Gland Pharma

Price Band ₹ 1490-1500

SUBSCRIBE

November 9, 2020

Established in Hyderabad in 1978, Gland Pharma is one of the largest and fastest growing injectable-focused B2B companies, with a global footprint across 60 countries, including the US, Europe, Canada, Australia, India and other markets. It is a niche player in sterile injectables, oncology and ophthalmic solutions with focus on first-to-file, 505(b)(2) filings and NCE- 1s. Along with its partners Gland has 267 ANDA filings (101 owned) in the US as of Q1FY21, of which 215 were approved. The company has seven manufacturing facilities in India, comprising four formulations facilities with 22 production lines and three API facilities. In 2017, Shanghai based Fosun Pharma had acquired a 74% stake in the company for US$1.09 billion.

Robust complex injectable product pipeline

Gland has one of the strongest pipelines in high entry barrier injectables segment. Its 267 ANDA filings comprise 191 ANDA filings for sterile injectables, 50 for oncology and 26 for ophthalmic related products. The company is also expanding development and manufacturing capabilities in complex injectables like peptides, long-acting injectables, suspensions and hormonal products as well as new delivery systems such as pens and cartridges. Gland continues to enhance its product portfolio to offer a diverse suite of products to cater to the growing demand for injectables.

Integrated model with strong regulatory track record

Gland has three API facilities that provide in-house manufacturing capabilities for critical APIs. Owing to backwards integration, it can develop products that other companies may not focus on due to uncertainty of their API supply. Vertical integration also helps achieve greater control over manufacturing processes to meet required standards, increase operating efficiencies, accelerate product development, strengthen product quality control and improve supply chain efficiencies. On compliance front, it had never received warning letters from USFDA since inception of each facility.

Key risks and concerns

- Regional conflicts with China may have adverse effect on functioning
- Gland subject to significant regulatory scrutiny in most jurisdictions
- Raw material risk – High dependency on China
- Customer and geographical concentration risk
- Competition risk

Priced at P/E of 31.7x FY20 (post issue) on upper band

With benefits of being an an out and out integrated injectable/ophthal manufacturer and B2B functionary combined, Gland offers a compelling proposition with its unblemished regulatory track record and customer stickiness besides long-standing manufacturing pedigree, justifying premium valuation. We have a **SUBSCRIBE** recommendation on the stock. At ₹ 1500, the stock is available at 31.7x FY20.

Particulars	
Issue Details	
Issue Opens	9th November 2020
Issue Closes	11th November 2020
Issue Size*	~₹6480 crore
Fresh Issue	₹1250 crore
Price Band	₹1490-1500
No. of shares on offer (in crore)	4.3
QIB (%)	50
Retail (%)	35
Minimum lot size (no of shares)	10

*based on upper price band of ₹ 1500 per share

Shareholding Pattern (%)	Pre-Issue	Post-Issue
Promoter Group	74.0	58.4
Public	26.0	41.6

Objects of issue	
Objects of the Issue	**₹crore**
Funding incremental working capital requirements of Company	769.5
Funding capital expenditure requirements of Company	168.0
General corporate purposes	312.5
Fresh Issue	**1250**
Offer for sale	**5230**

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IPO Review

ICICI Securities – Retail Equity Research

Key Financial Summary

₹crore	FY18	FY19	FY20	CAGR FY18-20 (%)
Total Revenues	1622.9	2044.2	2633.2	27.4
EBITDA	535.3	706.5	955.5	33.6
EBITDA Margins (%)	33.0	34.6	36.3	
PAT	321.1	451.9	772.9	55.2
EPS (₹)	19.7	27.7	47.3	
P/E (x)	76.3	54.2	31.7	
P/B (x)	10.2	8.6	6.7	
RoE (%)	13.3	15.8	21.2	
RoCE (%)	20.8	24.6	27.2	

Source: ICICI Direct Research, RHP

Company background

Established in Hyderabad in 1978, Gland Pharma is one of the largest and fastest growing injectable-focused B2B companies, with a global footprint across 60 countries, including the US, Europe, Canada, Australia, India and other markets. It is a niche player in sterile injectables, oncology and ophthalmic solutions with focus on first-to-file, 505(b)(2) filings and NCE- 1s. Along with its partners, Gland has 267 ANDA filings (101 owned) in the US as of Q1FY21, of which 215 were approved. The company has seven manufacturing facilities in India, comprising four formulations facilities with 22 production lines and three API facilities.

