

## Revenues strong but margins tank due to one-offs...

Q4FY20 results were a mixed bag. Revenues grew 32.4% YoY to ₹ 682 crore mainly due to 88% growth in US business to ₹ 143 crore and 46.2% growth in Asia revenues to ₹ 209 crore. Domestic revenues grew 11.3% YoY to ₹ 177.0 crore. EBITDA margins declined 248 bps to 22.2% mainly due to sales write-off impact due to Ranitidine issue in the US. EBITDA grew 19.1% YoY to ₹ 151.3 crore. Adjusted net profit grew 48.1% YoY to ₹ 131.7 crore. Delta vis-à-vis EBITDA was mainly due to higher other income, partially offset by a higher tax rate (26.6% vs. 18.6% Q4FY19).

## Domestic formulations: Focus on new launches, few therapies

Domestic formulations comprise 30% of FY20 revenues. Main distinguishing factor is the uncanny knack of launching maximum number of first time launches with focus on new drug delivery system (NDDS). Out of 270+ actively marketed brands, ~60% were first time launches. However, a slowdown in dermatology segment due to higher competition in existing products and slow offtake in new launches are some near term challenges. We expect domestic formulations to grow at ~12% CAGR in FY20-22E to ₹ 965 crore to be driven by existing products & new launches.

## Exports traction from EMs; US generics shaping up

The company derives export revenues (70% of FY20 revenues) from emerging markets such as Africa (Franco Africa), Asia and from the US. In emerging markets, as opposed to the common practice of forging alliances with regional pharma players, its front-end marketing team interacts directly with doctors. The US foray is also getting momentum. Despite volatility in African tender business, the overall export formulations CAGR has been steady at 11% during FY16-20. We expect export formulations to grow at 12.3% CAGR in FY20-22E to ₹ 2257 crore driven by Asia and African branded business and strong growth in the US.

## Valuation & Outlook

The overall FY20 performance was robust, both on the sales and margins with growth of 26% and 23%, respectively. Despite a lower base and some extra windfall from African tender business, the core branded business registered healthy growth. The management continues to guide for 10-11% growth for branded business (India, Asia, Africa- ~70% of the sales) and ~20% growth for the US. On the margins front, change in product mix (increase US revenues) notwithstanding, the management expects ~100 bps improvement, going ahead, with improving operating leverage and moderating capex. Overall, calculated focus, healthy margins and return profile and lighter balance sheet are some key differentiators for Ajanta. The company remains a play on global branded generics space. We arrive at our target price of ₹ 1730 based on 24x FY22E EPS of ₹ 72.0.



### Particulars

Particular	Amount
Market Capitalisation	₹13002 crore
Debt (FY 20)	₹44 crore
Cash (FY 20)	₹205 crore
EV	₹12840 crore
52 week H/L	1580/825
Equity capital	₹17.5 crore
Face value	₹2

### Key Highlights

- Q4 numbers were a mixed bag. Revenues were better-than-expected due to robust growth in branded export formulations while Ranitidine related write-off impacted EBITDA margins
- Guided for 10-11% growth in branded business and 20% CAGR over FY20-22E for the US
- Maintain BUY

### Research Analyst

Siddhant Khandekar  
siddhant.khandekar@icicisecurities.com

Mitesh Shah, CFA  
mitesh.shah@icicisecurities.com

Sudarshan Agarwal  
sudarshan.agarwal@icicisecurities.com

### Key Financial Summary

₹Crore	FY19	FY20	FY21E	FY22E	CAGR FY20-22 (%)
Revenues	2053.0	2587.9	2861.4	3286.4	12.7
EBITDA	555.8	683.3	788.3	953.1	18.1
EBITDA margins (%)	27.1	26.4	27.5	29.0	
Net Profit	384.6	467.7	494.9	636.1	16.6
EPS (₹)	43.5	53.4	56.0	72.0	
PE (x)	34.2	28.1	26.6	20.7	
M.Cap/ Revenues (x)	6.4	5.1	4.6	4.0	
EV to EBITDA (x)	23.5	18.9	16.3	13.3	
RoCE (%)	21.8	24.7	22.3	24.2	
ROE	17.1	18.1	16.7	18.5	

