

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	BIOS IN
Equity Shares (m)	1,200
M.Cap.(INRb)/(USD\$b)	442.4 / 5.8
52-Week Range (INR)	420 / 315
1, 6, 12 Rel. Per (%)	9/9/-21
12M Avg Val (INR M)	1185

### Financials & Valuations (INR b)

Y/E MARCH	2022	2023E	2024E
Sales	81.8	110.5	153.7
EBITDA	19.9	28.5	41.1
Adj. PAT	8.8	13.0	19.7
EBIT Margin (%)	14.4	17.8	20.3
Cons. Adj. EPS (INR)	7.4	10.8	16.4
EPS Gr. (%)	45.2	47.4	51.3
BV/Sh. (INR)	70.3	140.4	152.0

### Ratios

Net D:E	0.4	0.7	0.5
RoE (%)	11.0	10.3	11.2
RoCE (%)	7.1	6.4	7.3
Payout (%)	29.3	29.3	29.3

### Valuations

P/E (x)	51.2	34.7	23.0
EV/EBITDA (x)	25.3	20.1	14.2
Div. Yield (%)	0.4	0.7	1.1
FCF Yield (%)	-1.5	2.7	3.5
EV/Sales (x)	6.2	5.2	3.8

### Shareholding pattern (%)

As On	Mar-22	Dec-21	Mar-21
Promoter	60.6	60.6	60.7
DII	8.4	7.4	7.1
FII	16.3	16.7	17.2
Others	14.8	15.3	15.0

FII Includes depository receipts

**CMP: INR368**

**TP: INR410 (+11%)**

**Neutral**

## Efforts on multiple fronts to aid strong earnings growth

### Operationally in-line quarter; tracking well in biologics/generics segments

- Biocon (BIOS) delivered operationally in-line 4QFY22. The performance was healthy in generics and research services, while biologics sales have been steady for two quarters now. BIOS remains on track to develop products as well as build manufacturing capacities across generics and biologics segments to drive robust earnings growth over the next 3-4 years.
- We retain our FY23/FY24 estimates and continue to value BIOS on an SOTP basis (25x EV/EBITDA for biologics and 10x EV/EBITDA for generics and Syngene at market value) to arrive at our TP of INR410.
- BIOS' growth outlook remains promising with almost 3x earnings over FY22-24E, driven by market share gain for Insulin Glargine, addition of newer markets for generic formulations, and expanding product portfolio in biologics as well as generics segments. However, the current valuation provides limited upside and hence, we maintain our Neutral rating.

### Biosimilars drive earnings on a YoY basis

- BIOS' revenue grew 31% YoY to INR24.1b in 4QFY22 (est. INR23.3b), led by: a) 48% YoY growth in biosimilars sales to INR9.8b (41% of sales) b) 24% YoY growth in generics sales to INR7.2b (30% of sales) and c) 15% YoY growth in research Services to INR7.6b (31% of sales).
- Gross margin contracted 280bp YoY to 62.2% due to product mix change.
- However, EBITDA margin expanded 90bp YoY to 24.6% (est. 25.7%) due to better operating leverage. Higher raw material and R&D costs (+100bp YoY as a percentage of sales) were more than offset by lower employee costs (down 470bp YoY).
- EBITDA rose 36% YoY to INR5.9b (est. INR6b) in 4QFY22.
- Adjusted for exceptional items, PAT grew 142% YoY to INR2.7b (est. INR2.2b) due to higher other income and lower tax rate.
- Revenue/EBITDA/adjusted PAT grew 15%/20%/45% YoY in FY22 to INR82b/INR20b/INR9b, respectively.

### Highlights from the management commentary

- BIOS achieved low double-digit market share in Insulin Glargine in 4QFY22. Viartis expects mid-to high teens market share in case of interchangeable Glargine.
- BIOS has responded to CRL from the USFDA on b-Aspart. BIOS awaits feedback from the USFDA on the same.
- BIOS awaits the USFDA inspection for b-Bevacizumab.
- The company intends to spend 10-15% of sales in biologics segment and 12-14% of sales in generics segment.

## Quarterly performance (Consolidated)

(INR m)

