Ipca Laboratories Ltd.

Corporate Presentation

May 2012

Company Overview

Incorporation	:	1949
Present Management	:	Since 1975
Total income F. Y. 2011-2012	:	₹ 2342.29 Crs / US$ 486 Mn
Exports F. Y. 2011-2012	:	₹ 1401.97Crs / US$ 291 Mn
Number of Employees	:	9,815
Business Model	:	Fully integrated pharmaceutical company producing Branded and Generics Formulations, APIs and Intermediates

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, 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 Inspected in Jan 2012 by US-FDA
Sikkim	Tablets & Capsules	GMP

Manufacturing Facilities

Active Pharmaceutical Ingredients (APIs)

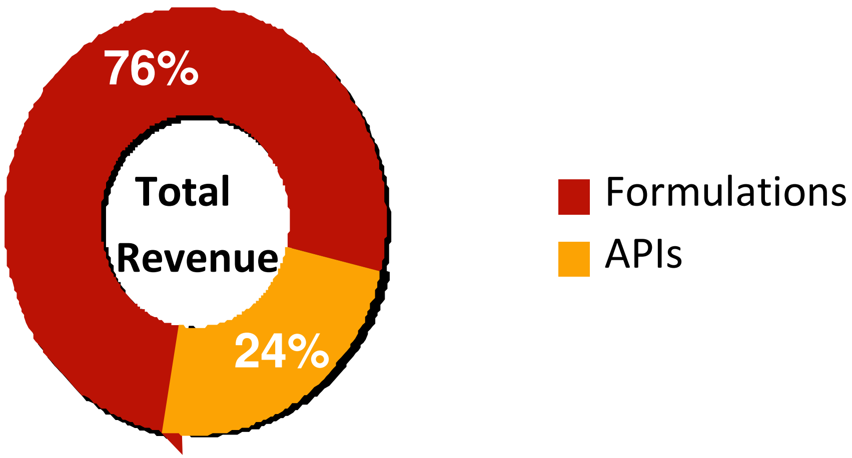
Manufacturing Facilities
APIs

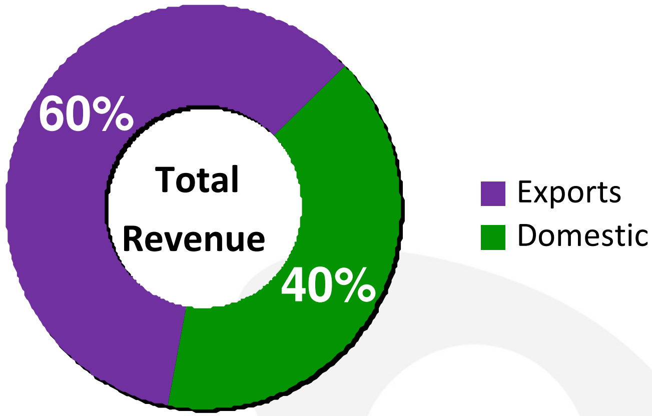
Location	Approvals / Inspections
Ratlam, Madhya Pradesh	US-FDA ,TGA-Australia, EDQM, Danish Regulatory Authority, PMDA-Japan, WHO-Geneva
Indore, Madhya Pradesh	WHO-GMP
Ankleshwar, Gujarat	PMDA -Japan
Aurangabad, Maharashtra	WHO-GMP

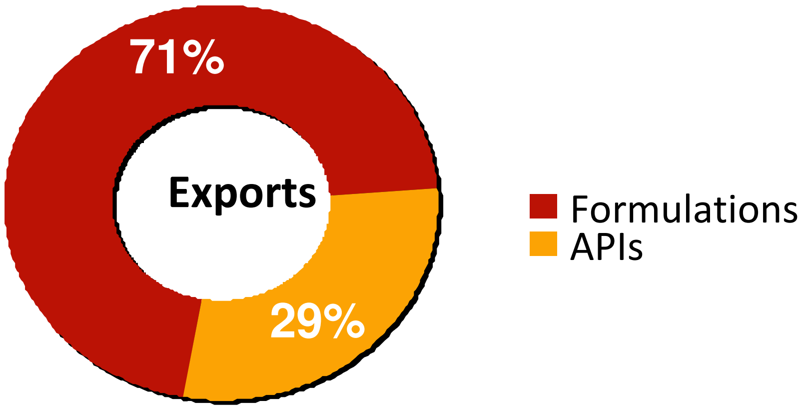
The company has taken effective steps for setting up a new green field API manufacturing facility at **Village Ranu, Tehsil Padra, District Vadodara, Gujarat.**

