

CMP: ₹ 4060

Target: ₹ 4510 (11%)

Target Period: 12 months

HOLD

August 14, 2021

Strong Q1 amid Covid surge...

About the stock: Apollo is one of the leading integrated healthcare service provider with avenues like hospitals, pharmacies, primary care & diagnostic clinics.

- It has got a digital presence with "ASK Apollo" & digital health platform "Apollo 24/7". Apollo Hospitals is the exclusive supplier for APL, which operates India's largest standalone pharmacy chain with 4,118 outlets
- Group capacity of 10,209 beds across 71 hospitals in India. Total 8816 beds owned in 44 hospitals; 272 beds in 11 cradles; 270 beds in 11 day-care/short surgical stay centres; 851 beds in five hospitals under O&M contracts

Q1FY22 Results: Apollo reported strong Q1FY22 results.

- Sales were up 31% QoQ to ₹ 3760 crore
- EBITDA in Q1FY22 was at ₹ 520 crore, up 26% QoQ with margins at 14%
- Consequent adjusted PAT was at ₹ 243 crore (up 61.7% QoQ)

What should investors do? Apollo's share price has grown by ~2.9x over the past five years (from ~₹ 1361 in July 2018 to ~₹ 4035 levels in July 2021).

- Given the recent run-up we change our view from BUY to HOLD

Target Price and Valuation: We value Apollo at ₹ 4510 based on SOTP valuation.

Key triggers for future price performance:

- Apollo is undergoing optical transformational journey towards creating an omni-channel healthcare platform that could set the platform for tapping new-age investors enabling rapid scale up of the digital healthcare platform
- Business normalisation in healthcare is expected from Q2FY22 and with strong healthcare pedigree & asset base, the company is on course to integrate all entities digitally to leverage its brand and physical presence
- The new hospitals, ventures are turning profitable on the back of a judicious case mix besides better occupancy & ramp up at new hospitals and AHLL

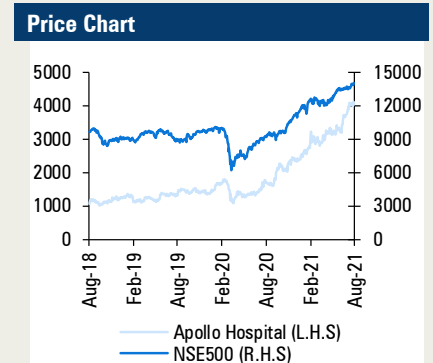
Alternate Stock Idea: Apart from Apollo, in our hospital coverage we like Narayana

- It has 21 hospitals, five heart centres, 19 primary care facilities and a multi-speciality hospital in Cayman Islands with in total 5992 operational beds
- BUY with a target price of ₹ 620



Particulars	
Particular	Amount
Market Capitalisation	₹ 58377 crore
Debt (FY21)	₹ 2860 crore
Cash (FY21)	₹ 724 crore
EV	₹ 60512 crore
52 week H/L (₹)	4230/1585
Equity capital	₹ 71.9 crore
Face value	₹ 5

Shareholding pattern					
(in %)	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21
Promoter	30.8	30.8	30.8	29.8	29.8
Others	69.2	69.2	69.2	70.2	70.2



Recent Event & Key risks

- Slump sale of Backend pharmacy, 24/7 platform, Pharmacy retail, Apollo 24/7 & Pharmacy brand into AHL
- **Key Risk:** (i) Slower ramp up in elective surgeries (ii) better than expected traction in AHLL

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Key Financial Summary

Key Financials (₹ crore)	FY19	FY20	FY21	5 year CAGR (FY16-21)	FY22E	FY23E	2 year CAGR (FY21-23E)
Net Sales	9617.4	11246.8	10560.0	11.2	13546.8	14605.0	17.6
EBITDA	1064.6	1583.4	1137.4	10.6	2021.0	2367.1	44.3
EBITDA margins (%)	11.1	14.1	10.8		14.9	16.2	
PAT	236.0	324.7	113.0	-5.0	868.2	1104.9	212.7
EPS (₹)	16.4	22.6	7.9		60.4	76.8	
PE (x)	247.3	128.3	388.2		53.5	52.8	
P/BV (x)	17.5	17.5	12.7		10.6	9.1	
RoE (%)	7.1	9.7	2.5		15.8	17.2	
RoCE (%)	8.8	10.2	6.3		15.5	18.2	

