

RATING

BUSINESS	★★★★
FINANCIALS	★★★
VALUATION	★★★
MANAGEMENT	★★★★

Ranking 1 to 5, denoting 1 lowest and 5 highest



FIN2RESEARCH
Investment Advisor Pvt. Ltd.



SECTOR - PHARMACEUTICALS

CMP : ₹1983

RATING -BUY

UPSIDE : ₹15%

TARGET : ₹2270

5th August, 2024

ABOUT

Mankind Pharma Limited ranks as the fourth-largest innovative pharmaceutical company in India. The company is dedicated to the formulation, development, and marketing of pharmaceutical and consumer healthcare products. With a vision of providing quality products at affordable prices, Mankind Pharma caters to even the most remote areas of the country through its extensive network of field force and doctor coverage. Incorporated in 1995, Mankind Pharma Limited develops, manufactures, and markets pharmaceutical formulations across various acute and chronic therapeutic areas, in addition to a range of consumer healthcare products.

KEY HIGHLIGHTS

The acquisition of BSV Group (formerly Bharat Serum & Vaccines Ltd) has narrowed down to a competition between Mankind Pharma and Europe's leading buyout group, EQT, in partnership with the Abu Dhabi Investment Authority (ADIA). Both parties have submitted definitive offers earlier this week to purchase the company from its current private equity owner, Advent International, at an estimated valuation of Rs 14,000 crore (\$1.6 billion), according to informed sources.

With a 62.2% increase from Rs 294 crore in the same time the previous year, Mankind Pharma announced a total net profit of Rs 477 crore for the quarter ending March 31, 2024. Operational revenue increased from Rs 2,053 crore to Rs 2,441 crore, a 19% increase year over year. Consolidated profit after taxes (PAT) for the entire fiscal year was Rs 1,942 crore, up from Rs 1,310 crore in FY23. Revenue increased to Rs 10,334.77 crore from Rs 8,749.43 crore in FY23. While expenses rose year over year from Rs 1,726 crore but reduced sequentially to Rs 1,964 crore from Rs 2,119 crore in the preceding quarter, other revenue nearly doubled to Rs 92.13 crore.

The company has demonstrated its openness to acquisitions, highlighted by its remarkable performance in the fourth quarter. It continues to seek opportunities in the chronic, consumer, and high entry barrier segments, aligning with its existing portfolio. To support this strategic objective, the board has approved the issuance of Rs 7,500 crore through equity shares.

Enhancing prescription value in key markets is one of the company's growth goals. By entering new markets and growing its presence in established therapeutic areas like diabetes and respiratory, as well as CNS, transplant, urology, and oncology, it hopes to get a larger market share in the chronic segment. Leveraging brand equity, implementing Rx to OTC switches like HealthOK, embracing new distribution methods, digitizing through e-commerce platforms, and utilizing AI-assisted sales platforms are other development drivers. Through hospital partnerships, specialist divisions, and engagement with Key Opinion Leaders, the organization will establish a foothold in Metros and Tier I cities. Last but not least, it intends to offer over 130 SKUs of DMF-quality medications at Indian costs.

KEY RISKS

Reliance on China

The industry's reliance on bulk medication presents a significant risk because any interruption in the supply chain could have far-reaching effects. It is imperative to diversify the sources of bulk pharmaceuticals in order to prevent potential interruptions and guarantee industry stability.

Fake Medical Supplies

The effectiveness and efficiency of genuine medications are compromised by the presence of counterfeit medications along the whole value chain, seriously endangering patient health.

Skilled Labor Force

The scarcity of skilled labor in India affects multiple industries, including the healthcare industry, potentially impeding the expansion of healthcare services' market share in the country.

Stock Info	
Mkt Cap (in Cr)	79,445.95
52-weeks high	2490
52-weeks low	1683.05
No. of eq shares (Cr)	40.12
Face Value	1
Bse Code	532343
Nse Code	MANKIND
Free Float Mcap (Cr)	18,268.42

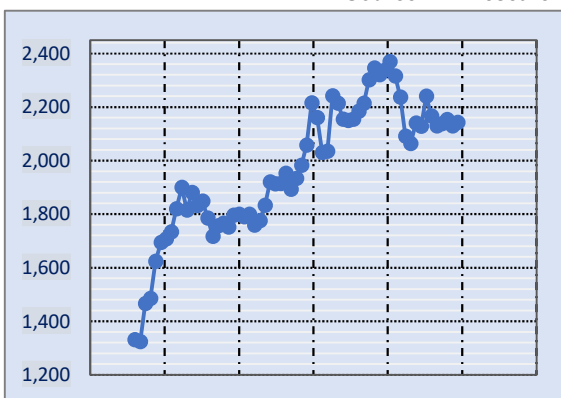
Source- Nse/Bse

Investor Type	Shareholding
Promoter & Promoter Group	74.87
Institutions Domestic	9.94
Central/ State Government	-
Institutions Foreign	11.58
Non Institutions	3.61
Total	100.00

Source- Nse/Bse

in ₹ Lacs Except Per Share Data		
Particulars	Mar-23	Mar-22
P/E	48.25	44.45
P/S	8.92	6.51
P/CF	42.82	31.42
P/BV	9.62	7.47
EV/EBIT	41.65	35.38
EV/EBITDA	35.11	29.31
EPS -D	47.68	32.00
CMP	2300.75	1422.30
NAV/BV	239.04	190.30
MKT CAP	92,16,538.53	56,97,569.38

Source- Fin2research



BUSINESS OVERVIEW

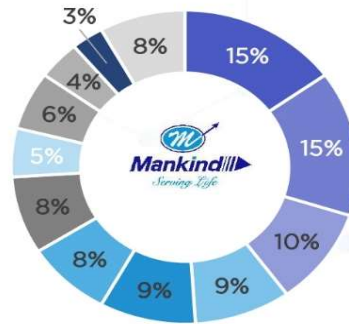
Mankind Pharma Limited is a pharmaceutical firm situated in India. The company is involved in the development, production, and marketing of a wide range of consumer healthcare goods in addition to a variety of acute and chronic therapeutic areas and pharmaceutical formulations. Its portfolio includes formulations in multiple therapeutic areas, including pain/analgesics, dermatology, gynecological, respiratory, cardiovascular, gastrointestinal, vitamins/minerals/nutrients, and anti-diabetic. Hormones, antiviral, sex stimulants/rejuvenators, parenteral, anti-tuberculosis, urology, ophthalmology, antiparasitic, stomatological, antineoplastic/immunomodulator, hepatoprotective, anti-malarial, blood-related, and vaccines are some of its other therapeutic fields. Its brand portfolio consists of the following: Candiforce, Mahacef, Dydrobion, Cefakind, Zenflox, Monticope, Dynaglipt, Gudcef, Moxikind, Asthakind, Glimestar, Asthakind, Codistar, and others.

Mankind entered the consumer healthcare sector in 2007 and rapidly established its reputation by diversifying its brand portfolio, enhancing brand equity and recall. The consumer healthcare market reached approximately INR 18,500 crore in FY24. Mankind's revenue in this sector grew modestly by 2%, from INR 692 crores in FY23 to INR 706 crores in FY24. It is now broadening its OTC offerings beyond sexual wellness and pregnancy care to encompass a wider range of consumer wellness products. In FY24, Consumer Healthcare contributed 7% of total sales.

Mankind Pharma has diversified its product line from generic pharmaceutical formulations and consumer healthcare to new ventures. They launched Pet Star, a pet-focused brand offering a wide selection of food, medications, and vitamins. In 2022, the company expanded into the agritech sector, focusing on specialized organic products and leveraging its strong brand presence and extensive reach in rural India. Additionally, Mankind Pharma entered the Ayurvedic market by acquiring Upakarma, allowing them to offer products such as Shilajit, Ashwagandha, and Kesari.

❖ **Mankind Pharma** Limited has agreed to acquire **Bharat Serums and Vaccines Limited (BSV)** from **Advent International** for **Rs 13,630 crore**.
Rajeev Juneja, Managing Director and Vice-Chairman of Mankind Pharma, expects BSV's turnover to reach Rs 5,000 crore within three to four years, leveraging Mankind's marketing strength. BSV reported FY24 revenues of ₹1,723 crore, with a 20% year-over-year growth and 28% adjusted EBITDA margins. The company has experienced a 21% revenue CAGR over the past three years.

Q4FY24 - Sales Mix representing Diversified Therapy Presence



- Anti-Infectives
- Cardiovascular
- Gastro Intestinal
- Respiratory
- Anti Diabetic
- VMN
- Gynaecology
- Dermatology
- Urology
- Pain / Analgesics
- Neuro / CNS
- Others

COMPANY OFFERINGS

Consistently expanding to specialty and super specialty



Mankind Pharma Domestic

From mass market to consumer to specialty chronic

Mass Market
(Acute/ Chronic / Semi Chronic)

Specialty Chronic
(Cardio / Diabeto / CNS)

Consumer Healthcare (OTC)

BSV - Super Specialty

- ₹ INR 8,816 Cr Domestic Revenue (FY24)
- 1.4x Revenue Growth vs IPM (FY20-24)
- #4 / #2 Rank in IPM / CVM Volume (FY24)
- 16,000+ Field Force 23 Brands >100 Cr in FY24

- 28% / 36% Increase Chronic Share (FY18 / FY24)
- 10+ divisions launched to focus on Specialty Chronic
- Acquired the specialty Onco and Transplant brands from Panacea
- 4 In-licensed super specialty Chronic products from MNCs- Neptaz, Symbicort, Inclisaran and Vonoprazan

- ₹ -INR 706cr Revenue (FY24)
- 4 Brands Ranked #1 in Consumer Health
- >30% MS in Condoms
- 85%/60% MS in Pregnancy Test Kits/ Emergency Contraceptive

- ₹ -INR 1,723 Cr/28% Revenue/Adj. EBITDA Margin (FY24)
- High entry barrier portfolio with specialty R&D tech platform
- Ranked #1/#2 in 9 of the top 10 fast growing brands with limited competition in India
- Recombinants, Niche Biologics, Novel Delivery and Immunoglobulins
- Brands across the Women's Health Lifecycle in India; Comprehensive Fertility drug portfolio globally

