

Estimate change



TP change



Rating change



	CIPLA IN
Bloomberg	
Equity Shares (m)	805
M.Cap.(INRb)/(USD\$b)	747.3 / 9.7
52-Week Range (INR)	1083 / 850
1, 6, 12 Rel. Per (%)	0/11/-7
12M Avg Val (INR M)	2918

#### Financials & Valuations (INR b)

Y/E MARCH	2022	2023E	2024E
Sales	217.1	236.3	262.4
EBITDA	47.0	51.5	60.1
Adj. PAT	28.4	30.8	36.6
EBIT Margin (%)	16.8	17.1	18.2
Cons. Adj. EPS (INR)	35.3	38.4	45.5
EPS Gr. (%)	18.0	8.6	18.7
BV/Sh. (INR)	258.1	287.0	327.6

#### Ratios

Net D:E	0.0	-0.1	-0.2
RoE (%)	13.6	13.3	13.9
RoCE (%)	13.7	13.7	14.5
Payout (%)	11.5	9.4	10.6

#### Valuations

P/E (x)	26.2	24.1	20.3
EV/EBITDA (x)	15.6	14.1	11.7
Div. Yield (%)	0.3	0.3	0.4
FCF Yield (%)	3.0	2.1	3.9
EV/Sales (x)	3.4	3.1	2.7

#### Shareholding pattern (%)

As On	Mar-22	Dec-21	Mar-21
Promoter	33.4	35.9	36.7
DII	21.9	21.4	17.1
FII	27.1	24.8	23.4
Others	17.6	17.9	22.8

FII Includes depository receipts

**CMP: INR926**
**TP: INR880 (-5%)**
**Neutral**

### Higher OPEX drags profitability

#### Work-in-progress on niche launches in 2HFY23

- CIPLA delivered a lower-than-expected 4QFY22 performance. Higher operational cost and R&D expense pulled margin to lower-than-expected levels.
- We cut our FY23/FY24 EPS estimate by 7% each to factor in: a) higher procurement cost, b) logistics cost, c) initiation of clinical trials in its Respiratory asset driving higher R&D spends, and d) the ongoing price erosion in its US base portfolio. We now expect 14% earnings CAGR over FY22-24. We value CIPLA at 23x 12-months forward earnings and add INR35 per share of gRevlimid NPV to arrive at our TP of INR880.
- CIPLA continues to build its complex product pipeline for developed markets. Despite better-than-industry growth in the branded Generics segment of Domestic Formulation (DF) and in South Africa, the current valuation adequately factors in an earnings-led upside. We reiterate our Neutral rating on the stock.

#### DF and US drive revenue growth; elevated costs put pressure on margin

- Revenue grew 14.2% YoY to INR52.6b (est: INR51.1b) in 4QFY22.
- The Domestic Formulation (DF) business grew 20.8% YoY to INR21.8b (42% of sales). Sales from North America grew 20.7% YoY to INR12.1b (USD160m; up 17% in CC terms; 23% of sales). Revenue from SAGA grew 12.3% YoY to INR9.5b (18% of sales). Sales from international markets (Europe and emerging markets) rose 7.5% YoY to INR7.3b (14% of sales). API sales declined by 38.7% YoY to INR1.4b (3% of sales).
- Adjusting for a one-time charge on raw materials (INR1.6b) related to COVID-19, gross margin (GM) expanded by 180bp YoY to 62.2%.
- Adjusting for an OPEX of INR400m related to the COVID-19/South African business, EBITDA margin expanded at a lower rate (~80bp YoY) to 18.1%. Other expenses rose 160bp YoY, partially offset by lower staff cost (-70bp YoY) as a percentage of sales.
- EBITDA grew 19% YoY to INR9.5b (est. INR10.8b).
- Adjusted PAT grew 47.6% YoY to INR6b (est. INR6.5b), partly led by a lower tax rate.
- Sales/EBITDA/PAT grew 13.3%/21.7%/18% to INR217b/INR47b/INR28b in FY22.

#### Highlights from the management commentary

- The management guided at an EBITDA margin of 21-22% in FY23, similar to that in FY22. Despite niche launches, EBITDA margin is expected to remain stable YoY due to higher procurement, logistics cost, and R&D spends.
- While CIPLA has responded to USFDA queries related to gAdvair, it will require a successful inspection for an ANDA approval. The management remains confident of launching gAdvair in 2HFY23.
- It said that gRevlimid may not require an USFDA inspection.
- The management guided at one Peptide injectable filing in FY23.

