

HOLD**TP: Rs 1,031 | ▲ 10%****LAURUS LABS**

| Pharmaceuticals

| 24 October 2025

Operating leverage to emerge slower

- Sales /EBITDA/PAT surpassed our estimates by 18%, 28% and 75%; exceeded consensus by 11%, 31% and 74% respectively
- Key positive was 2nd consecutive quarter of >50% growth in formulations on a lower base; expected to normalise henceforth
- EBITDA margin to increase from 24.3% in H1FY26 to 28% in FY28E. Maintain HOLD, roll forward to Sep'27 with similar ascribed PE of 50x

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All-round beat: LAURUS reported earnings above ours and consensus estimates on all fronts. Sales growth of 35% YoY was driven by 58% surge in both small molecules (CDMO) and FDF sales, 18% YoY surge in large molecules (Bio) and 11% YoY surge in generics. Healthy growth in high-margin business of CDMO and FDF resulted in growth of 468bps in the gross margin and 47%YoY in gross profit. Operating leverage has flowed in with employee cost contribution reducing to 13% in 2QFY26 vs 15% in 2QFY25, leading to 982 bps rise in EBITDA margin to 24.4% and 126% YoY growth in EBITDA. During the quarter, other income grew by 486% YoY, interest cost declined by 24% YoY, depreciation grew 12% YoY, as also a 585 bps rise in tax rate to 28.2% — resulted in 880% YoY growth in PAT.

Synthesis segment growth led by higher commercialised molecules – During the quarter, CDMO sales grew 58% YoY and -4.5% QoQ to Rs 4.7bn and was 5% above our estimates. Growth in CDMO sales was driven by 1) better utilisation of capacities 2) higher commercialised molecules including 1 molecule in the animal health segment 3) late-stage development molecules. The company is witnessing strong demand in small molecules from the existing clients and has multiple animal health projects with dedicated sites that are in the validation stage, followed by filings. Hence, it would take 18-24 months for commercialisation. Going forward, the crop science sales also will likely get commercialised in the upcoming quarters. Until then, we believe the synthesis sales would be largely driven by late-stage clinical development molecules, thus resulting in sales CAGR of 42% from FY25-28E to Rs 39 mn in FY28E.

Formulations growth to be driven by leadership in select molecules – During the quarter, Formulations sales grew by 58% YoY and 26% QoQ and was 38% above our estimates. This is the second quarter with >50% growth in the segment on the back of by 1) low base 2) new supplies in developed markets 3) stabilisation in base products. The company is also witnessing healthy demand in the ARV tablets and expects utilisation rate to go up further. The company's KRKA JV is also functioning well with the 1st phase of project expected to be completed by FY27.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	LAURUS IN/Rs 934
Market cap	US\$ 5.7bn
Free float	74%
3M ADV	US\$ 22.5mn
52wk high/low	Rs 944/Rs 440
Promoter/FPI/DII	27%/23%/5%

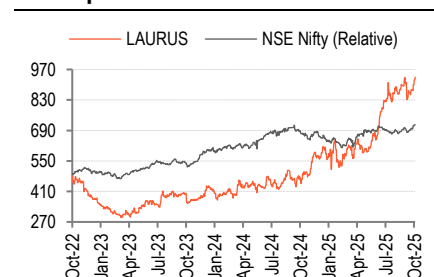
Source: NSE | Price as of 23 Oct 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	55,540	64,364	76,009
EBITDA (Rs mn)	10,553	16,091	20,142
Adj. net profit (Rs mn)	3,583	6,870	9,579
Adj. EPS (Rs)	6.7	12.8	17.9
Consensus EPS (Rs)	6.7	12.0	16.5
Adj. ROAE (%)	8.3	14.4	17.5
Adj. P/E (x)	139.9	73.0	52.3
EV/EBITDA (x)	45.1	29.6	23.7
Adj. EPS growth (%)	122.9	91.7	39.4

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



We have raised our FY26E/27E/28E formulations revenue estimates by 6%/11%/16%, driven by higher utilisation levels, improving CMO demand in generics, and steady progress in the JV with KrKa for capacity expansion. As a result, we now expect the formulations business to report a 10% CAGR over FY25–28, reaching ~Rs 21 bn by FY26.

Bio sales growth to be driven by capacity expansion – During the quarter, Laurus Bio sales grew by 18% YoY and 62% QoQ, surpassing our estimates by 47%. The growth was driven by increase in customer base and improvement in commercial products. The company expects increased customer interest for dedicated fermentation lines, and hence, is fast tracking construction work for the fermentation facility in Vizag, which is progressing as planned and phase 1 capacity of about 400 kiloliters to be commercialised by the end of CY2026 (current 240 kl). As the company is undergoing construction of capacities, growth is expected to start from FY27 and beyond, hence, despite 47% beat on our estimates, we have not revised our estimates in this segment. As incremental capacity comes on stream from FY27 and due to lumpiness in this business, we expect sales CAGR for this segment to grow at 7% from FY26-28E to Rs 1.6bn.

Investing in newer modalities like ADC – The company has invested in ADC technology platform company Aarvik Therapeutics to advance integrated ADC services for USD 2 mn. LAURUS already makes payloads and linkers for multiple programs for one big pharma. The company needs to expand further and hence, has invested in Aarvik therapeutics that makes bioconjugation, lyophilization, and fill finish. LAURUS would do the clinical programs in ADC for the large pharma client.

