

## Strong RoW, API sales offset by US decline...

Q4 revenues grew 6.1% YoY to ₹ 1280 crore with strong growth in RoW formulations and API segment being partly offset by 17.7% YoY decline in US sales to ₹ 475 crore. Domestic formulations grew 4.7% YoY to ₹ 358 crore. RoW sales grew a robust 76.5% YoY to ₹ 233 crore whereas API segment grew 38.1% YoY to ₹ 214 crore. EBITDA margins declined 45 bps YoY to 26.7% with lower gross margins being mostly offset by lower employee cost. EBITDA grew 4.3% YoY to ₹ 342 crore. Adjusted PAT grew 6.5% YoY to ₹ 251 crore.

## Domestic growth to remain steady...

Domestic sales comprise 28% of FY21 revenues with higher contribution from specialty (~57% of domestic sales). However, despite having an established set-up, growth (FY16-21 CAGR of ~5%) has lagged the industry growth curve. Alembic is consciously focusing on this aspect by overhauling distribution channels (defocusing on trade generics). Overall, we expect domestic formulations to grow at 11% CAGR in FY21-23E to ₹ 1845 crore.

## New launches to drive US; impending capex to the fore...

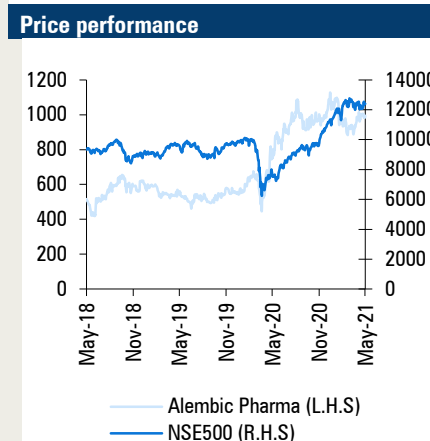
US sales (40% of FY21 revenues) grew at ~12% CAGR in FY16-21 to ₹ 2165 crore on the back of consistent product launches including limited competition products. Despite being a late entrant, the company has done reasonably well with a product basket of 212 ANDA filings (73 pending final approval). It has already demonstrated required capabilities by securing limited competition approvals like gAbilify (CNS), gExforge (CVS), gCelebrex (Pain), gMicardis (CVS) and Sartans. Moderated by decline in Sartans due to higher competition and pricing pressure we expect US sales to register 5.3% FY21-23E CAGR to ₹ 2400 crore supported by ~15 launches every year.

## Valuation & Outlook

Q4 topline performance was in line with expectation (albeit skewed), impacted by decline in US sales. Profitability was better-than-expected due to lower-than-expected staff costs, other expenditure (ex-R&D) and a lower tax rate. Owing to pricing pressure across the Sartan portfolio, the management expects US quarterly sales to remain subdued in the near term. On the domestic front, the management expects a steady run rate, going forward. Additionally, in the API segment with Chinese players returning to the market, the management expects some sales moderation but expects steady growth. Apart from this, the management is aggressively spending on R&D and manufacturing for US oncology, injectables, derma segments which provides growth optimism for medium to long-term but may impact near term margins. We maintain **HOLD** rating and arrive at a target price of ₹ 1055 (unchanged) based on 20x FY23E EPS of ₹ 52.7.



Particulars	Amount
Market Capitalisation	₹ 19790 crore
Debt (FY21)	₹ 500 crore
Cash & cash equivalents (FY21)	₹ 106 crore
EV	₹ 20184 crore
52 week H/L	1150/732
Equity capital	₹ 39 crore
Face value	₹ 2



## Key risks to our call

- Potential regulatory hurdles in new filings/plants due to Covid
- Better than expected traction from new launches in US

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## Key Financial Summary

(₹ crore)	FY20	FY21	FY22E	FY23E	CAGR (FY21-23E) %
Revenues	4605.7	5393.1	5547.9	6222.3	7.4
EBITDA	1223.0	1557.6	1373.5	1555.6	-0.1
EBITDA margins (%)	26.6	28.9	24.8	25.0	
Net Profit	872.8	1178.1	920.4	1036.6	-6.2
EPS (₹)	44.4	59.9	46.8	52.7	
PE (x)	23.9	16.8	21.5	19.1	
EV to EBITDA (x)	16.9	12.3	13.8	12.2	
RoCE (%)	21.0	24.2	17.0	17.2	
RoNW (%)	27.1	23.0	15.7	15.5	

