



*ajanta pharma limited*

## Investor Presentation

Strictly Private and Confidential

1 February 2023

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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'.

These forward-looking statements involve a number of 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 Ajanta Pharma's ability to successfully implement its strategy, the Company's growth and expansion plans, obtain regulatory approvals, provisioning policies, technological changes, investment and business income, cash flow projections, exposure to market risks as well as other risks.

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# Contents

<b>1</b>	<b>Overview</b>	<b>PAGE 4</b>
<b>2</b>	<b>Branded Generic Business</b>	<b>PAGE 9</b>
<b>3</b>	<b>Africa Institution Business</b>	<b>PAGE 19</b>
<b>4</b>	<b>US Generic Business</b>	<b>PAGE 21</b>
<b>5</b>	<b>Manufacturing and R&amp;D</b>	<b>PAGE 23</b>
<b>6</b>	<b>Strategy Initiatives and Levers for Growth</b>	<b>PAGE 26</b>
<b>7</b>	<b>Sustainability Initiatives</b>	<b>PAGE 28</b>
<b>8</b>	<b>Financial</b>	<b>PAGE 30</b>

1<sup>st</sup> February 2023

3 of 44



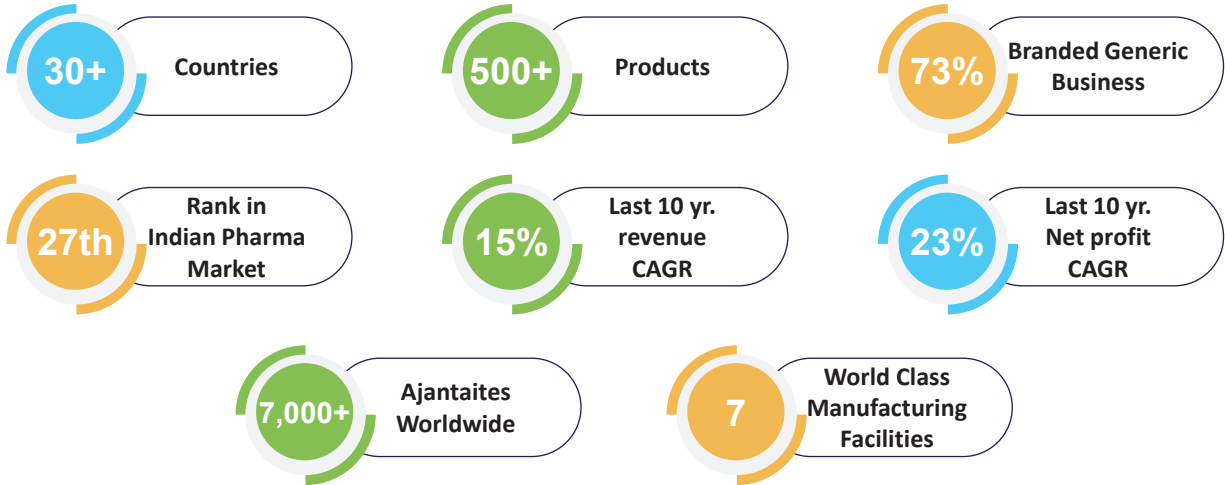
## Ajanta Pharma Overview

1<sup>st</sup> February 2023

# Who Are We Today? - Diversified Branded Generics Company Led by a Strong India Business

## Company Overview

- Well-diversified branded business spread across India, Africa and Asia
- Strong Product Portfolio with track record of out-growing the Market led by first-to-market strategy
- Chronic focused portfolio with deep presence in Cardiac, Ophthal, Derma & Pain therapy areas in India & EM
- Front-end model across geographies

