



GLENMARK PHARMACEUTICALS LTD

FINANCIAL MODEL

PRESENTED BY
E. BALAJI

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Company Profile



GLENMARK PHARMACEUTICALS LTD - Profile

Glenmark Pharmaceuticals is a global, research-led pharmaceutical company headquartered in Mumbai, India. Established in 1977, Glenmark has a strong presence across generics, specialty, and over-the-counter segments. The company focuses on innovation and development of new chemical entities (NCEs) and new biological entities (NBEs) across key therapeutic areas like oncology, dermatology, respiratory, and pain management. Glenmark operates through a robust pipeline of generic drugs and specialty medicines, with a commitment to improving access to affordable healthcare.

INR (Crs.)

Key Financial Metrics	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Share Price - 5Y
Total Sales	10,641	10,944	12,305	12,990	11,813	
Sales Growth(y-o-y)	7.86%	2.85%	12.44%	5.57%	-9.06%	
Gross Profit Margin (%)	60.43%	56.12%	56.77%	53.02%	59.33%	
EBITDA Margins	15.97%	19.05%	18.91%	17.54%	10.12%	
EBIT Margins	12.05%	14.99%	14.95%	12.83%	5.19%	
Net Profit Margins	7.29%	8.86%	7.65%	2.29%	-12.71%	
Earning Per Share (in Rs.)	27.50	34.37	33.37	10.53	-53.21	
EPS Growth (y-o-y)	-16.11%	25.01%	-2.92%	-68.44%	-605.19%	
Dividend Per Share (in Rs.)	2.50	2.50	2.50	2.50	-	
DPS Growth (y-o-y)	25.00%	0.00%	0.00%	0.00%	-100.00%	

Key Financial Metrics	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Volumes - 2Y
Price to Earnings	7.49x	13.52x	13.25x	44.12x	-18.01x	
EV/EBIDTA	6.94x	9.23x	7.67x	8.43x	25.05x	
EV/Sales	3.95x	3.61x	3.29x	2.28x	2.40x	
Price to Book Value	0.96x	1.86x	1.37x	1.38x	3.45x	
Return on Equity(%)	12.78%	13.73%	10.36%	3.14%	-19.13%	
Return on Capital Employed (%)	14.04%	15.10%	13.86%	8.97%	8.19%	

Top 10 Shareholders	N. Shares (in Crs.)	Shareholding (%)	Market Value (in Crs.)	Shareholding Pattern
SALDANHA FAMILY TRUST	13	45.45%	22,186	
HDFC MUTUAL FUND - HDFC MID-CAP OPPORTU	1	3.63%	1,773	
GOVERNMENT PENSION FUND GLOBAL	1	3.25%	1,588	
SMALLCAP WORLD FUND INC	1	3.13%	1,526	
ASHISH DHAWAN	1	2.55%	1,246	
ELLIPSIS PARTNERS LLC	0	1.68%	822	
ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITE	0	1.50%	734	
BLANCHE ELIZABETH SALDANHA	0	0.39%	193	
GLENN MARIO SALDANHA	0	0.35%	171	
CHERYLANN MARIA PINTO	0	0.27%	131	

Managerial Remuneration	Designation	% Increase	Ratio to MRE	Capital Structure
Mr. Glenn Saldanha	Chairman & MD	2.50%	316.91	
Mrs. Cherylann Pinto	CEO & MD	-1.60%	89.8	
Mr. V.S. Mani	Exec Director & CFO	30.20%	200.64	

Notes:

- The MRE of the employees of the Company during the year ended 31 March 2023 was H0.51 million.
- The percentage increase in the median remuneration of the employees was 7.11%
- As on 31 March 2023, the Company had 11,719 permanent employees on the rolls of the Company.

Share Price as on Mar-24	1,748
Number of Shares	28
Market Capitalization	49,322
Less: Cash & Equivalents	(1,659)
Add: Total Debt	1,231
Less: Minority Interest	205
Enterprise Value	49,099

Recent Updates

- Glenmark Pharmaceuticals reported a 126.95% increase in consolidated net profit, reaching ₹340.27 crore in the June 2024 quarter, up from ₹149.93 crore in the same period last year
- The company recorded a 7.5% increase in revenue to ₹3,223.30 crore for the quarter ending June 2024, as compared to ₹2,998.47 crore in the previous year
- Glenmark's stock has shown remarkable growth, increasing by 97% in 2024. The stock price reached a 52-week high, reflecting strong investor confidence
- The India business accounted for 37% of Glenmark's total sales in Q1 FY2024-25, with 11.9% YoY growth, showcasing its strong market positioning in India
- Glenmark reduced its net debt by selling its remaining stake in Glenmark Life Sciences, which enhanced its cash reserves and strengthened the company's financial position

