Amneal Pharmaceutical (AMRX)

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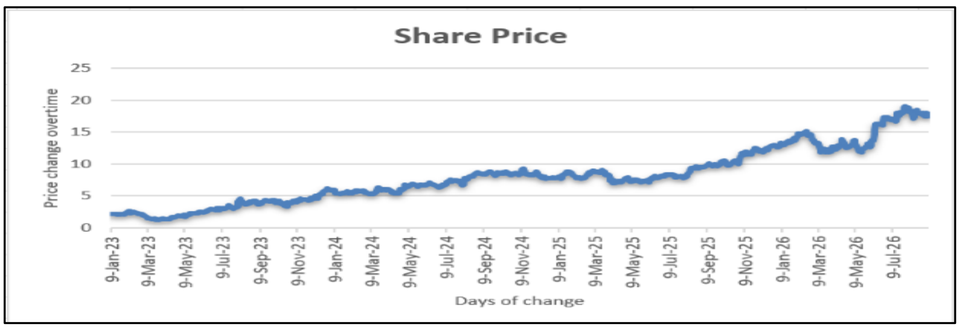
Recommendation: **Hold**

Amneal Pharmaceuticals, Inc. (NASDAQ: AMRX	
Share Price	$17.54
Shares Out.	328.1
Market Cap	$5,755
Cash	$282
Debt	$2,572
TEV	$8,045
FY25 EBITDA	$618
EV / FY25 EBITDA	13.0x
Base Case Valuation Summary:	
FY28 EBITDA:	$717
Target Multiple	11.2x
EV	$8,011
Net Debt	$1,445
Market Cap	$6,565
Shares Out.	328.1
3-Year Price Target	**$20.01**
Total Return:	14%
IRR	**4%**
DCF Valuation	**$13.59**
Total Return:	(23%)
IRR	**(8%)**
Blended PT:	**$16.80**
Total Return:	(4%)
IRR	**(1%)**



Summary

Amneal is a diversified pharmaceutical company with exposure to Affordable Medicines, Specialty products and AvKARE distribution. Revenue reached $3.02 billion in 2025, gross margin increased to 36.9%, and the company returned to positive net income of approximately $127.9 million. The thesis is supported by Specialty growth, a broad complex-generic and biosimilar pipeline, FDA approvals, improving margins and lower interest expense, which together can support earnings, free cash flow and deleveraging. Valuation is mixed: the model's relative-value base case supports a FY2028 price target near $19-$20, while the DCF indicates $13.59 and the blended value is $16.80 versus a $17.54 reference price. Given the limited base-case return and material downside risks, the model supports a HOLD recommendation.

Business Overview

Amneal Pharmaceuticals manufactures and sells generic medicines, specialty pharmaceuticals, injectable drugs, biosimilars and APIs, and distributes healthcare products. The company operates through three segments. Affordable Medicines includes more than 280 U.S. generic product families across oral solids, injectables, biosimilars, respiratory/inhalation, ophthalmics and transdermal products, with 61 products pending FDA approval and 43 products in development. Specialty Medicines includes branded products such as CREXONT, RYTARY, UNITHROID, Brekiya and ONGENTYS, while AvKARE packages, repackages and distributes pharmaceuticals to customers including the U.S. Department of Defense and Department of Veterans Affairs.

Amneal serves more than 1,300 customers, but Cencora, McKesson, Cardinal Health and CVS Health account for approximately 71% of revenue. The company was established in 2002, became publicly traded on Nasdaq following its 2018 combination with Impax Laboratories, expanded into U.S. federal healthcare through AvKARE in 2020, and entered the U.S. biosimilar market in 2022. Its current strategy emphasizes complex products with higher barriers to entry, Specialty launches, injectables and biosimilars.

Investment Thesis

1. A diversified portfolio creates multiple growth paths: More than 280 commercial product families, 61 pending ANDAs and 43 pipeline products provide recurring opportunities for FDA approvals and new product launches.

2. Specialty and complex products can improve the mix: Growth in CREXONT, BREKIYA and UNITHROID, together with injectables and biosimilars, can shift revenue toward products with higher barriers to entry and support stronger margins.

