Midas
Equities and Research

Senores
Committed to Global Wellness!

Senores Pharmaceuticals Ltd.

Initiating Coverage

27 Jul 2026

Spark Initiating Coverage Reports – Rebooted!

Outlining the framework from our desk

In the new, rejuvenated approach to publishing fundamental research ideas, we look to balance the traditional, time-tested framework with a contemporary, hopefully refreshing, segue to stock-picking. Ergo, our Initiating Coverage reports will be presented in 5 sections: **1) Forensic Analysis, 2) Business Assessment Scores, 3) Valuation Framework, 4) Stock Buzz & Influencing Factors, and 5) Technical Analysis.**

This report is underpinned by our strong beliefs that 1) Technical analysis, when combined with Fundamental, leads to better stock-calling, 2) Business assessment has to be separated from Valuation Frameworks, so equity research calibrates the mix objectively when making stock-calls, and 3) Reactions to “Buzz” and factors that lend themselves to price actions have to be identified and assigned due regard when timing stock-calls, especially in current times where information flow is incessant.

Annual Report Deep-Dive

Drawing on the time-tested, but often neglected, practice of drilling into historical annual reports, we choose to dedicate the starting section to the **Analytical Perspective** we could glean. The much helpful forensic overlay provides a clearer view of the company’s **historical operating performance, balance sheet behavior, cash-flow quality, and governance structure.** By anchoring the analysis in reported numbers and disclosures, this section helps assess earnings quality and risk before progressing on any forward-looking calls of conviction

Business Assessment Scores

Done in detail to answer the question of “Can this company’s business have what it takes to be a winner in the long-term,” we try drawing on Porter’s 5P models to discuss vitals like revenue models, pricing risks, market positions, moats, et al. The financial analysis and estimates hinge on our reading of the business performance as well as potential. So that objectivity is not colored to suit gut-based calls, we have put in place a scoring model, capturing all drivers to the assessment across 5 composite vectors, and the scores alone would dictate our call on the business.

Valuation Framework

We have watched with disdain how the markets have made target multiples look like the proverbial rabbits out of a hat! To cut away from our own temptation to merrily justify alongside the masses, we went back to first principles when designing the Valuation Framework. Contoured by market, peer, and historical absolute axes, our scores for Valuation multiples take into account Economic Value Added, Return Profiles, Growth and Leadership positions mapped against relevant multiples. All said the question of “All told about the business, markets and peers, does the pricing look attractive for this stock?” is a question that is the bedrock of stock-picking in equity research!

Stock Buzz & Influencing Factors

The **Buzz Chart** & Liquidity Chart tracks stock-specific news flow, events, and market activity to help identify **periods of elevated attention or sentiment shifts,** complementing fundamental and valuation analysis.

Technical Analysis

The report also includes a **Technical Analysis** section to capture prevailing price trends, momentum, and key support–resistance levels, offering additional insight into **timing and near-term market behavior.**

Source: Company, Midas Research.

Report in Gist (1/2)

Last Day Close	1Y TP	Upside	Rating
Rs. 1,388	Rs. 1,828	32%	BUY

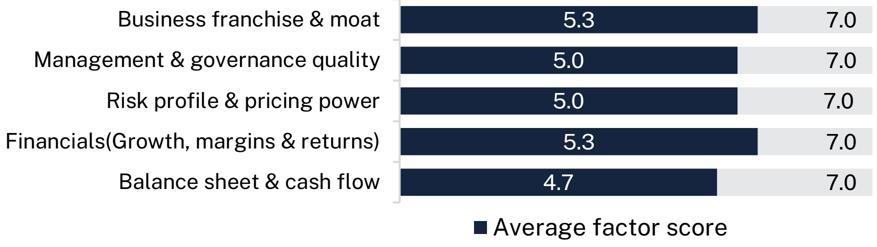
About the company

- Senores Pharmaceuticals Limited, headquartered in Ahmedabad, is a research-driven, formulation-focused pharmaceutical company specialising in niche and complex generics for regulated markets. Distinct from most Indian-origin peers, Senores operates a US-based manufacturing model, developing & commercialising its own ANDA products alongside a contract development and manufacturing (CDMO/CMO) business that serves global pharmaceutical partners. Beyond regulated markets, it has built a growing emerging-markets business spanning 40+ countries across Asia, Latin America, Africa, the CIS and the Middle East, complemented by a domestic critical-care injectables franchise and an in-house API operation. Its revenue is derived from four segments - Regulated Markets (64%), Emerging Markets (22%), Branded Generics (6%) and Others, including APIs (8%), as of FY26.
- The company operates a diversified manufacturing footprint comprising a USFDA-, DEA- and BAA-approved oral solid formulation plant in Atlanta, US, through Havix, alongside two formulation and two API facilities in Gujarat, India. One of the Gujarat formulation plants, the WHO-GMP Chhatral facility, anchors its Emerging Markets and Branded Generics manufacturing, while the second, Apnar, adds USFDA-, MHRA- and Health Canada-approved capacity. Together, these provide Senores with end-to-end manufacturing capabilities across oral solids, injectables, ORS and APIs, spanning US-regulated and global markets.

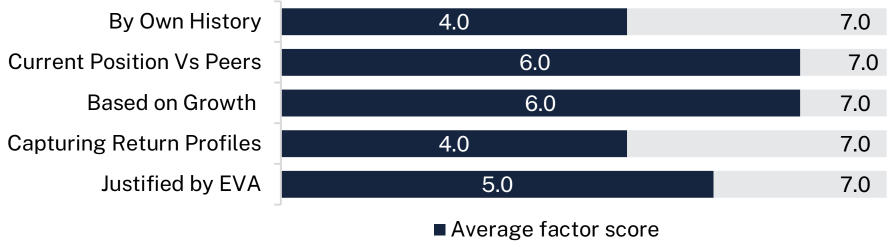
Annual Report Deep-Dive

Senores has evolved into a diversified, export-oriented pharmaceutical platform, with its operating business and key value drivers residing largely within its subsidiaries rather than the listed parent. The Regulated Markets franchise remains the primary earnings engine, complemented by a rapidly scaling Emerging Markets platform and a growing Domestic Branded Generics business, creating multiple growth pillars. Despite rapid expansion through acquisitions, the business has maintained resilient profitability, supported by an improving product mix and increasing contribution from higher-value regulated products.

Business Assessment Scores



Valuation Framework



Financials and Estimates Summary

Particulars (Rs. cr)	Revenue	EBITDA %	PAT %	EPS	RoE %	RoCE %	PE	EV/EBITDA	Mcap/Sales
FY24	215	19.4	15.2	13.7	26.2	11.3	195.4	160.4	29.8
FY25	398	22.5	14.6	16.1	11.8	9.4	109.5	74.4	16.0
FY26	633	26.6	19.2	26.4	14.1	11.7	52.6	39.6	10.1
FY27E	868	27.8	19.5	36.7	16.6	15.2	37.8	27.6	7.4
FY28E	1,081	28.6	20.5	48.1	18.3	17.2	28.8	21.6	5.9

Source: Company reports, Bloomberg, Midas Research

27 Jul 2026

Industry	Pharmaceuticals

Key Stock Data

Bloomberg	SENORES IN
Shares o/s (cr)	4.61
Market Cap (Rs. cr)	6,390
52-wk High/Low	1,510/630
3M ADV ('000)	476.4
Index	Nifty 500
F&O	N

Latest Shareholding (%)

	Jun 26	Mar 26	Dec 25
Promoters	45.8	45.8	45.8
Institutions	16.4	13.3	12.7
Public	37.8	40.9	41.5
Pledge	2.8	1.9	1.9

Stock Performance (%)

	1M	3M	12M
SENORES IN	8.8	55.8	104.3
Nifty 500	(0.1)	1.5	(0.9)

RESEARCH ANALYST

Viswanath AVR
viswanath.avr@sparkcapital.in
Adith R Kanakasabai
adith.k@sparkcapital.in
Samar Gupta
samar.g@sparkcapital.in

Report in Gist (2/2)

Stock Buzz & Influencing Factors

- Senores' share price is driven primarily by the pace of its US product launches and the strength of its order pipeline. Successful commercialization of the approved ANDAs, and a steady ramp in the high-margin CDMO/CMO business, are the principal triggers for earnings upgrades and re-rating.
- The stock is exposed to execution and concentration risk. Launch delays, the loss of a major CDMO customer, or any adverse USFDA outcome at the Atlanta facility could sharply reset earnings expectations.

Technical Outlook

- Senores Pharmaceuticals has remained in a strong primary uptrend following its decisive breakout above the Rs. 870–880 resistance zone in April 2026, ending a four-month consolidation phase. The stock is consolidating constructively while continuing to hold above its rising 20-DMA, validating the strength of the breakout. The moving average structure remains firmly positive, with the 20-DMA above the 50-DMA and both trending higher. A decisive move above Rs. 1,480–1,500 could trigger the next leg of the uptrend, while the rising 20-DMA and 50-DMA should provide strong near- and medium-term support, offering a favourable risk-reward setup.

Investment Rationale

- Senores Pharmaceuticals is entering a high-growth phase, supported by its niche ANDA strategy in regulated markets, a US manufacturing base that qualifies its products for long-tenure government (BAA) contracts, and a differentiated CDMO/CMO platform. The company is well-positioned to benefit from a rapidly expanding approved-ANDA portfolio, the ramp-up of the recently- acquired Apnar (USFDA-approved) facility, and a widening emerging-markets footprint with improving per-unit realizations, driving margin expansion and enhancing earnings quality.
- We believe multiple growth drivers are in place, including commercialization of the approved-but-unlaunched ANDA pipeline, CDMO/CMO scale-up, Apnar's revenue ramp up and Amerisyn JV's entry into high-barrier US government procurement. These should drive **~30.7% revenue CAGR and ~35.0% earnings CAGR over FY26–28E**, ahead of the ~27% peer-average earnings growth.
- We value **Senores at 38x FY28E P/E, arriving at a target price of Rs. 1,828 and implying 32% upside.** The target multiple represents a **~14% discount to the selected peer average of ~44x**, balancing Senores' superior earnings growth against its relatively smaller scale and execution risks. We believe this discount is conservative, given the company's expected revenue, EBITDA, and PAT CAGRs of 30.7%, 35.5% and 35.0% over FY26–FY28E, materially ahead of peers, alongside improving return ratios. Additionally, Senores combines a differentiated niche-molecule strategy with a scarce US manufacturing footprint, creating high entry barriers, durable pricing power and a long runway for value creation. At our target multiple, Senores trades at an implied PEG of ~1.1x FY28E versus the peer average of ~1.6x, suggesting the market is yet to fully price its superior growth profile while retaining an adequate cushion for execution risks.

CONTENT

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Corporate Structure

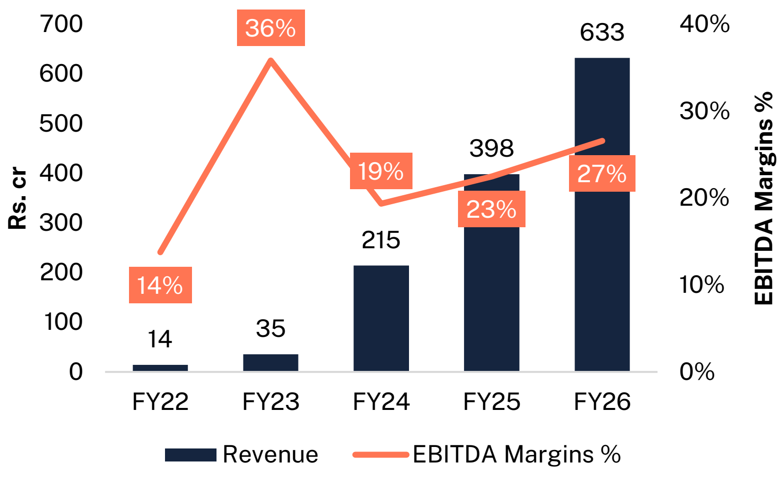
Senores - Group Holding Company based in India

100.0% Stake	73.3% Stake	69.0% Stake	51.0% Stake	75.0% Stake	70.0% Stake
Senores Pharmaceuticals (SPI)	**Havix Group**	**Ratnatris Pharmaceuticals**	**Zoraya Pharmaceuticals**	**Apnar Pharma**	**Amerisyn (JV)**
2021	**2023**	**2023**	**2025**	**2026**	**2026**
SPI is Senores' US subsidiary that holds the group's ANDAs (US drug approvals) and manages its marketing and distribution agreements with US partners. It houses the company's US intellectual property and commercial relationships, making it the backbone of its regulated-markets business.	Havix owns and operates Senores' manufacturing plant in Atlanta, which is USFDA-approved, DEA-registered and BAA-compliant. These approvals enable it to manufacture controlled substances and supply the US government-two high-barrier markets that most Indian peers, which manufacture in India and export, cannot access. The acquisition established Senores as a US-based manufacturer, providing a differentiated competitive advantage.	Ratnatris operates the WHO-GMP facility at Chhatral, Gujarat, and houses Senores' entire Emerging Markets business, developing, manufacturing and marketing generic formulations across 40+ countries. It provides Senores with a second growth engine beyond the US, reducing dependence on a single market while adding a large base of product registrations and manufacturing capacity that would have taken years to build organically.	Zoraya is a US marketing platform that commercialises selected Senores products under its own brand, rather than relying on third-party partners. This enables Senores to retain a larger share of downstream profits, while its partner-with decades of US sales and distribution experience-provides the infrastructure needed to reach the market quickly.	Apnar is Senores' second regulated-markets manufacturing facility in Jambusar, Gujarat, with USFDA, UK MHRA & Health Canada approvals & 5 approved ANDAs. It enables the company to shift lower-margin US products to cost-efficient India-based manufacturing, freeing the Atlanta plant for higher-value products, while its UK & Canada approvals open two regulated markets where Senores had limited presence. (Plans to acquire balance 25% stake by FY27).	Amerisyn is a joint venture that gives Senores a direct channel to supply the US federal government, the Veterans Affairs system and defence programmes. Senores already had the manufacturing eligibility (through Havix's BAA compliance) but lacked the procurement expertise to serve these agencies; Amerisyn's partners provide that capability.

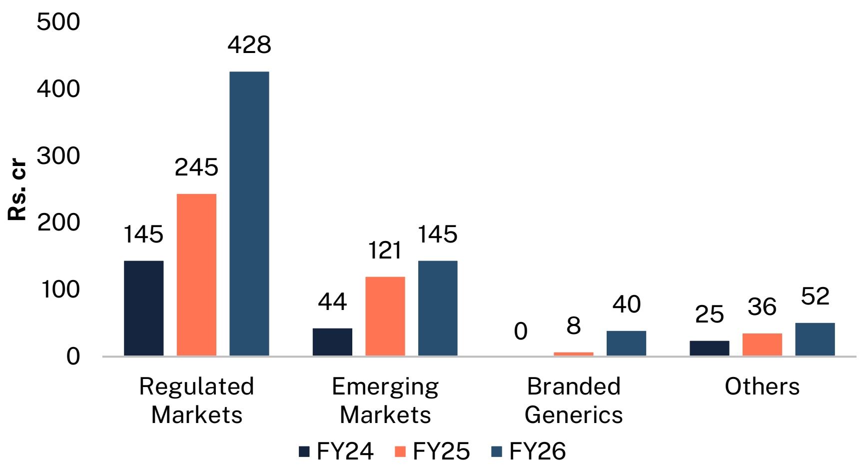
1 – Annual Report Deep-Dive (1/4)

A high-growth, export-led regulated markets franchise

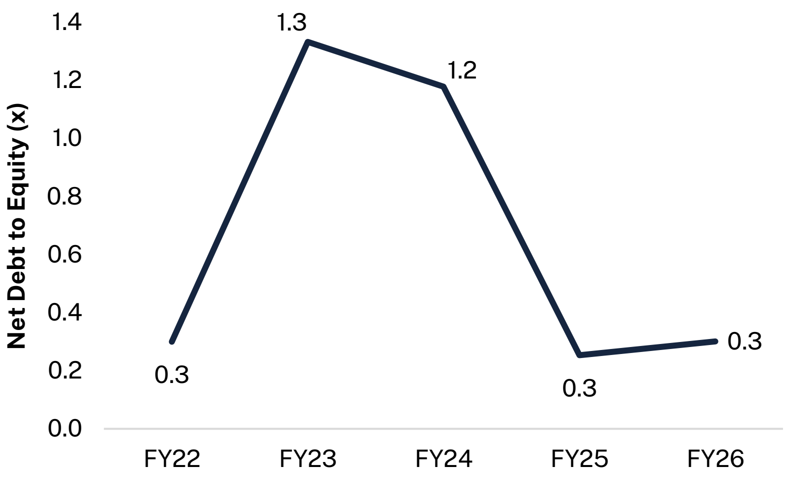
Scaling via acquisitions while sustaining margins



Business Mix Anchored by US Regulated Markets



Post-IPO Balance Sheet Strength



Earnings quality

- Revenue grew at a CAGR of ~158% over FY22–FY26, driven by a combination of strategic acquisitions and a steady ramp-up in regulated market operations.
- EBITDA margins remained resilient above ~19% since FY24 despite the integration of multiple acquired businesses.
- FY24 PAT growth (+287.9%), net margin (15.2%) and RoE (26.2%) were all inflated by a one-off deferred tax credit from subsidiary acquisitions. RoE then normalises to 11.8% in FY25 (also IPO-driven equity dilution).

Regulated Markets Lead, Others Scale

- Regulated Markets remain the primary growth engine, contributing ~64% of FY26 revenue. Revenue nearly tripled over FY24–FY26, driven by acquisitions, commercialization of the ANDA portfolio and continued expansion in the US business.
- Emerging Markets continue to scale steadily, with revenue growing at a ~81% CAGR over FY24–FY26. The segment provides geographic diversification through a broad presence across 40+ countries.
- Domestic Branded Generics and Other businesses remain relatively small, contributing a combined ~14% of FY26 revenue.

