

Piramal Pharma

BSE SENSEX 84,914
S&P CNX 25,940



Stock Info

Bloomberg	PIRPHARM IN
Equity Shares (m)	1326
M.Cap.(INRb)/(USDb)	288.6 / 3.4
52-Week Range (INR)	244 / 88
1, 6, 12 Rel. Per (%)	12/62/90
12M Avg Val (INR M)	1071
Free float (%)	65.1

Financials Snapshot (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	93.3	107.4	124.9
EBITDA	15.1	20.2	24.9
Adj. PAT	3.4	7.1	10.4
EBIT Margin (%)	8.1	11.5	13.3
Cons. Adj. EPS (INR)	2.6	5.3	7.8
EPS Gr. (%)	509.3	107.2	46.6
BV/Sh. (INR)	69.2	75.1	83.8

Ratios

Net D:E	0.5	0.4	0.4
RoE (%)	4.2	8.2	10.9
RoCE (%)	4.0	6.6	8.4
Payout (%)	17.6	17.6	17.6

Valuations

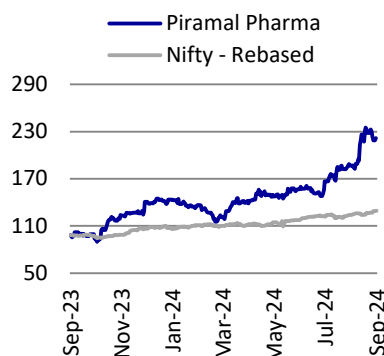
P/E (x)	83.7	40.4	27.6
EV/EBITDA (x)	21.8	16.1	13.0
Div. Yield (%)	0.2	0.4	0.5
FCF Yield (%)	0.0	0.0	0.0
EV/Sales (x)	3.5	3.0	2.6

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	35.0	35.0	34.8
DII	13.0	12.1	5.5
FII	31.9	31.0	35.4
Others	20.2	21.9	24.3

FII Includes depository receipts

Stock performance (one-year)



CMP: INR218 **TP: INR260 (+19%)** **Buy**

Geared to drive robust operating leverage across segments

We met Piramal Pharma (PIRPHARM) management to understand the company's business outlook.

- PIRPHARM is well-positioned to offer differentiated services at the product development and commercial manufacturing stage in the CDMO segment. Industry tailwinds, such as the US Biosecure Act, should further boost business prospects in this segment.
- With its established presence in complex hospital generic (CHG) products (like Sevoflurane and baclofen), PIRPHARM can grow this business by adding more products, expanding into new markets and gaining market share in the existing markets.
- A focused approach to power brands and an enhanced distribution network should drive better profitability for its India consumer health (ICH) segment.
- We maintain our BUY rating on PIRPHARM with a TP of INR260, based on SOTP (17x EV/EBITDA for CDMO business; 13x EV/EBITDA for CHG and India consumer health business).

CDMO: Improved utilization, enhanced offerings to improve prospects

- PIRPHARMA has been increasingly focusing on (i) innovation-related work (50% of CDMO revenue), (ii) differentiated offerings with lower competition and higher margins, and (iii) securing more integrated orders with higher value proposition.
- The company has significantly invested in new differentiated capabilities, e.g., ADCs, HPAPI, on-patent API, mAbs and Peptides. It is also investing in capacity expansion and debottlenecking of the existing plant.
- Additionally, it has a strong pipeline of 151 molecules under various stages of development. PIRPHARMA has witnessed a 3x jump in the development pipeline since FY17.
- Revenue from the on-patent molecule doubled YoY to USD116m in FY24. With a large number of molecules in phase-3 development, PIRPHARMA should witness a rise in commercial CDMO contracts from these molecules going forward.
- Revenue from differentiated offerings clocked a CAGR of 22% over FY21-24 to USD253m and their revenue share in total CDMO revenue increased to 44% in FY24 from 27% in FY21.
- **By 2030, the company targets USD1.2b of total CDMO revenues with ~25% EBITDA margins.**

CHG: Efforts under way to build pipeline, expand reach

- PIRPHARMA reported a 10% CAGR over FY16-24 in CHG business, led by a strong brand recall and well-established infrastructure.
- Given the strong presence of Inhalation Anesthesia (IA), especially Sevoflurane in the developed markets like the US and EU, PIRPHARM plans to expand in the ROW market.

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Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- For the expansion, the company is investing in additional lines at Digwal and Dahej facilities to manufacture Sevoflurane. These lines would be vertically integrated lines.
- Moreover, with a strong brand franchise in Intrathecal and Pain management, PIRPHARM is further investing in new differentiated products and has a pipeline of 24 drugs with a market size of USD2.2b.
- ***The company aims to deliver a 15% CAGR to USD600m and EBITDA margin of 25%+ over FY25-30.***

ICP: Extensive marketing/distribution to better brand recall

- ***PIRPHARMA targets a CAGR of 26% in ICH revenue over FY24-FY30 to USD200m, driven by a scale-up in power brands, omni-channel expansion, new product launches in e-commerce, and leveraging automation.***
- In the past three years, the company has launched 150+ new products and SKUs and has spent 13-16% of its ICH revenues on media and trade promotion, which resulted in a 29% CAGR in its power brands. However, it expects to reduce promotional expenses gradually.
- The company targets to build power brands with profitability of INR1b to INR5b (Little's, Lacto Calamine, Polycrol, Tetmosol, i-range and CIR).
- The e-commerce channel (20% of ICH revenue) grew 58% over past three years. PIRPHARMA has a presence on 20 e-commerce platforms, has its own D2C platform and has a strong presence across retail and trade stores.
- The ICH business clocked a strong 19% CAGR over FY18-24 to USD118m, led by a strong brand recall, new launches and leveraging alternate channels.
- PIRPHARMA plans to utilize omni-channel expansion to increase footprints in rural markets, build coverage in top-weighted outlets in the existing towns and maximize distribution across modern trade outlets.

