

Investor Presentation

June 2019



RPG LIFE SCIENCES

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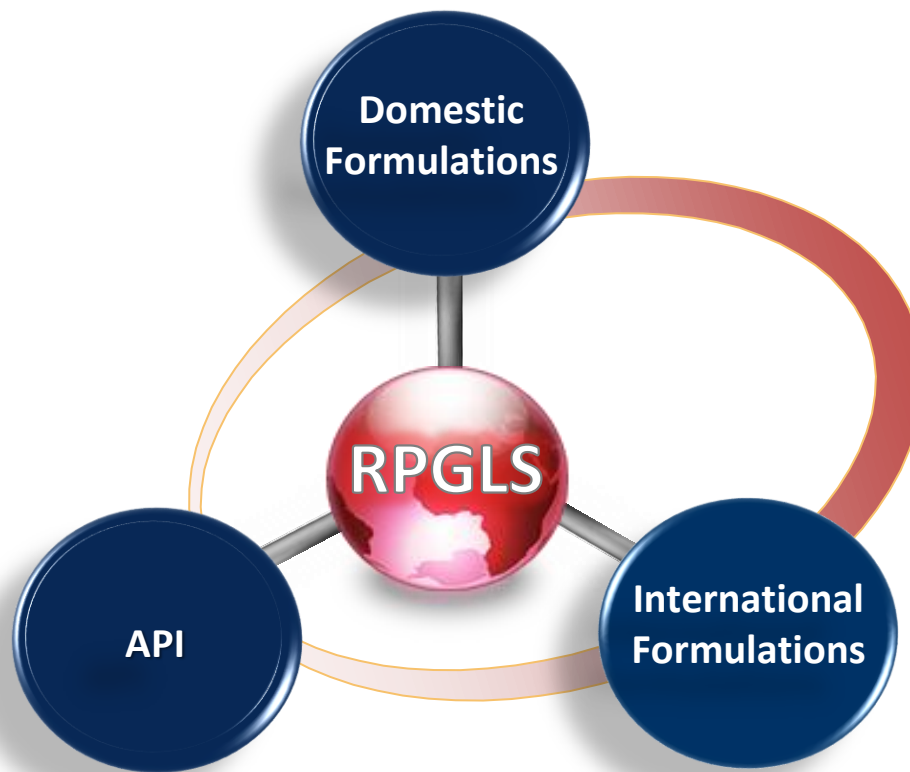
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Business Overview: Company

