

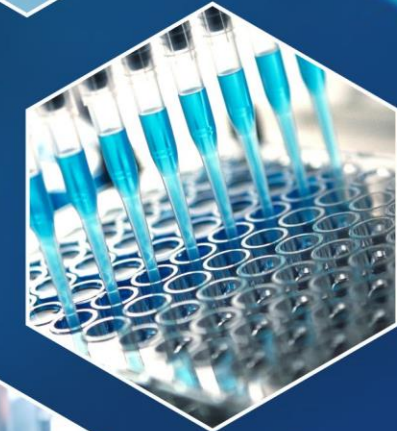
# Q2 FY2019 Earnings Presentation



**LINCOLN**  
PHARMACEUTICALS LTD.

HEALTHCARE FOR ALL

*Providing  
Affordable and **Innovative**  
medicines for healthier lives*





## Q2 FY2019 vs. Q2 FY2018

- Total Income of Rs. 1,070.4 million, up 15.5%
- EBITDA of Rs. 235.2 million, up 27.7%
  - EBITDA margin of 22.0%, up 209 bps
- PBT of Rs. 202.6 million, up 34.0%
  - PBT margin of 18.9%, increased 260 bps
- PAT of Rs. 149.9 million, up 32.7%
  - PAT margin of 14.0%, up 181 bps
- Total Debt of Rs. 466 million
  - Total Debt / Equity of 0.18x and Net Debt to LTM EBITDA of 0.47x

## Management Perspective

*“The company has shown the Profit Before Tax (PBT) of Rs. 46.24 Crs for the financial year ending as on 31.03.2018, as against company had achieved PBT of Rs. 42.93 Crs for the period ending on 30.09.2018, almost previous year performance in six months. The company is also optimistic about the performance of remaining six months of Financial year 2018-19. The company’s Profit for the whole year is attractive & remarkable.*

*We are also in the process of setting up an API unit which we expect to be operational by end of this financial year. This in-house API production will ensure reduction in price fluctuation and will also be instrumental in getting approvals for supplying our products to the US and other regulated markets. In addition, we are also in the process of setting up a new solar plant which will result in further fuel cost savings going forward and enhance our margins.*

*Our recent expansion and modernization of plants, strong order book, outstanding R&D capabilities coupled with various strategic investments expected to contribute to the growth of the Company in near to medium term.”*

**Mr. Mahendra G. Patel, Managing Director**



## Consolidated Financial Performance

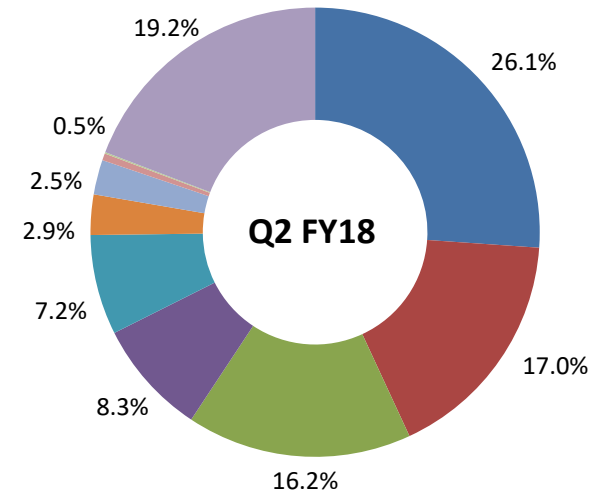
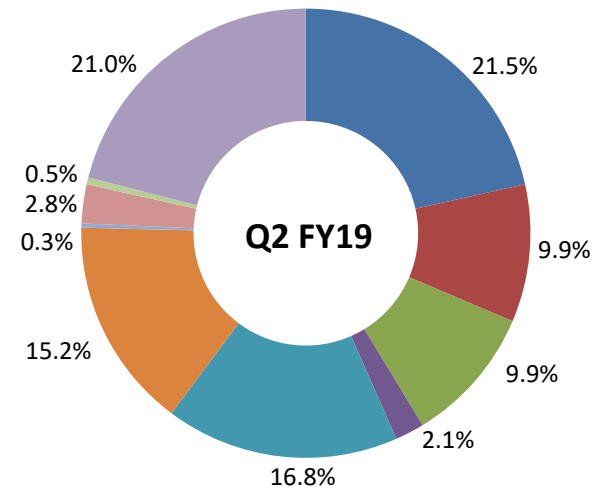
| Particulars            | Q2     |        | y-o-y      | Q1     |            | Half Year |        | y-o-y      |
|------------------------|--------|--------|------------|--------|------------|-----------|--------|------------|
|                        | FY2019 | FY2018 | Growth (%) | FY2019 | Growth (%) | FY2019    | FY2018 | Growth (%) |
| Net Revenue            | 1,070  | 926    | 15.5%      | 1,021  | 4.8%       | 2,092     | 2,450  | (14.6)%    |
| EBITDA                 | 235.2  | 184.2  | 27.7%      | 255.9  | (8.1)%     | 491.1     | 282.8  | 73.6%      |
| Margin (%)             | 22.0%  | 19.9%  |            | 25.1%  |            | 23.5%     | 11.5%  |            |
| PBT                    | 202.6  | 151.2  | 34.0%      | 226.8  | (10.7)%    | 429.3     | 219.9  | 95.2%      |
| Margin (%)             | 18.9%  | 16.3%  |            | 22.2%  |            | 20.5%     | 9.0%   |            |
| Profit After Tax (PAT) | 150.0  | 113.0  | 32.7%      | 160.7  | (6.6)%     | 310.7     | 162.1  | 91.6%      |
| Margin (%)             | 14.0%  | 12.2%  |            | 15.7%  |            | 14.9%     | 6.6%   |            |
| Basic EPS (Rs.)        | 7.50   | 5.65   | 32.7%      | 8.03   | (6.6)%     | 15.53     | 8.11   | 91.5%      |

