

## Bottomed out

Glenmark delivered sub-par numbers in 1QFY20 and only the India segment was able to impress with the highest growth among listed-peers. Valuations are as low as 15/12x FY20/21E P/E, while the India business alone is valued at Rs 450/sh. We believe the post-result fall was an overreaction. Re-iterate BUY with a revised TP of Rs 500 (16x FY21E EPS).

### HIGHLIGHTS OF THE QUARTER

- GNP started the year with 7% YoY top-line growth, 14.7% margin (-130bps YoY) and 53% YoY APAT de-growth. This dismal performance was driven by weak traction reflected in all international markets.
- In-line with expectations, the US business performed poorly with US\$ 105mn revenues, flat YoY. gMupirocin sales continued to decline on increased competition. Still, the mgmt is confident of achieving single-digit growth in FY20E. With 3 limited competition launches in 2HFY20, we model a 6% CAGR over FY19-21E.
- The domestic sales registered a 13% YoY growth during the quarter. In India, Glenmark continues to deliver strong performance supported by healthy growth in Anti-diabetes, Respiratory and Derma therapies. Expect the co to keep out-performing the IPM with a chronic-heavy portfolio and achieve a 13% CAGR (FY19-21E).

### Financial Summary (Consolidated)

Year Ending March (Rs mn)	1QFY20	1QFY19	YoY (%)	4QFY19	QoQ (%)	FY18	FY19	FY20E	FY21E
Net Sales	23,229	21,656	7.3	25,635	(9.4)	91,031	98,655	103,110	114,298
EBITDA	3,419	3,469	(1.4)	3,641	(6.1)	16,150	15,858	16,338	19,131
APAT	1,093	2,330	(53.1)	1,617	(32.4)	4,928	7,723	7,038	8,834
Adj. diluted EPS (Rs/sh)	3.9	8.3	(53.1)	5.7	(32.4)	17.5	27.4	24.9	31.3
P/E (x)						22.0	14.0	15.4	12.3
RoE (%)						9.4	13.3	11.1	12.6

Source: Company, HDFC sec Inst Research

- In other segments, EU, RoW, LATAM and API grew at 10.5/5.4/-16.9/9.8% YoY respectively. The growth in LATAM and RoW markets is likely to recover in the subsequent quarters on the back of new launches.
- EBITDA declined 1/6% YoY/QoQ to Rs 3.4bn on lower US sales. Margin was 14.7% (-130/+51bps YoY/QoQ). Due to higher interest cost, lower other income and higher tax, PAT declined 53/32% YoY/QoQ to Rs 1.0bn.
- **Near-term outlook:** Expect a sharp recovery.

### STANCE

**With a further 8% fall in the stock price, our conviction on our BUY rating has grown multifold as we realize that the trailing valuation is now 14x FY19 EPS for a business that holds one of the top 5 pharmaceutical franchises in India, which is also the fastest-growing among large peers.**

**Moreover, there is value unlocking at play, with the potential listing of the novel subsidiary and debt reduction on account of divestment of non-core assets. We believe the de-merger will lead to sharp improvement in profitability for the ex-novel business and a healthier balance sheet. We value the novel and specialty businesses at Rs 135/sh. As we understand this listing could take between 12-15 months and is contingent upon several approvals, we have not included it in the TP.**

INDUSTRY	PHARMA
<b>CMP (as on 14 Aug 2019)</b>	<b>Rs 384</b>
<b>Target Price</b>	<b>Rs 500</b>
Nifty	11,029
Sensex	37,312
<b>KEY STOCK DATA</b>	
Bloomberg	GNP IN
No. of Shares (mn)	282
MCap (Rs bn) / (\$ mn)	108/1,519
6m avg traded value (Rs mn)	489
<b>STOCK PERFORMANCE (%)</b>	
<b>52 Week high / low</b>	<b>Rs 712/380</b>
	3M 6M 12M
Absolute (%)	(36.3) (36.9) (34.3)
Relative (%)	(36.2) (40.9) (32.9)
<b>SHAREHOLDING PATTERN (%)</b>	
	Mar-19 Jun-19
Promoters	46.54 46.58
FIs & Local MFs	6.94 7.67
FPIs	32.62 31.04
Public & Others	13.90 14.71
Pledged Shares*	- -

