

# Aurobindo Pharma

Estimate change



TP change



Rating change



Bloomberg	ARBP IN
Equity Shares (m)	586
M.Cap.(INRb)/(USD\$)	574 / 6.9
52-Week Range (INR)	984 / 397
1, 6, 12 Rel. Per (%)	10/52/97
12M Avg Val (INR M)	1293

## Financials & Valuations (INR b)

Y/E MARCH	FY23	FY24E	FY25E
Sales	248.6	285.6	295.9
EBITDA	40.3	55.1	59.8
Adj. PAT	22.5	31.4	34.0
EBIT Margin (%)	11.2	14.4	15.3
Cons. Adj. EPS (INR)	38.4	53.6	58.2
EPS Gr. (%)	-12.9	39.7	8.4
BV/Sh. (INR)	458.4	507.1	559.3

## Ratios

Net D:E	0.0	0.0	-0.1
RoE (%)	8.7	11.1	10.9
RoCE (%)	8.0	9.9	10.2
Payout (%)	10.9	9.3	10.3

## Valuations

P/E (x)	24.7	17.7	16.3
EV/EBITDA (x)	13.5	10.0	8.6
Div. Yield (%)	0.4	0.5	0.6
FCF Yield (%)	-1.4	-0.9	7.1
EV/Sales (x)	2.2	1.9	1.7

## Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	51.8	51.8	51.8
DII	18.3	15.7	16.6
FII	22.5	24.1	21.4
Others	7.4	8.3	10.2

FII Includes depository receipts

**CMP: INR980**

**TP: INR970 (-1%)**

**Neutral**

## Broad-based growth across segments

### On track for Pen-G project

- Aurobindo Pharma (ARBP) delivered better-than-expected performance in 2QFY24. ARBP posted superior growth across key markets of the US/ EU and even in the ARV formulation segment. This was further supported by lower raw material costs, driving better profitability. With the g-Revlimid launch, margins are likely to be better in the coming quarters.
- We raise our earnings estimates by 6%/5% for FY24/FY25, factoring in: 1) the benefit from reduced price erosion in the base portfolio, and b) improved operating leverage. We value ARBP at 15x 12M forward earnings to arrive at our TP of INR970.
- ARBP continues to put effort into building a robust product pipeline for its focus market, including niche opportunities in injectables, and biosimilar domains. The much-awaited Pen-G project is also on track to gain commercial benefit from FY25E onwards. However, at valuations of 18x/16x FY24/FY25 earnings, the upside is limited. **Hence, we reiterate our Neutral rating on the stock.**

### Sales growth outpaces opex, driving better margins YoY/QoQ

- ARBP's 2QFY24 sales grew 26% YoY to INR72b (our estimate: INR69b).
- Overall Formulation sales grew 25% YoY to INR59.7b. The US Formulation revenue jumped 28% YoY to INR33.8b (CC: +24% YoY to USD409m; 47% of sales). Europe Formulation sales grew 17% YoY to INR17.7b (25% of sales). ARV revenue rose 52% YoY to INR2.5b (3% of sales). Growth Market sales grew 8% YoY to INR5.6b (7% of sales). The API sales increased 20% YoY to INR11.7b (17% of sales) during the quarter.
- Gross margin (GM) contracted 380bp YoY to 55.2% in 2QFY24.
- However, EBITDA margin expanded 110bp YoY to 19.4% (our estimate: 17.3%) due to lower R&D/other/employee expenses (down 60bp/240bp/190bp YoY as a % of sales).
- EBITDA was up 33% YoY to INR14b (our estimates: INR12b) in 2QFY24.
- Adjusting for the forex loss of INR298m, PAT grew 17% YoY to INR7.8b (our est: INR6.3b), due to higher other income (>3x YoY) offset by higher depreciation/interest cost/tax rate.
- In 1HFY24, ARBP's revenue/EBITDA/PAT grew 18%/23%/10% YoY to INR140.7b/INR25.5b/INR13.7b. Moreover, EBITDA margin expanded 80bp YoY to 18.2%.

### Highlights from the management commentary

- ARBP remains on track to achieve a 20%+ EBITDA margin for FY24.
- The overall Eugia sales for the quarter stood at USD127m, and remain on track to achieve USD560m for FY24E.
- There is a potential for the generic injectable business's quarterly sales run rate to reach USD90m from the current rate of USD81m.

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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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## Quarterly performance (Consolidated)

(INR b)