Key takeaways of recent quarter & conference call highlights

Q1FY22 Results: Robust performance continues

- Consolidated revenues grew 31% QoQ to ₹ 3760 crore (I-direct estimate: ₹ 2772 crore) mainly driven by hospital segment, which grew 26.2% QoQ to ₹ 1941 crore vs. I-direct estimate of ₹ 1433 crore. Pharmacy distribution segment revenues grew 35% QoQ to ₹ 1512 crore (I-direct estimate: ₹ 1113 crore). EBITDA margins de-grew 53 bps QoQ to 13.8% (I-direct estimate: 13.8%) mainly due to lower gross profit margins, which is attributable to case mix. EBITDA in absolute terms grew 26.2% QoQ to ₹ 519.9 crore (I-direct estimate: ₹ 383.6 crore). Adjusted PAT for the quarter was at ₹ 243.2 crore vs. profit of ₹ 150.4 crore in Q4FY21 (I-direct estimate: ₹ 140.2 crore). Delta vis-à-vis EBITDA was mainly due to exceptional income arising due to acquisition of additional 50% stake of Gleneagles in AMSHL
- After Covid related hindrances last year, the healthcare business is more or less back to normalcy albeit due to Covid traction. Structurally, cost reduction drives, expanding of complex procedures and profitability of new hospitals and AHLL remain key management focus areas. The pharmacy business remains a steady growth engine albeit in a changed structure

Q1FY22 Earnings Conference Call highlights

- Q1FY22 occupancy: 5,108 beds (67%); Mature hospitals: 3,500 beds (64%); New hospitals: 1,607 beds (73%)
- Inpatient volumes increased 53% to 96,704
- ARPOB (excluding vaccination) was at ₹ 41,102
- Covid ARPOB – ₹ 21,700, non Covid ARPOB – ₹ 44,000
- Also, 26% inpatient Covid volume & 26% revenue of healthcare services from Covid
- Net addition of 45 pharmacies stores in Q1FY22
- Apollo 24/7 connected to ~6 lakh consultations in Q1FY22, 70 million registered users & Apollo 24/7 added 47 lakhs new customer in Q1FY22
- The management guided for higher margins in the next couple of years from both new and mature hospitals due to –
 - Higher asset utilisation
 - Cost cutting
 - Centre of excellence
- Diagnostics performed 6.6 lakh RTPCR test during Q1FY22. Covid contribution is at ₹ 45 crore
- Healthcare Services
 - Revenues in the Tamil Nadu cluster grew 146%, IP volumes grew 79%. ARPOB grew 14% to ₹ 50,466. Overall occupancy in the cluster was 1,314 beds (62% occupancy)
 - In AP, Telangana region, revenues grew 170%, IP volumes grew by 76%. ARPOB grew 25% to ₹ 49,853. Occupancy in the cluster was 842 beds (63% occupancy)
 - The Karnataka region showed improvement in growth as Malleswaram witnessed an IP volume growth of 67%. Occupancy in the cluster was 637 beds (75% occupancy)
- Pharmacy business
 - Revenue of ₹ 1829.3 crore in Q1FY22 with total 4,163 pharmacies
 - Private label sales at 13.2% of pharmacy revenue

