



Piramal Pharma Day

FEBRUARY 2021



3. CDMO

Overview

Highlights

- **Integrated services** across the cycle; seamless phase III to commercial launch
- **Supported 40+ launches**; 4 NCEs launched in 2020
- Strong R&D with expertise in **niche and complex technologies**
- Over 500 customers

Offerings

- **Discovery**: comprehensive range of research services
- **Development**: pre-clinical, phase I, II, and III
- **Commercial**: APIs and FDFs
- Commercially approved Patented products supported increased from 8 in FY17 to 19 in FY21

Capabilities

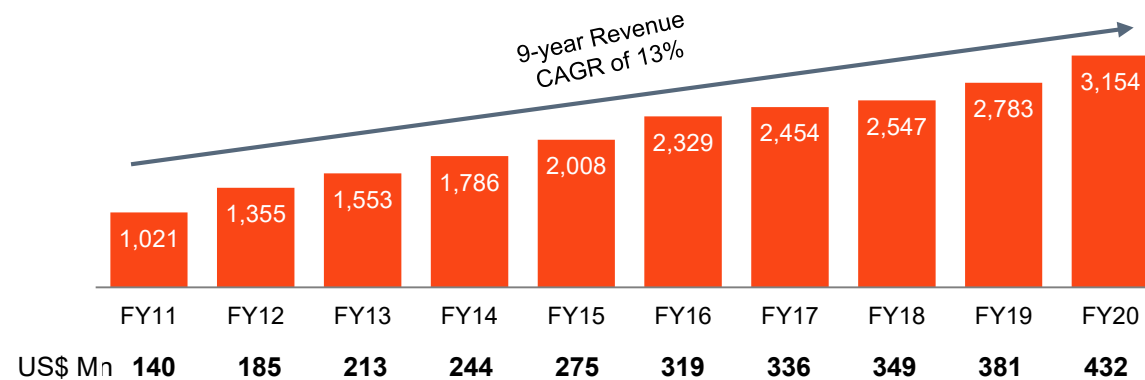
- **12 facilities** across US, Canada, UK and India providing global delivery capabilities
- **Diversified manufacturing footprint** enables customer / market proximity and cost efficient production

M&A

Moving up the value chain through several successful acquisitions:

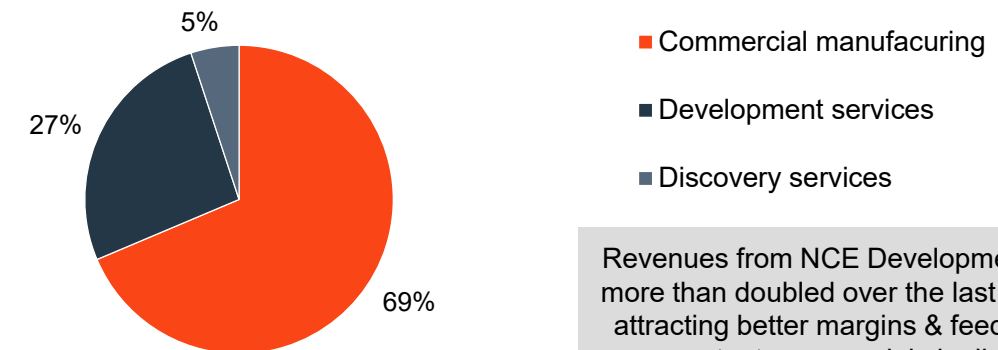
- **2020: Sellersville, US** (Dosage)
- **2016: Ash Stevens, US** (HPAPIs)
- **2015: Coldstream Labs, US** (injectables CDMO)
- **2011: Oxygen Bio, India** (discovery services)

Revenues (INR Cr.)



