



RPG LIFE SCIENCES

An  **RPG** Company

**Investors'
Presentation
FY23**

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RPG Group: One of India's fastest-growing diversified conglomerates

UNLEASHTALENT
TOUHLIVES
OUTPERFORM
AND😊

RPG Group has a business history dating back to 1820 AD in banking, textiles, jute, and tea. RPG Enterprises was founded in 1979 and currently operates in various businesses in Infrastructure, Technology, Tyres, Life Sciences, and plantation industries.

Formerly known as Searle India, RPG Life Sciences was started as a joint venture with G.D Searle in 1968 and was rechristened to RPG Life Sciences in 1999 with G.D Searle withdrawing its India operations.

100+ years old Business Group

\$4 BN+ Revenue

20000+ Employees

BSE Listed Companies



EPC major in infrastructure segments like T&D, Civil, Railways, Oil & Gas



One of India's leading tyre Manufacturers



Global Technology Consulting and IT services company



An Integrated Pharmaceutical company operating in Formulations and Synthetic APIs



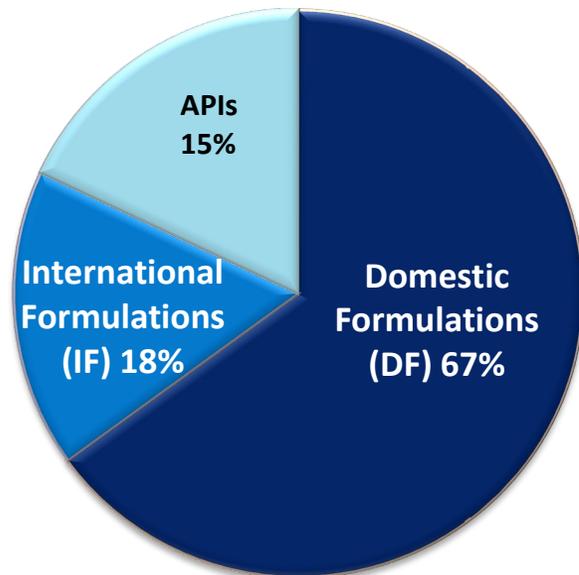
Technology Solutions company catering to energy and infrastructure



One of India's largest plantation companies producing tea, rubber etc

RPG Life Sciences: An Integrated Pharmaceutical Company – APIs to Formulations; R&D to Manufacturing to Marketing

RPG Life Sciences, part of RPG Enterprises, is an integrated research based pharmaceutical Company operating in the domestic and international markets in the branded formulations, global generics and synthetic APIs space.



Domestic Formulations (DF)

Develop, manufacture and market branded formulations in India & Nepal

International Formulations (IF)

Develop, manufacture and sell oral solid dosage formulations in the generics and branded generics space across regulated and emerging Markets

APIs

Develop, manufacture and sell high value synthetic APIs in the general therapeutic category



Leader in Immunosuppressants



9 Therapies represented by High Equity Brands



50+ Markets Presence



3 Manufacturing Facilities



1200+ Employees

RPG Life Sciences Product Portfolio: Strong 'Textbook' brands being augmented by Diligent Life Cycle Management and New Launches in Chronic and Specialty therapies

		Key Products				
Key Therapies		Legacy Portfolio		New Portfolio		
<p><u>Domestic Formulations (DF)</u></p> <p>Nephrology</p> <p>Rheumatology</p> <p>Oncology</p> <p>Pain Management</p> <p>Gastroenterology</p> <p>Neuropsychiatry</p> <p>Cardiovascular</p> <p>Diabetes</p> <p>Urology</p>		<p>Immunosuppressants</p> <p>Azoran Azathioprine</p> <p>Mofetyl Mycophenolate Mofetil</p> <p>Arpimune ME Cyclosporine</p> <p>Imunotac Tacrolimus</p>	<p>Text Book Brands</p> <p>Azoran Azathioprine</p> <p>Aldactone Spironolactone</p> <p>Lomotil Diphenoxylate HCl</p> <p>Naprosyn Naproxen</p> <p>Serenace Haloperidol</p> <p>Norpace New Disopyramide Phosphate</p>	<p>Specialty</p> <p>HerMab Trastuzumab</p> <p>Adlumab Adalimumab</p> <p>Ivzumab Bevacizumab</p> <p>Zestmab Rituximab</p> <p>T-JAKI Tofacitinib</p> <p>IroHigh Iron heemalozide 1 Vial 5ml (100 mg/ml)</p> <p>Denbri Denosumab</p>	<p>Chronic</p> <p>NuGliptin Vildagliptin</p> <p>GliptiNext Teneligliptin</p> <p>DPO 10 Dapagliflozin</p> <p>Azilta Azelinidipine</p> <p>Solifirst Sildenafil Succinate 510mg</p> <p>Mirasmart S Miracastrol Succinate 50mg Tablets <i>More Smart...More Efficient!</i></p>	<p>Life Cycle Management (Existing Products)</p> <p>Azoran 75 Azathioprine 75mg Tablets</p> <p>Aldactone T Spironolactone 30mg + Torsemide 2mg + 10mg Tablets</p> <p>Aldactone F Spironolactone 50mg + Furosemide 20mg</p> <p>Naprosyn + Naproxen Sodium Tablets 250mg/500mg</p> <p>ROMILAST-BL Risperidone 4mg + Risperidone 16mg Tablets</p> <p>Tricaine Alma 2 Amlodipine 500mg and Simvastatin 20mg Oral Suspension 7.5ml</p> <p>Lomofen LB Loperamide 2mg & Lactic Acid Bacteria 100 million spores</p>

International Formulations (IF)

Key Products

Generics - Azathioprine, Sodium Valproate PR, Nicorandil, Sertraline
 Branded Generics – Siloxogene, Azoran, Mofetyl, Arpimune ME, Dyzantil, Dipsope

