Ipca Laboratories Ltd.

Corporate Presentation

Feb 2016

Company Overview

Incorporation	:	1949
Present Management	:	Since 1975
Total income F. Y. 2014-15	:	₹ 3120.91 Crs / US$ 512 Mn
Exports F. Y. 2014-15	:	₹ 1752.86 Crs / US$ 288 Mn
Number of Employees	:	13,020 including 6018 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

	2010-11	2011-12	2012-13	2013-14	2014-15
Domestic Income (₹ Crs)	864.43	941.01	1,081.00	1,190.23	1,368.05
Domestic Income (US $ Mn)	141.85	154.42	177.39	195.31	224.49
Export Income (₹ Crs)	1,025.18	1,401.97	1,716.08	2,066.02	1,752.86
Export Income (US $ Mn)	168.23	230.06	281.60	339.03	287.64
Total Income (₹ Crs)	1,889.61	2,342.98	2,797.08	3,256.25	3,120.91
Total Income (US $ Mn)	310.08	384.47	458.99	534.34	512.13
Net Profit After Tax (₹ Crs)	255.37	280.17	331.39	477.37	256.11
Net Profit After Tax (US $ Mn)	41.91	45.97	54.38	78.33	42.03

Manufacturing Facilities

Formulations

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, TGA-Australia, HPB-Canada, US-FDA*

* Under Import Alert

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
Tarapur, Palghar	Tablets	

* Under Import Alert

Manufacturing Facilities

Active Pharmaceutical Ingredients (APIs)

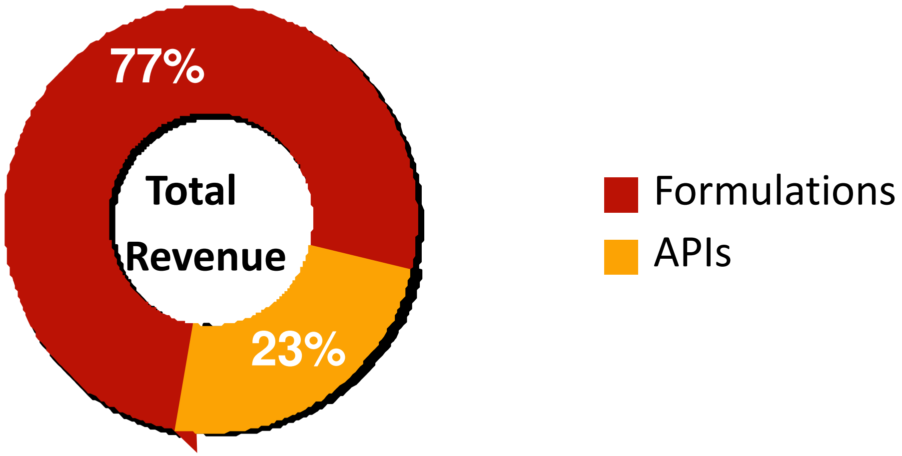
Manufacturing Facilities
APIs

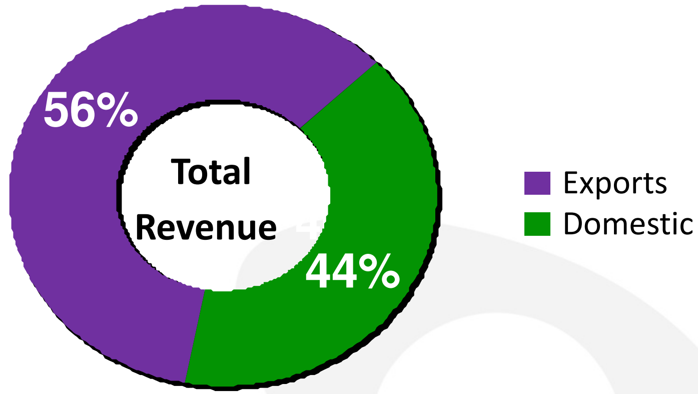
Location	Approvals / Inspections
Ratlam, Madhya Pradesh	TGA-Australia, EDQM, Danish Regulatory Authority, PMDA-Japan, WHO-Geneva, US-FDA*
Indore, Madhya Pradesh	WHO-GMP
Ankleshwar, Gujarat	PMDA –Japan
Nandesari, Gujarat	WHO-GMP
Aurangabad, Maharashtra	WHO-GMP
Mahad, Maharashtra	GMP
Ranu (Tehsil Padra),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