Valuations - We remain optimistic about sustaining the current operational leverage driven by healthy sales from high-margin businesses like CDMO and Formulations. We expect sales CAGR of 18% from FY25-28E to be driven by 42% CAGR from CDMO sales, 10% CAGR from formulations sales, 6% CAGR from generics API sales and 1% CAGR from Laurus Bio. Cumulatively we expect ramp-up in CDMO (large + small molecules) sales contribution, from 28% in FY25 to 45% in FY28E, driven by venturing into newer modalities like peptides, ADC, late-stage clinical development and increasing commercialised molecules. Robust growth from CDMO to drive EBITDA CAGR of 34% and PAT CAGR of 52% from FY25-28E. However, as the company is shifting towards newer segment of CDMO, we expect higher opex in the near term, leading to a moderate increase in EBITDA margin to 28% in FY28 from the current 24.3% in H1FY26. Hence, we retain HOLD on the stock. At CMP, the stock is trading at 45x on Sep'27PE and due to visible operational and financial leverage kicking in, we retain our earlier ascribed PE of 50x and roll forward to Sep'27 to arrive at TP of Rs 1,031 on the stock.

Financial Highlights

Fig 1 – Quarterly Snapshot

(Rs mn)	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY25	H1FY26	YoY (%)	FY25	FY26E	FY27E	FY28E
Net Sales	16,535	12,237	35.1	15,696	5.3	24,186	32,230	33.3	55,540	63,175	73,879	87,609
Other Related Income												
Total Income	16,535	12,237	35.1	15,696	5.3	24,186	32,230	33.3	55,540	63,175	73,879	87,609
Total Expenses	12,502	10,454		11,874		20,712	24,398		44,987	47,381	54,670	63,078
(%) of net sales	76	85		76		86	76		81	75	74	72
Raw material consumed	6,634	5,483	21.0	6,374	4.1	10,852	13,008	19.9	24,780	25,270	28,813	34,167
(%) of net sales	40	45		41		45	40		45	40	39	39
Staff cost	2,156	1,787	20.6	2,148	0.4	3,527	4,304	22.0	7,195	8,213	9,604	10,513
(%) of net sales	13	15		14		15	13		13	13	13	12
SG&A	3,712	3,184	16.6	3,353	10.7	6,312	7,065	11.9	10,235	11,371	13,298	14,893
(%) of net sales	22.5	26.0		21.4		26.1	21.9		18	18	18	17
EBITDA	4,033	1,783	126.1	3,821	5.5	3,474	7,833	125	10,553	15,794	19,208	24,530
Depreciation	1,205	1,075	12.1	1,168	3.1	2,136	2,373	11.1	4,301	5,185	5,985	6,785
EBIT	2,828	708	299.3	2,653	6.6	1,339	5,460	307.9	6,252	10,609	13,224	17,746
Interest	400	526	(24.0)	515	(22.3)	1,018	915	(10.1)	2,160	2,008	1,842	2,118
Other Income	270	46	486.1	104	158.5	71	374	425.9	751	632	739	876
PBT	2,697	228	1082.5	2,242	20.3	392	4,919	1,156	4,843	9,233	12,121	16,504
Less: Taxation	760	51	1392.7	631	20.3	113	1,391	1,126.8	1,299	2,585	3,394	4,621
Less: Minority Interest	(7)	(21)	(65.1)	(19)	(61.9)	(24)	(27)	10.7	(39)	0	0	0
Recurring PAT	1,945	198	880.3	1,630	19.3	302	3,554	1,075	3,544	6,648	8,727	11,883
Key Ratios (%)												
Gross Margin	59.9	55.2	468	59.4	48	55.1	59.6	450.8	55.4	60.0	61.0	61.0
EBITDA Margin	24.4	14.6	982	24.3	4	14.4	24.3	993.8	19.0	25.0	26.0	28.0
Tax / PBT	28.2	22.3	585	28.2	1	29.0	28.3		26.8	28.0	28.0	28.0
NPM	11.8	1.6	1014	10.4	138	1.3	11.0	977.6	6.4	10.5	11.8	13.6
EPS (Rs)	3.6	0.4	880.3	3.0	19.3	0.6	6.6	1,075	6.6	12.3	16.2	22.0

Source: Company, BOBCAPS Research

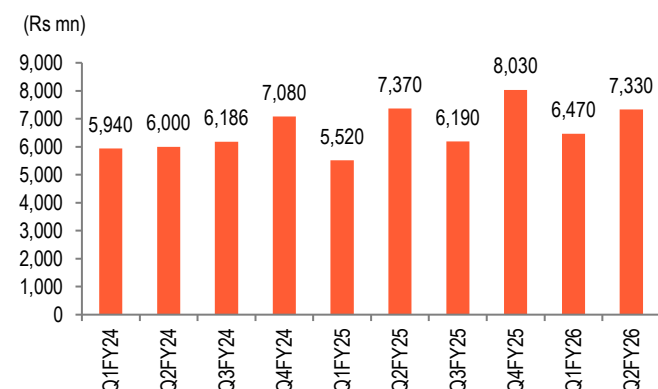
Fig 2 – Segmental Revenue (Rs mn)

(Rs mn)	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY25	H1FY26	YoY (%)	FY25	FY26E	FY27E	FY28E
Generics – API	6,170	5,570	10.8	6,370	(3.1)	12,210	12,540	2.7	24,380	25,599	27,391	29,034
CDMO	4,710	2,990	57.5	4,930	(4.5)	5,130	9,640	87.9	13,740	19,923	27,892	39,049
Formulations	5,180	3,280	57.9	4,110	26.0	6,020	9,290	54.3	15,820	16,453	17,275	18,139
Bio	470	400	17.5	290	62.1	830	760	(8.4)	1,600	1,200	1,320	1,386
Net Sales	16,530	12,240	35.0	21,877	(24.4)	24,190	32,230	33.2	55,540	63,171	73,874	87,604