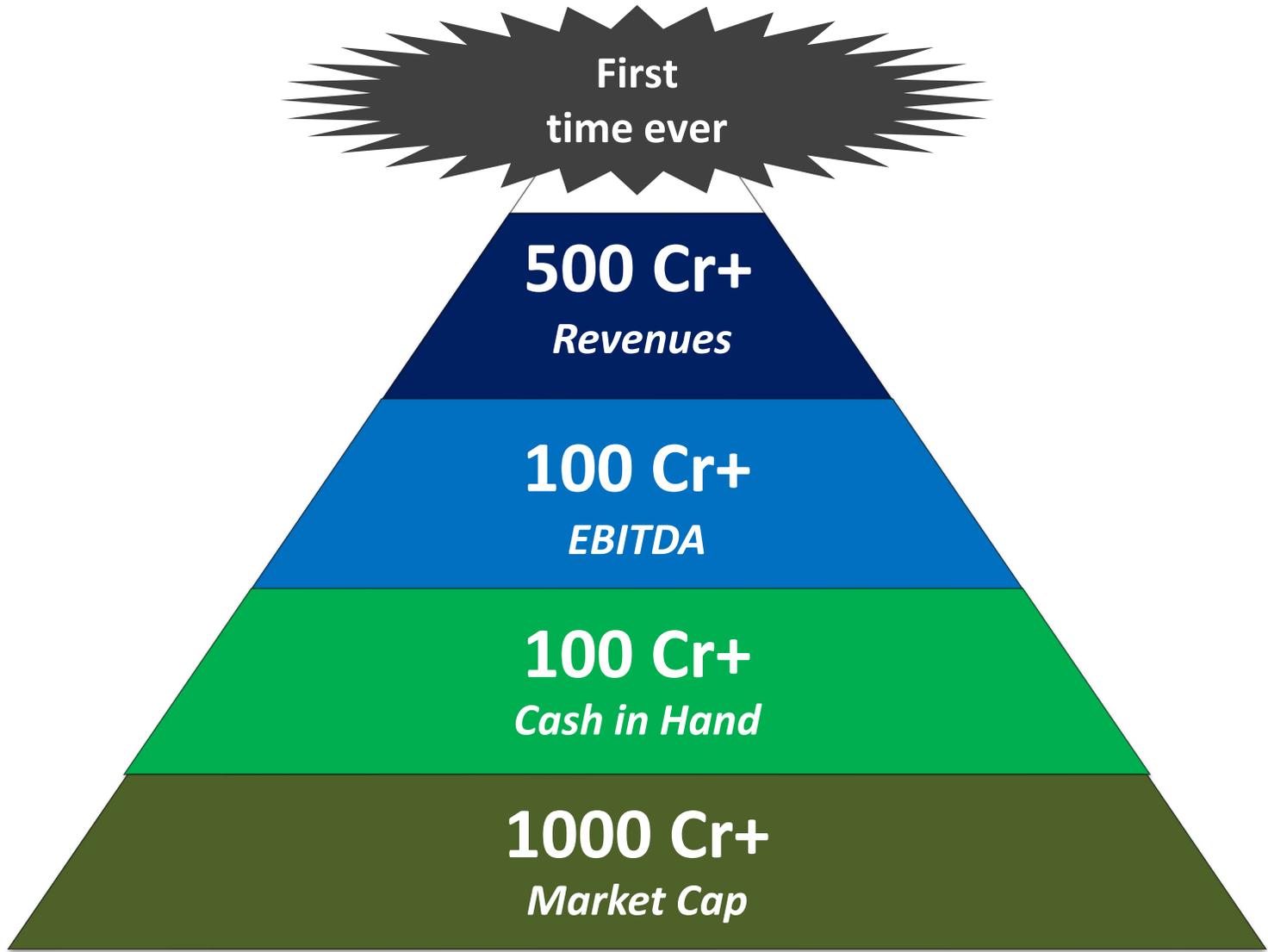
APIs

Key Products

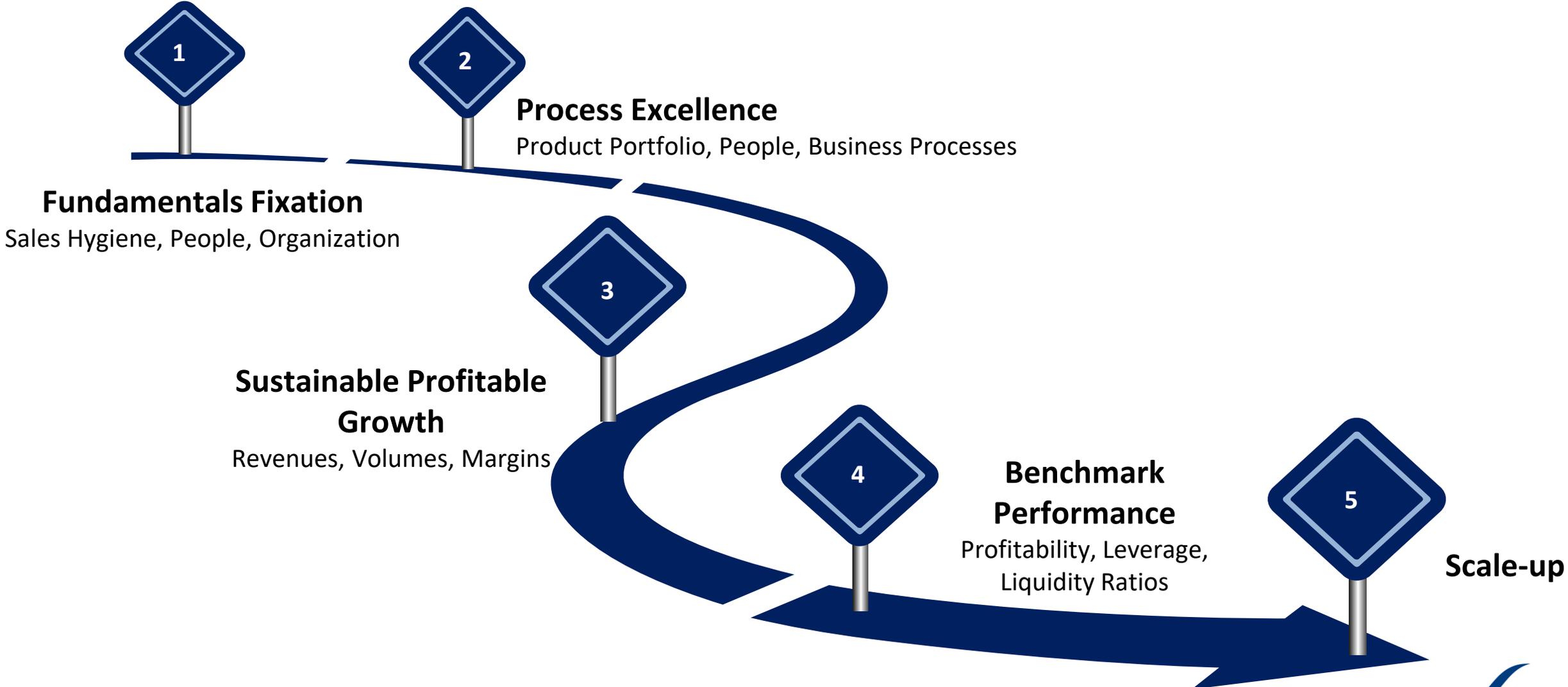
APIs - Quinfamide, Azathioprine, Haloperidol, Risperidone, Propantheline Bromide, Nicorandil, Pantoprazole, Diphenoxylate

