

Estimate change	↔
TP change	↓
Rating change	↔

**CMP: INR981**      **TP: INR1,000 (+2%)**      **Neutral**

## US, emerging markets drive earnings

### Confident to deliver high-single-digit YoY growth in US sales in FY26

Bloomberg	ZYDUSLIF IN
Equity Shares (m)	1006
M.Cap.(INRb)/(USDb)	983.1 / 11.2
52-Week Range (INR)	1324 / 754
1, 6, 12 Rel. Per (%)	1/-19/20
12M Avg Val (INR M)	0

### Financials & Valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	228.5	250.6	258.2
EBITDA	66.7	73.1	65.1
Adj. PAT	44.8	49.2	43.4
EBIT Margin (%)	25.2	25.4	21.4
Cons. Adj. EPS (INR)	44.5	48.9	43.1
EPS Gr. (%)	18.3	9.8	-11.8
BV/Sh. (INR)	252.6	294.4	330.4

### Ratios

Net D:E	-0.1	-0.3	-0.4
RoE (%)	19.8	17.9	13.8
RoCE (%)	18.6	16.7	13.0
Payout (%)	13.0	11.9	13.5

### Valuations

P/E (x)	22.0	20.1	22.7
EV/EBITDA (x)	14.2	12.4	13.4
Div. Yield (%)	0.6	0.6	0.6
FCF Yield (%)	3.2	4.7	4.6
EV/Sales (x)	4.1	3.6	3.4

### Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	75.0	75.0	75.0
DII	10.7	10.7	13.0
FII	7.5	7.5	5.0
Others	6.8	6.9	7.0

FII Includes depository receipts

Zyduslife Sciences (ZYDUSLIF) delivered a slight miss on operational performance for 3QFY25. While sales were largely in line with expectations, lower sales of higher-margin products led to lower-than-expected profitability for the quarter. Healthy growth momentum in US sales and superior performance in the consumer segment amid muted industry-level growth were offset partly by moderate growth in the domestic formulation (DF) segment. ZYDUSLIF has enhanced its offerings in the consumer wellness segment by foraying into the consumer snacking space.

We largely maintain our estimates for FY25/FY26/FY27. We value ZYDUSLIF at 22x 12M forward earnings to arrive at a TP of INR1,000.

ZYDUSLIF is implementing efforts toward: a) building an innovative pipeline in NCE, biotech, 505b2 space; b) enhancing its generics pipeline for growth beyond g-Revlimid; c) increasing its presence in chronic therapy in DF business; and d) recovery in consumer wellness segment. However, we believe that the current valuation provides limited upside, hence we maintain Neutral on the stock.

### Product mix benefit more than offset by higher R&D spend on YoY basis

Sales grew 17% YoY to INR52.7b (our est. INR53.5b). US sales grew 30.8% YoY (+29% YoY in CC terms) to INR24.1b (USD285m; 47% of sales). India sales (38% of sales), comprising of DF and consumer businesses, grew 6.7% YoY to INR19.5b. Within DF, branded formulations grew 5% YoY to INR15b. Consumer wellness grew by 12.9% YoY to INR4.5b. EM/EU sales grew 15.5% YoY to INR5.7b (11% of sales). API sales rose 19% YoY to INR1.7b (3% of sales).

Gross margin expanded 250bp YoY to 69.9%, due to a better product mix.

Adj. for one-time operational expenses, EBITDA margin expanded 60bp YoY to 24.7% (our est. 26.1%), led by higher R&D (up 260bp YoY as % of sales) and other expenses (up 30bp as % of sales), offset by lower employee expenses (down 90bp as % of sales).

EBITDA grew 20.2% YoY to INR13b (our est. INR14b).

Adjusting for forex gain, PAT grew 26.3% YoY to INR9.5b (our est.: INR9.1b).

In 9MFY25, revenue/EBITDA/PAT grew 19.3%/31.2%/25.1% YoY to INR167b/INR48b/INR32.7b.

### Highlights from the management commentary

ZYDUSLIF aims to maintain momentum in g-Revlimid sales in FY26. It expects high-single-digit growth in US business over the next 12-15 months.

A one-time cost related to legal/professional expenses (for acquisition), GST loss on account of inventory destruction, and other one-time expenses stood at INR950m for the quarter.

GM was lower due to the product mix, lower off-take of g-Revlimid, and competition in g-Asacol.