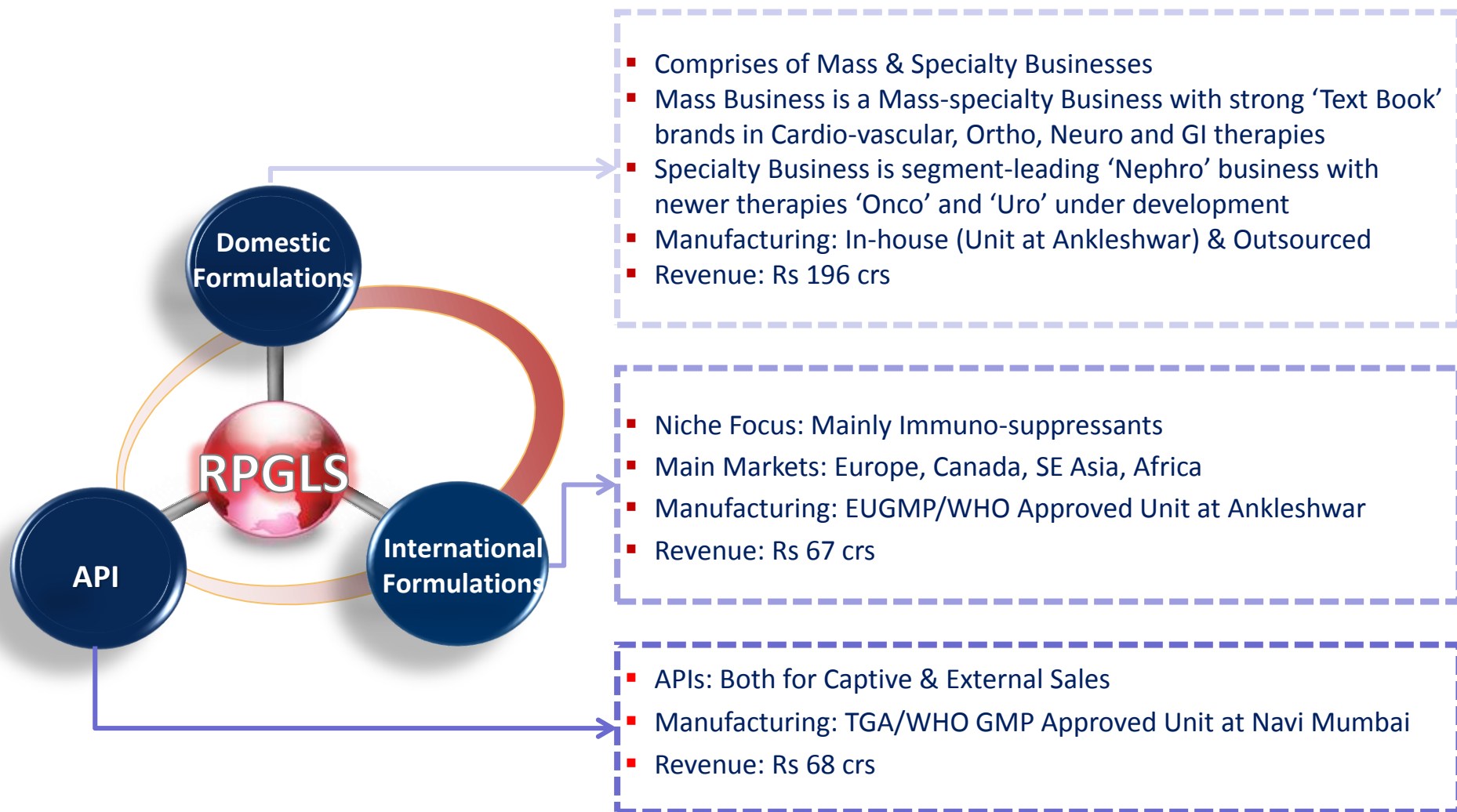


**Manufacturing: Both API & Formulations (3 Units)
Employees: ~1160**

**Sales* : Rs 331 crs
EBIDTA : 34 crs
PBT : Rs 15 crs
Exports : 39%**

* Excludes other operating income

Business Overview: 3 Business Verticals



Management Team



Yugal Sikri

*Managing
Director*



BM Sundaram

*API, Intl. &
Specialty*



Samir Rane

*Domestic –
Main*



Milind Gujar

*Chief Quality
Officer*



Manoj Muthiyan

*New Product Dev.
& Regulatory Affairs*



Suchitra Tiwari

*Regulatory
Affairs*



Kartick Patra

*API Operations &
Procurement*



Rajesh Chopra

*Intl. Formulations
Manufacturing*



Himmat Patel

*Dom. Formulations
Manufacturing*



Mahesh Narayanaswamy

*Finance, IT,
Sec & Legal*



Tushar Joshi

*HR &
Admin*

Board of Directors

Name	Experience
Harsh Vardhan Goenka – Chairman	Chairman, RPG Group
Yugal Sikri - Managing Director	Ex-Ranbaxy, Novartis, Pfizer, GSK, RPG Life Sciences
Sachin Nandgaonkar - Non Executive Director	Ex-Senior Partner at BCG
C L Jain – Independent Director	Ex-CFO at Hoechst India
Dr Lalit Kanodia – Independent Director	Founder of Datamatics Global Services Limited
Mahesh Gupta – Independent Director	Group Managing Director of Ashok Piramal Group, Ex-CFO of RPG Group & Nicholas Piramal
Manoj Maheshwari – Independent Director	Ex-Geoffrey Manners, Wyeth Lederle, JF Laboratories
Narendra Ambwani – Independent Director	Ex-Johnson & Johnson
Zahabiya Khorakiwala – Independent Director	Managing Director at Wockhardt Hospitals

