Senores Pharmaceuticals (SENORES IN)

Management Meet Update

August 13, 2026

Key Data	SENO.BO | SENORES IN
BSE Code	SENORES
NSE Code	544319
52-W High / Low	1,509 / 641
Face Value	10
Sensex / Nifty	77,966 / 24,436
Market Cap	INR 68.3 bn / $ 709.1mn
Shares Outstanding	46.1mn
3M Avg. Daily Value	581.7mn

Shareholding Pattern (%)

Promoter's	45.80
Foreign	6.62
Mutual Funds	6.56
Domestic Institution	3.21
Public & Others	37.79
Promoter Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	4.2	58.7	83.8	119.2
Relative	4.3	59.9	90.1	123.3

Key Financials - Consolidated

Y/e Mar	FY23	FY24	FY25	FY26
Sales (INR mn)	353	2,108	3,828	6,326
EBITDA (INR mn)	127	416	897	1,683
Margin (%)	35.9	19.7	23.4	26.6
PAT (INR mn)	84	315	586	1,154
EV (INR mn)	70,477	70,477	70,477	70,477
Total Debt (INR mn)	626	2,576	3,148	3,420
C&C Eq. (INR mn)	1	129	3,855	1,596
EPS (INR)	-	12.2	16.1	25.1
Gr. (%)	-	-	32.1	55.4
DPS (INR)	-	-	-	-
Yield (%)	-	-	-	-
RoE (%)	21.2	25.2	11.8	13.4
RoCE (%)	112.3	-	16.4	18.9
EV/Sales (x)	199.5	33.4	18.4	11.1
EV/EBITDA (x)	556.3	169.4	78.6	41.9
PE (x)	-	121.6	92.1	59.2
P/BV (x)	-	-	8.7	7.3

ANDA commercialization to fuel growth

Quick Pointers

- Apnar Pharma Phase 2 acquisition planned for Q2FY27E
- Targeting higher product realization and ~20% OPM in EMs

We recently interacted with the management of Senores Pharmaceuticals (SENORES) to better understand the company's medium-term growth strategy. We believe SENORES is entering the next phase of growth, supported by an integrated US platform comprising owned ANDAs, the Zoraya front-end, the Apnar pharma manufacturing facility and the Amerisyn JV, which together provide strong visibility on product launches over the next 2–3 years. In addition, the company is expanding its portfolio, strengthening backward integration into APIs and scaling its branded and emerging markets (EM) business, which should support structural margin improvement. The management remains confident of sustaining healthy profitability, aided by a richer product mix and increasing contribution from owned products, while EMs provide a diversified second growth engine. With acquisitions, strategic partnerships, and platform building phases are largely complete, growth from FY27E is expected to be driven by commercialization, product launches and operating leverage.

The company reported Revenue/EBITDA/PAT CAGR of 72%/101%/92% over FY24–26, with RoE/RoCE of 12.4%/12.6% in FY26. At current market price of INR1,467, the stock trades at 58.6x FY26 P/E. We expect the company to benefit from the commercialization of its acquired ANDA portfolio, contributions from Apnar pharma and Amerisyn JV, and improving profitability driven by a higher share of specialty products and operating leverage.

US platform to accelerate over FY27-29E: SENORES has built an integrated US pharma platform anchored by 51 approved ANDAs, with ~30 products yet to be commercialized and 27 ANDAs under development, providing strong launch visibility over the medium term. The platform is being strengthened through the Zoraya acquisition, which enhances front-end commercialization, the Amerisyn JV, which provides access to the US federal and veterans market, and a growing CMO/CDMO business (~40% of US revenue) that offers an additional growth lever. Backed by a licensing-led model, manufacturing capabilities and a meaningful pipeline of niche/competitive generic therapy (CGT) products, the company is well positioned to drive sustainable growth in the regulated markets.

