

Q2 FY2023
Earning Presentation



LINCOLN
PHARMACEUTICALS LTD
HEALTHCARE FOR ALL

GROWING
IS COMMITMENT.
WE PROCESS.

www.lincolnpharma.com

SAFE HARBOUR



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.

CORPORATE OVERVIEW

Background

Established in the year 1979, Lincon Pharma has developed 600+ formulation in 15 therapeutic areas.

Team strength of approx 1,500 employees.

FY22 - Sales at Rs. 472 Crore & PAT at Rs. 69 crore.

Product Portfolio

1700 registered products and another 700 in pipeline.

Focused area includes anti-effective, respiratory system, gynecology, cardio & CNS, anti-diabetic, anti-malaria among others.

Manufacturing

Manufacturing facility at Khatraj, Ahmedabad and Mehsana, Guj.

EU-GMP, WHO-GMP, TGA and ISO-9001:2015.

Green facility producing 65% of energy consumption through renewable Solar & Wind Project.

Exports

Exports increased to 56% in FY22 from 11% in FY13.

Exports to 60 plus countries currently and plans to expand to 90 countries in next 2-3 years.

Major markets include East & West Africa, Central & Latin America and South East Asia.

Financials

Net Debt free company.

10 year net profit CAGR of 30%.

Cash and Cash equivalents at Rs. 3.65 crore as on 30 Sep 2022.

Market Info

Listed on BSE in 1996.

Market capitalisation of Rs. 570 crore as on 30 Sep 2022.

R&D

Awarded with 7 patents; filled 25+ patent applications.

DSIR approved R&D facilities.

75+ R&D professionals including 30 scientists.

Rating

CRISIL has upgraded its ratings on the company's bank facilities to CRISIL/A/Stable/CRISIL A1.

ICRA has reaffirmed the company's long-term and short-term bank facilities to A and A1 respectively.



Q2FY23 BUSINESS PERFORMANCE & FUTURE ROAD MAP



- Company has reported Net Profit of Rs. 23.74 crore, EBITDA of Rs. 34.59 crore and Total income of Rs. 146.30 crore for the Q2FY23. Company continuous to remain 'Net Debt Free' after multiple expansion & acquisition of Cephalosporin plant.
- At 28th AGM held on 30th September, 2022, company approved a dividend of Rs. 1.50/- per share for the FY 21-22.
- Company has received an approval from WHO-GMP for Tablet Capsule, dry-powder Suspension products at Cephalosporin plant at Mehsana, Gujarat. Capacity Expansion of the facility is also completed. The production from this plant is expected to commence from last quarter of current financial year.
- During the last decade - from FY12 to FY22, Lincoln Pharmaceuticals Ltd has delivered a robust 30% CAGR in Net profits, 20.1% in EBITDA and 10.4% in Revenue.
- Exports in Q2FY23 was reported at Rs. 73.58 crore. Exports will further get boost as company expects EU and Australian markets to start contributing from the current financial year. Company had received an approval from Australia's medicines and medical devices regulator - Therapeutic Goods Administration (TGA) for Khatraj Plant in FY22. TGA and EU GMP approvals will help strengthen company's global presence in 90 plus countries.
- CRISIL Ratings has upgraded its ratings on the bank facilities of the company to 'CRISIL A/Stable/CRISIL A1' from CRISIL A-/Positive/CRISIL A2+. The rating upgrade reflects the Lincoln group's improved business profile and the continued consolidation in the financial risk profile. Over the medium term, the group is expected to maintain its growth trajectory and healthy margin.
- ICRA Ratings - Rating agency ICRA has reaffirmed the company's long-term and short-term bank facilities to A and A1 respectively.
- **Outlook** - Company has delivered a robust operational and financial performance during the quarter and confident to improve growth numbers going forward while maintaining our 'Net Debt Free' status in the coming years. Commercial production from the Cephalosporin facility and exports to EU & Australian markets are expected to commence in the current financial year. Company is growing from strength to strength, delivering robust operational and financial performance, maintaining a healthy growth in revenue, margins and profitability. Strategic growth initiatives, product and geographical expansion, operational efficiency are likely to maximize value for all stakeholders in the near to medium term.

