

Strong growth in RoW, API; margins upbeat...

Q2 revenues were in line with I-direct estimates whereas profitability was better than expected. Revenues grew 17.4% YoY to ₹ 1457 crore led by strong growth in RoW and API segments, which grew 84.1% and 28.9% to ₹ 197 crore and ₹ 263 crore, respectively. Additionally, US formulations grew 8% to ₹ 582 crore whereas domestic formulations grew 6.1% to ₹ 415 crore. EBITDA margins improved 259 bps YoY to 30.4% due to better gross margins and lower other expenditure amid lower promotional, travelling and R&D costs. Subsequently, EBITDA grew 28.3% YoY to ₹ 443 crore. PAT grew 35.4% YoY to ₹ 333 crore due to a strong operational performance.

Domestic growth to remain steady; overhauling exercise on...

Domestic sales comprise 31% of FY20 revenues with higher contribution from specialty (54% of domestic sales). However, despite having an established set-up, growth (FY16-20 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 9.6% FY20-23E CAGR to ₹ 1874 crore.

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

US sales (43% of FY20 revenues) grew at ~12% CAGR in FY16-20 to ₹ 1976 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 198 ANDA filings (67 pending final approval). It has already demonstrated required capabilities by securing limited competition approvals like gAbilify (CNS), gExforge (CVS), gCelebrex (Pain), gMicardis (CVS) and currently Sartans. We expect US sales to register 15.6% FY20-23E CAGR to ₹ 3049 on the back of 15-20 launches every year.

Valuation & Outlook

Key takeaway from Q2FY21 numbers were continued traction from ROW and API segments (that hitherto were lumpy). Elsewhere, we expect US run rate to sustain at +US\$70 million on the back of established US base amid significant market share gains in Sartans. On the domestic front, barring Covid-related disruptions, the management expects a steady run rate. For ROW markets, the management has guided the current run-rate to be the base, going ahead, having addressed serialisation issues in Europe. The management has also guided for 15-20% growth in the API segment. Besides a strong show of results, with the aggressive R&D and capex, the management has signalled its long term strategy that includes a foray into niche areas like oncology, injectables, derma, etc. Although this is fraught with a new set of challenges, Alembic now looks in much better shape to withstand those challenges. We maintain **BUY** rating and arrive at a target price of ₹ 1170 based on 20x FY23E EPS of ₹ 58.5.

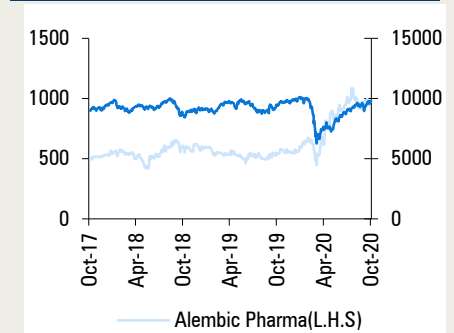


Particulars	
Particular	Amount
Market Capitalisation	₹19894 crore
Debt (FY 20)	₹1747 crore
Cash & cash equivalents (FY 20)	₹81 crore
EV	₹21561 crore
52 week H/L	1129/435
E equity capital	₹39 crore
Face value	₹2

Key Highlights

- Q2 revenues in line with I-direct estimates whereas profitability was better than expected
- Management signalled its long term strategy that includes foray into niche areas like oncology, injectables, derma, etc
- Maintain BUY

Price Chart



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Key Financial Summary

(₹crore)	FY20	FY21E	FY22E	FY23E	CAGR (FY20-23E) %
Revenues	4605.7	5594.3	6138.8	6846.2	14.1
EBITDA	1223.0	1556.7	1427.3	1711.5	11.9
EBITDA margins (%)	26.6	27.8	23.3	25.0	
Net Profit	872.8	1126.0	912.0	1102.3	8.1
EPS (₹)	46.3	59.7	48.4	58.5	
PE (x)	23.0	16.9	20.9	17.3	
EV to EBITDA (x)	17.0	13.0	13.8	11.2	
RoCE (%)	21.0	22.2	16.9	19.2	
RoNW (%)	27.1	22.9	16.2	16.8	

