

# Ipca Lab

Refer to important disclosures at the end of this report

## Steady quarter

- We maintain our Hold rating on Ipca with a TP of Rs2,150 (unchanged) post a steady Q3. We also retain our FY21/22/23 estimates, which are slightly higher than management guidance.
- Q3 revenue of Rs14bn beat our estimate modestly (+2%). EBITDA of Rs3.7bn came in higher than our estimate by 4%. EBITDA margin of 26% beat our estimate by 50bps, driven by cost optimization and lower employee expenses, partially offset by lower gross margins.
- Management expects EBITDA margin to be in the range of 25-26% going forward. All businesses are expected to post healthy growth in FY22 after adjusting Rs3.5bn one-time revenue in 9MFY21.
- We believe that all near-term upsides are amply reflected in the current valuation of 21x 1P/E on our FY23 EPS. We value the stock at P/E of 22x (unchanged) on our FY23 EPS. Upside risks: US FDA resolution of Import alert, higher than expected growth in API/Formulations business.

**All segments grew, except branded generic:** Total revenue rose 4% qoq and 16% yoy. Institutional business posted significant growth of 190% yoy partly due to one-time revenue of Rs340mn. Generics export business grew at 12% YoY. Exports API Business posted 20% growth, while domestic API business was up 39% yoy. Domestic formulations business grew 8% yoy. Branded export was down 31% due to a decline in CIS markets as demand was impacted by Covid-19 and to a certain extent by higher channel inventory. CIS is expected to come back to the growth trajectory from Q4.

**Gross margin contracts but EBITDA margin stable:** Gross margins contracted 400bps qoq primarily on account of higher material costs in certain key intermediates due to supply disruption in China and higher freight costs. However, cost optimization and lower employee costs offset most of the impact, limiting EBITDA margin decline at 50bps qoq. Management expects some of the cost savings in branded markets to continue into FY22.

**Reaffirmed guidance:** Management reaffirmed EBITDA margin guidance for FY22 at 25-26%. Additionally, management expects healthy growth in all businesses in FY22 after adjusting a one-off revenue gain of Rs3.5bn in 9MFY21. Domestic formulations business is likely to post strong growth of 13-14% in FY22 due to a low base. The effective tax rate is expected to remain around 18% for FY22 but could rise to 25% in FY23.

**Retain HOLD rating and maintain estimates:** Our FY22/23 estimates are slightly higher than management guidance. Nonetheless, the stock is trading at ~21x on our FY23 EPS, pricing in all the near-term upside. Hence, we maintain our Hold rating at a TP of Rs2,150, which represents a P/E of 22x on our FY23E EPS. Upside risks: US FDA resolution of Import alert, higher than expected growth in API/Formulations business.

Please see our sector model portfolio (Emkay Alpha Portfolio): [Pharmaceuticals \(Page 9\)](#)

### Financial Snapshot (Consolidated)

(Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Net Sales	37,732	46,487	55,589	60,105	66,646
EBITDA	6,919	9,343	16,100	16,078	18,161
EBITDA Margin (%)	18.3	20.1	29.0	26.8	27.3
APAT	4,422	6,312	11,817	11,681	12,372
EPS (Rs)	35.0	50.0	93.5	92.4	97.9
EPS (% chg)	84.5	42.7	87.2	(1.2)	5.9
ROE (%)	15.2	18.7	28.2	22.1	19.4
P/E (x)	55.5	38.9	20.8	21.0	19.8
EV/EBITDA (x)	35.5	26.5	15.0	14.5	12.5
P/BV (x)	7.9	6.8	5.2	4.2	3.5

Source: Company, Emkay Research

<b>CMP</b>	<b>Target Price</b>
<b>Rs 1,942</b> as of (February 6, 2021)	<b>Rs 2,150 (■)</b> 12 months
<b>Rating</b>	<b>Upside</b>
<b>HOLD (■)</b>	<b>10.7 %</b>

### Change in Estimates

EPS Chg FY21E/FY22E (%)	-/-
Target Price change (%)	NA
Target Period (Months)	12
Previous Reco	HOLD

### Emkay vs Consensus

	EPS Estimates	
	FY21E	FY22E
Emkay	93.5	92.4
Consensus	91.9	92.0
Mean Consensus TP (12M)	Rs 2,420	

### Stock Details

Bloomberg Code	IPCA IN
Face Value (Rs)	2
Shares outstanding (mn)	127
52 Week H/L	2,460 / 1,162
M Cap (Rs bn/USD bn)	246 / 3.38
Daily Avg Volume (nos.)	605,426
Daily Avg Turnover (US\$ mn)	17.8

