

GlaxoSmithKline Pharmaceuticals

Performance Highlights

| Y/E Mar (` cr) | 2QFY2018 | 1QFY2018 | % chg (QoQ) | 2QFY2017 | % chg (YoY) |
|------------------|------------|------------|--------------|------------|-------------|
| Net Sales | 836 | 607 | 37.7 | 799 | 4.6 |
| Other income | 15 | 34 | (56.5) | 18 | (19.0) |
| Gross profit | 460 | 316 | 45.6 | 438 | 5.0 |
| Operating profit | 192 | (1) | - | 141 | 36.5 |
| Adj. PAT | 127 | 18 | 615.6 | 99 | 28.5 |

Source: Company, Angel Research

GlaxoSmithKline Pharmaceuticals (GSK) posted better than expected results on sales and OPM fronts for 2QFY2018. The revenues came in at `836cr v/s. `800r expected, registering a yoy growth of 4.6%, mainly on the back of GST implementation. On the OPM front, the EBDITA margins came in at 23.0% (v/s. 15.3% expected) as compared to 17.6% in 2QFY2017, mainly driven by lower expenses during the quarter. The Adj. PAT came in at `127cr v/s. `99cr in 2QFY2017, a yoy growth of 28.5%. **We recommend a Sell.**

Results better than expectations: GlaxoSmithKline Pharmaceuticals (GSK) posted better than expected results on sales and OPM fronts for 2QFY2018. The revenues came in at `836cr v/s. `800r expected, registering a yoy growth of 4.6%, mainly on the back of GST implementation. On the OPM front, the EBDITA margins came in at 23.0% (v/s. 15.3% expected) as compared to 17.6% in 2QFY2017, mainly driven by lower expenses during the quarter. The Adj. PAT came in at `127cr v/s. `99cr in 2QFY2017, a yoy growth of 28.5%.

Outlook and valuation: On the operational front, we expect the company's net sales to post a CAGR of 6.6% to `3,324cr, while the EPS is expected to post a CAGR of 16.1% over FY2017–19E. **We recommend a Sell on the stock.**

Key financials (Consolidated)

| Y/E Mar (` cr) | FY2016 | FY2017 | FY2018E | FY2019E |
|-------------------|--------------|--------------|--------------|--------------|
| Net sales | 2,741 | 2,927 | 2,968 | 3,324 |
| % chg | (16.2) | 6.8 | 1.4 | 12.0 |
| Net profit | 374 | 291 | 320 | 414 |
| % chg | (26.5) | (22.2) | 9.9 | 29.5 |
| EPS (`) | 44.2 | 34.4 | 37.8 | 48.9 |
| EBITDA (%) | 16.5 | 11.8 | 13.8 | 16.9 |
| P/E (x) | 56.8 | 73.1 | 66.5 | 51.4 |
| RoE (%) | 18.7 | 13.9 | 16.7 | 23.5 |
| RoCE (%) | 19.4 | 14.0 | 17.0 | 25.8 |
| P/BV (x) | 9.7 | 10.6 | 11.6 | 12.6 |
| EV/Sales (x) | 7.3 | 7.0 | 7.0 | 6.4 |
| EV/EBITDA (x) | 44.0 | 58.9 | 50.5 | 37.7 |

Source: Company, Angel Research; Note: CMP as of November 17, 2017

SELL

| | |
|-------------------|-----------|
| CMP | `2,511 |
| Target Price | `2,000 |
| Investment Period | 12 months |

Stock Info

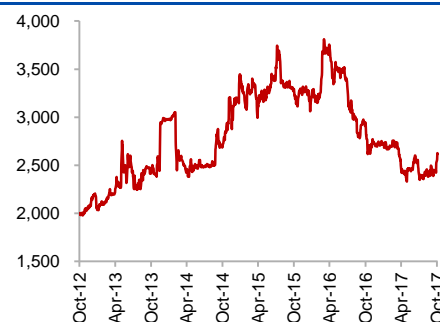
| | |
|--------------------|----------------|
| Sector | Pharmaceutical |
| Market Cap (` cr) | 21,272 |
| Net Debt (` cr) | (936) |
| Beta | 0.2 |
| 52 Week High / Low | 3,343/2,309 |
| Avg. Daily Volume | 2,050 |
| Face Value (`) | 10 |
| BSE Sensex | 33,343 |
| Nifty | 10,284 |
| Reuters Code | GLAX.BO |
| Bloomberg Code | GLXO@IN |