## Quarterly Performance (Consolidated)

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	Chg. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Net Revenues</b>	<b>51.4</b>	<b>43.7</b>	<b>45.1</b>	<b>55.3</b>	<b>62.1</b>	<b>52.4</b>	<b>52.7</b>	<b>61.4</b>	<b>195.5</b>	<b>228.5</b>	<b>53.5</b>	<b>-1.6</b>
YoY Change (%)	29.6	9.1	5.8	10.4	20.8	19.9	17.0	10.9	13.4	16.9	18.8	
Total Expenditure	36.1	33.0	34.2	39.1	41.0	38.2	39.7	42.9	142.4	161.8	39.6	
<b>EBITDA</b>	<b>15.3</b>	<b>10.6</b>	<b>10.8</b>	<b>16.3</b>	<b>21.1</b>	<b>14.2</b>	<b>13.0</b>	<b>18.5</b>	<b>53.0</b>	<b>66.7</b>	<b>14.0</b>	<b>-7.0</b>
YoY Change (%)	111.5	32.6	20.3	23.7	37.6	33.1	20.2	13.6	41.8	25.8	29.2	
Margins (%)	29.8	24.4	24.0	29.4	34.0	27.0	24.7	30.1	27.1	29.2	26.1	
Depreciation	1.8	1.8	1.9	2.1	2.2	2.3	2.3	2.4	7.6	9.2	2.4	
<b>EBIT</b>	<b>13.5</b>	<b>8.8</b>	<b>8.9</b>	<b>14.2</b>	<b>18.9</b>	<b>11.8</b>	<b>10.7</b>	<b>16.0</b>	<b>45.4</b>	<b>57.5</b>	<b>11.6</b>	
YoY Change (%)	148.6	41.8	23.6	25.0	40.0	34.4	20.7	12.9	50.4	26.7	30.7	
Margins (%)	26.3	20.1	19.7	25.7	30.5	22.6	20.3	26.1	23.2	25.2	21.7	
Interest	0.2	0.1	0.2	0.3	0.3	0.3	0.3	0.3	0.8	1.2	0.2	
Other Income	0.4	0.5	0.4	1.6	0.6	0.7	0.6	0.6	2.8	2.5	0.7	
<b>PBT before EO Income</b>	<b>13.7</b>	<b>9.3</b>	<b>9.0</b>	<b>15.4</b>	<b>19.2</b>	<b>12.3</b>	<b>11.0</b>	<b>16.3</b>	<b>47.4</b>	<b>58.8</b>	<b>12.0</b>	<b>-8.8</b>
EO Exp/(Inc)	0.4	-0.8	-0.2	-0.1	0.3	-0.5	-0.9	0.0	-0.7	-1.1	0.0	
<b>PBT after EO Income</b>	<b>13.3</b>	<b>10.1</b>	<b>9.3</b>	<b>15.5</b>	<b>19.0</b>	<b>12.7</b>	<b>11.8</b>	<b>16.3</b>	<b>48.1</b>	<b>59.8</b>	<b>12.0</b>	<b>-1.5</b>
Tax	2.2	2.3	2.1	3.2	4.4	3.7	1.8	4.2	9.8	14.1	3.0	
Rate (%)	16.3	22.5	23.1	20.8	23.0	29.4	15.2	25.6	20.3	23.5	25.0	
Min. Int/Adj on Consol	-0.3	0.2	0.6	-0.5	-0.4	0.1	0.2	0.0	0.1	-0.1	0.1	
<b>Reported PAT</b>	<b>10.9</b>	<b>8.0</b>	<b>7.7</b>	<b>11.8</b>	<b>14.2</b>	<b>9.1</b>	<b>10.2</b>	<b>12.1</b>	<b>38.4</b>	<b>45.7</b>	<b>9.1</b>	<b>12.9</b>
<b>Adj PAT</b>	<b>11.2</b>	<b>7.4</b>	<b>7.5</b>	<b>11.7</b>	<b>14.4</b>	<b>8.8</b>	<b>9.5</b>	<b>12.1</b>	<b>37.9</b>	<b>44.8</b>	<b>9.1</b>	<b>4.7</b>
YoY Change (%)	155.4	45.7	29.6	52.1	28.2	19.1	26.3	3.2	65.0	18.3	20.6	
Margins (%)	21.8	16.9	16.7	21.2	23.2	16.8	18.0	19.8	19.4	19.6	16.9	
<b>EPS (INR/sh)</b>	<b>7.6</b>	<b>7.3</b>	<b>7.5</b>	<b>9.0</b>	<b>14.4</b>	<b>8.6</b>	<b>9.3</b>	<b>12.1</b>	<b>37.6</b>	<b>44.5</b>		

E: MOFSL Estimates

## Key performance Indicators (Consolidated)

(INR b)

Y/E March	FY24E				FY25E				FY24	FY25E	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			
<b>INRb</b>											
Domestic formulations	12.3	13.3	14.3	13.8	13.8	14.6	15.0	15.8	53.7	59.1	15.9
YoY Change (%)	9.1	5.5	15.9	7.1	12.1	9.2	5.0	14.1	9.3	10.0	11.5
US sales	24.5	18.6	18.4	25.2	30.9	24.2	24.1	28.8	86.9	108.0	24.0
YoY Change (%)	57.4	9.2	-4.3	12.0	26.0	29.6	30.8	14.0	16.7	24.3	30.2
Consumer healthcare	6.9	4.4	4.0	7.8	8.4	4.9	4.5	7.8	23.0	25.5	4.5
YoY Change (%)	0.3	3.0	-3.5	9.6	20.6	12.0	12.9	0.8	3.0	11.0	13.0
Emerging markets	4.2	3.9	4.2	3.9	4.4	4.8	4.9	4.8	16.3	18.9	4.9
YoY Change (%)	34.7	19.0	17.0	7.4	3.0	21.3	16.8	23.9	23.6	16.0	16.0
API	1.4	1.3	1.4	1.4	1.4	1.2	1.7	1.5	5.7	5.8	1.4
YoY Change (%)	13.5	14.4	-23.9	14.8	1.9	-6.5	19.0	6.7	3.4	3.3	-2.0
<b>Cost Break-up</b>											
RM Cost (% of Sales)	32.6	33.7	32.6	29.1	25.6	28.1	30.1	24.9	31.9	27.0	28.5
Staff Cost (% of Sales)	14.2	17.2	18.1	15.1	14.2	16.8	17.2	16.8	16.1	16.2	16.9
R&D Expenses(% of Sales)	6.3	7.4	7.0	6.4	6.3	9.2	9.5	5.9	6.7	7.6	8.0
Other Cost (% of Sales)	17.1	17.3	18.3	20.0	19.9	18.9	18.5	22.3	18.3	20.0	20.5
Gross Margins (%)	67.4	66.3	67.4	70.9	74.4	71.9	69.9	75.1	68.1	73.0	71.5
EBITDA Margins (%)	29.8	24.4	24.0	29.4	34.0	27.0	24.7	30.1	27.1	29.2	26.1
EBIT Margins (%)	26.3	20.1	19.7	25.7	30.5	22.6	20.3	26.1	23.2	25.2	21.0

