

August 7, 2025

Q1FY26 Result Update

☑ Change in Estimates | ■ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		BUY	
Target Price	2,400		2,400	
Sales (Rs. m)	2,53,588	2,70,287	2,53,588	2,70,287
% Chng.	-	-	-	-
EBITDA (Rs. m)	63,923	65,373	63,923	65,373
% Chng.	-	-	-	-
EPS (Rs.)	92.9	94.7	88.8	93.5
% Chng.	4.7	1.3	-	-

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	1,98,055	2,27,079	2,53,588	2,70,287
EBITDA (Rs. m)	35,947	52,775	63,923	65,373
Margin (%)	18.1	23.2	25.2	24.2
PAT (Rs. m)	19,104	32,816	42,423	43,219
EPS (Rs.)	41.9	71.9	92.9	94.7
Gr. (%)	343.4	71.4	29.3	1.9
DPS (Rs.)	5.9	14.0	7.0	7.0
Yield (%)	0.3	0.8	0.4	0.4
RoE (%)	14.3	20.8	22.2	18.8
RoCE (%)	15.4	20.9	22.1	20.4
EV/Sales (x)	4.3	3.8	3.3	2.9
EV/EBITDA (x)	23.9	16.4	13.0	12.1
PE (x)	44.2	25.8	19.9	19.6
P/BV (x)	5.9	4.9	4.0	3.4

Key Data LUPN.BO | LPC IN

52-W High / Low	Rs.2,403 / Rs.1,774
Sensex / Nifty	80,544 / 24,574
Market Cap	Rs.846bn / \$ 9,640m
Shares Outstanding	457m
3M Avg. Daily Value	Rs.2094.38m

Shareholding Pattern (%)

Promoter's	46.90
Foreign	21.25
Domestic Institution	25.55
Public & Others	6.30
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(6.5)	(15.3)	(3.1)
Relative	(3.2)	(17.9)	(5.4)

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Multiple growth drivers in FY26/27

Quick Pointers:

- gTolvaptan and few injectable launches to drive US sales in FY26.
- Guided double digit revenue growth in FY26 and high single digit in FY27.

Lupin's (LPC) Q1FY26 EBITDA stood at Rs16.4bn (up 28% YoY) was in line with our estimates on the back of higher US sales supported by niche launches (gTolvaptan). LPC saw remarkable turnaround in profitability with ~2x jump in EBITDA over FY23-24 aided by better product mix, continued niche launches in the US, clearance from USFDA for facilities, domestic formulations regaining momentum and cost optimization measures. We expect margins to sustain given a strong pipeline in the US. Our FY26E and FY27E broadly remain unchanged. We maintain BUY rating with TP of Rs2,400 (25x FY27E EPS). Any competition in gSpiriva and delay in new launches in the US will be key risks to our estimates.

- Higher US revenues aided by gTolvaptan:** Revenues grew 12% YoY to Rs63bn, vs our estimate Rs 64bn. Miss was on account of lower India and API sales. US revenues came at \$282mn, up 15% QoQ in line with our estimates. Performance was largely aided by contribution from gTolvaptan. India formulation grew by 8% YoY; below our est. EMs grew by 15%, while other developed markets increased by 17% YoY. API business was down by 33% YoY.
- In line EBITDA led by improved product mix:** The company reported EBITDA of Rs16.4bn; up 27.6% YoY. In line with our estimates. OPM increased by +320bps YoY and QoQ to 26.2%. Increased contribution from gTolvaptan supported margins. GM's continue to remain strong at 71.3%, up 160bps QoQ given better product mix in US markets. R&D expenses increased by 38% YoY; 7.9% of sales at Rs 4.7bn. Ex R&D other expenses were up 3% YoY. The company booked forex gain of Rs860mn while tax rate came in lower at 14%. Resultant PAT at Rs12.2bn, above our est.

