Ipca Laboratories Ltd.

Corporate Presentation

Feb 2015

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Company Overview

Incorporation	:	1949
Present Management	:	Since 1975
Total income F. Y. 2013-2014	:	₹ 3256.25 Crs / US$ 538 Mn
Exports F. Y. 2013-2014	:	₹ 2047.80 Crs / US$ 338 Mn
Number of Employees	:	12,625 including 6230 in marketing and distribution
Business Model	:	Fully integrated pharmaceutical company producing Branded and Generics Formulations, APIs and Intermediates

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Five Years' Highlights

	2009-10	2010-11	2011-12	2012-13	2013-14
Domestic Income (₹ Crs)	759.42	864.43	941.01	1,081.00	1,208.45
Domestic Income (US $ Mn)	125.40	142.74	155.38	178.50	199.55
Export Income (₹ Crs)	806.08	1,025.18	1,401.97	1,716.08	2,047.80
Export Income (US $ Mn)	133.10	169.28	231.50	283.37	338.14
Total Income (₹ Crs)	1,565.50	1,889.61	2,342.98	2,797.08	3,256.25
Total Income (US $ Mn)	258.50	312.02	386.89	461.87	537.69
Net Profit After Tax (₹ Crs)	209.19	255.37	280.17	331.39	477.37
Net Profit After Tax (US $ Mn)	34.54	42.17	46.26	54.72	78.83

Manufacturing Facilities

Formulations

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Manufacturing Facilities
Formulations

Location	Dosage Form	Approvals / Inspections
Athal, Silvassa	Tablets & Capsules	UK-MHRA, TGA-Australia, MCC-South Africa, HPB-Canada, WHO-Geneva
Ratlam, Madhya Pradesh	Tablets, Liquids, Injectables & Ointments	MCC-South Africa
Kandla, Gujarat	Betalactum – Tablets, Capsules & Dry Syrups	UK-MHRA, MCC-South Africa
Silvassa	Tablets & Capsules	UK-MHRA, US-FDA, 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 US-FDA
Sikkim	Tablets & Capsules	GMP
Pithampur, Dhar , Madhya Pradesh	High Potency Oral Solid Dosage	WHO-GMP INVIMA Colombia

Manufacturing Facilities

Active Pharmaceutical Ingredients (APIs)

Manufacturing Facilities

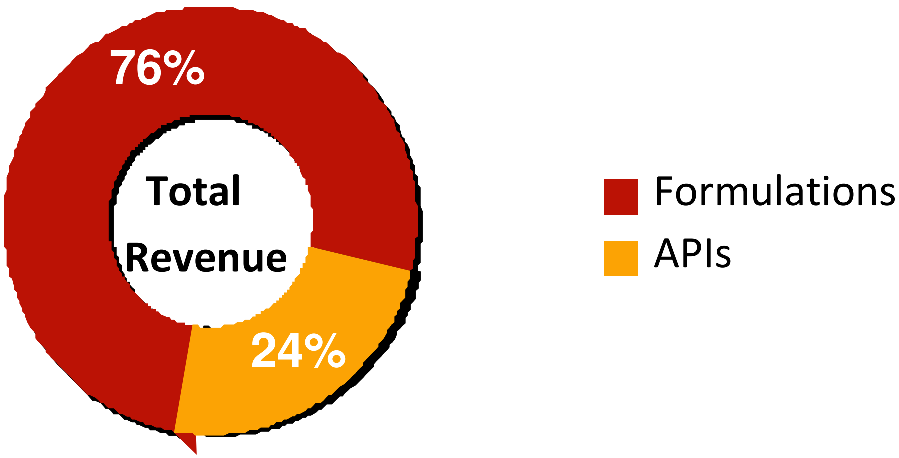
APIs

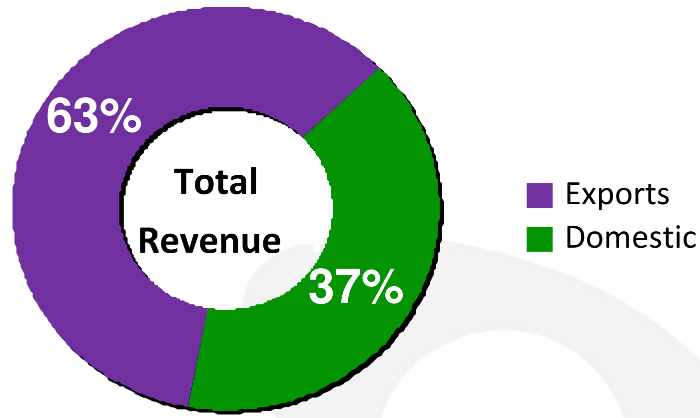
Location	Approvals / Inspections
Ratlam, Madhya Pradesh	US-FDA ,TGA-Australia, EDQM, Danish Regulatory Authority, PMDA-Japan, WHO-Geneva
Indore, Madhya Pradesh	WHO-GMP
Ankleshwar, Gujarat	PMDA -Japan
Aurangabad, Maharashtra	WHO-GMP
Mahad, Maharashtra	GMP