Shareholding Pattern (%)

| | |
|-------------------------|------|
| Promoters | 75.0 |
| MF / Banks / Indian FIs | 10.9 |
| FII / NRIs / OCBs | 2.1 |
| Indian Public / Others | 12.0 |

| Abs. (%) | 3m | 1yr | 3yr |
|----------|-------|--------|--------|
| Sensex | 4.2 | 24.2 | 15.6 |
| Glaxo | (0.2) | (11.5) | (16.6) |

3-year price chart



Source: Company, Angel Research

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Exhibit 1: 2QFY2018 – Standalone performance

| Y/E March (` cr) | 2QFY2018 | 1QFY2018 | % chg (QoQ) | 2QFY2017 | % chg (YoY) | 1HFY2018 | 1HFY2017 | % chg |
|-----------------------------|-------------|--------------|--------------|-------------|-------------|--------------|--------------|---------------|
| Net Sales | 836 | 587 | 42.5 | 799 | 4.6 | 1,423 | 1,468 | (3.1) |
| Other income | 15 | 34 | (56.5) | 18 | (19.0) | 49 | 78 | (37.5) |
| Total Income | 851 | 621 | 37.1 | 817 | 4.1 | 1,472 | 1,546 | (4.8) |
| Gross profit | 460 | 316 | 45.6 | 438 | 5.0 | 776 | 792 | (2.1) |
| Gross margin | 55.0 | 53.8 | | 54.8 | | 54.5 | 54.0 | |
| Operating profit | 192 | (1) | | 141 | 36.5 | 191 | 195 | (1.8) |
| Operating margin (%) | 23.0 | (0.1) | | 17.6 | | 13.5 | 13.3 | |
| Interest | 0 | 0 | - | 0 | - | 0 | 0 | - |
| Depreciation & Amortization | 8 | 8 | 2.8 | 7 | 17.5 | 15 | 12 | 27.1 |
| PBT & Exceptional Items | 199 | 26 | 671.2 | 152 | 30.7 | 225 | 261 | (13.8) |
| Less : Exceptional Items | 0 | 13 | - | 0 | - | 13 | 3 | |
| Profit before tax | 199 | 38 | 417.8 | 153 | 30.6 | 238 | 265 | (10.3) |
| Provision for taxation | 69 | 12 | 496.8 | 54 | 28.5 | 80 | 92 | (12.7) |
| Reported PAT | 130 | 26 | 393.3 | 99 | 31.7 | 157 | 171 | (8.4) |
| Adj. Net profit | 127 | 18 | 615.6 | 99 | 28.5 | 145 | 170 | (14.6) |
| EPS (`) | 15.0 | 2.1 | | 11.7 | | 17.1 | 20.1 | |

