

Estimate change



TP change



Rating change

**CMP: INR343**

**TP: INR410 (+19%)**

**Buy**

## Temporary headwinds in generics weigh on 1Q

### Biologics and Syngene continue to build strategic strengths

Bloomberg	BIOS IN
Equity Shares (m)	1337
M.Cap.(INRb)/(USD\$)	459 / 5.2
52-Week Range (INR)	406 / 291
1, 6, 12 Rel. Per (%)	-2/-15/0
12M Avg Val (INR M)	1572

### Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Sales	153.0	175.0	208.0
EBITDA	32.0	36.0	44.0
Adjusted PAT	2.0	5.0	11.0
EBIT Margin (%)	9.7	9.8	12.0
Cons. Adj EPS (INR)	2.0	4.1	9.0
EPS Gro. (%)	13.2	102.3	118.5
BV/Sh. (INR)	180.4	184.3	192.8

### Ratios

Net D-E	0.6	0.7	0.8
RoE (%)	1.2	2.3	4.8
RoCE (%)	2.7	3.0	4.0
Payout (%)	23.2	5.6	5.6

### Valuations

P/E (x)	167.4	82.8	37.9
EV/EBITDA (x)	1.9	1.8	1.7
Div. Yield (%)	0.1	0.1	0.1
FCF Yield (%)	4.2	-0.3	-1.5
EV/Sales (x)	3.3	2.9	2.4

### Shareholding Pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	54.5	60.6	60.6
DII	22.8	15.7	14.3
FII	6.2	5.9	6.2
Others	16.5	17.8	18.9

FII includes depository receipts

- Biocon (BIOS) reported lower-than-expected financial performance in 1QFY26, affected mainly by a sharp reduction in generics sales and increased opex related to new facilities.
- While it was a dismal quarter for the generics segment, BIOS has a pipeline of product approval/launches lined up for the near to medium term to improve growth prospects and profitability.
- Biologics sales witnessed improved traction from commercialized molecules in both advanced as well as emerging markets.
- In fact, the profitability also remained steady in the biologics segment (21% EBITDA margin in 1QFY26), driven by higher volume off-take and better operating leverage.
- BIOS also has a launch pipeline in the biologics segment (insulin Aspart in particular) to sustain growth momentum in this segment.
- BIOS' subsidiary, Syngene, delivered steady growth on a low base of past year. It continues to expand niche platform service offerings in research services and scale up manufacturing capabilities in small/large molecules.
- We reduce our earnings estimates by 7%/3% for FY26/FY27, factoring in a) near-term cost pressures in generics, b) lower operating leverage, and c) higher depreciation related to facilities coming online in Syngene. We value BIOS on an SOTP basis (20x 12M forward EV/EBITDA for 73% stake in Biocon Biologics, 53% stake in Syngene, and 10x EV/EBITDA for the Generics business) to arrive at a TP of INR410.
- BIOS is building growth levers across generics, biologics and Syngene. The product pipeline remains encouraging for generics/biologics. Investment in manufacturing to support commercial traction for launches/potential approval is largely in place in generics/biologics. Considering the market demand dynamics, Syngene is expanding its capabilities in CDMO space. Maintain BUY.

### Biologics drive revenue growth; margins miss estimates in 1QFY26

- BIOS 1QFY26 revenues grew 15% YoY to INR39.4b (est. INR42.4b).
- Revenue growth was led by Biosimilars (61% of sales), up 28.6% YoY to INR24.5b. Research services (22% of sales) grew 11% YoY to INR8.8b. Generics sales rose 5.7% YoY to INR7b (17% of sales).
- Gross margin (GM) contracted 120bp YoY to 63.5%.
- EBITDA margin expanded 90bp YoY to 19% (est: 21.5%) due to lower R&D/employee expenses (-140bp/-60bp YoY as a % of sales).
- EBITDA margin for Biocon Biologics was 20.8% for 1QFY26 (down 200bp YoY/down 110bp QoQ).
- EBITDA margin of Syngene was 25.6% for the quarter (up 410bp YoY/down 810bp QoQ basis).
- Generic business EBITDA margin was 1.9% vs. 8.9% YoY and 23.2% QoQ.
- EBITDA grew 20.5% YoY to INR7.5b (est: INR9b) for the quarter.
- Adj. PAT came in at INR300m vs. loss of INR1.6b YoY.

### Highlights from the management commentary

- While generics business was subdued for the quarter, BIOS has a line-up of product launches, which would improve profitability of generics going forward. Specifically, Liraglutide in EU, g-Entresto, and Micafungin everolimus in the US would drive near-term sales.
- BIOS awaits approval for Liraglutide in the US market. Insulin Aspart would be launched soon in the US market.
- With respect to RH-Insulin, BIOS has expanded its drug product capacity in Malaysia to cater to certain markets after regulatory approval.
- About 77% of biologics business comes from advanced markets and the remaining from emerging markets.
- There has been a small component of g-Revlimid in 1QFY26 sales for BIOS.