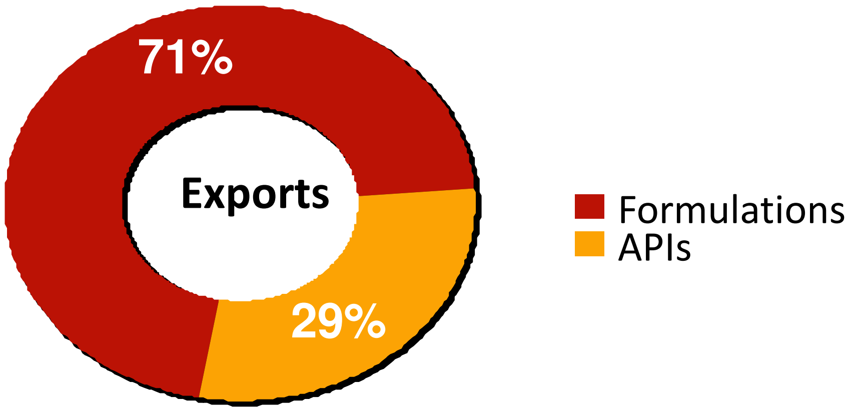
* Under Import Alert

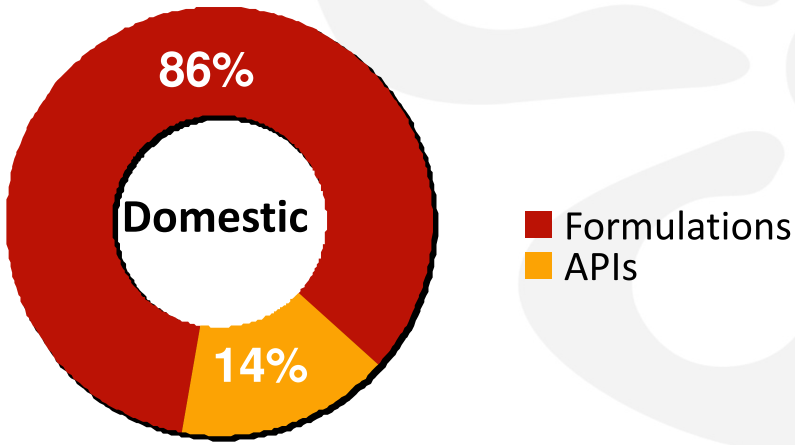
Revenue Break-up

Revenue Break-up
2014 - 15









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Revenue Break-up

₹ Crs	2014-15			2013-14			Growth
	Domestic	Exports	Total	Domestic	Exports	Total	
Branded Formulations	1128.73	343.81	1472.54	969.42	346.06	1315.48	11.9%
Generic Formulations	-	895.40	895.40	-	1119.73	1119.73	-20.0%
Total Formulations	1128.73	1239.21	2367.94	969.42	1465.79	2435.21	-2.8%
API / Intermediates	178.32	513.65	691.97	164.54	600.23	764.77	-9.5%
Others	61.00	-	61.00	74.49	-	74.49	
Total Income	1368.05	1752.86	3120.91	1208.45	2066.02	3274.47	-4.7%
Growth	13.2%	-15.2%	-4.7%				

Financials

Financials

	F.Y. 2014 - 15		F.Y. 2013 - 14		
	₹ Crs	US$ Mn	₹ Crs	US$ Mn	% Growth
Total Income	3120.91	512	3256.25	534	-4%
EBIDT	520.5	85	805.23	132	-35%
EBIDT %	16.87%		24.89%		
PBT #	357.73	59	629.09	103	-43%
PBT %	11.60%		19.45%		
PAT #	256.11	42	477.37	78	-46%
PAT %	8.30%		14.76%		

After forex gain of ₹ 4.25 Crs as against forex loss of Rs. ₹ 72.10 Crs for previous year.

Profitability to Net Income	FY 2014-15	FY 2013-14	FY 2012-13
PBIDT	16.87%	24.89%	22.36%
PBT	11.60%	19.45%	16.61%
PAT	8.30%	14.76%	11.93%

Business Characteristics	FY 2014-15	FY 2013-14	FY 2012-13
Return on Capital Employed % (PBIT / Capital Employed)	12.71%	25.28%	22.81%
Return on Net Worth % (PAT / Net Worth)	11.47%	24.09%	21.11%
Fixed Asset Turnover Ratio (Total Income / Net Fixed Assets)	1.55	2.21	2.32
Capital Employed Turnover Ratio (Total Income / Capital Employed)	1.03	1.26	1.29
Asset Coverage Ratio (to term loan) (Net Fixed Assets / Total Long Term Borrowings)	3.32	3.22	2.62
Long Term Debt Equity Ratio (Total Long Term Borrowings / Net Worth)	0.27	0.23	0.29
Debtors Turnover Ratio (Days) (Trade Receivables / Turnover) x 365	42	51	55
Creditors Turnover Ratio (Days) (Trade Payables / Purchases) x 365	90	100	84
Inventory Turnover Ratio (Days) (Inventory / Turnover) x 365	109	96	98

Financials

Growth	FY 2014-15	FY 2013-14	FY 2012-13
Net Total Income	-4.20%	16.40%	19.40%
Domestic Sales	15.30%	10.90%	13.90%
Export Sales	-15.20%	20.40%	22.40%
PBIDT	-35.40%	29.60%	21.00%
PBT	-43.10%	36.40%	25.10%
Net Profit	-46.30%	44.10%	18.30%

Financials

	Q1 2015 - 16		Q1 2014-15		
	₹ Crs	US$ Mn	₹ Crs	US$ Mn	% Growth
Total Income	762.1	125	942.25	155	-19%
EBIDT	82.18	13	230.92	38	-64%
EBIDT %	10.84%		24.67%		
PBT #	27.13	4	182.58	30	-85%
PBT %	3.58%		19.51%		
PAT #	18.89	3	136.74	22	-86%
PAT %	2.49%		14.61%		

After forex loss of ₹ 11.63 Crs as against forex gain of ₹ 2.26 Crs for same quarter.

