

EARNINGS PRESENTATION Q3 FY24

Rated #1 in India for *“Most Consistent Profitable Growth across the last 10 years”*

*Second Largest wealth creator for the decade ending 2020**

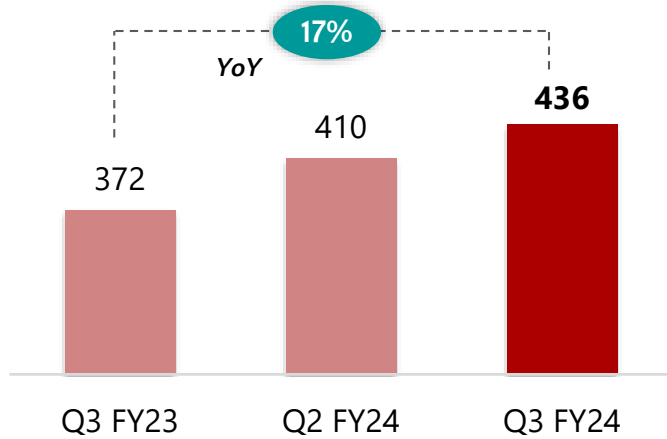
February 2024 | www.caplinpoint.net

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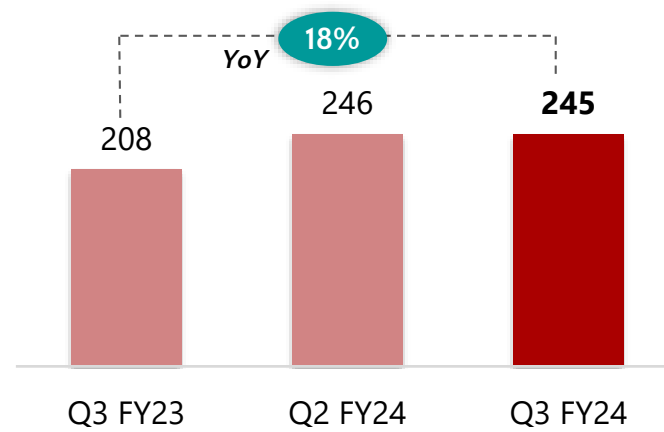
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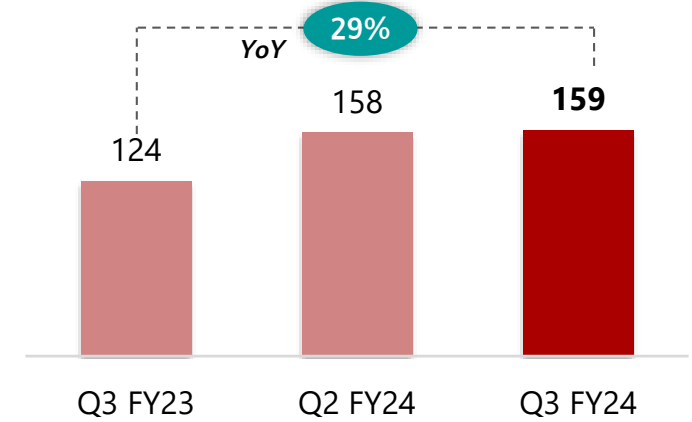
Revenue



