

Animal health growth solid but poultry muted...

About the stock: Hester is one of India's leading animal healthcare companies & the second largest poultry vaccine manufacturer in the country. It has a strategic presence in 30+ countries with key markets being India, Nepal and Tanzania.

- It operates through four broad verticals: poultry vaccines, poultry health products, animal vaccines and animal health products
- Sales break-up for FY23: Poultry: 53%, Animal healthcare: 43%, others: 4%

Q4FY23 Results: Shift towards animal healthcare continues to impact margins.

- Sales were up 19.2% YoY to ₹ 67 crore
- EBITDA was at ₹ 11.7 crore, up 13.2%, with margins at 17.4%
- Adjusted PAT was at ₹ 5.8 crore (down 25% YoY)

What should investors do? Hester's share price has grown at a CAGR of 16.4% over the past three years.

- We downgrade from HOLD to **REDUCE** as the stock is trading slightly ahead of valuations in the backdrop of a transformation from poultry to animal healthcare and the cost, other challenges associated with the same.

Target Price & Valuation: We value Hester at ₹ 1490 i.e., 28x FY25E EPS of ₹ 53.3.

Key triggers for future price performance:

- Opportunities in animal vaccines such as classical swine fever, lumpy skin disease (only player), sheep pox (only player) in the domestic space and expected launch of the modified Inactivated Coryza Vaccine, along with additional revenue from PPR national tender
- Increased focus on health products & widening of portfolio with differentiated herbal line of products looks promising for growth prospects
- Traction from manufacturing from Tanzania facility, Hester Africa and strengthened distribution network in Africa, along with increase in bulk antigen capacity and fill finish line for animal vaccines
- Foray into pet care with 10 products and new marketing teams in four zones

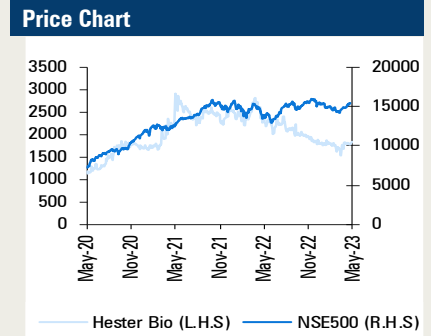
Alternate Stock Idea: Apart from Hester, in our healthcare coverage we like Indoco.

- Indoco manufactures and markets branded formulations and APIs for the domestic and export markets
- BUY with target price of ₹ 440



Particulars	
Particular	Amount
Market Capitalisation	₹ 1523 crore
Debt (FY23)	₹ 268 crore
Cash (FY23)	₹ 15 crore
EV	₹ 1776 crore
52 week H/L (₹)	2455/1405
Equity capital	₹ 8.5 crore
Face value (₹)	₹ 10

Shareholding pattern				
(in %)	Jun-22	Sep-22	Dec-22	Mar-23
Promote	53.7	53.7	53.7	53.7
Others	46.3	46.3	46.3	46.3



Recent Event & Key risks

- Receipt of PPR tender.
- **Key Risk:** (i) Better than expected traction from animal healthcare, (ii) Better than expected margins recovery.

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Key Financial Summary

Key Financials (₹ Crore)	FY21	FY22	FY23	5 year CAGR (FY17-22)	FY24E	FY25E	2 year CAGR (FY23E-25E)
Revenues	214.3	235.0	266.1	13.8	291.8	335.0	12.2
EBITDA	68.7	60.0	50.6	8.0	64.1	76.9	23.3
EBITDA margins(%)	32.0	25.5	19.0		22.0	23.0	
Adjusted Net Profit	37.8	38.9	26.4	10.7	34.5	45.3	31.0
EPS (₹)	44.4	45.7	31.1		40.5	53.3	
PE (x)	44.2	39.1	57.6		44.2	33.6	
EV to EBITDA (x)	23.4	28.7	35.1		27.1	22.3	
RoNW (%)	16.5	15.0	9.4		11.2	13.1	
RoCE (%)	16.2	10.9	7.5		8.8	10.3	