3. Biosimilars create a long-term growth platform: The Kashiv Biosciences transaction strengthens Amneal's biosimilar capabilities. Successful integration and commercialization could broaden the company's growth platform.

4. Profitability and cash generation are improving: Gross margin increased from about 34.3% in 2023 to 36.9% in 2025. The model projects EBITDA of approximately $717 million and free cash flow of about $275 million in 2028. 5. Deleveraging can unlock equity value: The model projects net leverage declining from approximately 3.7x in 2025 to 2.5x in 2028 and 1.3x by 2030. Debt repricing is expected to reduce annual interest expense by about $12 million.

Management Team and Board of Directors

Chirag Patel and Chintu Patel co-founded Amneal and continue to lead the company as Co-Chief Executive Officers. Their experience is closely tied to the development of Amneal's pharmaceutical and biosimilar platform and provides continuity as the company expands into more complex products.

Taso Konidaris serves as Chief Financial Officer and oversees finance, accounting, internal audit, investor relations and information technology. He brings approximately 30 years of finance and leadership experience, including prior roles at Ikaria, Schering-Plough, Pharmacia, Novartis and Bristol Myers Squibb.

Andrew Boyer, Chief Commercial Officer - Generics and Biosciences, leads sales, marketing and distribution for the generics business and previously held senior roles at Teva and Allergan/Actavis/Watson. Sandeep R. Raktate, President of Operations, oversees manufacturing and related operations in India and Ireland and previously held operating roles at Cipla

Valuation

	Base	Bull	Bear
	FY2028	FY2028	FY2028
Revenue	$3,560.3	$3,623.7	$3,406.6
3yr Growth	5.7%	6.3%	4.1%
Adj. EBITDA	$716.5	$798.3	$501.4
Margin	20.1%	22.0%	14.7%
FCF	$274.6	$320.4	$155.3
Margin	7.7%	8.8%	4.6%
Conversion	38.3%	40.1%	31.0%
EBITDA Multiple	11.18x	11.93x	6.96x
EV	$8,010.7	$9,520.6	$3,489.6
Net Debt	$1,758.5	$1,712.6	$1,877.8
Equity Value	$6,252.2	$7,807.9	$1,611.8
Sh. Out.	328.1	329.7	334.7
Price Target	$19.06	$23.68	$4.82
Upside/Downside	8.6%	35.0%	(72.5%)
IRR	2.8%	10.5%	(35.0%)
Risk/Reward vs Bear Case	0.1x	0.5x	

The base case uses the existing FY2028 forecast and an 11.18x EBITDA multiple, producing a price target of approximately $19.06. The bull case assumes stronger growth, margin, cash generation and debt paydown and produces a $23.68 target. The bear case assumes weaker growth and profitability, slower debt reduction and a 6.96x multiple, producing a $4.82 target. The DCF value of $13.59 is below the reference price, so the memo treats valuation as mixed

As of: August 28, 2026

Comparable Analysis

Ticker	Name	Last Price	USD Market Cap	USD EV	% Chg 1Yr	% Chg YTD	USD Sales	1Yr Sales GR	EV / EBITDA Crnt Yr	P/E Crnt Yr	P/E NY	EBIT Margin T12M	Dvd Yield
HIK.L	Hikma Pharmaceuticals	$21.88	$4.60	$6.32	(11.0%)	6.1%	$3.35	7.1%	7.0x	9.6x	8.8x	19.9%	3.8%
LUPIN.NS	Lupin Limited	$22.72	$10.41	$10.28	14.3%	5.1%	$2.93	23.1%	11.2x	22.5x	21.2x	25.1%	0.8%
RDY	Dr. Reddy's Laboratories	$12.18	$10.27	$10.20	(14.2%)	(12.1%)	$3.58	3.2%	17.6x	25.9x	24.4x	10.6%	0.5%
	Comp Group Average	$18.93	$8.43	$8.93	(3.6%)	(0.3%)	$3.28	11.1%	11.9x	19.3x	18.1x	18.5%	1.7%
	Comp Group Median	$21.88	$10.27	$10.20	(11.0%)	5.1%	$3.35	7.1%	11.2x	22.5x	21.2x	19.9%	0.8%
AMRX	Amneal Pharmaceuticals	$17.54	$16.11	$8.77	83.7%	39.2%	$3.02	810.0%	12.7x	17.5x	14.6x	15.9%	-