Source: Company, BOBCAPS Research

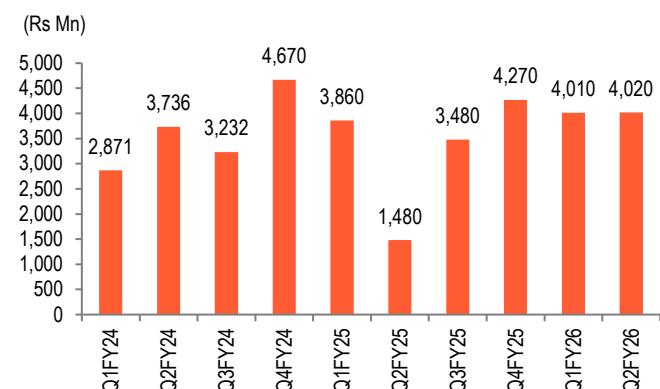
Financials in charts

Fig 3 – ARV sales pick up with higher demand



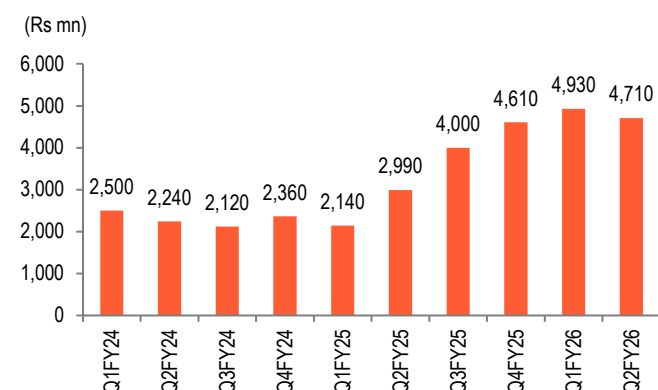
Source: Company, BOBCAPS Research

Fig 4 – Non-ARV sales pick up with new launches



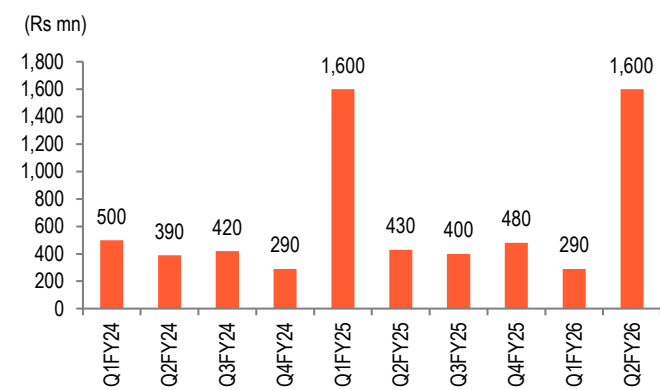
Source: Company, BOBCAPS Research

Fig 5 – CDMO sales increase with higher capacity



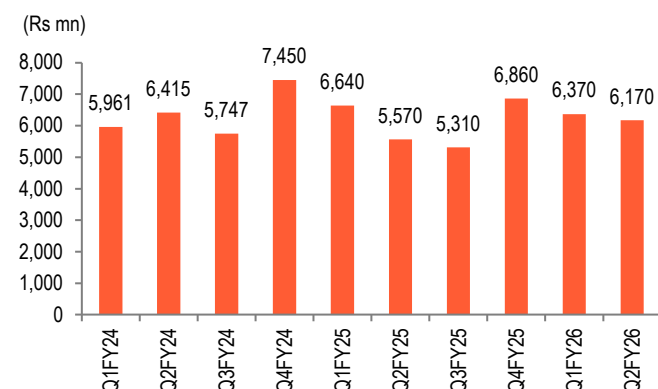
Source: Company, BOBCAPS Research

Fig 6 – Bio sales pick up with new product supplies



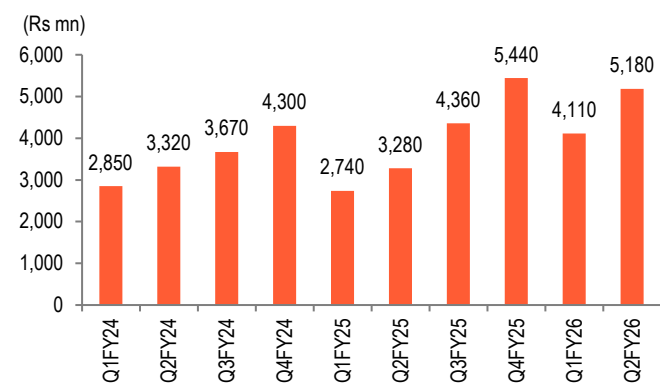
Source: Company, BOBCAPS Research

Fig 7 – Generic API sales increase with better demand

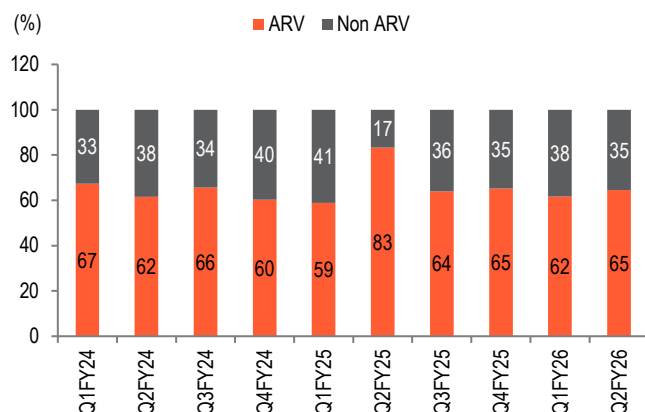


Source: Company, BOBCAPS Research

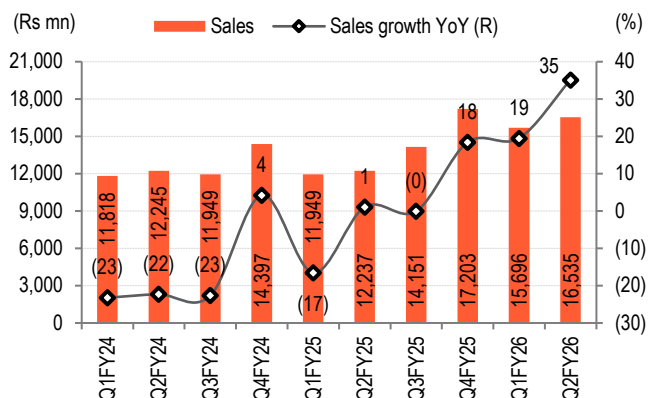
Fig 8 – Generic FDF sales increase on lower base



