

Investor Presentation

June 2017



RPG LIFE SCIENCES

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Company Overview

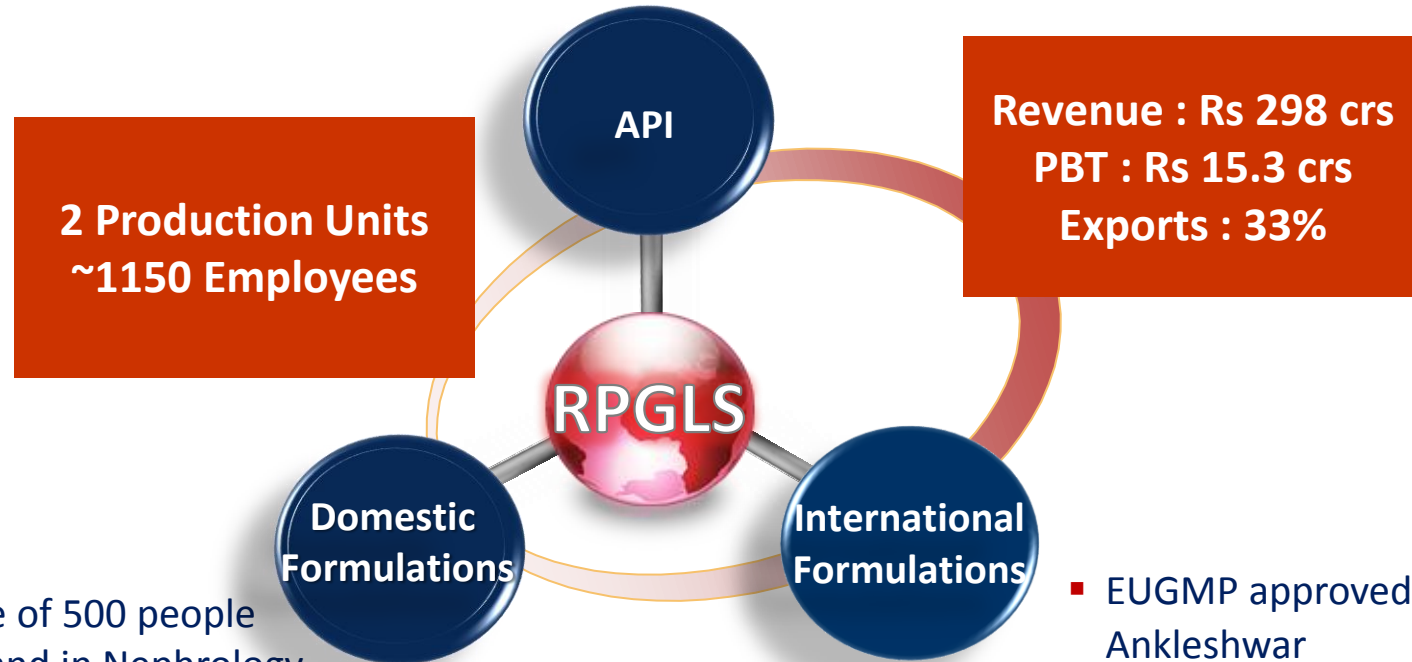
FY 17 Performance Highlights

Strategic Direction

Financials

Business Overview

- Mostly APIs for captive use
- TGA approved unit in Thane
- Revenue: Rs 43 crs



- Field force of 500 people
- Strong brand in Nephrology
- Strong presence in anti-diarrhoeal, antacid, iron-vitamin segments
- Acquired 7 brands from Sun Pharma last year
- Revenue: Rs 184 crs

- EUGMP approved unit in Ankleshwar
- Immuno-suppressant focus
- Europe, Canada, ROW as main markets
- Revenue: Rs 65 crs

Management Team



CT Renganathan
Managing Director



BM Sundaram
*API, Int'l Form &
Nephrocare*



Satesh Singh
*Main Division, Neolife,
Urolife, Glodiance*



Dr Uday Bapat
Chief Technical Officer



Dr Nitin Gore
Chief Quality Officer



Himmat Patel
Formulation Mfg



Kartick Patra
API Manufacturing



Suchitra Tiwari
Regulatory Affairs



Mahesh Narayanaswamy
Finance, IT



Tushar Joshi
HR, Admin

Board of Directors

Name	Experience
Harsh Vardhan Goenka – Chairman	Chairman, RPG Group
CT Renganathan - Managing Director	Ex-GSK India, Boston Scientific and Eli Lilly
Sachin Nandgaonkar - Non Executive Director	Ex-Senior Partner at BCG
CL Jain – Independent Director	Ex-CFO at Hoechst India
Dr Lalit Kanodia – Independent Director	Founder of Datamatics Global Services Limited
Mahesh Gupta – Independent Director	Group Managing Director of Ashok Piramal Group, Ex-CFO of RPG Group & Nicolas Piramal
Manoj Kumar Maheshwari – Independent Director	Ex-Geoffrey Manners, Wyeth Lederle, JF Laboratories
Yugal Sikri – Independent Director	Ex-Ranbaxy, Novartis, RPG Life Sciences
Narendra Ambwani – Independent Director	Ex-Johnson & Johnson
Zahabiya Khorakiwala – Independent Director	Managing Director at Wockhardt Hospitals

