

Investor Discussion



IOI Chemicals And Pharmaceuticals Limited

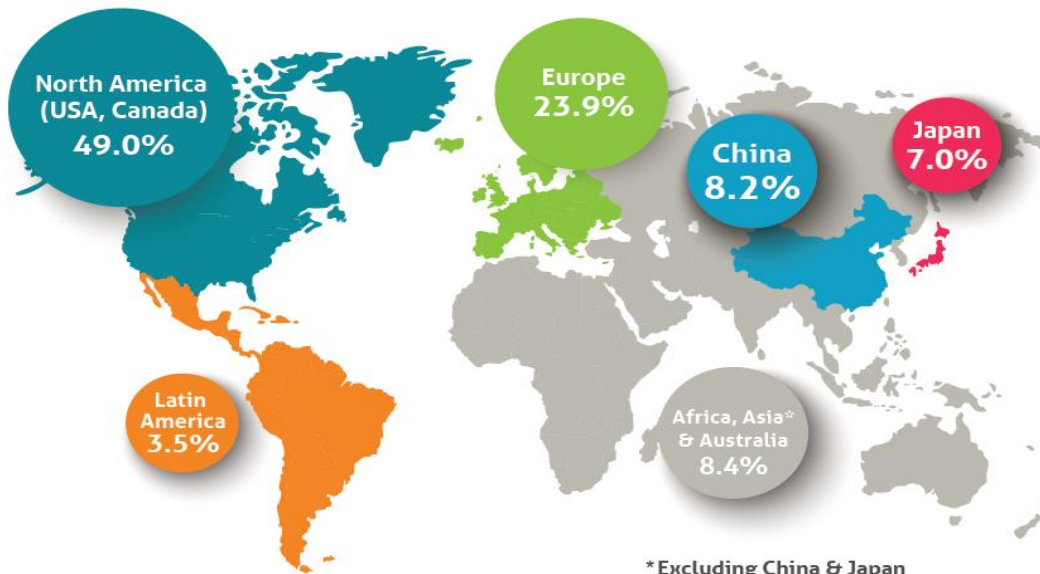
April 2022



World Pharmaceutical Market

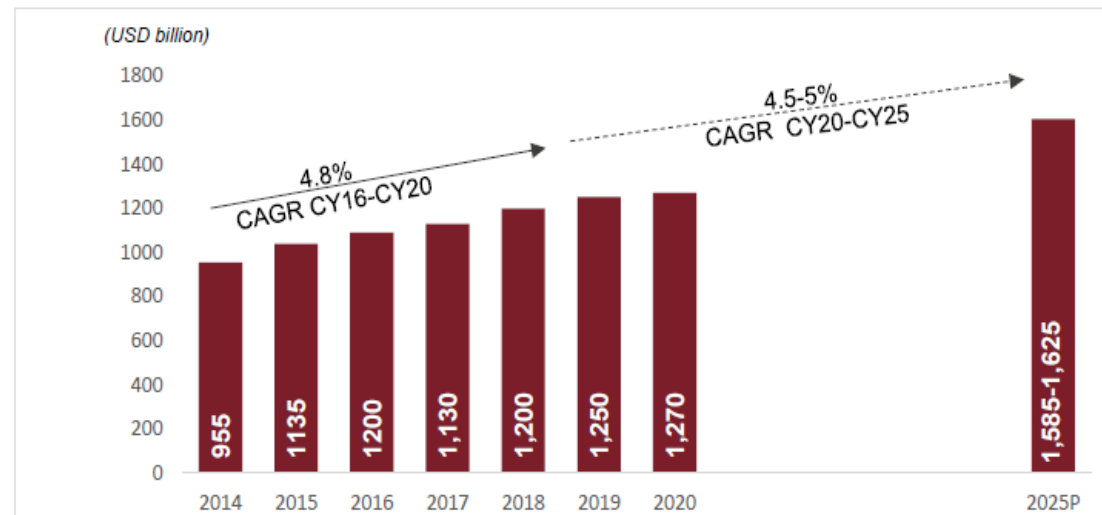


Global Industry Overview



Source: European Federation of Pharmaceutical Industries and Associations

Global pharmaceutical market by value

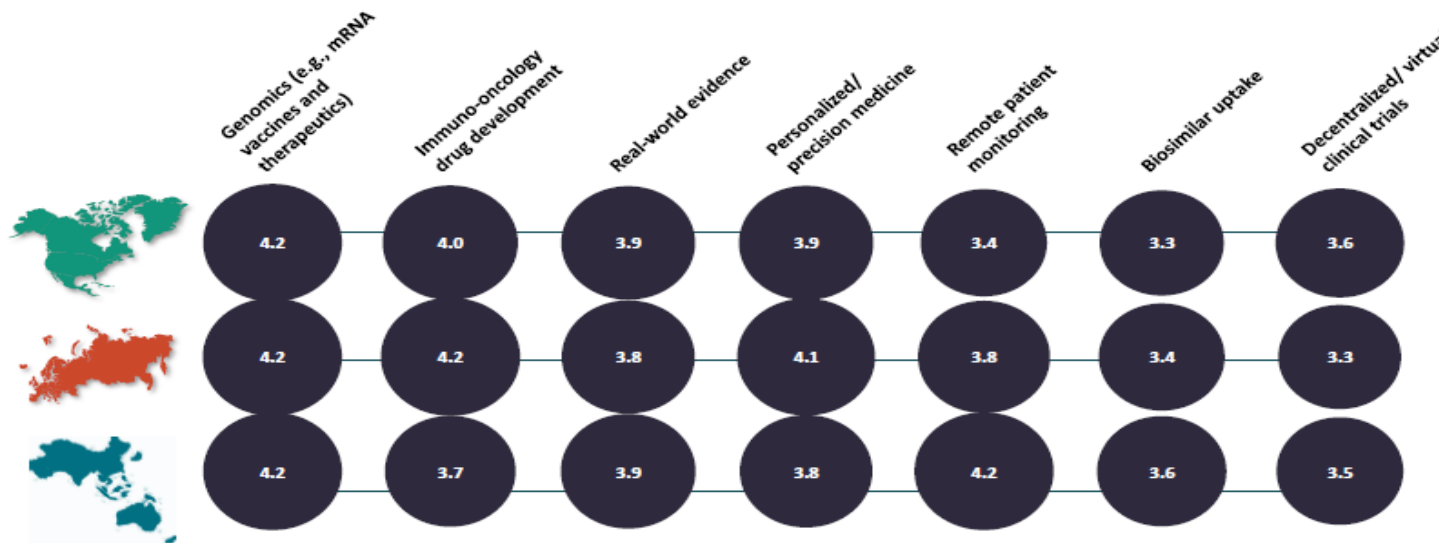


P: Projected

Source: Mordor Intelligence, Pharma Company reports, CRISIL Research

Global Industry Trends

