



Innovating for
affordable healthcare

Shilpa Medicare Limited

Manufacturers and Exporters of Bulk Drugs

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RAICHUR - 584 135. Karnataka, India.

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CIN No. L85110KA1987PLC008739

Dated 11th February, 2020

To
Corporate Relationship Department
BSE Limited,
1st Floor, Rotunda Building,
P.J. Towers, Dalal Street,
Mumbai - 400 001.

To
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block
Bandra Kurla Complex, Bandra (E)
MUMBAI - 400 051.

Dear Sir,

Sub: Presentation made to Analysts and Investors

**Ref: Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements)
Regulations, 2015;**

Scrip Code: BSE - 530549/ Stock Symbol: NSE - SHILPAMED

Pursuant to the Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, please find herewith enclosed a copy of the presentation on the financial performance for the 3rd Quarter and 9 Months ended 31st December, 2019 made to analysts and investors.

This is for your information and necessary records.

For SHILPA MEDICARE LIMITED

V.V. Krishna Chaitanya

V.V. KRISHNA CHAITANYA

Company Secretary & Compliance Officer



Q3 & 9M FY20
Results Presentation

Shilpa Medicare Limited (SML)

JADCHERLA PLANT



Innovating for
affordable healthcare

Disclaimer

Certain statements in this document may be forward-looking statements. Such forward looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Shilpa Medicare Limited (SML) will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.



Company Overview



Financial Performance



Way Forward



Established presence in Active Pharmaceutical Ingredients (APIs) and Formulations for domestic & international markets

Specialized in oncology and non-oncology therapeutic areas, supported by strong R&D capability

Robust research orientation resulting in innovative products

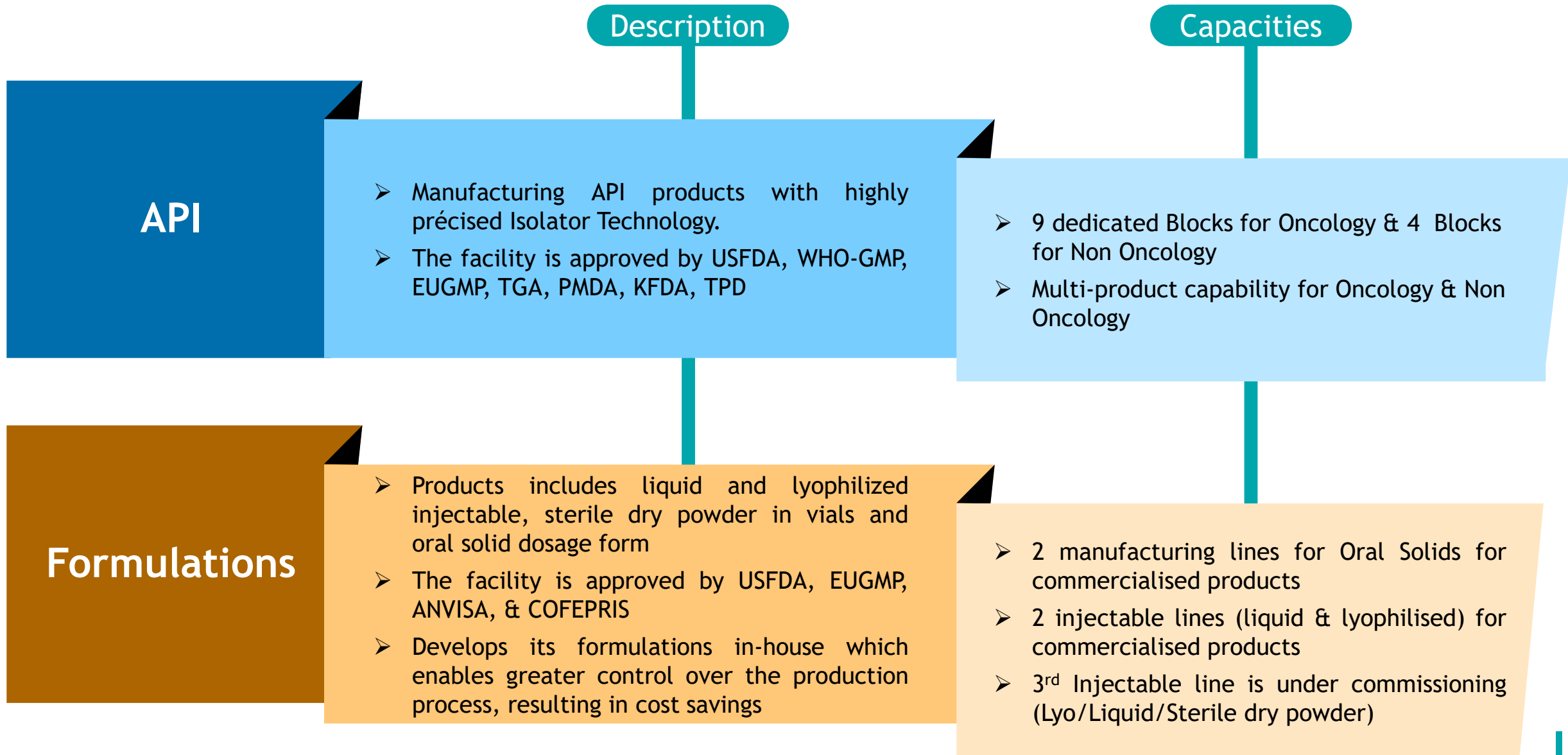
Pursuing niche growth businesses like Biologics, Transdermal & Oral Dissolving Films

