

Domestic leader gears up for listing - Subscribe

Mankind is a well-known player in the domestic pharma market (with 97.6% of sales), and is 4th largest in terms of sales and 3rd largest in terms of sales volume as on Dec'22 MAT. About 36 brands in the Pharma business, which has sales over Rs500mn, with strong brand positioning. In the consumer segment, it has leading brands i.e Manforce, Prega News, Unwanted-72, which are having significant market share in their respective categories. The limited 3 years financials has been impressive, in terms of sales growth, margin and return ratios given the typical advantages of branded formulations business such as limited working capital, low R&D investments (~2.5% of sales), we recommend subscribe to Mankind.

Significant growth shown in past

Mankind derives majority of its revenue from domestic market (~98% of sales) which has grown significantly at 12% CAGR over FY18-22 and 15% over FY20-22. Its Domestic sales ranking in the IPM improved from 8th in FY12 to 4th in FY22, and market share increased to 4.4% in FY22. For 9MFY23 the sales and EBITDA growth was at 11% and (-13%) with 22% margin.

Acute dominant domestic portfolio; focus on chronic segment ahead

Mankind is a purely domestic business having majority acute brands (67% of sales) with top 5 therapeutic areas of anti-infective, cardiac, gastro, vitamins & respiratory. It is focusing on increasing penetration in the chronic therapies, and has launched new divisions in anti-diabetic, cardiovascular, neuro/CNS and respiratory. The chronic segment has grown at 18% CAGR over FY20-22. Acquired Panacea Biotech's India branded business, to enter in specialty areas like oncology and transplants. Acquired brands had sales of Rs2.6bn in FY22 and Mankind paid Rs18.7bn (~7x sales) which is higher than the industry M&A benchmark.

Strong hold on consumer brands

Mankind started consumer healthcare business in 2007 and has established brands in differentiated categories of condoms, pregnancy detection, emergency contraceptives, antacid powders, VMN and anti-acne. The total covered market of these categories comprises of ~Rs204bn. Mankind is the leader in Manforce brand with ~30% market share in the condoms category, followed by Prega News (80% market share) in Pregnancy detection segment and Unwanted-72 (market share 59%) in emergency contraceptives segment.

Sufficient field force to cater future demand with no major hiring

Mankind has a pan-India marketing presence, with a field force of 11,691 medical representatives and 3,561 field managers. The current PCPM is at ~6lacs, which is currently in-line with industry average (excl. MNC Pharma), which we believe has further scope of improvement due to its acute heavy brand portfolio. Plan to hire additional field force for consumer healthcare business; however, the MR addition will not be significant.

View

Based on the financials of recent years' growth, margin and return ratios have been impressive with typical advantages of branded formulations business such as limited working capital of 48 days, minimal capex and R&D (~2.5% of sales). More interestingly, the acquired Panacea's brands having its potential in transplant while building its capabilities in oncology segment would be watchful. Further, visibility of sales growth and earnings are expected to be in-line with peers, considering better growth in IPM and gross margin in the consumer segment. We recommend Subscribe to Mankind given its strong leadership ranking in IPM (4th) after Sun, Abbott and Cipla. Considering the valuation Mankind is at ~20% discount to Torrent's on PEx on FY25. Additionally, its strong brand market and doctor coverage in top 5 therapeutic areas looks promising.

Issue details

OFS (Equity shares)	4,00,58,844
Issue size (mn)	4,1100-4,3260
FV (Rs)	1/-
Price band (Rs)	1,026-1,080
Bid lot	13 shares (& in multiples of thereof)
Implied MCAP post issue (in mn)	41,1000-43,2640
Issue opens on	25-Apr-23
Issue closes on	27-Apr-23

Shareholding pattern

	Pre IPO	Post IPO
Promoter	79.0	76.5
Public	21.0	23.5

Source: RHP filing



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Exhibit 1: Valuation parameters

Company	CMP (Rs)	Mkt Cap (Rsbn)	Reco.	Target price (Rs)	Upside (%)	CAGR FY23-25E (%)			FY23		PE (x)			EV/EBITDA (x)		
						Sales	EBITDA	AEPS	ROE	ROCE	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
Mankind	1,080	433	NA	NA	NA	12.2	14.2	14.5	27.6	32.3	31.2	26.5	23.8	21.5	17.8	16.0
Abbott India	22,867	486	BUY	26,200	15	11.4	18.1	17.4	32.0	41.0	49.9	42.9	36.2	35.8	30.1	25.1
Cipla	893	826	ADD	1,010	13	9.4	12.4	15.9	12.6	16.8	25.9	22.6	19.2	13.7	12.0	10.1
Dr. Reddy's	4,702	782	BUY	5,560	18	8.4	6.0	14.3	17.1	22.9	21.8	18.8	16.7	11.0	10.4	9.1
GSK Pharma	1,300	220	BUY	1,510	16	9.7	7.2	7.3	30.8	36.1	33.6	32.2	29.2	24.3	22.5	21.2
JB Chemicals	2,029	157	ADD	2,080	3	18.1	22.9	19.1	17.9	21.5	37.5	28.1	24.1	22.6	17.3	14.7
Lupin	664	302	REDUCE	620	(7)	11.1	49.0	95.3	3.5	5.3	70.5	24.2	18.5	18.0	9.7	7.6
Pfizer India	3,655	167	BUY	4,670	28	8.7	6.7	3.0	23.4	30.8	27.5	27.4	25.9	17.6	16.5	14.6
Sanofi India	5,926	136	BUY	6,590	11	6.1	6.2	11.9	27.9	39.6	26.2	23.6	22.3	16.8	16.7	15.8
Sun Pharma	1,012	2,428	BUY	1,165	15	11.2	10.2	15.7	16.6	16.6	28.1	25.5	21.0	18.9	7.4	6.1
Torrent Pharma	1,574	533	REDUCE	1,530	(3)	11.8	15.1	21.7	22.6	20.4	37.2	29.9	25.1	20.1	16.9	14.6
Ajanta	1,300	166	NA	NA	NA	11.5	20.3	18.7	17.9	17.0	26.0	21.8	18.5	19.3	15.6	13.3
Alembic Pharma	530	104	NA	NA	NA	11.1	28.8	37.3	6.8	7.6	28.1	18.8	14.9	14.8	10.8	8.9
Alkem	3,340	401	NA	NA	NA	10.5	21.0	24.0	13.9	13.1	31.4	24.5	20.4	22.9	18.4	15.6
Eris	617	84	NA	NA	NA	17.7	22.6	12.8	19.0	16.9	21.6	17.6	17.0	15.8	12.2	10.5
IPCA	835	212	NA	NA	NA	13.3	31.2	38.9	9.5	8.9	37.4	23.9	19.4	20.5	14.3	11.9
Zydus Life	517	523	NA	NA	NA	6.6	8.3	9.6	12.4	13.5	22.6	20.2	18.8	15.3	13.6	13.0

