

EARNINGS PRESENTATION Q4 FY24

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

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

May 2024

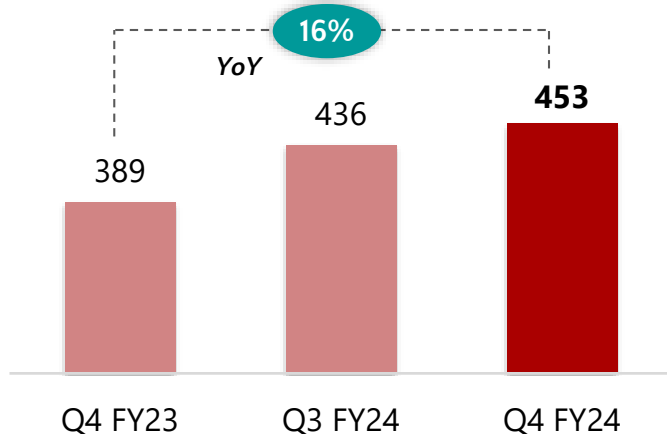
www.caplinpoint.net

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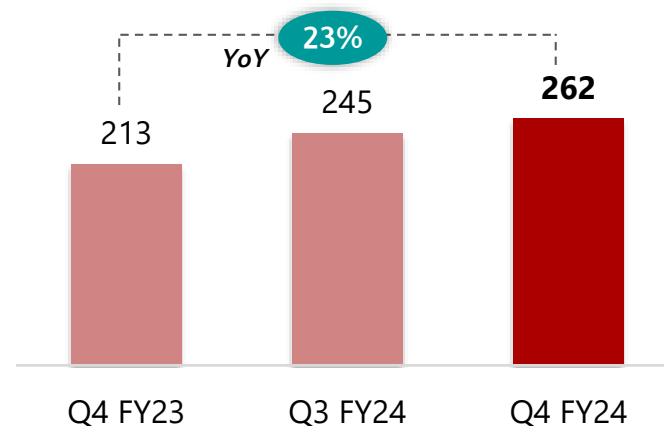
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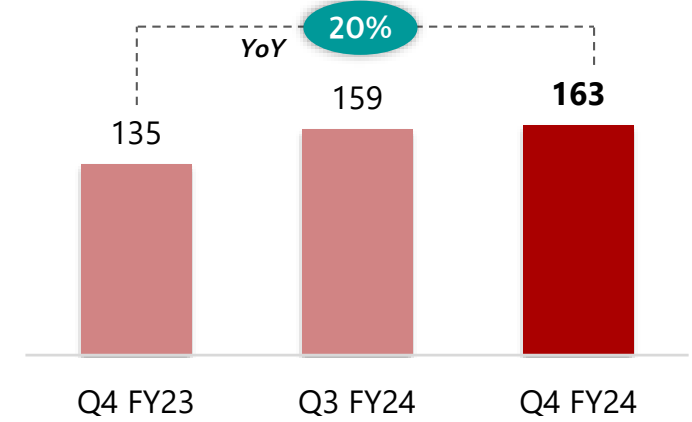
Revenue



