RESULT REVIEW

SELL

TP: Rs 2,288 | ∀ 15%

AJANTA PHARMA | Pharmaceuticals | 31 January 2025

Entering newer therapies to result in higher costs

- **AJP reported in-line earnings, sales were 3.6% below estimates, while EBITDA/PAT reported 1%/3% above our estimates**
- **Africa Institution sales guided for 40% lower in FY25 due to uncertainty over global purchasers. Sales contributed 3%**
- **We maintain SELL and lower TP to Rs 2,288 due to AJP's concentrated portfolio approach leading to lower EBITDA margin than the industry**

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In-line 3QFY25: AJP reported in-line earnings where sales grew by 3.7% YoY, EBITDA by 2.2% YoY and PAT by 10.9% YoY. Sales growth was driven by 12% India business, 8% growth in Asia business,12% growth in the Africa branded region and 4% growth in the US region, which were offset by 62% decline in the Africa Institution sales due to lower purchases by global funds. Overall, 10% sales growth in the Branded Generics business resulted in 77.5% gross margin followed by SG&A cost rationalisation resulting in EBITDA margin of 28%. PAT increased due to higher other income from forex gains.

Newer therapies to lead to higher expenses and lower sales in near term: AJP diversified into two new therapies, Nephrology and Gynecology, in the domestic region. The size of these therapies in the IPM is ~Rs 160bn as per IQVIA Dec'24. AJP has launched 12 new products and added 200 medical representatives (MR) in these therapies. However, both therapies have many established players and AJP is an incumbent, which would take 16-18 months to scale up. Hence, in the near term, sales from newer therapies would not be meaningful and require higher promotional spend.

South Africa Institution sales guided for 40% decline in FY25: Africa Institution sales declined by 62% YoY primarily due to lower purchases by global funds, higher reliance on procurement agencies schedules and funds availability. Due to high uncertainty, management guided for 40% decline in the South Africa Institution business. Hence, we expect Africa sales to decline by 3% in FY25E.

Pick up in US sales from FY26 may reduce gross margin: Gross margin was 77.5% in 3QFY25 and 77.4% as on 9MFY25. Higher margins can be attributed to higher branded generic sales and lower US sales. US sales is expected to increase in FY26 in double digits, which could lower gross margin, in our view.

Key changes

Target	Rating
▼	◄►

Ticker/Price	AJP IN/Rs 2,677
Market cap	US$ 3.9bn
Free float	31%
3M ADV	US$ 4.2mn
52wk high/low	Rs 3,485/Rs 1,998
Promoter/FPI/DII	66%/10%/15%

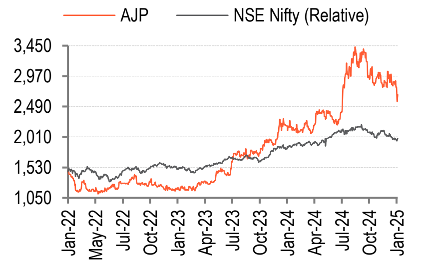
Source: NSE | Price as of 30 Jan 2025

Key financials

Y/E 31 Mar	FY24A	FY25E	FY26E
Total revenue (Rs mn)	42,087	45,341	50,289
EBITDA (Rs mn)	11,719	12,074	13,643
Adj. net profit (Rs mn)	8,161	8,626	9,780
Adj. EPS (Rs)	64.6	68.3	77.4
Consensus EPS (Rs)	64.6	74.7	86.5
Adj. ROAE (%)	23.6	22.2	21.2
Adj. P/E (x)	41.4	39.2	34.6
EV/EBITDA (x)	28.7	27.8	24.6
Adj. EPS growth (%)	38.8	5.7	13.4

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

No increase in Branded Generics contribution

Currently Branded Generics contribute 74% of sales and grew by 10% primarily due to lower growth of 8% in the Asia region. Going forward, we expect the contribution of Branded Generics to remain at ~75% and to report steady growth of 15%. In the absence of higher growth from its key regions, we expect the Branded Generics market to grow at a CAGR of 11% from FY25-27 and contribute 73% of sales in FY27.