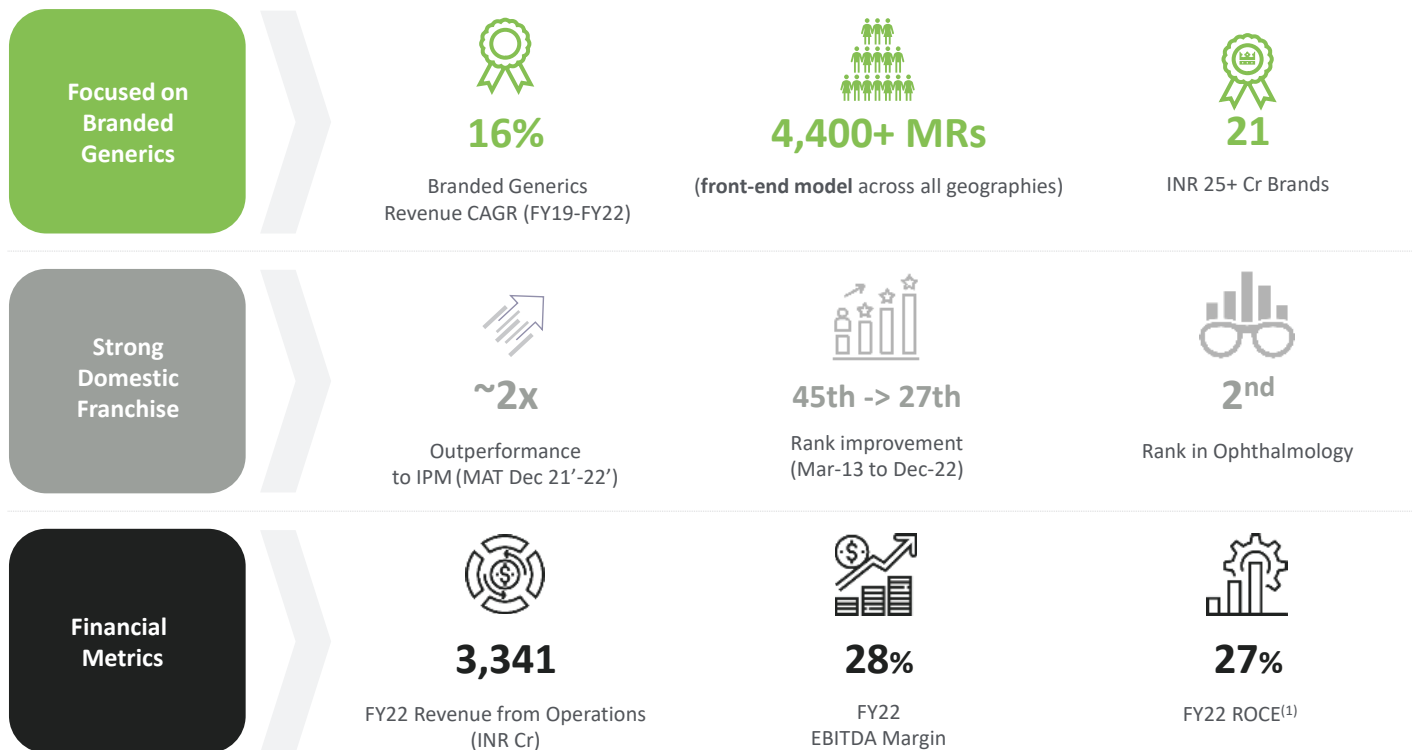


1<sup>st</sup> February 2023

5 of 44



## Ajanta Pharma – At a Glance



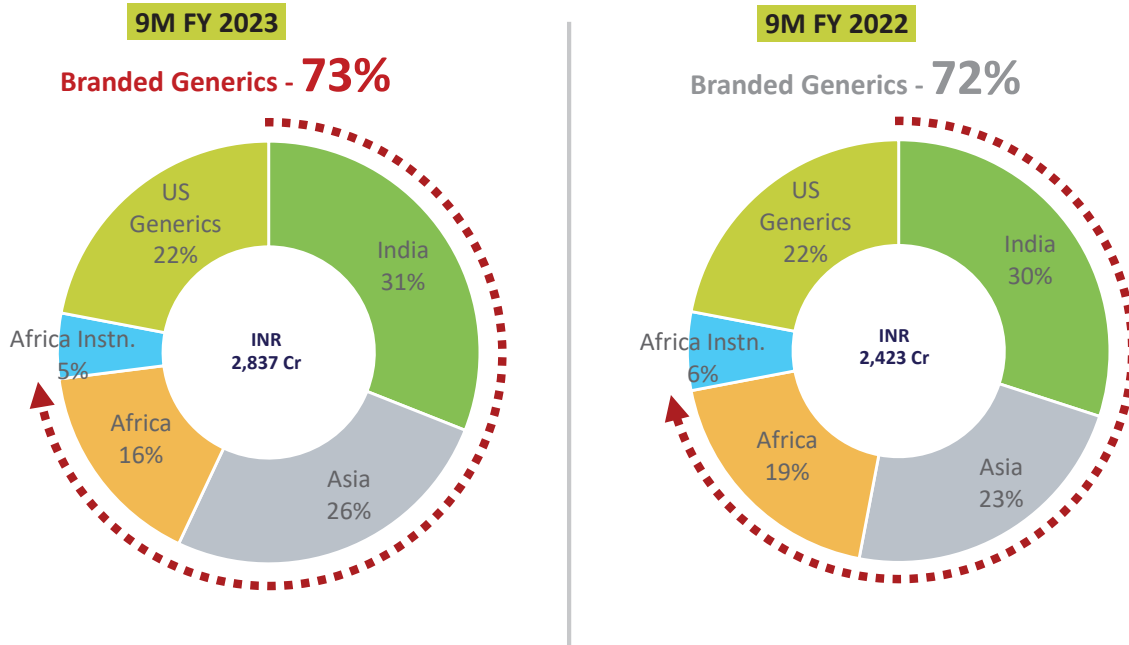
1<sup>st</sup> February 2023

Source: IQVIA December MAT 2022  
Note: All data as of Dec-22 unless otherwise specified; (1) ROCE calculated as EBIT / (Net worth + Lease liability + Deferred tax liability)

6 of 44



# Diversified Revenue Streams with Focus on Branded Generics

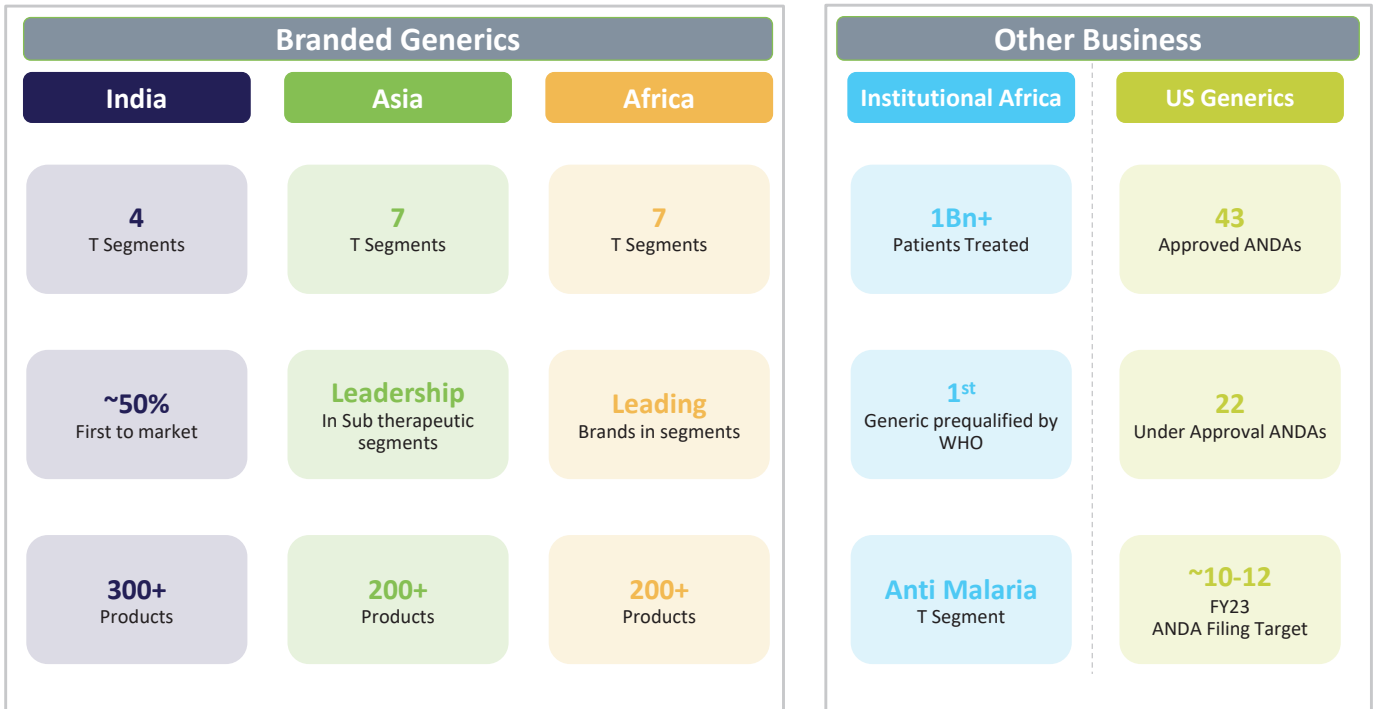


1<sup>st</sup> February 2023

7 of 44



## Overview of our Geographic Segments



Note: All data as of Dec-22 unless otherwise specified

1<sup>st</sup> February 2023

8 of 44





# Branded Generic Business - India

1<sup>st</sup> February 2023

9 of 44

## India - Scaled Franchise with Track Record of Consistent Organic Growth

<b>27<sup>th</sup></b> Rank in IPM	<b>4<sup>th</sup></b> Rank in Covered Market	<b>65%</b> Chronic Sales	<b>12%</b> DPCO Exposure	<b>2,800+</b> MRs	<b>250,000+</b> Doctors Covered
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### Focused Presence with Rank Improvement Across Therapies

**IQVIA Dec. MAT 2022**

**ajanta pharma**

**#45** March 2013 → **#27** December 2022

**India Ranking**

Therapies	March 2013	December 2022
Ophthalmology	#5	#2
Cardiology	#28	#16
Dermatology	#15	#15
Pain Management	-	#27

### Track record of Revenue Growth

**IQVIA MAT Sales (INR Cr)**

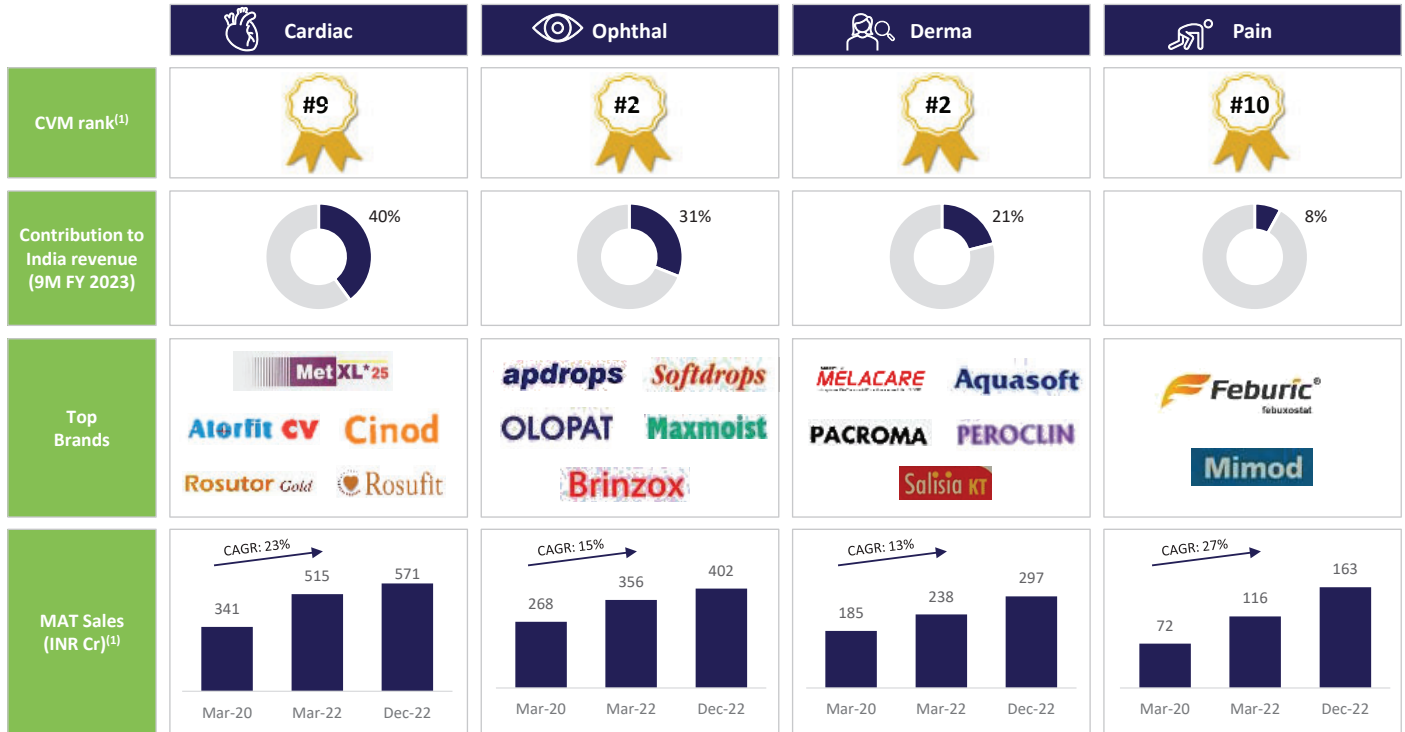
**CAGR '20-22: 19%**

Period	Mar-20	Mar-21	Mar-22	Dec-22
Sales (INR Cr)	867	999	1,224	1,436

1<sup>st</sup> February 2023

Sources: IQVIA December MAT 2022  
Note: All data as of Dec-22, unless otherwise specified

