

Insights Unwrapped

Key Sector Tailwinds Shaping Samvat 2081



“Corrections are unpredictable. By selling stocks to avoid pain, you can miss the next gain.”

Peter Lynch



Asset
Management
Companies



Electricity,
Clean Energy
and Climate



Apparel and
Branded
Garments

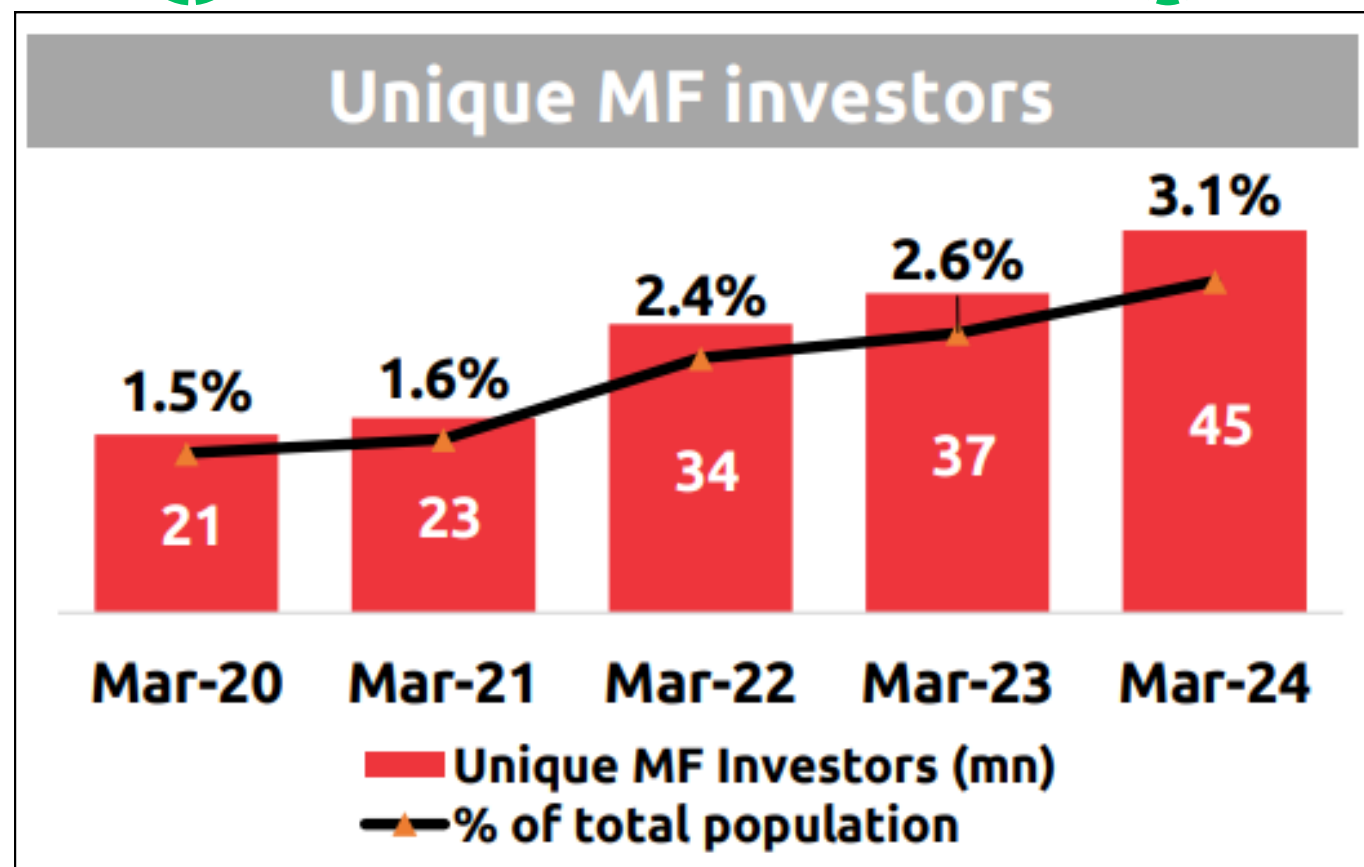
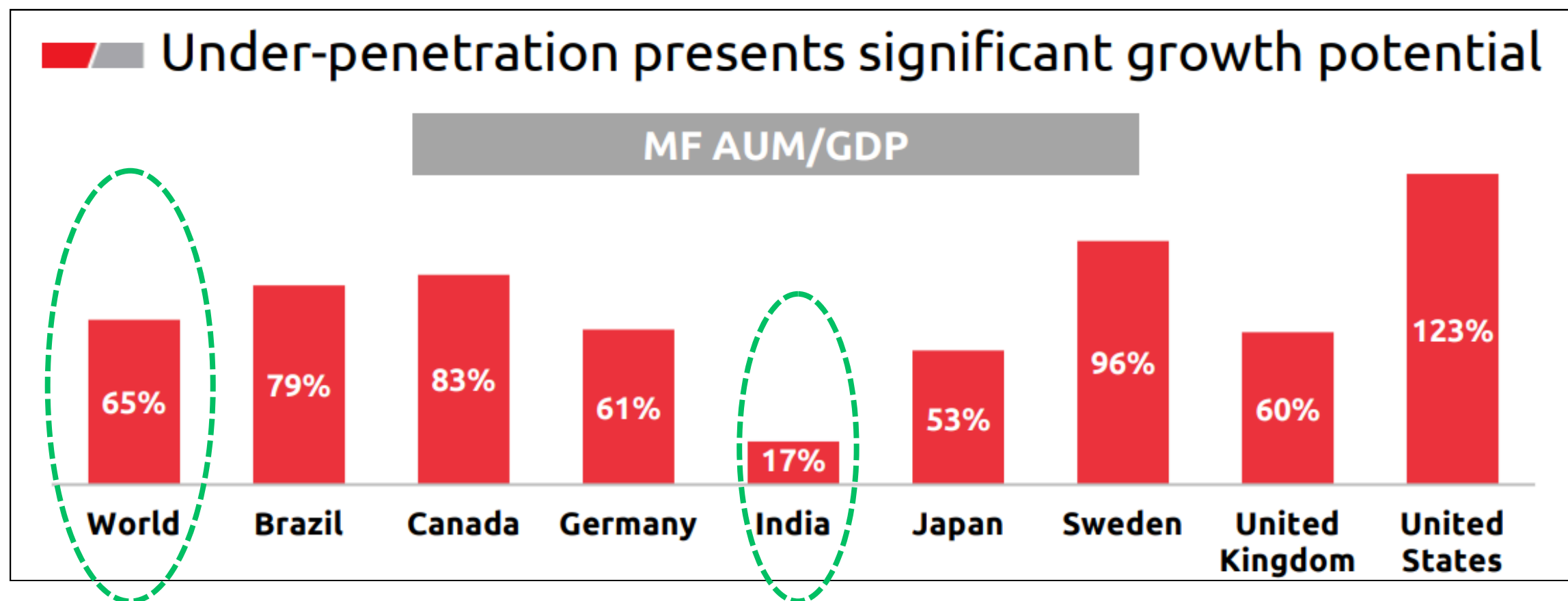


