

## Custom synthesis buoyant; Changed-mix to persist...

**About the stock:** Laurus Labs operates in the segment of generic APIs & FDFs (formulations), custom synthesis and biotechnology. Major focus in APIs is on ARV, oncology and other APIs.

- It has 11 manufacturing units (six FDA approved sites) with 74 DMFs, 32 ANDAs filed (15 Para IV, 11 first to file) and 192 patents granted
- Laurus acquired Richore Life Sciences to diversify in area of recombinant animal origin free products, enzymes as well as building biologics CDMO

**Q1FY23 Results:** Beat on estimates propelled by synthesis (up 196% YoY).

- Sales were up 20% YoY to ₹ 1539 crore, driven by CDMO-Synthesis & Bio business (contributing 39% to the top-line in Q1FY23)
- EBITDA was at ₹ 454.2 crore, up 15% YoY with margins at 29.5%
- Adjusted PAT was at ₹ 251 crore (up 4% YoY)

**What should investors do?** Laurus Lab's share price has grown by ~7.9x over the past three years (from ~₹ 67.81 in July 2019 to ~₹ 539 levels in July 2022).

- We continue to remain positive and retain our **BUY** rating on the stock amid incremental contribution from Synthesis with visible order-book.

**Target Price and Valuation:** Valued at ₹ 675 i.e. 25x P/E on FY24E EPS of ₹ 27

**Key triggers for future price performance:**

- Synthesis:** Well-positioned to meet fast growing global demand for NCE drug substance and drug products with on-going supplies for seven commercial products. Setting-up dedicated R&D centre & three greenfield manufacturing units (FY24, FY25)
- Formulations:** Product launches in anti-diabetic (FY23) & CV portfolio (FY24) in US & Europe with target opportunity at ~ US\$40 billion. Gradual traction from Unit-2 commissioned in Q1FY23 taking total capacity to 10 billion units
- API:** Robust order-book in anti-diabetic, CV & PPI amid capacity expansion in high growth therapeutics with total reactor volume of +7000KL by FY23
- Biologics:** Expanding the biologics CDMO at scale. Commercial scale-up of the new fermentation capacity (food proteins). Plans to add 1 million litre fermentation capacity in Phase 1

**Alternate Stock Idea:** Apart from Laurus, in healthcare coverage we like Granules.

- Granules India is a vertically integrated company that manufactures API, intermediates and finished dosages with vision to play on its strength of economies of scale and expansion into more complex products/forms
- BUY with a target price of ₹ 345



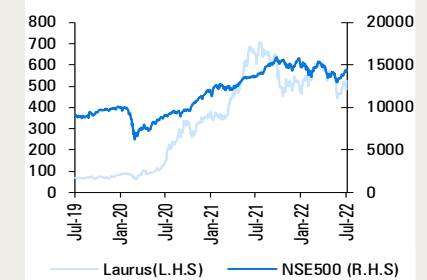
### Particulars

Particular	Amount
Market Capitalisation	₹ 28964 crore
Debt (FY22)	₹ 1915 crore
Cash & Equivalents (FY22)	₹ 76 crore
EV (₹ Cr)	₹ 30802 crore
52 week H/L (₹)	724/433
Equity capital	₹ 107.5 crore
Face value	₹ 2

### Shareholding pattern

(in %)	Sep-21	Dec-21	Mar-22	Jun-22
Promoter	27.3	27.3	27.3	27.3
Others	72.7	72.7	72.7	72.7

### Price Chart



### Recent Event & Key risks

- Signed MPP license for Paxlovid
- Key Risk:** (i) Delay in commercialisation of new facility (ii) Slower offtake and persisting pricing pressure in ARV space

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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)
Net Sales	2831.7	4813.5	4935.7	21.0	6622.2	8112.4	28.2
EBITDA	561.0	1550.7	1422.4	30.7	1929.7	2454.3	31.4
EBITDA Margins (%)	19.8	32.2	28.8		29.1	30.3	
Adj. Profit	255.3	983.6	827.5	39.7	1113.9	1448.3	32.3
Adj. EPS (₹)	4.8	18.3	15.4		20.7	27.0	
PE (x)	113.5	29.4	35.0		26.0	20.0	
RoE (%)	14.4	37.9	24.7		25.6	25.6	
RoCE (%)	13.0	31.7	21.3		23.6	26.0	