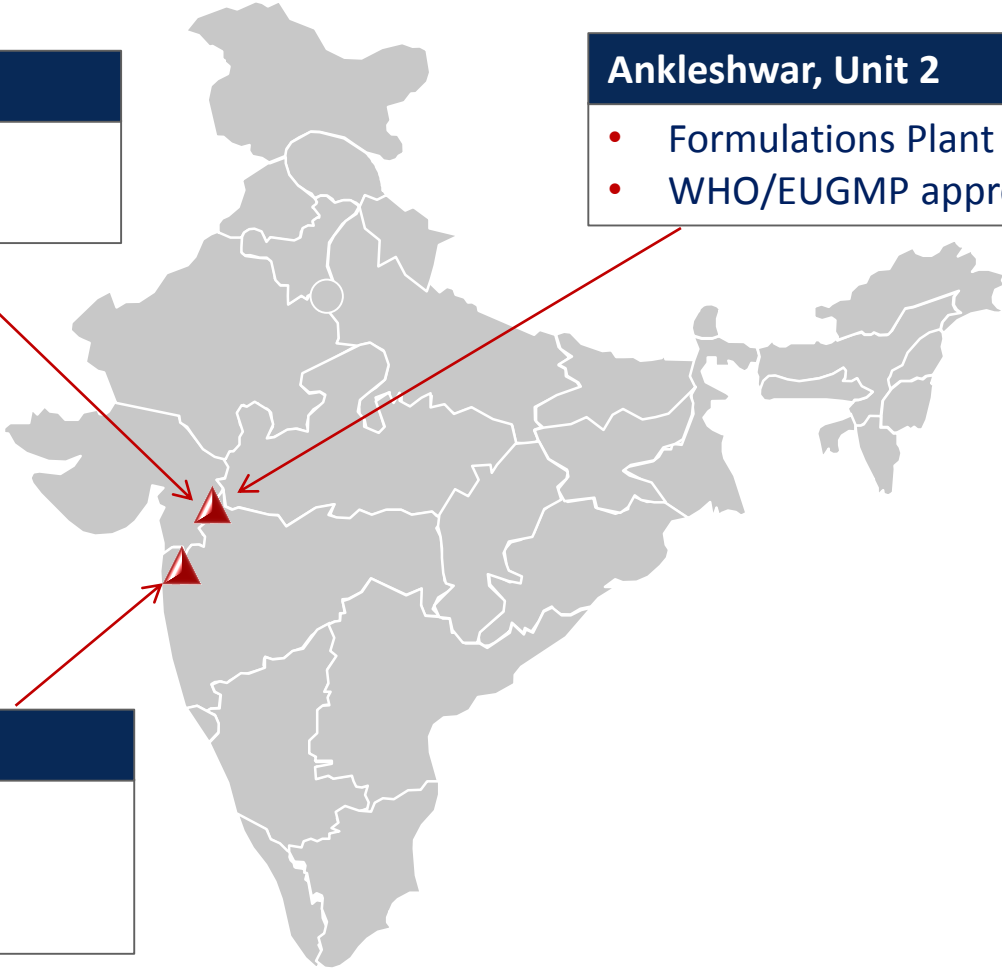
Manufacturing Facilities

Ankleshwar, Unit 1

- Formulations Plant
- WHO approved

Ankleshwar, Unit 2

- Formulations Plant
- WHO/EUGMP approved



Navi Mumbai

- API Plant
- WHO/EUGMP/TGA approved

FY 16-17: Second consecutive year of good results

	FY 14-15	FY 15-16	FY 16-17	
	<i>Results</i>	<i>Results</i>	<i>Results</i>	<i>Growth</i>
Sales	210	251	292	16%
PBT	(2.02)	8.4	13.8	64%
PBT %	(1%)	3.3%	4.7%	+140 bps
EPS	0.60	7	12	76%
Share Price	63-123	140-342	240-449	31%
Market Cap	104-203	232-566	400-741	31%

Note : Sales, PBT figures are excluding bio-tech business for all the 3 years to provide a like-to-like comparison. The published gross results are provided at the end of this presentation

FY 16-17 : Key Updates (1/2)

Business portfolio streamlining

- Biotech business divested
- 7 brands acquired from Sun Pharma to strengthen Domestic Formulation business
- Urology division launched; brands from Sun and additional products
- Strong focus on International formulations; growth of 39%

Improving Financial Performance

- Second consecutive year of good results
- Revenue growth of 16% on a like-to-like basis*
- PBT of 13.77 crs vs 8.39 crs last year; growth of 64%
- Very strong H1 - Weaker H2; bunching of export orders in H1 and portfolio restructuring in H2

* without biotech business

FY 16-17 : Key Updates (2/2)