Newer therapies unlikely to contribute to domestic business growth for next 16-18 months

AJP's domestic business grew by 12% as against IPM growth of 8%, primarily driven by volume growth which grew 3x higher than the IPM growth. Segment-wise all the therapies outperformed IPM growth where Cardiology (38% contribution) grew 11% against segment growth of 12%, Ophthalmology (30% contribution) by 6% vs segment growth of 4%, Dermatology (23% contribution) 16% vs segment growth of 10% and Pain Management (9% contribution) 11% vs segment growth of 7%. Going forward, these segments are expected to contribute to growth and newer therapies would participate in growth after 16-18 months. Hence, we expect India sales to grow at a CAGR of 11% from FY25-27.

New launches in US to have 2-3 low-competition products

AJP's US sales grew by 4% YoY and 13% QoQ largely driven by new launches in the weaker flu season. As at 9MFY25, AJP filed four ANDAs and expects another four ANDAs to be filed in 4QFY25. During 9MFY25, AJP launched five new products and expects more launches in FY26 from eight ANDAs filed in FY25. However, from these new launches, only 2-3 products are high-value low-competition products. Hence, we expect US sales to grow at a CAGR of 8% from FY25-27.

International Branded Generics to grow steadily due to uncertainties in transit

AJP's international markets include the Asia and Africa branded markets. These international market sales are secondary sales in the private market which grow at a steady pace. AJP's market share in the international market is 2-5% while being present in few therapies like Cardiac, Ophthalmology and Diabetes. Going forward, AJP intends to add CNS therapy in the Asia market from 1QFY26 and Gynaecology therapy in 3QFY26, which would scale up gradually. As headwinds in shipping transit are unpredictable so is growth in these markets, Hence, we expect the international market to grow at a CAGR of 11% from FY25-27.

Lower institution sales and higher SG&A cost for new therapies to create double whammy. Maintain SELL

In the domestic region, AJP has expanded into two newer therapies which would require higher MR hiring (currently 200 MRs hired) and marketing expenses, hence we expect EBITDA margin to report at 27.6% in FY27, which is lower than the industry average of above 30%. We factor in management's guidance of 40% decline in Africa institution sales and higher operating expenses due to diversifying into two newer therapies. Hence, we cut EPS estimates by 5.4% to Rs 68.3 for FY25, by 5.8% to Rs

77.4 for FY26 and 6.4% to Rs 86.3 for FY27. However, we continue to ascribe a similar multiple of 29x on Dec'26 roll forward basis to arrive at a TP of Rs 2,288 (earlier Rs 2,528).

Concall highlights

Branded generics (74% of total sales)

Growth: Witnessed satisfactory performance with healthy sales growth of 10% during the quarter to Rs 8.34bn.

Outlook: Confident of sustaining this momentum and driving continued growth in the coming quarters.

India sales (31% of sales)

Growth: AJP grew at 11% surpassing IPM growth of 8% as per IQVIA MAT Dec'24.

Volume growth: Volume grew 3x more than the IPM growth.

Segmental contribution: Cardiology contributed 38%, followed by Ophthalmology with 30%, Dermatology 23% and remaining 9% from Pain in India branded sales.

MRs: Added 250 plus MRs in Q3, taking the total addition to about 450 in 9MFY25 and totalling 3,450. PCPM is Rs 0.39 mn on 3,000 MRs.

Trade Generics: Sales was Rs 0.43bn in Q3FY25 against Rs 0.38bn in Q3FY24 and Rs 1.30bn in 9MFY25 as against Rs 1.20bn in 9MFY24.

New launches: During 9MFY25, AJP launched 26 new products of which, 8 were first time in the country.

New therapies: Diversified into two new therapies in IPM namely Gynecology and Nephrology. Currently sales are insignificant.

IPM size: The total IPM size for both these therapies is about Rs 160bn as per IQVIA MAT Dec'24.

MRs: Added 200 MRs to newer therapies.

New launches: Added 12 new products in newer therapies. These are high growth sub therapeutic segments which have been identified as go-to market strategy. And so the tailwinds are already in their favour and none of them are first-to-market at this point.

