,372
(%) of net sales	35.3	47.6		44.5		45.6	39.5		45.4	40.0	38.0	35.0
Staff cost	296	147	101.6	217	36.9	267	513	91.8	604	1,132	1,458	1,638
(%) of net sales	18.3	14.6		15.7		14.8	17.1		15.2	19.0	18.0	17.0
SG&A	256	147	73.8	208	22.8	271	464	70.9	675	894	1,337	1,830
(%) of net sales	15.8	14.6		15.1		15.0	15.5		16.9	15.0	16.5	19.0
EBITDA	495	233	112.4	342	44.9	446	837	87.5	897	1,549	2,228	2,794
Depreciation	81	39	108.0	60	35.1	74	141	90.0	168	223	284	313
EBIT	414	194	113.2	282	46.9	372	696	87.0	729	1,326	1,944	2,481
Interest	62	53	17.5	50	22.8	101	112	11.3	216	181	105	79
Other Income	54	19	190.9	34	61.0	23	88	274.8	193	150	200	250
PBT	406	160	153.8	265	53.3	295	671	127.9	706	1,295	2,039	2,652
Less: Taxation	105	29	262.4	53	97.9	55	158	189.7	122	233	513	667
Recurring PAT	301	131	129.7	212	42.1	240	513	113.8	583	1,062	1,526	1,984
Less: Minority Interest	-23	2		15		4	-8		0	0	0	0
PAT attributable to shareholders	324	129	151.0	197	64.0	236	521	120.8	583	1,062	1,526	1,984
Key Ratios (%)												
Gross Margin	64.7	52.4	1,233bps	55.5	918bps	54.4	60.5	608bps	54.6	60.0	62.0	65.0
EBITDA Margin	30.6	23.2	744bps	24.8	584bps	24.6	27.9	326bps	22.5	26.0	27.5	29.0
Tax / PBT	25.9	18.1	775bps	20.0	583bps	18.5	23.6	503bps	17.3	18.0	25.2	25.2
NPM	20.0	12.8	720bps	14.3	571bps	13.0	17.4	435bps	14.6	17.8	18.8	20.6
EPS	6.5	3.7	76.3	4.6	42.2	7.1	11.1	56.9	12.7	23.1	33.1	43.1

Source: Company, BOBCAPS Research

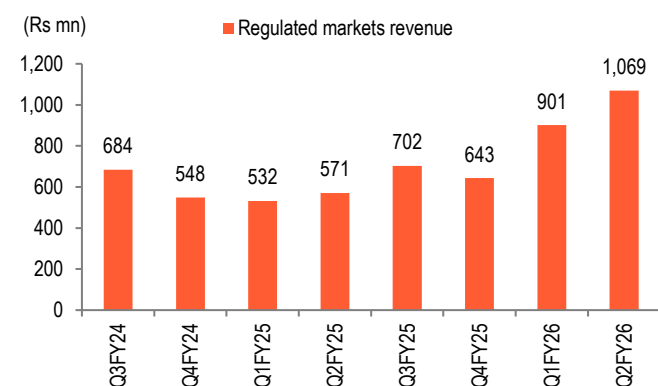
Fig 2 – Segmental Revenue

(Rs mn)	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY25	H1FY26	YoY (%)	FY25	FY26E	FY27E	FY28E
Regulated Markets	1,069	571	87.2	901	118.6	1,103	1,970	78.6	2,378	3,575	4,941	5,877
Emerging Markets	317	366	(13.4)	290	109.3	586	607	3.6	1,175	1,758	2,430	2,890
Others	232	69	236.2	189	122.8	121	421	247.9	430	626	729	867
Total Income	1,618	1,006	60.8	1,380	117.2	1,810	2,998	65.6	3,983	5,959	8,100	9,634