Balance Sheet and Leverage

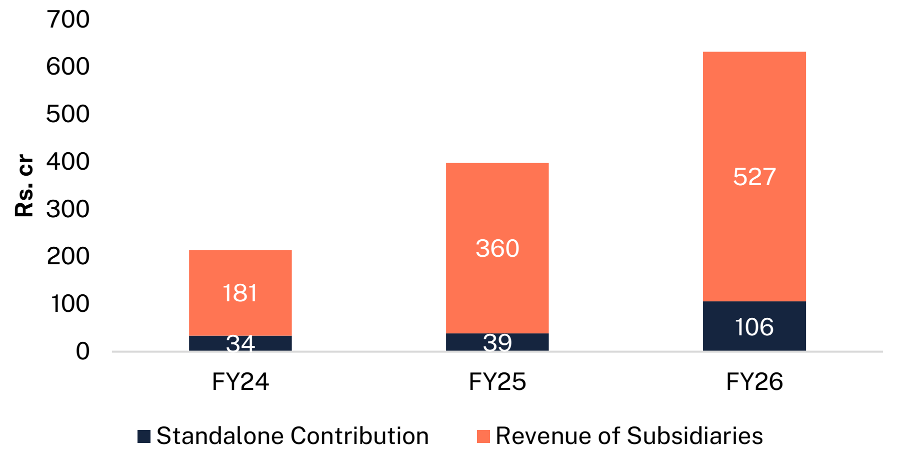
- Senores has materially deleveraged its balance sheet over the past two years, with Net Debt/Equity declining from ~1.2x in FY24 to ~0.3x in FY26, following the IPO-led equity infusion and improved profitability.
- Despite continuing to invest in capacity expansion, ANDA acquisitions and product development, leverage remains modest, providing ample financial flexibility to fund future growth.

Source: Company, Midas Research
Note: FY22-23 segment revenue not available; acquisitions consolidated from FY24; Segment revenue is on a total Income basis (includes other operating income) and does not tie to revenue from operations.

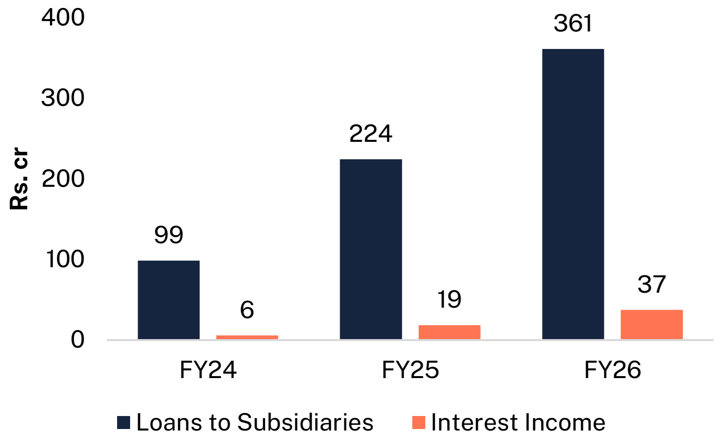
1 – Annual Report Deep-Dive (2/4)

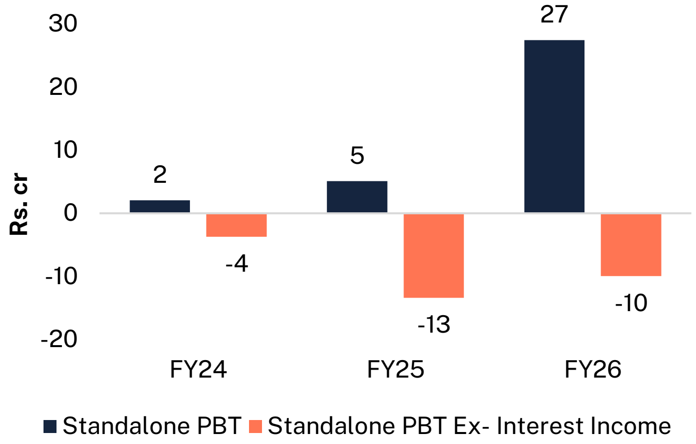
Standalone analysis: Parent entity is not the group's economic engine

Standalone revenue contribution



Inter-company loans & interest income





Operating scale lies within subsidiaries

- The listed parent contributed only 10–17% of consolidated revenue over FY24–FY26, with the majority of operations housed in subsidiaries.
- The standalone entity houses the group's API business, domestic branded generics, trading and strategic functions; however, the majority of consolidated revenue is generated through its operating subsidiaries.

Parent-level profitability is influenced by interest income

- A significant portion of the standalone entity's loans is extended to subsidiaries, reflecting the parent company's role in funding the group's operating businesses.
- As the subsidiary base has expanded through acquisitions, inter-company lending has increased accordingly.
- The loans have been serviced through regular interest income and repayments, providing evidence that these are functioning financing arrangements rather than dormant related-party balances.
- However, this also highlights the parent's limited standalone earnings capacity. Interest income has become a meaningful contributor to reported profitability, and on a pre-tax basis, the standalone entity would have remained loss-making (or materially weaker) excluding this income.
- This is more a stand alone-level reporting nuance than a group-level concern, as the subsidiaries remain the primary drivers of revenue, profitability and growth.

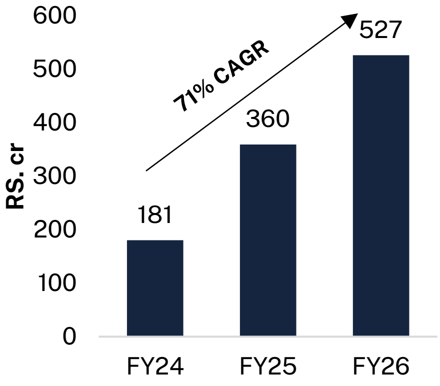
Source: Company, Midas Research
*Note: FY22-23 segment revenue not available; acquisitions consolidated from FY24.**

1 – Annual Report Deep-Dive (3/4)

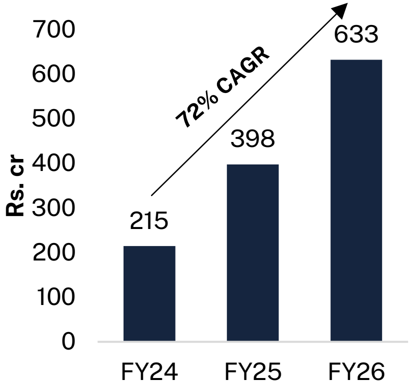
Growth is housed in subsidiaries; the parent allocates capital

The growth engine sits almost entirely in subsidiaries

Collective revenue of subsidiaries



Consolidated revenue



Parent funds as subsidiaries operate and scale

Listed parent - Senores Pharmaceuticals Ltd
API + Trading + Holding/Treasury

Operating subsidiaries

Regulated Markets
Havix + SPI
~64% of total FY26 revenue

Emerging Markets
Ratnatris
~22% of total FY26 revenue

Subsidiaries at Nascent Stages
Apnar, Zoraya
Amerisyn (JV)

Each business line is anchored by a dedicated subsidiary

- The group's operating business resides almost entirely within its subsidiaries. These entities accounted for virtually all of the company's growth, with subsidiary revenue increasing from Rs. 181 cr in FY24 to Rs. 527 cr in FY26 (71% CAGR).
- The key operating platforms are housed below the parent. Havix (US manufacturing) and Senores Pharmaceuticals Inc. (US ANDA portfolio and commercialization) drive the Regulated Markets business, while Ratnatris anchors the Emerging Markets franchise.

The parent allocates capital while the subsidiaries carry out operations

- The parent allocates capital, while the subsidiaries conduct operations. Manufacturing, product registrations, ANDA commercialization and market access are all housed within the operating entities, with the parent earning interest on intra-group funding and the subsidiaries generating the underlying operating profits.
- The Regulated Markets business is built around two specialised subsidiaries. Havix operates the USFDA-approved manufacturing facility in Atlanta, while Senores Pharmaceuticals Inc. (SPI) owns the US ANDA portfolio and commercial rights. Together, they account for ~64% of consolidated revenue.
- Unlike the Regulated Markets business, the Emerging Markets platform is housed entirely within Ratnatris, which serves 40+ countries through a WHO-GMP-approved manufacturing base. The business operates under a different economic model, characterised by longer registration cycles, higher working capital requirements and comparatively lower margins, while offering a meaningful runway for margin expansion as scale improves.

Source: Company, Midas Research
Note: FY22-23 segment revenue not available; acquisitions consolidated from FY24; Segment revenue is on a total Income basis (includes other operating income) and does not tie to revenue from operations.

1 – Annual Report Deep-Dive (4/4)

Auditor and disclosure quality

- The statutory auditor, M/s Pankaj R. Shah & Associates, has issued an unmodified (clean) audit opinion on both the standalone and consolidated FY25 financial statements, with no qualifications, adverse remarks or disclaimer of opinion.
- The Annual Report and investor communications provide comprehensive disclosures on subsidiary ownership, acquisitions, operating structure, related-party transactions and strategic initiatives, reflecting a transparent reporting framework for a rapidly expanding business.
- The Secretarial Auditor also confirmed compliance with applicable laws, SEBI regulations and Secretarial Standards, with no material governance observations.

Management remuneration & governance assessment

- Mr. Swapnil Shah (Managing Director) received total remuneration Rs. 3.00 Cr. in FY25, representing ~5.1% of FY25 PAT (Rs. 58.34 Cr.).
- Mr. Chetan Shah (Whole-time Director & Chief Operating Officer) received total remuneration of Rs. 1.20 cr, accounting for ~2.1% of FY25 PAT. His compensation reflects oversight of manufacturing operations and post-acquisition integration across the group's facilities.
- The Board comprises a balanced mix of executive, non-executive and independent directors, supported by a formal annual Board evaluation process and an independent-led Audit Committee.
- Governance is assessed as broadly sound with limited watchpoints. Auditor succession was handled appropriately, board independence meets regulatory requirements, and governance processes have strengthened following listing. The principal areas to monitor are the minimum level of board independence and oversight of the rapidly expanding subsidiary structure, making FY26 the first full-year test of the company's listed governance framework.

Source: Company, Midas Research

2 - Business Assessment Scores

Business Assessment Scores – Summary

1

Business franchise and moat:

- **Differentiated US-focused generics platform** built on a US manufacturing footprint.
- **Strong regulatory moat** with USFDA-, DEA- and BAA-approved manufacturing facilities.
- **Robust product portfolio** comprising 51 approved ANDAs.
- **High-value pipeline**, with ~75% focused on Complex Generics & Therapeutics (CGT) versus ~53% industry average.
- API business remains at an early stage, **resulting in an overall score of 5.3/7.0.**

2

Management and governance overview:

- **Experienced promoter-led management** supported by professional operating and finance leadership.
- **Strong governance framework** with a 12-member Board, four Independent Directors and an independently chaired Audit Committee.
- **Promoter-group holding of 45.8%** (individual promoters: **15.2%**) following IPO-related dilution.
- **Recurring related-party transactions** through a large promoter-controlled entity network remain a key governance monitorable.
- **Small promoter pledge (2.8% as of Jun'26)** warrants continued monitoring, resulting in **an overall rating of 5.0/7.0.**

3

Risk profile and pricing power:

- **High entry barriers** supported by USFDA-, DEA- and BAA-approved US manufacturing.
- **Sticky customer relationships** driven by long-term distribution agreements and site-specific ANDAs.
- **Niche complex generics portfolio** limits competitive intensity in regulated markets.
- **Supplier and customer concentration** remain key monitorables, alongside PBM pricing pressure.
- Balanced competitive positioning, resulting in **an overall rating of 5.0/7.0**.

4

Financials (Growth, margins & returns):

- **Revenue CAGR of ~31% (FY26–FY28E)** underpins a strong earnings growth trajectory.
- **EBITDA margins expected to expand to ~28.6% by FY28E** from 26.6% in FY26, driven by a richer own-product mix and operating leverage.
- **RoE is projected to improve from ~14% in FY26 to ~18% by FY28E** as scale benefits materialize.
- Overall financial profile merits a **rating of 5.3/7.0.**

5

Balance sheet and cash flow analysis:

- **Net Debt/Equity improved to ~0.3x in FY26** (from ~1.2x in FY24) following the IPO-led deleveraging.
- **Free cash flow remains constrained** by elevated capex and working capital requirements during the current investment phase.
- **Growth capex is directed towards manufacturing expansion, ANDA acquisitions and product development**, supporting the next leg of growth.
- **Cash generation is expected to improve** as capex moderates and recent investments begin contributing to earnings.
- Overall balance sheet strength **merits a rating of 4.7/7.0.**

Senores Pharmaceuticals Ltd – Company Snapshot

Corporate factsheet		
Company background	Senores Pharmaceuticals Ltd is a Gujarat-based research-driven generics company operating a predominantly B2B model, focused on the mid-market range of specialty and complex niche products. The company derives most of its revenue from regulated markets, primarily the US (alongside the UK and Canada), supplemented by an emerging markets business spanning 40-plus countries and an Indian critical care injectables and branded generics presence. It develops and commercialises complex generics across multiple therapeutic areas and dosage forms, selling both under its own ANDAs and through a growing CDMO/CMO platform. The business is supported by a USFDA-approved oral solids facility in Atlanta, formulation plants in India (Chhatral and the recently acquired USFDA/UK MHRA/Health Canada-approved Apnar site), and captive API facilities at Naroda and a greenfield plant in Mehsana. Its US front-end is being built out through Zoraya (distribution) and Amerisyn (federal/VA procurement JV).	
Business segments (FY26)	▪ Regulated Markets (64.4%) ▪ Emerging Markets (21.8%) ▪ Branded Generics (6.0%)	▪ Others (Incl. API Sales) (7.8%)
Manufacturing facilities	**Formulations:** ▪ **Atlanta, USA (Havix):** Oral solids – tablets, capsules Capacity: ~1.2 bn. units ▪ **Chhatral, Gujarat (Ratnaris):** Oral solids, oral liquids, dry syrups, ORS, injectables Capacity: ~1.9 bn. units ▪ **Apnar Pharma, Gujarat:** Oral solids - tablets, capsules, bottles Capacity: ~516 mn Units	**API:** ▪ **Naroda, Gujarat:** API plant ▪ **Mehsana, Gujarat:** Greenfield API plant (~100-120 MTPA)
Key therapeutic areas	▪ Cardiovascular ▪ Anti-Diabetic ▪ Anti Fungal ▪ Anti Viral	▪ Central Nervous System (CNS) Disorders ▪ Gastrointestinal ▪ Anti Biotic ▪ Analgesic
Business model	Senores develops and manufactures niche, underpenetrated complex generics in-house (USFDA-approved Atlanta OSD plant, plus Gujarat formulation and API sites) and monetises them through marketing partners, earning via development milestones, transfer pricing on supply and profit-share. The same asset base is sweated through a CDMO/CMO franchise, giving it two revenue engines across regulated markets, emerging markets, branded generics and APIs.	
Key management personnel	▪ Swapnil Shah – Managing Director ▪ Sanjay Majmudar - Chairman & Non-Executive, Non-Independent Director	▪ Ashok Barot - Promoter & Non-Executive, Non-Independent Director ▪ Chetan Shah – Whole-time Director and COO
Auditors	M/S Pankaj R. Shah & Associates	
Credit rating	N/A	
Employee count	194 as of FY25	

Category (Jun '26)	Share
Promoter Group	45.8%
FII	6.6%
DII	9.8%
Government	0.0%
Others (Public)	37.8%
Total	**100%**

Key Metrics	FY23	FY24	FY25	FY26
Revenue (Rs. cr)	35	215	398	633
EBITDA (Rs. cr)	13	42	90	168
EBITDA Margin	35.9%	19.4%	22.5%	26.6%
PBT (Rs. cr)	12	25	71	159
PBT Margin	35.2%	11.6%	17.7%	25.1%
PAT (Rs. cr)	8	33	58	122
Net worth (Rs. cr)	45	204	786	934
Net debt (Rs. cr)	61	241	199	282
NWC (Rs. cr)	12	36	113	179
Total assets (Rs. cr)	131	622	1,227	1,604
FCF	(48)	(78)	(203)	(203)
RoCE %	14%	11%	9%	12%

Source: Company, Midas Research

Core Operations

A niche, complex-generics player anchored in US-based regulated manufacturing and expanding across emerging markets

A complex-generics platform across regulated and emerging markets

Senores Pharmaceuticals is a research-driven pharmaceutical company specializing in niche, complex generic formulations for regulated markets. The company has built its business through a combination of in-house product development and strategic acquisitions, creating an integrated platform across R&D, manufacturing and commercialization.

- Its primary focus remains the US, Canada and the UK, where complex products and stringent regulatory requirements create higher entry barriers. Senores is among the few Indian-origin companies with a USFDA-, DEA- and BAA-approved manufacturing facility in Atlanta, providing a strategic advantage through local manufacturing capabilities.
- In addition to regulated markets, the company has established a growing presence across emerging markets, while also operating businesses in critical care injectables, API manufacturing and CDMO/CMO services, resulting in a diversified business model.

Segmental overview (FY26)

Regulated Markets (64.4% of revenue)

- This is the largest segment, contributing 64% of FY26 of revenue. It caters primarily to the US, Canada and the UK through two US subsidiaries - Havix, which operates the USFDA-approved oral solid dosage facility in Atlanta, and SPI, which holds the ANDA intellectual property and manages marketing-partner agreements. Atlanta produces tablets and capsules and is DEA-approved for controlled substances; acquired ANDAs span CNS, cardiac and antifungal.

Two engines:

- **Own marketed products:** niche, complex and specialty products targeting commercially underpenetrated molecules, commercialised through five-to-seven-year marketing partnerships with Alkem, Dr. Reddy's, Cintex Services, etc.
- **CDMO/CMO:** customized formulation, product development and manufacturing for other pharma companies, including partnering early in the drug-development process. 22 commercial products with 69 in the pipeline

Emerging Markets (21.8% of revenue)

- Contributing ~22% of FY26 revenue, this segment manufactures branded and generic formulations at the WHO-GMP Chhatral facility. It sells in 40+ countries across five clusters: **Southeast Asia, LATAM, CIS, Africa, and the Middle East.** Top markets include the Philippines, Peru, Ghana, Nigeria, Myanmar, Guatemala and Kenya.
- The strategic theme is a shift from a low-value tender model toward a **"volume-plus-value" approach** - prioritizing differentiated, specialist molecules.
- Several are niche products initially developed for regulated markets, before being launched in less-competitive emerging markets.

