BUY
TP: Rs 1,500 | ▲ 32%

SENORES PHARMA

| Pharmaceuticals | 30 October 2026

Many new launches awaited

- **Sales/EBITDA/APAT reported -9.8%/-10.5%/13.5% above our estimates EBITDA Margin reported 24 bps below our estimates of 30.2%**
- **64 ANDAs expected to be launched over 6-8 quarters. Company to launch 14 new ANDAs through Zoraya and 13ANDAs through Amerisyn**
- **We continue to ascribe a PE of 26x, as the high growth trajectory continues, and roll forward to Sep'28 EPS to arrive at a PT of Rs 1500**

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Earnings below our estimates - Sales grew by 24.9% YoY to Rs 1.92 bn, driven by 27.9% YoY growth in the regulated market to Rs 1.4 bn, 21% YoY growth in the EMs, and 129% YoY growth in the Others segment (APIs), which was partially offset by a 20% YoY decline in the Branded Market to Rs 95 mn. A stable business mix and 16.6% YoY growth in RM cost led to 29.8% YoY growth in gross profit to Rs 1.25 bn. GM increased by 246 bps YoY to 65%. A healthy product mix was partially offset by 40% YoY growth in Other expenses to Rs 357 mn (contributing 19% of sales in 2QFY27 vs 16% in 2QFY26), leading to 38.3% YoY growth in EBITDA to Rs 577 mn. Thus, EBITDA margin increased by 290 bps YoY to 30%. Depreciation grew by 26.7% YoY, interest grew by 41.7% YoY, and Other Income declined by 32% YoY to Rs 89 mn, leading to 22% YoY growth in PAT after minority interest to Rs 395 mn.

Regulated Market sales growth driven by new launches – In 2QFY27, regulated market sales grew by 28% YoY to Rs 1.37 bn. The growth was driven by a 65% contribution from own-marketed ANDAs and a 35% contribution from the CDMO segment. In own-marketed ANDAs, the company launched 3 new strengths in existing ANDAs, and in the CDMO segment, it launched 3 new ANDAs. Going forward, the company expects to launch 64 ANDAs over a period of 6-8 quarters. The new stream to government and direct consumers is expected to commence from H2FY27E, followed by a scale-up in the Apna facility (which intends to commence 4 lines with a manufacturing capacity of 1.2 bn units). Thus, we expect the regulated market to grow at a CAGR of 29% over FY26-29E, driven by a 48% CAGR in marketed ANDAs and a 19% CAGR in the CDMO segment.

Valuations - We factor in moderate growth and EBITDA margin from FY27E, leading to a 2%/-11%/-15% reduction in EPS to Rs 39 for FY27E, Rs 51 for FY28E, and Rs 65 for FY29E. Thus, our Sales/EBITDA/PAT CAGR works out to 29%/37%/37% over FY26-29E. At CMP, on rolling forward to Sep'28E EPS of Rs 57.7 per share, the stock is trading at a PE of 20x, and we continue to ascribe a PE of 30x to arrive at a PT of Rs 1,500 on the stock.

Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	SENORES IN/Rs 1,134
Market cap	US$ 117.2mn
Free float	31%
3M ADV	US$ 4.0mn
52wk high/low	Rs 1,599/Rs 706
Promoter/FPI/DII	66%/10%/15%

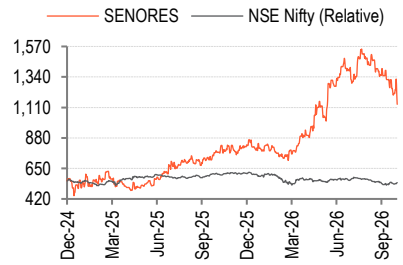
Source: NSE | Price as of 30 Oct 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	6,326	8,633	10,813
EBITDA (Rs mn)	1,683	2,590	3,352
Adj. net profit (Rs mn)	1,154	1,783	2,331
Adj. EPS (Rs)	25.1	38.7	50.6
Consensus EPS (Rs)	25.1	33.9	48.9
Adj. ROAE (%)	13.4	17.7	19.9
Adj. P/E (x)	45.3	29.3	22.4
EV/EBITDA (x)	7.1	4.2	3.3
Adj. EPS growth (%)	97.0	54.5	30.7