Source: Company, BOBCAPS Research

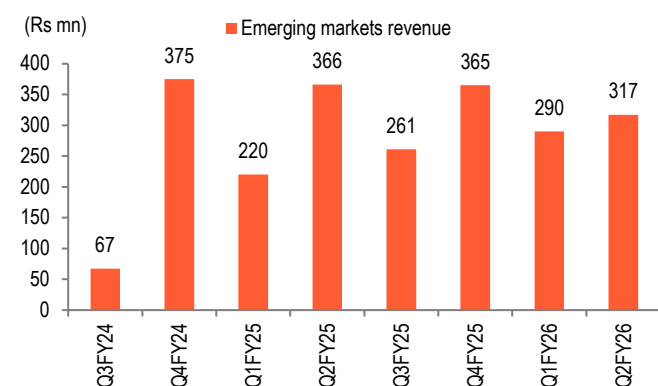
Financials in Charts

Fig 3 – Regulated markets growth driven by higher contribution from own products



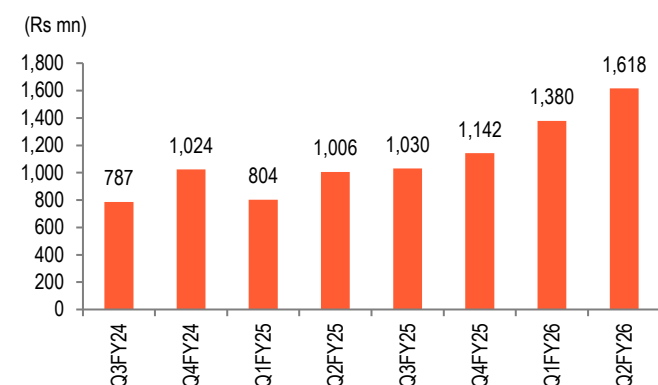
Source: Company, BOBCAPS Research

Fig 4 – Emerging markets growth driven by portfolio expansion



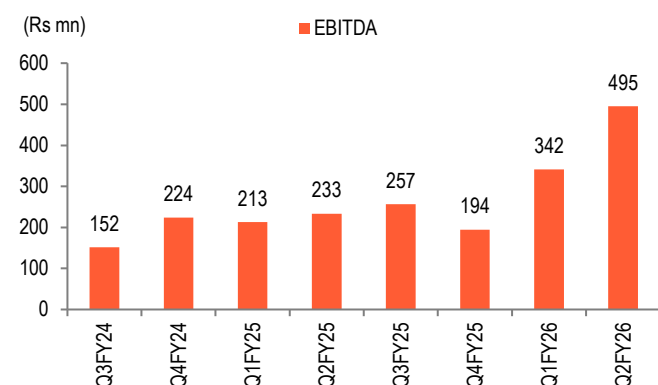
Source: Company, BOBCAPS Research

Fig 5 – Sales to be driven by strong traction in regulated markets and emerging markets



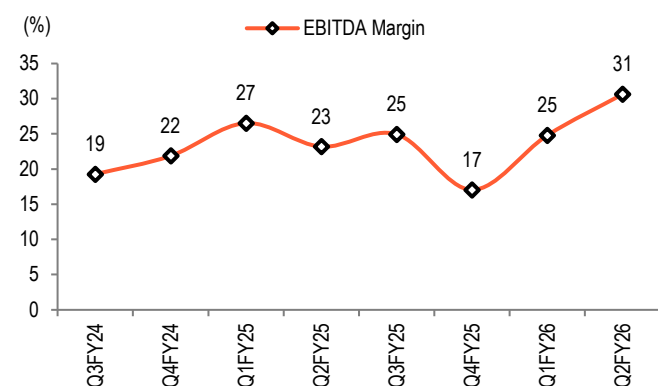
Source: Company, BOBCAPS Research

Fig 6 – EBITDA trending upwards driven by favorable business mix



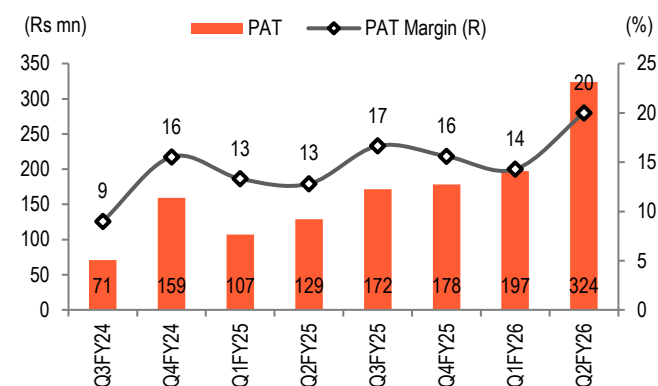
Source: Company, BOBCAPS Research

Fig 7 – EBITDA Margin expansion attributed to improved gross margins and operating leverage



Source: Company, BOBCAPS Research

Fig 8 – Healthy operations led to healthy PAT



Source: Company, BOBCAPS Research

Earnings Call Highlights

Management Guidance

- **FY26 Outlook:** Confident of meeting 50% revenue and 100% PAT growth targets; strong visibility in US/regulated markets and CDMO pipeline.
- **FY26 Capex:** Rs 1,000 - 1,500mn (to be funded via internal accruals)
- **CDMO/CMO Revenue Visibility:** US\$12 mn contracted for FY26; 30%+ CAGR expected over next 3–5 years.