Valuation and view

- We expect PIRPHARMA to deliver a CAGR of 16%/28%/74% in revenue/EBITDA/PAT over FY25-27, aided by a healthy order inflow in CDMO, the expansion of its IA portfolio in the ROW market, and new launches and increasing reach of power brands. A decline in interest expenses could also improve profitability.
- We maintain our BUY rating on PIRPHARM with a TP of INR260, based on SOTP (17x EV/EBITDA for CDMO business; 13x EV/EBITDA for CHG and India consumer health business). We expect the performance to scale up further for all three segments with better operating leverage over the next 2-3 years.

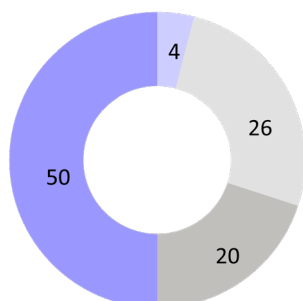
Exhibit 1: Valuation snapshot

Company	Reco	MCap (USD B)	EPS (INR)			EPS Gr. YoY (%)		PE (x)		EV/EBITDA (x)		ROE (%)		
			FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY24	FY25E	FY26E
Ajanta Pharma	Buy	4.7	62.3	75.8	88.1	21.7	16.0	40.9	35.2	29.0	25.1	22.7	24.5	23.8
Alembic Pharma	Neutral	2.6	31.5	37.6	41.5	19.7	10.3	31.0	28.1	18.8	16.8	13.5	14.3	13.9
Alkem Lab	Neutral	8.6	159.7	178.1	202.9	11.6	13.9	33.6	29.5	28.6	24.8	19.7	19.1	18.8
Aurobindo Pharma	Neutral	10.4	56.0	66.3	73.8	18.3	11.3	22.3	20.1	11.8	10.8	11.6	12.3	12.2
Biocon	Neutral	5.3	1.8	5.0	10.4	180.0	106.1	73.4	35.6	16.5	12.8	1.1	3.0	5.9
Cipla	Buy	16.0	52.5	58.7	65.6	11.9	11.7	28.2	25.3	18.4	16.1	15.9	15.4	14.9
Divi's Lab.	Neutral	17.1	60.0	77.7	95.1	29.6	22.4	69.1	56.5	48.5	40.4	12.1	14.4	15.9
Dr Reddy's Labs	Neutral	13.3	317.1	353.8	389.0	11.6	9.9	18.8	17.1	11.1	9.3	20.7	19.1	17.7
Eris Lifescience	Neutral	2.2	29.2	30.4	42.0	4.0	38.0	43.5	31.5	16.8	14.6	16.8	15.2	18.2
Gland Pharma	Buy	3.6	47.6	56.1	67.8	17.8	20.9	32.9	27.2	18.5	15.4	9.4	10.1	10.9
Glenmark Pharma	Buy	5.8	2.5	47.5	59.2	1812.8	24.6	36.0	28.9	18.9	15.7	0.8	15.8	16.8
Glaxosmit Pharma	Neutral	5.5	43.3	47.3	51.5	9.2	8.9	57.6	52.9	43.1	39.1	41.3	38.0	34.7
Granules India	Buy	1.6	17.4	24.0	31.9	38.5	32.5	23.3	17.6	13.3	10.8	13.9	16.6	18.6
Ipca Labs.	Neutral	4.4	20.8	33.5	44.4	61.3	32.6	43.4	32.8	22.9	19.2	8.7	12.7	15.0
Laurus Labs	Buy	3.0	3.0	7.2	12.9	139.9	78.2	65.5	36.8	24.5	18.6	4.0	9.1	14.7
Lupin	Neutral	11.8	41.5	59.2	69.9	42.4	18.2	36.9	31.2	21.6	18.2	14.1	17.3	17.4
Mankind Pharma	Buy	12.7	47.8	54.5	62.4	14.1	14.6	48.7	42.5	34.3	29.2	22.8	21.4	20.9
Piramal Pharma	Buy	3.5	0.4	2.5	5.1	497.1	103.1	87.6	43.1	22.3	16.9	0.8	4.1	7.9
Sun Pharma.Inds.	Buy	53.5	41.4	49.3	58.4	19.1	18.4	37.7	31.9	30.0	25.5	16.7	17.3	17.6
Torrent Pharma.	Neutral	14.0	47.1	63.4	82.0	34.6	29.3	54.5	42.2	29.3	24.5	24.4	28.5	30.5
Zydus LifeScience	Neutral	12.7	37.6	43.9	47.3	16.5	7.9	24.1	22.3	15.9	14.3	20.3	19.6	17.4

Source: MOFSL, Company

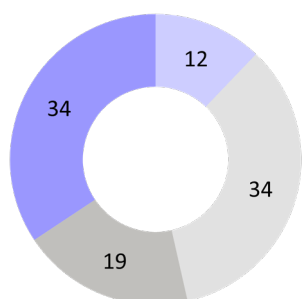
About 50% of CDMO revenue comes from innovation in FY24