## Key takeaways of recent quarter & conference call highlights

### Q1FY23 Results: CRAMS to the fore in Q3 with significant mix change

- Laurus revenues grew 20% YoY to ₹ 1539 crore in Q1FY23 on the back of 196% YoY growth in CRAMS to ₹ 577 crore led by solid demand from new and existing clients. Formulations de-grew 33% YoY to ₹ 349 crore as the higher generic volumes in developed markets was offset by pricing pressure and lower offtake for ARV business. APIs revenues increased 6% YoY to ₹ 583 crore, due to de-stocking impact in base year for ARVs business was largely offset by other APIs. ARV APIs sales declined 8% YoY to ₹ 379 crore while oncology API posted growth of 8% YoY to ₹ 64 crore and other API grew 82% YoY to ₹ 140 crore. Laurus bio segment grew 114% YoY to ₹ 30 crore due to operationalisation of new capacities. EBITDA margins declined 141 bps YoY to 29.5% mainly due to higher other expenses amid adverse operating leverage being partly offset by higher gross margins (up 89 bps YoY to 57.6%). EBITDA grew 15% YoY to ₹ 454 crore while adjusted PAT grew 4% YoY at ₹ 251 crore for the quarter. Delta vis-à-vis EBITDA was on back of higher depreciation and tax expense along with lower other income.
- Laurus Labs's Q3 was a beat on revenues estimates, although heavily skewed towards CRAMS while margins were in-line. This quarter witnessed significant revenue mix change as, CRAMS (Synthesis+Bio) contributed 39% to the top-five v/s 28%/16% in Q4FY22/Q1FY22. Pricing pressure in ARV APIs and the Formulation business was significant in Q1FY23 and was fully offset by better margins from CRAMS. In formulations, Laurus is likely to take calibrated tendering approach to ensure better profitability while in APIs, ARV business has recovered sequentially and is expected to stabilise around current levels. Additional capacities, were commissioned in both APIs and Formulations during the quarter with expected gradual ramp up through FY23. Positive outlook backed by new project delivery, pipeline expansion and favourable market tailwinds in CRAMS has led to company targeting US\$1 billion revenues in FY23. Laurus has multiple planned capacity expansions in portfolio based on complexity and scale towards strengthening and diversifying business by an increased focus on Non-ARV APIs and Formulations and high-growth CRAMS segments.

### Q1FY23 Earnings Conference Call highlights

- Q1FY23 witnessed continued raw material inflation while supply side issues are gradually improving as China opens up post-Covid shutdown
- In APIs space, ARV APIs volumes and prices are expected to stabilise at current levels. Management has guided high order book visibility for non-ARV and non-Onco APIs.
- In Formulations space, pricing environment remains depressed in ARVs. Utilization levels at new formulations facility is likely to pick-up by end of CY22. In ARVs volume offtake has not slowed down. Management guiding for pick-up in sales from Q2FY23.
- ARVs contribution: 42% (API:25%, Formulations:17%) of sales for Q1FY23. ARVs prices have decreased by 15% in Q1FY23 versus 10% till Q4FY22.
- In Synthesis, there is no-offs in current quarter. Supplies for one global life science company is ongoing currently while for the another Multi-year – Multi-product contract with a global life science company is on fast-track with work on-going for dedicated facility and management guided for plant qualification by H2FY24. One NCE validation ongoing at current site. Laurus has 7 commercial products (3 APIs and 4 intermediates).
- Laurus Bio's new 1 million litre capacity contribution can be expected from FY25. Management guided for flat FY24 amid capacity constraints.
- Capex guidance for FY23 and FY24 at ₹ 2,000 crore (50%: Sytnesis, Rest all is for Non ARV (APIs:66% + Formulations:33%)).

