

## Lupin

### Performance Highlights

Y/E March (₹ cr)	4QFY2015	3QFY2015	% chg qoq	4QFY2014	% chg yoy
<b>Net sales</b>	<b>3,054</b>	<b>3,145</b>	<b>(2.9)</b>	<b>3,052</b>	<b>0.1</b>
Other income	41	116	(64.4)	74	(44.3)
Operating profit	766	850	(10.0)	808	(5.3)
Interest	3	3	(3.8)	12	(79.5)
<b>Net profit</b>	<b>547</b>	<b>602</b>	<b>(9.0)</b>	<b>553</b>	<b>(1.1)</b>

Source: Company, Angel Research

For 4QFY2015, Lupin posted numbers below our expectations. On the top-line front, Lupin posted a flat growth of 0.1% yoy to ₹3,054cr (V/s ₹3,515cr expected). The key geographies - US, Europe, India and Japan posting a dip of 6%, a growth of 9%, a growth of 15% and a dip of 9%, respectively. On the operating front, the gross margins expanded by 79bp yoy; inspite of the same, the OPM dipped by 142bp yoy to 25.1% (V/s an expected 26.3%). The PAT came in at ₹547cr (V/s ₹626cr expected), posting a yoy de-growth of 1.1%. **We maintain our Neutral rating on the stock.**

**Below expectation numbers:** On the top-line front, Lupin posted a flat growth of 0.1% yoy to ₹3,054cr (V/s ₹3,515cr expected). The key geographies - US, Europe, India and Japan posting a dip of 6%, a growth of 9%, a growth of 15% and a dip of 9%, respectively. Other markets like South Africa and ROW posted a 15% growth and a dip of 3%, respectively. On the operating front, the gross margins expanded by 79bp yoy; inspite of the same, the OPM dipped by 142bp yoy to 25.1% (V/s an expected 26.3%). The main reason for variance is lower-than-expected sales. Also, the employee cost and R&D expenditure rose by 23.8% and 26.1% yoy respectively. R&D expenditure during the quarter was 10.1% of sales V/s 8.0% of sales in 4QFY2014. Thus, the PAT came in at ₹547cr (V/s ₹626cr expected), posting a yoy de-growth of 1.1%.

**Outlook and valuation:** We expect Lupin to post a CAGR of 17.0% in net sales to ₹17,244cr and earnings to report a 15.3% CAGR to ₹71.1/share over FY2015–17E. Currently, the stock is trading at 27.2x and 23.8x its FY2016E and FY2017E earnings, respectively. **We remain Neutral on the stock.**

#### Key financials (Consolidated)

Y/E March (₹ cr)	FY2014	FY2015	FY2016E	FY2017E
<b>Net sales</b>	<b>11,087</b>	<b>12,600</b>	<b>14,864</b>	<b>17,244</b>
% chg	17.2	13.6	18.0	16.0
<b>Net profit</b>	<b>1,836</b>	<b>2,403</b>	<b>2,792</b>	<b>3,196</b>
% chg	39.7	30.9	16.2	14.5
<b>EPS (₹)</b>	<b>41.0</b>	<b>53.5</b>	<b>62.1</b>	<b>71.1</b>
EBITDA margin (%)	25.3	27.4	26.9	26.9
P/E (x)	41.3	31.6	27.2	23.8
RoE (%)	30.3	30.4	27.4	24.6
RoCE (%)	34.7	34.3	32.1	29.6
P/BV (x)	10.9	8.6	6.6	5.2
EV/sales (x)	6.8	6.0	4.9	4.1
EV/EBITDA (x)	26.9	21.8	18.3	15.3

Source: Company, Angel Research; Note: CMP as of May 14, 2015

## NEUTRAL

CMP ₹1,633  
 Target Price -

Investment Period -

#### Stock Info

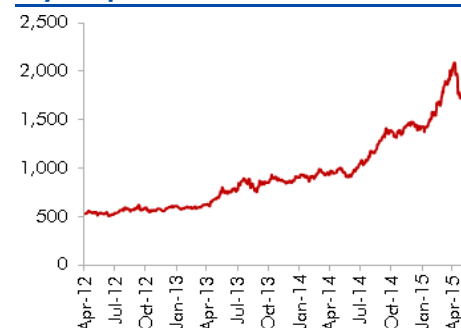
Sector	Pharmaceutical
Market Cap (₹ cr)	73,440
Net Debt (₹ cr)	(629)
Beta	0.5
52 Week High / Low	2,012 / 904
Avg. Daily Volume	67,889
Face Value (₹)	2
BSE Sensex	27,206
Nifty	8,224
Reuters Code	LUPN.BO
Bloomberg Code	LPC@IN