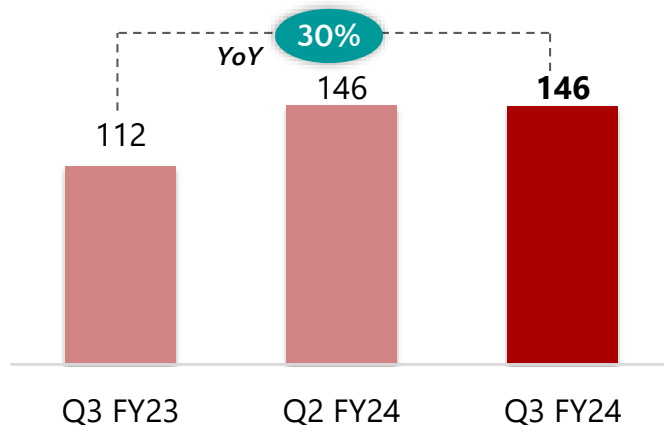
Gross Profit



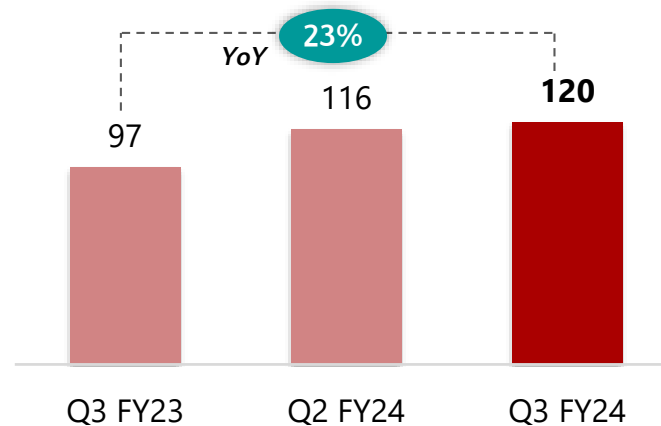
EBITDA



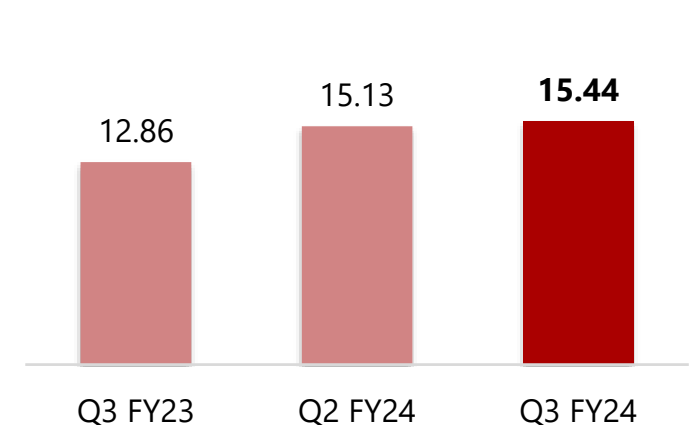
EBIT



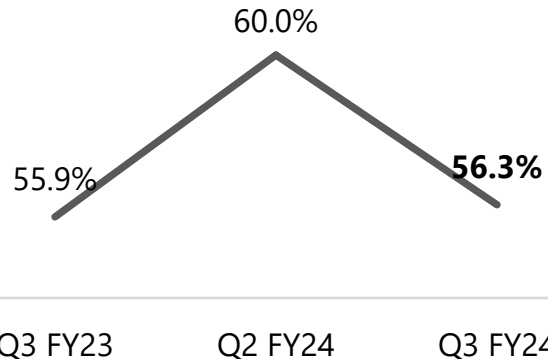
PAT



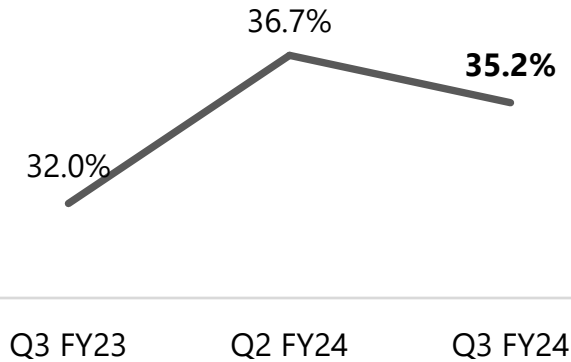
Earnings Per Share



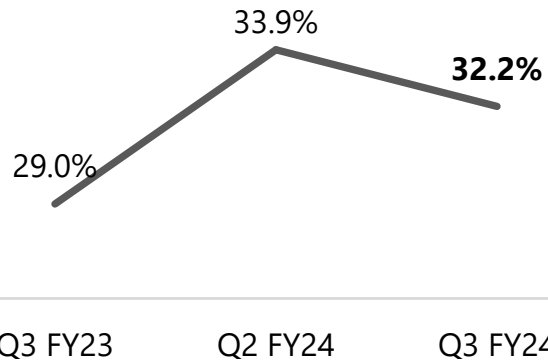
Gross Profit Margins (%)



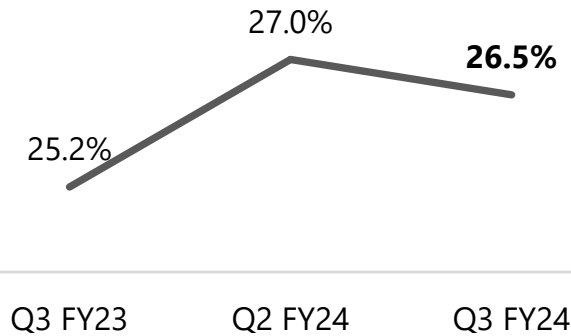
EBITDA Margins (%)



EBIT Margins (%)

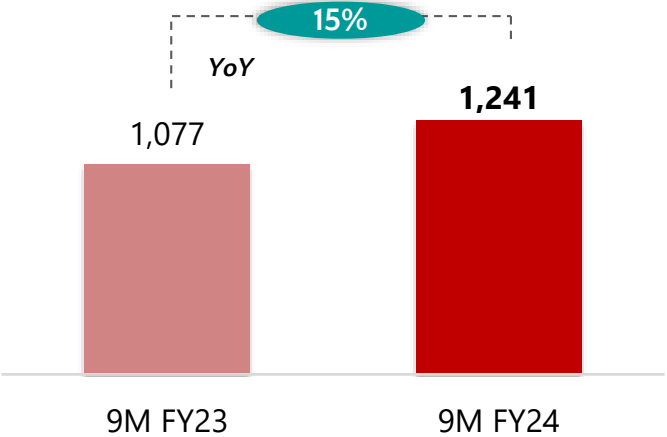


PAT Margins (%)