Source: Company, ICICI Direct Research

Exhibit 1: Variance Analysis

	Q2FY21	Q2FY21E	Q2FY20	Q1FY21	YoY (%)	QoQ (%)	Comments
Revenue	1,457.1	1,401.6	1,240.9	1,341.3	17.4	8.6	YoY growth mainly due to strong growth in RoW formulations and APIs
Raw Material Expenses	312.0	329.4	272.6	337.8	14.4	-7.6	
Gross Margin (%)	78.6	76.5	78.0	74.8	56 bps	377 bps	
Employee Expenses	276.1	280.3	217.8	275.4	26.8	0.3	
R&D Expenditure	185.0	189.2	173.8	142.6	6.4	29.7	A 415 bps YoY decline in R&D as percentage of sales to 10.6% due to Covid-induced deferral of R&D
Other Expenditure	240.6	210.2	231.2	178.2	4.1	35.0	
EBITDA	443.4	392.4	345.5	407.4	28.3	8.9	Strong growth and beat mainly due to lower promotional, travelling and R&D expenditure
EBITDA (%)	30.4	28.0	27.8	30.4	259 bps	6 bps	
Interest	4.5	6.7	7.1	6.7	-36.6	-32.8	
Depreciation	43.8	43.6	36.0	41.5	21.8	5.5	
Other Income	3.2	2.8	0.4	0.3	794.4	906.3	
PBT before EO & Forex	398.4	345.0	302.9	359.5	31.5	10.8	
Forex & EO	0.0	0.0	0.0	0.0	NA	NA	
PBT	398.4	345.0	302.9	359.5	31.5	10.8	
Tax	73.0	75.9	52.5	66.8	39.0	9.3	
PAT before MI	325.4	269.1	250.4	292.7	30.0	11.2	
Adj. Net Profit	333.4	275.5	246.3	301.5	35.4	10.6	YoY growth and beat vis-à-vis I-direct estimates mainly due to strong operational performance and lower interest cost
Key Metrics							
Domestic Formulation	415.0	410.6	391.0	306.0	6.1	35.6	YoY growth impacted amid Covid-19 mainly in acute segment
US	582.0	605.6	539.0	596.0	8.0	-2.3	YoY growth mainly due to strong growth in Sartans and new launches
RoW	197.0	171.2	107.0	175.0	84.1	12.6	YoY growth and beat vis-à-vis I-direct estimates mainly due to resolution of serialisation issues in Europe and new incremental orders are coming from partners
APIs	263.0	214.2	204.0	264.0	28.9	-0.4	YoY growth and beat vis-à-vis I-direct estimates on account of grabbing opportunity arising out of China uncertainty and growth in Azithromycin API

Source: ICICI Direct Research

Exhibit 2: Change in Estimates

(₹ Crore)	FY21E			FY22E			Comments
	Old	New	% Change	Old	New	% Change	
Revenue	5,519.0	5,594.3	1.4	6,048.1	6,138.8	1.5	
EBITDA	1,459.2	1,556.7	6.7	1,542.3	1,427.3	-7.5	
EBITDA Margin (%)	26.4	27.8	139 bps	25.5	23.3	-225 bps	Changed as per management guidance
PAT	992.0	1,126.0	13.5	978.1	912.0	-6.8	Changed mainly in sync with operational performance and change in tax rate
EPS (₹)	52.6	59.7	13.5	51.9	48.4	-6.8	

Source: ICICI Direct Research

Exhibit 3: Change in Estimates

(₹ crore)	Current				Earlier		Comments
	FY19	FY20	FY21E	FY22E	FY21E	FY22E	
Domestic Formulation	1,383.0	1,425.0	1,502.0	1,703.6	1,497.6	1,686.1	
US	1,266.0	1,976.0	2,415.4	2,651.1	2,435.8	2,680.0	
RoW	516.0	496.0	735.6	781.1	709.8	745.3	Changed mainly due to better than expected growth in 1HFY21
APIs	770.0	708.0	940.9	1,003.0	875.5	936.7	Changed mainly due to better than expected growth in 1HFY21

