

Sanofi India

Strong earnings; focus on Rx

Sanofi's Q1CY23 result beats our estimates. Revenue came at Rs7.4bn up by 4% YoY (down by 10% QoQ), mainly led by volume pick-up in core brands, post the divestment of Universal Medicare business and two brands Soframycin + Sofradex. Gross margin improved by ~103bps YoY mainly driven by a favorable mix at 58.6%. Lower overhead cost resulted EBITDA margin improvement by 370bps YoY at 31.2%. The quarter had an exceptional item on profit on sale of property Rs255mn and separation cost related to demerger of Rs77mn, adjusted to this the PAT increased by 44% YoY to Rs1.7bn. Going forward, earnings to reflect the impact of Lantus came under NLEM. However, management assured that no major impact earnings. Sanofi to de-merge its consumer business to make it as a separate entity resulting into more focus on individual businesses and value unlocking for the shareholders. We maintain BUY with a revised target price (TP) of Rs7,250.

Healthy margin looks sustainable

During the quarter, Gross margin increased by 100bps YoY to 58.6% driven by healthy product mix and input cost optimisation. Higher Gross margin and cost optimisation measures like 9% YoY decline in employee cost to Rs 918mn and 1.5% YoY decline to Rs. 1.1 bn in other expense led to 370 bps YoY increase in EBITDA Margin to 31.2%. In Q4 the reduction in operating cost is mainly due to sale of property.

De-merger of CH will unlock shareholders' value

Recently, Sanofi had announced demerger of its consumer health segment into a separate entity, with 1:1 ratio. Each Sanofi shareholder to get equal share in Sanofi Consumer Health. This move will further unlock the shareholders' value. Sanofi's consumer health business posted a revenues of Rs7.3bn, (~28% of total CY22 sales). Leading brands includes Allegra (Rs2.4bn), Combiflam (Rs2bn) Avil (Rs0.9bn) DePura (Rs500mn). Rationale behind demerger is to allow both companies to have independent focus on respective businesses and to unlock shareholders value. Sanofi India will have a focus on Rx prescription brands includes (Lantus, Cardace, Amaryl, Frisium, Clexane, Toujeo etc.)

Valuation and risk

Sanofi aims to accelerate growth in its diabetes portfolio, and is focusing on selective brands. Its established presence in the chronic therapies, likely growth in insulin products and portfolio expansion in cardiology could also add to the growth ahead. The long overhand on the stock seems to be over as Sanofi's largest product insulin Glargine came under the revised list of NLEM, management indicated that there would be no major impact on margin and earnings. As the volume will shift towards other brands and NLEM led price hike would de-risk the impact. The stock corrected ~40% in 1 year, which provide attractive valuation for investors. The stock trades at 23x and 21x EPS of Rs 251 and Rs274 for CY23/24E respectively. We maintain our BUY rating on the stock and we roll over our revised target price of Rs7,250 to FY25E EPS of Rs274

Financial and valuation summary

YE Dec (Rs mn)	1QCY23A	1QCY22A	YoY (%)	4QCY22A	QoQ (%)	CY22A	CY23E	CY24E
Revenues	7,365	7,070	4.2	6,719	9.6	26,093	27,979	29,367
EBITDA	2,299	1,945	18.2	1,669	37.7	7,044	7,621	8,189
EBITDA margin (%)	31.2	27.5	13.5	24.8	25.7	25.4	25.7	26.3
Adj. Net profit	1,548	2,384	(35.1)	1,031	50.1	4,886	5,781	6,304
Adj. EPS (Rs)	67.2	103.5	(35.1)	44.8	50.1	212.2	251.0	273.7
EPS growth (%)						(13.2)	18.3	9.0
PE (x)						29.3	24.7	22.7
EV/EBITDA (x)						18.9	17.5	16.1
PBV (x)						11.2	9.5	8.0
RoE (%)						27.9	41.5	38.2
RoCE (%)						27.2	40.4	37.3

Source: Company, Centrum Broking

Result Update

India | Pharma & Healthcare

12 May, 2023

BUY

Price: Rs5,700

Target Price: Rs7,250

Forecast return: 27%

Institutional Research

Market Data

Bloomberg:	SANL IN
52 week H/L:	6,613/5,037
Market cap:	Rs131.3bn
Shares Outstanding:	23.0mn
Free float:	32.2%
Avg. daily vol. 3mth:	29,399