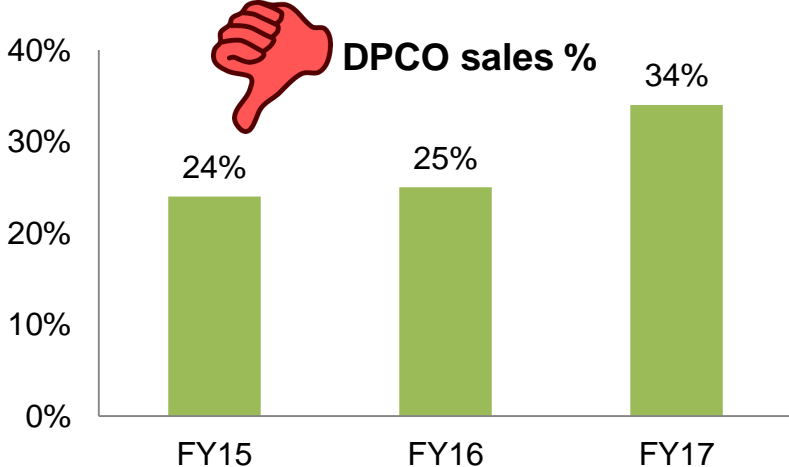
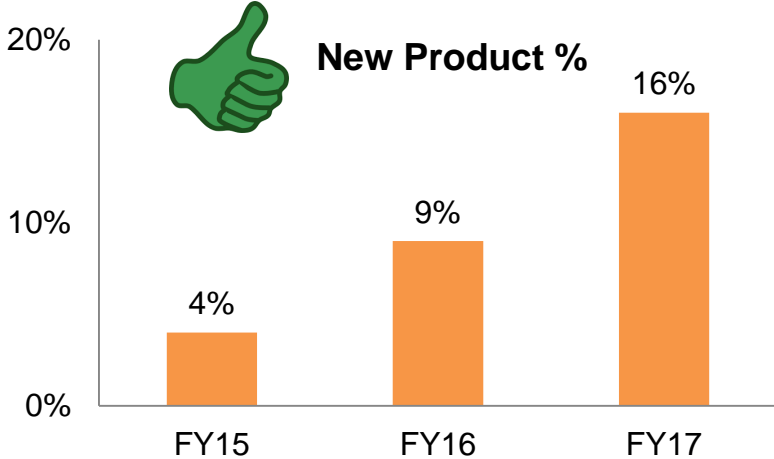
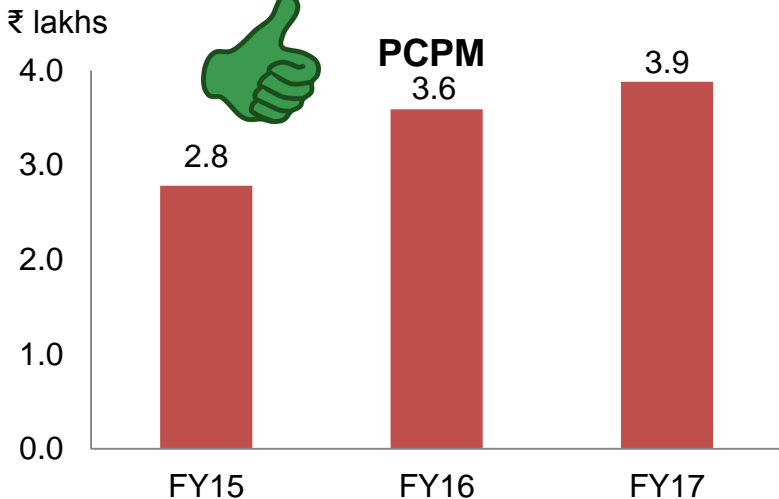
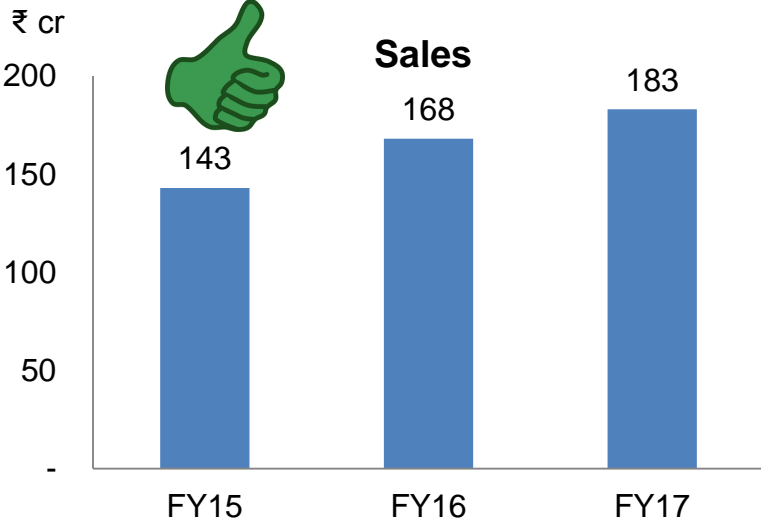
Further strengthening of India Formulations business

- Continue to perform above industry growth
- PCPM improvement to 3.88 lakhs vs 3.59 lakhs last year
- EBIDTA improvement to 15.8 crs vs 12.4 crs last year
- Romilast & Sildura (brands acquired from Sun) gaining momentum

Results showing in International Formulations business

- 39% growth over last year; large contribution by ROW
- 56 new product registrations filed in ROW market (39 to be filed in F18)
- Significant progress on building product portfolio for regulated markets
- 2nd product (Nicorandil) added; UKMHRA approval received; commercialisation from H2 2018
- Intense efforts to get Ankleshwar production unit ready for USFDA audit in 2018

India Formulations : Fundamentals getting stronger



Main Division : Strong consolidation continues

	<i>Rs. Crs</i>			
	FY 14-15	FY 15-16	FY 16-17	YOY%
Sales	86.30	104.5	121.3	+16%
Gross Margin	41.1	54.9	67.9	+24%
<i>as % to Sales</i>	<i>48%</i>	<i>53%</i>	<i>56%</i>	+300 bps
EBIDTA	-5.7	3.2	13.8	+331%
<i>as % to Sales</i>	<i>-7%</i>	<i>3%</i>	<i>11%</i>	+800 bps
PBT	-7.5	1.7	10.6	+523%
<i>as % to Sales</i>	<i>-9%</i>	<i>2%</i>	<i>9%</i>	+700 bps
<i>Other Key Performance Indicators</i>				
PCPM (₹ Lakhs)	1.91	2.53	3.15	+25%
New Product as % to Sales	6%	12%	22%	+10%
DPCO as % to Sales	9%	9%	18%	+9%

