

Piramal Pharma Limited

Q4 & FY2024 Results

May 2024





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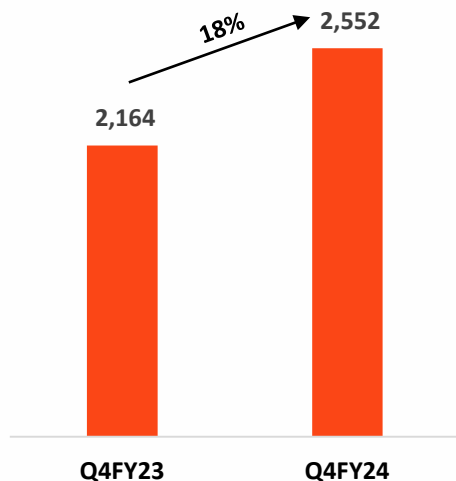
Note: Figures in previous periods might have been regrouped or restated, wherever necessary to make them comparable to current period. For the ease of presentation, certain financial information herein has been rounded off to one decimal place or two decimal places or whole numbers, as the case may be.



Q4 FY2024 – Ending the Financial Year on a Strong Note

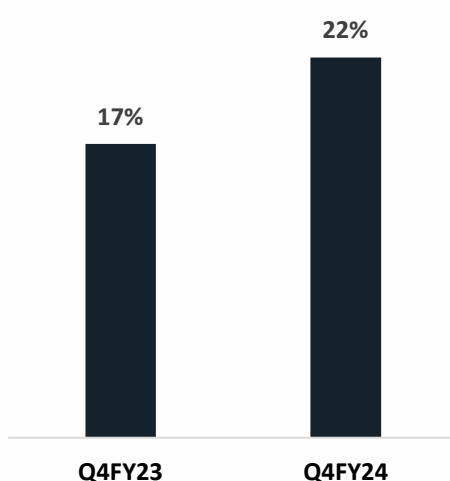
Revenue from Operations

(In INR Crore)



Revenue growth driven by strong 29% YoY growth in the CDMO Business and 14% YoY growth in the India Consumer Healthcare Business

EBITDA Margins



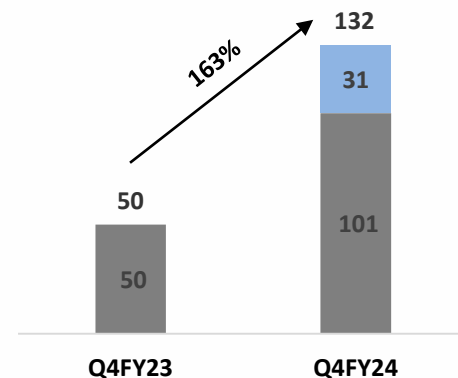
EBITDA margin expanded over 400bps, through operating leverage and cost optimization & operational excellence initiatives

Adjusted Net Profit After Tax

(In INR Crore)

PAT before Exceptional Item

Exceptional Item



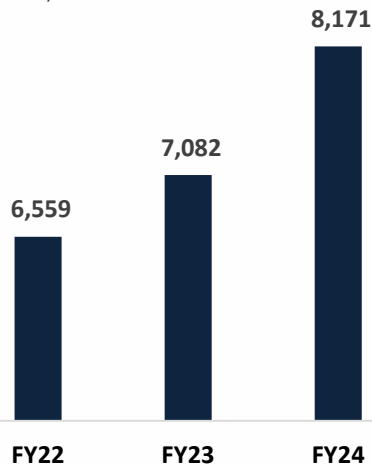
Adjusted Net Profit After Tax grew over 160% YoY on the back of healthy revenue growth and significant EBITDA margin expansion



FY2024 – A Resilient Performance Amidst Challenging Environment

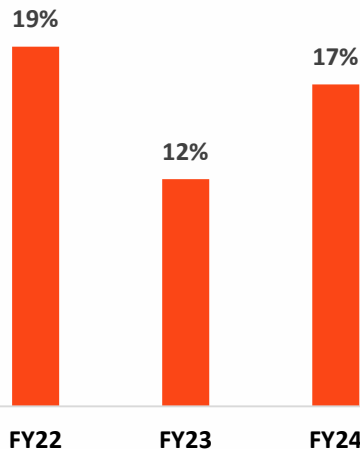
Revenue from Operations

(In INR Crore)



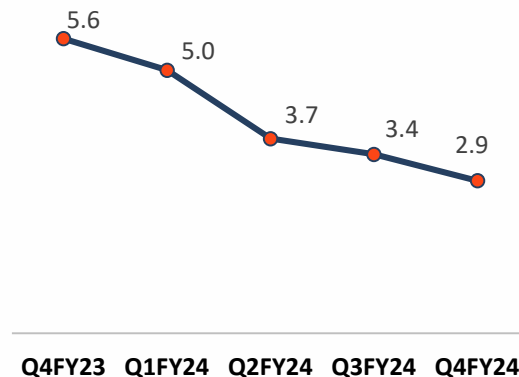
Healthy revenue growth amidst challenging macro-environment. CDMO business leading the way with 19% YoY revenue growth

