



# Investor Presentation

*Strictly Private & Confidential*

# Company Overview

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# Marksans Pharma Limited (MPL)

- Marksans straddles across key therapy areas and markets its products in both evolving and developed markets
- Core competencies: Formulations manufacturing and marketing

World Class  
Manufacturing Facilities -  
Approved by USFDA,  
UKMHRA Aus TGA and  
Brazilian ANVISA

CRAMS Services  
Utilizing Low Cost  
Manufacturing Base to  
Market Leaders of  
Pharma Industry

Own Front Ends into  
UK/Europe and  
Australia

\* Filed **27 ANDAs**  
\* **150 Approved**  
**Dossiers** for Europe,  
Australia & Canada

More than **500**  
**Approved Dossiers**  
for South East Asia,  
Russia, Ukraine, Middle  
East & West Africa

Rapidly Expanding  
Business Operations in  
the US, UK, ANZ,  
Europe and Canada

- Marksans is focusing on drugs going off patent between 2013 and 2018

# Historical Profit and Loss Account

	(Rs. In crores)	
<b>Particulars</b>	<b>FY2013 (Standalone)</b>	<b>FY2013 (Consolidated)</b>
Sales	192.30	438.42
Other Income	4.17	4.40
Total Income	196.47	442.82
Cost of materials consumed	65.96	135.93
Purchases of Stock-in-Trade	27.55	104.78
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	9.19	12.15
Employee benefits expense	15.39	55.91
Other expenses	29.93	60.25
Miscellaneous Expenditure Writtern Off	0.00	0.00
Total expenditure	148.03	369.02
EBITDA	48.44	73.79
Depreciation	8.70	15.65
Interest	10.13	14.60
PBT	29.61	43.55
Tax	-9.98	-5.28
PAT	39.58	48.83

# Historical Balance Sheet

	(Rs. In crores)	
Particulars	FY2013 (Standalone)	FY2013 (Consolidated)
<b>EQUITY AND LIABILITIES</b>		
Share capital	52.03	52.03
Reserves and surplus	57.95	34.45
Minority Interest	-	6.99
<b>Non-current liabilities</b>		
Long-term borrowings	7.88	7.88
Deferred tax liabilities (Net)	2.22	2.62
<b>Current liabilities</b>		
Short-term borrowings	75.31	113.79
Trade payables	29.86	56.06
Other current liabilities	75.05	108.73
Short-term provisions	9.95	18.70
<b>Total Liabilities</b>	<b>310.25</b>	<b>401.24</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Fixed assets		
(i) Tangible assets	50.29	74.13
(ii) Intangible assets	22.56	81.99
Non-current investments	67.62	
Long-term loans and advances	1.20	1.20
<b>Current assets</b>		
Inventories	51.32	77.69
Trade receivables	91.42	131.31
Cash and cash equivalents	0.41	15.88
Short-term loans and advances	25.43	19.04
Other current assets- Miscellaneous expenditure		
<b>Total Assets</b>	<b>310.25</b>	<b>401.24</b>

# Shareholding Pattern

Name of the Shareholder	No. of shares held	% holding
Promoters	197307732	51.21
Foreign Institutional Investors	1117391	0.29
Body Corporate	28127426	7.3
Individuals & Others	158754655	41.2
<b>Total</b>	<b>385307204</b>	<b>100</b>

# The Promoters

- The Company was established by Mr. Mark Saldanha, a first generation entrepreneur, with the vision to develop a global pharmaceutical company.
- MPL is rapidly progressing and expanding under his dynamic leadership.



**Mark Saldanha**

Managing Director & CEO

Mr. Saldanha has more than two decades of experience in production, marketing and finance functions of the company, and is well versed with overall management of the company.

Before promoting this venture, Mr. Mark Saldanha held the position of whole time Director at Glenmark Pharmaceuticals Ltd.