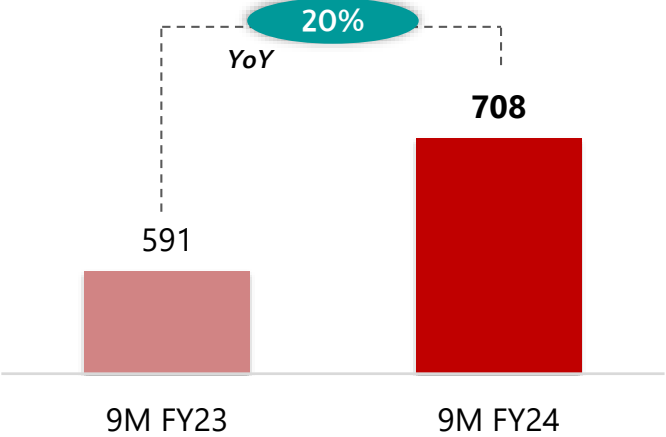


9M FY24 Income Statement

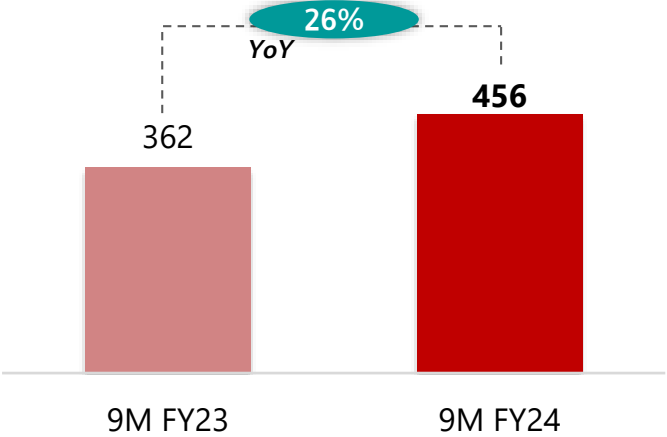
Revenue



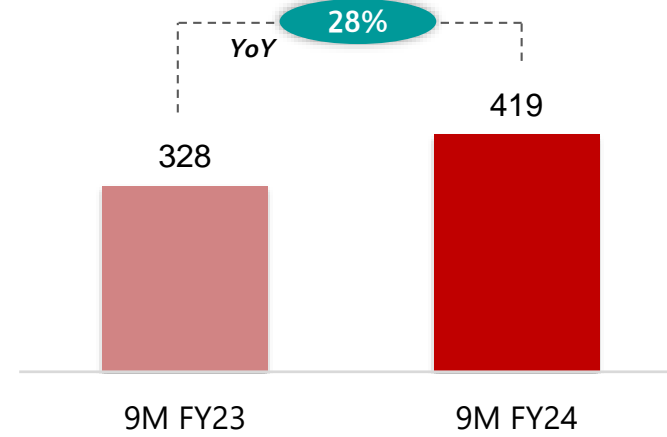
Gross Profit



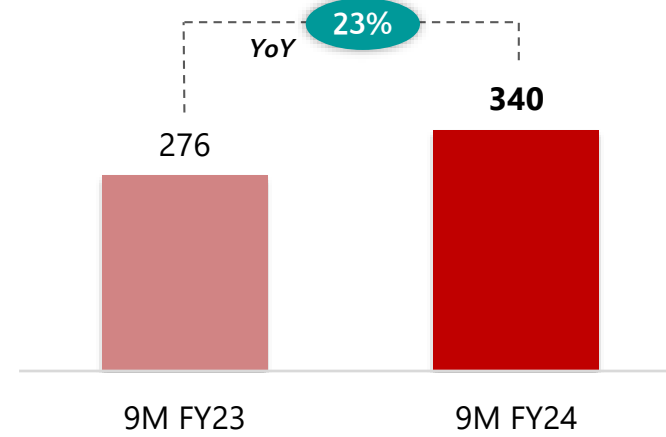
EBITDA



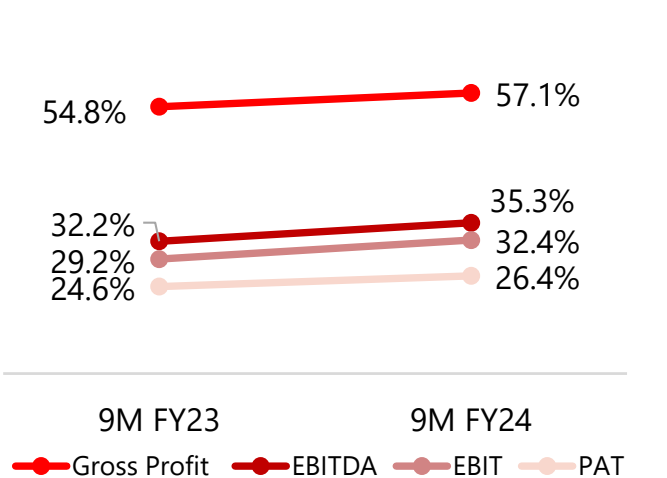
EBIT



PAT



Profit Margins



(All figures in Rs. Crores)

Chairman Perspectives



Commenting on the recent performance, Mr. C.C. Paarthipan, Chairman of Caplin Point Laboratories said:

Consistency has always been a key area for our company and this Quarter is no different. The company delivered strong results, reporting Revenue from Operations of ₹436 crore, resulting in a 17% year-on-year growth. Net Profit amounted to ₹120 crore, reflecting a 23% year-on-year growth, with margins at 27%. Approval from Colombia's INVIMA for our Caplin Steriles site has accelerated growth in newer markets like Mexico, Chile and Colombia, reinforcing our commitment to high regulatory standards and positioning us for success. We remain committed to driving sustainable growth with strong cashflows.

