

Weak margin performance dominates sentiments...

About the stock: Dr Reddy's (DRL) portfolio includes pharmaceutical generics, APIs, custom pharmaceutical services, biosimilar and differentiated formulations.

- Revenue: US (37%), India (18%), Russia and CIS (12%), Europe (8%), RoW (6%) and API (16.8%)
- It has 13 formulation facilities, nine API manufacturing facilities, one biologics facility and several R&D centres across the globe

Q1FY22 Results: Dr Reddy's reported weak margins in its Q1FY22 results.

- Sales were up 11.7% YoY to ₹ 4945.1 crore
- EBITDA in Q1FY22 was at ₹ 734 crore, down 34% YoY with margins at 15%
- Consequent PAT was at ₹ 380.4 crore (down 36% YoY)

What should investors do? Dr Reddy's share price has grown by ~1.6x over the past five years (from ~₹ 3381 in June 2016 to ~₹ 5423 levels in June 2021).

- We retain our HOLD rating on the stock

Target Price and Valuation: We value Dr Reddy's at ₹ 5250 i.e. 25x P/E on FY23E + ₹ 317.2 for NPV of gRevlimid and Sputnik.

Key triggers for future price performance:

- Decent US pipeline -- 93 ANDAs & 3 NDAs pending for approval; 47 are Para IV and the management believes 24 have first to file status
- Pricing pressure on some key products – Atrovastatin, Metoprolol, Liposomal Doxorubicin, Buprenorphine and Naloxone
- Near term triggers - Ramp up of Sputnik V vaccine and Revlimid launch
- Focus on cost rationalisation, especially on SG&A front and endeavour to focus on simultaneous launches across geographies

Alternate Stock Idea: Apart from Dr Reddy's, in healthcare we like Sun Pharma.

- US specialty segment looks promising due to robust product pipeline, steady progress
- Higher contribution from specialty and strong domestic franchise is likely to change the product mix towards more remunerative businesses by FY23

Key Financial Summary

Key Financials (₹ crore)	FY19	FY20	FY21	5 year CAGR (FY16-21)	FY22E	FY23E	2 year CAGR {FY21-23E}
Revenues	15448.2	17517.0	19047.5	4.1	20405.6	22619.1	9.0
EBITDA	3151.6	2466.0	3869.9	1.5	3922.5	5335.3	17.4
EBITDA Margins (%)	20.4	14.1	20.3		19.2	23.6	
Adjusted PAT	1906.3	2026.0	1951.6	-1.7	2109.5	3282.2	29.7
EPS (Adjusted)	114.6	121.8	117.3		126.8	197.3	
PE (x)	41.1	38.7	40.1		37.1	23.9	
RoE (%)	13.6	13.0	11.1		10.8	14.7	
RoCE (%)	10.7	9.6	13.1		12.9	16.5	

Source: Company, ICICI Direct Research

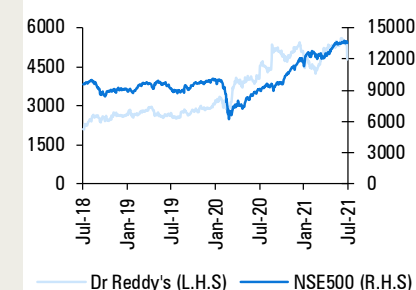
Particulars

Particular	Amount
Market Capitalisation	₹ 78339 crore
Debt (FY21)	₹ 3031 crore
Cash & equivalents (FY21)	₹ 1483 crore
EV	₹ 79887 crore
52 week H/L (₹)	5614/4020
Equity capital	₹ 83.2 crore
Face value	₹ 5

Shareholding pattern

(in %)	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21
Promoter	26.7	26.7	26.7	26.7	26.7
Others	73.3	73.3	73.3	73.3	73.3

Price Chart



Recent Event & Key risks

- Weak Q1 margins; Subpoena received from US SEC, may result in government enforcement action
- Key Risk:** (i) Regulatory Delays (ii) Better traction for new launches

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Key takeaways of recent quarter & conference call highlights

