

Generics lead the way in Q4, Biosimilars to drive the future

Biocon has far exceeded street's expectations, delivering a strong performance across all key parameters - 13%/18%/100+% YoY growth in Revenue/EBITDA/Adj. PAT. It was 7%/16%/+64% above street consensus. Generics' outperformance with 46% YoY growth, enabled by new launches, played a key role in company's exemplary performance. Research service segment has grown 11% YoY, riding on the tailwind of Biotech funding revival. Biosimilars too maintained growth momentum with 4.5% YoY growth during the quarter. Going into FY26, Biocon has 3-4 biosimilars' launches lined up, providing clarity on growth over near to medium term. The incremental revenue from these launches will lead to EBITDA margin expansion over the next 3 years. We estimate Biocon Revenue/EBITDA/PAT to grow at 13%/21%/35% CAGR over FY25-28E. Improved cashflows from these opportunities, planned restructuring and fund raise in the business is also likely to improved debt burden on the company (not factored in), helping delivering higher than estimated earnings growth over next 3 years. Thus, we remain positive on the stock and maintain a BUY rating. We have rolled over the target horizon by a quarter leading to a 12% upwards movement in TP. Based on a SOTP valuation, we set a target price of INR 447, implying a 35.5% upside.

- Strong generic outperformance riding on new launches:** 4Q was historically the strongest for generic segment with 46% YoY and 53% QoQ growth. This was enabled by new launches, namely gRevlimid, gDasatanib in US and gLiraglutide in UK. Large part of volume share in gRevlimid has already been complete, with guidance of remaining year being lumpy for the product. The company also initiated supplies of Tacrolimus to China, with partner expected to initiate commercialization in Q1FY26. Adjusted for these incremental sales, we believe there was 4 to 5% YoY revenue growth. The company gave guidance of USD 50mn CAPEX for generics in FY26.
- GLP-1 to drive growth for generics going ahead:** The company believes that the peptide portfolio, especially GLP-1s are going to be one of the key drivers for future growth. The company intends to cater to the emerging markets, representing opportunities which have been overlooked by the innovators. In the near term, volumes will be driven by Liraglutide in the advanced markets and Semaglutide in the emerging markets. Biocon has already invested in large-scale drug substance capacity of GLP-1s, which was capitalized in FY25 thus leading to increased expenses. Biocon is also commissioning a new injectable GLP-1 facility FY26. The management indicated that the existing capacity will sustain till 2031, when Semaglutide expiry in US and Europe opens up new markets.
- Insulin aspirations:** Insulin represents a large opportunity due to Innovators pulling out of numerous geographies. Biocon has laid down USD 100mn capex plan for BBL over next couple of years. Majority of this is towards enhancing the capacities in Malaysia, effectively doubling the drug substance capacity from current levels. Apart from innovators, Biocon would be one of the largest insulin manufacturers globally. Biocon intends to play the "Diabetes" (Diabetes + Obesity) market with presence in both Insulin and GLP-1s.

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Recommendation and Price Target

| | |
|----------------------------|-------|
| Current Reco. | BUY |
| Previous Reco. | BUY |
| Current Price Target (12M) | 447 |
| Upside/(Downside) | 35.5% |
| Previous Price Target | 400 |
| Change | 11.8% |

Key Data – BIOS IN

| | |
|--------------------------|-------------------|
| Current Market Price | INR330 |
| Market cap (bn) | INR396.1/US\$4.6 |
| Free Float | 32% |
| Shares in issue (mn) | 1,200.6 |
| Diluted share (mn) | 1,200.6 |
| 3-mon avg daily val (mn) | INR992.9/US\$11.6 |
| 52-week range | 405/270 |
| Sensex/Nifty | 79,454/24,008 |
| INR/US\$ | 85.4 |

Price Performance

| % | 1M | 6M | 12M |
|-----------|------|------|------|
| Absolute | 4.2 | -5.4 | 8.5 |
| Relative* | -1.4 | -6.3 | -0.8 |

