

Alembic Pharma

| | |
|-----------------|---|
| Estimate change | ↔ |
| TP change | ↑ |
| Rating change | ↔ |

| | |
|-----------------------|-------------|
| Bloomberg | ALPM IN |
| Equity Shares (m) | 197 |
| M.Cap.(INRb)/(USDb) | 238.6 / 2.8 |
| 52-Week Range (INR) | 1286 / 707 |
| 1, 6, 12 Rel. Per (%) | 24/12/30 |
| 12M Avg Val (INR M) | 269 |

Financials & Valuations (INR b)

| Y/E MARCH | FY24 | FY25E | FY26E |
|----------------------|-------|-------|-------|
| Sales | 62.3 | 66.3 | 72.8 |
| EBITDA | 9.3 | 11.7 | 13.0 |
| Adj. PAT | 6.2 | 7.4 | 8.2 |
| EBIT Margin (%) | 10.6 | 13.5 | 13.9 |
| Cons. Adj. EPS (INR) | 31.5 | 37.6 | 41.5 |
| EPS Gr. (%) | 43.9 | 19.7 | 10.3 |
| BV/Sh. (INR) | 245.1 | 277.1 | 312.9 |

Ratios

| | | | |
|------------|------|------|------|
| Net D:E | 0.1 | 0.0 | 0.0 |
| RoE (%) | 13.5 | 14.3 | 13.9 |
| RoCE (%) | 12.9 | 13.9 | 13.6 |
| Payout (%) | 19.1 | 16.0 | 14.5 |

Valuations

| | | | |
|----------------|------|------|------|
| P/E (x) | 38.7 | 32.3 | 29.3 |
| EV/EBITDA (x) | 19.9 | 15.6 | 13.9 |
| Div. Yield (%) | 0.4 | 0.4 | 0.4 |
| FCF Yield (%) | 1.8 | 3.5 | 3.5 |
| EV/Sales (x) | 3.0 | 2.8 | 2.5 |

Shareholding pattern (%)

| As On | Jun-24 | Mar-24 | Jun-23 |
|----------|--------|--------|--------|
| Promoter | 69.6 | 69.6 | 69.6 |
| DII | 15.5 | 15.4 | 13.7 |
| FII | 4.3 | 4.5 | 4.3 |
| Others | 10.6 | 10.5 | 12.4 |

FII Includes depository receipts

CMP: INR1,214 TP: INR1,155 (-5%) Neutral

The US generics and specialty in India drive earnings

Launch momentum to strengthen going forward

- Alembic Pharma (ALPM) posted a miss on earnings in 1QFY25, due to muted performance in the ROW and API segments. The US generics witnessed a pickup in sales for the quarter. Further, the specialty portfolio in the domestic formulation (DF) segment fared better than the industry.
- We largely maintain our estimates for FY25/FY26. We value ALPM at 26x 12M forward earnings to arrive at our TP of INR1,155.
- The pace of ANDA launches is likely to scale-up in the coming quarters. The consistent USFDA compliance track record provides minimal risk to the US generics outlook. The animal health business also remains on a robust growth path. However, the benefit is partly offset by reduced off-take in the API segment. We model a 15% earnings CAGR over FY24-26. However, considering its valuations (32x/29x FY25E/FY26E earnings), we reiterate our Neutral on the stock.

Segmental mix benefits partly offset by higher opex

- ALPM sales grew 5% YoY to INR15.6b (in-line). Domestic formulation (DF) sales grew 9.2% YoY to INR5.7b (37% of sales). The US generics sales grew 18% YoY to INR4.6b (USD56m; 29% of sales). Ex-US generics, export sales grew 2% YoY to INR2.7b (17% of sales). API sales declined 15% YoY to INR2.6b (17% of sales).
- Gross margin expanded 260bp YoY to 74.8% propelled by superior product mix and lower RM costs.
- EBITDA margin expanded 180bp YoY to 15.2% (our est: 16.9%), as the favorable product mix was offset by higher employee costs (+90bp as a % of sales).
- Consequently, EBITDA grew 19.2% YoY to INR2.4b (our est: INR2.6b)
- Adj. PAT grew 12% YoY to INR1.3b (our est: INR1.7b).

Highlights from the management commentary

- It would be launching 10 products in 2QFY25 in the US generics segment.
- With respect to G-Entresto, ALPM has settled with the innovator. ALPM is in a wait-and-watch mode for launching this product. The court hearing is underway, and the company will have clarity in a couple of weeks.
- The API business was hit by regulatory issues for its customer. ALPM expects this business to revive in the coming quarter.
- The ROW business was muted in 1QFY25 due to supply constraints.
- The G-Revlimid launch is a couple of years away in the US market.

Quarterly perf. (Consol.)

