Ipca Laboratories Ltd.

Corporate Presentation

Sept 2017

Company Overview

Incorporation	:	1949
Present Management	:	Since 1975
Total income F. Y. 2016-17	:	₹ 3178.87 Crs / US$ 474 Mn
Exports F. Y. 2016-17	:	₹ 1561.74 Crs / US$ 233 Mn
Number of Employees	:	13,384 including 6047 in marketing and distribution
Business Model	:	Fully integrated pharmaceutical company producing Branded and Generics Formulations, APIs and Intermediates

Five Years' Highlights

	2012-13	2013-14	2014-15	2015-16	2016-17
Domestic Income (₹ Crs)	1,081.00	1,190.23	1,367.54	1,440.88	1,617.13
Domestic Income (US $ Mn)	161.30	177.59	204.05	214.99	241.29
Export Income (₹ Crs)	1,716.08	2,066.02	1,752.86	1,429.85	1,561.74
Export Income (US $ Mn)	256.05	308.27	261.54	213.35	233.03
Total Income (₹ Crs)	2,797.08	3,256.25	3,120.40	2,870.73	3,178.87
Total Income (US $ Mn)	417.35	485.86	465.59	428.34	474.32
Net Profit After Tax (₹ Crs)	331.39	477.37	256.11	92.52	188.29
Net Profit After Tax (US $ Mn)	49.45	71.23	38.21	13.80	28.09

Manufacturing Facilities

Formulations

Manufacturing Facilities

Formulations

Location	Dosage Form	Approvals / Inspections
Athal, Silvassa	Tablets & Capsules	UK-MHRA, TGA-Australia, MCC-South Africa, WHO-Geneva
Ratlam, Madhya Pradesh	Tablets, Liquids, Injectables & Ointments	MCC-South Africa, INVIMA Colombia
Kandla, Gujarat	Betalactum – Tablets, Capsules & Dry Syrups	UK-MHRA, MCC-South Africa
Silvassa	Tablets & Capsules	UK-MHRA, TGA-Australia, HPB-Canada

Manufacturing Facilities

Formulations

Location	Dosage Form	Approvals / Inspections
Dehradun, Uttaranchal	Tablets & Cephalosporin Injectables	WHO-GMP
Indore (SEZ), Madhya Pradesh	Tablets & Capsules	UK-MHRA, HPB Canada, MCC-South Africa
Sikkim	Tablets & Capsules	GMP
Pithampur, Dhar , Madhya Pradesh	High Potency Oral Solid Dosage	WHO-GMP INVIMA Colombia
Tarapur, Palghar	Tablets	

Manufacturing Facilities

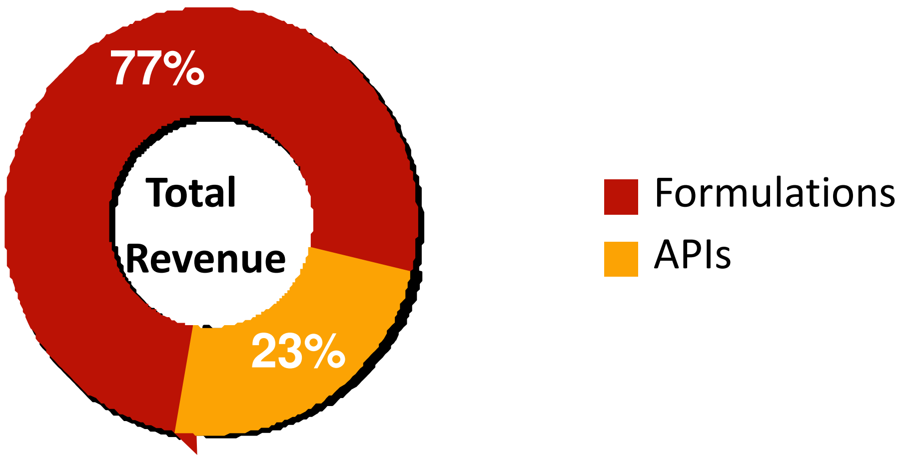
Active Pharmaceutical Ingredients (APIs)

