



BLAZING PICKS

FREQUENCY	ALLOCATION	DURATION	APPROX RETURNS	RISK	MAX OPEN CALLS
Every Monday	20% of capital on every call	3 months	15-20%	<10%	5

SALIENT FEATURES:

- 👍 Allocation based product – 20% of capital on every call
- 👍 For Short to Medium term clients
- 👍 Mid Cap & Large Cap quality stocks
- 👍 Company with growth prospects and compliance free
- 👍 Moderate risk product

Key Data

NSE / BSE Code	ASTRAZEN/ 506820
Sector	Healthcare
Industry	Pharmaceuticals & Drugs
Face value / Book Value (₹ per share)	2 / 128.1
Dividend yield	-
52 H/L (₹)	2399 / 1307
Market Cap. (₹ mn)	3,766
Shares Outstanding (mn)	25.0
6M Avg Traded Volume	276,531

Key Ratios

	Mar15	Mar16	Mar18	Mar19
P/E (x)	71.6	18.8	14.5	6.9
P/B (x)	2.4	1.7	1.5	1.3
EV/Sales	0.5	0.5	0.5	0.4
EV/EBITDA	18.3	8.1	6.5	4.2
ROCE	3.8%	18.7%	18.7%	26.5%
ROE	3.4%	10.6%	11.1%	20.0%

Earnings Summary

(In ₹ mn)	Mar15	Mar16	Mar18	Mar19
Net Sales	5,699	5,487	5,720	7,283
Sales Growth	10.2%	-3.7%	4.3%	27.3%
EBITDA	164	369	463	713
EBITDA Margin	2.9%	6.7%	8.1%	9.8%
PAT	53	201	259	545
PAT Margin	0.9%	3.7%	4.5%	7.5%
EPS (₹)	2.1	8.0	10.4	21.8

AstraZeneca Pharma India Ltd. CMP: 2239

► AstraZeneca Pharma India (AZPIL) incorporated on 11 July, 1979 is engaged in the business of manufacturing and marketing pharmaceutical products in healthcare segments namely gastrointestinal, cardiovascular, cancer, respiratory, neurosciences and infection. AstraZeneca Pharma India is a subsidiary of AstraZeneca Pharmaceuticals AB, Sweden, which is an indirect subsidiary of AstraZeneca PLC.

► Company's manufacturing facility is located at Bangalore. Company has sales outlet located at Ahmedabad, Bangalore, Chennai, Cuttack, Dehradun, Delhi, Ghaziabad, Guwahati, Secunderabad, Indore, Jaipur, Kochi, Kolkata, Lucknow, Mumbai, Patna, Ranchi, Vijayawada, Chandigarh, Panchkula and Zirakhpur. AstraZeneca (Parent Company) AstraZeneca is amongst the leading pharmaceutical companies in world. Headquartered at UK, company has its R&D facilities located in Sweden, USA, Japan and India. Company markets its product to over 100 countries, employs over 65,000 people worldwide. AstraZeneca spends over US\$ 3.4 billion a year on R&D activities including Discovery Research

► **Planned healthy pipeline:** Armed with \$90-million investment from the parent, pharma multinational AstraZeneca will be launching newer drugs across three therapeutic areas — cardiovascular, diabetes and respiratory for the Indian market. The new investment will support scientific data generation to improve the standard of care of non-communicable diseases (NCDs) in India. The investment will be spread over a period of five years. The drugs introduced in the country are now able to prolong patients' lives twice the number of months than before.

► **Focus on NCDs:** 'Data' will be one of the most important aspects in therapeutics and has identified areas in digital therapeutics that will contribute to better healthcare in NCDs. More initiatives are in the pipeline to ensure that AstraZeneca will continue to be one of the most effective contributors in the management of NCDs in India and the world.

► **Strong quarterly performance:** AstraZeneca has been a strong performer. It has doubled profit in previous three quarters. The company posted revenue of Rs. 204.5, growing 26.7% in June quarter in YoY basis. At operating level, the company has doubled EBITDA from Rs. 12.7 cr in Q1FY19 to Rs. 38.6 cr in Q1FY20. This was mainly due to strong operating leverage. The topline growth was driven by strong upmove by new medicines (Tagrisso, Imfinzi, Lynparza, Calquence, Farxiga, Brilinta, Lokelma, Fasenna and Bevespi). At last, the company more than doubled its profit from Rs. 6.4 crs to Rs. 21.5 crs in June quarter.

► **Valuation:** Currently, the company is trading the PE multiple of 80.2x FY19. We recommend a buy on AstraZeneca Pharma India with the price **target of Rs. 2511**

Source: Company, ACE Equity, Dealmoney Research

Dealmoney Research

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