Operational Highlights:

- **API Facility (Chhatral):** 100+ MT annual capacity; USFDA inspection targeted for Q2FY27.
- **Second API Facility:** To commence manufacturing post-approval in FY27; to enhance vertical integration and supply reliability.
- **Integration Focus:** In-house APIs for key controlled and high-volume products to protect margins and mitigate supply risk.
- 70 products under development (mix of oral solids, injectables, and complex generics).
- **Continued investment** in complex formulations, including semaglutide (oral and injectable) for emerging markets—filed in 12–14 markets. Pre-filled syringe (PFS) line installed to support semaglutide opportunity.

Regulated Markets

- **Revenue:** Rs 1,069 mn in Q2FY26 (+87% YoY, +19% QoQ).
- **EBITDA Margin:** 44% in Q2FY26 (vs 35.5% in Q1FY26).
- **Growth Drivers:** Launch of 8 new products (including acquired ANDAs), portfolio expansion, and higher contribution from own R&D-driven products.
- **Portfolio:** 81 approved ANDAs; ~70 under development.
- **CDMO/CMO:** Portfolio expanded to 32 products; >50 products in pipeline; order book visibility of ~US\$12 mn for FY26.
- **New Launches:** 6–8 ANDAs planned for H2FY26 (mix of in-house and acquired).
- **Margins:** Expected to stabilize at 40–42% EBITDA; sustainable gross margin at 60–65%.
- **Capacity Expansion:** 3rd manufacturing line in US to be operational in Q3FY26, 4th line by end-FY26—capacity to rise from 1.2 bn to ~2 bn units.
- **New US Entity:** Acquired 51% stake in Zoraya Pharmaceuticals (US-based marketing platform) to directly launch select products under its own label; no acquisition cost.

Emerging markets

- **Revenue:** Rs 317mn in Q2FY26 (+9% QoQ)
- **EBITDA Margin:** 6.6% (stable QoQ).
- **Approvals:** 86 new product approvals in Q2; total 394 approved, 824 under registration.
- **Challenges:** Currency fluctuations and geopolitical delays impacting commercialization; approvals not yet translating into orders.

Valuation Methodology

Senores reported a strong beat on the profitability front where EBITDA and PAT surpassed our estimates by 24% and 21% respectively. During the quarter, the company has launched 8 new ANDAs, out of which 3-4 were acquired ANDAs. Strong new launches resulted in 44% EBITDA margin in the regulated market.

Going forward, all segments are expected to contribute on healthy order visibility and increasing capacity in the US facility from 1.2bn units to 2 bn units; which would be commercialised from 4QFY26; thereby enabling to increase growth in the regulated markets for both own ANDAs and CMO opportunity. Emerging Markets too have a strong order visibility with 394 approved products and 824 products under registration across 40 countries. Due to a healthy pipeline of new launches, the management envisages EM margins to double to 12% in FY26 from 6% in H1FY26 and further scaling up to 15-20% in FY27E -28E, thus enabling blended level EBITDA margin to increase to 28-30% in FY27E - FY28E.

We believe regulated and emerging markets are the key drivers for the company's growth as they contribute largely to sales. We had factored in conservatively 8 new launches per year; however, mirroring the current quarter's launches, we factor in 15 new launches per year, thereby resulting in increase in our EPS by 12%/9%/13% for FY26E/FY27E/FY28E. Thus, we arrive at a sales/EBITDA/PAT CAGR of 27%/34%/37% respectively for FY26-28E. At CMP, the stock is trading at PE of 21x on Sep'27 roll forward basis and due to 1) sustenance of above average ANDA launches 2) operational leverage playing out and 3) positive cash flow generation, we ascribe PE of 26x on Sep'27 roll forward and expect the stock to continue trading at above 1 standard deviation to arrive at TP of Rs 1,006 (earlier TP Rs 850)

