



# FIN 2RESEARCH

SHUBH SAMAY NIVESH

## RATING

Business	★★★★★
Management	★★★★★
Valuation	★★★★★
Financial	★★★★★

Ranking 1 to 5, denoting lowest and 5 highest


**FIN2RESEARCH**  
Investment Advisor Pvt. Ltd.

LUPIN



DATE: 23-09-2024

BUY RANGE: @ 2145-2130

TARGET : @ 2570

RATING : BUY

Research Report

Stock Info	Amount
Mkt Cap(cr)	98,069.55
52-weeks high	2312.00
52-weeks low	1091.50
No. of eq shares(cr)	45.50
Face Value	2.00
Bse Code	500257
Nse Code	LUPIN
Free Float Mcap(cr)	51976.86

Source : BSE,NSE

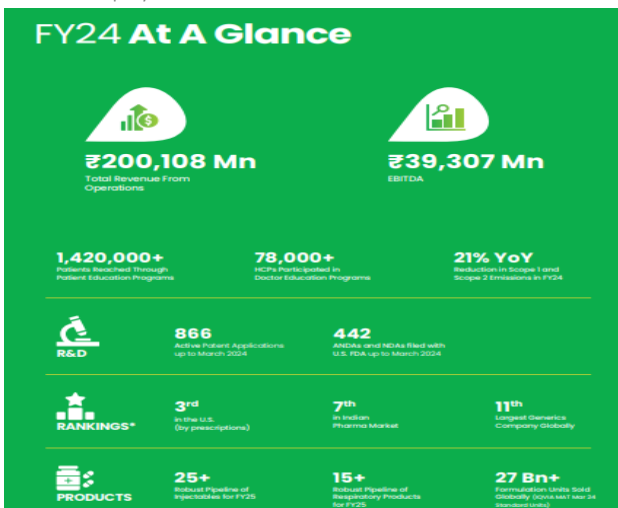
Particulars	ShareHolding
Promoter Holding	46.99%
DII's Holding	26.77%
FII's Holding	19.32%
Public	6.92%
<b>Total</b>	<b>100.00%</b>

Source : BSE,NSE

(In cr)

Particulars	FY2023	FY2024
ROCE	7%	19%
ROE	3%	14%
ROA	2%	8%
Current Ratio	1	2
Quick Ratio	0.9	1
Cash Ratio	0.2	0.3
EPS	9.3	50.9

Source : Company Research



Source : Company Report

**About :**

Lupin Limited, headquartered in Mumbai, India, is a global pharmaceutical leader with a presence in over 100 markets, including the U.S., LATAM, APAC, and EMEA. The company offers a diverse portfolio of more than 1,200 products, focusing on generics, biosimilars, specialty medicines, and active pharmaceutical ingredients. With 15 manufacturing sites, 7 research centers, and a workforce of over 22,000, Lupin emphasizes innovation, patient-centricity, and sustainability. Committed to improving healthcare accessibility, Lupin also leads in ESG initiatives and community development through its welfare foundation, impacting millions across India.

**Key Highlights:**

- Lupin Limited delivered a robust Q1 FY25 performance, showcasing strong growth across all key segments. Revenues reached INR 5,513 crores, reflecting a 16% year-on-year growth, with EBITDA margins expanding to 23.3%. North America saw a 28% growth year-on-year, driven by strong contributions from respiratory products and new launches like Mirabegron and Doxycycline.
- The India business grew 18%, outpacing market growth, with strong performances in Cardiac, Respiratory, and Diabetes segments. Internationally, EMEA saw a 26% growth, while APAC and LATAM recorded a 27% year-on-year increase. Lupin's gross margins improved to 68.4%, driven by better product mix and operational efficiencies.
- R&D expenditure is expected to ramp up in the upcoming quarters, with full-year spend estimated at INR 1,800 crores. The company remains confident about maintaining strong growth in FY25, with a focus on complex generics, new product launches, and operational excellence across all regions.
- **Key Launches:** Mirabegron (25mg), a generic Myrbetriq®, and Rymti® (Etanercept), Lupin's first biosimilar in Canada.
- **Business Development:** Completed carve-out of trade generics into a 100% subsidiary; acquired Aarane™ in Germany and Nalcrom™ in Canada and the Netherlands from
- **Anti-diabetes Growth:** Non-in-licensed products grew 14%, outpacing the market's 7.4% growth.
- **New Pipeline:** Strong in-house pipeline of novel assets and in-licensing partnerships for future growth.

**ESG:**

Company has as made significant strides on the ESG front, joining the Science-Based Target initiative (SBTi) to advance its decarbonization efforts across its value chain. The company achieved key milestones with ISO 14001 and ISO 45001 certifications across all Indian manufacturing sites, R&D centers, and its corporate office, reflecting its commitment to sustainable and safe operations. Lupin's strategic initiatives, including water recycling, renewable energy integration, and human rights adoption, are progressing in line with its ambitious ESG goals. These efforts reinforce Lupin's dedication to sustainability and responsible corporate practices.

**Key Risks:**

- **Foreign Exchange Vulnerability**  
Profitability is also susceptible to foreign exchange fluctuations due to Lupin's foreign operations and currency borrowings. The company employs foreign exchange forward contracts to mitigate this risk.
- **Regulatory Risks and Legal Challenges**  
Company faces regulatory risks from USFDA scrutiny and potential domestic pricing controls. About 18% of its formulations are under NLEM, making them vulnerable to future price controls. The company is addressing USFDA warning letters and is involved in an industry-wide investigation into price-fixing allegations.



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Research Report

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- **BUY** – We expect the stock to deliver more than 10%-20% returns over the next 9 months.
- **ACCUMULATE** – We expect the stock to deliver 5% - 12% returns over the next 9 months.
- **REDUCE** – We expect the stock to deliver 0% - 5% returns over the next 9 months.
- **SELL** – We expect the stock to deliver negative returns over the next 9 months.
- **NR** – Not Rated. Fin2Research is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
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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 9-month perspective. Returns stated in the rating scale are our internal benchmark.

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