

Result update	Hold
CMP	724
Target Price	750
Previous Target Price	675
Upside	4%
Change from Previous	11%

Market Data	
BSE Code	500257
NSE Symbol	LUPIN
52wk Range H/L	738/496
Mkt Capital (Rs, Cr)	32457
Average Daily Volume	125402
Nifty	6050

Stock Performance-%	1M	1yr	YTD
Absolute	12.3	37.3	54.9
Rel. to Nifty	3.5	16.7	42.1

Share Holding Pattern-%	Current	4QFY13	3QFY1
Promoters	46.8	46.9	46.9
FII	28.8	27.8	28.0
DII	14.3	15.6	15.4
Others	10.0	9.8	9.7



Lupin as expected posted robust 4QFY13 results on back of strong sales of Tricor, Suprax as well as recent launches.

Management said that company is confident that it should grow at 25-30 percent in next few years, as it aspired to become a \$5bn company in the next 5 years.

**Robust Results:** Lupin as expected posted robust 4QFY13 results on back of strong sales of Tricor, Suprax as well as recent launches. Net Sales for the quarter grew to Rs. 2537 Cr, up by 34 % YoY led by strong sales growth in US formulation business sales. The OPM came in at 26 % for the quarter which the mgmt also attributed to various six-sigma lean techniques. Net profit for at Rs 408 cr as against Rs 156 Cr in the same quarter last fiscal (had one-off and hence the low base). Tax rate at 21% was much lower than expected, which too boosted the bottomline. Revenues from formulations business came at Rs 2294 cr which forms 90 % of the total consolidated revenue. The API business and Pharmaceutical business contributed the rest at Rs 244cr.

Company had guided for 14 approvals in FY14, including the likes of Solodyn, Yasmin, Symbalta, Asacol, Zymaxid, Asacol and Cipro OS

Company already had received approval of Daysee and Yasmeen.

The management earlier expressed confidence of clocking sales of atleast \$150 million per qtr in US going forward, driven mostly by launch of OC generics; and as expected US contributed \$205 million this quarter.

The Management post 3QFY13 results had guided company's margins at 23% by the FY13 end and have achieved exactly that. Further management said that company is confident that it should grow at 25-30 percent in next few years, as it aspired to become a \$5bn company in the next 5 years. The tax rate though low in the current qtr, is expected to remain to the north of 30% in the year ahead.

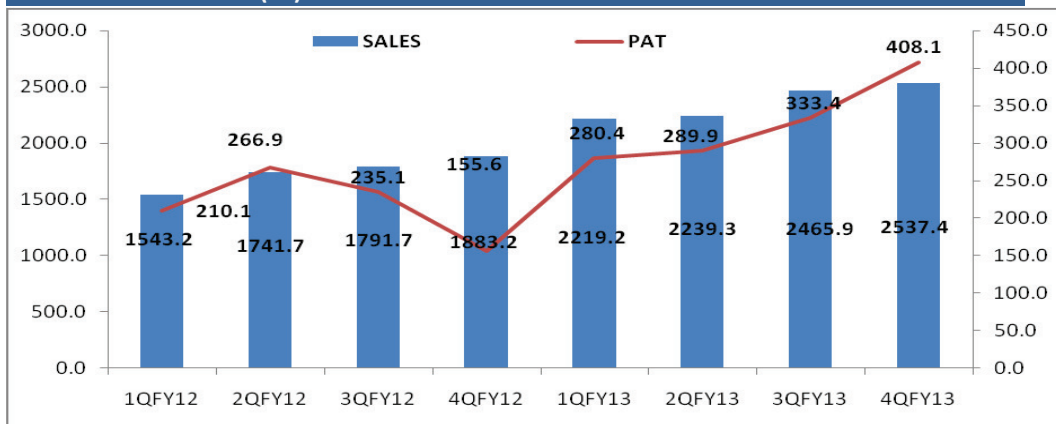
These positivities apart, at current CMP of Rs 724, Lupin is trading at 23.5x 1 year forward PE, capturing many of the near term upsides. The scrip is up almost 17% since our last recommendation a fortnight ago. We turn HOLD on account of slightly rich valuations. We will keep an eye on expected approval pipeline which could alter our view and valuations

