

Cipla (CIPLA IN)

Q4FY26 Result Update

May 14, 2026

Estimate Change | Target | Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	Accumulate		Accumulate	
Target Price	1,400		1,440	
Sales (INR mn)	306,097	341,755	305,009	341,136
% Chng.	0.4	0.2		
EBITDA (INR mn)	58,966	69,172	63,665	72,219
% Chng.	(7.4)	(4.2)		
EPS (INR)	50.6	60.6	56.4	64.3
% Chng.	(10.3)	(5.8)		

Key Data

CIPL.BO | CIPLA IN

BSE Code	500087
NSE Code	CIPLA
52-W High / Low	INR 1,673 / INR 1,165
Face Value	2
Sensex / Nifty	74,609 / 23,413
Market Cap	INR 1,072 bn / \$ 11,205 mn
Shares Outstanding	807.78 mn
3M Avg. Daily Value	INR 2,330.22 mn

Shareholding Pattern (%)

Promoters	29.21
FIs	22.56
Mutual Funds	18.66
Domestic Institutions	13.31
Public & Others	16.25
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	9.6	(0.3)	(13.0)	(12.5)
Relative	12.9	10.4	(1.5)	(4.8)

Key Financials - Consolidated

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR mn)	275,478	281,631	306,097	341,755
EBITDA (INR mn)	71,281	58,834	58,966	69,172
Margin (%)	25.9	20.9	19.3	20.2
PAT (INR mn)	52,727	41,556	40,927	48,962
EV (INR mn)	1,069,180	1,065,784	1,058,200	1,046,597
Total Debt (INR mn)	4,381	6,138	5,138	5,138
C&C Eq. (INR mn)	7,998	13,074	19,659	31,261
EPS (INR)	65.3	51.5	50.7	60.6
Gr. (%)	27.9	(21.2)	(1.5)	19.6
DPS (INR)	15.9	12.9	12.9	12.9
Yield (%)	1.2	1.0	1.0	1.0
RoE (%)	18.2	12.7	11.4	12.5
RoCE (%)	20.4	14.0	12.7	14.0
EV/Sales (x)	3.9	3.8	3.5	3.1
EV/EBITDA (x)	15.0	18.1	17.9	15.1
PE (x)	20.3	25.8	26.2	21.9
P/BV (x)	3.4	3.1	2.9	2.6

Weak US revenues, timely launches will be key

Quick Pointers

- US business guided to reach USD 1bn exit run-rate by FY27E end led by respiratory and peptide launches.
- Margin guidance between 18.5-20% in FY27E.

CIPLA's Q4FY26 EBITDA (INR 9.5bn; 15% OPM) missed our estimates by 7% on account of lower US revenues. Management guided FY27E margin at 18.5-20% with exclusion of Lanreotide recovery; alternate US manufacturing site being pursued owing to temporary supply disruptions. Our FY27E/28E EPS stands cut by 5-10% as we factor in lower margins. We expect Cipla US annual sales run-rate at USD 800/950mn in FY27/28E. Timely key respiratory approvals and normalization of Lanreotide by H2FY27 will be key. Cipla's strong net cash position of +\$1.2bn provides flexibility to pursue strategic M&A opportunities. At CMP, stock is trading 22x FY28E EPS. Given high FY25/26 base led by gRevlimid and gLanreotide; we see flat EPS in FY27. We maintain our Accumulate rating with revised TP of INR 1,400/share, valuing at 23x on FY28E EPS. Timely launch of critical high-value products in the US in FY27E will be key.

Muted US sales: CIPLA's Q4FY26 revenues declined 3% YoY to INR 65.4bn, below our estimates. Domestic formulation reported strong growth of 15% YoY. Key therapies such as Respiratory, Urology, Anti diabetic and Cardiac outpaced the market. US sales declined to USD 155 mn, down 7% QoQ. Such decline was on account of lower contribution from gRevlimid and supply issues in gLanreotide. One Africa business reported growth of 21% YoY; whereas EM + EU markets were down 8% YoY.

