

Piramal Pharma Limited

Q1FY24 Results

August 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 are strictly confidential and 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.

Nothing in this Presentation constitutes an offer of Rights Entitlement (including their credit) or Rights Equity Shares for sale or a solicitation of an offer to buy Rights Entitlement (including their credit) or Rights Equity Shares, in the United States of America or in any other jurisdiction where such offer, solicitation or sale would be unlawful. Any securities mentioned herein have not been, and will not be, registered under The United States Securities Act of 1933, as amended (the “U.S Securities Act”) and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Rights Entitlements (including their credit) and the Rights Equity Shares are only being offered and sold outside the United States in “offshore transactions” as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Piramal Pharma Limited is proposing, subject to applicable law, receipt of requisite approvals, market conditions and other considerations, a rights issue of its equity shares in the near future and has filed a letter of offer with the Securities and Exchange Board of India and the stock exchanges. The letter of offer is available on the website of SEBI at www.sebi.gov.in as well as on the websites of the Lead Manager at www.icicisecurities.com, and the websites of the stock exchange(s) at www.nseindia.com and www.bseindia.com, respectively. Potential investors should note that investment in equity shares involves a high degree of risk and are requested to refer to the letter of offer filed with the SEBI and the stock exchanges, including the section titled “Risk Factors” beginning on page 18 of the letter of offer, for details of the same. Potential investors should not rely on the draft letter of offer for any investment decision.



Key Performance Highlights of Q1FY24

Key Highlights

❖ In Q1FY24, Revenue grew by 18% YoY and EBITDA margin was 10%

Business Segment	Revenues (INR Cr.)	YoY Growth
CDMO	898	17%
CHG	617	22%
ICH	239	13%

❖ CDMO business:

- **Continued order inflow** momentum in Q1FY24 post significant pick-up in Q4FY23
- Seeing a YoY improvement in the demand for **generic API business**
- Recently expanded capacities at sites with differentiated offering witnessing **encouraging customer demand**

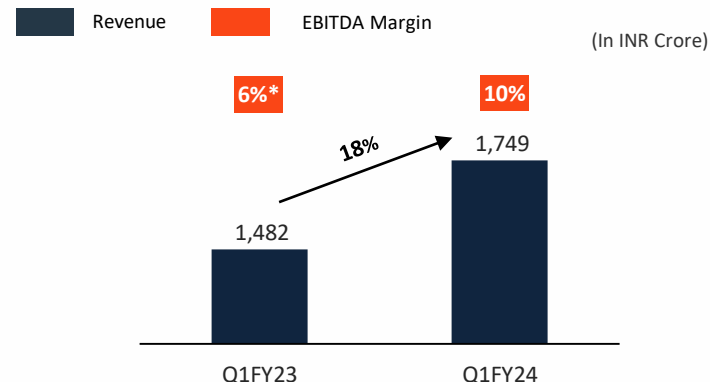
❖ CHG business:

- **Strong Inhalation Anesthesia (IA) sales** with continued volume growth
- **One new product** launched in the US market. Building a **pipeline of products** that are at different stages of development

❖ ICH business:

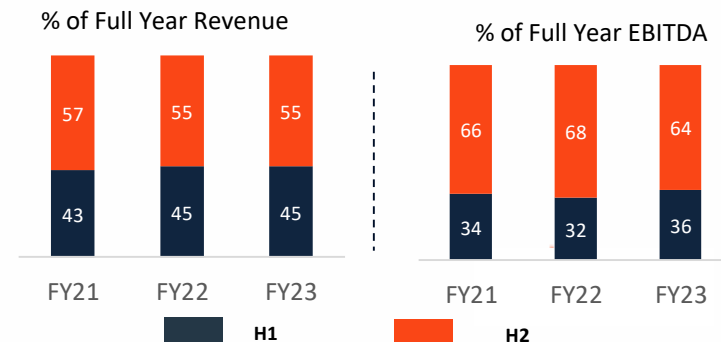
- **11 new products** and **3 new SKUs** launched in Q1FY24
- **Power brands** delivered a healthy YoY growth of **15%** in Q1FY24