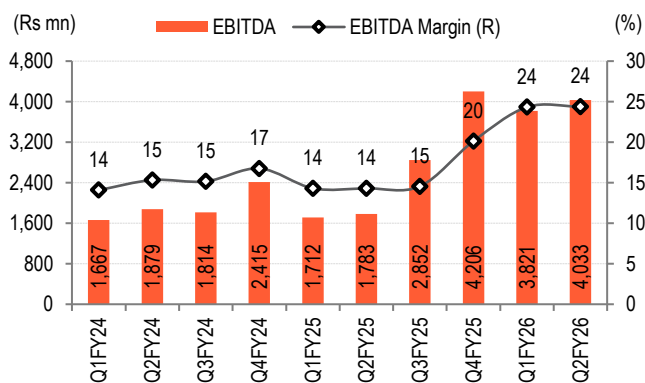
Source: Company, BOBCAPS Research

Fig 9 – Generics segment continues to be led by ARV sales

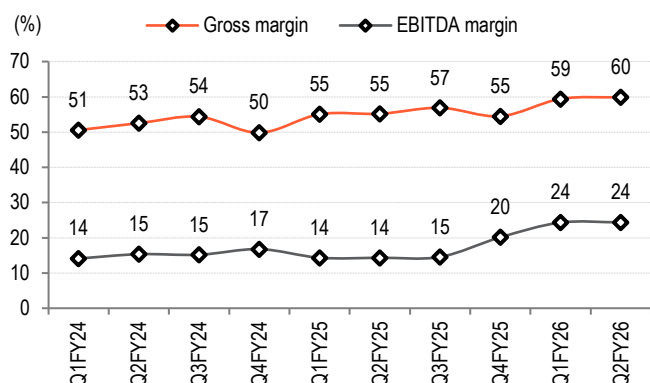
Source: Company, BOBCAPS Research

Fig 10 – Sales growth driven by higher CDMO sales

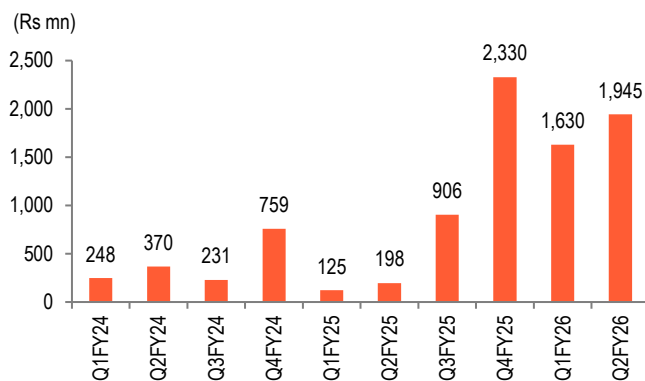
Source: Company, BOBCAPS Research

Fig 11 – Healthy product mix resulted in healthy margins

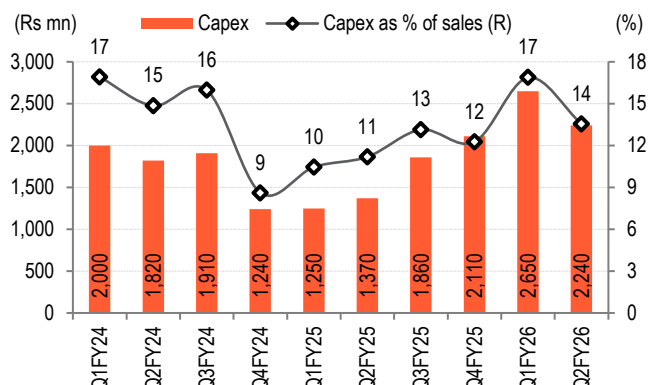
Source: Company, BOBCAPS Research

Fig 12 – Uptick in high-margin sales visible in margins

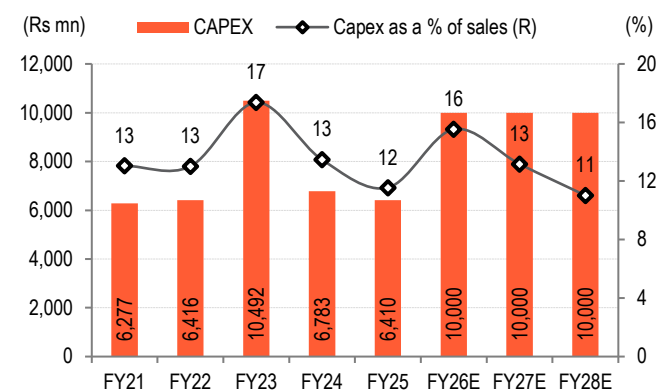
Source: Company, BOBCAPS Research

Fig 13 – PAT higher due to higher Other income and lower finance cost

Source: Company, BOBCAPS Research

Fig 14 – Capex as a percentage of sales stays in double digits

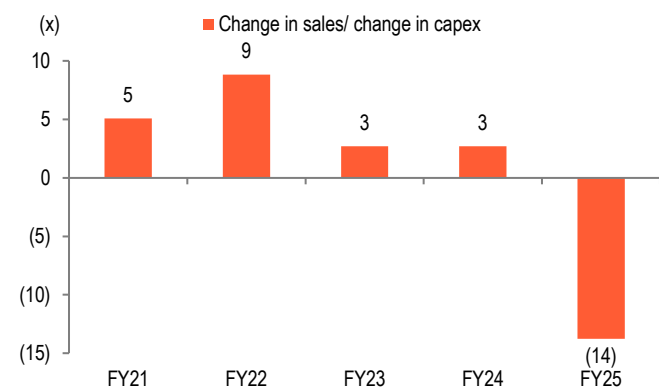
Source: Company, BOBCAPS Research

Fig 15 – Transformation from formulations to CDMO resulted in higher capex outflow


