Result Update

Q3 FY26

Mankind Pharma Ltd.

Institutional Research

Mankind Pharma Ltd.

BP WEALTH

Pharma | Q3FY26 Result Update — **04th February 2026**

Domestic strength and specialty focus fuel consistent profitability

Result Highlights:

The company posted a revenue increase of 11.5% YoY / down 3.5% QoQ to Rs. 35,672 mn, above our expectations of Rs. 35,060 mn. Improvements in domestic pharma and BSV consolidation primarily drove revenue growth for the quarter. Mankind's chronic portfolio share improved by 200 bps YoY to 39.3%, supported by robust growth in cardiac (+16.7%) and anti-diabetes (+14.4%) therapies, while the OTC segment rebounded with 5.2% growth in Q3FY26 versus a 2.6% decline in Q2FY26; we expect the growth momentum to sustain and further strengthen going ahead. Export revenue grew by 14% YoY in Q3FY26 and a substantial 50.8% YoY for the 9MFY26. Growth was primarily fueled by the healthy performance of the BSV international business. In the US market, Mankind (excluding BSV) has launched 4 new products in 9MFY26, bringing its total US product portfolio to 48. EBITDA increased 12.7% YoY / down 0.2% QoQ to Rs. 9,194 mn, while EBITDA margin stood at 25.8% (up 95bps YoY) in Q3FY26, driven by a shift in product mix towards chronic therapies, strategic consolidation of BSV, and recovery in consumer healthcare, which led to margin expansion. In Q3FY26, PAT stood at Rs. 5,205 mn (up 14.2% YoY / down 1.7% QoQ) in Q3FY26, above our expectations of Rs. 4,950 crores. PAT margin rise 14.6% versus 14.1% in the previous quarter. Management expects a gradual recovery in the acute segment from the coming quarters and anticipates double-digit growth for the OTC business next year.

Valuation & Outlook:

Mankind Pharma's revenue growth is driven by continued traction in the domestic formulations business (which remains ~85% of focus), improving chronic mix, recovery in OTC, and steady double-digit momentum in the BSV portfolio, with corrective actions and organizational changes expected to show increasingly visible benefits over the coming quarters and next few years. While acute therapies remain soft, management is guiding a gradual recovery as field-force productivity and doctor relationships stabilize. Internationally, growth will remain selective and opportunity-led, with emphasis on complex, niche products without compromising EBITDA, implying domestic will continue to anchor profitability. The chronic segment is expected to remain a key growth driver, supported by deeper penetration in cardiology, diabetes, respiratory, and CNS therapies, as well as a robust pipeline of in-licensed complex products. Consumer healthcare, with its strong OTC brands and increasing premiumization, is likely to see accelerated traction through modern trade, e-commerce, and digital-first strategies. The acquisition of BSV adds a high-margin, high-entry-barrier portfolio in fertility, women's health, and critical care, backed by advanced R&D platforms in biologics and immunotherapies, which strengthens profitability. With a deep doctor engagement model and investments in digitalization to enhance productivity, Mankind is well-positioned to improve margins and cash flows. This integrated growth strategy, supported by substantial brand equity and balance sheet strength, provides high visibility of earnings expansion and positions the company as a long-term compounding opportunity in the Indian healthcare sector. Thus, we expect Mankind Pharma to generate stable revenues over the long term and is trading at a PE of 40.1x/31.7x on FY26e/27e EPS estimates. **We value Mankind Pharma at 38x FY27e EPS and have revised the target price to Rs 2,501 (up 20%).**

Key Highlights

Particulars (Rs. Mn.)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)
Net Sales	35,672	31,988	20.8%	36,972	3.6%
Gross Profit	25,892	22,673	20.4%	26,350	4.7%
Gross Margin (%)	72.6%	70.9%	131bps	71.3%	170bps
EBITDA	9,194	8,160	8.8%	9,213	8.8%
OPM (%)	25.8%	25.5%	85bps	24.9%	27bps
Net Profit	5,205	3,779	-21.3%	5,202	17.0%
Net Profit Margin (%)	14.6%	11.8%	52bps	14.1%	278bps

