kotak Securities

Dated: 10h November 2025

Sai Life Sciences (SAILIFE) - ADD

Q2FY26 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs 875	**Rs.975**

Rationale:

- Sai reported another stellar performance in Q2FY26.
- It was led by robust traction across discovery and CMC.
- Our analysis of Sai's commercial pipeline lends elevated medium-term earnings visibility.
- Sai has invested significantly in scientists and manufacturing capacity in the past four years.
- It intends to further add capacity (~65% capacity addition in the next 1.5 years).
- We expect earnings to grow by 30.3% in FY27E & grow by 30.8% in FY28E.
- We expect robust 32%/44% EBITDA/EPS CAGRs over FY2025-28E.
- Retain ADD with an FV of Rs975.Stock is currently trading at valuation of 35.4 P/E FY28E EPS.

Positives:

- Sai's 2QFY26 overall sales of Rs540 cr (+36% yoy) were 7% ahead of our estimates.
- EBITDA margin at 27.1% improved 130 bps yoy (+210 bps versus KIE, +280 bps qoq).
- Sai has a strong pipeline of products, comprising late-stage and commercial intermediates.
- Leading CRDMO in pursuit of commercial scale; reiterate ADD with FV of Rs975.

Negatives:

- The company is not paying dividend and has zero dividend yields.

Holding Period: 12 months

Rating Scale (Private Client Group)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
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NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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