Source : BSE, % of total

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*Glenmark's 1QFY20 revenue was largely inline with our estimates. The management is targeting 10-15% YoY growth for FY20*

*Forex loss during the quarter stood at Rs 252mn. Adjusted for this, EBITDA margin was at 15.8%*

*R&D spend of Rs 2.95bn includes expenditure on novelty products amounting to Rs 1.90bn during the quarter*

*Net debt at Rs 35.45bn grew 3.4% QoQ. The management expects to reduce net debt by Rs 7-8bn yearly on the back of divestment of non-core assets, stake sale in the API biz, and capital raise in the novelty segment*

### Quarterly Financials Snapshot (Consolidated)

Particulars (Rs mn)	1QFY20	1QFY19	YoY (%)	4QFY19	QoQ (%)
<b>Net Sales</b>	<b>23,229</b>	<b>21,656</b>	<b>7.3</b>	<b>25,635</b>	<b>(9.4)</b>
Material Expenses	8,101	7,588	6.8	8,607	(5.9)
Employee Expenses	4,867	4,525	7.6	4,946	(1.6)
R&D Expenses	2,950	2,550	15.7	4,030	(26.8)
Other Expenses	3,892	3,524	10.4	4,410	(11.8)
<b>EBITDA</b>	<b>3,419</b>	<b>3,469</b>	<b>(1.4)</b>	<b>3,641</b>	<b>(6.1)</b>
Depreciation	907	794		810	
<b>EBIT</b>	<b>2,512</b>	<b>2,675</b>	<b>(6.1)</b>	<b>2,832</b>	<b>(11.3)</b>
Other Income	17	1,382		391	
Interest Cost	930	790		819	
<b>PBT</b>	<b>1,598</b>	<b>3,267</b>	<b>(51.1)</b>	<b>2,403</b>	<b>(33.5)</b>
Tax	506	937		786	
<b>RPAT after Extraordinary Items</b>	<b>1,093</b>	<b>2,330</b>	<b>(53.1)</b>	<b>1,617</b>	<b>(32.4)</b>
EO Items (Adj For Tax)	-	-		-	
<b>APAT</b>	<b>1,093</b>	<b>2,330</b>	<b>(53.1)</b>	<b>1,617</b>	<b>(32.4)</b>

Source: Company, HDFC sec Inst Research

### Margin Analysis

	1QFY20	1QFY19	YoY (bps)	4QFY19	QoQ (bps)
Material Expenses % Net Sales	34.9	35.0	(16)	33.6	130
Employee Expenses % Net Sales	21.0	20.9	6	19.3	166
R&D Expenses % Net Sales	11.0	11.8	(80)	15.7	(474)
Other Expenses % Net Sales	18.5	16.3	220	17.2	127
<b>EBITDA Margin (%)</b>	<b>14.7</b>	<b>16.0</b>	<b>(130)</b>	<b>14.2</b>	<b>51</b>
Tax Rate (%)	31.6	28.7	294	32.7	(110)
APAT Margin (%)	4.7	10.8	(605)	6.3	(160)

Source: Company, HDFC sec Inst Research

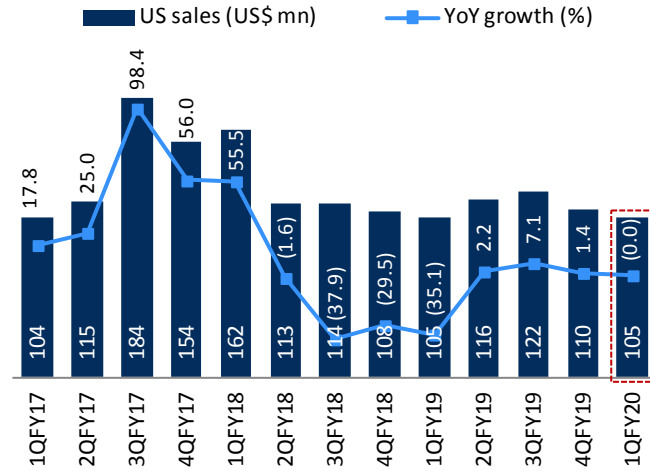
*US sales continued to decline sequentially owing to lower Mupirocin sales and a slow ramp up in new launches*