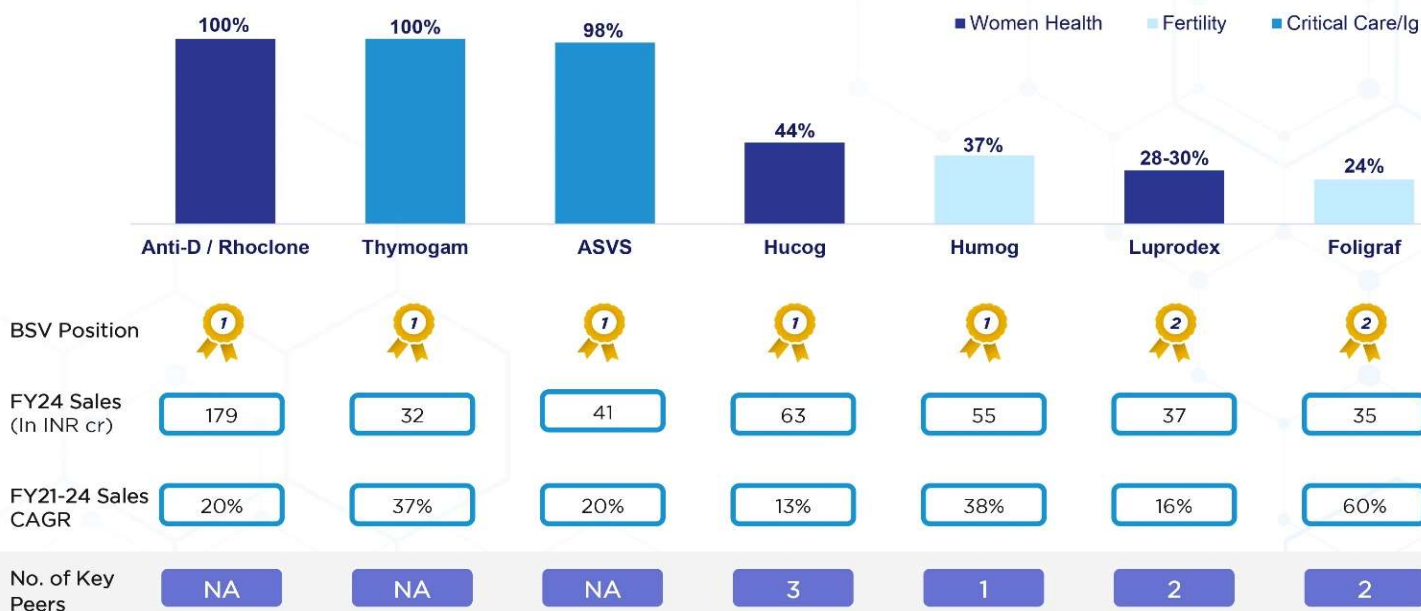
Mankind has consistently evolved having a comprehensive portfolio across the pharma value chain

EXPANSION TOWARDS SPECIALITY PORTFOLIO

Therapy Area	Brand Launched (Year)	Indication	Reference Market Size (INR Cr)	Market 5 Year CAGR	Rationale
CARDIAC	Neptaz # (2023)	Heart Failure	626 ¹	21%	<ul style="list-style-type: none"> • Neptaz - In-licensed from Novartis. Strong Revenue and Volume growth. Ranks in the top 5 in its market. • Crenzlo - In-licensed from Novartis, to foray into the latest generation lipid-lowering injectables through the patented drug 'Inclisran'.
	CRENZLO # (2024)	High LDL Cholesterol	5,576	12%	
ANTI-DIABETIC	Nobeglar # (2023)	Type 1 and 2 Diabetes	4,450	6%	<ul style="list-style-type: none"> • In-licensed from Biocon, to foray in niche insulin category. • Launch of the year, with 1 lakh+ prescriptions within one year.
RESPIRATORY	Combihale # (2022)	Chronic Obstructive Pulmonary Disease (COPD)	4,596	14%	<ul style="list-style-type: none"> • Combihale - acquired from DRL, to foray into the rapidly growing inhaler market. • Symbicort - Exclusive distribution agreement with AstraZeneca for India, marking our entry into the premium inhalation segment.
	Symbicort # (2024)				
DERMA	Daffy # (2022)	Paediatric Skin and Hair care	2,665	15%	<ul style="list-style-type: none"> • Daffy, acquired from DRL, strong growth continues since its acquisition in 2022. • Foray into the infant skin and hair care category within the emollients section growing by 1.5X of IPM over the last 5 years.
GASTRO INTESTINAL	VONATIME VONALONG # (2024)	Gastroesop hageal Reflux Disease (GERD)	8,064	8%	<ul style="list-style-type: none"> • Vonoprazan - In-licensed from Takeda, we aim to improve the quality of life for those suffering from acid-related illnesses. • GERD prevalence in the Indian population is -8.2%, with a higher prevalence of around 11.1% in the urban population.

Foray into Onco and Transplant business through acquisition of Panacea

BSV HIGH ENTRY BARRIER PORTFOLIO - BSV Market Share Domestic (FY24)



TOP EARNING BRANDS

21 of Mankind's brands fall in IPM's top 300 brands with 40, 23 and 11 brand families above INR 50 crore, INR 100 crore and INR 200 crore, respectively.

Out of Top 21 brands, 19 brands rank among the Top-3 in their respective categories.

41%

Revenue from Top 21 brands (above INR 100 Cr) in FY 2024.

MARKET SHARE % in FY 24

Brand	Revenue (INR Cr)	CAGR FY21-24	MARKET SHARE % in FY 24	RANK
Manforce*	490.9	24.7%	47.5%	1
Moxikind-CV	382.1	20.7%	9.7%	3
Unwanted-Kit	246.5	15.0%	51.0%	1
Amlokind-AT	240.6	13.5%	34.8%	1
Prega News	223.8	19.3%	83.9%	1
Dydroboon	209.3	35.2%	17.6%	2
Gudcef	201.1	23.7%	15.1%	2
Candiforce	195.6	1.2%	20.7%	1
Glimestar-AM	190.4	9.9%	5.7%	5
Nurokind-Gold	155.2	12.3%	7.1%	1
Telmikind-AM	145.4	27.0%	13.3%	2
Nurokind-LC	138.9	9.9%	53.3%	1
Cefakind	137.0	22.4%	15.7%	2
Telmikind-H	136.4	12.6%	15.3%	2
Nurokind Plus-RF	132.7	3.7%	9.1%	2
Telmikind	131.8	12.3%	11.0%	2
Vomikind	129.4	25.4%	24.9%	2
Gudcef-CV	119.7	24.0%	16.8%	1
Unwanted-72	116.3	12.0%	60.3%	1
Monticope	115.9	19.1%	7.6%	3
Asthakind-DX	115.1	32.5%	4.7%	6

- Gastro/VMN
- Cardiac
- Gynaec
- Anti-Infectives
- Derma
- Respiratory
- Anti-Diabetic
- Consumer

Source: IQVIA TSA MAT March 2024

*as per IQVIA TSA MAT Mar'24 which primarily includes Manforce Tablets. As per IQVIA retail, Manforce Condom has a market share of 30%.

PRODUCT BASKET

Highest Selling Domestic Formulations

- NUROKIND
- CEFAKIND
- Ashthakind
- GLIMESTAR - M
- Candiforce

Key Consumer Healthcare Brands

- MANforce
- Prega News
- UNWANTED-72
- GAS-O-FAST
- Health OK
- AcneStar

COMPANY BOARD



Mankind Pharma Limited is led by Mr. Ramesh Juneja, who also serves as its full-time director. He has been a part of the business since its founding and serves as its founder and promoter. Mr. Juneja, who has worked in the pharmaceutical sector for more than 33 years, has been essential to the growth and success of the business. Among his noteworthy achievements are being named an Ernst & Young finalist for "Entrepreneur of the Year" in 2009 and winning the Entrepreneur of the Year title at the ET Awards in 2023.



Mankind Pharma Limited has Mr. Rajeev Juneja as its vice-chairman and managing director. Since December 1992, he has been connected to Mankind Pharma as a Promoter of the business. His profound knowledge of the pharmaceutical industry, gained from more than 31 years of experience in the field, is a major factor in the company's success. At the 2023 ET Awards, Mr. Juneja received the Entrepreneur of the Year prize.



At Mankind Pharma Limited, Mr. Sheetal Arora holds the positions of Chief Executive Officer and Whole-Time Director. Since September 2007, he has been connected to Mankind Pharma as a Promoter of the business. He graduated with a bachelor's degree in commerce from Srikrishnadevaraya University in Anantapur, and he has worked in the pharmaceutical sector for more than 16 years.



Since January 2020, Mr. T. P. Ostwal has been a part of Mankind Pharma Limited as an Independent Director. In addition to being a senior partner with the chartered accounting company T.P. Ostwal & Associates LLP, he is a member of the Institute of Chartered Accountants of India. As a member of the advisory group that created India's transfer pricing regulations, Mr. Ostwal made a substantial contribution. In addition, he is an Independent Director on the boards of several companies, including Intas Pharmaceuticals Limited, Polycab India Limited, and Oberoi Realty Limited.



Ms. Vijaya Sampath joined Mankind Pharma Limited in August 2022 and is currently an Independent Director. She graduated from the University of Madras in Chennai with a bachelor's degree in English literature and from the University of Mysore with a bachelor's degree in law. In addition, she is a fellow member of the Indian Institute of Company Secretaries. Ms. Sampath has chaired the Committee on Corporate Laws of the Federation of Indian Chambers of Commerce and Industry and has a wealth of experience in corporate law and advising. In addition, she is an Independent Director on the boards of several companies, including Craftsman Automation Limited, Intellect Design Arena Limited, Safari Industries (India) Limited, and VA Tech Wabag Limited.



