

ALKEM Laboratories

Estimate change



TP change



Rating change



	ALKEM IN
Bloomberg	ALKEM IN
Equity Shares (m)	120
M.Cap.(INRb)/(USDb)	645.9 / 7.1
52-Week Range (INR)	5934 / 4492
1, 6, 12 Rel. Per (%)	-7/-3/4
12M Avg Val (INR M)	839

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	145.2	160.8	177.2
EBITDA	29.8	32.1	36.1
Adjusted PAT	24.8	21.6	23.8
EBIT Margin (%)	18.0	17.6	18.1
Adj EPS (INR)	207.7	180.8	199.2
EPS Gr. (%)	14.7	-13.0	10.2
BV/Sh. (INR)	1,148.2	1,263.8	1,397.8

Ratios

Net D-E	-0.1	0.0	-0.1
RoE (%)	18.8	15.0	15.0
RoCE (%)	18.3	14.8	14.8
Payout (%)	29.8	36.1	32.8

Valuations

P/E (x)	26.8	29.9	27.2
EV/EBITDA (x)	21.6	20.1	17.6
Div. Yield (%)	0.9	1.0	1.0
FCF Yield (%)	2.9	-1.6	2.3
EV/Sales (x)	4.4	4.0	3.6

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	51.2	51.2	55.7
DII	21.5	21.9	18.0
FII	10.0	9.5	10.2
Others	17.3	17.4	16.2

FII includes depository receipts

CMP: INR5,400

TP: INR5,525 (+2%)

Neutral

Acquisition of Occlutech to open opportunities in Med-tech segment

Segmental mix, operating leverage drive beat on earnings

- ALKEM is taking significant steps in its Medtech journey through acquiring Occlutech (develops, manufactures, and commercialized medical devices for congenital heart disease, stroke prevention and heart failure).
- ALKEM would be buying up to 55% stake for a consideration of EUR99m (INR10.6b). Revenue/EBITDA/loss of this company in CY25 was EUR49m/EUR2m/EUR6.8m. ALKEM expects to improve EBITDA margins to 23-24% over the next 3-4 years.
- ALKEM Laboratories reported in-line revenue in 3QFY26. EBITDA/PAT came in 17%/20% higher than our estimates, aided by higher growth in export markets, partly supported by currency movement.
- Strong growth was seen in therapies like VMNs, anti-diabetic, respiratory and derma. This was offset to some extent by muted YoY growth in anti-infectives and gastro-intestinal segments.
- New launches, volume traction in base business and steady progress across non-US markets drove overall export growth for the quarter.
- We reduce our earnings estimates by 4%/5% for FY27/FY28, factoring in a) an increase in raw material prices due to the implementation of minimum import price (MIP) by the government of India, and b) ongoing weakness at industry level in certain therapies in DF segment. We value ALKEM at 28x 12M forward earnings to arrive at a TP of INR5,525.
- Increased efforts toward new ventures (med-tech and Enzene), as well as the step-up in the tax rate, are expected to keep growth in check over FY26-28. Maintain Neutral on limited upside from current levels.

Occlutech acquisition to form a Medtech platform for ALKEM to enter developed markets

- Occlutech is a **leading specialist provider of minimally invasive structural heart occlusion devices** with presence across congenital heart disease, stroke prevention and heart failure segments; commercialized in **70+ countries** with manufacturing facilities in **Germany and Turkey**.
- Its portfolio comprises **10+ product lines** across three therapeutic areas with **200,000+ devices sold** since inception.
- It has delivered ~17% sales CAGR over CY22-24 to EUR43m; estimated to reach EUR49m (~INR4.9b) in CY25, implying ~16.5% CAGR over CY22-25. Over the next five years, ALKEM intends to scale up revenue to INR10b+ and expand EBITDA margin from ~5% currently to ~20-25%.
- This implies EV/EBITDA of ~15x/~7x on CY28E/CY30E EBITDA. The acquisition is 3.6x CY25 sales.
- ALKEM would leverage Occlutech as a global med-tech entry platform across Japan, the US and Europe.

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

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

- **Our take:** For ALKEM, acquiring an R&D-focused company with presence in developed markets is a good strategy to scale up its med-tech business. The profitability of Occlutech has yet to improve despite being present in this space for 15+ years. With ALKEM also in the process of building its positioning in this space, this would be the key monitorable. The valuation is decent if the performance happens as per guidance.

EBITDA/PAT better than expected

- 3Q revenue grew 10.7% YoY to INR37.4b (our est.: INR36.7b).
- Gross margin expanded 160bp YoY to 66%.
- EBITDA margin was steady YoY at 22.2% (our est.: 19.3%) as higher gross margin was offset by high other expenses/employee cost (up 140bp/80bp YoY as % of sales). R&D expense was stable YoY as % of sales.
- EBITDA grew 9% YoY to INR8.3b (our est. of INR7.1b).
- Adj. PAT grew 8.7% YoY to INR6.8b (our est.: INR5.8b).
- For 9MFY26, revenue/EBITDA/PAT grew 13%/17%/13% YoY.

International growth much higher than DF segment

- DF business grew 5.5% YoY to INR25b (67.2% of sales).
- International business grew 27% YoY to INR12.1b.
- US sales increased by 19% YoY to INR7.7b (20.3% of Sales).
- Other international sales rose 42% YoY to INR4.6b (12.5% of sales).