Management Team

Dr. Sridhar Ganesan

- Managing Director



Mr. Vivek Partheeban

- Chief Operating Officer



Mr. D Muralidharan

- Chief Financial Officer



Mr. Ashok Partheeban

- Business Head, LATAM



01

Company's strong growth in LatAm continues, with continued focus on Cashflow, Bottom Line, and Top Line growth across all segments.

03

Current breakup of revenue segments at LatAm:

- Wholesalers : 55%
- Direct to Retail : 25%
- Institutional : 20%

05

Company targets its first revenues from its own Oncology site in Q4 FY24. Company has ownership of 100+ product approvals across 5 markets in Central America, in the Oncology segment.

Emerging Markets Business Highlights

Company receives Colombia's INVIMA approval for Caplin Steriles site, anticipating revenue growth in newer markets of Mexico, Chile, and Colombia in the coming quarters.

02

Amaris Clinical, the CRO wing of Caplin Point, completes BE studies for 9 products, with plans for an additional 3 products in the coming quarter.

04

Company will install unique Dual-Chamber Syringe line at CP-1 facility in the coming months. The line will produce Dual-Chamber Pre-Filled Syringe products for LatAm, a segment with limited competition.

06

01

Caplin Steriles experiences strong revenue growth due to expanded capacity from Line 5.

03

Company receives its first Otic product approval from the FDA, slated for launch in Q4 FY24.

05

The company currently has 13 ANDAs under review, expecting 3-4 approvals in the coming months. These products include a combination of Injectables in Vials, Ready-To-Use Bags, and Ophthalmic products.

US & Regulated Markets Business Highlights

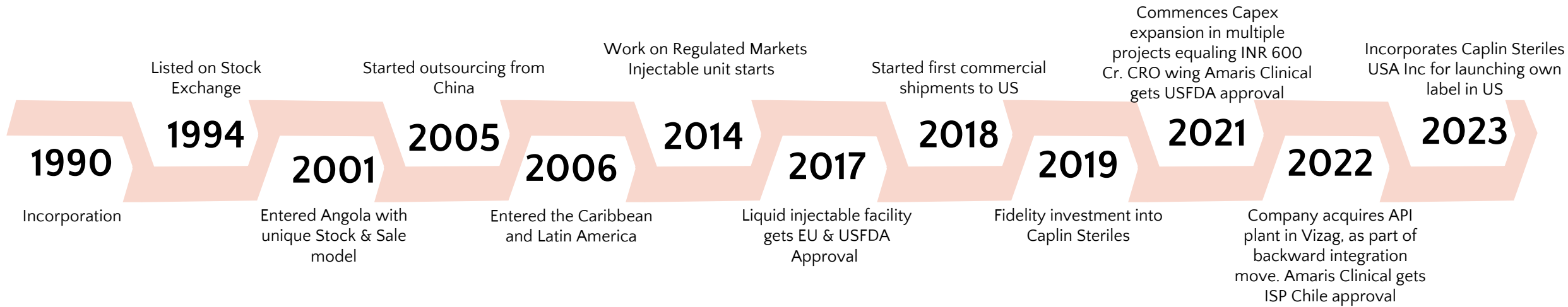
Caplin Steriles USA Inc applies for licenses in all 50 states of the US. The approval process is expected to take 6-8 months, after which the company plans to launch its own label in the US.

02

Line 6, the Robotic Pre-Filled Syringes Line, is undergoing qualifications and is expected to be operational within 3-4 months.

04






Evolution Over the Decades








Contract manufacturer

-  Market-led Company
-  Plain vanilla generic products
-  Introducing products that plugged marketplace gaps
-  Negative-working capital business
-  2 main geographies 10 countries (Latin America & Francophone Africa)

Becoming a responsible pharma company

-  Technology and research-led marketing Company
-  Mix of generics, branded generics and specialty molecules and Injectables
-  Launch specialty niche products that Create new markets in varied therapy segments
-  Selective use of Credit strategy to increase market share and remain cash surplus
-  Extended to Regulated markets like USA with recent entry into Canada, Australia, Mexico and Brazil shortly

