29 December 2025

Company Update | Healthcare

Ajanta Pharma

BSE SENSEX	S&P CNX
85,041	26,042

CMP: INR2,690 TP: INR3,145 (+17%) Buy

Branded generics playbook fires; semaglutide adds a new growth leg

Stock Info

Bloomberg	AJP IN
Equity Shares (m)	125
M.Cap.(INRb)/(USDb)	335 / 3.7
52-Week Range (INR)	3116 / 2022
1, 6, 12 Rel. Per (%)	6/2/-14
12M Avg Val (INR M)	350
Free float (%)	33.8

Financials Snapshot (INR b)

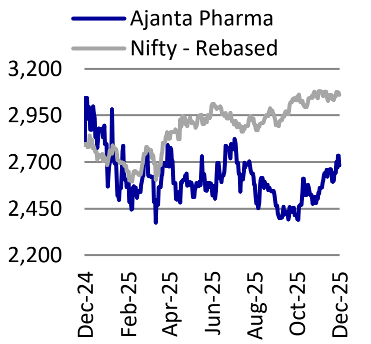
Y/E MARCH	FY26E	FY27E	FY28E
Sales	52.7	60.0	65.1
EBITDA	14.7	17.9	19.3
Adj. PAT	10.4	12.5	14.0
EBITDA Margin (%)	24.8	27.3	27.1
Cons. Adj. EPS (INR)	83.0	99.7	111.7
EPS Gr. (%)	11.1	20.0	12.1
BV/Sh. (INR)	365.5	439.7	523.0
Ratios			
Net D:E	-0.2	-0.2	-0.3
RoE (%)	24.9	24.8	23.2
RoCE (%)	25.2	25.1	23.5
Payout (%)	26.3	25.5	25.5
Valuations			
P/E (x)	32.4	27.0	24.1
EV/EBITDA (x)	23.0	18.5	16.8
Div. Yield (%)	0.8	0.9	1.0
FCF Yield (%)	0.8	2.7	3.4
EV/Sales (x)	6.4	5.5	5.0

Shareholding pattern (%)

As of	Sep-25	Jun-25	Sep-24
Promoter	66.3	66.3	66.3
DII	17.9	17.5	17.1
FII	8.5	8.9	9.1
Others	7.3	7.4	7.5

FII includes depository receipts

Stock performance (one-year)



We recently met the management of Ajanta Pharma (AJP) to gain deeper insights into the company's business prospects. The key takeaways are as follows:

- **AJP is implementing multiple strategic initiatives across focus branded generics markets of India, Asia, and Africa to sustain robust industry outperformance.**
- **In emerging markets across Africa and Asia, AJP has not only expanded its therapy coverage but has also shifted toward chronic indications, which should support more sustainable growth.**
- **AJP is also working on the following two levers: 1) adding geographies with larger market sizes to further widen its presence and 2) enhancing its product offerings within existing markets.**
- **The partnership with Biocon to source semaglutide for 23 target countries marks a meaningful step toward introducing newer therapies in these markets. Interestingly, the innovator's limited reach paves the way for AJP to participate in market formation and gain market share.**
- **In India, incremental therapies supported by the medical representative (MR) footprint continue to drive 25-30% outperformance vs. the industry. While certain therapies, such as Ophthalmology, have faced pressure due to adverse seasonality and heightened competition, AJP has still managed to outperform the Indian Pharmaceutical Market (IPM) by 100-200bp over the past 12 months.**
- **The company's surplus cash position provides enough cushion to acquire products that complement its branded generics portfolio. In fact, AJP has meaningfully scaled its acquired brands over the past 12 months.**
- **The company has earmarked INR10b for inorganic opportunities to plug gaps in select therapy areas, sharpening its growth focus across India/EM. Notably, Derma/Pain/Nephro/Gynaec shall remain the key focus areas with an emphasis on brand and portfolio acquisitions.**
- **AJP files around 150-200 product registrations annually, translating into 120-150 approvals across India and Emerging Markets.**
- **On an overall basis, management remains confident of delivering double-digit YoY revenue growth in FY26.**
- **We expect a revenue/EBITDA/PAT CAGR of 11%/15%/16% to reach INR65b/ INR19b/INR14b over FY26-28. We estimate potential annualized sales from the semaglutide opportunity in Asia and Africa at USD25–30m from 2HFY28 onwards. Assuming a gross margin of ~70% and limited incremental operating costs, the EBITDA margin for this product should be healthy at 50–55%, driving incremental profitability for AJP.**
- **We value AJP at 30x 12M forward earnings to arrive at our TP of INR3,145. Reiterate BUY.**

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Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

AJP's positioning in GLP1: building the next growth engine via tie-ups

- In emerging markets, AJP is pursuing an asset-light, marketing-led model and will source semaglutide from Biocon under an in-licensing arrangement. The company has exclusive or semi-exclusive marketing rights across 23 countries in Africa and three countries in the Middle East and Central Asia. With patents expiring in Mar'26 and approvals expected between late 2026 and early 2027, this structure enables AJP to capture upside without assuming manufacturing risk.
- Given the innovator's limited presence, AJP's established footprint in these markets, and limited generic competition, management remains confident of strong traction for semaglutide injections across the 23 plus three countries post-regulatory approvals, supported by intensified marketing efforts.
- While AJP has a separate tie-up for sourcing Semaglutide in the Indian market, it is gearing up to participate in the first wave of market formation domestically.

