BUY
TP: Rs 1,405 | ▲ 20%

SUVEN PHARMA

| Pharmaceuticals | 24 March 2025

A play on the ADC growth segment

- **ADC is an evolving second line of treatment in oncology. The company expects market size to grow to US$ 50bn by FY33 from US$ 5bn in FY22**
- **As Cohance supplies payload, SUVENPHA's NJ Bio buy will complete the entire value chain by supplying linkers/bioconjugation innovators**
- **We expect earnings CAGR of 34% from FY25-27, hence ascribe a P/E of 55x FY27 EPS to arrive at a TP of Rs 1,405 and initiate BUY rating**

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Leading supplier of ADC intermediates: SUVENPHA is an exclusive supplier of payload intermediates for antibody-drug conjugates (ADCs) molecules and is a global leader in camptothecin-based ADC, where it supplies payloads for two commercial products that account for ~40% of the total ADC market value. SUVENPHA is also adding the Auristatin platform in payload which would aid in addressing 80%+ of the clinically active ADC pipeline.

Acquisition of NJ Bio to strengthen value chain of ADC: SUVENPHA, which merged with Cohance Lifesciences in 2024, acquired a 56% stake in NJ Bio, a CRDMO specialising in ADCs and related technologies. NJ Bio provides cutting-edge solutions across the ADC value chain and has served over 150 customers, delivering more than 500 projects over the past five years. NJ Bio has developed a library of 550+ payload-linkers and offers 'Express Conjugation' service where SUVENPHA supplies all parts of an ADC.

Tapping oligonucleotide market with Sapala acquisition: Sapala Organics specialises in oligonucleotide drugs and nucleic acid building blocks, including specialised amidites, nucleosides, and drug delivery compounds and has one of the most comprehensive list of capabilities among its peers. Sapala operates with an innovator customer base across the US, EU, and Japan, partnering with clients on its New Chemical Entity (NCE) programmes throughout the project lifecycle.

Valuation outlook: SUVENPHA has guided for revenue target of US$ 1bn in sales by FY30 (US$ 203mn in 9MFY25), 80% of which will be contributed by the CDMO segment from 53% currently. Post that, the company expects to double sales from FY30 to FY35 to achieve revenues of US$ 2bn with 90% contribution from CDMO. Due to its strong execution capability, focused approach in the ADC segment backed by a strong balance sheet, robust return ratios and strong promoters, we initiate coverage on SUVENPHA with a BUY. We believe the company to remain in the high growth trajectory and expect sales/ EBITDA / PAT to grow at a CAGR of 25%/33% and 34% respectively. Hence, we ascribe a P/E of 55x on FY27 EPS of Rs 25.6 per share to arrive at a TP of Rs 1,405.

Ticker/Price	SUVENPHA IN/Rs 1,176
Market cap	US$ 5.4bn
Free float	50%
3M ADV	US$ 6.1mn
52wk high/low	Rs 1,360/Rs 598
Promoter/FPI/DII	50%/11%/17%

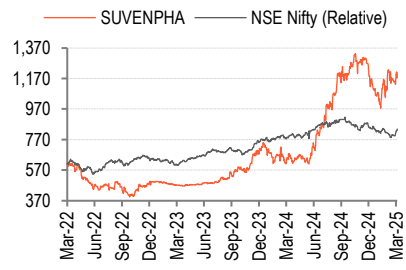
Source: NSE | Price as of 24 Mar 2025

Key financials

Y/E 31 Mar	FY24A	FY25E	FY26E
Total revenue (Rs mn)	23,766	24,688	31,139
EBITDA (Rs mn)	7,468	8,032	11,048
Adj. net profit (Rs mn)	4,774	5,419	7,488
Adj. EPS (Rs)	12.5	14.2	19.7
Consensus EPS (Rs)	12.5	15.2	20.4
Adj. ROAE (%)	16.4	16.7	21.1
Adj. P/E (x)	93.8	82.6	59.8
EV/EBITDA (x)	61.5	57.2	41.6
Adj. EPS growth (%)	(29.1)	13.5	38.2

Source: Company, Bloomberg, BOBCAPS Research

Stock performance

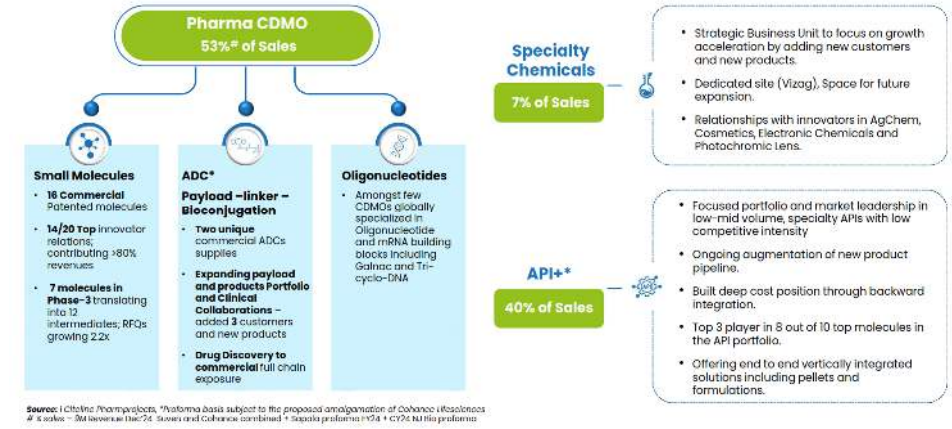


Source: NSE

Pharma CDMO

SUVENPHA's Pharma CDMO (contract development and manufacturing organisation) has transformed from a small molecule CDMO company to a tech-based CDMO company by acquiring NJ Bio, Sapala and merging with the Cohance business. This segment contributes 53% of sales and the company expects this to increase to 80% by FY30 and 90% by FY35.

