

Sun Pharma

Estimate change



TP change



Rating change



Bloomberg	SUNP IN
Equity Shares (m)	2,399
M.Cap.(INRb)/(USDb)	1954.4 / 26.2
52-Week Range (INR)	850 / 459
1, 6, 12 Rel. Per (%)	-4/1/23
12M Avg Val (INR M)	4614

Financials & valuations (INR b)

Y/E MARCH	2021	2022E	2023E
Sales	331.6	382.3	425.1
EBITDA	81.3	100.4	111.9
Adj. PAT	60.2	75.6	83.0
EBIT Margin (%)	18.2	20.8	21.4
Cons. Adj. EPS (INR)	25.0	31.4	34.5
EPS Gr. (%)	52.6	25.5	9.7
BV/Sh. (INR)	193.1	217.2	247.2

Ratios

Net D:E	-0.07	-0.05	-0.13
RoE (%)	13.1	15.3	14.9
RoCE (%)	9.9	11.5	11.5
Payout (%)	43.0	15.4	12.4

Valuations

P/E (x)	32.5	25.9	23.6
EV/EBITDA (x)	22.8	18.5	16.2
Div. Yield (%)	0.4	0.5	0.5
FCF Yield (%)	3.8	0.4	3.2
EV/Sales (x)	5.6	4.9	4.3

Shareholding pattern (%)

As On	Sep-21	Jun-21	Sep-20
Promoter	54.5	54.5	54.7
DII	21.7	22.0	20.5
FII	12.1	11.5	12.4
Others	11.7	12.1	12.5

FII Includes depository receipts

CMP: INR815
TP: INR970 (+19%)
Buy

Domestic Formulation / US (ex-Taro) on steady footing

Enhanced portfolio / Newer markets to drive specialty sales

- Sun Pharma (SUNP) delivered yet another robust quarterly performance, with the beat on margins led by Domestic Formulation (DF) / Emerging Markets (EM) and sustained momentum in global specialty sales.
- We raise our earnings estimate by 7%/3% for FY22E/FY23E, factoring in a) a continued ramp-up in the Ilumya-led Specialty portfolio, b) faster growth in non-COVID, Chronic therapy sales in DF, c) superior traction in Emerging Markets, and d) deferred R&D spending on specialty clinical trials. We continue to value SUNP at 25x 12M forward earnings to arrive at Target Price of INR970.
- We remain positive on SUNP's a) increasing portfolio offerings in the Specialty segment, b) market share gains in the Branded Generics segment, and c) a healthy and steady pace of launches in US Generics (ex-Taro). Maintain **Buy**.

DF, EMs drive performance for the quarter, while API proves a drag

- Adjusted for milestone payments amounting to USD10m on two specialty products, SUNP's 2QFY22 sales were up 12% YoY to INR95b (our est.: INR92.7b).
- DF sales grew 26% YoY to INR32b (33% of sales), EM sales were up 16% YoY to USD243m (19% of sales), and US sales grew 8% YoY to USD351m (28% of sales). ROW sales were up 5% YoY to USD188m (15% of sales). API sales declined 15% YoY to INR4.4b.
- The gross margin for the quarter was down 120bps YoY to 73.4%. However, it improved 80bp QoQ on a) a lower sales contribution from COVID products in DF and b) better growth in Emerging Markets.
- The EBITDA margin expanded 80bps YoY to 27% (our est.: 25.2%), led by lower employee/R&D expenses (-120bps/-150bp YoY as a % of sales), partially offset by higher other expenses (+60bp YoY as % of sales).
- EBITDA was up 16% YoY to INR25.6b (our est.: INR23.3b).
- PAT grew at a higher rate of 25% YoY to INR21b (our est.: INR17.8b).
- 1HFY22 sales/EBITDA/PAT grew 17%/27%/31% to INR192b/INR53b/INR40b.

Highlights from management commentary

- Specialty revenue came in at USD157m, including USD10m in milestone payments for two products. Ilumya/Cequa grew 70%/100% YoY on a 12M basis.
- The marginal decline in Levulan YoY was attributable to temporary supply disruption.
- Doctors' visits are still lower v/s pre-COVID levels.
- SUNP launched Winlevi in the US. The initial focus would be on detailing Winlevi to the doctors. DTC-related spending, if at all, would happen only six months after the launch.

Tushar Manudhane - Research Analyst (Tushar.Manudhane@MotilalOswal.com)

Research Analyst: Bharat Hegde, CFA (Bharat.Hegde@motilaloswal.com) | Gaurang Sakare (Gaurang.Sakare@motilaloswal.com)

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- The R&D decline YoY was due to the spillover of some R&D expenses to the coming quarters. Cost of R&D is a function of the ability to enroll new patients and commence operations at new clinical sites. Patient recruitments for trials are slow due to COVID and would gain momentum as the situation improves.

