

## Upbeat numbers trend continues...

Q4 revenues grew 68.3% to ₹ 1412 crore with strong growth across segments. Results were driven by 88.0% YoY jump in API segment to ₹ 797 crore amid strong traction in antiviral APIs to ₹ 569 crore (2.1x YoY) driven by higher volume of first and second line products. Formulations revenue grew 60.9% YoY to ₹ 430 crore on the back of higher tender business from LMIC and higher volumes from the US and Europe. CRAMS business grew 19.0% YoY to ₹ 176 crore. EBITDA margins improved 1059 bps to 33.4% (vs. 22.9% in Q4FY20) due to better product mix and improved operating leverage. Subsequently, EBITDA grew 146.2% YoY to ₹ 472 crore. PAT was up 169.3% YoY at ₹ 297 crore in line with a strong operational performance.

### Formulations to be main growth engine

Leveraging on strong backward integration, Laurus has demonstrated commendable execution capability in this segment growing ~320x from ₹ 5 crore to ₹ 1664 crore in FY18-21 with majority growth stemming from tender driven opportunities via participation in Global fund, PEPFAR and various in-country African tenders. In order to supplement future growth, capex plans are already under way to increase capacity by 1.8x by H2FY22E. Laurus is also developing a robust generic pipeline for the developed markets. It has entered into a partnership with a European generic player for contract manufacturing. In order to scale up this segment and cater to other players, the company plans to double the capacity to 2 billion units per annum over the next 12-15 months. We expect formulation revenues to grow at 20% CAGR in FY21-23E to ₹ 2411 crore.

### Ramp-up in other generic API to drive steady API growth

Growth in API has resumed with launch of first-line products – 3TC (Lamivudine) and DTG (Dolutegravir) and will be supported by ramp-up of second line APIs such as Lopinavir and Ritonavir launched in FY21. Steady growth in oncology API, being a high margin-low volume segment, is expected to drive margins, supported by one of the largest high-potent API capabilities in India. Other APIs (anti-diabetic, CNS and PPI) are expected to be key growth drivers due to a robust order book and capacity addition. APIs are also a prime beneficiary of China substitute play. We expect API revenues to grow at 18.5% FY21-23E CAGR to ~₹ 3683 crore.

### Valuation & Outlook

Laurus is well poised to follow the success story of some leading CDMO players backed by strong chemistry and integrated model. Elsewhere, formulations are expected to grow amid ramp up and new launches (e.g. TLE400) in LMIC and launches in the US. Other APIs are expected to be driven by a strong order book and capacity addition. Besides continuous improvement in the financial performances, the company is evolving as a strong vertically integrated player with strong order book visibility, improving margin profile, strengthening return ratios and healthy FCF generation. We maintain **BUY** rating with a target price of ₹ 550 (vs. ₹ 440 earlier) based on 20x of FY23E EPS of 27.4.

#### Key Financial Summary (₹ crore)

(₹ Crore)	FY20	FY21	FY22E	FY23E	CAGR FY21-23E (%)
Net Sales	2831.7	4813.5	6043.2	6976.5	20.4
EBITDA	561.0	1550.7	1933.8	2267.3	20.9
EBITDA Margins (%)	19.8	32.2	32.0	32.5	
Adj. Profit	255.3	983.6	1239.3	1471.8	22.3
Adj. EPS (₹)	4.8	18.3	23.1	27.4	
PE (x)	96.7	25.1	19.9	16.8	
RoE (%)	14.4	37.9	33.4	29.2	
RoCE (%)	13.0	32.0	31.1	30.4	

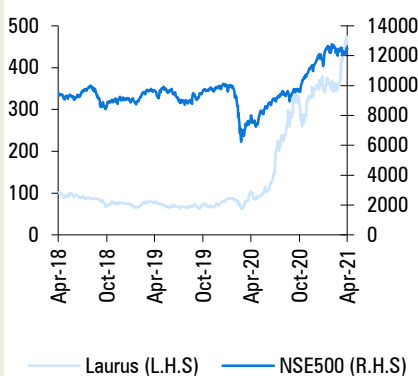
Source: ICICI Direct Research; Company



#### Particulars

Particular	Amount
Market Capitalisation	₹ 24684 crore
Debt (FY21)	₹ 1445 crore
Cash & Equivalents (FY21)	₹ 48 crore
EV (₹ Cr)	₹ 26080 crore
52 week H/L (₹)	483/84
Equity capital	₹ 106.9 crore
Face value	₹ 2

