

|                 |  |
|-----------------|--|
| Estimate change |  |
| TP change       |  |
| Rating change   |  |

| Bloomberg             | MANKIND IN  |
|-----------------------|-------------|
| Equity Shares (m)     | 413         |
| M.Cap.(INRb)/(USDb)   | 892.7 / 9.9 |
| 52-Week Range (INR)   | 2727 / 2047 |
| 1, 6, 12 Rel. Per (%) | 0/-20/-26   |
| 12M Avg Val (INR M)   | 1260        |

| Financials & Valuations (INR b) |       |       |       |
|---------------------------------|-------|-------|-------|
| Y/E MARCH                       | FY26E | FY27E | FY28E |
| Sales                           | 142.2 | 160.5 | 180.0 |
| EBITDA                          | 35.4  | 41.2  | 47.5  |
| Adj. PAT                        | 19.0  | 26.5  | 30.5  |
| EBITDA Margin (%)               | 24.9  | 25.7  | 26.4  |
| Cons. Adj. EPS (INR)            | 46.1  | 64.1  | 74.0  |
| EPS Gr. (%)                     | -1.0  | 39.3  | 15.4  |
| BV/Sh. (INR)                    | 381.5 | 427.0 | 482.2 |
| Ratios                          |       |       |       |
| Net D:E                         | 0.2   | 0.0   | -0.1  |
| ROE (%)                         | 12.6  | 15.9  | 16.3  |
| RoCE (%)                        | 11.2  | 13.0  | 15.5  |
| Payout (%)                      | 19.1  | 18.4  | 19.3  |
| Valuations                      |       |       |       |
| P/E (x)                         | 46.8  | 33.6  | 29.1  |
| EV/EBITDA (x)                   | 27.4  | 22.8  | 19.2  |
| Div. Yield (%)                  | 0.4   | 0.5   | 0.7   |
| FCF Yield (%)                   | 6.2   | 5.6   | 5.9   |
| EV/Sales (x)                    | 6.8   | 5.9   | 5.1   |

| Shareholding pattern (%) |        |        |        |
|--------------------------|--------|--------|--------|
| As On                    | Sep-25 | Jun-25 | Sep-24 |
| Promoter                 | 72.7   | 72.7   | 74.9   |
| DII                      | 11.9   | 11.5   | 9.9    |
| FII                      | 12.8   | 13.1   | 12.4   |
| Others                   | 2.6    | 2.8    | 2.9    |

FII Includes depository receipts

**CMP: INR2,163** **TP: INR2,505 (+16%)** **Buy**
**In-line quarter; reset strategy in motion**
**Chronic momentum intact; acute recovery and BSV synergy - key monitorables**

- Mankind Pharma delivered in-line revenue/EBITDA/PAT in 3QFY26. Steady performance in chronic therapies in domestic formulation (DF) and addition of BSV portfolio were offset to some extent by moderate performance in acute therapies, consumer health and export business.
- Mankind not only increased the chronic share (+200bp YoY as % of overall DF sales) but also grew in line with industry in chronic therapies (excluding GLP1 launches).
- However, total secondary sales growth was muted due to an inferior show in acute therapies as the company implemented coarse corrective measures.
- Mankind had undertaken considerable measures to revive growth prospects in DF segment. During the course, attrition as well as aligning new recruits with the Mankind philosophy has taken prolonged period of time. Management is witnessing some green shoots from this process.
- Mankind's effort to improve growth of BSV is gradually showing results, with 3Q exhibiting 20% YoY growth on like-to-like basis.
- We largely maintain our estimates for FY26/FY27/FY28. We value Mankind at 35x 12M forward earnings to arrive at a TP of INR2,505.
- Mankind is working on multiple fronts: a) gaining market share in chronic therapies, b) reviving growth in acute therapies, c) integrating and building synergy from BSV acquisition, and d) revising business policy for consumer health business. The pick-up in growth from these corrective actions remains the key monitorable. Maintain BUY.

**Profitability on a YoY basis rebounds after four-quarter drag**

- Sales grew 11.5% YoY to INR35.7b for the quarter (vs est. INR35.7b).
- Gross margin expanded by 170bp to 72.6%. EBITDA margin expanded 40bp YoY to 25.9%. Low RM cost (down 170bp YoY) was offset by high employee cost (+105bp YoY) and others expenses (+30bp YoY) as % of revenue.
- Accordingly, EBITDA grew at 13% YoY to INR9.2b (vs. our est. of INR8.9b).
- Exceptional Item amounting to INR1b pertains to (a) provisions related to labor code (INR741m), (b) stamp duty INR190m, and (c) impairment loss related to suspension of the Hyderabad project (INR134m).
- PAT grew 35% YoY to INR5b (our est: INR5b).
- In 9MFY26, revenue/EBITDA grew ~18%/13% YoY to ~INR108b/INR27b, whereas PAT declined ~9.7%YoY to INR14.4b.