Source: Company, BP Equities Research

Sector Outlook	Neutral

Stock

CMP (Rs.)	2,087
Target Price (Rs.)	2,501
BSE code	543904
NSE Symbol	MANKIND
Bloomberg	MANKIND IN
Reuters	MANKIND.BO

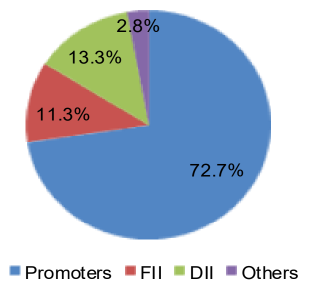
Key Data

Nifty	25,776
52 Week H/L (Rs.)	2,716 /2,047
O/s Shares (Crs)	41.3
Market Cap (Rs. bn)	890
Face Value (Rs.)	1

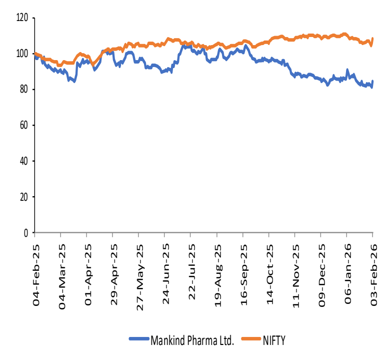
Average Volume

3 months	534,581
6 months	468,423
1 year	528,195

Share Holding (%)



Relative Price Chart



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Q3FY26 Concall Highlights

Domestic Business Outlook:

The domestic business continues to exhibit steady recovery and improving execution, with Q3FY26 revenue growing, supported by ~9% organic growth excluding OTC and BSV, indicating strengthening core prescription momentum. Growth remains largely driven by the company's strategic pivot toward chronic therapies, with the cardiac and anti-diabetic segments recording robust growth, resulting in a 200 bps increase in chronic mix and consistent outperformance versus the IPM.

"The BSV prescription portfolio has delivered double-digit growth and already surpassed last year's sales, providing incremental support to domestic performance."

Acute profile:

While the acute portfolio, particularly anti-infective, remains relatively muted due to industry softness and field-force transitions, management expects a gradual recovery over the coming quarters as work-force stability improves and doctor relationships mature.

International Business Outlook:

The international business delivered steady growth in Q3FY26, supported by contributions from the BSV portfolio and improving global execution. The BSV international and specialty portfolio continued to register double-digit growth, aided by the successful transition of the restructured prescription portfolio and stronger performance across key export markets. The US business is expected to remain lumpy and opportunistic, while ROW filings and commercialization are likely to unfold over the medium term, implying that domestic formulations will continue to anchor overall growth.

India Consumer Healthcare Business:

The India Consumer Healthcare business witnessed a recovery during the quarter, with revenues growing 5.2% YoY in Q3FY26, compared to a decline in the previous quarter, management attributed the improvement to stabilization in secondary sales and corrective distribution measures, with key brands such as Gas-O-Fast, Manforce and Ova News delivering healthy secondary growth, indicating resilient consumer demand.

"The company continues to prioritize asset efficiency and returns, focusing on debottlenecking existing facilities, upgrading compliance standards and supporting new product development, including specialty and BSV-related requirements."

R&D Pipeline:

R&D investments increased during the quarter in line with the company's focus on strengthening its specialty and complex product pipeline. R&D expenses reflect stepped-up investments in product development and portfolio expansion. Management indicated that the current spend remains within its guided range of 2.5–3.0% of revenue for the full year, suggesting a structurally higher but calibrated R&D intensity to support niche chronic therapies, biosimilar and differentiated offerings.

BSV Portfolio:

The BSV portfolio continued to be a key growth contributor across both domestic and international markets, delivering double-digit growth during the quarter, supported by improving prescription momentum and benefits from the portfolio restructuring undertaken earlier.

