

## Dishman Pharmaceuticals

### Performance Highlights

Y/E March (₹ cr)	1QFY2017	4QFY2016	% chg qoq	1QFY2016	% chg yoy
<b>Net sales</b>	<b>366</b>	<b>406</b>	<b>(9.8)</b>	<b>400</b>	<b>(8.5)</b>
Other income	17	29	(43.8)	5	257.2
Operating profit	93	88	5.1	104	(10.8)
Interest	22	20	9.7	32	(29.5)
<b>Net profit/(loss)</b>	<b>46</b>	<b>50</b>	<b>(8.9)</b>	<b>40</b>	<b>13.7</b>

Source: Company, Angel Research

The company posted better than expected results for 1QFY2017 with sales at ₹366cr V/s ₹350cr expected and V/s ₹400cr in 1QFY2016, a yoy de-growth of 8.5%. CRAMS (₹258cr) posted a growth of 2.3% yoy and the Market Molecules other segment (₹108cr) posted de-growth of 26.9% yoy. On the operating front, the EBITDA margin came in at 25.3% V/s 20.9% expected and V/s 25.4% in 1QFY2016. Thus, the Adj. net profit came in at ₹46cr V/s ₹32cr expected and V/s ₹40cr in 1QFY2016, a yoy growth of 13.7%. **We recommend a SELL.**

**Results better than expected on all fronts:** Company posted better than expected results for 1QFY2017 with sales at ₹366cr V/s ₹350cr expected and V/s ₹400cr in 1QFY2016, a yoy de-growth of 8.5%. CRAMS (₹258cr) posted a growth of 2.3% yoy and Market Molecules (₹108cr) posted de-growth of 26.9% yoy. Within CRAMS, Carbogen Amcis (₹202.3cr) posted a yoy growth of 14.3%, CRAMS India (₹42.1cr) posted de-growth of 37.0% and CRAMS UK (₹13.5cr) posted a yoy growth of 62.4%. Market Molecules declined on back of Vitamin D (₹62.6cr; a yoy de-growth of 28.4%), while the other segment (₹45.7cr) posted a yoy de-growth of 24.8%. On the operating front, the EBITDA margin came in at 25.3% V/s 20.9% expected and V/s 25.4% in 1QFY2016. Thus, the Adj. net profit came in at ₹46cr V/s ₹32cr expected and V/s ₹40cr in 1QFY2016, a yoy growth of 13.7%

**Outlook and valuation:** We expect Dishman's net sales and net profit to grow at a CAGR of 10.0% and 3.1%, respectively, over FY2016-18E. At current levels, Dishman is trading at 15.1x its FY2018E earnings. **We believe the current valuations are expensive, given the restrained growth and low profitability; hence, we maintain our SELL rating on the stock.**

### Key financials (Consolidated)

Y/E March (₹ cr)	FY2015	FY2016	FY2017E	FY2018E
<b>Net sales</b>	<b>1,575</b>	<b>1,562</b>	<b>1,718</b>	<b>1,890</b>
% chg	14.7	(0.8)	10.0	10.0
<b>Net profit</b>	<b>119.8</b>	<b>171.0</b>	<b>154.0</b>	<b>181.7</b>
% chg	9.6	42.8	(9.9)	18.0
<b>EPS (₹)</b>	<b>7.4</b>	<b>10.6</b>	<b>9.5</b>	<b>11.3</b>
EBITDA margin (%)	19.9	24.1	22.7	22.8
P/E (x)	22.9	16.1	17.8	15.1
RoE (%)	9.9	12.7	10.1	10.9
RoCE (%)	7.2	11.2	9.4	10.3
P/BV (x)	2.2	1.9	1.7	1.6
EV/Sales (x)	1.4	1.4	2.0	1.7
EV/EBITDA (x)	6.9	5.7	8.9	7.7