#### Shareholding Pattern (%)

Promoters	46.6
MF / Banks / Indian Fls	9.8
FII / NRIs / OCBs	35.1
Indian Public / Others	8.5

Abs. (%)	3m	1yr	3yr
Sensex	(6.5)	14.2	67.8
Lupin	(2.8)	69.1	202.9

#### 3-year price chart



Source: Company, Angel Research

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**Exhibit 1: 4QFY2015 – Consolidated performance**

Y/E March (₹ cr)	4QFY2015	3QFY2015	% chg (qoq)	4QFY2014	% chg (yoy)	FY2015	FY2014	% chg (yoy)
<b>Net sales</b>	<b>3,054</b>	<b>3,145</b>	<b>(2.9)</b>	<b>3,052</b>	<b>0.1</b>	<b>12,600</b>	<b>11,087</b>	<b>13.6</b>
Other income	41	116	(64.4)	74	(44.3)	409	316	29.5
<b>Total income</b>	<b>3,096</b>	<b>3,261</b>	<b>(5.1)</b>	<b>3,126</b>	<b>(1.0)</b>	<b>13,009</b>	<b>11,403</b>	<b>14.1</b>
Gross profit	2,098	2,121	(1.1)	2,072		8,443	7,269	16.2
<b>Gross margin</b>	<b>68.7</b>	<b>67.5</b>		<b>67.9</b>		<b>67.0</b>	<b>65.6</b>	
Operating profit	765.5	850.2	(10.0)	808	(5.3)	3,450	2,803.0	23.1
<b>OPM (%)</b>	<b>25.1</b>	<b>27.0</b>		<b>26.5</b>		<b>27.4</b>	<b>25.3</b>	
Interest	3	3	(3.8)	12	(79.5)	10	27	(63.6)
Dep. & amortisation	107	110	(2.9)	74	44.1	435	261	66.5
PBT	697	853	(18.3)	796	(12.4)	3,414	2,832	20.6
Provision for taxation	136	239	(42.9)	233	(41.4)	970	962	0.9
<b>Reported net profit</b>	<b>561</b>	<b>615</b>	<b>(8.8)</b>	<b>563</b>	<b>(0.4)</b>	<b>2,444</b>	<b>1,870</b>	<b>30.7</b>
Less : exceptional items	-	-		-		-	-	
MI & share in associates	14	13	3.0	10	36.9	41	33	25.1
<b>PAT after exceptional items</b>	<b>547</b>	<b>602</b>	<b>(9.0)</b>	<b>553</b>	<b>(1.1)</b>	<b>2,403</b>	<b>1,837</b>	<b>30.9</b>
<b>EPS (₹)</b>	<b>12.2</b>	<b>13.4</b>		<b>12.3</b>		<b>53.5</b>	<b>41.0</b>	

Source: Company, Angel Research

**Exhibit 2: 4QFY2015 – Actual vs Angel estimates**

₹ cr	Actual	Estimates	Variation
<b>Net Sales</b>	<b>3,054</b>	<b>3,515</b>	<b>(13.1)</b>
Other Income	41	74	(44.3)
Operating Profit	766	926	(17.4)
Deprecation	107	110	(2.9)
Tax	136	249	(45.2)
<b>Net Profit</b>	<b>547</b>	<b>626</b>	<b>(12.5)</b>

Source: Company, Angel Research

**Revenue growth flat:** On the top-line front, Lupin posted a flat growth of 0.1% yoy to ₹3,054cr V/s ₹3,515cr expected. The key geographies - US, Europe, India and Japan posting a dip of 6%, a growth of 9%, a growth of 15% and a dip of 9%, respectively. Other markets like South Africa and ROW posted a 15% growth and a dip of 3%, respectively. Formulations were flat (~90% of sales), while API grew by 6.0% yoy (~10% of sales).

