

CMP: ₹ 360

Target: ₹ 340 (-6%)

Target Period: 12 months

August 3, 2022

Headwinds persist; margin pressure amid generics impasse...

About the stock: Jubilant Pharmova is engaged in specialty pharmaceuticals, CDMO, generics, drug discovery and proprietary novel drug businesses.

- In specialty pharmaceuticals, it is the third largest radiopharmaceutical manufacturer with second largest commercial radio pharmacy network in US. It is the second biggest player in the allergenic extract market in the US
- In CDMO (CMO, APIs) Jubilant is engaged in CMO of sterile injectables, ophthalmics, otics and ointments, creams and liquids
- Revenue break up (FY22)- Generics - 19%, Specialty Pharma -43%, CDMO Sterile Injectable - 21% and CRDMO (CDMO-API + Drug Discovery) - 17%

Q1FY23 Results: Traction in specialty pharmaceuticals and CRDMO was offset by muted numbers in CDMO sterile injectables and generics

- Revenues were down 11% YoY to ₹ 1452 crore
- EBITDA was at ₹ 192 crore, down 49% YoY with margins at 13.3%
- Adjusted PAT was at ₹ 47 crore (down 71% YoY)

What should investors do? Jubilant's share price has de-grown by ~0.8x in the past three years (from ~₹ 439 in August 2019 to ~₹ 360 in August 2022) even after considering demerger of life science ingredients business into Jubilant Ingrevia.

- Downgraded from HOLD to **REDUCE** due to 1) negative operating leverage in generics amid regulatory overhang, 2) slower-than-expected ramp-up in Radiopharma, and 3) lack of ex-Covid growth levers in CDMO

Target Price and Valuation: Valued at ₹ 360 i.e. 13x FY24E EPS of ₹ 26.1

Key triggers for future price performance:

- Expansion of capacity for sterile fill & finish at Spokane by 100% and new filler & lyo line at Montreal
- Increase in CDMO order-book visibility amid loss of Covid opportunities
- Ramp up in Ruby fill installations, embarking on executing turnaround plan in radio pharmacies with a target to achieve mid to high single digit EBITDA
- Expansion into non-US markets and resolving regulatory concerns over Roorkee and Nanjangud facility

Alternate Stock Idea: Apart from Jubilant, in CRAMs space we like Divi's.

- Quintessential play on Indian API/CRAMs segment
- BUY with a target price of ₹ 4655

REDUCE



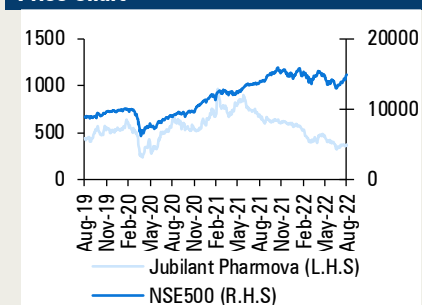
Particulars

Particular	Amount
Market Capitalisation	₹ 5732 crore
Debt (FY22)	₹ 3192 crore
Cash (FY22)	₹ 984 crore
EV	₹ 7939 crore
52 week H/L (₹)	₹ 698/₹ 318
Equity capital	₹ 15.9 crore
Face value	₹ 1

Shareholding pattern

(in %)	Sep-21	Dec-21	Mar-22	Jun-22
Promoter	50.7	50.7	50.7	50.7
Others	49.3	49.3	49.3	49.3

Price Chart



Recent Event & Key risks

- USFDA issues six observations for Roorkee facility
- Key Risk:** (i) Better traction in Radiopharma segment (ii) Regulatory concern

