

Ipca Laboratories Ltd.

Corporate Presentation

Dec 2019



Incorporation	:	1949
Present Management	:	Since 1975
Total income F. Y. 2018-19	:	₹ 3687.74 Crs / US\$ 526 Mn
Exports F. Y. 2018-19	:	₹ 1730.84 Crs / US\$ 247 Mn
Business Model	:	Integrated pharmaceutical company producing Branded and Generics Formulations, APIs and Intermediates

	2014-15	2015-16	2016-17	2017-18	2018-19
Domestic Income (₹ Crs)	1,367.54	1,440.88	1,617.13	1,694.54	1,956.90
Domestic Income (US \$ Mn)	195.00	205.46	230.59	241.63	279.04
Export Income (₹ Crs)	1,752.86	1,429.85	1,561.74	1,564.21	1,730.84
Export Income (US \$ Mn)	249.94	203.89	222.69	223.04	246.80
Total Income (₹ Crs)	3,120.40	2,870.73	3,178.87	3,258.75	3,687.74
Total Income (US \$ Mn)	444.94	409.35	453.28	464.67	525.84
Net Profit After Tax (₹ Crs)	256.11	92.52	188.29	233.11	454.91
Net Profit After Tax (US \$ Mn)	36.52	13.19	26.85	33.24	64.87

Manufacturing Facilities

Formulations

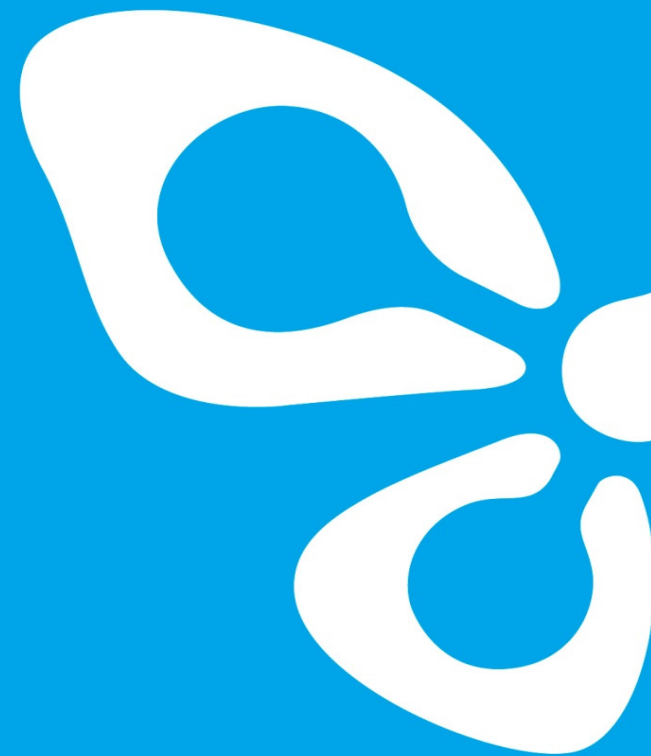


Location	Dosage Form	Approvals / Inspections
Athal (Dadra & Nagar Haveli)	Tablets & Capsules	UK-MHRA, TGA-Australia, WHO-Geneva, EU Certification by German Authority
Ratlam (Madhya Pradesh)	Tablets, Liquids, Injectables & Ointments	MCC-South Africa, INVIMA Colombia, WHO-Geneva
Kandla (Gujarat)	Betalactum – Tablets, Capsules & Dry Syrups	UK-MHRA, MCC-South Africa, TGA- Australia, National Drug Authority (NDA)- Uganda, Eu-GMP, Agency for Medicinal Products and Medical Devices (HALMED) – Croatia , TFDA - Tanzania, Zimbabwe -MCAZ, Ivory Coast- ICHA, NAFDAC CGMP - Nigeria
Silvassa (Dadra & Nagar Haveli)	Tablets & Capsules	WHO-GMP, TGA-Australia, Health-Canada

Location	Dosage Form	Approvals / Inspections
Dehradun, (Uttarakhand)	Tablets & Cephalosporin Injectables	Unit – I : WHO-GMP, Ivory Coast- ICHA Unit - II: WHO-GMP, GHANA-FDA, TFDA-TANZANIA, ICHA-Ivory coast
Indore (SEZ), (Madhya Pradesh)	Tablets & Capsules	UK-MHRA, Health Canada, MCC-South Africa, TGA - Australia
Sikkim	Tablets & Capsules	ISO 9001, ISO 14001, ISO OHSAS 1800, WHO GMP
Pithampur, Dhar , (Madhya Pradesh)	High Potency Oral Solid Dosage	WHO-GMP INVIMA Colombia, WHO-Geneva
Tarapur ,Palghar (Maharashtra)	Tablets	WHO-GMP NDA (Uganda) MOH Pharmacy & Poisons Board (Kenya).

