



# RESEARCH REPORT

## LUPIN LTD



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# About

Lupin is an innovation-led transnational pharmaceutical company headquartered in Mumbai. Lupin develops and commercializes a wide range of branded and generic formulations, biotechnology products, and APIs in over 100 markets in the U.S., India, South Africa, and across the Asia Pacific (APAC), Latin America (LATAM), Europe, and Middle East regions.

## Revenue Breakup

Pharmaceuticals-99.54%

Others-0.5%

## Synopsis of Financials

- Revenues in Q4 grew by 13% YoY, driven by major regions like U.S., India, EMEA, and APAC.
- Gross margins and operating margins improved in Q4 due to better business and product mix.
- EBITDA margins improved quarter over quarter despite higher R&D investments.
- U.S. business continued strong performance with \$200 million plus revenues.
- New products like Tiotropium and generic Prolensa helped offset seasonal product decline.
- India business grew by 8.3% YoY in Q4 and 9.6% for FY24.
- EMEA and APAC regions recorded strong double-digit growth.
- Acquired two established brands from Sanofi for Europe and Canada.
- Closed Medisol transaction, expanding position in complex generics.
- R&D focus on complex products like inhalation and complex injectables.
- Compliance efforts ongoing with positive outcomes from recent inspections.

Source: Company Annual Report

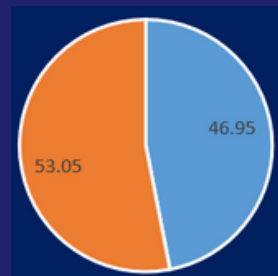
## Stock data (as 19th Mar 2025)

Nifty Price	: 22,905
52 week High (in Rs.)	: 2,403
52 week Low (in Rs.)	: 1,493
Market Cap. (in Crore)	: ₹ 93,360 Cr.
NSE Code	: LUPIN



-NIFTY50  
-LUPIN

## Shareholding Pattern (March 2024)



-PUBLIC GROUP  
-PROMOTER GROUP

## Financial Summary

Particulars	Mar 2022	Mar 2023	Mar 2024
Sales	16,405	16,642	20,011
Sales Growth %	8.19%	1.44%	20.25%
Expenses	16,187	14,921	16,211
Operating Profit	219	1,721	3,800
OPM %	1%	10%	19%
Net Profit	-1,528	448	1,936
EPS in Rs	-33.62	9.45	42.01

# Quarterly Results

Particular	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Sales	4,146	4,322	4,430	4,814	5,039	5,197	4,961
Expenses	3,693	3,790	3,852	3,958	4,121	4,159	3,964
Operating Profit	453	533	578	856	918	1,038	997
OPM %	11%	12%	13%	18%	18%	20%	20%
Other Income	15	18	37	23	40	29	29
Interest	55	84	93	86	81	74	71
Depreciation	203	220	264	235	248	257	457
Profit before tax	210	246	258	559	630	736	498
Tax %	36%	36%	6%	19%	21%	16%	26%
Net Profit	134	158	242	453	495	619	368

Source: Screener

## Key Ratios

Ratios	Numerator	Denominator	31.03.2024	31.03.2023
Current ratio	Total Current Asset	Total Current Liabilities	1.58	1.34
Debt-Equity ratio	Total Debt= Non Current Borrowings+ Current Borrowings	Total Equity Attributable to owners	0.19	0.34
Debt service coverage ratio	Earnings available for Debt Service = Net Profit after taxes before OCI + Non-cash operating expenses like depreciation and other amortizations - Unrealised gain + Interest + loss on sale of Property, plant and equipment	Debt service (Debt service =Interest & Lease Payments + Principal Repayments)	1.79	3.82
Return on Equity ratio (ROE)	Net profits after taxes	Average Shareholder's Equity = (Opening shareholder's Equity + Closing shareholder's Equity)/2	0.14	0.03
Inventory turnover ratio	Cost of Goods Sold =Cost of Materials Consumed +Purchases of Stock-in-Trade +Changes in Inventories of Finished Goods/Work in Progress/ Stock-in-Trade	Average Inventory = (Opening Inventory + Closing Inventory)/2	1.41	1.49
Trade receivables turnover ratio	Total sales	Closing Trade receivable	4.19	3.63
Trade payables turnover ratio	Total Purchases	Closing Trade Payables	2.57	2.80
Net capital turnover ratio	Net sales	Working Capital = current assets - current liabilities	3.97	5.11
Net Profit ratio (in%)	Net Profit after Tax	Revenue from Operations	10.00%	3.00%