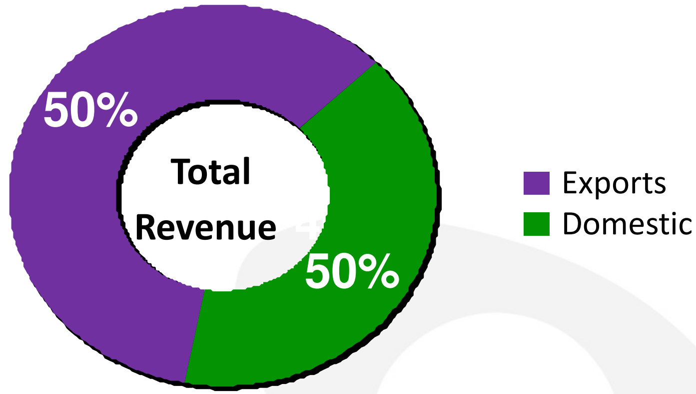
Manufacturing Facilities
APIs

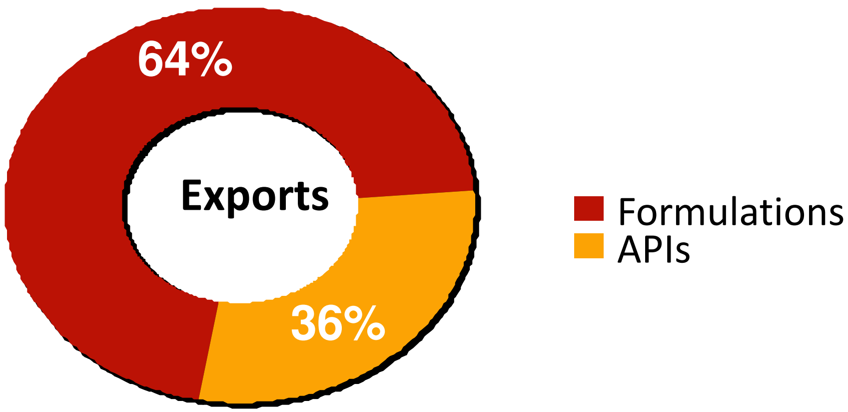
Location	Approvals / Inspections
Ratlam, Madhya Pradesh	TGA-Australia, EDQM, Danish Regulatory Authority, PMDA-Japan, WHO-Geneva, HPB Canada
Indore, Madhya Pradesh	WHO-GMP
Ankleshwar, Gujarat	PMDA –Japan
Nandesari, Gujarat	WHO-GMP
Aurangabad, Maharashtra	WHO-GMP
Mahad, Maharashtra	GMP
Ranu (Tehsil Padra), Gujarat	

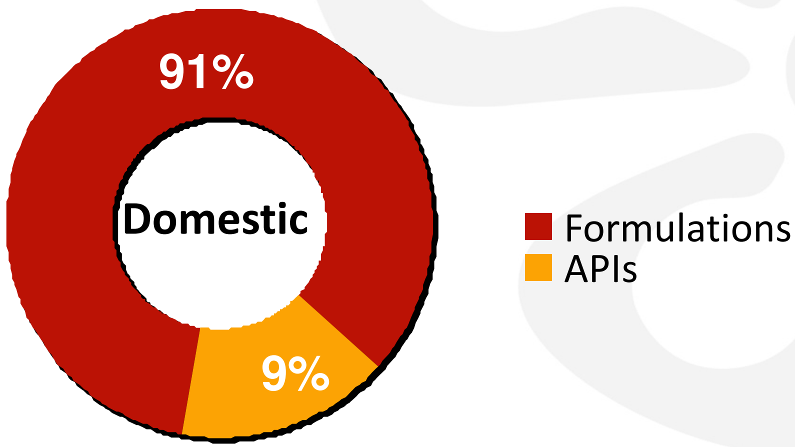
Revenue Break-up

Revenue Break-up
2016 - 17









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Revenue Break-up

₹ Crs	2016-17			2015-16			Growth
	Domestic	Exports	Total	Domestic	Exports	Total	
Branded Formulations	1388.55	289.24	1677.79	1222.15	237.82	1459.97	14.9%
Generic Formulations	-	706.65	706.65	-	685.69	685.69	3.1%
Total Formulations	1388.55	995.89	2384.44	1222.15	923.51	2145.66	11.1%
API / Intermediates	144.41	565.85	710.26	151.79	506.34	658.13	7.9%
Others	84.17	-	84.17	66.94	-	66.94	
Total Income	1617.13	1561.74	3178.87	1440.88	1429.85	2870.73	10.7%
Growth	12.2%	9.2%	10.7%				

Financials

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Financials

	F.Y. 2016 - 17		F.Y. 2015 - 16		
	₹ Crs	US$ Mn	₹ Crs	US$ Mn	% Growth
Total Income	3178.87	474	2870.73	428	11%
EBIDT	435.20	65	341.81	51	27%
EBIDT %	13.69%		11.91%		
PBT #	258.20	39	111.45	17	132%
PBT %	8.18%		3.92%		
PAT #	188.29	28	92.52	14	104%
PAT %	5.96%		3.25%		

After forex gain of ₹ 17.34 Crs as against forex loss of Rs. ₹ 40.53 Crs for previous year.

Profitability	FY 2016-17	FY 2015-16
PBIDT	13.69%	11.91%
PBT	8.18%	3.92%
PAT	5.96%	3.25%

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Financials

Business Characteristics	FY 2016-17	FY 2015-16
Return on Capital Employed % (PBIT / Capital Employed)	8.85%	4.49%
Return on Net Worth % (PAT / Net Worth)	7.61%	4.05%
Fixed Asset Turnover Ratio (Total Income / Net Fixed Assets)	1.56	1.36
Capital Employed Turnover Ratio (Total Income / Capital Employed)	1.00	0.92
Asset Coverage Ratio (to term loan) (Net Fixed Assets / Total Long Term Borrowings)	3.79	3.09
Long Term Debt Equity Ratio (Total Long Term Borrowings / Net Worth)	0.22	0.30
Debtors Turnover Ratio (Days) (Trade Receivables / Turnover) x 365	59	57
Creditors Turnover Ratio (Days) (Trade Payables / Purchases) x 365	101	108
Inventory Turnover Ratio (Days) (Inventory / Turnover) x 365	103	108