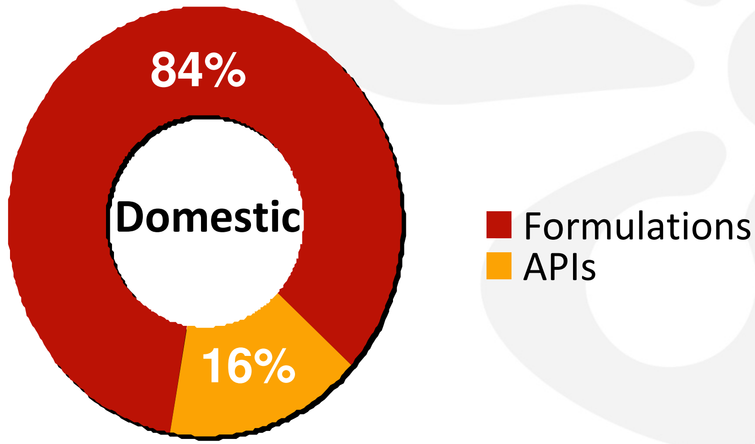
Revenue Break-up

Revenue Break-up
2011 - 2012









Revenue Break-up

₹ Crs	2011 - 2012			2010- 2011			Growth
	Domestic	Exports	Total	Domestic	Exports	Total	
Branded Formulations	752.98	219.99	972.97	695.66	155.77	851.43	14.3%
Generic Formulations	0.43	776.15	776.58		535.94	535.94	44.9%
Total Formulations	753.41	996.14	1749.55	695.66	691.71	1387.37	26.1%
API / Intermediates	143.86	405.83	549.69	145.08	333.47	478.55	14.9%
Others	43.05	-	43.05	23.69		23.69	
Total Income	940.32	1401.97	2342.29	864.43	1025.18	1889.61	24.0%
Growth	**8.8%**	**36.8%**	**24.0%**				

Financials

Financials

	F.Y. 2011 - 2012		F.Y. 2010 - 2011		
	₹ Crs	US$ Mn	₹ Crs	US$ Mn	% Growth
Total Income	2342.29	486	1889.61	392	24%
EBIDT	513.48	107	375.73	78	37%
EBIDT %	22.04%		19.97%		
PBT #	368.94	77	343.70	71	7%
PBT %	15.84%		18.27%		
PAT #	280.17	58	255.37	53	10%
PAT %	12.03%		13.58%		

After forex loss of ₹ 52.79 Crs as against forex gain of ₹ 43.34 Crs for previous year.

Financials

Profitability to Net Income	FY 2011-2012	FY 2010-2011	FY2009-2010
PBIDT	22.04%	19.97%	21.37%
PBT	15.84%	18.27%	17.50%
PAT (Before exceptional items)	12.03%	14.11%	13.47%
Net Profit (After exceptional items)	12.03%	13.58%	13.47%

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Financials

Business Characteristics	FY 2011-2012	FY 2010-2011	FY2009-2010
Return on Capital Employed % (PBIT / Capital Employed)	22.53%	25.95%	24.82%
Return on Net Worth % (PAT / Net Worth)	22.20%	25.18%	23.91%
Fixed Asset Turnover Ratio (Total Income / Net Fixed Assets)	2.33	2.33	2.32
Capital Employed Turnover Ratio (Total Income / Capital Employed)	1.33	1.35	1.33
Asset Coverage Ratio (to term loan) (Net Fixed Assets / Long Term Loans)	2.52	3.04	3.07
Long Term Debt Equity Ratio (Long Term Loan / Net Worth)	0.32	0.25	0.25
Debtors Turnover Ratio (Days) (Debtors / Turnover) x 365	72	91	93
Creditors Turnover Ratio (Days) (Creditors / Purchases) x 365	68	56	60
Inventory Turnover Ratio (Days) (Inventory / Turnover) x 365	105	90	88

Financials

Growth	FY 2011-2012	FY 2010-2011	FY2009-2010
Net Total Income	24.0%	20.7%	22.7%
Domestic Sales	6.7%	13.7%	26.4%
Export Sales	36.8%	27.2%	18.5%
PBIDT	36.7%	13.2%	23.9%
PBT	7.3%	26.5%	118.0%
PAT (Before exceptional items)	5.6%	26.8%	106.3%
Net Profit (After exceptional items)	9.7%	22.1%	129.3%

Financials
Contribution of Therapeutic Groups

2010 - 2011		Therapeutic Segment	2011 - 2012	
Exports	Domestic		Exports	Domestic
41%	27%	Cardiovasculars & Anti-Diabetics	31%	26%
20%	28%	Non Steroidal Anti-Inflammatory Drugs (NSAID)	18%	30%
19%	17%	Anti-Malarials	33%	17%
11%	8%	Anti-Bacterials	10%	7%
1%	6%	Gastro-Intestinal (GI) Products	1%	6%
3%	4%	Neuro Psychiatry	1%	3%
1%	4%	Cough Preparations	2%	4%
-	4%	Dermatology	-	3%
-	-	Urology	-	1%
-	1%	Neutraceuticals	-	2%
4%	1%	Others	4%	1%
100%	100%	Total	100%	100%

