

BUY**TP: Rs 2,626 | ▲ 35%****LUPIN**

| Pharmaceuticals

| 04 September 2025

Product approvals in place

- Received USFDA approval for 3rd complex injectable Risperdal Consta; we anticipate full-year sales of USD 17 mn in FY27
- 70% of R&D spend (~USD 176 mn) is attributed to complex and specialty products. We anticipate the higher end of R&D guidance
- LPC remains our top pick as it has no risk of Revlimid LoE in the base. Continue to value at 26x on June'27 to arrive at TP of Rs 2,626

Foram Parekh

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Another 180-day exclusive product approval: Lupin announced receiving approval for Risperidone – an extended-release injectable suspension, (RLD Risperdal Consta) with sales of USD 190 mn, as per IQVIA MAT July'25). LPC has received approval for 3 strengths single dose vial 25 mg per vial, 37.5 mg per vial, and 50 mg per vial. This is LPC's first product using proprietary Nanomi B.V.'s technology and has a 180-day CGT exclusivity. Nanomi, a Lupin subsidiary from 2014, is focused on the development of innovative long-acting injectable (LAI).

Walking the talk: Lupin received approval for Risperdal Consta in Sep'25 as indicated by the management in the earnings call. This is the 3rd complex injectable product after launching Glucagon in Aug'25 and Victoza launch Slated for Oct'25 Oct'25. These products would witness full year sales impact from FY27. We expect sales of USD 15mn from Glucagon, USD 17 mn from Risperdal Consta and USD 15 mn from Victoza. In H2FY27, the company expects to launch Saxenda and 4-5 injectables launches spread across FY29.

Slew of product launches in FY27: FY26 marks a high base with Tolvaptan exclusivity and higher sales from Mirabegron and Spiriva. LPC is likely to grow in FY27, amidst high base of FY26, driven by new product launches across segments like inhalers, biosimilars, injectables, specialty and complex generic. In our view, though LPC would not participate in the first wave of launch across the product segment, they can clock ~USD100 mn sales from new products in FY27 from the US region, given the numerous incremental launches cumulatively.

Valuation: US launches remain healthy with momentum likely to sustain, given the 60 products filings planned over the years. We factor new launches like Duler, Pegfilgrastim, Ranibizumab, Saxenda in FY27e and H2FY26 launches with full year impact for Glugacon, Risperdal Consta and Victoza to arrive at sales of USD 1048 mn in FY27. We see limited risk with no impact from Revlimid LOE and minimal competition in Spiriva and Mirabegron. We maintain BUY, applying a 26x PE on June'27 EPS, arriving at TP of Rs2,626.

Key changes

Target	Rating
◀ ▶	◀ ▶

Ticker/Price	LPC IN/Rs 1,939
Market cap	US\$ 10.0bn
Free float	53%
3M ADV	US\$ 22.7mn
52wk high/low	Rs 2,403/Rs 1,795
Promoter/FPI/DII	46%/14%/29%

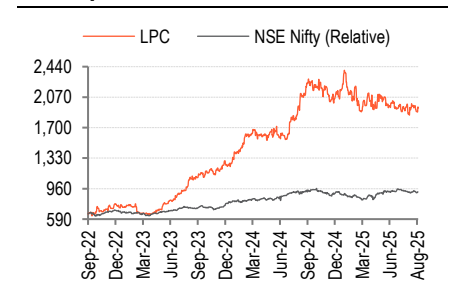
Source: NSE | Price as of 4 Sep 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	227,079	255,562	278,518
EBITDA (Rs mn)	52,775	62,413	70,988
Adj. net profit (Rs mn)	32,816	37,772	44,047
Adj. EPS (Rs)	72.5	83.5	97.3
Consensus EPS (Rs)	72.5	90.4	88.6
Adj. ROAE (%)	20.7	20.9	21.8
Adj. P/E (x)	26.7	23.2	19.9
EV/EBITDA (x)	17.0	14.1	12.2
Adj. EPS growth (%)	71.4	15.1	16.6

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Lupin's Biosimilars update

Fig 1 – Biosimilars update

Biosimilar	Reference product	Brand	Launch	Remarks
Pegilgrastim	Neulasta	Lupifil-P	FY27	
Filgrastim	Neupogen	Lupifil	FY27	
Ranibizumab,	Lucentis	NA	FY27	Filed in Europe, pending in US
Denosumab	Prolia	NA	FY28	Launch in Japanese market
Aflibercept	Eylea	NA	FY28	Filing in FY26, launch in 27-28
Etanercept	Enbrel	NA	FY30	amongst top 4 players
Pipeline products				
Certolizumab				Expect to start clinical development soon
Mepolizumab				US & Europe region
Benralizumab				
Pembrolizumab				
Nivolumab				Indian market