### Quarterly performance (Consolidated)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	vs Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
<b>Net Sales</b>	<b>34,329</b>	<b>35,904</b>	<b>38,214</b>	<b>44,170</b>	<b>39,420</b>	<b>42,832</b>	<b>45,810</b>	<b>47,437</b>	<b>1,52,617</b>	<b>1,75,499</b>	<b>42,406</b>	<b>-7.0%</b>
YoY Change (%)	0.3	3.7	6.0	12.8	14.8	19.3	19.9	7.4	5.9	15.0	23.5	
Total Expenditure	<b>28,120</b>	<b>29,040</b>	<b>30,357</b>	<b>33,390</b>	<b>31,940</b>	<b>34,180</b>	<b>35,824</b>	<b>37,380</b>	<b>1,20,907</b>	<b>1,39,323</b>	33,288	
<b>EBITDA</b>	<b>6,209</b>	<b>6,864</b>	<b>7,857</b>	<b>10,780</b>	<b>7,480</b>	<b>8,652</b>	<b>9,987</b>	<b>10,057</b>	<b>31,710</b>	<b>36,175</b>	<b>9,117</b>	<b>-18.0%</b>
YoY Change (%)	-12.9	-7.4	36.2	17.7	20.5	26.0	27.1	-6.7	7.6	14.1	46.8	
Margins (%)	18.1	19.1	20.6	24.4	19.0	20.2	21.8	21.2	20.8	20.6	21.5	
Depreciation	4,050	4,200	4,250	4,360	4,550	4,531	4,846	5,018	16,860	18,945	4,358	
<b>EBIT</b>	<b>2,159</b>	<b>2,664</b>	<b>3,607</b>	<b>6,420</b>	<b>2,930</b>	<b>4,121</b>	<b>5,141</b>	<b>5,038</b>	<b>14,850</b>	<b>17,230</b>	<b>4,759</b>	
YoY Change (%)	-39.2	-24.4	123.1	26.1	35.7	54.7	42.5	-21.5	7.8	16.0	120.4	
Interest	2,360	2,260	2,230	2,120	2,770	1,950	1,750	1,500	8,970	7,970	2,100	
Other Income	767	330	350	370	800	650	430	445	1,817	2,325	410	
Extraordinary Income	10,893	260	-163	210	0	0	0	0	11,200	0	0	
<b>PBT</b>	<b>11,459</b>	<b>994</b>	<b>1,564</b>	<b>4,880</b>	<b>960</b>	<b>2,821</b>	<b>3,821</b>	<b>3,983</b>	<b>18,897</b>	<b>11,585</b>	<b>3,069</b>	<b>-68.7%</b>
Tax	2,840	710	750	280	80	663	909	956	4,580	2,608	859	
Rate (%)	24.8	71.4	47.9	5.7	8.3	23.5	23.8	24.0	24.2	22.5	28.0	
Minority Interest	2,030	430	560	1,150	580	1,135	1,140	1,160	4,170	4,015	1,120	
<b>PAT</b>	<b>6,589</b>	<b>-146</b>	<b>254</b>	<b>3,450</b>	<b>300</b>	<b>1,023</b>	<b>1,771</b>	<b>1,867</b>	<b>10,147</b>	<b>4,962</b>	<b>1,090</b>	<b>-72.5%</b>
<b>Adj PAT</b>	<b>-1,604</b>	<b>365</b>	<b>439</b>	<b>3,252</b>	<b>300</b>	<b>1,023</b>	<b>1,771</b>	<b>1,867</b>	<b>2,452</b>	<b>4,962</b>	<b>1,090</b>	<b>-72.5%</b>
YoY Change (%)	-260.4	-74.7	-125.8	128.4	-118.7	180.1	303.3	-42.6	13.2	102.3	-167.9	
Margins (%)	19.2	-0.4	0.7	7.8	0.8	2.4	3.9	3.9	6.6	2.8	2.6	

### Key performance Indicators (Consolidated)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			
<b>Cost Break-up</b>											
RM Cost (% of Sales)	37.2	35.6	38.0	35.5	38.4	38.0	37.2	37.3	37.2	36.1	36.5
Staff Cost (% of Sales)	20.4	20.8	19.1	17.3	19.9	19.1	18.4	18.2	19.3	18.8	18.5
R&D Expenses(% of Sales)	6.6	5.6	5.2	5.2	5.2	5.1	5.5	5.7	5.7	7.1	5.7
Other Cost (% of Sales)	17.7	18.9	17.1	17.6	17.6	17.6	17.1	17.6	17.8	17.5	17.8
Gross Margins (%)	62.8	64.4	62.0	64.5	61.6	62.0	62.8	62.7	62.8	63.9	63.5
EBITDA Margins (%)	18.1	19.1	20.6	24.4	19.0	20.2	21.8	21.2	20.8	20.6	21.5
EBIT Margins (%)	6.3	7.4	9.4	14.5	7.4	9.6	11.2	10.6	9.7	9.8	11.2



### Conference call highlights

- Net debt was USD1.1b for Biocon Biologics and USD100m for generics.
- The presence of innovator in the formulary continues to hold BIOS back from gaining traction in Yesintek (b-adalimumab).
- BIOS has filed for semaglutide with Canada's health regulatory authority. Interestingly, the Canadian regulator has not approved even a single GLP product till date.
- The new facility has incremental opex of INR600m per quarter in the generics segment. There would be a further increase in opex due to additional facilities. Having said this, new launches would drive better profitability in this segment for BIOS.

