



Ipca Laboratories Ltd.

Corporate Presentation

Sept 2018



Incorporation	:	1949
Present Management	:	Since 1975
Total income F. Y. 2017-18	:	₹ 3258.75 Crs / US\$ 505 Mn
Exports F. Y. 2017-18	:	₹ 1564.21 Crs / US\$ 243 Mn
Number of Employees	:	13,227 including 6062 in marketing and distribution
Business Model	:	Fully integrated pharmaceutical company producing Branded and Generics Formulations, APIs and Intermediates

	2013-14	2014-15	2015-16	2016-17	2017-18
Domestic Income (₹ Crs)	1,190.23	1,367.54	1,440.88	1,617.13	1,694.54
Domestic Income (US \$ Mn)	184.59	212.09	223.46	250.80	262.80
Export Income (₹ Crs)	2,066.02	1,752.86	1,429.85	1,561.74	1,564.21
Export Income (US \$ Mn)	320.41	271.85	221.75	242.21	242.59
Total Income (₹ Crs)	3,256.25	3,120.40	2,870.73	3,178.87	3,258.75
Total Income (US \$ Mn)	505.00	483.93	445.21	493.00	505.39
Net Profit After Tax (₹ Crs)	477.37	256.11	92.52	188.29	233.11
Net Profit After Tax (US \$ Mn)	74.03	39.72	14.35	29.20	36.15

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

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

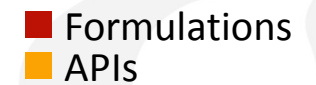
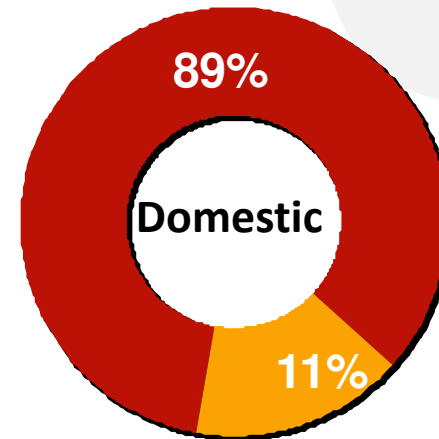
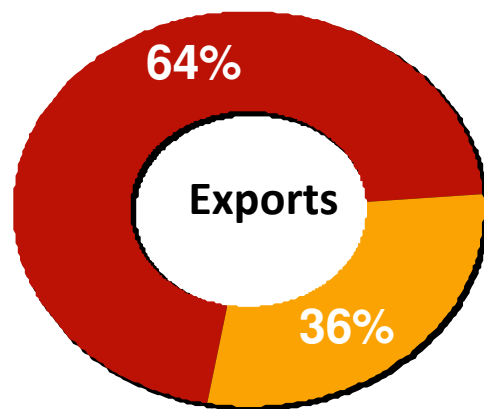
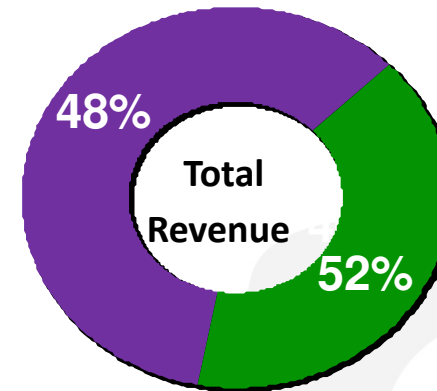
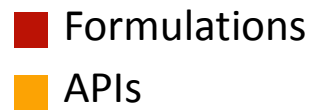
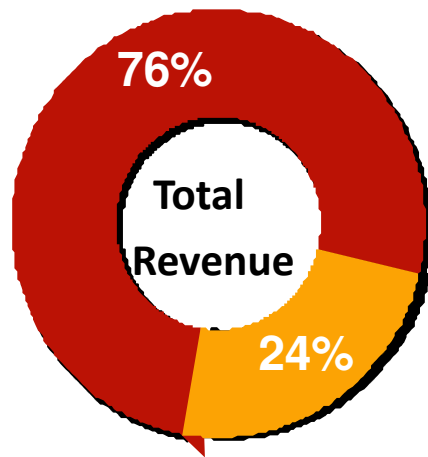
Active Pharmaceutical Ingredients (APIs)