In 2017, Shanghai based Fosun Pharma had acquired 74% stake in the company for US$1.09 billion. Implied valuations of Gland (~ ₹ 9456 crore) at the time of Fosun acquisition were at 6.2x FY17 sales and 22.87x net profit.

As at the end of Q1FY21, the company along with its partners had 267 ANDA filings (101 owned) in the US, of which 215 were approved and 52 were pending approval. The 267 ANDA filings comprise 191 ANDA filings for sterile injectables, 50 for oncology and 26 for ophthalmic related products. Also, along with partners, the company had 1,427 product registrations, comprising 371 product registrations in US, Europe, Canada and Australia, 54 in India and 1002 in the RoW. The company has a strong regulatory compliance track record while all its facilities are approved by the USFDA. It has never got warning letters since the inception of each facility.

Exhibit 2: Manufacturing facilities

No	Location	Facility	Presentation	Capacity (Lines)	Existing (units p.a.)	Capacity Utilization FY19	Capacity Utilization FY20	Key Products	Key regulatory approvals
1	Dundigal, Hyderabad	Sterile injectables	Liquid Vials Lyophilizers (7 Nos) Ampoules Pre-filled Syringes Bags Ophthalmics	6 N/A 1 2 2 1	240 million 48 million 60 million 60 million 5 million 45 million	90.31% 73.85% 35.38% 74.89% 74.52% 17.39%	90.74% 75.12% 25.46% 50.08% 50.96% 16.56%	Enoxaparin, Sodium, Caspofungin, Levetiracetam, Daptomycin	USFDA (US), MHRA (UK), ANVISA (Brazil), TGA (Australia), BGV Hamburg (Germany)
2	Pashamylaram, Hyderabad	Sterile injectables	Liquid Vials Lyophilizers (3 Nos) Ampoules	3 N/A 2	132 million 18 million 120 million	59.44% 73.32% 20.74%	72.80% 75.87% 28.53%	Heparin Sodium, Vancomycin	USFDA (US), GUB Munich (Germany)
3	Pashamylaram, Hyderabad	Penems	Vials (2 Lyophilizers) Dry Powder	1 1	8 million 4 million	- -	- -	-	USFDA (US)
4	Visakhapatnam	Oncology	Liquid Vials Lyophilizers (4 +1)	3 N/A	11 million 5 million	27.62% 27.92%	47.78% 23.58%	Paclitaxel, Bortezomib	USFDA (US), AGES (Austria), TGA (Australia)
5	Dundigal, Hyderabad	API	-	-	N/A	-	-	-	USFDA (US), MHRA (UK), ANVISA (Brazil), TGA (Australia), BGV Hamburg (Germany)
6	Visakhapatnam	API	-	-	3000 kg/year	-	-	-	USFDA (US), ANVISA (Brazil)
7	Visakhapatnam	API	-	-	8000 kg/year	-	-	-	USFDA (US), DMA (Denmark)

Source: RHP, ICICI Direct Research

The company's flagship sterile injectables facility in Dundigal, Hyderabad, which has capabilities across various delivery formats, obtained USFDA approval in 2003. The other sterile injectables facility in Pashamylaram, Hyderabad, which substantially increased manufacturing capacity, commenced domestic sales in September 2015 while sales in the US in September 2016 following receipt of USFDA approval in March 2016. The company also has a dedicated Penems facility that filed its first ANDA in February 2014 and obtained USFDA approval in March 2016. In addition, the oncology facility received USFDA and GMP (EU) approval in 2014, and commenced commercial sales in Europe in 2015 and in the US in 2016.

Currently, the company has additional capacity under installation at its oncology facility.

The company has a successful track record of operating a B2B model with leading pharmaceutical companies such as Sagent Pharmaceuticals, Inc. and Apotex Inc. as well as Fresenius Kabi US, LLC and Athenex Pharmaceutical Division, LLC in the US and the RoW using long-term development, licensing and manufacturing and supply agreements. Its primary B2B model covers both IP-led and technology transfer models, contract manufacturing and B2C model in India leveraging the company's brand strength and sales network.