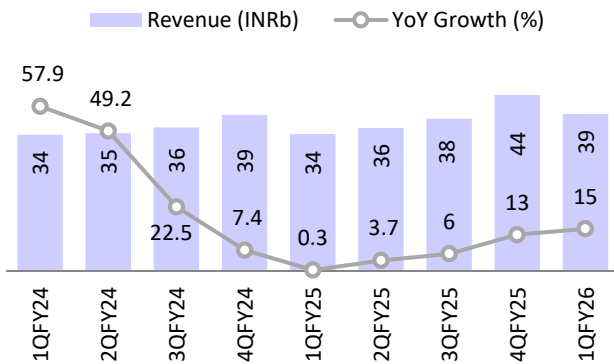
## Key exhibits

**Exhibit 1: Biosimilars witnessed a jump in PBT margins**

Segmental PBT margin	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Generics	10.4	8.7	10.0	9.9	9.2	9.8	7.0	7.0	2.6	-1.4	-2.0	17.3	-9.6
Biosimilars	7.2	7.8	6.8	7.8	1.2	-0.8	-7.2	3.8	51.1	-0.8	0.0	1.6	3.9
Novel Biologics	NA	NA	NA	-200.5	NA	NA	NA	NA	NA	NA	NA	NA	NA
Research Services	14.4	16.9	17.8	23.2	15.2	17.4	16.6	22.8	8.8	15.4	19.2	23.6	11.6
<b>Total</b>	<b>9.2</b>	<b>10.6</b>	<b>8.4</b>	<b>10.0</b>	<b>5.4</b>	<b>6.9</b>	<b>12.1</b>	<b>8.4</b>	<b>32.4</b>	<b>2.0</b>	<b>3.6</b>	<b>10.6</b>	<b>2.5</b>