Source: Company, ICICI Direct Research

Key takeaways of recent quarter & conference call highlights

Q4FY23 Results: Shift towards Animal healthcare continue to impact margins

- Hester Bio delivered 19.2% YoY growth at ~₹ 67 crore. Such a performance was driven by strong performance from the animal healthcare segment, which saw 29.4% YoY growth that came in at ~₹ 21.7 crore. Poultry segment showed a downtrend of 7.5% at ~ ₹ 36.7 crore during the quarter. Gross profit margins came in at ~70% in Q4FY23, down 295 bps largely due to change in the product mix towards animal healthcare products which fetch lower margins. On the operational front, EBITDA was at ~ ₹ 12 crore, up 13.2% YoY whereas margins came at 17.4% which took a hit of 92 bps YoY. Lower margins were a result of higher market development costs in animal health division and the new pet division. Adjusted net profit for the company was at ₹ 5.8 crore, impacted 25.1% YoY
- The growing need for goat pox vaccine to stop outbreak of lumpy skin disease (LSD) in cattle drove the animal healthcare segment. Poor collection cycles and much fewer new bird placements are the results of high feed costs and low product realisations which affected poultry segment revenues. However, de-growth of vaccine sales was partly offset by the continued growth of the poultry health products sales. Going ahead, Hester is expected to focus on vaccine tailwinds on the back of LSD outbreak and PPR tender while improving sales productivity and scaling-up health products, which remains key for better operating leverage. As Hester Bio strengthens its hold in the animal healthcare space, order flow and pricing power is likely to improve in the near future

Q4FY23 Earnings Conference Call highlights:

Animal healthcare:

- Increased demand for goat pox vaccine as a result of the outbreak of Lumpy Skin Disease (LSD) in cattle led to a significant increase
- Sales of health products saw a good increase, which added to growth

Poultry division:

- High feed prices and low product realisations resulted in significantly fewer new bird placements and subpar collection cycles, which continued to put a strain on the poultry business

Vaccine:

- Hester Bio successfully supplied ₹ 2.10 crore PPR vaccine from the total ₹ 40.68 crore tender agreement in Q4FY23. The balance is expected to be executed in FY24 in a phased manner

Pet care division:

- The Petcare division's current focus remains on health products. To expand its market share and spur sales growth, the company plans to introduce new products. It continues to put more emphasis on boosting field force productivity

Other highlights:

- In Q1FY24, the fill-finish facility (drug product) will be fully operational. The production capacity for vaccines will double as a result of this expansion and the recently finished bulk antigen (drug substance) production capacity expansion
- The borrowing cost remained at 8% per annum during the year
- Hester Bio will start commercialisation of LSD vaccines by end of FY24
- Hester Nepal experienced a slowdown in exports compared to the previous year due to lower-than-expected tender invitations from FAO
- Hester Africa received regulatory approvals for manufacturing PPR, CBPP, LSD vaccines for ruminants and ND and IBD vaccines for poultry. The plant being GMP compliant will now be able to participate in international tenders

Exhibit 1: Variance Analysis

	Q4FY23	Q4FY22	Q3FY23	YoY (%)	QoQ (%)	Comments
Revenue	67.3	56.5	75.0	19.2	-10.2	YoY improvement driven by growth in Animal Healthcare
Raw Material Expenses	20.3	15.4	19.8	32.1	2.6	
Gross Margin (%)	69.8	72.7	73.6	-295.7	-378.2	
Employee Expenses	14.5	12.3	14.6	17.9	-1.0	
Other Expenditure	20.8	18.5	21.8	12.7	-4.3	
EBITDA	11.7	10.3	18.8	13.0	-37.8	
EBITDA (%)	17.3	18.3	25.0	-94.1	-770.2	
Interest	1.4	1.5	3.9	-8.4	-64.7	
Depreciation	5.4	5.1	5.2	4.5	2.3	
Other Income	3.2	7.2	4.4	-55.5	-27.1	
PBT before EO & Forex	8.1	11.3	14.0	-28.0	-42.0	
Forex & EO	0.0	0.0	0.0			
PBT	8.1	11.3	16.0	-28.0	-49.2	
Tax	2.7	2.3	3.8	17.8	-29.4	
PAT before MI	5.4	9.0	12.2	-39.8	-55.4	
MI	-0.4	1.3	-0.2	-127.3	106.6	
Adjusted Net Profit	5.8	7.7	12.3	-25.2	-53.2	Delta vis-à-vis EBITDA
Key Metrics						
Poultry Healthcare	36.7	39.7	31.4	-7.5	17.0	The poultry industry continues to be under pressure to high feed costs and low product realisations
Animal Healthcare	21.1	16.8	43.0	25.7	-50.9	Continued traction in this segment