Y/E March	FY23				FY24E				FY23	FY24E	FY24E	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	vs Est
<b>Net Sales</b>	<b>62.4</b>	<b>57.4</b>	<b>64.1</b>	<b>64.7</b>	<b>68.5</b>	<b>72.2</b>	<b>73.3</b>	<b>71.6</b>	<b>248.6</b>	<b>285.6</b>	<b>69.1</b>	<b>4.5%</b>
YoY Change (%)	9.4	-3.4	6.7	11.4	9.9	25.8	14.4	10.6	6.0	14.9	20.4	
<b>EBITDA</b>	<b>10.2</b>	<b>10.5</b>	<b>9.5</b>	<b>10.0</b>	<b>11.5</b>	<b>14.0</b>	<b>15.2</b>	<b>14.3</b>	<b>40.3</b>	<b>55.1</b>	<b>12.0</b>	<b>17.4%</b>
YoY Change (%)	-15.3	-11.3	-6.1	2.9	12.4	33.4	59.7	42.9	-8.1	36.6	13.6	
Margins (%)	16.4	18.3	14.9	15.5	16.8	19.4	20.8	20.0	16.2	19.3	17.3	
Depreciation	2.8	3.0	3.2	3.5	3.3	4.2	3.3	3.2	12.4	13.9	3.5	
<b>EBIT</b>	<b>7.5</b>	<b>7.5</b>	<b>6.3</b>	<b>6.6</b>	<b>8.2</b>	<b>9.9</b>	<b>11.9</b>	<b>11.1</b>	<b>27.9</b>	<b>41.2</b>	<b>8.5</b>	
YoY Change (%)	-19.8	-15.5	-11.7	-8.9	10.7	30.7	88.7	69.6	-14.5	47.7	12.4	
Interest	0.1	0.3	0.4	0.6	0.6	0.7	0.4	0.1	1.4	1.8	0.5	
Other Income	0.4	0.6	0.8	1.1	0.8	1.9	0.9	0.8	2.9	4.3	0.8	
<b>PBT before EO expense</b>	<b>7.7</b>	<b>7.9</b>	<b>6.7</b>	<b>7.1</b>	<b>8.5</b>	<b>11.0</b>	<b>12.4</b>	<b>11.8</b>	<b>29.4</b>	<b>43.7</b>	<b>8.8</b>	<b>25.3%</b>
Forex loss/(gain)	0.3	0.5	-0.1	-0.2	-0.4	0.3	0.0	0.0	0.4	-0.1	0.0	
Exceptional (expenses)/income	-0.6	0.0	0.0	0.0	-0.7	0.0	0.0	0.0	-0.6	-0.7	0.0	
<b>PBT</b>	<b>6.8</b>	<b>7.4</b>	<b>6.8</b>	<b>7.4</b>	<b>8.1</b>	<b>10.7</b>	<b>12.4</b>	<b>11.8</b>	<b>28.4</b>	<b>43.1</b>	<b>8.8</b>	<b>21.9%</b>
Tax	1.6	1.1	1.9	2.2	2.4	3.2	2.7	0.8	7.3	9.1	2.5	
Rate (%)	23.2	15.3	27.8	30.4	29.7	30.1	22.0	6.4	25.6	21.2	28.0	
Minority Interest	0.0	0.0	0.0	0.1	0.0	-0.1	-0.1	0.2	0.1	0.1	0.0	
<b>Reported PAT</b>	<b>5.2</b>	<b>6.2</b>	<b>4.9</b>	<b>5.1</b>	<b>5.7</b>	<b>7.6</b>	<b>9.7</b>	<b>10.8</b>	<b>21.0</b>	<b>33.8</b>	<b>6.3</b>	<b>19.6%</b>
<b>Adj PAT</b>	<b>5.9</b>	<b>6.6</b>	<b>4.8</b>	<b>5.1</b>	<b>5.9</b>	<b>7.8</b>	<b>9.7</b>	<b>8.0</b>	<b>22.5</b>	<b>31.4</b>	<b>6.3</b>	<b>22.9%</b>
YoY Change (%)	-21.4	-4.5	-14.4	-10.3	0.9	17.2	101.6	55.0	-12.9	39.7	-4.7	
Margins (%)	9.4	11.6	7.5	7.9	8.7	10.8	13.3	11.1	9.0	11.0	9.2	

E: MOFSL Estimates

## Key performance Indicators (Consolidated)

(INR b)

Y/E March	FY23E				FY24E				FY23	FY24E	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE
<b>Formulations</b>	<b>53.3</b>	<b>47.7</b>	<b>54.5</b>	<b>54.6</b>	<b>58.2</b>	<b>59.7</b>	<b>63.0</b>	<b>64.2</b>	<b>210.1</b>	<b>245.0</b>	<b>53.6</b>
YoY Change (%)	9.0	-7.6	9.2	11.4	9.2	25.1	15.5	17.7	5.4	16.6	9.5
ARV form.	3.8	1.6	2.5	1.6	1.9	2.5	2.3	2.4	9.5	9.1	2.4
YoY Change (%)	28.1	13.1	61.3	-32.6	-49.8	52.4	-10.0	50.8	24.0	-5.0	0.9
US generic form.	29.7	26.4	30.0	30.5	33.0	33.9	36.0	37.0	116.5	139.9	30.7
YoY Change (%)	10.8	-11.1	9.3	11.6	11.2	28.3	20.0	21.5	4.8	20.0	12.6
EU and ROW form.	19.8	19.7	22.0	22.5	23.2	23.3	24.7	24.8	84.0	96.1	20.5
YoY Change (%)	3.5	-3.9	5.2	16.6	17.4	18.5	12.3	10.2	5.2	14.4	6.3
<b>APIs</b>	<b>9.1</b>	<b>9.7</b>	<b>9.5</b>	<b>10.2</b>	<b>10.3</b>	<b>11.7</b>	<b>10.3</b>	<b>8.2</b>	<b>38.5</b>	<b>40.5</b>	<b>9.6</b>
YoY Change (%)	11.6	24.1	-5.5	11.4	14.0	20.3	8.0	-19.1	9.5	5.3	5.0
<b>Cost Break-up</b>											
RM Cost (% of Sales)	46.3	41.0	45.4	45.3	46.1	44.8	43.0	43.0	44.3	44.2	44.6
Staff Cost (% of Sales)	14.1	15.1	14.4	13.2	13.9	13.2	13.2	13.7	14.2	13.5	14.8
R&D Expenses(% of Sales)	5.0	4.8	6.5	6.3	5.7	4.2	5.0	5.2	5.7	5.0	6.8
Other Cost (% of Sales)	18.2	20.7	18.9	19.7	17.6	18.3	18.0	18.0	19.6	18.0	18.8
Gross Margins(%)	53.7	59.0	54.6	54.7	53.9	55.2	57.0	57.0	55.7	55.8	55.4
EBITDA Margins(%)	16.4	18.3	14.9	15.5	16.8	19.4	20.8	20.0	16.2	19.3	15.0
EBIT Margins(%)	12.0	13.1	9.9	10.1	12.0	13.7	16.3	15.6	11.2	14.4	9.9

