

Q2 FY2022 Earnings Presentation

GROWING
IS COMMITMENT.
WE POSSESS.



This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Lincoln Pharmaceuticals’ future business developments and economic performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Lincoln Pharmaceuticals undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

CORPORATE OVERVIEW

BACKGROUND

- Established in the year 1979, Lincoln Pharma has developed 600 plus formulations in 15 therapeutic areas.
- Team Strength of Approx. 1,200 Employees
- FY21 - Sales at Rs. 424 crore & PAT at Rs. 62 crore

PRODUCT PORTFOLIO

- 1700 registered products and another 700 in pipeline
- Focused areas includes - Anti-infective, respiratory system, gynecology, cardio & CNS, anti-bacterial, anti-diabetic, anti-malaria among others.

MANUFACTURING

- Manufacturing facility at Khatraj in Ahmedabad, Gujarat
- EU-GMP, WHO-GMP, TGA and ISO-9001: 2015.
- Green Facility producing 65% of energy consumption through renewable Solar & Wind Project

EXPORTS

- Exports increased to 65% of in FY21 from 11% in FY13.
- Exports to 60 plus countries currently & plans to expand to 90 countries in next 2-3 years
- Major Markets include - East & West Africa, Central & Latin America and Southeast Asia

FINANCIALS

- Net Debt Free company
- 5 Year PAT CAGR 20% Plus
- Net Worth at Rs. 413.4 crore as on 30 Sep 2021
- Cash & Cash equivalents at Rs. 17.47 crore as on 30 Sep 2021

MARKET INFO

- Listed on BSE in 1996
- Market Capitalisation of Rs. 823 crore as on 30 Sep 21
- Promoter Holding at 40.28% in Sep 21 vis-à-vis 37.26% in Mar 21 – rise of 3.02%

R&D

- Awarded with 7 Patents; Filled 25 plus Patent Applications
- DSIR Approved R&D Facilities
- 75 Plus R&D Professional including 30 Scientists

RATING

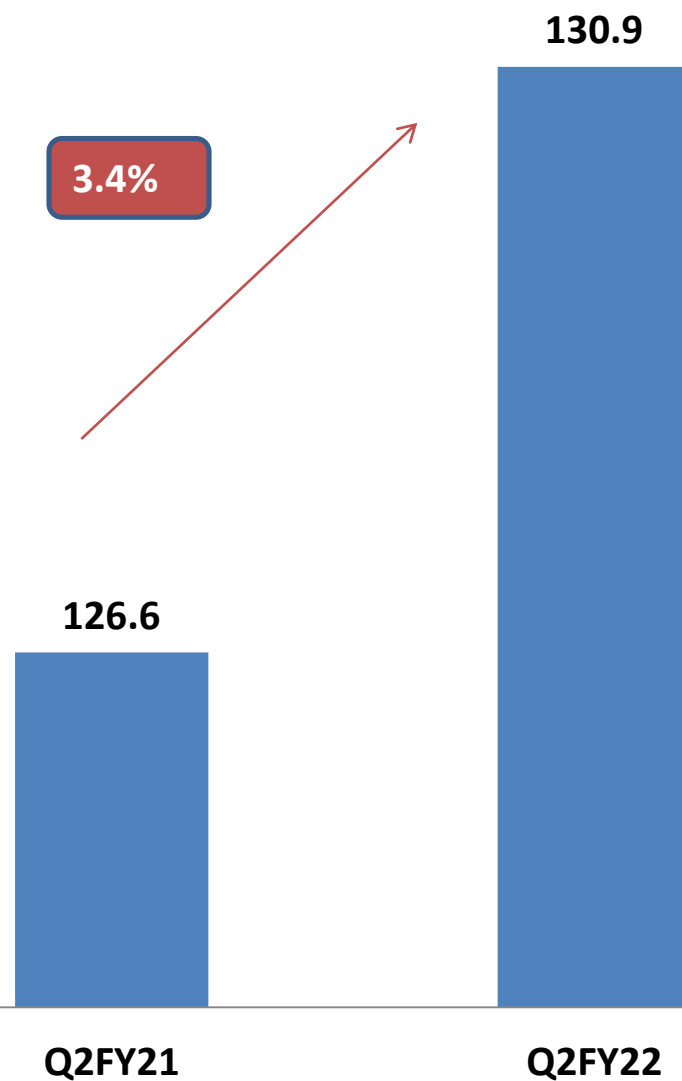
- ICRA Upgraded Rating and Outlook of the company
- Long Term rating is upgraded to ICRA A with stable outlook
- Short Term rating is upgraded to ICRA A1

Q2 FY22 Business Performance & Roadmap

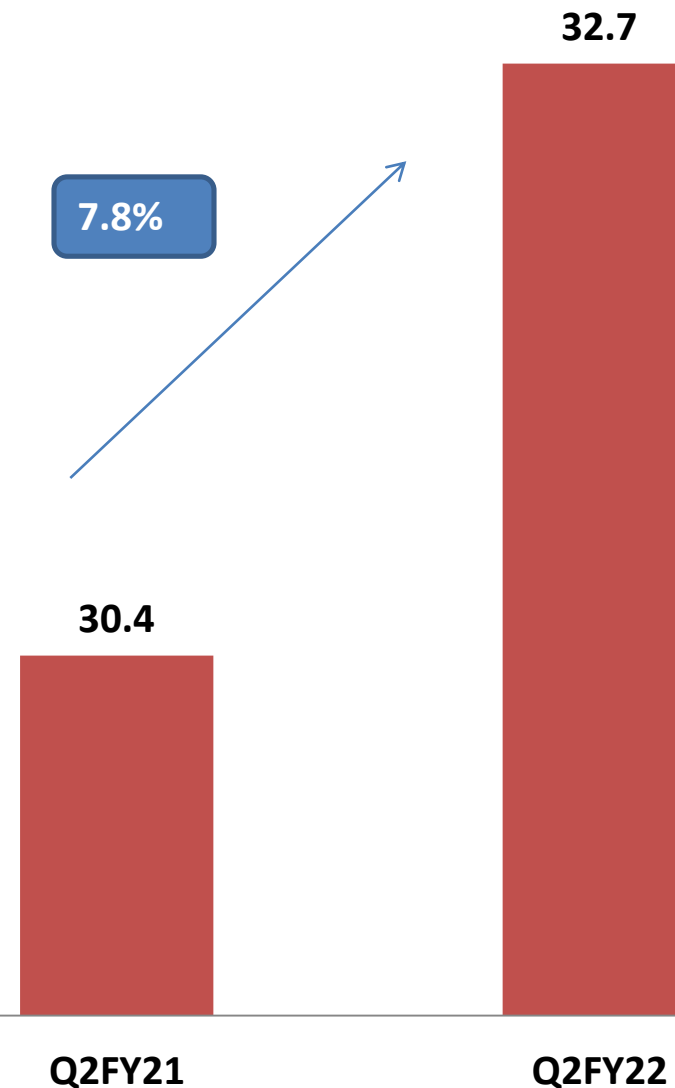
- Company has delivered a robust operational and financial performance during the quarter and is confident to improve growth numbers going forward. Strategic growth initiatives, product and geographical expansion, operational efficiency are likely to maximize value for all stakeholders in the near to medium term.
- Consolidated Revenue for the Q2 FY22 increased 3.4% to Rs. 130.9 crore. Exports for the H1FY22 at Rs. 133 crore. Recently company received an approval from Australia's medicines and medical devices regulator - Therapeutic Goods Administration (TGA). TGA and EU GMP approvals will help strengthen company's presence in 90 plus countries. Exports to European Union are expected to commence from Q4FY22.
- **Domestic Business and New Launch** - Company will be launching 6-7 new products in the domestic markets and expects 20-25 new dossiers approval for the exports market. Company is building a product portfolio in the lifestyle and chronic segment especially dermatology, gastro and pain management to complement it's strong presence in acute segment,
- **Expansion Plans:-**
 - Cephalosporin Plant** - Company has acquired a plant in Mehsana (Gujarat) to launch Cephalosporin products. Company to invest Rs. 30 crore for the expansion and expects commercial operations from March 2022. The plant is expected to contribute sales of around Rs. 150 crore in the next 3 years.
 - API unit** - Pollution Control Board granted permission for setting up APIs unit.
- **ICRA Upgrade** - The rating agency ICRA has upgraded company's long-term rating to ICRA A with stable outlook from ICRA A- and positive outlook. Short term rating of the company upgraded to ICRA A1 from ICRA A2+ earlier.
- **Promoter Holding** - During H1FY22 ended Sep 2021, promoter group of Lincoln Pharmaceuticals Ltd increased holding in the company to 40.28% - rise of 302 bps from 37.26% as of 31 March 2021. During FY21 also promoter group through creeping acquisition raised stake in the company to 37.26% - rise of 5% (500 bps) from 32.36% in FY20. Company is committed to gradually up the promoter holding ideally to a majority mark over the next 3-5 years.
- **Outlook** - Over the last 5 years, company has delivered a robust 20% plus CAGR in profits, higher single digit growth in sales. For the FY 21-22 company is looking at a sales growth of 15-20% while maintaining healthy EBITDA and Net profit margins. Geographical and product expansion coupled with operational efficiency contributing to the growth. Company is in the process of expanding presence in Africa, South East Asian countries and exploring entry in EU.

