

Piramal Pharma Limited

Q2 & H1 FY2023 Results

November 2022



Disclaimer

Except for the historical information contained herein, statements in this presentation and any subsequent discussions, which include words or phrases such as 'will', 'aim', 'will likely result', 'would', 'believe', 'may', 'expect', 'will continue', 'anticipate', 'estimate', 'intend', 'plan', 'contemplate', 'seek to', 'future', 'objective', 'goal', 'likely', 'project', 'on-course', 'should', 'potential', 'pipeline', 'guidance', 'will pursue' 'trend line' and similar expressions or variations of such expressions may constitute 'forward-looking statements'.

These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements.

These risks and uncertainties include, but are not limited to Piramal Pharma Limited's ability to successfully implement its strategy, the Company's growth and expansion plans, obtain regulatory approvals, provisioning policies, technological changes, investment and business income, cash flow projections, exposure to market risks as well as other risks.

Piramal Pharma Limited does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

These materials are not a prospectus, a statement in lieu of a prospectus, an offering circular, an invitation or an advertisement or an offer document under the Indian Companies Act, 2013 together with the rules and regulations made thereunder, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, or any other applicable law in India. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States or in any other jurisdiction.

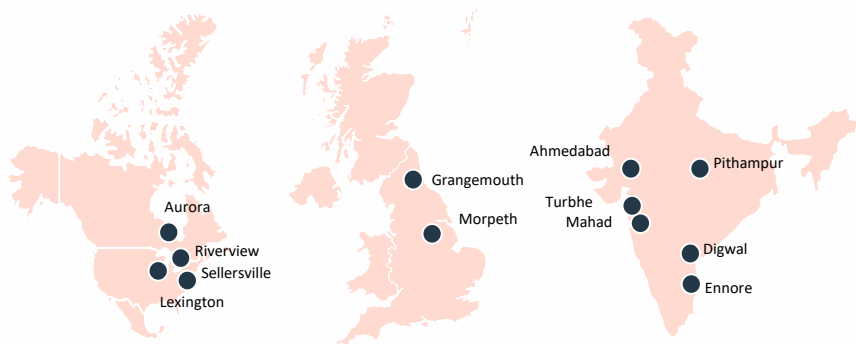
Note: Figures in previous periods might have been regrouped or restated, wherever necessary to make them comparable to current period.



Three-Pronged Business Model with Market Leading Positions

Contract Development and Manufacturing Organisation (CDMO)

13 CDMO sites across North America, Europe and India



Capabilities across **drug substance** and **drug product**

Top 3 in India

13th Largest Globally²

Complex Hospital Generics (CHG)



Inhalation Anesthesia



Anaesthesia and pain management



Intrathecal Therapy



Other Injectables

4th Largest Inhaled Anesthesia Player Globally

India Consumer Healthcare (ICH)

LACTO[®] CALAMINE
Daily Face Care Lotion



TETMOSOL



i-range

Ranked³ 10th in OTC segment in India

- I. PPL has 49% stake in a Joint Venture, Allergan India Pvt Limited (51% held by Abbvie), a leader in Ophthalmology formulations in the Indian market
- II. PPL has 33% strategic stake in Yapan Bio Pvt Ltd, a CDMO that specializes in Vaccines and Biologics

Strong combination of well-diversified healthcare businesses provides greater stability from a long-term investment perspective

Notes: Illustrations are for select brands (1) 2 facilities in Ahmedabad (2) Industry reports and articles; IQVIA (3) As per Company estimates in representative market

Track Record of Consistent Performance

Healthy performance over a sustained period of time

(In INR Crore)

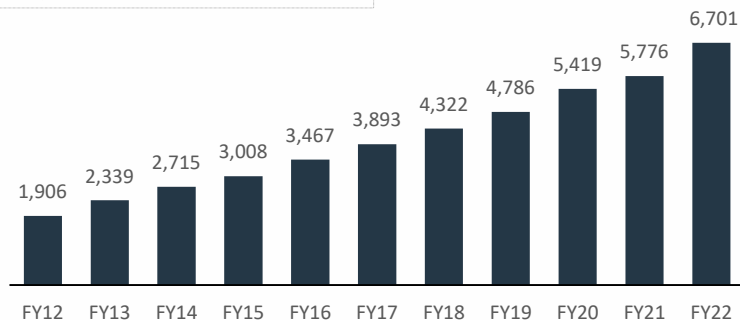
Annual Revenue

EBITDA Margin

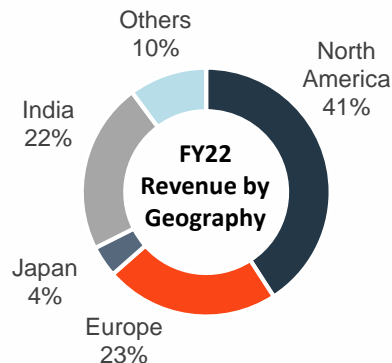
7% 11% 14% 14% 15% 17% 18% 21% 26% 22% 18%

10-year Revenue CAGR of 13%

10-year EBITDA CAGR of 24%



Diversified revenue mix



Best-in-Class Quality Track Record*

293 Regulatory Inspections

37 USFDA Inspections

NIL Official Actions Indicated

~127 Annual Customer Audits

Key performance drivers



Global footprint with capabilities to meet a wide-range of customer requirements



Track record of organic and inorganic expansion

CHG



Leveraging differentiated portfolio to achieve market leadership



Commercial presence in over 100 countries

ICH



Building power brands with strong brand equity with the consumers



Strengthening presence across alternate channels like modern trade & E-commerce

Note: * Regulatory inspections from FY12 till date



Piramal Pharma - Demerged and listed on BSE and NSE

Demerger and simplification of corporate structure

Piramal Pharma Ltd. (PPL) demerged from Piramal Enterprise Ltd. It listed on BSE and NSE on 19th October 2022

Aligned interests of customers, patients, employees, investors, lenders and creditors