Source: Bloomberg

Changes in the report

Rating:	BUY; Unchanged
Target price:	Rs7,250; up from Rs6,850

Source: Centrum Broking

Shareholding pattern

	Mar-23	Dec-22	Sep-22	Jun-22
Promoter	60.4	60.4	60.4	60.4
FIIIs	6.7	7.0	8.3	8.7
DIIIs	19.5	18.3	18.3	18.6
Public/other	13.4	14.3	13.0	12.3

Source: BSE

Centrum estimates vs Actual results

YE Mar (Rs mn)	Centrum Q1CY23	Actual Q1CY23	Variance (%)
Revenue	6520.0	7365.0	13.0
EBITDA	1617.0	2299.0	42.2
EBITDA margin	24.8	31.2	642bps
Tax rate %	28.0	27.7	-0.9
Adj. PAT	1280.0	1,548.0	20.9

Source: Bloomberg, Centrum Broking



Alka Katiyar

Research Analyst, Pharma & Healthcare
+91-22-4215 9543
alka.katiyar@centrum.co.in

Pharma & Healthcare

Thesis Snapshot

Sanofi India versus Nifty Midcap 100

	1m	6m	1 year
SANL IN	7.7	15.0	1.1
Nifty Midcap 100	5.6	3.7	21.4

Source: Bloomberg, NSE

Key assumptions

Y/E Mar	CY23E	CY24E
Revenue growth %	7.2	5.0
Material cost (% of sales)	44.5	44.9

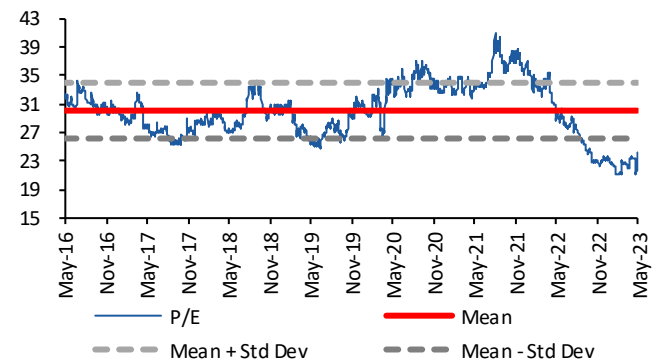
Source: Centrum Broking

Valuations

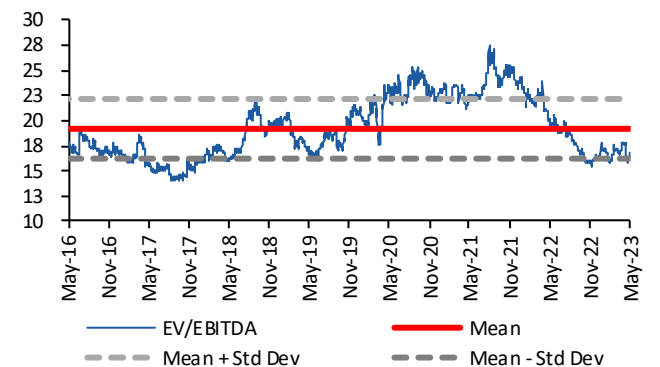
The stock corrected ~40% in 1 year, which provide attractive valuation for investors. The stock trades at 23x and 21x EPS of Rs 251 and Rs274 for CY23/24E respectively. We maintain our BUY rating on the stock with a revised target price of Rs7,250.

