

# Piramal Pharma Limited

## Q4 & FY2023 Results

May 2023





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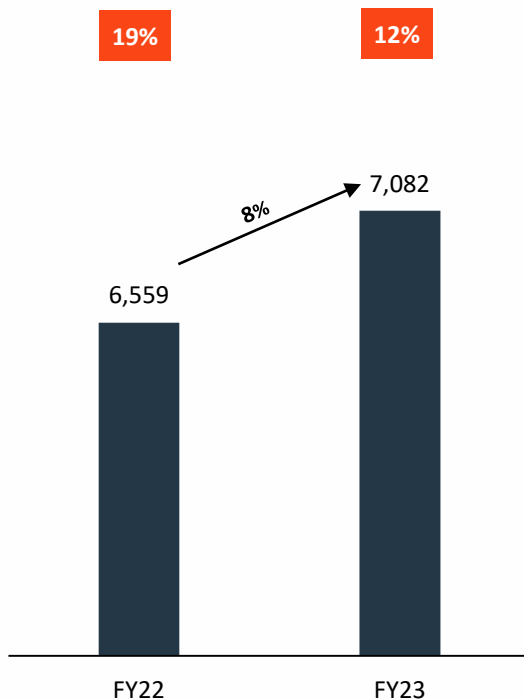


# Key Highlights of the Financial Year

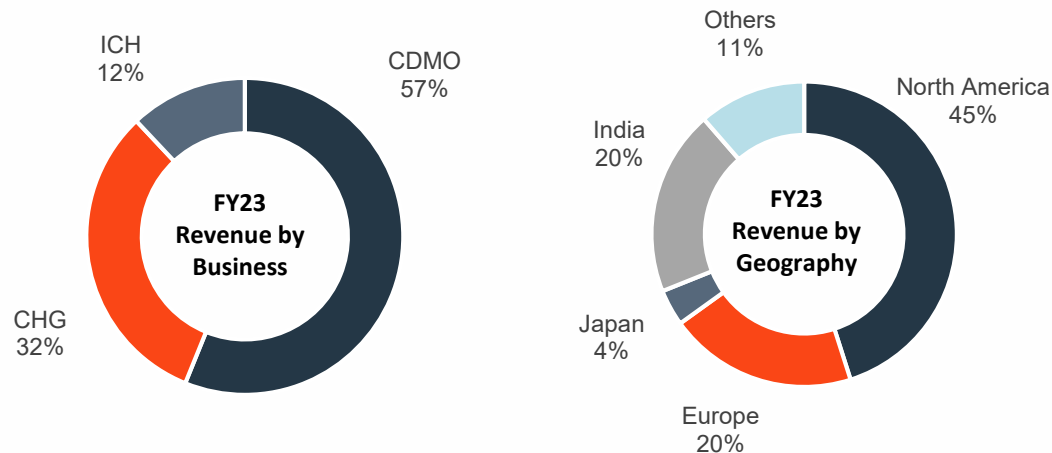
## Key Financial Highlights

### Revenue grew by 8% YoY in FY23

(In INR Crore) Revenue EBITDA Margin



### Diversified Revenue Mix



Business Segment	FY23 YoY Growth	
	Reported	Like-to-Like*
Contract Development and Manufacturing Organisation (CDMO)	7%	1%
Complex Hospital Generic (CHG)	14%	14%
India Consumer Healthcare (ICH)	6%	16%

\* For detailed financials, please refer slide 22 and 23



# Key Highlights of the Financial Year

## Strategic Initiatives



- ❖ **Demerged** from Piramal Enterprise Ltd. and listed as a separate entity
- ❖ **Capacity expansion** across multiple facilities to meet growing demand
- ❖ **Rights Issue** – Filed the DLOF with the SEBI for the Rights Issue not exceeding INR 1,050 Cr.