(INR m)

| Y/E March | FY24 | | | | FY25E | | | | FY24 | FY25E | FY25E | vs Est |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | | 1QE | |
| Net Sales | 14,862 | 15,949 | 16,309 | 15,170 | 15,617 | 16,421 | 17,490 | 16,742 | 62,290 | 66,270 | 15,671 | -0.3% |
| YoY Change (%) | 17.7 | 8.1 | 8.1 | 7.9 | 5.1 | 3.0 | 7.2 | 10.4 | 10.2 | 6.4 | 5.4 | |
| Total Expenditure | 12,874 | 13,867 | 13,642 | 12,569 | 13,249 | 13,662 | 14,202 | 13,427 | 52,953 | 54,540 | 13,023 | |
| EBITDA | 1,987 | 2,083 | 2,667 | 2,601 | 2,368 | 2,759 | 3,288 | 3,315 | 9,337 | 11,730 | 2,648 | -10.6% |
| YoY Change (%) | 73.3 | -10.5 | 7.2 | 16.5 | 19.2 | 32.5 | 23.3 | 27.5 | 14.0 | 25.6 | 33.3 | |
| Margins (%) | 13.4 | 13.1 | 16.4 | 17.1 | 15.2 | 16.8 | 18.8 | 19.8 | 15.0 | 17.7 | 16.9 | -173.5 |
| Depreciation | 662 | 676 | 695 | 695 | 690 | 695 | 705 | 718 | 2,727 | 2,808 | 690 | |
| EBIT | 1,325 | 1,407 | 1,973 | 1,906 | 1,678 | 2,064 | 2,583 | 2,597 | 6,611 | 8,921 | 1,958 | -14.3% |
| YoY Change (%) | 111.9 | -22.3 | 8.9 | -2.4 | 26.6 | 46.7 | 31.0 | 36.3 | 12.4 | 35.0 | 47.8 | |
| Interest | 144 | 157 | 152 | 109 | 132 | 115 | 105 | 79 | 562 | 431 | 110 | |
| Other Income | 117 | 102 | 29 | 36 | 21 | 42 | 50 | 77 | 283 | 190 | 40 | |
| PBT before EO expense | 1,298 | 1,352 | 1,850 | 1,832 | 1,567 | 1,991 | 2,528 | 2,595 | 6,332 | 8,681 | 1,888 | -17.0% |
| Extra-Ord expense | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| PBT | 1,298 | 1,352 | 1,850 | 1,832 | 1,567 | 1,991 | 2,528 | 2,595 | 6,332 | 8,681 | 1,888 | -17.0% |
| Tax | 92 | -19 | 41 | 46 | 225 | 259 | 354 | 378 | 160 | 1,215 | 227 | |
| Rate (%) | 7.0 | -1.4 | 2.2 | 2.5 | 14.4 | 13.0 | 14.0 | 14.6 | 2.5 | 14.0 | 12.0 | |
| MI & P/L of Asso. Cos. | 0 | -5 | -1 | -4 | -5 | -5 | -5 | 84 | -10 | 69 | -4 | |
| Reported PAT | 1,207 | 1,376 | 1,809 | 1,790 | 1,347 | 1,737 | 2,179 | 2,134 | 6,182 | 7,396 | 1,666 | -19.1% |
| Adj PAT | 1,207 | 1,376 | 1,809 | 1,790 | 1,347 | 1,737 | 2,179 | 2,134 | 6,182 | 7,396 | 1,666 | -19.1% |
| YoY Change (%) | 160.9 | -6.7 | 36.6 | 73.1 | 11.6 | 26.2 | 20.5 | 19.2 | 43.9 | 19.7 | 38.0 | |
| Margins (%) | 8.1 | 8.6 | 11.1 | 11.8 | 8.6 | 10.6 | 12.5 | 12.7 | 9.9 | 11.2 | 10.6 | |

Key performance Indicators (Consolidated)

(INR m)