Branded Formulations

Domestic

Branded Formulations

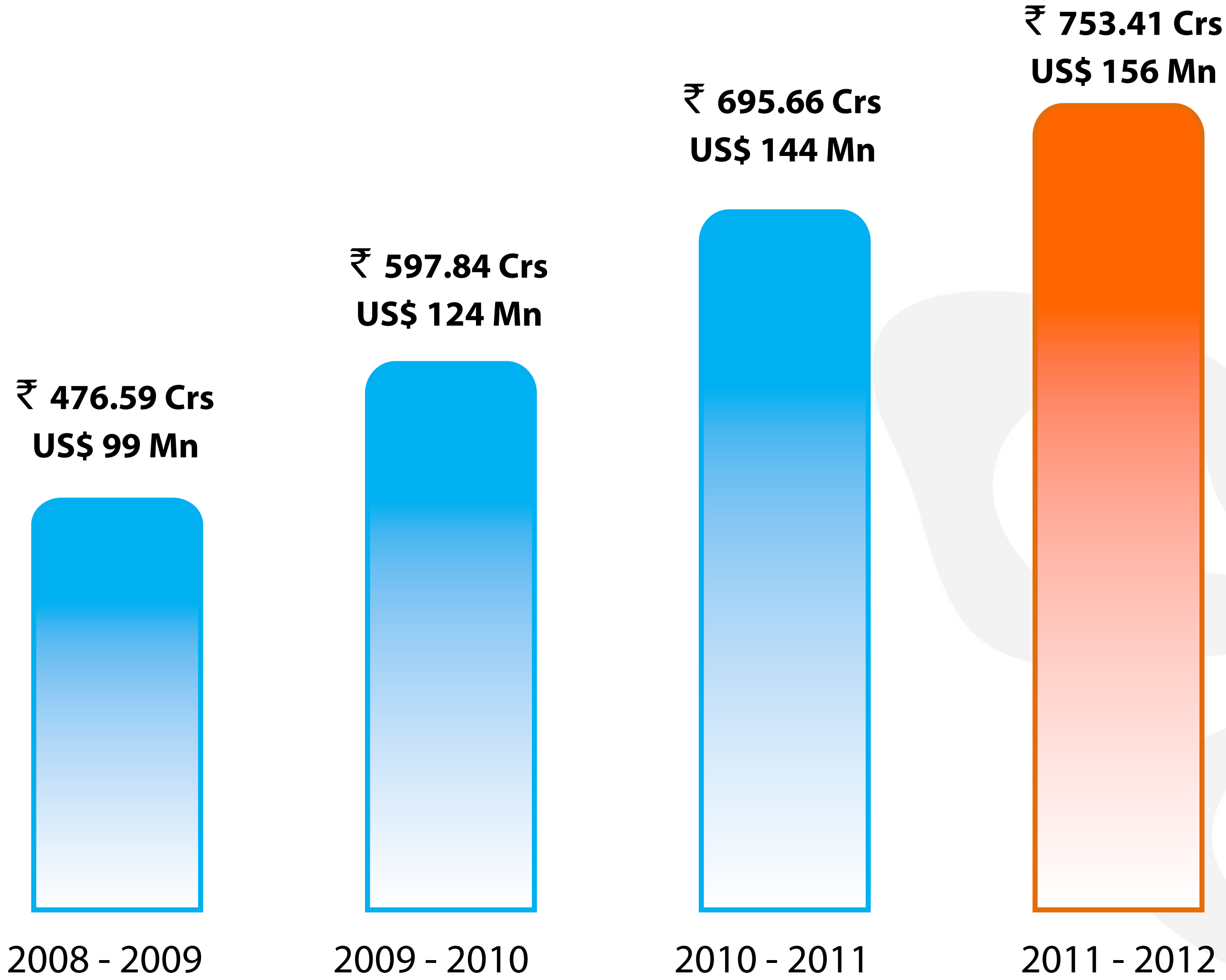
Domestic

- All India Rank ORG-IMS : 26th (MAT Mar'12).
- 25 Depots & 2 C&F agents.
- 12 Therapy Focused Marketing Divisions.
- Field Strength – 3610.
- Over 2000 Wholesalers.
- 3 brands among top 300 brands (HCQS, Lariago & Rapither).
- Market leaders in Anti-malarials & Rheumatoid Arthritis.

Branded Formulations
Domestic

CAGR = 17%

Sales



Future Growth Drivers

- The company introduced 5 new Brands in the India market during 2011-12.
- 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.

