

## Covid related challenges drag Q1...

**About the stock:** Biocon is a leading biopharma company operating in biologics, small molecules, branded formulations and contract research.

- Revenue breakup: Biosimilars (37%), generics (31%), research services (29%)
- Biosimilar/Insulin US pipeline- (Launched - Pegfilgrastim, Trastuzumab, Glargine; Aspart (expected in FY22E) and Bevacizumab (delayed)

**Q1FY22 Results:** Biocon reported weak Q1FY22 results.

- Revenue was up 5.3% YoY to ₹ 1760.6 crore
- EBITDA in Q1FY22 was ₹ 389.3 crore, down 5.8% YoY with margins at 22%
- Consequent PAT was at ₹ 84.4 crore (down 43.5% YoY)

**What should investors do?** Biocon's share price has grown by ~3.2x over the past five years (from ~₹ 123 in June 2016 to ~₹ 404 levels in June 2021).

- We maintain our HOLD rating on the stock

**Target Price and Valuation:** We value Biocon at ₹ 400 on SOTP basis

**Key triggers for future price performance:**

- Interchangeability approval of insulin glargine
- Marketing authorisation for bBevacizumab in Australia & UK
- Approval of bBevacizumab and insulin Aspart in the US
- Ramp up of market shares in existing biosimilars, geographical expansion
- Syngene Mangalore customer validations and approvals

**Alternate Stock Idea:** Apart from Biocon, in formulations space 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



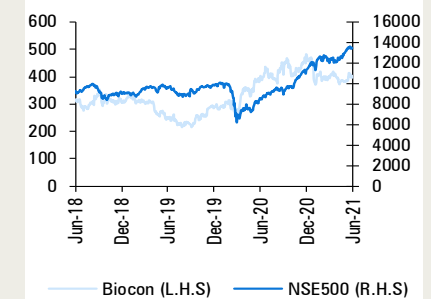
### Particulars

Particular	Amount
Market Capitalisation	₹ 48336 crore
Debt (FY21)	₹ 4359 crore
Cash (FY21)	₹ 2015 crore
EV	₹ 50679 crore
52 week H/L	488/363
Equity capital (₹Crore)	₹ 600 crore
Face value (₹)	₹ 5

### Shareholding pattern

(in %)	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21
Promoter	60.7	60.7	60.7	60.7	60.6
Others	39.3	39.3	39.3	39.3	39.4

### Price Chart



### Recent Event & Key risks

- Marketing Authorization for bBevacizumab in Australia & UK
- Key Risk:** (i) Good launches in pipeline, (ii) Disruption due to another Covid wave.

### Research Analyst

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### Key Financial Summary

Key Financials (₹ crore)	FY19	FY20	FY21	5 year CAGR (FY16-21)	FY22E	FY23E	2 year CAGR (FY21-23E)
Revenues (₹ crore)	5514.4	6367.2	7105.8	16.0	8262.0	10572.0	22.0
EBITDA (₹ crore)	1361.2	1603.1	1640.0	20.9	2014.3	3033.8	36.0
EBITDA margins (%)	24.7	25.2	23.1		24.4	28.7	
Net Profit (₹ crore)	744.8	698.2	730.3	6.1	734.7	1505.4	43.6
EPS (₹)	6.2	5.8	6.1		6.1	12.5	
P/E (x)	53.4	64.6	65.3		65.8	32.1	
RoCE (%)	10.9	10.2	7.6		8.7	12.5	
RoE (x)	12.2	10.4	9.6		8.9	15.6	

