

BUZZING

STOCK

# Wanbury Ltd.

CMP – Rs.132

**Analyst**

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**Key Stock Data**

Sensex	14664
Nifty	4314
Sector	Pharmaceuticals
Bloomberg	PRO IN
Reuters	WANB.BO
No. of shares (m)	13
Market Cap (Rs m)	1,716
Market Cap (US\$ m)	42
52-week H/L	Rs.174/70

**Shareholding Pattern (%)**

Promoters	44.11
Mutual Funds	5.89
FII's	8.05
Corporate Bodies	12.57
Pubic & Others	29.38

**Orthopedic Segment** - Wanbury had launched Osteolife, a formulation division dedicated to orthopedic segment in June 2006 with a special focus on osteoporosis, osteoarthritis and pain management. This division has garnered revenue of around Rs.420m in FY07 with the launch of products like Adtrol Plus (Osteoporosis), Osteo Nuron (Neuropathy) and Osteocid (anti-ulcer). It has launched two new products recently, P Mute (pain management) and osteocerin (arthritis). Osteolife is expected to contribute Rs.1.2bn to the total revenue in FY08E. The company also plans to capitalize on the opportunity created by withdrawal of leading orthopedic pain management product, Cobix due to hazardous side effects. The pain management market in India is approximately having a size of around Rs.4bn.

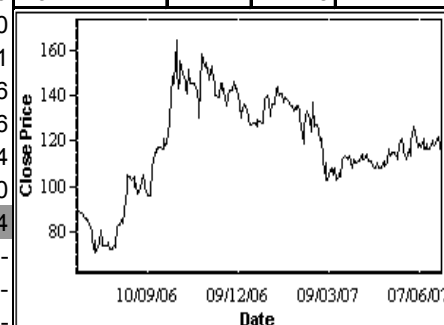
**Strong Numbers for FY07** – Wanbury has posted strong results for FY07 garnering revenue of Rs.15.2bn which is up by 33% YoY while Pat at Rs.208 m grew by 94% YoY. In FY07, Wanbury had launched a product for treating Iron Deficiency Anaemia of Pregnancy, which earned revenue of Rs.110m. Acquisition of Cantabria Pharma is on the way of completion, which will provide Wanbury a gateway in Euro 1.5bn Spanish Market.

**Company Overview** – Wanbury boasts to be the world's largest manufacture of metformin, used in diabetes management exceeding a capacity of 7000 tons. It's a domestic bulk drugs and formulation company with a strong product portfolio including salsalate, glucosamine, mefenamic acid, tramadol, amitryptiline, promethazine, sertraline, carvedilol, ibuprofen and gabapentene. Manufacturing facilities located at Patalganga, Tanuku (AP) and Tarapur.

**Valuation** – For Q4FY07, Wanbury has put up robust set of numbers. Its revenue at Rs.486m increased by 15% YoY. EBITDA at Rs.75m grew by 54% YoY while the margin improved by 400 bps due to considerable reduction in other expenditures, other costs remaining almost unchanged. PAT at Rs.113m quadrupled as deferred tax of Rs.57m was written back in this quarter. The stock is trading 8x FY07 EPS of Rs.15.3

## Financial Snapshot

Wanbury Ltd.	Rs.m			Ratios (%)		
	Q4 FY07	Q4 FY06	Chg. (%)	FY07	FY06	Chg. (%)
<b>Financial Year End: March</b>						
Net Sales	474	402	18	1438	1088	32
Other Income	12	22	(45)	88	61	45
Total Income	486	424	15	1526	1149	33
Total Expenditure	411	375	10	1301	960	36
PBIDT	75	49	54	226	190	19
Interest	12	6	120	42	25	70
PBDT	63	43	45	184	165	11
Depreciation	7	6	11	31	21	46
Tax	1	-8	(109)	1	1	-36
Reported Profit After Tax	113	22	426	208	107	94
Extra -ordinary Items	0	0	0	0	0	0
Adj. Profit After Extra-ordinary item	113	22	426	208	107	94
No. of shares (m)	13	13	-	13	13	-
EPS (annualised.) (Rs.)	35.5	6.8	-	16.3	8.4	-
P/E	3.7	19.5	-	8.1	15.7	-



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