CMP: ₹4750 | Target ₹ 5815 (22%) | Target Period: 12 months | **BUY**

July 29, 2026

Recent launches, new SKUs to drive numbers…

About the stock: Pfizer collectively addresses 15 therapy areas in the domestic formulations with a portfolio of more than 125 products that include therapeutics & vaccines. The company has been continuously restructuring its portfolio to improve the productivity of its core brands.

- Pfizer is third largest multinational pharma company in India
- The company has Manufacturing facility in Goa. As per IQVIA MAT June 2026, Acute: Chronic ration was 74:26

Result Performance & Investment Rationale:

- **Q1FY27 – Slight moderation in revenues growth but margins upbeat**: Revenues grew ~8% to ~₹ 653.2 crore, driven by growth in power brands such as Eliquis (CVS), Magnex, Meronem, Zavicefta (all Anti-infectives) among others. The newly launched Prevnar 20 vaccine also contributed to the growth. There was a de-growth in other power brands such as Becosules (VMS), Mucaine (Antacid), Minipress XL (CVS) while flagship Prevnar 13 vaccine sales were flat YoY. EBITDA grew ~18% YoY to ~₹ 248 crore with a margin improvement of 308 bps YoY to 37.9% despite GPM de-growth OF 173 bps to 63.2%. PAT grew 6.6% with a margin contraction by ~49 bps (due to lower other income) to ₹204.5 crore.
- **Recent launches SKUs at the fore-** As per IQVIA, for Q1 Eliquis grew 29%, Meronem and Magnex grew 17% and 107%, respectively. The company has recently launched Pneumococcal Polysaccharide Conjugate Vaccine Prevenar 20 in India for adults, which generated ~₹39 crore in Q1FY27 as per IQVIA and should further boost its vaccine portfolio going ahead. Most of the growth has been through recent launches (over the past 5 years) and the new SKUs. These, along with the latest launches from the parent company's staple such as Nurtec ODT (Rimegepant- migraine treatment) and Emblaveo (Aztreonam-Avibactam- Anti-infective to treat drug resistance bacteria) are part of the general reforms to address slowdown in sales. There were leadership changes across the three core divisions of Internal medicine, Vaccines and Hospitals. The company has also revised it's go-to-market model for some products within the Internal Medicine portfolio to enhance market penetration. A recent deal with Cipla to market, distribute and sell some legacy brands such as cough syrup Corex Dx and Corex LS, pain management drug Dolonex, Antacid drug Neksium and the oral antibiotic Dalacin C in India is an endeavour towards stimulating growth in these legacy brands. With these changes we believe Pfizer can stimulate sales growth besides maintaining EBITDA margins. We expect Revenues to grow at a CAGR of ~10% during FY26-28E. We also expect company to maintain ~+30% dividend payout as has been the case over the last few years. We continue to monitor success of the recent launches as the legacy brands hit the stagnancy stage.

Rating and Target Price: We maintain our BUY rating with target price is **₹ 5815** based on **28x** FY28E EPS of **₹207.6**

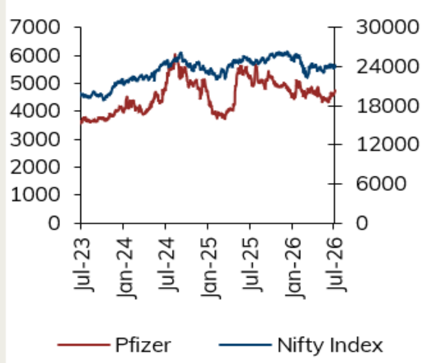
Particulars

Particular	Amount
Market Capitalisation	₹ 21731 crore
Debt (FY26)	₹ 3 crore
Cash (FY26)	₹ 1925 crore
EV	₹ 19808 crore
52 week H/L	5879/4360
Equity capital	₹ 45.8 crore
Face value	₹ 10

Shareholding pattern

(in %)	Sep-25	Dec-25	Mar-26	Jun-26
Promoter	63.9	63.9	63.9	63.9
FII's	2.6	2.7	2.8	1.7
DII's	17.1	17.1	16.9	17.8
Others	16.4	16.3	16.4	16.6

Price Chart



Key risks

(i) Sustainability of the new distribution model.

