

# Piramal Pharma Limited

## Q3 & 9M FY2023 Results

February 2023





## Disclaimer

This presentation and the accompanying slides (the “**Presentation**”), which have been prepared by Piramal Pharma Limited (the “**Company**”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation, directly or indirectly, in any manner, or inducement to sell or issue, or any solicitation of any offer to purchase or subscribe for any securities of the Company in any jurisdiction, and shall not form the basis or be relied on in connection with any contract or binding commitment what so ever.

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'.

Such forward-looking statements are not guarantees of future performance and are subject to known and unknown 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 Company's ability to successfully implement its strategy, the Company's growth and expansion plans, the performance of the Indian economy and of the economies of various international markets, obtain regulatory approvals, provisioning policies, technological changes, investment and business income, income or cash flow projections, the performance of the industry in India and world-wide, exposure to market risks as well as other risks. The Company's actual results, levels of activity, performance or achievements could differ materially from results expressed in or implied by this Presentation.

Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections. Given these uncertainties and other factors, viewers of this Presentation are cautioned not to place undue reliance on these forward-looking statements. The information in this Presentation does not constitute financial advice (nor investment, tax, accounting or legal advice) and does not take into account an investor's individual investment objectives, including the merits and risks involved in an investment in the Company or its securities, or an investor's financial situation, tax position or particular needs. Past performance information in this Presentation should not be relied upon as an indication of (and is not an indicator of) future performance.

This Presentation is not a prospectus, disclosure document, a statement in lieu of a prospectus, an offering circular, an invitation or an advertisement or an offer document under the Companies Act, 2013, together with the rules and regulations made thereunder, as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, or any other applicable law in India. This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation, and nothing in this Presentation shall be relied upon as a promise or representation in this respect, whether as to the past or the future. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. The Presentation has not been independently verified and any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

The contents of this Presentation may not be copied or disseminated, reproduced, re-circulated, published, advertised or redistributed, in whole or in part, to any other person or in any media, website or otherwise in any manner without the Company's written consent.

Note: Figures in previous periods might have been regrouped or restated, wherever necessary to make them comparable to current period. For the ease of presentation, certain financial information herein has been rounded off to one decimal place or two decimal places or whole numbers, as the case may be.



## Key Performance Highlights of Q3 and 9M FY2023

Financial 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 21 and 22 for detailed explanation and like-to-like financials.



# Key Performance Highlights of Q3 and 9M FY2023

## Key Highlights

### ❖ Revenue grew by 11% YoY for Q3FY23 and 9MFY23

Business Segment	YoY Growth	
	Q3 FY23	9M FY23
Contract Development and Manufacturing Organization (CDMO)	14%	12%
Complex Hospital Generic (CHG)	6%	9%
India Consumer Healthcare (ICH)	37%	19%

### ❖ CDMO business:

- Maintained **quality track record** of zero OAI\* over the last 12 years
  - US FDA inspection at Riverview concluded with zero observations
- CAPEX / Expansions gone live** at Ahmedabad PDS, peptide facility (Turbhe, India) and Riverview (US)

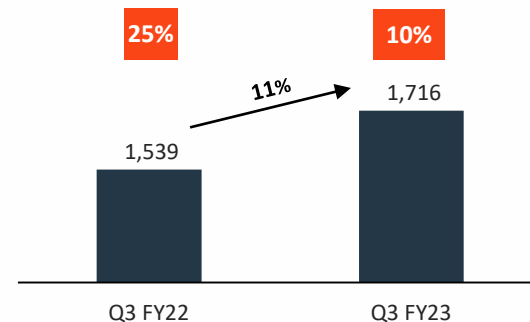
### ❖ CHG business: Strong **Inhalation Anesthesia (IA)** sales in the US with continued volume growth driving market share gains

### ❖ ICH business:

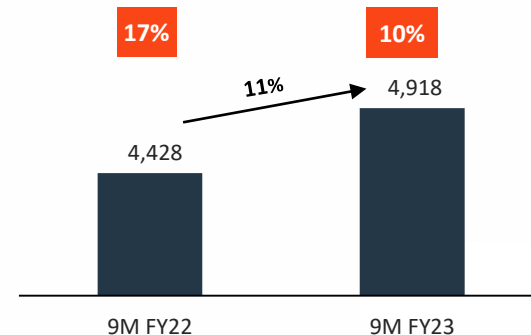
- High growth rate in power brands
- Continued momentum in E-commerce channel