Source: Company, Angel Research; Note: CMP as of August 16, 2016

## SELL

CMP	₹170
Target Price	₹45

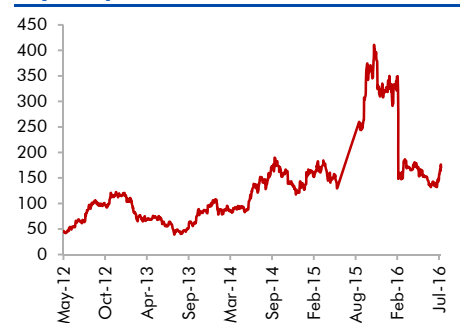
Investment Period	-
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Stock Info	
Sector	Pharmaceutical
Market Cap (₹ cr)	2,746
Net Debt (₹ cr)	845
Beta	1.3
52 Week High / Low	210 / 87
Avg. Daily Volume	307,512
Face Value (₹)	2
BSE Sensex	28,065
Nifty	8,643
Reuters Code	DISH.BO
Bloomberg Code	DISH@IN

Shareholding Pattern (%)	
Promoters	61.4
MF / Banks / Indian Fls	6.4
FII / NRIs / OCBs	19.9
Indian Public / Others	12.3

Abs. (%)	3m	1yr	3yr
Sensex	9.4	(0.0)	50.9
Dishman	(1.9)	(12.9)	44.5

### 3-year price chart



Source: Company, Angel Research

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**Exhibit 1: 1QFY2017 performance (Consolidated)**

Y/E March (₹ cr)	1QFY2017	4QFY2016	% chg QoQ	1QFY2016	% chg YoY	FY2016	FY2015	% chg
<b>Net sales</b>	<b>366</b>	<b>406</b>	<b>(9.8)</b>	<b>400</b>	<b>(8.5)</b>	<b>1,562</b>	<b>1,560</b>	<b>0.1</b>
Other income	17	29	(43.8)	5	257.2	61	101	(39.9)
<b>Total income</b>	<b>382</b>	<b>435</b>	<b>(12.1)</b>	<b>405</b>	<b>(5.5)</b>	<b>1,623</b>	<b>1,661</b>	<b>(2.3)</b>
Gross profit	312	330	(5.6)	318	(1.9)	1,226	1,025	19.6
<b>Gross margins</b>	<b>85.2</b>	<b>81.4</b>		<b>79.4</b>		<b>78.5</b>	<b>65.7</b>	
Operating profit	93	88	5.1	104	(10.8)	376	299	25.8
<b>OPM (%)</b>	<b>25.3</b>	<b>21.7</b>		<b>26.0</b>		<b>24.1</b>	<b>19.2</b>	
Interest	22	20	9.7	32	(29.5)	94	90	4.9
Dep & amortisation	28	30	(4.7)	26	9.8	109	151	(27.8)
PBT	58	67	(13.3)	51	14.8	233	159	46.8
Provision for taxation	13	17	(26.6)	12	8.7	62	39	59.9
<b>Reported net profit</b>	<b>46</b>	<b>50</b>	<b>(8.6)</b>	<b>40</b>	<b>13.7</b>	<b>171</b>	<b>120</b>	<b>42.5</b>
Less : Exceptional items	-	-	-	-	-	-	-	-
Minority interest	0	0		0		-	0	
<b>PAT after exceptional items</b>	<b>46</b>	<b>50</b>	<b>(8.9)</b>	<b>40</b>	<b>13.7</b>	<b>171</b>	<b>120</b>	<b>42.8</b>
<b>Adj. PAT</b>	<b>46</b>	<b>50</b>	<b>(8.9)</b>	<b>40</b>	<b>13.7</b>	<b>171</b>	<b>120</b>	<b>42.8</b>
<b>EPS (₹)</b>	<b>5.6</b>	<b>6.2</b>		<b>5.0</b>		<b>21.2</b>	<b>14.8</b>	

Source: Company, Angel Research

**Exhibit 2: 1QFY2017 – Actual Vs Angel estimates**

(₹ cr)	Actual	Estimates	Variation
<b>Net sales</b>	<b>382</b>	<b>350</b>	<b>9.3</b>
Other income	17	29	(43.8)
Operating profit	46	84	(46.1)
Interest	22	21	9.6
Tax	13	17	(26.8)
<b>Net profit</b>	<b>46</b>	<b>32</b>	<b>44.0</b>

