

Domestic performance holds the key in Q2FY22

- Expect moderate 5.1% YoY topline growth from our pharma coverage in Q2FY22 on a high base
- EBITDA margin forecast to contract 215bps YoY due to savings reversal and higher A&P spends; PAT to decline 6.4% YoY
- Top picks – SUNP (BUY, TP: Rs 955), ERIS (BUY, TP: Rs 975) and LAURUS (BUY, TP: Rs 715)

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Recovery in domestic acute therapies to continue: We expect domestic market growth to be driven by recovery in the acute segment and a higher share of the non-Covid portfolio, especially anti-infectives as patient visits to hospitals and clinics normalise. CIPLA is projected to report a revenue decline of 18% QoQ (+7% YoY) in India business due to lower contribution of the Covid portfolio while Sun Pharma (SUNP)/Lupin (LPC) could decline 11%/6% QoQ (+16%/15% YoY). Dr Reddy's (DRRD: +22%) is likely to grow the highest YoY, followed by Ajanta Pharma (AJP: +17%).

Launch-led growth in US to be offset by price erosion in base business: US sales are likely to remain weak in Q2 due to a challenging price environment and flattish volume uptake. We expect our pharma coverage to grow 2.6% QoQ in dollar terms (-2.8% YoY), led by Alkem Labs (ALKEM: +13% QoQ) on account of launch of limited competition products (gDuexis) and relatively lower price erosion in its base business. Alembic Pharma (ALPM) and Aurobindo Pharma (ARBP) are forecast to report a 33% and 17% YoY decline in US business respectively. Other regions should see QoQ and YoY growth aided by stable currencies and easing of lockdown restrictions. API business could be flattish due to a high base.

Currencies stable: The average USDINR rate at Rs 74.1 remained flat QoQ (Rs 73.7) as well as YoY (Rs 74.4). Among EM currencies, the ZAR appreciated by 15.2% YoY (-3.1% QoQ) while the RUB and BRL were stable.

Margins to contract: We expect a 215bps YoY contraction in EBITDA margin for our coverage due to a decline in the high-margin Covid portfolio as well as increased sales and promotional expenses. Higher domestic contribution should partially offset margin contraction. The global rise in raw material prices and increase in freight cost need to be closely watched for the upcoming quarters.

Valuation: We roll forward to Sep'23 earnings for our entire pharma universe, resulting in revised target prices and ratings (Fig 4). We reiterate BUY on ARBP (TP: Rs 886) and upgrade SUNP (TP: Rs 955) and DRRD (TP: Rs 5,500) to BUY from ADD. We also realign DIVI (TP: Rs 5,540) and LPC (TP: Rs 1,045) to HOLD from ADD.

Recommendation snapshot

Ticker	Price	Target	Rating
AJP IN	2,216	2,800	BUY
ALKEM IN	3,824	4,250	HOLD
ALPM IN	777	980	BUY
ARBP IN	702	886	BUY
CIPLA IN	906	1,160	BUY
DIVI IN	5,116	5,540	HOLD
DRRD IN	4,754	5,500	BUY
ERIS IN	812	975	BUY
LAURUS IN	599	715	BUY
LPC IN	930	1,045	HOLD
SUNP IN	815	955	BUY

Price & Target in Rupees | Price as of 20 Oct 2021



Fig 1 – Q2FY22 preview

Company	Q2FY22E	Q2FY21	YoY (%)	Q1FY22	QoQ (%)	Commentary
AJP						
Revenue	7,725	7,159	7.9	7,480	3.3	Expect 8% YoY revenue growth supported by mid-teens' growth in the domestic and US markets. Growth in the domestic market will be driven by recovery in dermatology/ophthalmology and strong momentum in cardiac/pain therapies on a low base of last year. In other export markets, 6% growth in the African market should be partly offset by a ~5% dip in Asia. Higher operating and R&D costs are likely to weaken EBITDA margin.
EBITDA	2,388	2,744	(13.0)	2,202	8	
EBITDA Margin (%)	30.9	38.3	(742bps)	29.4	147bps	
PAT	1,623	1,706	(4.9)	1,738	(6.6)	
ALKEM						
Revenue	26,862	23,628	13.7	27,314	(1.7)	Recovery in domestic business (+15% YoY) and new product launches in the US should drive 14% YoY revenue growth for ALKEM. US business is projected to grow 13% QoQ to US\$ 92mn on the back of new launches such as gDuexis and gApriso, with benefits to be partly offset by price erosion. Operating margin should normalise with a projected decline of 340bps YoY. Expect flattish earnings growth for the quarter.
EBITDA	5,910	6,005	(1.6)	5,929	0	
EBITDA Margin (%)	22.0	25.4	(341bps)	21.7	29bps	
PAT	4,667	4,721	(1.1)	4,681	(0.3)	
ALPM						
Revenue	13,018	14,571	(10.7)	13,260	(1.8)	Revenue is forecast to decrease 11% YoY as growth in domestic formulations is likely to be offset by a 33% drop in US revenue. Increase in raw material cost and other expenses would put pressure on the operating margin (-10ppt YoY). PAT is accordingly forecast to decline by 52%.
EBITDA	2,539	4,436	(42.8)	2,359	8	
EBITDA Margin (%)	19.5	30.4	(1,094bps)	17.8	171bps	
PAT	1,599	3,337	(52.1)	1,645	(2.8)	
ARBP						
Revenue	60,157	64,832	(7.2)	57,020	5.5	Expect a 16% YoY decline in US market revenue mainly due to price erosion in base business despite new launches. Europe should report 8% YoY growth while RoW business declines 8% off a high base. API revenue is projected to grow modestly at 3.6% YoY. EBITDA margin could contract ~70bps YoY due to higher expenses.
EBITDA	12,875	14,326	(10.1)	12,094	6.5	
EBITDA Margin (%)	21.4	22.1	(70bps)	21.2	19bps	
PAT	7,819	7,990	(2.1)	7,414	5.5	
CIPLA						
Revenue	52,123	50,383	3.5	55,044	(5.3)	Revenue growth is likely to be modest at 3.5% YoY with ~4.3% QoQ growth in US sales and ~7% YoY growth in domestic business (high base). API business is forecast to decline ~30% QoQ (+10% YoY) on a high base of the previous quarter. Due to lower sales of Covid-19 products, we expect EBITDA margin to fall 80bps.
EBITDA	11,757	11,765	(0.1)	13,459	(12.6)	
EBITDA Margin (%)	22.6	23.4	(79bps)	24.5	(190bps)	
PAT	6,989	6,653	5.1	8,393	(16.7)	
DIVI						
Revenue	20,003	17,138	16.7	19,502	2.6	Expect 17% YoY revenue growth backed by ~44% growth in the custom synthesis business. We expect the generic API business and nutraceuticals to remain flat for the quarter. EBITDA margin is set to remain healthy at 43.2%, aiding PAT growth of 17% YoY.
EBITDA	8,633	7,447	15.9	8,515	1.4	
EBITDA Margin (%)	43.2	43.5	(30bps)	43.7	(51bps)	
PAT	6,133	5,256	16.7	5,328	15.1	
DRRD						
Revenue	52,162	48,967	6.5	49,194	6.0	Strong growth in domestic business and healthy Europe/ROW sales should drive 6.5% YoY growth in revenue. Price erosion will continue to put pressure on US revenue. EBITDA margin is forecast to contract 355bps YoY due to fewer export-led opportunities amid Covid and a high base.
EBITDA	11,161	12,215	(8.6)	9,025	23.7	
EBITDA Margin (%)	21.4	24.9	(355bps)	18.3	305bps	
PAT	6,728	8,404	(19.9)	5,708	17.9	
ERIS						
Revenue	3,585	3,300	8.6	3,493	2.6	We expect ERIS to report revenue growth of 8.6% YoY on the back of key products in the chronic segment where marketing activity has increased. EBITDA margin is forecast to decline 180bps YoY on account of reduced sales in the VMN segment. Expect 7% PAT growth.
EBITDA	1,290	1,248	3.4	1,265	2.0	
EBITDA Margin (%)	36.0	37.8	(183bps)	36.2	(24bps)	
PAT	1,150	1,077	6.7	1,067	7.8	
LAURUS						
Revenue	13,904	11,388	22.1	12,785	8.8	Robust growth in synthesis (+60% YoY) and formulations (+25% YoY) is expected to spur 22% YoY growth in revenue. Higher RM cost and other expenses will put pressure on operating margin (-340bps YoY). PAT to grow modestly at 3% YoY.
EBITDA	4,087	3,739	9.3	3,954	3.4	
EBITDA Margin (%)	29.4	32.8	(344bps)	30.9	(153bps)	
PAT	2,489	2,423	2.7	2,416	3.0	

Company	Q2FY22E	Q2FY21	YoY (%)	Q1FY22	QoQ (%)	Commentary
LPC						
Revenue	39,254	38,350	2.4	38,968	0.7	Expect US\$ 189mn in US business sales on the back of market share gains in ProAir, though benefits from new launches could be offset by price erosion. Overall revenue is projected to improve by 2.4% YoY with margin improvement of 130bps. PAT to surge 53% YoY.
EBITDA	6,461	5,812	11.2	5,542	16.6	
EBITDA Margin (%)	16.5	15.2	131bps	14.2	224bps	
PAT	3,224	2,107	53.0	1,691	90.7	
SUNP						
Revenue	94,256	84,587	11.4	97,187	(3.0)	We expect 11% YoY growth in topline on the back of specialty sales in the US and robust growth in the domestic market. EBITDA margin could contract 360bps YoY on account of reversal of lockdown-led savings and higher spend on the specialty portfolio. We estimate a 14% YoY decline in earnings on a higher base.
EBITDA	21,314	22,156	(3.8)	27,412	(22.2)	
EBITDA Margin (%)	22.6	26.2	(358bps)	28.2	(559bps)	
PAT	16,581	19,293	(14.1)	19,954	(16.9)	