Note: Financials are as per IND-AS



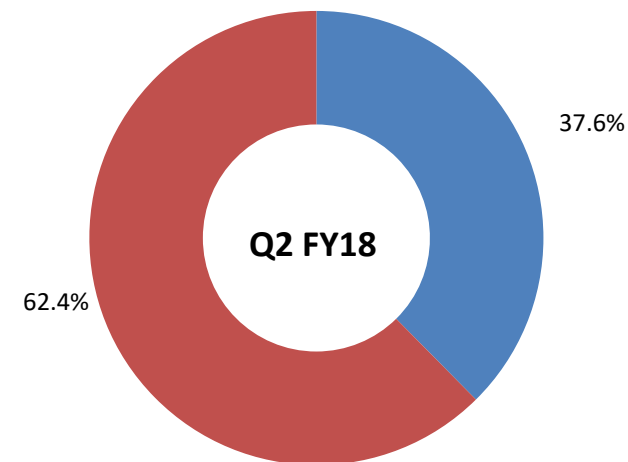
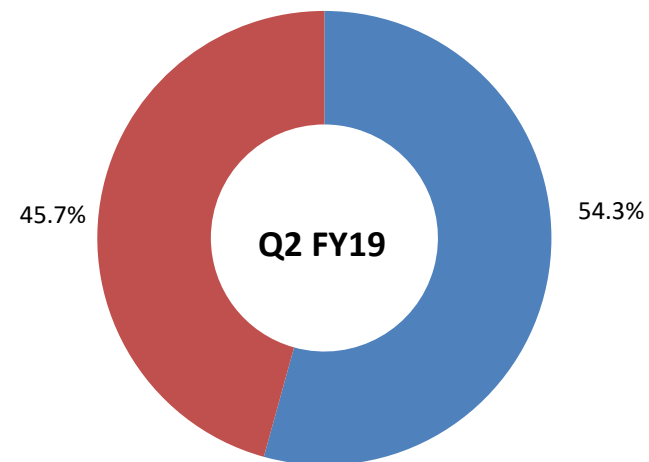
## Quarterly Revenue Breakup

Therapeutic Area



- General Anti Infectives
- Respiratory Systems
- Alimentary Tract and Metabolism
- Genito Urinary System and Sex Hormones
- Musculo-Skeletal System
- Parasitology
- Blood and Blood Forming Organs
- Cardiovascular System
- Central Nervous System
- Others