Q2FY23 STANDALONE RESULTS

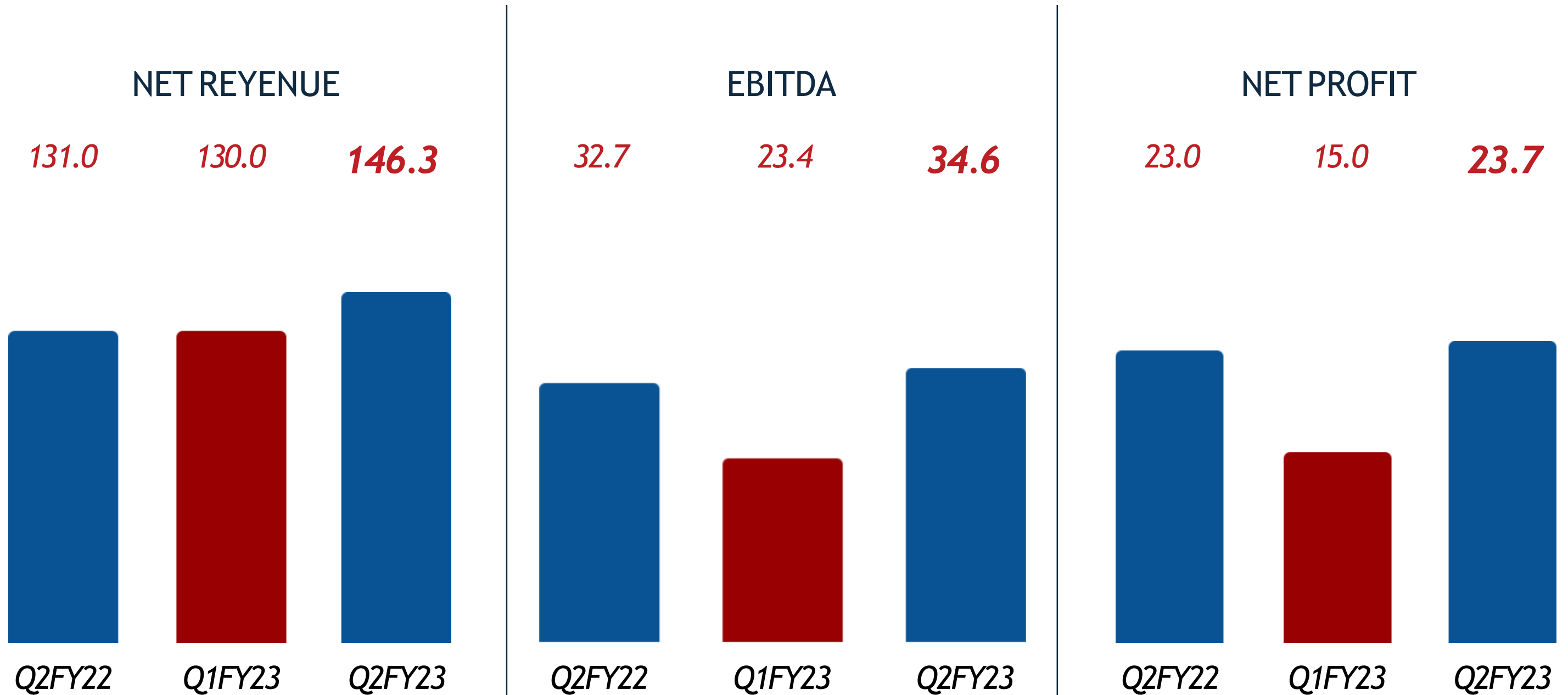


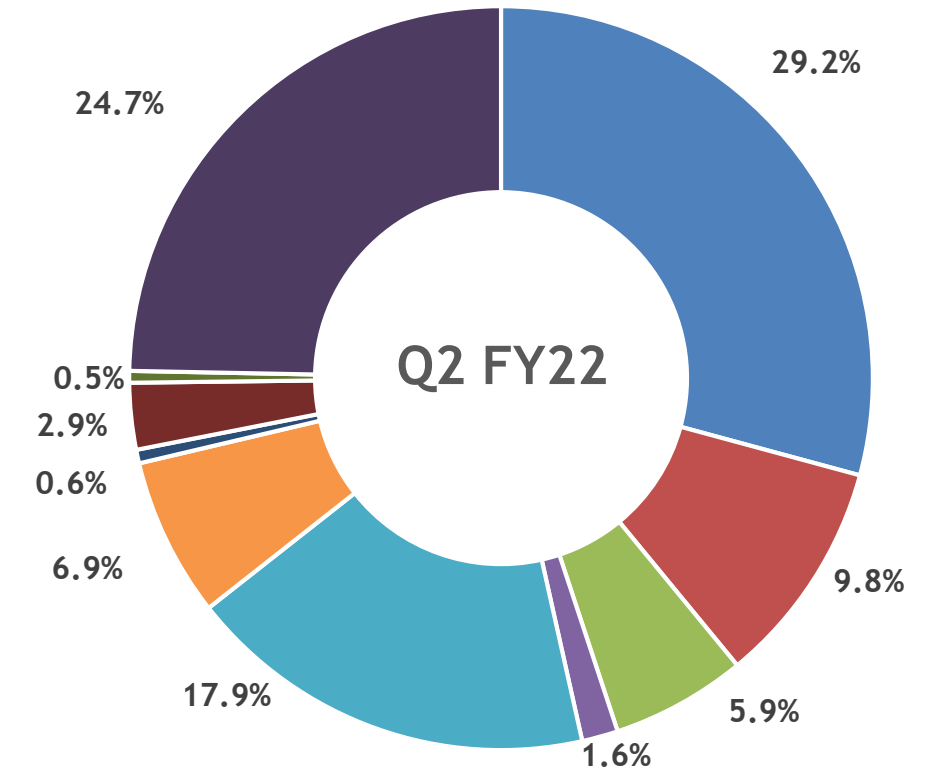
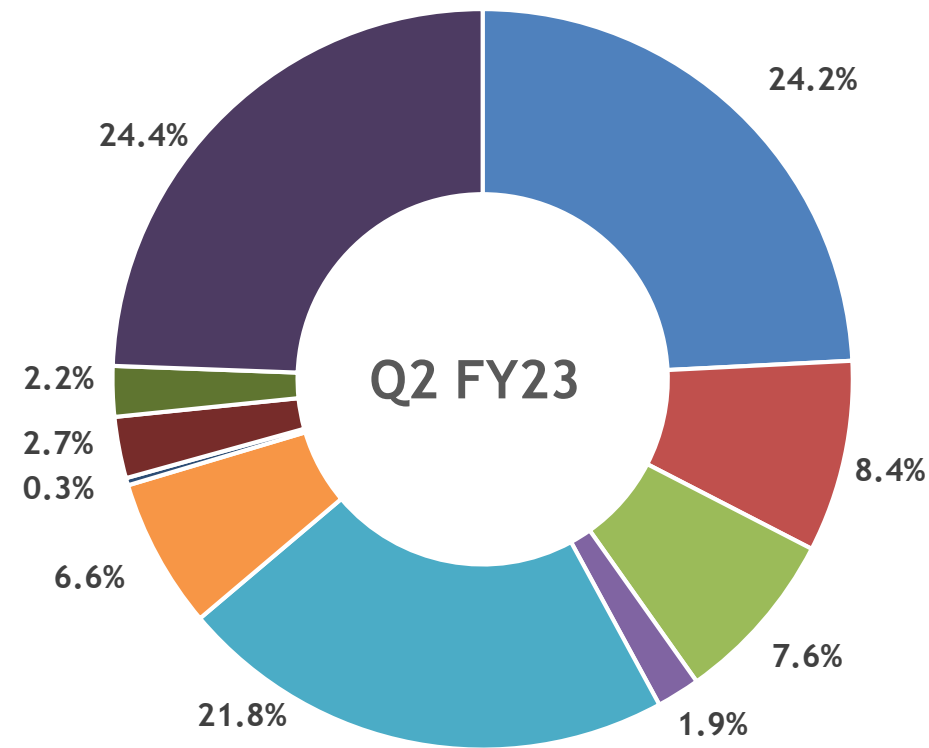
Fig (RsCr)