Nephro Division : Very profitable, but growth challenged

Rs. Crs

	FY 15	FY 16	FY 17	YOY%
Sales	41.1	47.6	43.6	-8%
Gross Margin	25.2	27.3	25.5	-7%
<i>as % to Sales</i>	<i>61%</i>	<i>57%</i>	<i>58%</i>	+100 bps
EBIDTA	11.5	11.0	10.1	-8%
<i>as % to Sales</i>	<i>28%</i>	<i>23%</i>	<i>23%</i>	-
PBT	10.8	10.3	9.6	-7%
<i>as % to Sales</i>	<i>26%</i>	<i>22%</i>	<i>22%</i>	-
<i>Other Key Performance Indicators</i>				
PCPM (₹ Lakhs)	11.41	16.52	15.15	-8%
New Product as % to Sales	0%	1%	2%	-
DPCO as % to Sales	59%	62%	79%	+27%

Note : Value sales growth impacted as more products came under DPCO; also Azoran which was already in DPCO had a 15% price reduction. Volume sales growth for the division is 11%

Other Divisions: Still early days

Neolife (Oncology)

- Sales at Rs 9.7 cr; lower than LY by 7%
- Declining prices due to very high competitive intensity, large proportion of institutional sales and commodity product basket
- Market growth driven by MABs which is a gap for RPGLS

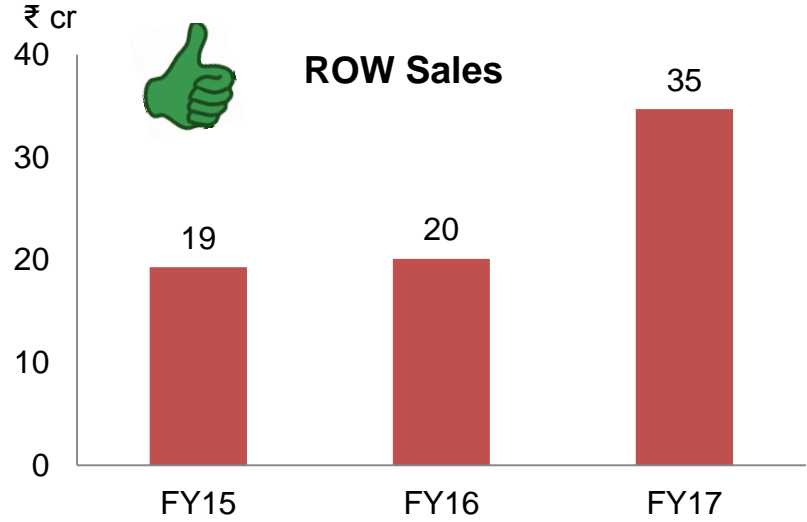
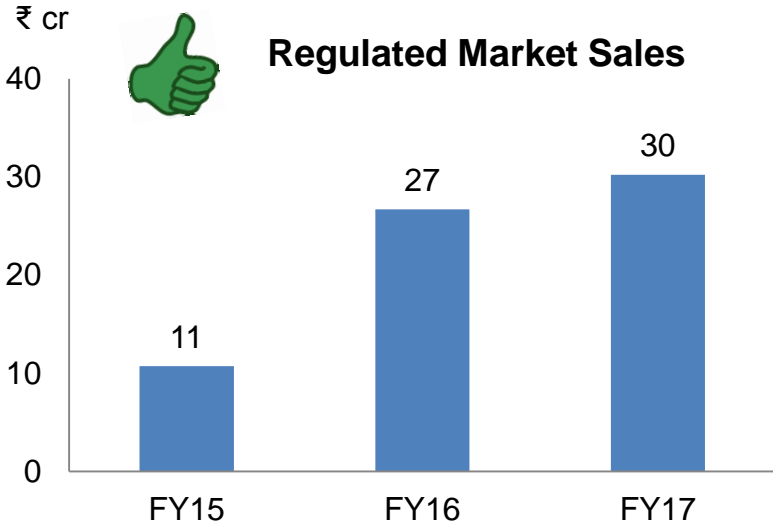
Glodiance (Derma)

- Division sales at Rs 3.1 cr LY; lower than target
- Good first time trial rates of 30+% from targeted doctors
- Low level of repeat prescriptions as some challenges with product efficacy
- High price also a substantial deterrent for repeat use

Urolife (Urology)

- Recently launched in Jan 17 against a platform of acquired brands from Sun
- Sildura and Tamflo would be key products; have good equity with doctors
- Dedicated team of 60 people created
- Other key products introduced to cover therapy spectrum

Int'l Formulations: Growth efforts starting to yield results



- Growth driven by increased orders from existing approvals
- Approval received to manufacture Sertraline & Nicorandil
- First orders expected to be invoiced in Q2 and Q3 respectively

- 100% growth achieved
- Growth driven by Myanmar, Mauritius and Egypt
- 4 to 13 outsourced product registrations filed in 5 countries (balance 5 countries in FY 18)
- Invoicing expected from Q4 FY 18

Regulated Markets: Product Portfolio

Existing Products

- Azathioprine
- Mycophenolate Mofetil
- Nicorandil – EUCTD
- Sertraline (Contract Mfg)

Products Under Development

- Sodium Valproate - EUCTD
- Aminocaproic Acid – ANDA
- Azathioprine – ANDA
- Solefinacin - ANDA



ROW: Increasing market coverage short term focus

Existing Markets	Sales (FY 17 ₹ crs)
Myanmar	12.54
Mauritius	9.63
Egypt	6.29
Kenya	0.89
Vietnam	0.67
Nigeria	0.60
Cambodia	0.10