**Revenue growth YoY moderates to low teens; slowest pace in last 12m**

- Domestic business (85% of sales) grew 10% YoY to INR30.5b for the quarter, driven by growth in base business and aided by BSV consolidation
- Prescription business (Rx) (93% of domestic sales) grew 17.7% YoY to INR28.4b.
- Consumer business (7% of domestic sales) grew 5.2% YoY to INR2b.
- Exports (15% of sales) grew 76% YoY to INR5.2b, primarily driven by healthy growth in BSV international business.

Tushar Manudhane - Research Analyst (Tushar.Manudhane@MotilalOswal.com)

Vipul Mehta - Research Analyst (Vipul.Mehta@MotilalOswal.com) Eshita Jain - Research Analyst (Eshita.Jain@MotilalOswal.com)

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

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

### Highlights from the management commentary

- On organic basis in DF Rx segment, Mankind grew 9.1%/8.2% YoY for 3QFY26/9MFY26.
- Mankind continues to focus on prescription generation basis strategic reset. While it has taken more time to revive the business, management indicated growth is coming back on track.
- OTC revenue grew 5.2% YoY in 3Q and 5.6% YoY in 9MFY26 despite some softness in trade channel segment.
- Modern trade/e-commerce channel registered 40% YoY growth, increasing the contribution to 13% of OTC sales. This, along with reduction in stockiests, has led to a higher gap between secondary and primary sales growth.
- While the overall respiratory portfolio underperformed IPM, Inhaler portfolio, including Symbicort/Combihale, grew 30% YoY, delivering 1.3x IPM growth.