- Discovery
- Development
- On-Patent commercial manufacturing
- Other commercial manufacturing



34% revenue from phase I and Phase III clinical development each

- Pre-clinical
- Phase-I
- Phase-II
- Phase-III



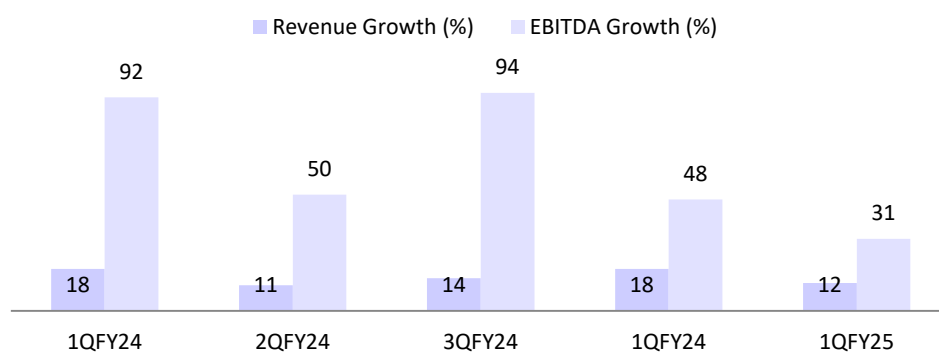
CDMO: Improved utilization, enhancing offerings to improve business prospects

- PIRPHARMA delivered an 11% CAGR over FY18-24. In FY24, PIRPHARMA posted 18% YoY growth, led by strong order inflows and improved execution.
- PIRPHARMA has invested significantly in differentiated capabilities and capacities, as well as in debottlenecking its facilities.
- Integrated manufacturing and complex processes position PIRPHARMA well to secure new contracts.
- A recovery in biotech funding and regulatory changes (the US Biosecure Act) would lead to better order inflows from emerging biotech companies.
- Accordingly, we expect 17% CAGR over FY25-27.

Operating leverage led profitability growth

- PIRPHARMA delivered an 11% CAGR over FY18-24. In FY24, PIRPHARMA posted 18% YoY growth, led by strong order inflows and improved execution.
- Over the past five quarters, PIRPHARMA's CDMO EBITDA margins have benefited from a superior revenue mix, process efficiency, higher utilization, and operating leverage, resulting in company's EBITDA growth outpacing revenue growth.
- PIRPHARMA has been increasingly focusing on (i) Innovation related work (50% of CDMO revenue), (ii) Differentiated offerings with lower competition and higher margins, and (iii) Securing more integrated orders with higher value proposition.

Exhibit 2: Strong Operating leverage supported higher profitability growth



Source: MOFSL, Company

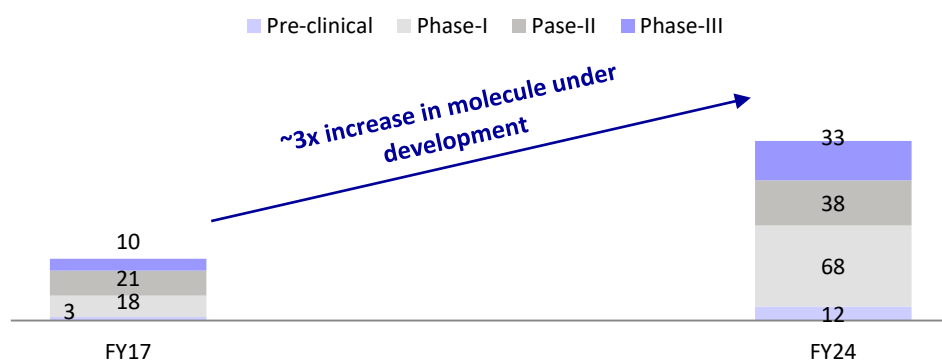
Innovation-focused integrated CDMO

- PIRPHARMA's CDMO business derives ~50% of revenue from innovation-related work, of which discovery services/development services/on-patent commercial manufacturing contribute 4%/26%/20%.
 - **Development Services (26% of revenue):** PIRPHARMA has development capabilities ranging from ADC, peptides, HP API, hormones, etc. across Phase I to Phase III. As of FY24, the company's pipeline stood at 150+ projects (vs 52 projects in FY17) across multiple phases.
 - **On-Patent Commercial Manufacturing (20% of revenue):** Revenue from the on-patent molecule doubled YoY to USD116m in FY24 due to an increase in order inflows for on-patent molecules. With a large number of

molecules in phase-3 development, PIRPHARMA should witness a rise in commercial CDMO contracts from these molecules going forward.

- **Discovery Services (4% of revenue):** The company, with a team of 300+ scientists, supports a diverse set of customers. PIRPHARMA has forward integration with its Global API and formulation sites in discovery services.