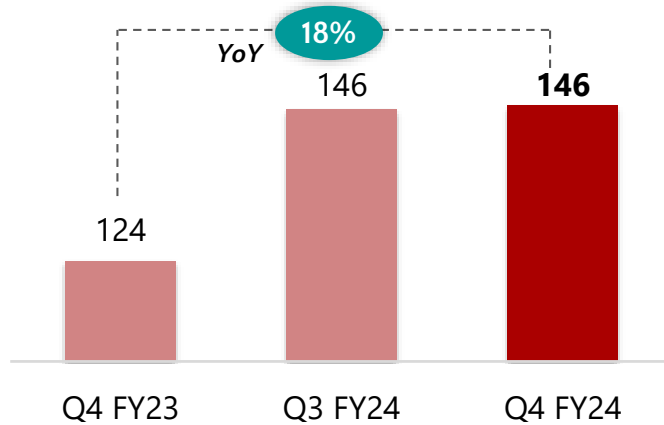
Gross Profit



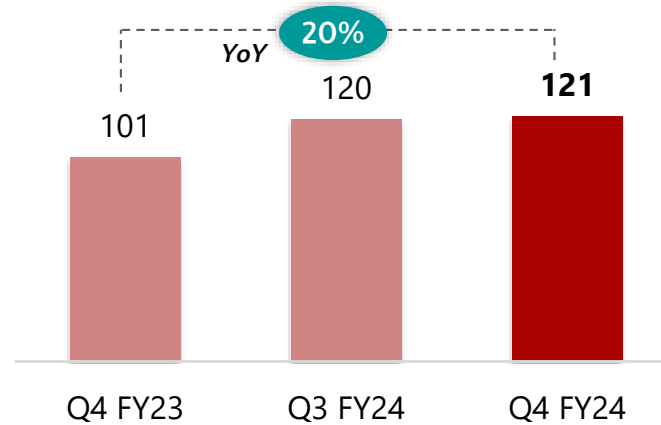
EBITDA



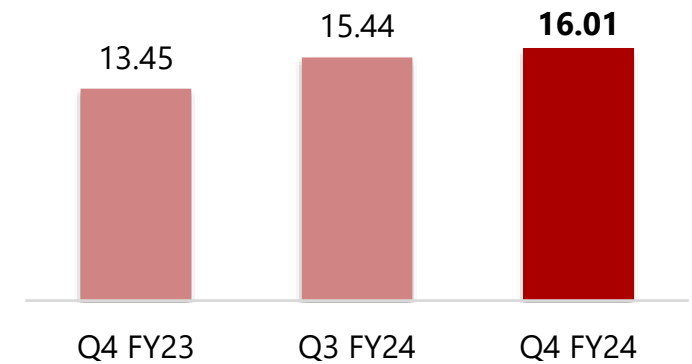
EBIT



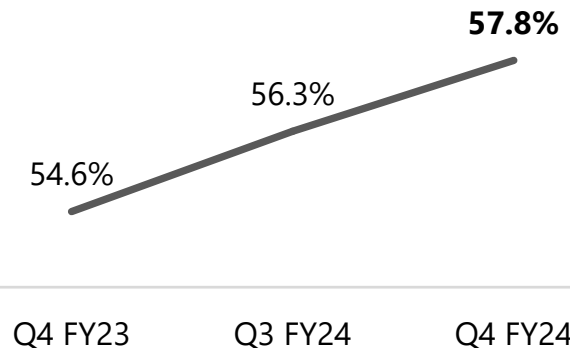
PAT



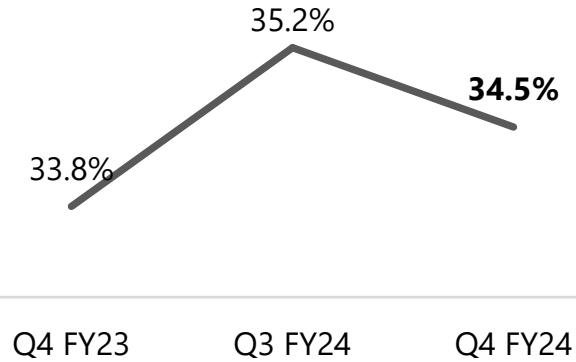
Earnings Per Share



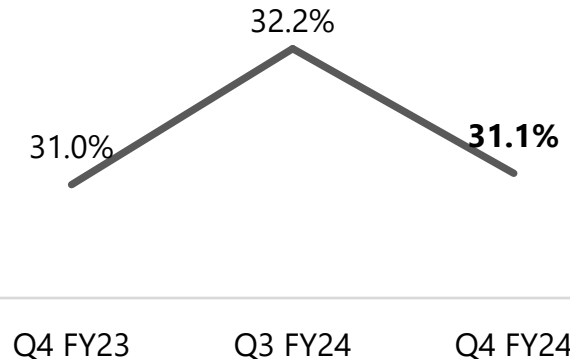
Gross Profit Margins (%)



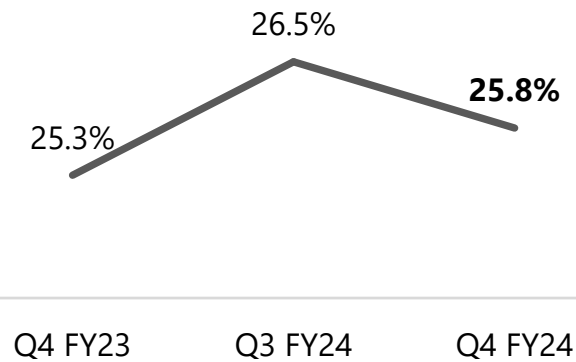
EBITDA Margins (%)



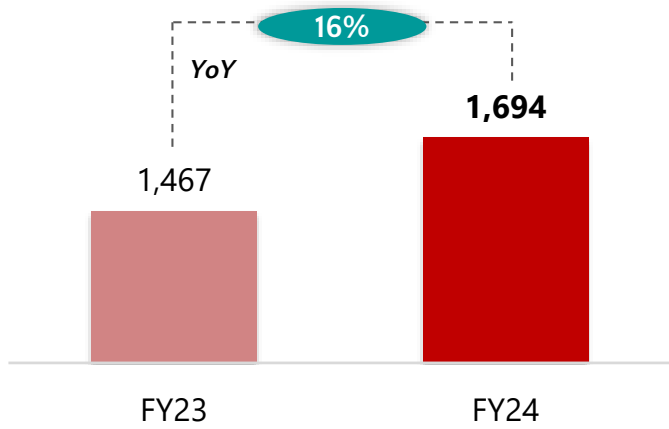
EBIT Margins (%)



