

Key triggers to drive re-rating

BIOS' implied hold co discount is now >40% - this makes the risk-reward extremely favourable. As key triggers play out over the next few quarters, BIOS' stock price can significantly re-rate, in our view. Near-term drivers for the stock are: (1) bAspart and bBeva approval/ launch; (2) Formulary access for Hulio; and (3) A positive outcome for bAflibercept. The delay in approvals and a highly leveraged acquisition have admittedly spooked the street, but BIOS is relatively well-placed to play the growing biosimilars industry. We also believe that BIOS is near the end of its capex cycle and, therefore, FCFF visibility alleviates debt repayment concerns. BIOS is firing on all cylinders – all business segments are poised for double-digit growth and margin can expand ~380bps over FY23-26. BUY with a Sep'24 Price Target of INR 370.

- Key triggers to drive re-rating:** Biocon Biologics ('BBL') has the following near-term triggers: (1) bAspart and bBeva approval and launch; (2) bHumira formulary access; and (3) Positive litigation outcome for bAflibercept. BBL's existing molecules, particularly Fulphila and Semglee, have been performing well ([click here](#)). Notably, a large payor has signed up for Semglee as the exclusive Insulin Glargine for its formulary w.e.f. Jan'24, which can further improve its market share. Vizag commercialisation and 5-6 new generic launches annually can drive growth in the Generics business; meanwhile, Syngene is on track to deliver high-teens growth.
- Capex cycle likely nearing completion, debt concerns overstated:** We believe BIOS is likely near the end of its capex cycle. The company is at process validation stage for its Vizag facility and is setting up a new injectable and peptides facility in Bengaluru. BBL plans to expand its insulins capacity to prepare for the next phase of growth (Aspart, rH-insulin, Toujeo). FY24 capex outlay for Generics and BBL is USD 250mn. The capex is likely to get completed over the next 2-3 years, and post payment of deferred consideration to Viatris we believe there is healthy FCFF visibility. The payment for BBL's USD 1.2bn loan is expected to commence in FY26 which can be paid from internal accruals, in our view.
- BIOS well-placed vs. peers:** BIOS has an attractive pipeline – bAflibercept (FTF and interchangeability), bUstekinumab (CY23-filing), bDenosumab (CY24 filing), rH-insulin, Hulio (interchangeable), bPertuzumab, Insulin Glargine IU 300, etc. BIOS is best-placed vs. Indian peers to play the large US biosimilars opportunity. Dr Reddy's and Lupin have made somewhat early progress. DRRD's US pipeline includes Pegfilgrastim and Rituximab (partnered with Fresenius), Tocilizumab and Abatacept (WIP). LPC has Pegfilgrastim and bLucentis so far; Alkem, Aurobindo and Sun are also working on developing biosimilars for the US market. We believe Indian players will commercialise biosimilars with a partner (like Biocon-Mylan earlier; DRRD-Fresenius for two biosimilars).
- Hold co. discount expands; risk-reward extremely attractive:** Biocon's implied hold co discount is now >40%, which makes the risk-reward extremely attractive. We believe that this can shrink as key triggers play out. Our SOTP-based Sep'24 TP is INR 370. **BUY.**

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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	370
Upside/(Downside)	39.8%
Previous Price Target	360
Change	2.8%

Key Data – BIOS IN

Current Market Price	INR265
Market cap (bn)	INR317.7/US\$3.8
Free Float	33%
Shares in issue (mn)	1,200.6
Diluted share (mn)	1,200.6
3-mon avg daily val (mn)	INR1,133.8/US\$13.6
52-week range	299/192
Sensex/Nifty	66,119/19,716
INR/US\$	83.2

Price Performance

%	1M	6M	12M
Absolute	3.6	28.1	-5.5
Relative*	1.9	11.6	-19.1

* To the BSE Sensex

Financial Summary					(INR mn)
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E
Net Sales	81,840	1,11,742	1,53,728	1,75,413	2,01,079
Sales Growth (%)	14.6	36.5	37.6	14.1	14.6
EBITDA	19,702	25,117	37,150	46,036	52,946
EBITDA Margin (%)	24.1	22.5	24.2	26.2	26.3
Adjusted Net Profit	7,595	7,541	9,721	16,759	22,850
Diluted EPS (INR)	6.3	6.3	8.1	14.0	19.0
Diluted EPS Growth (%)	4.3	-0.7	28.9	72.4	36.3
ROIC (%)	7.3	3.8	4.2	5.3	6.2
ROE (%)	9.5	5.7	5.1	7.9	9.9
P/E (x)	41.4	41.7	32.4	18.8	13.8
P/B (x)	3.7	1.8	1.6	1.4	1.3
EV/EBITDA (x)	17.5	20.0	13.3	10.9	9.0
Dividend Yield (%)	0.2	0.6	0.6	0.0	0.6

Source: Company data, JM Financial. Note: Valuations as of 27/Sep/2023

JM Financial Research is also available on:
Bloomberg - JMFR <GO>,
Thomson Publisher & Reuters,
S&P Capital IQ, FactSet and Visible Alpha

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Risk-reward attractive

Biocon’s implied hold co discount is now >40%, which makes the risk-reward extremely favourable. The stock is trading 1 SD below average multiples. As key triggers play out over the next few quarters, the stock will re-rate, in our view. Our earnings estimate do not yet factor in earnings (NPV assigned) of bAflibercept, which could be launched in CY24 (subject to litigation outcome) or FY26/27 in US/ Europe.