Exhibit 3: 3x jump in molecules under development since FY17



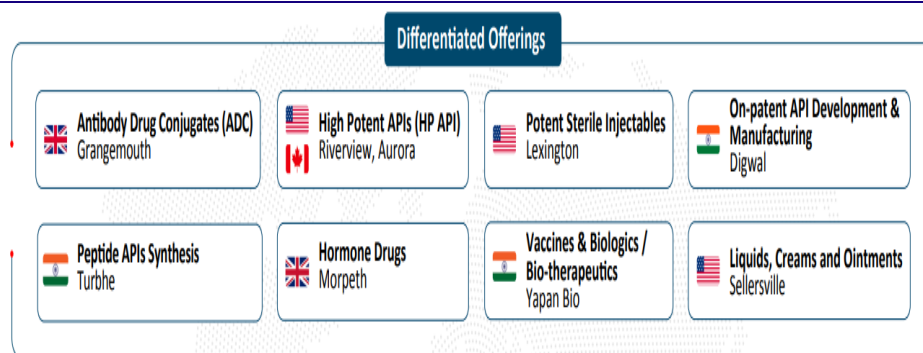
Source: MOFSL, Company

- In FY24, the company had 151 molecules at various stages of development. The number of molecules in Phase III has increased approximately threefold over the past seven years. Upon commercialization, these could lead to commercial manufacturing contracts, driving growth.
- Going ahead, the company plans to focus its investments towards ADC, peptides, and on-patent API development & manufacturing.

Investment in differentiated offering/capacity expansion to drive growth

- PIRPHARMA has invested significantly in differentiated capabilities and capacities, as well as in debottlenecking its facilities.
- Over a period of three years, contribution from differentiated offerings grew from 27% in FY21 to 44% in FY24.
- On the back of technical complexity, high entry barriers, lower competition and superior profit margins, revenue from differentiated offerings grew at a CAGR of 22% over FY21-FY24 to USD253m.

Exhibit 4: Fully integrated ADC services



Source: MOFSL, Company

Improved Utilization and increased scale of operations to bolster growth

- PIRPHARMA's plans to double its CDMO business (58% of total sales) to \$1.2b by FY30 with ~25% EBITDA margins on the back of improved network utilization and capturing high growth opportunities going ahead.
- Key levers for growth are (i) increasing volumes in low-moderate utilized sites, (ii) improved biotech funding, (iii) new order wins, and (iv) increasing scale of operations for differentiated services.

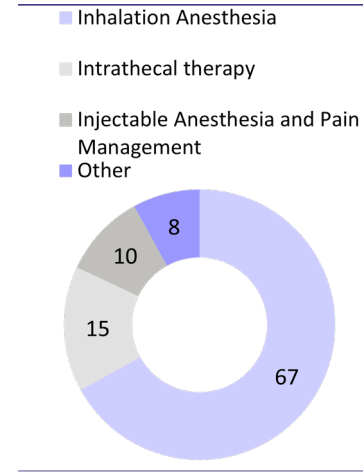
Exhibit 5: Customer led investments in capabilities and capacities



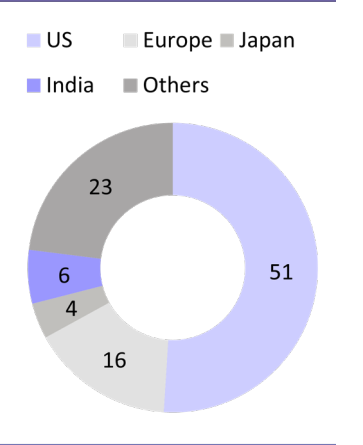
Source: MOFSL, Company

- With a revival in biotech funding, investment in new capabilities and debottlenecking at the existing facility, PIRPHARMA is witnessing new order inflows.
- A sound compliance track record, wide-spread manufacturing facilities, de-risking the manufacturing and development process due to geopolitical issues, and the implementation of the US Biotech Secure Act would aid growth further.
- Accordingly we expect that the CDMO business to clock 17% CAGR over FY25-27.

About 67% of CHG revenue comes from Inhalation Anesthesia in FY24



US has highest contribution of ~51% in CHG segment



CHG: Efforts under way to build pipeline, expand reach

- PIRPHARMA reported 10% CAGR over FY16-24 in CHG business, led by strong brand recall and well established infrastructure.
- Given that the company has a strong presence in the US and EU markets in Sevoflurane, it is investing in vertically integrated capacities for new markets.
- Further, it has 24 drugs under various stages of development with a market size of USD2b, which would drive growth over the medium term.
- Accordingly, we expect a 13% sales CAGR during FY24-26.

Vertically integrating and capturing the demand in ROW markets

- PIRPHARMA generates ~67% revenue from the segment. In IA, sevoflurane being 85% of the IA market globally, it is preferred most in IA drugs, given its potent, rapid action, lesser GHG emissions, and faster emergence and recovery.
- PIRPHARMA, being one of the key players in supplying sevoflurane (43% market share), continues to benefit from the transition to sevoflurane from desoflurane in developed markets.
- Additionally, it plans to expand the IA business in ROW markets in FY25.
- For this, the company is setting up new vertically integrated manufacturing line in Digwal for Sevoflurane and KSM capacity in Dahej. This would lead to better cost control and supply chain efficiencies and cater to the rising demand.
- It is expected that these facilities will start commercial operation in FY25. This would have some impact on the margins of the company in the near term.
- However, these projects would drive growth over the medium term.

Building generic/specialty pipeline

- PIRPHARM generates ~15% of CHG revenue from the Intrathecal therapy. Being a leading player, the company has 70% market share in Baclofen in the US, aided by its extensive distribution network and detailed understanding of tender market operations.
- Further, in Pain management (10% of CHG business), the company has strong brand recall in Japan, France, Indonesia, South Africa, and Saudi Arabia and has extensive presence in 50+ countries through own field force and strategic partnerships.