Markets under development
Honduras
Angola
Nicaragua
Sudan
Ethiopia

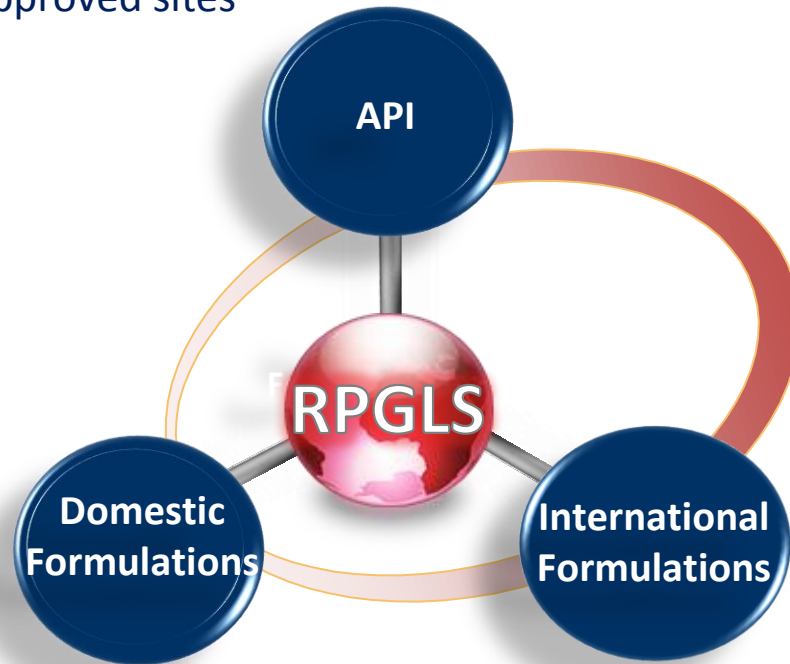
Siloxogene is one of the fastest growing brands in Myanmar

Product expansion through outsourced model



Strategy: No change; continue to be on same path

- Focus : Captive molecules for Global Formulation
- Approach : Own the technology; outsource manufacturing to USFDA approved sites



- Focus : Few therapy areas/ product segments
- Approach : New products & extensions, field-force productivity enhancement

- Focus : Immediate term-ROW; Medium term – Regulated markets
- Approach : Niche products own-NPD; USFDA approval of production unit

Financials : Q4 and Full Year (with Bio-tech)

Parameter	Q4FY16	Q3FY17	Q4FY17	QoQ	YoY	FY16	FY17
Net Sales	68.93	64.66	71.27	10.2%	3.4%	274.71	298.46
Raw Material	22.44	21.67	25.11	15.9%	11.9%	91.44	105.84
Gross margin	46.49	42.99	46.16	7.4%	-0.7%	183.27	192.62
Gross margin %	67.4%	66.5%	64.8%	(170) bps	(260) bps	66.7%	64.5%
Employee	18.22	19.71	21.00	6.5%	15.3%	74.13	77.53
Other Expenses	24.64	20.48	20.72	1.2%	-15.9%	90.27	91.91
EBITDA	5.00	4.67	5.02	7.5%	0.4%	23.48	29.13
EBITDA %	7.3%	7.2%	7.0%	(20) bps	(30) bps	8.5%	9.8%
Finance Cost	0.25	0.97	1.09	12.4%	336.0%	2.49	2.64
Depreciation	2.51	3.26	3.45	5.8%	37.5%	10.15	11.78
Operating PBT	2.24	0.44	0.48	9.1%	78.6%	10.84	14.71
Exceptional income	-	-	-	-	-	-	7.38
Non-Operating income	0.01	0.11	0.12	9.1%	1100.0%	0.78	0.59
PBT	2.25	0.55	0.60	9.1%	73.3%	11.62	22.68
PAT	2.25	0.55	(0.21)	-138.2%	-109.3%	11.62	20.46

Rs.Cr.

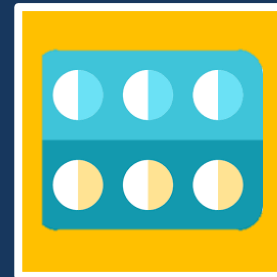
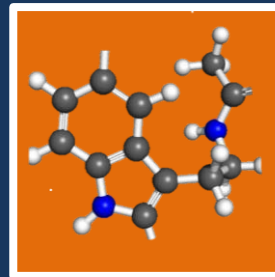
Financials : Q4 and Full Year (without Bio-tech)

Rs.Cr.

Parameter	Q4FY16	Q3FY17	Q4FY17	QoQ	YoY	FY16	FY17
Net Sales	60.59	64.66	71.27	10.2%	17.6%	250.71	292.24
Raw Material	20.57	21.67	25.11	15.9%	22.1%	84.58	104.47
Gross margin	40.02	42.99	46.16	7.4%	15.3%	166.13	187.77
Gross margin %	66.1%	66.5%	64.8%	(170) bps	(130) bps	66.3%	64.3%
Employee	17.07	19.71	21.00	6.5%	23.0%	69.61	76.50
Other Expenses	22.47	20.48	20.72	1.2%	-7.8%	82.22	89.89
EBITDA	1.76	4.67	5.02	7.5%	185.2%	18.77	27.12
EBITDA %	2.9%	7.2%	7.0%	(20) bps	410 bps	7.5%	9.3%
Finance Cost	0.25	0.97	1.09	12.4%	336.0%	2.49	2.64
Depreciation	2.08	3.26	3.45	5.8%	65.9%	8.44	11.31
Operating PBT	(0.57)	0.44	0.48	9.1%	184.2%	7.84	13.17
Exceptional income	-	-	-	-	-	-	7.38
Non-Operating income	0.01	0.11	0.12	9.1%	1100.0%	0.55	0.59
PBT	(0.56)	0.55	0.60	9.1%	207.1%	8.39	21.14
PAT	(0.56)	0.55	(0.21)	-138.2%	62.5%	8.39	18.92