- The growth of the genomics market is being propelled by the increasing prevalence of chronic diseases, plummeting DNA sequencing costs, and growing funding for genomics
- Immuno-oncology is one of the fastest-growing segments in oncology, with over 60 therapies across five drug classes either approved or in pre-registration as of March 2022..

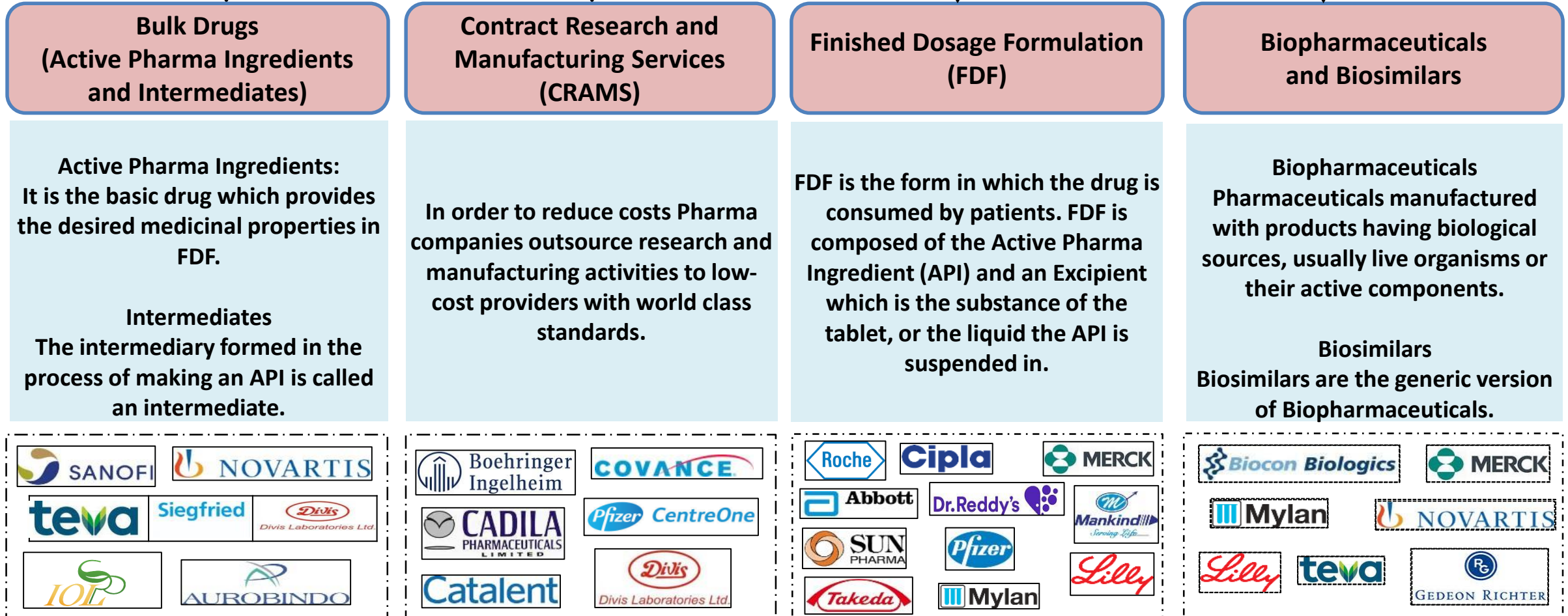


Q: On a scale of 1-5, please rate the anticipated impact of each of the following emerging industry trends on the pharmaceutical industry in 2022.
Source: The State of the Biopharmaceutical Industry Survey, 2022 Edition