Source: Company, ICICI Direct Research

## Key takeaways of recent quarter & conference call highlights

### Q1FY22 Results: Covid Impacted Q1

- Biocon posted below par numbers for Q1FY22. While revenues were below estimates due to Covid-related operational challenges at API facilities, profitability was lower due to a below expected operational performance and share of loss from Bicara
- Revenues grew 5.3% YoY to ₹ 1760.6 crore (I-direct estimate: ₹ 1895 crore). Biosimilars grew 9.6% YoY to ₹ 758 crore, better than I-direct estimates of ₹ 706 crore. Research services segment grew 41% YoY at ₹ 595 crore, in line with I-direct estimates of ₹ 590 crore. Generic sales de-grew 18.8% YoY to ₹ 486 crore (I-direct estimate: ₹ 599 crore) due to Covid-related operational challenges at API facilities
- EBITDA margins improved 262 bps YoY to 22.1% (I-direct estimate: 23.9%) mainly due to lower gross margins (down 236 bps YoY to 65.2%) and higher employee and R&D cost. EBITDA declined 5.8% YoY to ₹ 389 crore against I-direct estimate of ₹ 454 crore
- Net profit de-grew 43.5% YoY to ₹ 84.4 crore (I-direct estimate: ₹ 181 crore). Net profit, excluding the share of loss from Boston-based associate start-up entity Bicara Therapeutics Inc, was at ₹ 142 crore

### Q1FY22 Earnings Conference Call highlights

- **Generics**
  - Total ₹ 75 crore of sales impacted in Q1 amid Covid-related operational challenges at API facilities. The company expects normalisation of sales from Q2
  - Continued to face pricing pressures in US formulations business but statin formulations portfolio in the US - Atorvastatin, Simvastatin and Rosuvastatin held on to its market share
  - Launched two new formulations in the US during the quarter - Labetalol Hydrochloride tablets and Esomeprazole Magnesium Delayed-Release capsules with estimated market size of US\$63 million and US\$230 million, respectively
  - Tacrolimus capsules, launched in the US, Q3FY20, has started to see a gradual ramp up in market share
  - The company has requested USFDA to consider the recently inspected and certified Biocon Pharma facility by the MHRA for product approval through mutual recognition agreement
  - Biocon on track to commission the greenfield Immunosuppressants API manufacturing facility at Visakhapatnam in FY22
- **Novel Biologics**
  - Biocon owns the European rights for Itolizumab wherein The Committee for Orphan Medicinal Products gave an orphan designation to Itolizumab for the treatment of acute and chronic GVHD
- **Biocon Biologics**
  - Q1FY22 – EMs to developed market contribution was 60:40. This was 55:45 on annual basis
  - Received marketing authorisation approval for bBevacizumab (Abevmy) from TGA, Australia and MHRA, UK
  - USFDA has scheduled pre-approval inspection of Malaysia facility in Q2FY22 for BLA of bAspart
  - Served over 27,000 patients with Itolizumab by end of Q1FY22

- Expanded footprint in emerging markets with the launch of key bTrastuzumab, bGlargine and rh-Insulin in additional markets
  - bTrastuzumab recorded a strong uptake in emerging markets like Brazil where it maintained leadership position with 39% market share in retail segment.
  - Through partnership with Viartis, there was an increase in market share for bTrastuzumab, bPegfilgrastim and bGlargine in US
  - US market share: Pegfilgrastim ~ 8.5%, Trastuzumab ~ 9%
  - Regulatory process for the grant of interchangeability designation to bGlargine is progressing under the 351(k) pathway for US with progress expected by end of July 2021
- **Research Services**
    - Syngene signed a five-year agreement with IAVI for manufacturing three anti-HIV monoclonal antibodies
    - The Mangalore API facility successfully completed ISO 9001-2015 certification audit
    - Completed phase II expansion of dedicated R&D centre for Bristol Myers Squibb following the contract extension announced last quarter
- **Others**
    - Bicara investment was at ~ US\$15 million (came down from US\$40 million). It is likely to impact P&L for the next two to three quarters
    - Bicara fund raising depends on outcome of Phase I trials, which are expected at the end of CY21
    - Guided gross R&D expenditure to be 12-14% of ex-Syngene revenue
    - Capex Guidance –
      - Biosimilar: US\$100 million in FY22
      - Generics: ₹ 550 crore in FY22
      - Syngene: ₹ 100 crore in FY22