Source: Company, ICICI Direct Research

**Exhibit 1: Variance Analysis**

	Q4FY21	Q4FY21E	Q4FY20	Q3FY21	YoY (%)	QoQ (%)	Comments
Revenue	1,280.4	1,251.2	1,206.8	1,314.3	6.1	-2.6	Strong growth in RoW and APIs partly offset by decline in US revenues
Raw Material Expenses	314.6	281.5	263.9	293.0	19.2	7.4	
Gross Margin (%)	75.4	77.5	78.1	77.7	-271 bps	-228 bps	Change in product mix led to YoY contraction in margins
Employee Expenses	237.2	262.7	246.9	262.5	-3.9	-9.6	
R&D Expenditure	194.9	156.4	185.0	148.0	5.3	31.7	
Other Expenditure	192.0	225.2	183.5	245.9	4.6	-21.9	
EBITDA	341.7	325.3	327.5	365.1	4.3	-6.4	
EBITDA (%)	26.7	26.0	27.1	27.8	-45 bps	-109 bps	YoY decline mainly due to lower gross margins being largely offset by lower employee cost. Beat vis-à-vis I-direct estimates amid lower fixed cost
Interest	2.6	2.6	7.8	2.3	-67.0	10.8	Decline amid repayment of debt via QIP
Depreciation	51.2	48.6	44.1	47.0	16.0	9.0	
Other Income	4.0	2.4	0.9	2.5	343.8	56.1	
PBT before EO & Forex	291.9	276.5	276.5	318.3	5.6	-8.3	
Forex & EO	0.0	0.0	10.9	0.0	NA	NA	
PBT	291.9	276.5	265.7	318.3	9.9	-8.3	
Tax	54.5	60.8	62.1	59.1	-12.4	-7.9	
PAT before MI	237.4	215.7	203.5	259.2	16.7	-8.4	
Adjusted Net Profit	250.7	222.0	235.5	292.6	6.5	-14.3	YoY growth and beat vis-à-vis I-direct estimates mainly in sync with operational performance and lower interest expenditure
<b>Key Metrics</b>							
Domestic Formulation	358.0	376.2	342.0	418.0	4.7	-14.4	YoY growth was mainly due to strong growth across speciality segments, partly offset by continued impact in cough & cold and anti-infective segments
US	475.0	522.8	577.0	512.0	-17.7	-7.2	Muted YoY growth and miss vis-à-vis I-direct estimates mainly due to increased competition in Sartan portfolio
RoW	233.0	158.4	132.0	171.0	76.5	36.3	YoY growth was driven by strong volume growth
APIs	214.0	193.8	155.0	214.0	38.1	0.0	YoY growth on account of China-induced opportunities

Source: ICICI Direct Research

**Exhibit 2: Change in Estimates**

(₹ Crore)	FY22E			FY23E		
	Old	New	% Change	Old	New	% Change
Revenue	5,736.9	5,547.9	-3.3	6,386.0	6,222.3	-2.6
EBITDA	1,333.8	1,373.5	3.0	1,596.5	1,555.6	-2.6
EBITDA Margin (%)	23.2	24.8	151 bps	25.0	25.0	0 bps
PAT	863.3	920.4	6.6	1,035.2	1,036.6	0.1
EPS (₹)	43.9	46.8	6.6	52.7	52.7	0.1

Source: ICICI Direct Research

**Exhibit 3: Change in Estimates**

(₹ crore)	Current			Earlier			Comments
	FY20	FY21	FY22E	FY23E	FY22E	FY23E	
Domestic Formulation	1,425.0	1,497.0	1,677.3	1,845.0	1,704.8	1,875.3	
US	1,976.0	2,165.0	2,073.0	2,399.9	2,268.1	2,608.3	Changed as per management guidance and increased competition in Sartan portfolio
RoW	496.0	776.0	857.5	943.2	759.1	797.0	Changed as per management guidance and better than expected sales in Q4FY21
APIs	708.0	955.0	940.2	1,034.2	1,004.8	1,105.3	Changed as per management guidance

