

CMP: ₹ 405

Target: ₹ 410 (1%)

Target Period: 12 months

May 30, 2022

HOLD



## Challenges persist; outlook for gradual recovery...

**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 an integrated contract manufacturer of sterile injectables, ophthalmics, otics and ointments (sterile and non-sterile), creams and liquids
- Revenue break up (FY22)- Formulations - 19%, Radiopharma and allergy therapy -43%, CDMO & API - 31% and CRDS - 8%

**Q4FY22 Results:** Generics and CDMO business were affected leading to reduction in operating leverage this quarter.

- Revenues were down 3% YoY to ₹ 1527 crore
- EBITDA was at ₹ 247 crore, down 34% YoY with margins at 16.2%
- Adjusted PAT was at ₹ 60 crore (down 67% YoY)

**What should investors do?** Jubilant's share price has de-grown by ~0.9x in the past three years (from ~₹ 440 in May 2019 to ~₹ 405 in May 2022) even after considering demerger of life science ingredients business into Jubilant Ingrevia.

- We maintain **HOLD** due to 1) continued muted operational performance in Generics and regulatory overhang, 2) slower-than-expected ramp-up in Radiopharma and 3) growth on new base ex-Covid contracts in CDMO

**Target Price and Valuation:** Valued at ₹ 410 i.e. 13x P/E on FY24E EPS of ₹ 31.4

### Key triggers for future price performance:

- Expansion of capacity for sterile fill & finish at Spokane by 50% and new ophthalmic 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
- Traction for Sartans post relaunch and resolving regulatory concerns over Roorkee and Nanjungud facility

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

- Divi's stays a quintessential play on Indian API/CRAMs segment with its product offering, execution prowess
- BUY with a target price of ₹ 4655

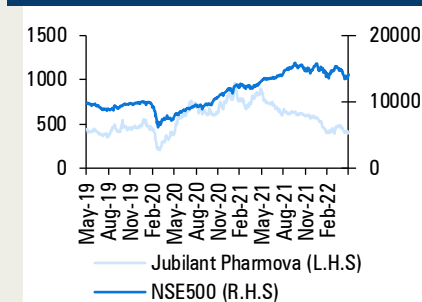
### Particulars

Particular	Amount
Market Capitalisation	₹ 6451 crore
Debt (FY22)	₹ 3192 crore
Cash (FY22)	₹ 984 crore
EV	₹ 8659 crore
52 week H/L (₹)	₹ 905/₹ 384
Equity capital	₹ 15.9 crore
Face value	₹ 1

### Shareholding pattern

(in %)	Jun-21	Sep-21	Dec-21	Mar-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

- Import alert 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	6129.3	6765.7	5.1
EBITDA	1548.0	1396.5	1156.3	-3.0	1088.9	1285.8	5.4
EBITDA Margins (%)	25.9	22.9	18.9		17.8	19.0	
Adjusted Net Profit	710.7	595.3	413.9	-6.4	385.2	500.6	10.0
Reported EPS (₹)	42.6	36.0	26.0		24.2	31.4	
Adjusted EPS (₹)	44.6	37.4	26.0		24.2	31.4	
PE (x)	9.5	11.2	15.6		16.7	12.9	
EV/EBITDA (x)	6.4	6.2	7.5		7.9	6.5	
RoE (%)	12.7	12.6	7.8		6.8	8.2	
RoCE (%)	11.7	13.7	9.0		7.7	9.4	