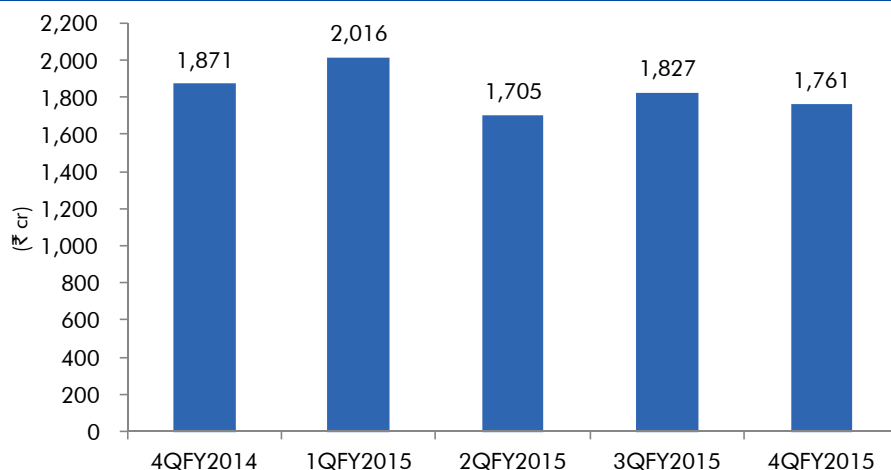
Among the company's key markets US (₹1,377cr) de-grew by 6.0% yoy, India grew by 15.0% yoy, Europe (₹89.1cr) posted a growth of 9.0% yoy while Japan (₹294.3cr) posted a de-growth of 9.0% yoy.

Lupin's Japan sales (Kyowa + I'rom) de-grew by 9% yoy to ₹294.3cr. Total revenues increased to JPY5,645mn in 4QFY2015, up from JPY5,353mn in 4QFY2014, ie a yoy growth of 5% in JPY terms. For the quarter, Kyowa revenues (excluding I'rom) de-grew by 9.0% yoy to ₹218.8cr from ₹278.7cr in 4QFY2014. In JPY terms, revenues grew by 5% yoy to JPY4,211mn from JPY4,000mn in 4QFY2014.

Pharma Dynamics clocked in revenues of ₹122.2cr during 4QFY2015, a growth of 15% yoy, while growing by 19% in ZAR terms to ZAR228mn. The company remains the fastest growing and the fourth largest generic company in the South African market with clear leadership in the cardiovascular space.

On the regulatory front, Lupin received 3 approvals from the USFDA during the quarter. Cumulative ANDA filings with the USFDA as of March 31, 2015 stood at 210 (34 FTFs) with the company having received 111 approvals to date.

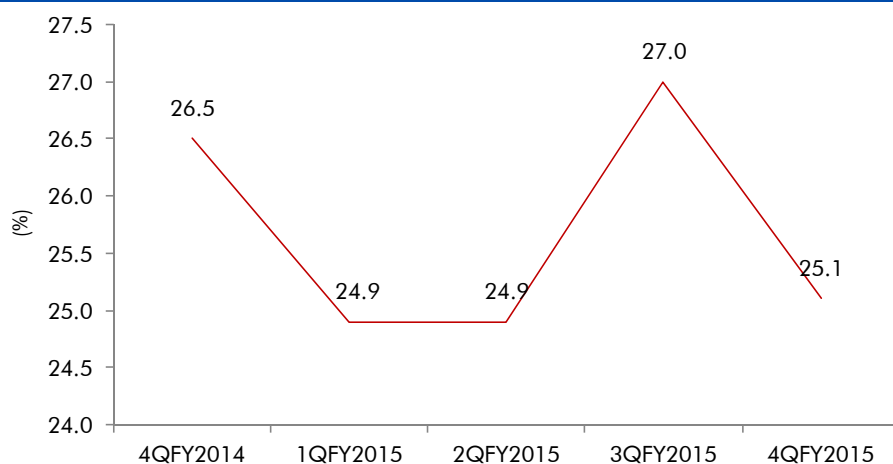
### Exhibit 3: Advanced markets – Sales trend



Source: Company, Angel Research

**OPM lower than expectations at 25.1%:** On the operating front, the gross margin expanded by 79bp yoy. In spite of the same, the OPM dipped by 142bps yoy to 25.1% (V/s an expected 26.3%). The main reason for variance is lower-than-expected sales. Also, the employee cost and R&D expenditure rose by 23.8% and 26.1% yoy respectively. R&D expenditure during the quarter was 10.1% of sales V/s 8.0% of sales in 4QFY2014.