Valuation and view

- We raise our earnings estimate by 7%/3% for FY22E/FY23E, factoring in a) a continued ramp-up in specialty sales in the US, including the newly launched Winlevi, b) the strong revival of non-COVID sales in the DF segment, c) increasing product offerings / gains in critical mass in Emerging Markets sales, and d) the postponement of R&D expenses.
- Accordingly, we raise our Target Price to INR970 on a 25x 12M forward earnings basis.
- We remain positive on SUNP on a) a burgeoning global Specialty portfolio / Branded Generics across geographies and b) a robust ANDA pipeline to sustain the US Generics business despite severe price erosion. We maintain our **Buy** rating.

Quarterly Performance (Consolidated)

(INR b)

Y/E March	FY21				FY22E				FY21	FY22E	FY22E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	%
Net Revenues	74.7	84.6	87.8	84.3	96.7	94.8	93.5	97.3	331.4	382.3	92.7	2.3
YoY Change (%)	-9.6	6.4	9.2	4.4	29.5	12.1	6.4	15.4	2.5	15.4	9.6	
Total Expenditure	58.2	62.4	65.0	64.6	69.8	69.2	69.5	73.4	250.3	281.8	69.3	
EBITDA	16.5	22.2	22.8	19.7	26.9	25.6	24.0	23.9	81.1	100.4	23.3	9.8
YoY Change (%)	-9.2	37.8	38.7	40.7	63.5	15.7	5.1	21.6	25.5	23.9	5.4	
Margins (%)	22.0	26.2	26.0	23.3	27.8	27.0	25.6	24.6	24.5	26.3	25.2	
Depreciation	5.0	5.0	5.3	5.5	5.0	5.3	5.3	5.3	20.8	20.8	5.2	
EBIT	11.5	17.2	17.5	14.1	21.9	20.3	18.7	18.7	60.3	79.6	18.2	
YoY Change (%)	-15.2	51.4	59.4	71.9	90.3	18.4	7.1	32.0	36.7	32.0	6.0	
Interest	0.5	0.3	0.3	0.3	0.4	0.4	0.2	0.0	1.4	0.9	0.2	
Net Other Income	2.7	3.5	3.7	2.0	2.0	2.9	2.6	2.5	11.9	10.0	2.3	
PBT before EO Exp	13.7	20.3	20.9	15.9	23.6	22.9	21.1	21.2	70.8	88.7	20.3	13.0
Less: EO Exp/(Inc)	35.5	1.2	-0.7	6.8	5.5	1.5	0.0	0.0	42.8	7.0	0.0	
PBT	-21.8	19.2	21.6	9.0	18.0	21.4	21.1	21.2	28.0	81.7	20.3	
Tax	2.5	-0.3	2.4	0.6	4.0	2.0	3.0	3.5	5.1	12.4	2.7	
Rate (%)	17.9	-1.5	11.7	3.5	16.8	8.6	14.0	16.7	7.3	14.0	13.5	
PAT (pre Minority Interest)	-24.3	19.5	19.2	8.5	14.1	19.4	18.1	17.7	22.8	69.3	17.5	
Minority Interest	-7.7	1.4	0.7	-0.5	-0.4	0.4	0.3	0.3	-6.2	0.7	-0.3	
Reported PAT	-16.6	18.1	18.5	8.9	14.4	19.0	17.8	17.4	29.0	68.6	17.8	6.7
Adj Net Profit*	11.5	16.4	17.8	14.6	20.0	20.5	17.8	17.4	60.2	75.6	17.8	15.2
YoY Change (%)	-13.2	55.4	114.1	97.2	74.1	24.8	0.0	19.1	52.6	25.5	8.3	

Key performance Indicators (Consolidated)

Y/E March	FY21E				FY21E				FY21E	FY22E	FY22E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE
Domestic formulations (INRb)	23.9	25.3	27.5	26.7	33.1	31.9	30.8	29.4	103.4	125.2	29.0
YoY Change (%)	3.2	0.7	9.4	12.9	38.5	25.9	12.0	9.9	6.0	21.0	14.5
US sales (INRb)	21.4	24.9	27.6	27.0	28.0	26.8	27.0	29.5	100.9	110.5	28.5
YoY Change (%)	(27.4)	4.3	10.9	(0.5)	30.9	7.5	(2.4)	9.2	(4.3)	9.5	14.3
ROW (INRb)	23.6	29.0	28.1	26.2	29.7	31.9	30.3	33.1	106.8	125.1	29.4
YoY Change (%)	(5.9)	13.6	12.5	5.8	26.0	10.3	8.0	26.4	6.5	17.1	2.0
APIs (INRb)	5.5	5.1	4.5	4.4	5.1	4.4	4.7	4.8	19.5	19.0	5.1
YoY Change (%)	20.1	9.0	(10.5)	(9.9)	(7.0)	(14.6)	5.0	9.8	1.8	(2.5)	0.0
Cost Break-up											
RM Cost (% of Sales)	26.4	25.4	26.6	26.6	27.4	26.6	26.9	26.7	26.2	27.0	26.8
Staff Cost (% of Sales)	23.6	20.2	19.6	19.9	18.2	19.0	18.9	18.9	20.7	18.8	18.9
R&D Expenses(% of Sales)	5.6	7.2	6.4	6.5	6.1	5.7	6.0	7.1	6.5	6.2	6.5
Other Cost (% of Sales)	22.4	21.0	21.5	23.6	20.4	21.7	22.0	22.2	22.1	21.7	22.2
Gross Margins(%)	73.6	74.6	73.4	73.4	72.6	73.4	73.1	73.3	73.8	73.0	73.2
EBITDA Margins(%)	22.0	26.2	26.0	23.3	27.8	27.0	25.6	24.6	24.5	26.3	25.2
EBIT Margins(%)	15.4	20.3	19.9	16.8	22.6	21.4	20.0	19.2	18.2	20.8	19.6