US\$ Mn 140 185 213 244 275 319 336 349 381 432

FY20 revenues by segment



Revenues from NCE Development have more than doubled over the last 3 years, attracting better margins & feeding the patent commercial pipeline

Note: NCEs – New Chemical Entity; ADC – Antibody Drug Conjugate; FDF - Finished Dosage Formulations

Key business highlights

- 1 **Sizeable Pharma market with attractive growth profile**
- 2 **Large end-to-end global CDMO service provider with integrated capabilities**
- 3 **Blue-chip customer base served from global manufacturing base**
- 4 **Expertise in differentiated and complex technologies**
- 5 **Levers for profitable growth**



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Sizeable and attractive Pharma market with favorable tailwinds

Key industry trends

~US\$1.22tn Global
pharma market

- Pharma CAGR of 4.7% vs GDP growth of 3.4%
- Growing R&D spending at a CAGR of 4.8%
- Increasing FDA approvals over time



Growing global population



Ageing population



Rise of chronic diseases



Growth in global medicine spend



Increase in R&D spending

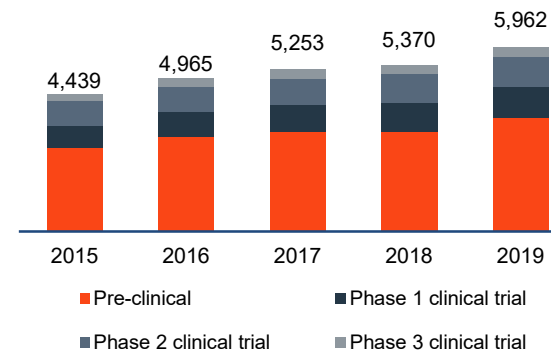


Supportive funding environment

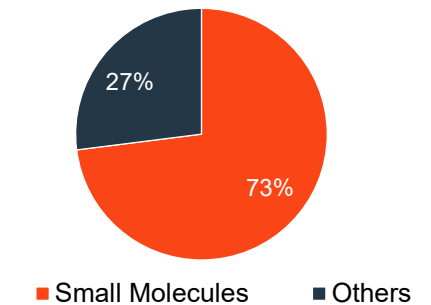
Global Pharma
Industry witnessing
resilient growth,
driven by

Pipeline growth driven by emerging biopharma & small molecules

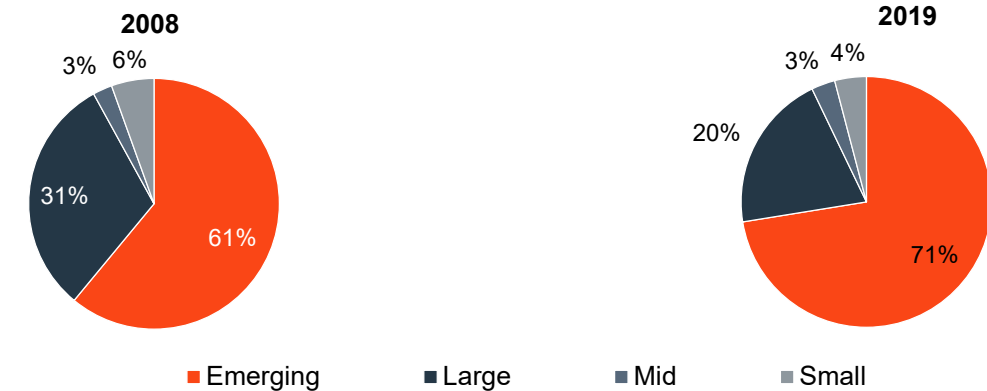
Increasing number of small molecules
NCE under development



Small molecules contribute
73% to the pipeline in 2019



Emerging companies accounted for 71% of late stage pipeline



Source: <https://bit.ly/2W6KENu>, <https://bit.ly/3qJ9O2V>, <https://bit.ly/3a1qop2>