Pharmaceutical
and
Healthcare

SAMVAT 2081

SECTORS POSITIONED FOR TAILWIND-DRIVEN GROWTH

Asset Management Companies- Growth Potential

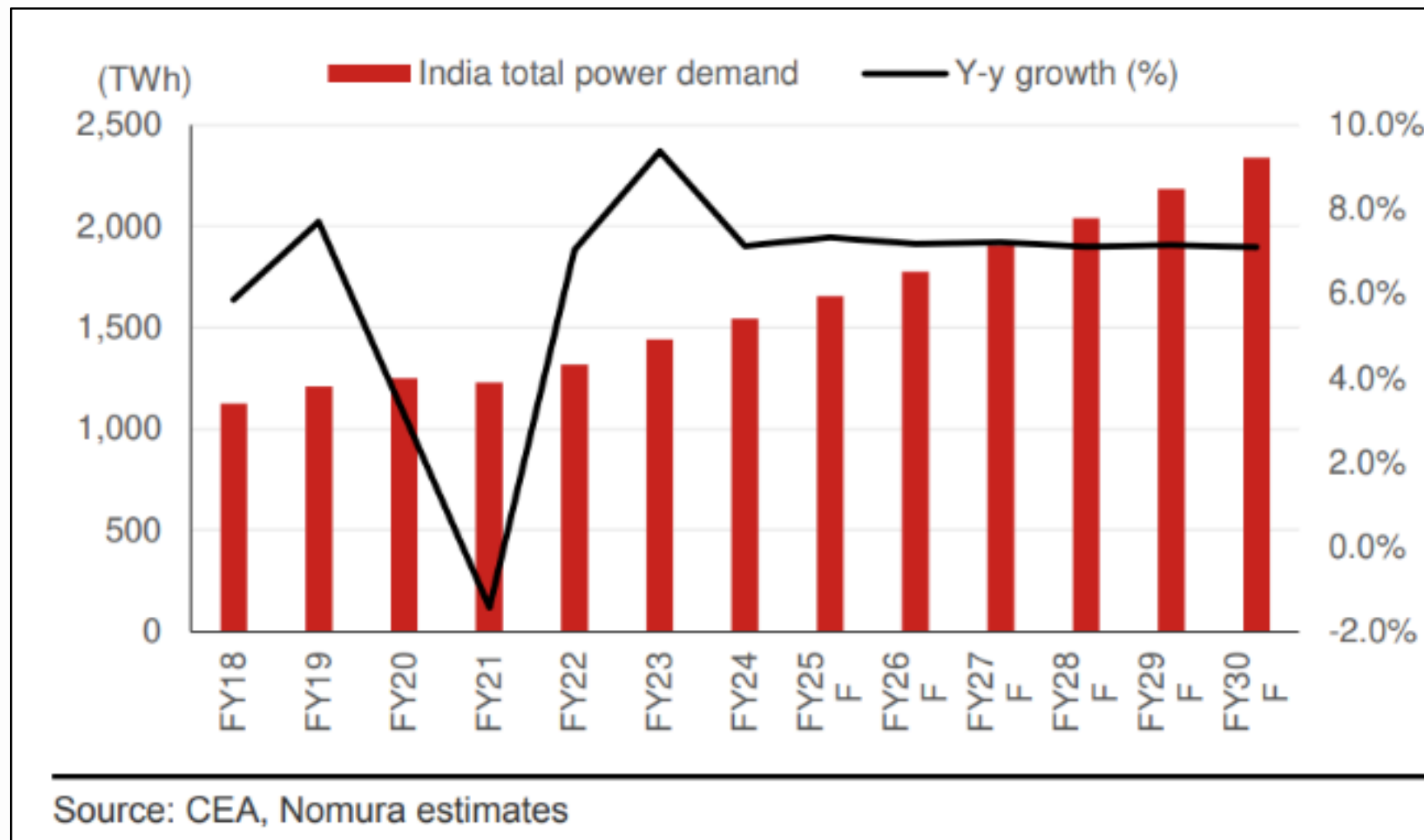


- Mutual fund penetration in India is just 17% of GDP, compared to the global average of 65% and 123% in the USA.
- Slightly over 3% of India's population invests in MFs
- Mutual Fund investors have increased at a 29% CAGR over FY20-24
- The sector stands to benefit from the increasing shift toward financial savings