Branded Generics (6.0% of revenue)

- Senores launched its Branded Generics business in August 2022 to supply injectable formulations to hospitals across India through a network of distributors, combining regional distributor collaborations with direct arrangements with hospitals. A portion of these injectables is manufactured at the company's WHO-GMP-approved Chhatral facility; the remainder is sourced from third-party injectable manufacturers in India.
- Segment revenue rose to Rs. 40.0 cr in FY26 from Rs. 8.2 cr in FY25 (+385.3% Y-o-Y), with Q4FY26 at Rs. 9.4 cr versus Rs. 4.0 cr (+132.4%). Management attributes FY26 progress to portfolio approvals from top multi-specialty and specialty hospitals.

Others (incl. APIs) (7.8% of revenue)

- Others include export incentives, operational items, and API business
- **API business:** A backward-integration play rather than a revenue driver. APIs are made at the GMP-compliant Naroda (Gujarat) facility, primarily serving the domestic market and SAARC countries, with 16 APIs commercialized across therapeutic areas including oncology, anti-psychotics, cardiovascular and CNS.

Source: Company, Midas Research

Spread Across Value Chain

Controlling the regulated markets value chain – identify, develop, manufacture & commercialise

IDENTIFY

(2-3 Months)

R&D Engine (Parent)

- A dedicated 71-member R&D team analyses FDA databases and US government procurement data to identify niche generic opportunities with limited competition.
- The company focuses on smaller, technically complex molecules that are often overlooked by larger generic manufacturers, resulting in a less competitive market and better pricing opportunities.

71-member team

- **1 site in the US**
- **3 sites in India**

DEVELOP & FILE

(18-20 Months)

IP held in SPI (US)

- Senores has built a growing US product pipeline, with 51 ANDA approvals covering 151 product variants, doubling its approved portfolio over the past year.
- Of these, 21 products have already been commercialised, while 30 approved products await launch and 27 additional ANDAs are under development, providing strong visibility for future launches.

Q4FY25 - Q4FY26

Scaled owned ANDAs 2X

Corresponding ANDA products 2.5X

MANUFACTURE

Havix (Atlanta) · Apnar · Chhatral

- Senores manufactures through its own USFDA-approved facilities in both the US and India, providing greater control over quality, supply reliability and commercial execution.
- Its US manufacturing facility is approved to produce controlled substances and supply the US government, while recent capacity additions in both geographies strengthen its low-cost manufacturing base and support future growth.

COMMERCIALISE

(2-5 Years to Peak)

SPI + Marketing Partners

- Senores partners with established pharmaceutical companies such as Alkem, Lannett, Dr. Reddy's and Sun Pharma under long-term contracts of 5–7 years to commercialise its products in regulated markets.
- The company follows a multi-layered revenue model, earning through upfront licensing fees, product manufacturing and supply, and profit-sharing, supporting diversified and recurring revenue streams.

ALKEM

Dr.Reddy's

Lannett

SUN PHARMA

Extending the Regulated Markets Playbook into Emerging Markets

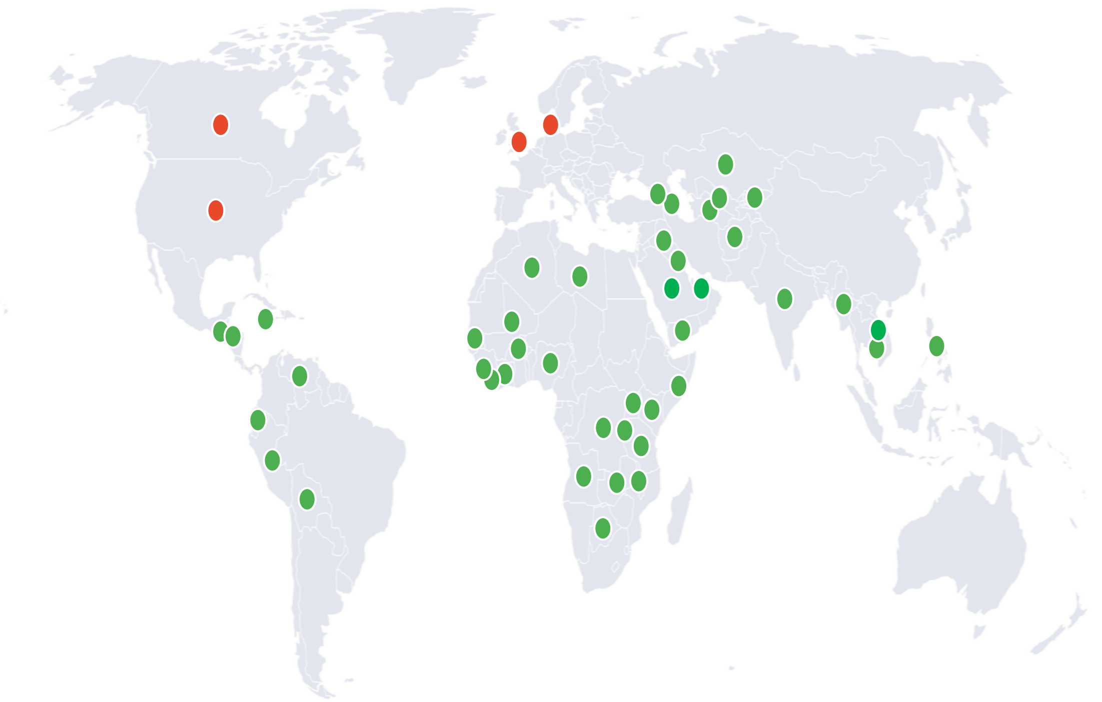
- SPL applies its regulated-market product-selection discipline to emerging markets, using IQVIA and Symphony data, procurement intelligence and competitive screening to identify complex, low-competition molecules that are difficult for regional players to develop.
- The strategy is reflected in improving profitability. Higher-value specialty products are inherently less exposed to the steep price erosion typical of commoditised generics, supporting the segment's progression to a 18–19% EBITDA margin rate as of FY26.

Source: Company, Midas Research

Global Manufacturing & Market Presence

Five manufacturing facilities supplying leading pharmacies in regulated and emerging markets across 40+ countries

Global presence



- **Regulated**
  - US
  - Canada
  - UK
  - Denmark
- **Emerging**
  - UAE
  - Saudi Arabia
  - Vietnam
  - India
  - Others

Manufacturing facilities

FORMULATIONS

Atlanta, USA (Havix) — **~1.2 bn.** units p.a.
USFDA approved; DEA/BAA compliant. Manufacture controlled substances ANDA + CDMO

Chhatral, Gujarat (Ratnatris) — **~1.9 bn.** units p.a.
WHO-GMP; approved by 10+ emerging-market regulators

Apnar, Gujarat — **~516 mn** units p.a.
USFDA, UK MHRA, Health Canada; 5 ANDAs; US/UK/Canada supply

API

Mehsana, Gujarat (Greenfield, 2025) — **~100–120** MTPA
Pending USFDA inspection gates FY27 regulated-market API supply

Naroda, Gujarat
Indian GMP; domestic and SAARC markets

Global partners

SUN PHARMA, JUBILANT PHARMA, Shalina, mint PHARMACEUTICALS INC., AMBICA, ajanta pharma, PRASCO, La Renon, Cintex, Cipla, RiteMED Right Medicine. Priced Right., Mankind Serving Life, Dr.Reddy's, amici pharmaceuticals

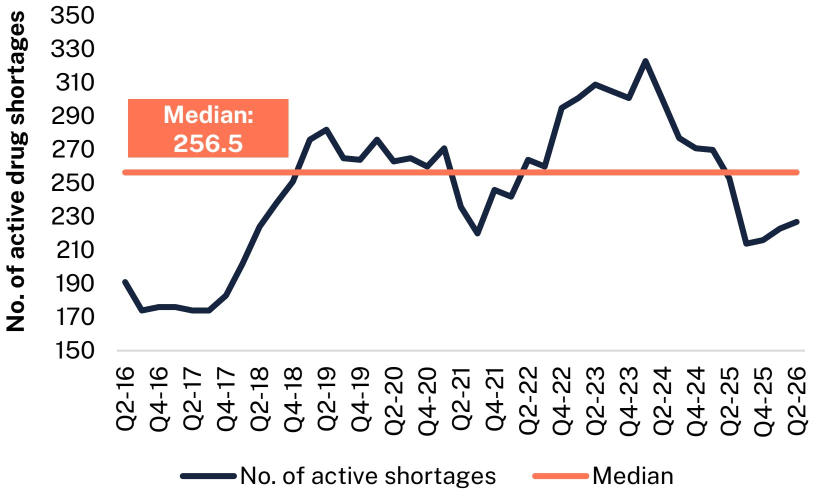
Source: Company, Midas Research.

2.1 – Business Franchise & Moat (1/3)

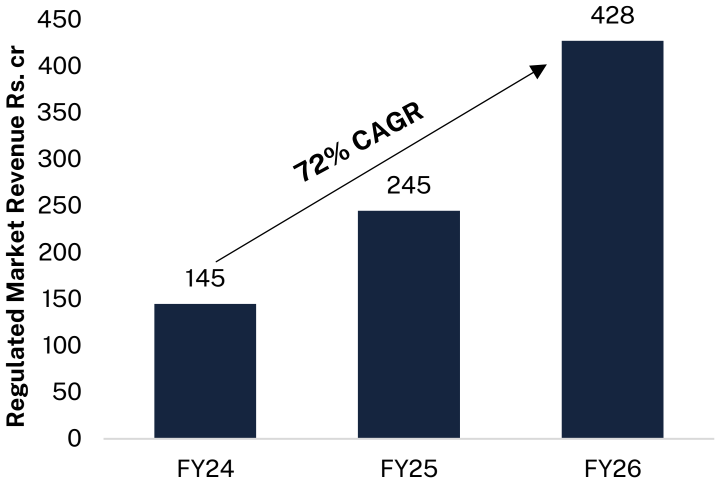
Regulated-market focus: capitalising on US drug shortages

Senores has built a differentiated generics franchise on a rare US manufacturing base. Its USFDA-, DEA- and BAA-approved facility, 51 approved ANDAs and 75% CGT pipeline concentration (vs ~53% for the industry) underpin a strong competitive position, though its API manufacturing remains at a preliminary stage.

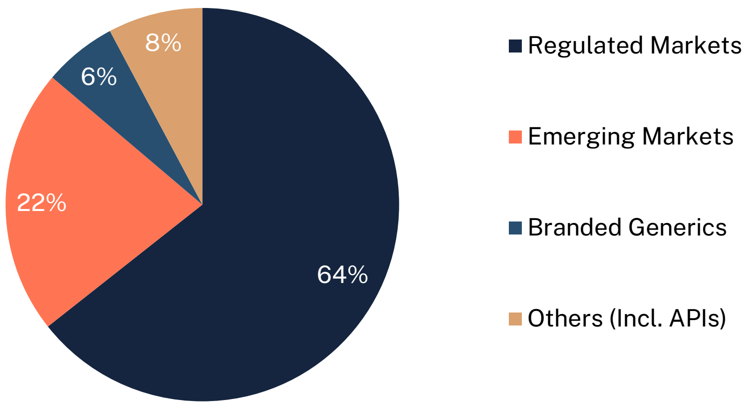
Active drug shortages in the U.S. by quarter (10 – year period)



Senores regulated market revenue – 3x in two years



US presence: Insulated from tariff uncertainty



The US has faced persistent generic drug shortages. Active shortages have averaged a median of ~257 per quarter over the past decade, exceeding 300 in 2023 and peaking at 323 in Q1CY24, with ~70% of shortages comprising generic drugs.

- Generics account for ~90% of US prescriptions but only ~13% of drug spending, and persistently low prices have rendered much of this production commercially unviable, forcing manufacturers to exit.
- Manufacturing in the US is structurally expensive - high labour and compliance costs have hollowed out the domestic base, with US-made medicines falling from 83.7% of consumption (2002) to 37.1% (2024).

Facility and product approvals, and the lead time to identify and commercialise a product, compound the cost of entry.

Senores has built its business precisely where these barriers exist for similar players.

- It operates a US facility that is USFDA-approved, DEA-registered and BAA-compliant, enabling controlled-substance manufacturing and US government supply.
- It avoids commodity generics, focusing on complex, high-barrier niches; capacity is pre-sold against confirmed orders, and the Apnar acquisition shifts lower-margin work to India.

Senores not only derives **most of its revenue from regulated markets, dominated by the US**, but also **manufactures locally through its Atlanta facility.**

This US-based footprint provides structural advantages that most India-based peers, which export into the US, cannot match:

- **Tariff insulation:** With production already located in the US, Senores is shielded from import-tariff uncertainty faced by India-based manufacturers and could benefit further if trade barriers tighten.
- **Controlled substances:** The facility's DEA registration enables domestic manufacturing of controlled substances, a high-barrier niche.
- **US government supply (BAA):** BAA compliance enables Senores to access federal procurement channels that are closed to non-compliant imported products.

Source: Company, phrma.org, ashp drug shortage report, Midas Research.
*Note: FY22-23 segment revenue not available; acquisitions consolidated from FY24; Segment revenue is on a total Income basis (includes other operating income) and does not tie to revenue from operations.**

2.1 – Business Franchise & Moat (2/3)

A deliberate niche strategy - complex, low-competition products with durable pricing

The strategy Senores is pursuing

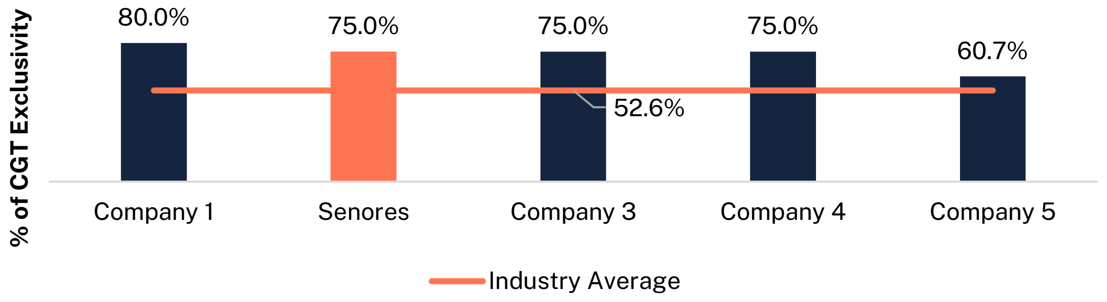
Senores avoids the crowded end of US generics, where price erosion routinely destroys returns. It targets niche, complex and specialty products in the small-to-mid market ($5-200 Mn addressable market range) - too small for large players to chase, too costly and slow for new entrants to reach - leaving a defensible middle ground where products typically face only 2-3 competitors and pricing stays durable.

The Competitive Generic Therapy **(CGT)** pathway, introduced by the FDA in 2017, grants **180 days of US marketing exclusivity** on first approval for products with inadequate generic competition - a rare window of pricing power and market foothold in an otherwise competitive segment.

Senores has built its US pipeline deliberately around this pathway:

- 75% of its eligible ANDA pipeline qualifies for CGT vs an industry avg. of ~53%.
- Senores also faces low price erosion due to less competition in the niche + CGT-approved products.

Proportion of ingredients with CGT exclusivity



~US$1bn accessible market for currently approved products, including 30 yet-to-be-launched ANDAs

ANDA's	Owned ANDAs		Corresponding ANDA products	
	Q4FY25	Q4FY26	Q4FY25	Q4FY26
Approved ANDAs	26	51	61	151
Commercialized ANDAs	11	21	22	46
Yet to launch	15	30	39	105
ANDAs under pipeline	30	27	51	66

- An ANDA (Abbreviated New Drug Application) is the regulatory asset that permits a generic to be sold in the US, with approval granted on demonstrating bioequivalence to the reference listed drug; approvals are granted on a product- and site-specific basis, tying each filing to a defined product manufactured at a named facility.
- Senores' 51 approved ANDAs collectively address an accessible US market of ~**US$1 bn** - representing the value of molecules for which the company already holds approvals and requires no further filings to access.
- Of this base, **21 ANDAs (46 strengths) have been commercialized, while 30 ANDAs (105 products) are yet to be launched.**
- Beyond this, **27 ANDAs (66 strengths) are under active development**, with a deliberate focus on **CGT candidates** that offer 180-day exclusivity upon first approval.

Route to market: Long-term marketing and distribution agreements - Senores earns transfer pricing plus profit share, while partners manage distribution.
CDMO/CMO: Contracts across 40+ products, with capacity pre-sold against confirmed orders, reflected in ~15 days of finished-goods inventory and no write-off history.

Source: Company, Midas Research.

2.1 – Business Franchise & Moat (3/3)

Investments in product registrations have translated into rapid growth in emerging markets

Extending the niche playbook to emerging geographies

- Senores develops and manufactures generic formulations at its WHO-GMP-approved Chhatral facility and supplies them across 40+ countries in Southeast Asia, Latin America, Africa, the CIS and the Middle East.
- The company identifies complex, patent-protected molecules from regulated markets and introduces them early into emerging geographies where competition is lower.