Source: Company, Angel Research,

Exhibit 2: 2QFY2018 – Actual v/s. Angel estimates

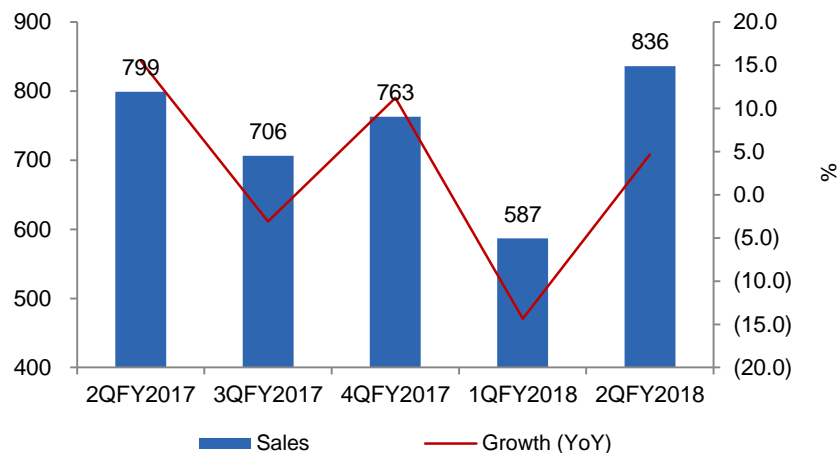
| (` cr) | Actual | Estimates | Variation (%) |
|------------------------|------------|------------|---------------|
| Net sales | 836 | 800 | 4.5 |
| Other income | 15 | 15 | 0.0 |
| Operating profit | 192 | 122 | 56.9 |
| Tax | 69 | 8 | 793.6 |
| Adj. net profit | 127 | 86 | 47.7 |

Source: Company, Angel Research

Revenue grew by 4.6% yoy

GlaxoSmithKline Pharmaceuticals (GSK) posted lower than expected results on sales and OPM fronts for 2QFY2018. The revenues came in at `836cr v/s. `800cr expected, registering a yoy growth of 4.6%, mainly on the back of GST implementation. Furthermore, the deflation in revenue by estimated 6% during the quarter was predominately profit neutral, and was a result of the impact of the newly implemented GST rates.

Exhibit 3: Sales trend

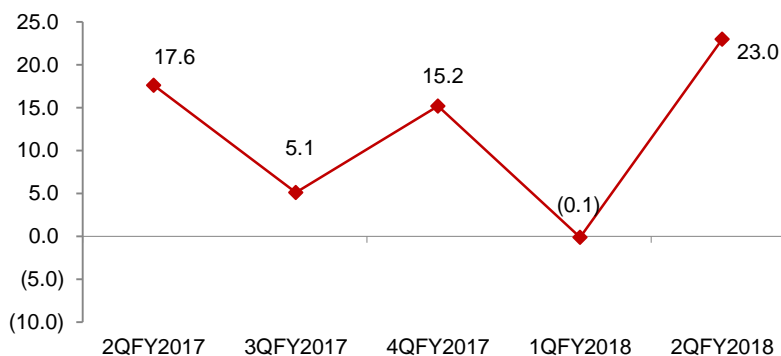


Source: Company, Angel Research

OPM better than expected on the back of lower other expenses

On the OPM front, the EBDITA margins came in at 23.0% (v/s. 15.3% expected) as compared to 17.6% in 2QFY2017. This was mainly driven by sales growth during the quarter. The Gross margins were almost flat at 55.0% in 2QFY2018 v/s. 54.8% in 2QFY2017. Employee expenses and other expenses grew by 6.8% and -22.3% respectively.

Exhibit 4: OPM trend(%)

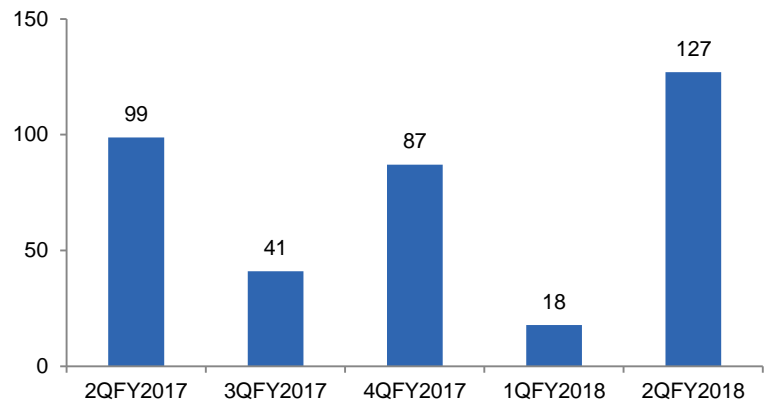


Source: Company, Angel Research

Net profit much higher than estimated

The Adj. PAT during the quarter came in at `127cr v/s. `99cr in 2QFY2017, a yoy growth of 28.5%. The reported profit came in at `130cr v/s. `99cr, a yoy growth of 31.7%. Also, during the quarter, the company posted other income of `15cr v/s. `18cr in 2QFY2017.