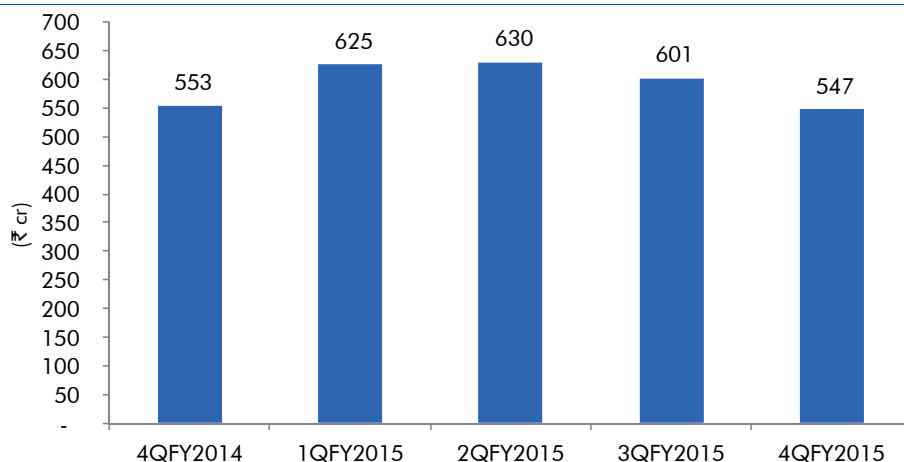
### Exhibit 4: OPM trend



Source: Company, Angel Research

**Net profit growth lower than our estimate:** A lower-than-expected OPM led the PAT to come in at ₹547cr (V/s ₹626cr expected), ie a yoy de-growth of 1.1%.

### Exhibit 5: Net profit trends



Source: Company, Angel Research

### Conference call takeaways

- The US\$5bn revenue by FY2018 guidance is largely on the back of organic growth and a part through inorganic growth. The same is expected to be achieved through - building strong specialty business, pursuing inorganic opportunities to grow in LATAM and Europe region and acquiring new technology assets to move up the pharma value chain.
- The Management has guided at a 15% revenue growth and 28-30% EBITDA margin in FY2016E.
- The Management expects the domestic formulation business to grow higher than industry growth rates in FY2016E.
- The company is likely to launch 15-20 new generic products in the US in FY2016E.
- Capex to be at ₹800-900cr in FY2016.
- The company continues to maintain its EBITDA margin guidance of 28-30% (includes other income) for FY2016. Further, expansion in following years is also expected due to limited competition launches, and cost rationalization measures.

### Recommendation rationale

- **US market – the key driver:** The high-margin branded generic business has been the key differentiator for Lupin in the Indian pharmaceuticals space. On the generic turf, Lupin is currently the fifth largest generic player in the US, with 5.3% market share in prescription. Lupin is now the market leader in 28 products marketed in the US generics market and is amongst the Top 3 by market share in 57 products.

Currently, the company's cumulative filings stand at 210, of which 111 have been approved, with 34 FTFs (more than US\$13bn). Lupin plans to launch 15-20 products in the US in FY2016. Another driver, the OC segment, is expected to contribute US\$100mn to the company's top-line over the next 2-3 years.

Another significant portion of the company's US business, Branded segment which is around ~10% of its US sales (FY2015), is expected to increase to 30% of sales by FY2018, through acquisitions.

Overall, the Management has guided for sustainable constant currency growth of 18-20% driven by new launches over the next few years. We expect the region to post a CAGR of 20.3% during FY2015-17E.

- **Domestic formulations on a strong footing:** Lupin continues to make strides in the Indian market. Currently, Lupin ranks No 3, and is the fastest growing company among the top five companies in the domestic formulation space, registering a strong CAGR of 20.0% over the last few years. Six of Lupin's products are among the top 300 brands in the country. Lupin introduced 54 new products in the Indian market in FY2014 and has a strong field force of ~5,400MRs as of FY2015 end. We expect the domestic formulation market to grow at a CAGR of 17.8% over FY2015-17E.
- **First-mover advantage in Japan:** Lupin figures among the few Indian companies with a formidable presence in the world's second largest pharma market, Japan (Lupin is ranked the 8th largest pharma company in the Japanese market as per IMS MAT March 2014). The Management believes there will be patent expiries (US\$14-16bn) in the next two years in the Japanese market, which along with increased generic penetration, would drive growth in the market. For FY2015, the market posted a moderate growth after a dip in FY2014; however going forward the company expects a healthy growth, with double digit growth (15% in constant currency) in the Kyowa business and a single digit growth in the I'rom business. The Management expects improvement in growth in the next 3-4 years. On a conservative basis, we expect the market to post a CAGR of 9.5% over FY2015-17E.