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Key Financial Summary

Key Financials (₹ crore)	FY20	FY21	FY22	5 year CAGR (FY17-22)	FY23E	FY24E	2 year CAGR (FY22-24E)
Revenues	5975.8	6098.5	6130.2	0.4	5870.9	6392.8	2.1
EBITDA	1548.0	1396.5	1156.3	-3.0	922.3	1182.9	1.1
EBITDA Margins (%)	25.9	22.9	18.9		15.7	18.5	
Adjusted Net Profit	710.7	595.3	413.9	-6.4	253.0	416.2	0.3
Reported EPS (₹)	42.6	36.0	26.0		15.9	26.1	
Adjusted EPS (₹)	44.6	37.4	26.0		15.9	26.1	
PE (x)	8.5	10.0	13.8		22.7	13.8	
EV/EBITDA (x)	5.9	5.6	6.9		8.7	6.6	
RoE (%)	12.7	12.6	7.8		4.6	7.0	
RoCE (%)	11.7	13.7	9.0		6.1	8.6	

Key takeaways of recent quarter & conference call highlights

Q1FY23 Results: Weak results amid persisting challenges

- Jubilant Pharmova's revenues were at ₹ 1452 crore, down 11% YoY. Generics declined 59% YoY to ₹ 178 crore due to 1) lower volumes due to import alert at Roorkee plant, 2) pricing pressure in the US market and 3) lower Remdesivir sales. CDMO segment declined 29% YoY to ₹ 263 crore on high base of Covid sales in Q1FY22. CRDMO (API + Drug Discovery) grew 45% YoY to ₹ 280 crore as Drug Discovery Services revenue increased amid higher demand from Biotech companies for integrated services, functional chemistry and DMPK while APIs revenue grew YoY due to higher volumes. Specialty Pharma grew 14% YoY to ₹ 722 crore driven by Radiopharmaceuticals which recovered from easing of Covid-19 pandemic and Radio pharmacies business witnessed growth due to higher volumes led by recovery from Covid-19 and new products. Allergy immunotherapy continues to operate at volumes higher than pre-Covid levels. EBITDA margins declined 970 bps YoY to 13.3% mainly due to lower profitability in generics and radio-pharmacies segment. EBITDA de-grew 49% YoY to ₹ 192 crore while adjusted PAT declined 71% to ₹ 47 crore
- Jubilant Pharmova's revenue growth in Specialty Pharmaceuticals and CRDMO was offset by CDMO Sterile Injectables and Generics. On the generics front, USFDA audited the Roorkee facility (under import alert) and has issued six observations. Generics along with CMO (sterile injectable + APIs) remain challenging on growth front amid high Covid base and compliance issues at manufacturing facilities. In radio-pharmaceutical, ruby-fill installations are on track while the management is working on turnaround plan for radio-pharmacies to reach EBITDA breakeven by FY24. Multiple issues are affecting several business segments and in absence of imminent key triggers, we expect the near to medium term overhang to remain on both revenue growth and profitability

Q1FY23 earnings conference call highlights

- Jubilant will continue to ramp-up Ruby-Fill installations in radio-pharma business. Radiopharmacy business witnessed growth due to higher volumes as the management indicated at new product launches while turnaround plan is likely to post EBITDA breakeven by FY24
- In allergy immunotherapy, the management looking to ramp up in the US and expand in non-US markets as well
- In the CMO business, the management is working to undertake capacity expansion at Spokane, by 100% (one line will be commercialised by FY25 while another by FY27). Another line extension at Montreal facility will come on-stream by FY27. In guidance terms, FY23 revenues is likely to be at pre-Covid levels while growth is likely to come post new capacities
- In Generics business, the management is looking to resolve USFDA import alert for Roorkee facility. Jubilant is likely to mitigate some risk in generics by increased focus on non-US markets and transfer of products to CMO site
- In CDMO-APIs, resolution of OAI status for Nanjangud facility remains key while the company works on cost optimisation and debottlenecking work. CDMO-API is undergoing asset replacement programmes for plant upgradation and capacity expansion with volumes expected to normalise in H2FY23
- Drug discovery services is likely to witness increased traction sequentially as, in general, the first quarter is softer than the fourth. Greater Noida facility is likely to fully ramp up by Q4FY23
- The company is guiding for capex of ₹ 700-750 crore in FY23 primarily towards expansion in CMO business and enhancement of CRDS capabilities and capacities. Another ₹ 250-300 crore is earmarked for product development expenditure