Source: Global Data

Structure Of Pharmaceuticals Sector

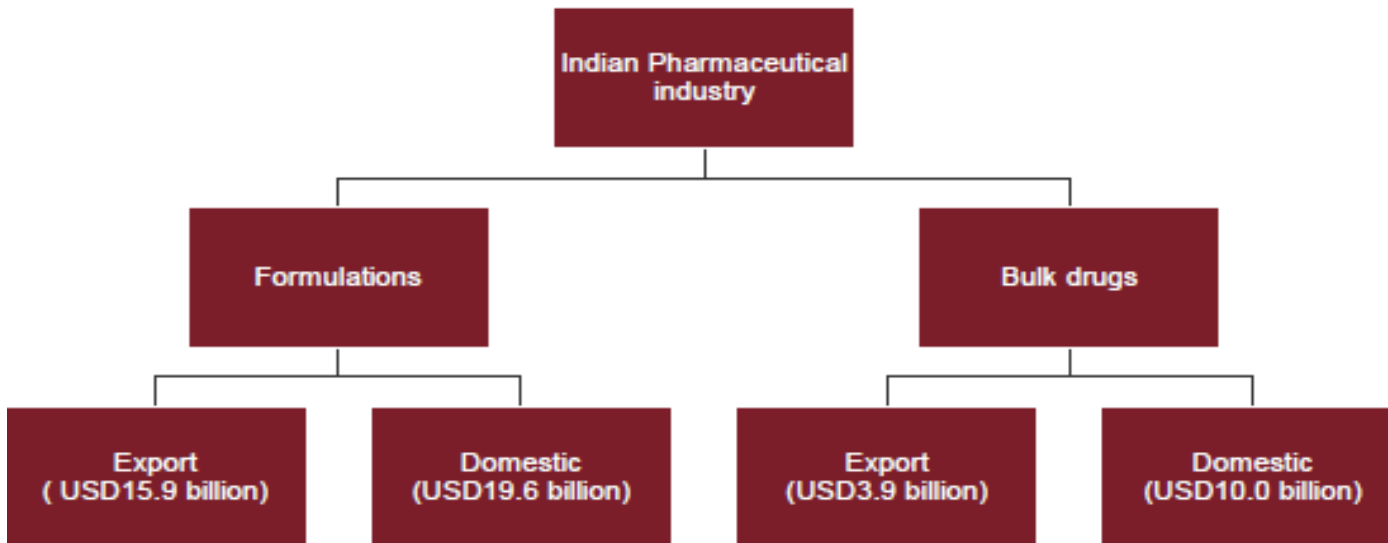
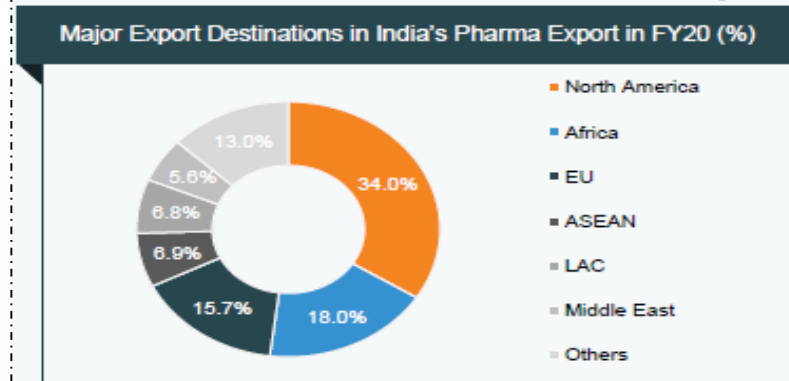
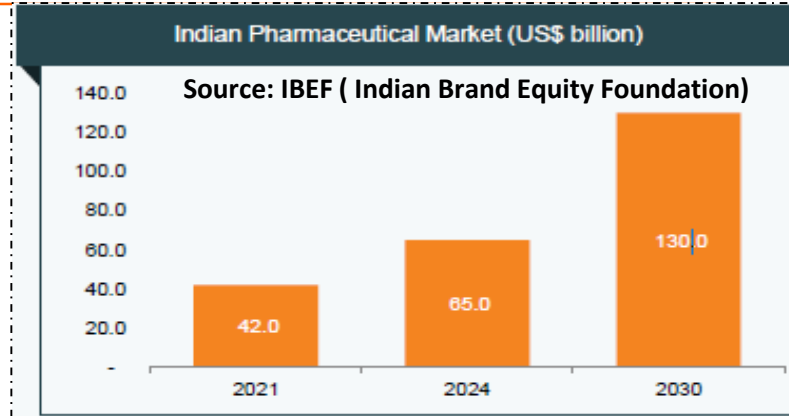
Pharmaceutical Industry Structure



