



Jagsonpal Pharmaceuticals Limited

Q1 FY23 Earning Presentation

Except for the historical information contained herein, statements in this presentation and the subsequent discussions, which include words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "likely", "project", "should", "potential", "will pursue", and similar expressions of such expressions may constitute "forward-looking statements". These forward-looking statements involve a number of risks, uncertainties, and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, obtain regulatory approvals, our provisioning policies, technological changes, investment and business income, cash flow projections, our exposure to market risks as well as other risks. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

Company Background

Company Snapshot



Proven Track Record

- Established in 1978, long track record of 40+ years

Focus Segments

- Specialize in the development & commercialisation of Gynaecology & Orthopaedic focussed products

Strong Brands

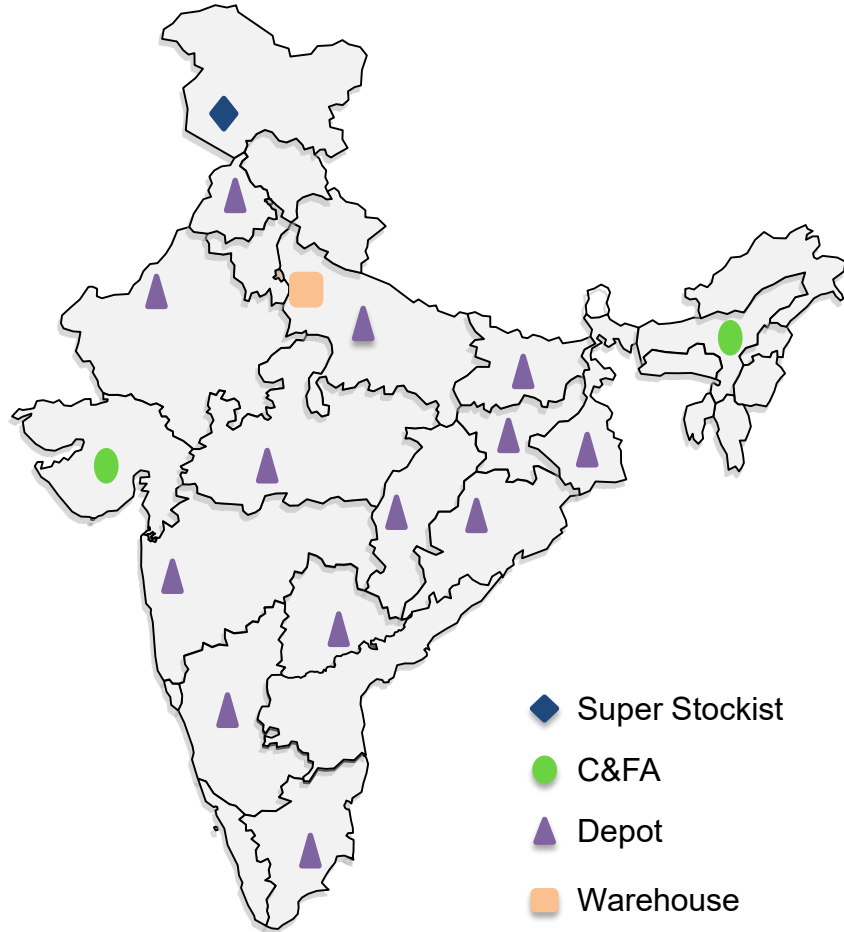
- 17 Brands are among the "Top 5" brands in respective molecule segments

Extensive Coverage

- Comprehensive doctor coverage with field force of 900+ personnel across divisions

