

December 10, 2021

IPO Note

IPO Fact Sheet

Opening Date:	Dec 13, 2021
Closing Date:	Dec 15, 2021
BRLMs:	Axis Capital, Credit Suisse, Edelweiss, Nomura
Issue Size:	Rs 13.98bn
Numbers of Shares:	17,573,342
Face value:	Rs 2
Bid lot:	18 Shares

Indicative Timetable

Activity	Date
Finalisation of Basis of Allotment:	Dec 20, 2021
Refunds/Unblocking ASBA Fund	Dec 21, 2021
Credit of equity shares to DP A/c	Dec 22, 2021
Trading commences	Dec 23, 2021

Issue Structure

QIB	50%
NIB	15%
Retail	35%

Issue Details

Pre-issue equity shares	11,17,61,165
Post-issue equity shares*	11,93,05,676
Post-issue Market Cap (Rs Crs)*	9,496.7
Post-issue Market Cap (Rs Crs)#	9,305.8

* Upper Band / # Lower Band

Object of the Issue

Payment of outstanding purchase consideration to the Promoter for the spin-off of the API business pursuant to the Business Purchase Agreement. Funding the CAPEX and general requirements.

Shareholding Pattern

(%)	Pre-Issue	Post-Issue
Promoters	43.16%	40.43%
Public	56.84%	59.57%

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At inflection point; Recommend 'Subscribe'

We recommend 'SUBSCRIBE' to the IPO of Medplus Health Services Ltd (Medplus), a compelling omni-channel play in healthcare retailing as 1) profitable operations despite higher discounts across omni-channel deliveries, given its fully integrated offerings and 2) huge scope to grow as industry moves from unorganized to organized omni-channel players (10% CAGR in Indian retail pharmacy market in next five years). We expect Medplus will gain scale and profitability given 1) faster pace of store expansion (60-70 new stores/month) 2) benefits of economic of scale and 3) faster break-even with increasing contribution of private labels over medium term.

*We believe Medplus will trade at higher multiple as it is a pure play omni channel company, scarcity premium and high growth rates. Medplus EBITDA (adj for pre IND AS) has grown at 48% CAGR over FY19-22. Annualizing H1FY22 nos, at upper end of price band, the company will trade at 2.4x EV/sales and 44x EV/EBITDA (adj for pre IND AS) versus 35x EV/EBITDA/3x EV/sales (our parameter) to Apollo's offline pharmacy business on one year forward basis. **SUBSCRIBE.***

We firmly believe that the company is well positioned with strong consumer recall value and technology driven operations given its:

- **Second largest leading retail chain of 2,326 stores** as of Sept 2021 with established brand and value proposition to Customers. Medplus offers fully integrated offerings with both offline and online channels. This allows them to deliver in less than 2 hours given hyperlocal store presence and own delivery from stores, well spread across 7 states across India.
- **Successful track record of expansion using a distinct cluster-based and replicable store unit expansion model**, whereby it first achieves high store density in densely-populated residential area within a target city before expanding store network in surrounding areas within that city, followed by expansion in other adjacent cities.
- **High Density Store Network Enhancing Omni-channel proposition**, unlike pure online platforms, Medplus is well positioned to cater to acute therapies requirement from customers with faster turnaround. Medplus intends to increase private label contribution (higher margins) in pharma products, especially in sub-chronic and chronic ailments. Online and private labels contributed 9% /13.5% (4.5% in FY19) to total sales in FY21.
- **Lean cost structure and technology driven operations**, with strategical inventory management system, Medplus plans to open 600-700 stores annually vs 882 stores opened over FY18-21. Historically company has taken less than 6 months to break even at EBITDA for 75% of stores opened in last 3 years. Further SSG for mature sales stores has been 8% with +11.5% OPM
- **Well qualified, experienced and entrepreneurial senior management team** drives company's business and operations, who come from diverse backgrounds and various fields of expertise.

MedPlus Health Services Ltd.

MedPlus Health Services is the second largest pharmacy retailer in India, in terms of revenue as well as number of stores as of March'21 (according to Technopak report). The company offers wide range of Pharmaceutical and wellness products, (including medical devices and test kits) with a vision to set up 'trusted pharmacy retail brand' that offers genuine medicines and serves better value through efficient supply chain mechanism. Medplus has developed an in-house integrated technology infrastructure for its entire business value chain and operations. Its centralized inventory management system is capable of tracking sales and inventory levels at stores and warehouses on real-time. It generally procures inventory directly from pharmaceutical companies and their carry forward agents to strengthen value chain and offer products at more affordable price points to customers. Company's technology-driven supply chain and distribution infrastructure provides a strong foundation to continue scale the business.