Source: ICICI Direct Research

## Exhibit 1: Variance Analysis

	Q4FY20	Q4FY20E	Q4FY19	Q3FY20	YoY (%)	QoQ (%)	Comments
Revenue	682.0	634.1	515.2	651.2	32.4	4.7	YoY growth and beat vis-à-vis I-direct estimates mainly due to robust growth in branded export formulations
Raw Material Expenses	177.6	155.4	105.5	169.1	68.3	5.0	A 556 bps YoY contraction in gross margins mainly due to write-off of Ranitidine sales
Employee Expenses	129.5	123.7	107.4	120.4	20.6	7.6	
Other Expenditure	223.5	190.2	175.2	175.8	27.6	27.2	
Total Operating Expenditure	530.6	469.2	388.1	465.2	36.7	14.1	
EBITDA	151.3	164.9	127.1	186.0	19.1	-18.6	
EBITDA (%)	22.2	26.0	24.7	28.6	-248 bps	-637 bps	YoY decline and miss vis-à-vis I-direct estimates mainly due to write-off of Ranitidine sales and ₹ 15 crore of forex loss
Interest	3.6	1.6	0.8	1.6	370.1	130.6	
Depreciation	26.0	23.6	18.8	23.6	38.9	10.3	
Other income	56.7	14.3	1.6	14.6	3,377.9	287.2	
PBT before EO	178.4	154.0	109.2	175.4	63.4	1.7	
Less: Exceptional Items	2.5	0.0	0.0	0.3	0.0	638.2	
PBT	175.9	154.0	109.2	175.1	61.1	0.4	
Tax	46.7	24.6	20.3	67.6	130.0	-30.9	
MI & Share of loss/ (gain) as	0.0	0.0	0.0	0.0	0.0	0.0	
Adj. Net Profit	131.7	129.3	88.9	107.9	48.1	22.0	Delta vis-à-vis EBITDA mainly due to higher other income
<b>Key Metrics</b>							
India	177.0	177.6	159.0	195.0	11.3	-9.2	YoY growth mainly due to strong growth in pain, ophthalmic and cardiac segments
Africa - Branded	95.0	81.0	75.0	80.0	26.7	18.8	Strong YoY growth was mainly due to lower base
Africa - Tender	43.0	46.0	46.0	49.0	-6.5	-12.2	
Asia	209.0	157.3	143.0	158.0	46.2	32.3	Strong YoY growth mainly due to lower base
US	143.0	157.2	76.0	159.0	88.2	-10.1	YoY robust growth mainly due to increased market share and volume gains in key products
Total Export	491.0	444.0	342.4	448.0	43.4	9.6	

Source: ICICI Direct Research

## Exhibit 1: Change in Estimates

	FY21E			FY22E			Comments
(₹ Crore)	Old	New	% Change	Old	New	% Change	
Revenue	2,909.9	2,861.4	-1.7	3,294.4	3,286.4	-0.2	
EBITDA	814.8	788.3	-3.3	955.4	953.1	-0.2	
EBITDA Margin (%)	28.0	27.5	-45 bps	29.0	29.0	0 bps	
PAT	560.1	494.9	-11.6	673.4	636.1	-5.5	Changed mainly due to change in tax assumptions as per management guidance
EPS (₹)	63.4	56.0	-11.6	76.2	72.0	-5.5	

Source: ICICI Direct Research

## Exhibit 2: Change in Estimates

	Current			Earlier			Comments
(₹ crore)	FY19	FY20	FY21E	FY22E	FY21E	FY22E	
Domestic	690.0	769.0	853.3	965.2	863.1	967.3	
Africa	502.0	594.0	574.1	634.0	628.9	665.8	Changed as per management guidance
Asia	528.0	674.0	723.3	838.3	682.6	750.8	Changed as per management guidance
US	283.0	515.0	647.0	776.4	668.9	836.2	Changed as per management guidance

Source: ICICI Direct Research

## Exhibit 3: Trends in quarterly financials

(₹crore)	14FY17	11FY18	12FY18	13FY18	14FY18	11FY19	12FY19	13FY19	14FY19	11FY20	12FY20	13FY20	14FY20	YoY (%)	QoQ (%)
Total Operating Income	476.8	484.0	540.4	587.1	530.3	511.0	544.1	485.1	512.8	611.9	642.8	651.2	682.0	33.0	4.7
Raw Material Expense	92.3	93.6	109.0	110.0	93.8	84.1	95.9	97.9	105.5	142.5	166.5	169.1	177.6	68.3	5.0
% of Revenue	19.3	19.3	20.2	18.7	17.7	16.5	17.6	20.2	20.6	23.3	25.9	26.0	26.0	546 bps	8 bps
Gross Profit	384.6	390.4	431.4	477.1	436.6	426.9	448.2	387.2	407.3	469.4	476.3	482.1	504.4	23.8	4.6
GPM (%)	80.7	80.7	79.8	81.3	82.3	83.5	82.4	79.8	79.4	76.7	74.1	74.0	74.0	-546 bps	-8 bps
Employee Expense	75.5	86.7	89.4	95.2	105.2	104.8	105.8	112.8	107.4	118.3	117.4	120.4	129.5	20.6	7.6
% of Revenue	15.8	17.9	16.5	16.2	19.8	20.5	19.4	23.2	20.9	19.3	18.3	18.5	19.0	-196 bps	50 bps
Other Expenditure	148.2	162.1	158.2	184.3	191.9	164.6	176.2	167.1	175.2	182.7	181.2	175.8	223.5	27.6	27.2
% of Revenue	31.1	33.5	29.3	31.4	36.2	32.2	32.4	34.5	34.2	29.9	28.2	27.0	32.8	-138 bps	579 bps
Total Expenditure	315.9	342.4	356.7	389.6	390.8	353.5	377.9	377.8	388.1	443.6	465.1	465.2	530.6	36.7	14.1
% of Revenue	66.3	70.8	66.0	66.4	73.7	69.2	69.5	77.9	75.7	72.5	72.4	71.4	77.8	213 bps	637 bps
EBITDA	160.9	141.6	183.7	197.5	139.5	157.5	166.2	107.3	124.7	168.4	177.6	186.0	151.3	21.3	-18.6
EBITDA Margin (%)	33.7	29.2	34.0	33.6	26.3	30.8	30.5	22.1	24.3	27.5	27.6	28.6	22.2	-213 bps	-637 bps
Other Income	2.4	1.5	9.2	15.2	5.2	8.1	15.2	4.4	1.6	7.6	13.2	14.6	56.7	3377.9	287.2
Interest	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	0.0	0.0
Depreciation	18.9	13.4	14.6	15.0	16.6	17.2	17.5	18.7	18.8	22.8	23.3	23.6	26.0	38.9	10.3
PBT	143.3	128.6	177.3	196.6	127.1	147.4	162.9	92.0	106.6	152.2	166.5	176.0	180.9	69.8	2.8
Total Tax	30.0	23.9	46.4	50.1	33.5	42.5	38.5	26.1	20.3	36.8	45.2	67.6	46.7	130.0	-30.9
Tax rate (%)	20.9	18.6	26.2	25.5	26.4	28.8	23.6	28.3	19.0	24.2	27.1	38.4	25.8	676 bps	-1258 bps
PAT	114.0	94.8	131.9	147.5	94.5	105.8	125.4	66.9	88.9	114.6	116.4	107.6	129.2	45.3	20.1
PAT Margin (%)	23.9	19.6	24.4	25.1	17.8	20.7	23.0	13.8	17.3	18.7	18.1	16.5	18.9	161 bps	242 bps