Revenue and EBITDA performance in Q1FY24



*Q1 FY23 EBITDA had one-time inventory margin impact of INR 68 Crore

Historically, H2 has outperformed H1





Details on the Rights Issue

Progress on the Rights Issue not exceeding INR 1,050 Crore

❖ **Company has filed the Letter of Offer (LOF) with SEBI**

❖ **Issue Details**

- Rights Issue Price – INR 81
- Total number of Equity Shares and Rights Issue size: 129,629,630 fully paid-up Equity Shares each for amount aggregating up to ₹1,050 crore
- Record Date – August 2, 2023
- Rights Entitlement Ratio - 5:46 (5 Rights Equity Shares for every 46 Equity Shares held by an Eligible Equity Shareholder)

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



Business-wise Performance



Contract Development and Manufacturing Organization Business

Performance Highlights

❖ Continued momentum in order inflows:

- Company witnessed significant **pick-up in order bookings in Q4FY23** which **continued in Q1FY24 as well**. This along with better execution helped drive growth
- Healthy demand for **innovation* related work** and **differentiated offerings**
- Seeing a YoY pick-up in demand for the **generic API business**
- Recently expanded capacities at sites with differentiated offering witnessing **encouraging customer demand**

❖ Successfully closed US FDA inspection:

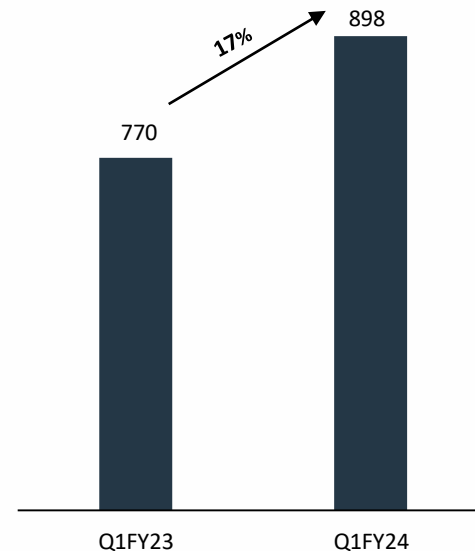
- US FDA Inspections – In Q1FY24, received **zero observations** at Pithampur facility; and an EIR (Establishment Inspection Report) for Sellersville facility

❖ Major growth capex:

- **Capacity expansion** at Grangemouth facility to strengthen presence in **antibody drug conjugate segment**
- ❖ Cost optimization, strategizing procurement and operational excellence initiatives helping to **mitigate inflationary pressures** and **improve profitability**

Revenue performance in Q1FY24

(In INR Crore)

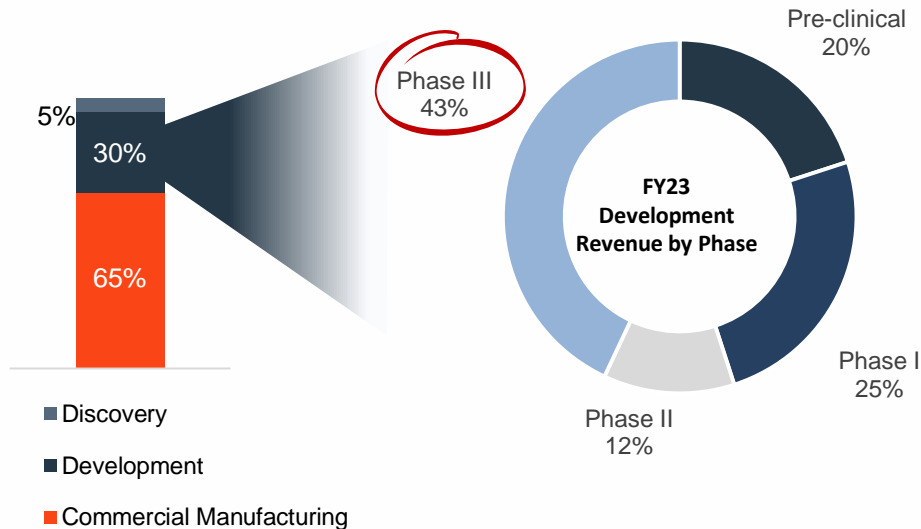




Pick-up in Order Inflows

Witnessing pick-up in order inflows for differentiated offerings and innovation related work

