AVERAGE SCORE

NEGATIVE OUTLOOK: DIVISLAB's current score of 3 places it among the bottom quartile of stocks scored.

HIGHLIGHTS
- The score for Divi's Laboratories has been on a negative trend from 5 to 3 over the past 8 weeks.
- In the past 3 years, the best score was 9 on 2021-02-14, and the worst score was 3 on 2023-11-12.

PRICE AND VOLUME CHARTS

1-Year Return: 9.5%
5-Year Return: 131.0%

BUSINESS SUMMARY
Divi's Laboratories Limited is an India-based company, which is engaged in manufacturing and sale of active pharmaceutical ingredients (APIs), intermediates and nutraceutical ingredients with predominance in exports. The Company's products include Bupropion HCl, Capecitabine, Carbidopa, Diltiazem HCl, Dextromethorphan Base, Dextromethorphan HBr, Gabapentin, Iopamidol, Iohexol, Irbesartan, Lacosamide, Levetiracetam, Levodopa, Losartan, Narmetone, Naproxen, Naproxen Sodium, Olmesartan Medoxomil, Pregabalin, Ticagrelor, Triprolidine HCl, Valacyclovir HCl, Valsartan, Venlafaxine HCl and Vigabatrin. In addition to generic business, the Company, through its custom synthesis business, supports pharma companies for their patented products business right from gram scale requirements for clinical trials to launch, as well as late life cycle management. The Company's subsidiaries include Divis Laboratories (USA) Inc. and Divi's Laboratories Europe AG.
The AVERAGE SCORE combines the quantitative analysis of five widely-used investment decision making tools: Earnings, Fundamental, Relative Valuation, Risk, and Price Momentum. A simple average of the underlying component ratings is normally distributed to rank stocks on a 1-10 scale (10 being awarded to the most favorable). These factors may be evaluated differently using alternative methodologies and the importance of individual factors varies across industries, market capitalization and investment styles. Additional criteria should always by used to evaluate a stock.

### PEER ANALYSIS

| Average Score | Ticker | PE Ratio | Price (2023-11-17) | 1-Mo Return | 3-Mo Return | 1-Yr Return | Market Cap | Trailing PE | Forward PE | Net Margin | LTG Forecast | I/B/E/S Mean | # of Analysts | SMA | Returns |
|---------------|--------|----------|--------------------|-------------|-------------|-------------|------------|-------------|------------|------------|-------------|--------------|---------------|---------------|-----|---------|
| 3             | DIVISLAB | 70.7     | 3,600.85           | -1.3%       | -1.5%       | 9.5%        | 927.3B     | 48.1        | 10.5%      | 1.8%       | --          | --           | Sell          | 21  |         |
| 9             | DRREDDY  | 18.1     | 5,611.55           | 1.2%        | -4.6%       | 26.9%       | 903.2B     | 18.6        | 8.1%       | 1.9%       | --          | --           | Hold          | 37  |         |
| 8             | MANKIND  | 73.4     | 1,920.10           | 6.1%        | 13.9%       | 21.4%       | 734.4B     | 18.6        | 14.7%      | 1.1%       | --          | --           | Hold          | 11  |         |
| 5             | TORNTPHARM | 51.8    | 2,082.35           | 8.4%        | 5.0%        | 27.9%       | 696.6B     | 37.8        | 13.1%      | 1.1%       | --          | --           | Buy           | 29  |         |
| 6             | AUROPHARMA | 24.7    | 1,007.35           | 10.9%       | 16.3%       | 112.4%      | 574.0B     | 20.1        | 8.6%       | 0.4%       | --          | --           | Buy           | 25  |         |
| 7             | LUPIN     | 41.0     | 1,196.30           | -0.11%      | 6.9%        | 62.5%       | 537.3B     | 29.7        | 7.2%       | 0.3%       | --          | --           | Hold          | 36  |         |
| 7             | ALKEM     | 36.4     | 4,448.45           | 22.9%       | 17.4%       | 42.1%       | 514.9B     | 31.9        | 11.6%      | 0.56%      | --          | --           | Hold          | 23  |         |
| 7             | ABBOTINDIA | 52.1    | 23,625.50          | 5.4%        | -0.14%      | 21.2%       | 503.7B     | 44.9        | 19.2%      | 0.76%      | --          | --           | Buy           | 7   |         |
| 5             | GLAND     | 38.1     | 1,628.85           | 2.3%        | 0.70%       | -6.1%       | 268.0B     | 25.7        | 16.2%      | 21.4%      | --          | --           | Buy           | 16  |         |
| 4             | IPCALAB   | 55.4     | 1,081.05           | 11.1%       | 21.7%       | 24.6%       | 266.6B     | 36.1        | 7.4%       | 0.37%      | --          | --           | Hold          | 16  |         |
| 6             | GLAXO     | 42.4     | 1,576.65           | 2.8%        | 11.9%       | 18.7%       | 249.3B     | 43.9        | 19.6%      | 2.0%       | --          | --           | Hold          | 5   |         |
| 6.1          | Average   | 44.5     | 4,343.55           | 6.3%        | 7.4%        | 34.0%       | 561.4B     | 34.4        | 14.1%      | 0.78%      | 21.4%      | Hold         | 20.5 |         |