Geography

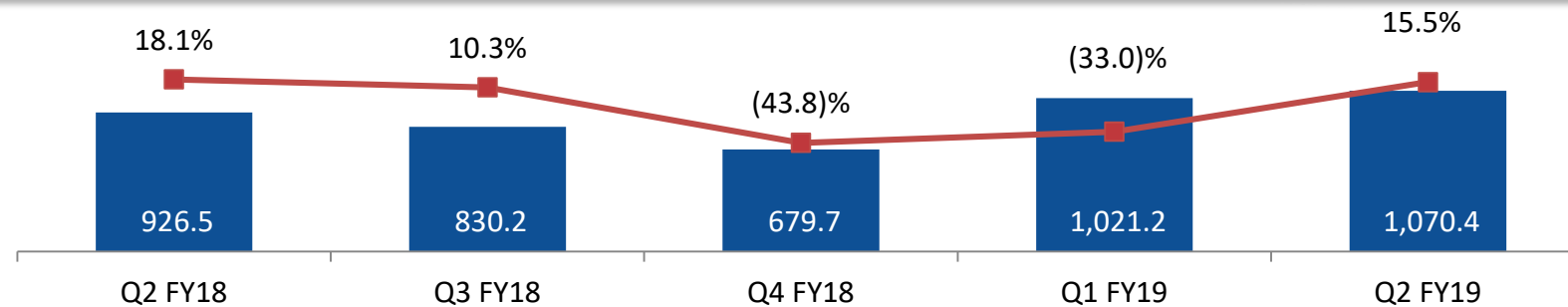


- International
- Domestic

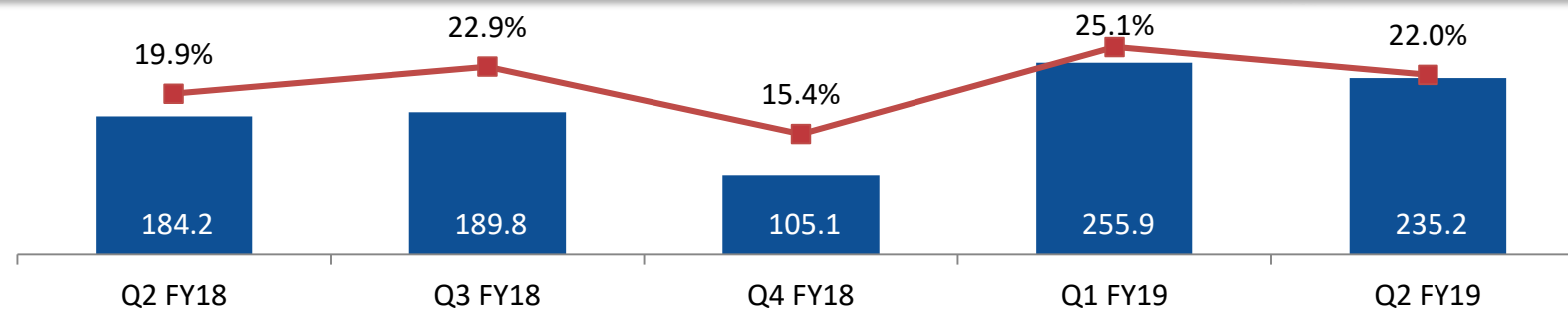
# Performance Trend



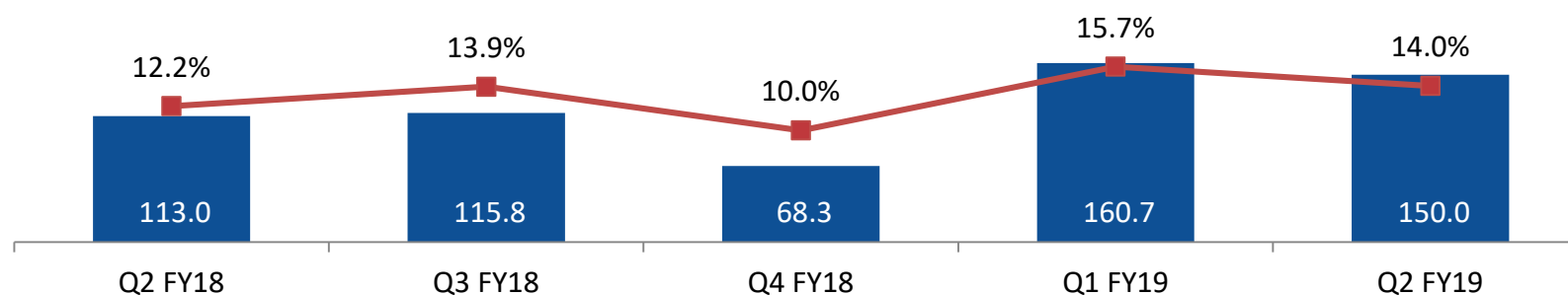
## Total Income (Rs. million) and Y-o-Y Growth (%)



## EBITDA (Rs. million) and Margin (%)



## PAT (Rs. million) and Margin (%)



## Q2 FY2019 Highlights (Y-o-Y)

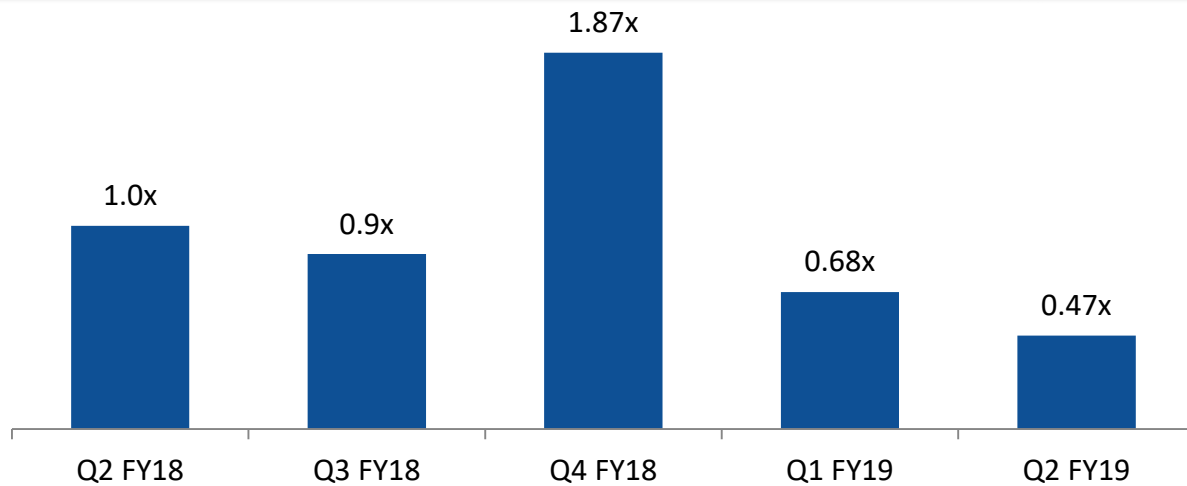
- The company has shown the Profit Before Tax (PBT) of Rs. 46.24 Crs for the financial year ending as on 31.03.2018, as against this company had achieved PBT of Rs. 42.93 Crs for the period ending on 30.09.2018, almost previous year performance in six months.
- Profitability improved on the account of:
  - Increased share of exports business
  - Better product mix
  - Fuel cost savings on account of optimum utilization of wind mill

Note: Financials for Q2 FY2018, Q3 FY2018, Q4 FY2018, Q1 FY2019 and Q2 FY2019 are as per IND-AS.