The Promoter is currently engaged in the Pharmaceutical business only

# State-of-the-Art Manufacturing Facilities



- Marksans **Goa Manufacturing Facility** – one of the **largest in Asia** for soft gelatin capsules and tablets
- Multi-purpose **UK MHRA licenced facility at Southport UK**



Accredited & Approved by



# Manufacturing Facilities – Goa

- International Standards adhering to Stringent Quality Norms
- World Class Manufacturing Capabilities catering to Formulations
- Key Features:
  - 18,000 sq. ft with Scalable Capacity
  - 100% EOU
  - USFDA , UK MHRA, Australian TGA approved
  - One of the Largest Manufacturing Facility in Asia for soft gelatin capsules and tablets
  - Fully Automated Packing Operations
  - R&D centre with three divisions :DSIR approved
    - Formulation Development
    - Devising Analytical Methods
    - Conducting Stability Studies

# Product Portfolio



# Strengths

Global Presence

World-Class  
Manufacturing  
Facilities with  
Scalable Capacities

Low Cost  
Manufacturing Base

Strong R&D,  
Dossier  
Development  
Capabilities

Tie Ups with  
Market Leaders

Preferred  
Outsourcing Partner

Wider Product  
Basket (OTC to Rx)

CRAMS for  
US/Global Markets

US FDA, UK  
MHRA, Australian  
TGA & Brazilian  
ANVISA Approved

Own Front Ends  
into UK/Europe &  
Australia

125+ Product IPs in  
Regulated Markets )

500+ Product IPs in  
Semi-Regulated  
Markets

# Strategy & Growth Initiatives

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# Growth Strategy

## MARKSANS PHARMA GROWTH STRATEGIES

**ORGANIC  
GROWTH STRATEGY**

**IN-ORGANIC  
GROWTH STRATEGY**



# ORGANIC GROWTH STRATEGIES

## Market Share Growth

- Strengthen and expand current core businesses (Formulations)
- Product expansion, channel expansion and sales effectiveness

## Market Leveraged Growth

- Increasing ANDAs pipeline by increasing R&D Capabilities
- Expand offshore market penetration
- Out-licensing opportunities
- New geographies, new customers, new channels

## Customer Leveraged Growth

- New opportunity evaluation and development
- Creating options for future businesses
- New Products, new services
- R&D focussed and customer centric initiatives

LOW

HIGH

BUSINESS RISKS AND TIME INVOLVED

# INORGANIC GROWTH STRATEGIES

## Acquisitions

- Initiatives already taken in this direction (Relonchem, UK; Bell Healthcare, UK & Nova Pharmaceuticals, Australia)
- Instantly added new brands, products and state-of-the-art manufacturing facilities
- Fresh customer base, addition of new geographical locations
- Economies of scale and integration to operations
- Fresh breath of management skills and talent acquired
- Time-to-market substantially reduced, giving a significant competitive edge

## Strategic Alliance

- Out-licensing ANDAs to increase market penetration
- Combined competitive energies into building competitive advantage & defeating mutual rivals
- Leveraging manufacturing and R&D competencies in India
- Using global front-ends for Marketing
- Leveraging the India Advantage (Low-cost for manufacturing and R&D)

# Key Growth Drivers

- Rapid filing of ANDAs into the US, Europe & emerging markets.
- Expand Contract Research and Manufacturing Services (CRAMS) in the Regulated Markets.
- Acquisitions of growing, profitable pharmaceutical companies and/or products.
- The company has entered into a share purchase agreement with UK's Hale Group to acquire its entire share capital, along with its subsidiary companies:
  - Bell Sons & Co (Druggists) Ltd.
  - Relonchem Ltd.
  - Nova Pharmaceuticals Australasia Pty. Ltd.
- Enter into out-licensing arrangements with Pharma market leaders in the US and Europe to manufacture and market post-patent & off-patent drugs.

# US Market – Post Patent Product Launch Strategy

## Technology Driven Niche Liquid Gel Market

- This market is tapped by select players, thus providing differentiation in crowded generic market
- Innovator Product
  - First to file the product in the US
  - Aiming for Day 1 launch after patent expiry in the US
  - Tie up with one of the largest pharma companies in the US
  - Exclusive supply & marketing arrangement
  - Backed by upfront licensing fees and milestone payments

## Strategies for Targeting the Big Apple

- Target products coming off patent between 2013 and 2018
- Tie ups with multinationals, generic companies and distributors for the distribution of our products in the US
- Remain focused on the development of high-end Rx products for launch in the US
- Commercialize through our own front end and through distribution arrangements with our partners
- Aiming at out-licensing ANDAs to leading Pharma companies.

# Emerging Markets – Current Status and Strategies

- Continue registration of products across geographies, with a focus on markets with high potential
- Emerging markets - one of the major drivers and revenue earners for the company
- Initiated launch of our own brand registration in emerging markets of Africa, Russia, CIS, Sri Lanka and South East Asia
- Product basket covering wide therapeutic changes: - Liquids, Solid Orals.

