

Lupin

Performance Highlights

| Y/E March (` cr) | 1QFY2018 | 4QFY2017 | % chg qoq | 1QFY2017 | % chg yoy |
|-------------------|--------------|--------------|--------------|--------------|---------------|
| Net sales | 3,806 | 4,162 | (8.6) | 4,316 | (11.8) |
| Other income | 95 | 137 | (30.7) | 208 | (54.6) |
| Operating profit | 705 | 690 | 2.1 | 1,185 | (40.5) |
| Interest | 44 | 41 | 8.1 | 32 | 37.3 |
| Net profit | 359 | 380 | (5.4) | 886 | (59.4) |

Source: Company, Angel Research

Lupin, for 1QFY2018, posted poor set of numbers. Sales came in at `3,806cr (`4,316cr expected) v/s. `4,316cr in 1QFY2017, a yoy de-growth of 11.8%. On operating front, the EBITDA margins came in at 18.5% (22.9% expected) v/s. 27.4% in 1QFY2017, mainly on the back of lower than expected sales during the quarter and dip in the gross margins. Thus, the PAT came in at `359cr (`607cr expected) v/s. `886cr in 1QFY2017, a yoy de-growth of 59.4%. Tax rate during the quarter was 27.7% of PBT v/s. 23.6% of PBT in 1QFY2017. **We maintain our Buy rating on the stock.**

Numbers lower than expectations: Sales came in at `3,806cr (`4,316cr expected) v/s. `4,316cr in 1QFY2017, a yoy de-growth of 11.8%. The dip was mainly on the back of formulation sales (`3,528cr), which declined by 12.8%, mainly on the back of a 26.8% dip in the USA (`1,602cr; accounting for 42% of global sales). Lupin's India formulation sales grew by 6.1% to `932.4cr during 1QFY2018 as compared to 1QFY2017 and decreased by 1.8% compared to 4QFY2017, accounting for 25% of Lupin's global sales. On operating front, the EBITDA margins came in at 18.5% (22.9% expected) v/s. 27.4% in 1QFY2017, mainly on the back of lower than expected sales during the quarter and dip in the gross margins. Thus, the PAT came in at `358cr (`607cr expected) v/s. `882cr in 4QFY2017, a yoy de-growth of 59.4%.

Outlook and valuation: We expect Lupin to post a net sales CAGR of 11.5% to ₹21,289cr and earnings CAGR of 8.2% to ₹66.7/share over FY2017–19E. Currently, the stock is trading at 14.9x its FY2019E earnings respectively. **We recommend a Buy rating on the stock.**

Key financials (Consolidated)

| Y/E March (` cr) | FY2016 | FY2017 | FY2018E | FY2019E |
|-------------------|---------------|---------------|---------------|---------------|
| Net sales | 13,702 | 17,120 | 18,657 | 21,289 |
| % chg | 8.7 | 24.9 | 9.0 | 14.1 |
| Net profit | 2,271 | 2,557 | 2,373 | 2,997 |
| % chg | (5.5) | 12.6 | (7.2) | 26.3 |
| EPS (`) | 50.5 | 56.9 | 52.8 | 66.7 |
| EBITDA margin (%) | 23.7 | 24.1 | 21.3 | 23.3 |
| P/E (x) | 19.7 | 17.5 | 18.8 | 14.9 |
| RoE (%) | 22.7 | 20.7 | 16.3 | 17.5 |
| RoCE (%) | 19.4 | 15.5 | 14.7 | 20.5 |
| P/BV (x) | 4.0 | 3.3 | 2.8 | 2.4 |
| EV/sales (x) | 3.7 | 3.0 | 2.4 | 2.0 |
| EV/EBITDA (x) | 15.6 | 12.6 | 11.5 | 8.7 |

Source: Company, Angel Research; Note: CMP as of August 3, 2017

BUY

| | |
|--------------|--------|
| CMP | ₹993 |
| Target Price | ₹1,467 |

| | |
|-------------------|-----------|
| Investment Period | 12 months |
|-------------------|-----------|

| Stock Info | |
|--------------------|----------------|
| Sector | Pharmaceutical |
| Market Cap (₹ cr) | 44,944 |
| Net Debt (₹ cr) | 8,165 |
| Beta | 0.7 |
| 52 Week High / Low | 1,734 / 986 |
| Avg. Daily Volume | 1,15,245 |
| Face Value (₹) | 2 |
| BSE Sensex | 32,238 |
| Nifty | 10,014 |
| Reuters Code | LUPN.BO |
| Bloomberg Code | LPC@IN |

| Shareholding Pattern (%) | |
|--------------------------|------|
| Promoters | 46.7 |
| MF / Banks / Indian Fls | 10.9 |
| FII / NRIs / OCBs | 31.5 |
| Indian Public / Others | 10.9 |

| Abs. (%) | 3m | 1yr | 3yr |
|----------|--------|--------|--------|
| Sensex | 7.8 | 16.4 | 25.3 |
| Lupin | (30.6) | (40.8) | (15.6) |

