BOBCAPS
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BUY
TP: Rs 3,095 | ▲ 29%

Lupin | Pharmaceuticals | 28 July 2026

Building Momentum in Complex Launches

- **The focus for next three years in the North America market would be on Biosimilars, 505(b)(2) and FTF complex generics**
- **Brazil's subsidiary, MedQuímica turned profitable, aided by key launches along with 40% productivity gains**
- **We roll forward to Jun'28 EPS of Rs 119; we continue to ascribe 26x to arrive at a PT of Rs 3095 (earlier R 2900), Maintain BUY**

Foram Parekh
Research Analyst
research@bobcaps.in

Strong product pipeline – LPC's product portfolio is set to evolve by allocating capital toward complex and specialty segments and shifting focus away from its earlier generics' portfolio. 50 products are expected to launch over the next three years (60% into complex generics).

Implementation of AI - Artificial Intelligence is supporting LPC in drug discovery, clinical development, manufacturing operations, and commercial decision-making to improve speed, consistency, and efficient decision-making

Venturing into novel GLP product – LPC Entered into a partnership with Gan & Lee Pharmaceuticals for Bofanglutide (currently in Phase III, however, LPC will do clinical trials in India) a novel fortnightly GLP-1 receptor agonist for diabetes and obesity in the Indian market. Under this agreement, LPC holds rights to commercialize the product in the Indian market.

Focus on doubling complex portfolio in regulated markets – LPC's specialty medicines to become an increasingly important driver of long-term growth. The company has focused on high value low competition complex launches which enabled it to expand its product portfolio from 138 products to 151 products.

Foreign subsidiaries performing well - The Brazilian subsidiary turned profitable in FY26, with the launch of key products like Empagliflozin and Dapagliflozin, while the South African subsidiary doubled its profitability in FY26.

Higher ESG ranking - The ESG score continues to rise, with a record high of 91 in FY26 vs. 76 in FY25. LPC secured the Global No. 1 ranking in the Pharma sector, and in India across all sectors, in the S&P Global ESG Ratings.

Valuations - At CMP, on a roll-forward to Jun'28 EPS of Rs 119, we continue to ascribe 26x, arriving at a PT of Rs 3,095. This multiple reflects the visibility of a healthy pipeline, sustained double-digit growth across geographies, and healthy margins (industry high margin post exhaustion of gRevlimd sales for peers).

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	LPC IN/Rs 2,396
Market cap	US$ 11.5bn
Free float	53%
3M ADV	US$ 26.1mn
52wk high/low	Rs 2,530/Rs 1,837
Promoter/FPI/DII	46%/14%/29%

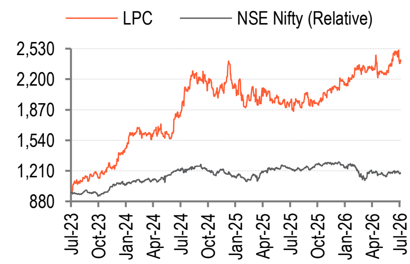
Source: NSE | Price as of 28 Jul 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	279,580	305,895	327,972
EBITDA (Rs mn)	81,595	76,935	85,837
Adj. net profit (Rs mn)	52,343	47,132	52,115
Adj. EPS (Rs)	115.7	103.4	114.4
Consensus EPS (Rs)	117.0	101.0	103.0
Adj. ROAE (%)	26.3	19.6	19.2
Adj. P/E (x)	20.7	23.2	20.9
EV/EBITDA (x)	13.5	14.8	13.7
Adj. EPS growth (%)	59.5	(10.6)	10.6

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

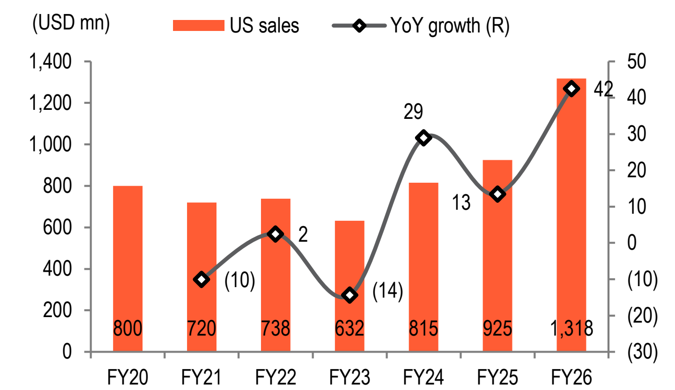
Key Takeaways from the Annual Report

US Business

US sales contribution increased to 42% in FY26 from 36% in FY25, growing by 46% in INR terms, primarily led by Tolvaptan's 180 days of exclusivity, gain in market share, value growth for Mirabegron, and 180 days of exclusivity for Risperdal Consta. The growth was also driven by the expanding contribution of differentiated products, including Tiotropium Bromide Inhalation Powder, RLD Risperdal Consta, and Armlupeg (the first biosimilar product commercialized in the US), and complex injectables like Liraglutide and Glucagon.

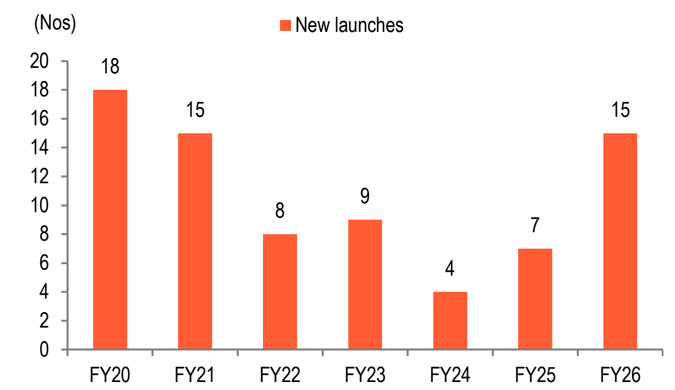
Respiratory generics contributed meaningfully FY26 with Tiotropium Bromide Inhalation Powder, the first FDA-approved generic to Spiriva HandiHaler in the U.S. and the first dry-powder inhaler approved from India for the U.S. market. Overall LPC ranks 3rd largest company by prescription in both the US generics and overall US. LPC had 61 marketed generics ranked #1 in FY26, up from 48 in FY25, and 112 products among the top three in their respective categories. Overall, the U.S. generics portfolio expanded to 151 products in FY26 from 138 in FY25, further strengthening its market presence.

Fig 1 – US sales in cc terms reported constant growth post FY23 due to launch of complex products



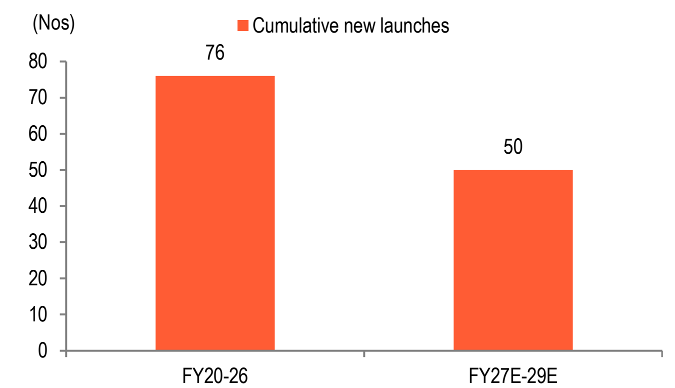
Source: Company, BOBCAPS Research

Fig 2 – US new launches reached double digits after FY21



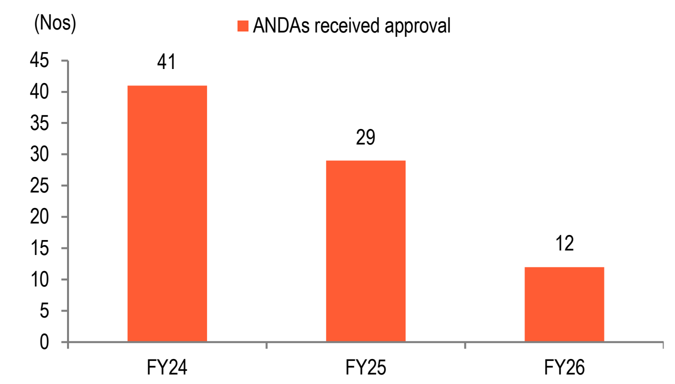
Source: Company, BOBCAPS Research

Fig 3 – Cumulative new launches from FY27-29 to be attributed towards complex products