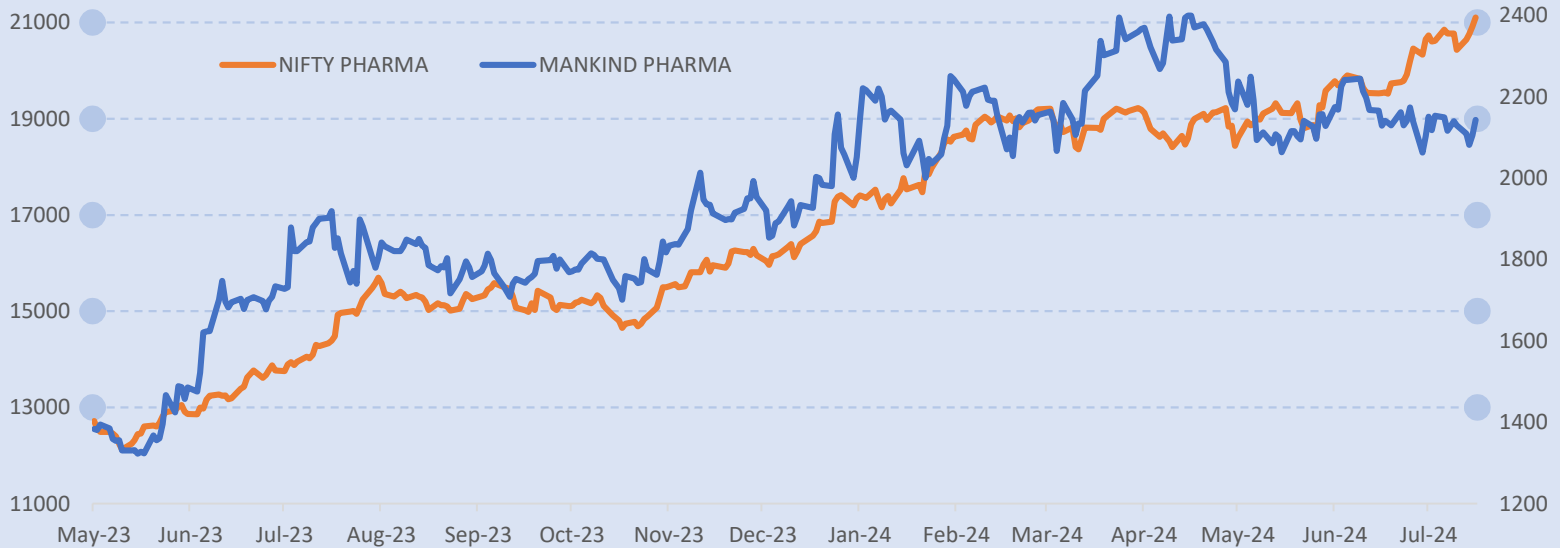
Since August 2018, Mr. Bharat Anand, an Independent Director of Mankind Pharma Limited, has been connected to the business. He graduated with honors from Jesus College, Cambridge University, with a bachelor's degree in law and an arts bachelor's degree in economics from the University of Delhi. He was named one of India's Top 100 Lawyers by India Business Law Journal in 2021 and acknowledged as a band 2 lawyer for Corporate/M&A by Chambers Asia-Pacific in 2022. In addition to being an Independent Director on the boards of Syrma SGS Technology Limited and JK Papers Limited, Mr. Anand is a Partner at Khaitan & Co LLP, Delhi.



Having been connected to Mankind Pharma Limited since August 2022, Mr. Vivek Kalra serves as an Independent Director. He graduated with an MBA from Leland Stanford Junior University and a Bachelor of Technology (Electrical Engineering) from the Indian Institute of Technology, Bombay. Mr. Kalra is a director of Singular Capital VCC, Singapore, and a partner at Singular Capital India Advisors LLP.



Mr. Satish Kumar Sharma joined Mankind Pharma Limited in September 2016 and currently serves as a Whole-Time Director. He graduated from Gulbarga University in Karnataka with a bachelor's degree in pharmacy and has worked in the pharmaceutical industry for more than 17 years.



PERFORMANCE RETURN - CAGR%

Particulars	0.5y	1.0y	2.0y	3y	5y
MANKIND PHARMA	11%	12%	-	-	-
NIFTY PHARMA	45%	47%	-	-	-

SEGMENT BREAK UP

STANDALONE

Type of goods & service	Mar-24	In %	Mar-23	In %
Pharmaceutical and healthcare products	9,21,854.64	99.51	8,08,253.60	99.53
Sale of services and out-licensing fees	4,511.49	0.49	3,803.89	0.47
Total revenue	9,26,366.13	100.00	8,12,057.49	100.00

Geographical information	Mar-24	In %	Mar-23	In %
Within India	8,61,416.33	92.99	7,94,105.51	97.79
Outside India	64,949.80	7.01	17,951.98	2.21
Total revenue	9,26,366.13	100.00	8,12,057.49	100.00

CONSOLIDATED

Type of goods/services	Mar-24	In %	Mar-23	In %
Pharmaceutical and healthcare products	10,21,115.38	98.81	8,69,218.68	99.42
Services income and out-licensing fees	10,157.70	0.98	1,646.26	0.19
Real estate projects	2,089.58	0.20	3,420.53	0.39
Total revenue	10,33,362.66	100.00	8,74,285.47	100.00

Geographical information	Mar-24	In %	Mar-23	In %
In India	9,52,017.15	92.13	8,44,702.35	96.62
Outside India	81,345.51	7.87	29,583.12	3.38
Total revenue	10,33,362.66	100.00	8,74,285.47	100.00

MANKIND STRATEGIES FOR GROWTH

Increasing CVM Share through New Launches and Market Diversification

The company's CVM share has consistently increased from 62% in FY18 to 68% in FY23, and further to 69% in FY24. To understand this growth, it is essential to examine the key products introduced over the past three years.

Strategic products launched in Key Therapies in FY22 and FY23

Therapy	Key Brands Launched	Therapy	Key Brands Launched
Respiratory	Air Space	Gynaec	Ovaflo-Q10
Neuro / Cns	Ecitelo	Anti-Infectives	Pizowave
Anti Diabetic	Gliptagreat D	Anti Diabetic	SGLTD-S
Cardiac	Neptaz*	Anti Diabetic	Sitaday
Derma	Nuforce-Gm	Respiratory	Combihale

Strategic products launched in Key Therapies in FY24

Therapy	Key Brands Launched	Therapy	Key Brands Launched
Antineoplastics	Pacliall	Anti Diabetic	Gliptagreat
Antidiabetics	Glizid	Gynaec	Ovanews
Pain / Analgesics	Nimulid	Hormones	Thyroneed
Anti Diabetic	Nobeglar*	Vitamins/Minerals/ Nutrients	Vitakind
Cardiac	Arnisac		
Gynaec.	Ferikind		

Source: *In-licensed

Source : Annual Report

Volume-Focused Growth

The company's growth has been influenced by regulatory limits on Codistar and increased competition in Dydrogesterone. However, these challenges have been partially mitigated by notable advancements in Modern trade, which are not captured by IQVIA data, indicating strong underlying progress. Looking ahead, the company is optimistic about surpassing the industry growth rate in volume, continuing the trend of past performance.

IPM Growth vs Mankind Growth rate (%)

Volume CAGR Growth FY 20-24 (%)

Volume Growth FY24 (%)

150 Crores+
Medicine strips sold in FY24



60 Lakhs+
Prescriptions Added in FY24

Source : Annual Report

Consistent Growth in Chronic Share

The company has achieved consistent growth in its chronic share, supported by the establishment of a new division and the launch of innovative products.

Mankind's chronic share (%)

Chronic CAGR Growth FY 20-24 (%)

Chronic Growth FY24 (%)



Source : Annual Report

Scaling up Brands

Brand Families > 50 Cr



Brand Families > 100 Cr



Brand Families > 200 Cr



Source : Annual Report

Improving Productivity and Efficiency

The company is committed to enhancing productivity through the following strategies:

- Automation and Digitization:** Efforts are underway to automate and digitize the entire process, from vendor evaluation to delivery to end customers. Several projects are in the pipeline (refer to page 56 for details).
- Elevating PCPM:** There is a specific focus on increasing the PCPM (Productivity, Cost, and Performance Metrics) for divisions established in the last three years, supported by strategic new product launches.

BHARAT SERUMS AND VACCINES (BSV)- ACQUISITION

BSV, which was founded in 1971, is a company that develops, produces, and sells pharmaceutical, biotech, and biological formulations. Its product line includes anesthetics, antitoxins, antifungals, monoclonal antibodies, reproductive hormones, cardiovascular medications, and diagnostic items. The women's health market accounts for three-fourths of its sales, particularly for hormones used in IVF and other assisted reproductive techniques that increase fertility. In addition to antibodies for people who may be immunocompromised owing to illnesses like cancer, a portfolio of serums against snake bites, anesthetics, injectables, and antifungals account for one-fourth of sales in the critical care market. It has wholly-owned companies in the US, Germany, the Philippines, and India in addition to manufacturing facilities in Hyderabad and Mumbai, as well as a research and development (R&D) facility in Navi Mumbai. While the German factory has the ability to manufacture APIs, the Philippines subsidiary serves as a marketing arm. The R&D and clinical trial hub is the US unit. With ₹1,700 crore in revenue, the company generated ₹480 crore in EBITDA in FY24. In FY25, it hopes to reach ₹2,000 crore in sales.



- ✓ The acquisition of **BSV** marks a key moment for Mankind Pharma, reinforcing its leadership in India's women's health and fertility sector. With **BSV's advanced R&D platforms** and specialized portfolio, the company aims to expand its market share in high-barrier areas, capitalizing on the sector's global growth potential. Mankind Pharma's acquisition of BSV will enhance its growth by adding BSV's specialty pharma portfolio and expanding its presence in emerging markets and India. BSV's operations will complement its diverse product range, extensive workforce, and broad doctor network.

UNTAPPED FERTILITY MARKET SCOPE

Penetration Bound to Increase Driven by Strong Macro Tailwinds - Improved Awareness, Accessibility, Affordability of IVF Treatments

WH¹ is \$50-60B Market Globally

Global Infertility Drugs Market to Reach \$10B by 2027...

...With Huge Penetration Headroom



Global Infertility Drugs Market (\$b)	2022	2027E
Fertility overall	\$6.2B	\$9.9B
FSH	\$2.2B	\$3.5B
HMG	\$1.2B	\$2.2B
Leuprorelin	\$1B	\$1.5B
HCG	\$0.3B	\$0.4B



PHARMACEUTICALS SECTOR

OVERVIEW AND DYNAMICS OF THE INDUSTRY

The pharmaceutical industry comprises two main segments: APIs (Active Pharmaceutical Ingredients) and Formulations. APIs, which include both branded and generics, with examples like Anti-infectives, Respiratory, Pain, and Gynecology. Formulations also include both branded and generics, with examples such as Cardiovascular, Anti-Diabetes, Gastro-Intestinal, and Neurological.