Exhibit 1: Variance Analysis

	Q1FY23	Q1FY23E	Q1FY22	YoY (%)	Q4FY22	QoQ (%)	Comments
Revenue	1,538.9	1,454.8	1,278.5	20.4	1,424.8	8.0	YoY growth driven by CDMO-Synthesis business
Raw Material Expenses	653.0	683.8	553.8	17.9	683.3	-4.4	
Gross margins (%)	57.6	53.0	56.7	88.9	52.0	552.5	YoY increase amid better mix towards CDMO offsetting depressed pricing in ARV business
Employee Expenses	152.0	130.9	127.3	19.4	129.4	17.5	
Other Expenditure	279.8	214.6	202.0	38.5	215.5	29.8	
EBITDA	454.2	425.5	395.4	14.9	396.7	14.5	
EBITDA (%)	29.5	29.3	30.9	-141.1	27.8	166.9	YoY decline mainly due to higher other expenses and adverse operating leverage in formulations business
Interest	29.3	29.6	26.6	9.9	30.6	-4.3	
Depreciation	70.8	80.7	58.5	20.9	65.7	7.7	
Other Income	1.8	7.3	5.9	-70.1	1.3	35.7	
PBT before EO & Forex	355.9	322.5	316.1	12.6	301.7	18.0	
Forex & EO	0.0	0.0	0.0		0.0		
PBT	355.9	322.5	316.1	12.6	301.7	18.0	
Tax	103.3	72.6	74.4	38.8	69.8	48.0	YoY increase due to the change in SEZ profits exemption to 50% from FY23 for a period of 5 years
PAT before MI	252.5	249.9	241.6	4.5	231.9	8.9	
MI	1.0	1.3	0.2		1.2		
Net Profit	251.3	248.6	241.4	4.1	230.5	9.0	Delta vis-à-vis EBITDA on back of higher depreciation and tax expense along with lower other income
<b>Key Metrics</b>							
Anti-Viral API	379.0	310.0	413.3	-8.3	296.5	27.8	
Oncology API	64.1	76.9	59.2	8.4	70.1	-8.5	
Other APIs	139.9	146.2	77.0	81.8	172.5	-18.9	
<b>API</b>	583.0	533.1	549.4	6.1	539.0	8.2	YoY gradual recovery in APIs as ARV business continued to witness healthy sequential improvement
<b>Formulations</b>	349.0	521.0	521.0	-33.0	491.0	-28.9	YoY decline due to drag by lower ARV business while higher generic volumes in developed markets was offset by pricing pressure
<b>GRAMS</b>	577.0	360.8	195.0	195.9	360.0	60.3	YoY growth led by solid demand from new and existing clients
<b>Laurus Bio</b>	30.0	40.0	14.0	114.3	35.0	-14.3	YoY increase as fully operational benefits of new capacities to reflect through FY23

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

₹ Crore)	FY23E			FY24E			Comments
	Old	New	% Change	Old	New	% Change	
Revenue	6,439.4	6,622.1	2.8	7,750.4	8,112.4	4.7	Changed estimates due to ramp-up of executions in Synthesis
EBITDA	1,846.2	1,929.7	4.5	2,327.4	2,454.3	5.5	
EBITDA Margin (%)	28.7	29.1	47 bps	30.0	30.3	23 bps	Guidance to maintain ~ 30% margin profile
PAT	1,107.7	1,113.9	0.6	1,426.0	1,448.3	1.6	
EPS (₹)	20.6	20.7	0.6	26.5	27.0	1.6	

Source: ICICI Direct Research

Exhibit 3: Assumptions

₹ crore)	Current				Earlier		Comments
	FY21	FY22	FY23E	FY24E	FY23E	FY24E	
Anti-Viral API	1,852.0	1,250.5	1,503.8	1,579.0	1,437.2	1,581.0	Changed mainly due to increase in pricing pressure
Oncology API	263.0	287.8	321.0	359.5	343.5	412.2	Changed mainly due to lower-than-expected growth in Q1FY23
Other APIs	506.0	501.1	651.0	813.7	725.6	943.3	
<b>API</b>	2,621.0	2,039.4	2,475.7	2,752.2	2,506.4	2,936.5	
<b>Formulations</b>	1,664.0	1,880.0	1,973.7	2,472.5	2,349.9	2,702.4	Changed mainly due to lower offtake and gradual ramp-up
<b>GRAMS</b>	519.0	917.0	2,042.8	2,757.8	1,423.1	1,921.1	Changed mainly due to better demand outlook and new order inflow

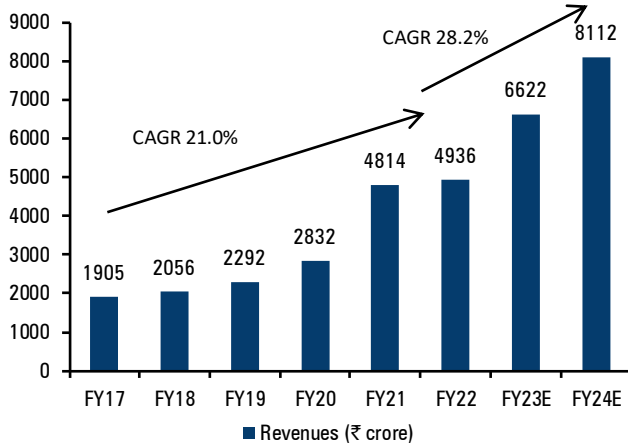
Source: ICICI Direct Research

Exhibit 4: Financial Summary

	Revenues	Growth	Adj. EPS	Growth	P/E	EV/EBITDA	RoNW	RoCE
	(₹ crore)	(%)	(₹)	(%)	(x)	(X)	(%)	(%)
FY21	4814	70.0	18.3	285.3	29.4	19.6	37.9	31.7
FY22	4936	2.5	15.4	-15.9	35.0	21.7	24.7	21.3
FY23E	6622	34.2	20.7	34.6	26.0	16.1	25.6	23.6
FY24E	8112	22.5	27.0	30.0	20.0	12.5	25.6	26.0