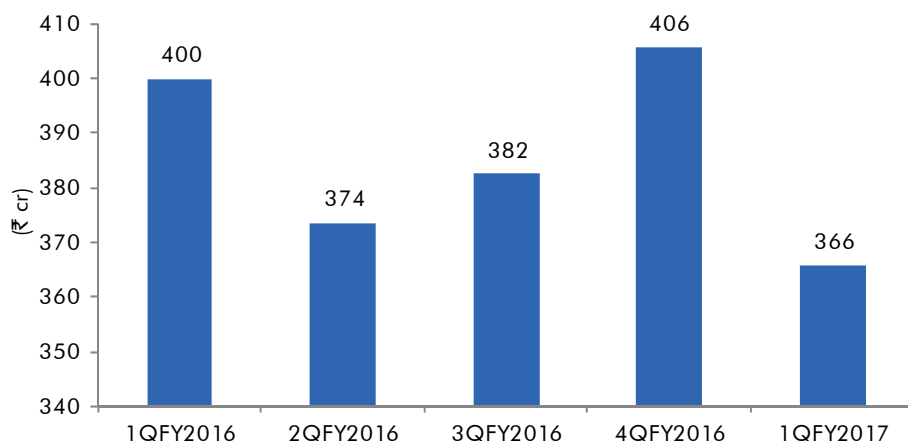
Source: Company, Angel Research

**Revenue above expectation:** Sales came in at ₹366cr V/s ₹350cr expected and V/s ₹400cr in 1QFY2016, a yoy de-growth of 8.5%. CRAMS (₹258cr) posted a growth of 2.3% yoy and Market Molecules (₹108cr) posted de-growth of 26.9% yoy. Within CRAMS, Carbogen Amcis (₹202.3cr) posted a yoy growth of 14.3%, CRAMS India (₹42.1cr) posted de-growth of 37.0% and CRAMS UK (₹13.5cr) posted a yoy growth of 62.4%. Market Molecules declined on back of Vitamin D (₹62.6cr; a yoy de-growth of 28.4%), while the other Marketable Molecules segment (₹45.7cr) posted a yoy de-growth of 24.8%.

CRAMS-India's revenues declined by 37.0% yoy as the corresponding quarter last year had a higher base due to spill over of few commercial orders for a specific customer from 4QFY2015 to 1QFY2016 and higher supply requirement of the customer in 1QFY2016. The orders received in FY2017 are to be supplied over the next three quarters.

Carbogen Amcis' revenues were higher by 14.3% yoy due to higher share of high margin commercial orders as against development orders. Vitamin D revenues declined 28.4% yoy as the company discontinued supply of certain lower margin orders to China and continued to consolidate its focus on high margin Vitamin D analogues and cholesterol business.

**Exhibit 3: Sales trend**



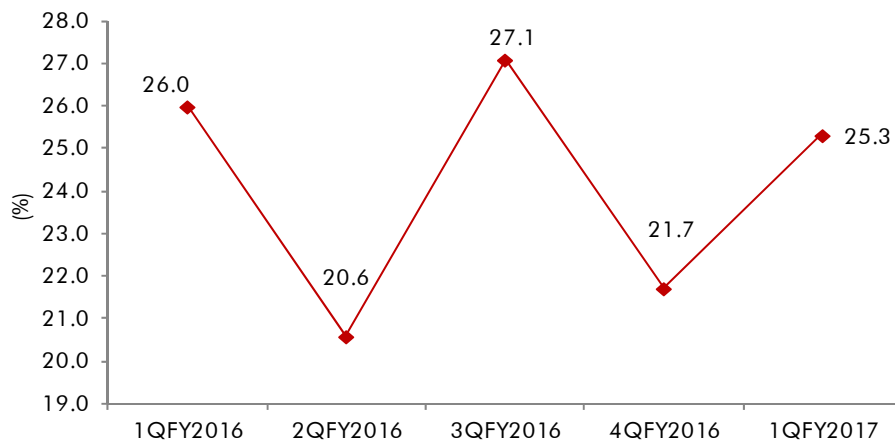
Source: Company, Angel Research

**OPM above expectation:** On the operating front, EBITDA margin came in at 25.3% V/s 20.9% expected V/s 25.4% in 1QFY2016. The GPM came in at 85.2% V/s 81.3% expected and V/s 79.4% in 1QFY2016. Margin improvement was on the back of an improved sales mix.

