



Marksans Pharma Ltd.

**Q2 and H1FY23** November-2022

# Investor Presentation

Creating a Global Company

BSE: 524404 | NSE: MARKSANS | ISIN: INE750C01026

©2021 – Marksans Pharma Limited, All Rights Reserved.

# Safe Harbor



Certain statements in this presentation concerning our future growth prospects are forward looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The company's results may be affected by factors including, but not limited to, the risks and uncertainties in pharmaceutical research and development; competitive developments; regulatory actions; the extent and duration of the effects of the COVID-19 pandemic; litigation and investigations; business development transactions; economic conditions; and changes in laws and regulations, including health care reform. The company undertakes no duty to update forward-looking statements except as required by applicable law.

# Table of Content



1. Q2 and H1FY23 Highlight.....	04
2. About the company.....	17
3. Leveraging our key strengths .....	26
4. 2022 and Beyond.....	37
5. Global Overview .....	43
6. Outlook – Key targets for next five years.....	62
7. Marksans - A Compelling Investment.....	65
8. Financial Highlights .....	69
9. Business Structure.....	74
10. ESG.....	75
11. Corporate Governance Philosophy .....	78
12. Experienced Team.....	80



# Q2 and H1FY23 Highlights

# Management Commentary



*"We saw high double-digit growth with robust performance across all our regions, despite a tough operating environment, as we continued investing in our capabilities. Manufacturing and Innovation are our strategic pillars, and we believe the acquisition of capacity from Tevapharm India will provide further fillip to growth. We continue to navigate the challenging environment through our strong execution. Looking ahead, we continue to see growing demand in our OTC segment across the regions, and we are well-positioned to take advantage of these opportunities."*

**Mark Saldanha**

MANAGING DIRECTOR AND CEO



**₹ 452.6 cr**

+25.5%  
(YoY)

Q2FY23 Revenue

**₹ 80.3 cr**

+33.6%  
(YoY)

Q2FY23 EBITDA

**₹60.1 cr**

+29.9%  
(YoY)

Q2FY23 PAT

**₹ 335 cr**

as of September 30, 2022

Cash

# Q2FY23 Highlights

## Operating Revenue

Rs 452.6 cr  
(+25.5% YoY)

## US & North America

(+13.7% YoY)

## UK & Europe

(+32.6% YoY)

## Australia & NZ

(+39% YoY)

## Gross Profit

Rs 229.4 cr  
(+23.4% YoY)  
50.7% margin

## EBITDA

Rs 80.3 cr  
(+33.6% YoY)  
17.7% margin

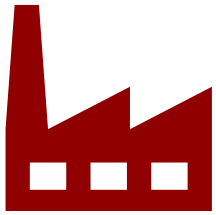
## PAT

Rs 60.1 cr  
(+29.9% YoY)  
12.9% margin

## EPS

Rs 1.52  
(+36.3% YoY)

- Revenue growth driven by continued volume growth and market share gains in the existing products
- High single digits price erosion in the Generic Rx business in US
- Better margins led by operating leverage
- Total R&D Expenditure at ₹9.8 cr., constituting ~2.2% of revenue and expected to increase to ~4-5% over the next few years



## Business

- Acquired manufacturing unit from Tevapharm India
- Taking steps to backward integrate into API manufacturing of our core molecules for captive consumption
- Ongoing buyback, for an aggregate consideration not exceeding Rs 6000 lakhs



## Product Pipeline

- UK: Planned 34 new filings over the next three years, of which 7 are planned in FY23. In addition, 16 products are already filed and awaiting approval
- USA: 32 products are in the pipeline, of which 20 are oral solids and 12 are ointments and creams. Within oral solids, 4 are softgels
- Australia and New Zealand: 10 products are in the pipeline and expected to be launched over the next two years

# H1FY23 Highlights

## Operating Revenue

Rs 886.3 cr  
(+24.8% YoY)

## EBITDA

Rs 153.1 cr  
(+11.4% YoY)  
17.3% margin

## PAT

Rs 120.3 cr  
(+10.5% YoY)

## R&D

Rs 18.7 cr  
(2.1% of sales)

## Cash from Ops.

Rs 97.9 cr  
(+9.8% YoY)

## Capex

Rs 10.1 cr  
(Plan Rs.200cr in 2 yrs)

## Working Capital

116 days

## Net Cash

Rs 335 cr  
(30<sup>th</sup> September 2022)

## Net Debt/EBITDA

-1.1x



# Acquisition of manufacturing capacity from Tevapharm India

Acquisition of capacity from Tevapharm in Goa, India

Scalable capacity with Plan to **double the existing Indian capacity** from 8bn units per annum

Addition to the three existing manufacturing sites in Southport (UK), Farmingdale (US) and Goa (India)

Plan to **manufacture tablets, hard and soft gel capsules, ointments, gummies, creams, etc.**

Manufacturing site is spread across 47,597 square meters  
Approvals to manufacture products from EU, Health Canada & Japanese Health Authority

Continued **supply to Teva's affiliates for certain products at least** until the end of FY23

Transaction expected to be finalized by April 1, 2023, subject to the usual closing conditions

# Quarterly Financial Summary – Profit and Loss Statement



Particulars (₹ cr.)	Q2FY23	Q1FY23	Q2FY22	YoY	QoQ
<b>Operating Revenue</b>	<b>452.6</b>	<b>433.8</b>	<b>361.2</b>	<b>25.5%</b>	<b>4.3%</b>
Gross Profit	229.4	218.9	185.8	23.4%	4.8%
Gross Margin %	50.7%	50.5%	51.5%	-80bps	20bps
<b>EBITDA</b>	<b>80.3</b>	<b>72.9</b>	<b>60.1</b>	<b>33.6%</b>	<b>10.2%</b>
EBITDA Margin %	17.7%	16.8%	16.6%	110bps	90bps
Finance Costs	-2.5	-1.8	-1.5	69.0%	40.9%
Depreciation & Amortization	-14.1	-11.1	-7.4	90.2%	26.4%
Other Income	14.2	16.5	8.6	65.2%	-14.2%
<b>Profit before tax</b>	<b>77.8</b>	<b>76.4</b>	<b>59.8</b>	<b>30.2%</b>	<b>1.8%</b>
Taxes	-17.7	-16.3	-13.5	31.3%	8.9%
<b>Net Profit</b>	<b>60.1</b>	<b>60.2</b>	<b>46.3</b>	<b>29.9%</b>	<b>-0.1%</b>
Net Profit Margin %	12.9%	13.4%	12.5%	40bps	-50bps
<b>Diluted EPS (INR)</b>	<b>1.52</b>	<b>1.46</b>	<b>1.11</b>	<b>36.3%</b>	<b>3.9%</b>

# Half Yearly Financial Summary – Profit and Loss Statement



Particulars (₹ cr.)	H1FY23	H1FY22	YoY
<b>Operating Revenue</b>	<b>886.3</b>	<b>710.2</b>	<b>24.8%</b>
Gross Profit	448.3	372.5	20.4%
Gross Margin %	50.6%	52.5%	-190bps
<b>EBITDA</b>	<b>153.1</b>	<b>137.4</b>	<b>11.4%</b>
EBITDA Margin %	17.3%	19.4%	-210bps
Finance Costs	-4.3	-2.5	75.8%
Depreciation & Amortization	-25.2	-14.9	69.4%
Other Income	30.7	14.5	112.1%
<b>Profit before tax</b>	<b>154.3</b>	<b>134.6</b>	<b>14.6%</b>
Taxes	-34.0	-25.7	32.3%
<b>Net Profit</b>	<b>120.3</b>	<b>108.9</b>	<b>10.5%</b>
Net Profit Margin %	13.1%	15.0%	-190bps
<b>Diluted EPS (INR)</b>	<b>2.99</b>	<b>2.62</b>	<b>14.1%</b>

# Half Yearly Financial Summary – Balancesheet



Marksans Pharma Ltd.



ASSETS (INR cr)	As at 30 Sept 2022	As at 31 March 2022
<b>Non-current assets</b>		
Property, plant and equipment	331.0	341.6
Capital work-in-progress	0.6	0.7
Goodwill	47.6	30.0
Intangible assets	58.0	56.7
Intangible assets under development	1.4	1.9
<b>Financial assets</b>		
Other financial assets	2.9	2.6
Deferred tax assets (net)	-	3.9
Other non-current assets	5.1	1.6
<b>Total non-current assets</b>	<b>446.7</b>	<b>438.9</b>
<b>Current assets</b>		
Inventories	427.7	424.4
<b>Financial Assets</b>		
Investments	0.4	0.4
Trade receivables	405.9	394.8
Cash and cash equivalents	245.2	206.4
Bank balances other than above	89.8	142.9
Other financial assets	7.4	8.4
Other current assets	44.3	20.8
Current tax assets (Net)	0.8	3.1
<b>Total current assets</b>	<b>1,221.5</b>	<b>1,201.2</b>
<b>TOTAL ASSETS</b>	<b>1,668.2</b>	<b>1,640.1</b>

EQUITY AND LIABILITIES (INR cr)	As at 30 Sept 2022	As at 31 March 2022
<b>Equity</b>		
Equity share capital	40.4	40.9
Other equity	1,222.9	1,161.3
Equity attributable to owners of the Company	1,263.3	1,202.3
Non-Controlling interests	19.4	20.7
<b>Total equity</b>	<b>1,282.7</b>	<b>1,223.0</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Lease liabilities	49.7	41.4
Provisions	2.2	1.9
<b>Total non-current liabilities</b>	<b>64.4</b>	<b>60.9</b>
<b>Current liabilities</b>		
Borrowings	39.1	41.3
Lease liabilities	11.6	28.1
Trade payables		
To micro enterprises and small enterprises	24.5	6.7
To other than micro enterprises and small enterprises	104.9	193.3
Other financial liabilities	90.3	65.6
Other current liabilities	23.1	3.1
Provisions	0.5	0.7
Deferred tax liabilities (net)	12.5	17.6
Current tax liabilities (net)	27.2	17.3
<b>Total current liabilities</b>	<b>321.1</b>	<b>356.2</b>
<b>Total liabilities</b>	<b>385.5</b>	<b>417.1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,668.2</b>	<b>1,640.1</b>

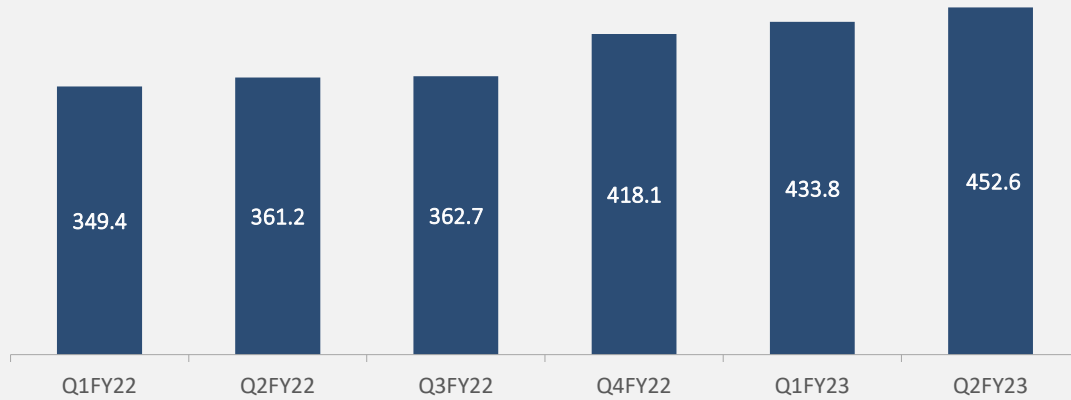
# Quarterly Performance



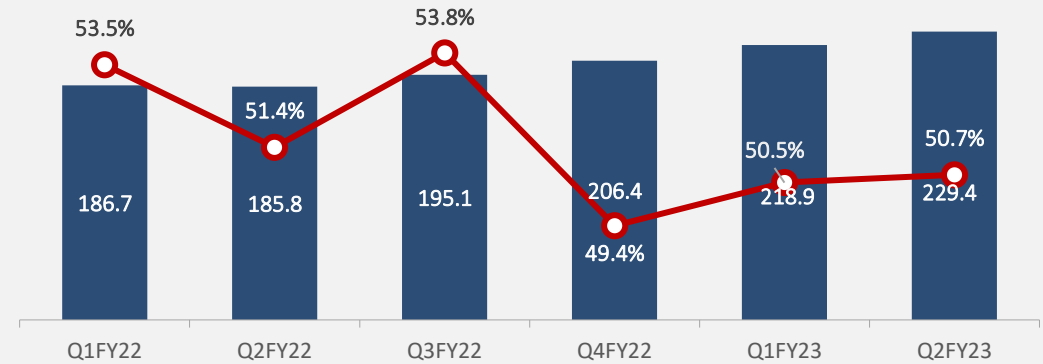
Marsans Pharma Ltd.



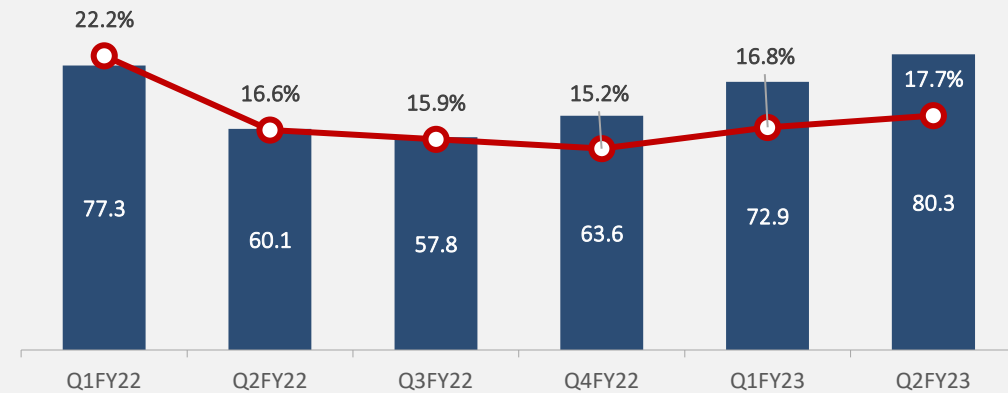
## Operating Revenue (₹ cr.)



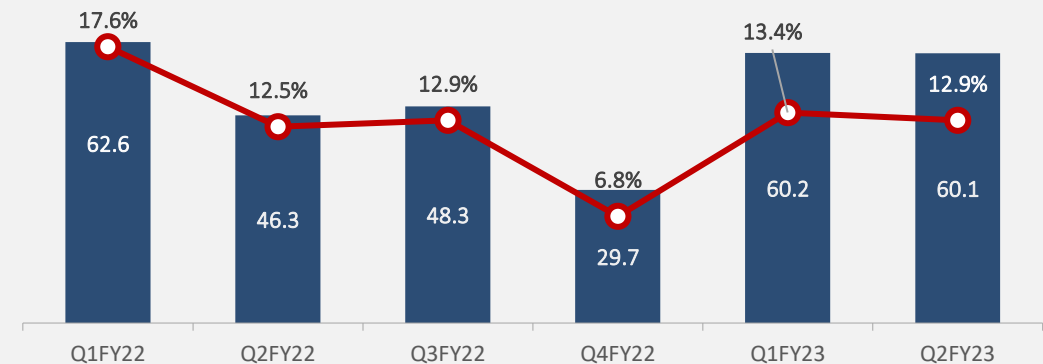
## Gross Profit (₹ cr.) & Gross Profit Margin (%)



## EBITDA (₹ cr.) & EBITDA Margin (%)



## PAT (₹ cr.) & PAT Margin (%)



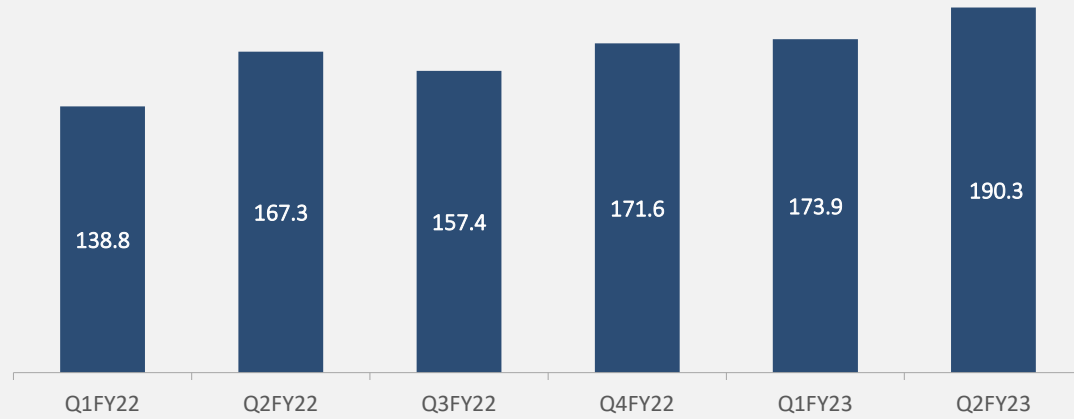
# Operating Revenue - Segmental Split



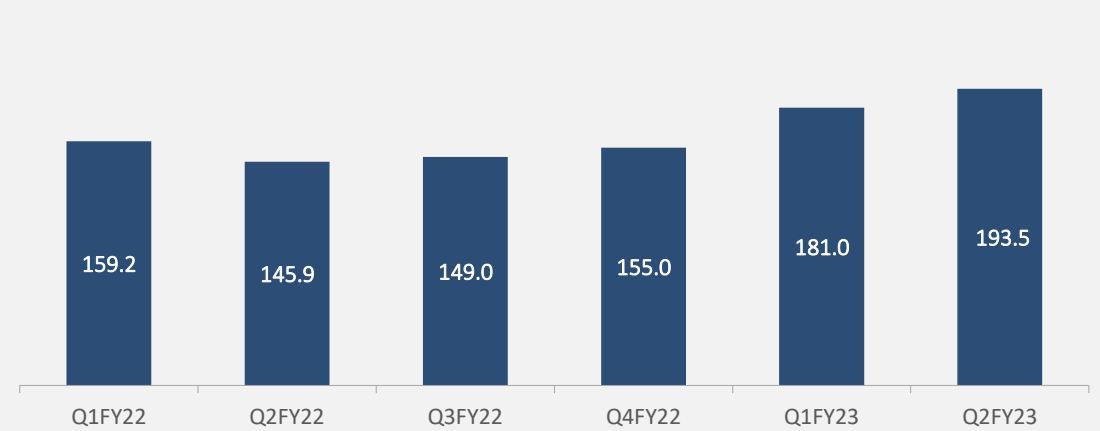
Marksans Pharma Ltd.



