

Pick of the Week

ADD– Lupin (LPC)

CMP: ₹2199 as on 16 February 2026

Fair Value (FV): ₹2425

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Time Period: 12 months

Why Invest?

- LPC's US strength drove yet another meaningful beat in Q3FY26.
- 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.
- 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.
- As of Dec 2025, net cash was Rs2,880 cr, with a net debt-to-equity of -0.14x.

Maintain ADD with **FVRs-2425**

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

- BUY** – We expect the stock to deliver more than 15% returns over the next 12 months
- ADD** – We expect the stock to deliver 5% - 15% returns over the next 12 months
- REDUCE** – We expect the stock to deliver -5% - +5% returns over the next 12 months
- SELL** – We expect the stock to deliver < -5% returns over the next 12 months
- NR** – **Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
- SUBSCRIBE** – We advise investor to subscribe to the IPO.
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- NA** – **Not Available or Not Applicable.** The information is not available for display or is not applicable
- NM** – **Not Meaningful.** The information is not meaningful and is therefore excluded.
- NOTE** – Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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