Highlights from the management commentary

- ALKEM had taken steps to change the distribution set-up in DF, leading to high base last year. Adj for the same, YoY growth would be double digits in 3Q.
- ALKEM expects Enzene and medtech to have EBITDA margin of 25% in 4-5 years.
- In addition to acquisition, ALKEM would invest INR1b-INR2b in R&D at Occlutech over next 1-2 years. Current GM of Occlutech is about 73%.
- There is a debt of INR4b-INR5b on the balance sheet of Occlutech. This can be re-financed using corporate guarantee of ALKEM. In CY25, Occlutech reported revenue of EUR49m, EBITDA of EUR2m, and a loss of EUR6.8m.

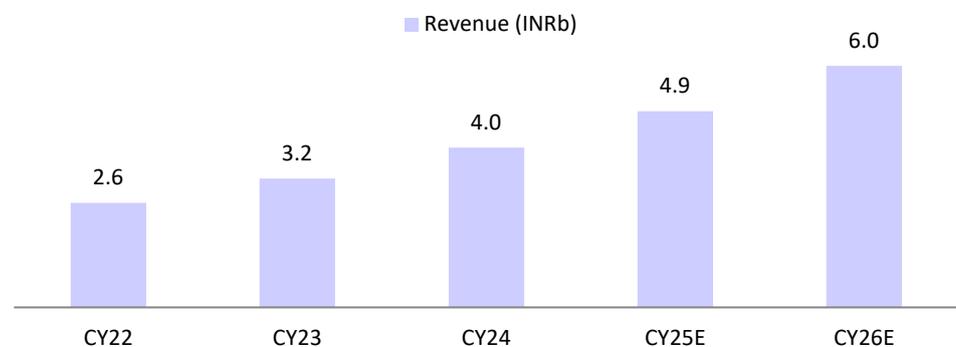
About Occlutech

- Occlutech is a leading specialist provider of minimally invasive cardiac devices. Occlutech has developed, produced, and commercialized first-class, minimally invasive, cardiac implants for congenital heart disease, stroke prevention, and heart failure. The devices are sold to hospitals and clinics in over 70 countries. It has manufacturing facilities in Germany and Turkey.
- Occlutech has 10+ product lines in three therapeutic areas. Occlutech has sold 2L+ devices till date since inception.

Financial snapshot: 16-17% sales CAGR over CY22-25E

- Occlutech has delivered 17% sales CAGR over CY22-24 to EUR43m. Considering estimated sales of EUR49m (INR4.9b) in CY25, the sales CAGR over CY22-25 is expected to be 16.5%. There was a net loss of EUR20m in CY24.

Exhibit 1: ALKEM guides for INR6b in revenue in CY26; up 23% YoY

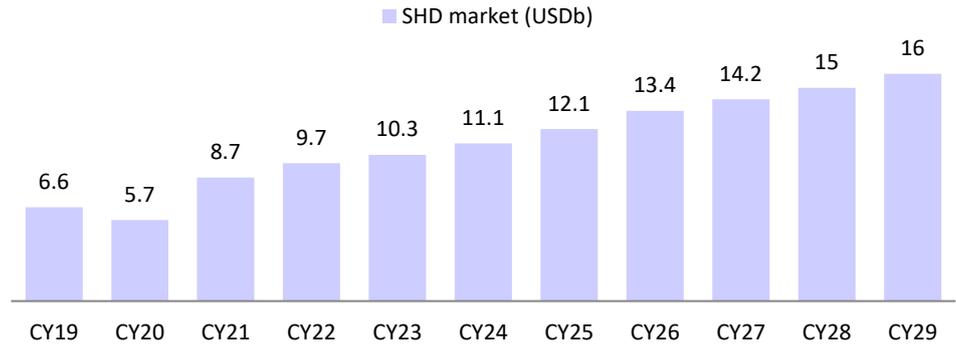


- The loss is expected to reduce to EUR6.8m in CY25. ALKEM has guided for 23% YoY growth in CY26 to reach INR6b in revenue from this entity.
- With growth potential of 14-15% CAGR over the next five years, ALKEM intends to scale up this business to INR10b+.
- From current 5% EBITDA margin, ALKEM intends to scale up EBITDA margin to 20-25% over the next five years.
- **Assuming above performance, revenue/EBITDA are projected to be INR8b/INR1.2b in CY28 and INR10.5b/INR2.6b in CY30. EV/EBITDA would be 18x/8x on CY28/CY30.**

Occluders – a part of structural heart devices

- Occluders form a part of structural heart devices. The market size of occluders is about USD2b (CY24) and is expected to witness CAGR of 4% over FY24-29. The overall structural heart devices market is about USD11b and is expected to grow at compounded rate of 7.8% over FY24-29 to reach USD16b.
- Structural heart disease (SHD) is a problem involving tissues or valves of the heart. All SHDs involve a defect or disorder in the structure of the heart tissue or valves or its functioning. Common symptoms of SHD involve strokes, shortness of breath, high blood pressure, leg cramps, and kidney dysfunction.