Financial Performance

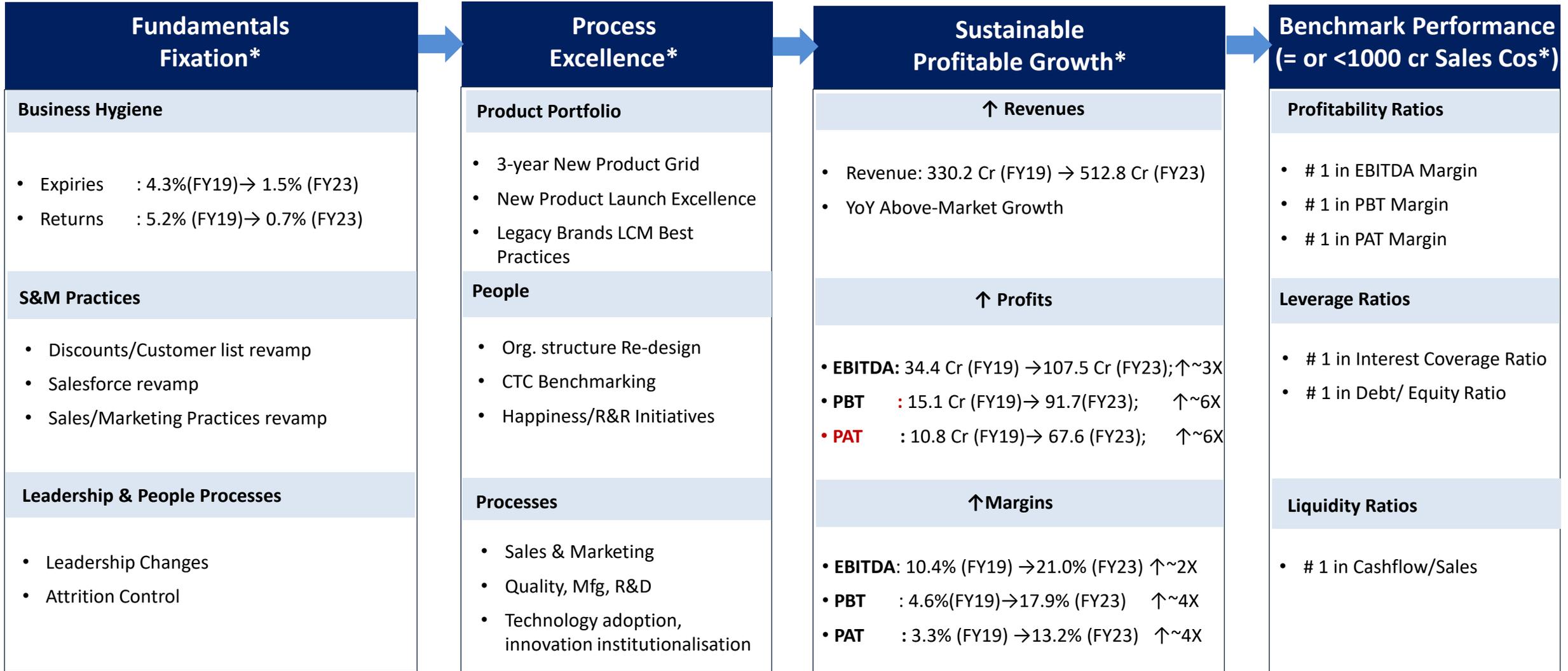
FY23: A Milestone Year



Journey of RPG Life Sciences



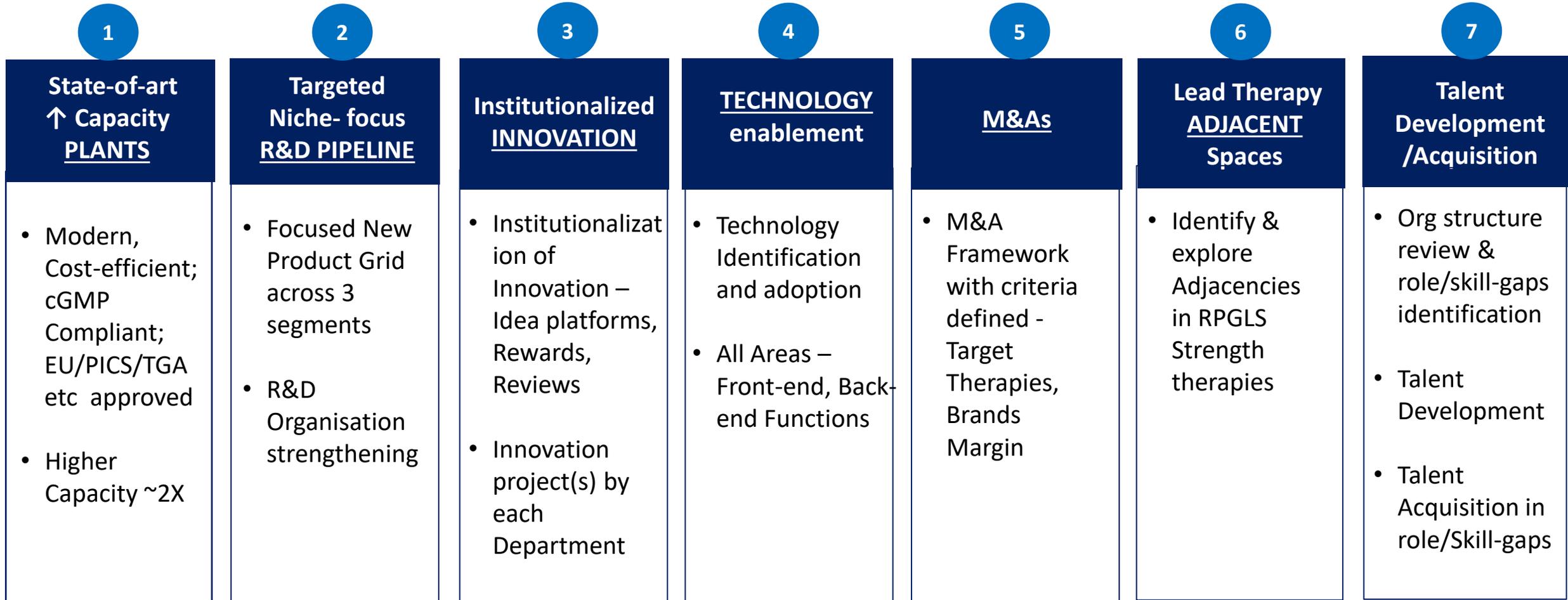
The Journey So Far: Fundamentals Fixation to Benchmark Performance