3-year price chart



Source: Company, Angel Research

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Exhibit 1: 1QFY2018 – Consolidated performance

| Y/E March (` cr) | 1QFY2018 | 4QFY2017 | % chg (qoq) | 1QFY2017 | % chg (yoy) | FY2017 | FY2016 | % chg (yoy) |
|------------------------------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|-------------|
| Net sales | 3,806 | 4,162 | (8.6) | 4,316 | (11.8) | 17,120 | 13,758 | 24.4 |
| Other income | 95 | 137 | (30.7) | 208 | (54.6) | 481 | 683 | (29.6) |
| Total income | 3,901 | 4,232 | (7.8) | 4,524 | (13.8) | 17,601 | 14,441 | 21.9 |
| Gross profit | 2,573 | 2,977 | (13.6) | 3,044 | | 12,118 | 9,425 | 28.6 |
| Gross margin | 67.6 | 71.5 | | 70.5 | | 70.8 | 68.5 | |
| Operating profit | 704.6 | 690.0 | 2.1 | 1,184.5 | (40.5) | 4,119 | 3,188 | 29.2 |
| OPM (%) | 18.5 | 16.6 | | 27.4 | | 24.1 | 23.2 | |
| Interest | 44 | 41 | 8.1 | 32 | 37.3 | 153 | 59 | 156.5 |
| Dep. & amortization | 261 | 267 | (2.6) | 203 | 28.5 | 912 | 487 | 87.3 |
| PBT | 495 | 519 | (4.6) | 1,158 | (57.3) | 3,535 | 3,324 | 6.3 |
| Provision for taxation | 137 | 137 | 0.1 | 273 | (49.9) | 979 | 1,059 | (7.6) |
| Reported net profit | 358 | 382 | (6.3) | 885 | (59.5) | 2,556 | 2,265 | 12.9 |
| Less : exceptional items | - | - | | - | | - | - | |
| MI & share in associates | (1) | 2 | - | (1) | - | (1) | 4 | - |
| PAT after exceptional items | 359 | 380 | (5.4) | 886 | (59.4) | 2,557 | 2,271 | 12.6 |
| EPS (`) | 8.0 | 8.5 | | 19.8 | | 56.5 | 50.5 | |

Source: Company, Angel Research

Exhibit 2: 1QFY2018 – Actual v/s. Angel estimates

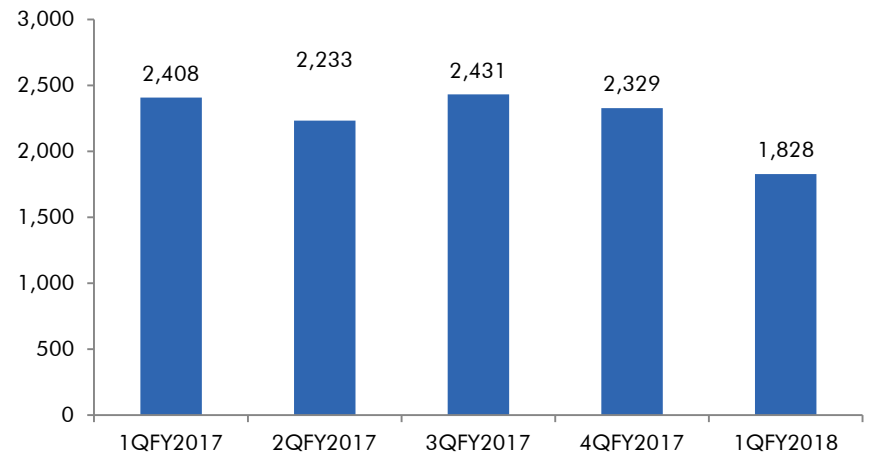
| ` cr | Actual | Estimates | Variation |
|-------------------|--------------|--------------|---------------|
| Net Sales | 3,806 | 4,316 | (11.8) |
| Other Income | 95 | 137 | (30.8) |
| Operating Profit | 705 | 995 | (29.1) |
| Deprecation | 261 | 267 | (2.6) |
| Tax | 137 | 217 | (37.0) |
| Net Profit | 359 | 607 | (40.8) |