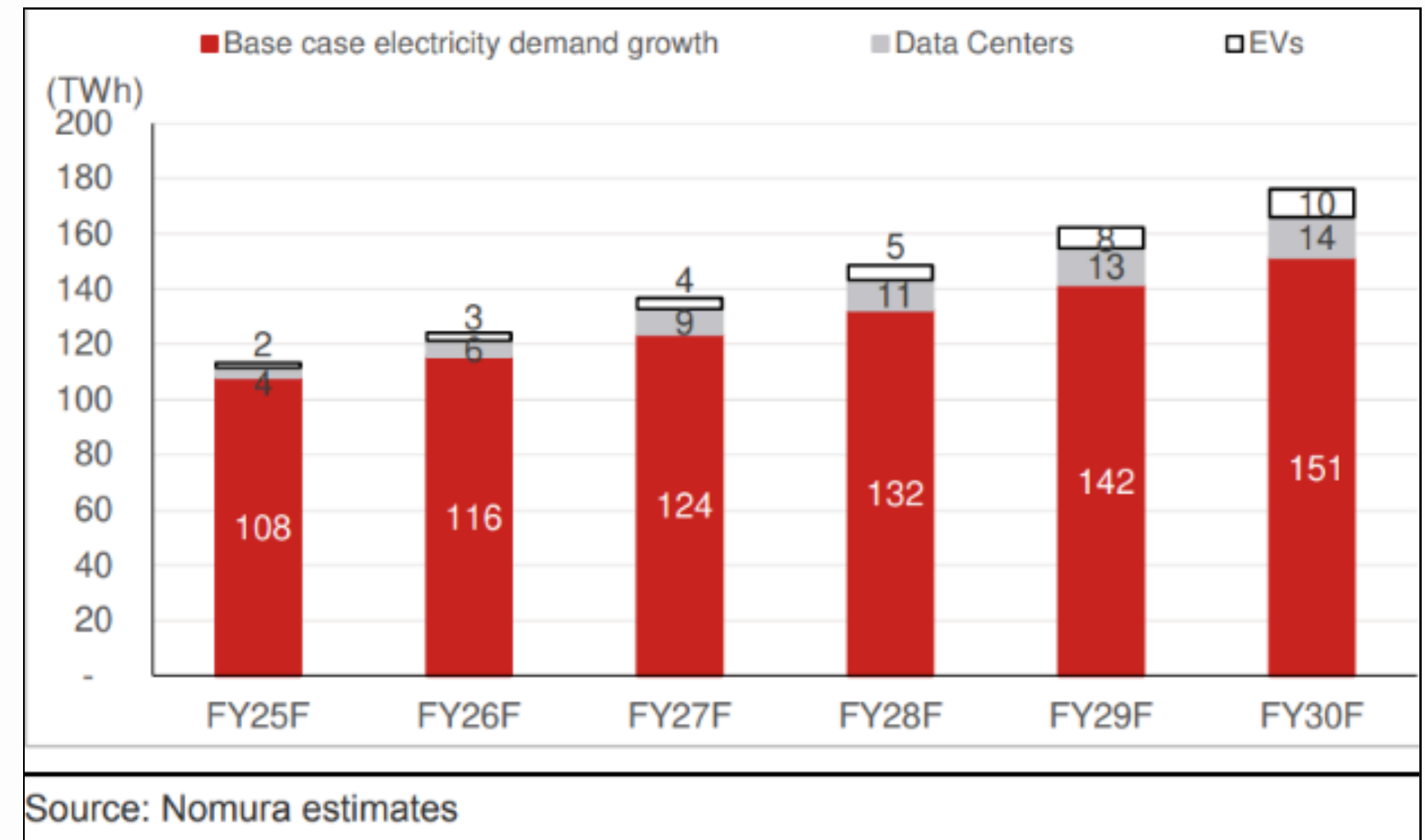
Source: World Bank, Intl, Investment Funds Association, AMFI, Statista GDP and MF AUM data as of 2023; Nippon AMC presentation