Exhibit 1. Valuation				
	Sep'25 EBITDA	%	Gross Multiple	Valuation
Generics	8,185	100%	14	114,583
Syngene	15,665	55%	24	204,896
Biocon Biologics	25,539	66%	21	353,964
EV				673,444
Less: Holding Co. Discount for BBL and Syngene (20%)				111,772
Less: Net Debt				148,288
Equity Valuation				413,384
No of Shares				1,201
TP				344
bAflibercept NPV				25
TP				369
TP (rounded off)				370

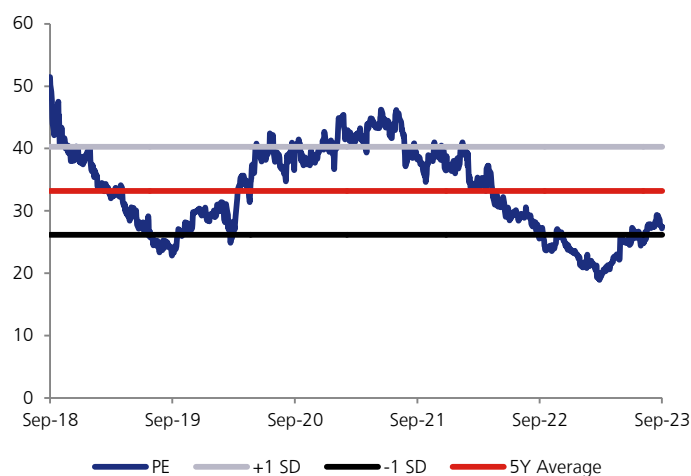
Source: JM Financial

Exhibit 2. EV/EBITDA



Source: Bloomberg, JM Financial

Exhibit 3. PE



Source: Bloomberg, JM Financial

Exhibit 4. Global peer comps

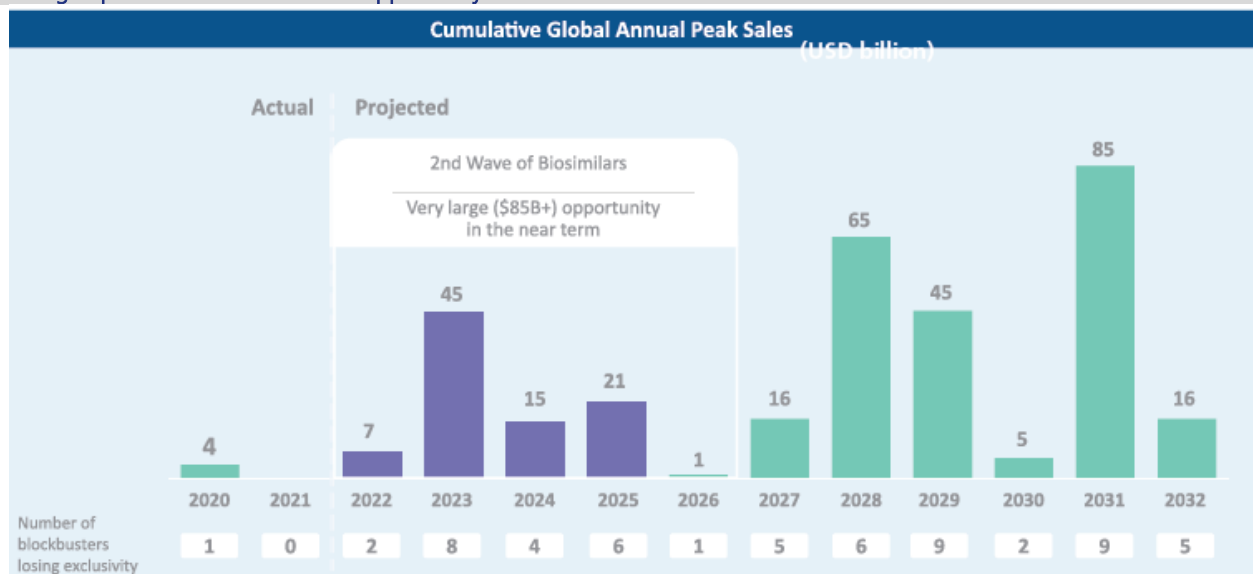
Company	Mkt cap (INR bn)	EV/EBITDA			P/E		
		FY23	FY24	FY25	FY23	FY24	FY25
BIOCON LTD	318	20	13	11	42	32	19
SAMSUNG BIOLOGICS CO LTD	2980	35	30	25	60	51	41
CELLTRION INC	1250	20	17	15	32	28	25
COHERUS BIOSCIENCES INC	35		14	4		21	4
AMGEN INC	11980	11	10	10	15	14	13
PFIZER INC	15230	9	9	8	10	10	9
ALVOTECH SA	198		50	13			50

Source: Bloomberg, JM Financial

Well placed vs. peers

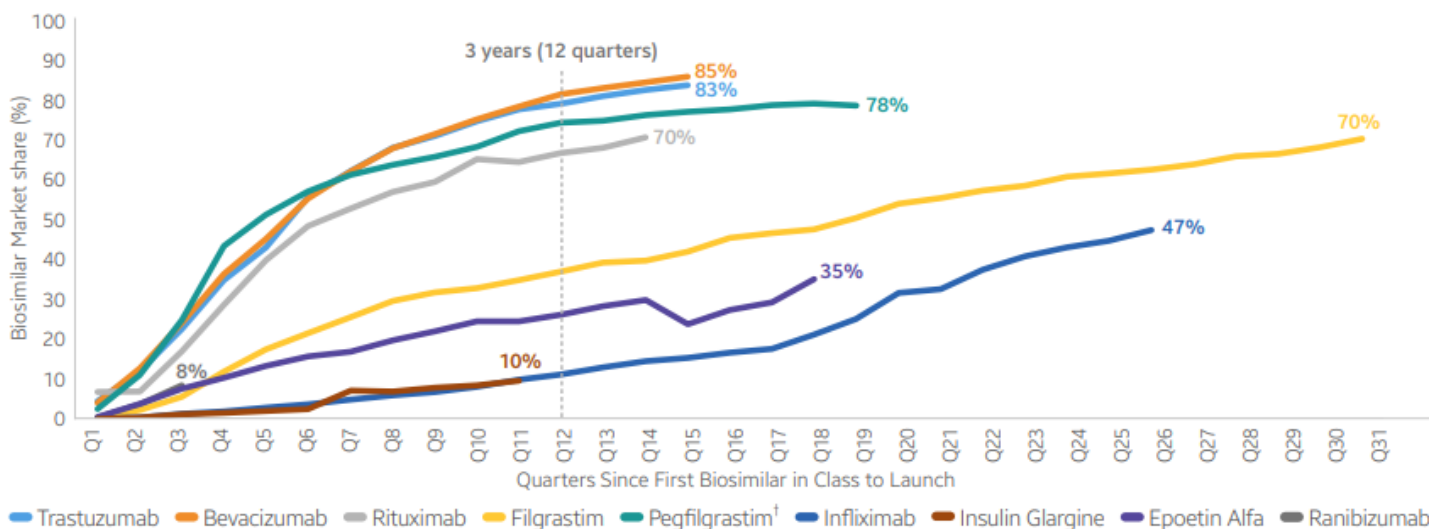
The upcoming biologics patent cliff (2nd wave) is large (~USD 85bn) and biosimilars' acceptance is increasingly visible. Oncology biosimilars have had the highest acceptance vs. others. Indian players are still at a very early stage and are mostly targeting opportunities in the next biosimilars wave. Dr Reddy's and Lupin have made somewhat early progress. DRRD's US pipeline includes Pegfilgrastim and Rituximab (partnered with Fresenius), Tocilizumab and Abatacept (WIP). LPC has Pegfilgrastim and bLucentis so far; Alkem, Aurobindo and Sun are also working on developing biosimilars for the US. BBL is best placed to leverage the current US biosimilars opportunity with four existing molecules and an attractive launch pipeline. We also believe that Indian players may launch their biosimilar assets via a commercial partner (like Biocon-Mylan earlier; DRRD-Fresenius for two assets etc.).