Exhibit 1: Variance Analysis

	Q1FY22	Q1FY22E	Q1FY21	YoY (%)	Q4FY21	QoQ (%)	Comments
Revenue	1,760.6	1,895.3	1,671.3	5.3	1,838.7	-4.2	Subdued growth and miss vis-à-vis I-direct estimates mainly due to Covid-related operational challenges at API facilities
Raw Material co:	612.1	597.0	541.6	13.0	575.6	6.3	
Gross margins	65.2	68.5	67.6	-236 bps	68.7	-346 bps	Adverse product mix towards lower margin Covid portfolio impacted gross margins
Employee cost	436.0	454.9	393.7	10.7	452.1	-3.6	
R & D Expenditur	120.0	143.6	107.0	12.1	127.0	-5.5	Gross R&D spend was ₹ 136 crore in Q1FY22
Other Expenditure	203.2	246.4	215.7	-5.8	248.2	-18.1	
Total Expenditure	1,371.3	1,441.9	1,258.0	9.0	1,402.9	-2.3	
EBITDA	389.3	453.5	413.3	-5.8	435.8	-10.7	
EBITDA (%)	22.1	23.9	24.7	-262 bps	23.7	-159 bps	YoY contraction and miss vis-à-vis I-direct estimates mainly due to lower gross margins
Interest	19.9	21.3	12.5	59.2	33.9	-41.3	
Depreciation	194.8	187.5	166.8	16.8	184.3	5.7	
Other income	47.2	37.9	18.3	157.9	205.4	-77.0	
EO	0.0	0.0	0.0	0.0	-12.6	0.0	
PBT	221.8	282.6	252.3	-12.1	435.6	-49.1	
Tax	57.3	65.0	80.9	-29.2	69.4	-17.4	
MI	24.0	36.1	18.4	30.4	43.2	-44.4	
Adj. PAT	84.4	180.7	149.4	-43.5	242.6	-65.2	Excluding the share of loss from Boston-based associate start-up entity Bicara Therapeutics Inc, was at ₹ 142 crore
<b>Key Metrics</b>							
Generics	486.3	598.9	598.9	-18.8	577.5	-15.8	YoY decline and miss vis-à-vis I-direct estimates amid 1) ₹ 75 crore impacted amid Covid-related operational challenges at API facilities, 2) continuous pricing pressure in generic portfolio
Biosimilars	758.1	706.2	691.6	9.6	663.6	14.2	YoY growth amid continuous market share gain and geographical expansion
Contract Researc	594.5	590.2	421.6	41.0	658.6	-9.7	YoY growth amid lower base, normalisation of all verticals and manufacturing of Remdesivir

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

(₹ Crore)	FY22E			FY23E			Comments
	Old	New	% Change	Old	New	% Change	
Revenues	8,668.9	8,262.0	-4.7	10,883.9	10,572.0	-2.9	Decline mainly due to slower than expected ramp-up in biosimilar segment
EBITDA	2,184.0	2,014.3	-7.8	3,114.0	3,033.8	-2.6	
EBITDA Margin (%)	25.2	24.4	-82 bps	28.6	28.7	10 bps	Lower than expected margins in FY21, adverse product mix and likely negative operational leverage in near term due to aggressive capex
Net Profit	704.9	734.7	4.2	1,298.7	1,505.4	15.9	
EPS (₹)	5.9	6.1	3.8	10.8	12.5	16.2	Changed mainly in sync with operational performance and increase in depreciation

Source: ICICI Direct Research

Exhibit 3: Assumptions

Growth (%)	Current			Earlier			Comments
	FY20	FY21	FY22E	FY23E	FY22E	FY23E	
Generics	2,207.3	2,335.9	2,314.4	2,582.2	2,522.8	2,724.6	Changed mainly due to lower than expected sales in Q1FY22 and continuous pricing pressure in existing portfolio
Biosimilars	2,315.0	2,800.2	3,510.3	4,917.7	3,629.2	5,080.9	
Contract Research	2,012.0	2,184.3	2,515.7	3,072.1	2,516.9	3,078.4	

Source: ICICI Direct Research

Exhibit 4: Valuation

Particulars	FY23E EPS (₹ cr)	Multiple (x)	Per share (₹)
Biocon (ex Syngene)	9.0	28.0	253.1
Syngene			
Targeted Market Cap			31200
Biocon's Holding			71.1%
Holding Company Discount			20.0%
Syngene valuation			17737
Per share valuation			148
<b>SOTP valuation</b>			<b>400</b>