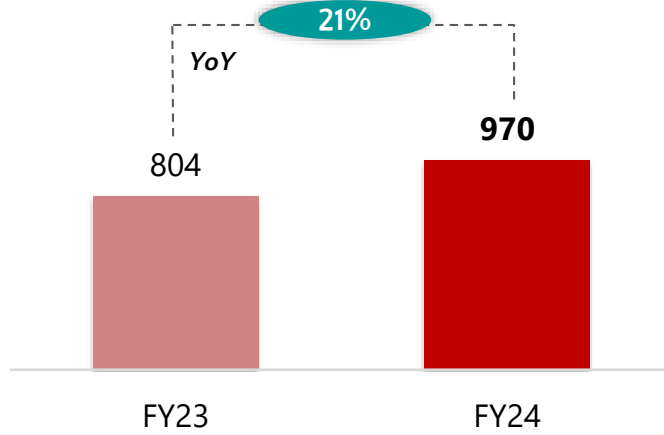
PAT Margins (%)



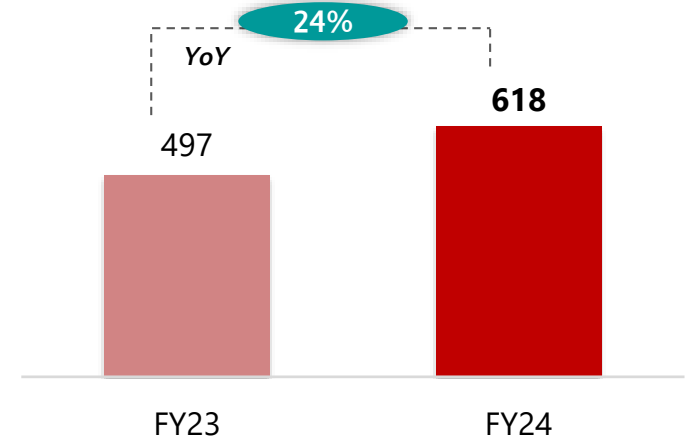
Revenue



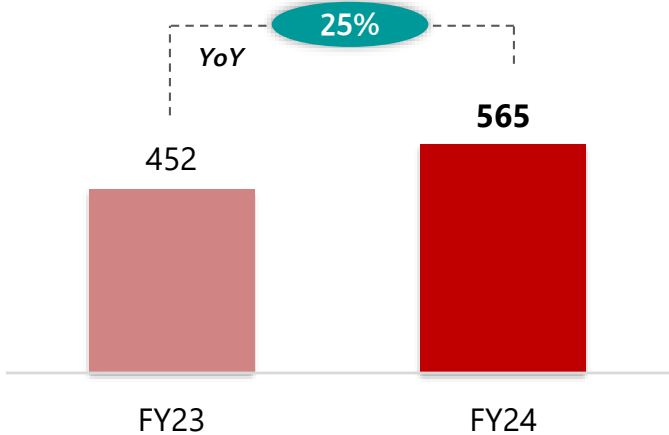
Gross Profit



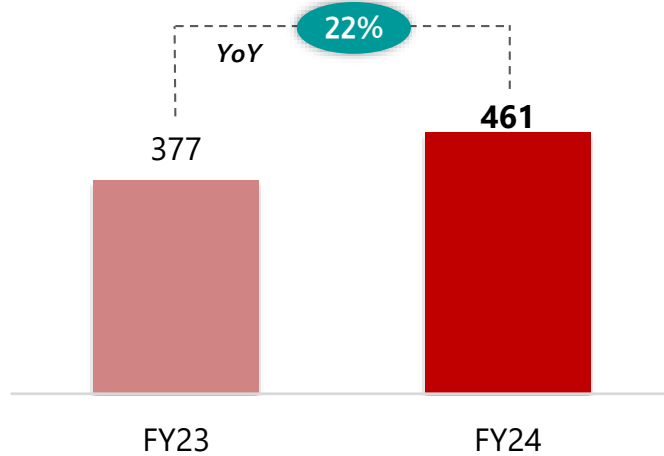
EBITDA



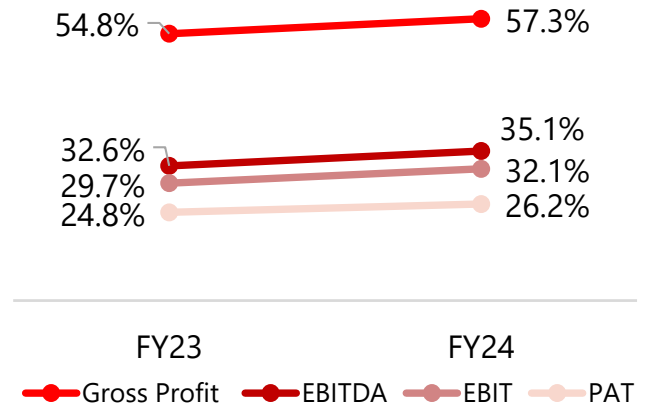
EBIT



PAT

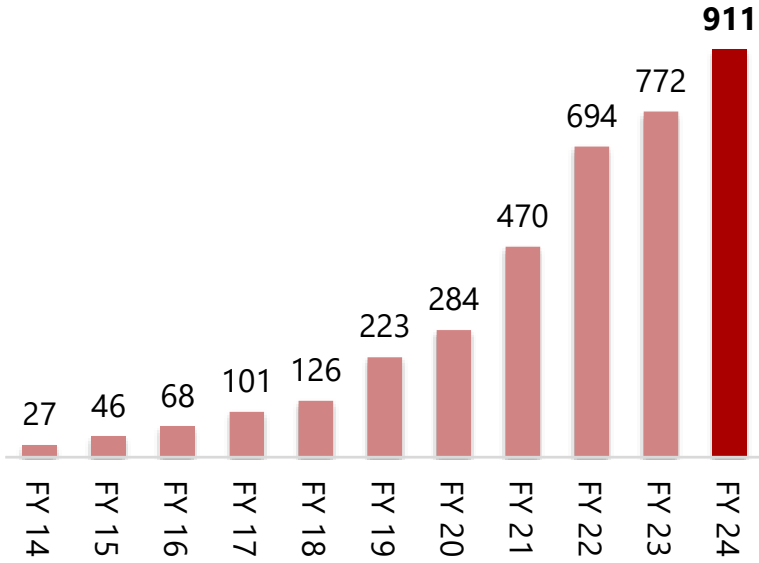


Profit Margins

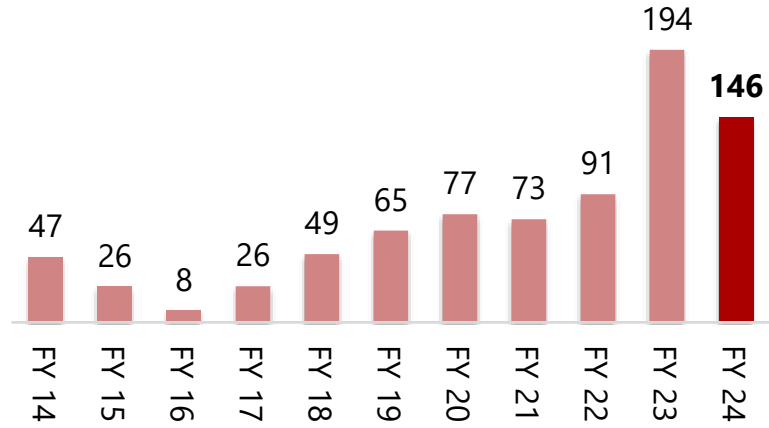


FY24 Free Cash Reserves and other Key Metrics

Free Cash Reserves



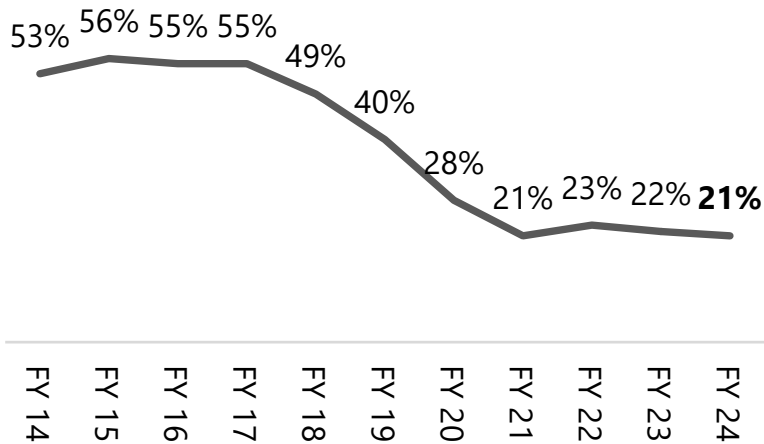
Capital Investment Lifecycle