Historical Financial Statements

Years	Historical Financial Statement - GLENMARK PHARMACEUTICALS LTD										
	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	LTM
# Income Statement											
Sales	₹ 6,562.6	₹ 7,561.7	₹ 9,079.4	₹ 9,074.4	₹ 9,865.5	₹ 10,641.0	₹ 10,943.9	₹ 12,304.9	₹ 12,990.1	₹ 11,813.1	₹ 12,021.2
Sales Growth	-	15.22%	20.07%	-0.05%	8.72%	7.86%	2.85%	12.44%	5.57%	-9.06%	1.76%
COGS	₹ 3,605.8	₹ 4,249.4	₹ 4,867.3	₹ 5,622.1	₹ 6,231.0	₹ 6,722.6	₹ 6,768.0	₹ 7,746.0	₹ 8,234.5	₹ 7,281.5	₹ 10,675.0
COGS % Sales	54.94%	56.20%	53.61%	61.96%	63.16%	63.18%	61.84%	62.95%	63.39%	61.64%	88.80%
Gross Profit	₹ 2,956.85	₹ 3,312.30	₹ 4,212.10	₹ 3,452.31	₹ 3,634.44	₹ 3,918.34	₹ 4,175.98	₹ 4,558.86	₹ 4,755.62	₹ 4,531.59	₹ 1,346.21
Gross Margins	45.06%	43.80%	46.39%	38.04%	36.84%	36.82%	38.16%	37.05%	36.61%	38.36%	11.20%
Selling & General Expenses	₹ 1,742.54	₹ 1,875.14	₹ 2,175.40	₹ 1,834.86	₹ 2,048.64	₹ 2,219.08	₹ 2,091.60	₹ 2,232.09	₹ 2,477.25	₹ 3,336.25	
S&G Exp % Sales	26.55%	24.80%	23.96%	20.22%	20.77%	20.85%	19.11%	18.14%	19.07%	28.24%	0.00%
EBITDA	₹ 1,214.31	₹ 1,437.16	₹ 2,036.70	₹ 1,617.45	₹ 1,585.80	₹ 1,699.26	₹ 2,084.38	₹ 2,326.77	₹ 2,278.37	₹ 1,195.34	₹ 1,565.98
EBITDA Margins	18.50%	19.01%	22.43%	17.82%	16.07%	15.97%	19.05%	18.91%	17.54%	10.12%	13.03%
Interest	₹ 190.15	₹ 178.89	₹ 237.32	₹ 285.57	₹ 334.59	₹ 377.32	₹ 353.11	₹ 298.10	₹ 349.58	₹ 515.97	₹ 443.94
Interest % Sales	2.90%	2.37%	2.61%	3.15%	3.39%	3.55%	3.23%	2.42%	2.69%	4.37%	3.69%
Depreciation	₹ 300.41	₹ 234.28	₹ 264.37	₹ 301.88	₹ 325.91	₹ 417.17	₹ 443.55	₹ 486.72	₹ 611.27	₹ 581.91	₹ 557.66
Depreciation%Sales	4.58%	3.10%	2.91%	3.33%	3.30%	3.92%	4.05%	3.96%	4.71%	4.93%	4.64%
Earnings Before Tax	₹ 723.75	₹ 1,023.99	₹ 1,535.01	₹ 1,030.00	₹ 925.30	₹ 904.77	₹ 1,287.7	₹ 1,542.0	₹ 1,317.5	₹ 97.5	₹ 564.4
EBT % Sales	11.03%	13.54%	16.91%	11.35%	9.38%	8.50%	11.77%	12.53%	10.14%	0.83%	4.69%
Tax	₹ 334.1	₹ 300.9	₹ 382.7	₹ 315.5	₹ 375.6	₹ 320.1	₹ 412.4	₹ 447.6	₹ 491.1	₹ 1,867.3	₹ 1,875.7
Effective Tax Rate	46.16%	29.39%	24.93%	30.63%	40.60%	35.38%	32.02%	29.03%	37.27%	1916.01%	332.35%
Net Profit	₹ 389.7	₹ 723.1	₹ 1,152.3	₹ 714.5	₹ 549.7	₹ 584.7	₹ 875.3	₹ 1,094.4	₹ 826.5	(₹ 1,769.9)	(₹ 1,311.3)
Net Margins	5.94%	9.56%	12.69%	7.87%	5.57%	5.49%	8.00%	8.89%	6.36%	-14.98%	-10.91%
No of Equity Shares	27.13	28.22	28.22	28.22	28.22	28.22	28.22	28.22	28.22	28.22	28.22
Earnings per Share	₹ 14.36	₹ 25.62	₹ 40.83	₹ 25.32	₹ 19.48	₹ 20.72	₹ 31.02	₹ 38.78	₹ 29.29	-₹ 62.72	-₹ 46.47
EPS Growth %		78.38%	59.37%	-37.99%	-23.07%	6.37%	49.72%	25.02%	-24.48%	-314.15%	-25.91%
Dividend per Share	₹ 2.00	₹ 2.00	₹ 2.0	₹ 2.0	₹ 2.0	₹ 2.5	₹ 2.5	₹ 2.5	₹ 2.5	₹ 2.5	-
Dividend payout ratio	13.92%	7.81%	4.90%	7.90%	10.27%	12.07%	8.06%	6.45%	8.54%	-3.99%	0.00%
Retained Earnings	86.08%	92.19%	95.10%	92.10%	89.73%	87.93%	91.94%	93.55%	91.46%	0.00%	0.00%
# Balance Sheet											
Equity Share Capital	₹ 27.1	₹ 28.2	₹ 28.2	₹ 28.2	₹ 28.2	₹ 28.2	₹ 28.2	₹ 28.2	₹ 28.2	₹ 28.2	₹ 28.2
Reserves	₹ 1,756.4	₹ 3,601.4	₹ 4,464.3	₹ 5,135.3	₹ 5,577.0	₹ 6,042.3	₹ 7,036.4	₹ 9,058.4	₹ 9,445.7	₹ 7,819.7	
Borrowings	₹ 3,799.9	₹ 3,988.1	₹ 4,723.7	₹ 4,639.4	₹ 4,448.7	₹ 4,868.6	₹ 4,985.7	₹ 3,962.0	₹ 4,627.2	₹ 1,230.9	
Other Liabilities	₹ 2,725.7	₹ 2,575.1	₹ 2,547.7	₹ 2,792.5	₹ 3,234.9	₹ 3,729.2	₹ 3,524.5	₹ 4,003.1	₹ 5,227.6	₹ 5,279.8	
Total Liabilities	₹ 8,309.1	₹ 10,192.9	₹ 11,763.9	₹ 12,595.4	₹ 13,288.8	₹ 14,668.4	₹ 15,574.8	₹ 17,051.8	₹ 19,328.7	₹ 14,358.6	
Fixed Assets Net Block	₹ 2,015.4	₹ 2,593.6	₹ 2,755.1	₹ 3,029.6	₹ 3,670.3	₹ 5,028.6	₹ 5,128.9	₹ 5,887.3	₹ 6,202.4	₹ 4,452.7	
Capital Work in Progress	₹ 477.1	₹ 542.8	₹ 708.1	₹ 1,121.9	₹ 1,398.9	₹ 1,221.9	₹ 1,381.7	₹ 1,009.9	₹ 1,251.3	₹ 419.3	
Investments	₹ 17.1	₹ 17.2	₹ 15.7	₹ 14.7	₹ 29.7	₹ 24.6	₹ 24.6	₹ 49.6	₹ 44.7	₹ 789.7	
Other Assets	₹ 1,242.8	₹ 2,121.8	₹ 2,683.9	₹ 2,832.2	₹ 2,805.5	₹ 2,737.5	₹ 3,051.6	₹ 3,092.6	₹ 3,284.3	₹ 2,666.0	
Total Non Current Assets	₹ 3,752.4	₹ 5,275.3	₹ 6,162.8	₹ 6,998.3	₹ 7,904.4	₹ 9,012.5	₹ 9,586.8	₹ 10,039.3	₹ 10,782.6	₹ 8,327.7	
Receivables	₹ 2,511.8	₹ 2,492.7	₹ 2,404.3	₹ 2,331.8	₹ 2,194.6	₹ 2,409.0	₹ 2,572.1	₹ 3,101.1	₹ 4,098.6	₹ 1,858.4	
Inventory	₹ 1,269.0	₹ 1,567.8	₹ 2,139.1	₹ 2,030.6	₹ 2,252.1	₹ 2,135.6	₹ 2,276.8	₹ 2,499.8	₹ 2,977.8	₹ 2,513.1	
Cash & Bank	₹ 775.9	₹ 857.1	₹ 1,057.7	₹ 1,234.7	₹ 937.8	₹ 1,111.2	₹ 1,139.2	₹ 1,411.5	₹ 1,469.7	₹ 1,659.5	
Total Current Assets	₹ 4,556.7	₹ 4,917.5	₹ 5,601.0	₹ 5,597.1	₹ 5,384.4	₹ 5,655.8	₹ 5,988.1	₹ 7,012.5	₹ 8,546.1	₹ 6,030.9	
Total Assets	₹ 8,309.1	₹ 10,192.9	₹ 11,763.9	₹ 12,595.4	₹ 13,288.8	₹ 14,668.4	₹ 15,574.8	₹ 17,051.8	₹ 19,328.7	₹ 14,358.6	
Check	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	
# Cash Flow Statements											
Cash from Operating Activities	₹ 481.7	₹ 344.9	₹ 657.4	₹ 1,648.1	₹ 1,324.2	₹ 1,392.4	₹ 1,131.2	₹ 1,108.7	₹ 625.4	(₹ 265.4)	
Cash from Investing Activities	(₹ 712.0)	(₹ 950.1)	(₹ 1,001.3)	(₹ 1,002.6)	(₹ 882.5)	(₹ 773.8)	(₹ 661.6)	(₹ 315.7)	(₹ 515.4)	₹ 4,560.9	
Cash from Financing Activities	₹ 199.2	₹ 698.6	₹ 543.2	₹ 468.5	₹ 738.7	₹ 444.7	₹ 441.8	₹ 520.5	₹ 77.5	(₹ 3,906.1)	
Net Cash Flow	(₹ 31.1)	₹ 93.4	₹ 199.2	₹ 177.0	(₹ 297.1)	₹ 174.0	₹ 27.8	₹ 272.4	₹ 32.5	₹ 389.3	