Perpetually Rising Power Demand

India Electricity demand



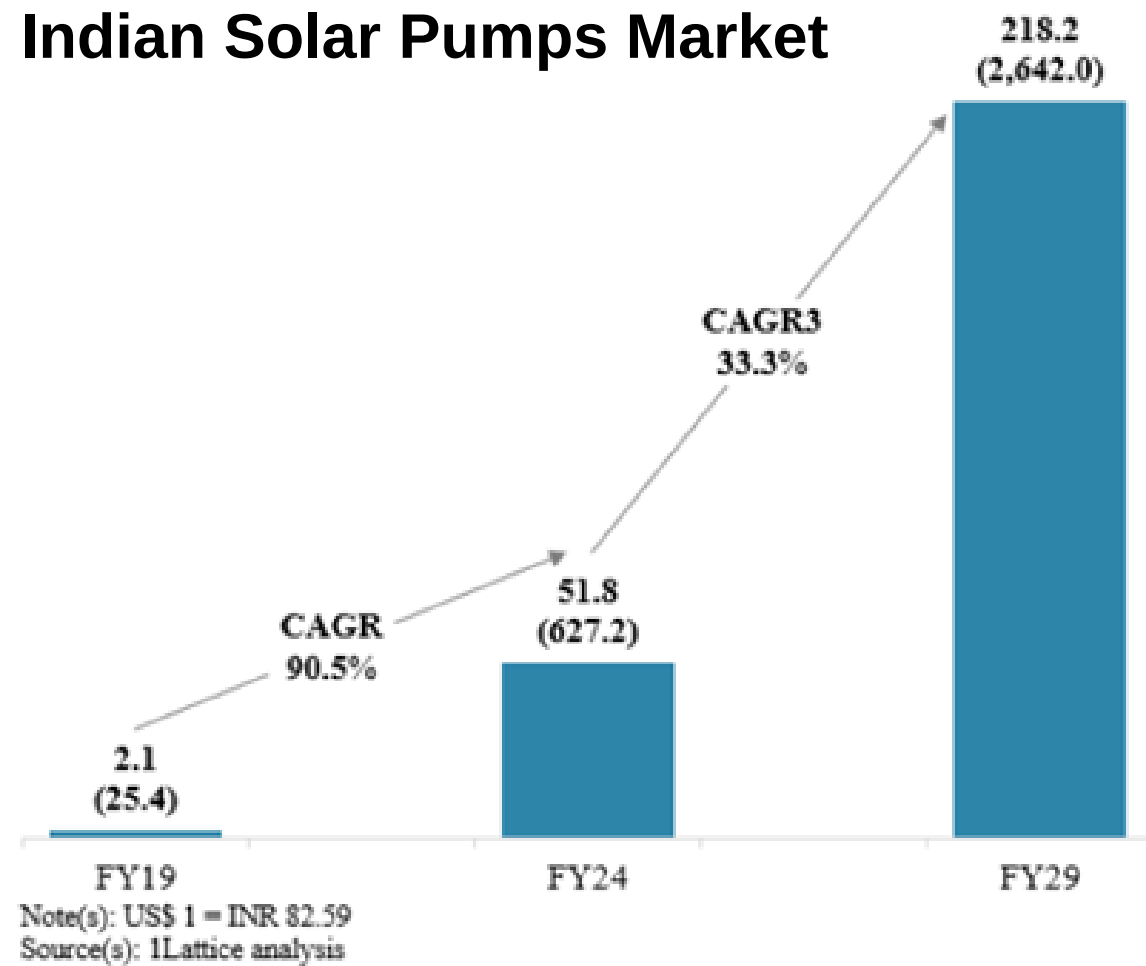
India electricity demand over FY24-FY30F



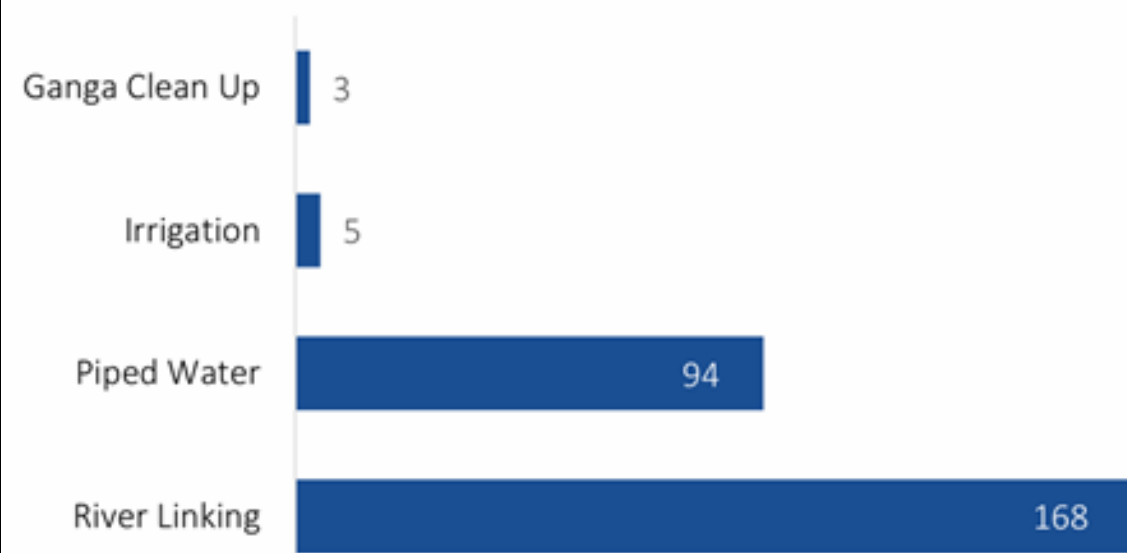
Outlook for power is likely to remain buoyant, supported by (1) sustained economic growth, (2) rising trends of electrification, and (3) incremental demand from emerging sectors, like Data Centers, Green Hydrogen and EVs, while incrementally higher demand can stem from untoward weather conditions.