EM: Broadening footprint into higher-TAM geographies and chronic-led portfolio aided by incremental MR addition

- Emerging markets are being developed into a scalable growth platform, driven by a steady cadence of new launches, adding therapies, a calibrated expansion of the field force, and exploring newer and bigger TAM markets.
- AJP is scaling its execution bandwidth via 5-6% annual MR addition on its strong base of 2,000, while also entering newer and structurally larger geographies to support the next phase of growth.
- In parallel, the portfolio is being transitioned from an acute-led portfolio to a more chronic-centric franchise, improving revenue durability, visibility, and thereby structurally upgrading the quality of growth.

DF: Growth funnel expanded through entry into gynaec, nephro, and acquisitions

- AJP is re-engineering its DF engine by layering new chronic growth drivers on top of a scaled legacy base, with FY25 marking entry into two new therapies: gynaec and nephro.
- Gynaec is witnessing higher traction and is expected to become a meaningful contributor in 2-3 years, while nephro is building more gradually due to intense competition, where growth is a bit slow.
- This is being reinforced by sustained outperformance in core therapies, with derma/pain likely to grow 500-600/300-400bp ahead of the market.
- Ophthal is likely to continue growing 100–200bp faster than IPM despite industry headwinds from seasonality, competition, and NLEM inclusion.
- Cardiac therapy delivered 7.4% YoY growth over the last three months (Sep'25 to Nov'25) according to IQVIA. Management indicated that AJP's growth in the covered market is in line with IPM. In 1HFY26, AJP is confident of achieving 11-12% YoY growth vis-à-vis 4.7% YoY growth as per IQVIA.
- The portfolio reset is supported by time-bound front-end investments, including the addition of 750 MR in FY25 (around 200 for new therapies, with nephrology accounting for 40-45%, and 550 for existing therapies) and another 150 in 1HFY26. Meaningful benefits from the MR addition is expected to be reflected from 2HFY27 onwards.

- In parallel, three brands acquired in Nov-24 for INR400m are experiencing healthy traction, signaling early success in integration.
- Taken together, these initiatives reposition the DF business into a structurally higher-quality growth platform, moving it away from a narrow, cyclical volume engine.

Regulated market: New product launches/expansion into new geographies

- Expansion into newer geographies should structurally improve the sustainability of margins by diversifying the revenue base.
- Deeper penetration into existing therapies through new product launches should continue to drive incremental growth.

Valuation and view

- After posting a strong 23% earnings CAGR over FY23-25, AJP has entered a consolidation phase in FY26 due to incremental investments in MRs for both base and newer therapies. We, thus, expect earnings growth to moderate to 11% YoY in FY26.
- That said, the benefits of initiatives undertaken in FY26 should begin to accrue meaningfully in FY27, driving 20% YoY earnings growth. We have not yet factored in any semaglutide-related upside in FY28 earnings. Given the considerable scope of demand expansion and AJP's robust franchise, the sales traction can be decent despite generics-led price erosion in Semaglutide across markets post-patent expiry.
- We estimate AJP's potential sales from this opportunity in Asia and Africa at USD25-30m on an annualized basis in 2HFY28. Assuming a gross margin of 70% and limited additional operating costs, the EBITDA margin of this product should be healthy at 50-55%, driving additional EBITDA for AJP.
- **We value AJP at 30x 12M forward earnings to arrive at our TP of INR3,145. Reiterate BUY.**

Established presence and supply tie-up with Biocon boosts semaglutide outlook in Asia and Africa

- The global GLP-1 market is currently estimated at USD55b and is likely to nearly double to USD100b over the next five years, delivering a mid-teens CAGR.
- In emerging markets, AJP entered into an in-licensing agreement under which Biocon will supply semaglutide injections to AJP for exclusive marketing in 23 countries and semi-exclusive marketing in three countries across Africa, the Middle East, and Central Asia. Product patents in most of these markets expire in Mar'26 with regulatory approvals expected between late CY26 and early CY27.
- Notably, the innovator had limited sales of USD35-USD45m in 26 targeted countries of AJP in Asia and Africa.
- AJP believes competition in these geographies will remain limited, with fewer than a dozen global players likely to be present due to the technical and regulatory complexity of the product.
- Given a) AJP's established leading presence in these markets, b) limited Innovator sales/penetration, and c) Asia/Africa being a focus area for fewer companies, robust traction is expected from this product for AJP in 23 countries across Africa, the Middle East, and Central Asia.
- In addition, AJP is working on generic tirzepatide (Mounjaro) and intends to be present from the first wave of launch, positioning itself early for the next leg of growth in this category.

Exhibit 1: Pricing of GLP1 drugs in India

Company	Molecule	Launch Date	Brand name	Positioning	Strengths	Monthly Dosage Prices
Eli Lilly	Tirzepaide	Mar-25	Mounjaro	Type-2 Diabetes/ weight mgmt	2.5mg/5mg/7.5mg/ 10mg/12.5mg/15mg	❖ INR12,469/INR15,586/INR19,594/INR19,594/ INR24,492/INR24,492
Novo	Semaglutide	Dec-25	Ozempic	Type-2 Diabetes	0.25mg/0.5mg/1mg	❖ INR8,360/INR9,662/INR10,616
Novo	Semaglutide	Jun-25	Wegovy	Weight Mgmt	0.25mg/0.5mg/1mg/ 1.7mg/2.4mg	❖ INR9,765/INR12,465/INR12,465/INR14,760/ INR14,760
Cipla (Tie up)	Tirzepatide	Oct-25	Yurpeak (2nd brand of Mounjaro)	Type-2 Diabetes/ Weight mgmt	2.5mg/5mg/7.5mg/ 10mg/12.5mg/15mg	❖ INR12,467/INR15,584/INR20,898/ INR20,898/INR26,122/INR26,122
Emcure (Tie up)	Semaglutide	Dec-25	Poviztra (2nd brand of Wegovy)	Weight Mgmt	0.25mg/0.5mg/1mg/ 1.7mg/2.4mg	❖ INR8,623/INR10,987INR10,987/INR12,753/ INR14,715