Healthy GMs, EBITDA miss: GMs stood at 66%, down 185bps YoY but up 280bps QoQ. CIPLA reported EBITDA of INR 9.5bn; down 38% YoY; 7% below our estimates. OPM stood at 15%, down 825bps YoY. R&D expenses stood higher at INR 5bn, 8% of revenue, up 19% YoY and 3% QoQ. Ex R&D cost other expenses were up 6% YoY. Resultant PAT stood at INR 5.5bn; down 55% YoY. EPS of INR 6.8/share in Q4FY26.

FY27 Guidance: US sales exit run-rate at USD 250mn by Q4FY27 end which does not factor in recovery in gLanreotide sales. Expect niche launches like gAdvair, Symbicort to be launched in H1FY27. R&D spend is expected to remain at ~7% of sales. Domestic formulation growth to be in double digit and likely to beat IPM. Overall expect OPM to be in range of 18.5-20%.

Quarter Summary

Y/e Mar	Q4'26E	Q4'26A	% Var.	Q4'25A	YoY gr. (%)
Net Sales (INR mn)	67,903	65,412	-4.0	67,297	-3.0
EBITDA (INR mn)	10,226	9,550	-7.0	15,376	-38.0
Margin (%)	15.1	14.6	-50 bps	22.8	-820 bps
PAT (INR mn)	6,731	5,546	-18.0	12,218	-55.0

Source: Company, PL

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Conference Call Highlights

Domestic formulation: Growth led by chronic therapies (Anti diabetic 17%, Cardiac 12%, Respiratory and Urology 11%). Chronic mix share at 60%. Key launches across therapies: Voltido Trio Ciphaler, Huena, Zemdri and Empacip during the year. Trade generics business delivered double-digit growth aided by distribution expansion, new launches and tech-enabled operations. Acute portfolio weakness seen in FY26 expected to normalize; chronic portfolio diversification reducing seasonality dependence. Launched 16 new products under trade generics in FY26.

Consumer health: Consumer health business maintained strong growth trajectory with Nicotex, Omnigel and Cipladine retaining leadership positions. Operating profitability in consumer health improved, reflecting scalability of the business. 17 new launches planned in consumer health segment for FY27E.

US business: Respiratory pipeline includes 5 filed assets; additional 4 respiratory assets to be filed over next 24 months. 2 respiratory assets using green propellants planned for filing over next 24 months. Albuterol market share improved to 19.6% as per IQVIA MAT Mar'26; management indicated scope for higher share with better supply availability. Received approval for first AB-rated generic Ventolin; launch expected in coming months with 6-month exclusivity benefit. Ventolin ramp-up expected largely in H2FY27E; management sees no capacity constraints. 4 respiratory assets planned for commercialization in FY27E; Goa and US facilities ready to support launches. Peptides and complex generics pipeline progressing; 8 assets already filed with launches expected in FY27-28E.

EMs: Growth driven by deeper penetration in core markets along with stable margins and pipeline execution. Company evaluating inorganic opportunities in emerging markets where both business scale and capabilities can be added.

One Africa: Delivered strong secondary growth of 6.6% YoY. FY27E focus to improve private market mix while reducing tender contribution dependence.

GLP-1 portfolio: Partnered with Eli Lilly for Yurpeak, marking entry into obesity segment.

Other highlights: Biosimilar strategy being accelerated; two in-house assets under development with plans to build 6-8 asset pipeline over 5-8 years. Net cash stood at INR 105bn as of FY26.

Exhibit 1 : 4QFY26 Result overview (INR mn) – US revenues continue to remain weak, EBITDA below est