* To the BSE Sensex

Financial Summary

| Y/E March | FY24A | FY25A | FY26E | FY27E | FY28E |
|------------------------|----------|----------|----------|----------|----------|
| Net Sales | 1,47,557 | 1,52,617 | 1,65,682 | 1,91,491 | 2,19,154 |
| Sales Growth (%) | 32.1 | 3.4 | 8.6 | 15.6 | 14.4 |
| EBITDA | 32,987 | 31,663 | 39,205 | 47,057 | 55,800 |
| EBITDA Margin (%) | 22.4 | 20.7 | 23.7 | 24.6 | 25.5 |
| Adjusted Net Profit | 10,341 | 9,168 | 9,557 | 15,137 | 22,465 |
| Diluted EPS (INR) | 8.6 | 7.6 | 8.0 | 12.6 | 18.7 |
| Diluted EPS Growth (%) | 37.1 | -11.3 | 4.2 | 58.4 | 48.4 |
| ROIC (%) | 3.6 | 2.6 | 4.0 | 5.2 | 6.5 |
| ROE (%) | 5.5 | 4.4 | 4.3 | 6.5 | 8.9 |
| P/E (x) | 38.3 | 43.2 | 41.5 | 26.2 | 17.6 |
| P/B (x) | 2.0 | 1.8 | 1.8 | 1.6 | 1.5 |
| EV/EBITDA (x) | 17.7 | 18.6 | 14.9 | 12.0 | 9.6 |
| Dividend Yield (%) | 0.2 | 0.2 | 0.0 | 0.0 | 0.0 |

Source: Company data, JM Financial. Note: Valuations as of 09/May/2025

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.

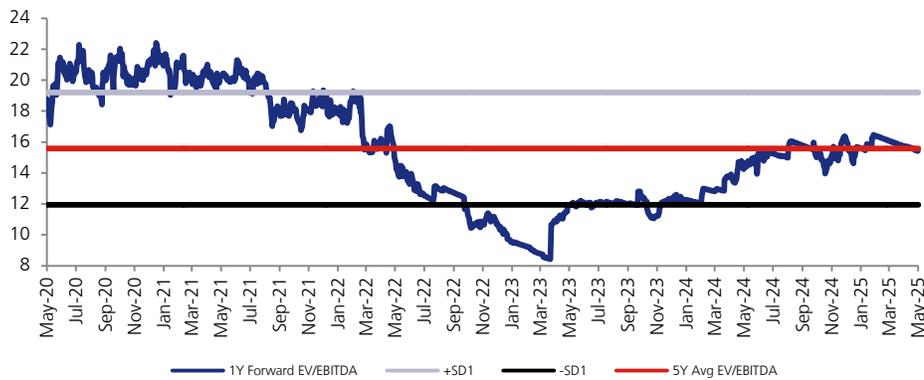
- **Research services shows green shoots:** Segmental revenue grew 11% YoY and 8% QoQ. With the Biotech funding revival remaining intact, the company expects 4Q exit double digit growth in base discovery business to continue. The Baltimore facility is expected to commercialize from 2HFY26. This facility gives Biocon strategic footprint and helps the company to be located closer to the clients, thereby improving resiliency of supply chain for the customers.
- **Key product launches – driver for future growth:** Biocon's recently launched bStelara has access to 70% of market in the US and Biocon is expecting it to be one of the most successful launches for the company with innovator losing most of its coverage by Jan 2026. Fulphila/Ogivri are now at 30%/26% market share. Biocon is also ramping up Bevacizumab and is targeting for 1HFY26 launch. For Aflibercept, Biocon will enter the Canada market (first to enter) in July 2025, and the US market in 2026. Biocon has already received positive opinion from the EMA for Denosumab, with approval expected in couple of months; USFDA approval is expected by the end of the year. Aspart is awaiting approval; the same is expected in 1HFY26. Biocon is also expecting approval for generic Copaxone in the US. All these launches will drive future growth and will come with higher Gross Margins relative to base business, which along with operating leverage will lead to upward movement in EBITDA margins.
- **Biologics:** Fulphila and Ogivri are now enjoying 30% and 26% market share. Fulphila has benefitted from exit of a competitor. Yesintek too has been doing well. The company is well positioned to take advantage of diabetes/obesity with insulins + GLP-1 capabilities. Core EBITDA of the segment has been impacted by some pricing pressure, however new launches will help turn this around.
- **Key financials:**
 - Biocon's Revenue /EBITDA/Adj. PAT for the quarter were INR 44.2bn/10.8bn/3.3bn grew 13%/18%/100+% YoY; were 14%/44%/+77% vs JMFe and 7%/16%/+64% vs street consensus;
 - The outperformance in topline is driven by Generics business growing 46% YoY and 53% QoQ.
 - The company had launched gRevlimed and gDasatinib in the US during the quarter, and it helped them to report strong jump in both revenue as well as profits. Since the launches were at fag end of the quarter, our expectations were lower. Adjusted for these incremental sales, the Topline and EBITDA numbers are more aligned with JMFe.
 - Gross Margins come in at 66.7% (vs 67.3% JMFe);
 - EBITDA margins at 24.4% (vs 19.4% JMFe), expansion due to operating leverage partially offset by higher than anticipate gross cost;
 - Adj. PAT margin of INR 3.25 bn (vs INR 1.84bn/1.98bn JMFe/Street).