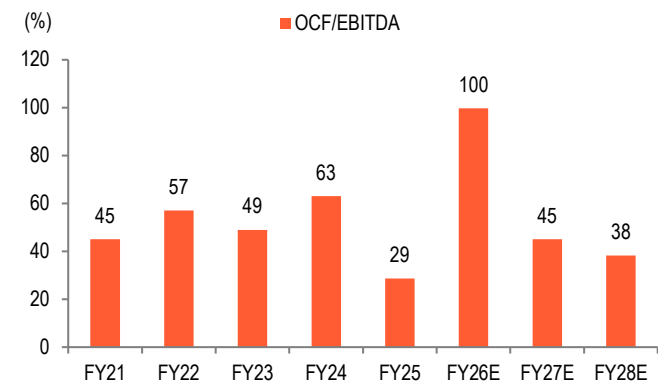
Source: Company, BOBCAPS Research

Fig 16 – Capex turnover ratio continues to surge


Source: Company, BOBCAPS Research

Fig 17 – Lower capex spends in FY25 resulted in lower sales


Source: Company, BOBCAPS Research

Fig 18 – Healthy capex to generate higher cash flow


Source: Company, BOBCAPS Research

Fig 19 – Peer Comparison

Capex/ Total Asset (x)	FY21	FY22	FY23	FY24	FY25
Laurus	0.12	0.13	0.13	0.08	0.07
Divis	0.08	0.05	0.03	0.06	0.08
Cohance	0.08	0.04	0.15	0.02	0.05

Capex/ OCF (x)	FY21	FY22	FY23	FY24	FY25
Laurus	0.9	1.0	1.0	1.0	1.1
Divis	0.5	0.4	0.2	0.8	0.9
Cohance	0.3	0.2	0.6	0.1	0.5

Sales/ capex (x)	FY21	FY22	FY23	FY24	FY25
Laurus	7.0	5.6	6.1	7.4	8.7
Divis	7.7	12.6	16.4	7.8	6.5
Cohance	9.1	17.6	4.7	20.2	7.7

Change in sales/ Change in Capex (x)	FY22	FY23	FY24	FY25
Laurus	0.6	9.8	3.2	-13.9
Divis	-10.1	5.0	0.1	3.5
Cohance	-8.6	0.1	1.2	1.4

Capex/ sales (%)	FY21	FY22	FY23	FY24	FY25
Laurus	14	18	16	13	12
Divis	13	8	6	13	15
Cohance	11	6	21	5	13

Capex as % to gross block	FY21	FY22	FY23	FY24	FY25
Laurus	31	30	17	10	11
Divis	19	17	6	6	14
Cohance	20	19	4	4	6

OCF/EBITDA (%)	FY21	FY22	FY23	FY24	FY25
Laurus	45	57	49	63	29
Divis	68	48	91	50	50
Cohance	86	53	80	95	77

Asset turnover (x)	FY21	FY22	FY23	FY24	FY25
Laurus	1.36	1.03	1.03	0.77	0.76
Divis	1.70	1.75	1.26	1.17	1.29
Cohance	1.97	2.11	1.81	1.30	1.26

Source: Company, BOBCAPS Research

Earnings Call Highlights

Operational Highlights:

- Laurus reported a strong performance in Q2FY26 with revenue of Rs 16,530mn (+35% YoY) and H1 revenue of Rs 32,230 mn (+33% YoY).
- Gross margins expanded to ~60% in Q2FY26, up from 59.4% in Q1FY26, driven by favourable product mix and CDMO scale-up.
- EBITDA margin improved to ~26% in Q2, driven by better utilisation.
- The company is moving structurally from the ARV-heavy model to high-value CDMO leadership.
- Laurus made a ~\$2m minority investment in an ADC platform company for linkers/payloads. The ADC strategy covers payload synthesis, conjugation and fill-finish for end-to-end CDMO.
- The company's current effective tax rate is at 28%. Laurus labs have shifted to the new tax regime. But the other subsidiaries are taxed at different tax rates. On a consolidated basis, tax rate is 28% and management expects it to be at a similar level, going forward.

Capacity expansion and investments:

- Q2FY26 capex was Rs 2,240mn and H1 capex was Rs 4,890mn. FY26 capex guidance stands at ~Rs 10,000mn.
- Laurus acquired a 532-acre land parcel in Vizag for a multi-year integrated pharma manufacturing complex. The Vizag campus will attract ~\$600mn investment over ~8 years in multiple phases.
- Fermentation capacity ~400 KL at Vizag is expected to come online by end-CY26.
- The investment cycle will remain elevated as CDMO projects convert to commercial supply.

Margin expansion and profitability:

- Laurus has progressively raised its gross margin guidance from 50% to 55% and now to around 60% as the business matures.
- EBITDA margin improved to ~26% in Q2, driven by operating leverage.
- Asset turns improved from ~0.7x to ~0.9x and are expected to reach above 1.1x over time.
- Mix shift toward late-stage and commercial CDMO is the key driver of sustainable margins.

CDMO (small molecules):

- CDMO revenue in Q2FY26 was Rs 471mn in Q2 and Rs 964mn in H1, reflecting ~88% YoY growth driven by increasing mid/late-stage programs transitioning to commercial supply.
- RFP momentum remained strong across both big pharma and small and mid-sized biotech.
- Commercial programs are beginning to scale, which will improve stability over 12–18 months.
- Animal health CDMO has one commercial molecule live and more are in validation.
- Crop science CDMO is still in the qualification stage and will contribute gradually.
- CDMO remains the primary long-term value driver with increasing commercial visibility.