Source: ICICI Direct Research

Conference call highlights

- Guidance (barring unforeseen circumstances): FY21 EPS to be ~₹ 60 per share; FY22 EPS to be ~₹ 50 per share with additional ₹ 450 crore expenses hitting the P&L from new plants; FY23 revenue growth to pick up with capacities coming online
 - Growth ahead from injectables, dermatology, oncology and oncology injectables
- For Q2FY21, the company filed seven ANDAs, received six final approvals and launched three products in the US
- Total 75 products launched till date in the US (excluding seven with partner label). The company expects to launch 5+ products in the US in Q3FY21
- Cumulative ANDAs filed were at 198. Cumulative approved: 131 (including 18 tentative approvals)
- Gross debt was at ~₹ 600 crore (vs. ₹ 1439 crore in Q1FY21), cash ~₹ 273 crore; net D:E – 0.07
- R&D during the quarter was at ₹ 185 crore (13% of sales)
- Capex for Q2FY21 was ₹ 168 crore. Cumulative capex was at ~₹ 1825 crore
- Aleor investment was at ₹ 742 crore (cumulative); investment in the quarter - ₹ 40 crore
- Sartans saw some price erosion as a new player entered, which was offset by new opportunities, launches
- Strong RoW growth – Due to addressing of serialisation issues in Europe
- US: 15-20 new launches per year, going ahead, to drive growth
- Domestic – strong traction in Azithromycin oral solids
 - continued impact on liquids portfolio (antibiotics + cough & cold)
- API growth – mainly due to market share gain in Azithromycin and other opportunities
 - two DMFs filed in Q1FY21
- Decline in other expenditure was on account of lower travel/promotional expenses and lower R&D

Exhibit 4: Trends in quarterly financials

(₹Crore)	12FY18	13FY18	14FY18	11FY19	12FY19	13FY19	14FY19	11FY20	12FY20	13FY20	14FY20	11FY21	12FY21	YoY (%)	QoQ (%)
Revenues	789.3	840.0	853.3	862.5	1127.1	1018.2	927.0	948.9	1240.9	1209.1	1206.8	1341.3	1457.1	17.4	8.6
Raw Material Cost	213.3	226.4	263.8	255.4	272.1	248.5	216.7	204.4	272.6	298.5	263.9	337.8	312.0	14.4	-7.6
% to revenues	27.0	27.0	30.9	29.6	24.1	24.4	23.4	21.5	22.0	24.7	21.9	25.2	21.4		
Gross Profit	576.0	613.6	589.5	607.1	855.0	769.7	710.2	744.5	968.3	910.6	942.9	1003.6	1145.1	18.3	14.1
Gross Profit Margin	73.0	73.0	69.1	70.4	75.9	75.6	76.6	78.5	78.0	75.3	78.1	74.8	78.6	56 bps	377 bps
Employee cost	159.5	147.4	157.3	164.9	182.6	198.4	200.7	214.9	217.8	226.9	246.9	275.4	276.1	26.8	0.3
% to revenues	20.2	17.6	18.4	19.1	16.2	19.5	21.7	22.6	17.5	18.8	20.5	20.5	18.9	140 bps	-158 bps
R & D	98.1	98.1	121.1	121.5	144.7	112.2	119.7	140.3	173.8	145.7	185.0	142.6	185.0		
% to revenues	12.4	11.7	14.2	14.1	12.8	11.0	12.9	14.8	14.0	12.1	15.3	10.6	12.7	-131 bps	206 bps
Other Expenditure	139.2	180.5	137.9	169.7	225.3	216.9	211.7	164.4	231.2	213.0	183.5	178.2	240.6	4.1	35.0
% to revenues	17.6	21.5	16.2	19.7	20.0	21.3	22.8	17.3	18.6	17.6	15.2	13.3	16.5	-212 bps	323 bps
Total Expenditure	610.1	652.5	680.1	711.5	824.7	775.9	748.9	724.0	895.4	884.1	879.3	934.0	1013.7	13.2	8.5
% to revenues	77.3	77.7	79.7	82.5	73.2	76.2	80.8	76.3	72.2	73.1	72.9	69.6	69.6		
EBIDTA	179.2	187.5	173.2	151.0	302.3	242.2	178.0	224.9	345.5	325.1	327.5	407.4	443.4	28.3	8.9
EBITDA Margin (%)	22.7	22.3	20.3	17.5	26.8	23.8	19.2	23.7	27.8	26.9	27.1	30.4	30.4	259 bps	6 bps
Depreciation	25.7	26.4	31.6	27.6	28.6	29.1	30.0	35.4	36.0	41.8	44.1	41.5	43.8	21.8	5.5
Interest	0.4	0.8	1.3	1.6	5.8	6.0	5.1	5.0	7.1	7.4	7.8	6.7	4.5	-36.6	-32.8
OI	7.7	0.3	0.6	0.1	2.4	3.5	3.4	3.3	0.4	0.4	0.9	0.3	3.2		
PBT	160.8	160.6	141.0	121.9	270.3	210.8	146.4	187.8	302.9	276.3	276.5	359.5	398.4	31.5	10.8
Tax	36.6	29.8	38.5	31.5	70.3	40.0	14.9	36.0	52.5	48.6	62.1	66.8	73.0	39.0	9.3
Tax Rate (%)	22.7	18.5	27.3	25.9	26.0	19.0	10.2	19.1	17.3	17.6	22.5	18.6	18.3		
PAT	124.3	130.9	102.4	90.4	200.0	170.8	131.5	151.9	250.4	227.7	214.4	292.7	325.4	30.0	11.2
PAT Margin (%)	15.7	15.6	12.0	10.5	17.7	16.8	14.2	16.0	20.2	18.8	17.8	21.8	22.3		
Exceptional Items (0.0	0.0	0.0	0.0	0.0	0.0	0.0	32.8	0.0	0.0	10.9	0.0	0.0		
Net Profit before MI	124.3	130.9	102.4	90.4	200.0	170.8	131.5	119.1	250.4	227.7	203.5	292.7	325.4	30.0	11.2
Add/(less) MI	0.0	0.0	0.2	0.0	0.0	-0.8	-0.8	4.2	4.2	-6.9	-21.2	-8.3	-8.1		
Net Profit	124.3	130.9	102.2	90.4	200.0	171.5	132.3	114.8	246.2	234.6	224.7	301.0	333.5	35.5	10.8

