

04th April 2025

Smart



Basket



Pharma Pulse Basket



- Pharma has been exempted from the U.S. reciprocal tariffs announced on 2nd April'25, enabling unhindered exports to the US market.
- The Indian pharma industry is poised for growth led by new launches in domestic market and rise in export demand from regulated markets.
- For hospitals, we expect profitability to improve due to addition of beds, increase in occupancy, and improving realisation.
- We have curated a basket of five stocks from the Pharma/Healthcare space that can benefit from the strong growth potential in the industry.

Duration : 6-12 Months

Upside 15-20%

Script	CMP as on 03 rd April 2025	% Weightage
SUN PHARMA	1714	20
MAX HEALTH	1095	20
MANKIND	2422	20
IPCA LAB	1416	20
PIRAMAL PHARMA	228	20

Weightage Rationale: We have assigned equal weightage to all the stocks in the basket as we expect equal growth opportunity in each of them.

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- **SUN PHARMA:** Sun Pharma remains a leading player in branded generics, both in India and globally. It continues to expand its specialty portfolio, focusing on derma, ophthalmology, & onco-dermatology through market share gains & differentiated products. We expect an EPS CAGR of 27% over FY24-27E.
- **MAX HEALTH:** It's combination of brownfield, greenfield and inorganic expansion will drive strong revenue growth and pave the way for quicker EBITDA breakeven for new beds, thus driving higher operating leverage benefits.
- **MANKIND:** It continues to deliver a better growth rate than the industry in the Rx prescription business, supported by a niche portfolio and superior execution in chronic therapies.
- **IPCA LAB:** It is working on multiple fronts to maintain its strong earnings momentum over the next 2-3 years. The momentum will be driven by: 1) relaunch of products in the US market, 2) new offerings through its own site as well as Unichem sites, c) outperforming the industry in DF/ROW markets, and d) building synergy between IPCA and Unichem's operations.
- **PIRAMAL PHARMA:** With enhanced inquiries on the CDMO front at industry level in India, we believe Piramal Pharma is well poised to benefit from its differentiated capabilities and capacities. Further, it is increasing its offerings in the CHG segment through an established global network. Accordingly, we expect its PAT to scale up to INR7b by FY26 from INR560m in FY24.

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