

Misses estimates; focus remains intact...

Q4 revenues grew 5.3% YoY to ₹ 4606 crore. Domestic sales grew 4.5% YoY to ₹ 1807 crore. US grew 17.1% YoY to ₹ 1002 crore on the back of continued Albuterol ramp-up. RoW markets business de-grew 4.8% YoY to ₹ 674 crore. South Africa business grew 13.9% YoY to ₹ 606 crore tracking strong private business momentum. EBITDA margins expanded 281 bps YoY (down 653 bps QoQ) to 17.3% mainly due to significantly lower other expenditure partially offset by lower gross margins. Subsequently, EBITDA grew 25.7% YoY to ₹ 796 crore. PAT was up 68% YoY to ₹ 413 crore.

Product launches, front-end shift key for formulation exports

Formulation exports comprise ~54% of FY21 revenues. The company is focusing on front-end model, especially for the US, along with a gradual shift from loss making HIV and other tenders to more lucrative respiratory and other opportunities in the US and EU. We expect export formulation sales to grow at 8.1% CAGR to ₹ 12155 crore in FY21-23E. Key drivers will be a launch of inhalers (drug-device) and other products in developed markets.

Indian formulations growth backed by new launches

With ~5% market share, Cipla is the third largest player in the domestic formulations market. The acute, chronic, sub-chronic revenues for the company are at 43%, 45%, 12%, respectively. Domestic formulations comprise ~40% of FY21 revenues. It commands ~24% market share by value in the respiratory segment. We expect domestic formulations to grow at 11.5% CAGR in FY21-23E to ₹ 9624 crore driven by improved productivity of the newly inducted field force and product launches besides realignment of the portfolio in sync with its 'One-India' portfolio rationalisation exercise.

Valuation & Outlook

Q4 results were below I-direct estimates on all fronts amid lower-than-expected formulations sales across geographies (ex-South Africa) and operational performance. We continue to focus on the management's long-drawn strategy of targeting four verticals viz. One-India, South Africa & EMs, US generics & specialty and lung leadership. Timely launch of Albuterol sulphate (Proventil HFA) launch in the US amid rise in demand for Albuterol products in the pandemic vindicates its' lung leadership quest. While US focus will be on specialty including hospitals, value accretive generics, India focus will be on branded (Rx), trade generics (TGx). On the Africa front, Cipla continues to rebase its business model towards private business in the backdrop of shrinking tender opportunities. Another key aspect to watch would be R&D recalibration. Across the board transformation from tenderised model to private model in exports market and more focus towards consumerisation of important TGx, Rx products in Indian branded formulations bode well for the company. We maintain **BUY** with a TP of ₹ 1040 (earlier ₹ 975) including base business value of ₹ 1000 (25x FY23E EPS ₹ 40.0) + ₹ 41 NPV for gRevlimid.

Key Financial Summary

(₹ crore)	FY20	FY21	FY22E	FY23E	CAGR (FY21-23E) %
Revenues	17132.0	19159.6	21158.5	22835.0	9.2
EBITDA	3206.0	4252.4	4645.7	5128.2	9.8
EBITDA margins (%)	18.7	22.2	22.0	22.5	
Adjusted PAT	1546.5	2404.9	2709.2	3220.3	15.7
Adj. EPS (₹)	19.2	29.9	33.7	40.0	
PE (x)	47.1	30.3	26.9	22.6	
EV to EBITDA (x)	22.9	16.6	15.0	13.1	
RoNW (%)	9.8	13.1	13.3	14.0	
RoCE (%)	12.0	16.5	16.8	17.8	

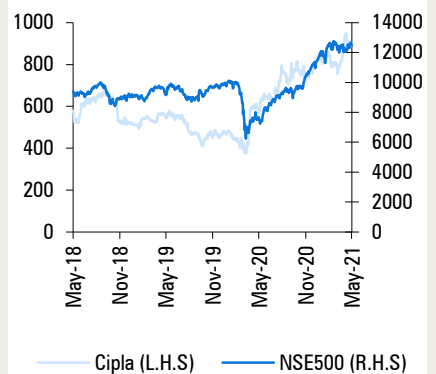
Source: ICICI Direct Research; Company

Cipla

Particulars

Particular	Amount
Market Capitalisation	₹ 72912 crore
Debt (FY21)	₹ 1537 crore
Cash (FY21)	₹ 1401 crore
EV	₹ 73049 crore
52 week H/L (₹)	966/566
Equity capital	₹ 161.3 crore
Face value	₹ 2