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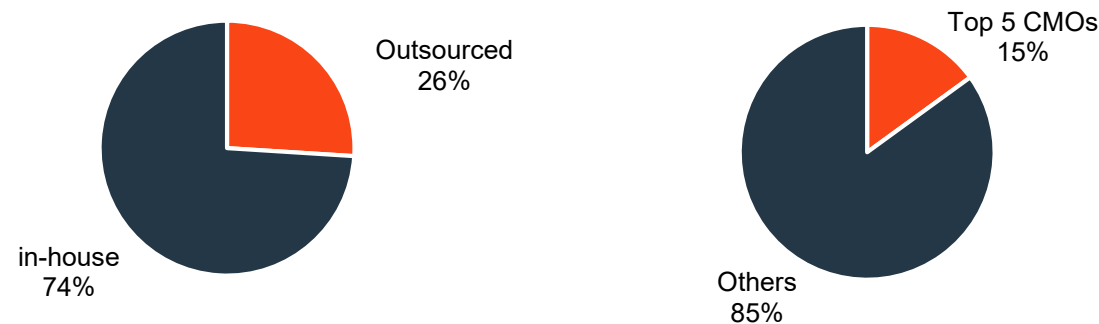
Large CDMO market with an attractive growth profile across various segments

	Discovery & pre-clinical development			Development		Commercial manufacturing
	Discovery	Pre-clinical development	Phase I trial	Phase II trial	Phase III trial	Commercialization
Outsourced market size*	US\$ 10-15bn			US\$ 20-30bn		US\$ 60-70bn
CAGR (%)	5-6%			5-6%		4-5%
Small molecules, outsourced market	US\$ 7-10bn			US\$ 15-20bn		US\$ 45-50bn

*For 2018

- ✓ Total market for CDMO services is **~US\$120bn, growing at 6-7%**
- ✓ **Small molecules lead the pipeline, contributing to 70%** of the CDMO market
- ✓ CDMOs witnessing growth as pharmaceutical companies continue to increase outsourcing to “integrated service providers”

Underpenetrated and fragmented CDMO market



Source: Management Estimates, industry reports

Pharma players increasingly preferring to outsource

- Increased focus on core competencies
- Move towards more asset-light model
- Increased speed to market
- Access to technical capabilities
- Capacity constraints and regulatory requirements

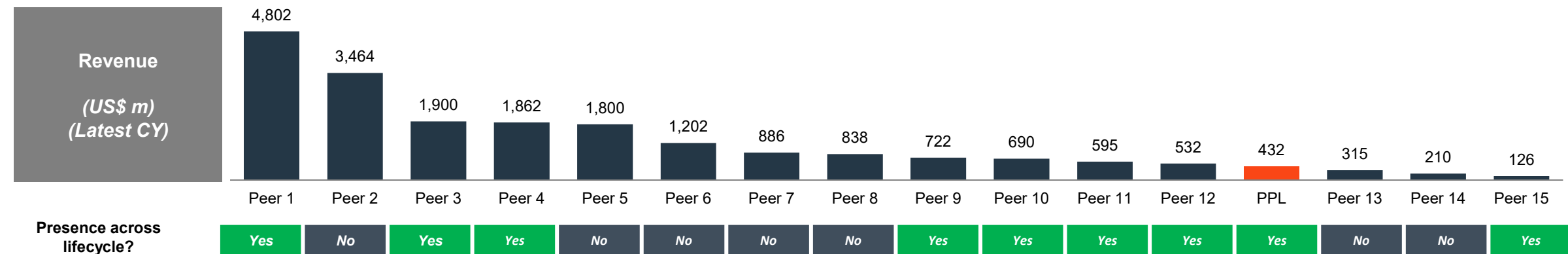
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Large CDMO providing services across all phases of drug lifecycle...

A portfolio of services across all phases of drug lifecycle...