Ratio Analysis

Years	Ratio Analysis of GLENMARK PHARMACEUTICALS LTD					Trend	Mean	Median
	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24			
Sales Growth	7.86%	2.85%	12.44%	5.57%	-9.06%		3.93%	5.57%
EBITDA Growth	7.15%	22.66%	11.63%	-2.08%	-47.54%		-1.63%	7.15%
EBIT Growth	-2.22%	42.33%	19.74%	-14.55%	-92.60%		-9.46%	-2.22%
Net Profit Growth	6.37%	49.72%	25.02%	-24.48%	-314.15%		-51.50%	6.37%
Dividend Growth	25.00%	0.00%	0.00%	0.00%	0.00%		5.00%	0.00%
Gross Margin	36.82%	38.16%	37.05%	36.61%	38.36%		37.40%	37.05%
EBITDA Margin	15.97%	19.05%	18.91%	17.54%	10.12%		16.32%	17.54%
EBIT Margin	12.05%	14.99%	14.95%	12.83%	5.19%		12.00%	12.83%
EBT Margin	8.50%	11.77%	12.53%	10.14%	0.83%		8.75%	10.14%
Net Profit Margin	5.49%	8.00%	8.89%	6.36%	-14.98%		2.75%	6.36%
Sales Expenses % of Sales	20.85%	19.11%	18.14%	19.07%	28.24%		21.08%	19.11%
Depreciation % of Sales	3.92%	4.05%	3.96%	4.71%	4.93%		4.31%	4.05%
Operating Income % of Sales	12.05%	14.99%	14.95%	12.83%	5.19%		12.00%	12.83%
Return on Capital Employed	11.72%	13.62%	14.10%	11.82%	6.76%		11.60%	11.82%
Retained Earnings (%)	87.93%	91.94%	93.55%	91.46%	0.00%		72.98%	91.46%
Return on Equity (%)	9.63%	12.39%	12.04%	8.72%	-22.55%		4.05%	9.63%
Self Sustained Growth Rate	8.47%	11.39%	11.27%	7.98%	0.00%		7.82%	8.47%
Interest Coverage Ratio	3.40x	4.65x	6.17x	4.77x	1.19x		4.04x	4.65x
Debtor Turnover Ratio	4.42x	4.25x	3.97x	3.17x	6.36x		4.43x	4.25x
Creditor Turnover Ratio	2.85x	3.11x	3.07x	2.48x	2.24x		2.75x	2.85x
Inventory Turnover	4.98x	4.81x	4.92x	4.36x	4.70x		4.75x	4.81x
Fixed Asset Turnover	2.12x	2.13x	2.09x	2.09x	2.65x		2.22x	2.12x
Capital Turnover Ratio	1.75x	1.55x	1.35x	1.37x	1.51x		1.51x	1.51x
Debtor Days	83	86	92	115	57		87	86
Payable Days	128	118	119	147	163		135	128
Inventory Days	73	76	74	84	78		77	76
Cash Conversion Cycle (in days)	28	44	47	52	-28		29	44
CFO/Sales	13.09%	10.34%	9.01%	4.81%	-2.25%		7.00%	9.01%
CFO/Total Assets	9.49%	7.26%	6.50%	3.24%	-1.85%		4.93%	6.50%
CFO/Total Debt	28.60%	22.69%	27.98%	13.52%	-21.56%		14.24%	22.69%

Common Size Statement

Common Size Income Statement - GLENMARK PHARMACEUTICALS LTD

Particulars	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Sales	100.00%						
Raw Material Cost	32.01%	34.68%	33.55%	34.81%	35.73%	37.43%	39.02%
Change in Inventory	-1.47%	0.59%	-1.20%	1.73%	0.09%	2.50%	1.66%
Power and Fuel	1.52%	1.68%	1.63%	1.50%	1.63%	1.75%	0.00%
Other Mfr. Exp	6.32%	6.55%	5.59%	5.84%	5.78%	5.29%	0.00%
Employee Cost	20.64%	20.85%	21.20%	21.42%	19.90%	21.42%	24.28%
Selling and admin	16.78%	17.73%	15.66%	13.28%	12.53%	13.77%	0.00%
Other Expenses	3.44%	3.03%	5.20%	5.84%	5.61%	5.30%	28.24%
Other Income	0.98%	3.80%	1.80%	0.87%	-0.82%	-3.46%	2.85%
Depreciation	3.33%	3.30%	3.92%	4.05%	3.96%	4.71%	4.93%
Interest	3.15%	3.39%	3.55%	3.23%	2.42%	2.69%	4.37%
Profit before tax	12.34%	13.18%	10.30%	12.63%	11.71%	6.69%	3.67%
Tax	3.48%	3.81%	3.01%	3.77%	3.64%	3.78%	15.81%
Net profit	8.86%	9.38%	7.29%	8.86%	7.65%	2.29%	-12.71%
Dividend Amount	0.62%	0.57%	0.66%	0.64%	0.57%	0.54%	0.60%
EBITDA	18.81%	19.88%	17.77%	19.91%	17.67%	13.47%	12.39%