Source: Company, BOBCAPS Research

Fig 4 – ANDAs approval slowed in FY26 focus toward biosimilars



Source: Company, BOBCAPS Research

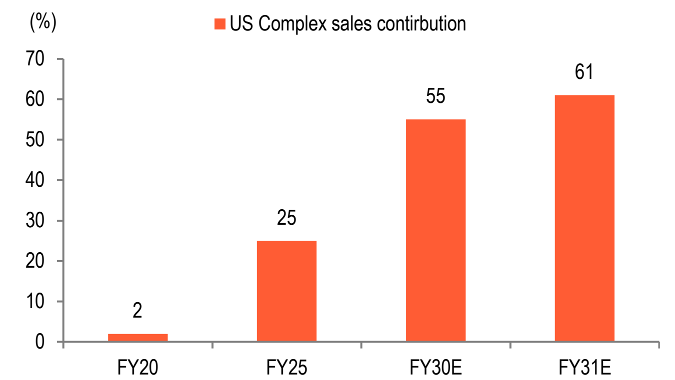
Non-Generics US business

LPC's US business comprises generics, complex generics, and specialty businesses. Amongst the segments, Respiratory therapy is one of the key therapies in LPC's portfolio. The company has made acquisitions in the past, including Xopenex HFA and Brovana from Sunovion in 2022; Xopenex HFA has become a leading brand in its category in the US during 2026. The company is broadening its specialty portfolio from respiratory to ophthalmology by acquiring VISU Pharma, complementing its Europe business. In FY26, LPC launched 15 products and has a pipeline of complex products, including 45+ injectable products and 20+ inhalation products.

In order to strengthen its specialty business, LPC has invested ~USD 250mn in the Coral Springs facility (Florida), significantly expanding manufacturing and development capabilities for complex and specialty products. The investment in the Coral Springs facility is expected to further enhance respiratory therapy capability.

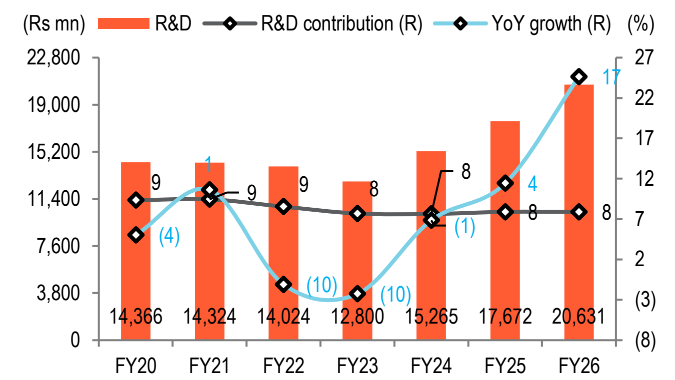
Apart from respiratory and ophthalmology, neurology is the next emerging therapy for LPC. For LPC, FY27 is expected to provide a meaningful runway, with recent expansions (VISU Pharma) and focused investments into a more differentiated business, led by respiratory, complex injectables, and biosimilars. The company intends to double the share of complex products in the US through respiratory products, complex injectables, 505(b)(2) products, and biosimilar launches. The company continues to expand its specialty portfolio through internal innovation, complemented by selective acquisition

Fig 5 – US complex generics sales contribution to go up



Source: Company, BOBCAPS Research

Fig 6 – R&D cost increases with focus on complex drugs



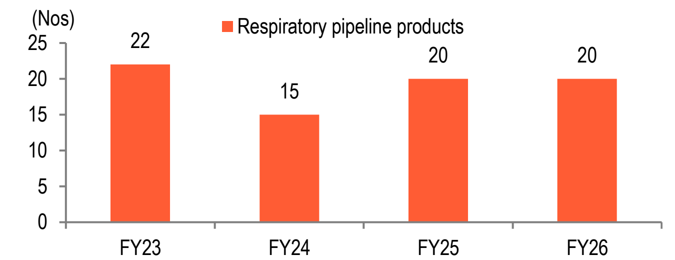
Source: Company, BOBCAPS Research

Fig 7 – Complex Generics in Regulated Markets

Theme	Goal description	Target Year	FY26 Status
Complex Inhalation products	10 launches	2028	5
Complex injectables	5 launches	2028	6

Source: Company, BOBCAPS Research

Fig 8 – Respiratory products pipeline trend



Source: Company, BOBCAPS Research

India Business

Rx business

LPC's India business is the company's second-largest market. The Indian Pharmaceutical Market (IPM) grew 9.9% in FY26, while LPC's India business grew 10.5%, continuing to outperform the market, with chronic therapies driving growth. LPC retained its 8th position in the IPM (IQVIA MAT, March 2026), and five of its brands ranked among India's top 300. LPC's chronic sales contributed 66% of domestic sales, as healthcare needs evolved and chronic diseases became more prevalent.

Therapeutically, in FY26, Cardiac contributed 24.5%, Anti-Diabetes 20.1%, Respiratory 15.4%, Gastrointestinal 9.2%, Anti-Infectives 6.5%, Gynecology 4.9%, Vitamins 4.3%, CNS 4.8%, Anti-TB 3%, Pain Management 3.4%, and Others 3.8%. Thus, Cardiac, Anti-Diabetes, Respiratory, and Gastrointestinal cumulatively contributed 70% of sales.

On the growth front, Cardiology grew by 18.9% and the respiratory portfolio grew by 20%, while Anti-Diabetes outgrew the market, supported by key brands and line extensions. CNS and Gastro therapies also delivered strong growth. During the year, the company expanded its cardiometabolic portfolio into the GLP-1 segment, reflecting the growing burden of diabetes and obesity in India.

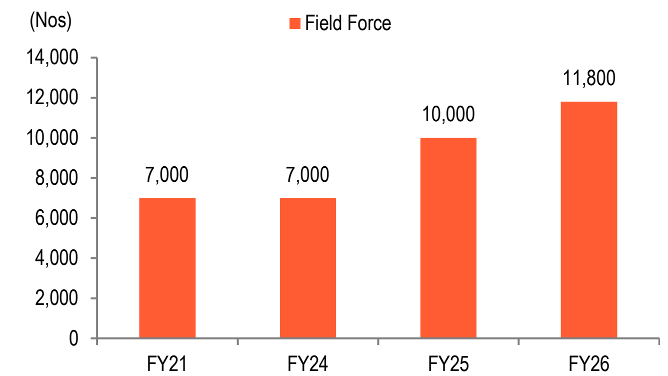
LPC also entered into an exclusive licensing, supply, and distribution agreement with Gan & Lee Pharmaceuticals for Bofanglutide, a novel fortnightly GLP-1 receptor agonist. Its anti-tuberculosis therapy market share increased to 64.1%, from 61.3% in FY25. Thus, LPC's India business grew at a CAGR of 9% from FY21–26.

Fig 9 – LPC's India business therapy market share

Rank	Therapy	Market share (%)
1	Anti TB	64
2	Respiratory	7
3	Anti Diabetic	8
3	Cardiology	6
6	CNS	3
10	Gastrointestinal	3
16	Vitamins	2

Source: Company, BOBCAPS Research

Fig 10 – LPC's field force increased to highest level



Source: Company, BOBCAPS Research

Adjacencies

Since its launch in 2021, LPCDiagnostics has established a pan-India network comprising the National Reference Laboratory in Navi Mumbai, 50 processing laboratories, 808 collection centers, and 3,000+ clinics across more than 250 locations, spanning metros as well as Tier-1, Tier-2, Tier-3, and select Tier-4 towns, serving over 200,000 patients each month. These investments contributed to a 44% increase in gross revenues during FY26, of which 60% of testing volumes originated from non-metro markets.

LPC's NRL spans 45,000 sq. ft., supporting advanced diagnostics across oncology, neurology, gastroenterology, gynecology, IVF, endocrinology, and precision medicine, and is equipped with Next-Generation Sequencing (NGS), AI-based automated karyotyping, high-throughput immunoassays, automated histopathology and immunohistochemistry (IHC), along with high-end capabilities in flow cytometry and microbiology. With a specialized focus on gynecology and IVF diagnostics, its offerings include FMF-approved maternal screening, Non-Invasive Prenatal Testing (NIPT), Pre-implantation Genetic Testing (PGT), and many more tests. These capabilities have positioned LPCDiagnostics among the leading providers of gynecology diagnostic services in India. LPC's wider range of advanced and specialty tests accounted for 17% of total test revenue in FY26.

