

February 09, 2024

To,  
Listing Department,  
National Stock Exchange of India Limited  
Exchange Plaza, Plot No C-1, Block G, Bandra Kurla Complex,  
Bandra (E), Mumbai – 400051

**NSE Symbol: BALAXI**

Dear Sir/Madam,

**Subject: Investor Presentation**

In compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we enclose herewith the Investor Presentation on highlights of the Financial Results of the Company for the quarter ended December 31, 2023.

The aforesaid information is also being hosted on the Company's website at [www.balaxipharma.in](http://www.balaxipharma.in).

This is for your information and records.

Yours Faithfully,

**For Balaxi Pharmaceuticals Limited**

**Udayan Shukla**  
(Company Secretary and Compliance Officer)  
Membership No.: F11744

Encl: A/a

**Registered Office:**

Plot No. 409, H. No. 8-2-293, Maps Towers, 3rd Floor, Phase III, Road No. 81, Jubilee Hills, Hyderabad (T.G.) - 500 096

CIN: L25191TG1942PLC121598

Phone: +91 40 23555300 | Email: [info@balaxi.in](mailto:info@balaxi.in) | Website: [www.balaxipharma.in](http://www.balaxipharma.in)

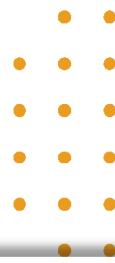
# Balaxi

Pharmaceuticals Limited



*Branded IPR-driven Pharma Player in Frontier Markets*

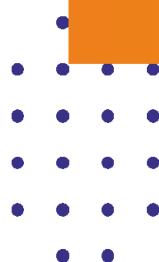
*Investor Presentation*



# Disclaimer

*Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Balaxi Pharmaceuticals Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.*