#### Price performance



#### Key risks to our call

- Regulatory challenges in developed markets
- Any unforeseen impact on ARV market

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Exhibit 1: Variance Analysis

	Q4FY21	Q4FY20	Q3FY21	YoY (%)	QoQ (%)	Comments
Revenue	1,411.9	839.1	1,288.4	68.3	9.6	YoY growth mainly due to 88% growth in APIs and 61% growth in formulations
Raw Material Expenses	627.8	418.3	583.1	50.1	7.7	
Gross margins (%)	55.5	50.2	54.7	10.7	1.5	Better product mix leads to sharp improvement in gross margins
Employee Expenses	113.8	88.1	100.6	29.1	13.1	
Other Expenditure	198.2	140.9	178.4	40.6	11.1	
EBITDA	472.2	191.8	426.3	146.2	10.8	
EBITDA (%)	33.4	22.9	33.1	1,059.0	35.6	Sharp improvement in margins amid favourable product mix and operational leverage
Interest	21.9	20.7	17.4	6.1	25.7	
Depreciation	53.6	46.1	51.6	16.5	3.9	
Other Income	4.5	1.7	6.9	169.0	-34.8	
PBT before EO & Forex	401.2	126.7	364.2	216.5	10.2	
Forex & EO	0.0	0.0	0.0			
PBT	401.2	126.7	364.2	216.5	10.2	
Tax	104.3	16.6	91.3	528.4	14.2	
PAT before MI	296.9	110.2	272.9	169.6	8.8	
MI	0.2	0.0	0.0			
Net Profit	296.7	110.2	272.9	169.3	8.7	YoY growth mainly in sync with EBITDA
<b>Key Metrics</b>						
Anti-Viral API	569.0	272.8	568.0	108.6	0.2	Growth driven by volume growth in both TLE and TLD combinations
Oncology API	62.0	59.1	64.0	4.9	-3.1	Growth driven by gemcitabine and other products
Other APIs	166.0	92.0	99.0	80.4	67.7	YoY growth mainly due to volume gain and addition of capacity
<b>API</b>	797.0	423.9	731.0	88.0	9.0	
<b>Formulations</b>	430.0	267.3	430.0	60.9	0.0	Strong growth mainly due to volume gain in LMIC tender business and portfolio expansion in developed markets
<b>GRAMS</b>	176.0	147.9	127.0	19.0	38.6	

Source: ICICI Direct Research

Exhibit 2: Change in Estimates

₹ Crore)	FY22E			FY23E			Comments
	Old	New	% Change	Old	New	% Change	
Revenue	5,625.6	6,043.2	7.4	6,248.5	6,976.5	11.7	Changed as per management guidance and better-than-expected sales in Q4
EBITDA	1,786.1	1,933.8	8.3	1,999.5	2,267.3	13.4	Changed mainly in sync with revenues
EBITDA Margin (%)	31.8	32.0	25 bps	32.0	32.5	50 bps	
PAT	1,130.9	1,239.3	9.6	1,307.8	1,471.8	12.5	Changed mainly in sync with operational performance
EPS (₹)	21.1	23.1	9.6	24.4	27.4	12.5	

Source: ICICI Direct Research

Exhibit 3: Change in Estimates

₹ crore)	FY20	Current			Earlier		Comments
		FY21	FY22E	FY23E	FY22E	FY23E	
Anti-Viral API	1,086.3	1,852.0	2,445.1	2,689.6	2,292.2	2,406.8	Changed as per management guidance and better-than-expected sales in Q4FY21
Oncology API	210.6	263.0	291.7	320.9	324.6	357.1	Changed mainly due to lower-than-expected sales in Q4FY21
Other APIs	324.5	506.0	560.5	672.6	488.9	586.7	
<b>API</b>	1,621.4	2,621.0	3,297.3	3,683.1	3,105.7	3,350.6	Change as per management guidance and better-than-expected sales in Q4FY21
<b>Formulations</b>	825.3	1,664.0	2,009.4	2,411.3	1,963.7	2,258.3	Changed as per management guidance and better-than-expected sales in Q4FY21
<b>GRAMS</b>	385.0	519.0	614.0	706.1	556.2	639.6	

