

Thyrocare Technologies Ltd

Thyrocare Technologies primarily operates in healthcare segment and is primarily involved in providing quality diagnostic services at affordable costs to patients, laboratories and hospitals in India. The company is more into B2B business where it provides its service to hospitals or corporations directly.

The company has showed impressive business performance in the past. Its 5 years revenue CAGR was 19.8%. Due to its business model its operating cost is lower than its peers. Therefore, operating profit margin of the company is around 40% usually. Its 5 years PAT CAGR also is registered at 14.8%. The company's wellness package product – Aarogyam has also grown its value, which now contributes 52% to revenue. Thyrocare has entered into a 4 year PPP with Brihanmumbai Municipal Corporation (BMC) earlier this year in a contract worth Rs. 520 Mn to provide laboratory investigative services for basic and advanced pathology tests. The operations under the contract have officially begun this quarter. Further, it launched 2 new products in 2 quarters of FY20. These products named - Non Invasive Prenatal Testing and Tuberculosis Testing are charged at a mere 50% of market price to give tough competition to its peers.

On the financial health front, the company looks sound with zero debt in its balance sheet. The cash flow also remains steady. Currently, the stock trades at 28.5x of its earnings and delivers 32.4% RoCE. The company also pays heavy dividends of ~90%. With concrete business and attractive returns, we recommend BUY on the stock.

BUY
CMP ₹572

Stock Info

Sector	Healthcare
Market Cap (₹ cr)	3,022
Beta	0.4
52 Week High / Low	604/407
Avg. Daily Volume	2,721
Face Value (₹)	10
BSE Sensex	40,445
Nifty	11,922
Reuters Code	THYO BO
Bloomberg Code	THYROCAR IN

Shareholding Pattern (%)

Promoters	66.1
MF / Banks / Indian FIs	14.8
FII / NRIs / OCBs	10.7
Indian Public / Others	8.4

Abs. (%)	3m	1yr	3yr
Sensex	9.4	14.5	53.2
THYROCARE	22.3	3.7	(13.7)

Jaikishan Parmar

022 – 3935 7600 Ext: 6810

jaikishan.parmar@angelbroking.com

Research Team Tel: 022 - 39357600

 E-mail: research@angelbroking.com

 Website: www.angelbroking.com

DISCLAIMER

Angel Broking Limited (hereinafter referred to as "Angel") is a registered Member of National Stock Exchange of India Limited, Bombay Stock Exchange Limited and Metropolitan Stock Exchange Limited. It is also registered as a Depository Participant with CDSL and Portfolio Manager with SEBI. It also has registration with AMFI as a Mutual Fund Distributor. Angel Broking Limited is a registered entity with SEBI for Research Analyst in terms of SEBI (Research Analyst) Regulations, 2014 vide registration number INH000000164. Angel or its associates has not been debarred/ suspended by SEBI or any other regulatory authority for accessing /dealing in securities Market. Angel or its associates/analyst has not received any compensation / managed or co-managed public offering of securities of the company covered by Analyst during the past twelve months.

This document is solely for the personal information of the recipient, and must not be singularly used as the basis of any investment decision. Nothing in this document should be construed as investment or financial advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in the securities of the companies referred to in this document (including the merits and risks involved), and should consult their own advisors to determine the merits and risks of such an investment.

Reports based on technical and derivative analysis center on studying charts of a stock's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and, as such, may not match with a report on a company's fundamentals. Investors are advised to refer the Fundamental and Technical Research Reports available on our website to evaluate the contrary view, if any.

The information in this document has been printed on the basis of publicly available information, internal data and other reliable sources believed to be true, but we do not represent that it is accurate or complete and it should not be relied on as such, as this document is for general guidance only. Angel Broking Limited or any of its affiliates/ group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. Angel Broking Limited has not independently verified all the information contained within this document. Accordingly, we cannot testify, nor make any representation or warranty, express or implied, to the accuracy, contents or data contained within this document. While Angel Broking Limited endeavors to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This document is being supplied to you solely for your information, and its contents, information or data may not be reproduced, redistributed or passed on, directly or indirectly.

Neither Angel Broking Limited, nor its directors, employees or affiliates shall be liable for any loss or damage that may arise from or in connection with the use of this information.

Disclosure of Interest Statement

Thyrocare Technologies

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

Ratings (Based on expected returns over 12 months investment period):

Buy (> 15%)

Accumulate (5% to 15%)
Reduce (-5% to -15%)

Neutral (-5 to 5%)
Sell (< -15)