### PEER COMPANIES

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<thead>
<tr>
<th>ALKEM</th>
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<th>IPCA Laboratories</th>
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<td>Torrent Pharmaceuticals</td>
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</table>
DIVI'S LABORATORIES (DIVISLAB-IN)
Pharma. & Medical Research / Pharmaceuticals / Pharmaceuticals

EARNINGS

NEGATIVE OUTLOOK: Weak earnings with recent analyst downgrades or a history of missing consensus estimates.

Earnings Score Averages

| Pharmaceuticals Group: 5.2 |
| Pharma. & Medical Research Sector: 5.0 |
| Large Market Cap: 6.0 |
| BSE Sensex Index: 6.6 |

Currency in INR

Peers

<table>
<thead>
<tr>
<th>Peers</th>
<th>-6M</th>
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<th>-1M</th>
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Currency in INR

Earnings Score Trend (4-Week Moving Avg)

- Positive
- Neutral
- Negative

Earnings Indicators

Earnings Surprises

(33.3% weight)

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<tr>
<th>Peers</th>
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Estimate Revisions

(33.3% weight)

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Recommendation Changes

(33.3% weight)

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<th>Peers</th>
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</table>

Last 4 Quarters

| # Positive Surprises (>2%) | 0 |
| # Negative Surprises (-2%) | 4 |
| # In-Line Surprises (within 2%) | 0 |
| Avg Surprise | -19.5% |

Last 4 Weeks

| # Up Revisions | 0 |
| # Down Revisions | 1 |
| Avg Up Revisions | 0.00% |
| Avg Down Revisions | -4.8% |

Last 120 Days

| # Broker Upgrades | 0 |
| # Broker Downgrades | 7 |

HIGHLIGHTS

- Divi's Laboratories currently has an Earnings Rating of 1, which is significantly more bearish than the Pharmaceuticals industry average of 5.2. DIVISLAB scores a bearish 4 or less for all three component ratings.

- On 2023-11-06, the company announced quarterly earnings of 13.11 per share, a negative surprise of -17.6% below the consensus 15.90. Over the past 4 quarters, the company has reported 0 positive, 4 negative, and 0 in-line surprises. The average surprise for this time period has been -19.5%.

- DIVISLAB's current quarter consensus estimate has remained relatively unchanged over the past 90 days at 17.17. Estimates within its industry have moved an average of 0.0% during the same time period.

PRICE TARGET

The chart indicates where analysts predict the stock price will be within the next 12 months, as compared to the current price.

12-Month Price Target

- Mean (INR): 3,110.00
- High: 4,050.00
- Low: 2,340.00
- Target vs. Current: -13.6%
- # of Analysts: 22

Page 3 of 11

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EARNINGS PER SHARE

Earnings per share (EPS) is calculated by dividing a company’s earnings by the number of shares outstanding. Analysts tend to interpret a pattern of increasing earnings as a sign of strength and flat or falling earnings as a sign of weakness.

The charts provide a comparison between a company’s actual and estimated EPS, including the high and low forecasts.