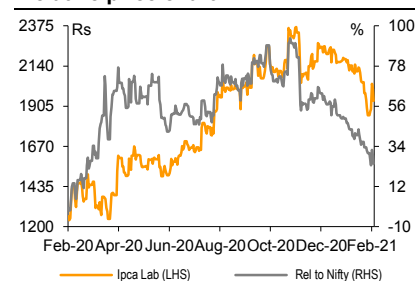
### Shareholding Pattern Dec '20

Promoters	46.3%
FIIIs	18.2%
DIIIs	24.2%
Public and Others	11.3%

### Price Performance

(%)	1M	3M	6M	12M
<b>Absolute</b>	(11)	(18)	(1)	59
<b>Rel. to Nifty</b>	(15)	(33)	(26)	29

### Relative price chart



Source: Bloomberg

This report is solely produced by Emkay Global. The following person(s) are responsible for the production of the recommendation:

#### Kunal Dhamesha

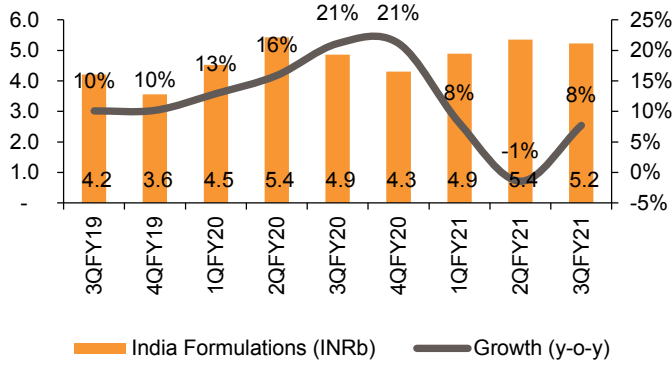
kunal.dhamesha@emkayglobal.com  
+91 22 6612 1254