APIs/Bulk Drugs

APIs (Active Pharmaceutical Ingredients): These are the active substances in drugs that produce the intended therapeutic effect. APIs can be classified into two main categories:

Generic APIs: These are the active ingredients used in generic drugs, which are copies of branded drugs after their patents expire. They must be bioequivalent to the original branded drug. Examples-- Anti-infectives, Respiratory, Pain and Gynecology.

Branded APIs: These are the active ingredients used in branded drugs, protected by patents and often developed with unique formulations or proprietary technologies.

Bulk Drugs: This term often refers to APIs in large quantities or as intermediates before they are formulated into final drug products.

Developing APIs involves significant complexity, especially for biologics and complex synthetic drugs, but generally requires less research compared to formulations since the focus is solely on the active ingredient. The margin potential for APIs is typically lower due to high competition and price pressures in the bulk drug market. Despite this, there are substantial barriers to entry, including the need for specialized manufacturing facilities, compliance with Good Manufacturing Practices (GMP), and obtaining regulatory approvals.

Formulations

This refers to the final drug products created by combining APIs with excipients (inactive ingredients). Formulations can be classified into:

Generic Formulations: These are copies of branded formulations that have the same dosage form, strength, and route of administration as the original branded product but are sold at lower prices. Example-- Cardiovascular, Anti-Diabetes, Gastro-Intestinal and Neurological.

Branded Formulations: These are original formulations developed and marketed by pharmaceutical companies with unique features or delivery mechanisms. They are protected by patents and often involve significant research and development.

Developing formulations involves complex R&D, including optimizing delivery mechanisms, ensuring stability, and conducting clinical trials to ensure effective and safe API delivery. This process often results in higher margins due to added value from proprietary formulations, branding, and market differentiation, with branded formulations commanding premium prices. The barriers to entry are high, driven by the need for extensive R&D, stringent regulatory compliance, and the substantial investment required for developing and testing new formulations.

DRUG CLASSIFICATIONS

Pharmaceutical drugs can be broadly categorized based on their treatments and usage into two main groups:

1. Consumer Healthcare:

General Ailment Drugs: Over-the-counter (OTC) medications used to treat common, non-prescription conditions such as pain, colds, allergies, and digestive issues.

Examples: Pain relievers (e.g., ibuprofen), antihistamines (e.g., cetirizine), antacids (e.g., ranitidine).

Products: Include oral and skin care products designed for everyday health and hygiene.

Oral Care: Products like toothpaste and mouthwash for dental hygiene.

Skin Care: Treatments for skin conditions and general skincare (e.g., moisturizers, sunscreens).

Supplements: Nutritional products that support general health and fill dietary gaps, including vitamins, minerals, and herbal supplements.

Examples: Multivitamins, omega-3 fatty acids.

Preventive Treatments: Vaccines and other products aimed at preventing diseases and maintaining health.

2. Pharmaceutical Drugs/Prescription Drugs:

Therapeutic Drugs: These are primarily prescription medications used to treat specific diseases and conditions.

Diagnostic Drugs: Used in medical settings for diagnostic purposes, including imaging agents and radiopharmaceuticals.

Palliative Drugs: Prescription drugs used to relieve symptoms in serious or terminal conditions.

Hormonal Drugs: Can include both prescription and some over-the-counter products, depending on their use and regulation.

Rehabilitative Drugs: Often fall under the category of pharmaceutical or specialized healthcare products, used during recovery and rehabilitation.

Supportive Drugs: Includes both prescription medications and over-the-counter products that support overall health and manage side effects.

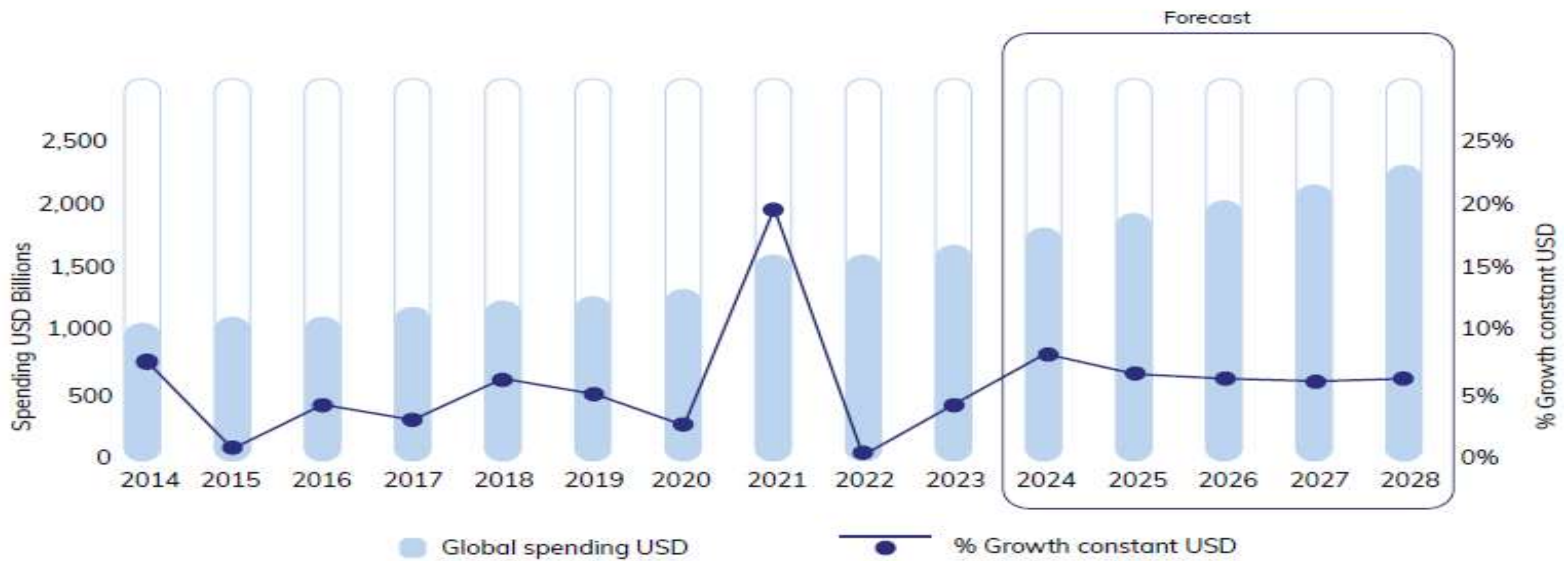
INDUSTRY OVERVIEW

Major markets like North America and Europe, which are acknowledged for their significant contributions to the development of novel medications and larger healthcare spending, dominate the global pharmaceutical business. Brazil, China, and India are among the emerging economies in Latin America and the Asia-Pacific area that are growing quickly as a result of rising volumes and increased use of novel medications in recent years.

The pharmaceutical sector has profited greatly in recent years from the incorporation of cutting-edge technology like artificial intelligence (AI), machine learning, and data analytics. The use of these technologies has accelerated advances in clinical research and medication discovery, resulting in the creation of new treatments for diseases like Parkinson's, Alzheimer's, and migraine.

The global growth in medication utilization is being facilitated by pharmaceutical companies' current focus on enhancing generic medicine accessibility and cost. By 2028, there will be over 3,800 billion defined daily doses (DDDs), up from 3,400 billion in 2023, with a compound annual growth rate (CAGR) of 2.3%. Furthermore, it is projected that the worldwide pharmaceutical industry will reach an estimated value of USD 2,300 billion by the year 2028, growing at a CAGR of 5-8%, including spending on COVID-19 vaccines and therapies.

Global medicine market size and growth 2014–2028 including estimated COVID-19 vaccine and therapeutic spending



Source: The Global Use Of Medicines 2024: Outlook to 2028, IQVIA

Historical and projected use of medicines by region, 2018-2028, Defined Daily Doses (DDD) in billions



Source: The Global Use Of Medicines 2024: Outlook to 2028, IQVIA

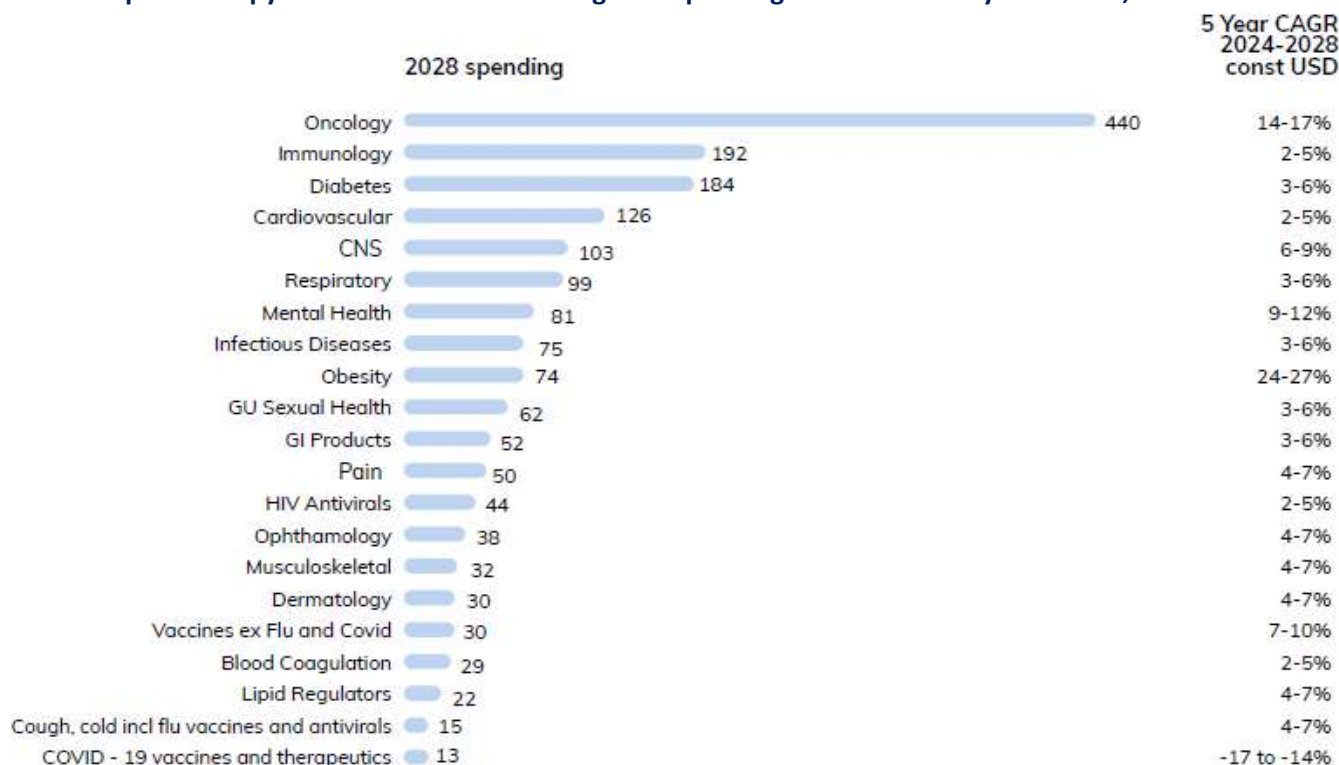
✓ Spending is concentrated more on less expensive generic medications in developing and lower-income nations. These markets have grown as a result of the focus on generics.