Source: Annual Report

# Yearly Results

Particulars	Mar 2022	Mar 2023	Mar 2024
Equity Capital	91	91	91
Reserves	12,062	12,374	14,199
Borrowings	4,158	4,542	2,922
Other Liabilities	5,340	5,794	6,539
Total Liabilities	21,651	22,800	23,751
Fixed Assets	7,382	8,355	8,878
CWIP	1,146	1,238	773
Investments	900	517	1,075
Other Assets	12,224	12,690	13,026
Total Assets	21,651	22,800	23,751

# Synopsis Quarter Results

## Key Highlights

### Outlook and Strategy:

- Focus on driving margin improvement while growing business and evolving portfolio into complex generics and specialty.
- Expecting revenue growth of close to 10% in FY25 with EBITDA margin at 20% plus.
- U.S. business strategy focused on complex products in the pipeline.
- India business aiming for 20% to 30% growth above market.
- Diagnostic business scaling up well, expecting significant improvement in profitability in the next two years.
- Trade generics business spun into a separate entity to enhance focus and agility.
- Aim to reach \$1 billion in revenue in the medium to longer term.
- Expect fiscal year '26 to be close to the \$1 billion mark.

### Product Specific Insights:

- **Mirabegron:** Temporary restraining order in place, confident about relaunch.
- **Tiotropium:** Achieved 30% market share, on track with expectations.
- **Spiriva:** Expecting 30% - 35% market share, focused on profitable share.
- **Myrbetriq:** Launched 25 mg, potential to launch 50 mg if TRO is lifted.
- **Oracea:** Strong launch performance in April.
- Factors driving growth include new product launches like Tolvaptan and injectable portfolio.

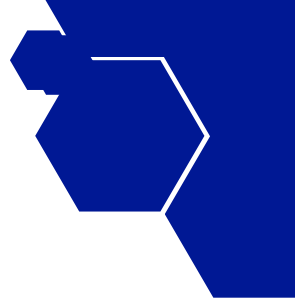
### Market Insights:

- Price erosion in U.S. generics industry has been reasonable over the last 12 months.
- Government crackdown on CMO suppliers, Lupin not impacted due to robust vendor management.
- Trade generics segment expected to grow due to organized retail, hospital segment, and institutional buyers.
- Recognizing potential challenges like price erosion and competition in the market.
- Optimistic about the strong position in major markets and portfolio to drive business growth.

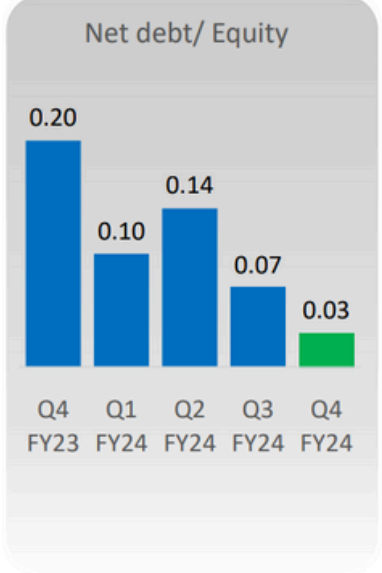
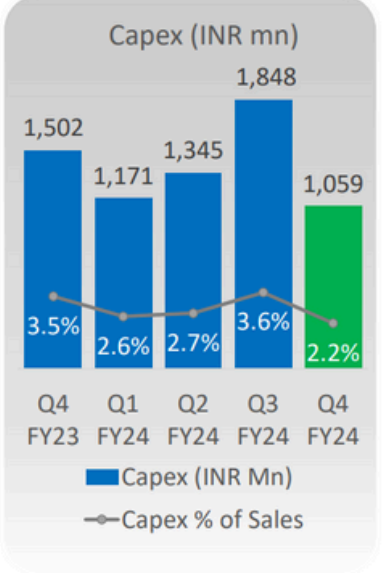
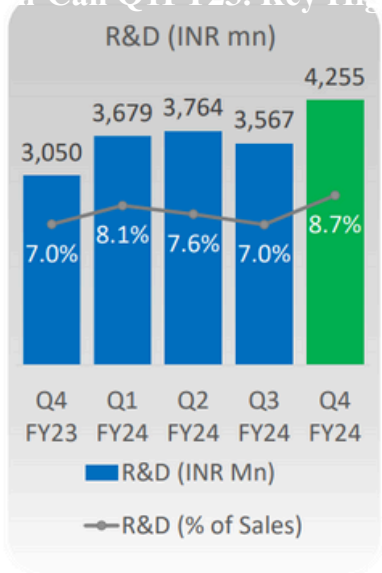
### Future Growth Areas:

- Expansion in India business with focus on double-digit growth.
- Continued focus on complex generics and specialty products.
- Opportunities in diagnostic business for revenue growth and profitability improvement.
- Trade generics business expected to grow but not dominate the market.
- Biosimilars business focused on development and manufacturing, cautiously building the portfolio for long-term benefits.
- ANDA filings focused on more complex filings rather than quantity of filings.
- Expectation to reach 23-24% margins in the next two to three years.
- Investments in infrastructure for biosimilars around INR 450-500 crores.
- Mid-20% EBITDA margin target for the next few years.
- Working towards evolving the business model to achieve EBITDA margin targets.
- Continuing to work towards EBITDA margin targets while focusing on new product launches and market positioning.
- Partnering with other companies and investing in R&D for future growth.
- Looking forward to connecting with stakeholders in the next quarter for further updates.

# Highlights



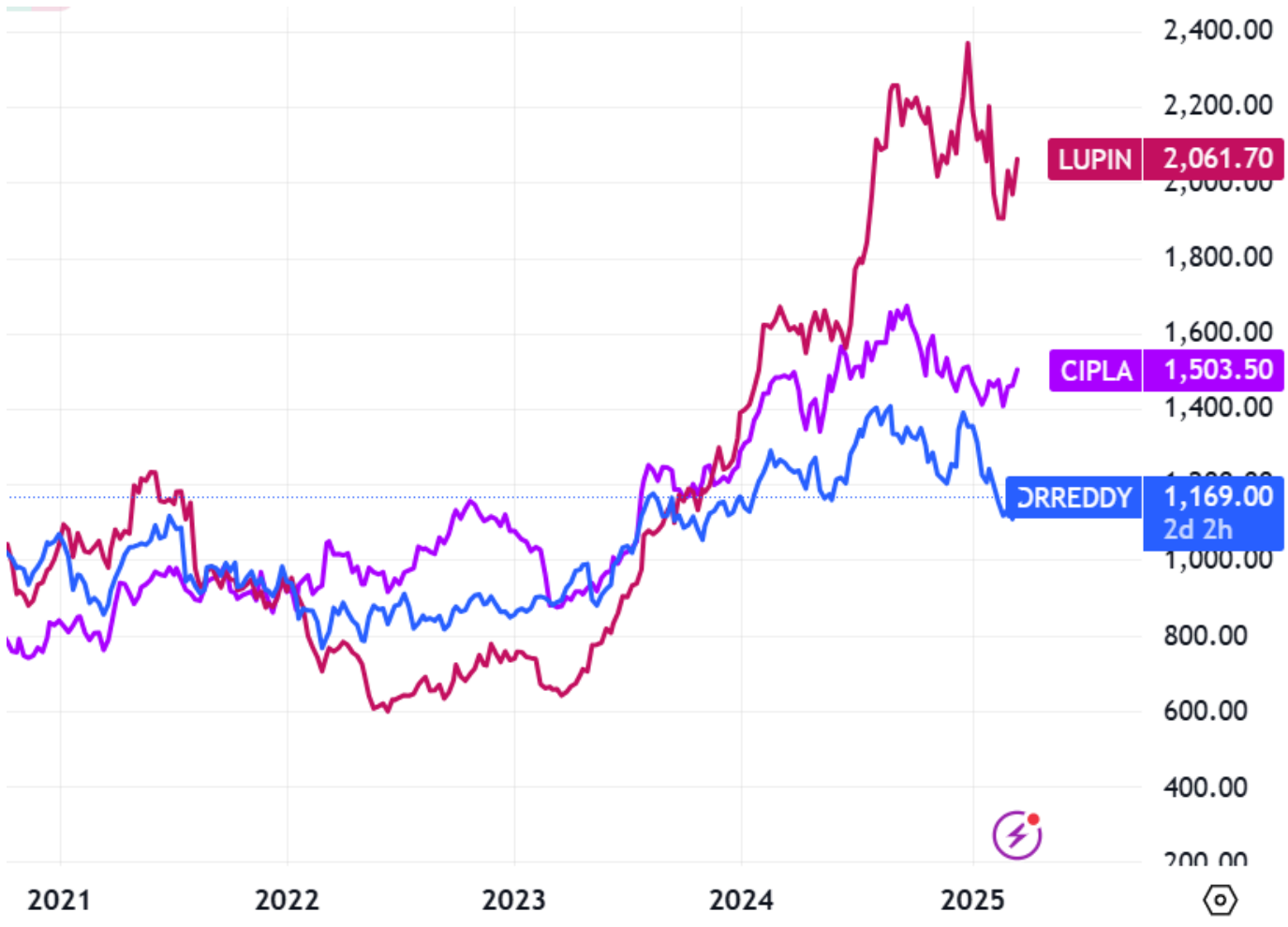
Call Q1 FY25: Key Metrics



# Peer Comparison



## Peer Stock Performance (5Y) Indexed



Source: Trading View

## Peer Financial Performance

Company	Market Cap	Revenue	Profit	EPS	Dividend	P/E Ratio	EV/EBITDA	ROIC	Debt/Equity
Cipla	1500.15	24.29	121154.30	0.87	1574.59	31.37	7072.97	7.10	22.80
Dr Reddy's Labs	1169.90	18.18	97622.91	0.69	1404.20	1.69	8381.20	15.81	26.53
Lupin	2056.20	32.70	93873.95	0.39	858.86	39.48	5767.71	10.97	15.72

Source: Screener

# Final Outlook



**LUPIN: BUY | LTP: 2056**

Lupin's future forecast suggests a potential upside, with analysts estimating a price target around 2,289.82 INR, ranging from a minimum of 1,834.00 INR to a maximum of 2,800.00 INR.