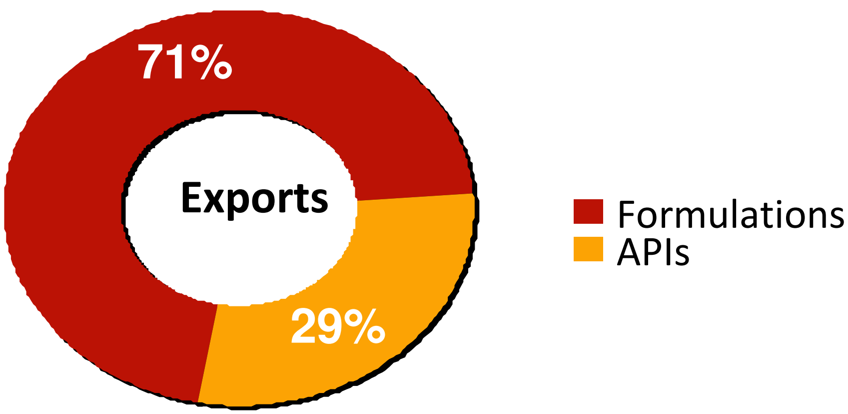
The company has taken effective steps for setting up a new green field API manufacturing facility at **Village Ranu, Tehsil Padra, District Vadodara, Gujarat.**

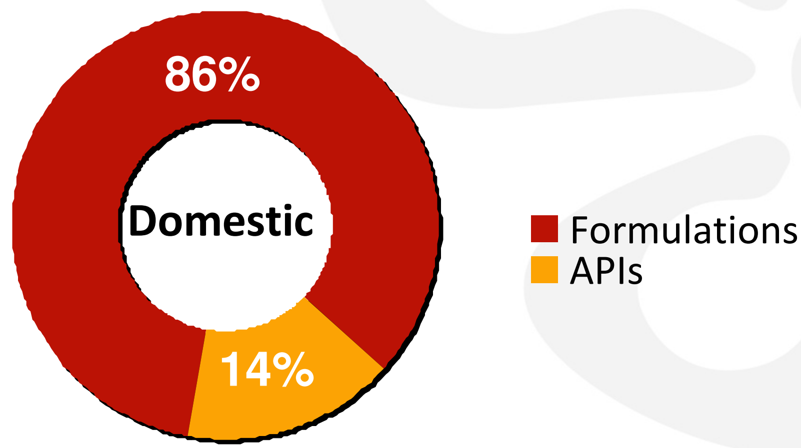
Revenue Break-up

Revenue Break-up
2013 - 14









Revenue Break-up

₹ Crs	2013-14			2012-13			
	Domestic	Exports	Total	Domestic	Exports	Total	Growth
Branded Formulations	969.42	351.61	1321.03	878.10	281.17	1159.27	14.0%
Generic Formulations	-	1095.96	1095.96	-	913.01	913.01	20.0%
Total Formulations	969.42	1447.57	2416.99	878.10	1194.18	2072.28	16.6%
API / Intermediates	164.54	600.23	764.77	144.64	521.90	666.54	14.7%
Others	74.49	-	74.49	58.26	-	58.26	
Total Income	1208.45	2047.80	3256.25	1081	1716.08	2797.08	16.4%
Growth	11.8%	19.3%	16.4%				

Financials

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Financials

	F.Y. 2013 - 14		F.Y. 2012 - 13		
	₹ Crs	US$ Mn	₹ Crs	US$ Mn	% Growth
Total Income	3256.25	538	2797.08	462	16%
EBIDT	805.23	133	621.29	103	30%
EBIDT %	24.89%		22.36%		
PBT #	629.09	104	461.37	76	36%
PBT %	19.45%		16.61%		
PAT #	477.37	79	331.39	55	44%
PAT %	14.76%		11.93%		

After forex loss of ₹ 72.10 Crs as against ₹ 63.28 Crs for previous year.

Profitability to Net Income	FY 2013-14	FY 2012-13	FY 2011-12
PBIDT	24.89%	22.36%	22.04%
PBT	19.45%	16.61%	15.83%
PAT	14.76%	11.93%	12.02%

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Financials

Business Characteristics	FY 2013-14	FY 2012-13	FY 2011-12
Return on Capital Employed % (PBIT / Capital Employed)	25.28%	22.81%	23.27%
Return on Net Worth % (PAT / Net Worth)	24.09%	21.11%	22.20%
Fixed Asset Turnover Ratio (Total Income / Net Fixed Assets)	2.21	2.32	2.33
Capital Employed Turnover Ratio (Total Income / Capital Employed)	1.26	1.29	1.34
Asset Coverage Ratio (to term loan) (Net Fixed Assets / Total Long Term Borrowings)	3.22	2.62	2.52
Long Term Debt Equity Ratio (Total Long Term Borrowings / Net Worth)	0.23	0.29	0.32
Debtors Turnover Ratio (Days) (Trade Receivables / Turnover) x 365	51	55	55
Creditors Turnover Ratio (Days) (Trade Payables / Purchases) x 365	100	84	76
Inventory Turnover Ratio (Days) (Inventory / Turnover) x 365	96	98	105

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Financials

Growth	FY 2013-14	FY 2012-13	FY 2011-12
Net Total Income	16.40%	19.40%	24.00%
Domestic Sales	10.90%	13.90%	6.80%
Export Sales	19.30%	22.40%	36.80%
PBIDT	29.60%	21.00%	36.70%
PBT	36.40%	25.10%	7.30%
Net Profit	44.10%	18.30%	9.70%

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Financials

	Q1 2014 - 15		Q1 2013 - 14		
	₹ Crs	US$ Mn	₹ Crs	US$ Mn	% Growth
Total Income	942.25	156	810.01	134	16%
EBIDT	230.92	38	171.02	28	35%
EBIDT %	24.67%		21.23%		
PBT #	195.84	32	96.27	16	103%
PBT %	20.92%		11.95%		
PAT #	145.49	24	71.77	12	103%
PAT %	15.54%		8.91%		

After forex gain of ₹ 2.26 Crs as against forex loss of ₹ 47.96 Crs for same quarter.