- ❖ **Strengthens Governance Architecture** - Dedicated Board and management teams with core experiences of the business
- ❖ **Facilitates Business Independence** - Independence in pursuing growth plans, organically and inorganically
- ❖ **Optimizes Capital Structure** - Optimal capital structure with access to industry relevant sources of funds
- ❖ **Enables Better Understanding of Each Business** - Enables analysts and investor community to better understand each sector-focused listed entity



Piramal Pharma Sustainability Report FY2021-22

Sustainability Report FY2021-22

Piramal Pharma unveiled its Sustainability Report FY21–22, articulating its ESG journey to accelerate the pace of integrating sustainable practices

- ❖ The Report articulates PPL's ESG strategic and operational framework, and execution roadmap, including specific objective targets
- ❖ It is prepared in accordance with GRI Standards and highlights PPL's commitment to contribute to the **United Nations Sustainable Development Goals** and create a positive impact for stakeholders
- ❖ The Report is a manifestation of the Company's progress of its ESG journey and provides the stakeholders with a transparent view of its ESG performance

Link to Piramal Pharma Sustainability Report FY22

https://www.piramal.com/wp-content/uploads/2022/10/PPL-Sustainability_Report_FY-21-22.pdf





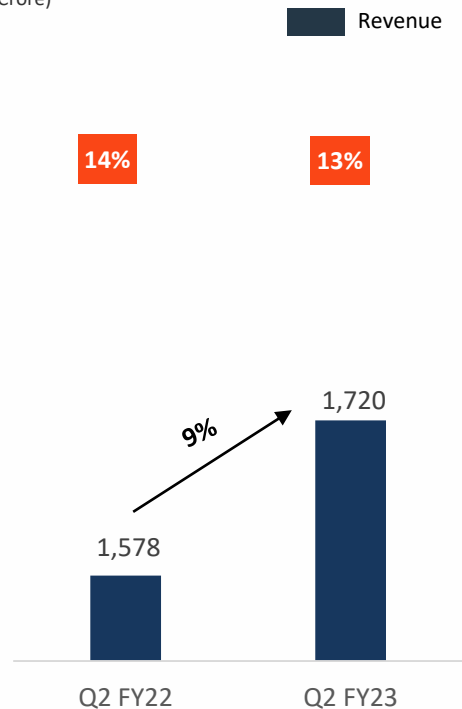
Key Performance Highlights of Q2 and H1 FY2023

Financials data used on all slides ahead do not include non-common control transactions and hence YoY financial are not strictly comparable. All data used in charts are based on reported financials. Please refer to slide 31 and 32 for detailed explanation and comparable financials.

Key Performance Highlights of Q2 and H1 FY2023

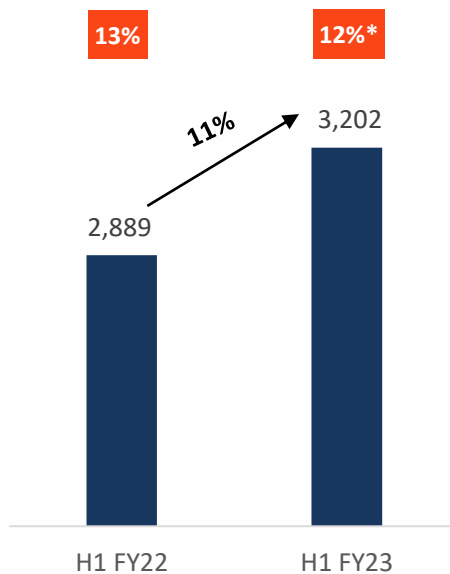
Q2 FY2023

(In INR Crore)



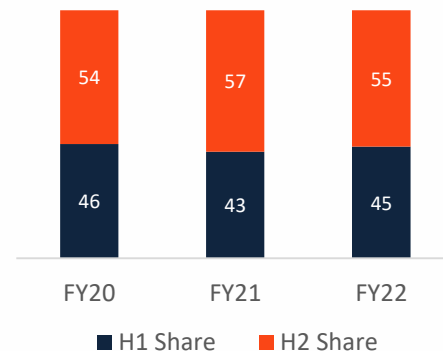
H1 FY2023

■ EBITDA Margin

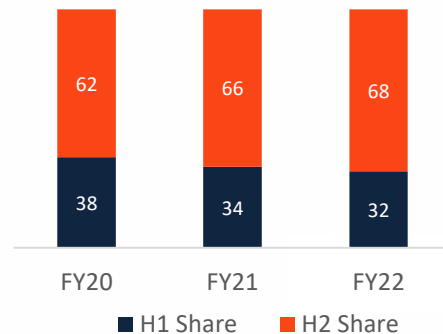


Historically, H2 has outperformed H1

% of Full Year Revenue



% of Full Year EBITDA



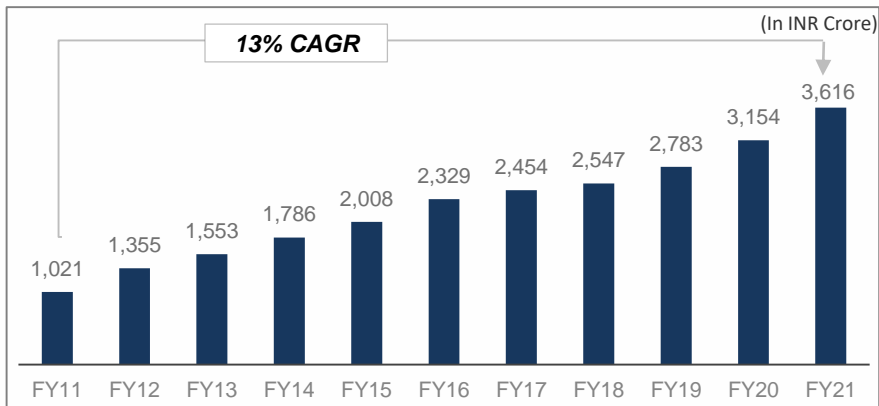
*H1FY23 is normalized EBITDA margin. Please refer slide 31 and 32 for more details.