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**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

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## Consolidated quarterly performance

(INR b)

Y/E March	FY21				FY22				FY21	FY22	FY22E	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Net Revenue</b>	<b>43.5</b>	<b>50.4</b>	<b>51.7</b>	<b>46.1</b>	<b>54.5</b>	<b>55.2</b>	<b>54.8</b>	<b>52.6</b>	<b>191.6</b>	<b>217.1</b>	<b>51.1</b>	<b>3.0</b>
YoY Change (%)	9.0	14.6	18.2	5.3	25.5	9.6	6.0	14.2	11.8	13.3	10.9	
Total Expenditure	33.0	38.6	39.4	38.1	41.6	42.9	42.5	43.1	149.1	170.1	40.3	
<b>EBITDA</b>	<b>10.5</b>	<b>11.8</b>	<b>12.3</b>	<b>8.0</b>	<b>12.9</b>	<b>12.3</b>	<b>12.3</b>	<b>9.5</b>	<b>42.5</b>	<b>47.0</b>	<b>10.8</b>	<b>-11.9</b>
YoY Change (%)	15.9	29.4	62.3	25.7	23.4	4.2	0.0	19.3	32.6	10.6	35.3	
Margin (%)	24.1	23.4	23.8	17.3	23.7	22.2	22.5	18.1	22.2	21.7	21.1	
Depreciation	2.7	2.7	2.5	2.9	2.6	2.5	2.5	2.9	10.7	10.5	2.6	
<b>EBIT</b>	<b>7.8</b>	<b>9.1</b>	<b>9.8</b>	<b>5.1</b>	<b>10.3</b>	<b>9.7</b>	<b>9.8</b>	<b>6.6</b>	<b>31.8</b>	<b>36.5</b>	<b>8.2</b>	
YoY Change (%)	22.5	45.5	104.5	59.7	32.5	6.8	0.1	29.0	54.3	14.6	60.6	
Margin (%)	17.9	18.1	19.0	11.1	19.0	17.6	18.0	12.5	16.6	16.8	16.1	
Interest	0.5	0.4	0.5	0.3	0.3	0.4	0.2	0.2	1.6	1.1	0.2	
Other Income	0.7	0.5	0.9	0.6	0.6	0.6	0.9	0.6	2.7	2.8	0.6	
<b>Profit before Tax</b>	<b>8.0</b>	<b>9.3</b>	<b>10.2</b>	<b>5.4</b>	<b>10.7</b>	<b>10.0</b>	<b>10.5</b>	<b>7.1</b>	<b>32.9</b>	<b>38.2</b>	<b>8.5</b>	
One-time (expense)/income	0.0	0.0	0.0	0.0	-0.7	0.0	0.0	-2.6	0.0	-3.3	0.0	
<b>PBT after EO expense</b>	<b>8.0</b>	<b>9.3</b>	<b>10.2</b>	<b>5.4</b>	<b>10.0</b>	<b>10.0</b>	<b>10.5</b>	<b>4.5</b>	<b>32.9</b>	<b>34.9</b>	<b>8.5</b>	<b>-47.5</b>
Tax	2.3	2.6	2.7	1.3	2.8	2.8	3.0	0.7	8.9	9.3	2.3	
Rate (%)	28.5	28.5	26.3	23.6	26.5	28.5	28.0	10.1	27.0	24.4	26.9	
Minority Interest	-0.1	0.0	0.0	0.0	0.0	0.0	0.3	0.1	0.0	0.4	-0.3	
<b>Reported PAT</b>	<b>5.8</b>	<b>6.7</b>	<b>7.5</b>	<b>4.1</b>	<b>7.1</b>	<b>7.1</b>	<b>7.3</b>	<b>3.6</b>	<b>24.1</b>	<b>25.2</b>	<b>6.5</b>	<b>-44.4</b>
<b>Adj. PAT</b>	<b>5.8</b>	<b>6.7</b>	<b>7.5</b>	<b>4.1</b>	<b>7.9</b>	<b>7.1</b>	<b>7.3</b>	<b>6.1</b>	<b>24.1</b>	<b>28.4</b>	<b>6.5</b>	<b>-6.4</b>
YoY Change (%)	20.9	41.2	113.1	50.5	36.4	6.9	-2.6	47.6	52.7	18.0	57.6	