Medplus has maintained a strong focus on scaling up store network and has grown from its initial 48 stores in Hyderabad to India's second largest pharmacy retail network of 2000 stores distributed across Tamil Nadu, Andhra Pradesh, Telangana, Karnataka, Odisha, West Bengal and Maharashtra. Company is at a lead position in key cities like Chennai, Bangalore, Hyderabad and Kolkata based on revenue contribution of 30%, 29%, 30% and 22%, respectively in FY21. During the last decade Medplus expanded its store footprint with four-fold store growth from 62 to 293 stores in Chennai, three-fold store growth from 110 to 331 stores in Bangalore, Hyderabad with two-fold from 141 to 309 stores and highest eight-fold store growth from 22 to 201 stores in Kolkata.

Offer Details

Exhibit 1: Offer Details

Offer Period	Opens On: 13 th Dec, 2021 Closes On: 15 th Dec, 2021
Issue Details	Fresh Issue of Rs6bn
Issue Size	Rs13.98bn
Price Band	Rs780-796
Bid Lot	18 Shares
QIB	Not more than 50% of net offer
NIB	Not less than 15% of the Net Offer
Retail	Not less than 35% of the Net Offer
BRLM	Axis Capital, Credit Suisse, Edelweiss Financial, Nomura Financial
Registrar	KFin Technologies Pvt. Ltd.
Listings	BSE & NSE

Source: RHP, Company, PL

Exhibit 2: Object of the Issue

Objects	Amount (Rs m)
Funding working capital requirements of our Material Subsidiary, Optival	4,671.7
General Corporate Purposes	1,328.3

Source: RHP, Company, PL

Investment Argument

Second largest pharmacy retailer in India with established brand and value proposition to customers: Medplus is the second largest pharmacy retailer in India, in terms of revenue as well as number of stores in FY21. It's well established brand with wide offering in genuine and affordable products, higher store fill rate, technology driven operating system plus large store footprint helps to maintain a leadership position on both offline and online platforms. Medplus offers strong value proposition to a wide range of customers, including 1) value pricing in form of discounts (for price sensitive customers with chronic therapeutic needs and larger order value), 2) offerings as per convenience and fulfilment of customer, 3) under 2-hour delivery for online purchase in high density cities and 4) consistent customer service experience.

Successful track record of expansion using a distinct cluster-based and replicable store unit expansion approach: Medplus started its journey with 48 stores in Hyderabad in 2006, today operating as largest pharmacy retail network of over 2,000 stores in India. Its focuses on expanding and maintaining an efficient supply chain and distribution network, in order to support growth of established and new clusters. Systematic approach of new store opening maintains a healthy store level economics. Between April'18 and March'21, Medplus opened an aggregate of 882 new stores and over 60.0% and 75.0% of its new stores achieved a positive Store Level Operating EBITDA within first three months and first six months of operations, respectively. Company expects that new stores will increase their contribution as they mature plus gradually achieve higher growth rates and profitability. In FY21, Store Level Operating EBITDA Margin and Store Level Operating ROCE of Mature Stores was 11.0%, and over 60% respectively.

Exhibit 3: Store level economics

Store level break even period		Payback period		High # of non-mature store	
<6 months	INR 0.6mn	<3 years⁽³⁾	51.6%		
EBITDA breakeven period for 75% stores	Capital expenditure for each store	Median payback period for mature store	% of total stores with <4 years of operation		
SSSG		Sales per store		Steady state store EBITDA	
8.3%	INR15.9mn	11.6%	>60%		
FY19-21 compounded average SSSG for mature stores	FY21 average revenue per store vs. INR14.2mn for Apollo Pharmacy	H1FY22 store level operating EBITDA margin for mature stores	FY21 operating ROCE for mature stores		

Source: RHP, Company, PL

High Density Store Network Enhancing Omni-channel Proposition: Medplus is the first pharmacy retailer in India to offer an omni-channel platform since 2015, through its website and mobile application. Its customers have multiple ordering options including (i) purchasing products at stores, (ii) placing orders through telephone calls (iii) placing an order online and (iv) “Click and Pick”, by placing an order online & picking the purchased products directly from one of its stores. “Click and Pick” proposition allows customers an ease of showing prescription at a store, where uploading online prescription sometimes becomes a challenge. Its Omni-channel platform, started in FY21, showed promising results of online delivery services, where 93% of orders were delivered within two hours in selected cities. Company also expects to expand its capabilities to deliver online purchases within two hours of purchase in cities such as Chennai and Mumbai by Dec’21.