## Focused Presence in Key Therapy Areas



Source: IQVIA December MAT 2022  
Note: All data as of Dec-22 unless otherwise specified

1<sup>st</sup> February 2023

11 of 44

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## Strong Brand Portfolio with Track Record of Consistent Growth



Brand name	Molecule	Therapy	MAT Sales (INR Cr) Dec-22	Brand CAGR / Segment CAGR (4-yr) <sup>(1)</sup>	Brand rank		FY22 Market share
					Mar-18	Mar-22	
MetXL <sup>25</sup>	Metoprolol and Combinations	Cardiac	279	18% / 13% ↑	#1	#1	15%
Aterfit CV	Atorvastatin and Combinations	Cardiac	72	3% / 6%	#5	#5	6%
MELACARE	Hydroquinone and Combinations	Derma	74	3% / 4%	#2	#2	16%
Rosufit	Rosuvastatin and Combinations	Cardiac	70	4% / 15%	#4	#6	3%
Cinod	Cilnidipine and Combinations	Cardiac	69	13% / 20%	#3	#3	5%
Feburic <sup>®</sup>	Febuxostat	Pain / Analgesics	67	13% / 9% ↑	#2	#2	20%
apdrops	Moxifloxacin and Combinations	Ophthal	44	10% / 10% ↑	#3	#2	11%
Aquasoft	Emollients, Calamine and Combinations	Derma	36	16% / 10% ↑	#11	#7	2%
Softdrops	Carboxymethylcellulose and Glycerin	Ophthal	26	11% / 10% ↑	#1	#1	66%
Cilamet XL	Cilnidipine and Metoprolol	Cardiac	21	18% / 26%	#2	#2	28%

8 out of top 10 brands ranked amongst the top 5 in their molecule segment

Source: IQVIA December MAT 2022  
Note: (1) MAT Mar 19-22

Indicated brands that are ranked amongst the top 5 in their molecule segment

1<sup>st</sup> February 2023

12 of 44

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# Distinctive Strategy of Launching Novel First-to-Market Products...

**50%**

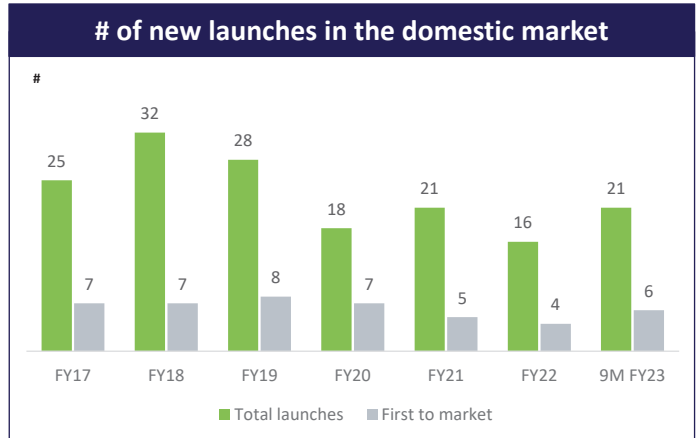
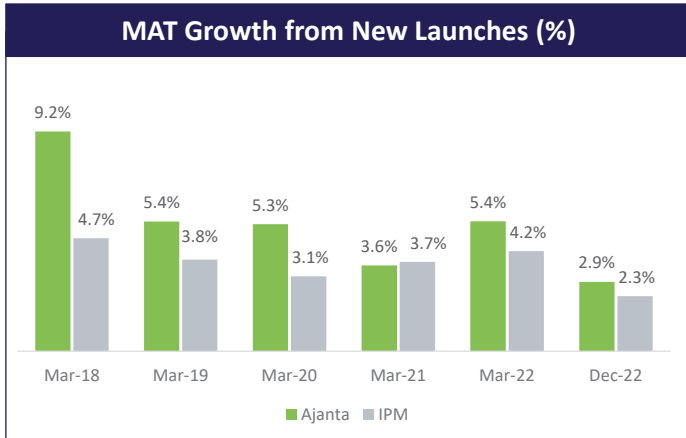
First to launch products in portfolio

**150+**

1<sup>st</sup> to Market Products

**6**

1<sup>st</sup> to Market launches in 9M FY23



The first-to-market launches have either been with a differentiated delivery system or combinations of existing molecules

Ajanta Pharma's strategy of focusing on niche, first-to-market products gives it an early mover advantage

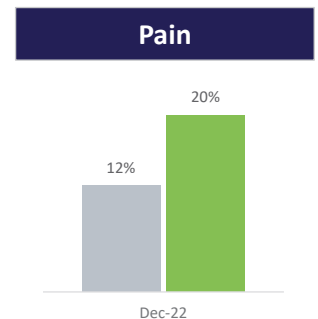
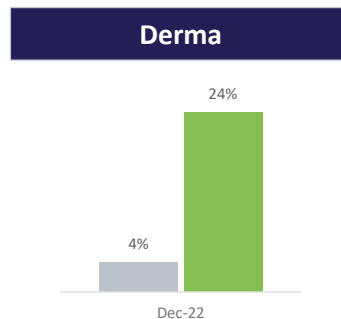
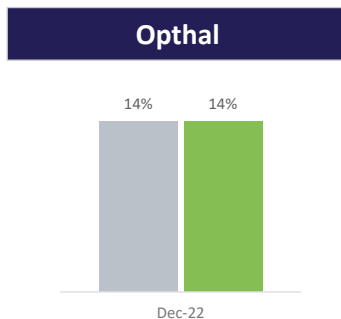
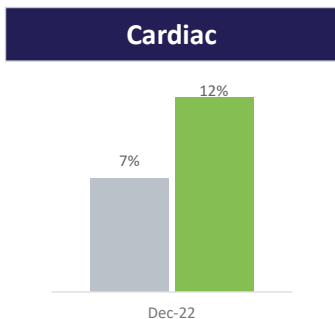
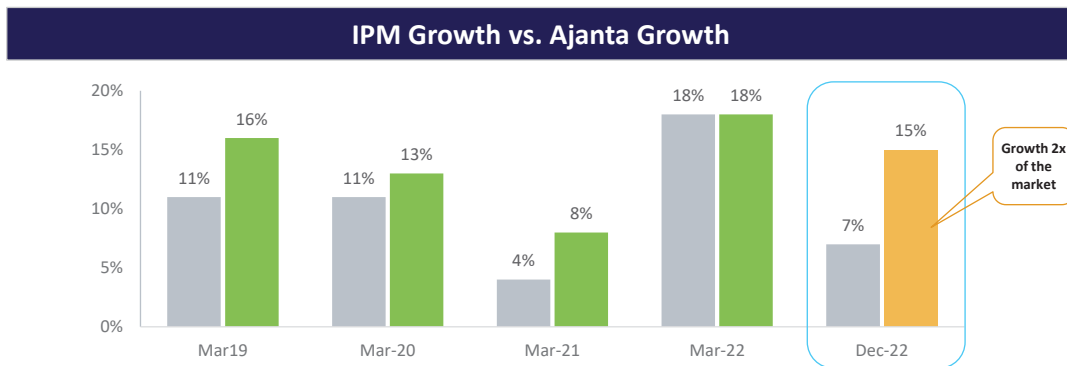
1<sup>st</sup> February 2023