Q1FY22 Results: Robust performance continues

- Revenues grew 11.7% YoY to ₹ 4945 crore mainly due to 69.3% YoY growth in domestic formulations to ₹ 1060 crore. US revenues were muted to ₹ 1739 crore. Europe revenues grew 12.5% YoY to ₹ 399.4 crore due to new launches. Amid higher base, PSAl segment de-grew 11.8% YoY to ₹ 754 crore. Russia & Other CIS revenues grew 4.3% YoY to ₹ 490 crore. RoW sales grew 28.9% YoY to ₹ 422.9 crore
- EBITDA margins sharply declined to 14.9% against 25.3%, 22.1% in Q1FY21, Q4FY21, respectively, due to lower gross margins and higher other expenditure. Gross margins declined 461 bps YoY to 65.5% amid price erosion and increase in inventory provisions related to few products. Higher other expenditure was mainly due to increase in marketing spend and additional cost pertaining to integration of select Wockhardt portfolio. Subsequently, EBITDA de-grew 34.5% YoY to ₹ 734.5 crore
- Net profit de-grew 36.0% YoY to ₹ 380.4 crore (I-direct estimate: ₹ 626.7 crore), mainly due to a below expected operational performance
- Dr Reddy's reported a weak set of results on the margins front. While revenues were in line with I-direct estimates supported by strong growth in domestic formulations, profitability was impacted due to below par margins. The management remains committed to working on cost rationalisation, especially on the SGN&A front and calibrating of R&D spend more towards Global Generics front & Biosimilars and lower towards proprietary products. Key growth drivers in the near term would be key launches across geographies besides continuing growth momentum in Global Generics especially in India and Russia

Q1FY22 Earnings Conference Call highlights

- Gross margin (52.2%) was mainly affected due to –
 - Price erosion in the US base business
 - Increase in inventory provisions
- Gross margin for formulations and API business were at 57.7% and 21.6% respectively
- Higher other expenditure due to
 - Marketing of key brands
 - Investments in digitisation
 - Integration of Wockhardt acquired portfolio
- R&D spend during the quarter was ₹ 453 crore (9.2% of revenues)
- Other operating income increased to ₹ 48.7 crore due to one-off settlements
- Capex in Q1FY22 was ~ ₹ 320 crore
- Net cash surplus at end of Q1FY22: ₹ 45.1 crore; FCF for Q1FY22: ~₹ 683 crore
- EBITDA margins declined due to –
 - Low gross margin
 - High investment in R&D and marketing expenses
 - Higher cost of logistics
- Expects normalisation of margins from Q3FY22
- Tax rate – 23.1% in Q1FY22, guided 25-26% for FY22

- **US:** Q1FY22, 1% YoY growth driven by new launches and higher volumes in some existing products which was offset by price erosion and adverse forex rates. The QoQ decline of 1% was driven by price erosion in some products being partly offset by volume traction and new product launches
 - Six products launched in Q1 – Sapropterin Dihydrochloride Powder, Albendazole Tablets, Ertapenem Injection and Icosapent Ethyl Capsules in US and two products in Canada
 - As of Q1FY22, the company has 93 ANDAs pending USFDA approval (incl. 47 para IV, 24 FTF) and 3 NDA 505 (b)(2) route
 - Two ANDAs, two DMFs filed in Q1FY22
- **India:** Six new products launched
 - Growth (69% YoY) was driven by increase in sales of Covid drugs, new product launches and increase in sales prices of existing products
 - Launched Curhealth – nutritional health mix for building immunity
- **Europe:** YoY growth due to new product launches
 - FY21 – 32 launches across Europe
 - YoY growth due to volume traction in base business and new products launches being partly offset by price erosion
 - Four launches in Germany, two in the UK
- **Emerging market:** YoY growth of 8% in Russia due to increase in volumes and sales price of existing products and new launches
 - CIS and others growth due to new launches but offset by reduction in volume
 - Due to volatility in tender business the company Russia and CIS Q1FY22 growth impacted
 - Rest of World growth due to volume traction and new launches
- **PSAI:** A 12% YoY decline due to decline in sales volume, prices of existing products and customers stocking up last year
- US\$/INR translated to 74.33 for Q1FY22
- Received a subpoena from US Securities and Exchange Commission (SEC) on July 6 for production of documents with respective to CIS geographies, which may result in government enforcement action (Civil & Criminal Sanction) against the company in the US & foreign jurisdiction
 - The management do not expect any near term impact due to this subpoena