Y/e March	4QFY26	4QFY25	YoY gr. (%)	Q4FY26E	%Var	3QFY26	QoQ gr. (%)	FY26	FY25	YoY gr. (%)
Net Sales	65,412	67,297	(2.8)	67,903	(3.7)	70,745	(7.5)	2,81,626	2,75,476	2.2
Raw Material	22,487	21,890	2.7	26,201	(14.2)	26,321	(14.6)	95,491	89,346	6.9
% of Net Sales	34.4	32.5		38.6		37.2		33.9	32.4	
Personnel Cost	14,143	12,331	14.7	13,640	3.7	13,250	6.7	53,663	48,328	11.0
% of Net Sales	21.6	18.3		20.1		18.7		19.1	17.5	
Others	19,233	17,700	8.7	17,836	7.8	18,624	3.3	73,643	66,579	10.6
% of Net Sales	29.4	26.3		26.3		26.3		26.1	24.2	
Total Expenditure	55,863	51,921	7.6	57,677	(3.1)	58,194	(4.0)	2,22,797	2,04,253	9.1
EBITDA	9,550	15,376	(37.9)	10,226	(6.6)	12,551	(23.9)	58,829	71,223	(17.4)
Margin (%)	14.6	22.8		15.1		17.7	(3.1)	20.9	25.9	
Depreciation	3,829	3,087	24.0	2,789	37.3	2,784	37.6	12,110	11,070	9.4
EBIT	5,720	12,289	(53.5)	7,437	(23.1)	9,767	(41.4)	46,719	60,153	(22.3)
Other Income	1,482	2,895	(48.8)	2,662	(44.3)	2,063	(28.2)	8,820	8,619	2.3
Interest	131	140	(6.3)	137		140	(6.4)	544	620	(12.3)
PBT	7,071	15,043	(53.0)	9,962	(29.0)	11,690	(39.5)	54,995	68,152	(19.3)
Extra-Ord. Inc./Exps.	-	-		-	#DIV/0!	(2,759)		(2,759)	-	
Total Taxes	1,570	2,793	(43.8)	3,082	(49.1)	2,186	(28.2)	13,538	15,298	(11.5)
ETR (%)	22.2	18.6		30.9		18.7		24.6	22.4	
Minority interest	45	(32)		(149)	(130.4)	12		94	(126)	
Reported PAT	5,546	12,218	(54.6)	6,731	(17.6)	6,758	(17.9)	38,792	52,729	(26.4)

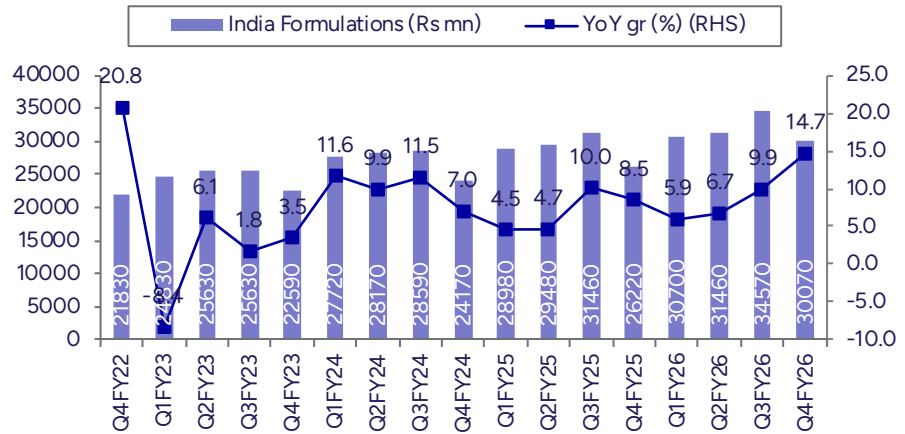
Source: Company, PL

Exhibit 2 : Domestic markets delivered strong growth YoY

Revenue break up (INR mn)	4QFY26	4QFY25	YoY gr. (%)	3QFY26	QoQ gr. (%)	FY26	FY25	YoY gr. (%)
Domestic market	30,070	26,220	14.7	34,570	(13.0)	1,26,800	1,16,140	9.2
% of Sales	46.0	39.0		48.9		45.0	42.2	
International market (Exports)	35,330	41,070	(14.0)	36,180	(2.3)	1,54,180	1,59,310	(3.2)
% of Sales	54.0	61.0		51.1		54.7	57.8	
North America	14,140	19,190	(26.3)	14,850	(4.8)	68,710	78,980	(13.0)
% of Sales	21.6	28.5		21.0		24.4	28.7	
SAGA	12,360	10,190	21.3	10,010	23.5	42,860	38,280	12.0
% of Sales	18.9	15.1		14.1		15.2	13.9	
International markets	8,190	8,950	(8.5)	9,290	(11.8)	35,760	33,040	8.2
% of Sales	12.5	13.3		13.1		12.7	12.0	
API & others	640	2,740	(76.6)	2,030	(68.5)	7,490	9,010	(16.9)
% of Sales	1.0	4.1		2.9		2.7	3.3	
Total	65,400	67,290	(2.8)	70,750	(7.6)	2,80,980	2,75,450	2.0