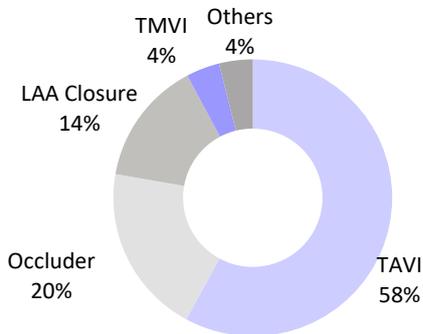
Exhibit 2: SHD market expected to witness 7.8% CAGR overCY24-29



Source - Industry

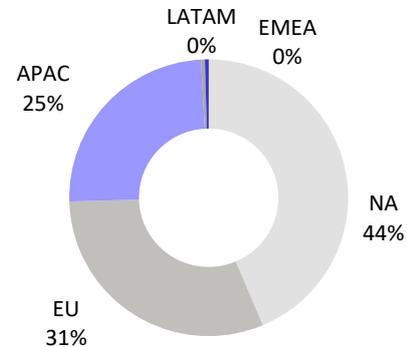
- Occluders EU market size is about USD745. The ROW markets is about USD1.8b in CY24. Occluder technology is evolving and includes advanced biodegradable occluders, hybrid occlusion tools, and precision delivery systems for improved the safety and efficacy of occluder devices, providing patients with more treatment options for congenital heart defects.
- Biodegradable occluders are still under clinical evaluation and not yet commercially available and hybrid occlusion tools (which combine multiple functionalities to address various heart defects simultaneously) are not a widely adopted or clearly defined product category in current practice.

Exhibit 1: SHD market by product



TAVI: Transcatheter aortic valve implantation (TAVI), Left atral appendage (LAA), Source: Industry

Exhibit 2: SHD market by geography



Source: Industry

- SHD treatment has witnessed a structural shift from open-heart surgery toward minimally invasive transcatheter interventions, driven by a) aging population, b) rising atrial fibrillation (AF) incidence, c) increasing diagnosis of congenital heart defects, d) rowing adoption of cath-lab based procedure
- **Global companies in the occluder space are Abbott and Lifetech Scientific. Indian companies in this space are SMT and Merill Lifescience. Broadly, it remains an oligopoly market.**

Occlutech – third-largest company in this space

- Notably, Occlutech is the third-largest company in occluder segment. About 85% of revenue is from Western Europe and US market.
- PFO (patent foramen Ovale) is yet to be approved by USFDA. Having said this, Occlutech PFO has 99% procedural success rate and 95% efficient closure rate after six months. Most of R&D spend for this product is largely done.
- USFDA approved Occlutech Atrial Septal Defect (ASD) Occluder and the associated Pistol Pusher delivery system in Dec'23, for treating patients with ostium secundum-type ASD. This minimally invasive, nitinol-based device enables permanent, non-surgical closure of holes in the heart.
- Occlutech partnered with B. Braun Interventional Systems Inc. to commercialize the device in the US following approval. The breakthrough designation was granted by FDA to the Atrial Flow Regulator (AFR) for pulmonary arterial hypertension (PAH). The ASD closure US market size was USD40m at the time of approval for Occlutech. Occlutech has gained 5% market share in 1.5 years time frame.

Plan of action by Alkem

- In addition to the amount paid for acquisition, ALKEM would be investing INR1b-INR2b to fund R&D program.
- Occlutech would be utilized as a platform for medtech offerings in markets like Japan, the US, and Europe in the cardiovascular segment.
- Considering this business has strong gross margin of 73%, ALKEM would be building operating leverage through enhancing offerings and increasing reach.

Quarterly Perf. (Consolidated)

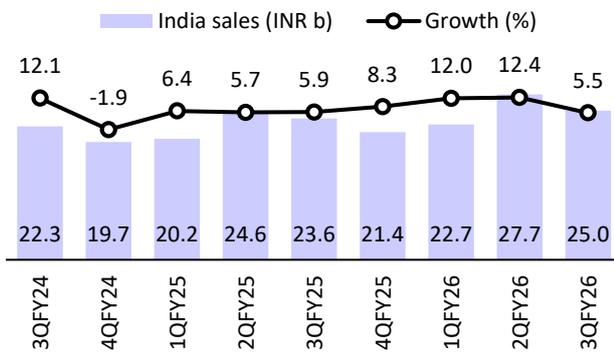
Y/E March	FY25				FY26				FY25	FY26E	FY26E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Net Revenues	30,318	34,147	33,743	31,438	33,711	40,010	37,368	34,116	1,29,645	1,45,205	36,750	1.7
YoY Change (%)	2.2	-0.7	1.5	7.1	11.2	17.2	10.7	8.5	2.3	12.0	8.9	
Total Expenditure	24,232	26,618	26,149	27,525	26,321	30,802	29,088	29,169	1,04,524	1,15,381	29,658	
EBITDA	6,086	7,528	7,594	3,913	7,391	9,208	8,280	4,947	25,121	29,825	7,093	16.7
YoY Change (%)	56.4	0.8	7.3	-2.7	21.4	22.3	9.0	26.4	11.9	18.7	-6.6	
Margins (%)	20.1	22.0	22.5	12.4	21.9	23.0	22.2	14.5	19.4	20.5	19.3	
Depreciation	805	789	853	1,125	877	936	950	924	3,572	3,687	955	
EBIT	5,282	6,739	6,741	2,788	6,514	8,272	7,330	4,022	21,550	26,137	6,138	
YoY Change (%)	66.7	0.2	5.7	-12.5	23.3	22.7	8.7	44.3	57.4	34.3	-8.9	
Margins (%)	17.4	19.7	20.0	8.9	19.3	20.7	19.6	11.8	16.6	18.0	16.7	
Interest	291	281	360	284	298	350	421	320	1,217	1,389	310	
EBT	5,795	7,247	7,234	3,629	7,093	8,858	7,859	4,627	23,904	28,436	6,783	
Margins (%)	19.1	21.2	21.4	11.5	21.0	22.1	21.0	13.6	18.4	19.6	18.5	
Other Income	1,203	1,345	930	1,460	1,365	1,037	1,431	1,050	4,937	4,883	1,150	
PBT before EO Exp	6,194	7,803	7,311	3,963	7,581	8,958	8,340	4,752	25,270	29,631	6,978	19.5
EO Exp/(Inc)	0	0	0	0	-129	0	528	0	0	399	0	
PBT after EO Exp	6,194	7,803	7,311	3,963	7,710	8,958	7,812	4,752	25,270	29,232	6,978	
Tax	691	783	903	733	1,027	1,162	1,277	713	3,110	4,179	1,012	
Rate (%)	11.2	10.0	12.3	18.5	13.3	13.0	16.3	15.0	12.3	14.1	14.5	
PAT (pre-Minority Interest)	5,502	7,020	6,408	3,230	6,683	7,796	6,535	4,040	22,160	25,054	5,966	
Minority Interest	51	133	150	172	41	145	175	195	505	556	190	
Reported PAT	5,452	6,886	6,258	3,059	6,643	7,651	6,360	3,845	21,655	24,498	5,776	10.1
Adj Net Profit	5,452	6,886	6,258	3,059	6,531	7,651	6,802	3,845	21,655	24,828	5,776	20.4
YoY Change (%)	90.1	2.0	-2.6	0.6	19.8	11.1	8.7	25.7	13.5	14.7	-7.7	