| Y/E March | FY24 | | | | FY25E | | | | FY24 | FY25E |
|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | |
| India | 5,240 | 5,770 | 5,960 | 5,030 | 5,720 | 6,059 | 6,401 | 5,629 | 22,000 | 23,808 |
| YoY Change (%) | 9.2 | 5.1 | 9.4 | 2.9 | 9.2 | 5.0 | 7.4 | 11.9 | 6.6 | 8.2 |
| Exports | 6,570 | 6,960 | 7,460 | 6,850 | 7,320 | 7,561 | 8,084 | 7,837 | 27,820 | 30,802 |
| YoY Change (%) | 19.7 | 10.0 | 16.9 | 13.4 | 11.4 | 8.6 | 8.4 | 14.4 | 14.8 | 10.7 |
| APIs | 3,050 | 3,220 | 2,890 | 3,300 | 2,590 | 2,801 | 3,006 | 3,263 | 12,460 | 11,660 |
| YoY Change (%) | 30.9 | 9.5 | (11.3) | 5.4 | (15.1) | (13.0) | 4.0 | (1.1) | 6.9 | (6.4) |
| Cost Break-up | | | | | | | | | | |
| RM Cost (% of Sales) | 27.8 | 28.9 | 28.3 | 25.0 | 25.2 | 25.3 | 25.1 | 25.6 | 27.5 | 25.3 |
| Staff Cost (% of Sales) | 23.4 | 21.8 | 21.4 | 26.5 | 24.3 | 23.2 | 22.0 | 23.0 | 23.2 | 23.1 |
| R&D Expenses (% of Sales) | 8.0 | 7.6 | 7.0 | 8.0 | 7.0 | 7.2 | 7.5 | 8.3 | 7.6 | 7.5 |
| Other Cost (% of Sales) | 27.4 | 28.7 | 27.0 | 23.4 | 28.3 | 27.5 | 26.6 | 23.4 | 26.6 | 26.4 |
| Gross Margin (%) | 72.2 | 71.1 | 71.7 | 75.0 | 74.8 | 74.7 | 74.9 | 74.4 | 72.5 | 74.7 |
| EBITDA Margin (%) | 13.4 | 13.1 | 16.4 | 17.1 | 15.2 | 16.8 | 18.8 | 19.8 | 15.0 | 17.7 |
| EBIT Margin (%) | 8.9 | 8.8 | 12.1 | 12.6 | 10.7 | 12.6 | 14.8 | 15.5 | 10.6 | 13.5 |

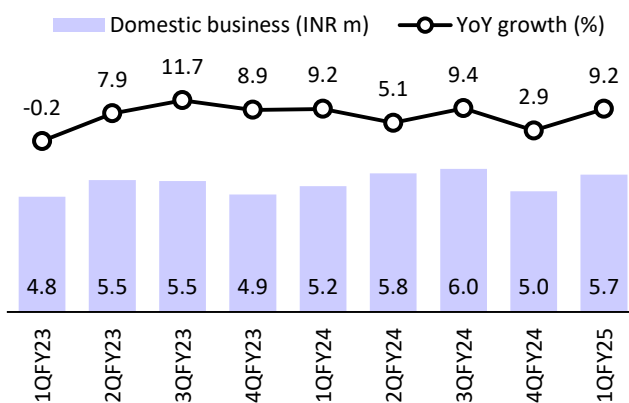


Key takeaways from the management commentary

- ALPM expects the gross margin to be north of 70% going forward.
- The company expects that R&D expense to be ~INR5.5b for FY25.
- Management guided API business growth to be 10% YoY for FY25.
- ALPM guided the US business to grow ~10-15% for FY25.
- It continues to witness double-digit price erosion in the US generics segment.
- ALPM delivered robust growth in the specialty portfolio and better-than-market growth in the Acute portfolio of the DF segment. Therapy-wise, Gynecology, Gastro-intestinal, and Anti-diabetic grew 12.5%, 11.8%, and 18.4% YoY, respectively.
- ALPM has 5,200 MRs with 21 marketing divisions for the DF business
- A basket of strong brands continue to drive outperformance in the animal health segment.
- Gross borrowing was INR5.9b in 1QFY25 vs. INR4.3b in Mar'24.
- ALPM had a cash of INR1.5b in 1QFY25 vs. INR1.2b in Mar'24.

