



3R MATRIX

	+	=	-
Right Sector (RS)	✓	✗	✗
Right Quality (RQ)	✓	✗	✗
Right Valuation (RV)	✗	✓	✗
+ Positive = Neutral - Negative			

What has changed in 3R MATRIX

	Old		New
RS	✗	↔	✗
RQ	✗	↔	✗
RV	✗	↑	✗

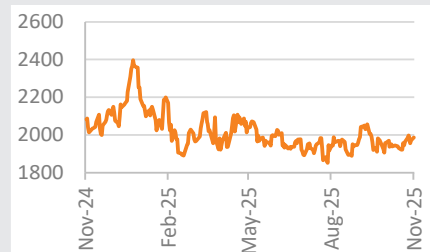
Company details

Market cap:	Rs. 89,790 cr
52-week high/low:	Rs. 2,403/1,744
NSE volume: (No of shares)	10.0 lakh
BSE code:	500257
NSE code:	LUPIN
Free float: (No of shares)	24.3 cr

Shareholding (%)

Promoters	46.9
FII	20.5
DII	26.6
Others	6.1

Price chart



Source: NSE India, Mirae Asset Sharekhan Research

Price performance

(%)	1m	3m	6m	12m
Absolute	-1.0	-7.2	1.0	18.6
Relative to Sensex	-2.6	-10.8	0.0	11.1

Source: Mirae Asset Sharekhan Research, Bloomberg

Lupin Ltd

On track for strong FY26, long term prospects intact

Pharmaceuticals	Sharekhan code: LUPIN		
Reco/View: Buy	↔	CMP: Rs. 1,987 (as on Nov 10, 2025)	Price Target: Rs. 2,400 ↔

Summary

- H1FY26 was strong, led by exclusivity for gTolvaptan and gMirabegron in the US, and domestic market outpacing IPM.
- Other developed markets, including Europe, saw 27% growth, while emerging markets such as Brazil and South Africa grew 45%.
- While FY26 growth may not sustain in FY27E, we expect some key approvals to come through, setting up long-term growth prospects from FY28E.
- Hence, we retain a Buy with an unchanged PT of Rs. 2,400. At CMP, the stock trades at 21x/20x its FY2026/FY2027 earnings estimates.

Q2FY26 results were strong with a 73.34% y-o-y rise in consolidated net profit to Rs. 1,477.92 crore. The company's sales grew by 24.3% y-o-y to Rs. 6,831.43 crore, driven by a robust show in the US and emerging markets. EBITDA surged 75.8% y-o-y to Rs. 2,431.3 crore, with an expanded EBITDA margin of 35.6% compared to 25.2% in Q2FY25. US business revenue jumped 47% YoY to \$315 million, driven by launches and market exclusivity for gTolvaptan. Other developed markets, including Europe, saw 27% growth, while emerging markets such as Brazil and South Africa grew 45%. India business outperformed the IPM, with key segments in cardiology, respiratory, and GI surpassing industry growth rates.

Key positives

- Lupin launched Liraglutide and Risperidone Injections in the US, boosted its specialty ophthalmology business with the VISUfarma acquisition, and formed a biosimilar partnership with Sandoz for Ranibizumab.
- Regulatory approvals were secured in markets like Taiwan, Brazil, and Mexico.

Key negatives

- FY26 growth rate may not sustain in FY27E owing to lack of significant new drugs during the fiscal.

Management Commentary

- 6 ANDA approvals received from USFDA, with a cumulative 341 approvals as of September 30, 2025.
- Six new brands launched across therapies in Q2.
- Full-year EBITDA margin guidance raised to 25-26%, citing cost discipline and operational leverage, though H2 margins could be tempered due to higher R&D spend.
- R&D spend guidance at 7.5% to 8.5% of revenues with focus on building a sustainable product pipeline and expanding launches, particularly in India for Semaglutide.

Our Call

Valuation – Maintain Buy with a PT of Rs. 2,400: Post a strong H1, Lupin is expected to continue the trend for the whole of FY26E. The end of gtolvaptan's exclusivity in Q3FY26E will result in growth rates being lower in H2 than that of H1. However, we do not expect FY27E to sustain FY26E growth momentum but approvals are expected to kick in, leading to strong top and margin growth in FY28E. We retain our Buy rating and continue to value the stock near its three-year average one-year fwd P/E of 25.1x and arrive at a PT of Rs. 2,400.