Manufacturing Facilities

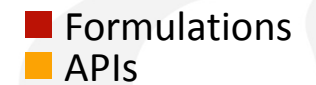
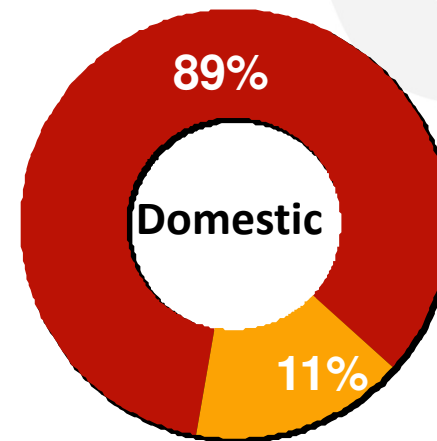
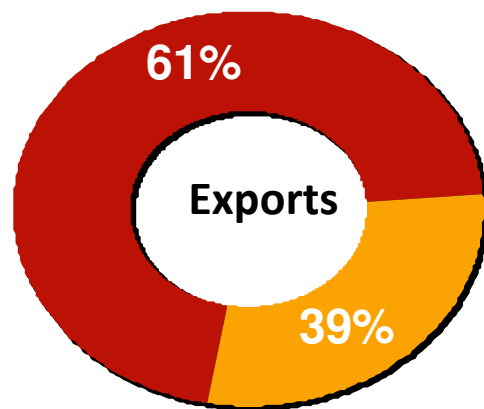
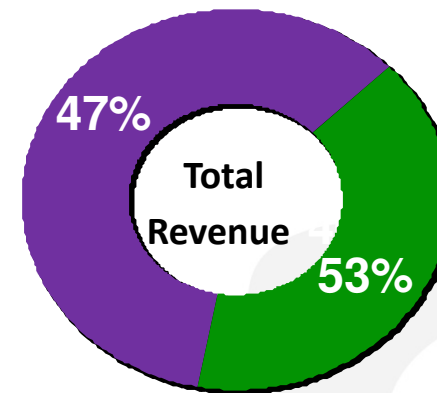
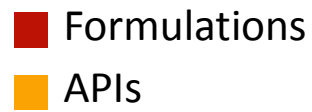
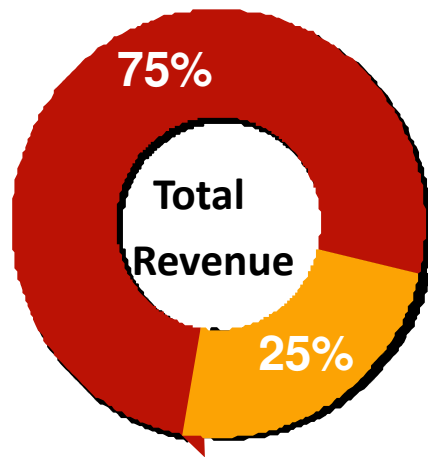
Active Pharmaceutical Ingredients (APIs)



Location	Approvals / Inspections
Ratlam (Madhya Pradesh)	TGA-Australia, EDQM, Danish Regulatory Authority, PMDA-Japan, WHO-Geneva, Health Canada, EU-GMP (LaGesso, Berlin), MOH Russia, MFDS (Korea), HPRA (Ireland), CDSCO- India, Cofepris (Mexico)
Indore (Madhya Pradesh)	WHO-Geneva, CDSCO- India.
Ankleshwar (Gujarat)	PMDA –Japan, CDSCO- India, Cofepris (Mexico)
Nandesari (Gujarat)	CDSCO- India
Aurangabad (Maharashtra)	USFDA, MOH Russia, MFDS, CDSCO- India
Mahad (Maharashtra)	CDSCO- India
Ranu (Taluka Padra) (Gujarat)	CDSCO- India, Cofepris (Mexico)
Ramdev Chemical Pvt. Ltd., Boisar (Maharashtra) (100% Subsidiary Company)	USFDA, CDSCO- India

Revenue Break-up





₹ Crs	2018-19			2017-18			Growth
	Domestic	Exports	Total	Domestic	Exports	Total	
Branded Formulations	1646.83	360.94	2007.77	1425.38	320.30	1745.68	15.0%
Generic Formulations	-	687.32	687.32	-	673.66	673.66	2.0%
Total Formulations	1646.83	1048.26	2695.09	1425.38	993.96	2419.34	11.4%
API / Intermediates	201.98	682.58	884.56	178.45	570.25	748.7	18.1%
Others	108.09	-	108.09	90.71	-	90.71	
Total Income	1956.90	1730.84	3687.74	1694.54	1564.21	3258.75	13.2%
Growth	15.5%	10.7%	13.2%				

Financials



F.Y. 2018 - 19			F.Y. 2017 - 18		
	₹ Crs	US\$ Mn	₹ Crs	US\$ Mn	% Growth
Total Income	3687.74	526	3258.75	465	13%
EBIDT	765.26	109	478.82	68	60%
EBIDT %	20.75%		14.69%		
PBT #	557.39	79	282.80	40	97%
PBT %	15.11%		8.68%		
PAT #	454.91	65	233.11	33	95%
PAT %	12.34%		7.15%		

After forex loss of ₹ 17.50 Crs as against forex gain of Rs. ₹ 2.36 Crs for previous year.

Profitability	FY 2018-19	FY 2017-18
PBIDT	20.75%	14.69%
PBT	15.11%	8.68%
PAT	12.34%	7.15%

Q1 FY20			Q1 FY 19		
	₹ Crs	US\$ Mn	₹ Crs	US\$ Mn	% Growth
Total Income	1030.44	147	867.56	124	19%
EBIDT	205.20	29	152.42	22	35%
EBIDT %	19.91%		17.57%		
PBT #	167.96	24	78.22	11	115%
PBT %	16.30%		9.02%		
PAT #	132.05	19	65.52	9	102%
PAT %	12.81%		7.55%		

After forex gain of ₹ 9.27 Crs as against forex loss of Rs. ₹ 24.78 Crs for previous quarter.

Q2 FY20			Q2 FY 19		
	₹ Crs	US\$ Mn	₹ Crs	US\$ Mn	% Growth
Total Income	1226.89	175	1011.57	144	21%
EBIDT	278.37	40	217.08	31	28%
EBIDT %	22.69%		21.46%		
PBT #	226.73	32	141.00	20	61%
PBT %	18.48%		13.94%		
PAT #	196.02	28	119.74	17	64%
PAT %	15.98%		11.84%		

After forex loss of ₹ 2.48 Crs as against of Rs. ₹ 30.54 Crs for previous quarter.

Q3 FY20			Q3 FY 19		
	₹ Crs	US\$ Mn	₹ Crs	US\$ Mn	% Growth
Total Income	1156.70	165	960.22	137	20%
EBIDT	282.94	40	215.86	31	31%
EBIDT %	24.46%		22.48%		
PBT #	233.11	33	196.78	28	18%
PBT %	20.15%		20.49%		
PAT #	196.63	28	160.18	23	23%
PAT %	17.00%		16.68%		

After forex gain of ₹ 0.13 Crs as against of Rs. ₹ 28.47 Crs for previous quarter

9 Months FY20			9 Months FY 19		
	₹ Crs	US\$ Mn	₹ Crs	US\$ Mn	% Growth
Total Income	3414.03	487	2839.35	405	20%
EBIDT	766.51	109	585.36	83	31%
EBIDT %	22.45%		20.62%		
PBT #	627.80	90	416.00	59	51%
PBT %	18.39%		14.65%		
PAT #	524.70	75	345.44	49	52%
PAT %	15.37%		12.17%		

After forex gain of ₹ 6.92 Crs as against forex loss of Rs. ₹ 26.85 Crs for previous period.