The company's top five customers in FY20 accounted for 48.9%, of sales. Revenue in US, Europe, Canada and Australia accounted for 76.4%, 69.4% and 73.5%, respectively, of revenues. The company's employees numbered 3,791 as of March 31, 2020 across key business verticals, excluding contract employees.

Exhibit 4: Geographical revenue bifurcation

	FY18	FY19	FY20	Q1FY21
United States	71.3%	62.5%	66.7%	62.6%
India	18.5%	19.0%	17.7%	14.5%
Europe	3.4%	5.4%	4.4%	3.4%
Canada	1.1%	1.1%	1.8%	2.3%
Australia	0.7%	0.4%	0.5%	0.4%
Rest of the world	5.1%	11.6%	8.8%	16.7%

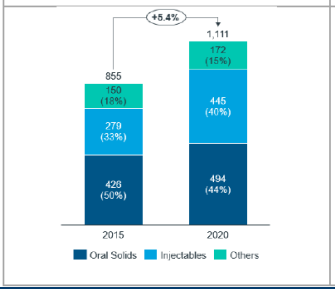
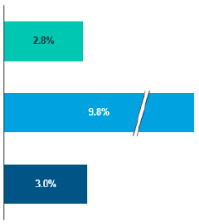
Source: RHP, ICICI Direct Research

Revenue, EBITDA and PAT have grown at a CAGR of 27.4%, 33.6% and 55.2%, respectively, over FY18-20.

Industry background

Injectables are the second largest delivery form in the global pharmaceutical market (GPM) as per IQVIA growing at a CAGR of ~ 9.8% over 2015-20 to reach ~US$445 billion (~40% share) in 2020.

Exhibit 4: Global Pharmaceutical Market delivery form wise

(Values in US$ Bn)	CAGR (2015-20)	Volume Growth	Price Growth
		-1.3%	4.2%
		6.7%	2.8%
		2.2%	0.8%

Source: RHP, ICICI Direct Research, IQVIA MAT March 2015-20

Injectables have numerous advantages over traditional dosage forms:

- Injectables have close-to-immediate onset of action
- Injectables allow patients who are unable to take other dosage forms due to difficulties in consuming oral medication to adhere to their medication regimen. Injectables are particularly useful for unconscious or comatose patients who are otherwise not capable of consuming medication
- Injectables offer a unique capability of giving the administrator control over drug delivery to a specific location in a measured manner
- The development of self-injection devices like pen injectors and auto injectors has made administering drugs more convenient and easier for patients. Patients can now use these novel devices and self-administer their medication in the comfort of their homes without medical supervision
- The number of new drug formulations that are less water soluble and/or have exceptionally low permeability to allow for adequate absorption from the gastrointestinal tract following oral administration has increased. The only way to make such drugs available in the body is through an intravenous administration.

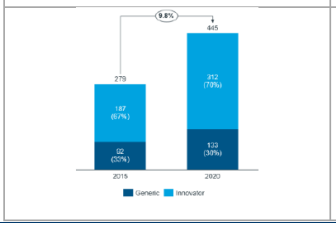
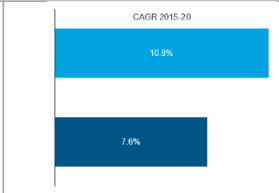
Growth drivers for injectables

- Rising prevalence of chronic diseases
- Convenience and benefits of new drug delivery systems (NDDS)
- New market opportunities
- Growth of biologics
- Market entry barriers
  - High capex requirement, manufacturing complexities, high compliance, regulatory requirements, stringent quality standards

Global generics injectable market

According to IQVIA, the generics market comprises ~30% of the overall injectables market by value estimated at US$133 billion in 2020. Generic injectables have grown at a CAGR of ~7.6% during the last five years in 2015-20. Innovator brands are estimated to have a market size of ~US$312 billion in March 2020 and have grown at ~10.8% in 2015-20.

