

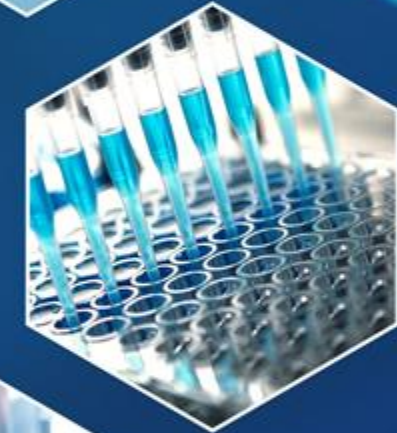
# Q4 and Full Year FY2019 Earnings Presentation



**LINCOLN**  
PHARMACEUTICALS LTD.

HEALTHCARE FOR ALL

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





## FY2019 vs. FY2018

- Total Income of Rs. 3,718 million, up 1.3%
- EBITDA of Rs. 728 million, up 26.1%
  - EBITDA margin of 19.6%, up 385 bps
- PBT of Rs. 622 million, up 34.4%
  - PBT margin of 16.7%, improved 412 bps
- PAT of Rs. 487 million, up 40.6%
  - PAT margin of 13.1%, increased 366 bps
- Total Debt of Rs. 787 million
  - Total Debt / Equity of 0.29x and Net Debt to LTM EBITDA of 0.97x
- Recommended the dividend of Rs. 1.50 per share for FY2019

## Management Perspective

*“Continuing on the strong growth momentum we gained during last year, we have reported an robust financial performance during the year primarily on account of increasing export sales and restored demand from the domestic market. Share of export revenue during the year has been increased to 55% from 35% in FY2018. During the year our profitability has been significantly enhanced supported by higher revenue contribution from products manufactured in house, better margin products, increased revenue from higher margin markets. During FY2019, our EBITDA margin is up 385bps to 19.6%.*

*Going forward, our widespread geographic reach, increasing exports revenue, healthy customer and product base coupled with focus on own manufacturing will continue to support our business. With best in class R&D capabilities supported by strong industry experience and improving market dynamics, we are confident of achieving improved performance and maximize shareholders’ wealth in the near to medium term.”*

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



## Consolidated Financial Performance

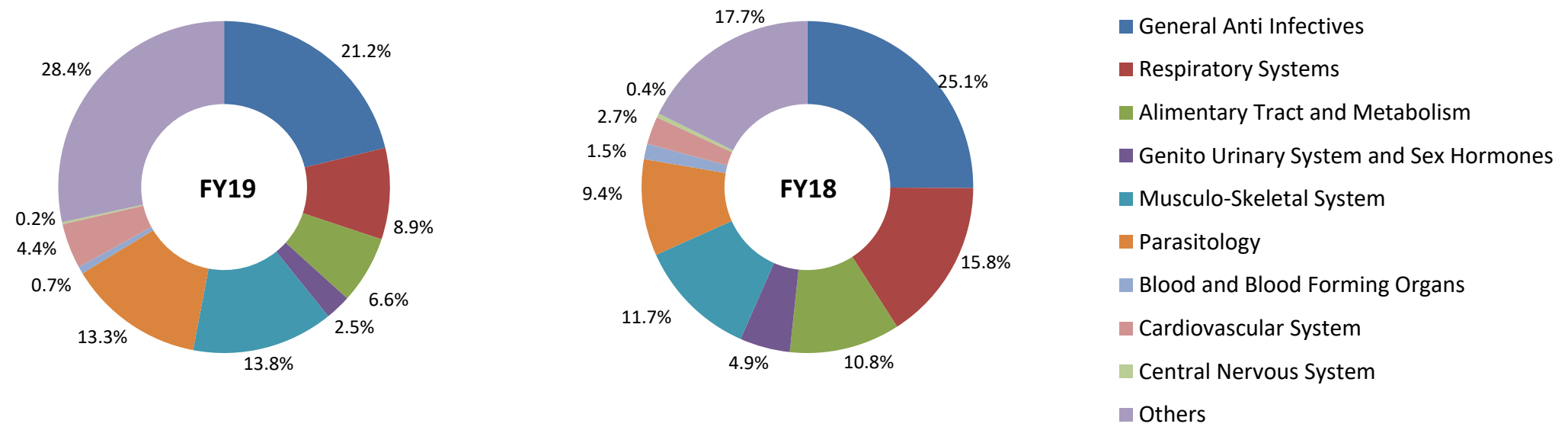
Particulars	Q4		y-o-y Growth (%)	Q3		Full Year		y-o-y Growth (%)
	FY2019	FY2018		FY2019	q-o-q Growth (%)	FY2019	FY2018	
Total Income	784.5	679.7	15.4%	848.1	(7.5)%	3,718.3	3,670.9	1.3%
EBITDA	103.1	105.1	(1.8)%	139.9	(26.3)%	728.3	577.7	26.1%
Margin (%)	13.1%	15.4%		16.5%		19.6%	15.8%	
PBT	78.8	80.4	(2.0)%	113.4	(30.6)%	621.5	462.5	34.4%
Margin (%)	10.0%	11.8%		13.4%		16.7%	12.6%	
Profit After Tax (PAT)	84.5	68.3	23.7%	91.5	(7.6)%	486.7	346.2	40.6%
Margin (%)	10.8%	10.0%		10.8%		13.1%	9.5%	
Basic EPS (Rs.)	4.23	3.42	23.7%	4.57	(7.4)%	24.33	17.31	40.6%

