

Research Report

Mankind Pharma Ltd.



Prepared by
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About

Incorporated in 1991, Mankind Pharma Limited develops, manufactures, and markets pharmaceutical formulations in various acute and chronic therapeutic areas and several consumer healthcare products.

In our domestic pharmaceuticals business, our product portfolio comprises a road range of formulation across various acute and chronic therapeutic areas including anti-infectives, cardiovascular, gastrointestinal, anti-diabetic, neuro/CNS, vitamins/minerals/nutrients and respiratory.

Brand

Mankind has 10 brand families, 19 brand families, and 36 brand families with Domestic Sales over ₹200 crores, ₹100 crores, and ₹50 crores, respectively. Moxikind-CV, Amlokind-AT, Unwanted-Kit, Candiforce, Gudcef, Glimestar-M, Prega News, Dydroboon, Codistar, Nurokind-Gold,

Manufacturing Facilities

The company operates 25 manufacturing facilities across India, in Himachal Pradesh, Sikkim, Rajasthan, Andhra Pradesh, Maharashtra, and Uttarakhand with a total installed capacity of 42.05 billion units per annum across a wide range of dosage forms.

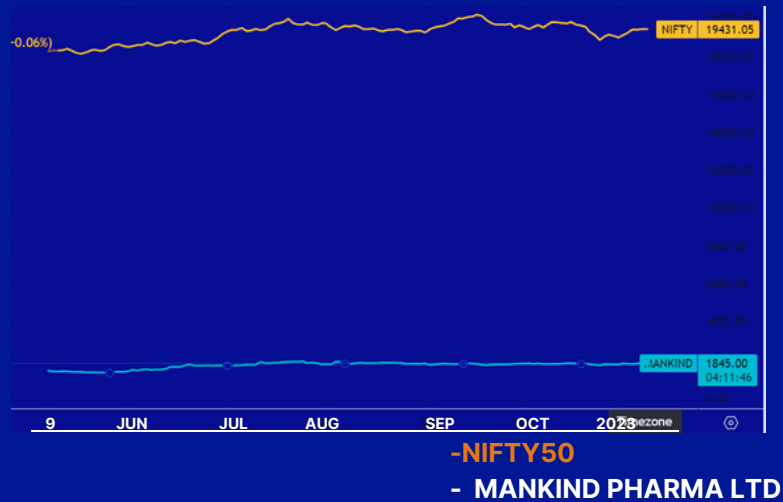
Synopsis of Financials

- Sales has increased due to increase in due to sale of Products.
- Moreover, Sales of Pharmaceticuals and health care products and service income have also increased.
- Profit of the company has grown majorly due to sale of within India.

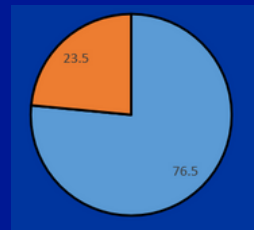
Stock data (as 9th Nov 2023)

Nifty Price	: 19443.45
52 week High (in Rs.)	: 1950
52 week Low (in Rs.)	: 1241
Market Cap. (in Crore)	: 74,109 Cr.
NSE Code	: MANKIND

Stock data (2023)



Shareholding Pattern (June 2023)



-PUBLIC GROUP
-PROMOTER GROUP

Financial Summary

Particulars	March 2023	March 2022	March 2021
Sales	8,127	7,486	5,523
Sales Growth %	8.56%	35.54%	15.20%
Operating Profit	1,698	1,842	1,372
OPM %	21%	25%	25%
Profit after tax	1,248	1,389	1,084
YOY Growth	-	7%	7%
EPS in Rs	31.16	34.68	27.07

Synopsis Quater Results

Con-Call Q1FY23: Key Highlights

Financial Performance:

- Q2 FY24 performance: revenue grew by 12% YoY, EBITDA grew by 15% YoY, PAT grew by 21% YoY
- Cash EPS of Rs. 14.9 and net cash position of Rs. 2,159 crores as of September 30, 2023
- Expecting EBITDA margins in the range of 24% to 26%

Domestic Business:

- Domestic business grew 7% YoY, with chronic segment share increasing to 34%
- Mankind started supplying to modern trade and e-commerce channels, witnessing robust growth
- Optimization of channel inventory and implementation of IT tools in consumer healthcare segment
- Plans to increase prescriber penetration, especially among consultants in specialized areas.