Source: ICICI Direct Research

## Conference call highlights

### US

- For Q4FY21, the company has filed 13 ANDAs with four being from Aleor (29 in FY21), received four final approvals (16 in FY21) and launched three products (16 in FY21) in the US
- A total of 86 products launched till date in US (excluding six with partner label). The company expects to launch 10-15 products (mostly in OSD, Derma, and Ophthalmic) in the US in FY22
- Cumulative ANDAs filed were at 212. Cumulative approved: 139 (including 16 tentative approvals)
- Filings to continue to be in the range of 25-30 per annum
- F3 Karkhadi (injectable, ophthalmic) – audited in February 2021 with five observations
- US decline due to pricing pressure across Sartans and increased competition
  - ~US\$55-60 million to be the new base

### India

- Specialty segments grew 21% for the quarter led by cardio (13%), Diabeto (16%), Gynaec (33%) and Gastro (23%) segments
  - Continued underperformance in cough & cold (-36%) in-line with market
  - Growth to be largely driven by new launched in specialty segment (94% of new launches)
  - No Covid products; Azithromycin (Azithral) picked up in the last two weeks
  - 5000+ MRs
  - 19% portfolio in NLEM

### API

- Total 35% capacity used for captive consumption
- Also, 94% of sales are to export markets
- Two DMFs were filed in the quarter, cumulative DMF filings at 117.

### Guidance

- Margins are sustainable going ahead
- API to grow on new base at ~10%
- US – no significant growth, rather potential de-growth for a couple of quarters
- Ex-US ROW growth to be normalized going ahead: 10-15%
- Capex - ₹ 500-700 crore (incl. maintenance capex)
  - Add 2-3 injectable lines (currently 3) at F3 post FY23, 1 in FY24, 1 in FY25
  - Investment in API segment already done in Mar'21
    - May add capacity depending on approvals

### Others

- Gross debt was at ~₹ 500 crore (vs ₹ 600 crore in Q3FY21); net debt: ~₹ 208 crore; Net D:E – 0.04
- R&D during the quarter stood at ₹ 195 crore (15.2% of sales); FY21 - ₹ 670 crore (12.4% of sales)
- RM price increase seen in Paracetamol and Azithromycin

- Capex for Q4FY21 was ₹ 178 crore. Cumulative Capex for FY21 stood at ~₹ 687 crore;
  - Capex in ongoing projects ~₹ 1800 crore (F2, F3, F4 investments)
    - To be capitalized as and when approvals come-in
    - Pre-operative expenses: for FY21: ₹ 250 crore; Cumulative: ₹ 770 crore
- Rhizen Pharma - Partnered oncology asset, Umbralisib (UKONIQ), licensed to TG Therapeutics has been commercialized in US. Rhizen also plans to register and commercialize Umbralisib in India
- Aleor - Investment stood at ₹ 820 crore (cumulative); investment in the quarter - ₹ 20 crore; FY21 - ₹ 145 crore
  - R&D invested ~ ₹ 300 crore; Capex: ₹ 25-30 crore
- Eight products commercialised; to have 25-30 products in one-two years; plan to file 10 filings per annum