E: MOFSL Estimates

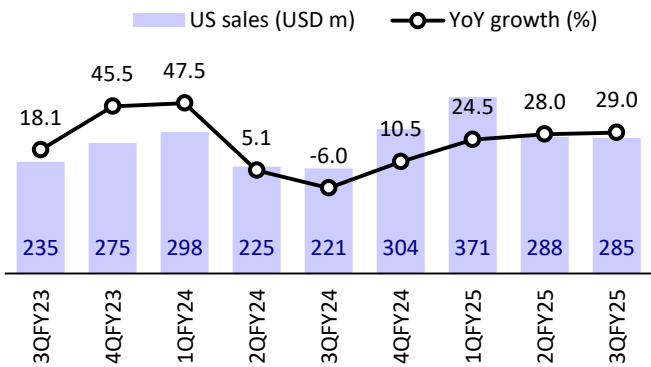


## Conference call highlights

- Better off-take in base business, more number of contracts, Mirabegron sales and new launches led to stable US sales QoQ, despite lower g-Revlimid sales.
- There is scope for one more competitor in g-Asacol once CGT exclusivity expires.
- The USFDA has accepted for filing and granted a priority review to an NDA for CUTX101, a copper histidinate product candidate for treatment of Menkes disease. ZYDUSLIF is ready for the commercialization of CUTX-101 after USFDA approval. CUTX101 is for chronic treatment.
- The emerging market witnessed healthy growth on the back of superior execution. There is scope for achieving 23+% EBITDA margin in this segment over the next couple of years.
- ZYDUSLIF would be in the first wave of launches in India for Semaglutide as well as in other markets. In addition to in-house manufacturing, it has a second source as well.
- India business witnessed moderate 5% YoY growth due to a high base of 3QFY24. Its chronic portfolio accounted for 42.4% of sales in 3Q, as per IQVIA, up 370bp over the past three years.
- ZYDUSLIF entered into an agreement with CVS Caremark to add Zituvio™, Zituvimet™ and Zituvimet™ XR tablets to its formulary. The products were added to the formulary from Jan'25.