Exhibit 5. Biologics patent cliff – ~USD 85bn opportunity in 2nd wave



Source: Company

Exhibit 6. Biosimilar uptake varies by molecule

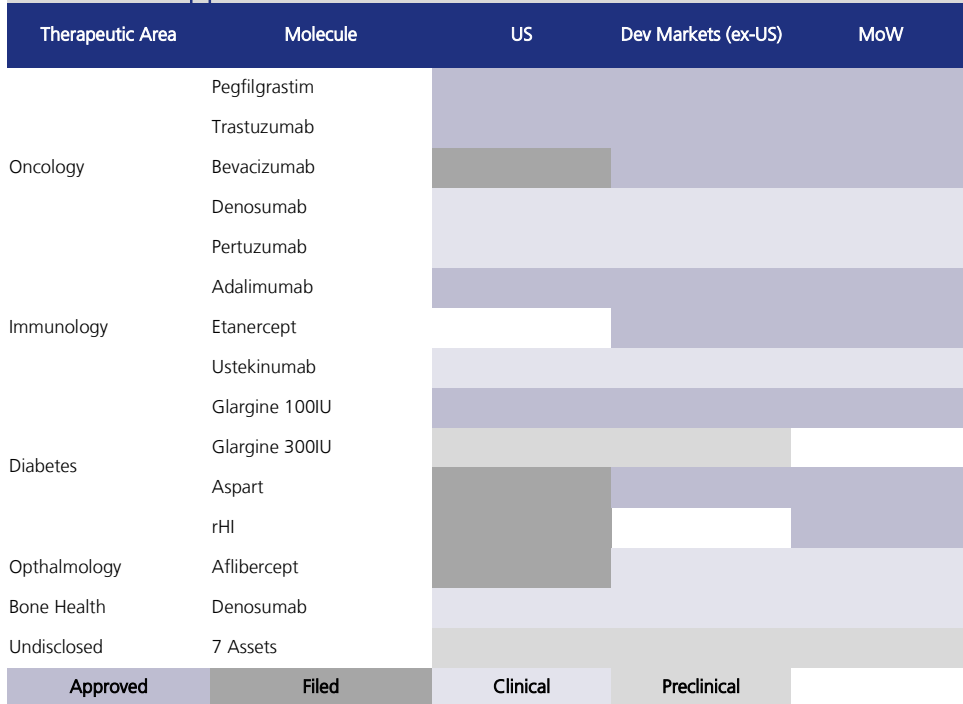


Source: Industry, JM Financial

Biocon Biologics ('BBL') has an enviable biosimilars pipeline. Near-term triggers include bAspart (interchangeable, expected in CY23), bBevacizumab and rH-insulin approval/ launch. BIOS is conducting clinical trials for bUstekinumab (CY23 filing), bDenosumab, bHumira interchangeability (CY24 filing) and bPertuzumab. Notably, BBL has exercised the option for bAflibercept (FTF status and potential first to market). This product is currently under

litigation (outcome expected soon). We believe a positive outcome could lead to a launch in FY25, or FY26-27 depending on geography and approval.

Exhibit 7. Biocon pipeline



Source: Company, JM Financial

Exhibit 8. Clinical trial timelines

Biosimilar	Study Phase	Start date	Estimated Completion
Ustekinumab	3	Jun-22	Oct-23
Denosumab	1	Mar-22	Feb-24
	3	May-22	Jun-24
Humira interchangeability	3	Nov-22	Oct-23
Pertuzumab	3	Dec-23	Oct-26

Source: ClinicalTrials.gov; JM Financial

Exhibit 9. bAflibercept market scenario

Company	Clinical trials	Commentary
Amgen	Phase 3	
Formycon-Coherus	Filed	Jun'24 TAD
Biogen-Samsung	Phase 3 complete	
Alteogen	Phase 3 underway, expect early 2024 completion	
Celltrion	Filed	
Sandoz	Ph. 3 complete	Filing expected in the coming months

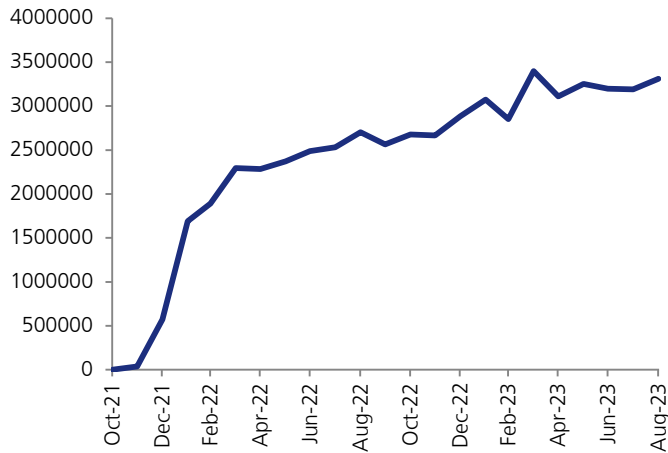
Source: Industry, Company

Financial Analysis

We have built in early double-digit growth over FY23-26 for the Generics business considering Vizag contribution w.e.f. FY25 and 5-6 new launches per annum. Syngene will continue to grow at high-teens. BBL's existing assets are ramping up well. Fulphila is now the largest biosimilar in its category in the US. Notably, Semglee has been listed as the exclusive Insulin Glargine by a large payor w.e.f. Jan'24, which will further improve market share. bHumira ramp-up will be gradual (as has been the case with Amgen). We have factored in FY24 Aspart launch (marginal contribution assumed) and FY25 Bevacizumab launch in our