Outlook: New therapies will contribute to growth post 12-15 months.

International Markets (43% of total sales)

Asia – (28% of sales)

Geographical presence: Presence spans the Middle East, Southeast Asia and Central Asia, encompassing around 10 countries. AJP has a market share of 2-5% despite not being in multiple therapies. Currently present in Cardiology, Diabetes, Ophthalmic therapies with higher ranking.

New launches: Nine new products during the quarter, taking total tally to 22 new products launched in nine months.

Outlook: In the Q1FY26, the company expects to launch a CNS line in our Asia market. The company is actively pursuing Gynaecology expansion in the international market.

Africa – (15% of sales)

Geographical presence – business is spread across 20 countries

New launches: Seven new products during the quarter taking total tally to 10 new products launched in nine months in Africa.

US generics – (23% of sales)

Growth : led by new launches and increased market share in existing products

ANDA Filing: In nine months, AJP filed four ANDAs, received five final approvals and launched five ANDAs.

New launches: AJP launched five new products during the year. It expects 2-3 new launches in limited competition.

Products on shelf: Have 48 products available on the shelf and 21 ANDAs awaiting approval with USFDA.

Outlook: The company expects mid- single-digit growth in FY25 and double-digit growth in FY26.

Africa Institution (3% of sales)

Growth: This business comprises Antimalarial products. In Q3, sales was Rs 0.33bn against Rs 0.86bn in Q3FY24, posting de-growth of 61%. And in 9MFY25, sales was at Rs 1.18bn against Rs 1.88bn in 9mFY24, de-growth of 37% due to lower purchases by global funds.

Outlook: This business remains unpredictable due to the reliance on procurement agencies schedule and funds availability.

Financial highlights

Capex of Rs 1.80bn in 9 months

Working capital: Inventory days were 71 in Q3 vs 73 days, Receivable days 86 against 109 days, and payable at 66 against 85 days as on 9MFY25.

Guidance

Domestic business: Expects to grow the market by 12-15%, expecting to beat IPM by 50%.

Africa Institution business: Expect sales to be down by 40% in FY25E. Currently it is 3% of sales, next year as other business grows this portion could reduce further**.**

Gross margin – 3QFY25 GM at 77%: Expect it to remain in the similar range with quarterly movement of 50 to 100bps due to change in product mix.

Personnel cost: Addition of 200 MRs for newer therapies will lead to increase in employee cost in upcoming quarters.

SG&A cost: Expected to be around same levels of 3QFY25 in 4QFY25.

EBITDA margin: To be around same range of 28% with plus/minus 1%.

Capex: FY25 Capex including maintenance capex is estimated to be about Rs 2.25bn.

R&D cost: Most of the R&D expense is incurred, continue to maintain similar levels of 5%.

Tax rate: The tax rate in FY25 is 24%. FY26 should be like FY25, and FY27 should be higher as exemptions end.