	Discovery	Development (Pre-clinical, Phase I, Phase II, and Phase III)	Commercial manufacturing (On-patent and Off-patent)
Facilities	<ul style="list-style-type: none"> India – Ahmedabad 	<ul style="list-style-type: none"> India – Ahmedabad, Ennore, Digwal North America – Aurora, Lexington, Riverview, Sellersville UK – Grangemouth, Morpeth 	<ul style="list-style-type: none"> India – Digwal, Pithampur, Ennore, Mahad North America – Aurora, Lexington, Riverview, Sellersville UK – Grangemouth, Morpeth
Highlights	<ul style="list-style-type: none"> >90% repeat business North America and Europe account for 95%+ of revenue 	<ul style="list-style-type: none"> Pipeline of ~120 molecules across phases 1, 2 and 3 Robust increase in win rate over the years 	<ul style="list-style-type: none"> 50+ APIs and 65+ FDFs across therapeutic areas Ability to manufacture across a wide range of scale in API as well as formulations

... Makes PPL one of the few global integrated CDMOs with significant scale



Note: Peer set includes, in no particular order: Aenova, AMRI, Bachem, Cambrex, Catalent, Divi's, Famar, Fareva, Lonza, Patheon, Recipharm, Siegfried, Suven Pharmaceuticals, Vetter, and Wuxi Apptec

2b

...through a global integrated solutions platform leveraging integrated projects to grow key accounts

Integrated Solutions

- The **platform leverages the extensive network** of discovery, development and commercial manufacturing capabilities located across sites
- Customers benefit from
 - **reduced time-to-market**
 - **reduced operational complexity, and**
 - **lower supply chain costs** to meet their requirements
- **Track record** of executing over 125 integrated projects

Capabilities across sites

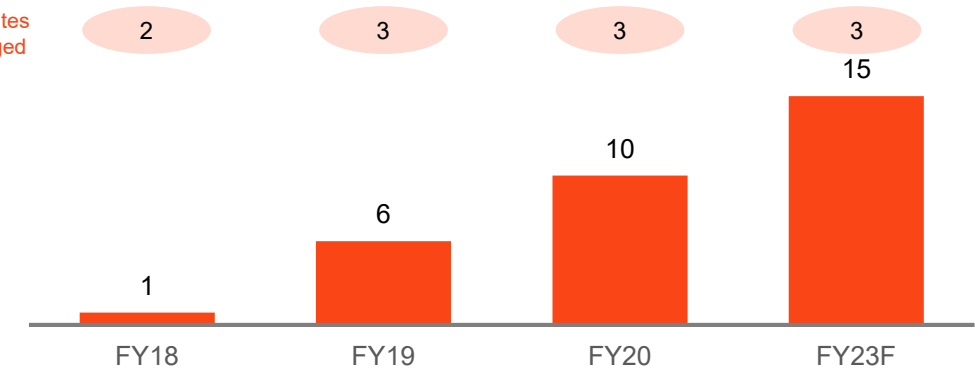
Site	Drug Substance	Drug Product	Both Drug Product and Drug Substance
PDS	✓		
PPDS		✓	
Ennore	✓		
Digwal	✓		
Pithampur		✓	
Riverview	✓		
Lexington		✓	
Aurora	✓		
Morpeth			✓
Grangemouth	✓		
Sellersville		✓	

Example of Integrated Solutions

- 2018** Started work with Aurora on final API; Grangemouth then secured ADC work
- 2019** Lexington secured fill finish work
- 2020** PMDA (Japan) approval after PPS took the product all the way through Phase III and PPQ; long term commercial supply contract in place involving all 3 sites