Valuations	Rs/share
EPS CY24E	Rs 274
PE (x)	26x
Target Price	7,250

P/E mean and standard deviation



EV/EBITDA mean and standard deviation



Source: Bloomberg, Centrum Broking

Exhibit 1: Quarterly financials

Rs mn	Q1CY22	Q1CY23	YoY (%)	Q4CY22	QoQ%	CY21	CY22	YoY (%)	CY23E	YoY (%)	CY24E	YoY (%)
Total Revenues	7,070	7,365	4.2	6,719	9.6	27,932	26,093	(6.6)	27,979	7.2	29,367	5.0
EBITDA	1,945	2,299	18.2	1,669	37.7	7,625	7,044	(7.6)	7,621	8.2	8,189	7.5
EBITDA Margins (%)	27.5	31.2	370.5	24.8	637.5	27.3	27.0		27.2		27.9	
Other Income	244	258	5.7	200	29.0	744	715	(3.9)	566	(20.8)	751	32.6
Finance Cost	4	3	(25.0)	4	(25.0)	18	17	(5.6)	18	5.9	18	-
Depreciation	109	97	(11.0)	100	(3.0)	667	419	(37.2)	461	10.0	516	12.0
PBT	2,076	2,457	18.4	1,765	39.2	7,684	7,323	(4.7)	7,708	5.3	8,406	9.0
Exceptional/Forex loss / (gain)	1,181	178		139		4,892	1,320	(73.0)	-		-	
PBT after excep. Items	3,257	2,635	(19.1)	1,904	38.4	12,576	8,643	(31.3)	7,708	(10.8)	8,406	9.0
Tax	873	731	(16.3)	595	22.9	3,132	2,437	(22.2)	1,927	(20.9)	2,101	9.0
Reported PAT	2,384	1,904	(20.1)	1,309	45.5	9,444	6,206	(34.3)	5,781	(6.8)	6,304	9.0
APAT	1,203	1,726	43.5	1,170	47.5	5,626	4,886	(13.2)	5,781	18.3	6,304	9.0
Reported EPS (Rs)	103.5	82.7	(20.1)	56.8	45.5	410.1	269.5	(34.3)	251.0	(6.8)	273.7	9.0
Adjusted EPS (Rs)	52.2	74.9	43.5	50.8	47.5	244.3	212.2	(13.2)	251.0	18.3	273.7	9.0

Source: Company, Centrum Broking

Key highlights

Business update

- Sanofi India is well positioned across 7 of the top 9 therapies in the IPM.
- Lantus came under price control and company had a price hit of 20%. Management indicated that the impact would not be much on margins and earnings.
- **Current opportunities for Sanofi** are to focus on growth drivers, leveraging of local opportunities, expanding reach by minimizing overlap, regaining innovative momentum, capturing market in Emerging Markets (EM) and modernizing channels to build partnerships for an extended distribution reach.
- **Major segment for growth pillars is Diabetes segment** – strengthening the current positioning, increasing the spectrum of offering and creating strong awareness programs.
- The company does not have a plan to increase the number of MRs, current MRs are ~2100. It has transferred 200 MRs to the Diabetes division.
- The company plans to increase hospital coverage and healthcare professional reach.
- Lantus' performance was affected by higher focus on Toujeo in the last quarter, however in coming quarter it is expected to normalise.
- Insulin Glargine – Grew by 2-3% on full-year basis.
- Current NLEM exposure stands at 40% including lantus (earlier 16-18%)
- A large part of the company's portfolio is manufactured in India in the Goa facility. It operates with 16 contract manufacturing organizations.
- Gross margin improved for CY22 on the back of lower raw material costs, better product mix and higher exports amid strengthening of Euro vs INR.
- The current size of Vitamin D3 market is ~Rs8bn, which is growing at ~3%. The company's market share stands at ~5%.
- Sanofi aim to maintain Rx margin of 25%.

Update on Consumer business divestment

- Recently, Sanofi had announced demerger of its consumer health segment into a separate entity. Each Sanofi shareholder to get equal share in Sanofi Consumer Health. This move will further unlock the shareholders' value.
- On the completion of the proposed demerger, Sanofi's management to continue to own 60.4% stake in both entities and Sanofi India Limited shareholders will receive 1:1 SCHIL equity share of INR 10/- each, for each equity share owned.
- Management indicated that the separated entity will list on the exchanges (BSE & NSE) which will enable shareholders unlock value by providing liquidity to the shareholders.
- Sanofi's consumer health business posted revenues of Rs7.3bn, (~28% of total CY22 sales). Consumer health segment EBITDA margin of 32-35%.
- Leading brands includes Allegra (Rs2.4bn), Combiflam (Rs2bn) Avil (Rs0.9bn) DePura (Rs500mn).