Laurus Bio (CDMO large molecule):

- Laurus Bio reported Rs 470mn revenue in Q2FY26 with improved quality of customer mix.
- Large molecule scale-up is capacity constrained until Vizag fermentation comes online in CY26.
- The current 200 KL fermentation base is insufficient for meaningful revenue generation.
- The company's focus is on securing long-term commercial contracts before the capacity ramps up.
- Large-molecule inflection is expected post-CY26 when Vizag fermentation ramps up.

Generic division

- Generics revenue stood at Rs 11,350mn in Q2FY26 and Rs 21,830mn in H1FY26.
- ARV business grew to Rs 7,330 mn in Q2 vs Rs 6,470 mn in Q1, driven by API-led demand. ARV API revenue stood at Rs 3,940mn, while ARV FDF revenue stood at Rs 3,390mn.
- ARV business delivered a strong performance, due to the timing of shipments and a slight increase in demand.
- ARV guidance for FY26 remains ~Rs25,000 mn ± Rs 2,000 mn.
- FDF sales during the quarter stood at Rs 5,180mn which grew 58% YoY. The US business benefitted from the recently launched products and stability from the rest of the product line.
- Non-ARV formulations (US and other markets) are recovering with new launches.

R&D and Quality:

- R&D spend in H1 remained at ~4.3% of revenue, including an investment in cell and gene therapy.
- The company filed 3 FDF dossiers and received 4 approvals in H1.
- Total DMFs now stand at ~91 cumulatively.
- Gene therapy infrastructure is being built as part of a ~Rs 2,500mn, 3Y investment plan.
- CAR-T/ImmunoACT is a long-gestation investment with no near-term revenue expectation.

Valuation Methodology

LAURUS has reported a healthy set of numbers and has massively beaten our estimates on PAT due to financial leverage. A key positive was the second consecutive quarter of over 50% growth in the formulations segment, supported by a low base and new product launches. During the quarter, financial leverage also kicked in with interest cost decreasing by 26% YoY to Rs 400 mn and other income increasing by 170%, resulting in PAT reporting 880% YoY growth and 75% above our estimates.

We expect the currently robust performance to continue as ARV prices have stabilised and have achieved capacity de-bottling with the key APIs, formulation business witnessing stable demand in base products and garnering and sustaining leadership position in new launches, peak capacity from animal health business, commercialisation of crop science to further accelerate CDMO sales and fast track capacity expansion of Vizag plant to boost Laurus Bio sales. The company has been constantly evolving from API to being a formulations company and now, from formulations to CDMO company, which is capital-intensive by nature. Hence, the company has invested Rs 36bn capex from FY21-25 and further intends to invest Rs 50bn in the next 5 years and Rs 80bn in next 8 years. Nature of the business is taking a higher gestation of 18-24 months due to a time-consuming process of building capacities, qualifying, validations, filings, approvals, etc.

However, we remain optimistic of sustaining the current operational leverage, driven by healthy sales from high-margin businesses like CDMO and Formulations. We expect sales CAGR of 18% from FY25-28E to be driven by 42% CAGR from CDMO sales, 10% CAGR from formulations sales, 6% CAGR from generics API sales and 1% CAGR from Laurus Bio. Cumulatively we expect CDMO (large + small molecules) sales contribution to increase from 28% in FY25 to 45% in FY28E, driven by venturing into newer modalities like peptides, ADC, late-stage clinical development and increasing commercialised molecules. Robust growth from CDMO to drive EBITDA CAGR of 34% and PAT CAGR of 52% from FY25-28E. However, as the company is shifting towards newer segment of CDMO, we expect higher opex in the near term, resulting in a moderate increase in EBITDA margin to 28% in FY28 from the current 24.3% in H1FY26. Hence, we retain HOLD on the stock. At CMP, the stock is trading at 45x on Sep'27P. Due to visible operational and financial leverage kicking in, we retain our earlier ascribed PE of 50x and roll forward to Sep'27 to arrive at TP of Rs 1,031 on the stock.