#### Anas Dadarkar

anas.dadarkar@emkayglobal.com  
+91 22 6612 1235

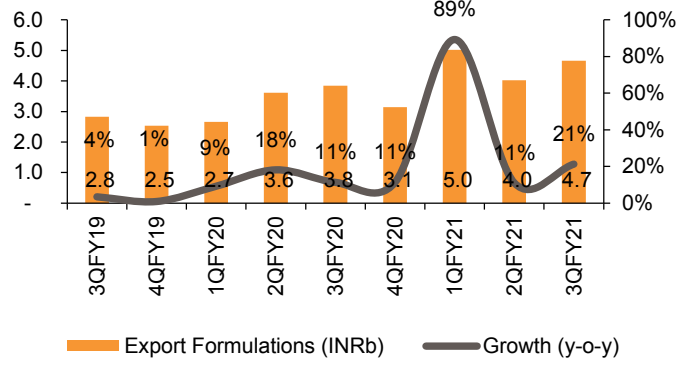
# Story in Charts

**Exhibit 1: India formulations revenue recovered in Q3**



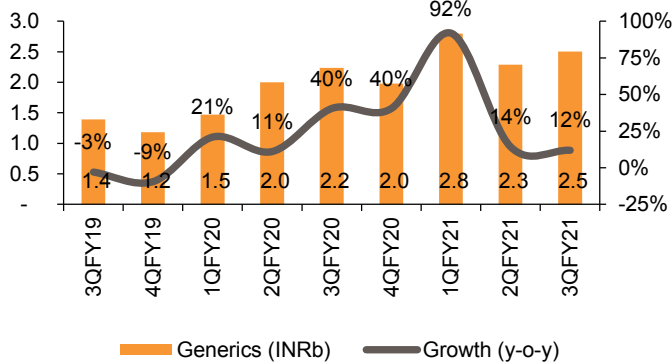
Source: Company, Emkay Research

**Exhibit 2: Exports formulations grew 21% yoy**



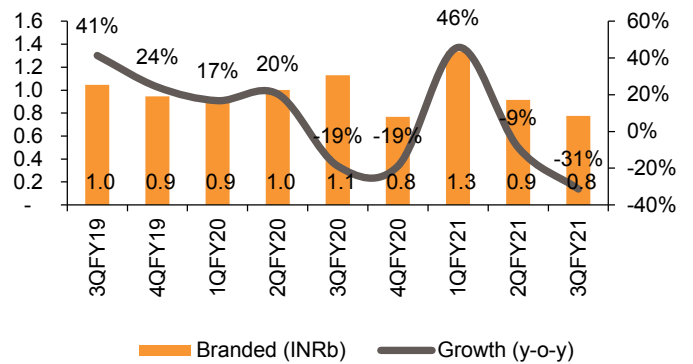
Source: Company, Emkay Research

**Exhibit 3: Within exports, formulations generics biz was up 12% YoY...**



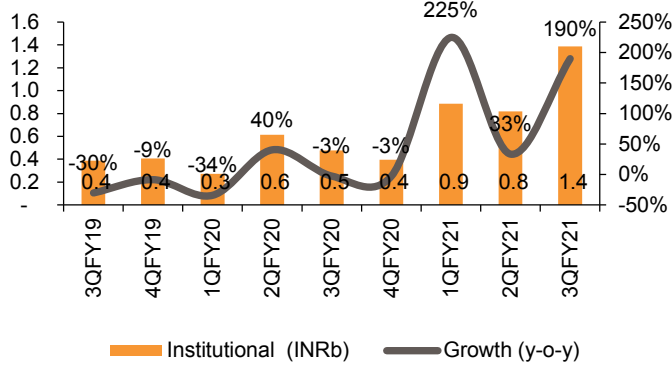
Source: Company, Emkay Research

**Exhibit 4: ...while Branded RoW business plunged 31% YoY**



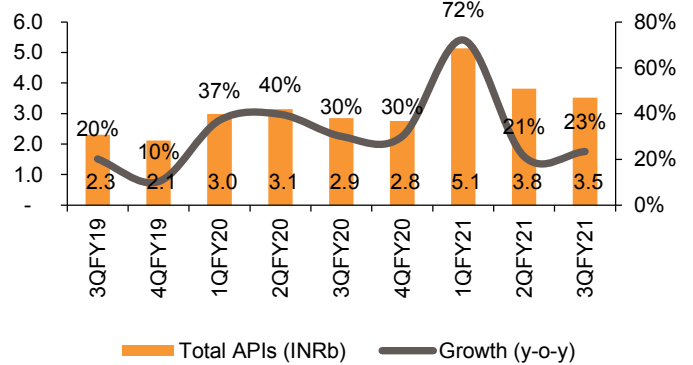
Source: Company, Emkay Research

**Exhibit 5: Institutional business jumped 190% YoY**



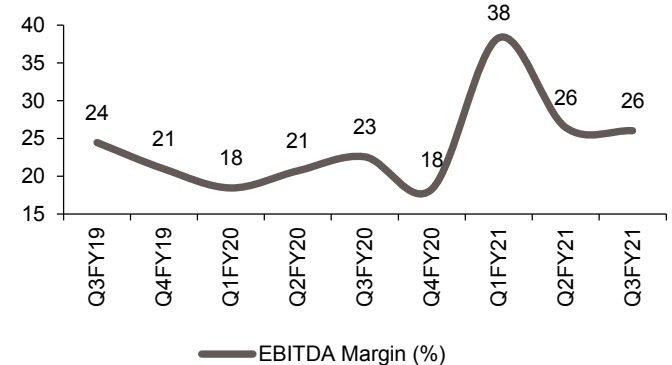
Source: Company, Emkay Research

**Exhibit 6: API business also grew 23% YoY**



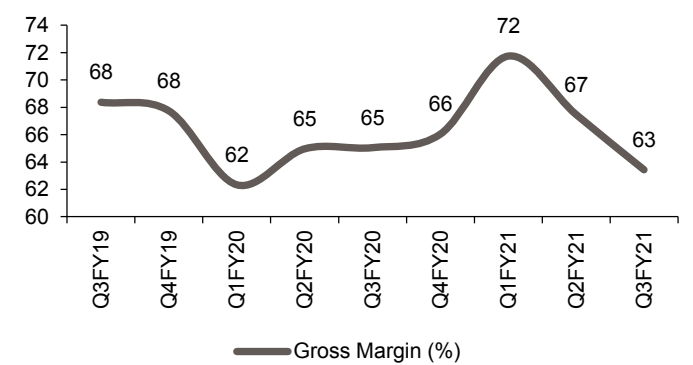
Source: Company, Emkay Research

**Exhibit 7: EBITDA margins will likely sustain at current levels**



Source: Company, Emkay Research

**Exhibit 8: Gross margins declined ~160bps YoY**



Source: Company, Emkay Research

**Exhibit 9: Quarterly Snapshot**

Particulars (Rs mn)	3QFY21	3QFY20	YoY (%)	2QFY20	QoQ (%)	3QFY21e	Var (%)
<b>Total revenue</b>	<b>14,098</b>	<b>12,129</b>	<b>16</b>	<b>13,611</b>	<b>4</b>	<b>13,813</b>	<b>2</b>
COGS	5,154	4,238	22	4,427	16	4,558	13
% of revenues	36.6	34.9	161	32.5	403	33.0	356
Personnel exp	2,451	2,313	6	2,545	(4)	2,555	(4)
% of revenues	17.4	19.1	-169	18.7	-132	18.5	-112
Other & R&D	2,824	2,841	(1)	3,037	(7)	3,177	(11)
% of revenues	20.0	23.4	-339	22.3	-228	23.0	-297
<b>EBITDA</b>	<b>3,669</b>	<b>2,737</b>	<b>34</b>	<b>3,602</b>	<b>2</b>	<b>3,522</b>	<b>4</b>
EBITDAM (%)	26.0	22.6	346	26.5	-44	25.5	53
Depreciation & Amortization	535	508	5	521	3	509	5
<b>EBIT</b>	<b>3,134</b>	<b>2,228</b>	<b>41</b>	<b>3,081</b>	<b>2</b>	<b>3,013</b>	<b>4</b>
EBITM (%)			0		0		0
Other income	154	181	(15)	155	(0)	134	15
Interest cost	23	40	(43)	23	(1)	26	(14)
<b>PBT</b>	<b>3,265</b>	<b>2,370</b>	<b>38</b>	<b>3,212</b>	<b>2</b>	<b>3,121</b>	<b>5</b>
Tax	567	369	54	526	8	562	1
% Tax rate	17.4	15.6	181	16.4	100	18.0	-62
<b>Minorities / Associates</b>	<b>(22)</b>	<b>(25)</b>	<b>na</b>	<b>(19)</b>	<b>na</b>	<b>(21)</b>	<b>na</b>