# Contents



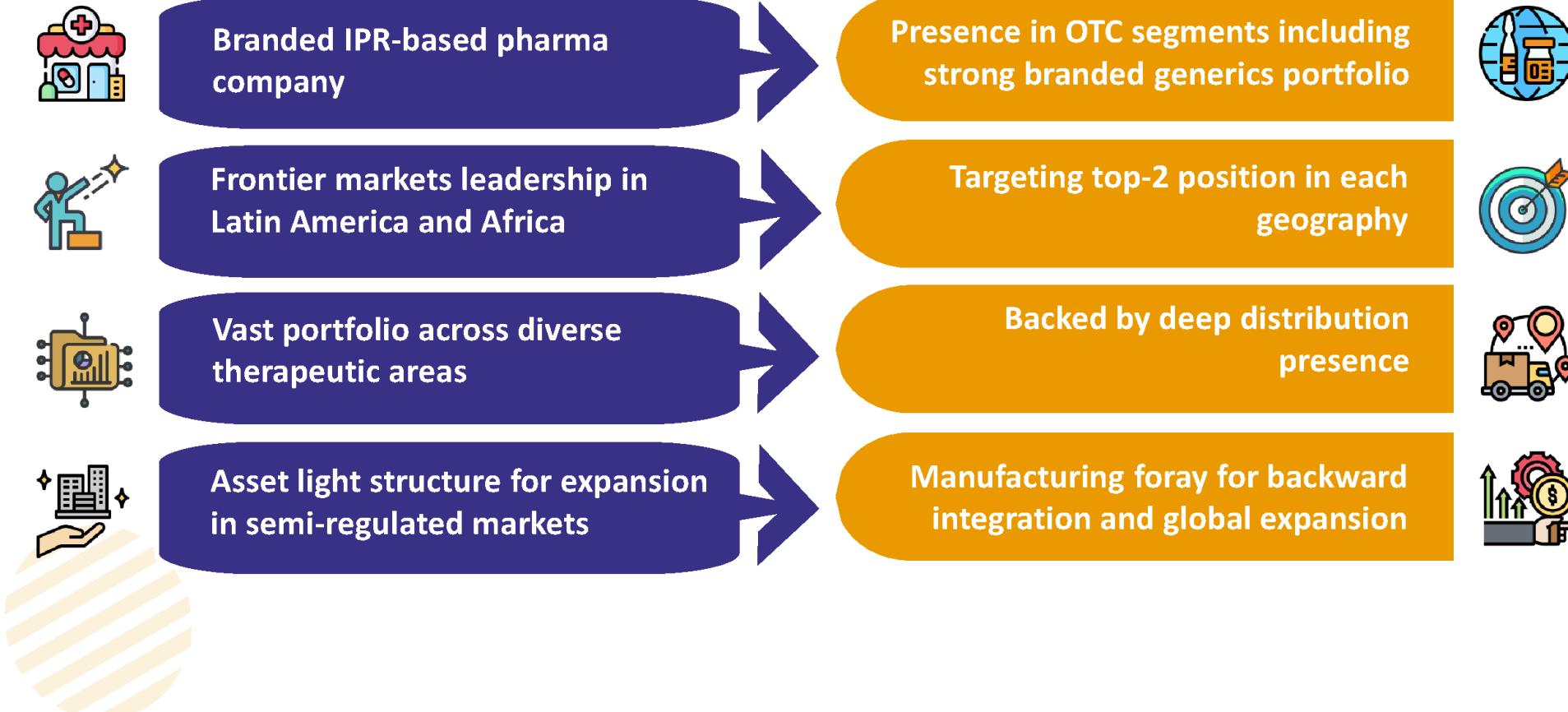
04 Corporate Snapshot

14 Financial Highlights

20 Strategic Roadmap



# Bridging the Supply Gap in Frontier Markets



# Successful Produce, Stock, Sell Business Model

## Markets

Established operations: Guatemala (Latin America), Dominican Republic (Caribbean) and Angola (Africa)  
New operations: Honduras, El Salvador and Central African Republic

Expansion initiated:  
Nicaragua, Ecuador, Chile (Latin America)

## Products

Vast range of essential OTC medicines – with healthy mix of generics and branded generics

889 product registrations in six countries  
700+ registrations submitted or in the pipeline

## Supply Chain

Outsourced production from WHO GMP certified plants in India, China and Portugal

Establishing the Company's first pharmaceutical formulation facility in Hyderabad

## Distribution

Deep presence through 38 warehouses and on-ground fleet support

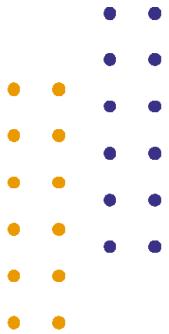
Successful process being replicated in other frontier markets; expansion plans in other global markets over near to medium term

## Transformation

New initiatives strengthening functionality in supply chain, regulatory affairs and customer service

Centralized digital procurement, regulatory management and customized CRM tools

# Key Success Factors



## Market Selection Methodology

- Focus on countries with high-potential economic growth framework
- Identify non-English speaking countries with similar characteristics
- Low competitive intensity and potential to establish top-2 position
- On-ground feedback mechanism allows deep understanding of demand dynamics
- As population crosses prosperity thresholds, healthcare spends expand exponentially

## Human Capital Management

- Established unique ecosystem of 100+ Indian expatriates in operating geographies
- Financial security ecosystem for key personnel, creating a highly motivated leadership team
- Local language training and support from local staff improves on-ground effectiveness
- Home grown management systems have already proven successful in several countries
- Homogeneous target markets allow cross-movement of people and resources

## Regulatory Affairs Systems

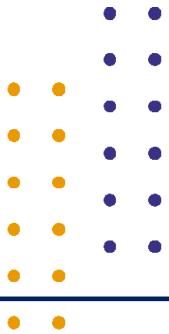
- Appreciation and full compliance of local regulatory framework
- Comprehensive, in-house capabilities backed by cross-functional coordination with business/tech teams
- Digitization of regulatory operations with end-to-end management and data security
- Typical 12-24 month regulatory process is monitored at every stage – supports corporate planning and creates strong local IP

# Transition from “Asset Light” to “Asset Right”



*As a part of its corporate evolution, Balaxi is moving its business model from ‘Asset Light’ to ‘Asset Right’. The company is setting up its first pharmaceutical manufacturing facility for which it has acquired land in a Pharma SEZ located at Jadcherla, Hyderabad.*