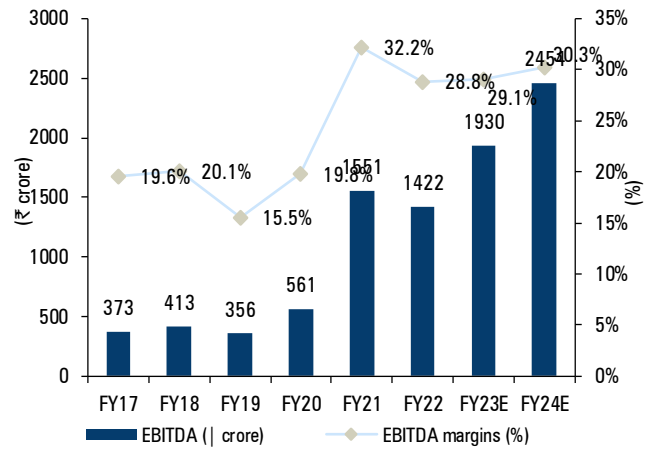
Source: ICICI Direct Research

Exhibit 5: Revenues to grow at 28.2% CAGR in FY22-24E



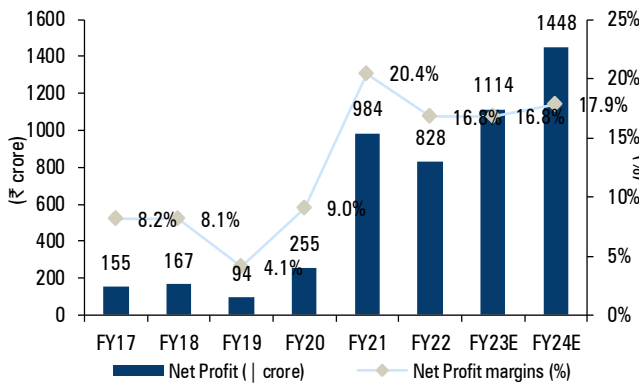
Source: ICICI Direct Research, Company

Exhibit 6: EBITDA & EBITDA margins trend



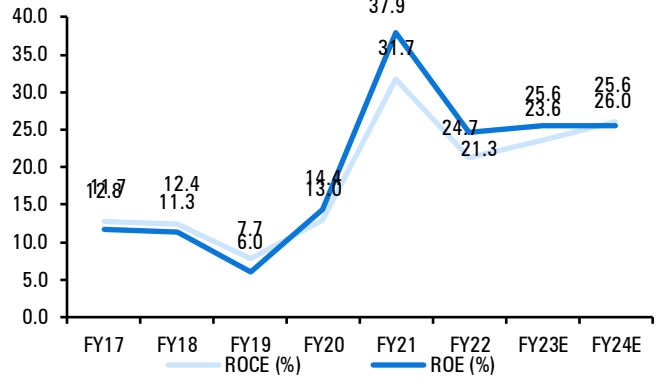
Source: ICICI Direct Research, Company

Exhibit 7: PAT & PAT margins trend



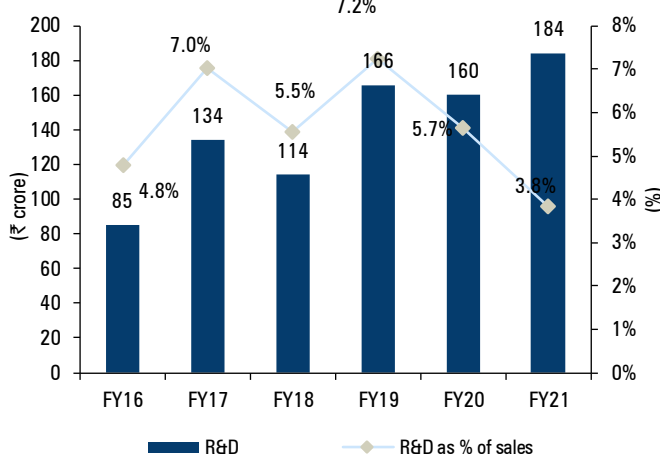
Source: ICICI Direct Research, Company

Exhibit 8: RoE & RoCE trend



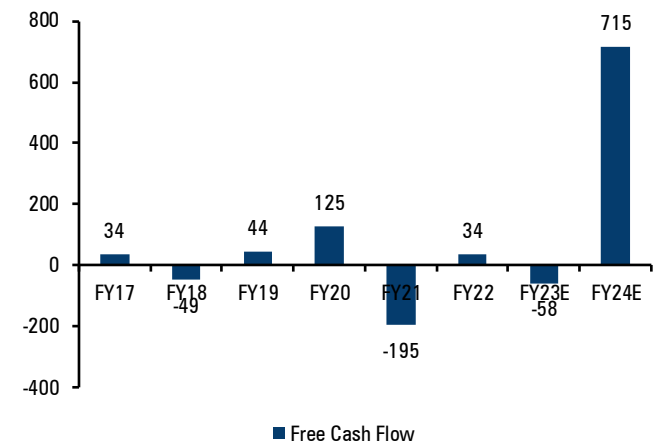
Source: ICICI Direct Research, Company

Exhibit 9: R&D trend



Source: ICICI Direct Research, Company

Exhibit 10: Positive free cash flow generation, going ahead



Source: ICICI Direct Research, Company

Exhibit 11: Trends in Quarterly Performance

(₹ Crore)	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	YoY (%)	QoQ (%)
Total Operating Income	550.6	712.4	729.6	839.1	974.3	1138.8	1288.4	1411.9	1278.5	1203.5	1028.8	1424.8	1538.9	20.4	8.0
Raw Material Expenses	274.6	360.0	360.6	418.3	446.1	501.3	583.1	627.8	553.8	532.7	424.0	683.3	653.0	17.9	-4.4
% of revenue	49.9	50.5	49.4	49.8	45.8	44.0	45.3	44.5	43.3	44.3	41.2	48.0	42.4	-89 bps	-553 bps
Gross Profit	276.0	352.4	369.0	420.8	528.3	637.6	705.3	784.2	724.7	670.8	604.7	741.6	886.0	22.3	19.5
Gross Profit Margin (%)	50.1	49.5	50.6	50.2	54.2	56.0	54.7	55.5	56.7	55.7	58.8	52.0	57.6	89 bps	553 bps
Employee Expenses	80.3	88.0	88.4	88.1	111.6	108.1	100.6	113.8	127.3	122.9	122.0	129.4	152.0	19.4	17.5
% of revenue	14.6	12.3	12.1	10.5	11.5	9.5	7.8	8.1	10.0	10.2	11.9	9.1	9.9	-8 bps	80 bps