E: MOFSL Estimates

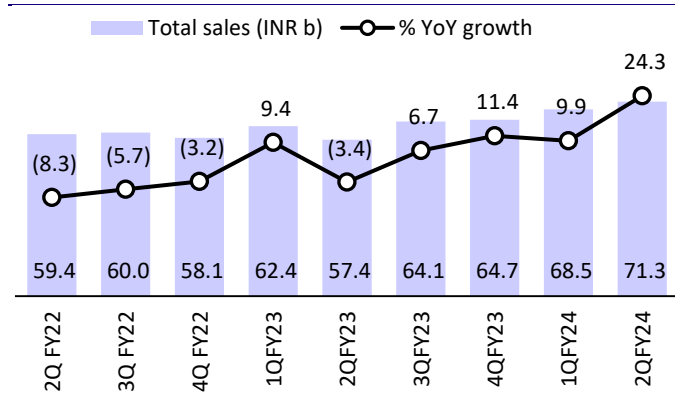


## Conference call highlights

- The demand for its products in the US generics market remains stable and subject to a lower intensity of price erosion.
- G-Revlimid sales would be reflected from 3QFY24 onwards
- The trial run for the Pen-G project would be initiated in Jan/Feb'24.
- The R&D spending for 2HFY24 is expected to be INR7b-INR7.5b
- ARBP has filed one biosimilar product for the EU market and is on track to file the remaining two by Jan'24.
- While ARV business was strong in 2QFY24, it indicated the quarterly run-rate to be USD25m going forward
- ARBP filed 10 ANDAs in FY24. It received 15 approvals and launched 19 ANDAs in 2QFY24.
- The impairment assessment led to a higher provision in depreciation for the quarter.