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 FY20, the domestic: exports formulation ratio was at 37:63. Consolidated revenues, EBITDA and PAT have grown at a CAGR of 10%, 21% and 20%, respectively, in FY16-20.

The company's domestic branded portfolio is gradually shifting to the speciality business segment, which now accounts for ~53% of domestic branded formulations in FY20.

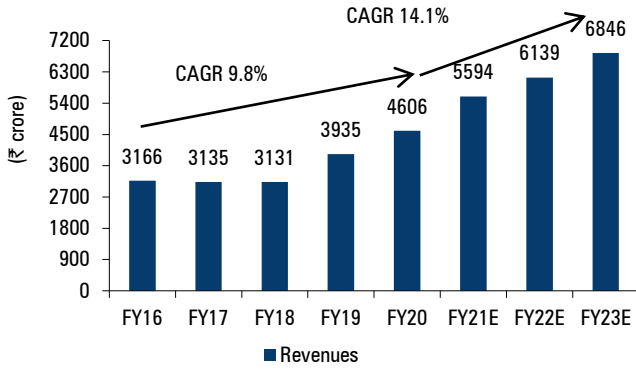
Export formulations constitute 63% of FY20 revenues. Of this, ~80% of export formulations are generics catering to the US.

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 is expected to submit an NDA for Umbralisib by FY21.

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. In FY20, Aleor filed 11 ANDAs and received approval for 5 ANDAs.

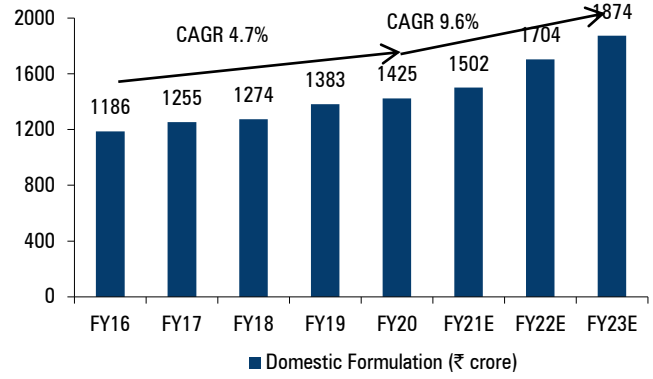
The company has acquired US based Orit Laboratories LLC along with real estate. Orit is focused on developing and filing oral solid and liquid products. With 8,600 square feet R&D and pilot manufacturing facility, it has seven approved ANDAs while four ANDAs are pending approval. Orit adds complementary 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 14% CAGR over FY20-23E