## Key performance indicators (consolidated)

Y/E March	FY21				FY22				FY21	FY22	FY22E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			
<b>INR m</b>											
Domestic Formulation	16.1	20.9	22.3	18.1	27.1	24.2	25.2	21.8	77.4	98.3	19.3
YoY Change (%)	15.9	16.8	21.6	3.2	68.5	15.6	12.9	20.8	14.8	27.0	6.8
North America	10.2	10.4	10.4	10.0	10.5	10.6	11.5	12.1	40.9	44.3	12.1
YoY Change (%)	-8.8	8.6	9.6	14.4	2.4	1.9	11.0	20.7	5.6	8.3	21.0
Europe	2.4	2.5	2.5	2.5	2.7	2.8	3.0	2.9	9.9	11.3	2.9
YoY Change (%)	19.4	30.0	32.6	13.6	11.0	11.0	18.0	15.8	21.5	14.0	15.8
South Africa	7.6	9.2	9.1	8.5	8.3	9.9	8.8	9.5	34.5	36.8	9.2
YoY Change (%)	10.4	24.7	9.9	1.9	8.2	7.7	9.0	12.4	11.7	6.6	9.1
Emerging market	7.0	7.2	7.4	6.8	6.1	8.2	7.1	7.3	28.4	28.7	7.7
YoY Change (%)	45.1	12.6	44.2	11.1	-13.1	13.7	-3.7	7.6	24.5	1.2	12.6
API	1.8	1.9	2.0	2.2	2.2	1.7	1.6	1.4	8.0	7.6	1.8
YoY Change (%)	1.1	20.4	21.8	-14.7	21.7	-9.0	0.0	-38.8	6.1	-4.8	-18.9
<b>Cost Break-up</b>											
RM Cost (as a percentage of Sales)	36.6	38.6	38.6	39.6	37.9	38.7	39.1	37.8	36.6	38.6	38.6
Staff Cost (as a percentage of Sales)	17.8	16.3	16.3	17.7	16.3	15.9	15.9	17.0	17.8	16.3	16.3
R&D Expenses (as a percentage of Sales)	4.6	4.5	4.3	6.0	4.8	5.0	5.6	6.1	4.6	4.5	5.4
Other Cost (as a percentage of Sales)	16.9	17.2	17.0	19.5	17.2	18.2	17.8	21.1	16.9	17.2	18.5
Gross Margin (%)	63.4	61.4	61.4	60.4	62.1	61.3	60.9	62.2	63.4	61.4	61.4
EBITDA Margin (%)	24.1	23.4	23.8	17.3	23.7	22.2	22.5	18.1	22.2	21.7	21.1
EBIT Margin (%)	17.9	18.1	19.0	11.1	19.0	17.6	18.0	12.5	16.6	16.8	16.1



### Highlights from the management commentary

- There has been a one-time charge related to its COVID-19 inventory (INR1.8b) and restructuring of its South Africa business (INR200m). Adjusting for the same, EBITDA margin stood at 18% and PAT at INR6.1b in 4QFY22.
- CIPLA delivered 25% YoY growth in DF, adjusting for the COVID-19 pandemic in FY22.
- The management remains confident of outperforming the India Pharma market (excluding COVID).
- It has 17%/29.8% market share in gAlbuterol/Arformoterol.
- Despite 50% market share by the innovator for gAdvair due to generic launches by its peers, it remains hopeful of healthy business prospects after receiving USFDA approval.
- It has impairment charges of INR575m related to Tramadol IV NDA in 4QFY22.
- The Consumer Health business surpassed INR5b in revenue and achieved EBITDA breakeven in FY22.
- The pecking order in YoY revenue growth for sub-segments within DF will be the Consumer business, followed by Prescription.

## Complex products/branded Generics in DF/SA are key growth drivers

### US: Efforts towards enhancing the Respiratory and Peptide pipeline

- US revenue grew 8% YoY to USD594m in FY22 v/s a flat YoY growth in FY21. It has 69 ANDAs pending approval. CIPLA ended FY22 with a record-high quarterly sales of USD160m in 4Q, led by market share gains and niche launches.
- CIPLA's Respiratory sales has been scaling new highs every year. It constituted 28% of US sales in FY22 from almost nil in FY17. The management is accelerating the pace of clinical trials in Respiratory products in the US. It continues to expand its Respiratory portfolio, with gAdvair and gAbraxane in the pipeline.
- The company launched its first Peptide product Lanreotide injection 505(b)(2) in 4QFY22 along with a partner. It is working on further unlocking its Peptide portfolio.
- Although it expects a further ramp-up in gAlbuterol and some meaningful launches over the next two-to-three quarters, the fillip to the US business hinges on big launches from 2HFY23E. Based on this, we expect 21% US sales CAGR to USD869m over FY22-24.