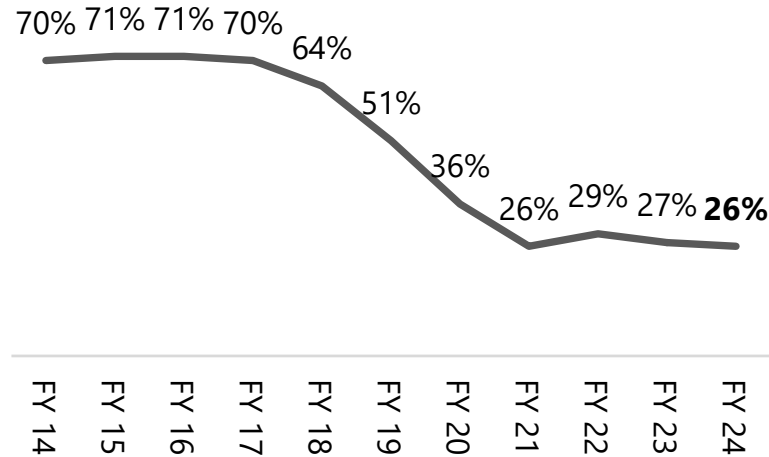
Cash Flow from
Operation: Rs. 318 Cr

Free Cashflow: Rs. 172 Cr

ROE (%)



ROCE (%)



Receivables: 114 Days

Chairman Perspectives



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

Caplin has delivered another remarkable year of consistent growth in all areas including Cashflow, Bottom Line and Top Line, which is what we aim for, in that particular order. The company has shown benchmark growth numbers across all parameters in the last decade, and we aim to continue the same in the next decade.