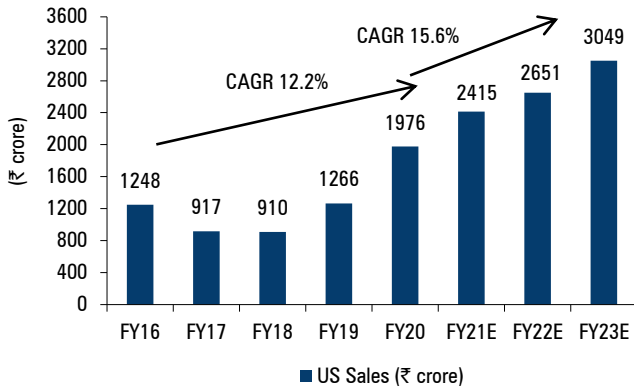
Source: ICICI Direct Research, Company

Exhibit 6: Domestic to grow at 10% CAGR over FY20-23E



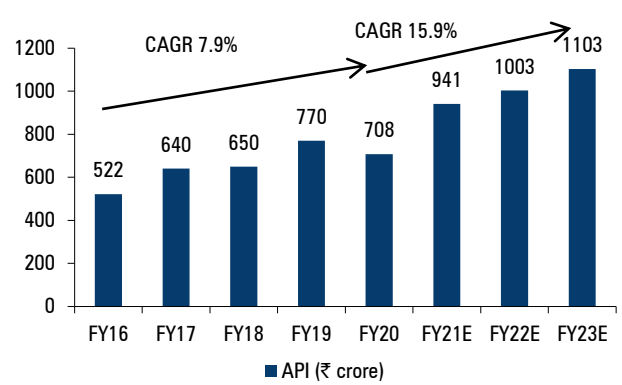
Source: ICICI Direct Research, Company

Exhibit 7: US to grow at 16% CAGR over FY20-23E



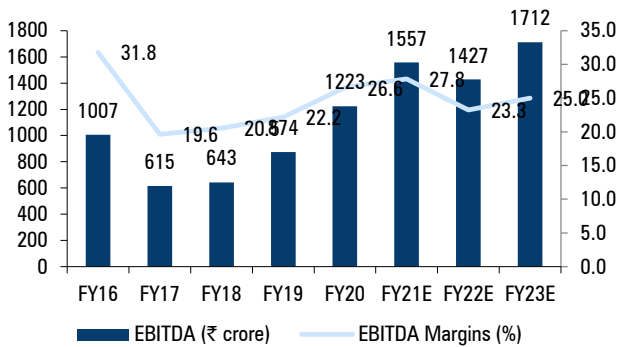
Source: ICICI Direct Research, Company

Exhibit 8: API to grow at 16% CAGR over FY20-23E



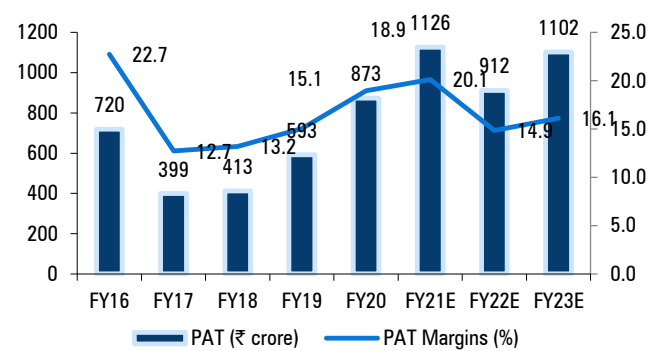
Source: ICICI Direct Research, Company

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	Growth	Adj. EPS	Growth	P/E	EV/EBITDA	RoNW	RoCE
	(₹ crore)	(%)	(₹)	(%)	(x)	(X)	(%)	(%)
FY 20	4606	17.1	46.3	47.3	23.0	17.0	27.1	21.0
FY 21E	5594	21.5	59.7	29.0	16.9	13.0	22.9	22.2
FY 22E	6139	9.7	48.4	-19.0	20.9	13.8	16.2	16.9
FY 23E	6846	11.5	58.5	20.9	17.3	11.2	16.8	19.2