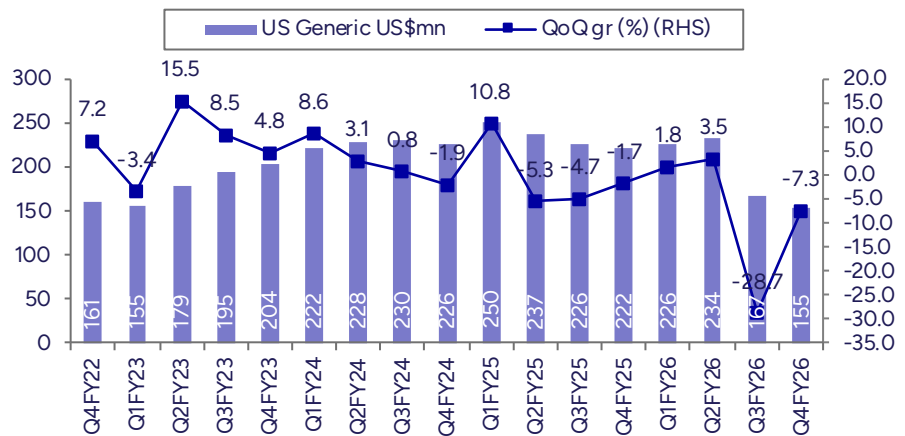
Source: Company, PL

Exhibit 3 : Strong double digit growth from Rx and Consumer Healthcare



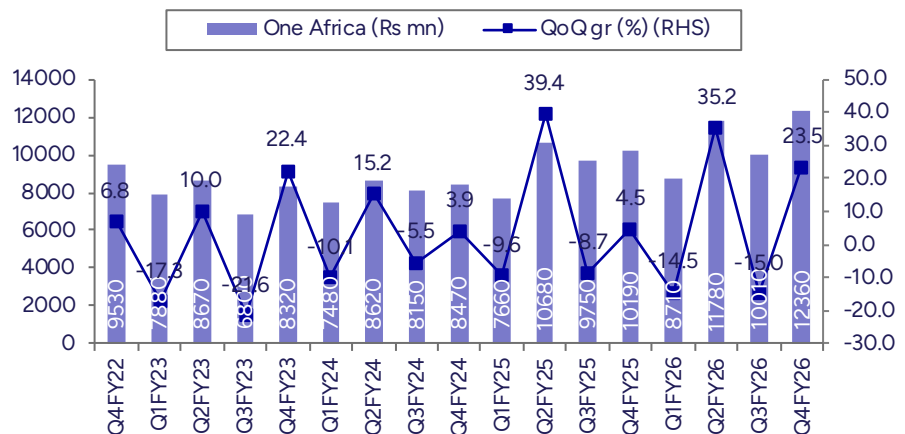
Source: Company, PL

Exhibit 4 : Weakness continues for US markets



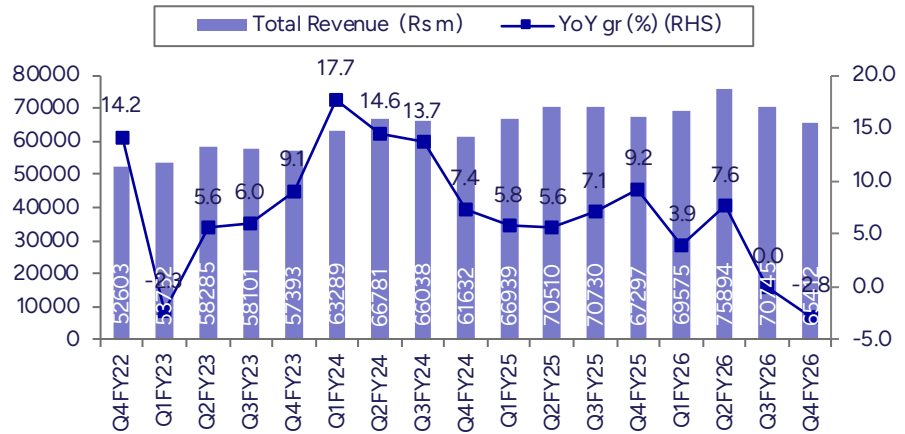
Source: Company, PL

Exhibit 5 : Healthy performance across its therapies



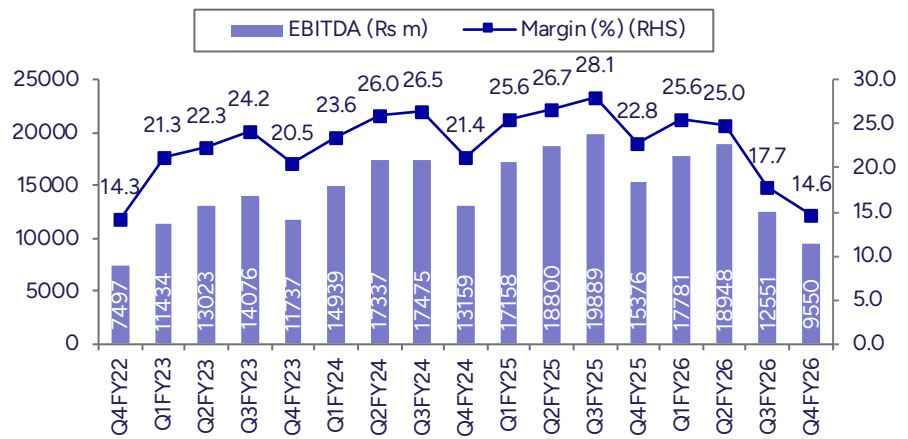
Source: PL, Company

Exhibit 6 : Exports remained weak YoY, Revenue down 3%



Source: Company, PL

Exhibit 7 : Higher R&D spend and lower US sales impacted EBITDA YoY



Source: Company, PL

Financials

Income Statement (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Net Revenues	275,478	281,631	306,097	341,755
YoY gr. (%)	6.9	2.2	8.7	11.6
Cost of Goods Sold	102,543	107,369	120,458	132,727
Gross Profit	172,934	174,262	185,639	209,028
Margin (%)	62.8	61.9	60.6	61.2
Employee Cost	44,110	48,199	53,447	59,265
Other Expenses	57,544	67,228	73,226	80,592