# Subsidiaries

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# Marksans Pharma UK Ltd

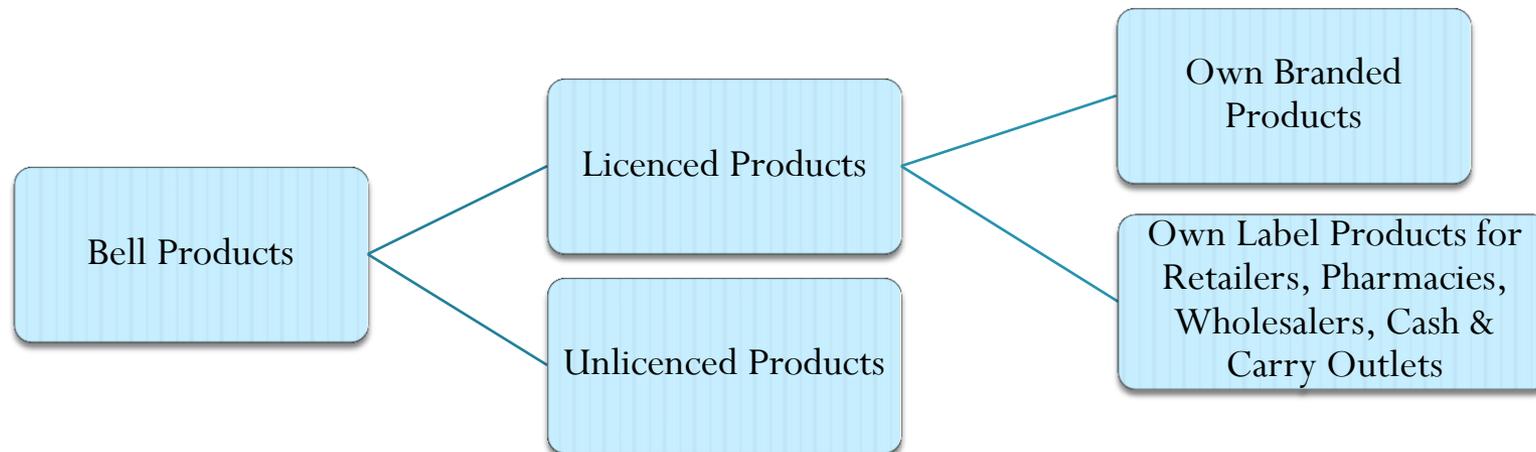
# Introduction

- Marksans Pharma UK Ltd. (“MPL UK”) is the UK-based wholly-owned subsidiary of Marksans Pharma Ltd.
- Registered Office: Widnes, London
- Mergers & Acquisitions:
  - Acquired UK-based pharma company, Hale Group, the parent company of Bell, Sons and Co (Druggists) in January 2008
  - Acquired UK’s leading generic drug marketing and distribution company, Relonchem in August 2008.