Exhibit 1: Variance Analysis

	Q1FY22	Q1FY22E	Q1FY21	YoY (%)	Q4FY21	QoQ (%)	Comments
Revenue	4,945.1	4,910.8	4,426.5	11.7	4,768.2	3.7	Strong growth in domestic formulation driven by Covid opportunities were partially offset by muted growth in the US
Raw Material Expenses	1,702.1	1,620.6	1,319.6	29.0	1,541.5	10.4	
Gross Profit	3,243.0	3,290.2	3,106.9	4.4	3,226.7	0.5	
Gross margins (%)	65.6	67.0	70.2	-460.9	67.7	-209.1	Decline amid price erosion and increase in inventory provisions related to few products
Employee expenses	946.5	899.8	872.4	8.5	893.0	6.0	
Other expenses	1,562.0	1,315.0	1,113.2	40.3	1,280.5	22.0	Higher other expenditure was mainly due to increase in marketing spend and additional cost pertaining to integration of select Wockhardt portfolio
EBITDA	734.5	1,075.4	1,121.3	-34.5	1,053.2	-30.3	
EBITDA (%)	14.9	21.9	25.3	-1,047.8	22.1	-723.5	Sharp decline due to lower gross margins and higher other expenditure
Other Income	107.9	88.4	87.1	23.9	82.6	30.6	
Interest	19.3	22.7	23.3	-17.2	29.7	-35.0	
Depreciation	283.9	318.3	292.3	-2.9	308.8	-8.1	
PBT	539.2	822.7	892.8	-39.6	797.3	-32.4	
Tax	175.4	213.9	305.9	-42.7	257.9	-32.0	Effective tax rate is 23.1%
Net Profit	380.4	626.7	594.6	-36.0	557.3	-31.7	
Adjusted PAT	380.4	626.7	594.6	-36.0	557.3	-31.7	Decline in sync with operational performance
Key Metrics							
US	1,739.0	1,815.0	1,728.2	0.6	1,749.1	-0.6	Growth from new launches and increase in volumes of base business offset by price erosion and currency tailwinds
Europe	399.4	408.4	355.1	12.5	395.6	1.0	YoY growth primarily on account of volume traction in base business and new product launches across markets, which was partially offset by price erosion
India	1,060.0	886.8	626.0	69.3	844.5	25.5	YoY growth and beat vis-à-vis I-direct estimates mainly due to Covid opportunities during second wave
Russia & Other CIS	490.0	611.0	470.0	4.3	593.0	-17.4	
RoW	422.9	301.9	328.2	28.9	291.5	45.1	Growth primarily on account of new launches and volume traction in key products, partially impacted by price erosion in certain products
PSAI	754.0	769.8	855.3	-11.8	791.5	-4.7	Decline amid higher base, decrease in sales volumes and prices of existing products

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

	FY22E			FY23E			Comments
(₹ Crore)	Old	New	% Change	Old	New	% Change	
Revenue	20,771.8	20,405.6	-1.8	23,195.9	22,619.1	-2.5	
EBITDA	4,503.0	3,922.5	-12.9	5,587.4	5,335.3	-4.5	
EBITDA Margin (%)	21.7	19.2	-248 bps	24.1	23.6	-51 bps	Changed mainly due to lower-than-expected margins in Q1FY22
Adjusted PAT	2,642.1	2,109.5	-20.2	3,469.6	3,282.2	-5.4	Changed mainly due to lower-than-expected operational performance in Q1FY22
EPS (₹)	158.9	126.8	-20.2	208.6	197.3	-5.4	