MEAN ESTIMATE TREND

<table>
<thead>
<tr>
<th>Year</th>
<th>Current</th>
<th>30 Days Ago</th>
<th>90 Days Ago</th>
<th>% Change (90 Days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>17.170</td>
<td>17.550</td>
<td>17.420</td>
<td>-1.4%</td>
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<tr>
<td>2023</td>
<td>19.180</td>
<td>19.340</td>
<td>17.400</td>
<td>0.9%</td>
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<tr>
<td>2024</td>
<td>20.410</td>
<td>19.000</td>
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<tr>
<td>2025</td>
<td>20.820</td>
<td>17.830</td>
<td>17.830</td>
<td>-5.8%</td>
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ANALYST RECOMMENDATIONS

I/B/E/S Mean: Sell (21 Analysts)

- Strong Buy: 2
- Buy: 0
- Hold: 4
- Sell: 10
- Strong Sell: 5

Earnings Surprises

Comparing a company's actual earnings to the mean expectation of analysts results in a difference referred to as a 'positive' or 'negative' surprise. Research has shown that when a company reports a surprise, it is often followed by more of the same surprise type.

Surprise Summary (Last 12 Quarters)

<table>
<thead>
<tr>
<th>Surprise Type</th>
<th>Amount</th>
<th>Percent</th>
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<tbody>
<tr>
<td>Positive Quarters (&gt; 2%)</td>
<td>4</td>
<td>33.3%</td>
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<tr>
<td>Negative Quarters (&lt; -2%)</td>
<td>6</td>
<td>50.0%</td>
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<tr>
<td>In-Line Quarters (within 2%)</td>
<td>2</td>
<td>16.7%</td>
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ANNUAL REVENUE

A pattern of increasing sales in conjunction with a rising EPS may influence a buy recommendation, while flat or falling sales and faltering earnings may explain a sell recommendation. A rising EPS with flat or falling sales may result from increased cost efficiency and margins, rather than market expansion. This chart shows the sales forecast trend of all analysts and the highest and lowest projections for the current and next fiscal year.

Annual Revenue 2024 - 2025

- Mean: 80.3B - 92.9B
- High: 87.5B - 105.2B
- Low: 76.7B - 87.0B

Forecasted Growth: 3.4% - 19.6%

# of Analysts: 20 - 20
**FUNDAMENTAL**

**NEUTRAL OUTLOOK:** Fundamentals relatively in-line with the market.

**FUNDAMENTAL SCORE AVERAGES**

<table>
<thead>
<tr>
<th>Pharmaceuticals Group</th>
<th>5.1</th>
<th>Large Market Cap</th>
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<tbody>
<tr>
<td>Pharma. &amp; Medical Research Sector</td>
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<td>BSE Sensex Index</td>
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<table>
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<tr>
<th>Peers</th>
<th>Q4 2022</th>
<th>Q1 2023</th>
<th>Q2 2023</th>
<th>Q3 2023</th>
<th>Current</th>
<th>3Y Trend</th>
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<td>DRREDDY</td>
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</table>

**HIGHLIGHTS**

- The Fundamental Rating for Divi's Laboratories declined significantly over the last quarter from a bullish 9 to a relatively neutral 6. The average Fundamental Rating for its Pharmaceuticals industry group is 5.1 and the S&P BSE SENSEX index average is 7.1.
- The company’s gross margin has been higher than its industry group average for each of the past five years.
- The company’s current ratio has been higher than its industry group average for each of the past five years.

- The company’s days sales in inventory has been higher than its industry group average for each of the past five years.
- Of the 191 firms within the Pharmaceuticals industry group, Divi’s Laboratories is among 87 companies that pay a dividend. The stock’s dividend yield is currently 0.85%.
**Relative Valuation**

**Negative Outlook:** Multiples significantly above the market or the stock’s historic norms.

**Relative Valuation Score Averages**

<table>
<thead>
<tr>
<th>Pharma. Group</th>
<th>Large Market Cap</th>
<th>BSE Sensex Index</th>
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<tbody>
<tr>
<td>5.3</td>
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**Relative Valuation Score Trend (4-Week Moving Avg)**

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**Price to Sales**

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</table>

**Relative Valuation Indicators**

- **Price to Sales** (33.3% weight)
  - Positive
  - Neutral
  - Negative
  - No Rating