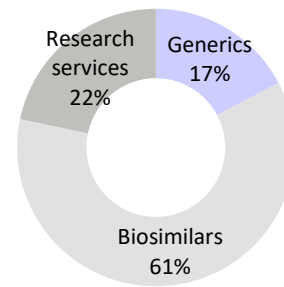
Source: MOFSL, Company

**Exhibit 2: BIOS revenue grew 15% YoY in 1QFY26**



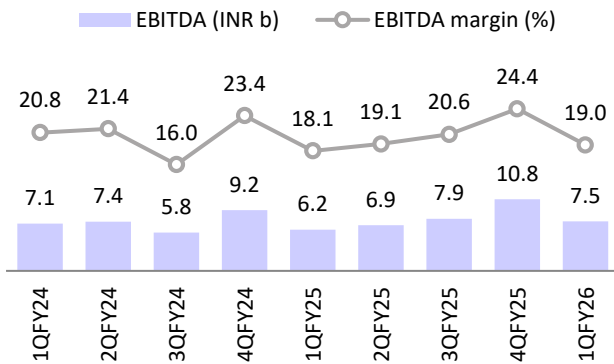
Source: MOFSL, Company

**Exhibit 3: Biosimilars contributed 61% to the total revenue**



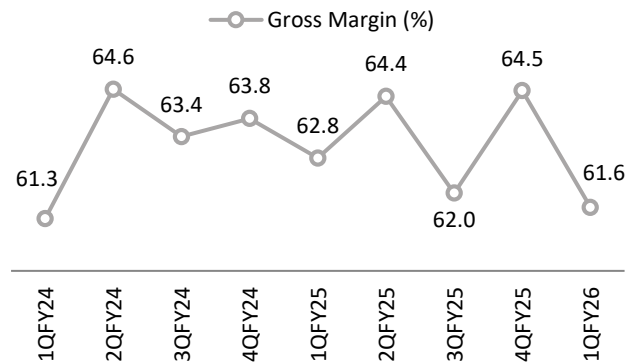
Source: MOFSL, Company

**Exhibit 4: EBITDA margin expanded 90bp YoY in 1QFY26**



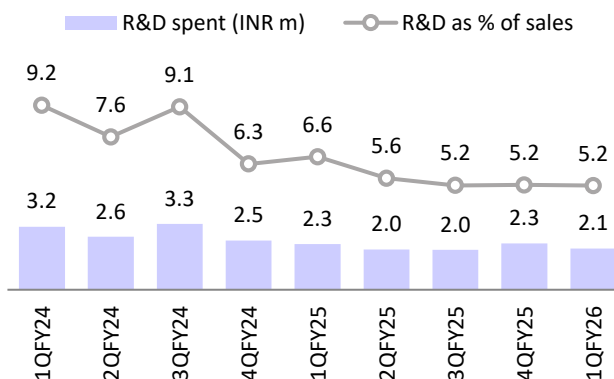
Source: MOFSL, Company

**Exhibit 5: GM declines YoY/QoQ due to product mix**



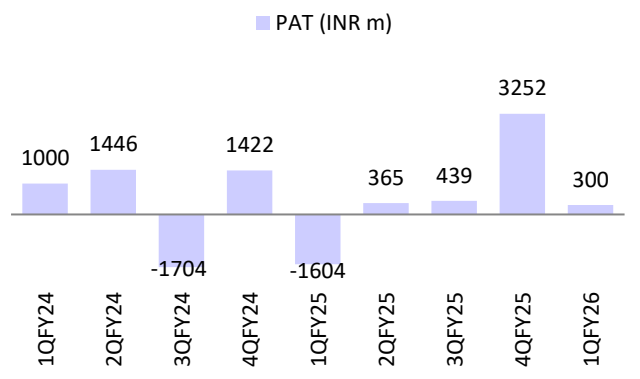
Source: MOFSL, Company

**Exhibit 6: R&D expense as a % of sales stable on QoQ basis**



Source: MOFSL, Company

**Exhibit 7: Net profit amounts to INR300m in 1QFY26**



Source: MOFSL, Company

## **Biologics lead; generics rebuild; Syngene expands capabilities**

### **Biologics – healthy 1Q start; launches and tender wins to fuel further growth**

- Biologics business started on a robust note with 18% YoY growth to INR24.5b in 1QFY26 (vs. 15% YoY growth in FY25).
- 1Q performance was dominated by increased traction in the commercialized products across markets.
- Particularly, Yesintek (b-Ustekinumab) has witnessed a considerable increase in prescriptions with strong formulary coverage in North America, Germany, Spain, Italy and Portugal.
- Tender wins would keep the growth momentum intact in emerging markets.
- Subsequently, BIOS' launch of Insulin Aspart in the US would be the potential growth driver in the biologics segment in the near to medium term. Based on a settlement, BIOS would be launching b-Yesafili (afibercept) before 2HCY26, paving way for potential growth in biologics segment.
- With product approval/launches, BIOS is also expanding capacity to meet business demand.
- BIOS continues to work on improving traction of b-Adalimumab for the US market, with gradual success till date.
- B-Trastuzumab/b-pegfilgrastim are steady, with 27% market share in 1QFY26.
- Further, BIOS has secured a large tender for RH-Insulin and Insulin Glargin from Malaysia's Ministry of Health, adding a growth driver to biologics segment.
- We expect 18% sales CAGR in biologics to reach INR124b over FY25-27.

### **Generics – Short-term blip; momentum to rebuild on launches**

- After delivering revenue growth of 46% YoY in 4QFY25, generics business witnessed revenue headwinds, with 6% YoY growth and 66% QoQ decline to INR7b in 1QFY26.
- The QoQ impact was primarily due to reduced sales of g-Revlimid during the quarter.
- Having said this, BIOS is in good stead to grow this business over the medium term on the back of new launches.
- The recent launches were Micafungin and Everolimus in 1QFY26. Recent approvals for Rivaroxaban/g-Entresto would support near-term incremental business in the generics segment for the US market.
- Other potential approvals like liraglutide for the US market would further drive growth in the generics segment.
- BIOS has also filed GLP-1 products for Canada market and it is in the process of filing GLP-1 in other emerging markets as well.
- Considering the product pipeline, we expect 16% sales CAGR over FY25-27 to reach INR40b in this segment. With gross margin improving and better operating leverage, the profitability is also expected to improve considerably going forward.

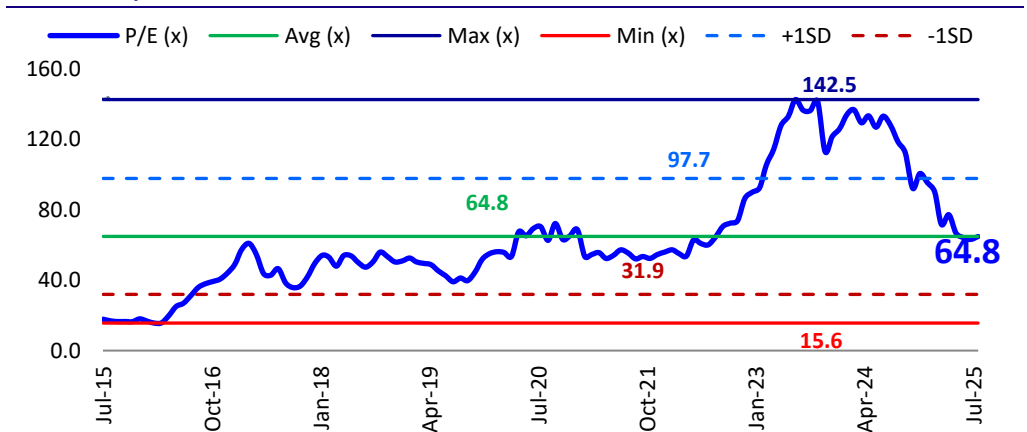
### Syngene – Expands research and manufacturing capabilities