Exhibit 1: Variance Analysis

	Q1FY22	Q1FY22E	Q1FY21	Q4FY21	YoY (%)	QoQ (%)	Comments
Revenue	3,760.2	2,772.3	2,171.5	2,868.0	73.2	31.1	QoQ increase mainly due to surge in COVID cases and vaccination
Raw Material Expenses	2,062.0	1,425.8	1,217.5	1,475.0	69.4	39.8	
Employee Expenses	443.5	360.4	448.6	388.4	-1.1	14.2	
Other expenditure	734.9	602.5	469.9	592.7	56.4	24.0	
EBITDA	519.9	383.6	35.5	411.8	1,365.2	26.2	
EBITDA (%)	13.8	13.8	1.6	14.4	1219 bps	-53 bps	QoQ decline amid change in mix towards low margins COVID cases and vaccination
Interest	94.7	70.2	127.4	98.6	-25.7	-3.9	
Depreciation	140.6	150.6	160.2	138.5	-12.2	1.5	
Other Income	24.6	13.9	7.7	20.5	219.2	20.5	
PBT before EO & Forex	309.3	176.6	-244.4	195.2	LP	58.4	
EO	-294.1	0.0	0.0	-25.2	0.0	NA	
PBT after Exceptional Items:	603.4	176.6	-244.4	220.4	LP	173.7	
Tax	98.6	53.0	-40.8	67.7	LP	45.6	
Tax rate (%)	16.3	30.0	16.7	30.7			
Net Profit	489.3	140.2	-208.2	167.9	LP	191.5	
Adj. Net Profit	243.2	140.2	-208.2	150.4	LP	61.7	QoQ Delta vis-à-vis EBITDA amid lower interest, depreciation, tax rate and higher other income
EPS (₹)	34.0	9.8	-14.5	11.7	LP	191.5	
Key Metrics							
Hospitals	1939.2	1433.9	789.9	1538.8	145.5	26.0	26% revenues derived from COVID cases
Pharmacy	1512.0	1113.2	0.0	1118.7	0.0	35.2	QoQ increase amid COVID opportunities
AHLL	309.0	225.3	102.4	210.5	201.8	46.8	QoQ increase amid COVID opportunities

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

₹ Crore	FY22E			FY23E			Comments
	Old	New	% Change	Old	New	% Change	
Revenue	12,782.7	13,546.8	6.0	14,684.1	14,605.0	-0.5	Changed mainly due to better than expected growth in Q1FY22 amid surge in COVID cases and vaccinations
EBITDA	1,902.7	2,021.0	6.2	2,382.2	2,367.1	-0.6	Changed mainly due to better than expected growth in Q1FY22 amid surge in COVID cases and vaccinations
EBITDA Margin (%)	14.9	14.9	2 bps	16.2	16.2	1 bps	
Adjusted PAT	812.5	868.2	6.9	1,192.2	1,104.9	-7.3	Changed mainly in sync with EBITDA
EPS (₹)	56.5	60.4	6.9	82.9	76.8	-7.3	

Source: ICICI Direct Research

Exhibit 3: Assumptions

(% Growth)	Current			Earlier			Comments
	FY20	FY21	FY22E	FY23E	FY22E	FY23E	
Healthcare Services	5,729.8	5,002.2	7,239.4	7,369.4	6,819.7	7,287.3	Increased mainly due to higher than expected sales in Q1FY22
Pharmacy	NA	NA	5,129.4	5,724.2	4,868.6	5,864.7	
AHLL	696.4	681.8	1,178.1	1,511.4	1,094.4	1,532.1	Increased mainly due to higher than expected sales in Q1FY22

Source: ICICI Direct Research

Exhibit 4: Financial Summary

	Revenues	Growth	EPS	Growth	P/E	EV/EBITDA	RoNW	RoCE
	(₹ crore)	(%)	(₹)	(%)	(x)	(X)	(%)	(%)
FY20	11247	16.9	22.6	37.6	129.4	39.1	9.7	10.2
FY21	10560	-6.1	7.9	-65.2	391.4	53.5	2.5	6.3
FY22E	13547	28.3	60.4	668.2	54.0	29.8	15.8	15.5
FY23E	14605	7.8	76.8	27.3	53.3	25.0	17.2	18.2