Source: BOBCAPS Research

Fig 2 – US revenue expectations

(US\$ mn)	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22E	QoQ (%)	YoY (%)
AJP	22	20	20	21	21	24	23	24	5.8	15.9
ALPM	72	81	79	79	70	65	50	53	5.5	(33.3)
ALKEM	82	84	89	85	84	75	82	93	13.4	9.1
ARBP	418	415	363	434	432	393	364	362	(0.5)	(16.6)
CIPLA	133	119	136	143	141	137	141	147	4.3	2.9
DRRD	225	251	230	249	237	240	236	239	1.3	(4.2)
LPC	193	219	162	190	196	205	181	189	4.5	(0.7)
SUNP (ex-Taro)	202	200	164	192	234	222	233	240	3.0	24.7
TARO	148	175	118	143	140	148	147	147	0.0	3.0

Source: Company, BOBCAPS Research

Fig 3 – Cross-currency movement

Quarter	Closing rate					Average rate				
	USDINR	EURINR	BRLINR	RUBINR	ZARINR	USDINR	EURINR	BRLINR	RUBINR	ZARINR
Sep-19	70.8	77.3	17.0	1.1	4.7	70.3	78.2	17.7	1.1	4.8
Dec-19	71.4	80.0	17.7	1.2	5.1	71.2	78.9	17.3	1.1	4.9
Mar-20	75.5	82.3	14.5	1.0	4.2	72.5	79.8	16.3	1.1	4.7
Jun-20	75.5	84.8	13.8	1.1	4.4	75.8	83.6	14.2	1.1	4.2
Sep-20	73.7	86.5	13.2	1.0	4.1	74.4	86.9	13.8	1.0	4.4
Dec-20	73.1	89.7	14.1	1.0	5.0	73.8	88.0	13.7	1.0	4.7
Mar-21	73.1	85.8	12.9	1.0	5.0	72.9	87.9	13.3	1.0	4.9
Jun-21	74.3	88.4	15.0	1.0	5.2	73.7	88.9	14.0	1.0	5.2
Sep-21	74.2	86.1	13.7	1.0	4.9	74.1	87.4	14.2	1.0	5.1

Source: BOBCAPS Research, Bloomberg

Estimate and rating changes

We remain optimistic on the pharma sector backed by a return to normalcy post pandemic and recovery in the Indian market. Acute therapy-focused companies will likely perform better in the domestic market on a low base of last year while momentum in the chronic segment should continue. The outlook for the base US business remains weak in the near term due to price erosion and increased competition, but companies with a strong ANDA pipeline and those awaiting physical USFDA inspection for regulatory clearance should perform well.

Nifty Pharma is currently trading at 26x P/E and ~16x EV/EBITDA one-year forward. This is a premium of 16% and 12% to the respective five-year historical averages. We believe the rerating will continue going forward, specially in frontline stocks with a diversified geographic base.

On rollover to Sep'23 earnings, target prices for our pharma universe stand revised as per the table below. We reiterate our BUY rating on ARBP (TP: Rs 886) and upgrade SUNP (TP: Rs 955) and DRRD (TP: Rs 5,500) to BUY from ADD. We also realign DIVI (TP: Rs 5,540) and LPC (TP: Rs 1,045) to HOLD from ADD.

Fig 4 – Revised target prices and ratings

Company	Target Price (Rs)		Rating	
	New	Old	New	Old
AJP	2,800	2,750	BUY	BUY
ALKEM	4,250	3,620	HOLD	BUY
ALPM	980	980	BUY	HOLD
ARBP	886	1,100	BUY	BUY
CIPLA	1,160	1,100	BUY	BUY
DIVI	5,540	3,700	HOLD	ADD
DRRD	5,500	5,200	BUY	ADD
ERIS	975	850	BUY	HOLD
LAURUS	715	540	BUY	BUY
LPC	1,045	1,070	HOLD	ADD
SUNP	955	630	BUY	ADD

Source: BOBCAPS Research

Fig 5 – Earnings estimates

Company	Revenue (Rs mn)			EBITDA (Rs mn)			PAT (Rs mn)		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
AJP	33,007	37,456	42,406	10,108	11,834	13,187	7,313	8,824	9,941
ALKEM	1,02,022	1,14,859	1,27,967	21,109	24,669	28,286	16,052	19,169	22,471
ALPM	52,333	57,464	63,726	11,254	12,933	16,890	7,129	8,414	10,867
ARBP	2,53,837	2,68,150	2,79,750	54,077	58,629	61,639	33,397	36,603	39,142
CIPLA	2,16,263	2,35,667	2,59,233	47,567	50,362	56,938	27,604	29,733	35,958
DIVI	83,868	97,873	1,14,299	35,889	42,861	50,625	25,317	30,395	36,279
DRRD	2,15,460	2,51,414	2,66,890	49,584	61,106	69,262	28,032	36,205	42,419
ERIS	13,884	15,927	17,897	5,113	6,161	7,047	4,148	5,115	5,913
LAURUS	58,600	68,300	81,741	18,229	21,304	25,641	11,861	13,864	17,169
LPC	1,64,414	1,78,662	2,05,909	31,446	36,421	43,279	14,728	17,898	22,187
SUNP	3,78,399	4,20,818	4,62,755	99,946	1,11,102	1,24,272	75,536	85,597	96,893

Source: BOBCAPS Research

Fig 6 – Revised estimates

Company	Revenue (Rs mn)						EBITDA (Rs mn)						PAT(Rs mn)					
	FY22E			FY23E			FY22E			FY23E			FY22E			FY23E		
	New	Old	% Δ	New	Old	% Δ	New	Old	% Δ	New	Old	% Δ	New	Old	% Δ	New	Old	% Δ
AJP	33,007	33,007	0.0	37,456	37,456	0.0	10,108	10,108	0.0	11,834	11,834	0.0	7,313	7,313	0.0	8,824	8,824	0.0
ALKEM	1,02,022	99,976	2.0	1,14,859	1,11,114	3.4	21,109	20,234	4.3	24,669	23,067	6.9	16,052	15,313	4.8	19,169	17,815	7.6
ALPM	52,333	52,333	0.0	57,464	55,784	3.0	11,254	12,654	(11.1)	12,933	14,410	(10.3)	7,129	7,843	(9.1)	8,414	9,025	(6.8)
ARBP	2,53,837	2,54,638	(0.3)	2,68,150	2,69,765	(0.6)	54,077	54,250	(0.3)	58,629	57,539	1.9	33,397	33,867	(1.4)	36,603	36,309	0.8
CIPLA	2,16,263	2,16,263	0.0	2,35,667	2,35,667	0.0	47,567	47,567	0.0	50,362	50,362	0.0	27,604	27,604	0.0	29,733	29,733	0.0
DIVI	83,868	79,175	5.9	97,873	92,122	6.2	35,889	31,747	13.0	42,861	38,321	11.8	25,317	22,269	13.7	30,395	27,187	11.8
DRRD	2,15,460	2,15,621	(0.1)	2,51,414	2,50,231	0.5	49,584	51,230	(3.2)	61,106	63,361	(3.6)	28,032	31,353	(10.6)	36,205	41,295	(12.3)
ERIS	13,884	13,884	0.0	15,927	15,927	0.0	5,113	5,113	0.0	6,161	6,161	0.0	4,148	4,130	0.4	5,115	5,095	0.4
LAURUS	58,600	58,600	0.0	68,300	68,300	0.0	18,229	18,229	0.0	21,304	21,304	0.0	11,861	11,861	0.0	13,864	13,864	0.0
LPC	1,64,414	1,80,636	(9.0)	1,78,662	1,96,620	(9.1)	31,446	31,309	0.4	36,421	36,586	(0.5)	14,728	12,691	16.0	17,898	15,599	14.7
SUNP	3,78,399	3,82,176	(1.0)	4,20,818	4,28,675	(1.8)	99,946	91,181	9.6	1,11,102	1,03,795	7.0	75,536	62,760	20.4	85,597	73,414	16.6

Source: BOBCAPS Research | Δ: Change

Fig 7 – Valuation snapshot

Companies	Price	Mcap	Rating	EBITDA CAGR (%) (FY21E-FY23E)	P/E (x)		EV/EBITDA (x)		ROE (%)	ROIC (%)
	(20-Oct-21)	(US\$ mn)			FY22E	FY23E	FY22E	FY23E	FY22E	FY22E
Coverage Universe										
ARBP	702	5,565	BUY	4.8	11.4	10.7	6.7	6.4	14.2	20.2
CIPLA	906	9,734	BUY	8.8	24.6	20.4	13.9	12.3	14.2	21.7
DRRD	4,754	10,608	BUY	15.2	22.0	18.8	12.9	11.4	15.9	21.6
LPC	930	5,605	HOLD	19.1	23.7	19.1	11.1	9.4	10.5	17.8
SUNP	815	26,345	BUY	14.3	23.2	20.5	16.1	14.4	15.3	25.4
DIVI	5,116	18,527	HOLD	17.3	44.2	36.9	31.4	26.6	25.8	44.5
LAURUS	599	4,343	BUY	16.7	23.9	19.3	16.1	13.1	37.8	36.4
ALKEM	3,824	6,108	HOLD	3.3	24.0	20.4	17.9	15.6	23.3	36.1
ALPM	777	2,032	BUY	(1.1)	18.5	14.4	9.8	8.7	13.3	17.3
AJP	2,216	2,519	BUY	8.8	21.3	19.1	15.4	13.8	22.0	31.3
ERIS	812	1,457	BUY	19.9	21.9	19.0	16.7	14.4	26.1	27.4
Aggregate	-	-		-	23.5	19.9	15.3	13.3	19.8	27.2
Indian MNCs*										
Sanofi	8,120	2,447	UR	8.5	25.9	25.9	20.0	18.81	29.2	-
Glaxo Pharma	1,471	3,323	UR	10.0	40.7	35.9	30.9	27.9	28.2	-
Abbott India	20,686	5,924	UR	15.9	53.9	46.3	39.2	34.1	30.5	-
Pfizer	5,262	3,268	UR	15.1	39.6	35.1	27.4	24.8	17.9	-
Aggregate	-	-		-	40.0	35.8	29.4	28.9	26.4	-
Global Peers										
Endo	4	983	UR	(2.9)	1.8	1.9	6.0	6.2	(83.8)	-
Viatrix	14	16,410	UR	20.6	3.8	3.6	6.3	6.1	19.7	-
Perrigo	46	6,104	UR	(9.0)	18.7	15.7	14.0	12.3	5.7	-
Teva	10	11,106	UR	2.2	3.9	3.7	7.0	6.9	24.5	-
Aggregate	-	-		-	7.0	6.2	8.3	7.9	(8.5)	-