Product has indications in novel immunotherapy treatment for head/neck cancer

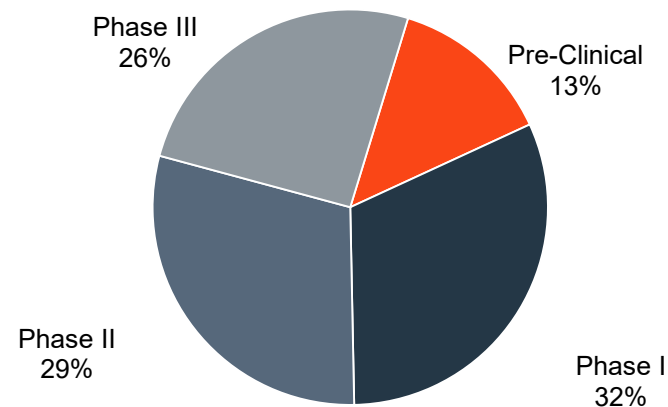
of sites engaged



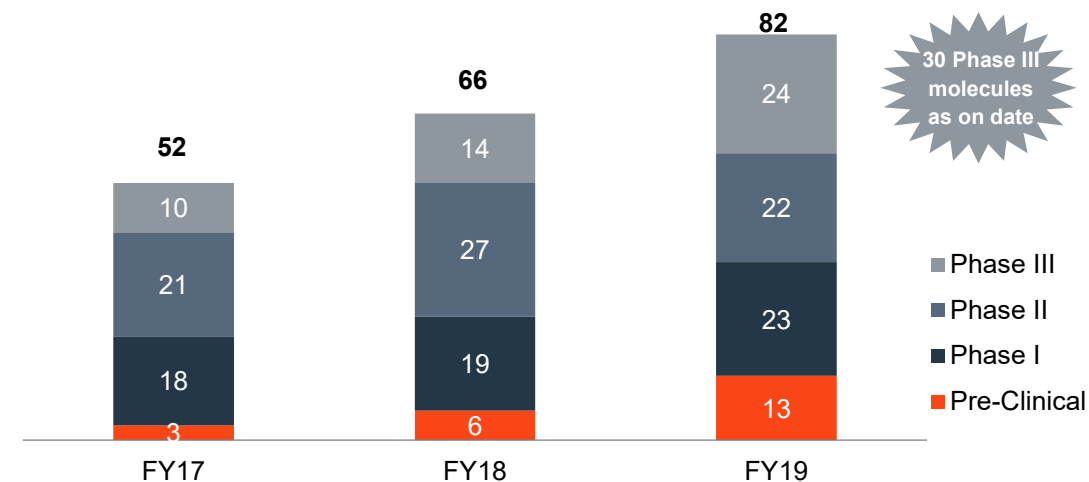
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Comprehensive range of services lead to healthy growth in order book

Breakdown of revenue by phase (FY19)



of molecules by phases



- ✓ **Significant growth in commercial products under patent, increased from 11 to 19 in the past 2 years**
 - Revenue has increased from \$7 Mn in FY17 to \$32 Mn in FY20 (CAGR 66%)
- ✓ **5.5x increase in order book of integrated projects from FY17 to 9M FY21; 24% increase during the year till date**
 - 42% of the order book is from integrated projects in 9M FY21
 - 2.5x increase in number of integrated projects from 13 in FY17 to 33 in 9M FY21