Business Characteristics	FY 2018-19	FY 2017-18
Return on Capital Employed % (PBIT / Capital Employed)	16.31%	9.46%
Return on Net Worth % (PAT / Net Worth)	14.50%	8.65%
Fixed Asset Turnover Ratio (Total Income / Net Fixed Assets)	2.04	1.69
Capital Employed Turnover Ratio (Total Income / Capital Employed)	1.04	1.01
Asset Coverage Ratio (to term loan) (Net Fixed Assets / Total Long Term Borrowings)	7.27	4.96
Long Term Debt Equity Ratio (Total Long Term Borrowings / Net Worth)	0.08	0.14
Debtors Turnover Ratio (Days) (Trade Receivables / Turnover) x 365	64	68
Creditors Turnover Ratio (Days) (Trade Payables / Purchases) x 365	103	105
Inventory Turnover Ratio (Days) (Inventory / Turnover) x 365	108	101

Growth	FY 2018-19	FY 2017-18
Net Total Income	13.2%	2.5%
Domestic Sales	15.3%	4.6%
Export Sales	10.7%	0.2%
PBIDT	59.8%	10.0%
PBT	97.1%	9.5%
Net Profit	95.1%	23.8%

Therapeutic Segment	Domestic		Exports	
	2018 – 19	2017 – 18	2018 – 19	2017 – 18
Non Steroidal Anti-Inflammatory Drugs (NSAID)	46%	44%	21%	20%
Cardiovasculars & Anti-Diabetics	20%	21%	29%	31%
Anti-Bacterials	7%	6%	9%	10%
Anti-Malarials	6%	8%	18%	18%
Gastro-Intestinal (GI) Products	4%	4%	3%	2%
Neuro Psychiatry	3%	3%	6%	6%
Cough Preparations	4%	4%	2%	2%
Dermatology	5%	5%	-	-
Urology	3%	3%	-	-
Neutraceuticals	1%	1%	-	-
Others	1%	1%	12%	11%
Total	100%	100%	100%	100%