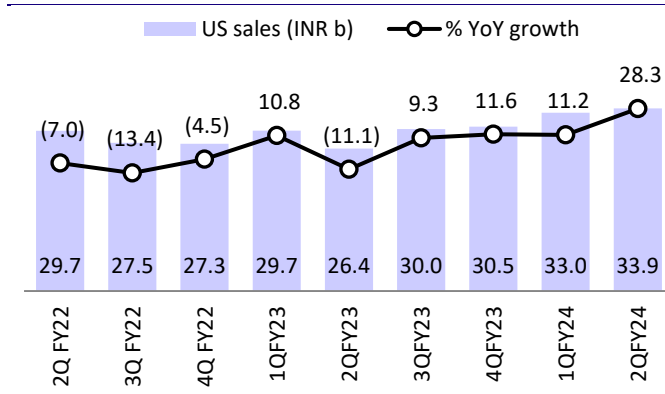
## Key Exhibits

**Exhibit 1: Revenue grew 24% YoY in 2QFY24**



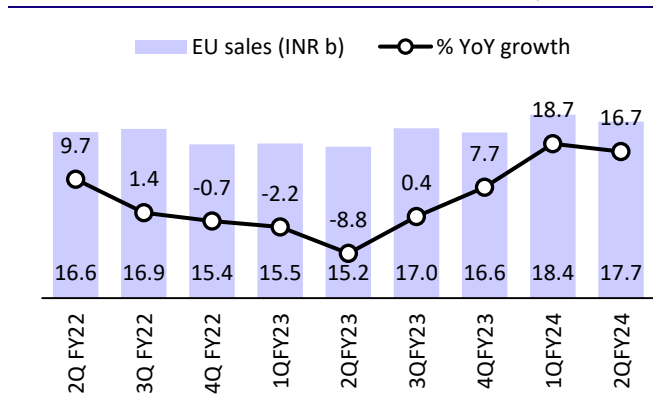
Source: MOFSL, Company

**Exhibit 2: The US sales up 28% YoY in 2QFY24 in INR terms**



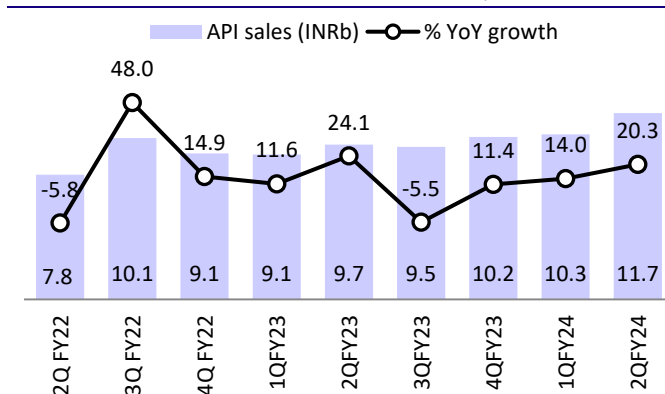
Source: MOFSL, Company

**Exhibit 3: The EU sales increased 17% YoY in 2QFY24**



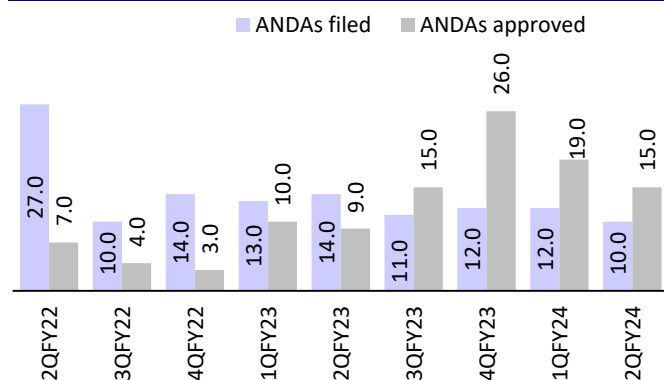
Source: MOFSL, Company

**Exhibit 4: The API sales rose 20% YoY in 2QFY24**



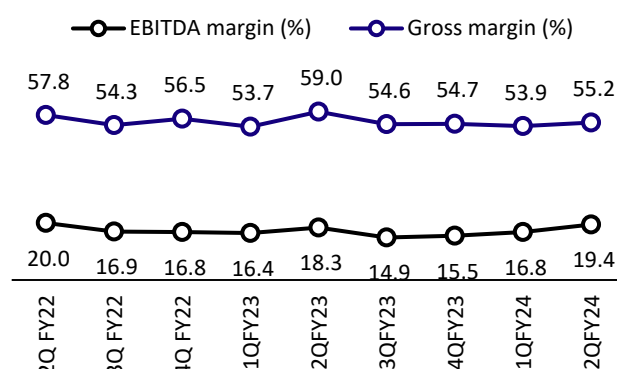
Source: MOFSL, Company

Exhibit 5: ARBP filed 10 ANDAs in 2QFY24



Source: MOFSL, Company

Exhibit 6: EBITDA margin expanded 110bp YoY



Source: MOFSL, Company

## Superior execution across the US/EU to drive better growth prospects

### US: YoY growth trend to strengthen with niche launches in 2HFY24

- In 1HFY24, ARBP's US sales grew 14% YoY in CC terms to USD812m. Eugia revenue in the US stood at USD182m in 1HFY24 (~22% of the total US revenue), including USD161m from generic injectables.
- ARBP has a pipeline of 130 ANDAs pending approval, giving it an edge to gain opportunities prevalent in the US market.
- Moreover, ARBP is well positioned to gain better traction amid robust demand, a sturdy portfolio, and consistent compliance. Additionally, g-Revlimid will likely contribute meaningfully from 3QFY24 onwards.
- Accordingly, we expect an 11% sales CAGR over FY23-25 to INR143b (USD1.9b).

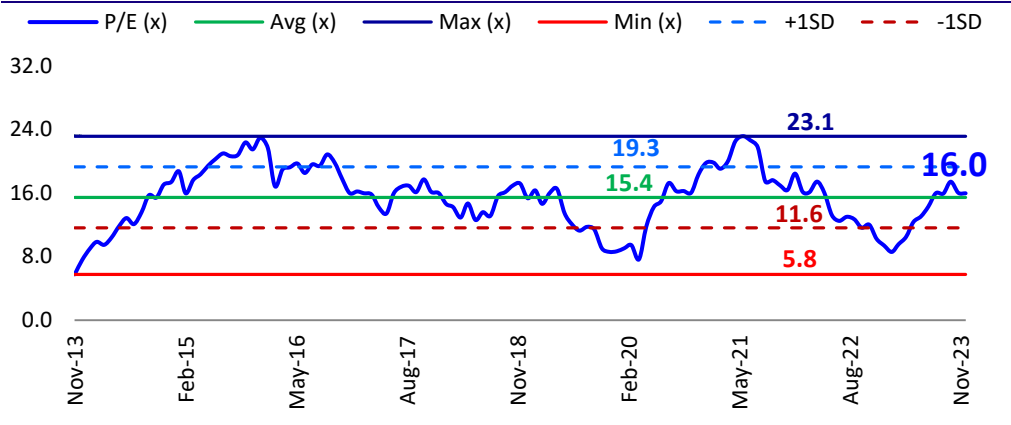
### EU: positioning itself to drive better than industry growth

- In 1HFY24, EU sales grew 18% YoY to INR36b, led by robust demand across the base portfolio and new launches.
- Three biosimilars, Pegfilgrastim, Filgrastim, and Trastuzumab, will be filed by end-Jan'24. A successful completion of phase 3 clinical outcome has been achieved for Trastuzumab.
- While the industry growth in generics category is muted at 2-3% on YoY basis, ARBP continues to implement strategies like expanding differentiated offerings and reducing operational costs to improve the outlook of the EU business.
- Accordingly, we expect a 10% sales CAGR over FY23-25 to INR77b.