Adjusted Net profit	2,676	1,975	35	2,667	0	2,538	5
Exceptional items	0	0	na	0	na	0	na
<b>Reported Net profit</b>	<b>2,676</b>	<b>1,975</b>	<b>35</b>	<b>2,667</b>	<b>0</b>	<b>2,538</b>	<b>5</b>

Source: Company, Emkay Research

**Exhibit 10: Segmental Breakdown**

Particulars (Rs mn)	3QFY21	3QFY20	YoY (%)	2QFY20	QoQ (%)	3QFY21e	Var (%)
Exports formulations	4,312	3,534	22	4,023	7	4,155	4
Exports API	2,781	2,322	20	3,225	(14)	2,838	(2)
Domestic formulations	5,232	4,856	8	5,355	(2)	5,633	(7)
Domestic API	740	532	39	585	26	585	27
Revenues from Subsidiaries	946	738	28	-	na	na	na
Others	88	147	(40)	423	(79)	601	(85)
<b>Total operating revenue</b>	<b>14,098</b>	<b>12,129</b>	<b>16</b>	<b>13,611</b>	<b>4</b>	<b>13,813</b>	<b>2</b>

Source: Company, Emkay Research

**Exhibit 11: Actual vs. Estimates**

(Rs mn)	Actual	Estimates		Variation		Comments
		Emkay	Consensus	Emkay	Consensus	
Revenues	14,098	13,813	13,536	2.1%	4.2%	Strong overall growth
EBITDA	3,669	3,522	3,345	4.2%	9.7%	EBITDAM beat driven by cost optimization and lower other Expenses
EBITDA margin	26%	26%	24.7%	53bps	132bps	
Adj. PAT	2,676	2,538	2,398	5.4%	11.6%	

Source: Company, Emkay Research

## Change in Estimates

Exhibit 12: Revision in earnings estimates

Y/E, Mar (Rs. mn)	FY21E			FY22E			FY22E		
	Earlier	Revised	% Change	Earlier	Revised	% Change	Earlier	Revised	% Change
Revenues	55,531	55,589	0%	60,880	60,105	-1%	67,531	66,646	-1%
EBITDA	16,134	16,100	0%	16,133	16,078	0%	18,233	18,161	0%
EBITDAM (%)	29.1%	29.0%	-9bps	26.5%	26.8%	25bps	27.0%	27.3%	25bps
APAT	11,821	11,817	0%	11,726	11,681	0%	12,425	12,372	0%
EPS (Rs)	93.6	93.5	0%	92.8	92.4	0%	98.3	97.9	0%

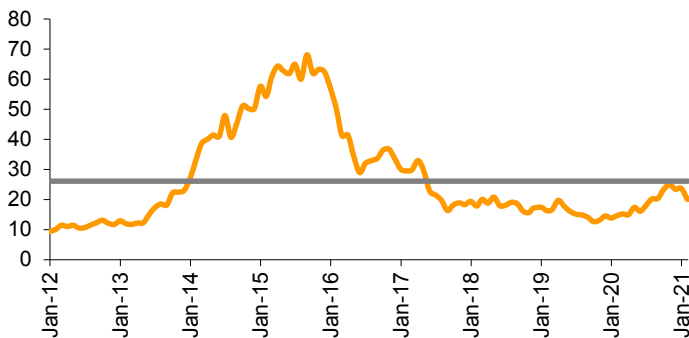
Source: Emkay Research

Exhibit 13: Emkay vs. Consensus

Y/E, Mar (Rs. mn)	FY21E			FY22E			FY22E		
	Emkay	Consensus	% Variation	Emkay	Consensus	% Variation	Emkay	Consensus	% Variation
Revenues	55,589	55,072	1%	60,105	61,234	-2%	66,646	69,062	-3%
EBITDA	16,100	15,851	2%	16,078	15,914	1%	18,161	18,068	1%
EBITDAM (%)	29.0%	28.8%	18bps	26.8%	26.0%	76bps	27.3%	26.2%	109bps
APAT	11,817	11,510	3%	11,681	11,466	2%	12,372	13,086	-5%
EPS (Rs)	93.5	91.1	3%	92.4	90.7	2%	97.9	103.6	-5%