Indian Pharmaceutical Industry

The pharmaceutical market in India is estimated to be around USD 50 billion, placing it third globally in terms of volume. It is expected to increase over the next ten years to USD 120–130 billion. Pharmaceutical exports and domestic formulations account for half of the market in this segment of the sector. India, sometimes referred to as the "pharmacy of the world," is a major pharmaceutical exporter and a major driver of the economic expansion of the nation. The nation accounts for 8% of the world's API production sector and 4% of the world's pharmaceutical market. Twenty percent of all generic medications are supplied globally, with low-value generics making up the majority of Indian pharmaceutical exports.

A mix of price rises, volume increases, and the introduction of new products has fuelled this expansion. Growth between FY2012 and FY2018 was mostly driven by volume. But between FY2019 and FY2024, growth has changed to become more dependent on prices. Over the next 25 years, India's population is predicted to increase by 25%, with a 37% increase in urbanization. The need for healthcare services will rise as a result of this. Health risks are expected to rise due to factors like poor food habits, stress, increased life expectancy, and changes in lifestyle.

Top 20 therapy areas in 2028 in terms of global spending with forecast 5-year CAGRs, const USD Bn



Source: The Global Use Of Medicines 2024: Outlook to 2028, IQVIA

Indian Pharma Outlook

The Indian pharmaceutical industry is renowned globally for its generic medicines and low-cost vaccines. Over the years, it has evolved into a dynamic sector, currently ranking third in the world for pharmaceutical production by volume and fourteenth by value. The sector contributes approximately 1.72% to India's GDP. Key segments include generic drugs, OTC medicines, API/bulk drugs, vaccines, contract research and manufacturing, and biosimilars and biologics.

The industry is a major player in global pharmaceutical exports, reaching over 200 countries, including highly regulated markets such as the USA, Western Europe, Japan, and Australia. In FY24, India's pharmaceutical exports totaled USD 27.9 billion, with India supplying about 20% of global generic drug exports.

The biotechnology and pharmaceutical sectors have demonstrated resilience and innovation, particularly during the pandemic. Advances in vaccine technology and treatment methods, along with ongoing research and development, have been crucial. The Union Budget 2023 supports this innovation by promoting research and innovation through Centres of Excellence.

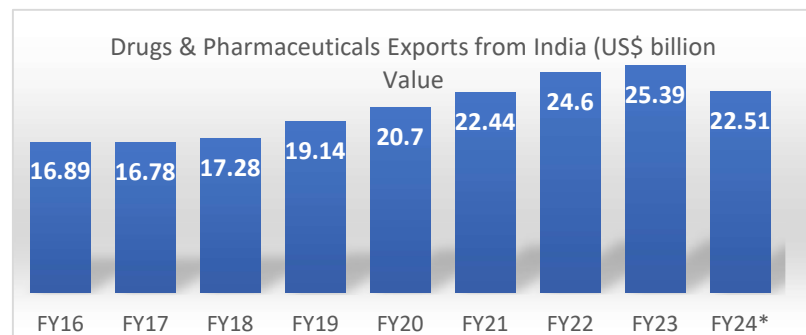
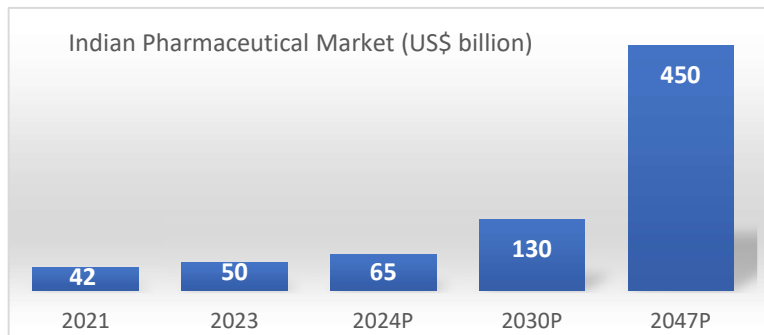
In the Interim Budget 2024-25, the government allocated USD 120 million (INR 1,000 crore) to promote bulk drug parks, a significant increase from the previous year. The total budget for the development of the pharmaceutical industry for FY25 was raised to USD 156.5 million (INR 1,300 crore), and the budget for medical device parks increased to USD 18 million (INR 150 crore).

Consumer Healthcare Market in India

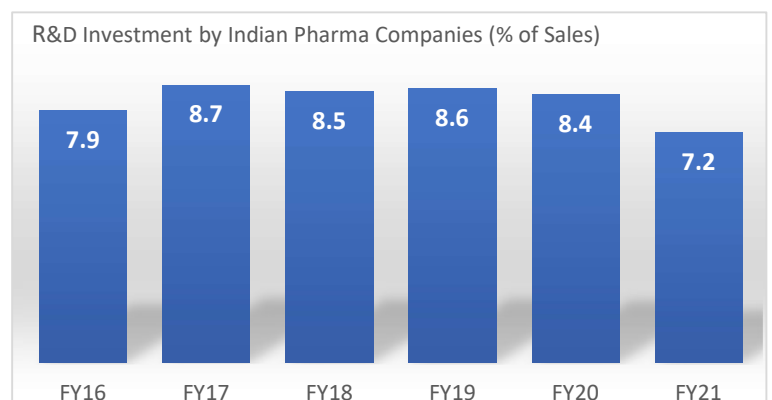
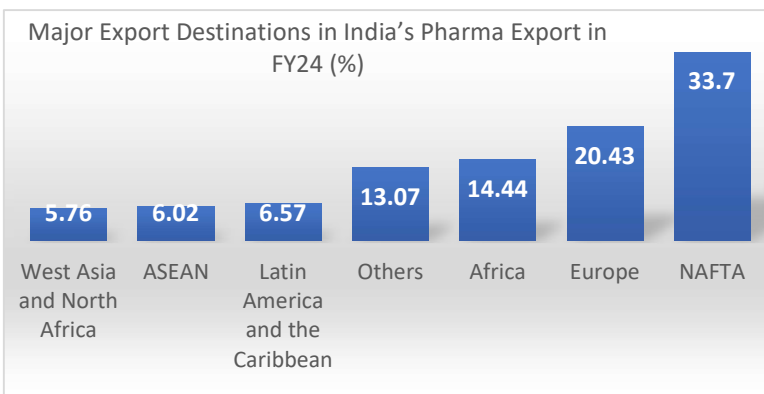
The consumer healthcare market in India covers a broad spectrum of products, including vitamins and dietary supplements for lifestyle wellness, OTC products addressing various therapy areas such as anti-tussives, antacids/gastroenterology, and dermatology, as well as sexual wellness products like condoms and contraceptives. Additionally, the market includes herbal and traditional products, pain management solutions, and oral health and hygiene items. In FY24, the OTC market experienced a growth of 13.1%. The domestic consumer healthcare market is expected to continue expanding due to evolving lifestyle patterns and rapid urbanization.

Strategic growth in the sector is driven by several demand-side factors. Increased consumer awareness about preventive healthcare is leading to greater demand for health and wellness products. Additionally, India's growing population heightens the need for consumer healthcare solutions. Rising incomes are also contributing to increased demand, as are changing lifestyles that favor convenient solutions such as self-medication and accessible products. Moreover, the industry's growth is supported by the rising popularity of e-commerce platforms, which are enhancing market penetration and accessibility.

One of the main supply-side drivers of growth in the consumer healthcare and wellness sector is the application of tailored marketing techniques, especially when it comes to product promotion in regional tongues to better target and grow niche markets. Another important aspect is digitalization; by FY2025, the e-pharmacies market is predicted to expand at a compound annual growth rate of 44% and reach USD 4.5 billion. Innovation is essential because ongoing R&D expenditures result in the creation of innovative drugs that satisfy changing consumer needs. Furthermore, a discernible transition from penetration to premiumization has occurred, as businesses broaden their product offerings and bolster their brand awareness by leveraging the increasing inclination of consumers towards high-end merchandise, ultimately driving market growth.



- ✓ By 2028, net spending in the US pharmaceutical industry is predicted to expand at a rate of 2% to 5%, to reach USD 537 billion. Important fields like immunology, diabetes, obesity, and oncology have experienced rapid expansion. There has been a recent rising trend in cost, even though generic medication prices have generally fallen due to additional approvals and brand exclusivity losses.



US DRUG SHORTAGES

Drug shortages in the US have significantly increased; in the January–March quarter of 2024, they reached a ten-year high of 323 medications across 22 regimens. Important product categories affected by this scarcity include hormones, cancer medications, and anti-infectives. According to the American Society of Health-System Pharmacists, active drug shortages in the US increased to 323 in the first quarter of 2024 after stabilizing at 300–310 drugs during 2023. This situation is emphasized by India Ratings and Research (Ind-Ra) as a great chance for Indian pharmaceutical exporters. In addition to providing opportunity for volume growth, the scarcity implies that price erosion will stay in the single digits for the next 12 to 18 months, which might result in higher returns. The US generics market's price erosion is probably going to remain in the single digits, according to Ind-Ra Director Vivek Jain, mostly because of these shortages.