Source: Company, Angel Research

Revenue de-grows 11.8% yoy: Lupin, for 1QFY2018, posted poor set of numbers. Sales came in at `3,806cr (`4,316cr expected) v/s. `4,316cr in 1QFY2017, a yoy de-growth of 12.3%. The dip was mainly on the back of formulation sales (`3,528cr), which declined by 12.8%, mainly on the back of a 26.8% dip in the USA (`1,602cr; accounting for 42% of global sales). Lupin's India formulation sales grew by 6.1% to `932.4cr during 1QFY2018 as compared to 4QFY2017 and decreased by 1.8% compared to 1QFY2017; accounting for 25% of Lupin's global sales. Lupin's APAC sales were at `599cr during 1QFY2018 compared to sales of `6,12cr during 4QFY2017 and `5,42cr during 1QFY2017; accounting for 16% of Lupin's global sales. API sales (`279.3cr) posted a dip of 5.8% yoy.

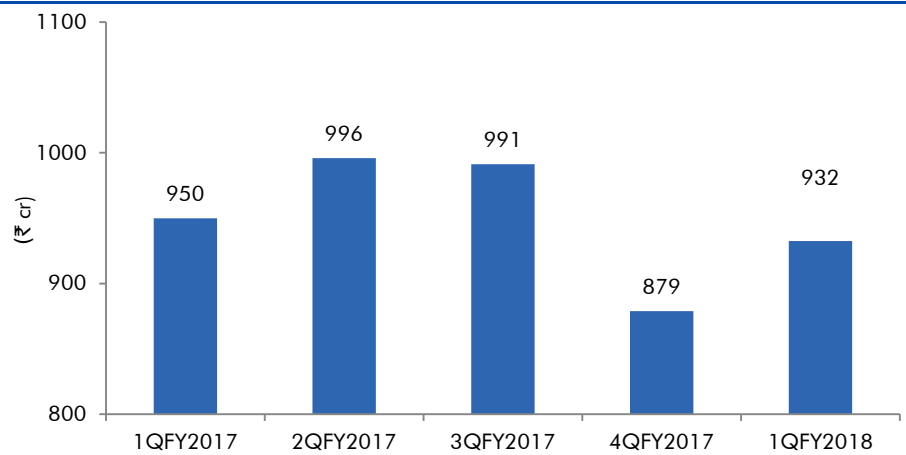
Lupin's USA sales de-grew by 26.8% to `1602cr during 1QFY2018, contributing 42% of Lupin's global sales. The Company launched 4 products in the US market during the quarter. The Company now has 142 products in the US generics market. Lupin is now the leader in 43 products marketed in the US generics market and amongst the top 3 in 91 of its marketed products (market share by prescriptions, IMS Health, June 2017).

Exhibit 3: Advanced markets – Sales trend



Source: Company, Angel Research

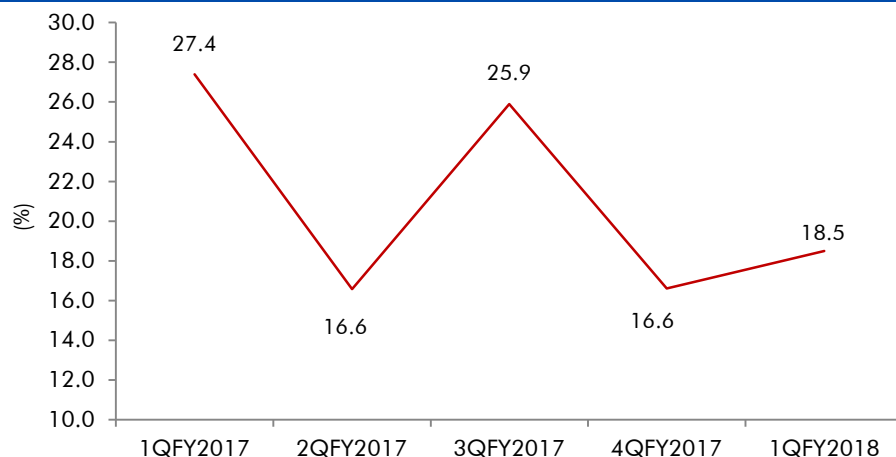
Exhibit 4: Domestic Formulation Market



Source: Company

OPM at 18.5%, lower than expected: On the OPM front, the EBDITA margins came in at 18.5% (v/s. 22.9% expected) v/s. 27.4% in 1QFY2017. While the Gross margins came in at 67.6% v/s. 70.5% in 1QFY2017, a yoy rise of 1.7%, 0.1% and (0.5)% in the employee, R&D and other expenses respectively restricted the higher than expected contraction in the OPM. R&D expenses were 13.1% of sales in 1QFY2018 V/s. 11.6% of sales in 1QFY2017.