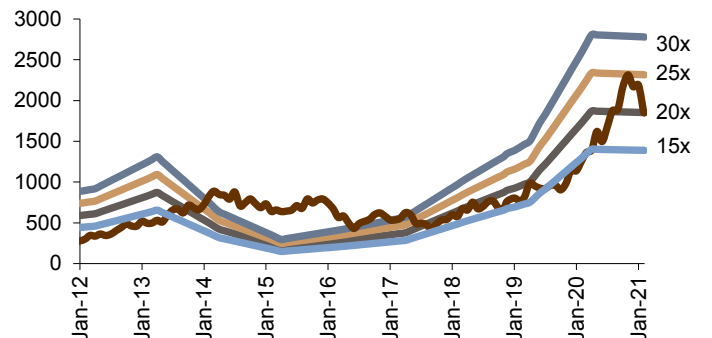
Source: Emkay Research

Exhibit 14: 1-year forward PE



Source: Emkay Research

Exhibit 15: PE Band



Source: Emkay Research

## Con-call takeaways

### Quarterly updates

- India formulation business is normalizing, with Pain and Cardiac, which contributes ~70% of domestic revenue, growing at 16% and 8%, respectively. Other segments such as Derma and Urology also posted positive growth. Anti-malarial, anti-bacterial, cough and cold therapies remain weak.
- Branded RoW market saw a 31% decline due to a yoy decrease in the CIS market. CIS revenue fell to Rs160mn in Q3FY21 from Rs530mn in Q3FY20. CIS is expected to bounce back in Q4. Other regions such as West Africa grew 24% yoy, Asia was flat, and LATAM posted a 3% decline.
- Within API business, Sartans saw significant price erosion primarily due to a decrease in raw material prices. Also, the company has earned ~Rs250mn in API revenue from China in 9MFY21.
- The Generic businesses also performed well, with Europe revenue up 51%, Canada at 38%, Australia, New Zealand at 13% each and UK at 187%. South Africa market witnessed a decline due to absence of tender business, which was there in Q3FY20.
- Institutional antimalarial business had one-off revenue of Rs340mn, which is not expected to recur.
- Higher material costs in certain key intermediates and higher freight costs on account of supply disruption in China impacted gross margins in the quarter.
- EBITDA margin expansion in Q3 was driven by domestic formulations, which has seen a revival in growth, reduced travel and marketing costs.
- 62% of formulation revenue is backward integrated with in-house production of APIs. The next goal is to reduce intermediated and KSM dependence.
- Subsidiary contribution: Onyx scientific has contributed Rs170-180mn to consolidated PAT in the 9MFY21. Bayshore has contributed Rs60mn to PAT in 9MFY21. Pisgah continues to record loss.

### Other highlights -

- Domestic formulations will grow 13-14% in FY22 as acute therapies bounce back to growth.
- Other businesses are also expected to grow after adjusting for the 9MFY21 one-off revenue of Rs3.5bn of which Rs3.4bn was in Institutional business and the remaining in India domestic formulation business for supply of HCQ to government;
- API business in China will grow from Rs250mn currently to Rs1,000mn in the next 2 years.
- Consol. gross margin for FY22 is expected to be ~69%
- Management has guided for EBITDA margins to be in the range of 25-26%; it has alluded some amount of cost savings will continue led by the shift from physical conferences to digital conferences.
- Ipca has a MAT credit of Rs3.5bn, out of which it expects to utilize Rs1bn this year and followed by Rs1.5-2bn in FY22.
- Capex is expected to be ~Rs3-3.5bn, which includes Rs1bn for Ratlam plant and Rs0.5bn for capacity at Nagpur and rest for Dewas plant. While the Dewas plant is expected to add 20-25% of the capacity, its API plant at Ratlam is expected to add 10% to the capacity.