Source: Company, Centrum Broking, * Sanofi India CY17-21

The Issue

Issue is an OFS of ~40mn shares with promoter Mr. Ramesh Juneja and Mr. Rajeev Juneja family selling ~10mn shares, leading to post IPO holding of 76% from 79% pre issue

Exhibit 2: Ownership structure

Pre-Offer			Post-Offer		
Name	No. of Eq. Shares (mn)	% of total holding	Name	No. of Eq. Shares (mn)	% of total holding
Ramesh Juneja	10.6	2.6%	Ramesh Juneja	6.9	1.7%
Rajeev Juneja	10.0	2.5%	Rajeev Juneja	6.5	1.6%
Sheetal Arora	23.9	6.0%	Sheetal Arora	21.1	5.3%
Ramesh Juneja Family trust	83.4	20.8%	Ramesh Juneja Family trust	83.4	20.8%
Rajeev Juneja Family Trust	79.9	20.0%	Rajeev Juneja Family Trust	79.9	20.0%
Prem Sheeta Family Trust	61.8	15.4%	Prem Sheeta Family Trust	61.8	15.4%
Total (A)	269.5	67.3%	Total (A)	259.5	64.8%
Member of Promoter Group			Member of Promoter Group		
Poonam Juneja	10.6	2.6%	Poonam Juneja	10.6	2.6%
Arjun Juneja	10.6	2.6%	Arjun Juneja	10.6	2.6%
Ria Chopra Juneja	1.3	0.3%	Ria Chopra Juneja	1.3	0.3%
Puja Juneja	13.8	3.4%	Puja Juneja	13.8	3.4%
Eklavya Juneja	3.9	1.0%	Eklavya Juneja	3.9	1.0%
Chanakya Juneja	3.9	1.0%	Chanakya Juneja	3.9	1.0%
Mishka Arora	3.0	0.7%	Mishka Arora	3.0	0.7%
Total (B)	47.0	11.7%	Total (B)	47.0	11.7%
Total A+B (Promotor & promoter grp)	316	79.0%	Total A+B (Promotor & promoter grp)	306	76.5%
Public	84	21.0%	Public	94	23.5%
Total shares	401	100.0%	Total shares	401	100.0%

Source: Mankind RHP

IPO meet KTAs

- The company operates in Pharma and consumer healthcare segment and derives majority of its revenue from domestic market (~98% of sales) which has grown significantly at 12% CAGR over FY18-22.
- Its ~13% of domestic portfolio falls under NLEM
- Current MR strength stands at 15000+. No major MR addition plans in near future.
- Mankind has made an in-licensing agreement for Novel SGLT2 inhibitor from Glenmark and Valsartan/Sacubitril from Novartis for heart failure.
- Management focus on increasing its chronic segment, which will be mix of organic and M&A opportunities both, as on Dec'22 the chronic share to overall sales stands at 34%.
- **Panacea acquisition** in FY22 (at 7x sales) – The Rs23bn capex in FY22 was mainly related to this acquisition. Management is hopeful on scaling this opportunities; however the acquisition has not been reflected entirely in the top-line. Only 2.5% of sales as on Dec'22.
- In FY22, it has acquired Dr Reddys' derma brand Daffy Bar and respiratory brand Combihale.
- Acute/chronic mix is at 66% and 34% respectively.
- The company aim to explore the potential to grow their presence in metro and Class I cities. Their Domestic Sales from metro and Class I cities contributed to ~53% of sales as on MAT Dec'22, lower than ~64% recorded for the IPM.
- Building specialty divisions in CVS, cardio-diabeto, neurology, ophthal, respiratory, gynaec, and critical care along with their launch of a transplant and oncology division in tier I and metro cities.
- Second company to launch Dydrogesterone in India after Abbott.
- **Manufacturing capabilities** - Almost 75% of overall manufacturing is done in-house through 25 facilities. Rest ~25% of product sales (Entromax suspension, Electrokind, Flora SB Sachet, Racigyl, and Calcimust) comes from 3rd party manufacturing.
- Sikkim facility (set up in 2017) having tax exemption until 2026-27.
- **Subsidiaries & JV** - Except Copmed Pharma (63%) and Relax Pharma (63%), all other 16 subsidiaries are fully owned, and JVs formed for warehousing, logistics are 60-70% held by the company.
- The Operating cashflow stood at Rs9.2bn which was affected by Panacea's acquisition and tax outflows & the average rate of conversion ranges between 65 to 70%.

Consumer segment

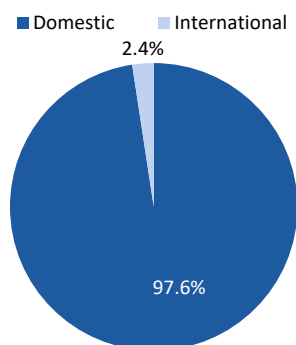
- Mankind started consumer healthcare business in 2007 and have established several brands in differentiated categories of condoms, pregnancy detection, emergency contraceptives, antacid powders, VMN supplements and anti-acne preparations. The total covered market of these categories comprises of Rs203.6bn.
- Mankind is the leader in Manforce brand (30% MS), Prega News (80% MS) and Unwanted-72 (59% MS). We believe the category has grown at ~15% over the last 2-3 years.