Source: Company, ICICI Direct Research

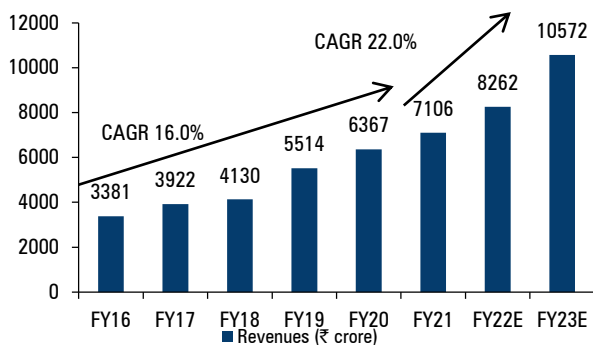
Exhibit 5: Financial Summary

	Revenues (₹ crore)	Growth (%)	EPS (₹)	Growth (%)	P/E (x)	EV/EBITDA (X)	RoNW (%)	RoCE (%)
FY20	6367	15.5	5.8	-6.3	64.6	30.7	10.4	10.2
FY21	7106	11.6	6.1	4.6	65.3	30.2	9.6	7.6
FY22E	8262	16.3	6.1	0.6	65.8	24.9	8.9	8.7
FY23E	10572	28.0	12.5	104.9	32.1	16.4	15.6	12.5