**Bell, Sons and Co (Druggists) Ltd.**

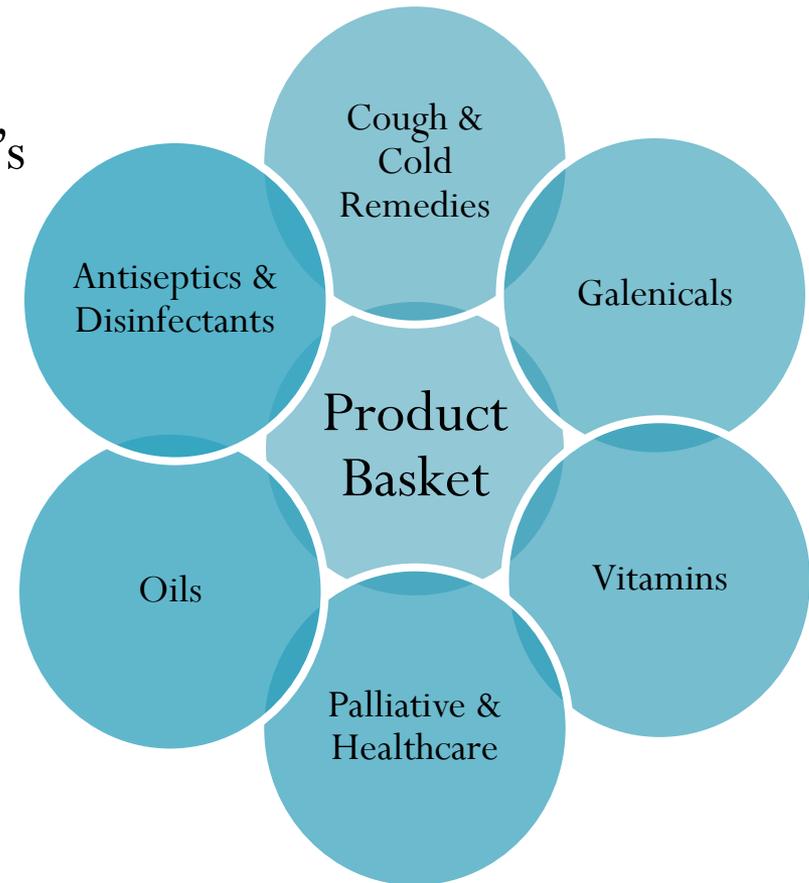
# Introduction

- Bell is a well-established manufacturer of a broad range of OTC pharmaceuticals, approved by the UK MHRA
- Human Resources: 106 people at the freehold licenced manufacturing site at Southport, Merseyside and 12 employees for sales administration, buying and technical support
- Bell's licenced products contribute over 45% of total turnover – currently holds 38 product licences currently registered with MHRA



# Products

- The own label market now accounts for more than 45% of the Company's total turnover
- Comprehensive UK customer base with excellent distribution between retail and wholesale sectors
- Significant and well-established portfolio of export distributors

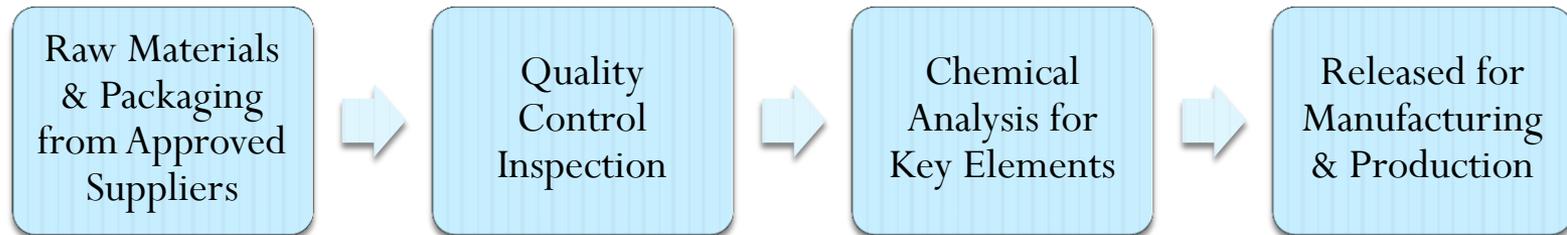


# Export Trade

- Over 80 years of experience in the export market - a network of established distributors for overseas markets
- The Company's brand well-recognised and respected in overseas markets
- Ensuring stability in terms of marketing & price maintenance by providing exclusive distribution rights to distributors, in the country of operation
- Widespread reach in 50+ countries, with principal markets in West Africa and the Middle East
- Export customers provide 1 / 3<sup>rd</sup> of the Company's total sales revenue. The top 10 customers account for 60% of total export turnover and 20% of total Company turnover

# Business Operations

- Supplier and manufacturing process
  - Supplier Approval: Key suppliers are audited covering quality and control procedures
  - Raw materials and packaging components are purchased only from approved suppliers



- Distribution
  - Order carried out by company employees
  - Distribution outsourced to select transport companies
  - Advantages of outsourcing delivery: High degree of flexibility w.r.t size of order and improved level of service

# ...Business Operations

- Product development
  - Product development undertaken by dedicated laboratory technicians in Widnes, Cheshire
  - 16 products at various stages of development;
  - Research undertaken includes:
    - Developing products that complement its product range
    - Formulations for similar goods already in the market
  - It is currently estimated that a new product takes 2 years, from the commencement of development to approval by the MHRA
  - We are adding basket of solid oral dosage form products & soft gels apart from existing liquids & ointments products under Bells.