EBITDA	71,281	58,834	58,966	69,172
YoY gr. (%)	13.3	(17.5)	0.2	17.3
Margin (%)	25.9	20.9	19.3	20.2
Depreciation and Amortization	11,070	12,110	12,836	13,735
EBIT	60,211	46,724	46,130	55,437
Margin (%)	21.9	16.6	15.1	16.2
Net Interest	620	544	450	400
Other Income	8,619	8,820	9,500	11,000
Profit Before Tax	68,210	55,000	55,180	66,037
Margin (%)	24.8	19.5	18.0	19.3
Total Tax	15,298	13,538	14,347	17,170
Effective Tax Rate (%)	22.4	24.6	26.0	26.0
Profit After Tax	52,912	41,462	40,833	48,867
Minority Interest	-	-	-	-
Share Profit from Associate	(185)	94	94	94
Adjusted PAT	52,727	41,556	40,927	48,962
YoY gr. (%)	27.9	(21.2)	(1.5)	19.6
Margin (%)	19.1	14.8	13.4	14.3
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	52,727	41,556	40,927	48,962
YoY gr. (%)	22.1	(21.2)	(1.5)	19.6
Margin (%)	19.1	14.8	13.4	14.3
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	52,727	41,556	40,927	48,962
Equity Shares O/s (mn)	807	807	807	807
EPS (INR)	65.3	51.5	50.7	60.6