GLP-1:

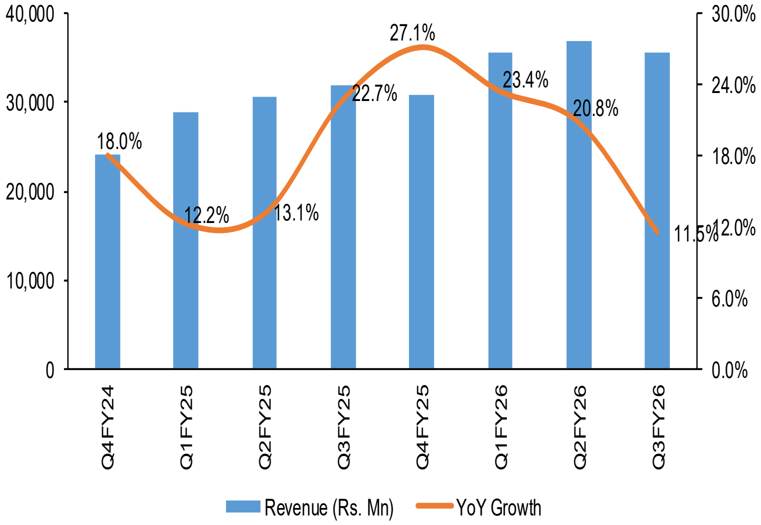
Management highlighted GLP-1 as a key strategic focus area within the diabetes and specialty pipeline, with development efforts underway to build capabilities in complex peptide-based and injectable therapies.

Capex:

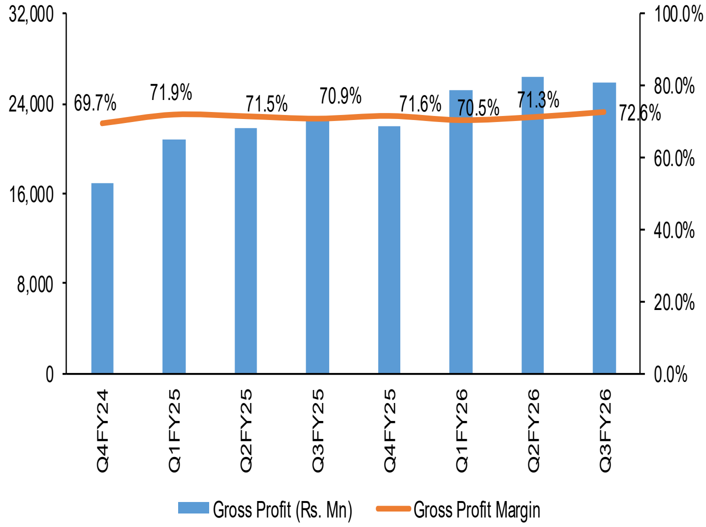
Management indicated a disciplined and calibrated capital expenditure plan, with FY26 capex guided at ~4–5% of revenue, largely directed toward routine maintenance, capacity augmentation and selective investments in manufacturing and product capabilities rather than any large greenfield expansion.