Exhibit 6: Strong pipeline with addressable market size of USD2.2b



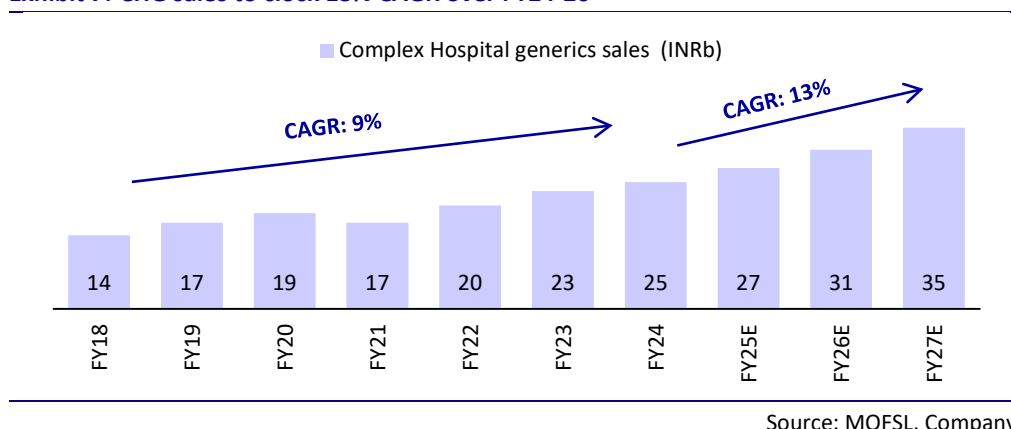
Source: MOFSL, Company

- Given the strong presence in key therapies like IA, intrathecal and Pain, the company plans to launch new products in the US and EU markets with high entry barriers. It has 24 injectable products under the pipeline with a market size of USD2.2b, which would aid growth over the medium term.

New launches/expansion in newer geographies to drive growth

- PIRPHARMA has witnessed a steady 10% revenue CAGR over FY16-24 to ~USD300m and EBITDA margin of over 25%, led by a strong brand recall, a well-established manufacturing and distribution infrastructure, and strong relations with hospitals and GPOs.

Exhibit 7: CHG sales to clock 13% CAGR over FY24-26



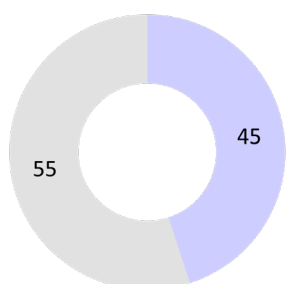
- PIRPHARMA aspires to achieve the revenue target of USD600b and EBITDA margin of 25%+ by FY30. This would be driven by a) maintaining the market share position in the IA/intrathecal/pain management, b) expanding the geographical presence, c) offering differentiated products in the specialty portfolio, and d) cost optimization.
- Accordingly, we estimate 13% CAGR over FY25-27 to INR35b.

ICH: Extensive marketing/distribution to better brand recall

- The ICH business clocked a strong 19% CAGR over FY18-24.
- In FY24, PIRPHARMA posted double-digit growth, led by strong brand recall, new launches and leveraging alternate channels, offset by seasonality effects.
- To enhance its presence, the company is launching new brands, investing in brand promotion and increasing its reach to more towns and cities through alternate channels.
- Accordingly, we expect 13% CAGR over FY25-27.

45% of FY24 revenue comes from the power brands

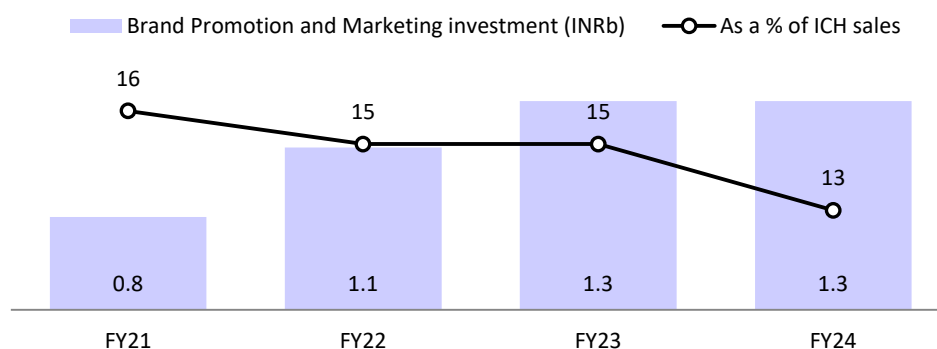
■ Power brand ■ Other brands



Investment in brand promotion/marketing, new launches to drive growth

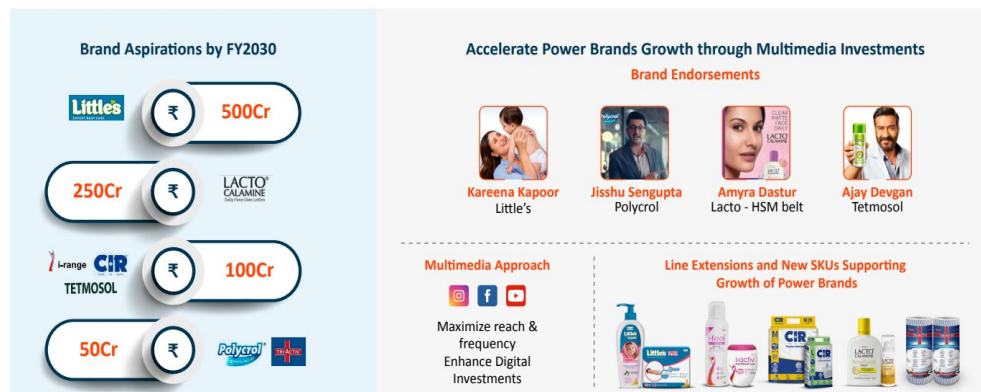
- PIRPHARMA targets ICH revenue CAGR of 26% over FY24-FY30 to USD200m driven by (i) Scale up of power brands (ii) Omni-channel expansion (iii) New product launches in e-commerce and (iv) Leveraging technological automation.
- PIRPHARMA generates 45% of ICH sales from power brands (as of FY24) and it is continuously investing in media and trade spends to drive growth in Power brands.
- Power brands include Little's, Lacto Calamine, Polycrol, Tetmosol, i-range and CIR. The company plans to build INR1b to INR5b profitable power brands.
- As a major part of its marketing and brand-building strategies, investments are directed toward these power brands, which are endorsed by celebrities with large fan followings in India.