Exhibit 1. SOTP Valuation

| | Jun'27 EBITDA | % | Gross Multiple | Valuation |
|--|---------------|------|----------------|-----------------|
| Generics | 7,252 | 100% | 14 | 1,01,531 |
| Syngene | 16,008 | 52% | 30 | 2,49,717 |
| Biocon Biologics | 27,174 | 73% | 21 | 4,16,575 |
| EV | | | | 7,67,824 |
| Less: Holding Co. Discount for BBL and Syngene (20%) | | | | 1,33,258 |
| Less: Net Debt | | | | 1,27,282 |
| Equity Valuation | | | | 5,07,283 |
| No. of Shares | | | | 1,201 |
| TP | | | | 423 |
| bAflibercept NPV | | | | 25 |
| TP | | | | 447 |

Source: JM Financial

Exhibit 2. Available at reasonable valuation



Source: Bloomberg

Exhibit 3. 4QFY25 Review

| Biocon – P&L (INR mn) | 4Q24A | 4Q25A | % YoY | 4Q25E | % change | 4Q25E (cons) | % change | 3Q25A | % QoQ |
|---|---------------|---------------|---------------|---------------|-----------------|---------------|-----------------|---------------|----------------|
| Net Sales | 39,171 | 44,170 | 12.8% | 38,685 | 14.2% | | | 38,214 | 15.6% |
| Other op income | 0 | 0 | | 0 | | | | 0 | |
| Revenue | 39,171 | 44,170 | 12.8% | 38,685 | 14.2% | 41,334 | 7% | 38,214 | 15.6% |
| Raw Material/FG | 14,777 | 14,729 | -0.3% | 12,632 | 16.6% | | | 13,593 | 8.4% |
| Gross Profit | 24,394 | 29,441 | 20.7% | 26,053 | 13.0% | | | 24,621 | 19.6% |
| - % of revenue | 62.3% | 66.7% | 438 bps | 67.3% | | | | 64.4% | 222 bps |
| Adj. Gross Profit | 24,394 | 29,441 | 20.7% | 26,053 | | | | 24,621 | 19.6% |
| - % of revenue | 62.3% | 66.7% | 438 bps | 67.3% | | | | 64.4% | 222 bps |
| Staff Cost | 7,416 | 8,111 | 9.4% | 8,300 | -2.3% | | | 7,883 | 2.9% |
| Other expenses | 9,301 | 10,548 | 13.4% | 10,251 | 2.9% | | | 9,220 | 14.4% |
| EBITDA | 9,159 | 10,782 | 17.7% | 7,502 | 43.7% | 9,331 | 16% | 7,518 | 43.4% |
| EBITDA (%) | 23.4% | 24.4% | 103 bps | 19.4% | 502 bps | 22.6% | 184 bps | 19.7% | 474 bps |
| Adj. EBITDA | 9,159 | 10,782 | 17.7% | 7,502 | 43.7% | 9,331 | 16% | 7,447 | 44.8% |
| Adj. EBITDA (%) | 23.4% | 24.4% | 103 bps | 19.4% | 502 bps | 22.6% | 184 bps | 19.5% | 492 bps |
| Other Income | 486 | 369 | -24.1% | 1,498 | -75% | | | 348 | 6.0% |
| Interest | 2,270 | 2,124 | -6.4% | 2,288 | -7% | | | 2,234 | -4.9% |
| Depreciation | 4,070 | 4,363 | 7.2% | 4,203 | 4% | | | 4,254 | 2.6% |
| Add: Share of profit/(loss) of Associates | -27 | 0 | | 0 | | | | 0 | |
| Exceptional items | -88 | 204 | 100+% | 0 | | | | 181 | 12.7% |
| PBT | 3,278 | 4,664 | 42.3% | 2,509 | 85.9% | | | 1,378 | 238.5% |
| Tax | 961 | 274 | -71.5% | 99 | 176.6% | | | 748 | |
| Tax Rate (%) | 29.3% | 5.9% | | 3.9% | | | | 54.3% | |
| Minority Interest | 874 | 1,149 | | 567 | | | | 560 | |
| PAT (Reported) | 1,355 | 3,445 | 154.2% | 1,843 | | | | 251 | 1272.5% |
| PAT Margin (%) | 3.5% | 7.8% | | 4.8% | | | | 0.7% | |
| Adjusted PAT | 1,417 | 3,253 | 129.5% | 1,843 | 76.5% | 1,980 | 64% | 130 | 2402.3% |
| Adjusted PAT Margin (%) | 3.6% | 7.4% | | 4.8% | | | | | |
| Biocon - Cost margins | 4Q24A | 4Q25A | % YoY | 4Q25E | % change | | | 3Q25A | % QoQ |
| Raw material cost/sales | 37.7% | 33.3% | -438 bps | 33% | 69 bps | | | 35.6% | -222 bps |
| Staff cost/sales | 18.9% | 18.4% | -57 bps | 21% | -309 bps | | | 20.6% | -227 bps |
| Other expenditure/sales | 23.7% | 23.9% | 14 bps | 26% | -262 bps | | | 24.1% | -25 bps |
| Biocon - Segmental Revenue | 4Q24A | 4Q25A | % YoY | 4Q25E | % change | | % change | 3Q25A | % QoQ |
| Generics | 7,190 | 10,475 | 45.7% | 7037 | 48.8% | | | 6,860 | 52.7% |
| Biosimilars | 23,580 | 24,634 | 4.5% | 21,822 | 12.9% | | | 22,890 | 7.6% |
| Novel Biologics | 0 | 0 | | 0 | | | | 0 | |
| Research services | 9,170 | 10,180 | 11.0% | 10,594 | -3.9% | | | 9,440 | 7.8% |
| Less: Inter-segmental revenue | -760 | -1,119 | 47.2% | -755 | | | | -980 | 14.2% |