# Key Attractions

- Well established with Excellent Reputation in the UK and the Export Markets
- Strong Presence in the Own-label Product Market (40% of turnover)
- Potential to Introduce New Product Lines
- Over 30% of Sales to Export Markets
- Consistently Profitable with Good Prospects for Growth
- 38 Product Licences
- Highly Qualified Product Development Team
- Fully Approved by MHRA
- Proficient and Experienced Second Tier Management and Loyal Staff
- Freehold Premises with Room for Expansion

# Upsides Envisaged

- The acquisition will provide Marksans an entry into the branded product category in Europe as Bell has a vast distribution network
- Liquid formulations exports from India is poor. Bell manufacturing facilities can be used for the production of liquid dosages to supply Marksans's current markets
- Synergies and cost savings can be achieved by outsourcing MHRA-approved Bell solid dosages manufacturing to Marksans formulation facilities
- Assistance from Marksans in sourcing raw materials from India
- Product sales across geographies
  - Sale of Bell products through Nova (Australia) and vice versa

Relonchem Ltd.

# Introduction

- Set up in 2002 for licensing, marketing and supply of generic pharmaceutical products in the UK market
- Product manufacturing done in India, ensuring a low cost of goods and a competitive position in the market
- Distribution Partners: Major national distributors like AAH, Unichem and Phoenix, Lyods, Boots Almus and regional wholesalers, NHS
- Primary Focus: Licensing, marketing and supply of generic pharmaceutical products to wholesalers, retailers and hospitals in the UK.
- Plans for out-licensing and providing distribution agreements to generic companies worldwide
- Products encompass most of the therapeutic classes

# Product Registrations

PRODUCT NAME	PACK SIZE	MAGRANTED	Date Of Grant / Application
Lansoprazole 15mg Caps	28		
Lansoprazole 30mg Caps	28		
Lipsore 5% Cream	1	✓	20.10.2005
Lisinopril 2.5 mg Tablets	28	✓	26.06.2004
Lisinopril 5 mg Tablets	28	✓	26.06.2004
Lisinopril 10 mg Tablets	28	✓	26.06.2004
Lisinopril 20 mg Tablets	28	✓	26.06.2004
Metformin 500 mg Tablets	28,84& 500	✓	05.02.2004
Metformin 850 mg	56 & 300	✓	05.02.2004
Mirtazapine 30 mg Tablets	28	✓	14.10.2004
Mirtazapine Smelt 15mg Tablets	30		19.01.2005
Mirtazapine Smelt 30mg Tablets	30		19.01.2005
Mirtazapine Smelt 45mg Tablets	30		19.01.2005
Omeprazole 10mg Capsules	28		30.11.2004
Omeprazole 20mg Capsules	28	✓	17.05.2005
Omeprazole 40mg Capsules	7		30.11.2004
Propranolol 10mg Tablets	28	✓	19.03.2004
Propranolol 40mg Tablets	28	✓	19.03.2004
Propranolol 80mg Tablets	28	✓	19.03.2004
Ranitidine 150mg Tablets	60	✓	25.01.2005
Ranitidine 300mg Tablets	30	✓	25.01.2005
Sertraline 50 mg	28		31.03.2006
Sertraline 100 mg	28		31.03.2006
Sim Vastalin 10 mg Tablets	28	✓	27.04.2004
Sim Vastalin 20 mg Tablets	28	✓	27.04.2004
Sim Vastalin 40 mg Tablets	28	✓	27.04.2004
Sumatriptan 50mg	6 & 12		02.09.2004
Sumatriptan 100mg	6 & 12		02.09.2004
Tamoxifen 10mg Tablets			27.06.2003
Tamoxifen 20mg Tablets	28		27.06.2003
Terbinafine 250 mg Tablets	28	✓	26.02.2005
Tramadol 50mg capsules	100		08.07.2006