- Profitability during the year improved on the account of:
  - Increased exports sales by 66% to Rs. 2,060 million in FY2019 from Rs. 1,244 million in FY2018
  - Better product mix
  - Fuel cost savings on account of optimum utilization of wind mill and installation of solar system at plant level
  - Depreciating Indian currency

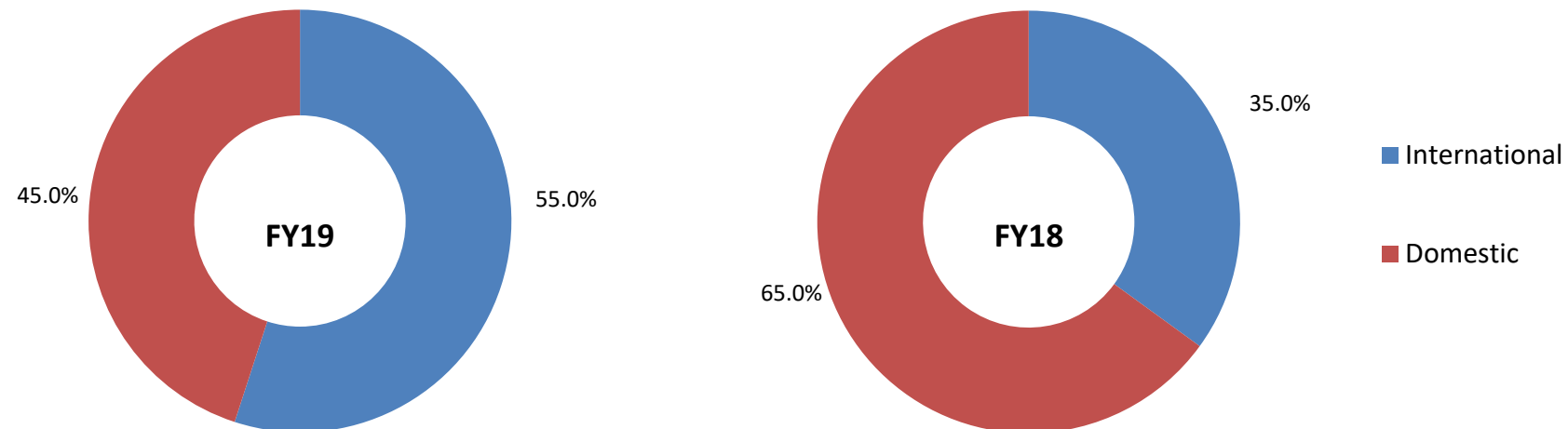


## Revenue Breakup

Therapeutic Area



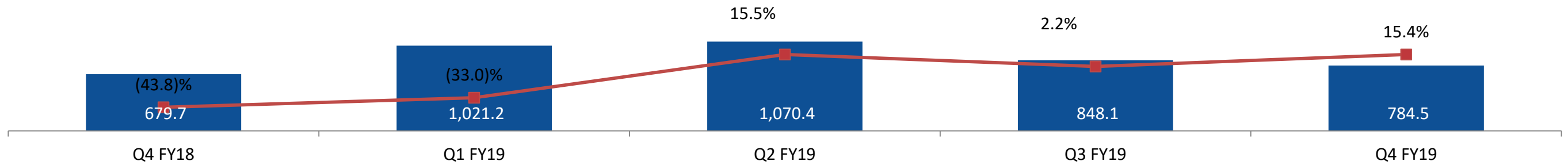