Source: ICICI Direct Research, Bloomberg

Exhibit 12: Shareholding Pattern

(in %)	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20
Promoter	73.0	73.0	73.0	73.0	69.8
Others	27.0	27.0	27.0	27.0	30.2

Source: ICICI Direct Research, Bloomberg

Financial Summary

Exhibit 13: Profit & Loss (₹ crore)

(Year-end March) ₹crore	FY20	FY21E	FY22E	FY23E
Revenues	4,605.7	5,594.3	6,138.8	6,846.2
Growth (%)	17.1	21.5	9.7	11.5
Raw Material Expenses	1,039.4	1,320.8	1,473.3	1,643.1
Employee Expenses	906.4	1,138.7	1,411.9	1,540.4
R&D Expenditure	644.8	705.1	752.0	787.3
Other Manufacturing Expenses	792.1	873.1	1,074.3	1,163.8
Total Operating Expenditure	3,382.7	4,037.7	4,711.5	5,134.6
EBITDA	1,223.0	1,556.7	1,427.3	1,711.5
Growth (%)	40.0	27.3	-8.3	19.9
Interest	27.2	22.2	15.0	7.9
Depreciation	157.3	189.4	337.8	383.3
Other Income	4.9	31.5	36.8	47.9
PBT	999.8	1,376.5	1,111.3	1,368.2
Total Tax	199.2	275.9	222.3	287.3
Tax Rate (%)	19.9	20.0	20.0	21.0
Adjusted PAT	872.8	1,126.0	912.0	1,102.3
Growth (%)	47.3	29.0	-19.0	20.9
EPS (Adjusted)	46.3	59.7	48.4	58.5

Source: ICICI Direct Research

Exhibit 14: Cash Flow Statement (₹ crore)

(Year-end March) ₹crore	FY20	FY21E	FY22E	FY23E
Profit/(Loss) after taxation	763.7	1,126.0	912.0	1,102.3
Depreciation	157.3	189.4	337.8	383.3
Net Increase in Current Assets	-597.5	-509.5	-282.6	-359.7
Net Increase in Current Liabilities	4.6	399.0	126.4	158.3
CF from operating activities	449.2	1,204.9	1,093.6	1,284.3
(Inc)/dec in Investments	0.0	-500.0	200.0	-100.0
(Inc)/dec in Fixed Assets	-734.3	-700.0	-700.0	-500.0
Other investing activities	2.1	7.3	2.5	1.0
CF from investing activities	-728.9	-1,192.2	-492.0	-591.7
Inc / (Dec) in Equity Capital	0.0	750.0	0.0	0.0
Inc / (Dec) in Loan	591.9	-500.0	-400.0	-400.0
Dividend & Dividend Tax	-326.0	-188.5	-188.5	-188.5
Other financing activities	-111.1	0.0	0.0	0.0
CF from financing activities	154.9	61.5	-588.5	-588.5
Net Cash flow	-124.9	74.3	13.2	104.1
Opening Cash	205.6	80.8	155.0	168.2
Closing Cash	80.8	155.0	168.2	272.3
Free Cash flow	-285.2	504.9	393.6	784.3

Source: ICICI Direct Research

Exhibit 15: Balance Sheet (₹ crore)

(Year-end March) ₹crore	FY20	FY21E	FY22E	FY23E
Equity Capital	37.7	37.7	37.7	37.7
Reserve and Surplus	3,181.7	4,869.2	5,592.6	6,506.5
Total Shareholders funds	3,219.4	4,906.9	5,630.3	6,544.2
Minority Interest	-29.0	-26.1	-23.5	-21.1
Total Debt	1,747.5	1,247.5	847.5	447.5
Deferred Tax Liability	12.2	13.4	14.7	16.2
Other Non Current Liabilities	73.3	80.6	88.7	97.6
Long Term Provisions	74.5	82.0	90.2	99.2
Source of Funds	5,097.9	6,304.3	6,648.0	7,183.5
Gross Block - Fixed Assets	2,126.0	2,976.0	4,826.0	5,476.0
Accumulated Depreciation	574.5	763.9	1,101.7	1,485.1
Net Block	1,551.5	2,212.1	3,724.3	3,991.0
Capital WIP	1,846.2	1,696.2	546.2	396.2
Total Fixed Assets	3,397.7	3,908.3	4,270.5	4,387.1
Goodwill on Consolidation	0.0	0.0	0.0	0.0
Investments	17.9	517.9	317.9	417.9
Inventory	1,187.5	1,532.6	1,681.9	1,875.7
Cash	80.8	155.0	168.2	272.3
Debtors	864.8	996.2	1,093.2	1,219.2
Loans & Advances & Other	0.0	0.0	0.0	0.0
Total Current Assets	2,462.7	3,046.5	3,342.2	3,806.0
Creditors	625.9	998.4	1,095.7	1,221.9
Provisions & Other CL	265.2	291.7	320.9	352.9
Total Current Liabilities	891.1	1,290.1	1,416.5	1,574.8
Net Current Assets	1,571.6	1,756.4	1,925.7	2,231.2
LT L& A, Other Assets	110.7	121.7	133.9	147.3
Deferred Tax Assets	0.0	0.0	0.0	0.0
Application of Funds	5,097.9	6,304.3	6,648.0	7,183.5