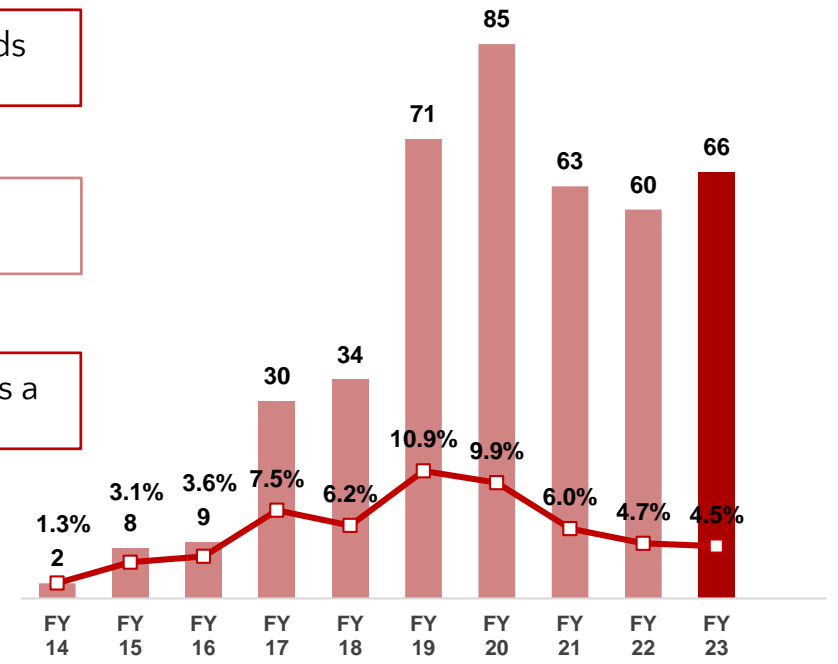
Diversified Product Portfolio

-  4000+ Products registered and 650+ Pharmaceutical formulations
-  36 Therapeutic Segments
-  Product mix covers over 65% of WHO essential drug list
-  Latest focus towards complex spaces
-  Accounts for larger shelf share across pharmacies on account of a widening product basket

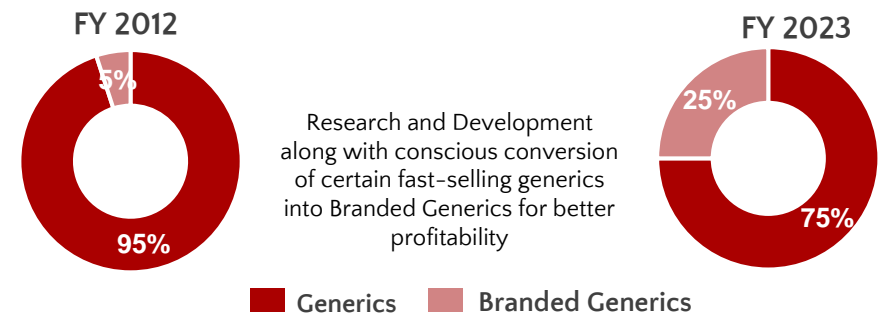
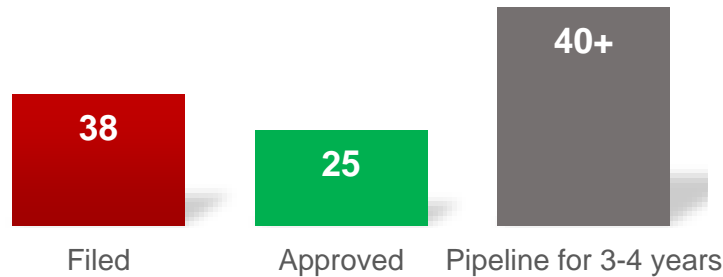
Research & Development Capabilities

- 1 Caplin has 5 dedicated R&D setups (3 – DSIR approved and 2 under approval)
- 2 Continuous capex investment of over INR 550 Cr over last 7 years towards enhanced manufacturing and R&D capabilities, from internal accruals.
- 3 Total R&D Spends (Capex + Opex) is 17% of FY23 PAT
- 4 Caplin ranks amongst the top companies in India, for R&D spend as a percentage of Revenue on average in the past 5 years.*
- 5 Completed R&D for 80+ APIs to be used for backward integration in US and Emerging markets. On track for first DMF filing by FY25

■ R&D Expense (Rs. Crore)
 — R&D Expense as a % of Operating Revenue



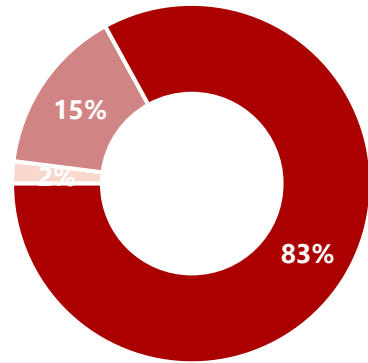
350
Strength of R&D Team



*Source – CNBC-TV18, Dec 31st 2020

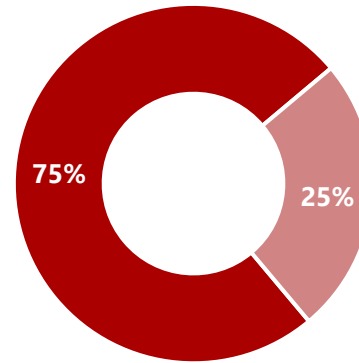
Revenue Break up and Manufacturing Strategy