CDMO Business (Piramal Pharma Solutions)

Contract Development and Manufacturing Organization Business

Consistent growth over the years – FY11 to FY21

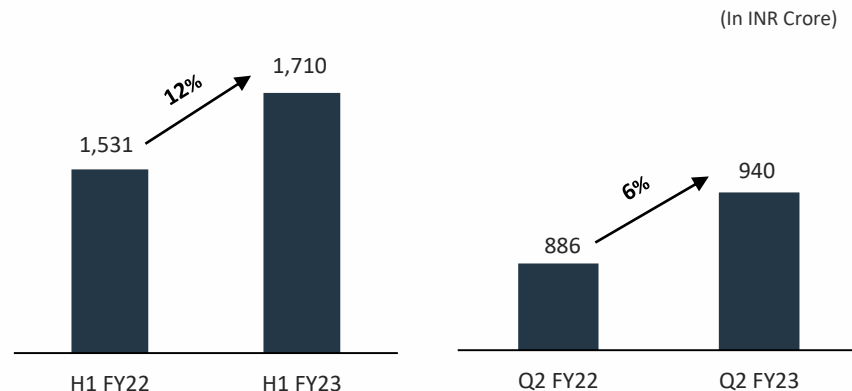


Consistent growth over the years driven by :

- ❖ **Differentiated service offerings** in areas of High Potent API, Complex OSDs, Potent Sterile Injectables, Peptides, Antibody Drug Conjugates, Biologics and Vaccines
- ❖ **Diversified customer base** served from global manufacturing facilities having **best-in-class quality track record**
- ❖ Enhancing **capacity** and **capabilities**
- ❖ Leveraging our End-to-end Model to offer **Integrated Services**

Note: RFP – Request for proposal

Addressing near term pandemic induced challenges



Mitigation measures

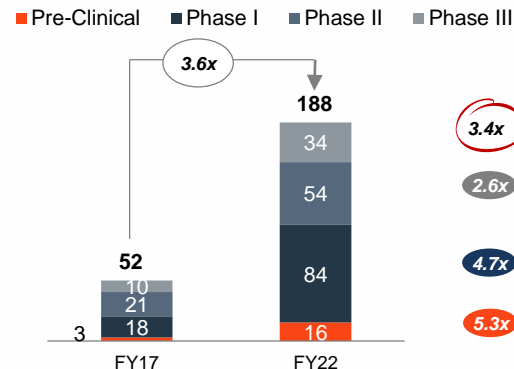
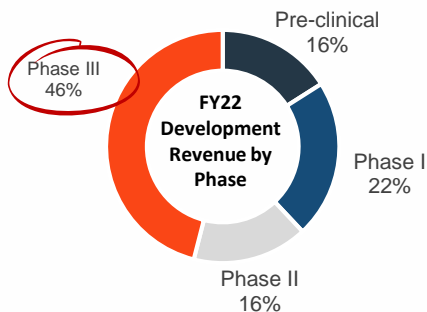
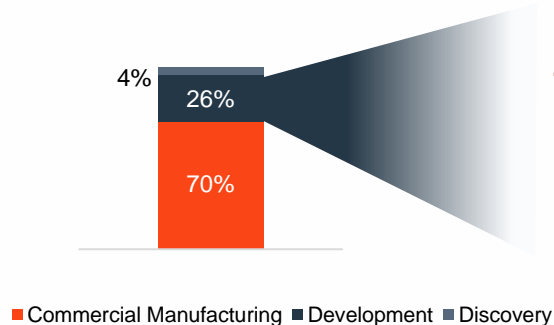
- ❖ Undertaking judicious **price increases**, **cost optimization** and **operational excellence** measures to mitigate Inflationary pressures on utility cost, raw materials and wages
- ❖ Continued strong **RFP inflow** and increase in **customer audits**, however slower decision making by customers due to macro-economic environment
- ❖ **Alternate vendor** development and building **resilient supply chain** to counter supply chain disruptions
- ❖ Planned **CAPEX** on track
- ❖ Continued **employee engagement** initiatives



Deep Development Project Pipeline and Growth Oriented Capex to drive growth

High proportion of commercial revenues and a deep pipeline of development projects across multiple phases

FY22 Revenue by Services



\$157mn of growth-oriented Capex investments committed across multiple sites

Aurora



Operations commenced post the API expansion

Pithampur



Launched production block for Oral Solid Dosage

Digwal



Expanded API capabilities and improved operational efficiencies

Riverview



Announced expansion for drug substance

Grangemouth & Morpeth



Announced expansion for ADCs and APIs

Notes: Aurora, Pithampur, Digwal, Riverview, Grangemouth and Morpeth are select cases of upcoming and completed capex investments across our global sites



Integration of Recent Acquisitions on Track

Capacity expansion through continued investments in acquired entities



Hemmo Pharmaceuticals

Acquired 100% stake in Hemmo Pharmaceuticals, enabling expansion into Peptide API

- Made additional investment by adding a new column which would increase the capacity significantly
- Brought in the Operational Excellence expertise to improve efficiency at the site
- Enhanced compliances for EHS and Quality using the company wide systematic approach

Sellersville

Acquired solid oral dosage manufacturing facility, in Pennsylvania, USA

- Created a fresh development team of formulators and analytical scientists which helped in attracting new customers across Phases I, II and III in the past 18 months
- Added compaction capability at development scale and commercial scale



Yapan Bio

Acquired 33% stake in Yapan Bio, enabling expansion in large molecules, biologics, and vaccines

- Enhanced capacity by adding Process Development lab
- Initiated cross selling of biotech capabilities



Attracting Customers with Differentiated Offerings and Integrated Services

Integrating services: Discovery - Clinical Development - Commercialization

Preclinical

Phase 1

Phase 2

Phase 3

Launch

Off-patent

Commercial

CRO

Discovery
Ahmedabad



Development (CDMO & Generic API)