EBITDA Margins



EBITDA margin expansion in FY24 driven by operating leverage, normalization in RM & energy prices, and cost optimization & operational excellence initiatives

Net Debt / EBITDA Ratio



Net Debt to EBITDA improved from 5.6x to less than 3x in FY24

Net Working Capital improved by 14 days in FY24 vs. FY23

Global Footprint with a Diversified Revenue Base

17

Manufacturing and
development Sites

100+

Countries with
Commercial Presence

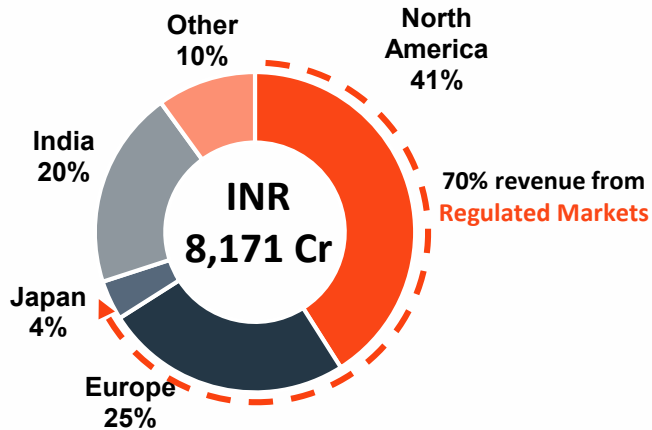
~500

CDMO Customers

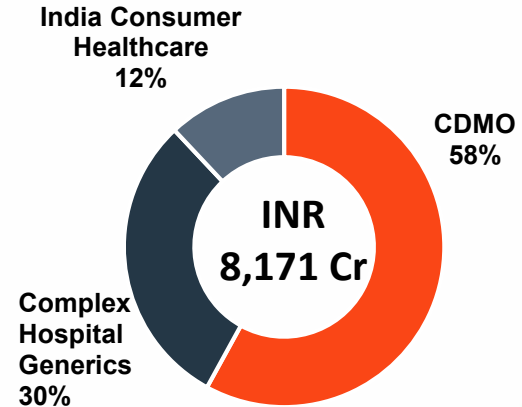
6,000+

CHG Customers (Hospitals)

Total FY24 Revenue by Geography



Total FY24 Revenue by Segments





Business-wise Performance



Contract Development and Manufacturing Organization Business

Performance Highlights

❖ Strong recovery in FY2024 driven by:

- **Strong order inflows**, despite a challenging biotech funding environment
- Share of **Innovation* related work** increased from 45% in FY23 to 50% in FY24, driven by commercial manufacturing of on-patent molecules
- Revenue from **commercial manufacturing of on-patent molecules** more than doubled to \$116mn in FY24 vs. \$52mn in FY23
- Revenue contribution from **differentiated offerings**, increased from 37% in FY23 to 44% in FY24

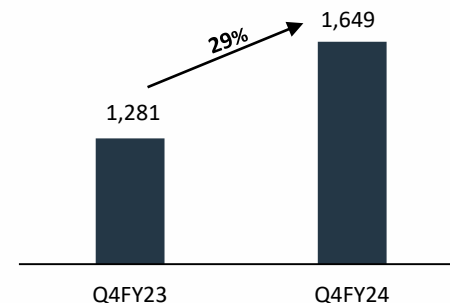
❖ **Improved profitability** in FY24 mainly driven by operating leverage, cost optimization, strategizing procurement and operational excellence initiatives

❖ **Quality and compliance:** Successfully completed US FDA Inspections at Riverview (with an EIR) and Lexington (with VAI# status) in Q4FY24

❖ **Key challenges:** Incomplete recovery in biotech funding environment, clinical / regulatory attrition in customer's product pipeline and supply chain disturbances due to geopolitical turmoil

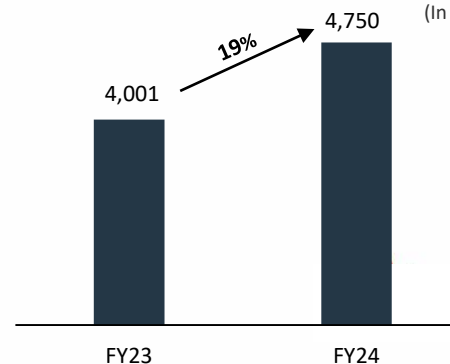
Revenue performance in Q4 FY2024

(In INR Crore)



Revenue performance in FY2024

(In INR Crore)