Products reach market through four models:	
Distributor Formulations sold through in-market distributors under distributors brand name.	**P2P (Principal-to-Principal)** Manufacturing for major Indian pharma brands
CDMO Contract development & manufacturing for pharma partners	**Own brand** Manufactured & marketed under Senores's own brand

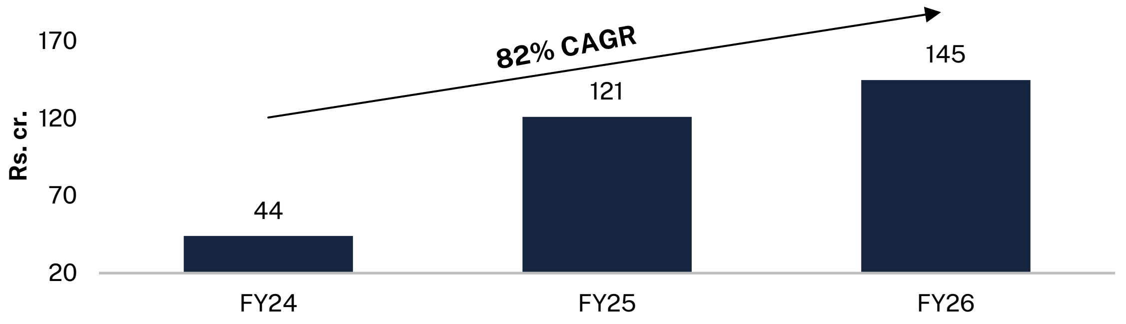
Regional portfolio depth

Southeast Asia	LATAM	Africa
597	**467**	**188**
178 Registered	181 Registered	32 Registered
419 Filed	286 Filed	156 Filed

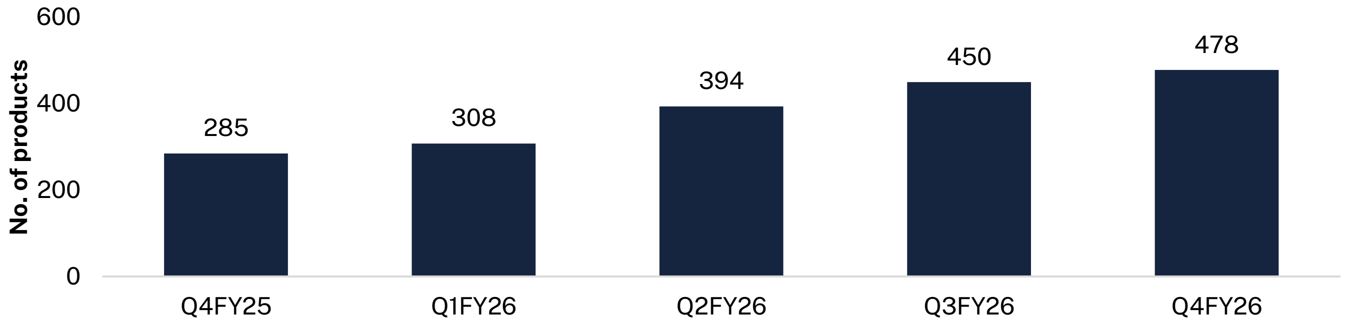
CIS	Middle East	EU
113	**16**	**Entered in Q4FY26**
84 Registered	3 Registered	1 Registered
29 Filed	13 Filed	

40+ Countries	478 Registered	904 Filed	1,382 Total products

Emerging market revenue grew more than 3x over FY24-26



Registered products quarterly build: 193 additions in last 12 months

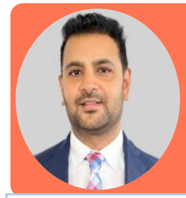


Source: Company, Midas Research.
*Note: FY22-23 segment revenue not available; acquisitions consolidated from FY24; Segment revenue is on a total Income basis (includes other operating income) and does not tie to revenue from operations.**

Management & Governance Overview

The senior management team comprises seasoned pharma professionals

Senores is led by an experienced, promoter-led team with professional operating and finance executives. Its 12-member Board has four independent directors under a Non-Executive Chairman, with an independent-chaired Audit Committee. Promoter-group holding is 45.8% (individual promoters 15.16%, down from 24.75% pre-IPO on dilution). Key monitorables are the wide network of promoter-controlled entities with recurring related-party transactions and a small promoter pledge (2.8% as of June 2026).



Mr. Swapnil Shah

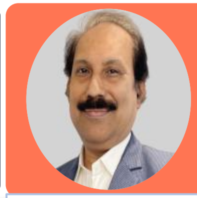
Promoter and Managing Director

- Mr. Swapnil Shah is the Promoter and Managing Director of Senores Pharmaceuticals, with over 18 years of experience in the pharmaceutical sector.
- He previously founded and successfully managed a pharmaceutical distribution company in the US, which generated around US$100 mn in annual revenue.
- He currently serves as the Non-Executive Chairman of Remus Pharmaceuticals Limited.
- He holds an MBA from Hofstra University, New York, and a B.E. in Chemical Engineering from Nirma University.

Mr. Sanjay Majmudar

Chairman & Non-Executive, Non-Independent Director

- Mr. Sanjay Majmudar is the Chairman (Non-Executive, Non-Independent) of Senores Pharmaceuticals, with over 39 years of experience.
- He is a partner at Parikh and Majumdar, Chartered Accountants.
- He serves on the Board and as Chair of the Audit Committee at AIA Engineering and holds Board positions at Ashima and M&B Engineering.
- He holds a B.Com and an LL.B. from Gujarat University.



Mr. Chetan Shah

Whole-time Director and COO

- Mr. Chetan Shah is the Whole-time Director and Chief Operating Officer at Senores, with over 24 years of experience overseeing manufacturing, supply chain, and capex planning.
- He has previously worked with Torrent Pharmaceuticals, Cadila Pharma, and the Reliance Group.
- He holds a degree in Industrial Engineering and a PG Diploma in Industrial Engineering from NITIE.

Mr. Deval Shah

Whole-time Director and CFO

- Mr. Deval Shah is the Whole-time Director and Chief Financial Officer at Senores Pharmaceuticals, with over 40 years of experience across chartered accountancy, engineering and pharmaceuticals. He oversees finance, accounts and tax functions.
- He is a founder-partner of Shah Narielwala & Co., Chartered Accountants, and previously served as CFO of SAI Consulting Engineers.
- He is a Fellow of ICAI, an Associate of ICSI, and holds a B.Com and an LL.B.

Mr. Ashok Barot

Promoter & Non-Executive, Non-Independent Director

- Mr. Ashokkumar Barot is a Promoter and Non-Executive Director at Senores Pharmaceuticals, with over 21 years of experience. He is a registered pharmacist with the Gujarat Pharmacy Council.
- He has served as a Non-Executive Director at Di-Cal Pharma Private Limited since 2008.
- He holds a B.Sc. in Microbiology and a Diploma in Pharmacy from Sardar Patel University.

Source: Company, Midas Research

2.2 – Management & Governance Overview (2/2)

- ✅ : Positive
- ☑️ : Neutral
- ❌ : Negative

Rating	Corporate Factsheet
✅ **Board of Directors- Independence & diversity**	▪ The Board comprises twelve directors: three Executive Directors (Mr. Swapnil Jatinbhai Shah, Managing Director and part of the promoter group; Mr. Deval Rajnikant Shah, Whole-time Director and CFO; and Mr. Chetan Bipinchandra Shah, Whole-time Director and COO), five Non-Executive Non-Independent Directors, and four Independent Directors, representing 33.33% independence. The Chairman, Mr. Sanjay Shaileshbhai Majmudar, is Non-Executive and Non-Independent. ▪ One director is a woman (Mrs. Manjula Devi Shroff – Independent), representing approximately 8.33% of the Board. No inter-se relationships exist among Board members.
✅ **Board of Directors- changes in directors**	▪ Mr. Deval Rajnikant Shah was re-designated as Whole-Time Director and Chief Financial Officer (CFO) effective May 01, 2024, for a three-year term running through April 30, 2027. ▪ Mr. Chetan Bipinchandra Shah was re-designated as Whole-time Director and Chief Operating Officer (COO) effective May 01, 2024. His fixed tenure in this role runs from November 10, 2023 through November 09, 2026. Being liable to retire by rotation, he was re-appointed as a director at the Eighth Annual General Meeting on September 18, 2025 ▪ Mr. Hemanshu Nitinchandra Pandya holds a five-year appointment as Non-Executive Non-Independent Director, running from November 10, 2023 through November 09, 2028.
✅ **Board of Directors- Independence in board committees**	▪ The Nomination and Remuneration Committee comprises three members, out of which two are Independent Directors. ▪ The Stakeholders' Relationship Committee comprises four members, out of which two are Independent Directors. ▪ The Corporate Social Responsibility Committee comprises three members, out of which one is an Independent Director (who serves as Chairperson). ▪ The Risk Management Committee comprises four members, out of which one is an Independent Director.
✅ **Changes in Key Managerial Personnel**	▪ Mr. Deval Rajnikant Shah was re-designated as Whole-time Director and Chief Financial Officer (CFO) effective May 01, 2024. ▪ Mr. Chetan Bipinchandra Shah was re-designated as Whole-time Director and Chief Operating Officer (COO) effective May 01, 2024. ▪ Ms. Nidhi Kapadia resigned from the post of Company Secretary & Compliance Officer effective November 16, 2024. ▪ Mr. Vinay Kumar Mishra was appointed as Company Secretary & Compliance Officer effective November 18, 2024, and has continued in the role since.
✅ **Management continuity**	▪ Mr. Swapnil Jatinbhai Shah: Promoter & Managing Director; appointed for a five-year term (15 October 2021 – 14 October 2026), continuing to lead the overall functioning and strategic management of the company. ▪ Mr. Deval Rajnikant Shah: re-designated Whole-time Director & CFO for a three-year term (1 May 2024 – 30 April 2027). ▪ Mr. Chetan Bipinchandra Shah: Whole-Time Director & COO; fixed tenure 10 November 2023 – 9 November 2026; re-appointed as director liable to retire by rotation. ▪ M/s. Pankaj R. Shah & Associates: statutory auditors since the 7th AGM (20 September 2024); first five-year term runs to the 12th AGM (2029). ▪ M/s. Mukesh H. Shah & Co.: Secretarial Auditors; member-approved five-year term (FY2025-26 to FY2029-30). ▪ Mr. Vinay Kumar Mishra: appointed Company Secretary & Compliance Officer effective 18 November 2024 (following the resignation of Ms. Nidhi Kapadia on 16 November 2024); continued in the role since.
✅ **Governance Structure (Promoter-led vs Professionally Managed)**	▪ Executive leadership is promoter-led, with the Promoter and Managing Director (Mr. Swapnil Jatinbhai Shah) heading the Company, supported by professional executives outside the named promoter group in the CFO (Mr. Deval Rajnikant Shah) and COO (Mr. Chetan Bipinchandra Shah) roles. ▪ The promoters retain direct Board presence through two named promoter directors - the Managing Director (executive) and Mr. Ashokkumar Vijaysinh Barot (Non-Executive Non-Independent) - while a Board that is 33.33% independent (four Independent Directors) provides operational and financial oversight independence.
☑️ **Promoter holding**	▪ Promoter-group holding is 45.8%. The two individual promoters, Swapnil Shah and Ashok Barot, hold 15.16% directly, down from 24.75% pre-IPO, with the balance held through promoter-controlled entities including Renosen and Remus. The decline in the individual stake reflects IPO dilution and CCD conversions. Key monitorables are the large network of promoter-controlled entities with recurring related-party transactions and a small promoter pledge during the year (2.8% as of June 2026).
☑️ **Related-party transactions**	▪ The largest related-party flows are the parent funding its own subsidiaries - FY25 loans of Rs. 55.9 Cr to SPI, Rs. 41.2 Cr to Ratnatris and Rs. 20.9 Cr to Havix; these eliminate on consolidation and carry no auditor observations. ▪ Other dealings include Rs. 28.4 Cr of related-party borrowings (Rs. 15.0 Cr from Babulal Sanghavi, Rs. 4.8 Cr from Swapnil Shah, Rs. 3.5 Cr from Remus, Rs. 2.3 Cr from Ashok Barot), Rs. 9.65 Cr of sales to Remus Pharmaceuticals.

Source: Company, Midas Research

2.3 – Risk Profile & Pricing Power

Risk profile and pricing power

Entry barriers are meaningful on the regulated side, where the USFDA-, DEA- and BAA-approved US facility is costly and time-consuming to replicate, while switching costs remain high due to long-term distribution agreements, CDMO in-licensing and site-tied ANDAs. Rivalry is contained by niche molecules and CGT-led early entry, though it is higher in CDMO/CMO. The key pressure points are supplier and buyer power, given single-sourced US APIs, a concentrated customer base and PBM pricing influence.

Porter's 5 Forces

Threat of New Entrants-Moderate

- Senores benefits from high regulatory entry barriers through its USFDA-approved manufacturing facility in Atlanta, DEA approval for controlled substances, and BAA American compliance for supplying the US government, capabilities that require significant time, capital, and regulatory approvals to replicate.
- However, oral solid dosage (OSD) manufacturing has lower structural entry barriers than sterile injectables, making product selection, regulatory execution, and commercial partnerships the company's key competitive differentiators rather than manufacturing complexity alone.

Threat of Substitutes- Moderate to Low

- Substitution risk primarily comes from newer therapies, customer in-sourcing and product switching, rather than competing generic manufacturers.
- Customer switching costs remain high, supported by long-term distribution agreements, CDMO partnerships with in-licensing and profit-sharing arrangements, and ANDAs tied to approved manufacturing sites.

Competitive Rivalry- Moderate

- Senores competes by selecting niche, small-to-mid-sized market molecules that are often overlooked by larger pharmaceutical companies, avoiding direct competition in crowded generic markets.
- It further strengthens this positioning by leveraging the FDA's Competitive Generic Therapy (CGT) pathway to secure early market entry and establish leadership in underpenetrated products.
- Competitive intensity is higher in the CDMO/CMO business, where Senores competes with integrated pharmaceutical companies and manufacturers utilising excess capacity.

Bargaining power of Suppliers-Moderate

- Senores sources raw materials from a diversified supplier base where most inputs have multiple qualified vendors, limiting dependence on any single supplier.
- The primary constraint is regulatory rather than commercial, as ANDAs are linked to approved API manufacturers, making supplier changes subject to regulatory approvals. Senores is also reducing supplier dependence through its expanding Chhatral API facility.

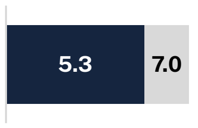
Bargaining power of Buyers-High

- Buyer bargaining power remains high, with a concentrated customer base and significant reliance on marketing and distribution partners in regulated markets. In the US, pricing is further influenced by PBMs and large purchasing groups, limiting manufacturers' pricing power.
- Long-term commercial agreements provide revenue visibility but do not eliminate buyer leverage.

Source: Company, Midas Research

2.4 – Financials (1/3)

Regulated markets: A key engine for top-line expansion



Strong earnings trajectory supported by sustained revenue growth, expanding margins and operating leverage, though the business is still in the early stages of translating its platform build-out into consistently higher returns.

Regulated markets

Own brand

Revenue model: In-licensing fee | Transfer pricing | Profit sharing

Commercialized

- SPL's portfolio of 51 approved ANDAs addresses an estimated market opportunity of ~USD 1 bn., providing a sizeable runway for long-term growth in the US generic pharmaceutical market.
- Current penetration remains in the low single digits, leaving significant headroom to expand through incremental market share gains across the existing, commercialized portfolio.

Approved, awaiting commercialization

- Over 30 approved ANDAs, representing a cumulative market opportunity of ~USD 630 mn, are expected to be commercialised in the next six quarters at a run-rate of 3–5 launches per quarter.
- Management targets commercialising 90–95% of the approved portfolio by H1FY28, with each product typically reaching peak revenue over 2–5 years post-launch.

Sourced products

- The sourced products business comprises third-party products procured against customer-specific orders and marketed through distribution partners, with no in-house manufacturing.
- We expect it to remain broadly stable at ~10% of revenue over FY27E–FY28E, with the share gradually declining as the higher-margin owned portfolio scales.

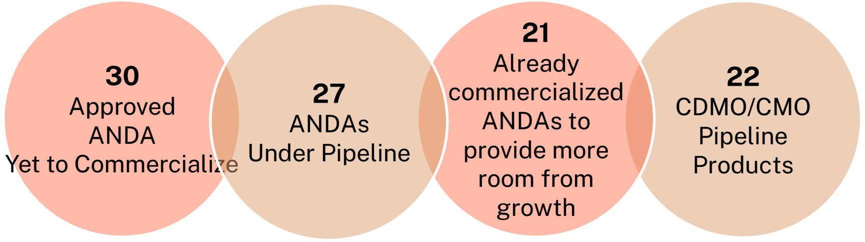
CDMO / CMO

Revenue model: Tech transfer / Developmental cost | Transfer pricing | Service income

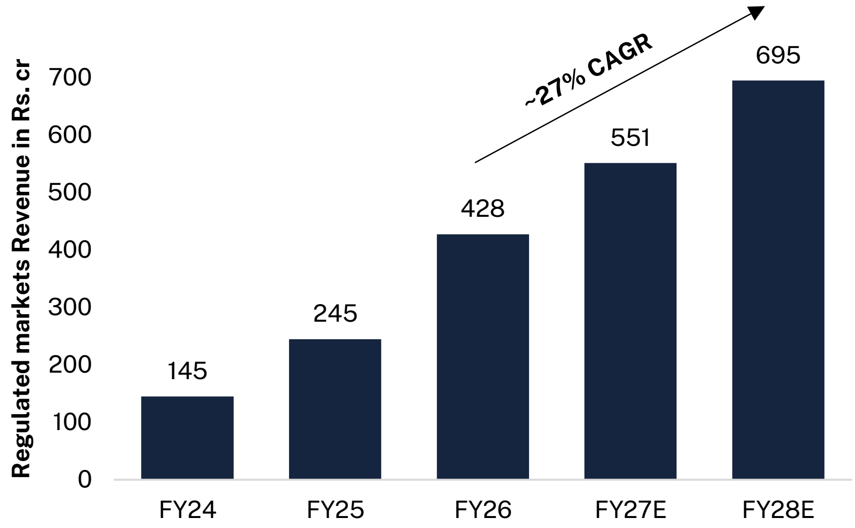
CDMO platform drives asset utilisation & customer stickiness

- Senores has built a diversified CDMO/CMO franchise with 40+ customer programs across regulated and emerging markets, serving global pharmaceutical companies including Alkem, Dr. Reddy's, Sun Pharma, Jubilant Cadista and Waymade.
- Its USFDA-approved Atlanta facility, backed by DEA and BAA compliance, enables controlled-substance manufacturing and US government supply-capabilities that differentiate Senores from most India-based peers despite higher US manufacturing costs.
- The CDMO/CMO business generates recurring revenue through development, manufacturing and long-term supply agreements, improving capacity utilisation and customer stickiness while delivering blended US-regulated EBITDA margins of ~40%.

Commercialization of Products in pipeline to drive the next leg of growth in the Regulated Markets segment



Growth from FY27 comes from conversion, 30 approved ANDAs awaiting launch, 27 under development, and 904 emerging-market registrations already in hand.