CRAMS – Carbogen Amcis posted an OPM of 19.9% in 1QFY2017 V/s 17.2% in 1QFY2016, CRAMS – India posted an OPM of 56.5% in 1QFY2017 V/s 49.5% in 1QFY2016 and CRAMS – UK posted an OPM of 24.2% in 1QFY2017 V/s 16.9% in 1QFY2016. In Market Molecules segment, Vitamin D posted an OPM of 34.0% in 1QFY2017 V/s 30.5% in 1QFY2016.

CRAMS – Carbogen Amcis’ OPM improved by ~220bp due to higher revenue contribution from the high margin “commercial production” work. CRAMS India’s OPM improved by ~700bp due to execution of high margin commercial and development orders, process improvement and a better product mix. In Vitamin D, the focus is on high value products like certain Vitamin D analogues and direct selling of cholesterol medications to end customers. Further the segment also benefitted from bulk purchase of raw materials at lower prices.

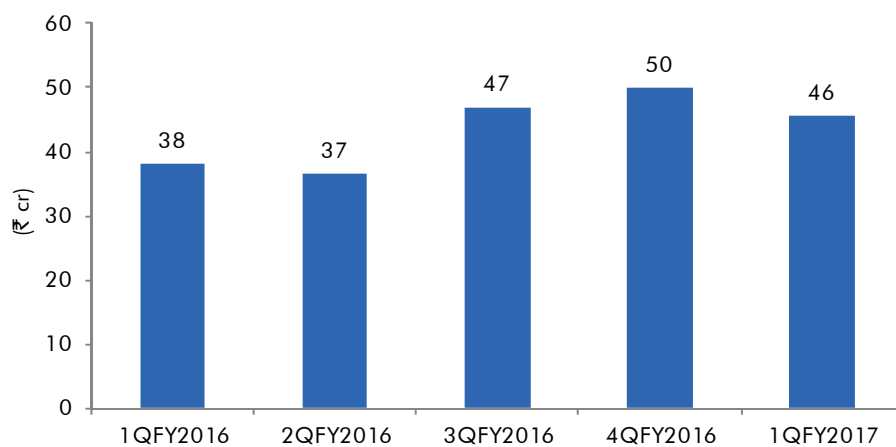
**Exhibit 4: OPM trend (%)**



Source: Company, Angel Research

**Net profit higher than expectation:** Thus, the Adj. net profit came in at ₹45.5cr V/s ₹32cr expected and V/s ₹41cr in 1QFY2016, a yoy growth of 13.7%. Apart from the OPM expansion, the other income came in at ₹17cr V/s ₹5cr during the corresponding period of last year.