Q2FY22 Consolidated Results

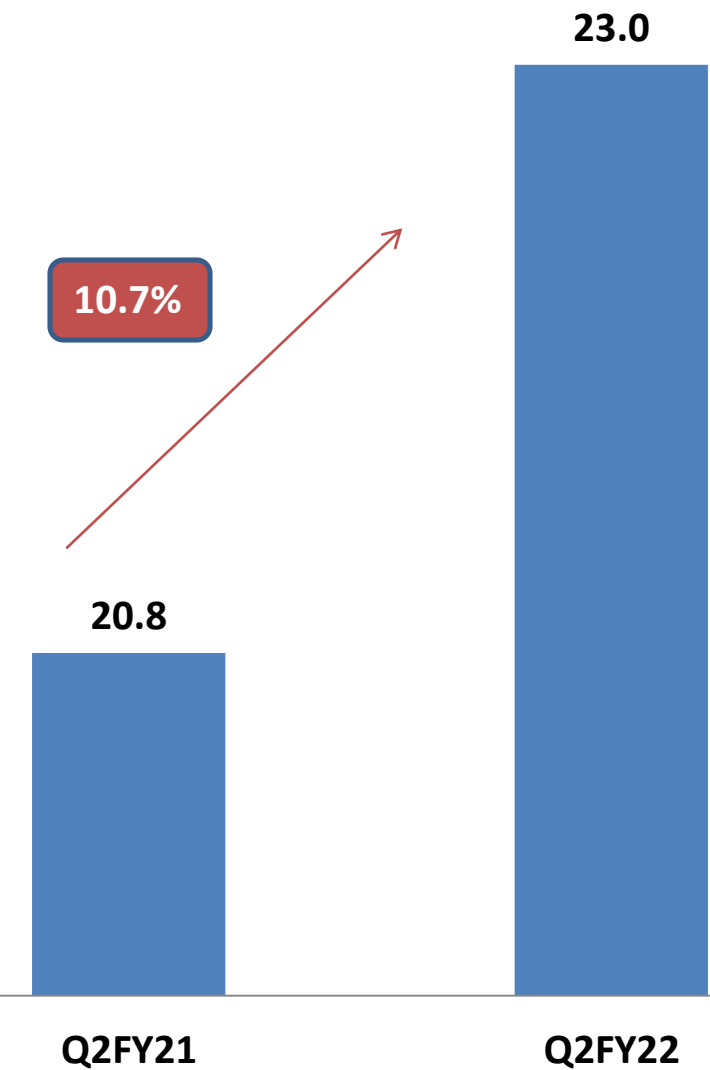
NET REVENUE



EBITDA



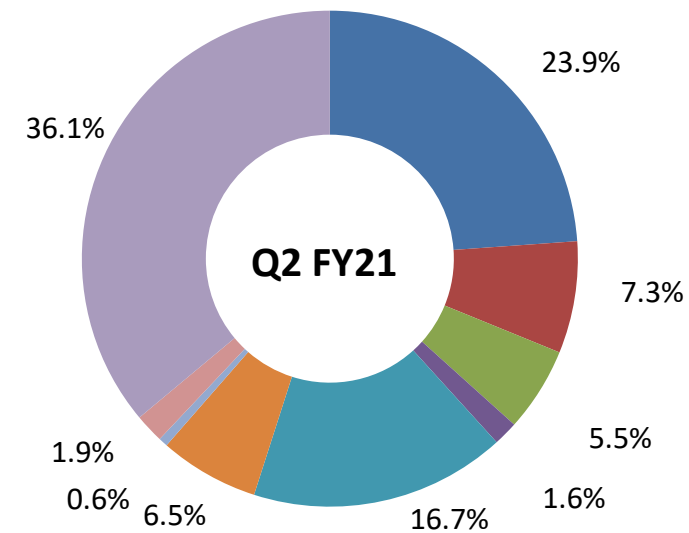
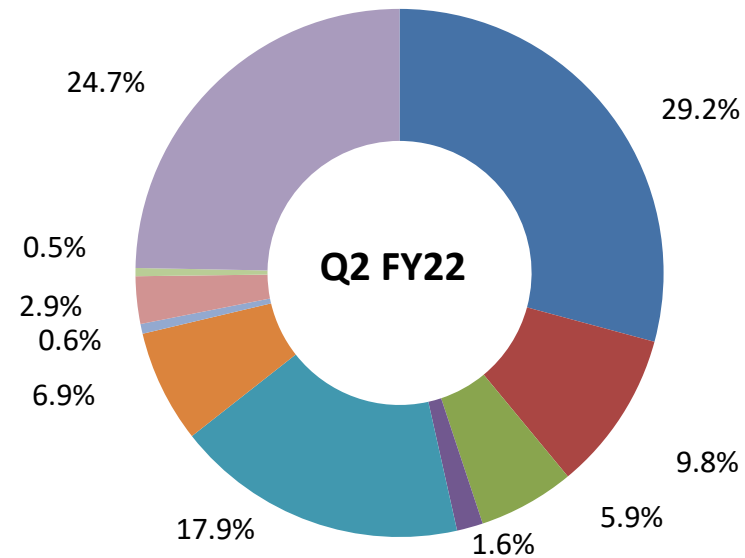
PAT



Performance – Focused Therapeutic Areas

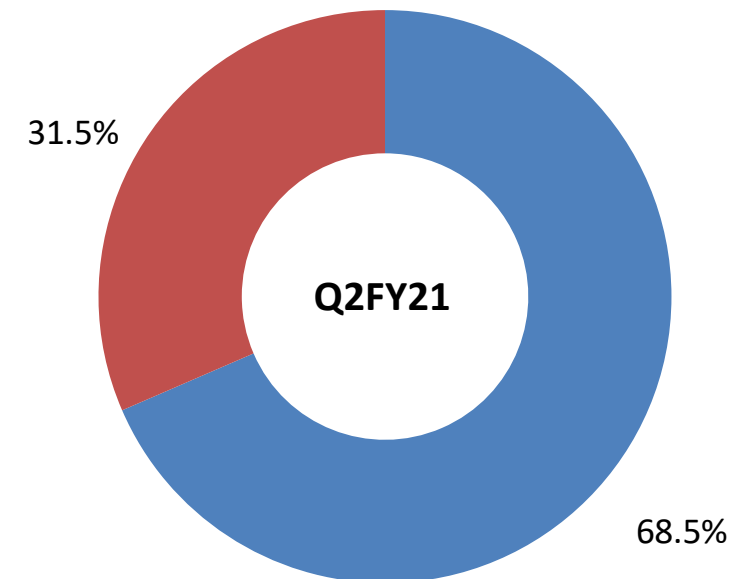
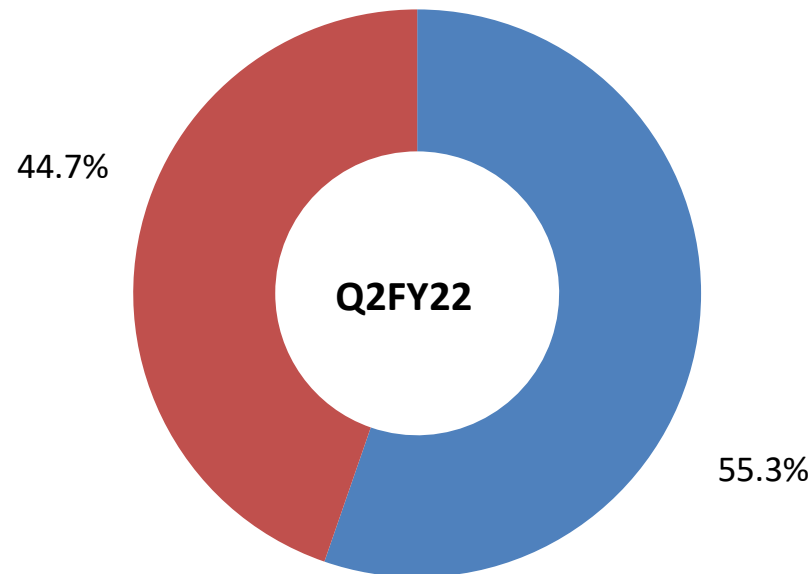
Revenue Breakup