Financials

	Q2 2015 - 16		Q2 2014-15		
	₹ Crs	US$ Mn	₹ Crs	US$ Mn	% Growth
Total Income	754.48	124	789.31	130	-4%
EBIDT	89.16	15	134.77	22	-34%
EBIDT %	11.90%		17.26%		
PBT #	19.90	3	88.77	15	-78%
PBT %	2.66%		11.37%		
PAT #	11.69	2	61.30	10	-81%
PAT %	1.56%		7.85%		

After forex loss of ₹ 23.88 Crs as against of ₹ 9.36 Crs for same quarter.

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Financials

	Q3 2015 - 16		Q3 2014-15		
	₹ Crs	US$ Mn	₹ Crs	US$ Mn	% Growth
Total Income	689.07	113	747.09	123	-8%
EBIDT	89.25	15	121.14	20	-26%
EBIDT %	13.05%		16.36%		
PBT #	39.41	6	68.55	11	-43%
PBT %	5.76%		9.26%		
PAT #	23.18	4	41.53	7	-44%
PAT %	3.39%		5.61%		

After forex loss of ₹ 0.88 Crs as against of ₹ 11.15 Crs for same quarter.

Financials

	9 Mths 2015 - 16		9 Mths 2014-15		
	₹ Crs	US$ Mn	₹ Crs	US$ Mn	% Growth
Total Income	2205.65	362	2478.65	407	-11%
EBIDT	260.59	43	486.83	80	-46%
EBIDT %	11.89%		19.81%		
PBT #	86.44	14	339.90	56	-75%
PBT %	3.94%		13.83%		
PAT #	53.76	9	239.57	39	-78%
PAT %	2.45%		9.75%		

After forex loss of ₹ 36.39 Crs as against of ₹ 18.25 Crs for same period.

Financials

Contribution of Therapeutic Groups

2013 – 14		Therapeutic Segment	2014 - 15	
Exports	Domestic		Exports	Domestic
17%	35%	Non Steroidal Anti-Inflammatory Drugs (NSAID)	21%	36%
31%	24%	Cardiovasculars & Anti-Diabetics	30%	23%
35%	14%	Anti-Malarials	24%	14%
10%	6%	Anti-Bacterials	11%	7%
1%	5%	Gastro-Intestinal (GI) Products	2%	5%
1%	3%	Neuro Psychiatry	3%	3%
1%	4%	Cough Preparations	2%	4%
-	4%	Dermatology	-	4%
-	1%	Urology	-	2%
-	2%	Neutraceuticals	-	1%
4%	2%	Others	7%	1%
100%	100%	Total	100%	100%