Amneal trades at approximately 12.7x current-year EV/EBITDA in the model, compared with a selected peer median of 11.18x and average of 11.93x. The peer set includes Hikma Pharmaceuticals, Lupin and Dr. Reddy's Laboratories. The scenario analysis uses the peer median for the base case, the peer average for the bull case and Hikma's 6.96x multiple for the bear case.

Risks

1. Four customers account for approximately 71% of revenue, creating meaningful customer-concentration risk.
2. Generic competition can pressure pricing and volumes, including competition affecting Specialty products such as RYTARY.
3. FDA approval delays could postpone launches and weaken the company's first-to-market and complex product strategy.
4. The Kashiv Biosciences transaction adds integration and execution risk if expected biosimilar growth does not materialize.
5. AvKARE revenue weakness and the shift away from lower-margin distribution could offset growth elsewhere.
6. Leverage remains material. Lower interest expense helps, but high debt reduces financial flexibility.
7. Near-term operating cash flow, receivables and capital spending can create working-capital and free-cash-flow volatility

Financials

	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E
Revenue	**$2,393.6**	**$2,794.0**	**$3,018.8**	**$3,150.8**	**$3,339.8**	**$3,560.3**	**$3,738.3**	**$3,887.8**
Growth	-	16.7%	8.0%	4.4%	6.0%	6.6%	5.0%	4.0%
Gross Profit	**$820.6**	**$1,020.4**	**$1,113.3**	**$1,197.3**	**$1,272.5**	**$1,384.9**	**$1,495.3**	**$1,555.1**
Margin	*34.3%*	*36.5%*	*36.9%*	*38.0%*	*38.1%*	*38.9%*	*40.0%*	*40.0%*
SG&A	$429.7	$476.4	$526.8	$567.1	$617.9	$676.5	$672.9	$699.8
Margin	*18.0%*	*17.1%*	*17.5%*	*18.0%*	*18.5%*	*19.0%*	*18.0%*	*18.0%*
EBITDA	**$433.8**	**$485.5**	**$617.7**	**$655.5**	**$675.1**	**$716.5**	**$820.0**	**$856.9**
Margin	*18.1%*	*17.4%*	*20.5%*	*20.8%*	*20.2%*	*20.1%*	*21.9%*	*22.0%*
D&A	$229.4	$236.2	$223.6	$236.3	$243.8	$245.7	$246.7	$260.5
Margin	*9.6%*	*8.5%*	*7.4%*	*7.5%*	*7.3%*	*6.9%*	*6.6%*	*6.7%*
Operating Income	**$204.4**	**$249.3**	**$394.1**	**$419.1**	**$431.3**	**$470.9**	**$573.2**	**$596.4**
Margin	*8.5%*	*8.9%*	*13.1%*	*13.3%*	*12.9%*	*13.2%*	*15.3%*	*15.3%*
Interest Expense	$210.6	$258.6	$241.1	$213.2	$188.2	$163.2	$142.8	$145.4
EBT	($40.3)	($55.0)	$139.2	$192.2	$229.3	$293.8	$416.7	$437.3
Tax	$8.5	$18.9	$11.3	$28.8	$39.0	$55.8	$82.9	$87.5
Net Income	**($48.7)**	**($73.9)**	**$127.9**	**$163.4**	**$190.3**	**$238.0**	**$333.7**	**$349.8**
Sh. Out.				328.1	328.1	328.1	328.1	328.1
EPS				*$0.50*	*$0.58*	*$0.73*	*$1.02*	*$1.07*
FCF	**$302.4**	**$243.2**	**$269.9**	**$216.8**	**$218.1**	**$274.6**	**$372.6**	**$409.9**
Net Leverage	**5.5x**	**4.9x**	**3.7x**	**3.3x**	**2.9x**	**2.5x**	**1.8x**	**1.3x**