Axis PUNCH

31st August, 2026

Marksans Pharma Ltd

Pharmaceuticals

BUY

Target Price
362

About the Company

Established in 1992, Marksans Pharma Ltd is one of the leading pharmaceutical companies in India. Its business is organised across four specialised verticals: OTC drugs (flagship), Prescription Formulations, Branded Generics and Contract Manufacturing. The company also has expertise in manufacturing soft gels, oral solids, hard gelatin capsules, liquids, ointments, and creams.

Investment Rationale

- **Targeted M&A and Strategic Expansion in European Regulated Markets:** Marksans Pharma has strengthened its long-term growth strategy through front-end European acquisitions, including Netherlands-based QliniQ B.V. and Germany-based GmbH, alongside establishing operating entities in Ireland and Germany. The transactions broaden the company's product portfolio beyond traditional store-brand over-the-counter (OTC) drugs to include high-margin prescription (Rx) formulations across regulated European markets. Backed by a net cash balance of Rs 1,058 Cr, management is targeting Rs 1,000 Cr in European revenues over the next 3–5 years. To further enhance value addition, Marksans continues to ramp up its acquired Teva Goa manufacturing facility, improving operational efficiency and supporting target ROCE/ROE levels above 18–20%.
- **Capacity-Led Scaling and Front-End Expansion Drive Volume Acceleration:** Marksans is positioned to sustain a strong volume growth trajectory, with management targeting 15–20% top-line growth in FY27 and reaching Rs 4,000 Cr in revenue within two years. Growth is supported by an installed global formulation capacity of 26 Bn units per annum across four accredited facilities in India, the US, and the UK. The expansion roadmap remains a key growth driver, backed by an R&D pipeline of over 200 products under active development and 350+ approved ANDAs/MAs. This build-up provides strong visibility for continued market share gains across North America, the UK, Europe, and Australasia.
- **Management Guidance Remains Constructive with Margin Discipline:** Management has reiterated its long-term objective of doubling revenue to Rs 6,000 Cr under its Strategic Vision FY30 while maintaining sustainable EBITDA margins in the 20–22% range. The commissioning of new formulation lines and commercialisation of recent acquisitions are expected to accelerate volume growth over the coming years. In addition to deepening presence in its core OTC store-brand and prescription segments, the company intends to capitalise on opportunities in adjacent dosage forms (such as soft gels and liquids) while maintaining a debt-free balance sheet and disciplined return expectations.

Valuation & Recommendation

Marksans Pharma remains well-positioned to capitalise on structural growth opportunities across global regulated healthcare markets, supported by strategic European acquisitions (including QliniQ B.V. and ABCnow GmbH) alongside front-end market entries in Germany, Ireland, and Canada. Growth is further underpinned by unlocking operating leverage and volume scale-up from the ongoing capacity ramp-up at its Goa manufacturing facility, a robust R&D pipeline of over 200 products under development driving 15–20 new annual launches, expanding market share in the global store-brand OTC segment alongside strategic diversification into branded prescription generics, and a strong, debt-free balance sheet backed by net cash reserves exceeding Rs 1,000 Cr to fund calibrated inorganic expansion. **We recommend a BUY on the stock with a target price of Rs 362/share, implying an upside of 10% from the CMP.**

Financial Summary (Consolidated)

Y/E March	Net Sales (Rs Cr)	EBITDA (Adj) (Rs Cr)	PAT (Rs Cr)	EPS (Rs)	PER (x)	EV/EBITDA (x)	P/BV (x)	ROE (%)
FY25	2,623	533	410	8.4	26	18	4.0	17
FY26	2,951	601	420	9.3	17	11	2.3	15
FY27E	3,423	780	585	12.9	26	17	4.2	18
FY28E	4,005	961	732	16.2	20	14	3.5	19

Source: Axis Securities Research; CMP as on 28th August, 2026

Duration: 3-6 Months

CMP (Rs)	330
Target Price (Rs)	362
Upside (%)	10%

Why Marksans Pharma Ltd?

- ✓ **Capacity Expansion**
- ✓ **Increased Focus on Value-added Formulations**
- ✓ **Strategic Forays into New Regulated Geographies**
- ✓ **Strong Regulatory Accreditations**

Key Risks

- ✓ **Delays in Product Approvals and Capacity Ramp-Up**
- ✓ **Price Fluctuation in Key Raw Materials and Solvents**

MARKET DATA	
No. of Shares	45.3 Cr
Market Cap	14,945 Cr
52-week High / Low	345/155
BSE Code	524404
NSE Code	MARKSANS

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AXIS DIRECT

About Axis PUNCH

| OBJECTIVE

Axis Punch is designed to generate solid returns in the short to medium term based on High Conviction Stock Ideas for both investors and traders. This fundamental medium-term product targets a return of 10% plus with an investment horizon of 3 to 6 months. Recommendations under Axis Punch are driven by various business and economic events, company valuations, market direction, or a mix of these factors.

| Axis PUNCH is a strong, research-based idea based on

Events-Based: Our recommendations are based on the following critical factors, providing a comprehensive approach to medium-term investment opportunities:

- **Company-Specific Events:** Recommendations consider significant company-specific events such as new orders, product launches, acquisitions, management changes, and the commissioning of new plants.
- **Commodity Price Fluctuations:** We analyse changes in commodity prices, including metals, cement, chemicals, and pharmaceutical materials.
- **Macro-Economic Events:** Key macroeconomic events such as RBI Monetary Policy, US Fed decisions, inflation rates, GDP figures, budget announcements, and changes in government policies are factored into our recommendations.
- **Sector Developments:** Material developments within sectors, including monthly production and sales numbers in industries like Auto, Cement, and Steel, as well as competitive landscape changes due to business actions or new entrants/exits, are considered.
- **Earnings Surprises:** We identify companies expected to report better-than-anticipated earnings in upcoming quarters.
- **Corporate Actions:** Corporate actions such as mergers and acquisitions, capital raising programs, and regulatory announcements that impact a company or its industry form crucial elements for our recommendations.

Strategic Insights: Benefit from insights based on a blend of critical business events, economic trends, and thorough company valuations.

Informed Decisions: Make well-informed investment decisions backed by the expertise of our dedicated research team.

Medium-term Horizon: Enjoy the medium-term investment strategy, perfectly suited for those looking to optimise returns over 3 to 6 months.

| Why to choose Axis PUNCH

These medium-term recommendations are crafted by the fundamental research team of Axis Securities, ensuring a rigorous analysis of developments around the company. Please note that Axis Punch recommendations may differ from our long-term company recommendations. Key investment rationale and risks are clearly highlighted in stock ideas.

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BUY	More than 10%
HOLD	Between 10% and -10%
SELL	Less than -10%
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NO STANCE	We do not have any forward-looking estimates, valuations or recommendations for the stock.

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