Source: ICICI Direct Research

## Conference Call Highlights

- Revenue target of US\$1 billion by FY23E
- Non-ARV cumulative contribution: ~60% in Q4FY21; diversification from FY23 onwards
- FY22 EBITDA margins to be maintained at 30%+
- No significant debt to be taken for additional capex
- Overall growth to be driven by market share and volume gains, not by price hikes
- **Formulations** - Higher FY21 sales from tender business in LMIC, Europe and US
  - Strong order book for coming quarters
  - Commenced marketing of in-licensed products in the US through own front end
    - two launched, remaining three to be launched in H1FY22
  - USFDA: Nine products have been approved, eight tentatively approved; filed 27 ANDAs & NDAs (two Para IVs, seven FTF)
    - Expect to file eight to 10 ANDAs in FY22
  - Nine filings in Europe; 14 in Canada (eight approved, four launched) and two to be launched soon
  - TLE400 market opportunity of US\$150-200 million; currently three players approved
  - CMO – Mainly from Europe
    - uptake from FY23 for which two validations already done
  - Geographical Bifurcation
    - Regulated: LMIC sales contribution - 1:4 in FY21; 30:70 in FY22E and 1:3 in FY23E
- **API** growth led by higher growth in ARV API business in turn led by higher volume of first and second line products
  - 61 DMFs have been filed on cumulative basis
  - Strong demand for ARV APIs in FY22 as well
    - FY21 growth led by volume growth on the back of approval of triple-drug combination for which all three APIs were approved
    - EFV to DTG regime change led to volume increment in 3TC, DTG, TDF
    - DTG penetration to continue to increase in FY22/23
  - Oncology to grow fairly well in FY22-23
  - Adding capacity for other APIs (cardiology and diabetology) – to be visible in FY23/ end of FY22
  - OTIF score close to 100
- **Custom Synthesis** continues - healthy pipeline and good visibility; growth to outpace other divisions
  - number of active projects stood at 50 as on FY21
  - commercial supplies ongoing for 4 products
  - Laurus Ingredients to be self-reliant by FY23
  - Facilities – to have 3 facilities by FY23, maybe 4
    - Construction of Hyderabad R&D facility ongoing
    - Vizag facility will also support the segment
    - Looking to acquire land for greenfield steriles + hormones facility near Parawada, Vizag
- **Laurus Bio** - Medium term outlook – To function as a contract manufacturer
  - 180,000 litre fermentation capacity (four reactors of 45000 litre capacity each)
    - Two reactors to be on line in May, two in August-September
  - An additional 1 million litre capacity for fermentation to be developed

- **Capex** – Planned across segments; guidance of ₹ 1500-1700 crore over next 24 months
  - Asset turnover could be ~1.5x for this capex
  - FY21 – ₹ 700 crore capex; 50:30:10:10 split between API, Formulations, CS and Laurus Bio respectively
  - Future capex – majority for API, then CS and then Formulations
  - Laurus Bio FY22 capex to be ~₹ 60 crore
- R&D spend of ₹ 184 crore; 3.8% of sales in FY21
- Gross Debt: ₹ 1453 crore; Net Debt: ₹ 1405 crore