New Products:

- Successful launch of dydrogesterone and commissioning of India's first fully integrated facility for it
- Focus on consistent product innovation, drug delivery systems, and strategic partnerships
- Plans to launch new products in the OTC segment, including Nimulid
- Expecting mid-teens growth in export market, with several new products in the pipeline.

Acquisitions and Future Opportunities:

- Focus on preserving cash for future opportunities, including potential acquisitions
- Evaluation of potential acquisitions, with a focus on chronic and consumer business.

Market Trends and Challenges:

- Impact of delayed acute season on revenue growth, particularly in anti-infectives, antiallergics, and cough syrups
- Gross margin improvement driven by price increases, rationalization of API costs, and favorable sales mix
- Focus on increasing presence in chronic therapeutic areas and addressing rising prevalence of chronic diseases.

Overall Strategy:

- Maintaining brand dominance in pharmaceutical and consumer healthcare segments
- Focus on increasing presence in chronic therapeutic areas and addressing rising prevalence of chronic diseases
- No specific mention of new segments or products in the future

Quarterly Results



Particular	Mar 2022	Jun 2022	Sep 2022	Dec 2022	Mar 2023	Jun 2023	Sep 2023
Sales	1,645	2,061	2,258	1,936	1,872	2,300	2,453
Expenses	1,336	1,641	1,735	1,563	1,491	1,761	1,818
Operating Profit	309	420	522	374	381	539	635
OPM %	19%	20%	23%	19%	20%	23%	26%
Other Income	8	19	69	32	42	57	58
Interest	11	9	8	9	1	2	4
Depreciation	36	65	66	71	67	69	77
Profit before tax	270	365	517	326	355	526	612
Tax %	20%	18%	19%	24%	21%	22%	23%
Net Profit	217	298	420	249	281	409	473