Source: ICICI Direct Research

## Company Background

Established in 1973, Ajanta Pharma (Ajanta) is mainly into exports as well as domestic formulations. As of FY20, the exports: domestic formulation ratio was at 70:30. The company owns eight manufacturing facilities- four in Aurangabad (Maharashtra), one each in Dahej (Gujarat), Guwahati (Assam), the newly operationalized Pithampur (Madhya Pradesh) and Mauritius. Of these facilities, only one in Aurangabad is an API facility. The rest are all formulations. Consolidated revenues, EBITDA and PAT have grown at a CAGR of 10.3%, 4% and 3.2%, respectively, in FY16-20. Ajanta Pharma (Ajanta) had come out with a maiden IPO in March 2000. It raised ₹ 68 crore, which was earmarked for capacity expansion and debt repayment.

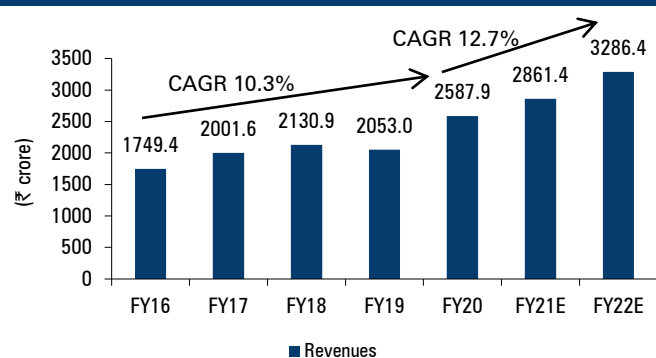
Domestic formulations constitute 30% of the total consolidated turnover (FY19). This segment has been further segregated into two sub-segments- 1) branded formulations and 2) institutional business. Initially, the company was catering to the institutional business. The institutional sub-segment accounts for ~8% of domestic formulations and is mainly confined to government and institutional tenders. It is only in the last 10 years that the focus shifted to the branded formulations business, which now accounts for 92% of domestic formulations.

The company focuses on only a few so called specialty therapies – ophthalmology, dermatology and cardiology. Together, these therapies constitute ~92% of domestic branded formulations. Ajanta invested heavily in the technology and field force, especially in the first five years after the changed focus. The focus was also to offer novel delivery system. From

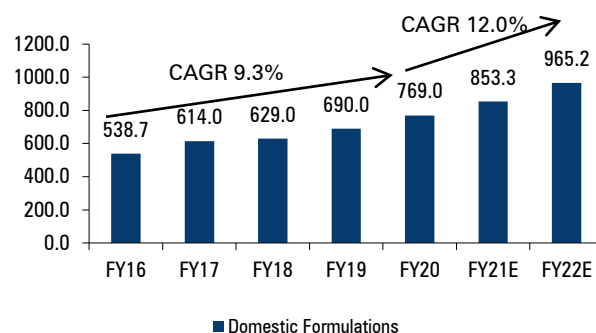
₹ 17 crore in FY05, formulations have grown to ₹ 705 crore in FY20. Till date, the company has launched 270+ products out of which 60% are first time launches. The current MR strength is 3000+. Overall, domestic branded formulations have grown at ~9% CAGR in FY16-20 to ₹ 705 crore. The company has only one product under the National List of Essential Medicines (NLEM) 2011 list.

Export formulations constitute 70% of total revenue (FY20). Exports are mainly confined to emerging markets and constitute branded generics. APL exports its products in ~31 emerging markets with a significant presence in Franco African countries and Philippines.