Source: BOBCAPS Research | *Bloomberg

Fig 8 – Historical valuation range

Company	EV/EBITDA band (1Y fwd) (x)	ROIC band (%)	FY23E ROIC (%)	Target EV/EBITDA (x)
ARBP	4-16x	10-26	21.2	8.5
CIPLA	12-22x	10-20	23.9	17.0
DRRD	10-18x	10-28	25.2	14.0
LPC	10-22x	11-40	20.2	11.6
SUNP	11-27x	13-45	27.5	18.4
DIVI	12-26x	27-36	50.9	31.0
LAURUS	7-17x	8-24	36.2	17.0
ALKEM	14-25x	18-35	39.7	19.0
ALPM	5-17x	22-35	19.1	13.0
AJP	5-24x	23-50	35.6	19.0
ERIS	12-30x	35-120	29.9	20.0
Aggregate	9-22x	-	-	17.1

Source: BOBCAPS Research

Stock performance

Fig 9 – AJP

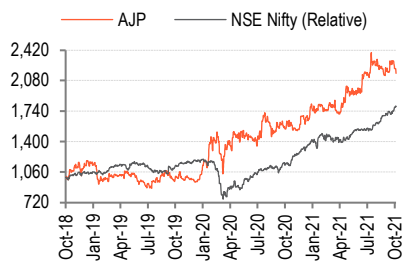


Fig 10 – ALKEM

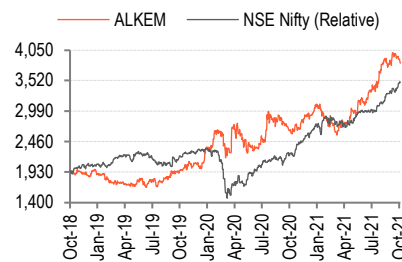


Fig 11 – ALPM

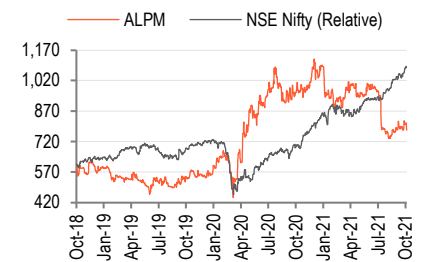


Fig 12 – ARBP

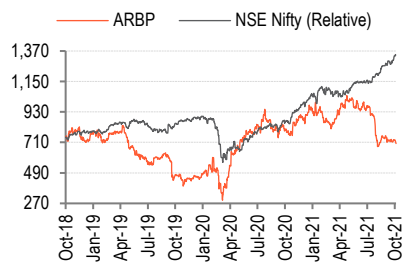


Fig 13 – CIPLA

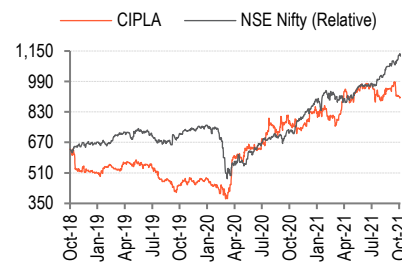


Fig 14 – DIVI

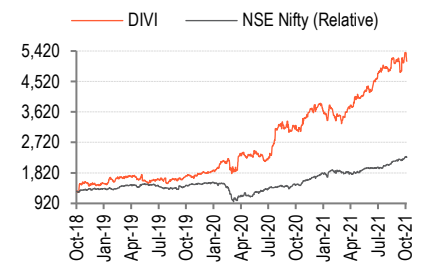


Fig 15 – DRRD

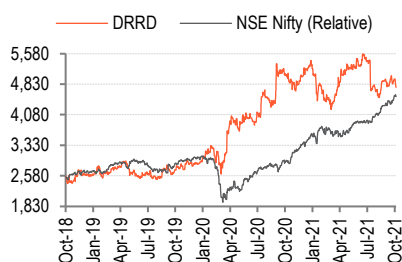


Fig 16 – ERIS

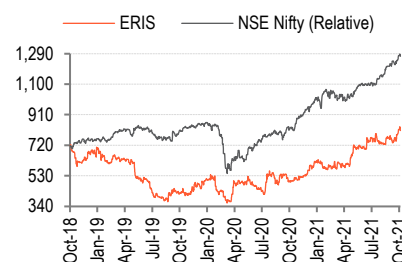


Fig 17 – LAURUS

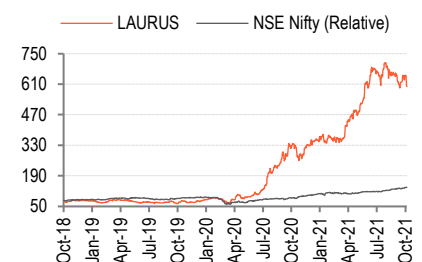
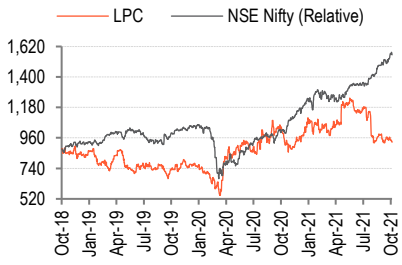
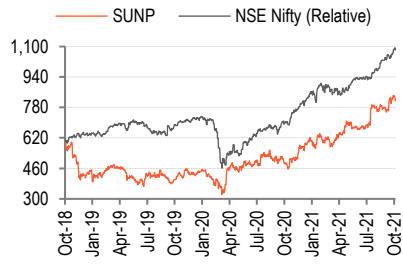


Fig 18 – LPC



Source: NSE

Fig 19 – SUNP



Financials – AJP

Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Total revenue	25,878	28,897	33,007	37,456	42,406
EBITDA	6,833	9,990	10,108	11,834	13,187
Depreciation	957	1,161	1,207	1,303	1,386
EBIT	5,876	8,829	8,901	10,530	11,801
Net interest inc./(exp.)	(119)	(83)	(12)	(12)	(12)
Other inc./(exp.)	921	251	486	795	1,291
Exceptional items	0	0	0	0	0
EBT	6,678	8,997	9,375	11,313	13,080
Income taxes	1,962	2,463	2,063	2,489	3,139
Extraordinary items	39	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	4,756	6,534	7,313	8,824	9,941
Adjustments	39	0	0	0	0
Adjusted net profit	4,716	6,534	7,313	8,824	9,941

Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	3,622	3,739	3,617	4,105	4,647
Other current liabilities	1,831	2,677	1,650	1,873	2,120
Provisions	246	296	339	384	435
Debt funds	436	198	198	198	198
Other liabilities	0	0	0	0	0
Equity capital	175	174	174	174	174
Reserves & surplus	26,398	30,203	36,053	43,112	51,082
Shareholders' fund	26,573	30,377	36,227	43,286	51,256
Total liab. and equities	32,708	37,286	42,031	49,846	58,656
Cash and cash eq.	2,049	2,096	4,617	9,868	15,931
Accounts receivables	7,753	7,384	8,139	9,236	10,456
Inventories	4,956	7,665	6,782	7,696	8,714
Other current assets	1,211	1,891	2,641	2,996	3,392
Investments	794	1,846	1,846	1,846	1,846
Net fixed assets	14,509	15,214	16,007	16,204	16,318
CWIP	1,318	1,082	2,000	2,000	2,000
Intangible assets	117	108	0	0	0
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	32,707	37,286	42,031	49,846	58,656

Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Cash flow from operations	4,414	5,770	6,805	8,528	9,546
Capital expenditures	(3,294)	(1,550)	(2,000)	(1,500)	(1,500)
Change in investments	(18)	(1,051)	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(3,313)	(2,601)	(2,000)	(1,500)	(1,500)
Equities issued/Others	0	(2)	0	0	0
Debt raised/repaid	96	(238)	0	0	0
Interest expenses	(119)	(83)	(12)	(12)	(12)
Dividends paid	(943)	(1,307)	(1,463)	(1,765)	(1,971)
Other financing cash flows	910	(1,493)	(810)	0	0
Cash flow from financing	(56)	(3,122)	(2,285)	(1,777)	(1,983)
Chg in cash & cash eq.	1,045	47	2,521	5,251	6,063
Closing cash & cash eq.	2,049	2,096	4,617	9,868	15,931

Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	53.3	74.5	83.4	100.6	113.4
Adjusted EPS	53.8	74.5	83.4	100.6	113.4
Dividend per share	10.8	15.0	16.8	20.3	22.7
Book value per share	303.0	346.4	413.1	493.6	584.5

Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	7.2	6.5	5.6	4.9	4.3
EV/EBITDA	27.4	18.7	18.4	15.6	13.7
Adjusted P/E	40.2	29.0	25.9	21.5	19.1
P/BV	7.1	6.2	5.2	4.4	3.7

DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	70.6	72.6	78.0	78.0	76.0
Interest burden (PBT/EBIT)	113.6	101.9	105.3	107.4	110.8
EBIT margin (EBIT/Revenue)	22.7	30.6	27.0	28.1	27.8
Asset turnover (Rev./Avg TA)	25.8	25.1	24.6	23.4	22.3
Leverage (Avg TA/Avg Equity)	1.0	1.0	1.0	1.0	1.0
Adjusted ROAE	19.1	22.9	22.0	22.2	21.0

Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
YoY growth (%)					
Revenue	25.9	11.7	14.2	13.5	13.2
EBITDA	20.9	46.2	1.2	17.1	11.4
Adjusted EPS	21.9	38.5	11.9	20.7	12.7
Profitability & Return ratios (%)					
EBITDA margin	26.4	34.6	30.6	31.6	31.1
EBIT margin	22.7	30.6	27.0	28.1	27.8
Adjusted profit margin	18.2	22.6	22.2	23.6	23.4
Adjusted ROAE	19.1	22.9	22.0	22.2	21.0
ROCE	27.2	31.5	28.0	28.3	27.6
Working capital days (days)					
Receivables	109	93	90	90	90
Inventory	70	97	75	75	75
Payables	51	47	40	40	40
Ratios (x)					
Gross asset turnover	1.3	1.4	1.4	1.5	1.6
Current ratio	2.8	2.8	4.0	4.7	5.3
Net interest coverage ratio	49.4	106.8	750.4	887.7	994.8
Adjusted debt/equity	(0.1)	(0.1)	(0.1)	(0.2)	(0.3)