Quarterly Snapshots

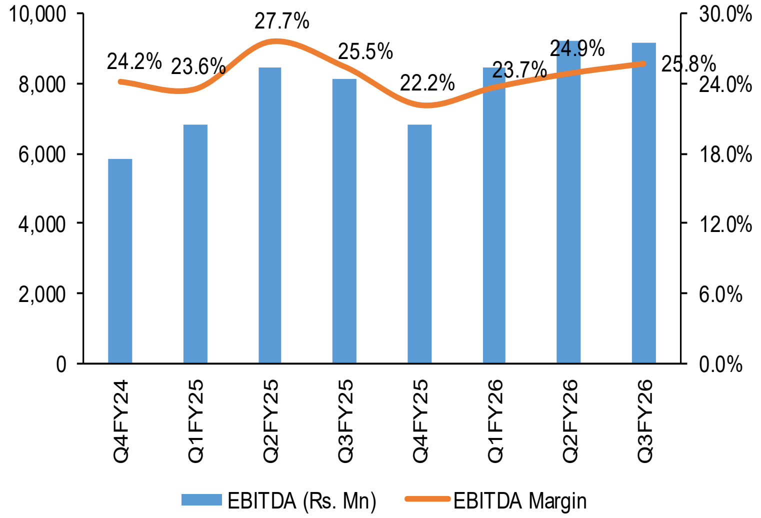
Revenue grow at steady pace



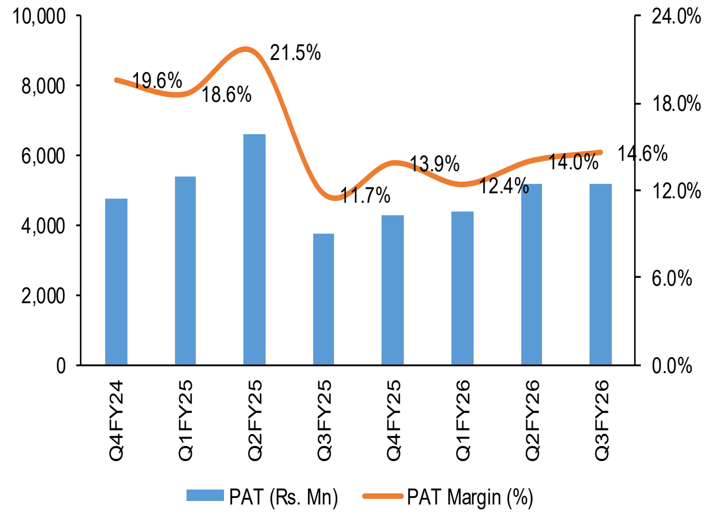
Gross margin remains stable



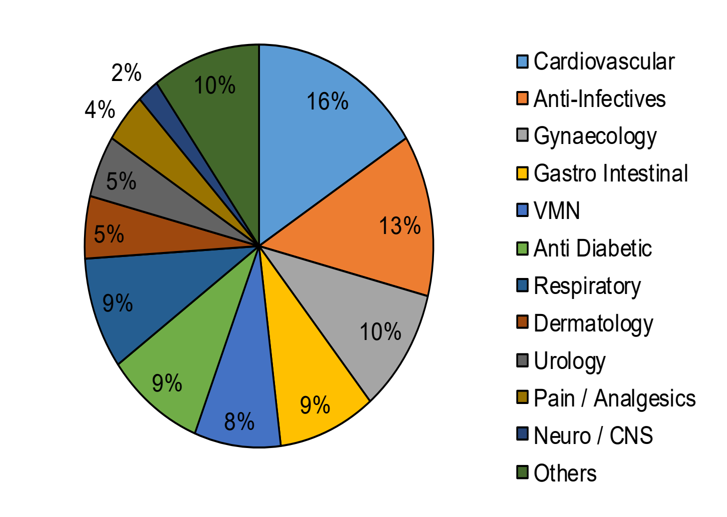
Operating Margin recovered



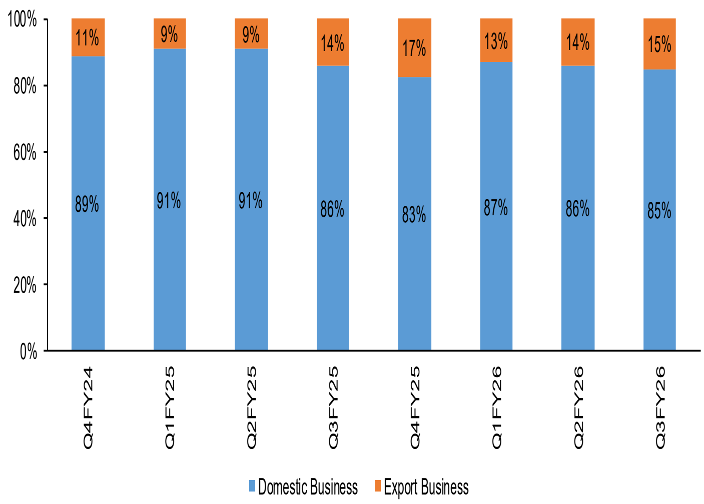
PAT margin improved



Sales mix representing diversified therapy presence



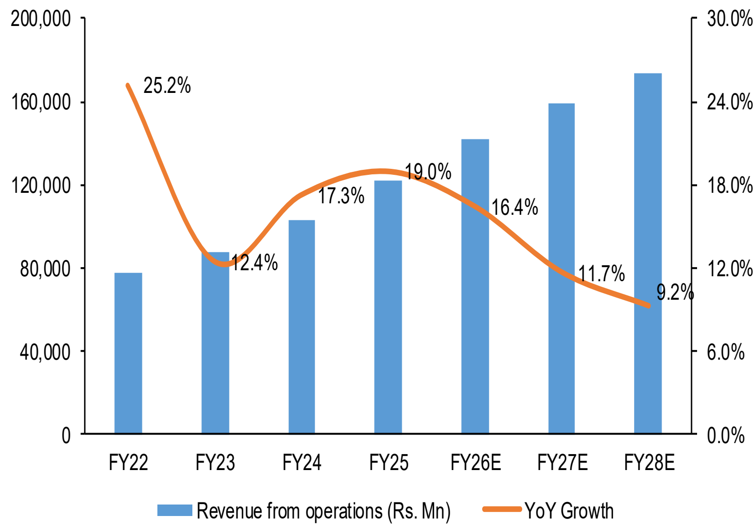
Segmental revenue break-up



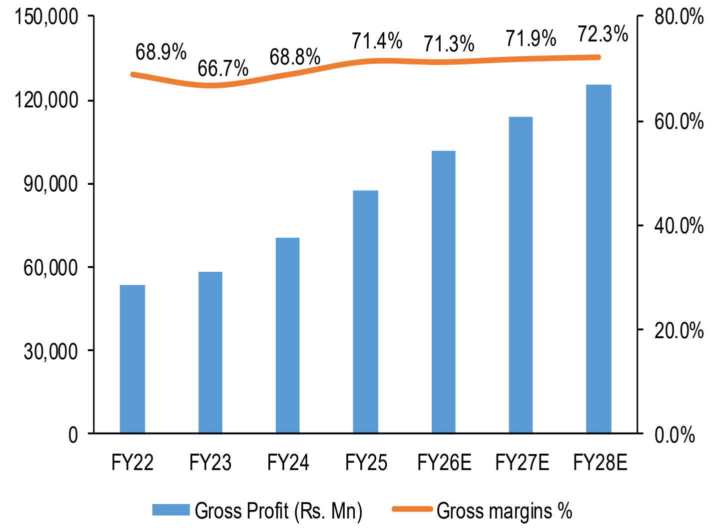
Source: Company, Bpwealth Research

Financial Snapshots

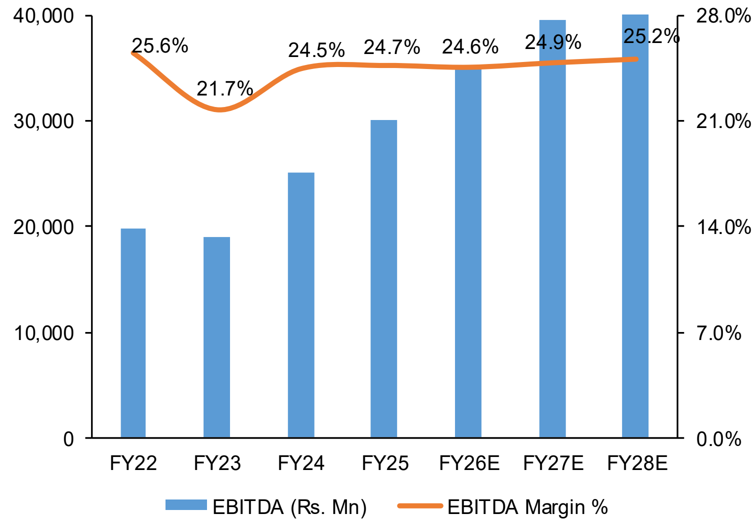
Revenues to Grow at a healthy Pace



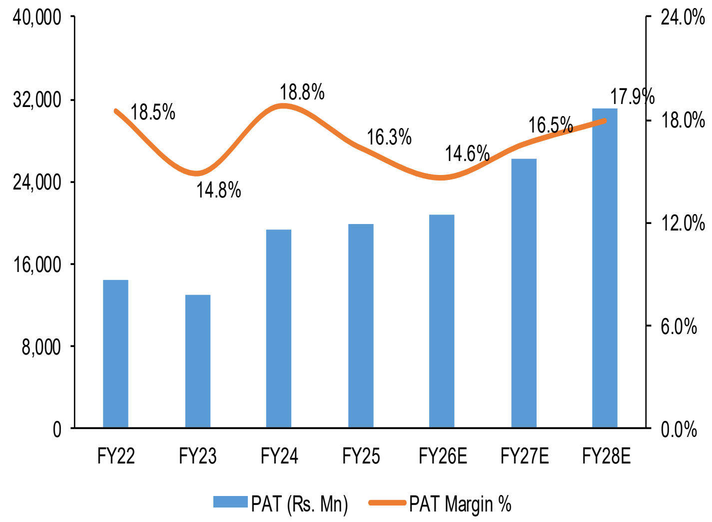
Gross Margin to remains stable



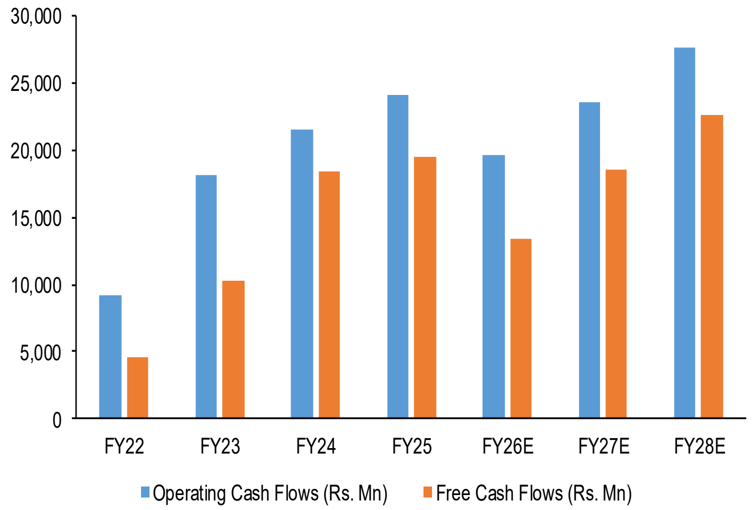
Operating margin to witness recovery



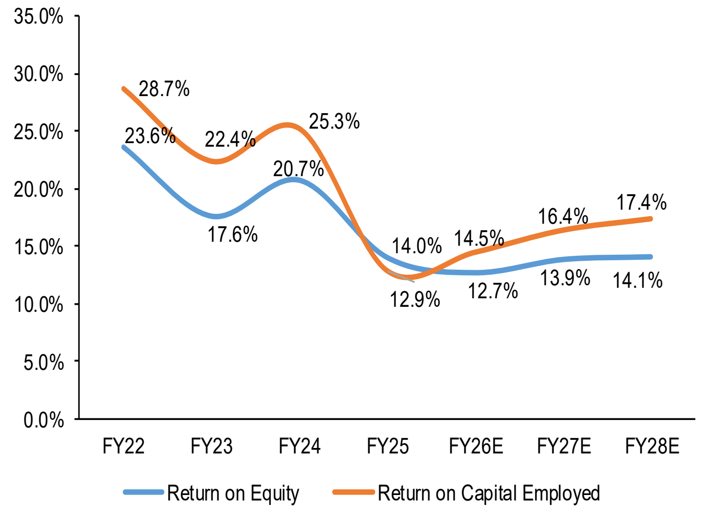
PAT Margin to improve going ahead



OCF/FCF



Improved return ratios



Source: Company, Bpwealth Research

Financials

Profit & Loss A/c (Consolidated)						