**Exhibit 4: Quarterly Performance**

(₹ Crore)	Q4FY18	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	YoY (%)	QoQ (%)
Total Operating Income	560.2	539.0	588.3	529.5	635.2	550.6	712.4	729.6	839.1	974.3	1138.8	1288.4	1411.9	68.3	9.6
Raw Material Expenses	290.9	295.2	314.6	283.9	341.9	274.6	360.0	360.6	418.3	446.1	501.3	583.1	627.8	50.1	7.7
% of revenue	51.9	54.8	53.5	53.6	53.8	49.9	50.5	49.4	49.8	45.8	44.0	45.3	44.5	-539 bps	-79 bps
Gross Profit	269.3	243.9	273.6	245.5	293.3	276.0	352.4	369.0	420.8	528.3	637.6	705.3	784.2	86.3	11.2
Gross Profit Margin (%)	48.1	45.2	46.5	46.4	46.2	50.1	49.5	50.6	50.2	54.2	56.0	54.7	55.5	539 bps	79 bps
Employee Expenses	67.2	72.8	73.5	68.9	74.0	80.3	88.0	88.4	88.1	111.6	108.1	100.6	113.8	29.1	13.1
% of revenue	12.0	13.5	12.5	13.0	11.7	14.6	12.3	12.1	10.5	11.5	9.5	7.8	8.1	-244 bps	25 bps
Other Manufacturing Expens	85.2	90.5	124.4	88.9	107.3	112.4	126.7	132.4	140.9	138.4	155.6	178.4	198.2	40.6	11.1
% of revenue	15.2	16.8	21.2	16.8	16.9	20.4	17.8	18.1	16.8	14.2	13.7	13.8	14.0	-276 bps	19 bps
Total Expenditure	443.4	458.5	512.6	441.7	523.2	467.3	574.6	581.4	647.4	696.0	765.0	862.1	939.7	45.2	9.0
% of revenue	79.1	85.1	87.1	83.4	82.4	84.9	80.7	79.7	77.1	71.4	67.2	66.9	66.6	-1059 bps	-36 bps
EBITDA	116.9	80.6	75.7	87.7	112.0	83.3	137.8	148.2	191.8	278.3	373.9	426.3	472.2	146.2	10.8
EBITDA Margins (%)	20.9	14.9	12.9	16.6	17.6	15.1	19.3	20.3	22.9	28.6	32.8	33.1	33.4	1059 bps	36 bps
Depreciation	34.6	38.2	39.8	42.7	43.5	45.8	47.8	47.6	46.1	48.8	51.0	51.6	53.6	16.5	3.9
Interest	23.3	22.3	24.7	23.7	17.6	22.5	25.6	20.8	20.7	15.1	13.7	17.4	21.9	6.1	25.7
Other Income	5.1	2.6	10.5	1.4	1.6	4.5	1.4	1.9	1.7	7.1	5.1	6.9	4.5	169.0	-34.8
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	64.1	22.6	21.8	22.8	52.6	19.4	65.8	81.7	126.7	221.5	314.3	364.2	401.2	216.5	10.2
Total Tax	19.0	6.1	5.6	5.0	9.4	4.3	9.2	8.2	16.6	49.7	72.0	91.3	104.3	528.4	14.2
Tax rate (%)	29.7	26.8	25.6	21.7	17.9	22.1	14.0	10.1	13.1	22.4	22.9	25.1	26.0	1290 bps	91 bps
PAT	45.1	16.6	16.2	17.8	43.2	15.1	56.6	73.5	110.2	171.8	242.3	272.9	296.9	169.6	8.8
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2		
PAT after MI	45.1	16.6	16.2	17.8	43.2	15.1	56.6	73.5	110.2	171.8	242.3	272.9	296.7	169.3	8.7
EPS (₹)	0.8	0.3	0.3	0.3	0.8	0.3	1.1	1.4	2.1	3.2	4.5	5.1	5.5		

Source: ICICI Direct Research, Company

## Company Background

Established in 2005, Laurus Labs is a fully integrated pharma company operating across three segments – APIs (54% of FY21 revenues), finished dosage formulations (35%) and synthesis/CDMO (11%). Till date, Laurus has commercialised 60+ products across all three segments.

Laurus provides APIs to top 10 large global pharma companies leveraging on a 4186 KL capacity across four of its manufacturing facilities with an additional ~1000 KL under expansion. The API segment is classified into – 1) anti-viral (ARV and Hepatitis-C) (38%), 2) oncology (5%) and 3) other APIs (11%). Among ARVs, it mainly caters to first and second line treatment for HIV patients. Laurus is a market leader for Efavirenz, Emtricitabine and Tenofovir API supplies. It established an agreement in 2015 with Natco Pharma to supply Hepatitis-C APIs. The other API segment caters to non-ARV and non-oncology APIs such as cardiovascular, anti-diabetics, anti-asthma, gastroenterology and ophthalmic therapies.

Laurus, initially a predominantly API heavy player, entered the formulations business in 2015 to diversify revenue streams and expand margins. Thus, with a sizeable investment of ~₹ 450 crore, it created a 5 billion units per annum capacity that was commercialised in FY18. Formulations broadly caters to two segments in ~75:25 ratio – 1) ARV tender business from low middle income countries (LMIC) through participation in Global fund, PEPFAR and various in-country African tenders and 2) generic products and contract manufacturing for developed countries such as US, Canada and Europe.

On the filings front, Laurus has 27 ANDAs in the US (nine Para IV with seven FTF opportunities), nine dossiers in Europe, 12 in Canada, eight with WHO for ARV and FC products, two dossiers in South Africa for ARVs, two dossiers in India for rare disease drugs and 14 products in various RoW markets to capture ARV opportunities. Additionally, it owns 150 out of 292 patents that have been filed as of FY21. It also has 61 DMFs filings.