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

Emerging Market growth driven by increased new registrations - Sales from EMs grew by 21% YoY to Rs 384 mn in 2QFY27, driven by 45 new approved products. The company added 2 new products under registration, taking the count to 944 as of 2QFY27. In 2QFY27, margin declined to 9% (from 14% in 1QFY27) due to competitive pricing in beta-lactam products. However, the management expects FY27 margins to scale back to the low-to-mid teens. The company also expects to receive EU PICS approval in H2FY27. It is also participating in GLP products (semaglutide and the entire peptide portfolio), where it intends to make both the drug substance and the drug product in prefilled syringes (with the device outsourced) for launch in 18-20 countries (Middle East, Africa, Latin America, Far East, and SE Asia)

Margins expected to stabilize at 30% - Senores reported an EBITDA margin of 30% in 2QFY27, driven primarily by a 41% margin from the regulated market (71% of sales). Senores' branded business (5% of sales) also reported a 60% gross margin in 2QFY27 vs 18-20% in 2QFY26, due to the discontinuation of non-core products. Overall, the management expects regulated market margins to sustain at 40% and the Emerging Markets EBITDA margin to scale up to the low-to-mid teens. Thus, we expect the company to deliver an EBITDA margin of 30% in FY27E, 31% in FY28E, and 32% in FY29E

Financial Highlights

Fig 1 – Financial highlights

(Rs Mn)	Q2FY27	Q2FY26	YoY (%)	Q1FY26	QoQ (%)	Q2FY27E	Var (%)
Net Sales	1,923	1,539	24.9	1,802	6.7	2,132	(9.8)
Total Expenses	1,347	1,123	20.0	1,265	6.5	1,504	(10.5)
(%) of net sales	70%	73%		70%		70%	
Raw material consumed	666	571	16.6	657	1.3	847	(21.4)
(%) of net sales	35%	37%		36%		39%	
Gross Profit	1,258	969	29.8	1,145	9.8	1,309	(3.9)
Staff cost	324	296	9.4	299	8.4	323	0.2
(%) of net sales	17%	19%		17%		15%	
SG&A	357	256	39.6	308	15.8	334	6.8
(%) of net sales	19%	17%		17%		16%	
EBITDA	577	417	38.3	538	0.2	644	(10.5)
Depreciation	103	81	26.7	99	3.1	86	18.9
EBIT	474	336	41.1	438	(2.9)	565	(16.1)
Interest	88	62	41.7	72	22.3	72	22.3
Other Income	89	132	(32.4)	28	218.1	25	257.6
PBT	476	406	17.1	395	20.6	519	(8.2)
Less: Taxation	110	105	4.5	90	21.9	131	(15.9)
PAT	366	301	21.6	305	20.2	388	(5.7)
Less: Minority Interest	(29)	(23)	27.9	(3)	970.4	35	(182.6)
Recurring PAT	395	324	22.0	307	28.5	348	13.5
Key Ratios (%)			Bps		Bps		Bps
Gross Margin	65%	63%	246.2	64%	185.1	61%	466.1
EBITDA Margin	29.98%	27%	290.4	30%	14.8	30.2%	(24.2)
Tax / PBT	23%	26%	(279.7)	23%	24.4	25%	(209.3)
NPM	21%	21%	(49.5)	17%	348.6	16%	415.6
EPS	8.9	6.6	22.0	6.7	28.5	7.7	11.9