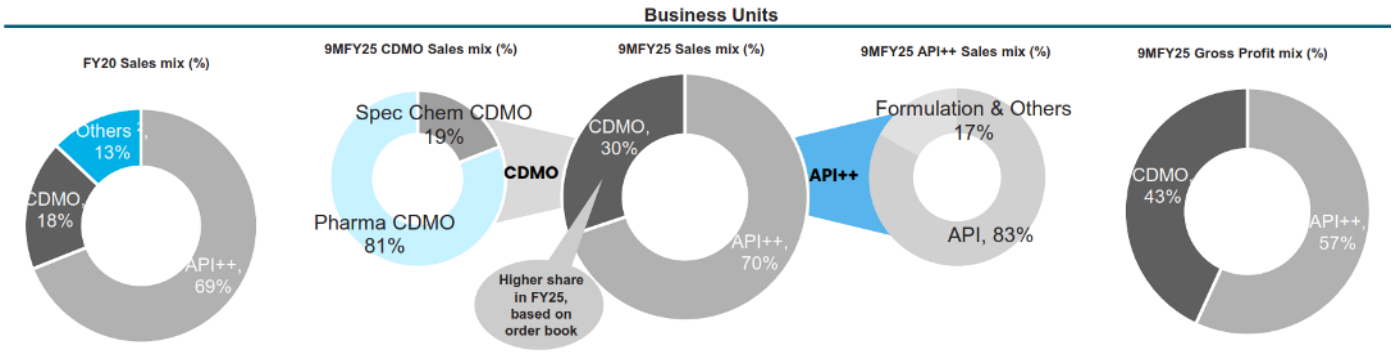
Fig 1 – Pharma CDMO segment overview of the combined entity



Source: Company presentation

The company has been aggressive in growing its Pharma CDMO segment and aspires to double sales of its Pharma CDMO over the next five years from Rs 6bn-7bn currently while maintaining industry-leading EBITDA margins. The company is on track expanding its Pharma CDMO segment by (1) deepening existing customer relationships, (2) scaling up developmental revenues, (3) moving up the value chain and (4) forging M&As in niche technologies. The company has undergone acquisitions like NJ Bio, Sapala Organics to strengthen its Pharma CDMO segment and is scouting for opportunities in niche technologies. Hence, we expect Pharma CDMO sales to grow at a CAGR of 13% to Rs 10bn by FY27.

Fig 2 – Cohance Pharma CDMO segment overview



Source: Company presentation

Cohance Lifesciences's Pharma CDMO contributed 81% of CDMO sales as on 9MFY25 as against 82% of CDMO sales in FY24. Cohance's Pharma CDMO has received new regulatory approvals for innovator end products (small molecule and ADCs) which will likely help drive near- to mid-term growth.

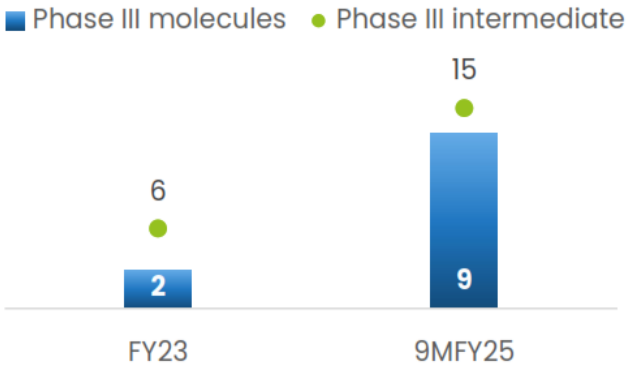
Combined entity – Pharma CDMO

Small molecules segment

SUVENPHA's small molecule CDMO segment has the highest number of commercial molecules as on 9MFY25. This includes supplying 16 commercial molecules across the combined platform. Of these 16 molecules, 13 belong to SUVENPHA while 3 are commercialised from Cohance Lifesciences. Currently SUVENPHA has an active pipeline of 100+ projects spanning Phases I to III. The combined entity had a mere two molecules in Phase 3 and six intermediates in FY23 which increased to nine molecules and 15 intermediates in 9MFY25.

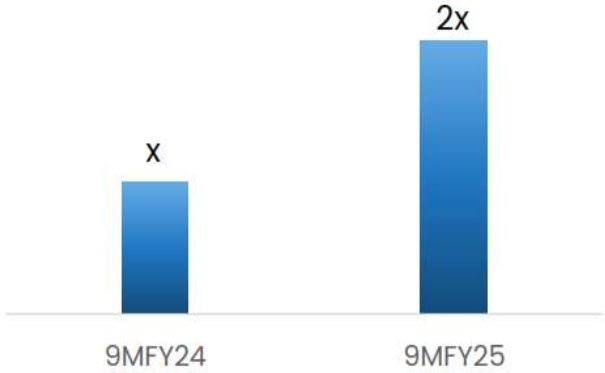
Cumulatively, the combined entity has witnessed 2x YoY increase in RFQs (request for quote), including new customers, laterals and new product categories, and expanded commercial team.

Fig 3 – Phase III pipeline of small molecules



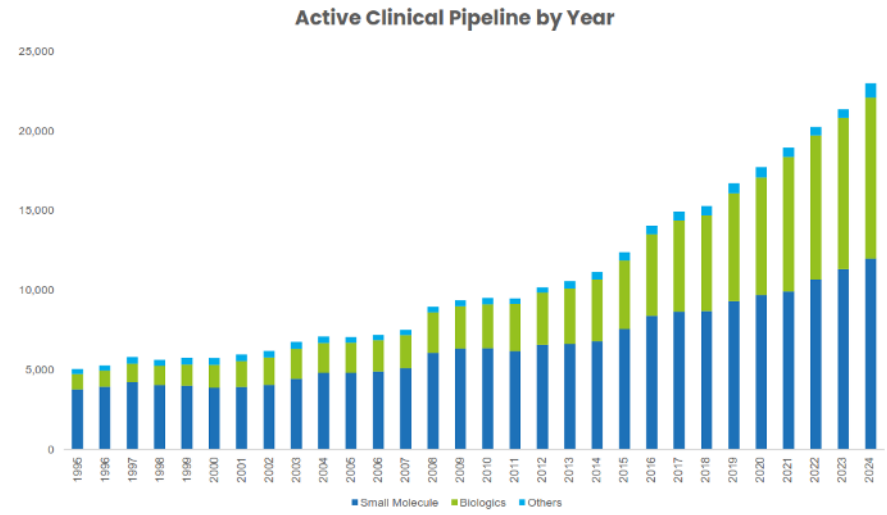
Source: Company presentation

Fig 4 – RFQ inflows rising steeply for SUVENPHA



Source: Company presentation

Fig 5 – Small molecule pipeline products continue to grow due to higher contributions from the oncology products

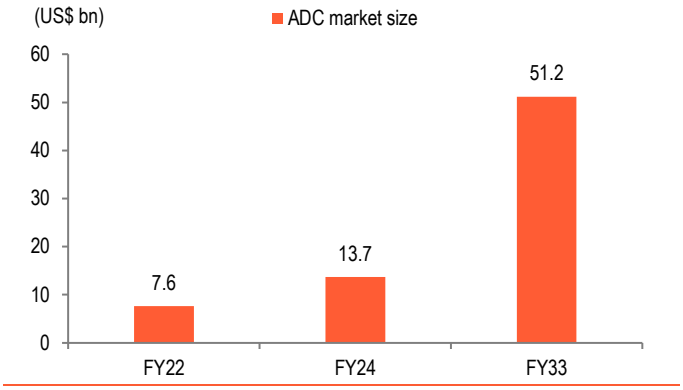


Source: Company Citeline

ADC

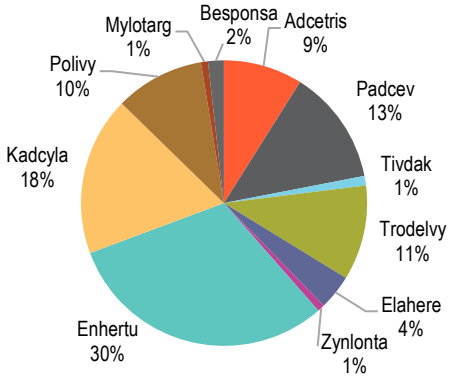
ADCs are innovative biopharmaceutical products in which a monoclonal antibody is linked to a small molecule drug with a stable linker. Most of the ADCs developed so far are for treating cancer, but there is enormous potential in using ADCs to treat other diseases. Currently, 10 ADCs have been approved by the United States Food and Drug Administration (USFDA), and more than 90 ADCs are in clinical development worldwide.