Source: Company, BOBCAPS Research

Financials – ALKEM

Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24
Total revenue	82,983	92,336	1,02,022	1,14,859	1,27,967
EBITDA	14,730	23,110	21,109	24,669	28,286
Depreciation	2,526	2,746	2,872	3,222	3,572
EBIT	12,204	20,364	18,237	21,447	24,714
Net interest inc./(exp.)	(650)	(589)	(1,002)	(1,002)	(1,002)
Other inc./(exp.)	1,043	2,332	2,112	2,936	3,714
Exceptional items	0	0	0	0	0
EBT	12,598	22,107	19,347	23,381	27,425
Income taxes	1,105	2,243	2,902	3,741	4,388
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	222	328	393	472	566
Reported net profit	11,270	19,536	16,052	19,169	22,471
Adjustments	0	0	0	0	0
Adjusted net profit	11,270	19,536	16,052	19,169	22,471

Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24
Accounts payables	9,541	10,694	13,762	15,493	17,262
Other current liabilities	6,010	7,343	8,037	9,048	10,081
Provisions	4,067	4,874	5,385	6,063	6,754
Debt funds	16,628	16,702	16,702	16,702	16,702
Other liabilities	0	0	0	0	0
Equity capital	239	239	239	239	239
Reserves & surplus	53,363	64,262	76,570	91,269	1,08,500
Shareholders' fund	53,602	64,501	76,809	91,508	1,08,739
Total liab. and equities	89,848	1,04,113	1,20,695	1,38,814	1,59,538
Cash and cash eq.	10,922	19,905	33,770	43,468	55,981
Accounts receivables	16,494	16,072	19,267	21,691	24,166
Inventories	18,188	23,124	21,468	24,170	26,928
Other current assets	9,180	10,072	12,055	13,572	15,121
Investments	2,614	3,328	3,328	3,328	3,328
Net fixed assets	28,821	27,679	29,807	31,585	33,013
CWIP	3,630	3,933	1,000	1,000	1,000
Intangible assets	0	0	0	0	0
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	89,848	1,04,113	1,20,695	1,38,814	1,59,538

Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24
Cash flow from operations	8,021	20,756	20,678	20,171	23,755
Capital expenditures	(4,500)	(4,000)	(5,000)	(5,000)	(5,000)
Change in investments	622	(714)	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(3,878)	(4,714)	(5,000)	(5,000)	(5,000)
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	7,603	75	0	0	0
Interest expenses	(650)	(589)	(1,002)	(1,002)	(1,002)
Dividends paid	(2,628)	(4,556)	(3,743)	(4,470)	(5,240)
Other financing cash flows	(4,161)	(1,990)	2,933	0	0
Cash flow from financing	164	(7,060)	(1,813)	(5,472)	(6,242)
Chg in cash & cash eq.	4,308	8,982	13,865	9,698	12,513
Closing cash & cash eq.	10,922	19,905	33,770	43,468	55,981

Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24
Reported EPS	94.3	163.4	134.3	160.3	188.0
Adjusted EPS	94.3	163.4	134.3	160.3	188.0
Dividend per share	18.9	32.7	26.9	32.1	37.6
Book value per share	436.0	524.4	627.3	750.3	894.4

Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24
EV/Sales	5.5	5.0	4.5	3.9	3.4
EV/EBITDA	31.1	19.9	21.6	18.0	15.3
Adjusted P/E	40.6	23.4	28.5	23.9	20.3
P/BV	8.8	7.3	6.1	5.1	4.3

DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24
Tax burden (Net profit/PBT)	89.5	88.4	83.0	82.0	81.9
Interest burden (PBT/EBIT)	103.2	108.6	106.1	109.0	111.0
EBIT margin (EBIT/Revenue)	14.7	22.1	17.9	18.7	19.3
Asset turnover (Rev./Avg TA)	32.4	30.5	29.2	28.5	27.4
Leverage (Avg TA/Avg Equity)	1.3	1.3	1.3	1.2	1.2
Adjusted ROAE	22.7	34.0	23.3	23.3	22.9

Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24
YoY growth (%)					
Revenue	12.8	11.3	10.5	12.6	11.4
EBITDA	32.3	56.9	(8.7)	16.9	14.7
Adjusted EPS	54.4	73.3	(17.8)	19.4	17.2
Profitability & Return ratios (%)					
EBITDA margin	17.8	25.0	20.7	21.5	22.1
EBIT margin	14.7	22.1	17.9	18.7	19.3
Adjusted profit margin	13.6	21.2	15.7	16.7	17.6
Adjusted ROAE	22.7	34.0	23.3	23.3	22.9
ROCE	20.7	30.0	23.3	24.2	24.3
Working capital days (days)					
Receivables	73	65	70	70	70
Inventory	81	93	78	78	78
Payables	42	43	50	50	50
Ratios (x)					
Gross asset turnover	2.4	2.4	2.3	2.4	2.4
Current ratio	2.8	3.0	3.2	3.4	3.6
Net interest coverage ratio	18.8	34.6	18.2	21.4	24.7
Adjusted debt/equity	0.1	(0.1)	(0.3)	(0.3)	(0.4)

Source: Company, BOBCAPS Research

Financials – ALPM

Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Total revenue	46,060	53,940	52,333	57,464	63,726
EBITDA	12,233	15,584	11,254	12,933	16,890
Depreciation	1,573	1,835	2,453	2,573	2,973
EBIT	10,660	13,750	8,801	10,360	13,917
Net interest inc./(exp.)	(271)	(160)	(40)	(42)	(42)
Other inc./(exp.)	49	100	150	200	239
Exceptional items	0	0	0	0	0
EBT	10,439	13,690	8,911	10,518	14,114
Income taxes	1,992	2,533	1,782	2,104	3,246
Extraordinary items	(437)	0	0	0	0
Min. int./Inc. from assoc.	(281)	(316)	0	0	0
Reported net profit	8,291	11,473	7,129	8,414	10,867
Adjustments	(437)	0	0	0	0
Adjusted net profit	8,728	11,473	7,129	8,414	10,867

Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	6,259	6,688	9,606	7,872	8,730
Other current liabilities	3,125	6,314	2,617	2,873	3,186
Provisions	1,126	1,375	1,334	1,465	1,625
Debt funds	17,474	1,999	1,999	1,999	1,999
Other liabilities	0	0	0	0	0
Equity capital	377	393	393	393	393
Reserves & surplus	31,519	50,319	55,875	62,324	71,225
Shareholders' fund	31,896	50,712	56,268	62,717	71,619
Total liab. and equities	59,880	67,087	71,824	76,925	87,158
Cash and cash eq.	808	1,058	4,100	7,021	12,027
Accounts receivables	8,647	3,486	10,036	7,872	8,730
Inventories	11,875	14,862	14,338	15,743	17,459
Other current assets	4,401	5,612	5,233	5,746	6,373
Investments	172	2,363	2,363	2,363	2,363
Net fixed assets	15,249	17,035	20,581	23,008	25,035
CWIP	18,460	21,817	14,317	14,317	14,317
Intangible assets	269	856	856	856	856
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	59,880	67,087	71,824	76,925	87,158

Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Cash flow from operations	4,623	18,615	3,154	9,928	12,013
Capital expenditures	(5,703)	(3,466)	(6,000)	(5,000)	(5,000)
Change in investments	311	(2,191)	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(5,392)	(5,657)	(6,000)	(5,000)	(5,000)
Equities issued/Others	0	16	0	0	0
Debt raised/repaid	6,190	(15,475)	0	0	0
Interest expenses	(271)	(160)	(40)	(42)	(42)
Dividends paid	(1,131)	(1,376)	(1,572)	(1,966)	(1,966)
Other financing cash flows	(5,267)	4,287	7,500	0	0
Cash flow from financing	(479)	(12,708)	5,888	(2,007)	(2,007)
Chg in cash & cash eq.	(1,248)	251	3,042	2,920	5,006
Closing cash & cash eq.	808	1,058	4,100	7,021	12,027

Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	42.2	60.0	36.3	42.8	55.3
Adjusted EPS	44.4	60.0	36.3	42.8	55.3
Dividend per share	6.0	7.0	8.0	10.0	10.0
Book value per share	162.3	258.0	286.3	319.1	364.4

Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	3.5	3.1	3.1	2.6	2.3
EV/EBITDA	13.1	10.6	14.3	11.8	8.8
Adjusted P/E	17.5	12.9	21.4	18.1	14.0
P/BV	4.8	3.0	2.7	2.4	2.1

DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	83.6	83.8	80.0	80.0	77.0
Interest burden (PBT/EBIT)	97.9	99.6	101.3	101.5	101.4
EBIT margin (EBIT/Revenue)	23.1	25.5	16.8	18.0	21.8
Asset turnover (Rev./Avg TA)	26.2	26.4	23.6	23.4	23.0
Leverage (Avg TA/Avg Equity)	1.5	1.2	1.0	1.0	1.0
Adjusted ROAE	29.4	28.5	13.3	14.1	16.2

Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
YoY growth (%)					
Revenue	17.1	17.1	(3.0)	9.8	10.9
EBITDA	40.0	27.4	(27.8)	14.9	30.6
Adjusted EPS	49.3	35.1	(39.5)	18.0	29.2
Profitability & Return ratios (%)					
EBITDA margin	26.6	28.9	21.5	22.5	26.5
EBIT margin	23.1	25.5	16.8	18.0	21.8
Adjusted profit margin	18.9	21.3	13.6	14.6	17.1
Adjusted ROAE	29.4	28.5	13.3	14.1	16.2
ROCE	24.3	27.1	16.1	17.2	20.5
Working capital days (days)					
Receivables	69	24	70	50	50
Inventory	94	101	100	100	100
Payables	50	45	67	50	50
Ratios (x)					
Gross asset turnover	2.3	2.3	1.8	1.7	1.6
Current ratio	2.4	1.7	2.5	3.0	3.3
Net interest coverage ratio	39.3	85.8	220.1	246.8	331.5
Adjusted debt/equity	0.5	0.0	0.0	(0.1)	(0.1)

