

Price: 8,608

Recommendation: Buy

Industry: Pharmaceuticals

Sector: Healthcare

Report Date: 31-Mar-2025

AstraZeneca Pharma India Limited is driving growth through strategic initiatives, focusing on niche therapies and market-shaping activities. The company is expanding its portfolio with a dedicated rare disease unit and leveraging its global platform for innovative medicines in oncology, cardiovascular, renal, and respiratory areas. AstraZeneca emphasizes digital transformation, sustainability, and partnerships to enhance patient outcomes and aims for substantial growth with new product launches.

Sales		Profit & Loss		Profitability Matrix	
Current Year	1619 Cr	Operating Profit(Year)	217 Cr	Operating Profit Margin	13.4 %
Previous Year	1003 Cr	Operating Profit(Quarter)	77.0 Cr	EBITDA Margin	13.53 %
Current Quarter	440 Cr	PAT (Year)	149 Cr	Net Profit Margin	11.5 %
Previous Quarter	408 Cr	PAT (Quarter)	54.7 Cr	EPS	38.8
Revenue (QYoY)	306 Cr				
Valuation Matrix		Growth(YoY)		Growth(QoQ)	
Trailing P/E	128	Sales Growth	35.2 %	Sales Growth	7.84 %
PEG Ratio	5.75	PAT Growth	18.25 %	Sales Growth QYoY	43.79 %
EV/EBITDA	84.1	EPS Growth	-39.94 %	PAT Growth	42.45 %
P/B	31.7	Dividend Yield	0.28	PAT Growth QYoY	246.2 %
Capital Allocation		Holdings		Leverage	
RoE	22.9 %	Promoter	75.0 %	Debt/Equity	0.03
RoA	14.4 %	FII	2.92 %	Debt	17.1 Cr
RoCE	31.1 %	DII	5.21 %	Market Cap	21519 Cr
RoIC	23.3 %	Public	16.8 %	Enterprise value	21039 Cr
		No of Shares	2.50 Cr	Cash Equivalents	497 Cr

source : Company filings

Company's Overview Based on Recent Concall and Performance:

AstraZeneca Pharma India Limited's recent meeting highlighted several strategic initiatives and business strategies aimed at driving growth and innovation. The company is focusing on launching new products and indications, particularly in niche therapies where the market is underpenetrated due to low awareness and limited access. This includes a strong emphasis on market-shaping activities such as disease awareness programs and prescriber education support. The company is also investing in Phase IV trials and policy-shaping activities to support these initiatives. A key highlight is the introduction of a dedicated rare disease business unit, which underscores AstraZeneca's commitment to expanding its portfolio in this area. The company plans to forge close collaborations with the government to ensure accessibility of groundbreaking therapies for eligible patients.

In terms of diversification, AstraZeneca is leveraging its global platform to introduce innovative medicines across various therapy areas, including oncology, cardiovascular, renal, and respiratory. The company has launched several new products, such as Fasenra for severe asthma, which has shown significant growth. AstraZeneca is also focusing on digital transformation and healthcare innovation, utilizing AI and digital channels to enhance its operations and patient engagement. The company's commitment to sustainability is evident through its Ambition Zero Carbon initiative and the AZ Forest program, which aims to restore forests and promote biodiversity. These efforts are complemented by the Young Health Programme, which empowers young individuals to make informed health choices.

Looking ahead, AstraZeneca is poised for substantial growth, with plans to introduce more than 15 new products and indications over the next few years. The company is targeting a turnover milestone of INR 3,000 crores, supported by substantial investments in its brands and new product approvals. AstraZeneca's focus on patient centricity and partnerships with healthcare providers and government bodies is expected to drive its growth trajectory. The company's strategic initiatives are aligned with its vision to be a leader in oncology and rare diseases, with a strong emphasis on innovation and patient outcomes.

While AstraZeneca's growth prospects are promising, there are areas for improvement. The company could enhance its market penetration by increasing awareness and access to its niche therapies. Additionally, AstraZeneca's reliance on imported products poses a risk due to foreign exchange fluctuations. To mitigate this, the company could explore local manufacturing partnerships. Overall, AstraZeneca's strategic initiatives and focus on innovation position it well for future growth, but continued efforts to address market challenges and enhance operational efficiency will be crucial for sustained success.