Key Conference Call Takeaways:

- India business:** Moderate growth during H1 due to lower tender business. Chronic mix in Q1FY26 stood at 65% up 100bps QoQ. In licensing income stands at 6% of sales vs 15-20% historically. Hived off OTC business into its wholly owned subsidiary Lupin life consumer health. Focus remains on GLP-1s and therapies such as GI, Onco, CNS, VMS. Targets 80 product launches by FY30.
- Semaglutide:** Targets first wave of entry. Intends to launch injectable version through partnership by FY26E whereas oral version by FY27E.
- US:** Net sales at \$282mn, up 15% QoQ. Key launches like gTolvaptan aided healthy performance. The product was launched in May and not much channel stocking given it was done through specialty route. The full impact of product will be seen in Q2.

- Experienced price erosion in albuterol amid competition from new player entering in market. Launched gGlucagon in August; expects to launch Liraglutide in October. Guided for gRisperdal Consta approval in Q3FY26E with TAD in Sept 2025.
- FY27 will see high value launches like gSaxenda, couple of biosimilars and high value OSDs, one 505 (b) (2) which will drive US sales. Currently it is responding to CRLs for gDulera, US launch likely in H2FY27E/H1FY28.
- **Biosimilars:** Company expects approval for bPegfilgrastim in FY26E. OBI (On-body injector) version approval expected in FY27/28E. bCertolizumab clinical trials are expected to start soon. Intends to launch bRanibizumab in FY27E.
- **EMs/Other developed markets:** Strong growth from South African markets was offset by soft performance from LATAM & Philippines markets. Europe remain a strong contributor with sales up 28% YoY.
- **R&D and pipeline:** Focus on 505(b)(2), long-acting injectables, green propellants. Targets 60+ products fillings for US markets. R&D is likely to range between 7.5-8.5% of revenues. About 70% of R&D spend is towards complex generics of which 30% is towards inhalation products.
- **Other highlights:** Diagnostic business dragged EBITDA performance by 1%. Mgmt remains confident of achieving breakeven in the diagnostics business in FY27E. FY26E consol OPM guided at 24-25%, aims to sustain in FY27E. Mgmt remains confident of achieving double digit revenue growth in FY26E and high single digit growth in FY27. Net cash of Rs 12.4bn. Working capital days stood at 106 against 110 in Q4FY25. ETR to remain at 19% in FY26E.

Exhibit 1: Q1FY26 Result Overview (Rs mn): In-line EBITDA, Revenues aided by higher US sales

Y/e March	Q1FY26	Q1FY25	YoY gr. (%)	Q1FY26E	% Var	Q4FY25	QoQ gr. (%)	FY26E	FY25	YoY gr. (%)
Net Sales	62,683	56,003	11.9	64,567	(2.9)	56,671	10.6	2,53,588	2,27,080	11.7
Raw Material	17,719	17,446	1.6	18,620	(4.8)	16,862	5.1	75,501	68,423	10.3
% of Net Sales	28.3	31.2		28.8		29.8		29.8	30.1	
Personnel Cost	10,830	9,710	11.5	11,167	(3.0)	10,013	8.2	44,399	39,642	12.0
% of Net Sales	17.3	17.3		17.3		17.7		17.5	17.5	
Others	17,720	15,984	10.9	18,381	(3.6)	16,876	5.0	69,765	66,239	5.3
% of Net Sales	28.3	28.5		28.5		29.8		27.5	29.2	
Total Expenditure	46,270	43,140	7.3	48,168	(3.9)	43,750	5.8	1,89,665	1,74,304	8.8
EBITDA	16,414	12,864	27.6	16,399	0.1	12,921	27.0	63,923	52,776	21.1
Margin (%)	26.2	23.0		25.4		22.8		25.2	23.2	
Depreciation	2,990	2,477	20.7	3,100	(3.6)	3,932	(24.0)	12,043	11,693	3.0
EBIT	13,424	10,387	29.2	13,299	0.9	8,989	49.3	51,879	41,082	26.3
Other Income (Includes FX)	1,649	224	636.5	550	199.8	860	91.8	2,500	2,266	10.3
Interest	918	680	34.9	875	4.9	891	3.0	2,757	2,949	(6.5)
PBT	14,155	9,930	42.5	12,974	9.1	8,958	58.0	51,622	40,399	27.8
Total Taxes	1,941	1,875	3.5	2,725	(28.8)	1,135	71.1	9,808	7,087	38.4
ETR (%)	13.7	18.9		21.0		12.7		19.0	17.5	
PAT before exceptional	12,215	8,055	51.6	10,249	19.2	7,824	56.1	41,814	33,312	25.5
Minority interest	(24)	(42)		(75)		(99)		250	(246)	(201.5)
Exceptional Item										
Reported PAT	12,190	8,013	52.1	10,174	19.8	7,725	57.8	41,564	33,066	25.7