Financials

	Q2 2014 - 15		Q2 2013 - 14		
	₹ Crs	US$ Mn	₹ Crs	US$ Mn	% Growth
Total Income	789.31	130	852.03	141	-7%
EBIDT	134.77	22	234.53	39	-43%
EBIDT %	17.26%		27.70%		
PBT #	88.77	15	169.00	28	-47%
PBT %	11.37%		19.96%		
PAT #	61.30	10	129.45	21	-53%
PAT %	7.85%		15.29%		

After forex loss of ₹ 9.36 Crs as against ₹ 39.91 Crs for same quarter.

Financials

	Q3 2014 - 15		Q3 2013 - 14		
	₹ Crs	US$ Mn	₹ Crs	US$ Mn	% Growth
Total Income	747.09	123	838.37	138	-11%
EBIDT	121.14	20	217.34	36	-44%
EBIDT %	16.36%		26.09%		
PBT #	68.55	11	189.32	31	-64%
PBT %	9.26%		22.73%		
PAT #	41.53	7	139.12	23	-70%
PAT %	5.61%		16.70%		

After forex loss of ₹ 11.15 Crs as against ₹ 2.42 Crs for same quarter.

Financials

	9 Months 2014 - 15		9 Months 2013 - 14		
	₹ Crs	US$ Mn	₹ Crs	US$ Mn	% Growth
Total Income	2478.65	409	2500.41	413	-1%
EBIDT	486.83	80	622.89	103	-22%
EBIDT %	19.81%		25.06%		
PBT #	353.16	58	454.59	75	-22%
PBT %	14.37%		18.29%		
PAT #	248.32	41	340.34	56	-27%
PAT %	10.11%		13.69%		

After forex loss of ₹ 18.25 Crs as against ₹ 90.29 Crs for same period.

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Financials
Contribution of Therapeutic Groups

2012 - 13		Therapeutic Segment	2013 - 14	
Exports	Domestic		Exports	Domestic
17%	32%	Non Steroidal Anti-Inflammatory Drugs (NSAID)	17%	35%
29%	25%	Cardiovasculars & Anti-Diabetics	31%	24%
37%	17%	Anti-Malarials	35%	14%
9%	6%	Anti-Bacterials	10%	6%
1%	6%	Gastro-Intestinal (GI) Products	1%	5%
1%	3%	Neuro Psychiatry	1%	3%
1%	5%	Cough Preparations	1%	4%
-	3%	Dermatology	-	4%
-	1%	Urology	-	1%
-	1%	Neutraceuticals	-	2%
5%	1%	Others	4%	2%
100%	100%	Total	100%	100%