Other Manufacturing Expenses	112.4	126.7	132.4	140.9	138.4	155.6	178.4	198.2	202.0	202.9	197.5	215.5	279.8	38.5	29.8
% of revenue	20.4	17.8	18.1	16.8	14.2	13.7	13.8	14.0	15.8	16.9	19.2	15.1	18.2	238 bps	306 bps
Total Expenditure	467.3	574.6	581.4	647.4	696.0	765.0	862.1	939.7	883.2	858.4	743.5	1028.1	1084.8	22.8	5.5
% of revenue	84.9	80.7	79.7	77.1	71.4	67.2	66.9	66.6	69.1	71.3	72.3	72.2	70.5	141 bps	-167 bps
EBITDA	83.3	137.8	148.2	191.8	278.3	373.9	426.3	472.2	395.4	345.1	285.3	396.7	454.2	14.9	14.5
EBITDA Margins (%)	15.1	19.3	20.3	22.9	28.6	32.8	33.1	33.4	30.9	28.7	27.7	27.8	29.5	-141 bps	167 bps
Depreciation	45.8	47.8	47.6	46.1	48.8	51.0	51.6	53.6	58.5	63.2	64.0	65.7	70.8	20.9	7.7
Interest	22.5	25.6	20.8	20.7	15.1	13.7	17.4	21.9	26.6	22.1	23.1	30.6	29.3	9.9	-4.3
Other Income	4.5	1.4	1.9	1.7	7.1	5.1	6.9	4.5	5.9	2.8	5.3	1.3	1.8	-70.1	35.7
Forex & EO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
PBT	19.4	65.8	81.7	126.7	221.5	314.3	364.2	401.2	316.1	262.6	203.5	301.7	355.9	12.6	18.0
Total Tax	4.3	9.2	8.2	16.6	49.7	72.0	91.3	104.3	74.4	58.6	48.5	69.8	103.3	38.8	48.0
Tax rate (%)	22.1	14.0	10.1	13.1	22.4	22.9	25.1	26.0	23.6	22.3	23.8	23.1	29.0	548 bps	590 bps
PAT	15.1	56.6	73.5	110.2	171.8	242.3	272.9	296.9	241.6	204.0	155.0	231.9	252.5	4.5	8.9
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	2.1	1.2	1.2	1.0		
PAT after MI	15.1	56.6	73.5	110.2	171.8	242.3	272.9	296.7	241.4	201.9	153.8	230.7	251.6	4.2	9.1
EPS (₹)	0.3	1.1	1.4	2.0	3.2	4.5	5.1	5.5	4.5	3.8	2.9	4.3	4.7		
No. of Equity Shares (Diluted)	53.7	53.7	53.7	53.7	53.7	53.7	53.7	53.7	53.7	53.7	53.7	53.7	53.7		