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





₹ Crs	2017-18			2016-17			Growth
	Domestic	Exports	Total	Domestic	Exports	Total	
Branded Formulations	1425.38	320.30	1745.68	1388.55	287.06	1675.61	4.2%
Generic Formulations	-	673.66	673.66	-	708.83	708.83	-5.0%
Total Formulations	1425.38	993.96	2419.34	1388.55	995.89	2384.44	1.5%
API / Intermediates	178.45	570.25	748.7	144.41	565.85	710.26	5.4%
Others	90.71	-	90.71	84.17	-	84.17	
Total Income	1694.54	1564.21	3258.75	1617.13	1561.74	3178.87	2.5%
Growth	4.8%	0.2%	2.5%				

Financials



F.Y. 2017 - 18			F.Y. 2016 - 17		
	₹ Crs	US\$ Mn	₹ Crs	US\$ Mn	% Growth
Total Income	3258.75	505	3178.87	493	3%
EBIDT	481.18	75	425.54	66	13%
EBIDT %	14.77%		14.24%		
PBT #	282.80	44	258.20	40	10%
PBT %	8.68%		8.12%		
PAT #	233.11	36	188.29	29	24%
PAT %	7.15%		5.92%		

After forex gain of ₹ 2.36 Crs as against of Rs. ₹ 17.34 Crs for previous year.

Profitability	FY 2017-18	FY 2016-17
PBIDT	14.77%	14.24%
PBT	8.68%	8.12%
PAT	7.15%	5.92%

Q1 FY19			Q1 FY 18		
	₹ Crs	US\$ Mn	₹ Crs	US\$ Mn	% Growth
Total Income	867.56	135	719.14	112	21%
EBIDT	152.42	24	23.37	4	552%
EBIDT %	17.57%		3.25%		
PBT #	78.22	12	-21.22	-3	-469%
PBT %	9.02%		-2.95%		
PAT #	65.52	10	-20.25	-3	-424%
PAT %	7.55%		-2.82%		

After forex loss of ₹ 24.78 Crs as against forex gain of Rs. ₹ 4.33 Crs for previous quarter.

Q2 FY19			Q2 FY 18		
	₹ Crs	US\$ Mn	₹ Crs	US\$ Mn	% Growth
Total Income	1011.57	157	875.29	136	16%
EBIDT	217.08	34	164.71	26	32%
EBIDT %	21.46%		18.82%		
PBT #	141.00	22	109.59	17	29%
PBT %	13.94%		12.52%		
PAT #	119.74	19	96.47	15	24%
PAT %	11.84%		11.02%		

After forex loss of ₹ 30.54 Crs as against of Rs. ₹ 4.68 Crs for previous quarter.

H1 FY19			H1 FY 18		
	₹ Crs	US\$ Mn	₹ Crs	US\$ Mn	% Growth
Total Income	1879.13	291	1594.43	247	18%
EBIDT	369.50	57	188.08	29	96%
EBIDT %	19.66%		11.80%		
PBT #	219.22	34	88.37	14	148%
PBT %	11.67%		5.54%		
PAT #	185.26	29	76.22	12	143%
PAT %	9.86%		4.78%		

After forex loss of ₹ 55.32 Crs as against of Rs. ₹ 0.35 Crs for previous period.

Business Characteristics	FY 2017-18	FY 2016-17
Return on Capital Employed % (PBIT / Capital Employed)	9.46%	8.85%
Return on Net Worth % (PAT / Net Worth)	8.65%	7.61%
Fixed Asset Turnover Ratio (Total Income / Net Fixed Assets)	1.69	1.56
Capital Employed Turnover Ratio (Total Income / Capital Employed)	1.01	1.00
Asset Coverage Ratio (to term loan) (Net Fixed Assets / Total Long Term Borrowings)	4.96	3.79
Long Term Debt Equity Ratio (Total Long Term Borrowings / Net Worth)	0.14	0.22
Debtors Turnover Ratio (Days) (Trade Receivables / Turnover) x 365	68	59
Creditors Turnover Ratio (Days) (Trade Payables / Purchases) x 365	105	103
Inventory Turnover Ratio (Days) (Inventory / Turnover) x 365	101	103

Growth	FY 2017-18	FY 2016-17
Net Total Income	2.50%	10.70%
Domestic Sales	4.60%	11.60%
Export Sales	0.20%	9.20%
PBIDT	6.10%	50.20%
PBT	9.50%	131.70%
Net Profit	23.80%	103.50%