## Best-in-Class Quality Track Record

**36**

Successful regulatory inspections in FY23

**4**

Successful US FDA inspections in FY23

**Zero**  
OAIs<sup>#</sup>

Successfully cleared multiple  
**customer audits** in FY23

Note - Received nil observations in two US FDA inspections and EIR in remaining two US FDA inspections in FY23

\* Since FY12

# OAI - Official Action Indicated

## Integrating Sustainability



- ❖ Established **ESG framework** to integrate sustainability in our operations
- ❖ Developed **ESG policy**
- ❖ Took **initiatives**<sup>\$</sup> in areas including decarbonisation, water stewardship, waste management, diversity & inclusion, learning & development

<sup>\$</sup> Details will be shared in forthcoming FY23 Sustainability Report



## Details on the Rights Issue

### Progress on the Rights Issue not exceeding INR 1,050 Cr.

- ❖ **February 2023** - The Board of Directors of the Company approved the recommendation to allot equity shares for an amount not exceeding INR 1,050 Cr., subject to receipt of requisite regulatory approvals, market conditions and other considerations
- ❖ **March 2023** – The Company filed the DLOF (Draft Letter of Offer) with the SEBI on 28<sup>th</sup> March, 2023
- ❖ **As on date** – Currently under review with the SEBI

### Objects of the Issue

The Company intends to utilize the Net Proceeds from the Issue towards funding of the following objects:

- ❖ **Repayment or prepayment**, in full or in part, of certain borrowings availed by our Company
- ❖ **General corporate purposes**

*The Promoter, Ajay G. Piramal, together with other persons in the Promoter Group, have confirmed that they intend to (i) subscribe the full extent of their rights entitlement in the Issue in accordance with Regulation 10(4)(a) of the SEBI Takeover Regulations; and (b) together with other persons in the Promoter Group will subscribe to the full extent of the aggregate rights entitlement of the Promoter and the Promoter Group in the Issue, and will further subscribe to such number of additional Equity Shares for any unsubscribed portion in the Issue as may be required to ensure that the aggregate subscription in the Issue shall be 100% of the Equity Shares offered in the Issue*



## Key Highlights of the Quarter (Q4FY23)

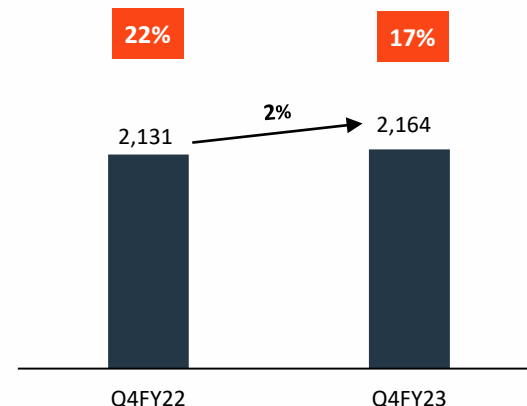
### Key Highlights

- ❖ **Revenue from Operations** in Q4FY23 was Rs.2,164Cr – growth of 26% QoQ and 2% YoY
  - EBITDA margin in Q4FY23 was 17% compared to 10% in Q3FY23 and 22% in Q4FY22
- ❖ **CDMO business:**
  - Significant **pick-up in order inflows in Q4FY23** compared to previous quarters
  - **Capacity expansions gone live** at Ahmedabad PDS, peptide facility (Turbhe, India) and Riverview (US) seeing good customer demand
- ❖ **CHG business:**
  - **Continued strong demand** for Inhalation Anesthesia (IA) products in the US and non-US markets
  - **Capacity expansion** in progress at Indian and US sites to meet growing demand for IA products
- ❖ **ICH business:**
  - **5 new products** and **3 new SKUs** launched in Q4FY23
  - **High growth rate in power brands** driven by sustained marketing and brand building efforts

\* Based on reported numbers

### Revenue and EBITDA performance\*

(In INR Crore)  Revenue  EBITDA Margin



Business Segment	Q4FY23 YoY Growth	
	Reported	Like-to-Like <sup>#</sup>
CDMO	-3%	-8%
CHG	28%	28%
ICH	-23%	5%

# For detailed financials, please refer slide 23 and 24



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



# Contract Development and Manufacturing Organization Business

## Performance Highlights

### ❖ Pick-up in order inflows:

- Witnessed significant **pick-up in order bookings in Q4FY23** compared to previous quarters
- Underlying demand for CDMO services, especially for our **differentiated offerings remains strong**
- Capacity expansions gone live** at Riverview (US), peptide facility (Turbhe, India) and Ahmedabad PDS to help YoY growth in FY24