Source: Company, BOBCAPS Research

Financials – ARBP

Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Total revenue	2,30,986	2,47,746	2,53,837	2,68,150	2,79,750
EBITDA	48,247	53,334	54,077	58,629	61,639
Depreciation	9,667	10,554	11,478	12,598	13,718
EBIT	38,580	42,780	42,599	46,031	47,921
Net interest inc./(exp.)	(1,598)	(745)	(1,100)	(440)	(176)
Other inc./(exp.)	862	3,808	3,030	3,212	4,445
Exceptional items	0	0	0	0	0
EBT	37,844	45,844	44,529	48,804	52,190
Income taxes	8,994	20,098	11,132	12,201	13,047
Extraordinary items	(261)	28,146	500	0	0
Min. int./Inc. from assoc.	137	543	0	0	0
Reported net profit	28,452	53,349	33,897	36,603	39,142
Adjustments	261	(28,146)	(500)	0	0
Adjusted net profit	28,714	25,203	33,397	36,603	39,142

Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	25,450	27,947	34,772	36,733	38,322
Other current liabilities	30,745	29,831	30,460	32,178	33,570
Provisions	4,914	3,291	3,371	3,561	3,716
Debt funds	56,867	52,373	20,949	8,380	3,352
Other liabilities	0	0	0	0	0
Equity capital	586	586	586	586	586
Reserves & surplus	1,68,912	2,19,923	2,50,899	2,84,572	3,20,785
Shareholders' fund	1,69,498	2,20,509	2,51,485	2,85,158	3,21,371
Total liab. and equities	2,87,473	3,33,950	3,41,038	3,66,010	4,00,330
Cash and cash eq.	28,422	54,680	46,321	60,760	87,398
Accounts receivables	43,552	35,033	62,590	66,119	68,979
Inventories	76,999	90,266	76,499	80,812	84,308
Other current assets	19,130	23,711	22,845	24,133	25,177
Investments	5,547	5,910	5,910	5,910	5,910
Net fixed assets	64,948	68,866	71,388	72,790	73,072
CWIP	19,859	30,615	30,615	30,615	30,615
Intangible assets	29,017	24,870	24,870	24,870	24,870
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	2,87,474	3,33,950	3,41,038	3,66,010	4,00,330

Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Cash flow from operations	45,455	55,279	41,085	44,378	48,771
Capital expenditures	(17,500)	(14,000)	(14,000)	(14,000)	(14,000)
Change in investments	(1,945)	(363)	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(19,445)	(14,363)	(14,000)	(14,000)	(14,000)
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	(12,800)	(4,494)	(31,424)	(12,570)	(5,028)
Interest expenses	(1,598)	(745)	(1,100)	(440)	(176)
Dividends paid	(2,930)	(2,930)	(2,930)	(2,930)	(2,930)
Other financing cash flows	144	(6,489)	9	0	0
Cash flow from financing	(17,184)	(14,658)	(35,444)	(15,939)	(8,133)
Chg in cash & cash eq.	8,827	26,258	(8,359)	14,439	26,638
Closing cash & cash eq.	28,421	54,680	46,321	60,760	87,398

Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	48.6	91.1	57.9	62.5	66.8
Adjusted EPS	49.0	43.0	57.0	62.5	66.8
Dividend per share	2.5	2.5	2.5	2.5	2.5
Book value per share	289.6	376.8	429.7	487.3	549.2

Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	2.0	1.8	1.7	1.5	1.3
EV/EBITDA	9.4	8.4	7.8	6.8	6.0
Adjusted P/E	14.3	16.3	12.3	11.2	10.5
P/BV	2.4	1.9	1.6	1.4	1.3

DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	75.9	55.0	75.0	75.0	75.0
Interest burden (PBT/EBIT)	98.1	107.2	104.5	106.0	108.9
EBIT margin (EBIT/Revenue)	16.7	17.3	16.8	17.2	17.1
Asset turnover (Rev./Avg TA)	26.5	24.8	23.3	23.7	22.6
Leverage (Avg TA/Avg Equity)	1.4	1.3	1.2	1.1	1.0
Adjusted ROAE	18.6	12.9	14.2	13.6	12.9

Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
YoY growth (%)					
Revenue	18.1	7.3	2.5	5.6	4.3
EBITDA	22.1	10.5	1.4	8.4	5.1
Adjusted EPS	19.0	(12.2)	32.5	9.6	6.9
Profitability & Return ratios (%)					
EBITDA margin	20.9	21.5	21.3	21.9	22.0
EBIT margin	16.7	17.3	16.8	17.2	17.1
Adjusted profit margin	12.4	10.2	13.2	13.7	14.0
Adjusted ROAE	18.6	12.9	14.2	13.6	12.9
ROCE	18.1	18.7	16.7	17.4	16.9
Working capital days (days)					
Receivables	69	52	90	90	90
Inventory	122	133	110	110	110
Payables	40	41	50	50	50
Ratios (x)					
Gross asset turnover	1.9	1.8	1.7	1.6	1.6
Current ratio	2.8	3.3	3.0	3.2	3.5
Net interest coverage ratio	24.1	57.4	38.7	104.6	272.3
Adjusted debt/equity	0.2	0.0	(0.1)	(0.2)	(0.3)

Source: Company, BOBCAPS Research

Financials – CIPLA

Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Total revenue	1,71,320	1,91,595	2,16,263	2,35,667	2,59,233
EBITDA	32,060	42,524	47,567	50,362	56,938
Depreciation	11,760	10,677	13,195	13,867	14,539
EBIT	20,300	31,847	34,371	36,494	42,399
Net interest inc./(exp.)	(1,972)	(1,607)	(625)	(390)	(244)
Other inc./(exp.)	3,442	2,660	3,810	4,349	6,768
Exceptional items	0	0	0	0	0
EBT	21,770	32,900	37,557	40,453	48,922
Income taxes	6,312	8,888	9,952	10,720	12,964
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	5	(36)	0	0	0
Reported net profit	15,453	24,048	27,604	29,733	35,958
Adjustments	0	0	0	0	0
Adjusted net profit	15,453	24,048	27,604	29,733	35,958

Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	22,818	20,668	29,447	32,100	35,324
Other current liabilities	10,604	14,709	12,898	14,060	15,472
Provisions	10,815	11,945	13,523	14,741	16,221
Debt funds	28,160	15,375	9,609	6,006	3,754
Other liabilities	0	0	0	0	0
Equity capital	1,613	1,613	1,613	1,613	1,613
Reserves & surplus	1,60,215	1,84,062	2,07,634	2,33,335	2,65,261
Shareholders' fund	1,61,827	1,85,675	2,09,247	2,34,948	2,66,874
Total liab. and equities	2,34,224	2,48,372	2,74,724	3,01,855	3,37,644
Cash and cash eq.	10,039	14,012	20,010	46,878	81,170
Accounts receivables	38,910	34,457	44,171	48,151	52,986
Inventories	43,776	46,692	58,895	64,201	70,648
Other current assets	21,715	21,267	30,095	32,807	36,101
Investments	15,953	28,318	28,318	28,318	28,318
Net fixed assets	51,281	49,563	44,367	38,500	31,960
CWIP	8,245	9,689	9,689	9,689	9,689
Intangible assets	44,305	44,375	39,180	33,312	26,773
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	2,34,224	2,48,372	2,74,724	3,01,855	3,37,644

Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Cash flow from operations	33,854	41,404	19,224	37,027	42,280
Capital expenditures	(9,259)	(7,180)	(8,000)	(8,000)	(8,000)
Change in investments	9,586	(12,365)	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	327	(19,545)	(8,000)	(8,000)	(8,000)
Equities issued/Others	1	0	0	0	0
Debt raised/repaid	(15,001)	(12,785)	(5,766)	(3,603)	(2,252)
Interest expenses	(1,972)	(1,607)	(625)	(390)	(244)
Dividends paid	(2,419)	(4,032)	(4,032)	(4,032)	(4,032)
Other financing cash flows	(10,941)	539	5,195	5,867	6,539
Cash flow from financing	(30,332)	(17,885)	(5,227)	(2,159)	11
Chg in cash & cash eq.	3,850	3,974	5,997	26,869	34,291
Closing cash & cash eq.	10,038	14,013	20,010	46,878	81,170

Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	19.2	29.8	34.3	36.9	44.6
Adjusted EPS	19.2	29.8	34.3	36.9	44.6
Dividend per share	3.0	5.0	5.0	5.0	5.0
Book value per share	197.1	227.1	256.3	288.2	327.8

Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	4.4	3.9	3.3	3.0	2.6
EV/EBITDA	23.3	17.4	15.2	13.9	12.0
Adjusted P/E	47.2	30.4	26.4	24.5	20.3
P/BV	4.6	4.0	3.5	3.1	2.8

DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	71.0	73.1	73.5	73.5	73.5
Interest burden (PBT/EBIT)	107.2	103.3	109.3	110.8	115.4
EBIT margin (EBIT/Revenue)	11.8	16.6	15.9	15.5	16.4
Asset turnover (Rev./Avg TA)	22.0	24.5	25.8	25.6	25.3
Leverage (Avg TA/Avg Equity)	1.2	1.1	1.1	1.0	1.0
Adjusted ROAE	9.9	14.1	14.2	13.5	14.5

Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
YoY growth (%)					
Revenue	9.2	11.8	12.9	9.0	10.0
EBITDA	32.3	32.6	11.9	5.9	13.1
Adjusted EPS	131.4	55.6	14.8	7.7	20.9
Profitability & Return ratios (%)					
EBITDA margin	18.7	22.2	22.0	21.4	22.0
EBIT margin	11.8	16.6	15.9	15.5	16.4
Adjusted profit margin	9.0	12.6	12.8	12.6	13.9
Adjusted ROAE	9.9	14.1	14.2	13.5	14.5
ROCE	12.2	17.6	18.2	17.8	19.2
Working capital days (days)					
Receivables	85	66	75	75	75
Inventory	96	90	100	100	100
Payables	50	40	50	50	50
Ratios (x)					
Gross asset turnover	1.2	1.3	1.3	1.4	1.5
Current ratio	2.6	2.5	2.7	3.2	3.6
Net interest coverage ratio	10.3	19.8	55.0	93.5	173.8
Adjusted debt/equity	0.1	(0.1)	(0.2)	(0.3)	(0.4)