Number of stores have grown since the inception of its business. As of June 30, 2021 the company operated 520 stores in Karnataka, 458 stores in Tamil Nadu, 443 stores in Telangana, 274 stores in Andhra Pradesh, 201 stores in West Bengal, 186 stores in Maharashtra and 83 stores in Odisha with strong leadership position in key cities like Chennai, Bangalore, Hyderabad and Kolkata.

Exhibit 4: Medplus has presence in 7 states

State	FY10	FY15	FY19	FY20	FY21	Q1FY22
Telangana	181	288	352	365	435	443
Andhra Pradesh	125	152	213	226	263	274
Karnataka	166	340	457	485	514	520
Tamil Nadu	101	231	348	373	447	458
West Bengal	22	105	139	148	183	201
Maharashtra	40	65	93	113	166	186
Odisha	0	18	51	65	73	83
Total	635	1,199	1,653	1,775	2,081	2,165

Source: RHP, Company, PL

Exhibit 5: Top 4 cities account for 50% of stores

City	FY10	FY15	FY19	FY20	FY21	Q1FY22
Chennai	62	185	246	264	286	293
Bangalore	110	244	281	311	330	331
Hyderabad	141	234	259	274	299	309
Kolkata	22	105	139	148	183	201
Total	335	768	925	997	1,098	1,134

Source: RHP, Company, PL

Lean cost structure and technology driven operations: The technology driven operations and wholly managed as well as operated supply chain and distribution infrastructure place Medplus ahead in the industry. Its procurement functions along with centralized inventory management system are able to operate efficiently on real time analytics platform which has smoothened and improved the store fill rate and allows (i) monitoring of sales, (ii) analyzing customer purchase history and (iii) predict fill rates at different stores in different cities based on underlying demand patterns. Also the logistic infrastructure of a combination of own fleet, hired vehicles and third-party logistics partners operates for uninterrupted daily supply ensures provision of an emergency supply if required. As one of the key initiatives to

increase operating efficiency, company plans to increase automation at warehouses for processes such as sorting, labelling and packaging, which would allow to optimally utilise workforce at warehouses, increase efficiencies, scale operations and reduce cost.

Given large scale of operations Medplus has developed strong relationships with suppliers over period of time to procure products at more favorable rates than competitors.

Exhibit 6: Slab-based discounting model

Average Order Value (excl. GST)	Discounts (% of MRP) on branded & Pvt. Label Pharma Products	Discounts (% of MRP) on branded & Pvt. Label FMCG Products
	more than INR 1000	Up to 20%
INR 200 to INR 1000	Up to 10%	Up to 5%
below INR 200	0%	0%

Source: RHP, Company, PL

Medplus also plans to increase the proportion of its product procurement conducted directly through pharmaceutical companies or their carry forward agents to increase its gross margins. The company also aims to benefit from an enhanced operating leverage as large numbers of stores that were opened within last few years and new stores that are rolling-out as part of cluster approach of company will gradually mature.

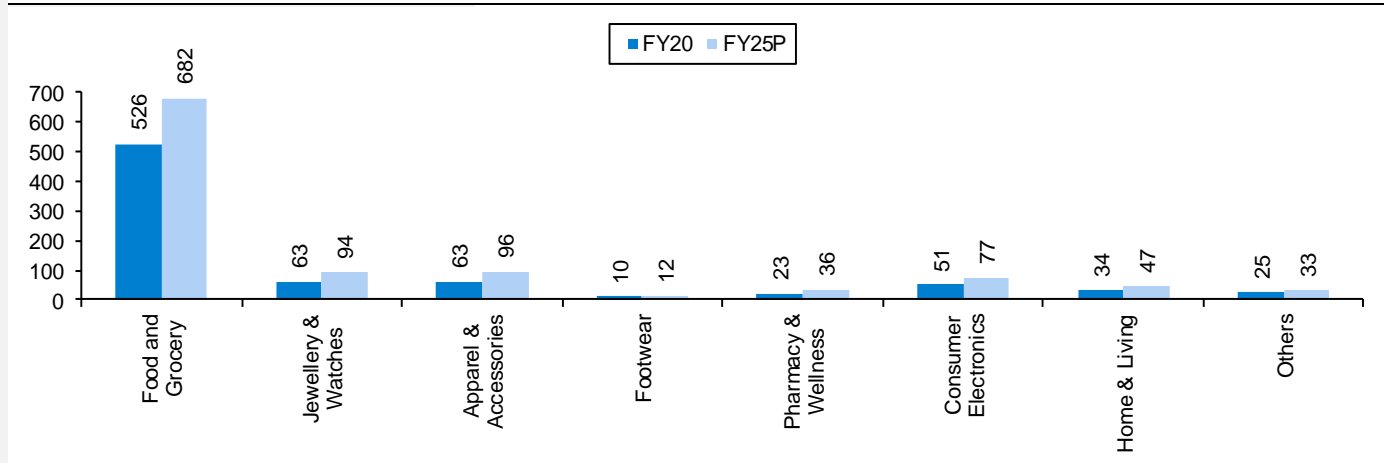
Well qualified, experienced and entrepreneurial senior management team:

Company’s business and operations are led by well-qualified, experienced and capable management team, who come from diverse backgrounds and various fields of expertise, such as medicine, finance, business and technology. Three members of the senior management team are doctors and intimately understand the business, industry and competitive landscape. The Board of Directors are supported by an experienced management team, many of whom have worked with them for several years. Key managerial personnel have over 14-15 years of experience in focused areas of the industry. This provides a significant competitive advantage to move closer towards the aim of store expansion network and increase operating efficiency and profitability.

Industry Overview

The retail market in India was valued at USD 796 billion in FY20, and is expected to grow at a CAGR of 6.23%, valued at USD 1,077 billion by FY25. India's retail basket accounted for approximately 48.5% of its private consumption in FY20, with pharmacy and wellness category accounting for approximately 2.9% of India's retail market. Penetration of organized retail (which includes organized Brick and Mortar stores as well as E-commerce) in pharmacy and wellness category was approximately 10% in FY20, and expected to increase to ~20% by FY25, implying a CAGR of 25% between FY20 and FY25.

Exhibit 7: Pharmacy and wellness accounts for only 2.8% of retail market in India

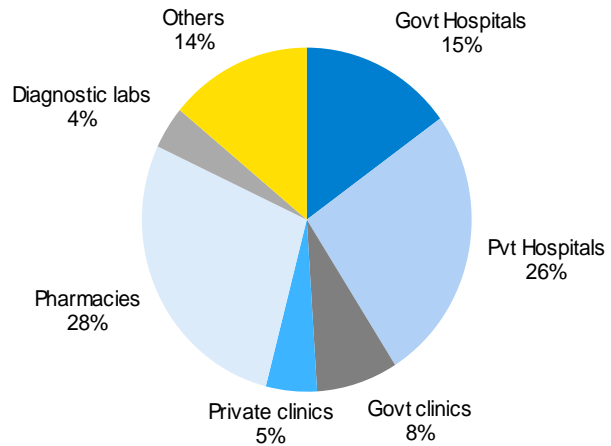


Source: RHP, Company, PL

In FY19, private final consumption expenditure (“PFCE”) accounted for ~59% of India’s GDP, as compared to ~39% of China and ~68% of United States for similar period. However, outbreak of COVID-19 pandemic led to a depression in demand with an estimated revenue loss in merchandise retail worth US\$ 117 billion in FY21.

The healthcare sector in India primarily includes hospitals, pharmaceutical companies and pharmacy retail, diagnostic services, medical equipment and supplies, medical insurance, telemedicine companies and medical tourism. Whilst per capita health expenditure in India is one amongst lowest in the world, with total health expenditure comprising 3.5% of India’s GDP (and as compared to the global average of 6.5%), there is a high growth potential given an increasing awareness, affordability and acceptability of health services leading to an increased spending on healthcare.

Exhibit 8: Distribution of current healthcare expenditure in India

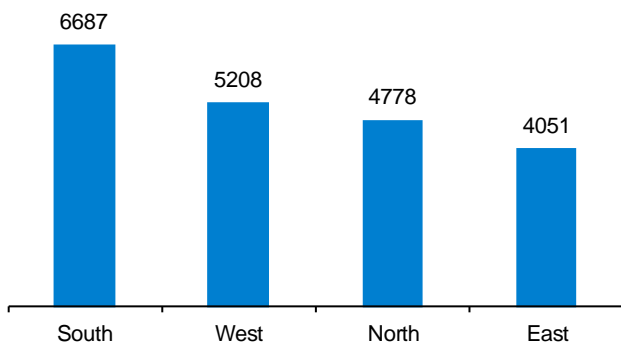


Source: RHP, Company, PL

Domestic Pharmaceutical Market

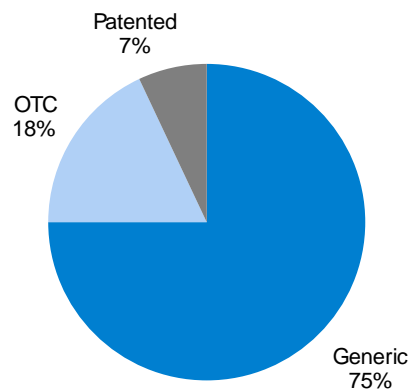
India's domestic pharmaceutical market was valued at Rs1500bn in FY20, grown at a CAGR of ~10% in last five years expected to grow at a similar rate, going forward. Key market characteristics of domestic pharmaceutical market include a low per capita health expenditure, high share of private out of pocket expenses (which includes purchases from pharmacies), and lower penetration across rural areas which lead to high growth opportunity given limited penetration of health services.