As we embark on a journey into the larger markets of LatAm, US, and other regulated markets, we aim to stick to our proven strategy of catering to the Bottom of the Pyramid, with an end to end business model. This next trajectory of growth will be supported by focused investment into technology in products, facilities and markets. 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



Q4 FY24 Highlights (Emerging Markets)

01

The company's dominant presence in Latin America continues to drive strong growth with continued focus towards Cashflow, Bottom Line and Top Line growth across all segments

02

Current breakup of revenue segments at LatAm:

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

03

Company has shortlisted 25 Softgel products to be filed in Mexico over the next 24 months, with all BE studies being done at Amaris Clinical, the in-house CRO facility of the Company

04

Company draws up plans to enter niche segments of Biosimilars and other Biologics such as Insulin, initially with a "Fill-Finish" concept, which would be manufactured in line with requirements from Regulated markets

Emerging Markets Business Highlights

Caplin One Labs' Oncology division is now commercial, aiming to turn profitable within 6 Quarters due to existing product registrations in key markets

05

Caplin One Labs has received INVIMA approval for its Softgel line at the CP-1 site in Puducherry, opening doors to key markets in Mexico, Chile, and Colombia. This complements Caplin's strong presence in the Softgel segment in Central America

06

The company has 6 Injectable products approved in Mexico, with 23 more under review. Over the next 12 months, Caplin plans to file a total of 50 products, combining its internal pipeline and collaborations with outsourcing partners, mirroring its successful strategy in Central America

07

Q4 FY24 Highlights (US and Regulated markets)

01

Company delivers robust and consistent growth in the US, with revenue growing 51% over last year

02

Company receives three Ophthalmic product approvals from FDA, with one product launched and the other 2 to be launched in Q2-2025. Total approved ANDAs under Caplin name - 21

03

Company will launch 11 new products in the US in the current FY, in several niche segments of Injectables, including Ready-To-Use Bags, PP Vials, Injectable Suspensions, and Ophthalmic Solutions

04

Caplin Steriles USA Inc makes quick progress with nearly 25 (out of 50) states licenses available already. Company aims to launch own labelled product in US by Q2 FY25

US & Regulated Markets Business Highlights

Company has 14 ANDAs under review, with 3-4 approvals expected within coming months. Products under review are combination of Suspension and Emulsion Injectables, Ready-To-Use Bags and Ophthalmic Solutions and Emulsion

05

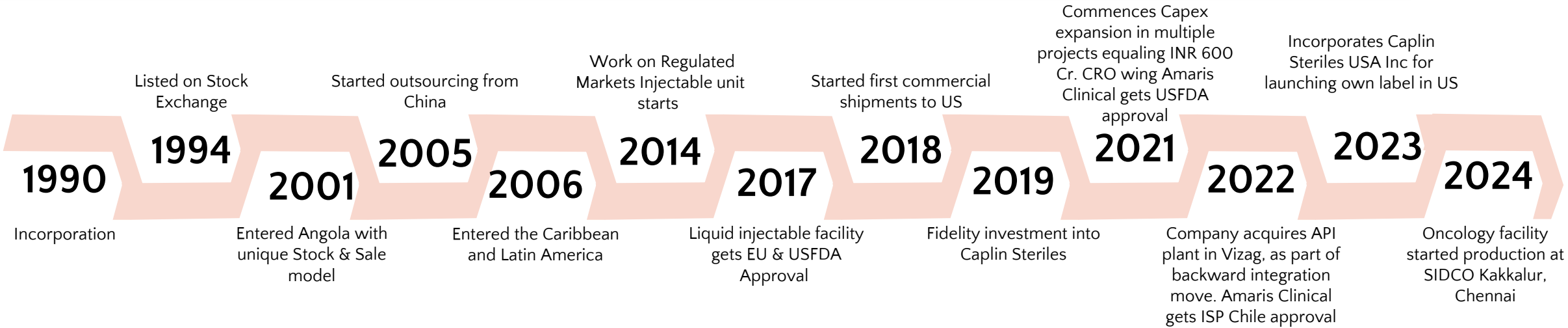
Company has filed several products in non-US markets such as Canada, Australia, Mexico, South Africa, China etc. Some approvals and launches expected within FY25 for these

06

Company is transitioning manual plant systems to fully automated ones, including e-logbooks and e-Batch Records, within 12-18 months. Several functions like Quality Control, Microbiology, and Documentation Management are already fully digital at CSL.