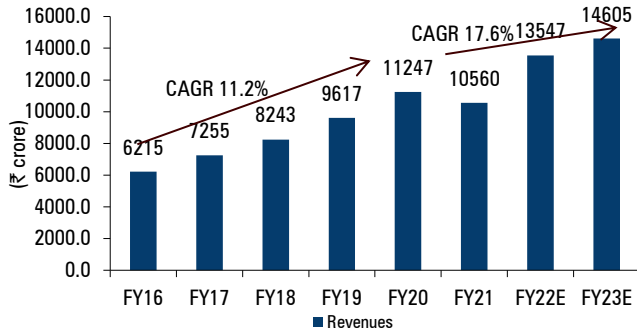
Source: ICICI Direct Research

Exhibit 5: Trends in Quarterly Performance

(₹ crore)	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	YoY (%)	QoQ (%)
Total Operating Incom	2210.5	2401.6	2495.0	2499.5	2571.9	2840.7	2911.7	2922.4	2171.5	2760.7	2759.8	2868.0	3760.2	73.2	31.1
Raw Material Expense	1078.3	1227.1	1210.1	1198.7	1237.8	1372.9	1417.2	1471.1	1217.5	1505.1	1486.5	1475.0	2062.0	69.4	39.8
as % revenues	48.8	51.1	48.5	48.0	48.1	48.3	48.7	50.3	56.1	54.5	53.9	51.4	54.8		
Gross Profit	1132.2	1174.5	1285.0	1300.8	1334.1	1467.9	1494.6	1451.4	954.0	1255.6	1273.3	1392.9	1698.3	78.0	21.9
GPM (%)	51.2	48.9	51.5	52.0	51.9	51.7	51.3	49.7	43.9	45.5	46.1	48.6	45.2		
Employee Expenses	366.8	367.1	418.1	425.6	433.4	468.7	475.4	475.5	448.6	411.6	352.4	388.4	443.5	-1.1	14.2
as % revenues	16.6	15.3	16.8	17.0	16.9	16.5	16.3	16.3	20.7	14.9	12.8	13.5	11.8		
Other expenditure	536.1	535.5	587.8	581.5	546.4	580.2	589.2	595.8	469.9	544.2	530.7	592.7	734.9	56.4	24.0
as % revenues	24.3	22.3	23.6	23.3	21.2	20.4	20.2	20.4	21.6	19.7	19.2	20.7	19.5		
Total expenditure	1981.2	2129.7	2215.9	2205.8	2217.6	2421.7	2481.7	2542.4	2136.0	2460.9	2369.6	2456.1	3240.3	51.7	31.9
EBITDA	229.3	271.9	279.1	293.7	354.3	419.0	430.0	380.1	35.5	299.8	390.3	411.8	519.9	1365.2	26.2
EBITDA Margins (%)	10.4	11.3	11.2	11.8	13.8	14.7	14.8	13.0	1.6	10.9	14.1	14.4	13.8	1219 bps	-53 bps
Depreciation	95.1	93.6	98.4	104.9	144.0	154.5	157.3	163.9	160.2	149.5	125.0	138.5	140.6	-12.2	1.5
Interest	76.2	79.1	84.4	85.4	125.8	134.3	137.4	135.2	127.4	122.3	101.0	98.6	94.7	-25.7	-3.9
Other Income	4.6	6.3	12.5	11.8	9.9	3.5	9.7	4.0	7.7	11.3	5.5	20.5	24.6	219.2	20.5
PBT	62.7	105.6	108.7	115.2	94.4	133.7	144.9	84.9	-244.4	39.4	169.8	195.2	309.3	LP	58.4
Less: Exceptional Iter	0.0	0.0	0.0	0.0	0.0	0.0	0.0	198.3	0.0	35.4	0.0	25.2	294.1		
Total Tax	39.3	34.8	53.1	39.1	45.3	50.6	55.4	74.0	-40.8	6.6	51.2	67.7	98.6	LP	45.6
Tax rate (%)	62.8	33.0	48.9	33.9	47.9	37.8	38.2	87.2	16.7	16.8	30.1	34.7	31.9		
PAT	34.1	80.3	57.0	84.9	57.2	86.2	92.1	219.4	-208.2	60.3	130.5	167.9	489.3	LP	191.5
Net Profit Margin (%)	1.5	3.3	2.3	3.4	2.2	3.0	3.2	7.5	-9.6	2.2	4.7	5.9	13.0		
EPS (Adjusted)	2.4	5.6	4.0	5.9	4.0	6.0	6.4	15.3	-14.5	4.2	9.1	11.7	34.0		