ASTRAZEN Daily Closing One Year Price Chart



Name	Mar Cap (Rs. Cr.)	P/E	ROE	Sales(G) QoQ	Sales(G) QYoY	PAT(G) QoQ	PAT(G) QYoY
P & G Health Ltd	8542.87	34.80	33.46%	-1.16%	-0.06%	10.41%	26.13%
Abbott India	65281.17	48.92	34.88%	-1.13%	12.33%	0.61%	16.01%
Glaxosmi. Pharma	48794.87	57.13	37.32%	-6.07%	17.90%	-7.74%	29.42%
Astrazeneca Phar	21519.13	128.39	22.92%	7.91%	43.98%	42.28%	246.08%
Pfizer	18319.68	29.76	16.10%	-8.60%	-0.37%	-19.42%	2.81%

Aspect	Commentary
Revenue	The company shows strong revenue growth with a significant year-over-year increase, indicating effective sales strategies and market expansion. The quarterly growth also suggests consistent performance, reflecting the company's ability to maintain momentum in its revenue generation efforts.
Profit & Loss	The profit and loss statement reveals a healthy operating profit and PAT, demonstrating efficient cost management and profitability. The quarterly figures support a positive trend, highlighting the company's ability to sustain profitability over time.
Profitability Matrix	The profitability matrix indicates robust margins, with operating and net profit margins reflecting strong operational efficiency. The EPS suggests solid earnings performance, contributing to shareholder value and indicating potential for future growth.
Valuation Matrix	The valuation metrics suggest a high market valuation with a trailing P/E ratio indicating investor confidence. However, the PEG ratio and EV/EBITDA highlight potential overvaluation, suggesting the need for careful investment consideration.
Growth (YoY)	Year-over-year growth metrics show impressive sales and PAT growth, indicating successful business strategies. However, the negative EPS growth suggests challenges in earnings per share, which may require strategic adjustments.
Growth (QoQ)	Quarter-over-quarter growth metrics reveal strong sales and PAT growth, indicating effective short-term strategies. The significant PAT growth suggests improved profitability, enhancing the company's financial health.
Capital Allocation	The capital allocation metrics reflect strong returns on equity, assets, and capital employed, indicating efficient use of resources. The high RoIC suggests effective investment strategies, contributing to overall financial stability.
Holdings	The holdings structure shows a high promoter stake, indicating strong insider confidence. The presence of institutional investors suggests market trust, while the public holding reflects broad market participation.
Leverage	The leverage metrics indicate low debt levels, suggesting financial prudence and stability. The low debt-to-equity ratio highlights the company's conservative approach to financing, reducing financial risk and enhancing creditworthiness.

Analyst viewpoint: AstraZeneca Pharma India Limited exemplifies a robust growth trajectory fueled by strategic initiatives and market expansion, particularly within underpenetrated niche therapies. Demonstrating strong quarterly sales growth of 7.84% and exceptional PAT growth of 42.45%, AstraZeneca's performance underscores its effective short to mid-term strategies. The company's significant leap in QYoY metrics, with a 43.79% rise in sales and 246.2% surge in PAT, further illustrate its dynamic operational agility. Capital allocation metrics mirror this success with an impressive ROE of 22.9% and RoCE of 31.1%, pointing to efficient resource utilization and promising return prospects for stakeholders. Alongside, AstraZeneca's low leverage profile, with a debt-to-equity ratio of just 0.03, underscores its financial stability and prudent risk management. Aided by innovative launches and strategic partnerships, the company is poised for accelerated growth, primed to capture market leadership in rare disease segments.

While AstraZeneca portrays a compelling growth narrative with a promising strategic outlook, potential investors should be cognizant of certain risks. The high P/E ratio of 128 may signal market overvaluation, necessitating a careful investment analysis. Moreover, AstraZeneca's reliance on imported products introduces forex fluctuation vulnerabilities, warranting strategic mitigations such as local manufacturing to enhance operational resilience. Nonetheless, the company's commitment to sustainability, digital transformation, and innovative healthcare solutions positions it as a standout contender in the healthcare sector, primed for substantial near-term growth.

Please read detailed disclosure on next page.

Explanation of Investment Rating*	
Investment Rating	Expected Return (over 12-month)
BUY	>=15%
SELL	<-10%
NEUTRAL	>-10% to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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