

Lupin (LPC) - ADD

Q3FY26 Result Update

Current Market Price (CMP) Rs.2314	Fair Value (FV) Rs.2425
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Rationale:

- LPC's US strength drove yet another meaningful beat in Q3FY26.
- EBITDA margins at 30.8% scale yet another peak in Q3FY26.
- The 24-25% EBITDA margin guidance in FY27E, driven by strong ex-US growth and cost efficiencies, assuages concerns of a steep margin drop.
- We highlight that LPC has a number of molecules lined up, which will ensure a limited earnings dip in FY27E, after a staggering FY26E.
- We raise FY26-28 EPS estimates by 6-24%, primarily on higher US sales.
- Retain ADD with an FV of Rs2,425 (Rs2,255 earlier).

👍 Positives:

- LPC's Q3FY26 sales stood at Rs7168 cr (+24% yoy, +5% above our estimate).
- EBITDA, at Rs2,210 cr (+11% vs our estimate), grew 62% yoy; margins up 710 bps yoy.
- Adjusted PAT stood at Rs1,506 cr (+76% yoy, +2% qoq), beating our estimates by 7%.
- As of December 2025, net cash was Rs2,880 cr, with a net debt-to-equity of -0.14x.

👎 Negatives:

- We expect the company's FY27E earnings per share (EPS) to decline by 12.6%.

(EBITDA: Earnings Before Interest, Tax, Depreciation and Amortization; PAT: Profit After Tax)



The content of this document has been derived from KIE research report. Kotak's PCG Research has summarized the report (Research Team: shrikant.chouhan@kotak.com). Readers who wish to access the complete report are kindly requested to contact their respective Relationship Manager. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 months