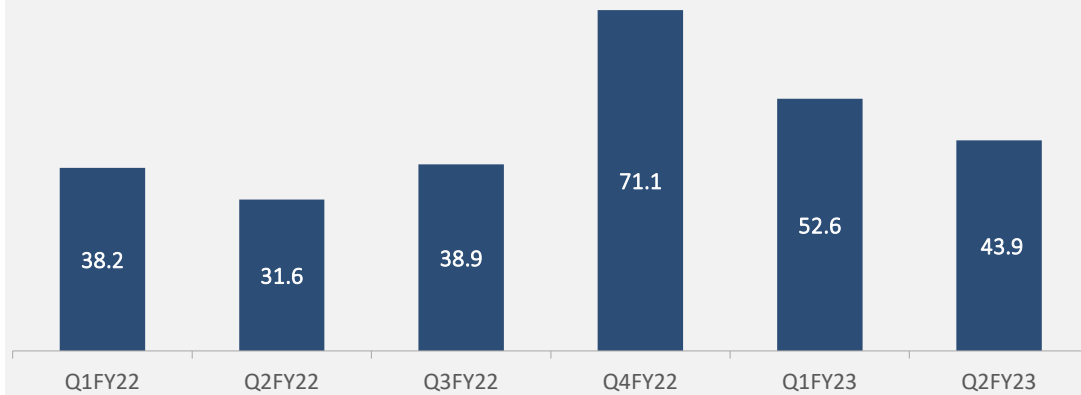
## US & North America (₹ cr.)



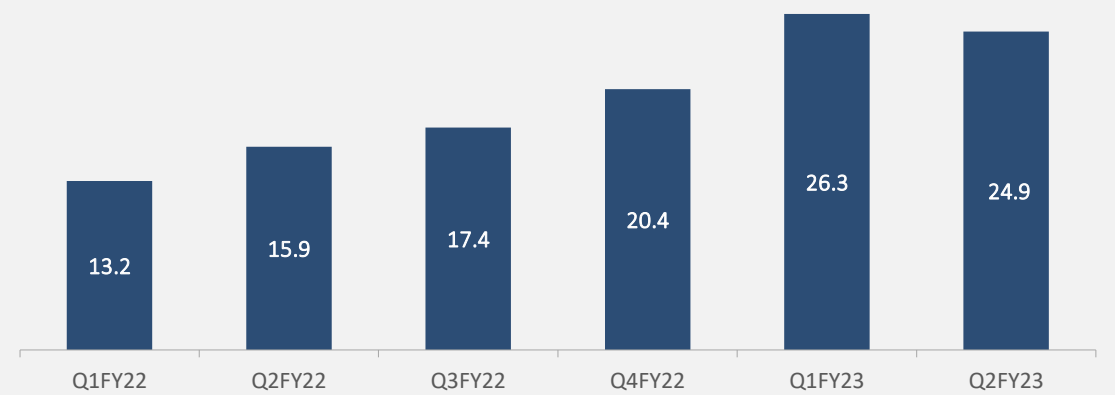
## Europe and UK (₹ cr.)



## Australia and New Zealand (₹ cr.)



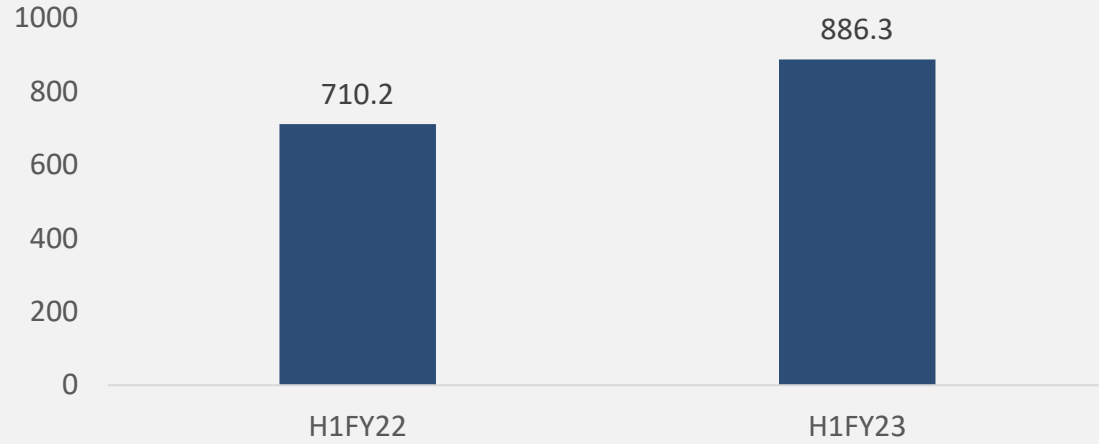
## Rest of the World (₹ cr.)



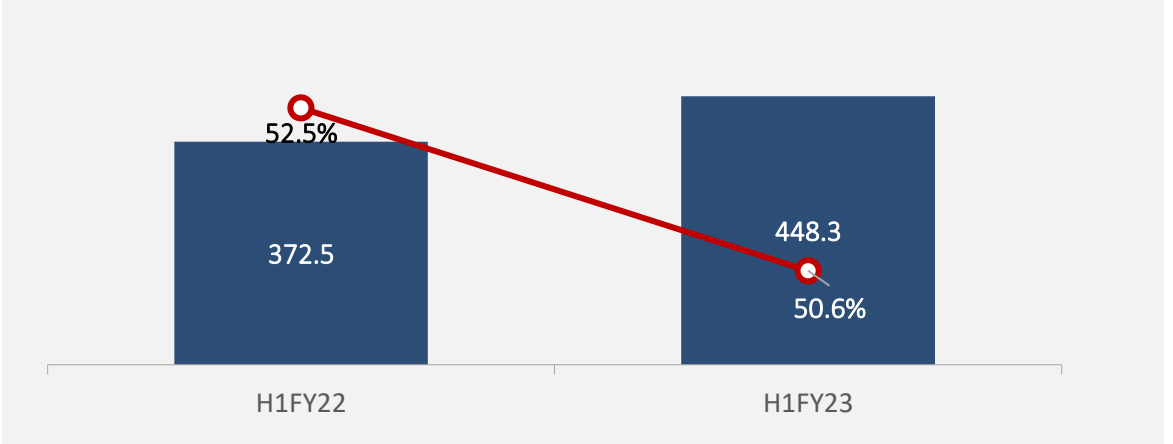
# Half Yearly Performance



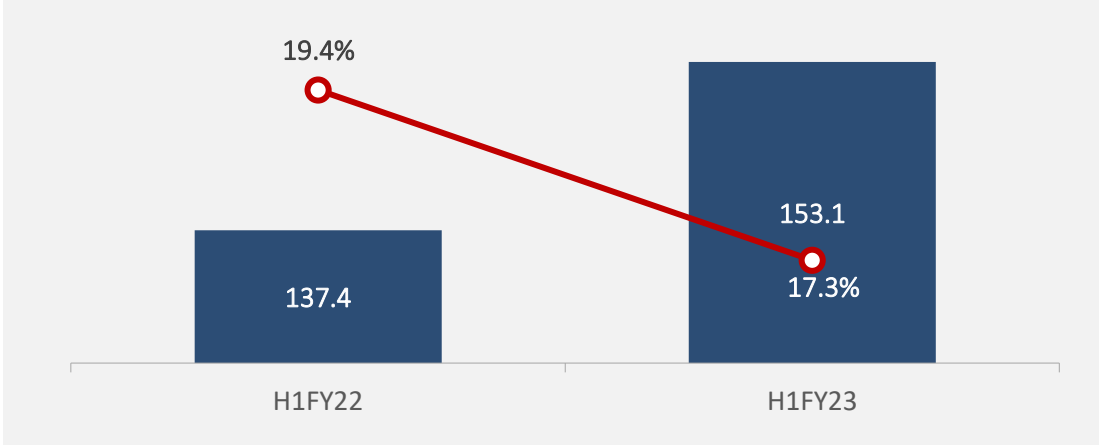
## Operating Revenue (₹ cr.)



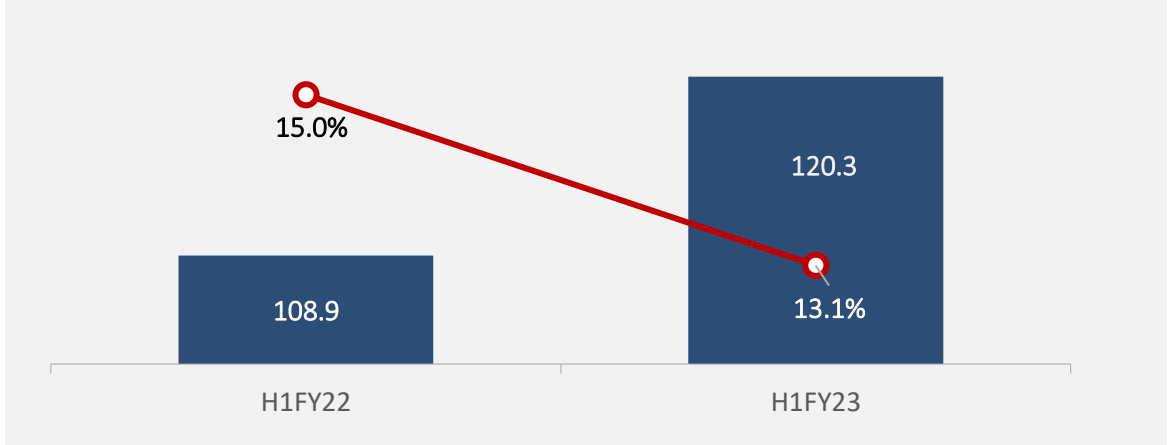
## Gross Profit (₹ cr.) & Gross Profit Margin (%)



## EBITDA (₹ cr.) & EBITDA Margin (%)



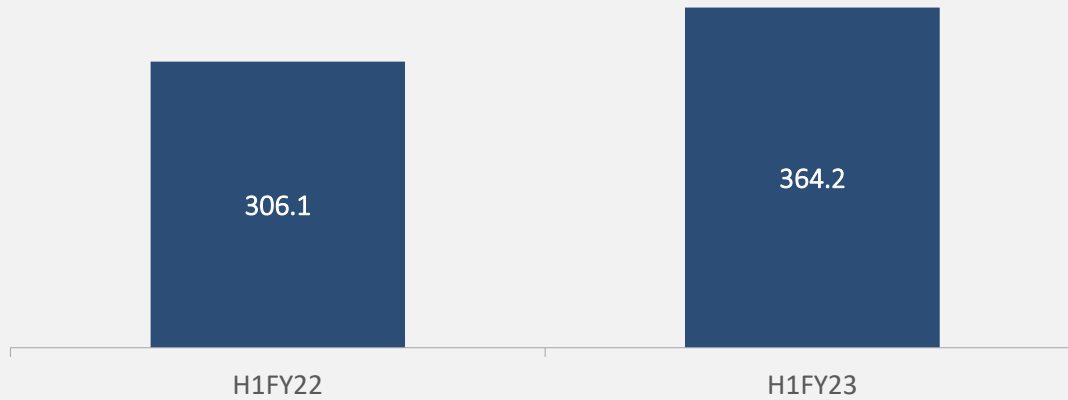
## PAT (₹ cr.) & PAT Margin (%)



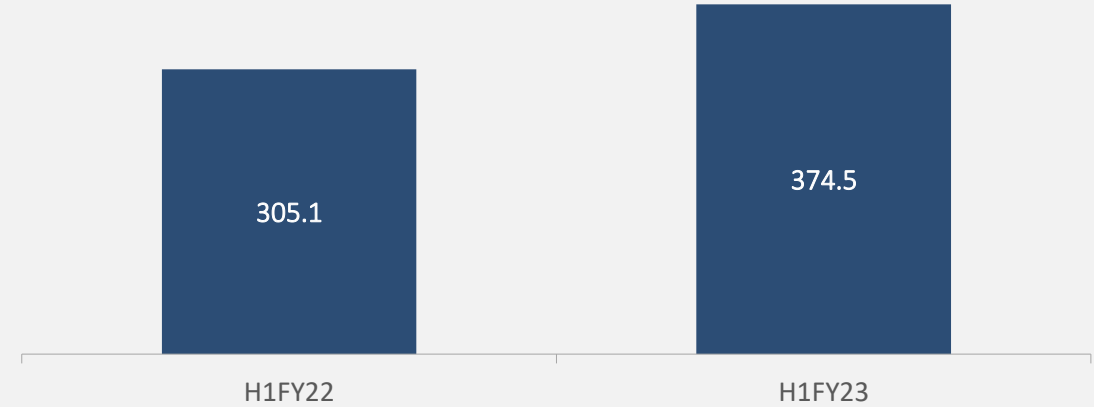
# Half Yearly - Segmental Split



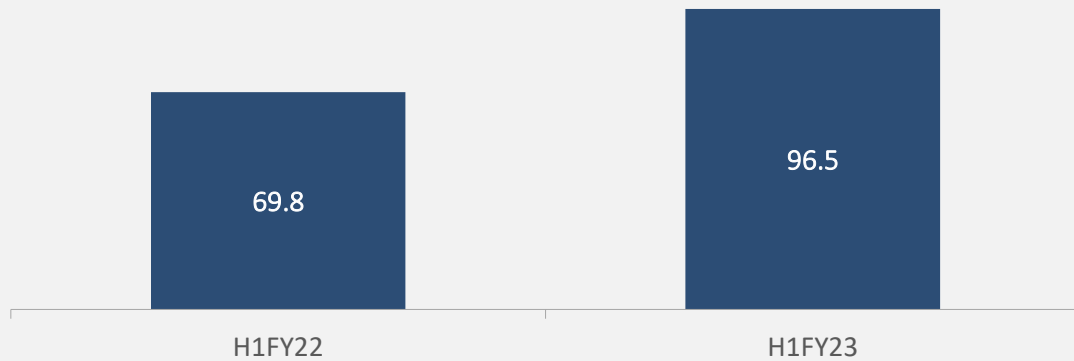
## US & North America (₹ cr.)



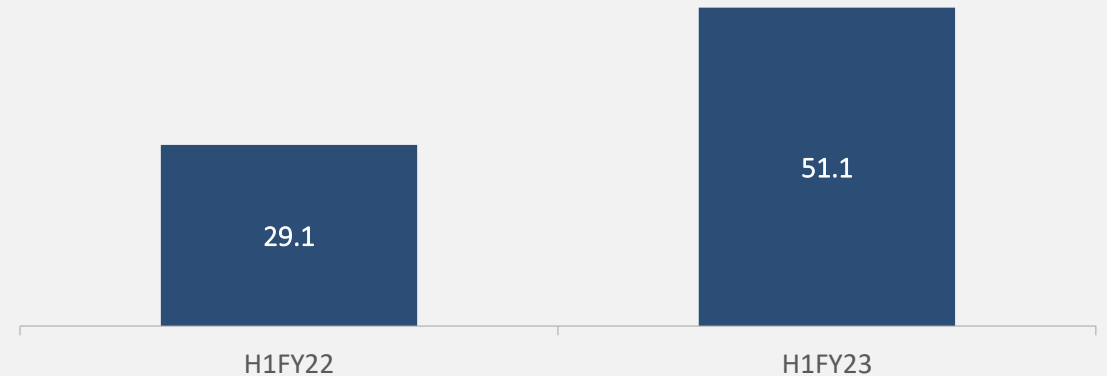
## Europe and UK (₹ cr.)



## Australia and New Zealand (₹ cr.)



## Rest of the World (₹ cr.)



A large white graphic element on the left side of the slide. It consists of a vertical bar on the far left, followed by a square frame. The text 'About the company' is centered within the square frame.

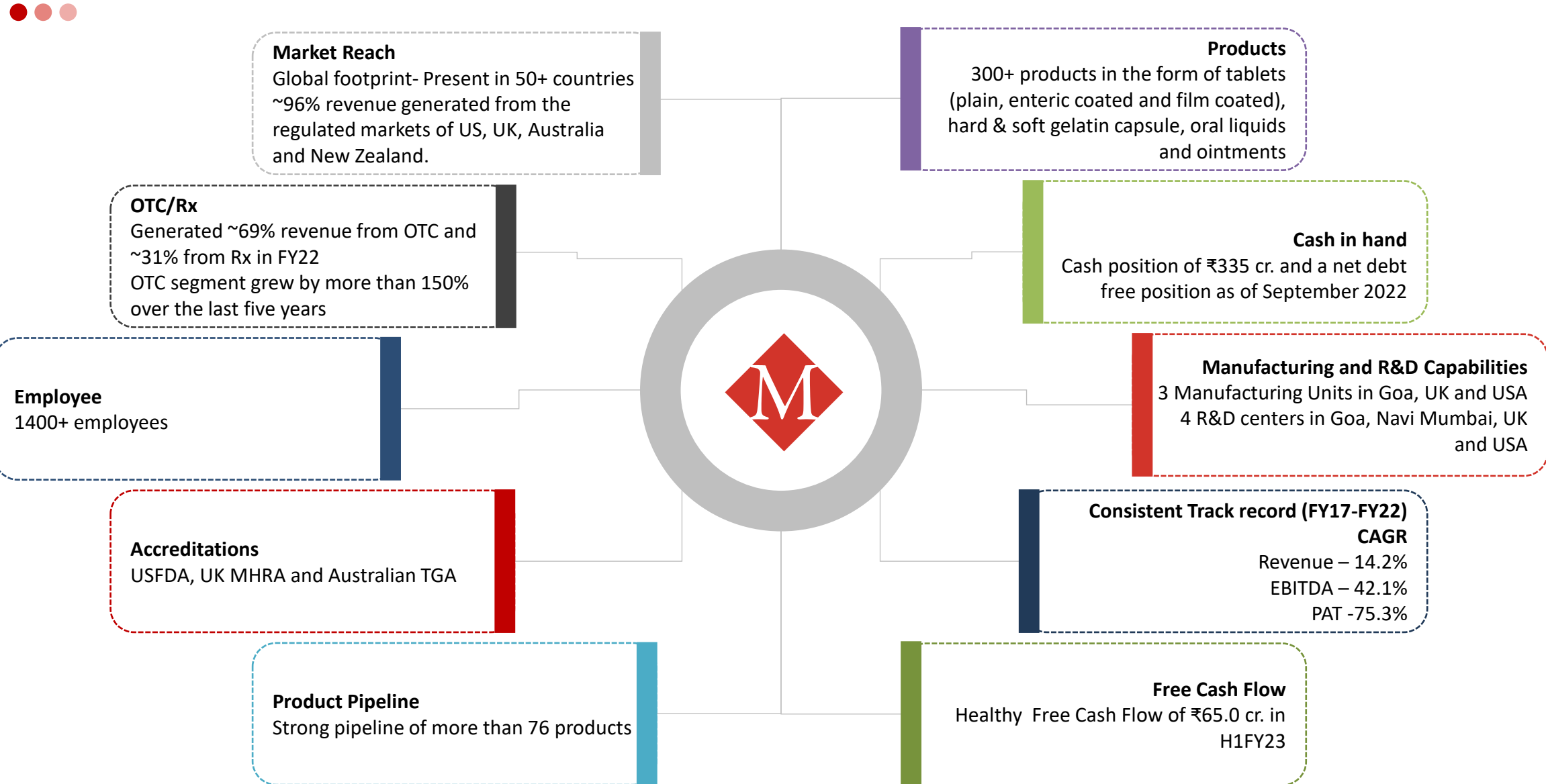
About the company

# Marksans Pharma- Snapshot

India's leading pharmaceutical company with a focus on regulated markets, specializing in research, manufacturing and marketing of generic pharmaceutical formulations



Marksans Pharma Ltd.