Source: IQVIA December MAT 2022

13 of 44



# ...driving Ajanta's Outperformance vs. the IPM in the Last Five Years



Ajanta Pharma IPM

1<sup>st</sup> February 2023

Source: IQVIA December MAT 2022

14 of 44

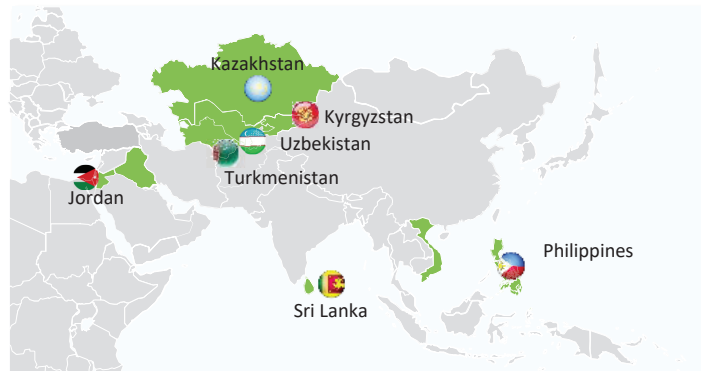


# Branded Generic Business - Asia

1<sup>st</sup> February 2023

## Asia Business – Front-End Presence in All the Markets Provides Additional Edge

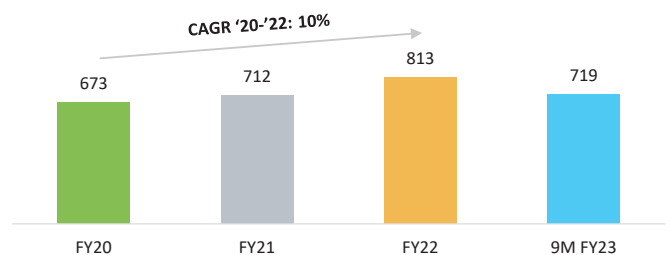
Front-End Presence in 10 Asian Markets



### Overview

- Branded generics presence in 6 countries
- Philippines and the Middle East are the key markets
  - Philippines is the largest Asian market
  - Ranks among the top 20 and is among the fastest-growing companies in the Philippines market
- Therapy presence across cardiac, diabetes, Ophthal, pain, anti-biotics, gastro, anti-histamines, respiratory

### Revenue (INR Cr.)



1<sup>st</sup> February 2023





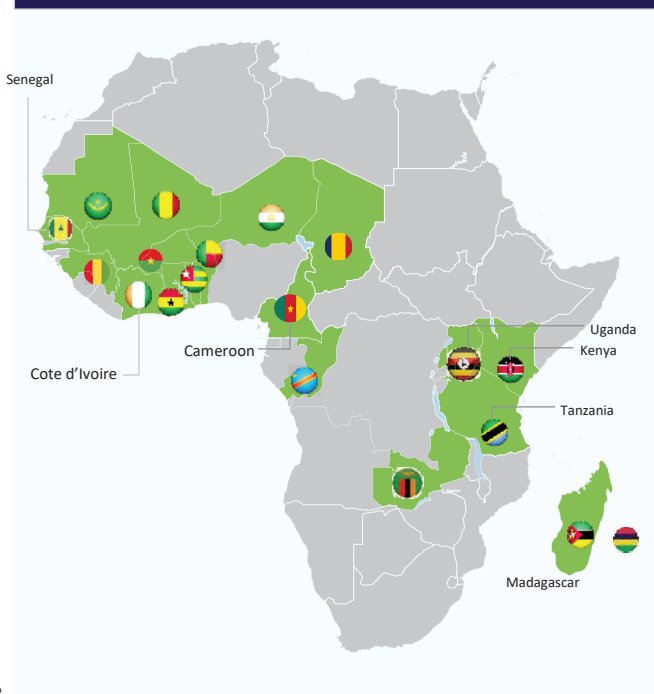
# Branded Generic Business - Africa

1<sup>st</sup> February 2023

17 of 44

## Africa Business – Branded business Growing at Healthy Double-Digit Rate Over the Last Three Years

### Front-end Presence in 20 African Countries

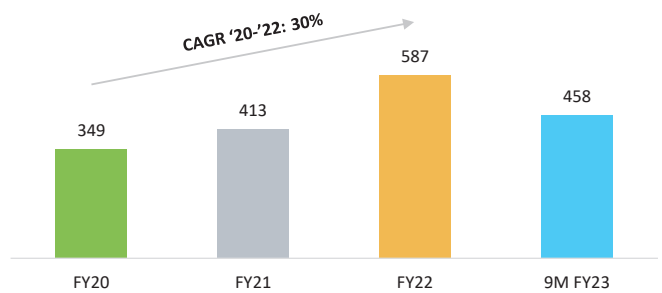


1<sup>st</sup> February 2023

### Overview

- Spread over 20 countries across Franco Africa and Anglo Africa
- Therapy presence across Cardiac, Diabetes, Ophthal, Pain, Anti-biotics, Gastro, Anti-histamines, Respiratory

### Revenue (INR Cr)



18 of 44

# Africa Institutional Business

February 2023

19 of 44

## Africa Institutional Business – Tender-Driven Business with Supplies to Key Funding Agencies

### Overview



**1<sup>st</sup> Generic Company**  
to obtain  
**WHO Pre-Qualification**

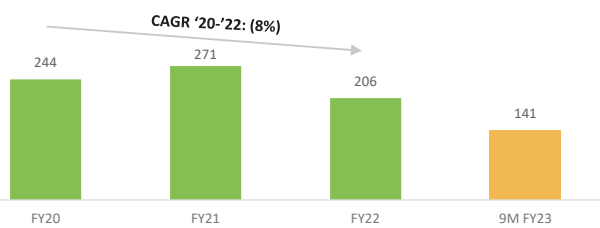
for difficult anti-malarial product



**Artemether + Lumefantrine Tabs**

Treated **1 Billion+** Patients

### Revenue (INR Cr)



### Key Customers



1<sup>st</sup> February 2023

20 of 44

# US Generic Business

1<sup>st</sup> February 2023

21 of 44

## US – Gradually Scaling Generics Business Driven by New Launches

### Overview

- 

**39 products on Shelf**
- 

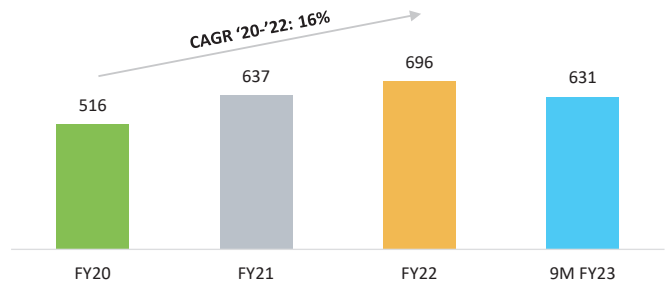
Strategy of **selective play in the market** with the launch of **limited competition products**
- 

Expecting **accelerated flow of ANDA approvals** in coming quarters
- 

Benefitted from Flu season in Q3 FY2023
- 

On an average, launching around **8-10 products annually**

### Revenue (INR Cr)



### New Product Approvals Expected to Pick Up

As of 9M-FY23 (cumulatively)



Target of filing 10-12 ANDAs annually (Filed 4 in 9M FY23)