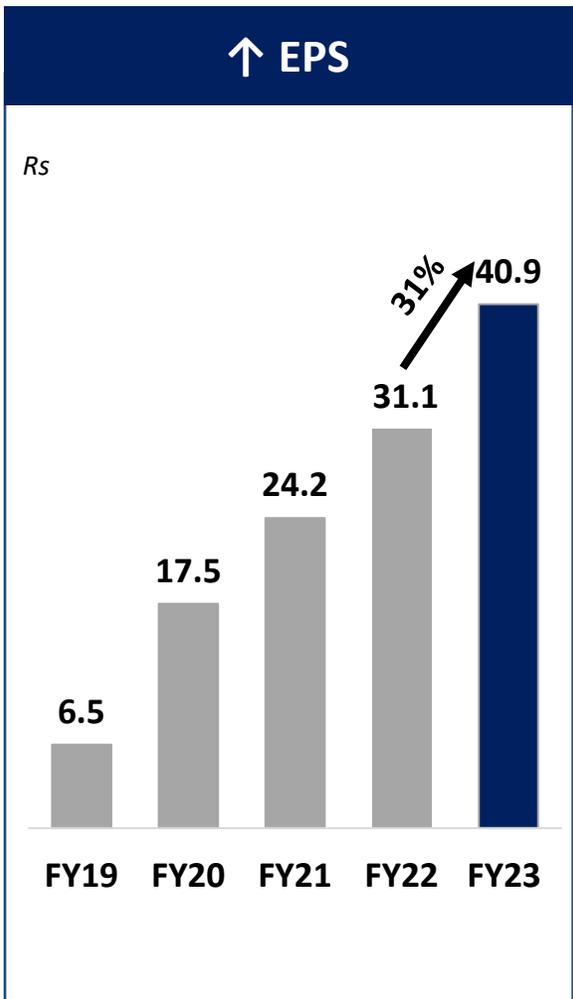
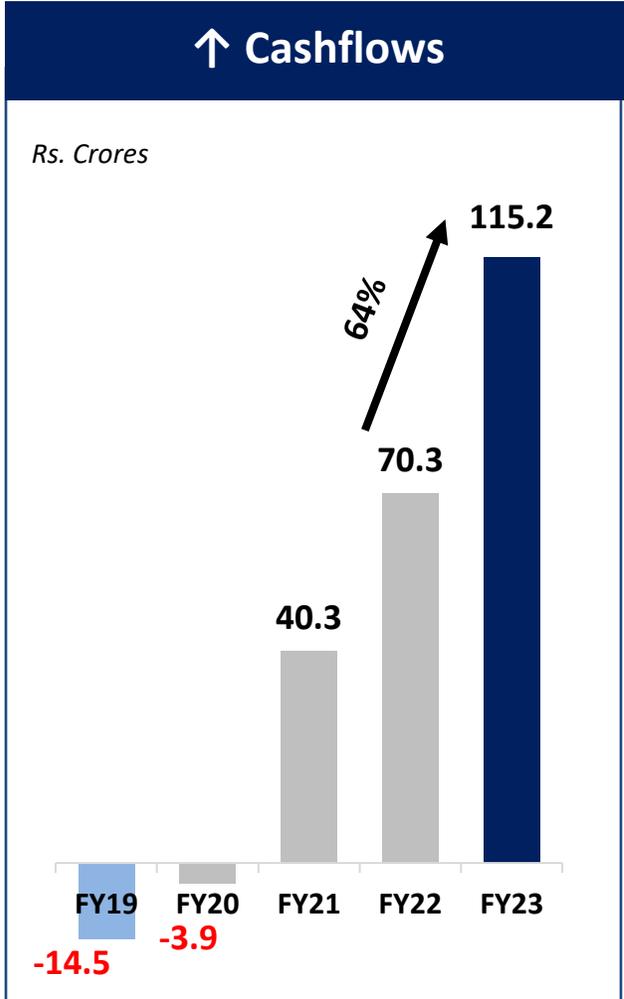
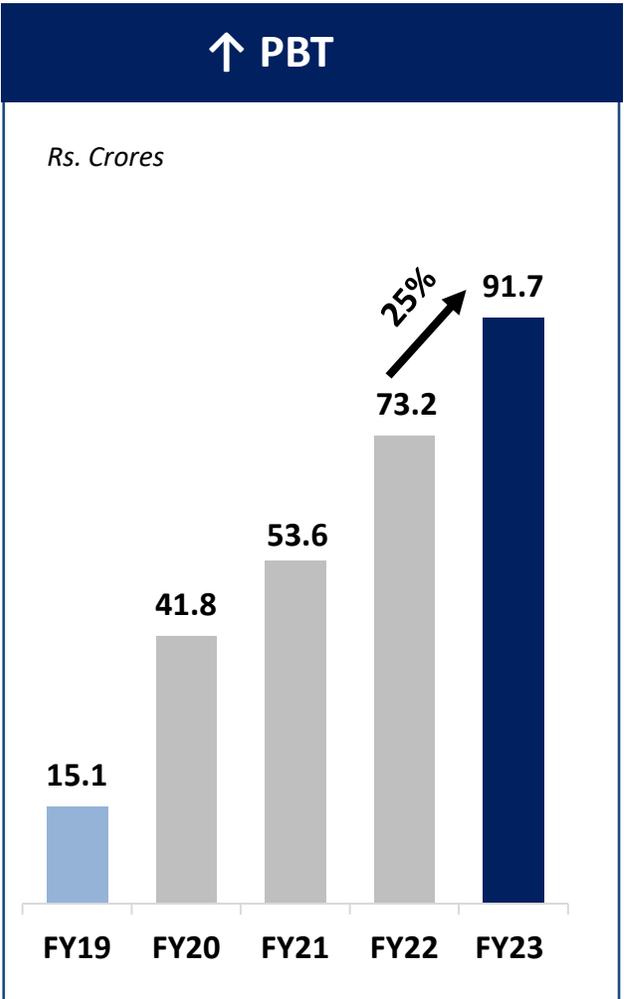
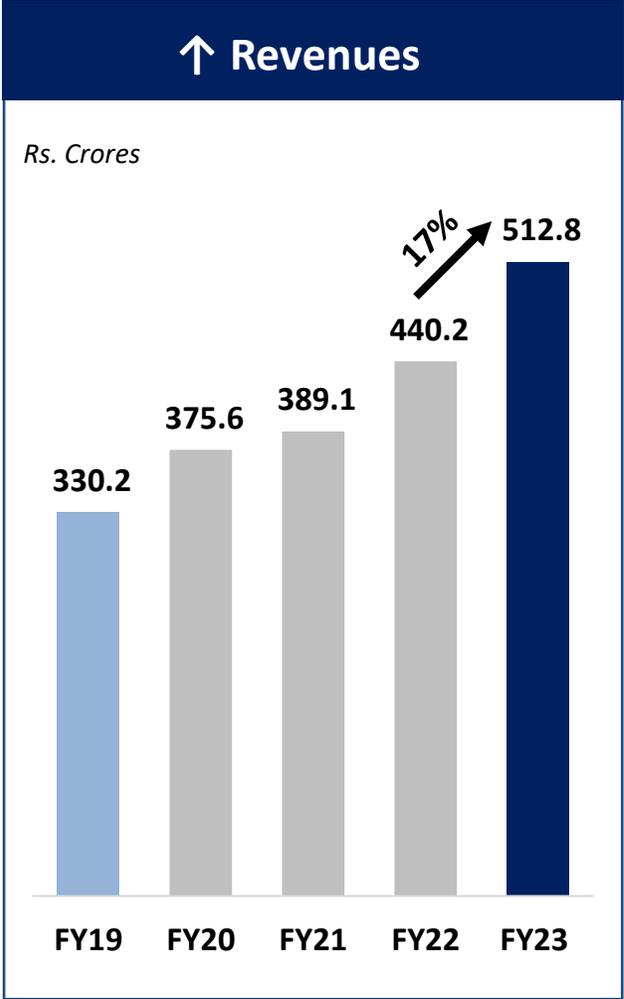
* Illustrative examples out of a comprehensive Framework