Exhibit 1: Variance Analysis

	Q1FY23	Q1FY22	Q4FY22	YoY (%)	QoQ (%)	Comments
Revenue	1,451.7	1,634.7	1,527.5	-11.2	-5.0	YoY decline due to poor show in CDMO Sterile Injectables and Generics
Raw Material Expenses	387.0	360.6	414.8	7.3	-6.7	
Gross margins (%)	73.3	77.9	72.8	-460 bps	49 bps	
Employee Expenses	529.2	499.2	510.4	6.0	3.7	
Other Expenditure	343.2	370.9	355.1	-7.5	-3.4	
Total Expenditure	1,259.3	1,259.4	1,280.2	0.0	-1.6	
EBITDA	192.4	375.2	247.4	-48.7	-22.2	
EBITDA (%)	13.3	23.0	16.2	-970 bps	-294 bps	EBITDA margins Generics: -41%, CRDMO: 16.3%, CDMO Sterile Injectable:50% and Specialty Pharmaceutical:16.2%
Interest	39.9	34.6	39.5	15.3	1.1	
Depreciation	94.6	88.0	100.6	7.4	-5.9	
Other income	11.3	3.9	-3.0	190.7	LP	
Exceptional Items	0.0	0.0	0.0	0.0	0.0	
PBT after Exceptional Items	69.2	256.5	104.3	-73.0	-33.7	
Tax	22.3	86.0	46.6	-74.1	-52.1	
Tax Rate (%)	32.2	33.5	44.6			
PAT before MI	46.9	170.5	57.8	-72.5	-18.8	
MI	-0.3	-0.1	-0.5	NA	NA	
Adj. Net Profit	47.0	160.6	59.6	-70.7	-21.0	
Key Metrics						
Generics	178.0	432.0	221.0	-58.8	-19.5	YoY decline due to 1) lower volumes due to import alert at Roorkee plant, 2) pricing pressure in the US market and 3) lower Remdesivir sales
Specialty Pharma	722.0	632.0	695.0	14.2	3.9	Radiopharmaceuticals business witnessed improvement in sales driven by recovery from easing of Covid-19 pandemic. Radiopharmacies business witnessed growth YoY due to higher volumes led by recovery from Covid-19 and launch of new products. Allergy Immunotherapy continues to operate at volumes higher than pre-Covid levels
CDMO Sterile Injectables	263.0	373.0	288.0	-29.5	-8.7	YoY decline due to higher Covid related business during the previous quarters. Covid related deals of ₹ 70 crore vs. ₹ 220 crore in Q1FY22 and ₹ 11 crore in Q4FY22
CRDMO	280.0	193.0	318.0	45.1	-11.9	Drug Discovery Services revenue increased amid higher demand from Biotech companies for integrated services, functional chemistry and DMPK. Chemistry volume increase supported by the Greater Noida facility. CDMO – API revenue grew YoY due to higher volumes

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

(₹ Crore)	FY23E			FY24E			
	Old	New	Change	Old	New	Change	
Revenue	6,129.3	5,870.9	-4.2	6,765.7	6,392.8	-5.5	Changed mainly due to headwinds in generics, less than expected traction in CMO business and regulatory challenges
EBITDA	1,088.9	922.3	-15.3	1,285.8	1,182.9	-8.0	
EBITDA Margin (%)	17.8	15.7	-206 bps	19.0	18.5	-50 bps	Changed mainly due to US price erosion and lower-than-expected operating leverage
PAT	385.2	253.0	-34.3	500.6	416.2	-16.9	
EPS (₹)	24.2	15.9	-34.3	31.4	26.1	-16.9	