### Valuation and view

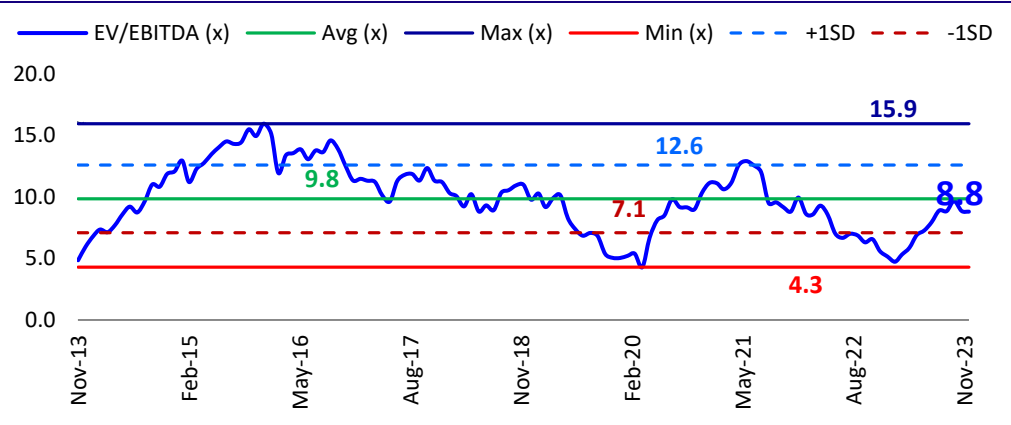
- We raise our earnings estimates by 6%/5% for FY24/FY25, factoring in: 1) the benefit from reduced price erosion in the base portfolio, and b) improved operating leverage. We value ARBP at 15x 12M forward earnings to arrive at our TP of INR970.
- ARBP continues to put effort into building a robust product pipeline for its focus market, including niche opportunities in injectables, and biosimilar domains. The much-awaited Pen-G project is also on track to gain commercial benefit from FY25E onwards. However, at valuations of 18x/16x FY24/FY25 earnings, the upside is limited. **Hence, we reiterate our Neutral rating on the stock.**