Early Phase API

Aurora Riverview Grangemouth Turbhe Ennore

Early Phase Formulations

Lexington Sellersville Ahmedabad

Late Phase & Commercial (CDMO & Generic API)

Late Phase API

Morpeth Aurora Riverview Grangemouth Digwal Ennore Turbhe

Late Phase Formulations

Morpeth Lexington Sellersville Pithampur

Differentiated offerings



**Antibody
Drug
Conjugates**
Grangemouth



**HP (High Potent)
APIs**
Riverview
Aurora



**Potent Sterile
Injectable**
Lexington



**Controlled
Substances**
Sellersville



**Peptide APIs
Synthesis**
Turbhe



Hormone Drugs
Morpeth

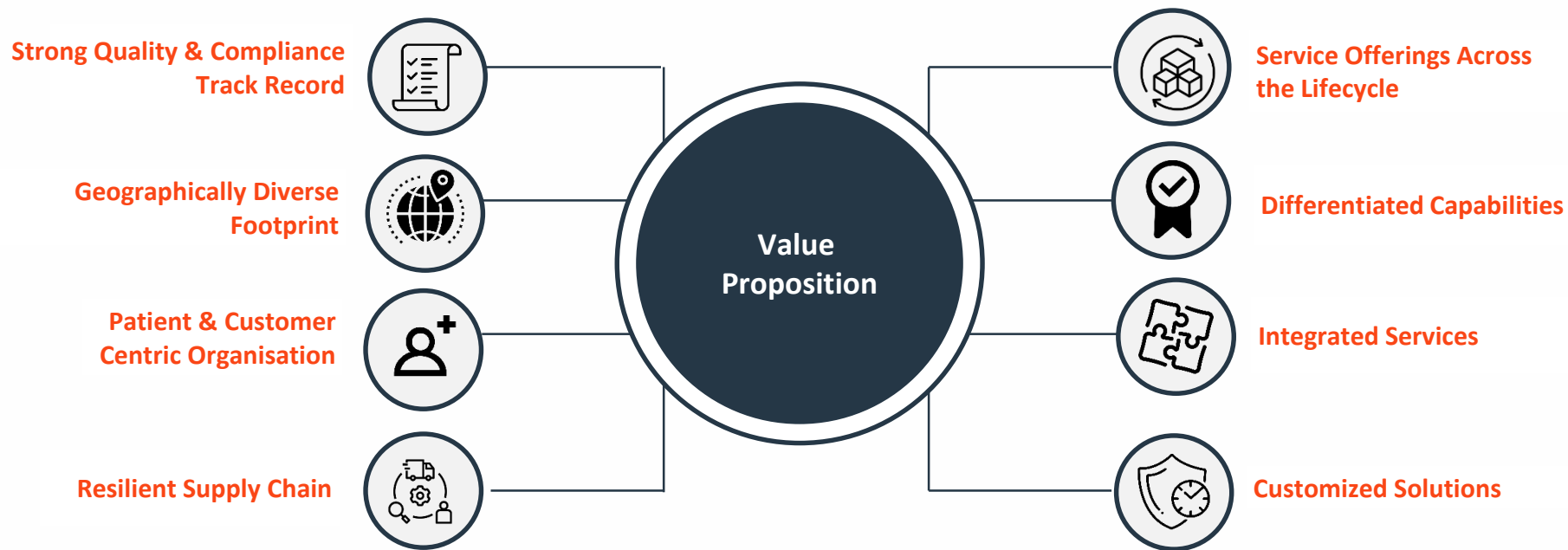


**Vaccines
& Biologics/
Bio-therapeutics**
Yapan Bio





Superior Value Proposition to Win and Retain Customers



Over **500 customers** Across Big Pharma, Emerging Biopharma and Generics Companies



Low Client Concentration with Top 10 customers accounting for 39% of FY22 revenue



Long Standing Relationships with Top 20 Clients with average relationship tenure of 12 years



75% of the Revenues from **regulated markets** like US, Europe and Japan



Complex Hospital Generics (Piramal Critical Care)

Complex Hospital Generics Business

Key Business Highlights

Inhalation Anesthesia

- ❖ Strong Inhalation Anesthesia (IA) sales in the US with continued volume growth driving market share gains
- ❖ Adding capacities to service healthy demand in the non-US markets. Robust demand from markets like Japan, South Africa and LATAM

Intrathecal Therapy

- ❖ Intrathecal portfolio in the US continued to command leading market share

Injectable Anesthesia and Pain Management

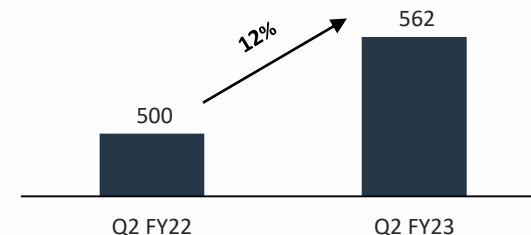
- ❖ Japan, South Africa and UK registered good growth, which was offset by supply hurdles in other markets

Other Products

- ❖ Extensive pipeline of new products consisting of 37 SKUs at various stages of development
- ❖ Launched 3 products during H1FY23 including a Pre-filled syringe (PFS) in Germany. 8 SKUs expected to be launched in various targeted markets in Q3FY23 based on tender calendar
- ❖ In Oct'22, signed a multi-country licensing agreement for a branded product indicated for use in treatment of different Hemodynamic conditions

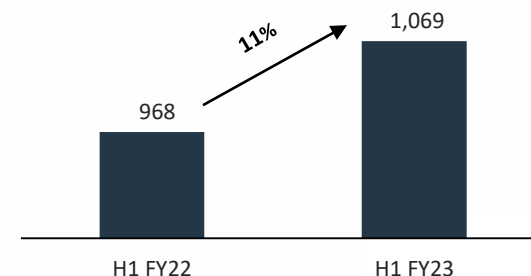
Revenue growth in Q2 FY2023

(In INR Crore)