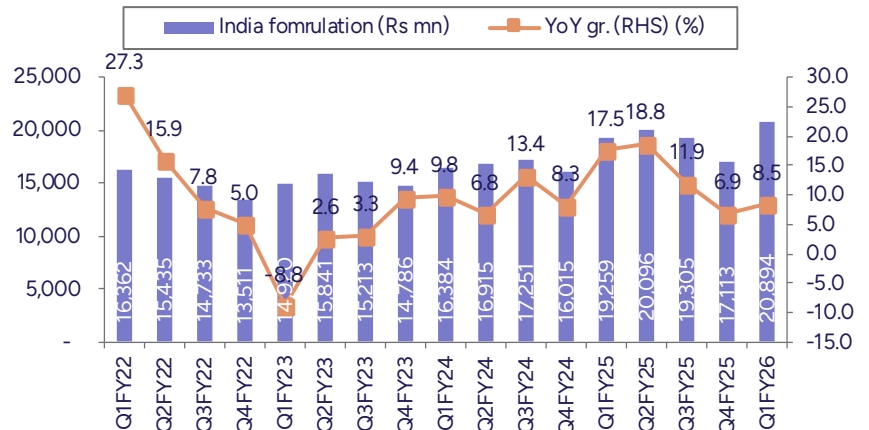
Source: Company, PL

Exhibit 2: US momentum led by niche launches like gTolvaptan

Major Sources of Revenues	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	FY26E	FY25	YoY gr. (%)
Domestic market	20,894	19,259	8.5	17,113	22.1	83,946	75,773	10.8
% of Sales	33.9	35.6		31.6		36.0	35.0	
Export markets	40,744	34,813	17.0	37,056	10.0	1,49,127	1,40,447	6.2
% of Sales	66.1	64.4		68.4		64.0	65.0	
Total	61,638	54,072	14.0	54,169	13.8	2,33,073	2,16,220	7.8
Formulations	59,207	50,450	17.4	51,853	14.2	2,20,359	2,04,447	7.8
% of Sales	96.1	93.3		95.7		94.5	94.6	
India	20,894	19,259	8.5	17,113	22.1	83,946	75,773	10.8
% of Sales	33.9	35.6		31.6		36.0	35.0	
International market (Exports)	38,313	31,191	22.8	34,740	10.3	1,36,414	1,28,674	6.0
% of Sales	62.2	57.7		64.1		58.5	59.5	
North America	24,041	19,337	24.3	21,165	13.6	88,282	78,250	12.8
% of Sales	39.0	35.8		39.1		37.9	36.2	
Europe, Middle East, Africa (EMEA)	6,524	5,031	29.7	6,660	(2.0)	22,444	23,633	(5.0)
% of Sales	10.6	9.3		12.3		9.6	10.9	
Emerging markets	7,748	5,151	50.4	6,915	12.0	18,102	21,470	(15.7)
% of Sales	12.6	9.5		12.8		7.8	9.9	
ROW	-	1,672	(100.0)	-	#DIV/0!	7,586	5,321	42.6
% of Sales	-	3.1		-		3.3	2.5	
APIs	2,431	3,622	(32.9)	2,316	5.0	12,714	11,773	8.0