Key performance Indicators (Consolidated)

Y/E March	FY25				FY26				FY25	FY26E	FY26
INRm	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE
India formulations	20,223	24,610	23,649	21,355	22,650	27,660	24,959	23,277	89,837	98,546	25,541
YoY Change (%)	6.4	5.7	5.9	8.3	12.0	12.4	5.5	9.0	6.5	9.7	8.0
US generics	6,416	5,744	6,340	6,086	6,982	7,649	7,533	6,812	24,586	29,499	7,226
YoY Change (%)	(7.7)	(25.2)	(7.3)	(2.5)	8.8	33.2	18.8	11.9	(11.3)	20.0	14.0
International (Ex-US)	3,261	3,210	3,265	3,661	3,556	4,241	4,624	4,027	13,397	16,448	3,983
YoY Change (%)	2.2	12.0	(4.0)	28.2	9.0	32.1	41.6	10.0	8.8	22.8	22.0
Cost Break-up											
RM Cost (% of Sales)	35.5	35.3	35.7	40.7	34.7	35.0	34.1	39.0	36.7	35.6	34.0
Staff Cost (% of Sales)	19.9	17.9	18.5	19.6	20.6	17.8	19.3	19.4	18.9	19.2	19.2
R&D Expenses (% of Sales)	4.1	4.3	3.9	5.0	3.5	3.3	3.7	4.1	4.3	3.6	3.7
Other Cost (% of Sales)	20.4	20.5	19.4	22.2	19.3	21.0	20.8	23.5	20.6	21.1	23.8
Gross Margins (%)	64.5	64.7	64.3	59.3	65.3	65.0	65.9	61.0	63.3	64.4	66.0
EBITDA Margins (%)	20.1	22.0	22.5	12.4	21.9	23.0	22.2	14.0	19.4	20.4	19.3

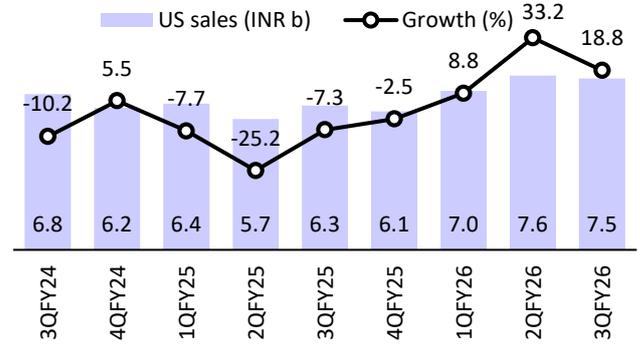
Key exhibits

Exhibit 3: DF revenue grew 5.5% YoY in 3QFY26



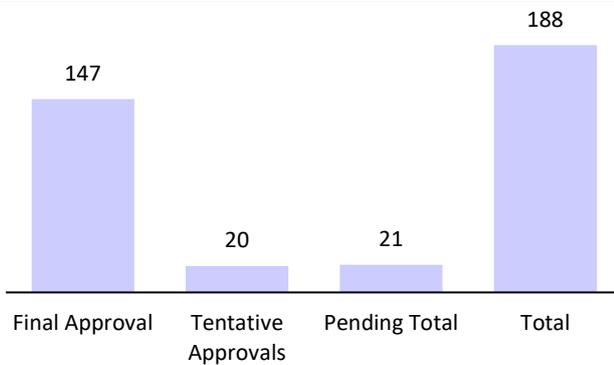
Source: MOFSL, Company

Exhibit 4: US sales grew 19% YoY in 3QFY26



Source: MOFSL, Company

Exhibit 5: Cumulative US ANDA filings



Source: MOFSL, Company

Exhibit 6: Robust ANDA pipeline

US Filings	# Nos.
Total ANDAs filed	188
NDA's	2

Source: MOFSL, Company

Core pharma traction intact; Medtech entry enhances growth visibility DF: Efforts underway to increase chronic share to aid sustainable growth

- After strong double-digit growth in the prior two quarters, DF growth moderated to 5.5% YoY in 3QFY26, largely due to high base from distribution adjustments in 3QFY25, while underlying billing growth remained healthy.
- Therapy-wise, ALKEM outperformed IPM in six key areas, VMN (2.0x IPM growth), Derma (1.8x IPM growth), Pain (1.4x IPM growth), AI (1.4x IPM growth), Respiratory (1.2x IPM growth), and Anti-Diabetic (1.2x IPM growth).
- A decline in Xone and subdued performance in Pan-D, Taxim-O and A to Z Ns dragged down overall growth below industry levels despite healthy growth in Uprise-D3, Clavam, and Pan in Dec'25.
- For 3QFY26, moderate growth in Anti-infective and Gastro, along with softness in Pain and Neuro in select months, was partly offset by consistent outperformance in VMN and Anti diabetic therapies.
- The company remains focused on sustaining growth above industry levels in the DF segment, with continued strengthening of its chronic portfolio; we estimate ALKEM to deliver ~10% sales CAGR in DF, scaling to ~INR120b over FY25-28.