Geography



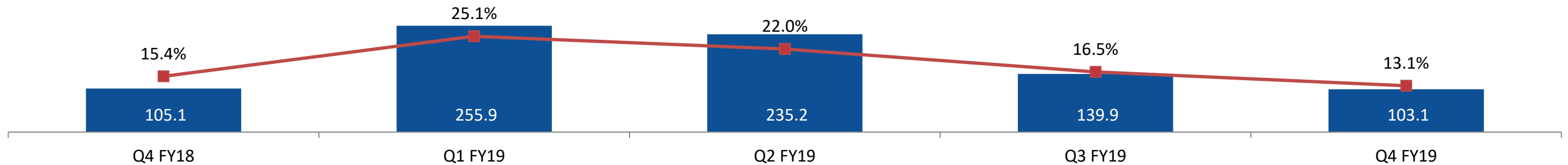
# Performance Trend



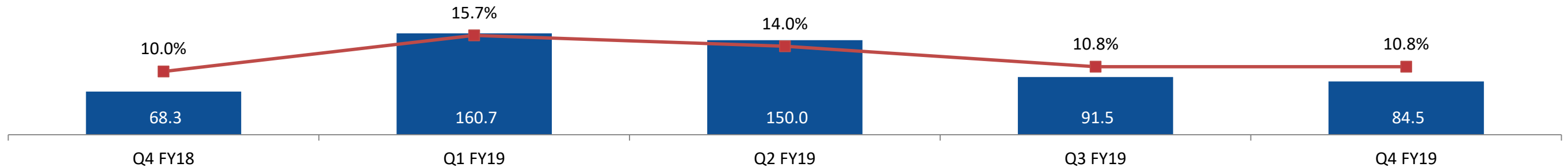
## Total Income (Rs. million) and Y-o-Y Growth (%)



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



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

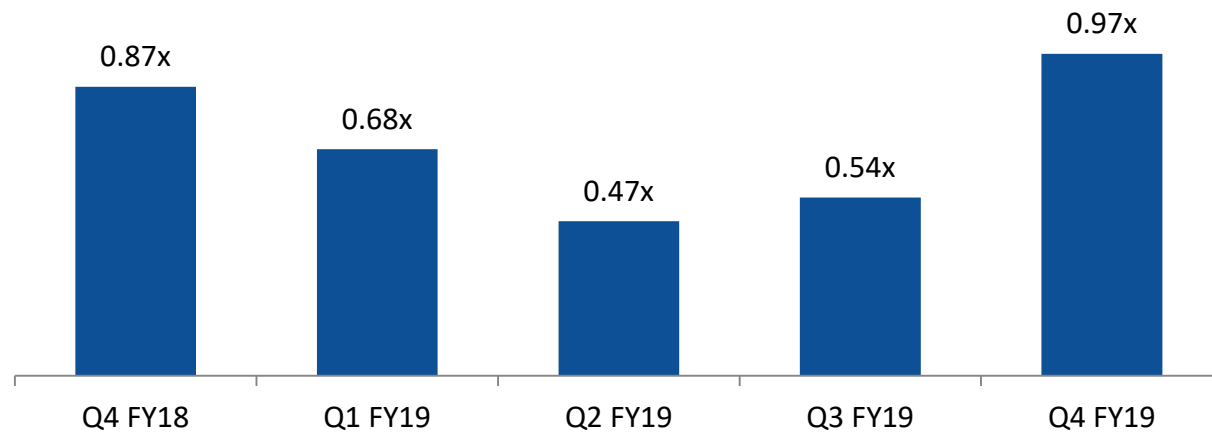


Note: Financials for Q4 FY2018, Q1 FY2019, Q2 FY2019. Q3 FY2019 and Q4 FY2019 are as per IND-AS.