(ii) Parent pushing new products via unlisted entity

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Result Update

ICICI Securities – Retail Equity Research

Key Financial Summary

Key Financials (₹ Crore)	FY23	FY24	FY25	FY26	3-year CAGR (FY23-26)	FY27E	FY28E	2-year CAGR (FY26-28E)
Revenues	2424.8	2193.2	2281.4	2519.7	1.3	2761.4	3037.6	9.8
EBITDA	808.9	635.3	740.2	904.1	3.8	995.3	1100.8	10.3
EBITDA margins (%)	33.4	29.0	32.4	35.9		36.0	36.2	
Adjusted PAT	590.9	543.4	594.8	771.7	9.3	829.2	949.9	10.9
EPS (₹)	129.2	118.8	130.0	168.7		181.2	207.6	
PE (x)	34.8	40.6	28.3	30.1		26.2	22.9	
M.Cap/ Revenues (x)	9.0	9.9	9.5	8.6		7.9	7.2	
RoCE (%)	24.8	20.8	19.9	24.5		23.8	23.7	
ROE (%)	18.4	15.1	14.1	18.4		17.6	17.8	

Source: Company, ICICI Direct Research

Exhibit 1: Top 10 brand performance for 3 years (in ₹ crore)

Brand	Therapy	MAT JUN'23	MAT JUN'24	MAT JUN'25	MAT JUN'26	CAGR 23-26	YoY%
PREVENAR-13	VACCINES	289.8	346.0	399.9	383.2	9.8%	-4.2%
BECOSULES	VITAMINS/MINERALS/NUTRIENTS	288.7	317.8	307.9	301.3	1.4%	-2.1%
ELIQUIS	BLOOD RELATED	130.2	162.3	212.0	257.5	25.5%	21.5%
MINIPRESS-XL	CARDIAC	204.8	225.6	246.7	233.0	4.4%	-5.6%
MAGNEX	ANTI INFECTIVE	212.3	29.7	94.7	210.2	-0.3%	122.0%
MUCAINE	GASTRO INTESTINAL	174.2	172.7	170.0	177.2	0.6%	4.3%
MERONEM	ANTI INFECTIVE	74.2	66.3	94.7	140.0	23.6%	47.8%
ZAVICEFTA	ANTI INFECTIVE	92.7	97.3	107.8	131.2	12.3%	21.6%
GELUSIL-MPS	GASTRO INTESTINAL	118.1	130.6	123.3	121.3	0.9%	-1.6%
PREVENAR 20	VACCINES	0.0	0.0	0.0	116.4	NA	NA
Top 10 brands		1584.8	1548.3	1756.9	2071.3	9.3%	17.9%
% of IQVIA sales		55.9%	57.2%	59.7%	62.3%		
Ex-Top 10 brands		1248.1	1157.8	1187.4	1252.6	0.1%	5.5%