Source: Tata 1mg, MOFSL, Company

GLP1: India-first wave of launch/EM in-licensing agreement with Biocon

- Within this context, AJP is pursuing a highly selective, risk-controlled strategy to participate in this structural growth opportunity rather than pursuing a manufacturing-led or capital-intensive approach.
- More than 20 Indian drug manufacturers plan to launch generic versions of Novo's weight-loss drug in India once its patent on semaglutide, the active ingredient in Wegovy and Ozempic, expires in Mar-26.
- Since the launch of Novo's Wegovy in Jun-25, it has garnered MAT of INR0.49b However, market momentum clearly gravitated towards Eli Lilly's Mounjaro, which has already scaled to MAT of INR4.96b; indicating a decisive shift in prescriber/patient preference towards Mounjaro. AJP intends to be part of the

first wave of launch in India, leveraging its on-ground presence to scale rapidly from launch.

No. of product launches in Africa

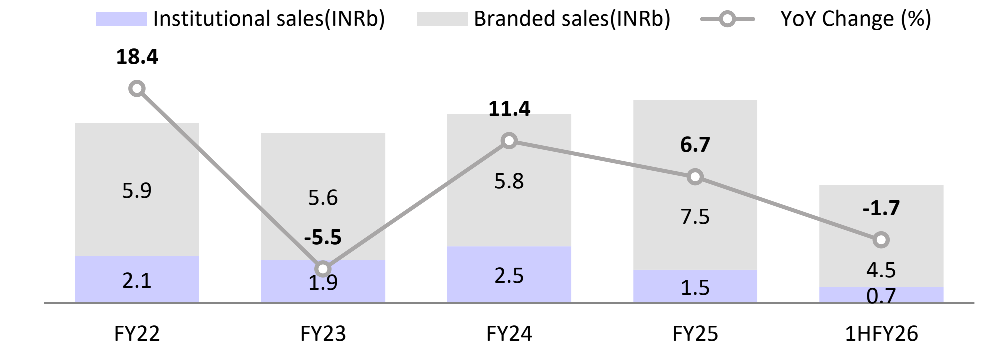
Yr	No of launches
FY-23	8
FY-24	9
FY-25	13
1HFY26	6

Newer therapies/products/geographies – growth mantra for emerging markets

Africa – External factors limit past growth, but outlook remains encouraging

- AJP's Africa segment has contributed around one-fifth of sales over the past three years. The market share of AJP in the African market averages around 3.5-4.0%.
- ***AJP is expanding into newer African markets with potentially higher TAM while simultaneously stepping up product launches; this is expected to drive a gradual ramp-up in growth over the next three to five years.***
- Over the past three years, growth has been partly supported by additions in therapies such as gynaec/diabetes/CNS, with the gynaec portfolio in Franco Africa emerging as a meaningful contributor.
- In FY26, the broader African pharmaceutical market is expected to see moderated growth. ***Despite this, Ajanta has upgraded its Africa growth guidance for FY26 to double digits from earlier mid-single-digit expectations.***
- Notably, AJP remains confident of sustaining similar growth into FY27, aided by the normalization of base effects and improving traction in the branded business. Growth momentum is expected to strengthen in 2HFY26, supported by a superior execution and partly due to a lower base in the prior-year period.

Exhibit 2: The African market delivered a CAGR of 4.1% over FY22-25



Source: MOFSL, Company

- Recent volatility has largely been base-driven and exogenous rather than structural. 1HFY26 growth remained stable despite a higher base and moderation in the underlying Africa pharma market.
- In FY24, branded sales were impacted by distributor inventory rationalization, which was partly offset by higher institutional sales due to preponed supplies. However, FY23 growth was weighed down by euro depreciation and supply-chain disruptions.
- Overall, these fluctuations do not reflect structural weakness, with underlying branded business fundamentals in Africa remaining intact and growth visibility improving as base effects normalize.

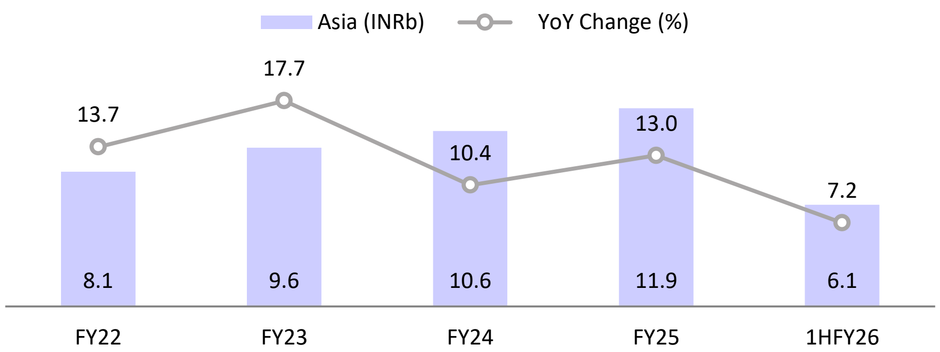
Asia: Chronic-led strategy driving better growth prospects