FY23 Operating Revenue



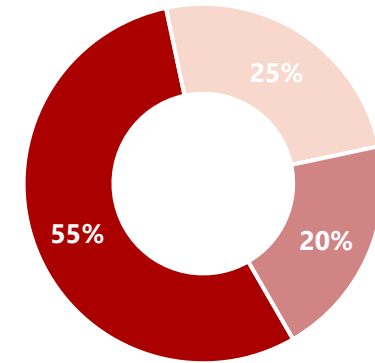
■ Africa ■ US ■ LATAM

Revenue by Business Segment (Emerging Markets)



■ Generic ■ Branded Generic

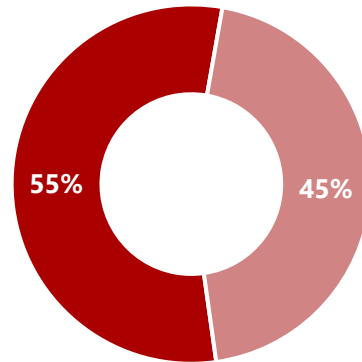
Revenue by Channel (Emerging Markets)



■ Wholesale ■ Retail ■ Institutional

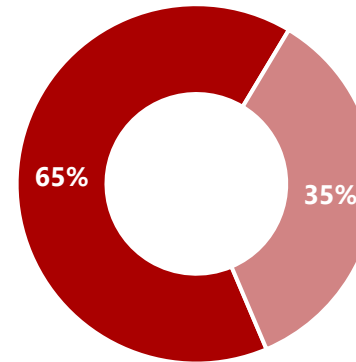
Caplin covers a wide spectrum of pharmaceutical formulations and therapeutic segments across 23 countries with operating revenue of Rs. 1,523 Cr in FY23

Manufacturing & Outsourcing



■ Inhouse ■ Outsourced

Exports



■ India ■ China

- The products produced **inhouse**
- The products are **outsourced** from quality-conscious partners in India and China

Caplin's smart strategy of balanced manufacturing and outsourcing makes it possible to be a lean organisation as well as de-risk against cost escalations, currency fluctuations and other headwinds