Fig 1 – Financial Highlights

(Rs mn)	Q3FY25	Q3FY24	YoY (%)	Q2FY25	QoQ (%)	9MFY25	9MFY24	YoY (%)	FY24	FY25E	FY26E	FY27E
Net Sales	**11,461**	**11,052**	**3.7**	**11,866**	**(3.4)**	**34,777**	**31,546**	**10.2**	**42,087**	**45,341**	**50,289**	**55,104**
Total Expenses	8,253	7,911	4.3	8,755	(5.7)	25,153	22,786	10.4	30,368	33,267	36,646	39,879
(%) of net sales	72	72		74		72	72		72	73	73	72
Raw material consumed	2,578	2,942	(12.4)	2,617	(1.5)	7,873	8,022	(1.9)	10,666	11,109	12,572	14,052
(%) of net sales	22.5	27		22.1		23	25		25	25	25	26
Staff cost	2,652	2,314	14.6	2,610	1.6	8,099	6,668	21.5	9,003	10,354	11,484	12,583
(%) of net sales	23.1	20.9		22.0		23	21		21	23	23	23
R&D cost	530	520	1.9	570	(7.0)	1,610	1,570	2.5	2,070	2,267	2,012	1,653
(%) of net sales	4.6	4.7		4.8		5	5		4.9	5.0	4.0	3.0
SG&A	2,493	2,136	16.7	2,958	(15.7)	7,571	6,526	16.0	8,629	9,537	10,578	11,591
(%) of net sales	21.8	19.3		24.9		22	21		20.5	21.0	21.0	21.0
EBITDA	**3,208**	**3,141**	**2.2**	**3,112**	**3.1**	**9,623**	**8,761**	**9.9**	**11,719**	**12,074**	**13,643**	**15,225**
Depreciation	360	343	5.0	344	4.6	1,043	1,012		1,354	1,451	1,573	1,695
EBIT	2,849	2,798	1.8	2,768	2.9	8,580	7,749	10.7	10,365	10,623	12,070	13,530
Interest	79	25	217.7	60	31.4	147	57		72	21	30	35
Other Income	304	136	124.0	195	56.3	764	667		846	900	1,000	1,050
PBT	3,074	2,909	5.7	2,902	5.9	9,197	8,359	10.0	11,139	11,502	13,040	14,545
Less: Taxation	745	809	(7.9)	738	1.0	2,246	2,224		2,978	2,875	3,260	3,636
Less: Minority Interest						0	0		0	0	0	0
Recurring PAT	2,329	2,100	10.9	2,165	7.6	6,951	6,135	13.3	8,161	8,626	9,780	10,909
Exceptional items	0	0		0		0	0		0	0	0	0
Reported PAT	2,329	2,100	10.9	2,165	7.6	6,951	6,135	13.3	8,161	8,626	9,780	10,909
Key Ratios (%)												
Gross Margin	77.5	73.4	412	77.9	(44)	77.4	74.6	279	74.7	75.5	75.0	74.5
EBITDA Margin	28.0	28.4	(43)	26.2	177	27.7	27.8	(10)	27.8	26.6	27.1	27.6
Tax / PBT	24.2	27.8		25.4		24.4	26.6		26.7	25.0	25.0	25.0
NPM	20.3	19.0	131	18.2	208	20.0	19.4		19.4	19.0	19.4	19.8
EPS (Rs)	18.4	16.3		17.1		55.0	48.6		64.6	68.3	77.4	86.3

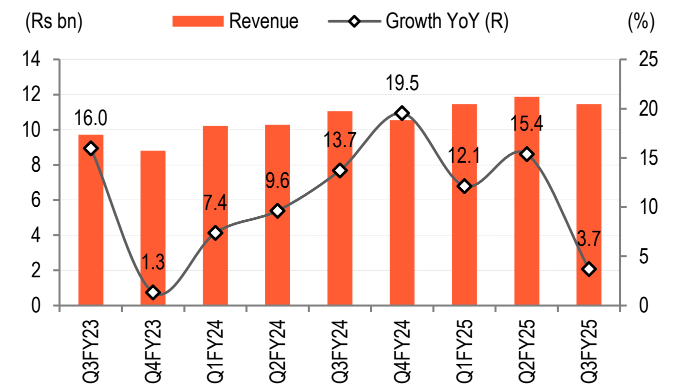
Source: Company, BOBCAPS Research

Fig 2 – Geographical revenue

(Rs mn)	Q3FY25	Q3FY24	YoY (%)	Q2FY25	QoQ (%)	9MFY25	9MFY24	YoY (%)	FY24	FY25E	FY26E	FY27E
Domestic Formulation	3,450	3,080	12.0	3,860	(10.6)	10,840	9,820	10.4	13,080	14,430	16,090	17,815
Exports Formulation	7,850	7,850	0.0	7,840	0.1	23,460	21,370	9.8	28,550	30,157	33,365	36,380
Africa	2,060	2,410	(14.5)	2,560	(19.5)	7,340	6,590	11.4	8,340	8,105	8,915	9,539
Asia	3,160	2,920	8.2	2,960	6.8	8,890	7,760	14.6	10,570	11,838	13,259	14,850
US	2,630	2,520	4.4	2,320	13.4	7,230	7,020	3.0	9,640	10,214	11,191	11,991
Other op Income	161	122	32.8	160	0.8	471	356	32.1	457	754	834	909
Revenues	11,461	11,052	3.7	11,860	(3.4)	34,771	31,546	10.2	42,087	45,341	50,289	55,104

