

BUZZING

STOCK

Jupiter Bioscience Ltd.

CMP – Rs.138

Analyst

Amit Hiremath
 amit.hiremath@idbicapital.com
 +91-22-6637 1188

Key Stock Data

Sensex	13566
Nifty	3911
Sector	Biotechnology
Bloomberg	JPO@IN
Reuters	JPTE.BO
No. of shares (m)	9
Market Cap (Rs m)	1,232
Market Cap (US\$ m)	28
52-week H/L	Rs.165/80

Shareholding Pattern (%)

Promoters	27.82
Mutual Funds	1.15
FII's	4.65
Corporate Bodies	14.77
Pubic & Others	51.60

Jupiter Bioscience Ltd is a Secunderabad (AP) based company having competency in the niche area of synthesis of peptide where it has got a presence across the value chain. It is also involved in process development and scale up services in the areas of organic peptide and chiral chemistry along with biotechnology. Its Cherlapally plant carries out contract research and development. It's state-of-art manufacturing plants are located at Bidar (Karnataka), Cherial, Gaddapotharam and Cherlapally (all in Andhra Pradesh). Bidar plant is dedicated to specialty and fine chemicals with drug intermediates while the other three plants are into peptide synthesis and drug intermediates.

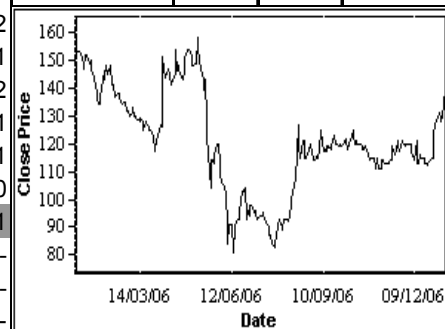
Peptide Business - The market size for peptides is projected to be \$10bn by 2010 as the peptides are being accepted as a new line of therapy in various areas of disease management including analgesics and anticancer drugs. Many of the pipelined peptide drug candidates are targeted to diabetes management, autoimmune diseases as well as oncology management. The complexity in synthesis as well as the high cost associated with peptides attracts less players leading to good operating margin. This is evident from Jupiter's hefty operating margin of 52% in Q2FY07. Although Jupiter is present in the area of specialty and fine chemicals and drug intermediates, almost 50% of its revenue is sourced from peptide business.

Strong R&D Operations - Jupiter possesses R&D team of 150 people with 10 Ph.D.s along with 75 postgraduates. It has got technology alliances with MIT, Boston and University of Toronto along with research projects with UDCT, Mumbai and Bangalore University. The focus of R&D operations is to develop newer peptide reagents, coupling reagents and protected amino acids. It also concentrates on innovation in specialty pharmaceutical intermediates.

Valuation - The Q2FY07 revenue, Rs.197 m improved marginally by 8% YoY while the EBIDTA grew by 23% YoY at Rs.102m. PAT increased by 6% at Rs.50m. The stock is currently trading at 6x the annualized Q2FY07 EPS of Rs.22.5.

Financial Snapshot

Jupiter Bioscience Ltd.				Rs.m			Ratios (%)			
	Q2 FY07	Q2 FY06	Chg. (%)	FY06	FY05	Chg. (%)		FY06	FY05	Chg.(%)
Financial Year End: March										
Net Sales	197	182	8	799	708	13	Debt -Equity	0.7	0.6	18
Other Income	1	1	(17)	3	3	0	PBIDTM	44	43	2
Total Income	198	183	8	802	711	13	PBDM	39.0	38.9	0
Total Expenditure	96	100	(4)	457	429	7	RoCE	17	18	(7)
PBIDT	102	83	23	345	282	22	RoNW	16	15	6
Interest	15	10	45	33	25	32				
PBDT	87	73	20	311	257	21				
Depreciation	26	16	63	92	57	62				
Tax	11	9	29	53	53	1				
Reported Profit After Tax	50	47	6	171	142	21				
Extra -ordinary Items	0	0	0	0	0	0				
Adj. Profit After Extra-ordinary item	50	47	6	171	142	21				
No. of shares (m)	9	9	-	9	9	-				
EPS (annualised.) (Rs.)	22.5	21.3	-	19.4	16.0	-				
P/E	6.1	6.5	-	7.1	8.6	-				



For further clarifications contact: Anita Bhat; anita.bhat@idbicapital.com; 91-22-6637 1187 / S. Narasimhan Rao; narasimhan.rao@idbicapital.com; 91-22-6637 1165

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