Rationale behind demerger

- It will allow both companies to have independent focus on respective businesses and to unlock shareholders value.
- Sanofi India will have a focus on Rx prescription brands includes (Lantus, Cardace, Amaryl, Frisium, Clexane, Toujeo etc.). It will also enable independent growth plans, strategy for scalability, and stronger leverage of specific global resources within the group.
- The strategy behind the demerger is mainly to de-risk both the businesses from each other (as there are certain risk factor in Pharma segment like NLEM) and allow potential investors and stakeholders the option of investing in both businesses.

&L					
YE Dec (Rs mn)	CY20A	CY21A	CY22A	CY23E	CY24E
Revenues	27,225	27,932	26,093	27,979	29,367
Operating Expense	14,639	15,193	14,456	15,031	15,810
Employee cost	4,608	4,339	4,059	4,281	4,405
Others	2,641	2,408	2,142	2,720	2,731
EBITDA	7,131	7,625	7,044	7,621	8,189
Depreciation & Amortisation	806	667	419	461	516
EBIT	6,325	6,958	6,625	7,160	7,673
Interest expenses	18	18	17	18	18
Other income	898	744	715	566	751
PBT	7,205	7,684	7,323	7,708	8,406
Taxes	1,996	3,132	2,437	1,927	2,101
Effective tax rate (%)	27.7	40.8	33.3	25.0	25.0
PAT	5,209	4,552	4,886	5,781	6,304
Minority/Associates	0	0	0	0	0
Recurring PAT	5,209	5,626	4,886	5,781	6,304
Extraordinary items	(417)	4,892	1,320	0	0
Reported PAT	4,792	9,444	6,206	5,781	6,304

Ratios					
YE Dec	CY20A	CY21A	CY22A	CY23E	CY24E
Growth (%)					
Revenue	(4.2)	2.6	(6.6)	7.2	5.0
EBITDA	7.2	6.9	(7.6)	8.2	7.5
Adj. EPS	10.0	8.0	(13.2)	18.3	9.0
Margins (%)					
Gross	60.5	59.1	60.6	61.5	61.5
EBITDA	24.6	25.8	25.4	25.7	26.3
EBIT	21.8	23.5	23.9	24.1	24.6
Adjusted PAT	18.0	31.9	22.4	19.5	20.2
Returns (%)					
ROE	22.8	25.9	27.9	41.5	38.2
ROCE	22.8	20.6	27.2	40.4	37.3
ROIC	40.7	49.6	85.8	122.6	91.5
Turnover (days)					
Gross block turnover ratio (x)	5.0	6.9	7.4	7.9	8.1
Debtors	23	18	18	17	18
Inventory	122	106	123	120	118
Creditors	100	93	105	103	90
Net working capital	154	186	126	119	148
Solvency (x)					
Net debt-equity	(0.6)	(0.7)	(0.8)	(0.6)	(0.6)
Interest coverage ratio	396.2	423.6	414.4	423.4	455.0
Net debt/EBITDA	(1.7)	(2.0)	(1.4)	(1.2)	(1.4)
Per share (Rs)					
Adjusted EPS	226.2	244.3	212.2	251.0	273.7
BVPS	920.1	966.4	554.0	655.0	778.7
CEPS	261.2	273.3	230.3	271.0	296.2
DPS	349.0	365.0	377.0	150.0	150.0
Dividend payout (%)	167.7	89.0	139.9	59.8	54.8
Valuation (x)					
P/E	27.5	25.4	29.3	24.7	22.7
P/BV	6.7	6.4	11.2	9.5	8.0
EV/EBITDA	18.4	16.8	18.9	17.5	16.1
Dividend yield (%)	5.6	5.9	6.1	2.4	2.4