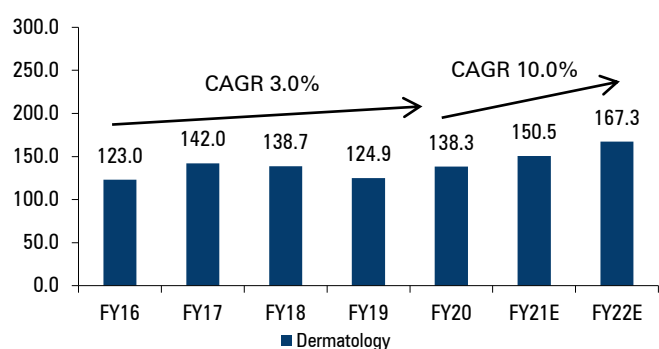
Asia accounts for ~38% of export formulations followed by Africa and US with 33% and 29% contribution to exports respectively. The company also participates in anti-malarial tenders in Africa. It operates through 710+ MRs in these emerging markets. APL owns a portfolio of more than 1350 registered brands in these markets encompassing major therapies such as anti-infectives, anti-malarials, ophthalmic, dermatology, cardiovascular, GI, etc. The company also has a marginal presence in Latin America. It has also forayed into regulated markets such as US where it has filed 55 ANDAs and received approvals for 32.

**Exhibit 4: Revenues to grow at CAGR of 13% over FY20-22E**

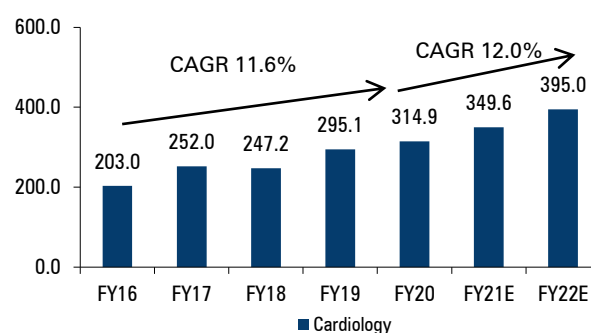
Source: ICICI Direct Research, Company

**Exhibit 5: Domestic formulations (₹ crore)**

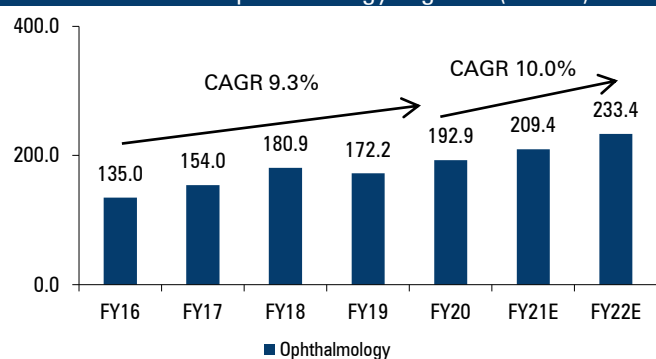
Source: ICICI Direct Research, Company

**Exhibit 6: Domestic dermatology segment (₹ crore)**

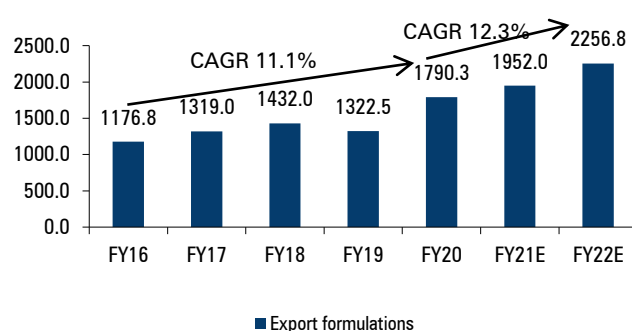
Source: ICICI Direct Research, Company

**Exhibit 7: Domestic cardiology segment (₹ crore)**

Source: ICICI Direct Research, Company

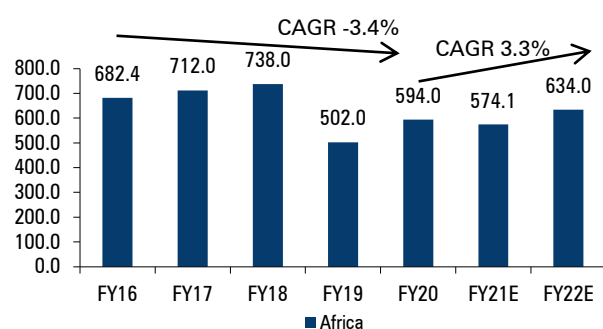
**Exhibit 8: Domestic ophthalmology segment (₹ crore)**