Source: Company, JM Financial, Bloomberg

Key takeaways from concall

Biologics segment

- Fulphila and Ogivri now at 30% and 26% market share. Fulphila benefitted from exit of a competitor
- Yesintek doing well
- The company is well positioned to take advantage of diabetes/obesity with insulins + GLP-1
- USA is 40% of overall sales
- Core EBITDA impacted by some pricing pressure, new launches will help turn this around

Launches:

- Over 2025-2030 the company will launch 1 product per year
- Incremental GMs on new launches higher than existing portfolio

Stelara

- Expect pricing to be stable through the year.
- Management believe it will be one of the most successful launches for the company
- Onboarded with most major US payers
- By Jan'26 majority payers will not cover the innovator product. Through this year coverage for stelara will reduce
- 80% of mkt is commercial and Biocon have 100% coverage for in commercial payers
- Management expect the biosimilar market uptake to be better than Humira

Bevacizumab

- The company is ramping up and target 1H launch
- The management believe they can ramp-up this product well given their existing oncology portfolio and relationships with various stakeholders including oncologists

Aflibercept:

- Canada launch will be in July'25
- USA 2026 is a risk free launch for Biocon
- Biocon will be the first biosimilar to launch, it will be interchangeable at launch

Pegfilgrastim:

- Management of ASP and MS very important for long term success.
- A competitor had supply issues – BBL has benefitted from this.

Adalimumab: Innovator has stayed on longer than expected, hence lower share for biosimilars

Insulin:

- Large demand across geographies
- Brought online another Drug Product facility in Malaysia – this doubles capacity.
- At present, in the midst of additional capacity expansion which will 2x Drug Substance capacity.
- Apart from innovators, Biocon is the largest insulin maker.
- Insulin aspart – tied up with Civica Inc. to supply DS
- Large opportunity from exit of innovators globally

Denosumab:

- Couple of month for EMA approval
- USFDA approval end of this year

Gx segment

- Performance driven by launch of Revlimid, Dasatanib in US and lira in UK.
- Future growth driven by Glp-1
- Revlimid: Large part of volume share already complete, remaining year will be lumpy
- Copaxone: No outstanding scientific queries for product, only pending site approval, new TAD from FDA in couple of months – approval should be received then.