Therapeutic Area



- General Anti Infectives
- Respiratory Systems
- Alimentary Tract and Metabolism
- Genito Urinary System and Sex Hormones
- Musculo-Skeletal System
- Parasitology
- Blood and Blood Forming Organs
- Cardiovascular System
- Central Nervous System
- Others

Geography



- International
- Domestic

Performance Overview

Consolidated Financial Performance (Rs. Cr)

	Q2		Y-o-Y	Q1	Q-o-Q	Half Yearly		Y-o-Y
Particulars	FY2022	FY2021	Growth (%)	FY2022	Growth (%)	FY2022	FY2021	Growth (%)
Net Revenue	130.9	126.6	3.36%	124.2	5.42%	255.1	232.2	9.85%
EBITDA	32.7	30.4	7.79%	27.3	19.79%	60.1	54.3	10.53%
Margin (%)	25.0%	24.0%		22.0%		23.5%	23.4%	
Profit Before Tax	30.5	28.5	6.95%	25.0	21.99%	55.6	49.9	11.21%
Margin (%)	23.3%	22.5%		20.2%		21.8%	21.5%	
Profit After Tax	23.0	20.8	10.69%	17.7	30.07%	40.7	35.9	13.31%
Margin (%)	17.6%	16.4%		14.3%		16.0%	15.5%	
Basic EPS (Rs.)	11.51	10.46	10.10%	8.85	30.09%	20.36	18.08	12.59%

Note:

- Financials are as per IND-AS



Providing Affordable and Innovative medicines for healthier lives.

VISION

To spark a universal attempt to uncover cures of diseases by focused and targeted R&D, through forging Strategic alliances both domestically and internationally.

MISSION

- Focused on delivering outcomes that meet important medical needs, making quality medicines more accessible and more affordable, and provide solutions for tomorrow's health challenges.
- To create "Healthcare for All" an actuality by modest participation of premium low-cost pharma products

Key Milestones

1979

Lincoln was incorporated & commences operations as a Partnership Firm

1984-85

Received WHO – GMP for plant / production unit

1995

Converted in to a Public Limited Company

1996-97

Launched IPO & Listed on BSE

2000

Domestic Market Expansion; Covered 80% of India Market

2010-11

Developed & Launched 3 NDDS products

2015-16

Listed on NSE
Installed Windmill 2.1 MW in addition to 600 KVA in 2009

2016-17

Launched 3 products which are first time in India; Entered regulated African & Latin American countries

2017-18

Launched Next Generation Progesterone Therapy “ProlinSpray”

2018-19

1MW Solar Roof installed; Targeting Regulated Market Inspection

2019-20

Received EU GMP; Patent for Diclofenac Rectal Spray;

2020-21

Debt Free company ;
Launched Vitamin C + Zinc

Growth Drivers – Ready for the Next Big Leap

CAPEX

- Company has acquired a plant in Mehsana (Gujarat) and plans to launch Cephalosporin products at the facility. Company to invest Rs. 30 crore for the expansion and expects commercial operations from March 2022.
- Pollution Control Board granted permission for setting up API Unit

Export Network

- Export Network to increase to **90+** Countries from 60 currently. For the FY21, exports grew 18.4% to Rs. 270 crore.
- Received an approval from Australia's medicines and medical devices regulator - Therapeutic Goods Administration (TGA). TGA and EU GMP approvals will help strengthen company's presence in 90 plus countries

Strong Finances

- Liquidity position on a strong foundation, supported by healthy cash accruals, Net debt free status and healthy return ratios.
- For the FY21, company reported healthy ROCE at 22.1%, RONW at 17.5% with Net Profit margin of 14.6%.
- Book Value of the company was Rs. 188 per share as on March 2021. Net worth of was Rs. 413.4 crore as on 30 Sep 21.

New Product

- Focus on expanding product portfolio, Patent & NDDS through R&D
- Building a strong portfolio in lifestyle and chronic segment especially women healthcare, dermatology to complement its strong presence in the acute segment.

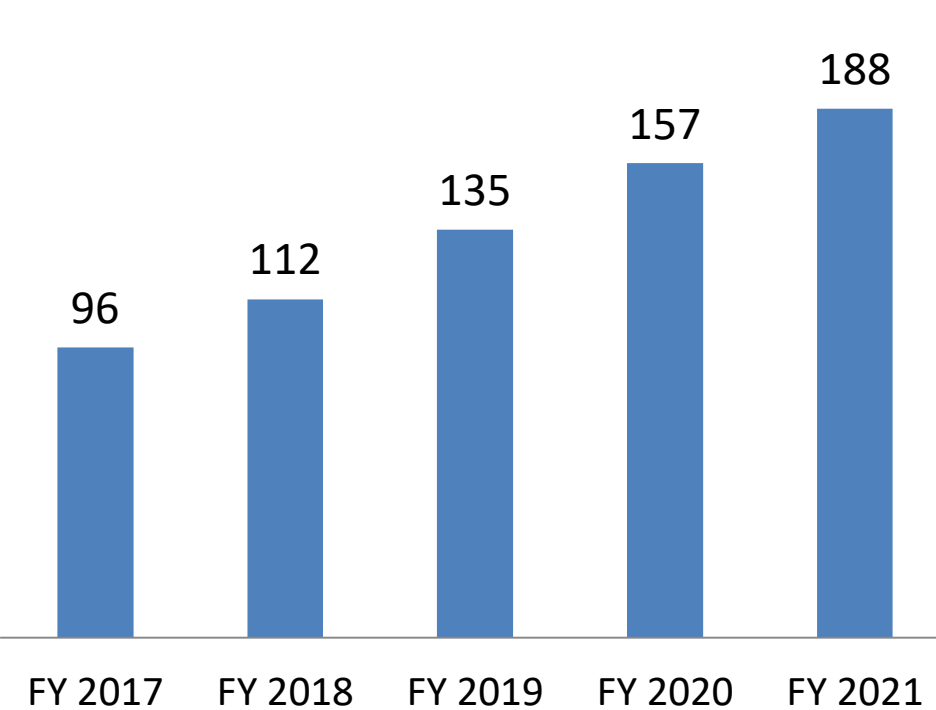
Growth Outlook

- Over the last 5 years, company has delivered a robust 20% plus CAGR in profits, higher single digit growth in sales.
- In FY21-22. Company is looking at a sales growth of 15-20% while maintaining healthy EBITA and Net profit margins .
- ICRA Upgraded Rating and Outlook of the company