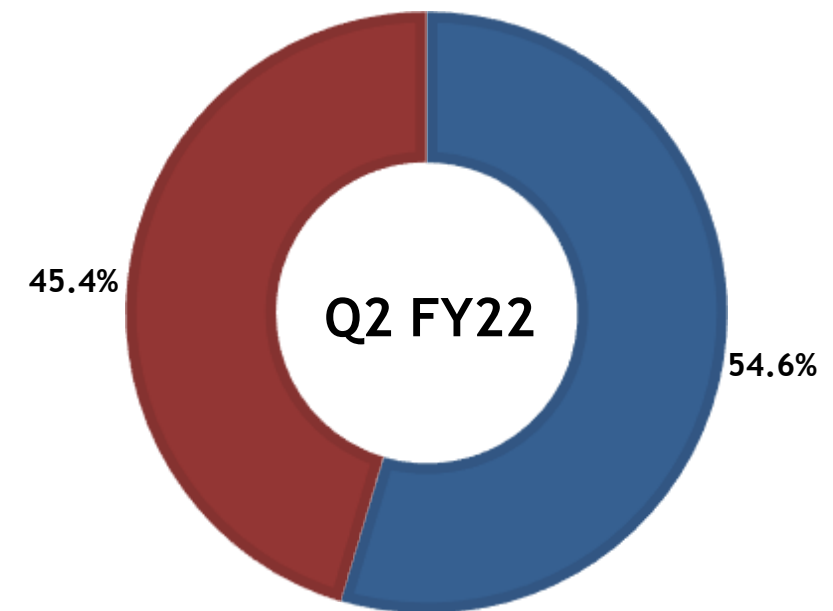
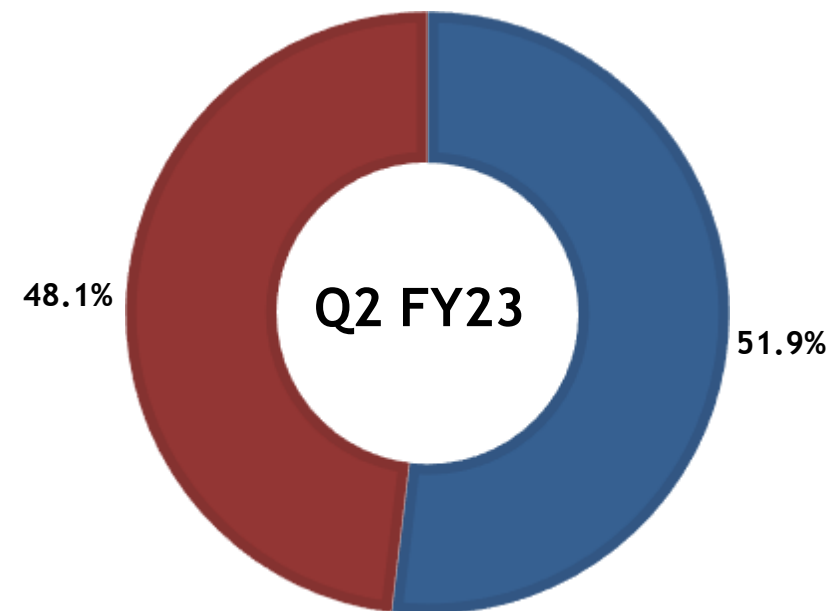
PERFORMANCE - FOCUSED THERAPEUTIC AREAS



| Therapy Area | Q2 FY23 | Q2 FY22 |
|--|---------|---------|
| General Anti Infectives | 24.2% | 29.2% |
| Respiratory Systems | 8.4% | 9.8% |
| Alimentary Tract and Metabolism | 7.6% | 5.9% |
| Genito Urinary System and Sex Hormones | 1.9% | 1.6% |
| Musculo-Skeletal System | 21.8% | 17.9% |
| Parasitology | 6.6% | 6.9% |
| Blood and Blood Forming Organs | 0.3% | 0.6% |
| Cardiovascular System | 2.7% | 2.9% |
| Central Nervous System | 2.2% | 0.5% |
| Others | 24.4% | 24.7% |
| Total | 100% | 100% |



| Geography | Q2 FY23 | Q2 FY22 |
|----------------|---------|---------|
| Exports | 51.9% | 54.6% |
| Domestic Sales | 48.1% | 45.4% |



PERFORMANCE OVERVIEW

STANDALONE FINANCIAL PERFORMANCES (RS IN CR)

| PARTICULARS | Q2 | Q1 | Q-o-Q | Half Year | | Y-o-Y |
|-------------------|--------|--------|------------|-----------|--------|------------|
| | FY2023 | FY2023 | Growth (%) | FY2023 | FY2022 | Growth (%) |
| Total Income | 146.3 | 130.0 | 12.6% | 276.3 | 255.1 | 8.3% |
| EBITDA | 34.6 | 23.4 | 47.8% | 58.0 | 60.1 | -3.4% |
| Margin (%) | 23.7% | 18.0% | | 21.0% | 23.5% | |
| Profit Before Tax | 32.0 | 20.9 | 53.0% | 53.0 | 55.6 | -4.7% |
| Margin (%) | 21.9% | 16.1% | | 19.2% | 21.8% | |
| Profit After Tax | 23.7 | 15.0 | 57.8% | 38.7 | 40.7 | -4.9% |
| Margin (%) | 16.2 | 11.6% | | 14.0% | 16.0% | |
| Basic EPS (Rs.) | 11.8 | 7.5 | | 19.3 | 20.3 | |

Note: Financials are as per IND-AS



ABOUT LINCON PHARMACEUTICALS LTD



Providing Affordable And Innovative Medicines For Healthier Lives.