Source: Company, BOBCAPS Research

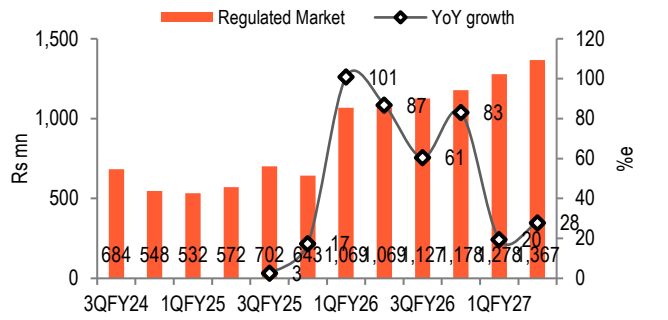
Fig 2 – Segmental Mix

Recurring PAT	Q2FY27	Q2FY26	YoY (%)	Q1FY26	QoQ (%)
Regulated Markets	1367	1069	27.9	1278	7.0
Emerging Markets	384	317	21.1	376	2.1
Branded Market	95	119	(20.2)	80	18.8
Others	78	34	129.4	68	14.7
Total Revenue	1,924	1,539	25.0	1,802	6.8
Other Operating Income	0.0	0.0		0	
Total sales	1,924	1,539		1,802	