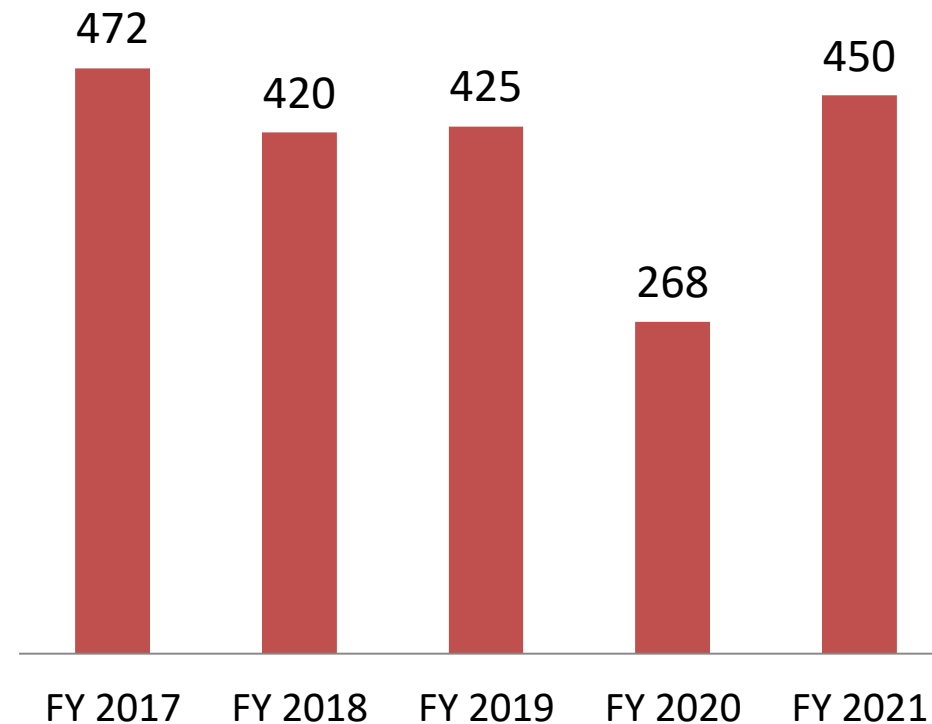
Lincoln Pharmaceuticals Ltd - Financial Overview

Year	Revenue	EBITDA	PAT	EPS	Share Price
FY 21	424	92	62	31.11	225
FY 11	189	13	6	4.51	35
10 Yrs CAGR	8.42%	21.61%	26.31%	21.33%	20.45%

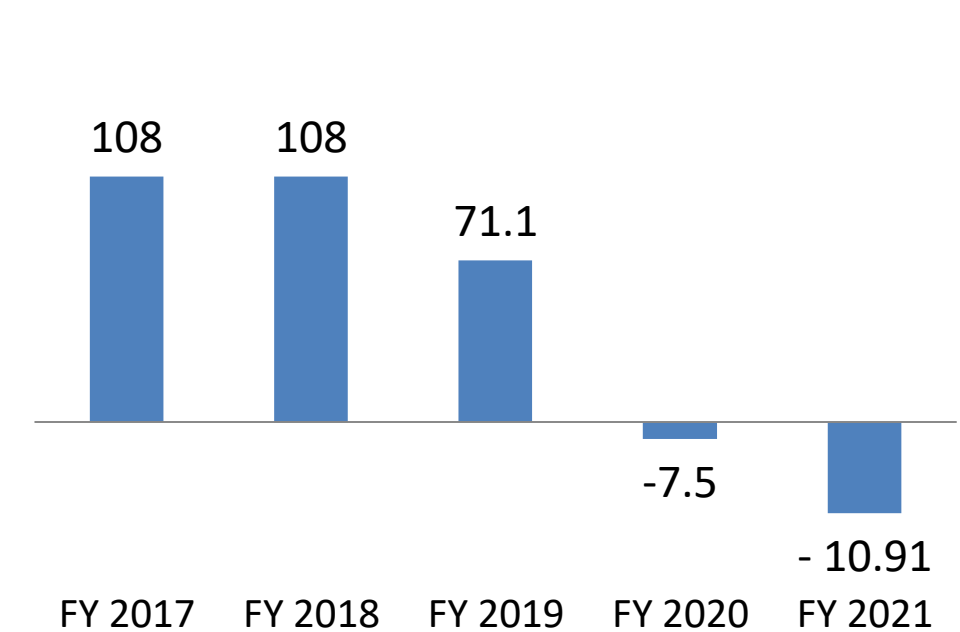
Book Value (Per Share)



Market Cap (Rs. Cr)

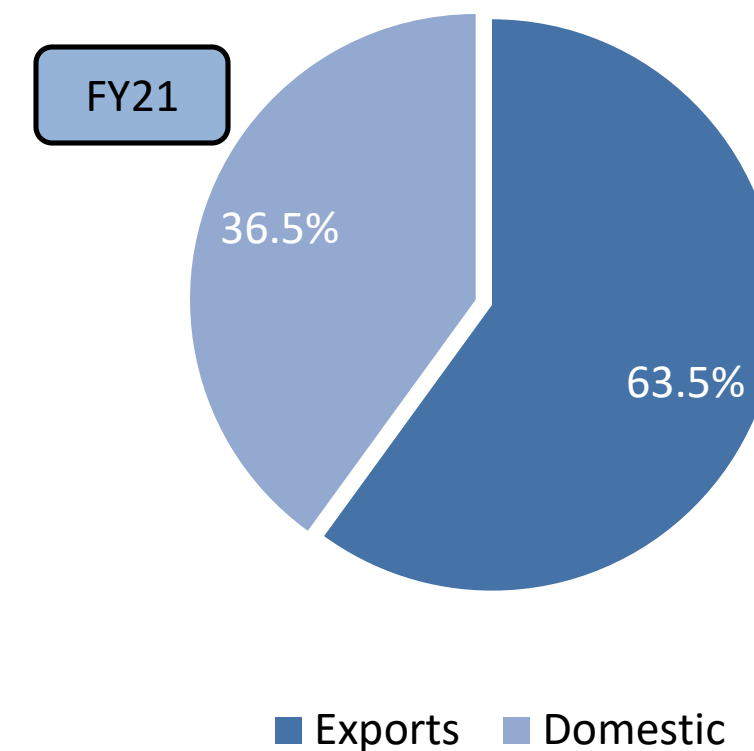
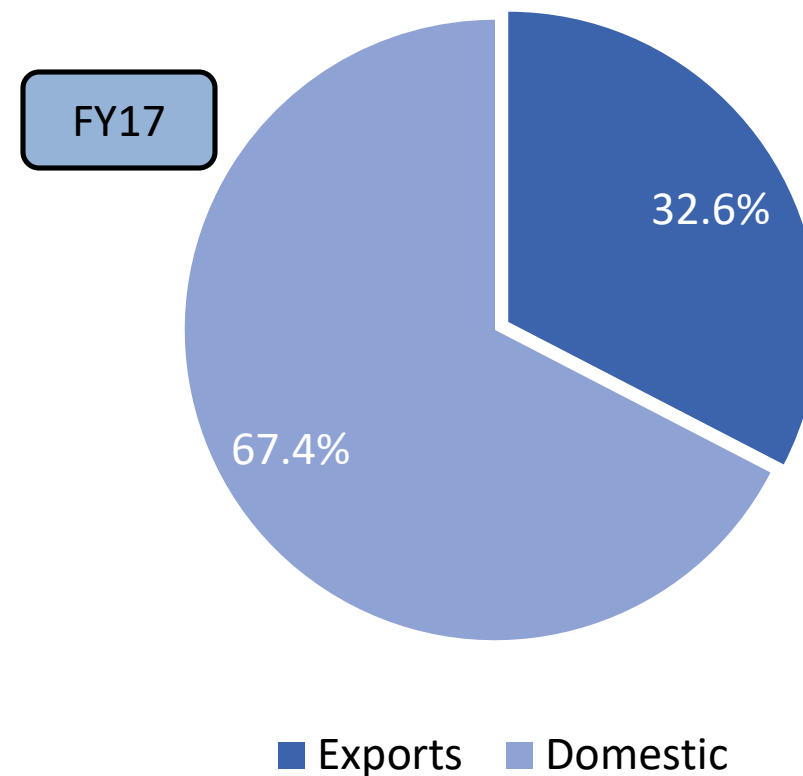
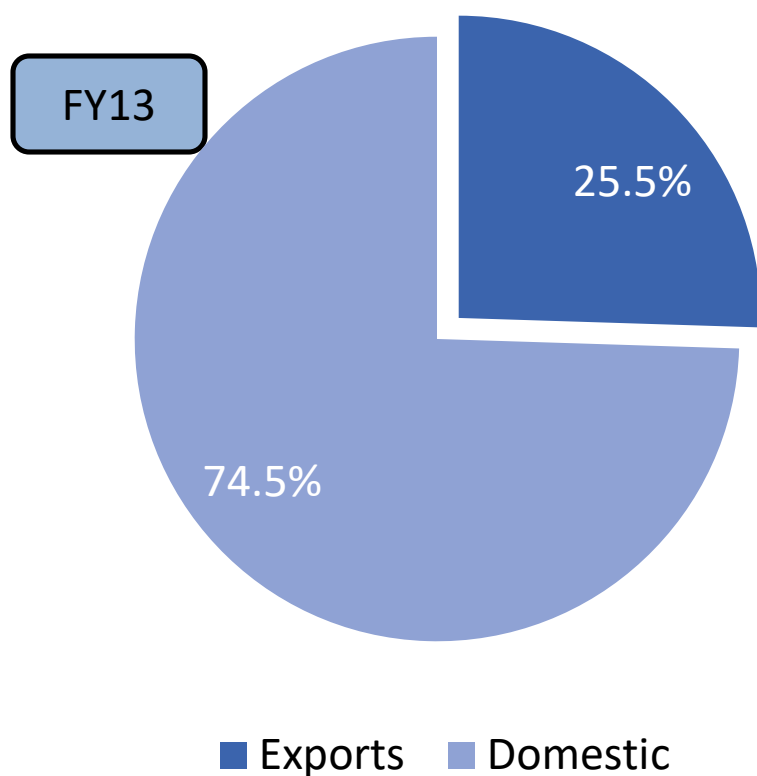