Exhibit 5: Adjusted net profit trend(`cr)



Source: Company, Angel Research

Recommendation rationale

Renewed focus on the Indian market: GSK is among the top ten players in the Indian pharmaceutical market, having a market share of 3.7%. Unlike other MNCs, the company has been amongst the few which have taken initiatives to grow their businesses in the Indian market with consistent launch of new products.

Over the last six years, the company has strategically decided to expand its presence in the Specialty segment. The Specialty segment's contribution to sales has reached 23% (as of 2013). Another segment which is strong for the company is the area of vaccines, where GSK Vaccines has become the leading company in the private market for vaccines in India. The recently introduced vaccine for pneumococcal conjugate disease, Synflorix, has become the biggest brand in the vaccine portfolio of the company in the second year of its launch. The efforts of the company in raising awareness about vaccines and preventable diseases continue with increasing fervor. Also, in FY2015, GlaxoSmithKline Plc (Glaxo), London, UK, entered into three inter-conditional agreements with Novartis AG (Novartis), Basel, Switzerland. In one such agreement, Glaxo agreed to acquire Novartis' vaccines business (excluding influenza vaccine) and its manufacturing capabilities and facilities, and in the second agreement, Glaxo agreed to sell the rights of its Marketed Oncology Portfolio, related R&D activities and AKT Inhibitors currently in development to Novartis. Globally, these transactions with Novartis were completed on March 2, 2015.

On the other hand, its other key segments like mass markets and mass specialty, which contribute 60% of its sales, de-grew by 12% in CY2013. This was as a result of a number of products of the company having come under the DPCO 2013 ruling, resulting in reduction in prices of its drugs, which impacted its sales in CY2013. Along with this, the supply constraints, mainly from local supplies during FY2015, have been impacting its performance. FY2017 was another year, where the company's, sales got impacted on the back of the government's pricing cuts. Overall, for FY2017-19E, we expect the domestic formulation business of the company to grow at a CAGR of 6.6%.

Significant capex plans ahead indicate revival in growth: Global pharmaceutical major Glaxo announced ₹864cr investment in India to set up a medicine manufacturing unit. The new facility will substantially increase the company's manufacturing base. The drug maker is proactively building capacity in the country as it delivers its portfolio of products in areas such as gastroenterology and anti-inflammatory medicines. When complete, the factory will make pharmaceutical products for the Indian market at a rate of up to 8bn tablets and 1bn capsules a year. The facility will include a warehouse, site infrastructure, and utilities to support the manufacturing and packing of medicines. It showcases GSK's latest commitment to its manufacturing network in India where the company has invested ₹1,017cr over the last decade. The development is positive and comes after a long lull in terms of investments.

Outlook and valuation

GSK has a strong balance sheet with cash of ~`900cr, which could be used for future acquisitions or higher dividend payouts. The company's parent company Glaxo increased stake in it through a voluntary open offer, after which Glaxo holds 75% stake in the Indian subsidiary. The buy-back of shares is a strong indicator from the Management towards the performance of its listed Indian entity, especially as it comes after the recent `864cr investment plan announced by the company to further its growth prospects in the Indian pharmaceuticals market. The said investments are expected to fructify by 2018.