**Key Financials (Consolidated)****Income Statement**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
<b>Net Sales</b>	<b>37,732</b>	<b>46,487</b>	<b>55,589</b>	<b>60,105</b>	<b>66,646</b>
<b>Expenditure</b>	<b>30,813</b>	<b>37,144</b>	<b>39,489</b>	<b>44,027</b>	<b>48,485</b>
<b>EBITDA</b>	<b>6,919</b>	<b>9,343</b>	<b>16,100</b>	<b>16,078</b>	<b>18,161</b>
Depreciation	1,824	2,105	2,049	2,046	2,200
<b>EBIT</b>	<b>5,095</b>	<b>7,238</b>	<b>14,051</b>	<b>14,032</b>	<b>15,962</b>
Other Income	577	670	543	396	713
Interest expenses	189	165	103	96	58
<b>PBT</b>	<b>5,483</b>	<b>7,743</b>	<b>14,490</b>	<b>14,332</b>	<b>16,616</b>
Tax	1,042	1,353	2,601	2,580	4,154
Extraordinary Items	0	(276)	0	0	0
Minority Int./Income from Assoc.	(18)	(78)	(72)	(72)	(90)
<b>Reported Net Income</b>	<b>4,422</b>	<b>6,036</b>	<b>11,817</b>	<b>11,681</b>	<b>12,372</b>
<b>Adjusted PAT</b>	<b>4,422</b>	<b>6,312</b>	<b>11,817</b>	<b>11,681</b>	<b>12,372</b>

**Balance Sheet**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Equity share capital	252	252	252	252	252
Reserves & surplus	30,972	36,022	47,311	57,909	69,181
<b>Net worth</b>	<b>31,224</b>	<b>36,275</b>	<b>47,563</b>	<b>58,161</b>	<b>69,433</b>
<b>Minority Interest</b>	<b>155</b>	<b>136</b>	<b>209</b>	<b>280</b>	<b>370</b>
<b>Loan Funds</b>	<b>3,505</b>	<b>4,139</b>	<b>3,822</b>	<b>2,338</b>	<b>2,094</b>
Other Liabilities	1,744	1,893	1,893	1,893	1,893
<b>Total Liabilities</b>	<b>36,629</b>	<b>42,444</b>	<b>53,487</b>	<b>62,673</b>	<b>73,791</b>
<b>Net block</b>	<b>19,404</b>	<b>20,807</b>	<b>20,757</b>	<b>22,211</b>	<b>24,012</b>
<b>Investment</b>	<b>1,662</b>	<b>2,382</b>	<b>2,382</b>	<b>2,382</b>	<b>2,382</b>
<b>Current Assets</b>	<b>23,778</b>	<b>28,557</b>	<b>40,157</b>	<b>49,114</b>	<b>59,635</b>
Cash & bank balance	2,823	1,809	7,915	14,253	20,980
Other Current Assets	3,414	4,565	5,559	6,011	6,665
<b>Current liabilities &amp; Provision</b>	<b>8,878</b>	<b>10,155</b>	<b>10,662</b>	<b>11,887</b>	<b>13,091</b>
<b>Net current assets</b>	<b>14,899</b>	<b>18,402</b>	<b>29,495</b>	<b>37,227</b>	<b>46,544</b>
Misc. exp	0	0	0	0	0
<b>Total Assets</b>	<b>36,629</b>	<b>42,444</b>	<b>53,487</b>	<b>62,673</b>	<b>73,791</b>

**Cash Flow**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
<b>PBT (Ex-Other income)</b>	<b>4,906</b>	<b>7,073</b>	<b>13,948</b>	<b>13,936</b>	<b>15,903</b>
Depreciation & Amortisation	1,824	2,105	2,049	2,046	2,200
Chg in working cap	(1,220)	(2,637)	(4,987)	(1,394)	(2,590)
<b>Operating Cashflow</b>	<b>4,923</b>	<b>5,643</b>	<b>8,440</b>	<b>12,033</b>	<b>11,327</b>
Capital expenditure	(1,787)	(4,024)	(2,000)	(3,500)	(4,000)
<b>Free Cash Flow</b>	<b>3,136</b>	<b>1,620</b>	<b>6,440</b>	<b>8,533</b>	<b>7,327</b>
Investments	0	0	0	0	0
Other Investing Cash Flow	0	0	0	0	0
<b>Investing Cashflow</b>	<b>(1,787)</b>	<b>(4,024)</b>	<b>(2,000)</b>	<b>(3,500)</b>	<b>(4,000)</b>
Equity Capital Raised	46	119	0	0	0
Loans Taken / (Repaid)	(1,746)	(63)	(317)	(1,484)	(244)
Dividend paid (incl tax)	(154)	(1,217)	(456)	(1,011)	(1,011)
Other Financing Cash Flow	(473)	(1,329)	543	396	713
<b>Financing Cashflow</b>	<b>(2,494)</b>	<b>(2,634)</b>	<b>(334)</b>	<b>(2,195)</b>	<b>(600)</b>
<b>Net chg in cash</b>	<b>642</b>	<b>(1,014)</b>	<b>6,106</b>	<b>6,338</b>	<b>6,727</b>
Opening cash position	2,182	2,823	1,809	7,915	14,253
<b>Closing cash position</b>	<b>2,823</b>	<b>1,809</b>	<b>7,915</b>	<b>14,253</b>	<b>20,980</b>

