

Viatris integration propels numbers; focus on Hulo launch, pending queries...

About the stock: Biocon mainly operates in biologics (biosimilars), small molecules (generics), branded formulations and contract research (Syngene). Biocon Biologics (BBL), a subsidiary of Biocon, entered into an arrangement to acquire Viatris' biosimilars assets for US\$3.34 billion.

- Biosimilar US pipeline: (approvals - bPegfilgrastim, bTrastuzumab, bGlargine, bAdalimumab)
- In generics, among the world's largest manufacturers of immunosuppressant and statin APIs
- Revenue breakup Q4FY23: Biosimilars (56%), Generics (18%), CRAMS (26%)

Q4FY23 Results: Beat across the board driven by biosimilars.

- Revenues grew 56.7% YoY to ₹ 3773.9 crore
- EBITDA margins improved 185 bps YoY to 26.4%. Overall EBITDA improved 68.5% YoY to ₹ 997.3 crore
- Adjusted PAT came in at ₹ 313.2 crore

What should investors do? Biocon's share price has de-grown at 7.5% CAGR over the past three years.

- We maintain **HOLD** as we monitor the progress on biosimilar Hulo launch (Q2) and other pending compliance outcomes (bBevacizumab and bAspart) besides progress on debt reduction

Target Price and Valuation: We value Biocon at ₹ 235 on an SOTP basis.

Key triggers for future price performance:

- **Biosimilars-** 1) expected Hulo launch in Q2 (July 1 launch) and competitive scenario, 2) market share gains in existing biosimilars, 3) Semglee ramp up 4) outcome of USFDA classification for bBevacizumab and bAspart
- **Generics-** 1) expansion beyond fermentation-based APIs, 2) capacity augmentation in immunosuppressants and synthetic APIs and 3) expanding formulations portfolio through vertical integration
- **CRAMs** - Syngene's consistent growth in discovery, dedicated, development and manufacturing services
- Potential synergies with acquisition of Viatris biosimilar business

Alternate Stock Idea: Besides Biocon, in formulations space we like Sun Pharma.

- Higher contribution from specialty and strong domestic franchisee
- BUY with a target price of ₹ 1210



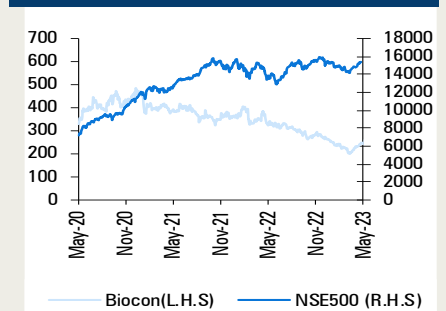
Particulars

Particular	Amount
Market Capitalisation	₹ 28824 crore
Debt (FY23)	₹ 17771 crore
Cash (FY23)	₹ 2400 crore
EV	₹ 44195 crore
52 week H/L	407/230
Equity capital (₹Crore)	₹ 601 crore
Face value (₹)	₹ 5

Shareholding pattern

(in %)	Jun-22	Sep-22	Dec-22	Mar-23
Promote	60.6	60.6	60.6	60.6
Others	39.4	39.4	39.4	39.4

Price Chart



Recent Event & Key risks

- Received approval for Teriflunomide tablet in US
- **Key Risk:** (i) Better traction for launches in pipeline (ii) Pricing pressure in US

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Key Financial Summary

Key Financials (₹ crore)	FY21	FY22	FY23	5 year CAGR (FY17-22)	FY24E	FY25E	2 year CAGR (FY23-25E)
Revenues (₹ crore)	7143.1	8184.0	11174.2	15.9	14839.9	17934.3	26.7
EBITDA (₹ crore)	1674.0	1915.2	2511.7	17.6	3463.6	4296.1	30.8
EBITDA margins (%)	23.4	23.4	22.5		23.3	24.0	
Net Profit (₹ crore)	751.7	683.8	684.5	-0.6	1058.6	1845.2	64.2
EPS (₹)	6.3	5.7	5.7		8.8	15.4	
P/E (x)	37.8	48.6	62.3		27.2	15.6	
RoCE (%)	7.7	7.5	3.9		5.6	6.8	
RoE (x)	9.9	8.1	3.8		5.6	9.0	