Fig 9 – Actual Vs Estimates

(Rs mn)	Q2FY26	Q2FY26E	Var(%)
Revenue	1,618	1,495	8.2
EBITDA	495	400	23.7
EBITDA Margin (%)	30.6	26.8	383bps
PAT	324	234	38.6
EPS	6.5	5.1	28.9

Source: Company, BOBCAPS Research

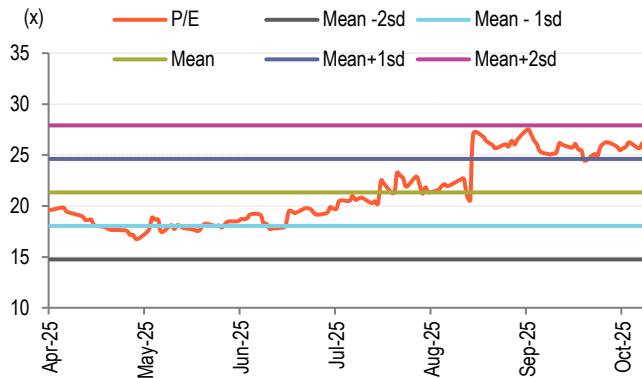
Fig 10 – Revised Estimates

(Rs mn)	New			Old			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	5,959	8,100	9,634	5,518	7,291	8,480	8.0	11.1	13.6
EBITDA	1,549	2,228	2,794	1,380	1,896	2,290	12.3	17.5	22.0
EBITDA Margin (%)	26.0	27.5	29.0	25.0	26.0	27.0	99bps	150bps	200bps
PAT	1,062	1,526	1,984	949	1,402	1,764	11.9	8.8	12.5
EPS	23.1	33.1	43.1	20.6	30.4	38.3	12.0	9.0	12.5