Fig 6 – ADC global market size



Source: Company presentation

Fig 7 – Global ADC molecule contribution to ADC currently



Source: Company presentation

Globally there have been 10 FDA-approved ADC drugs till date and over 1,000 ADCs are currently in various stages of development. Over three generations, ADC development has undergone significant changes driven by innovative technologies. Due to the complex nature of production, most ADCs are outsourced. Out of 15 approved ADC molecules, 13 are outsourced either fully or partially through CDMOs. According to SUVENPHA, the outsourced ADC market is expected to grow by 23% CAGR to US$ 4bn by 2029 from US$ 1.4bn in 2024.

Fig 8 – USFDA-approved ADC drugs

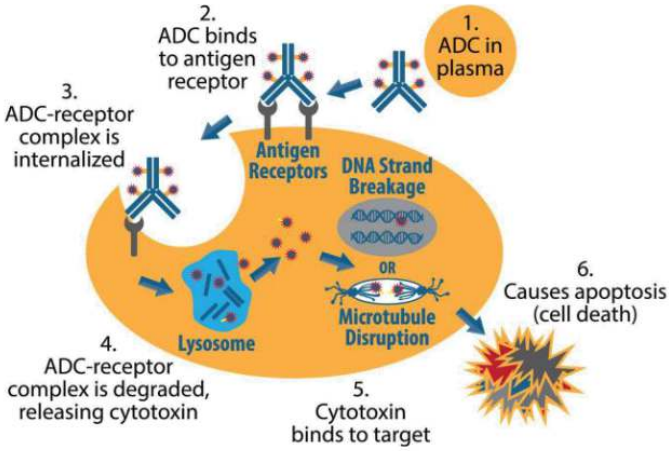
Sr. No	ADC Brand Name	API	Indication
1	Gemtuzumab ozogamicin	Mylotarg	Acute myeloid leukemia (AML)
2	Brentuximab vedotin	Adcetris	Hodgkin lymphoma, anaplastic large cell lymphoma
3	Ado-Trastuzumab emtansine	Kadcyla	HER2-positive metastatic breast cancer
4	Inotuzumab ozogamicin	Besponsa	B-cell precursor acute lymphoblastic leukemia (ALL)
5	Polatuzumab vedotin	Polivy	Diffuse large B-cell lymphoma (DLBCL)
6	Enfortumab vedotin	Padcev	Metastatic urothelial carcinoma
7	Fam-Trastuzumab deruxtecan	Enhertu	HER2-positive metastatic breast cancer
8	Sacituzumab govitecan	Trodelvy	Metastatic triple-negative breast cancer
9	Loncastuximab Tesirine	Zynlonta	Relapsed or refractory DLBCL
10	Tisotumab vedotin	Tivdak	Metastatic cervical cancer

Source: BOBCAPS Research

How does ADC work?

ADCs, consisting of monoclonal antibodies (MABs), cytotoxic payloads and linkers, have evolved rapidly in recent years and are progressively revolutionising clinical cancer therapy, in our view. ADCs are designed to target specific proteins or antigens found on the surface of cancer cells, using an MAB that binds with these targets. Once the antibody binds with the target, the entire ADC complex is taken into the cancer cell through a process called endocytosis. Inside the cancer cell, the ADC is processed, and the chemotherapy drug (the payload) is released, often within lysosome. The released chemotherapy drug then damages the cancer cell.

Fig 9 – Mechanism of ADC



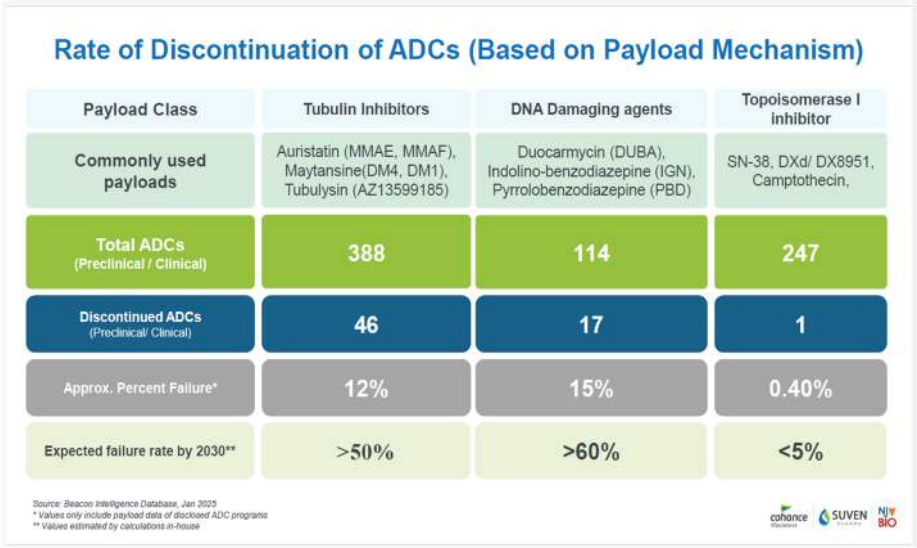
Source: Company presentation

What is ADC payload?

ADC payloads play a key role in determining the efficacy of ADC drugs. The cytotoxic payload, also referred to as the warhead, becomes active after the ADC is internalised into cancer cells. An ideal ADC payload possesses sufficient toxicity, low immunogenicity, high stability, and modifiable functional groups. Since only about 2% of an ADC reaches the targeted tumour sites following intravenous administration, the compounds used as payloads must be highly potent.

In ADCs, payloads are cytotoxic molecules, and common types include camptothecin derivatives like SN-38 and Exatecan, and microtubule-disrupting agents like auristatins (e.g., monomethyl auristatin E or MMAE).