Source: ICICI Direct Research

Exhibit 12: 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
<b>MNC Pharma</b>																					
Abbott India	ABBIND	19656	20,560	Buy	41768	325.0	375.9	439.8	514.0	60.5	52.3	44.7	38.2	33.8	36.6	37.9	36.3	26.5	28.3	29.5	28.1
Pfizer	PFIZER	4163	4,810	Hold	19046	108.8	133.9	140.4	160.3	38.3	31.1	29.6	26.0	27.6	26.1	23.5	23.0	20.8	21.4	19.2	18.7
Sanofi India	SANOFI	6334	6,885	Hold	14588	207.4	410.1	270.5	264.8	30.5	15.4	23.4	23.9	32.3	33.3	41.1	50.7	24.5	25.9	31.2	38.7
Pfizer	PFIZER	4163	4,810	Hold	19046	108.8	133.9	140.4	160.3	38.3	31.1	29.6	26.0	27.6	26.1	23.5	23.0	20.8	21.4	19.2	18.7
<b>Pharma</b>																					
Ajanta Pharma	AJAPHA	1271	1,305	Hold	16279	51.0	55.6	55.6	65.2	24.9	22.8	22.9	19.5	29.0	27.0	23.3	23.5	21.8	21.8	18.7	18.8
Alembic Pharma	ALEMPHA	703	720	Hold	13810	62.8	27.8	29.7	35.9	11.2	25.3	23.7	19.6	25.1	10.6	11.2	13.8	24.1	10.4	10.3	11.3
Biocon	BIOCON	306	320	Hold	36792	6.3	5.7	5.5	11.3	48.9	53.8	56.2	27.0	7.7	7.5	4.1	6.5	9.9	8.1	2.8	5.5
Cipla	CIPLA	969	1,095	Buy	78172	29.9	32.9	36.2	42.5	32.4	29.4	26.8	22.8	16.3	16.7	16.7	17.7	13.1	12.7	12.6	13.3
Dr Reddy's Labs	DRREDD	4220	4,960	Buy	70232	117.3	127.9	187.1	218.0	36.0	33.0	22.6	19.4	13.1	13.0	17.8	20.2	11.1	11.1	14.3	14.7
Glenmark Pharma	GLEPHA	379	460	Hold	10690	32.9	42.7	41.0	48.3	11.5	8.9	9.3	7.8	13.9	14.8	14.5	15.4	13.1	13.2	11.4	11.9
Ipca Laboratories	IPCLAB	993	1,000	Hold	25203	44.9	34.8	32.7	39.9	22.1	28.5	30.4	24.9	27.1	17.4	16.2	17.4	24.2	16.1	13.4	14.4
Jubilant Pharmova	JUBLIF	356	410	Hold	5670	37.4	26.0	24.2	31.4	9.5	13.7	14.7	11.3	13.7	9.0	7.7	9.4	12.6	7.8	6.8	8.2
Lupin	LUPIN	639	610	Hold	29052	26.9	11.9	18.7	30.5	23.8	53.8	34.1	21.0	9.6	3.4	7.6	11.2	8.8	4.4	6.6	9.8
Natco Pharma	NATPHA	687	820	Hold	12540	24.2	9.3	28.3	33.2	28.4	73.8	24.3	20.7	13.1	4.6	13.3	14.1	10.7	4.0	11.0	11.6
Sun Pharma	SUNPHA	891	1,070	Buy	213853	30.0	32.0	32.6	38.3	29.7	27.9	27.3	23.3	14.2	18.2	17.7	18.2	15.5	16.0	14.3	14.7
Torrent Pharma	TORPHA	1502	1,615	Hold	50850	37.0	32.0	43.4	53.9	40.6	46.9	34.6	27.9	17.6	19.7	24.3	29.1	21.4	18.2	20.8	21.6
Indoco Remedies	INDREM	380	510	Buy	3505	10.1	16.8	21.8	28.4	37.7	22.6	17.4	13.4	11.7	17.5	18.8	24.9	12.1	17.1	18.7	20.2
Caplin Point	CAPPOI	760	895	Buy	5759	81.7	85.3	68.3	70.8	9.3	8.9	11.1	10.7	25.3	23.7	22.5	0.0	20.4	20.2	18.5	17.5
Advanced Enzymes	ADVENZ	286	290	Hold	3199	13.1	10.7	10.2	13.2	21.9	26.7	28.0	21.8	19.4	14.3	12.6	14.7	15.1	11.0	9.6	11.1
Hester Biosciences	HESPHA	2217	2,445	Hold	1886	44.4	45.7	41.3	63.2	49.9	48.5	53.7	35.1	16.2	10.9	9.9	13.4	16.5	15.0	12.2	16.3
<b>API/CRAMS</b>																					
Divis Lab	DIVLAB	3833	4,655	Buy	101741	74.7	111.5	105.7	122.5	51.3	34.4	36.3	31.3	27.6	30.2	25.8	25.5	21.3	25.2	20.3	20.0
Hikal	HIKCHE	249	340	Buy	3068	10.8	13.0	11.1	19.0	23.0	19.1	22.5	13.1	15.1	13.6	10.9	16.3	14.3	15.0	11.5	16.8
Syngene Int.	SYNINT	570	710	Buy	22896	10.1	9.9	11.5	14.6	56.3	57.8	49.5	39.1	11.5	11.7	12.8	15.2	13.5	12.9	12.4	13.7
Granules India	GRANUL	298	345	Buy	7392	22.2	16.6	19.6	24.6	13.5	17.9	15.2	12.1	24.0	15.6	16.8	18.6	25.3	16.0	16.0	16.9
Laurus Labs	LAULAB	524	675	Buy	28150	18.3	15.4	20.7	27.0	28.6	34.0	25.3	19.4	31.7	21.3	23.6	26.0	37.9	24.7	25.6	25.6
Suven Pharmaceuticals	SUVPH	468	555	Hold	11914	14.2	17.8	17.0	18.5	32.9	26.3	27.5	25.2	31.2	37.5	28.5	26.0	30.7	29.7	23.0	20.8