Revenue growth in H1 FY2023

(In INR Crore)



Differentiated Portfolio with High Entry Barriers and Attractive End Market Dynamics

Inhalation Anesthesia

High entry barriers due to need for specific vaporizers for administration and large capex investments



..using vaporizers attached to anesthesia machines

..inhaled by the patient

- ❖ **Largest Market Share** in the US for **Sevoflurane and Isoflurane**
- ❖ **4th largest** global manufacturer
- ❖ **Vertically integrated** with fluorochemicals manufacturing
- ❖ **Concentrated market** with fewer competitors than other generic markets
- ❖ **Long term contracts** with customers and GPOs

Intrathecal Therapy

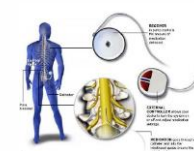
High entry barriers due to the complexity in administering the drug Intrathecal Spasticity



Programmable pump is surgically implanted



Intrathecal Baclofen is injected into the pump



Medication delivered through a catheter into the intrathecal space

- ❖ **Branded** product portfolio
- ❖ **Largest** market share in the US for **Gablofen®**
- ❖ Products marketed in the US, Germany and Netherlands with **additional EU launches pending**

Differentiated Portfolio with High Entry Barriers and Attractive End Market Dynamics

Injectable Anaesthesia and Pain Management

Fentanyl, Sufentanil, Alfentanil,
Piritramide, Etomidate



- ❖ Marketed in **50+ countries (ex-US)**
- ❖ **Key markets** of Japan, Indonesia, South Africa and Germany
- ❖ **Portfolio** - Fentanyl, Sufentanil, Alfentanil, Piritramide, Etomidate
- ❖ **#1 in Fentanyl Injection in Japan**

Other Products



Product Portfolio

Ampicillin, Levothyroxine Sodium, Polygeline, Dexmedetomidine, Glycopyrolate, Rocuronium, Miglustat, Succinylcholine, Linezolid and Zinc Sulfate

Existing portfolio of **40+ products** and a strong pipeline of 37 new SKUs with addressable market size of ~US\$7bn*

13

+

11

+

13

=

37

Approved, yet to be launched

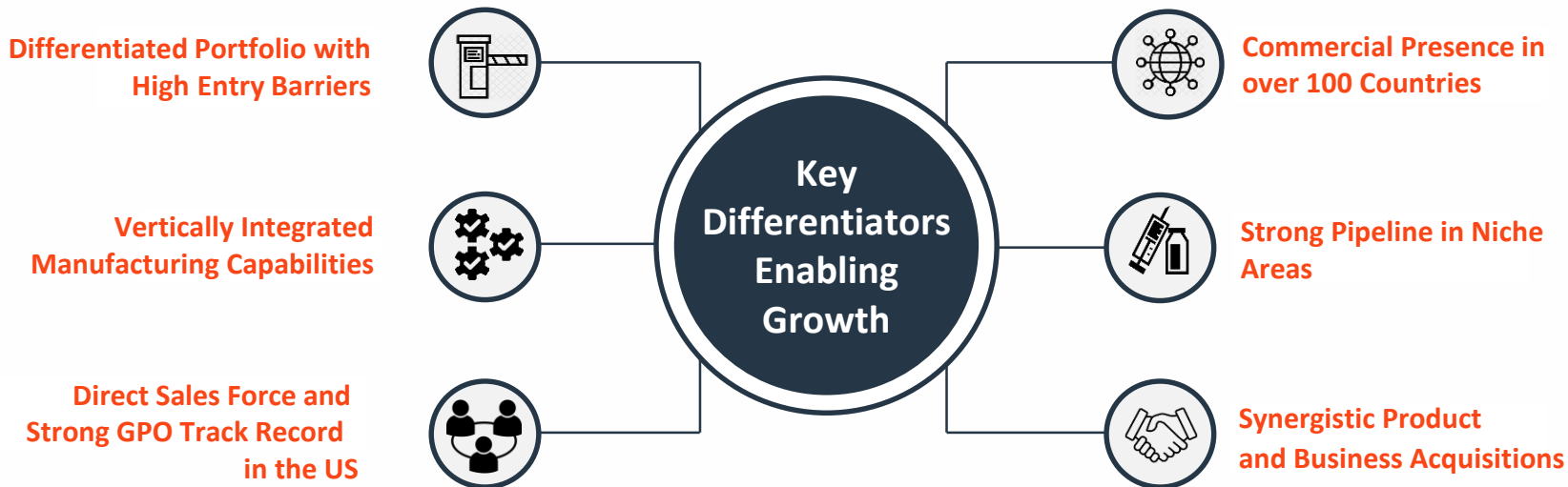
Filed, yet to be approved

Development, yet to be filed

Total SKUs in pipeline



Key Differentiators Enabling Growth



**Vertically Integrated
Manufacturing Capabilities
with Global Regulatory
Accreditations**

**Inhalation anesthesia facility
(Bethlehem, USA)**



**Inhalation anesthesia facility
(Digwal, India)**



**Specialty Fluorochemicals
facility (Dahej, India)**





India Consumer Healthcare (Consumer Products Division)



India Consumer Healthcare Business

Key Business Highlights

New product launches

- ❖ 10 new products and 11 new SKUs launched in H1FY23



Power Brands

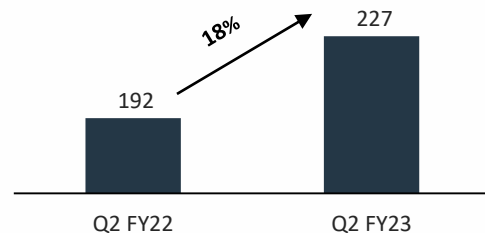
- ❖ Power Brands – Lacto Calamine, Little's, Polycrol, Tetmosol and I-range, have grown by 40% YoY in H1FY23
- ❖ Power Brands contributed to 42% of total ICH sales in H1 FY23

