BP Wealth | STOXBOX

Result Update

Q3 FY26

UPL Ltd.

Institutional Research

UPL Ltd.

BP WEALTH

Chemical | Q3FY26 Result Update **03rd Feb 2026**

Broad-based geographic recovery and cost efficiencies drive earnings strength

The company posted a revenue increase of 12.5% YoY / up 2.1% QoQ to Rs. 122,690 mn, above market expectations of Rs. 120,060 mn. Revenue growth for the quarter was primarily driven by higher volumes, favorable foreign exchange, and robust performance across all businesses. UPL reported an annual revenue increase in international geographies, including North America (+3%), India (+4%), Latin America (+7%), Europe (+21%), and the Rest of the World (+32%), with strong performance during the quarter. EBITDA increased 18.5% YoY / up 15.8% QoQ to Rs. 23,170 mn, while EBITDA margin stood at 18.9% (up 95bps YoY) in Q3FY26, driven by improved product mix, higher capacity utilization, and lower input costs, which led to margin expansion. In Q3FY26, PAT stood at Rs. 4,900 mn (down 19.9% QoQ / down 42.6% YoY) in Q3FY26, above market expectations of Rs. 4,691 crores. PAT margin fell to 4.0% versus 5.1% in the previous quarter. The company's volume growth during the quarter reflects continued strong demand across regions. Management expects a strong, volume-led Q4, driven by in-season demand, new product launches, and anticipated growth across all regions.

Valuation and Outlook

UPL delivered a strong operational performance during the quarter, with revenue growth driven primarily by 8% volume growth across key regions, including Latin America, Europe and the Rest of the World, while pricing headwinds persisted across select molecules. Profitability improved meaningfully as contribution margins expanded on better product mix, higher capacity utilization and softer input costs. Growth was broad-based across platforms, with UPL Corp. reporting 8% revenue growth and margin expansion, India Crop Protection witnessed sharp margin improvement on business quality initiatives, and Advanta continued to outperform with 22% revenue growth and healthy ~55% contribution margins, reinforcing the structural strength of the seeds portfolio. Despite softer revenues in Specialty Chemicals-Focused Platform (SUPERFORM), improved specialty mix supported margin gains, indicating gradual earnings stabilization. Management remains confident of delivering FY26 guidance of 4-8% revenue growth and 12-16% EBITDA growth, supported by volume-led recovery, new product launches, stable post-patent pricing and a seasonally stronger Q4, while the proposed Advanta IPO is expected to unlock value and accelerate deleveraging at the group level. Additionally, tariff cut to 18% unlocks ~$30mn FY26 EBITDA tailwind from North America (20-25% revenue), boosting Q4 momentum amid buoyant demand. Overall, improving margins, robust cash generation, diversified geographic exposure and ongoing balance sheet repair position UPL for sustained earnings recovery.

Key Highlights

Particulars (Rs. Mn.)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)
Net Sales	122,690	109,070	12.5%	120,190	2.1%
Gross Profit	64,230	55,780	15.1%	62,660	2.5%
Gross Margin (%)	52.4%	51.1%	121bps	52.1%	22bps
EBITDA	23,170	19,560	18.5%	20,010	15.8%
OPM (%)	18.9%	17.9%	95bps	16.6%	224bps
Net Profit	4,900	8,530	-42.6%	6,120	-19.9%
Net Profit Margin (%)	4.0%	7.8%	-383bps	5.1%	-110bps

Source: Company, BP Equities Research

Sector Outlook	Neutral

Stock

CMP (Rs.)	739
BSE code	512070
NSE Symbol	UPL
Bloomberg	UPLL IN
Reuters	UPLL. BO

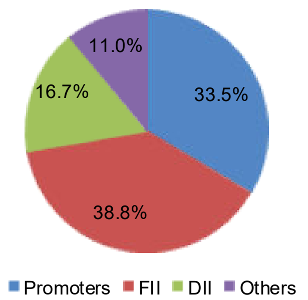
Key Data

Nifty	25,728
52 Week H/L (Rs,)	812/589
O/s Shares (Mn)	844
Market Cap (Rs. bn)	624
Face Value (Rs.)	2