Y/E March	FY21				FY22				FY21	FY22	FY22E	v/s Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	
<b>Net Sales</b>	<b>16,713</b>	<b>17,448</b>	<b>18,510</b>	<b>18,387</b>	<b>17,610</b>	<b>18,404</b>	<b>21,743</b>	<b>24,088</b>	<b>71,058</b>	<b>81,845</b>	<b>23,250</b>	<b>3.6%</b>
YoY Change (%)	14.6	11.0	7.8	18.1	5.4	5.5	17.5	31.0	12.8	15.2	26.4	
Total Expenditure	12,590	13,354	14,530	14,030	13,720	13,940	16,090	18,172	54,504	61,922	17,270	
<b>EBITDA</b>	<b>4,123</b>	<b>4,094</b>	<b>3,980</b>	<b>4,357</b>	<b>3,890</b>	<b>4,464</b>	<b>5,653</b>	<b>5,916</b>	<b>16,554</b>	<b>19,923</b>	<b>5,980</b>	<b>-1.1%</b>
YoY Change (%)	-5.6	1.6	-10.6	36.8	-5.7	9.0	42.0	35.8	3.3	20.4	37.3	
Margins (%)	24.7	23.5	21.5	23.7	22.1	24.3	26.0	24.6	23.3	24.3	25.7	
Depreciation	1,668	1,777	1,860	1,840	1,950	2,020	2,060	2,120	7,145	8,150	2,148	
<b>EBIT</b>	<b>2,455</b>	<b>2,317</b>	<b>2,120</b>	<b>2,517</b>	<b>1,940</b>	<b>2,444</b>	<b>3,593</b>	<b>3,796</b>	<b>9,409</b>	<b>11,773</b>	<b>3,833</b>	
YoY Change (%)	-21.5	-14.5	-29.6	51.5	-21.0	5.5	69.5	50.8	-10.5	25.1	52.3	
Interest	125	65	50	340	200	230	150	106	577	686	995	
Other Income	183	155	220	450	470	1,050	480	674	1,005	2,674	400	
Extraordinary Income	0	-130	50	1,730	0	-700	-770	-410	1,650	-1,880	0	
<b>PBT</b>	<b>2,513</b>	<b>2,227</b>	<b>2,350</b>	<b>3,657</b>	<b>1,650</b>	<b>2,054</b>	<b>2,683</b>	<b>3,428</b>	<b>10,747</b>	<b>9,815</b>	<b>3,237</b>	<b>5.9%</b>
Tax	809	223	490	700	570	470	490	586	2,222	2,116	780	
Rate (%)	32.2	10.0	20.9	19.1	34.5	22.9	18.3	17.1	20.7	21.6	24.1	
Minority Interest	180	261	180	430	240	200	325	455	1,051	1,220	286	
<b>PAT</b>	<b>1,488</b>	<b>1,743</b>	<b>1,680</b>	<b>2,527</b>	<b>840</b>	<b>1,384</b>	<b>1,868</b>	<b>2,387</b>	<b>7,438</b>	<b>6,479</b>	<b>2,171</b>	<b>9.9%</b>
<b>Adj PAT</b>	<b>1,488</b>	<b>1,788</b>	<b>1,672</b>	<b>1,129</b>	<b>1,207</b>	<b>2,394</b>	<b>2,497</b>	<b>2,727</b>	<b>6,077</b>	<b>8,825</b>	<b>2,171</b>	<b>25.6%</b>
YoY Change (%)	-27.8	-14.4	-17.6	-8.2	-18.9	33.9	49.4	141.5	-18.0	45.2	-26.0	

## Key performance Indicators (Consolidated)

Y/E March	FY21E				FY22E				FY21	FY22	FY22E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE
<b>Cost Break-up</b>											
RM Cost (% of Sales)	36.1	34.4	34.1	35.0	39.0	34.8	36.7	37.8	31.1	36.8	36.8
Staff Cost (% of Sales)	21.5	21.9	22.2	22.5	22.4	23.7	20.7	17.8	24.5	20.7	20.9
R&D Expenses(% of Sales)	6.4	8.5	9.2	6.9	6.8	7.9	6.3	7.9	7.8	7.2	6.7
Other Cost (% of Sales)	11.4	11.7	12.9	11.9	9.7	9.2	10.3	11.9	13.4	10.3	9.9
Gross Margin (%)	63.9	65.6	65.9	65.0	61.0	65.2	63.3	62.2	68.9	63.2	63.2
EBITDA Margin (%)	24.7	23.5	21.5	23.7	22.1	24.3	26.0	24.6	23.3	25.0	25.7
EBIT Margin (%)	14.7	13.3	11.5	13.7	11.0	13.3	16.5	15.8	13.2	14.4	16.5



## Conference call highlights

- BIOS had EBITDA/PAT of USD20m/USD10m from Malaysia facility for 4QFY22.
- The company initiated clinical trials for two of its un-partnered assets, b-Denosumab and b-Ustekinumab.
- BIOS is First-to-file (FTF) for b-Aflibercept in the US market.
- Validation batches have started at Vizag immunosuppressant facility post capacity expansion.
- BIOS has also commenced new manufacturing expansion projects at Hyderabad and Bengaluru in the generics segment.
- Capital work-in-progress (CWIP) of INR34b was related to expansion for drug substance capacity for MABs. Management expects one facility in FY23 and another in FY24/FY25.
- Generics gross margin was down QoQ due to solvent and raw material price hikes.

## Key exhibits

**Exhibit 1: Biosimilars saw 430bp+ PBT margin gains YoY in 4QFY22**

Segmental PBT margin	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
Generics	12.6	16.6	12.5	9.6	12.6	6.0	9.4	11.0	16.1
Biosimilars	-1.3	15.2	12	14.4	10.3	13.3	23.5	20.5	14.7
Novel Biologics	NA	NA	NA	NA	NA	NM	NM	NM	NM
Research Services	25.2	15.7	18.1	19.9	23.9	15.9	18.5	20.0	23.6
<b>Total</b>	<b>10.7</b>	<b>14.7</b>	<b>13.3</b>	<b>12.8</b>	<b>19.2</b>	<b>9.4</b>	<b>15.0</b>	<b>12.4</b>	<b>16.1</b>