Owned formulations and backward integration to drive structural margin expansion: SENORES is transitioning from a contract manufacturing-led model toward owned formulations, supported by cost-efficient ANDA acquisitions, manufacturing integration and a distribution-led commercialization strategy. Increasing contribution from owned products, coupled with backward integration into APIs and an expanding manufacturing base, is expected to improve product realizations, enhance operating leverage and support sustainable margin expansion over the medium term.

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EMs & domestic markets set to become second growth engine: Alongside its regulated markets business, SENORES is building a diversified growth platform across EM and India, leveraging its presence in 40+ countries, 308 registered products (with 719 registrations under process), and a growing domestic hospital franchise. The company has already launched 55 branded products in India and expanded its presence to 100+ hospitals, while continuing to strengthen its product portfolio through niche formulations and higher value therapies. Improving product mix, expanding geographic reach and transition to a distribution-led commercialization model are expected to enhance profitability and gradually reduce dependence on the US business. Given the immense scope for deeper penetration, we expect this segment to grow further.

Financial snapshot: SENORES has delivered strong financial performance over FY24-26, supported by growth in its regulated markets business and increasing contribution from owned products. The company reported revenue/EBITDA/PAT CAGR of 72%/101%/92% over FY24–26, with RoE/RoCE of 12.4%/12.6% in FY26. EBITDA margin remained healthy at ~26% in FY26, aided by a richer product mix and operating leverage, while the management expects profitability to remain healthy supported by commercialization of acquired ANDAs and higher contribution from owned products. Net debt stood at INR1.67bn, while working capital remained at 102 days in FY26. With major platform investments and acquisitions largely completed, capex is expected to remain focused on the US injectable facility (INR350mn, to be operationalized by FY28E). CFO for FY26 stood at INR750mn with significant improvement YoY. EBITDA to operating cash flow conversion has improved too in FY26.

Key highlights:

Multi-engine US platform: SENORES derives 65-70% of its revenue from regulated markets, primarily the US, making it the company's largest growth driver. Over the past few years, the company has strategically built an integrated platform across the pharmaceutical value chain, rather than relying solely on ANDA licensing.

The acquisition of Zoraya Pharmaceuticals establishes a dedicated US commercial front-end, enabling commercialization of ~30 acquired ANDAs, some of it sourced from companies including DRRD and Wockhardt. Product launches are expected to commence over the next 6-12 months, reducing dependence on third-party commercialization partners.

SENORES acquired 75% of Apnar Pharma in Jan'26, as part of the INR910mn EV deal, with the remaining 25% expected by Q2FY27E. The acquisition strengthens manufacturing capabilities through the recently commissioned USFDA-approved formulation facility catering to the US, UK and Canada.

The management highlighted that a significant portion of the acquired portfolio comprises CGT products. These products typically face limited competition due to market shortages or inadequate generic participation, providing an attractive opportunity for faster commercialization and superior profitability compared with conventional generic launches.

Additionally, the Amerisyn JV provides direct access to the US federal, veterans and defence procurement market, with commercialization expected from Sep-Oct'26. The company has built a diversified launch pipeline while limiting product concentration, with no single product expected to contribute more than 3-4% of revenue.

Owned formulations and backward integration to drive structural margin expansion: SENORES is gradually increasing the share of owned formulations within its US-regulated business, alongside its CDMO/CMO operations, which generate materially higher profitability than the latter. The management indicated gross margins of 60–70% for owned products compared with 50–55% for CDMO, while owned formulations in the US generate EBITDA margin of nearly 40%, underscoring the benefits of an improving business mix. The company has also acquired 51 ANDAs at an estimated cost of INR2.0–2.25bn, significantly below the estimated replacement cost of INR4.0–4.5bn, providing a capital-efficient platform for future launches. In addition, development expenditure is capitalized and amortized post-commercialization, improving returns on development investments.