1<sup>st</sup> February 2023

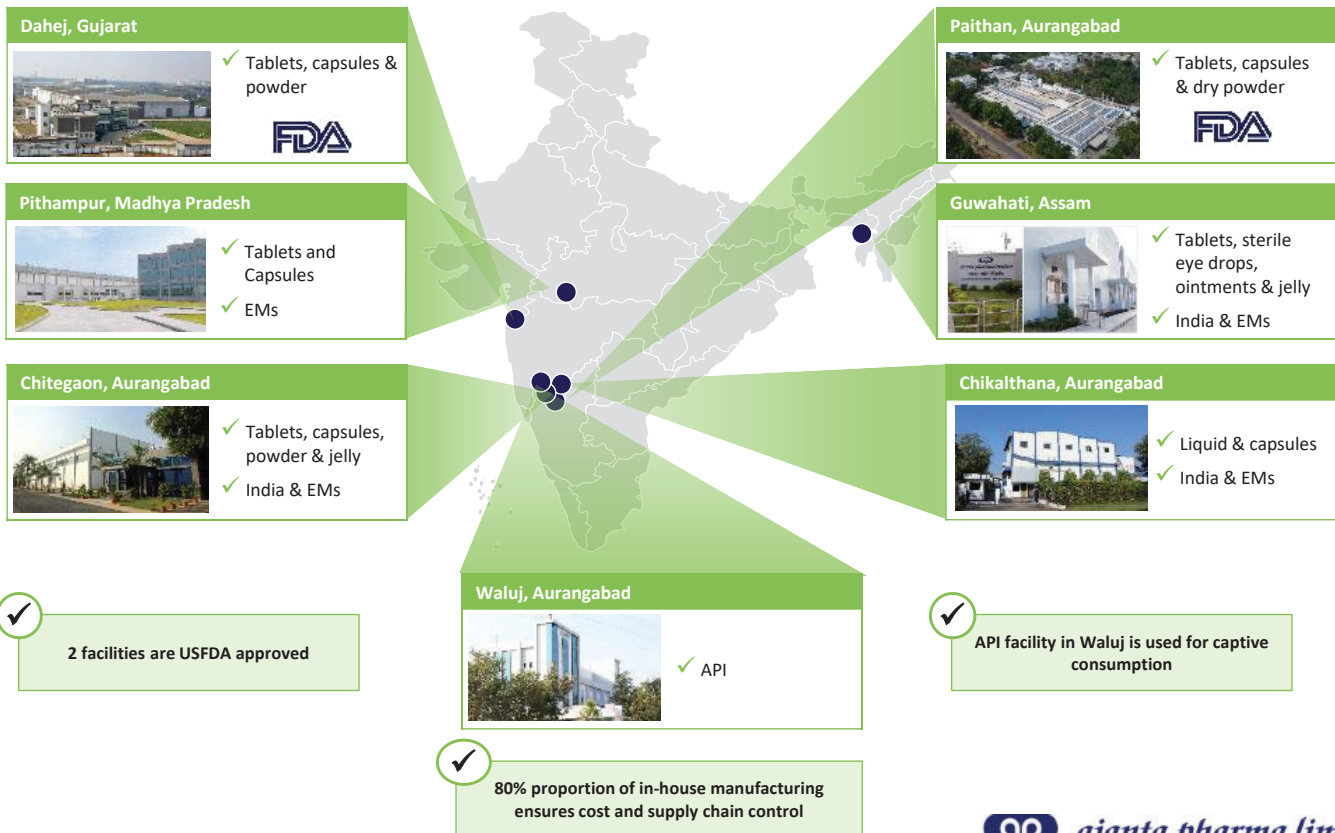
22 of 44

# Manufacturing and R&D

1<sup>st</sup> February 2023

23 of 44

## Expansive Manufacturing Footprint with 7 World Class Facilities...



1<sup>st</sup> February 2023

24 of 44

...Supported by a State-of-the-Art R&D Centre in Mumbai, India

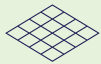
Ajanta Research Centre, Mumbai



**850+**  
Scientists



**6%**  
Revenue spent on R&D



**100,000 sq. ft.**  
Area with latest equipment

✓ Focus on developing complex / difficult-to-make products by using latest technologies

Strong Capabilities



Formulation Development



Analytical Development



API Development



Bio-Analytical Testing Lab



Drug Regulatory Affairs



IPR & QA

R&D Spend in FY2023 - Q3 Rs. 61 cr., 9M Rs. 174 cr.

Wide Spectrum of Dosage Form Capabilities

Tablets

- Immediate release
- Extended release
- Delayed release
- Dispersible
- Chewable



Capsules

- Immediate release
- Extended release
- Delayed release



Ointments,  
creams, lotions



Sterile eye drops



Injectable



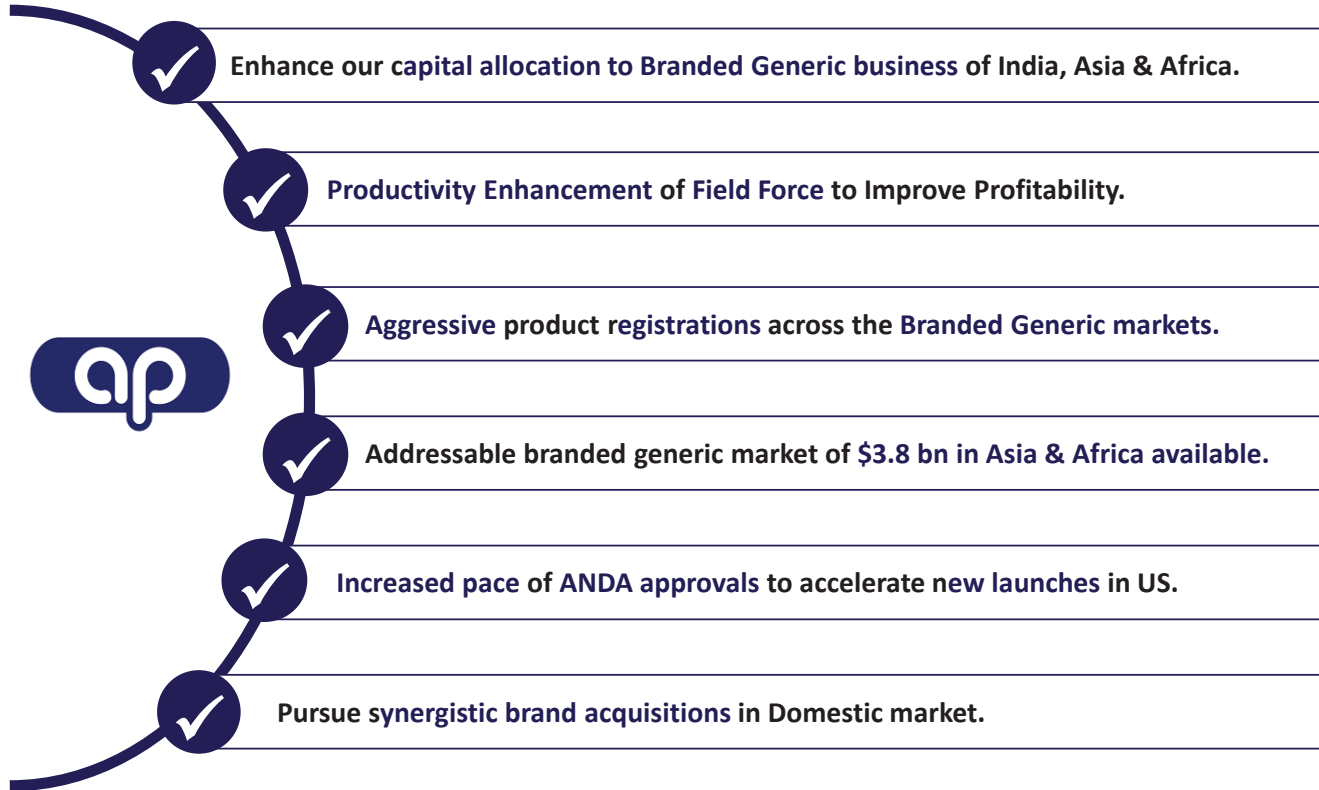
Oral jelly



Strategy Initiatives and Levers for Growth



## Strategy Initiatives and Levers for Growth



1<sup>st</sup> February 2023

27 of 44

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## Sustainability Initiatives



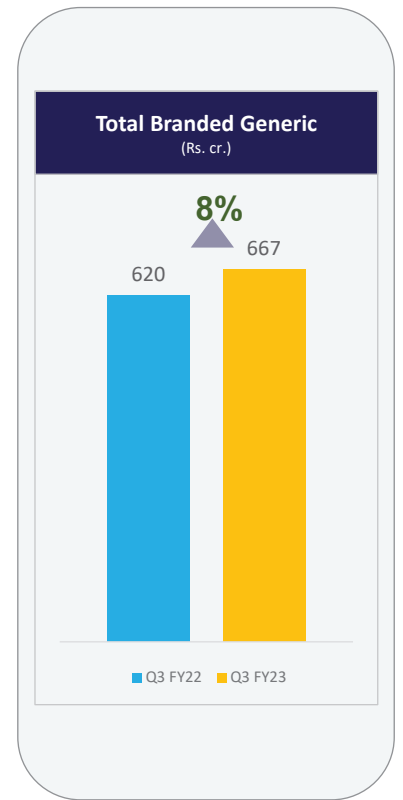
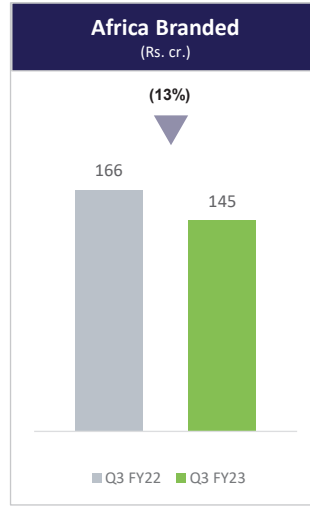
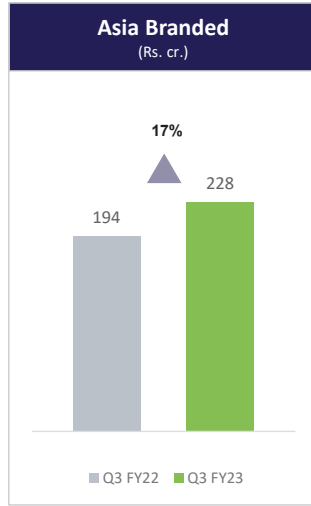
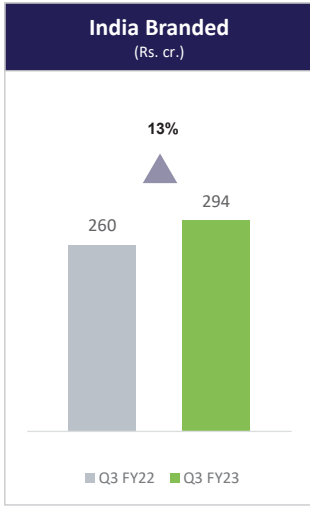
1<sup>st</sup> February 2023