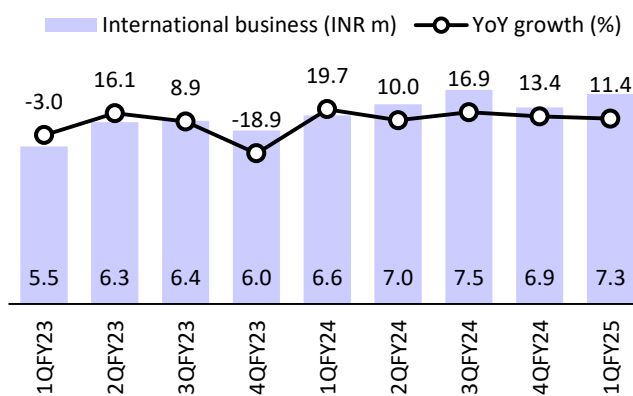
Key exhibits

Exhibit 1: DF sales grew 9.2% YoY in 1QFY25



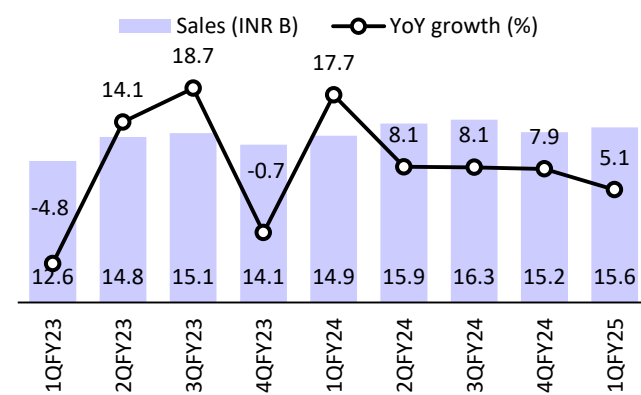
Source: MOFSL, Company

Exhibit 2: International business grew 11.4% YoY in 1QFY25



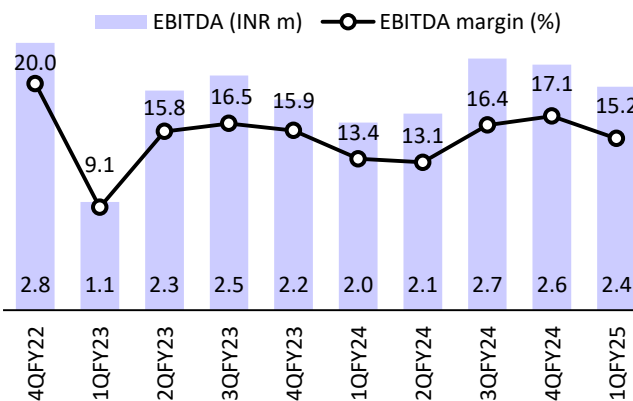
Source: MOFSL, Company

Exhibit 3: Sales increased 5.1% YoY



Source: MOFSL, Company

Exhibit 4: EBITDA margin expanded 180bp YoY in 1QFY25



Source: MOFSL, Company

Focus on complex launches in the US/DF market to aid growth

US: Building complex product pipeline

- In 1QFY25, ALPM's US business grew 16.8% YoY to USD56m, led by market share gains in a few products and scaling up of recently commercialized products.
- ALPM filed three ANDAs in 1QFY25 and received approval for nine products in the US market. ALPM is investing more in complex injectable, ophthalmic, oncology, and inhalation products.
- It plans to launch 25 products in FY25. Moreover, the launch of new products from the new facilities to drive growth in the coming quarters.
- Further, due to increased demand, ALPM is raising its capacity in oral solids to drive growth over the medium term.
- Considering the new launches of complex products and a scale-up in existing products, we expect an 11% sales CAGR to USD263m over FY24-26.

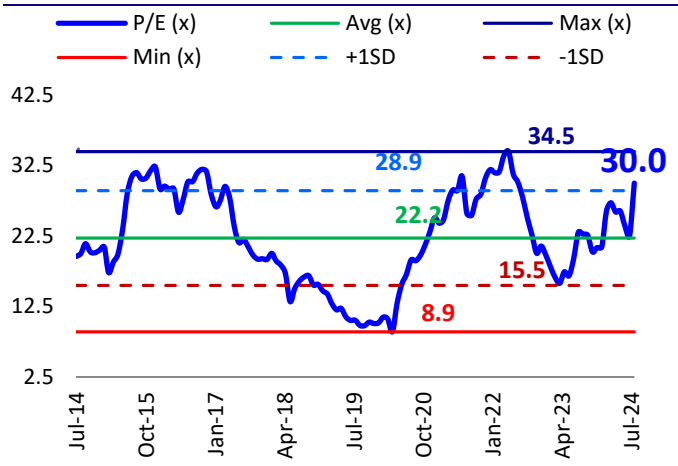
India: Specialty brands witnessing strong growth; animal health on a robust growth mode

- In 1QFY25, ALPM's overall India business grew 9% YoY to INR5.7b. The growth was led by a 10% YoY growth in the specialty segment, largely driven by strong performance in gynaec/gastro/anti-diabetic/ophthalmology.
- In 1QFY25, ALPM's animal health segment registered a growth of 31.9% YoY to INR980m, led by strong brand recall and enhanced efforts by MRs.
- The acute segment registered a decline of 2.8% YoY in 1QFY25, led by a muted performance in anti-infective and respiratory segments.
- In MAT Jun'24, ALPM's prescription base was stable at 130m. Additionally, the company plans to launch key products in FY25 and improve the depth of the products launched in FY24, which would drive growth.
- Further, the company plans to invest in a new facility, which would drive growth for overall India business.
- Accordingly, we expect a 9% sales CAGR to INR26.1b over FY24-26.