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

₹ Crore	FY23			FY24E			FY25E			Comments
	Old	New	Change	Old	New	Change	Old	New	% Change	
Revenue	261.7	266.1	1.7	292.8	291.8	-0.3	339.4	335.0	-1.3	
EBITDA	54.9	50.6	-7.8	70.0	64.1	-8.5	84.6	76.9	-9.1	Change in product mix between vaccines and animal health products
EBITDA Margin (%)	21.0	19.0	-198 bps	23.9	22.0	-194 bps	24.9	23.0	-194 bps	
PAT	32.1	26.4	-17.7	49.8	34.5	-30.8	50.9	45.3	-10.9	
EPS (₹)	37.8	31.1	-17.8	58.6	40.5	-30.9	59.8	53.3	-10.9	

Source: ICICI Direct Research

Exhibit 3: Assumptions

₹ crore	Current				Earlier				Comments
	FY22	FY23	FY24E	FY25E	FY23	FY24E	FY25E		
Poultry Healthcare	171.8	141.3	153.3	168.6	181.4	155.0	170.5		
Animal Healthcare	63.2	114.1	135.5	162.6	76.1	146.8	168.9		

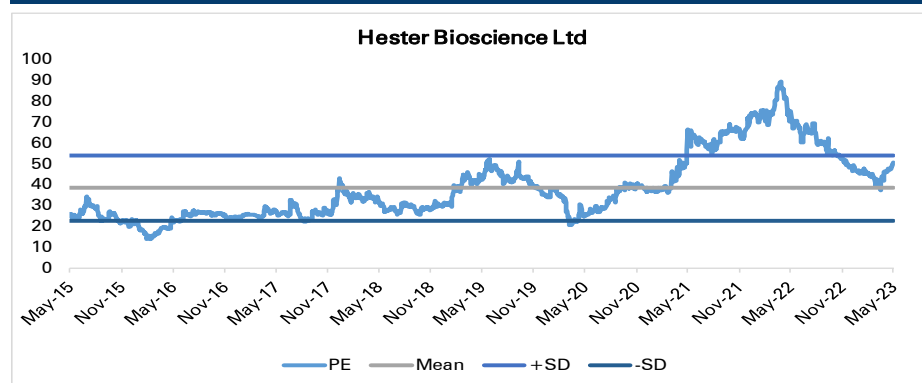
Source: ICICI Direct Research

Exhibit 4: Trends in Quarterly Performance

(₹ crore)	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	YoY (%)	QoQ (%)
Total Operating Income	43.6	39.9	53.4	56.9	64.2	60.2	62.7	55.7	56.5	50.7	72.0	75.0	67.3	19.2	-10.2
Raw Material Expenses	2.9	5.0	15.2	13.7	17.7	17.9	16.2	13.3	15.4	14.4	21.6	19.8	20.3	32.1	2.6
% of Revenue	6.5	12.4	28.5	24.0	27.5	29.7	25.8	23.9	27.3	28.3	30.0	26.4	30.2	296 bps	378 bps
Gross Profit	40.8	34.9	38.2	43.2	46.5	42.3	46.5	42.4	41.1	36.3	50.4	55.1	47.0	14.3	-14.8
Gross Profit Margin (%)	93.5	87.6	71.5	76.0	72.5	70.3	74.2	76.1	72.7	71.7	70.0	73.6	69.8	-296 bps	-378 bps
Employee Expenses	12.4	8.6	8.4	10.8	11.1	11.3	11.1	10.7	12.3	11.8	13.0	14.6	14.5	17.9	-1.0
% of Revenue	28.5	21.5	15.8	19.0	17.4	18.8	17.7	19.1	21.7	23.4	18.1	19.5	21.5	-24 bps	200 bps
Other Expenditure	21.2	14.4	14.0	11.2	15.6	14.0	17.8	16.7	18.5	17.1	21.6	21.8	20.8	12.7	-4.3
% of Revenue	48.5	36.2	26.2	19.8	24.3	23.2	28.5	30.0	32.7	33.7	29.9	29.0	30.9	-178 bps	192 bps
Total Expenditure	36.4	28.0	37.6	35.7	44.4	43.1	45.1	40.7	46.1	43.3	56.2	56.2	55.6	20.6	-1.0