Branded Formulations

Domestic

Branded Formulations

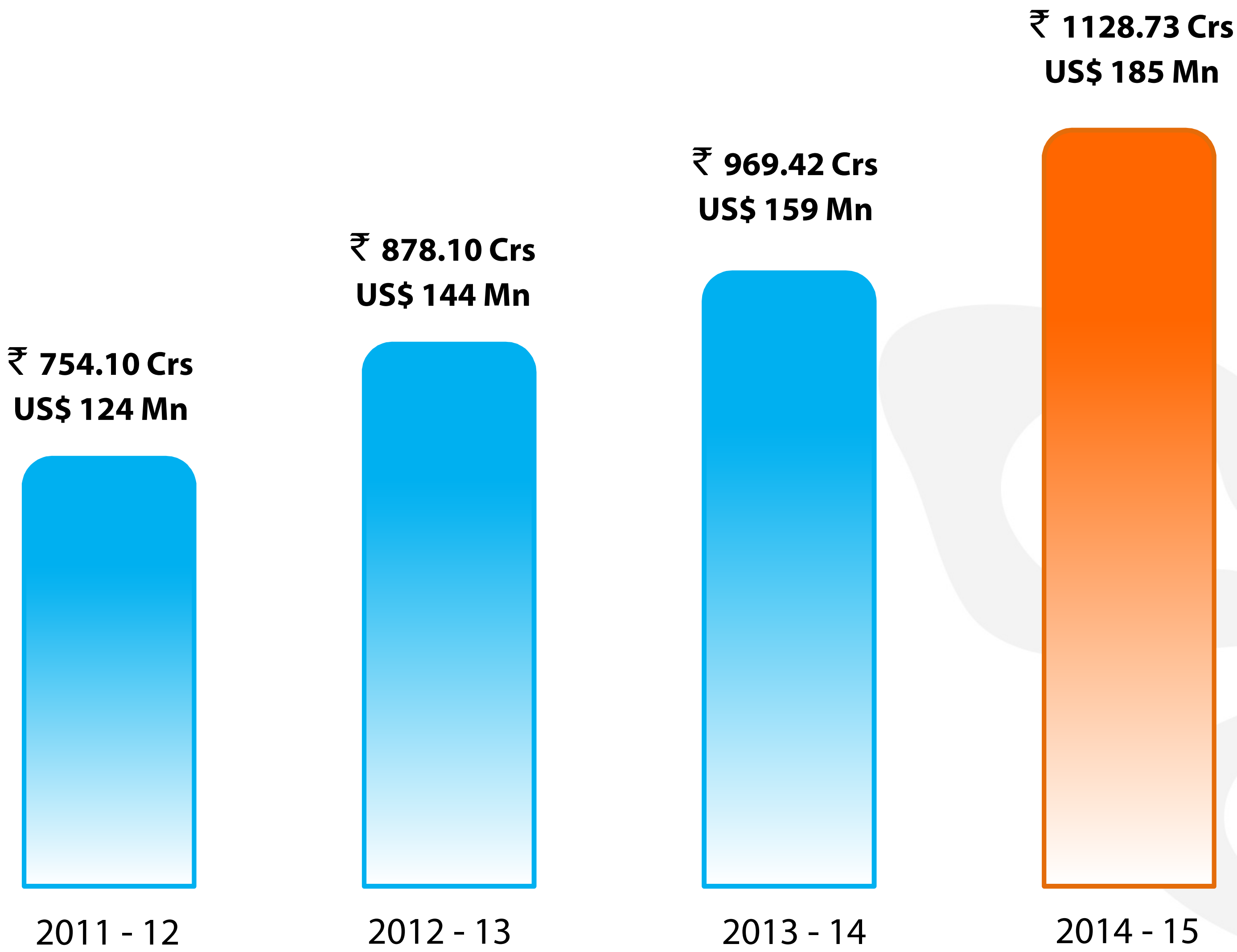
Domestic

- All India Rank ORG-IMS : 22nd (MAT Dec'15).
- 25 Depots & 2 C&F agents.
- 11 Therapy Focused Marketing Divisions.
- Field Strength (PSR/ BA)– 4297.
- Over 2000 Wholesalers.
- 4 brands among top 300 brands (HCQS, Zerodol-P, Zerodol-SP & Rapither AB).
- Market leaders in Anti-malarials & Rheumatoid Arthritis.

Branded Formulations
Domestic

CAGR = 14.5%

Sales



Future Growth Drivers

- The company introduced 14new Brands in the India market during 2014-15.
- 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