Source: Company, BOBCAPS Research

Financials – DIVI

Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Total revenue	55,067	72,261	83,868	97,873	1,14,299
EBITDA	19,344	31,166	35,889	42,861	50,625
Depreciation	1,862	2,556	3,001	3,325	3,649
EBIT	17,481	28,611	32,888	39,536	46,976
Net interest inc./(exp.)	(61)	(8)	0	0	0
Other inc./(exp.)	1,896	626	868	991	1,396
Exceptional items	0	0	0	0	0
EBT	19,317	29,229	33,756	40,527	48,373
Income taxes	4,406	6,732	8,439	10,132	12,093
Extraordinary items	821	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	15,732	22,497	25,317	30,395	36,279
Adjustments	(821)	0	0	0	0
Adjusted net profit	14,911	22,497	25,317	30,395	36,279

Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	5,907	7,632	6,980	8,146	9,366
Other current liabilities	5,777	6,874	6,874	6,874	6,874
Provisions	230	278	278	278	278
Debt funds	344	43	0	0	0
Other liabilities	0	0	0	0	0
Equity capital	531	531	531	531	531
Reserves & surplus	72,514	92,464	1,06,909	1,26,428	1,49,724
Shareholders' fund	73,045	92,995	1,07,440	1,26,959	1,50,255
Total liab. and equities	85,303	1,07,821	1,21,572	1,42,256	1,66,773
Cash and cash eq.	1,252	21,704	24,781	34,908	47,831
Accounts receivables	14,134	16,765	19,622	22,898	26,741
Inventories	18,639	21,452	27,573	32,177	37,578
Other current assets	4,550	3,753	3,105	3,105	3,105
Investments	9,714	1	1	1	1
Net fixed assets	27,732	36,947	39,292	41,967	44,318
CWIP	9,196	7,106	7,106	7,106	7,106
Intangible assets	87	92	92	92	92
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	85,303	1,07,821	1,21,572	1,42,256	1,66,773

Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Cash flow from operations	15,818	22,070	19,991	27,005	31,906
Capital expenditures	(13,083)	(9,105)	(6,000)	(6,000)	(6,000)
Change in investments	9,742	9,713	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(3,342)	608	(6,000)	(6,000)	(6,000)
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	(712)	(301)	(43)	0	0
Interest expenses	(61)	(8)	0	0	0
Dividends paid	0	0	0	0	0
Other financing cash flows	(12,276)	(1,918)	(10,872)	(10,877)	(12,983)
Cash flow from financing	(13,049)	(2,226)	(10,915)	(10,877)	(12,983)
Chg in cash & cash eq.	(573)	20,452	3,076	10,128	12,923
Closing cash & cash eq.	1,253	21,704	24,781	34,908	47,831

Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	59.3	84.7	95.4	114.5	136.6
Adjusted EPS	56.2	84.7	95.4	114.5	136.6
Dividend per share	21.2	30.3	34.1	41.0	48.9
Book value per share	275.1	350.3	404.7	478.2	565.9

Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	24.3	18.6	16.0	13.6	11.6
EV/EBITDA	69.2	43.1	37.4	31.2	26.2
Adjusted P/E	91.1	60.4	53.7	44.7	37.4
P/BV	18.6	14.6	12.6	10.7	9.0

DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	77.2	77.0	75.0	75.0	75.0
Interest burden (PBT/EBIT)	110.5	102.2	102.6	102.5	103.0
EBIT margin (EBIT/Revenue)	31.7	39.6	39.2	40.4	41.1
Asset turnover (Rev./Avg TA)	16.6	18.7	18.3	18.5	18.5
Leverage (Avg TA/Avg Equity)	1.2	1.2	1.1	1.1	1.1
Adjusted ROAE	20.8	27.1	25.3	25.9	26.2

Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
YoY growth (%)					
Revenue	11.3	31.2	16.1	16.7	16.8
EBITDA	3.3	61.1	15.2	19.4	18.1
Adjusted EPS	10.2	50.9	12.5	20.1	19.4
Profitability & Return ratios (%)					
EBITDA margin	35.1	43.1	42.8	43.8	44.3
EBIT margin	31.7	39.6	39.2	40.4	41.1
Adjusted profit margin	27.1	31.1	30.2	31.1	31.7
Adjusted ROAE	20.8	27.1	25.3	25.9	26.2
ROCE	20.0	26.0	24.4	25.2	25.5
Working capital days (days)					
Receivables	85	85	85	85	85
Inventory	121	120	120	120	120
Payables	94	94	94	94	94
Ratios (x)					
Gross asset turnover	1.3	1.4	1.4	1.5	1.6
Current ratio	3.2	4.3	5.3	6.1	7.0
Net interest coverage ratio	288.5	3,783.6			
Adjusted debt/equity	(0.1)	(0.2)	(0.2)	(0.3)	(0.3)

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

Financials – DRRD

Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Total revenue	1,74,601	1,89,722	2,15,460	2,51,414	2,66,890
EBITDA	40,942	46,052	49,584	61,106	69,262
Depreciation	12,471	12,796	14,217	15,062	15,874
EBIT	28,471	33,256	35,368	46,044	53,388
Net interest inc./(exp.)	(983)	(970)	(757)	(757)	(757)
Other inc./(exp.)	3,294	3,605	2,766	2,986	3,928
Exceptional items	0	0	0	0	0
EBT	30,782	35,891	37,376	48,273	56,558
Income taxes	(1,466)	9,175	9,344	12,068	14,140
Extraordinary items	(12,739)	(6,903)	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	19,509	19,813	28,032	36,205	42,419
Adjustments	(12,739)	(6,903)	0	0	0
Adjusted net profit	32,248	26,716	28,032	36,205	42,419

Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	16,659	21,916	20,661	24,108	25,592
Other current liabilities	32,188	32,740	38,783	42,740	45,371
Provisions	3,854	3,493	3,967	4,629	4,914
Debt funds	22,011	30,299	30,299	30,299	30,299
Other liabilities	0	0	0	0	0
Equity capital	831	832	832	832	832
Reserves & surplus	1,42,174	1,63,832	1,87,704	2,19,749	2,58,007
Shareholders' fund	1,43,005	1,64,664	1,88,536	2,20,581	2,58,839
Total liab. and equities	2,17,717	2,53,112	2,82,245	3,22,357	3,65,016
Cash and cash eq.	2,053	14,829	21,730	33,925	88,194
Accounts receivables	50,278	49,759	59,030	68,881	73,121
Inventories	35,066	45,412	51,356	59,926	54,840
Other current assets	19,557	18,068	25,855	37,712	34,696
Investments	26,778	27,717	29,380	31,143	31,143
Net fixed assets	52,332	57,111	55,894	53,833	49,958
CWIP	0	0	0	0	0
Intangible assets	31,653	40,216	38,999	36,938	33,063
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	2,17,717	2,53,112	2,82,245	3,22,357	3,65,016

Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Cash flow from operations	25,282	30,689	25,265	29,814	67,312
Capital expenditures	(11,917)	(10,000)	(13,000)	(13,000)	(12,000)
Change in investments	(907)	(939)	(1,663)	(1,763)	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(12,824)	(10,939)	(14,663)	(14,763)	(12,000)
Equities issued/Others	1	1	0	0	0
Debt raised/repaid	(16,370)	8,288	0	0	0
Interest expenses	(983)	(970)	(757)	(757)	(757)
Dividends paid	(4,155)	(4,160)	(4,160)	(4,160)	(4,160)
Other financing cash flows	8,874	(10,133)	1,217	2,062	3,874
Cash flow from financing	(12,633)	(6,974)	(3,701)	(2,856)	(1,043)
Chg in cash & cash eq.	(175)	12,776	6,901	12,195	54,269
Closing cash & cash eq.	2,053	14,829	21,730	33,925	88,194

Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	117.5	119.4	168.9	218.1	255.5
Adjusted EPS	194.3	160.9	168.9	218.1	255.5
Dividend per share	25.0	25.0	25.0	25.0	25.0
Book value per share	861.5	992.0	1,135.8	1,328.8	1,559.3

Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	4.6	4.2	3.6	3.1	2.9
EV/EBITDA	19.8	17.2	15.8	12.8	11.1
Adjusted P/E	24.5	29.5	28.2	21.8	18.6
P/BV	5.5	4.8	4.2	3.6	3.0

DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	104.8	74.4	75.0	75.0	75.0
Interest burden (PBT/EBIT)	108.1	107.9	105.7	104.8	105.9
EBIT margin (EBIT/Revenue)	16.3	17.5	16.4	18.3	20.0
Asset turnover (Rev./Avg TA)	25.7	26.4	26.0	26.8	24.7
Leverage (Avg TA/Avg Equity)	1.2	1.2	1.2	1.1	1.1
Adjusted ROAE	23.1	17.4	15.9	17.7	17.7

Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
YoY growth (%)					
Revenue	13.5	8.7	13.6	16.7	6.2
EBITDA	30.7	12.5	7.7	23.2	13.3
Adjusted EPS	80.2	(17.2)	4.9	29.2	17.2
Profitability & Return ratios (%)					
EBITDA margin	23.4	24.3	23.0	24.3	26.0
EBIT margin	16.3	17.5	16.4	18.3	20.0
Adjusted profit margin	18.5	14.1	13.0	14.4	15.9
Adjusted ROAE	23.1	17.4	15.9	17.7	17.7
ROCE	18.7	20.5	18.4	20.9	21.2
Working capital days (days)					
Receivables	105	96	100	100	100
Inventory	73	87	87	87	75
Payables	35	42	35	35	35
Ratios (x)					
Gross asset turnover	0.9	0.9	1.0	1.1	1.1
Current ratio	2.0	2.2	2.5	2.8	3.3
Net interest coverage ratio	29.0	34.3	46.7	60.8	70.5
Adjusted debt/equity	0.0	0.1	0.0	0.0	0.0