YE March (Rs. Mn.)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue from Operations	**87,494**	**102,604**	**122,074**	**142,134**	**158,710**	**173,337**
% YoY growth	12.4%	17.3%	19.0%	16.4%	11.7%	9.2%
Cost Of Revenues (incl Stock Adj)	29,136	31,985	34,890	40,793	44,598	48,101
Gross Profit	**58,358**	**70,620**	**87,184**	**101,342**	**114,113**	**125,236**
Gross margins	**66.7%**	**68.8%**	**71.4%**	**71.3%**	**71.9%**	**72.3%**
Employee Cost	19,185	22,606	26,924	31,270	35,234	38,654
Other Operating Expenses	20,167	22,877	30,081	35,107	39,360	42,988
EBITDA	**19,006**	**25,137**	**30,179**	**34,965**	**39,519**	**43,594**
EBITDA margins	**21.7%**	**24.5%**	**24.7%**	**24.6%**	**24.9%**	**25.2%**
Depreciation	3,259	3,784	6,212	7,182	6,473	6,563
EBIT	15,747	21,353	23,967	27,783	33,046	37,031
Other Income	1,286	2,802	5,368	5,328	5,422	5,518
Finance cost	445	328	4,294	7,109	5,458	3,383
Exceptional Items	0	0	0	0	0	0
PBT	**16,588**	**23,827**	**25,041**	**26,003**	**33,011**	**39,166**
Tax	3,616	4,572	5,097	5,279	6,767	8,107
Profit After Tax	**12,973**	**19,256**	**19,944**	**20,724**	**26,243**	**31,059**