Exhibit 4: Trends in quarterly financials

(₹ Crore)	Q4FY18	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	YoY (%)	QoQ(%)
Revenues	853.3	862.5	1127.1	1018.2	927.0	948.9	1240.9	1209.1	1206.8	1341.3	1457.1	1314.3	1280.4	6.1	-2.6
Raw Material Cost	263.8	255.4	272.1	248.5	216.7	204.4	272.6	298.5	263.9	337.8	312.0	293.0	314.6	19.2	7.4
% to revenues	30.9	29.6	24.1	24.4	23.4	21.5	22.0	24.7	21.9	25.2	21.4	22.3	24.6		
Gross Profit	589.5	607.1	855.0	769.7	710.2	744.5	968.3	910.6	942.9	1003.6	1145.1	1021.4	965.8	2.4	-5.4
Gross Profit Margin (%)	69.1	70.4	75.9	75.6	76.6	78.5	78.0	75.3	78.1	74.8	78.6	77.7	75.4	-271 bps	-228 bps
Employee cost	157.3	164.9	182.6	198.4	200.7	214.9	217.8	226.9	246.9	275.4	276.1	262.5	237.2	-3.9	-9.6
% to revenues	18.4	19.1	16.2	19.5	21.7	22.6	17.5	18.8	20.5	20.5	18.9	20.0	18.5	-193 bps	-144 bps
R & D	121.1	121.5	144.7	112.2	119.7	140.3	173.8	145.7	185.0	142.6	185.0	148.0	194.9		
% to revenues	14.2	14.1	12.8	11.0	12.9	14.8	14.0	12.1	15.3	10.6	12.7	11.3	15.2	-11 bps	396 bps
Other Expenditure	137.9	169.7	225.3	216.9	211.7	164.4	231.2	213.0	183.5	178.2	240.6	245.9	192.0	4.6	-21.9
% to revenues	16.2	19.7	20.0	21.3	22.8	17.3	18.6	17.6	15.2	13.3	16.5	18.7	15.0	-21 bps	-371 bps
Total Expenditure	680.1	711.5	824.7	775.9	748.9	724.0	895.4	884.1	879.3	934.0	1013.7	949.3	938.7	6.8	-1.1
% to revenues	79.7	82.5	73.2	76.2	80.8	76.3	72.2	73.1	72.9	69.6	69.6	72.2	73.3		
EBIDTA	173.2	151.0	302.3	242.2	178.0	224.9	345.5	325.1	327.5	407.4	443.4	365.1	341.7	4.3	-6.4
EBITDA Margin (%)	20.3	17.5	26.8	23.8	19.2	23.7	27.8	26.9	27.1	30.4	30.4	27.8	26.7	-45 bps	-109 bps
Depreciation	31.6	27.6	28.6	29.1	30.0	35.4	36.0	41.8	44.1	41.5	43.8	47.0	51.2	16.0	9.0
Interest	1.3	1.6	5.8	6.0	5.1	5.0	7.1	7.4	7.8	6.7	4.5	2.3	2.6	-67.0	10.8
OI	0.6	0.1	2.4	3.5	3.4	3.3	0.4	0.4	0.9	0.3	3.2	2.5	4.0		
PBT	141.0	121.9	270.3	210.8	146.4	187.8	302.9	276.3	276.5	359.5	398.4	318.3	291.9	5.6	-8.3
Tax	38.5	31.5	70.3	40.0	14.9	36.0	52.5	48.6	62.1	66.8	73.0	59.1	54.5	-12.4	-7.9
Tax Rate (%)	27.3	25.9	26.0	19.0	10.2	19.1	17.3	17.6	22.5	18.6	18.3	18.6	18.7		
PAT	102.4	90.4	200.0	170.8	131.5	151.9	250.4	227.7	214.4	292.7	325.4	259.2	237.4	10.7	-8.4
PAT Margin (%)	12.0	10.5	17.7	16.8	14.2	16.0	20.2	18.8	17.8	21.8	22.3	19.7	18.5		
Exceptional Items (EI)	0.0	0.0	0.0	0.0	0.0	32.8	0.0	0.0	10.9	0.0	0.0	0.0	0.0		
Net Profit before MI	102.4	90.4	200.0	170.8	131.5	119.1	250.4	227.7	203.5	292.7	325.4	259.2	237.4	16.7	-8.4
Add/(less) MI	0.2	0.0	0.0	-0.8	-0.8	4.2	4.2	-6.9	-21.2	-8.3	-8.1	-7.0	-8.3		
Profit from Associates	-8.5	0.1	0.1	-1.7	0.1	0.4	0.1	-0.4	-0.1	0.5	-0.2	26.4	5.1		
Net Profit	93.8	90.4	200.1	169.8	132.3	115.2	246.3	234.2	224.6	301.5	333.4	292.6	250.7	11.6	-14.3
Net Profit (excl. EI)	93.8	90.4	200.1	169.8	132.3	148.0	246.3	234.2	235.5	301.5	333.4	292.6	250.7	6.5	-14.3