- Over the past three years, AJP stepped up investments in Asia across new launches/entry into newer therapies and expansion of its field force.
- These initiatives are now approaching an inflection point, which should translate into a meaningful revenue contribution.
- AJP's Asia business spans ten countries with a strategic focus on the Middle East/Southeast Asia/Central Asia, where 75% of the AJP portfolio is skewed towards chronic therapies.
- A key strategic shift during this period has been the conscious move away from an acute-heavy portfolio towards a more chronic-focused mix, improving both the quality and visibility of earnings.
- This has led the business to be structurally more stable and repeat-driven, with higher customer stickiness and lower volatility compared to acute therapies.
- Growth in the 1HFY26 was impacted by the deferment of certain orders, resulting in a temporary softness; however, the postponement of supplies is expected to support a stronger performance in 2HFY26.
- ***AJP remains confident of delivering low-teens growth for FY26, supported by both the normalization of deferred orders and continued traction in the underlying business.***
- Notably, growth in FY25 was driven by a combination of new product launches and volume expansion in existing brands, underscoring the structural demand strength and execution capability across the region.

No No. of product launches in Asia

Yr	No of launches
FY-23	38
FY-24	18
FY-25	25
1HFY26	13

Exhibit 3: Deferred orders hit 1HFY26; efforts underway to outperform the industry



Source: MOFSL, Company

DF: AJP to outperform IPM due to new launches/field force expansion

- DF sales contribution has remained stable at 30% over the past few years while consistently outperforming overall IPM growth, underscoring strong execution in the branded generics portfolio.

Exhibit 4: Industry vs. AJP growth

Indian Pharma (MAT %)	Mar-22	Mar-23	Mar-24	Mar-25	Nov-25
Industry	18	8	8	8	8
Ajanta Pharma	18	16	9	11	11

Source: IQVIA, MOFSL, Company

Derma/Pain/Opthal to sustain 500-600/300-400/100-200bp premium over IPM

- The therapy mix of the DF portfolio remains largely stable, with Cardiology continuing to be the anchor therapy, although its contribution has seen a marginal decline over the period. Ophthalmology has remained broadly range-bound, suggesting steady demand and a resilient franchise.
- In contrast, Dermatology and Pain categories have seen a gradual improvement in their contribution. Overall, the shift in mix indicates a slow but noticeable broad-based reduction in revenue concentration risk while maintaining scale in core therapies.

Exhibit 5: Therapy-wise contribution to DF sales

Therapy share	Mar-23	Mar-24	Mar-25	Sep-25
Cardiology	40	38	38	37
Opthal	31	31	29	30
Derma	21	22	22	23
Pain	8	9	10	10

Source: IQVIA, MOFSL, Company

- However, cardiology witnessed a period of softness in recent years, resulting in modest underperformance.

Exhibit 6: Growth of top therapies

	Mar-22	Mar-23	Mar-24	Mar-25	Nov-25
Opthal (MAT %)					
Industry	21	16	9	5	8
Ajanta Pharma	25	16	12	6	11
Cardiology (MAT %)					
Industry	10	9	10	12	12
Ajanta Pharma	11	13	4	11	5
Derma (MAT %)					
Industry	10	6	6	10	6
Ajanta Pharma	17	26	17	14	14
Pain (MAT %)					
Industry	22	12	8	8	6
Ajanta Pharma	28	23	12	11	8

Source: IQVIA, MOFSL, Company

Product Launches in India

Yr	No of launches	First to market launch
FY-22	16	4
FY-23	23	6
FY-24	15	14
FY-25	32	8
1HFY26	10	1

- Over the past five years, AJP's therapy mix has recorded a CAGR of 10.4%/9.5%/9.1%/6.7% in Cardiac/Ophthal/Pain/Derma.
- Within the **Cardiac** portfolio, performance has been mixed at a brand level. On the positive side, BESICOR-T/CHOLTRAN/MET XL TRIO/CINOD Beta/CINOD/MET XL 3D emerged as the top 5 consistent outperformers, reflecting superior brand traction. While MetXL H/MetXL/MetXL AM lagged industry growth, their brand-level CAGRs remain ahead of the underlying molecule growth, i.e., 0.5% vs. 0.1%/ 4.0% vs. 3.1%/7.7% vs. 3.8%, indicating continued share gains despite a maturing category. In contrast, Atorfit/Rosutor-Gold/Atorfit-CV/ TRICINOD have trailed molecule and industry growth, suggesting a relative loss of market share and weaker competitive positioning, i.e., -4.3% vs. 1.9%/2.0% vs. 13.2%/4.8% vs. 10%/ 6.1% vs. 22.1%.
- Within the **Ophthal** portfolio, MAXMOIST ULTRA/RIPATEC/NEW MAXMOIST/ BRINZOX-T/BIDIN T emerged as the top 5 consistent outperformers. BRINZOX-T/ NEW MAXMOIST, though high-traction brands, posted slower growth than the

molecule, i.e., 24.3% vs. 35.8%/27.0% vs. 31.2%. While SOFT DROPS/BETOACT lagged industry growth, their brand-level CAGRs remained ahead of the underlying molecule growth, i.e., 4.8% vs. 0.8%/6.7% vs. 3.0%. In contrast, LOTEL/ APDROPS trailed molecule and industry growth, suggesting a relative loss of market share and weaker competitive positioning, i.e., 7.8% vs. 14.0%/4.2% vs. 7.8%.