# ...Product Registrations

Product Name	Pack Size	Ma Granted	Date of Grant /Application
Lansoprazole 15mg Caps 28	28		
Lansoprazole 30mg Caps	28		
Lipsore 5% Cream	1	✓	20.10.2005
Lisinopri 12.5mg Tablets	28	✓	26.6.2004
Lisinopril 5mg Tablets	28	✓	26.6.2004
Lisinopril 10mg Tablets	28	✓	26.6.2004
Lisinopril 20mg Tablets	28	✓	26.6.2004
Metformin 500mg Tablets	28,84 & 500	✓	5.2.2004
Metformin 850mg	56 & 300	✓	5.2.2004
Mirtazapine 30mg Tablets	28	✓	14.10.2004
Mirtazapine Smelt 15mg Tablets	30		19.01.2005
Mirtazapine Smelt 30mg Tablets	30		19.01.2005
Mirtazapine Smelt 45mg Tablets	30		19.01.2005
Omeprazole 10mg Capsules	28		11/30/2004
Omeprazole 20mg Capsules	28	✓	17.05.2005
Omeprazole 40mg Capsules	7		11/30/2004
Propranolol 10mg Tablets	28	✓	19.3.2004
Propranolo 140mg Tablets	28	✓	19.3.2004
Propranolo 180mg Tablets	28	✓	19.3.2004
Ranitidine 150mg Tablets	60	✓	25.1.2005
Ranitidine 300mg Tablets	30	✓	25.1.2005
Sertraline 50mg	28		31.03.2006
Sertraline 100mg	28		31.03.2006
Simvastatin 10mg Tablets	28	✓	27.4.2004
Simvastatin 20mg Tablets	28	✓	27.4.2004
Simvastatin 40mg Tablets	28	✓	27.4.2004
Sumatriptan 50mg	6 & 12		02.09.2004
Sumatriptan 100mg	6 & 12		02.09.2004
Tamoxifen 10mg Tablets			27.06.2003
Tamoxifen 20mg Tablets	28		27.06.2003
Terbinafine 250mg Tablets	28	✓	26.2.2005
Tramadol 50mg Capsules	100		8/7/2006

# Business Operations

- Sales and distribution
  - Sales and distribution is managed from Southport
  - Price structure is continually reviewed based on market intelligence
  - Excellent relationships with national distributors like AHH and Unichem.
  - Balance sold through regional wholesalers like Sigma and Boots etc, with well-established networks into the retail sector
  - Products also supplied to global generic players like Actavis
- Pricing Strategy
  - Sale price of generic products predominantly dictated by the market
  - Market trends determined through Constant communication with customers
  - Three way agreements with the API vendor and contract manufacturers to ensure a constant presence in the market and to react quickly to upturns in product pricing
  - For Own Label Supply (OLS), the company provides the finished product in customers' own livery and based on the market risk, price is determined

# Key Attractions

- **Marketing and Distribution:**

- Strong sales and marketing expertise
- Supplier to major national distributors, regional distributors and global generic players in the UK

- **Technical and Regulatory Expertise:**

Highly reputable track record for attaining MHRA approval for the manufacturing facilities, complex technical transfers and registration of new developments in Europe

- **Commercial Experience:**

- Management of lifecycle of molecule
- Ability to replicate market share successes and expansion into Europe

# ...Key Attractions

- **People Resources:**

Excellent team, fully integrated with the Indian pharmaceutical market, optimising its management skills to source competitive services for the regulated markets of Europe

- **Strong Product Portfolio and Pipeline:**

- The profitability of Relonchem to date is clear evidence of success in the procurement of product dossiers, distribution and sale of Pharmaceuticals
- 36 commercialized products; 47 granted product licences;
- Relonchem has identified a range of developments in narcotic and dermatological segment

# Upsides Envisaged

- The UK is the second-largest generics market in the European Union, accounting for 26% of the market value.
- UK generics market is one of the world's largest in terms of both size and generic penetration.
- The acquisition will provide Marksans immediate sales and marketing front-end access to the UK generic licensing market of wholesalers, retailers and hospitals.
- Cost-efficiencies can be achieved by transferring Relonchem's UK manufacturing needs to Marksans India operations.

# Nova Pharmaceuticals Australasia Pty. Ltd.

# Introduction

- Nova specialises in the research, development and marketing of high quality generic OTC pharmaceutical products to meet the ever-changing demands of the healthcare environment.
- Nova endeavours to provide premium quality products at the best possible price.
- All Nova products are in compliance with regulations of the Australian Therapeutic Goods Administration(TGA).
- Nova supplies products to the topmost retailers & pharmacies in Australia, like Woolworths Ltd., Coles Mayer Ltd., Aldis, Metcash and Fauldings.

# Key Attractions

- Research-driven specialty pharmaceutical company
- Prominent distributor: presence across leading pharmacies and major chain stores for distribution of generics and OTC products
- Hold 30 MAs, and is one of the largest supplier of generics in Australasia
- Robust operating margins
- Rapidly expanding into key therapeutic areas
- 25 products awaiting TGA approvals

# Upsides Envisaged

- The acquisition will provide Marksans opportunity to differentiate from competitors
- Expansion of presence & activities to New Zealand & Asia
- Partnering for in- or out-licensing, collaborative R&D
- Strategic product development alliances with key customers

**Thank You!**