Price performance



Key risks to our call

- Regulatory hurdles in pipeline products (such as gAdvair, etc)
- Increased competition in key products/ future launches (Albuterol, gRevlimid)

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Exhibit 1: Variance Analysis

	Q4FY21	Q4FY21E	Q4FY20	Q3FY21	YoY (%)	QoQ (%)	Comments
Revenue	4,606.5	4,940.7	4,376.2	5,168.7	5.3	-10.9	YoY growth led by strong growth in the US and South African markets moderated by decline in RoW and API segments
Raw Material Expenses	1,822.4	1,877.5	1,688.9	1,993.5	7.9	-8.6	
Gross Profit	2,784.0	3,063.2	2,687.3	3,175.2	3.6	-12.3	
Gross Margin (%)	60.4	62.0	61.4	61.4	-97 bps	-99 bps	YoY decline attributed to certain writeoffs and inventory adjustment
Employee Expenses	814.7	837.6	763.7	844.4	6.7	-3.5	
Other Expenditure	1,173.1	1,185.8	1,290.0	1,100.0	-9.1	6.6	
Total Operating Expenditur	3,810.2	3,900.8	3,742.7	3,937.8	1.8	-3.2	
EBITDA	796.2	1,039.9	633.5	1,230.9	25.7	-35.3	
EBITDA (%)	17.3	21.0	14.5	23.8	281 bps	-653 bps	YoY improved mainly due to lower other expenditure. Miss vis-à-vis I-direct estimates amid higher across operational expenditure
Interest	27.5	47.9	53.0	47.9	-48.2	-42.7	
Depreciation	285.2	360.2	345.8	248.4	-17.5	14.8	
Other income	60.1	74.1	93.2	86.9	-35.5	-30.8	
PBT before EO	543.7	705.9	327.9	1,021.5	65.8	-46.8	
Less: Exceptional Items	0.0	0.0	0.0	0.0	0.0	0.0	
PBT	543.7	705.9	327.9	1,021.5	65.8	-46.8	
Tax	128.2	187.1	85.6	269.0	49.8	-52.3	
Tax Rate (%)	23.6	26.5	26.1	26.3	-252 bps	-275 bps	
MI & Share of loss/ (gain)	-1.9	2.4	-7.5	3.5	NA	PL	
Adjusted PAT	413.4	512.6	246.0	748.2	68.1	-44.7	Delta vis-a-vis EBITDA was due to lower interest cost and depreciation. Miss vis-à-vis I-direct estimates amid lower operational performance

Key Metrics

Domestic	1807.0	1937.6	1730.0	2231.0	4.5	-19.0	Sequential decline and miss vis-à-vis I-direct estimates amid lower-than-expected Covid drugs contribution and weak season
US	1002.0	1088.8	856.0	1037.0	17.1	-3.4	YoY improvement amid continued traction form gAlbuterol and growth in institutional business. Miss vis-à-vis I-direct estimates and sequential decline amid one-time sales stock adjustment for gAlbuterol amid entry of new player
EU	249.0	278.4	232.0	252.0	7.3	-1.2	YoY growth, consistent in-market performance and market share gains in key direct to markets segment (DSM)
South Africa	606.0	542.6	532.0	579.0	13.9	4.7	YoY 10% growth in ZAR term driven by 13% growth in private market and 3% growth in tender business
RoW	674.0	849.6	708.0	823.0	-4.8	-18.1	
API	224.0	197.6	247.0	201.0	-9.3	11.4	Higher base drags YoY growth