### DF: Chronic portfolio and price hike in the NLEM portfolio to drive growth

- CIPLA posted a strong 25% YoY growth (excluding COVID-19) at INR98.3b in India in FY22. COVID-related revenue has subsided and non-COVID drug sales have started to pick-up.
- The branded prescription business has now touched USD1b in sales, led by sustained momentum across core therapies. The Consumer Health business, supported by the product shift from the Trade Generics business, continues to enjoy strong prospects in products (such as Cofsils, Rexcof, Maxrich, ProlYTE ORS, Cipladine, Clocip, and Maxirich, which delivered over 30% YoY growth in FY22) as well as in anchor brands.
- We expect the COVID-led high base in FY22 to lead to subdued growth in FY23. We expect CIPLA to deliver 5% sales CAGR in DF at INR108b over FY22-24.

### South African private market driving SAGA business

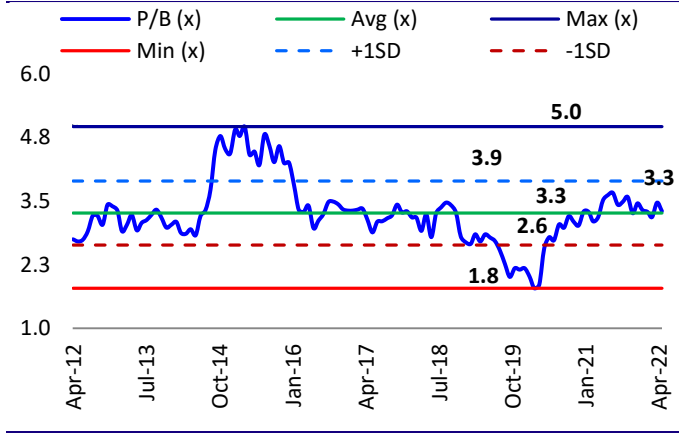
- CIPLA posted 6.6% YoY growth in SAGA at INR36.8b in FY22, driven by a market-beating 25% growth in the South Africa private market. Growth was dragged down by the South Africa tender market, which declined by 12% YoY.
- The company achieved growth in the South Africa private market by outperforming in the base business as well as in launches. It maintained its growth momentum by launching 32 brands in the private market in FY22.
- Considering the strong outlook in the private market and moderate outlook in the South African tender business, we expect CIPLA to deliver 10% sales CAGR in SAGA at INR44.5b over FY22-24.

### Valuation adequately factors in an upside in earnings

- We lower our FY23/FY24 EPS estimate by 7% each to factor in higher expenditure on R&D and operational cost related to procurement and supply chain. We expect a 14% earnings CAGR, led by a 21%/5%/10% sales CAGR in US Generics/DF/SAGA over FY22-24.

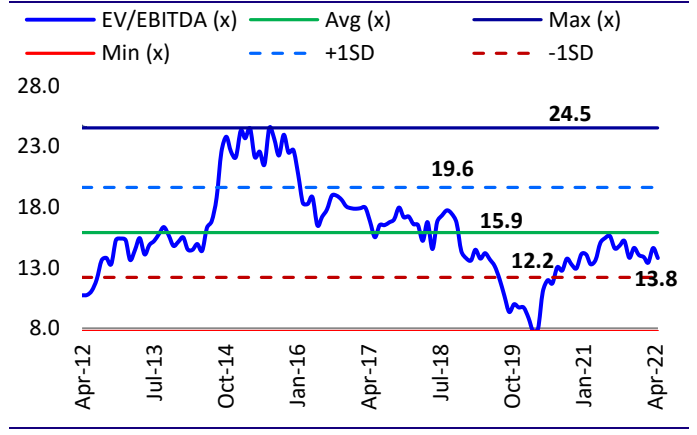
■ We value the stock at 23x 12-month forward earnings and add INR35/share of gRevlimid NPV to arrive at our TP of INR880. We maintain our **Neutral** rating as current valuations adequately factor in an upside from earnings growth.

