

Research Report

LAURUS LABS LIMITED



Prepared By-

ABHISHEK SHELAR
EQUITY RESEARCH ANALYST

About

Laurus Labs Limited is a Hyderabad-based pharmaceutical company established in 2005. It develops and manufactures Active Pharmaceutical Ingredients (APIs), generic formulations, biotechnology products, and provides CDMO services. The company is recognized globally for its leadership in anti-retroviral APIs used in HIV treatment. With a strong focus on research, innovation, and quality, Laurus Labs serves customers across numerous countries and contributes to improving access to affordable healthcare worldwide.

Business segments

Segment Revenue Contribution (%)

The major business segments of Laurus Labs Limited and their approximate revenue contribution for FY2025-26 are:

- Segment Revenue Contribution (%)
- CDMO (Contract Development & Manufacturing): 36%
- FDF (Finished Dosage Forms): 34%
- APIs (Active Pharmaceutical Ingredients): 26%
- Synthesis: 3%
- Others: 1%

Synopsis of Financials

Synopsis of Results (FY26)

- Revenue: ₹6,813 crore (↑ 23% YoY)
- EBITDA: ₹1,826 crore (↑ 64% YoY)
- EBITDA Margin: 26.8%
- PBT: ₹1,182 crore (↑ 144% YoY)
- PAT: ₹889 crore (↑ 148% YoY)
- ROCE: 17.7%

Laurus Labs delivered an excellent FY2025-26 performance with strong revenue growth, significant margin expansion, and higher profitability, driven by robust CDMO demand, operational efficiency, and an improved product mix.

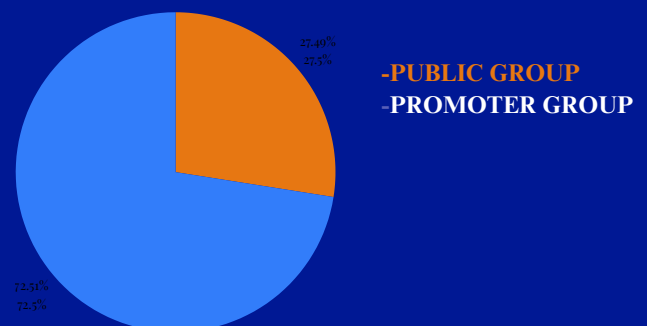
Stock data (as 07th July 2026)

Nifty Price	: 24,500.20
52 week High (in Rs.)	: 1,555.00
52 week Low (in Rs.)	: 663.05
Market Cap. (in Crore)	: 82,290.82
NSE Code	: INE947Q01028

Stock data



Shareholding Pattern (March 2026)



Financial Summary

Particulars	Mar-2024	Mar-2025	Mar-2026
Sales	5,041	5,554	6,813
Sales Growth %	-16.55%	10.18%	22.67%
Expenses	4,261	4,499	5,028
Operating Profit	779	1,055	1,785
OPM %	15%	19%	26%
Net Profit	162	358	890
EPS in Rs	2.98	6.64	16.46

Quarterly Results

Particular	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
Sales -	1,224	1,415	1,720	1,570	1,653	1,778	1,812
YOY Sales Growth %	-0.06%	18.42%	19.49%	31.35%	35.12%	25.67%	5.31%
Expenses +	1,045	1,130	1,300	1,187	1,250	1,298	1,299
Operating Profit	178	285	421	382	403	480	512
OPM %	15%	20%	24%	24%	24%	27%	28%
Other Income +	5	9	59	10	27	6	12
Interest	53	58	56	52	40	39	40
Depreciation	108	106	110	117	120	121	122
Profit before tax	23	131	312	224	270	327	361
Tax %	22%	31%	25%	28%	28%	22%	22%
Net Profit +	20	93	233	162	194	252	282
EPS in Rs	0.37	1.71	4.33	3.02	3.61	4.66	5.17

Source: Screener

Key Ratios

Ratio	FY 26	FY 25	Change
Debtors Turnover	3.2	2.8	14%
Inventory Turnover	2.9	2.9	0%
Interest Coverage Ratio	11.1	5.3	109%*
Current Ratio	1.33	1.22	9%
Debt-Equity Ratio	0.45	0.60	-25%**
EBITDA Margin (%)	26.8%	20.1%	33%*
Net Profit Margin (%)	13.0%	6.4%	103%*
Return on Networth (%)	16.8%	8.0%	110%*
Net Debt-EBITDA	1.3x	2.3x	-43%*