Key takeaways of recent quarter & conference call highlights

Q4FY23 Results: Beat across board driven by biosimilars

- Revenues grew 56.7% YoY to ₹ 3773.9 crore. Biosimilars grew 114% YoY to ₹ 2102 crore. Research services segment grew 31.2% YoY at ₹ 994.4 crore while generic sales remained flat YoY at ₹ 717 crore. EBITDA margins improved 185 bps YoY to 26.4%. Overall EBITDA improved 68.5% YoY to ₹ 997.3 crore. Adjusted PAT came in at ₹ 313.2 crore
- Numbers were higher than estimates even after considering full impact of Viatris integration. Biosimilars sales at ₹ 2100 crore were even higher than management guidance of ₹ 2000 crore. On the margins front, while GPM were in line, significant beat was mainly on account of lower-than-expected R&D spend. Overall, progress on the biosimilars front in the backdrop of significant high leverage on the balance sheet will be the key determinant for investors sentiments

ESG Disclosure Score*

Score	FY20	FY21	FY22
Environmental	22.0	52.9	54.6
Social	22.8	43.4	52.7
Governance	89.9	89.9	89.9
Overall ESG Score	44.9	62.1	65.7

Source: Bloomberg, ICICI Direct Research, *Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures

Q4FY23 Earnings Conference Call highlights:

Business highlights:

- The generic business continued its geographic expansion initiatives with strategic partnerships across markets in UK and other emerging markets
- It received approval for Teriflunomide tablet (an anti-inflammatory and immunomodulatory drug) in the US, which is used in the treatment of relapsing forms of multiple sclerosis
- In the EU it received approval for Dimethyl Fumarate, an in-licensed product
- Many other approvals were obtained such as for oncology products followed by approval for Everolimus tablets in Saudi Arabia and Dasatinib tablets in Chile
- The company also received a tentative approval from USFDA for Lenalidomide in May 2023

Biocon generics:

- The performance was driven by immunosuppressants, specialty APIs and ramp-up of some of the newly launched generic formulation products
- Margins were impacted largely on account of pricing pressure in its key markets as well as increased input costs
- It successfully launched new products in the US while gaining market share in existing products with the receipt of new contracts

Biocon Biologics:

- The market share of its products in the US was as follows: Semglee (bGlargine) ~12%, Fulphila (bPegfilgrastim) at 14%, Ogivri (bTrastuzumab) with 10% market share, in March 2023
- Hulio (bAdalimumab) maintained its market share at 18.5% in Germany and 10% in France. It achieved 6% market share in Canada

Other highlights:

- It launched eight new product launches in regions like AFMET, LatAm and APAC
- During the quarter it also launched bAspart in Malaysia and bAdalimumab in two new countries
- It won new tenders for bTrastuzumab, bGlargine and bPegfilgrastim in the AFMET and LatAm regions. The same is likely to contribute to the Emerging Markets growth in FY24
- Investment in R&D including peptides and oncology is likely to play out in the coming years
- R&D spend to normalise around 12% with higher focus towards Biocon Biologics
- bAflibercept remains a sizable opportunity for the company to foray into the ophthalmology space

Exhibit 1: Variance Analysis

	Q4FY23	Q4FY22	YoY (%)	Q3FY23	QoQ (%)	Comments
Revenue	3,773.9	2,408.8	56.7	2,941.1	28.3	Growth driven by Biosimilar business
Raw Material cost	1,228.8	828.3	48.4	979.6	25.4	
Gross margins	67.4	65.6	183 bps	66.7	75 bps	
Employee cost	569.3	470.3	21.1	558.8	1.9	
R & D Expenditure	342.0	191.0	79.1	337.0	1.5	
Other Expenditures	636.5	327.3	94.5	421.4	51.0	
Total Expenditure	2,776.6	1,816.9	52.8	2,296.8	20.9	
EBITDA	997.3	591.9	68.5	644.3	54.8	
EBITDA (%)	26.4	24.6	185 bps	21.9	452 bps	Change in revenue mix and lower R&D expenses led to expansion in margins
Interest	248.8	10.5	2,269.5	120.3	106.8	
Depreciation	363.7	212.2	71.4	301.1	20.8	
Other income	154.9	67.3	130.2	78.6	97.1	
EO	3.0	41.0	-92.7	271.4	-98.9	
PBT	536.7	395.5	35.7	30.1	1,683.1	
Tax	82.1	58.6	40.1	-4.8	LP	
MI	101.3	45.3	123.6	21.1	380.1	
Adj. PAT	313.2	238.6	31.3	-41.8	LP	
Key Metrics						
Generics	717.0	717.2	0.0	717.6	-0.1	
Biosimilars	2102.0	982.3	114.0	1506.6	39.5	
Contract Research	994.4	758.1	31.2	785.9	26.5	