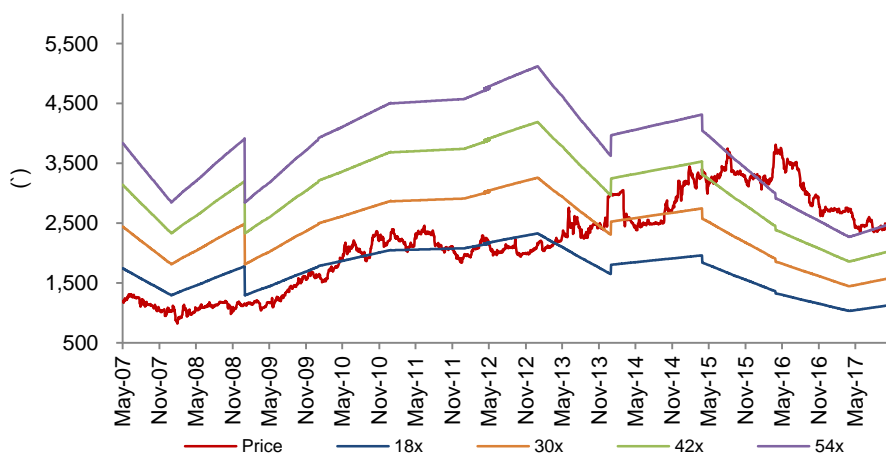
On the operational front, we expect the company's net sales to post a CAGR of 6.6% to `3,324cr and EPS to register a CAGR of 19.3% to `48.9 over FY2017–19E. At the current level, the stock is trading at 66.5x and 51.4x its FY2018E and FY2019E earnings respectively. **We recommend a Sell on the stock.**

Exhibit 6: Key assumptions

| | FY2018E | FY2019E |
|---------------------------------|---------|---------|
| Sales growth (%) | 1.4 | 12.0 |
| Growth in employee expenses (%) | 11.0 | 9.0 |
| Operating margin (%) | 13.8 | 15.9 |
| Capex (` cr) | 200 | 200 |

Source: Company, Angel Research

Exhibit 7: One-year forward PE



Source: Company, Angel Research

Exhibit 8: Recommendation summary

| Company | Reco | CMP (₹) | Tgt. price (₹) | Upside % | PE (x) | FY2019E | | FY17-19E | FY2019E | |
|-------------------|--------------|--------------|-------------------|---------------|-------------|-----------------|------------------|-----------------|-------------|-------------|
| | | | | | | EV/Sales (x) | EV/EBITDA (x) | CAGR in EPS (%) | RoCE (%) | RoE (%) |
| Alembic Pharma | Buy | 514 | 600 | 16.8 | 21.5 | 2.5 | 12.9 | 5.7 | 20.6 | 18.4 |
| Aurobindo Pharma | Buy | 708 | 823 | 16.3 | 13.8 | 2.1 | 9.6 | 14.2 | 25.3 | 22.7 |
| Cadila Healthcare | Reduce | 446 | 411 | (7.9) | 21.7 | 3.5 | 17.3 | 18.9 | 16.5 | 22.2 |
| Cipla | Sell | 609 | 426 | (24.1) | 25.0 | 2.7 | 16.0 | 39.3 | 10.9 | 13.1 |
| Dr Reddy's | Reduce | 2,325 | 2,040 | (12.3) | 22.8 | 2.8 | 13.7 | 18.5 | 10.8 | 12.4 |
| Dishman Pharma | Under Review | 301 | - | - | 19.3 | 2.7 | 11.5 | 23.3 | 4.5 | 4.4 |
| GSK Pharma | Sell | 2,511 | 2000 | (20.4) | 51.4 | 6.4 | 37.7 | 19.3 | 25.8 | 23.5 |
| Indoco Remedies | Sell | 267 | 153 | (42.8) | 16.7 | 2.1 | 14.9 | 16.2 | 10.1 | 14.5 |
| Ipca labs | Neutral | 529 | - | - | 22.1 | 1.7 | 11.2 | 24.7 | 12.4 | 11.0 |
| Lupin | Buy | 829 | 1,091 | 31.6 | 16.7 | 2.1 | 9.7 | (6.6) | 13.7 | 13.7 |
| Sanofi India* | Neutral | 4,485 | - | - | 27.4 | 3.2 | 17.1 | 12.8 | 25.8 | 27.5 |
| Sun Pharma | Accumulate | 517 | 558 | 7.9 | 20.9 | 3.5 | 15.4 | (12.9) | 12.3 | 15.2 |

Source: Company, Angel Research; Note: * December year ending;