Source: ICICI Direct Research, Company

**Exhibit 9: Export formulations (₹ crore)**

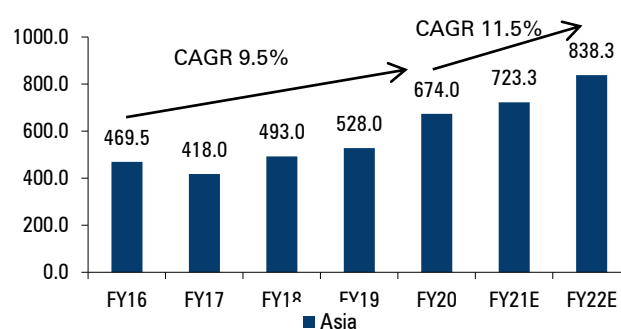
Source: ICICI Direct Research, Company

Exhibit 10: Africa revenues (₹ crore)



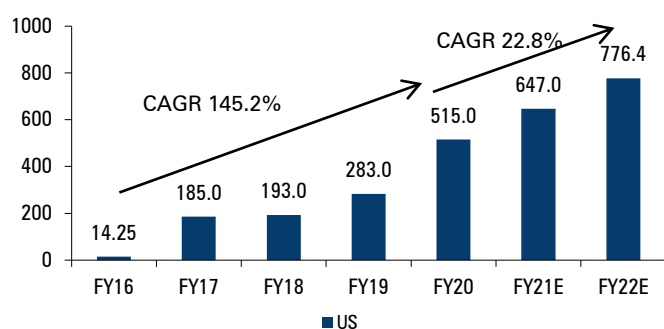
Source: ICICI Direct Research, Company

Exhibit 11: Asia revenues (₹ crore)



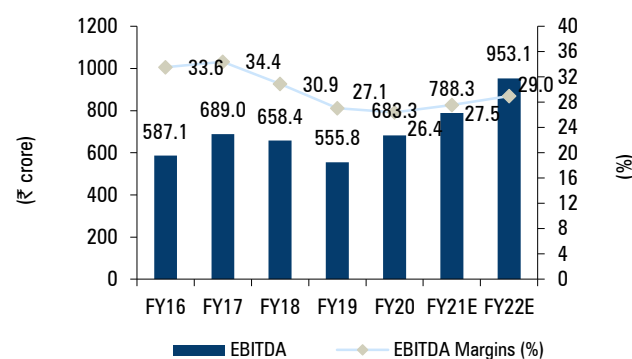
Source: ICICI Direct Research, Company

Exhibit 12: US revenues (₹ crore)