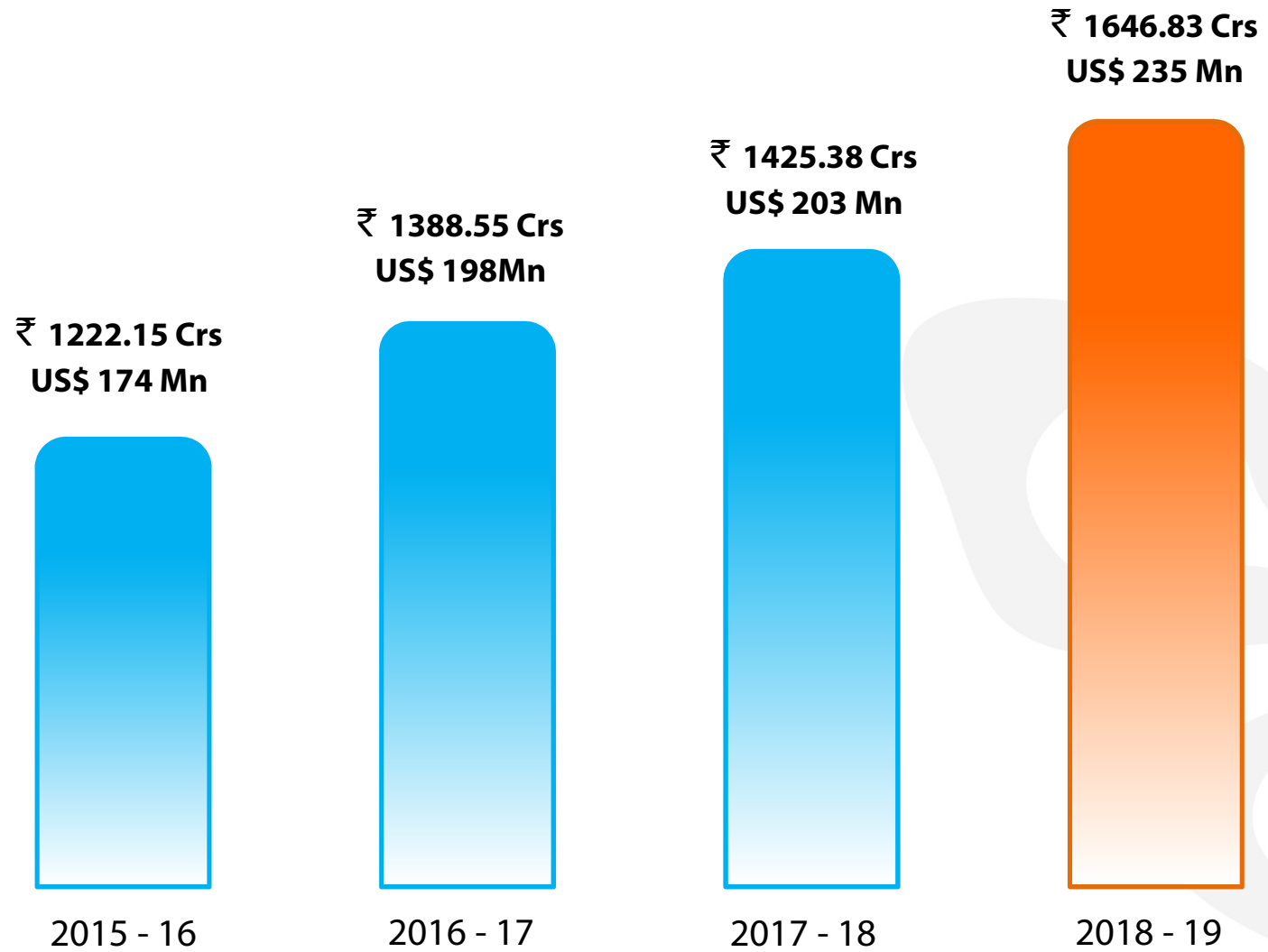
Branded Formulations

Domestic



- All India Rank IQVIA : 21st (MAT Dec'19).
- 25 Depots & 2 C&F agents.
- 15 Therapy Focused Marketing Divisions.
- Field Strength (PSR/ BA)– 4609.
- Over 2000 Wholesalers.
- 3 brands among top 300 brands (HCQS, Zerodol-P & Zerodol-SP).
- Market leaders in Rheumatoid Arthritis & Anti-malarials .

Sales



Future Growth Drivers

- Clinical research as a tool to launch innovative combination formulations / NDDS.
- Strong Brand building with focused promotion.
- In licensing/ out licensing to build business in the promoted therapy.
- Portfolio optimization, strategies to identify need gaps to build, enter, maintain and exit approach.

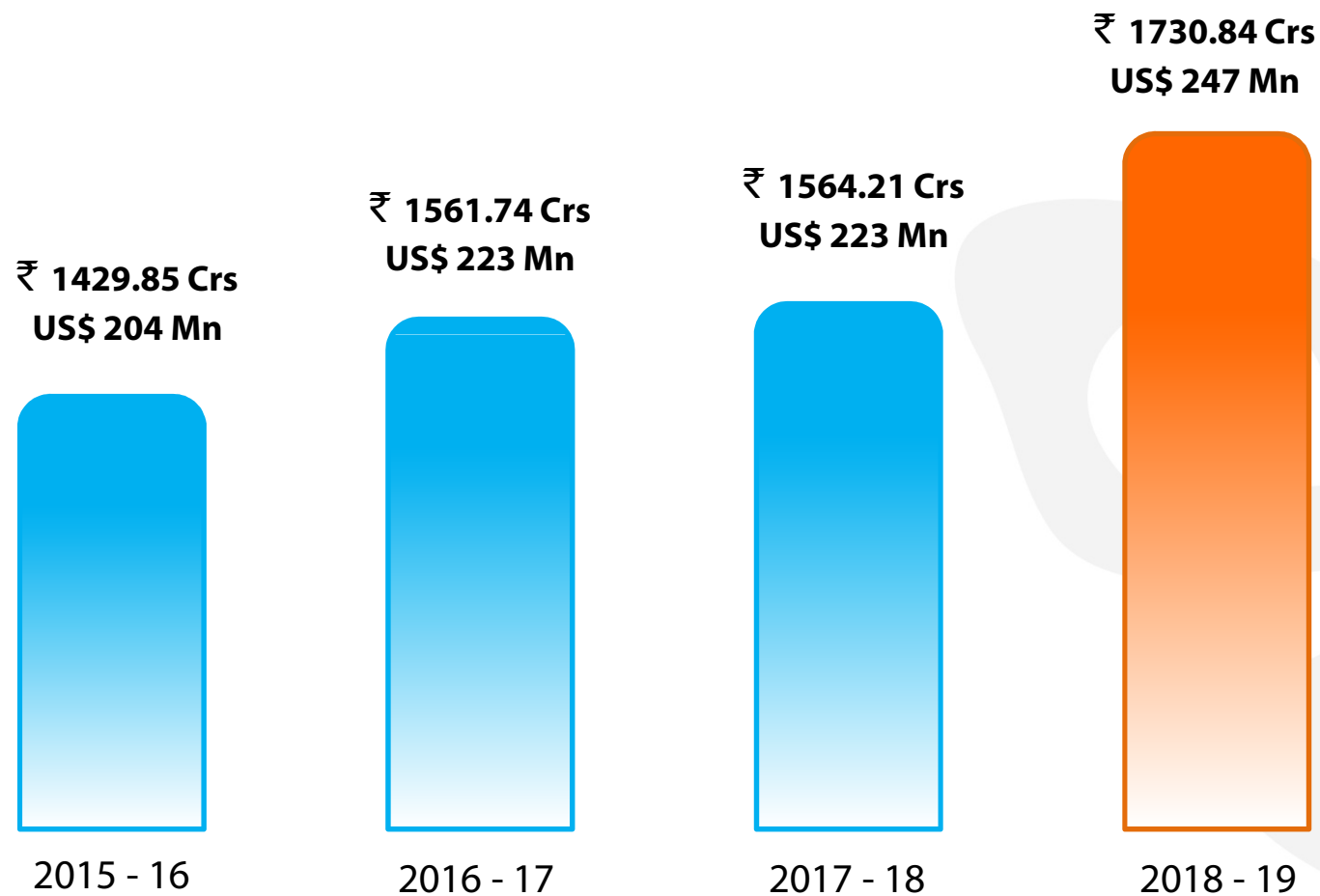
International Business



- Products of the company are now exported to over 100 countries across the globe.
- Recognized Star Trading House.
- 48% sales from exports.
- Field-force to promote brands in more than 35 countries of CIS, South East Asia, Middle East, Latin America and Africa.

- Marketing offices in Russia, Ukraine, Kazakhstan, Belarus , Vietnam, Philippines, Sri Lanka, Myanmar Kenya, Colombia, and Nigeria & Mexico (subsidiary company).
- Formulation dossiers for branded formulations registered in 54 countries.

