

Company Update

CMP	932
Target Price	1096
Previous Target Price	
Upside	18%
Change from Previous	

Market Data

BSE Code	532296
NSE Symbol	GLENMARK
52wk Range H/L	994/671
Mkt Capital (Rs Cr)	26324
Av. Volume(,000)	100.95
Nifty	8124

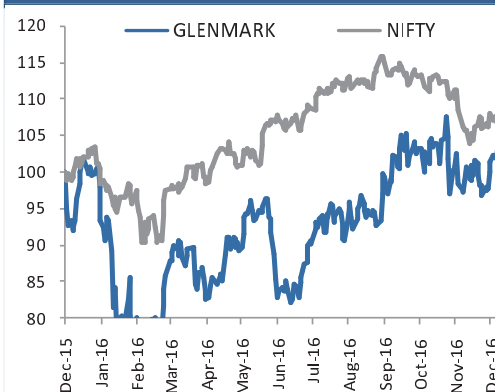
Stock Performance

	1M	3M	12M
Absolute	5.2	8.6	17.0
Rel.to Nifty	2.6	2.2	11.8

Share Holding Pattern-%

	2QFY17	1QFY17	4QFY16
Promoters	46.5	46.5	46.5
Public	53.5	53.5	53.5
Others			
Total	100	100	100

Company Vs NIFTY



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Glenmark has posted flat revenue of Rs. 2224 Cr in 2QFY17 vs Rs. 2281 Cr in the corresponding period of FY16. This is led by the growth in the revenue of US formulations business by 28.9% to Rs. 771 Cr. The company has filed 2 new ANDA's and received approval for 6 ANDA's in 2QFY17. The company has cumulatively filed 6 new ANDA's in 1HFY17 and received approval for 11 in the first half of FY17. Glenmark has launched cholesterol drug Zetia with 6 months exclusivity in the US on December 12. The company has partnered with Par pharmaceuticals in this product. Total revenue estimated to be generated is around Rs. 2700-3400 Cr and post profit sharing with Par pharmaceuticals, Glenmark should make around Rs. 1300-1700 Cr. The management plans to reduce debt by Rs. 600-800 Cr. by 1QFY18 on the back of growth in US business.

Result Highlights of 2QFY17

- EBITDA margin has improved by 690 bps to 20.2% in 2QFY17.
- PAT has increased by 50% to Rs. 224 Cr in 2QFY17 as compared to Rs.149 Cr in the same quarter of FY16.
- India business grew by 10.91% to Rs. 674 Cr in 2QFY17.
- US business grew by 28.87% to Rs. 771 Cr in 2QFY17.
- Rest of the World (ROW) grew by 20.38% to Rs. 253 Cr in 2QFY17.
- Europe Formulations Business decreased by 16.00% at Rs. 134Cr.
- Latin America Business decreased by 19.24% at Rs. 133 Cr.

Outlook and Valuation

Management expects domestic business to grow by 15% in FY17 and US business to grow by 25% on the back of new launches like Zetia, Mycolog II, Crestor, etc. in FY17. Going forward we believe that US business will remain key driver for growth. Management has guided for 20 new ANDA's filings in FY17. Considering the long-term opportunities, we recommend "buy" rating on this stock with a target price of Rs. 1096

	Rs,Cr				
Financials	2012	2013	2014	2015	2016
Sales	4021	5012	6005	6630	7650
EBITDA	714	1015	1091	1210	1433
Net Profit	464	628	546	474	702
EPS	17	23	20	17	26
P/E	18.0	20.0	28.1	45.0	30.7