

Sun Pharma

Estimate change



TP change



Rating change



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Bloomberg	SUNP IN
Equity Shares (m)	2,399
M.Cap.(INRb)/(USD\$)	1857 / 25
52-Week Range (INR)	780 / 453
1, 6, 12 Rel. Per (%)	14/18/12
12M Avg Val (INR M)	5068

Financials & valuations (INR b)

Y/E MARCH	2021	2022E	2023E
Sales	331.6	382.2	425.6
EBITDA	81.3	99.6	109.9
Adj. PAT	60.2	71.0	80.8
EBIT Margin (%)	18.2	20.6	20.7
Cons. Adj. EPS (INR)	25.0	29.5	33.6
EPS Gr. (%)	52.6	17.9	13.8
BV/Sh. (INR)	193.1	218.2	247.3

Ratios

Net D:E	-0.07	-0.06	-0.13
RoE (%)	13.1	14.4	14.4
RoCE (%)	9.9	11.5	11.5
Payout (%)	43.0	15.2	12.7

Valuations

P/E (x)	30.9	26.2	23.0
EV/EBITDA (x)	21.6	17.7	15.6
Div. Yield (%)	0.5	0.5	0.5
FCF Yield (%)	4.0	0.4	3.3
EV/Sales (x)	5.3	4.6	4.0

Shareholding pattern (%)

As On	Jun-21	Mar-21	Jun-20
Promoter	54.5	54.5	54.7
DII	22.0	21.6	20.1
FII	11.5	11.7	12.7
Others	12.1	12.2	12.5

FII Includes depository receipts

CMP: INR773
TP: INR900 (+16%)
Buy
Superior performance across segments led to strong earnings beat

Improving traction in Specialty products

- SUNP's 1QFY22 earnings were well above our expectation, led by over 25% growth in all segments, except API. Steady traction in the Specialty portfolio, recovery in the core portfolio of Branded Generics, new launches in US Generics, and partial benefit of COVID-related products led to strong growth in 1QFY22 earnings.
- We raise our FY22E/FY23E earnings estimate by 5%/6% to factor in: a) continued ramp-up in Ilumya-led Specialty portfolio, b) addition of products in the Specialty portfolio, and c) strong COVID-related offtake, revival in core therapies, and healthy pace of launches in Domestic Formulation (DF). We value SUNP at 25x 12-months forward earnings to arrive at our TP of INR900.
- We remain positive on SUNP on the back of: a) its strategy of NCE-led brand building in developed markets, b) industry leading market share in the Branded Generics market of DF, EM, and RoW, c) its Complex Generics pipeline and improving operating leverage. We maintain our **Buy** rating.

Revenue growth/operating leverage drives earnings

- Sales grew 30% YoY to INR96.7b (est. INR86b) in 1QFY22.
- DF sales rose 39% YoY to INR33.1b (34% of sales). US sales grew 35% YoY to USD380m (29% of sales). RoW sales increased by 35% YoY to USD185m (14% of sales). Sales in EM were up 25% YoY to USD218m (19% of sales). API sales declined by 7% YoY to INR5.2b (5% of sales).
- Gross margin fell 100bp YoY to 72.6% in 1QFY22.
- However, EBITDA margin expanded 580bp YoY to 27.8% (est. 24.3%), due to lower staff expense/other expenditure excluding R&D (-540bp/-190bp YoY as a percentage of sales).
- EBITDA was up 64% YoY to INR27b (est. INR20.9b).
- The exceptional expense of INR6.3b is on account of: a) additional provision of USD60m by Taro, related to an ongoing civil anti-trust matters; b) INR1.5b towards impairment of an acquired intangible asset under development; and c) INR382m in writing down of assets, which classified as held.
- Adjusting for the same, PAT grew 74% YoY to INR20b (est. INR15b).

Highlights from the management commentary

- Specialty sales stood at USD148m v/s USD143m. A QoQ rise in global Specialty sales is seen, despite the entry of g-Absorica in the market.
- SUNP guided at healthy double-digit growth in the Specialty portfolio in FY22. Japan and Australia remain promising markets for Ilumya.
- COVID-19 and allied products contributed 8-10% of DF sales in 1QFY22. Adjusting for the same, YoY growth is ~25%, led by superior growth in the core portfolio and partly due to a low base of the past year.
- Overall R&D spending to be 7-8% of sales for FY22.
- R&D spends for the Specialty portfolio is 26% of total R&D spends.
- Other expenses are yet to normalize to pre-COVID levels. It is expected to increase in 2QFY22, subject to the COVID-19 situation.