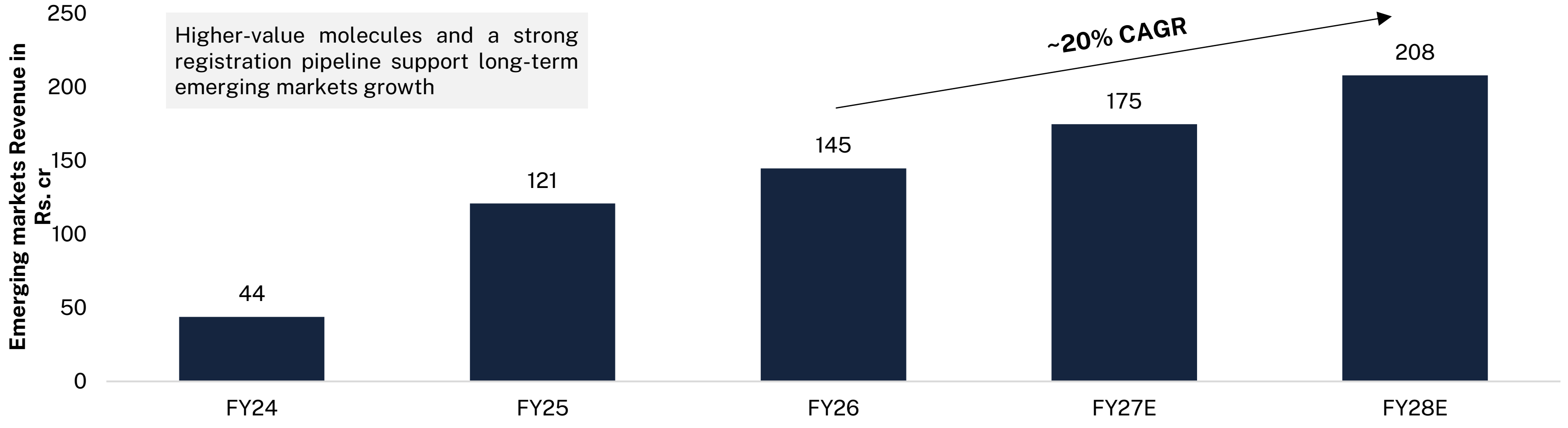


Source: Company, Midas Research.
Note: FY22-23 segment revenue not available; acquisitions consolidated from FY24; Segment revenue is on a total Income basis (includes other operating income) and does not tie to revenue from operations.

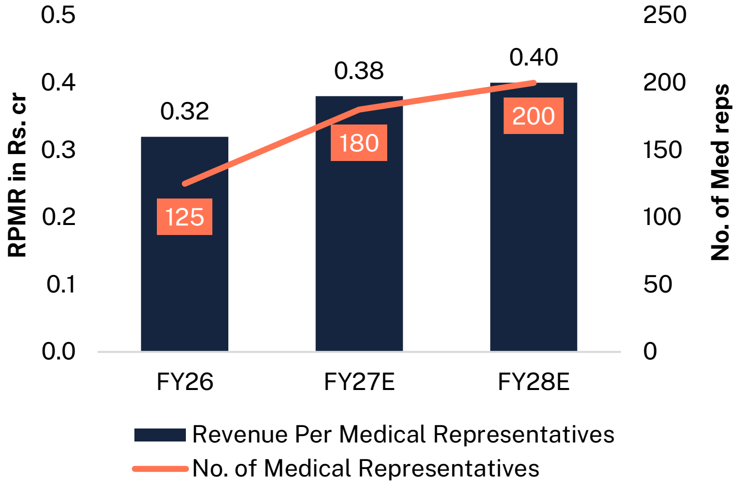
2.4 – Financials (2/3)

Multiple growth platforms supporting the next phase

Emerging Markets Positioned for Sustained Growth



Branded Generics: A small but fast-growing domestic engine



Improving Product Mix Driving Higher-Quality Growth

- Emerging Markets has evolved into Senores Pharmaceuticals' second growth engine, contributing Rs. 145 cr, or ~one-fifth of consolidated revenue, in FY26. The segment has built a differentiated portfolio of higher-value products rather than a conventional commodity generics offering.
- The business has scaled steadily, with revenue increasing from Rs. 44 cr in FY24, a partial post-acquisition year, to Rs. 121 cr in FY25 and Rs. 145 cr in FY26. We expect this trajectory to continue and reach ~Rs. 175 cr in FY27 and Rs. 208 cr in FY28E.
- While growth moderates to the high-teens/low-twenties as the acquisition base annualises, it remains well supported by a robust registration pipeline comprising 478 approved products and 904 registrations under process.
- The more notable development is the improvement in revenue quality. Management's strategy of prioritising "volume-plus-value" is steadily shifting the portfolio towards niche, higher-realisation molecules, leveraging products originally developed for the US regulated market. Consequently, growth is increasingly being driven by a richer product mix and improved realisations, rather than incremental distributor-led volumes, supporting a structurally stronger earnings profile for the segment.
- From a consolidated perspective, Emerging Markets remains margin-dilutive today, with its current profitability still below the group's ~27% EBITDA margin. However, as segment margins move toward the 20–21% range over FY26-28E, this dilution should narrow materially.

Building a scalable domestic franchise

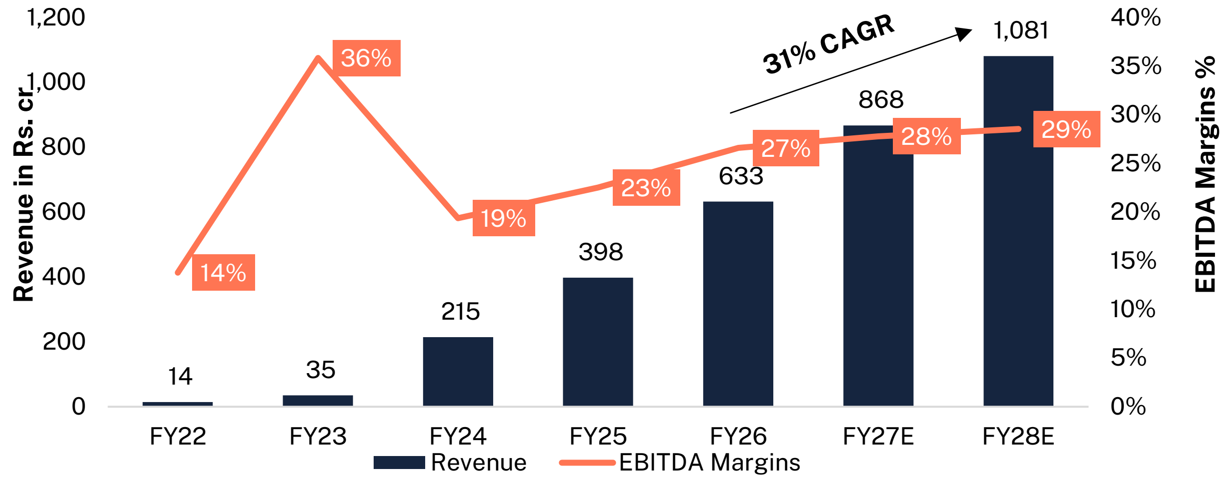
- Branded Generics represents Senores' domestic India business and, while still modest in scale, is emerging as a meaningful growth vertical.
- Revenue increased nearly fivefold to Rs. 40 cr in FY26 from FY25, and we estimate it to reach ~Rs. 80 cr in FY28E.
- Growth is being driven by a calibrated expansion of the field force into marquee hospitals and institutional accounts.
- It currently houses ~120-130 medical representatives and is expected to expand to ~200 and stabilize around these levels, reflecting its focus on productivity over scale in this vertical.

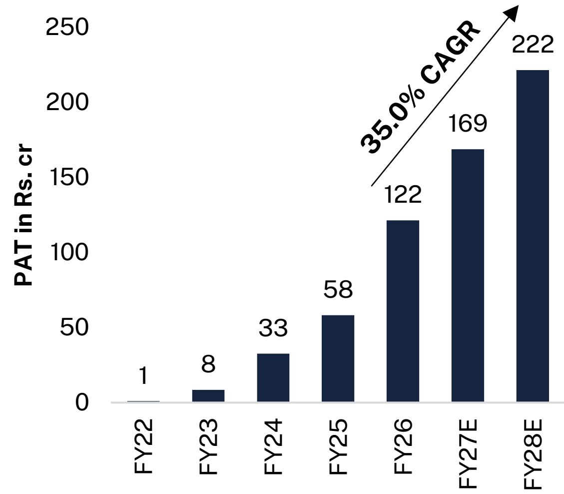
Source: Company, Midas Research.
*Note: FY22-23 segment revenue not available; acquisitions consolidated from FY24; Segment revenue is on a total Income basis (includes other operating income) and does not tie to revenue from operations.**

2.4 – Financials (3/3)

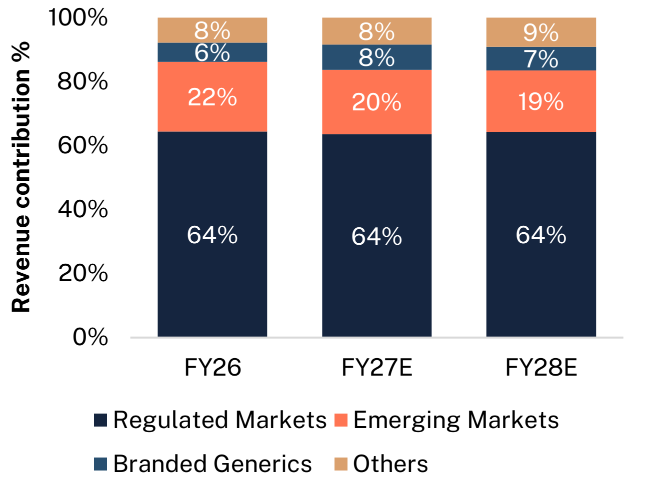
Execution-led earnings compounding

Execution-Led Growth with Expanding Profitability





Portfolio built; execution to drive growth



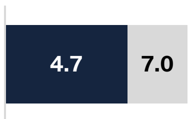
- SPL has compounded revenue from Rs. 14 cr in FY22 to Rs. 633 cr in FY26, and we estimate Rs. 1,081 cr by FY28E, a ~30.7% CAGR. Growth is expected to moderate from ~162% CAGR over FY23 to FY26, reflecting a higher base rather than weaker momentum as the business transitions from acquisition-led expansion to monetisation of existing assets.
- Majority of the ~Rs. 448 cr incremental revenue over FY26–FY28E is expected to come from Regulated Markets, driven by commercialization of the approved ANDA portfolio. The balance is supported by Emerging Markets, underpinned by 478 approved registrations and 904 under process, and continued scaling of the hospital-focused Domestic Branded Generics business.
- We expect EBITDA margins to improve from 26.6% in FY26 to 28.6% by FY28E, driven by operating leverage as the existing manufacturing and commercial infrastructure scales, alongside Emerging Markets margins normalising and becoming less dilutive to consolidated profitability.
- PAT is expected to increase from Rs. 122 cr in FY26 to Rs. 222 cr by FY28E, ~35.0% CAGR, supported by operating leverage and a declining financing burden as leverage falls.

- The business mix has evolved significantly over the past three years through acquisitions, transforming Senores into a diversified, multi-engine pharmaceutical platform.
- With the key operating businesses now in place, we expect the next phase to be driven by higher utilisation and scaling of the existing portfolio.
- Accordingly, we expect the revenue mix to remain broadly stable through FY28E, with Regulated Markets contributing ~64% of revenue, Emerging Markets ~19–22%, Branded Generics ~6–7% and Others ~8–9%.

Source: Company, Midas Research

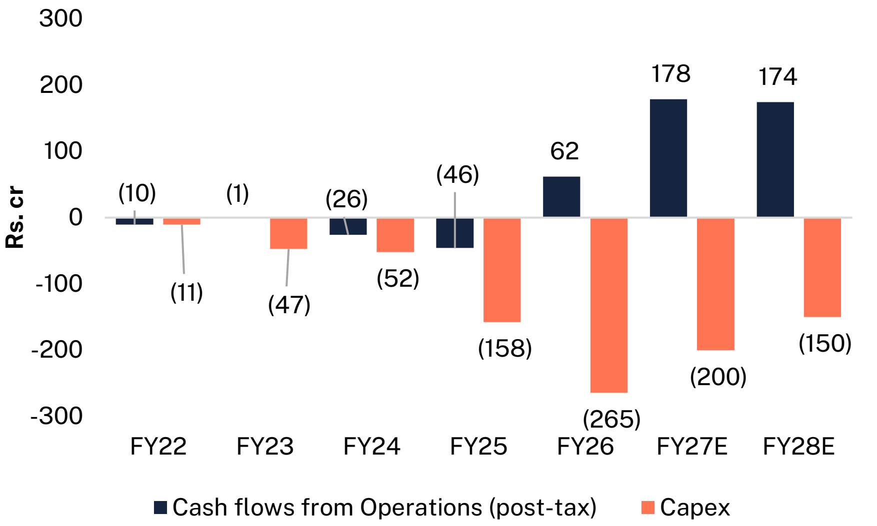
2.5 – Balance Sheet & Cash Flow Analysis

Revenue is vanity, profit is sanity, but cash is reality



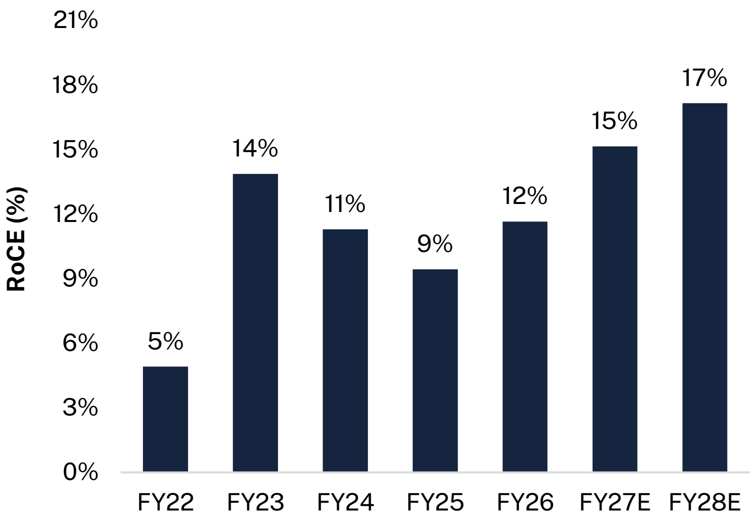
Balance sheet strength has improved materially following the IPO, while free cash flow remains temporarily constrained by the ongoing capex cycle. As investment intensity moderates, we expect improving cash generation and a gradual transition toward self-funded growth.

From investment to cash generation



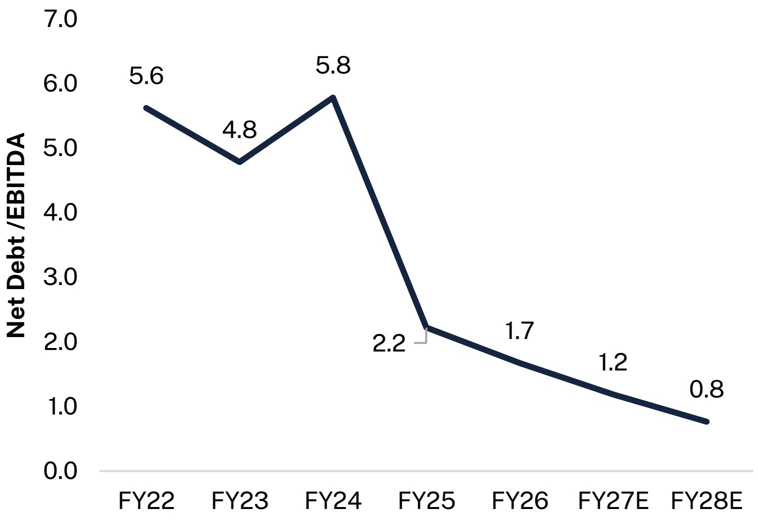
- Operating cash flow has consistently lagged capex through the group's investment phase.
- Post-tax CFO remained negative from FY22–FY25 before turning positive at Rs. 62 cr in FY26, the first meaningful inflection.
- Consequently, the group has funded its expansion through a combination of IPO proceeds and borrowings.
- We expect this relationship to reverse from FY27. As the heavy investment phase moderates and the approved ANDA portfolio is commercialised, operating cash flow is likely to exceed annual capex, transitioning the business towards internally-funded growth.

Returns yet to reflect the expanded platform



- Returns have remained modest through the investment phase, with RoCE fluctuating between 5% and 14% and recovering to 12% in FY26 after dipping to 9% in FY25.
- The subdued returns largely reflect capital being deployed ahead of earnings, as acquisitions and IPO proceeds expanded the capital base before the underlying assets reached meaningful utilisation.
- We expect returns to improve as the investment cycle matures.

Leverage declines as growth becomes self-funded



- Before the IPO, the business was built on a leveraged balance sheet. Net Debt/EBITDA remained elevated at 4.8–5.8x during FY22–24 as acquisitions and expansion were funded largely through borrowings.
- The IPO effectively reset the capital structure, providing balance-sheet capacity for the next phase of growth.
- We expect leverage to reduce further as earnings scale. On our estimates, EBITDA growth should outpace incremental borrowing, driving Net Debt/EBITDA towards ~0.8x over FY27E–FY28E.