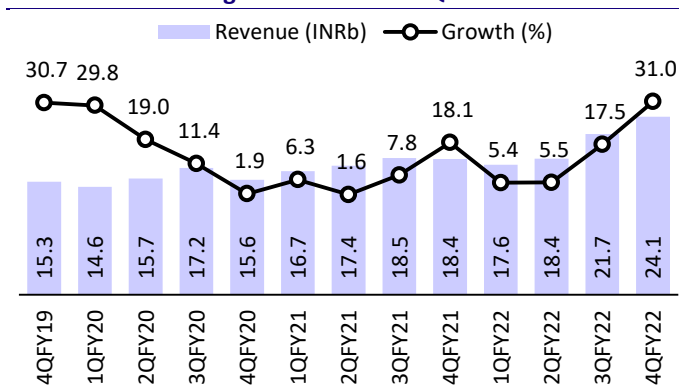
Source: MOFSL, Company

**Exhibit 2: Syngene International financials**

(INR m)	4QFY22	4QFY21	%YoY	3QFY22	%QoQ
<b>Total revenues</b>	<b>7,581</b>	<b>6,586</b>	15.1	<b>6,414</b>	18.2
Material cost	2,148	1,615	33.0	1,721	24.8
<b>Gross profit</b>	<b>5,433</b>	<b>4,971</b>	9.3	<b>4,693</b>	15.8
Gross margin (%)	71.7	75.5	-290bp	73.2	-530bp
Staff cost	1,736	1,826	(4.9)	1,888	(8.1)
% of sales	22.9	27.7	-70bp	29.4	+150bp
Other expense	1,194	991	20.5	771	54.9
% of sales	15.7	15.0	-260bp	12.0	-250bp
<b>EBITDA</b>	<b>2,503</b>	<b>2,154</b>	16.2	<b>2,034</b>	23.1
EBITDA margin (%)	33.0	32.7	+40bp	31.7	+130bp
Depreciation	803	700	14.7	785	2.3
EBIT	1,700	1,454	16.9	1,249	36.1
Interest cost	56	66	(15.2)	94	(40.4)
Other income (net)	147	184	(20.1)	129	14.0
<b>PBT before EO</b>	<b>1,791</b>	<b>1,572</b>	13.9	<b>1,284</b>	39.5
EO expense	0	-350		0	
<b>PBT</b>	<b>1,791</b>	<b>1,922</b>	(6.8)	<b>1,284</b>	39.5
Income tax	313	316	(0.9)	244	28.3
Effective tax rate (%)	17.5	16.4	+820bp	19.0	+50bp
<b>Adjusted PAT</b>	<b>1478</b>	<b>1,314</b>	12.5	<b>1,040</b>	42.1

