

Q2FY26 preview

Exhibit 1: Key financials

Company	Revenue (INR mn)					EBITDA (INR mn)					PAT (INR mn)				
	Q2FY26E	Q1FY26	Q2FY25	QoQ (%)	YoY (%)	Q2FY26E	Q1FY26	Q2FY25	QoQ (%)	YoY (%)	Q2FY26E	Q1FY26	Q2FY25	QoQ (%)	YoY (%)
Sun Pharma	1,40,405	1,38,514	1,32,914	1.4	5.6	39,454	40,726	38,109	(3.1)	3.5	27,231	29,961	29,323	(9.1)	(7.1)
Dr Reddy's	85,273	85,452	80,162	(0.2)	6.4	21,403	21,497	22,478	(0.4)	(4.8)	14,388	14,178	14,009	1.5	2.7
Aurobindo	80,793	78,681	77,961	2.7	3.6	16,643	16,034	15,661	3.8	6.3	8,863	8,250	8,075	7.4	9.8
Zydus Lifesciences	55,391	65,737	52,370	(15.7)	5.8	15,731	20,243	14,160	(22.3)	11.1	9,742	14,140	8,791	(31.1)	10.8
Cipla	75,911	69,575	70,510	9.1	7.7	20,041	17,781	18,856	12.7	6.3	14,098	12,976	13,025	8.6	8.2
Lupin	64,357	62,683	56,727	2.7	13.5	16,926	16,414	13,668	3.1	23.8	10,812	11,589	8,711	(6.7)	24.1
Biocon	43,799	39,419	35,904	11.1	22.0	8,541	7,489	6,204	14.0	37.7	374	314	(671)	19.0	(155.7)
Glenmark	36,834	32,644	34,338	12.8	7.3	6,814	5,805	6,019	17.4	13.2	4,033	3,129	3,542	28.9	13.8
Torrent Pharma	32,636	31,780	28,890	2.7	13.0	10,770	10,470	9,390	2.9	14.7	5,930	5,591	4,530	6.1	30.9
JB Chemicals	10,793	10,939	10,006	(1.3)	7.9	3,098	3,159	2,705	(1.9)	14.5	2,059	2,136	1,746	(3.6)	18.0
Ajanta Pharma	13,265	13,027	11,866	1.8	11.8	3,794	3,765	3,368	0.8	12.6	2,785	2,747	2,356	1.4	18.2
Alkem	36,783	33,711	34,147	9.1	7.7	7,908	7,391	7,528	7.0	5.0	7,068	6,531	6,886	8.2	2.6
Alembic Pharma	17,625	17,107	16,480	3.0	6.9	2,943	2,814	2,393	4.6	23.0	1,650	1,529	1,425	7.9	15.8
Natco	11,006	13,289	13,711	(17.2)	(19.7)	4,579	5,710	8,043	(19.8)	(43.1)	3,971	4,923	6,765	(19.3)	(41.3)
Divi's	27,128	24,100	23,380	12.6	16.0	8,871	7,290	7,160	21.7	23.9	6,311	5,160	4,895	22.3	28.9
Abbott India	18,041	17,384	16,327	3.8	10.5	3,846	4,871	4,390	(21.0)	(12.4)	3,974	3,659	3,586	8.6	10.8
Pfizer	6,268	6,031	5,886	3.9	6.5	2,163	2,100	1,893	3.0	14.3	1,844	1,918	1,584	(3.8)	16.4
GSK Pharma	10,512	8,052	10,108	30.6	4.0	3,332	2,512	3,217	32.7	3.6	2,681	2,050	2,478	30.8	8.2
Piramal Pharma	20,858	19,337	22,418	7.9	(7.0)	2,190	1,067	3,416	105.3	(35.9)	32	(1,031)	226	(103.1)	(86.1)
Akums	9,806	10,240	10,331	(4.2)	(5.1)	1,167	1,290	1,212	(9.5)	(3.7)	609	635	625	(4.0)	(2.6)
Innova	3,626	3,515	3,182	3.1	13.9	548	521	497	5.1	10.1	339	310	350	9.3	(3.1)
Cohance Lifesciences	5,726	5,493	6,046	4.2	(5.3)	1,179	1,120	2,050	5.3	(42.5)	580	570	1,364	1.8	(57.5)
Gland Pharma	14,611	15,056	14,058	(3.0)	3.9	3,214	3,678	2,971	(12.6)	8.2	1,879	2,155	1,635	(12.8)	14.9
OneSource	3,574	3,273	3,340	9.2	7.0	986	885	773	11.5	27.6	76	27	(355)	184.9	(121.5)
Coverage Universe	8,25,022	8,05,040	7,71,062	2.5	7.0	2,06,141	2,04,631	1,96,161	0.7	5.1	1,31,329	1,33,445	1,24,902	(1.6)	5.1