The Journey Ahead: Benchmark Performance to Scale-up

7 Pillars Identified

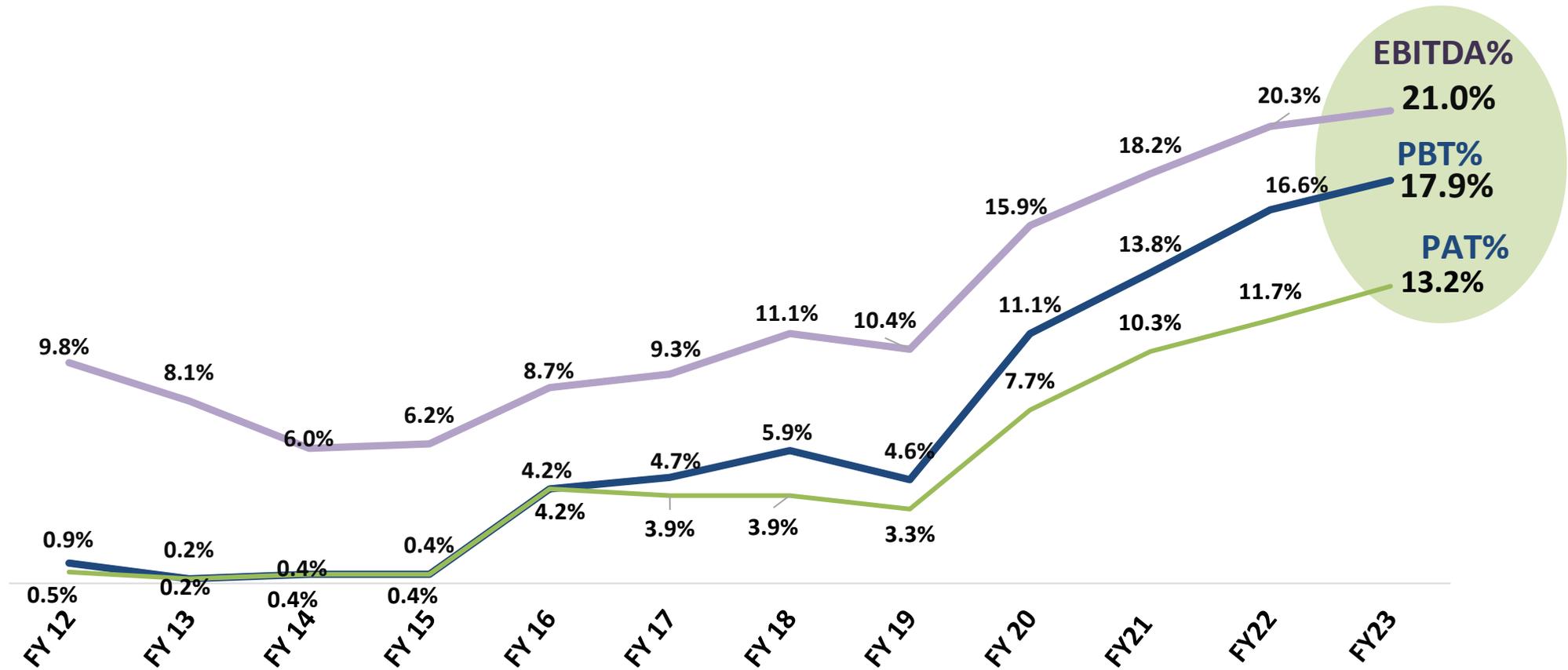


Revenues, PBT, Cashflows: A Trajectory of Strong y-o-y Growth

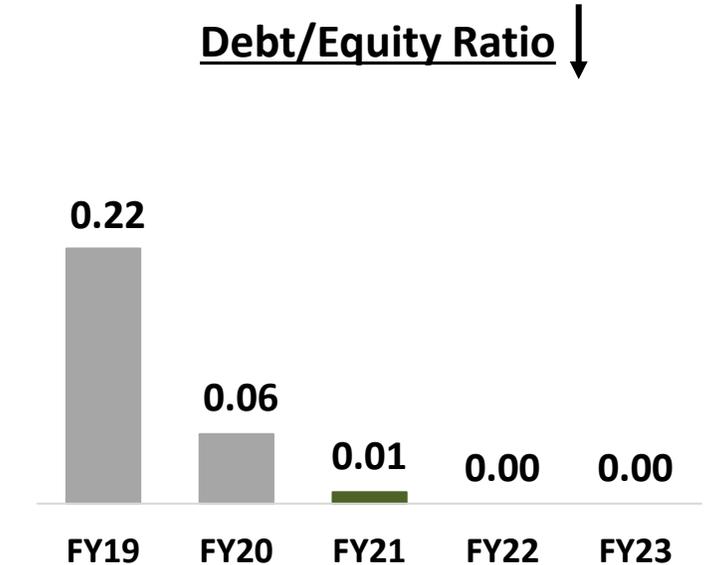
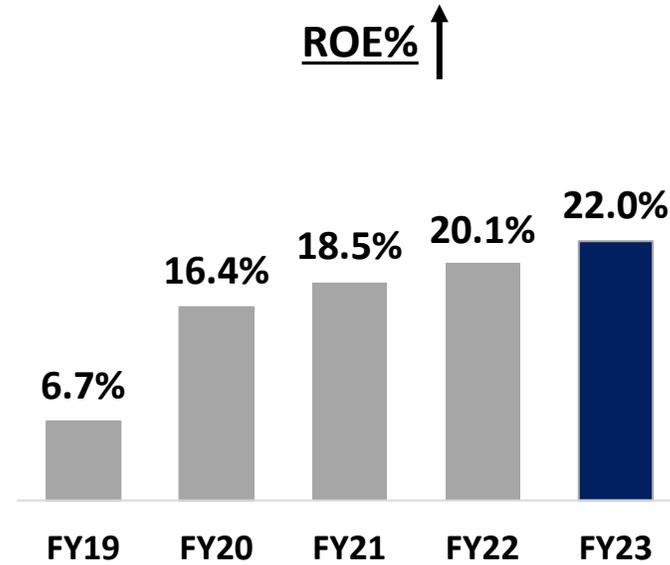
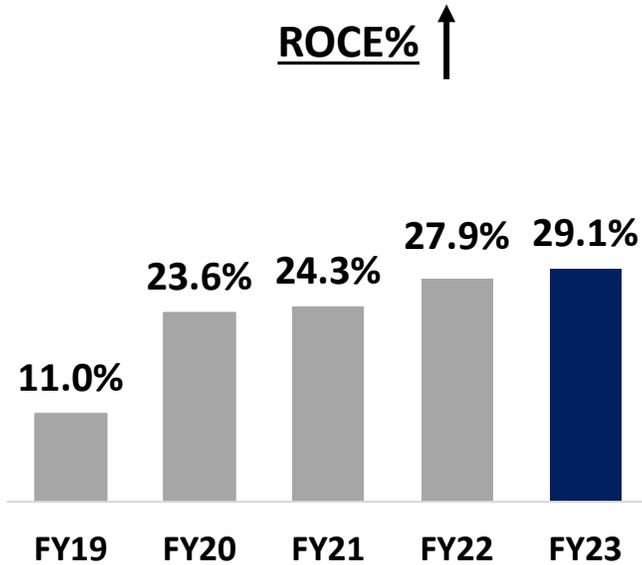


Margins: A Trajectory of y-o-y Expansion despite Market Challenges

EBITDA Margin :10.4% (FY19) to 21.0% (FY23);PBT Margin: 4.6% (FY19) to 17.9% (FY23); PAT Margin: 3.3% (FY19) to 13.2% (FY23)



Key Ratios (ROCE, ROE, D/E) : A Trajectory of y-o-y uptrend

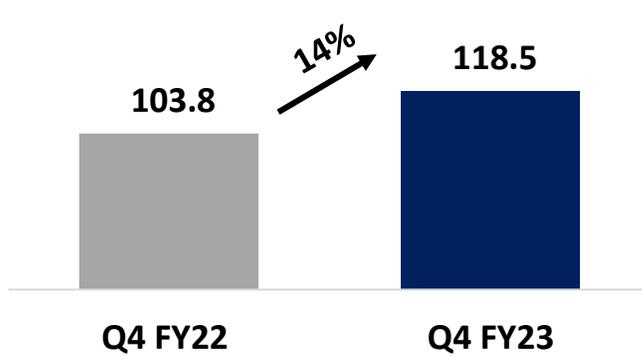


Company continues to remain Debt-free

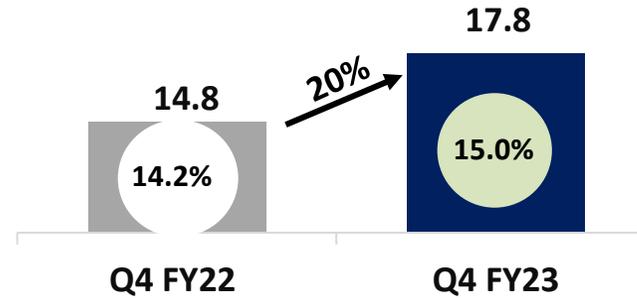
Q4 FY23 : Yet Another Strong Quarter

(All figures in Rs. Crores except EPS in Rs.)

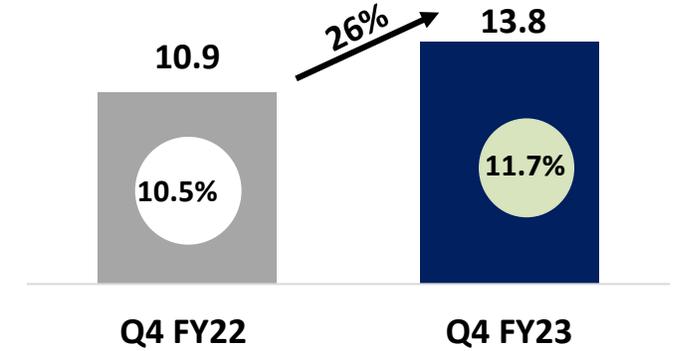
Revenue from Operations ↑



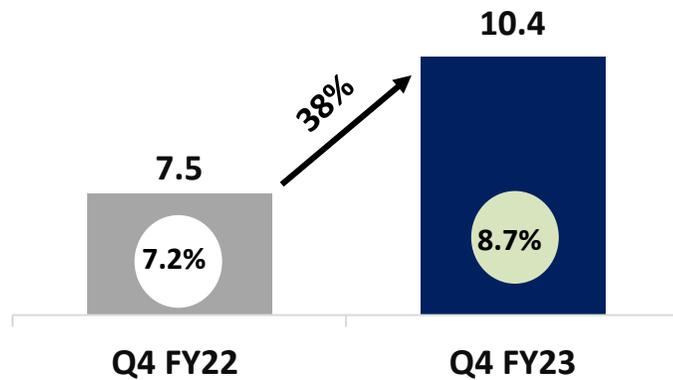
EBITDA & EBITDA Margin



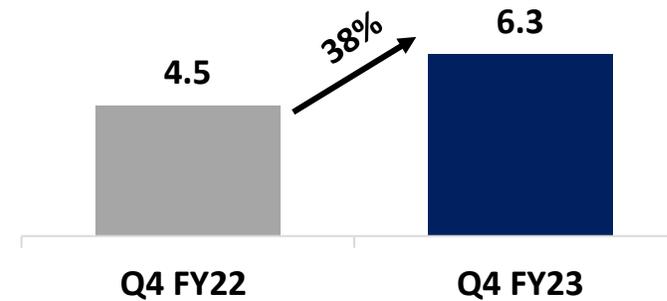
PBT & PBT Margin



PAT & PAT Margin ↑



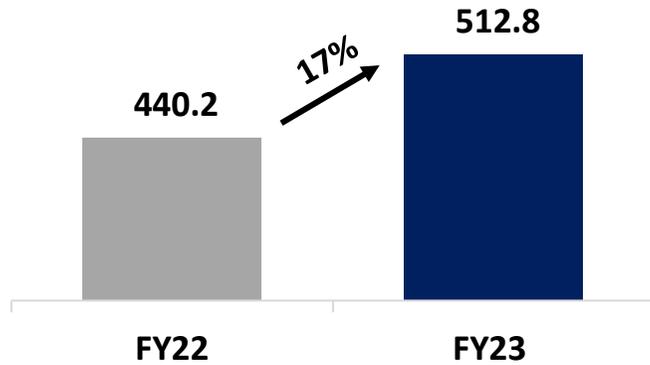
EPS ↑



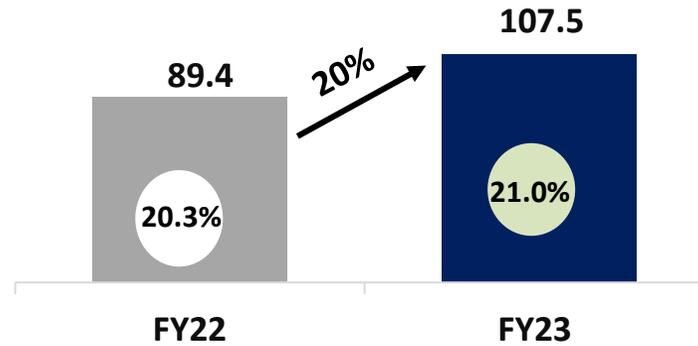
Full Year FY23 : Yet Another Strong Year of Performance

(All figures in Rs. Crores except EPS in Rs.)