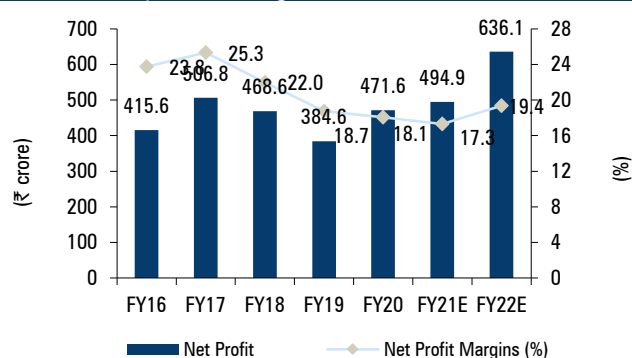
Source: ICICI Direct Research, Company

Exhibit 13: EBITDA &amp; margins trend



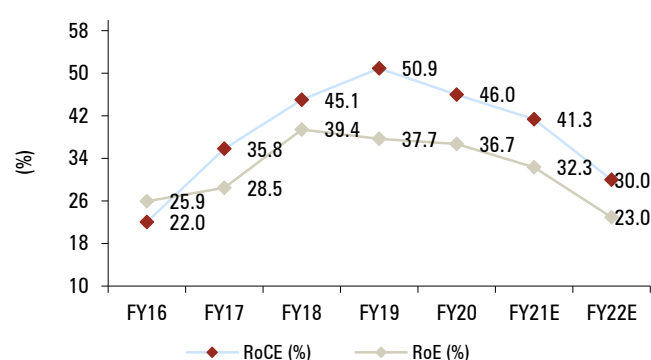
Source: ICICI Direct Research, Company

Exhibit 14: Net profit &amp; margins trend



Source: ICICI Direct Research, Company

Exhibit 15: Return ratios



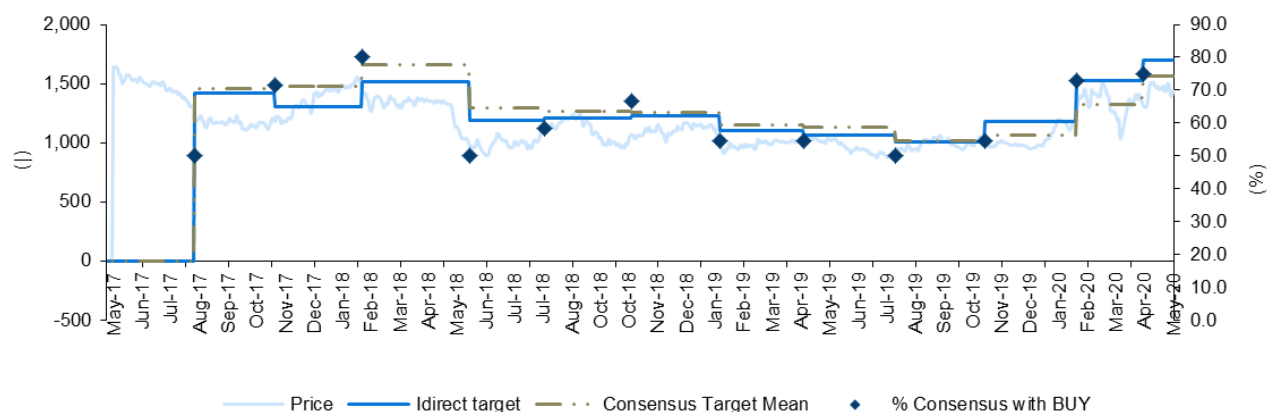
Source: ICICI Direct Research, Company

Exhibit 16: Valuation

	Revenues	Growth	EPS	Growth	P/E	EV/EBITDA	RoE	RoCE
	(₹ crore)	(%)	(₹)	(%)	(x)	(X)	(%)	(%)
FY 19	2053	-3.7	43.5	-17.9	34.2	23.5	17.1	21.8
FY 20	2588	26.1	53.4	21.6	28.1	18.9	18.1	24.7
FY 21E	2861	10.6	56.0	5.8	26.6	16.3	16.7	22.3
FY 22E	3286	14.9	72.0	28.5	20.7	13.3	18.5	24.2

Source: ICICI Direct Research

## Exhibit 17: Recommendation history vs. Consensus



Source: ICICI Direct Research; Bloomberg

## Exhibit 18: Top 10 Shareholders

Rank	Investor Name	Filing Date	% O/S	Position (m)	Change
1	Agrawal Ravi P	31-Mar-20	14.6	12.74m	0.00m
2	Agrawal Yogesh M	31-Mar-20	14.5	12.64m	0.00m
3	Agrawal Rajesh M	31-Mar-20	14.5	12.64m	0.00m
4	Agrawal Ayush M	31-Mar-20	14.4	12.56m	0.00m
5	Gabs Investments Pvt	31-Mar-20	9.6	8.39m	0.00m
6	Mirae Asset Global I	31-Mar-20	3.5	3.07m	(0.02)m
7	Ganga Exports Pvt Ltd	31-Mar-20	2.7	2.39m	0.00m
8	UTi Asset Management	31-Mar-20	2.6	2.30m	(0.11)m
9	Invesco India Asset	31-Mar-20	1.4	1.25m	0.04m
10	SBI Funds Management	31-Mar-20	0.9	0.74m	(0.08)m

Source: ICICI Direct Research; Bloomberg

## Exhibit 19: Shareholding Pattern

(in %)	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
Promoter	70.5	70.5	70.5	70.5	70.5
Others	29.5	29.5	29.5	29.5	29.5

Source: ICICI Direct Research, Company

## Financial Summary

## Exhibit 20: Profit &amp; Loss (₹ crore)

(Year-end March)/ (₹cror	FY19	FY20	FY21E	FY22E
Total Operating Income	2,053.0	2,587.9	2,861.4	3,286.4
Growth (%)	-3.7	26.1	10.6	14.9
Raw Material Expenses	383.5	655.7	721.8	821.6
Gross Profit	1,669.5	1,932.2	2,139.6	2,464.8
Gross Profit Margins (%)	81.3	74.7	74.8	75.0
Employee Expenses	430.7	485.6	550.1	608.0
Other Expenditure	683.1	763.2	801.2	903.8
Total Operating Expenditure	1,497.3	1,904.5	2,073.2	2,333.4
<b>EBITDA</b>	<b>555.8</b>	<b>683.3</b>	<b>788.3</b>	<b>953.1</b>
Growth (%)	-15.6	23.0	15.4	20.9
Interest	1.2	11.9	11.9	11.9
Depreciation	72.1	95.7	111.9	121.0
Other Income	29.4	92.2	22.9	39.4
<b>PBT before Exceptional</b>	<b>511.9</b>	<b>667.9</b>	<b>687.3</b>	<b>859.6</b>
Less: Exceptional Items	0.0	3.9	0.0	0.0
PBT after Exceptional Item	511.9	664.0	687.3	859.6
Total Tax	127.3	196.3	192.5	223.5
PAT before MI	384.6	467.7	494.9	636.1
<b>PAT</b>	<b>384.6</b>	<b>467.7</b>	<b>494.9</b>	<b>636.1</b>
Growth (%)	-17.9	21.6	5.8	28.5
<b>EPS (Adjusted)</b>	<b>43.5</b>	<b>53.4</b>	<b>56.0</b>	<b>72.0</b>