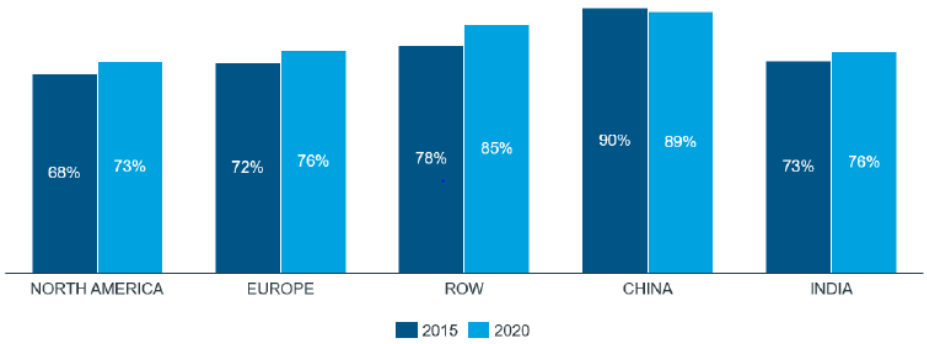
Exhibit 4: Global injectables market: Innovator and generic

(Values in US$ Bn)	CAGR (2015-20)	Volume Growth	Price Growth
		7.6%	2.9%
		4.8%	2.7%

Source: RHP, ICICI Direct Research, IQVIA MAT March 2015-20

According to IQVIA, North America has the lowest generic penetration of ~73% across the geographies. China has the highest generic injectables market share estimated at 89%, followed by India and Europe, both having a generic injectables market share of ~76% respectively. Generic penetration has mostly increased across geographies during the last few years, except for North America and China where the value of the market has, however, increased and grown 12.1% and 1.2%, respectively.

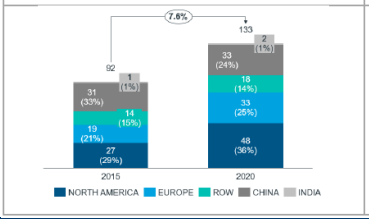
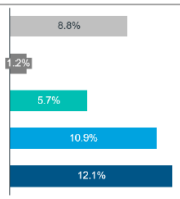
Exhibit 4: Penetration of generics in injectables form



Source: RHP, ICICI Direct Research, IQVIA MAT March 2015-20

According to IQVIA, North America forms ~ 36% of the generic injectables market by value and has grown at a CAGR of ~12.1% in 2015-20. The generic injectables market by value has grown at a CAGR of ~8.8% and ~10.9% in India and Europe, respectively, in 2015-20.

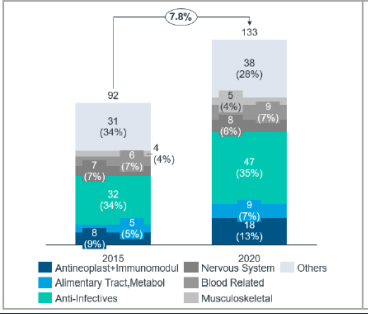
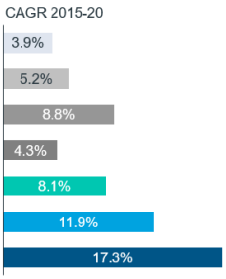
Exhibit 4: Global generic injectables market : Geographic distribution

(Values in US$ Bn)	CAGR (2015-20)	Volume Growth	Price Growth
		3.0%	5.6%
		-0.7%	1.9%
		3.9%	1.8%
		8.0%	2.7%
		7.9%	3.9%

Source: RHP, ICICI Direct Research, IQVIA MAT March 2015-20

The share of injectables dosage forms has been consistently increasing over the last five years (2015-20) in key therapies except antineoplastics and immunomodulators thereby reinforcing its position as the fastest-growing dosage form.

Exhibit 4: Global generic injectable market: Therapeutic areas distribution

(Values in US$ Bn)	CAGR (2015-20)	Volume Growth	Price Growth
			
		3.9%	1.2%
		5.3%	3.4%
		3.9%	0.4%
		3.9%	4.1%
		11.7%	-0.2%
		16.8%	0.5%

Source: RHP, ICICI Direct Research, IQVIA MAT March 2015-20

Generic injectables to grow at ~16.1% CAGR over 2020-25

IQVIA expects generics to grow at ~16.1% in 2020-25, higher than historical growth of ~12.1% in 2015-20. This is primarily due to doubling of the value of molecules losing exclusivity in 2020-25 compared to 2015-20. The value of injectables molecules in 2014, which lost patent protection during 2015-20 was ~US$34.1 billion. The value of injectables molecules in 2020, which are expected to lose patent protection between 2021 and 2025 is ~US$67.7 billion.