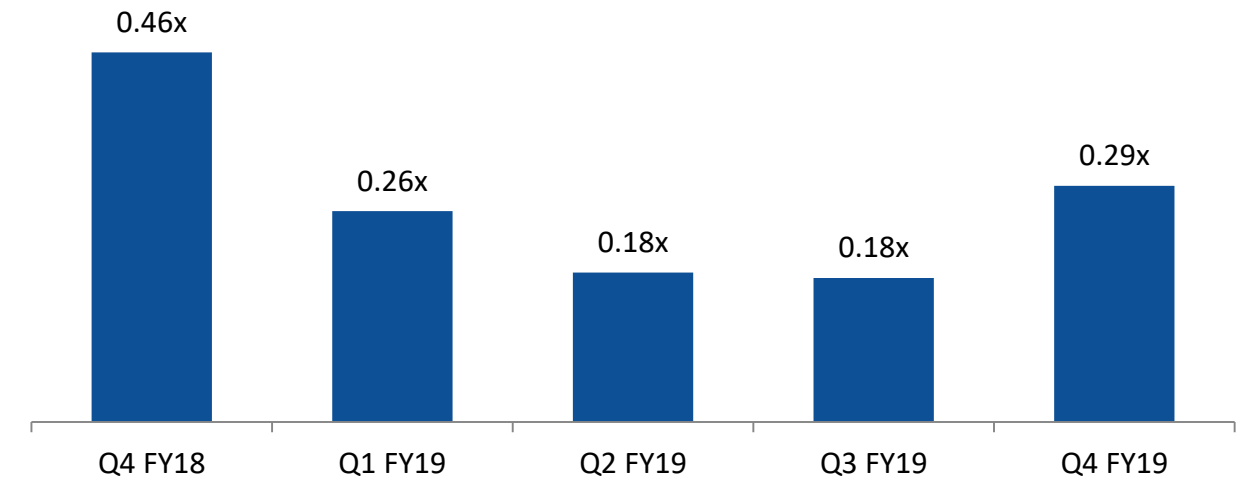
# Performance Trend



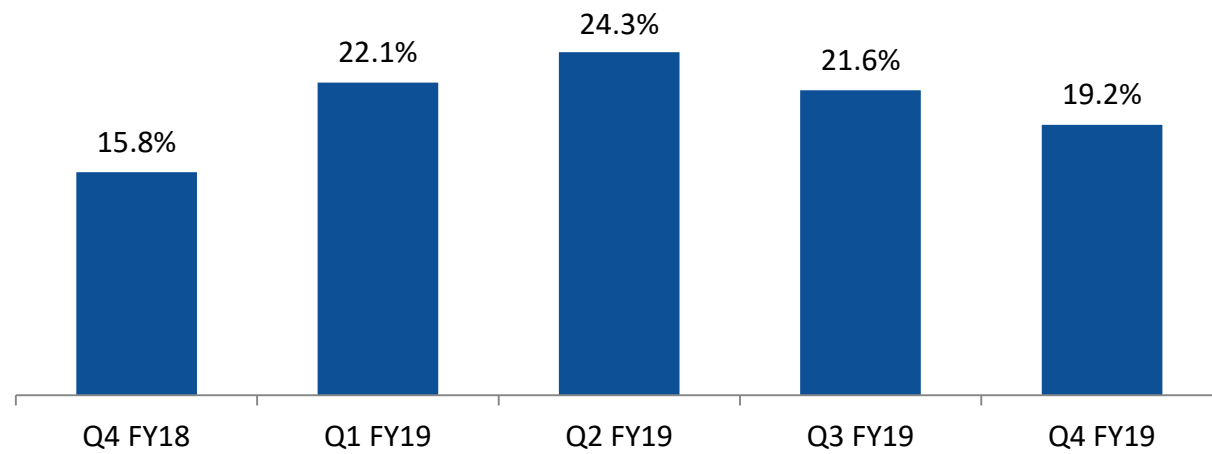
## Net Debt / LTM EBITDA



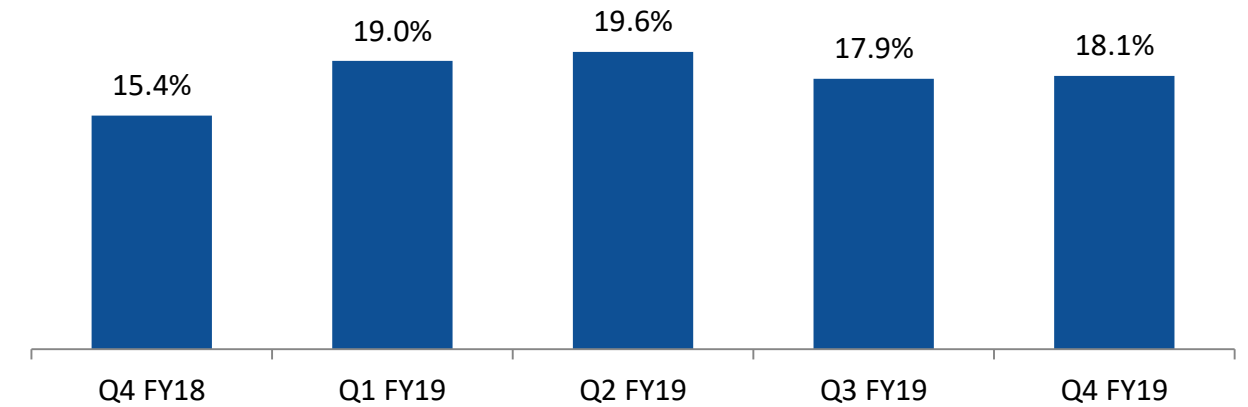
## Total Debt / Net Worth



## ROCE<sup>1</sup>



## RONW<sup>2</sup>



Financials for Q4 FY2018, Q1 FY2019, Q2 FY2019, Q3 FY2019 and Q4 FY2019 are as per IND-AS. Q4 FY2018 balance sheet numbers 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)	Mar 2019	Mar 2018
Long Term Debt	53.6	105.7
Short Term Debt	733.7	919.6
<b>Total Debt</b>	<b>787.3</b>	<b>1,025.3</b>
Less: Cash & Cash Equivalents	75.8	145.9
<b>Net Debt / (Net Cash)</b>	<b>711.6</b>	<b>879.4</b>
Net Worth	2,696.2	2,245.4

## Credit Rating

- CRISIL
  - Long term bank facilities: **A-/Stable**
  - Short term bank facilities: **A2+**
- ICRA
  - Long term bank facilities: **A-**
  - Short term bank facilities: **A2+**

Note Q4 FY2019 balance sheet numbers are as are as per IND-AS



## 1 Becomes the producer of renewable power energy for captive consumption

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- In addition to two windmills, the Company has also set up a new Solar Plant of 1 MW at factory's rooftop with a capacity of producing 15 Lakh Power Unit PA

## 2 Setting up API production unit

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- Applied to Pollution Control Board for permission of APIs Unit

## 3 International operations

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- Aggressively started the business in Francophone African countries and some of the South East Asia Countries
- Got many registration in different countries like East and West Africa, South East Asia and Latin America

## 4 Developed many new NDDS formulations and introduced as a first time in India

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- Ondansetron Hydrochloride Oral Spray ( DOMI-UP)
- Paracetamol 1000 mg Programmed Release Tablet (PA-12)
- Micronized Progesterone Vaginal Spray (PROLIN)
- Namcold DX Oral Suspension
- Caroverine Injection & Capsule (TINNEX): First one to introduce TINNEX for the relief of Tinnitus, tie up with PHAFAG-AG, Switzerland