Financials

Growth	FY 2016-17	FY 2015-16
Net Total Income	10.70%	-8.90%
Domestic Sales	11.60%	2.80%
Export Sales	9.20%	-18.40%
PBIDT	27.30%	-38.60%
PBT	131.70%	-68.80%
Net Profit	103.50%	-63.90%

Financials

	Q1 2017-18		Q1 2016-17		
	₹ Crs	US$ Mn	₹ Crs	US$ Mn	% Growth
Total Income	719.14	107	859.54	128	-16%
EBIDT	21.52	3	119.98	18	-82%
EBIDT %	3.02%		14.04%		
PBT #	-21.22	-3	76.57	11	
PBT %	-2.98%		8.96%		
PAT #	-20.25	-3	47.57	7	
PAT %	-2.84%		5.57%		

After forex gain of ₹ 4.33 Crs as against forex loss of Rs. ₹ 8.13Crs for previous quarter.

Financials

	Q2 2017-18		Q2 2016-17		
	₹ Crs	US$ Mn	₹ Crs	US$ Mn	% Growth
Total Income	875.29	131	890.60	133	-2%
EBIDT	160.03	24	141.38	21	13%
EBIDT %	18.28%		16.11%		
PBT #	109.59	16	92.35	14	19%
PBT %	12.52%		10.37%		
PAT #	96.47	14	54.95	8	76%
PAT %	11.02%		6.17%		

After forex loss of ₹ 4.68Crs as against forex gain of Rs. ₹ 7.81Crs for previous quarter.

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Financials

	H1 2017-18		H1 2016-17		
	₹ Crs	US$ Mn	₹ Crs	US$ Mn	% Growth
Total Income	1594.43	238	1750.14	261	-9%
EBIDT	187.73	28	266.23	40	-29%
EBIDT %	11.85%		15.44%		
PBT #	88.37	13	168.92	25	-48%
PBT %	5.54%		9.65%		
PAT #	76.22	11	102.52	15	-26%
PAT %	4.78%		5.86%		

After forex loss of ₹ 0.35 Crs as against forex loss of Rs. ₹ 0.32Crs for previous period.

Financials

Contribution of Therapeutic Groups

2015 – 16		Therapeutic Segment	2016 – 17	
Exports	Domestic		Exports	Domestic
25%	39%	Non Steroidal Anti-Inflammatory Drugs (NSAID)	23%	41%
31%	23%	Cardiovasculars & Anti-Diabetics	32%	21%
17%	12%	Anti-Malarials	16%	12%
12%	6%	Anti-Bacterials	13%	6%
3%	5%	Gastro-Intestinal (GI) Products	2%	4%
5%	3%	Neuro Psychiatry	5%	3%
2%	4%	Cough Preparations	1%	5%
-	4%	Dermatology	-	4%
-	2%	Urology	-	2%
-	1%	Neutraceuticals	-	1%
5%	1%	Others	8%	1%
100%	100%	Total	100%	100%