PAT margin (%)	**14.8%**	**18.8%**	**16.3%**	**14.6%**	**16.5%**	**17.9%**
EPS	**32.7**	**48.5**	**50.2**	**52.0**	**65.8**	**77.8**

Source: Company, BP Equities Research

Balance Sheet (Consolidated)

YE March (Rs. Mn.)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Assets						
Net Block	24,094	28,125	27,406	26,321	24,752	23,090
Capital WIP	4,932	2,071	3,061	3,214	3,311	3,410
Intangible Assets under development	570	747	5,195	5,195	5,195	5,195
Other Non current Assets	24,280	23,007	172,050	170,750	169,009	166,953
Current Assets						
Current Investment	10,755	22,581	16,908	19,470	22,611	24,695
Inventories	14,985	15,535	20,937	24,234	25,336	30,702
Trade receivables	5,764	8,483	15,383	15,769	20,756	21,985
Cash and Bank Balances	4,532	7,081	5,545	4,592	5,479	7,157
Short-term loans and advances	16	29	40	46	51	56
Other Current Assets	7,227	11,974	11,069	11,685	14,792	16,154
Total Current Assets	**43,279**	**65,682**	**69,883**	**75,798**	**89,025**	**100,749**
Current Liabilities & Provisions						
Trade payables	10,082	7,771	11,334	13,588	12,501	10,294
Other current liabilities	4,078	7,442	9,095	8,287	10,344	11,740
Short-term provisions	3,076	4,273	6,639	7,730	9,131	9,973
Total Current Liabilities	**17,236**	**19,486**	**27,067**	**29,604**	**31,976**	**32,007**
Net Current Assets	**26,042**	**46,197**	**42,816**	**46,193**	**57,049**	**68,742**
Capital Applied	**79,918**	**100,147**	**250,528**	**251,673**	**259,316**	**267,390**
Liabilities						
Share Capital	401	401	413	413	413	413
Reserves and Surplus	73,952	93,230	142,911	163,636	189,879	220,938
Total Shareholders Funds	**74,352**	**93,631**	**143,324**	**164,048**	**190,292**	**221,351**
Minority Interest	1,881	2,127	2,358	2,358	2,358	2,358
Total Debt	**1,626**	**1,960**	**84,830**	**64,830**	**44,330**	**23,330**
Long Term Provisions	979	1,231	1,551	1,566	1,597	1,629
Other Long Term Liabilities	307	307	340	383	402	419
Net Deferred Tax Liability	773	891	18,125	18,488	20,336	18,303
Total Liabilities	**79,918**	**100,147**	**250,528**	**251,673**	**259,316**	**267,390**