Source: Screener

Key Ratios

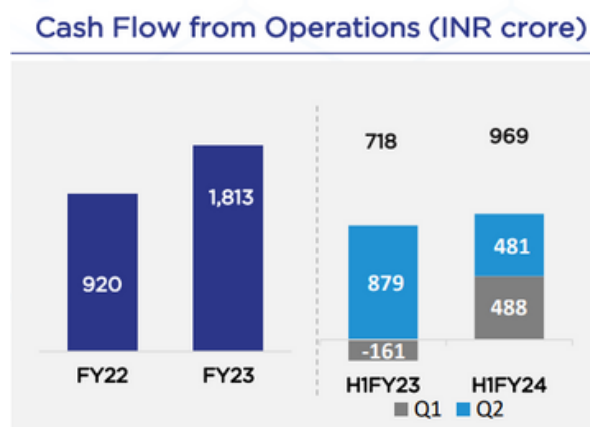
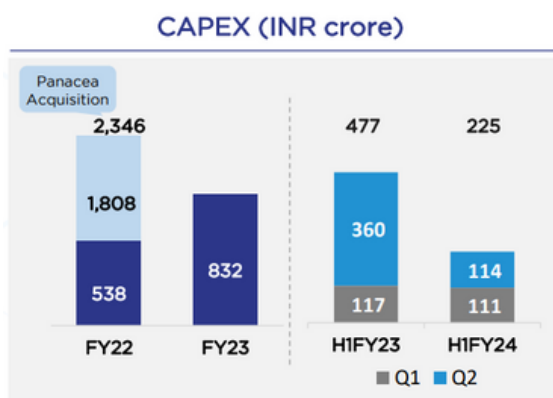
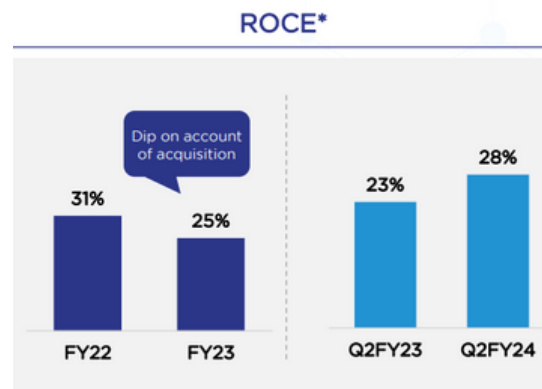
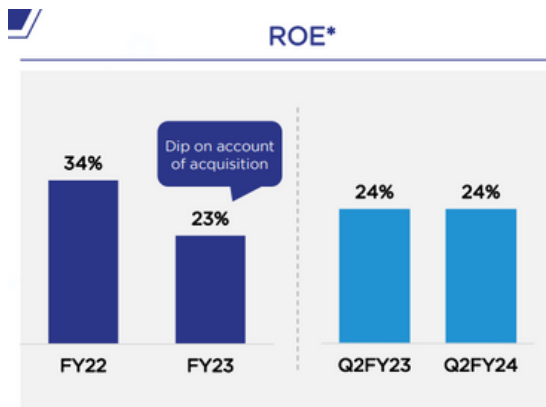
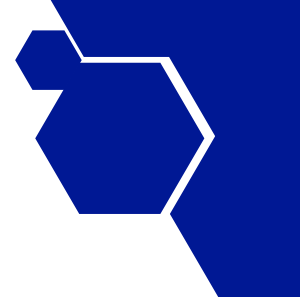
Ratios (Consolidated)	FY 2022-23	FY 2021-22
Debtors Turnover (no. of days)	20	17
Inventory Turnover (no. of days)	204	222
Interest Coverage Ratio (times)	35.7	31.4
Current Ratio (times)	2.32	1.68
Debt Equity Ratio (times)	0.02	0.1
Operating Profit Margin (%)	21.9	25.8
Net Profit Margin (%)	15	18.7
Return on Net Worth (%)	17.2	23.3

Source: Annual Report

Yearly Results

Particulars	Mar 2023	Mar 2022	Mar 2021
Share Capital	40	40	40
Reserves	4,694	6,500	7,744
Borrowings	101	688	5
Other Liabilities	1,045	1,710	1,583
Total Liabilities	5,880	8,939	9,371
Fixed Assets	987	2,927	3,142
CWIP	166	387	495
Investments	2,397	2,526	3,102
Other Assets	2,330	3,100	2,632
Total Assets	5,880	8,939	9,371