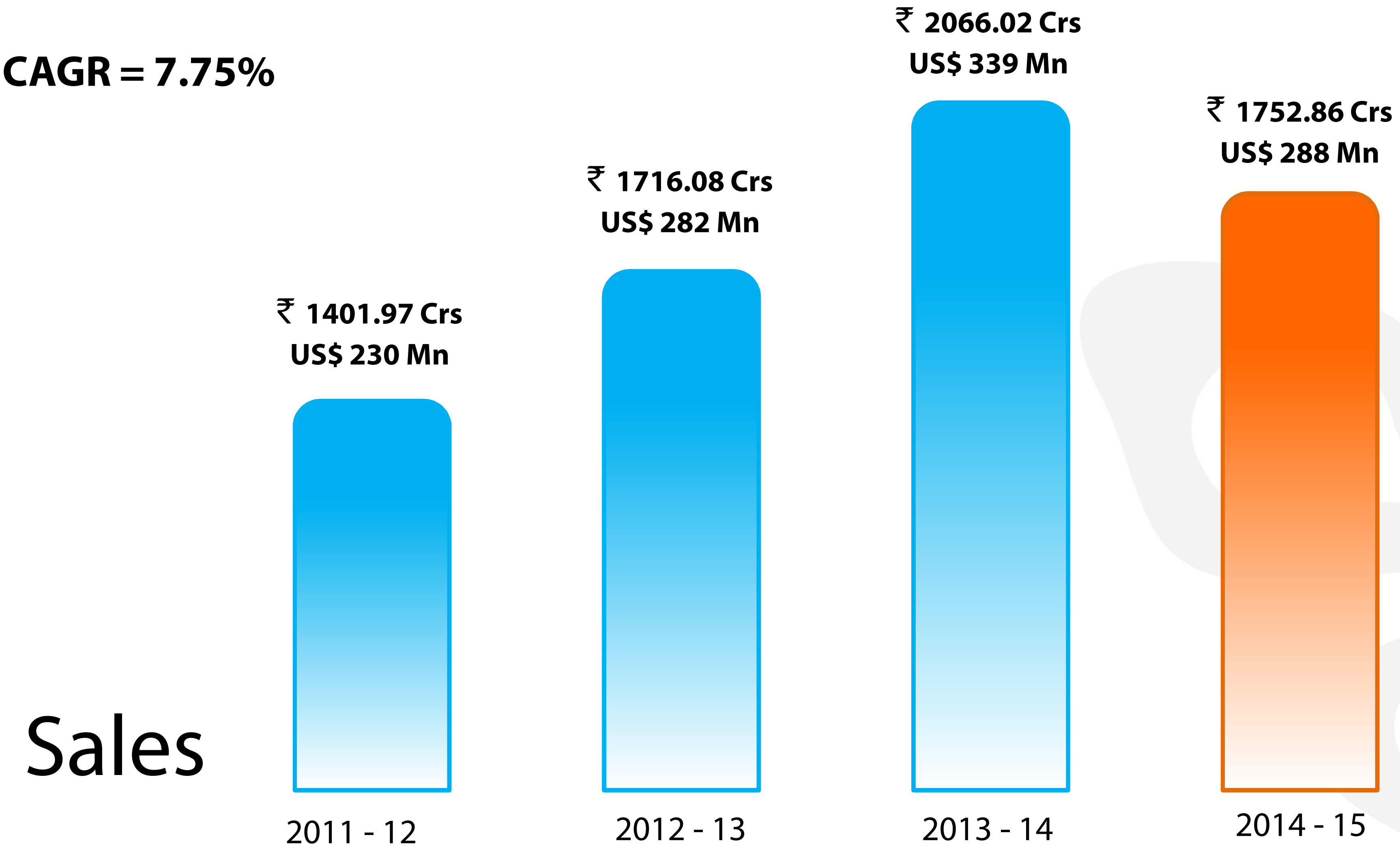
International Business

- Exports to over 120 countries.
- Recognized Star Trading House.
- Among top 10 pharmaceutical exporters from India.
- 50% 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 62 countries.

International Business

CAGR = 7.75%



Continent-wise Exports 2014 – 15 (₹ Crs)				
Continent	Formulations	Bulk Drugs / Intermediates	Total	% Contribution
Europe	469.32	175.70	645.02	37%
Africa	328.99	20.00	348.99	20%
Americas	154.60	149.77	304.37	17%
Asia	56.98	157.36	214.34	12%
CIS	146.59	7.18	153.77	9%
Australasia	82.73	3.64	86.37	5%
Total	1239.21	513.65	1752.86	100%

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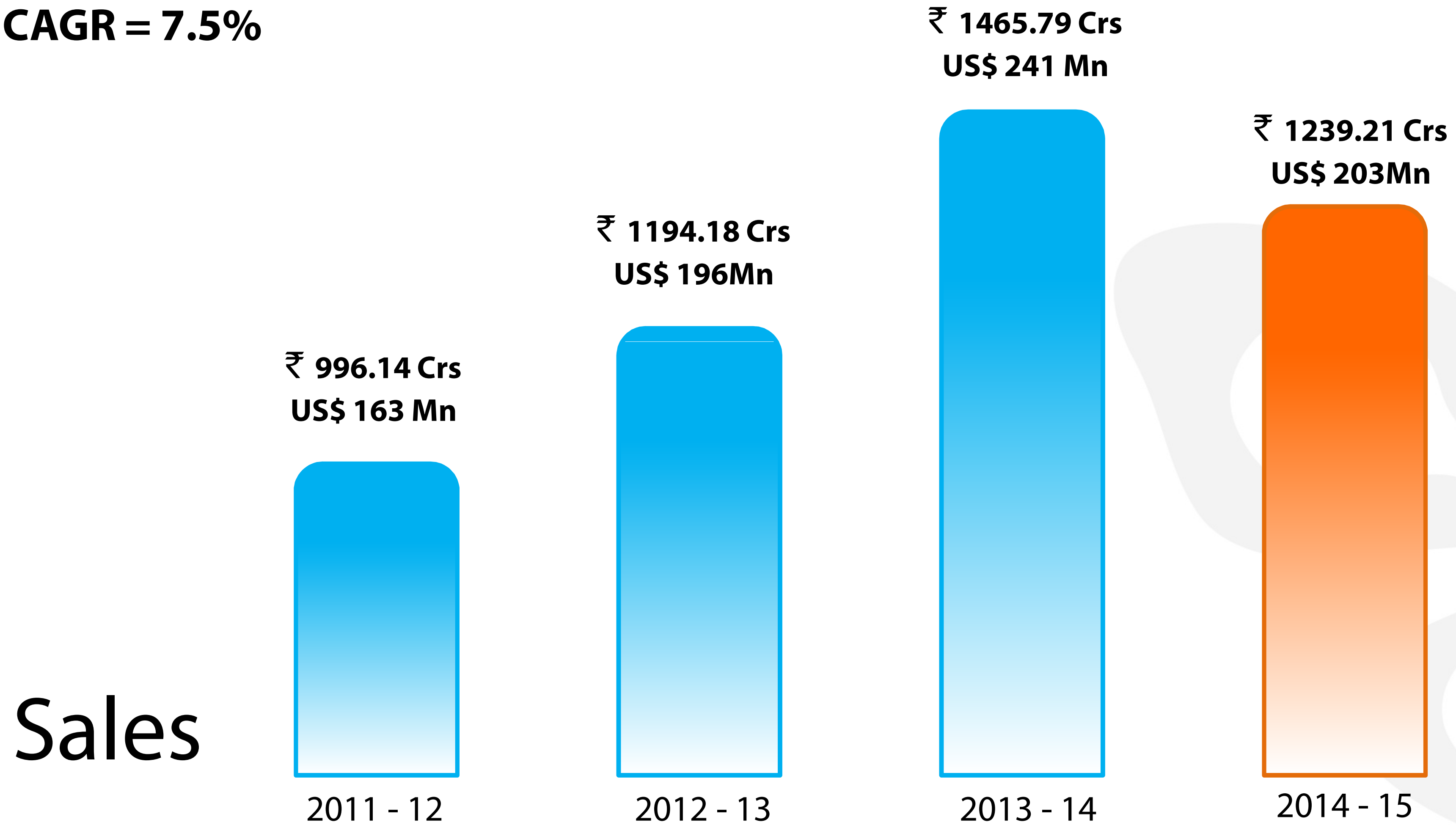
International