**Conference call highlights**

- There is some increase in the size of the team promoting Winlevi. A large part of the cost of expansion of field force is largely already in 2QFY22.
- Specialty R&D was 28% of total R&D.
- SUNP, ex-Taro, has grown YoY, aided by new launches and better supply chain management.
- SUNP has 88 ANDAs and 13 NDAs await approval of the USFDA. It launched 6 new products in 2QFY22 in the US.
- The company believes it has enough niche product pipelines for the next 4-8 quarters for the US generics segment.
- Sales for Covid drugs in DF was 2% of sales in 2QFY22, vs 8-10% for 1QFY22.
- Growth in DF was driven by chronic, sub-chronic, and anti-infectives due to the peak rainy season
- The company had launched 28 new products in the Indian market in 2QFY22.
- API revenue declined mainly due to lower Opiates' revenues. The narcotics control bureau has stopped giving new licenses as there are enough inventories currently. As inventory levels decline, it expects to receive new licenses.

Exhibit 1: Taro – financial snapshot

USD M	2QFY22	2QFY21	% YoY	1QFY22	% QoQ
Sales	132.0	142.8	-7.6	147.1	-10.3
Growth (%)					
Cost of sales (incl Depn)	69.9	61.3	14.2	69.4	0.8
Gross profit	62.0	81.6	-23.9	77.7	-20.1
GP Margin (%)	47.0	57.1	(1,010)bp	52.8	(581)bp
Operating expenses:					
R&D	12.5	16.5	-24.3	13.0	-3.5
R&D as a % of sales	9.5	11.6		8.8	
SG&A	25.1	24.1	4.3	84.0	-70.1
SG&A as a % of sales	19.0	16.9		57.1	
Operating Profit	24.4	41.0	-40.4	-19.2	-227.1
Operating Profit Margin (%)	18.5	28.7	(1,019)bp	-13.1	3,159 bp
EBITDA	32.3	46.8	-30.9	47.1	-31.4
EBITDA margin (%)	23.4	32.8	(935)bp	32.0	(862)bp
Financial expenses	-2.4	-5.6		-3.0	
Extraordinary items incl forex	-0.3	-0.6		0.3	
Other income	2.3	1.4		0.4	
PBT	29.4	48.6	-39.5	-16.1	-283.0
Taxes	6.1	3.6		2.7	
Effective tax rate (%)	20.7	7.4		-16.7	
Net income before MI	23.3	45.0	-48.2	-18.8	-224.2
Minority interest	0.0	-0.7		0.0	
Net income (Reported)	23.3	45.7	-49.0	-18.8	-224.2
Forex fluctuations	0.3	0.6		-0.3	
Net income (Adjusted)	24.4	45.7	-46.7	34.7	-29.8

Source: MOFSL, Company

DF (non-Covid) sales in revival mode; specialty on uptrend Marketing efforts driving specialty sales; outlook to improve with ease of COVID

- Global specialty business has posted a strong set of numbers with USD295m in sales in 1HFY22, up 59% YoY. Growth was led by a pickup in sales of Ilumya and Cequa in the US, partially offset by generic competition in Absorica in the US, with some transient impact of supply disruption in Levulan. Notably, in 2QFY22, Ilumya/Cequa saw 70%/100% YoY annualized growth in 2QFY22. Despite a lower level of patient footfalls at doctors' clinics, Ilumya is ramping up in the US.
- Progress on patient recruitment for phase 3 clinical trials of Ilumya in the US for the additional indication of Psoriatic Arthritis (PsA) was impacted due to Covid. This is expected to improve with ease of situation in the US. Global PsA drug market size is ~USD7b, with US market size estimated to be ~USD4-5b. Approval for additional indication will enhance the patient base and thus strengthen the Ilumya franchise.
- SUNP is also conducting studies to see Cequa's benefits in patients who have not responded well to competing branded drugs Restasis and Xiidra. A positive outcome can help SUNP in further ramping up Cequa's market share, which, despite strong growth, has fared below expectations. The addition of Winlevi will boost derma franchise sales.

