Aditya Birla Sun Life Insurance Company Limited

ADITYA BIRLA CAPITAL
LIFE INSURANCE

**January 29, 2025**

**BSE Limited**
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400001
**Scrip: 973339/ 973603/ 975813/ 975898**

**National Stock Exchange of India Limited**
Exchange Plaza, 5th Floor,
Plot. C/1, G-Block, Bandra-Kurla Complex,
Bandra (East),
Mumbai 400 051
**Scrip: ABSL31/ ABSLI34**

Dear Sir/ Madam,

**Sub: Newspaper advertisement pertaining to Financial Results for quarter ended December 31, 2024**

Pursuant to the provisions of Regulation 52(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed copies of newspaper advertisement pertaining to Financial Results of Aditya Birla Sun Life Insurance Company Limited for the quarter ended December 31, 2024. The advertisement was published in Business Standard, English Newspaper on January 25, 2025.

This above is for your information and record.

**For Aditya Birla Sun Life Insurance Company Limited**

Maneesh Sharma

Digitally signed by Maneesh Sharma
DN: c=IN, o=Personal, title=3701, pseudonym=EjlvDEu3vdnoqJKK5rj1evpQDCPdFiI3, 2.5.4.20=553844a411b89230c115a3fab63accd99e53ef2678b149af7ad4da3f79b20218, postalCode=400705, st=Maharashtra, serialNumber=cfa18cd675c158f8d013765f66b6350cdd3e84dc75533047b226dce9fc69d568, cn=Maneesh Sharma
Date: 2025.01.29 12:22:47 +05'30'

**Maneesh Sharma**
**Company Secretary**

Cc: **Axis Trustee Services Limited**
The Ruby, 2nd Floor, SW,29,
Senapati Bapat Marg, Dadar West,
Mumbai- 400 028

**Correspondence & Registered Office:**
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CIN : U99999MH2000PLC128110

# DRL's cancer drug a bitter pill for growth

## Analysts divided on firm's prospects after 'Revlimid' sales decline

SHIVAM TYAGI
New Delhi, 24 January

Dr Reddy's Laboratories' (DRL's) share price plunged 6.66 per cent to ₹1,203.50 apiece, its intraday low, on the NSE on Friday as analysts differed on the company's growth outlook after its December quarter (Q3) results.

DRL's Q3 performance was viewed as subdued by some analysts when they adjusted it for one-time grants and incomes that the company received during the quarter.

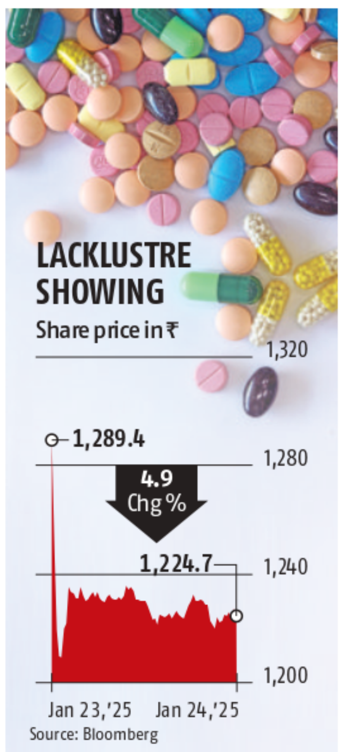
Adjusted for these items, revenue, earnings before interest, taxes, depreciation and ammortisation (Ebitda) and profit after tax (PAT) missed consensus estimates by 3 per cent, 5 per cent and 10 per cent respectively, analysts at Nuvama Institutional Equities said in a report.

Dr Reddy's Lab reported a government grant of ₹80 crore and a one-time payment income of ₹130 crore from DFD29 drug, offsetting the impact of a 41 per cent year-on year (Y-o-Y) fall in other income due to foreign exchange loss.

The company's revenue gained from consolidation of the vaccine business in India and nicotine replacement therapy (NRT) business in Europe.

However, US sales were flat due to market share loss in its star performer Revlimid, a cancer drug, and high competition in legacy products such as Suboxone, Vascepa and Ciprodex.

The management expects to maintain the multiple myeloma drug, Revlimid's run-rate until September 2025 in the US following which it sees a decline.




### Uncertainty beyond Revlimid

While some trust DRL's potential to arrest Revlimid's fall by new drug launches in the US, others have either remained neutral or cut earnings estimates, doubting that the launches can fill the gap.

Analysts at HDFC Securities stated that beyond Revlimid, there is not enough immediate pipeline to sustain growth and margin momentum for DRL.

The brokerage slashed its earnings per share (EPS) estimates by 1 per cent for FY25 and FY26 and lowered its target to ₹1,280, with a "reduce" call.

Similarly, Jefferies also maintained its "underperform" call and sliced target to ₹1,170, pressing on incremental competition in key products and higher selling expenses. Meanwhile, HSBC maintained a 'hold' at a target of ₹1,250 per share, and CITI retained 'sell' rating, reducing the target price to ₹1,100, according to reports.

Motilal Oswal slashed DRL earnings estimates by 5 per cent and 3 per cent for FY26 and FY27, respectively, estimating a slow pick-up in new launches in the US market.

This led to growth beyond Revlimid and price erosion in the base portfolio. The brokerage remained 'neutral' on the stock with a target of ₹1,330.

On the other hand, analysts at Nuvama Institutional Equities and JM Financial have backed Dr Reddy's plan to make up for Revlimid's sales beyond FY27.

The pharma company is expected to bring several products in FY26 and F27, including Venofer, Sprycel, Premarin, Denosumab, Orencia, and Semaglutide in Canada. Additionally, the company continues to guide for 25 per cent Ebitda margins for FY25, said analysts at Nuvama.