Source: ICICI Direct Research

Exhibit 3: Assumptions

	Revenues	Growth	Adj. EPS	Growth	P/E	EV/EBITDA	RoNW	RoCE
	(₹ crore)	(%)	(₹)	(%)	(x)	(X)	(%)	(%)
FY21	6099	2.1	37.4	-15.3	10.0	5.6	12.6	13.7
FY22	6130	0.5	26.0	-27.9	13.8	6.9	7.8	9.0
FY23E	5871	-4.2	15.9	-38.9	22.7	8.7	4.6	6.1
FY24E	6393	8.9	26.1	64.5	13.8	6.6	7.0	8.6

Source: ICICI Direct Research

Exhibit 4: ICICI Direct Coverage Universe (Healthcare)

Company	I-Direct Code	CMP (₹)	TP (₹)	Rating	M Cap (₹ cr)	EPS (₹)				PE(x)				RoCE (%)				RoE (%)			
						FY21	FY22	FY23E	FY24E	FY21	FY22	FY23E	FY24E	FY21	FY22	FY23E	FY24E	FY21	FY22	FY23E	FY24E
Hospitals																					
Apollo Hospitals	APOHOS	4336	4,500	Buy	62341	7.9	59.1	80.9	107.4	551.6	73.3	53.6	40.4	6.3	15.1	16.7	19.3	2.5	15.1	17.7	19.9
Narayana Hrudalaya	NARHRU	655	750	Buy	13381	-0.7	16.7	18.9	21.6	NA	39.1	34.6	30.4	1.2	20.5	18.8	19.5	-1.3	23.0	20.8	19.4
Shalby	SHALIM	116	150	Buy	1249	3.9	5.4	7.5	9.9	29.5	21.3	15.5	11.7	6.5	8.4	11.7	14.3	5.1	6.7	8.6	10.4
Aster DM	ASTDM	236	270	Buy	11769	3.0	10.5	14.4	18.4	79.7	22.4	16.4	12.8	5.4	9.0	11.4	12.9	4.4	13.3	15.4	16.4
Healthcare Global	HEAGLO	275	340	Buy	3822	-13.9	3.9	3.6	8.0	-13.9	71.1	75.9	34.2	-0.9	5.0	7.6	10.2	-0.9	5.0	5.5	10.8
MNC Pharma																					
Abbott India	ABBIND	20348	20,560	Buy	43239	325.0	375.9	439.8	514.0	62.6	54.1	46.3	39.6	33.8	36.6	37.9	36.3	26.5	28.3	29.5	28.1
P&G Health	MERLIM	4417	4,955	Hold	7333	106.5	121.5	130.5	141.6	41.5	36.3	33.9	31.2	32.2	37.3	34.7	32.8	25.1	29.3	27.0	25.4
Sanofi India	SANOFI	6574	6,885	Hold	15139	207.4	410.1	270.5	264.8	31.7	16.0	24.3	24.8	32.3	33.3	41.1	50.7	24.5	25.9	31.2	38.7
Pfizer	PFIZER	4282	4,810	Hold	19591	108.8	133.9	140.4	160.3	39.4	32.0	30.5	26.7	27.6	26.1	23.5	23.0	20.8	21.4	19.2	18.7
Pharma																					
Ajanta Pharma	AJAPHA	1278	1,495	Buy	16369	51.0	55.6	60.1	71.1	25.0	23.0	21.3	18.0	29.0	27.0	24.4	24.5	21.8	21.8	19.9	19.9
Alembic Pharma	ALEMPHA	700	720	Hold	13759	62.8	27.8	29.7	35.9	11.2	25.2	23.6	19.5	25.1	10.6	11.2	13.8	24.1	10.4	10.3	11.3
Aurobindo Pharma	AURPHA	562	610	Hold	32939	55.0	47.4	45.6	51.0	10.2	11.9	12.3	11.0	16.9	12.9	12.5	13.1	14.7	11.3	9.9	10.0
Biocon	BIOCON	309	320	Hold	37123	6.3	5.7	5.5	11.3	49.4	54.3	56.7	27.3	7.7	7.5	4.1	6.5	9.9	8.1	2.8	5.5
Zydus Lifesciences	CADHEA	349	475	Hold	35693	23.3	21.0	20.2	24.0	14.9	16.6	17.3	14.5	13.8	12.0	11.2	12.4	18.4	12.6	11.0	11.7