Formulations

International Formulations

CAGR = 7.5%



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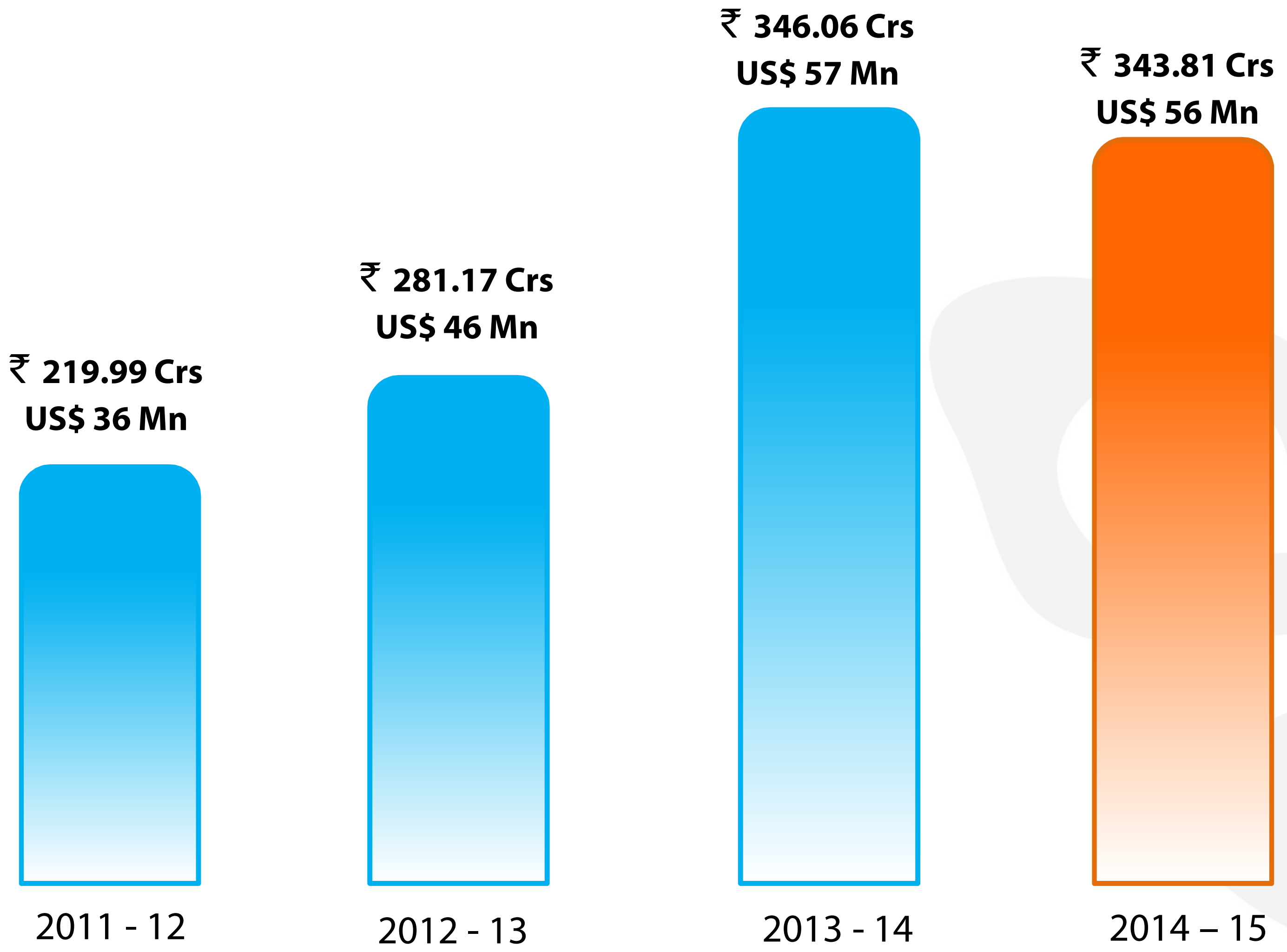
International