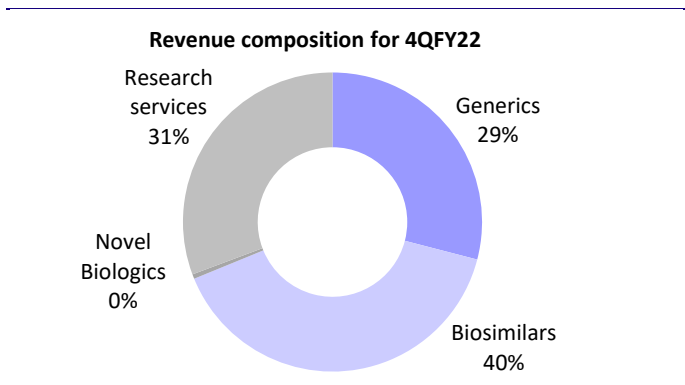
Source: MOFSL, Company

**Exhibit 3: Revenue grew 31% YoY in 4QFY22**



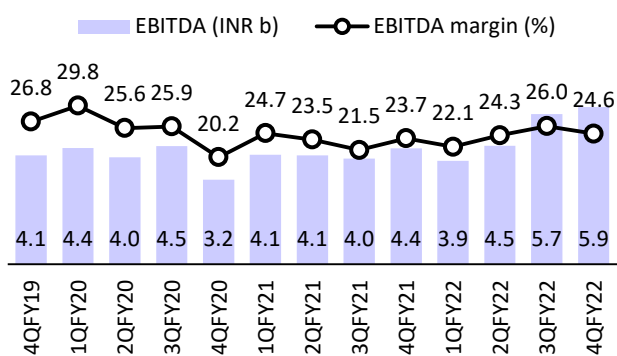
Source: MOFSL, Company

**Exhibit 4: Biosimilars contributed 40% to total revenues**



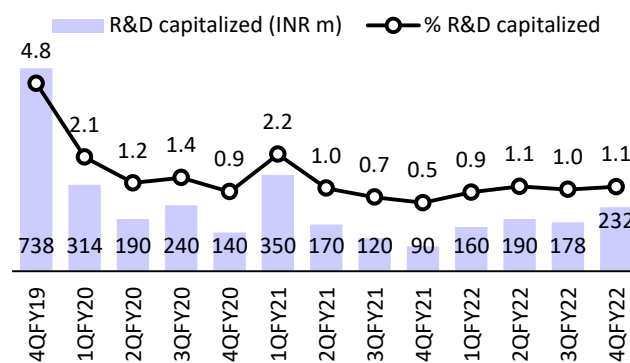
Source: MOFSL, Company

**Exhibit 5: EBITDA margin expanded 90bp YoY in 4QFY22**



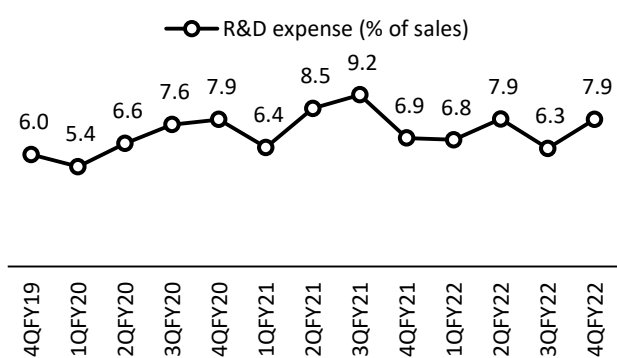
Source: MOFSL, Company

**Exhibit 6: R&D capitalized was 1.1% of sales for the quarter**



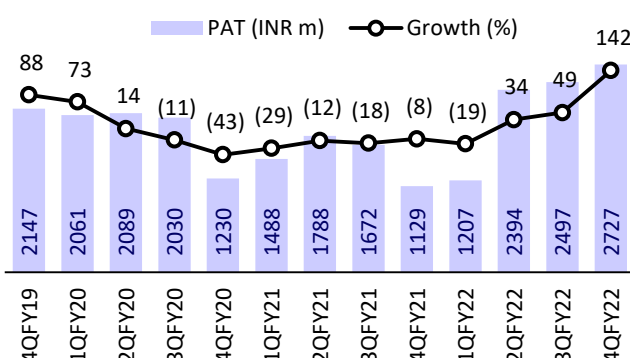
Source: MOFSL, Company

**Exhibit 7: Expensed R&D grew to 7.9% of sales in 4QFY22**



Source: MOFSL, Company

**Exhibit 8: PAT up 2.4x YoY in 4QFY22**



Source: MOFSL, Company

### Higher product offerings and increasing reach to drive overall earnings growth

#### Multiple triggers to play-out in the biologics segment over the next 2-3 years

After a modest performance in FY21, BIOS delivered 24% YoY sales growth in biosimilars for FY22. This has been largely led by: a) the addition of Insulin Glargine in the offering for the US and other developed markets, and b) better traction for bPegfilgrastim/bTrastuzumab in the developed as well as emerging markets. Recently, BIOS also won a tender worth USD90m to supply Insugen (rh-Insulin) over the next three years.

BIOS continues to develop newer biosimilars to expand the product offerings as well as add capacities to cater to the future growth in this segment. We expect 67.5% sales CAGR in the biosimilar segment to INR81b over FY22-24 driven by the market share gain in bGlargine in the US, bGlargine launch across various markets and new product launches (particularly bAspart and bBevacizumab in the US) over the medium term. The vaccine business also remains a potential opportunity for BIOS in the biologics space.

#### Generics business on a revival mode; WIP on expanding product pipeline

While, generics revenue declined slightly YoY to INR23.4b in FY22 due to the COVID-induced disruptions earlier in the year it has shown decent recovery in 4QFY22. The business faced challenges in the form of pricing pressures, higher raw material costs and logistics challenges. Notably, the business grew 13% YoY in 4QFY22 backed by the contribution from Everolimus in the US and growing API business.

In addition to steady traction in existing molecules, BIOS will be building on its historic fermentation capability by adding peptides and complex injectables API manufacturing as well as adding Synthetic API capability. We expect the stable pricing and easing of raw material prices to aid the launch pipeline and drive 17% sales CAGR in the generics business over FY22-24 to INR32.3b.

**Extension of contracts and new customer additions provide robust outlook for research services**

Research Services’ (Syngene) revenue grew 19% YoY to INR27b in FY22. Sales were driven by solid delivery across all divisions. Its Mangalore API plant is on track to begin commercialization in regulated markets in the next ~18 months. Phase three of the expansion plan at Hyderabad R&D facility was completed in 4QFY22, which is expected to add capacity for 250 scientists. Addition of new customers, expansion in number of resources (scientists) and higher pocket share from its customers are likely to drive 17% sales CAGR in Research Services segment during FY22–24.

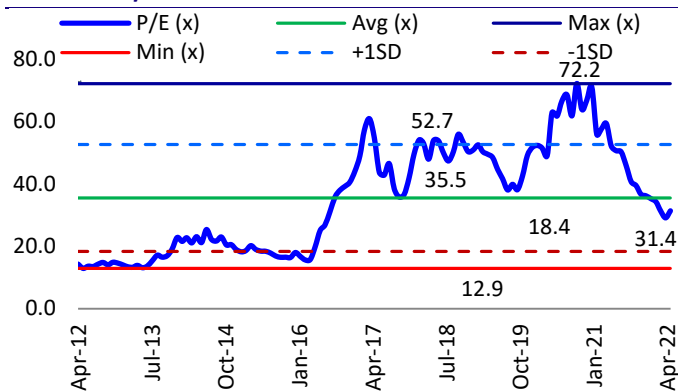
**BIOS’ valuation leaves limited upside potential from current levels**

We maintain our EPS estimates for FY23/FY24 and expect 49% earnings CAGR over FY22-24, led by a 67%/17% sales CAGR in Biologics/Generics, respectively, and 250bp margin expansion.