VISION

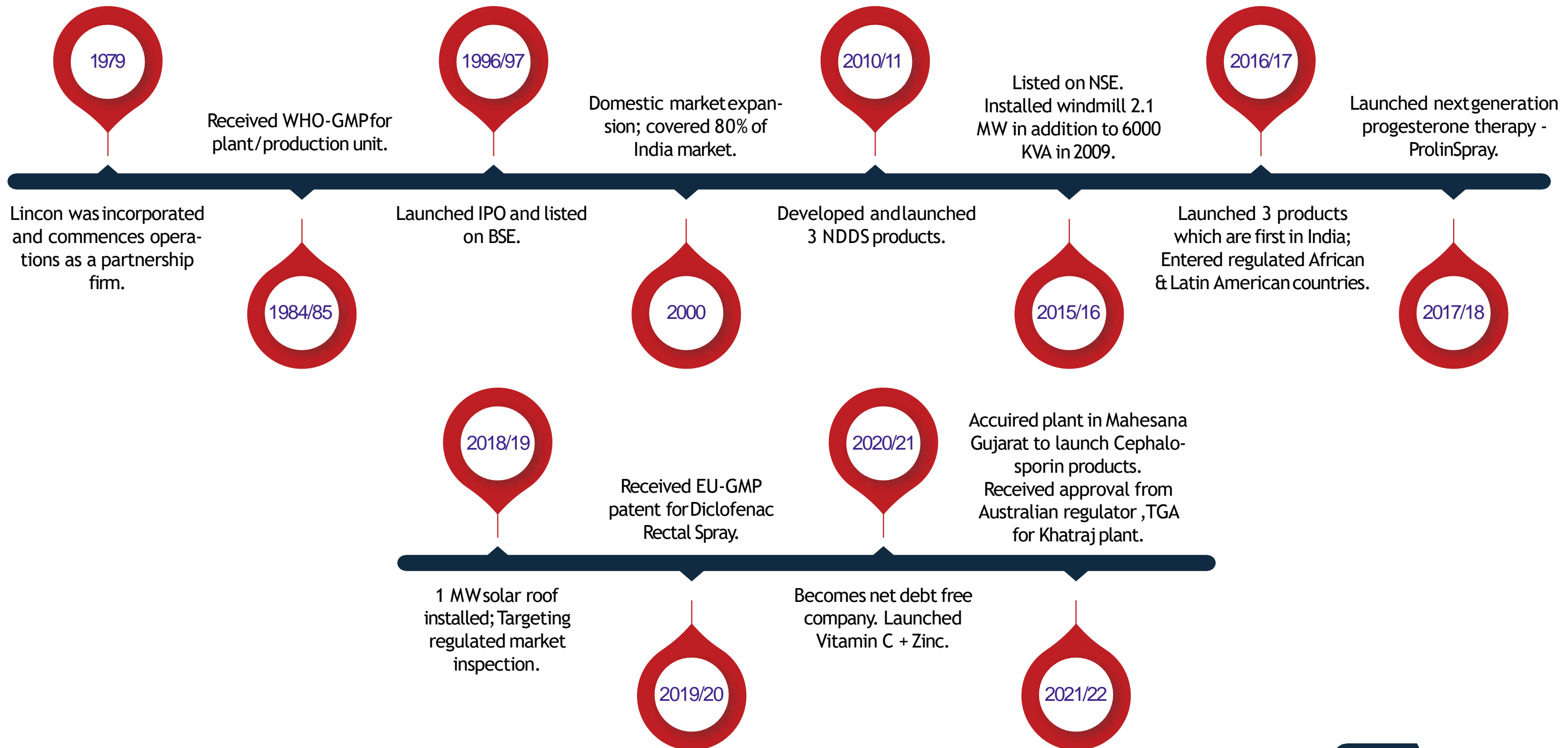
To spark a universal attempt to uncover cures of diseases by focused and targeted R&D, through forging strategic alliances both domestically and internationally.

MISSION

Focused on delivering outcomes that meet important medical needs, making quality medicines more accessible and more affordable, and provide solutions for tomorrow's health challenges.

To create "Healthcare for All" an actuality by modest participation of premium low-cost pharma products.

KEY MILESTONES



GROWTH DRIVERS - READY FOR THE NEXT LEAP



CAPEX

- Company has completed expansion for launching Cephalosporin products at Mehsana, Gujarat. During the year, company received an approval from WHO-GMP for Tablet Capsule, dry-powder Suspension products for this plant. Production from this plant is expected in the last quarter of current financial year.
- Company continuous to remain 'Net Debt Free' after multiple expansion & acquisition of Cephalosporin plant
- Cephalosporin Plant is expected to contributed sales of around Rs. 150 crore in next 3 years.

EXPORT NETWORK

- Exports to EU will start in FY23. Export Network to increase to 90+ Countries from 60 currently.
- Received an approval from Australia's medicines and medical devices regulator - Therapeutic Goods Administration (TGA) for Khatraj Plant. TGA and EU GMP approvals will help strengthen company's presence in global markets.