Reiterate Neutral

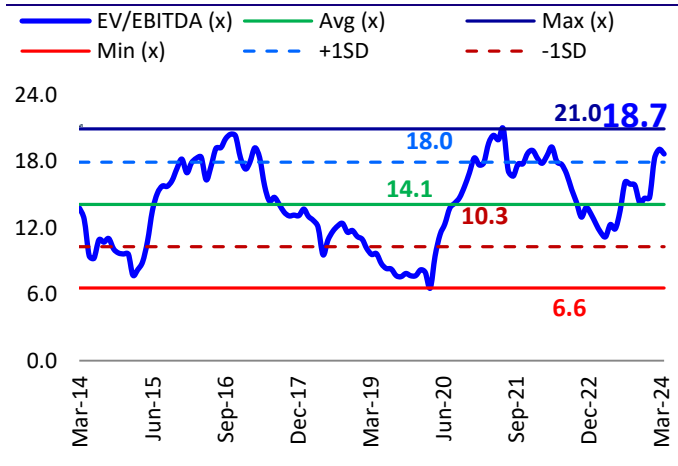
- We largely maintain our estimates for FY25/FY26. We value ALPM at 26x 12M forward earnings to arrive at our TP of INR1,155.
- The pace of ANDA launches is likely to scale-up in the coming quarters. The consistent USFDA compliance track record provides minimal risk to the US generics outlook. The animal health business also remains on a robust growth path. However, the benefit is partly offset by reduced off-take in the API segment. We model a 15% earnings CAGR over FY24-26. However, considering its valuations (32x/29x FY25E/FY26E earnings), we reiterate our Neutral on the stock.