The outlook remains positive for BIOS underpinned by: a) market share gains in existing products, b) new launches, c) expansion into newer regions, and d) increasing penetration. BIOS is on track to not only develop products, but also build manufacturing capacities for future growth.

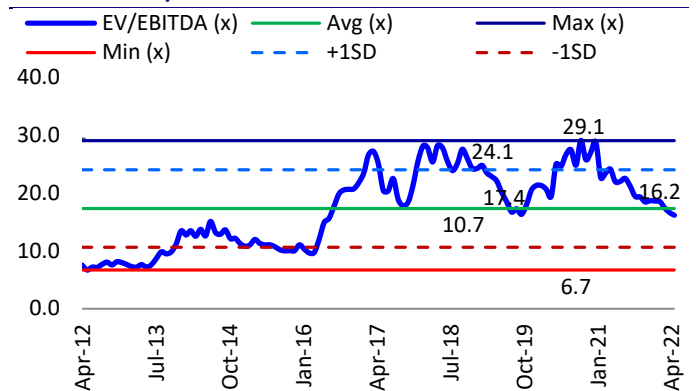
We value BIOS on an SoTP basis (value Biocon Biologics/Small Molecules at 25x/10x EV/EBITDA and Syngene at market value) to arrive at our TP of INR410. However, the current valuation provides limited upside potential and hence, we maintain our Neutral rating on the stock.