Branded Formulations

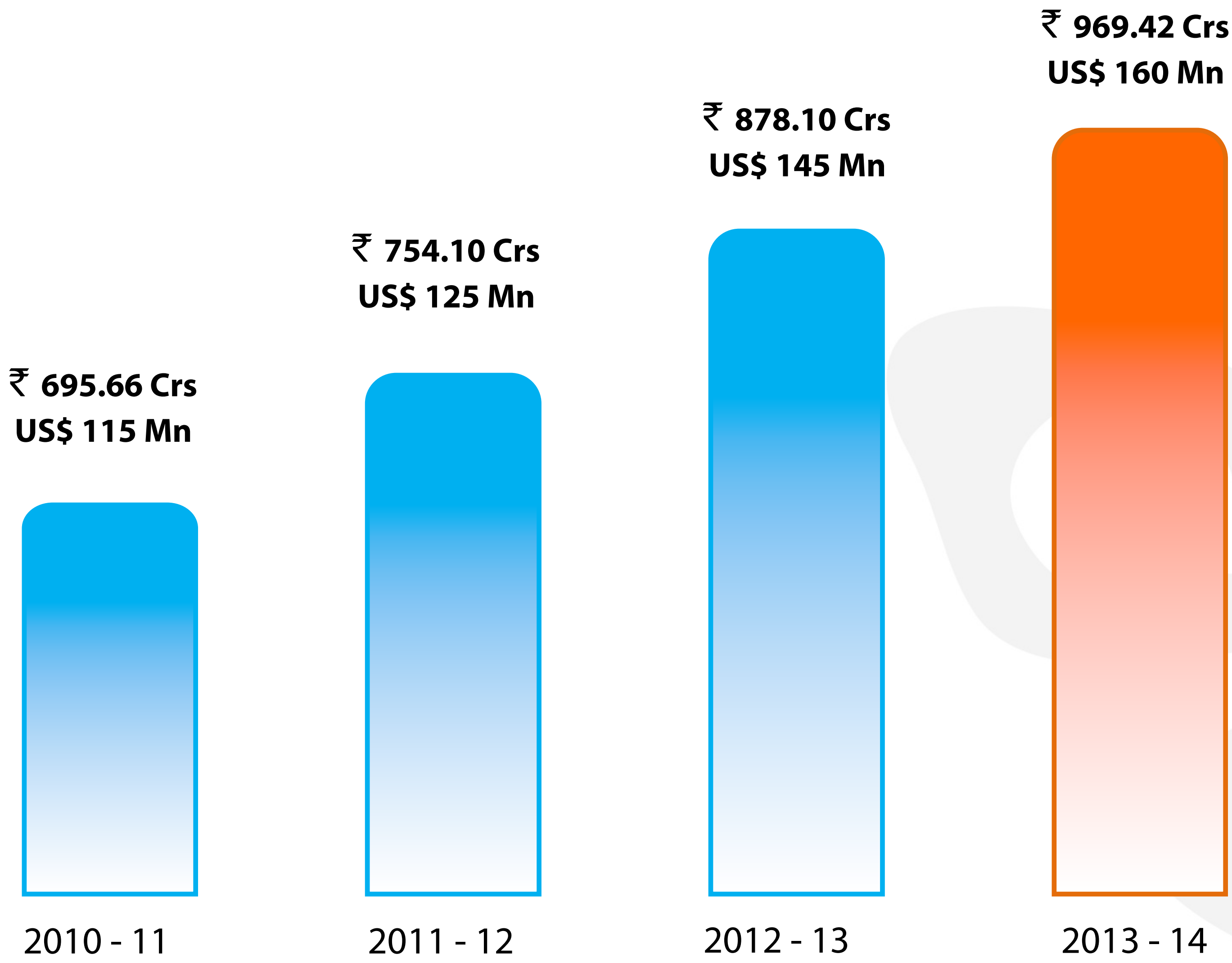
Domestic

Branded Formulations
Domestic

- All India Rank ORG-IMS : 23rd (MAT Dec'14).
- 25 Depots & 2 C&F agents.
- 13 Therapy Focused Marketing Divisions.
- Field Strength (PSR/ BA)– 4329.
- Over 2000 Wholesalers.
- 5 brands among top 300 brands (HCQS, Lariago, Zerodol-P, Zerodol-SP & Rapither AB).
- Market leaders in Anti-malarials & Rheumatoid Arthritis.

Branded Formulations
Domestic

CAGR = 12%



Sales

Future Growth Drivers

- The company introduced 13 new Brands in the India market during 2013-14.
- 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

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International Business

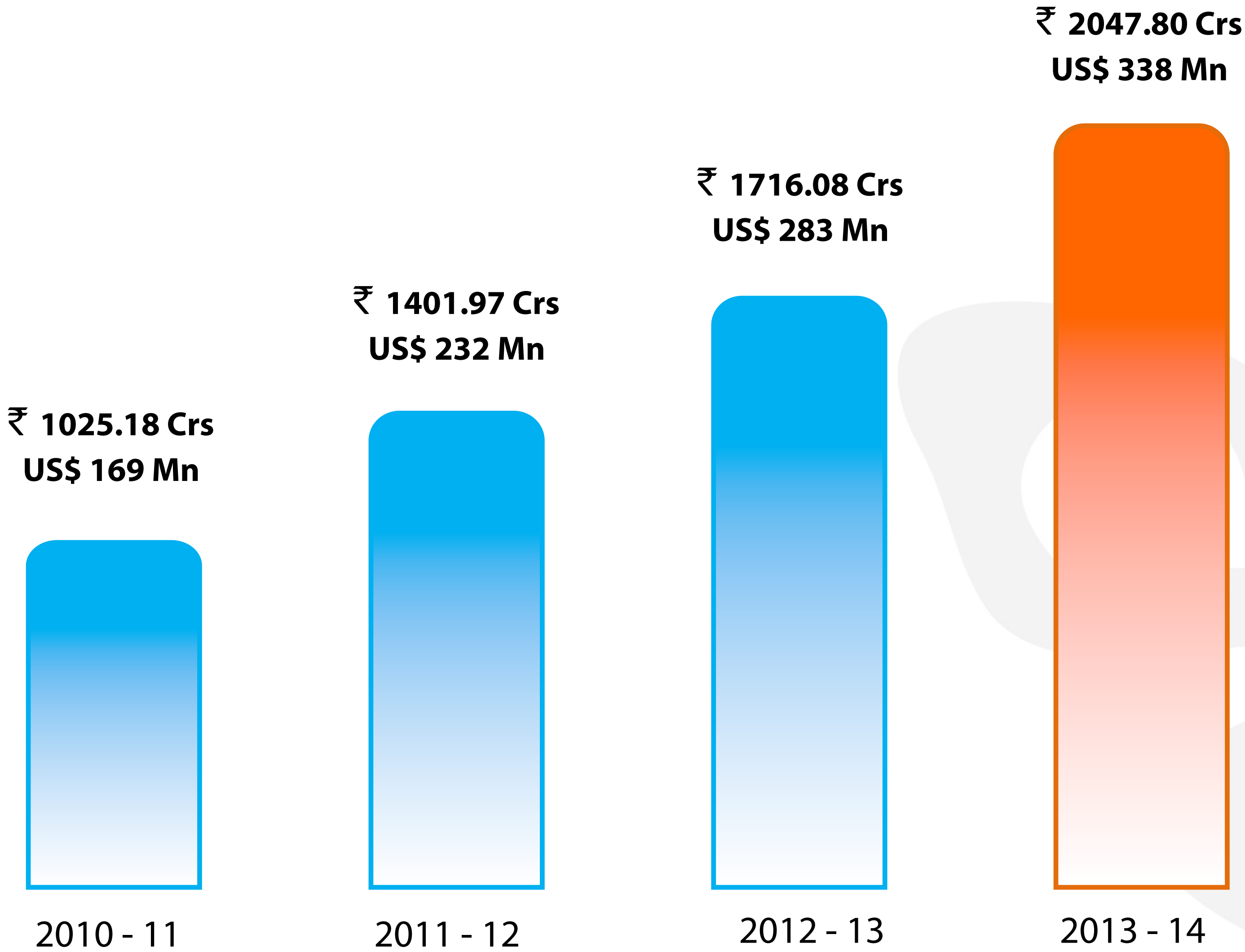
- Exports to over 130 countries.
- Recognized Star Trading House.
- Among top 10 pharmaceutical exporters from India.
- 57% sales from exports.
- Field-force to promote brands in more than 30 countries of CIS, South East Asia, Middle East, Latin America and Africa.