- On a low base of 1QFY25, Syngene grew 10.8% YoY in 1QFY26.
- Research services (67% of Syngene sales for 1QFY26) led growth in this segment on YoY basis.
- The escalation of pilot projects into long-term contracts within research services aided incremental business in this segment.
- To widen its research services, Syngene has inaugurated a state-of-the-art dedicated peptide laboratory, advancing its capability in high-potential growth areas.
- On the manufacturing front, Syngene has successfully delivered a clinical batch of drug substance for a US-based client, validating its manufacturing capabilities.
- Syngene is working on improving the capacity utilization at its small molecules Mangalore facility.
- Considering the efforts across research service and manufacturing, we estimate a 10% sales CAGR over FY25-27 to reach INR44b.

### Reiterate BUY

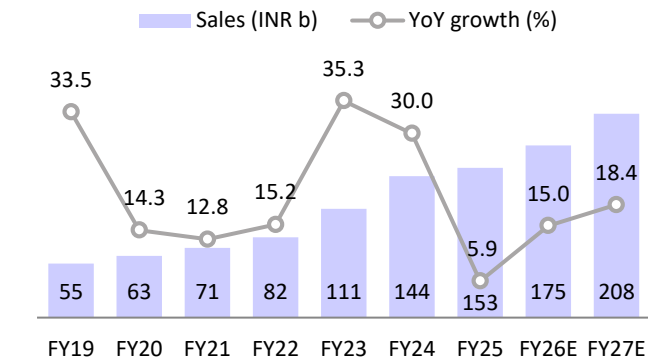
- We reduce our earnings estimates by 7%/3% for FY26/FY27, factoring in a) near-term cost pressures in generics, b) lower operating leverage, and c) higher depreciation related to facilities coming online in Syngene business. We value BIOS on an SOTP basis (20x 12M forward EV/EBITDA for 73% stake in Biocon Biologics, 53% stake in Syngene, and 10x EV/EBITDA for the Generics business) to arrive at a TP of INR410.
- BIOS is building growth levers across generics, biologics and Syngene. The product pipeline remains encouraging for generics/biologics. The investment in manufacturing to support commercial traction for launches/potential approval is largely in place in generics/biologics segment. Considering the market demand dynamics, Syngene is expanding its capabilities in CDMO space. Maintain BUY.