Source: ICICI Direct Research

Exhibit 3: Assumptions

	Current			Earlier			
(₹ crore)	FY20	FY21	FY22E	FY23E	FY22E	FY23E	
US	6,465.8	7,049.5	7,203.6	8,058.9	7,379.8	8,252.0	
Europe	1,170.7	1,540.4	1,762.5	2,026.9	1,771.5	2,037.2	
India	2,894.6	3,341.9	3,993.2	4,180.5	3,851.2	4,236.4	
Russia & Other CIS	2,340.0	2,323.0	2,565.4	2,912.4	2,733.4	3,061.4	Changed mainly due to lower than expected sales in Q1FY22
RoW	941.4	1,185.6	1,408.9	1,620.2	1,363.4	1,568.0	
PSAI	2,574.7	3,198.2	3,081.9	3,390.1	3,261.9	3,588.1	Changed mainly due to lower than expected sales in Q1FY22

Source: ICICI Direct Research

Exhibit 4: Revenue Breakup

(₹ crore)	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	CAGR FY16-21 %	CAGR FY21-23E %
US	7545	6360	5982	5996	6466	7050	7204	8059	-1.3	6.9
Europe (₹ crore)	773	761	822	787	1171	1540	1762	2027	14.8	14.7
India (₹ crore)	2129	2313	2332	2618	2895	3342	3993	4180	9.4	11.8
Russia & Other CIS (₹ crore)	1419	1520	1650	2050	2340	2323	2565	2912	10.4	12.0
RoW (₹ crore)	940	587	615	839	941	1186	1409	1620	4.7	16.9
PSAI	2238	2128	2199	2414	2575	3198	3082	3390	7.4	3.0

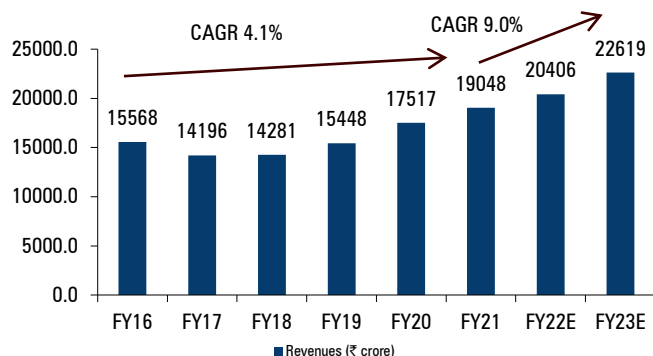
Source: ICICI Direct Research

Exhibit 5: Financial Summary

	Revenues	Growth	Adj. EPS	Growth	P/E	EV/EBITDA	RoNW	RoCE
	(₹ crore)	(%)	(₹)	(%)	(x)	(X)	(%)	(%)
FY20	17517.0	13.4	121.8	6.3	38.7	31.5	13.0	9.6
FY21	19047.5	8.7	117.3	-3.7	40.1	20.1	11.1	13.1
FY22E	20405.6	7.1	126.8	8.1	37.1	19.3	10.8	12.9
FY23E	22619.1	10.8	197.3	55.6	23.9	13.8	14.7	16.5