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Branded Formulations

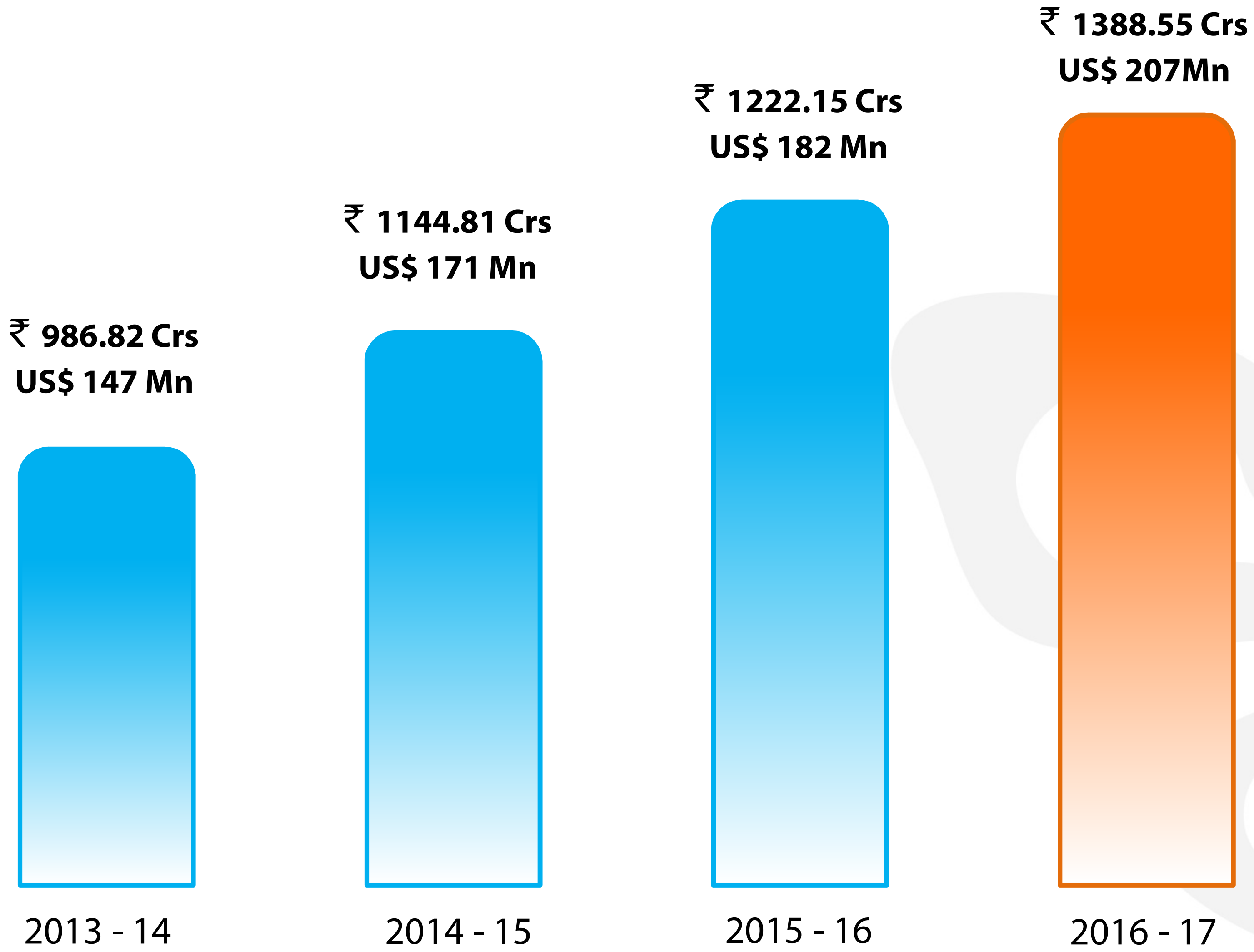
Domestic

Branded Formulations
Domestic

- All India Rank ORG-IMS : 21st (MAT Sept'17).
- 25 Depots & 2 C&F agents.
- 13 Therapy Focused Marketing Divisions.
- Field Strength (PSR/ BA)– 4207.
- Over 2000 Wholesalers.
- 3 brands among top 300 brands (HCQS, Zerodol-P & Zerodol-SP).
- Market leaders in Anti-malarials & Rheumatoid Arthritis.

Branded Formulations
Domestic

Sales



Future Growth Drivers

- The company introduced 12 new Brands / line extensions in the India market during 2016-17.
- 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