Source: Company, BOBCAPS Research

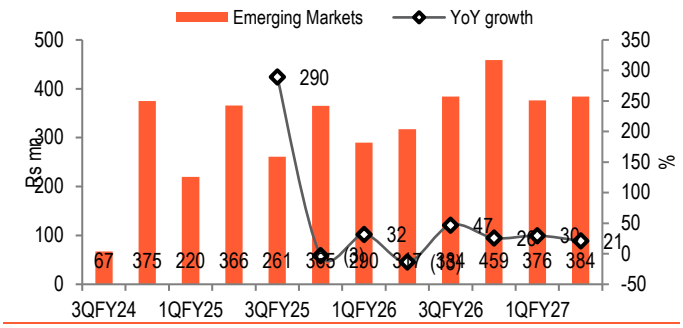
Financial Charts

Fig 3 – Regulated Market growth driven by new launches



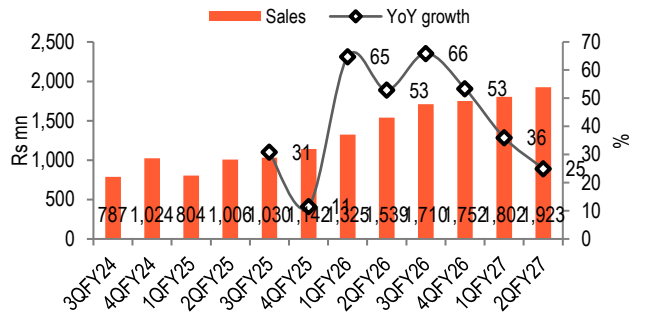
Source: Company, BOBCAPS Research

Fig 4 – Emerging Market growth driven by new product registration



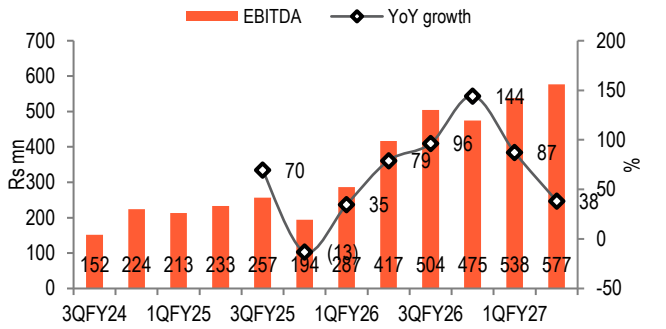
Source: Company, BOBCAPS Research

Fig 5 – Sales growth driven by growth across segments



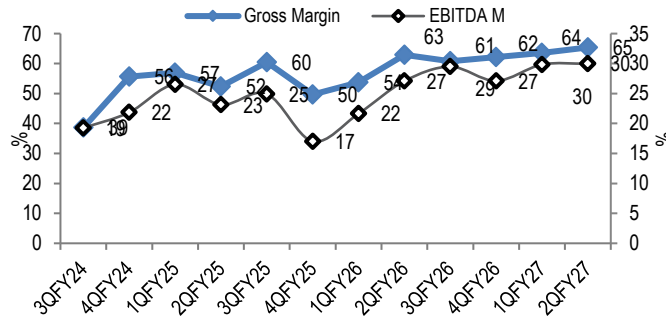
Source: Company, BOBCAPS Research

Fig 6 – EBITDA growth driven despite higher Other expenses



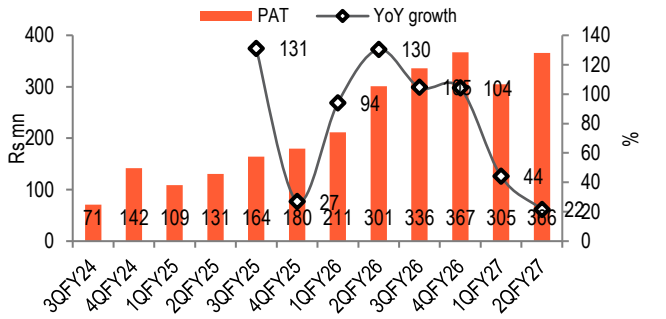
Source: Company, BOBCAPS Research

Fig 7 – Healthy product mix led to healthy margins



Source: Company, BOBCAPS Research

Fig 8 – Healthy business led to healthy operations



Source: Company, BOBCAPS Research

Earnings call highlights

Regulated Markets (US)

- Revenue grew 28% in Q2 and 34% in H1.
- **ANDA portfolio:**
  - Approved ANDAs nearly doubled from 34 (Sep 2025) to 64 (Sep 2026), of which 23 are commercialized.
  - In Q2 there was one new ANDA approval and three S-ANDA approvals (supplement ANDAs, covering four strengths).
  - All three S-ANDAs were commercialized. The new ANDA (a controlled substance) will launch around the end of November.
  - Of the S-ANDA strengths, Senores was first to launch in the US on two, for a molecule with a market above USD 1 billion. On the remaining two it is second to launch, in a small but highly profitable niche.
  - Another ANDA approval (Propranolol) came two days before the call and will launch this quarter.
- **Why no new ANDA launches in Q2:** Controlled substance approvals need a quota (about 45–50 days), then an API purchase order, API delivery and manufacturing. The quota is already received, and manufacturing is scheduled for the next couple of weeks.
- Launch pace:
  - Many approved ANDAs came via acquisition and need to be re-filed for Senores' own plant (CBE-30 or PAS routes, a 3–12 month lag).
  - Management expects all 64 to be commercialized over 6–8 quarters, and cannot give a per-quarter figure. It should be viewed over 6–12 months.
  - Along with 41 pipeline ANDAs, that is about 84 ANDAs to commercialize over 3–4 years.
- **Q3 FY27 expectations:** three to four new ANDA approvals and about 12–15 S-ANDAs, with more approvals expected in November and December.
- **Controlled substances:** Four to five launches are expected before 31 March 2027, with limited competition and some complex specialty products. CDMO/CMO also has a large controlled-substance portfolio.
- **CDMO/CMO:**
  - Three ANDAs covering 12 strengths were commercialized.
  - A strong opportunity pipeline is expected to convert over the next 12 months, with acceleration in H2.
  - CDMO/CMO is about 35% of regulated market revenue, and own-product revenue is growing faster.
  - New products are being signed almost every other week (CDMO/CMO or NDA), and some NCE work is under way.

- **Margins:**
  - The sequential improvement was modest.
  - The margin should stay level or rise 1–2 percentage points, driven by new launches (including first-to-market products).
  - Management advises viewing margins annually, not quarterly.
  - Analysts cited a regulated-market EBITDA margin of about 46%.
- **R&D:** 41 newly developed molecules covering roughly 130 strengths are at various stages.
- **Capacity and technology:** A pre-filled syringe line was installed for GLP-1 and other products, and AI-based applications and digitized operations were deployed.
- **Apnar Facility (US FDA-approved plant)**
- A recent FDA inspection closed with one minor procedural 483.
- Utilization is 90–100%, but over 50% of it is validation work for upcoming launches, so it is not yet generating full revenue.
- The plan is four commercial lines by 31 March 2027. Two exist, the third is being installed, and the fourth will be done before March 2027. Total capacity will be about 1.2 billion units.
- Apnar is expected to contribute INR 100-odd crore this year and is on track. Q2 revenue was about INR 21 crore, largely from the acquired portfolio (five ANDAs, with seven coming).
- New product launches from Apnar are expected from November–December onward, with no regulatory delay expected.
- Full-scale operations and further expansion are expected over the next 12–18 months.