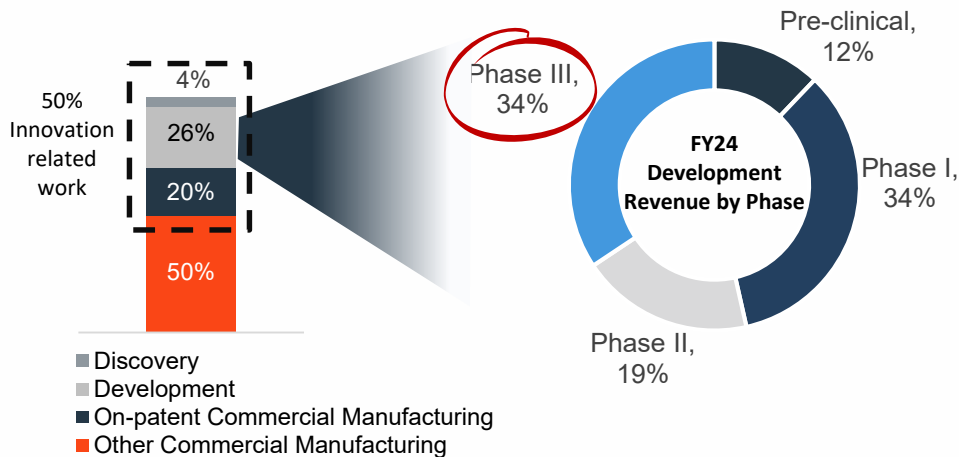
* Discovery + Development + On-patent Commercial Manufacturing

VAI – Voluntary Action Initiated



Deep Pipeline of Development Projects across Multiple Phases

Revenue by services



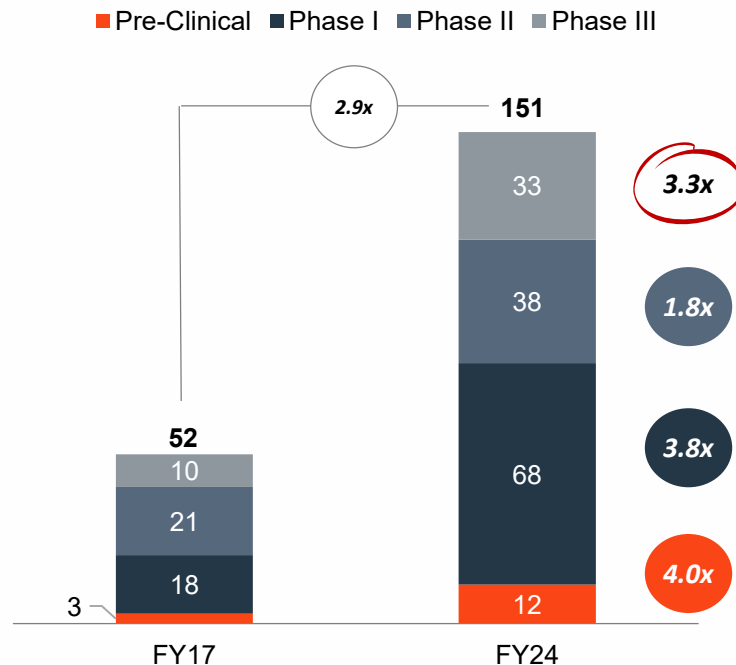
50% of revenues from **Innovation*** related work (vs. 35% in FY19, CAGR 20%)

2x Growth in Revenues from Commercial Products Under Patent

\$116mn

Revenue from commercial products under patent in FY24, up from \$52mn in FY23
Number of commercial products under patent (9 in FY19 to 17 in FY24)

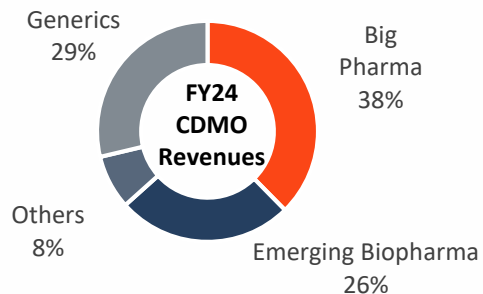
Building molecule pipeline across clinical phases since FY17





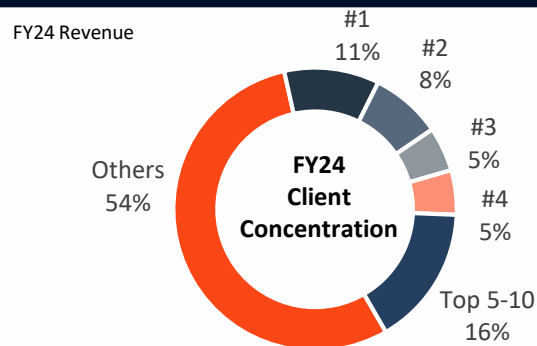
Diversified Blue Chip Customer Base

We have an **Attractive Customer Mix...**



64% of revenue from **Big Pharma**, and **Emerging Biopharma**

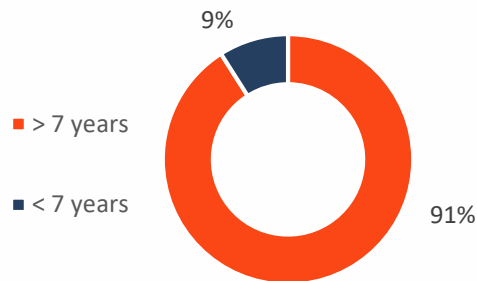
... with **Relatively Low Revenue Concentration**



Over 500 customers across segments

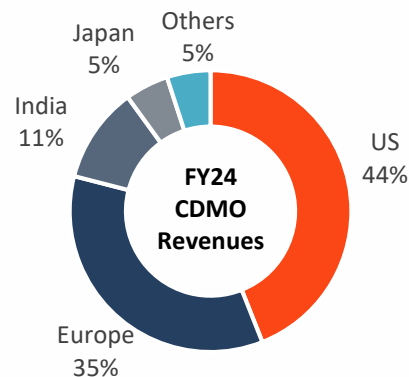
Long Standing Relationships with Top 20 Clients...