Indian Pharma Industry



- Globally, India ranks 3rd in terms of pharmaceutical production by volume and 14th by value.
- India is the world's largest supplier of generic medications, accounting for 20 % of the worldwide supply by volume and supplying about 60 % of the global vaccination demand.
- In terms of overall volume, the Indian pharmaceutical market increased by ~14 .1% in June 2021.
- In FY 21 , North America was the largest market for India’s pharma exports with a 34% share and exports to the U.S, Canada and Mexico recorded a growth of 12.6%, 30 % and 21.4% respectively.
- India’s formulation surged 18 % and the bulk drug exports rose 9% y-o-y in the first half of FY 21, according to a report by Crisil.



Note: Values for exports and domestic mentioned are as of fiscal 2020.
Source: CRISIL Research

Overview of growth in Indian Pharmaceutical industry (in rupee terms)

Industry segment	Past growth FY15-FY20	Forecasted growth FY20-FY25P	Growth factors
Domestic formulation industry	8.5%-9.5%	10.5%-11.5%	Increased healthcare expenditure and penetration of health infrastructure
Formulation and biologics exports	10.5%	14.0-15.0%	Increased penetration of generics in global pharmaceuticals
Domestic bulk drugs industry	8.3%	11.5%-12.5%	Growth in formulation drugs manufacturing, Bulk drug parks, PLI scheme - Govt impetus
Bulk drugs exports	5.6%	9.5-10.5%	Shift from China market – Alternative to supply from China

P: Projected
Source: CRISIL Research

1

First-to-file Players

- These are aggressive API companies who explore early launch opportunities by exploring para-4 options.
- Conflict between in-house consumption versus external customer offering is the key. Example – TAPI, MSN, Cadilla, Dr. Reddy's, Sun, Lupin etc.

2

“No” early launch players

- Typical small and aspiring companies that would leverage its experience to avoid US based early launch products
- Non-compete with innovators etc. inorder to win a balanced risk-reward. Example - Divi's, Piramal, RL Finechem

3

All product players

- These companies tend to ensure presence across all products be it para-3 or para-4
- Objective is to attain 'Full basket' offering. Example – TAPI, Aurobindo, MSN, Hetero , Metrochem

4

Niche Players

- Companies that leverage niche capabilities be it in technical or supply chain etc.
- Example - Carbogen, Shilpa, Jubilant

Key themes

Trends

1

Technology play

- Increased investments in new technologies Ex. Divi's – Micro-reactors, HPAPI – several cos, DRL – continuous manufacturing
- Strategic partnerships to acquire technologies Ex. Almelo – Sitagliptin technology

2

Supply assurance

- China+1 strategy is at execution and hence several customers want to qualify Indian players. It is spilling into intermediates and KSMs as well Ex. Aether's emergence
- Sustained focus on back integration or partnership-based assurance in the commercial products. Ex.Divi's

3

Product pipeline

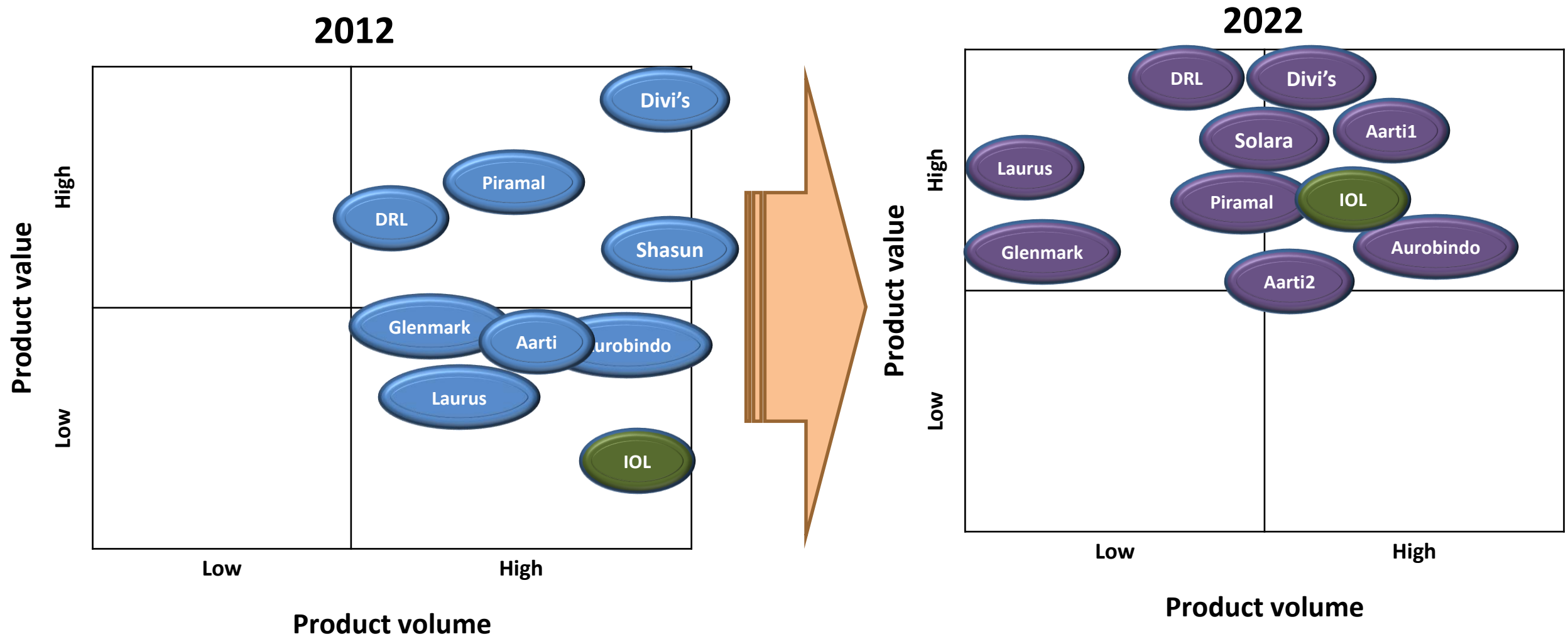
- Shift in product pipeline to accommodate high-value products Ex. Divi's – Benserazide & Rivaroxaban, Hikal – Apixaban & Gliflozins, IPCA – Sumatriptan
- Move to specialty and complex products Ex.58% of NME approved in 2020 were for rare medical conditions