# Investment in Manufacturing Facilities



## *Setting up its first pharmaceutical formulation manufacturing unit*

*General Oral Solid Dosage (OSD) formulations*

*Allows full backward integration of supply chain*

*Targeting demand for high quality products in Latin American markets*

*Production from Pharma SEZ unit near Hyderabad by the end of FY25*

*Historically, Balaxi has successfully executed on its “produce, stock and sell” model. The company has built a large and diversified portfolio of products and a leading position by bridging the supply gap in several countries, first in low-regulation markets in Africa and more recently in semi-regulated markets in Latin America. This outreach has been backed by outsourced, WHO GMP compliant, diversified supply chains developed by the company. As a part of its corporate evolution, Balaxi is now setting up its first pharmaceutical formulation manufacturing unit to cater to the demand for high quality products in existing as well as targeted markets.*

## *Favorable ROI on Capital Expenditure*

*Immediate demand for new production from established markets*

*Strong control over manufacturing ecosystem*

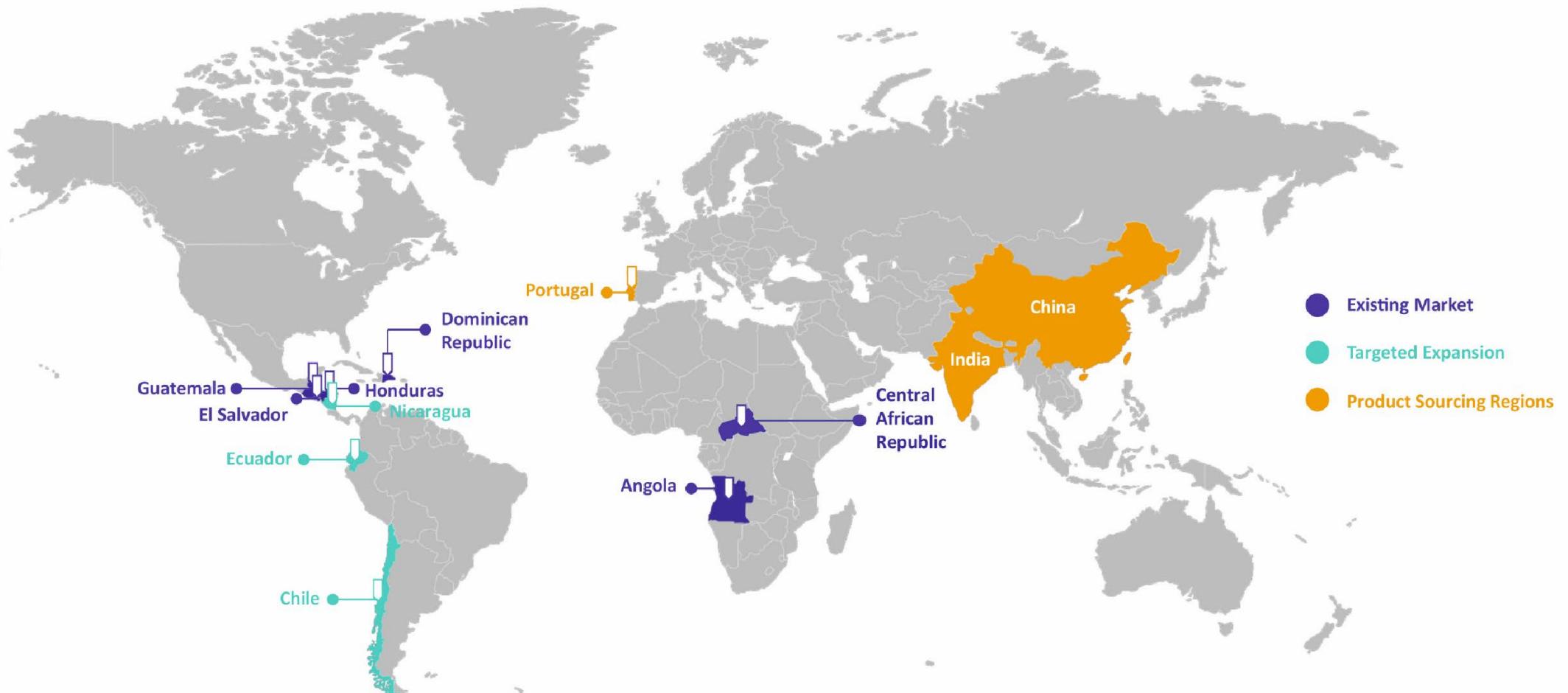
*Opens up several new market opportunities globally*