Fig 10 – Topoisomerase has a good success rate while the Tubulin inhibitor has the highest failure rate in payload inhibitors

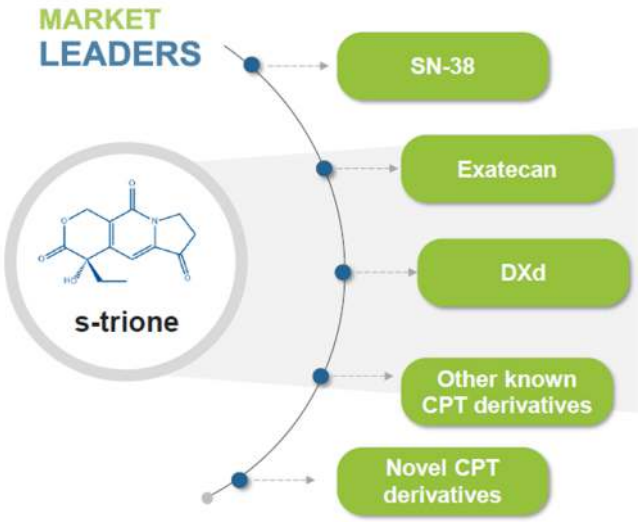


Source: Company presentation

Camptothecin-based payloads (lower toxicity rate)

Camptothecin-based payloads are a class of potent topoisomerase I inhibitors used in ADCs to target and kill cancer cells. Some like Enhertu (trastuzumab deruxtecan) and Trodelvy (trodelvy) have had clinical success. SUVENPHA, along with Cohance, is the first company to develop a synthetic route for the large-scale production of camptothecin-based payloads. The company is the primary global supplier of camptothecin-based payloads. Currently, only two ADCs with camptothecin-based payload have been approved, and SUVENPHA is an exclusive supplier of Enhertu intermediates. The camptothecin-based payloads will be primary growth drivers in the ADC for the combined entity as the success rate of topoisomerase I inhibitors is very high.

Fig 11 – Expandable market for SUVENPHA in camptothecin-based payload



Source: Company presentation

Auristatin-based payload (higher toxicity rate)

SUVENPHA is also expanding into auristatin-based payload. Auristatins are potent microtubule disrupting agents and have many synthetic analogues available. Since they are pentapeptides, auristatins are highly modular and can be attached to antibodies using all types of linkers and linking strategies. Common derivatives like monomethyl auristatin E (MMAE) and monomethyl auristatin F (MMAF) are used for their high potency and targeted delivery to cancer cells, minimising damage to healthy tissues and enhancing the therapeutic index of the treatment. MMAE is a potent tubulin inhibitor used as a payload in antibody-drug conjugates

Fig 12 – Number of approved ADCs in auristatin-based payload

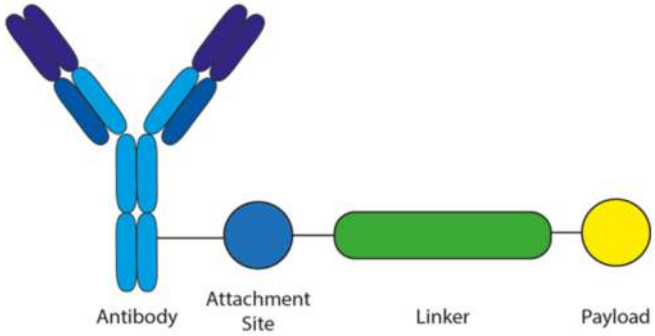
ADC	Payload - Linker	Indication	Company
SGN-B7-H4V		Advanced Solid Tumors	Seagen (Pfizer)
Adcetris	Val-Cit MMAE	Hodgkin lymphoma	Pfizer; Takeda
Padcev		Metastatic urothelial cancer	Astellas; Pfizer; MSD
Polivy		B-cell lymphoma	Roche
Tivdak		Metastatic cervical cancer	Genmab; Pfizer
Aidexi (Approved in China)		GI and urothelial carcinomas	Seagen (Pfizer)

Source: Company presentation

ADC linkers

An ADC linker is a chemical bond that connects the antibody to the cytotoxic payload, playing a crucial role in delivering and releasing the drug at tumour sites. The linker acts as a tether or bridge between the antibody, which targets cancer cells, and the cytotoxic payload, which kills the cancer cells. ADC linkers play key roles in determining the overall success of the ADCs. One of the main challenges in developing a safe and effective ADC drug is the assembly of a desirable chemical linker between cytotoxic payload and MAB. A well-designed ADC linker can help the antibody to selectively deliver and accurately release the cytotoxic drug at tumour sites.

Fig 13 – ADC linker flow chart

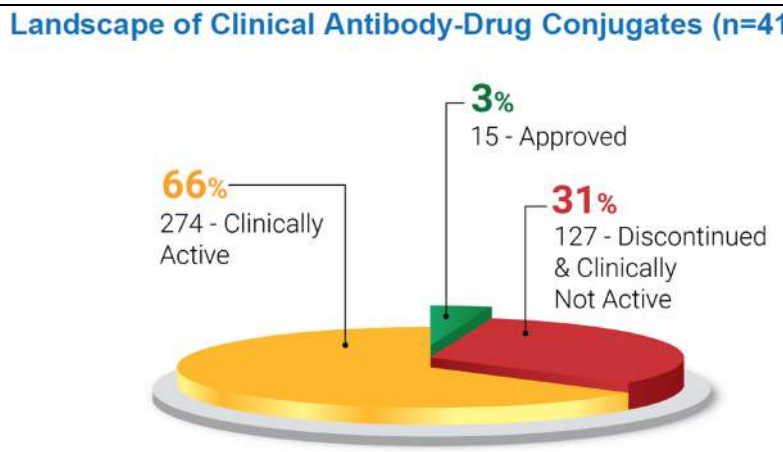


Source: Company presentation

Increasing number of molecules in the ADC segment

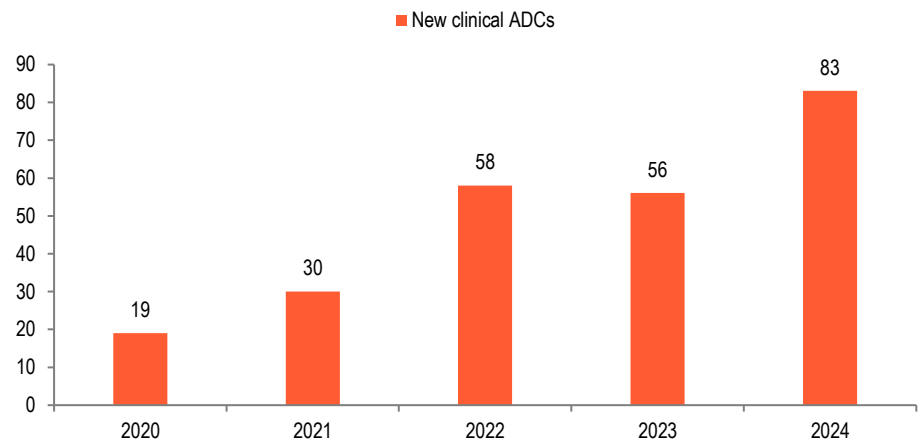
ADCs are being explored in combination with chemotherapy, molecularly-targeted agents, radiotherapy, immunotherapy and endocrine therapy, in pre-clinical and clinical studies. ADC monotherapies may be insufficient to treat certain tumour types, hence there is growing interest in exploring combination therapies. According to recent industry data, about half of the ADC trials initiated each year are combination trials. i.e., 166 out of 333 ADC trials in 2023. So far, 816 ADC combination trials have been registered, the majority of which pair an ADC with an immune checkpoint inhibitor. The company expects this pipeline to expand to 800+ molecules in clinical trials and 500+ discovery programmes by 2029.