4

Strategic partnership

- Steady increase in the value and volume of private equity deals Ex. Investments by Kedaara – Gujarat Lifesciences, Carlyle in Viyash, Advent in ZCL/Avra, and PAG-Anjan. Few industry partnerships Ex.Solara/Aurore
- Specific product level partnerships Ex.Almelo-Codexis in Sitagliptin and several API partnerships in covid related APIs

Company mapping – Shift towards Value & Complex products in last Decade



About IOL Chemicals and Pharmaceuticals Limited



Incorporated in 1986, IOLCP is one of the leading APIs / bulk drugs company and is a significant player in the field of specialty chemicals with world class facilities



R&D Centre is approved by Department of Scientific and Industrial Research (DSIR) and a captive co-generation unit with capacity of 17 MW to meet power and steam requirements



Chemicals application in diverse important industries like pharmaceuticals, ink industry, flexible packaging, adhesives, surface coatings, flavours, paints & lamination and essences etc.



Wide presence across various therapeutic categories like Pain Management, Anti-Diabetic, Anti Hypertensive, Anti Convulsants, etc.



What makes Us Different ??

World Scale Manufacturing

We are the largest fully integrated Manufacturer's of Ibuprofen, leading manufacturers of metformin and Ethyl Acetate across the globe.

Robust Operating Practices

Our manufacturing facilities follow the highest GMP standards.

Unpromising Quality Control

We adopt strict practices to monitor and assess the quality of all our products.

Service Excellence

We ensure flawless business operations, timely delivery and hassle-free after sales service.

Key Highlights



Team size of 2,300+ employees



Largest producer of Ibuprofen and the only company worldwide being backward integrated with ~35% Global share



Largest producer of Ethyl Acetate at Single Location in India



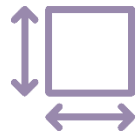
2nd Largest producer of Iso Butyl Benzene (IBB) with ~30% Global share



Over 20 products are commercialised with 8 products in pipeline



Debt free company, No debt raised since 2017



Spread over a sprawling campus of over 111 acres



Zero Discharge Effluent Treatment Plant



Customer base across 80 countries



Credit Rating: A+, outlook; stable (Care Ratings Limited)

Professional Management Team



Varinder Gupta
(Managing Director)

Mr. Varinder is an industrialist and has wide and rich experience of more than 35 years in the chemical & fertilizer industry and along with a comprehensive approach and strong Pharma API industry oversight has paved a way for innovation and excellence.



Vikas Gupta
(Executive Director)

Mr. Vikas is academically equipped with the knowledge and possesses organizational capacity. He has worked in strategic department of the company and played a main role in guiding the Chemical and Pharmaceutical business of the company. He has been vital to the functioning of the company over the last 7 years.