In 2019-20, it launched Pregabalin and HCQS through distribution partner Rising Pharma in US. In Europe, Laurus entered into a long term partnership with a leading generic player for CMO. It also markets two products using its own front end in Europe.

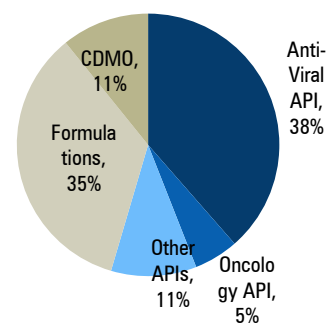
Under the CDMO segment, it provides contract manufacturing services to global innovator pharma and biotech companies alongside sale of specialty ingredients for nutraceuticals, dietary supplements and cosmeceuticals. Laurus currently provides its CDMO services to four out of top 10 big pharma companies. As of FY21, total number of active projects in the CDMO division was at 50.

Laurus has also entered into an intermediate toll manufacturing and supply agreement with Aspen, pursuant to which it will manufacture and supply certain hormonal intermediates.

In FY20, the company also acquired Aspen's South African subsidiary, in order to get a foothold in the worlds' largest generic accessible ARV market.

R&D spend for FY21 was at ₹ 184 crore (3.8% of revenues). The company is further investing R&D to develop difficult-to-manufacture products across multiple therapies in a cost effective manner. Laurus Labs has a cumulative team strength of 4804 as of FY21.

### Revenue Bifurcation



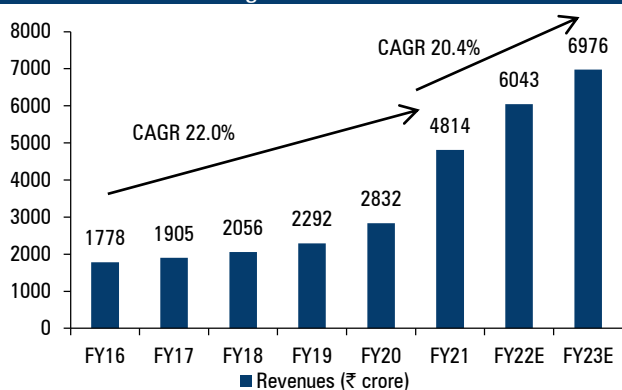
Source: ICICI Direct Research; Company; based on FY21 sales

Exhibit 5: Manufacturing and R&D facilities

Location	Facility	Offering	Capacity	Approvals
	Unit 1	API + ingredients, CDMO	328 reactors with 1,226 KL capacity	USFDA, WHO-Geneva, NIP – Hungary, KFDA, COFEPRIS, PMDA, ANVISA & JAZMP – Slovenia
	Unit 3	API + ingredients, CDMO	259 reactors with 1,982 KL	USFDA, WHO – Geneva, NIP – Hungary, COFEPRIS, KFDA, ANVISA & JAZMP – Slovenia
Parawada, Vizag	Unit 5	Dedicated hormone and steroid facility for Aspen	46 reactors with 137 KL Formulation – 5 billion tablets/capsules; capacity expansion underway	BVG Hamburg Germany, USFDA, WHO – Geneva, JAZMP – Slovenia and various African Countries
	Unit 2	Formulations and API	API – 12 reactors with 83 KL	
	Unit 4	API + ingredients, CDMO	54 reactors with 221 KL	COFEPRIS – Mexico, WHO and USFDA
Atchutapuram, Vizag	Unit 6	APIs (largely manufacturing intermediates for captive consumption)	68 reactors with 758 KL	USFDA
Hyderabad	Kilo Lab (R&D)	Pre-commercialisation activities for APIs, ingredients, CDMO	43 reactors and capacity of 4.3 KL	USFDA, KFDA and PMDA