*Domestic sales grew 13% YoY aided by the recently launched SGLT2 product, Remogliflozin*

*EU sales grew 10.5% YoY on the back of expanded reach in key markets like UK, Spain, and the Netherlands*

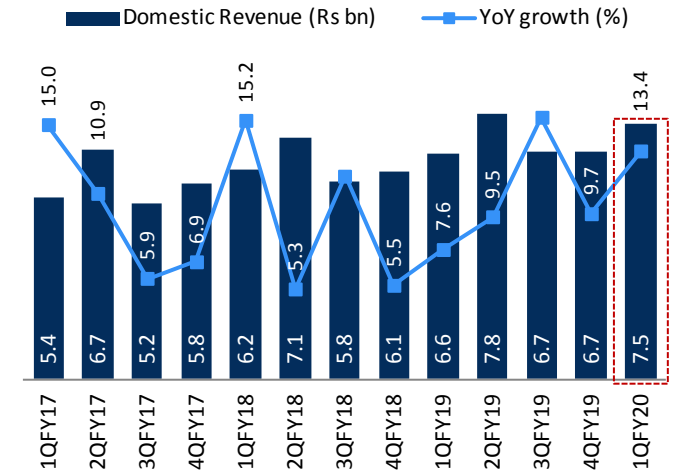
*EBITDA margin is expected to remain under pressure owing to a weak US outlook*

**US: Flat YoY Owing To Decline In Mupirocin**



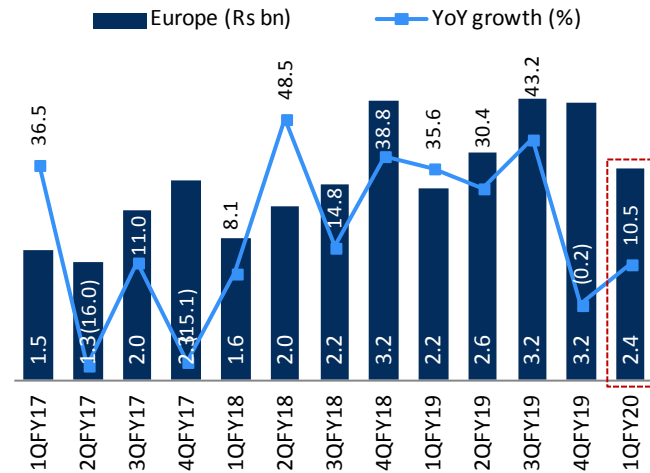
Source: Company, HDFC sec Inst Research

**India: Secondary Sales Grew 12% YoY**



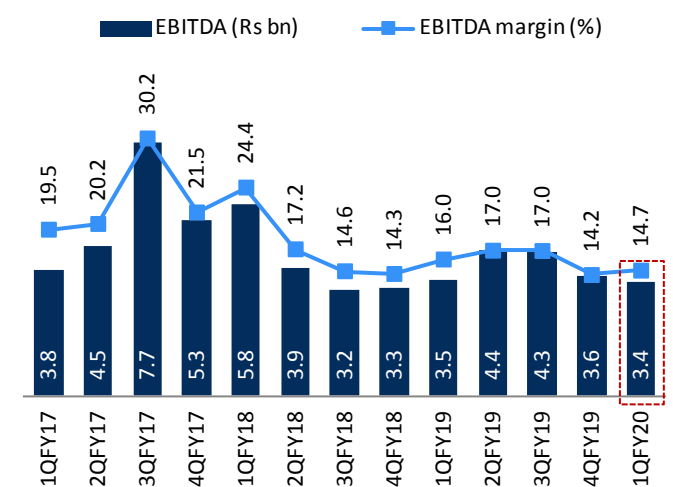
Source: Company, HDFC sec Inst Research

**EU: Mgmt Expects 10-15% Growth Going Ahead**



Source: Company, HDFC sec Inst Research

**EBITDA Margin: Subdued Due To Higher R&D**



Source: Company, HDFC sec Inst Research

*Despite an annualized impact of ~US\$ 20mn owing to decline in Mupirocin sales, along with ~5% price erosion in the base business as slow ramp up in new launches, Glenmark expects 5-10% YoY growth in US sales over FY20E aided by 2 limited competition products and injectables launches*