Source: ICICI Direct Research

## Exhibit 21: Cash Flow Statement (₹ crore)

(Year-end March)/ (₹crore	FY19	FY20	FY21E	FY22E
Profit/(Loss) after taxation	396.0	509.1	494.9	636.1
Add: Depreciation & Amorti	72.1	95.7	111.9	121.0
Net Increase in Current Ass	-71.7	-316.4	-135.5	-300.7
Net Increase in Current Liat	-18.6	193.2	-44.5	50.7
Others	-3.0	-24.9	11.9	11.9
<b>CF from Operating activiti</b>	<b>374.8</b>	<b>456.8</b>	<b>438.8</b>	<b>519.1</b>
(Purchase)/Sale of Fixed A	-342.3	-229.0	-220.0	-150.0
Investments	123.2	-1.7	-125.0	-200.0
Others	-157.6	7.3	1.0	1.1
<b>CF from Investing activiti</b>	<b>-376.7</b>	<b>-223.4</b>	<b>-344.0</b>	<b>-348.9</b>
(inc)/Dec in Loan	34.2	9.7	0.0	0.0
Dividend & Dividend tax	78.8	-115.9	-123.5	-158.7
Other	-101.2	-22.4	-11.9	-11.9
CF from Financing activities	11.8	-128.6	-135.4	-170.7
<b>Net Cash Flow</b>	<b>9.9</b>	<b>104.7</b>	<b>-40.6</b>	<b>-0.5</b>
Cash and Cash Equivalent	90.6	100.5	205.3	164.7
<b>Cash</b>	<b>100.5</b>	<b>205.3</b>	<b>164.7</b>	<b>164.1</b>
<b>Free Cash Flow</b>	<b>32.4</b>	<b>227.7</b>	<b>218.8</b>	<b>369.1</b>

Source: ICICI Direct Research

## Exhibit 22: Balance Sheet (₹ crore)

(Year-end March)	FY19	FY20	FY21E	FY22E
Equity Capital	17.5	17.5	17.5	17.5
Reserve and Surplus	2,227.7	2,581.3	2,952.7	3,430.1
Total Shareholders funds	2,245.2	2,598.9	2,970.2	3,447.6
Total Debt	34.0	43.6	43.6	43.6
Deferred Tax Liability	58.9	81.2	82.8	84.4
Long-Term Provisions	13.8	15.7	16.0	16.3
Other Non Current Liabilitie	0.0	16.1	16.4	16.8
<b>Source of Funds</b>	<b>2,351.9</b>	<b>2,755.4</b>	<b>3,129.0</b>	<b>3,608.7</b>
Gross Block - Fixed Asset	1,610.3	1,999.7	2,194.7	2,419.7
Accumulated Depreciation	431.8	527.5	639.4	760.4
Net Block	1,178.6	1,472.1	1,555.2	1,659.2
Capital WIP	261.3	131.9	156.9	81.9
Fixed Assets	1,439.8	1,604.0	1,712.1	1,741.1
Investments	77.7	79.4	204.4	404.4
Other non-Current Assets	62.2	60.7	61.9	63.2
Inventory	435.7	495.7	685.7	832.5
Debtors	459.5	775.3	718.8	870.6
Other Current Assets	120.8	98.3	100.3	102.3
Cash	100.5	205.3	164.7	164.1
Total Current Assets	1,116.5	1,574.6	1,669.4	1,969.6
Creditors	225.2	362.3	313.8	360.5
Provisions	25.0	9.2	9.3	9.5
Other Current Liabilities	94.2	191.8	195.7	199.6
Total Current Liabilities	344.3	563.3	518.8	569.6
Net Current Assets	772.2	1,011.3	1,150.6	1,400.0
<b>Application of Funds</b>	<b>2,351.9</b>	<b>2,755.4</b>	<b>3,129.0</b>	<b>3,608.7</b>

Source: ICICI Direct Research

## Exhibit 23: Key Ratios (₹ crore)

(Year-end March)	FY19	FY20	FY21E	FY22E
<b>Per share data (₹)</b>				
Reported EPS	43.5	52.9	56.0	72.0
Cash EPS	32.7	40.2	42.0	54.0
BV per share	254.1	294.2	336.2	390.2
Cash per Share	11.4	23.2	18.6	18.6
Dividend per share	10.9	13.2	14.0	18.0
<b>Operating Ratios (%)</b>				
Gross Profit Margins	81.3	74.7	74.8	75.0
EBITDA margins	27.1	26.4	27.5	29.0
PAT Margins	18.7	18.2	17.3	19.4
Cash Conversion Cycle	119.1	128.2	139.1	149.1
Asset Turnover	1.3	1.3	1.3	1.4
EBITDA conversion Rate	67.4	66.8	55.7	54.5
<b>Return Ratios (%)</b>				
RoE	17.1	18.1	16.7	18.5
RoCE	21.8	24.7	22.3	24.2
RoIC	25.1	25.0	25.9	28.0
<b>Valuation Ratios (x)</b>				
P/E	34.2	28.1	26.6	20.7
EV / EBITDA	23.5	18.9	16.3	13.3
EV / Net Sales	6.3	5.0	4.5	3.8
Market Cap / Sales	6.4	5.1	4.6	4.0
Price to Book Value	5.9	5.1	4.4	3.8
<b>Solvency Ratios</b>				
Debt / EBITDA	0.1	0.1	0.1	0.0
Debt / Equity	0.0	0.0	0.0	0.0
Current Ratio	3.0	2.4	2.9	3.2