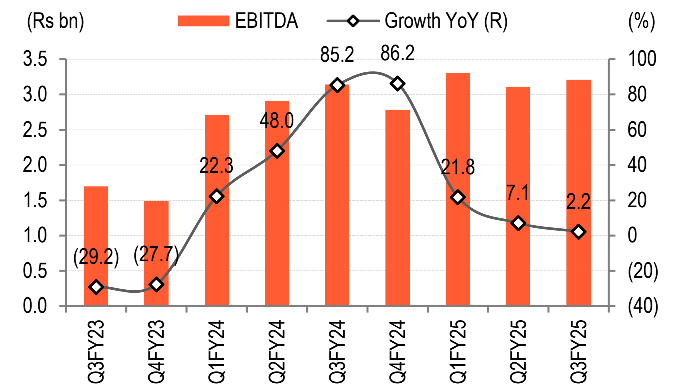
Source: Company, BOBCAPS Research

Fig 3 – growth declined due to lower institutional sales



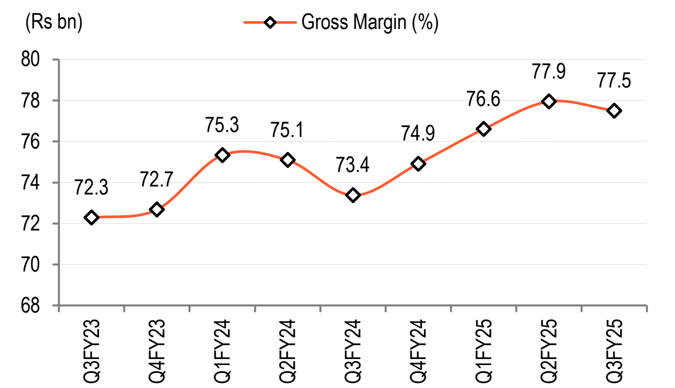
Source: Company, BOBCAPS Research

Fig 4 – Better product mix resulted in higher EBITDA



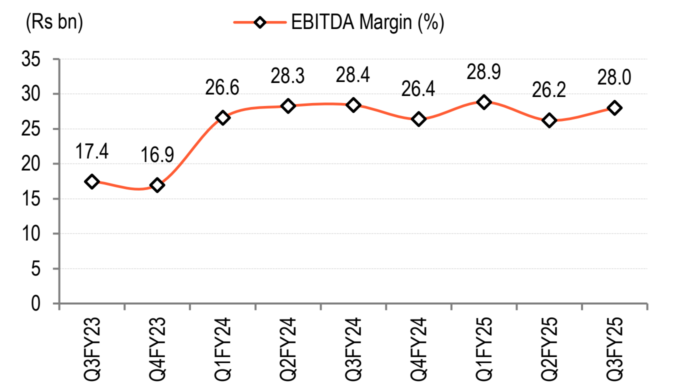
Source: Company, BOBCAPS Research

Fig 5 – Gross Margin towards its highs due to higher growth from branded generic business