# Marksans Today – Reinvented ourselves through disciplined and successful acquisitions creating a forward integrated model



## USA

- Contributes ~41.1% to the revenue in H1FY23
- Presence in the USA through Time Cap Labs, a 37 years old company
- Focus on OTC and Rx market.
- Leading OTC store brand with the customer base of leading USA retailers like Target, Walmart, Walgreens, Kroger etc.

## UK and Europe

- Contributes ~42.3% to the revenue in H1FY23
- Presence in the UK and Europe through two subsidiaries, Relonchem and Bells Healthcare
- Bells is the largest manufacturer of private label & branded cough liquids in the UK
- Relonchem supplies a broad range of own label healthcare pharmaceutical products.

## Australia and New Zealand

- Contributes ~10.9% to the revenue in H1FY23
- Presence in Australia and New Zealand through subsidiary Nova Pharmaceuticals
- Nova is one of the leading branded and private label suppliers in Australia to top retailers like Woolworths Ltd., Coles Mayer Ltd., Aldi, Metcash etc.

## RoW

- Contributes ~5.8% to the revenue in H1FY23
- Presence in Middle East, Southeast Asia, CIS, Russia and Africa.
- Company has acquired AHC in UAE that will strengthen its presence in MENA region

# Offering quality affordable healthcare products

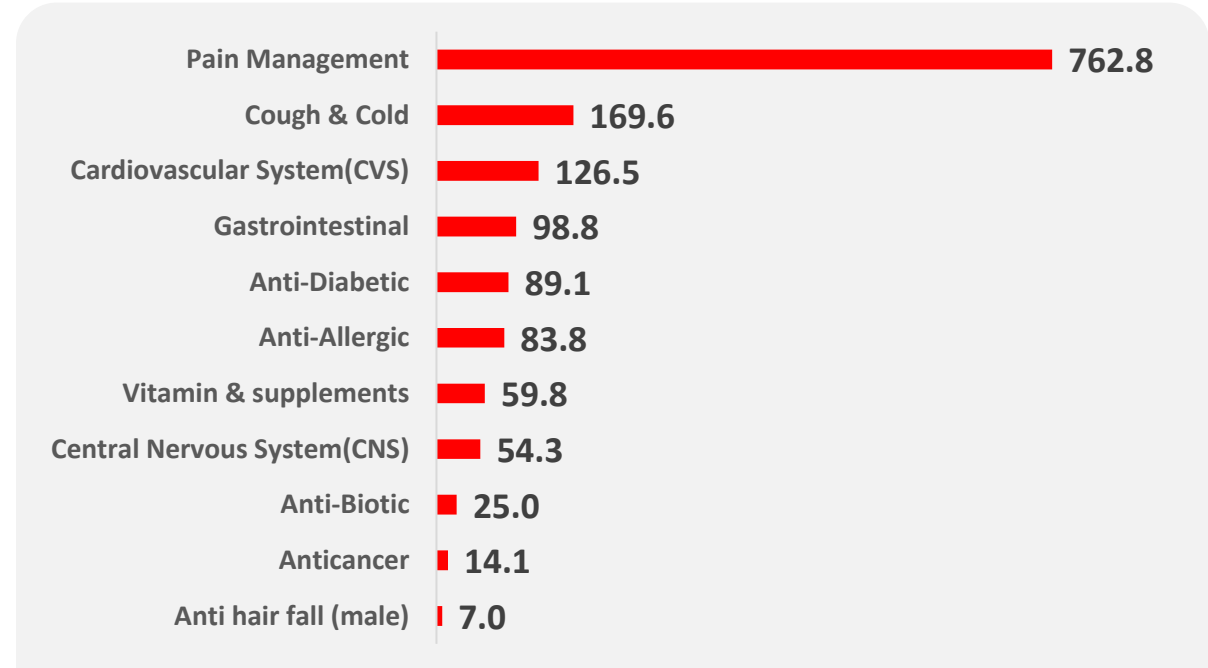


Marksans Pharma Ltd.



- Presence across 10+ therapeutic areas
- OTC – Pain Management, Cough and Cold, Gastrointestinal, Vitamin & supplements, Anti-Allergic
- Rx – CVS, CNS and Anti-Diabetic
- 1500+ SKUs and 300+ products
- With more than 50 products in US
- Bells Healthcare, UK has more than 100 products while Relonchem has more than 160 products
- And more than 30 products in Australia

## Product Portfolio – FY22 Revenue (₹ Cr.)



Wider product basket with complete product offering in four largest OTC segments



Forward Integrated business model with proprietary distribution infrastructure

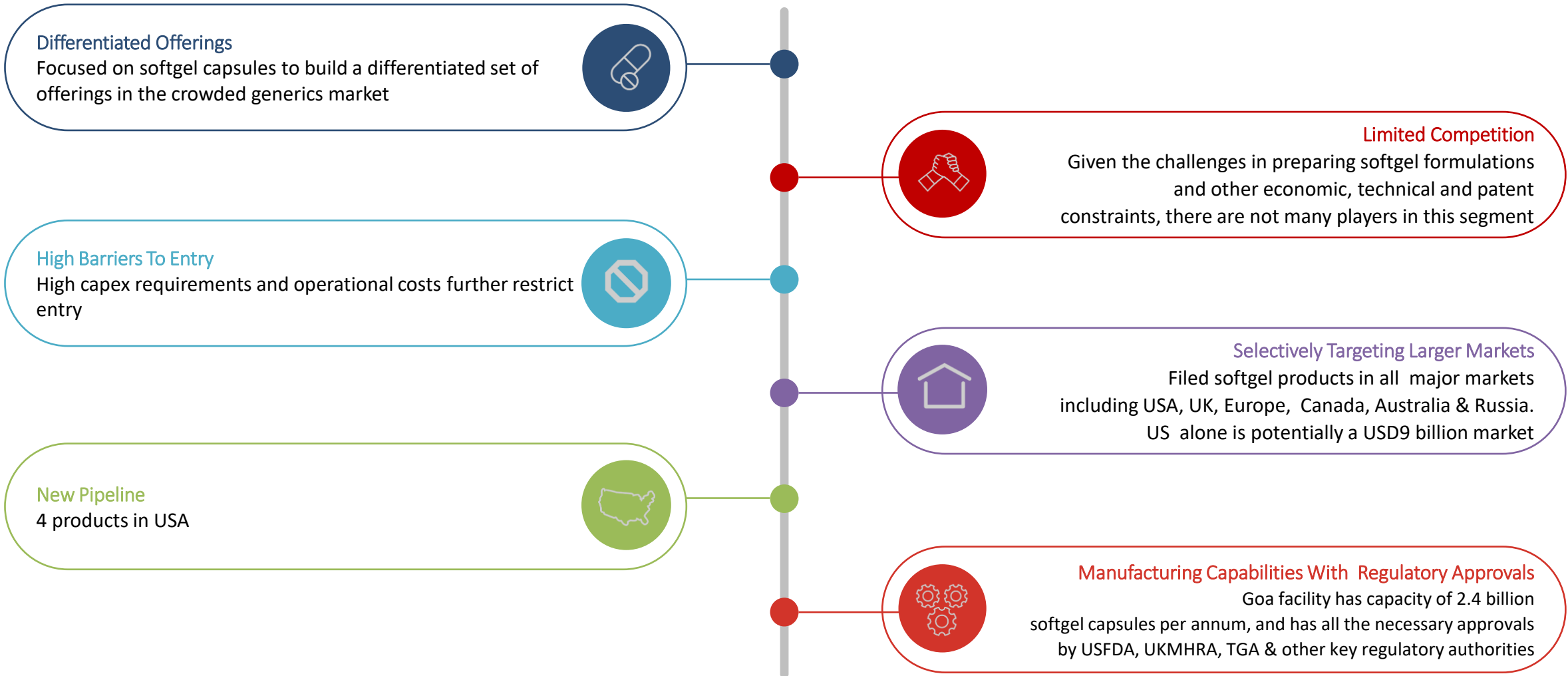


Long-lasting relationship with the customers



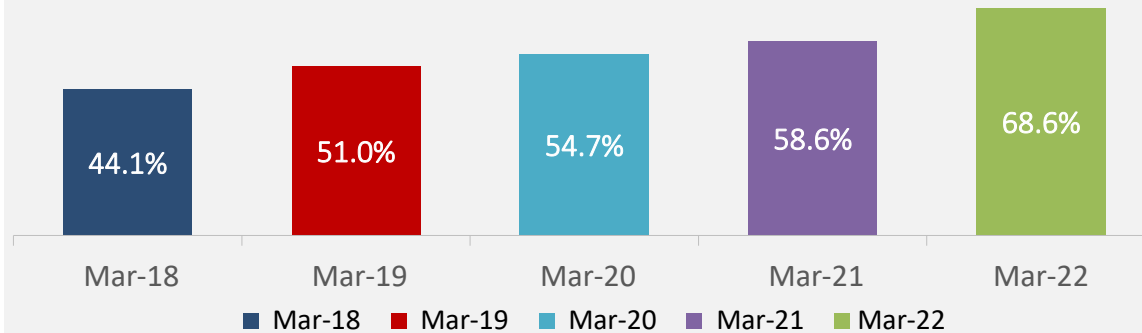
Stable and sustainable business model

# Most active in Softgel segment with limited competition

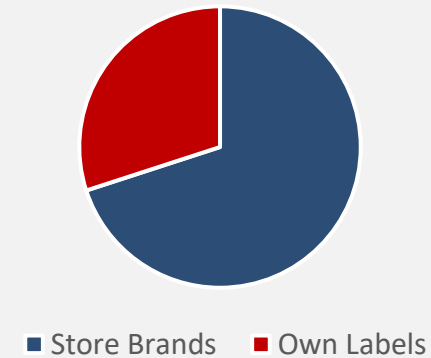




## Continued increase in the revenue share from OTC segment over the last five years



## In OTC, the revenue comes from store brands and own label



### Store Brands

- Manufacturing and Distribution of Store Brands is one of the key focus area
- Presence in high growth therapeutic areas through SKUs and strong product pipeline driven by low-cost manufacturing facilities leading to long-lasting relationship with the retailers

### Own Labels

- Marksans also specializes in own label where it provides products to supermarkets, high street retailers, pharmacy chains and wholesalers.
- Bells Healthcare, UK and Time-Cap Labs, US and Nova Pharmaceutical, Australia have their own labels for OTC products
- Majority of the products are exported to various regions

# Own Label and Private label stores brand



Marksans Pharma Ltd.



## Bells Healthcare, UK

- Bell's Healthcare specializes in own label products and provides to supermarkets, high street retailers, pharmacy chains and wholesalers.
- Private label allows customers to provide high quality own label in their own artwork
- Presence across therapeutic areas including analgesics, cough and cold, pain relief, gastrointestinal, ear care and skin care for the UK and Export markets

## Time-Cap Labs, US

- TCL manufactures and sells finished products through own label and store brands
- The company also has own label products on e-commerce platforms like Amazon

## Nova Pharmaceuticals, Australia and New Zealand

- Nova Pharmaceuticals has private label store brand manufacturing capabilities for a vast range of products. It is a prominent distributor to popular retail brands
- Nova also supplies its products to major pharmacies in Australia

### Product range



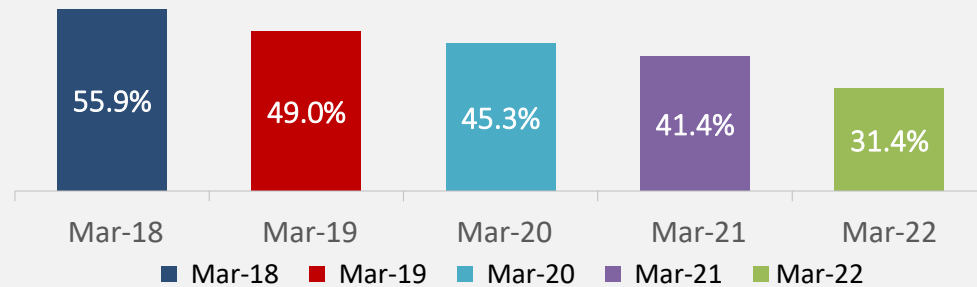
### Product range



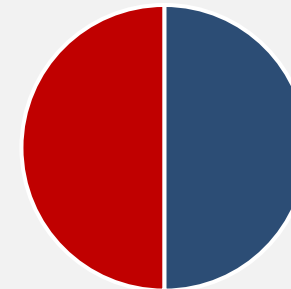
### Product range



~31% revenue derived from Rx products



In Rx, revenue comes Relonchem, UK and Time-Cap Labs, US



■ Relonchem,UK ■ Time-Cap Labs

Relonchem, UK

Relonchem has over 160 product licenses. It supplies a broad range of own label healthcare pharmaceutical products across therapeutic areas including anti-diabetic, anti-hypertensive, anti-depressant, anti-cancer, anti-ulcerative, allergy relief, anti-viral and pain relief for the UK market



Time-Cap Labs, US

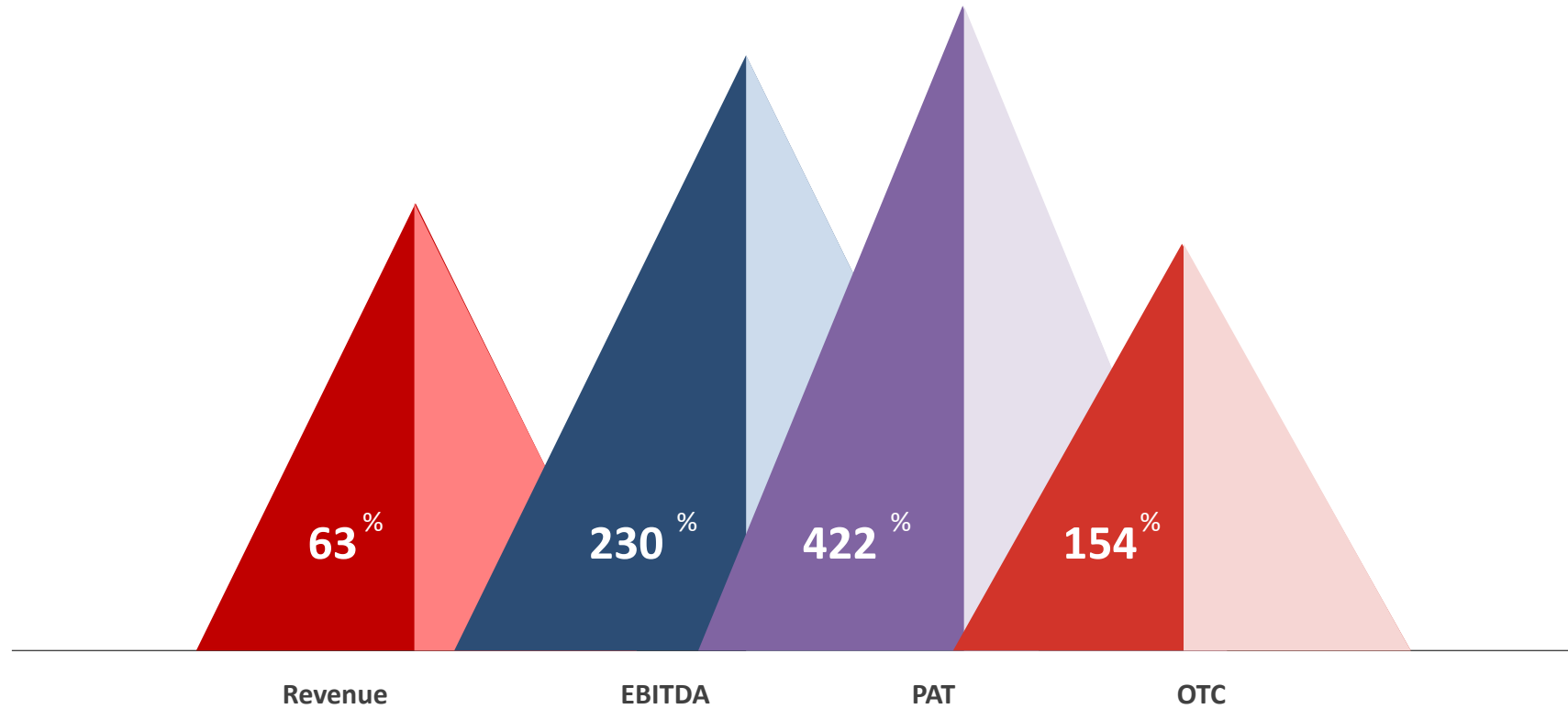
- Time-Cap Labs focuses on manufacturing high quality products in the both OTC and Rx market across pain management, CNS and anti-diabetic categories
- Selling them through large wholesalers and pharmacies in the US



# Has led to high growth track record



Over 2018-2022, Marksans has seen high growth across the key parameters



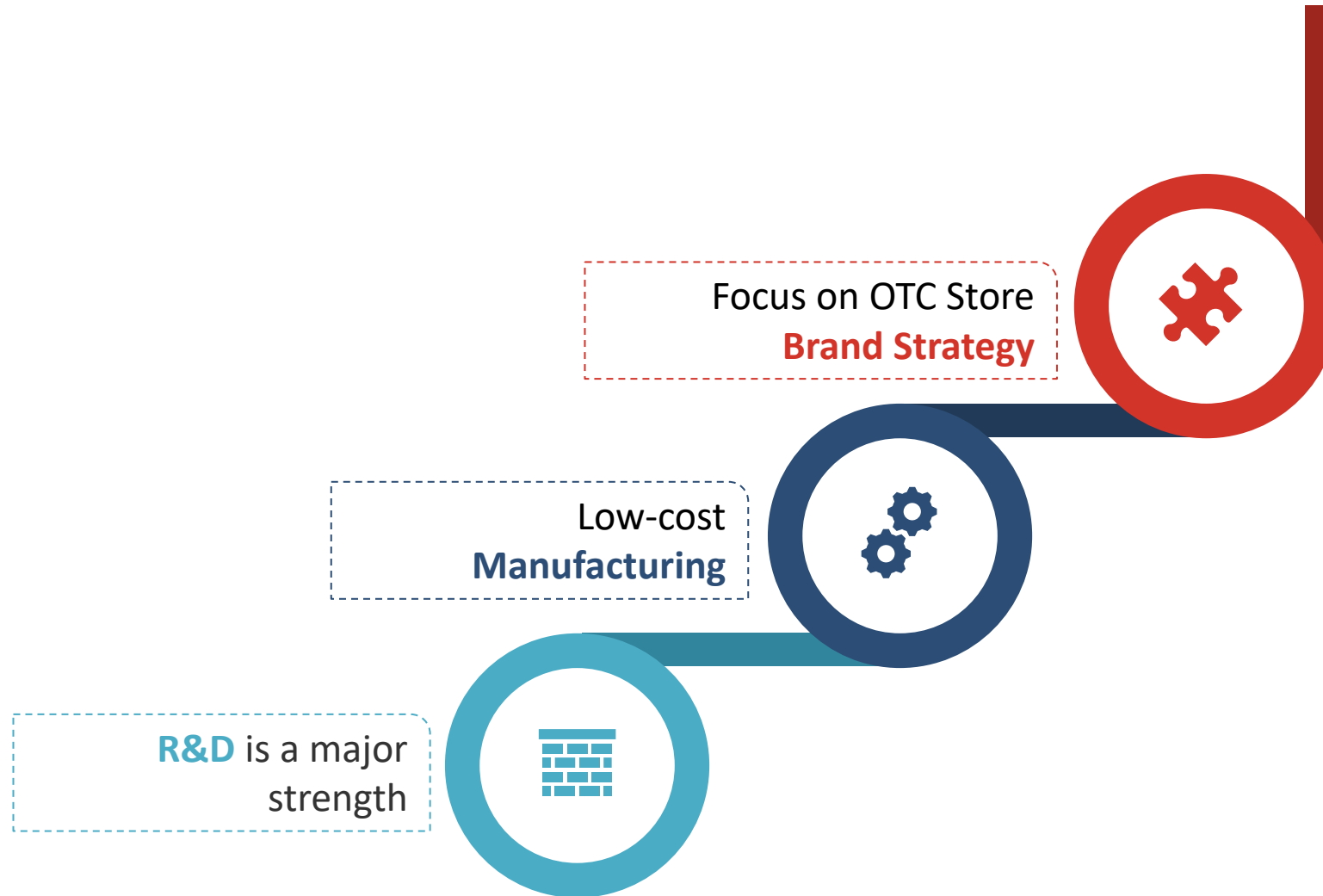


Leveraging our key strengths

# Becoming a high performing healthcare company by leveraging our key strengths



Marksans Pharma Ltd.