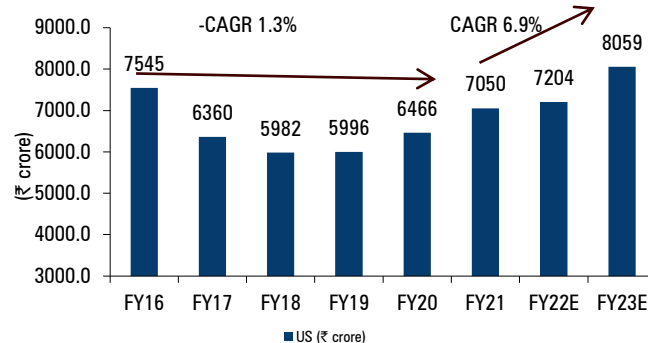
Source: ICICI Direct Research

Exhibit 6: Revenues to grow at CAGR of 9% in FY21-23E



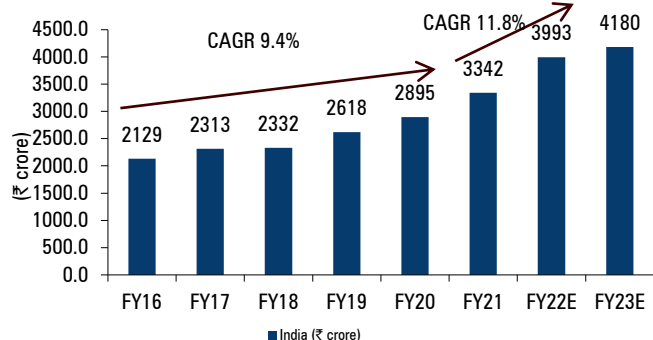
Source: ICICI Direct Research, Company

Exhibit 7: US to grow at CAGR of 6.9% over FY21-23E



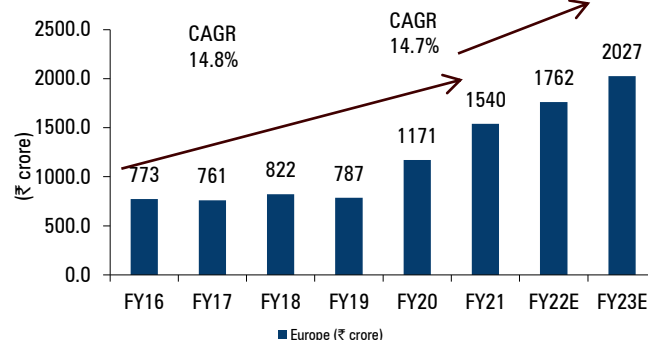
Source: ICICI Direct Research, Company

Exhibit 8: India to grow at CAGR of 11.8% over FY21-23E



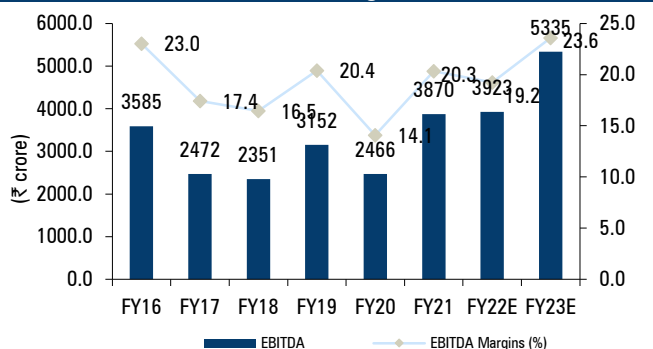
Source: ICICI Direct Research, Company

Exhibit 9: Europe to grow at 14.7% CAGR over FY21-23E



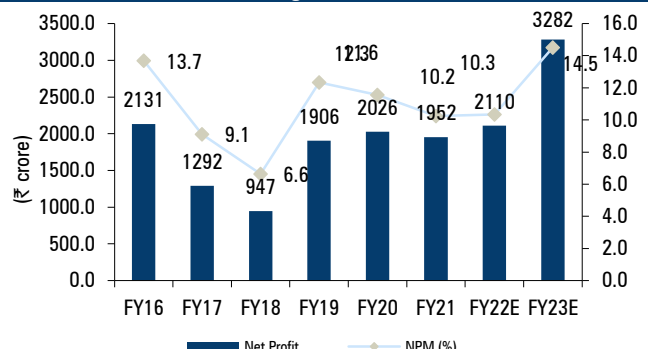
Source: ICICI Direct Research, Company

Exhibit 10: EBITDA & EBITDA margins trend



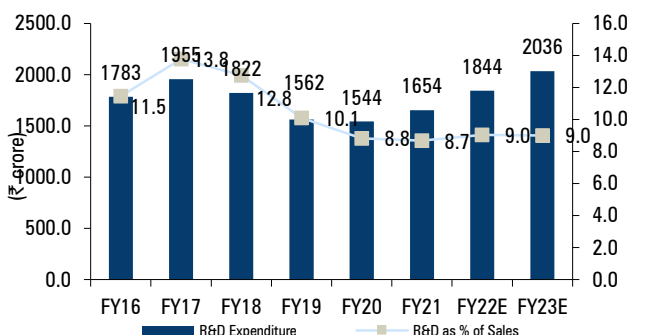
Source: ICICI Direct Research, Company

Exhibit 11: PAT & PAT margins trend



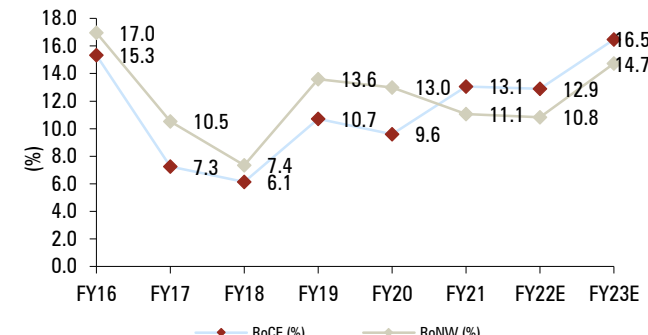
Source: ICICI Direct Research, Company

Exhibit 12: R&D and R&D as percentage of sales



Source: ICICI Direct Research, Company

Exhibit 13: RoE & RoCE trend



Source: ICICI Direct Research, Company

Exhibit 14: Trends in Quarterly Performance

₹ Crore	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	YoY (%)	QoQ (%)
Total Operating Income	3736.5	3817.5	3864.6	4029.6	3858.2	4812.8	4397.1	4448.9	4426.5	4910.9	4941.9	4768.2	4945.1	11.7	3.7
Raw Material Expenses	1004.9	1051.7	1175.8	1262.4	1206.9	1401.1	1415.3	1531.1	1319.6	1580.1	1637.7	1541.5	1702.1	29.0	10.4
% of Revenues	26.9	27.5	30.4	31.3	31.3	29.1	32.2	34.4	29.8	32.2	33.1	32.3	34.4	461 bps	209 bps
Gross Profit	2731.6	2765.8	2688.8	2767.2	2651.3	3411.7	2981.8	2917.8	3106.9	3330.8	3304.2	3226.7	3243.0	4.4	0.5