Key milestones

- ❖ E-commerce contributed 15% of total ICH sales and has grown by more than 40% in H1FY23 over same period last year
- ❖ Little's, ICH's top brand grew 67% in H1 FY23 over same period last year
- ❖ Lacto Calamine has grown by 45% over last year powered by new launches and excellent traction on e-commerce

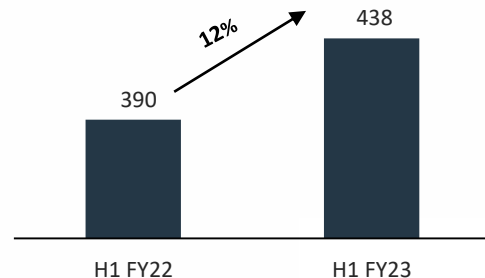
Revenue growth in Q2 FY2023

(In INR Crore)



Revenue growth in H1 FY2023

(In INR Crore)



Diversified Portfolio of Attractive Brands, Including Power Brands

Analgesics



Saridon
Headache relief
Tablet



Sloan's
Balm, Liniment & Spray



QuikKool gel
Mouth ulcer gel

Skin care



Lacto Calamine
Oil Control Lotion,
Facewash, Sunscreen



Tetmosol
Medicated Soap,
Cream & Powder



Neko
Daily Use Soap



Caladryl
Anti-allergy and anti-
itch Lotion

VMS



Supradyn
Multivitamin



Ourdaily
Range of Health
Supplements



Ferradol
Iron supplement



**Becozyme-
C Forte** **Benadon**
B Complex B6 tablet
Vitamin B6 tablet

Women's health



i-pill, i-know
Contraceptive Pill,
Ovulation Kit



i-Can
Pregnancy
Detection Kit



i-Active
Menstrual cups

Digestives



Policrol
Antacid

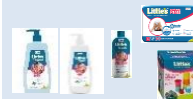


Digeplex
Digestive enzyme



Naturolax
Isabgol Laxative

Kids wellness



Littles
Wipes, Toys,
Diapers, Feeding



Jungle Magic
Range of Toys and
colouring books



CIR
Geriatrics Care

Health & Hygiene



NIXIT
Smoking Cessation



Covifind
Rapid Antigen Test
Kit



Tri-Active
Range of Disinfectant
& Hygiene Protection
Solutions

Focus on Power Brands with Continuous Investments in Brand Promotion and Marketing

Investments in brand promotion and marketing



Kareena Kapoor
Little's



Priyanka Mohan
Lacto - South India



Sourav Ganguly
Polycrol



Amyra Dastur
Lacto - HSM belt



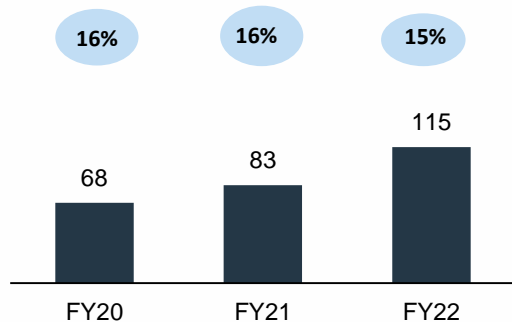
Ajay Devgan
Tetmosol



i-pill Daily
New Media launch

Investments in media and trade spends

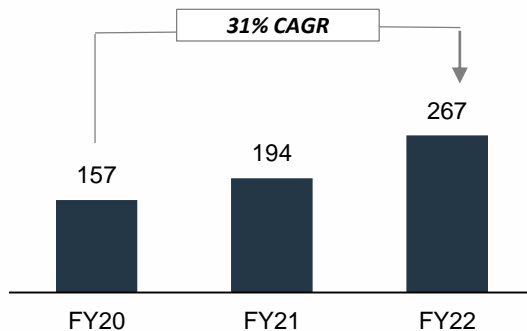
(In INR Crore)



% of net sales

Strong growth in power brands

(In INR Crore)