07






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

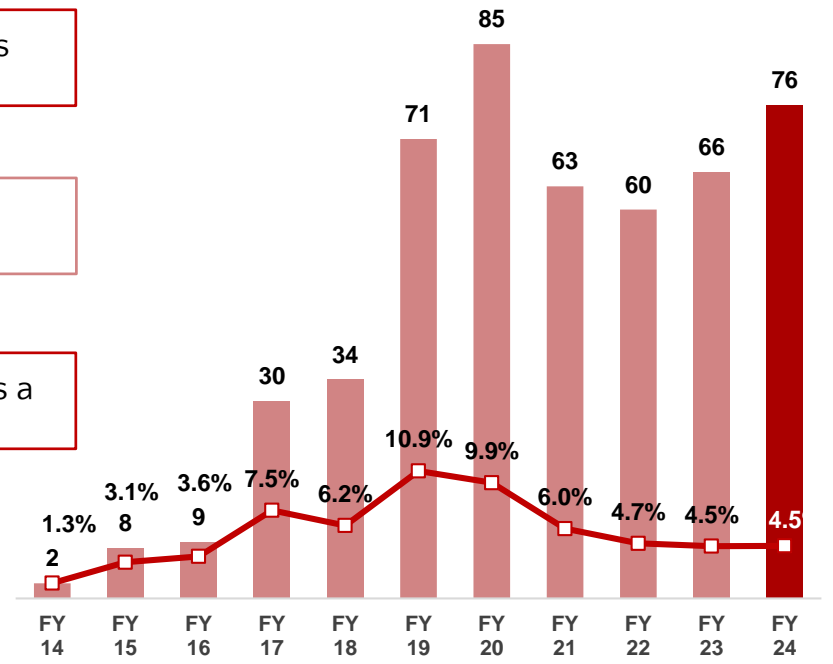
Diversified Product Portfolio

-  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

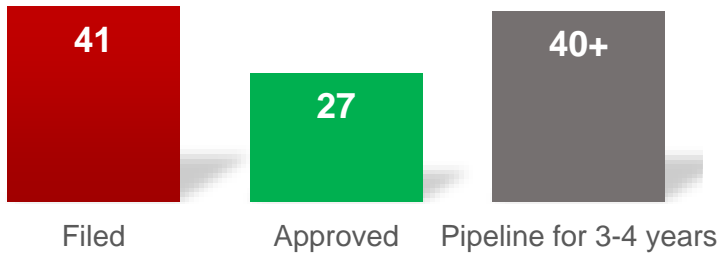
Research & Development Capabilities

- 1 Caplin has 5 dedicated R&D setups (3 – DSIR approved and 2 under approval)
- 2 Continuous capex investment of over INR 721 Cr over last 8 years towards enhanced manufacturing and R&D capabilities, from internal accruals.
- 3 Total R&D Spends (Capex + Opex) is 16.4% of FY24 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



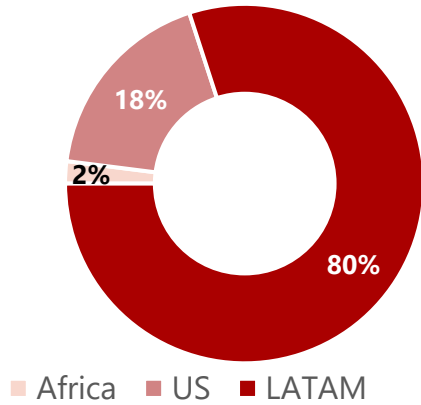
385
Strength of R&D Team



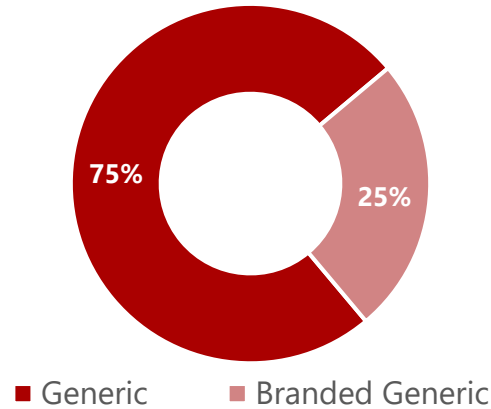
*Source – CNBC-TV18, Dec 31st 2020

Revenue Break up and Manufacturing Strategy

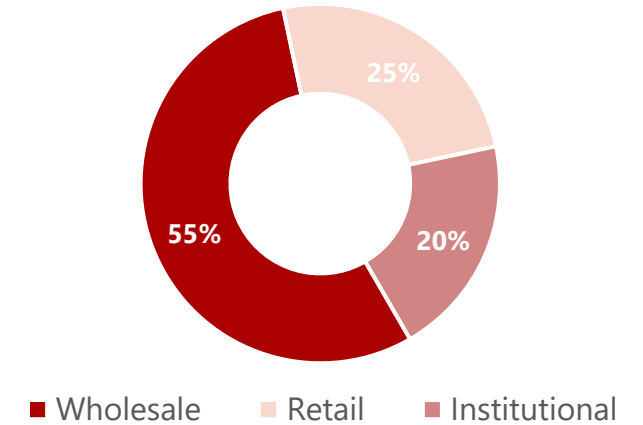
FY24 Operating Revenue



Revenue by Business Segment (Emerging Markets)