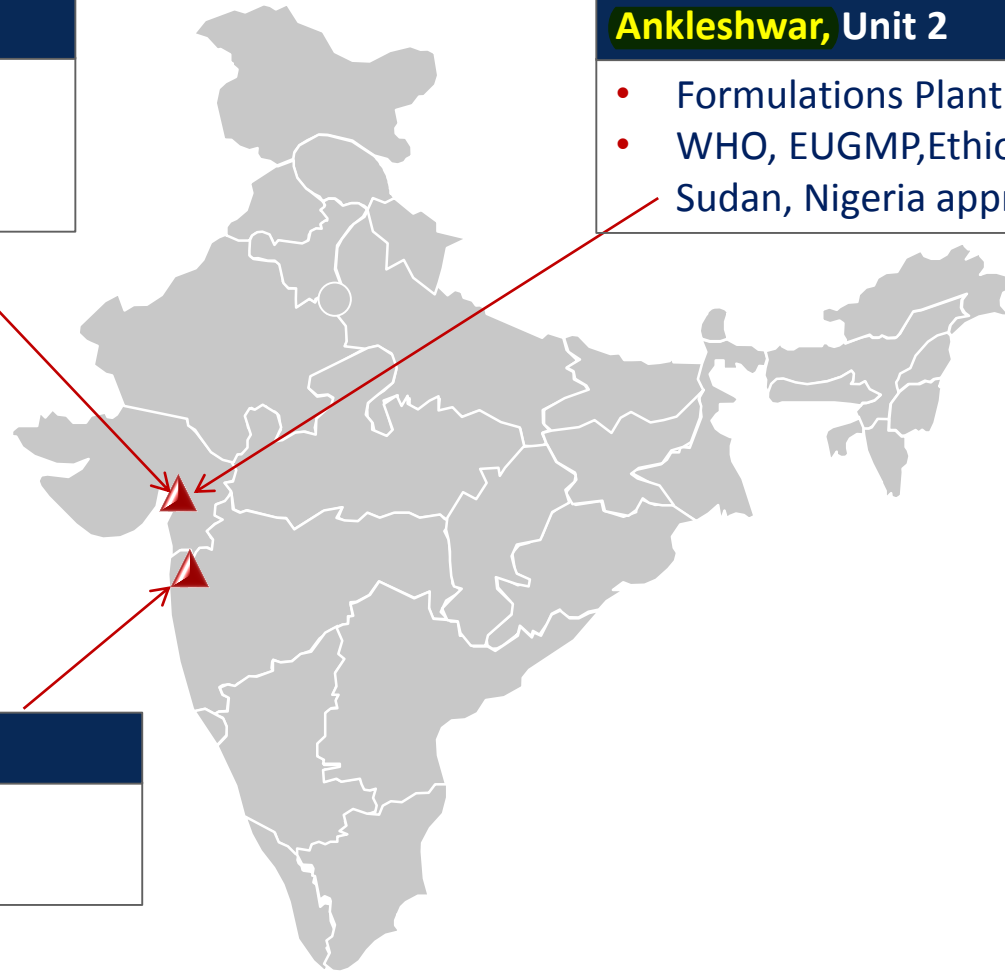
Manufacturing Facilities

Ankleshwar, Unit 1

- Formulations Plant
- WHO, Kenya, Nigeria approved

Ankleshwar, Unit 2

- Formulations Plant
- WHO, EUGMP, Ethiopia, Kenya, Sudan, Nigeria approved

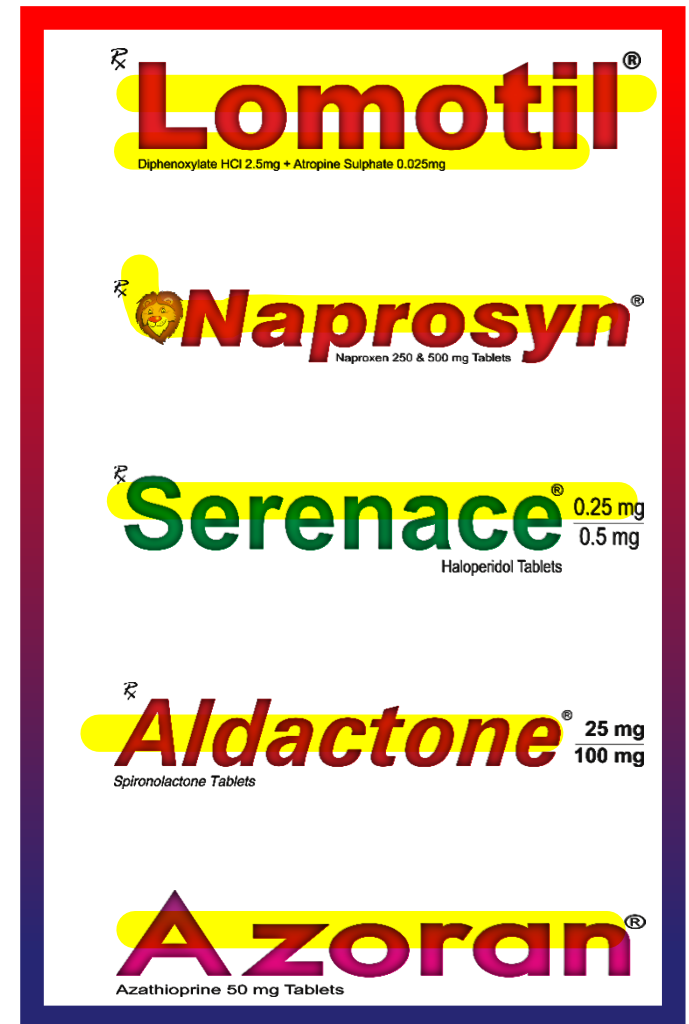


Navi Mumbai

- API Plant
- WHO, TGA approved

Key Products: Domestic – Majorly ‘Text Book’ Brands

Therapy	Products
Cardiovascular	Aldactone, Cardibeta
Neuro-psychiatry	Serenace
Orthopedic	Naprosyn
Gastrointestinal	Lomotil, Lomofen+, Rabee, Tricaine
Nephrology	Azoran, Arpimune ME, Mofetyl, RPO, Darba, X-Mab
Respiratory	Romilast
Nutritional	Minmin
Oncology	Hermab, Nabpac, PegFrastim
Urology	Sildura, Tamflo, Tamflo DFZ



Key Products: International Formulations

Existing Products

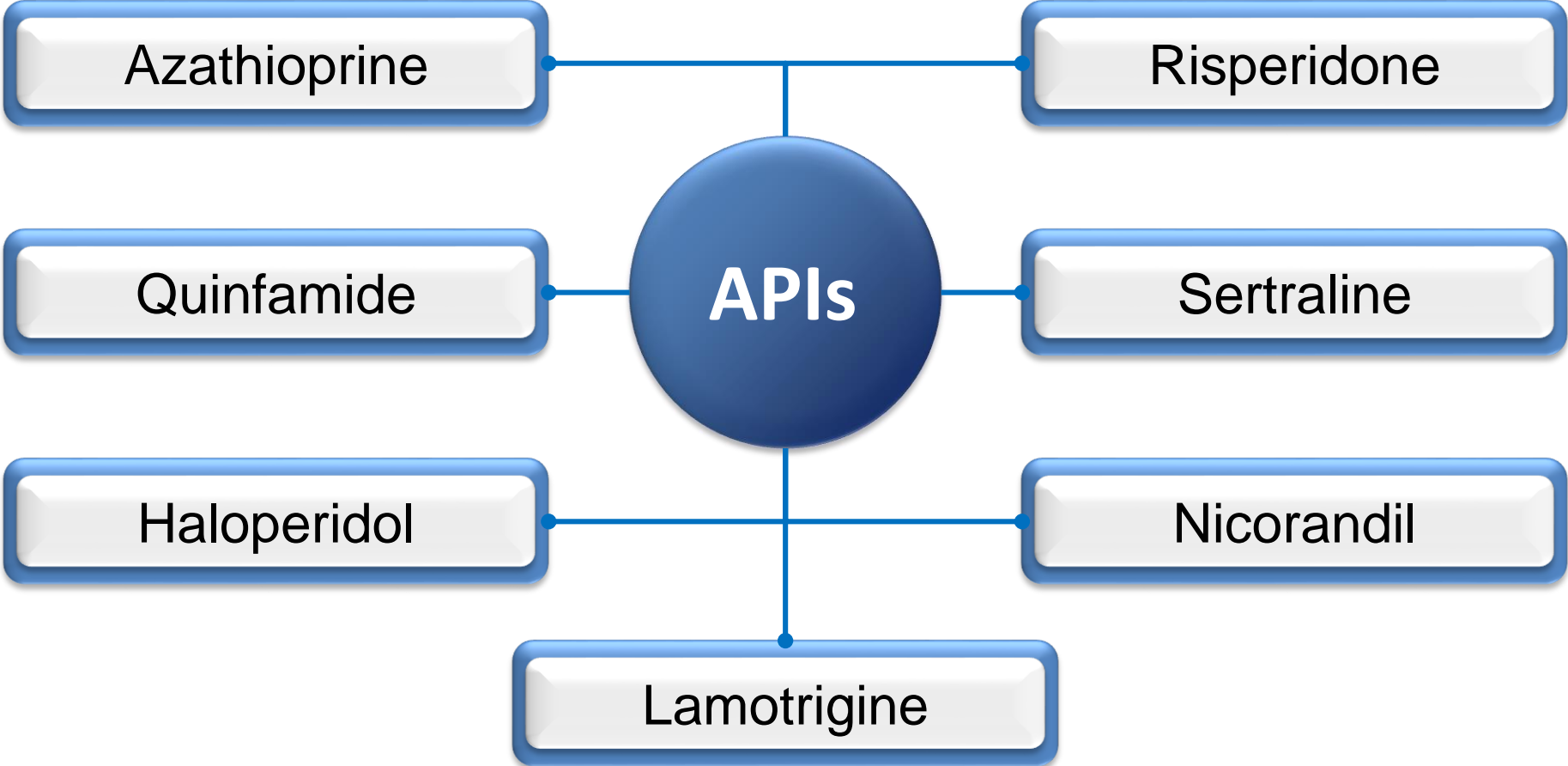
- Azathioprine
- Mycophenolate Mofetil (EU)
- Nicorandil – EUCTD
- Sertraline (Contract Mfg.)
- Clotrimazole (Contract Mfg.)
- Siloxogene