STRONG FINANCES

- Liquidity position on a strong foundation, supported by healthy cash accruals, Net debt free status and healthy return ratios.
- For the FY22, company reported healthy ROCE at 21.93%, RONW at 16.02% with Net Profit margin of 11.41%.
- Book Value is Rs. 233.98 per share as on 30 Sep 2022. Cash & Cash equivalents at Rs. 3.65 crore as on 30 Sep 22

NEW PRODUCT

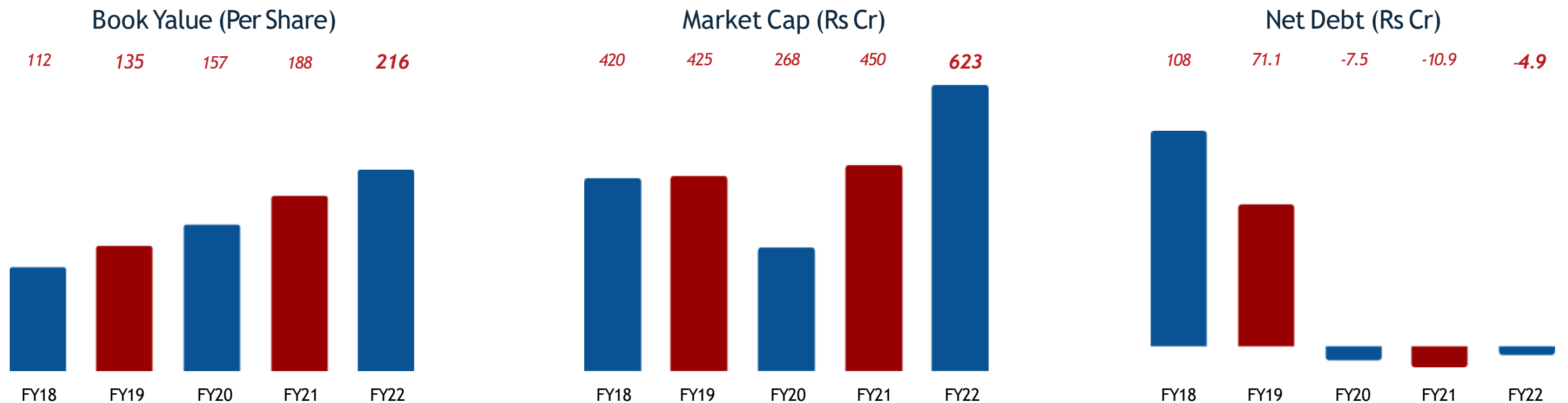
- Company has received an approval from WHO-GMP for Tablet Capsule, dry-powder Suspension products at Cephalosporin plant at Mehsana, Gujarat.
- During FY22, company launched 14 products in the domestic market and filled 110 dossiers in the export market.
- In FY23, company will build a strong portfolio in lifestyle and chronic segment especially women healthcare, dermatology to complement its strong presence in the acute segment.

GROWTH OUTLOOK

- Commercial operations of Cephalosporin Plant and Export to EU & Australia to commence in FY23 and will fuel growth.
- For FY23 company aims to maintain healthy growth in Sales, EBITDA and Net profit margins while maintaining 'Net Debt Free' status
- Over the last 10 years, company has delivered a robust 30% CAGR in profits, higher single digit growth in sales.

LINCOLN PHARMACEUTICALS LTD. - FINANCIAL OVERVIEW

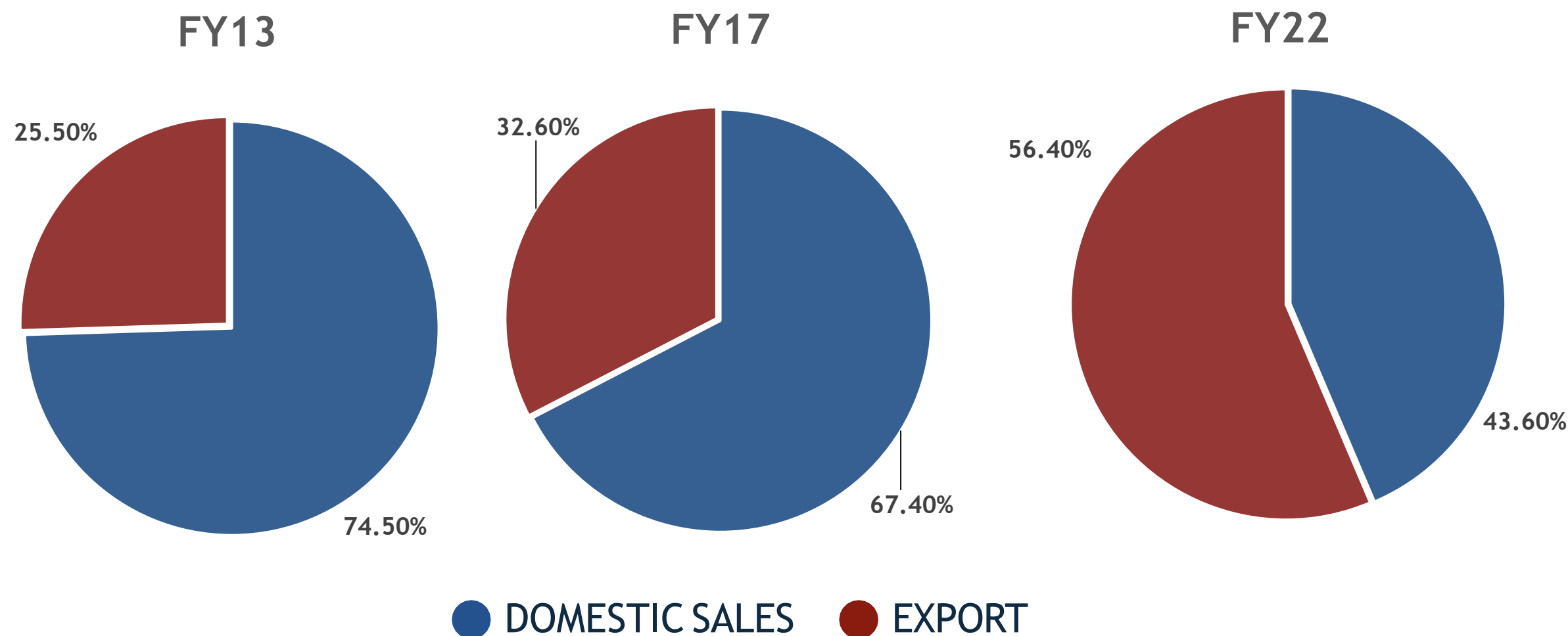
| Year | Revenue | EBITDA | Net Profit | EPS | ROCE | Share Price |
|------------|---------|--------|------------|-------|------------|-------------|
| FY 22 | 472.1 | 105.5 | 69.4 | 34.6 | 21.9% | 311 |
| FY 12 | 175.5 | 16.9 | 5.1 | 3.1 | 10.0% | 25.5 |
| 10Yrs CAGR | 10.4% | 20.1% | 30% | 27.1% | 1190 bps ↑ | 28.4% |