Common Size Balance Sheet - GLENMARK PHARMACEUTICALS LTD

Particulars	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Total Liabilities	100.00%						
Equity Share Capital	0.22%	0.21%	0.19%	0.18%	0.17%	0.15%	0.20%
Reserves	40.77%	41.97%	41.19%	45.18%	53.12%	48.87%	54.46%
Borrowings	36.83%	33.48%	33.19%	32.01%	23.24%	23.94%	8.57%
Other Liabilities	22.17%	24.34%	25.42%	22.63%	23.48%	27.05%	36.77%
Total Assets	100.00%						
Net Block	24.05%	27.62%	34.28%	32.93%	34.53%	32.09%	31.01%
Capital Work in Progress	8.91%	10.53%	8.33%	8.87%	5.92%	6.47%	2.92%
Investments	0.12%	0.22%	0.17%	0.16%	0.29%	0.23%	5.50%
Other Assets	22.49%	21.11%	18.66%	19.59%	18.14%	16.99%	18.57%
Receivables	18.51%	16.51%	16.42%	16.51%	18.19%	21.20%	12.94%
Inventory	16.12%	16.95%	14.56%	14.62%	14.66%	15.41%	17.50%
Cash & Bank	9.80%	7.06%	7.58%	7.31%	8.28%	7.60%	11.56%

Forecasting

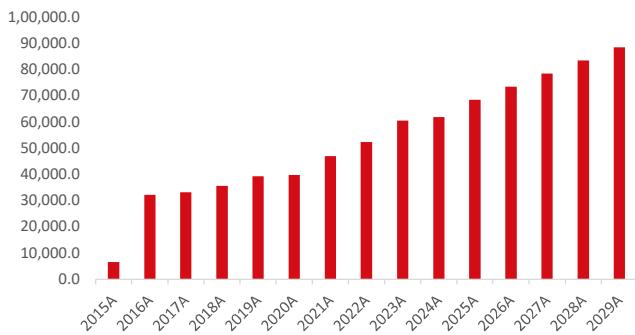
GLENMARK PHARMACEUTICALS LTD - Sales Forecasting

Year Weight	Year	Sales	Sales Growth
1	2015A	6,562.6	
2	2016A	32,186.0	390.44%
3	2017A	33,162.0	3.03%
4	2018A	35,545.0	7.19%
5	2019A	39,310.0	10.59%
6	2020A	39,783.0	1.20%
7	2021A	47,028.0	18.21%
8	2022A	52,446.0	11.52%
9	2023A	60,580.0	15.51%
10	2024A	61,896.0	2.17%
11	2025E	68,453.2	10.59%
12	2026E	73,472.0	7.33%
13	2027E	78,490.8	6.83%
14	2028E	83,509.6	6.39%
15	2029E	88,528.4	6.01%

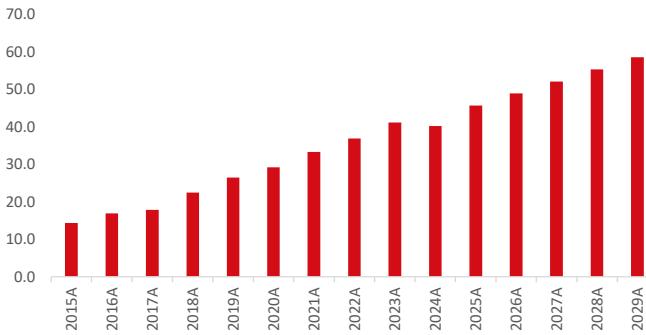
GLENMARK PHARMACEUTICALS LTD - Earnings per Share Forecasting

Year Weight	Year	Earning Per Share	Earning Per Share Growth
1	2015A	14.4	
2	2016A	16.9	17.92%
3	2017A	17.9	5.96%
4	2018A	22.5	25.48%
5	2019A	26.5	17.72%
6	2020A	29.2	10.21%
7	2021A	33.3	14.06%
8	2022A	36.9	10.78%
9	2023A	41.3	11.78%
10	2024A	40.3	-2.37%
11	2025E	45.7	13.47%
12	2026E	48.9	7.07%
13	2027E	52.2	6.61%
14	2028E	55.4	6.20%
15	2029E	58.6	5.84%

Sales



Earning per Share



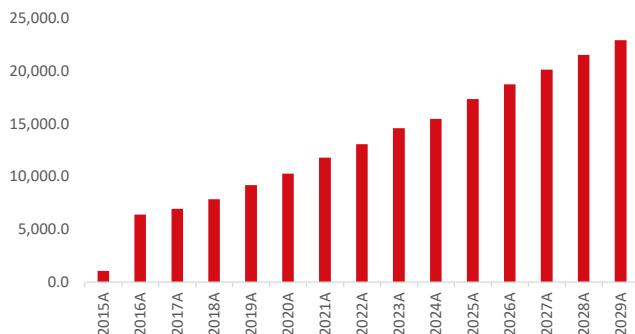
GLENMARK PHARMACEUTICALS LTD - EBITDA Forecasting

Year Weight	Year	EBIDTA	EBIDTA Growth
1	2015A	1,034.2	
2	2016A	6,396.0	518.46%
3	2017A	6,920.0	8.19%
4	2018A	7,839.0	13.28%
5	2019A	9,196.0	17.31%
6	2020A	10,277.0	11.76%
7	2021A	11,792.0	14.74%
8	2022A	13,063.0	10.78%
9	2023A	14,572.0	11.55%
10	2024A	15,471.0	6.17%
11	2025E	17,350.0	12.15%
12	2026E	18,748.9	8.06%
13	2027E	20,147.8	7.46%
14	2028E	21,546.7	6.94%
15	2029E	22,945.6	6.49%

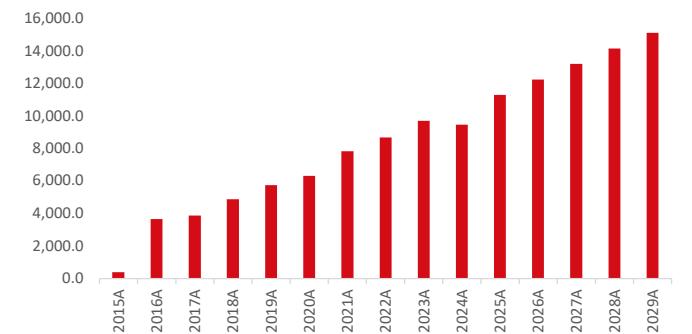
GLENMARK PHARMACEUTICALS LTD - Net Profit Forecasting

Year Weight	Year	Net Profit	Net Profit Growth
1	2015A	389.7	
2	2016A	3,665.0	840.52%
3	2017A	3,884.0	5.98%
4	2018A	4,874.0	25.49%
5	2019A	5,738.0	17.73%
6	2020A	6,324.0	10.21%
7	2021A	7,829.0	23.80%
8	2022A	8,673.0	10.78%
9	2023A	9,695.0	11.78%
10	2024A	9,465.0	-2.37%
11	2025E	11,296.5	19.35%
12	2026E	12,249.7	8.44%
13	2027E	13,202.9	7.78%
14	2028E	14,156.2	7.22%
15	2029E	15,109.4	6.73%