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Valuation and view

- We raise our FY22E/FY23E earnings estimate by 5%/6% to factor in: a) continued ramp up in Specialty sales in the US, with incremental opportunities from in-licensed products, b) the benefit of an expanded field force in the DF segment, c) stable Taro business, and d) new product launches in US Generics.
- We expect 16% earnings CAGR over FY21-23E, led by 15%/13% revenue growth in the US/DF. We raise our TP to INR900/share on a 25x 12-months forward earnings basis.
- We remain positive on SUNP due to: a) investments in the global Specialty portfolio improving overall profitability, b) a robust pipeline of NDAs/ANDAs, and c) revival in the Branded Generics segment. We maintain our **Buy** rating.

Quarterly performance (consolidated)

(INR b)

Y/E March	FY21				FY22				FY21	FY22E	FY22E	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
Net Revenue	74.7	84.6	87.8	84.3	96.7	93.0	96.1	96.5	331.4	382.2	85.9	12.6
YoY Change (%)	-9.6	6.4	9.2	4.4	29.5	9.9	9.4	14.4	2.5	15.3	15.0	
Total Expenditure	58.2	62.4	65.0	64.6	69.8	69.6	71.6	71.6	250.3	282.6	65.0	
EBITDA	16.5	22.2	22.8	19.7	26.9	23.4	24.5	24.8	81.1	99.6	20.9	29.0
YoY Change (%)	-9.2	37.8	38.7	40.7	63.5	5.7	7.3	26.3	25.5	22.9	26.8	
Margin (%)	22.0	26.2	26.0	23.3	27.8	25.2	25.5	25.8	24.5	26.1	24.3	
Depreciation	5.0	5.0	5.3	5.5	5.0	5.2	5.3	5.4	20.8	20.8	5.6	
EBIT	11.5	17.2	17.5	14.1	21.9	18.3	19.2	19.4	60.3	78.8	15.3	
YoY Change (%)	-15.2	51.4	59.4	71.9	90.3	6.4	9.9	37.4	36.7	30.7	33.2	
Interest	0.5	0.3	0.3	0.3	0.4	0.2	0.2	0.1	1.4	0.9	0.3	
Net Other Income	2.7	3.5	3.7	2.0	2.0	2.3	2.6	3.1	11.9	9.9	2.9	
PBT before EO Exp.	13.7	20.3	20.9	15.9	23.6	20.3	21.6	22.4	70.8	87.8	17.9	31.2
Less: EO Exp./(Inc.)	35.5	1.2	-0.7	6.8	5.5	0.0	0.0	0.0	42.8	5.5	0.0	
PBT	-21.8	19.2	21.6	9.0	18.0	20.3	21.6	22.4	28.0	82.3	17.9	
Tax	2.5	-0.3	2.4	0.6	4.0	2.7	3.0	2.6	5.1	12.3	2.2	
Rate (%)	17.9	-1.5	11.7	3.5	16.8	13.5	14.0	11.5	7.3	14.0	12.5	
PAT (pre Minority Interest)	-24.3	19.5	19.2	8.5	14.1	17.6	18.6	19.8	22.8	70.0	15.7	
Minority Interest	-7.7	1.4	0.7	-0.5	-0.4	-0.3	-0.2	-0.2	-6.2	-1.0	0.8	
Reported PAT	-16.6	18.1	18.5	8.9	14.4	17.8	18.8	19.9	29.0	71.0	15.0	-3.4
Adj. Net Profit*	11.5	16.4	17.8	14.6	20.0	17.8	18.8	19.9	60.2	71.0	15.0	33.4
YoY Change (%)	-13.2	55.4	114.1	97.2	74.1	8.7	5.5	36.9	52.6	17.9	30.5	

Key performance Indicators (consolidated)

Y/E March	FY21				FY22E				FY21	FY22E	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE
Domestic Formulations (INR b)	23.9	25.3	27.5	26.7	33.1	29.0	30.3	28.7	103.4	121.0	27.2
YoY Change (%)	3.2	0.7	9.4	12.9	38.5	14.5	10.0	7.3	6.0	17.0	14.0
US sales (INR b)	21.4	24.9	27.6	26.9	28.0	28.5	29.4	31.4	100.8	117.4	25.9
YoY Change (%)	(28.0)	4.3	10.8	(0.7)	31.1	14.3	6.4	16.6	(4.4)	16.4	21.3
RoW and EM (INR b)	23.5	28.8	27.8	25.9	29.7	29.4	30.1	30.9	106.0	120.1	27.9
YoY Change (%)	(7.2)	12.1	11.6	4.8	26.7	2.0	8.0	19.4	5.8	13.3	19.0
APIs (INR b)	5.5	5.1	4.5	4.4	5.1	5.4	5.6	6.0	19.5	22.2	4.4
YoY Change (%)	20.1	9.1	(10.5)	(9.9)	(7.0)	6.0	25.0	37.4	1.8	13.7	(20.0)
Cost Break-up											
RM Cost (% of Sales)	26.4	25.4	26.6	26.6	27.4	26.8	26.5	25.9	26.2	26.8	26.2
Staff Cost (% of Sales)	23.6	20.2	19.6	19.9	18.2	18.9	18.8	19.0	20.7	18.8	20.0
R&D Expenses (% of Sales)	5.6	7.2	6.4	6.5	6.1	6.5	7.0	7.6	6.5	6.8	6.9
Other Cost (% of Sales)	22.4	21.0	21.5	23.6	20.4	22.2	21.7	21.0	22.1	21.5	22.0
Gross Margin (%)	73.6	74.6	73.4	73.4	72.6	73.2	73.5	74.1	73.8	73.2	73.8
EBITDA Margin (%)	22.0	26.2	26.0	23.3	27.8	25.2	25.5	25.8	24.5	26.1	24.3
EBIT Margin (%)	15.4	20.3	19.9	16.8	22.6	19.7	20.0	20.1	18.2	20.6	17.8