2016 - 17		Therapeutic Segment	2017 - 18	
Exports	Domestic		Exports	Domestic
23%	41%	Non Steroidal Anti-Inflammatory Drugs (NSAID)	20%	44%
32%	21%	Cardiovasculars & Anti-Diabetics	31%	21%
16%	12%	Anti-Malarials	18%	8%
13%	6%	Anti-Bacterials	10%	6%
2%	4%	Gastro-Intestinal (GI) Products	2%	4%
5%	3%	Neuro Psychiatry	6%	3%
1%	5%	Cough Preparations	2%	4%
-	4%	Dermatology	-	5%
-	2%	Urology	-	3%
-	1%	Neutraceuticals	-	1%
8%	1%	Others	11%	1%
100%	100%	Total	100%	100%

Branded Formulations

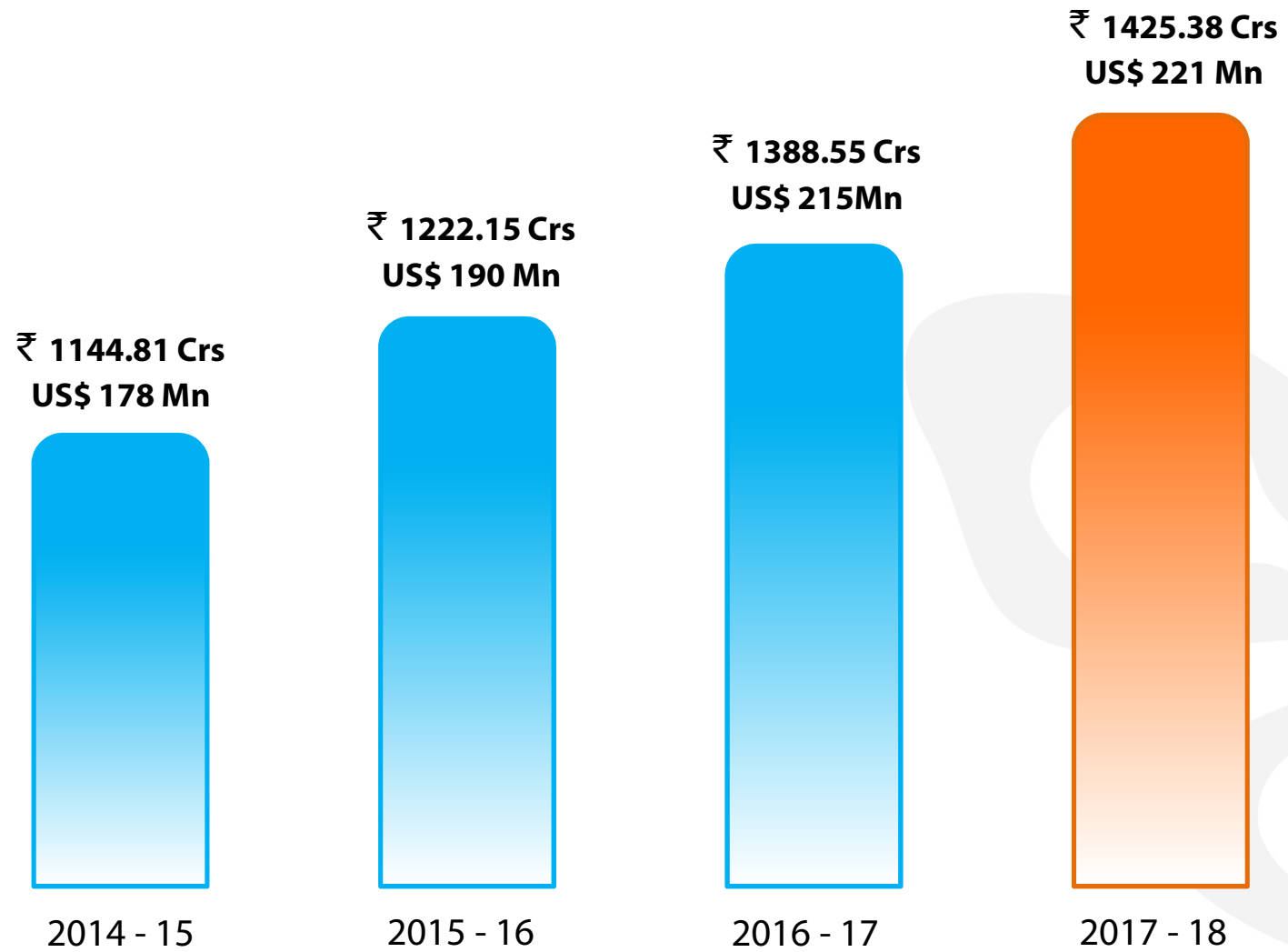
Domestic



- All India Rank IMS Health : 20th (MAT Sept'18).
- 25 Depots & 2 C&F agents.
- 14 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.