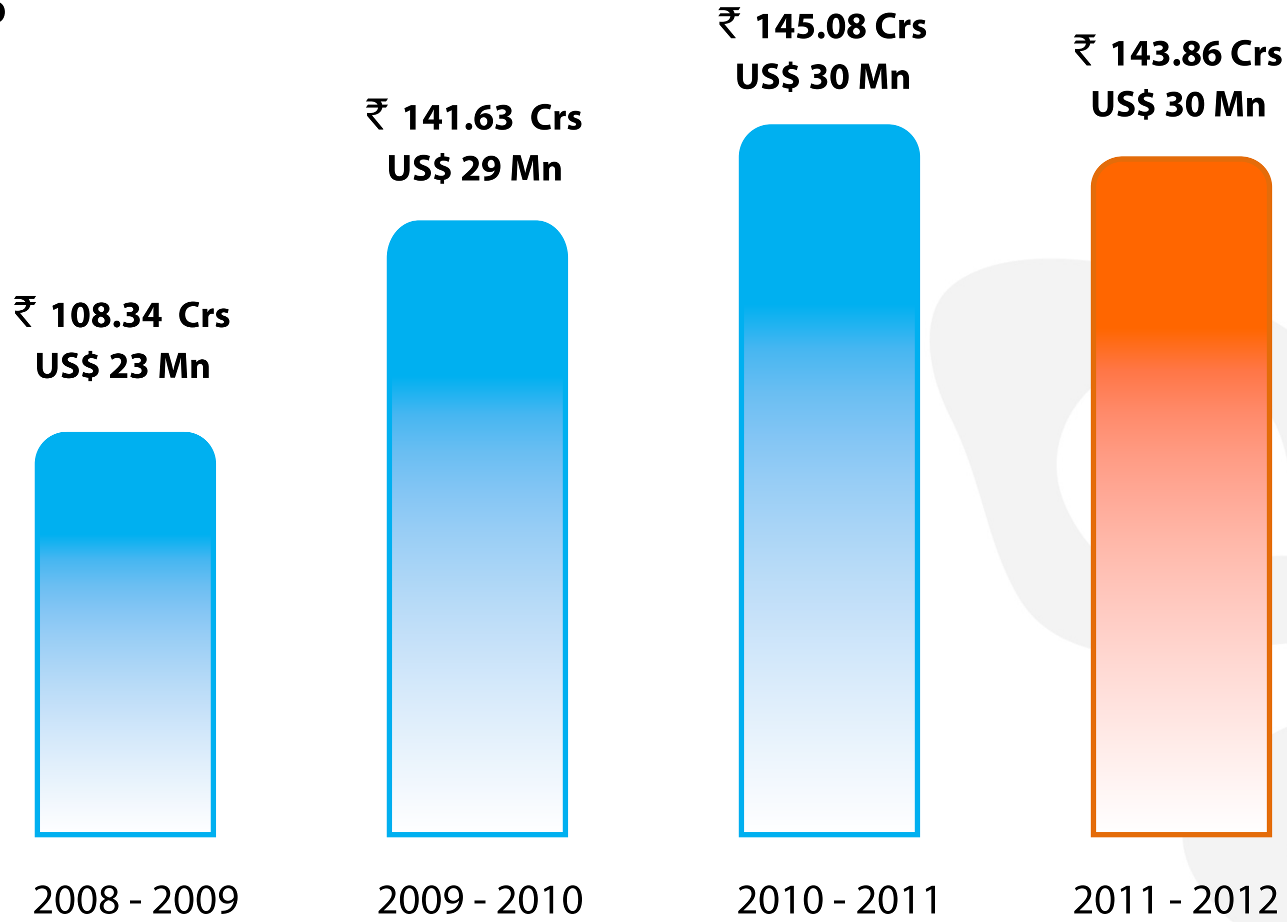
APIs (Active Pharmaceutical Ingredients)

Domestic

APIs
Domestic

CAGR = 10%

Sales



API sales does not include captive consumption (FY 2011 – 2012 ₹ 404.90 Crs / US$ 84 Mn)

International Business

International Business

- Exports to over 110 countries.
- Recognized Star Trading House.
- Among top 10 pharmaceutical exporters from India.
- 60% sales from exports.
- Field-force to promote brands in more than 30 countries of CIS, South East Asia, Middle East, Latin America and Africa.