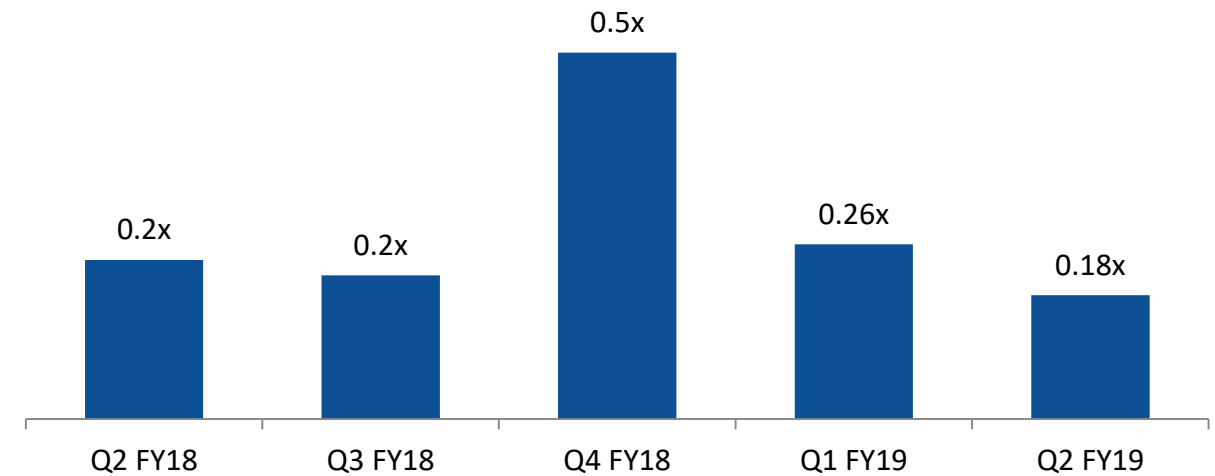
# Performance Trend



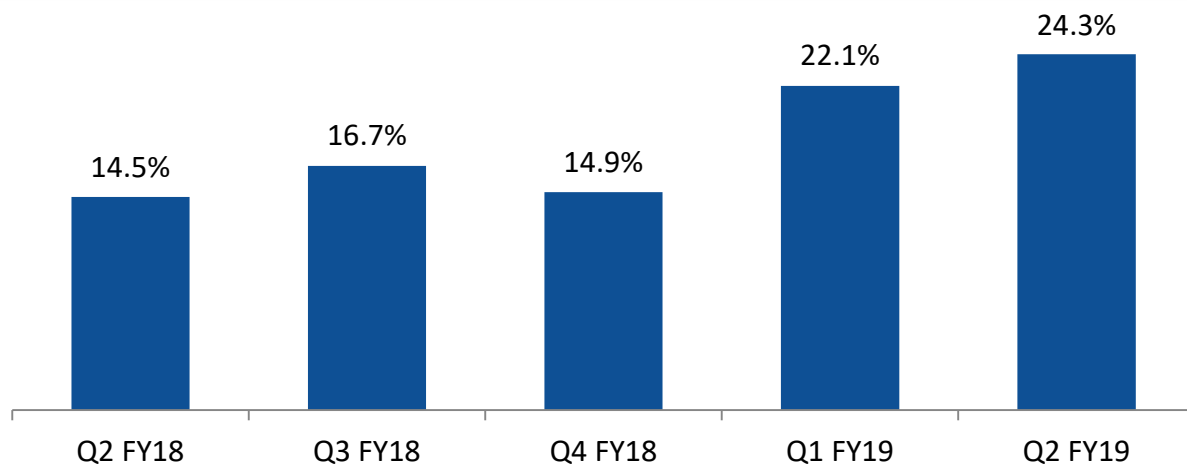
## Net Debt / LTM EBITDA



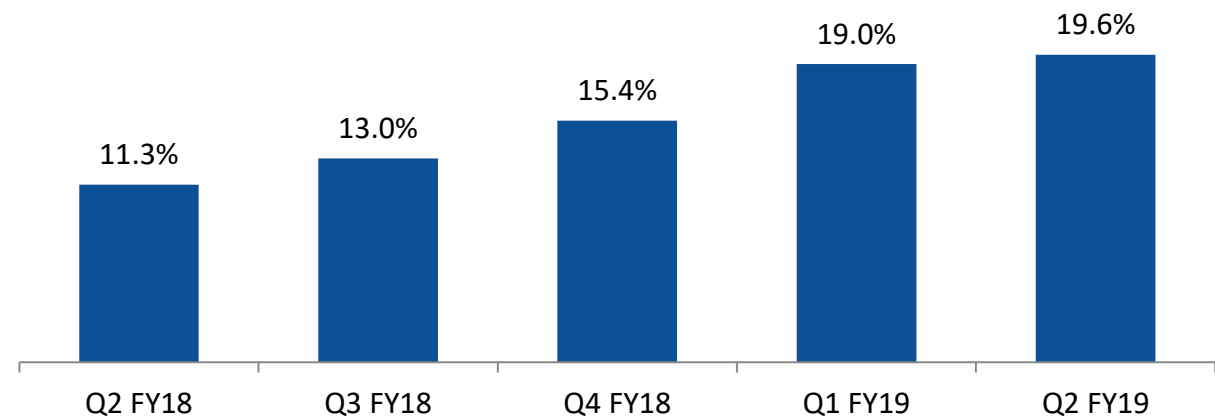
## Total Debt / Net Worth



## ROCE<sup>1</sup>



## RONW<sup>2</sup>



Financials for Q2 FY2018, Q3 FY2018, Q4 FY2018, Q1 FY2019 and Q2 FY2019 are as per IND-AS. Q3 FY2018 and Q4 FY2018 balance sheet numbers are as are as per IND-AS

Note:

1. ROCE calculated as LTM EBIT/ Capital Employed
2. RONW calculated as LTM Net Profit/ Net Worth

# Leverage Profile



| (Rs. million)                 | Sep 2018   | Jun 2018   |
|-------------------------------|------------|------------|
| Long Term Debt                | 153        | 161        |
| Short Term Debt               | 313        | 466        |
| <b>Total Debt</b>             | <b>466</b> | <b>627</b> |
| Less: Cash & Cash Equivalents | 100        | 126        |
| <b>Net Debt / (Net Cash)</b>  | <b>365</b> | <b>501</b> |
| Net Worth                     | 2,517      | 1,964      |

## Credit Rating

- The Company's debt facilities have been assigned the following ratings by ICRA
  - Long term bank facilities: **A-**
  - Short term bank facilities: **A2+**

Note Q2 FY2019 balance sheet numbers are as are as per IND-AS



## 1 Investment in renewable power to further enhance operational efficiency

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- Setting up a new Solar Plant of 1 MW at factory's rooftop with a capacity of producing 15 Lakh Power Unit PA
- The Plant will be operational from last quarter of this year

## 2 Setting up API production unit

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- Applied to Pollution Control Board for permission of APIs Unit
- Expect the plant to be operational and start commercial production by end of this financial year
- Anticipate reduction in price fluctuation and enable us to get requisite approval to supply to the US and other regulated markets

## 3 International Operations

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- The Company has aggressively started the business in 13 Francophone African countries
- The Company has got many new products registration

## 4 Launched Vaginal Spray for the first time in India

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- Developed a new NDDS Micronized Progesterone Vaginal Spray under the brand name ART-Luton
- ART-Luton is used for the treatment of Luteal Phase Support in ART, dysmenorrhoea and premenstrual syndrome





5

## Developed new NDDS formulation Ondansetron Oral Spray (Domi Up) for the first time in India

- Currently the Ondansetron formulation is available in the form of tablet, syrup and injectable. Lincoln Pharma has developed Ondansetron (Domi Up) as an oral spray which is first in India
- Ondansetron Spray (Domi Up) is used in for travelling motion sickness, during Chemotherapy, pregnancy and ENT, Neurological and Cardiac surgeries
- Indian Anti-emetic drug market is valued at Rs. 678 crores and Ondansetron has a potential market size of Rs. 303 Crores