Sales



Future Growth Drivers

- The company introduced 20 new Brands / line extensions in the India market during 2017-18.
- 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.

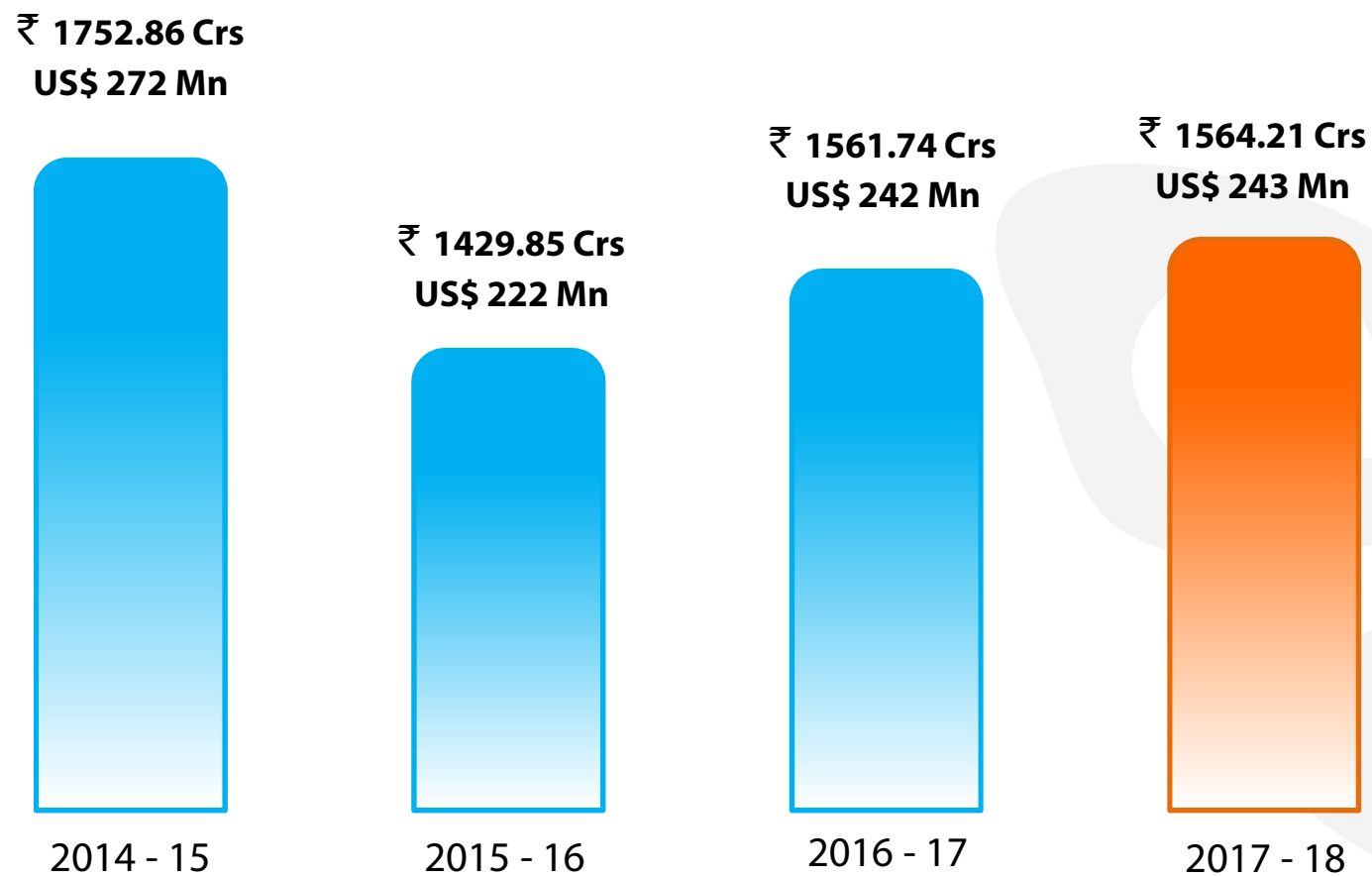
International Business



- Exports to nearly 120 countries across the globe..
- Recognized Star Trading House.
- Among top 10 pharmaceutical exporters from India.
- 45% sales from exports.
- Field-force to promote brands in more than 30 countries of CIS, South East Asia, Middle East, Latin America and Africa.