% of Revenue	83.5	70.1	70.4	62.8	69.2	71.6	72.0	73.0	81.7	85.3	78.1	75.0	82.7	94 bps	770 bps
EBITDA	7.2	11.9	15.8	21.2	19.8	17.1	17.6	15.0	10.3	7.4	15.8	18.8	11.7	13.0	-37.8
EBITDA Margin (%)	16.5	29.9	29.6	37.2	30.8	28.4	28.0	27.0	18.3	14.7	21.9	25.0	17.3	-94 bps	-770 bps
Other Income	4.8	0.7	0.2	1.3	2.5	2.3	1.4	2.8	7.2	3.1	2.2	4.4	3.2	-55.5	-27.1
Interest	2.5	1.5	2.1	1.5	1.4	0.9	0.7	1.0	1.5	1.6	1.7	3.9	1.4	-8.4	-64.7
Depreciation	3.2	3.2	3.2	3.3	3.6	3.2	3.1	5.2	5.1	5.1	2.3	5.2	5.4	4.5	2.3
PBT	6.2	7.9	10.7	17.7	17.2	15.3	15.2	11.7	10.9	3.9	13.9	14.0	8.1	-25.2	-42.0
Total Tax	1.5	2.8	4.0	4.8	3.8	4.3	4.1	3.3	2.3	1.9	3.5	3.8	2.7	17.8	-29.4
Tax rate (%)	23.7	35.9	37.5	27.1	21.9	28.1	26.7	28.7	21.1	48.9	25.4	27.4	33.3	1218 bps	596 bps
PAT	2.7	5.7	6.7	12.3	9.7	12.5	10.6	8.5	7.7	4.0	10.4	12.3	5.8	-25.2	-53.2
PAT Margin (%)	6.3	14.3	12.5	21.7	15.1	20.8	17.0	15.2	13.7	7.8	14.4	16.5	8.6		
EPS (₹)	3.2	6.7	7.9	14.5	11.4	14.7	12.5	10.0	9.1	4.7	12.2	14.5	6.8		

Source: ICICI Direct Research

Exhibit 5: PE Band



Source: ICICI Direct Research

Financial Summary

Exhibit 6: Profit and loss statement		₹ crore			
(Year-end March)	FY22	FY23	FY24E	FY25E	
Revenues	235.0	266.1	291.8	335.0	
Growth (%)	9.6	13.2	9.7	14.8	
Raw Material Expenses	62.7	77.5	84.6	95.5	
Employee Expenses	45.3	56.0	56.9	65.3	
Other Expenditure	67.0	82.0	86.2	97.3	
Total Operating Expenditure	175.0	215.5	227.7	258.1	
EBITDA	60.0	50.6	64.1	76.9	
Growth (%)	-12.6	-15.6	26.6	20.1	
Interest	4.1	9.3	8.0	8.0	
Depreciation	16.6	20.7	22.8	24.2	
Other Income	13.7	15.2	14.6	16.7	
PBT before Exceptional Items	53.1	35.8	47.8	61.4	
Less: Forex & Exceptional Items	0.0	0.0	0.0	0.0	
PBT	53.1	40.2	47.8	61.4	
Total Tax	14.0	12.2	14.3	17.2	
PAT	38.9	26.4	34.5	45.3	
Adjusted PAT	38.9	26.4	34.5	45.3	
Growth (%)	3.0	-32.0	30.4	31.6	
EPS	45.7	31.1	40.5	53.3	
EPS (Adjusted)	45.7	31.1	40.5	53.3	