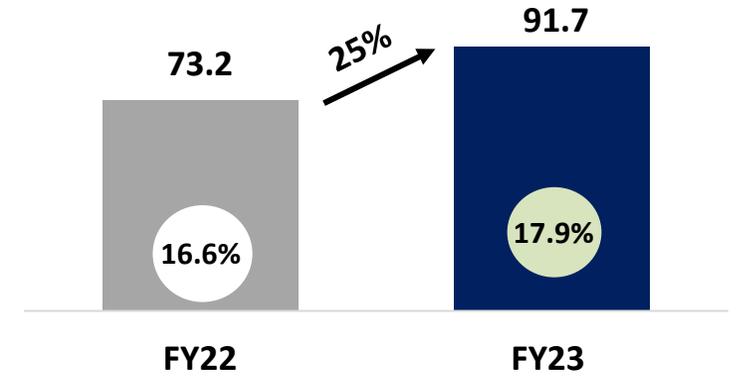
Revenue from Operations ↑



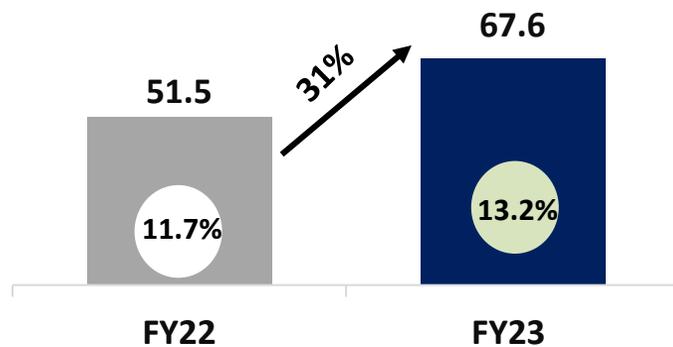
EBITDA & EBITDA Margin ↑



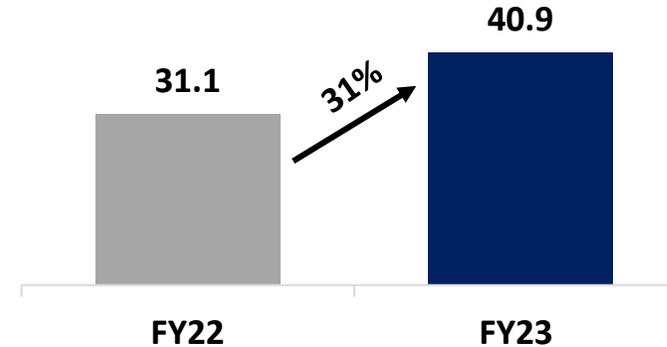
PBT & PBT Margin ↑



PAT & PAT Margin ↑



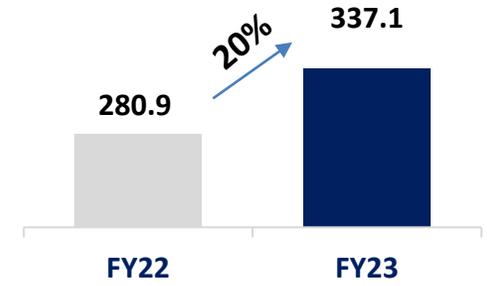
EPS ↑



Business Segment-wise Performance: FY23

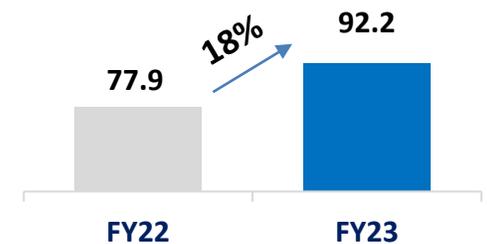
Domestic Formulations (DF)

- **Domestic Formulations contributed 67% to total sales of FY23**
- 20% sales growth majorly driven by legacy products
- Better than market growth
- New products* contribution improving consistently (currently >20%) on account of new launches in Specialty & Chronic segments and line extensions of legacy products
- Salesforce productivity improved to >5.0 Lakhs versus 3.4 Lakhs in earlier years



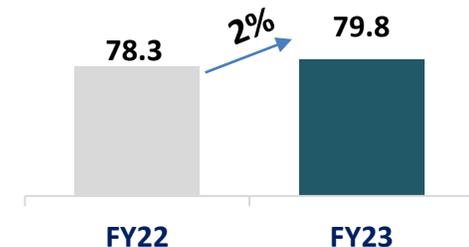
International Formulations (IF)

- **International Formulations contributed 18% to total sales of FY23**
- Robust sales growth of 18%
- New Products/Customers/Markets contribution continues to improve (currently ~30%)



API

- **API contributed 15% to total sales of FY23**
- Modest growth of 2%
- Continuous thrust on new customer development



*Launched FY19 Onwards

Long term rating reaffirmed at A
Short term rating reaffirmed at A1

Outlook on long term rating has been retained as Stable

The rating reaffirmation factors:

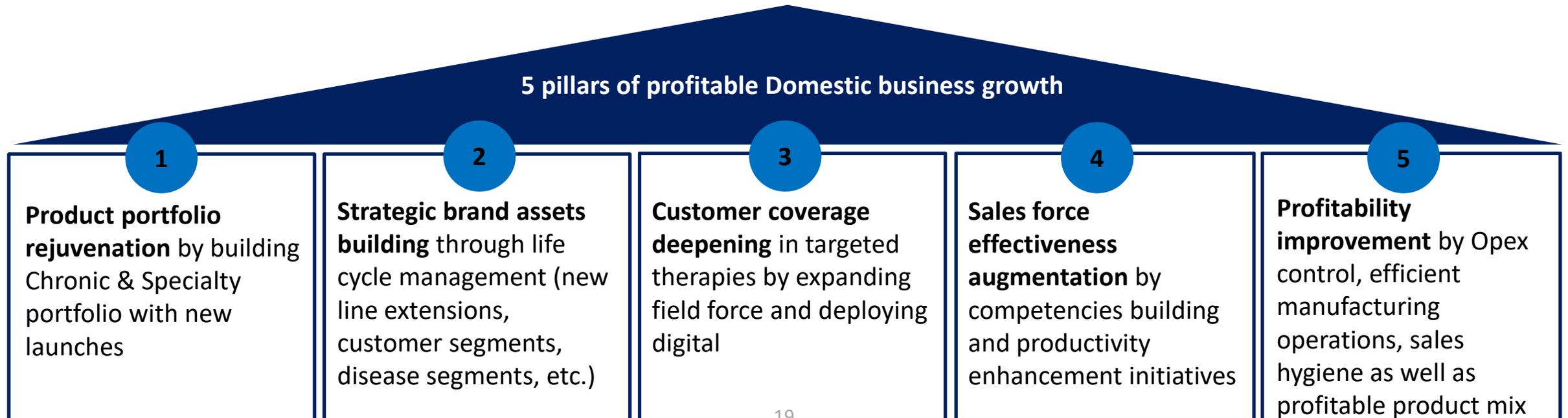
- Strong brands in the Indian Pharmaceutical Industry
- Considerable improvement in the operating performance on the back of
 - Improvement in sales hygiene
 - Cost rationalisation measures adopted since FY20
- A robust capital structure and strong coverage indicators based on
 - Decline in the company's debt levels
 - Healthy cash flows
 - No major debt-funded capital expenditure (capex)
- Expansion of product portfolio and geographical presence augur well for growth prospects

Business Strategy

Domestic Formulations (DF)

- Operating in Mass/Mass-specialty and Specialty segments
- Presence in both Acute & Chronic therapy areas
- Leading Text Book Brands – Azoran, Aldactone, Lomotil, Naprosyn, Serenace, Norpace
- Leading player in Immunosuppressant category
- Good Customer Coverage - Cardiologists, Diabetologists, Urologists, Nephrologists, Rheumatologists, Oncologists
- New Product Launches in New Category – Biosimilars as well as Chronic and Specialty segments

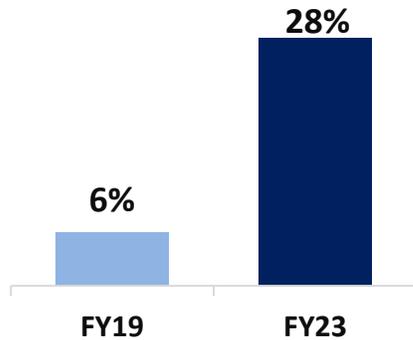
Business Strategy



Diligent implementation of Business Strategy is yielding results

Product portfolio rejuvenation

*New Product Contribution



Strengthening Presence in

- Rheumatology
- Oncology

Augmented Product Basket in

- Cardiology
- Diabetology
- Urology

Strategic brand assets building

Naprosyn+ becomes the first 50 Cr+ Brand Franchise

Thrust on Building Mega Brands with a well-crafted Life Cycle Management Strategy for identified Legacy Brands