Cipla	CIPLA	1023	1,135	Buy	82522	29.9	32.9	38.6	45.8	34.2	31.1	26.5	22.3	16.3	16.7	17.9	19.0	13.1	12.7	13.3	14.1
Dr Reddy's Labs	DRREDD	4071	4,750	Buy	67752	117.3	126.9	203.4	191.0	34.7	32.1	20.0	21.3	13.1	13.0	19.1	18.1	11.1	11.0	15.4	13.0
Glenmark Pharma	GLEPHA	374	460	Hold	10539	32.9	42.7	41.0	48.3	11.4	8.7	9.1	7.7	13.9	14.8	14.5	15.4	13.1	13.2	11.4	11.9
Ipsca Laboratories	IPCLAB	992	1,000	Hold	25169	44.9	34.8	32.7	39.9	22.1	28.5	30.3	24.8	27.1	17.4	16.2	17.4	24.2	16.1	13.4	14.4
Jubilant Pharmova	JUBLIF	360	340	Reduce	5734	37.4	26.0	15.9	26.1	9.6	13.9	22.7	13.8	13.7	9.0	6.1	8.6	12.6	7.8	4.6	7.0
Lupin	LUPIN	634	610	Hold	28802	26.9	11.9	18.7	30.5	23.6	53.4	33.8	20.8	9.6	3.4	7.6	11.2	8.8	4.4	6.6	9.8
Natco Pharma	NATPHA	743	820	Hold	13562	24.2	9.3	28.3	33.2	30.8	79.8	26.3	22.4	13.1	4.6	13.3	14.1	10.7	4.0	11.0	11.6
Sun Pharma	SUNPHA	908	1,125	Buy	217752	30.0	32.0	34.8	40.1	30.2	28.4	26.1	22.6	14.2	18.2	18.0	18.7	15.5	16.0	15.2	15.2
Torrent Pharma	TORPHA	1520	1,800	Buy	51454	37.0	32.0	43.7	54.6	41.1	47.5	34.8	27.9	17.6	19.7	24.7	29.4	21.4	18.2	20.9	21.8
Indoco Remedies	INDREM	410	510	Buy	3776	10.1	16.8	21.8	28.4	40.6	24.4	18.8	14.4	11.7	17.5	18.8	24.9	12.1	17.1	18.7	20.2
Caplin Point	CAPPOI	828	895	Buy	6275	81.7	85.3	68.3	70.8	10.1	9.7	12.1	11.7	25.3	23.7	22.5	0.0	20.4	20.2	18.5	17.5
Advanced Enzymes	ADVENZ	292	290	Hold	3263	13.1	10.7	10.2	13.2	22.3	27.3	28.6	22.2	19.4	14.3	12.6	14.7	15.1	11.0	9.6	11.1
Hester Biosciences	HESPHA	2280	2,445	Hold	1940	44.4	45.7	41.3	63.2	51.4	49.9	55.2	36.1	16.2	10.9	9.9	13.4	16.5	15.0	12.2	16.3
API/CRAMS																					
Divi's Lab	DIVLAB	3827	4,655	Buy	101599	74.7	111.5	105.7	122.5	51.2	34.3	36.2	31.2	27.6	30.2	25.8	25.5	21.3	25.2	20.3	20.0
Hikal	HIKCHE	267	340	Buy	3286	10.8	13.0	11.1	19.0	24.7	20.5	24.1	14.0	15.1	13.6	10.9	16.3	14.3	15.0	11.5	16.8
Syngene Int.	SYNINT	557	710	Buy	22378	10.1	9.9	11.5	14.6	55.1	56.5	48.3	38.3	11.5	11.7	12.8	15.2	13.5	12.9	12.4	13.7
Granules India	GRANUL	316	345	Buy	7835	22.2	16.6	19.6	24.6	14.3	19.0	16.1	12.8	24.0	15.6	16.8	18.6	25.3	16.0	16.0	16.9
Laurus Labs	LAULAB	525	675	Buy	28227	18.3	15.4	20.7	27.0	28.7	34.1	25.3	19.5	31.7	21.3	23.6	26.0	37.9	24.7	25.6	25.6
Suven Pharmaceuticals	SUVPH	469	555	Hold	11928	14.2	17.8	17.0	18.5	32.9	26.3	27.5	25.3	31.2	37.5	28.5	26.0	30.7	29.7	23.0	20.8