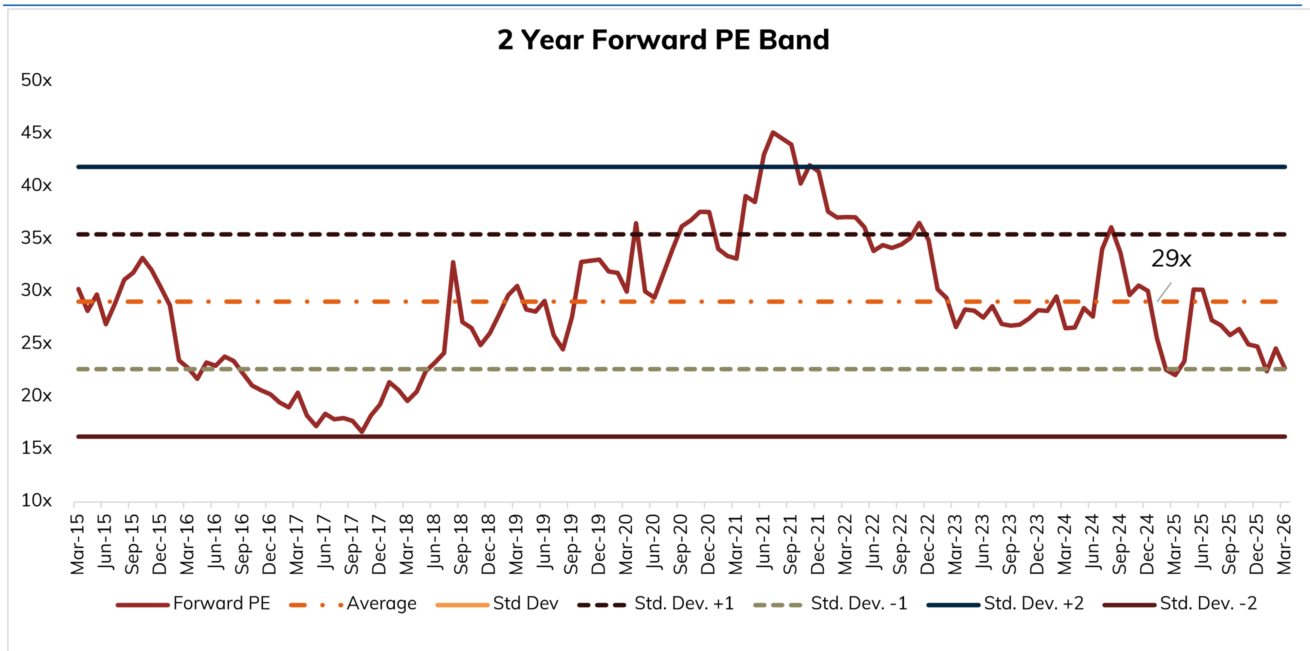
Source: Company, ICICI Direct Research

Exhibit 2: Top 10 Therapy performance for 3 years (in ₹ crore)

Therapy	MAT JUN'23	MAT JUN'24	MAT JUN'25	MAT JUN'26	CAGR 23-26	YoY%
ANTI-INFECTIVES	445.5	239.0	344.9	585.0	9.5%	69.6%
CARDIAC	380.3	429.1	505.8	559.7	13.8%	10.7%
VACCINES	289.8	346.0	399.9	499.6	19.9%	24.9%
VITAMINS/MINERALS/NUTRIENTS	399.2	437.8	442.1	434.6	2.9%	-1.7%
GASTRO INTESTINAL	292.3	303.4	294.4	299.6	0.8%	1.8%
HORMONES	259.2	229.0	245.4	256.8	-0.3%	4.7%
GYNAEC.	265.4	274.6	265.9	248.6	-2.2%	-6.5%
ANTINEOPLAST/IMMUNOMODULATOR	110.2	103.3	96.4	145.7	9.7%	51.1%
BLOOD RELATED	96.7	100.8	94.9	89.1	-2.7%	-6.1%
NEURO / CNS	87.4	70.2	57.2	49.9	-17.1%	-12.7%
Top 5 Therapies	**1807.1**	**1755.4**	**1987.1**	**2378.5**	**9.6%**	**19.7%**
Total IQVIA Sales	**2832.9**	**2706.1**	**2944.3**	**3323.9**	**5.5%**	**12.9%**

Source: IQVIA, ICICI Direct Research

Exhibit 3: 2 Year Forward PE Band



Source: ICICI Direct Research

Financial summary

Exhibit 4: Profit and loss statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Total Operating Income	2,281.4	2,519.7	2,761.4	3,037.6
Growth (%)	4.0	10.4	9.6	10.0
Raw Material Expenses	810.5	884.3	1,015.1	1,116.6
Gross Profit	1,470.9	1,635.3	1,746.3	1,920.9
Gross Profit Margins (%)	64.5	64.9	63.2	63.2
Employee Expenses	371.3	368.0	398.3	455.6
Other Expenditure	359.3	363.3	352.7	364.5
Total Operating Expenditure	1,541.1	1,615.6	1,766.1	1,936.8
EBITDA	**740.2**	**904.1**	**995.3**	**1,100.8**
Growth (%)	16.5	22.1	10.1	10.6
Interest	8.4	9.5	5.8	5.8
Depreciation	60.8	57.7	57.0	71.5
Other Income	172.3	188.0	189.6	243.0
PBT before Exep Items	843.3	1,024.8	1,122.0	1,266.5
Less: Exceptional Items	172.8	49.2	0.0	0.0
PBT after Exceptional Items	1,016.1	975.7	1,122.0	1,266.5
Total Tax	248.5	253.2	292.8	316.6
PAT before MI	767.6	722.5	829.2	949.9
PAT	**767.6**	**722.5**	**829.2**	**949.9**
Growth (%)	43.4	-5.9	14.8	14.6
EPS (Adjusted)	**130.0**	**168.7**	**181.2**	**207.6**