Sales



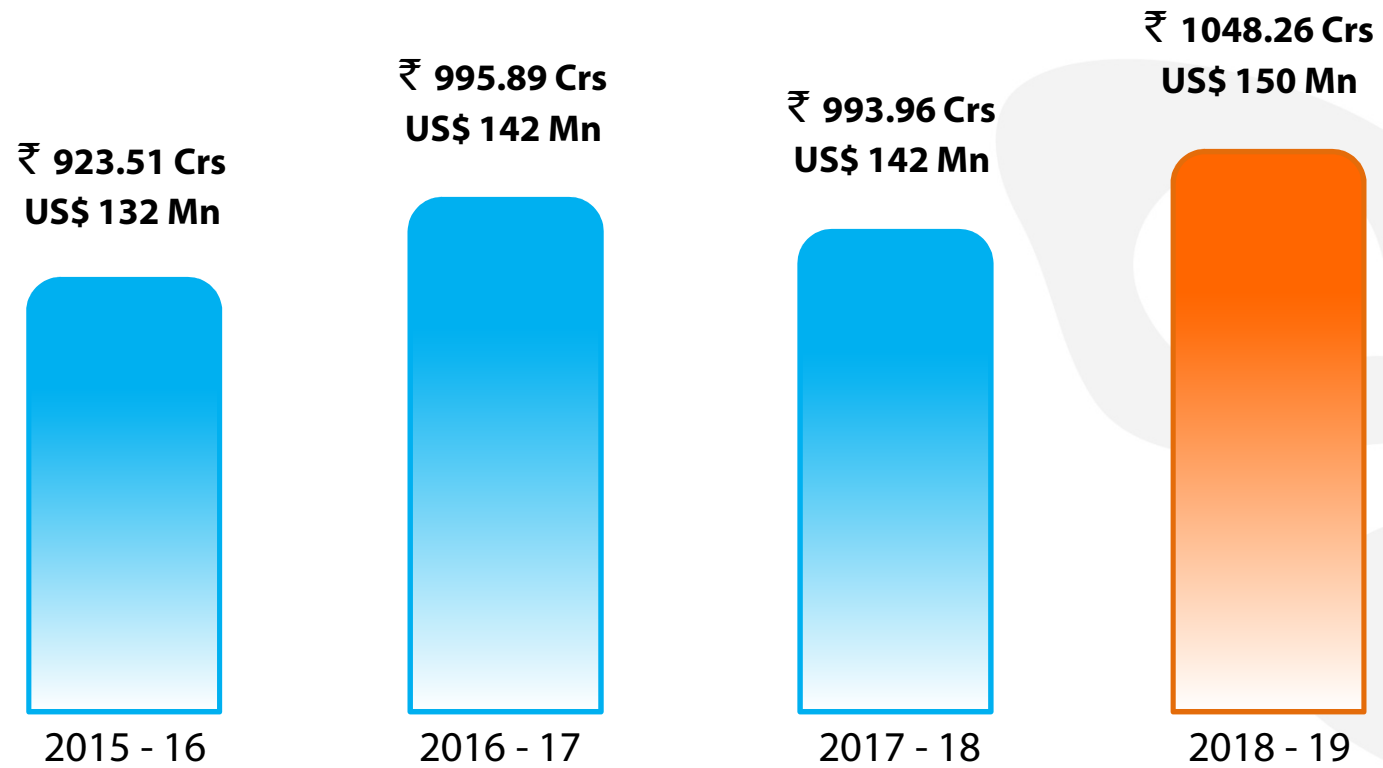
Continent-wise Exports 2018 - 19 (₹ Crs)

Continent	Formulations	Bulk Drugs / Intermediates	Total	% Contribution
Europe	311.89	220.93	532.82	31%
Africa	265.03	39.47	304.50	18%
Americas	90.13	206.77	296.90	17%
Asia	87.04	200.32	287.36	17%
CIS	156.43	9.24	165.67	9%
Australasia	137.74	5.85	143.59	8%
Total	1048.26	682.58	1730.84	100%

