BUY (Upgrade from ADD)

CMP: **INR 1,306** Target Price: **INR 1,550 (INR 1,450)** ▲ 19%

ICICI Securities

ICICI Securities Limited is the author and distributor of this report

24 April 2026

India | Equity Research | Company Update

Cipla

Pharma

Launches to address concern on US growth; valuation attractive

Cipla's recent product approval of gOfev and gVentolin from the USFDA is likely to start allaying concerns arising on its US growth post the discontinuation of Lanreotide, loss of exclusivity in gRevlimid and regulatory issues at key plants in India. Further, in the near term, approval for gAdvair, and a couple of respiratory and peptide assets is anticipated by the management. We believe these launches will likely help Cipla reach US sales of USD 880/USD 930mn in FY27E/FY28E. Separately, its dominance in the branded business in India, coupled with in-licensing/marketing and M&A deals, could also boost growth. We raise our FY27/28E EPS by 1-2% to factor in INR's depreciation benefits and recent approvals. The stock is available at an attractive 19.2x FY28E EPS. Upgrade to **BUY** (Add earlier); raise TP to INR 1,550, based on 23x FY28E EPS.

New launches to plug revenue shortfall from a few products

Cipla has received final approval from the USFDA for gVentolin (90mg) on 23 Apr'26. gVentolin is filed from Cipla's Fall River plant in US. Ventolin (a brand of GSK) had annual sales of ~USD 490mn in US in CY25. Launch of gVentolin further reinforces its dominance in the albuterol inhalation market in US. Cipla had recently also received final approval gOfev (nintedanib capsules -100mg and 150mg). These two products are likely to generate sales of USD 100mn p.a and help partially bridge the revenue gap post discontinuation of Lanreotide,

Strong pipeline and better execution to boost US sales

In FY27, Cipla plans to introduce four respiratory products, including gAdvair and gVentolin. Three of these launches are expected to originate from its US manufacturing facilities while one product would be supplied from India. Besides, Cipla introduced liraglutide (gVictoza) in Feb'26 and multiple peptide launches are targeted in the next 6–12 months, reinforcing the pipeline depth available to offset revenue pressure from gRevlimid. We believe 4–5 high-value launches could lift US sales to USD 880mn in FY27E while momentum is likely to be stronger in FY28E as lanreotide supplies improve and it launches gSymbicort towards end-FY27E.

Financial Summary

Y/E March (INR mn)	FY25A	FY26E	FY27E	FY28E
Net Revenue	2,75,476	2,83,459	3,16,271	3,44,706
EBITDA	71,279	60,173	66,491	76,725
EBITDA Margin (%)	25.9	21.2	21.0	22.3
Net Profit	50,667	43,081	47,085	54,898
EPS (INR)	62.7	53.3	58.3	68.0
EPS % Chg YoY	18.8	(15.0)	9.3	16.6
P/E (x)	20.0	25.9	22.4	19.2
EV/EBITDA (x)	13.6	15.8	14.1	11.9
RoCE (%)	18.6	13.5	13.6	14.4
RoE (%)	16.2	12.8	12.8	13.4

Abdulkader Puranwala
abdulkader.puranwala@icicisecurities.com
+91 22 6807 7339
Nisha Shetty
nisha.shetty@icicisecurities.com
Darshil Jain
darshil.jain@icicisecurities.com

Market Data

Market Cap (INR)	1,055bn
Market Cap (USD)	11,226mn
Bloomberg Code	CIPLA IN
Reuters Code	CIPL.BO
52-week Range (INR)	1,673 /1,166
Free Float (%)	70.0
ADTV-3M (mn) (USD)	25.9

Price Performance (%)	3m	6m	12m
Absolute	(0.7)	(20.6)	(14.7)
Relative to Sensex	4.1	(12.8)	(12.0)

ESG Score	2024	2025	Change
ESG score	**70.2**	**69.3**	**(0.9)**
Environment	63.0	65.9	2.9
Social	55.1	53.2	(1.9)
Governance	88.6	86.7	(1.9)