Subdued show by Taro

- Taro sales grew 7% YoY to USD279m in 1HFY22, on a low base. Growth in 1HFY22 slowed down due to 7% YoY sales in 2QFY22, after a strong opening to the year in the previous quarter.

New launches/products availability drives ex-Taro US generics sales

- In the ex-Taro US generics segment, SUNP has posted growth in sales both YoY for the second quarter in a row, despite increased competition. Growth in the US was driven by new product launches and better supply chain management, ensuring the availability of its products to the customers. It has launched ~6 products each in the first two quarters of FY22, and believes it has enough products in the pipeline for the next 12-24 months to sustain this business.
- In the Generics segment, SUNP has 88 ANDAs and 13 505(b)(2) NDA products pending approval. Considering a) better traction in the Specialty portfolio, b) new launches in generics, and c) gradual decline in Taro sales, we expect US sales to exhibit a 12% CAGR to USD1.7b over FY21–23E.

DF: Revival in non-Covid sales to drive outperformance to industry

- SUNP's DF sales grew 32% YoY to INR65b in 1HFY22 with recovery in base business and partly aided by increased demand for Covid related products. Anti-infective sales saw a sharp jump with peak rainy season in 2QFY22. Strong doctor connect, accompanied by the recent MR addition is aiding SUNP in ramping up domestic sales in DF. As the new MRs reach company-level productivity over the next 18-24 months, their contribution to growth is expected to be notably higher. Accordingly, we expect SUNP to post outperform the industry, despite a very high base. We expect a 15% sales CAGR to INR136b over FY21–23E.

Specialty/DF to drive 17% earnings CAGR over FY21-23

- We raise our earnings estimate by 7%/3% for FY22E/FY23E, to factor in a) continued ramp-up in specialty sales in the US, including the newly launched Winlevi, b) strong recovery and growth in non-Covid sales in DF, c) good traction in Emerging market sales and d) postponement of R&D expense.
- Accordingly, we raise our Target Price to INR970 on a 25x 12M forward earnings basis.
- We remain positive on SUNP on burgeoning global specialty portfolio/ branded generics across all geographies, and a robust ANDA pipeline to sustain the US generics business in the eye of severe price erosion. Maintain **Buy**.

Exhibit 2: P/E chart

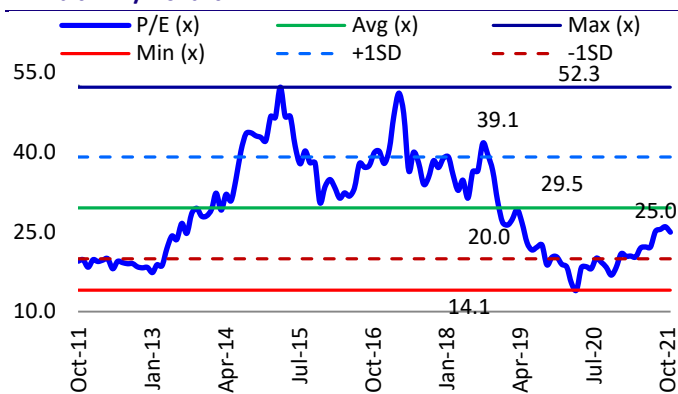
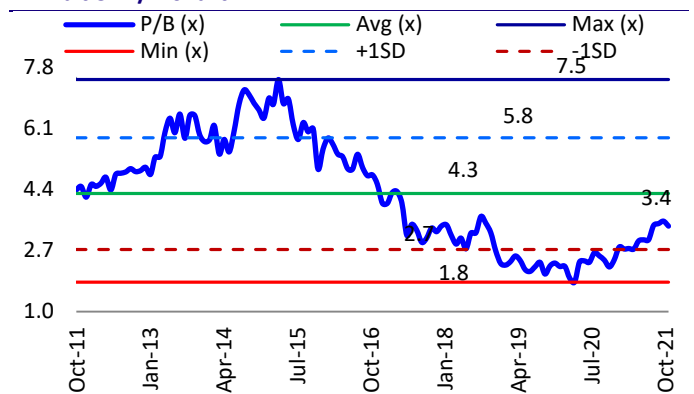
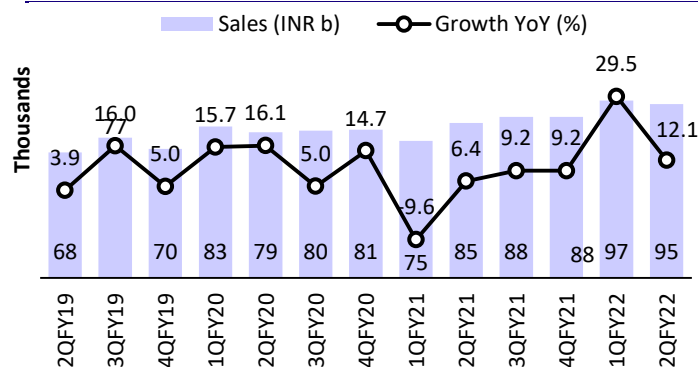