Products Under Development

- Sodium Valproate - EUCTD
- Aminocaproic Acid – ANDA
- Azathioprine – ANDA
- Mycophenolate Mofetil - ANDA



Key Products: API



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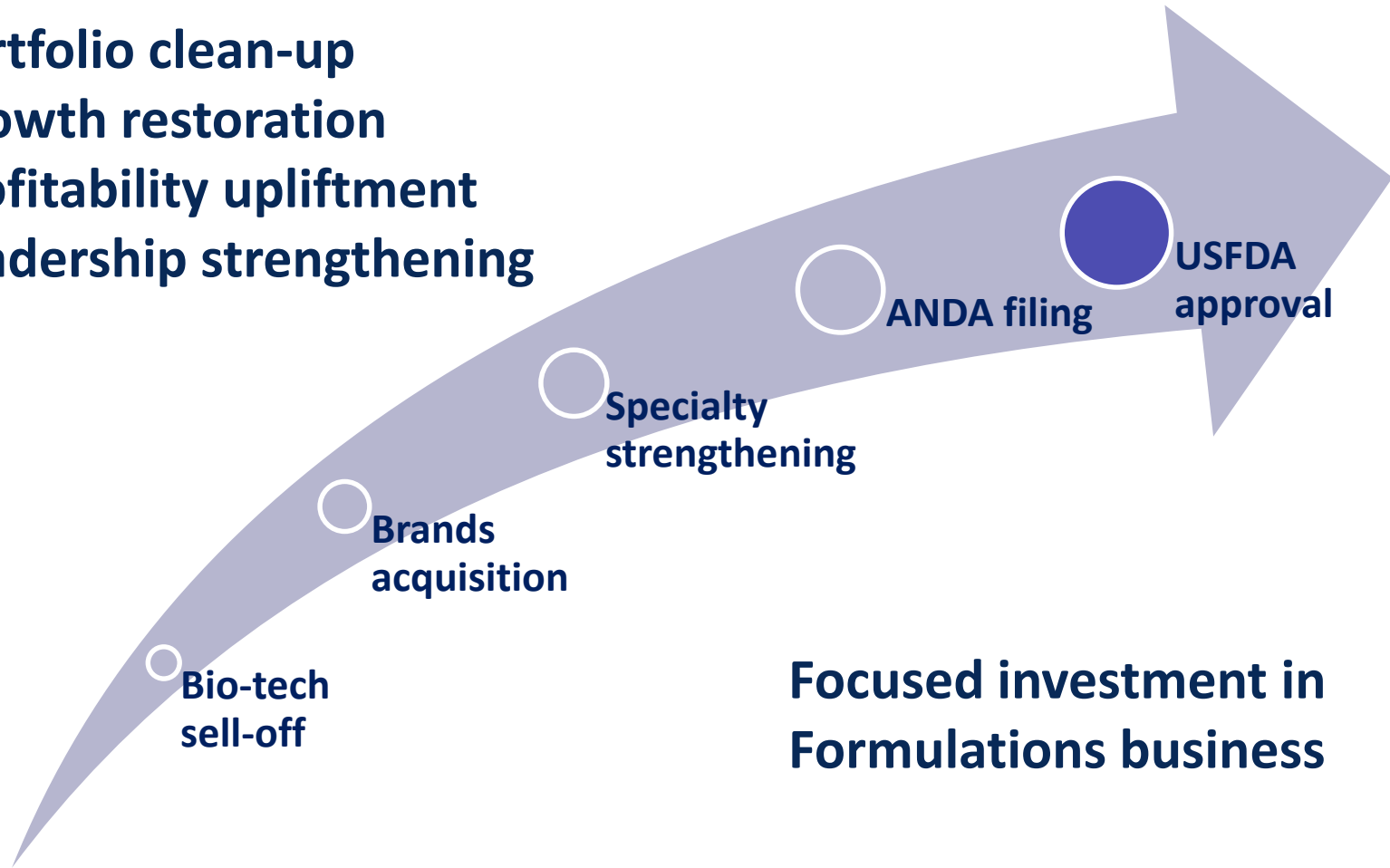
Company Overview

FY 19 Performance Highlights

Way Forward

RPGLS: A transformation journey in progress

Portfolio clean-up
Growth restoration
Profitability upliftment
Leadership strengthening