*Higher efficacy, greater acceptance, enhanced profit margins*

*Improved regulatory processes, reduced time-to-market for new launches*

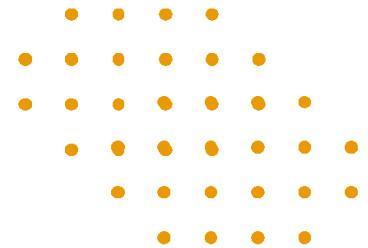
*Production from the unit, located at a Pharma SEZ near Hyderabad, will commence by the end of FY25, focusing on General Oral Solid Dosage (OSD) formulations markets in Latin America and Africa. This will drive backward integration of the supply chain to these countries, currently outsourced through contract manufacturing relationships. This facility will produce higher efficacy products that enjoy greater acceptance and enhanced profit margins. From the operations standpoint, Balaxi will establish a manufacturing ecosystem that affords better control, improves regulatory processes and reduces time to market for new product launches. Over the medium term, Balaxi sees several new market opportunities opening up for its product lines.*

# Global Footprint



*Existing/targeted markets have aggregate GDP of \$ 400 billion and pharma imports of \$ 6 billion*

# Key Milestones



Started business supplying white labelled products to customers in Africa

Products were sourced from WHO GMP certified plants based in India



2003-07

2008-10

Diversified supply chain by sourcing pharma products from WHO GMP certified manufacturers in China



2011-13

Set-up central distribution warehouse in Guatemala, entering the third geography



2014-16

2017-19

2020-23



Created front-end presence by setting up the first pharma wholesale depot in Angola

Continued Angola expansion by setting up the 14<sup>th</sup> pharma wholesale depot and a central distribution warehouse