Exhibit 3: P/B chart



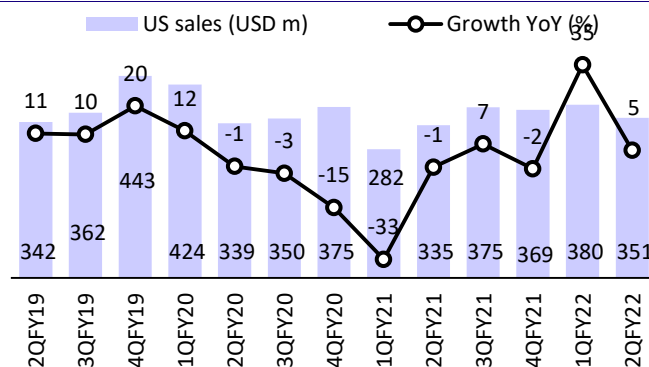
Story in charts

Exhibit 4: Adjusted* revenues were up 12% YoY in 2QFY22



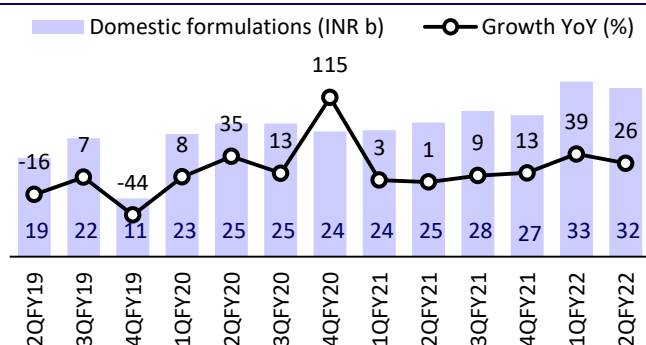
* - Revenue adjusted for one-time milestone income; Source: Company, MOFSL