**HIGHLIGHTS**

- Divi's Laboratories currently has a Relative Valuation Rating of 2 which is significantly below the S&P BSE SENSEX index average rating of 5.7.
- Compared to the Pharmaceuticals industry group, DIVISLAB is currently trading at a significant premium based on Price to Sales ratio, Trailing P/E, and Forward P/E.
- DIVISLAB’s Price to Sales ratio of 12.7 represents a 2% Premium to its 5-year average of 12.5.
- DIVISLAB's 70.7 Trailing P/E is currently at the high end of its 5-year range (lowest 25.6 to highest 70.7).
- DIVISLAB's Forward P/E of 48.1 represents a 18% Premium to its 5-year average of 40.6.
**PRICE TO SALES**
The most recent week’s close price divided by the revenue per share.

- Price to Sales: 12.7
- 5-Year Average: 12.5
- BSE Sensex Index Average: 3.4
- Pharmaceuticals Group Average: 4.3

**TRAILING PE**
The most recent week’s close price divided by the sum of the four most recently reported quarterly earnings.

- Trailing PE: 70.7
- 5-Year Average: 46.3
- BSE Sensex Index Average: 23.2
- Pharmaceuticals Group Average: 36.6

**FORWARD PE**
The most recent week’s close price divided by the sum of the four upcoming quarterly consensus estimates.

- Forward PE: 48.1
- 5-Year Average: 40.6
- BSE Sensex Index Average: 21.8
- Pharmaceuticals Group Average: 31.3

**FORWARD PEG**
The Forward P/E divided by the five-year forecasted growth rate.

- Forward PEG: --
- 5-Year Average: 2.0
- BSE Sensex Index Average: 1.4
- Pharmaceuticals Group Average: 1.5
**Risk**

**Positive Outlook:** Consistent return patterns (low volatility).

**Risk Score Averages**
- Pharmaceuticals Group: 6.4
- Pharma & Medical Research Sector: 6.3
- Large Market Cap: 9.0
- BSE Sensex Index: 9.7

**Risk Score Trend (4-Week Moving Avg)**

**Risk Indicators**

**Magnitude of Returns** (25% weight)
- Divi's Laboratories: 10
- Divislab: 9
- Drreddy: 9
- Mankind: NR
- Torntpharm: 10

**Volatility** (25% weight)
- Divi's Laboratories: 10
- Divislab: 8
- Drreddy: 9
- Mankind: 7
- Torntpharm: 10

**Beta (1-Year)** (25% weight)
- Divi's Laboratories: 10
- Divislab: 9
- Drreddy: 8
- Mankind: 7
- Torntpharm: 6

**Correlation** (25% weight)
- Divi's Laboratories: 10
- Divislab: 9
- Drreddy: 8
- Mankind: 7
- Torntpharm: 6

**Highlights**
- Divi's Laboratories currently has a Risk Rating of 10 while the S&P BSE SENSEX index has an average rating of 9.7.
- On days when the market is up, DIVISLAB shares typically decrease. On the other hand, on days when the market is down, DIVISLAB shares generally climb.
- In the short term, DIVISLAB has shown high correlation (>= 0.4) with the S&P BSE SENSEX index. The stock has, however, shown average correlation (>= 0.2 and < 0.4) with the market in the long term.
- Over the last 90 days, the daily price fluctuations of DIVISLAB have been in-line with the S&P BSE SENSEX index firms.

**Risk Analysis**

**Last 90 Days**
- **DIVISLAB:** Best Daily Return 4.7%, Worst Daily Return -2.7%, Days Up 28, Days Down 34, Largest Intra-Day Swing 6.7%
- **AUROPHARMA:** Best Monthly Return 19.4%, Worst Monthly Return -20.3%
- **DRREDHY:** Best Monthly Return 51.5%, Worst Monthly Return -20.7%
- **MANKIND:** Best Monthly Return 26.1%, Worst Monthly Return -13.1%
- **TORNTPHARM:** Best Monthly Return 19.0%, Worst Monthly Return -18.5%

**Last 60 Months**
- **DIVISLAB:** Best Daily Return 2.9%, Worst Daily Return 3.5%, # Days Up 25, # Days Down 25, Largest Intra-Day Swing 7.6%
- **AUROPHARMA:** Best Monthly Return 1.3%, Worst Monthly Return -23.1%
DIVI'S LABORATORIES (DIVISLAB-IN)
Pharma. & Medical Research / Pharmaceuticals / Pharmaceuticals

PRICE MOMENTUM

NEGATIVE OUTLOOK: Weak recent price performance or entering historically poor seasonal period.