- Marketing offices in Russia, Ukraine, Vietnam, Philippines, Kenya, Columbia, Sri Lanka, Malaysia and Nigeria (subsidiary company).
- Formulation dossiers for branded formulations registered in 55 countries.

Sales



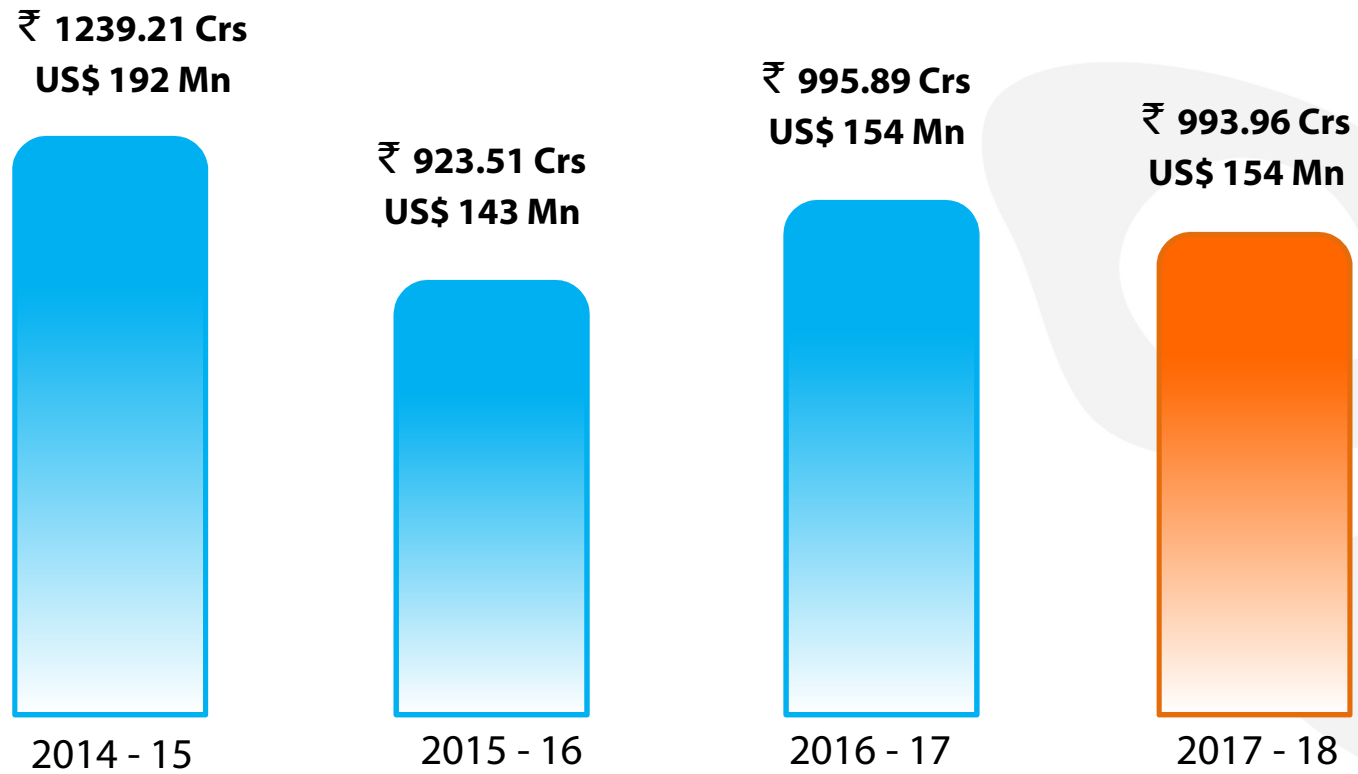
Continent-wise Exports 2017 - 18 (₹ Crs)

Continent	Formulations	Bulk Drugs / Intermediates	Total	% Contribution
Europe	290.34	205.78	496.12	32%
Africa	264.21	20.99	285.20	18%
Americas	102.52	154.34	256.86	16%
Asia	66.50	172.84	239.34	15%
CIS	142.15	11.87	154.02	10%
Australasia	128.24	4.43	132.67	9%
Total	993.96	570.25	1564.21	100%