Source: Company, ICICI Direct Research

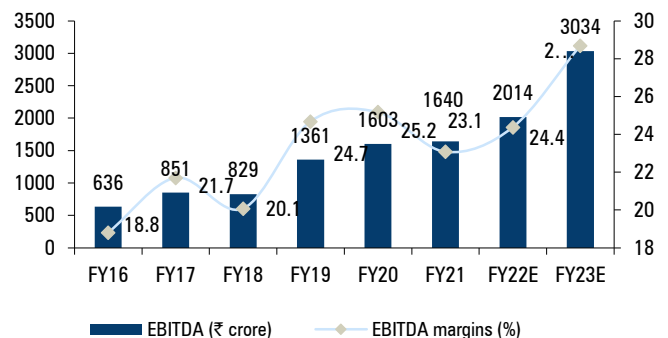
Key Metrics

Exhibit 6: Revenues to grow at CAGR of 22% over FY21-23E



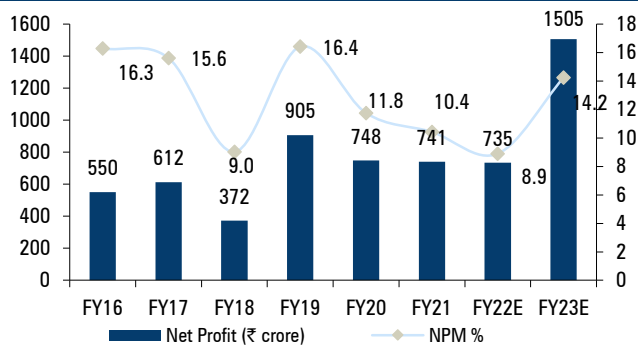
Source: ICICI Direct Research, Company

Exhibit 7: EBITDA and EBITDA margins trend



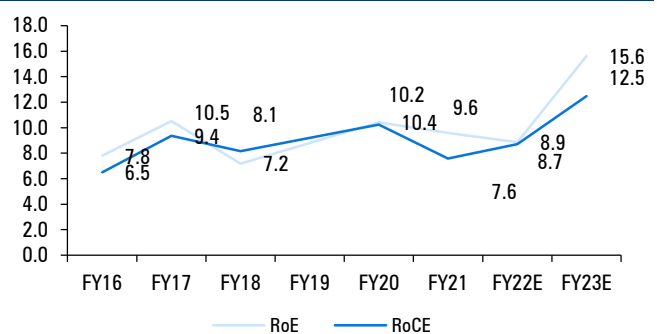
Source: ICICI Direct Research, Company

Exhibit 8: PAT & PAT margins trend



Source: ICICI Direct Research, Company

Exhibit 9: Return ratios



Source: ICICI Direct Research, Company

**Exhibit 10: Trends in Quarterly Performance**

(₹ Crore)	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	YoY (%)	QoQ(%)
Revenues	1123.8	1321.0	1540.8	1528.8	1465.9	1572.2	1748.1	1581.0	1671.3	1744.8	1851.0	1838.7	1760.6	5.3	-4.2
Raw Material Cost	433.8	446.7	528.1	487.9	424.5	477.9	577.3	572.5	541.6	531.4	559.9	575.6	612.1	13.0	6.3
% to revenues	38.6	33.8	34.3	31.9	29.0	30.4	33.0	36.2	32.4	30.5	30.2	31.3	34.8		
Gross Profit	690.0	874.3	1012.7	1040.9	1041.4	1094.3	1170.8	1008.5	1129.7	1213.4	1291.1	1263.1	1148.5	1.7	-9.1
Gross Profit Margin (%)	61.4	66.2	65.7	68.1	71.0	69.6	67.0	63.8	67.6	69.5	69.8	68.7	65.2	-236 bps	-346 bps
Employee cost	261.4	288.9	294.4	320.6	341.0	353.3	376.1	388.4	393.7	431.9	463.3	452.1	436.0	10.7	-3.6
% to revenues	23.3	21.9	19.1	21.0	23.3	22.5	21.5	24.6	23.6	24.8	25.0	24.6	24.8	121 bps	18 bps
R & D	44.0	77.0	77.0	92.0	79.0	104.0	131.0	125.0	107.0	148.0	171.0	127.0	120.0		
% to revenues	3.9	5.8	5.0	6.0	5.4	6.6	7.5	7.9	6.4	8.5	9.2	6.9	6.8	41 bps	-9 bps
Other Expenditure	146.7	168.8	260.6	225.3	183.9	234.2	219.5	176.5	215.7	242.1	257.3	248.2	203.2	-5.8	-18.1
% to revenues	13.1	12.8	16.9	14.7	12.5	14.9	12.6	11.2	12.9	13.9	13.9	13.5	11.5	-136 bps	-196 bps
Total Expenditure	885.9	981.4	1160.1	1125.8	1028.4	1169.4	1303.9	1262.4	1258.0	1353.4	1451.5	1402.9	1371.3	9.0	-2.3
% to revenues	78.8	74.3	75.3	73.6	70.2	74.4	74.6	79.8	75.3	77.6	78.4	76.3	77.9		
EBIDTA	237.9	339.6	380.7	403.0	437.5	402.8	444.2	318.6	413.3	391.4	399.5	435.8	389.3	-5.8	-10.7
EBITDA Margin (%)	21.2	25.7	24.7	26.4	29.8	25.6	25.4	20.2	24.7	22.4	21.6	23.7	22.1	-262 bps	-159 bps
Depreciation	99.1	112.2	116.7	119.8	124.2	131.6	144.0	152.4	166.8	177.7	186.3	184.3	194.8	16.8	5.7
Interest	17.6	18.8	18.6	15.9	16.6	13.8	17.7	16.8	12.5	6.5	4.8	33.9	19.9	59.2	-41.3
OI	68.8	54.4	25.6	28.2	24.1	38.4	35.8	63.1	18.3	15.5	27.9	205.4	47.2	157.9	-77.0
PBT	190.0	263.0	271.0	295.5	320.8	295.8	318.3	212.5	252.3	222.7	236.3	423.0	221.8	-12.1	-47.6
Tax	52.1	73.2	46.1	40.9	85.2	100.1	84.8	45.0	80.9	22.3	48.9	69.4	57.3	-29.2	-17.4
Tax Rate (%)	27.4	27.8	17.0	13.8	26.6	33.8	26.6	21.2	32.1	10.0	20.7	16.4	25.8		
PAT	137.9	189.8	224.9	254.6	235.6	195.7	233.5	167.5	171.4	200.4	187.4	353.6	164.5	-4.0	-53.5
PAT Margin (%)	12.3	14.4	14.6	16.7	16.1	12.4	13.4	10.6	10.3	11.5	10.1	19.2	9.3		
Exceptional Items (EI)	0.0	-188.8	-5.8	0.0	0.0	-67.5	0.0	0.0	0.0	0.0	0.0	-12.6	0.0		
Net Profit before MI	137.9	378.6	230.7	254.6	235.6	263.2	233.5	167.5	171.4	200.4	187.4	366.2	164.5	-4.0	-55.1
Add/(less) MI	18.6	23.0	26.0	29.7	21.4	38.1	27.5	35.7	18.4	26.1	18.0	43.2	24.0		
Net Profit after MI	119.3	355.6	204.7	224.9	214.2	225.1	206.0	131.8	153.0	174.3	169.4	323.0	140.5	-8.2	-56.5
Adjusted Net Profit	119.8	165.9	212.4	213.7	206.3	189.0	202.8	123.4	149.4	169.3	168.6	242.6	84.4	-43.5	-65.2