Exhibit 9: Regional estimated per capita health expenditure for India as of FY20



Source: RHP, Company, PL

Exhibit 10: Domestic pharmaceutical market by type of drugs in FY20



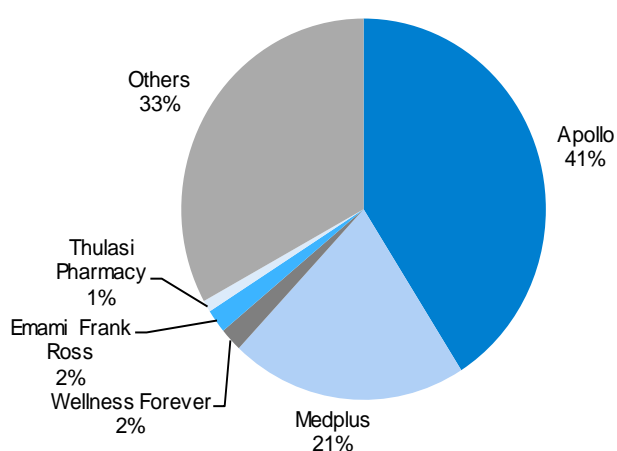
Source: RHP, Company, PL

Prescription drugs can be sold only through a valid medical prescription from registered doctor whereas OTC drugs can be dispensed without any prescription and can be sold at regular retail stores as well. The pricing for only a select number of prescription drugs listed in the national list of essential medicine (NELM) is regulated by the Government of India through National Pharmaceutical Pricing Authority. As per NELM 2015, there are 376 formulations under essential list that account for ~15-17% of total Indian domestic pharmaceutical market. OTC drugs are free from any prescription or pricing regulation.

Pharmacy Retail in India

Pharmacy retail comprises primarily of pharmaceutical products, which include OTC and prescription drugs. However, in addition to selling pharmaceutical products and related services, pharmacy retail stores also sell various FMCG products, wellness products, consumables and medical devices. As of FY20, the pharmacy retail industry was estimated to be worth ~Rs1725bn expected to grow at a CAGR of ~10% in next five years. Over past few years Indian pharmacy retail sector witnessed healthy growth due to 1) increasing consumer base and rising healthcare expenditure, 2) rising demand for OTC and prescription drugs, 3) wellness products and private label products and 4) outbreak of COVID-19 pandemic.

Exhibit 11: Total no. of modern B&M Pharmacy stores ~10000



Source: RHP, Company, PL

Market Segmentation: In FY21, penetration of the organized pharmacy retail market at Pan-India level was estimated to be ~11%. However, presence of organized pharmacy retail is concentrated in metros and mini metros, with top eight cities contributing close to 32% to the total pharmacy retail market and 62% to the total organized pharmacy market in India.

Exhibit 12: Organized retail is just 11% of Pharmacy market

City –Type (Rs crs)	Pharmacy Retail Market in FY21	Organized Pharmacy Retail Market in FY21	Penetration of Organized Retail
Metro & Mini metros	57,960	12,648	22%
Tier I	57,960	4,140	7%
Tier II & beyond	65,205	3,686	6%
Total	181,125	20,475	11%

Source: RHP, Company, PL

Exhibit 13: Medplus is second largest organized pharmacy chain

Player	Store Count as of				CAGR FY19-21	Net store additions FY19-21
	FY18	FY19	FY20	FY21		
Apollo Pharmacy	3021	3428	3766	4118	9.60%	690
MedPlus	1488	1653	1775	2081	12.20%	428
Wellness Forever	107	139	172	223	26.70%	84

Source: RHP, Company, PL

Peer Comparison

With highest share from private labels, Medplus's overall revenue CAGR was 16.2% and operating margin CAGR was highest at 63.2% (amongst peers) for last three years, given store expansion along with large scalability. Despite many new store introductions, currently the average operating EBITDA per store of Medplus is at similar level to Apollo Pharmacy while its 3 yr. margin CAGR is much ahead at 47.3% vs 20.6%. Higher average revenue per store of Wellness Forever is mainly on the back of large contribution from MNC's.

