

Ratings Monitor

One Report – to monitor stocks and identify triggers to re-evaluate ratings

Aurobindo Pharma (ARBP)

Current Market Price	Potential Returns	Fair Value (FV)
Rs.531	22.4%	Rs.650

Date: 01st June, 2022

Previous Rating: **Reduce**

Current Rating: **ADD**

Change: **Upgrade**

Ratings Rationale

- US sales recovery to pick up from Q1FY23 led by key launches of gVelcade & gAlimta.
- Compared to 11 launches in FY22, Aurobindo has planned 15-20 launches in FY23.
- 46% down from 52 week high; Modest valuation, 10X FY24 EPS (earnings per share) limit downside.
- We upgrade the stock to ADD (from REDUCE, earlier) given modest valuations.

Valuation

Value the stock at 12X FY24E EPS.

Read Full Report

Note: The performance horizon is 12 months unless specified.

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