



# Research Report

Lupin Limited



Prepared By-

ANUJ SHARMA

EQUITY RESEARCH ANALYST

# 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. Co. is engaged in developing and marketing generic formulations, biotechnology products, and APIs globally. Co. has a significant presence in the Cardiovascular, Diabetology, Asthma, Pediatrics, and Central Nervous system, among other segments, and is a global leader in e Anti-TB and Cephalosporins segments.

## Business Segments

Lupin is present in India through **Lupin Life**, **Lupin Diagnostics**, **Life Atharv Ability**, **SciFlix**, **Humrahi**, **Pharmarack**.

### Sales Mix Q2FY24

India : 34%

US : 38%

API : 5%

EMEA : 10%

ROW : 4%

Growth markets : 9%

## Synopsis of Financials

### Q3 FY26: Financial performance:

Revenue from operations INR 7,168 cr (+24% YoY), with EBITDA margin 31.1% (+681 bps YoY).

Gross margin expanded further to 73.5% (vs 69.4% in Q3 FY25; +420 bps YoY)

Other operating income fell sharply to INR 67 cr (vs INR 149 cr in Q3 FY25; INR 216 cr in Q2 FY26)

## Stock data (as 17th April 2026)

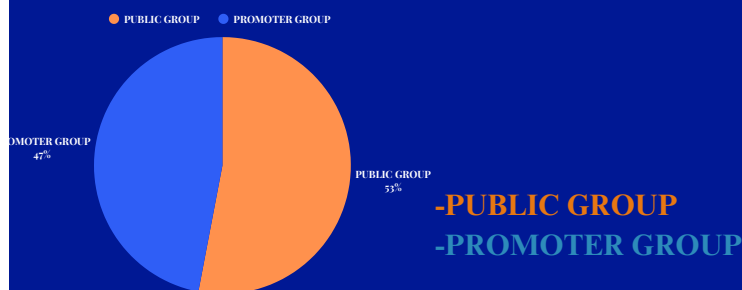
Nifty Price	: 24,353.55
52 week High (in Rs.)	: 2,377.60
52 week Low (in Rs.)	: 1,836.80
Market Cap. (in Crore)	: 1,06,179.85
NSE Code	: INE326A01037

## Stock data

**-NIFTY50**  
**-LUPIN LTD.**



## Shareholding Pattern (December 2025)



## Financial Summary

Particular	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Sales -	15,163	16,405	16,642	20,011	22,708
Sales Growth %	-1.38%	8.19%	1.44%	20.25%	13.48%
Expenses +	12,596	16,187	14,921	16,211	17,430
Operating Profit	2,567	219	1,721	3,800	5,278
OPM %	17%	1%	10%	19%	23%
Net Profit +	1,228	-1,528	448	1,936	3,306
EPS in Rs	26.81	-33.62	9.45	42.01	71.88
Dividend Payout %	24%	-12%	42%	19%	17%

# Quarterly Results

Particular	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Sales -	5,600	5,673	5,768	5,667	6,268	7,048	7,168
YOY Sales Growth %	16.33%	12.59%	10.97%	14.24%	11.93%	24.23%	24.27%
Expenses -	4,359	4,332	4,412	4,346	4,541	4,706	4,906
Material Cost %	31.15%	29.79%	29.85%	29.75%	28.27%	25.89%	26.20%
Employee Cost %	17.34%	17.76%	17.07%	17.67%	17.28%	15.69%	15.95%
Operating Profit	1,241	1,340	1,356	1,321	1,727	2,341	2,262
OPM %	22%	24%	24%	23%	28%	33%	32%
Other Income -	68	42	54	57	79	90	-312
Other income normal	68	42	54	57	79	90	115
Interest	68	71	67	89	92	108	115
Depreciation	248	257	271	393	299	317	313
Profit before tax	993	1,055	1,071	896	1,416	2,007	1,522
Tax %	19%	19%	20%	13%	14%	26%	22%
Net Profit +	806	859	859	782	1,221	1,485	1,181

Source: Screener

## Key Ratios

Ratios	Numerator	Denominator	31.03.2025	31.03.2024	% of variances	Reason for Variances
Current Ratio	Total Current Asset	Total Current Liabilities	3.60	2.51	43.43	On account of increase in trade receivables due to higher sales.
Debt-Equity Ratio	Total Debt= Non Current Borrowings+ Current Borrowings	Total Equity Attributable to owners	-	-	-	
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 Fixed assets	Debt service = Interest & Lease Payments + Principal Repayments	51.71	40.21	28.60	Increase in profit due to higher sales.
Return on equity ratio (ROE)	Net profits after taxes	Average Shareholder's Equity = (Opening Shareholder's Equity + Closing Shareholder's Equity)/2	0.18	0.12	50.00	Increase in profit due to higher sales.