Due in large part to stable pricing and reduced raw material costs, Indian generic companies vying for US market share demonstrated robust financial success in FY24. The generic drug manufacturing sector has thin profit margins and fierce competition. Many US-based generic pharmaceutical producers have stopped producing financially unsustainable goods because of factors like limited commercial viability, growing regulatory expenses, and purchase concentration. The withdrawal of large generic companies from non-profitable compounds has led to a rise in shortages. These businesses have found it challenging to satisfy unexpected demand due to a lack of extra capacity to control expenses.

It is now difficult for generic medication producers to make money from a commoditized oral-solids portfolio and remain in business due to disruptions in the US pharmaceutical supply chain. As a result, several US-based pharmaceutical companies have ceased their business. The current scenario, made worse by US Food and Drug Administration (FDA) plant raids, offers Indian pharmaceutical companies a fantastic chance to close the gap in the US market.

Government Initiatives and Policies

1. Innovation and Investment:

The trained personnel and well-established infrastructure of the Indian pharmaceutical industry make it a promising destination for substantial foreign investment. The development of pharma and medical device parks has been encouraged by significant funding provided by the government.

Biotech and biosimilar innovation is predicted to increase quickly. By 2025, the biosimilars industry in India is likely to reach USD 12 billion, accounting for a sizeable share of the global pharmaceutical market.

2. Government Assistance:

Scheme for Production-Linked Incentive (PLI): This initiative, which was introduced in September 2020 and has a total budget of ₹15,000 crore (about USD 2.04 billion), encourages manufacturers to create active pharmaceutical ingredients (APIs), drug intermediates (DIs), and crucial key starting materials (KSMs).

Policy related to Foreign Direct Investment (FDI):

Greenfield Projects: Significant foreign investment in new pharmaceutical businesses is made possible by the automatic route, which allows up to 100% FDI. **Brownfield Projects:** Up to 74% of FDI is approved automatically; after that, further government approval is needed to assist the modernization and extension of already-existing facilities. The medications and pharmaceuticals business received a total of USD 22.38 billion in foreign direct investment (FDI) equity inflow from April 2000 to December 2023, which is roughly 3.4% of the total FDI inflow across all sectors.

Notable Trends

Active Pharmaceutical Ingredients (APIs): Market Size and Importance: APIs are a crucial segment, contributing around 35% of the market.

India is the 3rd largest producer globally, accounting for 8% of the global API industry.

Future Outlook: The API market is expected to grow significantly due to increasing global demand and India's focus on becoming self-reliant in API production, reducing dependency on imports.

Generic Drugs: Market Size and Importance: India is a leading producer of generic drugs, contributing to 20% of global exports. The country has the second-highest number of US FDA-approved plants outside the US.

Future Outlook: The generics market will continue to grow due to patent expirations and the increasing global demand for affordable medication. India's strong manufacturing capabilities and cost advantages will sustain this growth.

Biosimilars Market Size and Importance: Biosimilars are a rapidly growing segment, with the market expected to grow at a CAGR of 22%, reaching \$12 billion by 2025.

Future Outlook: The growth is driven by increasing acceptance of biosimilars, cost-effectiveness, and the rise in chronic diseases requiring biologic treatment. India's robust biotech infrastructure supports this expansion.

Contract Research and Manufacturing Services (CRAMS): Market Size and Importance: CRAMS is one of the fastest-growing segments, providing outsourcing services for research and manufacturing to global pharmaceutical companies.

Future Outlook: The segment is expected to expand due to cost advantages, high-quality standards, and increasing outsourcing by global companies to Indian firms. This growth is also supported by India's skilled workforce and regulatory compliance.

Formulations: Market Size and Importance: India is the largest exporter of formulations in terms of volume, with a 14% market share.

Future Outlook: The formulations segment will see double-digit growth over the next five years, driven by increasing global demand, especially from emerging markets.

BALANCE SHEET

	in ₹ Lacs		
Particulars	Mar-24	Mar-23	Mar-22
Non -Current Assets			
PPE	2,81,253.2	2,40,943.4	1,65,236.3
CWIP	20,709.4	49,319.2	66,987.3
Investments	31,512.2	27,631.8	24,043.2
Goodwill	2,002.3	2,002.3	2,044.2
Other Intangible Asset	1,78,210.0	1,87,278.2	1,94,156.0
Financial Assets	2,949.6	11,018.1	2,295.5
Other NC Assets	22,866.3	20,564.7	19,329.5

Current Assets

Inventories	1,55,346.1	1,49,845.8	1,76,023.8
Investments	2,25,811.1	1,07,547.4	87,446.2
Trade Receivables	84,828.1	57,642.1	38,816.6
Cash and Cash Equivalents	1,19,797.1	45,319.9	40,594.2
Financial Assets	286.2	163.3	119.4
Other FA	1,316.0	5,598.0	1,393.7
Other CA	69,437.9	66,670.7	96,287.9
Total Assets	11,96,325.5	9,71,544.9	9,14,773.9

in ₹ Lacs

Particulars	Mar-24	Mar-23	Mar-22
Equity & Liabilities			
Equity	9,36,308.8	7,43,522.3	6,15,523.2
NI	21,270.0	18,807.0	16,108.0
Total Equity	9,57,578.8	7,62,329.3	6,31,631.2

Non Current Liabilities

Borrowings-I	2,486.8	2,314.7	4,919.4
Lease-I	771.4	517.8	299.0
NC Tax Liabilities	8,906.9	7,731.2	5,562.1
Other NC Liabilities	14,608.6	12,338.3	10,015.9
Total	26,773.7	22,902.0	20,796.3

Current Liabilities

Borrowings-II	17,116.8	13,949.0	81,883.3
Lease-II	342.3	255.7	205.7
Trade Payables	1,10,299.1	1,00,817.7	1,07,639.7
Other FL	23,554.9	23,649.2	22,148.9
Provisions	38,930.7	30,763.0	26,450.3
Current Tax Liabilities	4,637.9	4,625.6	1,509.0
Other CL	17,091.3	12,253.5	22,509.5
Total	2,11,973.0	1,86,313.6	2,62,346.4
Total liabilities	2,38,746.7	2,09,215.6	2,83,142.7
Total	11,96,325.5	9,71,544.9	9,14,773.9

Source: Annual Report

CASHFLOW STATEMENT

	in ₹ Lacs		
Particulars	Mar-24	Mar-23	Mar-22
Operating Activity			
Profit before tax	2,39,935.8	1,67,123.9	1,97,460.1
CFO before WC	2,61,156.3	1,96,967.0	2,00,540.8
Changes in WC	2,041.6	16,672.9	-58,612.1
Income Tax paid	-47,953.4	-32,309.7	-49,950.8
CFO	2,15,244.5	1,81,330.2	91,977.9

Investing Activity

Net Purchase of FA	-30,783	-78,297	-46,172
Net Proceeds from sale of IA	-7,388	-4,305	-1,88,066
Payment for acquisition	-	-383	-
Income from Inv	3,882	1,236	3,019
Income from JV & Associates	740	-624	2,074
Purchase of Investment	-2,29,109	-94,264	-75,560
Proceeds from sale of investment	54,489	71,224	1,67,790
CFI	-2,08,169	-1,05,413	-1,36,914

Financing Activity

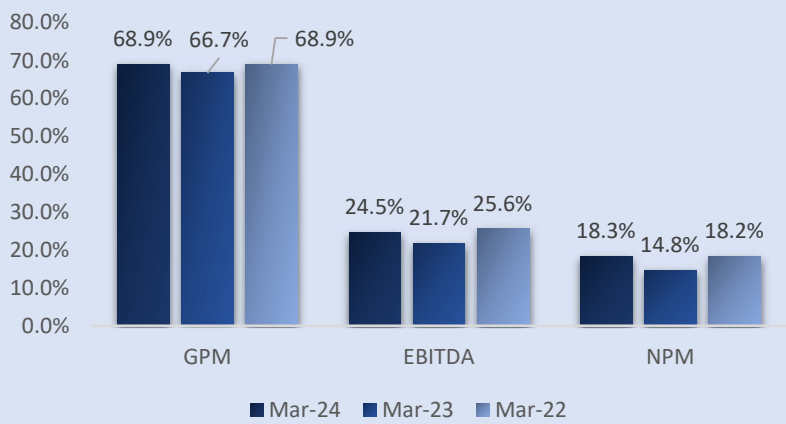
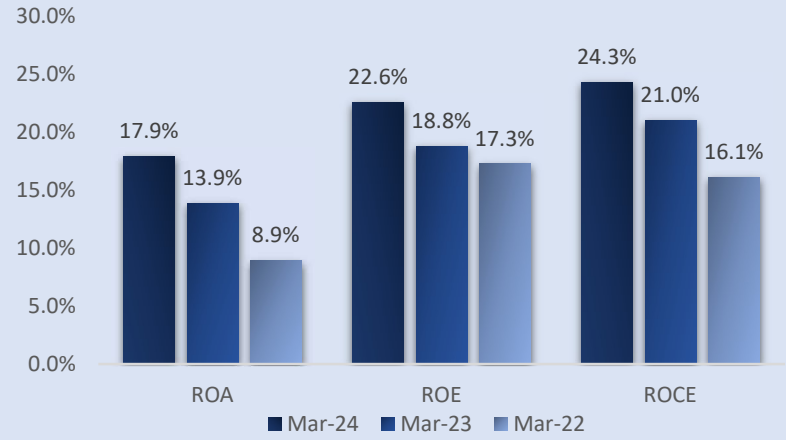
Repayment of Borrowings	3,480	-66,942	62,698
Repayment of NC Borrowings	-84	-2,583	-273
Repayment of lease	-331	-300	-232
Interest paid	-2,539	-4,148	-1,731
CFF	527	-73,973	60,462
Net Change	7,602	1,944	15,526