Exhibit 14: Medplus has grown sales (Rs bn) at 16.2% CAGR

Player	FY19	FY20	FY21	CAGR (FY19-21)
Apollo Pharmacy	38.9	48.2	56.1	20.2%
MedPlus	22.7	28.7	30.7	16.2%
Wellness Forever	6.8	8.7	8.9	14.2%
Emami Frank Ross	4.1	4.5	n/a	10.4%
Thulasi Pharmacy	1.3	1.4	n/a	11.5%

Source: RHP, Company, PL

Exhibit 15: Medplus is catching up with Apollo on EBITDA Margins

Player (Rsbn)	FY19	FY20	FY21	CAGR (FY19-21)
Apollo Pharmacy	2.0	2.9	3.6	33.3%
Margin	5.2%	6.0%	6.4%	
MedPlus	0.7	1.0	1.8	63.2%
Margin	2.9%	3.5%	5.7%	
Wellness Forever	0.3	0.3	n/a	19.7%
Margin	4.0%	3.7%	n/a	
Emami Frank Ross	0.4	0.5	n/a	15.7%
Margin	9.9%	10.3%	n/a	
Thulasi Pharmacy	0.0	0.0	n/a	56.7%
Margin	2.4%	3.4%	n/a	

Source: RHP, Company, PL

Exhibit 16: Average Revenue Per Store (Rs in mn) superior than Apollo

Player	FY19	FY20	FY21	CAGR (FY19-21)
Apollo Pharmacy	12.1	13.4	14.2	8.70%
MedPlus	14.5	16.7	15.9	4.90%
Wellness Forever	55.6	56	45.2	-9.90%

Source: RHP, Company, PL

Exhibit 17: Average Operating EBITDA Per Store (Rs in mn)

Player	FY19	FY20	FY21	CAGR (FY19-21)
Apollo Pharmacy	626	804	911	20.6%
MedPlus	418	578	908	47.3%
Wellness Forever	2211	2094	n/a	-5.3%

Source: RHP, Company, PL

Exhibit 18: Share of Private Label Sales (Rs in mn) is higher than Apollo

Player	FY19	FY20	FY21
Apollo Pharmacy	6%	8%	10%
MedPlus	4.5%	5.7%	10.4%
Wellness Forever	1%	2%	2%

Source: RHP, Company, PL

Valuation

Medplus is compelling play in growing the omni-channel model. Given its fully integrated offerings company is profitable, despite higher discounts across omni-channel deliveries. Medplus's EBITDA (adj for pre IND AS) has grown at 48% CAGR over FY19-22 (annualizing H1FY22 nos) and will trade at higher multiple as it is a pure play omni channel company with scarcity premium and high growth rates to sustain. At upper end of band, Medplus will trade at 2.4x EV/sales and 44x EV/EBITDA (adj for pre IND AS) on annualizing H1FY22 nos. We ascribe 35x EV/EBIDTA /3x EV/ sales to Apollo's offline pharmacy business on 1 year forward basis.

Exhibit 19: Key financial ratios of major pharmacy retailers (FY21)

Company Name	Revenue Rs bn	EBITDA Rs bn	EBITDA Margin	CAGR (FY19-21)
Apollo Pharmacy	56.1	3.6	6.4%	20.2%
MedPlus	30.7	1.8	5.7%	16.2%
Wellness Forever	8.9	n/a	-	14.2%

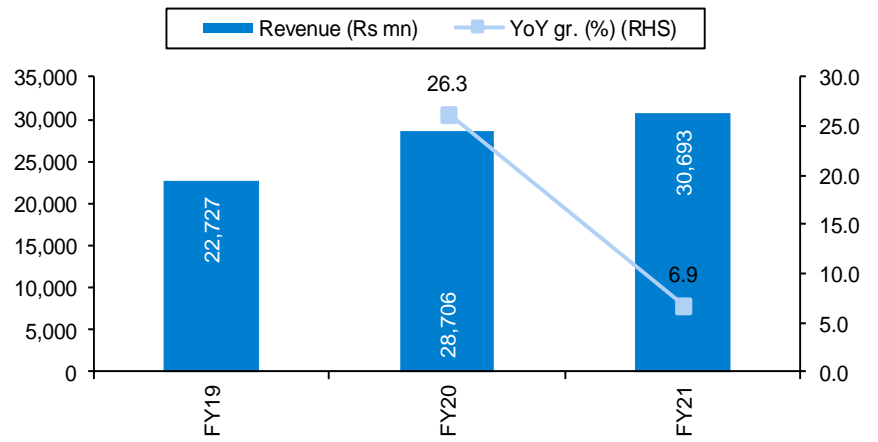
Source: RHP, Company, PL

Key Risks to the Issue

- Delay in EBITDA break-even at new stores.
- Delay in annual store expansion.
- Increase in competitive intensity from online players.