Key takeaways from the management interaction

- Other expenses are yet to normalize to pre-COVID levels. It is expected to increase in 2QFY22, subject to the COVID-19 situation.
- The R&D pipeline in the Specialty portfolio comprises: a) Ilumya undergoing Phase III clinical trials for psoriatic arthritis, b) SCD044 undergoing Phase II clinical trial for atopic dermatitis, c) MM2 undergoing Phase II clinical trial for knee pain (Symptomatic knee osteoarthritis) and one product undergoing Phase I clinical trial for diabetes.
- The US Generics business has witnessed growth (excluding Taro), led by new launches and efficient supply chain management.
- Around 13 NDAs and 86 ANDAs await USFDA approval.
- SUN launched ~13 products in 1QFY22 in the DF market.
- With the repayment of USD185m debt, SUNP is net cash positive, even excluding Taro.

Exhibit 1: Taro – financial snapshot

USD m	1QFY22	1QFY21	YoY (%)	4QFY21	QoQ (%)
Sales	147.1	117.6	25.0	148.3	-0.8
Cost of sales (incl. Depn.)	69.4	52.7	31.7	71.4	-2.8
Gross profit	77.7	64.9	19.6	76.9	1.0
GP Margin (%)	52.8	55.2	(239)bp	51.9	96 bp
Operating expenses					
R&D	13.0	12.9	0.2	16.6	-21.9
R&D as a percentage of sales	8.8	11.0		11.2	
SG&A	24.0	22.2	277.5	102.2	-17.9
SG&A as a percentage of sales	57.1	18.9		68.9	
Operating Profit	41.2	29.8	-164.6	-41.9	-54.1
Operating Profit Margin (%)	-13.1	25.3	(3,838)bp	-28.2	1,516 bp
EBITDA	48.9	35.3	-136.5	-35.4	-63.6
EBITDA margin (%)	33.2	30.0	(3,880)bp	-23.9	1,512 bp
Financial expenses	-3.0	-7.3		-3.2	
Extraordinary items incl. forex	60.3	-0.2		-0.8	
Other income	0.4	0.5		0.1	
PBT	-16.1	37.8	-142.5	-37.8	-57.4
Taxes	2.7	8.9		-8.9	
Effective tax rate (%)	-16.7	23.4		23.5	
Net income before MI	-18.8	29.0	-164.8	-28.9	-35.0
Minority interest	0.0	-15.0		0.9	
Net income (Reported)	-18.8	44.0	-142.6	-29.8	-37.0
Forex fluctuations	0.0	0.0		0.0	
Net income (Adjusted)	40.2	44.0	-142.6	-29.8	-37.0

Source: MOFSL, Company

On superior growth mode across all segments

Ramp-up in Specialty/stable Taro sales/new launches to lead US sales growth

- The global Specialty business posted a strong set of numbers, with USD148m in sales in 1QFY22, growing both YoY and QoQ. Growth was led by a pickup in sales of Ilumya and Cequa in the US, partially offset by generic competition in Absorica in the US. Ongoing marketing effort to ramp-up Ilumya sales in the US is gradually showing results, with global Specialty sales inching up sequentially.
- SUNP is conducting Phase III clinical trials for Ilumya in the US for additional indications of Psoriatic Arthritis (PsA), which will increase its addressable market. The trial was impacted due to COVID-19 and the company is currently recruiting patients in the US. The size of the global PsA drug market is pegged ~USD7b, with that of the US estimated to be USD4-5b based on industry sources.
- In Jul'21, SUNP signed an exclusive deal with Cassiopea for a new generation topical drug Winlevi for the US and Canada markets. SUNP will use its expertise in Dermatology products and relationships with dermatologists, from its experience in promoting Absorica, to market Winlevi. Good execution with Winlevi will also open doors for more such in-licensing opportunities, which SUNP can leverage to grow its Specialty sales and improve profitability.
- Taro sales grew 25% YoY to USD147m in 1QFY22 on a low base. Sales were flat QoQ in 1QFY22, indicating stabilization of the business post a severe price erosion observed in FY20. In the US Generics segment, excluding Taro, SUNP has posted a YoY and QoQ growth in sales by countering price erosion in the base business with new launches and better supply chain management.
- In the Generics segment, SUNP has 86 ANDAs pending approval. Considering: a) new launches in Generics, b) stabilizing Taro sales, and c) better traction in the Specialty portfolio, we expect 15% CAGR in US sales to USD1.8b over FY21-23E.