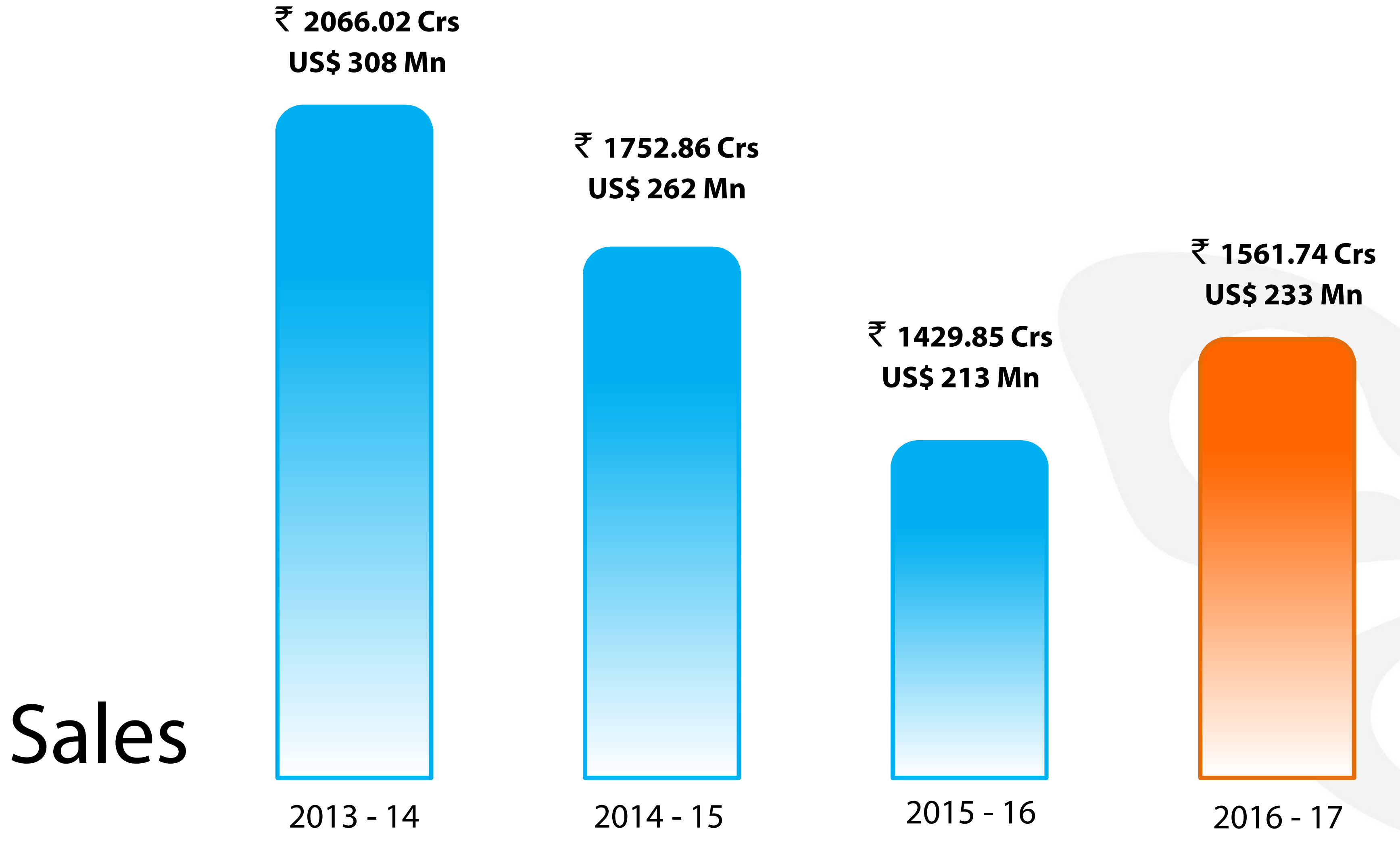
International Business

- Exports to over 120 countries.
- Recognized Star Trading House.
- Among top 10 pharmaceutical exporters from India.
- 47% sales from exports.
- Field-force to promote brands in more than 30 countries of CIS, South East Asia, Middle East, Latin America and Africa.

International Business

- Marketing offices in Russia, Ukraine, Vietnam, Philippines, Kenya, Columbia, Sri Lanka, Malaysia and Nigeria (subsidiary company).
- Formulation dossiers for branded formulations registered in 58 countries.

International Business



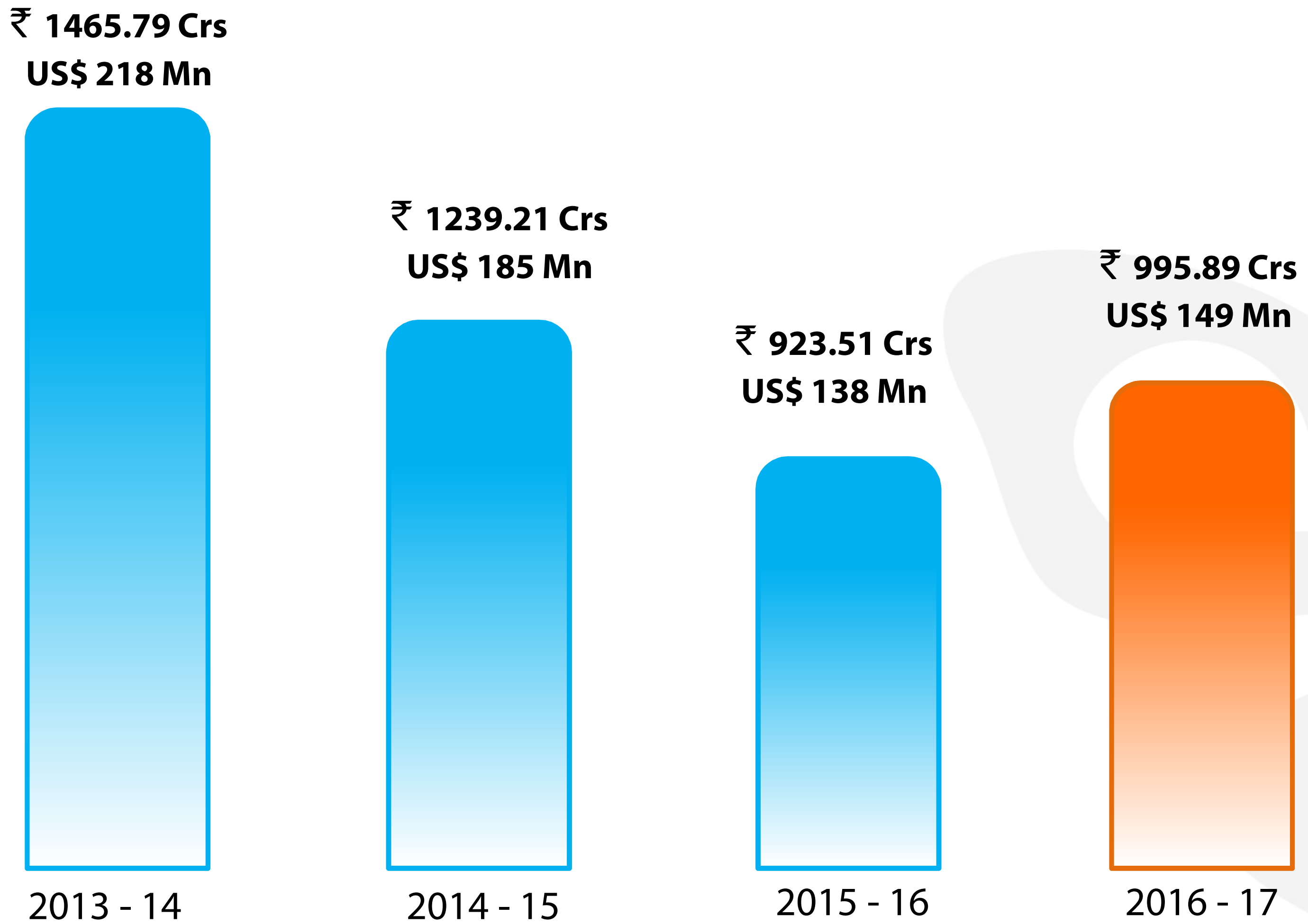
Continent-wise Exports 2016 – 17 (₹ Crs)				
Continent	Formulations	Bulk Drugs / Intermediates	Total	% Contribution
Europe	381.25	221.92	603.17	39%
Africa	239.92	22.45	262.37	17%
Americas	107.26	136.48	243.74	16%
Asia	70.78	171.22	242.00	15%
CIS	100.57	9.08	109.65	7%
Australasia	96.11	4.70	100.81	6%
Total	995.89	565.85	1561.74	100%