Source: ICICI Direct Research

Exhibit 2: Change in Estimates

₹ Crore)	FY22E			FY23E			Comments
	Old	New	% Change	Old	New	% Change	
Revenues	21,383.5	21,158.5	-1.1	22,928.5	22,835.0	-0.4	
EBITDA	4,520.6	4,645.7	2.8	4,961.5	5,128.2	3.4	
EBITDA Margin (%)	21.1	22.0	82 bps	21.6	22.5	82 bps	Changed as per management guidance
PAT	2,604.8	2,709.2	4.0	3,013.5	3,220.3	6.9	Changed mainly in sync with operational performance
EPS (₹)	32.4	33.7	4.0	37.4	40.0	6.9	

Source: ICICI Direct Research

Exhibit 3: Change in Estimates

₹ crore)	Current			Earlier		
	FY20	FY21	FY22E	FY23E	FY22E	FY23E
Domestic	6,640.0	7,736.0	8,626.1	9,624.3	8,618.1	9,652.2
Export Formulations	9,243.0	10,396.0	11,518.5	12,154.9	11,771.3	12,241.6
API	751.0	798.0	837.9	879.8	810.2	850.7

Source: ICICI Direct Research

Conference Call Highlights

- Q4 is normally a seasonally weak quarter + Covid related sales decline QoQ
 - Q1FY22 - Surge in Covid drugs + demand increased in respiratory segment
 - R&D - Absolute spend expected to continue
 - India business
 - Covid contribution less than 3% in Q4, FY21 less than ~4% of company's total sales
 - Generics less than 20% contribution
 - In FY21 cost saving was more than expected, which was ~₹ 400 crore
 - US
 - US generics are close to company level profitability
 - Expecting growth in US in FY22
 - Adjustment in Albuterol sales amid one more players' entry i.e. Sandoz,
 - expect correction in market post new entry but magnitude is not that high
 - Albuterol market share -- 87% of Proventil market, 16.5% of generic market, 13.2% of total markets, still room to grow share
 - gAdvair – clinical data submitted to USFDA, all additional queries asked by USFDA for non-clinical work, company will reply shortly
 - FY23 would be a big year for US due to expected 1) Advair and 2) other limited approvals
 - multiple peptides filed with partners, expects to start getting approvals in 24 months
 - Gross margins impacted amid
 - overhead charges
 - sales adjustment of Albuterol
 - write-off and inventory adjustment
 - EBITDA Margins
 - Expect 22% going forward
 - Q4 is a historically weak margins quarter due to lower sales in domestic market; Q2 and Q3 benefited due to respiratory season
 - Vaccine – Cipla is not looking to come out with own vaccine