### Consolidated - Quarterly Earning Model

| Y/E March<br>(INR m)                          | FY25          |               |               |               | FY26E         |               |               |               | FY25           | FY26E          | FY26 Var %    |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|---------------|
|   | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2Q            | 3Q            | 4QE           |                |                |               |
| <b>Gross Sales</b>                            | <b>28,934</b> | <b>30,765</b> | <b>31,988</b> | <b>30,794</b> | <b>35,704</b> | <b>36,972</b> | <b>35,672</b> | <b>33,863</b> | <b>122,481</b> | <b>142,210</b> | <b>35,711</b> |
| YoY Change (%)                                | 12.2          | 13.6          | 22.7          | 26.1          | 23.4          | 20.2          | 11.5          | 10.0          | 18.5           | 16.1           | 11.6          |
| <b>Total Expenditure</b>                      | <b>21,697</b> | <b>22,265</b> | <b>23,828</b> | <b>23,712</b> | <b>27,236</b> | <b>27,758</b> | <b>26,442</b> | <b>25,398</b> | <b>91,698</b>  | <b>106,834</b> | <b>26,784</b> |
| <b>EBITDA</b>                                 | <b>7,238</b>  | <b>8,500</b>  | <b>8,160</b>  | <b>7,082</b>  | <b>8,468</b>  | <b>9,213</b>  | <b>9,230</b>  | <b>8,466</b>  | <b>30,783</b>  | <b>35,377</b>  | <b>8,928</b>  |
| YoY growth %                                  | 10.5          | 24.5          | 34.5          | 19.8          | 17.0          | 8.4           | 13.1          | 19.5          | 21.4           | 14.9           | 9.4           |
| Margins (%)                                   | 25.0          | 27.6          | 25.5          | 23.0          | 23.7          | 24.9          | 25.9          | 25.0          | 25.1           | 24.9           | 25.0          |
| Depreciation                                  | 1,077         | 1,056         | 1,872         | 2,309         | 2,187         | 2,218         | 2,226         | 2,294         | 6,212          | 8,925          | 2,197         |
| Interest                                      | 109           | 71            | 2,209         | 1,905         | 1,707         | 1,697         | 1,572         | 1,350         | 4,294          | 6,325          | 1,447         |
| Other Income                                  | 1,006         | 1,094         | 770           | 1,013         | 799           | 919           | 728           | 797           | 5,368          | 3,242          | 839           |
| <b>PBT before EO expense</b>                  | <b>7,057</b>  | <b>8,468</b>  | <b>4,849</b>  | <b>3,881</b>  | <b>5,373</b>  | <b>6,217</b>  | <b>6,160</b>  | <b>5,619</b>  | <b>25,645</b>  | <b>23,369</b>  | <b>6,124</b>  |
| Extra-Ord expense                             | 420           | 0             | 0             | -1,250        | 0             | 0             | 1,066         | 0             | -830           | 1,066          | 0             |
| <b>PBT</b>                                    | <b>6,637</b>  | <b>8,468</b>  | <b>4,849</b>  | <b>5,131</b>  | <b>5,373</b>  | <b>6,217</b>  | <b>5,094</b>  | <b>5,619</b>  | <b>26,475</b>  | <b>22,303</b>  | <b>6,124</b>  |
| Tax   | 1,246         | 1,904         | 1,105         | 864           | 958           | 1,038         | 951           | 1,000         | 5,097          | 3,948          | 1,053         |
| Rate (%)                                      | 18.8          | 22.5          | 22.8          | 16.8          | 17.8          | 16.7          | 18.7          | 17.8          | 19.3           | 17.7           | 17.2          |
| Minority Interest & Profit/Loss of Asso. Cos. | 26.7          | 28.4          | 8.5           | 15.6          | 94.7          | 109.9         | -32.1         | 46.6          | 79.2           | 219.1          | 30.0          |
| <b>Reported PAT</b>                           | <b>5,365</b>  | <b>6,535</b>  | <b>3,736</b>  | <b>4,251</b>  | <b>4,320</b>  | <b>5,069</b>  | <b>4,175</b>  | <b>4,572</b>  | <b>21,298</b>  | <b>18,136</b>  | <b>5,040</b>  |
| <b>Adj PAT</b>                                | <b>5,706</b>  | <b>6,535</b>  | <b>3,736</b>  | <b>3,212</b>  | <b>4,320</b>  | <b>5,069</b>  | <b>5,042</b>  | <b>4,572</b>  | <b>19,188</b>  | <b>19,002</b>  | <b>5,040</b>  |
| YoY Change (%)                                | 17.2          | 30.4          | -17.7         | -31.8         | -24.3         | -22.4         | 35.0          | 42.4          | 0.3            | -1.0           | 34.9          |
| Margins (%)                                   | 19.7          | 21.2          | 11.7          | 10.4          | 12.1          | 13.7          | 14.1          | 13.5          | 15.7           | 13.4           | 14.1          |
| <b>EPS</b>                                    | <b>14.2</b>   | <b>16.3</b>   | <b>9.3</b>    | <b>8.0</b>    | <b>10.8</b>   | <b>12.7</b>   | <b>12.6</b>   | <b>11.4</b>   | <b>46.5</b>    | <b>46.1</b>    | <b>12.6</b>   |

E: MOSL Estimates



## Management call highlights

- CFO-to-EBITDA ratio improved to 93% for 9MFY26 vs. 80% in FY25, driven by working capital optimization/government receivables realization.
- FY26 R&D expenses to remain within the range of 2.5-3% of sales.
- Net debt reduced by INR4.1b QoQ in 3QFY26 to INR43b. Net debt-to-adjusted EBITDA ratio was 1.3x.
- Capex at INR4.7b at the end of 9MFY26.
- Mankind is on track for Day-1 launch of Semaglutide in India.
- Workforce restructuring took longer than planned due to underestimated cultural integration challenges, though team stability and attrition are now improving.

## DF growth engine intact; CH segment sees moderation

### DF: Chronic traction, BSV synergies to drive momentum

- DF segment delivered 14%/10% YoY growth to INR93.3b/INR30.5b in 9MFY26 /3QFY26, driven by growth in the base business and BSV consolidation.
- On an organic basis, DF delivered 8.4%/9% YoY growth in 9MFY26/3QFY26. On an industry level, IPM growth for 9MFY26/3QFY26 was 9.3%/11.8%YoY.
- In 3Q, secondary sales underperformed at 8.5% YoY vs. 11.8% in IPM, due to underperformance in acute therapies amid ongoing corrective actions.
- Mankind underperformed IPM in anti-infective/gynae/respiratory/gastro therapies in 3Q.
- However, Mankind delivered strong performance in cardiac/Anti-Diabetics therapy with 16.7%/14.4% for 3QFY26.
- It delivered 1.2x outperformance to IPM in cardiac/anti-diabetic in 9MFY26.
- Chronic therapies grew 1x/1.1x IPM growth in 3Q/9MFY26.
- The company reported YoY growth of 3.9%/1.9%/1.6% in price/volume/new launches as per IQVIA Dec'25 on 12M MAT basis.
- On a like-to-like basis, BSV delivered 20% YoY growth in 3Q, implying benefit from the measures taken after Mankind control over acquisition.
- BSV's specialty complex portfolio marked by high entry barriers and limited competition provides strong long-term growth potential, driven by its niche product offerings.
- Overall, we expect Mankind to post a 12.4% sales CAGR in DF, reaching INR131b over FY26-28.