Source: ICICI Direct Research

Exhibit 16: Key Ratios (₹ crore)

(Year-end March)	FY20	FY21E	FY22E	FY23E
Per share data (₹)				
Adjusted EPS	46.3	59.7	48.4	58.5
BV per share	170.8	260.3	298.7	347.2
Dividend per share	12.0	10.0	10.0	10.0
Operating Ratios (%)				
Gross margins	77.4	76.4	76.0	76.0
EBITDA Margins	26.6	27.8	23.3	25.0
PAT Margins	18.9	20.1	14.9	16.1
Inventory days	94.1	100.0	100.0	100.0
Debtor days	68.5	65.0	65.0	65.0
Creditor days	49.6	65.1	65.1	65.1
Asset Turnover	2.2	1.9	1.3	1.3
EBITDA conversion Rate	36.7	77.4	76.6	75.0
Return Ratios (%)				
RoE	27.1	22.9	16.2	16.8
RoCE	21.0	22.2	16.9	19.2
RoIC	33.6	30.7	18.4	20.4
Valuation Ratios (x)				
P/E	23.0	16.9	20.9	17.3
EV / EBITDA	17.0	13.0	13.8	11.2
EV / Net Sales	4.5	3.6	3.2	2.8
Market Cap / Sales	4.1	3.4	3.1	2.8
Price to Book Value	5.9	3.9	3.4	2.9
Solvency Ratios				
Debt / Equity	0.5	0.3	0.2	0.1
Debt / EBITDA	1.4	0.8	0.6	0.3
Current Ratio	2.3	2.0	2.0	2.0

Source: ICICI Direct Research

Exhibit 17: ICICI Direct Coverage Universe (Healthcare)