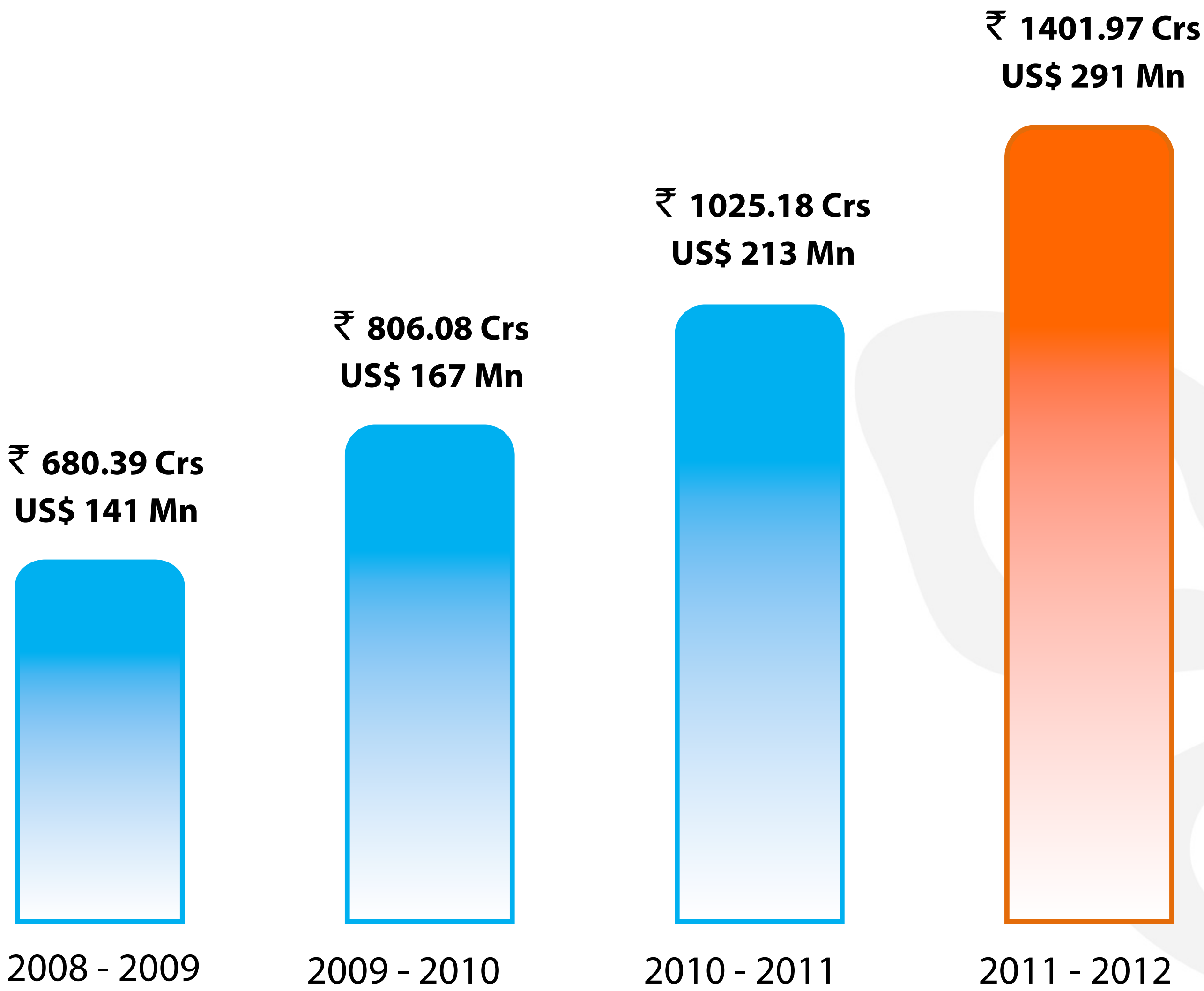
International Business

- 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

CAGR = 27%

Sales



Continent-wise Exports 2011 – 2012 (₹ Crs)				
Continent	**Formulations**	**Bulk Drugs / Intermediates**	**Total**	**% Contribution**
Europe	292.90	151.94	444.84	32%
Americas	177.97	111.01	288.98	20%
CIS	105.19	2.55	107.74	8%
Asia	33.15	110.15	143.30	10%
Africa	355.94	21.38	377.32	27%
Australasia	30.99	8.80	39.79	3%
Total	996.14	405.83	1401.97	100%