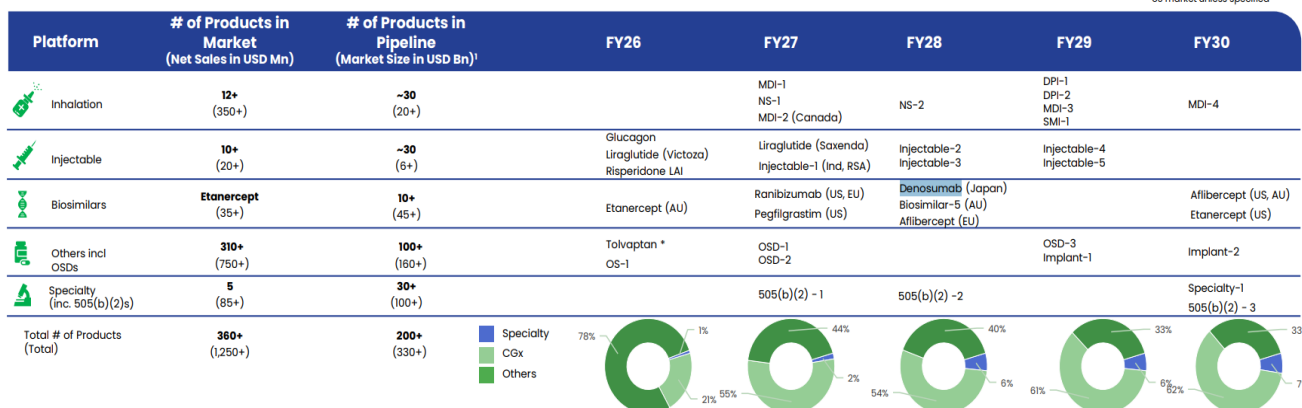
Source: Company, BOBCAPS Research

Fig 2 – Launch Pipeline till FY29



Upcoming Key Launches in Developed Markets

US market unless specified



Source: Company

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Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Total revenue	200,106	227,079	255,562	278,518	303,942
EBITDA	38,105	52,775	62,413	70,988	77,579
Depreciation	11,968	11,693	11,330	11,850	12,370
EBIT	26,137	41,083	51,083	59,138	65,209
Net interest inc./(exp.)	(3,116)	(2,949)	(1,827)	(1,735)	(1,649)
Other inc./(exp.)	1,202	2,016	1,500	1,800	1,800
Exceptional items	0	0	0	0	0
EBT	24,223	40,150	50,757	59,203	65,361
Income taxes	4,867	7,087	12,689	14,801	16,340
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	211	246	296	355	426
Reported net profit	19,145	32,816	37,772	44,047	48,595
Adjustments	0	0	0	0	0
Adjusted net profit	19,145	32,816	37,772	44,047	48,595

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	29,581	29,632	33,174	34,949	38,139
Other current liabilities	30,954	31,664	31,664	31,664	31,664
Provisions	9,003	7,093	18,874	21,693	23,915
Debt funds	26,699	50,767	31,449	29,877	28,383
Other liabilities	0	0	0	0	0
Equity capital	911	913	913	913	913
Reserves & surplus	142,823	172,029	187,180	214,811	245,294
Shareholders' fund	143,734	172,942	188,093	215,724	246,207
Total liab. and equities	239,972	292,097	303,255	333,907	368,309
Cash and cash eq.	12,736	46,231	52,924	75,503	101,233
Accounts receivables	46,921	54,971	57,336	62,486	68,190
Inventories	49,539	54,764	58,693	63,965	69,804
Other current assets	39,734	43,162	44,162	45,162	46,162
Investments	10,746	10,868	10,868	10,868	10,868
Net fixed assets	51,089	56,221	52,891	49,041	44,672
CWIP	5,957	3,555	4,055	4,555	5,055
Intangible assets	23,250	22,326	22,326	22,326	22,326
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	239,972	292,097	303,255	333,907	368,309

Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operations	30,803	26,979	58,959	50,803	55,483
Capital expenditures	(7,361)	(13,498)	(8,500)	(8,500)	(8,500)
Change in investments	(5,577)	(122)	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(12,938)	(13,620)	(8,500)	(8,500)	(8,500)
Equities issued/Others	1	2	0	0	0
Debt raised/repaid	(15,741)	24,067	(19,318)	(1,572)	(1,494)
Interest expenses	(3,116)	(2,949)	(1,827)	(1,735)	(1,649)
Dividends paid	(5,249)	(2,732)	(14,077)	(16,416)	(18,111)
Other financing cash flows	6,045	1,747	(8,544)	0	0
Cash flow from financing	(18,060)	20,135	(43,766)	(19,724)	(21,254)
Chg in cash & cash eq.	(195)	33,495	6,693	22,579	25,729
Closing cash & cash eq.	12,736	46,231	52,924	75,503	101,233