## Valuations

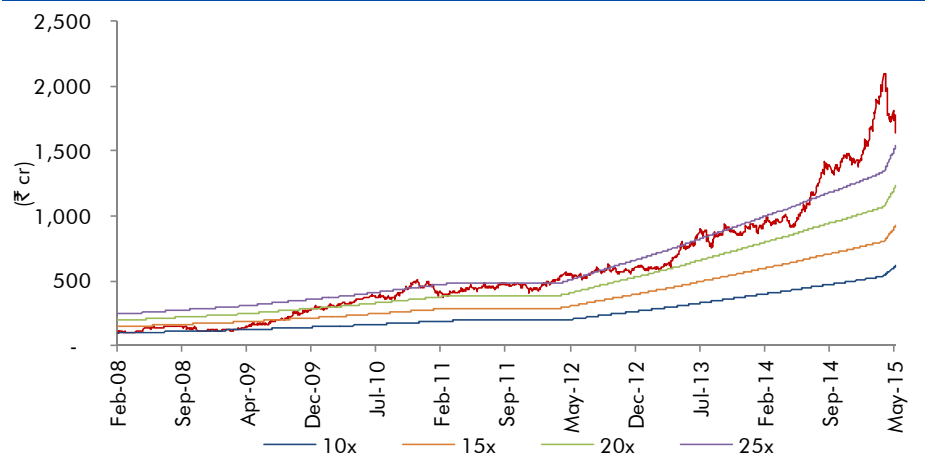
We expect Lupin to post a CAGR of 17.0% in net sales to ₹17,244cr and expect earnings to report a 15.3% CAGR to ₹71.1/share over FY2015–17E. Currently, the stock is trading at 27.2x and 23.8x FY2016E and FY2017E earnings, respectively. **We remain Neutral on the stock.**

### Exhibit 6: Key Assumptions

	FY2016E	FY2017E
Sales growth (%)	18.0	16.0
Domestic growth (%)	16.0	16.0
Exports growth (%)	19.5	16.0
Operating margins (%)	26.9	26.9
R&D Exp ( % of sales)	9.0	9.0
Capex (₹ cr)	1000	1000

Source: Company, Angel Research

### Exhibit 7: One-year forward PE



Source: Company, Angel Research

**Exhibit 8: Recommendation summary**

Company	Reco	CMP (₹)	Tgt. price (₹)	Upside %	FY2017E			FY15-17E	FY2017E	
					PE (x)	EV/Sales (x)	EV/EBITDA (x)	CAGR in EPS (%)	RoCE (%)	RoE (%)
Alembic Pharma.	Neutral	484	-	-	22.0	3.2	15.5	21.1	30.6	30.9
Aurobindo Pharma	Accumulate	1,342	1,502	11.9	17.9	2.7	12.3	13.7	21.4	27.5
Cadila Healthcare	Neutral	1,620	-	-	20.4	2.8	14.3	25.9	23.3	26.9
Cipla	Neutral	677	-	-	23.4	3.2	16.9	20.0	16.4	16.1
Dr Reddy's	Accumulate	3,493	3,963	13.5	19.4	2.8	12.7	17.6	19.4	20.8
Dishman Pharma	Buy	147	219	49.3	5.4	0.7	3.1	42.8	14.8	14.3
GSK Pharma*	Neutral	3,187	-	-	51.2	7.9	38.5	6.9	27.3	26.6
Indoco Remedies	Neutral	357	-	-	23.4	2.1	11.5	30.9	18.9	20.2
Ipca labs	Buy	653	810	24.0	14.5	1.8	9.7	24.3	18.1	19.4
<b>Lupin</b>	<b>Neutral</b>	<b>1,691</b>	<b>-</b>	<b>-</b>	<b>23.8</b>	<b>4.1</b>	<b>15.3</b>	<b>15.3</b>	<b>29.4</b>	<b>24.6</b>
Sanofi India*	Buy	3,175	3,749	18.1	23.7	2.5	15.1	25.1	22.0	22.5
Sun Pharma	Accumulate	955	1,064	11.4	25.1	4.9	15.1	15.4	26.2	24.9
Alembic Pharma.	Neutral	484	-	-	22.0	3.2	15.5	21.1	30.6	30.9