Climate and Clean Energy

Indian Solar Pumps Market

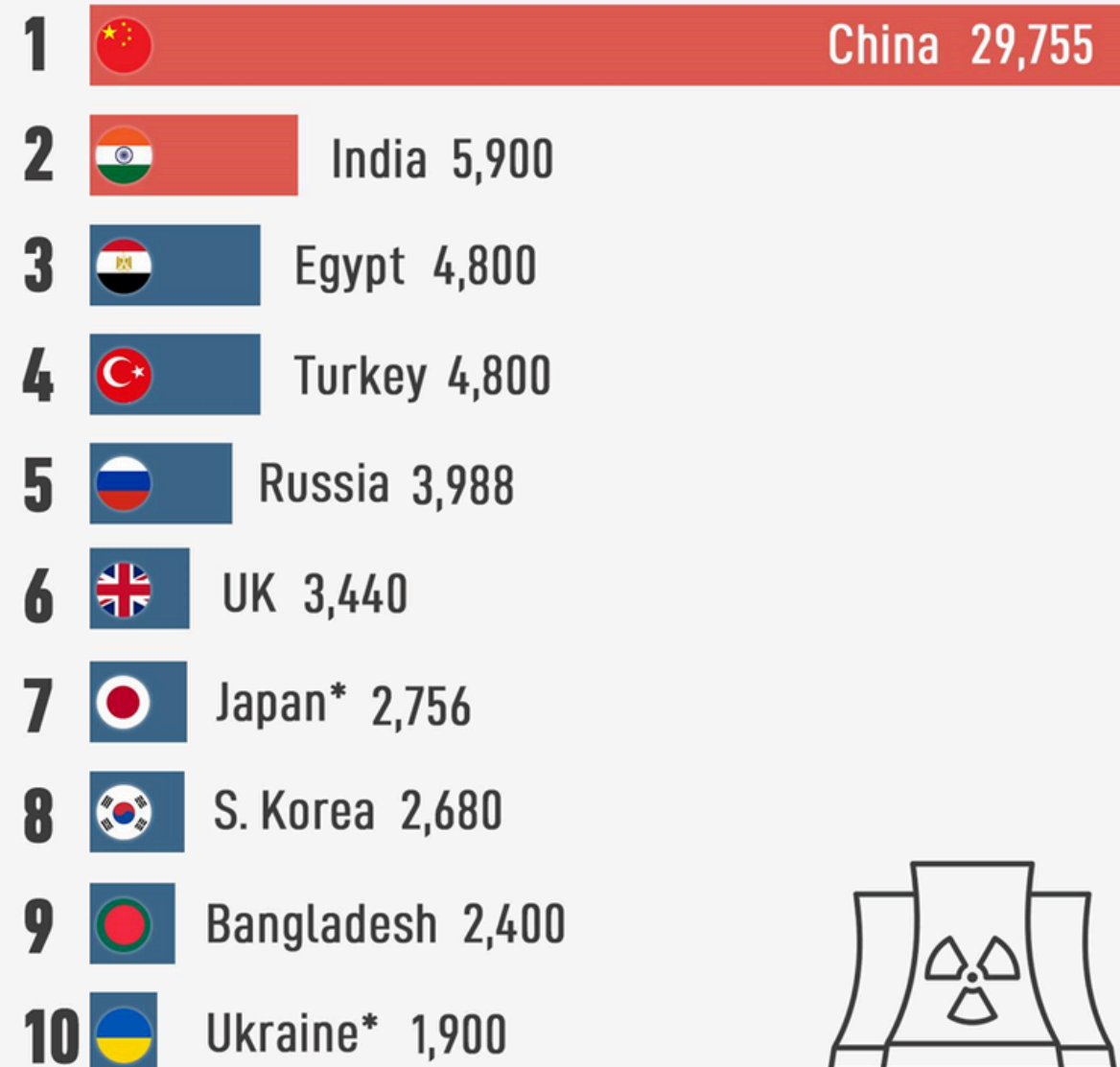


Capex projection on India's water projects in next 10 years (USD bn)