*Glenmark is confident of achieving 15%+ growth in India sales in FY20E with traction gained in key therapies, strong offtake in Remogliflozin, and steady ramp up in the consumer biz*

*In LATAM, the acquisition of 3 products from Novartis will drive healthy growth in FY20, coupled with new launches in the core biz. With this, and 10-15% growth expected in EU, the mgmt is confident of meeting its 10-15% overall revenue growth target for FY20E*

### Segmental Quarterly Performance

(Rs mn)	1QFY20	1QFY19	YoY (%)	4QFY19	QoQ (%)
India	7,522	6,633	13.4	6,678	12.6
US	7,309	7,037	3.9	7,696	(5.0)
Europe	2,429	2,198	10.5	3,184	(23.7)
ROW	2,587	2,454	5.4	3,853	(32.8)
Latam	811	976	(16.9)	1,204	(32.6)
API	2,306	2,101	9.8	2,488	(7.3)
Lic. Income	265	257	3.0	532	(50.3)
<b>Total</b>	<b>23,229</b>	<b>21,656</b>	<b>7.3</b>	<b>25,635</b>	<b>(9.4)</b>

Source: HDFC sec Inst Research

### Assumptions

Key segments (Rs mn)	FY17	FY18	FY19	FY20E	FY21E
India	23,038	25,143	27,770	31,380	35,459
Growth (%)	9.2	9.1	10.4	13.0	13.0
US	37,007	32,076	31,393	32,005	35,553
Growth (%)	52.9	(13.3)	(2.1)	1.9	11.1
Europe	7,101	9,058	11,207	11,992	13,191
Growth (%)	(1.0)	27.6	23.7	7.0	10.0
RoW	9,888	10,992	12,759	13,397	14,737
Growth (%)	9.5	11.2	16.1	5.0	10.0
Latam	5,181	4,067	4,180	4,180	4,389
Growth (%)	(30.9)	(21.5)	2.8	-	5.0
API & Others	9,642	9,695	11,346	10,158	10,970
Growth (%)	28.5	0.6	17.0	(10.5)	8.0
<b>Total</b>	<b>91,857</b>	<b>91,031</b>	<b>98,655</b>	<b>103,110</b>	<b>114,298</b>
<b>Growth (%)</b>	<b>20.1</b>	<b>(0.9)</b>	<b>8.4</b>	<b>4.5</b>	<b>10.9</b>