Other highlights

- The company is working on 3-4 NCE molecules, which are currently at initial trial stage. Spends 2.5% of sales on R&D. Filed for one investigational NDA for NCE (for a novel G protein –coupled receptor for type-II diabetic and obesity) Anti-Diabetic molecule it's under Phase-I, and 2 NCE in autoimmune diseases and non-alcoholic steatohepatitis which is under pre-clinical trials.

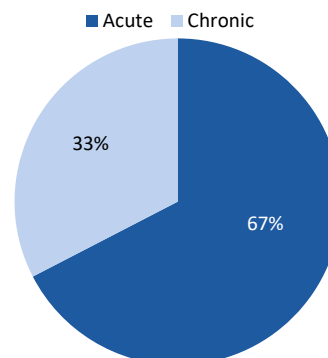
Stories in charts

Exhibit 3: Business model – Major India share



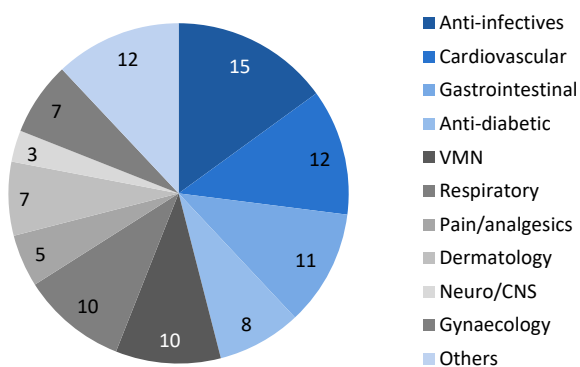
Source: Company Data, Centrum Broking

Exhibit 4: Therapy mix – higher acute share



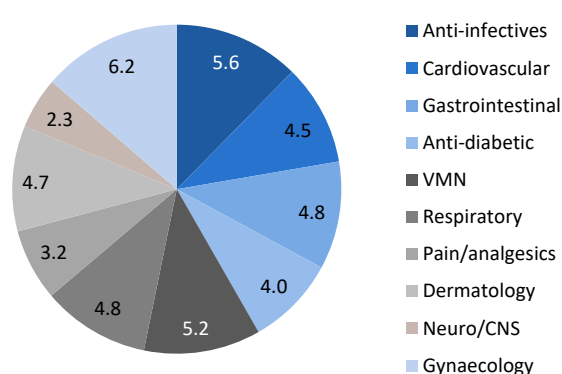
Source: Company Data, Centrum Broking

Exhibit 5: Therapeutic category to sales (%)



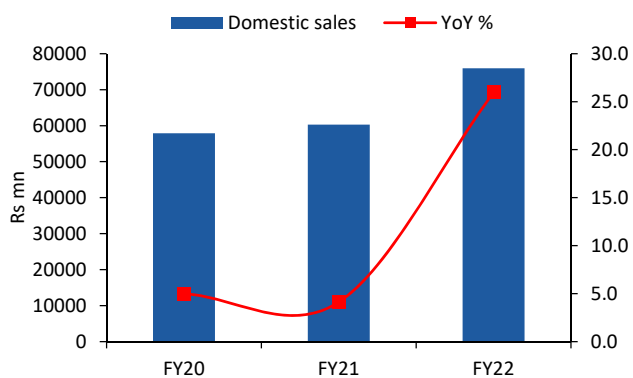
Source: Company Data, Centrum Broking

Exhibit 6: Market share in IPM in therapies (%)



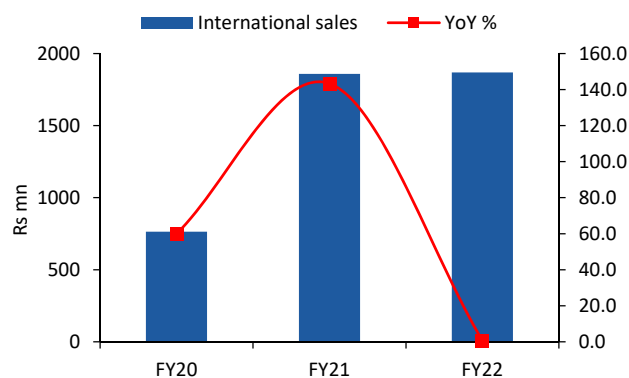
Source: Company Data, Centrum Broking

Exhibit 7: Domestic sales grew 15% CAGR over FY20-22



Source: Company Data, Centrum Broking

Exhibit 8: International sales grew 56% CAGR over FY20-22



Source: Company Data, Centrum Broking

Business overview

Significant growth shown in past

~13% of domestic portfolio under NLEM

Mankind, incorporated on July 3, 1991, India's 4th largest pharmaceutical company in terms of Domestic Sales and 3rd largest in terms of sales volume as per MAT Dec'22. The company operates in Pharma and consumer healthcare segment and derives majority of its revenue from domestic market (~98% of sales) which has grown significantly at 12% CAGR over FY18-22 and 15% over FY20-22. Its Domestic sales ranking in the IPM improved from 8th in FY12 to 4th in FY22, and market share increased to 4.4% in FY22. Its ~13% of domestic portfolio falls under NLEM. Mankind has made an in-licensing agreement for Novel SGLT2 inhibitor from Glenmark and Valsartan/Sacubitril from Novartis for heart failure.

Acquired Panacea Biotech's India branded business to make an entry in areas like oncology and transplants. Acquired brands had sales of Rs2.6bn in FY22 and Mankind paid Rs18.7bn or ~7x sales, which is premium to industry benchmark in domestic pharma market.