Source: Company, ICICI Direct Research

Exhibit 7: Cash flow statement		₹ crore			
(Year-end March)	FY22	FY23	FY24E	FY25E	
Profit/(Loss) after taxation	36.4	32.0	34.5	45.3	
Add: Depreciation & Amortization	16.6	20.7	22.8	24.2	
Add: Interest	2.6	9.0	8.0	8.0	
Net Increase in Current Assets	-29.1	-42.2	-8.3	-25.7	
Net Increase in Current Liabilities	-9.5	21.4	-4.4	4.9	
CF from operating activities	16.9	40.9	52.6	56.8	
(Inc)/dec in Fixed Assets	-95.5	-77.7	-25.0	-25.0	
(Inc)/dec in Investments	-21.3	0.2	25.3	0.0	
Other Investing Activities	-0.1	2.4	0.4	2.4	
CF from investing activities	-116.9	-75.1	0.7	-22.6	
Proceeds from issues of Equity Share	0.4	0.0	0.0	0.0	
Proceeds/(Repayment) Loan	116.9	38.9	0.0	0.0	
(Payment) of Dividend and Dividend	-8.5	-8.5	-6.8	-6.8	
Other Financing Activities	2.9	11.3	-8.0	-8.0	
CF from financing activities	111.6	41.8	-14.9	-14.9	
Net Cash flow	11.6	7.6	38.4	19.3	
Opening Cash	21.7	25.2	15.4	53.8	
Closing Cash	33.3	32.8	53.8	73.1	
FCF	-78.7	-36.8	27.6	31.8	

Source: Company, ICICI Direct Research

Exhibit 8: Balance Sheet		₹ crore			
(Year-end March)	FY22	FY23	FY24E	FY25E	
Equity Capital	8.5	8.5	8.5	8.5	
Reserve and Surplus	251.5	271.2	298.9	337.4	
Total Shareholders funds	260.0	279.7	307.4	345.9	
Total Debt	222.6	268.2	268.2	268.2	
Deferred Tax Liability	6.5	7.4	7.7	8.1	
Minority Interest	7.4	8.8	9.3	9.7	
Other Non Current Liabilities	26.8	38.6	40.5	42.5	
Source of Funds	523.3	602.6	633.0	674.5	
Gross Block - Fixed Assets	348.2	391.0	416.0	441.0	
Accumulated Depreciation	111.0	131.7	154.5	178.7	
Net Block	237.2	259.4	261.6	262.4	
Capital WIP	81.9	148.6	148.6	148.6	
Net Fixed Assets	319.1	408.0	410.2	411.0	
Total Intangible Assets	0.0	0.0	0.0	0.0	
Investments	21.2	25.3	0.0	0.0	
Inventory	75.4	84.8	101.7	114.8	
Cash	25.2	14.8	53.2	72.5	
Debtors	55.3	79.6	68.6	78.8	
Loans & Advances & Other CA	38.9	48.3	50.8	53.3	
Total Current Assets	194.8	227.6	274.3	319.4	
Creditors	18.0	30.0	24.3	27.4	
Provisions & Other CL	20.9	35.4	36.7	38.5	
Total Current Liabilities	38.9	65.4	61.0	65.9	
Net Current Assets	155.9	162.2	213.3	253.5	
LT L& A, Other Assets	27.1	9.1	9.5	10.0	
Deferred Tax Assets	0.0	0.0	0.0	0.0	
Application of Funds	523.3	604.6	633.0	674.5	