Company Background

GlaxoSmithKline Pharmaceuticals (GSK) is the sixth largest pharmaceutical player in the Indian market with a market share of ~3.7%. The company's product portfolio includes both, prescription medicines and vaccines. GSK sells prescription medicines across therapeutic areas such as anti-infectives, dermatology, gynecology, diabetes, oncology, cardiovascular diseases and respiratory diseases. A large portion of the company's revenue comes from the acute therapeutic portfolio. However, the company is now scouting for opportunities in high-growth therapeutic areas such as CVS, CNS, diabetes and oncology. Further, with a strong parentage, the company plans to increase its product portfolio through patented launches and vaccines. To fructify the same, the company plans to enhance its manufacturing assets with its parent company investing `864cr in it; the capacity expansion is expected to fructify in 2017.

Profit & loss statement

| Y/E March (₹ cr) | CY2013 | FY2015 | FY2016 | FY2017 | FY2018E | FY2019E |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Gross sales | 2,589 | 3,328 | 2,800 | 2,999 | 3,029 | 3,392 |
| Less: Excise duty | 51 | 56 | 59 | 72 | 61 | 68 |
| Net sales | 2,538 | 3,272 | 2,741 | 2,927 | 2,968 | 3,324 |
| Other operating income | 24 | 32 | 27 | 28 | 28 | 28 |
| Total operating income | 2,563 | 3,305 | 2,768 | 2,954 | 2,996 | 3,352 |
| % chg | (3.3) | 28.9 | (16.2) | 6.7 | 1.4 | 11.9 |
| Total expenditure | 2,034 | 2,690 | 2,289 | 2,581 | 2,559 | 2,763 |
| Net raw materials | 1,164 | 1,510 | 1,233 | 1,398 | 1,336 | 1,463 |
| Other Mfg costs | 89 | 115 | 99 | 107 | 111 | 115 |
| Personnel | 362 | 493 | 443 | 483 | 490 | 532 |
| Other | 420 | 572 | 514 | 593 | 623 | 654 |
| EBITDA | 504 | 582 | 452 | 346 | 409 | 561 |
| % chg | (33.6) | 15.5 | (22.4) | (23.5) | 18.4 | 37.1 |
| (% of Net Sales) | 19.9 | 17.8 | 16.5 | 11.8 | 13.8 | 16.9 |
| Depreciation & amortization | 20 | 25 | 25 | 26 | 52 | 60 |
| EBIT | 484 | 557 | 427 | 319 | 357 | 501 |
| % chg | (34.7) | 15.0 | (23.3) | (25.2) | 11.8 | 40.3 |
| (% of Net Sales) | 19.1 | 17.0 | 15.6 | 10.9 | 12.0 | 15.1 |
| Interest & other charges | - | - | - | - | - | 1 |
| Other income | 177 | 200 | 125 | 119 | 100 | 100 |
| (% of PBT) | | | | | | |
| Share in profit of Associates | - | - | - | - | - | - |
| Recurring PBT | 685 | 789 | 579 | 465 | 485 | 627 |
| % chg | (27.5) | 15.1 | (26.5) | (19.7) | 4.1 | 29.5 |
| Extraordinary expense/(Inc.) | (26) | 33 | (3) | (46) | - | - |
| PBT (reported) | 711 | 756 | 582 | 511 | 485 | 627 |
| Tax | 230 | 279 | 203 | 174 | 165 | 213 |
| (% of PBT) | 32.3 | 36.9 | 34.8 | 34.1 | 34.0 | 34.0 |
| PAT (reported) | 482 | 477 | 377 | 337 | 320 | 414 |
| Add: Share of earnings of asso. | - | - | - | - | - | - |
| Less: Minority interest (MI) | - | - | - | - | - | - |
| Prior period items | - | - | - | - | - | - |
| Exceptional items | | | | | | |
| PAT after MI (reported) | 482 | 477 | 377 | 337 | 320 | 414 |
| ADJ. PAT | 464 | 509 | 374 | 291 | 320 | 414 |
| % chg | (29.4) | 9.8 | (26.5) | (22.2) | 9.9 | 29.5 |
| (% of Net Sales) | 18.3 | 15.6 | 13.7 | 9.9 | 10.8 | 12.5 |
| Basic EPS (₹) | 55 | 60 | 44 | 34 | 38 | 49 |
| Fully diluted EPS (₹) | 55 | 60 | 44 | 34 | 38 | 49 |
| % chg | (29.4) | 9.8 | (26.5) | (22.2) | 9.9 | 29.5 |