B2C, B2B models followed by global injectable players

Business to Consumer (B2C) – In this model, the finished dose formulations are marketed by major pharmaceutical companies to the final customers. These companies can manufacture the formulation or outsource the manufacturing, incur development expenses, and own intellectual property rights. Examples of players who follow B2C model include Hikma, Fresenius Kabi, Amphastar, Sagent, American Reagent, Mylan, Teva and Sandoz.

Business to Business (B2B) – This model covers value-added manufacturing partners (CDMOs), which specialise in manufacturing various injectables formulations and provides other value-added services to injectables marketing companies. Pharma companies partner with CMOs who offer them outsourced manufacturing solutions. Major players who follow this B2B model in injectables include Gland, Recipharm, Lonza and Piramal Pharma Solutions. Some of the large B2C pharmaceutical companies that are active in the B2B markets are Pfizer Centreone, Merck Bioreliance, Abbvie, Baxter, Ratio Pharma, Sanofi, and GSK.

B2B models are primarily divided into two primary sub-categories of businesses, which are a) IP-led players and b) technology transfer players.

Intellectual property / ANDA ownership: IP-led players usually have their own proprietary know-how and own the intellectual property for the manufacturing process. They often have the ANDAs approved under their name.

Technology transfer players do not develop their own patented process and instead rely on their customer (the pharmaceutical companies) to provide them with the specific know-how and process to be followed. In this category, the marketer holds ownership of the IP and ANDA.

Development Costs: Development costs refer to the costs incurred for various steps involved in developing new drug entities such as formulation development, stability studies, method development, clinical trials, etc. In businesses following the IP-led model, the development cost is usually incurred by the CDMO, whereas in the case of technology transfer players the development cost is typically borne by the drug marketer.

Revenue model: One more aspect for differentiating B2B sub-categories is the revenue model of the company. B2B players following the technology transfer model usually charge their customers on a COGS plus profit margin basis (where often the profit margin is a fixed percentage of the COGS).

On the other hand, B2B players following the IP-led model usually opt for a different scheme that is based on the stage the drug being manufactured is in- 1) For drugs which are in development stage – charged on the basis of a milestone fee plus transfer price plus profit margin. 2) For drugs that have already been approved – a license fee plus transfer price plus profit margin is charged from the market.

Investment Rationale

Robust injectable product pipeline

The company has one of the strongest pipelines in high entry barrier injectables segment. The company has a presence in sterile injectables, oncology and ophthalmic, and focus on complex injectables, NCE-1s, first-to-file products and 505(b)(2) filings. Gland has established a portfolio of injectable products across various therapeutic areas and delivery systems. The company's delivery systems cover liquid vials, lyophilised vials, pre-filled syringes, ampoules, bags and drops. Gland is also expanding its development and manufacturing capabilities in complex injectables such as peptides, long-acting injectables, suspensions and hormonal products as well as new delivery systems such as pens and cartridges. The company's product development is underpinned by its internal R&D expertise. Gland's product capabilities are further reinforced by its drug regulatory capabilities to facilitate registration of complex injectables across the lifecycles and markets for these products.

As of Q1FY21, the company, along with partners, had 267 ANDA filings in the US, of which 215 had been approved and 52 had approval pending. The 267 ANDA filings comprise 191 ANDA filings for sterile injectables, 50 for oncology and 26 for ophthalmic related products. Out of these 267 ANDA filings, 101 represent ANDAs owned, of which 71 ANDA filings are approved and 30 are pending approval. Along with partners it also had a total of 1,427 product registrations, comprising 371 product registrations in the US, Europe, Canada and Australia, 54 in India and 1002 in the RoW.

Integrated model with strong regulatory track record

The company has three API facilities that provide in-house manufacturing capabilities for critical APIs. Owing to the company's ability to integrate backwards to manufacture own critical APIs allows it to develop products that other companies may not focus on due to their uncertainty of API supply. Its vertical integration helps to achieve greater control over manufacturing processes to meet required standards, increase operating efficiencies, accelerate product development, strengthen product quality control and improve supply chain efficiencies.