2d

Excellent visibility into conversion of late stage development to commercial

Excellent track record in progressing molecules through the lifecycle

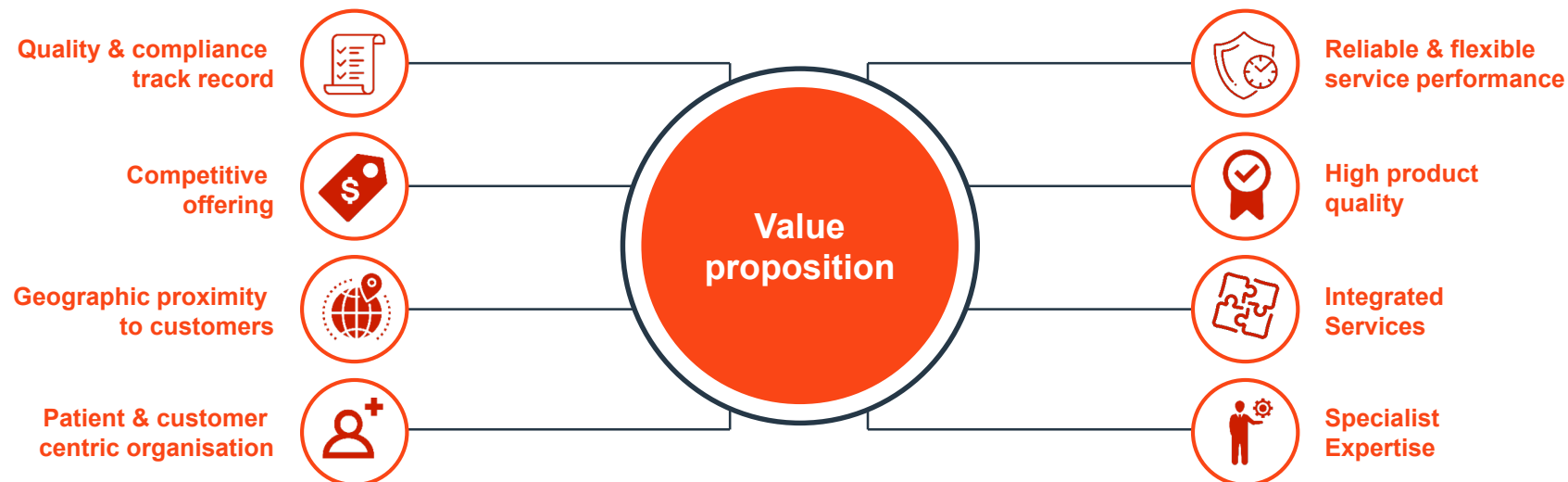
Molecule	Customer	Type	Development				Late stage	
			Pre-clinical	Phase I	Phase II	Phase III	Pre-registration	Commercial
Product 27	Customer 17	ADC		●			●	
Product 30	Customer 3	HPAPI	●				●	
Product 31	Customer 14	HPAPI	●					●
Product 32	Customer 19	API				●	●	
Product 24	Customer 14	HPAPI	●				●	
Product 33	Customer 20	OSD		●				●
Product 34	Customer 21	OSD		●				●
Product 35	Customer 22	OSD		●			●	
Product 36	Customer 23	API		●			●	
Product 37	Customer 24	API		●			●	
Product 38	Customer 25	Fill finish		●			●	
Product 26	Customer 16	OSD		●			●	
Product 40	Customer 26	Fill finish		●				●

Strong pipeline with 30+ molecules in late stage development (Phase III & validation)

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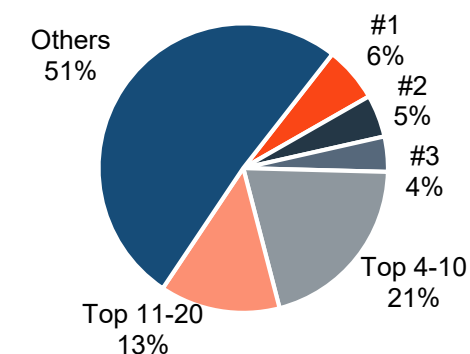
Diversified blue-chip global customer base

Superior value proposition to win and retain customers

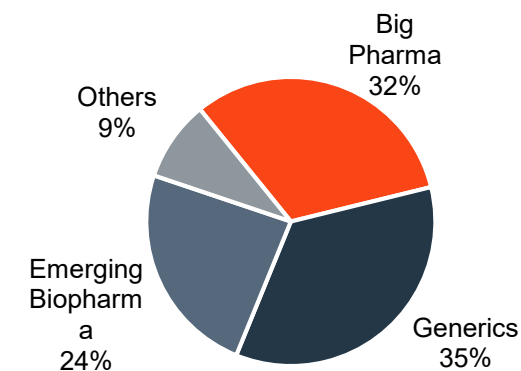


- ✓ **Over 500 customers** including Big Pharma, emerging biopharma and generics companies
- ✓ **Top 10 customers account for 35% of FY20 revenue** with largest customer contributing 6% of revenues
- ✓ **Over 70% of revenue from regulated markets** of North America, Europe and Japan
- ✓ **Integrated business development** organizational structure focused on patient centricity

Low revenue concentration



Diversified customer base



Long term, sticky customer relationships underpinned by excellent overall value proposition to customers

Expertise in differentiated and complex technologies

Differentiated offerings with large, growing markets and high barriers

Highly Potent APIs:

- Ability to manufacture multiple sizes across lifecycle
- State-of-the-art manufacturing suite with airlocks and barrier isolation
- 50% of market outsourced to CDMOs

Antibody Drug Conjugates:

- 10 years experience in handling ADCs
- Portfolio of end-to-end services, including preclinical studies, process development, manufacturing, and fill/finish services
- High margin due to complexities

Complex Oral Solid Dosage formulations:

- Capabilities include Sustained release, Modified release, Orally disintegrating, etc.