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 65 countries.

International Business

CAGR = 26%



Sales

International Business

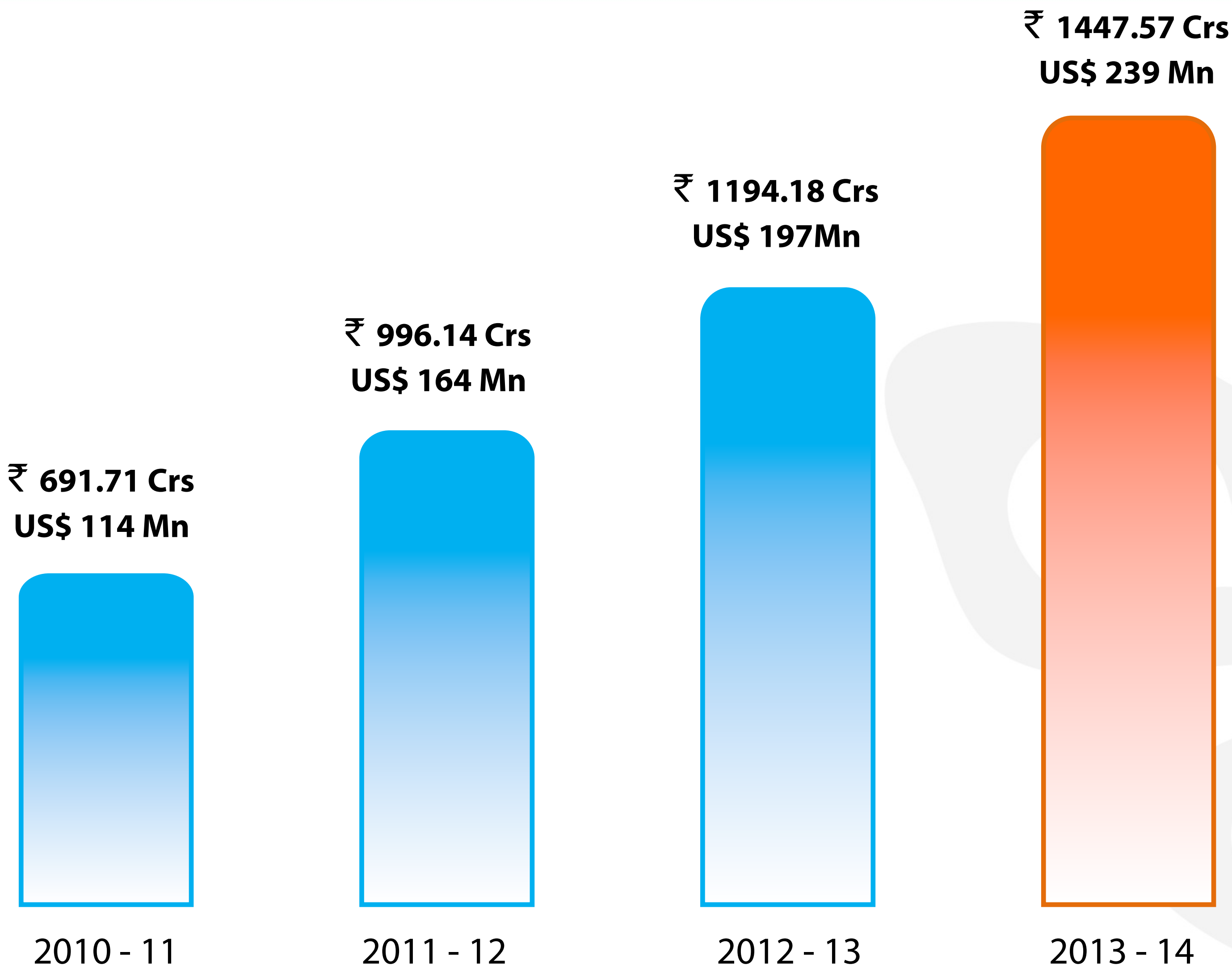
Continent-wise Exports 2013 – 14 (₹ Crs)				
Continent	**Formulations**	**Bulk Drugs / Intermediates**	**Total**	**% Contribution**
Europe	378.46	215.08	593.54	29%
Americas	254.20	165.46	419.66	20%
CIS	165.82	4.41	170.23	8%
Asia	66.88	175.48	242.36	12%
Africa	529.83	36.25	566.08	28%
Australasia	52.38	3.55	55.93	3%
Total	1447.57	600.23	2047.80	100%