Source: HDFC sec Inst Research

**Peer Set Comparison**

	Mcap (Rs bn)	CMP (Rs/sh)	Reco	TP/FV	Adj EPS (Rs/sh)				P/E (x)				RoE (%)			
					FY18	FY19	FY20E	FY21E	FY18	FY19	FY20E	FY21E	FY18	FY19	FY20E	FY21E
Sun Pharma	1,001	417	BUY	545	12.7	14.9	18.7	24.7	32.9	28.0	22.3	16.9	8.2	9.0	10.4	12.4
Dr Reddy's Labs	417	2,512	BUY	3,360	59.2	104.9	128.4	148.8	42.4	24.0	19.6	16.9	7.8	13.1	14.3	14.5
Divi's Labs	407	1,532	SELL	1,320	32.4	48.8	51.5	60.1	47.3	31.4	29.7	25.5	15.2	20.1	18.7	19.4
Cipla	385	478	NEU	565	18.5	19.0	19.1	25.8	25.8	25.1	25.1	18.5	11.2	10.5	9.7	11.9
Aurobindo Pharma	355	606	BUY	835	41.7	42.9	50.9	55.6	14.5	14.1	11.9	10.9	23.2	19.7	19.5	17.8
Lupin	332	734	NEU	760	38.1	16.4	23.6	34.3	19.3	44.7	31.1	21.4	12.8	5.4	7.6	10.3
Torrent Pharma	285	1,686	NEU	1,615	37.0	40.1	52.5	67.3	45.6	42.0	32.1	25.1	14.0	14.5	17.6	19.5
Cadila Healthcare	223	218	BUY	265	13.0	11.6	11.5	14.6	16.8	18.8	18.9	14.9	17.0	12.4	10.8	12.4
Alkem Laboratories	211	1,767	BUY	2,180	57.0	63.6	77.4	99.6	31.0	27.8	22.8	17.7	14.6	14.8	16.0	18.2
Abbott India	194	9,148	NR	8,990	188.8	211.9	248.6	299.6	48.4	43.2	36.8	30.5	26.1	24.3	24.1	24.5
<b>Glenmark</b>	<b>108</b>	<b>384</b>	<b>BUY</b>	<b>500</b>	<b>17.5</b>	<b>27.4</b>	<b>24.9</b>	<b>31.3</b>	<b>22.0</b>	<b>14.0</b>	<b>15.4</b>	<b>12.3</b>	<b>9.4</b>	<b>13.3</b>	<b>11.1</b>	<b>12.6</b>
Alembic Pharma	99	523	NEU	570	21.9	25.8	25.1	31.6	23.9	20.3	20.8	16.6	20.0	19.7	16.4	18.1
Jubilant Life Sciences	71	446	BUY	845	45.5	53.8	54.1	67.2	9.8	8.3	8.2	6.6	19.3	19.3	16.6	17.7
Strides Pharma	37	413	BUY	650	13.2	6.9	30.4	41.5	31.4	60.1	13.6	10.0	2.9	2.3	9.9	12.3
Laurus Labs	36	341	BUY	470	15.8	10.7	15.0	26.0	21.5	31.9	22.7	13.1	11.9	6.2	9.6	15.1
J B Chemicals & Pharmaceuticals	30	375	NR	485	16.6	24.1	28.9	34.7	22.7	15.6	13.0	10.8	9.9	13.3	14.7	15.6
Dishman Carbogen Amcis	30	186	BUY	355	13.2	16.7	18.3	23.7	14.1	11.1	10.1	7.8	14.6	15.4	14.2	15.8
Suven Life Sciences	30	232	NR	455	9.7	6.8	9.1	10.7	23.9	34.0	25.6	21.6	17.2	10.9	13.2	13.9
Granules India	24	93	BUY	170	5.2	9.3	11.4	13.9	17.8	10.0	8.2	6.7	12.0	16.7	17.5	18.5
Solara Active Pharma Science	11	420	NR	650	2.4	26.0	26.9	43.1	173.6	16.1	15.6	9.7	2.9	13.4	10.9	12.6
Neuland Labs	6	498	BUY	725	10.8	12.8	33.4	51.7	46.0	38.8	14.9	9.6	2.2	2.6	6.0	8.6

Source: HDFC sec Inst Research

***We cut our estimates owing to a weaker US outlook and lower non-operating income***

**Change In Estimates (Consolidated)**

Rs mn	Previous			New			% Chg		
	FY19	FY20E	FY21E	FY19	FY20E	FY21E	FY19	FY20E	FY21E
Net Sales	98,655	106,438	120,872	98,655	103,110	114,298	0.0	(3.1)	(5.4)
EBITDA	15,858	17,449	19,918	15,858	16,338	19,131	0.0	(6.4)	(3.9)
APAT	7,723	8,356	9,993	7,723	7,038	8,834	0.0	(15.8)	(11.6)