Gross Profit Margins (%)	73.1	72.5	69.6	68.7	68.7	70.9	67.8	65.6	70.2	67.8	66.9	67.7	65.6	-461 bps	-209 bps
Employee expenses	837.1	872.2	805.4	841.5	861.5	825.5	837.7	855.5	872.4	948.8	915.7	893.0	946.5	8.5	6.0
% of Revenues	22.4	22.8	20.8	20.9	22.3	17.2	19.1	19.2	19.7	19.3	18.5	18.7	19.1	-57 bps	41 bps
Other expenses	1125.7	1134.3	1078.8	1106.8	1048.1	1522.4	2432.8	1113.1	1113.2	1225.9	1849.2	1280.5	1562.0	40.3	22.0
% of Revenues	30.1	29.7	27.9	27.5	27.2	31.6	55.3	25.0	25.1	25.0	37.4	26.9	31.6	644 bps	473 bps
Total Expenditure	2967.7	3058.2	3060.0	3210.7	3116.5	3749.0	4685.8	3499.7	3305.2	3754.8	4402.6	3715.0	4210.6	27.4	13.3
% of Revenues	79.4	80.1	79.2	79.7	80.8	77.9	106.6	78.7	74.7	76.5	89.1	77.9	85.1	1048 bps	723 bps
EBITDA	768.8	759.3	804.6	818.9	741.7	1063.8	-288.7	949.2	1121.3	1156.1	539.3	1053.2	734.5	-34.5	-30.3
EBITDA Margins (%)	20.6	19.9	20.8	20.3	19.2	22.1	-6.6	21.3	25.3	23.5	10.9	22.1	14.9	-1048 bps	-723 bps
Total Depreciation	278.7	278.6	290.3	287.2	289.0	313.1	286.9	274.1	292.3	316.5	311.2	308.8	283.9	-2.9	-8.1
EBITDA	490.1	480.7	514.3	531.7	452.7	750.7	-575.6	675.1	829.0	839.6	228.1	744.4	450.6	-45.6	-39.5
Interest	19.5	20.8	24.1	24.5	29.8	30.3	15.2	23.0	23.3	25.2	18.8	29.7	19.3	-17.2	-35.0
Exceptional Items	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		
EBT	470.6	459.9	490.2	507.2	422.9	720.4	-590.8	652.1	805.7	814.4	209.3	714.7	431.3	-46.5	-39.7
Total Tax	53.2	80.7	101.1	150.8	192.8	-320.7	32.5	-44.9	305.9	101.1	267.0	257.9	175.4	-42.7	-32.0
Tax %	11.3	17.5	20.6	29.7	45.6	-44.5	-5.5	-6.9	38.0	12.4	127.6	36.1	40.7		
Adjusted PAT	476.1	518.3	500.3	455.4	676.5	1106.8	638.9	781.1	594.6	771.8	699.2	557.3	380.4	-36.0	-31.7