**Exhibit 8: P/E chart**



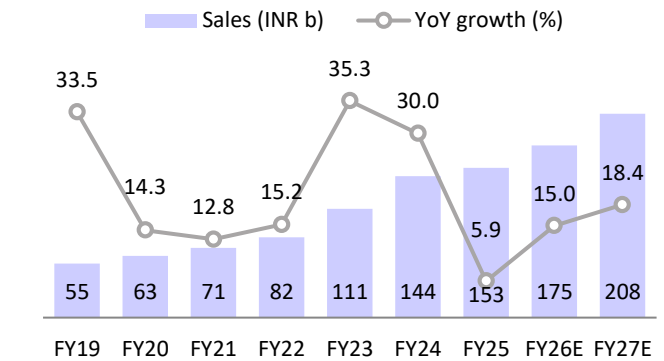
## Story in charts

**Exhibit 9: Expect revenue CAGR of ~17% over FY25-27**



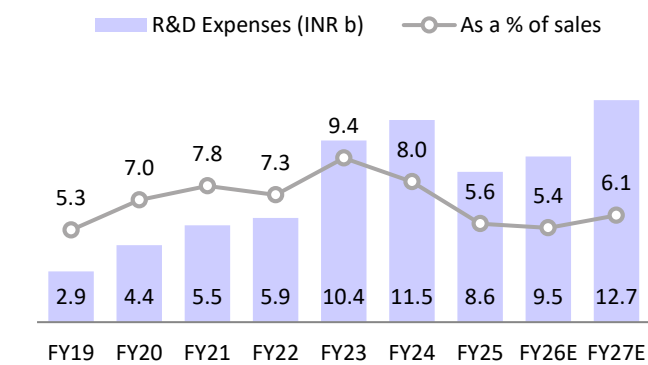
Source: MOFSL, Company

**Exhibit 10: New launches/ramp-up to fuel ex-Syngene revenue**



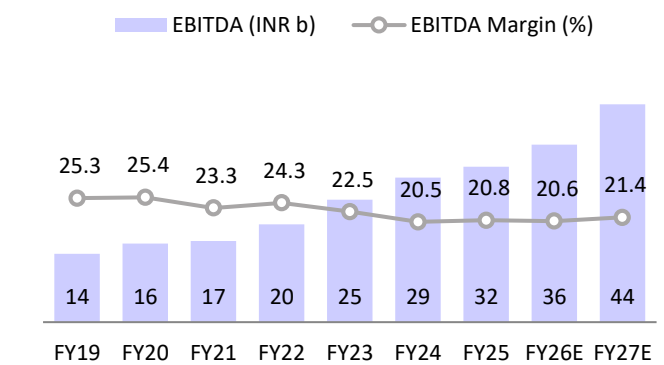
Source: MOFSL, Company

**Exhibit 11: R&D spending to increase 500bp as a % of sales over FY25-27**



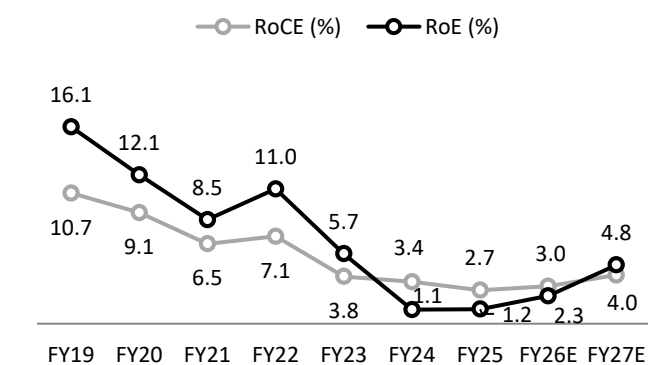
Source: MOFSL, Company

**Exhibit 12: EBITDA margin to steadily expand over FY25-27**



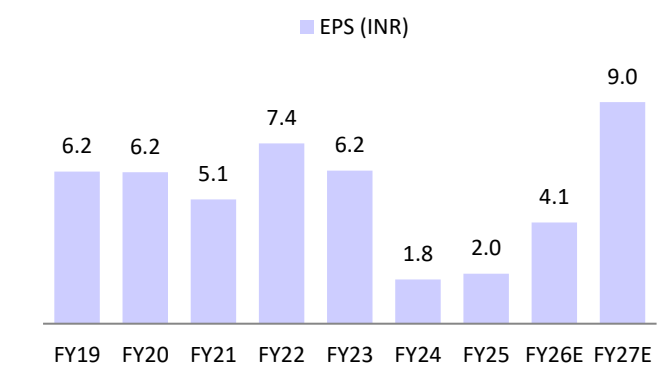
Source: MOFSL, Company

**Exhibit 13: RoE expected to see a major improvement over FY25-27**



Source: MOFSL, Company

**Exhibit 14: Expect EPS to scale up at CAGR of 110% over FY25-27**



Source: MOFSL, Company

## Financials and valuations

Income Statement (Consolidated)								(INR m)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>Net Income</b>	<b>63,005</b>	<b>71,058</b>	<b>81,845</b>	<b>1,10,774</b>	<b>1,44,051</b>	<b>1,52,617</b>	<b>1,75,499</b>	<b>2,07,815</b>
Change (%)	14.3	12.8	15.2	35.3	30.0	5.9	15.0	18.4
Total Expenditure	46,974	54,504	61,922	85,810	1,14,580	1,20,907	1,39,323	1,63,429
<b>EBITDA</b>	<b>16,031</b>	<b>16,554</b>	<b>19,923</b>	<b>24,964</b>	<b>29,471</b>	<b>31,710</b>	<b>36,175</b>	<b>44,387</b>
Change (%)	15.1	3.3	20.4	25.3	18.1	7.6	14.1	22.7
Margin (%)	25.4	23.3	24.3	22.5	20.5	20.8	20.6	21.4
Depreciation	5,522	7,145	8,150	11,131	15,690	16,860	18,945	19,403
<b>EBIT</b>	<b>10,509</b>	<b>9,409</b>	<b>11,773</b>	<b>13,833</b>	<b>13,781</b>	<b>14,850</b>	<b>17,230</b>	<b>24,984</b>
Int. & Finance Charges	649	577	686	4,183	9,750	8,970	7,970	6,030
Other Income - Rec.	1,614	1,005	2,674	2,674	4,100	1,817	2,325	2,100
Extraordinary income	675	910	-3,946	-1,042	7,940	11,200	0	0
Share in Profits in JV				-1,666	-840	2	0	0
<b>PBT</b>	<b>12,149</b>	<b>10,747</b>	<b>9,815</b>	<b>9,616</b>	<b>15,231</b>	<b>18,899</b>	<b>11,585</b>	<b>21,054</b>
Tax	3,151	2,222	2,116	2,560	2,280	4,580	2,608	5,375
Tax Rate (%)	25.9	20.7	21.6	26.6	15.0	24.2	23	26
Minority Interest	1227	1148	1220	1810	2748	4168	4,015	4,835
<b>Adjusted PAT</b>	<b>7,410</b>	<b>6,077</b>	<b>8,825</b>	<b>7,491</b>	<b>2,166</b>	<b>2,452</b>	<b>4,962</b>	<b>10,844</b>
<b>PAT</b>	<b>7,769</b>	<b>7,341</b>	<b>6,479</b>	<b>5,246</b>	<b>10,203</b>	<b>10,147</b>	<b>4,962</b>	<b>10,844</b>
Change (%)	-0.4	-18.0	45.2	-15.1	-71.1	13.2	102.3	118.5
Margin (%)	12.3	10.3	7.9	4.7	7.1	6.6	2.8	5.2

