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OVERVIEW

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- Ajanta Pharma is a specialty pharmaceutical formulation company engaged in the development, manufacture and marketing of quality finished dosages.
- The company maintains a global presence, while generating the vast majority of its revenue in Africa and India
- Ajanta's strategy aims to successfully select molecules and products for development while enhancing its research and development capabilities.
- The company works to develop formulations in different dosages such as tablets, cream, capsules, liquid, and lotion.

KEY STRENGTH

- Basket of over 300 products in India.
- Have a total of 36 products on the shelf in the US markets.
- Once again surpassed industry with 8% growth.
- Diversified exposure of exports business that gives the strength to perform persistently.
- 68% of sales coming from branded generics from diversified markets of 30 countries across India, Asia and Africa.

ACHIEVEMENTS

- Launched 21 new products in the Indian market, out of which, 5 were 1st to Market.
- Received 12 ANDA approvals from US and commercialised 9 products during the year
- Improved company ranking in IPM to 28th from 30th last year.
- International business for FY 2021 grew by 14% and it was backed by robust growth of 9% in branded generics markets of Asia (excluding India) and Africa, 24% in the US generics and 11% in anti-malaria institutional business.

GROWTH DRIVERS

- Customized market Specific Product Portfolio
- Many 1st to market Products.
- Leveraging brand power of their key products.
- 10 to 12 Abbreviated New Drug Application (ANDAS) filing in US every year.

INDUSTRY vs. AJANTA PHARMA (FY 2020-21)

- Indian Pharma: Industry growth was 4% during the year, whereas Ajanta pharma growth was 8%.
- Ophthalmology: Industry growth was -1%, but Ajanta Pharma growth was 1%.
- Cardiology: Industry growth during the year was 13%, whereas Ajanta pharma has grown 14%.
- Dermatology: industry growth was 6% and Ajanta Pharma growth was 8%.
- Pain Management: Industry growth was -1%, whereas Ajanta Pharma growth was 18% during the year.

FINANCIAL HIGHLIGHTS

- India business grew by 6%, whereas the emerging markets branded generics revenue grew by 9%.
- generics business in the US achieved a healthy growth of 24% during the year
- Institutional sales in Africa also saw a growth of 11%.
- Revenue from operations grew by 12% to Rs. 2,890 cr.
- EBITDA grew by 46% to Rs. 999 cr.
- Net profit for the year grew by 40% to Rs. 654 cr.
- RoNW saw an improvement of 400 basis points at 23% in FY 2021 against 19% in FY 2020.

Disclaimer: The analysis is only for information purposes only. Please consult your financial advisor, agent and broker before acting on any information. We may or may not have positions in the stock. We would not be responsible for the profit/loss resulting from this analysis.

Growth Rates % (Compound Annual)	1 Yr	3 Yr	5 Yr	10yr
Revenue	5.3	-2.3	5.4	3.9
Operating Income	-	8.0	17.0	-0.5
Earnings/Share	854.8	0.1	18.0	5.3
Dividends	-9.1	-19.0	7.4	12.8
Book Value/Share	8.6	2.3	2.6	3.0
Stock Total Return	257.9	20.2	20.1	7.8
Market +/-	222.5	4.2	9.4	-1.1

Valuation Ratio	Current	5Yr Avg	Ind	Mkt
Price/Earnings	12.2	21.3	14.9	15.2
Forward P/E	-	-	-	-
Price/Cash Flow	9.0	12.4	-	9.9
Price/Free Cash Flow	20.3	37.6	-	-
Dividend Yield %	3.3	6.6	1.0	2.8
Price/Book	1.8	1.0	1.7	2.1
Price/Sales	2.0	1.6	0.8	-

Profitability Ratio	Current	5Yr Avg	Ind.	Mkt.
Return on Equity	-	9.8	11.7	15.4
Return on Asset	-	7.0	4.3	5.6
Gross Margin	43.5	40.8	29.6	-
Operating Margin	16.5	10.7	11.4	-
Net Margin	16.4	10.7	5.4	21.4
Inventory Turns	-	4.2	3.6	-
Fixed Asset Turns	-	1.1	1.8	-

Financial Position (INR)	03-20(Mil.)	03-21 (Mil.)
Cash	185	2,135
Inventories	16,969	14,763
Receivables	—	—
Current Assets	45,578	43,063
Fixed Assets	88,384	91,690
Intangibles	731	675
Total Assets	1,45,481	1,47,089
Payables	6,322	8,115
Short-Term Debt	123	461
Current Liabilities	27,200	20,498
Long-Term Debt	-	-
Total Liabilities	45,616	40,299
Total Equity	99,865	1,06,790

Source: Company filings & Analyst Research