Source: ICICI Direct Research

Financial Summary

Exhibit 15: Profit and loss statement ₹ crore				
(Year-end March)	FY20	FY21	FY22E	FY23E
Revenues	17,517.0	19,047.5	20,405.6	22,619.1
Growth (%)	13.4	8.7	7.1	10.8
Raw Material Expenses	5,554.4	6,078.9	6,545.3	6,785.7
Employee expenses	3,380.2	3,629.9	3,841.9	4,164.7
Other expenses	6,116.4	5,468.8	6,095.9	6,333.3
Total Operating Expenditure	15,051.0	15,177.6	16,483.1	17,283.8
EBITDA	2,466.0	3,869.9	3,922.5	5,335.3
Growth (%)	-21.8	56.9	1.4	36.0
Interest	98.3	97.0	87.5	90.9
Depreciation	1,163.1	1,228.8	1,253.8	1,416.7
PBT before Exceptional Items	1,829.6	2,835.5	3,028.2	4,345.7
Share of profit/ (loss) of equity	0.0	0.0	0.0	0.0
PBT	1,829.6	2,835.5	3,028.2	4,345.7
Total Tax	-140.3	931.9	985.1	1,129.9
PAT	2,026.0	1,951.6	2,109.5	3,282.2
Adjusted PAT	2,026.0	1,951.6	2,109.5	3,282.2
Growth (%)	6.3	-3.7	8.1	55.6
EPS	121.8	117.3	126.8	197.3
EPS (Adjusted)	121.8	117.3	126.8	197.3

Source: Company, ICICI Direct Research

Exhibit 16: Cash flow statement ₹ crore				
(Year-end March)	FY20	FY21	FY22E	FY23E
Profit/(Loss) after taxation	1,175.2	2,311.9	2,109.5	3,282.2
Add: Depreciation & Amortization	1,163.1	1,228.8	1,253.8	1,416.7
Net Increase in Current Assets	-1,393.3	-780.0	90.5	-1,080.4
Net Increase in Current Liabilities	639.7	-48.8	121.0	354.6
CF from operating activities	2,984.1	3,570.3	3,662.4	4,064.0
(Inc)/dec in Fixed Assets	-572.5	-2,799.0	-1,400.0	-1,400.0
(Inc)/dec in Investments	-21.4	411.0	-1,700.0	-2,000.0
Others	108.2	125.1	-48.8	-50.8
CF from investing activities	-485.7	-2,262.9	-3,148.8	-3,450.8
Inc / (Dec) in Equity Capital	-47.0	-92.4	0.0	0.0
Inc / (Dec) in Loan	-1,868.3	684.8	0.0	0.0
Dividend & Dividend Tax	-391.6	-414.7	-289.9	-451.0
Others	-209.0	-207.5	-87.5	-90.9
CF from financing activities	-2,515.9	-29.8	-377.4	-541.9
Net Cash flow	-17.5	1,277.6	136.2	71.3
Opening Cash	222.8	205.3	1,482.9	1,619.1
Closing Cash	205.3	1,482.9	1,619.1	1,690.3
Free Cash Flow	2,411.6	771.3	2,262.4	2,664.0