### ❖ Successfully closed US FDA inspection:

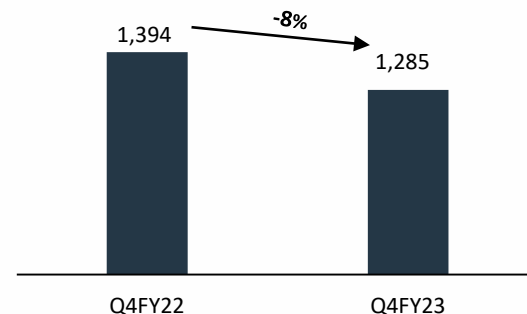
- Successfully cleared 36 regulatory inspections and multiple customer audits in FY23
- US FDA Inspections - Received **zero observations** at Riverview and Digwal; and EIR (Establishment Inspection Report) for Lexington and Sellersville

### ❖ Improve profitability: Undertaking cost optimization, strategizing procurement and operational excellence measures to mitigate inflationary pressures and **improve profitability**

### ❖ Sustainability initiatives: Taking initiatives across sites in the areas of decarbonization, water stewardship and waste management to integrate sustainability in our operations

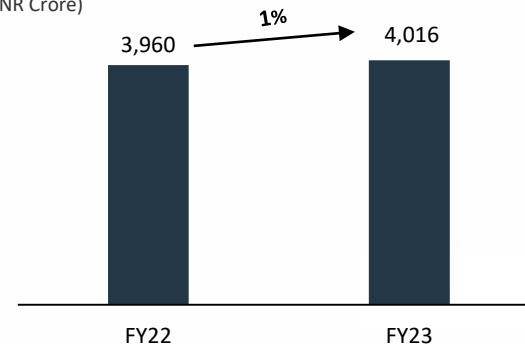
## Revenue performance\* in Q4FY23

(In INR Crore)



## Revenue performance\* in FY23

(In INR Crore)



\* Based on like-to-like numbers. For reported numbers, please refer slide 23 and 24

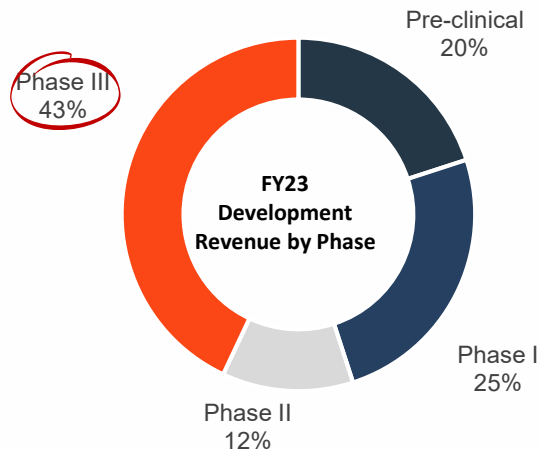
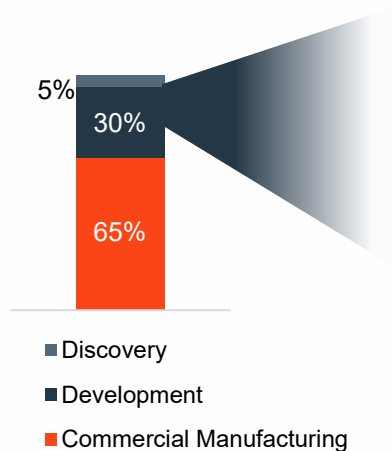




## Presence across Value Chain – Discovery, Development, Commercial Manufacturing

High proportion of Commercial and Phase III development revenue

FY23 Revenue by Services



### Strong Growth in Commercial Products Under Patent

**2x**

growth in number of commercial products under patent (9 in FY19 to 18 in FY23)