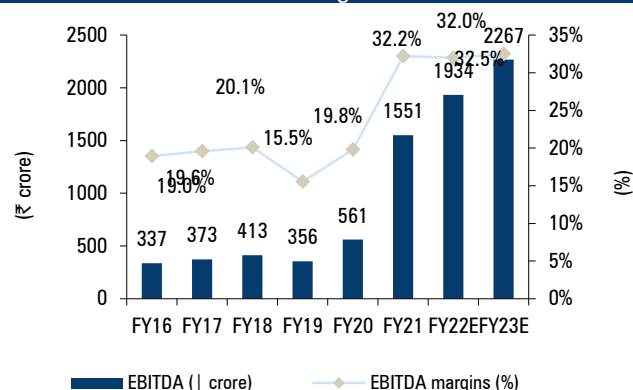
Source: ICICI Direct Research; Company

Exhibit 6: Revenues to grow at 20% CAGR in FY21-23E



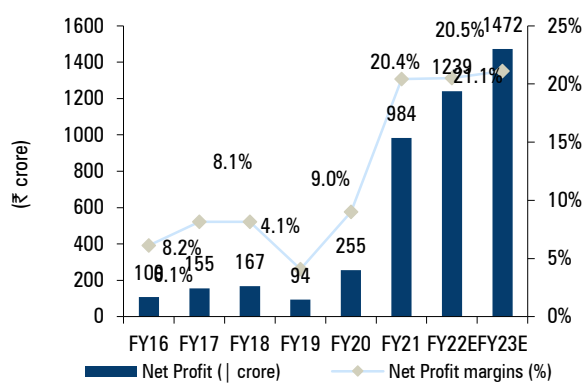
Source: ICICI Direct Research, Company

Exhibit 7: EBITDA & EBITDA margins trend



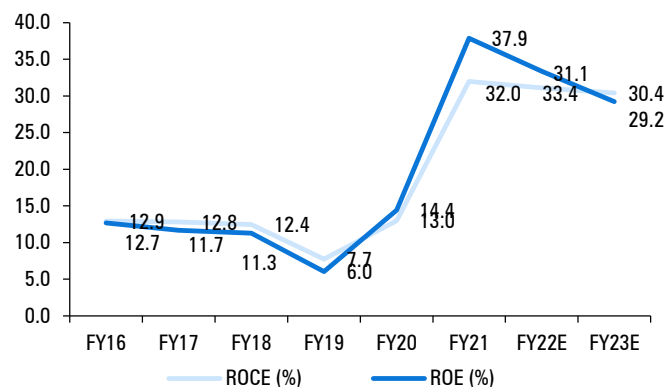
Source: ICICI Direct Research, Company

Exhibit 8: PAT & PAT margins trend



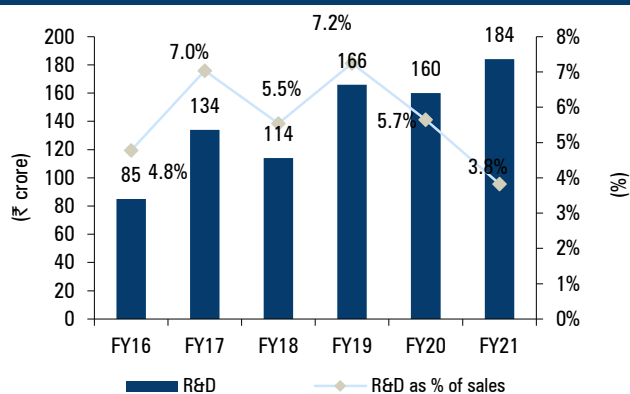
Source: ICICI Direct Research, Company

Exhibit 9: RoE & RoCE trend



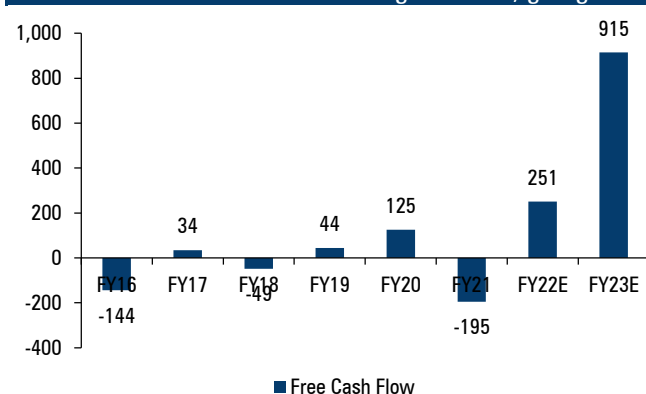
Source: ICICI Direct Research, Company

Exhibit 10: R&D trend



Source: ICICI Direct Research, Company

Exhibit 11: Positive free cash flow generation, going ahead



Source: ICICI Direct Research, Company

Exhibit 12: Financial Summary

	Revenues	Growth	Adj. EPS	Growth	P/E	EV/EBITDA	RoNW	RoCE
	(₹ crore)	(%)	(₹)	(%)	(x)	(X)	(%)	(%)
FY20	2832	23.6	4.8	172.2	96.7	45.9	14.4	13.0
FY21	4814	70.0	18.3	285.3	25.1	16.8	37.9	32.0
FY22E	6043	25.5	23.1	26.0	19.9	13.5	33.4	31.1
FY23E	6976	15.4	27.4	18.8	16.8	11.2	29.2	30.4