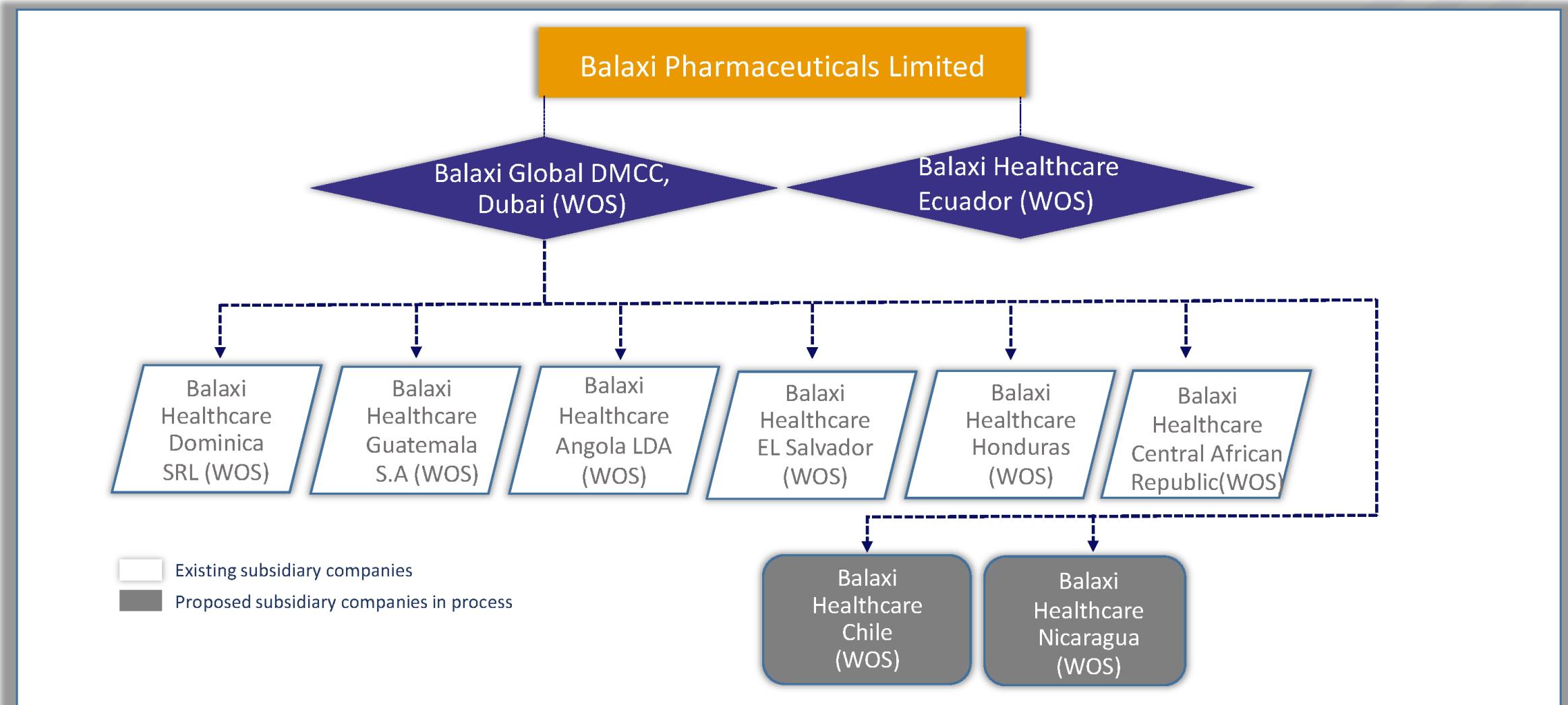
Made in-roads in Dominican Republic – initiated product registrations and opened a central distribution warehouse

Started operations in Honduras and El Salvador, and Central African Republic

Successfully completed fund raising exercise through Preferential issue – INR 49.36 crore

Capex plans – Project initiated for our first Pharma Formulation manufacturing facility in Hyderabad

# Corporate Structure



# Experienced Board of Directors



**Ashish Maheshwari**

Chairman & Managing Director  
Founder of the company, first  
generation entrepreneur,  
qualified Chartered Accountant



**Minoshi Maheshwari**

Non-Executive Director  
Co-founder, 20 years of  
rich experience with Balaxi



**Kunal Bhakta**

Independent Director  
Chartered Accountant with 15 years'  
experience, manages First Water  
Capital, a SEBI registered listed  
markets AIF



**Gandhi Gamji**

Independent Director  
MBA and Bachelors in Engineering,  
heads successful niche specialty  
paints and ink chemicals business in  
Africa/GCC



**M.S. Rao**

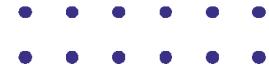
Independent Director  
MBA from Asian Inst of Mgt, Manila; PGD  
from IIM-A, Cornell, Kansas State  
University Ex-CEO, Cereals System  
Initiative for S Asia promoted by Bill &  
Melinda Gates Foundation



**Purnima Kamble**

Independent Director  
LLB from Univ of Lucknow,  
Heads Hyderabad practice of Fox Mandal,  
Solicitors & Advocates; 23 years' experience  
in corporate and commercial law

# Dynamic Leadership Team



## Ashish Maheshwari

### Chairman & Managing Director

Founder of the company, first generation entrepreneur, qualified Chartered Accountant  
Commenced business by supplying white labelled pharmaceuticals formulations to various importers  
Established Balaxi Group as a conglomerate spanning four continents  
Recognizes and appreciates knowledge, discipline, transparency and accountability



## Amol Mantri

### CFO

Qualified Chartered Accountant and Certified Public Accountant from USA  
Associated with Balaxi Group since 2012  
Inherent talent in designing and implementing systemic processes, checks and balances in all operations of the company  
Clear understanding of the company's businesses spread across four continents and seven countries