Zoraya and Amerisyn (new subsidiaries)

- Both have incurred setup and operating costs with no revenue so far (about INR 4 crore in Q2). Management does not expect that to grow to INR 20 crore.
- **Amerisyn:**
  - It is ahead of Zoraya, with 20+ state licenses received.
  - Business is expected to begin within 10–15 days, and more than 10 products are planned for launch within two quarters.
- **Zoraya:** Launch is expected within about 45 days at worst. It has 14 ANDAs planned for launch in FY27.
- **Sourcing:**
  - More than 90% of Amerisyn products are made at Senores' own US facility.
  - Zoraya products will be made in the US or India by Senores.
  - Inventory sits on Senores' books, but management is keeping it tight.

- Revenue guidance for these two will come next quarter, after launch. A more meaningful ramp-up is expected from FY28.
- Margins: no dip is expected, and the direction is upward, but timing is uncertain.

Emerging Markets

- Revenue grew about 21% in Q2 and 25% in H1. The business has turned cash positive.
- The Q2 margin dipped because of a few large, competitively priced beta-lactam orders.
- Management expects a recovery in the coming quarters, with the full-year margin in the mid-to-low teens. October was “great” and November–December look promising.
- EU PIC/S approval is expected in H2 FY27, which will help new registrations.
- Registrations: 558 approved and 944 filed and awaiting approval, expected over the next 2–4 quarters.
- GLP-1 (not only semaglutide, but a whole peptide portfolio) is being commercialized in 18–20 emerging markets (Middle East, Africa, Latin America, Far East, SE Asia). Senores will make the drug substance and drug product in pre-filled syringes, and the device is outsourced.

India Branded Generics

- Field force and market reach were expanded significantly.
- Gross margin rose from 18–20% last year to more than 60% at similar scale, a shift from volume to margin.
- FY27 revenue is expected at about INR 50–60 crore with a similar margin. Growth should continue after the margin reset.

Guidance and Outlook

- **FY27 guidance maintained:** revenue growth of 30–40% and PAT growth of 50–60%.
- H2 has historically been stronger (H1 is about 45% of full-year revenue). H2 drivers are Apnar, new launches, Zoraya/Amerisyn, emerging market seasonality and operating leverage. Management expects PAT growth to exceed revenue growth.
- **FY27 EBITDA margin:** at least 30%, “maybe a little higher, but not lower, not 28%”.
- **Beyond FY27:**
  - The opening remarks guided about 25% annual growth for the next 2–3 years.
  - Beyond FY27E, sales growth guided for 25–30% with the management guiding of “more aggressive” growth, to be discussed later.

Valuation

Senores reported earnings below our estimates, although margins were in line with our estimates. The earnings miss was due to the lack of ANDA commercialization in 2QFY27 (only strengths were commercialized) and a lower-than-expected EBITDA margin for Emerging Markets.

Going forward, the management has guided to the launch of 64 ANDAs over a period of 6-8 quarters in the regulated markets, continued momentum in Emerging Markets with margins clawing back to double digits, and growth in the branded business. The company is also expected to participate in peptides by manufacturing both the drug substance and the drug product.

We factor in moderate growth and EBITDA margin from FY27E, leading to a 2%/-11%/-15% reduction in EPS to Rs 39 for FY27E, Rs 51 for FY28E, and Rs 65 for FY29E. Thus, our Sales/EBITDA/PAT CAGR works out to 29%/37%/37% over FY26-29E. At CMP, on rolling forward to Sep'28E EPS of Rs 57.7 per share, the stock is trading at a PE of 20x, and we continue to ascribe a PE of 30x to arrive at a PT of Rs 1,500 on the stock.