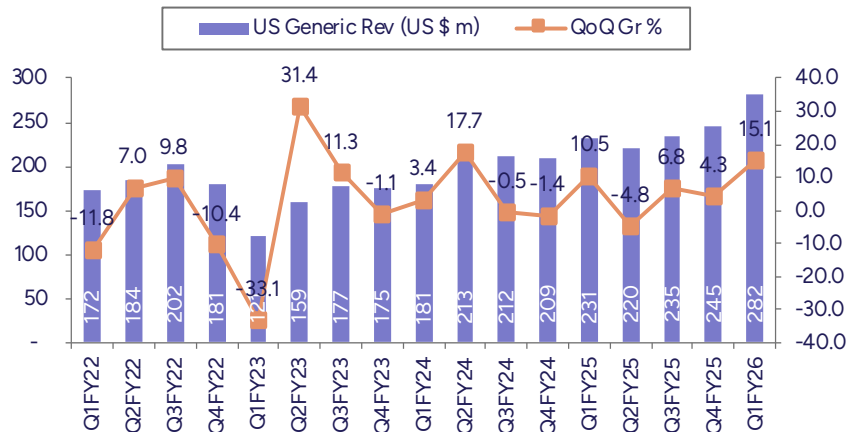
Source: Company, PL

Exhibit 3: Key therapies continue to aid growth



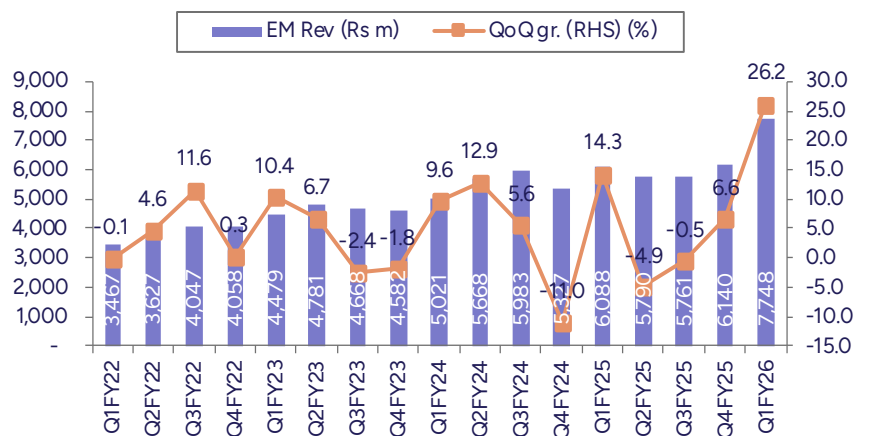
Source: Company, PL

Exhibit 4: Performance driven by gTolvaptan sales



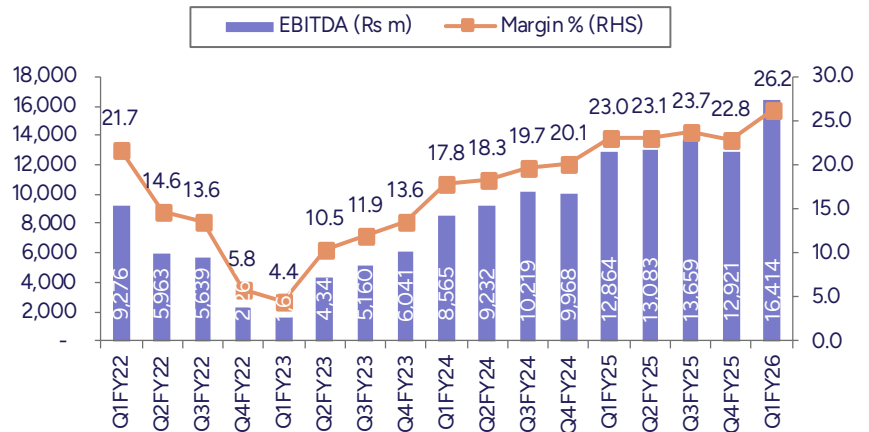
Source: Company, PL

Exhibit 5: Strong performance YoY



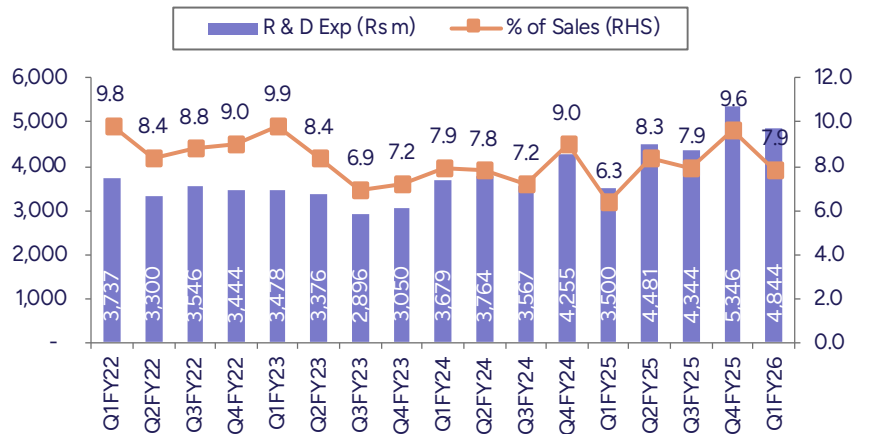
Source: Company, PL

Exhibit 6: Healthy GMs supported YoY



Source: Company, PL

Exhibit 7: R&D spend to remain in 7.5-8.5% range



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	1,98,055	2,27,079	2,53,588	2,70,287
YoY gr. (%)	19.0	14.7	11.7	6.6
Cost of Goods Sold	66,435	68,423	75,501	82,871
Gross Profit	1,31,620	1,58,656	1,78,087	1,87,417
Margin (%)	66.5	69.9	70.2	69.3
Employee Cost	34,946	39,642	44,399	47,951
Other Expenses	60,728	66,239	69,765	74,092
EBITDA	35,947	52,775	63,923	65,373
YoY gr. (%)	108.9	46.8	21.1	2.3
Margin (%)	18.1	23.2	25.2	24.2
Depreciation and Amortization	9,956	11,693	12,043	12,405
EBIT	25,991	41,082	51,879	52,969
Margin (%)	13.1	18.1	20.5	19.6
Net Interest	3,116	2,949	2,757	1,632
Other Income	1,307	2,016	3,359	3,000
Profit Before Tax	24,182	40,150	52,481	54,336
Margin (%)	12.2	17.7	20.7	20.1
Total Tax	4,867	7,087	9,808	10,867
Effective tax rate (%)	20.1	17.7	18.7	20.0
Profit after tax	19,315	33,062	42,673	43,469
Minority interest	211	246	250	250
Share Profit from Associate	-	-	-	-
Adjusted PAT	19,104	32,816	42,423	43,219
YoY gr. (%)	344.1	71.8	29.3	1.9
Margin (%)	9.6	14.5	16.7	16.0
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	19,104	32,816	42,423	43,219
YoY gr. (%)	344.1	71.8	29.3	1.9
Margin (%)	9.6	14.5	16.7	16.0
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	19,104	32,816	42,423	43,219
Equity Shares O/s (m)	456	457	457	457
EPS (Rs)	41.9	71.9	92.9	94.7