Pan-India Distribution

- Network of 1,600+ Stockists



Sales Team Overview

Field force of 900+ with specialized product experience, improving productivity

Network of 18 pan-India stocking points and 1,600+ stockists

Products available in 1,25,000+ pharmacies across India

Demonstrated Ability to build Leading Brands: Gynae Portfolio



Gynaecology Portfolio

Molecule	Brand (% of Revenue)	Rank in CVM	MS%	Brand Value	2yr CAGR-Brand	2yr CAGR-CVM
Hydroxyprogesterone (₹ 140Cr)	Maintane Inj. (15%)	#2	25%	₹ 35Cr	23%	21%
Allyeostrenol (₹ 33Cr)	Maintane Tabs. (6%)	#1	52%	₹ 17Cr	13%	9%
For Female Infertility (₹ 41Cr)	Lycored (13%)	#1	23%	₹ 31Cr	7%	10%
Dydrogesterone (₹ 722Cr)	Divatrone/ ProRetro (9%)	#6	3%*	₹ 21Cr	28% QoQ (Launched in Aug'21)	35%
Dienogest (₹ 81Cr)	Endoreg (5%)	#2	14%	₹ 11Cr	49%	22%
Norethisterone (₹ 249Cr)	Cycloreg (2%)	#6	2%	₹ 6Cr	12%	13%

Demonstrated Ability to build Leading Brands: Other Specialty Portfolio



	Molecule	Brand (% of Revenue)	Rank in CVM	MS%	Brand Value	2yr CAGR-Brand	2yr CAGR-CVM
Orthopaedic	Indomethacin Solid (Rs 35 Cr)	Indocap SR (13%)	#1		Rs 29Cr	11%	9%
	Nandrolone (Rs 145Cr)	Metadec (14%)	#2		Rs 31Cr	13%	5%
Anti-Infectives	Doxycycline + Lactob (Rs 212 Cr)	Doxypal DR-L (6%)	#3		₹ 14Cr	23%	27%
*V/M/N	CONV. IRON LIQUID (Rs 956Cr)	J.P Tone Syrup (5%)	#10		₹ 12 Cr	4%	8%
Gastro Intestinal	Chlordiazepox.+ Clind. (Rs 95Cr)	Equirex (6%)	#2		Rs 15Cr	16%	17%

Recent Developments



Infinity Holdings acquired 43.73% stake from the Kochhar family, becoming the largest shareholder

Infinity Holdings and Kochhar family are joint promoters of the company

Established new Board along with induction of eminent Independent Directors

Appointed Mr. Manish Gupta as the Managing Director

Board has appointed M/s. Walker Chandiook Co LLP as the new Statutory Auditors, subject to shareholders' approval

Reconstituted Board with the induction of industry leaders... (1/2)



Mr. Harsha Raghavan

Non-Executive Director

- Invested & successfully managed businesses across industries
- Established track record of value creation via engagement with portfolio companies



Mr. Debasis Nandy

Independent Director

- Experience across domains such as M&A, Investor Relations Accounts, Tax, Treasury, Budgeting, Planning and Business Finance



Ms. Radhika Dudhat

Independent Director

- Extensive experience in transactional, regulatory and legal risk management advisory for transactional, corporate governance and regulatory issues

... with successful track record of leading business (2/2)



Ms. Pallavi Gupta

Independent Director

- Worked with MNCs, NGOs, listed & privately held companies
- Advised on areas including valuation, corporate and tax laws



Mr. Prithipal S Kochhar

Non-Executive Director

- Founder of Naari, a company focused on Woman Health
- Operations in South-East Asia, Europe, CIS & Africa with two manufacturing plants in India



Mr. Manish Gupta

Managing Director

- Well-established track record of successfully leading and managing businesses globally
- Instrumental in creating "Top-20" global animal health company from India

Q1 Performance

I am excited to take up the mantle to lead Jagsonpal, which I believe has a strong business model, a talented team, and a trusted name among the medical fraternity.

Building on the momentum of last year, Jagsonpal has delivered another quarter of a strong 15% growth as per IQVIA. The company has improved its ranking in the Indian Pharmaceutical Industry by 9 positions to be the 80th ranked company based on its performance for MAT June'22. The Dydrogesterone franchise (Divatrone and ProRetro) continues to grow rapidly gaining a 4% market share in Q1 and Divatrone features among the 'Top 5' new launches in the last 12 months.