## Pranav Maheshwari

### Head – Latin America

BBA and Economics Graduate from Emory University, Atlanta  
Keen observer, quick learner, leads from the front  
Oversees the company's vision for Latin America



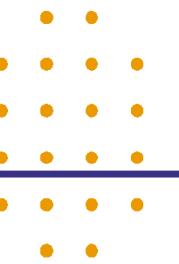
## Paridhi Maheshwari

### Head – Alternate Channels

MBA Graduate from London Business School.  
Stickler for well-defined systems and processes  
Initiated and leads the consumer products business

“

# FINANCIAL HIGHLIGHTS



# Management's Comments

*"During the quarter, we took various corrective measures to manage the exceptionally challenging situation that arose in the previous quarters due to unprecedeted economic chaos in our oldest and biggest market of Angola, where local currency weakened in record time beyond the 825-per-dollar mark for the first time ever. Despite the unparalleled economic scenario that created disorder in customer sentiments and an uncertain market outlook, the Company demonstrated perseverance and managed the situation in the best possible way. In our strategic focused market of LATAM, we faced tough operating environment due to political upheavals in Guatemala during this quarter as well. However the issue has been settled now. Further, the Dominican Republic market bounced back after the resolution of Haiti border issue, which resulted in growth in top line during the quarter with a healthy gross profit margin of 40%.*

*In the quarter under review, we received 34 new product registrations. As on 31 December, the number of registered products in our portfolio expanded to 889 across eight countries in Africa and Latin America. Apart from this, we have another 700+ products under registration or in the pipeline for registration. With the increase in the number of product offerings, we expect to further increase our market share in the countries of our focus. We also plan to launch our operations in new countries in these regions.*

*Going forward, we believe that our performance will witness a positive growth in our markets and we will continue to create long-term value for our stakeholders."*

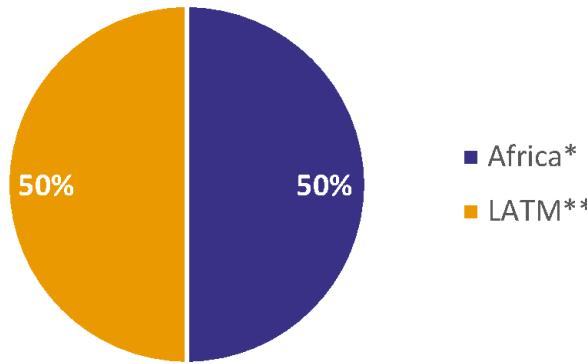
# Quarterly Financial Performance

Particulars (INR Crore)	Q3FY24	Q3FY23	YoY
Revenue	60.78	86.58	(29.8%)
Gross Profit	30.42	33.85	(10.1%)
<i>Gross Margin %</i>	<b>50.0%</b>	<b>39%</b>	<b>+1100 bps</b>
EBITDA*	15.16	10.72	+41%
<i>EBITDA Margin %</i>	<b>24.9%</b>	<b>12.4%</b>	<b>+1250 bps</b>
Profit After Tax*	13.59	8.22	65.3%
<i>PAT Margin %</i>	<b>22.4%</b>	<b>9.5%</b>	<b>+1290 bps</b>
Earnings Per Share (INR)	13.29	8.21	61.9%

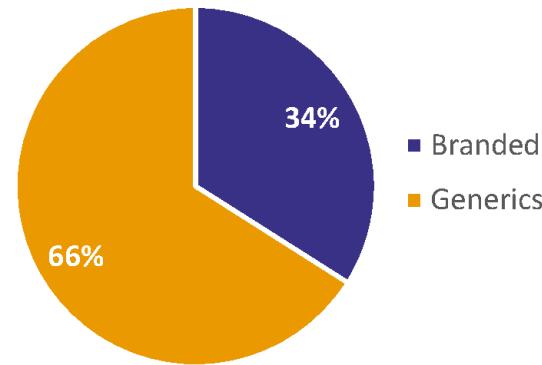
\*During the current quarter, unrealised loss recognised in previous quarter profit and loss account has been reversed to the extent of INR 1.64 Cr. and has been classified under Exceptional items in Financials. As mentioned previously, inventory lying in the books continues to be sold at substantially higher than the carrying value and profits will continue to be recognised as and when realised.