## Revenue and EBITDA performance in Q3 FY23

(In INR Crore) Revenue EBITDA Margin



## Revenue and EBITDA performance in 9M FY23





## **CDMO Business (Piramal Pharma Solutions)**



# Contract Development and Manufacturing Organization Business

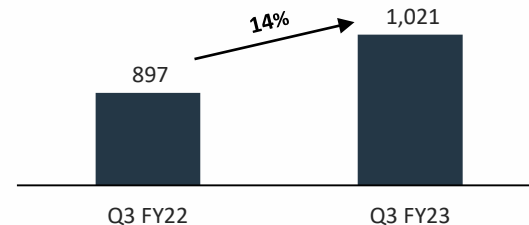
## Key Business Highlights

- ❖ **CAPEX / Expansions gone live**
  - Ahmedabad PDS site (new In-Vitro Lab)
  - Significant capacity enhancement at peptide facility at Turbhe (India)
  - New capacities going live at Riverview facility (US)
- ❖ **US FDA inspections** at Riverview, Sellersville and Lexington facilities in the US
  - Zero observations at Riverview
  - Form 483 with VAI\* classification at Sellersville and Lexington
- ❖ **Soft demand** in existing generic API and vitamins portfolio
- ❖ Continued **slower decision making by customers** due to macro-economic environment and increased focus on pipeline prioritization
- ❖ Undertaking **judicious price increases, cost optimization** and **operational excellence measures** to mitigate inflationary pressures due to higher utility cost, raw materials prices and wage inflation

Underlying demand for CDMO services, especially for our differentiated offerings remains strong. We are seeing an improved traction in customer engagement and continued RFP (Request for Proposal) in-flows.

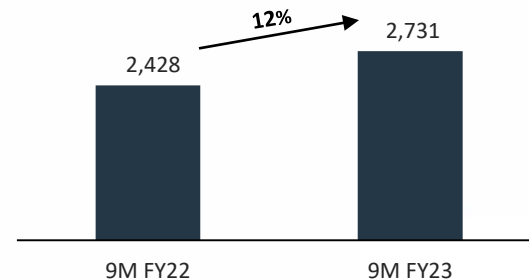
## Revenue growth in Q3 FY23

(In INR Crore)



## Revenue growth in 9M FY23

(In INR Crore)