Revenues contribution from power brands

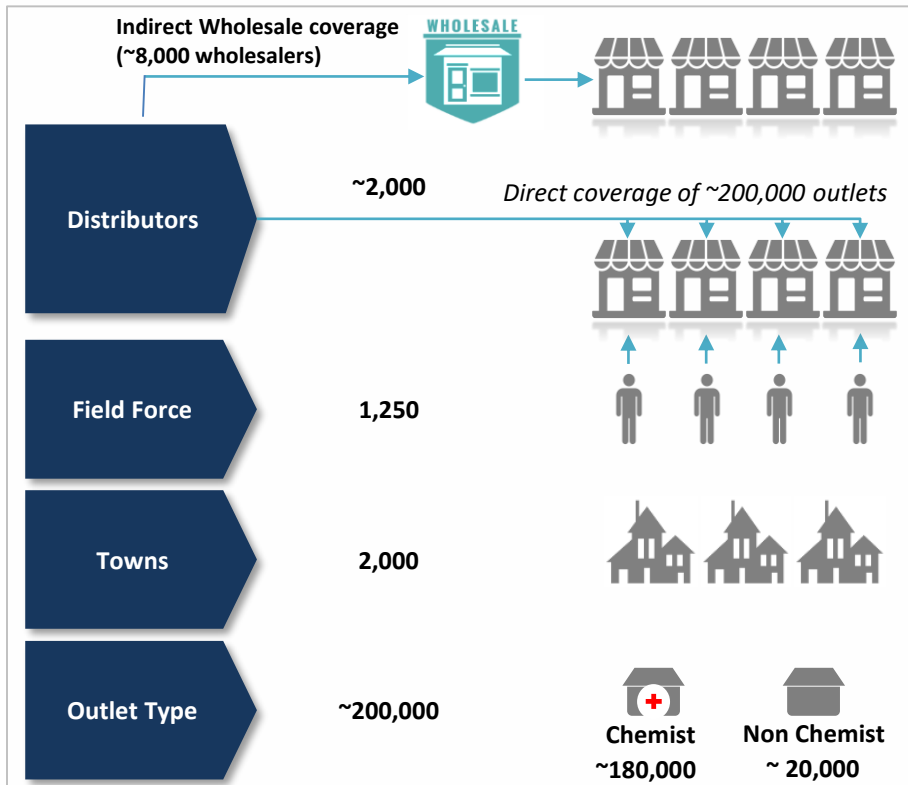
% of sales



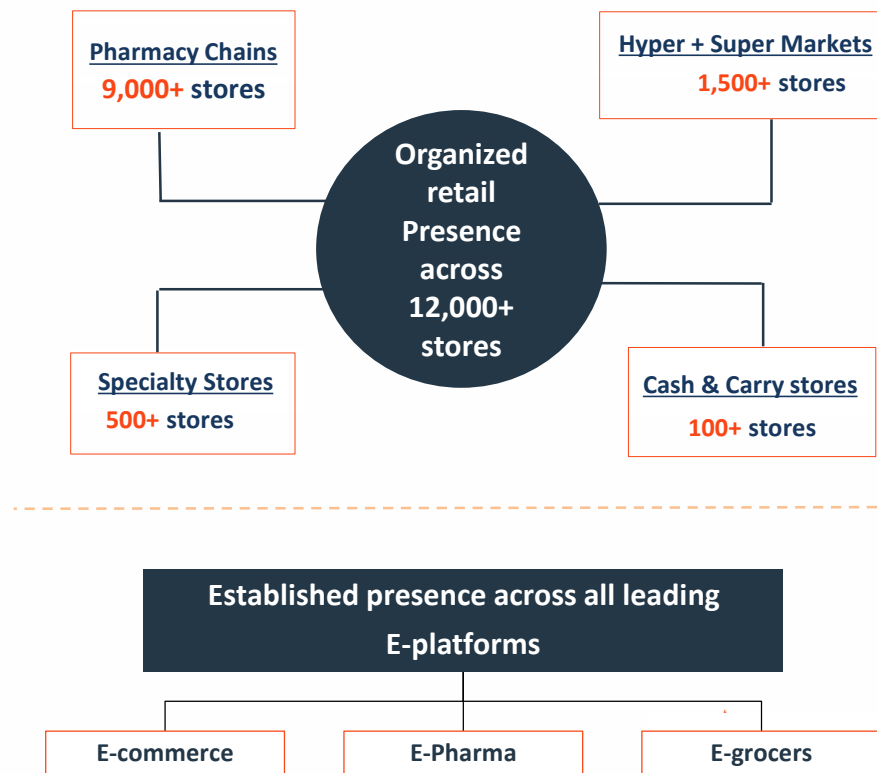
Power Brands - Lacto, Littles, Polycrol, Tetmosol and I-range

Well Established Commercial Infrastructure with Multi-channel Distribution Strategy

Wide coverage across general trade, chemist and toy shops



Strengthening presence across alternate channels



Piramal Pharma's D2C Platform – Wellify.in

Introduced direct-to-consumer platform Wellify.in



With the launch of inhouse D2C platform, Wellify.in, the company is looking at

- Bolstering its **e-commerce** capabilities
- Reaching out to **customers** directly
- Provide **quality products, customised offerings** and **multiple delivery options**
- Offer **personalised experience** to the users powered by advanced technology

PPL has made significant investments in e-commerce in the last two years which is poised for a robust growth and is expected to contribute significantly in next 3 years

Website link: <https://wellify.in/>



Allergan JV (India Ophthalmology Formulations)

Strategic Ophthalmology JV with a #1 Position in the Domestic Market

Allergan India Private Limited



Ownership

49%

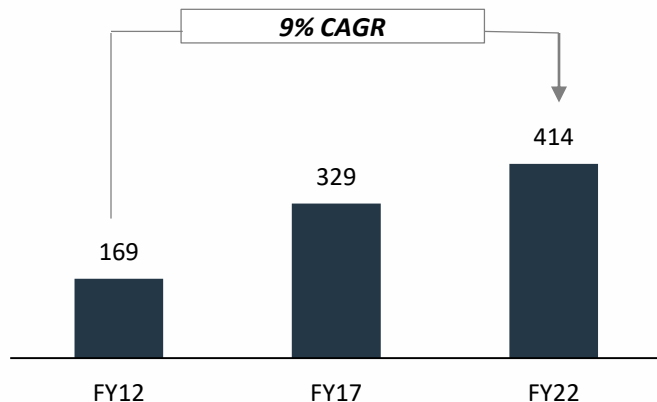


*now AbbVie

Ownership

51%

Revenues* (INR Cr.)



Notes: * Financials of Allergan India JV (i.e., 100% of JV financials)

Key highlights of the JV

- ❖ The JV is the **leader in the eye care segment** in India
 - #1 in Glaucoma (23% market share)
 - #1 in Tears segment (21% market share)

Source: IQVIA Data Aug 2022
- ❖ Manufactures high technology medication and devices for diseases such as **glaucoma, dry eye, infections and inflammation**
- ❖ The JV has **more than 400 employees** including sales force
- ❖ In **FY22**, the JV recorded a **PAT margin of 30%**
- ❖ **Key Brands** – Refresh Tears, Combigan, Lumigan, Alphagan and FML



Key Strategic Priorities



Key Strategic Priorities

Track record of building scalable differentiated pharma businesses with world class talent in attractive markets through profitable organic and inorganic growth

1

Delivering consistent revenue growth and improving profitability

2

Pursuing organic and inorganic growth opportunities leveraging fresh capital

- ✓ **Capacity expansion** across multiple sites
- ✓ Acquisitions of **differentiated manufacturing capabilities** for CDMO
- ✓ Add new complex hospital generics through **in-licensing, acquisitions and capital investments**
- ✓ Organically and inorganically add **Consumer Healthcare products** to further leverage India-wide distribution platform

3

Maintaining robust quality culture across manufacturing/development facilities globally

4

Continued focus on patient needs, customer experience, and ESG initiatives



Annexures

Explanation on financial statement

Note explaining why Q2FY23 financials are strictly not comparable to Q2FY22 and Q1FY23. Similarly, H1FY23 financials are also not strictly comparable to H1FY22

The Hon'ble NCLT, on 12th Aug'22, approved the composite scheme of demerger of the Pharma business from Piramal Enterprises Ltd (PEL) into Piramal Pharma Ltd. (PPL) and amalgamation of PPL's wholly owned subsidiaries Hemmo Pharmaceuticals Pvt Ltd (HPPL) and Convergence Chemical Pvt Ltd (CCPL) into itself with an appointed date of 1st Apr'22.