- Within the **Pain** portfolio, ACTINAC-MR/ACTINAC-SP/EFOCAL-CT/CISSQ PLUS/ UC MOVE emerged as the top 5 consistent outperformers. FEBURIC/MIMOD; though high traction brands delivered slower growth than the molecule, i.e., 13.7% vs 14.7%/ 22.2% vs 31.9%. While TRIMOL/ DURANZO lagged industry growth, their brand-level CAGRs remain ahead of the underlying molecule growth, i.e., -4.4% vs -12.5%/6.2% vs 3.4%. In contrast, CALTUF-XT/ PRESIDIO/ VIVETA/TOFANTA NEW/TAPENAX trailed molecule and industry growth, suggesting relative loss of market share and weaker competitive positioning, i.e., -13.1% vs 4%/ -9.8% vs 1.7%/ -2.4% vs 7.8%/1.7% vs 42.6%/3.9% vs 33.9%.
- Within the **Derma** portfolio, AQUREA/ SUNSTOP GOLD/ BIOSILK/AQUASOFT MAX/AQUASOFT FC emerged as the top 5 consistent outperformers. AQUASOFT/ PEROCLIN, though high-traction brands, posted slower growth than the molecule, i.e., 11.3% vs. 14.6%/16.2% vs. 22.9%. While MELACARE lagged industry growth, its brand-level CAGR remained ahead of the underlying molecule growth, i.e., 4.3% vs. 0.4%.
- ***Overall, AJP is targeting 25-35% higher growth than IPM over the medium term, driven by sustained brand traction. Across core therapies, Derma/ Pain/Ophthal are expected to sustain a 500-600/300-400/100-200bp premium over the industry. However, the industry growth remains moderate due to seasonality, intensifying competition, and the inclusion of select products under NLEM.***

Exhibit 7: Top 3 outperformers within Cardiac/Opthal/Pain/Derma categories

Therapy	Brands	Brand CAGR% (Nov'21-25)	Therapy CAGR% (Nov'21-25)	Molecule CAGR% (Nov'21-25)
Cardiac	CHOLTRAN	27.8	10.4	32.0
Cardiac	MET XL TRIO	24.9	10.4	56.5
Cardiac	CINOD BETA	22.5	10.4	15.7
Opthal	MAXMOIST ULTRA	51.8	9.5	31.2
Opthal	RIPATEC	35.2	9.5	35.8
Opthal	NEW MAXMOIST	27.0	9.5	31.2
Pain	ACTINAC-MR	87.9	9.1	7.5
Pain	ACTINAC-SP	50.2	9.1	15.8
Pain	EFOCAL-CT	40.0	9.1	4.0
Derma	AQUREA	106.6	6.7	14.6
Derma	BIOSILK	50.5	6.7	14.6
Derma	SUNSTOP GOLD	44.0	6.7	25.1

Source: IQVIA, MOFSL, Company

Scale up in Nephro/Gynaec and existing therapies

- AJP undertook a notable expansion of its field force, adding 750 MRs in FY25, of which 200 were deployed in new therapies such as gynecology/nephrology (accounting for 40-45%), and 550 were added to existing therapies to deepen coverage.

- Notably, 150 MRs were added in 1HFY26, taking overall MR strength from 2.8k in FY23 to 3.6k by 1HFY26 and enhancing the portfolio via the acquisition of three pain management brands.
- While the cost impact is immediate, AJP expects the productivity/revenue benefits to start reflecting meaningfully from 2HFY27 onwards in line with the gestation period for doctor coverage and prescription ramp-up.
- Gynecology is likely to become a sizeable contributor in 2-3 years, whereas nephrology, being a more concentrated therapy, is seeing slower traction and may take a few more months longer to reach output levels comparable to gynecology.
- Going forward, no further MR additions are envisaged unless driven by entry into new therapies or inorganic opportunities within existing therapies.
- Overall, this reinforces confidence in the strength of the branded generics franchise and the AJP's ability to sustain growth ahead of the market.

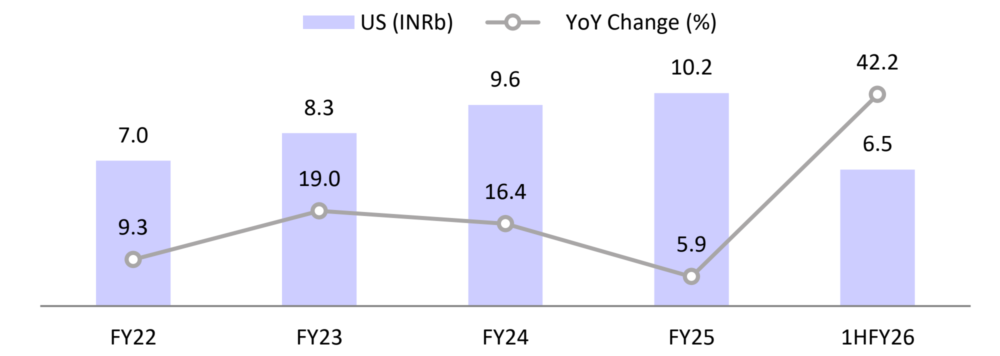
US Generics: Revenue momentum to be sustained in FY27 as well

No No. of product launches in US

Yr	No of launches
FY-22	3
FY-23	1
FY-24	4
FY-25	5
1HFY26	3

- Ajanta's US generics journey over FY22-FY25 reflects a transition from a pressure-led environment to an execution-driven growth phase.
- FY22 marked the trough with growth constrained by heightened competitive intensity and price erosion in the base portfolio.
- FY23 posted a temporary rebound, aided by an unusually strong flu season; however, elevated logistics and supply-chain costs notably compressed margins.
- Recognizing the rising uncertainty and persistent price erosion, AJP consciously curtailed capital allocation to the US business.
- FY25 appeared optically weak, as all five key launches were concentrated in the second half, limiting their contribution to full-year revenues.
- The inflection becomes evident in 1HFY26. Growth was accelerated meaningfully, driven by the full monetization of prior launches/incremental new introductions and market-share gains in existing products.