Share of Revenue from Top 20 clients based on Tenure



Partnering with 15 of our top 20 customers for **more than 7 years**

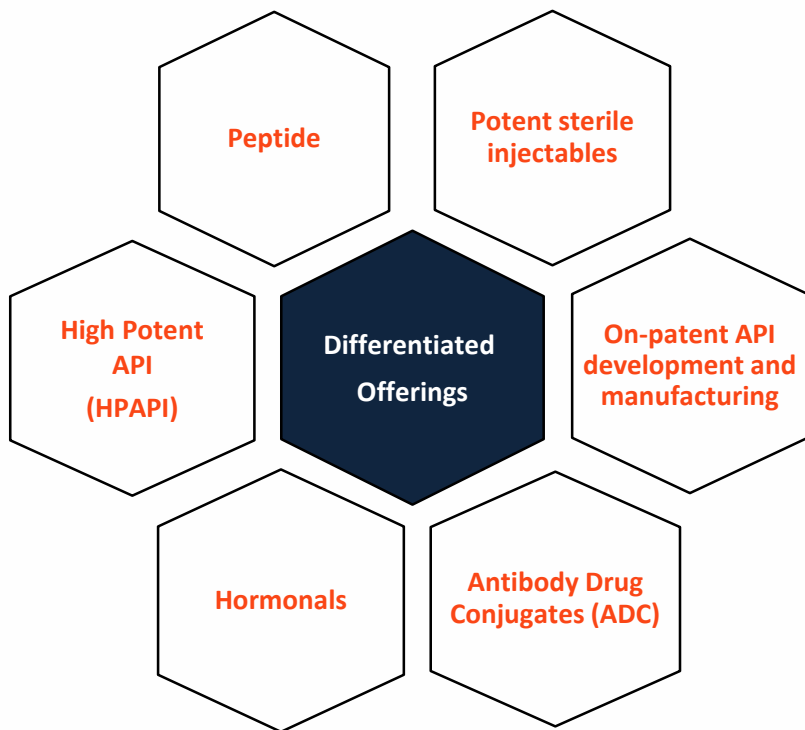
High revenues from **Regulated Markets**



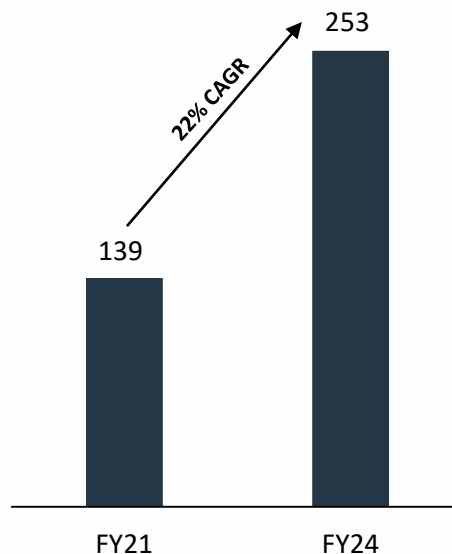
84% of Revenue from **Regulated Markets** of US, Europe and Japan



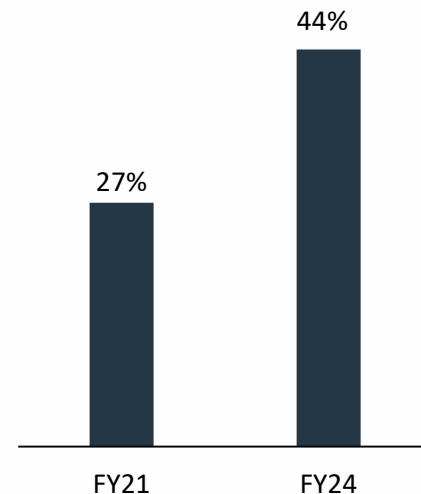
Growth in Revenue and Contribution from Differentiated Offerings



Revenue (\$ mn) from
Differentiated Offerings



Contribution of Differentiated
Offerings to CDMO revenue





Leveraging Global Network of Sites to Offer Integrated Services

Benefits of the Integrated Platform

- ❖ Integrated project **involves more than one site**
- ❖ Built a **platform for Integrated Service** offerings through:
 - End-to-end service offerings for both, API and formulations
 - Geographically diversified facilities in North America, UK and India
 - Differentiated capabilities in HP API, ADC, Peptides, Sterile injectables and Hormonal products