Financials	Rs, Crore				
	4QFY13	3QFY13	(QoQ)-%	4QFY12	(YoY)-%
Revenue	2586	2501	3.4	1924	34.4
EBITDA	659	606	8.8	373	76.6
PAT	415	342	21.4	161	157.6
EBITDA Margin	25.5%	24.2%	(130bps)	19.4%	610bps
PAT Margin	16.0%	13.7%	(240bps)	8.4%	770bps

(Source: Company/Eastwind)

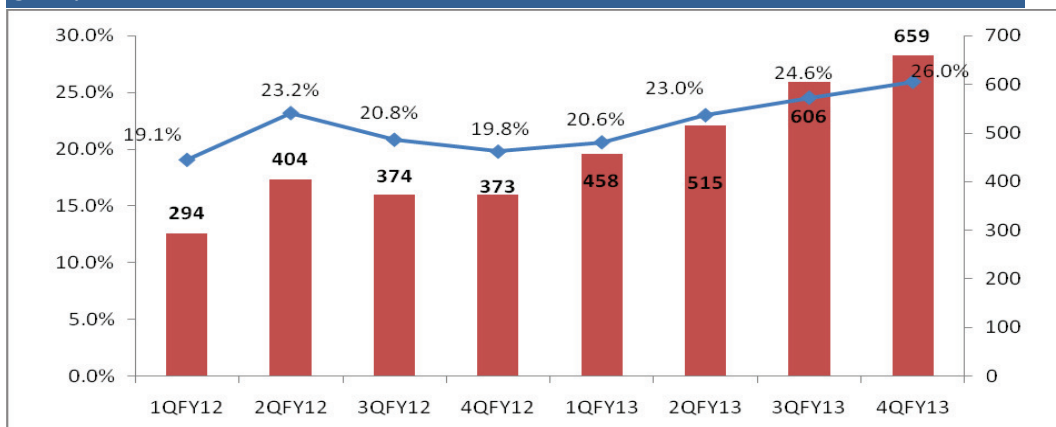
# LUPIN

## Sales and PAT Trend (Rs)



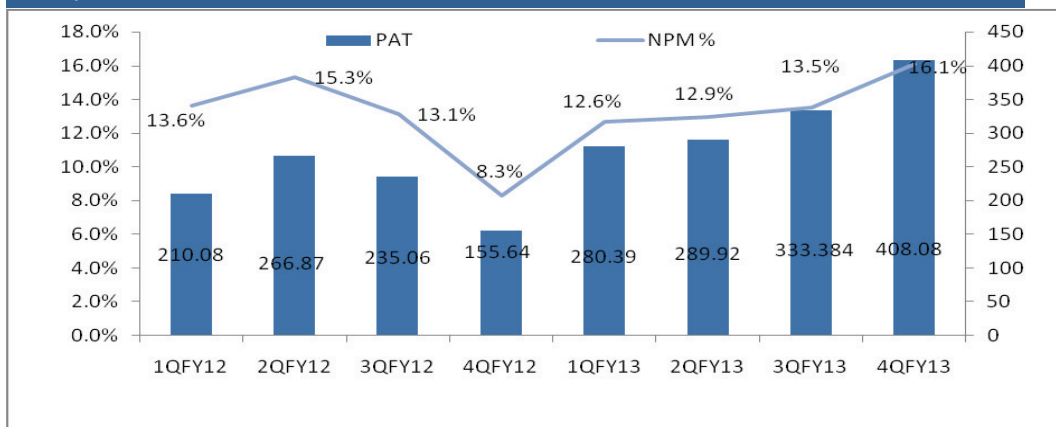
(Source: Company/Eastwind)

## OPM %



(Source: Company/Eastwind)

## NPM %



(Source: Company/Eastwind)