Exhibit 5: P/E chart



Source: MOFSL, Company, Bloomberg

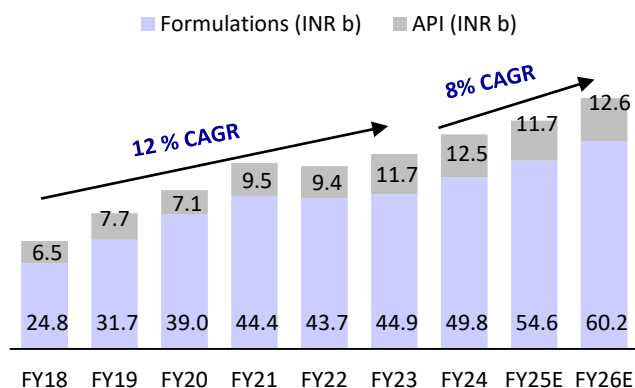
Exhibit 6: EV/EBITDA chart



Source: MOFSL, Company, Bloomberg

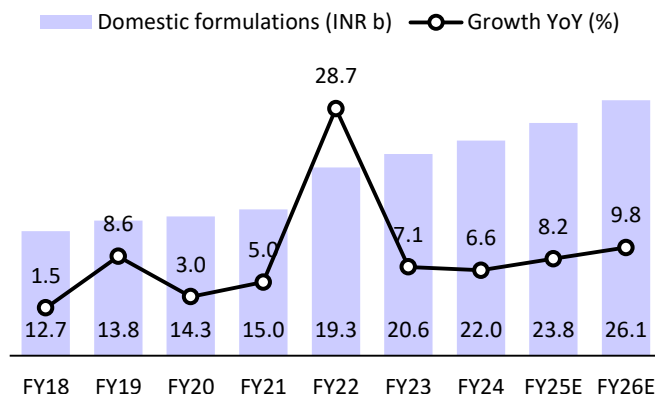
Story in charts

Exhibit 7: Formulation sales CAGR to be 8% over FY24-26



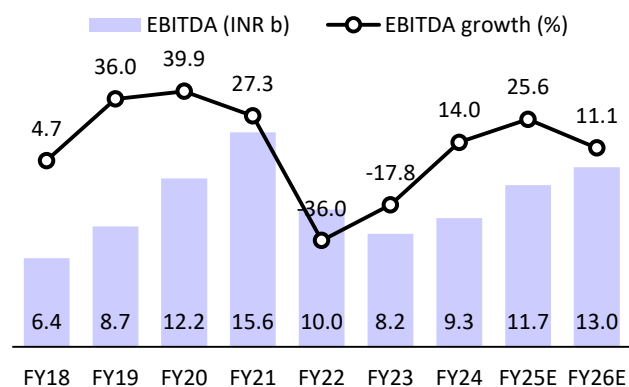
Source: MOFSL, Company

Exhibit 8: Expect DF to exhibit 9% CAGR over FY24-26



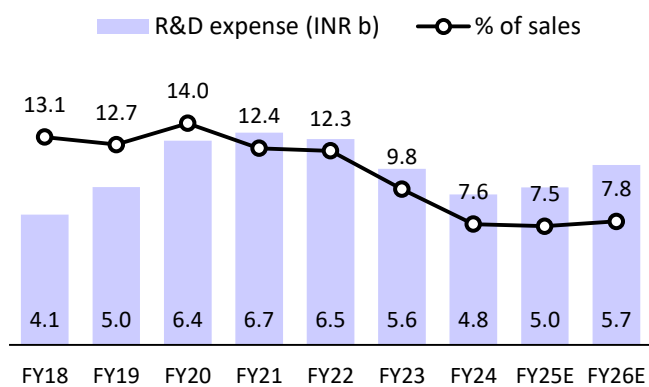
Source: MOFSL, Company

Exhibit 9: EBITDA CAGR to be 18% during FY24-26



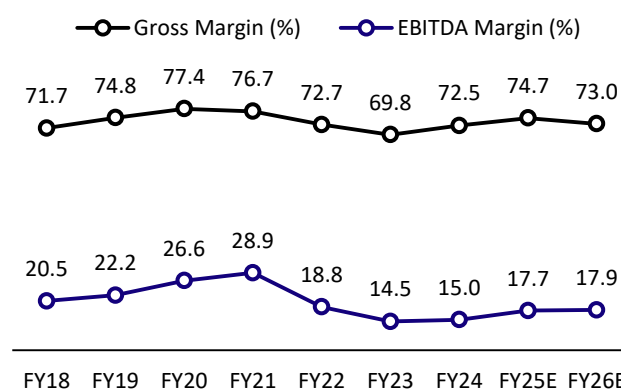
Source: MOFSL, Company

Exhibit 10: R&D expenses as a % of sales to decline



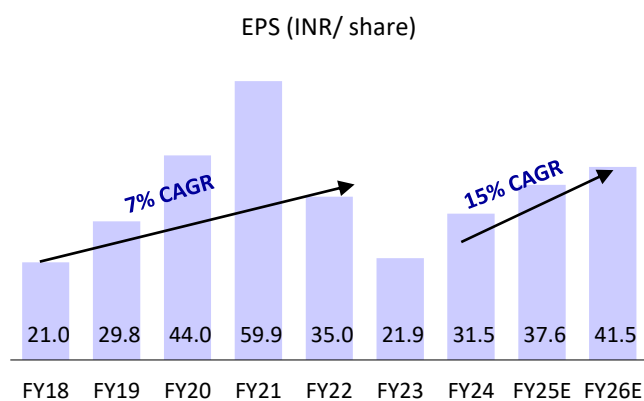
Source: MOFSL, Company

Exhibit 11: Margin to improve over FY24-26



Source: MOFSL, Company

Exhibit 12: Earnings CAGR to be 15% over FY24-26



Source: MOFSL, Company

Financials and valuations

Consolidated - Income Statement

(INR m)

| Y/E March | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25E | FY26E |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Net Sales | 39,357 | 46,060 | 53,931 | 53,058 | 56,526 | 62,290 | 66,270 | 72,814 |
| Change (%) | 25.7 | 17.0 | 17.1 | -1.6 | 6.5 | 10.2 | 6.4 | 9.9 |
| EBITDA | 8,746 | 12,233 | 15,575 | 9,972 | 8,194 | 9,337 | 11,730 | 13,034 |
| Change (%) | 36.0 | 39.9 | 27.3 | -36.0 | -17.8 | 14.0 | 25.6 | 11.1 |
| Margin (%) | 22.2 | 26.6 | 28.9 | 18.8 | 14.5 | 15.0 | 17.7 | 17.9 |
| Depreciation | 1,152 | 1,573 | 1,835 | 2,218 | 2,314 | 2,727 | 2,808 | 2,940 |
| EBIT | 7,594 | 10,660 | 13,741 | 7,754 | 5,880 | 6,611 | 8,921 | 10,093 |
| Int. and Finance Charges | 184 | 272 | 160 | 177 | 502 | 562 | 431 | 379 |
| Other Income - Rec. | 94 | 49 | 100 | 505 | 27 | 283 | 190 | 195 |
| PBT bef. EO Exp. | 7,503 | 10,437 | 13,681 | 8,081 | 5,405 | 6,332 | 8,681 | 9,909 |
| EO Expense/(Income) | 0 | 436 | 0 | 1,880 | 1,550 | 0 | 0 | 0 |
| PBT after EO Exp. | 7,503 | 10,001 | 13,681 | 6,201 | 3,855 | 6,332 | 8,681 | 9,909 |
| Current Tax | 1,781 | 2,046 | 2,629 | 1,279 | 42 | 658 | 1,997 | 2,279 |
| Deferred Tax | -214 | -54 | -96 | -235 | 84 | -498 | -781 | -595 |
| Tax Rate (%) | 20.9 | 19.9 | 18.5 | 16.8 | 3.3 | 2.5 | 14.0 | 17.0 |
| MI & P/L of Asso. Cos. | 82.0 | -284.7 | -633.5 | -300.3 | 309.2 | -9.8 | 69.0 | 69.0 |
| Reported PAT | 5,854 | 8,294 | 11,781 | 5,457 | 3,420 | 6,182 | 7,396 | 8,156 |
| PAT Adj for EO items | 5,854 | 8,643 | 11,781 | 6,889 | 4,296 | 6,182 | 7,396 | 8,156 |
| Change (%) | 41.8 | 47.7 | 36.3 | -41.5 | -37.6 | 43.9 | 19.7 | 10.3 |
| Margin (%) | 14.9 | 18.8 | 21.8 | 13.0 | 7.6 | 9.9 | 11.2 | 11.2 |