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	1,72,151	1,93,021	2,03,021	2,13,021
Tangibles	92,621	99,937	1,13,125	1,18,697
Intangibles	79,529	93,084	89,896	94,324
Acc: Dep / Amortization	1,04,849	1,16,542	1,28,585	1,40,990
Tangibles	43,636	48,502	53,514	58,677
Intangibles	61,213	68,040	75,071	82,313
Net fixed assets	67,301	76,479	74,436	72,031
Tangibles	48,986	51,435	59,611	60,021
Intangibles	18,316	25,045	14,825	12,011
Capital Work In Progress	5,957	3,555	3,555	3,555
Goodwill	23,250	22,326	22,326	22,326
Non-Current Investments	10,746	11,464	11,464	11,464
Net Deferred tax assets	567	3,327	3,327	3,327
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	-	-	-	-
Inventories	49,539	54,764	61,995	66,160
Trade receivables	46,921	54,971	60,647	64,722
Cash & Bank Balance	12,025	31,423	50,749	73,984
Other Current Assets	-	-	-	-
Total Assets	2,36,947	2,86,458	3,16,647	3,45,718
Equity				
Equity Share Capital	911	913	913	913
Other Equity	1,41,992	1,71,122	2,09,480	2,49,494
Total Network	1,42,903	1,72,035	2,10,393	2,50,407
Non-Current Liabilities				
Long Term borrowings	-	17,662	7,662	2,662
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	26,699	33,104	29,104	19,104
Trade payables	29,581	29,582	33,693	35,957
Other current liabilities	37,498	36,493	37,963	39,507
Total Equity & Liabilities	2,36,947	2,86,458	3,16,647	3,45,718

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	24,182	40,150	51,622	54,336
Add. Depreciation	9,956	11,693	12,043	12,405
Add. Interest	3,116	2,949	2,757	1,632
Less Financial Other Income	1,307	2,016	3,359	3,000
Add. Other	1,636	(1,451)	-	-
Op. profit before WC changes	38,889	53,341	66,423	68,373
Net Changes-WC	855	(14,280)	(7,326)	(4,433)
Direct tax	(3,261)	(9,060)	(9,808)	(10,867)
Net cash from Op. activities	36,484	30,000	49,289	53,073
Capital expenditures	(10,754)	(17,287)	(10,000)	(10,000)
Interest / Dividend Income	-	-	-	-
Others	-	-	-	-
Net Cash from Invst. activities	(10,754)	(17,287)	(10,000)	(10,000)
Issue of share cap. / premium	-	-	-	-
Debt changes	(16,171)	12,069	(10,000)	(5,000)
Dividend paid	(1,828)	(3,653)	(3,205)	(3,205)
Interest paid	(3,116)	(2,949)	(2,757)	(1,632)
Others	(5,520)	1,218	0	-
Net cash from Fin. activities	(26,636)	6,685	(15,963)	(9,838)
Net change in cash	(906)	19,398	23,325	33,235
Free Cash Flow	27,195	13,176	39,289	43,073

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	41.9	71.9	92.9	94.7
CEPS	63.8	97.5	119.3	121.8
BVPS	313.6	376.8	460.8	548.4
FCF	59.7	28.9	86.0	94.3
DPS	5.9	14.0	7.0	7.0
Return Ratio(%)				
RoCE	15.4	20.9	22.1	20.4
ROIC	11.6	16.1	19.5	19.5
RoE	14.3	20.8	22.2	18.8
Balance Sheet				
Net Debt : Equity (x)	0.1	0.1	(0.1)	(0.2)
Net Working Capital (Days)	123	129	128	128
Valuation(x)				
PER	44.2	25.8	19.9	19.6
P/B	5.9	4.9	4.0	3.4
P/CEPS	29.0	19.0	15.5	15.2
EV/EBITDA	23.9	16.4	13.0	12.1
EV/Sales	4.3	3.8	3.3	2.9
Dividend Yield (%)	0.3	0.8	0.4	0.4