Exhibit 1: P/E chart



Source: MOFSL, Company, Bloomberg

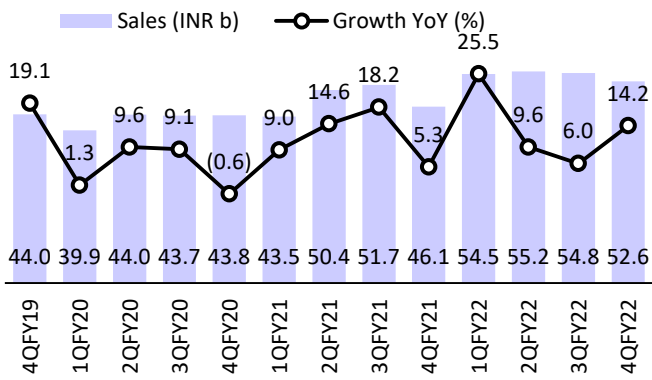
Exhibit 2: EV/EBITDA chart



Source: MOFSL, Company, Bloomberg

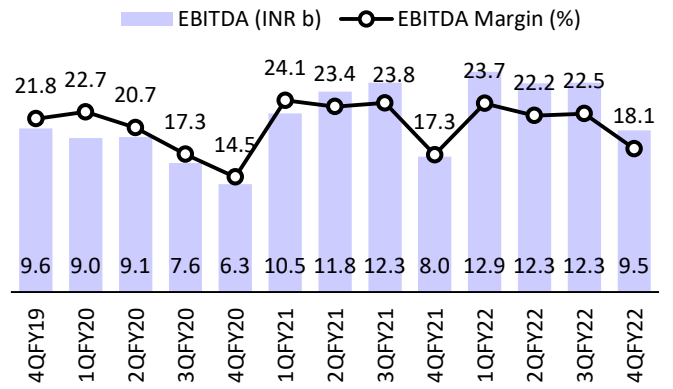
## Story in charts

**Exhibit 3: Revenue up ~14% YoY in 4QFY22**



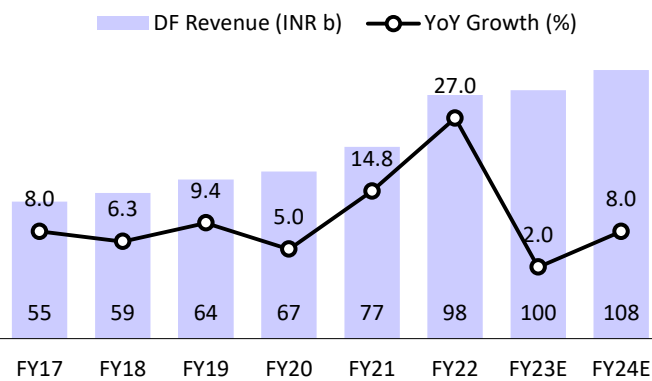
Source: MOFSL, Company

**Exhibit 4: EBITDA margin contracts by 80bp YoY in 4QFY22**



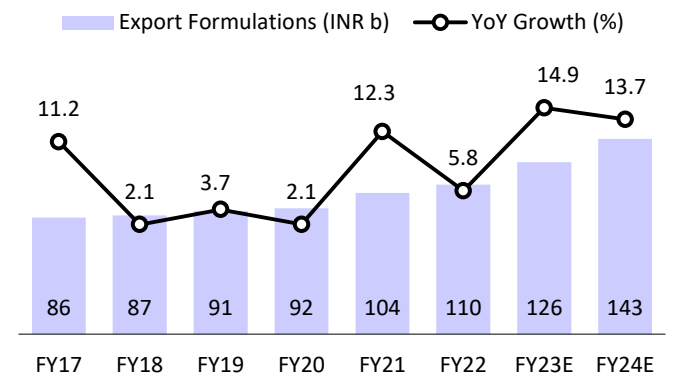
Source: MOFSL, Company

**Exhibit 5: Expect 5% sales CAGR in Domestic Formulations...**



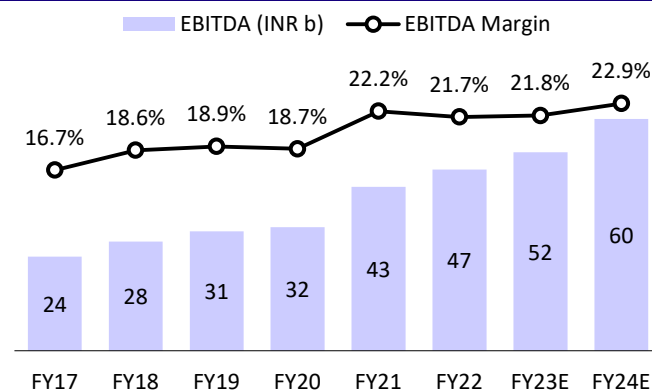
Source: MOFSL, Company

**Exhibit 6: ...and 14% export sales CAGR over FY22-24**



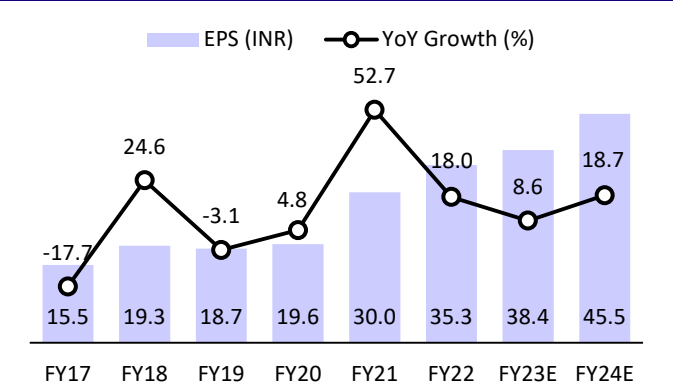
Source: MOFSL, Company

**Exhibit 7: Expect EBITDA margin to grow to 23% by FY24**



Source: MOFSL, Company

**Exhibit 8: Expect 14% earnings CAGR over FY22-24**



Source: MOFSL, Company

## Financials and valuations

Income Statement							(INR m)	
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>Net Income</b>	<b>145,980</b>	<b>152,200</b>	<b>163,624</b>	<b>171,320</b>	<b>191,596</b>	<b>2,17,121</b>	<b>2,36,289</b>	<b>2,62,418</b>
Change (%)	6.7	4.3	7.5	4.7	11.8	13.3	8.8	11.1
<b>EBITDA</b>	<b>24,436</b>	<b>28,271</b>	<b>30,973</b>	<b>32,060</b>	<b>42,526</b>	<b>47,016</b>	<b>51,511</b>	<b>60,094</b>