❖ Benefits to the Customers

- Reduced time-to-market
- Reduced operational complexity
- Lower supply chain costs

❖ Benefits to the Company

- Increased relevance to our customers
- Client Relationship shift from vendor to partner

Integrated Projects

125+

Integrated projects executed since inception in 2020

24

Number of integrated projects in FY24

Over 40%

of the order book in FY24 is from integrated projects

Cross Selling Opportunities

Network of global CDMO sites enabling market proximity for customers and a cost efficient production cycle

16

of our Top 20 customers partnering with two or more sites

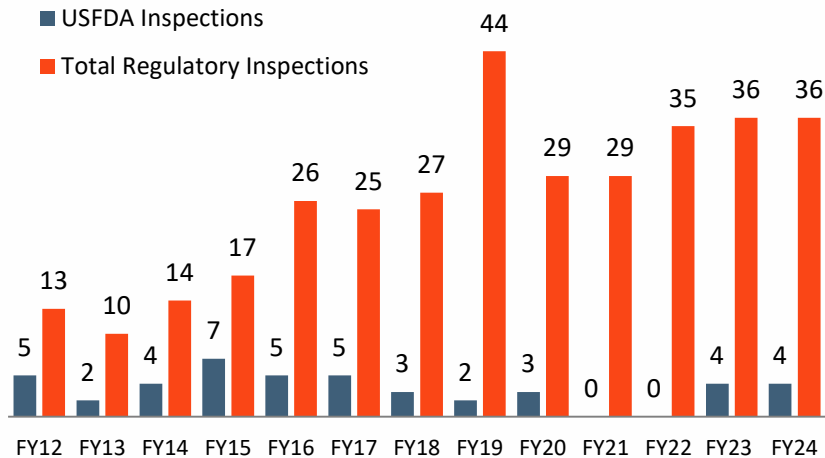
12

of our Top 20 customers partnering with both, India and overseas sites

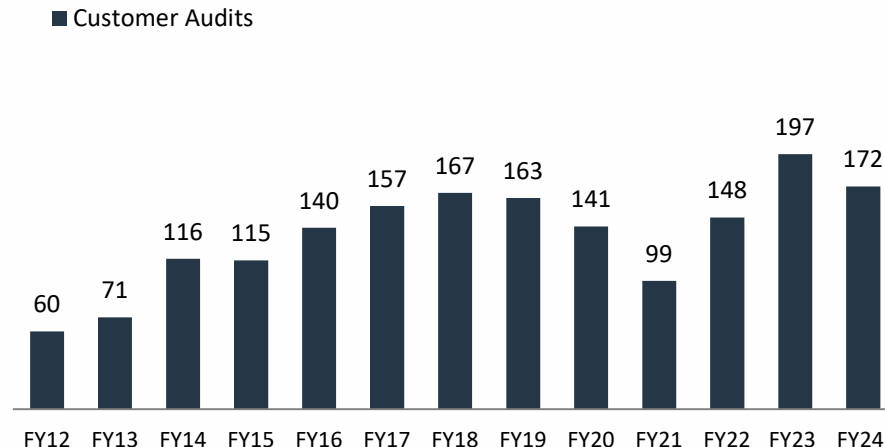


Continue to Maintain Best-in-Class Quality Track Record

300+ Regulatory Inspections[#] since FY12 with zero OAI*



~150 audits annually by customers



- ❖ Over the last 18 months, five of our CDMO facilities at Digwal, Pithampur, Riverview, Lexington and Sellersville, contributing over half of our CDMO revenues in FY24, successfully completed US FDA inspections with zero observation or an EIR / VAI status
- ❖ Successfully cleared 341 total regulatory inspections (including 44 US FDA) and 1,746 customer audits since FY12
- ❖ Successfully cleared 36 regulatory inspections and 172 customer audits in FY24
- ❖ No 'Official Action Indicated (OAI)' for any of our US FDA audits since FY12



Complex Hospital Generics Business

Performance Highlights

❖ YoY revenue growth in FY2024 driven by:

- **Healthy volume growth** in the inhalation anesthesia (IA) in the US and ROW markets, partly offset by lower market prices due to increased competition
- Launching **4 new injectable products** in the US and Europe
- Maintaining **leading market share** in intrathecal baclofen in the US market
- Growth in injectables impacted by supply constraints at our 3rd party vendors

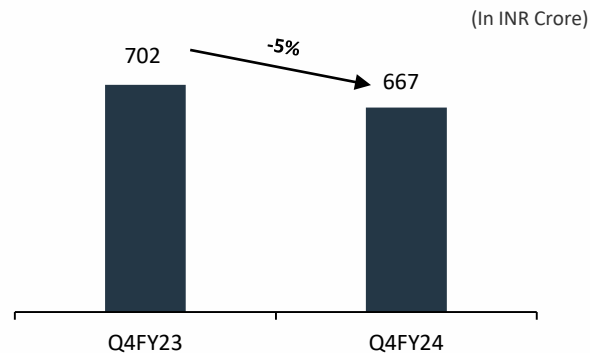
❖ **Improvement in profitability** led by cost optimization initiatives, yield improvement, and better product and market mix