FY23 Revenue by Services



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

* Discovery + Development + Commercial Manufacturing of products under patent

❖ Deepening the development pipeline by:

- Increasing the proposal velocity – Seeing steady flow of RFPs (Request For Proposals)
- Maintaining a healthy win rate
- Strengthened the Business Development team with more talent to reach out to more customers
- Cross selling multiple capabilities across different sites and providing integrated services

❖ Supporting the progression of customer projects

- Partner with customers as 35+ phase III projects progress from development to registration to commercial

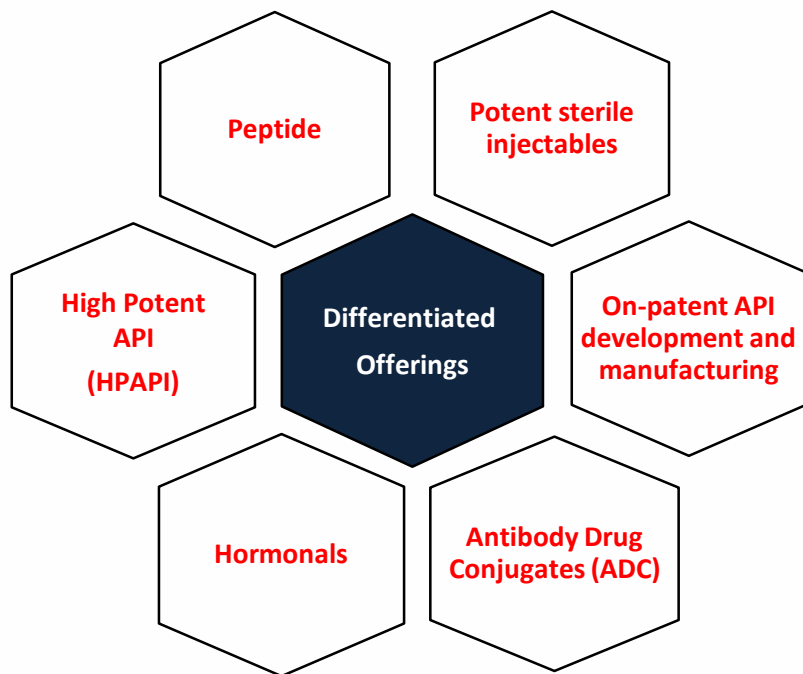
❖ Ensuring positive customer experience by:

- Superior execution – High levels of OTIF (On Time In Full) and RFT (Right First Time) translating into high NPI (Net Promoter Score)



Focused CapEx at Sites with Differentiated Offerings

Recently opened capacity expansions seeing encouraging response



Customer-led capacity expansion to drive share of CDMO revenues from differentiated offerings



Riverview (HP API)



Aurora (HP API)



Grangemouth (ADC)



Turbhe (Peptide)



Ahmedabad (Discovery)





Leverage Integrated Service Offerings

Benefits of the Integrated Services driving customer demand

- ❖ Integrated project is defined as project **involving more than one site**
- ❖ The Company has built a **platform for Integrated Service** offering through:
 - Offering services across discovery, development and commercial manufacturing capabilities for both, API and formulations
 - Having geographically diversified development and manufacturing faculties in North America, UK and India
 - Offering multiple capabilities in the areas of High Potent API, Antibody Drug Conjugates, Peptides, Sterile injectables and Hormonal products
- ❖ **Customers benefit from integrated project**
 - Reduced time-to-market
 - Reduced operational complexity, and
 - Lower supply chain costs to meet their requirements
- ❖ **Benefits to the Company**
 - Increased relevance to our customers
 - Client Relationship shift from vendor to partner

100+

Integrated projects executed since inception in 2020

32

number of integrated projects in FY23

\$67mn

Value of development order book of integrated projects in FY23

26%

of the order book in FY23 is from integrated projects

Continue to Maintain Best-in-Class Quality Track Record

5

Successful US FDA
inspections since
November 2022

8

Successful regulatory
inspections in
Q1FY24

Zero
OAIs^{1,2}

Successfully cleared
multiple **customer**
audits

Riverview, USA - November 2022 - US FDA conducted a Good Manufacturing Practices (GMP) Inspection. The inspection was completed successfully with **Zero Form - 483 observations**