Source: ICICI Direct Research

## Company Background

Tracing its roots way back to 1907, the company has remained an active player in the domestic formulations space with a few legacy brands like Azithral, Althrocin and Wikoryl in the anti-infective and cough & cold segments. In 2011, APL was demerged from Alembic Ltd to provide more thrust to formulations and insulate this business from the vagaries of commoditised APIs. Formulations account for 87% of the business while the rest comes from APIs. As of FY21, the domestic: exports formulation ratio was at 34:66. Consolidated revenues, EBITDA and PAT have grown at a CAGR of 11%, 9% and 10%, respectively, in FY16-21.

The company's domestic branded portfolio is gradually shifting to the speciality business segment, which now accounts for ~57% of domestic branded formulations in FY21.

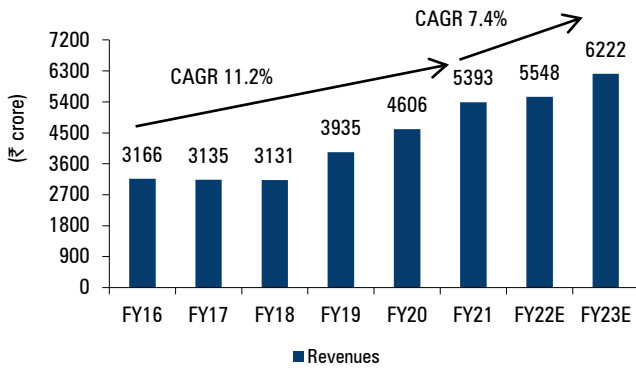
Export formulations constitute 55% of FY21 revenues. Of this, ~74% of export formulations are generics catering to the US.

In 2012, the company formed a JV, Rhizen Pharma for new chemical entity (NCE) research. In September 2014, Rhizen Pharmaceuticals SA (50% equity held), had entered into an out-licensing agreement for TGR-1202 (Umbralisib) with TG Therapeutics. Rhizen will receive milestone payments for filing, approval and launch of product and thereafter sales royalties. TG Therapeutics has received USFDA approval for Umbralisib (UKONIQ) in February 2021.

In 2016, the company formed a 60:40 JV with Orbicular – Aleor Dermaceutical Limited (Aleor) for developing Dermatology products for international markets. Aleor's Derma facility in Karkhadi was approved by USFDA in 2018.

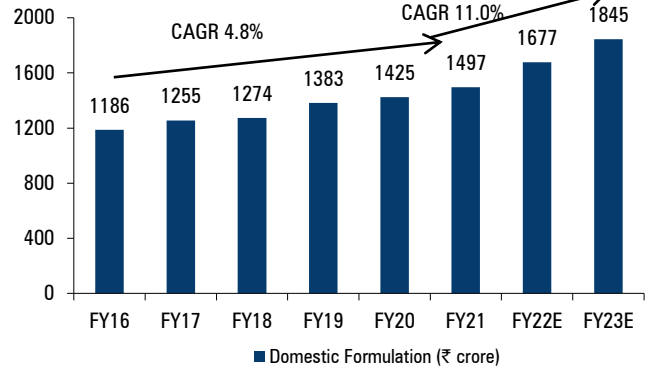
The company has acquired US based Orit Laboratories LLC along with real estate. Orit is focused on developing and filing oral solid and liquid products. With 8,600 square feet R&D and pilot manufacturing facility, it has seven approved ANDAs while four ANDAs are pending approval. Orit adds complementary skill sets in soft gelatine based oral solids and oral liquids to Alembic with a team of eight highly experienced scientists.