# Pharma Product Mix – Q3 FY24

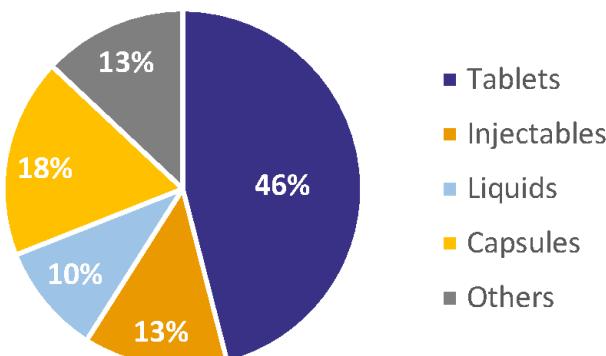
Geographies



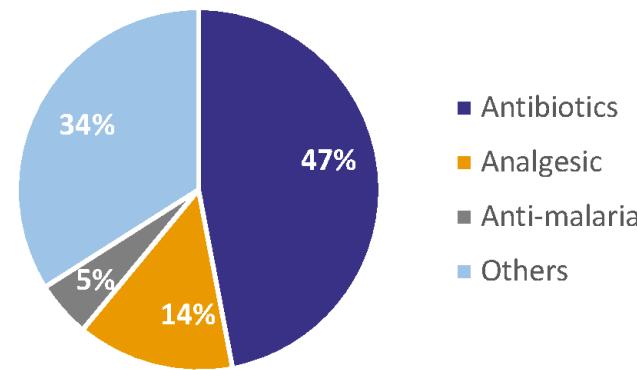
Products



Dosage Forms



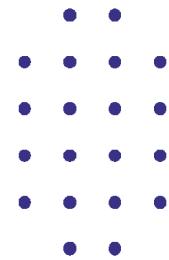
Therapeutic Areas



\*Africa: Angola and Central African Republic

\*\*LATM – Guatemala, Dominican Republic, Honduras and El Salvador

# Historical Financial Performance (Consolidated): FY23

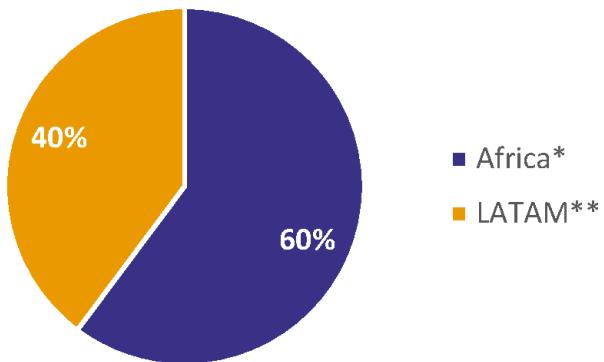


Particulars (INR Crore)	FY23	FY22	YoY
Revenue	336.43	279.39	+20.4%
Gross Profit	134.01	83.79	+59.9%
Gross Margin %	39.8%	30.0%	+980 bps
EBITDA	59.17	55.18	+7.2%
EBITDA Margin %	17.6%	19.7%	(210 bps)
Profit After Tax	45.96	47.66	(3.6%)
PAT Margin %	13.7%	17.1%	(340 bps)
Earnings Per Share (INR)	45.81	47.66	(3.9%)

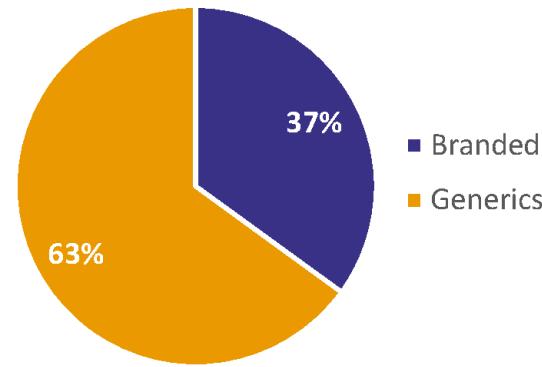
NOTE: Financial Results for FY23 are not strictly comparable with FY22 due to the consolidation of Balaxi Healthcare LDA Angola, which became a wholly owned subsidiary of Balaxi Global DMCC with effect from 1<sup>st</sup> January 2022