Fig 20 – Actual Vs Estimates

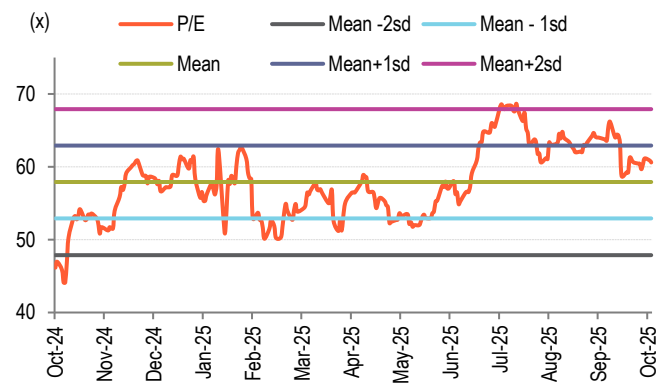
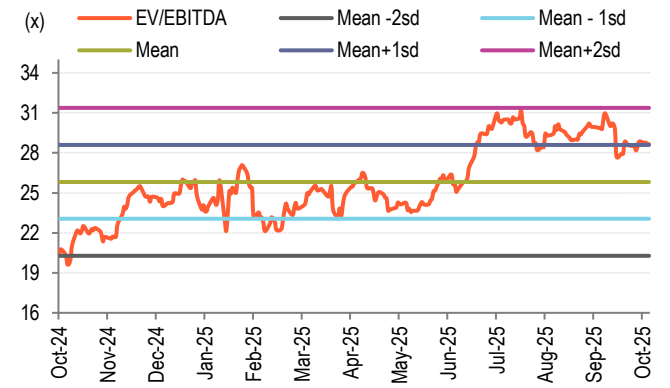
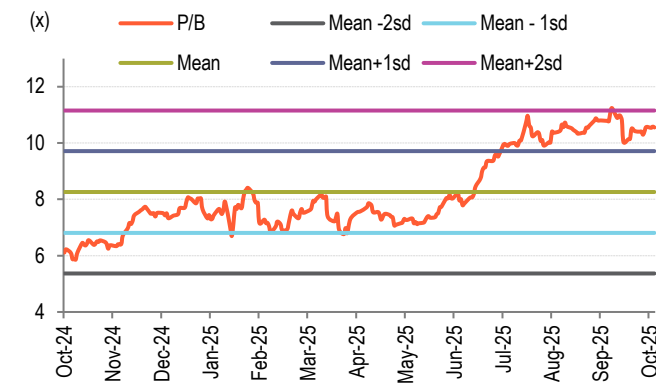
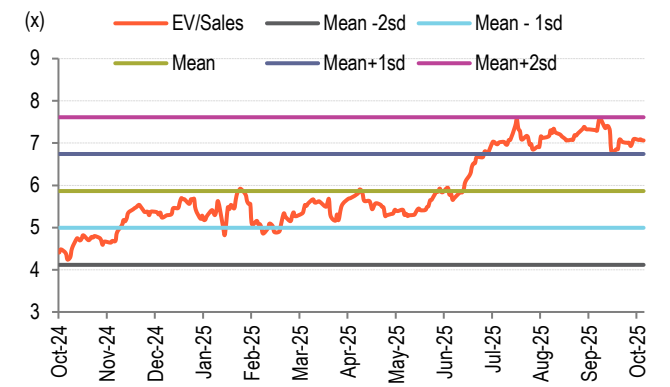
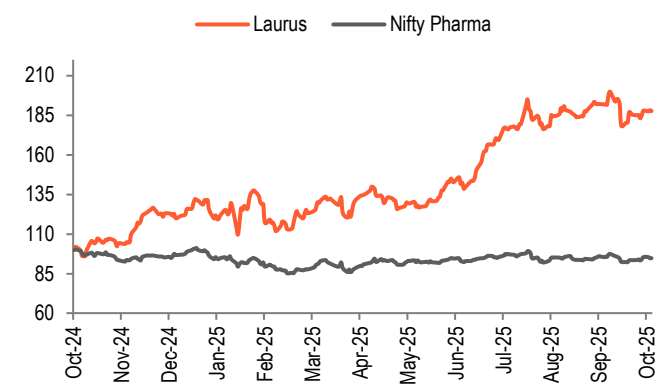
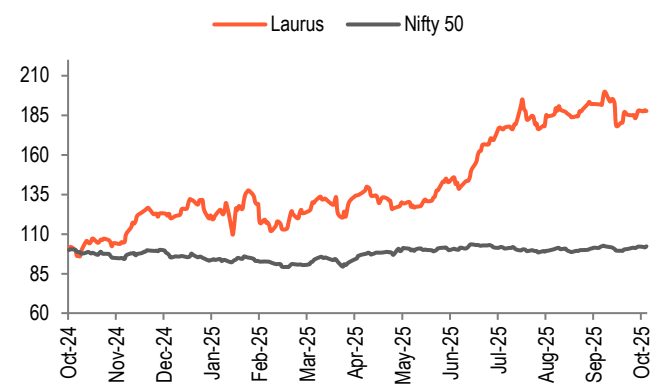
	Q2FY26A	Q2FY26E	Var. (%)	Cons. Est	Var. (%)
Revenue	16,535	14,036	18	14,880	11
EBITDA	4,033	3,158	28	3,077	31
EBITDA M	24.4%	22.5%	190	20.7%	370
PAT	1,945	1,110	75	1,117	74
EPS	3.62	2.07	75	2.07	75

Source: Company, BOBCAPS Research

Fig 21 – Revised estimates

(Rs mn)	New			Old			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales	64,364	76,009	90,803	63,175	73,879	87,609	1.9	2.9	3.6
EBITDA	16,091	20,142	25,425	16,425	19,947	24,530	(2.0)	1.0	3.6
EBITDA margin (%)	25.0	26.5	28.0	26.0	27.0	28.0	(100) bps	(50) bps	0 bps
Interest	2,008	1,842	2,118	2,279.0	2,328.0	2,561.0	(11.9)	(20.9)	(17.3)
Depreciation	5,185	5,985	6,785	5,185.0	5,985.0	6,785.0	(0.0)	(0.0)	(0.0)
Other income	644	988	908	632.0	739.0	876.0	1.8	33.7	3.7
Tax	2,672	3,725	4,880	2,494.0	3,217.0	4,176.0	7.1	15.8	16.9
PAT	6,870	9,579	12,550	7,099.0	9,156.0	11,885.0	(3.2)	4.6	5.6
EPS (Rs)	12.8	17.9	23.4	13.2	17.1	22.1	(3.0)	4.4	5.8

Source: Company, BOBCAPS Research

Fig 22 – 1 year F P/E**Fig 23 – 1 year F EV/EBITDA****Fig 24 – 1 year f P/B****Fig 25 – 1 year f EV/sales****Fig 26 – Laurus Vs Nifty pharma****Fig 27 – Laurus Vs Nifty 50**

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Total revenue	50,410	55,540	64,364	76,009	90,803
EBITDA	7,777	10,553	16,091	20,142	25,425
Depreciation	3,846	4,301	5,185	5,985	6,785
EBIT	3,931	6,252	10,906	14,158	18,640
Net interest inc./(exp.)	(1,829)	(2,160)	(2,008)	(1,842)	(2,118)
Other inc./(exp.)	263	751	644	988	908
Exceptional items	0	0	0	0	0
EBT	2,365	4,843	9,542	13,304	17,430
Income taxes	682	1,299	2,672	3,725	4,880
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	77	(39)	0	0	0
Reported net profit	1,607	3,583	6,870	9,579	12,550
Adjustments	0	0	0	0	0
Adjusted net profit	1,607	3,583	6,870	9,579	12,550