Net Debt (Rs. Cr)



Business Revenue Mix

Particular (Rs. cr)	FY 2013	(%)	FY 2017	(%)	FY 2021	(%)
Domestic Sales	145.03	74.5%	246.46	67.4%	154.63	36.5%
Exports	49.67	25.5%	119.27	32.6%	269.56	63.5%



Global Footprint

Presence over 60 + Countries in Europe, Latin America, Africa, Asia Pacific, South East Asia and 26 States across India



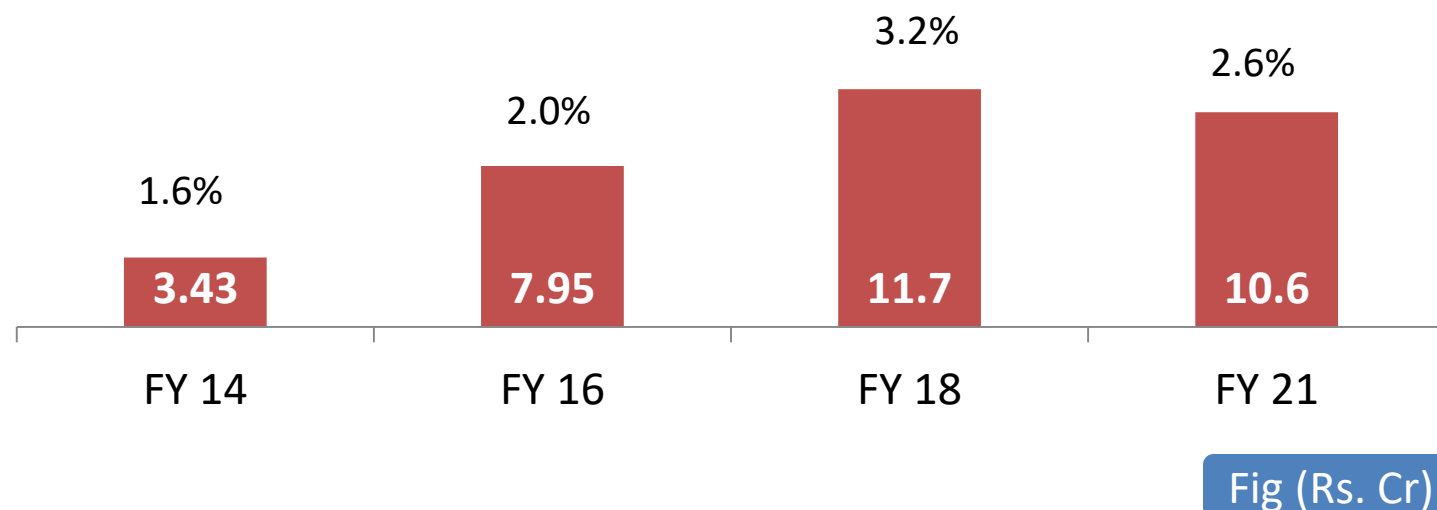
Research & Development



NDDS Formulations Introduced as First Time in India

- Anti-fungal vaginal spray
- Diclofenac rectal spray
- Sildenafil oral spray
- Ondansetron Hydrochloride Oral Spray (DOMI-UP)
- Paracetamol 1000mg Programmed Release Tablet (PA-12)
- Micronized Progesterone Vaginal Spray (PROLIN)
- Namcold DX Oral Suspension
- First one to introduce TINNEX for the relief of Tinnitus

R&D Expenditure as % of Sales



Research Facilities	R&D Team
Senior Scientist	15
Junior Scientist	18
Analysts	18
Regulatory Personnel	12
Administrative Personnel	9
Others	6
Total	78

Innovations - Lincoln Pharma

PROLIN

Micronized Progesterone 12.5% w/v Spray

DOMITM up

Ondansetron Hydrochloride 2 mg Oral Spray

TinnexTM

Caroverine 20 mg Capsules
Caroverine 160 mg/8 ml Injection

LUTHER AQUA

α - β Arteether 150 mg/ml Injection

NAM COLD-Z

Paracetamol 125 mg + Phenylephrine 5 mg + Chlorpheniramine maleate 1 mg + Sodium Citrate 60 mg + Menthol 1 mg / 5 ml Syrup

Pa 12^{PROGLETS}

1000 mg Programmed Release Paracetamol



VivianTM GEL

Diclofenac Diethylamine 1.16% w/w + Linseed Oil 3.0% w/w + Methyl Salicylate 10% w/w + Menthol 5.0% w/w

CHARGE UPTM

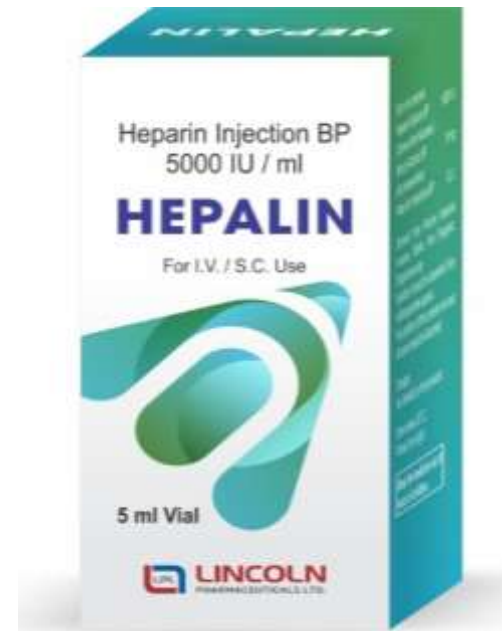
(11 Antioxidants + 33 Essential Micronutrients + 5 Amino acids)



New Launches – Domestic Market



New Launches – International Market



Wide Spectrum of Therapeutic Coverage

Dermatologist
Preparation

Cough & Cold /
Anti Allergic / Anti-
asthmatics

Gyneacological
Products

Sterile Ophthalmic
Eye
Drops/Ointment

Gastro Intestinal
Range

Anti-malarial

Vitamins / Minerals
/ Anti-oxidants5

Anti-bacterial /
Anti-viral/ Anti-
fungal

Analgesic / Anti-
pyretic

Otology

Anti-Diabetic

Anti-Psychotic /
Anti-Convulsant
/Anti-Depressant

Cardiac / Anti-
Hypertensives /
Diuretic

Anti-Diarrhoeal /
Anti-Spasmodic /
Laxative

Phosphodiesterase
Type 5 Inhibitor
and General
Anesthetics

Best in Class Facilities



Certifications: EU-GMP, TGA, WHO-GMP Certified; ISO 9001:2015 Certified.



R&D Center: Approved by Government of India; Team of 30 plus scientists for R&D.



Green Energy: Windmill project and 1MW Solar Roof installed. Producing 65% of company's total energy consumption.