Exhibit 5: US business sales grew 5% YoY in CC terms



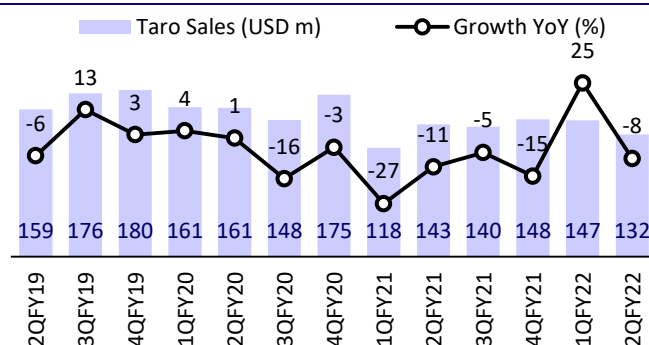
Source: Company, MOFSL

Exhibit 6: DF sales grew 26% YoY in 2QFY22



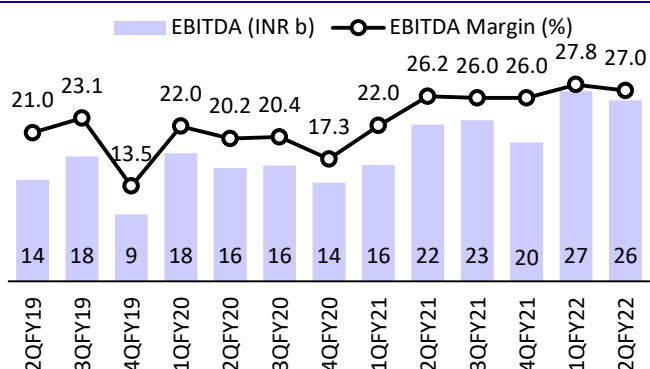
Source: Company, MOFSL

Exhibit 7: Taro sales down 8% YoY in 2QFY22



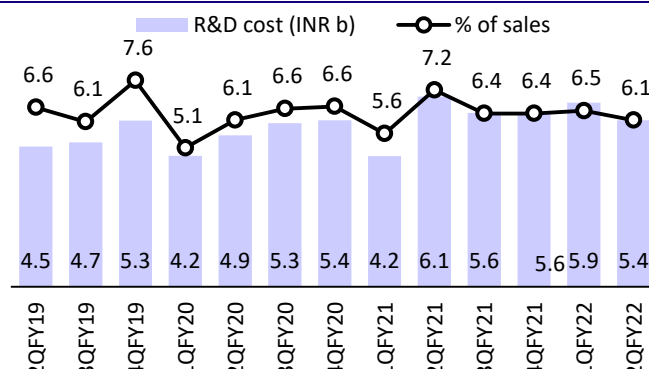
Source: Company, MOFSL

Exhibit 8: EBITDA margins up 80bps YoY

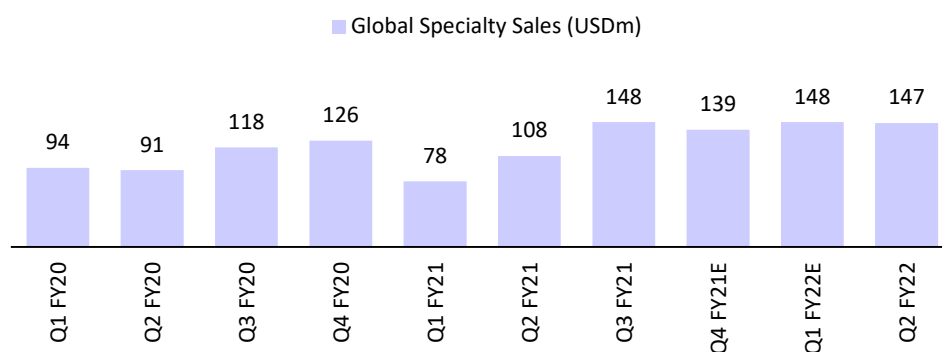


Source: Company, MOFSL

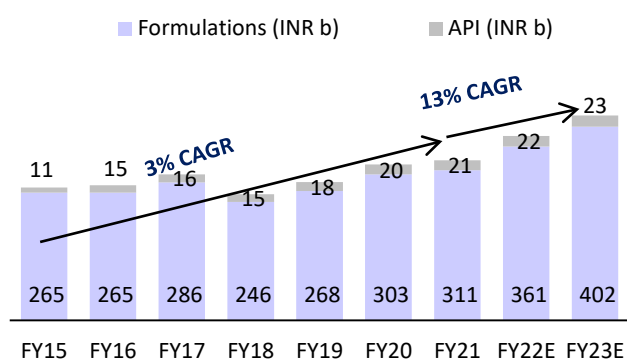
Exhibit 9: R&D at 6.1% of sales in 2QFY22