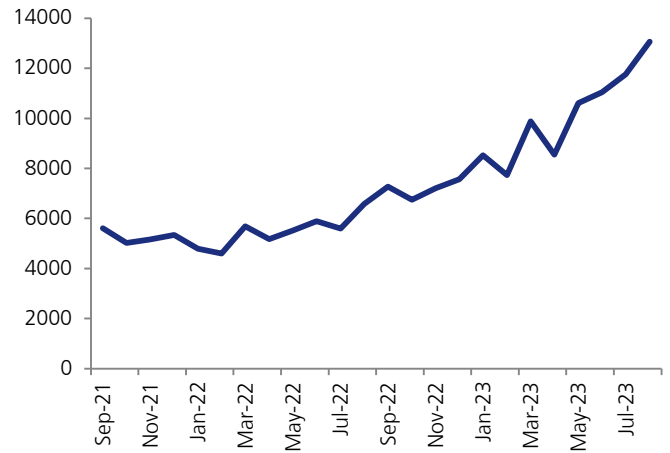
earnings. bAflibercept, bHumira interchangeable and rH-insulin launch pose upside risk to our estimates.

Exhibit 10. Semglee continues its secular upward trend



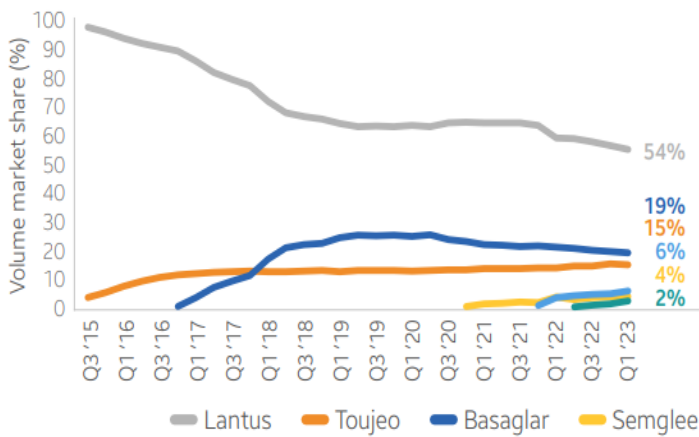
Source: Bloomberg, JM Financial; Based on Integrated Units

Exhibit 11. Fulphila volumes surge



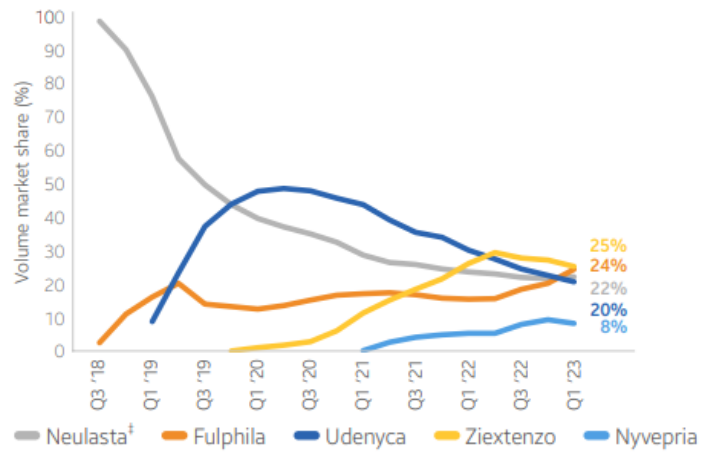
Source: Bloomberg, JM Financial; Based on Integrated Units

Exhibit 12. Insulin Glargine volume ms



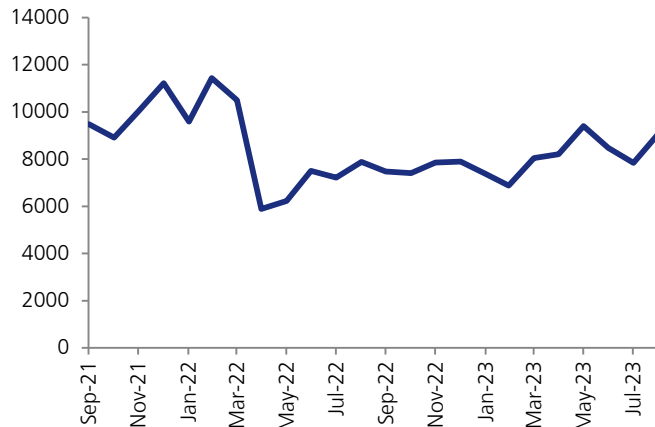
Source: Industry, JM Financial

Exhibit 13. Pegfilgrastim volume ms



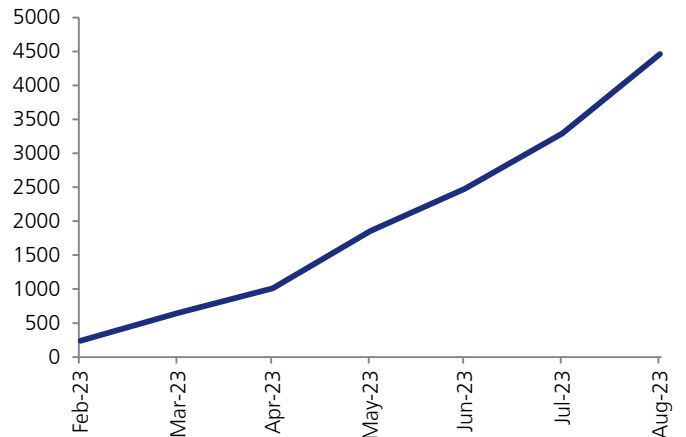
Source: Industry, JM Financial

Exhibit 14. Ogivri volumes healthy



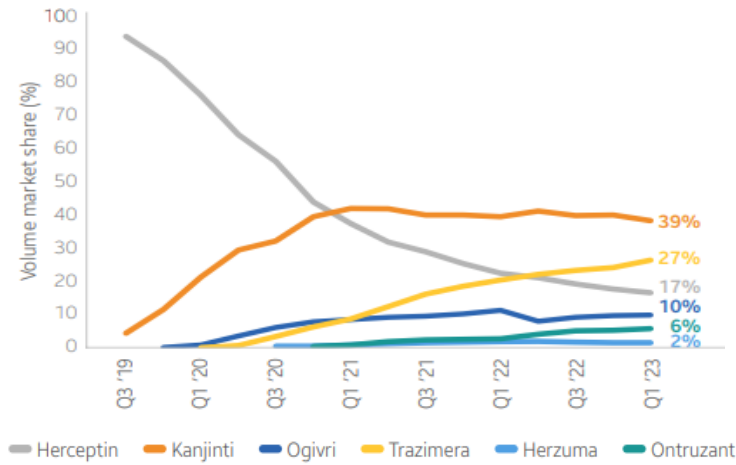
Source: Bloomberg, JM Financial; Based on Integrated Units