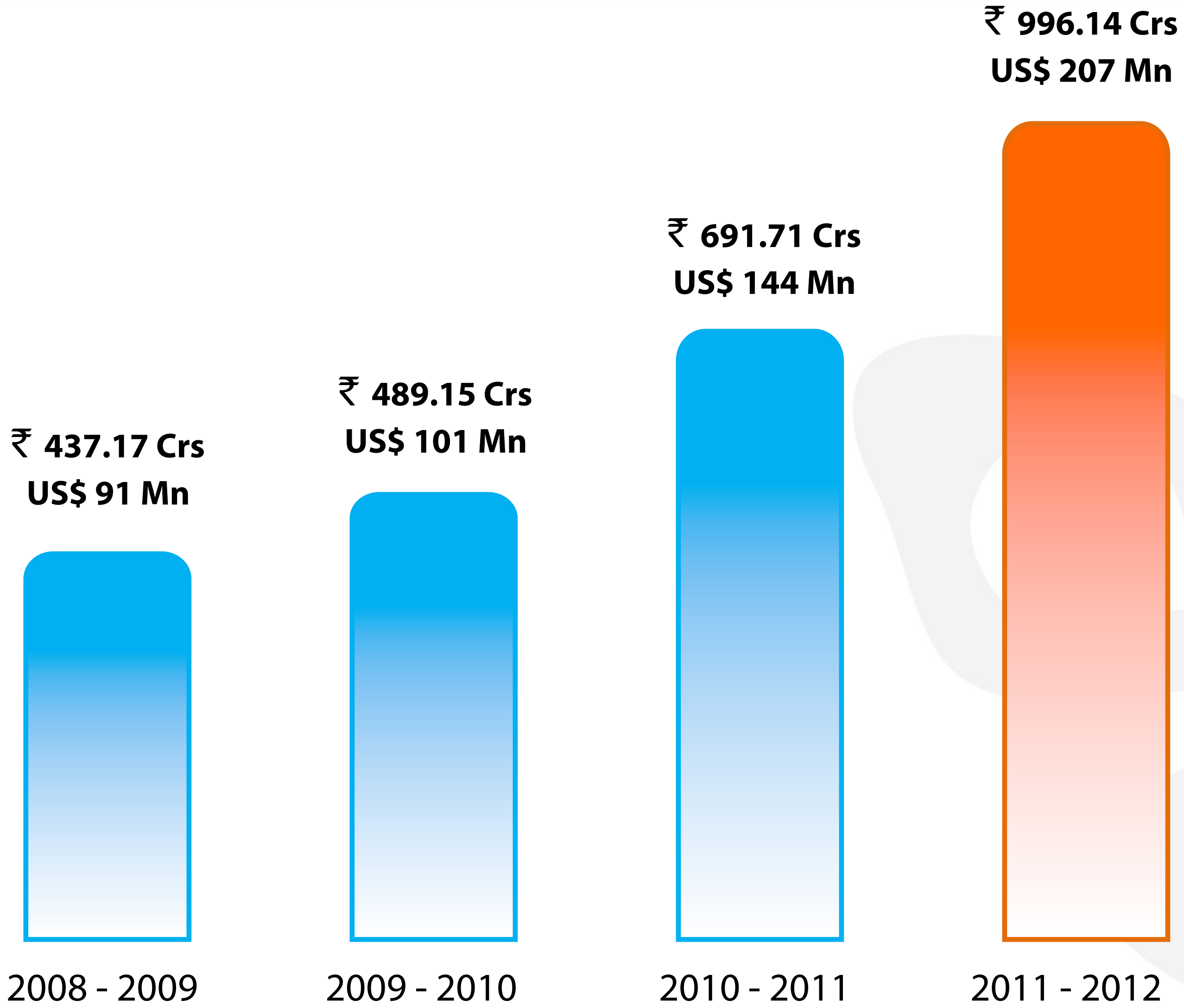
International

Formulations

International Formulations

CAGR = 31%

Sales



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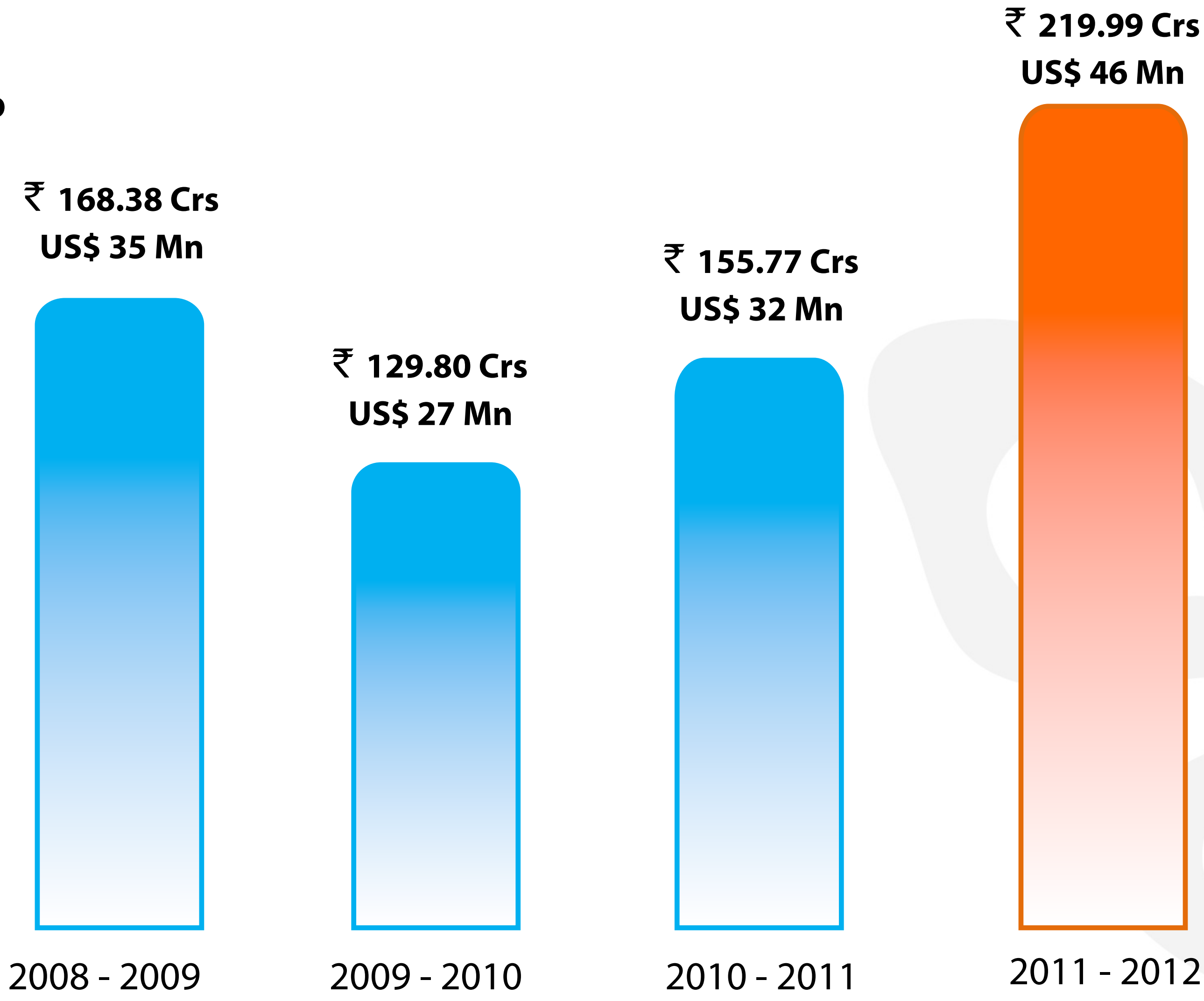
International