Source: Company, Centrum Broking

Balance sheet					
YE Dec (Rs mn)	CY20A	CY21A	CY22A	CY23E	CY24E
Equity share capital	230	230	230	230	230
Reserves & surplus	20,960	22,026	12,528	14,855	17,704
Shareholders fund	21,190	22,256	12,758	15,085	17,935
Minority Interest	0	0	0	0	0
Total debt	226	531	434	434	434
Non Current Liabilities	646	619	355	355	355
Def tax liab. (net)	302	63	49	49	49
Total liabilities	22,364	23,469	13,596	15,923	18,773
Gross block	5,447	4,047	3,522	3,564	3,619
Less: acc. Depreciation	(806)	(667)	(419)	(461)	(516)
Net block	4,641	3,380	3,103	3,103	3,103
Capital WIP	100	89	188	188	188
Net fixed assets	4,741	3,469	3,291	3,291	3,291
Non Current Assets	6,111	5,762	1,323	3,536	3,536
Investments	0	0	0	0	0
Inventories	3,680	3,924	4,080	4,111	4,317
Sundry debtors	1,480	1,429	1,291	1,541	1,599
Cash & Cash Equivalents	12,086	15,503	10,169	9,779	11,530
Loans & advances	57	45	90	62	64
Other current assets	1,030	478	473	573	673
Trade payables	3,183	3,482	3,366	3,681	2,803
Other current liab.	2,153	1,283	1,419	1,932	2,028
Provisions	1,485	2,376	2,336	1,356	1,407
Net current assets	11,512	14,238	8,982	9,096	11,945
Total assets	22,364	23,469	13,596	15,923	18,772

Cashflow					
YE Dec (Rs mn)	CY20A	CY21A	CY22A	CY23E	CY24E
Profit Before Tax	6,788	12,576	8,643	7,708	8,406
Depreciation & Amortisation	806	667	419	461	516
Net Interest	18	18	17	18	18
Net Change – WC	3,422	596	4,063	(1,587)	(1,098)
Direct taxes	(2,140)	(3,371)	(2,451)	(1,927)	(2,101)
Net cash from operations	8,894	10,486	10,691	4,673	5,740
Capital expenditure	(386)	605	(241)	(461)	(516)
Acquisitions, net	0	0	0	0	0
Investments	0	0	0	0	0
Others	(5)	(1)	(32)	0	0
Net cash from investing	(391)	604	(273)	(461)	(516)
FCF	8,503	11,090	10,418	4,212	5,224
Issue of share capital	0	0	0	0	0
Increase/(decrease) in debt	226	305	(97)	0	0
Dividend paid	(8,038)	(7,342)	(8,617)	(4,585)	(3,455)
Interest paid	(18)	(18)	(17)	(18)	(18)
Others	118	(618)	(7,022)	0	0
Net cash from financing	(7,712)	(7,673)	(15,752)	(4,603)	(3,473)
Net change in Cash	791	3,418	(5,334)	(390)	1,751

Source: Company, Centrum Broking

Disclaimer

Centrum Broking Limited ("Centrum") is a full-service, Stock Broking Company and a member of The Stock Exchange, Mumbai (BSE) and National Stock Exchange of India Ltd. (NSE). Our holding company, Centrum Capital Ltd, is an investment banker and an underwriter of securities. As a group Centrum has Investment Banking, Advisory and other business relationships with a significant percentage of the companies covered by our Research Group. Our research professionals provide important inputs into the Group's Investment Banking and other business selection processes.

Recipients of this report should assume that our Group is seeking or may seek or will seek Investment Banking, advisory, project finance or other businesses and may receive commission, brokerage, fees or other compensation from the company or companies that are the subject of this material/report. Our Company and Group companies and their officers, directors and employees, including the analysts and others involved in the preparation or issuance of this material and their dependants, may on the date of this report or from, time to time have "long" or "short" positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. Centrum or its affiliates do not own 1% or more in the equity of this company. Our sales people, dealers, traders and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. We may have earlier issued or may issue in future reports on the companies covered herein with recommendations/information inconsistent or different those made in this report. In reviewing this document, you should be aware that any or all of the foregoing, among other things, may give rise to or potential conflicts of interest. We and our Group may rely on information barriers, such as "Chinese Walls" to control the flow of information contained in one or more areas within us, or other areas, units, groups or affiliates of Centrum. Centrum or its affiliates do not make a market in the security of the company for which this report or any report was written. Further, Centrum or its affiliates did not make a market in the subject company's securities at the time that the research report was published.