Exhibit 15. Amgen ramping up bHumira volumes



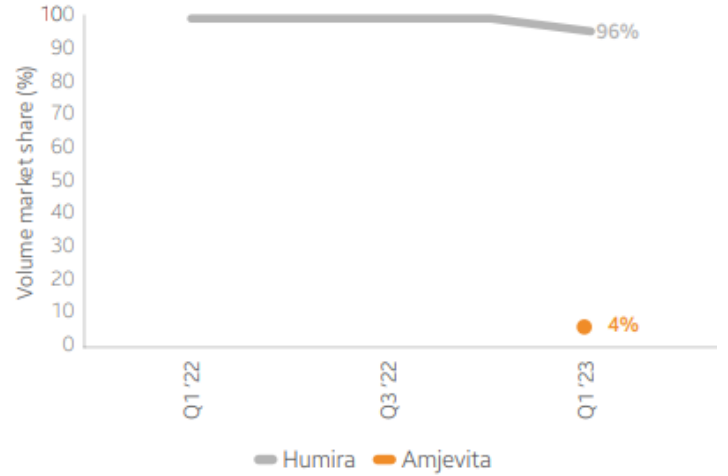
Source: Bloomberg, JM Financial; Based on Integrated Units

Exhibit 16. Trastuzumab volume ms



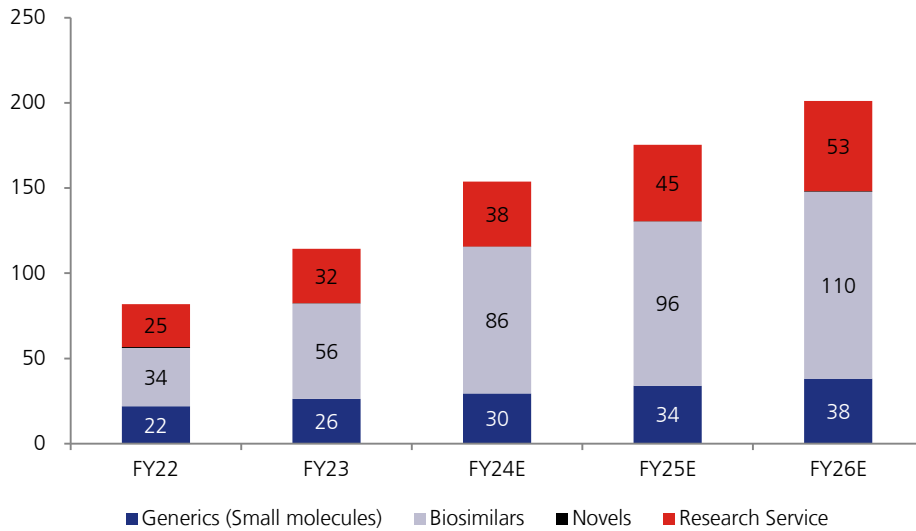
Source: Industry, JM Financial

Exhibit 17. Adalimumab volume ms



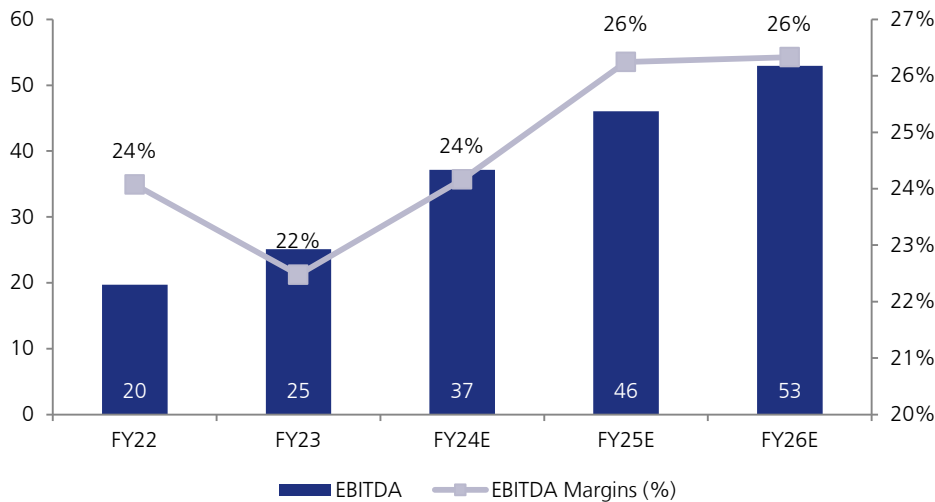
Source: Industry, JM Financial

Exhibit 18. Revenue trend



Source: Company, JM Financial; INR in bn

Exhibit 19. EBITDA

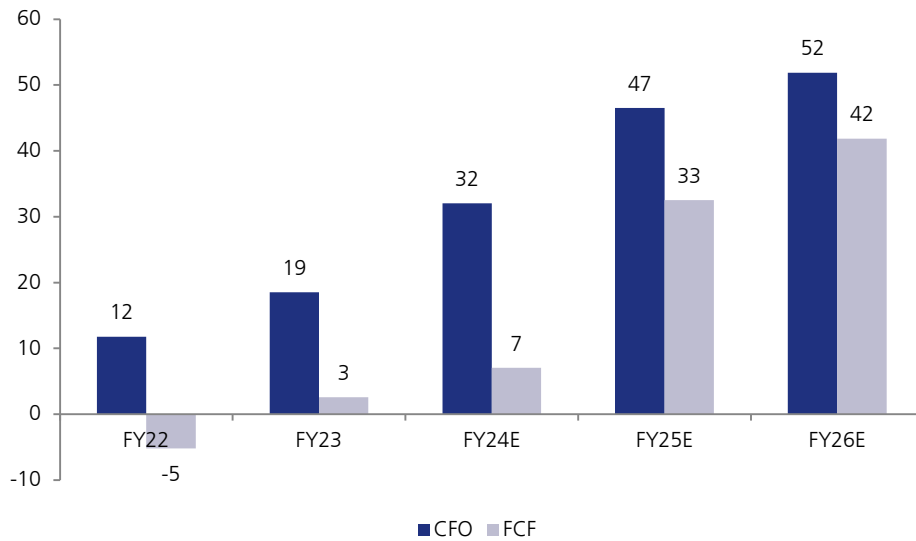


Source: Company, JM Financial; INR in bn

BIOS' net debt position as of Mar'23 was ~INR 133.4bn. BBL raised USD 1.2bn syndicated loan to fund the Viatris acquisition. This loan has tenure of 5 years with repayment starting after 30 months (i.e., FY26). The repayment of principal increases gradually. We believe BIOS is near the end of its capex cycle. For FY24, BBL has an outlay of USD 150mn primarily for insulin facility expansion (rH-insulin, Aspart, Toujeo) and USD 100mn for Generics – peptides and injectable facility at Bengaluru. Syngene has already acquired the Stelis facility. Overall, we feel the capex cycle will be nearly complete in 2-3 years and after payment of deferred consideration to Viatris, FCFF visibility is high w.e.f. FY26. This, in our view, should be adequate for debt repayment. As alluded to by the management, we have factored in USD 200mn fundraise in FY24.

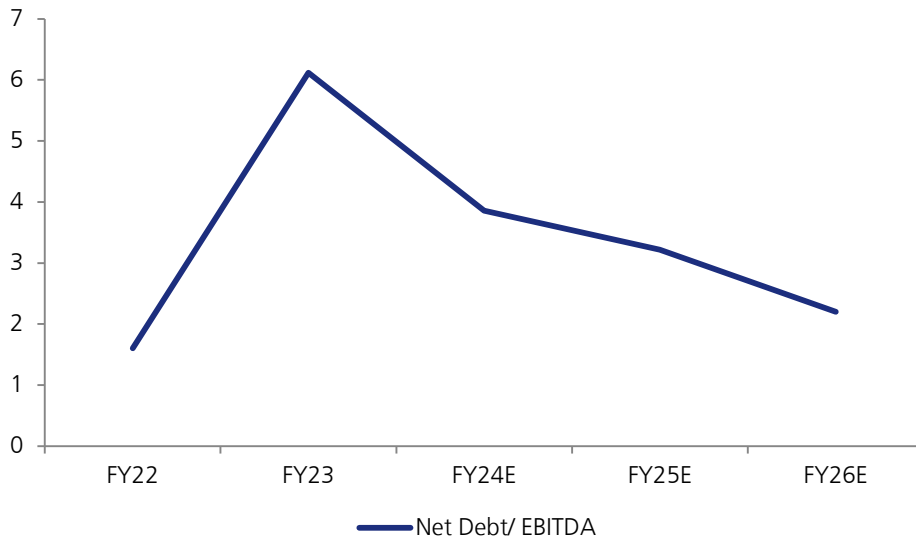
Other key financial aspects: For the period 29th Nov'22 to 31st Mar'23, acquired business contributed revenue of INR 22bn and PBDIT of INR 4bn. BBL has recorded contingent consideration receivable from Viatris of INR 10.25bn. The receipt of this is contingent on the value of conversion of CCPS (should not be less than <\$1bn).