Healthy international execution across US and Ex-US markets

- International business delivered strong growth in 9MFY26, led by robust traction in both US and Ex-US markets; US continues to be the key contributor to international revenue.
- Ex US markets (+27.6% YoY) outpaced the US (+19.8% YoY) in 9MFY26.
- In non-US markets, growth was broad-based across key geographies, with management highlighting significant headroom in emerging markets, including APAC and EMEA, where penetration remains low.
- In the US, growth was supported by new launches and volume expansion.
- ALKEM filed four ANDAs, one BLA and received 13 ANDA approvals in 9MFY26.
- Overall, we expect ALKEM to deliver 11% sales CAGR in international markets to INR51.7b over FY25-28.

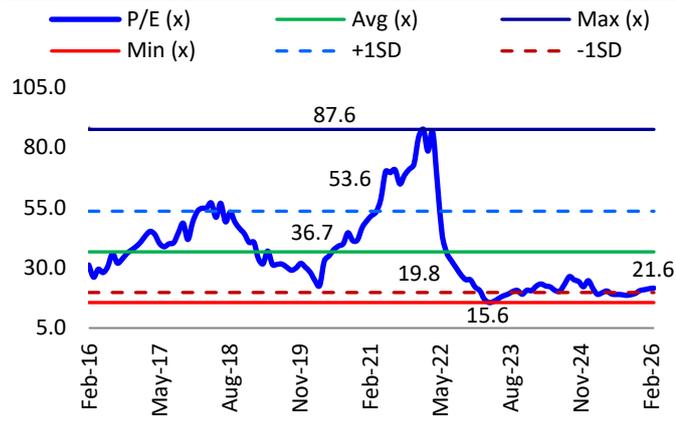
Occlutech platform acquisition; cardio focus to scale over medium term

- Alkem MedTech has announced a binding offer to acquire up to 55% stake in Occlutech Holding AG, Switzerland, for EUR99.4m or ~INR10.7b, marking its entry into advanced cardiovascular devices globally.
- Occlutech reported CY25 revenue of EUR49.4m, delivering 15.7% CAGR over the past three years; the company is EBITDA positive in CY26, with margin expected at ~10% by FY27 and ~23-24% over the next three years.
- ~85% of Occlutech's revenue is derived from Western Europe and the US; it holds ~23% market share in Europe and has achieved ~5% share in the US within 1.5 years of entry, reflecting strong positioning in high entry barrier markets.
- The company's portfolio is focused on minimally invasive structural heart implants for atrial septal defect closure, heart failure and stroke prevention; it ranks third globally and second in Europe in this niche segment.
- The Left Atrial Appendage occluder addresses a ~USD1.4b global market currently dominated by two global players; expected approval and commercialization can materially scale revenues over the medium term.
- Further, management also highlighted denosumab biosimilars, including Xgeva and Prolia, in the pharma pipeline, with US entry expected by CY26 end and Europe launch in the coming months.

Reiterate Neutral

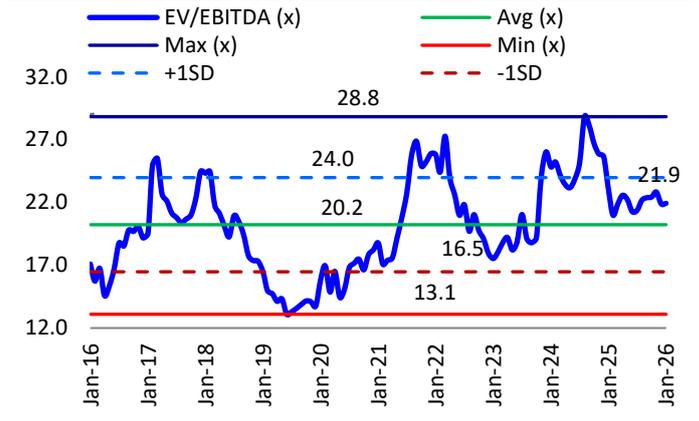
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- Increased efforts towards new ventures (med-tech and Enzene), as well as the step-up in the tax rate, are expected to keep growth in check over FY26-28. Maintain Neutral on limited upside from current levels.