LPCDiagnostics

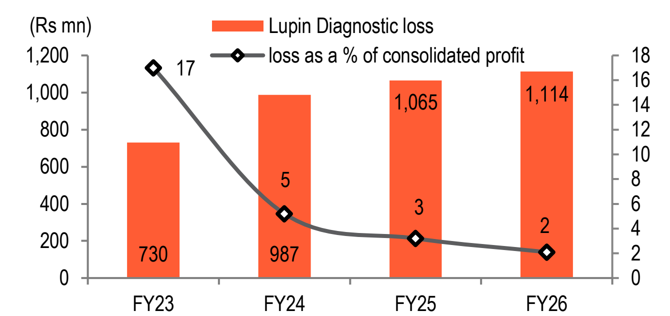
Fig 11 – Diagnostic per unit trend

Particulars	FY23	FY24	FY25	FY26
NRL	28	38	44	50
Collection centres	410	750	750	808
patients served every month	25000	100000	150000	200000
Field executives	100+	100+	200+	500+

Source: Company

Going forward, as the network continues to scale, LPC remains focused on improving utilization, increasing network density, and enhancing operating leverage. Together with LPC's broader healthcare ecosystem, LPCDiagnostics is well positioned to play an increasingly important role in enabling earlier diagnosis, better clinical decisions, and improved patient outcomes.

Fig 12 – Adjacency loss contribution narrowing



Source: Company, BOBCAPS Research

Fig 13 – LPC's Diagnostic's P&L

Rs mn	FY25	FY26
Revenue	960	1340
Gross Profit	509	663
Gross Margin (%)	53	49
EBITDA	(677)	(791)
PAT	(1065)	(1114)
CFO	(784)	(763)
Capex	(133)	(120)

Source: Company, BOBCAPS Research

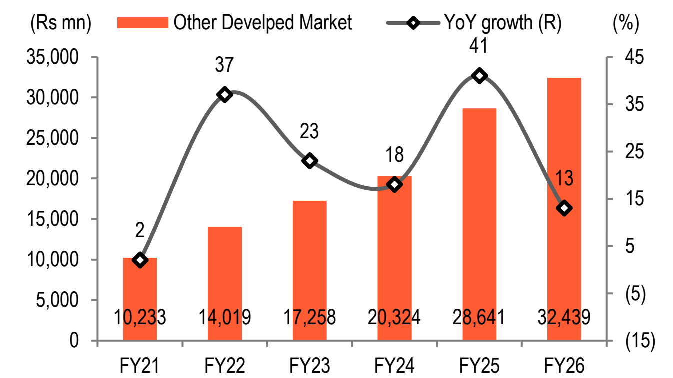
Other Developed Markets

Other Developed Market contributed 11% of total sales and grew by 13% YoY to Rs 32.439 bn. Other Developed Markets includes geographies like Europe, Australia and Canada and New Zealand. As these markets are in the matured stage of business life cycle, LPC offers products which are highly differentiated with pricing discipline and regulatory execution. Each geography has its own niche for clocking growth. 1) The Respiratory therapy is the key contributor to the European Market, 2) For the Australia business, the growth was driven by complex generics, hospital injectables and launch of LPC's first biosimilar, 3) In New Zealand, LPC moved from market entry to early commercial participation with first retail launch and multiple tender wins and 4) In Canada growth was led by specialty products, complex generics, women's health, and licensing-led opportunities.

Across these markets, the operating focus remained on expanding differentiated platforms, scaling specialty and higher-value assets, and improving operating leverage to offset price erosion pressure and competitive tender intensity.

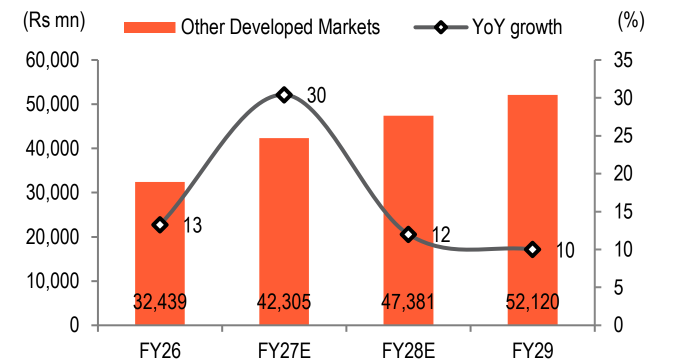
During the year FY26, LPC's wholly owned subsidiary Nanomi (Netherlands) had acquired the entire share capital of VISUfarma. Consequently, VISUfarma and its six wholly owned subsidiaries became wholly owned subsidiaries of Nanomi from that date. The acquisition was concluded, with total consideration of Rs 20 bn (Euro 192.8 million). This acquisition is in-line with company's focus to diversify into specialty segments apart from Respiratory. This acquisition to in-turn strengthens specialty portfolio in the Other developed markets.

Fig 14 – Historical trend of Other Developed Markets



Source: Company, BOBCAPS Research

Fig 15 – Other Developed Market expected to grow steeply in FY27 with integration of VISUfarma



Source: Company, BOBCAPS Research

European Market

Europe region growth in FY26 was driven by strong performance from key brands like Luforbec and NaMuscla in the respiratory and rare disease segments. Overall, the European business reported a strong performance, supported by the strength of the respiratory segment, cost efficiencies and operating leverage. During FY26, LPC's subsidiary acquired VISUfarma, which added more than 60 branded ophthalmology products, along with an established commercial footprint across key markets, including Italy, the U.K., Spain, Germany, and France, significantly enhancing LPC's specialty positioning in Europe. LPC's specialty portfolio in Europe is ~55% of European sales

Fig 16 – Marketing Authorization Application (MAAs) trend

MAAs	FY24	FY25	FY26
Filing	1	2	7
Cumulative filing	51	51	57
Approval	2	3	2
Cumulative approval	42	45	47

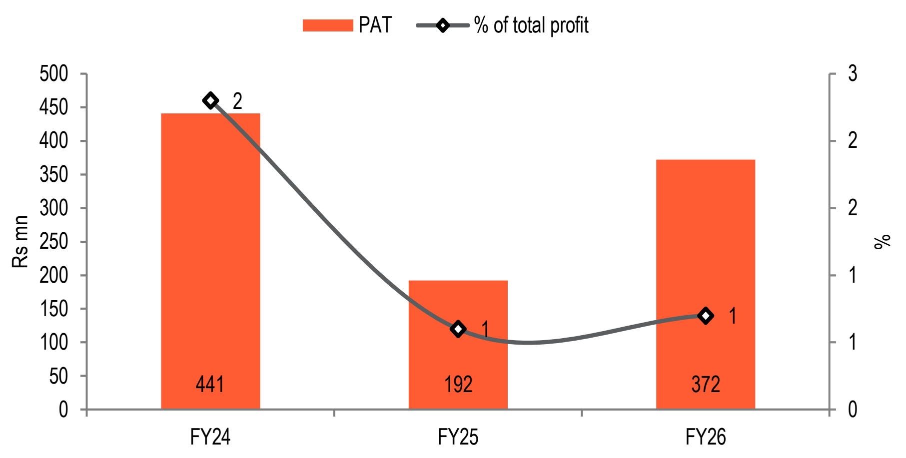
Source: Company

Following is the brief on the European regions

Germany

In Germany, LPC operates through its wholly owned subsidiary, Hormosan Pharma GmbH. LPC follows a selective commercial model, participating only in opportunities where it has a strong advantage in manufacturing efficiency, cost competitiveness, and supply assurance. Hormosan's portfolio spans across neurology, pain management, and inhalation therapy, along with strong performance from Tempil and Luforbec. This helped the subsidiary in reporting EUR 58 mn in sales in FY26.

Fig 17 – Germany's subsidiary profitability as a % of total profit remains constant



Source: Company, BOBCAPS Research

United Kingdom

The U.K. remained the largest contributor within Europe in FY26, delivering GBP 50 mn in sales, driven by strong performance in the respiratory segment despite pricing pressures. The growth was also driven acquiring Renascience, a specialty portfolio.

LPC's wholly owned U.K. subsidiary operates in a highly regulated environment, shaped by price controls and reimbursement mechanisms. LPC's focus is on products that offer stable returns or limited competition, with supply continuity being a key differentiator.

The company divested its non-core brands to focus on core brands and high return opportunities. In order to continue focusing on the core brands, the company acquired VISUfarma to enhance LPC's Ophthalmology and specialty portfolio

Fig 18 – LPC's United Kingdom subsidiary profitability trend

Rs mn	FY24	FY25	FY26
Europe subsidiary profit	33.50	44.50	87.00
loss as a % of consolidated profit	0.20	0.10	0.20
YoY growth		33%	96%

Source: Company, BOBCAPS Research

Australia

Australia continues to be LPC's largest contributor among developed markets, with revenue of AUD 119 mn, driven by a team of 59 employees. LPC ranks 4th among generic players, offering 450 product SKUs in prescription generics, OTC products under the Pharmacy Action label, and hospital injectables. During the year, LPC launched 10 products in Australia (10 were also launched in FY25), strengthening respiratory leadership and expanding into cardiovascular segments. LPC launched its first biosimilar in Australia, strengthening its specialty portfolio.