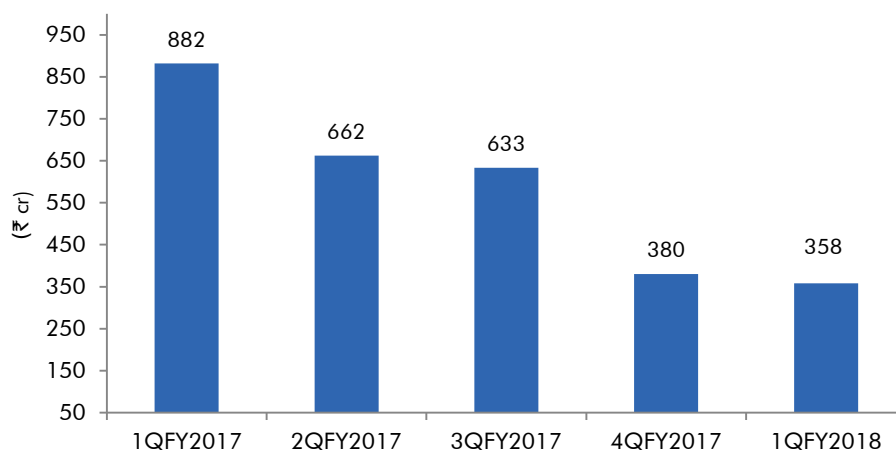
Exhibit 5: OPM trend



Source: Company, Angel Research

Net profit growth lower than estimate: The PAT came in at `358cr (`607cr expected) v/s. `882cr in 4QFY2017, a yoy de-growth of 59.4%. Tax rate during the quarter was 27.7% of PBT v/s. 23.6% of PBT in 1QFY2017.

Exhibit 6: Net profit trends



Source: Company, Angel Research

Conference call takeaways

- Management has guided for 30-45 ANDA launches in FY2018.
- R&D expense expected to be around ~`2,000cr in FY2018.
- Company saw single-digit price erosion in its US business. It expects US business to bottom out in 2QFY2018, although single-digit price erosion will be seen in Glumetza and Fortamet.
- With GST impact in India & US price erosion which is on account of channel consolidation, EBITDA margin is expected to be in the range of 21-23% in FY2018.
- Company expects 14 FTFs in next five years.

- With high number of approvals and launches going forward, US business is expected to post strong growth FY2019 onward.
- 75% of APIs are consumed internally. Company is foraying into Oncology API segment.

Recommendation rationale

- **US market – the key driver:** The high-margin branded generic business has been the key differentiator for Lupin in the Indian pharmaceuticals space. On the generic front, Lupin is currently the fifth largest generic player in the US, with 5.3% market share in prescription. Lupin is now the market leader in 43 products marketed in the US generics market and is amongst the top 3 by market share in 91 products. Currently, the company's cumulative filings stand at 368, of which 217 have been approved, with 23 exclusive FTFs. Lupin plans to launch 25-30 products in the US in FY2018. We expect the region to post a CAGR of 9.9% over FY2017-19E on the back of new product launches.
- **Domestic formulations on a strong footing:** Lupin continues to make strides in the Indian market. Currently, Lupin ranks No 3, and is the fastest growing company among the top five companies in the domestic formulation space, registering a strong CAGR of 20% over the last few years. Six of Lupin's products are among the top 300 brands in the country. Lupin has a strong field force of ~6,000MRs (as of FY2016). We expect the domestic formulation market to grow at a CAGR of 16.0% over FY2017-19E.
- **First-mover advantage in Japan:** Lupin figures among the few Indian companies with a formidable presence in Japan, the world's second largest pharmaceuticals market (Lupin was ranked as the 8th largest as per IMS MAT March 2014). The Management believes that there will be patent expiries (US\$14-16bn) in the next two years in the Japanese market, which along with increased generic penetration would drive growth in the market. The Management expects improvement in growth in the next 3-4 years. On a conservative basis, we expect the Japan market to post a CAGR of 20% over FY2017-19E.

