

BUZZING

STOCK

Nicholas Piramal India Ltd.

CMP – Rs.247

Analyst

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Key Stock Data

Sensex	14,137
Nifty	4,142
Sector	Pharmaceuticals
Bloomberg	NP IN
Reuters	NICH.BO
No. of shares (m)	209
Market Cap (Rs m)	51,731
Market Cap (US\$ m)	1,242
52-week H/L	Rs.284/150

Shareholding Pattern (%)

Promoters	50.09
Mutual Funds	7.26
FII's	14.37
Corporate Bodies	16.13
Pubic & Others	12.16

Overview – Nicholas Piramal is a player in healthcare, pharmaceuticals and biotechnology along with marketing alliances with global pharmaceutical companies like Roche and Nextar Pharmaceuticals. It's headquartered at Mumbai while its manufacturing facilities are located at Pithampur (Madhya Pradesh), Mahad (Maharashtra) and Deonar (Near Mumbai). It is also having research and development facilities located at Deonar and Mulund at Mumbai.

Marketing Divisions – Nicholas Piramal is present in nine therapeutic segments on domestic level. It possesses largest field force in the country comprising of 2778 persons. The domestic business of Nicholas Piramal contributes 60% to the revenue.

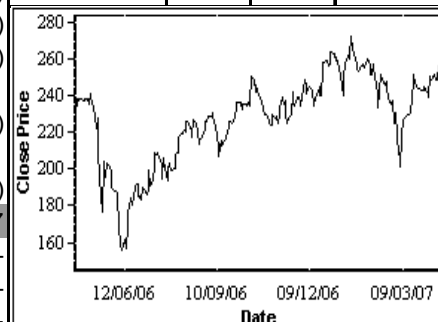
Company has got four marketing divisions – Multispecialty, Biotek, Hospital products and Extra Care. Multispecialty division comprises of antibiotics, nutritionals, gastro-intestinals, cardio-vasculars and dermatological products. Biotek markets life-saving and critical care products of Roche and Nextar Pharmaceuticals covering oncology, virology and nephrology. Hospital products division comprises of two segments, lab diagnostics and biochemicals. Lab diagnostics section markets analyzers while biochemicals division sells research biochemical products from Boehringer Mannheim in biochemistry, molecular and cell biology and clinical chemistry. Extra Care division focuses on disease management of chronic disorders like diabetes, cardiovascular disorders and CNS.

Custom Manufacturing – Nicholas Piramal's custom manufacturing business contributes 40% of the revenue. Its is being strengthened by entering into agreements with AstraZeneca, Hospital products and Pfizer along with the acquisition of Avecia, Torcan and Reaxa.

Valuation – Q3FY07 revenue of Rs.4.3bn grew by 14% YoY. EBITDA of Rs.753m increased by 69% YoY. PAT grew by 82% YoY stood at Rs.433m. The stock is currently trading at 24x FY07E EPS of Rs.10.5.

Financial Snapshot

Nicholas Piramal India Ltd.						Rs.m		Ratios (%)		
	Q3 FY07	Q3 FY06	Chg. (%)	FY06	FY05	Chg. (%)		FY06	FY05	Chg.(%)
Financial Year End: March										
Net Sales	4080	3569	14	14182	12583	13	Debt -Equity	0.4	0.7	(49)
Other Income	0	4	(98)	312	974	(68)	PBIDTM	18	15	19
Total Income	4080	3573	14	14494	13557	7	PBDTM	16	13	23
Total Expenditure	3327	3128	6	11940	10845	10	RoCE	20	18	16
PBIDT	753	445	69	2555	2712	(6)	RoNW	24	22	8
Interest	35	14	145	135	175	(23)				
PBDT	719	431	67	2420	2537	(5)				
Depreciation	190	146	30	577	474	22				
Tax	32	19	69	(6)	152	(104)				
Reported Profit After Tax	433	237	82	1704	1696	1				
Extra -ordinary Items	0	(1)	(100)	(31)	655	(105)				
Adj. Profit After Extra-ordinary item	433	239	81	1734	1041	67				
No. of shares (m)	209	209	-	209	190	-				
EPS (annualised.) (Rs.)	8.3	4.5	-	8.2	8.9	-				
P/E	29.7	54.2	-	30.2	27.6	-				



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