EBIDTA



Net Profit



Intrinsic Growth

Calculation of ROIC	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Current Assets					
Inventories	2,136.0	2,277.0	2,500.0	2,978.0	2,513.0
Trade receivables	2,409.0	2,572.0	3,101.0	4,099.0	1,858.0
Short term loans	-	-	-	-	-
Other asset items	2,738.0	3,052.0	3,093.0	3,284.0	2,666.0
Total Current Assets	7,283.0	7,901.0	8,694.0	10,361.0	7,037.0
Current Liabilities					
Trade Payables	2,126.0	2,238.0	2,289.0	2,392.0	2,536.0
Advance from Customers	-	-	-	-	-
Other liability items	1,604.0	1,287.0	1,363.0	2,470.0	2,744.0
Total Current Liabilities	3,730.0	3,525.0	3,652.0	4,862.0	5,280.0
Net Working Capital	3,553.0	4,376.0	5,042.0	5,499.0	1,757.0
Non Current Assets					
Land	58.0	58.0	69.0	70.0	-
Building	1,609.0	1,704.0	2,165.0	2,412.0	-
Plant Machinery	2,103.0	2,247.0	2,790.0	3,080.0	-
Equipments	344.0	363.0	403.0	454.0	-
Furniture n fittings	205.0	208.0	215.0	238.0	-
Railway sidings	-	-	-	-	-
Vehicles	40.0	46.0	54.0	66.0	-
Intangible Assets	3,647.0	3,802.0	4,142.0	4,575.0	1,335.0
Other fixed assets	265.0	304.0	377.0	401.0	-
Gross Block	8,271.0	8,732.0	10,215.0	11,296.0	1,335.0
Accumulated Depreciation	3,241.0	3,603.0	4,326.0	5,094.0	-
Net Non Current Assets	11,512.0	12,335.0	14,541.0	16,390.0	1,335.0
Invested Capital					
EBIT	15,065.0	16,711.0	19,583.0	21,889.0	3,092.0
	1,282.1	1,640.8	1,840.1	1,667.1	613.4
ROIC	8.51%	9.82%	9.40%	7.62%	19.84%

Calculation of Reinvestment Rate	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Net Capex	(5.0)	(3.0)	(9.0)	(23.0)	(17.0)
Change in Working Capital		823.0	666.0	457.0	(3,742.0)
EBIT	1,282.1	1,640.8	1,840.1	1,667.1	613.4
Marginal Tax Rate	25.00%	25.00%	25.00%	25.00%	25.00%
EBIT(1-T)	961.6	1,230.6	1,380.0	1,250.3	460.1
Reinvestment		820.0	657.0	434.0	(3,759.0)
Reinvestment Rate		66.63%	47.61%	34.71%	-817.05%

4 Year Average -167.02%
4 Year Median 41.16%

Calculation of Growth Rate	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Reinvestment Rate	66.63%	47.61%	34.71%	-817.05%	
ROIC	9.82%	9.40%	7.62%	19.84%	
Intrinsic Growth	6.54%	4.47%	2.64%	-162.10%	

4 Year Average	-37.11%
4 Year Median	3.56%

WACC

Weighted Average Cost of Capital

All figures are in INR unless stated otherwise.

Peer Comps

Name	Country	Total Debt	Total Equity	Tax Rate ¹	Debt/ Equity	Debt/ Capital	Levered Beta ²	Unlevered Beta ³
Glennmark	India	1,230.9	48,199.2	30.00%	2.55%	2.49%	1.02	1.00
Sun Pharma	India	3,273.7	4,34,820.7	30.00%	0.75%	0.75%	0.54	0.54
Dr. Reddy's Labs	India	2,002.0	1,16,732.1	30.00%	1.72%	1.69%	0.63	0.62
Zydus	India	804.2	1,14,580.8	30.00%	0.70%	0.70%	0.71	0.71
Lupin	India	2,921.8	1,00,327.8	30.00%	2.91%	2.83%	0.60	0.59
		Average		30.00%	1.73%	1.69%	0.70	0.69
		Median		30.00%	1.72%	1.69%	0.63	0.62

Cost of Debt

Pre-tax Cost of Debt	36.07%
Tax Rate	30.00%
After Tax Cost of Debt	25.25%

Cost of Equity

Risk Free Rate	6.98%
Equity Risk Premium	8.63%
Levered Beta ⁴	0.80
Cost of Equity	13.92%

Capital Structure

		Current	Target
Total Debt	1,230.9	2.49%	1.69%
Market Capitalization	48,199.2	97.51%	98.31%
Total Capitalization	49430.08	100.00%	100.00%
Debt / Equity		2.55%	1.72%

Levered Beta

Comps Median Unlevered Beta	0.62
Target Debt/ Equity	1.72%
Tax Rate	30.00%
Levered Beta	0.80

Weighted Average Cost of Capital

Cost of Equity	13.92%
Equity Weight	98.31%
Cost of Debt	25.25%
Debt Weight	1.69%
WACC	14.11%

Key Points:

1. Tax Rate considered as Marginal Tax Rate for the country.
2. Levered Beta is based on 5 year monthly data.
3. Unlevered Beta = Levered Beta/(1+(1-Tax Rate) x Debt/Equity)
4. Levered Beta = Unlevered Beta/(1+(1-Tax Rate) x Debt/Equity)

Terminal Value (FCFF)											
Calculation of FCFF		Mar-24A	Mar-25E	Mar-26E	Mar-27E	Mar-28E	Mar-29E				
EBIT		881.64	930.04	981.10	1,034.96	1,091.78	1,151.72				
Tax Rate		25.00%	25.00%	25.00%	25.00%	25.00%	25.00%				
EBIT(1-Tax)		661.23	697.53	735.83	776.22	818.84	863.79				
less: Reinvented Rate		41.16%	57.78%	74.40%	91.03%	107.65%	107.65%				
Free Cash Flow to Firm (FCFF)		389.07	294.48	188.34	69.65	-62.64	-66.08				
Mid Year Convention			0.5	1.5	2.5	3.5	4.5				
Discounting Factor			0.936	0.820	0.719	0.630	0.552				
PV of FCFF			275.68	154.51	50.07	-39.47	-36.49				
Expected Growth	5.49%										
Terminal Growth	8.20%										
WACC	14.11%										
Calculation of Terminal Value											
FCFF (n+1)	-69.71										
WACC	14.11%										
Terminal Growth Rate	8.20%										
Terminal Value	-1,179.88										
Calculation of Equity Value per Share											
PV of FCFF	404.31										
PV of Terminal Value	-651.50										
Value of Operating Assets	-247.19										
Add: Cash	1659.46										
Less: Debt	991										
Value of Equity	421.27										
No of Shares	28.22										
Equity Value per Share	14.93										
Share Price	1700										
Discount/Premium	113.88x										
Relative Pricing (Comparable Company Valuation)											
Amount in crores											
Company	Market Data					Financials			Valuation		
	Share Price	Shares Outstanding	Equity Value	Net Debt	Enterprise Value	Revenue	EBITDA	Net Income	EV/Revenue	EV/EBITDA	P/E
Glennmark	1,691	28.22	47,728	-429	47,300	12,021	2,035	-1,266	3.9x	23.2x	-37.7x
Sun Pharma	1,799	239.93	4,31,682	-7,247	4,24,435	49,209	14,387	10,465	8.6x	29.5x	41.3x
Dr. Reddy's Labs	6,931	16.69	1,15,681	274	1,15,955	28,949	8,752	5,565	4.0x	13.2x	20.8x
Zydus	1,132	100.62	1,13,907	-301	1,13,606	20,615	5,655	4,322	5.5x	20.1x	26.4x
Lupin	2,194	45.60	1,00,035	1,719	1,01,754	20,797	3,900	2,288	4.9x	26.1x	43.7x
High									8.6x	29.5x	43.7x
75th Percentile									5.5x	26.1x	41.3x
Average									5.4x	22.4x	18.9x
Median									4.9x	23.2x	26.4x
25th Percentile									4.0x	20.1x	20.8x
Low									3.9x	13.2x	-37.7x
Glenmark Pharmaceuticals Comparable Valuation							EV/Revenue	EV/EBITDA	P/E		
Implied Enterprise Value							47,300	26,966	47,728		
Net Debt							-429	-429	-429		
Implied Market Value							47,728	27,394	-33,379		
Shares Outstanding							28.22	28.22	28.22		
Implied Value per Share							1,691.3	970.7	-1,182.8		
							Overvalued	Overvalued	Overvalued		