Branded Formulations

International
Branded Formulations

CAGR = 10%

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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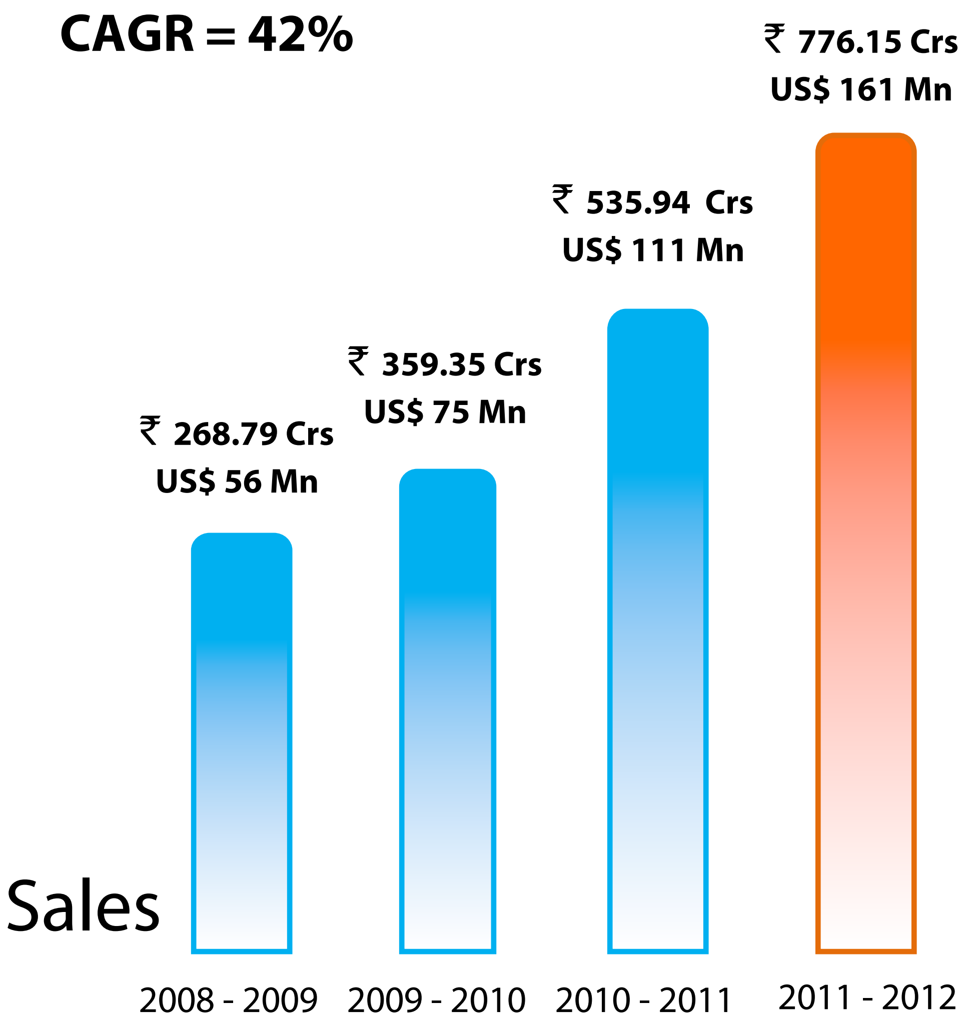
International

Generics

International Generics



Country	Products Registered	Products Under Registration
United Kingdom / Europe	50	12
Australia / New Zealand	32	10
South Africa	39	8
United States / Canada	14	18

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.
- Pending approval for anti-malarial finished dose combination formulation – Artesunate + Amodiaquine and Artesunate Injectables.

Future Growth Drivers – North America

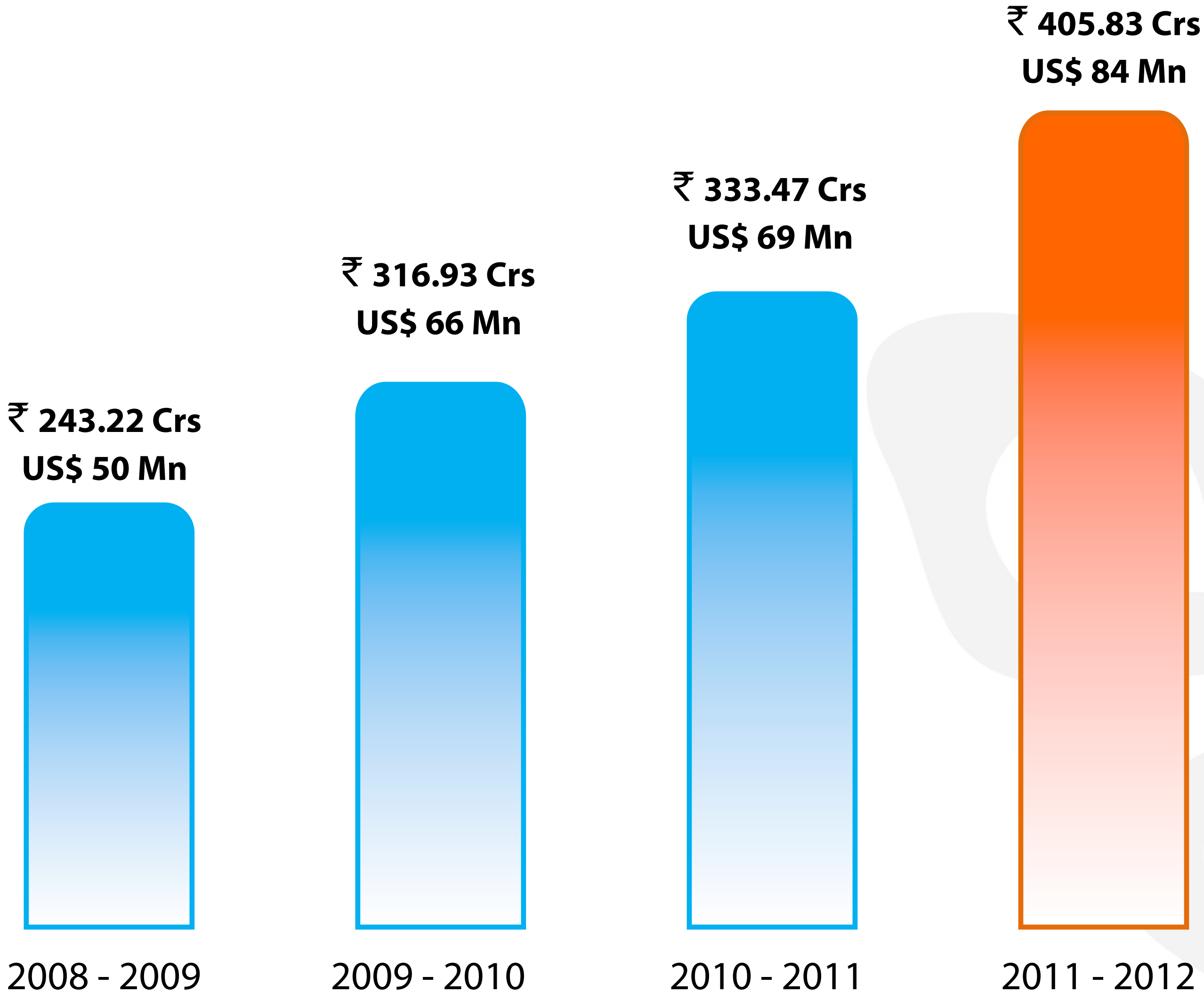
- Strategic tie up with 3 marketing partners for sale/distribution of Generic formulations.
- 25 ANDAs filed of which 12 ANDAs are approved.
- 8 to 10 ANDAs targeted for filing for every year.
- Exploring contract development and manufacturing opportunities.
- Marketing operations started in Canada.