Lexington, USA - January 2023 - US FDA conducted a Pre-Approval Inspection (PAI) and GMP inspection. Received 6 VAI (Voluntary Action Indicated) observations. Subsequently closed the inspection by receiving the an EIR (Establishment Inspection Report)

Sellersville, USA – January 2023 - US FDA conducted a PAI and GMP inspection. Received 2 VAI observations. Subsequently closed the inspection by receiving the an EIR

Digwal, India – March 2023 - US FDA conducted a GMP Inspection. The inspection was completed successfully with **Zero Form - 483 observations**

Pithampur, India – May 2023 - US FDA conducted a GMP and PAI Inspection, which was completed successfully with **Zero Form - 483 observations**



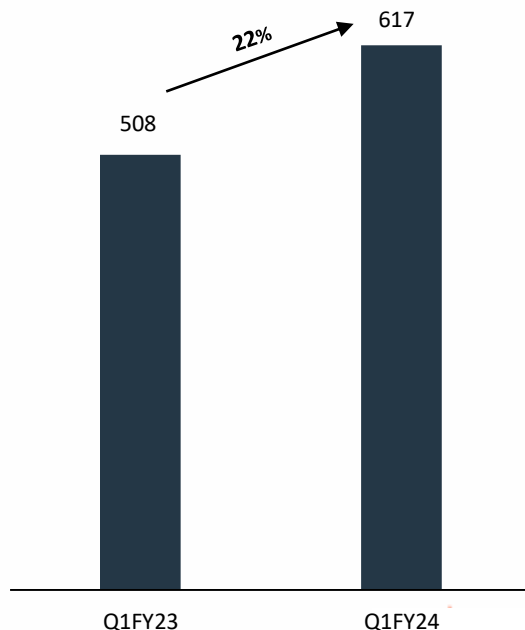
Complex Hospital Generics Business

Performance Highlights

- ❖ **Strengthened the CHG Leadership Team** - Appointed **Jeffrey Hampton** as President & Chief Operating Officer for CHG business
 - Previously, he was associated with Accord Healthcare, Inc. and Apotex Inc.
- ❖ **Inhalation Anesthesia (IA)** sales registered healthy growth during the Q1FY24
 - **Sevoflurane** – Continued volume growth in the US market. Building presence in the non-US markets
 - **Expanding capacities** to meeting growing demand of IA products. Also focus on improving output through greater operating efficiencies
- ❖ **Leading position* in products in intrathecal and injectable pain management segments**
 - **Rank #1** in the US **Baclofen's pre-filled syringe and vial** market with our brand **Gablofen** having **77%** market share
 - **Fentanyl (ampoules)** is **Rank #1** brand by USD value in its representative market in Japan, South Africa and Indonesia markets
- ❖ **New product launches:**
 - **1 new product** launched during the year in the US
 - Building pipeline of 27+ new products which are various stages of development

Revenue growth in Q1FY24

(In INR Crore)





Expansion of Inhalation Anaesthesia Capacities

Expanding inhalation anaesthesia capacities to meet high global demand

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

Building on strengths in the Inhalation Anaesthesia segment

❖ Market leading position*

- **4th largest inhalation anaesthesia company** globally as per US\$ value for a combined market of sevoflurane, desflurane, isoflurane and halothane
- **Leading player in sevoflurane** in the US market with value market share of ~40%

❖ **Vertically Integrated** manufacturing capabilities with global regulatory accreditations

❖ **Direct sales force** to build relationship with hospitals and GPOs

❖ **Expanding global presence** in markets outside of the US



Building Pipeline of New Products

Existing product portfolio characterized by high barriers to entry and low competition