Source: ICICI Direct Research

## Financial Summary

Exhibit 13: Profit and loss statement				
	₹ crore			
(Year-end March)	FY21	FY22	FY23E	FY24E
<b>Revenues</b>	<b>4,813.5</b>	<b>4,935.6</b>	<b>6,622.1</b>	<b>8,112.4</b>
Growth (%)	70.0	2.5	34.2	22.5
Raw Material Expenses	2,158.2	2,193.8	2,956.6	3,589.4
Employee Expenses	434.1	501.5	660.3	811.2
Other Manufacturing Expenses	670.6	817.8	1,075.4	1,257.4
Total Operating Expenditure	3,262.8	3,513.1	4,692.4	5,658.1
<b>EBITDA</b>	<b>1,550.7</b>	<b>1,422.4</b>	<b>1,929.7</b>	<b>2,454.3</b>
Growth (%)	176.4	-8.3	35.7	27.2
Interest	68.2	102.4	145.5	134.0
Depreciation	205.1	251.5	307.6	399.7
Other Income	23.7	15.3	7.5	9.2
PBT before Exceptional Items	1,301.1	1,083.9	1,484.2	1,929.8
Less: Forex & Exceptional Items	0.0	0.0	0.0	0.0
PBT	1,301.1	1,083.9	1,484.2	1,929.8
Total Tax	317.3	251.4	365.1	474.7
PAT before MI	983.8	832.4	1,119.1	1,455.1
Minority Interest	0.2	4.7	4.9	6.8
<b>PAT</b>	<b>983.6</b>	<b>827.5</b>	<b>1,113.9</b>	<b>1,448.3</b>
Adjusted PAT	983.6	827.5	1,113.9	1,448.3
Growth (%)	285.3	-15.9	34.6	30.0
EPS	18.3	15.4	20.7	27.0
<b>EPS (Adjusted)</b>	<b>18.3</b>	<b>15.4</b>	<b>20.7</b>	<b>27.0</b>

Source: Company, ICICI Direct Research

Exhibit 14: Cash flow statement				
	₹ crore			
(Year-end March)	FY21	FY22	FY23E	FY24E
Profit/(Loss) after taxation	1,072.6	901.6	1,113.9	1,448.3
Add: Depreciation & Amortization	205.1	251.5	307.6	399.7
Net Increase in Current Assets	-1,199.1	-241.7	-1,067.5	-721.5
Net Increase in Current Liabilities	605.1	-100.0	442.8	454.0
Others	49.4	99.6	145.5	134.0
<b>CF from operating activities</b>	<b>733.1</b>	<b>911.1</b>	<b>942.2</b>	<b>1,714.5</b>
(Inc)/dec in Investments	-0.2	-39.3	27.4	0.0
(Inc)/dec in Fixed Assets	-928.4	-876.7	-1,000.0	-1,000.0
Others	-12.4	2.1	16.5	18.2
<b>CF from investing activities</b>	<b>-941.0</b>	<b>-913.9</b>	<b>-956.1</b>	<b>-981.8</b>
Inc / (Dec) in Equity Capital	7.4	4.3	0.0	0.0
Proceeds/(Repayment) Loan	391.1	270.2	300.0	-300.0
Dividend & Dividend Tax	-75.0	-85.9	-111.4	-144.8
Interest	-58.0	-85.0	-145.5	-134.0
Others	-10.67	-73.43	0.00	0.00
<b>CF from financing activities</b>	<b>254.7</b>	<b>30.3</b>	<b>43.1</b>	<b>-578.8</b>
Net Cash flow	46.8	27.4	29.2	153.8
Opening Cash	1.7	48.5	75.9	105.2
<b>Closing Cash</b>	<b>48.5</b>	<b>75.9</b>	<b>105.2</b>	<b>259.0</b>
FCF	-195.3	34.4	-57.8	714.5