CHINA AND INDIA LEAD GROWTH IN NUCLEAR POWER CAPACITY

Capacity of nuclear reactors under construction (MWe gross)

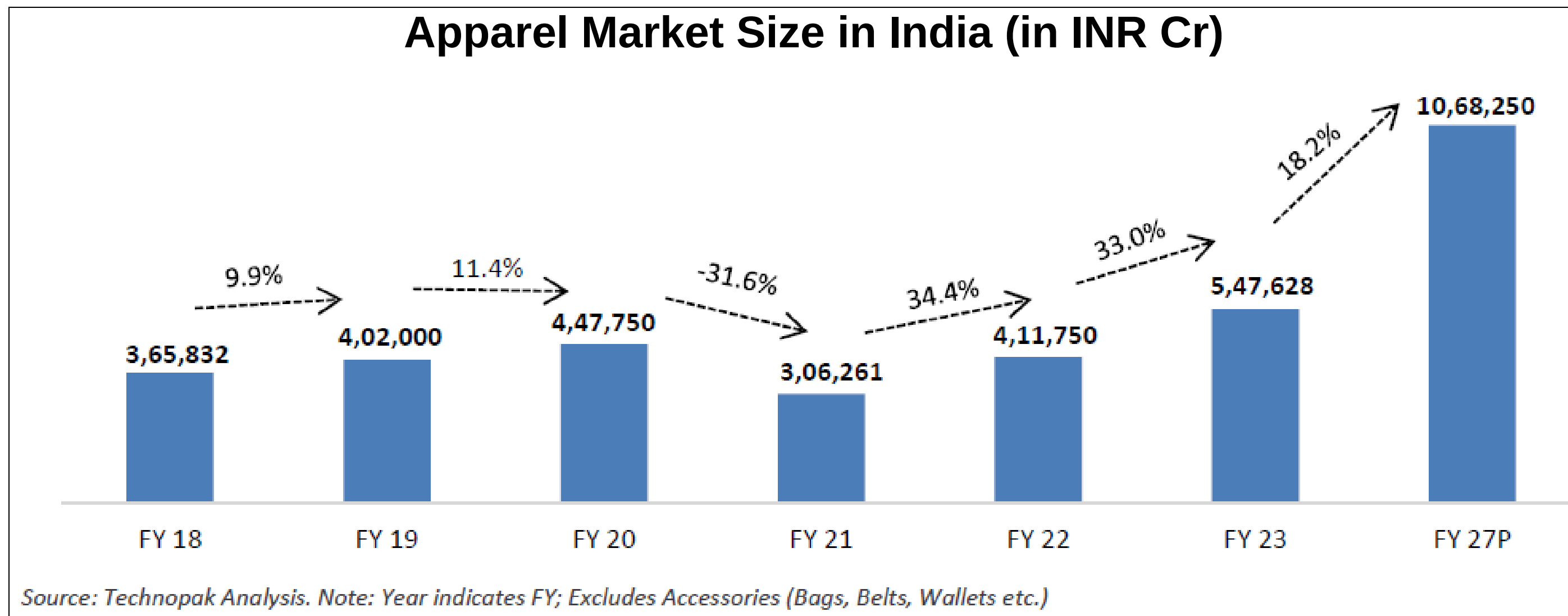


Note: *Under Construction figures include a number of units where construction is currently suspended.
Source: World Nuclear Performance Report 2023 by World Nuclear Association, World Energy Outlook 2023 by IEA



India's pledge to achieve net-zero emissions by 2070 and meet 50% of its electricity needs from renewable sources by 2030 is a pivotal step in the global fight against climate change.