Exhibit 20. CFO and FCF



Source: Company, JM Financial

Exhibit 21. Net Debt/EBITDA



Source: Company, JM Financial

Exhibit 22. Malaysia subsidiary financials – Insulin franchise has been growing well

Biocon Malaysia (in RM mn)	FY19	FY20	FY21	FY22	FY23
Revenue	174	158	300	438	701
EBITDA	31	-47	15	111	294
PAT	-67	-169	-131	-61	103

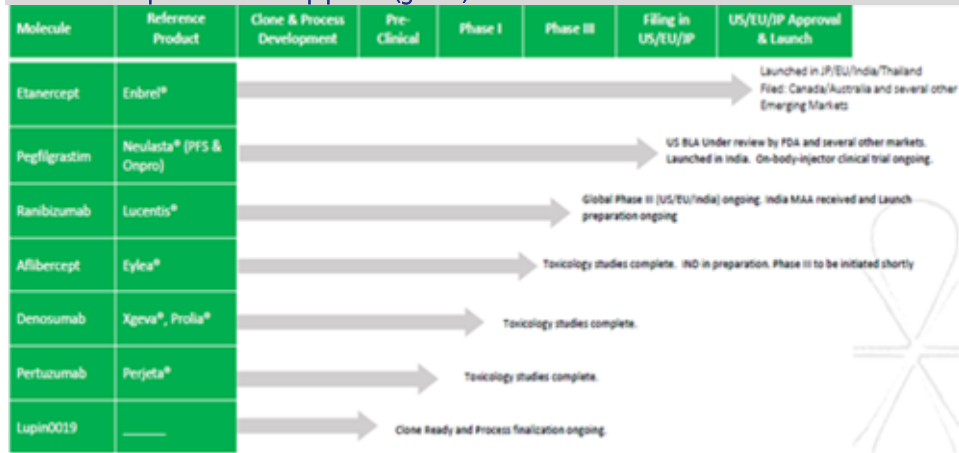
Source: Company, JM Financial

Exhibit 23. Dr Reddy's US biosimilar pipeline

Biosimilars	Innovator	US Sales CY2022
Pegfilgrastim	Amgen	959
Rituximab	Roche	1,379
Tocilizumab	Roche	1,253
Abatacept	BMS	2,638

Source: Company, JM Financial

Exhibit 24. Lupin's biosimilar pipeline (global)



Source: Company

Exhibit 25. Coherus pipeline

Innovative Immuno-Oncology Pipeline							Pivotal Clinical Trials	Near-Term Catalysts
Candidate	Target	Proposed Indication	Preclinical	Phase 1	Phase 2			
TORIPALIMAB*	PD-1	Nasopharyngeal Carcinoma (1L combo with chemo) Nasopharyngeal Carcinoma (2L/3L monotherapy)	Completed	Completed	Completed	Completed	FDA Approval Decision Q3 2023	
SRF388**	IL-27	Hepatocellular Carcinoma Non-Small Cell Lung Cancer	Completed	Completed	Completed	Completed	SRF338 Monotherapy Data – Q4 2023 HCC Triplet Combo Data – Q1 2024	
CHS-006*	TIGIT	Solid Tumors Dose Exploration only Expansion phase gated	Completed	Completed	Completed	Completed	First Patient Dosed – Q2 2023	
SRF114**	CCR8	Solid Tumors including Head & Neck Cancer	Completed	Completed	Completed	Completed	SRF114 Phase 1 Data – H1 2024	
CHS-1000	ILT4	Solid Tumors (in combination with toripalimab)	Completed	Completed	Completed	Completed	IND Filing Q4 2023	