Here's a more detailed breakdown:

- **Price Target:** TradingView analysts predict a price target of 2,289.82 INR for Lupin Ltd.
- **Maximum and Minimum Estimates:** The maximum estimate is 2,800.00 INR, while the minimum estimate is 1,834.00 INR.
- **Revenue:** In the next quarter, Lupin's revenue is expected to reach 55.21 billion INR.
- **Earnings Per Share (EPS):** The EPS for the last quarter was 19.00 INR, despite an estimation of 17.94 INR. The next quarter's EPS is expected to reach 16.65 INR.
- **Analysts' Opinions:** analysts have a consensus estimate of 2329.44, representing a 14.49% upside from the last price of 2034.65.
- **Lupin's Financial Performance:** Lupin has demonstrated robust financial performance in FY24, with total revenue surpassing INR 200 Bn, and EBITDA percentage growing sequentially every quarter.
- **Stock Returns:** The stock gave a 3-year return of 165.85% as compared to Nifty 100 which gave a return of 31.16%.
- **Earnings Report:** Lupin is going to release its next earnings report on May 13, 2025.
- **Market Capitalization:** Today, Lupin LTD has a market capitalization of 909.00 billion, which has increased by 0.75% over the last week.
- **Volatility:** Lupin stock is 2.59% volatile and has a beta coefficient of 0.77.
- **Technical Analysis:** Immediate support is at 1,910.53, and immediate resistance is at 2,053.23.
- **Future Growth:** The company's pipeline, particularly in complex generics, injectables, and biosimilars, is expected to contribute majorly to future growth.

I would give **buy** recommendation for this stock.

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