

Lupin Limited

25th November, 2025

BUY

Data as of: 24-Nov-2025, 18:00 hrs

Solid Q2 Results, Resilient US Market Momentum

- In Q2FY26, Lupin reported a consolidated revenue of Rs. 7,048cr, up 24.2% YoY, driven by strong US launches, resilient Indian formulations, a robust European market and improved product mix supporting overall growth.
- Lupin's India segment revenue rose 3.4% YoY to Rs. 2,078cr, led by an 8.8% growth in Rx business, strong chronic therapy momentum and robust volume growth, though it was tempered by weaker tender sales.
- The US business grew 45.7% YoY to Rs. 2,872cr, supported by new launches such as Glucagon and Liraglutide (gVictoza®) during the quarter, marking the highest quarterly sales recorded since Q3FY17.
- EMEA business grew 24.4% YoY to Rs. 708cr, driven by strong Luforbec uptake and higher sales in the UK and Germany.
- EBITDA rose 74.7% YoY to Rs. 2,341cr, with the margin widening 960bps YoY to 33.2%, owing to an increase in net revenue, along with cost-saving initiatives.

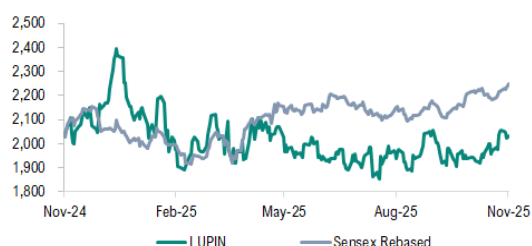
Outlook and Valuation

Lupin Ltd. delivered a strong performance driven by resilient US momentum, progress across respiratory platforms, expanding biosimilar execution, improved compliance and a strengthening global specialty footprint through VISUfarma integration. Management emphasized continued advancement in complex generics, injectables, peptides, green propellant inhalers and upcoming respiratory filings, supported by India chronic expansion and planned specialty launches. Although certain markets face temporary regulatory and portfolio-related challenges, the overall outlook remains supported by innovation, investments, operational enhancements and a strong pipeline that is expected to reinforce long-term performance. Therefore, **we revise our rating to BUY on the stock, with a revised target price of Rs. 2,225, based on 25x FY27E adjusted earnings per share.**

Quarterly Financials Consol.

Rs.cr	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY26	H1FY25	YoY (%)
Sales	7,048	5,673	24.2	6,268	12.4	13,316	11,273	18.1
EBITDA	2,341	1,340	74.7	1,727	35.6	4,069	2,581	57.6
Margin (%)	33.2	23.6	960bps	27.6	560bps	30.6	22.9	770bps
EBIT	2,025	1,083	86.9	1,428	41.8	3,453	2,077	66.3
PBT	2,007	1,055	90.3	1,416	41.8	3,423	2,048	67.1
Rep. PAT	1,485	859	72.8	1,221	21.6	2,706	1,665	62.5
Adj PAT	1,478	853	73.3	1,219	21.2	2,697	1,654	63.1
Adj. EPS (Rs)	32.4	18.7	73.1	26.7	21.2	59.0	36.3	62.8

*over or under performance to benchmark index

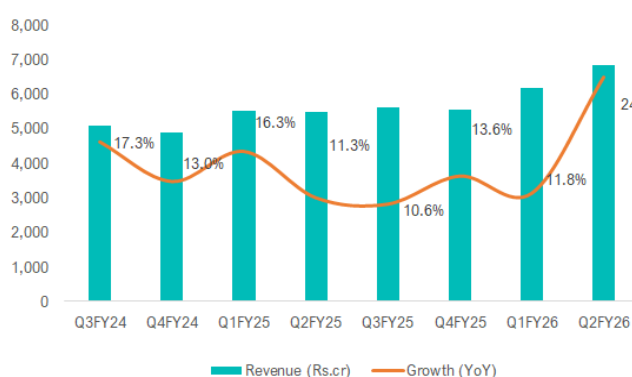


Y.E March (cr)	FY25A	FY26E	FY27E
Sales	22,708	26,207	27,594
<i>Growth (%)</i>	<i>13.5</i>	<i>15.4</i>	<i>5.3</i>
EBITDA	5,283	6,757	6,568
<i>EBITDA Margin (%)</i>	<i>23.3</i>	<i>25.8</i>	<i>23.8</i>
PAT Adjusted	3,282	4,401	4,052
<i>Growth (%)</i>	<i>70.8</i>	<i>33.8</i>	<i>-7.9</i>
Adjusted EPS	72.0	96.6	88.9
<i>Growth (%)</i>	<i>70.8</i>	<i>33.8</i>	<i>-7.9</i>
P/E	28.1	21.0	22.8
P/B	5.4	5.0	4.8
EV/EBITDA	17.9	14.3	14.8
<i>ROE (%)</i>	<i>19.2</i>	<i>24.1</i>	<i>21.3</i>
D/E	0.3	0.4	0.4