Source: Company, Midas Research

3 - Valuation Framework

Valuation Framework – Summary

1

By Own History:

- **P/E, P/B and P/S multiples trade above +1 SD** of their respective historical averages.
- **EV/EBITDA remains close to historical norms**, trading modestly above its median and within the historical range.
- **The premium reflects sustained earnings momentum** and improving business quality.
- **Further re-rating is likely to be earnings-led**, requiring continued execution against growth expectations.
- Current valuation **warrants a rating of 4.0/7.0.**

2

Current Position Versus Peers:

- **Trades at ~29x FY28E P/E**, a **~34% discount** to the selected peer average of ~44x.
- **Expected to deliver the strongest earnings growth**, with **~35% PAT CAGR (FY26–FY28E)** versus the peer average of ~27%.
- **Re-rating potential** is supported by accelerating ANDA commercialisation, a rising own-product mix and improving operating leverage.
- **A differentiated US-focused platform** provides a structural growth runway and supports premiumisation over time.
- Overall valuation attractiveness **merits a rating of 6.0/7.0.**

3

Based on Growth:

- **Lowest PEG in the peer group at ~0.8x**, versus peers ranging from **~0.9x–2.8x**.
- **FY28E EV/EBITDA of ~22x**, below two higher-valued peers despite stronger growth.
- **Peer-leading EBITDA CAGR of ~35.5% (FY26–FY28E)** supports superior growth-adjusted valuation.
- **The disconnect between valuation and growth** provides scope for further multiple expansion as execution continues.
- Overall growth-adjusted valuation **merits a rating of 6.0/7.0.**

4

Capturing Return Profiles:

- **FY26 RoE of ~14%** is broadly in line with the peer group.
- **RoCE (~12%) and CFO/PAT (~0.5x)** rank one of the lowest among the peers, reflecting the ongoing investment cycle.
- **P/E is expected to compress from ~55x (FY26) to ~29x (FY28E)** as earnings scale.
- **TTM EV/EBITDA (~39x) is mid-pack**, while **P/CEPS (~103x)** remains elevated versus peers.
- Overall return profile **merits a rating of 4.0/7.0.**

5

Reflecting EVA:

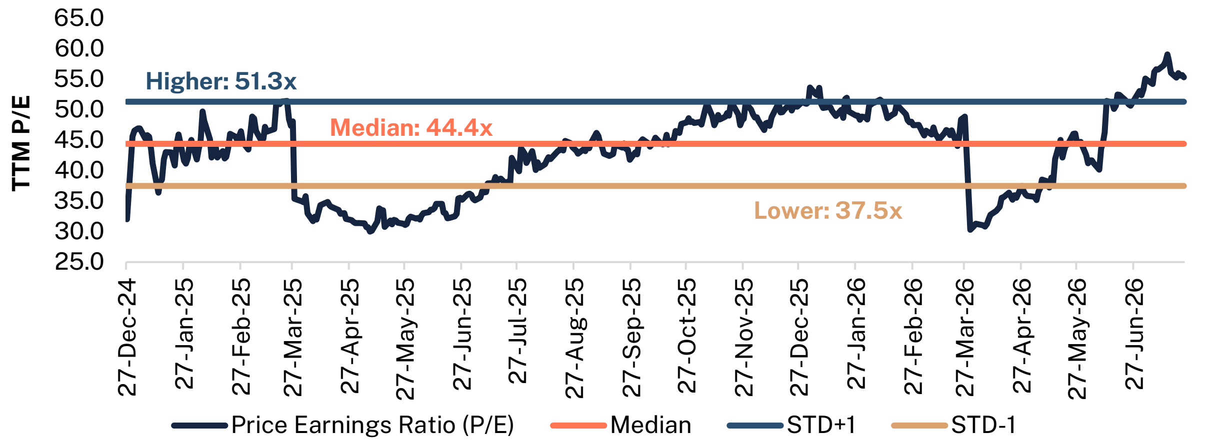
- **Current EVA remains marginally negative**, reflecting the business' investment-led growth phase.
- **The EVA spread compares favourably with most peers** and is expected to improve as recent capex and ANDA investments scale.
- **A positive EVA inflection is likely over the medium term**, supporting a **5.0/7.0** rating.

3.1 – By Own History (In Charts)

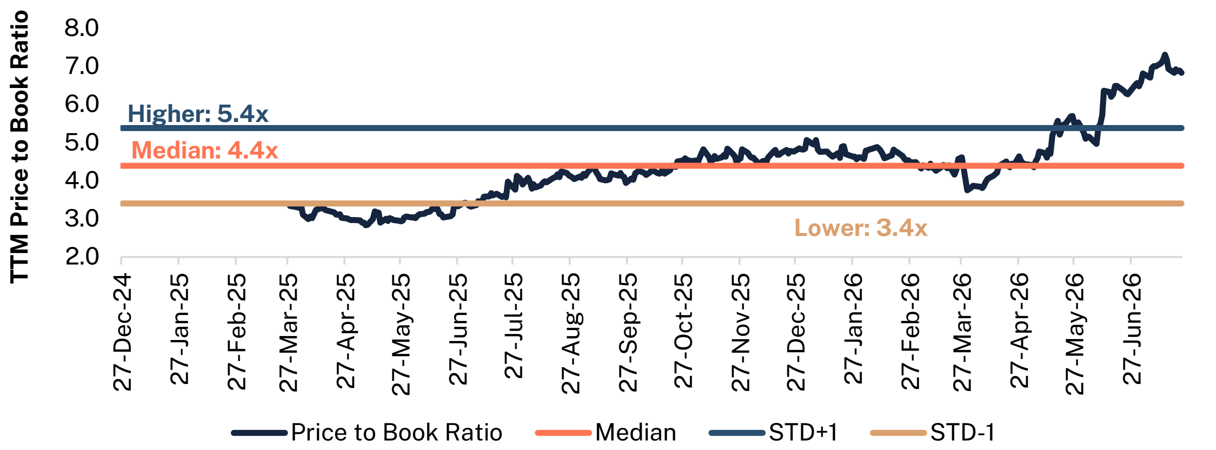
4.0 7.0

P/E, P/B and P/S now trade above +1 SD of their historical averages, while EV/EBITDA is modestly above its median and remains within the historical band. The re-rating reflects continued earnings momentum.

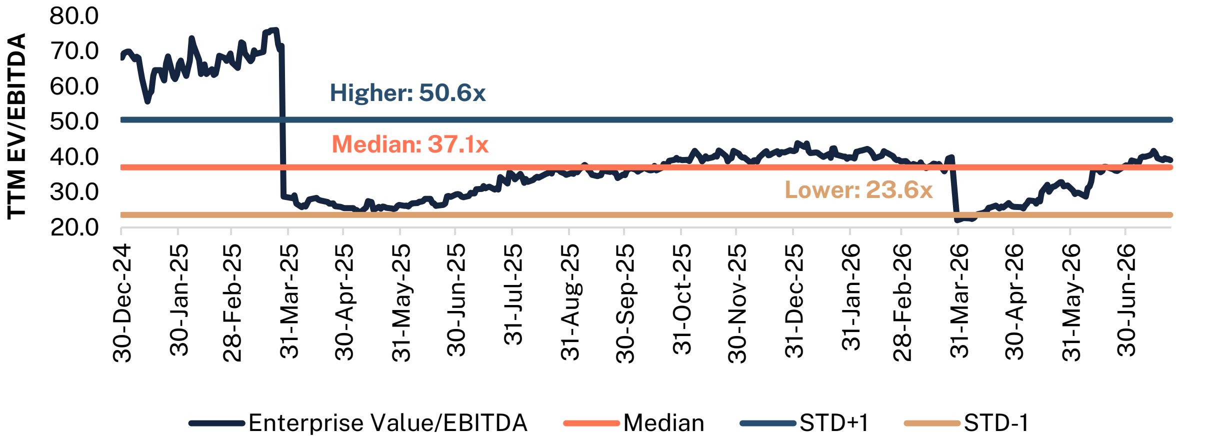
TTM P/E at ~55x - Well above historical median, breaking past the +1 SD band of 51x



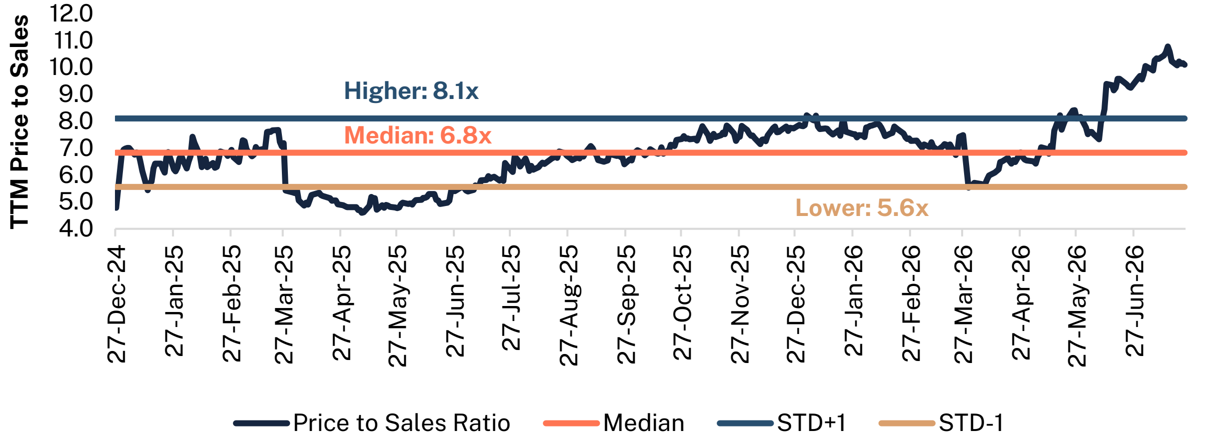
TTM P/B at 6.8x - Well above historical median of 4.4x and the +1 SD band of 5.4x



TTM EV/EBITDA at ~39x - Above historical median of 37x, still within the +1 SD band



TTM P/S at 10.1x - Above historical median of 6.8x and the +1 SD band of 8.1x



Source: Company, Midas Research, Bloomberg

3.2 – Current Position Vs Peers

Peer comparison

Senores trades at a discount to its selected peers (~29x FY28E P/E vs ~44x peer average) despite delivering the strongest earnings growth (~35.0% PAT CAGR vs ~27% peer average). We see scope for re-rating as ANDA commercialization accelerates, the own-product mix improves, operating leverage strengthens, and its differentiated US-focused platform continues to scale.

- Senores trades at a **meaningful discount to its peer group, at a FY28E P/E of ~29x vs the peer average of ~44x**, despite delivering the strongest growth profile across the basket. The peer set has been selected to reflect companies with broadly comparable growth drivers, regulated-market orientation, complex generics/CDMO capabilities and business evolution, providing a more relevant benchmark than a pure product- or size-based comparison. Over FY26–28E, Senores is expected to deliver **revenue, EBITDA & PAT CAGRs of ~30.7%, ~35.5% & ~35.0%, materially ahead of the peer averages of ~19%, ~24% & ~27%, respectively.** Over the same period, EBITDA margins are likely to expand from ~27% to ~29%, remaining above the peer average, while RoE is projected to improve from ~14% to ~18%.
- We believe this valuation discount is unwarranted. Unlike most peers, Senores remains at an early stage of monetising its differentiated US-focused platform, with significant earnings optionality still embedded in the business. The company combines a DEA-approved US manufacturing footprint, vertically integrated API capabilities, regulated-market CDMO operations and a rapidly expanding own-ANDA portfolio, creating a structurally differentiated business model with higher entry barriers. Notably, only a portion of its approved ANDA portfolio has been commercialized, leaving a long runway for earnings growth as launches accelerate. Management is targeting ~15 launches annually in the next 3–4 years, aided by a sizeable pipeline of approved products awaiting launch.
- **The company's growth trajectory is supported by:** (i) sustained commercialization of the approved ANDA portfolio; (ii) an increasing mix of higher-margin own products and front-end commercial platforms; (iii) operating leverage from improving utilization across its US and Indian manufacturing network; and (iv) continued expansion in regulated markets supported by long-term customer relationships and government supply opportunities. Consistent execution across these levers should enable Senores to sustain superior earnings growth and progressively narrow its valuation discount relative to peers.

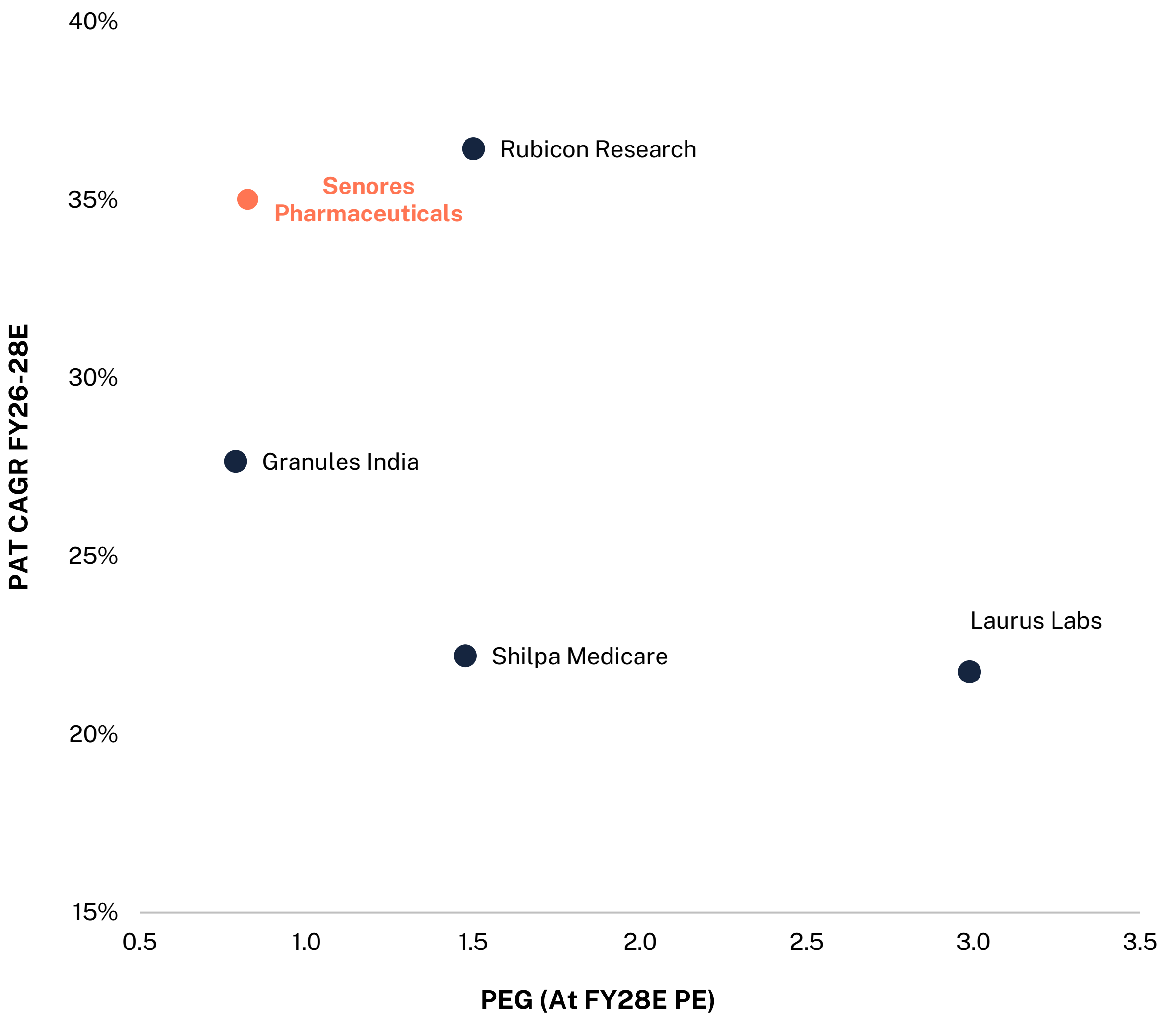
Company	CMP Rs	Mkt cap Rs. cr	Revenue (Rs.cr)			EBITDA(Rs.cr)			PAT(Rs.cr)			EBITDA Margin		RoE		P/E
			FY26	FY28E	CAGR	FY26	FY28E	CAGR	FY26	FY28E	CAGR	FY26	FY28E	FY26	FY28E	FY28E
Senores Pharmaceuticals	**1,388**	**6,390**	**633**	**1,081**	**31%**	**168**	**309**	**35%**	**122**	**222**	**35%**	**27%**	**29%**	**14%**	**18%**	**29**
Laurus Labs	1,601	86,505	6,721	9,102	16%	1,785	2,547	19%	894	1,326	22%	27%	28%	18%	19%	65
Rubicon Research	1,520	25,164	1,754	2,846	27%	400	676	30%	247	459	36%	23%	24%	27%	24%	55
Granules India	834	20,655	5,366	7,190	16%	1,173	1,697	20%	594	968	28%	22%	24%	14%	14%	22
Shilpa Medicare	606	11,856	1,539	2,130	18%	430	678	26%	244	364	22%	28%	32%	10%	12%	33
Average	-	-	-	-	**19%**	-	-	**24%**	-	-	**27%**	**25%**	**27%**	**17%**	**17%**	**44**

*Note; Peer Average includes *(Laurus Labs, Rubicon Research, Granules India and Shilpa Medicare)*
Source: Company, Midas Research, Bloomberg

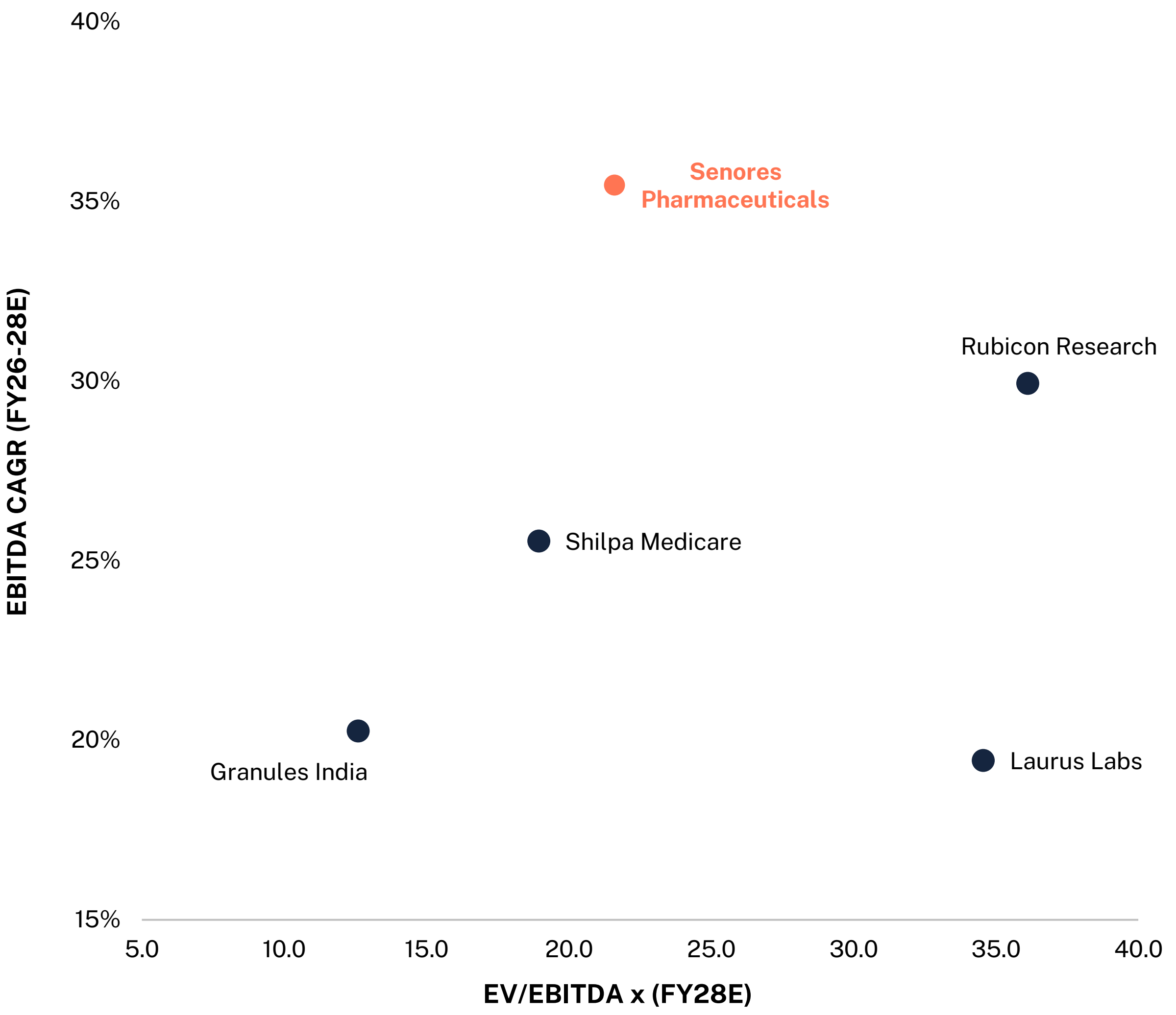
3.3 – Based on Growth

Senores offers one of the most compelling growth-to-valuation profiles in the peer group. It trades at the lowest PEG of ~0.8x (vs peers at 0.9x–2.8x) & at ~22x FY28E EV/EBITDA, below two peers despite delivering the strongest EBITDA CAGR (~35.5%).