Fig 14 – Status of ADC molecules in developmental stage



Source: Company presentation

Fig 15 – Increasing number of molecules in the clinical trials

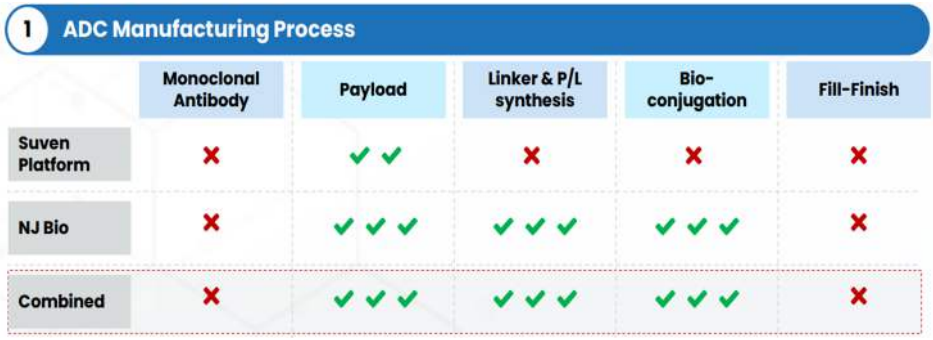


Source: Company, BOBCAPS Research

SUVENPHA/Cohance's acquisition of NJ Bio to strengthen combined entity's ADC platform

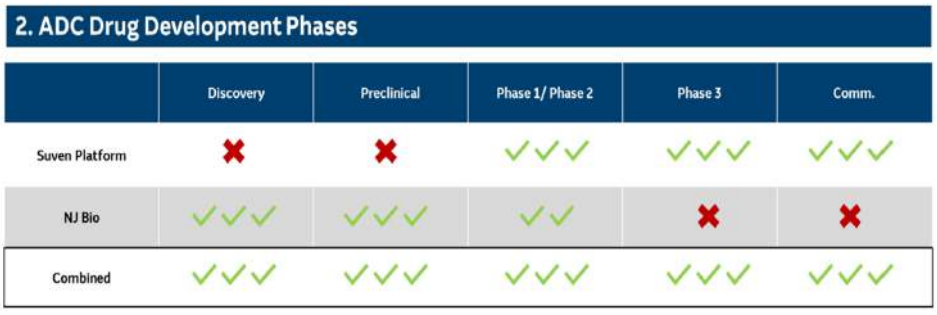
In Dec'24, SUVENPHA + Cohance Lifesciences acquired a 56% stake in NJ Bio, a CRDMO (contract research, development, and manufacturing organisation) specialising in ADC and related technologies. NJ Bio provides cutting-edge solutions across the ADC value chain and has served over 150 customers, delivering more than 500 projects over the past five years. NJ Bio has developed an extensive library of 550+ payload-linkers and offers the Express Conjugation service that allows establishing proof of concept for a novel ADC. The integration of NJ Bio's capabilities with the merged SUVENPHA-Cohance brings in strong synergies. In our view, NJ Bio's expertise in linker and bioconjugation technologies complements SUVENPHA's leadership in payload chemistry and manufacturing at its GMP (Good Manufacturing Practice) facility, potentially providing complete solutions from discovery to commercial manufacturing. We believe this will create significant value to their existing and new customers.

Fig 16 – Synergies in manufacturing activity from acquiring NJ Bio



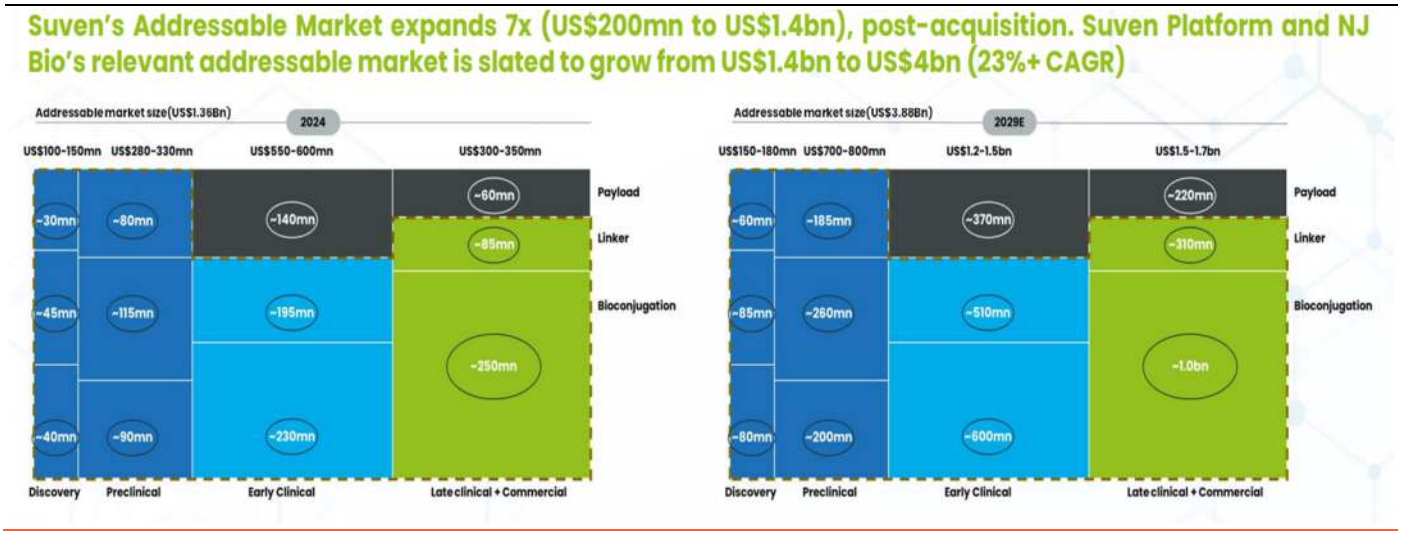
Source: Company presentation

Fig 17 – Synergies in drug development from acquiring NJ Bio



Source: Company presentation (drawn from Company Reports, Macquarie Research, February 2025)