Generics and Branded Generics Product Mix



Non-Steroidal Antiinflammatory Drugs-NSAIDS



Anthelmintics/ Dewormer



Analgesic



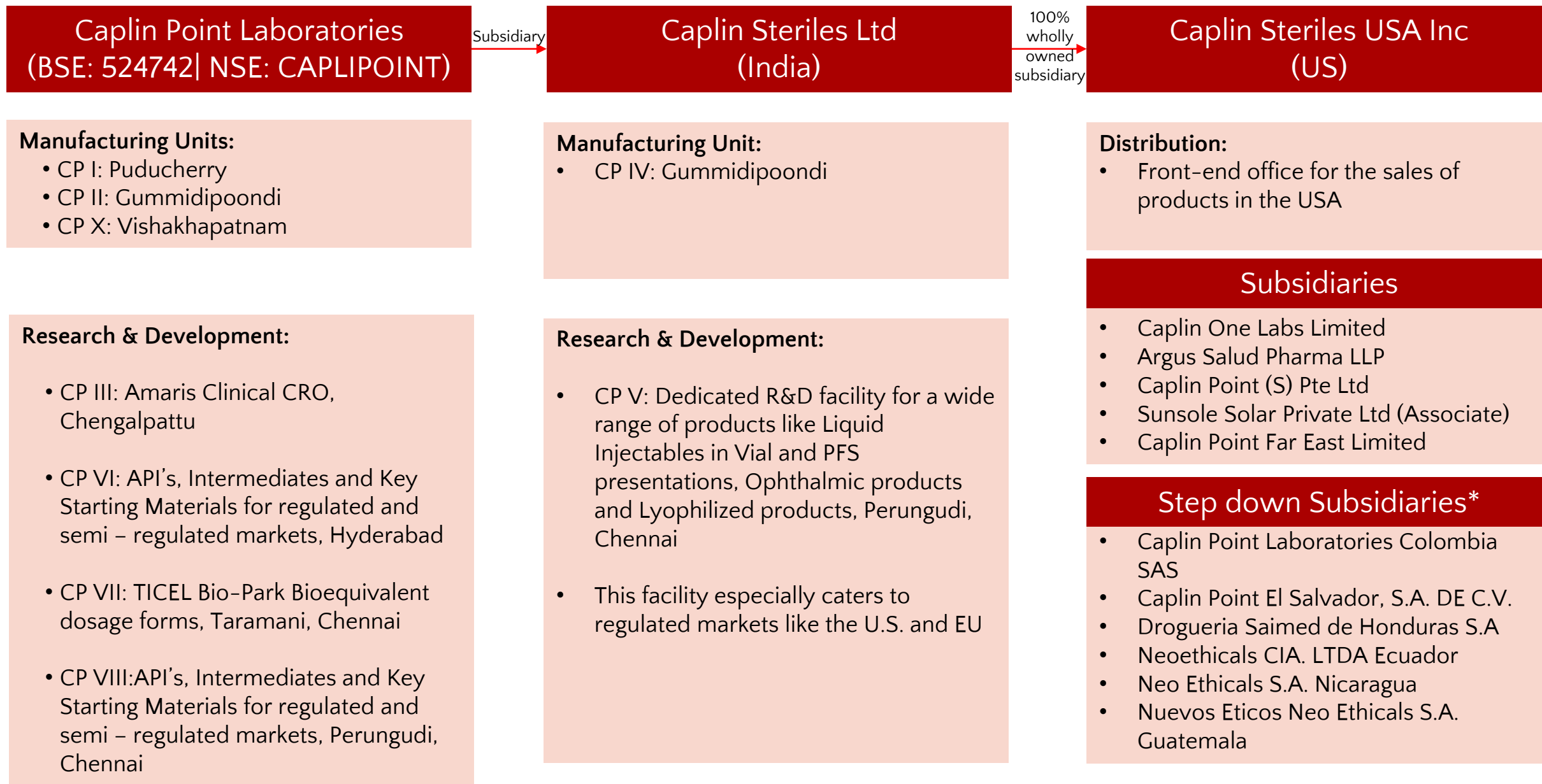
Antibiotic and Antifungal



Antihypertensive drug

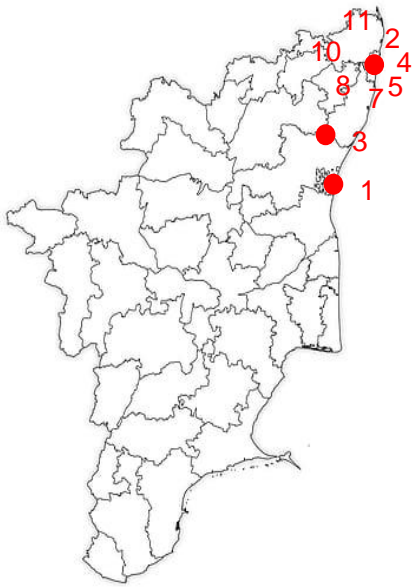


Electrolytes



*All the step down subsidiaries are the subsidiaries of Caplin Point Far East Limited – Hong Kong

Tamil Nadu, India



Andhra Pradesh, India



Location of Plants and Facilities

1. Puducherry (CP I)
2. Gummidipoondi (CP II)
3. Chengalpattu (CP III)
4. Gummidipoondi (CP IV)
5. Chennai (CP V)
6. Hyderabad (CP VI)
7. Chennai (CP VII)
8. Chennai (CP VIII)
9. Thiruvallur (CP IX)
10. Visakhapatnam (CP X)
11. Corporate Office and other R&D Units, Chennai



CP I
Puducherry



CP III
Chengalpattu



CP IV
Gummidipoondi



CP VI
Hyderabad



Corporate Office and other
R&D units:
Chennai



CP VII
Chennai

Project Summary					
Facility	Location	Product	Target Market	Status	Timeline
Caplin Point Unit-I	CP1, Suthukeny, Puducherry	Softgel	Existing Markets	Completed	Q4 FY23
Caplin Steriles Phase II	CP4, Gummidipoondi	Injectable Vials and Pre-Filled Syringes	Regulated Markets	Line 5 – Completed. Line 6 – Qualification Ongoing	Q1 FY25
API Facility	Visakhapatnam, Andhra Pradesh	General API	Existing and Regulated Markets	Ongoing	Q2 FY25
Oncology Facility	SIDCO, Kakkalur (Near Chennai)	OSD & Injectable phase	Existing and Regulated Markets	OSD – nearing completion. Injectable – Ongoing.	OSD –Q4 FY24 Injectable – Q2 FY25
Oncology API Facility	SIDCO, Kakkalur, (Near Chennai)	Oncology API	Existing and Regulated Markets	Design drawing process ongoing.	Q4 FY25
OSD Facility	Thervoy SIPCOT, Chennai	Oral Solid Dosages	Existing Market along with Mexico, Brazil, US and EU	Design drawing process ongoing.	Q1 FY26

Note. CP III and CP VII are for Research and Development

Core Business to show consistent growth

Caplin's core business which is focused on Latin America and Francophone Africa is expected to grow at a steady pace with industry-average margins and benchmark cashflows

US Business to Boost the Growth

Aspiration is to have exceptional compliance record and focus on niche products which continues to be in shortage in US market. Caplin believes US business to be one of its primary engines that will drive growth

Backed by Enhanced Value Chain

Backward and forward integration to help save cost, capture more market and control supply chain which is expected to boost earnings

Strong Balance Sheet

Caplin's DNA of remaining debt-free and self-sustenance is highlighted by increasing cash surplus over the years. Strong Balance sheet of Caplin acts as an anchor for our long-term vision