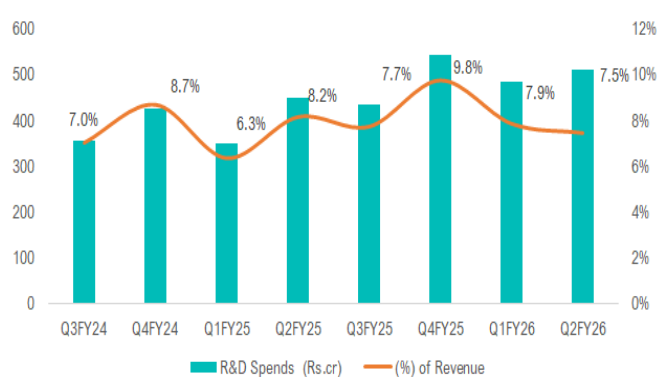
Key concall highlights

- R&D expenses as a percentage of sales decreased to 7.5% during the quarter. Lupin expects full-year R&D investment to remain around 7.5% to 8.5% of sales, with increasing allocation towards complex generics and biosimilars.
- Lupin's capital expenditure in the quarter increased 139.8% YoY to Rs. 347cr. As a percentage of sales, it stood at 5.1%, up from 2.6% in the same period last year.
- Management anticipates maintaining over \$1 billion annual US sales momentum, aided by launches such as Ravicti, Risperdal Consta, Pegfilgrastim, Victoza and Ranibizumab next year.
- Lupin's advancing respiratory pipeline include Dulera, Spiriva Respimat, Breo, Trelegy and Anoro, with multiple filings expected soon and commercial launches planned through FY27-FY29.
- Lupin expects the VISUfarma acquisition to significantly strengthen its European specialty footprint, enabling multi-country launches and scaling ophthalmology assets, with global specialty revenues projected to reach \$150mn next year.
- Management expects full-year EBITDA margins to remain in the 25%-26% range, supported by strong gross margin, but moderating in H2 by higher R&D spending and lower production-linked incentive (PLI) income.
- Lupin expects US quarterly sales to remain in the \$275-300mn range as the Tolvaptan runway extends due to delayed competitor TA (tentative approval) and only 30% market conversion so far.

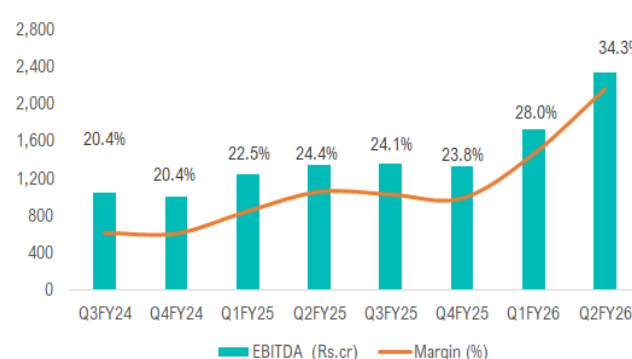
Revenue



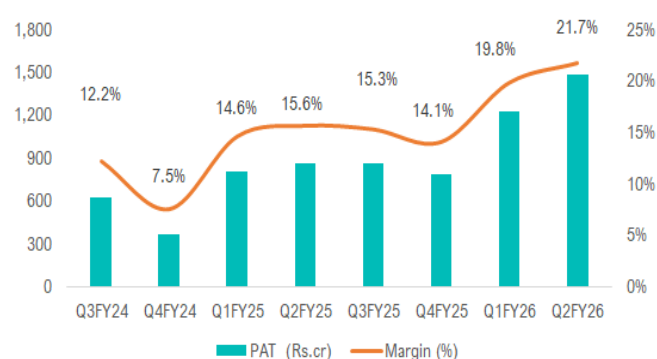
R&D Spends



EBITDA



PAT



Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	25,691	27,068	26,207	27,594	2.0	1.9
EBITDA	6,194	6,502	6,757	6,568	9.1	1.0
Margins (%)	24.1	24.0	25.8	23.8	168bps	-20bps
Adj. PAT	3,799	3,963	4,401	4,052	15.8	2.2
EPS	83.3	86.9	96.6	88.9	15.9	2.3



Consolidated Financials

Profit & Loss

Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Sales	16,642	20,011	22,708	26,207	27,594
% change	1.4	20.2	13.5	15.4	5.3
EBITDA	1,798	3,811	5,283	6,757	6,568
% change	526.0	111.9	38.7	27.9	-2.8
Depreciation	881	1,197	1,169	1,241	1,445
EBIT	917	2,614	4,114	5,517	5,123
Interest	274	312	295	324	363
Other Income	73	120	196	200	205
PBT	716	2,422	4,015	5,393	4,965
% change	-152.2	238.1	65.8	34.3	-7.9
Tax	269	487	709	969	893
Tax Rate (%)	37.5	20.1	17.7	18.0	18.0
Reported PAT	448	1,936	3,306	4,423	4,072
PAT att. to common shareholder-	430	1,914	3,282	4,401	4,052
Adj.*	-	-	-	-	-
Adj. PAT	430	1,914	3,282	4,401	4,052
% change	-129.7	332.3	70.8	33.8	-7.9
No. of shares (cr)	45.4	45.6	45.6	45.6	45.6
Adj EPS (Rs.)	9.5	42.0	72.0	96.6	88.9
% change	-129.6	331.2	70.8	33.8	-7.9
DPS (Rs.)	4.0	8.0	12.0	12.3	11.5