Exhibit 8: Declining share of marketing investment to push margins



Source: MOFSL, Company

- In the past three years, the company has launched 150+ new products and SKUs and has spent 13-16% of its ICH revenues on media and trade promotion, which resulted in a 29% CAGR in its power brands in the same period.
- PIRPHARMA aims to strengthen its brands by increasing the reach to more towns and cities and increasing its presence in alternative channels such as e-commerce.
- New products launched over the last two years contribute 11% to ICH revenue.
- The company plans to launch more brands, along with the line extension. Recently the company launched the men's grooming category, which would drive growth over the medium term. The company is also looking to grow through the inorganic route.

Exhibit 9: Scale up in Power brands to drive ICH business

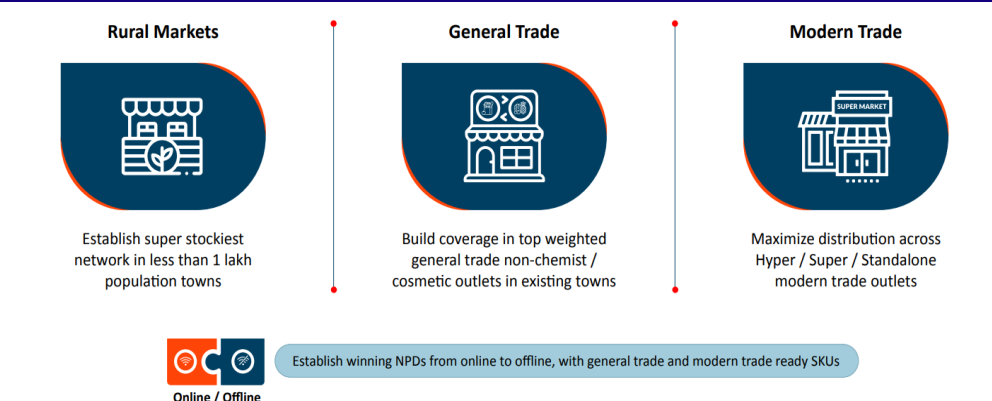
Source: MOFSL, Company

Innovation strategy to drive volume through high-potential concepts

- New products launched over the last two years contributed 11% to ICH revenue.
- Going ahead, the company plans to launch more brands, along with the line extension base driven by
 - Identifying new trends early in the lifecycle and aiming for the first-to-market proposition
 - Participating in low-complexity, high-potential categories, like skin care, VMS, analgesics, etc.
 - Identifying active ingredients with clear benefits like Niacinamide, Vitamin-C, Peptides, etc. and participating in fast-growing segments in the e-commerce space with potential to expand offline

Leveraging multi-channel distribution strategy to increase reach

- PIRPHARMA has a strong presence across various retail channels with 180,000 chemists and cosmetics stores and gift shops. Furthermore, it has presence in 8,000 modern trade stores.
- To increase its reach, the company has presence on over 22+ e-commerce platforms in India. Additionally, it has launched its own direct-to-consumer (D2C) website, Wellify.
- Due to extensive reach on e-commerce and other technology platforms, e-commerce sales grew at 58% CAGR in the last three years and accounted for 20% of ICH sales (vs. 10% in FY21).
- To further expand its reach in under-penetrated areas, PIRPHARMA is exploring new e-commerce delivery formats.
- Accordingly, we expect ICH business to register 13% CAGR over FY25-27.