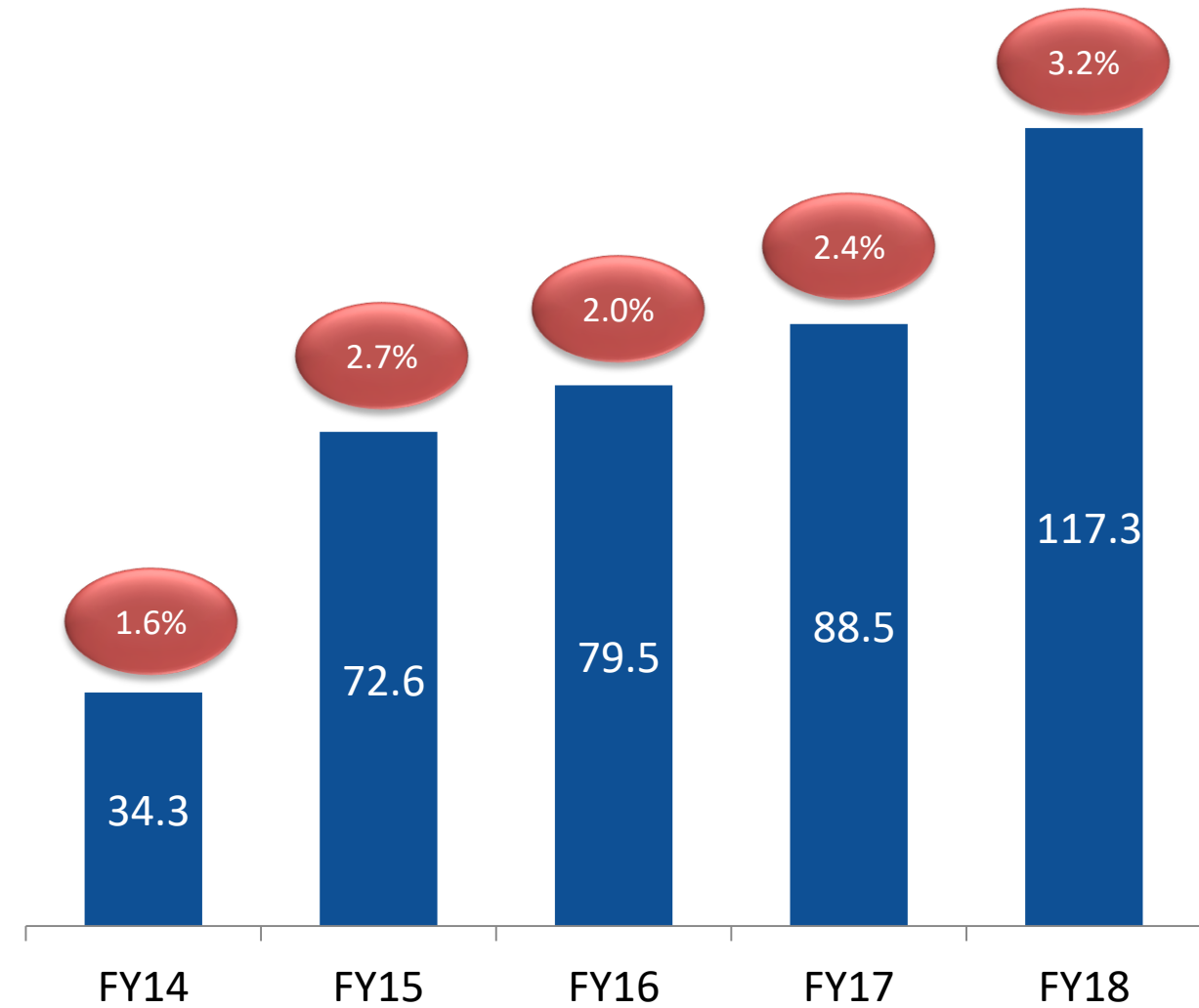


## Research Facilities



|                          |           |
|--------------------------|-----------|
| Senior Scientist         | 15        |
| Junior Scientist         | 18        |
| Analysts                 | 18        |
| Regulatory Personnel     | 12        |
| Administrative Personnel | 9         |
| Others                   | 6         |
| <b>Total</b>             | <b>78</b> |