Exhibit 5: Revenues to grow at 7% CAGR over FY21-23E



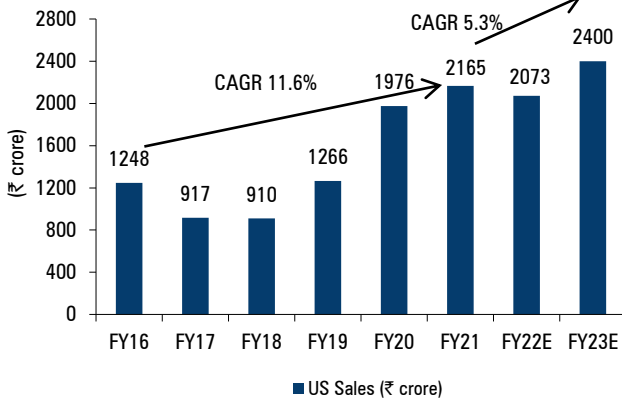
Source: ICICI Direct Research, Company

Exhibit 6: Domestic to grow at 11% CAGR over FY21-23E



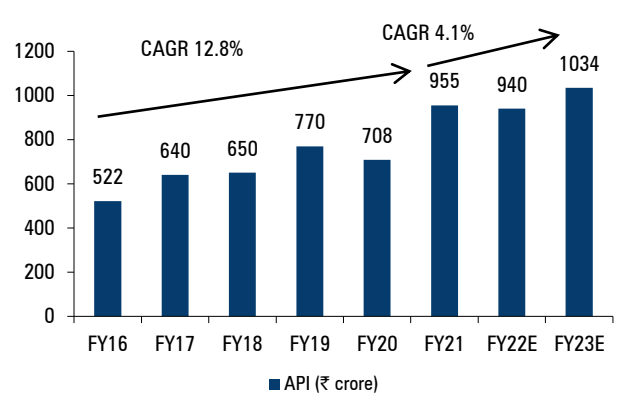
Source: ICICI Direct Research, Company

Exhibit 7: US to grow at 5% CAGR over FY21-23E



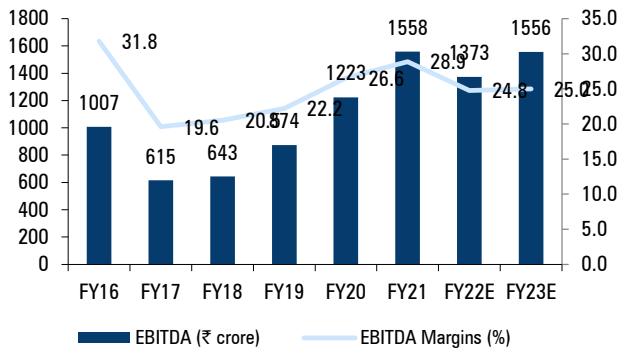
Source: ICICI Direct Research, Company

Exhibit 8: API to grow at 4% CAGR over FY21-23E



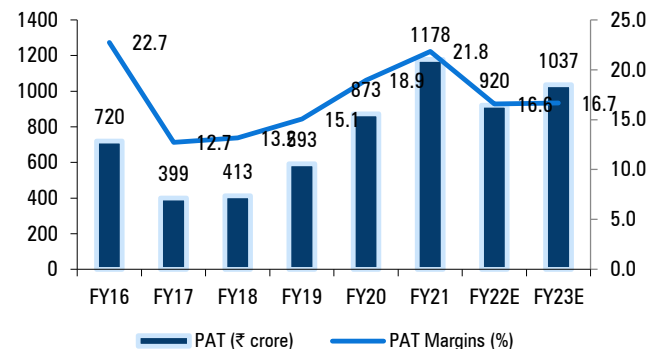
Source: ICICI Direct Research, Company

Exhibit 9: EBITDA & EBITDA margins trend



Source: ICICI Direct Research, Company

Exhibit 10: PAT & PAT margins trend



Source: ICICI Direct Research, Company

Exhibit 11: Valuation Summary

	Revenues (₹ crore)	Growth (%)	Adj. EPS (₹)	Growth (%)	P/E (x)	EV/EBITDA (X)	RoNW (%)	RoCE (%)
FY20	4606	17.1	44.4	47.3	23.9	16.9	27.1	21.0
FY21	5393	17.1	59.9	35.0	16.8	12.3	23.0	24.2
FY22E	5548	2.9	46.8	-21.9	21.5	13.8	15.7	17.0
FY23E	6222	12.2	52.7	12.6	19.1	12.2	15.5	17.2