Exhibit 7: P/E chart



Source: MOFSL, Company, Bloomberg

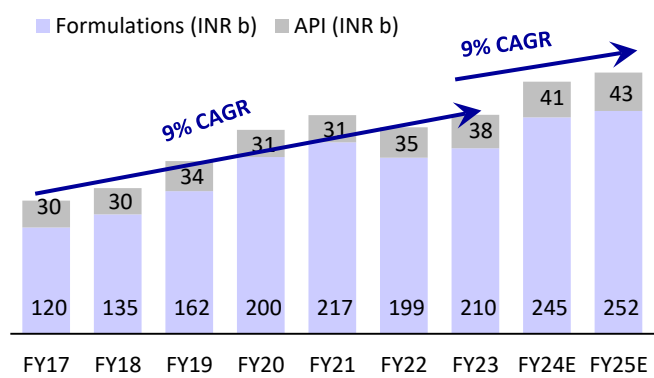
Exhibit 8: EV/EBITDA chart



Source: MOFSL, Company, Bloomberg

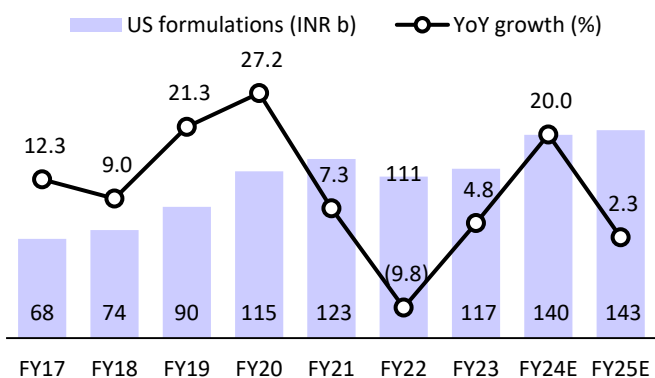
## Story in charts

**Exhibit 9: Expect sales CAGR of 10% over FY23-25**



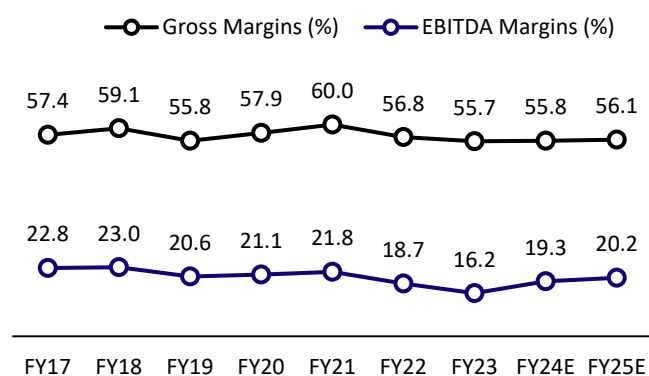
Source: Company, MOFSL

**Exhibit 10: The US sales to clock 11% CAGR over FY23-25**



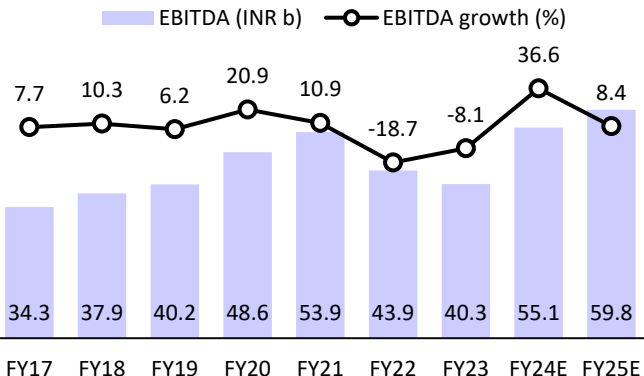
Source: Company, MOFSL

**Exhibit 11: EBITDA margin to expand over FY23-25**



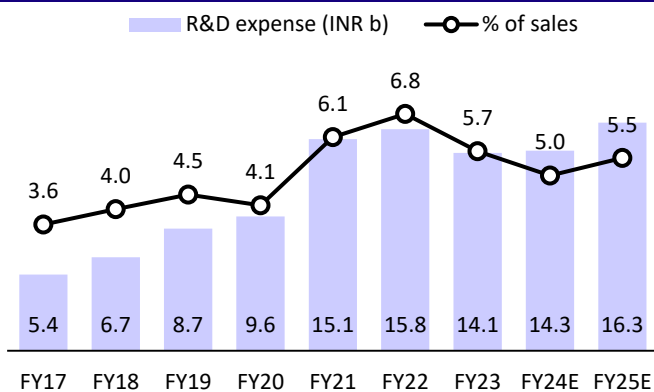
Source: Company, MOFSL

**Exhibit 12: EBITDA to clock 22% CAGR over FY23-25**



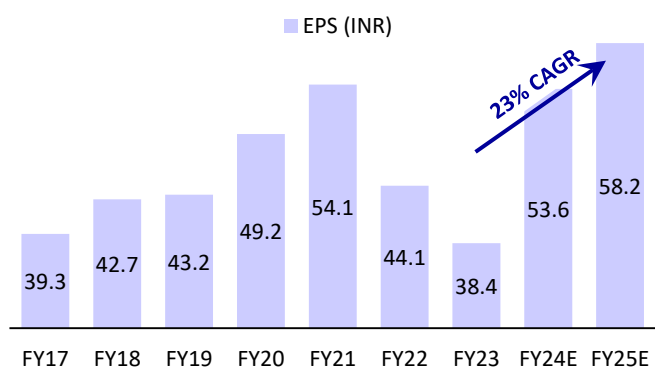
Source: Company, MOFSL

**Exhibit 13: R&D expenses to increase over FY23-25**



Source: Company, MOFSL

**Exhibit 14: Expect EPS CAGR of 20% over FY23-25**



Source: Company, MOFSL

## Financials and valuations

### Consolidated - Income Statement

(INR b)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>Total Income from Operations</b>	<b>150.9</b>	<b>165.0</b>	<b>195.6</b>	<b>231.0</b>	<b>247.7</b>	<b>234.6</b>	<b>248.6</b>	<b>285.6</b>	<b>295.9</b>
Change (%)	8.1	9.3	18.6	18.1	7.3	-5.3	6.0	14.9	3.6
<b>Total Expenditure</b>	<b>116.6</b>	<b>127.1</b>	<b>155.4</b>	<b>182.3</b>	<b>193.8</b>	<b>190.7</b>	<b>208.2</b>	<b>230.5</b>	<b>236.1</b>
<b>EBITDA</b>	<b>34.3</b>	<b>37.9</b>	<b>40.2</b>	<b>48.6</b>	<b>53.9</b>	<b>43.9</b>	<b>40.3</b>	<b>55.1</b>	<b>59.8</b>
Margin (%)	22.8	23.0	20.6	21.1	21.8	18.7	16.2	19.3	20.2
Depreciation	4.3	5.6	6.7	9.7	10.6	11.3	12.4	13.9	14.6
<b>EBIT</b>	<b>30.1</b>	<b>32.3</b>	<b>33.5</b>	<b>39.0</b>	<b>43.4</b>	<b>32.6</b>	<b>27.9</b>	<b>41.2</b>	<b>45.2</b>
Int. and Finance Charges	0.7	0.8	1.6	1.6	0.7	0.5	1.4	1.8	1.6
Other Income	0.5	1.0	1.2	0.9	2.4	2.5	2.9	4.3	3.5
<b>PBT bef. EO Exp.</b>	<b>29.9</b>	<b>32.5</b>	<b>33.1</b>	<b>38.2</b>	<b>45.0</b>	<b>34.6</b>	<b>29.4</b>	<b>43.7</b>	<b>47.1</b>
EO Items	0.6	-0.2	-2.2	-0.7	29.0	-0.6	-1.0	0.8	0.0
<b>PBT after EO Exp.</b>	<b>30.6</b>	<b>32.4</b>	<b>30.9</b>	<b>37.6</b>	<b>74.0</b>	<b>34.0</b>	<b>28.4</b>	<b>44.5</b>	<b>47.1</b>
Current Tax	7.6	8.2	7.3	9.1	20.1	7.3	6.8	12.9	13.0
Tax Rate (%)	24.9	25.3	23.5	24.3	27.2	21.3	24.1	29.0	27.5
Less: Minority Interest	-0.1	0.0	0.0	0.1	0.6	0.3	-0.1	0.1	0.1
<b>Reported PAT</b>	<b>23.0</b>	<b>24.2</b>	<b>23.6</b>	<b>28.3</b>	<b>53.3</b>	<b>26.5</b>	<b>21.4</b>	<b>31.5</b>	<b>34.0</b>
<b>Adjusted PAT</b>	<b>23.0</b>	<b>25.0</b>	<b>25.3</b>	<b>28.8</b>	<b>31.7</b>	<b>25.8</b>	<b>22.5</b>	<b>31.4</b>	<b>34.0</b>
Change (%)	13.6	8.7	1.1	13.9	9.9	-18.5	-12.8	39.7	8.4
Margin (%)	15.3	15.2	12.9	12.5	12.8	11.0	9.0	11.0	11.5