International Formulations



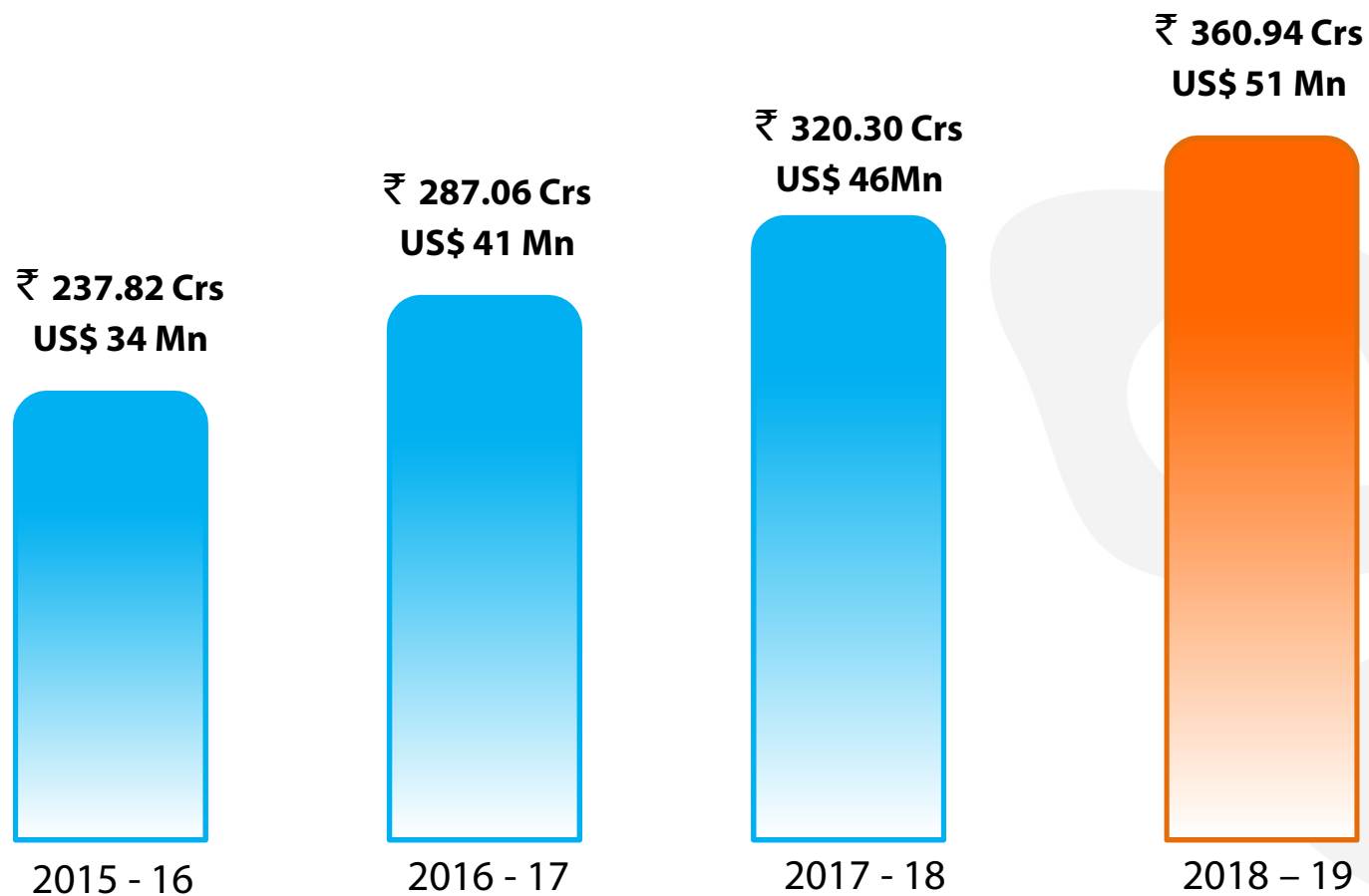
Sales



International Branded Formulations



Sales

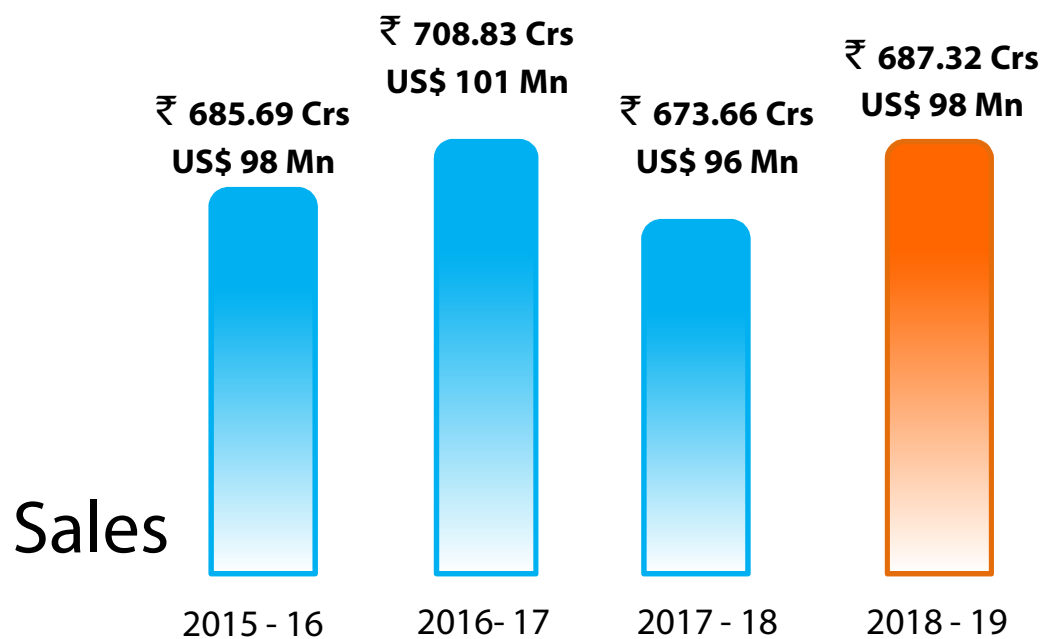


Future Growth Drivers

- Thrust on brand building in Pain, CVS, CNS, Anti-infective and Anti-malarial segments.
- Geographical expansion in covered countries through additional field force.
- Expansion in business lines - Institutions and Distributors.
- Introduction of new products - Existing developed formulations are identified for registration and launch across all continents.

International Generics





Country	Products Registered	Products Under Registration
United Kingdom / Europe	61	1
Australia / New Zealand	71	4
South Africa	42	22
United States / Canada	33	28

