



Dedicated To Life

**STOCK UPDATE**

Result Update - Q3FY2026

**SECTOR**

Pharmaceuticals

**COMPANY DETAILS**

Market cap:	Rs. 90,631 cr
52-week high/low:	Rs. 1,059 / 797
NSE volume: (No of shares)	7.8 lakh
BSE code:	532321
NSE code:	ZYDUSLIFE
Free float: (No of shares)	25.2 cr

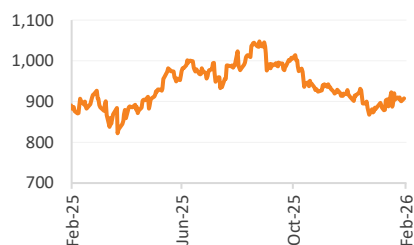
Source: NSE, BSE, Mirae Asset Sharekhan Research

**SHAREHOLDING (%)**

Promoters	75.0
FII	7.1
DII	11.1
Others	6.9

Source: NSE, BSE, Mirae Asset Sharekhan Research

**PRICE CHART**



Source: NSE, BSE, Mirae Asset Sharekhan Research

**PRICE PERFORMANCE**

(%)	1m	3m	6m	12m
Absolute	2.5	-2.4	-8.4	1.5
Relative to Sensex	1.7	0.7	-10.2	-8.9

Source: Mirae Asset Sharekhan Research, Bloomberg

Reco/View: **HOLD**

CMP: **Rs. 919**

Price Target: **Rs. 990**

**Quick Snapshot**

- Growth was strong across markets – US and North America grew 16%, while India clocked a 14% y-o-y. US generics pipeline looks strong.
- Zydus acquired Agenus Inc’s biologics facilities for US based CDMO services.
- It also partnered with Formycon for Keytruda biosimilar’s (FYB206) commercialisation in North America.
- The cost of integration of acquisitions will weigh on near term margins. A quick ramp up of innovation business can lead to valuation upgrades. We value the stock at 20x, marginally above the five-year average one-year fwd P/E on FY28E EPS of Rs.49.5 and assign HOLD with a price target of Rs. 990.

**Result overview**

Q3FY26 topline growth was strong with largely stable profitability. Growth was broad-based, with India and US formulations being the main drivers and EMS/API providing additional support. Consolidated revenue from operations was ~Rs.6,865 crore, up about 28% y-o-y. EBITDA margin was about 26.5 broadly stable to slightly lower y-o-y. Consolidated net profit was Rs.1,042 crore, up ~1.8% y-o-y from Rs.1,023.5 crore in Q3 FY25. India grew 14% y-o-y on the back of volume and new launches, led by chronic (45.3% share in the domestic revenues) and specialty therapies with likely share gains in cardio, diabetes and GI.

- **Volumes drive growth:** The US and North America grew 16% y-o-y, also volume-led and diversified across products, with manageable pricing pressure helped by a skew to complex, injectable and niche oral generics. Emerging markets delivered high growth from a small base via geographic expansion, tenders and a shift toward branded/specialty generics, improving margin quality. APIs grew on higher captive and external demand, moving into higher-value molecules and strengthening backward integration and margin protection.
- **Innovation pipeline and CDMO journey:** Zydus acquired Agenus Inc.’s biologics facilities (Emeryville/Berkeley) in Jan 2026, forming Zylidac Bio LLC for US-based CDMO services supporting advanced therapies. It includes exclusive manufacturing for Agenus’ immuno-oncology candidates botensilimab (BOT) and balstilimab (BAL), with commercialization rights in India/Sri Lanka. It also partnered with Formycon for Keytruda biosimilar (FYB206) commercialisation in North America.

**Our Call**

**Valuation:** We expect growth momentum to continue in the generics and other segments resulting in revenue growth of 11% CAGR over the period FY25-28E. We will evaluate further as CDMO (post-Agenus acquisition) and innovative drugs (Saroglitazar PBC filing, Keytruda biosimilar NDA 2026) gather momentum. The cost of integration of acquisitions will weigh on near term margins. A quick ramp up of innovation business can lead to valuation upgrades. We value the stock at 20x, marginally above the 5-year average 1 year fwd P/E on FY28E EPS of Rs.49.5 and assign HOLD with a price target of Rs. 990.