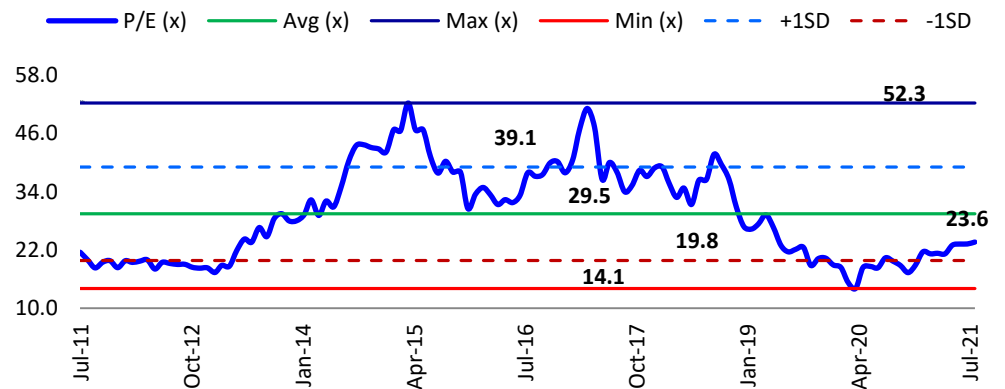
DF: Core therapies recover; COVID-related products aid growth to an extent

- SUNP's DF sales grew 39% YoY to INR33b in 1QFY22, with strong growth in the base business and partly aided by COVID-related products. The recent MR addition will aid in ramping up DF sales.
- Based on strong brand recall, market leading presence in the Chronic category, loss of exclusivity opportunities in DF in FY22, and the expanded field force reaching optimum productivity, SUNP is well-placed to outperform the industry over the next 2-3 years. We expect 13% CAGR in India sales to INR132b over FY21-23E.

Specialty sales ramp up and DF to drive 16% earnings CAGR over FY21-23E

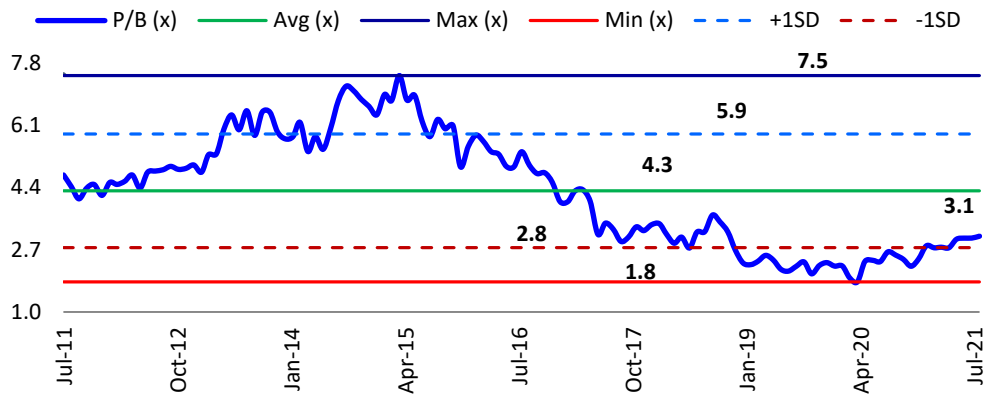
- We raise our FY22E/FY23E earnings estimate by 5%/6% to factor in: a) continued ramp up in Specialty sales in the US, with incremental opportunities from in-licensed products, b) the benefit of an expanded field force in the DF segment, c) stable Taro business, and d) new product launches in US Generics.
- We expect 16% earnings CAGR over FY21-23E, led by 15%/13% revenue growth in the US/DF. We raise our TP to INR900/share on a 25x 12-months forward earnings basis.
- We remain positive on SUNP due to: a) investments in the global Specialty portfolio improving overall profitability, b) a robust pipeline of NDAs/ANDAs, and c) revival in the Branded Generics segment. We maintain our **Buy** rating.