1) Focus on OTC Store Brand Strategy

# What do we do?



Marksans Pharma Ltd.

- Marksans Pharma manufactures more than 1500 SKUs and 300+ products
- We manufacture and sell products through store and own brand model
- We are the preferred store brand partners where our long-lasting retailers' have partnered with us for manufacturing of OTC products for them
- Our expertise in private label manufacturing has helped retailers to create value for our customers through cost savings and long-term loyalty

We have long lasting partnership for store brand manufacturing with the leading retailers across our key geographies

## Our top Retailers/Customers in USA



## Our top Retailers/Customers in UK



## Our top Retailers/Customers in Australia



Our store brand products are available through e-commerce as well...



Marksans Pharma Ltd.



Our products for the retailers are available in outlets and ecommerce as well

With almost full range of Store brand OTC products available online today through the retailers

### Store Brand OTC e-Commerce page:

In-stock items only

**Category** ^

Migraine Pain Relief

Non-Aspirin

**Product Type** ^

Non-Aspirin Pain Relievers

**Brand** ^

**Price** ^

**Symptom** ^

**Form** ^

**Age** ^

**Days Supply** ^

**FREE gift offer**

**Ibuprofen**

80 ea

Walgreens

**Ibuprofen Mini Softgels - 80 ea**

★★★★★ 44

**\$7.99** ~~\$9.99~~ / ea

Buy 1, Get 1 50% OFF

15% off when you spend \$2...

✓ Pickup

✓ Same Day Delivery

✓ Shipping

**FREE gift offer**

**Ibuprofen**

Dye-Free Ibuprofen 200

120 ea

Walgreens

**Ibuprofen Softgels - 120 ea**

★★★★★ 23 FSA

**\$7.99** ~~\$9.07~~ / ea

15% off when you spend \$2...

FREE gift offer

✗ Not sold in stores

**FREE gift offer**

**Ibuprofen**

40 ea

Walgreens

**Ibuprofen 200 mg Softgels - 40 ea**

★★★★★ 41 FSA

**\$4.79** ~~\$9.12~~ / ea

Buy 1, Get 1 50% OFF

15% off when you spend \$2...

✓ Pickup

✓ Same Day Delivery

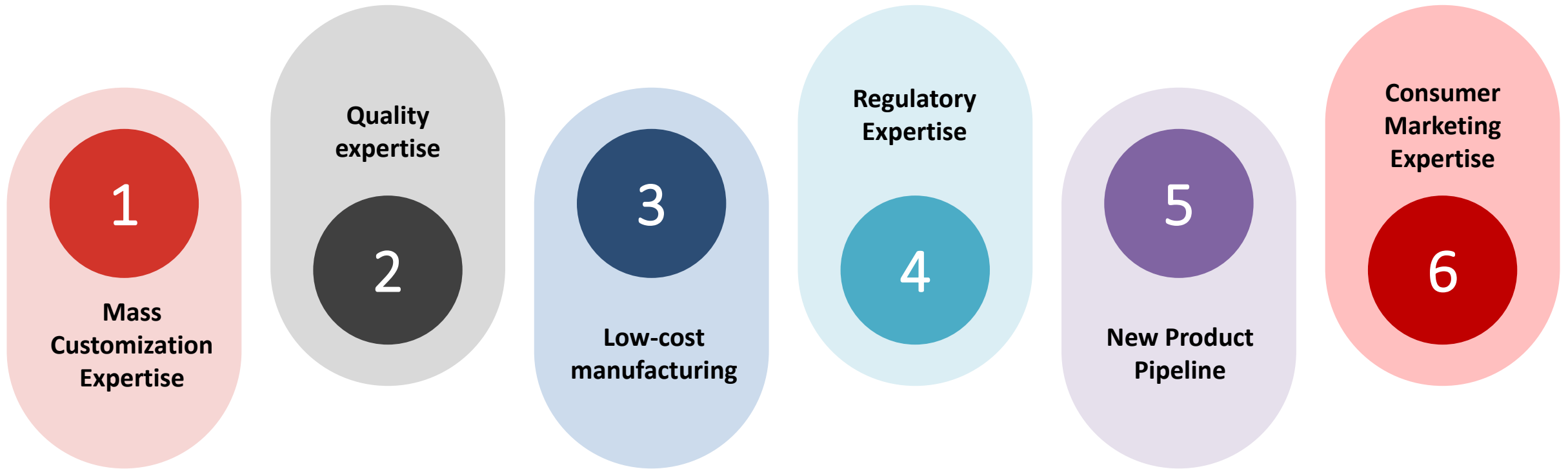
✓ Shipping

Count: 40 ea

# Why is Marksans retailers preferred partner for store brand OTC growth



Marksans Pharma Ltd.



# Marksans edge over competition



Marksans Pharma Ltd.



## **Rx COMPETITORS:**

Lack of resources, infrastructure or experience to handle the requirements and complexity of store brands customization at a large scale

## **STORE BRAND OTC COMPETITORS:**

- Do not have the critical scale to support
- Long Lasting Consumer Relationship
- Experience in manufacturing store brands
- Low-cost manufacturing in India
- Quality systems
- Regulatory expertise
- ANDA investment

## **NATIONAL BRAND OTC COMPETITORS:**

Low profitability due to high marketing cost

## 2) Low-cost Manufacturing

# Low-cost manufacturing base across key regions



- Manufactures non-sterile liquids, ointments and powder sachets
- Supplies to UK, West Africa & Middle East
- Spread across 7,300 sq. meters

### CAPACITY

- 2 bn** bottles per annum
- 1 bn** tubes per annum
- 1 bn** sachets per annum

### ACCREDITATIONS



Farmingdale, USA



- Manufactures hard gels, tablets and capsules
- Spread over an area of 7000 sq. m
- "Made in the USA" product offering
- Added incremental packaging lines

### CAPACITY

- 6 bn** tablets and hard capsules per annum

### ACCREDITATIONS



Southport, UK



- Manufactures Capsules & Tablets
- One of the biggest manufacturing facilities in Asia
- Fully-automated unit spread over 18,000 sq. meters campus
- Generic pharmaceuticals manufactured from this facility are exported across the globe

### CAPACITY

- 2.4 bn** softgel and hard gelatin capsules per annum
- 6 bn** solid tablets per annum

### ACCREDITATIONS



Goa, India





3) R&D is a major strength

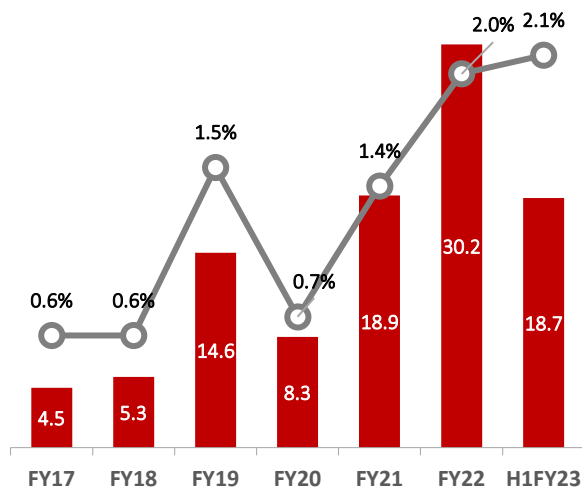
# R&D and Product Launches Highlights



Marksans Pharma Ltd.

## R&D % to sales

Expected to increase to ~4-5 % over the next few years



Brand	Composition	Therapy Segment	Market
LOSARTAN	LOSARTAN 25 MG, 50 MG, 100 MG TABLETS	Anti-Diabetic	UK
ONDANSETRON	ONDANSETRON 4MG, 8 MG TABLETS	Gastrointestinal	UK
CARVEDILOL	CARVEDILOL 3.125 MG, 6.25 MG, 12.5 MG, 25 MG TABLETS	Cardiovascular System(CVS)	UK
TRAMADOL	TRAMADOL 50 MG CAPSULES	Pain Management	UK
CLOPIDOGREL	CLOPIDOGREL 75 MG TABLETS	Cardiovascular System(CVS)	UK
PREDNISOLONE	PREDNISOLONE 5 MG TABLETS	Anti-Allergic	UK
ROSUVASTATIN	ROSUVASTATIN 5MG, 10MG, 20MG, 40 MG TABLETS	Cardiovascular System(CVS)	UK
BICALUTAMIDE	BICALUTAMIDE 50MG , 150MG TABLETS	Anticancer	UK
FUROSEMIDE	FUROSEMIDE 20MG, 40MG TABLETS	Cardiovascular System(CVS)	UK
LIQUIDS - LORATIDINE	LORATIDINE 5MG/5ML ORAL SOLUTION 70ML GSL PACK	Anti-Diabetic	UK
LIQUIDS - IBUPROFEN	IBUPROFEN 100 MG/5ML ORAL SOLUTION 200 ML P PACK	Pain Management	UK
LIQUIDS - ALL IN ONE SOLUTION	PARACETAMOL, GUAIFENESIN, PHENYLEPHRINE	Cough and Cold	UK
APAP ER	ACETAMINOPHEN EXTENDED RELEASE 650MG	Pain management	US
CETRIZINE TABLETS	CETRIZINE 5MG, 10MG	Anti Allergy	US
FLUOXITINE CAPSULES	FLUOXITINE 10MG, 20MG, 40MG	Central Nervous System(CNS)	US



**Continued focus on R&D investments** leading to a robust pipeline of new developed & pipeline products



Plans to enhance portfolio with **addition of 12-13 products every year**



Focus is on **developing soft gels and different delivery system** like extended release, liquid, OTC products and ointments

**4** R&D Centres **50+** Scientists

**70+** Products in Pipeline

**350+** Dossiers filed

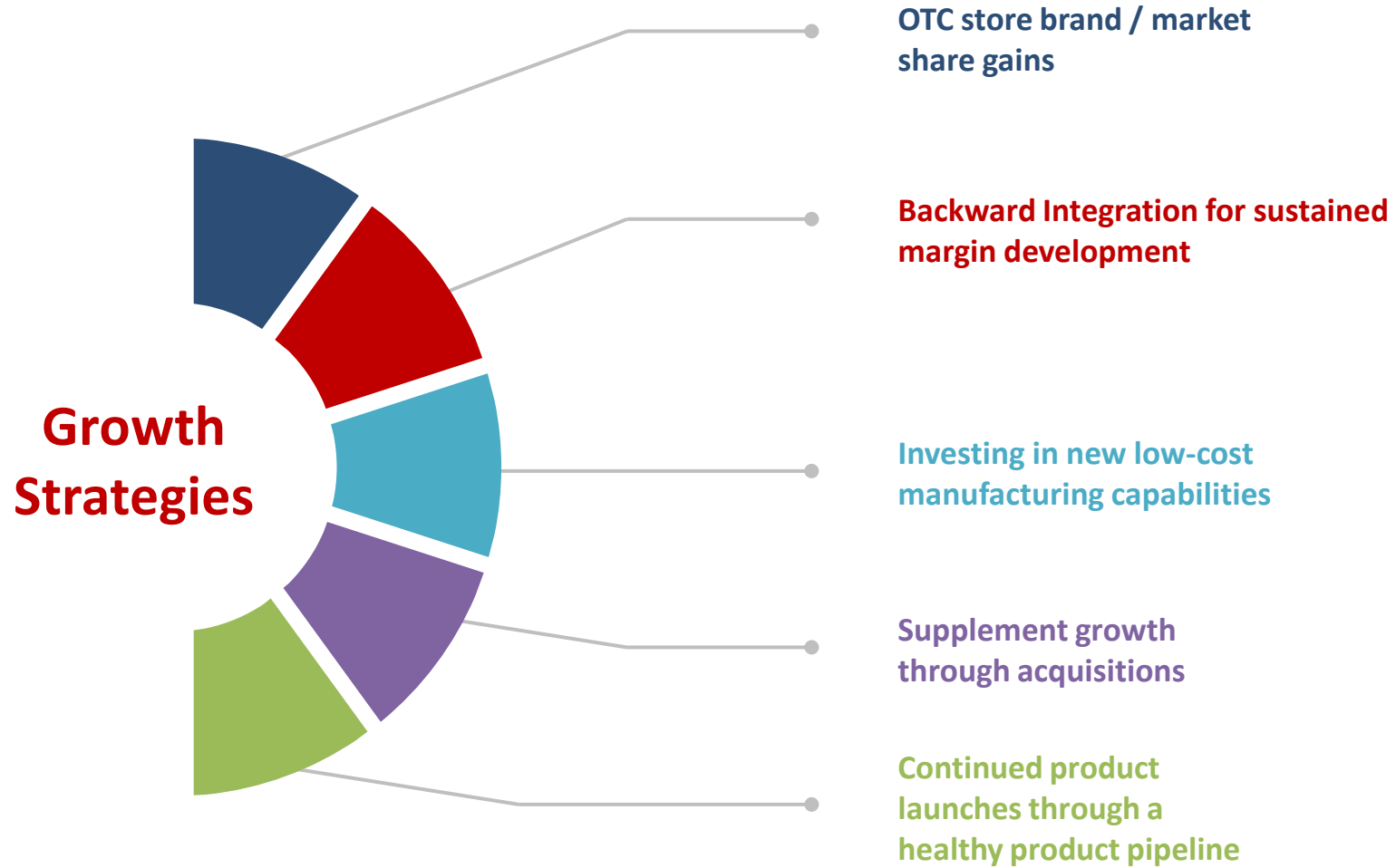
**300** Approved ANDAs/MAs

**25+** Filed ANDAs/MAs

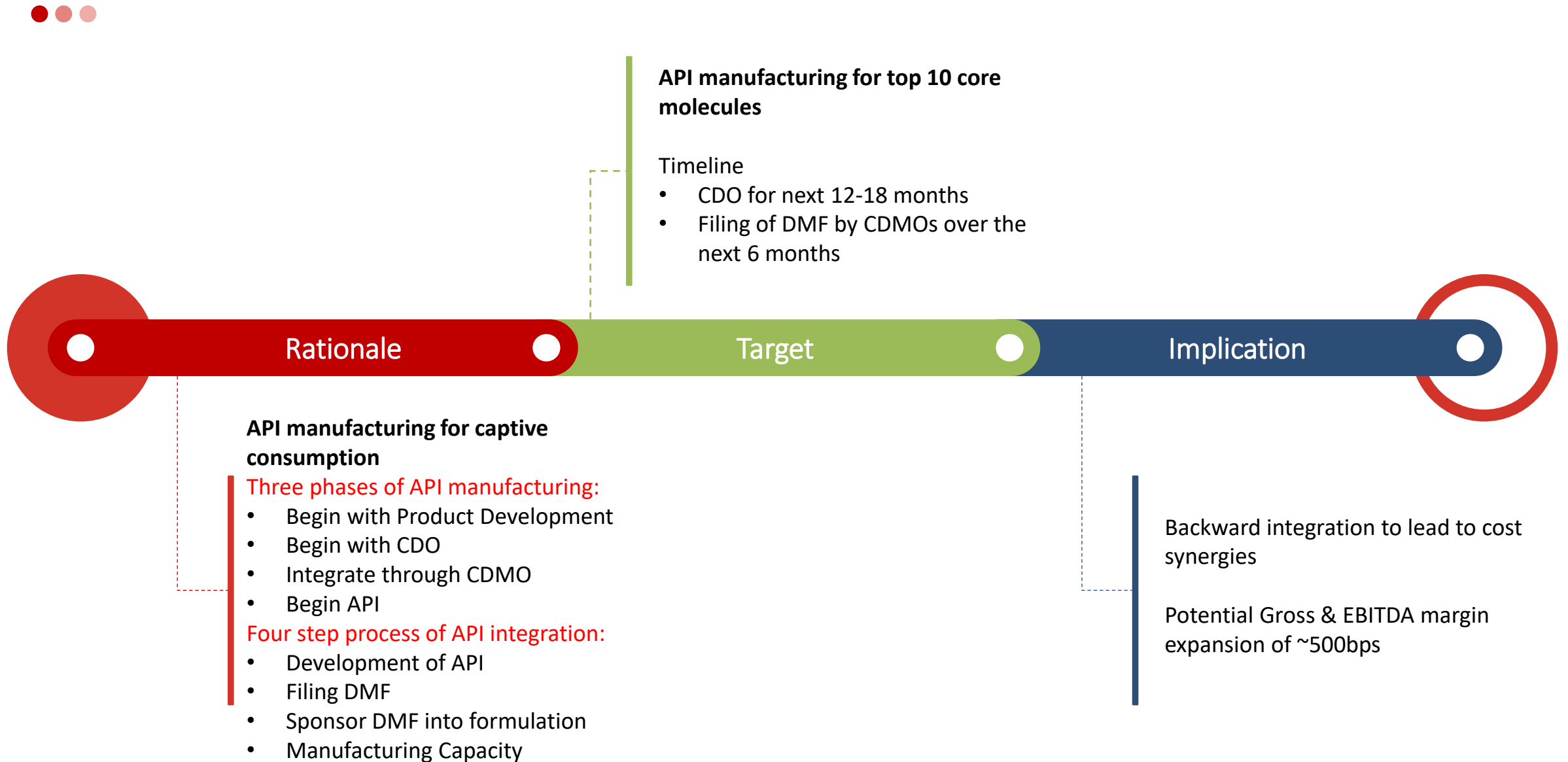


2022 and Beyond

# Core Growth Strategies for the future



# Backward Integration for sustained margin development



# Investing in new low-cost manufacturing capabilities



Target – Adding new capacity of 8bn units per annum

**Products manufactured in new capacity** - Oral solids, tablets, hard and softgels, ointments, gummies, creams

Current Capacity (per annum)	Location
8 bn	Goa
4 bn	UK
6 bn	USA
<b>18 bn</b>	<b>Overall capacity across three locations</b>
New Capacity (per annum)	Location
8 bn	New
<b>26 bn</b>	<b>Overall capacity including the new location</b>

Acquired capacity from Tevapharm India in Oct-2022 with potential to scale up manufacturing footprint in India by additional ~8bn units per annum over the period of next two years

# Supplement growth through acquisitions



Marksans Pharma Ltd.