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

₹ Crore)	FY23			FY24E			FY25E			Comments
	Old	New	% Change	Old	New	% Change	Old	New	% Change	
Revenues	10,787.2	11,174.2	3.6	14,796.4	14,940.9	1.0	18,256.0	17,899.7	-2.0	
EBITDA	2,200.0	2,511.7	14.2	3,176.9	3,498.0	10.1	3,934.2	4,284.4	8.9	Lower R&D expenses
EBITDA Margin (%)	20.4	22.5	208 bps	21.5	23.4	194 bps	21.5	23.9	239 bps	
Net Profit	684.8	684.5	0.0	1,684.0	1,140.1	-32.3	2,450.0	1,842.8	-24.8	
EPS (₹)	5.7	5.7	0.0	14.0	9.5	-32.3	20.4	15.3	-24.8	

Source: ICICI Direct Research

Exhibit 3: Assumptions

Growth (%)	Current						Earlier			
	FY20	FY21	FY22	FY23	FY24E	FY25E	FY23	FY24E	FY25E	
Generics	2,207.3	2,362.5	2,340.9	2,637.1	2,953.6	3,308.0	2,473.6	2,671.5	3,147.7	
Biosimilars	2,315.0	2,800.5	3,464.3	5,582.6	8,170.8	10,239.6	5,544.3	8,275.9	9,900.1	Hulio launch in July 2023
Contract Research	2,012.0	2,184.1	2,604.2	3,224.6	3,793.5	4,324.5	3,124.1	3,748.8	4,324.5	

Source: ICICI Direct Research

Exhibit 4: Valuation

Particulars	FY25E EBITDA (₹ cr)	Multiple (x)	Value (₹)
Biocon Biologics	2662.3	20.0	53,245.7
Biocon's Holding			70%
Holding Company Discount			20%
Biocon Biologics valuation			29817.60
Biocon Generics (x sales)	3308.0	1.5	4,962.0
Total EV			34,779.6
Implied Mcap			15,439.4
Syngene			
Targeted Market Cap			29600
Biocon's Holding			54.8%
Holding Company Discount			20.0%
Syngene Implied Mcap			12977
Per share valuation			235

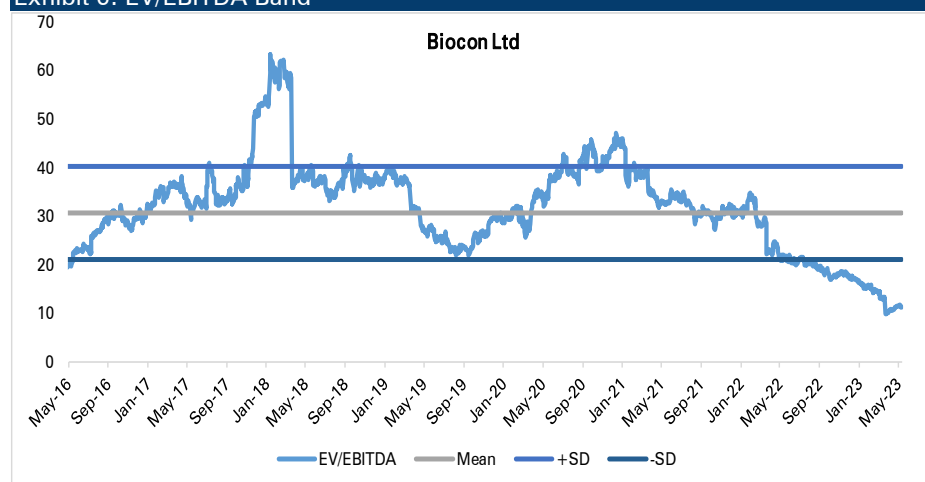
Source: Company, ICICI Direct Research

Exhibit 5: Financial Summary

	Revenues (₹ crore)	Growth (%)	EPS (₹)	Growth (%)	P/E (x)	EV/EBITDA (X)	RoNW (%)	RoCE (%)
FY21	7143	12.2	6.3	7.7	37.8	17.9	9.9	7.7
FY22	8184	14.6	5.7	-9.0	48.6	16.1	8.1	7.5
FY23	11174	36.5	5.7	0.1	62.3	17.1	3.8	3.9
FY24E	14840	32.8	8.8	54.6	27.2	12.1	5.6	5.6
FY25E	17934	20.9	15.4	74.3	15.6	9.5	9.0	6.8