Exhibit 7: P/E chart



Source: MOFSL, Company, Bloomberg

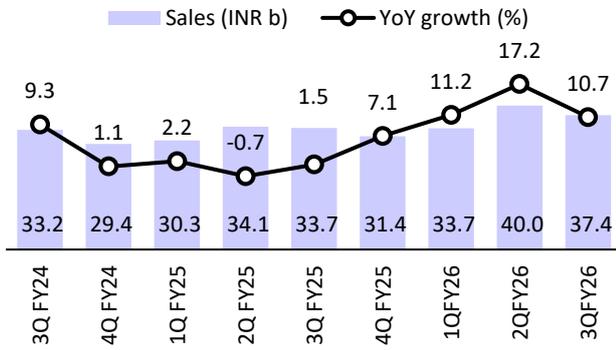
Exhibit 8: EV/EBITDA chart



Source: MOFSL, Company, Bloomberg

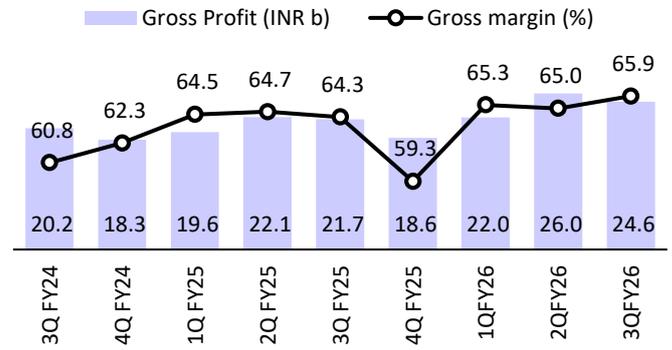
Story in charts

Exhibit 9: Total sales grew 10.7% YoY in 3QFY26



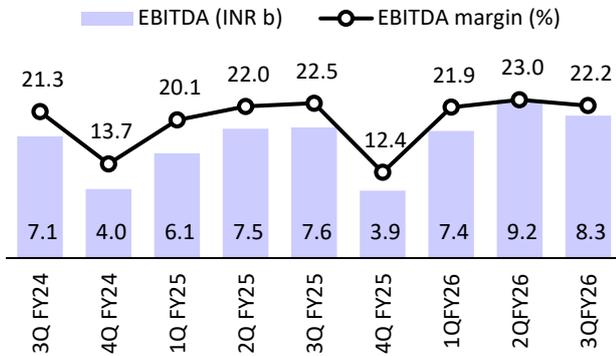
Source: Company, MOFSL

Exhibit 10: Gross margin up 160bp YoY in 3QFY26



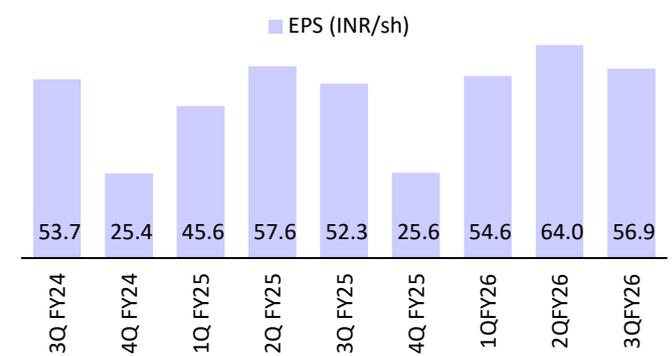
Source: Company, MOFSL

Exhibit 11: EBITDA margin down 3bp YoY in 3QFY26



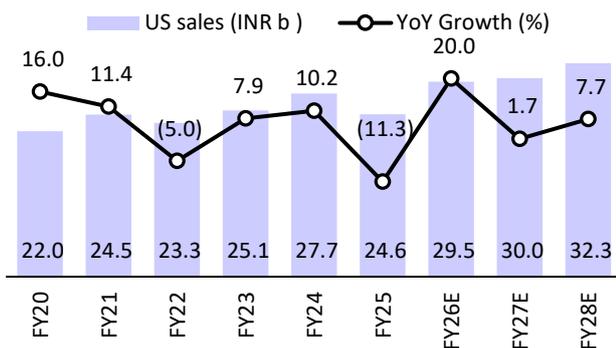
Source: Company, MOFSL

Exhibit 12: EPS grew 8.8% YoY to INR57 in 3QFY26



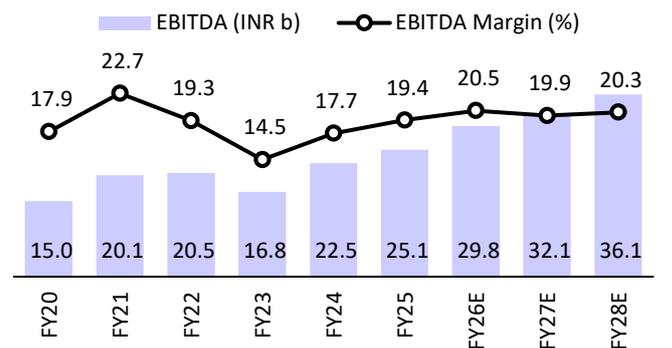
Source: Company, MOFSL

Exhibit 13: Expect 9.5% sales CAGR in the US over FY25-28



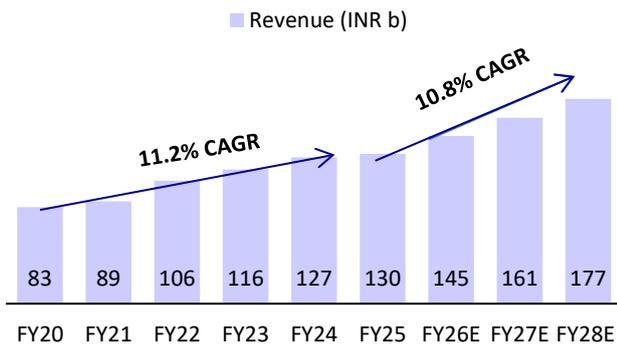
Source: Company, MOFSL

Exhibit 14: EBITDA margin to expand ~100bp over FY25-28



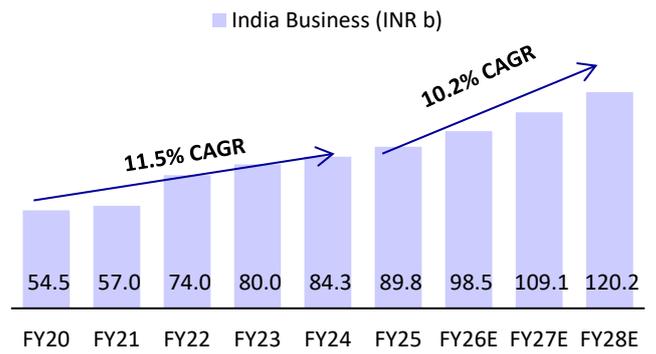
Source: Company, MOFSL

Exhibit 15: Expect revenue CAGR of 11% over FY25-28



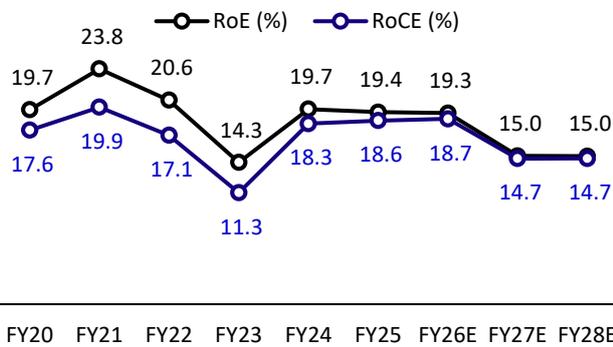
Source: Company, MOFSL

Exhibit 16: Expect India sales CAGR of 10% over FY25-28



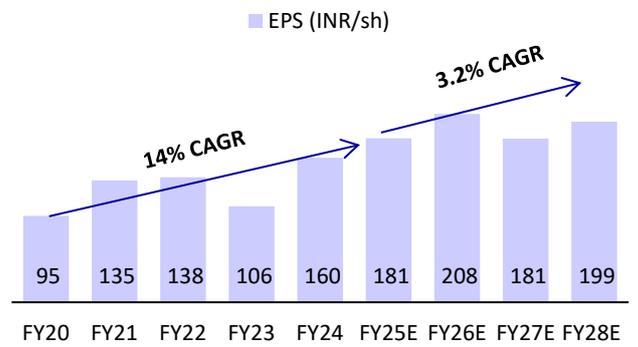
Source: Company, MOFSL

Exhibit 17: Return ratios expected to moderate ahead



Source: Company, MOFSL