# Pharma Product Mix – FY23

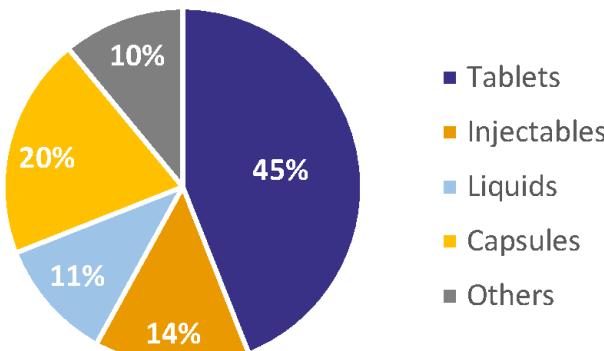
Geographies



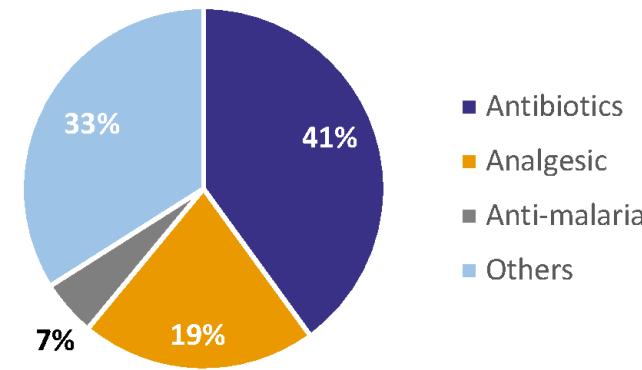
Products



Dosage Forms



Therapeutic Areas



\*Africa: Angola and Central African Republic

\*\*LATAM – Guatemala, Dominican Republic, Honduras and El Salvador

# Core Strategy: Enter, Expand & Excel



## Balaxi in 2020: Business Consolidation

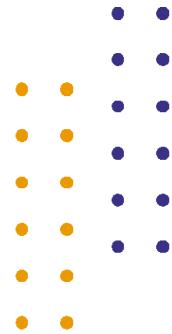
- Presence across Angola, Guatemala and Dominican Republic
- Effective and efficient supply chain model consisting of 38 warehouses and a fleet of owned vehicles

## Balaxi in 2021-23: Expansion into New Geographies

- Aim to capture incremental market share in existing geographies by continuing to pursue various opportunities by leveraging physical assets
- Expanding presence in Honduras, El Salvador, Nicaragua, and Central African Republic
- Focus on offering a comprehensive product portfolio to fulfill consumer demand

## Balaxi in 2024 & Beyond

- Foray into other Latin American countries, South-East-Asia and CIS markets, replicating the established and differentiated business model
- Plans to enter new global markets backed by our first pharma formulation manufacturing set up
- Focus on ideal mix of branded and generic medicines, maximizing returns in key geographies
- Targeting strong global presence in top 20 frontier markets over the next five years



## Our Offerings



# Balaxi

Pharmaceuticals Limited

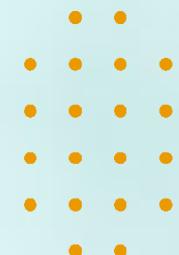


Plot No. 409, H.No. 8-2-293, 2nd Floor Maps  
Towers, Jubilee Hills, Road No:81, Hyderabad.  
Telangana

CIN: L25191TG1942PLC121598

### Company Investor Relations contact

- Sunny Purohit
- +91-40-2355-5300
- sunny@balaxi.com
- [www.balaxipharma.in](http://www.balaxipharma.in)



NSE BALAXI

Bloomberg BALAXI:IN

# Thank You