28 of 44

# Effective Business Practices with Key Principles in Place



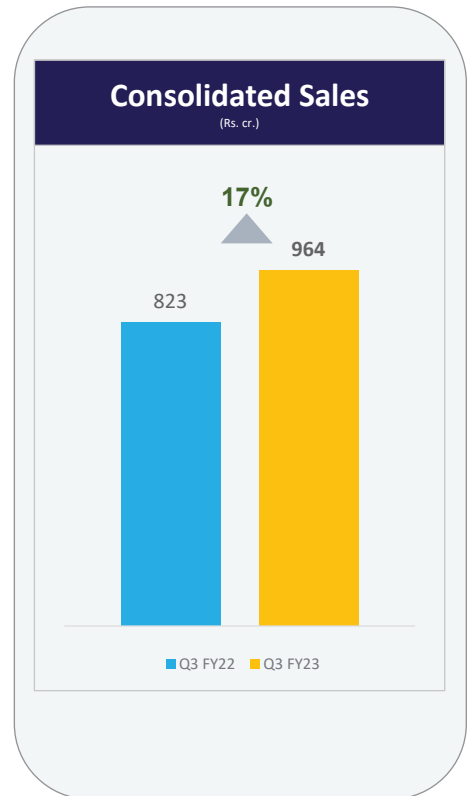
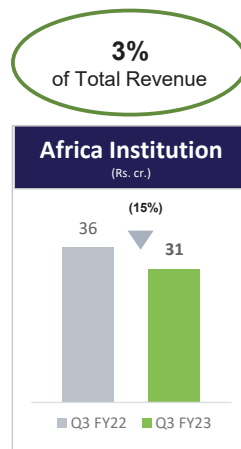
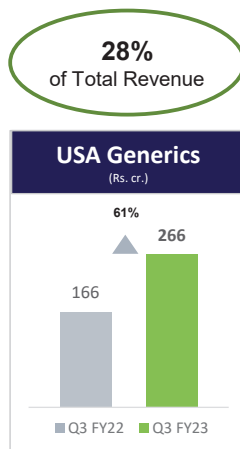
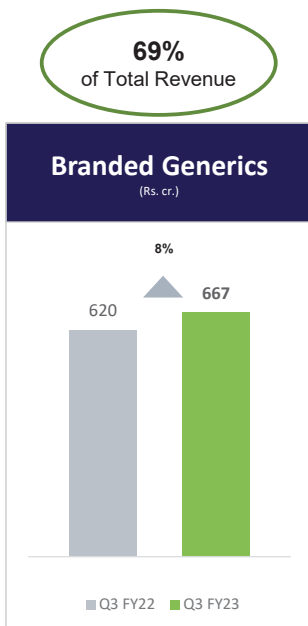
## Consolidated Branded Generic Sales – Q3



1<sup>st</sup> February 2023

31 of 44

## Consolidated Sales – Q3

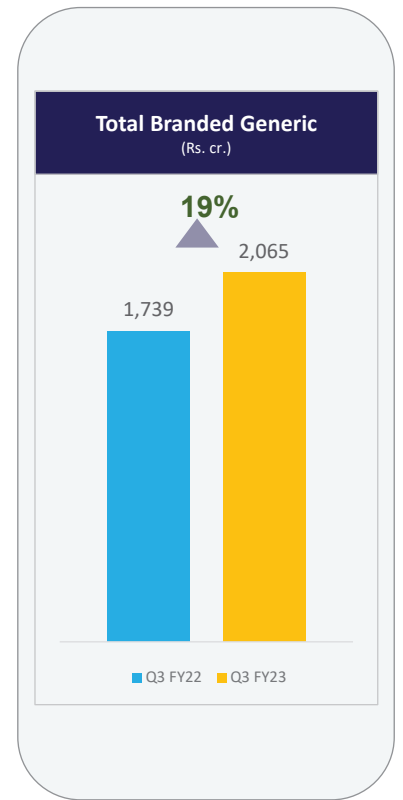
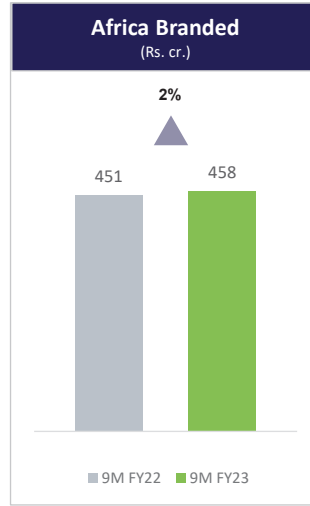
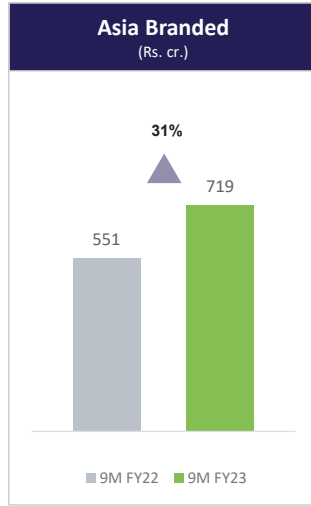
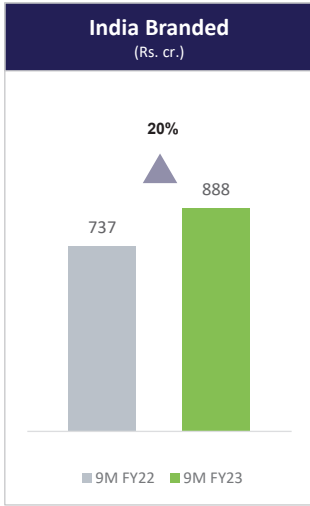


1<sup>st</sup> February 2023

32 of 44



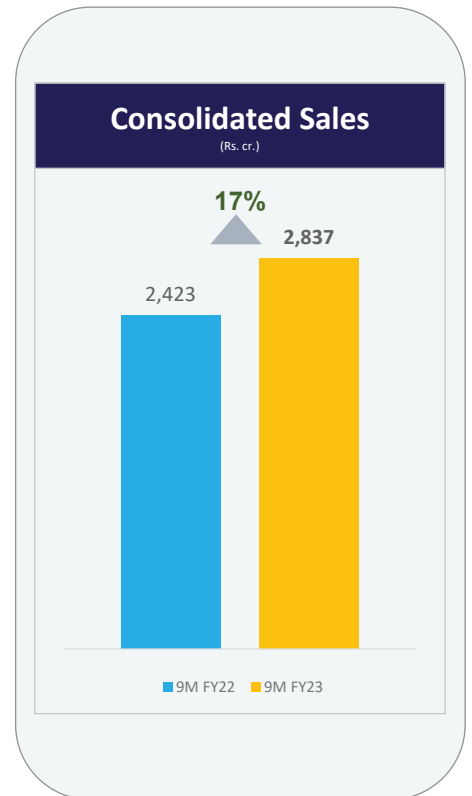
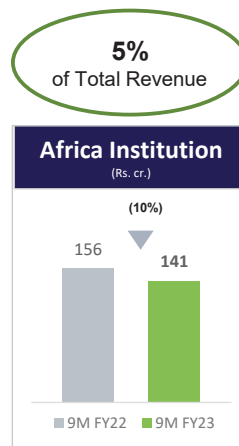
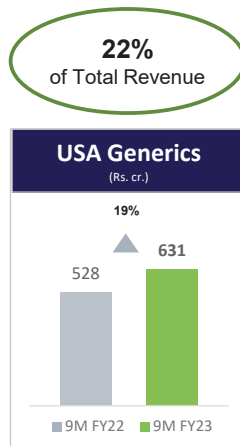
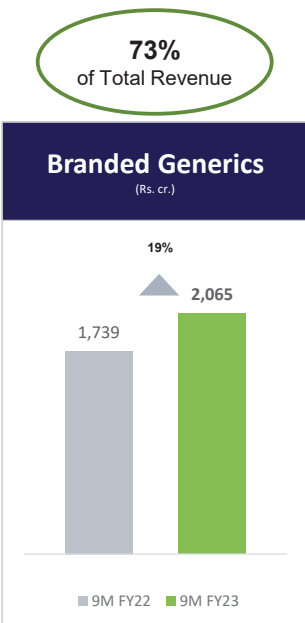
## Consolidated Branded Generic Sales – 9M