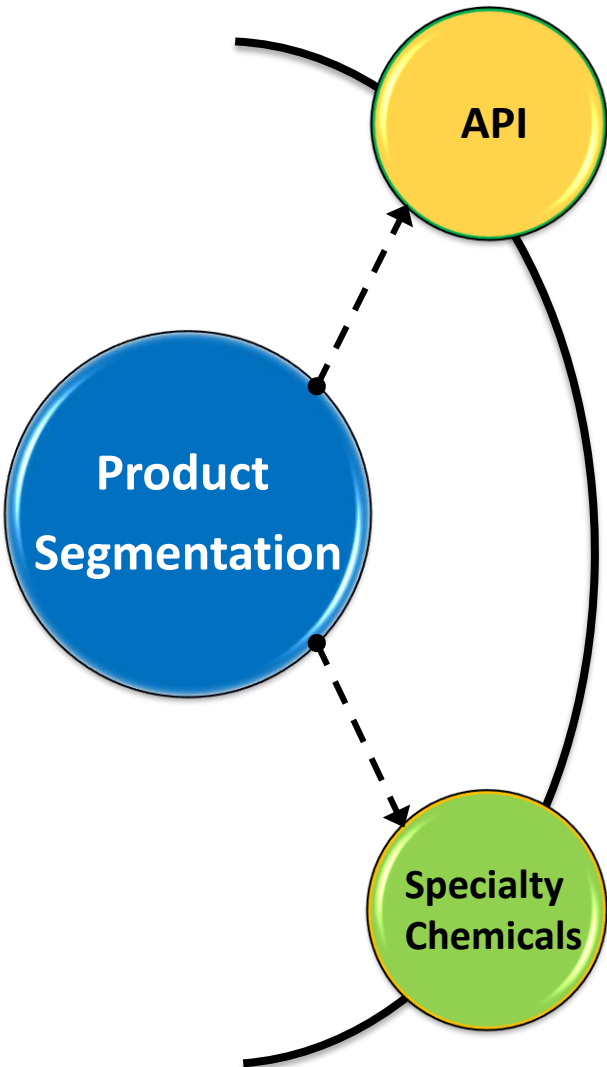
Dr. Sanjay Chaturvedi
(Chief Executive Officer)

Dr. Sanjay is a seasoned global business executive having worked in the specialty chemicals and pharmaceutical industry for over 25 years in companies like Praj Industries, Dr. Reddy's, Aurobindo among few others. He brings a demonstrated track record along with functional expertise in Sales, Marketing, Strategy, Manufacturing and R&D in USA and in India.



Kushal Kumar Rana
(Director - Works)

Mr. Kushal comes from a strong technical background having done his Bachelor's in Chemistry, Physics, Math and Master's degree in Chemistry. He has a rich experience of over 30 years in the pharmaceutical industry in companies like Morepen Laboratories, Chemiplast Industries His expertise lies in looking after quality assurance, quality control & corporate regulatory affairs.



API - Commercialized
Ibuprofen
Metformin HCL
Clopidogrel Bisulphate (Form II)
Pantoprazole Sodium
Fenofibrate (Micronised)
Gabapentin
Lamotrigine
Ursodeoxycholic Acid
Levetiracetam
Losartan Potassium
Gabapentin

Specialty Chemicals Commercialized
Ethyl Acetate
Acetyl Chloride
Mono Chloro Acetic Acid
Iso butyl benzene

API Under Validation
Paracetamol
Quetiapine Fumarate
Allopurinol
Irbesartan
Valsartan
Vildagliptin
API Pipeline
Minoxidil
Apixaban
Mesalazine
Ketoconazole
Sacubitril
Edoxaban

Regulatory Approvals



PRODUCTS	THERAPEUTIC CATEGORY	CAS NO.	Std. Batch Size (kg)	USDMF	KFDA	EUGMP	CEP	MOH Russla	WHO-GMP (COPP)	DMF/ TechPack
Ibuprofen	NSAID	15687-27-1	1000	✓	✓	✓	✓	✓	✓	✓
Ibuprofen Lysinate	NSAID	57469-76-8	175	-	-	-	-	-	-	✓
Ibuprofen Sodium	NSAID	31121-93-4	450	-	-	-	-	-	-	✓
Dex-Ibuprofen	NSAID	51146-56-6	19 kg	-	-	-	-	-	-	✓
Metformin HCL	Anti-Diabetic	1115-70-4	3000	Filed	Filed	✓	✓	✓	✓	✓
Clopidogrel Bisulphate (Form II)	Anti-Platelet	120202-66-6	600	-	Filed	✓	✓	✓	✓	✓
Pantoprazole Sodium	Proton Pump Inhibitor	164579-32-2	500	Filed	-	✓	Filed	✓	✓	✓
Fenofibrate (Micronised)	Anti-Cholesterol	49562-28-9	700	Filed	✓	✓	✓	✓	✓	✓
Gabapentin	Anti-Convulsant	60142-96-3	65	-	-	-	-	✓	✓	✓
Lamotrigine	Anti-Convulsant	84057-84-1	325	Filed	-	✓	✓	✓	✓	✓
Ursodeoxycholic Acid	Anti-Cholelithic	128-13-2	160	-	-	-	-	-	✓	✓
Losartan Potassium	Anti-Hypertensive	124750-99-8	400	-	-	-	-	-	-	✓
Levetiracetam	Anti-Epileptic	102767-28-2	250	Filed	-	-	Filed	-	✓	✓