Source: Company, ICICI Direct Research

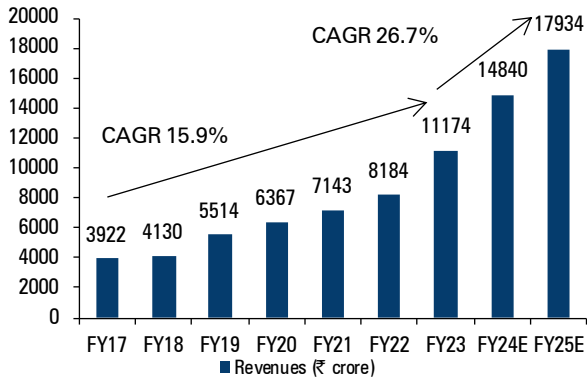
Exhibit 6: EV/EBITDA Band



Source: ICICI Direct Research

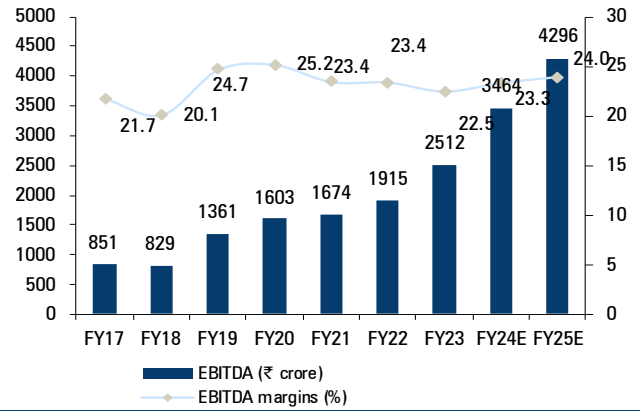
Key Metrics

Exhibit 7: Sales to grow at 26.7% CAGR over FY23E-25E



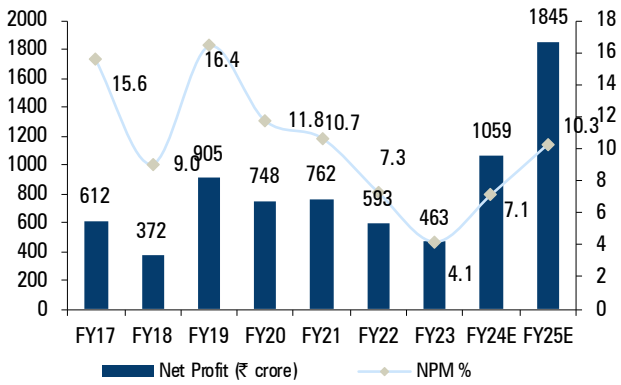
Source: Company, ICICI Direct Research

Exhibit 8: EBITDA and EBITDA margins trend



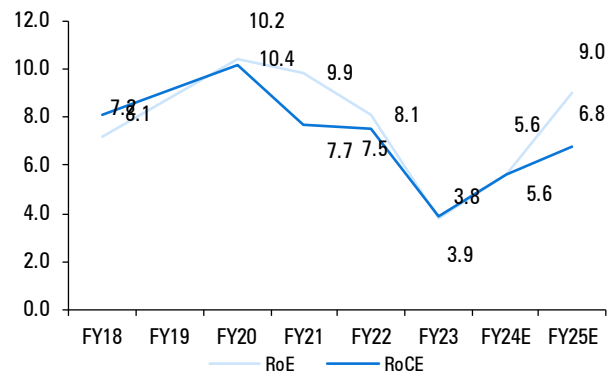
Source: Company, ICICI Direct Research

Exhibit 9: PAT & PAT margins trend



Source: Company, ICICI Direct Research

Exhibit 10: Return ratios



Source: Company, ICICI Direct Research

Exhibit 11: Trends in Quarterly Performance

(₹ Crore)	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	YoY (%)	QoQ(%)
Revenues	1581.0	1693.8	1749.8	1857.4	1842.1	1760.6	1840.4	2174.2	2408.8	2139.5	2319.7	2941.1	3773.9	56.7	28.3
Raw Material Cost	572.5	541.6	531.4	559.9	578.9	612.1	565.1	712.9	828.3	702.8	751.9	979.6	1228.8	48.4	25.4
% to revenues	36.2	32.0	30.4	30.1	31.4	34.8	30.7	32.8	34.4	32.8	32.4	33.3	32.6		
Gross Profit	1008.5	1152.2	1218.4	1297.5	1263.2	1148.5	1275.3	1461.3	1580.5	1436.7	1567.8	1961.5	2545.1	61.0	29.8
Gross Profit Margin (%)	63.8	68.0	69.6	69.9	68.6	65.2	69.3	67.2	65.6	67.2	67.6	66.7	67.4	183 bps	75 bps
Employee cost	388.4	393.7	431.9	463.3	452.1	436.0	478.8	495.0	470.3	512.6	540.3	558.8	569.3	21.1	1.9
% to revenues	24.6	23.2	24.7	24.9	24.5	24.8	26.0	22.8	19.5	24.0	23.3	19.0	15.1	-444 bps	-391 bps
R & D	125.0	107.0	148.0	171.0	127.0	120.0	146.0	138.0	191.0	198.0	242.0	337.0	342.0		
% to revenues	7.9	6.3	8.5	9.2	6.9	6.8	7.9	6.3	7.9	9.3	10.4	11.5	9.1	113 bps	-240 bps
Other Expenditure	176.5	215.7	242.1	257.3	248.2	203.2	204.7	340.1	327.3	326.7	314.8	421.4	636.5	94.5	51.0