Source: Company, Angel Research; Note: \* December year ending

## **Company Background**

Lupin, established in 1968, is primarily engaged in the manufacture and global distribution of active pharmaceutical ingredients (APIs) and finished dosages. Over the years, the company forayed into US markets through a differentiated export strategy of tapping branded generics and consequently gaining a large share of the US prescription market. Further, to expand its foot-print in the global market, Lupin has prudently adopted the inorganic growth route. In line with this, over the last two years, the company made small acquisitions across geographies, prominent among these being the acquisition of Kyowa in the growing Japanese market.



**Profit & Loss Statement (Consolidated)**

Y/E March (₹ cr)	FY2012	FY2013	FY2014	FY2015	FY2016E	FY2017E
<b>Gross sales</b>	7,002	9,524	11,167	12,684	14,954	17,348
Less: Excise duty	42	62	80	84	90	104
Net sales	6,960	9,462	11,087	12,600	14,864	17,244
Other operating income	123	180	200	170	170	170
<b>Total operating income</b>	<b>7,083</b>	<b>9,641</b>	<b>11,287</b>	<b>12,770</b>	<b>15,034</b>	<b>17,414</b>
% chg	21.4	36.1	17.1	13.1	17.7	15.8
Total expenditure	5,638	7,371	8,284	9,150	10,861	12,600
Net raw materials	2,604	3,548	3,817	4,157	4,905	5,690
Other mfg costs	906	757	887	1,008	1,189	1,380
Personnel	970	1,249	1,465	1,747	1,932	2,242
Other	1,159	1,818	2,115	2,238	2,835	3,288
<b>EBITDA</b>	<b>1,322</b>	<b>2,090</b>	<b>2,803</b>	<b>3,449</b>	<b>4,003</b>	<b>4,644</b>
% chg	24.0	58.2	34.1	23.1	16.0	16.0
(% of Net Sales)	19.0	22.1	25.3	27.4	26.9	26.9
Depreciation & amortisation	228	332	261	435	468	548
<b>EBIT</b>	<b>1,094</b>	<b>1,758</b>	<b>2,542</b>	<b>3,015</b>	<b>3,534</b>	<b>4,095</b>
% chg	22.3	60.7	44.6	18.6	17.2	15.9
(% of Net Sales)	15.7	18.6	22.9	23.9	23.8	23.7
Interest & other charges	35	41	27	10	10	10
Other Income	14	28	116	240	240	240
(% of PBT)	1	1	4	7	6	5
Share in profit of associates	-	-	-	-	-	-
<b>Recurring PBT</b>	<b>1,196</b>	<b>1,925</b>	<b>2,832</b>	<b>3,415</b>	<b>3,935</b>	<b>4,496</b>
% chg	20.0	60.9	47.1	20.6	15.2	14.3
Extraordinary expense/(Inc.)	-	-	-	-	-	-
<b>PBT (reported)</b>	<b>1,196</b>	<b>1,925</b>	<b>2,832</b>	<b>3,415</b>	<b>3,935</b>	<b>4,496</b>
Tax	309	584	962	970	1,102	1,259
(% of PBT)	25.8	30.4	34.0	28.4	28.0	28.0
<b>PAT (reported)</b>	<b>888</b>	<b>1,340</b>	<b>1,870</b>	<b>2,444</b>	<b>2,833</b>	<b>3,237</b>
Add: Share of earnings of asso.	-	-	-	-	-	-
Less: Minority interest (MI)	20	26	33	41	41	41
Prior period items	-	-	-	-	-	-
<b>PAT after MI (reported)</b>	<b>868</b>	<b>1,314</b>	<b>1,836</b>	<b>2,403</b>	<b>2,792</b>	<b>3,196</b>
<b>ADJ. PAT</b>	<b>868</b>	<b>1,314</b>	<b>1,836</b>	<b>2,403</b>	<b>2,792</b>	<b>3,196</b>
% chg	0.6	51.5	39.7	30.9	16.2	14.5
(% of Net Sales)	12.5	13.9	16.6	19.1	18.8	18.5
<b>Basic EPS (₹)</b>	<b>19.4</b>	<b>29.4</b>	<b>41.0</b>	<b>53.5</b>	<b>62.1</b>	<b>71.1</b>
<b>Fully Diluted EPS (₹)</b>	<b>19.4</b>	<b>29.4</b>	<b>41.0</b>	<b>53.5</b>	<b>62.1</b>	<b>71.1</b>
% chg	0.6	51.0	39.5	30.5	16.2	14.5