Financially, the company delivered a 12% growth in revenues, which stood at ₹ 60 Crores with an Operating EBITDA of ₹ 10.6 Crores, reflecting a 6% growth, due to post-covid normalization of costs. The quarter saw some exceptional and one-time costs based on certain strategic decisions.

We stay confident of maintaining the growth momentum for the rest of the year even as we initiate work on further growth strategies.

Mr. Manish Gupta, Managing Director

Business

- Significant outperformance as compared to the industry (Source: IQVIA / AWACS)
 - Growth of 15% vis-à-vis industry growth of 7%
 - Improved industry ranking by 9 positions as per MAT June - 89th to 80th
 - Strong performance by Dydrogesterone franchise (Divatrone and ProRetro) – Achieves 4% market share
 - Divatrone ranked 5th among new launches across the Industry

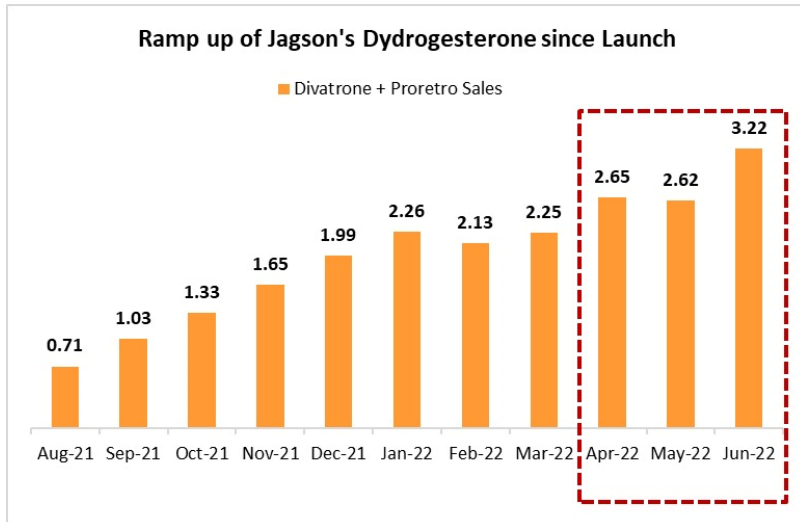
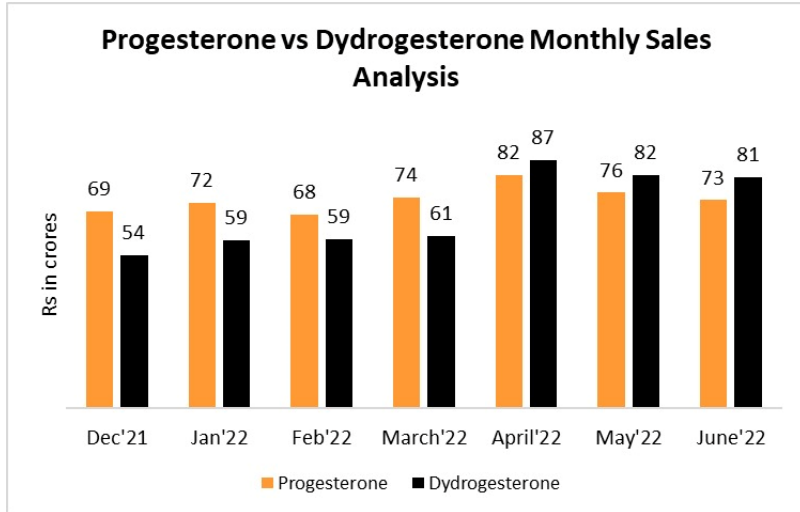
Financial

- Sales grew by 12% to ₹ 60 crores in spite of the base effect of Covid sales in Q1 FY22
- Operational EBITDA improves 6% to ₹ 10.6 crores, EBITDA margin of 17.5%
- Strong cash flow generation continues – Net cash position improves to ₹ 70 crores

Operational

- Transitioning to C&F model from own depots for costs and efficiencies
- New office location finalised at Gurgaon – To be operational from Q3