GLENMARK PHARMACEUTICALS LTD

(GLENMARK | BSE Code: 532296)

INR 1700

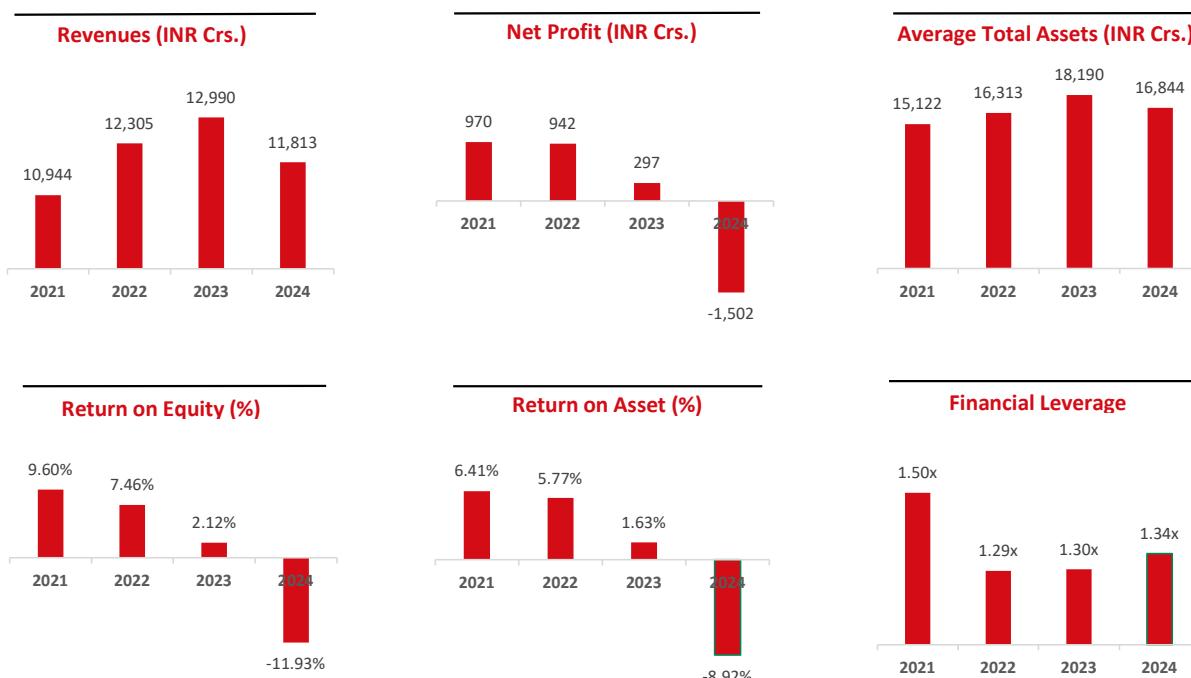
52 Week (High - INR 1744.70 & Low - 722.10)



About the company

Glenmark Pharmaceuticals is a global, research-led pharmaceutical company headquartered in Mumbai, India. Established in 1977, Glenmark has a strong presence across generics, specialty, and over-the-counter segments. The company focuses on innovation and development of new chemical entities (NCEs) and new biological entities (NBEs) across key therapeutic areas like oncology, dermatology, respiratory, and pain management. Glenmark operates through a robust pipeline of generic drugs and specialty medicines, with a commitment to improving access to affordable healthcare.

Financial Summary



Recent Updates

- Glenmark Pharmaceuticals reported a 126.95% increase in consolidated net profit, reaching ₹340.27 crore in the June 2024 quarter, compared to ₹149.93 crore in the same quarter of the previous year
- The company saw a 7.5% increase in sales, rising to ₹3,223.30 crore from ₹2,998.47 crore year-on-year
- Glenmark Pharmaceuticals' stock has been a multibagger in 2024, with a 97% rise year-to-date and hitting a 52-week high
- The India business grew by 11.9% YoY, contributing significantly to overall growth.
- The company's respiratory products continue to be a major growth driver in India, particularly with key launches that are expected to accelerate revenue in the second half of FY25
- Glenmark reduced its R&D expenditure, which helped improve profitability while maintaining its focus on innovative therapies for the Indian market
- The operating profit margin (OPM) in India rose from 14.59% to 18.25%, reflecting better cost management and operational efficiency
- Glenmark successfully reduced its net debt, enhancing its financial health. The company divested its remaining

Dupont Analysis - Return on Equity & Return on Asset

	Return on Equity (ROE)						
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Net Profit	803.9	925.0	776.0	970.0	941.7	297.3	-1,501.7
Average Shareholder Equity	7,409.7	8,186.9	8,873.1	10,099.9	12,619.0	14,017.3	12,584.9
Return on Equity	10.85%	11.30%	8.75%	9.60%	7.46%	2.12%	-11.93%