Source: Company, ICICI Direct Research

## Key takeaways of recent quarter & conference call highlights

### Q4FY22 Results: Weak results amid headwinds in pharmaceutical segment

- Jubilant Pharmova's revenues were at ₹ 1527 crore, down 3% YoY. Generics declined 29% YoY to ₹ 219 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 19% YoY to ₹ 466 crore as Covid related one-off deals tapered off and API volumes were lower resulting from stabilisation issues post shutdown in Q3FY22. Specialty pharma (which comprises Radiopharma) grew 15% YoY to ₹ 695 crore driven by easing of Covid-19 and some customer scheduling. Contract research & development grew 51% YoY to ₹ 142 crore on the back of robust volume growth. EBITDA margins declined 752 bps YoY to 16.2% mainly due to lower profitability in pharmaceuticals segment. EBITDA de-grew 34% YoY to ₹ 247 crore while adjusted PAT declined 67% to ₹ 60 crore
- Jubilant Pharmova generics remain affected while remediation measures are ongoing for Roorkee import alert. Loss of Covid related opportunities led to lower revenue and profitability in the CDMO business. API business was affected by stabilisation issues post shutdown last quarter. Multiple issues are affecting several business segments. We expect near to medium term overhang to remain amid regulatory concerns for Generics and resetting of base post loss of Covid opportunities in CDMO

### Q4FY22 earnings conference call highlights

- Radiopharma business witnessed improvement in sales driven by recovery from easing of Covid-19 pandemic and some customer order scheduling. Ruby-Fill installations shows encouraging trend. Radiopharmacy business witnessed growth due to higher volumes. Turnaround plan is working well reflected by higher volumes and lower losses
- Allergy Immunotherapy continued to report robust performance reflected in growth in volumes and business continues to operate at volumes higher than pre-Covid levels. In addition to robust growth in the US market, business is witnessing healthy growth in the non-US markets as well
- CMO business is operating at normal pre-pandemic levels now, Covid related one-off deals tapered off. API business decline in volumes resulting from stabilisation issues after shutdown in Q3FY22
- Generics business got affected amid lower volumes due to import alert at Roorkee plant, pricing pressure in the US market and lower Remdesivir sales due to fewer hospitalisations
- In Radiopharma, Jubilant continue to build a long term pipeline of diagnostic and therapeutic radiopharmaceuticals and are executing a turnaround plan of radiopharmacies. Allergy business is well placed to grow strongly with healthy margins over the medium term. CMO business is likely to operate at normal pre-Covid levels in the next two to three years before new capacity comes upstream and drive volumes. Generics business' performance is expected to improve post resolution of regulatory issues and easing of pricing pressure in the US
- API business is planning asset replacement programmes in H1FY23 for plant upgradation and capacity expansion with volumes expected to normalise in H2FY23
- Contract research and development services segment has received higher demand from biotech companies for integrated services, functional chemistry and DMPK, Discovery Biology and clinical trial data management support through trial stat, Canada. Volumes increase was supported by the recently commissioned facility at Greater Noida. CRDS business will continue to grow with commissioning of the Greater Noida facility. DMPK expansion at the Greater Noida is under way

Exhibit 1: Variance Analysis

	Q4FY22	Q4FY21	Q3FY22	YoY (%)	QoQ (%)	Comments
Revenue	1,527.5	1,579.8	1,310.5	-3.3	16.6	YoY decline due to headwinds in pharmaceuticals segment
Raw Material Expenses	414.8	389.1	273.4	6.6	51.7	
Gross margins (%)	72.8	75.4	79.1	-253 bps	-629 bps	
Employee Expenses	510.4	475.9	524.5	7.3	-2.7	
Other Expenditure	355.1	340.3	318.3	4.3	11.5	
Total Expenditure	1,280.2	1,205.2	1,116.3	6.2	14.7	
EBITDA	247.4	374.6	194.2	-34.0	27.3	
EBITDA (%)	16.2	23.7	14.8	-752 bps	137 bps	Pharmaceuticals EBITDA margins at 16.2% and Drug Discovery Solutions EBITDA margins at 37.6%
Interest	39.5	43.3	36.6	-8.8	7.9	
Depreciation	100.6	86.2	93.3	16.6	7.7	
Other income	-3.0	6.7	5.9	PL	PL	
Exceptional Items	0.0	10.3	0.0	0.0	0.0	
PBT after Exceptional Items	104.3	241.4	70.2	-56.8	48.6	
Tax	46.6	83.1	19.4	-43.9	139.7	
Tax Rate (%)	44.6	34.4	27.7			
PAT before MI	57.8	158.3	50.8	-63.5	13.8	
MI	-0.5	-0.3	-0.2	NA	NA	
Adj. Net Profit	59.6	183.3	51.0	-67.5	16.8	YoY Delta vis-à-vis EBITDA mainly due to higher depreciation
<b>Key Metrics</b>						
Generics	219.0	309.0	181.0	-29.1	21.0	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	695.0	602.0	633.0	15.4	9.8	Radiopharma riven by recovery from easing of Covid-19 pandemic and some customer order scheduling. Allergy immunotherapy operating at volumes higher than pre-Covid levels
CDMO	466.0	574.0	373.0	-18.8	24.9	YoY decline amid loss of revenue related to Covid opportunity
Drug Discovery Solutions	142.0	94.0	120.0	51.1	18.3	Growth due to higher demand from biotech companies also supported by volume increase from recently commissioned facility at Greater Noida

