

# Techno Funda

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## Strides Pharma Science

23 Apr 2026

# Strides Pharma Science – Fundamental View

Strides Pharma Science deleveraging drives diversified earnings re-rating potential

Last Day Close  
Rs. 1,002.05

3-Month TP  
Rs. 1,250

Rating  
BUY

**Strides Pharma Science** is a Bengaluru-headquartered pharmaceutical company engaged in the development, manufacturing, and commercialization of generic medicines, with a global manufacturing and marketing footprint across 100+ countries. The company operates across three principal segments the U.S. market, and Other Regulated Markets (ORM). The business is built on a vertically integrated model, spanning product development, regulatory filings, manufacturing, and global distribution.

Its portfolio includes formulations across key therapeutic areas such as anti-infectives, cardiovascular, and other chronic segments, with growth increasingly driven by ORM and emerging markets. As of FY25, the geographical revenue mix was led by North America at 54%, followed by Europe at 22%, Australia at 10%, and Africa at 10%.

- **Profitability-Led Business Transition:** Over the past six to seven quarters, Strides Pharma Science has transitioned from a balance-sheet repair story into a more profitable and diversified pharma company. Management has focused on margin expansion, improving cash generation, and scaling non-U.S. businesses. This is evident from the improving EBITDA margins which improved from 14% in FY24 to 20% in Q3 FY26. The company now funds routine capex and R&D entirely through internal accruals, reducing dependence on borrowings. Strides expects annual free cash flow of Rs. 500–600 crore and targets another Rs. 1,000 crore debt reduction over the next 2–2.5 years. Net debt stood at Rs. 1,436 crore as of 9M FY26, while Net Debt/EBITDA improved to 1.59x in Q3 FY26 from 1.9x at FY25-end.
- **OneSource Pharma Demerger Improved Profitability:** The sale of OneSource Specialty Pharma helped unlock capital, accelerate deleveraging, and improve balance sheet flexibility. It also allows management to focus on higher-return core businesses such as U.S. generics, regulated markets, and branded emerging markets. Lower interest costs should support future profitability.
- **Rapid Geographical Diversification and Ex-U.S. Momentum:** A core pillar of the company's strategy is reducing its concentration on the U.S. market by scaling Ex-U.S. segments, which collectively grew 20% YoY in Q3 FY26. The Other Regulated Markets (ORM) segment (U.K., Nordics, Australia) broke its historical quarterly run rate to reach Rs. 418.9 Cr in Q3 FY26. Management's long-term goal is for these Ex-U.S. markets to mirror the size of the U.S. business within the next two to three years, creating a more balanced global revenue base.
- **Market Leadership in Sub-Saharan Africa (SSA) via Strategic M&A:** The acquisition of a branded generic portfolio from Sandoz (announced in March 2026) has more than doubled Strides' presence in Africa. This deal spans key markets including Nigeria, Kenya, Ghana, and 10 countries in Western Sahara. Consequently, Strides is now expected to rank among the top five pharmaceutical companies in the Sub-Saharan region by sales and among the top two players in its representable market.
- **Strong Q3 FY26 Performance:** Revenue rose 3.6% YoY to Rs. 1,194.6 Cr. EBITDA increased 12.2% to Rs. 235.9 Cr, with margins expanding to 19.8%. PAT more than doubled YoY to Rs. 208.1 crore, reflecting improving operating leverage and lower financial stress
- **Outlook:** Post OneSource Specialty Pharma demerger, Strides Pharma Science returned to profitability in FY25; consensus sees FY26E–FY27E revenue CAGR of 12% and EPS growth of 24%. Furthermore, Strides Pharma Science is trading at ~14.8x FY27E P/E, which we believe is attractive for a generic formulations company.

Rs Cr	FY23	FY24	FY25	FY26E	FY27E
Revenue	3,688	3,890	4,565	4,862	5,676
Growth y/y	20.1%	6.1%	17.4%	6.5%	16.7%
EBITDA Margin %	11.9%	15.1%	17.6%	19.1%	19.7%
*EPS (Rs)	-24.6	-13.2	44.1	62.3	68.2
Growth y/y	-	-	-	41.4%	9.5%
EV/EBITDA	-	-	-	11.8	9.8
PE	-	-	-	16.2	14.8

23 Apr 2026

Industry Pharmaceuticals

## Key Stock Data

Bloomberg	STR IN
Shares o/s Nos. (In Cr)	9.2
Market Cap (Rs. Cr)	9,722
52 wk High-Low	1,025/615
3m ADV (Rs. Cr)	34.1
Index	NIFTY 500
F&O	N

## Latest Shareholding (%)

	Dec 25	Sep 25	Jun 25
Promoters	27.9	27.9	28.3
Institutions	42.5	41.5	41.3
Public	29.6	30.6	30.4
Pledge	0.0	0.0	0.0

## Stock Performance (%)

	1M	6M	12M
STR IN	15.8	29.1	58.3
Nifty 500	10.9	(3.5)	3.1

RESEARCH ANALYST

Viswanath AVR

[viswanath.avr@sparkcapital.in](mailto:viswanath.avr@sparkcapital.in)

Source: Company reports, Bloomberg, Spark PWM Pvt Ltd

3-Month TP: 3-Month Target Price

\* - EPS from Continuing Operations

# Strides Pharma Science – Technical View

The stock is breaking out of its flat base.