Source: Company, Emkay Research

**Key Ratios**

<b>Profitability (%)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
EBITDA Margin	18.3	20.1	29.0	26.8	27.3
EBIT Margin	13.5	15.6	25.3	23.3	23.9
Effective Tax Rate	19.0	17.5	17.9	18.0	25.0
Net Margin	11.8	13.7	21.4	19.6	18.7
ROCE	14.6	19.2	30.5	25.0	24.1
ROE	15.2	18.7	28.2	22.1	19.4
RoIC	16.4	21.0	35.2	32.1	33.7

<b>Per Share Data (Rs)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
EPS	35.0	50.0	93.5	92.4	97.9
CEPS	49.5	66.6	109.7	108.6	115.3
BVPS	247.2	287.1	376.4	460.3	549.5
DPS	25.3	29.5	29.5	29.5	29.5

<b>Valuations (x)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
PER	55.5	38.9	20.8	21.0	19.8
P/CEPS	39.3	29.2	17.7	17.9	16.8
P/BV	7.9	6.8	5.2	4.2	3.5
EV / Sales	6.5	5.3	4.3	3.9	3.4
EV / EBITDA	35.5	26.5	15.0	14.5	12.5
Dividend Yield (%)	1.3	1.5	1.5	1.5	1.5

<b>Gearing Ratio (x)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
Net Debt/ Equity	0.0	0.1	(0.1)	(0.2)	(0.3)
Net Debt/EBIDTA	0.1	0.2	(0.3)	(0.8)	(1.1)
Working Cap Cycle (days)	116.8	130.3	141.7	139.5	140.0

<b>Growth (%)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
Revenue	14.9	23.2	19.6	8.1	10.9
EBITDA	52.2	35.0	72.3	(0.1)	13.0
EBIT	83.9	42.1	94.1	(0.1)	13.8
PAT	84.7	36.5	95.8	(1.2)	5.9

<b>Quarterly (Rs mn)</b>	<b>Q3FY20</b>	<b>Q4FY20</b>	<b>Q1FY21</b>	<b>Q2FY21</b>	<b>Q3FY21</b>
Revenue	12,129	10,738	15,344	13,611	14,098
EBITDA	2,737	1,685	5,873	3,602	3,669
<b>EBITDA Margin (%)</b>	<b>22.6</b>	<b>15.7</b>	<b>38.3</b>	<b>26.5</b>	<b>26.0</b>
PAT	1,975	831	4,447	2,667	2,676
<b>EPS (Rs)</b>	<b>15.7</b>	<b>6.6</b>	<b>35.2</b>	<b>21.1</b>	<b>21.2</b>

Source: Company, Emkay Research

<b>Shareholding Pattern (%)</b>	<b>Dec-19</b>	<b>Mar-20</b>	<b>Jun-20</b>	<b>Sep-20</b>	<b>Dec-20</b>
Promoters	46.1	46.1	46.1	46.1	46.3
FIs	14.0	12.6	12.4	12.4	18.2
DIs	25.9	26.6	28.1	28.7	24.2
Public and Others	14.0	14.7	13.5	12.9	11.3

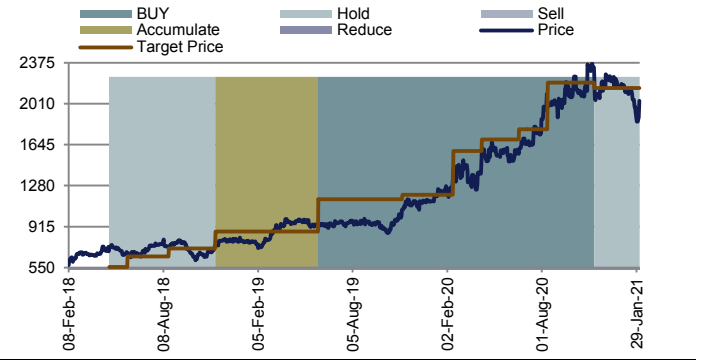
Source: Capitaline

## RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
12-Jan-21	2,116	2,150	12m	Hold	Kunal Dhamesha
16-Dec-20	2,250	2,150	12m	Hold	Kunal Dhamesha
09-Nov-20	2,262	2,150	12m	Hold	Kunal Dhamesha
12-Aug-20	2,006	2,200	12m	Buy	Praful Bohra
18-Jun-20	1,599	1,782	12m	Buy	Praful Bohra
08-Apr-20	1,616	1,693	12m	Buy	Praful Bohra
13-Feb-20	1,419	1,590	12m	Buy	Praful Bohra
16-Dec-19	1,124	1,200	12m	Buy	Praful Bohra
26-Nov-19	1,117	1,200	12m	Buy	Praful Bohra
14-Nov-19	1,138	1,200	12m	Buy	Praful Bohra
08-Nov-19	1,070	1,200	12m	Buy	Praful Bohra
26-Aug-19	973	1,160	12m	Buy	Praful Bohra
19-Aug-19	953	1,160	12m	Buy	Praful Bohra
14-Aug-19	939	1,160	12m	Buy	Praful Bohra
31-May-19	938	1,160	12m	Buy	Praful Bohra
15-Nov-18	753	870	12m	Accumulate	Jatin Kotian
19-Sep-18	750	720	12m	Hold	Jatin Kotian
18-Aug-18	733	720	12m	Hold	Jatin Kotian
31-May-18	670	650	12m	Hold	Jatin Kotian
26-Apr-18	719	555	12m	Hold	Jatin Kotian