Exhibit 9: P/E chart



Source: MOFSL, Company, Bloomberg

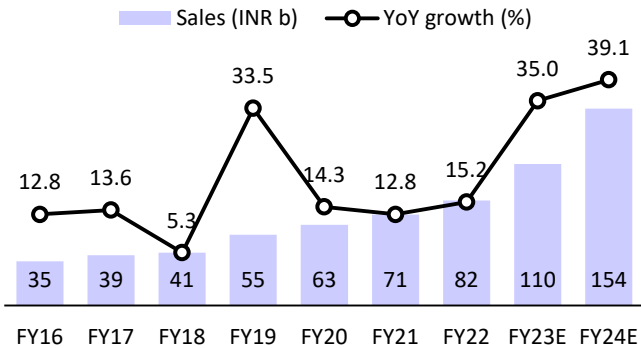
Exhibit 10: EV/EBITDA chart



Source: MOFSL, Company, Bloomberg

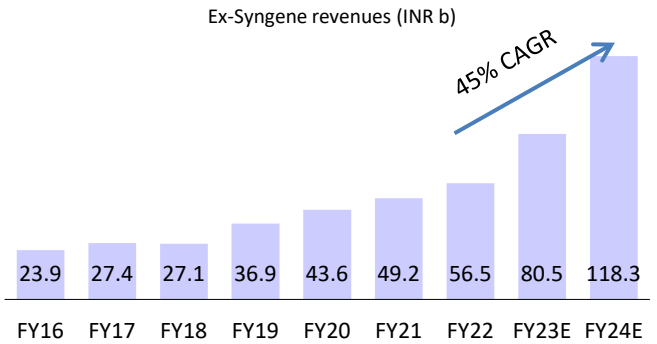
Story in charts

Exhibit 11: Expect revenue CAGR of ~37% over FY22–24



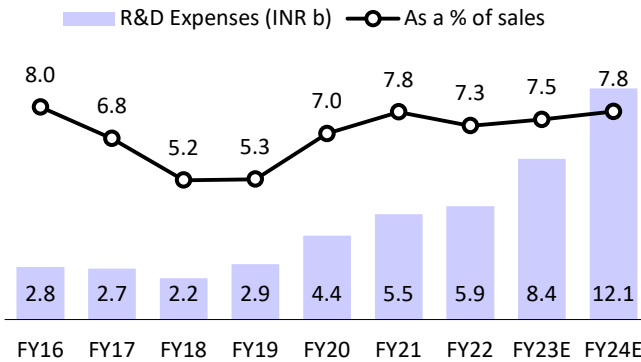
Source: MOFSL, Company

Exhibit 12: New launches/ramp-up to drive ex-Syngene revenue



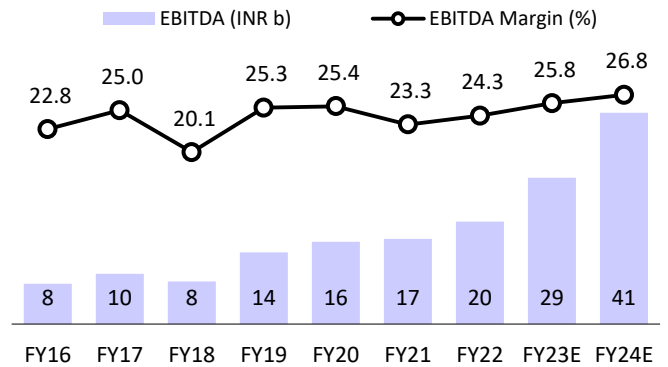
Source: MOFSL, Company

Exhibit 13: R&D spend to inch up for new products



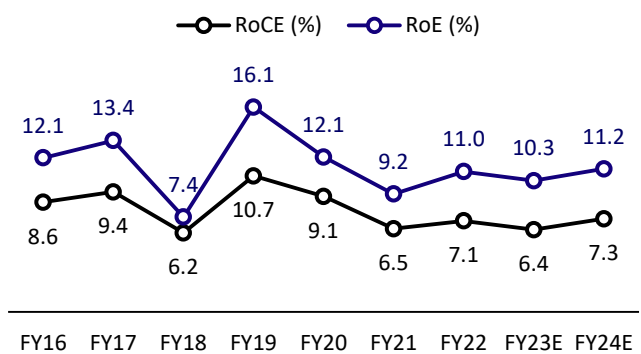
Source: MOFSL, Company

Exhibit 14: Superior product mix to drive margins



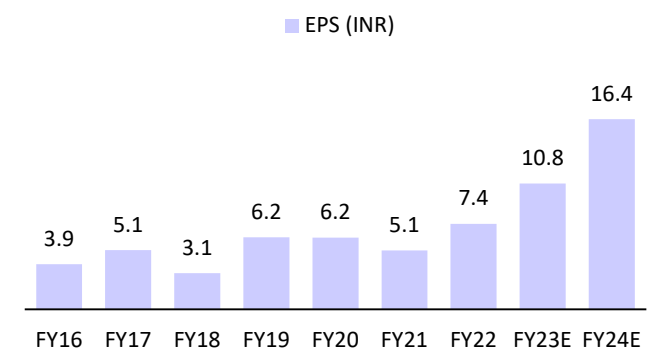
Source: MOFSL, Company

Exhibit 15: RoE to remain flattish



Source: MOFSL, Company

Exhibit 16: Expect EPS CAGR of 49% over FY22–24



Source: MOFSL, Company

## Financials and valuations

Income Statement (Consolidated)										(INR m)
Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>Net Income</b>	<b>30,592</b>	<b>34,507</b>	<b>39,216</b>	<b>41,297</b>	<b>55,144</b>	<b>63,005</b>	<b>71,058</b>	<b>81,845</b>	<b>1,10,477</b>	<b>1,53,666</b>
Change (%)	7.2	12.8	13.6	5.3	33.5	14.3	12.8	15.2	35.0	39.1
Total Expenditure	23,940	26,654	29,421	33,006	41,211	46,974	54,504	61,922	81,972	1,12,524
<b>EBITDA</b>	<b>6,652</b>	<b>7,853</b>	<b>9,795</b>	<b>8,291</b>	<b>13,933</b>	<b>16,031</b>	<b>16,554</b>	<b>19,923</b>	<b>28,504</b>	<b>41,142</b>
Change (%)	0.4	18.1	24.7	-15.4	68.0	15.1	3.3	20.4	43.1	44.3
Margin (%)	21.7	22.8	25.0	20.1	25.3	25.4	23.3	24.3	25.8	26.8
Depreciation	2,210	2,423	2,772	3,851	4,478	5,522	7,145	8,150	8,843	9,926
<b>EBIT</b>	<b>4,442</b>	<b>5,430</b>	<b>7,023</b>	<b>4,440</b>	<b>9,455</b>	<b>10,509</b>	<b>9,409</b>	<b>11,773</b>	<b>19,661</b>	<b>31,216</b>
Int. & Finance Charges	89	102	260	615	709	649	577	686	2,871	5,585
Other Income - Rec.	837	1,192	1,571	2,062	1,444	1,614	1,005	2,674	2,000	1,850
One-off income/(loss)	1,051	5,754	0	0	1,946	675	910	-3,946		
<b>PBT</b>	<b>6,241</b>	<b>12,274</b>	<b>8,334</b>	<b>5,887</b>	<b>12,136</b>	<b>12,149</b>	<b>10,747</b>	<b>9,815</b>	<b>18,790</b>	<b>27,481</b>
Tax	957	2,569	1,616	1,569	2,123	3,151	2,222	2,116	4,322	6,046
Tax Rate (%)	15.3	20.9	19.4	26.7	17.5	25.9	20.7	21.6	23.0	22.0
Minority Interest	310	744	760	594	964	1,227	1,051	1,220	1,464	1,757
<b>Adjusted PAT</b>	<b>4,023</b>	<b>4,646</b>	<b>5,958</b>	<b>3,690</b>	<b>7,441</b>	<b>7,410</b>	<b>6,077</b>	<b>8,825</b>	<b>13,004</b>	<b>19,679</b>
<b>PAT</b>	<b>4,084</b>	<b>4,411</b>	<b>5,958</b>	<b>3,724</b>	<b>9,053</b>	<b>7,769</b>	<b>7,438</b>	<b>6,479</b>	<b>13,004</b>	<b>19,679</b>
Change (%)	-2.8	15.5	28.3	-38.1	101.7	-0.4	-18.0	33.2	47.4	51.3
Margin (%)	13.4	12.8	15.2	8.9	16.4	12.3	10.5	7.9	11.8	12.8