Exhibit 18: Expect earnings to have 3% CAGR over FY25-28



Source: Company, MOFSL

Financials and Valuations

Consolidated - Income Statement

	INRm						
Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total Income from Operations	1,06,342	1,15,993	1,26,676	1,29,645	1,45,205	1,60,834	1,77,229
Change (%)	20.2	9.1	9.2	2.3	12.0	10.8	10.2
Total Expenditure	85,813	99,198	1,04,221	1,04,524	1,15,381	1,28,774	1,41,164
EBITDA	20,529	16,795	22,455	25,121	29,825	32,061	36,065
Margin (%)	19.3	14.5	17.7	19.4	20.5	19.9	20.3
Depreciation	3,040	3,104	2,993	3,572	3,687	3,809	4,064
EBIT	17,490	13,690	19,462	21,550	26,137	28,252	32,001
Int. and Finance Charges	524	1,074	1,124	1,217	1,389	1,064	998
Other Income	1,627	2,161	3,108	4,937	4,883	5,837	4,556
PBT bef. EO Exp.	18,592	14,778	21,446	25,270	29,631	33,024	35,560
EO Items	-150	-1,730	-1,215	0	-399	0	0
PBT after EO Exp.	18,443	13,048	20,231	25,270	29,232	33,024	35,560
Current Tax	1,640	2,980	2,117	3,110	4,179	10,568	10,846
Deferred Tax	0	0	0	0	0	0	0
Tax Rate (%)	8.9	22.8	10.5	12.3	14.3	32.0	30.5
Less: Minority Interest	300	226	157	505	556	840	900
Reported PAT	16,503	9,842	17,958	21,655	24,498	21,616	23,814
Adjusted PAT	16,516	12,678	19,091	21,655	24,828	21,616	23,814
Change (%)	2.6	-23.2	50.6	13.4	14.7	-13.0	10.2
Margin (%)	15.5	10.9	15.1	16.7	17.1	13.4	13.4