International

Formulations

International Formulations

Sales



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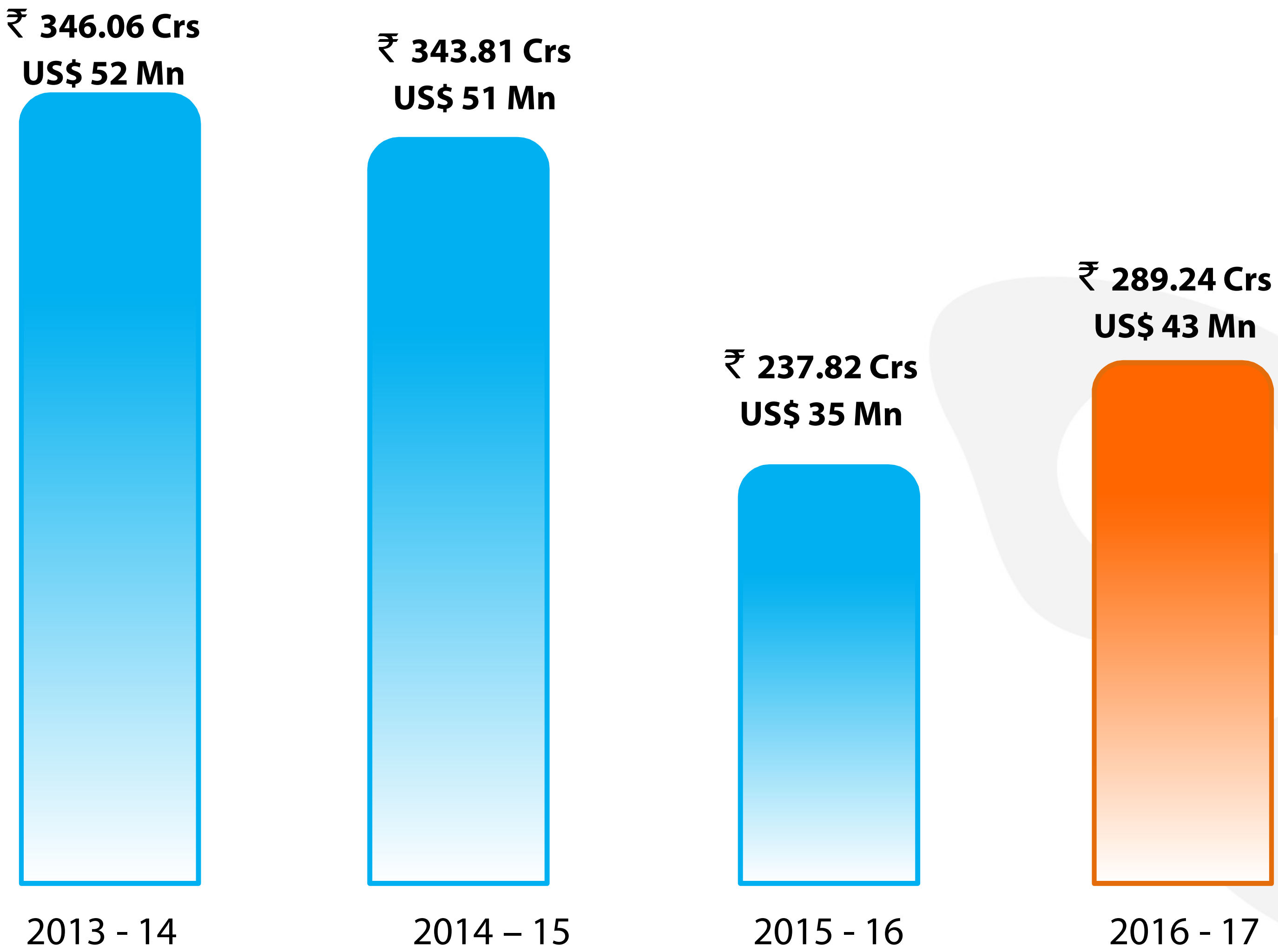
International

Branded Formulations

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.