## Our Strengths in the CDMO Business



Service Offerings **Across the Lifecycle of the Molecule**



**High Proportion of Commercial Revenues and a Deep Pipeline of Development Projects** across Multiple Phases



**Diversified Blue Chip Customer Base**



**Increasing Revenue Share** and Attracting Customers with our **Differentiated Offerings**



**Global Manufacturing Footprint** with **Expansion of Major Sites** through Customer-led Brownfield Expansions



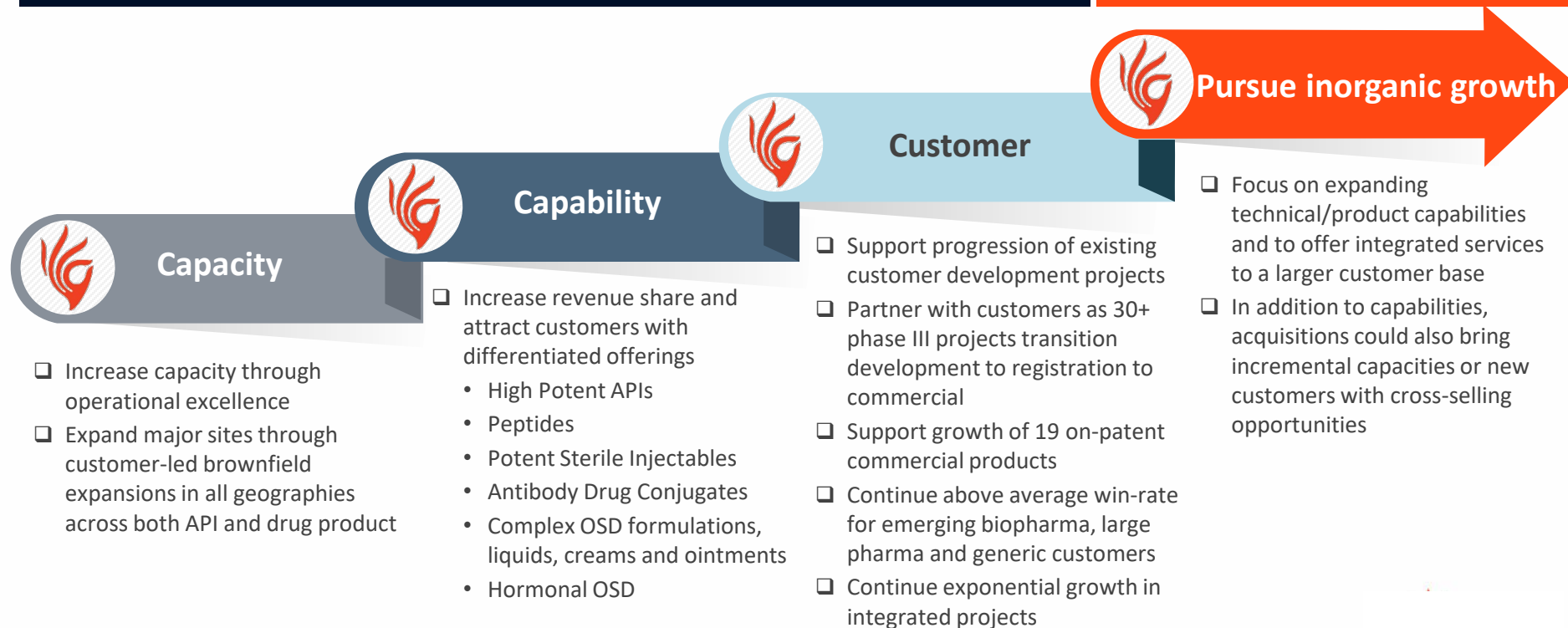
Leveraging our **End-to-end Model** to offer **Integrated Services**



## Growth Drivers for CDMO Business

### Near-term Visible Revenue Growth Levers

### Upsides Beyond the Plan







## **Complex Hospital Generics (Piramal Critical Care)**



# Complex Hospital Generics Business

## Key Business Highlights

### Inhalation Anesthesia

- ❖ **Continued momentum in Inhalation Anesthesia (IA)** sales in the US with volume growth driving market share gains
- ❖ Manufacturing facilities are operating at peak capacity, with increased focus on improving output through greater operating efficiencies and through execution of planned capacity expansion projects

### Intrathecal Therapy

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

### Injectable Anesthesia and Pain Management

- ❖ Growth in Q3 FY23 and 9M FY23 was impacted by scale up challenges at new CMOs - **Production has ramped up** over last few months

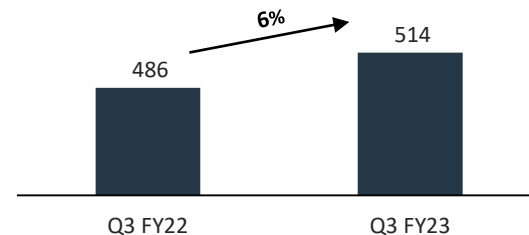
### Other Products

- ❖ Building pipeline of new products which are various stages of development
- ❖ **Launched 2 new products** during Q3 FY23

The generics space that we operate in remains attractive, with a growing inhalation anesthesia segment, stable intrathecal and injectable pain management segment and growth opportunities in injectable pipeline.

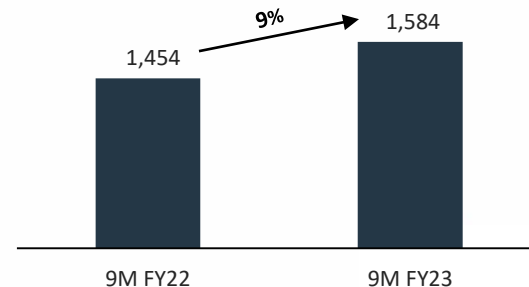
## Revenue growth in Q3 FY23

(In INR Crore)



## Revenue growth in 9M FY23

(In INR Crore)