**\$52mn**

revenue from commercial products under patent in FY23, up from \$19mn in FY19

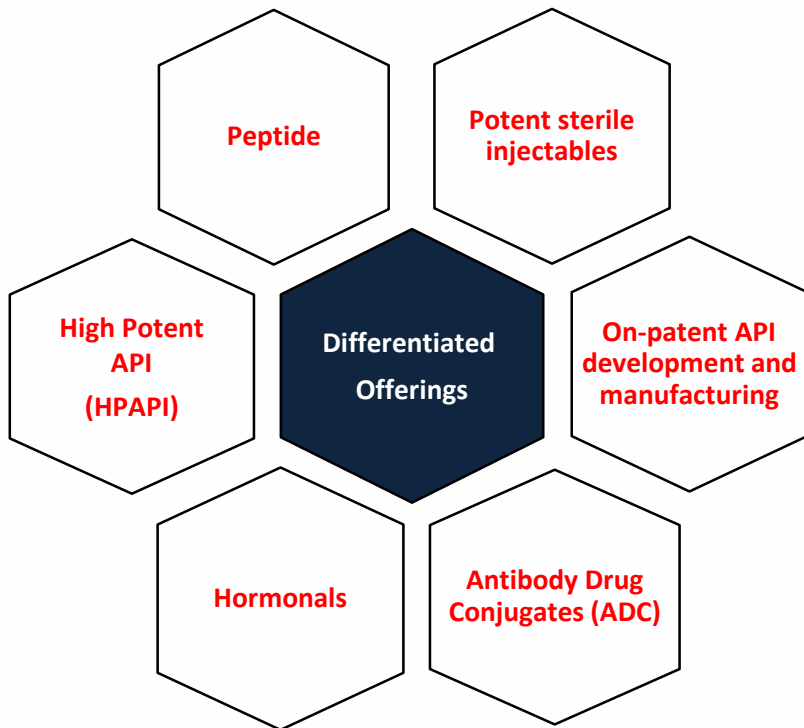
**45%** of revenues from **Innovation\*** related work

\* Discovery + Development + Commercial Manufacturing of products under patent



## Attracting Customers with our Differentiated Offerings and Integrated Services

### Differentiated Offerings



### Integrated Projects

**200+**

Integrated projects executed till date

**32**

number of integrated projects in FY23

**\$67mn**

Value of order book of integrated projects in FY23

**26%**

of the order book in FY23 is from integrated projects

Integrated project is defined as project **involving more than one site**



## Growth Drivers for CDMO Business

### Near-term Visible Revenue Growth Levers

#### Capacity

- ❑ Increase capacity through operational excellence
- ❑ Expand major sites through customer-led brownfield expansions

#### Capability

- ❑ Increase revenue share and attract customers with differentiated offerings
  - High Potent APIs
  - Peptides
  - Potent Sterile Injectables
  - Antibody Drug Conjugates
  - Hormonal OSD

#### Customer

- ❑ Support progression of existing customer development projects
- ❑ Partner with customers as 35+ phase III projects transition development to registration to commercial
- ❑ Support growth of 18 on-patent commercial products
- ❑ Continue exponential growth in integrated projects; 26% of the order book in FY23 is from integrated projects

### Upsides Beyond the Plan

#### Pursue inorganic growth

- ❑ Focus on expanding technical/product capabilities and to offer integrated services to a larger customer base
- ❑ In addition to capabilities, acquisitions could also bring incremental capacities or new customers with cross-selling opportunities



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



## Complex Hospital Generics Business

### Performance Highlights

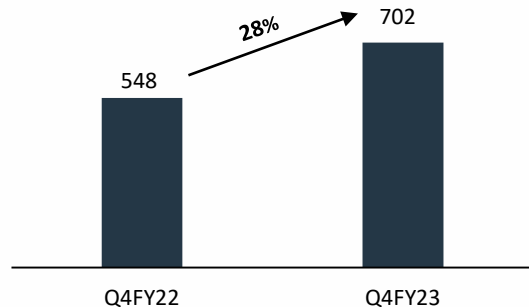
- ❖ **Continued momentum in Inhalation Anesthesia (IA) sales** in the US with volume growth driving market share gains
  - **Leading player in Sevoflurane in the US** with 39% market share\*\*
  - **IA production capacity:** Focus on improving output through greater operating efficiencies and through execution of planned capacity expansion projects
- ❖ **Intrathecal portfolio** in the US continued to command leading market share
  - **Rank #1** in the US market of **Baclofen's pre-filled syringe and vial** with our brand **Gablofen** having **78%** market share\*\*
- ❖ **Injectable Anesthesia and Pain Management portfolio:** Growth in FY23 was impacted by scale up challenges at new CMOs. Production has ramped up over last few months
  - **Fentanyl (ampoules)** is **Rank #1** brand by USD value in its representative market in Japan, South Africa and Indonesia markets\*\*
- ❖ **Other Injectable portfolio:**
  - **3 new products (10 SKUs)** launched during the year
  - Building pipeline of new products which are various stages of development