# Research & Development

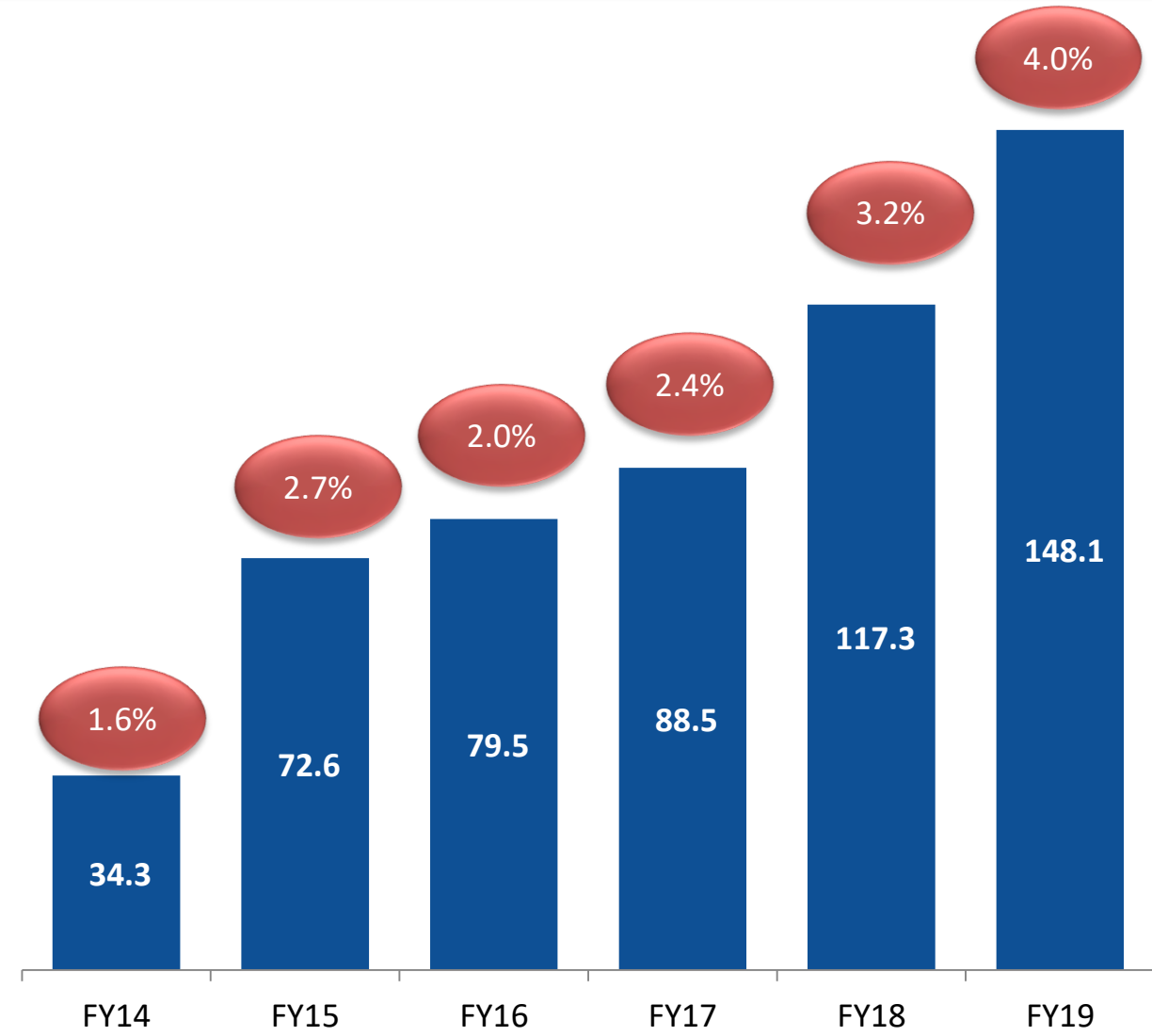


## Research Facilities



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

1,700 Registered products  
700 in pipeline

300+  
Formulations developed

72<sup>nd</sup>  
Rank in AIOCD  
[Market data, March 2019]