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Previous Reports

24-01-2026: Q3FY26 results review
31-10-2025: Q2FY26 results review

India business momentum remains robust

Cipla's strong India business – spread across branded, trade generics and consumer wellness – is likely to account for 44% (INR 126bn) of its overall sales in FY26. Its recent deal with Pfizer's four established brands *viz* Corex, Dolonex, Neksium, and Dalacin C is likely to enhance its portfolio depth across multiple therapeutic areas. Besides, early traction on the commercialisation of the GLP-1 brand Yurpeak (tirzepatide) – in-licensed from Eli Lilly – has been encouraging. Also, the acquisition of Inzpera Healthsciences has expanded its reach in paediatric and wellness segments. We expect the India business to register a CAGR of 8.9% over FY26–28E.

Valuation and risks

Cipla's US sales growth is under pressure, post the loss of exclusivity in gRevlimid, and the drag on account of discontinuation of Lanreotide. Cipla has a pipeline of eight respiratory (including gAdvair, gSymbicort, gQvar) and peptide assets (gVictoza), which should help it overcome the sales impact of gRevlimid while the supply scenario of Lanreotide may improve in H1FY27. New CEO Mr. Achin Gupta's key near-term priorities include boosting growth momentum in India, accelerating new product launches for US, improving EBITDA margin of the South Africa business and deepening its presence in EMs and EU.

We believe, value of Cipla's strong India business is likely to touch ~INR 1,030/share and the company also has a net cash balance of INR 180, due to which the downside in the stock is likely to capped. Recent approvals are likely to strengthen its US business and aid meaningful upside in the near term. We raise our FY27-28E EPS by 1–2% to factor in the benefits of the new launches in US and INR's depreciation. We expect Cipla to deliver a revenue CAGR of 10.3% and EBITDA CAGR of 12.9% over FY25–28E. The stock currently trades at valuations of 22.4x FY27E and 19.2x FY28E EPS and EV/EBITDA multiples of 14.1x FY27E and 11.9x FY28E.

We upgrade to **BUY** (earlier *Add*) with a higher target price of INR 1,550 (earlier INR 1,450), valuing the company at 23x FY28E EPS (earlier 22x FY28E EPS).

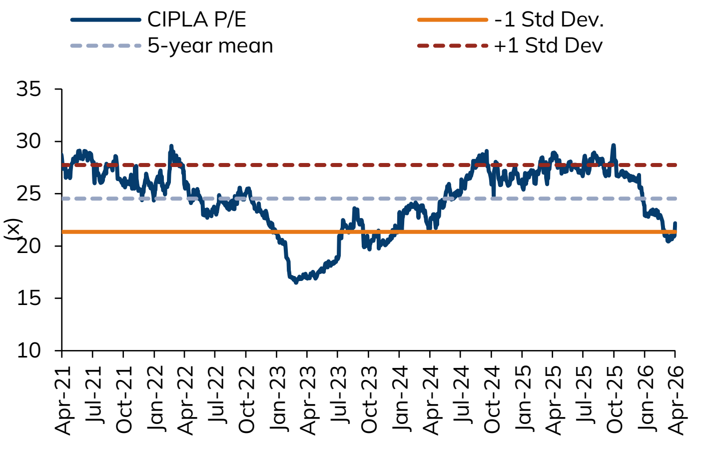
Key downside risks: Incremental competition in niche products; and delay in regulatory clearance of Pithampur plant.

Exhibit 1: India business and cash on books cap downside in the stock

Segments (INR mn)	FY28E EBITDA	Multiple (x)	EV	Price per share (INR)
North America	13,968	8	1,13,138	140
India	41,767	20	8,30,061	1,028
South Africa	8,091	9	72,822	90
RoW	8,987	7	65,608	81
Europe	2,127	8	17,013	21
API	1,079	7	7,982	10
Value of operations	**76,726**		**11,07,332**	**1371**
Cash (FY28E)			1,44,822	179
Target Price				**1550**