Fig 9 – Change in estimates table

Rs Mn	New			Old			Variance		
Particulars	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue	8,633	10,813	13,539	9,008	11,843	14,697	-4%	-9%	-8%
EBITDA	2,590	3,352	4,333	2,973	4,263	5,511	-13%	-21%	-21%
EBITDA Margin (%)	30.00	31.00	32.00	33.00	36.00	37.50	(300bps)	(500bps)	(550bps)
EPS	39	51	65	38	57	76	2%	-11%	-15%

Source: Company, BOBCAPS Research

Key risks

Key downside risks to our estimates are:

- Slow down in new launches in the regulated markets
- Lack of margin recovery in the Emerging Markets
- Higher input cost

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**3,983**	**6,326**	**8,633**	**10,813**	**13,539**
EBITDA	897	1,683	2,590	3,352	4,333
Depreciation	168	313	423	487	609
EBIT	729	1,371	2,167	2,865	3,723
Net interest inc./(exp.)	(216)	(250)	(252)	(245)	(257)
Other inc./(exp.)	193	471	494	504	514
Exceptional items	0	0	0	0	0
EBT	706	1,591	2,409	3,125	3,981
Income taxes	122	376	566	734	935
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	(2)	62	60	60	60
Reported net profit	**586**	**1,154**	**1,783**	**2,331**	**2,985**
Adjustments	0	0	0	0	0
Adjusted net profit	**586**	**1,154**	**1,783**	**2,331**	**2,985**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	672	2,347	2,838	3,407	3,895
Other current liabilities	60	148	173	216	271
Provisions	53	93	127	159	199
Debt funds	2,008	1,767	1,590	1,670	1,754
Other liabilities	0	0	0	0	0
Equity capital	461	461	461	461	461
Reserves & surplus	7,658	9,185	10,611	12,476	14,864
Shareholders' fund	8,119	9,645	11,072	12,936	15,324
Total liab. and equities	**10,912**	**14,001**	**15,800**	**18,389**	**21,443**
Cash and cash eq.	3,855	1,596	1,257	1,579	1,748
Accounts receivables	1,239	3,248	4,494	5,925	7,790
Inventories	566	893	1,230	1,511	1,818
Other current assets	468	703	1,122	1,514	2,031
Investments	0	289	376	488	635
Net fixed assets	2,082	3,453	3,503	3,553	3,603
CWIP	442	175	175	175	175
Intangible assets	2,208	3,853	3,853	3,853	3,853
Deferred tax assets, net	52	(208)	(208)	(208)	(208)
Other assets	0	0	0	0	0
Total assets	**10,912**	**14,001**	**15,800**	**18,389**	**21,443**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**21**	**949**	**1,005**	**1,602**	**1,745**
Capital expenditures	(469)	(1,000)	(1,300)	(750)	(750)
Change in investments	0	(289)	(87)	(113)	(146)
Other investing cash flows	0	0	0	0	0
Cash flow from investing	**(469)**	**(1,289)**	**(1,387)**	**(863)**	**(896)**
Equities issued/Others	155	0	0	0	0
Debt raised/repaid	252	(241)	(177)	80	84
Interest expenses	(216)	(250)	(252)	(245)	(257)
Dividends paid	(117)	(231)	(357)	(466)	(597)
Other financing cash flows	4,089	(1,510)	1,527	963	341
Cash flow from financing	**4,163**	**(2,232)**	**742**	**332**	**(430)**
Chg in cash & cash eq.	**3,715**	**(2,571)**	**360**	**1,072**	**419**
Closing cash & cash eq.	**3,846**	**1,284**	**1,957**	**2,329**	**1,998**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	12.7	25.1	38.7	50.6	64.8
Adjusted EPS	12.7	25.1	38.7	50.6	64.8
Dividend per share	2.5	5.0	7.7	10.1	13.0
Book value per share	89.6	106.5	122.7	144.0	171.2