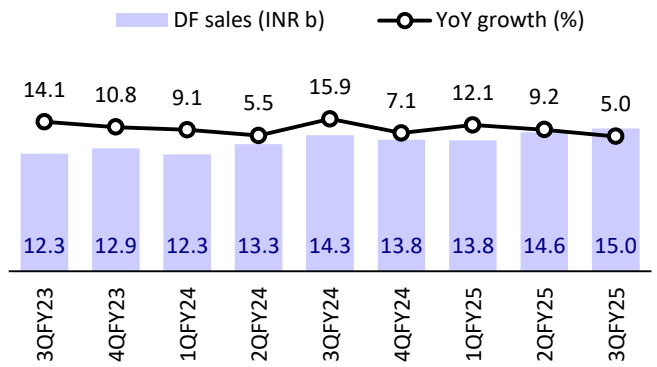
Key exhibits

Exhibit 1: In CC terms, US sales grew 29% YoY in 3QFY25



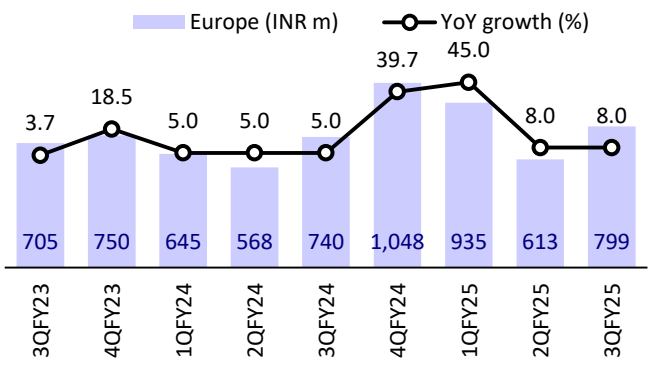
Source: MOFSL, Company

Exhibit 2: DF business grew 5% YoY in 3QFY25



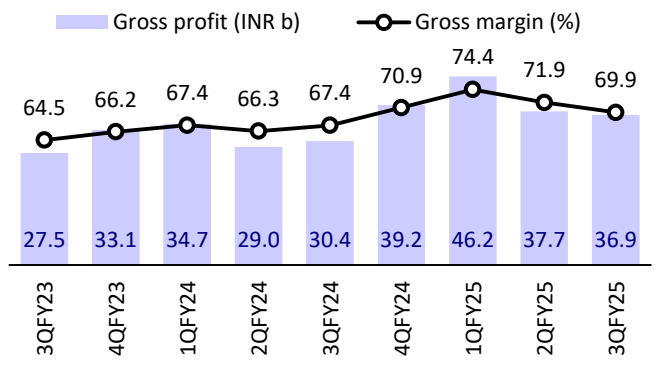
Source: MOFSL, Company

Exhibit 3: Europe sales increased 8% YoY in 3QFY25



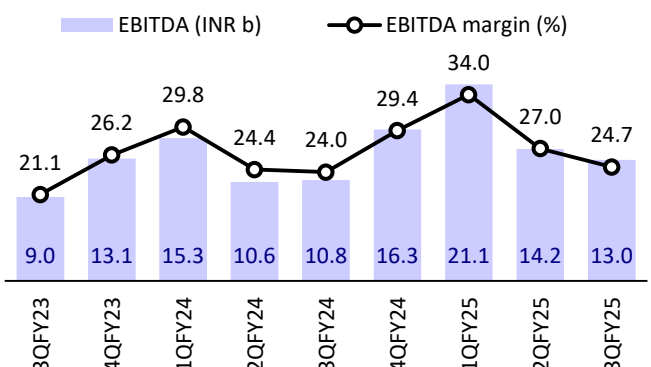
Source: MOFSL, Company

Exhibit 4: Gross margin expanded 250bp YoY in 3QFY25



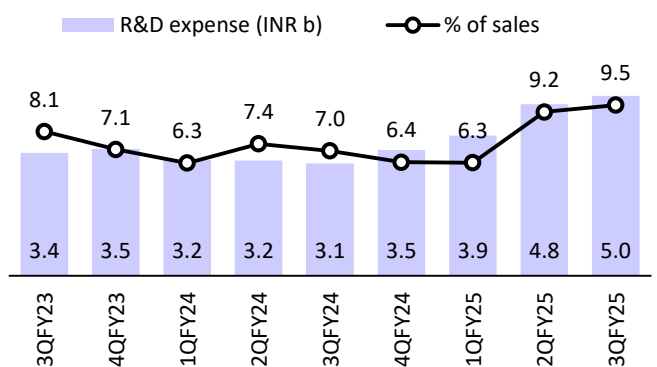
Source: MOFSL, Company

Exhibit 5: EBITDA margin jumped 60bp YoY



Source: MOFSL, Company

Exhibit 6: R&D spending was ~9.5% of sales



Source: MOFSL, Company

## Building niche portfolio to drive growth over medium to long term

### US: Working on specialty pipeline to drive growth post revlimid opportunity

- In 9MFY25, US sales grew 28.5% YoY to INR79b (+27% YoY in CC terms to USD944m) due to new launches and volume expansion in the base business, supported by g-Revlimid and Mirabegron.
- ZYDUSLIF continues to work on limited-competition products such as g-Palbociclib and g-riociguat to improve outlook over FY25-28.
- Despite generic competition kicking in g-Sitagliptin, ZYDUSLIF remains confident of generating business from the 505b2 version in FY26 through long-term government contracts, other small contracts, and addition to formulary by CVS.
- Further, the company is looking for more in-licensing opportunities and the launch of niche products in the US market.
- It is working on a few NDA drugs that are in various stages of clinical trials, viz. CUTX101, Saroglitazar with PBC indication, and Unsoflast, and a few other drugs, which would drive growth over FY26-27.
- ZYDUSLIF filed 23 ANDAs and received approvals for 18 products; it launched 16 products during the year, including 505b2 franchise.
- However, increasing competition in g-Revlimid and a reduction in g-Asacol opportunities may keep growth in check. We expect the US business to remain stable at USD1.3b over FY25-27.

### DF: niche products and the inorganic route to fuel growth

- In 9MFY25, DF revenue grew 8.6% YoY to INR43b. ZYDUSLIF reported superior growth and market share gain in Cardiology, Respiratory, Anti-infectives and Oncology, supported by volume growth.
- We expect ZYDUSLIF to generate an 11% CAGR in DF revenue, reaching INR73b over FY25-27. The growth would be led by out-licensing major brands with other domestic companies, diversifying the portfolio in biosimilars and vaccines, launching GLP-1 products, boosting the share of chronic conditions, and improving the productivity of recently hired MRs.
- Consumer healthcare sales grew 16.2% YoY at INR17.7b in 9MFY25. This growth was broad-based and largely driven by volume growth. Both personal care and food & nutrition segments witnessed strong growth.
- To capitalize on the emerging consumer trends, the company has acquired Naturell, which has led to ZYDUSLIF's entry into the healthy snacks category.
- We expect the consumer healthcare business to clock a 6% CAGR over FY25-27.

### NCE product development on track

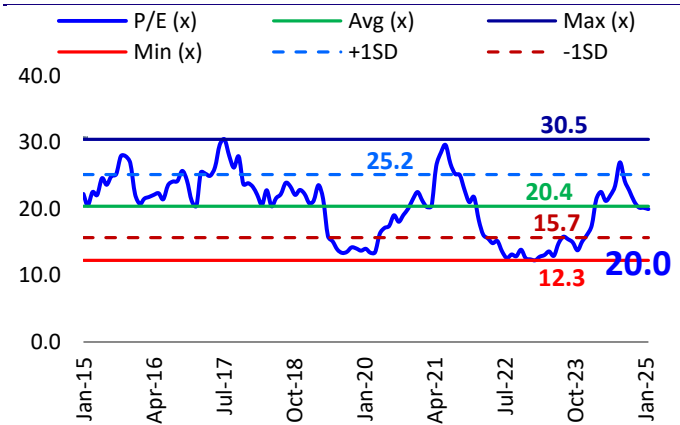
- Saroglitazar Mg has completed patient recruitment for Phase II(b)/III clinical trials targeting the PBC indication for the US market. The company expects the readout for the clinical trial outcomes toward the end of CY25.
- Further, for ZYIL1 (Unsoflast), the product is under clinical trials for four indications viz. ALS, Parkinson's disease, CAPS, and UC. It has completed patient recruitment for Phase II clinical trials.
- The USFDA has accepted for filing and granted a priority review to an NDA for CUTX101, a copper histidinate product candidate for treatment of Menkes disease.