Inhalation Anaesthesia



Intrathecal Therapy



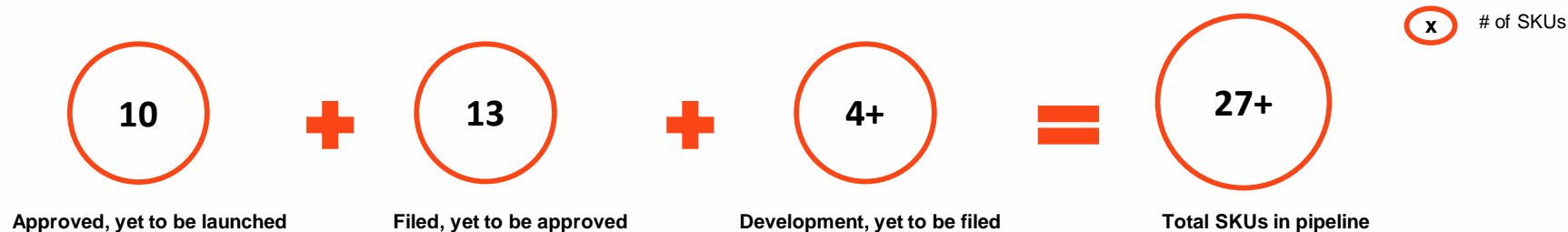
Injectable Anesthesia and pain management



Other Products (Injectables)



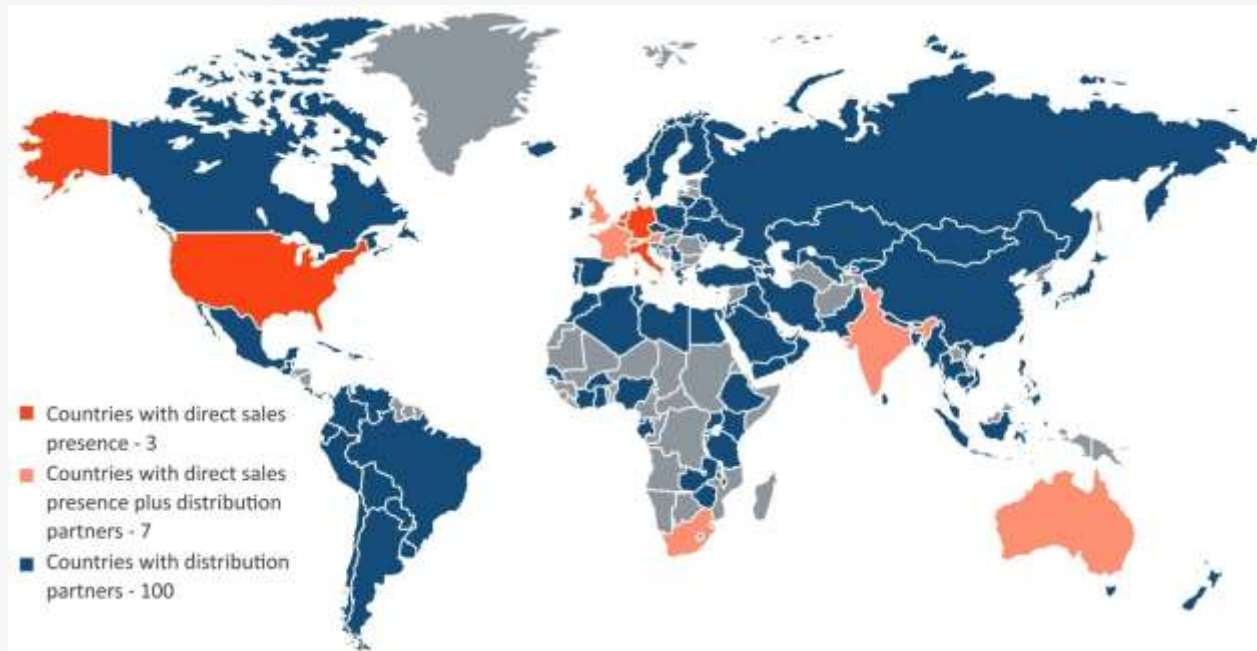
Building pipeline of new products which are various stages of development



Addressable Market Size of Pipeline is ~US\$2.3bn*

Leverage Presence in 100+ Countries

Leveraging our worldwide marketing and sales network to increase our product market share in global markets