**Balance Sheet (Consolidated)**

Y/E March (₹ cr)	FY2012	FY2013	FY2014	FY2015	FY2016E	FY2017E
<b>SOURCES OF FUNDS</b>						
Equity share capital	89	90	90	90	90	90
Reserves & surplus	3,924	5,115	6,842	8,784	11,408	14,435
<b>Shareholders funds</b>	<b>4,013</b>	<b>5,204</b>	<b>6,932</b>	<b>8,874</b>	<b>11,498</b>	<b>14,525</b>
Minority interest	72	59	67	24	65	106
Total loans	1,640	1,164	553	471	471	471
Other Long-Term Liab.	73	50	46	74	75	76
Long-Term Provisions	67	112	132	132	69	70
Deferred tax liability	144	163	178	118	118	118
<b>Total liabilities</b>	<b>6,010</b>	<b>6,754</b>	<b>7,908</b>	<b>9,693</b>	<b>12,296</b>	<b>15,367</b>
<b>APPLICATION OF FUNDS</b>						
Gross block	3,627	4,114	4,564	5,355	6,355	7,355
Less: Acc. depreciation	1,442	1,684	1,928	2,363	2,831	3,380
<b>Net block</b>	<b>2,185</b>	<b>2,430</b>	<b>2,635</b>	<b>2,992</b>	<b>3,524</b>	<b>3,975</b>
Capital work-in-progress	444	311	304	304	304	304
Goodwill	564	570	720	1,648	1,648	1,648
<b>Investments</b>	<b>3</b>	<b>2</b>	<b>178</b>	<b>1,658</b>	<b>1,658</b>	<b>1,658</b>
Long-Term Loans and Adv.	394	387	373	275	323	374
<b>Current assets</b>	<b>4,297</b>	<b>5,143</b>	<b>5,924</b>	<b>6,176</b>	<b>8,804</b>	<b>12,006</b>
Cash	402	435	798	1,306	3,058	5,340
Loans & advances	309	340	302	671	792	918
Other	3,586	3,154	4,825	4,199	4,954	5,747
Current liabilities	1,878	2,089	2,227	3,360	3,964	4,599
<b>Net current assets</b>	<b>2,420</b>	<b>3,054</b>	<b>3,697</b>	<b>2,816</b>	<b>4,840</b>	<b>7,407</b>
<b>Total assets</b>	<b>6,010</b>	<b>6,754</b>	<b>7,908</b>	<b>9,693</b>	<b>12,296</b>	<b>15,367</b>

**Cash Flow Statement (Consolidated)**

Y/E March (₹ cr)	FY2012	FY2013	FY2014	FY2015	FY2016E	FY2017E
Profit before tax	1,196	1,925	2,832	3,415	3,935	4,496
Depreciation	228	332	261	435	468	548
(Inc)/Dec in working capital	(724)	620	(1,481)	1,487	(319)	(337)
Direct taxes paid	(309)	(584)	(962)	(970)	(1,102)	(1,259)
<b>Cash Flow from Operations</b>	<b>391</b>	<b>2,293</b>	<b>649</b>	<b>4,367</b>	<b>2,982</b>	<b>3,448</b>
(Inc.)/Dec.in Fixed Assets	(997)	(353)	(443)	(791)	(1,000)	(1,000)
(Inc.)/Dec. in Investments	-	-	-	-	-	-
<b>Cash Flow from Investing</b>	<b>(997)</b>	<b>(353)</b>	<b>(443)</b>	<b>(791)</b>	<b>(1,000)</b>	<b>(1,000)</b>
Issue of equity	-	-	-	-	-	-
Inc./Dec.) in loans	550	(476)	(611)	(82)	0	-
Dividend Paid (Incl. Tax)	(165)	(209)	(157)	(168)	(168)	(168)
Others	204	499	(795)	(2,816)	(62)	2
<b>Cash Flow from Financing</b>	<b>589</b>	<b>(186)</b>	<b>(1,564)</b>	<b>(3,067)</b>	<b>(230)</b>	<b>(166)</b>
Inc./Dec.) in Cash	(18)	1,753	(1,358)	509	1,752	2,282
<b>Opening Cash balances</b>	<b>420</b>	<b>402</b>	<b>435</b>	<b>798</b>	<b>1,306</b>	<b>3,058</b>
<b>Closing Cash balances</b>	<b>402</b>	<b>435</b>	<b>798</b>	<b>1,306</b>	<b>3,058</b>	<b>5,340</b>