Dosage Forms Produced at Unit 1

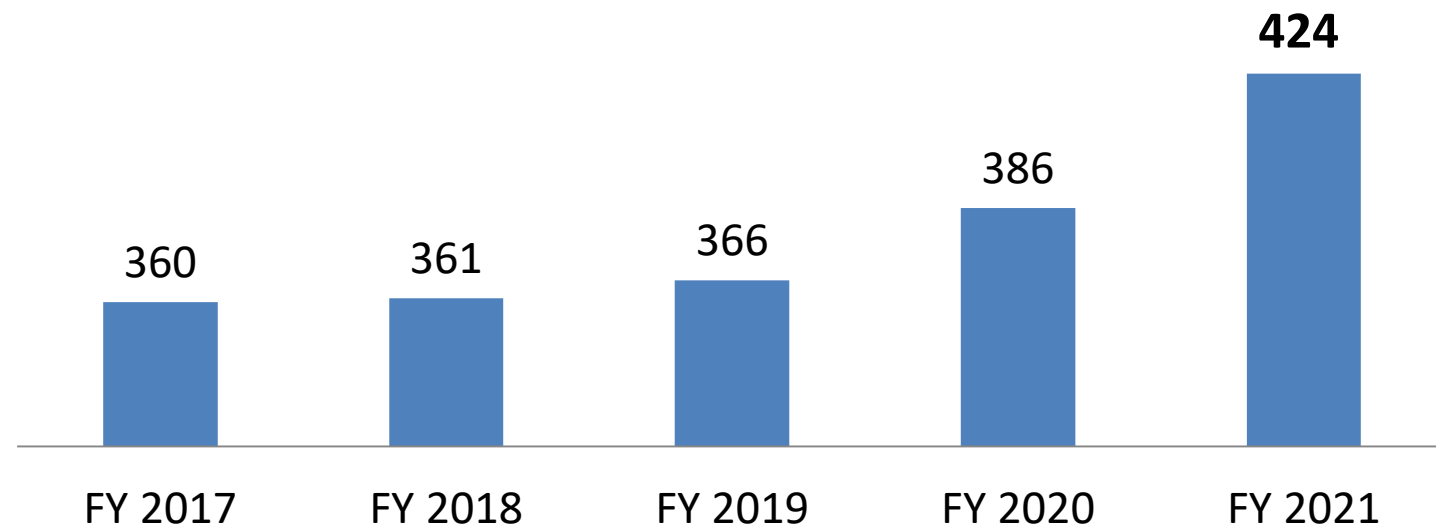
Description	Annual Capacity	Unit
Tablet (Compression & Coating)	21,600 Lakhs	Tablets
Tablet (Granulation)	9,00,000	Kg
Capsule (Filling)	2,340 Lakhs	Capsules
Dry Syrup (Filling)	72,00,000	Bottles
Ointment (Filling)	336 Lakhs	Tubes

Dosage Forms Produced at Unit 2

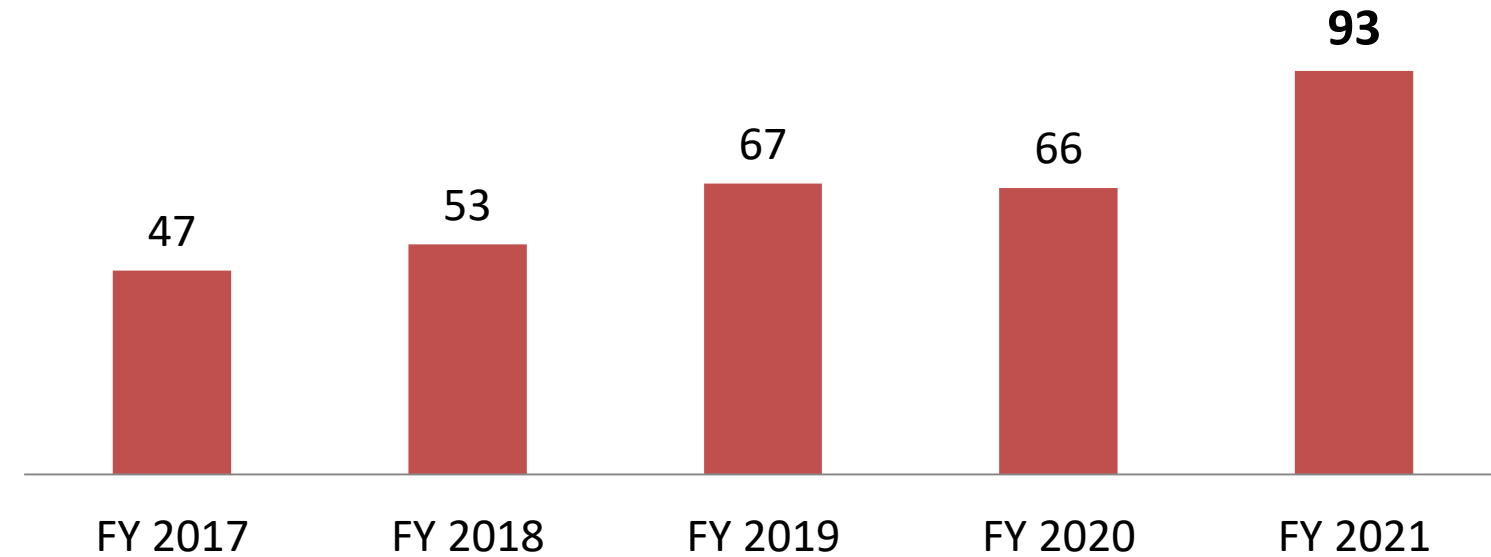
Description	Size	Annual Capacity	Unit
Liquid Ampoules	1 ml to 5 ml	60,000,000	Ampoules
	10 ml	30,576,000	Ampoules
Liquid Vials	2 ml to 10 ml	15,600,000	Vials
	10 ml to 30 ml	15,600,000	Vials
Oral Liquids	60 ml to 100 ml	18,000,000	Bottles
	150 ml to 200 ml	18,000,000	Bottles
Dry Powder Injection	100 mg	22,464,000	Vials