Exhibit 4: Trends in quarterly financials

(₹ crore)	Q4FY18	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	YoY (%)	QoQ. (%)
Net Sales	3495.8	3845.8	3947.9	3906.2	4271.0	3894.5	4264.2	4234.6	4301.6	4276.9	4972.6	5154.2	4584.9	6.6	-11.0
Other Operating Incom	202.2	93.2	64.0	101.3	133.0	94.6	131.5	136.5	74.6	69.3	65.7	14.5	21.6	-71.1	48.6
Total Operating Incom	3698.0	3939.0	4011.9	4007.5	4404.0	3989.0	4395.8	4371.0	4376.2	4346.2	5038.3	5168.7	4606.5	5.3	-10.9
Raw Material Expens	1330.3	1423.9	1412.1	1462.7	1485.8	1196.3	1461.2	1645.0	1688.9	1589.5	1946.5	1993.5	1822.4	7.9	-8.6
Gross Profit	2367.7	2515.1	2599.8	2544.9	2918.2	2792.7	2934.6	2726.0	2687.3	2756.7	3091.8	3175.2	2784.0	3.6	-12.3
Gross Profit Margins	64.0	63.9	64.8	63.5	66.3	70.0	66.8	62.4	61.4	63.4	61.4	61.4	60.4	-96.9	-99.4
Employee Expenses	699.0	714.0	712.2	717.9	712.5	756.1	761.6	745.5	763.7	771.9	820.9	844.4	814.7	6.7	-3.5
% of revenues	18.9	18.1	17.8	17.9	16.2	19.0	17.3	17.1	17.5	17.8	16.3	16.3	17.7	23.4	135.0
Other Expenditure	1111.8	1074.7	1185.3	1119.3	1244.7	1131.9	1263.4	1222.2	1290.0	936.1	1094.3	1100.0	1173.1	-9.1	6.6
% of revenues	30.1	27.3	29.5	27.9	28.3	28.4	28.7	28.0	29.5	21.5	21.7	21.3	25.5	-401.3	418.4
Total Expenditure	3141.1	3212.6	3309.7	3299.9	3442.9	3084.4	3486.3	3612.7	3742.7	3297.4	3861.7	3937.8	3810.2	1.8	-3.2
EBITDA	556.9	726.4	702.2	707.7	961.0	904.6	909.5	758.3	633.5	1048.7	1176.6	1230.9	796.2	25.7	-35.3
EBITDA (%)	15.1	18.4	17.5	17.7	21.8	22.7	20.7	17.3	14.5	24.1	23.4	23.8	17.3	280.9	-652.9
Interest	35.2	35.1	44.4	44.2	44.8	52.1	46.1	46.2	53.0	46.0	39.3	47.9	27.5	-48.2	-42.7
Depreciation	284.8	241.0	281.9	293.1	510.3	268.0	283.0	277.9	345.8	269.0	265.1	248.4	285.2	-17.5	14.8
Other Income	40.0	170.1	132.6	78.5	95.4	78.4	100.5	72.1	93.2	65.5	53.5	86.9	60.1	-35.5	-30.8
PBT	276.9	620.4	508.5	448.9	501.3	662.9	681.0	506.4	327.9	799.2	925.7	1021.5	543.7	65.8	-46.8
Total Tax	46.2	173.7	142.4	125.7	127.8	192.2	200.6	152.8	85.6	227.8	263.8	269.0	128.2	49.8	-52.3
PAT before MI	153.2	446.7	366.1	323.2	373.6	470.7	480.4	353.6	242.3	571.4	661.9	752.5	415.5	71.5	-44.8
Minority Interest	-25.4	5.7	10.1	-10.0	-9.5	-31.0	9.7	-11.7	-7.5	-11.9	-6.1	3.5	-1.9	-74.9	-154.0
PAT	178.6	439.9	356.8	332.2	367.2	476.2	464.8	351.0	246.0	577.9	665.4	748.2	413.4	68.1	-44.7
EPS (₹)	2.2	5.5	4.4	4.1	4.6	5.9	5.8	4.4	3.1	7.2	8.3	9.3	5.1		

Source: ICICI Direct Research; Company

Company Background

Formed by Dr KA Hamied way back in 1935, Cipla is one of the oldest ventures set up by an Indian in the pre-independence era. With 46 manufacturing facilities spread across the globe, Cipla has a gamut of therapeutic offerings ranging from simple anti-infectives to complex oncology products. The product basket includes ~1500+ products encompassing almost all therapies and over 50 dosage forms. The facilities have been approved by various agencies such as the USFDA, WHO-Geneva, MHRA-UK, TGA-Australia, SUKL-Slovak Republic, APVMA-Australia, MCC-South Africa, PIC-Germany, Danish Medical Agency, Anvisa-Brazil, INVIMA Colombia, NDA-Uganda, Department of Health-Canada and MOH-Saudi Arabia, among others. So far, the company has not faced any cGMP issues or import alerts from any regulatory authorities.

Cipla's business model focuses on having marketing partnerships with local companies across the globe. Most partners are large generic players in developed countries. The company has partnership deals with ~22 partners in the US and ~65 in Europe. Cipla has also formed strategic alliances for product development, registration and distribution of its products. For non-regulated markets, the company has maintained long-standing relationships with non-government organisations and institutions globally. However, recent JVs and buying out front-end companies stakes in majority of its markets shows Cipla's clear intension to shifting its partnership model to own front-end model in almost all markets including the US.

Exports constitute around ~54% of total sales. The company exports both APIs and formulations to more than 170 countries including advanced regions such as the US and Europe. Cipla derives 21% of its export revenues from US followed by 12% from South Africa, 5% from Europe and 16% from RoW markets.