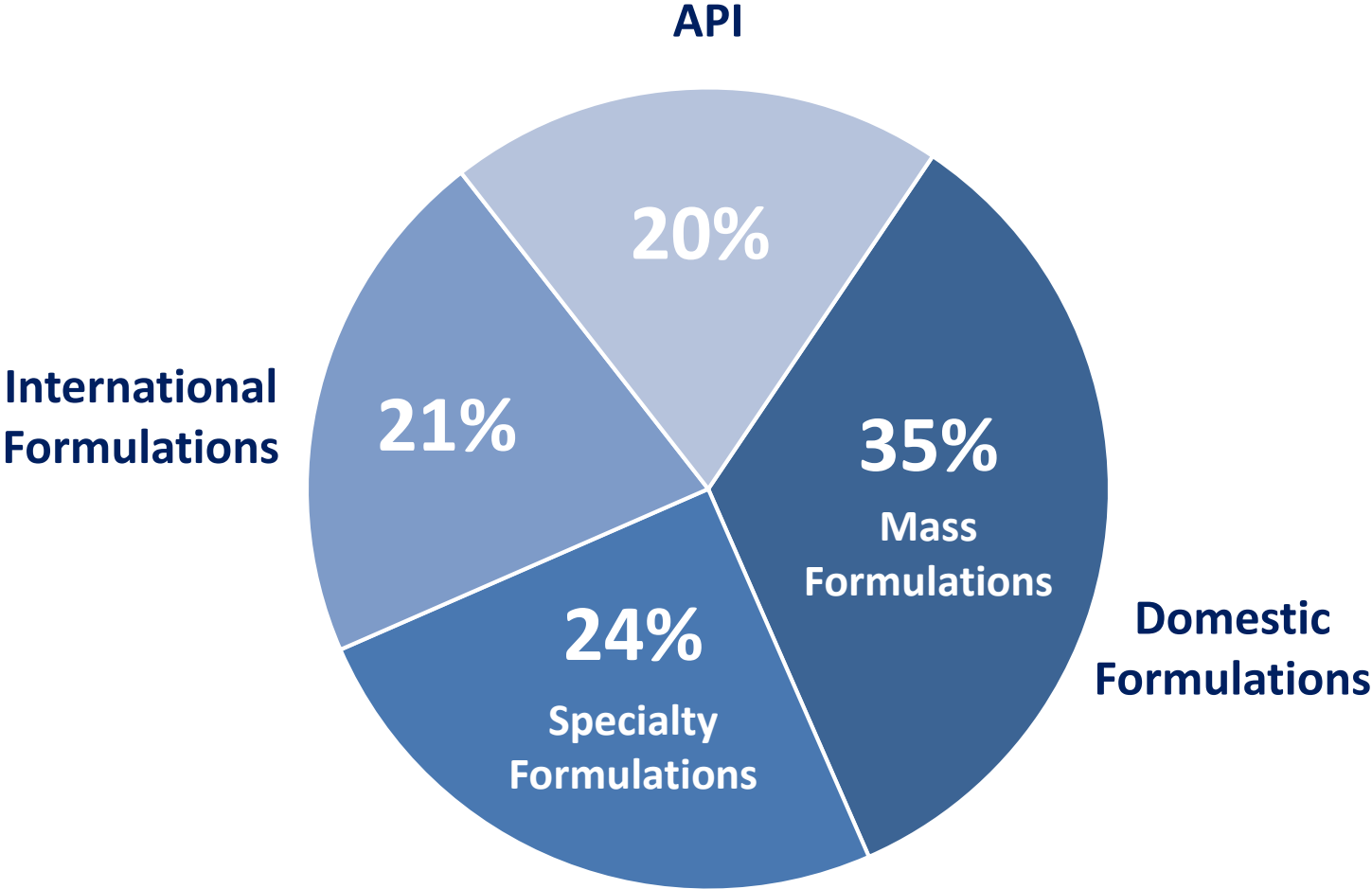


FY 19: A poor year, after 3 strong years

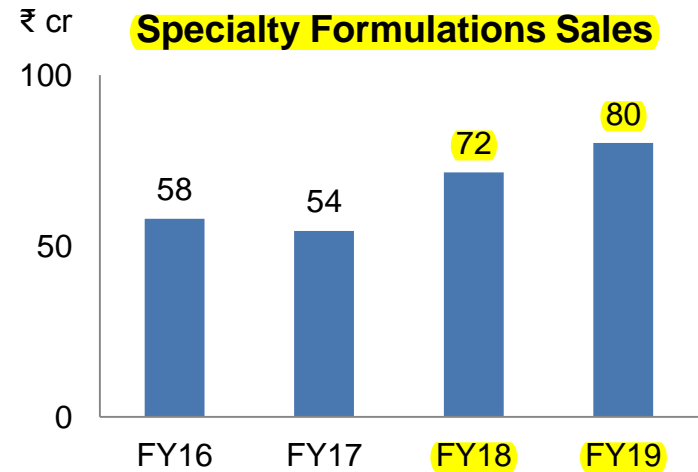
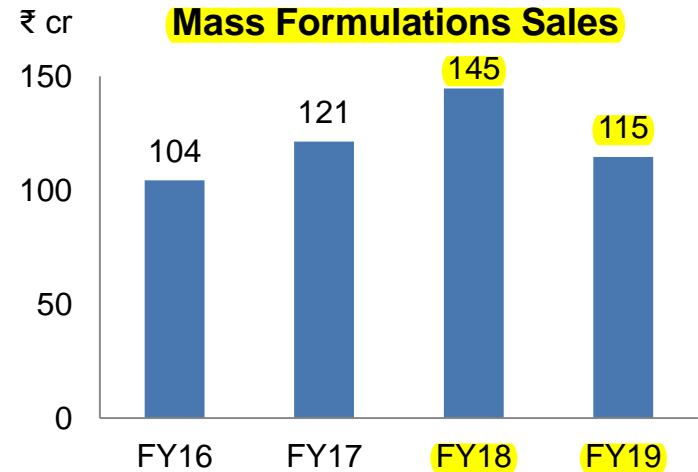
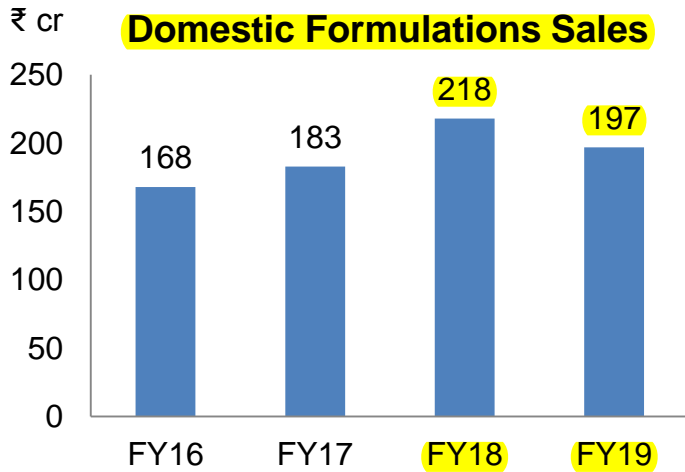
	FY 15-16	FY 16-17	FY 17-18	FY 18-19
	<i>Results</i>	<i>Results</i>	<i>Results</i>	<i>Results</i>
Sales (Rs cr.)	251	292	344	331
PBT (Rs cr.)	8.4	14.5	20.4	15.05
PBT %	3.3%	4.9%	5.9%	4.5%
PAT (Rs cr.)	8.4	12.09	13.45	10.81
PAT %	3.3%	4.1%	3.9%	3.3%