Source: HDFC sec Inst Research

**Income Statement (Consolidated)**

Year ending March (Rs mn)	FY17	FY18	FY19	FY20E	FY21E
<b>Net Revenues</b>	<b>91,857</b>	<b>91,031</b>	<b>98,655</b>	<b>103,110</b>	<b>114,298</b>
<b>Growth (%)</b>	<b>20.3</b>	<b>(0.9)</b>	<b>8.4</b>	<b>4.5</b>	<b>10.9</b>
Material Expenses	26,143	30,386	33,623	35,882	38,840
Employee Expenses	16,408	18,718	20,561	22,144	23,694
SG&A Expenses	10,413	8,518	9,911	11,527	13,549
Other Operating Expenses	18,525	17,258	18,702	17,219	19,084
<b>EBITDA</b>	<b>20,367</b>	<b>16,150</b>	<b>15,858</b>	<b>16,338</b>	<b>19,131</b>
<b>EBITDA Margin (%)</b>	<b>22.2</b>	<b>17.7</b>	<b>16.1</b>	<b>15.8</b>	<b>16.7</b>
<b>EBITDA Growth (%)</b>	<b>43.7</b>	<b>(20.7)</b>	<b>(1.8)</b>	<b>3.0</b>	<b>17.1</b>
Depreciation	3,168	3,541	3,685	3,824	4,448
<b>EBIT</b>	<b>17,199</b>	<b>12,610</b>	<b>12,173</b>	<b>12,514</b>	<b>14,684</b>
Other Income	373	914	3,753	500	550
Interest	2,373	2,856	3,346	3,101	2,791
<b>PBT</b>	<b>15,199</b>	<b>10,668</b>	<b>12,580</b>	<b>9,913</b>	<b>12,442</b>
Tax (Incl Deferred)	3,442	2,925	3,663	2,875	3,608
<b>RPAT</b>	<b>11,757</b>	<b>7,743</b>	<b>8,917</b>	<b>7,038</b>	<b>8,834</b>
Minority Interest	-	-	-	-	-
EO (Loss) / Profit (Net Of Tax)	3,417	2,815	(1,194)	-	-
<b>APAT</b>	<b>8,340</b>	<b>4,928</b>	<b>7,723</b>	<b>7,038</b>	<b>8,834</b>
<b>APAT Growth (%)</b>	<b>18.8</b>	<b>(40.9)</b>	<b>56.7</b>	<b>(8.9)</b>	<b>25.5</b>
<b>Adjusted EPS (Rs)</b>	<b>29.6</b>	<b>17.5</b>	<b>27.4</b>	<b>24.9</b>	<b>31.3</b>

Source: Company, HDFC sec Inst Research

**Balance Sheet (Consolidated)**

As at March (Rs mn)	FY17	FY18	FY19	FY20E	FY21E
<b>SOURCES OF FUNDS</b>					
Share Capital - Equity	282	282	282	282	282
Reserves	49,112	55,608	59,670	66,048	73,656
<b>Total Shareholders Funds</b>	<b>49,394</b>	<b>55,891</b>	<b>59,952</b>	<b>66,330</b>	<b>73,938</b>
Minority Interest	(4)	(4)	(4)	(4)	(4)
Long Term Debt	45,363	41,418	35,738	32,164	28,947
Short Term Debt	1,872	2,950	3,030	2,727	2,454
<b>Total Debt</b>	<b>47,235</b>	<b>44,368</b>	<b>38,768</b>	<b>34,891</b>	<b>31,402</b>
<b>Net Deferred Taxes</b>	<b>(11,914)</b>	<b>(12,202)</b>	<b>(12,905)</b>	<b>(12,905)</b>	<b>(12,904)</b>
<b>Other Non-current Liabilities &amp; Provns</b>	<b>303</b>	<b>26</b>	<b>891</b>	<b>980</b>	<b>1,079</b>
<b>TOTAL SOURCES OF FUNDS</b>	<b>85,014</b>	<b>88,079</b>	<b>86,702</b>	<b>89,292</b>	<b>93,511</b>
<b>APPLICATION OF FUNDS</b>					
Net Block	21,160	20,448	24,923	25,099	29,152
CWIP	7,556	11,632	14,354	15,000	12,000
Intangibles	12,070	15,103	16,603	19,603	21,103
Other Non-current Assets	516	791	738	650	672
<b>Total Non-current Assets</b>	<b>41,302</b>	<b>47,974</b>	<b>56,618</b>	<b>60,352</b>	<b>62,928</b>
<b>Cash &amp; Equivalent</b>	<b>10,721</b>	<b>12,494</b>	<b>9,674</b>	<b>5,230</b>	<b>5,200</b>
Inventories	21,390	20,306	22,521	23,730	25,052
Debtors	24,043	23,318	21,946	23,447	25,991
Other Current Assets	12,749	13,916	13,124	13,842	15,657
<b>Total Current Assets</b>	<b>58,183</b>	<b>57,540</b>	<b>57,591</b>	<b>61,019</b>	<b>66,700</b>
Creditors	19,035	18,698	21,623	22,600	25,365
Other Current Liabilities & Provns	6,156	11,231	15,558	14,709	15,951
<b>Total Current Liabilities</b>	<b>25,191</b>	<b>29,928</b>	<b>37,181</b>	<b>37,309</b>	<b>41,316</b>
<b>Net Current Assets</b>	<b>32,992</b>	<b>27,612</b>	<b>20,410</b>	<b>23,710</b>	<b>25,384</b>
<b>TOTAL APPLICATION OF FUNDS</b>	<b>85,014</b>	<b>88,079</b>	<b>86,702</b>	<b>89,292</b>	<b>93,511</b>