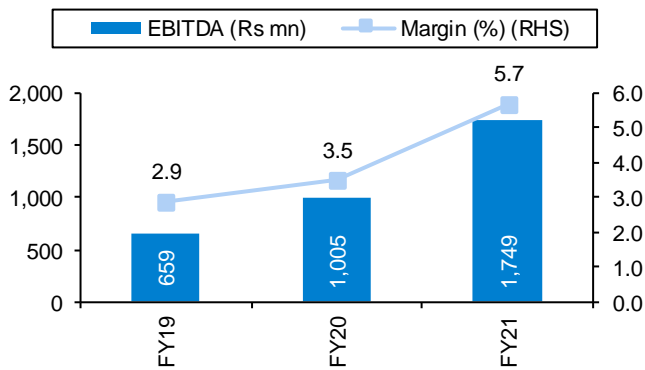
Operational and Financial Metrics

Exhibit 20: Revenue have grown by 17% CAGR over FY19-21



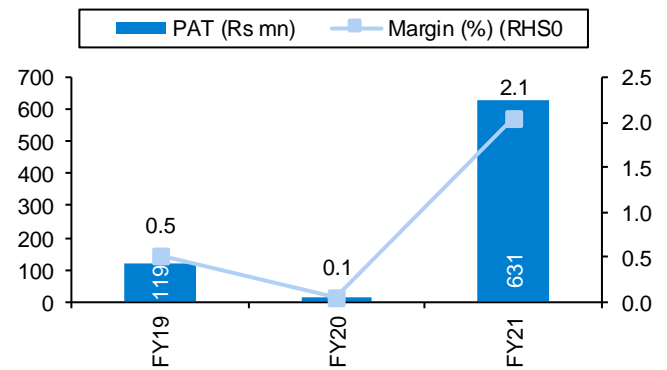
Source: Company, PL

Exhibit 21: Margin expansion



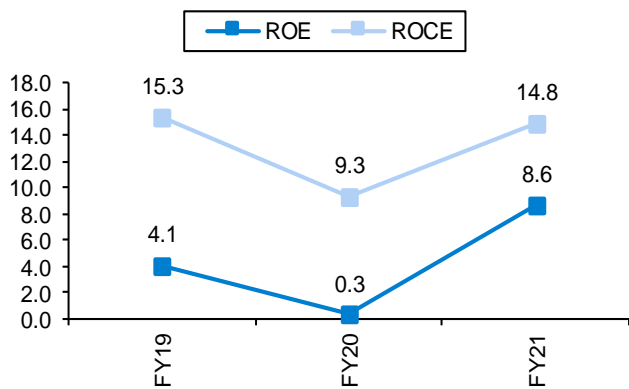
Source: Company, PL

Exhibit 22: Multifold increase in PAT



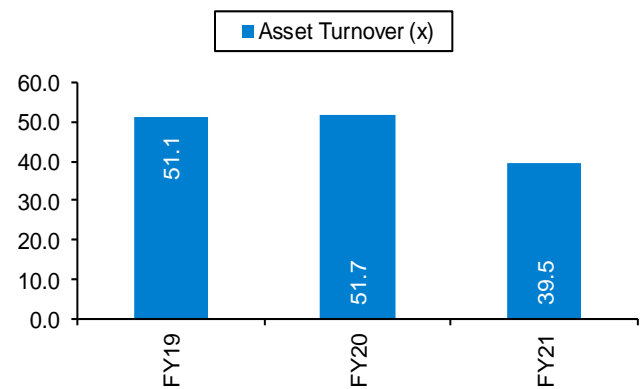
Source: Company, PL

Exhibit 23: ROE and ROCE



Source: Company, PL

Exhibit 24: Asset Turnover



Source: Company, PL

Financials

Exhibit 25: Income Statement (Rs m)

Y/E March	FY19	FY20	FY21	H1FY22
Net Sales	22,727	28,706	30,693	18,799
<i>Change (%)</i>		26.3	6.9	
Material Consumed	18,440	23,365	24,242	14,794
Gross Profit	4,287	5,341	6,451	4,005
<i>Gross Margin %</i>	18.9	18.6	21.0	21.3
Operating expenses	3,096	4,004	4,284	2,418
EBITDA	1,191	1,337	2,167	1,587
<i>Change (%)</i>		12.2	62.1	
<i>Margin (%)</i>	5.24	4.7	7.1	8.4
Depreciation	586	748	883	548
Int. and Fin. Ch.	500	468	548	313
Other Non-recurring Inc.	122	173	215	110
PBT	228	294	951	836
<i>Change (%)</i>		29.0	223.9	
<i>Margin (%)</i>	1.0	1.0	3.1	4.4
Tax	108	276	320	172
Tax Rate (%)	47.6	93.9	33.6	20.6
Adjusted PAT	119	18	631	664
<i>Change (%)</i>		-85.0	3417.9	
<i>Margin (%)</i>	0.5	0.1	2.1	3.5
Exceptional Item	0	0	0	0
Loss from discontinued operations	0	0	0	0
Reported PAT	119	18	631	664