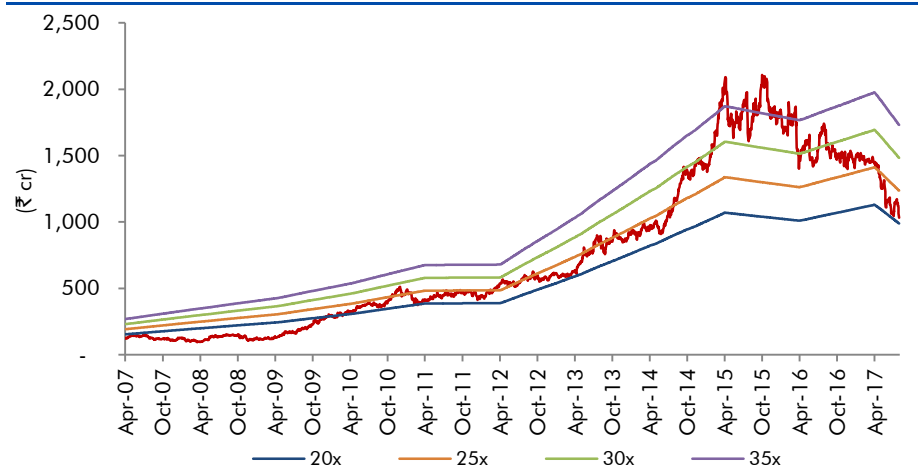
Valuation

We expect Lupin to post a net sales CAGR of 11.5% to ₹21,289cr and earnings CAGR of 8.2% to ₹66.7/share over FY2017–19E. Currently, the stock is trading at 14.9x its FY2019E earnings, respectively. **We recommend a Buy rating on the stock.**

Exhibit 7: Key Assumptions

| | FY2018E | FY2019E |
|-----------------------|---------|---------|
| Sales growth (%) | 9.0 | 14.1 |
| Domestic growth (%) | 16.0 | 16.0 |
| Exports growth (%) | 7.8 | 13.5 |
| Operating margins (%) | 22.3 | 24.1 |
| R&D Exp (% of sales) | 12.0 | 12.0 |
| Capex (₹ cr) | 1000 | 1000 |

Source: Company, Angel Research

Exhibit 8: One-year forward PE


Source: Company, Angel Research

Exhibit 9: Recommendation summary

| Company | Reco | CMP (₹) | Tgt. price (₹) | Upside (%) | PE (x) | FY2019E | | FY17-19E | FY2019E | |
|-------------------|--------------|------------|-------------------|---------------|-------------|----------------|------------------|--------------------|-------------|-------------|
| | | | | | | EV/Sale (x) | EV/EBITDA (x) | CAGR in EPS (%) | RoCE (%) | RoE (%) |
| Alembic Pharma | Accumulate | 531 | 600 | 13.1 | 19.5 | 2.2 | 11.4 | 12.8 | 24.3 | 20.6 |
| Aurobindo Pharma | Accumulate | 725 | 823 | 13.5 | 14.1 | 2.2 | 9.9 | 14.2 | 25.3 | 22.7 |
| Cadila Healthcare | Sell | 532 | 450 | (15.3) | 25.0 | 4.0 | 19.8 | 21.0 | 17.3 | 22.9 |
| Cipla | Sell | 567 | 461 | (18.7) | 23.4 | 2.4 | 15.1 | 39.2 | 11.0 | 13.2 |
| Dr Reddy's | Neutral | 2,244 | - | - | 20.2 | 2.3 | 12.5 | 23.6 | 11.2 | 13.0 |
| Dishman Pharma | Under Review | 301 | - | - | 18.9 | 1.3 | 10.1 | (6.8) | 2.9 | 2.5 |
| GSK Pharma | Neutral | 2,401 | - | - | 41.0 | 5.5 | 30.7 | 30.6 | 28.9 | 26.5 |
| Indoco Remedies | Sell | 199 | 153 | (23.2) | 15.6 | 1.5 | 10.2 | 23.0 | 11.2 | 15.0 |
| Ipca labs | Buy | 461 | 620 | 34.4 | 18.3 | 1.5 | 9.4 | 27.9 | 12.8 | 11.2 |
| Lupin | Buy | 993 | 1,467 | 47.8 | 14.9 | 2.0 | 8.7 | 8.2 | 20.5 | 17.5 |
| Sanofi India* | Neutral | 4,247 | - | - | 27.6 | 2.9 | 17.0 | 9.2 | 23.9 | 25.8 |
| Sun Pharma | Buy | 507 | 712 | 40.5 | 15.7 | 2.9 | 11.4 | 1.2 | 15.1 | 18.8 |