Change (%)	-2.3	15.7	9.6	3.5	32.6	10.6	9.6	16.7
Margin (%)	16.7	18.6	18.9	18.7	22.2	21.7	21.8	22.9
Depreciation	9,229	11,491	11,163	11,423	10,677	10,520	11,183	12,305
<b>EBIT</b>	<b>15,207</b>	<b>16,780</b>	<b>19,810</b>	<b>20,637</b>	<b>31,849</b>	<b>36,496</b>	<b>40,328</b>	<b>47,788</b>
Int. and Finance Charges	1,594	1,142	1,684	1,974	1,607	1,064	837	777
Other Income - Rec.	2,287	3,577	2,796	3,442	2,660	2,809	2,590	2,650
<b>PBT before EO Items</b>	<b>15,900</b>	<b>19,214</b>	<b>20,922</b>	<b>22,105</b>	<b>32,902</b>	<b>38,242</b>	<b>42,081</b>	<b>49,662</b>
One-time (Expense)/Income	0	-2,512	-130	324	0	3,309	0	0
<b>PBT but after EO Exp.</b>	<b>15,900</b>	<b>16,702</b>	<b>20,792</b>	<b>21,782</b>	<b>32,902</b>	<b>34,933</b>	<b>42,081</b>	<b>49,662</b>
Tax	3,094	2,501	5,695	6,312	8,888	9,338	11,572	13,409
Tax Rate (%)	19.5	15.0	27.4	29.0	27.0	26.7	27.5	27.0
Minority Interest	290	60	(353)	(470)	(164)	299	(350)	(380)
Income from associates	-70	-28	-171	-475	-128	-128	-50	-60
<b>Reported PAT</b>	<b>12,446</b>	<b>14,113</b>	<b>15,278</b>	<b>15,465</b>	<b>24,050</b>	<b>25,168</b>	<b>30,809</b>	<b>36,573</b>
<b>Adj. PAT</b>	<b>12,446</b>	<b>15,511</b>	<b>15,032</b>	<b>15,752</b>	<b>24,050</b>	<b>28,382</b>	<b>30,809</b>	<b>36,573</b>
Change (%)	-17.7	24.6	-3.1	4.8	52.7	18.0	8.6	18.7
Margin (%)	8.5	10.2	9.2	9.2	12.6	13.1	13.0	13.9