Source: Company, Emkay Research

## RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research



## Emkay Alpha Portfolio – Pharmaceuticals

**Analyst: Dr. Kunal Dhamesha**

### Contact Details

kunal.dhamesha@emkayglobal.com  
+91-22-6612 1254

### Sector

Pharmaceuticals

### Analyst bio

Dr. Kunal Dhamesha holds an MBA from IIM Lucknow and completed his MBBS from B.J. Medical College. As an equity analyst he has tracked multiple healthcare verticals for 8+ years. His team currently covers 7 stocks.

### EAP sector portfolio

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight (Normalised)
<b>Pharmaceuticals</b>	<b>2.95</b>	<b>2.95</b>	<b>0%</b>	<b>0</b>	<b>100.00</b>
Aurobindo Pharma	0.31	0.28	-10%	-3	9.58
Cadila Healthcare	0.15	0.59	300%	44	20.05
Cipla	0.51	0.58	14%	7	19.75
Dr. Reddy's Lab	0.68	0.59	-13%	-9	20.09
Ipcalab	0.17	0.15	-9%	-2	5.10
Lupin	0.30	0.30	-2%	-1	10.14
Sun Pharma	0.82	0.45	-45%	-37	15.30
<b>Cash</b>	<b>0.00</b>	<b>0.00</b>	<b>NA</b>	<b>0</b>	<b>0.00</b>

Source: Emkay Research

\* Not under coverage: Equal Weight

■ High Conviction/Strong Over Weight ■ High Conviction/Strong Under Weight

### Sector portfolio NAV

	Base					Latest
	1-Apr-19	6-Feb-20	6-Aug-20	5-Nov-20	5-Jan-21	4-Feb-21
EAP - Pharmaceuticals	100.0	97.5	145.9	157.3	171.8	166.8
BSE200 Neutral Weighted Portfolio (ETF)	100.0	94.4	134.9	140.4	156.0	154.7

\*Performance measurement base date 1st April 2019

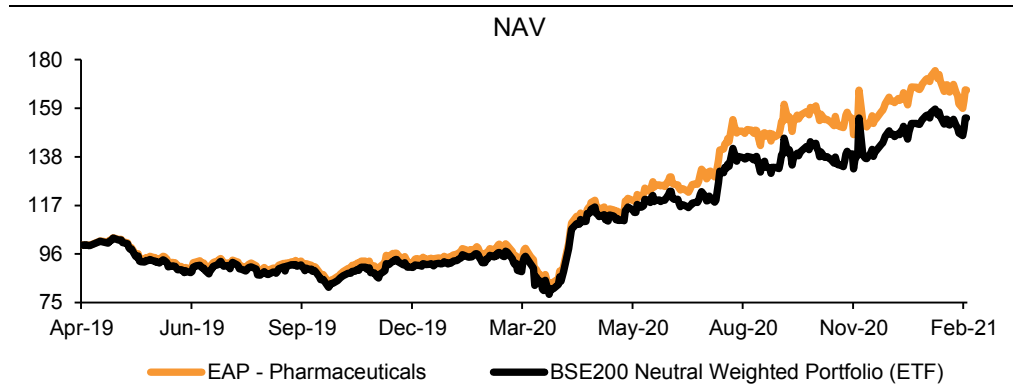
Source: Emkay Research

### Price Performance (%)

	1m	3m	6m	12m
EAP - Pharmaceuticals	-2.9%	6.0%	14.3%	71.1%
BSE200 Neutral Weighted Portfolio (ETF)	-0.8%	10.3%	14.7%	63.8%

Source: Emkay Research

### NAV chart



Source: Emkay Research

Please see our model portfolio (Emkay Alpha Portfolio): [Nifty](#)

Please see our model portfolio (Emkay Alpha Portfolio): [SMID](#)

“Emkay Alpha Portfolio – SMID and Nifty are a supporting document to the Emkay Alpha Portfolios Report and is updated on regular intervals”

## Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	Over 15%
HOLD	Between -5% to 15%
SELL	Below -5%

Completed Date: 07 Feb 2021 00:50:17 (SGT)

Dissemination Date: 07 Feb 2021 00:51:17 (SGT)

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CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India

Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com