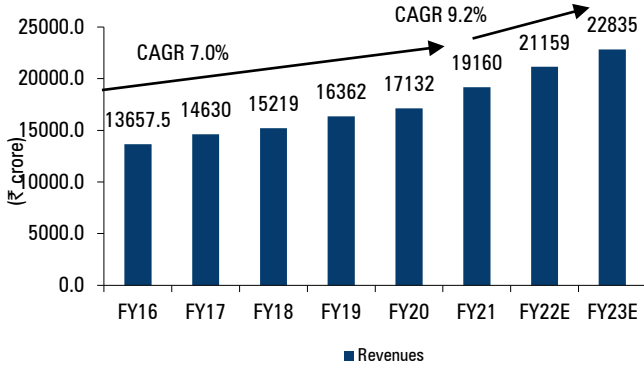
On the product filing front, Cipla has filed 248 ANDAs with the USFDA cumulatively with 165 of them already approved and 19 tentative approvals. The company currently spends 4-6% of revenues on R&D.

The company acquired two US-based companies, InvaGen Pharmaceuticals and Exelan Pharmaceuticals. InvaGen Pharma has 40 approved ANDAs, 32 marketed products, and 30 pipeline products for which it expects to get approvals over the next four years. The above pipeline also includes five FTFs, which represent a market size of ~\$8 billion in revenue by 2018. The transaction is valued at US\$550 million and is an all-cash deal. Combined revenues of these two companies in CY14 were ~US\$200 million (~US\$225 million TTM June 2015) with EBITDA margins of ~25%.

In the domestic market, Cipla remains among the top five players, thanks to a gamut of product offerings, which covers almost all therapies built on a network of ~7500 medical representatives (MRs) covering a doctor base of ~5,00,000. As per MAT March 2021 AIOCD ranking, Cipla ranked third with a market share of 4.94%. Breaking it down further, its ranking in chronic therapies was at second.

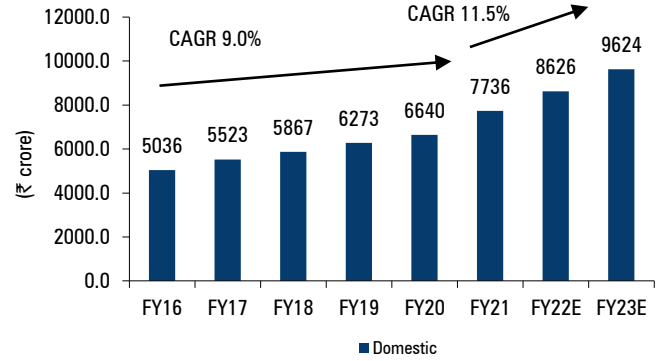
The company introduced Salbutamol tablets in 1976 and Salbutamol inhaler in 1978 for the first time in India. Since then, Cipla has consistently introduced new products for asthma, chronic obstructive pulmonary disease (COPD) and allergic rhinitis (AR). The company did the same in other diseases such as pulmonary arterial hypertension (PAH), lung cancer and idiopathic pulmonary fibrosis (IPF). More recently, the company got the first generic approval by USFDA for Albuterol sulphate (Proventil HFA) inhalation product.