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

₹ Crore)	FY23E			FY24E			
	Old	New	% Change	Old	New	% Change	
Revenue	6,066.5	6,129.3	1.0	6,784.6	6,765.7	-0.3	Changed mainly due to headwinds in generics, less than expected traction in Radiopharma and CMO business
EBITDA	1,267.7	1,088.9	-14.1	1,484.2	1,285.8	-13.4	
EBITDA Margin (%)	20.9	17.8	-313 bps	21.9	19.0	-287 bps	Changed mainly due to US price erosion and lower-than-expected operating leverage
PAT	518.1	385.2	-25.6	649.5	500.6	-22.9	
EPS (₹)	32.5	24.2	-25.6	40.8	31.4	-22.9	

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	11.2	6.2	12.6	13.7
FY22	6130	0.5	26.0	-27.9	15.6	7.5	7.8	9.0
FY23E	6129	0.0	24.2	-6.9	16.7	7.9	6.8	7.7
FY24E	6766	10.4	31.4	30.0	12.9	6.5	8.2	9.4

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	FY22E	FY23E	FY24E	FY21	FY22E	FY23E	FY24E	FY21	FY22E	FY23E	FY24E	FY21	FY22E	FY23E	FY24E
<b>Hospitals</b>																					
Apollo Hospitals	APOHOS	3874	4,500	Buy	55703	7.9	59.1	80.9	107.4	492.9	65.5	47.9	36.1	6.3	15.1	16.7	19.3	2.5	15.1	17.7	19.9
Narayana Hrudalaya	NARHRU	667	750	Buy	13632	-0.7	16.7	18.9	21.6	NA	39.9	35.3	30.9	1.2	20.5	18.8	19.5	-1.3	23.0	20.8	19.4
Shalby	SHALIM	107	170	Buy	1160	3.9	5.9	5.7	7.2	27.4	18.2	18.7	15.0	6.5	8.9	9.6	10.5	5.1	7.2	6.7	7.9
Aster DM	ASTDM	199	270	Buy	9925	3.0	10.5	14.4	18.4	67.2	18.9	13.8	10.8	5.4	9.0	11.4	12.9	4.4	13.3	15.4	16.4
Healthcare Global	HEAGLO	278	340	Buy	3858	-13.9	3.9	3.6	8.0	-13.9	71.8	76.6	34.5	-0.9	5.0	7.6	10.2	-0.9	5.0	5.5	10.8
<b>MNC Pharma</b>																					
Abbott India	ABBIND	18115	20,560	Buy	38493	325.0	375.9	439.8	514.0	55.7	48.2	41.2	35.2	33.8	36.6	37.9	36.3	26.5	28.3	29.5	28.1
P&G Health	MERLIM	4246	4,955	Hold	7047	106.5	121.5	130.5	141.6	39.9	34.9	32.5	30.0	32.2	37.3	34.7	32.8	25.1	29.3	27.0	25.4
Sanofi India	SANOFI	6682	7,740	Hold	15389	207.4	410.1	285.7	276.4	32.2	16.3	23.4	24.2	32.3	33.3	42.3	40.8	24.5	25.9	32.6	31.3