% to revenues	11.2	12.7	13.8	13.9	13.5	11.5	11.1	15.6	13.6	15.3	13.6	14.3	16.9	328 bps	254 bps
Total Expenditure	1262.4	1258.0	1353.4	1451.5	1406.2	1371.3	1394.6	1686.0	1816.9	1740.1	1849.0	2296.8	2776.6	52.8	20.9
% to revenues	79.8	74.3	77.3	78.1	76.3	77.9	75.8	77.5	75.4	81.3	79.7	78.1	73.6		
EBIDTA	318.6	435.8	396.4	405.9	435.9	389.3	445.8	488.2	591.9	399.4	470.7	644.3	997.3	68.5	54.8
EBITDA Margin (%)	20.2	25.7	22.7	21.9	23.7	22.1	24.2	22.5	24.6	18.7	20.3	21.9	26.4	185 bps	452 bps
Depreciation	152.4	166.8	177.7	186.3	184.3	194.8	201.5	205.7	212.2	217.5	230.8	301.1	363.7	71.4	20.8
Interest	16.8	12.5	6.5	4.8	33.9	19.9	22.5	14.7	10.5	19.9	30.0	120.3	248.8	2269.5	106.8
OI	63.1	18.3	15.5	27.9	205.4	47.2	104.9	48.3	67.3	77.9	64.5	78.6	154.9	130.2	97.1
PBT	212.5	274.8	227.7	242.7	423.1	221.8	326.7	316.1	436.5	239.9	274.4	301.5	539.7	23.6	79.0
Tax	45.0	80.9	22.3	48.9	69.4	57.3	46.3	49.3	58.6	29.5	147.3	-4.8	82.1	40.1	-1810.4
Tax Rate (%)	21.2	29.4	9.8	20.1	16.4	25.8	14.2	15.6	13.4	12.3	53.7	-1.6	15.2		
PAT	167.5	193.9	205.4	193.8	353.7	164.5	280.4	266.8	377.9	210.4	127.1	306.3	457.6	21.1	49.4
PAT Margin (%)	10.6	11.4	11.7	10.4	19.2	9.3	15.2	12.3	15.7	9.8	5.5	10.4	12.1		
Exceptional Items (EI)	0.0	0.0	0.0	0.0	-12.6	0.0	70.1	0.0	41.0	0.0	17.0	271.4	3.0		
Net Profit before MI	167.5	193.9	205.4	193.8	366.3	164.5	210.3	266.8	336.9	210.4	110.1	34.9	454.6	34.9	1202.6
Add/(less) MI	35.7	18.4	26.1	18.0	43.2	24.0	21.4	32.5	45.3	23.0	34.9	21.1	101.3		
Net Profit after MI	131.8	175.5	179.3	175.8	323.1	140.5	188.9	234.3	291.6	187.4	75.2	13.8	353.3	21.2	2460.1
Adjusted Net Profit	123.4	171.9	174.3	175.0	242.7	84.4	195.8	187.1	273.5	144.4	54.2	272.9	315.7	15.4	15.7