Exhibit 5: Revenues to grow at 9% CAGR over FY21-23E



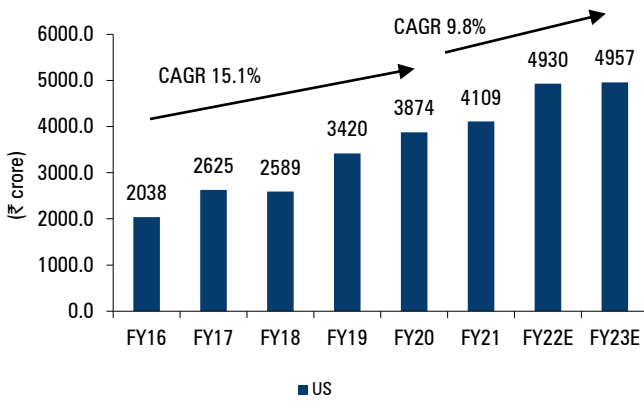
Source: ICICI Direct Research, Company

Exhibit 6: Domestic to grow at 12% CAGR over FY21-23E



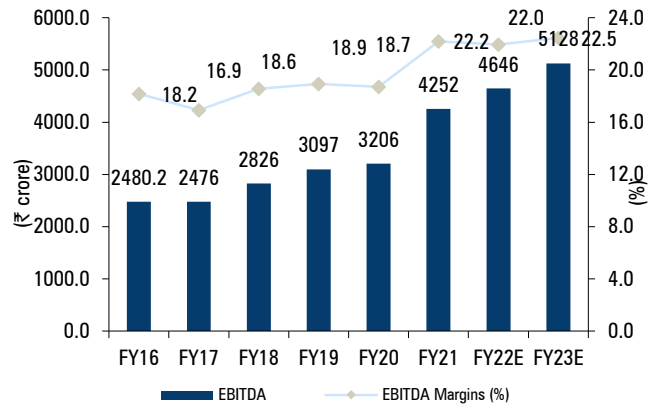
Source: ICICI Direct Research, Company

Exhibit 7: US to grow at CAGR of 10% over FY21-23E



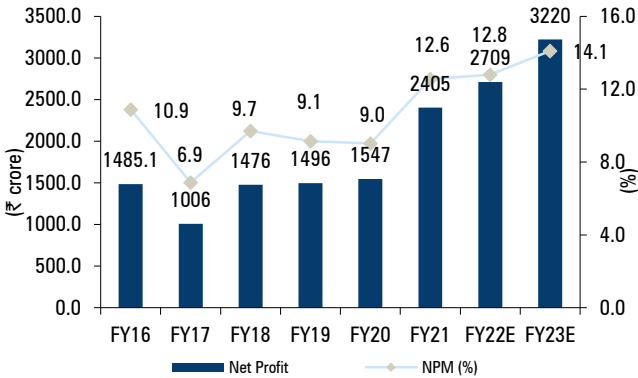
Source: ICICI Direct Research, Company

Exhibit 8: EBITDA & EBITDA margins trend



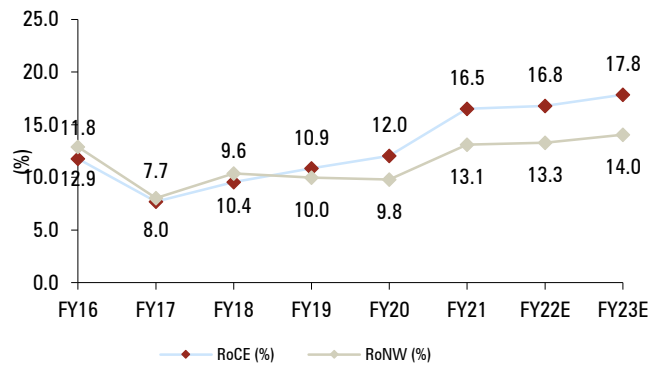
Source: ICICI Direct Research, Company

Exhibit 9: PAT & PAT margins trend



Source: ICICI Direct Research, Company

Exhibit 10: RoE & RoCE trend



Source: ICICI Direct Research, Company

Exhibit 11: Consolidated revenue break-up

(₹ crore)	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	CAGR FY21-23E %
Domestic	5036.0	5523.0	5867.0	6273.0	6640.0	7736.0	8626.1	9624.3	11.5
Export Formulations	7798.0	8145.2	8237.2	9005.0	9243.0	10396.0	11518.5	12154.9	8.1
US	2037.9	2625.0	2589.5	3420.0	3874.0	4109.0	4929.6	4956.8	9.8
EU	543.4	545.0	623.0	700.0	813.0	988.0	1136.2	1249.8	12.5
South Africa (Cipla Medpro)	1562.4	1828.8	2061.8	2148.0	2204.0	2302.0	2486.2	2685.1	8.0
RoW	3396.5	3146.4	2970.7	2737.0	2352.0	2997.0	2966.5	3263.2	4.3
APIs	752.0	523.0	626.0	699.0	751.0	798.0	837.9	879.8	5.0