Exhibit 2: P/E chart



Source: MOFSL, Company, Bloomberg

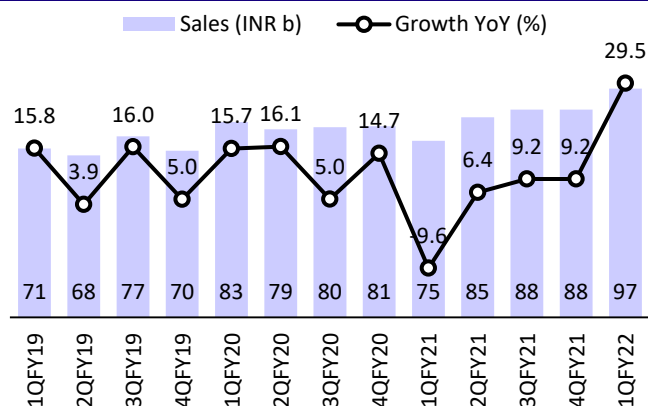
Exhibit 3: P/B chart



Source: MOFSL, Company, Bloomberg

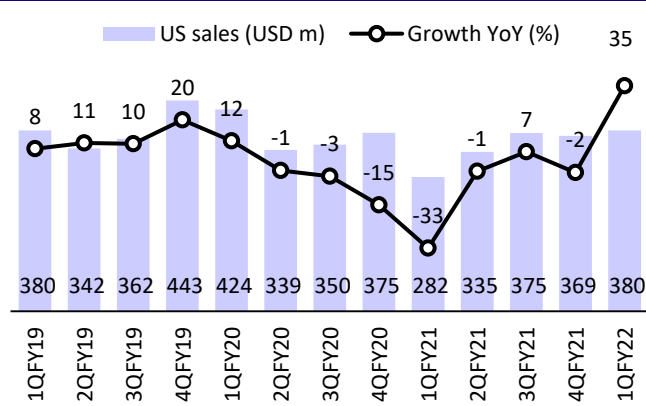
Story in charts

Exhibit 4: Revenue up 30% YoY in 1QFY22



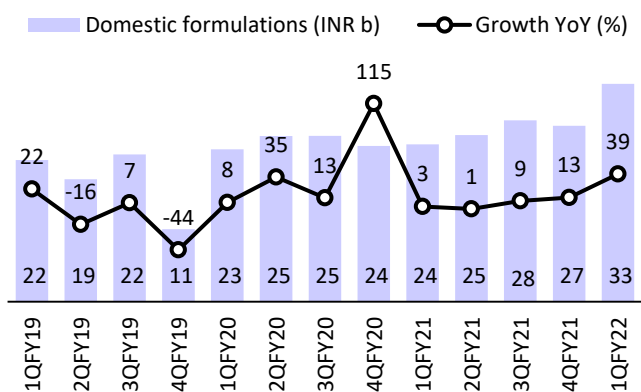
Source: Company, MOFSL

Exhibit 5: US business sales up 35% YoY in CC terms



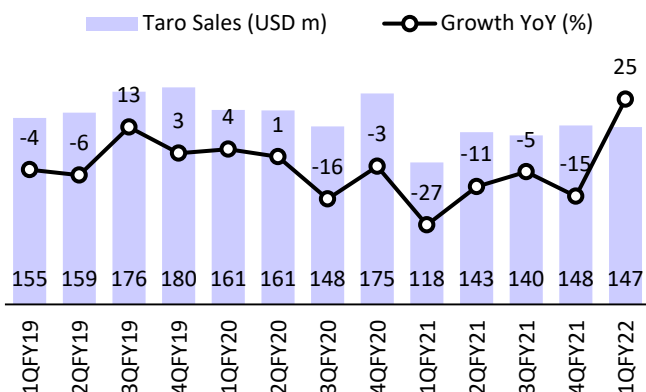
Source: Company, MOFSL

Exhibit 6: DF sales grew by 39% YoY in 1QFY22



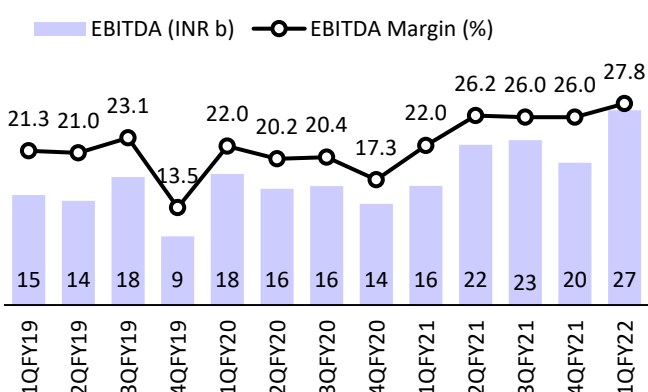
Source: Company, MOFSL

Exhibit 7: Taro sales grew 25% YoY in 1QFY22



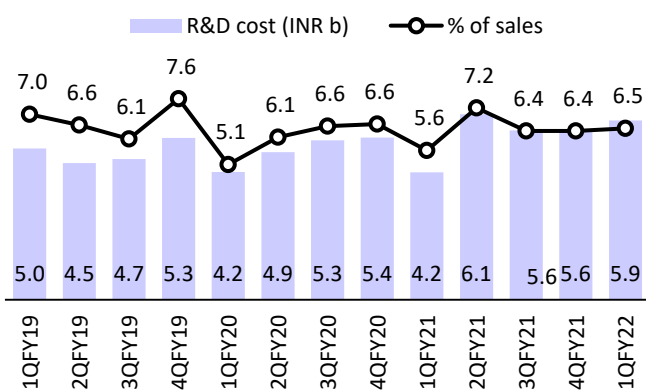
Source: Company, MOFSL

Exhibit 8: EBITDA margin up 580bp YoY

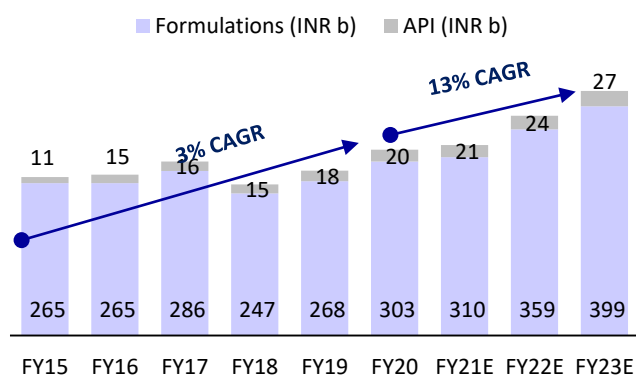


Source: Company, MOFSL

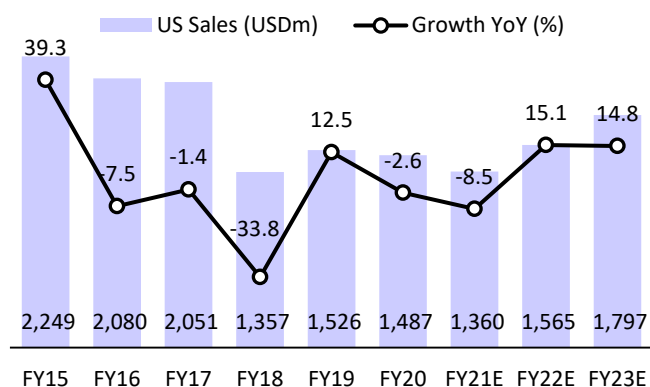
Exhibit 9: R&D at 6.5% of sales in 1QFY22