Source: ICICI Direct Research

Financial Summary

Exhibit 12: Profit and loss statement ₹ crore

Year-end March	FY22	FY23	FY24E	FY25E
Total Operating Income	8184.0	11174.2	14839.9	17934.3
Growth (%)	14.6	36.5	32.8	20.9
Raw Material Expenses	2718.4	3663.1	4781.5	5781.9
Employee Expenses	1880.1	2181.0	3149.1	3809.1
R&D Expenditure	595.0	1119.0	1449.2	1629.0
Other Expenditures	1075.3	1699.4	1996.5	2418.2
Total Operating Expenditure	6268.8	8662.5	11376.3	13638.1
Operating Profit (EBITDA)	1915.2	2511.7	3463.6	4296.1
Growth (%)	14.4	31.1	37.9	24.0
Depreciation	814.2	1113.1	1211.5	1307.1
Interest	67.6	419.0	1051.2	889.7
Other Income	212.7	375.9	499.2	603.3
PBT before Exceptional Items	1246.1	1355.5	1700.2	2702.7
Less: Exceptional Items	111.1	291.4	0.0	0.0
Total Tax	211.5	254.1	260.1	413.4
PAT before MI	923.5	810.0	1440.1	2289.2
Minority Interest	123.2	180.3	241.3	324.0
Adjusted PAT	683.8	684.5	1058.6	1845.2
Growth (%)	-9.0	0.1	54.6	74.3
EPS (Adjusted)	5.7	5.7	8.8	15.4

Source: Company, ICICI Direct Research

Exhibit 13: Cash flow statement ₹ crore

Year-end March	FY22	FY23	FY24E	FY25E
Profit/(Loss) after taxation	509.6	414.4	1058.6	1845.2
Add: Depreciation & Amortization	814.2	1113.1	1211.5	1307.1
Net Increase in Current Assets	-951.3	3234.9	-1692.7	-1883.6
Net Increase in Current Liabilities	161.8	-3735.9	1121.7	813.3
Other Operating Activities	642.3	826.0	1051.2	889.7
CF from operating activities	1176.6	1852.5	2750.3	2971.6
(Purchase)/Sale of Fixed Assets	-1922.7	-1723.2	-1189.2	-1141.5
(Increase)/Decrease in Investments	231.4	-464.8	0.0	0.0
Increase/ (Decrease) in Minority Interest	0.0	0.0	462.2	508.4
Other Investing Activities	4.8	-12060.8	41.1	-32.3
CF from investing activities	-1686.5	-14248.8	-685.9	-665.4
Proceeds from issues of Equity Shares	42.5	1201.6	0.0	0.0
Inc/(dec) in loan funds	309.2	12415.9	1000.0	1000.0
(Payment) of Dividend and Dividend Tax	0.0	-71.8	-105.9	-184.5
Interest Paid	-109.6	-485.6	-1051.2	-889.7
Other Financing Activities	0.0	-11.4	0.0	0.0
CF from financing activities	242.1	13048.7	-157.1	-74.2
Net Cash flow	-267.8	652.4	1907.4	2232.1
Opening Cash	2015.3	1747.5	2399.9	4307.2
Closing Cash	1747.5	2399.9	4307.2	6539.3
Free Cash Flow	1408.0	1387.7	2750.3	2971.6

Source: Company, ICICI Direct Research

Exhibit 14: Balance Sheet ₹ crore

Year-end March	FY22	FY23	FY24E	FY25E
Liabilities				
Equity Capital	600.3	600.3	600.3	600.3
Reserve and Surplus	7832.2	17266.6	18219.3	19880.0
Total Shareholders funds	8432.5	17866.9	18819.6	20480.3
Total Debt	4904.0	17770.7	18770.7	19770.7
Minority Interest	1037.5	4621.9	5084.1	5592.5
Other NCL & LT Provisions	3097.5	5752.8	6309.0	6919.8
Source of Funds	17471.5	46012.3	48983.4	52763.3
Assets				
Gross Block - Fixed Assets	11206.6	19108.6	20797.8	22439.2
Accumulated Depreciation	4664.0	5777.1	6988.6	8295.7
Net Block	6542.6	13331.5	13809.2	14143.5
Capital WIP	4110.4	7317.0	6817.0	6317.0
Total Fixed Assets	10653.0	20648.5	20626.2	20460.5
Goodwill on Consolidation	26.4	16136.2	16136.2	16136.2
Investments	1587.9	2068.8	2068.8	2068.8
Inventory	2298.2	4243.7	5240.0	6019.5
Debtors	2058.2	3573.2	4065.7	4913.5
Cash	1747.5	2400.1	4307.2	6539.3
Other Current Assets	1060.7	790.5	994.3	1250.8
Total Current Assets	7164.6	11007.5	14607.3	18723.0
Creditors	1608.5	3983.1	4585.0	4752.2
Provisions	130.5	148.6	178.8	208.9
Other Current Liabilities	1183.5	1898.8	2388.5	3004.4
Total Current Liabilities	2922.5	6030.5	7152.2	7965.5
Net Current Assets	4242.1	4977.0	7455.1	10757.5
Deferred Tax Assets	293.3	301.0	331.1	364.2
Other Non Current assets	668.8	1880.8	2365.8	2975.9
Application of Funds	17471.5	46012.3	48983.2	52763.1