Exhibit 8: US revenue delivered a CAGR of 13.6% over FY22-25 and 42% YoY in 1HFY26

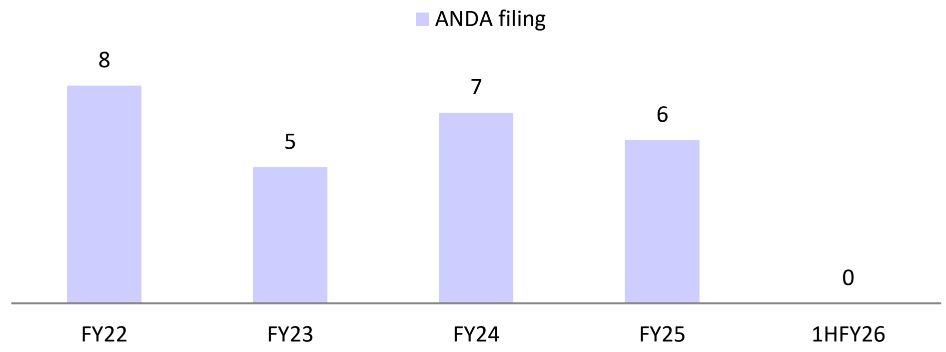


Source: MOFSL, Company

- Notably, this step-up has been achieved without incremental manufacturing capex, indicating that growth is being delivered through better execution rather than capacity expansion.

- Additionally, AJP did not file ANDAs in 1HFY26, and is quite skeptical of the company's ability to deliver the target of 10-12 ANDA filings in FY26.

Exhibit 9: ANDA filings trend over FY22-1HFY26

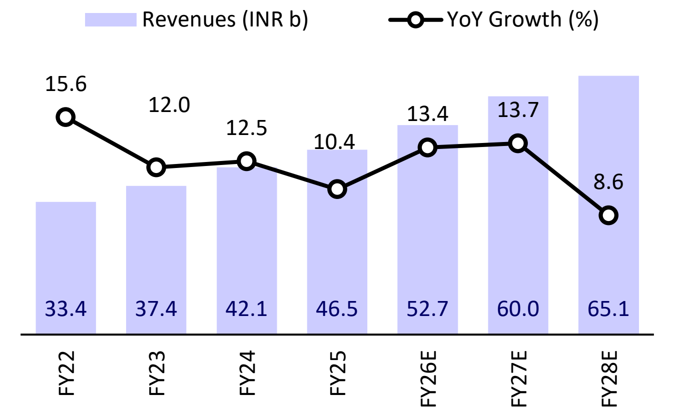


Source: MOFSL, Company

- AJP is confident about sustaining the current run rate over the 2HFY26, suggesting a structurally higher revenue base, rather than a one-off spike.
- In FY27, AJP is confident of achieving a high teens growth. In the next 3-4 years, the company is also planning to expand into other markets of North America, beyond the US, which should help in maintaining sustainable margins.