In FY26, LPC's subsidiary in Australia, Generic Health, was rebranded as "LPCAU" to enhance visibility among customers.

Generic Health Pty Ltd., Australia, a wholly owned subsidiary of the Company, incorporated LPCNZ Ltd. as its wholly owned subsidiary on August 8, 2024. LPCNZ was incorporated to engage in the business of both pharmaceuticals and pharmaceutical devices in New Zealand. In FY26, LPC entered the New Zealand market, where LPCNZ introduced its first retail product and secured multiple tender wins. This lays the foundation for gradual scale-up across both retail distribution and institutional channels in the years ahead.

Fig 19 – LPC's Australia subsidiaries profitability trend

Rs mn	FY24	FY25	FY26
Generic Health Pty Limited, Australia	627	303	292
LPCAustralia Pty Limited, Australia	-0.4	-0.6	0.5
Southern Cross Pharma Pty Ltd, Australia	366	521	330

Source: Company, BOBCAPS Research

Canada

LPC's subsidiary, LPC Pharma Canada Limited, achieved YoY growth of 5.6% to CAD 69 mn. The growth was driven organically by key products and new launches, and inorganically by signing in-licensed deals. Organically, the growth was driven by key brands like Zaxine and Intrarosa. Specialty products also emerged as a principal growth lever, supported by a dedicated field force and a medical engagement model that facilitates direct physician interaction. Therapeutically, women's health, inhalation therapies, and specialty generics represent priority areas for growth. During FY26, the firm introduced two new products, including Femyso (a women's health offering), and expects three to five new product launches in FY27, within complex and specialized generics.

Inorganically, in FY26, the company signed a licensing arrangement for a neurology product addressing depression, characterized by a differentiated formulation. Furthermore, multiple licensing and co-commercial discussions are in progress, several at advanced stages, reflecting a healthy pipeline of external growth opportunities

Fig 20 – LPC's Canada subsidiary profitable trend

Rs mn	FY24	FY25	FY26
Canada subsidiary profit	-42.40	279.00	255.00
Profit as a % of consolidated profit	-0.20	0.90	0.50

Source: Company, BOBCAPS Research

Fig 21 – Canada's ANDAs status

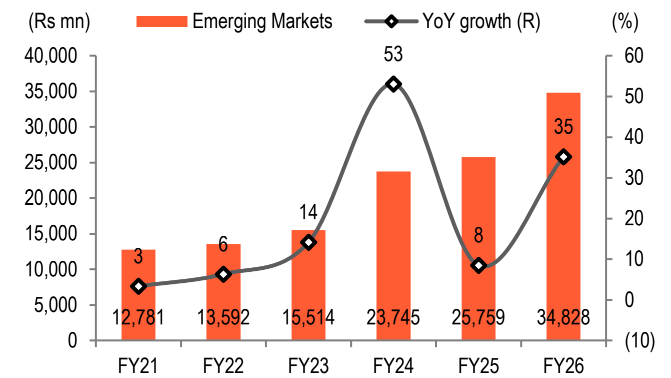
Canada ANDAs	FY24	FY25	FY26
Filing	6	8	2
Cumulative filing	20	28	29
Approval	1	0	3
Cumulative approval	13	13	16

Source: Company, BOBCAPS Research

Emerging Markets

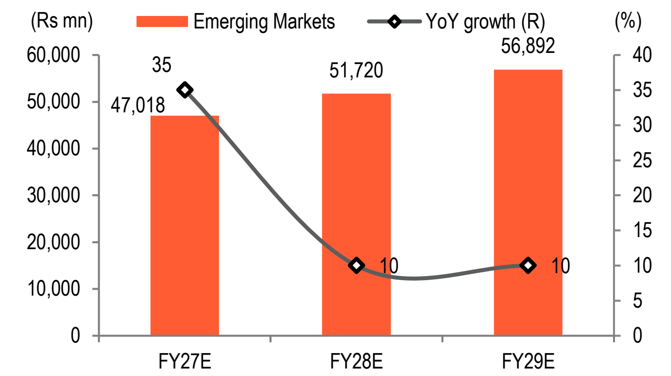
LPC's EMs grew by 35% YoY and contributed 13% of total sales in FY26, with growth largely driven by Brazil. Overall, the company's Emerging Markets business spans South Africa, Brazil, Mexico, the Philippines, and the Global Institutional Business (GIB). In GIB, the company serves 50+ countries. Among these geographies, LPC ranks 2nd largest in the ophthalmic therapy segment in Mexico

Fig 22 – EM market growth reported by uptick in Brazil's performance



Source: Company, BOBCAPS Research

Fig 23 – Expect EM region to post normalize double digit growth



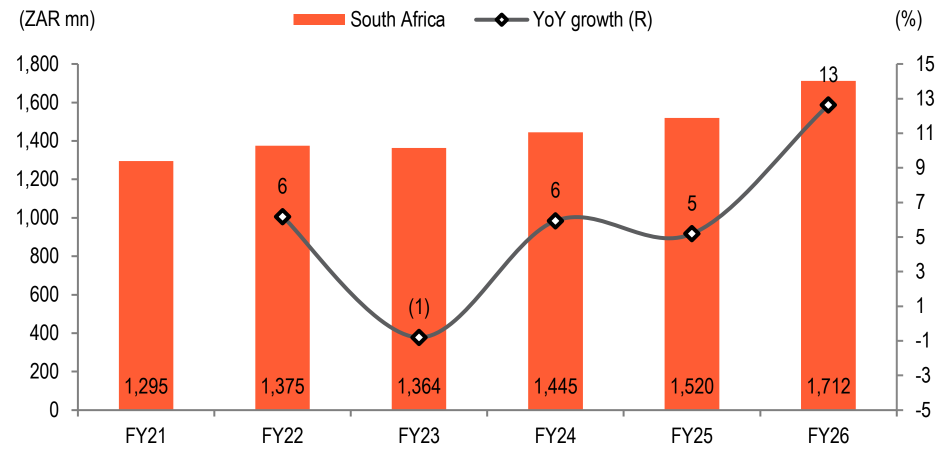
Source: Company, BOBCAPS Research

Following are the geographies in the Emerging Market

1- **South Africa –** In South Africa, LPC operates through a subsidiary, Pharma Dynamics. Pharma Dynamics channels its products through wholesalers and pharmacies. Pharma Dynamics is also in partnership with the Global Institutional Business (GIB) and has secured three-year public-sector tenders in the antiretroviral and tuberculosis categories. Through this subsidiary, LPC caters to the chronic, self-care, and public-sector treatment segments. In FY26, the subsidiary, Pharma Dynamics, reported 12.7% YoY growth to ~ZAR 1.712 bn. The growth was primarily driven by an uptick in the cardiovascular, Central Nervous System, and OTC segments.

The South African pharma market is broadly impacted by: 1) intense generic competition, 2) slower approvals by the South African Health Products Regulatory Authority (SAHPRA), and 3) supply disruptions from global third-party suppliers. However, the company mitigated these challenges through: 1) local sourcing, 2) inventory interventions, and 3) first-to-market launches. In FY25, the company divested its low-margin hospital business and reallocated the capital to metabolic diseases and OTC. The company expects its next phase of growth to come from metabolics and GLP products, with an ambitious future value target by FY30.

Fig 24 – South Africa annual sales in cc terms

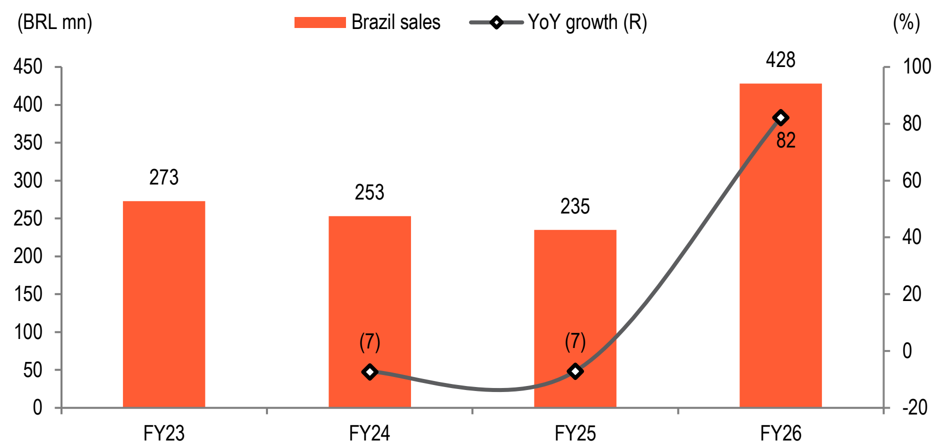


Source: Company, BOBCAPS Research

Brazil

Brazil is a key growth driver in the Emerging Markets and the largest pharmaceutical market in LATAM. In Brazil, LPC operates through a subsidiary, MedQuímica. The subsidiary reported growth of 82% YoY to BRL 428 mn in sales, driven by generics (mainly Dapagliflozin), OTC, and complex therapies. The company also focused on enhancing manufacturing productivity by improving overall equipment effectiveness and process stability. This resulted in over 40% productivity gains without significant capital investment. The renewal of the Good Manufacturing Practice (GMP) certification further reaffirmed MedQuímica's commitment to quality standards and regulatory compliance.