Source: Company, ICICI Direct Research

Exhibit 9: Key ratios					
(Year-end March)	FY22	FY23	FY24E	FY25E	
Per share data (₹)					
EPS	45.7	31.1	40.5	53.3	
Cash EPS	35.7	23.1	32.5	45.3	
BV	305.6	328.8	361.3	406.6	
DPS	10.0	8.0	8.0	8.0	
Cash Per Share	130.5	154.8	181.6	210.0	
Operating Ratios (%)					
Gross Profit Margins	73.3	70.9	71.0	71.5	
EBITDA margins	25.5	19.0	22.0	23.0	
Net Profit margins	16.6	9.9	11.8	13.5	
Inventory days	438.7	399.4	438.7	438.7	
Debtor days	85.9	109.2	85.9	85.9	
Creditor days	104.9	141.2	104.9	104.9	
Asset Turnover	0.7	0.7	0.7	0.8	
EBITDA conversion rate	28.1	80.8	82.0	73.8	
Return Ratios (%)					
RoE	15.0	9.4	11.2	13.1	
RoCE	10.9	7.5	8.8	10.3	
RoIC	10.4	6.8	9.6	11.6	
Valuation Ratios (x)					
P/E	39.1	57.6	44.2	33.6	
EV / EBITDA	28.7	35.1	27.1	22.3	
EV / Revenues	7.3	6.7	6.0	5.1	
Market Cap / Revenues	6.5	5.7	5.2	4.5	
Price to Book Value	5.9	5.4	5.0	4.4	
Solvency Ratios					
Debt / Equity	0.9	1.0	0.9	0.8	
Debt/EBITDA	3.7	5.3	4.2	3.5	
Current Ratio	4.4	3.3	3.6	3.7	