### Consumer Healthcare: Maintains steady growth/ Key brands deliver strong secondary sales

- The segment grew 5.5%/5.2% YoY in 9MFY26/3QFY26 despite some softness in the general trade channel. However, growth momentum is expected to improve in coming quarters.
- Modern trade and e-commerce channels grew strongly, with their combined contribution rising over 40% YoY to 13% of segment sales in 3QFY26 vs. 9.8% in 3QFY25.
- In 3Q, secondary sales remained healthy with Ova News/Gas-o-Fast/Manforce condoms registering growth of 36%/33%/8% YoY.
- The segment is expected to deliver a 13% sales CAGR over FY26-28, reaching INR11.3b, supported by brand leadership.

### **Exports: Momentum led by BSV; continued expansion of US product portfolio**

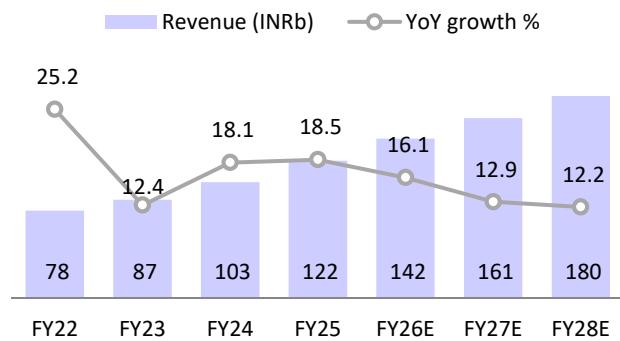
- The exports segment grew 18.2%/11.5% YoY in 9MFY26/3QFY26.
- For 3QFY26, momentum was driven by 20% YoY growth in BSV international business.
- For 9MFY26, Mankind, excluding BSV, launched four new products, taking the total products to 48 in US.
- Overall, we expect the exports segment to deliver a 12.4% sales CAGR over FY25-28, reaching INR16b.

### **Maintain BUY**

- We largely maintain our estimates for FY26/FY27/FY28. We value Mankind at 35x 12M forward earnings to arrive at a TP of INR2,505.
- Mankind is working on multiple fronts: a) gaining market share in chronic therapies, b) reviving growth in acute therapies, c) integrating and building synergy from BSV acquisition and d) revising business policy for consumer health business. The pick-up in growth from these corrective actions remains the key monitorable. Maintain BUY.