Exhibit 10: Omni-Channel expansion to increase footprints

Source: MOFSL, Company

Story in charts

Exhibit 1: Expect 17% sales CAGR in CDMO over FY25-27

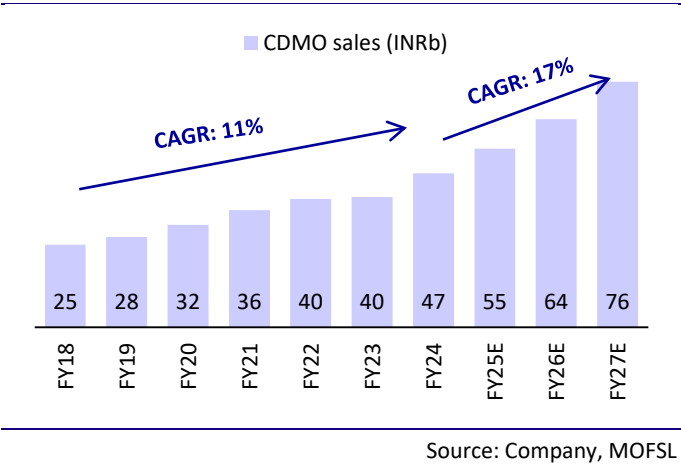


Exhibit 2: Expect 13% sales CAGR in CHG over FY25-27

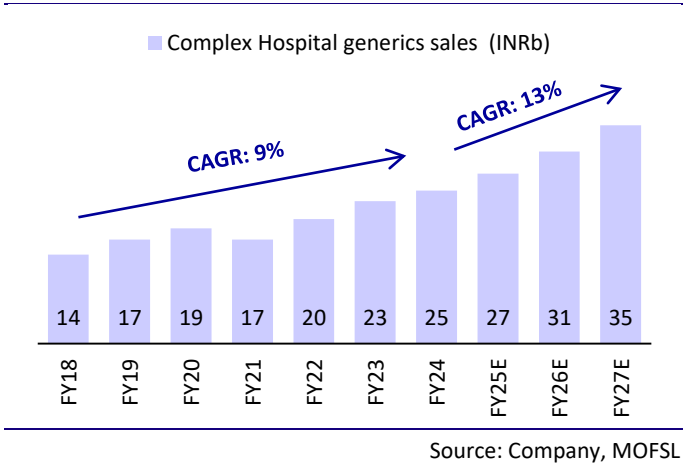


Exhibit 3: Expect 13% sales CAGR in ICH over FY25-27

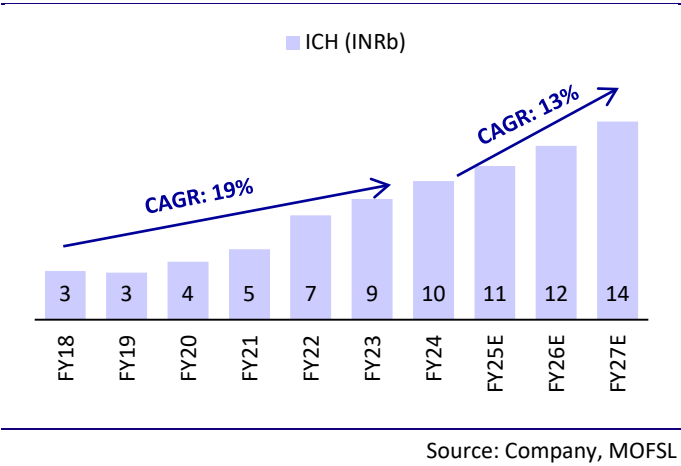
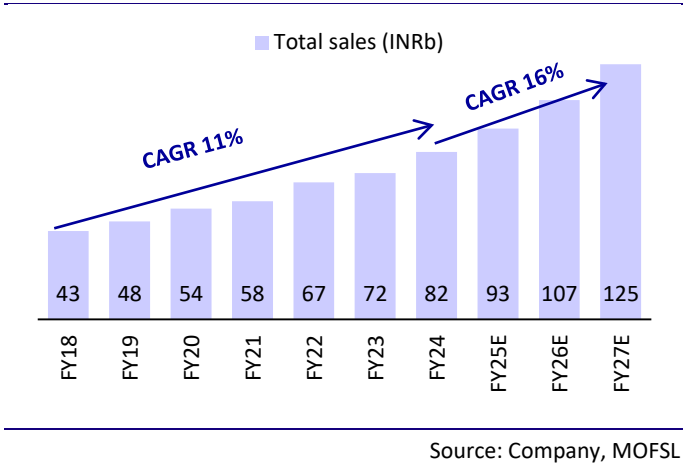


Exhibit 4: Expect 13% CAGR in total sales over FY24-26



Financials and valuations

Consolidated - Income Statement

(INR m)

Y/E March	FY22	FY23	FY24	FY25E	FY26E	FY27E
Total Income from Operations	65,591	70,816	81,712	93,308	1,07,376	1,24,914
Change (%)	NA	8.0	15.4	14.2	15.1	16.3
EBITDA	9,497	7,286	11,963	15,095	20,231	24,912
Margin (%)	14.5	10.3	14.6	16.2	18.8	19.9
Depreciation	5,862	6,767	7,406	7,554	7,932	8,328
EBIT	3,635	520	4,557	7,542	12,300	16,584
Int. and Finance Charges	1,983	3,442	4,485	3,761	3,282	2,982
Other Income	2,758	2,251	1,754	1,800	1,550	1,650
Share of net profit of associates	590	543	595	625	656	699
PBT bef. EO Exp.	5,001	-128	2,421	6,205	11,224	15,950
EO Items	151	1,074	633	0	0	0
PBT after EO Exp.	4,850	-1,202	1,788	6,205	11,224	15,950
Total Tax	1,090	663	1,615	2,792	4,153	5,583
Tax Rate (%)	22.5	-55.2	90.3	45.0	37.0	35.0
Minority Interest	0	0	0	0	0	0
Reported PAT	3,760	-1,865	173	3,413	7,071	10,368
Adjusted PAT	3,879	-798	560	3,413	7,071	10,368
Change (%)	NA	NA	NA	509.3	107.2	46.6
Margin (%)	5.9	-1.1	0.7	3.7	6.6	8.3

Cons Balance sheet

(INR m)