\* Based on like-to-like numbers. For reported numbers, please refer slide 23 and 24

\*\*As per IQVIA MIDAS MAT® Sept 2022

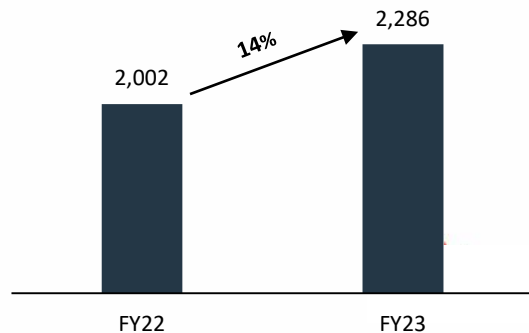
### Revenue growth\* in Q4 FY23

(In INR Crore)



### Revenue growth\* in FY23

(In INR Crore)





# Differentiated Portfolio for Gaining Market Share and Driving Growth

## Differentiated portfolio spanning inhalation anesthesia and injectable

### Inhalation Anesthesia (64%<sup>1</sup>)



### Intrathecal Therapy (15%<sup>1</sup>)



### Injectable Anesthesia and pain management (11%<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)

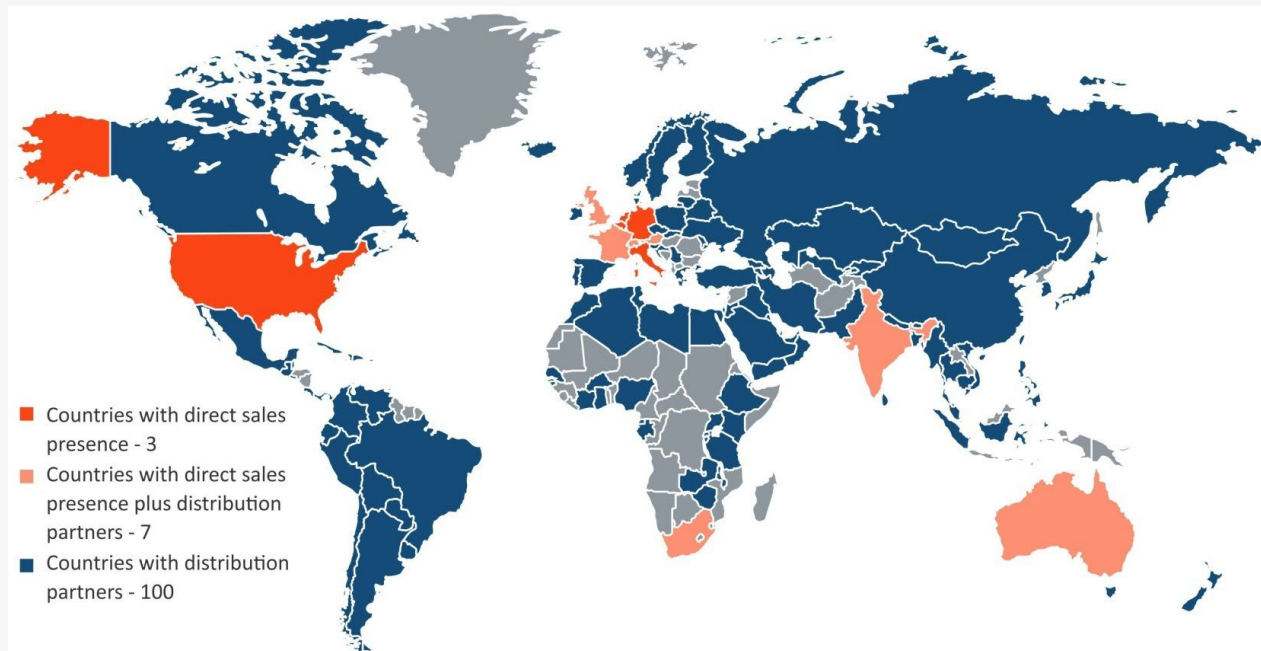