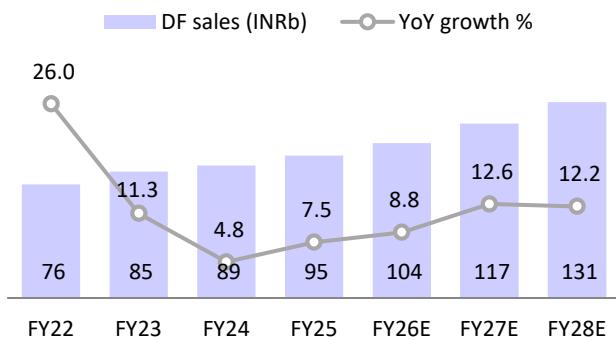
## Story in charts

**Exhibit 1: Expect 12.5% sales CAGR over FY26-28**



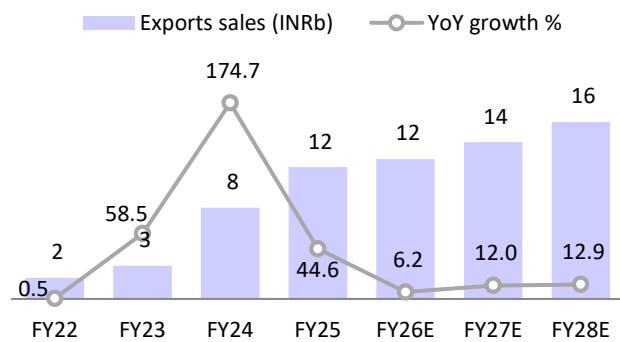
Source: Company, MOFSL

**Exhibit 2: Expect 12.4% CAGR in DF (Ex-BSV) sales over FY26-28**



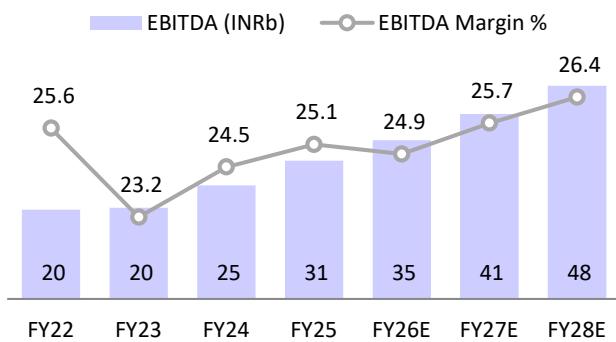
Source: Company, MOFSL

**Exhibit 3: Expect export (ex-BSV) sales CAGR of 12.4% over FY26-28**



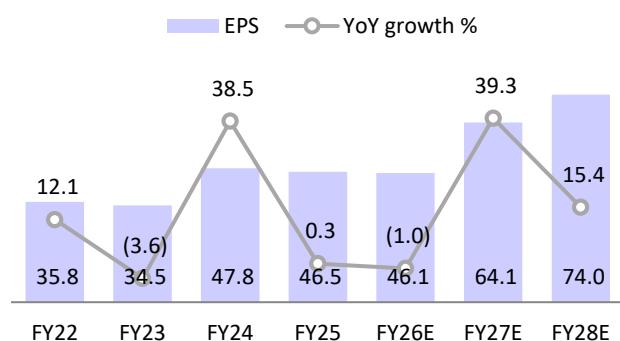
Source: Company, MOFSL

**Exhibit 4: EBITDA margin to expand to ~26.4% by FY28**



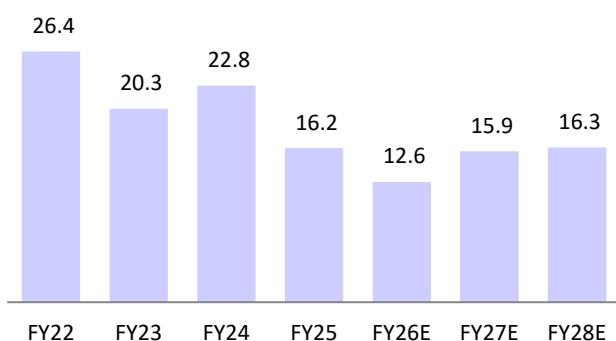
Source: Company, MOFSL

**Exhibit 5: Expect EPS CAGR of ~26.7% over FY26-28**



Source: Company, MOFSL

**Exhibit 6: Return ratios to revive over FY27-28**



Source: Company, MOFSL

## Financials and Valuations

| Mankind Pharma - Income Statement   |               |               |                |                |                |                | (INRm)         |
|-------------------------------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|
| Y/E March                           | FY22          | FY23          | FY24           | FY25           | FY26E          | FY27E          | FY28E          |
| <b>Total sales</b>                  | <b>77,816</b> | <b>87,490</b> | <b>103,348</b> | <b>122,480</b> | <b>142,210</b> | <b>160,502</b> | <b>180,037</b> |
| Change (%)                          | 25.2          | 12.4          | 18.1           | 18.5           | 16.1           | 12.9           | 12.2           |
| <b>Total Expenditure</b>            | <b>57,922</b> | <b>67,201</b> | <b>77,997</b>  | <b>91,698</b>  | <b>106,834</b> | <b>119,253</b> | <b>132,507</b> |
| % of Sales                          | 74.4          | 76.8          | 75.5           | 74.9           | 75.1           | 74.3           | 73.6           |
| <b>Gross Profit</b>                 | <b>53,598</b> | <b>58,354</b> | <b>71,251</b>  | <b>87,537</b>  | <b>101,859</b> | <b>113,957</b> | <b>127,826</b> |
| <b>EBITDA</b>                       | <b>19,894</b> | <b>20,289</b> | <b>25,351</b>  | <b>30,782</b>  | <b>35,377</b>  | <b>41,249</b>  | <b>47,530</b>  |
| Margin (%)                          | 25.6          | 23.2          | 24.5           | 25.1           | 24.9           | 25.7           | 26.4           |
| Depreciation                        | 1,666         | 3,259         | 3,983          | 6,212          | 8,925          | 9,306          | 9,447          |
| <b>EBIT</b>                         | <b>18,227</b> | <b>17,030</b> | <b>21,368</b>  | <b>24,570</b>  | <b>26,452</b>  | <b>31,943</b>  | <b>38,082</b>  |
| Int. and Finance Charges            | 586           | 445           | 335            | 4,294          | 6,325          | 3,943          | 3,586          |
| Other Income                        | 1,960         | 1,286         | 2,809          | 5,368          | 3,242          | 3,250          | 3,671          |
| <b>PBT bef. EO Exp.</b>             | <b>19,602</b> | <b>17,871</b> | <b>23,842</b>  | <b>25,644</b>  | <b>23,369</b>  | <b>31,250</b>  | <b>38,167</b>  |
| EO Items                            | 0             | 1,275         | 0              | -830           | 1,066          | 0              | 0              |
| <b>PBT after EO Exp.</b>            | <b>19,602</b> | <b>16,597</b> | <b>23,842</b>  | <b>26,474</b>  | <b>24,435</b>  | <b>31,250</b>  | <b>38,167</b>  |
| Total Tax                           | 5,216         | 3,616         | 4,576          | 5,097          | 3,948          | 6,750          | 8,476          |
| Tax Rate (%)                        | 26.6          | 21.8          | 19.2           | 19.3           | 16.2           | 21.6           | 22.2           |
| Minority Interest                   | 50            | 162           | 137            | 79             | 219            | 137            | 186            |
| <b>Reported PAT</b>                 | <b>14,335</b> | <b>12,819</b> | <b>19,129</b>  | <b>21,297</b>  | <b>18,136</b>  | <b>24,364</b>  | <b>29,504</b>  |
| <b>Adjusted PAT</b>                 | <b>14,335</b> | <b>13,816</b> | <b>19,129</b>  | <b>19,188</b>  | <b>19,002</b>  | <b>26,461</b>  | <b>30,534</b>  |
| Change (%)                          | 12.1          | -3.6          | 38.5           | 0.3            | -1.0           | 39.3           | 15.4           |
| Margin (%)                          | 18.4          | 15.8          | 18.5           | 15.7           | 13.4           | 16.5           | 17.0           |