About 36 brands in the Pharma business which has sales over Rs500mn in the Domestic segment. Additionally, its top 20 brands contribute ~40% of the total domestic sales, where 18 out of the top 20 brands come in top 3 among their respective therapeutic category. In FY22 it has acquired Dr Reddy's derma brand Daffy Bar and respiratory brand Combihale. The company has a strong doctor coverage, over 80% of doctors in India prescribed its brands. The strong brand positioning has enabled the company to consistently generate the highest share of drug prescriptions in the IPM over the last five years. Mankind's domestic sales grew by 16% CAGR over FY20-22 to Rs76bn.

Exhibit 9: Top brands performance

Top Brands sales (Rs mn)	Domestic Sales	CAGR FY20-22	Market share (%)	Ranking FY22
Manforce (Rx)	2,932	10	62.1	1
Moxikind-CV	2,801	8	10.2	3
Amlokind-AT	1,810	13	29.0	1
Unwanted-Kit	1,803	19	44.2	1
Candiforce	1,682	0	18.0	1
Gudcef	1,587	16	13.4	2
Glimestar-M	1,557	17	5.3	6
Prega News	1,529	23	80.1	1
Dydroboon.	1,496	246	24.6	2
Codistar	1,405	50	23.2	2
Nurokind-Gold	1,316	21	14.8	1
Nurokind Plus-RF	1,191	12	10.4	1
Nurokind-LC	1,191	15	51.6	1
Asthakind-DX	1,109	37	3.9	8
Cefakind	1,050	22	12.2	2
Monticope	1,033	21	7.5	3
Telmikind-H	1,033	13	14.0	2
Telmikind	1,015	15	10.2	2
Gudcef-CV	947	17	15.6	1
Unwanted-7	904	16	59.2	1
Total brands sales	29,391			
as % of domestic sales	39%			

Source: Company Data, Centrum Broking

Acute dominant domestic portfolio

Mankind is a purely domestic business having majority acute brands (67% of sales) with top 5 therapeutic areas of anti-infective, cardiac, gastro, vitamins & respiratory. It is focussing on increasing penetration in the chronic therapies, and have launched new divisions in anti-diabetic, cardiovascular, neuro/CNS and respiratory. The chronic segment has grown at 18% CAGR over FY20-22

Majority of consumer brands are Pan India

Holding strong on consumer brands

Mankind started consumer healthcare business in 2007 and have established several brands in differentiated categories of condoms, pregnancy detection, emergency contraceptives, antacid powders, VMN supplements and anti-acne preparations. The total covered market of these categories comprises of Rs203.6bn. Mankind is the leader in Manforce brand with with in the condoms category, followed by Prega News in Pregnancy detection segment and Unwanted-72 in emergency contraceptives segment. We believe the category has grown at ~15% over the last 2-3 years

Exhibit 10: Consumer brands

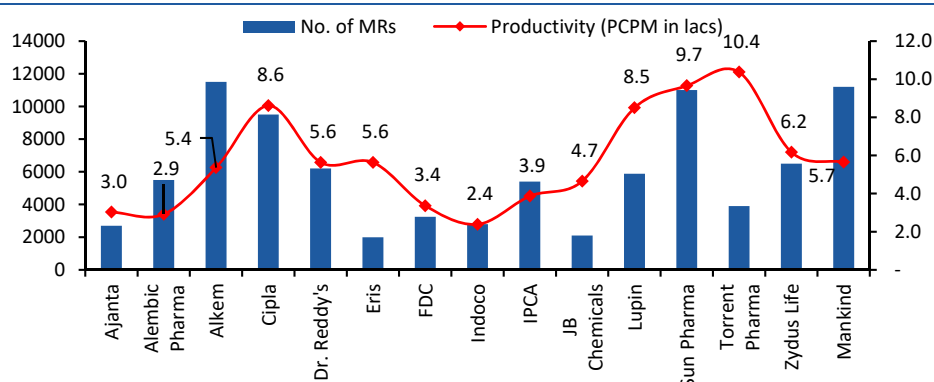
Brands	Sales (Rs Mn)	Market share %	as % of domestic sales
Manforce	4,511	30.2	5.9%
Prega News	1,529	80.1	2.0%
Unwanted -72	904	59.2	1.2%
Total	6,944		
As % of domestic sales	9.1%		

Source: Company Data, Centrum Broking

Field force expansion

The company has Pan-India marketing presence, with a field force of 11,196 medical representatives, productivity of ~Rs6lacs MR per month excluding ~Rs7bn of consumer health portfolio (primarily Manforce, Prega News & Unwanted 72). It also has 3,195 field managers, and over 11,000 stockists. Company has future plans to add field force in consumer healthcare segment.

Exhibit 11: Field force productivity is in-line with average Industry peer

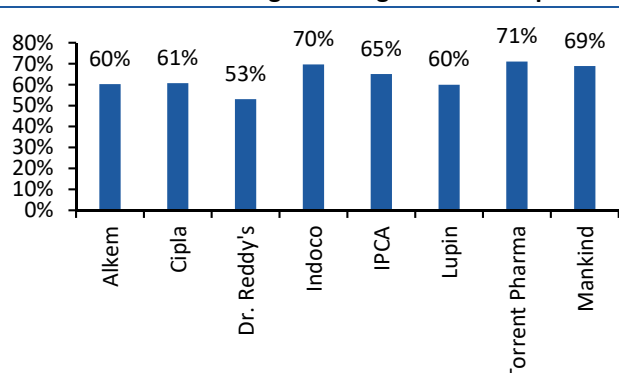


Source: Company, Centrum Broking

Strong in North India with ~35% of domestic sales

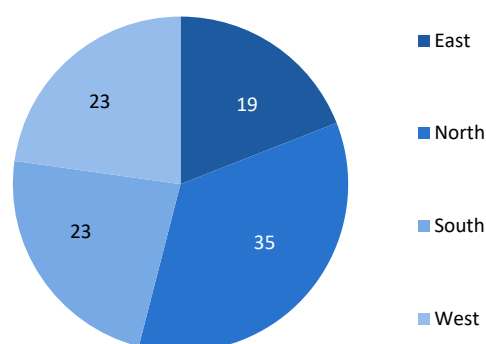
Mankind has a strong presence in North India having 35% of its domestic sales, followed by East, West and South having domestic revenue share of 19%, 23% and 23% respectively. Mankind has a large share of Domestic Sales from rural market in Class II-IV cities which contribute ~47% to Domestic Sales in FY22.

