

Lasa Supergenerics Limited.

COMPANY SNAPSHOT					
CMP	Initiation Price	Target	Potential Upside	Recommendation	MCap (Rsbn)
Rs132	Not Rated	Not Rated	Not Rated	Not Rated	Rs 3.01

About the Company:

Lasa Supergenerics Limited which was a subsidiary of Omkar Speciality Chemicals Limited was demerged and independently listed on the stock exchanges in September 2017. LASA is primarily involved in the business of Veterinary API's (Active Pharmaceutical Ingredients). The products offered by the company are in the segments of veterinary API products, other API products, animal feed ingredients and reagents for therapeutic use. The company is backward integrated with its key molecules and has the potential to scale up productions from discovery research to full-scale bulk production.

Results Declared:

- Since the company has recently demerged from the parent company ie Omkar Speciality Chemicals Limited, historic data is not available.
- The company reported net sales of Rs645mn.
- The Ebidta margins for the quarter under review stood at 20.2%. Management indicated the fluctuations in the raw material prices has impacted the entire industry.
- The net profit for the quarter ending September 2017 came in at Rs87mn
- The EPS for the quarter is Rs3.79

Financials :

Result Update (Q2FY2018)		
Q2FY18 Result (Rs mn)	Sept-17	June-17
Total Income	645	610
EBITDA	130	153
Other Income	14	13
Interest	24	25
Depreciation	61	24
Tax	(28)	46
Net Profit	87	70

Outlook and Recommendations:

The company commands a decent market share in the API business which they are in. The company has multiple buyers / customers and no customer is greater than 5% of the total portfolio. The products offered by Lasa will grow with time; management has shown ambitious plans to grow at 20-25%. The company has recently demerged from Omkar Speciality Chemicals Limited the call on which has been closed by us. Lasa is currently not rated; however, the stock will be on our radar.

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