Source: Company, BP Equities Research

Cash Flows (Consolidated)

YE March (Rs. Mn.)	FY23	FY24	FY25	FY26E	FY27E	FY28E
PBT	16,712	23,979	25,163	26,003	33,011	39,166
Depreciation & Amortization	3,259	3,983	6,212	7,182	6,473	6,563
Other Adjustments	1,667	(176)	(1,464)	(1,164)	(3,716)	(6,565)
(Inc) / Dec in Working Capital	19,696	26,115	31,266	26,076	34,025	42,346
Taxes	(3,231)	(4,415)	(5,668)	(5,279)	(6,767)	(8,107)
Cash from Ops.	**18,133**	**21,524**	**24,134**	**19,633**	**23,542**	**27,674**
Capital Expenditure & investments	(10,541)	(20,817)	(126,830)	(6,569)	(6,211)	(7,537)
Cash from Investing	**(10,541)**	**(20,817)**	**(126,830)**	**(6,569)**	**(6,211)**	**(7,537)**
Cash from Financing	**(7,397)**	**53**	**102,326**	**(13,982)**	**(16,444)**	**(18,459)**
Extraordinary receipts/payment	0	0	0	1	2	2
Net Inc/Dec in cash equivalents	**195**	**760**	**-370**	**-918**	**887**	**1,678**
Opening Balance	2,831	3,048	3,820	4,039	3,121	4,008
Forex & Others	23	12	13	-	-	-
Closing Balance Cash & Cash Equivalents	**3,048**	**3,820**	**3,463**	**3,121**	**4,008**	**5,686**

Key Ratios (Consolidated)

YE March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Profitability						
Return on Assets	13.5%	16.2%	7.2%	7.4%	9.1%	10.4%
Return on Capital Employed	22.4%	25.3%	12.9%	14.5%	16.4%	17.4%
Return on Equity	17.6%	20.7%	14.0%	12.7%	13.9%	14.1%
Margin Analysis						
Gross Margin	66.7%	68.8%	71.4%	71.3%	71.9%	72.3%
EBITDA Margin	21.7%	24.5%	24.7%	24.6%	24.9%	25.2%
Net Income Margin	15.0%	18.9%	16.5%	14.7%	16.6%	18.0%
Short-Term Liquidity						
Current Ratio	2.3x	3.1x	1.2x	1.4x	1.8x	2.5x
Quick Ratio	1.5x	2.4x	0.9x	1.0x	1.3x	1.7x
Avg. Days Sales Outstanding	24	30	46	40	48	46
Avg. Days Inventory Outstanding	63	55	63	62	58	65
Avg. Days Payables	42	28	34	34	34	34
Fixed Asset Turnover	3.3x	3.0x	3.2x	3.4x	3.4x	3.3x
Debt-service Coverage	42.7x	76.8x	7.0x	1.6x	2.1x	2.8x
Long-Term Solvency						
Total Debt / Equity	0.0x	0.0x	0.6x	0.4x	0.2x	0.1x
EBITDA / Interest Expense	38.3x	73.8x	6.8x	4.7x	7.0x	12.6x
Valuation Ratios						
EV/EBITDA	43.3x	32.2x	29.8x	25.1x	21.6x	19.0x
PER	63.8x	43.1x	41.6x	40.1x	31.7x	26.8x
P/B	11.2x	8.9x	5.8x	5.1x	4.4x	3.8x

Source: Company, BP Equities Research

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