Fig 18 – Addressable market opportunity increases with acquisition of NJ Bio

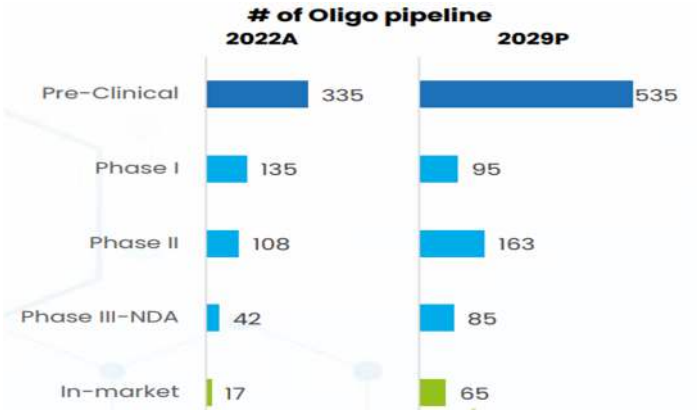


Source: Company presentation

Oligonucleotide market

The global oligonucleotide market is experiencing significant growth, driven by increasing application in genetic research, diagnostic and therapeutic. Oligonucleotide, short DNA or RNA fragments, are pivotal in gene therapies, drug discovery and molecular diagnostics, fuelling demand across pharmaceutical and biotechnology industries. The global oligonucleotide synthesis market, valued at US$ 7.5bn in 2023, is forecast to grow at a robust CAGR of 17.5%, as per the company presentation, reaching US$ 8.8bn in 2024 and US$ 19.7bn by 2029. We believe the oligo drugs pipeline is poised to grow multifold. The emergence of oligo-focused biopharmas is witnessing increasing interest from large pharma companies.

Fig 19 – Industry-wise increase in clinical trials in oligonucleotide

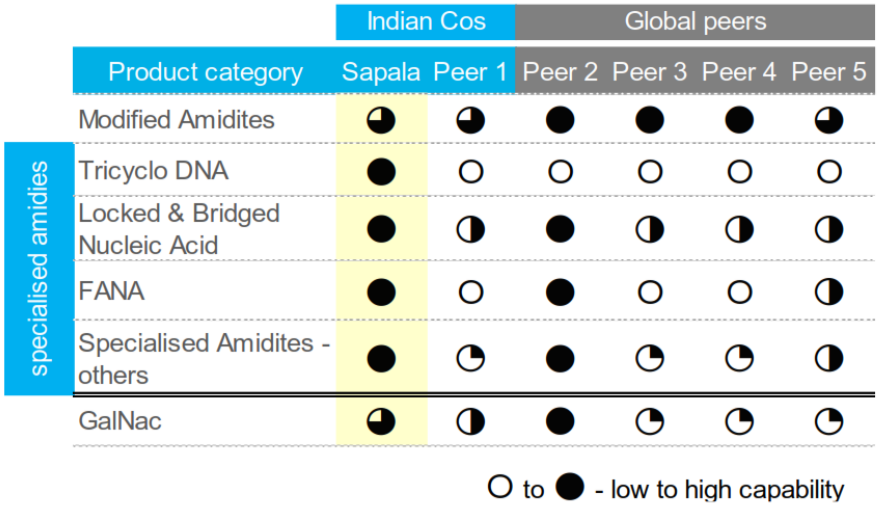


Source: Company presentation

SUVENPHA acquired majority stake in Sapala to tap emerging oligonucleotide market

In Jun'24, SUVENPHA announced a definitive agreement to acquire a controlling stake in Hyderabad-based Sapala Organics. Sapala is a Hyderabad-based CDMO focused on oligo drugs and nucleic acid building blocks. Sapala operates with an innovator customer base across the US, EU, and Japan, partnering with clients on their NCE programmes throughout the project's lifecycle. Sapala has a strong presence in Japan, contributing ~20% to total sales from FY21 to FY24. Sapala has 250+ employees, with over 100 staff in its R&D team (including 20+ PhDs). Its R&D lab and pilot manufacturing is spread across 6k sqm built-up area unit in Hyderabad, near Cohance's units with 17 fully-equipped labs.

Fig 20 – Sapala's capability in oligonucleotide building blocks

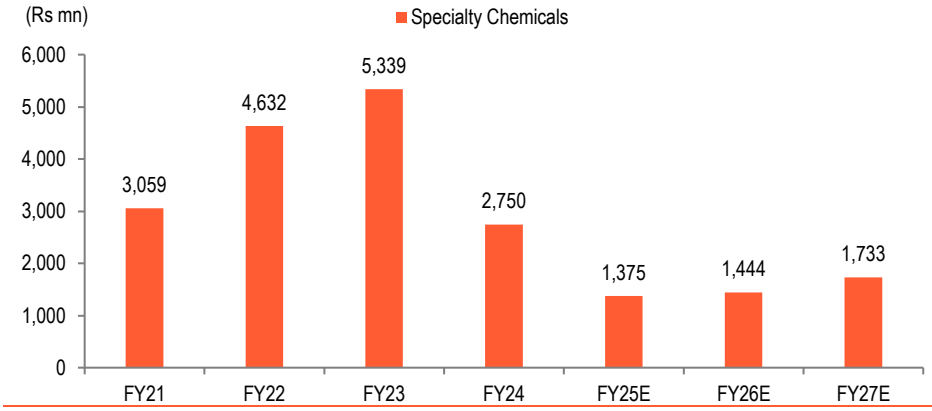


Source: Company presentation

Specialty chemicals

The specialty chemicals business contributed ~7% of the combined entity's revenue in FY24. This segment declined for a couple of years owing to de-stocking and price erosion in the agrochemicals sector. However, the company has started witnessing green shoots with concerted business development efforts. Going forward, the growth in this segment will be driven by ramp up in existing products and intermediate supply for new products. The company has set up a dedicated site (Vizag) for future expansion. The company has good relationships with innovators in agrochemicals, cosmetics, electronic chemicals, and photochromic lens. Hence, we expect this segment to grow at a CAGR of 12% to Rs 1.7bn by FY27.