### Consolidated - Balance Sheet

(INR b)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Total Reserves	93.1	116.2	138.3	167.5	218.7	245.2	267.8	296.3	326.9
<b>Net Worth</b>	<b>93.7</b>	<b>116.8</b>	<b>138.9</b>	<b>168.1</b>	<b>219.3</b>	<b>245.8</b>	<b>268.4</b>	<b>296.9</b>	<b>327.5</b>
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Deferred Liabilities	-1.2	0.8	1.0	1.4	1.2	1.2	-2.9	-2.9	-3.0
Total Loans	30.8	44.8	67.5	54.2	49.7	23.7	48.6	38.6	30.6
<b>Capital Employed</b>	<b>123.4</b>	<b>162.4</b>	<b>207.4</b>	<b>223.7</b>	<b>270.2</b>	<b>270.7</b>	<b>314.3</b>	<b>332.7</b>	<b>355.2</b>
Gross Block	53.6	70.7	98.0	116.4	134.3	158.4	175.4	195.9	208.9
Less: Accum. Deprn.	7.2	11.8	18.3	28.0	38.5	49.8	62.2	76.2	90.7
<b>Net Fixed Assets</b>	<b>46.5</b>	<b>58.9</b>	<b>79.7</b>	<b>88.4</b>	<b>95.8</b>	<b>108.7</b>	<b>113.2</b>	<b>119.8</b>	<b>118.2</b>
Goodwill on Consolidation	4.1	8.2	8.3	9.2	4.3	4.8	6.0	6.0	6.0
Capital WIP	12.4	14.0	13.4	16.2	24.3	29.4	45.0	45.0	45.0
<b>Total Investments</b>	<b>2.5</b>	<b>3.1</b>	<b>3.6</b>	<b>5.5</b>	<b>5.9</b>	<b>10.0</b>	<b>5.4</b>	<b>5.4</b>	<b>5.4</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>95.4</b>	<b>125.3</b>	<b>157.7</b>	<b>168.3</b>	<b>203.8</b>	<b>183.6</b>	<b>222.6</b>	<b>222.2</b>	<b>249.5</b>
Inventory	43.3	58.6	72.5	77.0	90.3	75.5	85.1	96.8	94.3
Account Receivables	35.0	38.7	34.1	43.2	35.0	40.1	44.7	53.2	53.5
Cash and Bank Balance	5.1	12.6	19.6	28.4	54.7	41.9	60.8	45.3	74.9
Loans and Advances	12.0	15.4	31.5	19.7	23.7	26.0	31.9	26.8	26.8
<b>Curr. Liability &amp; Prov.</b>	<b>37.4</b>	<b>47.1</b>	<b>55.3</b>	<b>63.9</b>	<b>63.8</b>	<b>65.6</b>	<b>77.9</b>	<b>65.6</b>	<b>68.9</b>
Account Payables	24.9	26.3	25.5	25.4	27.9	27.0	38.7	35.0	38.2
Other Current Liabilities	11.4	18.2	26.1	33.5	32.6	35.2	35.4	30.0	30.0
Provisions	1.1	2.6	3.6	4.9	3.3	3.4	3.7	0.6	0.6
<b>Net Current Assets</b>	<b>58.0</b>	<b>78.3</b>	<b>102.4</b>	<b>104.3</b>	<b>140.0</b>	<b>117.9</b>	<b>144.7</b>	<b>156.6</b>	<b>180.7</b>
Deferred Tax assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Misc Expenditure	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Appl. of Funds</b>	<b>123.4</b>	<b>162.4</b>	<b>207.4</b>	<b>223.7</b>	<b>270.2</b>	<b>270.7</b>	<b>314.3</b>	<b>332.7</b>	<b>355.2</b>