Liraglutide:

- Europe launch in 2Q
- TAD by USFDA in 2HCY25

GLP-1

- DS facility capitalized in 2025 – resulted in increase in expense
- New inj. GLP-1 facility in FY26. Don't need new capacity for next 2-3 years.
- Near term volumes driven by liraglutide in all advanced mkts, semaglutide in Emerging markets

Financials:

Capex:

- BBL Capex: USD 100mn for next couple of years – most of it going to Malaysia insulin
- Gx capex: USD 50mn in FY26, post which only some maintenance capex FY27 and later

R&D: Phase 3 R&D greater than other phases hence lumpy across Qtrs. 7-9% R&D guidance for whole year.

Capital raise: INR 4500 Cr. QIP + Pvt placement raise plans. First tranche expected to be complete by June. Will be used for put options exercised by investors. Will announce details in June

IPO: Due to muted IPO market outlook, the company is looking at other strategic options for fundraise. A committee has been formed to look at other options like a merger of BBL and BL

BBL WC days

- WC days ~90 days

Inventory has substantially improved. On a forward basis it is USD 280mn

- DIO (days of inventory outstanding) excess of 400days in FY24, now less than 280 days
- Net debt is USD 1.1bn - this excludes structured products

Financial Tables (Consolidated)

| Income Statement | | (INR mn) | | | | |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|--|
| Y/E March | FY24A | FY25A | FY26E | FY27E | FY28E | |
| Net Sales | 1,47,557 | 1,52,617 | 1,65,682 | 1,91,491 | 2,19,154 | |
| Sales Growth | 32.1% | 3.4% | 8.6% | 15.6% | 14.4% | |
| Other Operating Income | 0 | 0 | 0 | 0 | 0 | |
| Total Revenue | 1,47,557 | 1,52,617 | 1,65,682 | 1,91,491 | 2,19,154 | |
| Cost of Goods Sold/Op. Exp | 48,979 | 51,975 | 53,018 | 61,277 | 70,129 | |
| Personnel Cost | 26,641 | 31,444 | 34,213 | 38,298 | 43,831 | |
| Other Expenses | 27,410 | 28,945 | 28,166 | 32,171 | 35,065 | |
| EBITDA | 32,987 | 31,663 | 39,205 | 47,057 | 55,800 | |
| EBITDA Margin | 22.4% | 20.7% | 23.7% | 24.6% | 25.5% | |
| EBITDA Growth | 31.3% | -4.0% | 23.8% | 20.0% | 18.6% | |
| Depn. & Amort. | 15,688 | 16,870 | 15,601 | 16,673 | 17,745 | |
| EBIT | 17,299 | 14,793 | 23,604 | 30,384 | 38,055 | |
| Other Income | 8,655 | 12,082 | 2,817 | 3,255 | 4,383 | |
| Finance Cost | 9,744 | 8,974 | 8,978 | 8,368 | 6,988 | |
| PBT before Excep. & Forex | 16,210 | 17,901 | 17,443 | 25,272 | 35,450 | |
| Excep. & Forex Inc./Loss(-) | -116 | 965 | 0 | 0 | 0 | |
| PBT | 16,094 | 18,866 | 17,443 | 25,272 | 35,450 | |
| Taxes | 2,274 | 4,572 | 4,186 | 6,065 | 8,508 | |
| Extraordinary Inc./Loss(-) | 0 | 0 | 0 | 0 | 0 | |
| Assoc. Profit/Min. Int.(-) | 1,911 | 4,161 | 3,700 | 4,070 | 4,477 | |
| Reported Net Profit | 10,225 | 10,133 | 9,557 | 15,137 | 22,465 | |
| Adjusted Net Profit | 10,341 | 9,168 | 9,557 | 15,137 | 22,465 | |
| Net Margin | 7.0% | 6.0% | 5.8% | 7.9% | 10.3% | |
| Diluted Share Cap. (mn) | 1,200.6 | 1,200.6 | 1,200.6 | 1,200.6 | 1,200.6 | |
| Diluted EPS (INR) | 8.6 | 7.6 | 8.0 | 12.6 | 18.7 | |
| Diluted EPS Growth | 37.1% | -11.3% | 4.2% | 58.4% | 48.4% | |
| Total Dividend + Tax | 600 | 600 | 0 | 0 | 0 | |
| Dividend Per Share (INR) | 0.5 | 0.5 | 0.0 | 0.0 | 0.0 | |