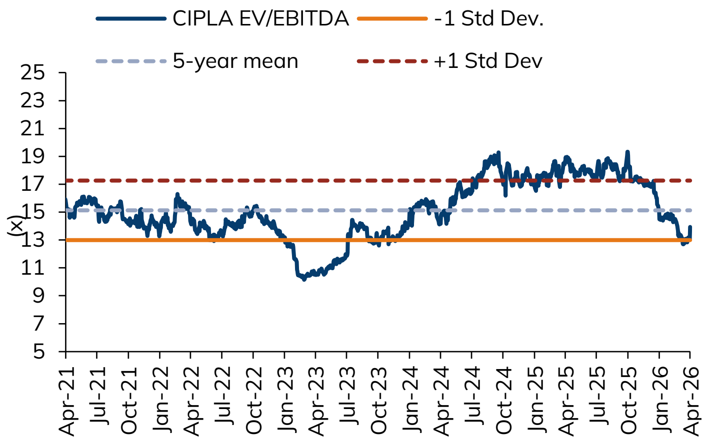
Source: I-Sec research, Company data

Exhibit 2: One-year forward P/E



Source: I-Sec research, Company data

Exhibit 3: One-year forward EV/EBITDA



Source: I-Sec research, Company data

Exhibit 4: Key products in the pipeline

Brand name	Molecule	Innovator	Market size	Patent expiry date
Advair Diskus	Fluticasone Propionate; Salmeterol Xinafoate	GSK	~USD 339mn	Expired
Symbicort	Budesonide; Formoterol Fumarate Dihydrate	Astrazeneca	~USD 1.2bn	Expired
Prezista	Darunavir	Janssen	~USD 1.2bn	26-Dec-26
Uptravi	Selexipag	Actelion Pharmaceuticals	~USD 1.5bn	31-Oct-26
Ibrance	Palbociclib	Pfizer	~USD 2.7bn	05-Mar-27
Synjardy	Empagliflozin; Metformin Hydrochloride	Boehringer Ingelheim	~USD 357 mn	15-Apr-27
Xtandi	Enzalutamide	Pfizer and Astellas Pharma	~USD 2.2bn	13-Aug-27
Xifaxan	Rifaximin	Salix Pharmaceuticals	~USD 2.2bn	02-Sep-27
Lynparza	Olaparib	Astrazeneca	~USD 1.4bn	08-Sep-27
Tivicay	Dolutegravir Sodium	VIIV Healthcare	~USD 1.0bn	05-Oct-27
Triumeq	Abacavir; Dolutegravir; Lamivudine	VIIV Healthcare	~USD 925mn	05-Oct-27
Qvar	Beclomethasone Dipropionate	Teva	~USD 329 mn	07-Sep-28

Source: I-Sec research, USFDA

Exhibit 5: USFDA inspection status

Location	Nature of facility	Date of Inspection	FDA Action	No. of Observations	Plant Status
Pithampur	Formulations	Feb-23	WL	8	WL
Fall River (US)	Formulations	May-23	No Observations	-	-
Central Islip (US)	Formulations	Sep-23	EIR	5	VAI in Oct'23
Hauppauge (US)	Formulations	Oct-23	No Observations		-
Qidong (China)	Formulations	Mar-24	No Observations		-
Patalganga	API	Apr-24	Form 483	6	VAI in Jun'24
Kurkumbh		May-24	Form 483	1	VAI in Jul'24
Bengaluru	API	Nov-24	Form 483	8	VAI in Feb'25
Medispray Goa		Jan-25	Form 483	1	VAI in Apr'25
Bengaluru	API	May-25	Form 483	1	VAI in Aug'25
New York (US)	Formulations	Feb-26	Form 483	2	Pending resolution
Goa	Formulations	Apr-26	Form 483	2	Pending resolution

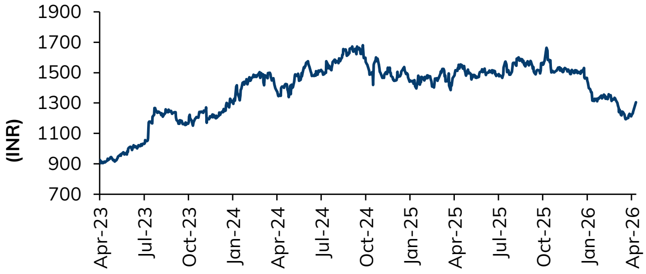
Source: I-Sec research, Company data, USFDA