1<sup>st</sup> February 2023

33 of 44

## Consolidated Sales – 9M



1<sup>st</sup> February 2023

34 of 44

## Consolidated P&L – Q3 FY 2023

(INR Cr)	Q3 FY 2022	% to RO	Q3 FY 2023	% to RO	% Growth
Revenue from Operations (RO)	838		972		16%
COGS	(189)	23%	(269)	28%	
<b>Gross Profit</b>	<b>649</b>	<b>77%</b>	<b>703</b>	<b>72%</b>	
Employee Benefit	(162)	19%	(192)	20%	
Other Expenses	(247)	29%	(340)	35%	
<b>EBITDA</b>	<b>240</b>	<b>29%</b>	<b>170</b>	<b>17%</b>	<b>(29%)</b>
<b>EBITDA</b> after adjusting forex derivative loss of Rs. 37 cr. included in other expenses	<b>240</b>	<b>29%</b>	<b>207</b>	<b>21%</b>	<b>(14%)</b>
Depreciation	(32)	4%	(33)	3%	
Finance Cost	(1)	0%	(3)	0%	
Other Income	24	3%	35	4%	
<b>Profit Before Tax</b>	<b>231</b>	<b>28%</b>	<b>169</b>	<b>17%</b>	<b>(27%)</b>
Tax Expense	(39)	5%	(34)	3%	
<b>Net Profit</b>	<b>192</b>	<b>23%</b>	<b>135</b>	<b>14%</b>	<b>(30%)</b>
Other Comprehensive Income	(2)	0%	12	1%	
<b>Total Comprehensive Income</b>	<b>190</b>	<b>23%</b>	<b>147</b>	<b>15%</b>	<b>(23%)</b>

1<sup>st</sup> February 2023

35 of 44

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## Consolidated P&L – 9M FY 2023

(INR Cr)	9M FY 2022	% to RO	9M FY 2023	% to RO	% Growth
Revenue from Operations (RO)	2,471		2,861		16%
COGS	(593)	24%	(810)	28%	
<b>Gross Profit</b>	<b>1,878</b>	<b>76%</b>	<b>2,051</b>	<b>72%</b>	
Employee Benefit	(480)	19%	(562)	20%	
Other Expenses	(667)	27%	(901)	32%	
<b>EBITDA</b>	<b>731</b>	<b>30%</b>	<b>588</b>	<b>21%</b>	<b>(19%)</b>
<b>EBITDA</b> after adjusting forex derivative loss of Rs. 43 cr. included in other expenses	<b>731</b>	<b>30%</b>	<b>631</b>	<b>22%</b>	<b>(13%)</b>
Depreciation	(94)	4%	(98)	3%	
Finance Cost	(3)	0%	(5)	0%	
Other Income	78	3%	108	4%	
<b>Profit Before Tax</b>	<b>712</b>	<b>29%</b>	<b>593</b>	<b>21%</b>	<b>(17%)</b>
Tax Expense	(151)	6%	(127)	4%	
<b>Net Profit</b>	<b>561</b>	<b>23%</b>	<b>466</b>	<b>16%</b>	<b>(17%)</b>
Other Comprehensive Income	(8)	1%	19	1%	
<b>Total Comprehensive Income</b>	<b>553</b>	<b>22%</b>	<b>485</b>	<b>17%</b>	<b>(12%)</b>

1<sup>st</sup> February 2023

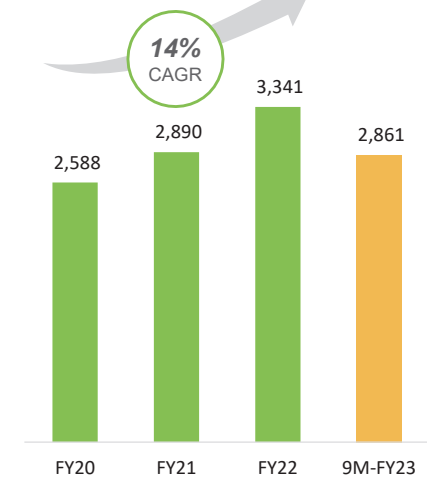
36 of 44

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## Track Record of Rapid Growth and High Profitability

### Revenue

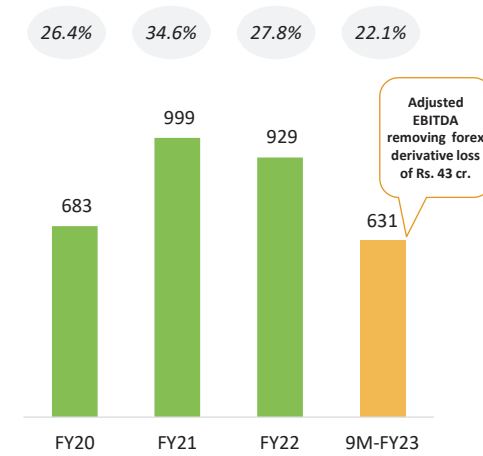
(INR Cr.)



Demonstrated strong execution with ~14% revenue CAGR from FY20-22

### EBITDA and Margin %

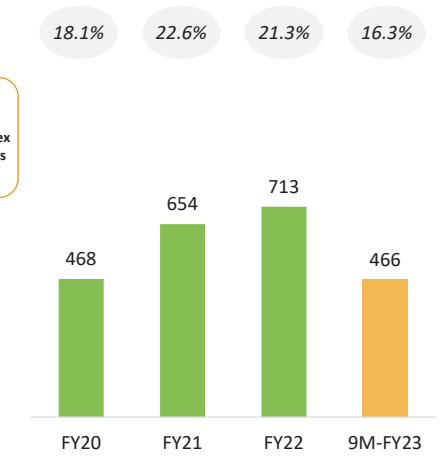
(INR Cr.)



Attractive margin profile led by predominantly branded nature of the business

### PAT and Margin %

(INR Cr.)



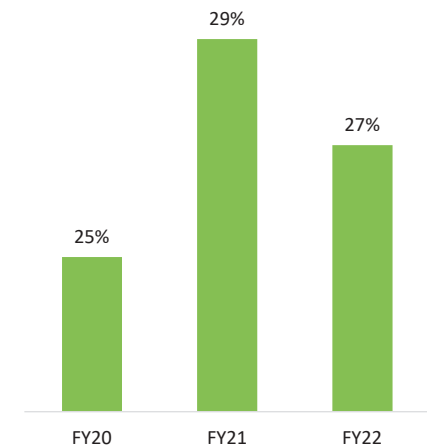
1<sup>st</sup> February 2023

37 of 44



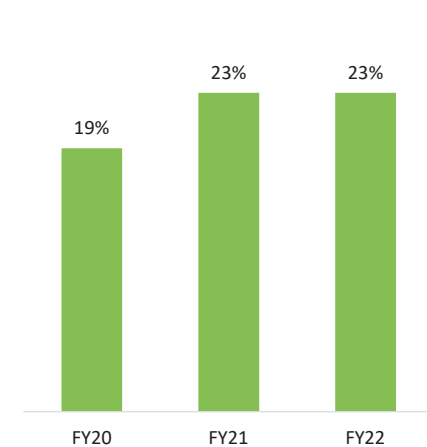
## Attractive Return Metrics and Healthy Cash Flows

### ROCE %<sup>(1)</sup>



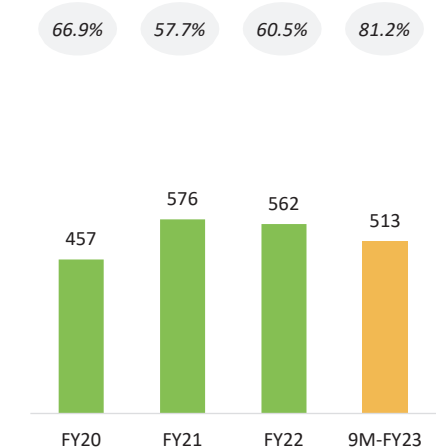
Strong focus on capital efficient operations and generating value for investors

### ROE %<sup>(2)</sup>



### CFO and Cash Conversion Ratio<sup>(3)</sup>

(INR Cr.)