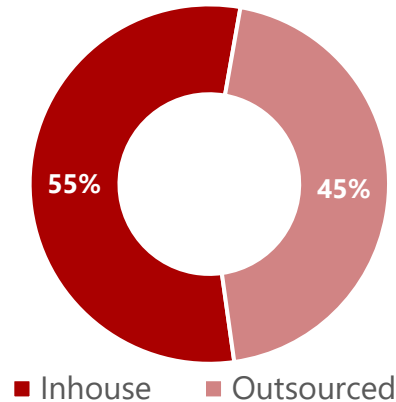


Revenue by Channel (Emerging Markets)

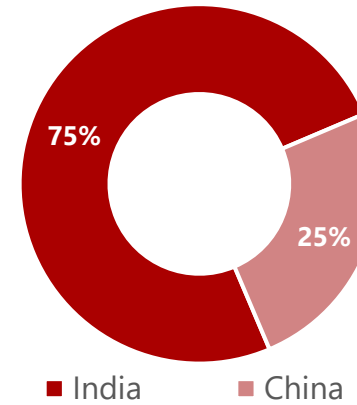


Caplin covers a wide spectrum of pharmaceutical formulations and therapeutic segments across 23 countries with total revenue of Rs. 1,761 Cr in FY24

Manufacturing & Outsourcing



Exports



- 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



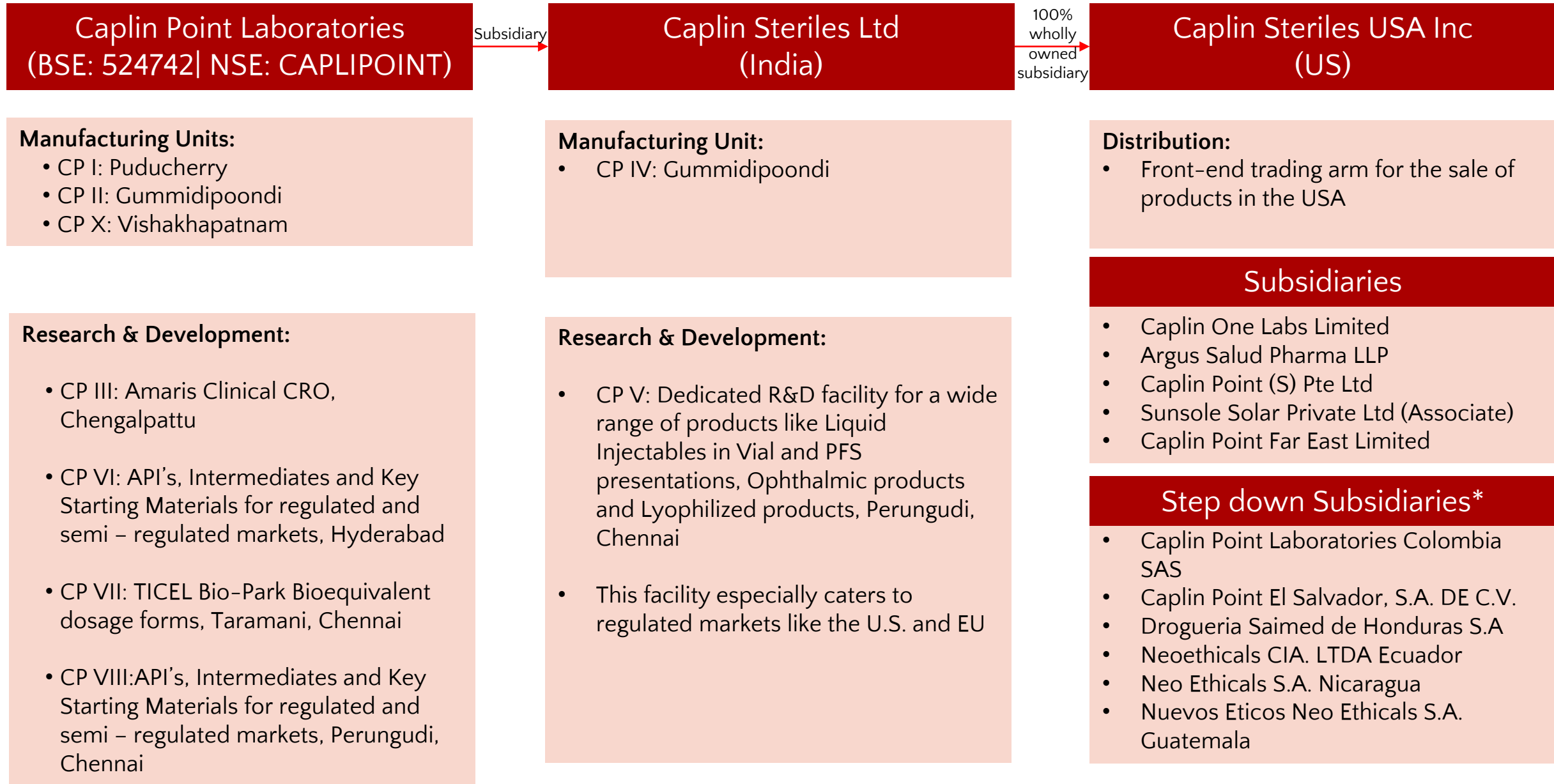
Antibiotic and Antifungal



Antihypertensive drug

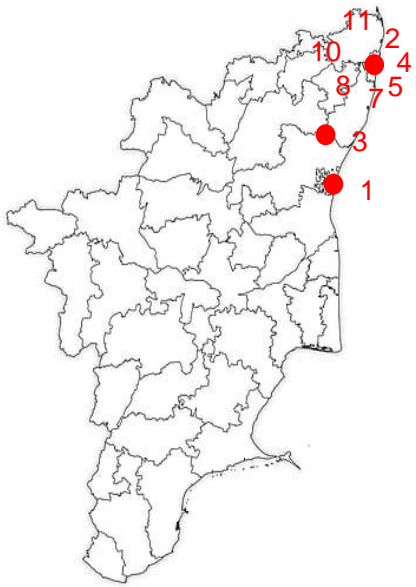


Electrolytes



*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

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

Project Summary					
Facility	Location	Product	Target Market	Status	Timeline
Caplin Point Unit-I	CPI, Suthukeny, Puducherry	Softgel	Existing Markets	Completed	Q4 FY23
Caplin Steriles Phase II	CP4, Gummidipoondi, Chennai	Injectable Vials and Pre-Filled Syringes	Regulated Markets	Completed	Q4 FY24
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 – completed. Injectable – Ongoing.	OSD –Q4 FY24 Injectable – Q2 FY25
Oncology API Facility	SIDCO, Kakkalur, (Near Chennai)	Oncology API	Existing and Regulated Markets	Ongoing.	Q1 FY26
OSD Facility	Thervoy SIPCOT, Chennai	Oral Solid Dosages	Existing Market along with Mexico, Brazil, US and EU	Ongoing	Q2 FY26

Caplin Point has allocated an overall Capex budget of approximately ₹600-650 Crores for the investment projects (most of which are nearing completion) to expand existing capacities, widen its product portfolio and backward integrate the majority of the products. All of the planned Capex is funded through internal accruals only.

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 Q4 FY24 – Consolidated