Pharmaceuticals	Reco/View Buy	Last Day Close Rs. 1,002.05	Buy Range Rs. 1,040 – 1,080	3-Month TP Rs. 1,250	Potential Upside 18%	Stop loss on a closing basis Rs. 935
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## Technical View (Weekly)



TradingView

## Technical View

- The stock is breaking out of its flat base after a period of consolidation.
- It has retaken all its key moving averages (50/100/200-DMA) in the last few trading sessions.
- The 50-DMA has retaken the 200-DMA forming a golden cross.
- **Entry:** Initiate positions here (Rs. 1,040 – 1,080) as the stock is breaking out.
- **Support:** The 20-DMA (Rs. 977) is expected to act as support.

## RESEARCH ANALYST

Aditya Ashwin Paul  
[aditya.a@sparkcapital.in](mailto:aditya.a@sparkcapital.in)

Viswanath AVR  
[viswanath.avr@sparkcapital.in](mailto:viswanath.avr@sparkcapital.in)

Source: Trading View, Spark PWM  
3-Month TP: 3-Month Target Price

# Strides Pharma Science – Technical View

3-Year Price Chart



TradingView

Source: TradingView

# Abbreviation

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Bn	Billion
CAGR	Compounded Annual Growth Rate
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EPS	Earnings Per Share
EV/EBITDA	Enterprise Value/ Earnings Before Interest, Tax, and Depreciation
Mn	Million
O/S	Outstanding Shares
P/E	Price/Earnings
Tn	Trillion

# Disclaimer (1/2)

## Absolute Rating Interpretation

<b>BUY</b>	Stock expected to provide positive returns of >15% over a 1-year horizon	<b>REDUCE</b>	Stock expected to provide returns of <5% – -10% over a 1-year horizon
<b>ACCUMULATE</b>	Stock expected to provide positive returns of >5% – <15% over a 1-year horizon	<b>SELL</b>	Stock expected to fall >10% over a 1-year horizon

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# Our Offices



## Chennai

No. 1, 3<sup>rd</sup> Floor,  
First Crescent Park Road,  
Gandhi Nagar,  
Adyar,  
Chennai – 600 020



## Mumbai

Unit – 301, 302, Windsor House, 11<sup>th</sup> floor, C Wing, ONE BKC,  
2, Kolivery Village,  
MMRDA Area, Kalina,  
Santacruz East,  
Mumbai – 400 098

Unit Nos. 1116,  
Bandra Kurla Complex,  
Bandra East,  
Mumbai – 400 051



## Delhi

No. 23, 1<sup>st</sup> Floor,  
Community Centre,  
Basant Lok,  
Vasant Vihar,  
New Delhi – 110 057



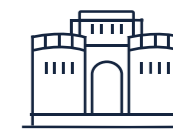
## Bengaluru

No. 2, 3<sup>rd</sup> Floor,  
Prestige  
Emerald,  
Lavelle Road,  
Bengaluru – 560 001



## Hyderabad

No. 25 & 42, 3<sup>rd</sup> Floor,  
Lumbini Avenue,  
Near Preston Prime Mall  
Main Road, Gachibowli,  
Hyderabad – 500 032



## Pune

No. 7/352 1<sup>st</sup> Floor,  
Elbee House,  
Boat Club Road,  
Sangamvadi,  
Pune – 411 001



## Ahmedabad

No. 409, 4<sup>th</sup> Floor,  
Venus Amadeus,  
Near Jodhpur Cross Road,  
Satellite,  
Ahmedabad – 380 015



## Kolkata

No. 9A-1 & 9B-1,  
9<sup>th</sup> Floor,  
No. 95A,  
Park Street,  
Kolkata – 700 016



## Kochi

No.1285 F1, Ground floor,  
The Quadrant, MP Pylee Road,  
Jawahar Nagar Avenue,  
Kadavanthra P O,  
Ernakulam – 682 020



## Thiruvananthapuram

2<sup>nd</sup> Floor,  
Mankulangara Tower,  
Kuravankonam,  
Pattom P.O.,  
Trivandrum – 695 004



## Lucknow

Unit No.6, 3<sup>rd</sup> Floor  
Marigold Building,  
Sapru Marg Shahnajaf Road,  
Hazratfang,  
Lucknow – 226 001



## Kanpur

Unit No 205, 2<sup>nd</sup> Floor,  
Imperial Square,  
16/105,  
MG Road,  
Kanpur – 208 001



## Spark Global PWM Private Limited

Unit number- GV-00-04-03-BC-24, Gate Village Building  
04, Dubai International Financial Centre (DIFC), Dubai, UAE