Pfizer	PFIZER	4264	4,810	Hold	19505	108.8	133.9	140.4	160.3	39.2	31.8	30.4	26.6	27.6	26.1	23.5	23.0	20.8	21.4	19.2	18.7
<b>Pharma</b>																					
Ajanta Pharma	AJAPHA	1710	1,955	Buy	14607	74.0	83.4	83.3	97.8	23.1	20.5	20.5	17.5	29.0	27.0	22.9	22.9	21.8	21.8	18.4	18.3
Alembic Pharma	ALEMPHA	734	720	Hold	14428	62.8	27.8	29.7	35.9	11.7	26.4	24.7	20.4	25.1	10.6	11.2	13.8	24.1	10.4	10.3	11.3
Aurobindo Pharma	AURPHA	528	765	Hold	30926	55.0	44.3	53.4	61.2	9.6	11.9	9.9	8.6	16.9	12.5	14.3	15.2	14.7	10.7	11.5	11.7
Biocon	BIOCON	335	380	Hold	40166	6.3	5.7	6.1	11.7	53.4	58.7	55.2	28.7	7.7	7.5	5.0	6.9	9.9	8.1	3.2	5.9
Zydus Lifesciences	CADHEA	377	475	Hold	38621	21.5	21.1	22.4	25.4	17.6	17.9	16.8	14.8	12.6	13.5	13.7	14.6	16.9	14.8	14.0	14.1
Cipla	CIPLA	987	1,095	Buy	79649	29.9	32.9	36.2	42.5	33.0	30.0	27.3	23.2	16.3	16.7	16.7	17.7	13.1	12.7	12.6	13.3
Dr Reddy's Labs	DRREDD	4368	4,800	Buy	72696	117.3	127.9	192.4	224.6	37.2	34.1	22.7	19.4	13.1	13.0	18.3	21.3	11.1	11.1	14.7	15.0
Glenmark Pharma	GLEPHA	404	460	Hold	11385	32.9	42.7	41.0	48.3	12.3	9.4	9.9	8.4	13.9	14.8	14.5	15.4	13.1	13.2	11.4	11.9
Ipca Laboratories	IPCLAB	902	1,000	Hold	22884	44.9	34.8	32.7	39.9	20.1	25.9	27.6	22.6	27.1	17.4	16.2	17.4	24.2	16.1	13.4	14.4
Jubilant Pharmova	JUBLIF	408	410	Hold	6493	37.4	26.0	24.2	31.4	10.9	15.7	16.9	13.0	13.7	9.0	7.7	9.4	12.6	7.8	6.8	8.2
Lupin	LUPIN	615	610	Hold	27959	26.9	11.9	18.7	30.5	22.9	51.8	32.8	20.2	9.6	3.4	7.6	11.2	8.8	4.4	6.6	9.8
Natco Pharma	NATPHA	688	955	Hold	12546	24.2	15.1	19.6	23.1	28.5	45.5	35.2	29.8	13.1	7.3	9.7	10.7	10.7	6.4	7.8	8.5
Sun Pharma	SUNPHA	898	1,075	Buy	215412	30.0	33.5	33.8	38.6	29.9	26.8	26.5	23.3	14.2	18.3	17.8	17.8	15.5	16.4	14.4	14.3
Torrent Pharma	TORPHA	2919	3,235	Buy	49388	74.0	64.1	86.8	107.8	39.5	45.5	33.6	27.1	17.6	19.7	24.3	29.1	21.4	18.2	20.8	21.6
Indoco Remedies	INDREM	355	510	Buy	3269	10.1	16.8	21.8	28.4	35.1	21.1	16.2	12.5	11.7	17.5	18.8	24.9	12.1	17.1	18.7	20.2
Caplin Point	CAPPOI	752	895	Buy	5698	81.7	85.3	68.3	70.8	9.2	8.8	11.0	10.6	25.3	23.7	22.5	0.0	20.4	20.2	18.5	17.5