**Marksans Pharma has reinvented itself and witnessed growth momentum supported by organic and inorganic route.**



With a healthy cash position of ₹335 cr. (as of September 30, 2022)



Strong Credit Rating



Consistent cash generation ability

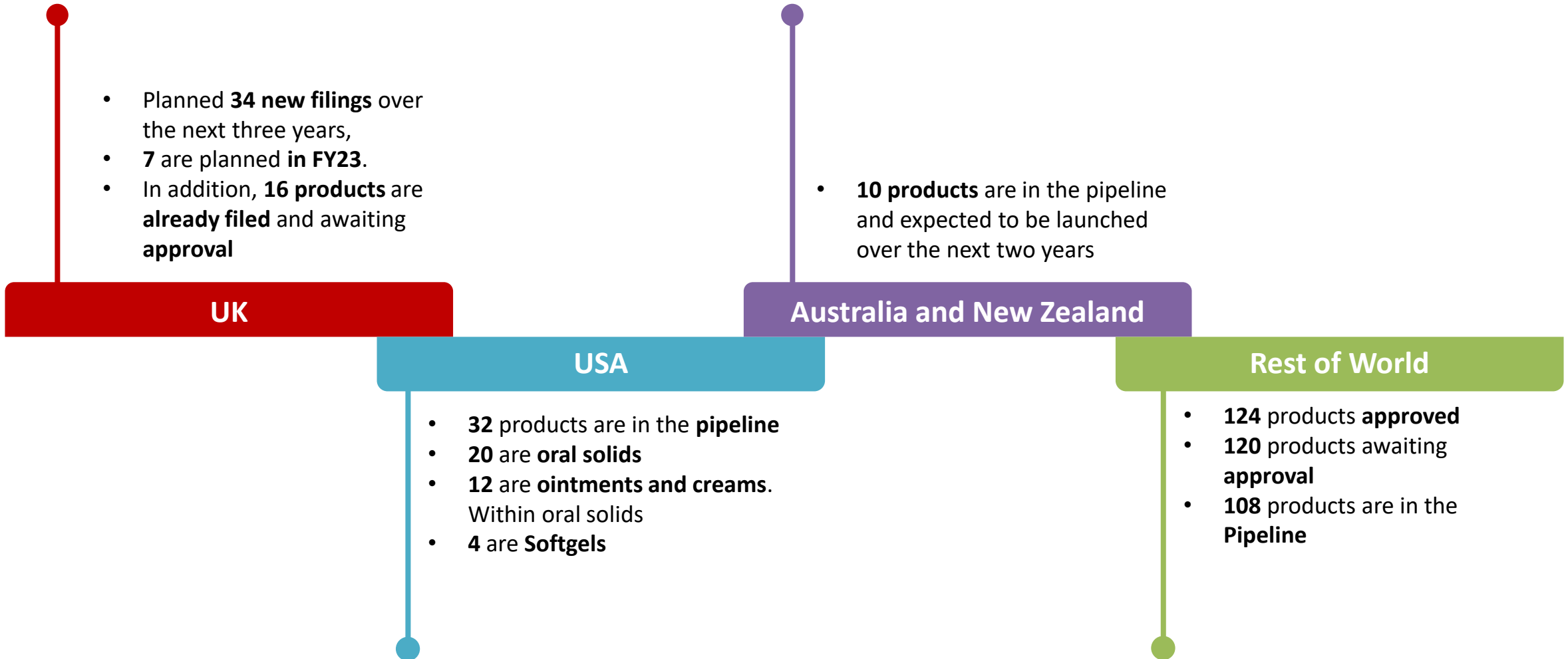
Marksans will continue to supplement its growth profile:

- Planning to acquire ANDAs to cut short development time
- Expansion in growing markets through acquiring front end marketing and distribution companies
- Expansion In EU and Middle East
- For rapid expansion into various therapy areas and other markets including UK and Europe, the company plans to acquire product licenses
- The company has plans to acquire manufacturing assets in India as well as marketing licenses in Europe and USA to expand business operations in regulated markets

# Continued product launches through a healthy product pipeline



**Strong product pipeline followed by successful launches led by continued focus on R&D**





Global overview

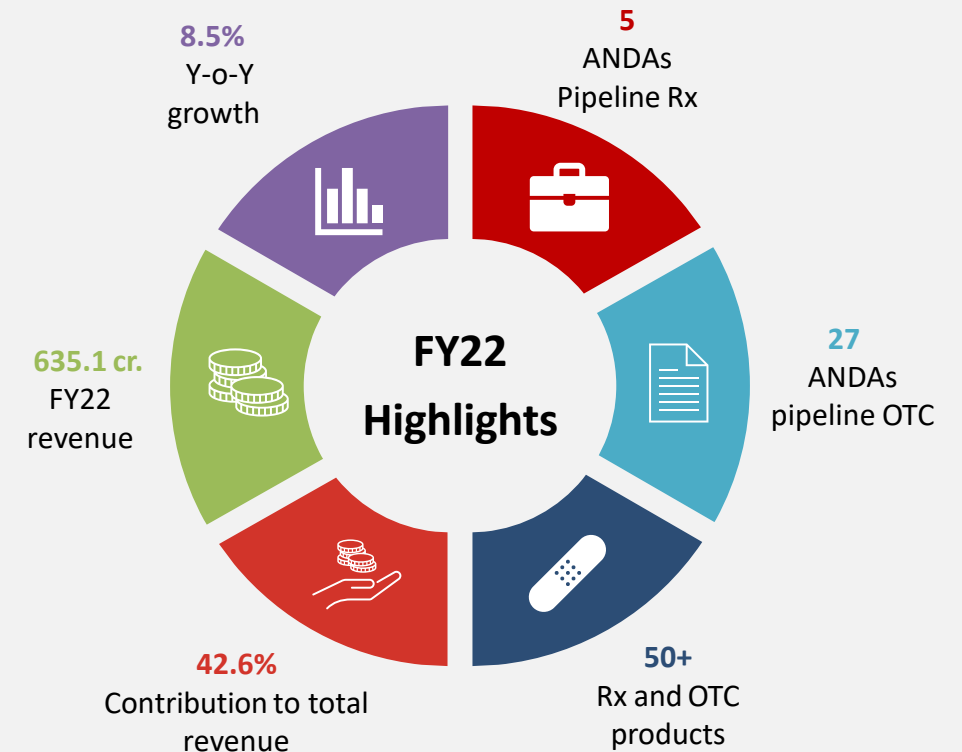


US consumer healthcare

# United States of America | Operations Overview

## Summary

- The US pharmaceutical market is one of the key focus areas
- The US constitutes over 30-40% of the global pharmaceutical market, and the strategic acquisition of Time Cap Labs allows us to expand offerings in this market
- Servicing the region through Time Cap Labs Inc., our wholly owned subsidiary acquired in June 2015
- Proprietary Marketing presence with 100% integration of Time-Cap Laboratories
- Manufacturing OTC products in USA while ANDA-approved products are manufactured from the Goa facility and exported to North American countries
- Our current product portfolio segment proves highly advantageous for the growth prospects in this region and well placed to capture an increasing shift from Rx to OTC in the USA



# Time-Cap Laboratories, USA | Overview



Marksans Pharma Ltd.

## Key Highlights

### Summary

- Founded in 1981, TCL is engaged in the manufacturing of solid dose generic pharmaceutical products
- TCL manufactures and sells finished products in bulk quantities and packages the remainder under the Time Cap brand

### Product Portfolio

- Manufactures 50+ products across Private Label OTC, Generic Prescription Drugs & Nutritional supplements
- Private Label OTC has presence across 4 categories – Gastrointestinal & Laxatives, Pain Management & Analgesic, Cold & Cough and Anti-Allergy
- Products are comparable versions of popular national brands, and offer consumers significant value because they provide the same efficacy at a substantially lower price

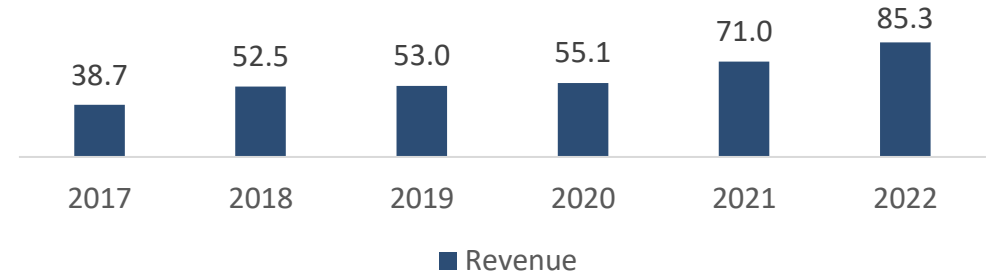
### Filings

- 23 ANDA filings in the US
- 17 approved in OTC & generic pharma
- Plan to file 4-6 ANDAs every year
- We are the only Indian company with USFDA approval for Claritin soft gel capsules (Loratadine)

### Manufacturing Infrastructure

- Located in Farmingdale, NY, the USFDA approved facility is well-equipped to manufacture tablets, caplets, capsules & pellets
- Turnkey operation which includes formulation, tableting / pellet manufacturing, coating, encapsulation, imprinting and packaging

## Marksans Pharma INC - Key Financials (USD mn)



## Distribution Flow



# Capitalizing on the distribution and e-commerce



Marksans Pharma Ltd.




**Timely by Time Cap Labs- Regular Strength Pain Relief - Acetaminophen Tablet 325 MG 1000 Count - Compared to Tylenol - Menstrual Pain - Cold - Arthritis - Muscle Pain - Fever**

Visit the TIME-CAP LABS, INC. Store  
 ★★★★★ - 279 ratings | 13 answered questions

**Amazon's Choice** for "acetaminophen 325mg tablets 1000 count"

Climate Pledge Friendly

Price: **\$15.90** (\$0.02 / Count) Get Fast, Free Shipping with Amazon Prime

Get \$50 off instantly: Pay \$0.00 ~~\$15.90~~ upon approval for the Amazon Rewards Visa Card. No annual fee.

Flavor Name: **Acetaminophen 325 MG - Regular Stre...**



**Timely by Time Cap Labs - Aspirin 325mg Enteric Coated Tablets - 1000 Count - Compared to Ecotrin - Pain Reliever for Minor Aches and Pains - Made in USA**

Visit the TIME-CAP LABS, INC. Store  
 ★★★★★ - 5,740 ratings | 45 answered questions

Climate Pledge Friendly

Price: **\$24.00** (\$0.02 / Count) Get Fast, Free Shipping with Amazon Prime

Get \$50 off instantly: Pay \$0.00 ~~\$24.00~~ upon approval for the Amazon Rewards Visa Card. No annual fee.

Flavor Name: **Aspirin 325 MG**

Aspirin 325 MG    Aspirin 81 MG




**Timely by Time Cap Labs - 1000 Count Bisacodyl Tablets 5mg - Laxatives for Constipation Relief - Compared to Senokot - Natural Vegetable Based**

Visit the TIME-CAP LABS, INC. Store  
 ★★★★★ - 1,230 ratings | 20 answered questions

Price: **\$14.00** (\$0.01 / Count)

Get \$50 off instantly: Pay \$0.00 ~~\$14.00~~ upon approval for the Amazon Rewards Visa Card. No annual fee.

<b>Brand</b>	TIME-CAP LABS, INC.
<b>Item Form</b>	Tablet
<b>Age Range (Description)</b>	Adult
<b>Unit Count</b>	1000 Count
<b>Package Information</b>	Bottle



**Timely by Time Cap Labs - Ibuprofen 200mg - 1000 Tablets - Compared to Advil - Pain Relief Tablets and Fever Reducer for Adults - for Headache Relief, Menstrual Pain, Tooth and Joint Aches**

Visit the TIME-CAP LABS, INC. Store  
 ★★★★★ - 137 ratings

Climate Pledge Friendly

Price: **\$18.00** (\$0.02 / Count) Get Fast, Free Shipping with Amazon Prime

Get \$50 off instantly: Pay \$0.00 ~~\$18.00~~ upon approval for the Amazon Rewards Visa Card. No annual fee.

Flavor Name: **Ibuprofen 200mg**

Ibuprofen 200mg    Liquid Gels



UK Consumer Healthcare

# United Kingdom | Operations Overview



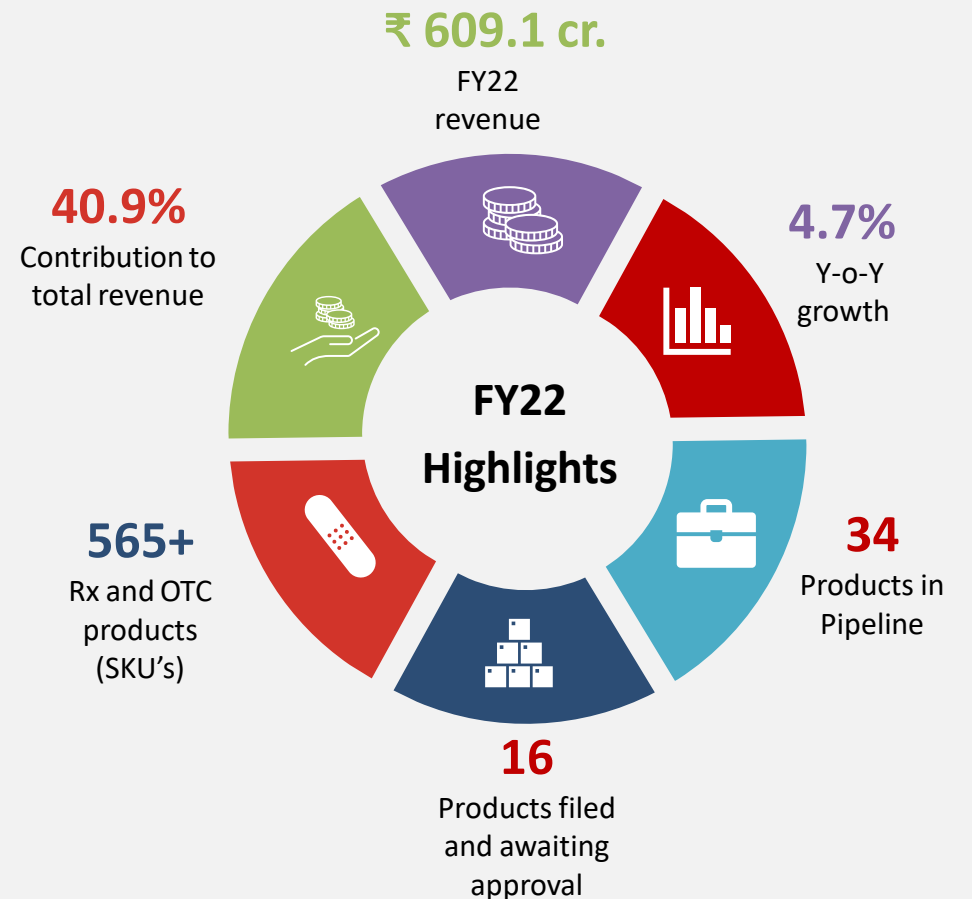
## Summary

- We have served the UK market since 2007
- UK is one of the largest generic markets in Europe
- The Company services this region through Marksasn Pharma Ltd. and its wholly owned subsidiary Marksans Pharma (UK) Ltd that includes 2 step-down subsidiaries:

Bell, Sons & Co. (OTC portfolio) – acquired in 2008

Relonchem (High-end Rx portfolio) – acquired in 2008

- These strategic acquisitions provided us with immediate sales & front-end access to the UK's generic licensing market of wholesalers, retailers & hospitals
- Leading OTC store brand, our UK customer base includes all major UK retailers:



# Rx-to-OTC Switch Trend in the UK has been advantageous for Marksans



## Trends in the category

## Marksans Presence

### Geography

- UK is one of the largest Rx-to-OTC switch markets in Europe
- The UK permits a great number of registered remedies to be, sold outside pharmacies
- The OTC market is more typical of an FMCG than the doctor- oriented OTC pharmaceutical market found in continental Europe

Strong OTC presence in Europe, with a subsidiary in UK

### Therapy Area

- The largest segments within the OTC market are pain relief and cough/cold/sore throat

The UK subsidiary product portfolio cater to the prime segments within the OTC market. Bells Healthcare has numerous products within the Cough and cold and analgesics segment

### Dosage Forms

- Consumers rated softgel capsules (SGC) as a highly desirable form and this industry has limited competition globally
- 82% rated softgels as fast acting and effective, plus 89% found them easy to digest

Strong expertise in SGC manufacturing in both prescriptions as well as OTC

# Bell Sons & Co. (Druggists), UK | Overview



Marksans Pharma Ltd.