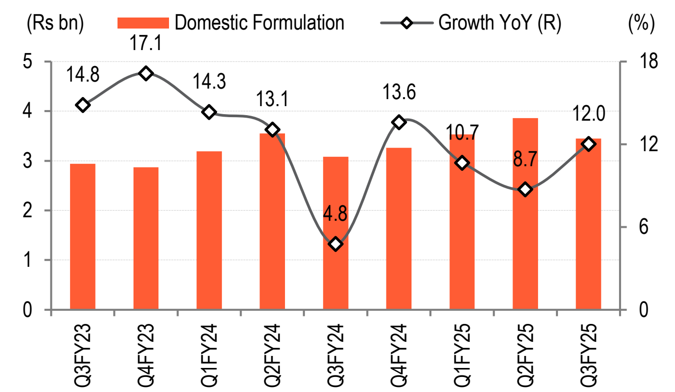
Source: Company, BOBCAPS Research

Fig 6 – EBITDA Margin sustained at 28% due to lower SG&A cost



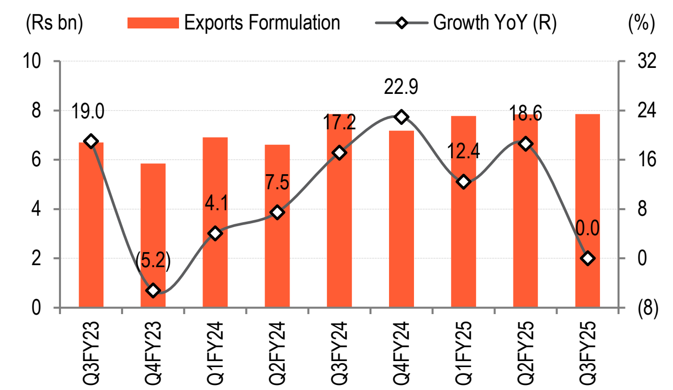
Source: Company, BOBCAPS Research

Fig 7 – Domestic sales growth driven better growth across therapies



Source: Company, BOBCAPS Research

Fig 8 – Export formulation segment stays steady due to lower institutional sales



Source: Company, BOBCAPS Research

Valuation methodology

AJP reported an in-line set of numbers where sales was lower than estimates by 3.6%, while EBITDA/PAT were 1%/3% above our estimates. Sales was lower due to a 60% decline in Africa institutional sales due to lower purchases by global funds. However, due to lower SG&A, spend contribution ex of R&D was 21.8% in 3QFY25 vs 24.9% in 2QFY25. EBITDA margin was 28%.

Going forward, we expect AJP's sales from Africa Institutional sales to be lower by 40% in FY25E due to the ongoing uncertainties. The branded generics market is also expected to contribute ~73% of sales and grow in the lower double digits. We expect US sales to increase due to increasing filings in 4QFY25. However out of eight filings, mere 2-3 products are expected to be high-market low-competition products. As the profitability level of the US is unlikely to be greater, we expect gross margin to taper from the current 77% as US sales increase. In the domestic region, AJP has expanded into two newer therapies which would require higher MR hiring (currently 200 MRs hired) and marketing expenses. Hence, we expect EBITDA margin to be 27.6% in FY27E, lower than the industry average of above 30%.

We factor in management's guidance of a 40% decline in Africa Institution sales and higher operating expenses due to diversifying into two newer therapies. Hence, we lower our EPS estimates by 5.4% to Rs 68.3 for FY25, by 5.8% to Rs 77.4 for FY26 and by 6.4% to Rs 86.3 for FY27E. However, we continue to ascribe a similar multiple of 29x on Dec'26 rollover basis to arrive at a TP of Rs 2,288 (earlier Rs 2,528).

Fig 9 – Revised Estimates

(Rs mn)	Actual	Revised			Old			Change (%)		
	FY24	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Sales	42,087	45,341	50,289	55,104	46,565	51,636	56,583	(2.6)	(2.6)	(2.6)
EBITDA	11,719	12,074	13,643	15,225	13,243	14,944	16,658	(8.8)	(8.7)	(8.6)
EBITDA margin (%)	27.8	26.6	27.1	27.6	28.4	28.9	29.4	(181bps)	(181bps)	(181bps)
EPS (Rs)	65	68	77	86	72	82	92	(5.4)	(5.8)	(6.4)

Source: Company, BOBCAPS Research

Fig 10 – Key assumption

Key assumption	FY23	FY24	FY25	FY26	FY27
India Formulation	11,740	13,080	14,430	16,090	17,815
Africa	7,490	8,340	8,105	8,915	9,539
Asia	9,570	10,570	11,838	13,259	14,850
US	8,280	9,640	10,214	11,191	11,991
OOI	346	457	754	834	909
Total	37,426	42,087	45,341	50,289	55,104

Source: Company, BOBCAPS Research

Key risks

Key upside risks to our estimates are:

- lower raw material and freight costs,
- stable or lower price erosion in the US business,
- no USFDA observations leading to swift new launches in the US,
- rupee depreciation, and
- no supply chain constraints in Africa.