Price Momentum Score Trend (4-Week Moving Avg)

Currency in INR

Price Momentum Score Averages

Pharmaceuticals Group: 3.4
Pharma. & Medical Research Sector: 3.4
Large Market Cap: 4.4
BSE Sensex Index: 3.8

Peers

MANKIND  NR  10  8  8  8  8
AUROPHARMA  1  9  6  6  6
TORNTPHARM  6  9  3  4  4
DRREDDY  5  9  4  4  3
DIVISLAB  1  7  2  2  1

PRICE MOMENTUM INDICATORS

Relative Strength

(50% weight)

Seasonality

(50% weight)

Relative Strength Indicator (Scale from 1 to 100)

Average Monthly Return (Last 10 Years)

Company Avg  2.2%  -1.3%  -2.9%
Industry Avg  3.3%  5.4%  1.1%
Industry Rank  58 of 98  51 of 98  73 of 98

PRICE PERFORMANCE

Daily close prices are used to calculate the performance of the stock as compared to a relevant index over five time periods.

DIVISLAB  BSE 100

1-Week  3.1%  1.7%
1-Month  -1.3%  0%
3-Month  -1.5%  2.7%
YTD  5.5%  10.2%
1-Year  9.5%  8.8%

DIVISLAB: 3,600.85  20,310
52-Week High: 3,934.70  20,666
52-Week Low: 2,730.00  17,180

- The Price Momentum Rating for Divi's Laboratories is at its 3-year low of 1.
- On 2023-11-17, DIVISLAB closed at 3,600.85, 8.5% below its 52-week high and 31.9% above its 52-week low.
- DIVISLAB shares are currently trading 0.60% below their 50-day moving average of 3,621.50, and 5.8% above their 200-day moving average of 3,402.57.
Mean Estimate Trend
The mean estimates show how the consensus has changed over the past 30 days and 90 days for the upcoming two quarters (when available) and two years. The percentage change is calculated for the company as a means for comparison by measuring the difference between the current consensus estimate and that of 90 days ago.

Analyst Recommendations
The IBES Mean is the average recommendation of all analysts covering the stock, as provided by IBES, the Institutional Brokers Estimate System, from LSEG. The recommendations are presented on a five-point standardized scale: strong buy, buy, hold, sell, and strong sell.

Earnings Surprises
● The surprise summary includes the total number of time periods (and percentage) in the last 12 quarters (quarterly) or last 4 years (annual) in which earnings surprises were positive, negative, or in-line. In order to be recognized as a positive or negative surprise, the percent must be greater than 2% above or 2% below the consensus, respectively.

● The surprise detail section includes a listing of the company's quarterly earnings reported for the most recent 6 periods (quarters or years). The consensus analyst estimate is provided to determine if the actual earnings report represented a positive surprise, negative surprise, or in-line result.

Fundamental
The Fundamental Rating is based on a combination of four fundamental component factors: profitability, debt, earnings quality, and dividend. Companies that do not pay a dividend are not penalized. Each factor is equally weighted. Then, equal deciles are used to rank each stock across the market on a scale of 1 to 10, with 10 being most favorable. A stock needs to have at least two of the four fundamental factors present in order to receive a score.