- ZYDUSLIF has completed the phase 3 clinical trial for one of the biosimilars and submitted an application for the approval of the DGCI for conducting phase 3 clinical trials for ADC biosimilar.
- Additionally, the company is also conducting phase 1 clinical trials for Bivalent Typhoid Conjugate Vaccine.

**Valuation and view**

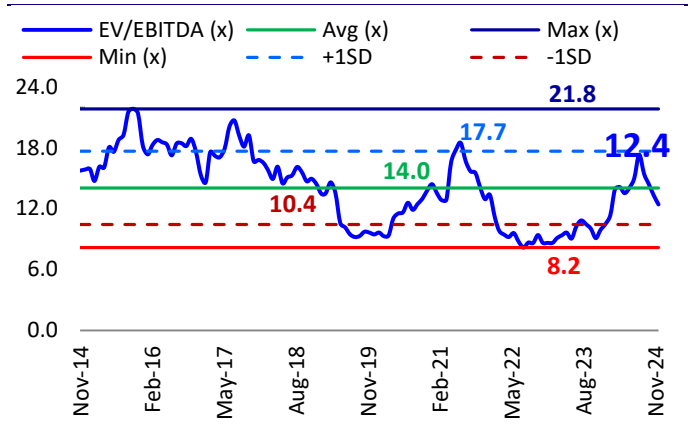
- We largely maintain our estimates for FY25/FY26/FY27. We value ZYDUSLIF at 22x 12M forward earnings to arrive at a TP of INR1,000.
- ZYDUSLIF is implementing efforts toward: a) building an innovative pipeline in NCE, biotech, and 505b2 space; b) enhancing its generics pipeline for growth beyond g-Revlimid; c) increasing its presence in chronic therapy in DF business; and d) recovery in consumer wellness segment. However, we believe the current valuation provides limited upside, hence we maintain Neutral stance on the stock.