Source: Company, ICICI Direct Research

Exhibit 5: Cash flow statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Profit/(Loss) after taxation	859.9	990.2	829.2	858.7
Add: Depr & Amortization	60.8	57.7	57.0	71.5
Net Inc in Current Assets	18.6	-12.3	-152.9	-80.7
Net Inc in Current Liabilities	38.2	52.4	41.9	32.8
Others	-317.7	-120.5	5.8	5.8
CFO	**659.8**	**967.6**	**781.1**	**888.1**
Investments	151.7	0.0	0.0	0.0
(Purchase)/Sale of Fixed Assets	-28.0	-24.1	-40.0	-40.0
Others	-195.1	-537.6	0.0	0.0
CFI	**-71.3**	**-561.7**	**-40.0**	**-40.0**
(inc)/Dec in Loan	0.0	0.0	0.0	0.0
Dividend & Dividend tax	-160.3	-751.6	-320.3	-320.3
Other	-45.1	-46.7	-5.8	-5.8
CF from Financing activities	**-205.3**	**-798.3**	**-326.1**	**-326.1**
Net Cash Flow	**383.1**	**-392.4**	**415.0**	**522.0**
Cash and Cash Equivalent	1,934.7	2,317.8	1,925.4	2,340.4
Cash	2,317.8	1,925.4	2,340.4	2,862.3
Free Cash Flow	**631.8**	**943.5**	**741.1**	**848.1**

Source: Company, ICICI Direct Research

Exhibit 6: Balance sheet ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Equity Capital	45.8	45.8	45.8	45.8
Reserve and Surplus	4,171.7	4,157.2	4,666.1	5,295.7
Total Share funds	4,217.4	4,202.9	4,711.8	5,341.4
Total Debt	2.5	2.5	2.5	2.5
Deferred Tax Liability	0.0	0.0	0.0	0.0
Long-Term Provisions	56.6	48.1	48.1	48.1
Other NC Liabilities	67.6	43.4	43.4	43.4
Source of Funds	**4,344.1**	**4,296.9**	**4,805.8**	**5,435.4**
Gross Block	929.0	941.1	981.1	1,021.1
Accu. Depreciation	732.9	790.6	847.7	919.1
Net Block	196.1	150.5	133.4	102.0
Capital WIP	7.6	20.0	20.0	20.0
Goodwill on Consolidation	527.5	527.5	527.5	527.5
Fixed Assets	731.3	698.0	680.9	649.5
Investments	0.0	0.0	0.0	0.0
Deferred Tax Assets	69.3	72.3	72.3	72.3
Long Term Loans	431.2	181.5	181.5	181.5
Other non-Current Assets		166.5	166.9	166.9
Inventory	475.9	472.7	542.6	596.8
Debtors	193.1	181.8	264.8	291.3
Other Current Assets	526.1	1,223.4	1,223.4	1,223.4
Cash	2,317.8	1,925.4	2,340.4	2,953.5
Total Current Assets	3,512.9	3,803.2	4,371.1	5,065.0
Creditors	151.6	215.9	250.3	275.3
Provisions	51.3	30.3	30.3	30.3
Other Current Liabilities	364.1	378.8	386.4	394.1
Total Current Liabilities	567.0	625.0	666.9	699.7
Net Current Assets	2,945.8	3,178.2	3,704.2	4,365.3
Application of Funds	**4,344.1**	**4,296.9**	**4,805.8**	**5,435.4**

Source: Company, ICICI Direct Research

Exhibit 7: Key ratios

(Year-end March)	FY25	FY26	FY27E	FY28E
Per share data (₹)				
Reported EPS	167.8	157.9	181.2	207.6
Cash EPS	108.3	146.3	123.7	153.2
BV per share	921.8	918.7	1,029.9	1,167.5
Cash per Share	506.6	420.8	511.6	645.6
Dividend per share	35.0	35.0	70.0	70.0
Operating Ratios (%)				
Gross Profit Margins	64.5	64.9	63.2	63.2
EBITDA margins	32.4	35.9	36.0	36.2
PAT Margins	26.1	30.6	30.0	31.3
Cash Conversion Cycle	177.0	132.3	140.1	140.1
Asset Turnover	2.5	2.7	2.8	3.0
EBITDA conversion Rate	89.1	107.0	78.5	89.0
Return Ratios (%)				
RoE	14.1	18.4	17.6	17.8
RoCE	19.9	24.5	23.8	23.7
RoIC	34.9	37.1	39.5	43.1
Core ROE	33.6	25.6	29.1	32.1
1 **Valuation Ratios (x)**				
P/E	28.3	30.1	26.2	22.9
EV / EBITDA	26.2	21.9	19.5	17.1
EV / Net Sales	8.5	7.9	7.0	6.2
Market Cap / Sales	9.5	8.6	7.9	7.2
Price to Book Value	5.2	5.2	4.6	4.1
Solvency Ratios				
Current Ratio	2.1	3.0	3.0	3.0
Quick Ratio	1.3	2.2	2.2	2.2
Inventory days	214	195	195	195
Debtor days	31	26	35	35
Creditor days	68	89	90	90

Source: Company, ICICI Direct Research

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