Source: Company, PL

Exhibit 26: Balance Sheet (Rs m)

Y/E March	FY19	FY20	FY21	H1FY22
Property, Plant and Equipment	470	598	872	1,075
Right of Use Asset	2,877	3,164	3,849	4,643
Goodwill	415	415	415	415
Intangible Assets	12	39	38	52
Capital work in progress	14	28	55	78
Financial Assets				
Loans	392	473	551	614
Other	498	402	386	414
Other Non-Current Assets	52	55	141	171
Assets for Current Tax	159	156	119	127
Current Assets				
Inventories	3941	6436	7500	8100
Financial Assets				
Investments	0	2.54	0.33	0
Trade receivables	88	64	54	72
Cash and cash equivalents	499	1407	1186	961
Other Financial Assets	88	109	360	436
Other Current Assets	83	140	132	307
Total Assets	9,587	13,487	15,657	17,465
Equity				
Equity share Capital	2	2	4	64
Other Equity	2,911	5,276	7,301	7,945
Non-controlling Interest	0	13	6	1
Total Networth	2,914	5,291	7,311	8,010
Non-Current Liabilities				
Financial Liabilities				
Borrowings	0	0	0	
Lease liab	2,840	3,193	4,001	4,624
Provision	82	177	184	177
Other non-current liab	26	14	12	12
Current Liabilities				
Financial Liab				
Borrowings	1044	1051	1352	567
Trade and other Payables	1581	2342	1481	2235
Lease liab	401	529	549	800
Other Financial liab	267	437	373	551
Short term Prov.	309	257	192	187
Other Current liab	120	171	195	244
Current Tax Liab	4	24	8	58
Total Equity and Liabilities	9,587	13,487	15,657	17,465

Source: Company, PL

Exhibit 27: Cash Flow (Rs mn)

Y/E March	FY19	FY20	FY21	H1FY22
OP/(loss) before Tax	228	294	951	836
Depreciation and Amort.	586	748	883	548
Interest Paid	141	66	83	313
Others	448	740	808	45
Direct Taxes Paid	-125	-149	-287	-163
Incr in WC	190	-1765	-2409	-14
CF from Operations	1,467	-66	29	1,565
Increase in FA	-218	-302	-540	-449
Change in Right of use of assets	0	0	0	0
Purchase of Investments	0	0	0	0
Others	23	25	193	-537
CF from Investment Activity	-195	-277	-348	-986
Issue of Shares	0	2045	980	5
Change in lease liabilities	0	0	0	-584
Borrowings/(Repayments)	-181	-391	-83	0
Interest paid	0	0	0	-27
Dividend paid	0	0	0	0
Others	0	0	0	0
CF from Finance. Activity	-181	1,654	897	-606
Incr/Decr of Cash	1,091	1,312	578	-27
Add: Opening Balance	-913	-468	89	-284
Cash credit from bank	719	1051	1352	567
Closing Balance	251	1,140	1,068	256

Source: Company, PL

Exhibit 28: Key Ratios

Y/E March	FY19	FY20	FY21	H1FY22
Basic (INR)				
EPS	1.1	3.1	9.2	5.9
BV/Share	26.1	47.3	65.4	71.7
DPS	0	0	0	0
Payout %	0	0	0	0
Valuation (x)				
P/E	747.6	260.9	86.3	67.0
EV/Sales	3.9	3.1	2.9	2.4
EV/EBITDA	75.1	66.3	41.1	27.9
P/BV	30.6	16.8	12.2	11.1
Dividend Yield (%)	0	0	0	0
Return Ratios (%)				
RoE	4.1	0.3	8.6	8.3
RoCE	15.3	9.3	14.8	13.4
Working Capital Ratios				
Debtor (Days)	1	1	1	1
Inventory (Days)	63	82	89	79
Creditor (Days)	25	30	18	22
Asset Turnover (x)	51.1	51.7	39.5	32.6
Leverage Ratio				
Debt/Equity (x)	0.4	0.2	0.2	0.1

Source: Company, PL

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Aurobindo Pharma	Accumulate	780	677
2	Cadila Healthcare	BUY	590	504
3	Dr. Reddy's Laboratories	BUY	5,400	4,659
4	Eris Lifesciences	BUY	954	705
5	Glenmark Pharmaceuticals	Accumulate	600	536
6	Indoco Remedies	Accumulate	480	450
7	Ipca Laboratories	BUY	2,450	2,153
8	Lupin	Accumulate	1,004	882
9	Sun Pharmaceutical Industries	BUY	1,000	815

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: >15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly



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