Beyond product ownership, the management plans to manufacture select APIs that are currently sourced from Europe and China, strengthening supply chain control while reducing procurement costs and improving competitiveness. The proposed injectable facility, expected to become operational by FY28E, will further enhance manufacturing capabilities and support long-term operating leverage. The company also expects its CDMO business to benefit from increasing outsourcing opportunities in regulated markets.

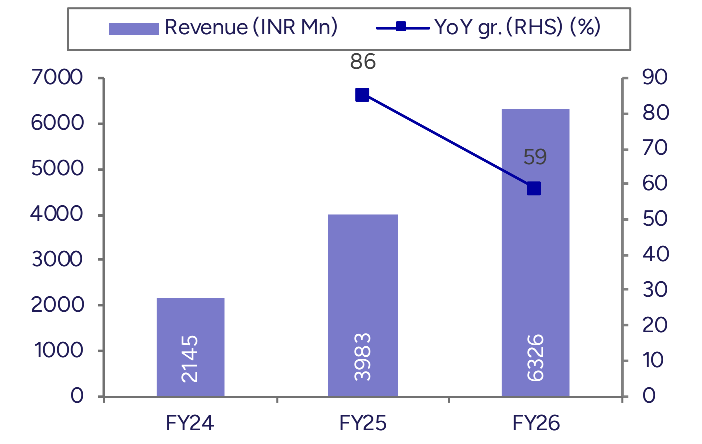
EMs & branded portfolio expansion: SENORES is strengthening its presence across EMs through a differentiated strategy focused on branded formulations, niche molecules and hospital products, rather than conventional commodity generics. Following the acquisition of Ratnatris Pharmaceuticals, the company has established commercial presence across 40+ countries, supported by 308 product registrations and another 719 registrations under process, providing a strong platform for future launches. The company expects EM revenue to improve, driven by additional product registrations, expansion into higher value therapies and increasing focus on niche molecules, supported by refined go-to-market strategies that are driving better pricing, product mix and margins.

The company has already launched its branded hospital business in India under the Senores brand, with products empaneled across 100+ hospitals, while Ratnatris continues to support injectable manufacturing. Branded portfolio growth is expected to be driven by hospital tie-ups and new partnerships, making execution the key growth lever. The company is also leveraging established distribution partnerships, including Ajanta Pharma in select Far East markets and Remes in LATAM, while utilizing its presence across LATAM, Africa and Asia to commercialize products that are not intended for the US market. In addition, SENORES is pursuing PIC/S approval for its EM manufacturing facility, which is expected to facilitate entry into regulated mid-tier markets such as South Africa and Vietnam. Part of the critical care injectables portfolio is manufactured at the Chhatral facility, with the balance sourced from domestic injectable manufacturers, supported by a dedicated sales and marketing team of 120+ professionals. Furthermore, growth is expected to be driven by expansion toward complex products, with limited capex requirements, supporting better realizations. EM realization has improved and is expected to futher improve on the back of improving product mix, driving OPM from 13–14% to ~20%, providing an additional tailwind to profitability.

Other highlights:

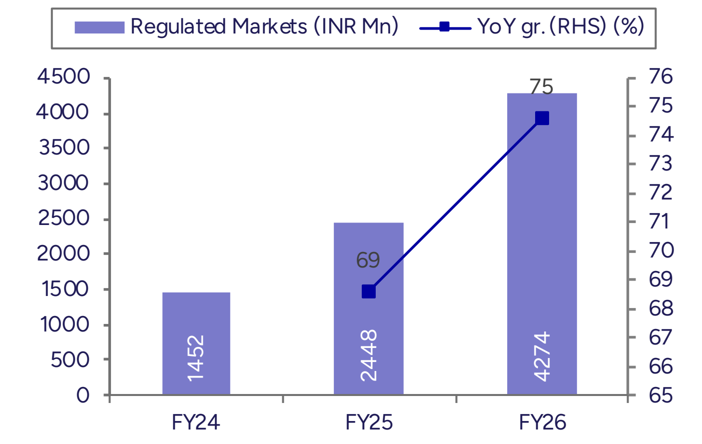
- Amerisyn: The 70% JV provides direct access to the US federal, veterans and defense procurement market.
- CGT portfolio: A meaningful portion of the acquired ANDA portfolio comprises CGT products, supporting lower competition and better commercialization visibility.
- CDMO: The business is focused on specialty and complex formulations, including 505(b)(2) opportunities and other differentiated dosage forms while maintaining 50–55% gross margins.
- EMs: The business has turned cash flow positive; the management aspires to achieve ~20% EBITDA margin by FY29E.
- Geographic expansion: SENORES continues to strengthen its presence across Cambodia, Tanzania, Kenya, Central America and South America through product registrations and distribution partnerships.
- Capacity expansion: The new injectable manufacturing facility, with planned capex of ~INR350mn, is expected to be operational by FY28E.
- Backward integration: The company plans to manufacture select APIs that are currently sourced from Europe and China, to improve supply chain control and cost competitiveness.
- Working capital: It is temporarily high due to the Apnar pharma acquisition with net working capital at ~102 days.
- R&D: Investment remains commercialization-focused at 5–6% of revenue, with spending directed toward acquired ANDAs, technology transfer and regulatory filings.
- ANDA accounting: Development expenditure relating to acquired ANDAs is capitalized and amortized following commercialization.