Financial Summary – Statement of Profit & Loss

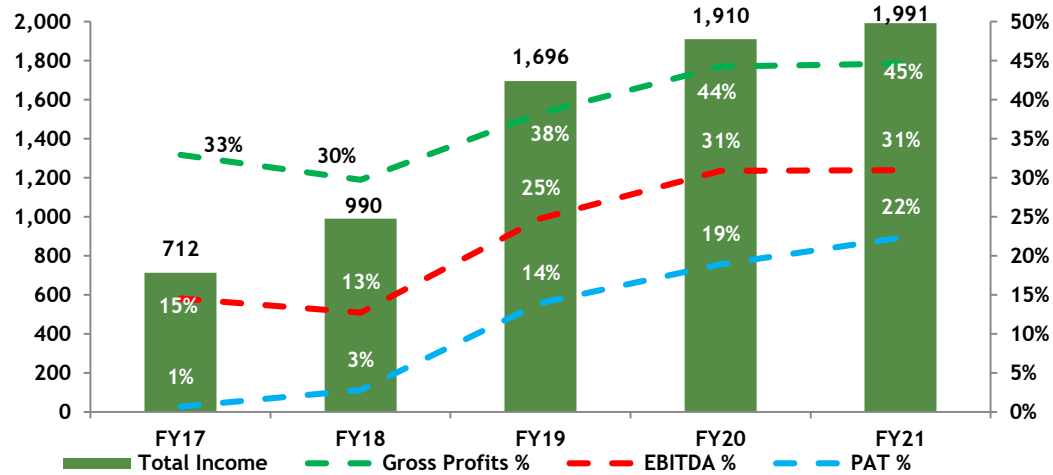


P&L (INR Crs)	FY17	FY18	FY19	FY20	FY21	Q3FY22	Q2FY21	Q3FY21	9M FY22	9M FY21
Revenues	710.6	983.3	1,685.3	1,894.5	1,967.0	555.1	537.9	513.0	1611.5	1506.6
Other Income	1.3	6.3	10.4	16.0	24.3	8.9	10.5	7.8	25.1	18.1
Total Income	711.9	989.6	1,695.7	1,910.5	1,991.3	564.0	548.4	520.8	1636.6	1524.7
Gross Profits	234.5	294.4	648.5	845.5	888.4	163.0	142.7	234.5	494.9	699.5
<i>Gross Profits %</i>	<i>32.9%</i>	<i>29.7%</i>	<i>38.2%</i>	<i>44.3%</i>	<i>44.6%</i>	<i>28.9%</i>	<i>26.0%</i>	<i>45.0%</i>	<i>30.2%</i>	<i>45.9%</i>
EBITDA	103.4	125.9	420.0	589.9	616.1	68.1	54.3	165.1	238.3	498.8
<i>EBITDA %</i>	<i>14.5%</i>	<i>12.7%</i>	<i>24.8%</i>	<i>30.9%</i>	<i>30.9%</i>	<i>12.1%</i>	<i>9.9%</i>	<i>31.7%</i>	<i>14.6%</i>	<i>32.7%</i>
Depreciation	29.8	30.2	32.5	35.7	38.9	11.1	10.8	10.0	32.3	29.0
EBIT	73.6	95.7	387.6	554.2	577.2	57.0	43.5	155.1	206.0	469.8
<i>EBIT %</i>	<i>10.3%</i>	<i>9.7%</i>	<i>22.9%</i>	<i>29.0%</i>	<i>29.0%</i>	<i>10.1%</i>	<i>7.9%</i>	<i>29.8%</i>	<i>12.6%</i>	<i>30.8%</i>
Interest	67.7	64.4	51.4	20.9	5.8	2.3	1.9	1.5	6.0	4.4
Earnings before Exceptional Items and Taxes	5.9	31.3	336.2	533.3	571.4	54.7	41.6	153.6	200.0	465.4
Exceptional Items	-	-	-	-	-	-	-	-	13.9	-
Taxes	1.2	3.6	99.5	172.0	126.8	14.6	10.8	38.8	48.2	96.1
PAT	4.7	27.7	236.7	361.3	444.6	40.1	30.8	114.8	137.9	369.3
<i>PAT %</i>	<i>0.7%</i>	<i>2.8%</i>	<i>14.0%</i>	<i>18.9%</i>	<i>22.3%</i>	<i>7.1%</i>	<i>5.6%</i>	<i>22.0%</i>	<i>8.4%</i>	<i>24.2%</i>