Source: Annual Report

# Yearly Results

Particulars	March 2021	March 2022	March2023	March2024	March2025
Equity Capital	91	91	91	91	91
Reserves	13,712	12,062	12,374	14,199	17,112
Borrowings	5,129	4,158	4,542	2,922	5,448
Other Liabilities	4,498	5,340	5,794	6,539	6,327
Total Liabilities	23,430	21,651	22,800	23,751	28,978
Fixed Assets	7,881	7,382	8,355	8,878	9,719
CWIP	1,066	1,146	1,238	773	517
Investments	2,455	900	517	1,075	1,146
Other Assets	12,028	12,224	12,690	13,026	17,596
Total Assets	23,430	21,651	22,800	23,751	28,978

# Synopsis Quarter Results

## Concall Notes - Feb-2026: Key Highlights

### Q3 FY26: Financial performance and key deltas vs. prior periods:

- Revenue and profitability reached new highs. Revenue from operations INR 7,168 cr (+24% YoY), with EBITDA margin 31.1% (+681 bps YoY). Management emphasized this quarter “exceed[ed] the record performance we had delivered last quarter.”
- Gross margin expanded further to 73.5% (vs 69.4% in Q3 FY25; +420 bps YoY)
- Other operating income fell sharply to INR 67 cr (vs INR 149 cr in Q3 FY25; INR 216 cr in Q2 FY26), “largely impacted by lower export benefits from the PLI scheme.”
- FY26 EBITDA margin now expected 27%–28% (raised from 25%–26%).
- However, Q4 margin to be “tempered” by “higher R&D expenditure and a lower PLI income.”
- FY27 EBITDA margin still framed conservatively at 24%–25%, driven by expected competitive intensity and continued investment.

### Tax / cash / working capital:

- ETR 9M FY26: 21.4%; FY26 guide 21%–22%.
- Operating working capital 101 days (vs 102 days previous quarter).
- Net cash INR 2,879 cr (vs INR 310 cr as of Mar’25), with explicit intent to allocate capital strategically, including “on the speciality front.”

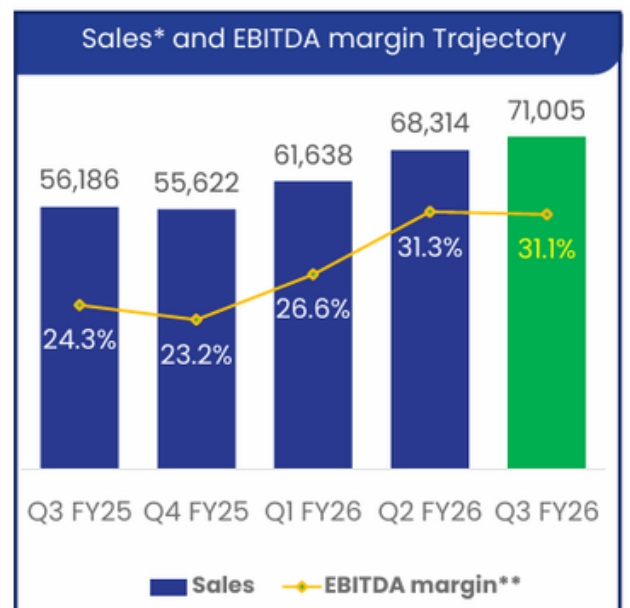
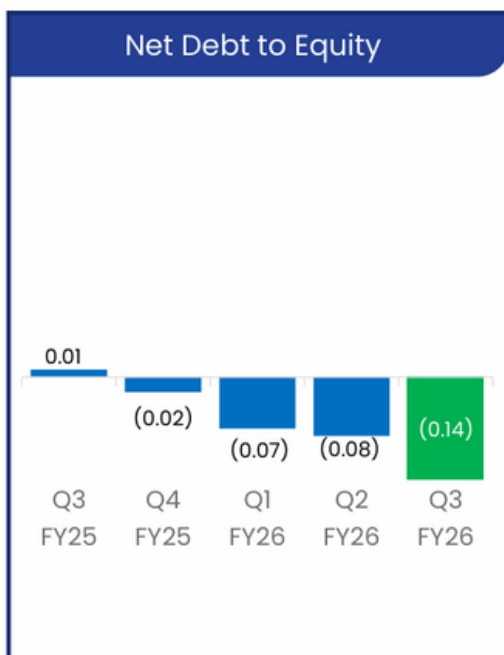
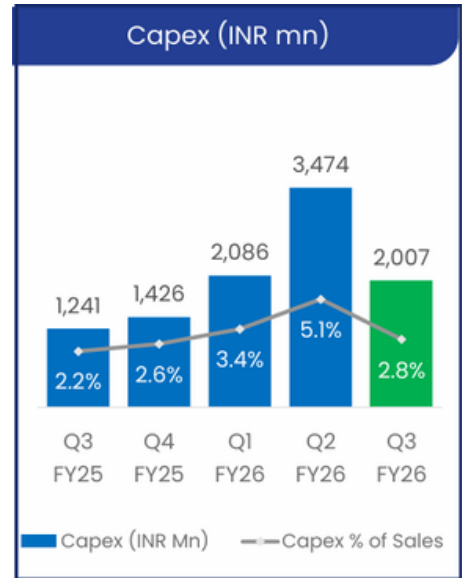
### Cost ratios improved despite absolute growth:

- Employee costs INR 1,143 cr (+16.1% YoY) but down to 16.1% of sales (vs 17.5%).
- Manufacturing & other expenses stated at 27.3% of sales (vs 30.2% last year); management attributed increase to “higher volumes.”

# Highlights



	Q3 FY26	Q3FY25	Q2 FY26
Sales	71,005	56,186	68,314
EBITDA <sup>3</sup>	22,095	13,659	21,376
Net Income <sup>4</sup>	11,756	8,552	14,779



# Peer Comparison

## Peer Stock Performance (5Y) Indexed



Source: Trading View

## Peer Financial Performance

Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
Sun Pharma.Inds.	1687.80	33.37	404959.75	0.96	3381.17	18.73	15520.54	13.49	20.21
Divi's Lab.	6175.00	64.68	163926.90	0.49	583.00	8.20	2604.00	12.29	20.44
Torrent Pharma.	4166.80	61.18	141023.48	0.77	635.00	27.63	3303.00	17.59	27.05
Lupin	2337.20	21.47	106851.87	0.51	1180.51	75.99	7167.52	24.27	21.30

Source: Screener

# Final Outlook

**LUPIN: HOLD | LTP: 2,322.50**

## **Simple Summary:**

Lupin has shown a strong recovery after a weak phase, with improving revenue, margins, and profitability. Growth is supported by better performance in the US market, strong domestic business, and focus on high-margin specialty products. The company has also reduced its debt and improved operational efficiency. However, the pharmaceutical industry remains competitive and subject to regulatory risks, especially in the US. Overall, Lupin is moving back into a stable growth phase.

## **Recent Performance (Q3 FY26 – Easy View)**

- Revenue growth: ~+11% YoY
- EBITDA margin improving due to cost control
- Strong performance in US and India markets
- Focus on complex generics and specialty drugs

## **Simple Understanding**

- Revenue is growing steadily again after slowdown
- Profit dropped earlier but strong recovery in FY24–FY25
- Margins are improving again (good sign)
- Debt is gradually reducing

## **Final Verdict: HOLD**

Lupin is a recovering pharma company with improving financial performance and better growth visibility. However, due to industry competition and regulatory risks, near-term upside may be moderate.

**Disclaimer: The information provided on this blog is for general informational purposes only and is not intended as financial advice. While we aim to provide accurate information, please conduct your own research before making any investment decisions. This content is for informational purposes only and should not be construed as financial advice. Always consult with a financial advisor before investing.**

**This blog may contain links to external websites for your convenience. We do not endorse the content or views expressed in these external sites and are not responsible for their accuracy or reliability.**

**By using this blog, you acknowledge that you have read and understood this disclaimer and agree to its terms.**