Source: ICICI Direct Research, Company

Exhibit 12: Financial Summary

	Revenues	Growth	EPS	Growth	P/E	EV/EBITDA	RoNW	RoCE
	(₹ crore)	(%)	(₹)	(%)	(x)	(X)	(%)	(%)
FY20	17132	4.7	19.2	3.4	47.1	22.9	9.8	12.0
FY21	19160	11.8	29.9	55.5	30.3	16.6	13.1	16.5
FY22E	21159	10.4	33.7	12.7	26.9	15.0	13.3	16.8
FY23E	22835	7.9	40.0	18.9	22.6	13.1	14.0	17.8

Source: ICICI Direct Research, Company

Exhibit 13: Shareholding Pattern

(in %)	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Promoter	36.7	36.7	36.7	36.7	36.7
Others	63.3	63.3	63.3	63.3	63.3

Source: ICICI Direct Research, Company

Financial Summary

Exhibit 14: Profit & Loss (₹ crore)				
(Year-end March)	FY20	FY21	FY22E	FY23E
Revenues	17,132.0	19,159.6	21,158.5	22,835.0
Growth (%)	4.7	11.8	10.4	7.9
Raw Material Expenses	5,991.4	7,351.9	7,934.4	8,448.9
Gross Profit	11,140.6	11,807.7	13,224.1	14,386.0
Employee Expenses	3,027.0	3,251.8	3,606.1	3,891.7
Other Expenditure	4,907.6	4,303.4	4,972.3	5,366.2
Total Operating Expenditure	13,926.0	14,907.2	16,512.8	17,706.8
EBITDA	3,206.0	4,252.4	4,645.7	5,128.2
Growth (%)	3.5	32.6	9.2	10.4
Depreciation	1,174.7	1,067.7	1,148.3	1,136.7
Interest	197.4	160.7	62.2	32.2
Other Income	344.2	266.0	275.1	388.2
PBT	2,178.2	3,290.1	3,710.3	4,347.4
Total Tax	631.2	888.8	1,001.8	1,130.3
PAT before MI	1,547.0	2,401.3	2,708.5	3,217.1
Minority Interest	-47.0	-16.4	-13.5	-16.1
Adjusted PAT	1,546.5	2,404.9	2,709.2	3,220.3
Growth (%)	3.4	55.5	12.7	18.9
EPS (Adjusted)	19.2	29.9	33.7	40.0

Source: ICICI Direct Research; Company

Exhibit 15: Cash Flow Statement (₹ crore)				
(Year-end March)	FY20	FY21	FY22E	FY23E
Profit/(Loss) after taxation	1,329.9	2,252.6	2,709.2	3,220.3
Add: Depreciation	1,174.7	1,067.7	1,148.3	1,136.7
(inc)/Dec in Current Assets	-114.3	168.6	-2,643.3	-919.3
inc/(Dec) in Current Liabilities	487.3	203.1	608.4	318.2
Others	190.9	63.2	62.2	32.2
CF from Operating activities	3,068.5	3,755.2	1,884.9	3,788.3
(Purchase)/Sale of Fixed Assets	-985.7	-791.4	-500.0	-500.0
Change In Investment	1,178.0	-1,256.0	-1,000.0	-1,000.0
Others	73.2	19.4	-28.1	-31.3
CF from Investing activities	265.5	-2,028.0	-1,528.1	-1,531.3
Change in Equity	0.1	0.1	0.0	0.0
Change in Loan	-1,760.0	-1,167.9	-500.0	-500.0
Dividend & Dividend tax	-664.2	0.0	-644.1	-677.3
Others	-524.7	-162.1	-62.2	-32.2
CF from Financing activities	-2,948.8	-1,329.9	-1,206.3	-1,209.6
Net Cash Flow	385.1	397.3	-849.5	1,047.4
Cash and Cash equ. at beginning	618.8	1,003.9	1,401.2	551.7
Cash	1,003.9	1,401.2	551.7	1,599.1
Free Cash Flow	2,082.8	2,963.8	1,384.9	3,288.3