PEG of ~0.8x - Lowest among peers; inexpensive on a growth-adjusted basis

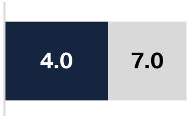


FY28E EV/EBITDA of ~22x, below select peers despite the strongest EBITDA growth profile (~35.5% CAGR)



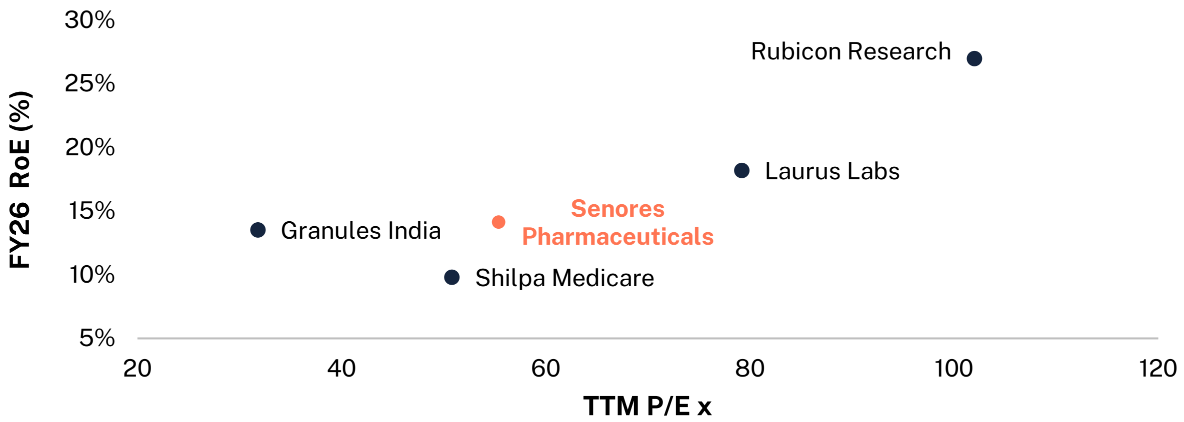
Source: Company, Midas Research, Bloomberg
*Note: Peers include *(Laurus Labs, Rubicon Research, Granules India and Shilpa Medicare)*

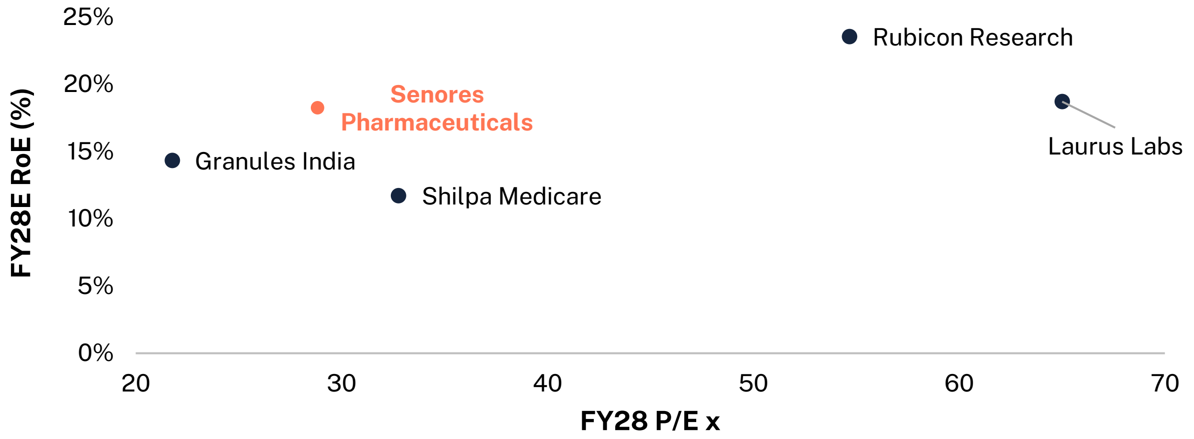
3.4 – Capturing Return Profiles



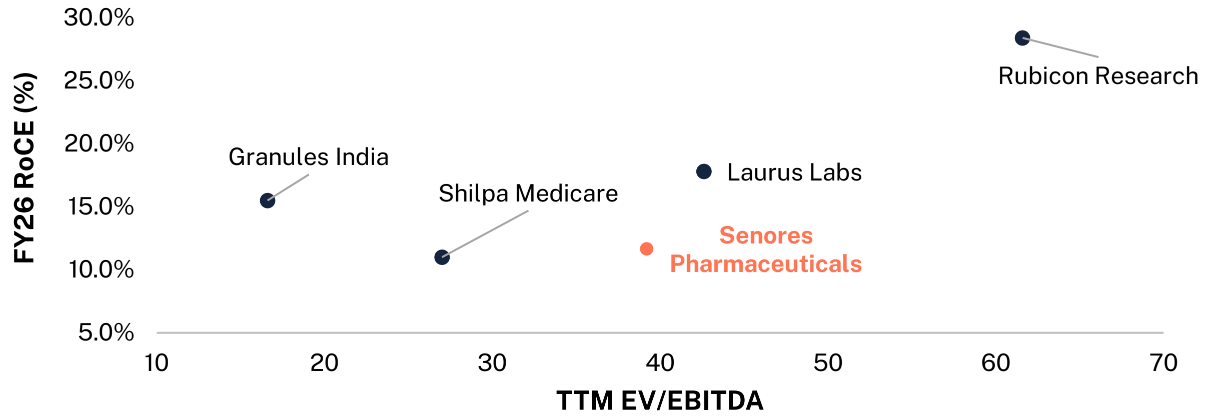
Returns are mixed. FY26 RoE of ~14% is mid-pack, but RoCE (~12%) and cash conversion (CFO/PAT ~0.5x) are one of the lowest among the peer set. Valuation isn't cheap across the board: P/E declines from ~55x to ~29x by FY28E as earnings grow, EV/EBITDA (~39x) is mid-pack, and P/CEPS (~103x) remains elevated.

Below peer-average P/E as earnings scale: P/E is expected to fall from ~55x TTM to ~29x FY28E; RoE to improve from ~14% to ~18%

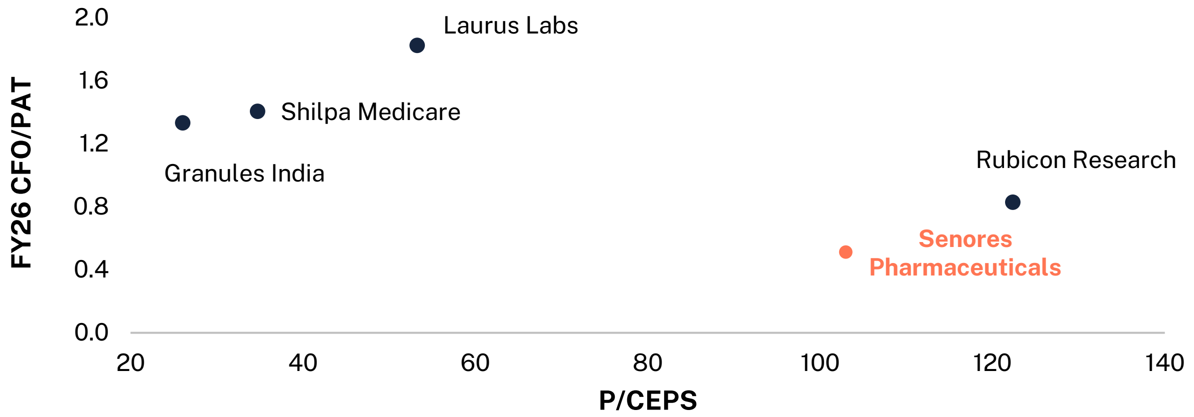




TTM EV/EBITDA of ~39x is mid-pack; RoCE at ~12% is one of the lowest among peers

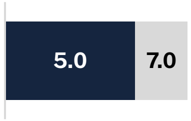


P/CEPS of ~103x is near the top of the peer set on weak cash conversion (CFO/PAT ~0.5x)



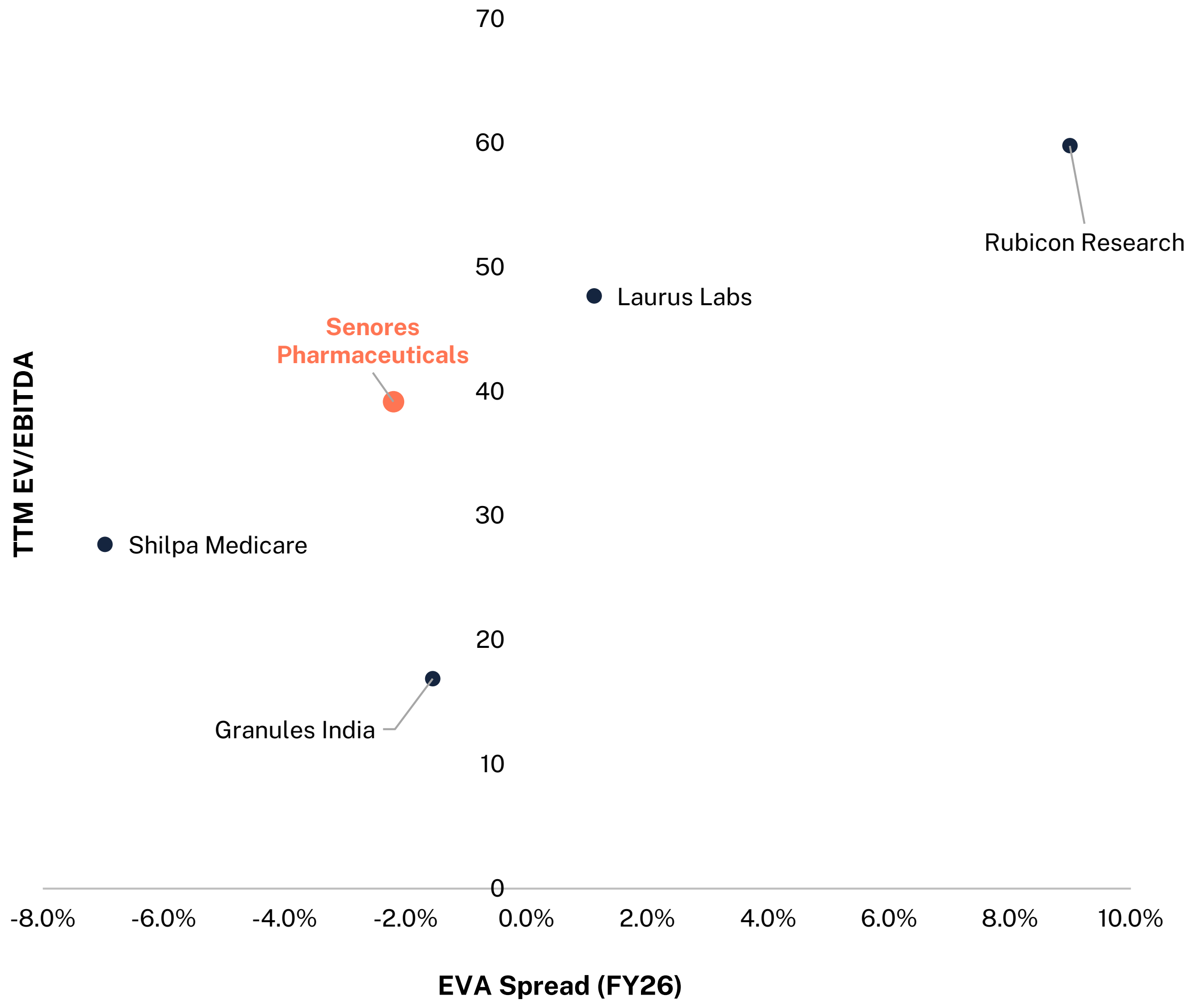
Source: Company, Midas Research, Bloomberg
*Note: Peers include *(Laurus Labs, Rubicon Research, Granules India and Shilpa Medicare)*

3.5 – Reflecting EVA

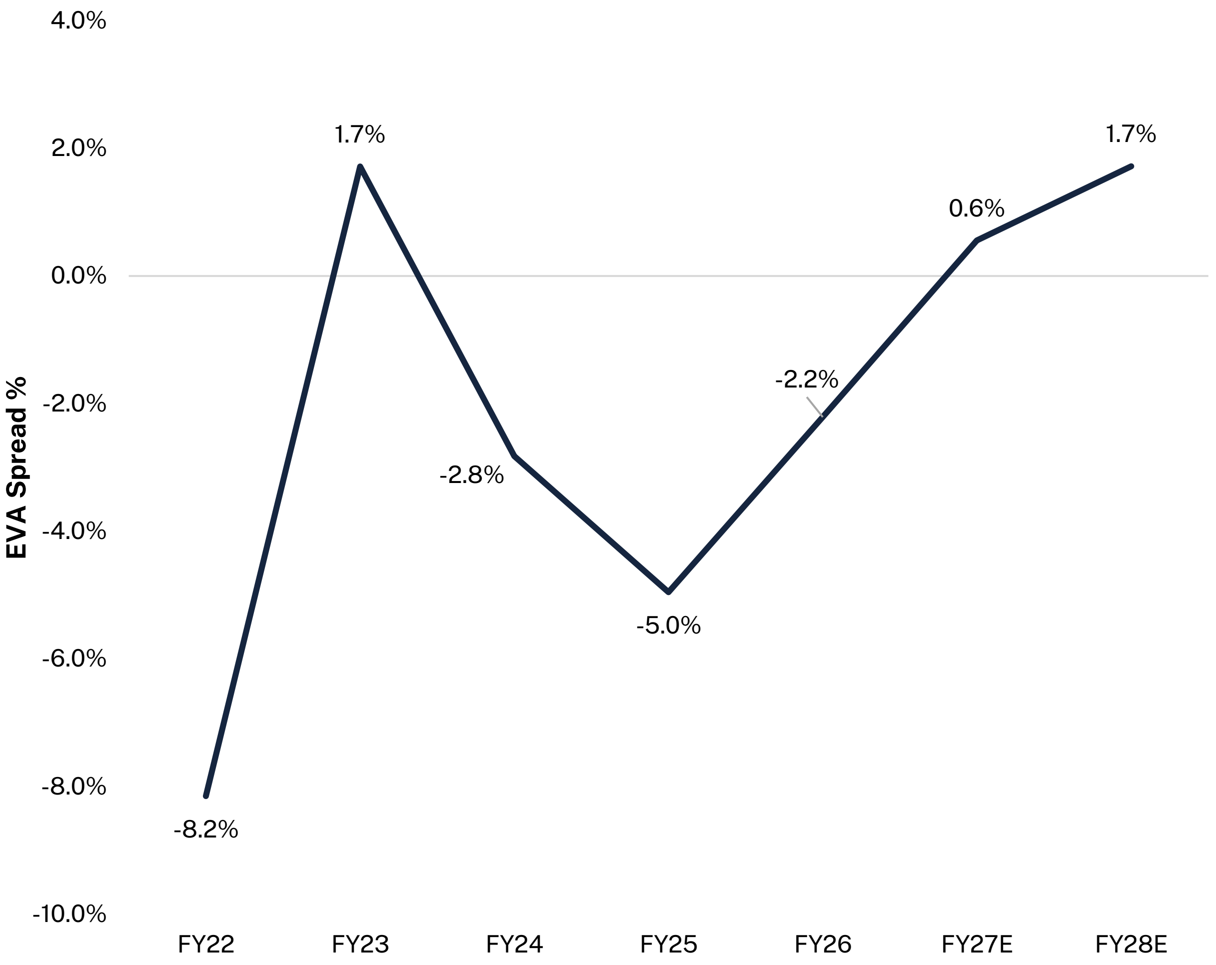


Senores remains marginally value-destructive on current EVA, but the spread is materially better than most peers and is expected to turn positive as the recent investment cycle begins to generate returns.

Valuation Leaves Room for Improving Value Creation



Value creation resumes as the capex cycle cools and asset utilisation improves



Source: Company, Midas Research, Bloomberg
*Note: Peers include *(Laurus Labs, Rubicon Research, Granules India and Shilpa Medicare)*

Valuation Rationale

We value Senores Pharma at 38x FY28E P/E, arriving at a target price of Rs. 1,828, implying a 1-year upside of 32%

Why do we use P/E as the valuation metric

- We value Senores using a P/E multiple, as it is entering a phase where earnings growth is likely to outpace revenue growth. With the heavy investment cycle largely complete, incremental profitability is increasingly driven by operating leverage, better product mix and a normalising financing profile, making earnings the most relevant measure of shareholder value creation.
- Further, Senores operates through a multi-subsidiary structure, with key manufacturing, commercialization and market-access functions housed across different operating entities. As investors own the listed parent rather than the enterprise, P/E based on consolidated earnings provides the most direct measure of value attributable to shareholders.
- We also believe an earnings-based multiple better captures the economics of Senores' business model. The company has invested significantly in its ANDA pipeline and manufacturing platform, with these investments flowing through future amortisation and financing costs as products are commercialised. P/E captures these economic costs, whereas EV/EBITDA excludes both amortisation and capital structure, potentially overstating underlying profitability during this monetisation phase.