- ✓ 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



India Consumer Healthcare Business

Performance Highlights

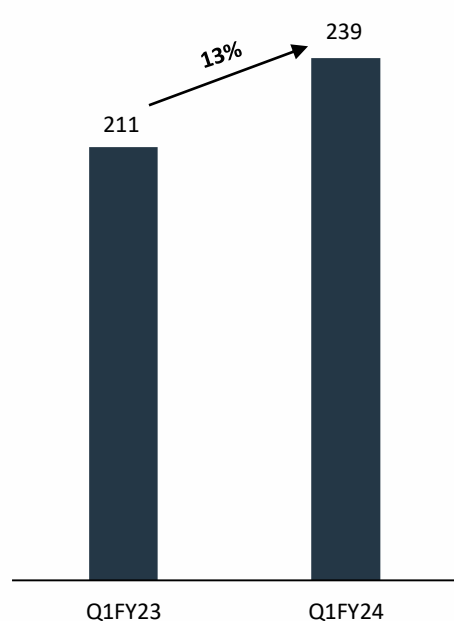
- ❖ **New Product launches - 11 new products and 3 new SKUs** launched in Q1FY24



- ❖ **Power Brands** comprising of Lacto Calamine, Littles, Polycrol, Tetmosol and I-range, registered YoY growth of 15% during Q1FY24
 - Power Brands continued its strong growth momentum and contributed to 43% of total ICH sales in Q1FY24
- ❖ **E-commerce** sales grew at over 18% YoY in Q1FY24 and contributed 15% to ICH revenues
- ❖ **Littles** grew over 14% YoY in Q1FY24
- ❖ **Lacto Calamine** grew at 29% YoY in Q1FY24 powered by new launches and good traction on e-commerce

Revenue growth in Q1FY24

(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



Shriya Pilgaonkar
i-active Menstrual Cup



Amyra Dastur
Lacto - HSM belt



Sourav Ganguly
Polycrol



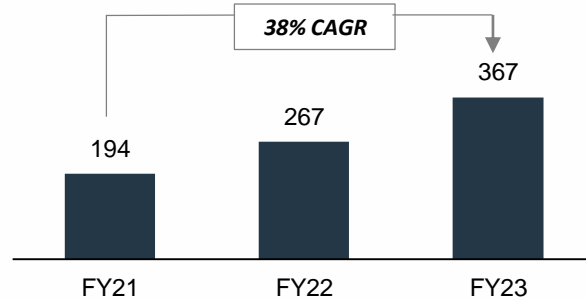
Ajay Devgan
Tetmosol



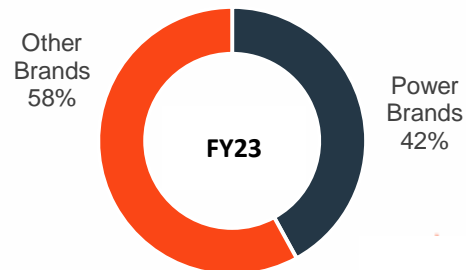
i-pill Daily
New Media launch

Strong growth in power brands

(In INR Crore)



Revenues contribution from power brands



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



Leverage Multi-channel Distribution Network and New Product Launches

Well established commercial infrastructure with multi-channel distribution strategy

Wide coverage across general trade, chemist and toy shops



Strengthening presence in modern trade



Expanding presence on E-Commerce



Direct-to-Customer (D2C)



Regular new product launches contributing to growth

New Product launches - 26 and 40 new products launched in FY23 and FY22 respectively

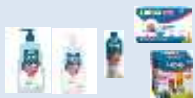
New products launched since Apr'20 contribute to 18% of ICH sales in FY23





Diversified Portfolio of Attractive Brands, Including Power Brands

Kids wellness



Little's
Wipes, Toys,
Diapers, Feeding



Jungle Magic
Range of Toys and
colouring books

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**
B Complex
tablet

Benadon
Vitamin
B6 tablet

Women's health



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



i-can
Pregnancy
Detection Kit



i-Active
Menstrual cups

Digestives



Polycrol
Antacid



Digeplex
Digestive enzyme



Naturolax
Isabgol Laxative

Health & Hygiene



NIXIT
Smoking Cessation



Tri-Activ
Range of Disinfectant
& Hygiene Protection
Solutions



CIR
Geriatrics Care



Joint Venture with Allergan

Joint Venture Arrangement



Ownership

49%



**now AbbVie*

Ownership

51%

One of the **market leaders** in Indian Ophthalmology segment

400+
employees including sales force

Strong presence
glaucoma, dry eye, infections and inflammation

40+ Brands
Refresh Tears, Combigan and Lumigan



Sustainability Initiatives



Integrating Sustainability in Operations



Global Human Rights Policy

- Adopted and published Company's Global Human Right Statement in accordance to the United Nations Universal Declaration of Human Rights (UDHR) and Guiding Principles on Business and Human Rights