Source: Company, ICICI Direct Research

Exhibit 10: 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	4503	5,460	Buy	64837	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	755	870	Buy	15400	16.7	27.9	29.0	27.4	23.1	16.7	14.0	13.7	20.5	23.6	21.2	17.1	23.0	27.9	22.7	17.8
Shalby	SHALIM	146	180	Buy	1578	5.4	6.8	9.5	11.4	13.3	10.3	8.2	6.9	8.4	11.3	13.9	15.7	6.7	7.9	10.1	11.1
Aster DM	ASTDM	253	280	Buy	12673	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	306	385	Buy	4250	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	911	900	Hold	9287	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																					
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	21162	21,025	Hold	44440	380.3	476.5	519.3	584.0	55.6	44.4	40.8	36.2	36.6	39.7	35.6	33.5	28.3	30.9	27.5	25.8
P&G Health	MERLIM	4875	5,620	Buy	8288	113.2	152.2	144.4	165.2	43.0	32.0	33.8	29.5	39.8	43.7	34.5	33.6	31.2	33.2	26.5	25.7
Sanofi India	SANOFI	6493	6,270	Hold	14935	410.6	269.8	251.4	272.7	15.8	24.1	25.8	23.8	33.3	55.1	49.6	45.0	25.9	41.2	36.9	33.3
Pfizer	PFIZER	3818	3,830	Hold	17563	133.2	135.6	135.7	147.2	28.7	28.1	28.1	25.9	26.1	24.8	22.7	21.6	21.4	18.4	17.1	16.3
Pharma																					
Ajanta Pharma	AJAPHA	1274	1,520	Buy	16308	55.7	46.5	59.9	69.2	22.9	27.4	21.3	18.4	27.0	21.3	23.5	23.3	21.8	17.4	19.2	18.9
Alembic Pharma	ALEMPHA	561	530	Hold	11060	27.7	17.4	14.1	22.1	20.3	32.3	39.9	25.4	10.6	8.6	8.0	11.6	10.4	7.8	6.2	9.1
Aurobindo Pharma	AURPHA	630	525	Hold	36889	47.4	34.8	46.2	52.4	13.3	18.1	13.6	12.0	12.9	10.2	12.6	13.1	11.3	7.7	9.3	9.6
Biocon	BIOCON	246	230	Hold	29551	6.3	4.9	3.1	3.1	38.8	49.8	78.2	78.2	7.5	3.3	5.1	6.2	8.1	2.7	6.2	8.3
Zydus Lifesciences	CADHEA	515	500	Buy	52685	21.0	22.6	27.0	35.5	24.5	22.8	19.0	14.5	12.0	12.3	12.3	12.0	12.6	12.1	12.8	14.6
Cipla	CIPLA	922	1,090	Buy	74373	32.9	36.4	42.7	48.2	28.0	25.3	21.6	19.1	16.7	17.4	17.8	18.2	12.7	12.5	13.2	13.4
Dr Reddy's Lab	DRREDD	4480	5,520	Buy	74368	127.2	269.3	230.2	256.5	35.2	16.6	19.5	17.5	12.5	23.9	18.8	21.1	11.0	19.2	14.4	14.2
Glenmark	GLEPHA	609	440	Hold	17174	42.7	33.3	47.4	54.8	14.3	18.3	12.8	11.1	14.8	14.9	15.7	16.4	13.2	9.4	11.9	12.2
Ipca Lab	IPCLAB	683	885	Hold	17342	34.8	20.8	31.4	37.0	19.6	32.8	21.7	18.5	17.4	12.1	15.7	16.5	16.1	8.9	12.1	12.7
Lupin	LUPIN	786	725	Hold	35754	11.9	8.3	25.6	33.0	66.2	94.5	30.7	23.8	3.4	5.7	11.0	13.0	4.4	3.0	8.6	10.2
Natco	NATPHA	621	565	Hold	11356	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	939	1,210	Buy	225314	32.0	34.9	38.6	43.2	29.4	26.9	24.4	21.7	18.2	17.2	18.1	18.1	16.0	15.2	14.7	14.7
Torrent Pharma	TORPHA	1644	1,720	Hold	55557	32.0	36.3	45.1	53.8	51.3	45.2	36.4	30.5	19.7	17.1	20.4	23.3	18.2	17.9	19.0	19.4
Indoco Remedies	INDREM	352	440	Buy	3241	16.8	17.9	26.7	31.5	21.0	19.6	13.2	11.2	17.5	15.6	21.9	24.7	17.1	15.9	19.8	19.4
Caplin Point	CAPPOI	707	865	Buy	5373	39.5	48.8	47.9	47.9	17.9	14.5	14.8	14.8	25.3	23.5	22.4	22.4	20.2	20.2	16.7	16.7
Advanced Enzyme	ADVENZ	279	265	Reduce	3129	9.4	13.6	15.3	15.3	29.6	20.6	18.2	18.2	19.4	14.3	10.8	14.2	19.4	14.3	10.8	14.2
Hester Bios	HESPHA	1725	1,490	Reduce	1553	45.7	31.1	40.5	53.3	37.7	55.5	42.6	32.4	10.9	7.5	8.8	10.3	15.0	9.4	11.2	13.1
API/CRAMS																					
Divi's Lab	DIVLAB	3270	2,945	Hold	86655	111.5	72.8	77.4	95.0	29.3	44.9	42.3	34.4	30.2	18.2	18.3	18.3	21.3	25.2	15.0	15.0
Hikal	HIKCHE	294	375	Hold	3616	13.0	5.7	14.6	20.7	22.6	51.6	20.2	14.2	13.6	7.2	14.3	17.7	15.0	6.3	14.1	17.0
Syngene International	SYNINT	688	740	Buy	27597	9.9	11.6	13.3	17.9	69.7	59.4	51.7	38.5	11.7	13.8	14.2	16.9	12.9	12.8	13.0	14.9
Granules India	GRANUL	292	360	Buy	7238	16.6	20.8	21.8	27.8	17.5	14.0	13.4	10.5	15.6	18.5	17.8	19.4	16.0	18.2	16.2	17.3
Laurus Labs	LAULAB	311	300	Hold	16693	15.4	14.7	10.5	10.5	20.2	21.1	29.6	29.6	21.3	19.8	14.6	16.0	24.7	19.6	12.4	13.5
Suven Pharma	SUVPH	475	530	Buy	12113	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%;

Sell: < -15%



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