Fig 25 – Brazil cc sales trend



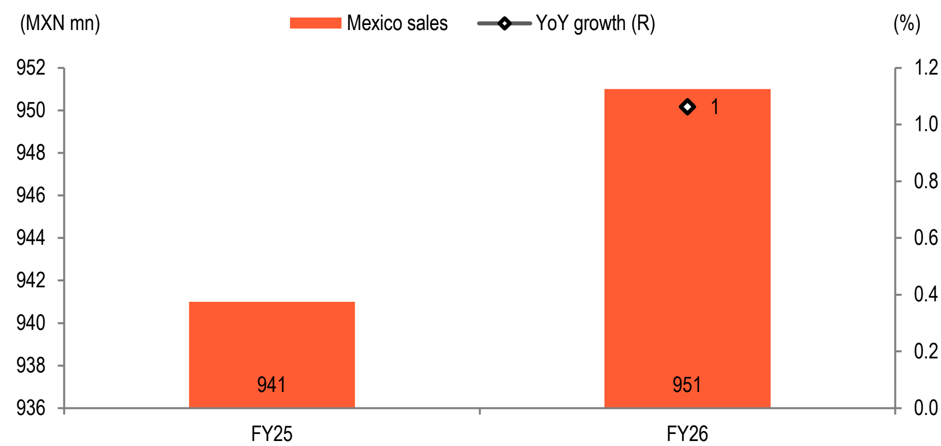
Source: Company, BOBCAPS Research

Brazil's pharmaceutical sector is expected to benefit from rising demand for affordable medicines and become the fifth largest in the world, with wider adoption of generics and complex therapies in the cardiometabolic, respiratory, oncology, and biosimilar segments.

Mexico

LPC operates in Mexico through Laboratorios Grin and focuses on scale and specialist care. Mexico is the second-largest pharmaceutical market in Latin America, and among the top 15 globally. The Mexico market grew by 12.5% YoY to MXN 223.6 bn. Against this industry growth, the company reported 1.1% growth to MXN 951 mn, primarily due to key products and new launches. During the year, drugs like Noxavil, Zonaker, Snelvit, and VeriDHA gained traction across anti-allergic therapies, anti-infectives, dry-eye management, and eye supplements. LPC has a key focus on the ophthalmology therapy area, where the subsidiary is the preferred partner for specialists, ranking 2nd by volume and 5th by value in the private segment.

Fig 26 – Mexico sales in cc terms



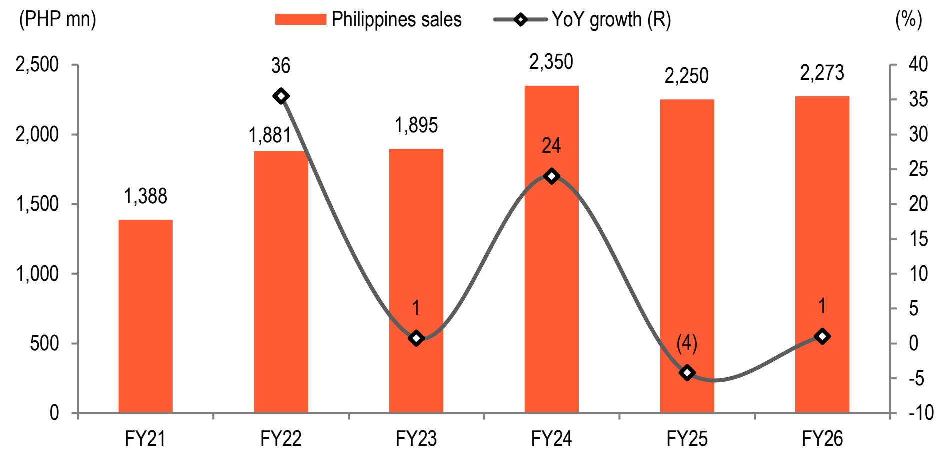
Source: Company, BOBCAPS Research

Growth in the Mexican market is expected to come from ophthalmology therapy, specialist, and OTC brands. In the medium term, growth is expected to be driven by metabolism, respiratory, and oncology therapies

Philippines

LPC operates in the Philippines through its subsidiary, Multicare Pharmaceuticals. The company operates directly in the market through its subsidiary in the areas of branded generics, chronic therapies, and hospital-based products. In FY26, the subsidiary's sales grew by 1% to PHP 2.2 bn. The sales were also driven by a 75% contribution from the chronic and semi-chronic portfolio, including gastroenterology, diabetes, and primary care. During the year, the subsidiary introduced 3 new products: 1) diabetes, 2) multivitamin and 3) iron supplement for anemia, and a Budesonide-Formoterol combination for asthma. The company also integrated its critical care portfolio in the Philippines market, where the critical care segment contributes 7% of sales, and expanded engagement with institutional and hospital-linked customers

Fig 27 – PHP sales



Source: Company, BOBCAPS Research

Profitability of Emerging

Fig 28 – LPC's subsidiaries profitability Markets subsidiaries

Profitability	FY24	FY25	FY26
Pharma Dynamics (Proprietary) Limited, South Africa	473	240	549
YoY growth (%)		**(49.3)**	**128.9**
% of sales (%)	**2.50**	**0.70**	**1.00**
Multicare Pharmaceuticals Philippines Inc., Philippines	442	509	467
YoY growth (%)		**15.2**	**(8.3)**
% of sales (%)	**2.30**	**1.60**	**0.90**
LPCPhilippines Inc., Philippines	(107)	266	46
YoY growth (%)		**(349.8)**	**(82.6)**
% of sales (%)	**(0.60)**	**0.70**	**0.10**
Laboratorios Grin, S.A. de C.V., Mexico	(32)	352	369
YoY growth (%)		**NA**	**4.9**
% of sales (%)	**(0.2)**	**1.10**	**0.70**
Medquimica Industria Farmaceutica LTDA, Brazil	(1415)	(1682)	1173
YoY growth (%)		**18.8**	**NA**
% of sales (%)	**(7.40)**	**(5.10)**	**2.20**

Source: Company, BOBCAPS Research

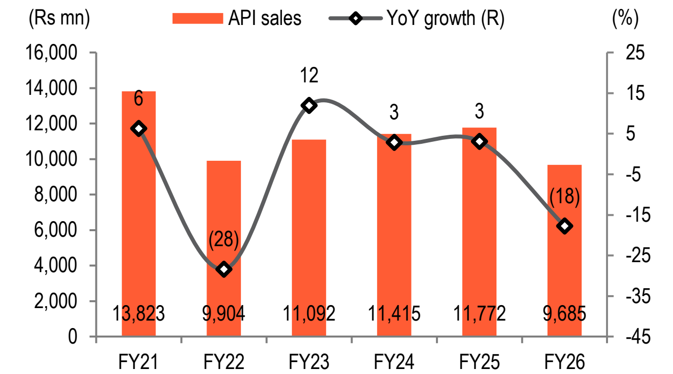
From the above table, we see that Brazil's subsidiary has seen a turnaround due to 82% YoY growth in sales from new launches like Dapagliflozin followed by South Africa's subsidiary, which has almost doubled its profitability within a year, due to a strong portfolio including CNS and cardiovascular therapies.

API

LPC's API portfolio spreads across internal formulation units, institutional programs, and global customers in regulated markets. LPC produces several APIs to support a vertical integration strategy, and thus, only a limited number of products are sold to third parties.

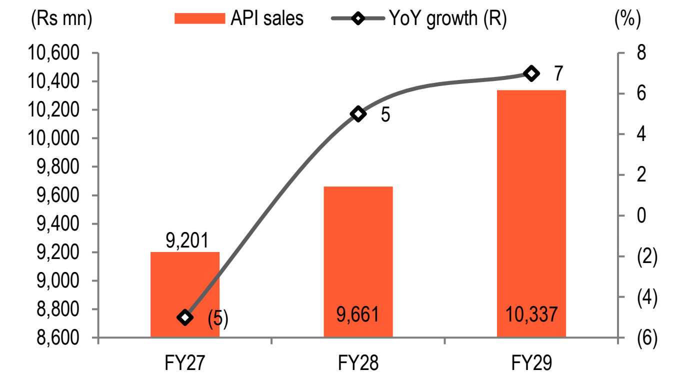
APIs related to tuberculosis (TB), cephalosporins, and select anti-infectives are manufactured internally for backward integration. Some cephalosporin products derived from Penicillin G (Pen G) have seen a decline in demand in recent times due to volatility in Pen G prices.