Future Growth Drivers

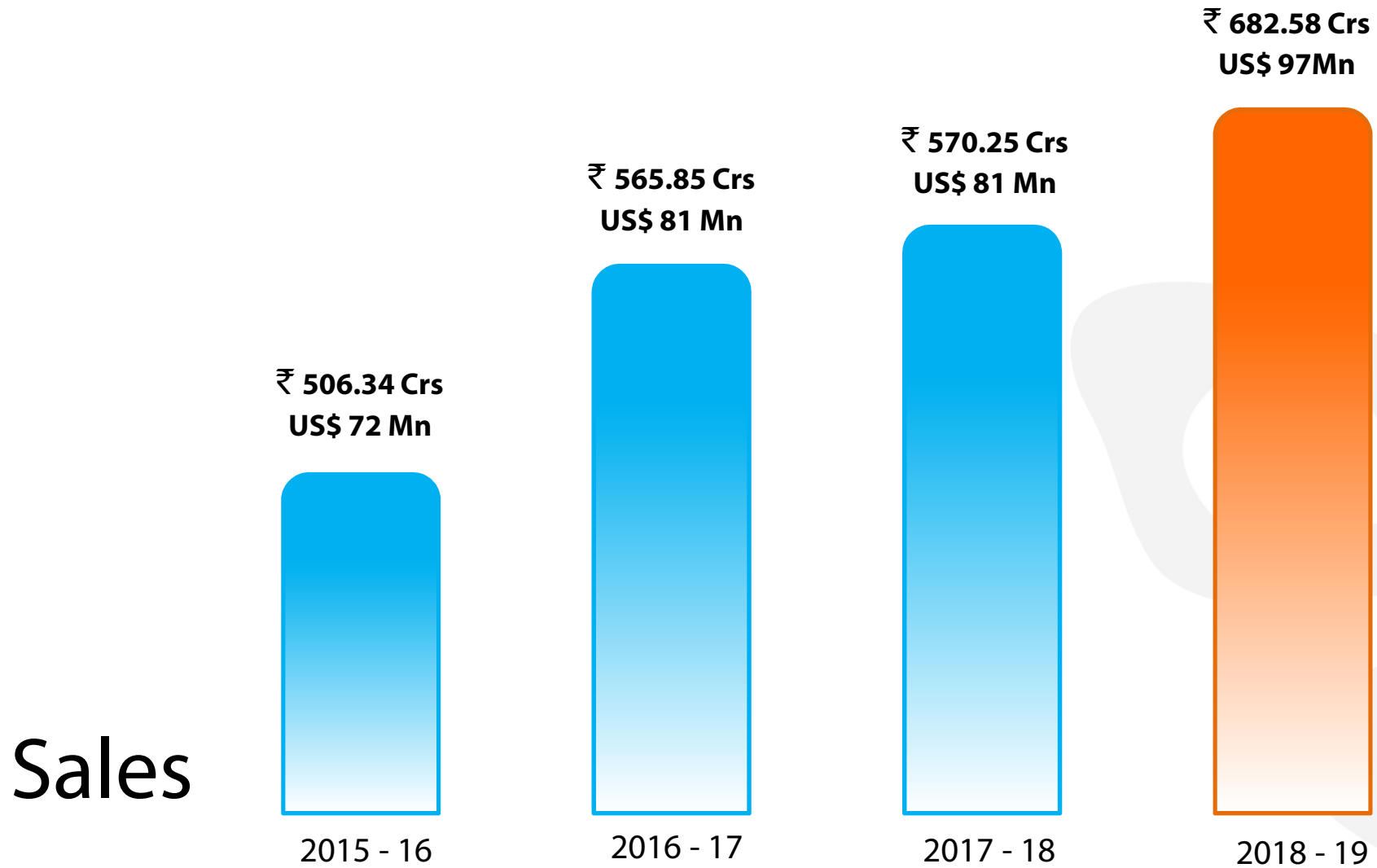
- Dossiers developed by company approved in UK are being taken for registration in other EU countries.
- Formulations registered to be backed by own API.
- Sale of generic dossiers with or without supply agreements.
- Contract manufacturing arrangements.

Future Growth Drivers – North America

- Strategic tie up with 3 marketing partners for sale/distribution of Generic formulations.
- 46 ANDAs filed of which 18 ANDAs are approved.
- Exploring contract development and manufacturing opportunities.

International APIs





Sr. No.	Name of the API	US- FDA	Canada- HPFB	WHO	Japan - PMDA	Australia	EDQM
1	Atenolol	✓	✓		✓	CEP	✓
2	Artemether			✓		✓	
3	Artesunate			✓			
4	Artesunate Sterile			✓			
5	Amodiaquine Hcl			✓			
6	Amlodipine Besylate	✓					✓
7	Allopurinol	✓	✓			CEP	✓
8	Benzarone				✓		
9	Benzbromarone				✓		
10	Bendroflumethiazide						✓
11	Bisoprolol Fumarate	✓	✓				✓
12	Carvedilol	✓	✓				✓
13	Cetirizine Dihydrochloride	✓					✓
14	Chloroquine Phosphate	✓					✓
15	Chlorthalidone	✓	✓				✓

Sr. No.	Name of the API	US- FDA	Canada- HPFB	WHO	Japan - PMDA	Australia	EDQM
16	Citalopram HBR						✓
17	Dihydroartemesinin			✓			
18	Etodolac	✓					✓
19	Famotidine				✓		✓
20	Fenofibrate	✓					✓
21	Fluconazole						✓
22	Flumequine						✓
23	Furosemide	✓	✓		✓	CEP	✓
24	Glimepiride	✓			✓		✓
25	Hydrochlorothiazide	✓	✓		✓	CEP	✓
26	Hydroxyzine Di Hcl	✓					✓
27	Hydroxychloroquine Sulphate	✓	✓			✓	✓
28	Indapamide	✓	✓				✓
29	Losartan Potassium	✓	✓				✓
30	Lumefantrine			✓			

Sr. No.	Name of the API	US- FDA	Canada- HPFB	WHO	Japan - PMDA	Australia	EDQM
31	Methylphenidate		✓			CEP	✓
32	Mesalamine/ Mesalazine	✓					✓
33	Metformin HCL	✓	✓				✓
34	Metoclopramide HCl	✓	✓			CEP	✓
35	Metoclopramide Base				✓		
36	Metoprolol Succinate	✓				CEP	✓
37	Metoprolol Tartrate	✓	✓		✓	CEP	✓
38	Midodrine Hydrochloride	✓					
39	Nabumetone	✓					✓
40	Nifedipine				✓		✓
41	Ondansetron Hydrochloride	✓	✓			CEP	✓
42	Ondansetron Base	✓				✓	
43	Paroxetine Hcl					CEP	✓
44	Primaquine Phosphate	✓				✓	
45	Piperaquine Phosphate			✓			

Sr. No.	Name of the API	US-FDA	Canada-HPFB	WHO	Japan - PMDA	Australia	EDQM
46	Probenecid	✓					
47	Proguanil Hydrochloride	✓					✓
48	Propranolol HCl	✓	✓		✓	CEP	✓
49	Pyrantel Pamoate	✓	✓				✓
50	Pyrimethamine Hcl	✓					✓
51	Promethazine Hydrochloride	✓					
52	Quetiapine Fumarate	✓	✓				✓
53	Risperidone	✓					
54	Residronate Sodium	✓					
55	Ractopamine Hcl	✓	✓				
56	Sodium Alendronate	✓			✓		✓
57	Telmisartan	✓					
58	Torsemide	✓					✓
59	Tramadol Hydrochloride	✓	✓				✓
60	Trimethoprim	✓			✓	CEP	✓

Sr. No.	Name of the API	US- FDA	Canada- HPFB	WHO	Japan - PMDA	Australia	EDQM
61	Triamterene	✓					✓
62	Valsartan	✓					✓
63	Venlafexine	✓					✓
64	Warfarin Sodium Clathrate	✓					✓
65	Warfarin Sodium					CEP	✓
66	Zaltoprofen				✓		
	Total	46	20	7	14	17	46

Note : Australia accept CEP issued by EDQM

Future Growth Drivers

- Consolidate API business of Sartans across the globe.
- Long term strategic tie-ups with major South American/European formulators.
- Leverage the customer base of more than 1000 customers spread across 90 countries is well laid down platform to introduce Ipca new pipeline products.
- Increased focus in emerging markets like LATAM, CIS & China
- Own API manufacturing to back formulations, especially for the Generic market.
- Exploring strategic business relationship with smaller API manufacturers for increasing product basket.