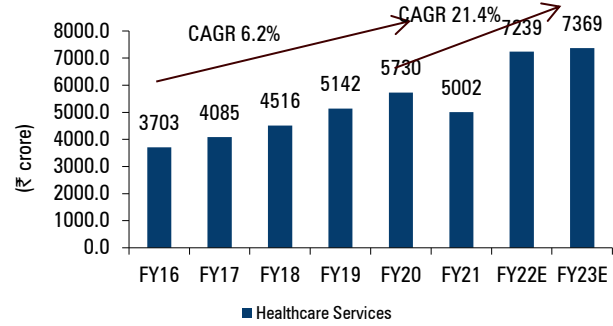
Source: ICICI Direct Research

Exhibit 6: Revenues to grow at CAGR of 18% over FY21-23E



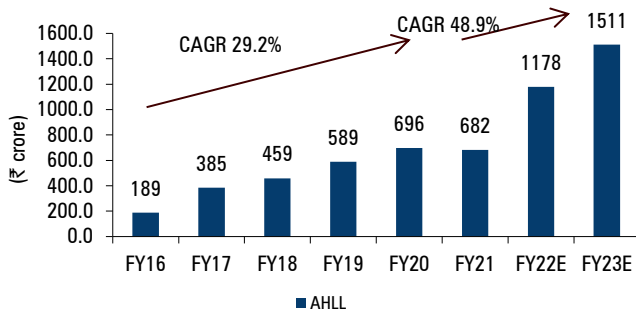
Source: ICICI Direct Research, Company

Exhibit 7: Hospitals to grow at CAGR of 21% over FY21-23E



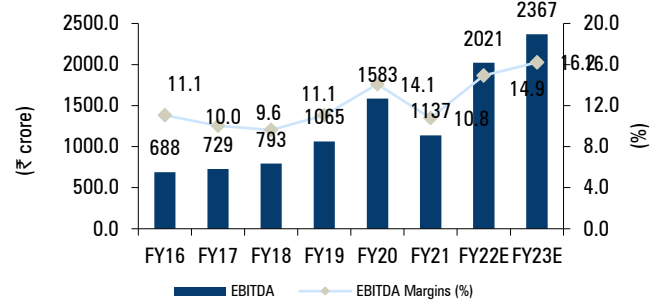
Source: ICICI Direct Research, Company

Exhibit 8: AHLL to grow at CAGR of ~50% over FY21-23E



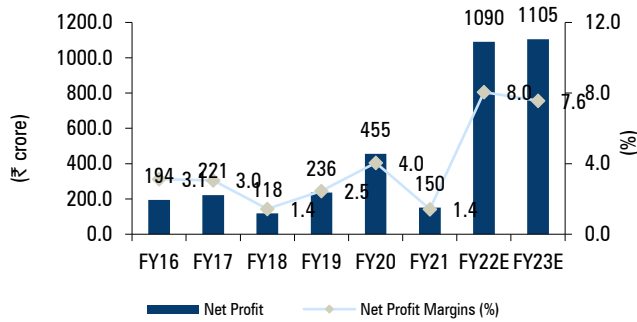
Source: ICICI Direct Research, Company

Exhibit 9: EBITDA & EBITDA margins trend



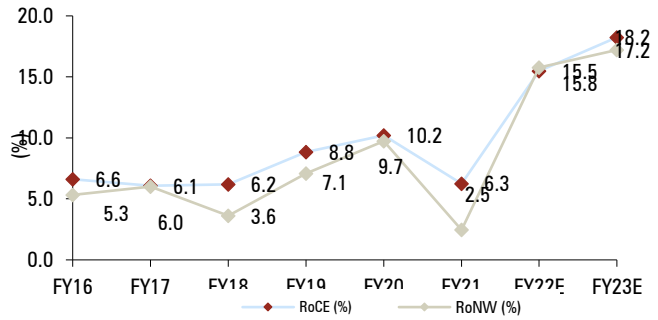
Source: ICICI Direct Research, Company

Exhibit 10: PAT & PAT margins trend



Source: ICICI Direct Research, Company

Exhibit 11: RoE & RoCE trend



Source: ICICI Direct Research, Company

Exhibit 12: Valuation

Particulars	FY23E (₹ cr)	Valuation Matrix	Multiple (x)	EV (₹ cr)
Healthcare (Existing Hospitals & JV)	1232.3	EV/EBITDA	22.0	27,112
Healthcare (New Hospitals)	2232.2	EV/Sales	3.0	6,697
Pharmacy	5491.4	EV/Sales	3.0	16,474
AHLL	1511.4	EV/Sales	10.0	15,114
Net Debt FY23E (₹ cr)				536.0
Targeted MCap (₹ cr)				64,861
No of shares (cr)				14.4
Per Share Value (₹)				4,510

Source: ICICI Direct Research

Exhibit 13: ICICI Direct Universe Coverage (Healthcare)

