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Onesource Specialty Pharma

Pharma

Transiting from order book built up to commercial execution

We recently visited OneSource's drug-device combination (DDC) manufacturing plant in Bangalore. OneSource is the only CDMO with generic semaglutide approvals across the G7 nations. Its customers have made significant strides in the semaglutide market across India, Canada and Saudi Arabia, and are expected to foray into Brazil, Turkey, LATAM and Southeast Asian countries over the next few months. To meet its slated FY28 guidance amid rising demand, the company expanded its DDC capacity by ~3.5-5x to 700-950 litres in Sep'26, and plans to add another 500-750 litres of capacity in Mar'27. It is also expanding its biologics and biosimilars footprint by securing five new client partnerships and scaling its capacities (with mammalian and microbial capacities set to increase by ~2x and 6x, respectively). Retain **BUY** with an unchanged TP of INR 2,400.

Semaglutide's focus shifts from adding customers to execution

OneSource has over 20 customers across the DDC segment and currently supplies semaglutide and liraglutide to India, Canada and Saudi Arabia. In Canada, its number one market, two of its customers, Apotex and Aspen, have launched semaglutide, while Dr. Reddy's may relaunch the product in Q3FY27. In India, it has multiple partners, and 10 out of the 28 semaglutide pens sold in the country are manufactured by OneSource. Meanwhile, in Saudi Arabia, its partner Hikma launched semaglutide in Q2FY27. OneSource further anticipates that its supplies to Brazil, Turkey, LATAM and Southeast Asian countries will begin in the near term. Besides, two of its customers have also secured first-to-file (FTF) status for generic tirzepatide with the USFDA, adding a long-term growth catalyst to its GLP-1 story.

Capacity addition + order book provide high visibility for GLP-1

In the DDC segment, the company's focus is now shifting from customer onboarding to commercial execution (CSA sales). In Sep'26 so far, it has added a new 500-750 litre tofflon line, which will supplement the existing 200 litre Bausch and Strobel capacity. Besides this, it has added a new filling line that could improve its output to 300 pens per minute (up from the current 140 pens per minute). In Mar'27, it will further add a 500-750 litre Bausch and Strobel capacity and a filling line, which will likely be sufficient to help it meet its FY28 guidance. In FY28, it will also add another filling line to help shift new MSAs and non-GLP-1 products to its older first line. Management expects fresh capacity additions to increase its production days by 3x to 675 days in FY28.

Financial Summary

Y/E March (INR mn)	FY25A	FY26A	FY27E	FY28E
Net Revenue	14,449	14,216	23,545	37,616
EBITDA	4,665	3,042	9,418	15,535
EBITDA Margin (%)	32.3	21.4	40.0	41.3
Net Profit	113	(658)	5,381	10,975
EPS (INR)	1.0	(5.8)	47.0	95.9
EPS % Chg YoY	(104.5)	(683.6)	(917.3)	104.0
P/E (x)	(976.8)	(237.9)	32.9	16.0
EV/EBITDA (x)	38.6	61.5	19.8	11.3
RoCE (%)	0.8	0.8	8.1	14.3
RoE (%)	0.2	(1.1)	8.4	14.7

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Market Data

Market Cap (INR)	176bn
Market Cap (USD)	1,863mn
Bloomberg Code	ONESOURC IN
Reuters Code	ONEO.BO
52-week Range (INR)	1,925 /1,057
Free Float (%)	68.0
ADTV-3M (mn) (USD)	4.2

Price Performance (%)	3m	6m	12m
Absolute	(16.5)	14.9	(18.4)
Relative to Sensex	(19.4)	18.2	(13.1)

ESG Score	2024	2025	Change
ESG score	NA	65.1	NA
Environment	NA	54.8	NA
Social	NA	55.0	NA
Governance	NA	80.3	NA

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Earnings Revisions (%)	FY27E	FY28E
Revenue	2.2	3.0
EBITDA	(3.6)	6.5
EPS	(3.7)	9.4