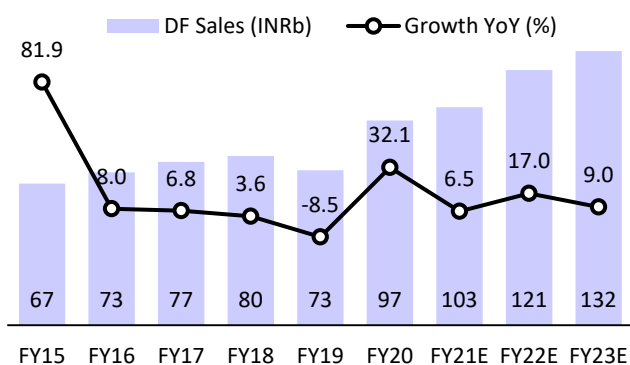
Source: Company, MOFSL

Exhibit 10: Expect 13% revenue CAGR over FY21-22E

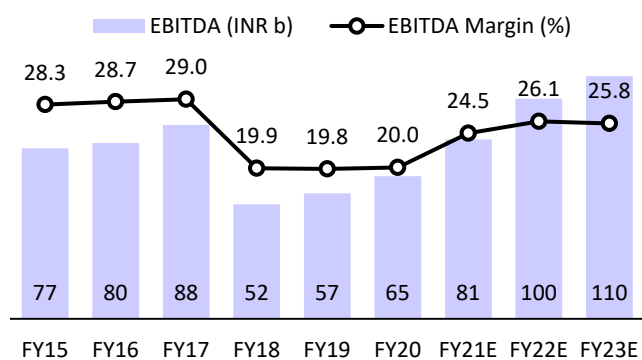
Source: Company, MOFSL

Exhibit 11: Expect US sales to see 15% CAGR over FY21-23E

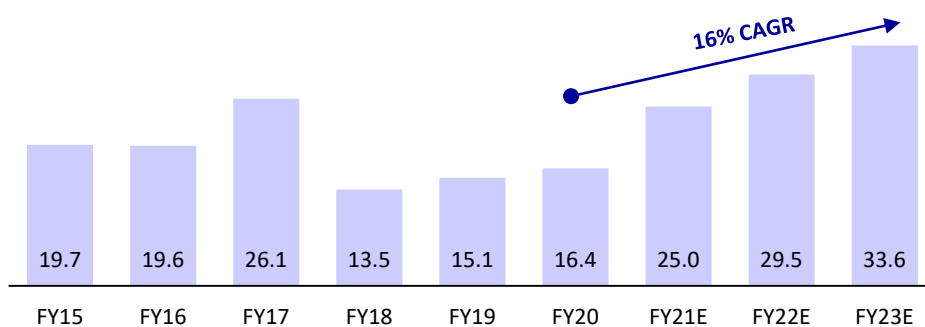
Source: Company, MOFSL

Exhibit 12: Expect DF sales CAGR of 12% over FY21-23E

Source: Company, MOFSL

Exhibit 13: Expect EBITDA margin to improve to ~26% by FY23E

Source: Company, MOFSL

Exhibit 14: Expect EPS to exhibit 16% CAGR over FY21-23E

Source: Company, MOFSL

Financials and valuations

Income Statement								(INR b)	
Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Net Sales	272.9	277.4	302.6	260.7	286.9	323.3	331.6	382.2	425.6
Change (%)	70.5	1.7	9.1	-13.9	10.1	12.7	2.6	15.3	11.3
Total Expenditure	195.7	197.9	214.9	208.8	230.1	258.6	250.3	282.6	315.7
% of Sales	71.7	71.3	71.0	80.1	80.2	80.0	75.5	73.9	74.2
EBITDA	77.2	79.6	87.8	51.8	56.8	64.6	81.3	99.6	109.9
Margin (%)	28.3	28.7	29.0	19.9	19.8	20.0	24.5	26.1	25.8
Depreciation	11.9	10.1	12.6	15.0	17.5	20.5	20.8	20.8	21.6
EBIT	65.3	69.4	75.1	36.8	39.3	44.1	60.5	78.8	88.3
Int. and Finance Charges	5.8	4.8	4.0	5.2	5.6	3.0	1.4	0.9	0.7
Other Income - Rec.	6.9	9.8	19.4	12.6	14.1	11.5	11.8	9.9	11.0
Extra-ordinary Exp.	2.4	6.9	0.0	9.5	9.7	2.5	42.8	5.5	0.0
PBT	64.0	67.7	90.5	34.8	38.1	50.1	28.0	82.3	98.6
Tax	9.1	9.3	12.1	8.5	6.0	8.2	5.1	12.3	14.8
Tax Rate (%)	14.3	13.8	13.4	24.3	15.8	16.4	18.4	14.9	15.0
Profit after Tax	54.9	58.3	78.4	26.3	32.1	41.9	22.8	70.0	83.8
Change (%)	41.4	6.2	34.4	-66.4	21.9	30.5	-45.4	206.5	19.7
Margin (%)	20.1	21.0	25.9	10.1	11.2	13.0	6.9	18.3	19.7
Less: Minority Interest	9.5	11.1	8.7	4.7	5.4	4.2	-6.2	-1.0	3.0