Exhibit 12: Offers better gross margin than most peers



Source: Company Data, Centrum Broking

Exhibit 13: Exhibit 16: Regional break-up (%)



Source: Company Data, Centrum Broking

Exhibit 14: Manufacturing capabilities

Facilities	Descriptions	Capacity utilisation %	Approvals
Paonta Sahib, HP			
Mankind Pharma Unit I	Injectables	Ampoules - 76 Vials - 34	SMDC, Ukraine , NDA, Uganda , FMHACA, Ethiopia , TMDA, Tanzania , NAFDAC, Nigeria (provisional) , MT&S(DRA), Sri Lanka , MOH, Cambodia , FDA, Philippines , MOHP, Yemen , NMHPRA, Afghanistan , ZMRA, Zambia , Himachal Pradesh State GMP (State Drug Controller)
Mankind Pharma Unit II	OSDs and liquid dosages	Tablet Capsules - 44 Soft Gel Capsules - 58 Syrup Bottle - 88.9	SMDC, Ukraine , NDA, Uganda , TMDA, Tanzania , MT&S(DRA), Sri Lanka , MOH, Cambodia , FDA, Philippines , MOHP, Yemen , ZMRA Zambia , MCAZ, Zimbabwe , MOH, Kazakhstan , Himachal Pradesh State GMP (State Drug Controller)
Mankind Pharma Unit III	OSDs and injectables	Tablet & Hard gelatin - 26	USFDA , MOH, Cambodia , NMHPRA, Afghanistan , MOH&P, UAE , NHRA, Bahrain , Himachal Pradesh State GMP (State Drug Controller)
Relax Pharmaceuticals Pvt Ltd I	OSDs, liquid syrups, injectables and powders	Tablets - 27 Syrup bottle - 33 Oral powder - 25 Ampoules - 56	HFWD, HP - State Drug Controller
Relax Pharmaceuticals Pvt Ltd Unit II	OSDs	Tablets - 54 Dry Syrup, Drops - 59	HFWD, HP - State Drug Controller
Copmed Pharmaceuticals Pvt Ltd I	OSDs and liquids	Liquid Orals - 25 Oral Solid - 46 Dry powder - 25	HFWD, HP - State Drug Controller
Copmed Pharmaceuticals Pvt Ltd Unit II	OSDs	Tablets - 58 Dry Syrup, Drops - 31	HFWD, HP - State Drug Controller
Copmed Pharmaceuticals Pvt Ltd Unit III	OSDs	Powder - 37 Effervescent - 39 Granules - 31	HFWD, HP - State Drug Controller
Vetbesta Labs	Animal feed and supplements	Powder 22 Liquid Bottles 26 Bolus - 20	-
Mediforce Healthcare Pvt Ltd Unit I	OSDs	Tablets & Hard Gelatine capsules - 6	HFWD, HP - State Drug Controller
Mediforce Healthcare Pvt Ltd Unit II	Medical device for pregnancy detection kits	Pregnancy Test - 19.13	HFWD, HP - State Drug Controller
Pharma Force Lab Unit I	Dusting powders	Tablets - 21 Dusting powder bottle s- 18	HFWD, HP - State Drug Controller
Pharma Force Lab Unit II	OSDs, liquids	Ayurvedic Syrup bottles - 35 Sachets -28 Tablets - 60 Tubes - External preparations - 11 Allopathic syrup - 47	HFWD, HP - State Drug Controller
Pharma Force Lab Unit III	OSDs	Tablets & Hard Gelatin - 1 Oral Powder - 8 Sachets - 2	HFWD, HP - State Drug Controller
Mankind specialities	OTC products	Creams & gel - 5 Lotions - 9 Hand Rubs - 13	HFWD, HP - State Drug Controller
Mankind Pharma, (South Sikkim)	OSDs	Tablet & Hard gelatin - 98	WHO GMP , DOHFW, Sikkim
Shree Lee Lab (Behror, Rajasthan)	API	Plant ABC - 32 Plant D - 91	FSDCC, Rajasthan State GMP (Drugs Control Wing State Drug Controller)
JPR Lab (Vizag)	API	APIs & Intermediates - 40	DCA, Andhra Pradesh State GMP , CDSCO WHO GMP
Penta Latex LLP unit I (Haridwar, UK)	OTC products	Condoms - 99.35	WHO GMP Compliance by QVC CERT
Penta Latex LLP unit II (Haridwar, UK)	OTC products	Condoms - 77 Facemask - 41	WHO GMP Compliance by QVC CERT

Source: Company, Centrum Broking

Other highlights

- Subsidiaries & JVs – Except Copmed Pharma (63%) and Relax Pharma (63%), all other 16 odd subs are fully owned; JVs formed for warehousing, logistics are 60-70% held by the company.
- Creditor days of ~3-4 months in supplies to government orders.
- Short-term debt of Rs8.5bn vs Rs1.7bn taken for Panacea acq in previous years
- Balance with govt authorities jumped to Rs7.2bn vs Rs2.2bn in FY21 leading to sharp jump in other current assets.