## Key Highlights

### Summary

- Established in 1848 and acquired by Marksans in 2008, Bell Sons & Co is an established manufacturer and distributor of broad range of OTC products
- Largest manufacturer of private label & branded cough liquids in the UK

### Operations

- It manufactures more than 450 SKUs across cough & cold, pain management, gastrointestinal, vitamins, palliative healthcare products & oils
- Bells has 100+ marketing authorizations
- Bells' 90% revenue contribution comes from the UK market while the remaining 10% comes from exports
- Export in 30+ countries with principal markets in West Africa & Middle East

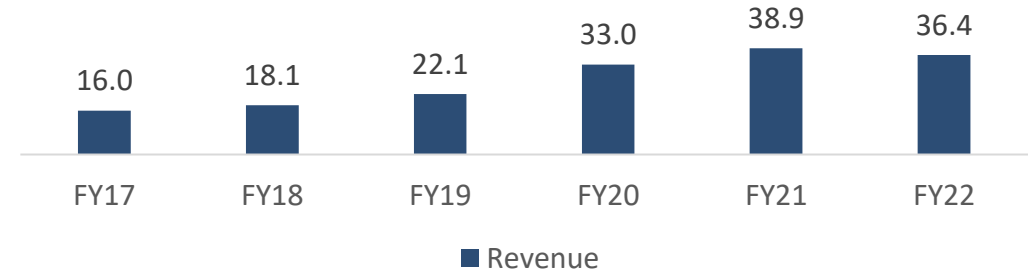
### Infrastructure

- Manufactures products at the UKMHRA and BRC approved manufacturing facility in Southport while Head Office is at Widnes
- Facility also includes own R&D centre and a pilot plant for development of liquid Rx products for the UK markets
- Bells has constructed a dedicated warehouse for Finished Goods that is spread across 300,000 sq.ft

### Distribution

- It has a wide UK customer base including leading retailers, pharmacies, chemist wholesalers and cash & carry outlets
- Currently it has 100 customers worldwide, which includes 30 distributors for exports markets & 70 customers (10 wholesalers, 10 pharmacies & 50 retailers) in the domestic market
- Bells also uses Relonchem's distribution network to place the products in the UK market

## Key Financials (GBP mn)



## Types of customers

<b>OTC</b>	<ul style="list-style-type: none"> <li>Own label supplier to the main UK supermarkets –Grocery and Pharmacy</li> <li>Own label supplier to the High street Pharmacy Chains – P &amp; GSL line</li> <li>Bells Healthcare brands supplied to wholesale and high street retailers</li> </ul>
<b>Generics</b>	<ul style="list-style-type: none"> <li>Supplying to Pharmacy Generics such as Tesco, Lloyds, Boots, Celesio, Phoenix</li> <li>Major supplier of Analgesics &amp; generics to NHS</li> </ul>
<b>Others</b>	<ul style="list-style-type: none"> <li>In-licensing with “branded” pharma players on highly recognized high street brands</li> <li>Contract Manufacturing</li> <li>Leveraging in house expertise, partnerships for formulation development and commercialisation</li> </ul>

## Key Highlights

### Summary

- Established in 2002, Relonchem Limited (referred as “Relonchem” or “Company” in this section) is engaged in licensing, marketing & supply of generic pharmaceutical products to wholesalers, retailers & hospitals in UK

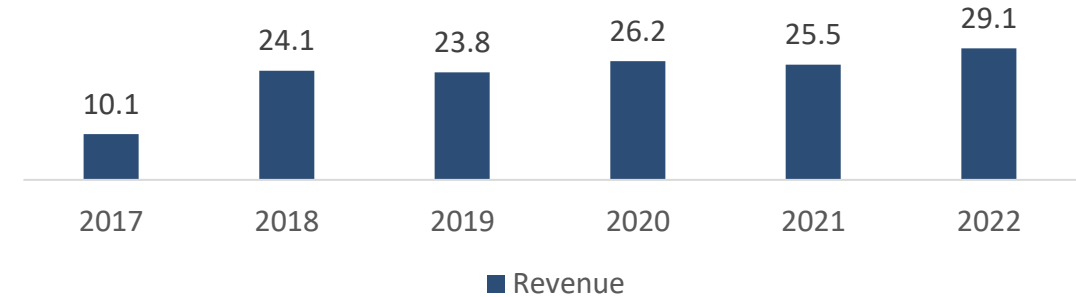
### Product Portfolio

- Own label products in therapies such as anti-diabetic, anti-hypertensive, anti-depressant, anti-cancer, anti-ulcerative, anti-allergic, hormones, steroids & pain relief for the UK market
- The company has also developed a range of narcotic & dermatology products which face limited competition
- It has 140+ commercialized products/SKUs and 162 marketing authorizations that can also be made valid in pan Europe
- The company manufactures its generics products in India, the low-cost manufacturing base and owns a spacious warehouse in the UK

### Distribution

- The company has a vast distribution network backed by partnerships with major national distributors such as AAH Unichem & Phoenix, Llyods, Boots, Almus, NHS etc.
- Relonchem has over 162 product licenses and supplies a broad range of own label products across therapeutic categories

## Key Financials (GBP mn)



## Types of customers



# Relonchem Limited, UK | Product Range



Marksans Pharma Ltd.





# Australia and New Zealand Consumer Healthcare

# Nova Pharmaceuticals, Australia and New Zealand | Overview



Marksans Pharma Ltd.

## Key Highlights

### Summary

- Founded in 2003, engaged in R&D and marketing of generic OTC products and is the leading supplier of Branded Generic and Private Label products in Australasia.
- In 2005, Marksans acquired 60% stake in Nova to have an established base in Australia

### Product Portfolio

- Nova primarily focuses on Analgesics, Anti-histamines, Anti-fungal, Anti-Allergy, Dermatology, Essential Oils and Gastrointestinal segments
- All products comply with TGA Australia regulations

### Regulatory

- Nova Pharma holds 30 MAs
- Experienced in-house team to facilitate product registrations in Australia and New Zealand
- Health Economics and Medical Reimbursement (PBS)

### Sourcing

- Nova does not have its own manufacturing facility and sources products from Marksans' manufacturing facilities in India & UK

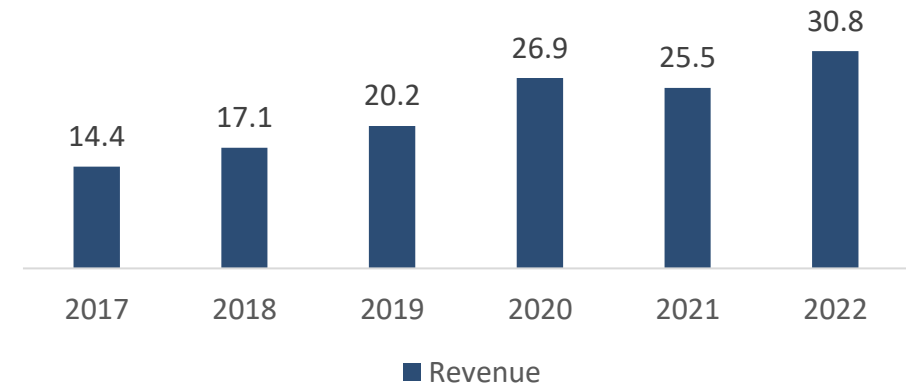
### Marketing and Sales

- Experienced salesforce in Specialty care, Hospital, Pharmacies and Mass Market OTC

### Sourcing

- Nova supplies its products to major chain stores & pharmacies in Australia, including Woolworths, Coles Mayer, Aldis, Metcash & Fauldings and Co.
- Prominent supplier of products to retail brands such as Homebrand, Black and Gold
- Marksans Pharma Ltd is supplying to New Zealand pharmaceutical market via alliance of Teva/Arrow Pharma

## Key Financials (AUD mn)



## Key customers



# Nova Pharmaceuticals, Australia and New Zealand | Product Offerings



Marksans Pharma Ltd.



**Anti-Histamines** ●●●

Two boxes of Hayfever Allergy Relief medicine. The left box is Cetedyne (Loratadine) and the right box is MedCol (Cetirizine). Both offer 24-hour relief for symptoms like sneezing, runny nose, and itchy eyes.

**Analgesics** ●●●

A box of MAXOFEN, a combination of Paracetamol and Ibuprofen, used for pain relief. It contains 12 capsules.

**Nova's Own Brand - Medix** ●●●

**Anaesthetic / Analgesics**

A collection of Medix products including ChestRub (topical analgesic), Aspirin (analgesic), Dry Cough Medicine, Medix Ibuprofen (analgesic), Medix Pineapple (lozenges for sore throats), Medix Paracetamol (analgesic), and Medix Anaesthetic Lozenges (for numbing pain).

**Anti-Fungal** ●●●

Two anti-fungal products: Clotrizone cream and DEMACORTE cream, both used for treating fungal infections.

**Essential Oils** ●●●

A jar of MediSOL Epsom Salts (Magnesium Sulphate), used for various ailments.

**Dermatology** ●●●

SCARmed cream, used for treating skin conditions like eczema and psoriasis.

**Gastrointestinal** ●●●

Two gastrointestinal products: Codax (softener and laxative) and Lorrex (liquorice capsules for relief of diarrhoea).

**Essential Oils**      **Gastrointestinal**

Two products: Medix Headache Oil (essential oil) and Medix Heartburn & Acid Indigestion (antacid).



## Build Nova Brands Pharmacy Focus

- Pharmacy Value Propositions
  - Quality
  - Affordability
  - Continuity of supply
- Currently 26 products within the pharmacy portfolio and rapidly growing the range
- Niche and highly sought-after products and categories

# Highlights - Pharmacy Business



**3500**

pharmacy  
stockists

Over **20%**

Of Total  
Revenue

**Key Nova  
brands**

Glucoboost,  
Elactalyte, Bubs &  
Co, Medi-Choice,  
Proctocaine

**Wholesaler  
partnerships:**

API, Symbion, Sigma,  
CH2, DHL

End-consumer  
**Marketing  
support**

Supported  
by 44  
**Pharmacy  
Groups**

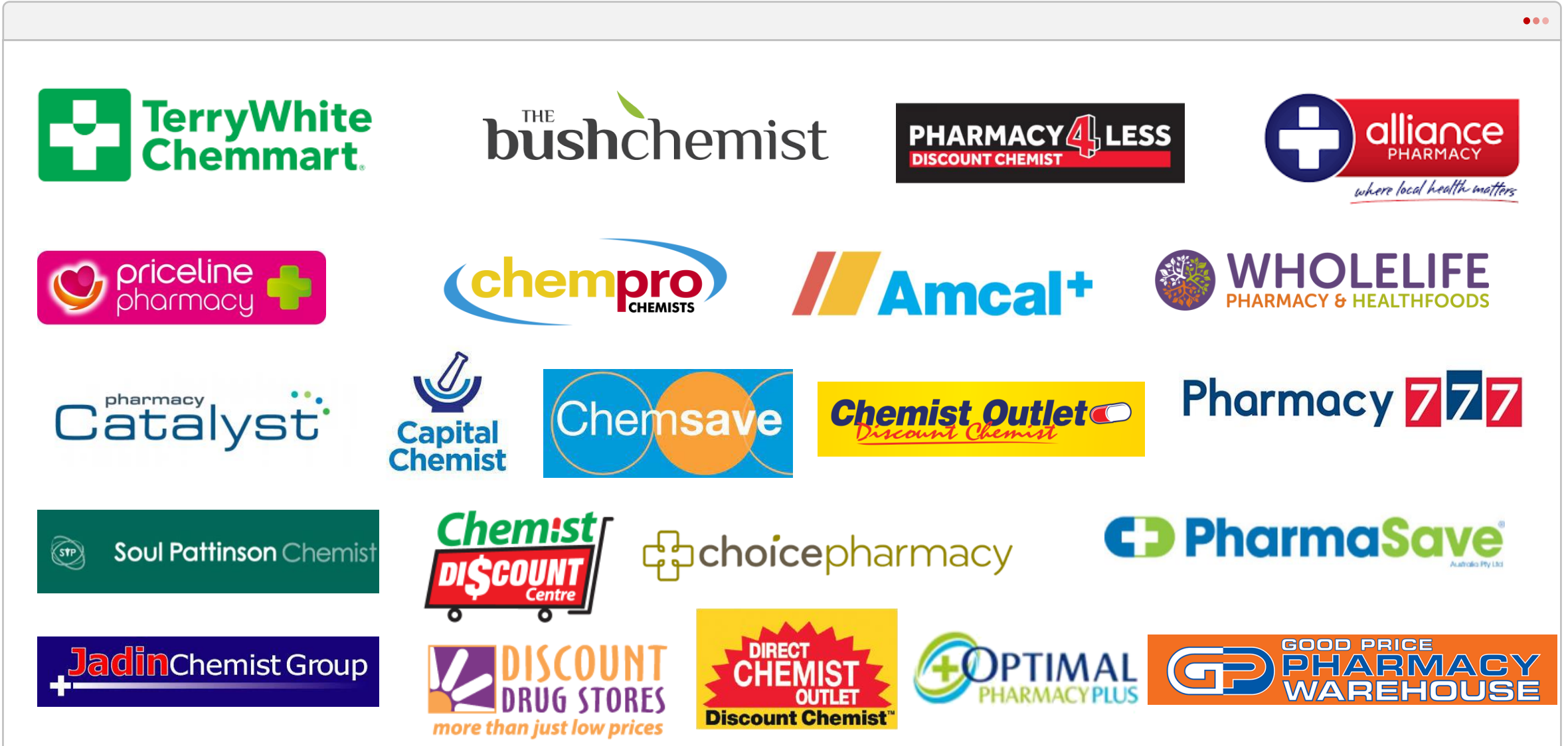
26 products  
with in the  
**Pharmacy  
Portfolio**  
and rapidly growing  
the range

**Niche &  
Highly**  
sought-after  
products and  
categories

# Pharmacy Group Support...



Marksans Pharma Ltd.



# Pharmacy Group Support...



Marksans Pharma Ltd.



# Nova Pharmacy Range - May 2022



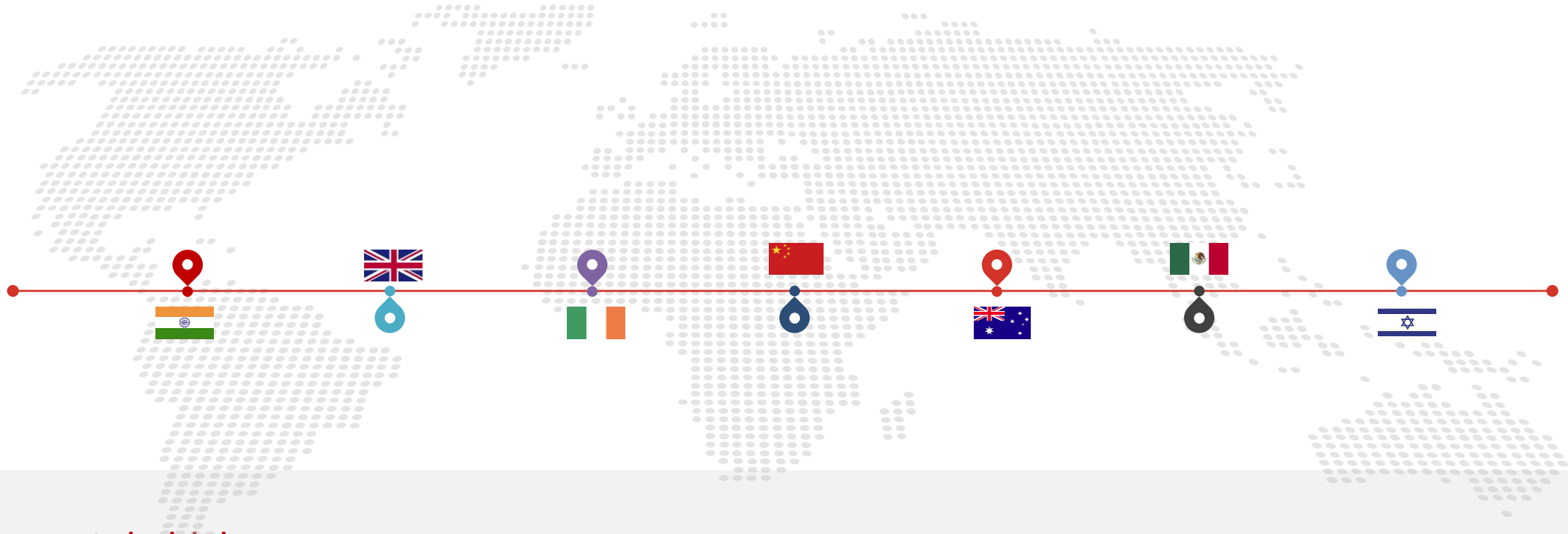
Marksans Pharma Ltd.





Outlook

# Where Are We Heading?



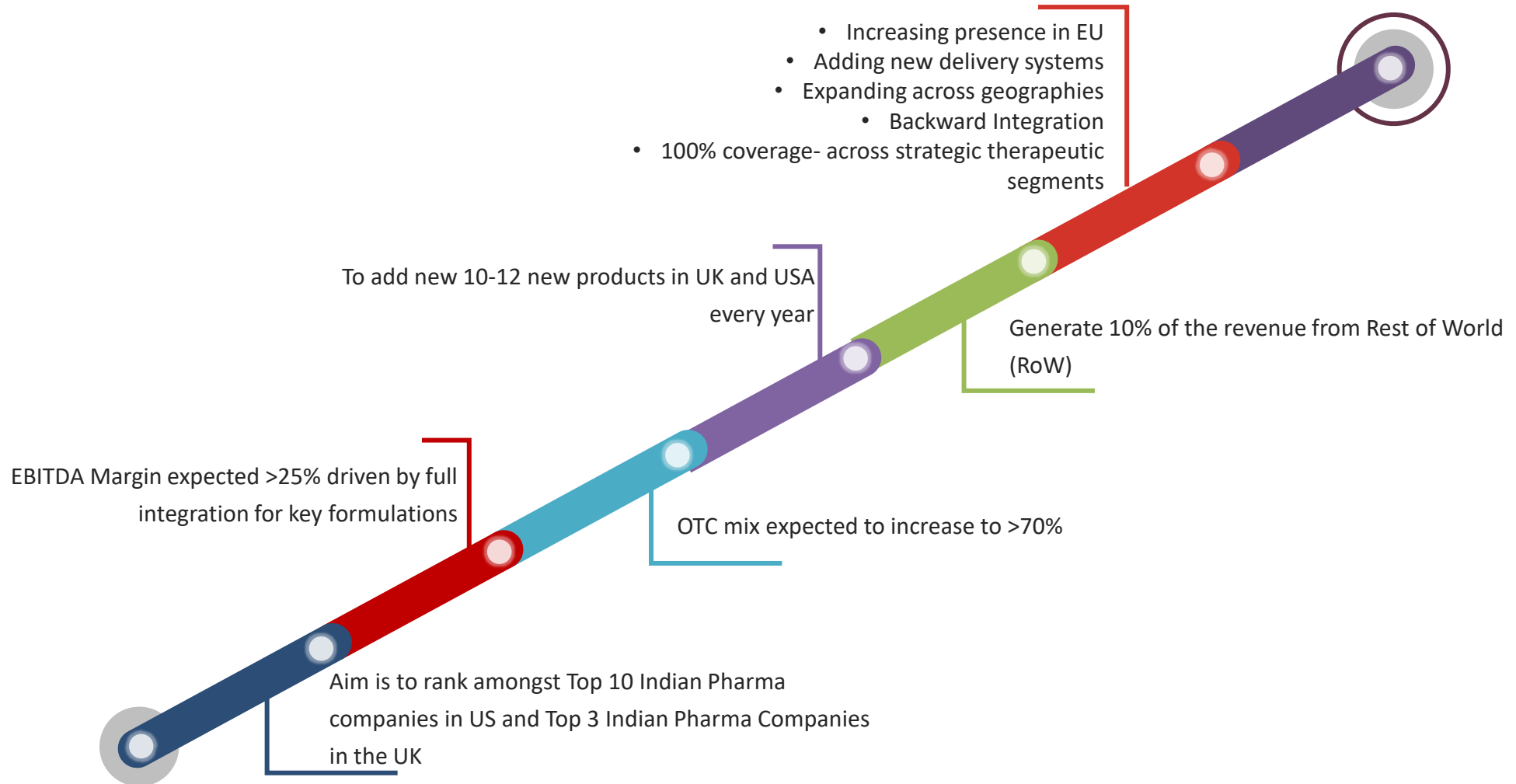
## Become a truly global company

Expanding in other geographies by acquiring companies with the same strategy of distribution of OTC Products through store brands

Expanding in other geographies by acquiring companies with Rx capabilities

Expanding to have significant international footprint

# Long term goals



# Marksans - A Compelling Investment



Marksans Pharma Ltd.