Source: Company, BOBCAPS Research

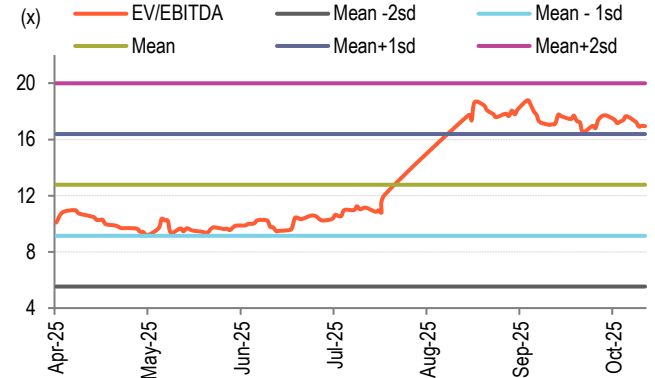
Valuation Bands

Fig 11 – 1YF P/E band



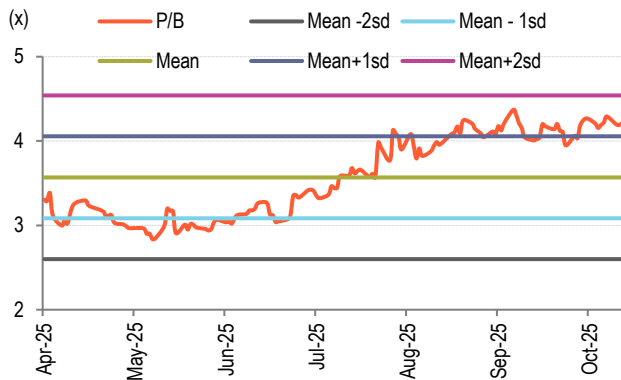
Source: Company, BOBCAPS Research

Fig 12 – 1YF EV/EBITDA band



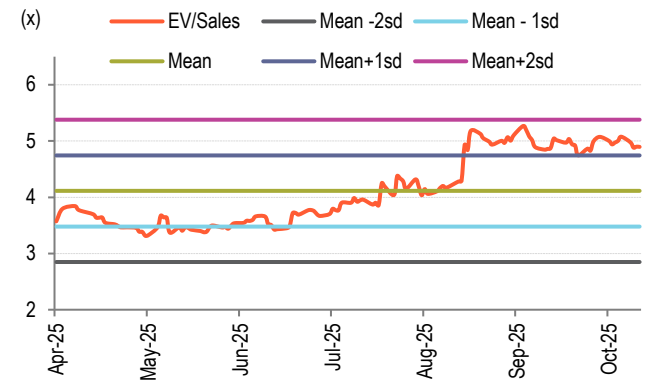
Source: Company, BOBCAPS Research

Fig 13 – 1YF P/B band



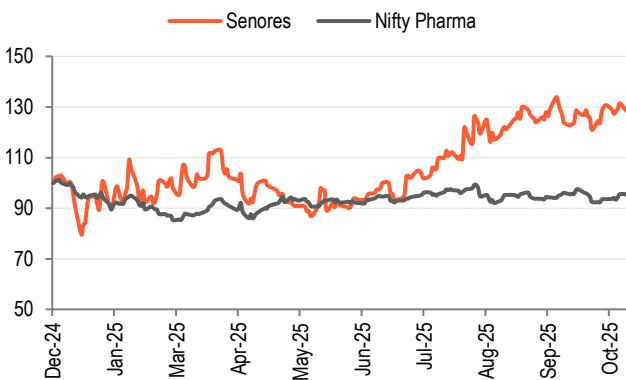
Source: Company, BOBCAPS Research

Fig 14 – 1YF EV/Sales band



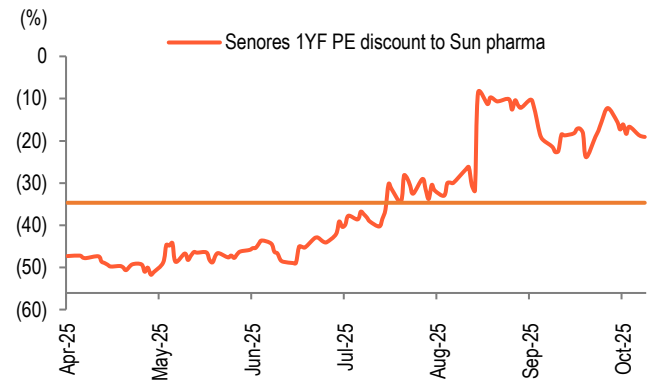
Source: Company, BOBCAPS Research

Fig 15 – Nifty pharma Vs Senores



Source: Company, BOBCAPS Research

Fig 16 – Senores 1YF premium/discount to Sun pharma



Source: Company, BOBCAPS Research

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Total revenue	2,145	3,983	5,959	8,100	9,634
EBITDA	416	897	1,549	2,228	2,794
Depreciation	100	168	223	284	313
EBIT	316	729	1,326	1,944	2,481
Net interest inc./(exp.)	(95)	(216)	(181)	(105)	(79)
Other inc./(exp.)	28	193	150	200	250
Exceptional items	0	0	0	0	0
EBT	249	706	1,295	2,039	2,652
Income taxes	(78)	122	233	513	667
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	13	0	0	0	0
Reported net profit	314	583	1,062	1,526	1,984
Adjustments	0	0	0	0	0
Adjusted net profit	314	583	1,062	1,526	1,984

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	1,130	672	980	1,332	1,584
Other current liabilities	52	60	119	162	193
Provisions	26	53	80	108	129
Debt funds	1,756	2,008	1,004	753	565
Other liabilities	0	0	0	0	0
Equity capital	305	461	461	461	461
Reserves & surplus	2,012	7,658	8,508	9,728	11,316
Shareholders' fund	2,317	8,119	8,968	10,189	11,776
Total liab. and equities	5,282	10,912	11,151	12,544	14,246
Cash and cash eq.	131	3,855	5,138	5,264	6,045
Accounts receivables	1,120	1,239	1,796	2,441	2,903
Inventories	374	566	816	1,110	1,320
Other current assets	254	468	775	1,053	1,252
Investments	0	0	0	0	0
Net fixed assets	1,613	2,082	2,132	2,182	2,232
CWIP	178	442	442	442	442
Intangible assets	1,534	2,208	0	0	0
Deferred tax assets, net	79	52	52	52	52
Other assets	0	0	0	0	0
Total assets	5,282	10,912	11,151	12,544	14,246

Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operations	176	19	746	1,121	1,808
Capital expenditures	(518)	(469)	(1,000)	(1,200)	(1,200)
Change in investments	165	0	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(353)	(469)	(1,000)	(1,200)	(1,200)
Equities issued/Others	207	155	0	0	0
Debt raised/repaid	1,259	252	(1,004)	(251)	(188)
Interest expenses	(95)	(216)	(181)	(105)	(79)
Dividends paid	(63)	(117)	(212)	(305)	(397)
Other financing cash flows	(1,161)	4,091	2,935	866	837
Cash flow from financing	147	4,166	1,538	205	173
Chg in cash & cash eq.	(30)	3,715	1,283	126	781
Closing cash & cash eq.	(29)	3,846	5,138	5,264	6,045