# Differentiated Portfolio for Gaining Market Share and Driving Growth

## Differentiated portfolio spanning inhalation anesthesia and injectable

### Inhalation Anesthesia (58%<sup>1</sup>)



### Injectable Anesthesia and pain management (17%<sup>1</sup>)



### Intrathecal Therapy (16%<sup>1</sup>)



### Other Products (9%<sup>1</sup>)



✓ Characterized by **high barriers to entry** and **low competition**

✓ **Branded nature** for bulk of the portfolio

✓ Commercial presence in **over 100 countries**

✓ **Direct sales force** in the US with strong GPO relationships

## Vertically Integrated Manufacturing Capabilities with Global Regulatory Accreditations

### Inhalation anesthesia facility (Bethlehem, USA)



In-house manufacturing of  
**Sevoflurane and Desflurane**

### Inhalation anesthesia facility (Digwal, India)



In-house manufacturing of  
**Isoflurane**

### Specialty Fluorochemicals facility (Dahej, India)



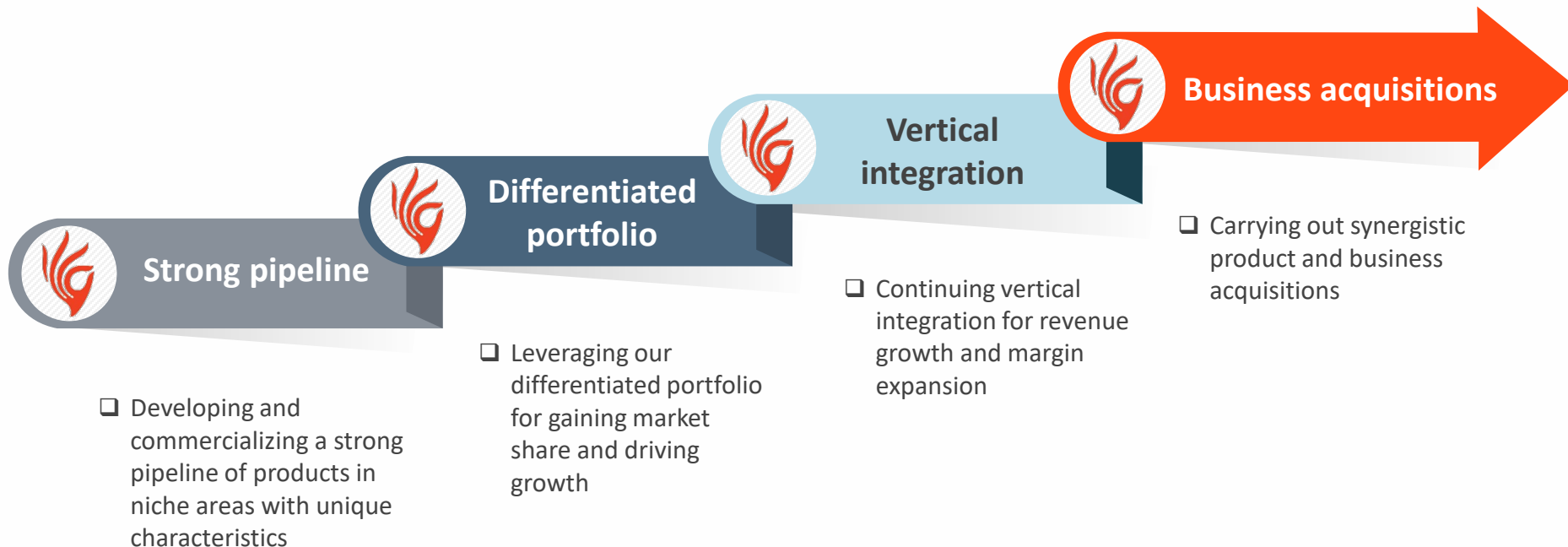
**Vertically integrated** in-house manufacturing to make KSM



## Growth Drivers for CHG Business

### Near-term Visible Revenue Growth Levers

### Upsides Beyond the Plan





## **India Consumer Healthcare (Consumer Products Division)**



# India Consumer Healthcare Business

## Key Business Highlights

### New product launches

- ❖ **21 new products and 25 new SKUs launched** during 9M FY23. NPDs launched in last 2 years now contribute to 17% of total sales