Source: Company, ICICI Direct Research

Exhibit 15: Key ratios

Year-end March	FY22	FY23	FY24E	FY25E
Per share data (₹)				
Reported EPS	4.9	3.9	8.8	15.4
BV per share	70.2	148.8	156.7	170.5
Dividend per share	0.5	0.4	0.9	1.5
Cash Per Share	14.6	20.0	35.9	54.4
Operating Ratios (%)				
Gross Margin	66.8	67.2	67.8	67.8
EBITDA margin	23.4	22.5	23.3	24.0
EBIT Margin	13.5	12.5	15.2	16.7
PAT Margin	8.4	6.1	7.1	10.3
Inventory days	308.6	422.9	400.0	380.0
Debtor days	91.8	116.7	100.0	100.0
Creditor days	216.0	396.9	350.0	300.0
Asset Turnover	0.5	0.2	0.3	0.3
EBITDA Conversion Ratio	61.4	73.8	79.4	69.2
Return Ratios (%)				
RoE	8.1	3.8	5.6	9.0
RoCE	7.5	3.9	5.6	6.8
RoIC	10.9	7.5	11.2	13.5
Valuation Ratios (x)				
P/E	48.6	62.3	27.2	15.6
EV / EBITDA	16.1	17.1	12.1	9.5
EV / Net Sales	3.8	3.8	2.8	2.3
Market Cap / Sales	3.5	2.6	1.9	1.6
Price to Book Value	3.4	1.6	1.5	1.4
Solvency Ratios				
Debt / EBITDA	2.6	7.1	5.4	4.6
Debt / Equity	0.6	1.0	1.0	1.0
Current Ratio	1.9	1.4	1.4	1.5
Quick Ratio	1.1	0.7	0.7	0.8
Working Capital Cycle	184.4	142.7	150.0	180.0

Source: Company, ICICI Direct Research

Exhibit 16: ICICI Direct Coverage Universe (Healthcare)