Reported PAT	45.4	47.2	69.6	21.6	26.7	37.6	29.0	71.0	80.8
Adjusted PAT (excluding Ex. Items)	47.4	47.1	62.9	32.4	36.3	39.5	60.2	71.0	80.8

Balance Sheet								(INR b)	
Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Equity Share Capital	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Total Reserves	253.8	327.4	364.0	378.6	411.7	450.2	462.2	522.6	592.7
Net Worth	256.2	329.8	366.4	381.0	414.1	452.6	464.6	525.0	595.1
Minority Interest	28.7	40.9	37.9	38.8	33.1	38.6	30.2	30.2	30.2
Deferred Liabilities	-17.5	-30.5	-21.8	-19.7	-24.5	-31.2	-35.1	-35.1	-35.1
Total Loans	77.8	83.2	80.9	97.5	98.9	75.8	33.4	24.3	17.7
Capital Employed	345.2	423.4	463.4	497.6	521.7	535.9	493.1	544.3	607.9
Gross Block	130.4	123.0	134.0	155.6	181.8	207.8	225.2	254.6	284.6
Less: Accum. Deprn.	60.6	47.2	49.0	64.0	81.6	102.1	122.9	143.7	165.3
Net Fixed Assets	69.8	75.8	85.0	91.6	100.3	105.7	102.3	110.9	119.3
Capital WIP	20.4	12.0	15.6	14.3	9.1	6.6	9.4	10.3	11.3
Goodwill	57.1	92.6	104.2	107.2	123.1	128.4	119.5	119.5	119.5
Investments	27.2	11.2	9.6	30.5	39.5	52.5	64.8	64.8	64.8
Curr. Assets	297.4	332.2	374.8	377.4	349.4	357.6	345.1	378.3	445.5
Inventory	56.7	64.2	68.3	68.8	78.9	78.7	90.0	101.3	106.9
Account Receivables	53.1	67.8	72.0	78.2	88.8	94.2	90.6	118.1	133.7
Cash and Bank Balance	110.0	131.8	151.4	99.3	72.8	64.9	64.5	53.0	92.5
L & A and Others	77.6	68.4	83.0	131.1	108.9	119.8	100.0	105.9	112.4
Curr. Liability and Prov.	126.6	100.4	125.7	123.5	99.7	114.9	148.0	139.5	152.5
Account Payables	59.2	51.7	73.5	68.3	66.1	70.1	98.9	83.0	87.6
Provisions	67.4	48.7	52.3	55.1	33.6	44.8	49.1	56.5	64.9
Net Current Assets	170.8	231.7	249.1	253.9	249.7	242.7	197.1	238.8	292.9
Appl. of Funds	345.2	423.4	463.4	497.6	521.7	535.9	493.1	544.3	607.9