#### Exhibit 5: Net profit trend



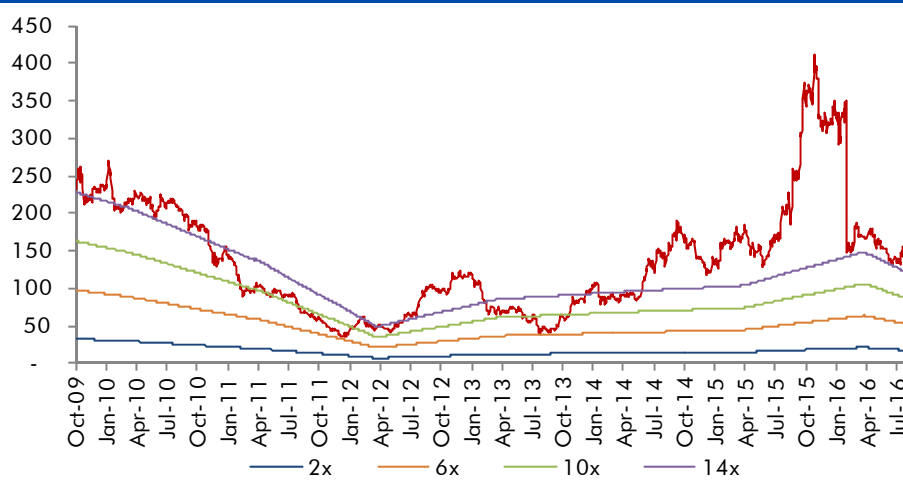
Source: Company, Angel Research

#### Investment arguments

- Focus on profitability:** Dishman has been incurring a capex of around ~₹100cr on an annual basis over the last couple of years. With the major capex out, the company is now focused on improving the overall profitability of the business. The same is evident in the improvement in OPM from 16.4% in FY2011 to 23.3% in FY2014, thereby improving the overall profitability of the company. The RoCE of the company improved from 5.5% in FY2011 to 10.2% in FY2014. Going forward, with focus on profitability, the company has reduced its capex plans (~₹30-50cr in FY2015) and lays focus on sweating its assets and restructuring the business, which will lead to improvement in profitability over the medium term. We expect the ROCE to improve to 10.9% in FY2017E from 7.7% in FY2012.
- CRAMS stabilizing:** CRAMS, which contributes by around 65.1% to the overall business has stabilised over the last two years, after a lull, posting a robust growth of 14% in FY2012-14. As of March 2015, Carbogen Amcis has a budgeted total order book of over ₹673cr for FY2016 and a part of the same is in hands. In its Oncology Hippo Unit 9, the Management expects to book more incremental revenues, where EBITDA margins are high at 40-50%. As regards the Vitamin-D business, the Management expects to scale it up to ₹300cr with a 20% EBITDA margin.

#### Outlook and valuation

We expect Dishman's net sales and net profit to post a CAGR of 10.0% and 3.1% respectively over FY2016-18E. At current levels, Dishman is trading at 15.1x its FY2018E earnings. **We believe the current valuations are expensive, given the restrained growth and low ROE. We maintain SELL, with a price target of ₹45.**

**Exhibit 6: One-year forward PE**


Source: Company, Angel Research

**Exhibit 7: Recommendation summary**

Company	Reco	CMP (₹)	Tgt. price (₹)	Upside %	FY2018E			FY16-18E	FY2018E	
					PE (x)	EV/Sales (x)	EV/EBITDA (x)	CAGR in EPS (%)	RoCE (%)	RoE (%)
Alembic Pharma	Neutral	647	-	-	21.3	2.8	13.3	(10.8)	27.5	25.3
Aurobindo Pharma	Buy	735	877	19.3	15.5	2.6	10.8	18.1	22.5	26.1
Cadila Healthcare	Accumulate	364	400	9.9	18.2	2.7	12.4	15.8	24.3	26.6
Cipla	Reduce	554	490	(11.5)	20.4	2.6	14.0	20.4	13.5	15.2
Dr Reddy's	Neutral	3,008	-	-	19.1	2.8	11.2	6.9	18.1	17.1
<b>Dishman Pharma</b>	<b>Sell</b>	<b>170</b>	<b>45</b>	<b>(73.6)</b>	<b>15.1</b>	<b>1.8</b>	<b>7.7</b>	<b>3.1</b>	<b>10.3</b>	<b>10.9</b>
GSK Pharma*	Neutral	3,049	-	-	51.3	6.6	35.1	15.9	35.8	31.8
Indoco Remedies	Sell	306	225	(26.5)	19.6	2.3	12.5	31.5	19.1	19.2
Ipca labs	Buy	517	613	18.6	26.2	1.8	11.9	36.5	8.8	9.4
Lupin	Accumulate	1,590	1,809	13.8	22.9	3.8	14.1	17.2	24.4	20.9
Sanofi India	Neutral	4,343	-	-	25.7	3.2	18.5	21.2	24.9	28.4
Sun Pharma	Buy	783	944	20.6	23.9	4.8	15.5	22.0	33.1	18.9

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

**Background**

Dishman commenced business in 1983 as a QUAT (Speciality Chemicals) company and has since emerged to be a global leader in the segment. Since 1997, Dishman has diversified its interests towards the CRAMS segment. The company has now established itself as a respected and preferred outsourcing partner to various pharma majors, offering a portfolio of development, scale-up and manufacturing services. The company caters to the customers' needs ranging from chemical development to commercial manufacture and supply of APIs. Dishman has large scale manufacturing facilities in India and China.