Potent sterile injectables:

- Ability to handle highly potent drugs using high containment "Glove-Boxes"
- Isolator technology to provide an aseptic environment

Hormonal OSD:

- Specialized containment suite for oral contraceptive pills
- Stringent regulatory requirement for isolation
- Experience in development, manufacturing and packaging services

Integrated suite of services for the oncology segment

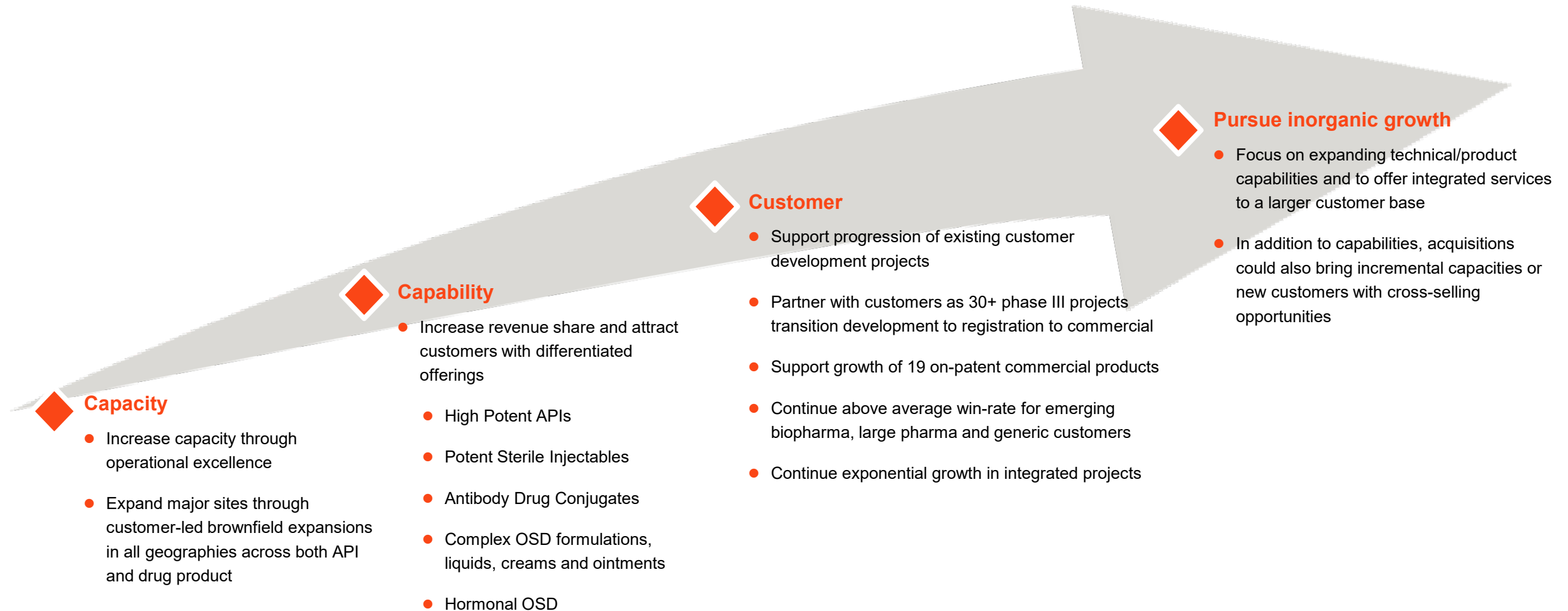


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Positioned at an inflection point with multiple growth drivers

Near-term visible revenue growth levers

Upsides beyond the plan





Thank You