❖ **New product pipeline** consist of 24 products at various stages of development with current addressable market size of over \$2bn

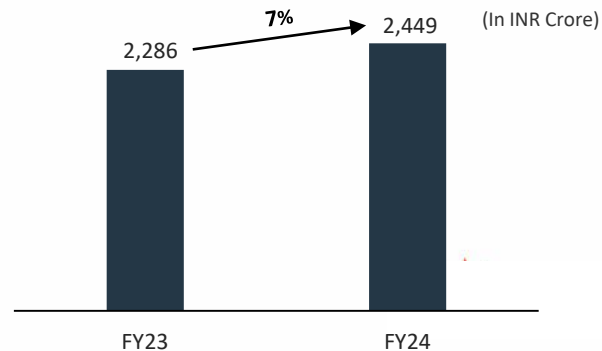
❖ **Capacity utilization:** Existing IA facilities operating at capacities with focus on operational efficiencies and timely execution of planned capacity expansions

❖ **Key challenges:** Lower market prices due to increased competition, third party development and supply chain risk, adverse currency movements

Revenue growth in Q4 FY2024



Revenue growth in FY2024



CHG Revenues by Product Segment and Geography

Revenue by product segment

% FY24 CHG Revenue

Inhalation Anesthesia (67%)



Intrathecal Therapy (15%)



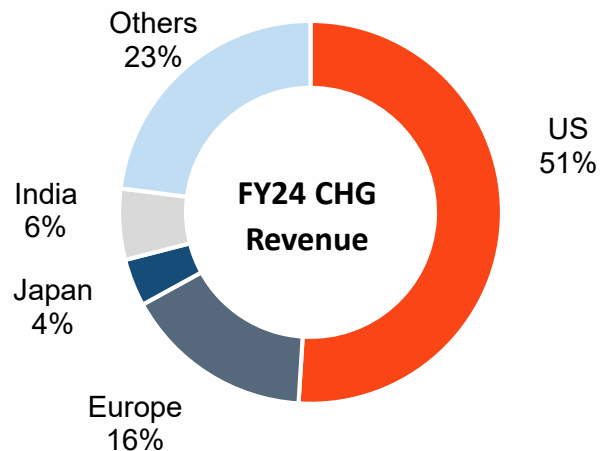
Injectable Anesthesia and pain management (10%)



Other Products (8%)



Revenue by geography



72% of revenues from regulated markets of US, Europe and Japan



Consolidating our Position Amongst Top 4 Inhalation Anesthesia Players in the World

Global Inhalation Anesthesia Market

- ❖ **Global IA market** comprising of Sevoflurane, Isoflurane and Desflurane is **about \$1.04bn***
- ❖ **China (27% market share) and US (22%) is about 50% of the above global IA market** with ROW markets constituting the balance 50%
- ❖ **Sevoflurane** is about 80% of the global IA market, as it is potent, rapidly acting, has comparatively lesser greenhouse gas emissions and has faster emergence and recovery as compared to the other IA drugs, making it the preferred choice of surgeons

Leading position in the US market

- ❖ Piramal Pharma is **Ranked #1*** in the US in terms of value market share in Sevoflurane
- ❖ Large number of hospitals in the US conducting a significant volume of surgeries, driving demand for anesthetic drugs in the country

Plans to expand presence in the ROW markets

- ❖ Setting up manufacturing lines at Digwal to supplement Sevoflurane manufacturing capacity at Bethlehem (US)
- ❖ Significantly increasing the KSM manufacturing capacity at Dahej to increase vertical integration





India Consumer Healthcare Business

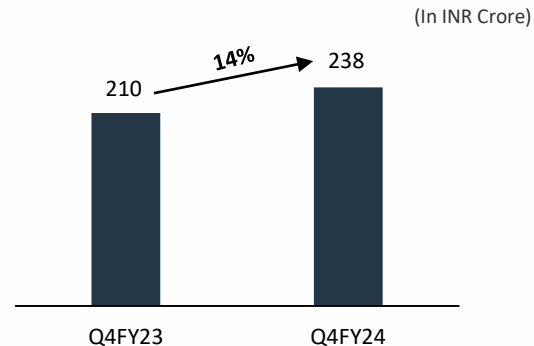
Performance Highlights

- ❖ **New Product launches** - 27 new products and 24 new SKUs launched in FY24

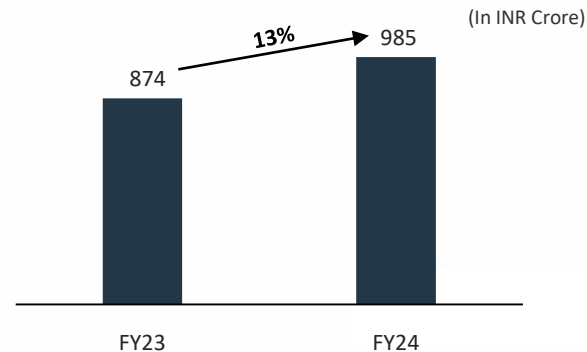


- ❖ **Power Brands** comprising of Lacto Calamine, Little's, Polycrol, Tetmosol and i-range, registered YoY growth of 15% during Q4FY24 and 13% during FY2024
 - Little's, Lacto Calamine and Polycrol grew at healthy double-digit rate in FY24
 - Power Brands contributed to 42% of total ICH sales in FY24
- ❖ **E-commerce** sales grew at over 36% YoY in FY24 and contributed 20% to ICH revenues
- ❖ **Promotional spends** during FY2024 was at 13% of ICH revenue compared to 15% in the previous financial year