Consolidated Balance Sheet								(INR m)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity Share Capital	6,000	6,000	6,003	6,003	6,003	6,003	6,003	6,003
Other Reserves	61,058	70,269	78,322	1,72,667	1,91,827	2,10,437	2,15,121	2,25,357
<b>Net Worth</b>	<b>67,058</b>	<b>76,269</b>	<b>84,325</b>	<b>1,78,670</b>	<b>1,97,830</b>	<b>2,16,440</b>	<b>2,21,124</b>	<b>2,31,360</b>
Loans	19,797	36,783	51,466	1,80,190	1,62,760	1,77,555	1,76,055	1,74,555
Minority Interest	6,773	8,807	10,375	46,220	54,910	60,685	64,700	69,535
Deferred liabilities	13794	24212	25827	52440	17480	38945	38,945	38,945
<b>Capital Employed</b>	<b>1,07,422</b>	<b>1,46,071</b>	<b>1,71,993</b>	<b>4,57,520</b>	<b>4,32,980</b>	<b>4,93,625</b>	<b>5,00,824</b>	<b>5,14,395</b>
Gross Block	85,167	93,959	1,03,295	1,27,440	1,44,540	1,74,302	1,97,009	2,11,473
Less: Accum. Deprn.	31,235	38,386	46,528	54,670	70,360	87,220	1,06,165	1,25,568
<b>Net Fixed Assets</b>	<b>53,932</b>	<b>55,573</b>	<b>56,767</b>	<b>72,770</b>	<b>74,180</b>	<b>87,082</b>	<b>90,843</b>	<b>85,905</b>
Capital WIP	15,765	22,535	34,203	25,880	39,850	41,017	30,910	20,646
Investments	9,661	19,519	15,879	20,700	10,000	13,827	13,827	13,827
Intangibles	11,974	13,533	15,824	2,69,200	2,72,850	2,76,615	2,87,680	3,16,448
<b>Curr. Assets</b>	<b>49,426</b>	<b>70,986</b>	<b>78,334</b>	<b>1,28,880</b>	<b>1,61,180</b>	<b>1,66,855</b>	<b>1,79,310</b>	<b>1,92,372</b>
Inventory	14,359	18,666	22,982	42,440	49,440	49,311	56,506	64,383
Account Receivables	12,237	12,176	20,582	35,730	62,310	54,879	64,910	77,433
Cash and Bank Balance	9,986	20,154	17,475	24,010	22,590	41,202	15,592	466
Loans & Advances	12,844	19,990	17,295	26,700	26,840	21,463	42,301	50,090
<b>Curr. Liability &amp; Prov.</b>	<b>20,085</b>	<b>20,936</b>	<b>12,929</b>	<b>20,079</b>	<b>1,25,080</b>	<b>91,771</b>	<b>26,284</b>	<b>26,284</b>
Account Payables	32,306	34,981	27,709	58,420	1,17,310	87,247	21,760	21,760
Provisions	1,030	1,094	1,305	1,490	7,770	4,524	4,524	4,524
<b>Net Current Assets</b>	<b>16,090</b>	<b>34,911</b>	<b>49,320</b>	<b>68,970</b>	<b>36,100</b>	<b>75,084</b>	<b>1,53,026</b>	<b>1,66,088</b>
<b>Appl. of Funds</b>	<b>1,07,422</b>	<b>1,46,071</b>	<b>1,71,993</b>	<b>4,57,520</b>	<b>4,32,980</b>	<b>4,93,625</b>	<b>5,76,286</b>	<b>6,02,913</b>