Source: Company, JM Financial

| Cash Flow Statement | | (INR mn) | | | | |
|------------------------------|----------------|------------------|----------------|----------------|----------------|--|
| Y/E March | FY24A | FY25A | FY26E | FY27E | FY28E | |
| Profit before Tax | 15,252 | 18,866 | 17,443 | 25,272 | 35,450 | |
| Depn. & Amort. | 15,688 | 16,870 | 15,601 | 16,673 | 17,745 | |
| Net Interest Exp. / Inc. (-) | 8,131 | 7,887 | 8,978 | 8,368 | 6,988 | |
| Inc (-) / Dec in WCcap. | -6,352 | 9,230 | -10,408 | -1,628 | -7,492 | |
| Others | -257 | -7,645 | 0 | 0 | 0 | |
| Taxes Paid | -2,923 | -4,596 | -4,186 | -6,065 | -8,508 | |
| Operating Cash Flow | 29,539 | 40,612 | 27,427 | 42,619 | 44,183 | |
| Capex | -56,791 | -1,05,617 | -9,500 | -9,500 | -8,000 | |
| Free Cash Flow | -27,252 | -65,005 | 17,927 | 33,119 | 36,183 | |
| Inc (-) / Dec in Investments | 13,124 | 1,665 | -476 | -523 | -576 | |
| Others | 1,446 | 1,172 | 0 | 0 | 0 | |
| Investing Cash Flow | -42,221 | -1,02,780 | -9,976 | -10,023 | -8,576 | |
| Inc / Dec (-) in Capital | 0 | 0 | 0 | 0 | 0 | |
| Dividend + Tax thereon | -2,030 | -829 | 0 | 0 | 0 | |
| Inc / Dec (-) in Loans | -12,823 | 5,512 | -11,300 | -11,300 | -27,900 | |
| Others | -8,474 | -23,223 | -8,380 | -7,710 | -6,265 | |
| Financing Cash Flow | -23,327 | -18,540 | -19,680 | -19,010 | -34,165 | |
| Inc / Dec (-) in Cash | -3,804 | 20,043 | -2,229 | 13,585 | 1,443 | |
| Opening Cash Balance | 16,140 | 12,228 | 32,271 | 30,042 | 43,627 | |
| Closing Cash Balance | 12,336 | 32,271 | 30,042 | 43,627 | 45,070 | |

Source: Company, JM Financial

| Balance Sheet | | (INR mn) | | | | |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|--|
| Y/E March | FY24A | FY25A | FY26E | FY27E | FY28E | |
| Shareholders' Fund | 1,97,837 | 2,16,440 | 2,25,997 | 2,41,134 | 2,63,599 | |
| Share Capital | 6,003 | 6,003 | 6,003 | 6,003 | 6,003 | |
| Reserves & Surplus | 1,91,834 | 2,10,437 | 2,19,994 | 2,35,131 | 2,57,596 | |
| Preference Share Capital | 0 | 0 | 0 | 0 | 0 | |
| Minority Interest | 54,911 | 60,685 | 64,385 | 68,455 | 72,932 | |
| Total Loans | 1,57,296 | 1,77,555 | 1,66,255 | 1,54,955 | 1,27,055 | |
| Def. Tax Liab. / Assets (-) | -3,387 | -2,706 | -2,706 | -2,706 | -2,706 | |
| Total - Equity & Liab. | 4,06,657 | 4,51,974 | 4,53,931 | 4,61,838 | 4,60,880 | |
| Net Fixed Assets | 3,80,624 | 3,98,675 | 3,92,574 | 3,85,401 | 3,75,656 | |
| Gross Fixed Assets | 1,35,512 | 1,56,878 | 1,71,878 | 1,86,878 | 2,01,878 | |
| Intangible Assets | 2,77,739 | 2,87,894 | 2,82,394 | 2,76,894 | 2,69,894 | |
| Less: Depn. & Amort. | 72,479 | 87,114 | 1,02,715 | 1,19,388 | 1,37,133 | |
| Capital WIP | 39,852 | 41,017 | 41,017 | 41,017 | 41,017 | |
| Investments | 20,248 | 20,201 | 11,270 | 11,270 | 11,270 | |
| Current Assets | 1,52,533 | 1,62,814 | 1,82,755 | 2,08,349 | 2,30,012 | |
| Inventories | 49,439 | 49,311 | 52,201 | 57,710 | 66,046 | |
| Sundry Debtors | 62,306 | 54,879 | 63,549 | 68,202 | 78,055 | |
| Cash & Bank Balances | 12,336 | 32,271 | 38,973 | 52,558 | 54,001 | |
| Loans & Advances | 1,384 | 964 | 964 | 964 | 964 | |
| Other Current Assets | 27,068 | 25,389 | 27,068 | 28,915 | 30,946 | |
| Current Liab. & Prov. | 1,46,748 | 1,29,716 | 1,32,669 | 1,43,183 | 1,56,059 | |
| Current Liabilities | 81,476 | 1,02,758 | 1,04,425 | 1,13,525 | 1,24,846 | |
| Provisions & Others | 65,272 | 26,958 | 28,244 | 29,658 | 31,213 | |
| Net Current Assets | 5,785 | 33,098 | 50,087 | 65,166 | 73,953 | |
| Total - Assets | 4,06,657 | 4,51,974 | 4,53,931 | 4,61,838 | 4,60,880 | |