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	2.8	1.9	1.3	1.0	0.8
EV/EBITDA	12.5	7.1	4.2	3.3	2.6
Adjusted P/E	89.2	45.3	29.3	22.4	17.5
P/BV	12.6	10.7	9.2	7.9	6.6

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	83.0	72.5	74.0	74.6	75.0
Interest burden (PBT/EBIT)	96.9	116.1	111.2	109.1	106.9
EBIT margin (EBIT/Revenue)	18.3	21.7	25.1	26.5	27.5
Asset turnover (Rev./Avg TA)	14.2	14.6	17.6	19.5	21.1
Leverage (Avg TA/Avg Equity)	1.4	1.3	1.2	1.2	1.2
Adjusted ROAE	11.8	13.4	17.7	19.9	21.6

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	85.6	58.9	36.5	25.3	25.2
EBITDA	115.8	87.6	53.9	29.4	29.3
Adjusted EPS	86.3	97.0	54.5	30.7	28.1
Profitability & Return ratios (%)					
EBITDA margin	22.5	26.6	30.0	31.0	32.0
EBIT margin	18.3	21.7	25.1	26.5	27.5
Adjusted profit margin	14.7	18.2	20.7	21.6	22.0
Adjusted ROAE	11.8	13.4	17.7	19.9	21.6
ROCE	13.1	17.0	21.7	24.3	26.4
Working capital days (days)					
Receivables	114	187	190	200	210
Inventory	52	52	52	51	49
Payables	62	135	120	115	105
Ratios (x)					
Gross asset turnover	2.0	2.1	1.7	1.7	1.8
Current ratio	7.8	2.5	2.6	2.8	3.1
Net interest coverage ratio	3.4	5.5	8.6	11.7	14.5
Adjusted debt/equity	(0.2)	0.0	0.0	0.0	0.0

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%

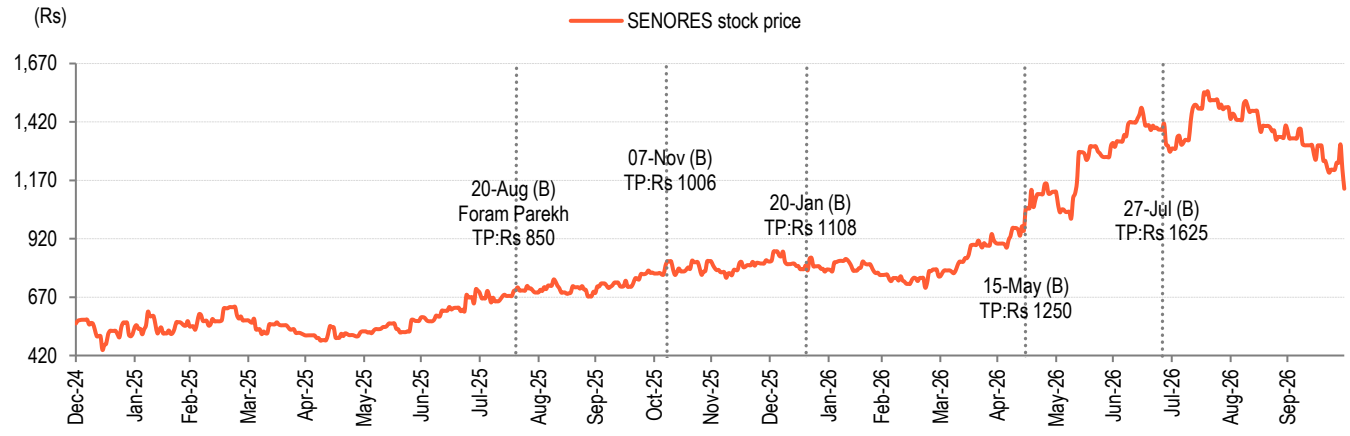
HOLD – Expected return from -6% to +15%

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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