Source: Annual Report

Yearly Results

Particulars	Mar-24	Mar-25	Mar-26
Equity Capital	108	108	108
Reserves	4,003	4,365	5,192
Borrowings	2,577	2,764	2,518
Other Liabilities	1,699	2,099	2,693
Total Liabilities	8,387	9,336	10,511
Fixed Assets	3,890	4,123	4,371
CWIP	423	458	773
Investments	124	233	309
Other Assets	3,950	4,521	5,058
Total Assets	8,387	9,336	10,511

Synopsis Quarter Results

Concall Notes - Mar-2026: Key Highlights

Laurus Labs Limited reported a strong operational and financial performance in the fourth quarter of FY2025-26, demonstrating healthy growth in revenue, profitability, and margins. The company's performance was supported by robust execution across its core businesses, particularly CDMO, Finished Dosage Forms (FDF), and Active Pharmaceutical Ingredients (APIs), along with continued operational efficiency and a favorable product mix.

Revenue from operations for the quarter stood at ₹1,811.6 crore, registering a 5.3% year-on-year (YoY) increase from ₹1,720.3 crore reported in Q4 FY2024-25. Total income increased to ₹1,823.4 crore, reflecting stable business momentum across domestic and international markets. The company continued to benefit from increasing demand for its contract manufacturing services and higher value-added products.

Operational profitability improved significantly during the quarter. EBITDA was approximately ₹484 crore, resulting in an EBITDA margin of around 26.7%, compared with lower margins in the corresponding period last year. Improved gross margins, better product mix, and effective cost optimization initiatives contributed to the expansion in profitability.

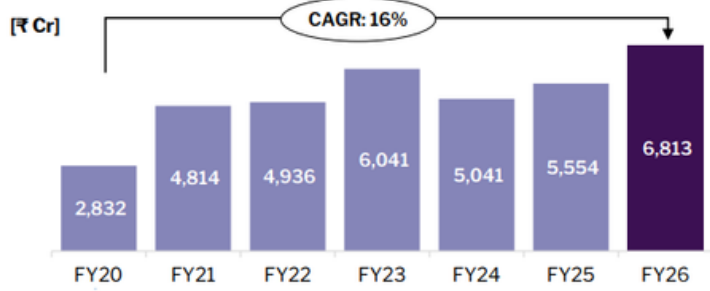
Profit Before Tax (PBT) increased to ₹361.4 crore, compared with ₹312.3 crore in Q4 FY2024-25, reflecting a 15.7% YoY growth. Profit After Tax (PAT) rose to ₹281.9 crore, up from ₹233.9 crore in the corresponding quarter last year, representing a healthy 20.5% YoY increase. Basic and Diluted Earnings Per Share (EPS) stood at ₹5.17, compared with ₹4.34 in Q4 FY2024-25, indicating stronger earnings for shareholders.

The Board of Directors approved a second interim dividend of ₹1.20 per equity share (60% on the face value of ₹2 each) for FY2025-26. The company fixed May 8, 2026, as the record date for determining shareholder eligibility, while dividend payment will commence on or after May 20, 2026. Additionally, the Board approved convening the 21st Annual General Meeting (AGM) on July 2, 2026, through Video Conferencing/Other Audio-Visual Means.

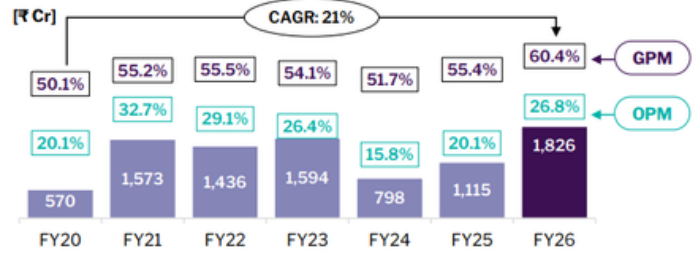
Overall, Laurus Labs delivered another strong quarterly performance driven by sustained demand across key business segments, improved operating leverage, disciplined cost management, and higher profitability. The continued growth in revenue, expanding margins, and healthy earnings reflect the company's strong execution capabilities and reinforce its long-term growth outlook in the global pharmaceutical and CDMO markets.