Fig 29 – API sales in FY26 declined due to higher internal consumption



Source: Company, BOBCAPS Research

Fig 30 – API sales expected to grow with stable pricing



Source: Company, BOBCAPS Research

LPCManufacturing Solutions

LPC Manufacturing Solutions (LMS) was incorporated in 2023 to extend API and manufacturing services to independent CDMO platforms. LMS's manufacturing capabilities include facilities at Dabhasa and Visakhapatnam, and an R&D center in Pune. LMS has filed 100+ products from facilities spanning 2.57 mn sq ft, supported by 165+ scientists. LMS's portfolio reaches pharmaceutical companies across 50+ countries, spanning over 30 APIs in commercial supply, alongside a pipeline of molecules in development.

Through LMS, LPC diversified into peptides and GLP-1 intermediates, and commissioned an oncology-focused manufacturing facility at Visakhapatnam, strengthening capabilities in high-potency APIs. LMS also progressed its strategic expansion at the Dabhasa facility, strengthening its peptide platform with dedicated infrastructure while expanding CDMO capabilities into complex and emerging modalities

Fig 31 – LMS losses expand due to subsidiary into expansion mode

Rs mn	FY24	FY25	FY26
LMS	(365)	(1087)	(1329)
% of total profitability	(1.90)	(3.30)	(2.50)

Source: Company, BOBCAPS Research

LPC's goal sheet by FY28

LPC has set the following launch goals for FY28, which diversify from the traditional oral solid business into complex businesses.

Fig 32 – LPC's goal to launch products by FY28

Sr no.	Particulars	Goal set	Target Year	FY26 status
1	Complex Inhalation Products	10 launches	2028	5
2	Complex Injectables	5 launches	2028	6
3	Ophthalmology, Dermatology, and Women's Health	5 launches	2028	3
4	Biosimilars	3 filings in regulated markets	2028	2 filings completed (Ranibizumab in U.S., Canada, and Australia b) Denosumab in Japan)

Source: Company, BOBCAPS Research

Manufacturing capabilities

LPC has 15 manufacturing facilities globally. In FY26, their manufacturing capabilities supported the large-scale production of 22,538 mn formulation units and 3,372 MT of APIs across oral, injectable, topical, ophthalmic, and inhalation therapies. LPC's strategic focus on complex generics, respiratory products, and biosimilars in the U.S. led to advancement of the growth platform through investments across complex generics, inhalation products, injectables, biosimilars, specialty therapies, and strategic expansion initiatives. With strong new product launches, LPC augmented its respiratory and chronic therapy portfolios, expanded manufacturing and Contract Development and Manufacturing Organization (CDMO) capabilities, and advanced pipeline across complex and specialty therapies.

Fig 33 – Manufacturing units across dossages

Mn units	FY24	FY25	FY26
Oral solids	19936	20164	21878
Oral Liquids	8	50	27
Opthalmic liquids	1	10	7
Topicals	2	3	2
Injectables	0	1	2
Inhalers including dry powder and Metered Dose Inhaler (MDI)	566	528	622

Source: Company, BOBCAPS Research

Fig 34 – FDA inspections status has been equal to FY23 but have received far lesser observations

FDA Inspection	FY23	FY24	FY25	FY26
U.S. FDA Inspection (Manufacturing Facilities)	9	3	6	9
No. of Form 483	7	2	3	8
No. of Total Observations	55	3	17	29
U.S. FDA Inspection (Manufacturing Facilities) Warning Letters	1	1	0	0

Source: Company, BOBCAPS Research

Fig 35 – Quality audits for suppliers is also towards the higher end

Particulars	FY23	FY24	FY25	FY26
Total supplier quality audits (third-party finished product site) for the India market	74	64	58	71
Total supplier quality audits (third-party finished product site) for the U.S. markets	6	3	2	10
Total supplier quality audits (raw materials) for all markets	250	265	167	316

Source: Company, BOBCAPS Research

Management Discussion & Analysis

Industry Overview

Global Pharma industry

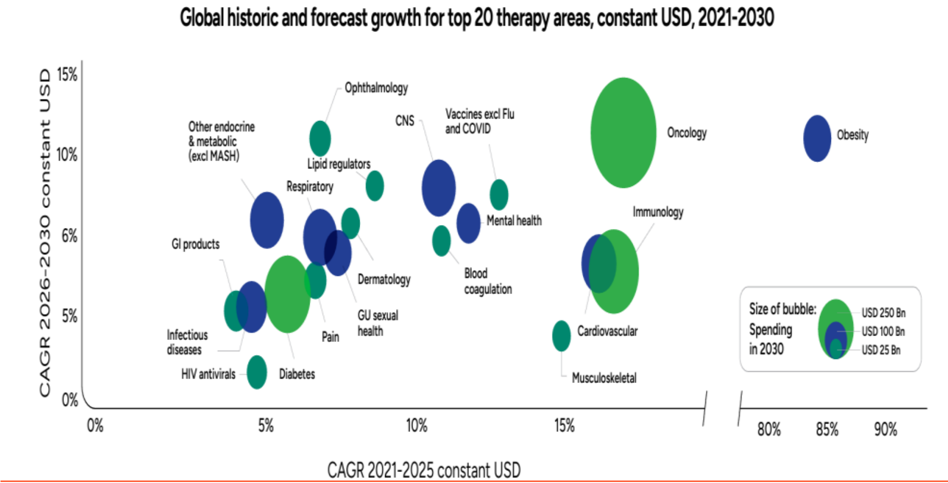
The global pharmaceutical industry is projected to reach USD 2.08-2.11 trillion in 2026, with growth expected at a 5-8% CAGR by 2030, materially outpacing global economic growth as per (IQVIA Institute, Global Medicine Use Trends, 2026). Value growth is increasingly driven by innovation-led therapies, complex generics, biosimilars, specialty products, and differentiated platforms.

Developed and Emerging Markets continue to play distinct but complementary roles in global pharmaceutical growth. Developed Markets, led by North America, remain the largest contributors by value, driven by the rapid adoption of innovative and specialty therapies. Emerging Markets across Asia, Latin America, Africa, and the Middle East are expected to record mid-to-high single-digit growth, backed by increasing healthcare investments, expanding insurance coverage, and improved access to essential medicines.

Therapeutic Focus Areas Shaping Global Demand - Oncology remains the largest therapeutic segment, with global spending projected to exceed USD 441 bn by 2029, driven by precision medicine, immunotherapies, and next-generation biologic platforms (IQVIA Forecast).

Cardiometabolic diseases and obesity have also emerged as powerful growth drivers as GLP-1-based treatments generated approximately USD 130+ bn in global sales in 2025, with obesity-focused therapies seeing rapid adoption as treatment paradigms evolve and access expands across geographies.

Fig 36 – Oncology to witness largest spending amongst top 20 therapies



Source: Company, BOBCAPS Research

ESG framework

LPC's sustainability performance and strong ESG ratings create a strategic opportunity for the company to enhance access to customers and regulated markets by meeting the growing preference for responsible suppliers

Environment

Fig 37 – LPC's energy consumption status

Global Environment Data

Energy Consumption (Renewable Sources)			
Category	Unit	FY26	FY25
Solar Energy (Captive)		189,131	20,781
Wind Energy (Purchased)		107,611	158,521
Hybrid (Renewable)	GJ	133,480	72,733
Biomass (Steam Generated and Purchased)		941,919	881,377
Total Renewable Energy Consumption		**1,372,142**	**1,133,412**

Source: Company, BOBCAPS Research

Fig 38 – LPC's waste diverted from disposal status

Waste Diverted from Disposal*			
Category	**Unit**	**FY26**	**FY25**
Hazardous waste			
Reuse	MT	6,493	7,127
Recycling	MT	10,918	9,440
Total	**MT**	**17,411**	**16,567**
Non-hazardous waste**			
Reuse	MT	10,721	9,340
Recycling	MT	6,537	6,246
Total	**MT**	**17,258**	**15,586**

* The waste prevented from disposal is given to authorized recyclers (situated offsite).
** Includes Plastic waste, E-waste and Battery waste.