Note : Sales, PBT figures are excluding bio-tech business for all the two past years FY 16 and FY 17 to provide a like-to-like comparison. Sales excludes other operating income

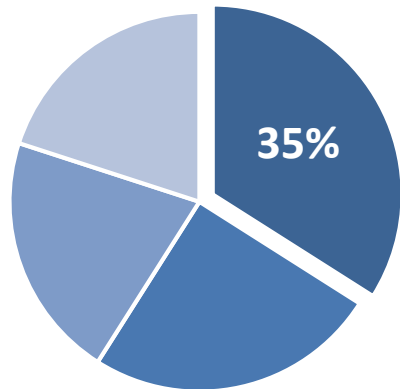
Domestic makes up ~60% of company business



Domestic: Setback in Mass Formulations



Challenges in Mass Business & Actions initiated



De-growth of 21%

Loss after 2 years of profits

Gross Margin maintained ~55%

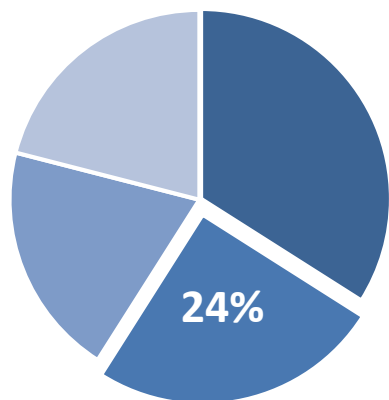
Challenges Faced

- Market slowdown in represented segments
- High reliance on trade; low focus on Rx generation
- High in-market inventories, expiries & returns

Actions Initiated

- Change in business leadership
- Renewed focus on Rx generation
- Discounts & promotion optimization
- Product Portfolio Augmentation : Chronic Therapies; Line Extensions of Legacy Products

Domestic: Specialty segment continues to grow



Growth of 12%

Improved profitability

**Continued investment
in Specialty**

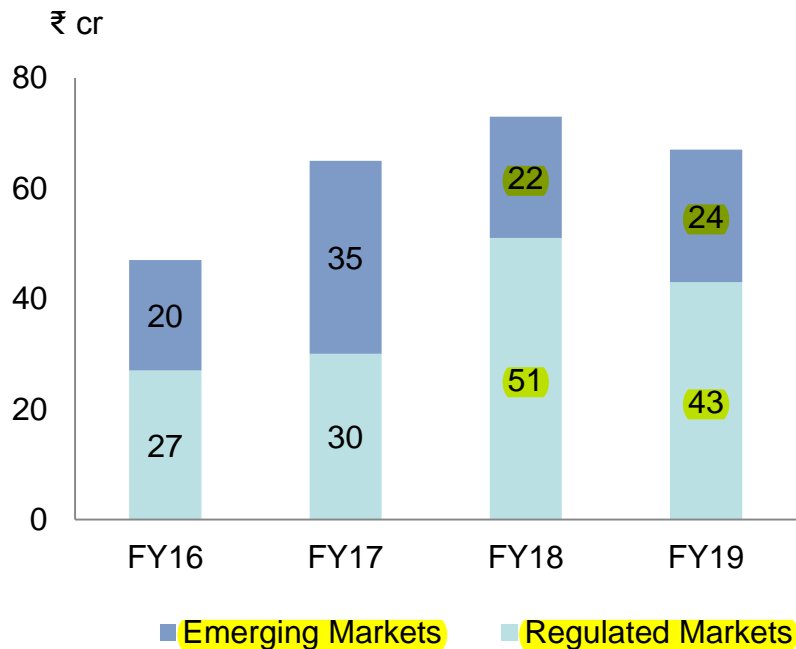
Challenges Faced

- Low volume growth in Nephrology business
- Price control and low margins in Oncology business
- Slower than targeted ramp-up in Urology business

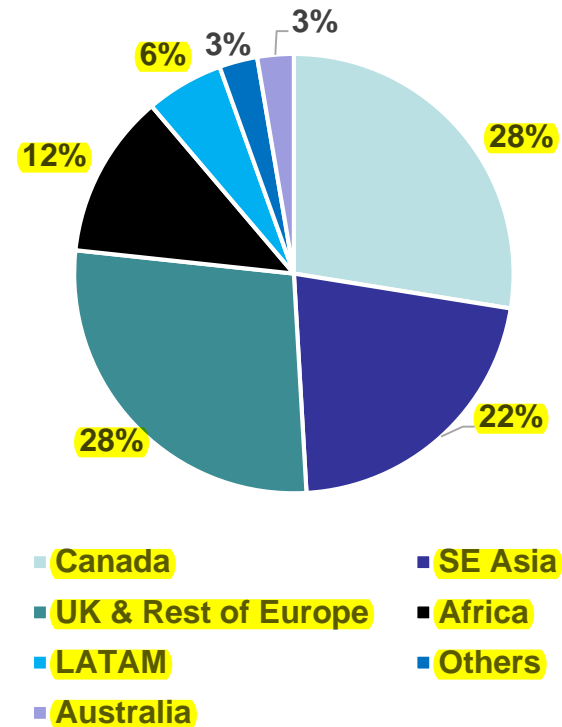
Actions Initiated

- Focus on new prescribers & new indications for Azoran
- Continued product portfolio augmentation (Bio-similars, Therapy gaps, Co-Rx products)
- Diligent Medico-Marketing engagement with target doctors especially in Urology