Value (INR Cr)	Q4 FY24	Q4 FY23	YoY (%)	Q3 FY24	QoQ (%)	FY24	FY23	YoY (%)
Revenue from Operation	453.22	389.28	16.4%	435.50	4.1%	1,694.10	1,466.73	15.5%
Other Income	17.29	11.40		17.18		66.94	55.98	
Total Revenue	470.51	400.68	17.4%	452.68	3.9%	1,761.04	1,522.71	15.7%
Cost of Goods sold	191.37	176.60	8.4%	190.11	0.7%	724.19	663.20	9.2%
Gross Profit	261.85	212.68	23.1%	245.39	6.7%	969.91	803.53	20.7%
<i>Gross Profit Margin (on Rev from Operations)</i>	57.8%	54.6%		56.3%		57.3%	54.8%	
Employee Benefit Expenses	36.77	36.00	2.1%	36.67	0.3%	143.59	136.99	4.8%
Research and Development expenses	24.47	17.12	43.0%	17.58	39.2%	73.72	63.19	16.7%
Other operating expenses	55.38	35.63	55.4%	48.86	13.3%	201.17	162.28	24.0%
Total expenditure	116.62	88.75	31.4%	103.11	13.1%	418.48	362.46	15.5%
EBITDA	162.52	135.32	20.1%	159.45	1.9%	618.37	497.04	24.4%
<i>EBITDA Margin</i>	34.5%	33.8%		35.2%		35.1%	32.6%	
Depreciation and Amortisation	16.40	11.13	47.4%	13.90	18.0%	53.44	44.99	18.8%
EBIT	146.12	124.20	17.6%	145.55	0.4%	564.93	452.05	25.0%
<i>EBIT Margin</i>	31.1%	31.0%		32.2%		32.1%	29.7%	
Finance Cost	0.15	0.23		0.17		0.78	0.78	
Share of Profit in associates	0.06	0.08		0.02		0.27	0.08	
Profit Before Tax	146.03	124.05	17.7%	145.41	0.4%	564.43	451.35	25.1%
<i>PBT Margin</i>	31.0%	31.0%		32.1%		32.1%	29.6%	
Tax	24.80	22.81	8.7%	25.59	(3.1)%	103.01	74.36	38.5%
Profit after Tax	121.23	101.24	19.7%	119.82	1.2%	461.42	376.99	22.4%
<i>PAT Margin</i>	25.8%	25.3%		26.5%		26.2%	24.8%	

INVESTOR RELATIONS AT CAPLIN

Mr G Venkatram

investors@caplinpoint.net

CHURCHGATE PARTNERS

Rajiv Pandya / Paresh Rohra

caplinpoint@churchgatepartners.com

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