Source: Company, ICICI Direct Research

Exhibit 17: Balance Sheet ₹ crore				
(Year-end March)	FY20	FY21	FY22E	FY23E
Equity Capital	83.1	83.2	83.2	83.2
Net Network	15,515.7	17,558.5	19,378.2	22,209.3
Total Shareholders fund	15,598.8	17,641.7	19,461.4	22,292.5
Total Debt	2,210.2	3,030.8	3,030.8	3,030.8
Deferred Tax Liability	2.0	28.9	30.1	31.3
Other Non Current Liabilities	205.5	161.7	168.2	174.9
Long term Provisions	74.5	50.8	52.8	54.9
Source of Funds	18,091.0	20,913.9	22,743.2	25,584.4
Gross Block - Fixed Assets	15,616.9	17,995.8	19,895.8	21,795.8
Accumulated Depreciation	9,257.9	10,350.0	11,603.8	13,020.5
Net Block	6,359.0	7,645.8	8,292.0	8,775.3
Capital WIP	1,535.1	1,565.1	1,065.1	565.1
Net Fixed Assets	7,894.1	9,210.9	9,357.1	9,340.4
Goodwill	491.3	559.9	559.9	559.9
Investments	2,677.8	2,807.7	4,507.7	6,507.7
Inventory	3,506.7	4,541.2	4,085.0	4,528.1
Cash	205.3	1,482.9	1,619.1	1,690.3
Debtors	5,027.8	4,964.1	5,266.3	5,837.6
Loans & Advances & Other CA	1,490.6	1,587.7	1,651.2	1,717.3
Total Current Assets	10,230.4	12,575.9	12,621.6	13,773.3
Creditors	1,524.8	1,810.9	1,776.2	1,968.9
Provisions & Other CL	3,609.5	3,892.0	4,047.7	4,209.6
Total Current Liabilities	5,134.3	5,702.9	5,823.9	6,178.5
Net Current Assets	5,096.1	6,873.0	6,797.6	7,594.8
LT L& A, Other Assets	711.8	393.8	409.6	425.9
Deferred Tax Assets	1,219.9	1,068.6	1,111.3	1,155.8
Application of Funds	18,091.0	20,913.9	22,743.2	25,584.4

Source: Company, ICICI Direct Research

Exhibit 18: Key ratios				
(Year-end March)	FY20	FY21	FY22E	FY23E
Per share data (₹)				
EPS	121.8	117.3	126.8	197.3
BV per share	937.7	1,060.5	1,169.8	1,340.0
Operating Ratios (%)				
Gross Profit Margins	68.3	68.1	67.9	70.0
EBITDA margins	14.1	20.3	19.2	23.6
Net Profit margins	11.6	10.2	10.3	14.5
Inventory days	73.1	87.0	73.1	73.1
Debtor days	104.8	95.1	94.2	94.2
Creditor days	31.8	34.7	31.8	31.8
Asset Turnover	1.1	1.1	1.0	1.0
EBITDA conversion Rate	121.0	92.3	93.4	76.2
Return Ratios (%)				
RoE	13.0	11.1	10.8	14.7
RoCE	9.6	13.1	12.9	16.5
RoIC	11.5	19.5	19.1	25.8
Valuation Ratios (x)				
P/E	38.7	40.1	37.1	23.9
EV / EBITDA	31.5	20.1	19.3	13.8
EV / Revenues	4.4	4.1	3.7	3.3
Market Cap / Revenues	4.5	4.1	3.8	3.5
Price to Book Value	5.0	4.4	4.0	3.5
Solvency Ratios				
Debt / Equity	0.1	0.2	0.2	0.1
Debt / EBITDA	0.9	0.8	0.8	0.6
Current Ratio	2.0	1.9	1.9	2.0

Source: Company, ICICI Direct Research

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Sell: <-15%



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