Source: ICICI Direct Research, Company

Exhibit 13: Shareholding Pattern

(in %)	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Promoter	32.0	32.1	32.1	28.8	27.5
Others	68.0	67.9	67.9	71.2	72.6

Source: ICICI Direct Research, Company



## Financial Summary

Exhibit 14: Profit and loss statement				
	₹ crore			
(Year-end March)	FY20	FY21	FY22E	FY23E
<b>Revenues</b>	<b>2,831.7</b>	<b>4,813.5</b>	<b>6,043.2</b>	<b>6,976.5</b>
Growth (%)	23.6	70.0	25.5	15.4
Raw Material Expenses	1,413.4	2,158.2	2,719.4	3,104.5
Employee Expenses	344.9	434.1	513.7	593.0
Other Manufacturing Expense:	512.4	670.6	876.3	1,011.6
Total Operating Expenditure	2,270.7	3,262.8	4,109.4	4,709.1
<b>EBITDA</b>	<b>561.0</b>	<b>1,550.7</b>	<b>1,933.8</b>	<b>2,267.3</b>
Growth (%)	57.6	176.4	24.7	17.2
Interest	89.6	68.2	87.6	69.4
Depreciation	187.3	205.1	271.2	333.7
Other Income	9.5	23.7	24.2	34.9
PBT before Exceptional Items	293.6	1,301.1	1,599.2	1,899.1
Less: Forex & Exceptional Item	0.0	0.0	0.0	0.0
PBT	293.6	1,301.1	1,599.2	1,899.1
Total Tax	38.3	317.3	359.8	427.3
PAT before MI	255.3	983.8	1,239.3	1,471.8
Minority Interest	0.0	0.2	0.0	0.0
<b>PAT</b>	<b>255.3</b>	<b>983.6</b>	<b>1,239.3</b>	<b>1,471.8</b>
Adjusted PAT	255.3	983.6	1,239.3	1,471.8
Growth (%)	172.2	285.3	26.0	18.8
EPS	4.8	18.3	23.1	27.4
<b>EPS (Adjusted)</b>	<b>4.8</b>	<b>18.3</b>	<b>23.1</b>	<b>27.4</b>

Source: ICICI Direct Research

Exhibit 15: Cash Flow Statement				
	₹ crore			
(Year-end March)	FY20	FY21	FY22E	FY23E
Profit/(Loss) after taxation	254.0	1,072.6	1,239.3	1,471.8
Add: Depreciation & Amortization	187.3	205.1	271.2	333.7
Net Increase in Current Assets	-312.0	-1,199.1	-611.6	-545.0
Net Increase in Current Liabilities	112.3	605.1	164.0	234.7
Others	105.9	49.4	87.6	69.4
<b>CF from operating activities</b>	<b>347.4</b>	<b>733.1</b>	<b>1,150.5</b>	<b>1,564.6</b>
(Inc)/dec in Investments	0.0	-0.2	0.0	-350.0
(Inc)/dec in Fixed Assets	-222.0	-928.4	-900.0	-650.0
Others	1.0	-12.4	9.8	10.8
<b>CF from investing activities</b>	<b>-221.0</b>	<b>-941.0</b>	<b>-890.2</b>	<b>-989.2</b>
Inc / (Dec) in Equity Capital	2.6	7.4	0.0	0.0
Proceeds/(Repayment) Loan	-5.8	391.1	0.0	-300.0
Dividend & Dividend Tax	-32.0	-75.0	-123.9	-147.2
Interest	-85.9	-58.0	-87.6	-69.4
Others	-6.58	-10.67	0.00	0.00
<b>CF from financing activities</b>	<b>-127.7</b>	<b>254.7</b>	<b>-211.6</b>	<b>-516.6</b>
Net Cash flow	-1.3	46.8	48.7	58.7
Opening Cash	3.0	1.7	48.5	97.2
<b>Closing Cash</b>	<b>1.7</b>	<b>48.5</b>	<b>97.2</b>	<b>155.9</b>
FCF	125.4	-195.3	250.5	914.6