International

Formulations

International Formulations

CAGR = 28%



Sales

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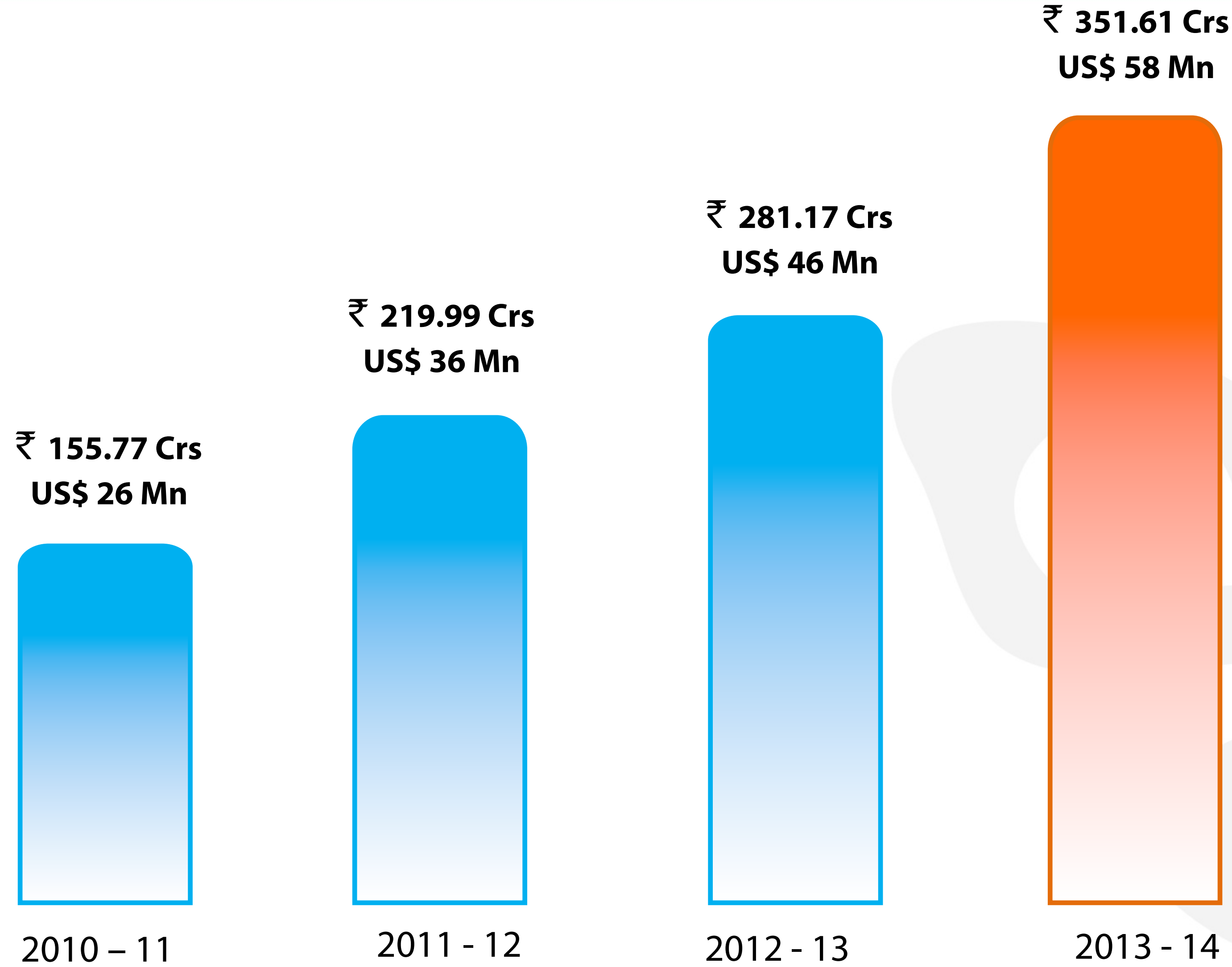
International