Rationale for 38x P/E multiple

- **We assign a 38x FY28E P/E multiple, implying a ~14% discount to the peer average of 44x.** We believe this appropriately balances Senores' superior growth profile while retaining a prudent margin for execution risk as the company commercializes its pipeline and delivers on its growth roadmap.
- Senores is expected to outperform the peer group across all key growth metrics, with 30.7% revenue CAGR, 35.5% EBITDA CAGR and 35.0% PAT CAGR over FY26–28E, versus peer averages of 19%, 24% and 27%, respectively.
- Returns are also expected to strengthen meaningfully. RoE improves from 14% in FY26 to 18% by FY28E, while the peer average remains broadly unchanged at ~17%. By FY28E, Senores is expected to generate higher returns than the peer average while compounding earnings materially faster, supporting a valuation closer to the peer band.
- **Senores combines product and manufacturing scarcity**, focusing on low-competition niche molecules while leveraging one of the few USFDA-approved, DEA-registered and BAA-eligible manufacturing facilities owned by an Indian-origin company, creating durable pricing power, high entry barriers and multiple monetisation avenues that justify premium valuations.
- **Our 38x P/E target multiple implies a PEG of ~1.1x as of FY28E versus the peer average of ~1.6x**. While applying the peer-average to Senores' 35.0% PAT CAGR would support a multiple of ~56x. The assigned multiple therefore remains meaningfully below what the company's growth profile alone would warrant, providing a meaningful cushion for execution and scale-related risks.

Future Lens

- Senores has built a differentiated US Regulated Markets platform centred on its DEA-approved, BAA-compliant manufacturing facility in Atlanta. The high cost of US manufacturing has limited competition, creating a structurally underpenetrated government procurement market. Management estimates an addressable opportunity of ~USD 1bn for the current approved portfolio, providing a sizeable growth runway as the company scales commercialization and manufacturing capacity through FY30.
- The approved ANDA portfolio provides multi-year earnings visibility. With only 21 of 51 approved ANDAs commercialized and management targeting the commercialization of 90–95% of the portfolio in the next six quarters, FY28E primarily captures the launch phase, while FY30E reflects portfolio maturation. Given that products typically require two to five years to reach peak sales, a substantial portion of the current pipeline's earnings potential lies beyond our explicit forecast period.
- Sterile injectables represent the next structural growth driver. The Atlanta injectables facility is expected to commence operations in FY27, with meaningful commercial contribution likely from FY29 following regulatory approvals and customer qualification. This creates a new earnings pillar beyond the existing oral solids business.
- The newer growth platforms are transitioning from investment to earnings contribution. Emerging Markets continue to improve profitability, while Apnar, Amerisyn, and the Domestic Branded Generics business are expected to scale steadily over the next three years. Collectively, these businesses diversify the earnings base and support sustained margin expansion. Accordingly, we expect revenue and PAT CAGRs of 27.8% and 31.2%, respectively, over FY26–FY30E.

Entry at **Rs. 1,388** @ 29x FY28E P/E

Exit multiple at **38x** on FY30E EPS

+

Cumulative Dividend of **Rs. 0/share**

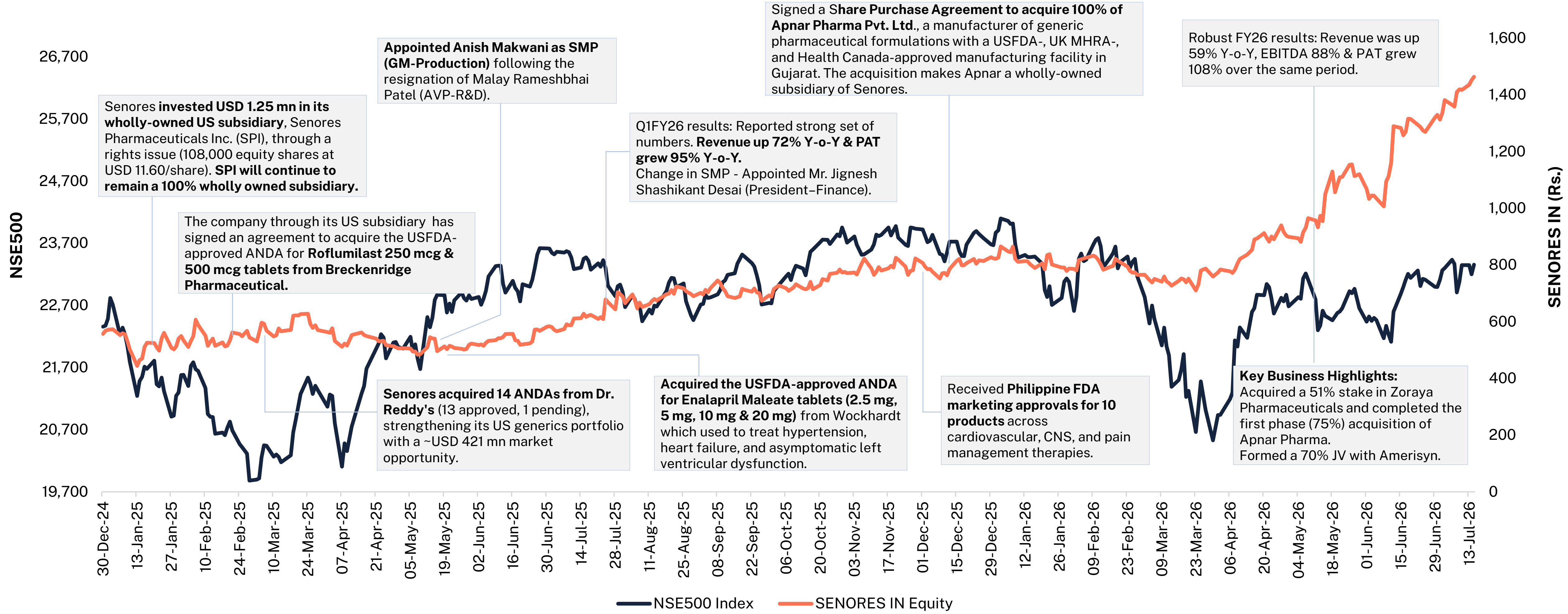
Total returns **114%**

Sensitivity of 3-yr TP (Ex – Dividend)

Target price sensitivity		EPS				
		63	70	78	86	95
Valuation multiple	34	2,155	2,390	2,660	2,925	3,215
	36	2,280	2,535	2,815	3,095	3,405
	38	2,405	2,675	2,970	3,270	3,595
	40	2,535	2,815	3,125	3,440	3,785
	42	2,660	2,955	3,285	3,610	3,975

4 – Stock Buzz & Influencing Factors

Noise vs signal: what really moved the stock?



Senores' share price is driven primarily by the pace of its US product launches and the strength of its order pipeline. Successful commercialization of its approved ANDAs and a steady ramp-up in the CDMO/CMO business are the principal triggers for earnings upgrades and re-rating.

Source: Company, Midas Research, Bloomberg

5 – Technical Outlook

Trend remains firm as stock holds above rising 20-DMA

Technical View (Daily)

Technical View

- Senores Pharmaceuticals has staged a decisive breakout from a nearly four-month consolidation base in April 2026, marking the resumption of its primary uptrend. The breakout above the Rs. 870–880 resistance zone was accompanied by a sharp expansion in price momentum, resulting in a sustained rally without any meaningful pullbacks of its short-term trend structure.
- The stock has been in a short-term consolidation phase over the past few weeks, while continuing to hold above its rising 20-DMA. The moving average structure remains constructive, with the 20-DMA trading above the 50-DMA. Importantly, all three moving averages continue to slope higher, confirming that the broader trend remains intact.
- From a price structure perspective, the stock continues to register a sequence of higher highs and higher lows, with no evidence of any major trend reversal. The recent consolidation appears to be a pause within an ongoing uptrend rather than the beginning of a distribution phase.
- Overall, the technical setup remains constructive. A decisive move above the recent swing highs around Rs. 1,480–1,500 could trigger a fresh breakout and resume the primary uptrend, while the 20-DMA acts as the immediate support zone. A sustained breach below the 20-DMA would likely result in a retracement towards the rising 50-DMA, which should provide stronger medium-term support given the prevailing trend strength.

Pharmaceuticals	Reco/View	Buy	Last Day Close	Rs. 1,388

RESEARCH ANALYST

Aditya Ashwin Paul

aditya.a@sparkcapital.in

Source: Trading View, Midas Research

Key Risks

Partner-intermediated US economics

Senores relies on third-party marketing partners to commercialise a significant portion of its regulated-market portfolio. While the company earns through licensing fees, product supply and profit-sharing, pricing, promotion and commercial execution remain largely under the control of its partners, limiting its influence over end-market economics.

Apnar integration & capacity ramp-up

Apnar is expected to be a key growth driver from FY27, with management attributing ~Rs. 80–100 Cr. of FY27 revenue guidance to the facility. Any delay in scaling up commercial production or customer onboarding could result in slower-than-expected revenue growth. The acquisition has also increased working capital requirements, with inventory and receivables already reflected on the balance sheet ahead of meaningful revenue contribution.

ANDA commercialization risk

Senores' regulated-market growth is heavily dependent on the commercialization of its ~30 approved but unlaunched ANDAs (covering ~105 strengths). While management targets launching 90–95% of this portfolio over the next six quarters, each product requires technology transfer, validation, partner onboarding, and commercial rollout before contributing to revenue.

Source: Midas Research

Financial Summary

All figures in Rs. cr

- Revenue is expected to grow at a ~30.7% CAGR over FY26–28E, driven by commercialization of the approved ANDA portfolio, continued momentum in the US Regulated Markets business, scaling of Emerging Markets and a gradual ramp-up in Domestic Branded Generics.
- EBITDA is projected to grow at ~35.5% CAGR, supported by operating leverage, a richer mix of own ANDA products, improving Emerging Markets profitability and higher utilisation of the existing manufacturing and commercial platform, driving ~200bps of EBITDA margin expansion to ~29% by FY28E.
- PAT is expected to compound at ~35.0% CAGR, marginally outpacing EBITDA, aided by operating leverage, improving financing efficiency and a lower contribution from non-controlling interests, taking PAT margins to ~20.5% by FY28E.

Particulars	FY24	FY25	FY26	FY27E	FY28E
Profit & Loss					
Revenue	215	398	633	868	1,081
Gross profit	108	218	381	525	660
EBITDA	42	90	168	241	309
Depreciation	(10)	(17)	(31)	(38)	(47)
EBIT	32	73	137	203	262
Other Income	3	19	47	42	51
Interest expense	(9)	(22)	(25)	(26)	(25)
Exceptional items	-	-	-	-	-
PBT	25	71	159	219	288
Reported PAT (after minority interest)	33	58	122	169	222
Adj PAT	33	58	122	169	222
EPS (Rs.)	13.7	16.1	26.4	36.7	48.1
Balance Sheet					
Net Worth	204	786	934	1,103	1,324
Total debt	248	305	327	317	307
Minority interest	27	26	31	31	31
Other liabilities and provisions	142	110	312	265	309
Total Net worth and liabilities	**622**	**1,227**	**1,604**	**1,716**	**1,971**
Gross Fixed assets	159	218	363	500	680
Net fixed assets	152	199	331	431	564
Capital work-in-progress	18	44	17	80	50
Intangible Assets	153	221	385	385	385
Investments	0	0	29	29	29
Cash and bank balances	8	105	46	30	71
Loans & advances and other assets	141	477	381	347	429
Net working capital	36	113	179	226	213
Total assets	**622**	**1,227**	**1,604**	**1,716**	**1,971**
Capital Employed	453	1,091	1,261	1,420	1,631
Invested Capital (CE - cash - CWIP)	427	941	1,198	1,309	1,511
Net debt	241	199	282	287	237
Cash Flows					
Cash flows from Operations (Pre-tax)	(23)	(37)	75	229	240
Cash flows from Operations (post-tax)	(26)	(46)	62	178	174
Capex	(52)	(158)	(265)	(200)	(150)
Free cashflows	(78)	(203)	(203)	(22)	24
Free cashflows (post interest costs)	(86)	(224)	(228)	(47)	(1)
Cash flows from Investing	(54)	(429)	(121)	(158)	(99)
Cash flows from Financing	87	573	(1)	(36)	(35)
Total cash & liquid investments	**8**	**105**	**46**	**30**	**71**

- Operating cash flow is expected to strengthen materially as the business transitions from platform build-out to monetisation, with post-tax OCF improving from Rs. 62 cr in FY26 to ~Rs. 178 cr in FY27E. While free cash flow remains constrained by ongoing capex, the deficit narrows meaningfully as the investment cycle moderates.
- Return ratios are expected to improve steadily, with RoE rising from ~14% in FY26 to ~18% by FY28E and RoCE from ~12% to ~17%, supported by earnings compounding, improving asset utilisation and a gradual transition from invested capital to productive assets.
- The balance sheet remains well positioned, with net debt/EBITDA declining from 1.7x in FY26 to ~0.8x by FY28E and interest coverage improving to ~10.5x, providing adequate financial flexibility to fund the next phase of growth.

Particulars	FY24	FY25	FY26	FY27E	FY28E
Growth ratios (%)					
Revenue	507.1%	85.6%	58.9%	37.2%	24.6%
EBITDA	228.3%	115.7%	87.6%	43.4%	28.0%
Adj PAT	287.9%	78.4%	108.3%	39.0%	31.2%
Margin ratios					
Gross	50.5%	54.6%	60.2%	60.5%	61.0%
EBITDA	19.4%	22.5%	26.6%	27.8%	28.6%
Adj PAT	15.2%	14.6%	19.2%	19.5%	20.5%
Performance ratios					
Pre-tax OCF/EBITDA	-55.8%	-41.0%	44.7%	94.9%	77.8%
OCF/IC (%)	-6.0%	-4.9%	5.2%	13.6%	11.5%
RoE (%)	26.2%	11.8%	14.1%	16.6%	18.3%
RoCE (%)	11.3%	9.4%	11.7%	15.2%	17.2%
Fixed asset turnover (x)	2.7	2.1	2.2	2.0	1.8
Total asset turnover (x)	0.6	0.4	0.4	0.5	0.6
Financial stability ratios					
Net Debt to Equity (x)	1.2	0.3	0.3	0.3	0.2
Net Debt to EBITDA (x)	5.8	2.2	1.7	1.2	0.8
Interest cover (x)	3.3	3.4	5.5	7.9	10.5
Working capital days	62	104	104	95	72
Valuation metrics					
Fully Diluted Shares (cr)	3.1	4.6	4.6	4.6	4.6
Market cap (Rs. cr)			6,390		
P/E (x)	195.4	109.5	52.6	37.8	28.8
P/OCF(x)	-248.5	-139.1	103.0	35.8	36.7
EV (Rs.cr) (ex-CWIP)			6,671		
EV/ EBITDA (x)	160.4	74.4	39.6	27.6	21.6
EV/ OCF(x)	-259.4	-145.3	107.5	37.4	38.3
FCF Yield	-1.2%	-3.2%	-3.2%	-0.3%	0.4%
Price to BV (x)	31.3	8.1	6.8	5.8	4.8
Dividend pay-out (%)	0%	0%	0%	0%	0%
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%
Cash as a % of CE	1.7%	9.7%	3.6%	2.1%	4.3%

Glossary

OSD	Oral Solid Dosage
CAPEX	Capital Expenditure
API	Active Pharmaceutical Ingredient
CDMO	Contract Development and Manufacturing Organization
USFDA	United States Food and Drug Administration
CAGR	Compounded Annual Growth Rate
CMP	Current Market Price
EBIT	Earning Before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EPS	Earnings Per Share
EV	Enterprise Value
FCF	Free Cash Flow
P/E	Price to Earnings
PBT	Profit Before Tax
RoE	Return on Equity

RoCE	Return on Capital Employed
RoIC	Return on Invested Capital
R&D	Research and Development
TAA	Trade Agreements Act
BAA	Buy American Act
BE	Bioequivalence
BF	Blended Forward
USDMF	United States Drug Master File
CF	Cash Flow
ANDA	Abbreviated New Drug Application
DEA	Drug Enforcement Administration
CoGS	Cost of Goods Sold
Crs	Crores
ORS	Oral Rehydration Solution
CGT	Competitive Generic Therapy

Source: Company, Midas Research

Disclaimer (1/2)

Absolute Rating Interpretation

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

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Spark PWM Private Limited. (Registered Office: No. 1, 3rd Floor, First Crescent Park Road, Gandhi Nagar, Adyar, Chennai 600 020; CIN: U66190TN2012PTC086696; Telephone No.: +91 44 69250000; Website: www.sparkcapital.in; Correspondence Address: Solitaire Corporate Park, Unit 1252 , Building No. 12, Andheri Kurla Road, Chakala, Andheri (East), Mumbai 400093; Telephone No: +91 22 62916700; SEBI Registration: (Stock Broker: INZ000285135; Portfolio Manager: INP200007274; Research Analyst: INH200008954; BSE RA Enlistment No- 5503; Investment Adviser: INA000021067; BSE IA Enlistment No. 2390; Depository Participant: IN-DP-757-2023); AMFI – Registered Mutual Fund Distributor: ARN 86685. APMI – Registered PMS Distributor (APRN00662). Compliance and Grievance Officer details: Mr. Anupam Mohaney: +91 22 62916700. RA Grievance Redressal Matrix & Research T & C

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Our Offices

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

Mumbai
Unit – 301, 302, Windsor House,
2, Kolivery Village,
MMRDA Area, Kalina,
Santacruz East,
Mumbai – 400 098

11th floor, C Wing, ONE BKC,
Unit Nos. 1116,
Bandra Kurla Complex,
Bandra East,
Mumbai – 400 051

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

Bengaluru
No. 2, 3rd Floor,
Prestige
Emerald,
Lavelle Road,
Bengaluru – 560 001

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

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

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

Kolkata
No. 9A-1 & 9B-1,
9th 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
2nd Floor,
Mankulangara Tower,
Kuravankonam,
Pattom P.O.,
Trivandrum – 695 004

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

Kanpur
Unit No 205, 2nd 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