Source: ICICI Direct Research

## Financial Summary

Exhibit 11: Profit and loss statement					₹ crore
Year-end March	FY20	FY21	FY22E	FY23E	
<b>Total Operating Income</b>	<b>6367.2</b>	<b>7105.8</b>	<b>8262.0</b>	<b>10572.0</b>	
Growth (%)	15.5	11.6	16.3	28.0	
Raw Material Expenses	2052.2	2208.5	2627.5	3118.7	
Employee Expenses	1458.8	1741.0	2046.0	2325.8	
R&D Expenditure	439.0	553.0	620.6	825.0	
Other Expenditures	814.1	963.3	953.6	1268.6	
Total Operating Expenditure	4764.1	5465.8	6247.7	7538.2	
<b>Operating Profit (EBITDA)</b>	<b>1603.1</b>	<b>1640.0</b>	<b>2014.3</b>	<b>3033.8</b>	
Growth (%)	17.8	2.3	22.8	50.6	
Depreciation	552.2	715.1	786.7	947.7	
Interest	64.9	57.7	79.6	79.6	
Other Income	161.4	267.1	221.5	211.4	
PBT before Exceptional Items	1147.4	1134.3	1369.5	2217.9	
Less: Exceptional Items	-67.5	-12.6	0.0	0.0	
Total Tax	315.1	221.5	321.3	510.1	
PAT before MI	899.8	925.4	1048.2	1707.8	
Minority Interest	122.7	105.7	141.6	188.0	
<b>Adjusted PAT</b>	<b>698.2</b>	<b>730.3</b>	<b>734.7</b>	<b>1505.4</b>	
Growth (%)	-6.3	4.6	0.6	104.9	
<b>EPS (Adjusted)</b>	<b>5.8</b>	<b>6.1</b>	<b>6.1</b>	<b>12.5</b>	

Source: Company, ICICI Direct Research

Exhibit 12: Cash flow statement					₹ crore
Year-end March	FY20	FY21	FY22E	FY23E	
Profit/(Loss) after taxation	526.8	652.4	734.7	1505.4	
Add: Depreciation & Amortization	552.2	715.1	786.7	947.7	
Net Increase in Current Assets	-571.8	-734.0	-730.1	-1392.4	
Net Increase in Current Liabilities	133.0	310.2	618.4	918.0	
Other Operating Activities	369.2	216.0	79.6	79.6	
<b>CF from operating activities</b>	<b>1009.4</b>	<b>1159.7</b>	<b>1489.4</b>	<b>2058.3</b>	
(Purchase)/Sale of Fixed Assets	-1829.4	-1297.1	-2259.9	-1640.3	
(Increase)/Decrease in Investments	174.4	-567.0	0.0	-500.0	
Increase/(Decrease) in Minority Int	0.0	0.0	88.1	96.9	
Other Investing Activities	-74.3	-842.8	69.6	47.8	
<b>CF from investing activities</b>	<b>-1729.3</b>	<b>-2706.9</b>	<b>-2102.2</b>	<b>-1995.6</b>	
Proceeds from issues of Equity Sha	538.8	797.7	0.0	0.0	
Inc/(dec) in loan funds	292.3	1882.3	-100.0	0.0	
(Payment) of Dividend and Dividend	-70.1	0.0	-73.5	-150.5	
Interest Paid	-91.2	-116.0	-79.6	-79.6	
Other Financing Activities	-8.5	0.0	0.0	0.0	
<b>CF from financing activities</b>	<b>661.3</b>	<b>2564.0</b>	<b>-253.1</b>	<b>-230.1</b>	
Net Cash flow	-58.6	1016.8	-865.8	-167.4	
Opening Cash	1057.2	998.6	2015.4	1149.6	
<b>Closing Cash</b>	<b>998.6</b>	<b>2015.4</b>	<b>1149.6</b>	<b>982.2</b>	
<b>Free Cash Flow</b>	<b>1183.8</b>	<b>592.7</b>	<b>1489.4</b>	<b>1558.3</b>	