## R&D Expenditure (Rs. mn) and as % of Sales



# A Leading Pharmaceutical Company



## Research & Development Department

4 Patents Granted  
25 Patents Applications

1,000 Registered Dossiers  
550 Ongoing Applications

300+  
Formulations Developed

43<sup>rd</sup>  
Rank in AIOCD  
June 2017 in covered markets

30+  
Scientists

500+  
SKUs

## Market Presence

Presence in  
60+  
Countries

Presence in  
25  
States across India

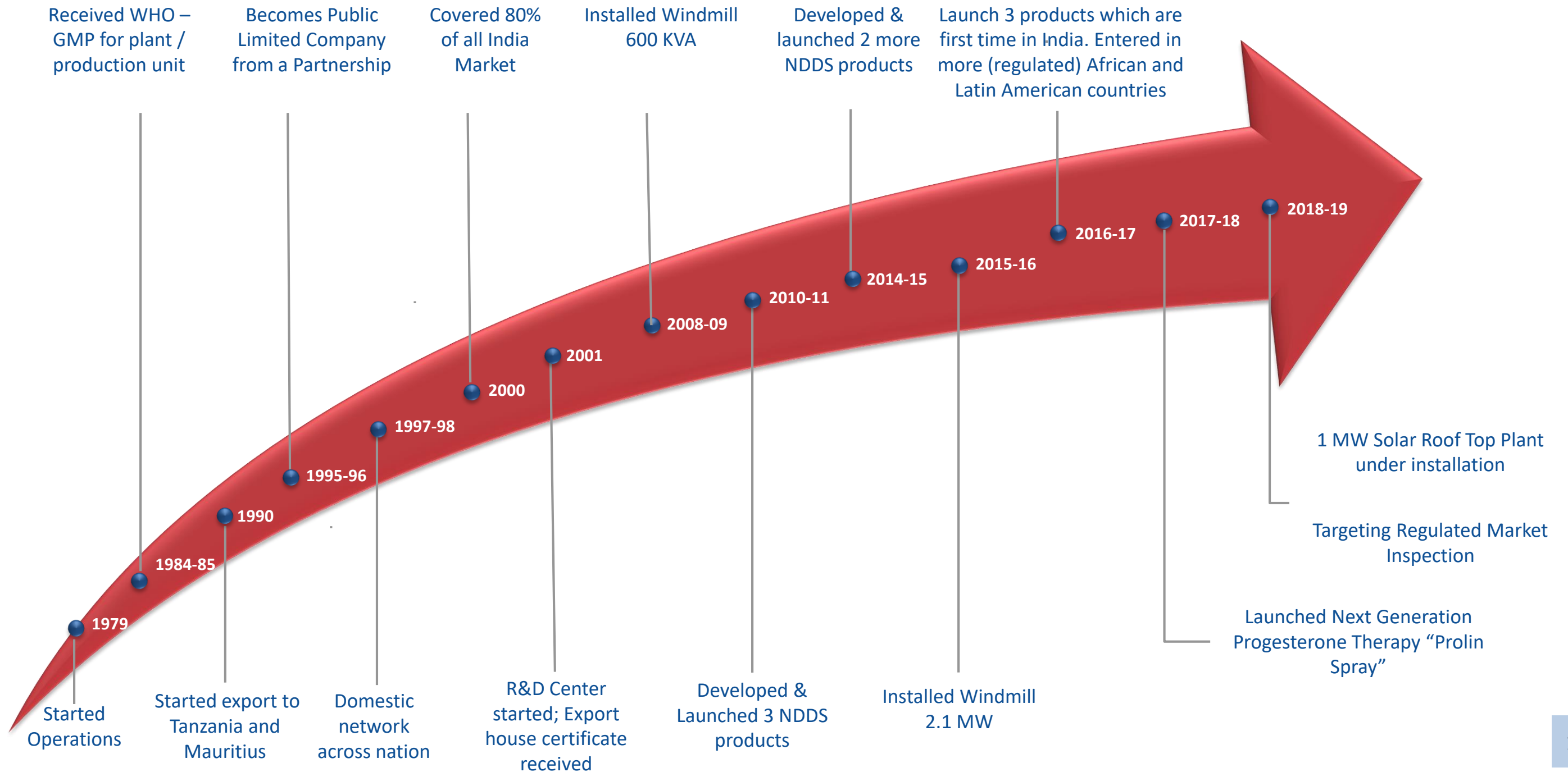
15+  
Therapeutic Areas

650 Field Staff

22 C&F Agents

5,000 Stockiest

# Key Milestones





Presence over 60 countries in Europe, Latin America, Africa, Asia Pacific and South East Asia; 22 states across India





**Certifications:** WHO-GMP Certified; ISO9001:2008 Certified



**R&D Center:** Approved by Government of India; Team of 30 scientists for R&D



**Green Energy:** Windmill project for captive consumption

## Dosage Forms Produced at Unit 1

| Description                     | Annual Capacity | Unit     |
|---------------------------------|-----------------|----------|
| Tablet (Compression & Coating)  | 1,680,000,000   | Tablets  |
| Total Packing (Strip + Blister) | 1,680,000,000   | Packs    |
| Tablet (Granulation)            | 10,200,000      | Kg       |
| Capsule (Filling)               | 360,000,000     | Capsules |
| Dry Syrup (Filling)             | 6,000,000       | Bottles  |
| Ointment (Filling)              | 9,600,000       | Tubes    |
| Ointment (Packing)              | 9,600,000       | Packs    |

## Dosage Forms Produced at Unit 2

| Description          | Size             | Annual Capacity | Unit     |
|----------------------|------------------|-----------------|----------|
| Liquid Ampoules      | 1 ml to 5 ml     | 60,000,000      | Ampoules |
|                      | 10 ml            | 30,576,000      | Ampoules |
| Liquid Vials         | 2 ml to 10 ml    | 15,600,000      | Vials    |
|                      | 10 ml to 30 ml   | 15,600,000      | Vials    |
| Oral Liquids         | 60 ml to 100 ml  | 18,000,000      | Bottles  |
|                      | 150 ml to 200 ml | 18,000,000      | Bottles  |
| Dry Powder Injection | 100 mg           | 22,464,000      | Vials    |

# Wide Spectrum of Therapeutic Coverage



Dermatologist  
Preparation

Cough & Cold /  
Anti Allergic / Anti-  
asthmatics

Gyneacological  
Products

Sterile Ophthalmic  
Eye  
Drops/Ointment

Gastro Intestinal  
Range

Anti-malarial

Vitamins / Minerals  
/ Anti-oxidants

Anti-bacterial /  
Anti-viral/ Anti-  
fungal

Analgesic / Anti-  
pyretic

Anti-diuretics/  
Anti-hypertension

Anti-Diabetic

Anti-Psychotic /  
Anti-Convulsant  
/Anti-Depressant,  
Otology

Cardiac / Anti-  
Hypertensives /  
Diuretic

Anti-Diarrhoeal /  
Anti-Spasmodic /  
Laxative

Phosphodiesterase  
Type 5 Inhibitor  
and General  
Anesthetics

# Key Brands



## Domestic Market

**CALBONE-500**

Calcium Carbonate 1250 mg+  
Vit. D3 250 I.U. Tablets

**CHARGE UP**

11 Antioxidants + 33 Essential Micronutrients +  
5 Amino Acids

**DOMI<sup>TM</sup> up**

Each squirts (spray) delivers 2  
mg Ondansetron Hydrochloride

**EAK**

Effective Anti- Malarial  
Kingping

**NAMCOLD**

Paracetamol 500 mg + Phenylephrine 5 mg +  
Diphenhydramine 25 mg + Caffeine 30 mg Tablets