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	6.8	12.7	23.1	33.1	43.1
Adjusted EPS	6.8	12.7	23.1	33.1	43.1
Dividend per share	2.1	2.5	4.6	6.6	8.6
Book value per share	23.3	89.6	99.3	113.2	131.3

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	3.2	2.0	1.8	1.5	1.3
EV/EBITDA	16.4	8.9	7.0	5.5	4.6
Adjusted P/E	117.9	63.5	34.9	24.3	18.7
P/BV	34.6	9.0	8.1	7.1	6.1

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	126.1	82.7	82.0	74.8	74.8
Interest burden (PBT/EBIT)	79.0	96.9	97.7	104.9	106.9
EBIT margin (EBIT/Revenue)	14.7	18.3	22.3	24.0	25.8
Asset turnover (Rev./Avg TA)	21.5	14.2	14.9	19.5	20.8
Leverage (Avg TA/Avg Equity)	2.0	1.4	1.2	1.1	1.1
Adjusted ROAE	25.2	11.8	12.8	16.4	18.5

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	507.1	85.6	49.6	35.9	18.9
EBITDA	228.1	115.8	72.7	43.8	25.4
Adjusted EPS	(20.6)	85.6	82.0	43.6	30.1

Profitability & Return ratios (%)

EBITDA margin	19.4	22.5	26.0	27.5	29.0
EBIT margin	14.7	18.3	22.3	24.0	25.8
Adjusted profit margin	14.7	14.6	17.8	18.8	20.6
Adjusted ROAE	25.2	11.8	12.8	16.4	18.5
ROCE	9.2	13.2	20.1	27.4	29.5

Working capital days (days)

Receivables	191	114	110	110	110
Inventory	64	52	50	50	50
Payables	192	62	60	60	60

Ratios (x)

Gross asset turnover	1.4	2.0	2.0	1.9	1.8
Current ratio	1.6	7.8	7.2	6.2	6.0
Net interest coverage ratio	3.3	3.4	7.3	18.4	31.4
Adjusted debt/equity	0.8	(0.2)	(0.5)	(0.5)	(0.5)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

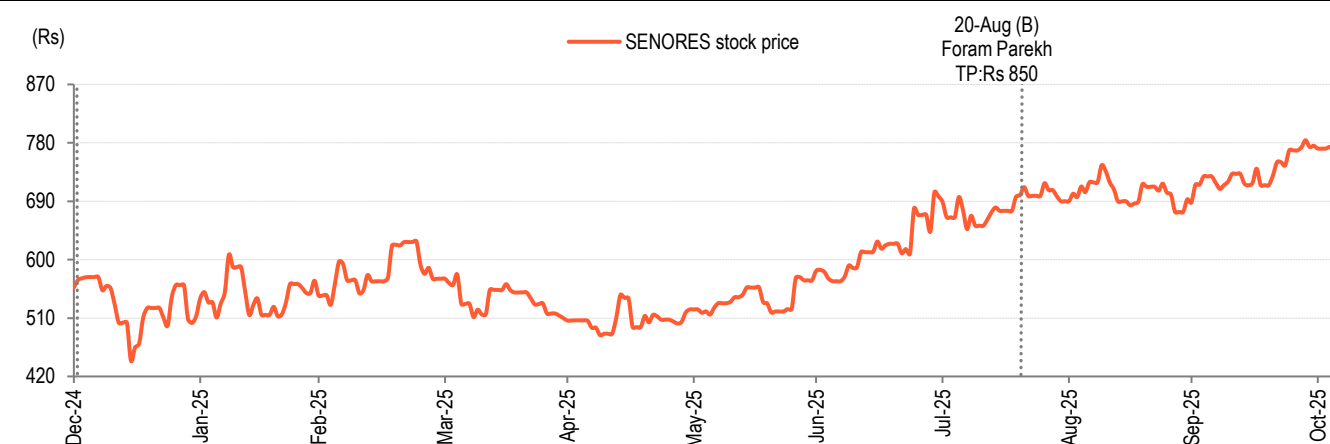
HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): SENORES PHARMA (SENORES IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

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