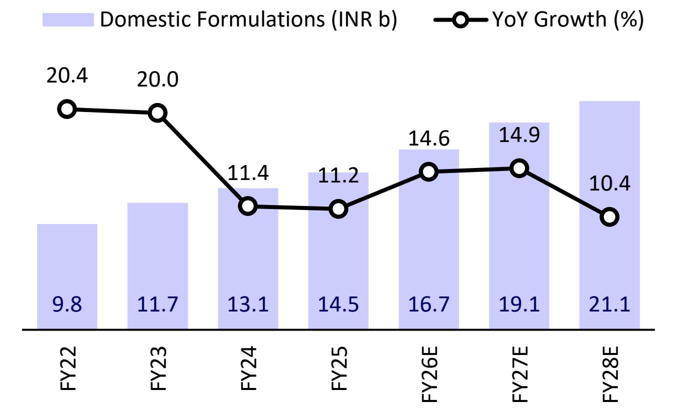
Story in charts

Exhibit 10: Total sales to post 12% CAGR over FY25-28E



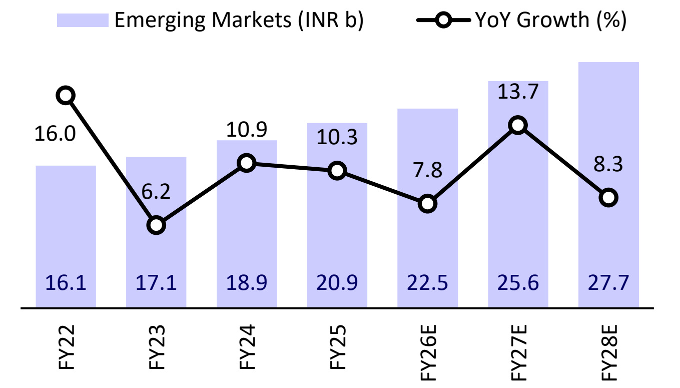
Source: MOFSL, Company

Exhibit 11: DF sales to clock 13.3% CAGR over FY25-28E



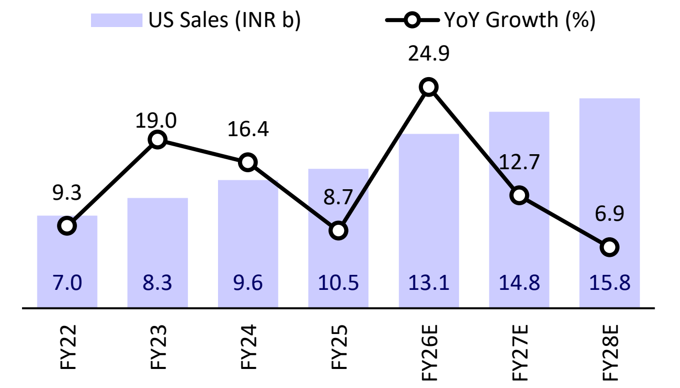
Source: MOFSL, Company

Exhibit 12: EM sales to clock 10% CAGR over FY25-28E



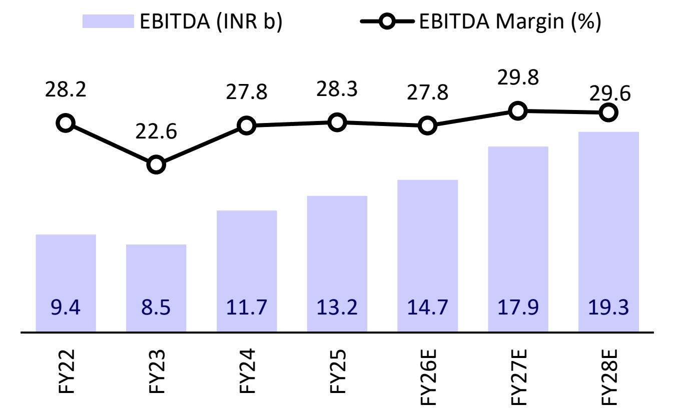
Source: MOFSL, Company

Exhibit 13: US sales to post 15% CAGR over FY25-28E



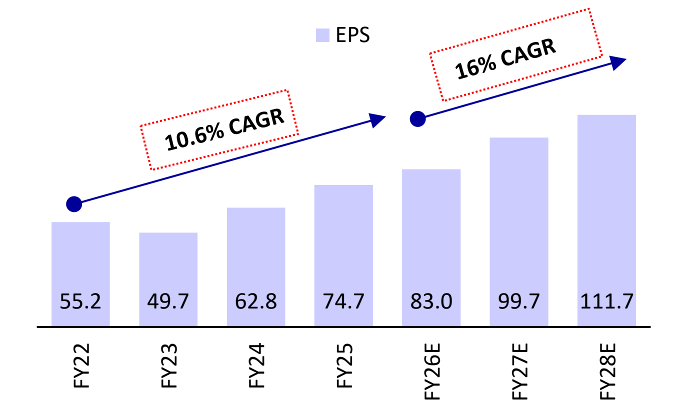
Source: MOFSL, Company

Exhibit 14: Expect 130bp margin expansion over FY25-28E



Source: MOFSL, Company

Exhibit 15: Expect 16% earnings CAGR over FY25-28E



Source: MOFSL, Company

Financials and valuations

Consolidated - Income Statement							(INR m)
Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total Income from Operations	**33,410**	**37,426**	**42,087**	**46,481**	**52,731**	**59,977**	**65,113**
Change (%)	15.6	12.0	12.5	10.4	13.4	13.7	8.6
Total Expenditure	**23,986**	**28,972**	**30,368**	**33,330**	**38,056**	**42,088**	**45,830**
% of Sales	71.8	77.4	72.2	71.7	72.2	70.2	70.4
EBITDA	**9,424**	**8,454**	**11,719**	**13,152**	**14,675**	**17,888**	**19,283**
Margin (%)	28.2	22.6	27.8	28.3	27.8	29.8	29.6
Depreciation	1,253	1,308	1,354	1,441	1,588	1,534	1,607
EBIT	**8,171**	**7,146**	**10,365**	**11,710**	**13,087**	**16,355**	**17,676**
Int. and Finance Charges	102	58	72	207	218	248	233
Other Income	757	803	459	616	706	795	863
PBT bef. EO Exp.	**8,826**	**7,892**	**10,752**	**12,119**	**13,575**	**16,901**	**18,306**
EO Items	-269	439	-387	227	171	0	0
PBT after EO Exp.	**9,095**	**7,453**	**11,139**	**11,892**	**13,404**	**16,901**	**18,306**
Total Tax	1,968	1,574	2,978	2,688	3,128	4,408	4,302
Tax Rate (%)	21.6	21.1	26.7	22.6	23.3	26.1	23.5
Minority Interest	0	0	0	0	0	0	0
Reported PAT	**7,127**	**5,879**	**8,162**	**9,204**	**10,276**	**12,493**	**14,004**
Adjusted PAT	**6,916**	**6,225**	**7,878**	**9,369**	**10,407**	**12,493**	**14,004**
Change (%)	5.8	-10.0	26.6	18.9	11.1	20.0	12.1
Margin (%)	20.7	16.6	18.7	20.2	19.7	20.8	21.5