Highlights

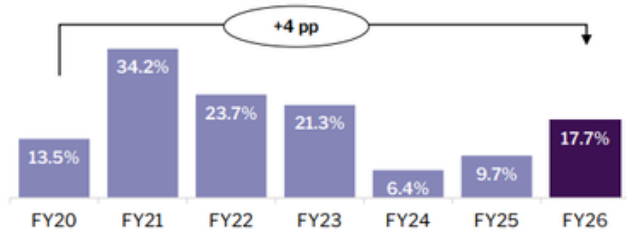
Revenues



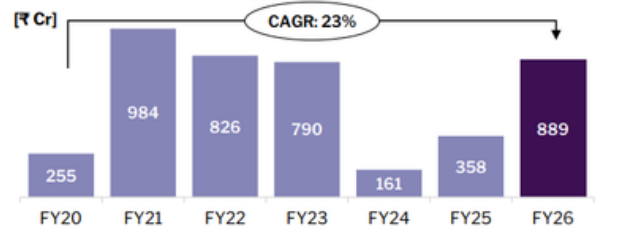
EBITDA & Gross Profit Margins



RoCE



Net Profit



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	Sales Qtr	Qtr Sales Var %	ROCE %
Torrent Pharma.	4839.8	74.77	163801	0.79	364	-20.58	4197	41.84	15.19
Cipla	1462.6	31.08	118156	0.88	542.51	-54.61	6541.2	-2.8	15.49
Dr Reddy's Labs	1364.25	28.41	113871	0.59	221.3	-86.14	7546.4	-11.51	13.04
Lupin	2489.4	19.73	113823	0.48	1468.67	101.49	7474.66	31.89	30.32
Laurus Labs	1508.15	91.13	81477.7	0.13	282.09	19.46	1811.57	5.31	17.76

Source: Screener

Final Outlook

LAURUSLABS: HOLD | LTP: 1,505 . 00

Laurus Labs Limited delivered a strong turnaround in FY2025-26, demonstrating robust execution across its core business segments and reinforcing its long-term growth potential. The company reported revenue from operations of ₹6,813 crore, reflecting a 23% YoY increase, while EBITDA grew 64% YoY to ₹1,826 crore, resulting in a healthy EBITDA margin of 26.8%. Profit Before Tax (PBT) more than doubled to ₹1,182 crore, and Profit After Tax (PAT) surged 148% YoY to ₹889 crore, highlighting significant improvement in operational efficiency and profitability. These results were driven by strong performance in the CDMO business, improved product mix, higher capacity utilization, and disciplined cost management.

Looking ahead, Laurus Labs is strategically positioned to capitalize on the growing global demand for outsourced pharmaceutical manufacturing, complex generic formulations, and biotechnology services. The company continues to expand its Contract Development and Manufacturing Organization (CDMO) capabilities, which are expected to remain a key growth driver due to increasing outsourcing by global pharmaceutical and biotechnology companies. In addition, continued investments in advanced manufacturing technologies, research & development, and capacity expansion are expected to strengthen its competitive position and support the commercialization of high-value products.

The company's diversified business model across APIs, Finished Dosage Forms (FDF), CDMO, and biotechnology reduces dependence on any single business segment while providing multiple growth avenues. Laurus Labs is also focused on increasing its presence in regulated markets such as the United States, Europe, and other global markets, supported by strong regulatory compliance and long-standing customer relationships. The growing contribution from specialty products and innovation-driven businesses is expected to improve margins and enhance earnings quality over the medium to long term. From an investment perspective, Laurus Labs offers an attractive long-term growth story supported by a strong balance sheet, improving return ratios, healthy operating cash flows, and a scalable business model. The company's strategic investments in high-growth segments, expanding global customer base, and focus on operational excellence are likely to drive sustainable revenue growth and profitability over the next few years. While regulatory compliance, pricing pressure, and raw material cost fluctuations remain key risks, the company's diversified portfolio, execution capabilities, and strong industry positioning provide confidence in its long-term prospects. Overall, Laurus Labs remains well positioned to deliver consistent earnings growth and create sustainable shareholder value, making it a compelling long-term investment opportunity in the Indian pharmaceutical and CDMO sector.

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.