**Vertically integrated** in-house manufacturing to make KSM



# Flexible Blend of Direct Commercialization Capabilities and Local Partners

Marketing worldwide through a global sales and distribution network



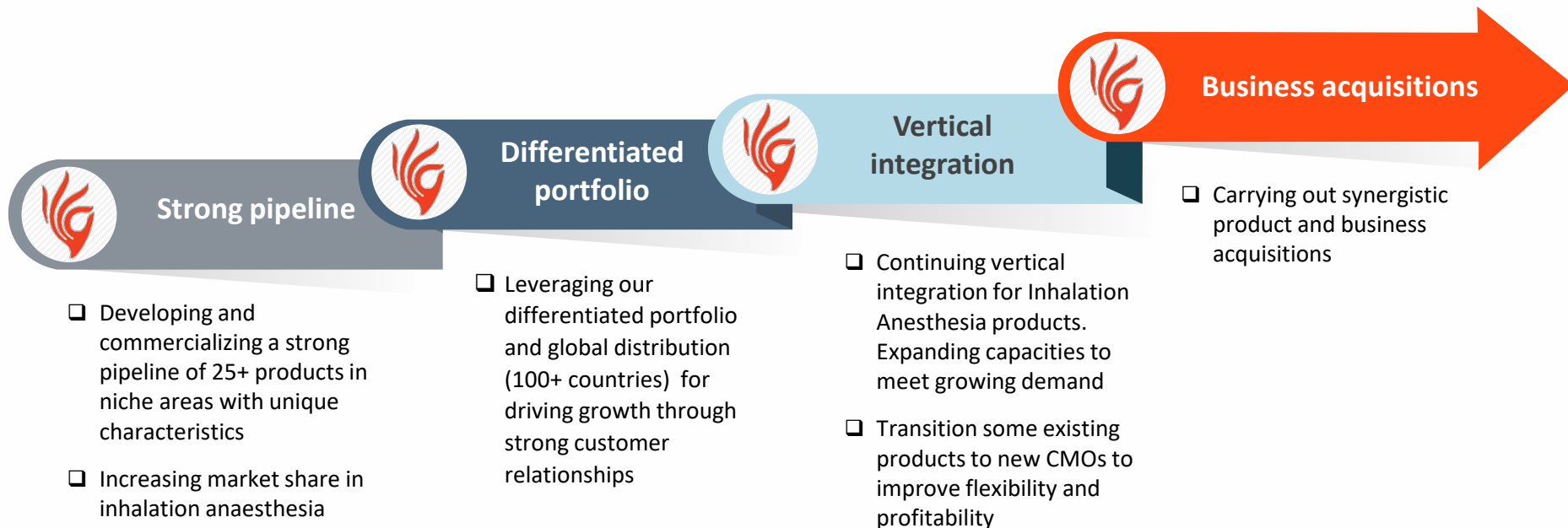
- ✓ Established **channel relationships** and robust **commercial infrastructure**
- ✓ **Direct sales force** in the US with strong GPO relationships
- ✓ Direct to market access in key European countries
- ✓ Distribution reach to over **100 countries** across the globe
- ✓ **Over 5,500 hospital customers** in the US



## 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

### Performance Highlights

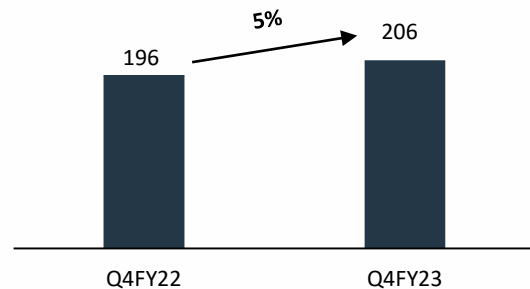
- ❖ **New Product launches** - 26 new products and 37 new SKUs launched in FY23. NPDs launched since Apr'20 contribute to 18% of sales