On the compliance front, the company has never received warning letters from the USFDA (whether as a result of facility inspections or otherwise) since the inception of each facility. The company's manufacturing facilities have established a consistent record of regulatory compliance with the USFDA highlighting Gland's focus on quality assurance and quality control.

Diversified B2B-led model across markets

Gland's primary business model is B2B (96.3% of FY20 revenues), covering IP-led, technology transfer and contract manufacturing models. B2B business models enable it to (i) grow market share in key markets such mainly in the US, without any major spend, (ii) leverage the reputation of marketing partners in their home markets, (iii) build own reputation as a complex injectables manufacturer with a consistent compliance record attracting confidence from other potential marketing partners, and (iv) balance profitability and capacity utilisation while continuing to deliver high manufacturing and quality standards to a broad range of customers.

Targeted B2C model in India

Post establishing itself in BTB segment the company has forayed into domestic BTC injectable segment, though revenues are negligible currently (4% of FY20 revenues). As of FY20, the company had a sales force of over 200 employees and an extensive countrywide distribution network to ensure coverage in ~2,000 corporate hospitals, nursing homes and government facilities.

Key risks and concerns

Regional conflicts may have adverse effect on functioning

Any degradation in India-China political relations or any future military confrontations could result in curbs or delays in imports from China to India of materials and equipment that are key to the requirement of the company's business, increases in duties on imports from China into India, curbs on the export of finished products from India to China, and negative public sentiment within India toward Chinese-owned companies.

Regulatory concerns

Pharmaceutical manufacturers are subject to significant regulatory scrutiny in most jurisdictions. Regulatory authorities may conduct scheduled or unscheduled periodic inspections of manufacturing facilities to monitor the company's regulatory compliance. Following an inspection, an agency may issue a notice listing conditions that are believed to violate current good manufacturing practices or other regulations, or a warning letter for violations of regulatory significance that may result in enforcement action if not promptly and adequately cured. If any regulatory body were to require one of the company's facilities to cease or limit production, business could be adversely affected.

Raw material risk

The majority of the company's suppliers of raw materials are based in China. It has already faced disruptions in the supply of raw materials from such suppliers as a result of Covid 19. If, for any reason, the company is unable to produce sufficient quantities of APIs on a timely basis, the manufacture or supply of products or exhibit batches could be disrupted, which may reduce the company's sales revenue or otherwise negatively impact operations.

High dependency on customer, geography

The company's top five customers accounted for 49.9% of FY20 revenues. Also, Gland generates significant portion of revenues (66.7% in FY20) from the US. Further, the volume of sales to customers may vary due to customers' attempts to manage their inventory, market demand, product and supply pricing trends and customer preferences, among others, which may result in a reduction in demand or lack of commercial success of products of which the company are a major supplier, which could reduce sales and materially adversely affect financial condition.

Competition risk

The injectables pharmaceutical market is highly competitive. According to the IQVIA report, injectable manufacturers face high entry barriers such as high capital investments, operational costs, manufacturing complexities, stricter compliance requirement (because of the sterile nature of products) and high-quality standards resulting in limited competition in the market Growing competition in the domestic and/or international markets may subject Gland to pricing pressures and require it to reduce prices of its products and services in order to retain or attract customers, which may have a material adverse effect on the company's revenues and profit margins.

Financial Summary

Exhibit 14: Profit & loss statement (₹ crore)

Revenue (₹crore)	FY18	FY19	FY20
Revenue from operations	1,622.9	2,044.2	2,633.2
Other income	48.8	85.6	139.2
Total revenue	**1,671.7**	**2,129.8**	**2,772.4**
Raw Material Expenses	663.7	857.0	1,102.0
Employee expense	179.1	222.9	277.7
Other expenses	244.8	257.7	298.1
Total Expenses	1,087.6	1,337.7	1,677.8
EBITDA	**535.3**	**706.5**	**955.5**
Finance costs	4.2	3.7	7.2
Depreciation and amortisation expense	78.4	82.1	94.6
Profit before tax and exceptional items	501.5	706.3	992.9
Exceptional items	0.0	20.0	0.0
Profit before tax	**501.5**	**686.3**	**992.9**
Tax expense	180.4	234.4	220.0
Profit after tax	**321.1**	**451.9**	**772.9**