Revenue growth in Q4FY2024



Revenue growth in FY2024





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



Little's
Wipes, Toys, Diapers,
Feeding Range



Lacto Calamine
Oil Control Lotion,
Facewash, Sunscreen



Tetmosol
Medicated Soap, Cream
& Powder



i-Range
Contraceptive Pill, Ovulation
Kit, Pregnancy Detection Kit

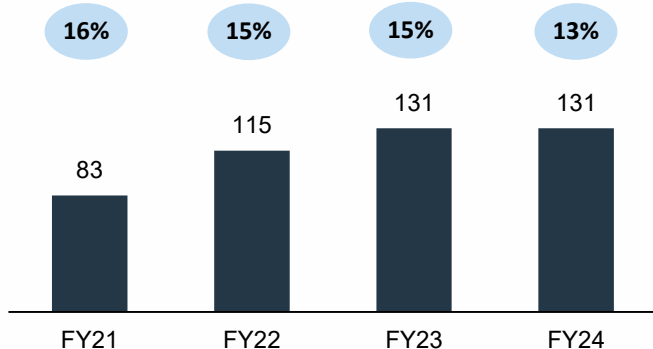


Polycrol
Antacid

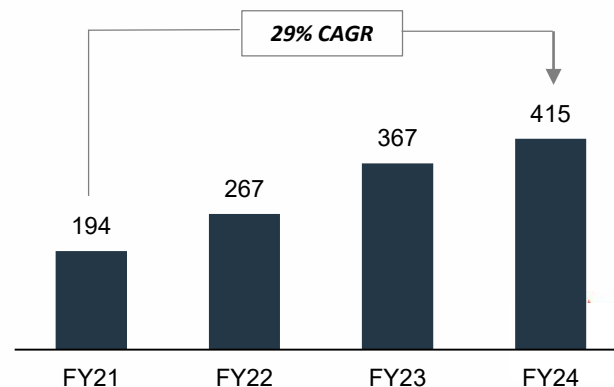
Investments in brand promotion and marketing

(In INR Crore)

● % of ICH sales



Strong growth in our power brands

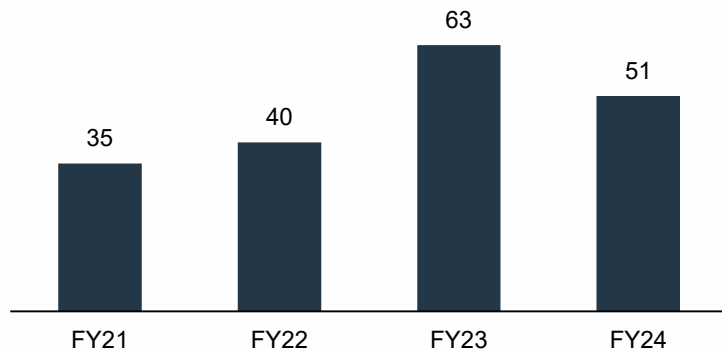




New Product Launches – An Important Driver of Growth

Regular new product launches contributing to growth

New product and SKUs launches



CIR (Adult Hygiene Range) received encouraging response in the first year of National launch



Recently launched **Bohem (Men Grooming Range)** - Hair removal spray, a beard growth oil, and an underarm roll-on



- ✓ **150+ new products and SKUs** launched in the last three years
- ✓ **NPDs** launched in last 24 months contribute to **11% of ICH sales**
- ✓ Line extensions and new SKUs supporting growth of power brands
- ✓ **E-commerce** – A good platform for new product launches



Multi-channel Distribution Network and Tech-enabled Sales Coverage

Presence across traditional and alternate trade channels

Wide coverage across general trade and chemist



Presence in ~**180K** chemists and **cosmetics** shops

Strengthening presence in modern trade



Presence in over **8,000** modern trade outlets

Expanding presence on E-Commerce



Presence on over **20** leading e-commerce platforms

Direct-to-Customer (D2C)



Own D2C website handling **over 130K** consumer orders every month

We have **100% tech-enabled sales coverage** and **leverage analytics** to enhance the productivity of our field force