Exhibit 6: Shareholding pattern

%	Sep'25	Dec'25	Mar'26
Promoters	29.2	29.2	29.2
Institutional investors	53.1	52.9	54.5
MFs and others	20.4	19.4	20.7
Insurance Cos	8.2	9.6	11.2
FIIs	24.6	23.9	22.6
Others	17.6	17.9	16.3

Source: Bloomberg, I-Sec research

Exhibit 7: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 8: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Net Sales	**2,75,476**	**2,83,459**	**3,16,271**	**3,44,706**
Operating Expenses	2,04,197	2,23,286	2,49,780	2,67,980
EBITDA	**71,279**	**60,173**	**66,491**	**76,725**
EBITDA Margin (%)	25.9	21.2	21.0	22.3
Depreciation & Amortization	11,070	11,169	11,995	12,853
EBIT	60,210	49,004	54,496	63,872
Interest expenditure	620	539	539	539
Other Non-operating Income	8,619	10,287	10,735	12,060
Recurring PBT	**68,208**	**55,993**	**64,692**	**75,393**
Profit / (Loss) from Associates	**(219)**	**(131)**	**(131)**	**(131)**
Less: Taxes	15,298	15,118	17,467	20,356
PAT	52,911	40,875	47,225	55,037
Less: Minority Interest	33	(8)	(8)	(8)
Extraordinaries (Net)	2,059	(2,759)	-	-
Net Income (Reported)	**52,725**	**40,735**	**47,085**	**54,898**
Net Income (Adjusted)	**50,667**	**43,081**	**47,085**	**54,898**

Source Company data, I-Sec research

Exhibit 9: Balance sheet

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Total Current Assets	1,59,953	1,91,677	2,26,736	2,69,011
of which cash & cash eqv.	7,998	25,027	38,915	64,978
Total Current Liabilities & Provisions	54,038	56,992	61,067	64,510
Net Current Assets	**1,05,915**	**1,34,685**	**1,65,668**	**2,04,500**
Investments	80,766	80,766	80,766	80,766
Net Fixed Assets	52,623	49,099	49,547	50,069
ROU Assets	-	-	-	-
Capital Work-in-Progress	15,663	15,663	15,663	15,663
Total Intangible Assets	46,329	46,197	45,754	45,301
Other assets	4,376	4,376	4,376	4,376
Deferred Tax Assets	6,449	6,449	6,449	6,449
Total Assets	**3,19,832**	**3,45,288**	**3,77,209**	**4,16,918**
Liabilities				
Borrowings	**921**	**921**	**921**	**921**
Deferred Tax Liability	**535**	**535**	**535**	**535**
provisions	1,487	1,553	1,732	1,888
other Liabilities	3,996	3,996	3,996	3,996
Equity Share Capital	1,615	1,615	1,615	1,615
Reserves & Surplus	3,10,319	3,35,710	3,67,451	4,07,004
Total Net Worth	**3,11,935**	**3,37,325**	**3,69,066**	**4,08,619**
Minority Interest	958	958	958	958
Total Liabilities	**3,19,832**	**3,45,288**	**3,77,209**	**4,16,918**

Source Company data, I-Sec research

Exhibit 10: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Operating Cashflow	**61,243**	**47,809**	**53,917**	**68,879**
Working Capital Changes	9,065	12,017	17,848	13,422
Capital Commitments	19,220	7,514	12,000	12,922
Free Cashflow	**42,023**	**40,295**	**41,917**	**55,957**
Other investing cashflow	**24,862**	**-**	**-**	**-**
Cashflow from Investing Activities	(44,083)	(7,514)	(12,000)	(12,922)
Issue of Share Capital	1	-	-	-
Interest Cost	-	-	-	-
Inc (Dec) in Borrowings	(1,549)	-	-	-
Dividend paid	(10,499)	(12,114)	(15,345)	(15,345)
Others	(5,864)	(11,152)	(12,684)	(14,550)
Cash flow from Financing Activities	(17,912)	(23,267)	(28,029)	(29,895)
Chg. in Cash & Bank balance	**(751)**	**17,029**	**13,888**	**26,062**
Closing cash & balance	7,998	25,027	38,915	64,978