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Non-Current Assets				
Gross Block	172,602	205,262	230,262	255,262
Tangibles	117,290	139,484	156,473	173,461
Intangibles	55,312	65,778	73,790	81,801
Acc: Dep / Amortization	106,353	118,463	131,299	145,034
Tangibles	61,124	68,084	75,461	83,355
Intangibles	45,229	50,379	55,838	61,679
Net Fixed Assets	66,249	86,799	98,963	110,228
Tangibles	56,166	71,400	81,011	90,106
Intangibles	10,083	15,399	17,952	20,122
Capital Work In Progress	15,663	20,422	20,422	20,422
Goodwill	32,703	37,544	37,544	37,544
Non-Current Investments	80,440	82,234	82,234	82,234
Net Deferred Tax Assets	5,913	7,478	7,478	7,478
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	-	-	-	-
Inventories	56,421	65,967	68,767	76,778
Trade Receivables	55,064	56,201	61,083	68,198
Cash & Bank Balance	7,998	13,074	19,659	31,261
Other Current Assets	52,402	53,449	56,121	58,928
Total Assets	367,422	415,950	445,052	485,853
Equity				
Equity Share Capital	1,615	1,615	1,615	1,615
Other Equity	310,319	342,704	371,404	408,139
Total Network	311,934	344,319	373,019	409,754
Non-Current Liabilities				
Long Term Borrowings	2,524	3,820	3,820	3,820
Provisions	-	-	-	-
Other Non Current Liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	1,857	2,318	1,318	1,318
Trade Payables	28,375	32,299	33,545	37,453
Other Current Liabilities	27,686	39,789	39,945	40,103
Total Equity & Liabilities	367,422	415,950	445,052	485,853

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	68,210	55,000	55,180	66,037
Add. Depreciation	11,070	12,110	12,836	13,735
Add. Interest	620	544	450	400
Less Financial Other Income	8,619	8,820	9,500	11,000
Add. Other	(3,611)	3,430	94	94
Op. Profit before WC Changes	76,288	71,084	68,560	80,266
Net Changes-WC	(9,557)	4,520	(8,952)	(13,867)
Direct Tax	(16,681)	(15,862)	(14,347)	(17,170)
Net Cash from Op. Activities	50,050	59,742	45,261	49,229
Capital Expenditures	(15,234)	(31,029)	(25,000)	(25,000)
Interest / Dividend Income	-	-	-	-
Others	-	-	-	-
Net Cash from Inv. Activities	(15,234)	(31,029)	(25,000)	(25,000)
Issue of Share Cap. / Premium	-	-	-	-
Debt Changes	(980)	946	(1,000)	-
Dividend Paid	(10,498)	(12,924)	(12,227)	(12,227)
Interest Paid	(620)	(544)	(450)	(400)
Others	(23,469)	(11,116)	-	-
Net Cash from Fin. Activities	(35,568)	(23,638)	(13,677)	(12,627)
Net Change in Cash	(751)	5,076	6,584	11,603
Free Cash Flow	34,816	28,713	20,261	24,229

Source: Company, PL

Quarterly Financials (INR mn)

Y/e Mar	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Net Revenues	69,575	75,894	70,745	65,412
YoY gr. (%)	3.9	7.6	-	(2.8)
Raw Material Expenses	21,707	24,976	26,321	22,487
Gross Profit	47,868	50,918	44,424	42,925
Margin (%)	68.8	67.1	62.8	65.6
EBITDA	17,781	18,948	12,551	9,550
YoY gr. (%)	3.6	0.8	(36.9)	(37.9)
Margin (%)	25.6	25.0	17.7	14.6
Depreciation / Depletion	2,527	2,970	2,784	3,829
EBIT	15,254	15,978	9,767	5,720
Margin (%)	21.9	21.1	13.8	8.7
Net Interest	141	132	140	131
Other Income	2,586	2,690	2,063	1,482
Profit before Tax	17,699	18,535	11,690	7,071
Margin (%)	25.4	24.4	16.5	10.8
Total Tax	4,779	5,005	2,186	1,570
Effective Tax Rate (%)	27.0	27.0	18.7	22.2
Profit After Tax	12,921	13,531	9,505	5,501
Minority Interest	(56)	19	(12)	(45)
Share Profit from Associate	-	-	-	-
Adjusted PAT	12,976	13,512	6,758	5,546
YoY gr. (%)	10.2	3.7	(57.0)	(54.6)
Margin (%)	18.7	17.8	9.6	8.5
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	12,976	13,512	6,758	5,546
YoY gr. (%)	10.2	3.7	(57.0)	(54.6)
Margin (%)	18.7	17.8	9.6	8.5
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	12,976	13,512	6,758	5,546
Avg. Shares O/s (mn)	804	804	804	804
EPS (INR)	16.1	16.8	8.4	6.8

Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Per Share (INR)				
EPS	65.3	51.5	50.7	60.6
CEPS	79.0	66.5	66.6	77.7
BVPS	386.4	426.5	462.0	507.5
FCF	43.1	35.6	25.1	30.0
DPS	15.9	12.9	12.9	12.9
Return Ratio (%)				
RoCE	20.4	14.0	12.7	14.0
ROIC	16.8	11.6	10.8	12.2
RoE	18.2	12.7	11.4	12.5
Balance Sheet				
Net Debt : Equity (x)	-	-	-	-
Net Working Capital (Days)	110	116	115	115
Valuation (x)				
PER	20.3	25.7	26.1	21.8
P/B	3.4	3.1	2.8	2.6
P/CEPS	16.8	19.9	19.9	17.0
EV/EBITDA	14.9	18.1	17.9	15.1
EV/Sales	3.8	3.7	3.4	3.0
Dividend Yield (%)	1.2	0.9	0.9	0.9
FCFF Yield (%)	3.2	2.6	1.8	2.2
PEG Ratio	0.7	(1.3)	(17.3)	1.1

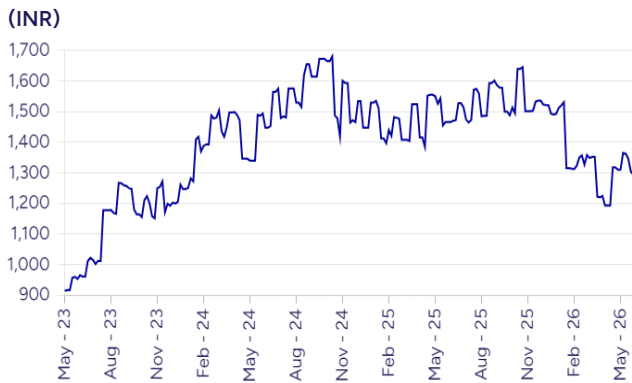
Source: Company, PL

Key Operating Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
India Formulations	116,150	126,800	141,483	154,651
Exports	150,308	147,341	159,014	181,304
APIs	9,020	7,490	5,600	5,800

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	09-Apr-26	Accumulate	1440	1216
2	27-Jan-26	Accumulate	1440	1315
3	08-Jan-26	Accumulate	1675	1468
4	31-Oct-25	Accumulate	1675	1541
5	08-Oct-25	BUY	1730	1513
6	27-Jul-25	BUY	1730	1533
7	08-Jul-25	BUY	1730	1511
8	14-May-25	BUY	1730	1520
9	11-Apr-25	BUY	1730	1416
10	08-Apr-25	BUY	1730	1385

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Ajanta Pharma	BUY	3400	2898
2	Anthem Biosciences	BUY	755	691
3	Apollo Hospitals Enterprise	BUY	9000	7482
4	Aster DM Healthcare	Buy	800	701
5	Aurobindo Pharma	BUY	1300	1336
6	Brigade Enterprises	Buy	1045	758
7	Cipla	Accumulate	1440	1216
8	Divi's Laboratories	Accumulate	6850	5882
9	Dr. Reddy's Laboratories	Reduce	1300	1191
10	Eris Lifesciences	BUY	1800	1354
11	Fortis Healthcare	BUY	1050	850
12	Global Health	BUY	1375	1059
13	HealthCare Global Enterprises	BUY	850	545
14	Indoco Remedies	Hold	325	225
15	Ipca Laboratories	Buy	1800	1445
16	J.B. Chemicals & Pharmaceuticals	BUY	2300	1943
17	Jupiter Life Line Hospitals	BUY	1600	1233
18	Krishna Institute of Medical Sciences	BUY	810	662
19	Lupin	Accumulate	2500	2380
20	Max Healthcare Institute	BUY	1300	955
21	Narayana Hrudayalaya	BUY	2150	1728
22	Oberoi Realty	Accumulate	1820	1635
23	Prestige Estates Projects	Buy	1875	1319
24	Rainbow Children's Medicare	BUY	1550	1254
25	Sun Pharmaceutical Industries	BUY	1900	1734
26	Sunteck Realty	Buy	520	356
27	Torrent Pharmaceuticals	BUY	4750	4029
28	Zydus Lifesciences	Accumulate	1020	892

PL's Recommendation Nomenclature (Absolute Performance)

BUY	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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