Cashflow

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Net inc. + Depn.	1,328	3,132	4,476	5,664	5,517
Non-cash adj.	288	778	-155	1,172	-73
Other adjustments	-	-	-	-	-
Changes in W.C	280	-262	-1,321	-753	-666
C.F. Operation	1,897	3,648	3,000	6,083	4,778
Capital exp.	-1,461	-917	-1,653	-1,912	-2,015
Change in inv.	105	-684	-79	-2,246	-246
Other invest.CF	70	-112	-2,440	-2,427	-2,413
C.F - Investment	-1,287	-1,712	-4,172	-6,586	-4,674
Issue of equity	2	15	40	-	-
Issue/repay debt	173	-1,617	2,428	1,257	1,257
Dividends paid	-183	-183	-365	-558	-524
Other finance.CF	-329	-399	-370	-440	-479
C.F - Finance	-337	-2,184	1,732	259	254
Chg. in cash	273	-248	560	-243	358
Closing Cash	1,293	1,203	3,142	2,899	3,257

Balance Sheet

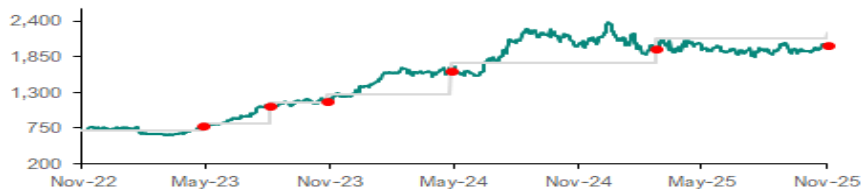
Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	1,293	1,203	3,142	2,899	3,257
Accts. Receivable	4,481	4,692	5,497	6,311	6,623
Inventories	4,492	4,954	5,476	6,236	7,286
Other Cur. Assets	2,186	2,599	2,683	4,887	5,108
Investments	77	228	87	134	180
Gross Fixed As-sets	9,431	10,348	12,001	13,913	15,928
Net Fixed Assets	4,645	4,899	5,148	5,820	6,390
CWIP	895	596	355	365	376
Intangible Assets	4,053	4,157	4,732	4,982	5,259
Def. Tax -Net	156	303	559	689	714
Other Assets	679	368	1,524	1,619	1,645
Total Assets	22,956	23,997	29,205	33,943	36,837
Current Liabilities	4,938	5,735	5,544	7,568	8,375
Provisions	343	375	436	493	507
Debt Funds	4,743	3,078	5,499	6,756	8,013
Other Liabilities	389	435	431	678	657
Equity Capital	91	91	91	91	91
Res. & Surplus	12,374	14,199	17,112	18,243	19,059
Shareholder Funds	12,465	14,290	17,204	18,334	19,150
Minority Interest	78	83	91	113	133
Total Liabilities	22,956	23,997	29,205	33,943	36,837
BVPS	274	314	378	402	420

Ratio

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Profitab. & Return					
EBITDA margin (%)	10.8	19.0	23.3	25.8	23.8
EBIT margin (%)	5.5	13.1	18.1	21.1	18.6
Net profit mgn.(%)	2.6	9.6	14.5	16.8	14.7
ROE (%)	3.6	13.5	19.2	24.1	21.3
ROCE (%)	5.3	15.0	18.0	21.9	18.8
W.C & Liquidity					
Receivables (days)	98.3	85.6	88.4	87.9	87.6
Inventory (days)	241.8	272.2	292.1	269.6	267.7
Payables (days)	136.3	162.5	157.8	163.3	164.4
Current ratio (x)	1.3	1.6	1.9	1.7	1.6
Quick ratio (x)	0.7	0.8	1.1	1.0	0.9
Turnover & Leverage					
Gross asset T.O (x)	1.9	2.0	2.0	2.0	1.8
Total asset T.O (x)	0.7	0.9	0.9	0.8	0.8
Int. covge. ratio (x)	3.3	8.4	14.0	17.0	14.1
Adj. debt/equity (x)	0.4	0.2	0.3	0.4	0.4
Valuation					
EV/Sales (x)	2.0	3.8	4.2	3.7	3.5
EV/EBITDA (x)	18.3	19.9	17.9	14.3	14.8
P/E (x)	68.5	38.5	28.1	21.0	22.8
P/BV (x)	2.4	5.2	5.4	5.0	4.8



Recommendation Summary - (last 3 years)



Dates	Rating	Target
09-Feb-22	HOLD	840
11-Aug-22	HOLD	720
16-May-23	HOLD	830
24-Aug-23	HOLD	1,142
15-Nov-23	HOLD	1,276
15-May-24	HOLD	1,763
13-Mar-25	HOLD	2,132
25-Nov-25	BUY	2,225

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

Not rated/Neutral

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:

▲ Upgrade

● No Change

▼ Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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