Those at JM Financial agreed, stating that the Street is underappreciating the Semaglutide opportunity in Canada as well as 18 other markets which will open up from calendar year 2026.

DRL is best placed among generic players to benefit from this, coupled with its attractive valuation among largecap peers, they said.

JM Financial maintained its estimates and 'buy' rating with a target of ₹1,723. Nuvama, too, gave a 'buy' call with a reduced target of ₹1,533 per share.

### Q3 financial print

DRL reported a 2.5 per cent Y-o-Y increase in consolidated net profit for Q3FY25 at ₹1,413 crore. It was driven by its recently-acquired NRT portfolio and strong performance in European and emerging markets.

Revenue rose 16 per cent to a record ₹8,358.6 crore, while sequentially profit and revenue grew by 13 per cent and 4 per cent, respectively.

Ebitda for the quarter stood at ₹2,298 crore, up 8.9 per cent Y-o-Y, though the Ebitda margin declined to 27.5 per cent from 29.3 per cent.

At close, the company stock fell 4.90 per cent at ₹1,224.70, against Nifty50's drop of 0.49 per cent at 23,092.20.

YOUR MONEY

ASSESSING FUND PERFORMANCE

# Run the numbers, then do qualitative checks

SANJAY KUMAR SINGH & KARTHIK JEROME

The Securities and Exchange Board of India (Sebi) recently issued a circular directing mutual fund houses to disclose the information ratio, a measure of risk-adjusted return, for all equity-oriented schemes. The objective, according to Sebi, is to offer a more comprehensive measure of a scheme's performance. Let us turn to the key measures investors should use to evaluate performance.

### Trailing return

This is the most commonly used performance metric. "It is easy to understand and is commonly available. It tells you that if a fund has not beaten its benchmark over a sufficiently long horizon, you should not be invested in it," says Deepesh Raghaw, a Sebi-registered investment adviser.

This metric, however, suffers from start and endpoint bias. If the market was at a high at the start and at a low at the end of the period, trailing returns will appear poor. "It also doesn't take into account volatility," says Kaustubh Belapurkar, director-manager research, Morningstar Investment Research India.

### Rolling returns

Rolling returns address the bias inherent in trailing returns by calculating returns over multiple periods. A fund's three- or five-year return rolled daily could be calculated over 10 years and compared against similar figures for its benchmark.

"This exercise will tell you what percentage of times the fund has beaten its benchmark. If that figure is high, it amounts to a good performance," says Raghaw. Next, the fund's average of all these data points should be compared with the average for the benchmark. "Rolling return is a phenomenal way to assess a fund's performance," says Raghaw.

However, accessing this data can be difficult for retail investors as it is usually available on paid platforms.

### Risk-adjusted returns

While returns matter, so does volatility. "If the journey becomes too turbulent, investors tend to exit a fund," says Raghaw. Measures of risk-adjusted returns evaluate the return a fund manager has generated per unit of risk. "These measures tell you: If a fund has delivered a higher return, is it because the fund manager took additional risk, or did she deliver a good return with minimal risk?" says Belapurkar. Several measures of risk-adjusted return exist:

- Sharpe ratio: While the numerator contains the fund's return minus a risk-free rate, the denominator contains the standard deviation of the portfolio. A higher Sharpe ratio indicates better performance per unit of volatility.
- Sortino ratio: The Sortino ratio focuses solely on downside risk since it is the downside, not upside, deviation that hurts investors. The numerator contains the portfolio return minus the risk-free rate. This is divided by the downside deviation (the standard deviation of negative returns, or returns below a defined threshold, typically the risk-free rate).
- Information ratio: The numerator calculates the alpha, or a fund's outperformance vis-à-vis its benchmark. The denominator calculates the tracking error or the standard deviation of the difference between the fund and benchmark returns.

### Limits of quant metrics

Rely on multiple metrics to derive a holistic picture of performance. Also, compare a fund's performance with its category peers or the appropriate benchmark. Belapurkar recommends using qualitative metrics to narrow down options, then supplementing with qualitative evaluation. "Numbers do not reveal changes in fund management, style deviations, etc.," he says.

Raghaw suggests checking fund size and the fund manager's tenure: Past returns are meaningless if delivered by a different fund manager. Belpurkar advises checking the strength of the fund management team, and ensuring it follows a consistent process.

### RED FLAGS

- Investors often select funds based solely on one-year performance
- Recent outperformers might belong to categories that don't match the investor's risk appetite
- Investors may enter those funds late when returns have already peaked
- Investors must avoid unrealistic return expectations based on recent performance
- They must avoid frequent switching between funds unless there is a material change (e.g., in the fund manager or investment style)

## Understand switching costs in MF plans to avoid unnecessary expenses

Mutual fund investors often overlook a crucial aspect that can significantly impact their investment returns: switching costs.

**What is a switch in mutual funds?**

Switching in mutual funds refers to transferring investment, either partially or fully, from one scheme to another within the same fund house. Alternatively, you can move your money between two funds of different fund houses, a process referred to as switch-in and switch-out.

**Benefits of switching mutual funds**

**Asset rebalancing**
Asset rebalancing allows you to adjust your portfolio to maintain a specific allocation that aligns with your financial goals and risk tolerance.

**Taking advantage of market conditions**
Switching funds strategically can help you capitalise on market trends.

**Realigning investments with changing goals**
As your financial goals evolve, your investment strategy may need adjustments. For example, nearing retirement, you might prioritise capital preservation over growth.

**Points to remember**
Switching costs also include exit loads and capital gains taxes, which significantly impacts your returns.

*Read full report here: mybs.in/2ek16wi*

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