Consolidated - Balance Sheet

(INR m)

| Y/E March | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25E | FY26E |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Equity Share Capital | 377 | 377 | 393 | 393 | 393 | 393 | 393 | 393 |
| Total Reserves | 26,811 | 31,820 | 50,883 | 51,982 | 43,312 | 47,789 | 54,071 | 61,113 |
| Preference Capital | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Worth | 27,188 | 32,197 | 51,276 | 52,375 | 43,705 | 48,182 | 54,465 | 61,506 |
| Minority Interest | -8 | -290 | -606 | 0 | 0 | 0 | 0 | 0 |
| Deferred Liabilities | 188 | 122 | 42 | 0 | 0 | 0 | -781 | -1,376 |
| Total Loans | 9,284 | 18,208 | 2,715 | 7,021 | 7,051 | 4,933 | 4,835 | 4,737 |
| Capital Employed | 36,652 | 50,237 | 53,426 | 59,397 | 50,756 | 53,115 | 58,519 | 64,868 |
| Gross Block | 15,156 | 20,700 | 24,909 | 27,221 | 35,532 | 39,741 | 46,671 | 51,344 |
| Less: Accum. Deprn. | 3,608 | 5,181 | 7,016 | 9,234 | 11,548 | 14,274 | 17,083 | 20,023 |
| Net Fixed Assets | 11,585 | 15,518 | 17,893 | 17,987 | 23,985 | 25,467 | 29,589 | 31,321 |
| Capital WIP | 15,512 | 18,462 | 21,817 | 23,034 | 6,013 | 5,244 | 3,314 | 3,641 |
| Total Investments | 488 | 179 | 2,363 | 1,184 | 963 | 930 | 930 | 930 |
| Curr. Assets, Loans&Adv. | 20,193 | 25,734 | 25,017 | 29,015 | 30,868 | 32,815 | 36,023 | 42,009 |
| Inventory | 9,673 | 11,875 | 14,862 | 16,097 | 14,753 | 16,435 | 16,077 | 18,852 |
| Account Receivables | 4,889 | 8,648 | 3,486 | 8,071 | 10,464 | 10,248 | 11,075 | 12,368 |
| Cash and Bank Balance | 2,056 | 808 | 1,058 | 694 | 823 | 1,266 | 3,965 | 5,819 |
| Loans and Advances | 3,576 | 4,404 | 5,612 | 4,153 | 4,828 | 4,866 | 4,905 | 4,970 |
| Curr. Liability & Prov. | 11,125 | 9,656 | 13,663 | 11,824 | 11,073 | 11,341 | 11,337 | 13,033 |
| Account Payables | 6,443 | 6,259 | 6,688 | 7,064 | 6,798 | 7,356 | 7,304 | 8,672 |
| Other Current Liabilities | 3,838 | 2,270 | 5,601 | 3,165 | 2,512 | 2,237 | 2,379 | 2,614 |
| Provisions | 844 | 1,127 | 1,375 | 1,595 | 1,763 | 1,748 | 1,654 | 1,747 |
| Net Current Assets | 9,068 | 16,078 | 11,354 | 17,192 | 19,795 | 21,474 | 24,686 | 28,976 |
| Misc Expenditure | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Appl. of Funds | 36,652 | 50,238 | 53,426 | 59,397 | 50,756 | 53,115 | 58,519 | 64,868 |

Financials and valuations

Ratios

| Y/E March | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25E | FY26E |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Basic (INR) | | | | | | | | |
| EPS | 29.8 | 44.0 | 59.9 | 35.0 | 21.9 | 31.5 | 37.6 | 41.5 |
| Cash EPS | 37.2 | 54.2 | 69.3 | 46.3 | 33.6 | 45.3 | 51.9 | 56.4 |
| BV/Share | 144.2 | 170.8 | 260.9 | 266.5 | 222.4 | 245.1 | 277.1 | 312.9 |
| DPS | 5.5 | 10.0 | 10.4 | 10.4 | 4.2 | 5.2 | 5.2 | 5.2 |
| Payout (%) | 21.3 | 27.4 | 20.1 | 43.4 | 27.7 | 19.1 | 16.0 | 14.5 |
| Valuation (x) | | | | | | | | |
| P/E | 40.8 | 27.7 | 20.3 | 34.7 | 55.6 | 38.7 | 32.3 | 29.3 |
| Cash P/E | 32.7 | 22.4 | 17.6 | 26.2 | 36.2 | 26.8 | 23.4 | 21.5 |
| P/BV | 8.4 | 7.1 | 4.7 | 4.6 | 5.5 | 5.0 | 4.4 | 3.9 |
| EV/Sales | 4.8 | 4.3 | 3.4 | 3.5 | 3.3 | 3.0 | 2.8 | 2.5 |
| EV/EBITDA | 21.6 | 16.3 | 11.8 | 18.9 | 23.0 | 19.9 | 15.6 | 13.9 |
| Dividend Yield (%) | 0.5 | 0.8 | 0.9 | 0.9 | 0.3 | 0.4 | 0.4 | 0.4 |
| Return Ratios (%) | | | | | | | | |
| RoE | 23.4 | 30.1 | 29.7 | 13.9 | 8.3 | 13.5 | 14.3 | 13.9 |
| RoCE | 18.5 | 19.7 | 21.6 | 12.1 | 10.4 | 12.9 | 13.9 | 13.6 |
| RoIC | 31.8 | 34.6 | 38.0 | 20.6 | 14.7 | 14.5 | 16.0 | 16.0 |
| Working Capital Ratios | | | | | | | | |
| Asset Turnover (x) | 1.1 | 0.9 | 1.0 | 0.9 | 1.1 | 1.2 | 1.1 | 1.1 |
| Inventory (Days) | 90 | 94 | 101 | 111 | 95 | 96 | 89 | 95 |
| Debtor (Days) | 45 | 69 | 24 | 56 | 68 | 60 | 61 | 62 |
| Creditor (Days) | 60 | 50 | 45 | 49 | 44 | 43 | 40 | 43 |
| Leverage Ratio (x) | | | | | | | | |
| Net Debt/Equity | 0.3 | 0.5 | 0.0 | 0.1 | 0.1 | 0.1 | 0.0 | 0.0 |