Source: Company, HDFC sec Inst Research

**Cash Flow (Consolidated)**

Year ending March (Rs mn)	FY17	FY18	FY19	FY20E	FY21E
Reported PBT	12,602	10,668	12,580	9,913	12,442
Non-operating & EO items	1,440	(158)	(3,753)	(500)	(550)
Interest expenses	5,765	3,541	3,346	3,101	2,791
Depreciation	2,373	2,856	3,685	3,824	4,448
Working Capital Change	(8,615)	3,091	8,120	(3,123)	(1,598)
Tax Paid	(6,990)	(3,516)	(4,367)	(2,875)	(3,606)
<b>OPERATING CASH FLOW ( a )</b>	<b>6,574</b>	<b>16,481</b>	<b>19,611</b>	<b>10,340</b>	<b>13,927</b>
Capex	(7,334)	(10,227)	(12,382)	(7,646)	(7,000)
Free cash flow (FCF)	(760)	6,253	7,229	2,694	6,927
Investments	22	(2)	(150)	-	-
Non-operating Income	189	96	3,753	500	550
<b>INVESTING CASH FLOW ( b )</b>	<b>(7,123)</b>	<b>(10,133)</b>	<b>(8,779)</b>	<b>(7,146)</b>	<b>(6,450)</b>
Debt Issuance/(Repaid)	7,943	(1,876)	(5,600)	(3,877)	(3,489)
Interest Expenses	(1,836)	(2,130)	(3,346)	(3,101)	(2,791)
FCFE	5,347	2,247	(1,717)	(4,284)	646
Share Capital Issuance	3	-	-	-	-
Impact of currency translation	(2,890)	108	(4,195)	-	0
Others	-	-	-	-	-
Dividend	(678)	(679)	(660)	(660)	(1,226)
<b>FINANCING CASH FLOW ( c )</b>	<b>2,542</b>	<b>(4,577)</b>	<b>(13,801)</b>	<b>(7,638)</b>	<b>(7,506)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>1,992</b>	<b>1,770</b>	<b>(2,969)</b>	<b>(4,444)</b>	<b>(29)</b>
Equivalents (At Year End)	157	147	297	297	297
<b>Closing Cash &amp; Equivalents</b>	<b>10,721</b>	<b>12,494</b>	<b>9,674</b>	<b>5,230</b>	<b>5,201</b>