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

Company Background

Lupin, established in 1968, is primarily engaged in the manufacture and global distribution of active pharmaceutical ingredients (APIs) and finished dosages. Over the years, the company forayed into the US markets through a differentiated export strategy of tapping branded generics and consequently gaining a large share of the US prescription market. Further, to expand its footprint in the global markets, Lupin has prudently adopted the inorganic growth route. In-line with this, over the last two years, the company made small acquisitions across geographies, prominent among these being the acquisition of Kyowa in the growing Japanese market. In the US, the company has acquired privately held Gavis Pharmaceuticals LLC and Novel Laboratories Inc. The acquisitions have enhanced Lupin's scale in the US generic market and have also broadened its pipeline in dermatology, controlled substance products and other high-value and niche generics.

Profit & Loss Statement (Consolidated)

| Y/E March (₹ cr) | FY2014 | FY2015 | FY2016 | FY2017 | FY2018E | FY2019E |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Gross sales | 11,167 | 12,684 | 13,797 | 17,224 | 18,770 | 21,417 |
| Less: Excise duty | 80 | 84 | 96 | 104 | 113 | 129 |
| Net sales | 11,087 | 12,600 | 13,702 | 17,120 | 18,657 | 21,289 |
| Other operating income | 200 | 170 | 507 | 375 | 375 | 375 |
| Total operating income | 11,287 | 12,770 | 14,208 | 17,494 | 19,032 | 21,663 |
| % chg | 17.1 | 13.1 | 11.3 | 23.1 | 8.8 | 13.8 |
| Total expenditure | 8,284 | 9,150 | 10,455 | 13,001 | 14,688 | 16,334 |
| Net raw materials | 3,817 | 4,157 | 4,309 | 5,001 | 5,970 | 6,387 |
| Other mfg costs | 847 | 963 | 1,047 | 1,308 | 1,426 | 1,627 |
| Personnel | 1,465 | 1,747 | 2,108 | 2,850 | 3,105 | 3,543 |
| Other | 2,155 | 2,283 | 2,580 | 3,842 | 4,187 | 4,778 |
| EBITDA | 2,803 | 3,449 | 3,247 | 4,119 | 3,969 | 4,954 |
| % chg | 34.1 | 23.1 | (5.9) | 26.9 | (3.6) | 24.8 |
| (% of Net Sales) | 25.3 | 27.4 | 23.7 | 24.1 | 21.3 | 23.3 |
| Dep. & Amortization | 261 | 435 | 464 | 912 | 1,002 | 1,122 |
| EBIT | 2,542 | 3,015 | 2,783 | 3,206 | 2,966 | 3,832 |
| % chg | 44.6 | 18.6 | (7.7) | 15.2 | (7.5) | 29.2 |
| (% of Net Sales) | 22.9 | 23.9 | 20.3 | 18.7 | 15.9 | 18.0 |
| Interest & other charges | 27 | 10 | 45 | 153 | 153 | 153 |
| Other Income | 116 | 240 | 188 | 107 | 107 | 107 |
| (% of PBT) | 4 | 7 | 5 | 3 | 3 | 3 |
| Share in profit of asso. | | | | | | |
| Recurring PBT | 2,832 | 3,415 | 3,433 | 3,535 | 3,295 | 4,160 |
| % chg | 47.1 | 20.6 | 0.5 | 3.0 | (6.8) | 26.3 |
| Extraordinary exp./(Inc.) | - | - | - | - | - | - |
| PBT (reported) | 2,832 | 3,415 | 3,433 | 3,535 | 3,295 | 4,160 |
| Tax | 962 | 970 | 1,154 | 979 | 923 | 1,165 |
| (% of PBT) | 34.0 | 28.4 | 33.6 | 27.7 | 28.0 | 28.0 |
| PAT (reported) | 1,870 | 2,444 | 2,279 | 2,556 | 2,372 | 2,996 |
| Add: Share of earnings of asso. | - | - | - | - | - | - |
| Less: Minority interest (MI) | 33 | 41 | 9 | (1) | (1) | (1) |
| Prior period items | - | - | - | - | - | - |
| PAT after MI (reported) | 1,836 | 2,403 | 2,271 | 2,557 | 2,373 | 2,997 |
| ADJ. PAT | 1,836 | 2,403 | 2,271 | 2,557 | 2,373 | 2,997 |
| % chg | 39.7 | 30.9 | (5.5) | 12.6 | (7.2) | 26.3 |
| (% of Net Sales) | 16.6 | 19.1 | 16.6 | 14.9 | 12.7 | 14.1 |
| Basic EPS (₹) | 41.0 | 53.5 | 50.5 | 56.9 | 52.8 | 66.7 |
| Fully Diluted EPS (₹) | 41.0 | 53.5 | 50.5 | 56.9 | 52.8 | 66.7 |
| % chg | 39.5 | 30.5 | (5.5) | 12.6 | (7.2) | 26.3 |