Exhibit 1: Revenue growth across geographies remains strong



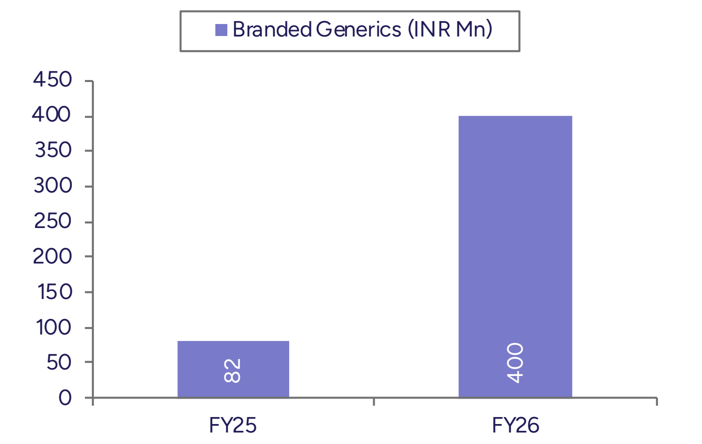
Source: Company, PL

Exhibit 2: YoY growth led by own ANDAs and CDMO



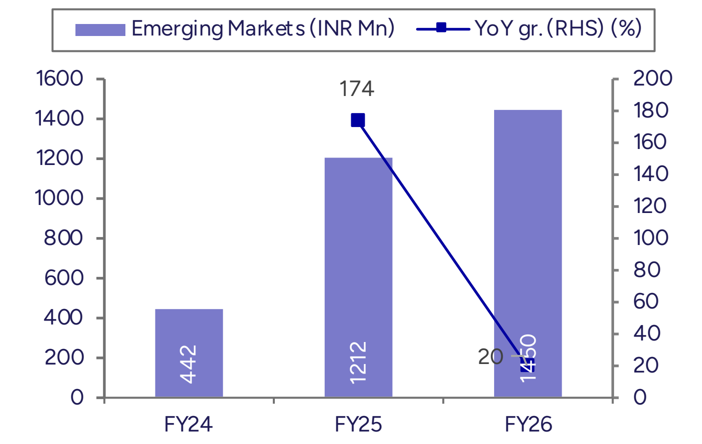
Source: Company, PL

Exhibit 3: New tie-ups and launches driving performance



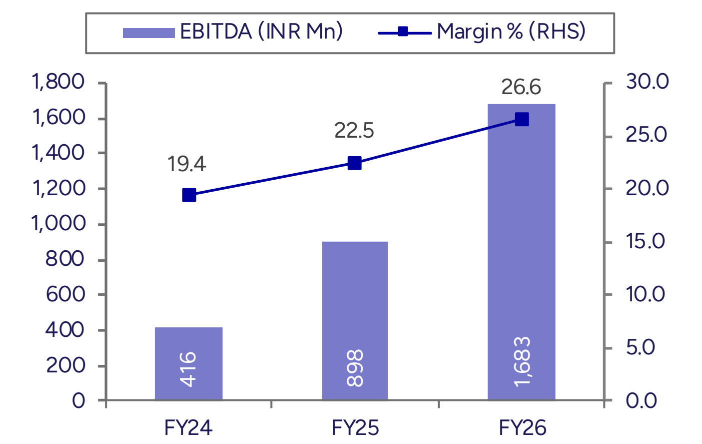
Source: Company, PL

Exhibit 4: Improved product mix supported growth



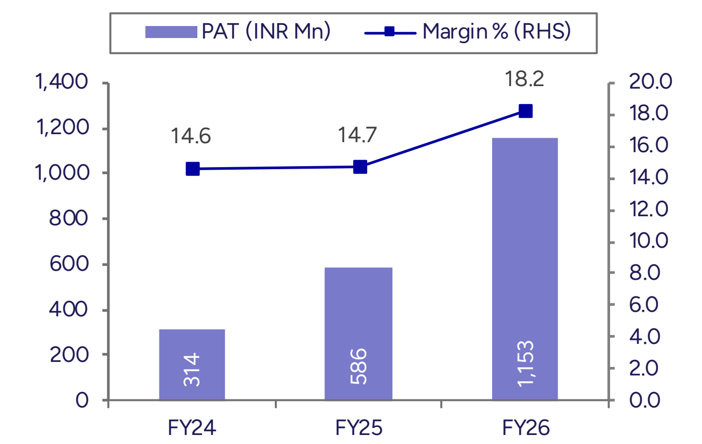
Source: Company, PL

Exhibit 5: Improving GMs supporting performance



Source: Company, PL

Exhibit 6: Higher operational performance aids profitability



Source: Company, PL

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Ajanta Pharma	BUY	3730	3436
2	Anthem Biosciences	Buy	850	779
3	Apollo Hospitals Enterprise	BUY	9350	8754
4	Aster DM Quality Care	BUY	920	842
5	Aurobindo Pharma	HOLD	1600	1589
6	Brigade Enterprises	BUY	785	503
7	Cipla	Accumulate	1450	1393
8	Divi's Laboratories	Accumulate	8600	8056
9	Dr. Reddy's Laboratories	Accumulate	1300	1183
10	Eris Lifesciences	BUY	1700	1425
11	Fortis Healthcare	BUY	1120	955
12	Global Health	BUY	1600	1406
13	HealthCare Global Enterprises	BUY	820	670
14	Indoco Remedies	Hold	325	225
15	Ipca Laboratories	Buy	1800	1762
16	J.B. Chemicals & Pharmaceuticals	Buy	2400	2135
17	Jupiter Life Line Hospitals	BUY	360	319
18	Krishna Institute of Medical Sciences	Buy	850	796
19	Lupin	Accumulate	2500	2364
20	Max Healthcare Institute	BUY	1175	1085
21	Narayana Hrudayalaya	Buy	2350	1920
22	Oberoi Realty	Accumulate	2100	1883
23	Prestige Estates Projects	BUY	1800	1595
24	Rainbow Children's Medicare	BUY	1900	1546
25	Sun Pharmaceutical Industries	BUY	2150	1991
26	Sunteck Realty	BUY	520	291
27	Torrent Pharmaceuticals	BUY	5500	4872
28	Zydus Lifesciences	Accumulate	1080	1148

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BUY	:	> 15%
Accumulate	:	5% to 15%
Hold	:	+5% to -5%
Reduce	:	-5% to -15%
Sell	:	< -15%
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Under Review (UR)	:	Rating likely to change shortly

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