**Exhibit 7: P/E chart**



Source: MOFSL, Company, Bloomberg

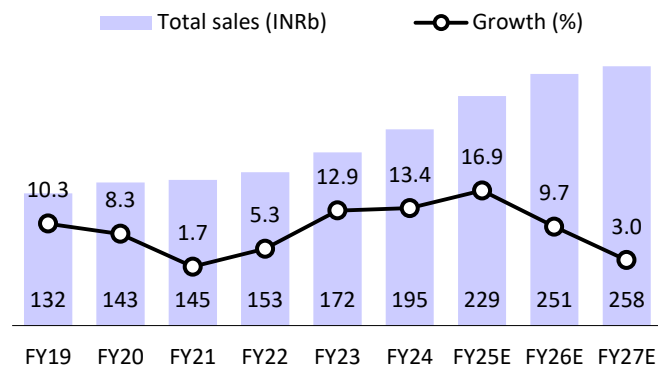
**Exhibit 8: EV/EBITDA chart**



Source: MOFSL, Company, Bloomberg

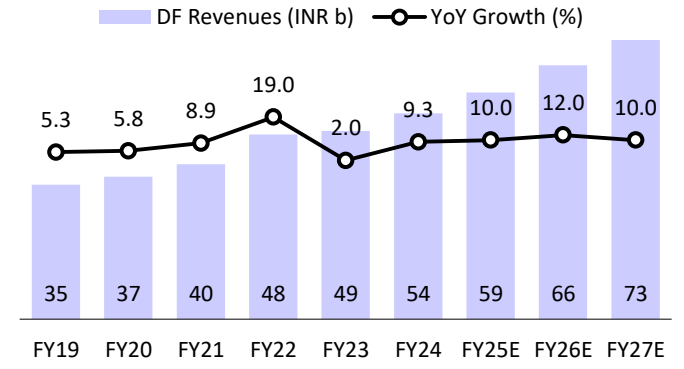
## Story in charts

**Exhibit 9: Revenue to clock 6.3% CAGR over FY25-27**



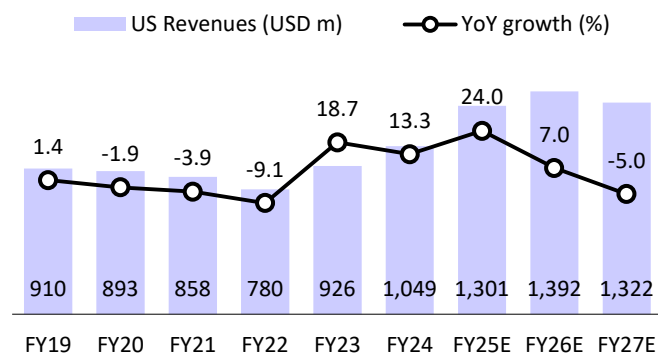
Source: Company, MOFSL

**Exhibit 10: DF sales to clock 11% CAGR over FY25-27**



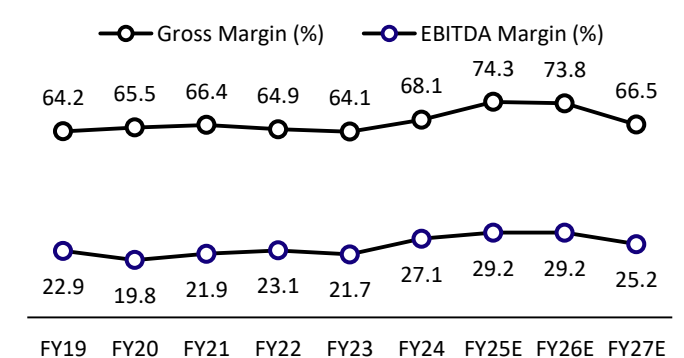
Source: Company, MOFSL

**Exhibit 11: US sales growth on a downtrend over FY25-27**



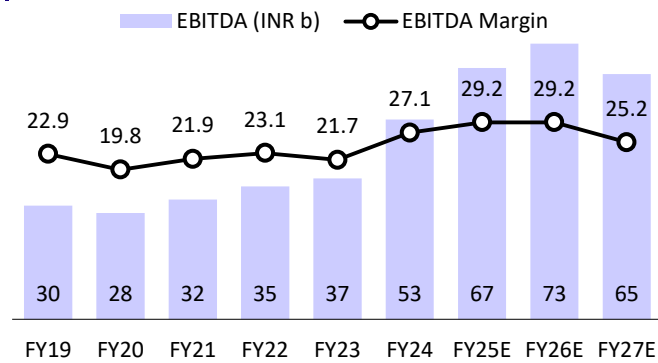
Source: Company, MOFSL

**Exhibit 12: EBITDA margin may dip over FY25-27**



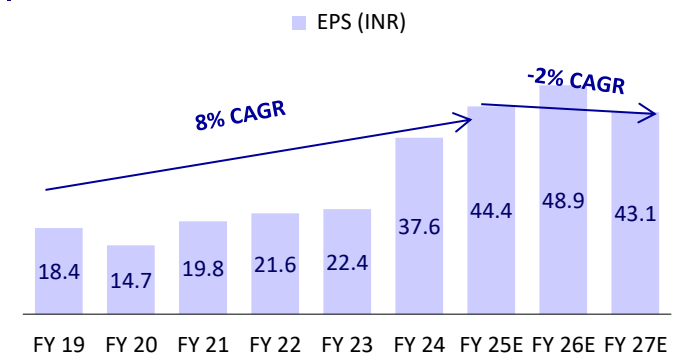
Source: Company, MOFSL

**Exhibit 13: Expect stable EBITDA over FY25-27**



Source: Company, MOFSL

**Exhibit 14: Expect 2% decline in adj. EPS over FY25-27**



Source: Company, MOFSL

## Financials and valuations

Income Statement <span style="float: right;">(INR b)</span>									
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Net Sales</b>	<b>131.7</b>	<b>142.5</b>	<b>145.0</b>	<b>152.7</b>	<b>172.4</b>	<b>195.5</b>	<b>228.5</b>	<b>250.6</b>	<b>258.2</b>
Change (%)	10.3	8.3	1.7	5.3	12.9	13.4	16.9	9.7	3.0
Total Expenditure	101.5	114.4	113.2	117.4	135.0	142.4	161.8	177.5	193.1
% of Sales	77.1	80.2	78.1	76.9	78.3	72.9	70.8	70.8	74.8
<b>EBITDA</b>	<b>30.1</b>	<b>28.2</b>	<b>31.8</b>	<b>35.2</b>	<b>37.4</b>	<b>53.0</b>	<b>66.7</b>	<b>73.1</b>	<b>65.1</b>
Margin (%)	22.9	19.8	21.9	23.1	21.7	27.1	29.2	29.2	25.2
Depreciation	6.0	7.0	7.1	7.1	7.2	7.6	9.2	9.5	9.7
<b>EBIT</b>	<b>24.2</b>	<b>21.2</b>	<b>24.7</b>	<b>28.1</b>	<b>30.2</b>	<b>45.4</b>	<b>57.5</b>	<b>63.7</b>	<b>55.4</b>
Int. and Finance Charges	1.9	3.4	1.6	1.3	1.3	0.8	1.2	0.6	0.6
Other Income - Rec.	2.0	1.1	0.5	2.2	1.9	2.8	2.5	2.7	2.9
<b>PBT before EO Expense</b>	<b>24.2</b>	<b>18.9</b>	<b>23.5</b>	<b>29.1</b>	<b>30.7</b>	<b>47.4</b>	<b>58.8</b>	<b>65.7</b>	<b>57.7</b>
EO Expense/(Income)	0.4	4.0	0.0	0.7	4.8	-0.7	-1.1	0.0	0.0
<b>PBT after EO Expense</b>	<b>23.8</b>	<b>15.0</b>	<b>23.5</b>	<b>28.4</b>	<b>25.9</b>	<b>48.1</b>	<b>59.8</b>	<b>65.7</b>	<b>57.7</b>
Current Tax	5.3	3.2	1.1	5.1	5.9	9.8	14.1	16.4	14.3
Deferred Tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tax	5.3	3.2	1.1	5.1	5.9	9.8	14.1	16.4	14.3
Tax Rate (%)	22.3	21.4	4.8	18.0	22.7	20.3	23.5	25.0	24.7
<b>Reported PAT</b>	<b>18.5</b>	<b>11.8</b>	<b>22.4</b>	<b>23.3</b>	<b>20.0</b>	<b>38.3</b>	<b>45.8</b>	<b>49.3</b>	<b>43.5</b>
Less: Minority Interest	0.0	0.0	2.1	0.8	0.4	-0.1	0.1	0.1	0.1
PAT from Discontinued operations			1.0	22.5					
<b>Net Profit</b>	<b>18.5</b>	<b>11.8</b>	<b>21.3</b>	<b>44.9</b>	<b>19.6</b>	<b>38.4</b>	<b>45.7</b>	<b>49.2</b>	<b>43.4</b>
<b>PAT Adj for EO Items</b>	<b>18.8</b>	<b>15.0</b>	<b>20.3</b>	<b>22.1</b>	<b>22.9</b>	<b>37.9</b>	<b>44.8</b>	<b>49.2</b>	<b>43.4</b>
Change (%)	4.8	-20.0	34.8	8.9	3.9	65.0	18.3	9.8	-11.8
Margin (%)	14.3	10.6	14.0	14.5	13.3	19.4	19.6	19.6	16.8