- ❖ **Power Brands** comprising of Lacto Calamine, Littles, Polycrol, Tetmosol and I-range, registered YoY growth of 31% and 37% during Q4FY23 and FY23 respectively
  - Power Brands continued its strong growth momentum and contributed to 42% of total ICH sales in FY23
- ❖ **E-commerce** sales grew at over 40% YoY rate in FY23 and contributed 16% to ICH revenues
- ❖ **Littles** grew over 50% YoY in FY23
- ❖ **Lacto Calamine** grew at more than 40% YoY in FY23 powered by new launches and excellent traction on e-commerce

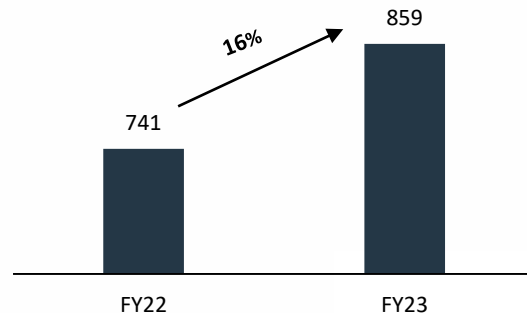
### Revenue growth\* in Q4 FY23

(In INR Crore)



### Revenue growth\* in FY23

(In INR Crore)



\* Based on like-to-like numbers. For reported numbers, please refer slide 23 and 24



# 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



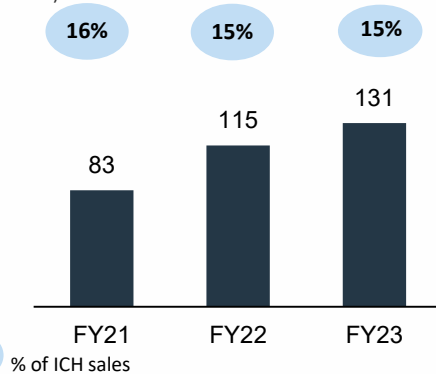
**Ajay Devgan**  
Tetmosol



**i-pill Daily**  
New Media launch

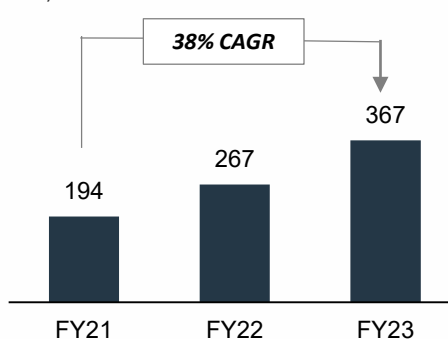
## Investments in media and trade spends

(In INR Crore)



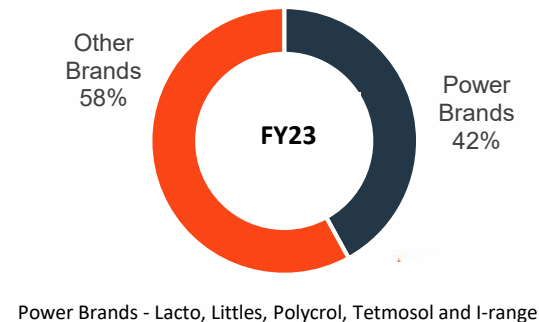
## Strong growth in power brands

(In INR Crore)



## Revenues contribution from power brands

% of sales





## 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  
tablet

### Women's health



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



**i-Can**  
Pregnancy  
Detection Kit



**i-Activ**  
Menstrual cups

### Digestives



**Polycrol**  
Antacid

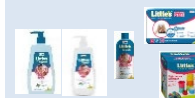


**Digeplex**  
Digestive enzyme



**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-Activ**  
Range of Disinfectant  
& Hygiene Protection  
Solutions

# Well Established Commercial Infrastructure with Multi-channel Distribution Strategy

## Wide coverage across general trade, chemist and toy shops



**Wide presence** in chemists, cosmetics stores, kids, toys and gift shops



**Dedicated teams** for 'chemist only' and 'cosmetics and chemist channel'



**100% Tech enabled sales coverage** to enhance productivity of field force



**Visibility at Point of Sales** to drive consumer demand



**Direct coverage** of toy stores to enhance depth and visibility

## Strengthening presence across alternate channels

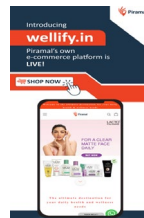
Revenue share of  
alternate channels<sup>1</sup>