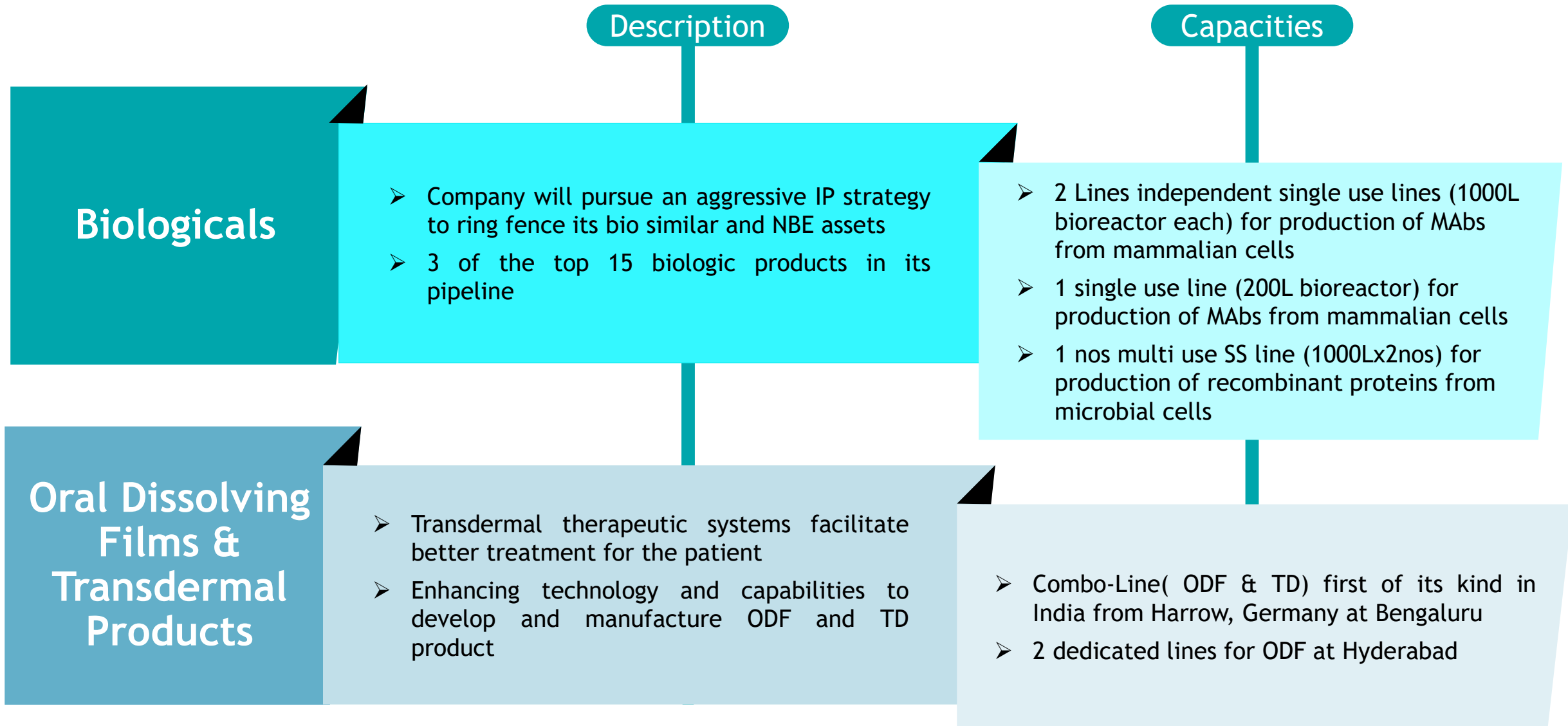
Best in class manufacturing and supply of high-quality affordable drugs