Accordingly, the financial statements of PPL have been prepared giving effect to the scheme from 1st Apr'2022.

Financial statements of CCPL and HPPL, wholly owned subsidiaries have been combined as if the amalgamation had occurred on 1st April, 2021 or from the date on which the Company acquired control over these subsidiaries, whichever is later.

Prior to the demerger, PPL had entered into an arrangement with PEL for continued onward sale by PEL, of products under Government tenders, that were obtained in the name of PEL, till obligations under these tenders were fully met. The agreement also included sale of PPL's Consumer products (OTC) through PEL's CFA network till all requisite licenses, registrations, permits were fully transferred in the name of PPL.

In accordance with the scheme the demerger of pharma undertaking has been considered as non-common control transaction and accounted as Business combination as per Ind-AS 103 in the financial statements of PPL w.e.f 1st Apr'22. Accordingly, the financial results for the Quarter and six months ended Sep'22 are not comparable with corresponding previous periods. Comparable financials are available on slide no 32 of the Investor presentation for the period.

All the closing inventory as on 31st Mar'22 at PEL, in respect of such transactions included the margin element charged by PPL to PEL on arm's length basis. Since the demerger is effective 1st Apr'22, the opening inventory transferred to PPL at fair value (provisional) as per IND-AS included the margin element and the same has been charged to the P&L in Q1FY23 of PPL financial statements, on sale of such products in PPL.

The one-time, non-recurring impact on EBITDA of this inventory margin in Q1FY23 financial statements is INR 68Cr.

Comparable financials are presented on the next slide



Consolidated Financials Highlights – Profit & Loss Statement

To arrive at comparable financials the below adjustments have been made in the following quarter and half year:

Q1FY23 & H1FY23 – Excluded one-time, non-recurring impact of inventory margin in Q1FY23 from reported financials of Q1FY23 and H1FY23

Q2FY22 & H1FY22 - Included the non-common control transactions in the reported financials of Q2FY22 and H1FY22

(In INR Crores or as stated)

Particulars	Reported Financials					Comparable Financials				
	Q2FY23	Q1FY23	QoQ Change	Q2FY22	YoY Change	Q2FY23	Q1FY23	QoQ Change	Q2FY22	YoY Change
Revenue from Operations*	1,720	1,482	16%	1,578	9%	1,720	1,482	16%	1,621	6%
CDMO	940	770	22%	886	6%	940	770	22%	925	2%
CHG	562	508	11%	500	12%	562	508	11%	500	12%
ICH	227	211	7%	192	18%	227	211	7%	188	21%
EBIDTA	219	89	146%	214	2%	219	157	39%	210	4%
EBIDTA Margin	13%	6%		14%		13%	11%		13%	
PAT	-37	-109		37		-37	-60		30	
PAT Margin	-2%	-8%		2%		-2%	-4%		2%	

Particulars	Reported Financials			Comparable Financials		
	H1FY23	H1FY22	YoY Change	H1FY23	H1FY22	YoY Change
Revenue from Operations*	3,202	2,889	11%	3,202	2,983	7%
CDMO	1,710	1,531	12%	1,710	1,643	4%
CHG	1,069	968	11%	1,069	963	11%
ICH	438	390	12%	438	368	19%
EBIDTA	308	363	-15%	376	367	3%
EBIDTA Margin	10%	13%		12%	12%	
PAT	-146	9		-97	10	
PAT Margin	-5%	0%		-3%	0%	

Note: * Revenue from Operations includes foreign exchange gains/losses

Consolidated Financials Highlights – Balance Sheet

(In INR Crores)

Key Balance Sheet Items	30-Sep-22	31-Mar-22
Total Equity	6,672	6,697
Net Debt	4,385	3,694
Deferred Consideration	90	90
Total	11,148	10,481
Net Fixed Assets	8,577	8,051
Tangible Assets	4,089	3,716
Intangible Assets including goodwill	4,488	4,336
Net Working Capital	2,121	2,058
Other Assets#	450	372
Total	11,148	10,481

Other Assets include Investments and Deferred Tax Assets (Net)

Dial-in details for Q2 and H1 FY2023 Earnings Conference Call

Event	Location & Time	Telephone Number
Conference Call on 9 th November 2022	India – 5:00 PM IST	+91 22 6280 1461 / +91 22 7115 8320 (Primary Number)
		1 800 120 1221(Toll free number)
	USA – 7:30 AM (Eastern Time – New York)	Toll free number 18667462133
	UK – 11:30 AM (London Time)	Toll free number 08081011573
	Singapore – 7:30 PM (Singapore Time)	Toll free number 8001012045
	Hong Kong – 7:30 PM (Hong Kong Time)	Toll free number 800964448
Express Join with Diamond Pass™	Please use this link for prior registration to reduce wait time at the time of joining the call – https://services.choruscall.in/DiamondPassRegistration/register?confirmationNumber=4892261&linkSecurityString=1729220401	



For Investor Queries:

Gagan Borana

General Manager – Investor Relations & Sustainability

Email : gagan.borana@piramal.com

Phone : +91 22 3802 3090