Source: Company, BOBCAPS Research

Financials – ERIS

Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Total revenue	10,741	12,119	13,884	15,927	17,897
EBITDA	3,684	4,306	5,113	6,161	7,047
Depreciation	503	430	641	720	779
EBIT	3,181	3,876	4,472	5,440	6,268
Net interest inc./(exp.)	(22)	(18)	(2)	0	0
Other inc./(exp.)	154	87	68	158	277
Exceptional items	0	0	0	0	0
EBT	3,313	3,945	4,538	5,598	6,545
Income taxes	349	394	408	504	654
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	2,965	3,551	4,130	5,095	5,890
Adjustments	0	0	0	0	0
Adjusted net profit	2,965	3,551	4,130	5,095	5,890

Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	1,000	1,026	1,125	1,293	1,455
Other current liabilities	490	406	547	629	708
Provisions	562	588	675	776	873
Debt funds	0	68	0	0	0
Other liabilities	0	0	0	0	0
Equity capital	136	136	136	136	136
Reserves & surplus	11,626	14,117	17,297	21,125	25,433
Shareholders' fund	11,761	14,253	17,433	21,261	25,568
Total liab. and equities	13,813	16,341	19,780	23,959	28,604
Cash and cash eq.	673	383	3,164	6,361	11,068
Accounts receivables	1,569	1,405	1,500	1,939	1,697
Inventories	695	945	1,125	1,508	1,552
Other current assets	1,305	2,114	1,793	2,060	2,318
Investments	780	2,940	2,940	2,940	2,940
Net fixed assets	873	779	1,825	2,057	2,276
CWIP	44	16	16	16	16
Intangible assets	7,876	7,760	7,419	7,077	6,736
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	13,814	16,341	19,780	23,959	28,604

Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Cash flow from operations	3,228	3,072	5,146	5,075	6,947
Capital expenditures	(1,309)	(378)	(1,687)	(952)	(998)
Change in investments	2,779	(2,161)	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	1,470	(2,539)	(1,687)	(952)	(998)
Equities issued/Others	(2)	0	0	0	0
Debt raised/repaid	(1,764)	68	(68)	0	0
Interest expenses	(22)	(18)	(2)	0	0
Dividends paid	(467)	(871)	(950)	(1,267)	(1,583)
Other financing cash flows	(1,846)	(2)	341	341	341
Cash flow from financing	(4,100)	(823)	(678)	(925)	(1,242)
Chg in cash & cash eq.	598	(290)	2,781	3,197	4,707
Closing cash & cash eq.	673	383	3,164	6,361	11,068

Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	21.8	26.2	30.4	37.5	43.4
Adjusted EPS	21.8	26.2	30.4	37.5	43.4
Dividend per share	2.9	5.5	6.0	8.0	10.0
Book value per share	86.6	105.0	128.4	156.6	188.3

Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	10.3	9.0	7.9	6.8	5.9
EV/EBITDA	30.1	25.3	21.3	17.5	14.9
Adjusted P/E	37.2	31.0	26.7	21.6	18.7
P/BV	9.4	7.7	6.3	5.2	4.3

DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	89.5	90.0	91.0	91.0	90.0
Interest burden (PBT/EBIT)	104.2	101.8	101.5	102.9	104.4
EBIT margin (EBIT/Revenue)	29.6	32.0	32.2	34.2	35.0
Asset turnover (Rev./Avg TA)	22.1	23.2	21.9	20.6	19.1
Leverage (Avg TA/Avg Equity)	1.1	1.0	1.0	1.0	1.0
Adjusted ROAE	26.5	27.3	26.1	26.3	25.2

Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
YoY growth (%)					
Revenue	9.4	12.8	14.6	14.7	12.4
EBITDA	6.8	16.9	18.7	20.5	14.4
Adjusted EPS	2.0	19.8	16.3	23.4	15.6
Profitability & Return ratios (%)					
EBITDA margin	34.3	35.5	36.8	38.7	39.4
EBIT margin	29.6	32.0	32.2	34.2	35.0
Adjusted profit margin	27.6	29.3	29.7	32.0	32.9
Adjusted ROAE	26.5	27.3	26.1	26.3	25.2
ROCE	27.5	30.4	28.6	28.9	28.0
Working capital days (days)					
Receivables	54	43	40	45	35
Inventory	24	29	30	35	32
Payables	34	31	30	30	30
Ratios (x)					
Gross asset turnover	1.1	1.2	1.2	1.3	1.3
Current ratio	2.1	2.4	3.2	4.4	5.5
Net interest coverage ratio	147.3	215.1	2,199.6		
Adjusted debt/equity	(0.1)	(0.1)	(0.2)	(0.3)	(0.5)

Source: Company, BOBCAPS Research

Financials – LAURUS

Income Statement

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21A	FY22E	FY23E
Total revenue	22,919	28,317	48,135	58,600	68,300
EBITDA	3,560	5,645	15,507	18,229	21,304
Depreciation	1,642	1,873	2,051	2,392	2,917
EBIT	1,918	3,773	13,456	15,837	18,387
Net interest inc./(exp.)	(882)	(896)	(682)	(901)	(755)
Other inc./(exp.)	161	59	237	78	143
Exceptional items	0	0	0	0	0
EBT	1,197	2,936	13,011	15,014	17,774
Income taxes	260	383	3,173	3,153	3,910
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	2	0	0
Reported net profit	937	2,553	9,836	11,861	13,864
Adjustments	0	0	0	0	0
Adjusted net profit	937	2,553	9,836	11,861	13,864

Balance Sheet

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21A	FY22E	FY23E
Accounts payables	4,882	6,156	11,787	12,041	14,034
Other current liabilities	1,411	1,625	3,158	4,102	4,098
Provisions	365	568	757	921	1,073
Debt funds	11,068	11,456	15,799	14,233	10,949
Other liabilities	0	0	0	0	0
Equity capital	1,064	1,069	1,073	1,073	1,073
Reserves & surplus	14,517	16,623	24,934	35,757	48,615
Shareholders' fund	15,581	17,692	26,007	36,830	49,688
Total liab. and equities	33,307	37,497	57,507	68,128	79,842
Cash and cash eq.	30	17	485	1,013	1,769
Accounts receivables	7,099	7,914	13,061	15,252	18,525
Inventories	6,819	9,052	15,755	18,463	22,081
Other current assets	1,939	2,545	2,845	2,930	3,415
Investments	34	34	34	34	34
Net fixed assets	16,072	17,068	19,150	24,258	28,840
CWIP	1,096	672	3,622	3,622	2,622
Intangible assets	218	195	2,556	2,556	2,556
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	33,307	37,497	57,507	68,128	79,842

Cash Flows

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21A	FY22E	FY23E
Cash flow from operations	2,177	2,462	7,089	10,632	11,547
Capital expenditures	(3,117)	(2,374)	(7,000)	(7,500)	(7,500)
Change in investments	0	0	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(3,117)	(2,374)	(7,000)	(7,500)	(7,500)
Equities issued/Others	4	5	4	0	0
Debt raised/repaid	591	388	4,343	(1,566)	(3,285)
Interest expenses	0	0	0	0	0
Dividends paid	(176)	0	(1,006)	(1,006)	(1,006)
Other financing cash flows	519	(493)	(2,962)	(31)	1,000
Cash flow from financing	939	(100)	379	(2,603)	(3,291)
Chg in cash & cash eq.	(1)	(13)	468	529	756
Closing cash & cash eq.	29	17	485	1,013	1,769

Per Share

Y/E 31 Mar (Rs)	FY19A	FY20A	FY21A	FY22E	FY23E
Reported EPS	1.7	4.8	18.3	22.1	25.8
Adjusted EPS	1.7	4.8	18.3	22.1	25.8
Dividend per share	1.5	1.5	1.5	1.5	1.5
Book value per share	29.0	33.0	48.4	68.6	92.6

Valuations Ratios

Y/E 31 Mar (x)	FY19A	FY20A	FY21A	FY22E	FY23E
EV/Sales	14.5	11.7	6.9	5.7	4.9
EV/EBITDA	93.1	58.9	21.5	18.4	15.8
Adjusted P/E	343.1	126.0	32.7	27.1	23.2
P/BV	20.6	18.2	12.4	8.7	6.5

DuPont Analysis

Y/E 31 Mar (%)	FY19A	FY20A	FY21A	FY22E	FY23E
Tax burden (Net profit/PBT)	78.3	86.9	75.6	79.0	78.0
Interest burden (PBT/EBIT)	62.4	77.8	96.7	94.8	96.7
EBIT margin (EBIT/Revenue)	8.4	13.3	28.0	27.0	26.9
Asset turnover (Rev./Avg TA)	22.1	25.4	33.9	31.5	30.6
Leverage (Avg TA/Avg Equity)	1.7	1.7	1.6	1.5	1.3
Adjusted ROAE	6.2	15.3	45.0	37.8	32.0

Ratio Analysis

Y/E 31 Mar	FY19A	FY20A	FY21A	FY22E	FY23E
YoY growth (%)					
Revenue	11.5	23.6	70.0	21.7	16.6
EBITDA	(13.9)	58.6	174.7	17.6	16.9
Adjusted EPS	(36.8)	172.3	285.3	20.6	16.9
Profitability & Return ratios (%)					
EBITDA margin	15.5	19.9	32.2	31.1	31.2
EBIT margin	8.4	13.3	28.0	27.0	26.9
Adjusted profit margin	4.1	9.0	20.4	20.2	20.3
Adjusted ROAE	6.2	15.3	45.0	37.8	32.0
ROCE	8.0	13.7	38.6	34.3	33.2
Working capital days (days)					
Receivables	113	102	99	95	99
Inventory	109	117	119	115	118
Payables	78	79	89	75	75
Ratios (x)					
Gross asset turnover	1.1	1.2	1.6	1.5	1.5
Current ratio	2.4	2.3	2.0	2.2	2.4
Net interest coverage ratio	2.2	4.2	19.7	17.6	24.3
Adjusted debt/equity	0.7	0.6	0.6	0.4	0.2