Income Statement

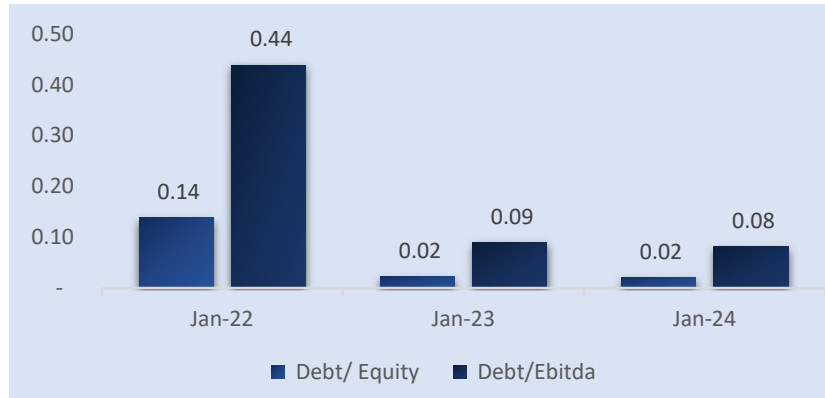
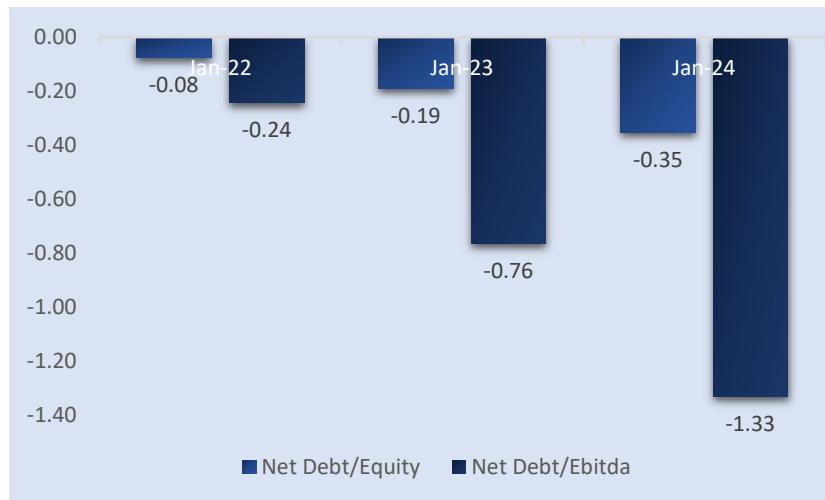
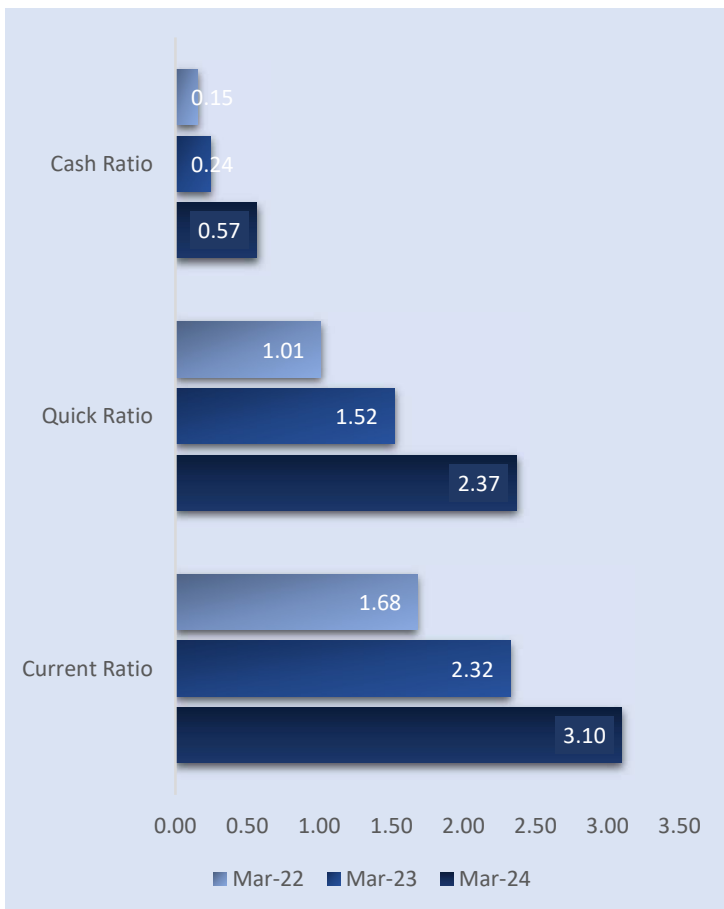
	in ₹ Lacs		
Particulars	Mar-24	Mar-23	Mar-22
Revenue	10,33,477	8,74,943.3	7,78,155.5
COGS	3,20,969.6	2,91,364.2	2,42,172.8
GROSS PROFIT	7,12,507.9	5,83,579.1	5,35,982.7
Employee expense	2,27,473.1	1,91,847.2	1,62,059.3
Other expenses	2,31,527.5	2,01,668.3	1,74,988.1
EBITDA	2,53,507.2	1,90,063.7	1,98,935.3
D&A	39,825.4	32,592.0	16,661.9
EBIT	2,13,681.8	1,57,471.7	1,82,273.4
Interest	3,353.2	4,446.9	5,861.0
Other Income	28,085.8	12,856.7	19,603.0
Profit from J.V	1,521.4	1,242.4	-
PBT	2,38,414.5	1,65,881.5	1,96,015.3
Tax	45,758.7	36,156.3	52,164.4
PAT	1,94,177.2	1,30,967.6	1,45,295.7
Source: Annual Report			
Tax	45,758.7	36,156.3	52,164.4
PAT	1,94,177.2	1,30,967.6	1,45,295.7

Source: Annual Report


Financial Ratios		Annual		
PARTICULARS	Mar-24	Mar-23	Mar-22	
ROA	17.9%	13.9%	8.9%	
ROE	22.6%	18.8%	17.3%	
ROCE	24.3%	21.0%	16.1%	
GPM	68.9%	66.7%	68.9%	
EBITDA	24.5%	21.7%	25.6%	
NPM	18.3%	14.8%	18.2%	
Debt/ Equity	0.02	0.02	0.14	
Net Debt/Equity	-0.35	-0.19	-0.08	
Debt/Ebitda	0.08	0.09	0.44	
Net Debt/Ebitda	-1.33	-0.76	-0.24	
ICR-Ebitda	75.60	42.74	33.94	
Current Ratio	3.10	2.32	1.68	
Quick Ratio	2.37	1.52	1.01	
Cash Ratio	0.57	0.24	0.15	
Debtor Days	24.49	19.83	9.21	
Payable Days	120.04	130.57	83.52	
Inventory Days	173.53	204.11	133.55	
Cash Conversion Cycl	77.98	93.37	59.24	
Cfo / Revenue Ops	0.21	0.21	0.12	
Cfo / Ebitda	0.85	0.95	0.46	
Cfo/Short term debt	86.56	78.34	18.70	
Cfo/Interest	64.19	40.78	15.69	




Source: Annual Report



QUARTERLY UPDATE

Standalone (India)	(in Rs. Lacs unless stated otherwise)					Source: Annual Report
Particulars	1QFY25	4QFY24	1QFY24	YOY%	Q-O-Q%	
Revenue	2,498	2,080	2,150	16%	20%	
COGS	686	559	698	-2%	23%	
Gross Profit	1,812	1,521	1,452	25%	19%	
Employee exp	522	486	455	15%	7%	
D&A	83	82	69	22%	1%	
Interest	6	4	2	218%	55%	
Other expenses	622	436	441	41%	43%	
PBT	577	513	485	19%	13%	
Tax	93	82	105	-11%	13%	
PAT	484	431	380	28%	12%	

Consolidated (India)	(in Rs. Lacs unless stated otherwise)					Source: Annual Report
Particulars	1QFY25	4QFY24	1QFY24	YOY%	Q-O-Q%	
Revenue	2,99,402	2,53,323	2,63,724	14%	18%	
COGS	81,253	73,729	81,997	-1%	10%	
Gross Profit	2,18,149	1,79,594	1,81,727	20%	21%	
Employee exp	63,378	58,151	55,291	15%	9%	
D&A	10,774	10,469	8,735	23%	3%	
Other expenses	76,535	53,120	55,093	39%	44%	
Interest	1,091	938	634	72%	16%	
Profit from Associates	391	241	473	-17%	62%	
PBT	66,762	57,158	62,447	7%	17%	
Tax	12,455	9,498	13,028	-4%	31%	
PAT	54,307	47,659	49,419	10%	14%	