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Total revenue	**37,426**	**42,087**	**45,341**	**50,289**	**55,104**
EBITDA	7,832	11,719	12,074	13,643	15,225
Depreciation	1,308	1,354	1,451	1,573	1,695
EBIT	6,524	10,365	10,623	12,070	13,530
Net interest inc./(exp.)	(58)	(72)	(21)	(30)	(35)
Other inc./(exp.)	986	846	900	1,000	1,050
Exceptional items	0	0	0	0	0
EBT	7,452	11,139	11,502	13,040	14,545
Income taxes	1,573	2,978	2,875	3,260	3,636
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	**5,879**	**8,161**	**8,626**	**9,780**	**10,909**
Adjustments	0	0	0	0	0
Adjusted net profit	**5,879**	**8,161**	**8,626**	**9,780**	**10,909**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Accounts payables	4,228	4,632	4,969	5,511	6,039
Other current liabilities	6,967	4,068	4,081	4,526	4,959
Provisions	382	573	617	685	750
Debt funds	356	353	353	353	353
Other liabilities	0	0	0	0	0
Equity capital	253	253	253	253	253
Reserves & surplus	33,637	35,161	42,062	49,886	58,613
Shareholders' fund	33,889	35,414	42,315	50,139	58,866
Total liab. and equities	**45,823**	**45,039**	**52,335**	**61,214**	**70,967**
Cash and cash eq.	3,333	1,360	4,600	6,360	9,862
Accounts receivables	10,569	12,468	14,285	16,533	18,871
Inventories	8,156	8,284	9,938	13,089	15,097
Other current assets	1,429	2,231	2,267	2,514	2,755
Investments	5,354	3,486	3,486	4,532	5,892
Net fixed assets	14,887	14,645	15,194	15,621	15,925
CWIP	2,095	2,565	2,565	2,565	2,565
Intangible assets	0	0	0	0	0
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	**45,823**	**45,039**	**52,335**	**61,214**	**70,967**

Cash Flows

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Cash flow from operations	**11,789**	**4,454**	**6,986**	**6,792**	**9,079**
Capital expenditures	(811)	(962)	(2,000)	(2,000)	(2,000)
Change in investments	(3,800)	1,867	0	(1,046)	(1,360)
Other investing cash flows	0	0	0	0	0
Cash flow from investing	**(4,611)**	**906**	**(2,000)**	**(3,046)**	**(3,360)**
Equities issued/Others	81	0	0	0	0
Debt raised/repaid	106	(4)	0	0	0
Interest expenses	(58)	(72)	(21)	(30)	(35)
Dividends paid	(884)	(1,632)	(1,725)	(1,956)	(2,182)
Other financing cash flows	(5,207)	(5,625)	0	0	0
Cash flow from financing	**(5,963)**	**(7,333)**	**(1,746)**	**(1,986)**	**(2,217)**
Chg in cash & cash eq.	**1,215**	**(1,973)**	**3,240**	**1,760**	**3,502**
Closing cash & cash eq.	**3,333**	**1,360**	**4,600**	**6,360**	**9,862**

Per Share

Y/E 31 Mar (Rs)	FY23A	FY24A	FY25E	FY26E	FY27E
Reported EPS	46.5	64.6	68.3	77.4	86.3
Adjusted EPS	46.5	64.6	68.3	77.4	86.3
Dividend per share	7.0	12.9	13.7	15.5	17.3
Book value per share	386.4	403.8	482.5	571.7	671.2

Valuations Ratios

Y/E 31 Mar (x)	FY23A	FY24A	FY25E	FY26E	FY27E
EV/Sales	9.0	8.0	7.4	6.7	6.0
EV/EBITDA	42.9	28.7	27.8	24.6	21.9
Adjusted P/E	57.5	41.4	39.2	34.6	31.0
P/BV	6.9	6.6	5.5	4.7	4.0