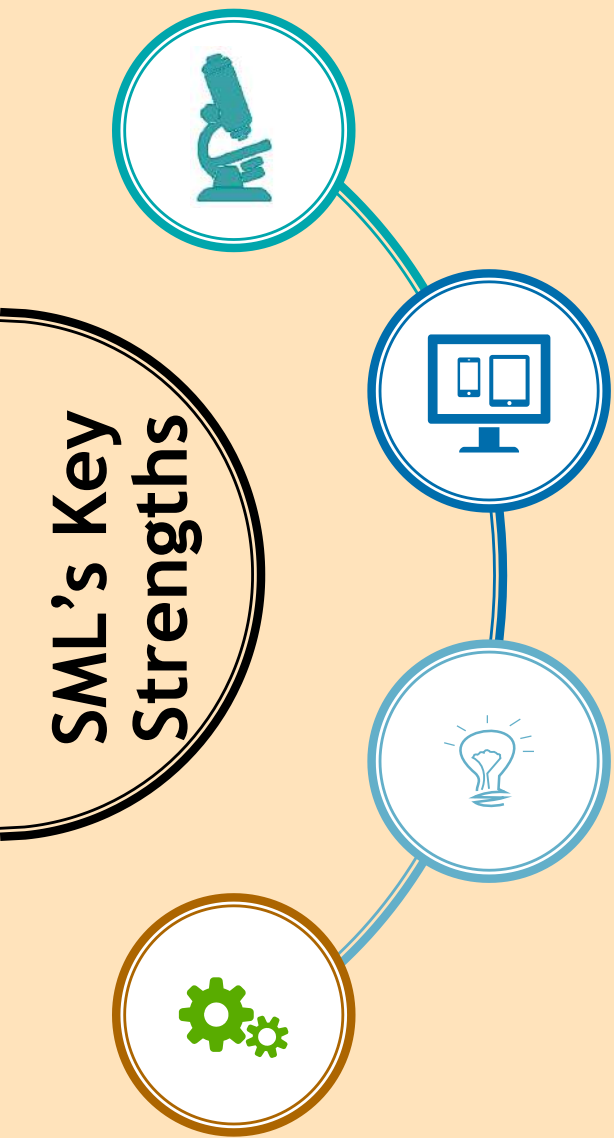
Affordable & Effective Pharmaceutical Solutions



Established Business Segments







R&D Competence

Technology Edge

Rich Scientific Talent

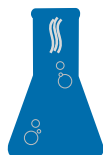
Manufacturing Excellence

Research & Development Competence

R&D capabilities, a vital component providing a sustainable, long-term competitive advantage



API R&D centre aids development of Generics which meet international development standards



Formulation R&D centre develops Generic equivalents and super generics for global markets of Injectable and Oral Formulations primarily used for the treatment of cancer



New world class R&D facility being setup with equipment infrastructure from current facility being moved to the new site at Bengaluru

Bilayer Compression inside isolator- Oral -Jadcherla Plant



Oncology

- The Company has advanced in the field of 'Targeted Therapy' which has enabled the identification of neoplastic cells and development of novel targeted therapies
- The Company constantly works on reducing the prices of medicines by developing generic versions of off-patented drugs

Rich Scientific Talent

300+

Scientists

300+

Patents filed

100+

High quality products

The Intellectual Property Management (IPM) team is responsible for building a global generic product pipeline

Provides stage wise IP-clearances during product/process development activities

Provides frequent updates and alerts on relevant IP to R&D scientists for products/process and suggests remedial measures to deal with IP issues

The IPM team continues to build future pipeline of complex products with an established robust portfolio selection process

Patents Status as on Dec 31, 2019



Patents	Filings	Granted	Pending
- API	199	31	168
- Formulation	52	5	47
- Films Topical & Transdermal	44	2	42
- Biologicals	6	2	4
- Others	18	1	17
TOTAL	319	41	278

Product Pipeline as on Dec 31, 2019



Particular	Filings	Approved (Including Tentative)	Pending
US ANDA			
- On SML's Name	22	13	9
- On Customer's Name	19	12	7
TOTAL in US	41	25	16
- EU Filing	17	11	6
TOTAL (in US & EU)	58	36	22

Manufacturing Excellence







Facility Location	Facility Type
Dharwad, Karnataka	R & D Biologicals Facility
Bangalore, Karnataka	R & D (All segments except Biologics)
Raichur Unit I	API (Onco - Non Onco)
Raichur Unit II	API (Onco - Non Onco)& R&D API
Jadcherla Unit	Formulations (Onco & Adjuvant Therapy of Onco - Injectable & Oral)
Hyderabad Unit	Formulations (Oral Dissolving Films)
Vienna (Austria)	API