### Power Brands

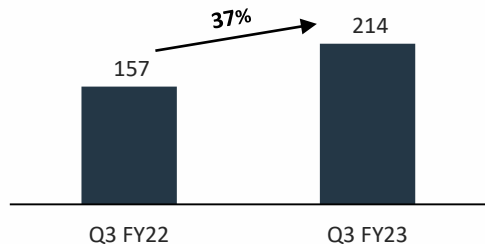
- ❖ **Power Brands** – Lacto Calamine, Littles, Polycrol, Tetmosol and I-range, registered YoY growth of 39% during 9M FY23
- ❖ Power Brands continued its strong growth momentum and contributed to 41% of total ICH sales in 9M FY23

### Key milestones

- ❖ **E-commerce** sales grew at over 50% YoY rate for 9M FY23
- ❖ **Littles**, ICH's top brand, grew 66% YoY in 9M FY23
- ❖ **Lacto Calamine** grew by 44% over last year in 9M FY23 powered by new launches and excellent traction on e-commerce

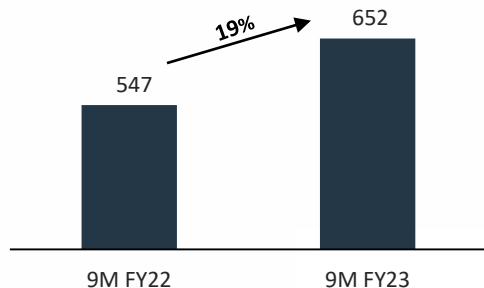
## Revenue growth in Q3 FY23

(In INR Crore)



## Revenue growth in 9M FY23

(In INR Crore)



# 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



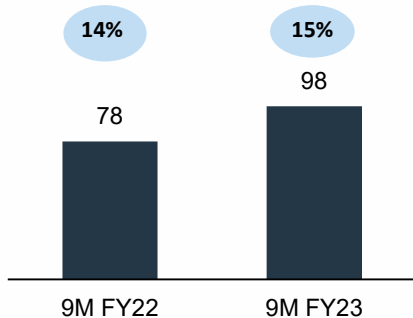
**Ajay Devgan**  
Tetmosol



**i-pill Daily**  
New Media launch

## Investments in media and trade spends

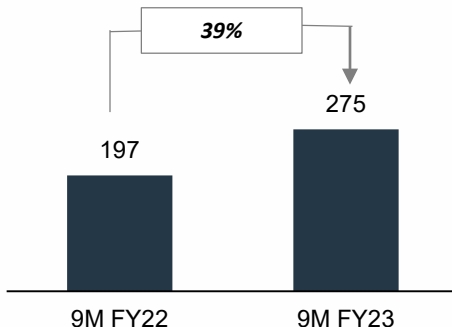
(In INR Crore)



% of ICH sales

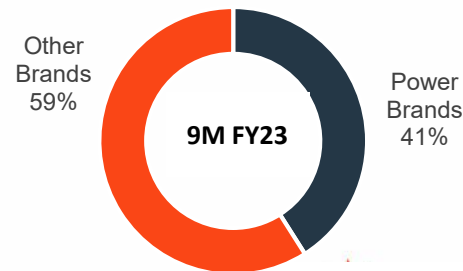
## Strong growth in power brands

(In INR Crore)



## Revenues contribution from power brands

% of sales



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



## **Allergan JV (India Ophthalmology Formulations)**





## Strategic Ophthalmology JV in the Domestic Market

Allergan India Private Limited



*Ownership*

**49%**



*Ownership*

**51%**

### Key highlights of the JV

- ❖ The JV sells a total of **41 brands** in India – key brands include Refresh Tears, Combigan, Lumigan, Alphagan and FML
- ❖ The JV has **more than 400 employees** including sales force
- ❖ It manufactures high technology medication and devices for diseases such as **glaucoma, dry eye, infections and inflammation**
- ❖ It is the **leader in the eye care segment** in India
  - #1 in Glaucoma (23% market share)
  - #1 in Tears segment (21% market share)
- ❖ In **FY22**, the JV recorded **revenues of INR 414 Cr.** with a **PAT margin of 30%**

Source: IQVIA Data



## Key Strategic Priorities



## Key Strategic Priorities

*Track record of building scalable differentiated pharma businesses with an able workforce in attractive markets through profitable organic and inorganic growth*

1

Drive demand in CDMO business by increasing the proposal velocity and win rate

2

Delivering consistent revenue growth and improving profitability

3

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

4

Continuing high quality culture across manufacturing/development facilities globally

5

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



# Financials

## Explanation on Financial Statement

### **Note explaining why Q3FY23 and 9MFY23 financials are strictly not comparable to Q3FY22 and 9MFY23**

The Hon'ble NCLT, on 12<sup>th</sup> 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 1<sup>st</sup> Apr'22.