Intl. Formulations: Setback in Regulated Market Business

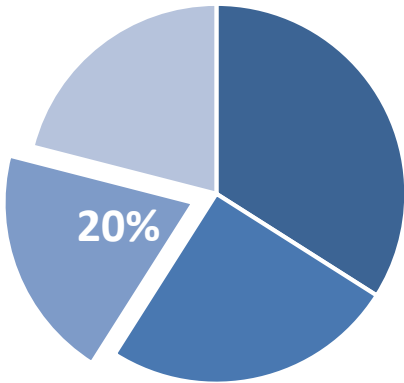


Country-wise Sales Split



- **Growth in Emerging Markets by 11%**
- **Regulated Market business setback due to key customer Teva deciding to drop the product due to internal re-prioritisation**

Intl Formulations: Challenging year but investment continues



De-growth of 8%

Investment towards plant upgrade and product pipeline continues

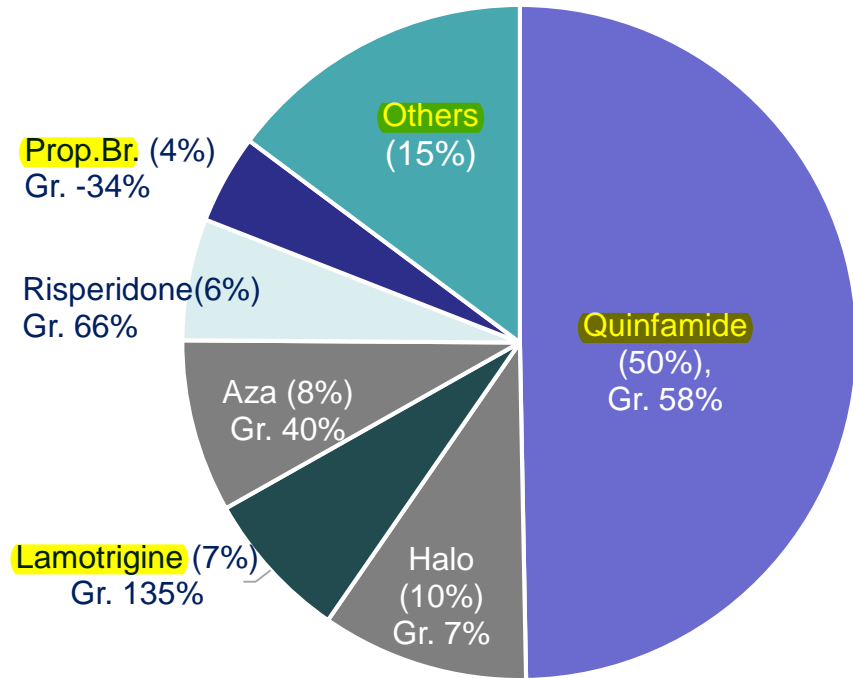
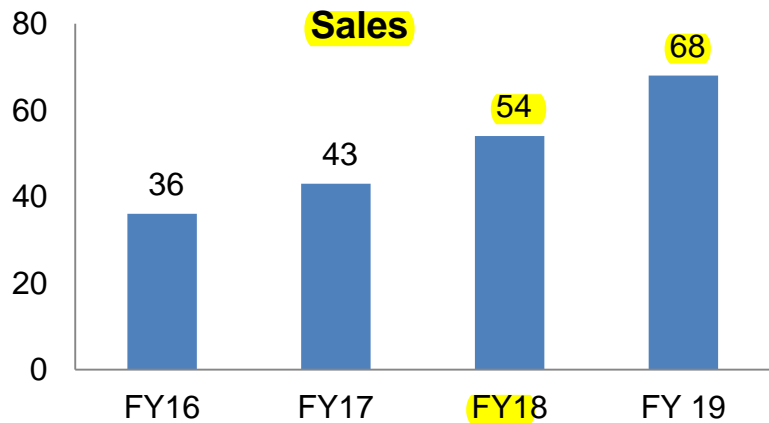
Challenges Faced

- Loss of 1 key customer in UK for Azathioprine
- Steep price corrections in UK market
- High dependence on tenders/ B2B in emerging countries

Actions Initiated

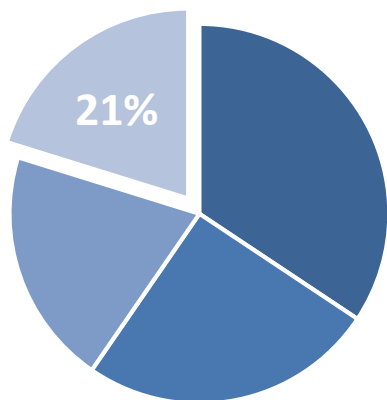
- Significant efforts to ensure 24X7 audit readiness
- Second plant being upgraded to regulated market standards
- ANDA filed for first product for the US market
- Dossier filed in UK for Sodium Valproate

API: Continues to be a strong cash cow



- Consistent Performance for the last 3 years
- Quinfamide is the key product and Latin America is the key market

API: Limited Customer & Molecule Base



Strong growth & profitability

Good demand momentum for exports

Challenges Faced

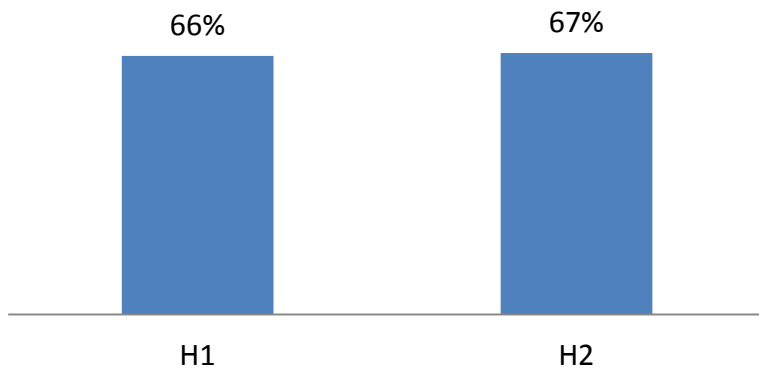
- Limited customer & molecule base
- Legacy plant not capable of upgradation to regulated market standards