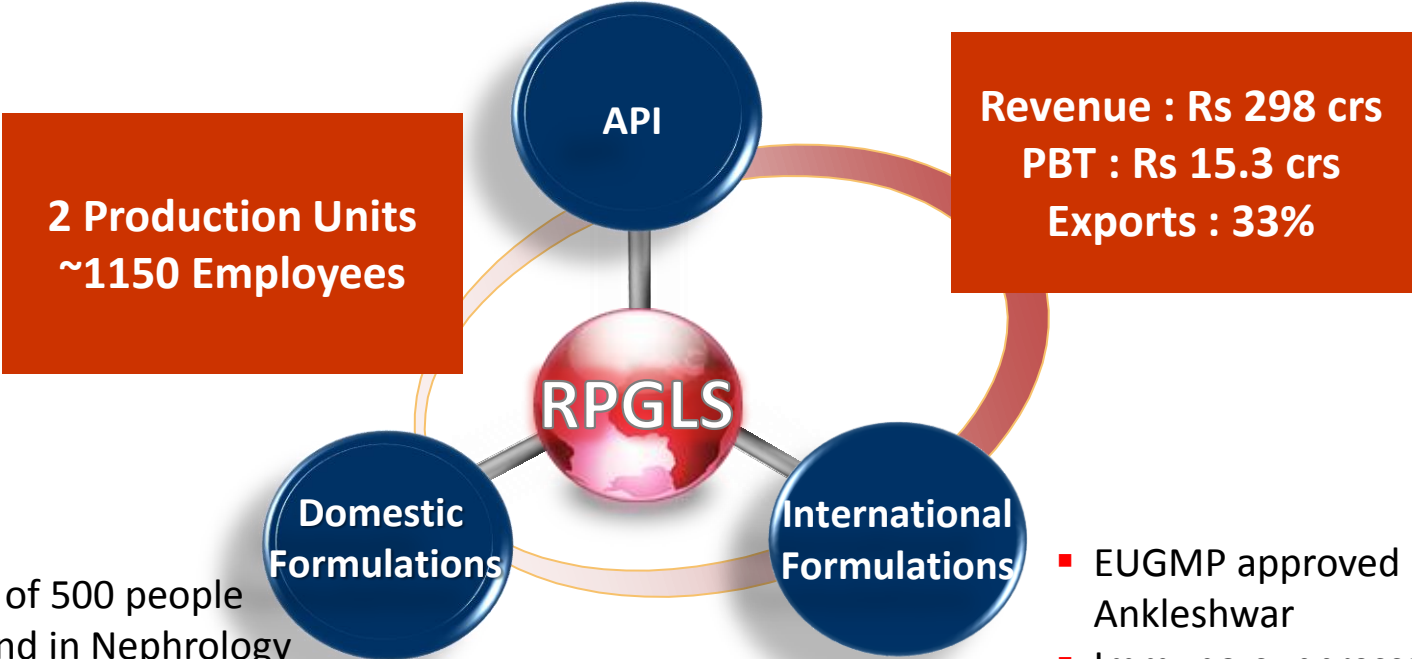
THANK YOU

RPG LIFE SCIENCES LIMITED



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- Revenue: Rs 43 crs



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* *without biotech business*

Key Updates – FY17 (2/2)