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	10,512	9,585	11,109	13,119	15,673
Other current liabilities	3,858	5,378	8,367	9,121	9,080
Provisions	1,183	1,354	1,490	1,639	1,803
Debt funds	27,162	31,013	26,361	30,315	34,863
Other liabilities	0	0	0	0	0
Equity capital	1,078	1,078	1,078	1,078	1,078
Reserves & surplus	40,078	44,947	50,806	59,375	70,914
Shareholders' fund	41,156	46,025	51,884	60,453	71,992
Total liab. and equities	83,870	93,355	99,212	114,647	133,410
Cash and cash eq.	1,417	1,505	1,148	2,399	4,881
Accounts receivables	16,629	20,072	21,161	27,072	32,341
Inventories	18,454	19,365	20,632	22,907	27,365
Other current assets	3,002	4,265	2,575	3,800	6,356
Investments	1,240	2,333	2,566	2,822	3,105
Net fixed assets	36,247	38,576	43,391	47,407	50,622
CWIP	4,228	4,584	5,084	5,584	6,084
Intangible assets	2,653	2,656	2,656	2,656	2,656
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	83,870	93,355	99,212	114,647	133,410

Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operations	4,902	3,032	16,039	9,064	9,728
Capital expenditures	(6,783)	(6,410)	(10,000)	(10,000)	(10,000)
Change in investments	(741)	(1,093)	(233)	(257)	(282)
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(7,524)	(7,503)	(10,233)	(10,257)	(10,282)
Equities issued/Others	1	0	0	0	0
Debt raised/repaid	5,087	3,852	(4,652)	3,954	4,547
Interest expenses	2	0	0	0	0
Dividends paid	(539)	(808)	(1,011)	(1,011)	(1,011)
Other financing cash flows	(997)	1,516	(500)	(500)	(500)
Cash flow from financing	3,554	4,559	(6,162)	2,444	3,037
Chg in cash & cash eq.	932	88	(357)	1,251	2,482
Closing cash & cash eq.	1,417	1,505	1,148	2,399	4,881

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	3.0	6.7	12.8	17.9	23.4
Adjusted EPS	3.0	6.7	12.8	17.9	23.4
Dividend per share	0.8	1.2	1.5	1.5	1.5
Book value per share	76.6	83.3	94.3	110.2	131.7

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	9.5	8.6	7.4	6.3	5.2
EV/EBITDA	61.7	45.1	29.6	23.7	18.7
Adjusted P/E	312.0	139.9	73.0	52.3	40.0
P/BV	12.2	11.2	9.9	8.5	7.1

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	67.9	74.0	72.0	72.0	72.0
Interest burden (PBT/EBIT)	60.2	77.5	87.5	94.0	93.5
EBIT margin (EBIT/Revenue)	7.8	11.3	16.9	18.6	20.5
Asset turnover (Rev./Avg TA)	19.3	19.1	20.7	22.5	23.0
Leverage (Avg TA/Avg Equity)	1.6	1.7	1.6	1.5	1.5
Adjusted ROAE	3.9	8.3	14.4	17.5	19.3

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	(16.6)	10.2	15.9	18.1	19.5
EBITDA	(51.2)	35.7	52.5	25.2	26.2
Adjusted EPS	(79.7)	122.9	91.7	39.4	31.0
Profitability & Return ratios (%)					
EBITDA margin	15.4	19.0	25.0	26.5	28.0
EBIT margin	7.8	11.3	16.9	18.6	20.5
Adjusted profit margin	3.2	6.5	10.7	12.6	13.8
Adjusted ROAE	3.9	8.3	14.4	17.5	19.3
ROCE	6.4	9.6	14.9	17.9	19.8
Working capital days (days)					
Receivables	120	132	120	130	130
Inventory	134	127	117	110	110
Payables	76	63	63	63	63
Ratios (x)					
Gross asset turnover	0.9	0.9	0.9	1.0	1.0
Current ratio	2.5	2.8	2.2	2.4	2.7
Net interest coverage ratio	2.1	2.9	5.4	7.7	8.8
Adjusted debt/equity	0.6	0.7	0.5	0.5	0.4

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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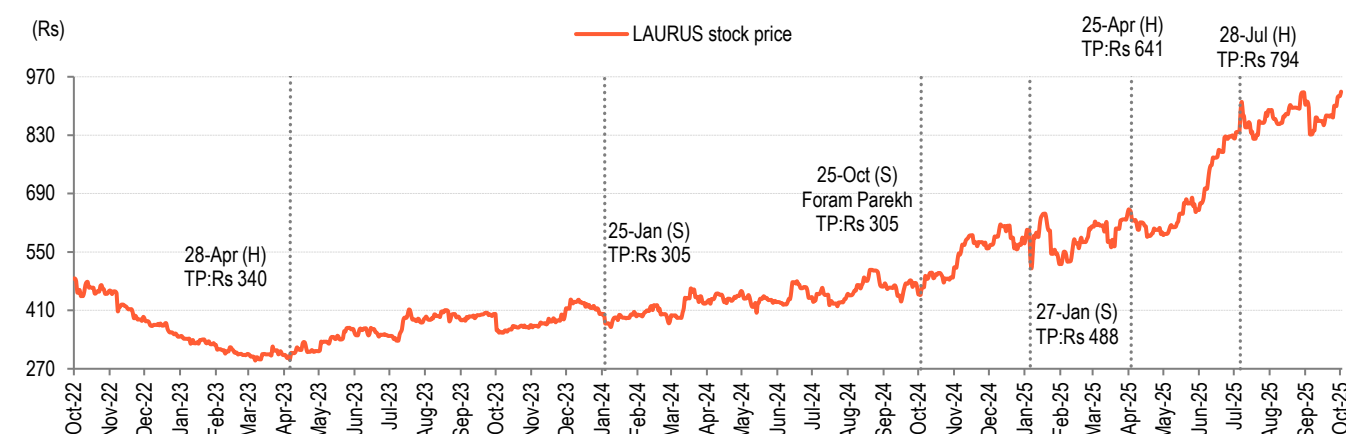
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