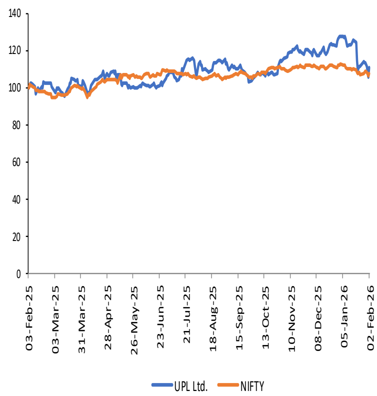
Average Volume

3 months	3,136,671
6 months	2,752,076
1 year	2,649,641

Share Holding Pattern (%)



Relative Price Chart



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Key Concall Highlights

Latin America Business Outlook:

UPL's Latin American business highlighting a steady recovery in demand supported by strong volume traction across key markets. Q3 performance was driven primarily by robust herbicide sales and healthy corn portfolio growth in Argentina, while Brazil delivered stable growth despite continued pricing pressure in the insecticide segment, particularly in premium brands facing competitive intensity. The company recently launched products in the chewing pest segment, including new differentiated offerings, have seen strong farmer acceptance and are tracking ahead of internal expectations, which should aid mix improvement and margin resilience. The company continues to benefit from tighter execution, deeper channel engagement and a diversified portfolio, which have helped offset broader market headwinds.

"Management expects a strong, volume-led Q4, driven by in-season demand, new product launches, and anticipated growth across all regions."

North America Business Outlook:

The North American market remains strong with stable underlying demand and improving channel traction. Its Q3 growth was modest at ~3%, as the company deliberately deferred certain shipments in December due to evolving tariff policies, with nearly ~$30 mn of sales expected to shift into Q4, thereby supporting a stronger exit run rate. Management expects volume-led growth and improved operational execution to drive a sequential pickup performance in Q4 and sustain momentum into the next season.

Europe Business Outlook:

UPL performance in Europe was the standout performing geography, delivering strong double-digit growth during the quarter, driven by robust demand across the herbicide portfolio and increasing contribution from differentiated and biosolutions products. With a strong order pipeline, differentiated offerings and continued momentum in sustainable solutions, the company expects growth to sustain into Q4, positioning Europe as a key margin-accretive region for the overall portfolio.

"The global crop protection market experiences a slow recovery with persistent pricing pressure and overcapacity in China, limiting value recovery."

UPL Sustainable Agri Solutions:

UPL's Sustainable Agri Solutions (SAS) segment in India continues to scale steadily and remains a key strategic growth driver for the company, delivering healthy double-digit growth during the quarter with consistently superior margins relative to the base crop protection portfolio. With rising regulatory focus on sustainability and growing demand for low-toxicity solutions, the company expects SAS to remain a high-growth segment.

Advanta Enterprises:

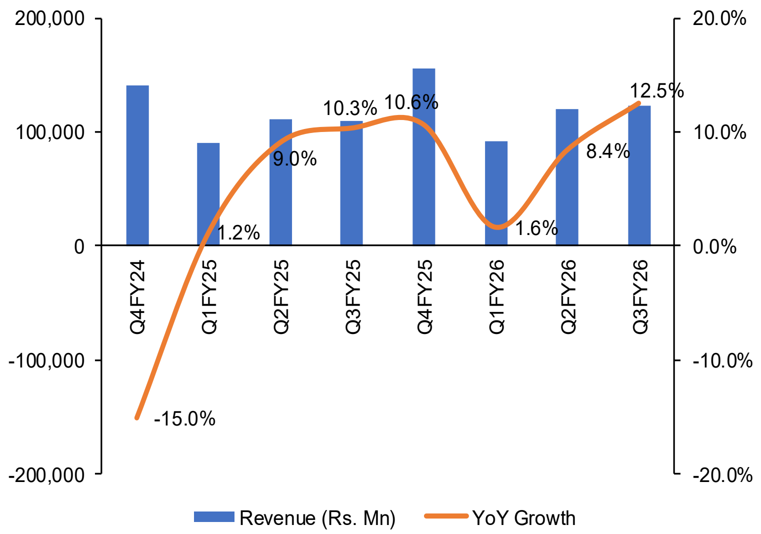
Advanta Enterprises, UPL's seed platform, is the strongest-performing platform within the portfolio, delivering robust double-digit growth driven by healthy volume expansion and a favorable crop mix across key geographies. The business reported ~22% revenue growth during the quarter, supported by strong traction in field corn across India, Latin America and Southeast Asia, grain sorghum in Brazil and canola in Australia, reflecting broad-based demand recovery and improved market penetration. The recently filed DRHP for a proposed IPO (largely offer-for-sale) is aimed at value unlocking and group-level deleveraging, while enabling Advanta to pursue its standalone growth strategy.