Source: Company data, I-Sec research

Exhibit 2: Valuation summary

Pharma Company	Target Price (INR)	Reco	EPS (INR)			RoCE (%)			P/E (x)			EV/EBITDA (x)		
			FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E
Sun	1,800	ADD	47.2	50.0	55.7	15.6	15.3	15.4	34.6	32.7	29.3	25.1	25.1	25.1
Dr Reddy's	1,200	HOLD	70.2	62.9	57.5	16.5	12.4	10.3	17.6	19.6	21.5	11.7	11.6	11.7
Aurobindo	1,300	BUY	60.3	64.8	82.4	10.2	10.0	11.7	17.7	16.5	13.0	9.4	8.4	6.8
Lupin	1,950	HOLD	76.9	87.2	95.5	19.6	18.4	18.2	24.7	21.8	19.9	15.9	14.0	12.7
Cipla	1,800	BUY	62.7	64.5	69.0	18.6	16.2	15.4	23.8	23.1	21.6	15.8	15.1	13.8
Zydus Lifesciences	910	HOLD	44.9	43.1	40.8	18.9	15.4	13.1	21.9	22.8	24.1	13.9	13.9	14.0
Biocon	270	SELL	2.3	4.7	9.3	2.1	2.4	3.4	148.5	73.8	37.3	20.8	16.8	12.7
Glenmark	1,570	SELL	49.2	55.0	68.7	16.9	14.3	14.0	39.1	35.0	28.0	23.1	20.4	16.8
Torrent	3,530	HOLD	57.5	64.5	75.7	19.0	12.7	10.5	61.8	55.1	46.9	35.9	31.0	23.2
Alkem	6,400	BUY	181.1	203.7	173.3	21.0	20.7	15.6	30.4	27.0	31.8	25.7	22.0	19.1
Ajanta	2,500	REDUCE	74.0	87.0	100.7	26.0	26.6	24.9	32.6	27.7	24.0	23.6	20.0	16.9
Alembic	900	HOLD	29.0	33.0	40.5	10.8	11.1	12.5	32.1	27.1	22.1	19.2	16.0	13.7
JB Chemicals	1,800	HOLD	42.4	49.4	57.2	24.7	21.3	18.4	39.6	34.0	29.3	24.8	21.4	18.5
Natco	810	REDUCE	104.5	60.1	42.7	26.8	12.5	7.3	7.7	13.5	18.9	5.6	9.2	14.5
Abbott India	35,750	ADD	665.6	774.9	889.4	36.3	37.4	38.5	44.9	38.5	33.6	36.5	31.9	27.7
Pfizer India	5,900	BUY	139.2	161.9	184.9	16.3	16.6	17.0	37.1	31.9	28.0	28.3	24.0	21.0
GSK Pharma	2,600	REDUCE	54.5	59.7	67.8	53.7	50.1	45.8	50.0	45.7	40.2	37.1	34.2	30.1
Divi's	5,400	REDUCE	81.2	95.5	135.1	14.6	15.8	19.9	75.3	64.0	45.2	54.0	45.0	32.4
Piramal Pharma	265	BUY	0.7	1.3	4.6	1.4	2.8	5.9	281.2	152.7	42.2	20.7	22.3	15.0
Akums	655	BUY	21.0	19.0	24.5	12.0	9.9	10.2	21.0	23.2	18.0	13.7	11.0	9.1
Innova Captab	1,000	ADD	22.4	29.0	39.9	10.8	12.2	14.5	37.0	28.6	20.8	26.9	19.1	14.1
Cohance Lifesciences	1,250	BUY	14.0	14.2	20.6	15.3	14.7	17.3	61.5	60.5	41.9	42.1	36.3	26.8
Gland Pharma	2,115	ADD	42.4	58.0	76.1	7.2	9.0	10.5	46.2	33.7	25.7	27.6	23.4	18.7
OneSource Specialty Pharma	2,475	BUY	1.0	26.0	67.7	0.8	5.0	10.7	1,893.2	71.6	27.6	47.4	34.8	19.5

Source: Company data, I-Sec research