Previous Reports

26-07-2026: [Q1FY27 results review](#)

14-05-2026: [Q4FY26 results review](#)

Biologics to emerge as an important growth catalyst from FY29

Beyond GLP-1, management continues to build a differentiated biologics CDMO platform. The biologics pipeline has expanded significantly during FY26 and is expected to begin commercialisation from FY29, creating a second growth engine. OneSource is slated to increase its mammalian capacity by up to 2x and microbial capacity by 6x, both of which will be ready for commercialisation in FY29. Customer enrolment continues to be strong; the company has already partnered with a top-three global animal health company, US-based biopharma companies and European companies (such as Xbrande and Formycon). In Q1FY27, OneSource entered into a partnership with Germany-based Formycon for the drug substance and drug product of biosimilars. Supplies for this partnership are expected to begin in FY29.

Expansion of injectable and soft gel capacity underway

OneSource is building one of the largest lyophilisation injectable platforms in India. It plans to double its vials manufacturing capacity and triple its lyophilisation capacity. It plans to undergo a four-month plant shutdown during Q2-Q3FY27 to install a high-viscosity line, which could temporarily impact the reported numbers. Concurrently, soft gel capacity is slated to double from 2.4bn to 5bn capsules alongside the addition of high-potency capabilities.

Guidance and valuation

Management reiterated its FY28 guidance of USD 400mn in revenue and USD 160mn in EBITDA. We expect OneSource to post revenue/EBITDA CAGR of ~63%/~126% over FY26–28E, with an ~1,990bps jump in EBITDA margin to 41.3% in FY28E. At CMP, the stock trades at 32.9x/16.0x FY27/28E EPS of INR 47.0/INR 95.9, respectively. Maintain **BUY**, valuing the company on an SoTP basis, with an unchanged target price of INR 2,400.

Key downside risks: Competition from other global CDMOs and potential pricing pressures; a market shift to oral solids; and compliance standards and regulatory hurdles.

Exhibit 1: SoTP-based valuation

Entity	FY28E EBITDA (INR mn)	Multiple (x)	Valuation (INR mn)	Valuation/share (INR)
DDC	10,113	19	1,92,658	1,684
Soft gel	3,082s	16	49,153	430
Steriscience	2,101	16	33,622	294
Total EV	15,296	18	2,75,433	2,407
Less net debt			731	-6
MCap			2,74,702	2,400

Source: Company data, I-Sec research

Exhibit 2: Shareholding pattern

%	Dec'25	Mar'26	Jun'26
Promoters	29.9	30.5	30.5
Institutional investors	37.9	38.1	42.6
MFs and others	16.1	17.3	20.5
FIs/Banks	0.0	0.0	0.0
Insurance	2.5	3.4	2.9
FIIIs	19.2	17.5	19.2
Others	32.2	31.4	26.9

Source: Company data, I-Sec research

Exhibit 3: Price chart



Source: Company data, I-Sec research

Financial Summary

Exhibit 4: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Net Sales	14,449	14,216	23,545	37,616
Operating Expenses	9,783	11,174	14,127	22,081
EBITDA	4,665	3,042	9,418	15,535
EBITDA Margin (%)	32.3	21.4	40.0	41.3
Depreciation & Amortization	2,739	2,791	2,966	3,797
EBIT	1,926	251	6,451	11,738
Interest expenditure	1,663	1,222	953	400
Other Non-operating Income	175	150	165	215
Recurring PBT	(671)	(920)	5,621	11,553
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	(498)	(182)	281	578
PAT	(173)	(738)	5,340	10,975
Less: Minority Interest	(7)	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	(180)	(738)	5,340	10,975
Net Income (Adjusted)	113	(658)	5,381	10,975