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

Financial statements of CCPL and HPPL, wholly owned subsidiaries of PPL have been combined as if the amalgamation had occurred on 1<sup>st</sup> 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 (Carrying and Forwarding Agent) 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 1<sup>st</sup> Apr'22. Accordingly, the financial results for the quarter and nine months ended Dec'22 are not comparable with corresponding previous periods. Like-to-Like financials are available on the next slide.

Also, all the closing inventory as on 31<sup>st</sup> 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 1<sup>st</sup> 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.

## Consolidated Financials Highlights – Profit & Loss Statement

To arrive at like-to-like financials the below adjustments have been made in the following quarters and nine months:

**Q1FY23 & 9MFY23** – Excluded one-time, non-recurring impact of inventory margin in Q1FY23 from reported financials of Q1FY23 and 9MFY23

**Q3FY22 & 9MFY22** - Included the non-common control transactions in the reported financials of Q3FY22 and 9MFY22

(In INR Crores or as stated)

Particulars	Reported Financials					Like-to-Like Financials				
	Q3FY23	Q2FY23	QoQ Change	Q3FY22	YoY Change	Q3FY23	Q2FY23	QoQ Change	Q3FY22	YoY Change
Revenue from Operations*	1,716	1,720	0%	1,539	11%	1,716	1,720	0%	1,578	9%
CDMO	1,021	940	9%	897	14%	1,021	940	9%	922	11%
CHG	514	562	-8%	486	6%	514	562	-8%	491	5%
ICH	214	227	-6%	157	37%	214	227	-6%	167	28%
EBIDTA	170	219	-22%	386	-56%	170	219	-22%	348	-51%
EBIDTA Margin	10%	13%		25%		10%	13%		22%	
PAT	-90	-37	N/A	163	-155%					
PAT Margin	-5%	-2%		11%						

Particulars	Reported Financials			Like-to-Like Financials		
	9MFY23	9MFY22	YoY Change	9MFY23	9MFY22	YoY Change
Revenue from Operations*	4,918	4,428	11%	4,918	4,561	8%
CDMO	2,731	2,428	12%	2,731	2,566	6%
CHG	1,584	1,454	9%	1,584	1,454	9%
ICH	652	547	19%	652	535	22%
EBIDTA	478	749	-36%	546	714	-24%
EBIDTA Margin	10%	17%		11%	16%	
PAT	-237	172	-238%			
PAT Margin	-5%	4%				

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



## Dial-in details for Q3 and 9M FY2023 Earnings Conference Call

Event	Location & Time	Telephone Number
Conference Call on 9 <sup>th</sup> February 2023	India – 5:00 PM IST	+91 22 6280 1461 / +91 22 7115 8320 (Primary Number)
		1 800 120 1221 (Toll free number)
	USA – 6:30 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 – <a href="https://services.choruscall.in/DiamondPassRegistration/register?confirmationNumber=3875819&amp;linkSecurityString=132719d2f8">https://services.choruscall.in/DiamondPassRegistration/register?confirmationNumber=3875819&amp;linkSecurityString=132719d2f8</a>	



## About Piramal Pharma Ltd.



# Piramal Pharma - Phases of our Evolution

1988

2010

2020

2022

**Nicholas  
Laboratories**

**Piramal Healthcare**

Domestic Formulations

Pharma Solutions

Critical Care

OTC

India NCE

Diagnostic Services

**Piramal Enterprises**

**Piramal Pharma**

CDMO

Complex Hospital Generics

India Consumer Healthcare

JV with Allergan

**Financial Services**

Wholesale Lending

Multi-product Retail Lending

Alternative AUM

Other Investments

**Piramal Pharma Ltd.**

CDMO

Complex Hospital Generics

India Consumer Healthcare

JV with Allergan

- ❑ Entered the pharma space through the acquisition of Nicholas Laboratories in 1988
- ❑ Series of M&As, JVs and Alliances and various organic initiatives