Consolidated - Balance Sheet

	INRm						
Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	239	239	239	239	239	239	239
Total Reserves	86,140	90,214	1,02,882	1,19,610	1,36,311	1,50,098	1,66,052
Net Worth	86,379	90,453	1,03,121	1,19,849	1,36,550	1,50,337	1,66,291
Minority Interest	2,094	3,897	4,023	4,488	4,488	4,488	4,488
Deferred Tax Liabilities	0	0	0	0	0	0	0
Total Loans	26,466	13,775	14,032	13,302	13,302	13,302	13,302
Capital Employed	1,14,939	1,08,125	1,21,176	1,37,638	1,54,340	1,68,127	1,84,080
Gross Block	35,948	36,835	43,260	46,607	52,742	66,771	78,378
Less: Accum. Deprn.	13,077	16,181	19,174	22,745	26,433	30,242	34,306
Net Fixed Assets	22,871	20,654	24,086	23,862	26,310	36,529	44,073
Goodwill on Consolidation	6,146	4,796	4,642	4,662	4,662	4,662	4,662
Capital WIP	3,395	3,103	1,586	5,481	2,847	12,320	4,215
Total Investments	3,710	6,218	4,838	18,455	18,455	18,455	18,455
Curr. Assets, Loans&Adv.	91,477	89,770	1,05,449	1,07,070	1,32,962	1,32,084	1,53,094
Inventory	30,055	26,075	26,612	29,224	32,876	37,044	40,609
Account Receivables	18,846	21,322	22,528	24,663	28,503	32,608	35,931
Cash and Bank Balance	25,786	25,786	15,694	15,631	29,731	15,845	25,219
Loans and Advances	16,790	16,587	40,616	37,552	41,853	46,586	51,335
Curr. Liability & Prov.	25,753	29,442	34,572	39,273	48,278	53,306	57,800
Account Payables	11,734	11,650	17,481	18,394	20,547	22,579	24,752
Other Current Liabilities	7,955	10,370	12,824	15,906	17,727	19,732	21,744
Provisions	6,064	7,421	4,267	4,973	10,003	10,994	11,305
Net Current Assets	65,725	60,329	70,877	67,797	84,684	78,778	95,294
Deferred Tax assets	13,093	13,025	15,148	17,383	17,383	17,383	17,383
Appl. of Funds	1,14,939	1,08,125	1,21,177	1,37,638	1,54,340	1,68,127	1,84,080

Financials and Valuations

Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)							
EPS	138.1	106.0	159.7	181.1	207.7	180.5	198.6
Cash EPS	163.6	132.0	184.7	211.0	232.6	212.4	232.6
BV/Share	723	757	863	1,002	1,142	1,258	1,391
DPS	59.0	50.0	40.0	45.0	50.0	55.0	55.0
Payout (%)	50.7	72.0	31.6	29.4	29.8	36.1	32.8
Valuation (x)							
P/E	39.1	50.9	33.8	29.8	26.0	29.9	27.2
Cash P/E	33.0	40.9	29.2	25.6	22.66	25.4	23.2
P/BV	7.5	7.1	6.3	5.4	4.7	4.3	3.9
EV/Sales	6.1	5.5	5.1	5.0	4.4	4.0	3.6
EV/EBITDA	31.5	37.7	28.7	25.6	21.1	20.1	17.6
Dividend Yield (%)	1.1	0.9	0.7	0.8	0.9	1.0	1.0
FCF per share	65.5	121.5	147.3	148.6	152.6	-83.4	122.2
Return Ratios (%)							
RoE	20.6	14.3	19.7	19.4	18.8	15.0	15.0
RoCE	17.1	11.3	18.3	18.6	18.3	14.8	14.8
RoIC	21.6	13.6	20.3	19.2	21.6	17.1	17.3
Working Capital Ratios							
Fixed Asset Turnover (x)	3.0	3.1	2.9	2.8	2.7	2.4	2.3
Asset Turnover (x)	0.9	1.1	1.0	0.9	0.9	1.0	1.0
Inventory (Days)	103	82	77	82	83	84	84
Debtor (Days)	65	67	65	69	72	74	74
Creditor (Days)	40	37	50	52	52	51	51
Working Cap. Turnover (Days)	137	109	159	147	139	143	144
Leverage Ratio (x)							
Current Ratio	3.6	3.0	3.1	2.7	2.8	2.5	2.6
Interest Cover Ratio	33.4	12.8	17.3	17.7	18.3	26.5	32.1
Debt/Equity	0.0	-0.1	0.0	0.0	-0.1	0.0	-0.1

Consolidated - Cash Flow Statement

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	18,443	13,048	20,231	25,270	28,919	32,970	35,462
Depreciation	3,040	3,104	2,993	3,572	3,687	3,809	4,064
Interest & Finance Charges	-703	1,074	1,124	-3,720	-3,494	-4,718	-3,461
Direct Taxes Paid	-3,969	-2,734	-4,069	-3,110	-4,179	-10,550	-10,816
(Inc)/Dec in WC	-5,450	3,268	-516	3,017	-3,186	-7,979	-7,142
CF from Operations	11,361	17,759	19,763	25,028	21,748	13,531	18,107
CF from Operating incl EO	11,110	16,825	19,482	25,028	21,748	13,531	18,107
(Inc)/Dec in FA	-3,280	-2,297	-1,868	-7,262	-3,502	-23,502	-3,502
Free Cash Flow	7,830	14,528	17,614	17,767	18,246	-9,971	14,605
(Pur)/Sale of Investments	-12,051	1,955	-10,612	-13,617	0	0	0
Others	980	1,471	2,395	4,937	4,883	5,782	4,459
CF from Investments	-14,351	1,128	-10,085	-15,942	1,381	-17,720	957
Inc/(Dec) in Debt	8,628	-11,408	-5,132	-730	0	0	0
Interest Paid	-401	-905	-913	-1,217	-1,389	-1,064	-998
Dividend Paid	-4,219	-5,295	-5,405	-6,376	-7,084	-7,793	-7,793
CF from Fin. Activity	3,796	-16,388	-19,489	-9,149	-9,029	-9,697	-9,690
Inc/Dec of Cash	555	1,565	-10,093	-62	14,099	-13,885	9,373
Opening Balance	1,705	2,297	3,862	-6,231	-6,293	7,807	-6,079
Closing Cash and Cash Eq.	2,297	3,862	-6,231	-6,293	7,807	-6,079	3,295
Bank Balances	23,489	21,924	21,924	21,924	21,924	21,924	21,924
Total Cash and Cash Eq.	25,786	25,786	15,694	15,631	29,731	15,845	25,219

INRm

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SELL	< - 10%
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