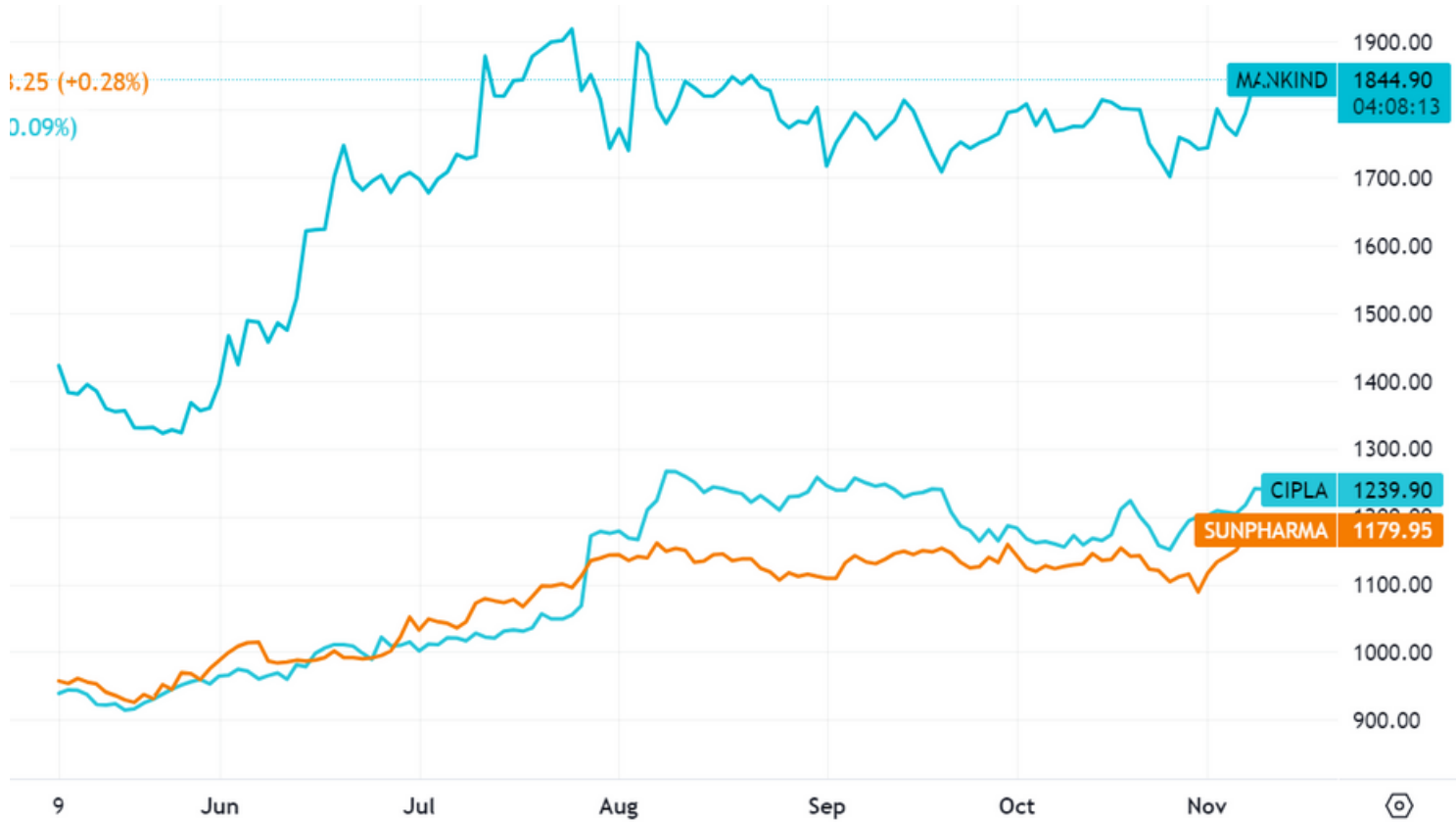
Quarterly Financial Performance



Peer Comparison



Peer Stock Performance (6M) Indexed



Source: Trading View

Peer Financial Performance

Name	Last Price	Market Cap. (Rs. cr.)	Sales Turnover	Net Profit	Total Assets
Sun Pharma	1,179.10	282,905.59	20,812.14	1,690.72	31,341.03
Cipla	1,241.55	100,233.49	15,790.60	2,513.47	24,638.09
Divis Labs	3,510.90	93,203.36	7,625.30	1,808.15	12,705.42
Dr Reddys Labs	5,491.55	91,590.69	16,962.50	2,612.80	20,474.80
Mankind Pharma	1,844.05	73,870.51	8,127.15	1,248.26	7,783.91

Source: Screener

Final Outlook



MANKIND: Buy | LTP: 1840

For the March quarter, Mankind Pharma recorded a PAT of Rs 294 crore, an increase of 52%. Revenue from operations increased 19% year over year to Rs 2,053 crore. EBITDA margin for the quarter was 20.4%, compared to 16.8% year over year.

Mankind's consumer healthcare business expanded 10% YoY due to higher rural penetration for its key brands, Manforce and Prega News, while its branded prescription business grew 18% YoY, primarily driven by core therapies of anti-infective, respiratory, and GI. Chronic therapy's quarter-over-quarter contribution increased to 35% from 33% in FY22.

In comparison to its counterparts, humanity is less prevalent in Tier 1 and urban areas, contributing only 53% of revenue as opposed to 63% from IPM. Nevertheless, in FY23, human growth in metro and Tier 1 cities was 11%, compared to 9% for IPM.