Source: ICICI Direct Research; Company

Exhibit 16: Balance Sheet (₹ crore)				
(Year-end March)	FY20	FY21	FY22E	FY23E
Equity Capital	161.3	161.3	161.3	161.3
Reserve and Surplus	15,601.8	18,165.2	20,230.4	22,773.4
Total Shareholders funds	15,763.0	18,326.5	20,391.7	22,934.7
Total Debt	2,816.4	1,537.5	1,037.5	537.5
Deferred Tax Liability	365.2	296.6	311.4	327.0
Long Term Provision	133.3	116.2	122.0	128.1
MI & Other Liabilities	638.7	618.7	623.1	625.9
Source of Funds	19,716.6	20,895.5	22,485.7	24,553.2
Gross Block - Fixed Assets	11,979.6	12,809.2	13,509.2	14,209.2
Accumulated Depreciation	5,355.0	6,422.7	7,571.0	8,707.7
Net Block	6,624.6	6,386.5	5,938.2	5,501.5
Capital WIP	824.5	968.9	768.9	568.9
Fixed Assets	7,449.1	7,355.4	6,707.1	6,070.4
Investments	1,595.3	2,831.8	3,831.8	4,831.8
Goodwill on Consolidation	2,934.0	3,007.3	3,007.3	3,007.3
Long term Loans & Advance	52.4	53.0	55.6	58.4
Other Non current assets	944.4	1,009.8	1,060.3	1,113.3
Inventory	4,377.6	4,669.2	5,222.2	5,636.0
Debtors	3,891.3	3,445.7	5,467.0	5,900.2
Loans and Advances	5.6	2.6	2.7	2.8
Other Current Assets	1,408.9	1,376.0	1,444.8	1,517.0
Cash	1,003.9	1,401.2	551.7	1,599.1
Total Current Assets	10,687.3	10,894.7	12,688.5	14,655.1
Creditors	2,281.8	2,066.8	2,565.8	2,769.0
Provisions	948.2	1,078.3	1,132.2	1,188.8
Other current liabilities	716.0	1,111.3	1,166.8	1,225.2
Total Current Liabilities	3,946.0	4,256.4	4,864.8	5,183.1
Net Current Assets	6,741.3	6,638.3	7,823.6	9,472.1
Application of Funds	19,716.6	20,895.5	22,485.7	24,553.2

Source: ICICI Direct Research; Company

Exhibit 17: Key Ratios (₹ crore)				
(Year-end March)	FY20	FY21	FY22E	FY23E
Per share data (₹)				
Adjusted EPS	19.2	29.9	33.7	40.0
BV per share	195.8	227.6	253.3	284.9
Cash per Share	12.5	17.4	6.9	19.9
Dividend per share	4.8	8.0	8.4	10.0
Operating Ratios (%)				
Gross Margins	65.0	61.6	62.5	63.0
EBITDA margins	18.7	22.2	22.0	22.5
PAT Margins	9.0	12.6	12.8	14.1
Inventory days	93.3	89.0	90.1	90.1
Debtor days	82.9	65.6	94.3	94.3
Creditor days	48.6	39.4	44.3	44.3
Asset Turnover	0.9	0.9	0.9	0.9
EBITDA convsion rate	95.7	88.3	40.6	73.9
Return Ratios (%)				
RoE	9.8	13.1	13.3	14.0
RoCE	12.0	16.5	16.8	17.8
RoIC	12.0	19.6	19.6	22.1
Valuation Ratios (x)				
P/E	47.1	30.3	26.9	22.6
EV / EBITDA	22.9	16.6	15.0	13.1
EV / Net Sales	4.3	3.7	3.3	2.9
Market Cap / Sales	4.2	3.8	3.4	3.2
Price to Book Value	4.6	4.0	3.6	3.2
Solvency Ratios				
Debt / EBITDA	0.9	0.4	0.2	0.1
Debt / Equity	0.2	0.1	0.1	0.0
Current Ratio	2.5	2.2	2.5	2.5

Source: ICICI Direct Research; Company

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