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Net Revenue	56,727	57,678	56,671	62,683
YoY gr. (%)	12.6	11.0	14.2	11.9
Raw Material Expenses	16,899	17,216	16,862	17,719
Gross Profit	39,828	40,462	39,809	44,964
Margin (%)	70.2	70.2	70.2	71.7
EBITDA	13,083	13,659	12,921	16,414
YoY gr. (%)	41.7	33.7	29.6	27.6
Margin (%)	23.1	23.7	22.8	26.2
Depreciation / Depletion	2,569	2,715	3,932	2,990
EBIT	10,514	10,944	8,989	13,424
Margin (%)	18.5	19.0	15.9	21.4
Net Interest	709	669	891	918
Other Income	744	438	860	1,649
Profit before Tax	10,549	10,713	8,958	14,155
Margin (%)	18.6	18.6	15.8	22.6
Total Tax	1,954	2,124	1,135	1,941
Effective tax rate (%)	18.5	19.8	12.7	13.7
Profit after Tax	8,595	8,589	7,824	12,215
Minority interest	69	37	99	24
Share Profit from Associates	-	-	-	-
Adjusted PAT	8,526	8,552	7,725	12,190
YoY gr. (%)	74.1	39.5	114.9	52.1
Margin (%)	15.0	14.8	13.6	19.4
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	8,526	8,552	7,725	12,190
YoY gr. (%)	74.1	39.5	114.9	52.1
Margin (%)	15.0	14.8	13.6	19.4
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	8,526	8,552	7,725	12,190
Avg. Shares O/s (m)	456	456	456	456
EPS (Rs)	18.7	18.8	16.9	26.7

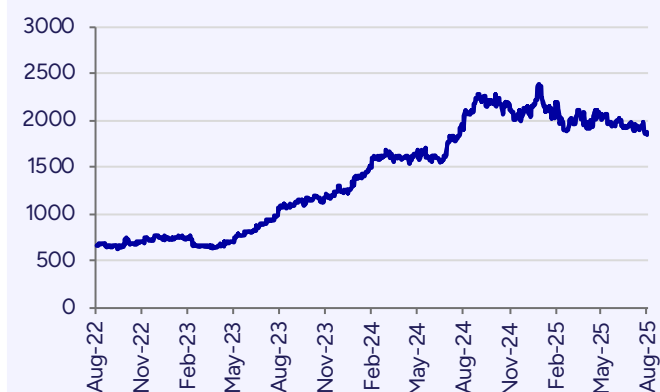
Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
India Formulations	66,564	75,773	83,946	92,350
US formulations	67,581	78,250	89,759	90,182
EU	6,218	7,192	8,038	8,884
ROW	27,486	30,838	34,249	38,192
API	11,415	11,772	12,714	13,731
Other	8,426	10,858	11,000	11,400

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Jul-25	BUY	2,400	1,979
2	16-May-25	BUY	2,400	2,073
3	08-Apr-25	BUY	2,420	1,923
4	13-Feb-25	BUY	2,420	2,025
5	08-Jan-25	BUY	2,420	2,359
6	10-Nov-24	BUY	2,420	2,105
7	07-Oct-24	BUY	2,300	2,198
8	08-Aug-24	BUY	2,300	1,994

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Apollo Hospitals Enterprise	BUY	8,350	7,616
2	Aster DM Healthcare	BUY	700	605
3	Aurobindo Pharma	BUY	1,300	1,079
4	Cipla	BUY	1,730	1,533
5	Divi's Laboratories	Accumulate	6,800	6,889
6	Dr. Reddy's Laboratories	Reduce	1,270	1,247
7	Eris Lifesciences	BUY	1,740	1,734
8	Fortis Healthcare	BUY	785	806
9	HealthCare Global Enterprises	BUY	620	560
10	Indoco Remedies	Hold	325	322
11	Ipca Laboratories	Accumulate	1,525	1,456
12	J.B. Chemicals & Pharmaceuticals	BUY	2,030	1,778
13	Jupiter Life Line Hospitals	BUY	1,720	1,451
14	Krishna Institute of Medical Sciences	BUY	725	695
15	Lupin	BUY	2,400	1,979
16	Max Healthcare Institute	BUY	1,300	1,300
17	Narayana Hrudayalaya	BUY	2,000	1,830
18	Rainbow Children's Medicare	BUY	1,725	1,541
19	Sun Pharmaceutical Industries	BUY	1,875	1,707
20	Sunteck Realty	BUY	650	427
21	Torrent Pharmaceuticals	Accumulate	4,000	3,623
22	Zydus Lifesciences	Accumulate	970	999

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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