**Key Ratios**

Y/E March (₹ cr)	FY2012	FY2013	FY2014	FY2015	FY2016E	FY2017E
<b>Valuation Ratio (x)</b>						
P/E (on FDEPS)	86.9	57.6	41.3	31.6	27.2	23.8
P/CEPS	68.9	46.0	36.1	26.8	23.3	20.3
P/BV	18.8	14.5	10.9	8.6	6.6	5.2
Dividend yield (%)	0.2	0.2	0.2	0.2	0.2	0.2
EV/Sales	11.0	8.1	6.8	6.0	4.9	4.1
EV/EBITDA	57.8	36.4	26.9	21.8	18.3	15.3
EV / Total Assets	12.7	11.3	9.5	7.7	6.0	4.6
<b>Per Share Data (₹)</b>						
EPS (Basic)	19.4	29.4	41.0	53.5	62.1	71.1
EPS (fully diluted)	19.4	29.4	41.0	53.5	62.1	71.1
Cash EPS	24.5	36.8	46.8	63.1	72.5	83.3
DPS	3.4	4.0	4.0	4.0	4.0	4.0
Book Value	89.9	116.3	154.6	197.4	255.8	323.1
<b>Dupont Analysis</b>						
EBIT margin	15.7	18.6	22.9	23.9	23.8	23.7
Tax retention ratio	74.2	69.6	66.0	71.6	72.0	72.0
Asset turnover (x)	1.4	1.6	1.7	1.6	1.7	1.8
ROIC (Post-tax)	16.8	20.9	25.4	28.2	29.2	30.9
Cost of Debt (Post Tax)	1.9	2.0	2.0	1.4	1.5	1.5
Leverage (x)	0.3	0.0	0.0	0.0	0.0	0.0
Operating ROE	20.6	20.9	25.4	28.2	29.2	30.9
<b>Returns (%)</b>						
ROCE (Pre-tax)	20.5	27.5	34.7	34.3	32.1	29.6
Angel ROIC (Pre-tax)	27.5	35.0	44.1	48.2	51.5	53.3
ROE	23.8	28.5	30.3	30.4	27.4	24.6
<b>Turnover ratios (x)</b>						
Asset Turnover (Gross Block)	2.3	2.5	2.6	2.6	2.6	2.5
Inventory / Sales (days)	76	70	66	62	65	79
Receivables (days)	77	75	75	66	70	84
Payables (days)	156	72	84	78	86	87
WC cycle (ex-cash) (days)	87	88	89	63	40	40
<b>Solvency ratios (x)</b>						
Net debt to equity	0.3	0.1	(0.0)	(0.1)	(0.2)	(0.3)
Net debt to EBITDA	0.9	0.3	(0.1)	(0.2)	(0.6)	(1.0)
Interest Coverage	30.8	42.9	95.4	307.3	360.3	417.5

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Disclosure of Interest Statement	Lupin
1. Analyst ownership of the stock	No
2. Angel and its Group companies ownership of the stock	No
3. Angel and its Group companies' Directors ownership of the stock	No
4. Broking relationship with company covered	No

Note: We have not considered any Exposure below ₹1 lakh for Angel, its Group companies and Directors

<b>Ratings (Based on expected returns over 12 months investment period):</b>	Buy (> 15%)	Accumulate (5% to 15%) Reduce (-5% to -15%)	Neutral (-5 to 5%) Sell (< -15%)
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