Financials and valuations

Ratios

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Adjusted EPS	19.7	19.6	26.1	13.5	15.1	16.4	25.0	29.5	33.6
Cash EPS	23.8	23.8	34.2	15.2	18.4	24.2	20.7	38.2	42.5
BV/Share	106.5	137.1	152.3	158.4	172.1	188.1	193.1	218.2	247.3
DPS	3.0	3.0	1.0	3.3	2.0	3.5	3.5	3.8	3.8
Payout (%)	15.4	14.9	3.7	36.5	18.0	23.5	43.0	15.2	12.7
Valuation (x)									
P/E	39.2	39.5	29.6	57.5	51.2	47.1	30.9	26.2	23.0
P/BV	7.3	5.6	5.1	4.9	4.5	4.1	4.0	3.5	3.1
EV/Sales	6.6	6.5	5.9	7.0	6.4	5.6	5.3	4.6	4.0
EV/EBITDA	23.3	22.6	20.2	35.1	32.4	28.1	21.6	17.7	15.6
Dividend Yield (%)	0.4	0.4	0.1	0.4	0.3	0.5	0.5	0.5	0.5
Return Ratios (%)									
RoE	21.5	16.1	18.1	8.7	9.1	9.1	13.1	14.4	14.4
RoCE	22.7	18.3	19.0	8.1	9.1	8.9	9.9	11.5	11.5
RoIC	37.8	26.2	23.4	8.7	8.8	9.1	12.9	17.4	17.5
Working Capital Ratios									
Asset Turnover (x)	0.8	0.7	0.7	0.5	0.5	0.6	0.7	0.7	0.7
Fixed Asset Turnover (x)	5.2	3.8	3.8	3.0	3.0	3.1	3.2	3.6	3.7
Debtor (Days)	71	89	87	109	113	106	100	113	115
Creditor (Days)	321	291	330	336	307	277	415	296	290
Inventory (Days)	76	84	82	96	100	89	99	97	92
Leverage Ratio									
Debt/Equity (x)	0.3	0.3	0.2	0.3	0.3	0.0	-0.1	-0.1	-0.1

Cash Flow Statement

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
OP/(Loss) bef. Tax	74.8	72.7	87.8	42.3	47.1	62.2	38.5	94.1	109.9
Int./Dividends Recd.	6.9	9.8	19.4	12.6	14.1	11.5	11.8	9.9	11.0
Direct Taxes Paid	-17.6	-22.3	-3.4	-6.4	-10.8	-14.9	-9.1	-12.3	-14.8
(Inc.)/Dec. in WC	-20.9	-39.1	2.3	-57.0	-22.3	-1.0	45.2	-53.2	-14.6
CF from Operations	43.3	21.2	106.0	-8.4	28.1	57.8	86.3	38.5	91.5
(inc.)/dec. in FA	-82.6	-43.4	-36.9	-23.4	-36.8	-28.7	-11.3	-30.3	-31.0
Free Cash Flow	-39.2	-22.2	69.0	-31.8	-8.7	29.1	75.0	8.2	60.4
(Pur.)/Sale of Invest.	0.7	16.0	1.6	-20.9	-9.0	-12.9	-12.4	0.0	0.0
CF from investments	-81.9	-27.4	-35.4	-44.3	-45.8	-41.7	-23.7	-30.3	-31.0
Change in net worth	34.0	36.2	-41.8	-1.2	1.1	12.0	-9.5	1.0	-3.0
(Inc.)/Dec. in Debt	52.8	5.3	-2.3	16.6	1.4	-23.2	-42.4	-9.1	-6.6
Interest Paid	-5.8	-4.8	-4.0	-5.2	-5.6	-3.0	-1.4	-0.9	-0.7
Dividend Paid	-8.4	-8.7	-2.9	-9.6	-5.8	-9.8	-9.8	-10.7	-10.7
CF from Fin. Activity	72.6	28.0	-51.0	0.6	-8.9	-24.0	-63.1	-19.7	-21.0
Inc./Dec. in Cash	34.1	21.8	19.6	-52.1	-26.5	-7.9	-0.4	-11.5	39.5
Add: Beginning Balance	75.9	110.0	131.8	151.4	99.3	72.8	64.9	64.5	53.0
Closing Balance	110.0	131.8	151.4	99.3	72.8	64.9	64.5	53.0	92.5

NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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