High cash conversion ratio of ~80% in 9M FY2023

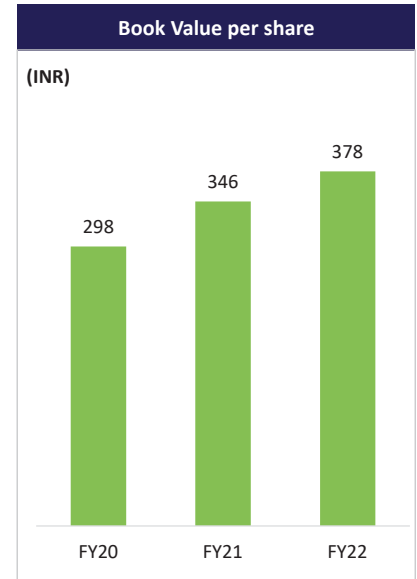
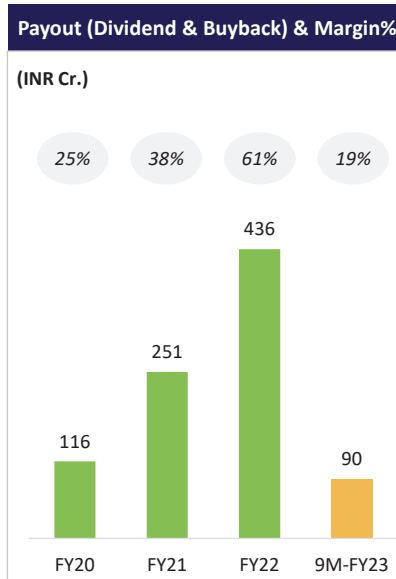
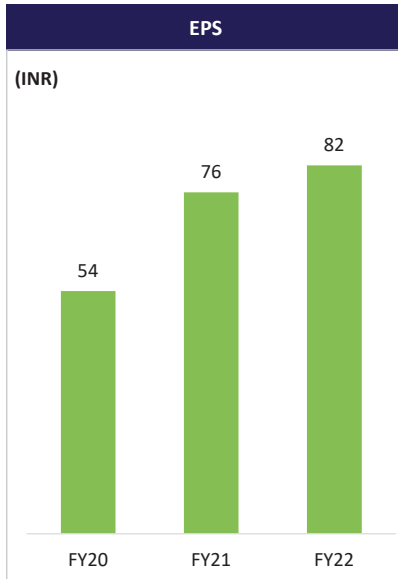
1<sup>st</sup> February 2023

Note: 1. ROCE calculated as EBIT / (Net worth + Lease liability + Deferred tax liability)  
2. ROE calculated as Net profit / Average net worth  
3. Cash Conversion Ratio calculated as CFO (CashFlow from Operations) / EBITDA

38 of 44



## Healthy Earnings & Pay Out Track Record

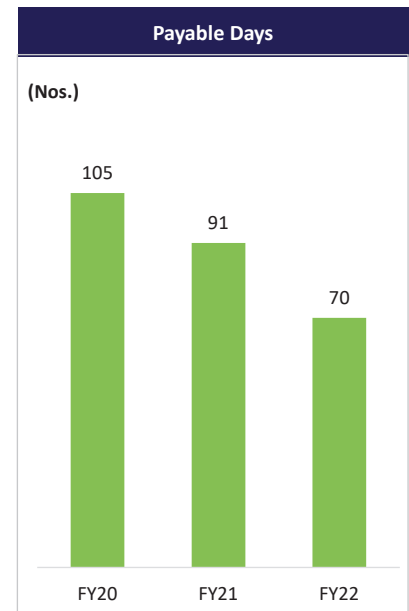
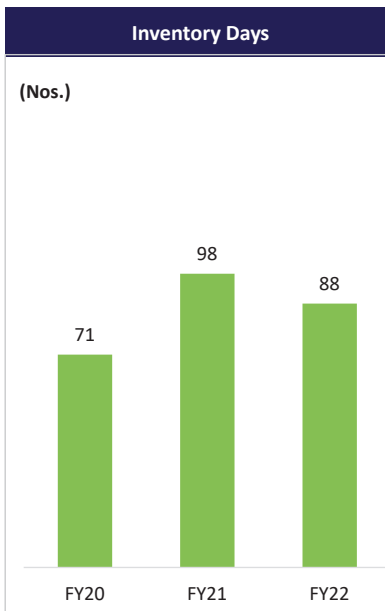
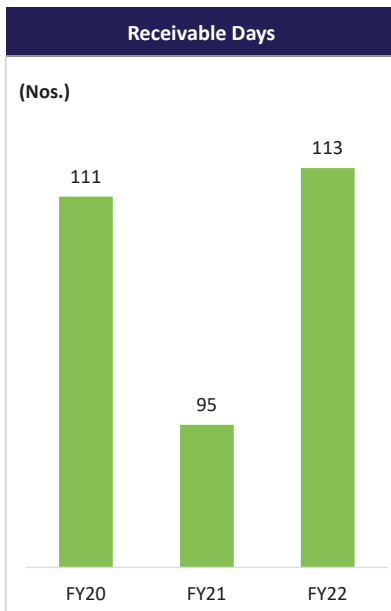


1<sup>st</sup> February 2023

39 of 44



## Healthy Working Capital Cycle



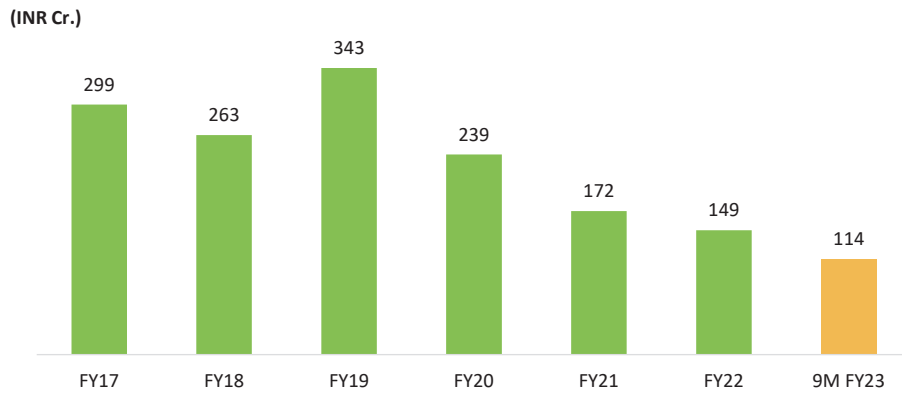
1<sup>st</sup> February 2023

40 of 44



## Overview of Capex Cycle

### Aggressive Capex Cycle Over FY17-21



- ➔ Invested close to ~INR 13b in capex over FY17-21, in its Guwahati / Dahej / Pithampur facilities
- ➔ These facilities are now operating at utilization levels of 50-60% and should suffice for growth over the next four years
- ➔ With most of the capex complete, company is expected to consistently generate positive FCF and witness ROCE accretion in future

## Earning Call Details

Earnings Conference Call Dial-in Information

<b>Date and Time</b>	<b>February 01, 2023 at</b> <b>1600 – 1700 hrs IST</b> <b>1830 – 1930 hrs SST/HKT</b> <b>1130 – 1230 hrs BST</b> <b>0530 – 0630 hrs US ET</b>
<b>Dial-in Numbers</b>	
<b>Universal Access</b>	Primary Access: +91 22 6280 1542 +91 22 7115 8372
<b>International Toll Number</b>	USA: +1 3233868721 UK: +44 2034785524 Hong Kong: +852 30186877 Singapore: +65 31575746
<b>International Toll Free Number</b>	USA: 18667462133 UK: 08081011573 Hong Kong: 800964448 Singapore: 8001012045

Thank You

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