| <b>Balance sheet</b>                |               |               |                |                |                |                | (INRm)         |
| Y/E March                           | FY22          | FY23          | FY24           | FY25           | FY26E          | FY27E          | FY28E          |
| Share Capital                       | 401           | 401           | 401            | 413            | 413            | 413            | 413            |
| Other equity                        | 61,152        | 73,952        | 93,230         | 142,911        | 157,004        | 175,779        | 198,536        |
| <b>Net Worth</b>                    | <b>61,552</b> | <b>74,352</b> | <b>93,631</b>  | <b>143,324</b> | <b>157,417</b> | <b>176,192</b> | <b>198,948</b> |
| Minority Interest                   | 1,611         | 1,881         | 2,127          | 2,358          | 2,139          | 2,002          | 1,816          |
| Total Loans                         | 8,680         | 1,626         | 1,960          | 84,830         | 59,830         | 29,830         | 14,830         |
| Deferred Tax Liabilities            | 163           | 475           | 87             | 17,046         | 17,998         | 17,998         | 17,998         |
| Other Non-Current Liabilities       | 1,031         | 1,557         | 2,050          | 2,512          | 2,917          | 3,292          | 3,693          |
| <b>Capital Employed</b>             | <b>73,038</b> | <b>79,892</b> | <b>99,855</b>  | <b>250,071</b> | <b>240,301</b> | <b>229,315</b> | <b>237,286</b> |
| Gross Block                         | 42,261        | 52,149        | 59,078         | 145,210        | 146,710        | 148,710        | 151,210        |
| Less: Accum. Deprn.                 | 6,638         | 9,897         | 13,879         | 20,091         | 29,016         | 38,322         | 47,770         |
| <b>Net Fixed Assets</b>             | <b>35,623</b> | <b>42,253</b> | <b>45,199</b>  | <b>125,119</b> | <b>117,694</b> | <b>110,388</b> | <b>103,440</b> |
| Goodwill on Consolidation           | 204           | 200           | 200            | 64,926         | 64,926         | 64,926         | 64,926         |
| Capital WIP                         | 7,015         | 5,501         | 2,818          | 8,257          | 8,257          | 8,257          | 8,257          |
| <b>Total Investments</b>            | <b>11,149</b> | <b>14,619</b> | <b>26,027</b>  | <b>22,423</b>  | <b>22,423</b>  | <b>22,423</b>  | <b>22,423</b>  |
| Other Non-Current Assets            | 1,770         | 1,759         | 1,483          | 2,818          | 3,271          | 3,692          | 4,141          |
| <b>Curr. Assets, Loans&amp;Adv.</b> | <b>35,324</b> | <b>32,491</b> | <b>43,101</b>  | <b>52,974</b>  | <b>55,692</b>  | <b>56,141</b>  | <b>75,054</b>  |
| Inventory                           | 17,602        | 14,985        | 15,535         | 20,937         | 25,325         | 28,583         | 33,541         |
| Account Receivables                 | 3,882         | 5,764         | 8,483          | 15,383         | 16,754         | 18,029         | 19,730         |
| Cash and Bank Balance               | 4,059         | 4,532         | 11,980         | 5,545          | 10,080         | 5,541          | 17,309         |
| Loans and Advances                  | 9,780         | 7,210         | 7,104          | 11,109         | 3,534          | 3,988          | 4,474          |
| <b>Curr. Liability &amp; Prov.</b>  | <b>18,046</b> | <b>16,931</b> | <b>18,973</b>  | <b>26,446</b>  | <b>31,962</b>  | <b>36,513</b>  | <b>40,956</b>  |
| Account Payables                    | 10,764        | 10,082        | 11,030         | 11,334         | 14,416         | 16,710         | 18,744         |
| Other Current Liabilities           | 4,638         | 2,999         | 2,819          | 6,922          | 8,037          | 9,071          | 10,175         |
| Provisions                          | 2,645         | 3,849         | 5,124          | 8,189          | 9,508          | 10,731         | 12,038         |
| <b>Net Current Assets</b>           | <b>17,277</b> | <b>15,560</b> | <b>24,128</b>  | <b>26,529</b>  | <b>23,730</b>  | <b>19,629</b>  | <b>34,098</b>  |
| <b>Appl. of Funds</b>               | <b>73,038</b> | <b>79,892</b> | <b>99,855</b>  | <b>250,071</b> | <b>240,301</b> | <b>229,315</b> | <b>237,286</b> |