Source: Company, HDFC sec Inst Research

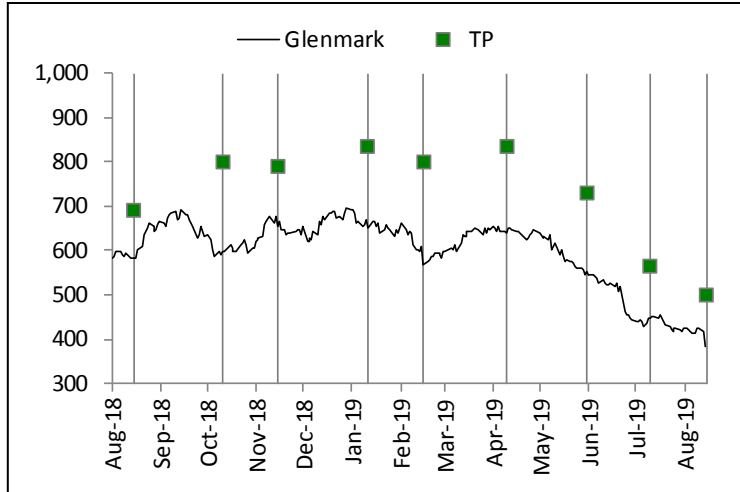
**Key Ratios**

	FY17	FY18	FY19	FY20E	FY21E
<b>PROFITABILITY (%)</b>					
GPM	71.5	66.6	65.9	65.2	66.0
EBITDA Margin	22.2	17.7	16.1	15.8	16.7
APAT Margin	9.1	5.4	7.8	6.8	7.7
RoE	18.1	9.4	13.3	11.1	12.6
RoIC (or Core RoCE)	19.2	12.3	11.4	11.1	12.2
RoCE	12.8	8.1	11.6	10.5	11.8
<b>EFFICIENCY</b>					
Tax Rate (%)	22.6	27.4	29.1	29.0	29.0
Fixed Asset Turnover (x)	1.9	1.6	1.5	1.4	1.4
Inventory (days)	85.0	81.4	83.3	84.0	80.0
Debtors (days)	95.5	93.5	81.2	83.0	83.0
Other Current Assets (days)	50.7	55.8	48.6	49.0	50.0
Payables (days)	75.6	75.0	80.0	80.0	81.0
Other Current Liab & Provns (days)	24.5	45.0	57.6	52.1	50.9
Cash Conversion Cycle (days)	131.1	110.7	75.5	83.9	81.1
Debt/EBITDA (x)	2.3	2.7	2.4	2.1	1.6
Net D/E (x)	0.7	0.6	0.5	0.4	0.4
Interest Coverage (x)	7.2	4.4	3.6	4.0	5.3
<b>PER SHARE DATA (Rs)</b>					
Core EPS	29.6	17.5	27.4	24.9	31.3
Dividend	2.0	2.0	2.0	2.0	2.0
Book Value	175.1	198.1	212.5	235.1	262.0
<b>VALUATION</b>					
P/E (x)	13.0	22.0	14.1	15.4	12.3
P/BV (x)	2.2	1.9	1.8	1.6	1.5
EV/EBITDA (x)	7.1	8.7	8.7	8.5	7.0
EV/Revenues (x)	1.6	1.5	1.4	1.3	1.2
OCF/EV (%)	4.5	11.7	14.2	7.5	10.3
FCF/EV (%)	(0.5)	4.5	5.2	1.9	5.1
FCFE/Mkt Cap (%)	4.9	2.1	(1.6)	(3.9)	0.6
Dividend Yield (%)	0.5	0.5	0.5	0.5	0.5

Source: Company, HDFC sec Inst Research



**RECOMMENDATION HISTORY**



Date	CMP	Reco	Target
16-Aug-18	585	BUY	691
10-Oct-18	597	BUY	800
15-Nov-18	655	BUY	790
10-Jan-19	668	BUY	835
16-Feb-19	569	BUY	800
9-Apr-19	641	BUY	835
31-May-19	555	BUY	730
9-Jul-19	449	BUY	565
16-Aug-19	384	BUY	500

**Rating Definitions**

- BUY : Where the stock is expected to deliver more than 10% returns over the next 12 month period
- NEUTRAL : Where the stock is expected to deliver (-)10% to 10% returns over the next 12 month period
- SELL : Where the stock is expected to deliver less than (-)10% returns over the next 12 month period



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