International Formulations

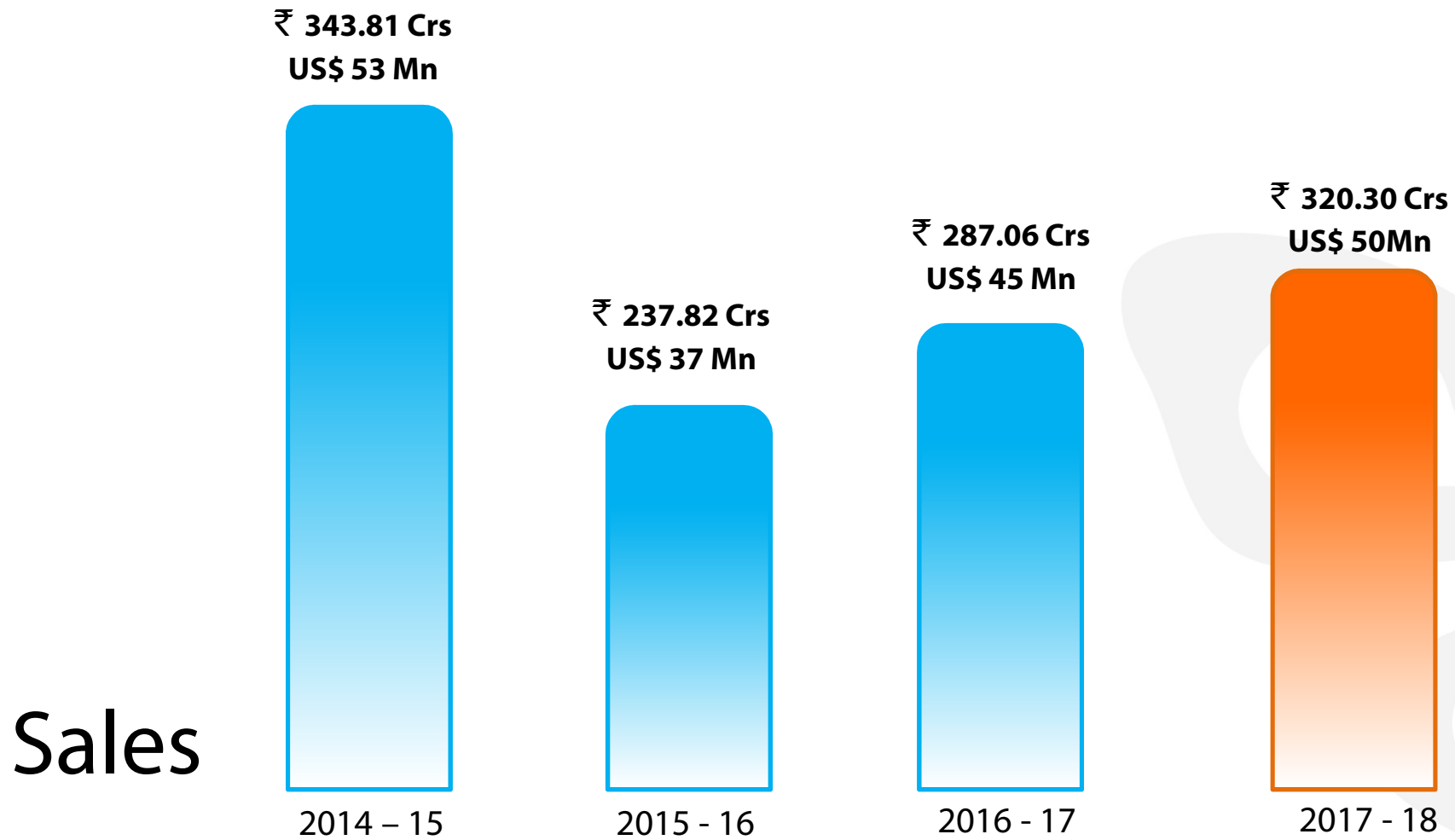


Sales



International Branded Formulations



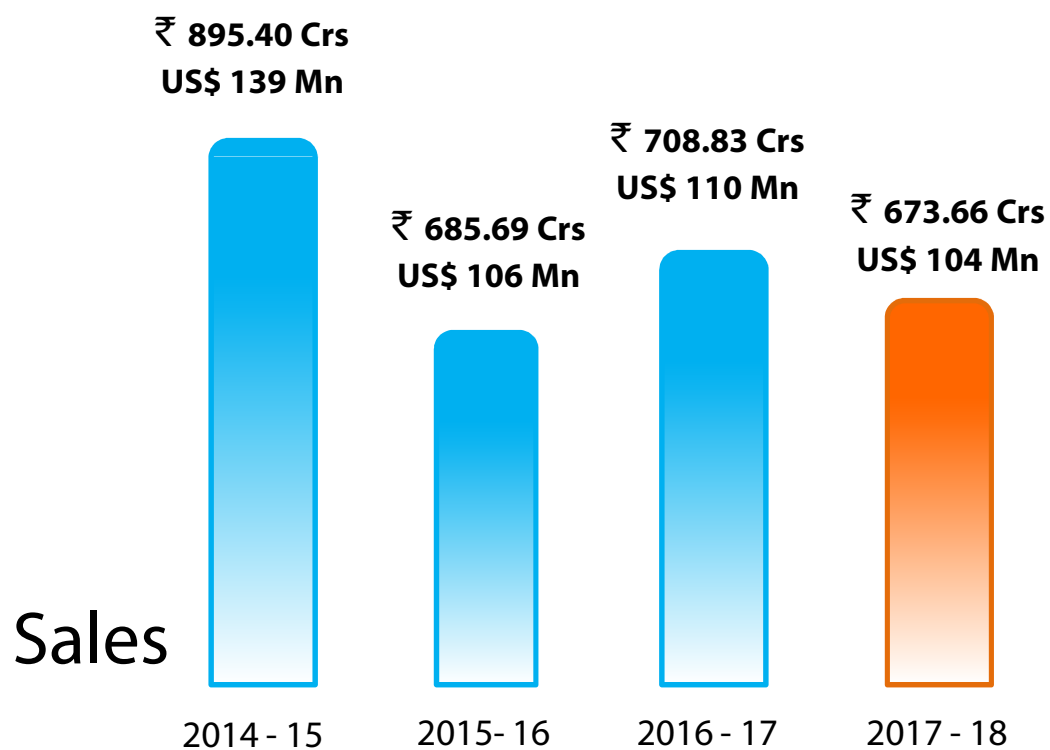


Future Growth Drivers

- 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





