Dated: 12 November 2025

Emcure Pharmaceuticals (EMCURE) - BUY

Q2FY26 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs. 1370	**Rs.1750**

Rationale:

- Emcure reported an operationally in-line Q2FY26, led by a healthy domestic performance, further backed by strong growth in Europe and Canada.
- Emcure is guiding for organic domestic growth to be 100-200 bps higher than IPM (KIE: ~10% CAGR over FY25-28E).
- Led by new launches and deeper penetration of key molecules, we bake in a 12% exports CAGR over FY25-28E.
- On a low base, we expect improved productivity and higher capacity utilization of the new facilities to drive robust 15%/23% EBITDA/EPS CAGRs over FY25-28E.
- Reiterate BUY with an FV of Rs1,750.

(CAGR - Compound Annual Growth Rate, EBITDA - Earnings Before Interest, Taxes, Depreciation, and Amortization, EPS- Earning Per Share)

Positives:

- In-line domestic performance; growth uptick across therapies.
- Emcure's Q2FY26 consolidated sales grew by 13% yoy to Rs2270 cr (+8% qoq).
- EBITDA margin improved by 10 bps qoq to 19.3% (in line with KIE, +30 bps yoy).
- PAT at Rs240 cr (+25% yoy, +18% qoq) was 8% ahead of our estimates.
- New launches to drive growth in international markets.
- We bake in ~10% organic domestic sales CAGR for Emcure over FY25-28E.

Negatives:

- Debt increased yoy due to acquisition of the minority stake in Zuventus.

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.
SUBSCRIBE	–	We advise investor to subscribe to the IPO.
RS	–	**Rating Suspended.** Kotak Securities has suspended the investment rating and price target for this stock, either because there is not a sufficient fundamental basis for determining, or there are legal, regulatory or policy constraints around publishing, an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.
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.

FUNDAMENTAL RESEARCH TEAM (PRIVATE CLIENT GROUP)

Shrikant Chouhan
Head of Research
shrikant.chouhan@kotak.com
+91 22 6218 5408

Arun Agarwal
Auto/Auto Ancillary, Building Material
Cement, Consumer Durable
arun.agarwal@kotak.com
+91 22 6218 6443

Amit Agarwal, CFA
Transportation, Paints, FMCG
agarwal.amit@kotak.com
+91 22 6218 6439

Rini Mehta
Research Associate
rini.mehta@kotak.com
+91 22 6218 6433

Sumit Pokharna
Oil and Gas, Information Tech
sumit.pokharna@kotak.com
+91 22 6218 6438

K. Kathirvelu
Support Executive
k.kathirvelu@kotak.com
+91 22 6218 6427

Pankaj Kumar
Construction, Capital Goods & Midcaps
pankajr.kumar@kotak.com
+91 22 6218 6434

Amarjeet Maurya
Internet Software & Services
amarjeet.maurya@kotak.com
+91 22 6218 6427

Veer Trivedi
BFSI
veer.trivedi@kotak.com
+91 22 6218 6432

TECHNICAL RESEARCH TEAM (PRIVATE CLIENT GROUP)

Shrikant Chouhan
shrikant.chouhan@kotak.com
+91 22 6218 5408

Amol Athawale
amol.athawale@kotak.com
+91 20 6620 3350

Sayed Haider
sayed.haider@kotak.com
+91 22 62185458

DERIVATIVES RESEARCH TEAM (PRIVATE CLIENT GROUP)

Sahaj Agrawal
sahaj.agrawal@kotak.com
+91 79 66041701

Prasenjit Biswas, CMT, CFTe
prasenjit.biswas@kotak.com
+91 33 6638 8331

Karan Kulkarni
karan.kulkarni@kotak.com
+91 20 66203350

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