Balance Sheet							(INR m)	
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Equity Share Capital	1,609	1,610	1,611	1,613	1,613	1,614	1,610	1,610
Reserves	123,645	140,682	152,298	157,630	179,264	2,01,532	2,29,442	2,62,145
Revaluation Reserves	0	0	0	0	0	0	0	0
<b>Net Worth</b>	<b>125,254</b>	<b>142,292</b>	<b>150,123</b>	<b>157,630</b>	<b>183,265</b>	<b>2,08,417</b>	<b>2,31,052</b>	<b>2,63,755</b>
Loans	41,126	40,980	43,162	28,164	15,375	8,975	5,975	5,975
Deferred Liabilities	5888	3157	2239	1254	-181	-2049	-2049	-2049
Minority Interest	4382	3524	3320	2943	2591	2757	2757	2757
<b>Capital Employed</b>	<b>176,650</b>	<b>189,953</b>	<b>198,844</b>	<b>189,992</b>	<b>201,050</b>	<b>2,18,100</b>	<b>2,37,735</b>	<b>2,70,438</b>
Gross Block	114,562	120,454	126,353	138,480	147,454	1,60,107	1,66,048	1,72,048
Less: Accum. Deprn.	10,204	16,273	27,436	38,859	49,536	60,056	71,239	83,544
<b>Net Fixed Assets</b>	<b>104,358</b>	<b>104,181</b>	<b>98,916</b>	<b>99,621</b>	<b>97,918</b>	<b>1,00,052</b>	<b>94,809</b>	<b>88,504</b>
Capital WIP	7,192	5,124	3,311	4,210	5,708	3,829	5,124	5,124
Investments	141	107	2,963	3,593	3,501	4,171	4,171	4,171
<b>Curr. Assets</b>	<b>96,159</b>	<b>117,318</b>	<b>132,429</b>	<b>126,804</b>	<b>141,244</b>	<b>1,58,304</b>	<b>1,79,310</b>	<b>2,19,955</b>
Inventory	34,853	40,447	39,648	43,776	46,692	53,502	59,261	66,917
Account Receivables	24,974	31,025	41,507	38,913	34,457	34,244	41,114	44,349
Cash and Bank Balance	6,242	9,656	6,188	10,039	14,012	19,285	23,654	48,560
Others	30,090	36,190	45,085	34,076	46,083	51,273	55,280	60,130
<b>Curr. Liability and Prov.</b>	<b>31,201</b>	<b>36,776</b>	<b>38,775</b>	<b>44,236</b>	<b>47,322</b>	<b>48,423</b>	<b>45,678</b>	<b>47,315</b>
Account Payables	27,982	30,505	31,408	34,755	36,539	36,213	33,468	35,105
Provisions	3,219	6,271	7,368	9,482	10,783	12,210	12,210	12,210
<b>Net Current Assets</b>	<b>64,959</b>	<b>80,542</b>	<b>93,654</b>	<b>82,568</b>	<b>93,922</b>	<b>1,09,882</b>	<b>1,33,632</b>	<b>1,72,640</b>
<b>Appl. of Funds</b>	<b>176,650</b>	<b>189,953</b>	<b>198,844</b>	<b>189,992</b>	<b>201,050</b>	<b>2,18,100</b>	<b>2,37,735</b>	<b>2,70,438</b>



## Financials and valuations

### Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>EPS</b>	<b>15.5</b>	<b>19.3</b>	<b>18.7</b>	<b>19.6</b>	<b>30.0</b>	<b>35.3</b>	<b>38.4</b>	<b>45.5</b>
Cash EPS	26.9	33.5	32.5	33.7	43.1	48.2	52.2	60.7
BV/Share	155.7	176.7	186.3	195.5	227.2	258.1	287.0	327.6
DPS	2.0	2.0	3.0	2.5	2.5	3.0	3.0	4.0
Payout (%)	15.6	13.4	18.6	15.6	10.0	11.5	9.4	10.6
<b>Valuation (x)</b>								
P/E	59.8	47.9	49.5	47.2	30.9	26.2	24.1	20.3
Cash P/E	34.4	27.6	28.5	27.5	21.5	19.2	17.8	15.3
P/BV	5.9	5.2	5.0	4.7	4.1	3.6	3.2	2.8
EV/Sales	5.3	5.1	4.8	4.5	3.9	3.4	3.1	2.7
EV/EBITDA	31.9	27.5	25.3	23.8	17.6	15.6	14.1	11.7
Dividend Yield (%)	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.4
<b>Return Ratios (%)</b>								
RoE	9.9	10.9	10.0	10.0	13.1	13.6	13.3	13.9
RoCE	7.9	9.4	8.4	8.8	12.9	13.7	13.7	14.5
RoIC	7.5	8.4	8.0	8.2	13.3	14.5	14.8	16.7
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	1.4	1.5	1.6	1.7	1.9	2.2	2.4	2.9
Debtor (Days)	62	74	93	83	66	58	64	62
Inventory (Days)	87	97	88	93	89	90	92	93
Working Capital (Days)	162	193	209	176	179	183	204	237
<b>Leverage Ratio (x)</b>								
Current Ratio	3.1	3.2	3.4	2.9	3.0	3.3	3.9	4.6
Debt/Equity ratio	0.3	0.2	0.2	0.1	0.0	0.0	-0.1	-0.2