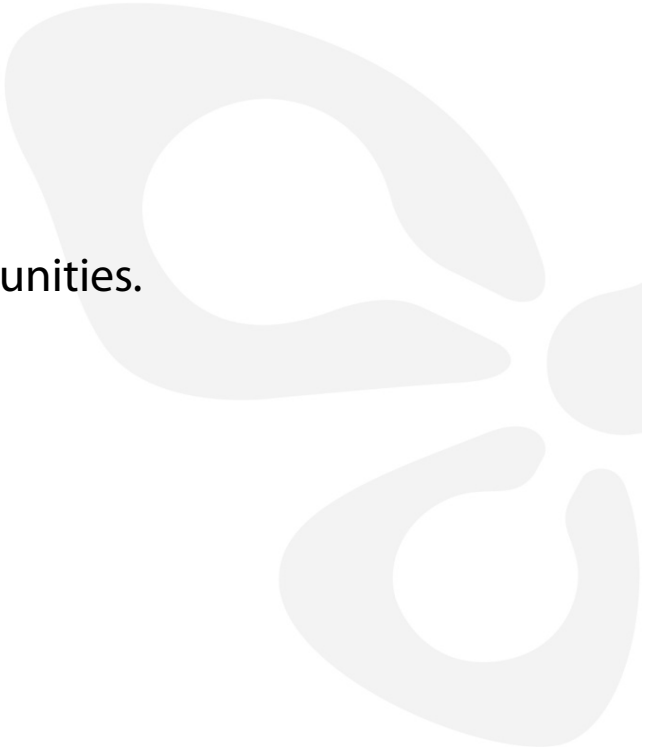
Country	Products Registered	Products Under Registration
United Kingdom / Europe	61	1
Australia / New Zealand	67	4
South Africa	42	22
United States / Canada	33	28