Company	I-Direct Code	CMP (₹)	TP (₹)	Rating	M Cap (₹cr)	EPS (₹)				PE(x)				RoCE (%)				RoE (%)			
						FY19	FY20	Y21E	Y22E	FY19	FY20	FY21E	Y22E	FY19	Y20	Y21E	Y22E	FY19	FY20	Y21E	Y22E
Ajanta Pharma	AJAPHA	1628	1,810	Buy	14204	43.5	53.4	60.2	72.5	37.4	30.5	27.0	22.5	21.8	24.7	23.4	24.3	17.1	18.1	17.7	18.4
Alembic Pharma	ALEMPHA	1012	1,170	Buy	19894	31.4	46.3	59.7	48.4	32.2	21.9	16.9	20.9	19.6	21.0	22.2	16.9	21.8	27.1	22.9	16.2
Apollo Hospital	APOHOS	2102	1,970	Buy	29240	17.0	23.3	-11.4	28.7	123.9	90.1	NA	73.1	8.8	10.2	3.9	15.2	7.1	9.7	-4.6	10.5
Aurobindo Pharma	AURPHA	782	1,100	Buy	45832	41.9	48.8	59.9	72.4	18.7	16.0	13.1	10.8	15.9	17.2	19.7	21.3	17.7	17.0	17.5	17.7
Biocon	BIOCON	430	490	Buy	51558	6.2	5.8	10.0	19.9	69.2	73.8	42.9	21.6	10.9	10.2	14.5	22.6	12.2	10.4	15.4	24.0
Cadila Healthcare	CADHEA	426	470	Buy	43576	18.1	14.0	17.4	21.0	23.6	30.5	24.5	20.3	12.8	10.7	12.4	13.8	17.8	13.8	15.1	16.0
Cipla	CIPLA	758	900	Buy	61080	18.6	19.2	30.3	36.0	40.8	39.4	25.0	21.0	10.9	12.0	16.4	17.3	10.0	9.8	13.7	14.2
Divi's Lab	DIVLAB	3094	3,260	Buy	82123	51.0	51.9	70.7	85.7	60.7	59.7	43.8	36.1	25.5	23.9	27.1	26.5	19.4	18.8	21.2	21.0
Dr Reddy's Lab	DRREDD	5024	5,710	Buy	83522	114.7	121.9	158.1	196.0	43.8	41.2	31.8	25.6	10.7	9.6	18.2	19.4	13.6	13.0	14.7	15.8
Glenmark Pharma	GLEPHA	487	560	Buy	13746	26.9	26.4	32.8	39.9	18.1	18.5	14.8	12.2	15.3	12.7	13.8	14.9	13.5	12.2	13.3	14.0
Hikal	HIKCHE	164	165	Buy	2018	8.4	8.1	8.8	12.7	19.6	20.2	18.6	12.8	14.3	13.0	13.1	15.1	13.6	12.2	11.9	14.9
Ipca Laboratories	IPCLAB	2156	2,400	Buy	27340	35.1	47.8	92.3	93.4	61.5	45.1	23.4	23.1	15.0	17.6	26.9	22.4	14.2	16.6	24.5	20.0
Jubilant Life	JUBLIF	736	1,060	Buy	11725	54.9	59.9	62.1	91.3	13.4	12.3	11.9	8.1	14.3	14.4	15.8	20.6	17.8	16.6	14.8	18.0
Lupin	LUPIN	993	1,030	Buy	45023	16.5	-12.7	25.3	39.2	60.0	NA	39.3	25.4	9.4	9.7	10.2	13.8	5.4	-4.6	8.4	11.7
Narayana Hrudayam	NARHRU	334	340	Buy	6826	2.9	6.4	-7.0	7.1	115.0	52.6	NA	46.7	7.7	11.0	-4.6	11.9	5.5	11.4	-14.5	13.1
Natco Pharma	NATPHA	912	950	Buy	16616	35.4	25.3	31.0	29.7	25.8	36.0	29.4	30.7	21.3	14.0	16.1	14.2	18.5	12.2	13.4	11.6
Sun Pharma	SUNPHA	486	625	Buy	116497	15.9	16.8	21.0	24.2	30.6	28.9	23.1	20.1	10.3	10.0	10.2	12.9	9.2	8.9	10.8	11.2
Syngene Int.	SYNINT	536	635	Buy	21452	8.3	10.3	9.5	13.2	64.8	52.1	56.3	40.7	14.8	14.5	12.4	15.8	16.8	15.7	14.9	17.2
Torrent Pharmaceuticals	TORPHA	2715	2,865	Buy	45946	48.9	60.6	69.4	94.3	55.5	44.8	39.1	28.8	14.2	15.4	18.1	21.7	17.5	21.2	20.6	23.1
Shalby	SHALIM	90	100	Hold	967	2.9	2.6	4.2	4.8	30.6	35.1	21.5	18.6	6.8	7.2	5.8	7.8	4.1	3.5	5.3	5.9
Aster DM	ASTDM	135	160	Buy	6746	6.7	5.5	-0.3	8.3	20.3	24.4	NA	16.2	8.3	7.1	3.4	8.7	10.4	8.5	-0.5	11.3
Indoco Remedies	INDREM	260	330	Buy	2393	-0.3	2.6	11.0	15.0	NA	99.3	23.7	17.3	1.0	5.1	13.5	16.9	-0.4	3.5	13.2	15.6
Caplin Point	CAPPOI	526	670	Buy	3979	23.3	28.4	33.2	44.6	22.5	18.5	15.8	11.8	34.6	26.5	26.0	28.0	27.9	22.7	21.4	22.7
Granules India	GRANUL	389	460	Buy	9631	9.5	12.4	21.4	25.2	40.7	31.3	18.2	15.4	11.8	15.2	22.9	23.1	15.5	16.7	22.6	21.2

Source: ICICI Direct Research, Bloomberg

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