Research & Development

APIs & Formulations



R & D Spending		
Year	₹ Crs	% to Sales
2014-15	157.19	5.09%
2015-16	137.67	4.91%
2016-17	125.67	4.06%
2017-18	118.10	3.73%
2018-19	89.35	2.50%

- Current scientist manpower of around 450.
- Research focus on developing APIs with non-infringing process and development of finished dosage forms.
- Development of NDDS for domestic and international market.
- 248 patent applications filed.
- Bio-tech / fermentation research facility established .
- Undertaking contract research activities for APIs & Formulations for international clients.

Acquisition of 100% share capital of Pisgah Labs Inc., USA by Company's subsidiaries

Acquisition of 100% share capital of Pisgah Labs Inc., USA by Ipca Pharmaceutical Inc., USA (Company's Wholly owned subsidiary) and Onyx Scientific Ltd., U.K (Onyx) (Company's wholly owned step down subsidiary) for US\$ 9.65 millions free of debt.

Pisgah Labs Inc., North Carolina , USA was originally founded in the year 1981 as contract manufacturer and developer of active pharmaceutical ingredients (APIs) and intermediates.

Pisgah Labs Inc. has been a chemistry solutions provider for over three decades and will continue to operate out of its North Carolina manufacturing facility under the Pisgah trade name. Onyx and Pisgah's capabilities in chemistry services will dovetail effectively with company's capabilities in supporting Phase II to commercial scale programmes and also enable the company to manufacture small volume APIs for US market.

For the financial year ended 30th April, 2017, Pisgah had a total income of US\$ 2.89 millions and EBIDTA of US \$ 1.14 million.

This acquisition was completed upon signing of Stock Purchase Agreement and transfer of shares in the name of the Company's subsidiaries on 16th January ,2018 in USA.

Acquisition of 80% share capital of Bayshore Pharmaceuticals LLC, New Jersey, USA by Company's wholly owned subsidiary

Acquisition of 80% share capital of Bayshore Pharmaceuticals LLC, New Jersey, USA by Ipca Pharmaceutical Inc., USA (Company's wholly owned subsidiary) for US\$ 10.286 millions .

Bayshore Pharmaceuticals LLC (Bayshore), New Jersey, USA was originally founded in the year 2011 as a sales and marketing company by FDA approved generics drug products in the United States of America.

Bayshore is currently engaged in the selling & marketing of its own registered generics drug products as well as the registered generics drug products of other pharmaceutical companies.

The acquisition in Bayshore will enable the Company to commercialise its registered Generics Drug Products in the US market, through this entity.

For the financial year ended 31st December , 2017, Bayshore had a total income of US\$ 7.05 millions and EBIDTA of US \$ 0.56 million.

This acquisition was completed upon signing of Stock Purchase Agreement and transfer of shares in the name of the Company's wholly owned subsidiary on 2nd October, 2018 in USA.

Acquisition of 100% share capital of Ramdev Chemical Private Limited (RCPL) for cash consideration of Rs. 108.50 Crs.

Ramdev Chemical Pvt. Ltd. (RCPL), a company incorporated in 1999 under Companies Act, 1956 is engaged in the business of manufacturing and marketing of advanced drug intermediates, fine chemicals, custom synthesis molecules and active pharmaceutical ingredients (APIs).

The registered office and manufacturing unit of the company is located at MIDC, Boisar, District - Palghar, Maharashtra on leasehold land measuring about 16,000 sq. metres with constructed area of about 5600 sq metres. The manufacturing facility of the company is inspected amongst others by US FDA and EDQM.

For the financial year ended 31st March, 2019 (unaudited) (Management Certified Accounts), the company had a revenue of about Rs. 75.89 crores, EBITDA of about Rs. 9.18 crores and Profit after tax of about Rs. 3.01 crores.

The Products of the company are exported to many countries across the globe including USA, U.K., Japan, Germany and Canada. The clientele of the company includes major Indian pharma companies as well as several multinational companies.

This acquisition is as per Share Purchase Agreement signed on 24th April, 2019.

Acquisition of M/s Noble Explochem Ltd. for cash consideration of Rs. 69 Crs.

This transaction is pursuant to the order passed by The Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench under the provisions of the Insolvency and Bankruptcy Code.

The National Company Law Tribunal (NCLT), Mumbai Bench has passed necessary order on 22nd January, 2020 in this regard.

M/s Noble Explochem Ltd. A listed entity was engaged in the manufacturing of chemical explosives and its operations were closed since December 2006.

M/s Noble Explochem Ltd owns assets consisting of freehold land – 689 acres, lease hold land – 180 acres (lease expiring in 2078) and forest land – 239 acres, totalling 1108 acres at Village Hingni in Wardha District (Maharashtra) where it has about 14,750 sq metres of manufacturing unit consisting of factory building, utilities, staff quarters and plant & machineries.

The Company has intention to use these assets for its future plans of manufacturing of chemicals, key starting materials and Active Pharmaceutical Ingredients (APIs), after obtaining all the required statutory approvals.

The NCLT order provides for cancellation of paid-up share capital of the said M/s Noble Explochem Ltd. without any consideration and the merger of the said M/s. Noble Explochem Ltd. with the Company.

Thank you

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