Source: Company, ICICI Direct Research

Exhibit 15: Balance Sheet				
	₹ crore			
(Year-end March)	FY21	FY22	FY23E	FY24E
Equity Capital	107.3	107.5	107.5	107.5
Reserve and Surplus	2,490.2	3,243.7	4,246.2	5,549.6
Total Shareholders fund	2,597.6	3,351.2	4,353.7	5,657.1
Total Debt	1,481.7	1,914.6	2,214.6	1,914.6
Minority Interest	3.2	7.9	7.9	7.9
Deferred Tax Liability	19.2	69.1	76.0	83.6
Other Non Current Liabilities	155.0	150.2	165.3	181.8
Long term Provisions	63.2	72.7	79.9	87.9
<b>Source of Funds</b>	<b>4,319.8</b>	<b>5,565.6</b>	<b>6,897.3</b>	<b>7,932.9</b>
Gross Block - Fixed Assets	2,781.7	3,510.7	4,510.7	5,710.7
Accumulated Depreciation	857.4	1,104.5	1,412.1	1,811.9
Net Block	1,924.3	2,406.2	3,098.6	3,898.8
Capital WIP	362.2	813.2	813.2	613.2
Net Fixed Assets	2,286.5	3,219.4	3,911.8	4,512.1
Total Intangible Assets	0.0	0.0	0.0	0.0
Investments	3.4	30.8	3.4	3.4
Goodwill on Consolidation	246.3	246.3	246.3	246.3
Inventory	1,575.5	1,760.3	2,361.8	2,671.1
Cash	48.5	75.9	105.2	259.0
Debtors	1,306.1	1,354.2	1,816.9	2,225.8
Loans & Advances & Other CA	0.0	0.0	0.0	0.0
Total Current Assets	3,074.9	3,344.6	4,441.4	5,316.8
Creditors	1,178.7	876.4	1,266.6	1,662.7
Provisions & Other CL	252.2	526.0	578.6	636.5
Total Current Liabilities	1,430.9	1,402.4	1,845.2	2,299.2
Net Current Assets	1,644.0	1,942.2	2,596.2	3,017.6
LT L&A, Other Assets	139.6	126.9	139.6	153.6
Deferred Tax Assets	0.0	0.0	0.0	0.0
<b>Application of Funds</b>	<b>4,319.8</b>	<b>5,565.7</b>	<b>6,897.3</b>	<b>7,932.9</b>

Source: Company, ICICI Direct Research

Exhibit 16: Key ratios				
(Year-end March)	FY21	FY22	FY23E	FY24E
<b>Per share data (₹)</b>				
EPS	18.3	15.4	20.7	27.0
Cash EPS	19.4	18.5	24.4	31.7
BV per share	48.3	62.4	81.0	105.3
DPS	2.7	1.5	2.1	2.7
Cash Per Share	16.0	20.6	26.3	33.7
<b>Operating Ratios (%)</b>				
Gross margins	55.2	55.5	55.4	55.8
EBITDA margins	32.2	28.8	29.1	30.3
Net Profit margins	20.4	16.8	16.8	17.9
Cash Conversion cycle	166.1	247.2	235.4	202.7
Asset Turnover	1.7	1.4	1.5	1.4
EBITDA conversion rate	47.3	64.1	48.8	69.9
<b>Return Ratios (%)</b>				
RoE	37.9	24.7	25.6	25.6
RoCE	31.7	21.3	23.6	26.0
RoIC	34.4	25.0	27.1	29.1
<b>Valuation Ratios (x)</b>				
P/E	29.4	35.0	26.0	20.0
EV / EBITDA	19.6	21.7	16.1	12.5
EV / Revenues	6.3	6.2	4.7	3.8
Market Cap / Revenues	6.0	5.9	4.4	3.6
Price to Book Value	11.2	8.6	6.7	5.1
<b>Solvency Ratios</b>				
Debt / Equity	0.6	0.6	0.5	0.3
Debt / EBITDA	1.0	1.3	1.1	0.8
Current Ratio	2.1	2.3	2.4	2.2

Source: Company, ICICI Direct Research

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