Balance Sheet <span style="float: right;">(INR b)</span>									
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total Reserves	102.8	102.7	128.9	169.0	174.1	197.3	253.2	295.2	331.4
<b>Net Worth</b>	<b>103.9</b>	<b>103.8</b>	<b>129.9</b>	<b>170.0</b>	<b>175.2</b>	<b>198.3</b>	<b>254.2</b>	<b>296.2</b>	<b>332.4</b>
Minority Interest	12.9	13.3	19.4	20.5	21.7	22.7	22.7	22.7	22.7
Deferred liabilities	-7.2	-6.4	-9.5	-9.4	-10.7	-12.0	-12.0	-12.0	-12.0
Total Loans	74.1	73.2	40.5	45.8	17.0	18.5	22.6	22.6	22.6
<b>Capital Employed</b>	<b>183.7</b>	<b>183.9</b>	<b>180.2</b>	<b>226.9</b>	<b>203.2</b>	<b>227.6</b>	<b>287.5</b>	<b>329.5</b>	<b>365.7</b>
Gross Block	150.5	158.2	164.3	172.6	173.2	201.5	217.0	225.1	231.8
Less: Accum. Deprn.	28.9	35.8	42.9	50.1	57.3	64.7	72.5	80.4	88.1
<b>Net Fixed Assets</b>	<b>121.6</b>	<b>122.3</b>	<b>121.3</b>	<b>122.5</b>	<b>115.9</b>	<b>136.8</b>	<b>144.5</b>	<b>144.7</b>	<b>143.7</b>
Capital WIP	8.4	7.4	7.8	6.6	11.3	11.1	6.1	3.5	2.3
Investments	6.7	7.7	8.3	32.9	15.5	8.0	8.0	8.0	8.0
<b>Curr. Assets</b>	<b>88.4</b>	<b>91.0</b>	<b>90.6</b>	<b>105.0</b>	<b>104.2</b>	<b>117.3</b>	<b>184.7</b>	<b>222.5</b>	<b>273.7</b>
Inventory	26.9	27.9	32.4	37.2	34.1	34.4	47.5	42.4	54.4
Account Receivables	39.5	36.6	31.3	33.4	44.2	52.2	61.9	65.9	67.9
Cash and Bank Balance	5.5	9.6	8.9	11.1	5.7	11.1	55.6	94.5	131.8
Loans & Advances	16.5	16.8	18.1	23.3	20.2	19.6	19.6	19.6	19.6
<b>Curr. Liability &amp; Prov.</b>	<b>41.5</b>	<b>44.4</b>	<b>47.9</b>	<b>40.1</b>	<b>43.6</b>	<b>45.7</b>	<b>55.8</b>	<b>49.2</b>	<b>62.0</b>
Account Payables	40.1	42.0	44.6	36.4	40.0	41.8	51.8	45.3	58.0
Provisions	1.4	2.4	3.3	3.7	3.7	3.9	3.9	3.9	3.9
<b>Net Current Assets</b>	<b>46.9</b>	<b>46.5</b>	<b>42.7</b>	<b>64.9</b>	<b>60.5</b>	<b>71.6</b>	<b>128.9</b>	<b>173.3</b>	<b>211.7</b>
<b>Appl. of Funds</b>	<b>183.7</b>	<b>183.9</b>	<b>180.2</b>	<b>226.9</b>	<b>203.2</b>	<b>227.6</b>	<b>287.5</b>	<b>329.5</b>	<b>365.7</b>