Source: ICICI Direct Research, Bloomberg

Exhibit 12: Shareholding Pattern

(in %)	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Promoter	73.0	73.0	69.8	69.8	69.5
Others	27.0	27.0	30.2	30.2	30.5

Source: ICICI Direct Research, Bloomberg

## Financial Summary

Exhibit 13: Profit & Loss (₹ crore)

(Year-end March) ₹ crore	FY20	FY21	FY22E	FY23E
<b>Revenues</b>	<b>4,605.7</b>	<b>5,393.1</b>	<b>5,547.9</b>	<b>6,222.3</b>
Growth (%)	17.1	17.1	2.9	12.2
Raw Material Expenses	1,039.4	1,257.3	1,331.5	1,493.3
Employee Expenses	906.4	1,051.2	1,220.5	1,400.0
R&D Expenditure	644.8	670.4	679.3	715.6
Other Manufacturing Expenses	792.1	856.6	943.1	1,057.8
Total Operating Expenditure	3,382.7	3,835.6	4,174.5	4,666.7
<b>EBITDA</b>	<b>1,223.0</b>	<b>1,557.6</b>	<b>1,373.5</b>	<b>1,555.6</b>
Growth (%)	40.0	27.4	-11.8	13.3
Interest	27.2	16.0	10.2	10.2
Depreciation	157.3	183.5	302.3	349.1
Other Income	4.9	10.0	27.7	56.0
<b>PBT</b>	<b>999.8</b>	<b>1,368.1</b>	<b>1,088.7</b>	<b>1,252.2</b>
Total Tax	199.2	253.3	217.7	263.0
Tax Rate (%)	19.9	18.5	20.0	21.0
<b>Adjusted PAT</b>	<b>872.8</b>	<b>1,178.1</b>	<b>920.4</b>	<b>1,036.6</b>
Growth (%)	47.3	35.0	-21.9	12.6
<b>EPS (Adjusted)</b>	<b>44.4</b>	<b>59.9</b>	<b>46.8</b>	<b>52.7</b>

Source: ICICI Direct Research

Exhibit 14: Cash Flow Statement (₹ crore)

(Year-end March) ₹ crore	FY20	FY21	FY22E	FY23E
Profit/(Loss) after taxation	763.7	1,122.6	920.4	1,036.6
Depreciation	157.3	183.5	302.3	349.1
Net Increase in Current Assets	-597.5	66.1	-718.3	-354.4
Net Increase in Current Liabilities	4.6	173.4	352.6	154.7
<b>CF from operating activities</b>	<b>449.2</b>	<b>1,463.4</b>	<b>857.0</b>	<b>1,186.1</b>
(Inc)/dec in Investments	0.0	-181.1	0.0	-400.0
(Inc)/dec in Fixed Assets	-734.3	-659.2	-500.0	-500.0
Other investing activities	2.1	7.3	2.5	1.0
<b>CF from investing activities</b>	<b>-728.9</b>	<b>-840.8</b>	<b>-488.9</b>	<b>-889.0</b>
Inc / (Dec) in Equity Capital	0.0	734.1	0.0	0.0
Inc / (Dec) in Loan	591.9	-1,258.5	0.0	0.0
Dividend & Dividend Tax	-326.0	0.0	-196.6	-196.6
Other financing activities	-111.1	-73.0	0.0	0.0
<b>CF from financing activities</b>	<b>154.9</b>	<b>-597.4</b>	<b>-196.6</b>	<b>-196.6</b>
Net Cash flow	-124.9	25.1	171.6	100.5
Opening Cash	205.6	80.8	105.8	277.4
<b>Closing Cash</b>	<b>80.8</b>	<b>105.8</b>	<b>277.4</b>	<b>377.9</b>
<b>Free Cash flow</b>	<b>-285.2</b>	<b>804.1</b>	<b>357.0</b>	<b>686.1</b>