BUSINESS REVENUE - MIX



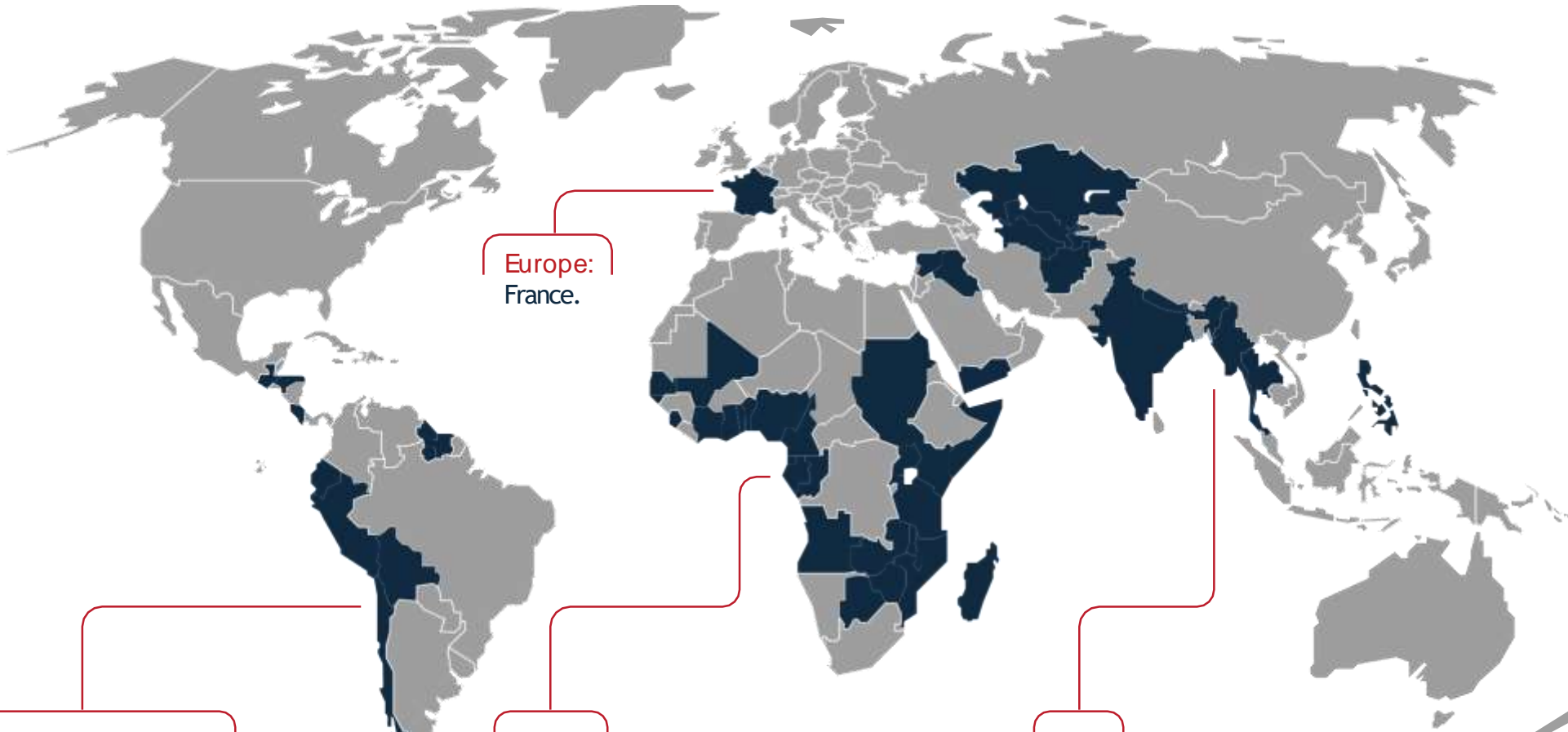
| Particulars (Rs. CR) | FY 2013 | % | FY 2017 | % | FY 2022 | % |
|----------------------|---------|--------|---------|--------|---------|--------|
| Domestic Sales | 145.03 | 74.50% | 246.6 | 64.70% | 205.90 | 43.60% |
| Export | 49.67 | 25.50% | 119.27 | 32.60% | 266.18 | 56.40% |





GLOBAL FOOTPRINT

Presence over 60+ countries in Europe, Latin America, Africa, Asia Pacific, South EastAsia, and 26 states across India.