Company	I-Direct Code	CMP (₹)	TP Rating	M Cap (₹ cr)	EPS (₹)				PE(x)				RoCE (%)			RoE (%)					
					FY20	FY21	FY22E	FY23E	FY20	FY21	FY22E	FY23E	FY20	FY21	FY22E	FY23E	FY20	FY21	FY22E	FY23E	
Ajanta Pharma	AJAPHA	2241	2,695	Buy	19393	53.4	74.0	80.8	89.8	42.0	30.3	27.7	25.0	24.7	29.0	24.9	24.0	18.1	21.8	20.2	19.2
Alembic Pharma	ALEMPHA	770	885	Hold	15135	44.4	59.9	35.2	44.3	17.3	12.8	21.9	17.4	21.0	24.2	12.7	14.8	27.1	23.0	12.3	13.8
Apollo Hospitals	APOHOS	4060	4,510	Hold	58377	22.6	7.9	60.4	76.8	179.8	516.5	67.2	52.8	10.2	6.3	15.5	18.2	9.7	2.5	15.8	17.2
Aurobindo Pharma	AURPHA	761	865	Hold	44608	48.8	55.0	54.2	61.8	15.6	13.8	14.1	12.3	17.2	16.8	14.4	15.1	17.0	14.7	12.7	12.8
Biocon	BIOCON	371	400	Hold	44568	5.8	6.1	6.1	12.5	63.8	61.0	60.7	29.6	10.2	7.6	8.7	12.5	10.4	9.6	8.9	15.6
Cadila Healthcare	CADHEA	558	583	Hold	57171	14.0	21.5	20.8	22.0	40.0	26.0	26.8	25.4	10.7	12.6	13.1	12.9	13.8	16.9	12.6	12.1
Cipla	CIPLA	894	1,205	Buy	72130	19.2	29.9	35.5	41.6	46.6	29.9	25.2	21.5	12.0	16.3	17.9	18.4	9.8	13.1	14.0	14.5
Divi's Lab	DIVLAB	4949	5,815	Buy	131372	51.9	74.7	94.7	116.3	95.4	66.2	52.3	42.6	23.9	27.6	28.8	29.2	18.8	21.3	22.5	23.0
Dr Reddy's Labs	DRREDD	4652	5,250	Hold	77394	121.8	117.3	126.8	197.3	38.2	39.7	36.7	23.6	9.6	13.1	12.9	16.5	13.0	11.1	10.8	14.7
Glenmark Pharma	GLEPHA	563	750	Buy	15893	26.4	32.9	42.1	50.1	21.3	17.1	13.4	11.2	12.7	13.7	15.5	16.5	12.2	13.1	14.5	14.8
Hikal	HIKCHE	696	590	Hold	8587	8.1	10.8	16.5	19.6	86.0	64.5	42.2	35.5	12.8	15.1	17.2	18.4	12.2	14.3	18.1	17.9
Ipca Laboratories	IPCLAB	2365	2,560	Buy	30002	47.6	89.9	88.2	102.4	49.7	26.3	26.8	23.1	17.6	27.1	22.2	21.5	16.6	24.2	19.3	18.4
Jubilant Pharmova	JUBLIF	646	850	Buy	10296	44.6	37.4	59.9	84.9	14.5	17.3	10.8	7.6	11.7	13.7	18.2	22.4	12.7	12.6	16.9	19.5
Lupin	LUPIN	977	1,025	Hold	44339	-12.7	26.9	40.0	44.6	NA	36.4	24.4	21.9	9.7	9.0	12.6	13.2	-4.6	8.8	11.8	11.9
Narayana Hrudalaya	NARHRU	498	620	Buy	10186	6.4	-0.7	12.3	15.6	78.5	NA	40.4	32.0	11.0	1.2	14.5	16.8	11.4	-1.3	18.6	19.3
Natco Pharma	NATPHA	989	1,040	Hold	18025	25.3	24.2	19.4	22.6	39.1	40.9	51.0	43.8	14.0	13.1	9.7	10.9	12.2	10.7	8.1	8.8
Sun Pharma	SUNPHA	778	800	Hold	186740	16.8	30.0	25.1	28.6	46.4	25.9	31.0	27.2	10.0	14.4	15.1	15.3	8.9	15.5	12.0	12.2
Syngene Int.	SYNINT	622	780	Buy	24868	10.3	10.1	11.0	15.6	60.4	61.4	56.4	39.9	14.5	11.5	13.1	16.6	16.8	13.5	13.6	16.1
Torrent Pharma	TORPHA	2964	3,250	Buy	50153	60.6	74.0	78.5	101.5	48.9	40.1	37.7	29.2	15.4	17.7	20.8	22.2	21.2	21.4	19.4	21.1
Shalby	SHALIM	192	210	Hold	2229	2.6	3.9	4.8	5.3	75.0	48.8	39.6	35.9	7.2	6.5	8.3	8.2	3.5	5.1	6.0	6.3
Aster DM	ASTDM	161	200	Buy	8217	5.7	3.0	10.8	15.0	28.2	54.4	14.9	10.7	7.2	5.4	9.2	11.1	8.7	4.4	13.8	16.1
Indoco Remedies	INDREM	477	575	Buy	3945	2.6	10.1	16.7	23.9	182.1	47.2	28.5	19.9	4.6	11.8	19.4	21.8	3.5	12.1	17.1	20.2
Caplin Point	CAPPOI	851	1,135	Buy	6756	28.4	32.0	40.8	47.4	29.9	26.6	20.8	18.0	26.5	25.4	26.1	25.6	22.7	20.4	21.1	20.0
Granules India	GRANUL	361	430	Buy	9741	12.4	22.2	23.6	28.7	29.0	16.3	15.3	12.6	15.2	24.0	23.4	24.2	16.7	25.3	21.5	21.0
Laurus Labs	LAULAB	709	785	Buy	34493	4.8	18.3	22.6	28.0	149.1	38.7	31.4	25.3	13.0	31.7	30.6	30.6	14.4	37.9	32.9	29.8