Source: Company, BOBCAPS Research

Social

Fig 39 – LPC's global work force status for permanent workforce

Global Workforce FY26

Permanent Workforce				
Category	**Age-Wise Breakdown**	**Male**	**Female**	**Total**
Senior Management Employees (including Board of Directors) (Permanent)	<30 years	0	1	1
	30-50 years	135	38	173
	>50 years	147	33	180
Middle Management Employees (Permanent)	<30 years	218	84	302
	30-50 years	4,088	476	4,564
	>50 years	264	89	353
Junior Management Employees (Permanent)	<30 years	8,307	850	9,157
	30-50 years	8,326	722	9,048
	>50 years	217	47	264
Other Employees (Permanent)	<30 years	70	68	138
	30-50 years	142	145	287
	>50 years	20	17	37
Total Permanent Employees	<30 years	8,595	1,003	9,598
	30-50 years	12,691	1,381	14,072
	>50 years	648	186	834
Total Permanent Workers	<30 years	132	17	149
	30-50 years	575	4	579
	>50 years	287	4	291
Total Permanent Workforce	**<30 years**	**8,727**	**1,020**	**9,747**
	30-50 years	**13,266**	**1,385**	**14,651**
	>50 years	**935**	**190**	**1,125**

Source: Company, BOBCAPS Research

Fig 40 – New Employee hiring data by age group

New Employment Hires Data (Management, Gender, and Age-wise)			
Category	**Breakdown**	**Unit**	**FY26**
Top Management	Male	No.	1
	Female	No.	0
	<30	No.	0
	30-50	No.	0
	>50	No.	1
Senior Management	Male	No.	41
	Female	No.	22
	<30	No.	0
	30-50	No.	22
	>50	No.	23
Middle Management	Male	No.	549
	Female	No.	110
	<30	No.	108
	30-50	No.	514
	>50	No.	23
Junior Management	Male	No.	4170
	Female	No.	553
	<30	No.	3801
	30-50	No.	797
	>50	No.	10

Source: Company, BOBCAPS Research

Fig 41 – Employee turnover data

Employee Turnover Data (Management, Gender, and Age-wise)			
Category	**Breakdown**	**Unit**	**FY26**
Top Management	Male	No.	1
	Female	No.	0
	<30	No.	0
	30-50	No.	0
	>50	No.	1
Senior Management	Male	No.	38
	Female	No.	3
	<30	No.	0
	30-50	No.	15
	>50	No.	26
Middle Management	Male	No.	619
	Female	No.	75
	<30	No.	51
	30-50	No.	591
	>50	No.	52
Junior Management	Male	No.	3011
	Female	No.	316
	<30	No.	2095
	30-50	No.	1174
	>50	No.	58

Source: Company, BOBCAPS Research

Fig 42 – Employee turnover data

Employee Turnover Data (Management, Gender, and Age-wise)			
Category	Breakdown	Unit	FY26
Other Permanent Employees	Male	No.	65
	Female	No.	59
	<30	No.	36
	30-50	No.	81
	>50	No.	7
Permanent Workers	Male	No.	79
	Female	No.	3
	<30	No.	28
	30-50	No.	28
	>50	No.	26

Note: Age-wise data is not reported for the U.S. due to local restrictions. As a result, gender-wise employee total will not align with the age-wise total

Source: Company, BOBCAPS Research

Governance

Fig 43 – Fines/Settlements/Complaints

Fines/Settlements/Complaints

Category	FY26	Fines/Penalties (INR Mn) in FY26
Corruption or Bribery	1	0
Current Involvement in Any Corruption or Bribery Cases	0	0
Environmental Violations	0	0
Discrimination or Harassment	75	0
Customer Privacy Data	0	0
Conflicts of Interest	8	0
Class I Recalls	0	0
Class II Recalls	9	0
Money Laundering or Insider Trading	0	0
Anti-competitive Practices	0	0
Settlements Related to Anti-competitive Practices	0	0
Number of Incidents of Money Laundering or Insider Trading	0	0
Number of Complaints Related to Child Labor/Forced Labor/Involuntary Labor	0	0
Upheld Regulatory Complaints Concerning Marketing and Selling Practices	0	0
Upheld Self- Regulatory Complaints Concerning Marketing and Selling Practices	0	0
Total Number of Information Security Breaches	2	0
Total Number of Clients, Customers, and Employees Affected by the Breaches	0	0
Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	0	0
Total Number of Clients, Customers and Employees Affected by the Breaches	0	0
Ethical Marketing: Upheld Regulatory Complaints	0	0
Ethical Marketing: Upheld Self-regulatory Complaints	0	0

Note: Zero penalties/legal actions from any bodies in the past 3 years.

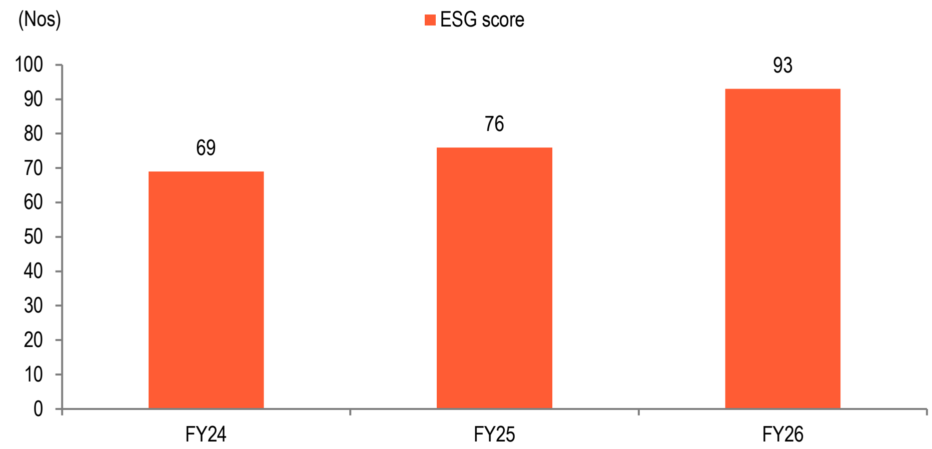
Source: Company, BOBCAPS Research

The company has also not paid any amount towards donations for political purpose

During FY26, The, company continued to make progress across environment, responsible operations and governance. Renewable energy usage increased across all manufacturing network, alongside further initiatives in water conservation and resource efficiency. This efforts were recognized globally through an S&P Global ESG Score of 91, inclusion in the S&P Global Sustainability Yearbook and leadership ratings from CDP for both climate change and water security.

The following is a chart with the historical ESG scores of the company.

Fig 44 – LPC's ESG score



Source: Company, BOBCAPS Research

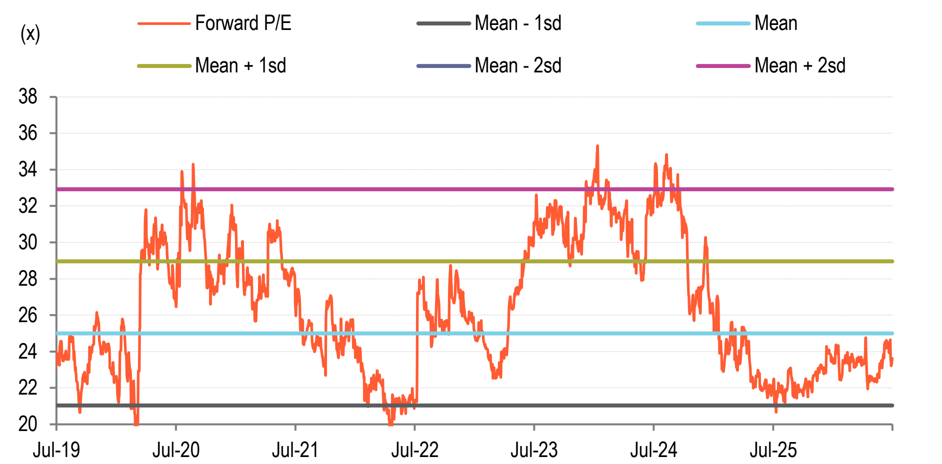
Valuation

LPC's focus is increasingly on complex products, where it aims to add 50 new products in the North American market. The company is also diversifying its focus from respiratory therapy to complex therapies like ophthalmology, oncology, and neurology.

The company has recently acquired VISUfarma, which would strengthen its ophthalmology therapy in European markets and in-turn strengthen Other Developed Markets. Domestic sales are also expected to grow, driven by a focus on the chronic portfolio, with the company aiming to increase it to 70% of domestic sales. We believe all geographies are poised to grow, with 1) Emerging Markets growth to be driven by Brazil, 2) Other Developed Markets growth to be driven by Europe, 3) India growth to be driven by the chronic portfolio, and 4) North America sales to grow with the complex product pipeline.