International

APIs

International
APIs

CAGR = 19%



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	Balsalazide Disodium Dihydrate	✓						
9	Beventalol Hcl					✓		
10	Benzbromarone					✓		
11	Bendroflumethiazide	✓						✓
12	Bisoprolol Fumarate	✓						
13	Carvedilol	✓		✓				✓
14	Cetrizine Dihydrochloride	✓	✓					✓
15	Chloroquine Phosphate	✓	✓					✓

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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	Chloroquine Sulphate		✓					
17	Chlorthalidone	✓		✓				✓
18	Cilostazole	✓						
19	Citalopram HBR	✓						✓
20	Clopidogrel Bisulfate	✓						
21	Etodolac	✓						✓
22	Ebastine					✓		
23	Escitalopram Oxalate	✓						
24	Famotidine					✓		✓
25	Fenofibrate	✓						✓
26	Fluconazole	✓						✓
27	Flumequine							✓
28	Furosemide	✓	✓	✓		✓	✓	✓
29	Glimeperide	✓						✓
30	Hydrochlorothiazide	✓	✓	✓		✓	✓	✓

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	Hydroxyzene Di Hcl	✓						
32	Hydroxychloroquine Sulphate	✓	✓	✓			✓	
33	Indapamide	✓					✓	✓
34	Isotretinoin	✓						✓
35	Losartan Potassium	✓	✓	✓		✓		✓
36	Lumefantrine	✓			✓			
37	Methylphenidate	✓		✓				✓
38	Mesalamine/ Mesalazine	✓						✓
39	Metformin HCL	✓						✓
40	Metoclopramide HCl	✓	✓	✓		✓		✓
41	Metoprolol Succinate	✓						✓
42	Metoprolol Tartrate	✓		✓		✓	✓	✓
43	Nabumetone	✓						✓
44	Ondansetron Hydrochloride	✓					✓	✓
45	Ondansetron Base	✓						

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	Paroxetine Hcl	✓						
48	Perindopril	✓						✓
49	Primaquine Phosphate	✓					✓	
50	Probenecid	✓						
51	Proguanil Hydrochloride	✓						✓
52	Propranolol HCl	✓		✓		✓		✓
53	Pyrantel Pamoate	✓	✓			✓	✓	✓
54	Pyrantel Tartrate	✓						
55	Pyrimethamine Hcl	✓						✓
56	Quetiapine Fumarate	✓		✓				
57	Resperidone	✓		✓				
58	Resindronate Sodium	✓						
59	Sodium Alendronate	✓				✓		✓
60	Sulfadoxine	✓	✓					

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	Torsemide	✓						✓
62	Tramadol Hydrochloride	✓		✓				✓
63	Trimethoprim	✓	✓	✓		✓	✓	✓
64	Triamterene	✓						
65	Triclabendazole		✓					
66	Valsartan	✓		✓				✓
67	Warfarin Sodium Clathrate	✓						✓
68	Warfarin Sodium	✓						✓
69	Zaltoprofen					✓		
70	Zolpidic Acid					✓		
71	Zoledronic Acid	✓						
	Total	**61**	**14**	**17**	**4**	**16**	**10**	**40**

Future Growth Drivers

- 5 new APIs were commercialized in 2011-12.
- Pursuing MNC tie-ups for supply agreements.
- Non-infringing process Patent filed for APIs – Losartan, Clopidogrel Form - 1, Metoprolol Succinate, Valsartan, Glimepride, Carvedilol, Isotretinoin and Perindopril.

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

Research & Development
APIs & Formulations

R & D Spending		
Year	₹ Crs	% to Sales
2007 – 2008	42.92	4%
2008 – 2009	50.22	4%
2009 – 2010	57.28	4%
2010 – 2011	71.27	4%
2011-2012	77.96	3%

Research & Development
APIs & Formulations

- 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.
- 213 patent applications filed.
- 65 patents granted (Indian - 47, US PTO - 11, EU- 7).

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