Europe:
France.

South & Central America:

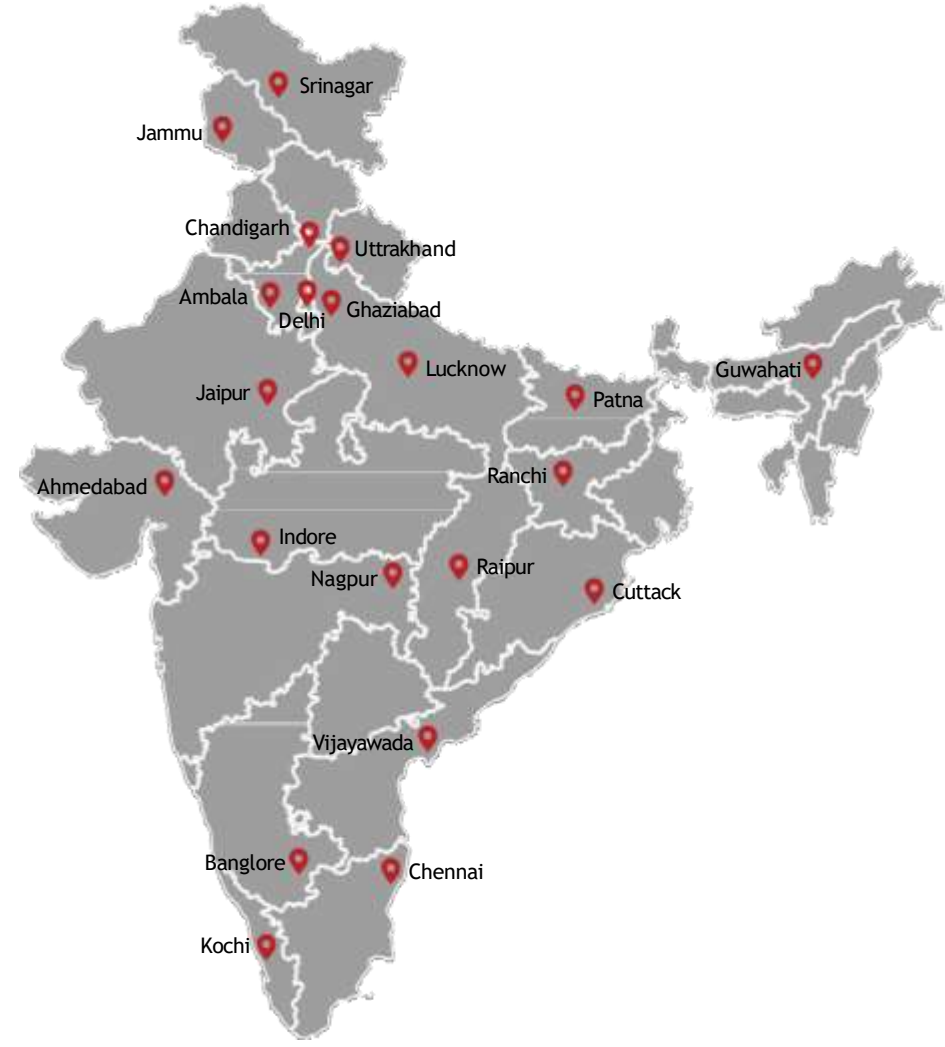
Bolivia, Chile, Costa Rica, Ecuador, El-Salvador, Guatemala, Guyana, Honduras, Jamaica, Panama, Peru, Suriname, Trinidad & Tobago.

Africa:

Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Ethiopia, Gabon, Ghana, Ivory Coast, Kenya, Madagascar, Malawi, Mali, Mozambique, Niger, Nigeria, Senegal, Seychelles, Sierra Leone, Somalia, South Sudan, Sudan, Tanzania, Togo, Uganda, Zambia, Zimbabwe, Zanzibar.

Asia:

Afghanistan, Armenia, Azerbaijan, Bhutan, Cambodia, Fiji, Hong Kong, Iraq, Lebanon, Kazakhstan, Mauritius, Myanmar, Nepal, Philippines, Sri Lanka, Thailand, Turkmenistan, Uzbekistan, Vietnam, Yemen.



■ International Presence 📍 Super Stockist In India



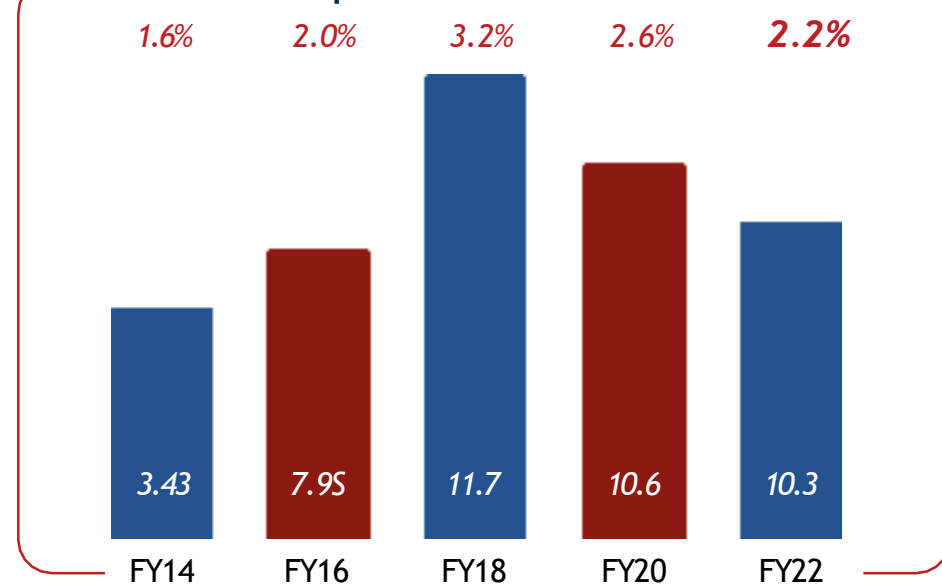
RESEARCH & DEVELOPMENT



NDDS Formulations Introduced First Time In India

- Anti-Fungal Vagina Spray.
- Diclofenac Rectal Spray.
- Sildenafil Oral Spray.
- Ondansetron Hydrochloride Oral Spray (DOMI-UP).
- Paracetamol 1000mg Programmed Release Tablet (PA-12).
- Micronized Progesterone Vaginal Spray (PROLIN).
- Namcold DX Oral Suspension.
- First one to introduce TINNEX for the relief of Tinnitus.