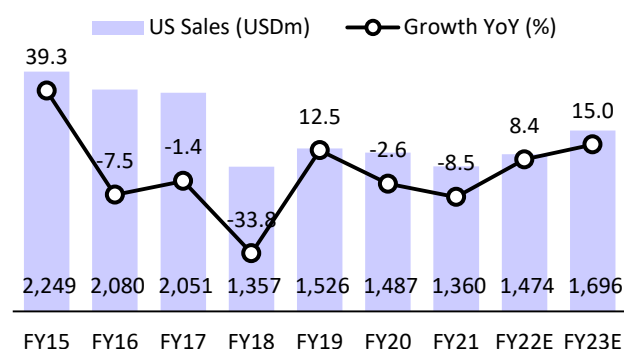
Source: Company, MOFSL

Exhibit 10: Adjusted global specialty sales stood at USD147m in 2QFY22

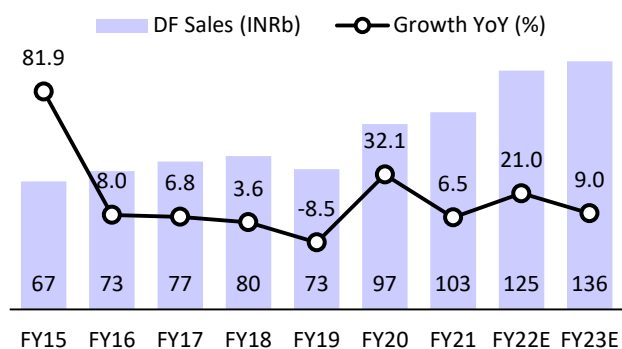
Source: Company, MOFSL

Exhibit 11: Expect revenue CAGR of 13% over FY21–22E

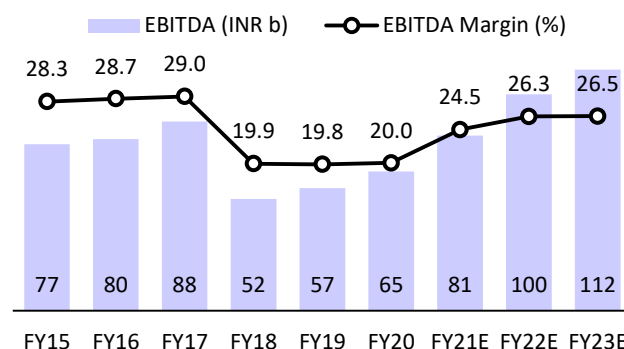
Source: Company, MOFSL

Exhibit 12: US sales to see 12% CAGR over FY21–23E

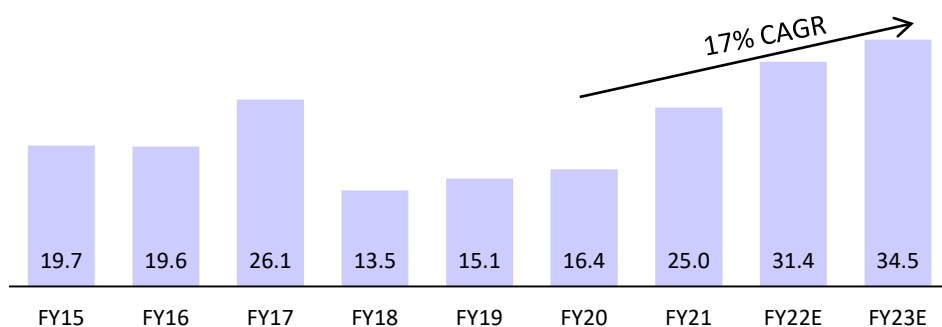
Source: Company, MOFSL

Exhibit 13: Expect DF sales CAGR of 15% over FY21–23E

Source: Company, MOFSL

Exhibit 14: EBITDA margin to improve to ~26%+ by FY23

Source: Company, MOFSL

Exhibit 15: EPS to exhibit 17% CAGR over FY21–23E

Source: Company, MOFSL

Financials and valuations

Income Statement								(INR b)
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Net Sales	277.4	302.6	260.7	286.9	323.3	331.6	382.3	425.1
Change (%)	1.7	9.1	-13.9	10.1	12.7	2.6	15.3	11.2
Total Expenditure	197.9	214.9	208.8	230.1	258.6	250.3	281.8	313.3
EBITDA	79.6	87.8	51.8	56.8	64.6	81.3	100.4	111.9
Margin (%)	28.7	29.0	19.9	19.8	20.0	24.5	26.3	26.5
Depreciation	10.1	12.6	15.0	17.5	20.5	20.8	20.8	21.0
EBIT	69.4	75.1	36.8	39.3	44.1	60.5	79.6	90.9
Int. and Finance Charges	4.8	4.0	5.2	5.6	3.0	1.4	0.9	0.7
Other Income - Rec.	9.8	19.4	12.6	14.1	11.5	11.8	10.0	11.0
Extra-ordinary Exp	6.9	0.0	9.5	9.7	2.5	42.8	7.0	0.0
PBT	67.7	90.5	34.8	38.1	50.1	28.0	81.7	101.1
Tax	9.3	12.1	8.5	6.0	8.2	5.1	12.4	15.2
Tax Rate (%)	13.8	13.4	24.3	15.8	16.4	18.4	15.2	15.0
Profit after Tax	58.3	78.4	26.3	32.1	41.9	22.8	69.3	86.0
Change (%)	6.2	34.4	-66.4	21.9	30.5	-45.4	203.2	24.1
Margin (%)	20.3	24.3	9.6	10.7	12.5	6.7	17.7	19.7
Less: Mionrity Interest	11.1	8.7	4.7	5.4	4.2	-6.2	0.7	3.0
Reported PAT	47.2	69.6	21.6	26.7	37.6	29.0	68.6	83.0
Adjusted PAT (excl. Ex. Items)	47.1	62.9	32.4	36.3	39.5	60.2	75.6	83.0

Balance Sheet								(INR b)
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Equity Share Capital	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Total Reserves	327.4	364.0	378.6	411.7	450.2	462.2	520.1	592.4
Net Worth	329.8	366.4	381.0	414.1	452.6	464.6	522.5	594.8
Minority Interest	40.9	37.9	38.8	33.1	38.6	30.2	30.2	30.2
Deferred Liabilities	-30.5	-21.8	-19.7	-24.5	-31.2	-35.1	-35.1	-35.1
Total Loans	83.2	80.9	97.5	98.9	75.8	33.4	24.3	17.7
Capital Employed	423.4	463.4	497.6	521.7	535.9	493.1	541.9	607.6
Gross Block	123.0	134.0	155.6	181.8	207.8	225.2	254.6	284.6
Less: Accum. Deprn.	47.2	49.0	64.0	81.6	102.1	122.9	143.7	164.8
Net Fixed Assets	75.8	85.0	91.6	100.3	105.7	102.3	110.9	119.9
Capital WIP	12.0	15.6	14.3	9.1	6.6	9.4	10.3	11.3
Goodwill	92.6	104.2	107.2	123.1	128.4	119.5	119.5	119.5
Investments	11.2	9.6	30.5	39.5	52.5	64.8	64.8	64.8
Curr. Assets	332.2	374.8	377.4	349.4	357.6	345.1	376.5	444.6
Inventory	64.2	68.3	68.8	78.9	78.7	90.0	102.1	106.8
Account Receivables	67.8	72.0	78.2	88.8	94.2	90.6	118.1	133.6
Cash and Bank Balance	131.8	151.4	99.3	72.8	64.9	64.5	50.4	91.8
L & A and Others	68.4	83.0	131.1	108.9	119.8	100.0	105.9	112.4
Curr. Liability & Prov.	100.4	125.7	123.5	99.7	114.9	148.0	140.1	152.4
Account Payables	51.7	73.5	68.3	66.1	70.1	98.9	83.6	87.5
Provisions	48.7	52.3	55.1	33.6	44.8	49.1	56.5	64.9
Net Current Assets	231.7	249.1	253.9	249.7	242.7	197.1	236.4	292.1
Appl. of Funds	423.4	463.4	497.6	521.7	535.9	493.1	541.9	607.6