Source: Company, ICICI Direct Research

Exhibit 13: Balance Sheet					₹ crore
Year-end March	FY20	FY21	FY22E	FY23E	
<b>Liabilities</b>					
Equity Capital	600.0	600.0	600.0	600.0	
Reserve and Surplus	6105.8	7026.9	7688.2	9043.0	
Total Shareholders funds	6705.8	7626.9	8288.2	9643.0	
Total Debt	2715.3	4358.6	4258.6	4258.6	
Minority Interest	677.3	880.7	968.8	1065.6	
Other NCL & LT Provisions	1747.4	2843.0	3125.7	3436.6	
<b>Source of Funds</b>	<b>11845.8</b>	<b>15709.2</b>	<b>16641.2</b>	<b>18403.8</b>	
<b>Assets</b>					
Gross Block - Fixed Assets	9121.0	10194.5	13154.4	15794.7	
Accumulated Depreciation	3176.3	3857.0	4643.7	5591.4	
Net Block	5944.7	6337.5	8510.7	10203.2	
Capital WIP	2196.0	2800.2	2100.2	1100.2	
Total Fixed Assets	8140.7	9137.7	10610.9	11303.4	
Goodwill on Consolidation	26.4	26.4	26.4	26.4	
Investments	966.1	1951.9	1951.9	2451.9	
Inventory	1435.9	1866.6	1545.6	1977.7	
Debtors	1223.7	1217.6	1935.5	2476.6	
Cash	998.6	2015.4	1149.6	982.2	
Other Current Assets	809.2	1292.1	1625.3	2044.4	
Total Current Assets	4467.4	6391.7	6255.9	7480.9	
Creditors	1325.1	1513.9	1795.4	2297.3	
Provisions	103.0	109.4	139.6	169.7	
Other Current Liabilities	1169.9	1189.7	1496.5	1882.4	
Total Current Liabilities	2598.0	2813.0	3431.4	4349.5	
Net Current Assets	1869.4	3578.7	2824.5	3131.4	
Deferred Tax Assets	368.0	307.7	338.5	372.3	
Other Non Current assets	475.2	706.8	889.1	1118.3	
<b>Application of Funds</b>	<b>11845.8</b>	<b>15709.2</b>	<b>16641.2</b>	<b>18403.8</b>	

Source: Company, ICICI Direct Research

Exhibit 14: Key ratios				
Year-end March	FY20	FY21	FY22E	FY23E
<b>Per share data (₹)</b>				
Reported EPS	6.2	6.2	6.1	12.5
BV per share	55.9	63.6	69.1	80.4
Dividend per share	0.6	0.0	0.6	1.3
Cash Per Share	8.3	16.8	9.6	8.2
<b>Operating Ratios (%)</b>				
Gross Margin	67.8	68.9	68.2	70.5
EBITDA margin	25.2	23.1	24.4	28.7
EBIT Margin	16.5	13.0	14.9	19.7
PAT Margin	11.0	10.3	8.9	14.2
Inventory days	82.3	95.9	68.3	68.3
Debtor days	70.1	62.5	85.5	85.5
Creditor days	76.0	77.8	79.3	79.3
Asset Turnover	0.5	0.5	0.5	0.6
EBITDA Conversion Ratio	63.0	70.7	73.9	67.8
<b>Return Ratios (%)</b>				
RoE	10.4	9.6	8.9	15.6
RoCE	10.2	7.6	8.7	12.5
RoIC	14.2	9.9	10.4	14.7
<b>Valuation Ratios (x)</b>				
P/E	64.6	65.3	65.8	32.1
EV / EBITDA	30.7	30.2	24.9	16.4
EV / Net Sales	7.7	7.0	6.1	4.7
Market Cap / Sales	7.6	6.8	5.9	4.6
Price to Book Value	7.2	6.3	5.8	5.0
<b>Solvency Ratios</b>				
Debt / EBITDA	1.7	2.7	2.1	1.4
Debt / Equity	0.4	0.6	0.5	0.4
Current Ratio	1.3	1.6	1.5	1.5
Quick Ratio	0.8	0.9	1.0	1.0
Working Capital Cycle	76.5	80.7	74.5	74.5

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



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