DuPont Analysis

Y/E 31 Mar (%)	FY23A	FY24A	FY25E	FY26E	FY27E
Tax burden (Net profit/PBT)	78.9	73.3	75.0	75.0	75.0
Interest burden (PBT/EBIT)	114.2	107.5	108.3	108.0	107.5
EBIT margin (EBIT/Revenue)	17.4	24.6	23.4	24.0	24.6
Asset turnover (Rev./Avg TA)	27.7	30.1	28.9	27.0	25.1
Leverage (Avg TA/Avg Equity)	1.0	1.0	1.0	1.0	1.0
Adjusted ROAE	17.6	23.6	22.2	21.2	20.0

Ratio Analysis

Y/E 31 Mar	FY23A	FY24A	FY25E	FY26E	FY27E
YoY growth (%)					
Revenue	12.0	12.5	7.7	10.9	9.6
EBITDA	(15.7)	49.6	3.0	13.0	11.6
Adjusted EPS	(43.9)	38.8	5.7	13.4	11.5
Profitability & Return ratios (%)					
EBITDA margin	20.9	27.8	26.6	27.1	27.6
EBIT margin	17.4	24.6	23.4	24.0	24.6
Adjusted profit margin	15.7	19.4	19.0	19.4	19.8
Adjusted ROAE	17.6	23.6	22.2	21.2	20.0
ROCE	22.2	32.0	29.4	28.1	26.6
Working capital days (days)					
Receivables	103	108	115	120	125
Inventory	80	72	80	95	100
Payables	41	40	40	40	40
Ratios (x)					
Gross asset turnover	1.7	1.8	1.8	1.9	1.9
Current ratio	2.0	2.6	3.2	3.6	4.0
Net interest coverage ratio	111.7	143.8	501.8	402.3	386.6
Adjusted debt/equity	(0.1)	0.0	(0.1)	(0.1)	(0.2)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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BUY – Expected return >+15%

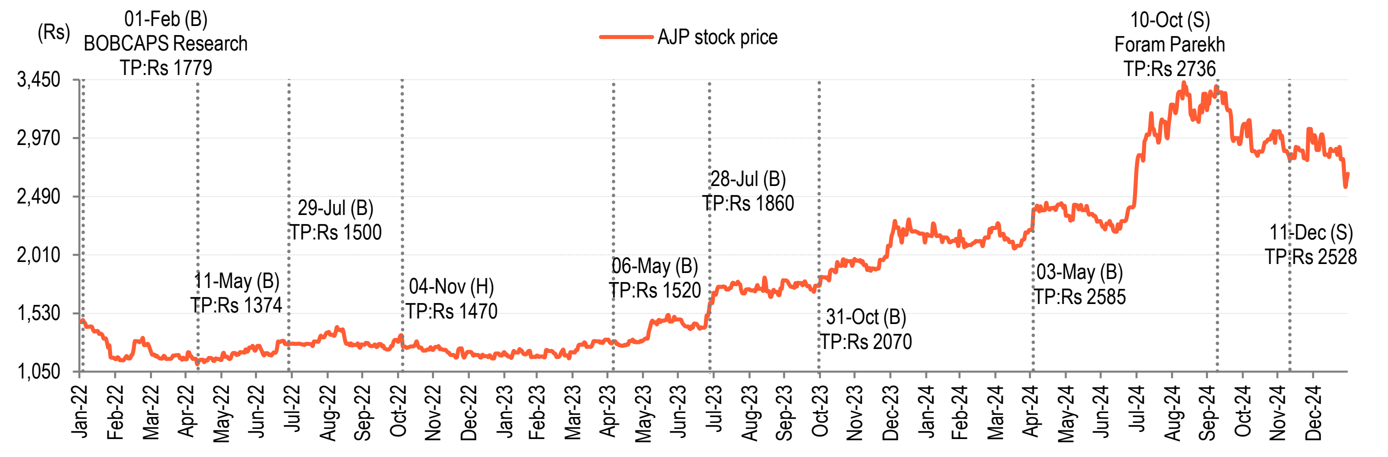
HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): AJANTA PHARMA (AJP IN)



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