Future Growth Drivers

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



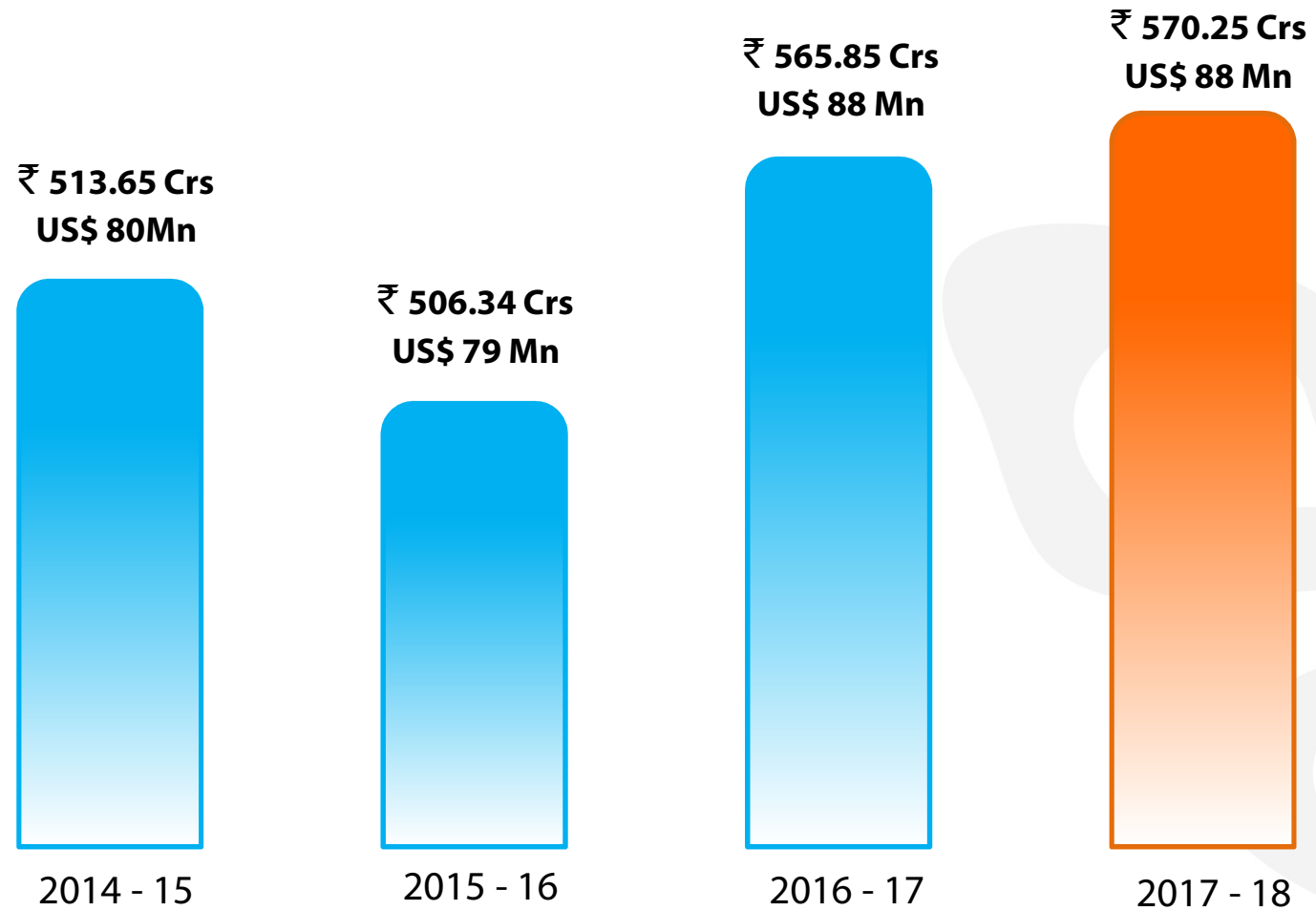
Future Growth Drivers – North America

- Strategic tie up with 3 marketing partners for sale/distribution of Generic formulations.
 - 46 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



Sales



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	Beventalol Hcl				✓		
9	Benzarone				✓		
10	Benzbromarone				✓		
11	Bendroflumethiazide						✓
12	Bisoprolol Fumarate	✓	✓				✓
13	Carvedilol	✓	✓				✓
14	Cetirizine Dihydrochloride	✓				CEP	✓
15	Chloroquine Phosphate	✓					✓

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

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

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

Sr. No.	Name of the API	US- FDA	Canada- HPFB	WHO	Japan - PMDA	Australia	EDQM
61	Trimethoprim	✓			✓	CEP	✓
62	Triamterene	✓					✓
63	Valsartan	✓					✓
64	Venlafexine	✓					✓
65	Warfarin Sodium Clathrate	✓					✓
66	Warfarin Sodium					CEP	✓
67	Zaltoprofen				✓		
68	Zoledronic Acid	✓					
	Total	47	20	7	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.

Research & Development

APIs & Formulations



R & D Spending		
Year	₹ Crs	% to Sales
2013-14	123.24	3.81%
2014-15	157.19	5.09%
2015-16	137.67	4.91%
2016-17	125.67	4.06%
2017-18	118.10	3.73%

- Current scientist manpower of over 450.
- 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.





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.

Thank you

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