Source Company data, I-Sec research

Exhibit 5: Balance sheet

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Total Current Assets	10,773	14,205	20,968	27,620
of which cash & cash eqv.	3,009	976	1,647	2,395
Total Current Liabilities & Provisions	5,537	7,205	11,837	18,822
Net Current Assets	5,236	7,000	9,131	8,797
Investments	158	157	157	157
Net Fixed Assets	7,242	7,274	10,409	12,713
ROU Assets	1,732	1,985	1,985	1,985
Capital Work-in-Progress	604	3,139	3,139	3,139
Total Intangible Assets	53,782	53,069	51,693	50,317
Other assets	471	2,101	3,479	4,054
Deferred Tax Assets	-	-	-	-
Total Assets	69,966	74,895	80,276	81,614
Liabilities				
Borrowings	7,716	12,763	12,763	3,126
Deferred Tax Liability	1,552	1,349	1,349	1,349
provisions	158	183	183	183
other Liabilities	26	12	12	12
Equity Share Capital	114	115	115	115
Reserves & Surplus	58,691	58,198	63,579	74,554
Total Net Worth	58,806	58,313	63,693	74,669
Minority Interest	-	-	-	-
Total Liabilities	69,966	74,895	80,276	81,614

Source Company data, I-Sec research

Exhibit 6: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Operating Cashflow	(678)	85	5,396	15,110
Working Capital Changes	(4,198)	(2,766)	(2,951)	338
Capital Commitments	(1,281)	(5,691)	(4,725)	(4,725)
Free Cashflow	(1,960)	(5,605)	671	10,385
Other investing cashflow	(730)	741	-	-
Cashflow from Investing Activities	(2,011)	(4,950)	(4,725)	(4,725)
Issue of Share Capital	8,755	57	-	-
Interest Cost	(1,565)	(1,191)	-	-
Inc (Dec) in Borrowings	(2,860)	4,964	-	(9,637)
Dividend paid	-	-	-	-
Others	-	-	-	-
Cash flow from Financing Activities	4,120	3,594	-	(9,637)
Chg. in Cash & Bank balance	1,431	(1,270)	671	748
Closing cash & balance	1,654	383	1,647	2,395

Source Company data, I-Sec research

Exhibit 7: Key ratios

(Year ending March)

	FY25A	FY26A	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	(1.6)	(6.5)	46.7	95.9
Adjusted EPS (Diluted)	1.0	(5.8)	47.0	95.9
Cash EPS	24.9	18.6	73.0	129.1
Dividend per share (DPS)	-	-	-	-
Book Value per share (BV)	514.0	509.7	556.8	652.7
Dividend Payout (%)	-	-	-	-
Growth (%)				
Net Sales	740.4	(1.6)	65.6	59.8
EBITDA	(628.7)	(34.8)	209.6	65.0
EPS (INR)	(104.5)	(683.6)	(917.3)	104.0
Valuation Ratios (x)				
P/E	(976.8)	(237.9)	32.9	16.0
P/CEPS	61.6	82.3	21.0	11.9
P/BV	3.0	3.0	2.8	2.4
EV / EBITDA	38.6	61.5	19.8	11.3
P / Sales	12.1	12.3	7.5	4.7
Dividend Yield (%)	-	-	-	-
Operating Ratios				
Gross Profit Margins (%)	69.9	68.7	72.5	71.5
EBITDA Margins (%)	32.3	21.4	40.0	41.3
Effective Tax Rate (%)	28.0	17.8	5.0	5.0
Net Profit Margins (%)	0.8	(4.6)	22.9	29.2
NWC / Total Assets (%)	-	-	-	-
Net Debt / Equity (x)	0.1	0.2	0.2	0.0
Net Debt / EBITDA (x)	1.0	3.8	1.2	0.0
Profitability Ratios				
RoCE (%)	0.8	0.8	8.1	14.3
RoE (%)	0.2	(1.1)	8.4	14.7
RoC (%)	14.0	13.4	17.0	20.0
Fixed Asset Turnover (x)	2.1	2.0	2.7	3.3
Inventory Turnover Days	71	112	127	103
Receivables Days	188	176	185	146
Payables Days	79	95	120	118

Source Company data, I-Sec research

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