## Financials and Valuations

### Ratios

| Y/E March                     | FY22        | FY23        | FY24        | FY25        | FY26E       | FY27E       | FY28E       |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Basic (INR)</b>            |             |             |             |             |             |             |             |
| EPS                           | <b>35.8</b> | <b>34.5</b> | <b>47.8</b> | <b>46.5</b> | <b>46.1</b> | <b>64.1</b> | <b>74.0</b> |
| Cash EPS                      | 39.9        | 42.6        | 57.7        | 61.6        | 67.7        | 86.7        | 96.9        |
| BV/Share                      | 153.7       | 185.6       | 233.7       | 347.4       | 381.5       | 427.0       | 482.2       |
| DPS                           | 0.0         | 0.0         | 9.6         | 10.3        | 8.8         | 11.8        | 14.3        |
| Payout (%)                    | 0.0         | 0.0         | 20.0        | 22.2        | 19.1        | 18.4        | 19.3        |
| <b>Valuation (x)</b>          |             |             |             |             |             |             |             |
| P/E                           | 60.2        | 62.5        | 45.1        | 46.4        | 46.8        | 33.6        | 29.1        |
| Cash P/E                      | 54.0        | 50.6        | 37.4        | 35.0        | 31.9        | 24.9        | 22.2        |
| P/BV                          | 14.0        | 11.6        | 9.2         | 6.2         | 5.7         | 5.0         | 4.5         |
| EV/Sales                      | 11.0        | 9.9         | 8.3         | 7.2         | 6.8         | 5.9         | 5.1         |
| EV/EBITDA                     | 43.2        | 42.8        | 34.0        | 28.6        | 27.4        | 22.8        | 19.2        |
| Dividend Yield (%)            | NA          | NA          | 0.4         | 0.5         | 0.4         | 0.5         | 0.7         |
| FCF per share                 | -35.5       | 25.7        | 45.9        | 47.6        | 103.3       | 93.4        | 99.7        |
| <b>Return Ratios (%)</b>      |             |             |             |             |             |             |             |
| RoE                           | 26.4        | 20.3        | 22.8        | 16.2        | 12.6        | 15.9        | 16.3        |
| RoCE                          | 24.7        | 19.6        | 22.8        | 14.9        | 11.2        | 13.0        | 15.5        |
| RoIC                          | 35.0        | 25.1        | 24.8        | 12.0        | 9.3         | 10.8        | 13.1        |
| <b>Working Capital Ratios</b> |             |             |             |             |             |             |             |
| Asset Turnover (x)            | 1.1         | 1.1         | 1.0         | 0.5         | 0.6         | 0.7         | 0.8         |
| Inventory (Days)              | 69          | 68          | 54          | 54          | 59          | 61          | 63          |
| Debtor (Days)                 | 18          | 24          | 30          | 46          | 43          | 41          | 40          |
| Creditor (Days)               | 50          | 42          | 39          | 34          | 37          | 38          | 38          |
| <b>Leverage Ratio (x)</b>     |             |             |             |             |             |             |             |
| Net Debt/Equity               | -0.1        | -0.2        | -0.4        | 0.4         | 0.2         | 0.0         | -0.1        |