Balance Sheet

| Y/E March (` cr) | CY2013 | FY2015 | FY2016 | FY2017 | FY2018E | FY2019E |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| SOURCES OF FUNDS | | | | | | |
| Equity share capital | 85 | 85 | 85 | 85 | 85 | 85 |
| Preference Capital | - | - | - | - | - | - |
| Reserves& surplus | 1,905 | 1,744 | 2,099 | 1,922 | 1,747 | 1,606 |
| Shareholders funds | 1,990 | 1,829 | 2,183 | 2,007 | 1,831 | 1,690 |
| Minority Interest | | | | | | |
| Total loans | 4 | 3 | 1 | 2 | - | - |
| Other long-term liabilities | 5 | 5 | - | - | - | - |
| Long-term provisions | 242 | 273 | 291 | 276 | 276 | 276 |
| Deferred tax liability | (92) | (83) | (101) | (92) | (92) | (92) |
| Total liabilities | 2,148 | 2,026 | 2,374 | 2,193 | 2,015 | 1,875 |
| APPLICATION OF FUNDS | | | | | | |
| Gross block | 323 | 467 | 725 | 1,105 | 1,305 | 1,505 |
| Less: Acc. Depreciation | 247 | 272 | 297 | 323 | 375 | 436 |
| Net block | 76 | 195 | 428 | 782 | 930 | 1,070 |
| Capital work-in-progress | 44 | 44 | 44 | 44 | 44 | 44 |
| Goodwill | 42 | - | - | 32 | 32 | 32 |
| Other non-current assets | 14 | - | - | - | - | - |
| Long-term loans and adv. | 238 | 307 | 302 | 374 | 386 | 432 |
| Investments | 10 | 0 | 5 | 6 | 6 | 6 |
| Current assets | 2,614 | 2,587 | 2,174 | 1,674 | 1,348 | 1,109 |
| Cash | 2,042 | 1,911 | 1,392 | 932 | 596 | 112 |
| Loans & advances | 238 | 122 | 123 | 132 | 134 | 150 |
| Other | 335 | 554 | 658 | 610 | 619 | 848 |
| Current liabilities | 889 | 1,107 | 579 | 720 | 731 | 819 |
| Net current assets | 1,725 | 1,480 | 1,595 | 954 | 617 | 290 |
| Mis. Exp. not written off | - | - | - | - | - | - |
| Total Assets | 2,148 | 2,026 | 2,374 | 2,193 | 2,015 | 1,875 |

Cash flow statement

| Y/E March (` cr) | CY2013 | FY2015 | FY2016 | FY2017 | FY2018E | FY2019E |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Profit before tax and exceptional | 711 | 756 | 582 | 511 | 485 | 627 |
| Depreciation | 20 | 25 | 25 | 26 | 52 | 60 |
| (Inc)/Dec in working capital | 15 | 114 | (633) | 181 | 1 | (157) |
| Direct taxes paid | 230 | 279 | 203 | 174 | 165 | 213 |
| Cash Flow from Operations | 517 | 616 | (229) | 544 | 373 | 317 |
| (Inc.)/Dec.in fixed assets | (49) | (144) | (258) | (381) | (200) | (200) |
| (Inc.)/Dec. in investments | (45) | (10) | 5 | 1 | - | - |
| Cash Flow from Investing | (93) | (154) | (253) | (380) | (200) | (200) |
| Issue of equity | - | - | - | - | - | - |
| Inc./(Dec.) in loans | - | - | - | - | - | - |
| Dividend paid (Incl. Tax) | (495) | (624) | (495) | (297) | (495) | (555) |
| Others | 47 | 32 | 459 | - | - | - |
| Cash Flow from Financing | (448) | (593) | (37) | (297) | (495) | (555) |
| Inc./(Dec.) in cash | (25) | (131) | (519) | (460) | (336) | (484) |
| Opening cash balances | 2,067 | 2,042 | 1,911 | 1,392 | 932 | 596 |
| Closing cash balances | 2,042 | 1,911 | 1,392 | 932 | 596 | 112 |