Exhibit 15: Financial snapshot – 9M FY23

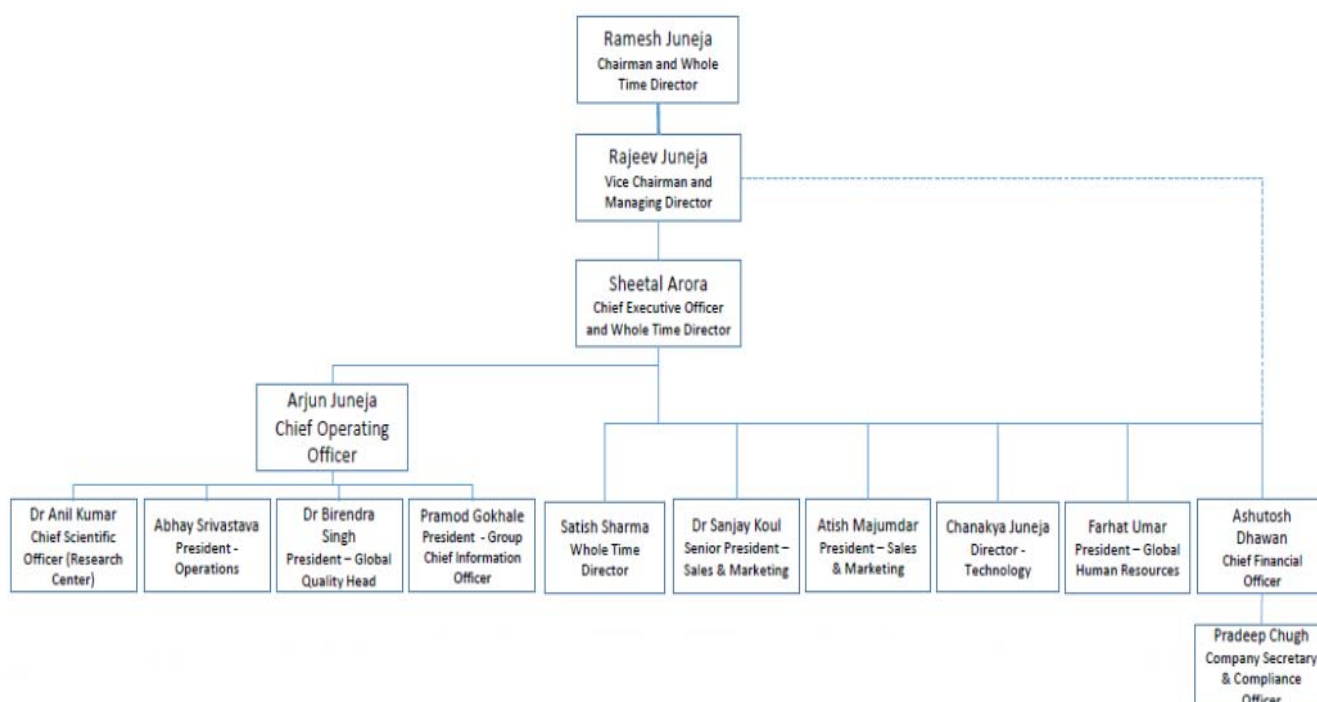
Profit & Loss Account (Rs mn)	Dec 22	Dec 21	YoY %
Net Sales	66,968	60,558	10.6%
Gross margin	67%	69%	
EBIDTA	14,928	17,095	-12.7%
Margin	22%	28%	
Add: Other Income	811	1,625	-50.1%
Less: Interest Paid	393	456	-13.7%
PBDT	15,346	18,264	-16.0%
Less: Depreciation	2,503	1,243	101.4%
PBT after extraordinary	12,940	17,116	-24.4%
Total Tax	2,780	4,513	-38.4%
Tax rate	21%	26%	
PAT	10,160	12,602	-19.4%

Source:

Exhibit 16: Brief history

Years	Events & Milestones
2004	Entered the chronic pharmaceutical segment with the launch of 'Amlokind' tablets and 'Glimestar' tablets amongst others
2005	Set up the first manufacturing facility at Paonta Sahib, Himachal Pradesh
	Entered the ophthalmic pharmaceutical segment with the launch of 'Lubistar Eye Drops' and 'Tobastar Eye Drops' amongst others
	Entered the consumer healthcare segment with the launch of 'Manforce' brand
2007	Entered the animal healthcare segment with launch of 'Bandykind' and 'Ceftiforce' amongst others
	Raised ₹ 720 million from Monet Limited
2009	Set up manufacturing facility at Unit II, Paonta Sahib, Himachal Pradesh
2010	Launched 'Preganews' brand in the consumer healthcare segment
2012	Setup first R&D centre at IMT Manesar, Haryana
2014	Acquired Shree Jee Laboratory Private Limited (along with its API manufacturing site situated at Behror, Rajasthan)
	Set up manufacturing facility at Unit III, Paonta Sahib, Himachal Pradesh
2015	Incorporated Subsidiary, Lifestar Pharma LLC in the US
	Incorporated Subsidiary, Mankind Pharma Pte. Limited in Singapore
2017	Set up manufacturing facility in Sikkim
2018	Manufacturing facility at Paonta Sahib, Himachal Pradesh was inspected by the USFDA for the first time
2019	Entered the female infertility segment with the launch of 'Dydroboon' tablets
	Incorporated Subsidiary, Lifestar Pharmaceuticals Private Limited in Nepal
2020	Launched a dedicated specialty therapeutic division for cardiovascular diseases drugs segment with launch of 'Cilaheart' tablets and 'Statpure' tablets
	Launched a dedicated specialty therapeutic division for diabetes pharmaceuticals segment with launch of 'Zukanorm' tablets
	Incorporated our Subsidiary, Mankind Pharma FZ-LLC in Dubai, UAE
2021	Launched a specialty division for therapeutic respiratory pharmaceuticals with launch of 'Mlife' tablets
	Entered the specialty therapeutic neuro/central nervous system pharmaceuticals segment with launch of 'Trugaba-NT' tablets and 'Prebris-MNT' tablets
	Acquired the pharmaceutical formulations brands in India and Nepal from Panacea Biotech Pharma Limited and Panacea Biotech Limited
2022	Entered into transplant segment with the launch of 'Pangraf Capsules' and 'Mycept' tablets amongst Others
	Entered into oncology segment with the launch of 'Pacilall' injection amongst others
	Acquired the brands 'Daffy' and 'Combihale' from Dr. Reddy's