**Profit & Loss Statement (Consolidated)**

Y/E March (₹ cr)	FY2013	FY2014	FY2015	FY2016	FY2017E	FY2018E
<b>Gross sales</b>	<b>1,273</b>	<b>1,387</b>	<b>1,582</b>	<b>1,577</b>	<b>1,735</b>	<b>1,909</b>
Less: Excise duty	6	14	7	16	17	19
<b>Net sales</b>	<b>1,268</b>	<b>1,373</b>	<b>1,575</b>	<b>1,562</b>	<b>1,718</b>	<b>1,890</b>
Other operating income	5	12	44	34	34	34
<b>Total operating income</b>	<b>1,272</b>	<b>1,385</b>	<b>1,619</b>	<b>1,596</b>	<b>1,752</b>	<b>1,924</b>
% chg	13.2	8.9	16.9	(1.4)	9.8	9.8
Total expenditure	982	1,053	1,262	1,186	1,328	1,459
Net raw materials	376	373	535	336	464	510
Other mfg costs	95	103	77	117	129	142
Personnel	351	412	423	535	526	577
Other	161	164	227	197	210	230
<b>EBITDA</b>	<b>285</b>	<b>320</b>	<b>314</b>	<b>376</b>	<b>390</b>	<b>430</b>
% chg	28.7	12.2	(2.1)	19.9	3.7	10.4
(% of Net Sales)	22.5	23.3	19.9	24.1	22.7	22.8
Depreciation & amortisation	84	109	151	109	153	156
<b>EBIT</b>	<b>202</b>	<b>212</b>	<b>163</b>	<b>267</b>	<b>237</b>	<b>274</b>
% chg	38.8	5.0	(23.0)	63.9	(11.2)	15.6
(% of Net Sales)	15.9	15.4	10.3	17.1	13.8	14.5
Interest & other charges	79	92	90	94	93	93
Other Income	15	25	42	27	27	27
(% of PBT)	10.8	15.8	26.5	11.4	12.9	11.0
Share in profit of associates	-	-	-	-	-	-
<b>Recurring PBT</b>	<b>143</b>	<b>156</b>	<b>159</b>	<b>233</b>	<b>205</b>	<b>242</b>
% chg	61.4	9.5	1.8	46.6	(12.0)	18.0
Extraordinary expense/(Inc.)	(2.4)		0.2			
<b>PBT (reported)</b>	<b>145</b>	<b>156</b>	<b>159</b>	<b>233</b>	<b>205</b>	<b>242</b>
Tax	45.0	47.1	39.4	62.4	51.3	60.6
(% of PBT)	31.0	30.1	24.8	26.7	25.0	25.0
<b>PAT (reported)</b>	<b>100</b>	<b>109</b>	<b>120</b>	<b>171</b>	<b>154</b>	<b>182</b>
Add: Share of earnings of asso.	0	0	-	-	-	-
Less: Minority interest (MI)	-	-	-	-	-	-
Prior period items	-	-	-	-	-	-
<b>PAT after MI (reported)</b>	<b>100</b>	<b>109</b>	<b>120</b>	<b>171</b>	<b>154</b>	<b>182</b>
<b>ADJ. PAT</b>	<b>99</b>	<b>109</b>	<b>120</b>	<b>171</b>	<b>154</b>	<b>182</b>
% chg	73.1	10.7	9.6	42.8	(9.9)	18.0
(% of Net Sales)	7.9	8.0	7.6	10.9	9.0	9.6
<b>Basic EPS (₹)</b>	<b>6.1</b>	<b>6.8</b>	<b>7.4</b>	<b>10.6</b>	<b>9.5</b>	<b>11.3</b>
<b>Fully Diluted EPS (₹)</b>	<b>6.1</b>	<b>6.8</b>	<b>7.4</b>	<b>10.6</b>	<b>9.5</b>	<b>11.3</b>
% chg	73.1	10.7	9.6	42.8	(9.9)	18.0