Source: Company, JM Financial

| Dupont Analysis | | | | | | |
|---------------------|-------|-------|-------|-------|-------|--|
| Y/E March | FY24A | FY25A | FY26E | FY27E | FY28E | |
| Net Margin | 7.0% | 6.0% | 5.8% | 7.9% | 10.3% | |
| Asset Turnover (x) | 0.3 | 0.3 | 0.3 | 0.4 | 0.4 | |
| Leverage Factor (x) | 2.4 | 2.3 | 2.3 | 2.2 | 2.0 | |
| RoE | 5.5% | 4.4% | 4.3% | 6.5% | 8.9% | |

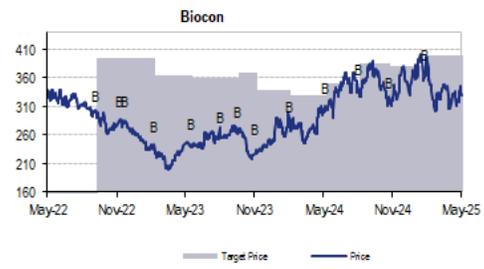
| Key Ratios | | | | | | |
|---------------------|-------|-------|-------|-------|-------|--|
| Y/E March | FY24A | FY25A | FY26E | FY27E | FY28E | |
| BV/Share (INR) | 164.8 | 180.3 | 188.2 | 200.8 | 219.6 | |
| ROIC | 3.6% | 2.6% | 4.0% | 5.2% | 6.5% | |
| ROE | 5.5% | 4.4% | 4.3% | 6.5% | 8.9% | |
| Net Debt/Equity (x) | 0.7 | 0.6 | 0.5 | 0.4 | 0.3 | |
| P/E (x) | 38.3 | 43.2 | 41.5 | 26.2 | 17.6 | |
| P/B (x) | 2.0 | 1.8 | 1.8 | 1.6 | 1.5 | |
| EV/EBITDA (x) | 17.7 | 18.6 | 14.9 | 12.0 | 9.6 | |
| EV/Sales (x) | 3.9 | 3.9 | 3.5 | 2.9 | 2.5 | |
| Debtor days | 154 | 131 | 140 | 130 | 130 | |
| Inventory days | 122 | 118 | 115 | 110 | 110 | |
| Creditor days | 200 | 198 | 193 | 191 | 193 | |

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 |
| 27-Sep-23 | Buy | 370 | 2.8 |
| 12-Nov-23 | Buy | 340 | -8.1 |
| 11-Feb-24 | Buy | 330 | -2.9 |
| 16-May-24 | Buy | 350 | 6.1 |
| 12-Aug-24 | Buy | 385 | 10.0 |
| 31-Oct-24 | Buy | 380 | -1.3 |
| 3-Feb-25 | Buy | 400 | 5.3 |
| 12-May-25 | Buy | 447 | 11.8 |

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

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

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

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Compliance Officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: sahil.salastekar@jmfl.com

Grievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: instcompliance@jmfl.com

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

| Definition of ratings | |
|-----------------------|---|
| 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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