Guidance:

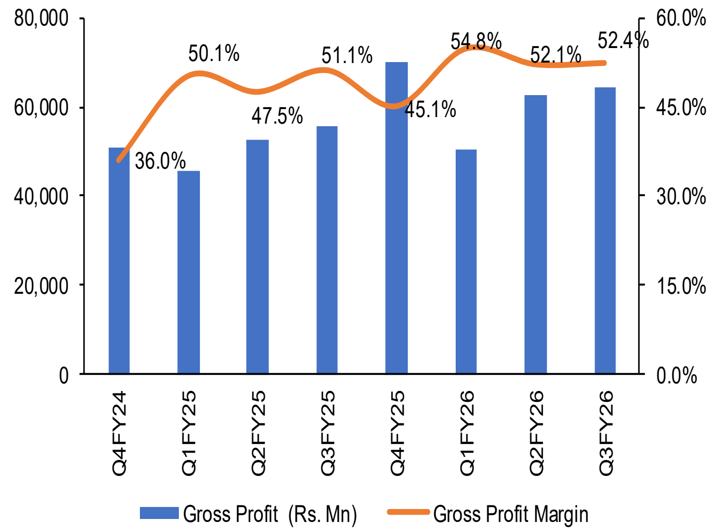
Given the strong performance trajectory in Q3FY26, the management reiterated confidence in delivering its full-year FY26 outlook, maintaining guidance of 4–8% revenue growth and 12–16% EBITDA growth, supported by a volume-led recovery across key geographies, improving product mix and continued cost discipline.