Fig 21 – Specialty chemical sales to bounce back

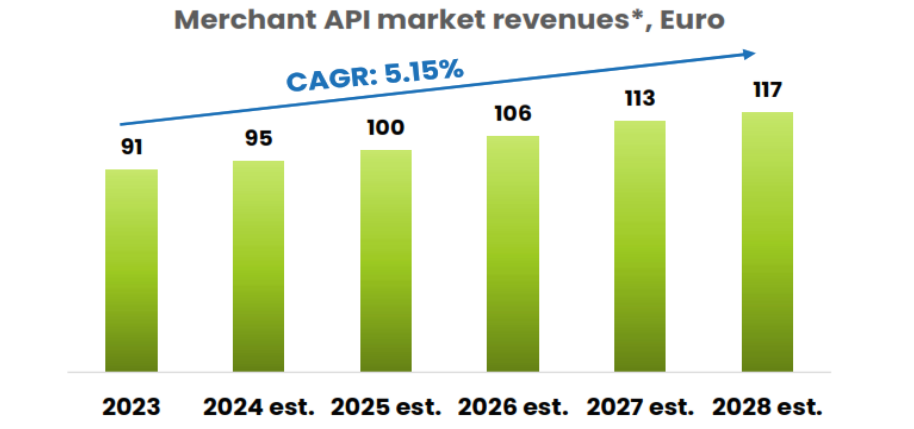


Source: Company, BOBCAPS Research

API formulation

API++ contributes 40% of the total sales of the combined entity. The company develops generic products primarily for the US market, launched by its partner Rising Pharma. SUVENPHA receives costs-plus profit sharing on commercialised products. Cohance specialises in low- to mid-volume APIs with low competitive intensity, leveraging backward integration to build a deep-cost position and maintain a competitive edge. The company ranks among the top three global players in market share for eight out of its top 10 molecules.

Fig 22 – Total addressable market size in API



Source: Company presentation | *Industry/Market data | API: Active pharmaceutical ingredient

About Suven Pharma

Suven Pharmaceuticals is a Hyderabad-based CDMO that provides integrated services to global pharmaceutical and fine chemical companies. The company specialises in custom synthesis, process R&D, scaling up, and contract manufacturing of intermediates, APIs and formulations. It has built a strong reputation by working with leading innovator companies, leveraging its chemistry capabilities, regulatory expertise, and scalable infrastructure. SUVENPHA aims to become India's most admired CDMO by 2029 through a focused strategy of expanding its business and technological capabilities.

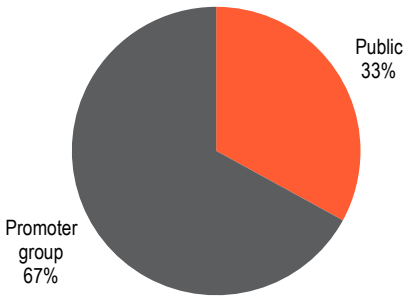
Private equity firm Advent acquired Suven Pharma in 2022

Advent International acquired a controlling stake in SUVENPHA from the Jasti family. Advent is one of the largest and most experienced global private equity investors. Post the completion of this acquisition, Advent has merged Cohance Lifesciences (Cohance) with SUVENPHA and is awaiting approval to build a leading end-to-end CDMO and merchant API player servicing the pharma and specialty chemical markets. Currently, the merger is awaiting National Company Law Tribunal approval.

Cohance Lifesciences

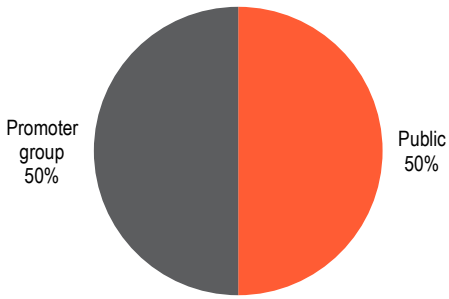
Cohance Lifesciences, wholly owned by Advent, was formed in Nov'22 to create a new brand identity for its CDMO and API platform and bring together three Advent portfolio companies – RA Chem Pharma, ZCL Chemicals and Avra Laboratories. Cohance's two business units, CDMO and API+, cater to development and manufacturing for pharma and specialty chemical innovators, and leading global generic companies with complex product requirements respectively. It has seven manufacturing facilities.

Fig 23 – Shareholding pattern after Advent acquired SUVENPHA stake



Source: Company, BOBCAPS Research

Fig 24 – Shareholding pattern before Advent's purchase of SUVENPHA stake



Source: Company, BOBCAPS Research

Valuation

Following the acquisition of a stake in SUVENPHA by the private equity firm Advent, SUVENPHA has transformed from the earlier NCE molecule-driven to technology-driven company now by focusing on high-growth segments like ADCs and oligonucleotide. SUVENPHA has acquired NJ Bio and Sapala to strengthen its presence in the ADC and oligonucleotide segments. As SUVENPHA was a promoter/family-driven business, there were no business development (BD) teams in place. Post the Advent acquisition, the company has set up BD teams in the US (6-person team) and one each in Europe and Japan to gain traction with big pharma clients. It expects hiring to continue in Europe. The recently acquired US-based ADC player NJ Bio will be a point of contact who want to visit SUVENPHA's site and get a broad presentation on SUVENPHA's capacities and the whole Suven group. This has increased SUVENPHA's RFQs by 2x.

SUVENPHA has guided for revenue target of US$ 1bn in sales by FY30 (US$ 203mn in 9MFY25), out of which 80% will be contributed by the CDMO segment from current 53%. The company expects to double sales between FY30 and FY35 to achieve revenues of US$ 2bn with 90% contribution from CDMO. Due to its strong execution capability and focused approach supported by a strong balance sheet, robust return ratios and managerial personnel, we initiate our coverage on the company with a BUY. We believe the company to remain in the high growth trajectory hence expect sales/ EBITDA / PAT to grow at a CAGR of 25%/33% and 34% respectively. We ascribe a P/E of 55x on FY27 EPS of Rs 25.6 per share to arrive at a TP of Rs 1,405.

Fig 25 – Key assumption

(Rs mn)	FY24A	FY25E	FY26E	FY27E
Sales	23,766	24,688	31,139	38,660
EBITDA	7,468	8,032	11,048	14,294
PAT	4,774	5,419	7,488	9,736
EBITDA margin (%)	31.2	32.3	35.3	36.8
PAT margin (%)	20.1	22.0	24.0	25.2
EPS (Rs)	12.5	14.2	19.7	25.6

Source: Company, BOBCAPS Research

Key risk

Key downside risks to our estimates are:

- Slower-than-expected growth in the crop protection segment.
- Higher failure of ADC molecules in clinical trials.
- Inability to add more commercial projects and innovator clients in the Pharma CDMO business.