## Financials and valuations

### Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Adj EPS</b>	<b>18.4</b>	<b>14.7</b>	<b>19.8</b>	<b>21.6</b>	<b>22.4</b>	<b>37.6</b>	<b>44.5</b>	<b>48.9</b>	<b>43.1</b>
Cash EPS	23.9	18.3	27.8	50.8	26.3	45.7	54.6	58.3	52.7
BV/Share	101.5	101.4	126.9	166.1	171.1	197.1	252.6	294.4	330.4
DPS	3.6	3.6	3.6	4.6	6.0	5.4	5.8	5.8	5.8
Payout (%)	19.6	24.5	18.2	21.3	26.8	14.3	13.0	11.9	13.5
<b>Valuation (x)</b>									
P/E	53.4	66.7	49.5	45.5	43.8	26.1	22.0	20.1	22.7
Cash P/E	41.0	53.6	35.3	19.3	37.4	21.4	18.0	16.8	18.6
P/BV	9.7	9.7	7.7	5.9	5.7	5.0	3.9	3.3	3.0
EV/Sales	8.0	7.3	7.0	6.5	5.7	5.0	4.1	3.6	3.4
EV/EBITDA	34.8	37.0	31.8	28.1	26.3	18.6	14.2	12.4	13.4
Dividend Yield (%)	0.4	0.4	0.4	0.5	0.6	0.6	0.6	0.6	0.6
<b>Return Ratios (%)</b>									
RoE	19.3	11.3	17.4	14.7	13.3	20.3	19.8	17.9	13.8
RoCE	12.8	9.9	13.8	12.9	12.1	18.8	18.6	16.7	13.0
RoIC	14.1	10.3	15.0	13.9	13.4	19.7	21.2	21.6	18.7
<b>Working Capital Ratios</b>									
Asset Turnover (x)	0.7	0.8	0.8	0.7	0.8	0.9	0.8	0.8	0.7
Fixed Asset Turnover (x)	1.4	1.2	1.2	1.3	1.4	1.5	1.6	1.7	1.8
Debtor (Days)	99	97	82	77	82	90	91	93	95
Inventory (Days)	70	70	76	83	76	64	65	66	68
Working Capital T/O (Days)	115	94	85	129	116	113	117	115	113
<b>Leverage Ratio (x)</b>									
Net Debt/Equity	0.8	0.7	0.3	0.2	0.1	0.0	-0.1	-0.3	-0.4

E: MOFSL Estimates

### Cash Flow Statement

(INR b)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Oper. Profit/(Loss) bef. Tax	30.1	28.2	31.8	35.2	25.8	48.4	66.7	73.1	65.1
Interest/Dividends Recd.	2.0	1.1	0.5	2.2	-0.8	-1.3	2.5	2.7	2.9
Direct Taxes Paid	-5.3	-3.2	-1.1	-5.1	-5.9	-12.9	-14.1	-16.4	-14.3
(Inc)/Dec in WC	-3.1	4.6	3.0	-20.0	-2.4	-8.7	-12.7	-5.5	-1.2
<b>CF from Operations</b>	<b>23.7</b>	<b>30.7</b>	<b>34.1</b>	<b>12.4</b>	<b>16.8</b>	<b>25.5</b>	<b>42.3</b>	<b>53.9</b>	<b>52.6</b>
(inc)/dec in FA	-55.9	-6.7	-6.5	-7.1	-9.9	-16.0	-11.9	-7.1	-7.4
<b>Free Cash Flow</b>	<b>-43.1</b>	<b>18.4</b>	<b>27.6</b>	<b>4.6</b>	<b>17.0</b>	<b>16.2</b>	<b>31.6</b>	<b>46.8</b>	<b>45.1</b>
(Pur)/Sale of Investments	-2.0	-0.9	-0.7	-24.6	24.5	0.0	0.0	0.0	0.0
<b>CF from Investments</b>	<b>-42.4</b>	<b>-10.1</b>	<b>-7.2</b>	<b>-31.7</b>	<b>15.4</b>	<b>-14.8</b>	<b>-11.9</b>	<b>-7.1</b>	<b>-7.4</b>
Inc/(Dec) in Debt	31.7	-0.4	-26.8	6.5	-31.4	-3.9	4.1	0.0	0.0
Interest Paid	-1.9	-3.4	-1.6	-1.3	-1.3	-0.7	-1.2	-0.6	-0.6
Dividend Paid	-3.7	-4.3	-4.4	-5.7	-2.7	-6.2	-7.2	-7.2	-7.2
<b>CF from Fin. Activity</b>	<b>16.5</b>	<b>-13.1</b>	<b>-27.7</b>	<b>22.2</b>	<b>-47.6</b>	<b>-12.2</b>	<b>13.0</b>	<b>-7.9</b>	<b>-7.8</b>
<b>Inc/Dec of Cash</b>	<b>-13.0</b>	<b>1.9</b>	<b>-0.8</b>	<b>2.2</b>	<b>-5.3</b>	<b>5.3</b>	<b>44.5</b>	<b>38.9</b>	<b>37.3</b>
<b>Add: Beginning Balance</b>	<b>15.9</b>	<b>7.8</b>	<b>9.6</b>	<b>8.9</b>	<b>11.1</b>	<b>5.7</b>	<b>11.1</b>	<b>55.6</b>	<b>94.5</b>
<b>Closing Balance</b>	<b>5.5</b>	<b>9.6</b>	<b>8.9</b>	<b>11.1</b>	<b>5.7</b>	<b>11.1</b>	<b>55.6</b>	<b>94.5</b>	<b>131.8</b>
<b>Total Cash &amp; Cash Eq</b>	<b>5.5</b>	<b>9.6</b>	<b>8.9</b>	<b>11.1</b>	<b>5.7</b>	<b>11.1</b>	<b>55.6</b>	<b>94.5</b>	<b>131.8</b>

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NOTES

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