- Currently 4 manufacturing facilities for API's & Formulations products in India & 1 manufacturing facility for API in Austria
- World-class manufacturing unit of Transdermal Patch and Oral Films at Bengaluru, Karnataka,
- The manufacturing equipment are state of the art and with all necessary machine controls to maintain quality and consistency

 Company's Headquarters at Raichur, Karnataka, India

Manufacturing Facilities

-  2 API plants at Raichur, Karnataka, India
-  3 R&D units at Bangalore, Dharwad and Raichur, Karnataka in India
-  2 Formulation plants at Jadcherla and Hyderabad in Telangana, India
-  1 API plant at Austria

Oral Granulation Line - Jadcherla Plant



Financial Performance

Abridged P&L Statement - Standalone



(Rs. In Lakhs)

Particulars	Q3 FY20	Q3 FY19	Y-o-Y Change (%)	9M FY20	9M FY19	Y-o-Y Change (%)
Total Income (A+B+C+D)	21,939.6	16,149.9	36	61,641.5	50,509.0	22
Total Revenue from Operations (A+B+C)	21,692.9	15,717.1	38	60,803.8	49,286.1	23
• API (A)	11,707.7	11,230.7	4	36,877.0	33,223.5	11
• Formulations (B)	9,548.6	3,915.2	144	22,217.1	14,021.3	58
• Others (C)	436.6	571.2	-24	1,709.8	2,041.4	-16
• Other Income (D)	246.6	432.8	-43	837.7	1,222.9	-32
Total Expenditure	14,012.1	12,797.2	9	4,2126.7	35,781.3	18
EBITDA	7,927.4	3,352.7	137	19,514.8	14,727.76	33
<i>EBITDA margin (%) to Total Income</i>	<i>36.1</i>	<i>20.8</i>	<i>+ 1,530 Bps</i>	<i>31.7</i>	<i>29.2</i>	<i>+250 Bps</i>
Finance Costs	109.5	95.6	14	304.1	179.7	69
Depreciation and Amortization	951.5	1,002.9	5	2,842.3	2,795.5	2
PAT	5,661.1	1,567.1	261	13,581.4	10,740.6	26
<i>PAT Margins (%)</i>	<i>25.8</i>	<i>9.7</i>	<i>+ 1,610 Bps</i>	<i>22.0</i>	<i>21.3</i>	<i>+70 Bps</i>
PAT (including comprehensive income)	5,655.0	1,512.0	274	13,611.0	10,839.0	26

Abridged P&L Statement - Consolidated



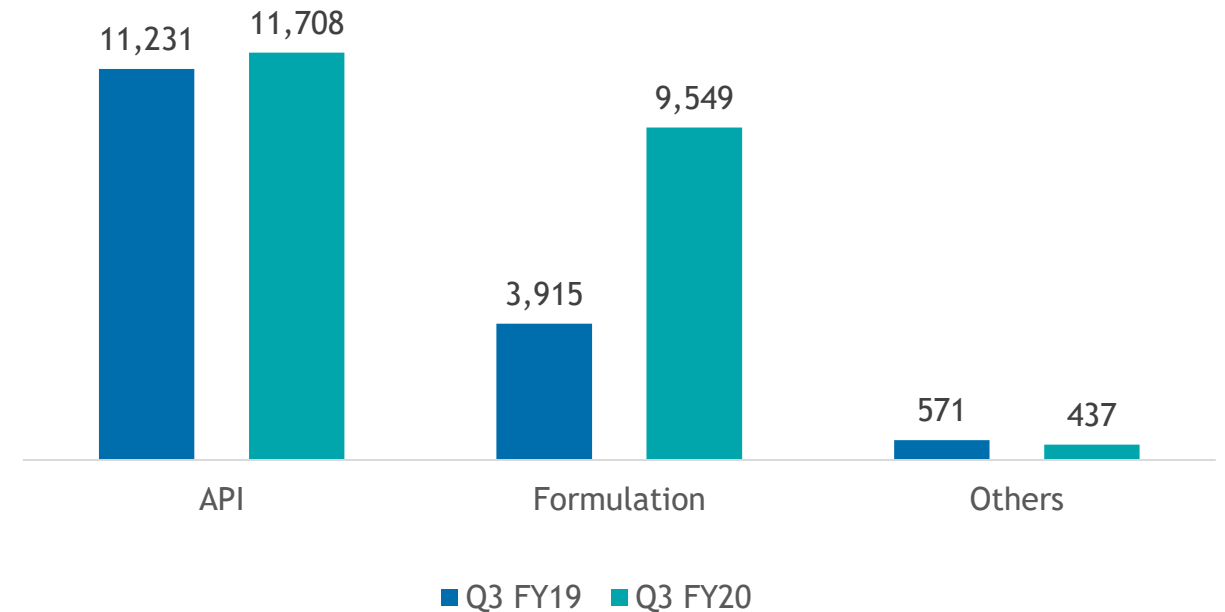
(Rs. In Lakhs)