Source Company data, I-Sec research

Exhibit 11: Key ratios

(Year ending March)

	FY25A	FY26E	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	65.3	50.4	58.3	68.0
Adjusted EPS (Diluted)	62.7	53.3	58.3	68.0
Cash EPS	76.4	67.2	73.2	83.9
Dividend per share (DPS)	15.0	19.0	19.0	19.0
Book Value per share (BV)	387.2	418.7	458.1	507.2
Dividend Payout (%)	23.0	37.7	32.6	28.0
Growth (%)				
Net Sales	6.9	2.9	11.6	9.0
EBITDA	13.3	(15.6)	10.5	15.4
EPS (INR)	18.8	(15.0)	9.3	16.6
Valuation Ratios (x)				
P/E	20.0	25.9	22.4	19.2
P/CEPS	17.1	19.4	17.9	15.6
P/BV	3.4	3.1	2.9	2.6
EV / EBITDA	13.6	15.8	14.1	11.9
P / Sales	3.8	3.7	3.3	3.1
Dividend Yield (%)	0.0	0.0	0.0	0.0
Operating Ratios				
Gross Profit Margins (%)	67.6	64.5	63.5	64.1
EBITDA Margins (%)	25.9	21.2	21.0	22.3
Effective Tax Rate (%)	22.4	27.0	27.0	27.0
Net Profit Margins (%)	18.4	15.2	14.9	15.9
NWC / Total Assets (%)	-	-	-	-
Net Debt / Equity (x)	(0.3)	(0.3)	(0.3)	(0.4)
Net Debt / EBITDA (x)	(1.2)	(1.7)	(1.8)	(1.9)
Profitability Ratios				
RoCE (%)	18.6	13.5	13.6	14.4
RoE (%)	16.2	12.8	12.8	13.4
RoIC (%)	26.0	20.4	21.1	23.5
Fixed Asset Turnover (x)	5.4	5.6	6.3	7.0
Inventory Turnover Days	81	91	97	97
Receivables Days	79	76	79	80
Payables Days	41	42	43	43

Source Company data, I-Sec research

This report may be distributed in Singapore by ICICI Securities, Inc. (Singapore branch). Any recipients of this report in Singapore should contact ICICI Securities, Inc. (Singapore branch) in respect of any matters arising from, or in connection with, this report. The contact details of ICICI Securities, Inc. (Singapore branch) are as follows: Address: 10 Collyer Quay, #40-92 Ocean Financial Tower, Singapore - 049315, Tel: +65 6232 2451 and email: navneet_babbar@icicisecuritiesinc.com, Rishi_agrawal@icicisecuritiesinc.com and Kadambari_balachandran@icicisecuritiesinc.com.

"In case of eligible investors based in Japan, charges for brokerage services on execution of transactions do not in substance constitute charge for research reports and no charges are levied for providing research reports to such investors."

New I-Sec investment ratings (all ratings based on absolute return; All ratings and target price refers to 12-month performance horizon, unless mentioned otherwise)
BUY: >15% return; ADD: 5% to 15% return; HOLD: Negative 5% to Positive 5% return; REDUCE: Negative 5% to Negative 15% return; SELL: < negative 15% return

ANALYST CERTIFICATION

I/We, Abdulkader Puranwala, MBA; Nisha Shetty, MBA; Darshil Jain, MBA; authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of the ICICI Securities Inc. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager, Research Analyst and Alternative Investment Fund. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities AIF Trust's SEBI Registration number is IN/AIF3/23-24/1292 ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Institutional Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Retail Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

This report has not been prepared by ICICI Securities, Inc. However, ICICI Securities, Inc. has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.