Key Risks

- Delay in the resolution of USFDA issues at its plants
- Currency Risks
- Geopolitical tensions

Valuation (Consolidated)

Particulars	FY23	FY24	FY25	FY26E	FY27E
Net Sales	16,270	19,656.3	22,192.1	25,848.5	27,347.9
EBITDA Margin (%)	10.6	19.3	23.8	25.0	24.4
Adjusted PAT	430.1	1,914.4	3,306.3	4,211.5	4,365.8
y-o-y Growth (%)	-128.1	345.1	72.7	27.4	3.7
Adjusted EPS (Rs.)	8.4	42.1	72.7	92.7	95.6
P/E (x)	83.6	38.7	28.0	21.5	20.8
EV/EBITDA (x)	18.7	19.6	18.0	14.6	13.7
RoCE (%)	5.2	15.0	20.5	22.6	21.5
RoE (%)	2.9	14.2	21.0	24.0	21.7

Source: Company; Mirae Asset Sharekhan estimates

Results (Consolidated)

Particulars						Rs cr
	Q2FY26	Q2FY25	YoY difference	Q1FY26	QoQ diff	
Revenue	6831.43	5497.01	24%	6163.75	11%	
Total Expenditure	4706.18	4332.37	9%	4541.1	4%	
EBITDA	2431.33	1382.65	76%	1806.28	35%	
D&A	316.77	256.92	23%	298.98	6%	
EBIT	2114.56	1125.73	88%	1507.3	40%	
Finance Cost	107.59	70.87	52%	91.76	17%	
PBT	2006.97	1054.86	90%	1415.54	42%	
Tax provision	522.14	195.38	167%	194.08	169%	
Net Profit	1484.83	859.48	73%	1221.46	22%	
Margin %						
EBITDA	36%	25%	1044	29%	629	
EBIT	31%	20%	1047	24%	650	
NPM	22%	16%	610	20%	192	

Source: Company; Mirae Asset Sharekhan Research

Outlook and Valuation

■ Sector Outlook – Efforts to improve product mix is taking shape

Over the years, Indian pharmaceutical companies have established themselves as a dependable source for global peers. Multiple factors, including a focus on specialty/complex products in addition to emerging opportunities in the API space, would be key growth drivers over the long term. The sector is witnessing an easing of input costs-of raw material, freight, and power, which should aid margins. It is also witnessing an easing of price erosion, followed by increasing contribution from product launches. We believe that the Pharma Industry is in a sweet spot, where it is experiencing a healthy product mix and cost rationalization, which increases operational profit of the companies. Hence, overall, we stay positive on the sector.

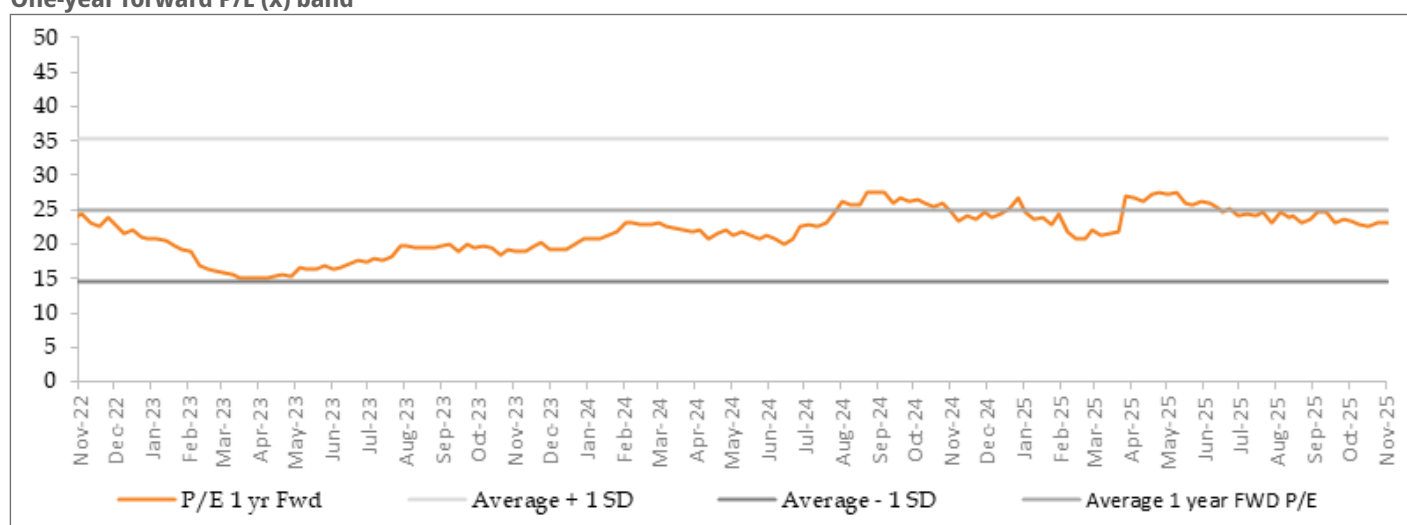
■ Company Outlook – Margins continue to expand

Margins have been surging on the back of restructuring in the US and intends to enhance it further with the help of the launching of complex generics and specialty products in respiratory, injectables, and biosimilar segments. The management expects gTolvaptan owing to 180 day exclusivity to be a key driver of bottomline growth. Further key launches are expected from FY27 onwards across the domestic and the US market, accounting to 60%-65% of the consolidated revenues. The company has been seeing improved traction for diabetes, cardiology, and respiratory products sales in India. The company has guided for continued improvement in earnings on account of improved product mix, strong line-up of product launches over the short-medium term.