Abbvie Therapeutics India Private Limited*

Joint Venture Arrangement



Piramal
Pharma Limited

Ownership

49%



abbvie

Ownership

51%

In FY2024, the JV reported[#] revenue of Rs.461Cr with PAT margin of 26%

Continue to be one of
the **market leaders** in
the Indian
Ophthalmology segment

400+
employees including
sales force

Strong presence in
**glaucoma, dry eye,
infections and
inflammation**

Key Brands
Refresh, Ozurdex,
Combigan, Lumigan,
Alphagan, Predforte

* Previously known as Allergan India Pvt. Ltd. Abbvie acquired Allergan in 2020

Unaudited Numbers



Sustainability Initiatives



Key Sustainability Highlights for the Year

Climate Change Management

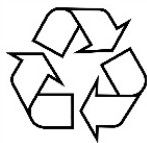


Taken a target for 42% reduction in our Scope 1 and Scope 2 GHG emissions by FY2030 (baseline of FY2022). This is in-line with the SBTi's# pathway to limit global warming to 1.5°C above pre-industrial levels

Also taken a target to reduce our Scope 3 GHG emissions by 25% by FY2030 (baseline of FY2022)

Our GHG reduction targets are being verified by SBTi and we have passed the initial screening. Very few companies in India have SBTi verified GHG reduction targets

Waste Management



4,000+ MT of hazardous waste diverted for coprocessing.

Achieved **Zero Hazardous Waste To Landfill status**

Water Management



Through **Reduce, Reuse, and Recycle** projects saved 114 KLD of fresh water

Afforestation



Planted **2,400+ trees & saplings** across Indian sites

Soil Quality Assessment done at 4 sites for high survival rate of native species



Link to PPL Sustainability Report FY2022-23
<https://www.piramalpharma.com/sustainability>

Key Sustainability Highlights for the Year

Diversity & Inclusion



ET Now's Best
Organization For
Woman 2024

**Women in global
workforce** increased to
over 17%

Women representation
in the Board - **30%**

Third Party Assessment



Score 55 - Significant
improvement over
last year

60th Percentile

Community Development



Addresses complex demographic,
geographic, and socio-economic issues in
India's most backward districts

Occupational Safety



Zero fatalities
reported in FY24

LTIR at 0.09 per
200,000 person-days
worked

Human Rights



Human Rights

Zero cases of Human
Rights violation

**100% Compliant with
PoSH** (Prevention of
Sexual Harassment)

Responsible Supply Chain



**Capacity building
sessions conducted**
for our supply chain
partners on
sustainability

Committed to SBTi



Climate Change and Water Security Disclosures



Member of UNGC



Member of PSCI





Financials



Consolidated Financials Highlights – Profit & Loss Statement

(In INR Crores or as stated)

	Quarterly Performance		
Particulars	Q4 FY2024	Q4 FY2023	YoY Change
Revenue from Operations*	2,552	2,164	18%
CDMO	1,649	1,281	29%
CHG	667	702	(5)%
ICH	238	210	14%
EBITDA [#]	556	376	48%
EBITDA Margin	22%	17%	
PAT (before exceptional item)	132	50	163%
Exceptional item [@]	(31)	0	NA
PAT (after exceptional item)	101	50	102%

	Annual Performance		
	FY2024	FY2023	YoY Change
	8,171	7,082	15%
	4,750	4,001	19%
	2,449	2,286	7%
	985	874	13%
	1,372	853	61%
	17%	12%	
	81	(180)	NA
	(63)	(7)	NA
	18	(186)	NA

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

FY2023 EBITDA had one-time inventory margin impact of INR 68 Crs.

@ Q3FY24 - Related to non-recurring charges towards product recall triggered by a 3rd party supplier; Q4FY24 - Towards non-cash write down of investment and license rights in relation to a certain third-party product no longer being commercialized



Consolidated Financials Highlights – Balance Sheet

(In INR Crores)

Key Balance Sheet Items	As on 31-Mar-24	As on 31-Mar-23
Total Equity	7,911	6,774
Net Debt	3,932	4,781
Total	11,843	11,555
Net Fixed Assets	9,106	8,887
Tangible Assets	4,250	3,589
Intangible Assets including goodwill	3,740	3,880
CWIP (including IAUD*)	1,116	1,419
Net Working Capital	2,339	2,307
Other Assets [#]	398	361
Total	11,843	11,555

**IAUD – Intangible Assets Under Development*

Other Assets include Investments and Deferred Tax Assets (Net)



Dial-in details for Q4 and FY2024 Earnings Conference Call

Event	Location & Time	Telephone Number
Conference Call on 13 th May 2024	India – 09:30 AM IST	+91 22 6280 1461 / +91 22 7115 8320 (Primary Number)
		1 800 120 1221 (Toll free number)
	USA – 12:00 AM (Eastern Time – New York)	Toll free number 18667462133
	UK – 05:00 AM (London Time)	Toll free number 08081011573
	Singapore – 12:00 PM (Singapore Time)	Toll free number 8001012045
	Hong Kong – 12:00 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=9765638&linkSecurityString=3bb8d8359c	



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Gagan Borana

Investor Relations & Enterprise Risk Management

Email : gagan.borana@piramal.com

Phone : +91 22 3802 3090