Financials and valuations

Ratios

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Adjusted EPS	19.6	26.1	13.5	15.1	16.4	25.0	31.4	34.5
Cash EPS	23.8	34.2	15.2	18.4	24.2	20.7	37.2	43.2
BV/Share	137.1	152.3	158.4	172.1	188.1	193.1	217.2	247.2
DPS	3.0	1.0	3.3	2.0	3.5	3.5	3.8	3.8
Payout (%)	14.9	3.7	36.5	18.0	23.5	43.0	15.4	12.4
Valuation (x)								
P/E	41.6	31.1	60.5	53.9	49.6	32.5	25.9	23.6
P/BV	5.9	5.3	5.1	4.7	4.3	4.2	3.7	3.3
EV/Sales	6.8	6.2	7.4	6.8	5.9	5.6	4.9	4.3
EV/EBITDA	23.8	21.3	37.0	34.1	29.6	22.8	18.5	16.2
Dividend Yield (%)	0.4	0.1	0.4	0.2	0.4	0.4	0.5	0.5
Return Ratios (%)								
RoE	16.1	18.1	8.7	9.1	9.1	13.1	15.3	14.9
RoCE	18.3	19.0	8.1	9.1	8.9	9.9	11.5	11.5
RoIC	26.2	23.4	8.7	8.8	9.1	12.9	17.5	18.0
Working Capital Ratios								
Asset Turnover (x)	0.7	0.7	0.5	0.5	0.6	0.7	0.7	0.7
Fixed Asset Turnover (x)	3.8	3.8	3.0	3.0	3.1	3.2	3.6	3.7
Debtor (Days)	89	87	109	113	106	100	113	115
Creditor (Days)	291	330	336	307	277	415	296	296
Inventory (Days)	84	82	96	100	89	99	97	92
Leverage Ratio								
Debt/Equity (x)	0.3	0.2	0.3	0.3	0.0	-0.1	-0.1	-0.1

Cash Flow Statement

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
OP/(Loss) bef. Tax	72.7	87.8	42.3	47.1	62.2	38.5	93.4	111.9
Int./Dividends Recd.	9.8	19.4	12.6	14.1	11.5	11.8	10.0	11.0
Direct Taxes Paid	-22.3	-3.4	-6.4	-10.8	-14.9	-9.1	-12.4	-15.2
(Inc)/Dec in WC	-39.1	2.3	-57.0	-22.3	-1.0	45.2	-53.4	-14.3
CF from Operations	21.2	106.0	-8.4	28.1	57.8	86.3	37.6	93.4
(inc)/dec in FA	-43.4	-36.9	-23.4	-36.8	-28.7	-11.3	-30.3	-31.0
Free Cash Flow	-22.2	69.0	-31.8	-8.7	29.1	75.0	7.3	62.4
(Pur)/Sale of Invest.	16.0	1.6	-20.9	-9.0	-12.9	-12.4	0.0	0.0
CF from investments	-27.4	-35.4	-44.3	-45.8	-41.7	-23.7	-30.3	-31.0
Change in network	36.2	-41.8	-1.2	1.1	12.0	-9.5	-0.7	-3.0
(Inc)/Dec in Debt	5.3	-2.3	16.6	1.4	-23.2	-42.4	-9.1	-6.6
Interest Paid	-4.8	-4.0	-5.2	-5.6	-3.0	-1.4	-0.9	-0.7
Dividend Paid	-8.7	-2.9	-9.6	-5.8	-9.8	-9.8	-10.7	-10.7
CF from Fin. Activity	28.0	-51.0	0.6	-8.9	-24.0	-63.1	-21.4	-21.0
Inc/Dec of Cash	21.8	19.6	-52.1	-26.5	-7.9	-0.4	-14.1	41.4
Add: Beginning Balance	110.0	131.8	151.4	99.3	72.8	64.9	64.5	50.4
Closing Balance	131.8	151.4	99.3	72.8	64.9	64.5	50.4	91.8

NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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