	ROE - Dupont Equation						
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Net Profit	803.9	925.0	776.0	970.0	941.7	297.3	-1,501.7
Revenue	9,074.4	9,865.5	10,641.0	10,943.9	12,304.9	12,990.1	11,813.1
Net Profit Margin (A)	8.86%	9.38%	7.29%	8.86%	7.65%	2.29%	-12.71%
Revenue	9,074.4	9,865.5	10,641.0	10,943.9	12,304.9	12,990.1	11,813.1
Average Total Asset	12,179.6	12,942.1	13,978.6	15,121.6	16,313.3	18,190.3	16,843.7
Asset Turnover Ratio (B)	0.75x	0.76x	0.76x	0.72x	0.75x	0.71x	0.70x
Average Total Asset	12,179.6	12,942.1	13,978.6	15,121.6	16,313.3	18,190.3	16,843.7
Average Shareholder Equity	7,409.7	8,186.9	8,873.1	10,099.9	12,619.0	14,017.3	12,584.9
Equity Multiplier (C)	1.64x	1.58x	1.58x	1.50x	1.29x	1.30x	1.34x
Return on Equity (A*B*C)	10.85%	11.30%	8.75%	9.60%	7.46%	2.12%	-11.93%

	Return on Asset						
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Net Profit	803.9	925.0	776.0	970.0	941.7	297.3	-1,501.7
Average Total Asset	12,179.6	12,942.1	13,978.6	15,121.6	16,313.3	18,190.3	16,843.7
Return on Asset	6.60%	7.15%	5.55%	6.41%	5.77%	1.63%	-8.92%

	ROA - Dupont Equation						
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Net Profit	803.9	925.0	776.0	970.0	941.7	297.3	-1,501.7
Revenue	9,074.4	9,865.5	10,641.0	10,943.9	12,304.9	12,990.1	11,813.1
Net Profit Margin (A)	8.86%	9.38%	7.29%	8.86%	7.65%	2.29%	-12.71%
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Asset Turnover Ratio (B)	0.75x	0.76x	0.76x	0.72x	0.75x	0.71x	0.70x
Return on Asset (A*B)	6.60%	7.15%	5.55%	6.41%	5.77%	1.63%	-8.92%

Dupont Summary

- Glenmark's ROE showed a downward trend from 10.85% in Mar-18 to -11.93% in Mar-24, indicating a decline in profitability and returns to shareholders over the years
- The Net Profit Margin decreased sharply, particularly from 2.29% in Mar-22 to -12.74% in Mar-24
- ROA also experienced a decline, starting from 6.60% in Mar-18 and dropping to -8.94% in Mar-24, showing reduced efficiency in using assets to generate profits.
- The drop in ROE over the years is primarily driven by the significant reduction in Net Profit Margin and marginal decreases in the Asset Turnover Ratio and Equity MultiplierThe Financial Leverage has been increasing for the past 4 years
- The Asset Turnover Ratio remains relatively consistent over the years, reflecting stable operational efficiency, although not enough to offset declining profit margins.

***Disclaimer :** This report is meant for educational purpose only. The author of the report is not liable for any losses due to actions taken basis this report. It is advisable to consult SEBI registered research analyst before making any investments.*

GLENMARK PHARMACEUTICALS LTD

(GLENMARK | BSE Code: 532296)

INR 1700

52 Week (High - INR 1744.70 & Low - 722.10)



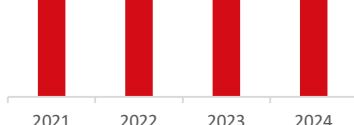
Altman's Z Score Analysis

The Z-score formula for predicting bankruptcy was published in 1968 by Edward I. Altman, who was, at the time, an Assistant Professor of Finance at New York University. The formula may be used to determine the probability that a firm will go into bankruptcy within two years. Z-scores are used to predict corporate defaults and an easy-to-calculate control measure for the financial distress status of companies in academic studies. The Z-score uses multiple corporate income and balance sheet values to measure the financial health of a company.

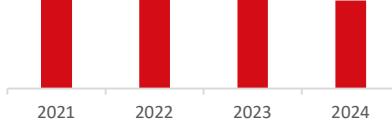
Calculation of Altman's Z Score	Analysis of Altman's Z Score	
	Score	Financial Stability
Altman Z-Score = 1.2A + 1.4B + 3.3C + 0.6D + 1.0E		
Where,		
A = Working Capital/Total Assets	Less than 1.81	Distressed
B = Retained Earnings/Total Assets	Between 1.81 & 3.0	Grey Zone
C = EBIT/Total Assets	More than 3.0	Strong
D = Market Cap/Long term Liabilities		
E = Sales/Total Assets		

Financial Summary

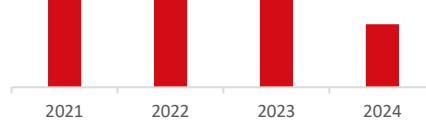
Total Assets (INR Crs.)



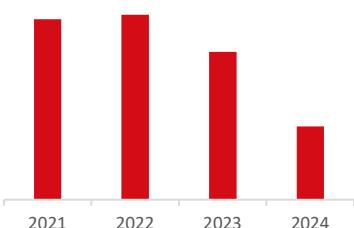
Working Capital (INR Crs.)



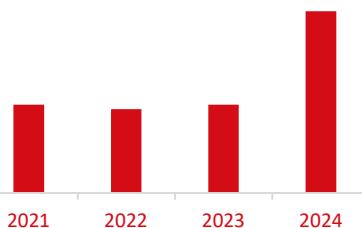
EBIT (INR Crs.)



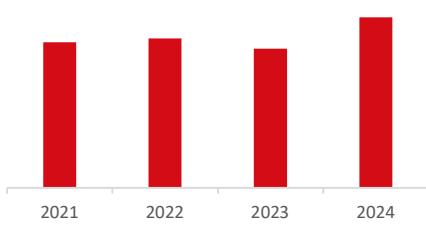
EBIT/Total Assets (%)



Market Capitalisation (INR Crs.)



Financial Leverage



Altman's Z Score Analysis Calculation

Working Capital / Total Assets							
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Working Capital	5,636.8	4,955.0	4,664.1	5,515.2	6,101.9	6,602.9	3,417.2
Total Assets	12,595.4	13,288.8	14,668.4	15,574.8	17,051.8	19,328.7	14,358.6
Working Capital / Total Assets (A)	44.75%	37.29%	31.80%	35.41%	35.78%	34.16%	23.80%
Retained Earnings / Total Assets							
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Retained Earnings	658.1	493.2	514.1	804.8	1,023.8	755.9	0.0
Total Assets	12,595.4	13,288.8	14,668.4	15,574.8	17,051.8	19,328.7	14,358.6
Retained Earnings / Total Assets (B)	5.22%	3.71%	3.50%	5.17%	6.00%	3.91%	0.00%
EBIT / Total Assets							
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
EBIT	1,315.6	1,259.9	1,282.1	1,640.8	1,840.1	1,667.1	613.4
Total Assets	12,595.4	13,288.8	14,668.4	15,574.8	17,051.8	19,328.7	14,358.6
EBIT/Total Assets (C)	10.44%	9.48%	8.74%	10.54%	10.79%	8.62%	4.27%
Market Cap / Long term Liabilities							
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Market Cap	14,850.5	18,261.9	5,808.4	13,112.4	12,471.8	13,112.4	27,044.4
Long term Liabilities	4,639.4	4,448.7	4,868.6	4,985.7	3,962.0	4,627.2	1,230.9
Market Cap / Long term Liabilities (D)	320%	411%	119%	263%	315%	283%	2197%
Sales / Total Assets							
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Total Sales	9,074.4	9,865.5	10,641.0	10,943.9	12,304.9	12,990.1	11,813.1
Total Assets	12,595.4	13,288.8	14,668.4	15,574.8	17,051.8	19,328.7	14,358.6
Return on Asset (E)	72.05%	74.24%	72.54%	70.27%	72.16%	67.21%	82.27%
Altman's Z Score							
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Final Score	2.3	2.6	1.2	2.0	2.2	1.9	11.3
Financial Stability	Grey Zone	Grey Zone	Distressed	Grey Zone	Grey Zone	Grey Zone	Strong