Particulars	Q3 FY20	Q3 FY19	Y-o-Y Change (%)	9M FY20	9M FY19	Y-o-Y Change (%)
Total Income (A+B)	24,010.8	17,655.5	36	69,881.9	54,451.0	28
Revenue from operations (A)	23,685.4	17,342.5	37	68,776.2	53,387.0	29
Other Income (B)	325.4	313.0	4	1,105.7	1,064.1	4
Total Expenditure	16,311.0	14,724.8	11	51,721.6	41,545.1	25
EBITDA	7,699.8	2,930.7	163	18,160.4	12,905.9	41
EBITDA margin (%)	32.1	16.6	+ 1550 Bps	26.0	23.7	+230 Bps
Finance Costs	126.9	106.6	19	355.0	227.1	56
Depreciation and Amortization	1096.6	1125.3	-3	3,228.5	3,151.7	2
PAT attributable to owners of the Parent Company	5,506.2	1,247.2	341	12,157.9	8,838.0	38
PAT Margins (%)	22.9	7.1	+ 1580 Bps	17.4	16.2	+ 120 Bps
PAT (including comprehensive income)	5,500.0	1,192.2	361	12,187.5	8,936.4	36

Q3 FY20 vs. Q3 FY19

- Formulations revenues was higher on account of launch of a new product in the US
- API revenues grew on the back of growth in oncology API business
- CRAMS revenue on downward trajectory as SML exited the JV business

Division wise Revenue from Operations (Rs. In Lakhs)



Commenting on Q3 & 9M FY'20 performance, the Managing Director of Shilpa Medicare Limited said

“We are glad to share our encouraging performance during the quarter. Revenues grew due to higher formulations sales.

Even though our CRAMS revenue has been sluggish as we are exiting the JV, our performance in the oncology API business has been robust. EBITDA margins have also improved on the back of higher formulations revenue including Product Development Charges. We are also confident of our healthy growth in the Generic Oncology, Complex Generics & 505B2 Business and a solid pipeline for the regulated market in the near future.

We continue to prudently invest in growth businesses that will give us a platform for sustained growth in the future”

Vial Washing Machine Inj. 2 - Jadcherla Plant



Way Forward



API

- Plan to commercialize 3-4 new molecules each year
- Enhance capacity by 40% via debottlenecking in all Oncology production Blocks
- To install dedicated intermediate blocks to make intermediates available in a shorter delivery period



Formulations

- To attain economies of scale by increasing batch sizes
- Expanding reach by entering different geographies/markets
- Further optimizing costs by enhancing operational efficiencies such as reduction in cycle time, reduced testing



Future Growth Businesses

- Diversification into other therapeutic areas like biologics, portfolio expansion to transdermal dosage forms and oral thin films formulations
- Initiated a biologics manufacturing plant equipped with best-in-class technologies at Dharwad, Hubli in Karnataka
 - Phase I of the facility expected to be commissioned by June 2020
- Building a world-class manufacturing unit of Transdermal Patch and Oral Films in Karnataka
 - This facility shall cater to global market.
- Focus on expanding presence in emerging markets and ROW through strong business associations will be the growth drivers going forward

About Shilpa Medicare Ltd.




Shilpa Medicare Limited (SML) started its operations as API manufacturer way back in 1989 at Raichur, Karnataka- India. Today Shilpa Medicare Limited is a global brand in manufacturing and supplying of affordable API and Formulation globally in different regulated markets.

Shilpa Medicare has been on path of expansion ever since its inception. With a regulatory recognized manufacturing set up and excellent scientific expert team in place, Shilpa Medicare has since been on a steady growth path. Currently they are one of the leaders in the Oncology market and offer a complete range of products in this segment spanning across APIs, formulations both in terms of R&D and manufacturing capabilities. Further to consolidate in field of Oncology, API and formulations, they are striving to put in efforts in field of novel drug delivery systems and biotech products along with widening their focus to other therapy areas. Where Shilpa Medicare is today is the result of their constant endeavors for more than two decades.

 **Siddharth Rangnekar/ Karl Kolah**

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Temple - Jadcherla Plant



Thank You