This report is for information purposes only and this document/material should not be construed as an offer to sell or the solicitation of an offer to buy, purchase or subscribe to any securities, and neither this document nor anything contained herein shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. This document does not solicit any action based on the material contained herein. It is for the general information of the clients of Centrum. Though disseminated to clients simultaneously, not all clients may receive this report at the same time. Centrum will not treat recipients as clients by virtue of their receiving this report. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Similarly, this document does not have regard to the specific investment objectives, financial situation/circumstances and the particular needs of any specific person who may receive this document. The securities discussed in this report may not be suitable for all investors. The securities described herein may not be eligible for sale in all jurisdictions or to all categories of investors. The countries in which the companies mentioned in this report are organized may have restrictions on investments, voting rights or dealings in securities by nationals of other countries. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. Persons who may receive this document should consider and independently evaluate whether it is suitable for his/ her/their particular circumstances and, if necessary, seek professional/financial advice. Any such person shall be responsible for conducting his/her/their own investigation and analysis of the information contained or referred to in this document and of evaluating the merits and risks involved in the securities forming the subject matter of this document.

The projections and forecasts described in this report were based upon a number of estimates and assumptions and are inherently subject to significant uncertainties and contingencies. Projections and forecasts are necessarily speculative in nature, and it can be expected that one or more of the estimates on which the projections and forecasts were based will not materialize or will vary significantly from actual results, and such variances will likely increase over time. All projections and forecasts described in this report have been prepared solely by the authors of this report independently of the Company. These projections and forecasts were not prepared with a view toward compliance with published guidelines or generally accepted accounting principles. No independent accountants have expressed an opinion or any other form of assurance on these projections or forecasts. You should not regard the inclusion of the projections and forecasts described herein as a representation or warranty by or on behalf of the Company, Centrum, the authors of this report or any other person that these projections or forecasts or their underlying assumptions will be achieved. For these reasons, you should only consider the projections and forecasts described in this report after carefully evaluating all of the information in this report, including the assumptions underlying such projections and forecasts.

The price and value of the investments referred to in this document/material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance. Future returns are not guaranteed and a loss of original capital may occur. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Centrum does not provide tax advice to its clients, and all investors are strongly advised to consult regarding any potential investment. Centrum and its affiliates accept no liabilities for any loss or damage of any kind arising out of the use of this report. Foreign currencies denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. In addition, investors in securities such as ADRs, the value of which are influenced by foreign currencies effectively assume currency risk. Certain transactions including those involving futures, options, and other derivatives as well as non-investment-grade securities give rise to substantial risk and are not suitable for all investors. Please ensure that you have read and understood the current risk disclosure documents before entering into any derivative transactions.

This report/document has been prepared by Centrum, based upon information available to the public and sources, believed to be reliable. No representation or warranty, express or implied is made that it is accurate or complete. Centrum has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed. The opinions expressed in this document/material are subject to change without notice and have no obligation to tell you when opinions or information in this report change.

This report or recommendations or information contained herein do/does not constitute or purport to constitute investment advice in publicly accessible media and should not be reproduced, transmitted or published by the recipient. The report is for the use and consumption of the recipient only. This publication may not be distributed to the public used by the public media without the express written consent of Centrum. This report or any portion hereof may not be printed, sold or distributed without the written consent of Centrum.

The distribution of this document in other jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Neither Centrum nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information.

This document does not constitute an offer or invitation to subscribe for or purchase or deal in any securities and neither this document nor anything contained herein shall form the basis of any contract or commitment whatsoever. This document is strictly confidential and is being furnished to you solely for your information, may not be distributed to the press or other media and may not be reproduced or redistributed to any other person. The distribution of this report in other jurisdictions may be restricted by law and persons into whose possession this report comes should inform themselves about, and observe any such restrictions. By accepting this report, you agree to be bound by the foregoing limitations. No representation is made that this report is accurate or complete.

The opinions and projections expressed herein are entirely those of the author and are given as part of the normal research activity of Centrum Broking and are given as of this date and are subject to change without notice. Any opinion estimate or projection herein constitutes a view as of the date of this report and there can be no assurance that future results or events will be consistent with any such opinions, estimate or projection.

This document has not been prepared by or in conjunction with or on behalf of or at the instigation of, or by arrangement with the company or any of its directors or any other person. Information in this document must not be relied upon as having been authorized or approved by the company or its directors or any other person. Any opinions and projections contained herein are entirely those of the authors. None of the company or its directors or any other person accepts any liability whatsoever for any loss arising from any use of this document or its contents or otherwise arising in connection therewith.