Indian Textile and Apparel - Key Statistics

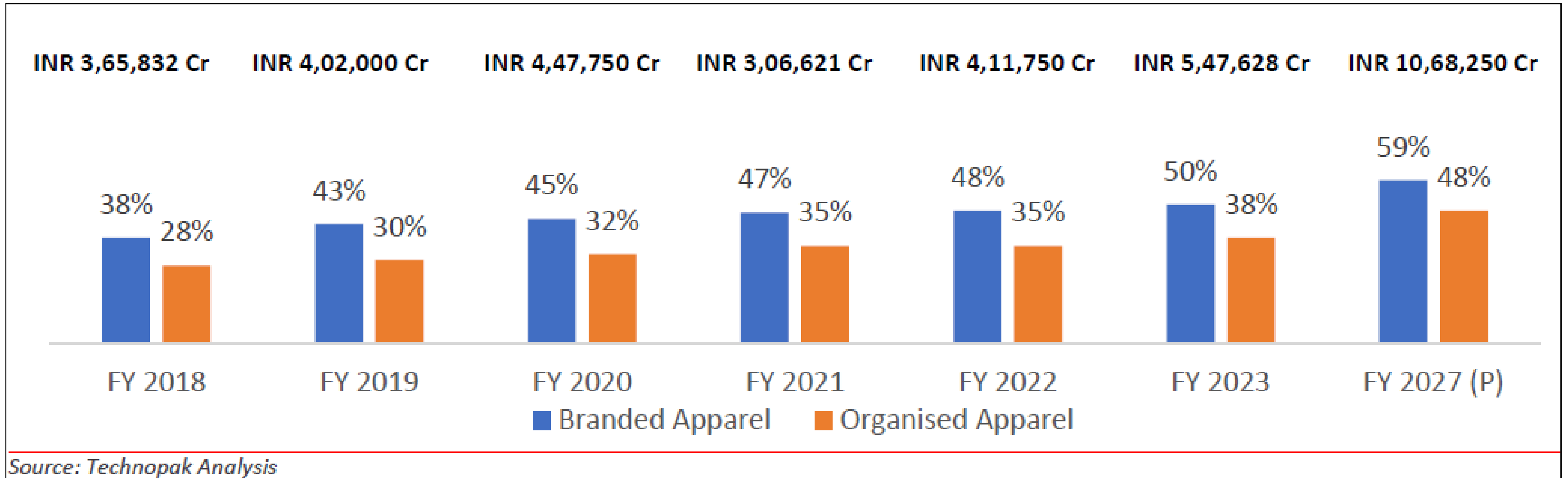


The Apparel market in India was Valued at INR 5.4 Lakh Crs in FY23 and is expected to grow at a CAGR of ~18.2% through FY23-27 to reach INR 10.6 Lakh Crs by FY27 on the back of factors like higher brand consciousness, greater purchasing power and increasing Urbanization.

Value apparel comprising Mass and Economy products contributed ~60% of the total Apparel market in FY 2022 and ~58% of the total Apparel market in FY 2023.

Rise in Organized and Branded garments

Branded Apparel and Organized Apparel Retail as a share of Apparel Market



The share of organized retail in Apparel has steadily increased over the past years. The share of the organized sector in Apparel was 28% in FY 2018, which increased to 32% in FY 2020 and 38% in FY 2023 and is projected to reach 48% by FY 2027.

Global Pharmaceutical Market

Region	2023	2019-2023 CAGR	2028	(US\$ Billion)
				2024-2028 CAGR
Developed Markets	1,276	7.2%	1,775-1,805	5-8%
Pharmerging Markets	304	7.8%	400-430	10-13%
Other Markets	28	5.6%	33-37	3-6%
Global Pharmaceutical Market	1,607	7.3%	2,225-2,255	6-9%

Source: Sun Pharma Annual Report 2024

(Pharmerging Markets include Argentina, Bangladesh, Brazil, China, Colombia, Egypt, Indonesia, Mexico, Pakistan, India, Philippines, South Africa, Thailand, and Vietnam)

The Indian pharmaceutical market will likely grow substantially, with medicine spending expected to reach US\$38-42 Billion by 2028, reflecting a 7-10% CAGR between 2024 and 2028. Acute therapies like anti-infectives and vitamins/minerals saw improved volumes in 2023, while chronic therapies, including cardiac and respiratory segments, continue to perform well.

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