Profitability
● Revenue Growth: (Net Sales - Previous Net Sales) / Previous Net Sales
● Gross Margin: Gross Profit / Net Sales
● Return on Equity: Net Income / Total Equity
● Net Margin: Net Profit / Net Sales

Debt
● Current Ratio: Current Assets / Current Liabilities
● Debt-to-Capital: Total Debt / Total Capital
● Interest Coverage: (Interest Expense on Debt + Preferred Cash Dividends) / Funds from Operations
● Interest Coverage: Earnings before Interest and Taxes / (Interest Expense on Debt + Preferred Cash Dividends)

Earnings Quality
● Operating Cash Yield: (Operating Cash Flow - Net Income) / Net Income
● Accruals: (Net Income - Operating Cash Flow - Investing Cash Flow) / Average Net Operating Assets
● Days Sales in Inventory: 365 / (Cost of Goods Sold / Inventory)
● Days Sales in Receivables: 365 / (Net Sales / Receivables)

Dividend
The company must have a current dividend yield.

● Dividend Growth Rate: (Dividends per Share - Previous Dividends per Share) / Previous Dividends per Share
● Dividend Funding: Dividends / Operating Cash Flow
● Dividend Coverage: (Pre-Tax Income + Interest Expense) / (Interest Expense + Dividends)
● Dividend Yield: Annual Dividends per Share / Current Market Price per Share

Indicator Trend
The fundamental indicator trend displays either quarterly scores over the past three years or annual scores over the past six years, depending on the reporting periods for the country. The best and worst scores can be easily determined from the values shown on the chart for each quarter or year.

Relative Valuation
The Relative Valuation Rating is based on a combination of three component factors: Price to Sales, Trailing P/E, and Forward P/E. Each factor is equally weighted. Equal deciles are then used to rank each stock across the market on a scale of 1 to 10, with 10 being most favorable. These common valuation metrics are evaluated against the overall market, the index, and the company's own historic 5-year averages. A stock needs to have at least one of the three relative valuation factors in order to receive a score.

● Price to Sales: Close Price / (Sales for 4 Quarters or 1 Year / Shares Outstanding)
Trailing P/E: Close Price / Most Recent 4 Quarters or 1 Year of Earnings
Forward P/E: Close Price / Upcoming 4 Quarters or 1 Year of Earnings

Valuation Averages
Negative values are excluded when calculating the averages. A maximum value of 100 is placed on Trailing P/E and Forward P/E, a maximum value of 5 is placed on Forward PEG, and a maximum value of 20 is placed on Price to Sales when calculating the averages. Higher values are rounded down to the maximum for the averages.

Valuation Multiples
The valuation multiples provide the Trailing P/E, Forward P/E, Forward PEG, and Price to Sales for the company and the relevant index average. In addition, a comparison of the current company's values to its 5-year average and an industry average are presented. A discount occurs when the company's ratio is valued more favorably (lower) than that to which it is compared.

Risk
The Risk Rating displays stocks on a scale of 1 to 10 with 10 being awarded to the least risky stocks. It is derived by looking at a series of long-term (5-year) and short-term (90-day) stock performance measures including volatility, magnitude of returns, beta, and correlation. Each factor is equally weighted. Then, equal deciles are used to rank each stock across the market. A stock needs to have at least two of the four risk factors in order to receive a score.

- Magnitude of Returns - The best/worst daily returns in the past 90 days and the best/worst monthly returns in the past 60 months.
- Volatility - The standard deviation of the stock price over the last 90 days and last 60 months, along with the average and largest intra-day stock swing.
- Beta - Measures the tendency of a security's returns to respond to swings in the market, based on the beta of the company versus the relevant index.
- Correlation - Determines how closely the returns of the stock and the relevant index move together, measured over the last 90 days and last 60 months.

Risk Analysis
Price analysis for the company and the relevant index is provided over two time periods. Daily analysis is provided for the last 90 days, whereas monthly statistics are used for the last 60 months.

Price Momentum
The Price Momentum Rating is based on a combination of two technical performance factors: relative strength and seasonality. The factors are equally weighted. Equal deciles are then used to rank each stock across the market on a scale of 1 to 10, with 10 being most favorable. A stock needs to have data for the relative strength factor in order to receive a score.

- Relative Strength - The relative strength of the company for the last 10 days, 50 days, and 200 days on a scale of 1 to 100.
- Seasonality - The average monthly return (price performance) for the current month and next 2 months for the company and industry, over the past 10 years. A lower industry rank indicates a higher return.

Price Performance
Daily close prices are used to calculate the price performance of the stock. The performance of the relevant index is also displayed as a means of comparison.

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