Actions Initiated

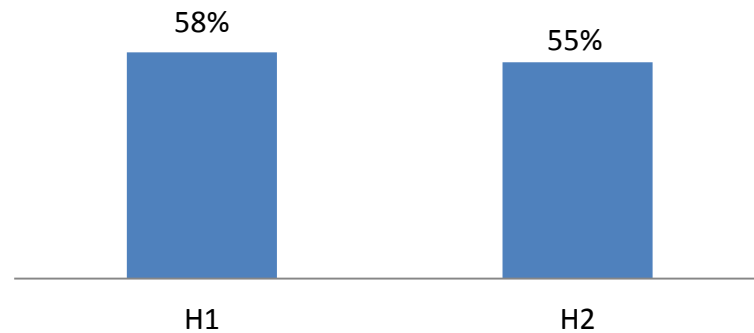
- Manufacturing Strategy optimisation - Outsourced manufacturing initiated with USFDA approved API suppliers for key molecules
- US DMF approval for Azathioprine received; source change process started

FY19: Improvements visible in H2

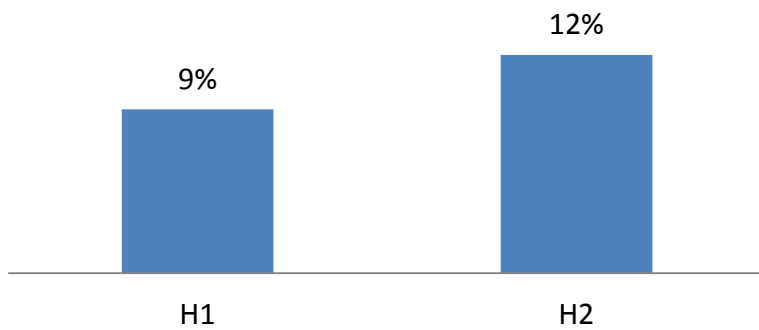
Gross Contribution (% to Sales)



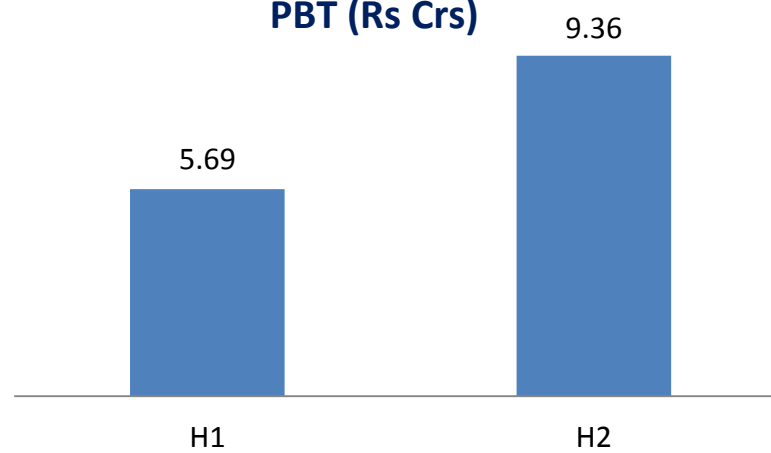
Opex (% to Sales)



EBDITA (% to Sales)



PBT (Rs Crs)



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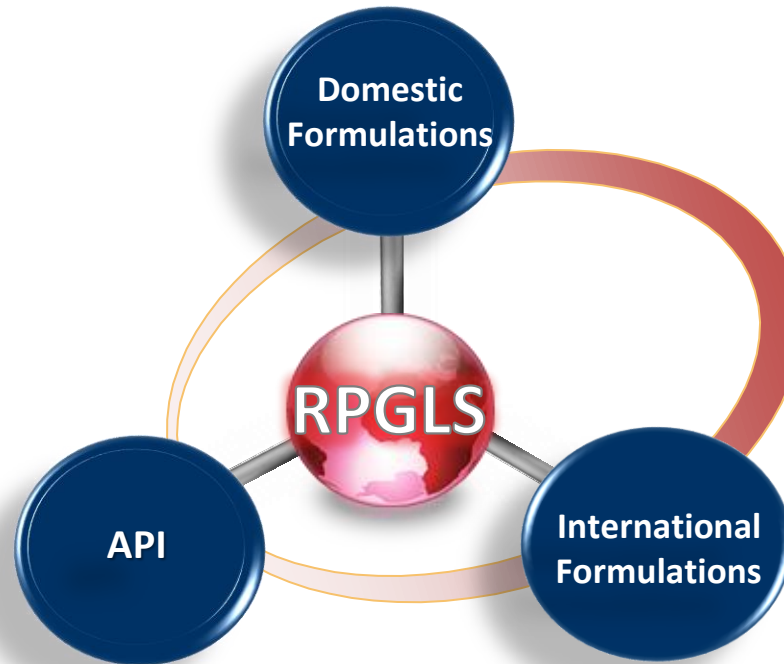
Company Overview

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Way Forward

Strategy Forward: Continued focus on Formulations

- **Focus: Above market growth with strong profitability**
- **Strategy: Product portfolio augmentation, Prescriber base expansion, Field force capability building**



- **Focus : Downstream integration for formulation business; selective market expansion**
- **Strategy : Own technology; judicious mix of In house and outsourced manufacturing**

- **Focus: Growth/ Entry in regulated/B2C markets**
- **Strategy: Niche products pipeline, Partnership for NPD; USFDA approval of the plant**

THANK YOU