Company	I-Direct Code	CMP (₹)	TP (₹)	Rating	M Cap (₹ cr)	EPS (₹)				EV/EBITDA(x)				RoCE (%)				RoE (%)			
						FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E	FY25E
Hospitals																					
Apollo Hospitals	APOHOS	4563	5,460	Buy	65709	59.1	60.5	80.2	126.8	30.2	31.6	25.8	18.8	15.1	14.1	16.6	21.8	15.1	13.8	16.0	21.1
Narayana Hrudalaya	NARHRU	859	990	Buy	17530	16.7	29.7	27.0	32.0	26.9	18.0	16.1	13.7	20.5	25.2	19.1	19.4	23.0	28.4	20.7	19.8
Shalby	SHALIM	136	170	Buy	1469	5.4	6.3	8.2	10.3	12.8	10.9	8.1	6.7	8.4	9.9	11.8	13.9	6.7	7.4	8.9	10.2
Aster DM	ASTDM	280	280	Buy	13975	10.5	8.6	18.1	23.6	10.1	9.3	6.2	4.7	9.0	8.7	13.6	15.4	13.3	9.8	17.1	18.2
Healthcare Global	HEAGLO	304	385	Buy	4219	3.9	2.3	6.1	8.5	19.8	15.2	11.9	10.2	5.0	8.8	12.8	14.8	5.0	3.6	8.5	10.7
Rainbow Children's Medicare	RAICHI	955	900	Hold	9741	13.6	20.8	19.2	20.2	30.3	26.4	24.6	20.9	20.2	17.8	14.5	16.5	22.9	19.9	15.5	14.0
Company	I-Direct Code	CMP (₹)	TP (₹)	Rating	M Cap (₹ cr)	EPS (₹)				P/E(x)				RoCE (%)				RoE (%)			
						FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E	FY25E
MNC Pharma																					
Abbott India	ABBIND	21800	20,315	Hold	45780	380.3	452.1	501.7	564.3	57.3	48.2	43.4	38.6	36.6	38.7	34.1	31.0	28.3	29.8	26.1	23.6
Pfizer	PFIZER	3820	3,830	Hold	17572	133.2	135.6	135.7	147.2	28.7	28.2	28.1	25.9	26.1	24.8	22.7	21.6	21.4	18.4	17.1	16.3
Pharma																					
Ajanta Pharma	AJAPHA	1291	1,520	Buy	16527	55.7	46.5	59.9	69.2	23.2	27.8	21.6	18.7	27.0	21.3	23.5	23.3	21.8	17.4	19.2	18.9
Aurobindo Pharma	AURPHA	605	525	Hold	35459	47.4	34.8	46.2	52.4	12.8	17.4	13.1	11.5	12.9	10.2	12.6	13.1	11.3	7.7	9.3	9.6
Biocon	BIOCON	240	235	Hold	28818	5.7	5.7	8.8	15.4	42.1	42.1	27.2	15.6	7.5	3.9	5.6	6.8	8.1	3.8	5.6	9.0
Cipla	CIPLA	944	1,090	Buy	76157	32.9	36.4	42.7	48.2	28.7	25.9	22.1	19.6	16.7	17.4	17.8	18.2	12.7	12.5	13.2	13.4
Dr Reddy's Lab	DRREDD	4506	5,520	Buy	74798	127.2	269.3	230.2	256.5	35.4	16.7	19.6	17.6	12.5	23.9	18.8	21.1	11.0	19.2	14.4	14.2
Glenmark	GLEPHA	607	580	Hold	17117	42.7	37.8	34.6	41.3	14.2	16.1	17.5	14.7	14.8	13.4	13.5	14.9	13.2	11.2	9.4	10.1
Ipca Lab	IPCLAB	682	885	Hold	17320	34.8	20.8	31.4	37.0	19.6	32.7	21.7	18.4	17.4	12.1	15.7	16.5	16.1	8.9	12.1	12.7
Lupin	LUPIN	778	725	Hold	35417	11.9	8.3	25.6	33.0	65.6	93.6	30.4	23.6	3.4	5.7	11.0	13.0	4.4	3.0	8.6	10.2
Natco	NATPHA	621	565	Hold	11363	9.3	36.3	40.3	30.2	66.8	17.1	15.4	20.5	4.6	15.9	16.5	11.6	4.0	13.9	13.6	9.4
Sun Pharma	SUNPHA	945	1,210	Buy	226706	32.0	34.9	38.6	43.2	29.6	27.0	24.5	21.9	18.2	17.2	18.1	18.1	16.0	15.2	14.7	14.7
Torrent Pharma	TORPHA	1701	1,720	Hold	57477	32.0	36.3	45.1	53.8	53.1	46.8	37.7	31.6	19.7	17.1	20.4	23.3	18.2	17.9	19.0	19.4
Indoco Remedies	INDREM	336	405	Buy	3094	16.8	15.6	21.3	27.1	20.0	21.6	15.8	12.4	17.5	12.7	15.8	18.9	17.1	14.0	16.5	17.9
Caplin Point	CAPPOI	738	865	Buy	5606	39.5	48.8	47.9	47.9	18.7	15.1	15.4	15.4	25.3	23.5	22.4	22.4	20.2	20.2	16.7	16.7
Advanced Enzyme	ADVENZ	276	310	Hold	3088	11.5	13.1	10.7	10.7	23.9	21.1	25.8	25.8	14.3	10.9	13.4	14.2	11.0	8.7	10.7	11.3
Hester Bios	HESPHA	1675	1,490	Reduce	1507	45.7	31.1	40.5	53.3	36.6	53.9	41.3	31.4	10.9	7.5	8.8	10.3	15.0	9.4	11.2	13.1
API/GRAMS																					
Divi's Lab	DIVLAB	3430	3,575	Buy	90892	111.5	68.7	78.3	89.4	30.8	49.9	43.8	38.4	30.2	17.8	18.9	19.4	25.2	14.3	14.8	15.2
Hikal	HIKCHE	288	375	Hold	3542	13.0	5.7	14.6	20.7	22.1	50.6	19.8	13.9	13.6	7.2	14.3	17.7	15.0	6.3	14.1	17.0
Syngene International	SYNINT	711	740	Buy	28517	9.9	11.6	13.3	17.9	72.0	61.4	53.4	39.8	11.7	13.8	14.2	16.9	12.9	12.8	13.0	14.9
Granules India	GRANUL	274	1,090	Buy	3367	16.6	20.8	21.8	27.8	16.4	13.2	12.6	9.9	15.6	18.5	17.8	19.4	16.0	18.2	16.2	17.3
Laurus Labs	LAULAB	333	300	Hold	17874	15.4	14.7	10.5	10.5	21.6	22.6	31.7	31.7	21.3	19.8	14.6	16.0	24.7	19.6	12.4	13.5
Suven Pharma	SUVPH	475	0	Buy	12114	17.8	14.7	17.7	20.0	26.7	32.3	26.9	23.7	37.5	26.0	25.6	24.5	29.7	20.6	20.5	19.5

Source: ICICI Direct Research

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Reduce: -15% to -5%;

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