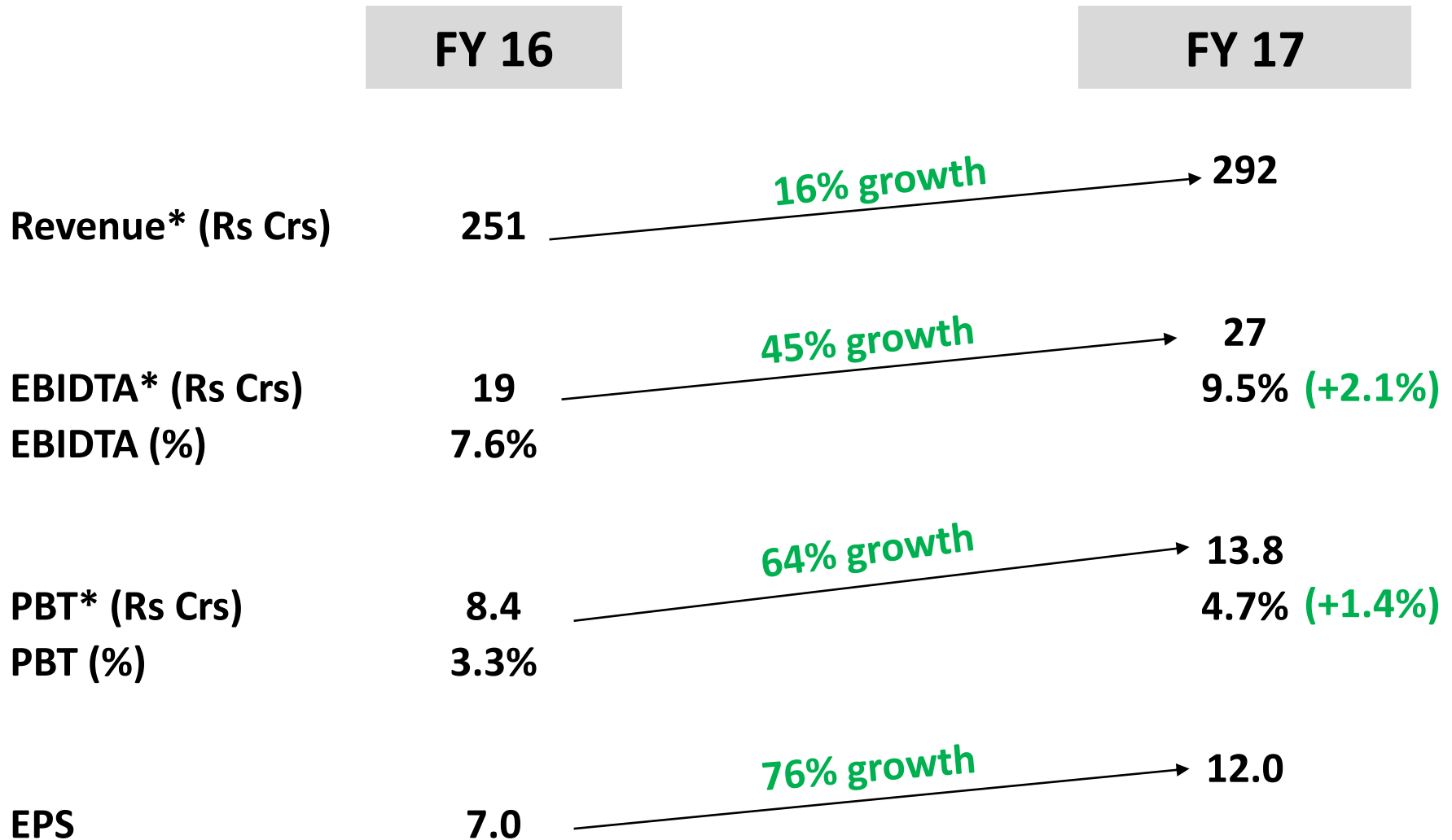
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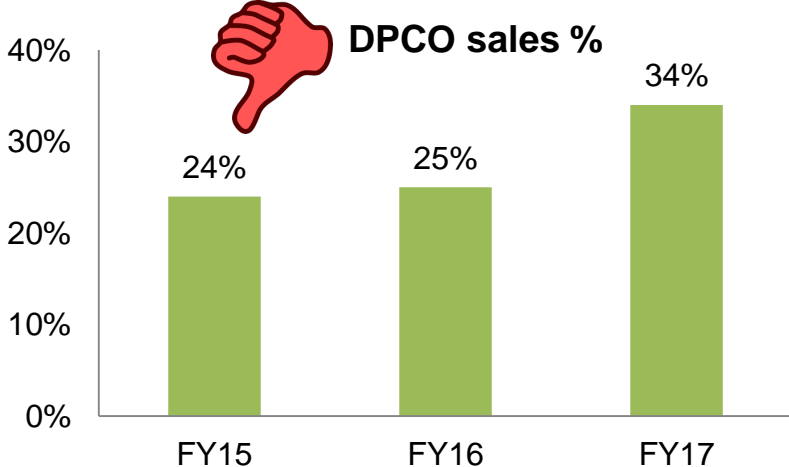
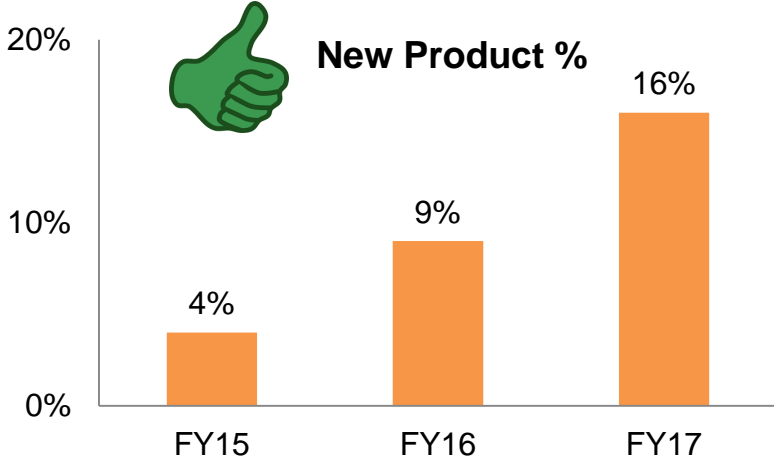
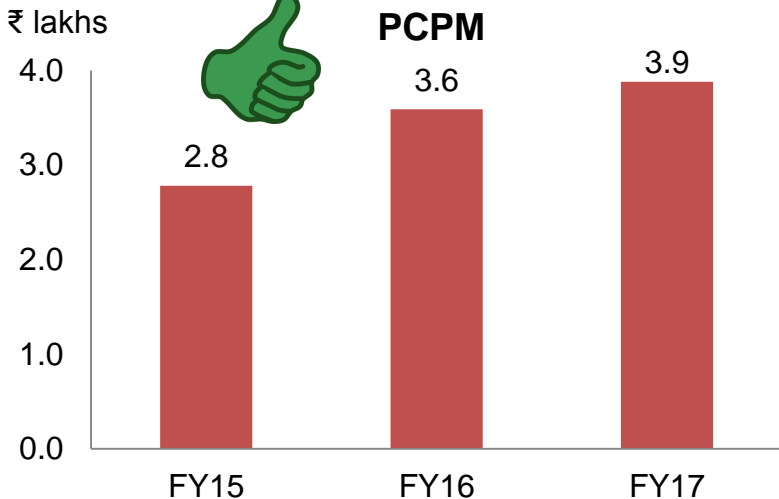
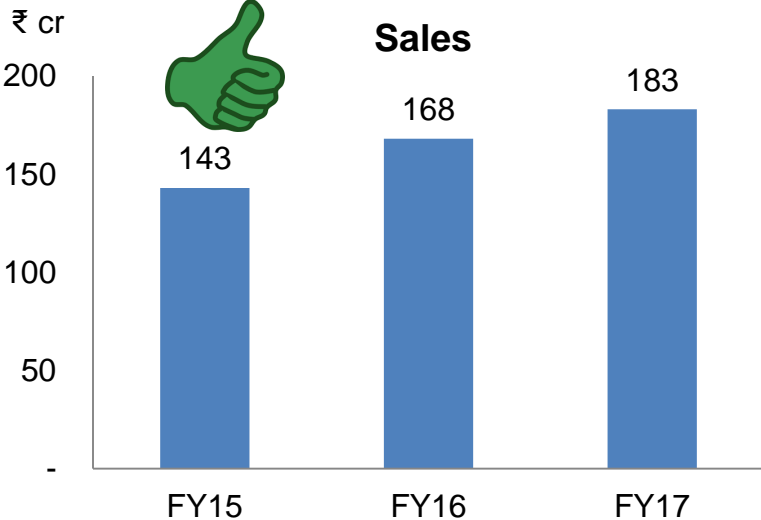
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- Intense efforts to get Ankleshwar production unit ready for USFDA audit in 2018