Source: ICICI Direct Research

Financial Summary

Exhibit 5: Profit and loss statement				
	₹ crore			
(Year-end March)	FY21	FY22	FY23E	FY24E
Revenues	6,098.5	6,130.2	5,870.9	6,392.8
Growth (%)	2.1	0.5	-4.2	8.9
Raw Material Expenses	1,536.0	1,488.0	1,513.5	1,598.2
Employee Expenses	1,922.9	2,043.4	2,053.4	2,125.4
Selling & Admin expenses	1,243.2	1,442.4	1,381.7	1,486.3
Power cost	105.8	28.7	0.0	0.0
Total Operating Expenditure	4,702.1	4,973.8	4,948.6	5,209.9
EBITDA	1,396.5	1,156.3	922.3	1,182.9
Growth (%)	-9.8	-17.2	-20.2	28.2
Depreciation	349.0	381.7	422.7	479.5
Interest	184.1	145.5	161.1	131.5
Other Income	17.6	11.3	20.1	12.7
PBT before EO	881.1	640.4	358.6	584.5
Less: Exceptional Items	21.2	0.0	0.0	0.0
Total Tax	297.2	217.4	106.2	169.5
Minority Interest	-0.3	-0.9	-0.7	-1.2
PAT	574.1	413.9	253.0	416.2
Growth (%)	-15.3	-27.9	-38.9	64.5
EPS	36.0	26.0	15.9	26.1
Adjusted PAT	595.3	413.9	253.0	416.2
EPS (Adjusted)	37.4	26.0	15.9	26.1

Source: Company, ICICI Direct Research

Exhibit 6: Cash flow statement				
	₹ crore			
(Year-end March)	FY21	FY22	FY23E	FY24E
Profit/(Loss) after taxation	817.9	436.4	253.0	416.2
Add: Depreciation	451.7	381.7	422.7	479.5
Add: Interest paid	247.3	145.5	145.5	145.5
(Inc)/dec in Current Assets	21.6	-135.6	5.5	-160.6
Inc/(dec) in CL and Provisions	228.3	-42.7	43.4	71.4
Other Operating Activities	0.0	0.0	0.0	0.0
CF from operating activities	1,766.7	785.3	870.0	952.0
(Purchase)/Sale of FA	-514.3	-596.5	-750.0	-500.0
Deferred Tax Liability	0.0	0.0	9.1	9.4
Minority Interest	0.0	0.0	0.4	0.3
Investments	-202.4	41.8	0.0	0.0
Other Investing Activities	-86.7	62.7	-16.7	-18.3
CF from investing activities	-803.4	-492.0	-757.2	-508.6
Inc/(Dec) in Equity Capital	-10.1	0.0	0.0	0.0
Inc/(Dec) in Loan Funds	-1,405.6	182.4	-500.0	-500.0
Dividend & Dividend tax	-1.5	-80.1	-35.8	-47.8
Less: Interest Paid	-247.3	-145.5	-145.5	-145.5
Others	-44.9	10.6	0.0	0.0
CF from financing activities	-1,709.4	-32.6	-681.3	-693.3
Net Cash flow	-746.1	260.6	-568.5	-249.9
Opening Cash	1,399.9	671.3	984.2	415.8
Closing Cash	653.8	932.0	415.8	165.9
Free Cash Flow	1,252.4	188.8	120.0	452.0