Source: RHP, ICICI Direct Research

Exhibit 15: Balance Sheet (₹ crore)

Balance Sheet (₹crore)	FY18	FY19	FY20
Equity and liabilities			
Shareholders' funds			
Share capital	15.5	15.5	15.5
Reserves and surplus	2,394.9	2,846.5	3,630.7
Non-current liabilities			
Long-term borrowings	5.5	5.0	4.1
Deferred tax liabilities (net)	95.7	107.6	74.1
Other non-current liabilities	38.7	16.3	2.7
Current liabilities			
Short-term borrowings	0.0	0.0	0.0
Trade payables	291.8	446.2	249.1
Other current liabilities	85.3	83.7	92.5
Short-term provisions	2.1	2.9	17.5
Total	**2,929.5**	**3,523.5**	**4,086.0**
Assets			
Non current assets			
Fixed assets			
Tangible assets	843.8	929.7	968.1
Capital work in progress	198.9	123.2	188.5
Deferred tax assets (net)	19.8	19.0	1.5
Other financial assets	6.1	6.4	6.9
Other non-current assets	128.7	87.8	74.8
Current assets			
Inventories	512.8	911.9	756.3
Trade receivables	475.2	506.1	601.8
Cash and bank balances	670.8	753.3	1,325.2
Short-term loans and advances	0.3	0.3	0.5
Other current assets	73.0	185.9	162.5
Total	**2,929.5**	**3,523.5**	**4,086.0**

Source: RHP, ICICI Direct Research

Exhibit 15: Cash flow statement (₹ crore)

Cash Flow (₹crore)	FY18	FY19	FY20
PBT	501.5	686.3	992.9
Operating profit before working capital change	552.7	762.7	1,025.0
Changes in working capital	-193.4	-353.9	-79.9
Income tax paid	-157.1	-223.5	-244.1
CF from operating activities	**202.1**	**185.3**	**700.9**
(Purchase)/Sale of Fixed Assets	-85.0	-135.2	-170.8
Interest Received	24.4	39.8	43.4
Investment in bank deposits	-298.2	-218.7	-638.7
CF from investing activities	**-358.8**	**-314.1**	**-766.1**
Proceeds from issue of share capital	397.7	0.0	0.0
Buyback of shares	-397.7	0.0	0.0
Adj. of Loan	-0.6	-0.6	-0.7
Interest Paid	-3.1	-2.5	-6.2
Dividends Paid			
Other Financial Activities			
CF from financing activities	**-3.8**	**-3.1**	**-6.9**
Net Cash Flow	-160.5	-132.0	-72.0
Opening Cash	533.1	372.6	240.6
Closing Cash Flow	**372.6**	**240.6**	**168.6**
FCF	117.1	50.1	530.2

Source: RHP, ICICI Direct Research

Exhibit 16: Key Ratios

Ratio Sheet	FY18	FY19	FY20
Per share data (₹			
Diluted EPS	19.7	27.7	47.3
Cash EPS	24.5	32.7	53.1
BV per share	147.6	175.3	223.3
Cash Per Share	41.1	46.1	81.2
Operating Ratios (%)			
Gross Profit Margins	59.1	58.1	58.1
EBITDA Margins	33.0	34.6	36.3
PAT Margins	19.8	22.1	29.4
Inventory days	115.3	162.8	104.8
Debtor days	106.9	90.4	83.4
Creditor days	65.6	79.7	34.5
EBITDA Conversion Rate	37.8	26.2	73.4
Return Ratios (%)			
RoE	13.3	15.8	21.2
RoCE	20.8	24.6	27.2
RoIC	28.7	32.5	42.7
Valuation Ratios (x)			
EV / Sales	14.7	11.6	8.8
EV/EBITDA	44.5	33.6	24.3
Market Cap / Sales	15.1	12.0	9.3
P/E	76.3	54.2	31.7
Price to Book Value	10.2	8.6	6.7
Solvency Ratios			
Debt / EBITDA	0.0	0.0	0.0
Debt / Equity	0.0	0.0	0.0
Net Debt/ Equity	-0.3	-0.3	-0.4
Current Ratio	4.6	4.4	7.9
Quick Ratio	3.2	2.7	5.8
Asset Turnover	1.6	1.9	2.3

Source: RHP, ICICI Direct Research

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