Dydrogesterone – A New Horizon for Jagsonpal



- Launch of Dydrogesterone products(DGT) at a competitive price has helped expand the market, replacing the progesterone (NMP) market
 - DGT market has grown 59% as against 12% for NMP (MAT June 22)
 - DGT sales have overtaken NMP since April'22
- Jagsonpal launched DGT brands: **Divatrone & ProRetro** in August '22
 - **Superior product:** India's first micronized DGT brand with 36-month shelf-life
 - **Complete control over the supply chain:** Exclusivity for Indian markets
- DGT franchise has consistently delivered strong performance with continuous improvement in the market share - 4% in June'22
- Divatrone: Ranked 5th best launch across all segments[^]
- Divatrone has been nominated as the new introduction of the year in the Chronic therapy category as per AWACS

[^]MAT June as per IQVIA

Financial Performance

Profit and Loss Statement

All values in ₹ lakhs



Particulars	Q1 FY 23 Unaudited	Q1 FY 22 Unaudited	Q4 FY 22 Unaudited	FY 22 Audited	Remarks
Revenue From Operations	6,059.7	5,405.5	5,122.7	21,758.4	Strong growth in spite of base effect of Covid product sales in the previous year
Material Consumption	-2,507.8	-2,062.6	-2,306.3	-8,727.2	
Gross Margin	3,551.9	3,342.9	2,816.3	13,031.2	
GC %	58.6%	61.8%	55.0%	59.9%	Product-mix impact along with increase in input costs, Correction from Q2 onwards
Employee Benefit Expenses	-1,488.2	-1,432.4	-1,321.0	-5,646.3	
Operating Expenses	-1,001.5	-910.7	-1,069.3	-4,140.3	Normalization of operating costs post-Covid
Operational EBITDA	1,062.3	999.7	426.0	3,244.6	
Operational EBITDA %	17.5%	18.5%	8.3%	14.9%	
Exchange Gain/ (Loss)	1.4	0.0	0.1	0.1	
FMV gain/ (loss) on investments	-191.1	9.8	-109.2	104.1	MTM impact of mutual fund investments
Other Income	29.9	72.4	136.7	229.4	
Finance Cost	-1.4	-10.5	-5.8	-28.5	
Depreciation	-19.3	-28.3	-64.5	-152.6	
Exceptional / One-time Exp.	-809.8	-72.2	-363.3	-665.2	Details in following slide
Earnings Before Tax	72.0	970.8	20.0	2,731.9	
Taxes	-35.1	-285.9	-17.5	-773.2	Under the new tax regime
Earning After Tax	36.9	684.8	2.5	1,958.7	

Exceptional/ One-time Expenses

All values in ₹ lakhs



Expenses Break-up		Q1 FY23	Q1 FY22	Q4 FY22	FY 22
Impairment losses					
- Faridabad Factory	89.5				
- Delhi Office	168.4				
- Product Development & related Costs	254.5				
		512.4			
Restructuring Costs (Retirement / Redundancy)		68.0			
Total Exceptional Costs Reported P&L (A)		580.4	0.0	0.0	0.0
Non-Recurring Expenses					
One-off Management Consultancy		19.1	66.0	276.8	544.0
Retirement / Layoff			6.2	86.5	121.2
Inventory write-off (Discontinued products)		44.8			
Provisions for Write-off		16.5			
New product launch Expenses		148.9			
Non-Recurring Expenses (B)		229.3	72.2	363.3	665.2
Total Exceptional / One-time Expenses (A+B)		809.8	72.2	363.3	665.2

Key Balance Sheet Items

All values in ₹ lakhs



Particulars	As on 30 th June	As on 31 st March	Change	Remarks
Shareholders Funds	13,123	13,086	37	
Tangible Assets	1,964	2,237	-273	Impairment of assets pertaining to Faridabad factory & Delhi head office, product development charges written off
Intangible Assets	3	238	-235	
Cash & Liquid Investments	7,036	6,875	161	
Other Non-Current Assets (Net)	1,227	891	336	
Net Working Capital	5,034	5,448	-414	Expedited vendor payments



Thank You