Consolidated Balance Sheet										(INR m)
Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Equity Share Capital	1,000	1,000	3,000	3,000	3,000	6,000	6,000	6,003	6,003	6,003
Other Reserves	31,697	39,329	45,368	48,808	57,980	61,058	70,269	78,322	1,62,523	1,76,447
<b>Net Worth</b>	<b>32,706</b>	<b>40,338</b>	<b>48,377</b>	<b>51,808</b>	<b>60,980</b>	<b>67,058</b>	<b>76,269</b>	<b>84,325</b>	<b>1,68,526</b>	<b>1,82,450</b>
Loans	10,306	24,673	22,054	19,201	18,028	19,797	36,783	51,466	1,39,966	1,39,266
Minority Interest	1,722	2,658	3,761	4,677	6,089	6,773	8,807	10,375	11,839	13,596
Deferred liabilities	5934	3489	1964	2167	5816	13794	24212	25827	25827	25827
<b>Capital Employed</b>	<b>50,667</b>	<b>71,158</b>	<b>76,156</b>	<b>77,853</b>	<b>90,913</b>	<b>1,07,422</b>	<b>1,46,071</b>	<b>1,71,993</b>	<b>3,46,158</b>	<b>3,61,139</b>
Gross Block	29,750	33,113	53,269	57,532	68,240	85,167	93,959	1,03,295	1,09,795	1,15,795
Less: Accum. Deprn.	13,943	16,302	17,740	21,235	25,713	31,235	38,386	46,528	55,371	65,297
<b>Net Fixed Assets</b>	<b>15,807</b>	<b>16,811</b>	<b>35,529</b>	<b>36,297</b>	<b>42,527</b>	<b>53,932</b>	<b>55,573</b>	<b>56,767</b>	<b>54,424</b>	<b>50,498</b>
Capital WIP	14,939	20,597	5,327	7,789	12,869	15,765	22,535	34,203	36,703	39,203
Investments	2,303	9,015	12,538	6,752	10,118	9,661	19,519	15,879	21,209	-1,720
Intangibles	2,320	2,470	3,787	5,937	8,303	11,974	13,533	15,824	1,67,406	1,84,147
<b>Curr. Assets</b>	<b>28,384</b>	<b>34,973</b>	<b>34,786</b>	<b>41,188</b>	<b>44,860</b>	<b>49,426</b>	<b>70,986</b>	<b>78,334</b>	<b>1,10,780</b>	<b>1,50,719</b>
Inventory	4,527	5,424	6,353	7,225	10,316	14,359	18,666	22,982	28,754	39,153
Account Receivables	7,705	7,145	8,832	10,639	12,918	12,237	12,176	20,582	20,582	27,786
Cash and Bank Balance	9,375	15,386	10,443	13,228	10,572	9,986	20,154	17,475	30,268	41,258
Loans & Advances	6,777	7,018	9,158	10,096	11,054	12,844	19,990	17,295	31,176	42,521
<b>Curr. Liability &amp; Prov.</b>	<b>13,087</b>	<b>12,708</b>	<b>15,811</b>	<b>20,110</b>	<b>27,764</b>	<b>33,336</b>	<b>36,075</b>	<b>29,014</b>	<b>44,364</b>	<b>61,707</b>
Account Payables	11,355	12,334	15,343	19,645	26,959	32,306	34,981	27,709	37,705	52,445
Provisions	1,732	374	468	465	805	1,030	1,094	1,305	6,659	9,262
<b>Net Current Assets</b>	<b>15,297</b>	<b>22,265</b>	<b>18,975</b>	<b>21,078</b>	<b>17,096</b>	<b>16,090</b>	<b>34,911</b>	<b>49,320</b>	<b>66,416</b>	<b>89,012</b>
<b>Appl. of Funds</b>	<b>50,667</b>	<b>71,158</b>	<b>76,156</b>	<b>77,853</b>	<b>90,913</b>	<b>1,07,422</b>	<b>1,46,071</b>	<b>1,71,993</b>	<b>3,46,158</b>	<b>3,61,139</b>