Advanced Enzymes	ADVENZ	293	290	Hold	3270	13.1	10.7	10.2	13.2	22.4	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	2251	2,445	Hold	1915	44.4	45.7	41.3	63.2	50.7	49.2	54.5	35.6	16.2	10.9	9.9	13.4	16.5	15.0	12.2	16.3
<b>API/CRAMS</b>																					
Divi's Lab	DIVLAB	3584	4,655	Buy	95156	74.7	111.5	105.7	122.5	48.0	32.1	33.9	29.3	27.6	30.2	25.8	25.5	21.3	25.2	20.3	20.0
Hikal	HIKCHE	354	500	Buy	4361	10.8	14.6	17.1	22.6	32.7	24.2	20.6	15.6	15.1	15.7	16.0	19.1	14.3	16.7	16.8	18.8
Syngene Int.	SYNINT	554	730	Buy	22196	10.1	9.9	11.4	15.5	54.7	56.1	48.7	35.8	11.5	11.7	12.2	15.7	13.5	12.9	12.3	14.4
Granules India	GRANUL	274	345	Buy	6797	22.2	16.6	19.6	24.6	12.4	16.5	14.0	11.1	24.0	15.6	16.8	18.6	25.3	16.0	16.0	16.9
Laurus Labs	LAULAB	567	690	Buy	30476	18.3	15.4	20.6	26.5	31.0	36.8	27.5	21.4	31.7	21.3	22.6	24.7	37.9	24.7	25.5	25.3
Suven Pharmaceuticals	SUVPH	512	555	Hold	13022	14.2	17.8	17.0	18.5	35.9	28.7	30.1	27.6	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
<b>Revenues</b>	<b>6,098.5</b>	<b>6,130.2</b>	<b>6,129.3</b>	<b>6,765.7</b>
Growth (%)	2.1	0.5	0.0	10.4
Raw Material Expenses	1,536.0	1,488.0	1,577.3	1,691.4
Employee Expenses	1,922.9	2,043.4	2,022.7	2,215.5
Selling & Admin expenses	1,243.2	1,442.4	1,440.4	1,573.0
Power cost	105.8	28.7	0.0	0.0
Total Operating Expenditure	4,702.1	4,973.8	5,040.4	5,479.9
<b>EBITDA</b>	<b>1,396.5</b>	<b>1,156.3</b>	<b>1,088.9</b>	<b>1,285.8</b>
Growth (%)	-9.8	-17.2	-5.8	18.1
Depreciation	349.0	381.7	436.1	494.8
Interest	184.1	145.5	122.7	99.9
Other Income	17.6	11.3	11.3	12.5
PBT before EO	881.1	640.4	541.4	703.6
Less: Exceptional Items	21.2	0.0	0.0	0.0
Total Tax	297.2	217.4	157.0	204.0
Minority Interest	-0.3	-0.9	-0.8	-1.1
<b>PAT</b>	<b>574.1</b>	<b>413.9</b>	<b>385.2</b>	<b>500.6</b>
Growth (%)	-15.3	-27.9	-6.9	30.0
EPS	36.0	26.0	24.2	31.4
Adjusted PAT	595.3	413.9	385.2	500.6
<b>EPS (Adjusted)</b>	<b>37.4</b>	<b>26.0</b>	<b>24.2</b>	<b>31.4</b>