Diversity and inclusion

- 15.3% of the workforce represented by women. **30% of the Company's Board represented by women**



Occupational Health and Safety

- Zero fatalities** and LTIR (Lost Time Injury Rate) of **0.10 LTIR** per 200,000 person days. Conducted over 15 hours of safety training per employee



Responsible Supply Chain

- Deployed **Supplier Assessment and Screening Tool** for the assessment of new suppliers and critical suppliers on ESG parameters



Water Stewardship

- Conducted comprehensive water use assessments at India manufacturing sites and identified potential **to save over 400KLD of freshwater** by minimizing freshwater usage and enhancing reusing and recycling of water



Waste Management

- Working towards achieving **Zero Waste to Landfill** by Mar'24 – One year ahead of the planned target date of Mar'25



Integrating Sustainability in Operations



SBTi Commitment and Decarbonization Roadmap

- **Committed to SBTi (Science Based Target initiatives)** – Made a formal commitment to the SBTi. By doing so, have pledged to set science-based targets to reduce greenhouse gas emissions (GHG) in line with the latest climate science and contribute to limiting global warming to well below 2 degrees Celsius above pre-industrial levels
- In FY2023, the Company's **Scope 1 and Scope 2 GHG emissions reduced YoY by 6.43% and 9.79%** respectively. Company has developed a Decarbonization plan to reduce Scope 1 and Scope 2 GHG emissions in-line with the SBTi



UN Global Compact (UNGC) Membership

- PPL successfully acquired an **active membership of UNGC** in June, 2023
- The membership demonstrates Company's unwavering commitment to upholding the UNGC's ten principles and advancing sustainable development in all aspects of its operations



PSCI Membership

- PPL is a **member of PSCI (Pharmaceutical Supply Chain Initiative)** that promotes responsible supply chain management and better business conditions across the industry
- PSCI is a group of pharmaceutical and healthcare companies that shares a vision of **better social, health, safety and environmental outcomes** in the communities where they buy



Piramal Foundation

- PPL's **corporate social responsibilities (CSR)** are carried out by the **Piramal Foundation**, the philanthropic arm of the Piramal Group.
- Piramal Foundation is committed to solving the most intractable problems of India through innovation and collaboration.



Financials



Consolidated Financials Highlights

(In INR Crores or as stated)

Particulars	Reported Financials				
	Q1FY24	Q1FY23	YoY Change	Q4FY23	QoQ Change
Revenue from Operations*	1,749	1,482	18%	2,164	-19%
CDMO	898	770	17%	1,285	-30%
CHG	617	508	22%	702	-12%
ICH	239	211	13%	206	16%
EBITDA	171	89 [#]	92%	376	-55%
EBITDA Margin	10%	6%		17%	
PAT	-99	-109	NA	50	-297%
PAT Margin	-6%	-7%		2%	

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

Q1 FY23 EBITDA had one-time inventory margin impact of INR 68 Crore



Dial-in details for Q1FY24 Earnings Conference Call

Event	Location & Time	Telephone Number
Conference Call on 4 th August 2023	India – 10:00 AM IST	+91 22 6280 1461 / +91 22 7115 8320 (Primary Number)
		1 800 120 1221 (Toll free number)
	USA – 12:30 AM (Eastern Time – New York)	Toll free number 18667462133
	UK – 5:30 AM (London Time)	Toll free number 08081011573
	Singapore – 12:30 PM (Singapore Time)	Toll free number 8001012045
	Hong Kong – 12:30 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=9503078&linkSecurityString=33aa158d84	



For Investor Queries:

Gagan Borana

General Manager – Investor Relations & Sustainability

Email : gagan.borana@piramal.com

Phone : +91 22 3802 3090