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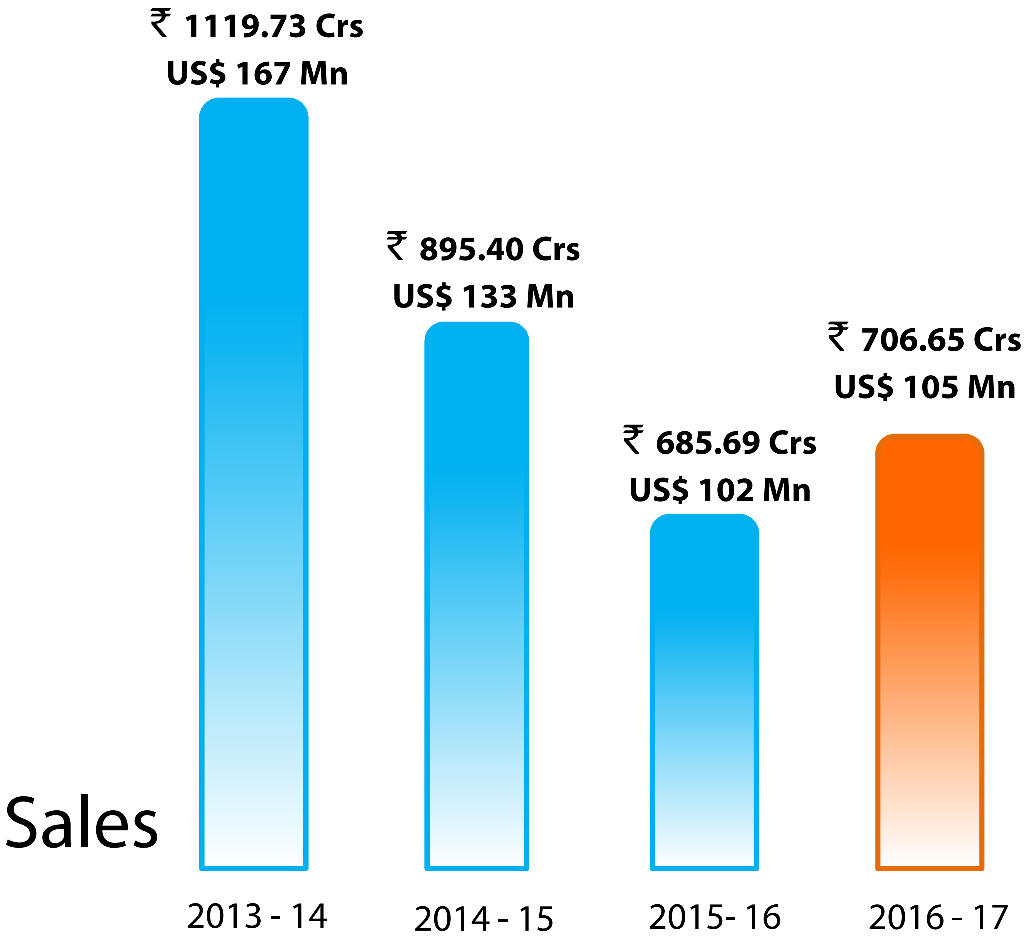
International

Generics

International Generics



Country	Products Registered	Products Under Registration
United Kingdom / Europe	61	1
Australia / New Zealand	64	5
South Africa	42	21
United States / Canada	33	29

Future Growth Drivers

- Dossiers developed by company approved in UK are being taken for registration in other EU countries.
- Most 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.
- 47 ANDAs filed of which 18 ANDAs are approved.
- 8 to 10 ANDAs targeted for filing for every year.
- 505 (b) (2) projects/ Sustained Release Formulations.
- Exploring contract development and manufacturing opportunities.