Customer coverage deepening

Expansion of Target Customer base by 20,000 since FY19

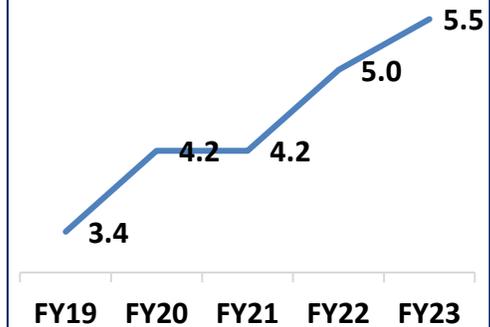
Year-on-Year consistent customer expansion in Target Therapies/ Specialties

Leveraging Digital to increase customer touchpoints and company/brand recall

Augmentation of Product Basket catering to Target Therapies/Specialties

Sales force effectiveness augmentation

— Monthly Revenue per MR (INR Lakhs)

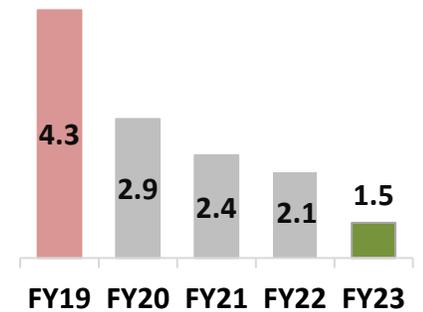


Consistent Productivity increase led by

- Skilling programs
- Productivity-linked Incentive Structure
- Consistent Promo support

Profitability improvement

↓ Sales Expiries (%)



Diligent Management of both OPEX and COGs

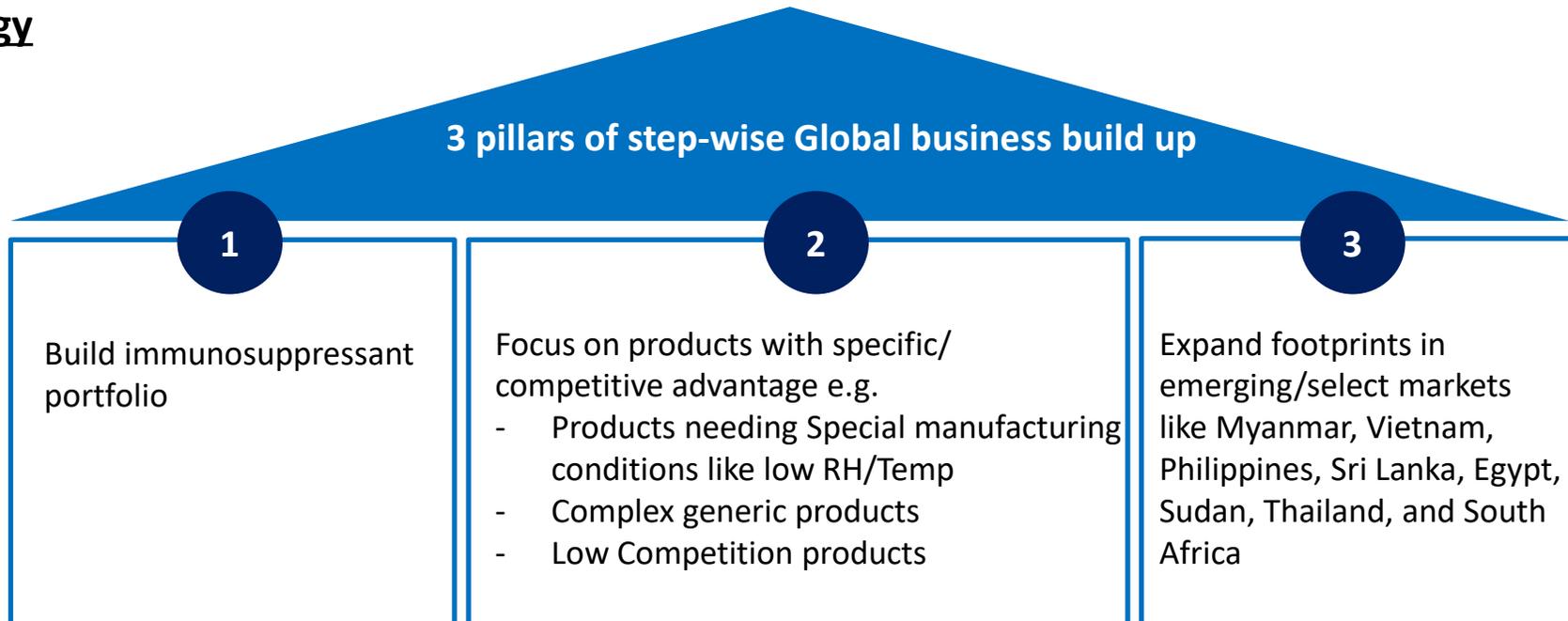
Product Re-engineering

*Launches since FY19

International Formulations (IF) Business: Overview and Strategy

- Strong presence in immunosuppressant segment (Azathioprine)
- Footprints across Regulated and Emerging Markets - Canada, UK, Germany, France, Australia, South East Asia, Africa
- Long lasting, impeccable supply track record and business relationship with some of the leading generic players of the world
- High quality and process orientation making us a preferred partner
- Investments in plant upgradation and capacity expansion

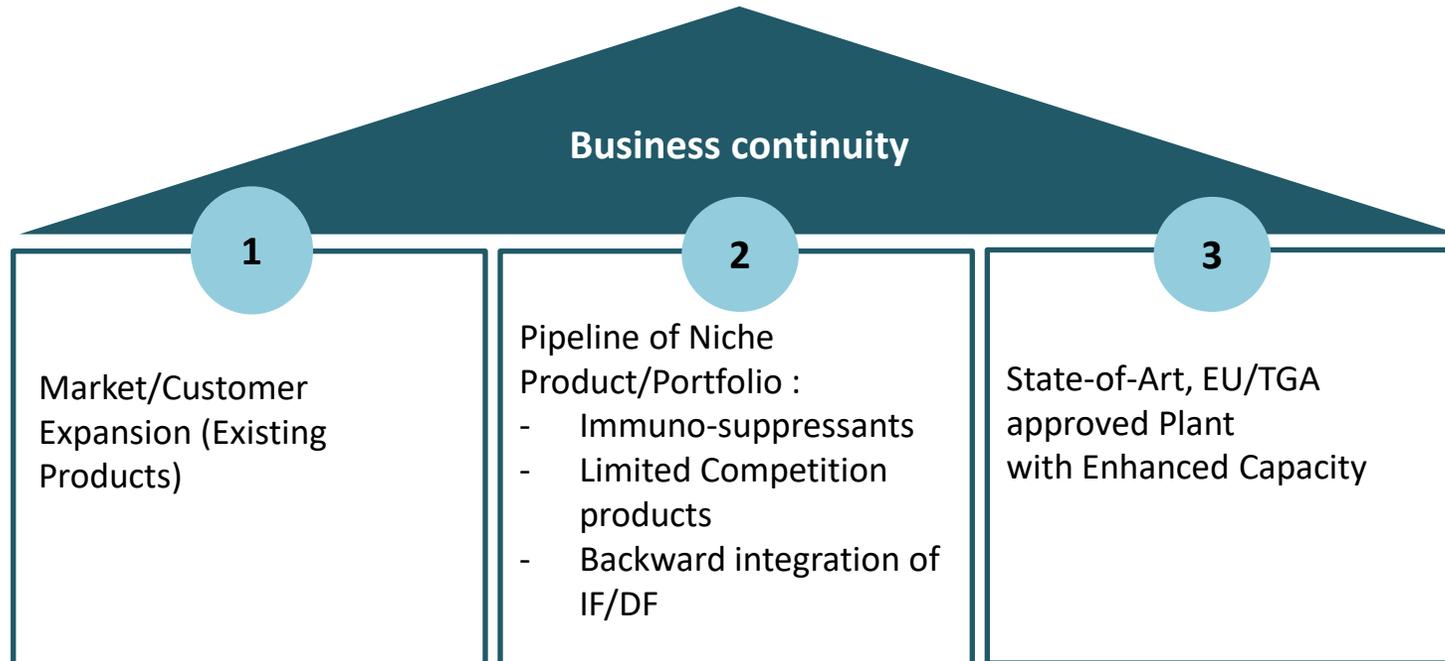
Business Strategy



APIs Business: Business Strategy and Way Forward

- High value, low volume, niche APIs
- Mature stable molecules
- Provides backward integration to International Formulations business
- Footprints across geographies - LATAM, Germany, China, South Korea, Iran, Bangladesh, Egypt, India, etc.
- Strong customer focus – long-lasting relationship with big pharma and leading generic firms.