Best-in-Class **Store Brand Partner** for Traditional Retailers

Focused on OTC segment in **Growing Categories**

Robust and **consistent financial performance**

Headroom for **Significant Multiple Expansion**

**Strong and deleveraged balance sheet** to support growth

Cost effectiveness through **backward integration**

COVID-19 and **Supply Chain-Related Impacts are Temporary**, Margins Expected to Recover in coming quarters

Aim to fully **integrate business model** for key formulations

Expansion in emerging markets through **distribution driven model**

# Marksans – Committed for growth in future



Marksans Pharma Ltd.



- Growing demand in OTC store brand segment across the regions
- Rise in OTC to Rx switch
- Own label sales through exports and ecommerce platform is expected to have growing demand in coming years

Sustainable High  
Growth Business  
Model



- Proven track record of successful manufacturing and distribution through OTC- Store brands and Own labels and Rx
- Stable customer base leading to market share gains
- Low-cost manufacturing and mass customization expertise
- New and best product pipeline
- Regulatory expertise
- Strong balance sheet

Marksans Pharma has the  
infrastructure in place



- Continued growth in sales and EBITDA in the future

Growth in the  
business

# We are delivering on the promises we made



Marksans Pharma Ltd.



Growing towards INR 2000 crore revenue target



Effectively utilizing the cash through buyback, dividends, disciplined acquisitions and capacity expansion



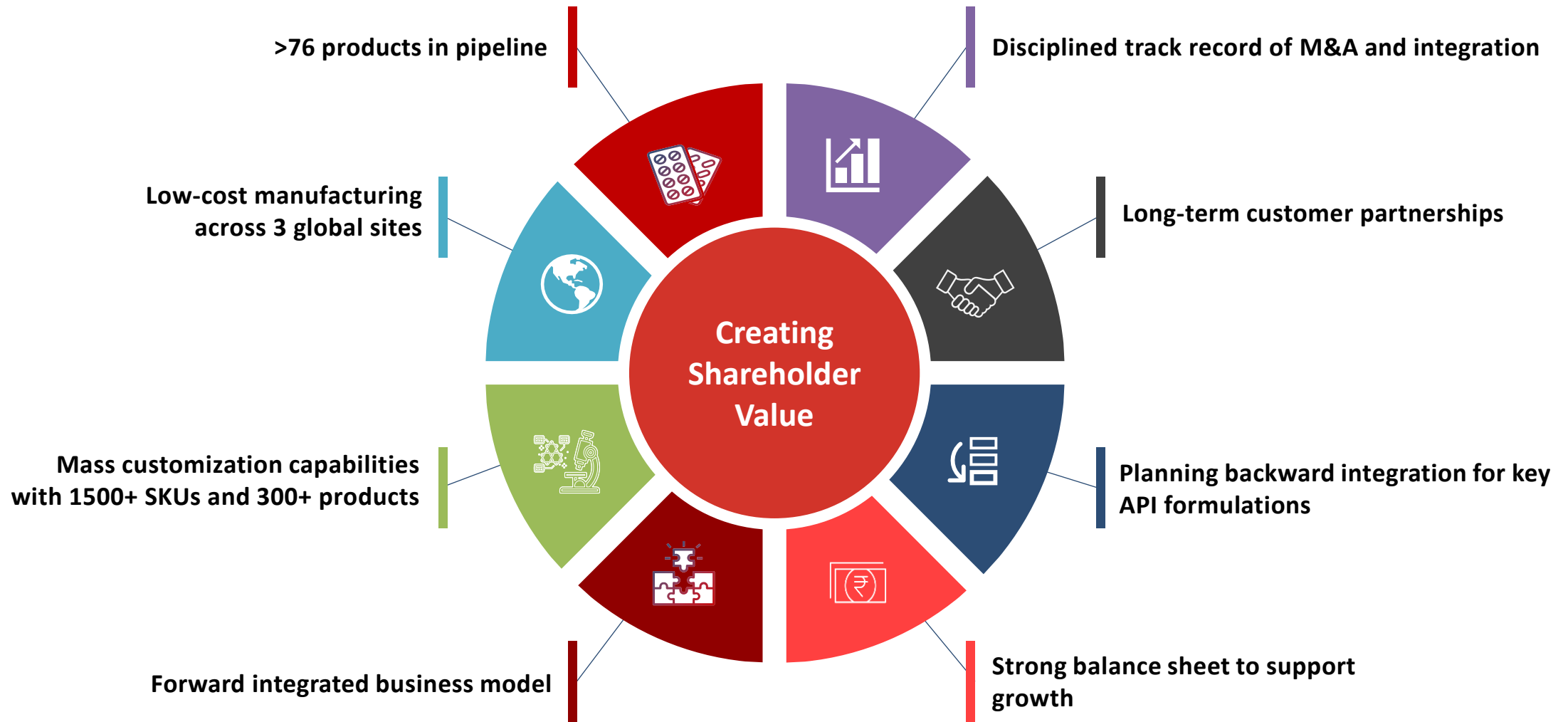
Improving margins – Through fully integrated business model - adding API manufacturing for captive consumption for key formulations



Increasing transparency and strengthening corporate governance principles

Focus on enhancing shareholder's value

# Unique Sustainable Competitive Position





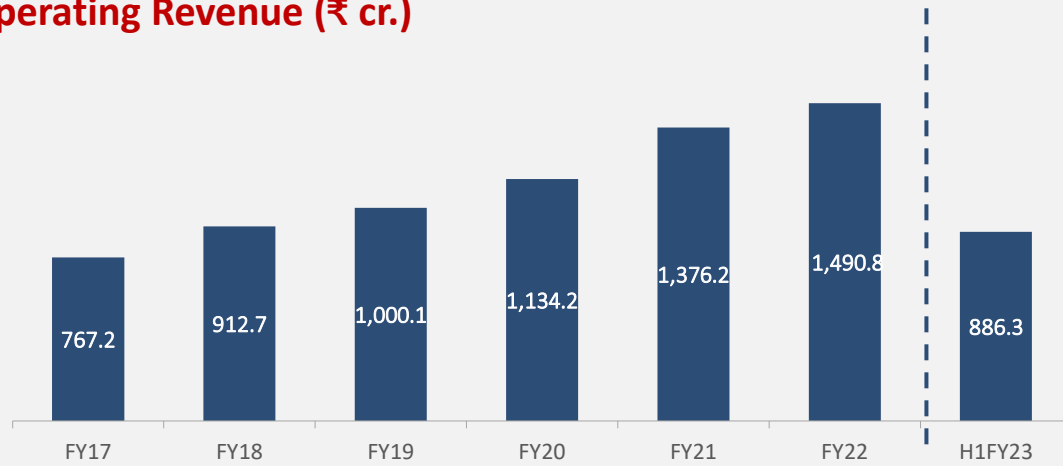
# Financial Highlights

# Financial Performance

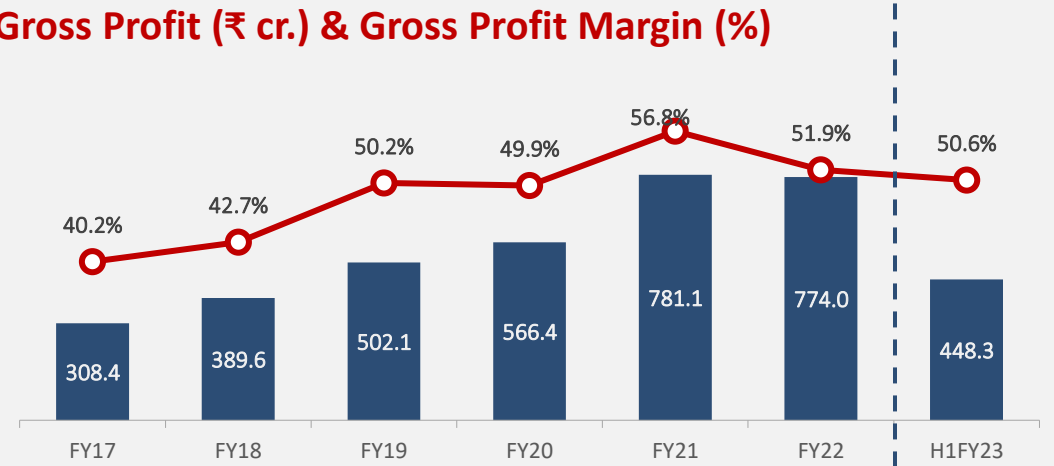


Marksans Pharma Ltd.

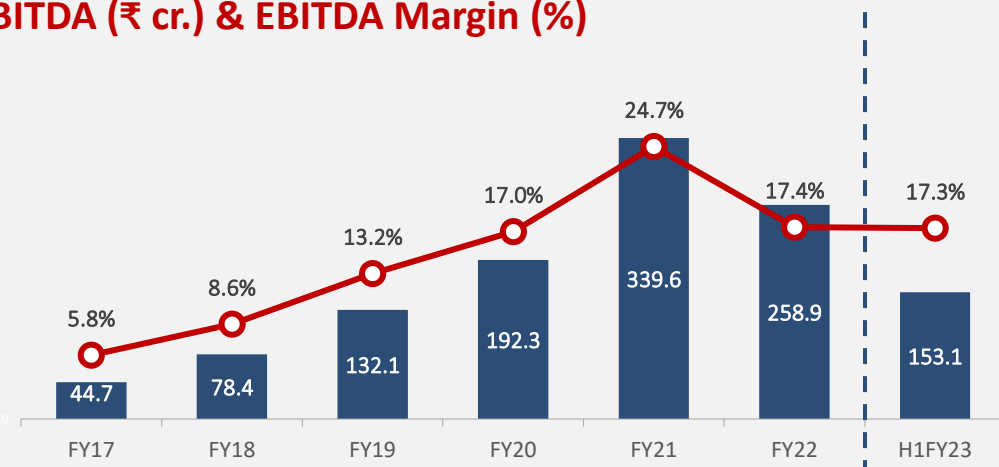
### Operating Revenue (₹ cr.)



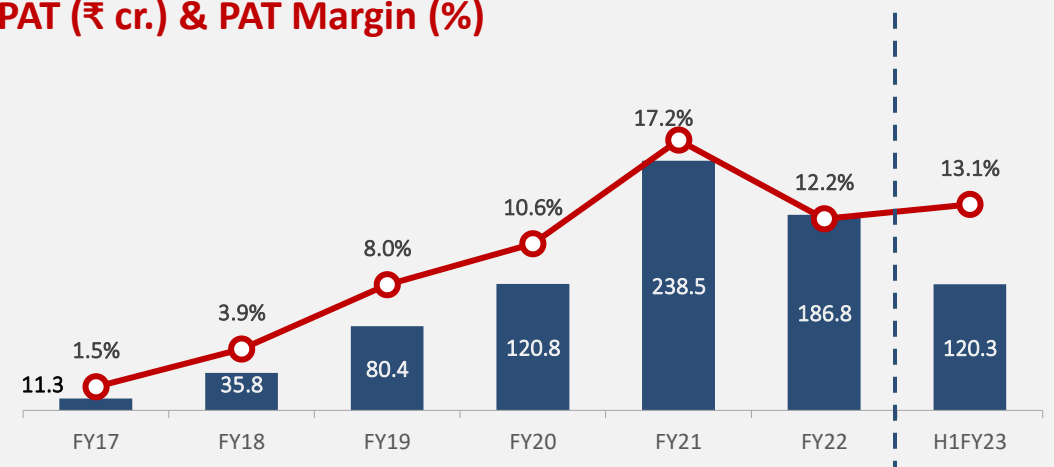
### Gross Profit (₹ cr.) & Gross Profit Margin (%)



### EBITDA (₹ cr.) & EBITDA Margin (%)



### PAT (₹ cr.) & PAT Margin (%)



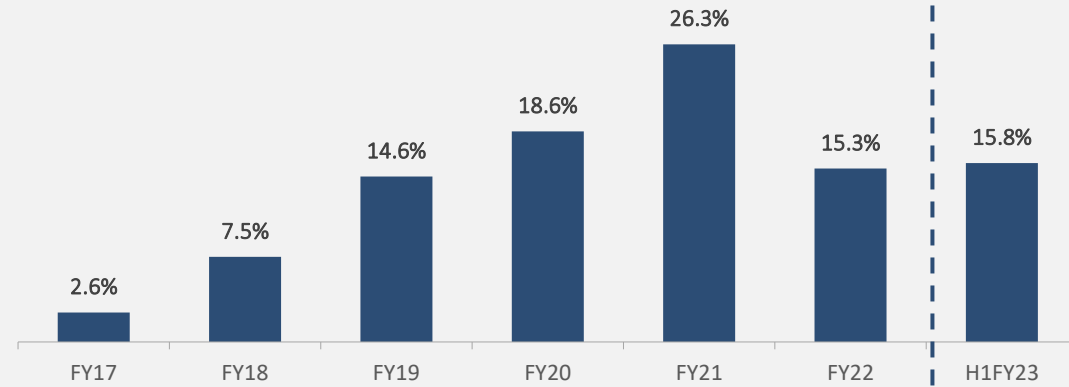
# Financial Ratios



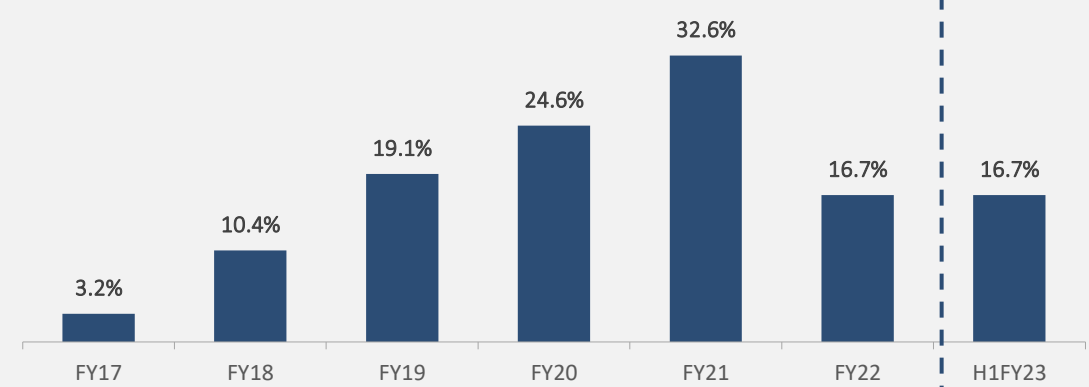
Marksans Pharma Ltd.



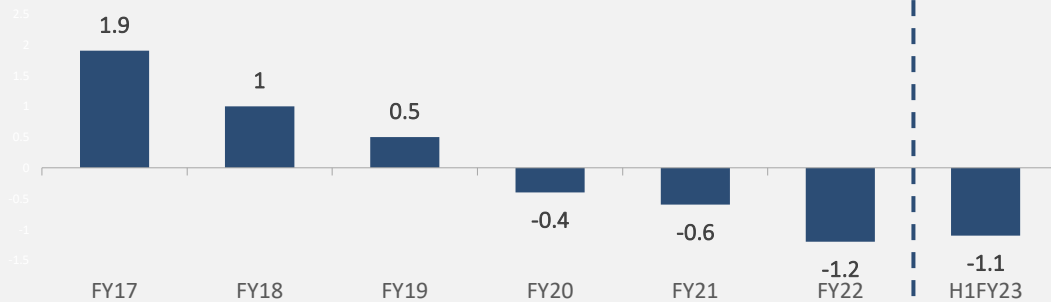
## ROE (%)



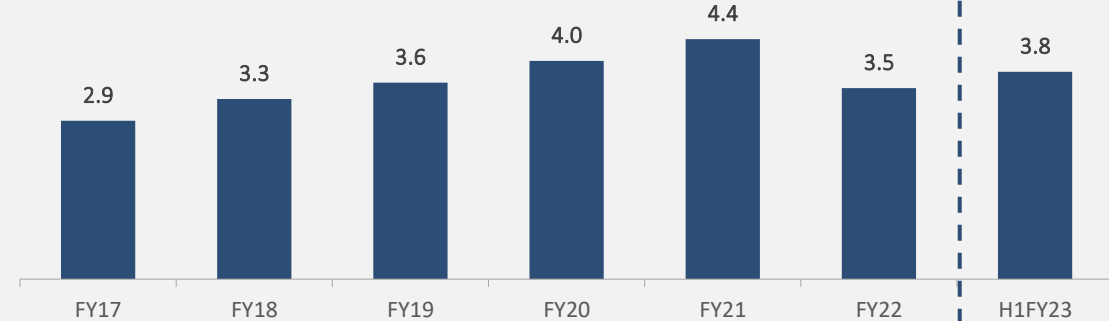
## ROCE (%)