Consolidated - Balance Sheet							(INR m)
Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	172	253	253	251	251	251	251
Total Reserves	32,472	33,627	35,421	37,652	45,563	54,870	65,303
Net Worth	**32,644**	**33,880**	**35,674**	**37,903**	**45,813**	**55,121**	**65,554**
Total Loans	19	15	15	26	26	26	26
Deferred Tax Liabilities	463	977	1,085	1,105	1,105	1,105	1,105
Capital Employed	**33,125**	**34,872**	**36,773**	**39,034**	**46,944**	**56,251**	**66,684**
Gross Block	22,857	24,012	25,191	29,461	32,371	34,753	36,670
Less: Accum. Deprn.	7,738	9,046	10,400	11,841	13,429	14,963	16,570
Net Fixed Assets	**15,120**	**14,966**	**14,792**	**17,620**	**18,942**	**19,791**	**20,100**
Goodwill on Consolidation	0	0	0	0	0	0	0
Capital WIP	1,529	2,095	2,565	1,763	1,853	1,271	1,154
Total Investments	**707**	**5,465**	**3,580**	**4,732**	**4,732**	**4,732**	**4,732**
Curr. Assets, Loans&Adv.	**22,645**	**24,265**	**25,448**	**26,034**	**33,598**	**44,126**	**55,558**
Inventory	7,911	8,156	8,284	9,039	11,156	13,261	14,816
Account Receivables	10,198	10,569	12,468	11,827	15,892	17,254	18,196
Cash and Bank Balance	2,118	3,309	1,308	1,762	2,306	8,784	17,304
Loans and Advances	2,418	2,231	3,388	3,406	4,245	4,828	5,241
Curr. Liability & Prov.	**6,875**	**11,919**	**9,611**	**11,116**	**12,180**	**13,667**	**14,859**
Account Payables	3,272	4,227	4,633	4,542	5,943	6,573	7,157
Other Current Liabilities	3,302	7,310	4,405	5,537	5,520	6,278	6,816
Provisions	301	382	573	1,036	718	817	886
Net Current Assets	**15,770**	**12,346**	**15,836**	**14,919**	**21,418**	**30,459**	**40,699**
Appl. of Funds	**33,126**	**34,872**	**36,773**	**39,033**	**46,944**	**56,251**	**66,684**

Financials and valuations

Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)							
EPS	**55.2**	**49.7**	**62.8**	**74.7**	**83.0**	**99.7**	**111.7**
Cash EPS	65.2	60.1	73.7	86.2	95.7	111.9	124.5
BV/Share	260.4	270.3	284.6	302.4	365.5	439.7	523.0
DPS	6.4	11.5	15.4	18.9	21.4	25.2	28.2
Payout (%)	11.4	24.7	23.8	26.0	26.3	25.5	25.5
Valuation (x)							
P/E	48.8	54.2	42.8	36.0	32.4	27.0	24.1
Cash P/E	41.3	44.8	36.5	31.2	28.1	24.0	21.6
P/BV	10.3	10.0	9.5	8.9	7.4	6.1	5.1
EV/Sales	10.1	9.0	8.1	7.3	6.4	5.5	5.0
EV/EBITDA	35.9	39.9	28.9	25.7	23.0	18.5	16.8
Dividend Yield (%)	0.2	0.4	0.6	0.7	0.8	0.9	1.0
FCF per share	29.0	48.8	51.1	66.5	21.8	72.1	90.6
Return Ratios (%)							
RoE	22.1	18.7	22.7	25.5	24.9	24.8	23.2
RoCE	22.3	18.8	22.8	25.9	25.2	25.1	23.5
RoIC	23.1	21.4	28.5	30.2	29.2	30.4	31.8
Working Capital Ratios							
Inventory (Days)	86	80	72	71	77	81	83
Debtor (Days)	111	103	108	93	110	105	102
Creditor (Days)	36	41	40	36	41	40	40
Leverage Ratio (x)							
Net Debt/Equity	-0.1	-0.3	-0.1	-0.2	-0.2	-0.2	-0.3

Consolidated - Cash Flow Statement (INR m)

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	8,557	7,453	11,139	11,892	13,746	16,901	18,306
Depreciation	1,253	1,308	1,354	1,441	1,588	1,534	1,607
Interest & Finance Charges	-655	58	72	207	-488	-547	-630
Direct Taxes Paid	-1,968	-1,513	-3,121	-3,230	-3,128	-4,408	-4,302
(Inc)/Dec in WC	-2,427	665	-998	1,789	-5,956	-2,563	-1,720
CF from Operations	**4,760**	**7,971**	**8,446**	**12,100**	**5,762**	**10,917**	**13,262**
Others	323	-53	-596	-521	0	0	0
CF from Operating incl EO	**5,082**	**7,918**	**7,851**	**11,579**	**5,762**	**10,917**	**13,262**
(Inc)/Dec in FA	-1,409	-1,745	-1,390	-3,168	-3,000	-1,800	-1,800
Free Cash Flow	**3,674**	**6,173**	**6,460**	**8,411**	**2,762**	**9,117**	**11,462**
(Pur)/Sale of Investments	-190	-3,907	1,774	-977	0	0	0
Others	857	56	270	378	706	795	863
CF from Investments	**-741**	**-5,596**	**654**	**-3,767**	**-2,294**	**-1,005**	**-937**
Issue of Shares	-2	-14	0	0	0	0	0
Inc/(Dec) in Debt	3	-5	1	11	0	0	0
Interest Paid	-102	-23	-35	-173	-218	-248	-233
Dividend Paid	-816	-897	-6,422	-3,494	-2,708	-3,186	-3,571
CF from Fin. Activity	**-4,600**	**-1,131**	**-10,511**	**-6,819**	**-2,916**	**-3,434**	**-3,804**
Inc/Dec of Cash	**-259**	**1,191**	**-2,006**	**993**	**553**	**6,478**	**8,520**
Opening Balance	2,014	1,755	2,947	940	1,933	2,486	8,964
Closing Balance	**1,755**	**2,947**	**940**	**1,933**	**2,486**	**8,964**	**17,484**
Total Cash & Cash Eq	**2,118**	**3,309**	**1,307**	**1,762**	**2,305**	**8,784**	**17,304**

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