



STOCK UPDATE

Result Update - Q3FY2026

SECTOR

Pharmaceuticals

COMPANY DETAILS

Market cap:	Rs. 56,847 cr
52-week high/low:	Rs. 424/291
NSE volume: (No of shares)	33.5 lakh
BSE code:	532523
NSE code:	BIOCON
Free float: (No of shares)	89.2 cr

Source: NSE, BSE, Mirae Asset Sharekhan Research

SHAREHOLDING (%)

Promoters	44.9
FII	7.1
DII	24.1
Others	23.8

Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE CHART



Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	0.5	-9.9	5.5	9.1
Relative to Sensex	0.6	-8.1	3.6	-0.7

Source: Mirae Asset Sharekhan Research, Bloomberg

Reco/View: **BUY**

CMP: **Rs. 378**

Price Target: **Rs. 466**

Quick Snapshot

- Generics grew 24% y-o-y, while Biosimilars revenue rose just 9%.
- Post merger of biologics division, focus is highly on high-growth areas like oncology biosimilars (17 assets), supporting pipeline in insulins, GLP-1s, and immunology.
- CRDMO faced temporary customer issues in Q3 but the company extended BMS partnership to 2035.
- We value the stock at 40x on FY28E EPS and retain a Buy rating with a PT of Rs. 466.

Result overview

- **Q3FY26 Scorecard:** Consolidated operational revenue rose 9% y-o-y to Rs 4,173 crore, but declined 3% q-o-q. Core EBITDA reached Rs 1,221 crore (29% margin), surging 21% y-o-y. Net profit improved 474% y-o-y to Rs 144 crore. Growth in North America was driven by biosimilars, fueled by momentum in Yesintek and Civica's Insulin Glargine ramp-up, while generics gained from new launches of gLiraglutide in EU.
- **Biosimilars pipeline:** There are currently 17 oncology biosimilars, aimed at a total addressable market exceeding \$75 billion. R&D investment stands at Rs 249 crore (8% of revenue excluding Syngene), supporting development in insulins, GLP-1s, and immunology programs. Key regulatory submissions for oncology and immunology molecules, plus approvals in Europe and the US, are slated for FY27.
- **Generics to provide strong base:** Emphasis remains on complex peptides such as gLiraglutide, the launch of which in the EU propelled Q3 revenue growth of 24% y-o-y to Rs 851 crore, alongside semaglutide filings in Canada and Brazil. Going ahead, launches will cover oral solids and parenterals across potent and non-potent segments. The recently FDA-inspected U.S. OSD facility in Cranbury enables end-to-end integrated product rollouts. Following merger integration by March 2026, management is prioritising therapies for diabetes and obesity.

Our Call

Biocon's restructured capital structure allows room for further expansion plans. We await clarity on drug approvals, particularly in the oncology segment, which should further improve revenues and profits. Backed by a strong product pipeline, we retain Buy rating with a revised price target of Rs. 466.

Key Risks

- 1) Adverse regulatory changes.
- 2) Delay in product approvals.

Valuation

Particulars	Rs cr				
	FY24	FY25	FY26E	FY27E	FY28E
Net sales	14,756	15,262	16,912	20,172	22,475
EBITDA	3261	2997	3227	4214	4964
EBITDA %	22.1%	19.6%	19.1%	20.9%	22.1%
PAT	1,272	1,163	911	1,221	1,802
Adjusted EPS (Rs)	8.3	7.2	4.8	7.1	11.7
PER (x)	36.1	42.6	78.3	53.0	32.4
EV/EBITDA	15.2	17.0	18.2	14.2	12.6
RoE	5.3	4.2	2.7	3.9	6.0
RoCE	5.7	5.7	4.6	5.4	7.0
P/B	1.8	1.8	2.1	2.0	1.9

Source: Company; Mirae Asset Sharekhan estimates

Management commentary:

- New pipeline of biosimilars includes oncology assets (Trastuzumab subQ, Nivolumab, Pembrolizumab) targeting \$75 billion market; capex moderating to <\$225 million annually.
- **CRDMO:** Revenue fell 3% y-o-y to Rs. 917 crore due to transient customer manufacturing delays are expected to normalise. BMS partnership has been extended to 2035 across discovery, development, and manufacturing.
- **CDMO prospects:** Focus remains on projects spanning discovery, development, and manufacturing, highlighted by extension of the Bristol Myers Squibb (BMS) partnership extension through 2035. Supporting expansions include a new GMP bioconjugation facility in Bengaluru for antibody-drug conjugates (ADCs), advanced chemistry labs in Hyderabad focused on catalytic and flow technologies, plus US sites featuring Bayview for mAbs validation and Johor for insulins DS/DP by FY26.
- Debt-to-EBITDA is below 2.5x
- Insulin demand remains robust with FY27 growth expected. Company targets diabetes/obesity therapies post-merger integration by March 2026.

Results

Particulars	Rs cr				
	Q3FY26	Q3FY25	Y-o-Y %	Q2FY26	Q-o-Q %
Net Sales	4,173	3,821	9%	4,296	-3%
EBITDA	887	786	13%	1,189	-25%
Adjusted PAT	144	25	473%	85	70%
			bps		bps
EBITDA Margin (%)	21%	21%	68	28%	-643.4
Net Profit margin (%)	3%	1%	278.9	2%	147.9

Source: Company; Mirae Asset Sharekhan Research

Additional Data

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Shaw Kiran Mazumdar	29.9
2	GLENTec INTERNATIONAL	14.63
3	SBI Funds Management Ltd	7.31
4	Mylan Inc	5.67
5	Life Insurance Corp of India	3.85
6	Serum Institute Life Sciences Pvt	3.42
7	ICICI Prudential Asset Management	2.57
8	Mirae Asset Financial Group	1.64
9	Vanguard Group Inc/The	1.5
10	Kotak Mahindra Asset Management Co	1.31

Source: Bloomberg

Key management personnel

Name	Designation
Kiran Mazumdar Shaw	Chairman/Co-founder
Siddharth Mittal	CEO and Managing Director – Biocon Ltd.
Mukesh Kamath	Interim CFO

Source: Company Website

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