30+  
Scientists

500+  
SKUs

## Market Presence

Presence in  
60+  
Countries

Presence in  
25  
States across India

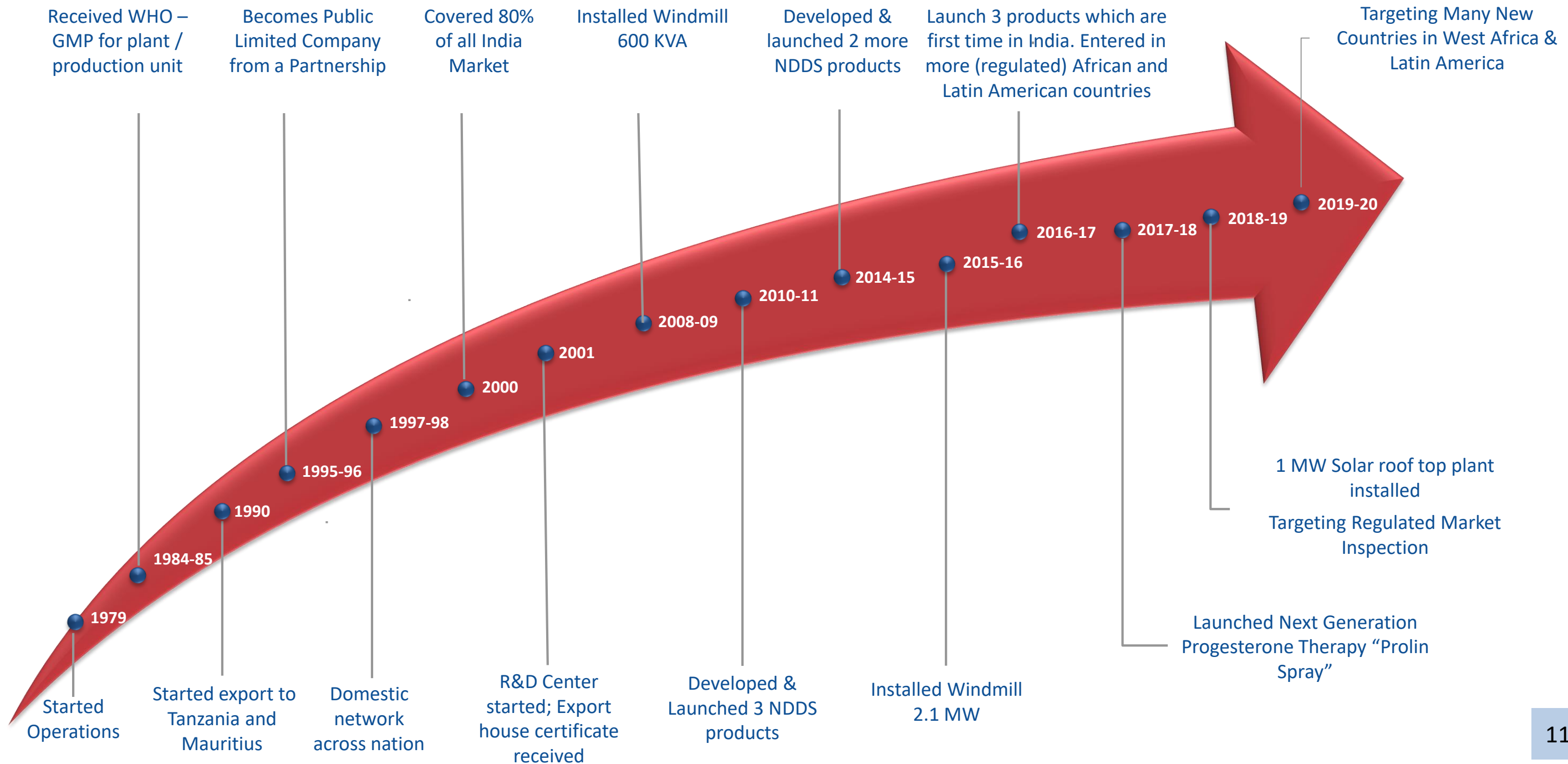
15+  
Therapeutic areas

650+ Field staff

21+ C&F agents

15,000+ Prescribers  
5,000+ Retailers

# Key Milestones



# Global Footprint



Presence over 60 + Countries in Europe, Latin America, Africa, Asia Pacific, South East Asia and 25 States across India





**Certifications:** WHO-GMP Certified; ISO 9001:2015 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)	21,600 Lakhs	Tablets
Tablet (Granulation)	9,00,000	Kg
Capsule (Filling)	2,340 Lakhs	Capsules
Dry Syrup (Filling)	72,00,000	Bottles
Ointment (Filling)	336 Lakhs	Tubes

## 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

**PROLIN**

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

**Irorich**

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**

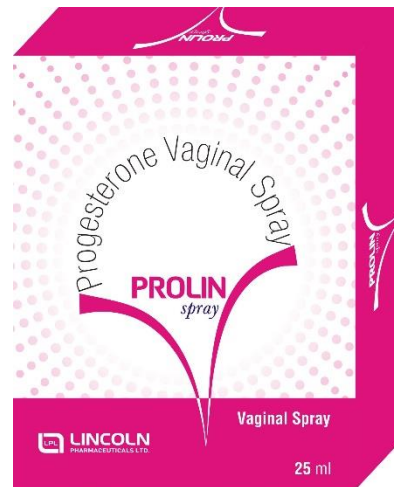
Diclofenac With  
Paracetamol Tablet

**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

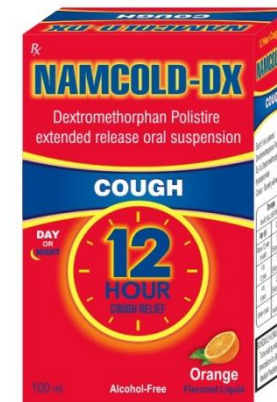


# Key Developments



- **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

- **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





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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