## Net Debt to EBITDA (x)



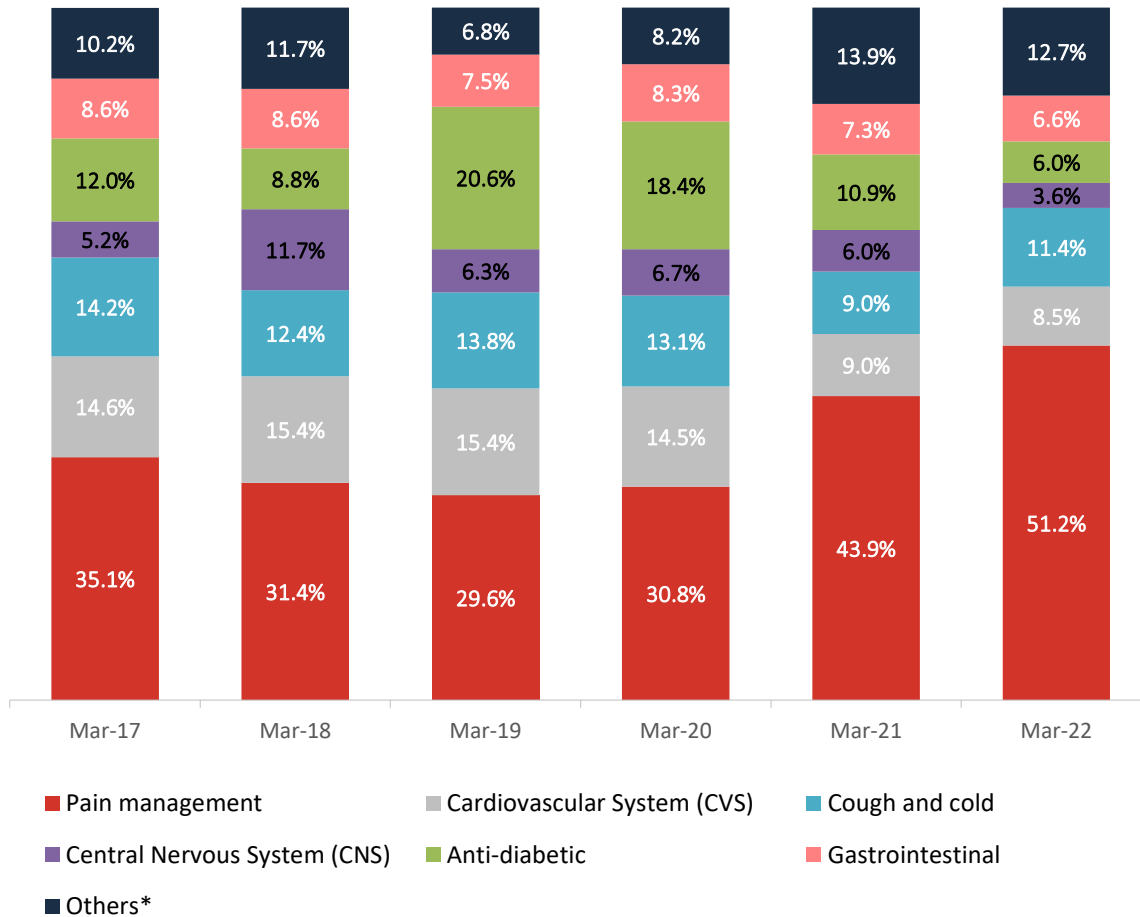
## Fixed Asset Turnover Ratio (x)\*



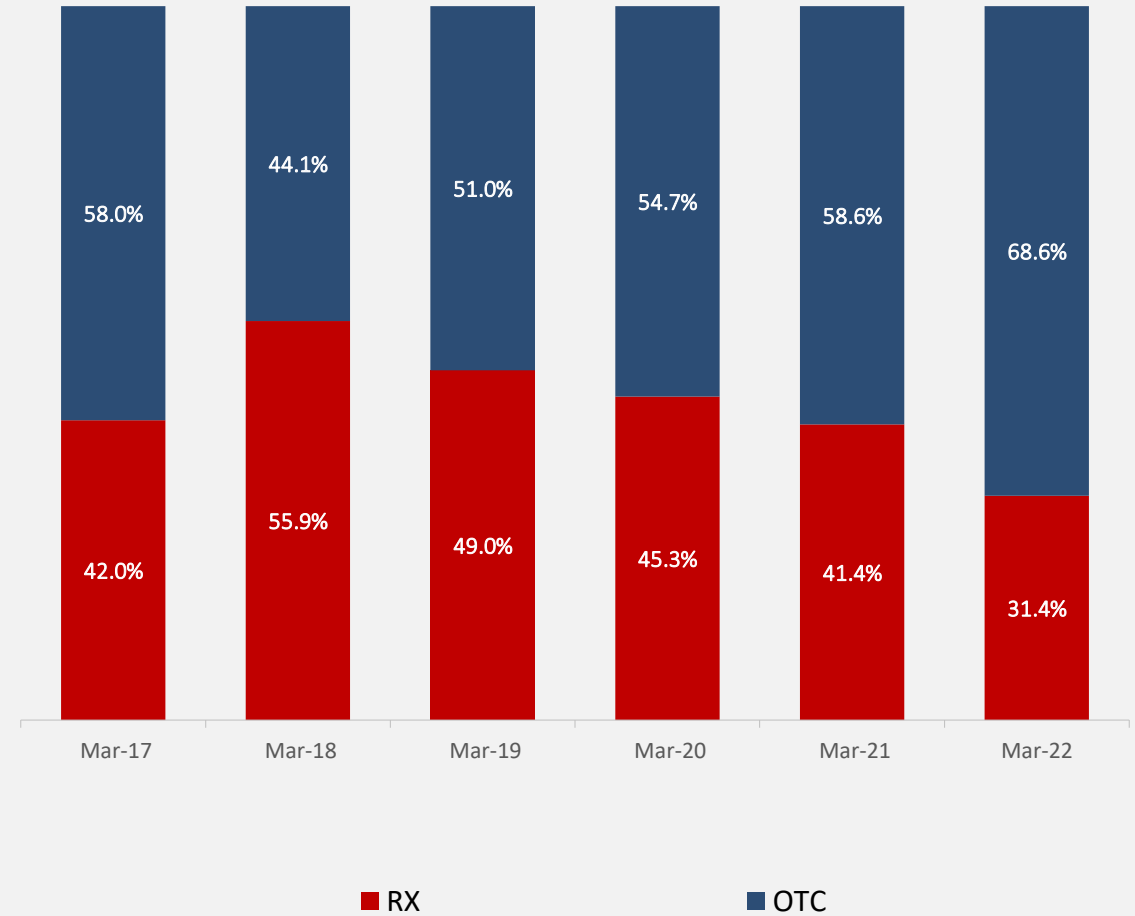
# Segmental Mix



## Therapeutic Segment-Wise Split



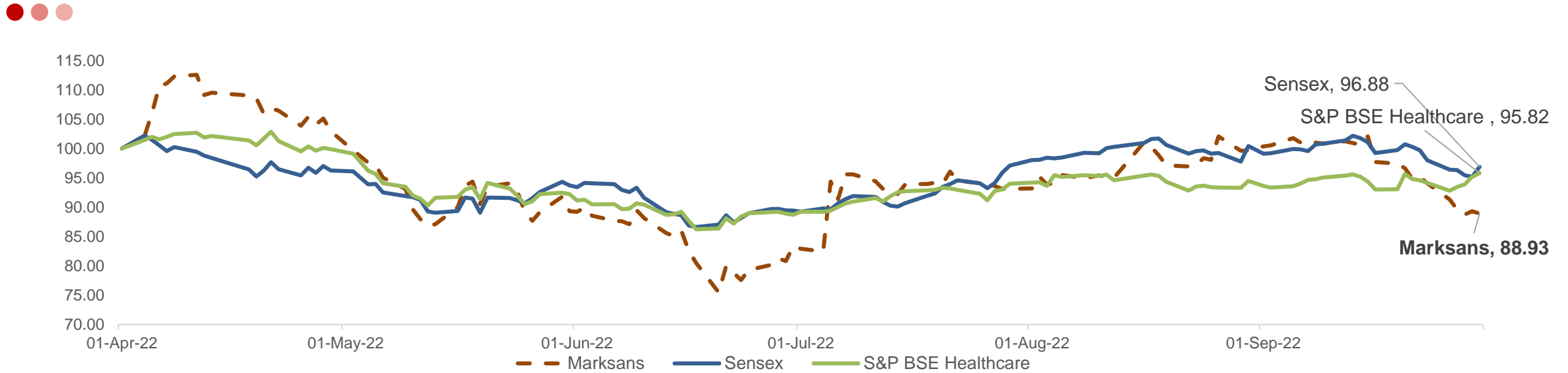
## Segment Revenue Split



# Share price and Shareholding Pattern



Marksans Pharma Ltd.

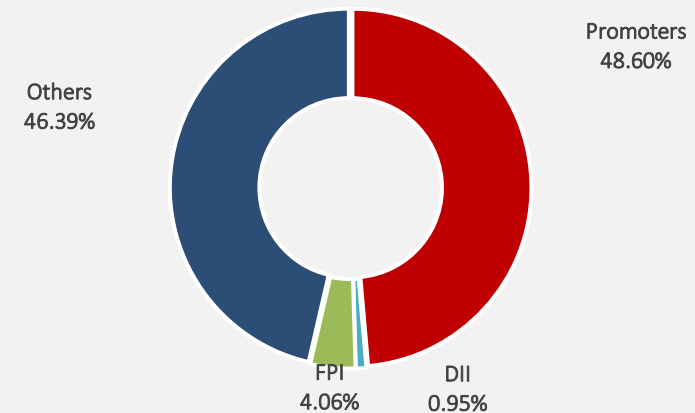


## Price Data (30<sup>th</sup> September 2022)

Face Value (INR)	1.0
Market Price (INR)	46.60
52 Week H/L (INR)	62.35/38.70
Market Cap (INR Mn)	18,936.25
Equity Shares Outstanding (Mn)	406.3

Source: BSE, Chart rebased 100

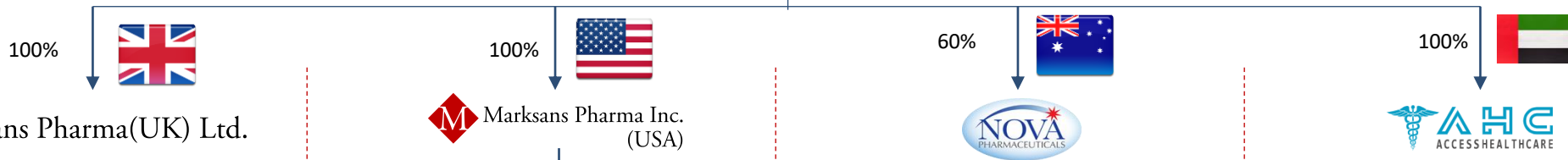
## Shareholding Pattern as on 30th September 2022



# Business structure



Marksans Pharma Ltd.



**Bell's Healthcare**

- Manufacturer of OTC Liquids & Ointments
- 450+ OTC/SKU products
- 100+ MA

**RelonChem**

- 162+ product licenses;
- Wholesale distributor of generic pharma

**Time-Cap Labs, Inc.**

- Manufacturer of range of OTC & Rx products;
- 50+ products portfolio

**NOVA PHARMACEUTICALS**

- Distribution of quality generic pharma
- Only OTC
- Regional sales development across Asia (China, Japan, Singapore, Vietnam, Sri Lanka and South Korea)

**ACCESS HEALTHCARE**

- Engaged in the business of marketing of medicines in the UAE and neighboring countries.
- Supplies products through the Dubai Health Authority (DHA)
- Derma focused products range



Marksans Pharma Ltd.

ESG

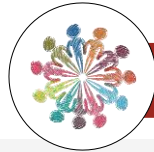
BSE: 524404 | NSE: MARKSANS | ISIN: INE750C01026

©2021 – Marksans Pharma Limited, All Rights Reserved.



## ENVIRONMENTAL

- **Efficient use of resources** to minimize the waster generation.
- Priority to **energy conservation measures** including regular review of energy generation and consumption and **effective control on utilization of energy.**
- Committed to **protect environment and ecological balance** also maintaining quality of soil, air and water.



## SOCIAL

- Company is actively contributing to the **social and economic development** and build a better sustainable way of life for weaker sections of society.
- **Ensures social and economic dignity and freedom** regardless of nationality, gender, race, economic status or religion to all its talents at all level.
- Committed to **improving the quality of life of the local community** and society at large.



## GOVERNANCE

- Committed to good corporate governance to **achieve long term corporate goals** and to **enhance shareholders value.**
- **Highly competent** and diverse board of directors.
- **Highest degree of transparency, responsibility** and delegation in all facets.
- **Internal Control & Policy** for managing conflict of interest and code of conduct.



### Provided Covid-19 Relief Supplies

Provided Covid-19 related, antibody testing, and other medical requirements like medicines , sanitizers, masks, gloves and PPE kits to the frontline workers in Goa

### Free Food To Needed People

Joined hands with NGO's to serving meals, ration, grocery kits for migrant families in villages in Goa

### Promoting Healthcare

Medical treatment to under privileged society suffering from cancer and other blood disorders in Maharashtra

### Overall Wellbeing Of Women And Children

Women and children development, professionalizing Anganwadis and national nutrition mission in Goa with Ministry of Health, Government of Goa

### Tree Plantation

Tree plantation in Verna Industrial Estate, Goa

### Oxygen Concentrator

Tree plantation in Verna Industrial Estate, Goa

### Women And Child Development

Provided Sanitary Pads to poor women under the "MY PAD, MY RIGHT" program, an initiative of Swachh Bharat scheme of Beti Bachao scheme of the Govt of India



Marksans Pharma Ltd.

# Corporate Governance Philosophy

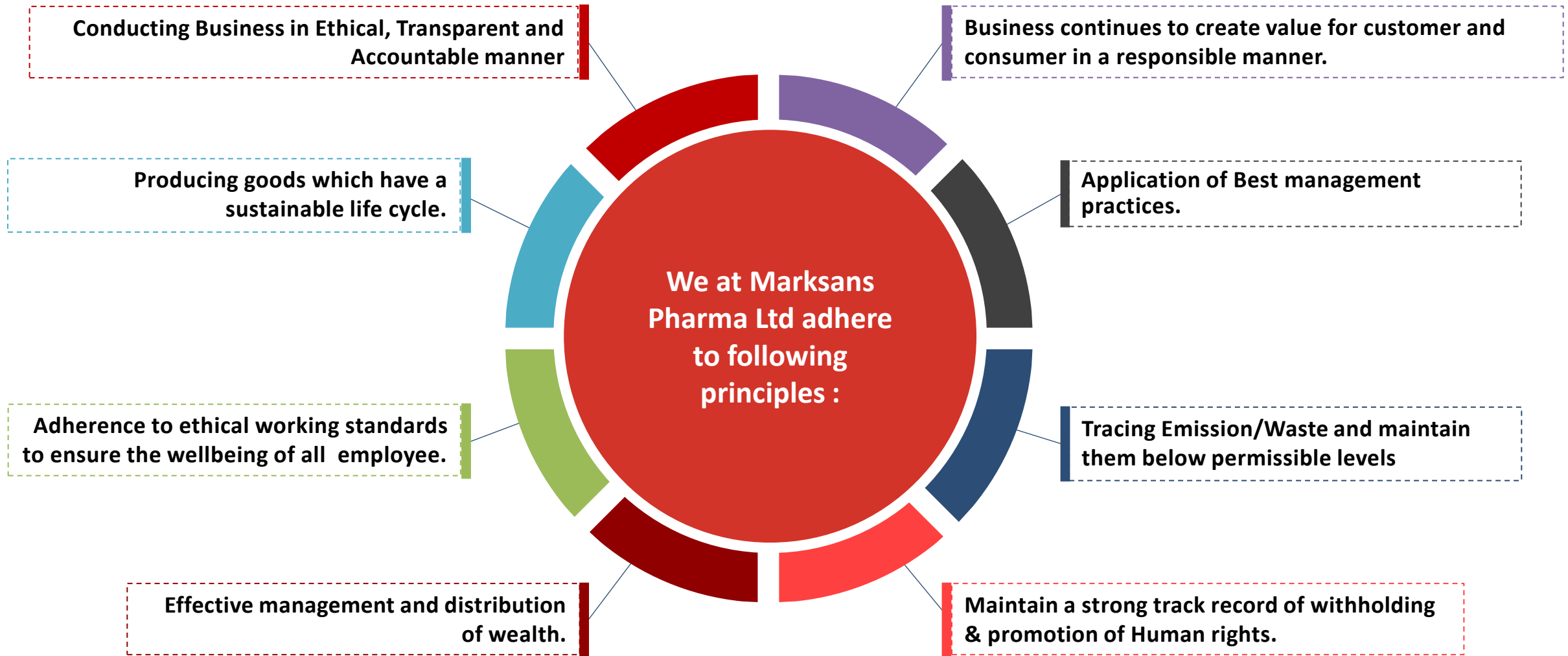
BSE: 524404 | NSE: MARKSANS | ISIN: INE750C01026

©2021 – Marksans Pharma Limited, All Rights Reserved.

# Corporate Governance Philosophy



Marksans Pharma Ltd.





Marksans Pharma Ltd.



**Experienced Team**

BSE: 524404 | NSE: MARKSANS | ISIN: INE750C01026

©2021 – Marksans Pharma Limited, All Rights Reserved.

# Board with Global Expertise



**Mark Saldanha**  
**Founder, Chairman & Managing Director**

- Science Graduate
- 30+ years experience in the marketing, production and finance functions
- Ex- Whole Time Director, Glenmark Pharmaceuticals Ltd.



**Sandra Saldanha**  
**Promoter, Whole-Time Director**

- MA in Arts (Sociology)
- Experience in Human Resource Management, Business Development, Projects and Supply Chain Management



**Varddhan Jain**  
**Whole-Time Director**

- M. Pharm (Pharmaceuticals)
- 27 years experience in manufacturing, quality R&D, compliance & regulatory affairs both for API and FDF manufacturing
- Successfully handled several regulatory inspections including USFDA, MHRA, PMDA Japan and WHO
- Created sound Internal processes for regulatory clearance



**Seetharama Raju Buddharaju**  
**Independent Director**

- B.Sc., PGDBM, PGDMSM
- 36 years of experience in Sales Management, Marketing and Business Administration
- Ex- Parke-Davis, Pfizer

# Board with Global Expertise (Continued)



**Abhinna Sundar Mohanty**  
**Independent Director**

- M.Sc., Mathematics
- 39 years experience in sales, marketing, business development and business strategy
- Ex-Alembic Pharma



**Digant Mahesh Parikh**  
**Independent Director**

- MBA, Finance
- 26 years experience in Corporate Finance, Strategic Planning and Business Set-up & Scale up.



**Dr. Meena Rani Surana**  
**Independent Director**

- B. Pharm., Ph.D in Pharmaceutics - Indian Institute of Technology, BHU, Varanasi, India, Post Doctoral Fellowship in Pharmaceutics- University of Minnesota, USA
- 28 years experience in pharmaceutical regulatory affairs, quality assurance, formulation and pre-formulation



**Dr. Sunny Sharma**  
**Non-Executive Director**

- MBA, MBBS.
- Senior Managing Director, OrbiMed Asia
- Ex-Investor Growth Capital (IGC), Easton Capital

# Experienced Leadership Team



**Mark Saldanha**

**Founder, Chairman & Managing Director**

- Science Graduate
- 30+ years experience in the marketing, production and finance functions



**Vardhman Jain**

**Whole-Time Director**

- M. Pharm (Pharmaceuticals)
- 27 years experience in manufacturing, quality R&D, compliance & regulatory affairs both for API and FDF manufacturing



**Sathish Kumar**

**MD – Marksans Pharma UK Ltd.**

- M. Pharm (Pharmaceuticals)
- 20+ years experience in Production, Formulation development, Regulatory, Technical and Business Development.



**Anjani Kumar**

**COO – Global Operations and USA**

- B.Pharm (Pharmaceuticals)
- 38+ years experience in all aspects of pharma management
- Ex-Wockhardt, Cipla, Lupin



**David Mohammed**

**MD- Pharmaceuticals Australasia Pty Ltd**

- 20+ years experience in pharma innovation, operations, distribution
- Ex-MD Australasia and Africa, Valeant Pharmaceuticals



**Jitendra M Sharma**

**Chief Financial Officer**

- CA, CWA
- 28 years expertise in treasury, forex management, costing, fund raising and internal control systems.



# Marksans Pharma Ltd.

## For more information please contact:

### **Jitendra Sharma**

(CFO)

**Marksans Pharma Ltd**

Tel: +91 022 40012000

[jitendra@marksanspharma.com](mailto:jitendra@marksanspharma.com)

### **Corporate Office**

11th Floor Grandeur, Off Veera Desai Road,

Opp Gundecha Symphony, Andheri (W),

Mumbai – 400 053, Maharashtra - India

© 2021 Marksans Pharma Limited, All Rights Reserved.

"Marksans Pharma" and The Marksans Pharma Logo are trademarks of Marksans Pharma Limited. In addition to Company data, data from market research agencies, Stock Exchanges and industry publications has been used for this presentation. This material was used during an oral presentation; it is not a complete record of the discussion. This work may not be used, sold, transferred, adapted, abridged, copied or reproduced in whole or in part in any manner or form or in any media without the prior written consent. All product names and company names and logos mentioned herein are the trademarks or registered trademarks of their respective owners.