Consolidated - Cash Flow Statement

| Y/E March | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25E | FY26E |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| (INRm) | | | | | | | | |
| Net Profit / (Loss) Before Tax | 7,493 | 9,998 | 13,681 | 6,201 | 3,546 | 6,318 | 8,681 | 9,909 |
| Depreciation | 1,152 | 1,573 | 1,835 | 2,868 | 2,754 | 2,727 | 2,808 | 2,940 |
| Interest & Finance Charges | 184 | 272 | 160 | 131 | 502 | 562 | 241 | 184 |
| Direct Taxes Paid | 1,665 | 2,361 | 2,454 | 1,234 | 607 | 199 | 1,997 | 2,279 |
| (Inc)/Dec in WC | 1,116 | -5,844 | 2,395 | -3,673 | -576 | -957 | -512 | -2,436 |
| CF from Operations | 8,281 | 3,638 | 15,617 | 4,292 | 5,619 | 8,452 | 9,221 | 8,318 |
| Others | -161 | 853 | -983 | 1,231 | 1,620 | -819 | 0 | 0 |
| CF from Operating incl EO | 8,119 | 4,491 | 14,634 | 5,524 | 7,239 | 7,633 | 9,221 | 8,318 |
| (inc)/dec in FA | -6,539 | -6,726 | -6,592 | -4,243 | -4,434 | -3,159 | -5,000 | -5,000 |
| Free Cash Flow | 1,580 | -2,235 | 8,041 | 1,281 | 2,805 | 4,474 | 4,221 | 3,318 |
| (Pur)/Sale of Investments | 39 | 23 | -1,796 | 523 | -64 | -63 | 0 | 0 |
| Others | -1,055 | -613 | 0 | 17 | 22 | 32 | 190 | 195 |
| CF from Investments | -7,556 | -7,316 | -8,388 | -3,702 | -4,476 | -3,190 | -4,810 | -4,805 |
| Issue of Shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (Inc)/Dec in Debt | 2,206 | 5,919 | -12,398 | 1,300 | -172 | -2,312 | -98 | -98 |
| Interest Paid | -703 | -1,111 | 6,611 | -519 | -497 | -494 | -431 | -379 |
| Dividend Paid | -909 | -3,260 | 0 | -2,752 | -1,966 | -1,573 | -1,183 | -1,183 |
| Others | -1 | 27 | -208 | -214 | 0 | 0 | 0 | 0 |
| CF from Fin. Activity | 592 | 1,576 | -5,994 | -2,186 | -2,635 | -4,379 | -1,712 | -1,660 |
| Inc/Dec of Cash | 1,156 | -1,249 | 252 | -364 | 129 | 64 | 2,700 | 1,853 |
| Add: Beginning Balance | 900 | 2,055 | 807 | 1,059 | 694 | 823 | 1,266 | 3,966 |
| Closing Balance | 2,055 | 807 | 1,058 | 694 | 823 | 887 | 3,965 | 5,819 |
| Total Cash and Cash Eq | 2,056 | 807 | 1,059 | 694 | 823 | 1,266 | 3,965 | 5,819 |

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| Explanation of Investment Rating | |
|----------------------------------|--|
| Investment Rating | Expected return (over 12-month) |
| BUY | >=15% |
| SELL | < - 10% |
| NEUTRAL | < - 10 % to 15% |
| UNDER REVIEW | Rating may undergo a change |
| NOT RATED | We have forward looking estimates for the stock but we refrain from assigning recommendation |

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

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| 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 |

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