Source: Company, ICICI Direct Research

Exhibit 7: Balance Sheet				
	₹ crore			
(Year-end March)	FY21	FY22	FY23E	FY24E
Equity Capital	15.9	15.9	15.9	15.9
Reserve and Surplus	4,725.6	5,302.6	5,519.8	5,888.2
Total Shareholders funds	4,741.5	5,318.6	5,535.7	5,904.1
Total Debt	2,829.6	3,192.0	2,692.0	2,192.0
Deferred Tax Liability	247.3	303.0	312.1	321.4
Minority Interest	0.0	-2.2	-1.7	-1.4
Other Non CL & LT Provisions	121.1	103.5	106.6	109.8
Total Liabilities	7,939.4	8,914.8	8,644.6	8,525.9
Gross Block - Fixed Assets	4,027.2	4,558.0	5,208.0	5,908.0
Accumulated Depreciation	1,548.5	1,930.2	2,352.8	2,832.3
Net Block	2,478.8	2,627.9	2,855.2	3,075.7
Capital WIP	897.0	1,089.6	1,189.6	989.6
Total Fixed Assets	3,375.8	3,717.4	4,044.8	4,065.3
Investments	241.0	238.6	238.6	238.6
Goodwill on Consolidation	2,130.0	2,242.8	2,242.8	2,242.8
Inventory	1,129.4	1,254.9	1,276.4	1,347.8
Debtors	819.9	928.0	890.7	969.4
Cash	671.3	984.2	415.8	165.9
Other current Assets	331.9	342.1	352.4	362.9
Total Current Assets	2,952.5	3,509.2	2,935.2	2,846.0
Creditors	520.5	567.7	577.5	609.8
Provisions	89.8	86.8	107.8	133.9
Other Current Liabilities	368.4	421.5	434.1	447.1
Total Current Liabilities	978.7	1,076.0	1,119.4	1,190.8
Net Current Assets	1,973.8	2,433.2	1,815.8	1,655.2
Deferred Tax Assets	154.7	161.3	177.4	195.1
LT L & A, Other Non CA	64.2	121.6	125.3	129.0
Application of Funds	7,939.4	8,914.8	8,644.6	8,525.9

Source: Company, ICICI Direct Research

Exhibit 8: Key ratios				
(Year-end March)	FY21	FY22	FY23E	FY24E
Per share data (₹)				
Reported EPS	36.0	26.0	15.9	26.1
Adjusted EPS	37.4	26.0	15.9	26.1
BV per share	297.7	333.9	347.5	370.7
Dividend per share	5.0	5.0	2.3	3.0
Cash Per Share	42.1	61.8	26.1	10.4
Operating Ratios (%)				
Gross Profit Margins	74.8	75.7	74.2	75.0
EBITDA Margins	22.9	18.9	15.7	18.5
PAT Margins	9.8	6.8	4.3	6.5
Inventory days	268.4	307.8	307.8	307.8
Debtor days	49.1	55.3	55.4	55.3
Creditor days	123.7	139.3	139.3	139.3
Asset Turnover	2.3	1.2	1.3	1.1
EBITDA conversion Rate	126.5	67.9	94.3	80.5
Return Ratios (%)				
RoE	12.6	7.8	4.6	7.0
RoCE	13.7	9.0	6.1	8.6
RoIC	14.7	10.0	6.2	8.6
Valuation Ratios (x)				
P/E	10.0	13.8	22.7	13.8
EV / EBITDA	5.6	6.9	8.7	6.6
EV / Net Sales	1.3	1.3	1.4	1.2
Market Cap / Sales	0.9	0.9	1.0	0.9
Price to Book Value	1.2	1.1	1.0	1.0
Solvency Ratios				
Debt / Equity	0.6	0.6	0.5	0.4
Debt / EBITDA	2.0	2.8	2.9	1.9
Current Ratio	2.3	2.3	2.3	2.3

Source: Company, ICICI Direct Research

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Reduce: -15% to -5%;

Sell: <-15%



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