## Financials and valuations

### Ratios

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>Basic (INR)</b>										
<b>EPS</b>	<b>3.4</b>	<b>3.9</b>	<b>5.1</b>	<b>3.1</b>	<b>6.2</b>	<b>6.2</b>	<b>5.5</b>	<b>7.4</b>	<b>10.8</b>	<b>16.4</b>
Cash EPS	5.2	5.7	7.3	6.3	11.3	11.1	12.2	12.2	18.2	24.7
BV/Share	27.2	33.6	40.3	43.2	50.8	55.9	63.6	70.3	140.4	152.0
DPS	0.8	0.8	1.0	1.0	0.5	1.6	0.0	1.3	2.7	4.1
Payout (%)	25.2	25.1	11.8	19.0	7.8	29.3	0.0	29.3	29.3	29.3
<b>Valuation (x)</b>										
P/E	111.3	96.4	73.1	120.2	60.1	60.4	67.6	51.2	34.7	23.0
Cash P/E	71.1	65.5	51.3	59.4	33.1	33.7	30.7	30.9	20.7	15.3
P/BV	13.7	11.1	9.3	8.6	7.3	6.7	5.9	5.4	2.7	2.5
EV/Sales	15.8	14.1	12.4	11.7	8.8	7.7	6.8	6.2	5.2	3.8
EV/EBITDA	72.8	61.8	49.5	58.5	34.6	30.3	29.1	25.3	20.1	14.2
Dividend Yield (%)	0.2	0.2	0.3	0.3	0.1	0.4	0.0	0.4	0.7	1.1
<b>Return Ratios (%)</b>										
RoE	13.0	12.1	13.4	7.4	16.1	12.1	9.2	11.0	10.3	11.2
RoCE	9.2	8.6	9.4	6.2	10.7	9.1	6.5	7.1	6.4	7.3
RoIC	17.2	17.1	15.3	6.7	14.5	12.0	9.6	9.8	8.4	9.0
<b>Working Capital Ratios</b>										
Fixed Asset Turnover (x)	2.0	2.1	1.5	1.1	1.4	1.3	1.3	1.5	2.0	2.9
Debtor (Days)	92	76	82	94	86	71	63	92	68	66
Inventory (Days)	54	57	59	64	68	83	96	102	95	93
Working Capital (Days)	71	73	79	69	43	35	76	142	119	113
<b>Leverage Ratio (x)</b>										
Current ratio	2.2	2.8	2.2	2.0	1.6	1.5	2.0	2.7	2.5	2.4
Net Debt/Equity	0.0	0.2	0.2	0.1	0.1	0.1	0.2	0.4	0.7	0.5

### Consolidated Cash Flow Statement

(INR m)

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Oper. Profit/(Loss) before Tax	5,284	6,091	6,881	4,531	10,026	8,709	8,462	7,716	28,504	41,142
Interest/Dividends Recd.	-346	-619	-1,271	-452	-908	-824	-770	-1,121	2,000	1,850
Direct Taxes Paid	-1,334	-2,465	-2,030	-1,971	-2,915	-3,441	-1,938	-2,620	-4,322	-6,046
(Inc)/Dec in WC	-3,540	-1,762	-2,111	-1,065	-291	-1,651	-4,238	-7,895	-4,303	-11,605
<b>CF from Operations</b>	<b>2,107</b>	<b>3,706</b>	<b>6,400</b>	<b>6,621</b>	<b>11,546</b>	<b>12,831</b>	<b>11,597</b>	<b>11,766</b>	<b>21,880</b>	<b>25,341</b>
(Incr)/Dec in FA	-9,169	-8,046	-7,623	-9,199	-14,924	-18,436	-17,559	-19,269	-9,000	-8,500
<b>Free Cash Flow</b>	<b>-7,062</b>	<b>-4,340</b>	<b>-1,223</b>	<b>-2,578</b>	<b>-3,378</b>	<b>-5,605</b>	<b>-5,962</b>	<b>-7,503</b>	<b>12,880</b>	<b>16,841</b>
(Pur)/Sale of Investments	3,602	-4,184	1,239	1,689	6,984	1,844	-18,512	2,314	-1,56,913	6,189
<b>CF from investments</b>	<b>-5,087</b>	<b>-11,417</b>	<b>-4,985</b>	<b>-6,840</b>	<b>-7,138</b>	<b>-15,589</b>	<b>-36,247</b>	<b>-16,991</b>	<b>-1,65,913</b>	<b>-2,311</b>
Change in Net Worth	40	-51	43	168	-692	25	314	425	75,000	1
(Inc)/Dec in Debt	3,273	13,429	-1,232	-1,141	75	186	5,872	3,213	88,500	-700
Interest Paid	-5	-501	-586	-637	-1,007	-912	-1,160	-1,096	-2,871	-5,585
Dividend Paid	-1,446	-2,201	-	-787	-793	-701	0	0	-3,803	-5,756
Others	0	0	0	0	0	5,278	20,614	-121		
<b>CF from Fin. Activity</b>	<b>1,862</b>	<b>10,676</b>	<b>-1,775</b>	<b>-2,397</b>	<b>-2,417</b>	<b>3,876</b>	<b>25,640</b>	<b>2,421</b>	<b>1,56,826</b>	<b>-12,039</b>
<b>Inc/Dec of Cash</b>	<b>-1,118</b>	<b>2,965</b>	<b>-360</b>	<b>-2,616</b>	<b>1,991</b>	<b>1,118</b>	<b>990</b>	<b>-2,804</b>	<b>12,793</b>	<b>10,990</b>
Add: Beginning Balance	5,570	4,575	7,575	7,102	4,490	6,593	8,247	8,970	6,166	18,959
<b>Closing Balance</b>	<b>4,452</b>	<b>7,540</b>	<b>7,215</b>	<b>4,486</b>	<b>6,481</b>	<b>7,711</b>	<b>9,237</b>	<b>6,166</b>	<b>18,959</b>	<b>29,949</b>
FX	123	35	-113	4	112	536	71	33	66	66
Banks balances/Overdraft	4,800	7,811	3,341	8,738	3,979	1,739	10,846	11,276	11,431	11,431
<b>Total Cash and cash Eq</b>	<b>9,375</b>	<b>15,386</b>	<b>10,443</b>	<b>13,228</b>	<b>10,572</b>	<b>9,986</b>	<b>20,154</b>	<b>17,475</b>	<b>30,268</b>	<b>41,258</b>



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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