Quarterly Snapshots

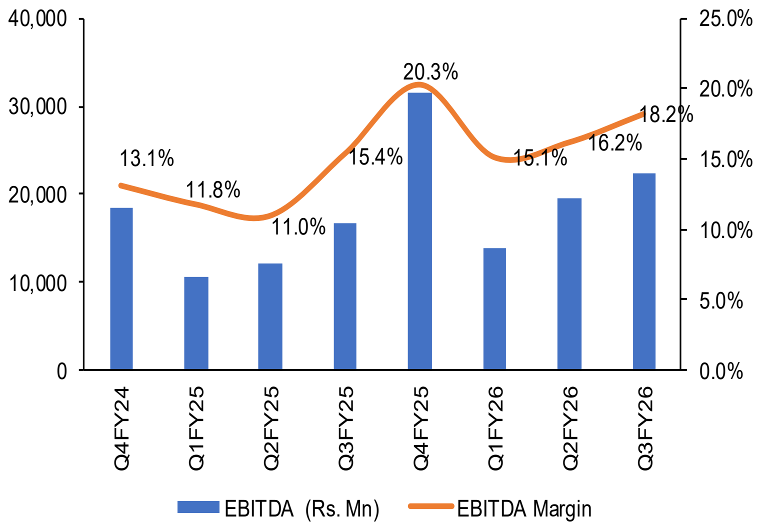
Revenues to Grow at a Healthy Pace



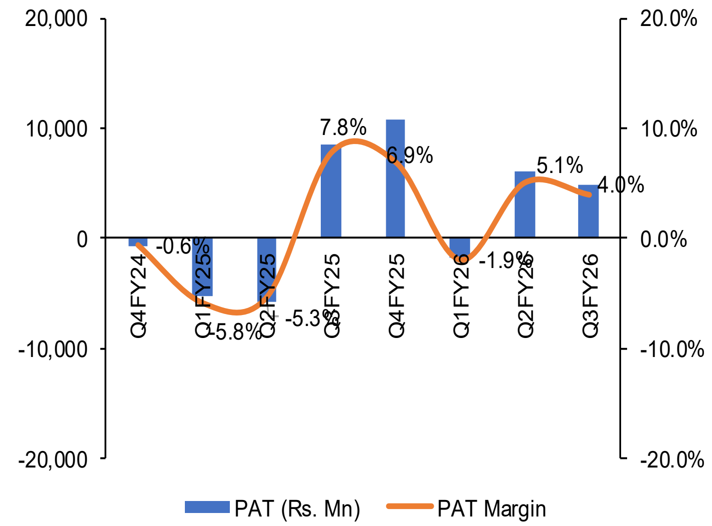
Gross Margin to Remains Stable



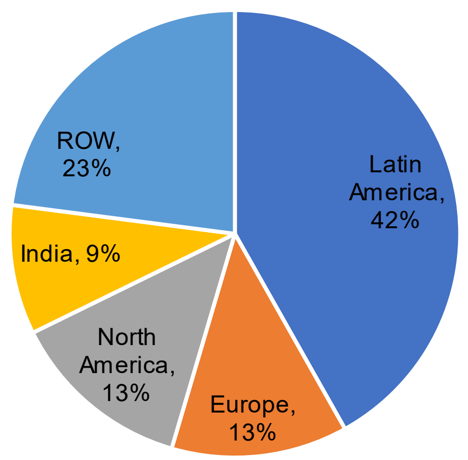
Operating Margin Witness Recovery



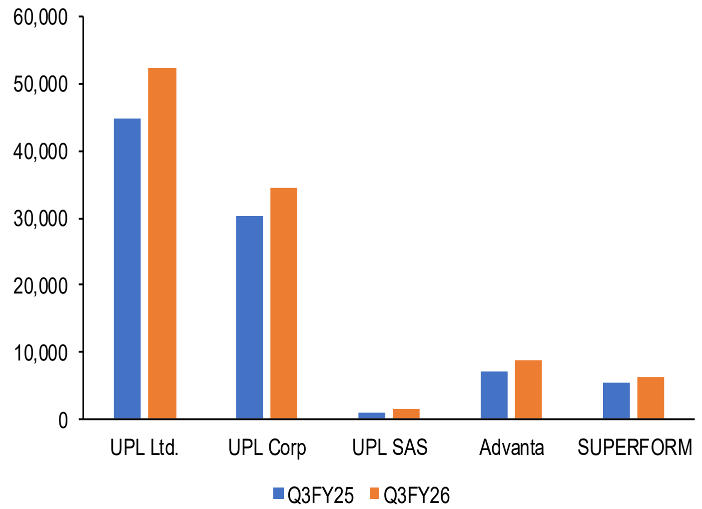
PAT Margin to Improve Going Ahead



Quarterly Regional revenue mix (%)



Platform-wise Contribution (Rs. Mn)



Source: Company, Bpwealth Research

Key Financials						
YE March (Rs. Mn.)	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**
Net Sales	462,400	535,760	430,980	466370	485,041	535,450
Growth %	19.5%	15.9%	-19.6%	8.2%	4.0%	10.4%
EBITDA	95,290	101,960	42,970	71,280	75,292	93,450
Growth%	14.1%	7.0%	-57.9%	65.9%	5.6%	24.1%
Net Profit	44,370	44,140	-18,780	8,200	14,450	24,520
Growth %	27.0%	-0.5%	-142.5%	143.7%	76.2%	69.7%
Diluted EPS	52.6	52.3	-22.3	9.7	17.1	29.1
Key Ratios						
EBIDTA (%)	20.6%	19.0%	10.0%	15.3%	15.5%	17.5%
NPM (%)	9.6%	8.2%	-4.4%	1.8%	3.0%	4.6%
ROE (%)	18.0%	16.4%	-7.6%	2.8%	4.7%	7.4%
ROCE (%)	13.9%	15.1%	2.8%	8.1%	8.6%	11.6%
P/E (x)	14.1	14.1	-33.2	76.2	43.2	25.4
EV/EBITDA (x)	8.7	7.9	20.0	10.9	11.3	8.9
Net Debt/ EBITDA (x)	2.1	1.7	5.5	3.3	3.1	2.3

Source: Company, Bloomberg Estimates

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Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

Analyst (s) Certification:

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