Source: Company

Exhibit 26. Celltrion pipeline

Indication	Pipeline	Global Market Size	R&D Status	
			US	EU
Autoimmune Diseases	Remsima[®] SC	-	BLA Submitted (Dec. 2023)	Approved
	Yuflyma[®] adalimumab	\$34.8bn	Approved	
	CT-P43(bSTELARA[®])	\$17.7bn	BLA Submitted (Jun. 2023)	MAA Submitted (May 2023)
	CT-P47(bACTEMRA [®])	\$2.8bn	In Clinical Phase III	
AMD ¹⁾	CT-P42(bEYLEA[®])	\$9.6bn	BLA Submitted (Jun. 2023)	Preparing MAA
Asthma, CIU ²⁾	CT-P39(bXOLAIR[®])	\$3.8bn	Preparing BLA	MAA Submitted (Apr. 2023)
Osteoporosis	CT-P41(bPROLIA [®])	\$6.2bn	In Clinical Phase III	
Multiple Sclerosis	CT-P53(bOCREVUS [®])	\$6.7bn	In Clinical Phase III	

* Source: IQVIA, Regeneron(Eylea)

Source: Company

Exhibit 27. Each molecule typically has 2-3 biosimilars

TA	Oncology			Supportive Care			Immunology			Endocrinology	Ophthalmology
Molecule	Trastuzumab	Bevacizumab	Rituximab	Filgrastim	Pegfilgrastim	Epoetin alfa	Infliximab	Adalimumab	Etanercept	Insulin Glargine	Ranibizumab
Reference Product	Herceptin Roche 1998	Avastin Roche 2004	Rituxan Genentech&Biogen 1997	Neupogen Amgen 1991	Neulasta Amgen 2002	Epogen/Procrit Amgen 1989	Remicade Janssen 1998	Humira AbbVie 2002	Enbrel Amgen 2003	Lantus Sanofi 2000	Lucentis Novartis 2006
Biosimilar	Ogivri Mylan 2017	Mvasi Amgen 2017	Truxima Celltrion&Teva 2018	Zarxio Sandoz 2015	Fulphila Mylan 2018	Retacrit Hospira&Pfizer 2018	Infectra Celltrion&Pfizer 2016	Amjevita Amgen 2016	Erelzi Sandoz 2016	Semglee Mylan 2021	Byooviz Samsung Bioepis & Bogen 2021
	Herzuma Celltrion&Teva 2018	Zirabev Pfizer 2019	Ruxience Pfizer 2019	Nivestym Hospira&Pfizer 2018	Udenyca Coherus 2018		Renflexis Samsung Bioepis & Organo 2017	Cyltezo Boehringer Ingelheim 2017	Eticovo Samsung Bioepis 2019	Rezvoglar Eli Lilly 2021	Cimerli Coherus 2022
	Ontruzant Samsung Bioepis&Organo 2019	Almysys Amneal 2022	Riabni Amgen 2020	Releuko Amneal&Kashiv 2022	Ziextenzo Sandoz 2019		Avsola Amgen 2019	Hyrimoz Sandoz 2018			
	Trazimera Pfizer 2019	Vegzelma Celltrion 2022			Nyvepria Hospira&Pfizer 2020		ixifi Pfizer 2017	Hadlima Samsung Bioepis&Organo 2019			
	Kanjinti Amgen 2019				Stimufend Fresenius Kabi 2022			Hulio Mylan 2020			
				Fylmetra Amneal&Kashiv 2022			Yuzimry Coherus 2021				
							Idacio Fresenius Kabi 2022				
							Yuflyma Celltrion 2023				
							Abrilada Pfizer 2019				

■ Launched ■ Not launched □ Updated brand vs. last report

FDA: Food and Drug Administration; TA: Therapeutic area

Source: Industry

Financial Tables (Consolidated)

Income Statement		(INR mn)				
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
Net Sales	81,840	1,11,742	1,53,728	1,75,413	2,01,079	
Sales Growth	14.6%	36.5%	37.6%	14.1%	14.6%	
Other Operating Income	0	0	0	0	0	
Total Revenue	81,840	1,11,742	1,53,728	1,75,413	2,01,079	
Cost of Goods Sold/Op. Exp	27,184	36,631	51,499	57,886	66,356	
Personnel Cost	18,801	21,810	24,289	26,663	30,564	
Other Expenses	14,967	16,994	26,902	29,820	34,183	
EBITDA	19,702	25,117	37,150	46,036	52,946	
EBITDA Margin	24.1%	22.5%	24.2%	26.2%	26.3%	
EBITDA Growth	19.2%	27.5%	47.9%	23.9%	15.0%	
Depn. & Amort.	8,142	11,131	14,737	16,039	16,506	
EBIT	11,560	13,986	22,413	29,997	36,440	
Other Income	2,127	3,759	3,689	5,087	6,032	
Finance Cost	676	4,190	9,326	8,553	7,213	
PBT before Excep. & Forex	13,011	13,555	16,776	26,531	35,259	
Excep. & Forex Inc./Loss(-)	-1,111	-2,914	0	0	0	
PBT	11,900	10,641	16,776	26,531	35,259	
Taxes	2,115	2,541	3,355	5,571	8,110	
Extraordinary Inc./Loss(-)	0	0	0	0	0	
Assoc. Profit/Min. Int.(-)	-837	133	2,700	3,200	4,900	
Reported Net Profit	6,484	4,627	9,721	16,759	22,850	
Adjusted Net Profit	7,595	7,541	9,721	16,759	22,850	
Net Margin	9.3%	6.7%	6.3%	9.6%	11.4%	
Diluted Share Cap. (mn)	1,200.6	1,200.6	1,200.6	1,200.6	1,200.6	
Diluted EPS (INR)	6.3	6.3	8.1	14.0	19.0	
Diluted EPS Growth	4.3%	-0.7%	28.9%	72.4%	36.3%	
Total Dividend + Tax	600	1,801	1,801	0	1,801	
Dividend Per Share (INR)	0.5	1.5	1.5	0.0	1.5	