■ Valuation – Maintain Buy with a revised PT of Rs. 2,400

Post a strong H1, Lupin is expected to continue the trend for the whole of FY26E. The end of gtolvapatan's exclusivity in Q3FY26E will result in growth rates being lower in H2 than that of H1. However, we expect FY27E to sustain FY26E momentum and approvals to kick in leading to strong top and margin growth in FY28E. We retain our Buy rating and continue to value the stock at three-year average one-year fwd P/E of 25.1x and arrive at a PT of Rs. 2,400.

One-year forward P/E (x) band



Source: Company; Mirae Asset Sharekhan Research

About company

Lupin has established itself as a leading generic player from India. US and India are the company's largest markets and contribute around 36% and 35%, respectively, to the company's FY2025 sales. The company develops and commercializes a wide range of branded and generic formulations, biotechnology products, and APIs in over 100 markets in the US, India, South Africa, across Asia Pacific (APAC), Latin America (LATAM), Europe, and Middle East regions. While in India, Lupin is among the top-10 and fastest-growing companies, it is also among the top five companies in terms of prescriptions in the US Therapy wise. Lupin has a leadership position in the cardiovascular, anti-diabetic, and respiratory segments and has a significant presence in the anti-infective, gastrointestinal (GI), central nervous system (CNS), and women's health segments.

Investment theme

Lupin is one of the leading pharmaceutical companies and is present in most markets globally. After establishing itself as a major player in the generics space, the company is making efforts to improve its presence in the specialty business. The US is a key market for Lupin where it is grappling with issues surrounding the high intensity of competition in the Oral Solid Dosage (OSD) segment in the US. The company has been trying to restructure or optimise the US business and enhance it with the help of launching complex generics and specialty products in respiratory, injectables, and biosimilar segments. With improvement in US profitability post restructuring and key product launches lined up, and as it has added sales representatives in India, we expect a sustained improvement in profitability on an operating and net basis.

Key Risks

- ♦ Delay in the resolution of USFDA issues at its plants
- ♦ Currency Risks
- ♦ Geopolitical tensions

Additional Data

Key management personnel

Name	Designation
Nilesh Deshbhandu Gupta	Managing Director
Vinita D Gupta	CEO
Ramesh Swaminathan	CFO

Source: Company Website

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Lupin Investments Pvt Ltd	45.36
2	HDFC Asset Management Co Ltd	4.76
3	ICICI Prudential Asset Management	3.18
4	Nippon Life India Asset Management	2.98
5	Vanguard Group Inc/The	2.26
6	Blackrock Inc	1.95
7	SBI Funds Management Ltd	1.87
8	Mirae Asset Financial Group	1.78
9	NPS Trust A/c Uti Retirement Solut	1.47
10	HDFC Life Insurance Co Ltd	1.28

Source: Bloomberg

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Understanding the Mirae Asset Sharekhan 3R Matrix

Right Sector	
Positive	Strong industry fundamentals (favorable demand-supply scenario, consistent industry growth), increasing investments, higher entry barrier, and favorable government policies
Neutral	Stagnancy in the industry growth due to macro factors and lower incremental investments by Government/private companies
Negative	Unable to recover from low in the stable economic environment, adverse government policies affecting the business fundamentals and global challenges (currency headwinds and unfavorable policies implemented by global industrial institutions) and any significant increase in commodity prices affecting profitability.
Right Quality	
Positive	Sector leader, Strong management bandwidth, Strong financial track-record, Healthy Balance sheet/cash flows, differentiated product/service portfolio and Good corporate governance.
Neutral	Macro slowdown affecting near term growth profile, Untoward events such as natural calamities resulting in near term uncertainty, Company specific events such as factory shutdown, lack of positive triggers/events in near term, raw material price movement turning unfavourable
Negative	Weakening growth trend led by led by external/internal factors, reshuffling of key management personal, questionable corporate governance, high commodity prices/ weak realisation environment resulting in margin pressure and deteriorating balance sheet
Right Valuation	
Positive	Strong earnings growth expectation and improving return ratios but valuations are trading at discount to industry leaders/historical average multiples, Expansion in valuation multiple due to expected outperformance amongst its peers and Industry up-cycle with conducive business environment.
Neutral	Trading at par to historical valuations and having limited scope of expansion in valuation multiples.
Negative	Trading at premium valuations but earnings outlook are weak; Emergence of roadblocks such as corporate governance issue, adverse government policies and bleak global macro environment etc warranting for lower than historical valuation multiple.

Source: Mirae Asset Sharekhan Research

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