Expansion into Other Geographies and Widening of the Portfolio

Caplin plans to enter more regulated markets such as Canada, Australia, MENA, Russia/CIS as well as enter the bigger LATAM markets of Mexico and Brazil in the near to medium term horizon

Strong operational performance driven by key pillars of Caplin's Engines

Experienced and Visionary Board of Directors



Mr. C.C. Paarthipan
Chairman

30+ Years of experience in the pharmaceutical industry

Spearheading the group in its multi-pronged growth approach

First Gen Entrepreneur with a focus towards bottom of the pyramid



Dr. Sridhar Ganesan
Managing Director

35+ Years experience in Pharmaceutical Industry

Previously, held leadership positions in several international assignments

The Government of India's Pharmaceutical Export Promotion Council of India has designated him as an "Honorary Expert"

Has been a Faculty in BITS



D Sathya Narayanan
Independent Director

30+ years experience in application dev. & implementation

MS from Stanford University and bachelor from IIT-Madras

Brother of Global Valuations Icon Aswath Damodaran.



Dr. C K Gariyali, IAS
Independent Director

Retired IAS Officer and holds a Doctorate in Women Studies

Was Principal Secretary to the Governor of Tamil Nadu from 2005-08

Was Secretary to Hon'ble CM of Tamil Nadu

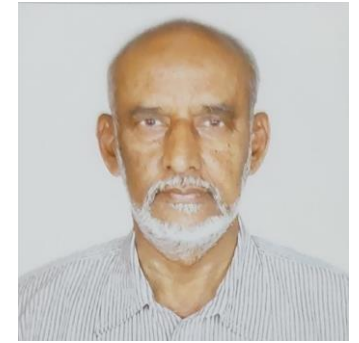
Worked with various International Agencies like World Bank etc.



Dr. R Nagendran
Independent Director

Ph.D in Ecology and Ethology and M.SC in Zoology

Former Expert Member of the National Green Tribunal and former Head of Department of Environmental Science in St. Joseph's College, Bangalore.



Mr S Deenadayalan
Independent Director

Post Graduate degree in Social Work from Madras School of Social Work and Under Graduate degree in Sociology from Annamalai University

Has extensively worked and mentors individuals enabling them to become successful professionals and more than 30,000 municipal school students have been benefitted by his idealistic model.

P&L for the Q3 FY24 – Consolidated

Value (INR Cr)	Q3 FY24	Q3 FY23	YoY (%)	Q2 FY24	QoQ (%)	9M FY24	9M FY23	YoY (%)
Revenue from Operation	435.50	372.07	17.0%	410.06	6.2%	1,240.88	1,077.45	15.2%
Other Income	17.18	14.15		20.43		49.65	44.58	
Total Revenue	452.68	386.22	17.2%	430.49	5.2%	1,290.53	1,122.03	15.0%
Cost of Goods sold	190.11	163.90	16.0%	164.10	15.9%	532.81	486.61	9.5%
Gross Profit	245.39	208.17	17.9%	245.96	(0.2)%	708.07	590.84	19.8%
<i>Gross Profit Margin (on Rev from Operations)</i>	56.3%	55.9%		60.0%		57.1%	54.8%	
Employee Benefit Expenses	36.67	34.54	6.2%	35.08	4.5%	106.82	100.99	5.8%
Research and Development expenses	17.58	18.40	(4.4)%	17.86	(1.6)%	49.25	46.07	6.9%
Other operating expenses	48.86	45.86	6.5%	55.62	(12.2)%	145.79	126.65	15.1%
Total expenditure	103.11	98.80	4.4%	108.56	(5.0)%	301.86	273.71	10.3%
EBITDA	159.46	123.52	29.1%	157.83	1.0%	455.86	361.71	26.0%
<i>EBITDA Margin</i>	35.2%	32.0%		36.7%		35.3%	32.2%	
Depreciation and Amortisation	13.90	11.43	21.6%	11.76	18.2%	37.04	33.86	9.4%
EBIT	145.56	112.09	29.9%	146.07	(0.4)%	418.82	327.85	27.7%
<i>EBIT Margin</i>	32.2%	29.0%		33.9%		32.5%	29.2%	
Finance Cost	0.17	0.36		0.18		0.63	0.55	
Share of Profit in associates	0.02	0.01		0.11		0.21	0.00	
Profit Before Tax	145.41	111.74	30.1%	146.00	(0.4)%	418.40	327.30	27.8%
<i>PBT Margin</i>	32.1%	28.9%		33.9%		32.4%	29.2%	
Tax	25.59	14.35		29.86	(14.3)%	78.21	51.55	51.7%
Profit after Tax	119.82	97.39	23.0%	116.14	3.2%	340.19	275.75	23.4%
<i>PAT Margin</i>	26.5%	25.2%		27.0%		26.4%	24.6%	

INVESTOR RELATIONS AT CAPLIN

Mr G Venkatram

investors@caplinpoint.net

CHURCHGATE PARTNERS

Rajiv Pandya / Paresh Rohra

caplinpoint@churchgatepartners.com

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