**NAMCOLD-DX**

Dextromethorphan  
Polistirex 30 mg Suspension

**Ovalink SR**  
ओवालिक एसआर

Dehydroepiandrosterone  
(Micronized) 75mg sustain release, folic  
acid 5 mg And Vitamin D<sub>3</sub> 3000 IU

**PROGUT**

Saccharomyces Boulardii  
(Lyophilized) 282.5 mg Sachet

**PROLIN<sup>300</sup> SR** Natural

Natural micronized  
progesterone 300 mg SR Tablets



Progesterone Vaginal Spray

**SOLUDINE-M**

Povidone-iodine 5% + Tinidazole 2  
% Ointment 10/20 Grams

**Tinnex**

Caroverine 160 mg/8  
ml Injection

**TRIXON-1g**

Ceftriaxone 1 g Injectible

## International Market

**ARH**

$\alpha$ - $\beta$  Arteether Injection  
150mg/ 2 ml

**Artelin 60**

Artesunate for Injection 60 mg

**FLUCOMOL**

Anti Cold Capsules

**Glymet 1 Glymet 2**

Glimepiride & Extended Release  
Metformin Hydrochloride Tablet

**HEPALIN**

Heparin Injection 5000 I.U./5ml

**Ironrich**

Iron Sucrose Injection USP 20 mg/ml

**Lidocaine**

Injection & Gel

**Losa 50**

Losartan Potassium 50 mg Tablets

**Mobyle**

Meloxicam Tablets

**Pa 12**

1000 mg programmed release  
Paracetamol PROGLETS

**Vivian PLUS**

Diclofenac With  
Paracetamol Tablet

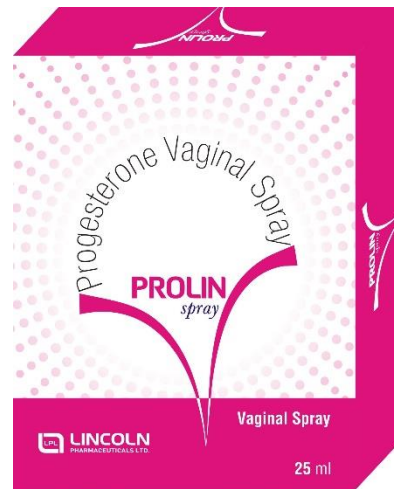
**Vivian GEL**

Diclofenac, Linseed oil,  
Menthol with Methyl  
Salicylate Gel

**Vomistat**

Ondansetron 2mg/ Each  
Spray





- **Progesterone spray**
  - Unique delivery system for accurate 25mg delivery of micronized progesterone/Spray
  - Formulation dispensed in mist form which provides local as well as systemic effect of Progesterone via vaginal route covering large area of vaginal cavity
  - Better patient compliance than vaginal tablets, capsules and painful intramuscular injections

- **Paracetamol 1000 mg programmed release tablet**
  - Unique bi layered proplet designed for programmed release drug delivery
  - 12 hours action with 30% IR and 70% SR release activity
  - BID with more patient compliance and is Hepato-friendly



- **Caroverine injection**
  - Sterile formulation for relief from Tinnitus
  - Tie-up with PHAFAG. AG (Switzerland)
  - Given through slow IV infusion
  - Aqueous technology

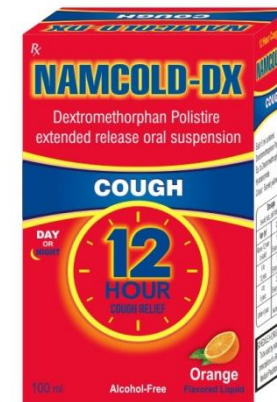
# Key Recent Developments



- **Arteether injection 150 mg/ml**
  - Unique low-viscosity sterile formulation for malaria
  - Less painful and low volume (1 ml) IM formulation
  - Convenient patient administration
  - Patented technology

- **Namcold DX**

- First time in India: 'Extended Release' Oral Suspension
- The only liquid cough suppressant that works for upto 12 hours
- BID dose with more patient compliance
- Available in alcohol free delicious orange flavor



- **Domi Up Spray**
  - Meter dose pump
  - Each squirt (spray) accurately delivers 2 mg Ondansetron Hydrochloride
  - Faster onset of action
  - Prompt relief from nausea & vomiting
  - Convenient for patient over Injectable
  - Better patients compliance



This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Lincoln Pharmaceuticals’ future business developments and economic performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Lincoln Pharmaceuticals undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.



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