Centrum and its affiliates have not managed or co-managed a public offering for the subject company in the preceding twelve months. Centrum and affiliates have not received compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for service in respect of public offerings, corporate finance, debt restructuring, investment banking or other advisory services in a merger/acquisition or some other sort of specific transaction.

As per the declarations given by Alka Katiyar, research analyst and and/or any of their family members do not serve as an officer, director or any way connected to the company/companies mentioned in this report. Further, as declared by them, they are not received any compensation from the above companies in the preceding twelve months. They do not hold any shares by them or through their relatives or in case if holds the shares then will not to do any transactions in the said scrip for 30 days from the date of release such report. Our entire research professionals are our employees and are paid a salary. They do not have any other material conflict of interest of the research analyst or member of which the research analyst knows of has reason to know at the time of publication of the research report or at the time of the public appearance.

While we would endeavour to update the information herein on a reasonable basis, Centrum, its associated companies, their directors and employees are under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent Centrum from doing so.

Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or Centrum policies, in circumstances where Centrum is acting in an advisory capacity to this company, or any certain other circumstances.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject Centrum Broking Limited or its group companies to any registration or licensing requirement within such jurisdiction. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market.

Ratings definitions

Our ratings denote the following 12-month forecast returns:

Buy – The stock is expected to return above 15%.

Add – The stock is expected to return 5-15%.

Reduce – The stock is expected to deliver -5--5% returns.

Sell – The stock is expected to deliver <-5% returns.

Sanofi India



Source: Bloomberg

Disclosure of Interest Statement

1	Business activities of Centrum Broking Limited (CBL)	Centrum Broking Limited (hereinafter referred to as "CBL") is a registered member of NSE (Cash, F&O and Currency Derivatives Segments), MCX-SX (Currency Derivatives Segment) and BSE (Cash segment), Depository Participant of CDSL and a SEBI registered Portfolio Manager.	
2	Details of Disciplinary History of CBL	CBL has not been debarred/ suspended by SEBI or any other regulatory authority from accessing /dealing in securities market.	
3	Registration status of CBL:	CBL is registered with SEBI as a Research Analyst (SEBI Registration No. INH000001469)	
			Sanofi India
4	Whether Research analyst's or relatives' have any financial interest in the subject company and nature of such financial interest		No
5	Whether Research analyst or relatives have actual / beneficial ownership of 1% or more in securities of the subject company at the end of the month immediately preceding the date of publication of the document.		No
6	Whether the research analyst or his relatives has any other material conflict of interest		No
7	Whether research analyst has received any compensation from the subject company in the past 12 months and nature of products / services for which such compensation is received		No
8	Whether the Research Analyst has received any compensation or any other benefits from the subject company or third party in connection with the research report		No
9	Whether Research Analysts has served as an officer, director or employee of the subject company		No
10	Whether the Research Analyst has been engaged in market making activity of the subject company.		No
11	Whether it or its associates have managed or co-managed public offering of securities for the subject company in the past twelve months;		No
12	Whether it or its associates have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months;		No
13	Whether it or its associates have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months;		No

Member (NSE and BSE). Member MSEI (Inactive)

Single SEBI Regn. No.: INZ000205331

Depository Participant (DP)

CDSL DP ID: 120 – 12200

Single SEBI Regn. No.: IN-DP-537-2020

PORTFOLIO MANAGER

SEBI REGN NO.: INP000004383

Research Analyst

SEBI Registration No. INH000001469

Mutual Fund Distributor

AMFI REGN No. ARN- 147569

Website: www.centrum.co.in

Investor Grievance Email ID: investor.grievances@centrum.co.in

Compliance Officer Details:

Ajay S Bendkhale

(022) 4215 9000/9023; Email ID: compliance@centrum.co.in

Centrum Broking Ltd. (CIN :U67120MH1994PLC078125)**Registered Office Address**Bombay Mutual Building,
2nd Floor, Dr. D. N. Road,
Fort, Mumbai - 400 001**Corporate Office & Correspondence Address**Centrum House
6th Floor, CST Road, Near Vidya Nagari Marg, Kalina, Santacruz (E), Mumbai
400 098.
Tel: (022) 4215 9000 Fax: +91 22 4215 9344