Branded Formulations

International
Branded Formulations

CAGR = 31%



Sales

Future Growth Drivers

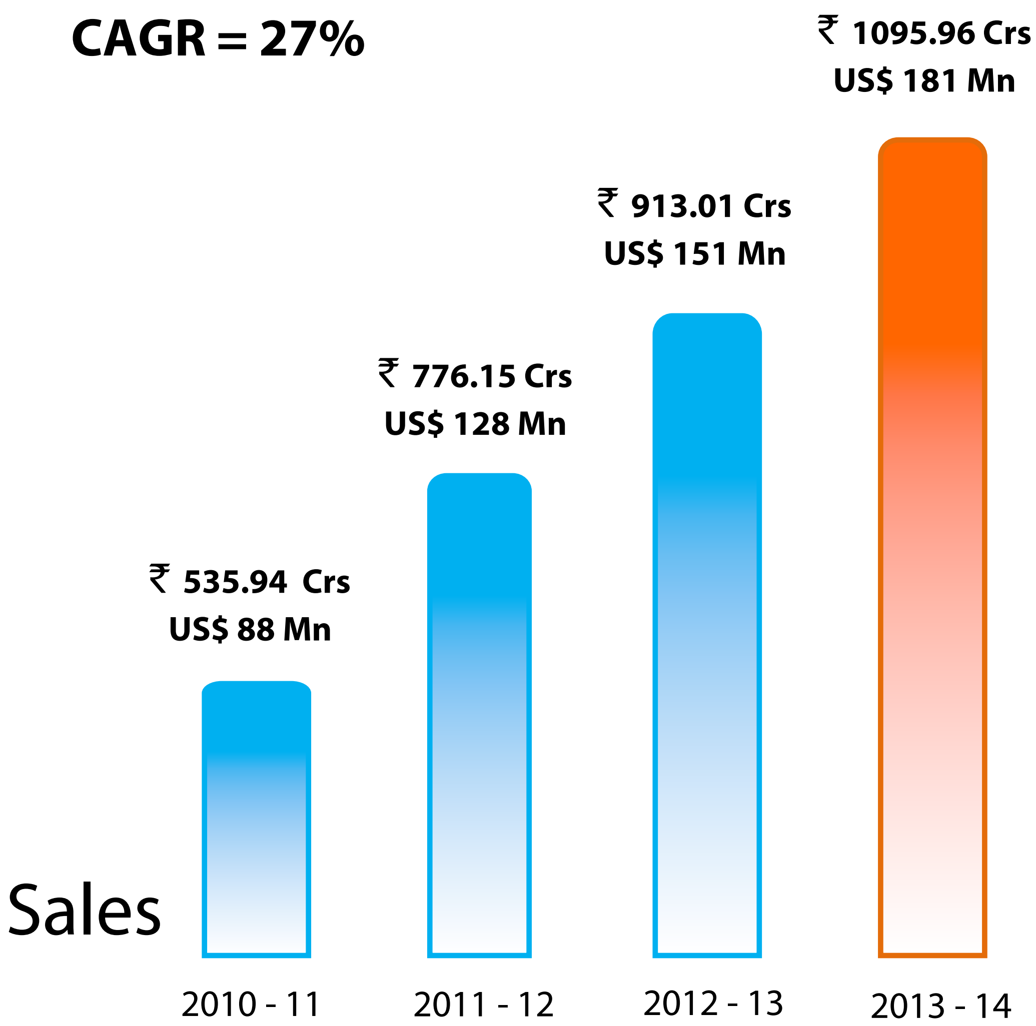
- Thrust on brand building in Pain, CVS, CNS, Anti-infective and Anti-malarial segments.
- Geographical expansion in covered countries through additional field force.
- Expansion in business lines - Institutions and Distributors.
- Introduction of new products - Existing developed formulations are identified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

International

Generics

International Generics

CAGR = 27%



Country	Products Registered	Products Under Registration
United Kingdom / Europe	58	1
Australia / New Zealand	53	8
South Africa	40	19
United States / Canada	31	27

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.
- 42 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.
- Marketing operations started in Canada.

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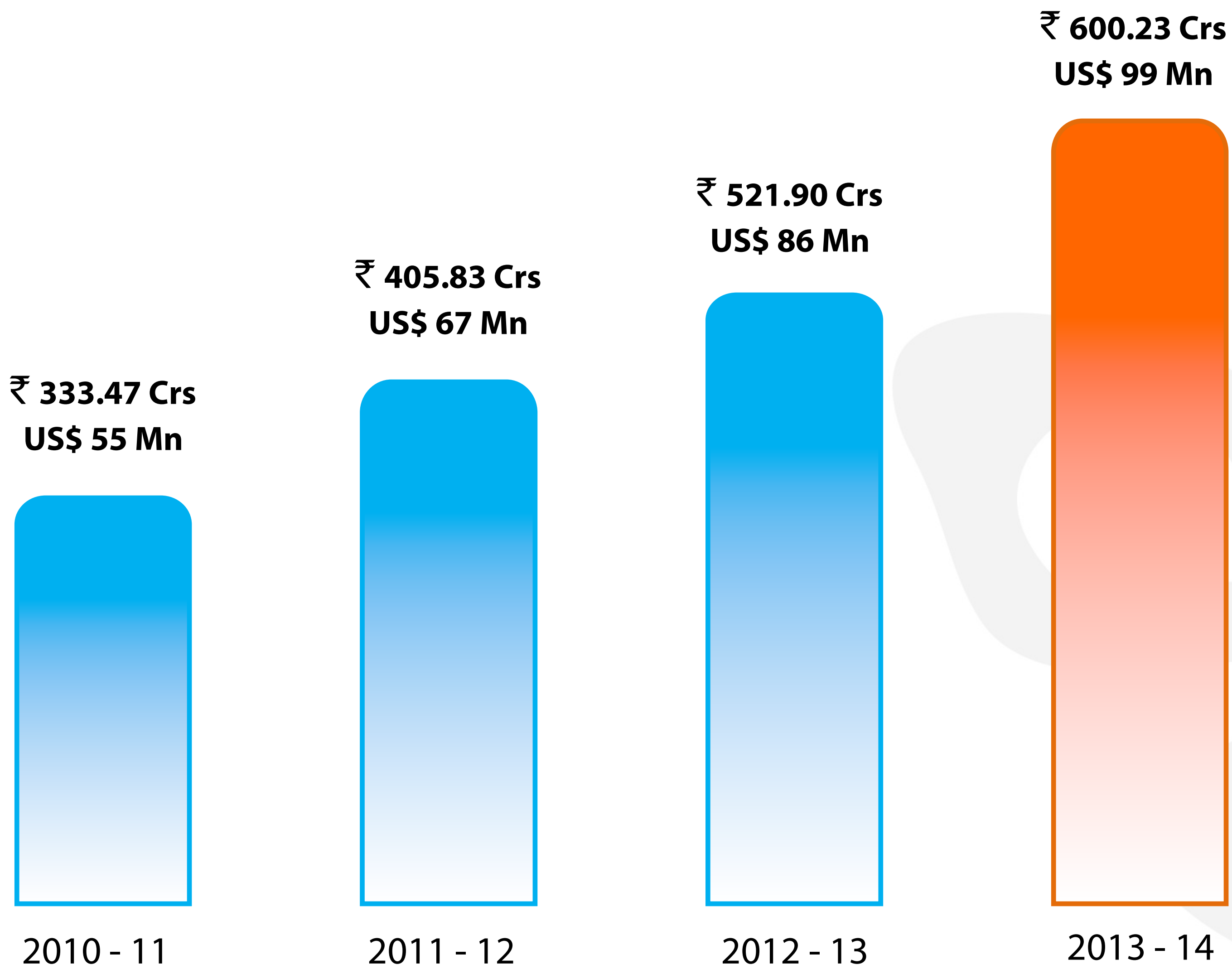
International