Source: Company, BOBCAPS Research

Financials – LPC

Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Total revenue	1,53,746	1,51,630	1,64,414	1,78,662	2,05,909
EBITDA	23,547	25,669	31,446	36,421	43,279
Depreciation	9,702	8,874	9,471	10,240	11,046
EBIT	13,845	16,795	21,975	26,181	32,232
Net interest inc./(exp.)	(3,630)	(1,406)	(1,837)	(1,836)	(1,835)
Other inc./(exp.)	4,837	1,363	1,078	1,438	1,561
Exceptional items	0	0	0	0	0
EBT	15,053	16,752	21,216	25,783	31,959
Income taxes	11,466	4,485	6,365	7,735	9,588
Extraordinary items	(6,325)	0	0	0	0
Min. int./Inc. from assoc.	(43)	101	124	151	184
Reported net profit	(2,694)	12,166	14,728	17,898	22,187
Adjustments	6,325	0	0	0	0
Adjusted net profit	3,631	12,166	14,728	17,898	22,187

Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	24,123	20,144	24,293	25,224	28,619
Other current liabilities	45,004	35,585	35,585	35,585	35,585
Provisions	12,040	11,139	10,243	12,030	14,356
Debt funds	42,860	30,656	30,623	30,598	30,577
Other liabilities	0	0	0	0	0
Equity capital	906	907	907	907	907
Reserves & surplus	1,24,906	1,37,674	1,42,691	1,52,546	1,64,763
Shareholders' fund	1,25,812	1,38,581	1,43,598	1,53,453	1,65,670
Total liab. and equities	2,49,839	2,36,104	2,44,343	2,56,889	2,74,807
Cash and cash eq.	24,543	17,425	26,425	29,490	32,144
Accounts receivables	54,459	44,743	49,550	53,843	62,055
Inventories	34,569	40,920	33,784	36,711	42,310
Other current assets	23,746	18,997	19,997	20,997	21,998
Investments	23,743	24,549	24,087	24,087	24,087
Net fixed assets	60,866	59,183	59,713	60,472	60,426
CWIP	9,396	10,663	11,163	11,663	12,163
Intangible assets	18,515	19,624	19,624	19,624	19,624
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	2,49,838	2,36,104	2,44,343	2,56,889	2,74,807

Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Cash flow from operations	50,854	9,989	30,619	24,470	25,980
Capital expenditures	22,714	(3,497)	(10,500)	(11,500)	(11,500)
Change in investments	(1,041)	(806)	462	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	21,673	(4,302)	(10,038)	(11,500)	(11,500)
Equities issued/Others	1	1	0	0	0
Debt raised/repaid	(39,359)	(12,205)	(32)	(26)	(21)
Interest expenses	(3,630)	(1,406)	(1,837)	(1,836)	(1,835)
Dividends paid	(9,077)	(7,844)	(6,618)	(8,043)	(9,971)
Other financing cash flows	(5,790)	8,647	(3,092)	0	0
Cash flow from financing	(57,854)	(12,806)	(11,580)	(9,904)	(11,826)
Chg in cash & cash eq.	14,673	(7,119)	9,000	3,065	2,654
Closing cash & cash eq.	24,544	17,425	26,425	29,490	32,144

Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	(6.0)	26.9	32.5	39.6	49.0
Adjusted EPS	8.0	26.9	32.5	39.6	49.0
Dividend per share	6.0	12.1	14.6	17.8	22.0
Book value per share	277.1	305.0	316.1	337.9	364.9

Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	3.1	2.9	2.5	2.3	1.9
EV/EBITDA	20.0	17.2	13.1	11.1	9.2
Adjusted P/E	115.9	34.6	28.6	23.5	19.0
P/BV	3.4	3.0	2.9	2.8	2.5

DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	24.1	72.6	69.4	69.4	69.4
Interest burden (PBT/EBIT)	108.7	99.7	96.5	98.5	99.2
EBIT margin (EBIT/Revenue)	9.0	11.1	13.4	14.7	15.7
Asset turnover (Rev./Avg TA)	14.5	15.6	17.1	17.8	19.4
Leverage (Avg TA/Avg Equity)	2.0	1.8	1.7	1.7	1.7
Adjusted ROAE	2.8	9.2	10.4	12.1	13.9

Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
YoY growth (%)					
Revenue	4.8	(1.4)	8.4	8.7	15.3
EBITDA	(8.0)	9.0	22.5	15.8	18.8
Adjusted EPS	(56.7)	235.1	21.1	21.5	24.0
Profitability & Return ratios (%)					
EBITDA margin	15.3	16.9	19.1	20.4	21.0
EBIT margin	9.0	11.1	13.4	14.7	15.7
Adjusted profit margin	2.4	8.0	9.0	10.0	10.8
Adjusted ROAE	2.8	9.2	10.4	12.1	13.9
ROCE	1.2	7.6	9.0	10.4	11.9
Working capital days (days)					
Receivables	126	110	110	110	110
Inventory	87	87	75	75	75
Payables	162	165	160	160	160
Ratios (x)					
Gross asset turnover	1.2	1.2	1.2	1.2	1.3
Current ratio	1.7	1.8	1.9	1.9	2.0
Net interest coverage ratio	3.8	11.9	12.0	14.3	17.6
Adjusted debt/equity	0.0	(0.1)	(0.1)	(0.1)	(0.2)

Source: Company, BOBCAPS Research

Financials – SUNP

Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Total revenue	3,23,252	3,31,395	3,78,399	4,20,818	4,62,755
EBITDA	69,566	85,028	99,946	1,11,102	1,24,272
Depreciation	20,528	20,800	20,210	21,233	22,505
EBIT	49,038	64,229	79,735	89,869	1,01,767
Net interest inc./(exp.)	(3,027)	(1,414)	(668)	(334)	(167)
Other inc./(exp.)	6,360	8,355	14,063	16,726	19,427
Exceptional items	0	0	0	0	0
EBT	52,370	71,170	93,130	1,06,261	1,21,027
Income taxes	8,228	5,147	13,970	17,002	20,575
Extraordinary items	(2,606)	(43,061)	0	0	0
Min. int./Inc. from assoc.	4,219	(6,166)	3,625	3,662	3,559
Reported net profit	37,317	29,128	75,536	85,597	96,893
Adjustments	2,606	43,061	0	0	0
Adjusted net profit	39,924	72,189	75,536	85,597	96,893

Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	40,937	39,737	54,917	58,689	61,917
Other current liabilities	29,746	59,604	59,649	59,698	59,752
Provisions	44,812	49,098	53,680	58,721	64,266
Debt funds	75,783	33,430	16,715	8,358	4,179
Other liabilities	0	0	0	0	0
Equity capital	2,399	2,399	2,399	2,399	2,399
Reserves & surplus	4,88,848	4,92,399	5,55,029	6,25,576	7,04,866
Shareholders' fund	4,91,247	4,94,798	5,57,428	6,27,975	7,07,265
Total liab. and equities	6,82,524	6,76,667	7,42,389	8,13,441	8,97,379
Cash and cash eq.	65,742	66,570	1,10,953	1,55,973	2,15,416
Accounts receivables	94,212	90,614	1,10,141	1,22,488	1,34,695
Inventories	78,750	89,970	97,393	1,08,311	1,19,104
Other current assets	1,02,583	1,04,305	1,04,305	1,04,305	1,04,305
Investments	1,01,431	97,025	97,025	97,025	97,025
Net fixed assets	1,04,808	93,185	87,575	90,341	91,836
CWIP	12,203	12,203	12,203	12,203	12,203
Intangible assets	1,22,795	1,22,795	1,22,795	1,22,795	1,22,795
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	6,82,524	6,76,667	7,42,389	8,13,441	8,97,379

Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Cash flow from operations	67,057	78,890	89,227	92,712	1,05,337
Capital expenditures	(25,524)	(9,177)	(14,600)	(24,000)	(24,000)
Change in investments	(22,407)	4,407	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(47,932)	(4,770)	(14,600)	(24,000)	(24,000)
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	(23,151)	(42,353)	(16,715)	(8,358)	(4,179)
Interest expenses	(3,027)	(1,414)	(668)	(334)	(167)
Dividends paid	(16,624)	(15,595)	(16,382)	(18,564)	(21,014)
Other financing cash flows	16,662	(13,930)	3,521	3,563	3,465
Cash flow from financing	(26,140)	(73,292)	(30,244)	(23,693)	(21,895)
Chg in cash & cash eq.	(7,014)	828	44,383	45,020	59,443
Closing cash & cash eq.	65,742	66,570	1,10,953	1,55,973	2,15,416

Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	15.6	12.1	31.5	35.7	40.4
Adjusted EPS	16.6	30.1	31.5	35.7	40.4
Dividend per share	6.9	6.5	6.8	7.7	8.8
Book value per share	188.7	193.7	218.3	246.3	277.9

Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	5.9	5.7	4.9	4.3	3.8
EV/EBITDA	27.2	22.1	18.5	16.1	14.0
Adjusted P/E	49.0	27.1	25.9	22.8	20.2
P/BV	4.3	4.2	3.7	3.3	2.9

DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	76.2	101.4	81.1	80.6	80.1
Interest burden (PBT/EBIT)	106.8	110.8	116.8	118.2	118.9
EBIT margin (EBIT/Revenue)	15.2	19.4	21.1	21.4	22.0
Asset turnover (Rev./Avg TA)	12.1	12.2	13.3	13.5	13.5
Leverage (Avg TA/Avg Equity)	1.4	1.4	1.3	1.3	1.3
Adjusted ROAE	8.5	14.6	14.4	14.4	14.5

Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
YoY growth (%)					
Revenue	12.7	2.5	14.2	11.2	10.0
EBITDA	14.6	22.2	17.5	11.2	11.9
Adjusted EPS	9.6	80.8	4.6	13.3	13.2
Profitability & Return ratios (%)					
EBITDA margin	21.5	25.7	26.4	26.4	26.9
EBIT margin	15.2	19.4	21.1	21.4	22.0
Adjusted profit margin	12.4	21.8	20.0	20.3	20.9
Adjusted ROAE	8.5	14.6	14.4	14.4	14.5
ROCE	7.6	13.3	13.7	14.1	14.3
Working capital days (days)					
Receivables	106	106	106	106	106
Inventory	94	94	94	94	94
Payables	207	207	207	207	207
Ratios (x)					
Gross asset turnover	1.2	1.2	1.3	1.3	1.4
Current ratio	3.0	2.4	2.5	2.8	3.1
Net interest coverage ratio	16.2	45.4	119.4	269.2	609.6
Adjusted debt/equity	(0.2)	(0.3)	(0.3)	(0.4)	(0.4)

Source: Company, BOBCAPS Research

Disclaimer

Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

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