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	42.0	72.0	82.9	96.7	106.6
Adjusted EPS	42.3	72.5	83.5	97.3	107.4
Dividend per share	15.8	27.0	31.1	36.3	40.0
Book value per share	315.8	380.2	413.7	474.7	542.1

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	4.5	3.9	3.4	3.1	2.8
EV/EBITDA	23.7	17.0	14.1	12.2	10.8
Adjusted P/E	45.8	26.7	23.2	19.9	18.1
P/BV	6.1	5.1	4.7	4.1	3.6

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	79.0	81.7	74.4	74.4	74.3
Interest burden (PBT/EBIT)	92.7	97.7	99.4	100.1	100.2
EBIT margin (EBIT/Revenue)	13.1	18.1	20.0	21.2	21.5
Asset turnover (Rev./Avg TA)	21.3	21.3	21.5	21.9	21.6
Leverage (Avg TA/Avg Equity)	1.7	1.7	1.6	1.6	1.5
Adjusted ROAE	14.2	20.7	20.9	21.8	21.0

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	20.2	13.5	12.5	9.0	9.1
EBITDA	111.9	38.5	18.3	13.7	9.3
Adjusted EPS	345.1	71.4	15.1	16.6	10.3
Profitability & Return ratios (%)					
EBITDA margin	19.0	23.2	24.4	25.5	25.5
EBIT margin	13.1	18.1	20.0	21.2	21.5
Adjusted profit margin	9.6	14.5	14.8	15.8	16.0
Adjusted ROAE	14.2	20.7	20.9	21.8	21.0
ROCE	12.4	17.3	17.1	18.9	18.6
Working capital days (days)					
Receivables	84	82	82	82	82
Inventory	86	84	84	84	84
Payables	151	158	158	158	158
Ratios (x)					
Gross asset turnover	1.3	1.3	1.4	1.5	1.6
Current ratio	2.1	2.9	2.5	2.8	3.0
Net interest coverage ratio	8.4	13.9	28.0	34.1	39.6
Adjusted debt/equity	0.0	0.0	(0.2)	(0.3)	(0.3)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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BUY – Expected return >+15%

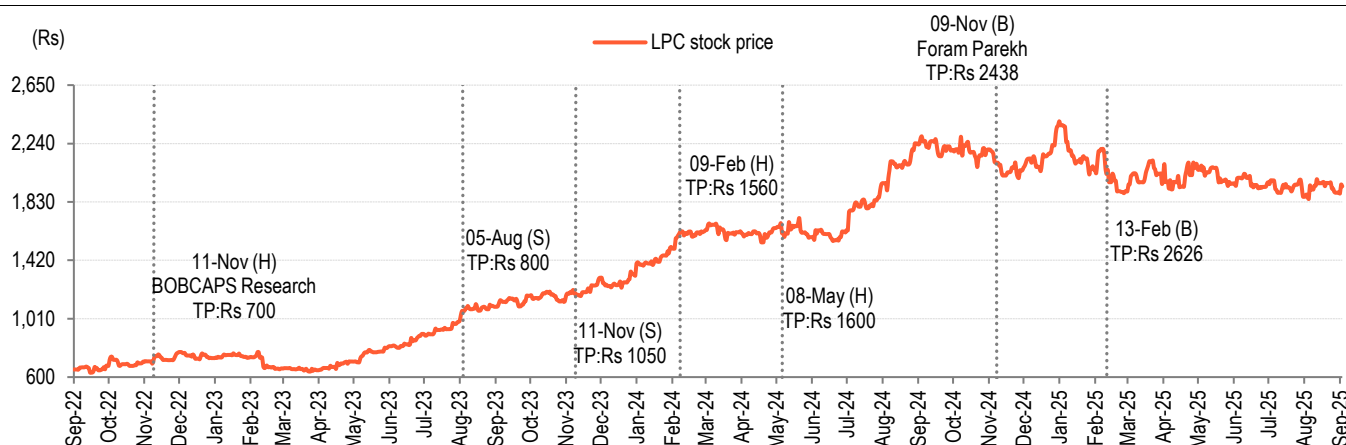
HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): LUPIN (LPC IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

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