APIs

International
APIs

CAGR = 22%



Sales

International
APIs – Drug Master Files

Sr. No.	Name of the API	US-FDA	UK - MHRA	Canada-HPFB	WHO	Japan - PMDA	TGA - Australia	EDQM - Europe
1	2,4 Dichlorobenzyl Alcohol (2,4 DCBA)		✔					
2	Atenolol	✔		✔		✔		✔
3	Artemether			✔	✔			
4	Artesunate				✔			
5	Amodiaquine Hcl				✔			
6	Amlodipine Besylate	✔						✔
7	Allopurinol	✔		✔				✔
8	Beventalol Hcl					✔		
9	Benzbromarone					✔		
10	Bendroflumethiazide							✔
11	Bisoprolol Fumarate	✔						
12	Carvedilol	✔		✔				✔
13	Cetrizine Dihydrochloride	✔						✔
14	Chloroquine Phosphate	✔						✔
15	Chloroquine Sulphate		✔					

International
APIs – Drug Master Files

Sr. No.	Name of the API	US-FDA	UK - MHRA	Canada-HPFB	WHO	Japan - PMDA	TGA - Australia	EDQM - Europe
16	Chlorthalidone	✔		✔				✔
17	Cilostazole	✔						
18	Citalopram HBR	✔						✔
19	Clopidogrel Bisulfate	✔						
20	Dihydroartemesinin				✔			
21	Etodolac	✔						✔
22	Famotidine					✔		✔
23	Fenofibrate	✔						✔
24	Fluconazole							✔
25	Flumequine							✔
26	Furosemide	✔		✔		✔	✔	✔
27	Glimeperide	✔				✔		✔
28	Hydrochlorothiazide	✔		✔		✔	✔	✔
29	Hydroxyzene Di Hcl	✔						✔
30	Hydroxychloroquine Sulphate	✔	✔	✔			✔	

International

APIs – Drug Master Files

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

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International
APIs – Drug Master Files

Sr. No.	Name of the API	US-FDA	UK - MHRA	Canada-HPFB	WHO	Japan - PMDA	TGA - Australia	EDQM - Europe
46	Pantoprazole Sodium Sesquihydrate							✓
47	Perindopril							✓
48	Primaquine Phosphate	✓					✓	
49	Piperaquine Phosphate				✓			
50	Probenecid	✓						
51	Proguanil Hydrochloride	✓						✓
52	Propranolol HCl	✓		✓		✓	✓	✓
53	Pyrantel Pamoate	✓				✓		✓
54	Pyrimethamine Hcl	✓						✓
55	Promethazine Hydrochloride	✓						
56	Quetiapine Fumarate	✓		✓				
57	Resperidone	✓		✓				
58	Resindronate Sodium	✓						
59	Ractopamine Hcl	✓						
60	Sodium Alendronate	✓				✓		✓

International
APIs – Drug Master Files

Sr. No.	Name of the API	US-FDA	UK - MHRA	Canada-HPFB	WHO	Japan - PMDA	TGA - Australia	EDQM - Europe
61	Sulfadoxine		✓					
62	Telmisartan	✓						
63	Torsemide	✓						✓
64	Tramadol Hydrochloride	✓		✓				✓
65	Trimethoprim	✓		✓		✓	✓	✓
66	Triamterene	✓						✓
67	Triclabendazole		✓					
68	Valsartan			✓				✓
69	Warfarin Sodium Clathrate	✓						✓
70	Warfarin Sodium							✓
71	Zaltoprofen					✓		
72	Zoledronic Acid	✓	✓			✓		
	Total	**48**	**7**	**21**	**6**	**17**	**6**	**43**

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

Research & Development

APIs & Formulations

R & D Spending		
Year	₹ Crs	% to Sales
2009 – 10	57.28	3.71%
2010 – 11	71.27	3.82%
2011-12	77.96	3.39%
2012-13	100.74	3.68%
2013-14	123.24	3.87%

- Current scientist manpower of over 650.
- Research focus on developing APIs with non-infringing process and development of finished dosage forms.
- Development of NDDS for domestic and international market.
- 220 patent applications filed.
- 73 patents granted (Indian - 53, US PTO - 12, EU- 8).

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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