Source: ICICI Direct Research



## Exhibit 24: ICICI Direct coverage Universe (Healthcare)

(₹ crore)

Company	I-Direct	CMP	TP	ating	M Cap	EPS (₹)				PE(x)				RoCE (%)				RoE (%)			
	Code	(₹)	(₹)		(₹cr)	FY19	Y20E	Y21E	Y22E	FY19	Y20E	Y21E	Y22E	'Y19	'20E	'21E	'22E	FY19	Y20E	Y21E	Y22E
Ajanta Pharma	AJAPHA	1490	1,730	Buy	13002	43.5	53.4	56.0	72.0	34.2	27.9	26.6	20.7	21.8	24.7	22.3	24.2	17.1	18.1	16.7	18.5
Alembic Pharma	ALEMPHA	894	875	Buy	16853	31.4	46.3	41.4	39.8	28.4	19.3	21.6	22.5	19.6	20.6	17.7	16.0	21.8	26.3	19.5	16.2
Apollo Hospital	APOHOS	1280	1,490	Buy	17805	17.0	21.5	35.2	65.7	75.4	59.4	36.3	19.5	8.8	10.4	12.6	16.8	7.1	8.1	11.2	17.9
Aurobindo Pharma	AURPHA	724	770	Buy	42422	42.1	49.2	54.8	59.4	17.2	14.7	13.2	12.2	15.9	17.8	18.1	17.8	17.7	17.4	16.4	15.3
Biocon	BIOCON	354	390	Buy	42480	6.2	5.8	9.8	18.2	57.0	60.8	35.9	19.5	10.9	10.9	15.1	22.1	12.2	10.4	15.2	22.4
Cadila Healthcare	CADHEA	344	375	Hold	35176	18.1	14.3	17.5	20.9	19.0	24.0	19.6	16.4	13.0	10.6	12.1	13.4	17.8	12.9	14.1	14.9
Cipla	CIPLA	617	670	Buy	49745	18.6	19.2	23.0	30.2	33.2	32.1	26.8	20.4	10.9	12.0	13.0	15.4	10.0	9.8	10.8	12.6
Divi's Lab	DIVLAB	2347	2,130	Hold	62300	51.0	49.9	58.4	71.0	46.1	47.1	40.2	33.0	25.5	21.7	21.8	22.8	19.4	16.6	16.9	17.5
Dr Reddy's Lab	DRREDD	3839	4,615	Buy	63790	114.7	121.9	163.8	209.7	33.5	31.5	23.4	18.3	11.1	10.0	18.0	20.8	13.6	13.0	15.2	16.6
Glenmark Pharma	GLEPHA	349	340	Hold	9843	26.9	26.8	34.6	43.2	13.0	13.0	10.1	8.1	15.3	12.8	14.5	16.1	13.5	12.0	13.5	14.5
Hikal	HIKCHE	120	160	Buy	1473	8.4	9.6	11.1	13.3	14.3	12.4	10.8	9.0	14.3	13.3	13.6	14.5	13.6	14.1	14.2	14.9
Ipca Laboratories	IPCLAB	1605	1,900	Buy	20280	35.1	55.7	65.6	79.3	45.8	28.8	24.5	20.2	15.0	20.5	21.0	21.6	14.2	19.1	18.9	19.2
Lupin	LUPIN	884	745	Hold	40067	16.5	-29.2	18.3	31.1	53.5	-30.3	48.4	28.5	9.4	9.0	7.9	12.3	5.4	-10.0	6.0	9.3
Narayana Hrudayam	NARHRU	265	330	Buy	5421	2.9	6.2	8.2	11.4	91.4	42.4	32.4	23.2	7.7	11.6	12.7	15.3	5.5	10.8	12.5	15.1
Natco Pharma	NATPHA	593	650	Hold	10797	34.9	26.9	24.6	23.4	17.0	22.1	24.1	25.3	21.3	14.6	12.7	11.3	18.5	12.6	10.4	9.1
Sun Pharma	SUNPHA	467	510	Hold	112046	15.9	17.6	18.6	23.2	29.5	26.5	25.0	20.1	10.3	10.8	10.7	12.1	9.2	9.4	9.1	10.2
Syngene Int.	SYNINT	360	390	Buy	14398	8.3	10.3	8.6	12.2	43.5	34.9	38.6	27.3	14.8	15.0	12.9	16.4	16.8	15.7	13.7	16.3
Torrent Pharmaceuticals	TORPHA	2617	2,395	Hold	44291	48.9	54.4	71.8	92.1	53.5	48.1	36.5	28.4	14.2	15.4	18.5	21.3	17.5	17.0	19.2	20.8

Source: ICICI Direct Research, Bloomberg

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Reduce: -5% to -15%;

Sell: <-15%



**Pankaj Pandey**

**Head – Research**

**pankaj.pandey@icicisecurities.com**

ICICI Direct Research Desk,  
ICICI Securities Limited,  
1st Floor, Akruti Trade Centre,  
Road No 7, MIDC,  
Andheri (East)  
Mumbai – 400 093  
[research@icicidirect.com](mailto:research@icicidirect.com)

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