Branded Formulations

International
Branded Formulations

CAGR = 16%

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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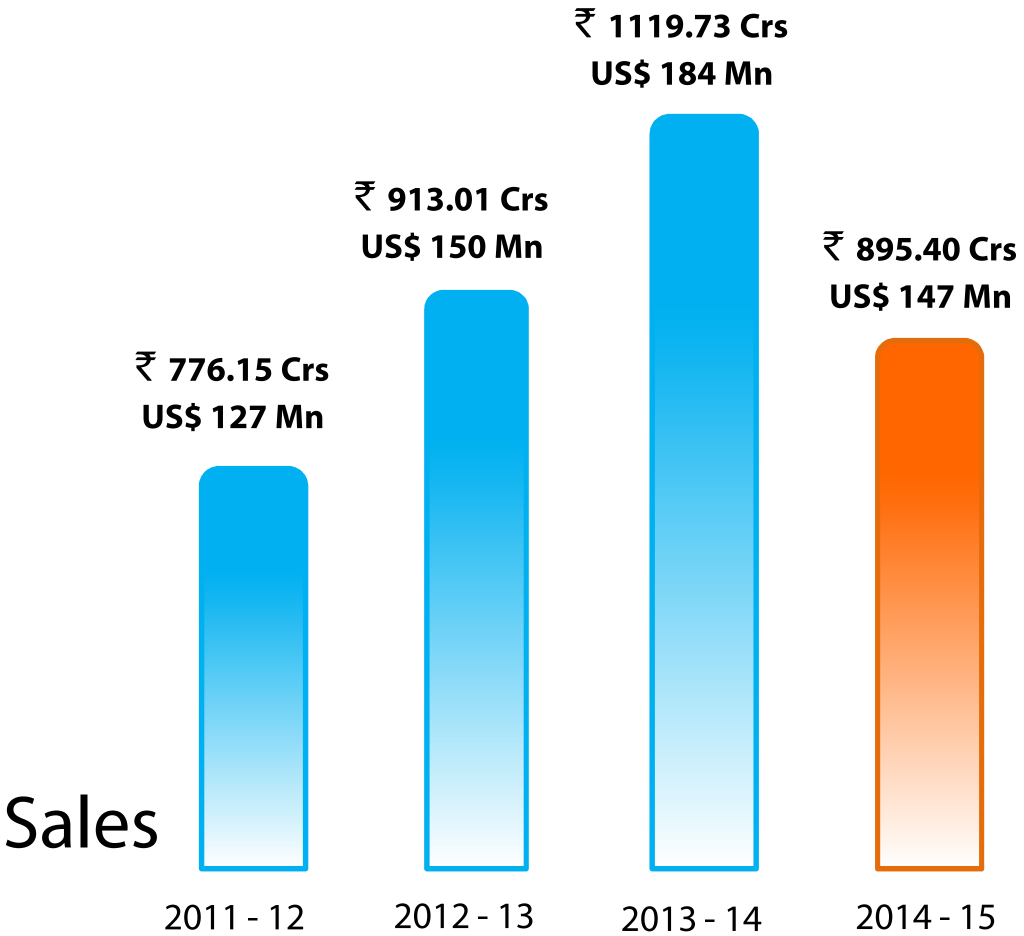
International

Generics

International Generics

CAGR = 5%



Country	Products Registered	Products Under Registration
United Kingdom / Europe	59	2
Australia / New Zealand	57	9
South Africa	42	20
United States / Canada	31	24

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.
- 39 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.

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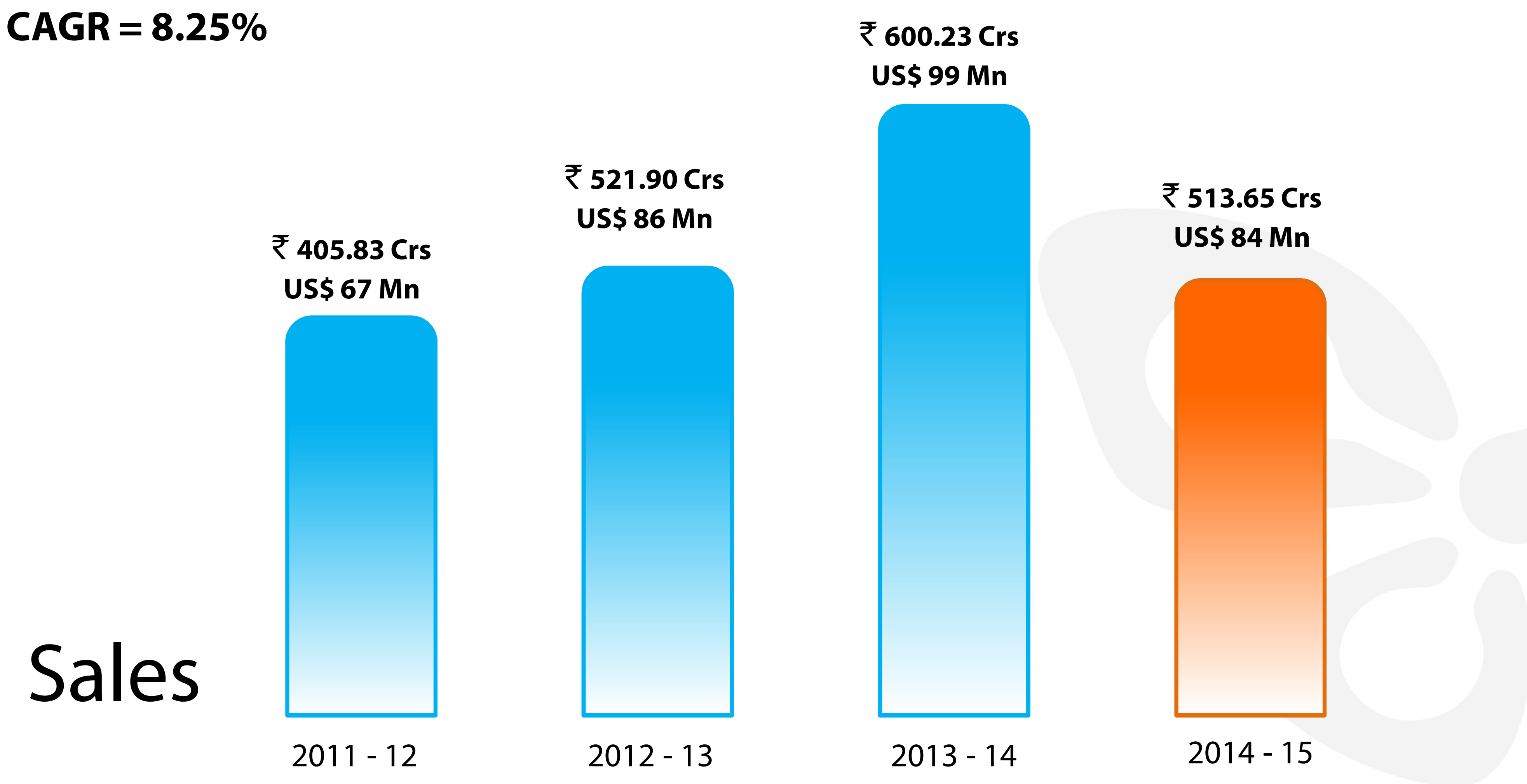
International