Balance Sheet (Consolidated)

| Y/E March | FY2014 | FY2015 | FY2016 | FY2017 | FY2018E | FY2019E |
|-----------------------------|--------------|--------------|---------------|---------------|---------------|---------------|
| SOURCES OF FUNDS | | | | | | |
| Equity share capital | 90 | 90 | 90 | 90 | 90 | 90 |
| Reserves & surplus | 6,842 | 8,784 | 11,073 | 13,407 | 15,612 | 18,441 |
| Shareholders funds | 6,932 | 8,874 | 11,163 | 13,497 | 15,702 | 18,531 |
| Minority interest | 67 | 24 | 32 | 35 | 33 | 32 |
| Total loans | 553 | 471 | 7,119 | 7,952 | 1,500 | - |
| Other Long-Term Liabilities | 46 | 74 | 75 | 76 | 77 | 78 |
| Long-Term Provisions | 132 | 132 | 592 | 836 | 836 | 836 |
| Deferred tax liability | 178 | 118 | (9) | (113) | (113) | (113) |
| Total liabilities | 7,908 | 9,693 | 18,973 | 22,283 | 18,036 | 19,364 |
| APPLICATION OF FUNDS | | | | | | |
| Gross block | 4,564 | 5,355 | 6,853 | 7,853 | 8,853 | 9,853 |
| Less: Acc. Depreciation | 1,928 | 2,363 | 2,827 | 3,739 | 4,741 | 5,863 |
| Net block | 2,635 | 2,992 | 4,026 | 5,047 | 4,112 | 3,989 |
| Capital work-in-progress | 304 | 304 | 304 | 304 | 304 | 304 |
| Goodwill | 720 | 1,648 | 7,089 | 7,815 | 7,815 | 7,815 |
| Investments | 178 | 1,658 | 16 | 2,136 | 2,136 | 2,136 |
| Long-Term Loans and Adv. | 373 | 275 | 968 | 957 | 1,318 | 1,504 |
| Current assets | 5,924 | 6,176 | 9,885 | 9,840 | 7,327 | 9,293 |
| Cash | 798 | 1,306 | 822 | 699 | 115 | 1,064 |
| Loans & advances | 302 | 671 | 737 | 912 | 994 | 1,134 |
| Other | 4,825 | 4,199 | 8,326 | 8,229 | 6,218 | 7,095 |
| Current liabilities | 2,227 | 3,360 | 3,316 | 3,816 | 4,975 | 5,677 |
| Net current assets | 3,697 | 2,816 | 6,570 | 6,024 | 2,352 | 3,616 |
| Mis. Exp. not written off | - | - | - | - | - | - |
| Total assets | 7,908 | 9,693 | 18,973 | 22,283 | 18,036 | 19,364 |

Cash Flow Statement (Consolidated)

| Y/E March (₹ cr) | FY2014 | FY2015 | FY2016 | FY2017 | FY2018E | FY2019E |
|----------------------------------|--------------|----------------|----------------|----------------|----------------|----------------|
| Profit before tax | 2,832 | 3,415 | 3,433 | 3,535 | 3,295 | 4,160 |
| Depreciation | 261 | 435 | 464 | 912 | 1,002 | 1,122 |
| (Inc)/Dec in working capital | (1,481) | 1,487 | (4,931) | 434 | 2,727 | (501) |
| Direct taxes paid | (962) | (970) | (1,154) | (979) | (923) | (1,165) |
| Cash Flow from Operations | 649 | 4,367 | (2,188) | 3,903 | 6,102 | 3,617 |
| (Inc.)/Dec.in Fixed Assets | (443) | (791) | (1,498) | (1,000) | (1,000) | (1,000) |
| (Inc.)/Dec. in Investments | - | - | - | - | - | - |
| Cash Flow from Investing | (443) | (791) | (1,498) | (1,000) | (1,000) | (1,000) |
| Issue of equity | - | - | - | - | - | - |
| Inc./Dec.) in loans | (611) | (82) | 6,648 | 833 | (6,452) | (1,500) |
| Dividend Paid (Incl. Tax) | (157) | (168) | (168) | (168) | (168) | (168) |
| Others | 926 | (2,816) | (3,278) | (3,689) | 934 | - |
| Cash Flow from Financing | 157 | (3,067) | 3,202 | (3,024) | (5,686) | (1,668) |
| Inc./Dec.) in Cash | 363 | 509 | (484) | (122) | (584) | 948 |
| Opening Cash balances | 435 | 798 | 1,306 | 822 | 699 | 115 |
| Closing Cash balances | 798 | 1,306 | 822 | 699 | 115 | 1,064 |