Source: Company Data, Centrum Broking

Exhibit 17: Management structure

Source: Company Centrum broking

Exhibit 18: Management details

Name	Designation	Qualification & experience
Ramesh Juneja	Chairman & Whole time Director	He is a founder and Promoter of Mankind. He has been associated with the company since its incorporation as a Director and Promoter. He does not hold any formal educational qualifications. He has experience of over 31 years in the pharmaceutical industry. He was awarded the finalist certificate for “Entrepreneur of the Year” by Ernst & Young in 2009.
Rajeev Juneja	Vice Chairman & MD	He is also a Promoter of Mankind and has been associated with the company since December 22, 1992. He does not hold any formal educational qualifications. He has experience of over 29 years in the pharmaceutical industry
Sheetal Arora	CEO & Whole time Director	Promoter of the company and has been associated since September 21, 2007. Holds a bachelor’s degree in commerce from the Srikrishnadevaraya University, Anantapur and having experience of over 14 years in the pharmaceutical industry.
Arjun Juneja	COO & Whole time Director	He has been associated with Mankind since May 15, 2009. He holds a bachelor’s degree in science (accounting and finance) from the University of Bradford and a master’s degree in business administration from the University of Strathclyde, UK.
Ashutosh Dhawan	CFO	Appointed as the CFO with effect from June 17, 2016. He holds a bachelor’s degree in commerce from the University of Delhi, Delhi and a bachelor’s degree in law from Chaudhary Charan Singh University, Meerut, Uttar Pradesh and a master’s degree in business administration from Indira Gandhi National Open University, New Delhi, Delhi. He is also a member of the Institute of Chartered Accountants of India. He has been previously associated with Oriflame India Private Limited, Aricent Technologies Holdings Limited, HCL Technologies Limited, Sprint RPG India Limited, STMicrolitelectronics Private Limited and DLF Cement Limited.
Pradeep Chugh	Company Secretary	He was appointed with effect from September 23, 2016 and as compliance officer of the Company pursuant to a resolution of our Board dated July 19, 2022. He is a member of the Institute of Company Secretaries of India. He holds a bachelor’s degree in commerce and a bachelor’s degree in law, each from Dr. Bhimrao Ambedkar University, Agra, Uttar Pradesh. He has been previously associated with Apollo International Limited, Siemens Public Communication Networks Private Limited.

Source: Company, Centrum Broking

Exhibit 19: Major related party transaction (consolidated)

Rs Mn	FY20	FY21	FY22	Description
Sales of product	170	210	145	Transaction made in Associates, and Subsidiaries
Purchase of traded goods	4,188	4,255	4,176	Transaction made in Associates, and Subsidiaries
Purchase of Raw Materials	339	417	701	Transaction made in Associates, and Subsidiaries
Dividend paid	2,389	0	0	Entities under the control, joint control or significant influence of KMP or their relatives
Remuneration paid	863	861	861	Entities under the control, joint control or significant influence of KMP or their relatives
Donation	19	21	30	JC Juneja foundation
Reversal of provision of doubtful loans	0	0	177	
Total of major RTPs	7,969	5,763	6,182	
as % of sales	14%	9%	8%	

Source: Company Data, Centrum Broking

Exhibit 20: Contingent liabilities

Rs mn	FY20	FY21	FY22
Claims against company not acknowledged as debts			
Tax related	2	2	29
Income tax demand	264	285	494
Commercial tax	0		2
Contingent in respect of input credit availed under GST Act:			80
Total contingent liabilities	266	287	605
as % of Networth	0.8%	0.6%	1.0%

Source: Company Data, Centrum Broking

Exhibit 21: Financial guarantee given to

Transacting entity	Nature of entity	FY20	FY21	FY22
Packtime Innovations Private Limited	Subsidiary	150	150	181
Copmed Pharmaceuticals Private Limited	Subsidiary	0	0	440
Lifestar Pharma LLC	Subsidiary	0	0	228

Source: Company Data, Centrum Broking

Exhibit 22: Ownership structure

Assessment Parameter	Assessment	Numbers
		Subsidiaries -
		Directors & KMPs - 5
Is the holding structure complex?	No	Relatives of KMP: 4
Are company's share pledged	No	

Source: Company Data, Centrum Broking

Exhibit 23: Dividend policy

Assessment Parameter	Assessment
Is Dividend Distribution Policy disclosed?	Yes
Does Dividend Distribution Policy specify a target payout ratio?	No

Source: Company Data, Centrum Broking

Exhibit 24: No. of subsidiaries & JVs

Direct	Foreign	Indirect subsidiaries	JVs
18	4	4	3

Source: Company Data, Centrum Broking

Exhibit 25: No. of employee

MRs	11,196
Field Managers	3,195
Manufacturing	2,181
R&D	3,106
Sales & Marketing	426
Quality assurance	805
Regulatory	14
Others	593
Total	21,516

Source: Company Data, Centrum Broking

Exhibit 26: Director's remuneration structure

Directors Remuneration (Rs mn)	FY20	FY21	FY22
Ramesh Juneja (Chairman)	233	260	260
Rajeev Juneja (Vice Chairman & MD)	291	289	288
Sheetal Arora (CEO & Whole time director)	118	155	155
Arjun Juneja (COO)	85	58	58
Prem Kumar Arora (Whole time director)	123	86	86
Total executive remuneration	850	847	847
% of Revenue	1.4%	1.4%	1.1%
% of PBT	6.0%	5.0%	4.3%

Source: Company Data, Centrum Broking

Other related information

- Promotional expenses risen ~150bps to 6% in FY22 from 4.5% in FY20.
- Provision for sales return at is <1%.
- Emphasis of matters - Nil