### Cash Flow Statement

(INR m)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
EBITDA	24,436	28,271	30,973	32,060	42,526	47,016	51,511	60,094
Interest/Dividends Recd.	2,287	3,577	2,796	3,442	2,660	2,809	2,590	2,650
Direct Taxes Paid	-6,176	-5,232	-6,613	-7,297	-10,323	-11,206	-11,572	-13,409
(Inc.)/Dec. in WC	-3,937	-12,169	-16,580	14,937	-7,381	-10,687	-19,381	-14,102
<b>CF from Operations</b>	<b>16,609</b>	<b>14,447</b>	<b>10,576</b>	<b>43,142</b>	<b>27,482</b>	<b>27,932</b>	<b>23,147</b>	<b>35,233</b>
EO expense	7,209	-2,331	6,205	-10,523	10,071	8,636		
<b>CF from Oper. incl. EO Expense</b>	<b>23,818</b>	<b>14,628</b>	<b>16,911</b>	<b>32,296</b>	<b>37,552</b>	<b>33,259</b>	<b>23,147</b>	<b>35,233</b>
(inc.)/dec. in FA	-6,487	-9,246	-4,085	-13,027	-10,472	-10,774	-7,235	-6,000
<b>Free Cash Flow</b>	<b>17,331</b>	<b>5,381</b>	<b>12,826</b>	<b>19,268</b>	<b>27,080</b>	<b>22,485</b>	<b>15,912</b>	<b>29,233</b>
(Pur.)/Sale of Investments	1,622	35	-2,857	-629	91	-669	0	0
<b>others</b>	<b>-8,237</b>	<b>671</b>	<b>-9,745</b>	<b>14,697</b>	<b>-13,491</b>	<b>-7,276</b>		
<b>CF from Investments</b>	<b>-13,102</b>	<b>-8,540</b>	<b>-16,687</b>	<b>1,041</b>	<b>-23,872</b>	<b>-18,719</b>	<b>-7,235</b>	<b>-6,000</b>
Inc./(Dec.) in Debt	-10,790	-146	2,183	-14,998	-12,790	-6,400	-3,000	0
Interest Paid	-1,594	-1,142	-1,684	-1,974	-1,607	-1,064	-837	-777
Dividend Paid	-1,936	-1,893	-2,841	-2,416	-2,416	-2,899	-2,899	-3,870
Others	1,062	-673	-1,145	-11,713	3,513	-364	-6,266	-1,139
<b>CF from Fin. Activity</b>	<b>-13,257</b>	<b>-3,855</b>	<b>-3,487</b>	<b>-31,100</b>	<b>-13,299</b>	<b>-10,727</b>	<b>-13,002</b>	<b>-5,786</b>
<b>Inc./Dec. in Cash</b>	<b>-2,541</b>	<b>2,233</b>	<b>-3,263</b>	<b>2,236</b>	<b>381</b>	<b>3,813</b>	<b>2,910</b>	<b>23,447</b>
Add: Beginning Balance	8,714	6,242	9,656	6,188	10,039	14,012	19,285	23,654
Bank balances	6,173	8,475	6,393	8,424	10,420	17,826	22,195	47,101
Bank balances and FX impact	69	1,181	-205	1,614	3,592	1,459	1,459	1,459
<b>Closing balance</b>	<b>6,242</b>	<b>9,656</b>	<b>6,188</b>	<b>10,039</b>	<b>14,012</b>	<b>19,285</b>	<b>23,654</b>	<b>48,560</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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