### Cash Flow statement

| Y/E March                        | FY22           | FY23           | FY24           | FY25            | FY26E          | FY27E          | FY28E          |
|----------------------------------|----------------|----------------|----------------|-----------------|----------------|----------------|----------------|
| <b>(INRm)</b>                    |                |                |                |                 |                |                |                |
| OP/(Loss) before Tax             | 19,746         | 16,712         | 23,994         | 25,248          | 23,369         | 31,250         | 38,167         |
| Depreciation                     | 1,666          | 3,259          | 3,983          | 6,212           | 8,925          | 9,306          | 9,447          |
| Interest & Finance Charges       | 321            | 445            | 330            | 4,040           | 6,325          | 3,943          | 3,586          |
| Direct Taxes Paid                | -4,995         | -3,231         | -4,795         | -5,668          | -3,948         | -6,750         | -8,476         |
| (Inc)/Dec in WC                  | -5,861         | 1,667          | 204            | -1,464          | 7,284          | -482           | -2,750         |
| <b>CF from Operations</b>        | <b>10,877</b>  | <b>18,852</b>  | <b>23,714</b>  | <b>28,368</b>   | <b>41,955</b>  | <b>37,267</b>  | <b>39,974</b>  |
| Others                           | -1,679         | -719           | -2,190         | -4,234          | 2,176          | 3,250          | 3,671          |
| <b>CF from Operating incl EO</b> | <b>9,198</b>   | <b>18,133</b>  | <b>21,524</b>  | <b>24,134</b>   | <b>44,131</b>  | <b>40,517</b>  | <b>43,645</b>  |
| (Inc)/Dec in FA/IA               | -23,424        | -7,830         | -3,147         | -4,488          | -1,500         | -2,000         | -2,500         |
| <b>Free Cash Flow</b>            | <b>-14,226</b> | <b>10,303</b>  | <b>18,377</b>  | <b>19,646</b>   | <b>42,631</b>  | <b>38,517</b>  | <b>41,145</b>  |
| (Pur)/Sale of Investments        | 4,921          | -1,892         | -17,388        | -5,471          | 0              | 0              | 0              |
| Others                           | 4,811          | -819           | 388            | -116,277        | -3,242         | -3,250         | -3,671         |
| <b>CF from Investments</b>       | <b>-13,691</b> | <b>-10,541</b> | <b>-20,147</b> | <b>-126,236</b> | <b>-4,742</b>  | <b>-5,250</b>  | <b>-6,171</b>  |
| Increase in equity capital       |                |                | 29,632         |                 | 0              | 0              | 0              |
| Inc/(Dec) in Debt                | 6,242          | -6,978         | 315            | 73,782          | -25,000        | -30,000        | -15,000        |
| Interest Paid                    | -178           | -419           | -262           | -981            | -6,325         | -3,943         | -3,586         |
| Dividend paid                    |                |                | 0              |                 | -4,262         | -5,725         | -6,933         |
| Others                           | -18            | 278            | 6,687          | -6,766          | 733            | -137           | -186           |
| <b>CF from Fin. Activity</b>     | <b>6,046</b>   | <b>-7,119</b>  | <b>6,740</b>   | <b>95,668</b>   | <b>-34,854</b> | <b>-39,805</b> | <b>-25,706</b> |
| <b>Inc/Dec of Cash</b>           | <b>1,553</b>   | <b>472</b>     | <b>8,118</b>   | <b>-6,435</b>   | <b>4,535</b>   | <b>-4,538</b>  | <b>11,768</b>  |
| Opening Balance                  | 1,273          | 4,059          | 4,532          | 11,980          | 5,545          | 10,080         | 5,541          |
| <b>Closing Balance</b>           | <b>2,826</b>   | <b>4,532</b>   | <b>12,650</b>  | <b>5,545</b>    | <b>10,080</b>  | <b>5,541</b>   | <b>17,309</b>  |

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|----------------------------------|--|
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| 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 |

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Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

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| 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          |
| Mr. Neeraj Agarwal    | 022 40548085                | na@motilaloswal.com          |
| Mr. Siddhartha Khemka | 022 50362452                | po.research@motilaloswal.com |

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