Key ratio

| Y/E March | CY2013 | FY2015 | FY2016 | FY2017 | FY2018E | FY2019E |
|---------------------------------|--------|--------|--------|--------|---------|---------|
| Valuation Ratio (x) | | | | | | |
| P/E (on FDEPS) | 45.8 | 41.8 | 56.8 | 73.1 | 66.5 | 51.4 |
| P/CEPS | 42.4 | 42.4 | 53.0 | 58.6 | 57.2 | 44.8 |
| P/BV | 10.7 | 11.6 | 9.7 | 10.6 | 11.6 | 12.6 |
| Dividend yield (%) | 2.0 | 2.0 | 2.0 | 1.2 | 2.0 | 2.3 |
| EV/Sales | 7.6 | 5.9 | 7.3 | 7.0 | 7.0 | 6.4 |
| EV/EBITDA | 38.2 | 33.3 | 44.0 | 58.9 | 50.5 | 37.7 |
| EV / Total Assets | 9.0 | 9.6 | 8.4 | 9.3 | 10.3 | 11.3 |
| Per Share Data (₹) | | | | | | |
| EPS (Basic) | 54.8 | 60.1 | 44.2 | 34.4 | 37.8 | 48.9 |
| EPS (fully diluted) | 54.8 | 60.1 | 44.2 | 34.4 | 37.8 | 48.9 |
| Cash EPS | 59.2 | 59.3 | 47.4 | 42.9 | 43.9 | 56.0 |
| DPS | 50.0 | 50.0 | 50.0 | 30.0 | 50.8 | 56.8 |
| Book Value | 234.9 | 215.9 | 257.8 | 236.9 | 216.2 | 199.6 |
| Returns (%) | | | | | | |
| RoCE (Pre-tax) | 22.4 | 26.7 | 19.4 | 14.0 | 17.0 | 25.8 |
| Angel ROIC (Pre-tax) | 22.4 | 26.7 | 19.4 | 14.0 | 17.0 | 25.8 |
| RoE | 23.2 | 26.7 | 18.7 | 13.9 | 16.7 | 23.5 |
| Turnover ratios (x) | | | | | | |
| Asset Turnover (Gross Block) | 8.6 | 8.4 | 4.6 | 3.2 | 2.5 | 2.4 |
| Inventory / Sales (days) | 48 | 40 | 59 | 52 | 41 | 29 |
| Receivables (days) | 15 | 11 | 15 | 14 | 11 | 8 |
| Payables (days) | 54 | 55 | 77 | 43 | 49 | 48 |
| WC cycle (ex-cash) (days) | 79 | 69 | 96 | 94 | 91 | 95 |
| Solvency ratios (x) | | | | | | |
| Net debt to equity | (1.0) | (1.0) | (0.6) | (0.5) | (0.3) | (0.1) |
| Net debt to EBITDA | (4.0) | (3.3) | (3.1) | (2.7) | (1.5) | (0.2) |
| Interest Coverage (EBIT / Int.) | - | - | - | - | - | - |

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| Disclosure of Interest Statement | Glaxo Pharma | | |
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| 2. Ownership of 1% or more of the stock by research analyst or Angel or associates or relatives | No | | |
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| 4. Broking relationship with company covered under Research | No | | |
| Ratings (Based on expected returns over 12 months investment period): | <i>Buy (> 15%)</i> | <i>Accumulate (5% to 15%) Reduce (-5% to -15%)</i> | <i>Neutral (-5 to 5%) Sell (< -15)</i> |