E: MOFSL Estimates

## Financials and valuations

### Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>6.2</b>	<b>5.1</b>	<b>7.4</b>	<b>6.2</b>	<b>1.8</b>	<b>2.0</b>	4.1	9.0
Cash EPS	11.1	12.0	12.2	12.3	9.0	20.6	19.7	25.2
BV/Share	55.9	63.6	70.3	148.9	164.9	180.4	184.3	192.8
DPS	0.9	0.7	0.7	1.5	0.5	0.5	0.2	0.5
Payout (%)	15.3	13.6	9.2	24.0	27.7	23.2	5.6	5.6
<b>Valuation (x)</b>								
P/E	55.4	67.6	46.5	54.8	189.6	167.4	82.8	37.9
Cash P/E	30.3	27.8	27.5	27.3	37.1	16.2	17.0	13.3
P/BV	6.0	5.3	4.8	2.2	2.0	1.9	1.8	1.7
EV/Sales	8.0	7.1	6.1	4.5	3.5	3.3	2.9	2.4
EV/EBITDA	31.4	30.4	25.2	20.1	17.1	15.9	13.9	11.3
Dividend Yield (%)	0.3	0.2	0.2	0.4	0.1	0.1	0.1	0.1
FCF per share	-4.6	-4.9	-6.2	1.1	8.5	14.3	-1.1	-5.1
<b>Return Ratios (%)</b>								
RoE	12.1	8.5	11.0	5.7	1.2	1.2	2.3	4.8
RoCE	9.1	6.5	7.1	3.8	3.4	2.7	3.0	4.0
RoIC	12.0	9.6	9.8	4.1	3.1	3.0	3.2	4.0
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	1.3	1.3	1.5	1.7	2.0	1.9	2.0	2.4
Debtor (Days)	71	63	92	118	158	131	135	136
Inventory (Days)	83	96	102	140	125	118	118	113
Creditors (Days)	110	102	52	61	297	209	45	38
Working Capital (Days)	112	154	214	279	34	81	286	291
<b>Leverage Ratio (x)</b>								
Current ratio	2.5	3.4	6.1	6.4	1.3	1.8	6.8	7.3
Net Debt/Equity	0.1	0.2	0.4	0.9	0.7	0.6	0.7	0.8

E: MOSt Estimates

### Consolidated Cash Flow Statement

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
PAT for the year	8,709	8,462	7,716	6,430	12,978	14,294	4,962	10,844
Add Depreciation/amortization	5,522	7,151	8,142	11,131	15,688	16,870	18,945	19,403
Interest/Dividends paid/(Recd).	-175	-193	-445	3,066	8,131	7,859	5,645	3,930
(Inc)/Dec in WC	-5,718	-7,340	-9,513	32,349	-35,717	3,422	-7,251	-7,343
Others	4,493	3,517	5,866	-34,451	28,459	-1,833	0	0
<b>CF from Operations</b>	<b>12,831</b>	<b>11,597</b>	<b>11,766</b>	<b>18,525</b>	<b>29,539</b>	<b>40,612</b>	<b>22,301</b>	<b>26,833</b>
(Incr)/Dec in FA	-18,365	-17,463	-19,248	-17,263	-19,316	-23,433	-23,665	-32,968
<b>Free Cash Flow</b>	<b>-5,534</b>	<b>-5,866</b>	<b>-7,482</b>	<b>1,262</b>	<b>10,223</b>	<b>17,179</b>	<b>-1,364</b>	<b>-6,135</b>
(Pur)/Sale of Investments	776	-5,574	3,457	32,908	2,207	17,166	0	0
<b>CF from investments</b>	<b>-15,589</b>	<b>-36,247</b>	<b>-16,991</b>	<b>-1,42,818</b>	<b>-10,045</b>	<b>-2,341</b>	<b>-44,502</b>	<b>-40,757</b>
Change in Net Worth	0	0	0	0	0	0	0	0
(Inc)/Dec in Debt	186	5,872	3,213	1,24,159	-12,712	5,729	-1,500	-1,500
Interest Paid	-912	-1,160	-1,096	-4,856	-8,474	-6,342	-5,645	-3,930
Dividend Paid	-701	0	0	-718	-2,030	-829	-278	-607
Others	5,596	21,021	307	12,549	-111	-17,098	4,015	4,835
<b>CF from Fin. Activity</b>	<b>4,169</b>	<b>25,733</b>	<b>2,424</b>	<b>1,31,134</b>	<b>-23,327</b>	<b>-18,540</b>	<b>-3,408</b>	<b>-1,202</b>
<b>Inc/Dec of Cash</b>	<b>1,411</b>	<b>1,083</b>	<b>-2,801</b>	<b>6,841</b>	<b>-3,833</b>	<b>19,731</b>	<b>-25,610</b>	<b>-15,126</b>
Add: Beginning Balance	6,593	8,247	8,970	6,537	12,999	9,195	41,202	15,592
<b>Closing Balance</b>	<b>8,004</b>	<b>9,330</b>	<b>6,169</b>	<b>13,378</b>	<b>9,166</b>	<b>28,926</b>	<b>15,592</b>	<b>466</b>
FX	536	71	33	217	29	312	0	0
Bankc balances/Overdraft	1,446	10,753	11,273	10,415	13,395	11,964	0	0
<b>Total Cash and cash Eq</b>	<b>9,986</b>	<b>20,154</b>	<b>17,475</b>	<b>24,010</b>	<b>22,590</b>	<b>41,202</b>	<b>15,592</b>	<b>466</b>

E: MOFSL Estimates

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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