Source: ICICI Direct Research

Exhibit 16: Balance Sheet				
	₹ crore			
(Year-end March)	FY20	FY21	FY22E	FY23E
Equity Capital	106.9	107.3	107.3	107.3
Reserve and Surplus	1,662.9	2,490.2	3,605.6	4,930.3
Total Shareholders fund	1,769.8	2,597.6	3,713.0	5,037.6
Total Debt	1,079.4	1,445.1	1,445.1	1,145.1
Minority Interest	0.0	3.2	3.2	3.2
Deferred Tax Liability	0.0	19.2	21.1	23.2
Other Non Current Liabilities	56.7	155.0	170.5	187.6
Long term Provisions	45.9	63.2	69.5	76.5
<b>Source of Funds</b>	<b>2,951.8</b>	<b>4,283.2</b>	<b>5,422.4</b>	<b>6,473.1</b>
Gross Block - Fixed Assets	2,378.0	2,790.8	3,690.8	4,540.8
Accumulated Depreciation	661.4	866.4	1,137.6	1,471.3
Net Block	1,716.6	1,924.3	2,553.1	3,069.5
Capital WIP	67.2	362.2	362.2	162.2
Net Fixed Assets	1,783.8	2,286.5	2,915.3	3,231.6
Total Intangible Assets	0.0	0.0	0.0	0.0
Investments	3.4	3.4	3.4	353.4
Goodwill on Consolidation	9.7	246.3	246.3	246.3
Inventory	905.2	1,575.5	1,798.1	2,075.8
Cash	1.7	48.5	97.2	155.9
Debtors	791.4	1,306.1	1,689.0	1,949.8
Loans & Advances & Other CA	0.0	0.0	0.0	0.0
Total Current Assets	1,812.1	3,074.9	3,735.3	4,339.0
Creditors	615.6	1,178.7	1,313.8	1,516.7
Provisions & Other CL	182.9	288.8	317.7	349.4
Total Current Liabilities	798.5	1,467.5	1,631.4	1,866.1
Net Current Assets	1,013.5	1,607.4	2,103.8	2,472.9
LT L& A, Other Assets	67.4	139.6	153.6	169.0
Deferred Tax Assets	73.9	0.0	0.0	0.0
<b>Application of Funds</b>	<b>2,951.8</b>	<b>4,283.2</b>	<b>5,422.4</b>	<b>6,473.2</b>

Source: ICICI Direct Research

Exhibit 17: Ratio Analysis				
	₹ crore			
(Year-end March)	FY20	FY21	FY22E	FY23E
<b>Per share data (₹)</b>				
EPS	4.8	18.3	23.1	27.4
Cash EPS	5.2	19.4	25.8	30.9
BV per share	33.0	48.4	69.2	93.9
DPS	3.0	2.7	2.3	2.7
Cash Per Share	12.3	16.1	21.2	27.4
<b>Operating Ratios (%)</b>				
Gross margins	50.1	55.2	55.0	55.5
EBITDA margins	19.8	32.2	32.0	32.5
Net Profit margins	9.0	20.4	20.5	21.1
Cash Conversion cycle	139.3	129.1	131.3	131.3
Asset Turnover	1.2	1.7	1.6	1.5
EBITDA conversion rate	61.9	47.3	59.5	69.0
<b>Return Ratios (%)</b>				
RoE	14.4	37.9	33.4	29.2
RoCE	13.0	32.0	31.1	30.4
RoIC	13.0	34.7	33.5	33.3
<b>Valuation Ratios (x)</b>				
P/E	96.7	25.1	19.9	16.8
EV / EBITDA	45.9	16.8	13.5	11.2
EV / Revenues	9.1	5.4	4.3	3.6
Market Cap / Revenues	8.7	5.1	4.1	3.5
Price to Book Value	13.9	9.5	6.6	4.9
<b>Solvency Ratios</b>				
Debt / Equity	0.6	0.6	0.4	0.2
Debt / EBITDA	1.9	0.9	0.7	0.5
Current Ratio	2.3	2.1	2.2	2.2

Source: ICICI Direct Research



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