**10%**  
(FY20)



**20%**  
(FY23)

**wellify.in** Launched

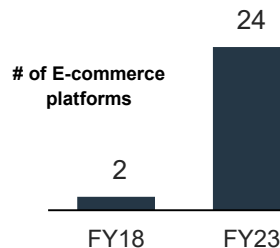


**Presence Modern  
Trade Stores**



**Alternate  
Channels**

**E-commerce crosses**



**Launching new products  
on e-commerce**





# Financials



## Explanation on Financial Statement

### **Note explaining why Q4FY23 and FY23 financials are strictly not comparable to Q4FY22 and FY22**

The scheme of demerger of the pharma business (PPL) from the PEL and amalgamation of PPL's wholly owned subsidiaries into PPL is effective the appointed date of 1st April 2022. To the extent of non-common control transactions, the financial results are not comparable with the corresponding previous year result.

Like-to-like financial has been made available in the subsequent slide, eliminating the impact of inter-company transactions between PEL and PPL during the prior periods.

Accordingly, 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 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

(In INR Crores or as stated)

Particulars	Reported Financials					Like-to-Like Financials				
	Q4FY23	Q3FY23	QoQ Change	Q4FY22	YoY Change	Q4FY23	Q3FY23	QoQ Change	Q4FY22	YoY Change
Revenue from Operations*	2,164	1,716	26%	2,131	2%	2,164	1,716	26%	2,139	1%
CDMO	1,285	1,021	26%	1,322	-3%	1,285	1,021	26%	1,394	-8%
CHG	702	514	37%	550	28%	702	514	37%	548	28%
ICH	206	214	-4%	269	-23%	206	214	-4%	196	5%
EBIDTA	376	170	121%	476	-21%	376	170	121%	478	-21%
EBIDTA Margin	17%	10%		22%		17%	10%		22%	
PAT	50	-90		204	-75%	50	-90		215	-77%
PAT Margin	2%	-5%		10%		2%	-5%		10%	

Particulars	Reported Financials			Like-to-Like Financials		
	FY23	FY22	YoY Change	FY23	FY22	YoY Change
Revenue from Operations*	7,082	6,559	8%	7,082	6,700	6%
CDMO	4,016	3,752	7%	4,016	3,960	1%
CHG	2,286	2,002	14%	2,286	2,002	14%
ICH	859	806	6%	859	741	16%
EBIDTA	853	1,225	-30%	922	1,194	-23%
EBIDTA Margin	12%	19%		13%	18%	
PAT	-186	376	-150%	-137	351	-139%
PAT Margin	-3%	6%		-2%	5%	

EBITDA for full year FY23 in the above table includes near expiry inventory provision of INR 92 Cr (on account of lower demand during COVID-19 pandemic) and one-off provision for receivables from a biotech customer of INR 32 Crores. Adjusting for these provisions, like-to-like EBITDA for FY23 was INR 1,046 Crs. with EBITDA margin of 15%

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





## Consolidated Financials Highlights – Balance Sheet

(In INR Crores)

Key Balance Sheet Items	31-Mar-23	31-Mar-22
Total Equity	6,773	6,697
Net Debt	4,781	3,656
Deferred Consideration	11	90
<b>Total</b>	<b>11,565</b>	<b>10,443</b>
Net Fixed Assets	<b>8,887</b>	<b>8,051</b>
Tangible Assets	4,441	3,716
Intangible Assets including goodwill	4,446	4,336
Net Working Capital	2,320	2,058
Other Assets#	358	335
<b>Total</b>	<b>11,565</b>	<b>10,443</b>

# Other Assets include Investments and Deferred Tax Assets (Net)



## Dial-in details for Q4 and FY2023 Earnings Conference Call

Event	Location & Time	Telephone Number
Conference Call on 25 <sup>th</sup> May 2023	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 – 12:30 PM (London Time)	Toll free number 08081011573
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