Y/E March	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	11,859	11,933	13,230	13,230	13,230	13,230
Other equity	55,107	55,802	65,884	69,297	76,368	86,736
Net Worth	66,966	67,735	79,114	82,526	89,597	99,965
Minority Interest	0	0	0	0	0	0
Total Loans	41,283	56,421	47,102	47,102	47,102	47,102
Deferred Tax Liabilities	1,920	2,193	2,292	2,292	2,292	2,292
Capital Employed	1,10,169	1,26,349	1,28,507	1,31,920	1,38,991	1,49,359
Gross Block	36,288	42,652	49,908	51,833	55,017	59,577
Less: Accum. Deprn.	5,862	6,767	7,406	7,554	7,932	8,328
Net Fixed Assets	30,426	35,885	42,503	44,280	47,086	51,249
Goodwill on Consolidation	10,305	11,075	11,226	11,226	11,226	11,226
Intangible assets	33,053	33,382	31,672	31,672	31,672	31,672
Capital WIP	6,732	8,529	5,657	5,657	5,657	5,657
Total Investments	3,123	2,334	2,611	2,611	2,611	2,611
Curr. Assets, Loans&Adv.	36,043	43,078	49,535	50,731	55,084	63,744
Inventory	13,888	16,814	21,759	23,174	23,623	27,481
Account Receivables	17,853	17,993	21,344	22,240	22,064	25,667
Cash and Bank Balance	3,290	3,076	4,826	3,711	7,792	8,990
Loans and Advances	1,013	5,195	1,606	1,606	1,606	1,606
Curr. Liability & Prov.	13,172	13,600	19,501	19,062	19,150	21,605
Account Payables	10,264	11,927	15,384	14,945	15,033	17,488
Other Current Liabilities	2,445	1,074	3,358	3,358	3,358	3,358
Provisions	464	599	759	759	759	759
Net Current Assets	22,871	29,478	30,034	31,670	35,934	42,139
Deferred Tax assets	2,973	3,493	3,865	3,865	3,865	3,865
Misc Expenditure	687	2,172	940	940	940	940
Appl. of Funds	1,10,169	1,26,349	1,28,507	1,31,920	1,38,991	1,49,359

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)						
EPS	2.9	-0.6	0.4	2.6	5.3	7.8
Cash EPS	8.2	5.0	6.7	9.2	12.6	15.7
BV/Share	56.1	56.8	66.3	69.2	75.1	83.8
DPS	0.4	0.5	0.1	0.4	0.8	1.2
Payout (%)	15.6	NA	57.0	17.6	17.6	17.6
Valuation (x)						
P/E	73.7	NA	510.2	83.7	40.4	27.6
Cash P/E	26.5	43.2	32.4	23.5	17.2	13.8
P/BV	3.8	3.8	3.3	3.1	2.9	2.6
EV/Sales	4.9	4.8	4.0	3.5	3.0	2.6
EV/EBITDA	34.1	46.5	27.4	21.8	16.1	13.0
Dividend Yield (%)	0.2	0.2	0.0	0.2	0.4	0.5
FCF per share	0.0	0.0	0.0	0.0	0.0	0.0
Return Ratios (%)						
RoE	5.8	-1.2	0.8	4.2	8.2	10.9
RoCE	9.2	3.7	0.5	4.0	6.6	8.4
RoIC	5.8	1.4	0.8	6.9	12.6	16.3
Working Capital Ratios						
Asset Turnover (x)	0.6	0.6	0.6	0.7	0.8	0.8
Inventory (Days)	77	87	97	91	80	80
Debtor (Days)	99	93	95	87	75	75
Creditor (Days)	57	61	69	58	51	51
Leverage Ratio (x)						
Net Debt/Equity	0.5	0.8	0.5	0.5	0.4	0.4

Cons Cash flow statement

(INR m)

Y/E March	FY22	FY23	FY24	FY25E	FY26E	FY27E
OP/(Loss) before Tax	4,410	-1,675	1,198	6,205	11,224	15,950
Depreciation	5,862	6,767	7,406	7,554	7,932	8,328
Interest & Finance Charges	1,983	1,983	1,983	1,983	1,983	1,983
Direct Taxes Paid	-1,694	-1,694	-1,694	-1,694	-1,694	-1,694
(Inc)/Dec in WC	-3,013	-2,710	-2,520	-2,750	-184	-5,007
CF from Operations	7,664	4,839	10,046	11,978	18,100	16,671
Others	0	0	0	0	0	0
CF from Operating incl EO	7,664	4,839	10,046	11,978	18,100	16,671
(Inc)/Dec in FA	-8,571	-9,451	-7,104	-9,331	-10,738	-12,491
Free Cash Flow	-907	-4,612	2,941	2,647	7,363	4,180
(Pur)/Sale of Investments	-485	-3,751	2,724	0	0	0
Investment in Associate	-7,907	0	0	0	0	0
Others	-1,158	-186	40	0	0	0
CF from Investments	-18,121	-13,388	-4,340	-9,331	-10,738	-12,491
Issue of Shares	0	0	10,359	0	0	0
Inc/(Dec) in Debt	9,830	11,558	-9,965	0	0	0
Interest Paid	-1,388	-2,710	-4,618	-3,761	-3,282	-2,982
Dividend Paid	-500	-670	0	0	0	0
CF from Fin. Activity	7,942	8,178	-4,224	-3,761	-3,282	-2,982
Inc/Dec of Cash	-2,515	-371	1,482	-1,114	4,081	1,198
Opening Balance	2,620	3,290	3,076	4,825	3,711	7,792
Closing Balance	105	2,919	4,557	3,711	7,792	8,989
Unrealised loss / (gain) on forex	747	52	178	0	0	0
Term Deposit with Banks	2,438	105	90			
Total Cash & Cash Eq	3,290	3,076	4,825	3,711	7,792	8,989

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NOTES

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