Source: ICICI Direct Research

Financial Summary

Exhibit 14: Profit and loss statement					₹ crore
(Year-end March)	FY20	FY21	FY22E	FY23E	
Revenues	11,246.8	10,560.0	13,546.8	14,605.0	
Growth (%)	16.9	-6.1	28.3	7.8	
Raw Material Expenses	5,498.9	5,684.2	7,329.8	7,861.5	
Employee Expenses	1,852.9	1,601.0	1,927.2	2,077.8	
Other expenditure	2,311.6	2,137.4	2,268.8	2,298.7	
Total Operating Expenditure	9,663.4	9,422.6	11,525.9	12,238.0	
EBITDA	1,583.4	1,137.4	2,021.0	2,367.1	
Growth (%)	48.7	-28.2	77.7	17.1	
Depreciation	619.7	573.1	562.2	577.7	
Interest	532.8	449.2	349.1	229.3	
Other Income	27.0	45.0	88.8	87.6	
PBT before exceptionals	457.9	160.1	1,198.4	1,647.7	
Less: Exceptional Items	-198.3	-60.6	-294.1	0.0	
PBT	656.2	220.7	1,492.5	1,647.7	
Total Tax	225.2	84.7	365.3	494.3	
MI & Profit from Associates	23.9	14.4	-36.9	-48.5	
Adjusted PAT	324.7	113.0	868.2	1,104.9	
Growth (%)	37.6	-65.2	668.2	27.3	
EPS (Adjusted)	22.6	7.9	60.4	76.8	

Source: Company, ICICI Direct Research

Exhibit 15: Cash flow statement					₹ crore
(Year-end March)	FY20	FY21	FY22E	FY23E	
Profit/(Loss) after taxation	259.4	172.1	1,090.3	1,104.9	
Add: Depreciation & Amortization	619.7	573.1	562.2	577.7	
Working Capital Changes	-83.1	-72.1	-115.9	-39.0	
CF from operating activities	796.0	673.1	1,536.6	1,643.6	
Change in Capex	-510.0	247.4	-460.0	-260.0	
(Inc)/dec in Investments	229.6	-942.5	-300.0	-300.0	
Others	19.9	19.3	52.0	64.0	
CF from investing activities	-260.5	-675.8	-708.0	-496.0	
Issue of Equity	0.0	1,152.0	0.0	0.0	
Inc/(dec) in loan funds	-57.1	-898.5	-700.0	-700.0	
Dividend paid & dividend tax	-155.1	-38.3	-187.3	-189.8	
Others	-697.3	-555.3	0.0	0.0	
CF from financing activities	-909.6	-340.1	-887.3	-889.8	
Net Cash flow	-374.1	-342.8	-58.6	257.8	
Opening Cash	347.0	466.8	724.4	665.8	
Closing Cash	-27.2	124.0	665.8	923.6	
Free Cash Flow	285.9	920.5	1,076.6	1,383.6	