**Balance Sheet (Consolidated)**

Y/E March (₹ cr)	FY2013	FY2014	FY2015	FY2016	FY2017E	FY2018E
<b>SOURCES OF FUNDS</b>						
Equity share capital	16	16	16	16	32	32
Share application money	4	4	-	-	-	-
Reserves & surplus	1,026	1,161	1,222	1,435	1,555	1,717
<b>Shareholders funds</b>	<b>1,046</b>	<b>1,181</b>	<b>1,238</b>	<b>1,452</b>	<b>1,587</b>	<b>1,750</b>
Minority interest	-	-	-	0	-	-
Total loans	800	880	836	841	841	841
Other Long Term Liabilities	10	0	73	-	-	-
Long Term Provisions	43	64	97	81	81	81
Deferred tax liability	58	68	63	77	77	77
<b>Total liabilities</b>	<b>1,956</b>	<b>2,193</b>	<b>2,307</b>	<b>2,451</b>	<b>2,586</b>	<b>2,749</b>
<b>APPLICATION OF FUNDS</b>						
Gross block	1,686	1,946	2,019	2,158	2,208	2,258
Less: Acc. depreciation	524	688	813	923	1,075	1,232
<b>Net block</b>	<b>1,162</b>	<b>1,258</b>	<b>1,206</b>	<b>1,235</b>	<b>1,133</b>	<b>1,026</b>
Capital work-in-progress	97	79	142	142	142	142
Goodwill	211	247	235	253	253	253
Long-Term Loans and Adv.	25	25	38	25	25	25
<b>Investments</b>	<b>123</b>	<b>182</b>	<b>188</b>	<b>223</b>	<b>228</b>	<b>251</b>
Current Assets	673	760	1,000	1,102	1,256	1,548
Cash	21	35	36	62	107	284
Loans & Advances	241	269	299	295	325	357
Other	581	457	665	744	825	907
Current liabilities	335	361	502	529	452	496
<b>Net Current Assets</b>	<b>338</b>	<b>399</b>	<b>498</b>	<b>572</b>	<b>805</b>	<b>1,052</b>
Non CA	-	2	-	-	-	-
<b>Total Assets</b>	<b>1,956</b>	<b>2,193</b>	<b>2,307</b>	<b>2,451</b>	<b>2,586</b>	<b>2,749</b>

**Cash Flow Statement (Consolidated)**

Y/E March (₹ cr)	FY2013	FY2014	FY2015	FY2016	FY2017E	FY2018E
Profit before tax	145	156	159	233	205	242
Depreciation	84	109	151	109	153	156
(Inc)/Dec in Working Capital	(178)	63	(103)	(84)	(192)	(93)
Less: Other income	15	25	42	27	27	27
Direct taxes paid	(45)	(47)	(39)	(62)	(51)	(61)
<b>Cash Flow from Operations</b>	<b>144</b>	<b>179</b>	<b>180</b>	<b>181</b>	<b>182</b>	<b>183</b>
(Inc.)/Dec.in Fixed Assets	(101)	(242)	(136)	(139)	(50)	(50)
(Inc.)/Dec. in Investments	-	-	-	-	-	-
Other income	15	25	42	27	27	27
<b>Cash Flow from Investing</b>	<b>(85)</b>	<b>(217)</b>	<b>(94)</b>	<b>(112)</b>	<b>(23)</b>	<b>(23)</b>
Issue of Equity	-	-	-	-	-	-
Inc./{Dec.) in loans	(105)	92	62	(84)	-	-
Dividend Paid (Incl. Tax)	(11)	(11)	(19)	(19)	(19)	(19)
Others	54	312	-	-	-	-
<b>Cash Flow from Financing</b>	<b>(62)</b>	<b>393</b>	<b>43</b>	<b>(103)</b>	<b>(19)</b>	<b>(19)</b>
Inc./{Dec.) in Cash	(3)	354	129	(34)	140	141
<b>Opening Cash balances</b>	<b>24</b>	<b>21</b>	<b>35</b>	<b>36</b>	<b>62</b>	<b>107</b>
<b>Closing Cash balances</b>	<b>21</b>	<b>35</b>	<b>36</b>	<b>62</b>	<b>107</b>	<b>284</b>