Financial Highlights

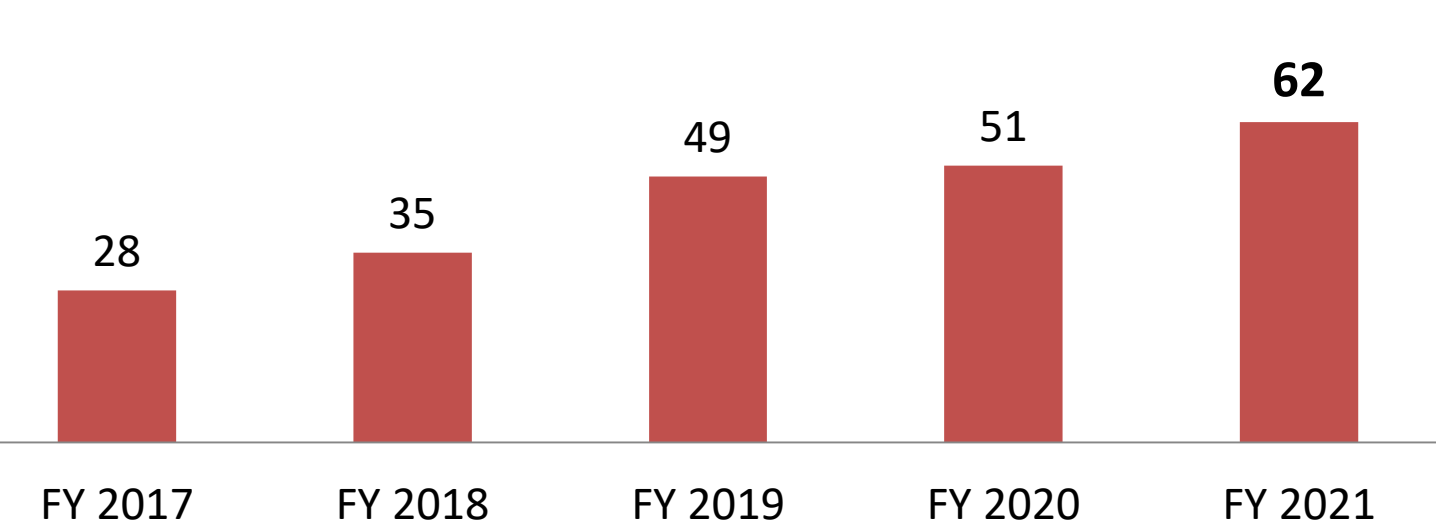
Revenue



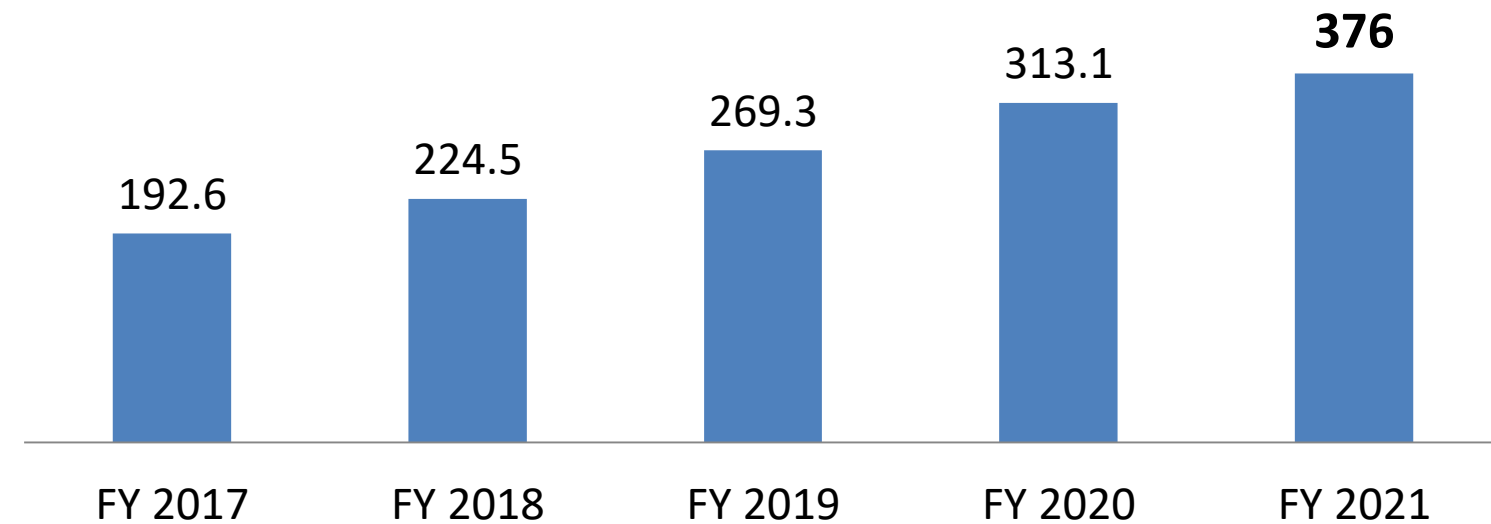
EBITDA



PAT

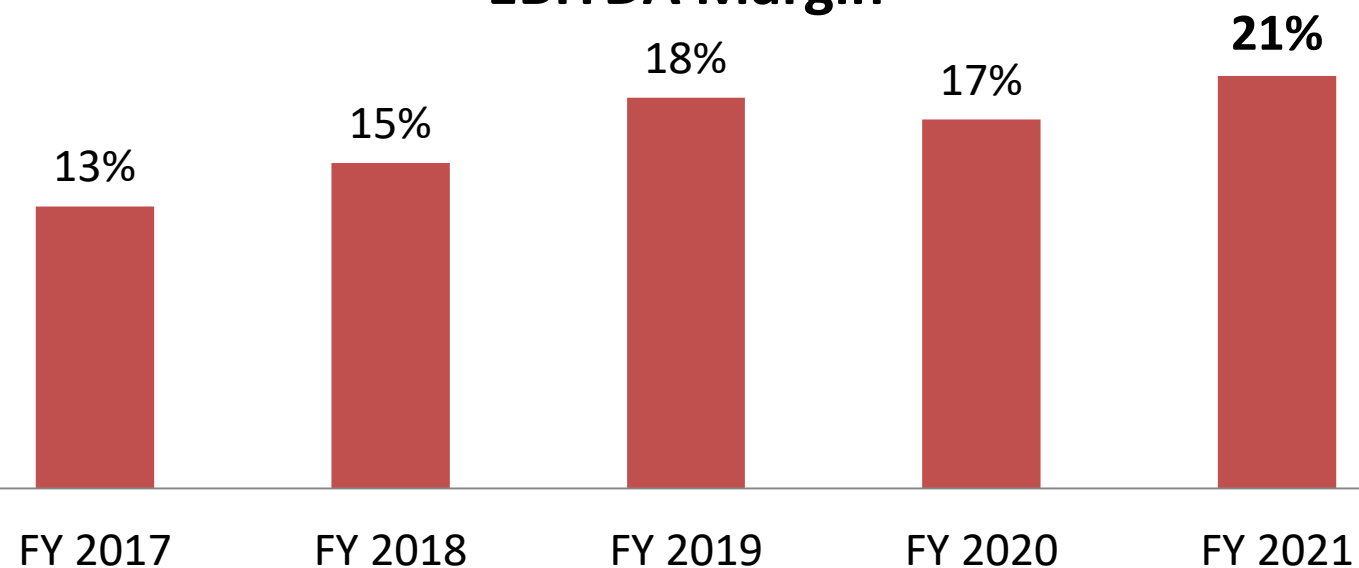


Net Worth

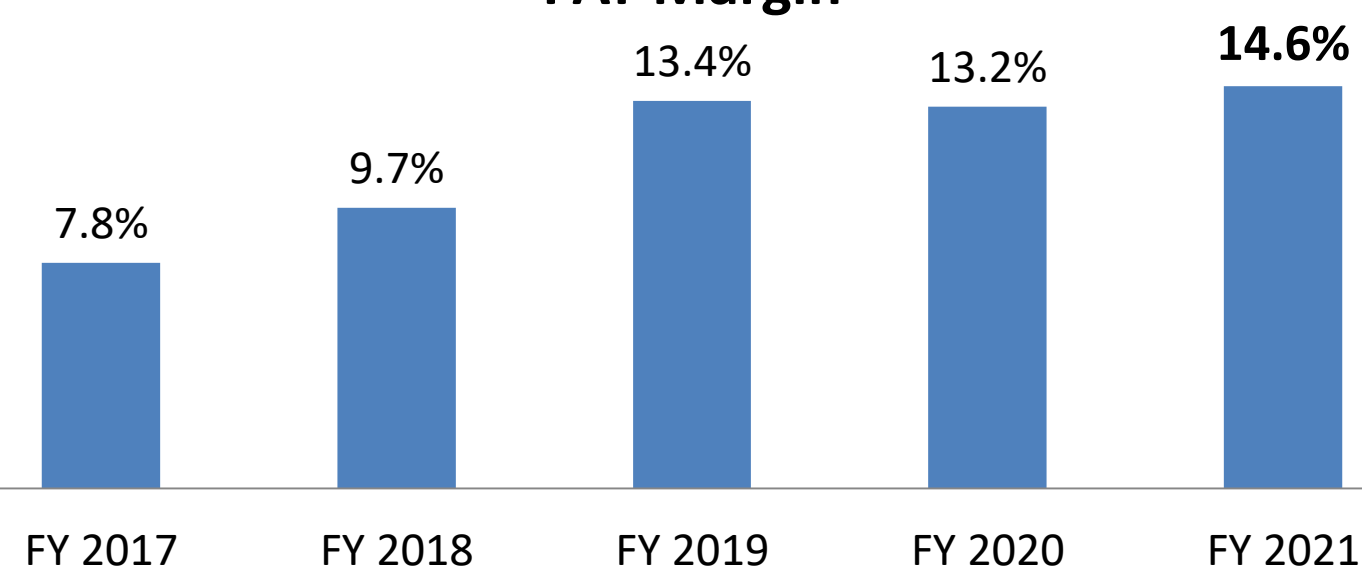


Profitability Ratios

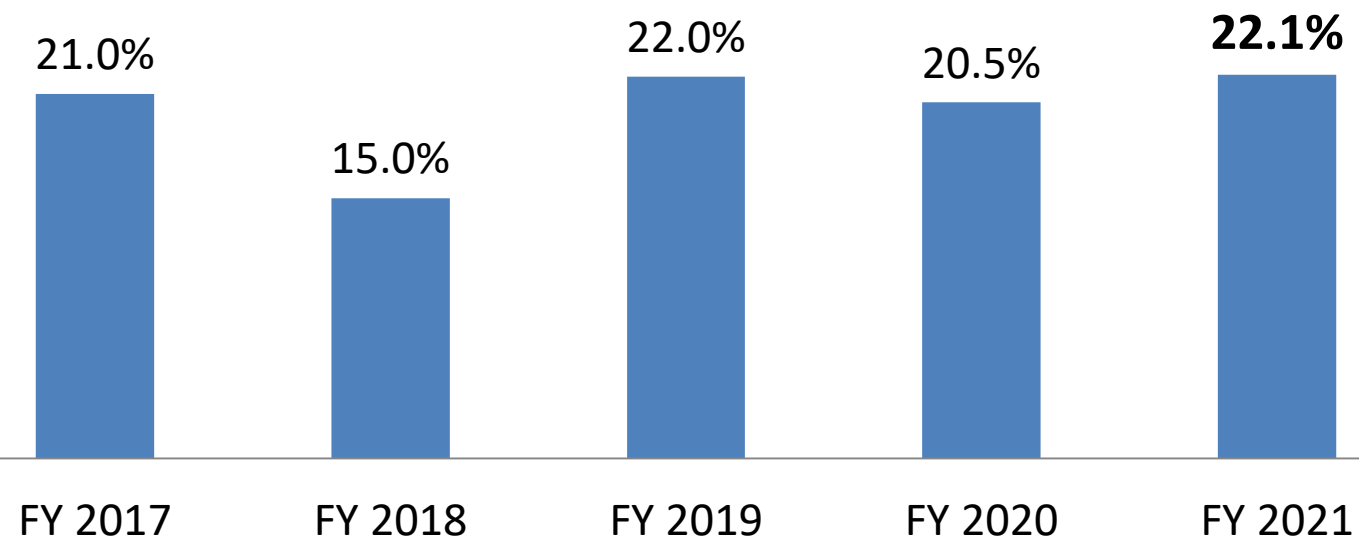
EBITDA Margin



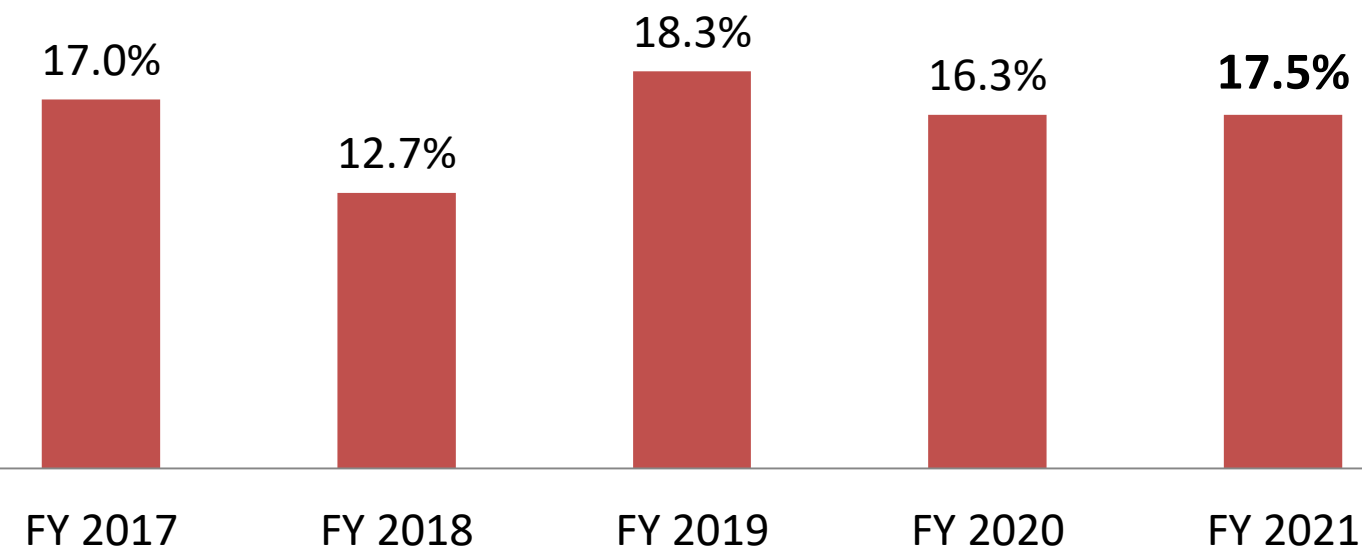
PAT Margin



ROCE



RONW

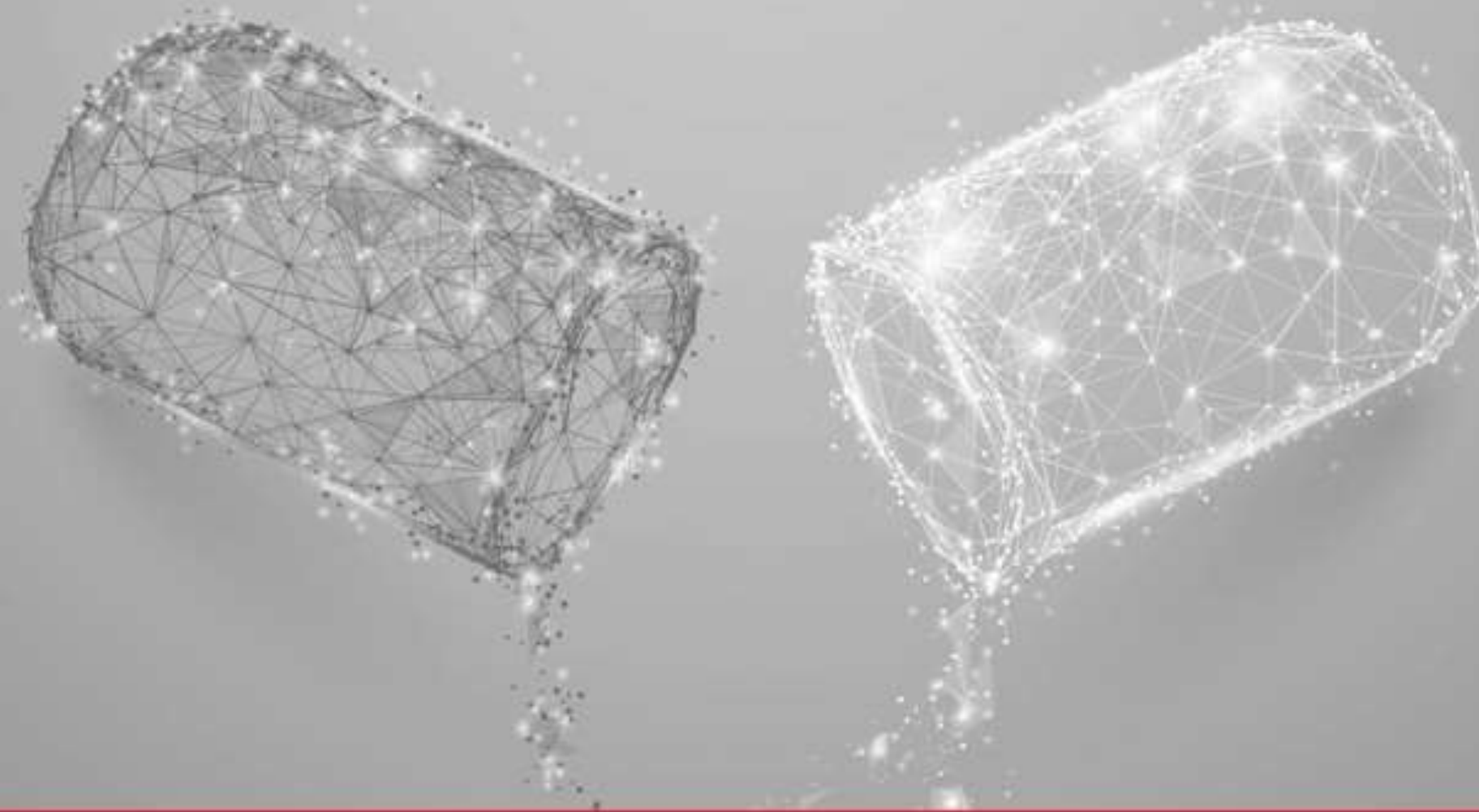


Shareholding Information

	September 2021			March 2021		
Investor Category	No. of Shareholders	No. of Shares Held	% Holding	No. of Shareholders	No. of Shares Held	% Holding
Promoter Group	30	80,55,539	40.28%	30	74,51,904	37.26%
Public Holding	30,244	1,19,44,461	59.72%	21,385	1,25,48,096	62.74%
Total	30,274	2,00,00,000	100.00%	21,415	2,00,00,000	100.00%



Stock Information	As on 30 Sep 2021
No. of Equity Shares	2,00,00,000
Face Value (INR)	10
Market Price (As on 30 Sep 2021)	411.65
52 Week High / Low	414.75 / 191.40
Market Capitalisation (As on 30 Sep 21)	Rs. 823.3 crore



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