Value at Risk (Historic Approach & Monte Carlo Simulation)

Date	Adj Close	Return	Sorted Returns	Replication	Simulated Returns	Calculation of Value at Risk - Glenmark Pharmaceuticals Limited				
23-10-2003	8.13	6.22	3.23	1	-0.03					
13-06-2003	1.13	1.64	0.83	2	0.00	Historical Approach				
27-09-2002	0.43	-0.97	0.41	3	-0.01	Mean				0.16%
03-12-2003	12.24	-0.17	0.17	4	0.05	Standard Deviation				3.99%
19-12-2003	14.67	-0.42	0.10	5	0.02	Min				0.00%
23-09-2004	25.08	-0.17	0.10	6	0.06	Max				322.95%
27-09-2004	30.35	-0.09	0.10	7	-0.03	Current Market Price				1698.5
28-09-2004	33.39	0.21	0.10	8	0.03					
24-09-2004	27.59	1.10	0.10	9	-0.02	Monte Carlo Simulation				
04-12-2003	13.13	0.50	0.07	10	0.01	Mean				0.15%
25-11-2003	8.73	29.69	0.05	11	0.03	Standard Deviation				4.00%
16-07-2002	0.28	-0.97	0.05	12	0.00	Min				-15.50%
01-12-2003	10.21	7.15	0.05	13	-0.01	Max				17.50%
27-06-2003	1.25	-0.22	0.05	14	-0.03	Current Market Price				1698.5
22-10-2003	1.61	0.36	0.04	15	0.00					
24-06-2003	1.18	-0.98	0.03	16	0.02	Percentile	Confidence	VAR %	Stock Price	VAR (INR)
26-05-2005	54.32	34.04	0.03	17	0.04	5.0%	95.00%	-6.44%	1807.8	-109.4
28-08-2003	1.55	-1.00	0.03	18	-0.02	1.0%	99.00%	-9.27%	1856.0	-157.5
18-03-2020	1791.10	89.58	0.03	19	0.00	0.5%	99.50%	-10.37%	1874.5	-176.1
11-08-2004	19.77	77.14	0.03	20	0.05	10.0%	90.00%	-4.98%	1783.1	-84.6
04-09-2002	0.25	-0.87	0.03	21	0.05					
11-09-2003	1.92	6.12	0.03	22	-0.03					
31-07-2002	0.27	-0.84	0.03	23	-0.05					
19-09-2003	1.69	-0.84	0.03	24	0.07					
02-12-2003	10.46	15.98	0.02	25	-0.08					
16-01-2003	0.62	-0.94	0.02	26	0.04					
27-10-2003	9.65	21.11	0.02	27	0.00					
30-09-2002	0.44	-0.71	0.02	28	-0.02					
27-08-2003	1.48	-0.96	0.02	29	0.01					
11-10-2004	34.28	-0.11	0.02	30	0.02					
07-03-1996	38.36	3.63	0.02	31	0.03					
24-10-2003	8.29	3.42	0.02	32	0.04					
08-09-2003	1.87	-0.95	0.02	33	0.02					
30-09-2004	37.40	83.02	0.02	34	-0.01					
25-09-2002	0.45	-1.00	0.02	35	0.00					
03-05-2018	1317.87	-0.24	0.02	36	0.00					
23-03-2020	1740.73	1059.07	0.02	37	0.00					
21-10-2003	1.64	-0.97	0.02	38	-0.05					
30-12-2004	51.62	-0.07	0.02	39	0.00					
30-05-2005	55.34	-0.96	0.02	40	-0.01					
10-07-2024	1379.85	915.16	0.02	41	0.06					
02-07-2003	1.51	4.11	0.01	42	-0.04					
03-07-2002	0.29	-1.00	0.01	43	0.01					
01-07-2024	1267.45	2247.54	0.01	44	-0.03					
13-01-2003	0.56	-0.97	0.01	45	0.02					
18-08-2004	20.47	-0.61	0.01	46	0.09					
31-03-1997	52.38	2.93	0.01	47	0.03					
05-12-2003	13.32	-0.42	0.01	48	0.06					
21-09-2004	22.78	37.42	0.01	49	0.03					
06-06-2003	0.59	-0.97	0.01	50	0.00					
16-08-2004	20.17	-0.98	0.01	51	-0.02					
30-10-2017	1112.79	-0.05	0.01	52	-0.03					
03-06-2024	1176.20	-0.13	0.01	53	-0.03					
08-07-2024	1356.35	1058.44	0.01	54	-0.04					
21-07-2003	1.28	-0.93	0.01	55	-0.03					
16-07-2004	18.98	-0.52	0.01	56	-0.06					
06-12-2004	39.19	-0.97	0.01	57	0.01					
02-05-2018	1335.79	58.67	0.01	58	0.07					
07-09-2004	22.39	-0.99	0.01	59	-0.03					
27-09-2019	1862.51	1435.55	0.01	60	-0.01					
24-07-2003	1.30	-0.25	0.01	61	0.05					
17-10-2003	1.72	1.96	0.01	62	-0.01					
30-05-2003	0.58	-1.00	0.01	63	0.00					
03-07-2024	1281.80	21.30	0.01	64	0.00					
18-05-2005	57.49	2.78	0.01	65	0.02					
17-05-2004	15.21	10.52	0.01	66	0.06					
14-07-2003	1.32	-0.97	0.01	67	0.03					
22-04-1996	42.57	-0.97	0.01	68	-0.04					
04-07-2024	1295.50	4476.40	0.01	69	0.00					
15-07-2002	0.29	-0.99	0.01	70	-0.09					
02-05-1996	44.36	1.87	0.01	71	0.05					
08-06-2004	15.45	-0.69	0.01	72	-0.06					
18-02-1997	50.28	-0.97	0.01	73	-0.01					
16-11-2018	1553.23	32.16	0.01	74	0.02					
16-08-1996	46.85	-0.96	0.01	75	-0.02					
24-04-2024	1070.95	-0.42	0.01	76	0.01					