APIs

International
APIs



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	Atenolol	✔		✔		✔		✔
2	Artemether				✔			
3	Artesunate				✔			
4	Amodiaquine Hcl				✔			
5	Amlodipine Besylate	✔						✔
6	Allopurinol	✔		✔				✔
7	Beventalol Hcl					✔		
8	Benzarone					✔		
9	Benzbromarone					✔		
10	Bendroflumethiazide							✔
11	Bisoprolol Fumarate	✔						
12	Carvedilol	✔		✔				✔
13	Cetrizine Dihydrochloride	✔						✔
14	Chloroquine Phosphate	✔						✔
15	Chloroquine Sulphate		✔					

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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
16	Chlorthalidone	✓		✓				✓
17	Cilostazole	✓						
18	Citalopram HBR							✓
19	Dihydroartemesinin				✓			
20	Ebastine					✓		
21	Etodolac	✓						✓
22	Famotidine					✓		✓
23	Fenofibrate	✓						✓
24	Fluconazole							✓
25	Flumequine							✓
26	Furosemide	✓		✓		✓	✓	✓
27	Glimeperide	✓				✓		✓
28	Hydrochlorothiazide	✓		✓		✓		✓
29	Hydroxyzene Di Hcl	✓						✓
30	Hydroxychloroquine Sulphate	✓	✓	✓			✓	

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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
31	Indapamide	✓		✓				✓
32	Losartan Potassium	✓		✓				✓
33	Lumefantrine				✓			
34	Methylphenidate			✓				✓
35	Mesalamine/ Mesalazine	✓						✓
36	Metformin HCL	✓		✓				✓
37	Metoclopramide HCl	✓		✓		✓		✓
38	Metoprolol Succinate	✓						✓
39	Metoprolol Tartrate	✓		✓		✓		✓
40	Midodrine Hydrochloride	✓						
41	Nabumetone	✓						✓
42	Ondansetron Hydrochloride	✓		✓				✓
43	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
44	Pantoprazole Sodium Sesquihydrate							✓
45	Perindopril							✓
46	Primaquine Phosphate	✓					✓	
47	Piperaquine Phosphate				✓			
48	Probenecid	✓						
49	Proguanil Hydrochloride	✓						✓
50	Propranolol HCl	✓		✓		✓		✓
51	Pyrantel Pamoate	✓				✓		✓
52	Pyrimethamine Hcl	✓						✓
53	Promethazine Hydrochloride	✓						
54	Quetiapine Fumarate	✓		✓				
55	Resperidone	✓		✓				
56	Resindronate Sodium	✓						
57	Ractopamine Hcl	✓						
58	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
59	Sulfadoxine		✔					
60	Telmisartan	✔						
61	Torsemide	✔						✔
62	Tramadol Hydrochloride	✔		✔				✔
63	Trimethoprim	✔		✔		✔		✔
64	Triamterene	✔						✔
65	Triclabendazole		✔					
66	Valsartan							✔
67	Warfarin Sodium Clathrate	✔						✔
68	Warfarin Sodium							✔
69	Zaltoprofen					✔		
70	Zoledronic Acid	✔				✔		
	Total	**46**	**4**	**18**	**6**	**16**	**3**	**42**

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
2010 – 11	71.27	3.82%
2011-12	77.96	3.39%
2012-13	100.74	3.68%
2013-14	123.24	3.85%
2014-15	157.19	5.14%

Research & Development
APIs & Formulations

- Current scientist manpower of over 750.
- 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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