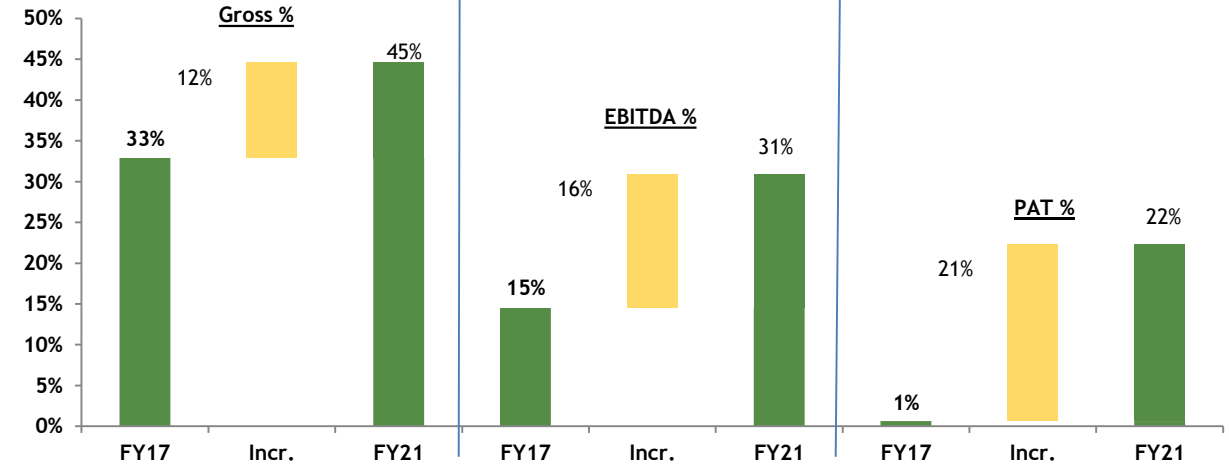
5 years Financial Performance - Annually



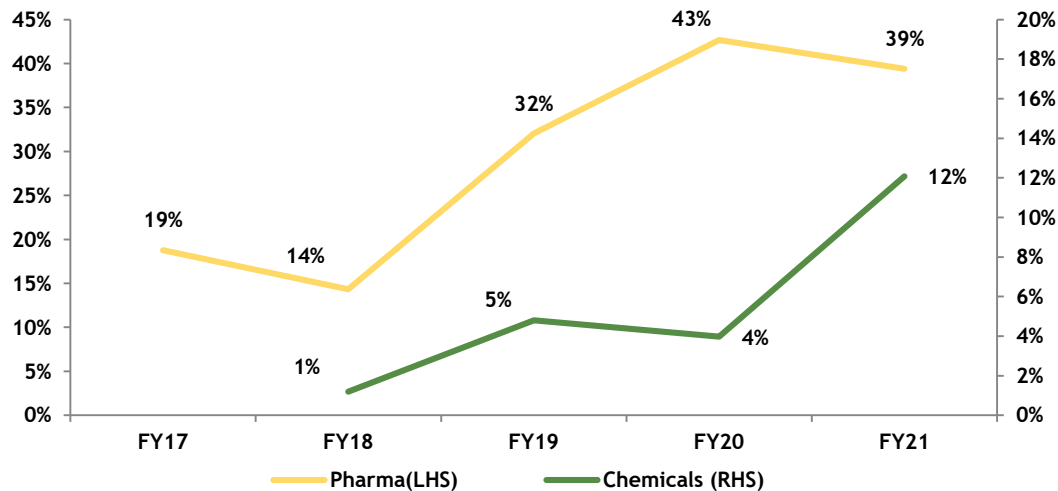
Revenues & Margins* – Annual



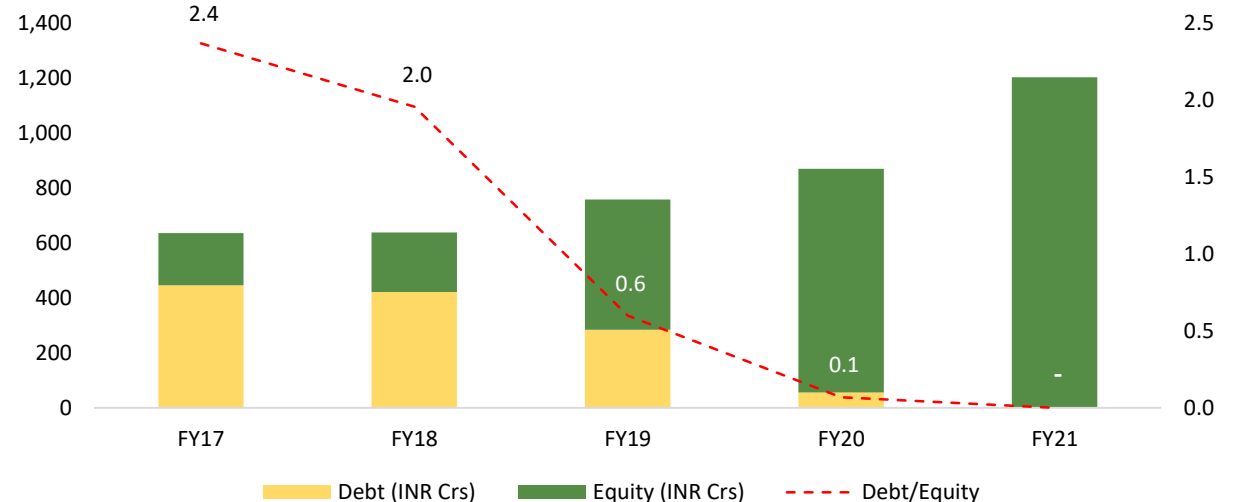
Margin* Expansion – Over the Years



Segmental EBIT %



Debt/Equity



*All Profits and Total Income include Other Income