Source: ICICI Direct Research

Exhibit 15: Balance Sheet (₹ crore)

(Year-end March) ₹ crore	FY20	FY21	FY22E	FY23E
Equity Capital	37.7	39.3	39.3	39.3
Reserve and Surplus	3,181.7	5,088.3	5,812.1	6,652.2
Total Shareholders funds	3,219.4	5,127.6	5,851.4	6,691.5
Minority Interest	-29.0	-60.6	-54.6	-49.1
Total Debt	1,747.5	499.9	499.9	499.9
Deferred Tax Liability	12.2	4.2	4.6	5.1
Other Non Current Liabilities	73.3	71.5	78.7	86.6
Long Term Provisions	74.5	85.5	94.1	103.5
<b>Source of Funds</b>	<b>5,097.9</b>	<b>5,728.2</b>	<b>6,474.1</b>	<b>7,337.4</b>
Gross Block - Fixed Assets	2,126.0	2,547.2	4,197.2	4,847.2
Accumulated Depreciation	574.5	758.0	1,060.3	1,409.4
Net Block	1,551.5	1,789.3	3,137.0	3,437.8
Capital WIP	1,846.2	2,181.7	1,031.7	881.7
Total Fixed Assets	3,397.7	3,971.0	4,168.6	4,319.5
Goodwill on Consolidation	0.0	0.0	0.0	0.0
Investments	17.9	236.3	236.3	636.3
Inventory	1,187.5	1,486.2	1,520.0	1,704.7
Cash	80.8	105.8	277.4	377.9
Debtors	864.8	348.6	988.0	1,108.1
Loans & Advances & Other CA	0.0	0.0	0.0	0.0
Total Current Assets	2,462.7	2,390.9	3,280.8	3,735.7
Creditors	625.9	668.8	990.2	1,110.6
Provisions & Other CL	265.2	312.1	343.3	377.6
Total Current Liabilities	891.1	980.8	1,333.5	1,488.1
Net Current Assets	1,571.6	1,410.1	1,947.3	2,247.5
LT L& A, Other Assets	110.7	110.8	121.9	134.1
Deferred Tax Assets	0.0	0.0	0.0	0.0
<b>Application of Funds</b>	<b>5,097.9</b>	<b>5,728.2</b>	<b>6,474.1</b>	<b>7,337.4</b>

Source: ICICI Direct Research

Exhibit 16: Key Ratios (₹ crore)

(Year-end March)	FY20	FY21	FY22E	FY23E
<b>Per share data (₹)</b>				
Adjusted EPS	44.4	59.9	46.8	52.7
BV per share	163.8	260.9	297.7	340.4
Dividend per share	12.0	14.0	10.0	10.0
<b>Operating Ratios (%)</b>				
Gross margins	77.4	76.7	76.0	76.0
EBITDA Margins	26.6	28.9	24.8	25.0
PAT Margins	18.9	21.8	16.6	16.7
Inventory days	94.1	100.6	100.0	100.0
Debtor days	68.5	23.6	65.0	65.0
Creditor days	49.6	45.3	65.1	65.1
Asset Turnover	2.2	2.1	1.3	1.3
EBITDA conversion Rate	36.7	94.0	62.4	76.2
<b>Return Ratios (%)</b>				
RoE	27.1	23.0	15.7	15.5
RoCE	21.0	24.2	17.0	17.2
RoIC	33.6	42.2	21.5	20.5
<b>Valuation Ratios (x)</b>				
P/E	23.9	16.8	21.5	19.1
EV / EBITDA	16.9	12.3	13.8	12.2
EV / Net Sales	4.5	3.6	3.4	3.0
Market Cap / Sales	4.1	3.5	3.4	3.1
Price to Book Value	6.1	3.9	3.4	3.0
<b>Solvency Ratios</b>				
Debt / Equity	0.5	0.1	0.1	0.1
Debt / EBITDA	1.4	0.3	0.4	0.3
Current Ratio	2.3	1.9	1.9	1.9

Source: ICICI Direct Research



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