Business Strategy



Infrastructure & Backend Capabilities

Manufacturing Facilities

Formulations Unit 1, Ankleshwar



- F1 unit caters to the domestic and emerging markets
- Multipurpose plant with dedicated product lines for oral dosage forms including tablets, liquids and powder
- WHO, Kenya, Nigeria approved

Formulations Unit 2, Ankleshwar



- F2 unit caters to the regulated markets
- Dedicated product lines for oral dosage (capsules & tablets)
- Equipped to handle low RH and low temperature conditions products
- WHO, EUGMP (from Hamburg Health authority), Canada, Ethiopia, Kenya, Sudan, Nigeria approved

API Unit, Navi Mumbai



- MF1: Multipurpose unit catering to emerging markets including India
- MF2: Dedicated immunosuppressant facility catering to regulated and emerging markets including India
- MF3: Multipurpose unit catering to regulated and emerging markets including India
- WHO, TGA Australia approved & Written Confirmation (WC) received from CDSCO

Strong Backend Capabilities



Quality

- All **critical SOPs** harmonized through CQA
- **Quarterly internal audit** of all plants by CQA
- All critical deviations, change controls and market complaints investigation approved by CQA



Regulatory

- Well established & evolved Regulatory function catering to **Canada, UK, EU, Australia and emerging markets**
- Expertise of **eCTD submissions**
- Integrated **project management** activities



Formulations R&D

- In addition to Formulations Development of IR, have capabilities to develop **modified release & complex generics**
- **Dossiers gap analysis and fulfilment**
- **Tech transfer/site transfer** activities
- **GLP compliant analytical lab** for Development and Validation of Analytical Methods



Digitalisation Focus Areas

- Quality Management systems : **e-QMS, e-DMS, e-LMS.**
- Access to critical manufacturing equipment through **IRIS scanner**
- All QC instruments attached with **dedicated software and server**
- **All stability chambers with software control**
- Secondary packing Complies with EUFMD requirement for **Track and Trace.**

Operational Highlights

Top 10 Operational Highlights

1	Comprehensive Life Cycle Management Strategy for DF Legacy products yielding results	Legacy Product Naprosyn becomes the first 50 Cr+ Brand of the Company
2	New Product portfolio across identified segments contributing healthy double-digit growth	The New Product Denosumab Sales ~5 Cr in the very first year of Launch
3	New Therapy – Rheumatology becoming formidable	The New Rheumatology Franchise grows to contributing significantly to Specialty Sales
4	Multiple Initiatives expanding Prescriber & Patient base	Medico Marketing Pyramid Digital Marketing Pyramid Disease Education
5	Revenue/Cost optimization projects driving results	Revenue Enhancement: New Products, Customers and Markets Cost Optimization: Strict Opex Control, Digitalization and AVD
6	Digitalisation & Innovation Agenda impacting key areas	“RPGServ” 3.0 grows to 9 versions; Technology upgrades eQMS, eDMS, eLMS for product Quality
7	Factories, R&D, Regulatory modernising up to support Frontend	Key Products Inhouse transfer Modernization of both plants under execution New Products development - WIP
8	Increasing Industry Interface and Performance Recognition	4 Industry Awards Increased Traction in Investor meets and Media Interaction RPG Best Corporate Performance award
9	“Happiness” Initiatives driving Happy Performance focused Culture	Happiness Score increase from 83% (FY21) → 84% (FY22) → 87% (FY23) Ranked #2 amongst RPG group companies
10	Headwinds Management	Diligent Management of Input Costs Increase

Digitalization Initiatives to Transform Business

Game Changer Customer Connect Initiative



Anytime, Anywhere
Doctor Support
Initiative



Industry First
Initiative



Range of Services

>80,000 Key Opinion
Leaders



Employee Connect Initiatives



Digital Platform for comprehensive
Salesforce Operations tracking:
#Customer visits, customer engagement
activities, sales performance analytics etc



HR Chatbot for quick resolution of queries
related to HR process and company policies



A digital platform for **Salesforce Grievance
Redressal**

Initiatives in Plant Operations

e-QMS: Digital platform to track all 6 quality parameters

e-DMS: Digital platform to manage all manufacturing/quality
documents

e-LMS: Digital platform to track training sessions on CGMP

e- Access: Retina scanning for machine access

All above represent Illustrative list of the initiatives

Digitalization Initiatives to Transform Business



Digital Retina Scanner

- Biometric Access with IRIS/ Retina Scanner enables consistency of electronic records and signatures
- Access to only qualified professionals, Batch Management, Recipe Management, Audit logs

Intelligent Chilling Plant Manager

- Implementation of Utility Asset Management Systems with access over IoT, supported by Customized Algorithms for Efficient Monitoring, Control & Analytics

IOT based AHU monitoring system

- Operates Pumps & Chillers according to Operating Hours to maintain equal run time
- Automatically change over Working pump to Standby if Pump fails during operation

Power Management System

- Safe, reliable, efficient, and compliant operation of electrical distribution systems, and connected assets enabling at all times

People Initiatives to build Performance Culture with focus on Happiness

I Feel Valued



You Excel. We Applaud.
Motivation continuum

I Love My Work



RPGLS Heroes
Outperformance
recognition

I am Growing



We Skill. You Grow.
Competency building
continuum



Akanksha
Career development

**High
Happiness
Quotient**

I Live a Purposeful & Balanced Life



**RPGLS Values
Champions**
Living organizational
values

I Feel Connected



**RPGLS Happiness
Forums**
Leadership Connect –
Month & Quarter

I cherish our Culture



**RPGLS Parivar
Tyohar-Utsav
Shrankhla**
Digital RPGLS family
get- together

Initiatives for building a Performance Driven Culture: Glimpses



Skilling



Rewards & Recognition



NAVIGATORS



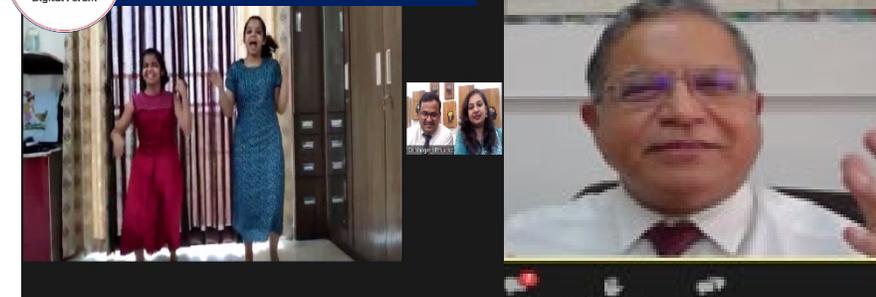
Idea Generation



Employee engagement: Parivar Tyohar Utsav



Employee Connect



Awards & Recognitions

RPG Life Sciences Awarded with 'Jamnalal Bajaj Award for Fair Business Practices'

Jamnallal Bajaj Award for Fair Business Practices (2021-22)



RPG Life Sciences Bagged Top Awards from IDMA

Industry Recognition to RPG Life Sciences

Best Patent Award



Best Corporate Citizen Award



We are Committed to our Transformation Agenda to continue our upward growth trajectory

Revenue Growth

Building Domestic Formulations Business via the identified 5 Pillars

Building Global Business through New Products/Markets/Customers

Formulations and API plants Modernization and Capacity expansion

R&D Pipeline in identified niche areas

New Opportunities : M&A

Profit Growth and Focus on Cashflows

Continued diligent thrust on cost control measures both in Opex and COGS

Product Re-engineering

Process Efficiencies

Strong Governance

All operations within the Framework of strong Corporate Governance

THANK YOU