P&L					
YE Mar (Rs mn)	FY18A	FY19A	FY20A	FY21A	FY22A
Revenues	49,492	49,800	58,652	62,144	77,816
Operating Expense	39,112	40,221	43,378	45,486	57,922
Employee cost	10,768	10,948	13,355	14,158	16,206
Others	12,370	12,179	17,050	17,597	21,140
EBITDA	10,381	9,579	15,274	16,658	19,894
Depreciation & Amortisation	458	690	1,896	1,367	1,666
EBIT	9,922	8,889	13,377	15,291	18,227
Interest expenses	252	442	220	201	586
Other income	721	529	1,104	1,709	1,960
PBT	10,391	8,976	14,262	16,799	19,602
Taxes	3,290	2,641	3,816	3,986	5,216
Effective tax rate (%)	31.7	29.4	26.8	23.7	26.6
PAT	7,101	6,334	10,446	12,814	14,385
Minority/Associates	(314)	(220)	(142)	(159)	(50)
Recurring PAT	6,786	6,114	10,304	12,654	14,335
Extraordinary items	0	0	0	0	0
Reported PAT	6,786	6,114	10,304	12,654	14,335
Ratios					
YE Mar	FY18A	FY19A	FY20A	FY21A	FY22A
Growth (%)					
Revenue	12.9	0.6	17.8	6.0	25.2
EBITDA	21.7	(7.7)	59.5	9.1	19.4
Adj. EPS	(46.7)	(9.9)	68.5	22.8	13.3
Margins (%)					
Gross	67.7	65.7	77.9	77.9	73.6
EBITDA	21.0	19.2	26.0	26.8	25.6
EBIT	20.0	17.8	22.8	24.6	23.4
Adjusted PAT	13.7	12.3	17.6	20.4	18.4
Returns (%)					
ROE	23.4	21.4	32.7	30.8	26.4
ROCE	22.5	19.9	30.2	29.3	24.2
ROIC	21.6	19.3	28.8	27.0	19.1
Turnover (days)					
Gross block turnover ratio (x)	5.0	3.7	3.9	4.0	4.7
Debtors	17	19	23	25	17
Inventory	180	172	242	277	261
Creditors	130	129	184	188	155
Net working capital	124	89	101	159	121
Solvency (x)					
Net debt-equity	0.1	0.0	0.0	0.0	0.1
Interest coverage ratio	41.2	21.7	69.5	82.7	33.9
Net debt/EBITDA	0.3	0.1	(0.1)	0.0	0.3
Per share (Rs)					
Adjusted EPS	16.9	15.3	25.7	31.6	35.8
BVPS	71.9	70.5	87.0	117.9	153.7
CEPS	18.1	17.0	30.5	35.0	39.9
DPS	0.0	0.0	0.0	0.0	0.0
Dividend payout (%)	0.0	0.0	0.0	0.0	0.0
Valuation (x)					
P/E	0.0	0.0	0.0	0.0	0.0
P/BV	0.0	0.0	0.0	0.0	0.0
EV/EBITDA	3.7	2.3	2.1	1.9	4.0
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company, Centrum Broking, ACE Equity, RHPs

Balance sheet					
YE Mar (Rs mn)	FY18A	FY19A	FY20A	FY21A	FY22A
Equity share capital	401	401	401	401	401
Reserves & surplus	28,408	27,830	34,453	46,819	61,152
Shareholders fund	28,809	28,231	34,853	47,220	61,552
Minority Interest	1,341	1,586	1,863	1,409	1,611
Total debt	4,072	2,666	1,025	2,160	8,438
Non Current Liabilities	438	593	846	856	1,031
Def tax liab. (net)	24	(66)	82	130	556
Total liabilities	34,684	33,009	38,668	51,776	73,189
Gross block	9,857	13,521	14,988	15,657	16,524
Less: acc. Depreciation	0	0	0	0	0
Net block	9,857	13,521	14,988	15,657	16,524
Capital WIP	4,821	3,268	3,133	3,716	6,699
Net fixed assets	15,388	17,273	18,585	19,765	42,169
Non Current Assets	856	1,320	3,870	4,840	5,186
Investments	1,623	2,261	56	55	54
Inventories	7,892	8,210	8,991	11,835	17,602
Sundry debtors	2,967	2,202	5,311	3,306	3,882
Cash & Cash Equivalents	1,389	1,410	2,261	1,672	3,025
Loans & advances	2,300	2,092	2,331	5,623	1,185
Other current assets	11,188	6,067	9,328	16,630	18,373
Trade payables	6,491	5,620	7,451	6,670	10,764
Other current liab.	1,615	1,165	1,800	2,828	4,729
Provisions	814	1,041	2,813	2,453	2,796
Net current assets	16,816	12,155	16,158	27,116	25,779
Total assets	34,684	33,009	38,668	51,776	73,189

Cashflow					
YE Mar (Rs mn)	FY18A	FY19A	FY20A	FY21A	FY22A
Profit Before Tax	10,391	8,976	14,262	16,799	19,602
Depreciation & Amortisation	458	690	1,896	1,367	1,666
Net Interest	252	442	220	201	586
Net Change – WC	(2,772)	3,303	(3,056)	(5,391)	(1,976)
Direct taxes	(3,466)	(2,731)	(3,669)	(3,937)	(4,791)
Net cash from operations	4,864	10,680	9,654	9,040	15,087
Capital expenditure	(5,288)	(2,777)	(3,003)	(2,547)	(24,070)
Acquisitions, net	0	0	0	0	0
Investments	3,441	429	987	(6,411)	4,318
Others	6	(58)	(1,247)	(622)	80
Net cash from investing	(1,841)	(2,407)	(3,264)	(9,580)	(19,672)
FCF	3,023	8,273	6,390	(540)	(4,584)
Issue of share capital	0	0	0	0	0
Increase/(decrease) in debt	3,946	(1,406)	(1,641)	1,136	6,278
Dividend paid	(1,858)	0	(1,860)	0	(9)
Interest paid	(252)	(442)	(220)	(201)	(586)
Others	(4,928)	(6,404)	(1,819)	(983)	256
Net cash from financing	(3,092)	(8,253)	(5,540)	(49)	5,938
Net change in Cash	(69)	21	851	(589)	1,354

Source: Company, Centrum Broking, ACE Equity

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