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	385.2	500.6
Add: Depreciation	451.7	381.7	436.1	494.8
Add: Interest paid	247.3	145.5	145.5	145.5
(Inc)/dec in Current Assets	21.6	-135.6	-87.0	-203.3
Inc/(dec) in CL and Provisions	228.3	-42.7	67.7	82.6
Other Operating Activities	0.0	0.0	0.0	0.0
<b>CF from operating activities</b>	<b>1,766.7</b>	<b>785.3</b>	<b>947.5</b>	<b>1,020.2</b>
(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
<b>CF from investing activities</b>	<b>-803.4</b>	<b>-492.0</b>	<b>-757.2</b>	<b>-508.6</b>
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
<b>CF from financing activities</b>	<b>-1,709.4</b>	<b>-32.6</b>	<b>-681.3</b>	<b>-693.3</b>
Net Cash flow	-746.1	260.6	-490.9	-181.6
Opening Cash	1,399.9	671.3	984.2	493.3
<b>Closing Cash</b>	<b>653.8</b>	<b>932.0</b>	<b>493.3</b>	<b>311.7</b>
<b>Free Cash Flow</b>	<b>1,252.4</b>	<b>188.8</b>	<b>197.5</b>	<b>520.2</b>

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	5,652.0	6,104.9
Total Shareholders funds	4,741.5	5,318.6	5,668.0	6,120.8
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
<b>Total Liabilities</b>	<b>7,939.4</b>	<b>8,914.8</b>	<b>8,776.9</b>	<b>8,742.6</b>
Gross Block - Fixed Assets	4,027.2	4,558.0	5,208.0	5,908.0
Accumulated Depreciation	1,548.5	1,930.2	2,366.3	2,861.0
Net Block	2,478.8	2,627.9	2,841.7	3,047.0
Capital WIP	897.0	1,089.6	1,189.6	989.6
Total Fixed Assets	3,375.8	3,717.4	4,031.3	4,036.5
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	1,330.2	1,426.4
Debtors	819.9	928.0	929.4	1,025.9
Cash	671.3	984.2	493.3	311.7
Other current Assets	331.9	342.1	352.4	362.9
Total Current Assets	2,952.5	3,509.2	3,105.3	3,126.9
Creditors	520.5	567.7	601.8	645.4
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	1,143.8	1,226.4
Net Current Assets	1,973.8	2,433.2	1,961.5	1,900.6
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
<b>Application of Funds</b>	<b>7,939.4</b>	<b>8,914.8</b>	<b>8,776.9</b>	<b>8,742.6</b>

Source: Company, ICICI Direct Research

Exhibit 8: Key ratios				
(Year-end March)	FY21	FY22	FY23E	FY24E
<b>Per share data (₹)</b>				
Reported EPS	36.0	26.0	24.2	31.4
Adjusted EPS	37.4	26.0	24.2	31.4
BV per share	297.7	333.9	355.8	384.3
Dividend per share	5.0	5.0	2.3	3.0
Cash Per Share	42.1	61.8	31.0	19.6
<b>Operating Ratios (%)</b>				
Gross Profit Margins	74.8	75.7	74.3	75.0
EBITDA Margins	22.9	18.9	17.8	19.0
PAT Margins	9.8	6.8	6.3	7.4
Inventory days	268.4	307.8	307.8	307.8
Debtor days	49.1	55.3	55.3	55.3
Creditor days	123.7	139.3	139.3	139.3
Asset Turnover	2.3	1.2	1.3	1.2
EBITDA conversion Rate	126.5	67.9	87.0	79.3
<b>Return Ratios (%)</b>				
RoE	12.6	7.8	6.8	8.2
RoCE	13.7	9.0	7.7	9.4
RoIC	14.7	10.0	8.1	9.6
<b>Valuation Ratios (x)</b>				
P/E	11.2	15.6	16.7	12.9
EV / EBITDA	6.2	7.5	7.9	6.5
EV / Net Sales	1.4	1.4	1.4	1.2
Market Cap / Sales	1.1	1.1	1.1	1.0
Price to Book Value	1.4	1.2	1.1	1.1
<b>Solvency Ratios</b>				
Debt / Equity	0.6	0.6	0.5	0.4
Debt / EBITDA	2.0	2.8	2.5	1.7
Current Ratio	2.3	2.3	2.3	2.3

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



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