Key Ratios

| Y/E March (₹ cr) | FY2014 | FY2015 | FY2016 | FY2017 | FY2018E | FY2019E |
|------------------------------|--------|--------|--------|--------|---------|---------|
| Valuation Ratio (x) | | | | | | |
| P/E (on FDEPS) | 24.3 | 18.6 | 19.7 | 17.5 | 18.8 | 14.9 |
| P/CEPS | 21.3 | 15.8 | 16.4 | 12.9 | 13.2 | 10.9 |
| P/BV | 6.4 | 5.0 | 4.0 | 3.3 | 2.8 | 2.4 |
| Dividend yield (%) | 0.6 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| EV/Sales | 4.0 | 3.5 | 3.7 | 3.0 | 2.4 | 2.0 |
| EV/EBITDA | 15.8 | 12.7 | 15.6 | 12.6 | 11.5 | 8.7 |
| EV / Total Assets | 5.6 | 4.5 | 2.7 | 2.3 | 2.5 | 2.2 |
| Per Share Data (₹) | | | | | | |
| EPS (Basic) | 41.0 | 53.5 | 50.5 | 56.9 | 52.8 | 66.7 |
| EPS (fully diluted) | 41.0 | 53.5 | 50.5 | 56.9 | 52.8 | 66.7 |
| Cash EPS | 46.8 | 63.1 | 60.8 | 77.2 | 75.1 | 91.6 |
| DPS | 6.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 |
| Book Value | 154.6 | 197.4 | 248.3 | 300.3 | 349.3 | 412.2 |
| Dupont Analysis | | | | | | |
| EBIT margin | 22.9 | 23.9 | 20.3 | 18.7 | 15.9 | 18.0 |
| Tax retention ratio | 66.0 | 71.6 | 66.4 | 72.3 | 72.0 | 72.0 |
| Asset turnover (x) | 1.7 | 1.6 | 1.1 | 0.9 | 1.0 | 1.2 |
| ROIC (Post-tax) | 25.4 | 28.2 | 14.4 | 11.9 | 11.0 | 15.5 |
| Cost of Debt (Post Tax) | 2.0 | 1.4 | 0.8 | 1.5 | 2.3 | 14.6 |
| Leverage (x) | 0.0 | 0.0 | 0.0 | 0.4 | 0.1 | 0.0 |
| Operating ROE | 25.4 | 28.2 | 14.4 | 16.4 | 12.0 | 15.5 |
| Returns (%) | | | | | | |
| ROCE (Pre-tax) | 34.7 | 34.3 | 19.4 | 15.5 | 14.7 | 20.5 |
| Angel ROIC (Pre-tax) | 44.1 | 48.2 | 32.4 | 26.5 | 25.5 | 38.4 |
| ROE | 30.3 | 30.4 | 22.7 | 20.7 | 16.3 | 17.5 |
| Turnover ratios (x) | | | | | | |
| Asset Turnover (Gross Block) | 2.6 | 2.6 | 2.3 | 2.4 | 2.3 | 2.3 |
| Inventory / Sales (days) | 66 | 62 | 74 | 74 | 59 | 50 |
| Receivables (days) | 75 | 66 | 79 | 79 | 63 | 54 |
| Payables (days) | 84 | 78 | 82 | 70 | 77 | 84 |
| WC cycle (ex-cash) (days) | 89 | 63 | 93 | 116 | 73 | 40 |
| Solvency ratios (x) | | | | | | |
| Net debt to equity | (0.0) | (0.1) | 0.6 | 0.5 | 0.1 | (0.1) |
| Net debt to EBITDA | (0.1) | (0.2) | 1.9 | 1.8 | 0.3 | (0.2) |
| Interest Coverage | 95.4 | 307.3 | 62.4 | 21.0 | 19.4 | 25.1 |

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