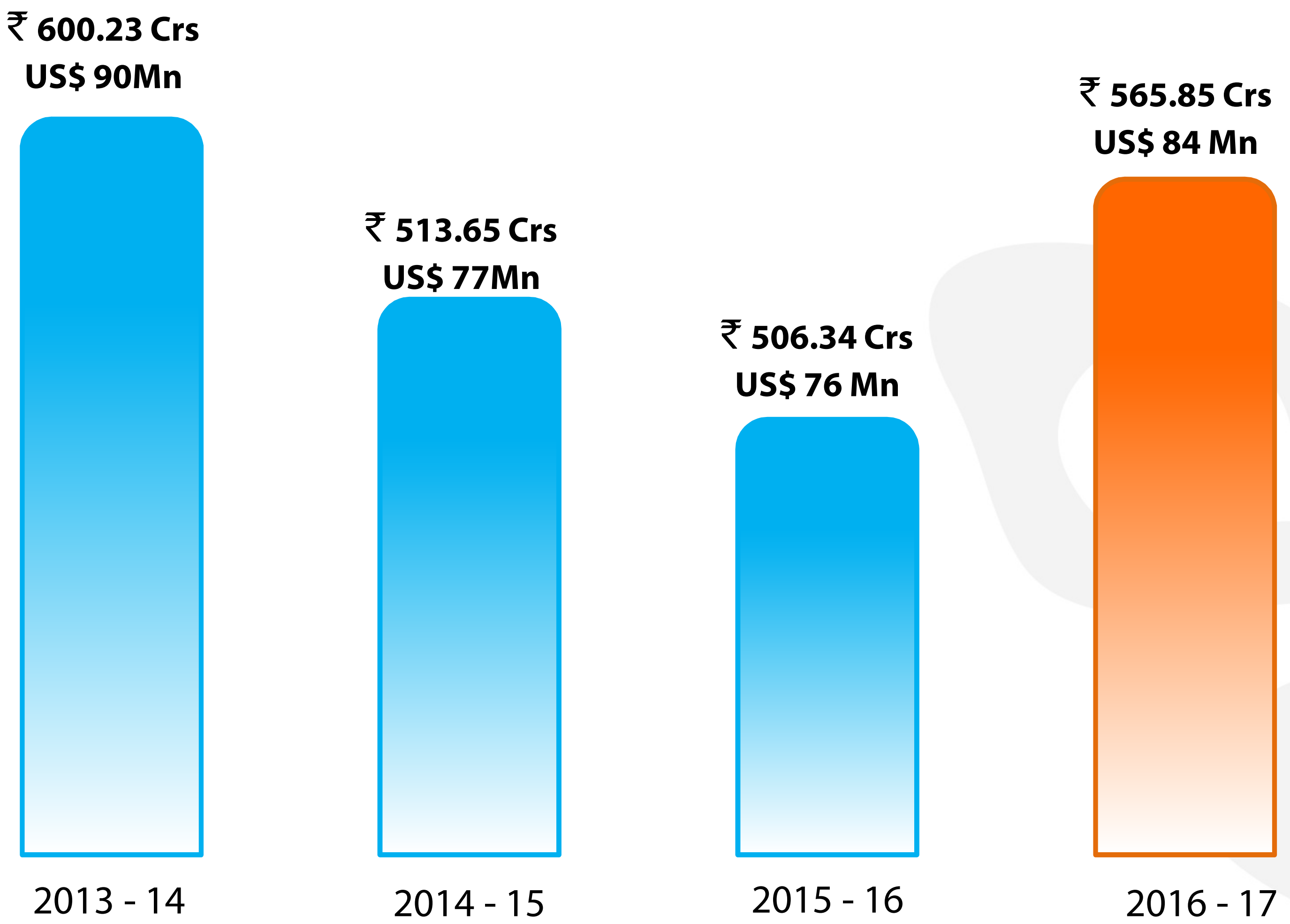
International

APIs

International

APIs

Sales



International
APIs – Drug Master Files

Sr. No.	Name of the API	US-FDA	EU	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	Beventalol Hcl					✓		
9	Benzarone					✓		
10	Benzbromarone					✓		
11	Bendroflumethiazide							✓
12	Bisoprolol Fumarate	✓		✓				✓
13	Carvedilol	✓		✓				✓
14	Cetrizine Dihydrochloride	✓					CEP	✓
15	Chloroquine Phosphate	✓						✓

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International
APIs – Drug Master Files

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

International
APIs – Drug Master Files

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

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International
APIs – Drug Master Files

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

International
APIs – Drug Master Files

Sr. No.	Name of the API	US-FDA	EU	Canada-HPFB	WHO	Japan - PMDA	Australia	EDQM
61	Telmisartan	✓						
62	Torsemide	✓						✓
63	Tramadol Hydrochloride	✓		✓				✓
64	Trimethoprim	✓				✓	CEP	✓
65	Triamterene	✓						✓
66	Triclabendazole		✓					
67	Valsartan	✓						✓
68	Venlafexine	✓						
69	Warfarin Sodium Clathrate	✓						✓
70	Warfarin Sodium						CEP	✓
71	Zaltoprofen					✓		
72	Zoledronic Acid	✓						
	Total	**47**	**8**	**20**	**8**	**15**	**13**	**44**

Note : Australia accept CEP issued by EDQM

Future Growth Drivers

- Pursuing MNC tie-ups for supply agreements.
- Non-infringing process Patent filed for APIs.

Future Growth Drivers

- Own API manufacturing to back formulations, especially for the Generic market.
- Exploring strategic business relationship with smaller API manufacturers for increasing product basket.

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Research & Development

APIs & Formulations

R & D Spending		
Year	₹ Crs	% to Sales
2012-13	100.74	3.65%
2013-14	123.24	3.81%
2014-15	157.19	5.09%
2015-16	137.67	4.91%
2016-17	125.67	4.06%

Research & Development
APIs & Formulations

- Current scientist manpower of over 675.
- Research focus on developing APIs with non-infringing process and development of finished dosage forms.
- Development of NDDS for domestic and international market.
- 228 patent applications filed.

Future Strategy

- Bio-tech / fermentation research facility established and working under contract research on two products.
- Undertaking contract research activities for APIs & Formulations for international clients.

Thank you

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