Source: Company, JM Financial

Cash Flow Statement		(INR mn)				
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
Profit before Tax	9,831	8,971	16,276	26,031	35,559	
Depn. & Amort.	8,142	11,131	14,737	16,039	16,506	
Net Interest Exp. / Inc. (-)	-445	3,066	9,326	8,553	7,213	
Inc (-) / Dec in WCap.	-7,895	-5,010	-4,947	1,450	701	
Others	4,753	2,653	0	0	0	
Taxes Paid	-2,620	-2,286	-3,355	-5,571	-8,110	
Operating Cash Flow	11,766	18,525	32,037	46,502	51,870	
Capex	-19,227	-1,80,344	-26,500	-42,940	-11,000	
Free Cash Flow	-7,461	-1,61,819	5,537	3,562	40,870	
Inc (-) / Dec in Investments	1,640	1,58,464	0	0	0	
Others	596	1,233	0	0	0	
Investing Cash Flow	-16,991	-20,647	-26,500	-42,940	-11,000	
Inc / Dec (-) in Capital	0	0	0	0	0	
Dividend + Tax thereon	0	-718	-1,801	0	-1,801	
Inc / Dec (-) in Loans	3,517	1,36,061	11,000	-5,000	-29,000	
Others	-1,096	-4,856	-9,326	-8,553	-7,213	
Financing Cash Flow	2,421	1,30,487	-127	-13,553	-38,014	
Inc / Dec (-) in Cash	-2,771	6,411	5,410	-9,991	2,856	
Opening Cash Balance	9,401	6,824	13,235	18,645	8,653	
Closing Cash Balance	6,630	13,235	18,645	8,653	11,509	

Source: Company, JM Financial

Balance Sheet		(INR mn)				
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
Shareholders' Fund	84,325	1,78,669	2,02,589	2,19,348	2,40,397	
Share Capital	6,003	6,003	6,003	6,003	6,003	
Reserves & Surplus	78,322	1,72,666	1,96,586	2,13,345	2,34,394	
Preference Share Capital	0	0	0	0	0	
Minority Interest	10,375	46,219	49,419	53,119	57,719	
Total Loans	49,040	1,77,707	1,72,707	1,67,707	1,38,707	
Def. Tax Liab. / Assets (-)	-5,545	-2,735	-2,735	-2,735	-2,735	
Total - Equity & Liab.	1,38,195	3,99,860	4,21,980	4,37,439	4,34,088	
Net Fixed Assets	1,04,201	3,66,643	3,78,406	4,05,307	3,99,801	
Gross Fixed Assets	99,240	1,23,512	1,48,512	1,62,512	1,72,512	
Intangible Assets	17,126	2,75,469	2,76,969	3,05,909	3,06,909	
Less: Depn. & Amort.	46,368	58,213	72,950	88,989	1,05,495	
Capital WIP	34,203	25,875	25,875	25,875	25,875	
Investments	15,799	19,310	19,310	19,310	19,310	
Current Assets	77,872	1,27,922	1,27,142	1,21,111	1,28,970	
Inventories	22,982	42,437	35,800	37,486	38,563	
Sundry Debtors	20,582	35,732	33,694	36,044	38,563	
Cash & Bank Balances	17,475	24,001	29,411	19,419	22,275	
Loans & Advances	1,894	704	704	704	704	
Other Current Assets	14,939	25,048	27,534	27,459	28,865	
Current Liab. & Prov.	59,677	1,14,015	1,02,878	1,08,289	1,13,993	
Current Liabilities	45,620	91,276	86,718	91,093	95,985	
Provisions & Others	14,057	22,739	16,160	17,196	18,008	
Net Current Assets	18,195	13,907	24,264	12,822	14,977	
Total - Assets	1,38,195	3,99,860	4,21,980	4,37,439	4,34,088	

Source: Company, JM Financial

Dupont Analysis						
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
Net Margin	9.3%	6.7%	6.3%	9.6%	11.4%	
Asset Turnover (x)	0.5	0.4	0.3	0.4	0.4	
Leverage Factor (x)	2.1	2.4	2.5	2.3	2.2	
RoE	9.5%	5.7%	5.1%	7.9%	9.9%	

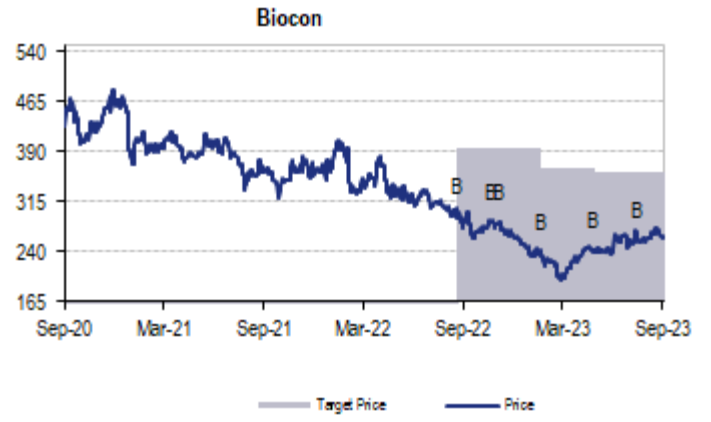
Key Ratios						
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
BV/Share (INR)	70.2	148.8	168.7	182.7	200.2	
ROIC	7.3%	3.8%	4.2%	5.3%	6.2%	
ROE	9.5%	5.7%	5.1%	7.9%	9.9%	
Net Debt/Equity (x)	0.2	0.8	0.6	0.6	0.4	
P/E (x)	41.4	41.7	32.4	18.8	13.8	
P/B (x)	3.7	1.8	1.6	1.4	1.3	
EV/EBITDA (x)	17.5	20.0	13.3	10.9	9.0	
EV/Sales (x)	4.2	4.5	3.2	2.9	2.4	
Debtor days	92	117	80	75	70	
Inventory days	102	139	85	78	70	
Creditor days	94	168	110	112	110	

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
16-Sep-22	Buy	395	
15-Nov-22	Buy	395	0.0
30-Nov-22	Buy	395	0.0
15-Feb-23	Buy	365	-7.6
24-May-23	Buy	360	-1.4
12-Aug-23	Buy	360	0.0

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

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Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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