**Key Ratio**

Y/E March	FY2013	FY2014	FY2015	FY2016	FY2017E	FY2018E
<b>Valuation Ratio (x)</b>						
P/E (on FDEPS)	27.8	25.1	22.9	16.1	17.8	15.1
P/CEPS	7.5	6.3	5.1	4.9	9.0	8.1
P/BV	2.6	2.3	2.2	1.9	1.7	1.6
Dividend yield (%)	0.7	0.6	1.2	1.2	1.2	1.2
EV/Sales	1.7	1.6	1.4	1.4	2.0	1.7
EV/EBITDA	7.5	6.9	6.9	5.7	8.9	7.7
EV / Total Assets	1.1	1.0	0.9	0.9	1.3	1.2
<b>Per Share Data (₹)</b>						
EPS (Basic)	6.1	6.8	7.4	10.6	9.5	11.3
EPS (fully diluted)	6.1	6.8	7.4	10.6	9.5	11.3
Cash EPS	22.8	27.0	33.5	34.7	19.0	20.9
DPS	1.2	1.0	2.0	2.0	2.0	2.0
Book Value	64.8	73.2	76.7	89.9	98.3	108.4
<b>Dupont Analysis</b>						
EBIT margin	15.9	15.4	10.3	17.1	13.8	14.5
Tax retention ratio	69.0	69.9	75.2	73.3	75.0	75.0
Asset turnover (x)	0.7	0.7	0.7	0.7	0.7	0.8
ROIC (Post-tax)	7.3	7.3	5.7	8.6	7.5	8.5
Cost of Debt (Post Tax)	6.6	7.7	7.9	8.3	8.3	8.3
Leverage (x)	0.8	0.7	0.7	0.6	0.5	0.4
Operating ROE	7.8	7.0	4.2	8.8	7.1	8.6
<b>Returns (%)</b>						
ROCE (Pre-tax)	10.4	10.2	7.2	11.2	9.4	10.3
Angel ROIC (Pre-tax)	13.9	12.2	8.7	13.7	11.6	13.2
ROE	10.0	9.8	9.9	12.7	10.1	10.9
<b>Turnover ratios (x)</b>						
Asset Turnover (Gross Block)	0.9	0.8	0.8	0.8	0.8	0.9
Inventory / Sales (days)	99	100	106	106	123	138
Receivables (days)	47	20	21	42	25	28
Payables (days)	46	34	36	49	37	30
WC cycle (ex-cash) (days)	85	90	93	111	126	139
<b>Solvency ratios (x)</b>						
Net debt to equity	0.7	0.7	0.6	0.5	0.5	0.3
Net debt to EBITDA	2.7	2.6	2.5	2.1	1.9	1.3
Interest Coverage (EBIT / Int.)	2.6	2.3	1.8	2.8	2.6	3.0

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<b>Disclosure of Interest Statement</b>	<b>Dishman Pharmaceuticals</b>
1. Financial interest of research analyst or Angel or his Associate or his relative	No
2. Ownership of 1% or more of the stock by research analyst or Angel or associates or relatives	No
3. Served as an officer, director or employee of the company covered under Research	No
4. Broking relationship with company covered under Research	No

<b>Ratings (Based on expected returns over 12 months investment period):</b>	<b>Buy (&gt; 15%)</b>	<b>Accumulate (5% to 15%)</b>	<b>Neutral (-5 to 5%)</b>
		<b>Reduce (-5% to -15%)</b>	<b>Sell (&lt; -15)</b>