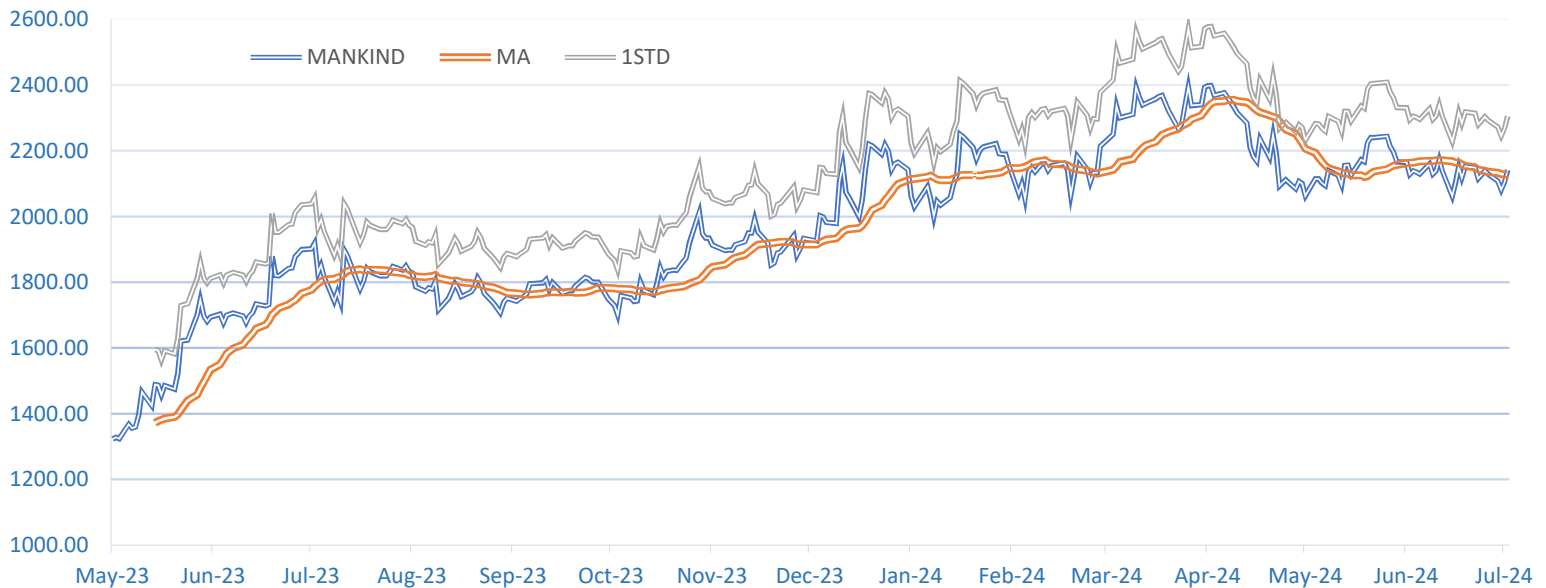
QUARTERLY HIGHLIGHTS - FY 24

- The company has successfully surpassed its annual revenue milestone of INR 10,000 crores and has doubled its revenue over the past five years. It has demonstrated remarkable resilience despite headwinds in the pharmaceutical sector, with growth in new and existing markets supported by widening margins. On a quarter-on-quarter basis, the company observed a 19% year-on-year growth in revenue to INR 2,441 crores. EBITDA and EBITDA margin grew by 42% year-on-year to INR 594 crores and by 62% year-on-year to INR 477 crores, respectively. Annually, the company recorded an 18% increase in revenue, reaching INR 10,335 crores, a 33% growth in EBITDA to INR 2,550 crores, and a 48% increase in PAT to INR 1,942 crores. With a sizable portion of cash available on the balance sheet, the company continues to explore new strategic partnerships and acquisitions in new and adjacent fields.
- India accounts for approximately 13% of the world's asthma patients, affecting individuals of all ages and necessitating high-quality products. To address this market and provide international-quality healthcare products, the company has entered into an in-licensing agreement with AstraZeneca for their dual-combination inhaler brand, Symbicort. Digital and technology-led business transformation initiatives have reduced the company's working capital days from 45 in March '23 to 42 in March '24. To sharpen focus and maximize potential, the company has carved out its OTC business into a new legal entity as a wholly-owned subsidiary of Mankind.
- The company's gross margins increased by 2.6% to 69.8% in Q4 FY '24, driven by a 1.4% price increase, a favorable sales mix (adding 60 basis points), and the absence of inventory-related write-offs from the previous year. For the full year, gross margins rose by 2.2% to 68.9%, primarily due to a favorable sales mix and price increases. The EBITDA margin increased to 24.7% in FY '24 from 21.9% in FY '23, driven by a 2.2% rise in gross margin, operating leverage, and cost savings. R&D expenses for the year were INR 223 crores, or 2.2% of revenue, aligning with the guidance of 2% to 2.5% of sales.
- According to IQVIA, secondary sales of Mankind grew by 8%, outperforming the Indian pharmaceutical market by 1.4x. The chronic market share expanded to 37.4%, leading to a 16% outperformance of IPM chronic growth. Significant contributions came from the Cardiac and Anti-Diabetic segments, which outperformed their IPM counterparts by 1.9x and 2.6x, respectively. Despite modest absolute growth, the company outperformed the IPM acute growth by 1.2x.

QUARTERLY HIGHLIGHTS - FY 24

- During the quarter, the company successfully received the British Safety Council certificate for one of its facilities. The company's base business in the pharmaceutical sector includes several key products that are expected to be significant bets for them: NOBEGLAR in the antidiabetic segment, Polmacoxib, a first-of-its-kind anti-inflammatory analgesic, Symbicort, and a new haemorrhoids management product that recently contributed INR 50 crore in revenue. These products are anticipated to be major contributors to the company's success moving forward.
- With the ₹13,630 crore acquisition of Bharat Serums and Vaccines Limited (BSV), Mankind Pharma Limited has strengthened its position as a pioneer in women's health by expanding its line of high-entry barrier medicines. BSV, which has a 20% annual growth rate and a portfolio in high demand with little competition, is well-known for its rapid growth in women's health, fertility, and critical care. The acquisition fits with Mankind Pharma's strategic objective and enhances its broad distribution capabilities.
- BSV generated revenue of ₹1,723 crores in FY24, and is anticipated to increase Mankind Pharma's EBITDA margins, with an EBITDA multiple of 22x to 23x expected for FY25. Synergies worth ₹50–₹100 crores are anticipated within 12 to 24 months. The patented Anti-Rho for RH isoimmunization, along with BSV's robust R&D platform, will augment Mankind Pharma's R&D capacities. The global fertility drug market, valued at \$6 billion, offers growth potential due to lifestyle changes and rising chronic conditions. Management expects net debt to EBITDA to remain below 2x by FY26, maintaining a strong balance sheet.

VALUATION



RATIONALE:

- ✓ The price movement of Mankind Pharma depicts a strong and resilient upside for the stock, given its robust position in the Indian pharmaceutical and consumer health & wellness markets, alongside its relative underpricing. The company consistently strives to expand its branded business segment in Indian healthcare markets that lack adequate awareness, marketing, or penetration. A significant portion of these segments includes markets for drugs with few and exclusive producers or those that are large but remain overlooked, such as those for acute diseases, anti-infectives, gastronomy, pain, respiratory issues, contraceptives, health & wellness nutritional supplements, self-treatable non-prescription generic OTC drugs, and women's healthcare.
- ✓ The recent acquisition of Bharat Serums and Vaccines (BSV) is likely to aid Mankind Pharma's rapid growth through revenue and cost synergy realization. This acquisition will supplement Mankind's existing women's health and fertility portfolio and bolster its specialty pharma segment in emerging markets and India. The global fertility market remains underpenetrated, with one in six people experiencing infertility. Penetration is expected to increase due to improved awareness, accessibility, and affordability of IVF treatments. Thus, Mankind Pharma is poised to benefit from its extensive workforce, stockists, and broad network of doctors.

DISCLAIMER

RATING SCALE: DEFINITION OF RATINGS

- **BUY** – We expect the stock to deliver more than 10%-20% returns over the next 9 months.
- **ACCUMULATE** – We expect the stock to deliver 5% - 12% returns over the next 9 months.
- **REDUCE** – We expect the stock to deliver 0% - 5% returns over the next 9 months.
- **SELL** – We expect the stock to deliver negative returns over the next 9 months.
- **NR** – Not Rated. Fin2Research is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
- **RS** – Rating Suspended. Fin2Research has suspended the investment rating and price target for this stock, either because there is not a Sufficient fundamental basis for determining, or there are legal, regulatory or policy constraints around publishing, an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.
- **NA** – Not Available or Not Applicable. The information is not available for display or is not applicable.
- **NM** – Not Meaningful. The information is not meaningful and is therefore excluded.
- **NOTE** – Our target prices are with a 9-month perspective. Returns stated in the rating scale are our internal benchmark.

DISCLAIMER

ANALYST CERTIFICATION

I Gaurav Bhayana, Research Analyst, author, and the name subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect my views about the subject issuer(s) or securities. I also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above-mentioned Analyst of this report has not received any compensation from the companies mentioned in the report in the preceding twelve months and does not serve as an officer, director, or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

Investments in the securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by Sebi and certification from NISM in no way guarantee the performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum, or risk-free return to the investors.

Fin2research Investment Advisor Private Limited (FIA) is the source of information and opinions in this report, which may be subject to change at any time. Any and all content in this report is confidentially sourced only for that intended audience and may not be altered, transmitted (in whole or in part), copied into another medium, or reproduced elsewhere without the written permission of Fin2research Investment Advisor Private Limited (FIA). Although we will endeavor to update the information contained herein for reasonable reasons, Fin2research Investment Advisor Private Limited (FIA) has no obligation to update or keep this information current. Due to regulatory, compliance, or other reasons, Fin2research Investment Advisor Private Limited (FIA) may be unable to do so.

The accuracy of this report is not guaranteed and it relies on information from public sources that have not been independently verified. This report and the information contained in it are for informational purposes only and should not be used or considered as an offer document or as an invitation to buy, sell, or subscribe to securities or other financial instruments. Although it is distributed to all clients at the same time, not all clients can receive this report at the same time. Fin2research Investment Advisor Private Limited (FIA) will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting, or tax advice or a representation that any investment or strategy is or would be appropriate for your particular circumstances.

The securities mentioned and opinions expressed in this document might not be appropriate for all investors, who have to make their very own investment decisions, primarily based totally on their very own investment objectives, economic positions, and needs of the particular recipient. This may not be taken in substitution for the exercising of independent judgment through any recipient. The recipient must independently compare the investment risks. Any number of factors, including fluctuations in interest rates and foreign exchange rates, could affect the value and return on investment. Fin2research Investment Advisor Private Limited (FIA) disclaims all responsibility for any form of loss or damage resulting from using this material. Future performance is not always predicted by past performance. Before making an investment in the securities markets, investors are recommended to review the Risk Disclosure Document to understand the risks involved. Actual results may differ materially from those set forth in projections. Statements that are deemed forward-looking are not guarantees and could change at any time.

As of the final day of the month before the research report was published, none of the following parties owned 1% or more of the equity securities of the company mentioned in the study: Fin2research Investment Advisor Private Limited (FIA), all of its subsidiaries, research analysts, or any family members of any of these parties.

The material contained in this study may not align with previous reports published by Fin2research Investment Advisor Private Limited (FIA) or reach a different conclusion. Fin2research Investment Advisor Private Limited (FIA) and its Research Analysts have not participated in any market-making activities on behalf of the firms listed in the report. We contend that no regulatory authority has taken any significant disciplinary action against Fin2research Investment Advisor Private Limited (FIA) that would have an impact on the company's ability to conduct equity research analysis.

The distribution, publication, availability, or use of this report by any person or entity that is a citizen or resident of, or located in, any locality, state, country, or other jurisdiction is not authorized or intended, as it may violate legal requirements or subject Fin2research Investment Advisor Private Limited (FIA) and affiliates to registration or licensing requirements in such jurisdictions. Certain groups of investors or all jurisdictions may not be able to purchase the securities covered here. It is expected of everyone who may come into possession of this material to become aware of and abide by these restrictions.

THANK YOU

Fin2Research Investment Advisor Pvt Ltd (FIA)

CIN: U70200DL2023PTC413207IA

Registration No: INA000018425

Registered Office: Plot No A 2nd Floor, Street New Bungalow Road, Malka Ganj, Delhi North Delhi, 110007 Delhi

Phone no: 9711885801

Email id: customercare@fin2research.com

Website: www.fin2research.com