- ❑ Created scalable and differentiated pharmaceutical company over two decades
- ❑ Sold the Domestic Formulations business to Abbott in 2010
- ❑ Sold Diagnostic Services to Super Religare Laboratories

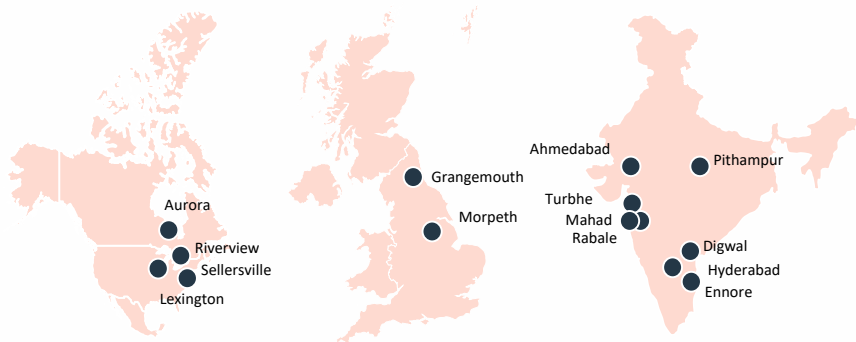
- ❑ Significantly scaled up the pharma businesses since Abbott deal
- ❑ Built a large well diversified Financial Services business
- ❑ Subsidarized pharma businesses and raised fresh capital from Carlyle
- ❑ Strengthened the balance sheet through multiple capital raise initiatives

- ❑ Piramal Pharma Ltd. (PPL) demerged from Piramal Enterprises
- ❑ PPL listed on BSE and NSE on 19th October 2022
- ❑ This enabled simplification of corporate structure and facilitate each entity to pursue their growth strategies with sharper focus

# Three-Pronged Business Model with Global Operations

## Contract Development and Manufacturing Organisation (CDMO)

15 CDMO sites across North America, Europe and India



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

## Complex Hospital Generics (CHG)



Inhalation Anesthesia



Anaesthesia and pain management



Intrathecal Therapy



Other Injectables

## India Consumer Healthcare (ICH)

**LACTO<sup>®</sup>**  
CALAMINE  
Daily Face Care Lotion

**Little's**  
EXPERT BABY CARE

**TETMOSOL**

**Polycrol<sup>®</sup>**  
X-PRESS RELIEF



**i-range**

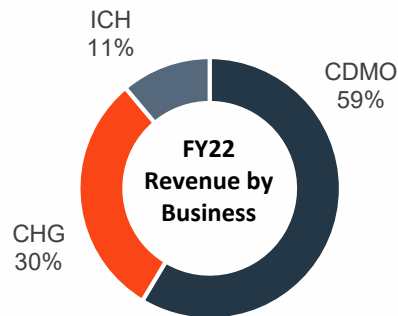
- I. PPL has 49% stake in a Joint Venture, Allergan India Pvt Limited (51% held by Abbvie), a leader in Ophthalmology formulations in the Indian market
- II. PPL has 33% strategic stake in Yapan Bio Pvt Ltd, a CDMO that specializes in Vaccines and Biologics

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

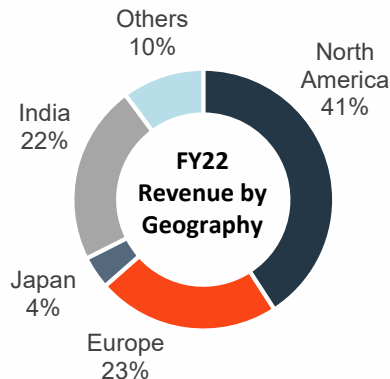


## Global Footprint with a Diversified Revenue Base

### Revenue by Business



### Revenue by Geography



### Global Footprint

*17 Manufacturing Sites in India, North America and UK*

*100+ Countries with Commercial Presence*

*~500 CDMO Customers including Large Pharma, Emerging Biopharma and Generic*

*6,000+ CHG Customers (Hospitals)*

### Key performance drivers

#### CDMO



*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*



## For Investor Queries:

### **Gagan Borana**

General Manager – Investor Relations & Sustainability

Email : [gagan.borana@piramal.com](mailto:gagan.borana@piramal.com)

Phone : +91 22 3802 3090