FY 17 : Improvement trajectory continues



* Excludes revenue from Biotech business

India Formulations : Fundamentals getting stronger



Int'l Formulations : Growth starting to materialize

Customer Approvals

- Apotex (Canada)
- Teva (Europe)
- Tillomed (UK)
- Aqvida (Europe)
- Medac (Germany)

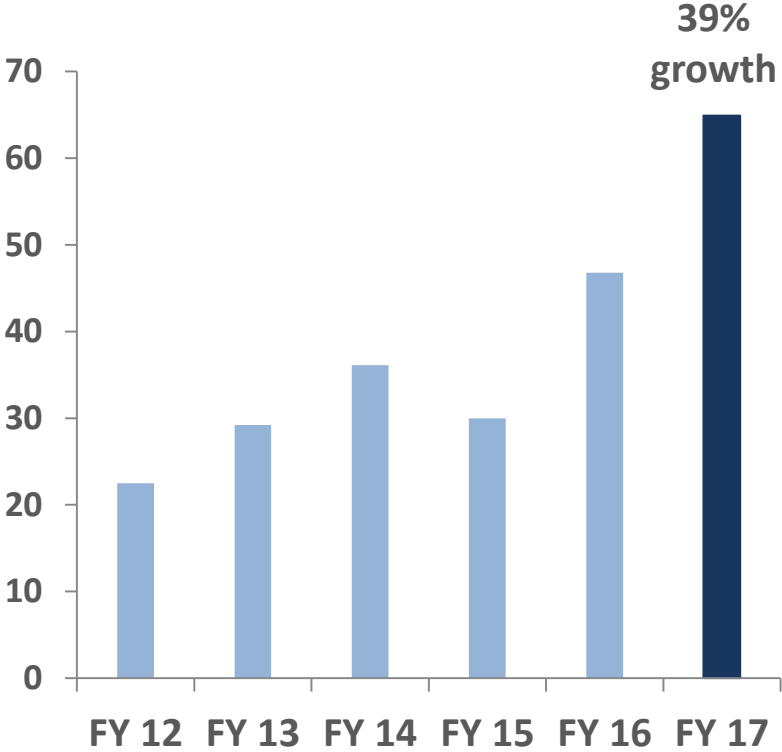
Regulatory Approvals

- EUGMP (Formulation)
- TGA (API)
- Nigeria FDA

Product Lines

- Tablets
- Hard Gel Capsules
- Low RH tablet

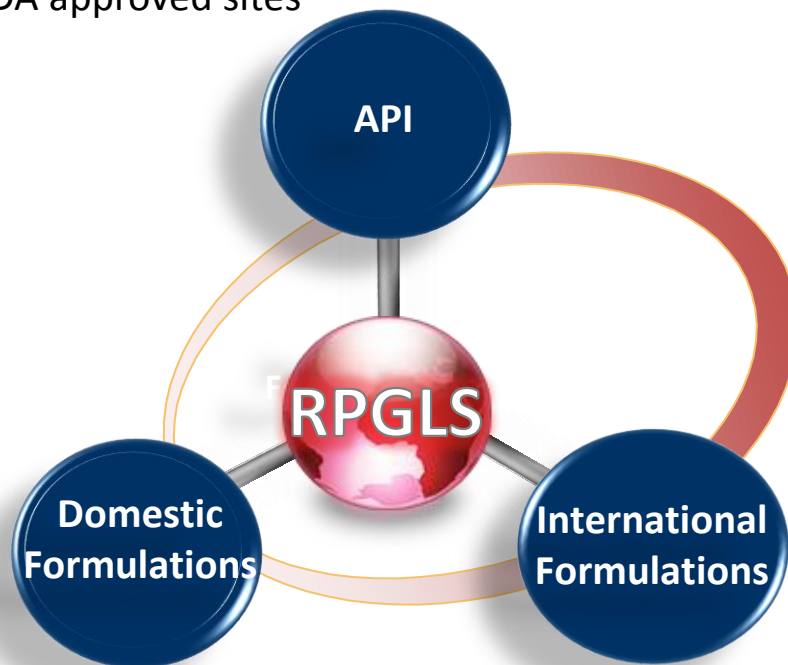
Revenue (Rs cr)



ROW sales grew by almost 100 % in FY 17

Strategy: No change; continue to be on same path

- Focus : Captive molecules for Global Formulation
- Approach : Own the technology; outsource manufacturing to USFDA approved sites



- Focus : Few therapy areas/
product segments
- Approach : New products &
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- Focus : Immediate term-
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T H A N K Y O U