**Key Risks**

- Price erosion in the US generics business could hurt performance.
- Forex volatility could affect earnings.

**Valuation**

	Rs cr				
Particulars	FY2024	FY2025	FY2026E	FY2027E	FY2028E
Net sales	18821	23242	26639	28880	32070
Sales growth	11.5%	23.5%	14.6%	8.4%	11.0%
EBITDA	5384	6895	7339	6594	7442
OPM (%)	27.5	29.7	27.6	22.8	23.2
Adjusted Net profit	3650	4671	5026	4492	5070
EPS (Rs)	35.7	45.5	49.1	43.8	49.5
PER (x)	33.8	28.5	18.6	20.9	18.4
EV/EBITDA (x)	24.2	18.3	11.6	12.4	10.4
P/BV (x)	6.6	5.0	2.9	2.6	2.3
RoCE (%)	21.3	22.3	19.2	14.7	14.8
RoNW(%)	20.7	19.8	17.1	13.1	13.0

Source: Company; Mirae Asset Sharekhan estimates

**Q3FY26 concall takeaways:**

- In Q3FY26, consumer wellness contributed roughly 14% of revenues, with ex-Complan/CCL volumes growing in double digits.
- Semaglutide (GLP-1 agonist for weight loss): On track for day-one launch in India and developing markets with novel formulation.
- Company launched four new products, filed 18 ANDAs and received approval for 8 ANDAs (incl. four tentative approvals) during the quarter.
- In the CDMO space, completed acquisition of two biologics manufacturing facilities located in California, US from Agenus Inc.
- Company entered into an exclusive licensing and commercialisation agreement for a novel sterile injectable 505(b)(2) product in oncology supportive care. NDA filing with the USFDA is expected in 2026.
- In Canada, filed 5 ANDAs, received 4 approvals and launched 1 new product.
- Received regulatory approval to initiate Phase III clinical trials of second biosimilar antibody drug conjugate in India.
- Company forayed into the US biosimilars space through an exclusive in partnership for the biosimilar of Pembrolizumab.

**Quarterly Performance:**

Particulars	Rs cr				
	Q3FY26	Q3FY25	Y-o-Y %	Q2FY26	Q-o-Q %
Revenue	6,864.5	5,269.1	30.3	6,123.2	12.1
Expenditure	5,048.1	3,881.5	30.1	4,107.4	22.9
EBITDA	1,816.4	1,387.6	30.9	2,015.8	-9.9
Depreciation	359.6	229.0	57.0	301.9	19.1
EBIT	1,456.8	1,158.6	25.7	1,713.9	-15.0
Interest	129.9	32.0	305.9	101.3	28.2
Other Income	111.4	57.5	93.7	109.0	2.2
PBT	1,438.3	1,184.1	21.5	1,721.6	-16.5
Taxes	388.3	179.5	116.3	454.0	-14.5
Adjusted PAT	1,042.1	1,023.8	1.8	1,258.6	-17.2
<b>Margins</b>			<b>BPS</b>		<b>BPS</b>
EBITDA %	26.5	26.3	0.1	32.9	-6.5
NPM %	15.2	19.4	-4.2	20.6	-5.4

Source: Company; Mirae Asset Sharekhan Research

**Additional Data**
**Top 10 shareholders**

Sr. No.	Holder Name	Holding (%)
1	Zyodus Family Trust (Patel Family)	74.96
2	Life Insurance Corporation of India (LIC)	5.55
3	PPFAS Mutual Fund (Parag Parikh Flexi Cap)	1.86
4	Kotak Mahindra Mutual Fund (Flexicap Fund)	1.19
5	ICICI Prudential Asset Management	1.11
6	BlackRock, Inc.	0.85
7	BNP Paribas Financial Markets	0.48
8	Norges Bank Investment Management	0.45
9	The Vanguard Group, Inc.	0.36
10	HDFC Life Insurance Company Ltd.	0.32

Source: Bloomberg

**Key management personnel**

Name	Designation
Dr Sharvil Pankajbhai Patel	Managing Director
Tushar Shroff	CFO
Dhaval N Soni	Compliance office

Source: Company Website

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