E: MOFSL Estimates



## Financials and valuations

### Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>Basic (INR)</b>									
<b>EPS</b>	<b>39.3</b>	<b>42.7</b>	<b>43.2</b>	<b>49.2</b>	<b>54.1</b>	<b>44.1</b>	<b>38.4</b>	<b>53.6</b>	<b>58.2</b>
Cash EPS	46.6	52.2	54.6	65.7	72.0	63.3	59.7	77.4	83.0
BV/Share	160.0	199.4	237.1	286.9	374.3	419.5	458.4	507.1	559.3
DPS	1.9	3.7	2.5	2.5	2.5	3.5	4.0	5.0	6.0
Payout (%)	6.0	10.9	6.8	5.2	2.7	7.7	10.9	9.3	10.3
<b>Valuation (x)</b>									
P/E	24.2	22.2	22.0	19.3	17.6	21.6	24.7	17.7	16.3
Cash P/E	20.4	18.2	17.4	14.5	13.2	15.0	15.9	12.3	11.4
P/BV	5.9	4.8	4.0	3.3	2.5	2.3	2.1	1.9	1.7
EV/Sales	3.9	3.6	3.1	2.5	2.2	2.3	2.2	1.9	1.7
EV/EBITDA	17.0	15.5	15.0	12.0	10.2	12.3	13.5	10.0	8.6
Dividend Yield (%)	0.2	0.4	0.3	0.3	0.3	0.4	0.4	0.5	0.6
FCF per share	27.0	7.2	1.6	50.4	12.5	35.7	-13.5	-8.4	67.1
<b>Return Ratios (%)</b>									
RoE	27.6	23.8	19.8	18.8	16.3	11.1	8.7	11.1	10.9
RoCE	19.0	17.4	14.4	14.1	13.6	10.3	8.0	9.9	10.2
RoIC	22.5	20.4	16.9	17.1	17.6	13.7	10.8	13.3	14.0
<b>Working Capital Ratios</b>									
Fixed Asset Turnover (x)	2.8	2.3	2.0	2.0	1.8	1.5	1.4	1.5	1.4
Inventory (Days)	238	275	277	280	308	298	266	263	269
Debtor (Days)	98	82	68	61	58	58	62	63	66
Creditor (Days)	140	138	109	96	98	99	109	107	103
Working Cap. (Days)	196	219	235	246	267	258	219	219	232
<b>Leverage Ratio (x)</b>									
Current Ratio	2.6	2.7	2.9	2.6	3.2	2.8	2.9	3.4	3.6
Interest Cover Ratio	45	42	21	24	58	67	20	23	29
Net Debt/Equity	0.3	0.3	0.3	0.2	0.0	-0.1	0.0	0.0	-0.1

### Consolidated - Cash Flow Statement

(INR b)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
OP/(Loss) before Tax	30.6	32.4	30.9	37.4	45.0	34.6	29.4	43.7	47.1
Depreciation	4.3	5.6	6.7	9.7	10.6	11.3	12.4	13.9	14.6
Interest / Dividend received	0.4	0.5	1.4	1.2	-1.6	-2.0	-1.5	-2.5	-1.9
Direct Taxes Paid	-7.7	-7.0	-7.7	-7.3	-20.1	-7.3	-6.8	-12.9	-13.0
(Inc)/Dec in WC	5.3	-10.4	-14.8	2.8	-9.3	9.2	-7.8	-27.4	5.5
<b>CF from Operations</b>	<b>32.9</b>	<b>21.2</b>	<b>16.4</b>	<b>43.8</b>	<b>24.5</b>	<b>45.8</b>	<b>25.7</b>	<b>14.8</b>	<b>52.3</b>
Others	-0.1	-1.6	0.1	0.0	8.7	4.4	-1.0	0.8	0.0
<b>CF from Operating incl EO</b>	<b>32.8</b>	<b>19.5</b>	<b>16.5</b>	<b>43.8</b>	<b>33.3</b>	<b>50.2</b>	<b>24.7</b>	<b>15.6</b>	<b>52.3</b>
(inc)/dec in FA	-16.9	-15.3	-15.6	-14.3	-26.0	-29.2	-32.6	-20.5	-13.0
<b>Free Cash Flow</b>	<b>15.8</b>	<b>4.2</b>	<b>0.9</b>	<b>29.5</b>	<b>7.3</b>	<b>20.9</b>	<b>-7.9</b>	<b>-4.9</b>	<b>39.3</b>
(Pur)/Sale of Investments	-0.9	-4.0	-13.4	-1.4	0.4	4.1	-4.5	0.0	0.0
<b>CF from Investments</b>	<b>-17.9</b>	<b>-19.3</b>	<b>-29.0</b>	<b>-15.7</b>	<b>6.0</b>	<b>-32.1</b>	<b>-39.8</b>	<b>-20.5</b>	<b>-13.0</b>
Inc/(Dec) in Debt	-17.3	2.9	26.2	-13.1	-4.5	-26.0	25.0	-10.0	-7.9
Interest Paid	-0.6	-0.7	-1.5	-1.3	-0.7	-0.5	-1.4	-1.8	-1.6
Dividend Paid	-1.4	-2.6	-1.6	-1.9	-1.5	-2.1	-2.3	-2.9	-3.5
Others	1.5	7.7	-3.4	-2.8	-6.9	-1.2	12.8	4.1	3.3
<b>CF from Fin. Activity</b>	<b>-17.7</b>	<b>7.2</b>	<b>19.8</b>	<b>-19.1</b>	<b>-13.6</b>	<b>-29.7</b>	<b>34.0</b>	<b>-10.6</b>	<b>-9.7</b>
<b>Inc/Dec of Cash</b>	<b>-2.8</b>	<b>7.5</b>	<b>7.3</b>	<b>9.1</b>	<b>25.6</b>	<b>-11.6</b>	<b>18.9</b>	<b>-15.5</b>	<b>29.6</b>
Opening Balance	7.9	5.1	12.6	19.6	28.4	54.7	41.9	60.8	45.3
Others incl. impact of fx	0.0	0.0	-0.3	-0.2	0.7	-1.2	0.0	0.0	0.0
<b>Closing Balance</b>	<b>5.1</b>	<b>12.6</b>	<b>19.6</b>	<b>28.4</b>	<b>54.7</b>	<b>41.9</b>	<b>60.8</b>	<b>45.3</b>	<b>74.9</b>

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Explanation of Investment Rating	
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Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.