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Total revenue	**26,687**	**23,766**	**24,688**	**31,139**	**38,660**
EBITDA	9,808	7,468	8,032	11,048	14,294
Depreciation	999	1,183	1,361	1,616	1,886
EBIT	8,808	6,285	6,671	9,432	12,408
Net interest inc./(exp.)	282	407	551	590	600
Other inc./(exp.)	618	812	1,135	1,183	1,219
Exceptional items	0	0	0	0	0
EBT	9,144	6,691	7,256	10,025	13,028
Income taxes	2,413	1,917	1,837	2,537	3,292
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	**6,730**	**4,774**	**5,419**	**7,488**	**9,736**
Adjustments	0	0	0	0	0
Adjusted net profit	**6,730**	**4,774**	**5,419**	**7,488**	**9,736**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Accounts payables	2,940	2,418	2,259	2,542	2,929
Other current liabilities	0	0	0	0	0
Provisions	0	0	0	0	0
Debt funds	3,359	5,274	3,144	2,987	2,837
Other liabilities	0	0	0	0	0
Equity capital	381	381	390	390	390
Reserves & surplus	26,901	30,671	33,355	36,974	40,952
Shareholders' fund	27,282	31,052	33,745	37,364	41,342
Total liab. and equities	**33,581**	**38,744**	**39,445**	**43,263**	**47,513**
Cash and cash eq.	5,843	9,440	13,021	13,145	14,449
Accounts receivables	5,356	6,469	6,764	7,422	7,944
Inventories	6,769	5,986	7,759	8,323	8,234
Other current assets	0	0	0	0	0
Investments	0	0	0	0	0
Net fixed assets	13,989	15,845	11,222	13,506	15,920
CWIP	0	0	0	0	0
Intangible assets	0	0	0	0	0
Deferred tax assets, net	0	0	0	0	0
Other assets	1,626	1,002	674	860	957
Total assets	**33,583**	**38,742**	**39,445**	**43,263**	**47,513**

Cash Flows

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Cash flow from operations	**5,274**	**3,545**	**3,236**	**3,962**	**5,435**
Capital expenditures	(2,750)	(2,500)	(2,800)	(3,100)	(3,400)
Change in investments	0	0	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	**(2,750)**	**(2,500)**	**(2,800)**	**(3,100)**	**(3,400)**
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	666	1,915	(2,130)	(157)	(149)
Interest expenses	128	75	201	190	180
Dividends paid	(572)	(572)	(572)	(572)	(572)
Other financing cash flows	(112)	(6,426)	(432)	(2,164)	(3,299)
Cash flow from financing	**(6,614)**	**505**	**(5,417)**	**(4,627)**	**(6,517)**
Chg in cash & cash eq.	**(3,554)**	**3,601**	**3,579**	**124**	**1,304**
Closing cash & cash eq.	**5,841**	**9,442**	**13,021**	**13,145**	**14,449**

Per Share

Y/E 31 Mar (Rs)	FY23A	FY24A	FY25E	FY26E	FY27E
Reported EPS	17.7	12.5	14.2	19.7	25.6
Adjusted EPS	17.7	12.5	14.2	19.7	25.6
Dividend per share	1.5	1.5	1.5	1.5	1.5
Book value per share	71.6	81.5	88.6	98.1	108.5

Valuations Ratios

Y/E 31 Mar (x)	FY23A	FY24A	FY25E	FY26E	FY27E
EV/Sales	17.2	19.3	18.6	14.8	11.9
EV/EBITDA	46.9	61.5	57.2	41.6	32.2
Adjusted P/E	66.5	93.8	82.6	59.8	46.0
P/BV	16.4	14.4	13.3	12.0	10.8

DuPont Analysis

Y/E 31 Mar (%)	FY23A	FY24A	FY25E	FY26E	FY27E
Tax burden (Net profit/PBT)	73.6	71.3	74.7	74.7	74.7
Interest burden (PBT/EBIT)	103.8	106.5	108.8	106.3	105.0
EBIT margin (EBIT/Revenue)	33.0	26.4	27.0	30.3	32.1
Asset turnover (Rev./Avg TA)	79.5	61.3	62.6	72.0	81.4
Leverage (Avg TA/Avg Equity)	0.3	0.3	0.3	0.3	0.3
Adjusted ROAE	24.7	15.4	16.1	20.0	23.5

Ratio Analysis

Y/E 31 Mar	FY23A	FY24A	FY25E	FY26E	FY27E
YoY growth (%)					
Revenue	3.1	(10.9)	3.9	26.1	24.2
EBITDA	4.0	(23.9)	7.6	37.6	29.4
Adjusted EPS	3.5	(29.1)	13.5	38.2	30.0
Profitability & Return ratios (%)					
EBITDA margin	36.6	31.2	32.3	35.3	36.8
EBIT margin	33.0	26.4	27.0	30.3	32.1
Adjusted profit margin	25.2	20.1	22.0	24.0	25.2
Adjusted ROAE	24.5	16.4	16.7	21.1	24.7
ROCE	31.0	21.2	21.3	27.5	32.3
Working capital days (days)					
Receivables	73	99	100	87	75
Inventory	93	92	115	98	78
Payables	63	54	49	46	43
Ratios (x)					
Gross asset turnover	0.8	0.6	0.6	0.7	0.8
Current ratio	6.7	9.5	11.0	10.2	9.5
Net interest coverage ratio	31.2	15.5	12.1	16.0	20.7
Adjusted debt/equity	0.1	0.2	0.1	0.1	0.1

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

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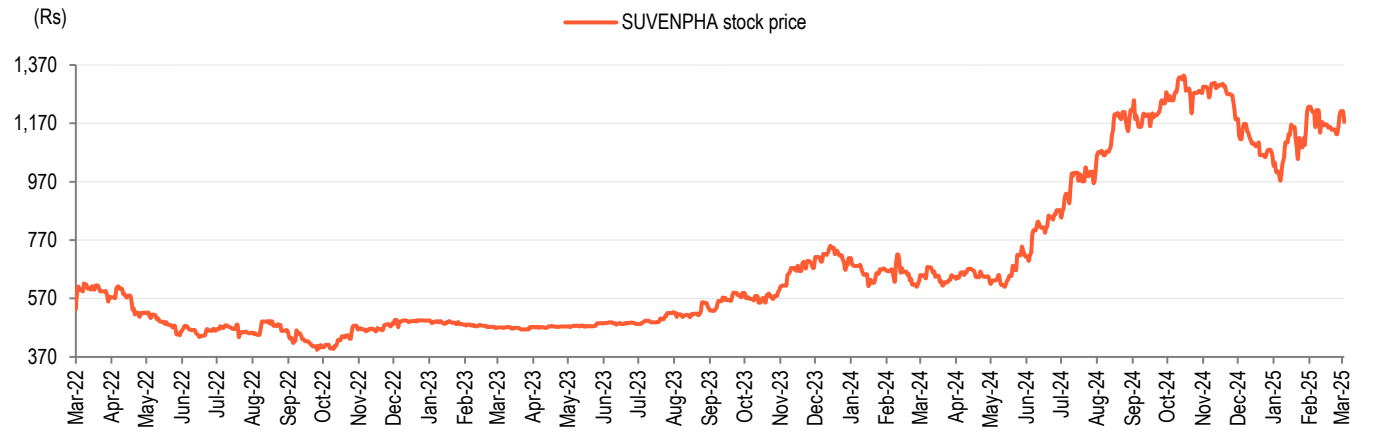

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