At CMP, on a roll-forward to Jun'28 EPS of Rs 119, we continue to ascribe 26x, arriving at a PT of Rs 3,095. This multiple reflects the visibility of a healthy product pipeline, sustained double-digit growth across geographies, and healthy margins (post-gRevlimid, EBITDA margins retraced to 18-20% for peers vs. 25-26% for LPC).

Fig 45 – LPC 1year forward PE chart



Source: Bloomberg

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**227,079**	**279,580**	**305,895**	**327,972**	**360,243**
EBITDA	52,775	81,595	76,935	85,837	97,607
Depreciation	11,693	13,755	15,367	17,007	17,687
EBIT	41,083	67,840	61,568	68,830	79,920
Net interest inc./(exp.)	(2,949)	(4,345)	(4,185)	(3,908)	(3,652)
Other inc./(exp.)	2,016	4,245	3,700	3,200	4,100
Exceptional items	0	0	0	0	1
EBT	40,150	67,740	61,084	68,122	80,368
Income taxes	7,087	15,171	13,680	15,668	19,288
Extraordinary items	0	986	0	0	0
Min. int./Inc. from assoc.	246	226	272	339	407
Reported net profit	**32,816**	**53,329**	**47,132**	**52,115**	**60,673**
Adjustments	0	(986)	0	0	0
Adjusted net profit	**32,816**	**52,343**	**47,132**	**52,115**	**60,673**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	29,632	41,731	38,734	41,530	46,844
Other current liabilities	31,664	46,742	46,742	46,742	46,742
Provisions	7,093	10,939	23,426	25,869	29,703
Debt funds	53,409	64,051	59,779	55,828	52,170
Other liabilities	0	0	0	0	1
Equity capital	913	914	914	911	911
Reserves & surplus	172,030	224,219	253,785	286,476	324,537
Shareholders' fund	172,943	225,133	254,699	287,388	325,448
Total liab. and equities	**294,741**	**388,596**	**423,380**	**457,356**	**500,907**
Cash and cash eq.	31,423	56,508	94,592	126,733	164,816
Accounts receivables	54,971	66,041	66,201	70,978	77,963
Inventories	54,764	60,833	63,238	67,802	74,474
Other current assets	60,907	75,374	76,374	77,374	78,374
Investments	10,868	36,061	36,061	36,061	36,061
Net fixed assets	55,927	60,244	52,877	43,870	34,183
CWIP	3,555	6,952	7,452	7,952	8,452
Intangible assets	22,326	26,585	26,585	26,585	26,585
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	**294,741**	**388,596**	**423,380**	**457,356**	**500,907**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**11,796**	**70,925**	**72,606**	**67,927**	**76,505**
Capital expenditures	(13,205)	(25,728)	(8,500)	(8,500)	(8,500)
Change in investments	(122)	(25,193)	0	0	0
Other investing cash flows	0	0	0	0	1
Cash flow from investing	**(13,326)**	**(50,921)**	**(8,500)**	**(8,500)**	**(8,499)**
Equities issued/Others	2	1	0	(3)	0
Debt raised/repaid	26,710	10,642	(4,272)	(3,951)	(3,657)
Interest expenses	(2,949)	(4,345)	(4,185)	(3,908)	(3,652)
Dividends paid	(2,732)	(5,612)	(17,566)	(19,423)	(22,612)
Other financing cash flows	1,748	4,395	0	0	0
Cash flow from financing	**22,779**	**5,081**	**(26,022)**	**(27,285)**	**(29,922)**
Chg in cash & cash eq.	**21,249**	**25,085**	**38,084**	**32,141**	**38,085**
Closing cash & cash eq.	**31,423**	**56,508**	**94,592**	**126,733**	**164,818**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	72.0	117.0	103.4	114.4	133.1
Adjusted EPS	72.5	115.7	103.4	114.4	133.1
Dividend per share	8.1	43.9	38.8	42.9	50.0
Book value per share	380.2	496.1	561.4	633.7	717.8

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	4.8	3.9	3.7	3.6	3.4
EV/EBITDA	20.5	13.5	14.8	13.7	12.5
Adjusted P/E	33.0	20.7	23.2	20.9	18.0
P/BV	6.3	4.8	4.3	3.8	3.3

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	81.7	77.3	77.2	76.5	75.5
Interest burden (PBT/EBIT)	97.7	99.9	99.2	99.0	100.6
EBIT margin (EBIT/Revenue)	18.1	24.3	20.1	21.0	22.2
Asset turnover (Rev./Avg TA)	21.2	20.5	18.8	18.6	18.8
Leverage (Avg TA/Avg Equity)	1.7	1.7	1.7	1.6	1.6
Adjusted ROAE	20.7	26.3	19.6	19.2	19.8

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	13.5	23.1	9.4	7.2	9.8
EBITDA	38.5	54.6	(5.7)	11.6	13.7
Adjusted EPS	71.4	59.5	(10.6)	10.6	16.4
Profitability & Return ratios (%)					
EBITDA margin	23.2	29.2	25.2	26.2	27.1
EBIT margin	18.1	24.3	20.1	21.0	22.2
Adjusted profit margin	14.5	18.7	15.4	15.9	16.8
Adjusted ROAE	20.7	26.3	19.6	19.2	19.8
ROCE	17.2	21.0	16.3	16.3	17.2
Working capital days (days)					
Receivables	82	79	79	79	79
Inventory	84	75	75	75	75
Payables	158	178	178	178	178
Ratios (x)					
Gross asset turnover	1.3	1.5	1.6	1.6	1.7
Current ratio	3.0	2.6	2.8	3.0	3.2
Net interest coverage ratio	13.9	15.6	14.7	17.6	21.9
Adjusted debt/equity	0.1	(0.1)	(0.3)	(0.4)	(0.5)

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

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Name of the Research Entity: **BOB Capital Markets Limited**
Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**
SEBI Research Analyst Registration No: **INH000000040 (Perpetual)**
SEBI Stock Broker Registration No: **INZ000159332**
SEBI Depository Participant Registration No: **IN-DP-728-2022**
SEBI Merchant Banker Registration No: **INM000009926**
Phone: +91-22-61389300
Name of the Compliance Officer: Mr. Sameer Khobrekar
Email ID: Compliance@bobcaps.in; Phone no.: +91-22-61389358
For any queries or grievances, you may contact the Grievance Officer.
Name of the Grievance Officer: Mr. Nilesh Mehta
Email ID: head-customercare@bobcaps.in; Phone no: 92288 60945

Brand Name: **BOBCAPS**
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BUY – Expected return >+15%

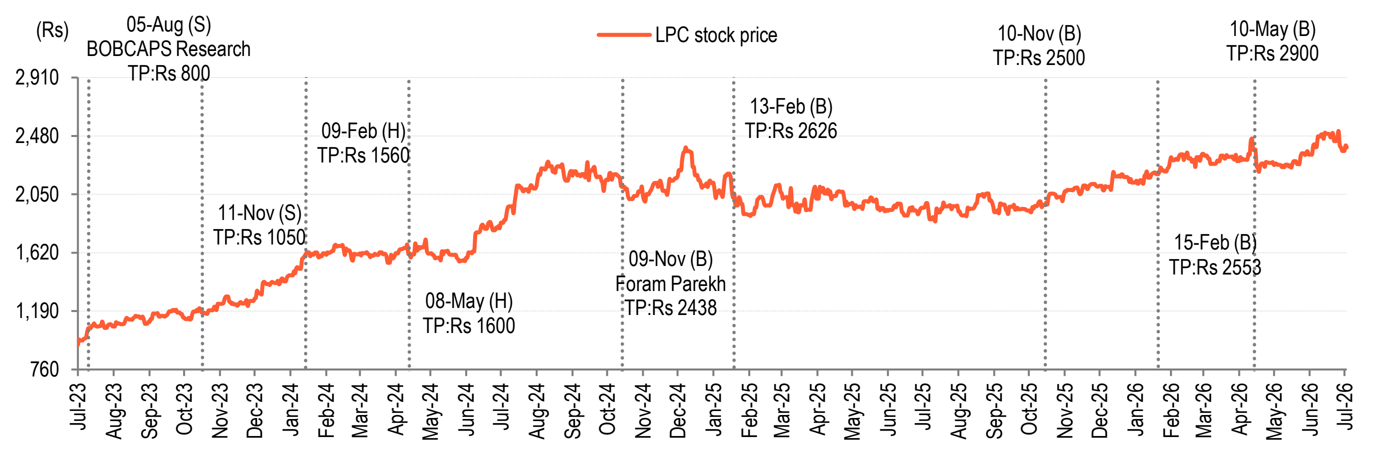
HOLD – Expected return from -6% to +15%

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)



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