Source: Company, ICICI Direct Research

Exhibit 16: Balance Sheet					₹ crore
(Year-end March)	FY20	FY21	FY22E	FY23E	
Equity Capital	69.6	71.9	71.9	71.9	
Reserve and Surplus	3,269.5	4,530.7	5,433.7	6,348.9	
Total Shareholders funds	3,339.1	4,602.6	5,505.6	6,420.8	
Total Debt	3,595.6	2,859.6	2,159.6	1,459.6	
Deferred Tax Liability	294.2	260.5	265.7	271.0	
Minority Interest	130.7	199.9	220.2	252.0	
Long term provisions	10.1	22.3	22.8	23.2	
Other Non Current Liabilities	2,375.0	1,820.3	1,856.7	1,893.9	
Total Liabilities	9,744.7	9,765.2	10,030.6	10,320.5	
Gross Block - Fixed Assets	7,429.2	7,983.8	8,443.8	8,703.8	
Accumulated Depreciation	1,996.6	2,569.7	3,132.0	3,709.7	
Net Block	5,432.6	5,414.1	5,311.8	4,994.1	
Capital WIP	235.5	233.9	233.9	233.9	
Goodwill on Consolidation	346.2	375.3	375.3	375.3	
Total Fixed Assets	7,661.7	7,006.9	6,904.6	6,586.8	
Investments	440.0	1,347.9	1,647.9	1,947.9	
Inventory	737.8	249.5	320.0	345.0	
Debtors	1,027.2	1,331.2	1,707.7	1,841.1	
Loans & Advances, & other CA	456.4	645.6	332.1	294.9	
Cash	466.8	724.4	665.8	923.6	
Total Current Assets	2,572.0	2,643.7	3,038.9	3,462.0	
Creditors	908.8	1,159.9	1,488.0	1,604.2	
Provisions & Other CL	393.0	410.6	426.2	474.9	
Total Current Liabilities	1,593.7	1,651.7	1,989.6	2,115.9	
Net Current Assets	978.3	992.0	1,049.3	1,346.1	
Long term loans & advances	615.1	393.3	401.2	409.2	
Deferred Tax Assets	49.6	25.2	27.7	30.4	
Application of Funds	9,744.7	9,765.2	10,030.6	10,320.5	

Source: Company, ICICI Direct Research

Exhibit 17: Key ratios				
(Year-end March)	FY20	FY21	FY22E	FY23E
Per share data (₹)				
Adjusted EPS	22.6	7.9	60.4	76.8
BV per share	232.2	320.1	382.9	446.6
Dividend per share	7.2	3.0	13.0	13.2
Cash Per Share	32.5	50.4	46.3	64.2
Operating Ratios (%)				
Gross Profit Margins	51.1	46.2	45.9	46.2
EBITDA margins	14.1	10.8	14.9	16.2
Net Profit margins	2.9	1.1	6.4	7.6
Inventory days	23.9	8.6	8.6	8.6
Debtor days	33.3	46.0	46.0	46.0
Creditor days	29.5	40.1	40.1	40.1
Asset Turnover	1.5	1.3	1.6	1.7
EBITDA Conversion Rate	50.3	59.2	76.0	69.4
Return Ratios (%)				
RoE	9.7	2.5	15.8	17.2
RoCE	10.2	6.3	15.5	18.2
RoIC	10.9	6.5	16.2	19.8
Valuation Ratios (x)				
P/E	128.3	388.2	53.5	52.8
EV / EBITDA	38.8	53.1	29.6	24.8
EV / Net Sales	5.5	5.7	4.4	4.0
Market Cap / Sales	5.2	5.5	4.3	4.0
Price to Book Value	17.5	12.7	10.6	9.1
Solvency Ratios				
Debt / EBITDA	2.3	2.5	1.1	0.6
Debt / Equity	1.1	0.6	0.4	0.2
Net Debt / Equity	1.0	0.6	0.4	0.2
Current Ratio	1.3	1.2	1.2	1.2

Source: Company, ICICI Direct Research

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