R&D Expenditure as % of Sales



| Research Facilities | R&D Team |
|--------------------------|-----------|
| Senior Scientist | 15 |
| Junior Scientist | 18 |
| Analyst | 18 |
| Regulatory Personnel | 12 |
| Administrative Personnel | 09 |
| Others | 06 |
| Total | 78 |



INNOVATIONS - LINCON PHARMA

PROLIN

Micronized Progesterone 12.5% w/v Spray

DOMITM up

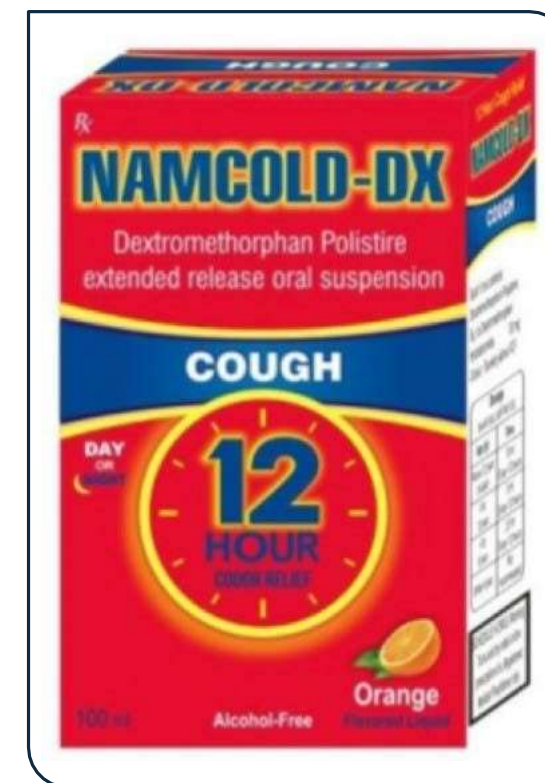
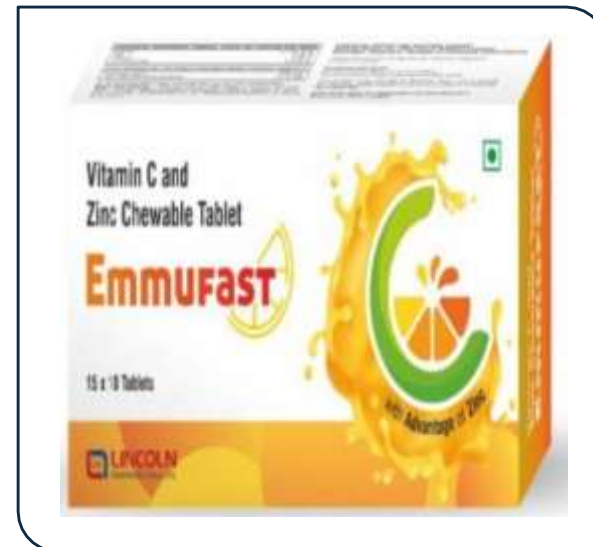
Ondansetron Hydrochloride 2 mg Oral Spray

TinnexTM

Caroverine 20 mg Capsules
Caroverine 160 mg/8 ml Injection

LUTHER AQUA

α - β Arterether 150 mg/ml Injection



NAM COLD-Z

Paracetamol 125 mg + Phenylephrine 5 mg + Chlorpheniramine maleate 1 mg + Sodium Citrate 60 mg + Menthol 1 mg / 5 ml Syrup

Pa 12^{PROLETS}

1000 mg Programmed Release Paracetamol

VivianTM GEL

Diclofenac Diethylamine 1.16% w/w + Linseed Oil 3.0% w/w + Methyl Salicylate 10% w/w + Menthol 5.0% w/w

CHARGE UPTM

(11 Antioxidants + 33 Essential Micronutrients + 5 Amino acids)



NEW LAUNCHES - DOMESTIC MARKET





NEW LAUNCHES - INTERNATIONAL MARKET



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

Otology

Anti -Diabetic

Anti-Psychotic/
Anti-Convulsant/
Anti-Depressant

Cardiac/
Anti-Hypertensives/
Diuretic

Anti-Diarrhoeal/
Anti-Spasmodic/
Laxative

Phosphodiesterase
Type 5 Inhibitor
and General
Anesthetics

BEST IN CLASS FACILITIES

Certification

EU-GMP, TGA, WHO-GMP Certified; ISO 9001:2015 Certified.

R&D Center

Approved by Government of India; Team of 30 plus scientists for R&D.

Green Energy

Windmill project and 1MW Solar Roof installed. Producing 65% of company's total energy consumption.



Dosage Forms Produced at Unit 1

| Description | Annual Capacity | Unit |
|--------------------------------------|-----------------|----------|
| Tablet (Compression & Coating) | 30,000 lacs | Tablets |
| Tablet (Granulation) | 12,00,000 | Kg |
| Capsule (Filling) | 2,340 lacs | Capsules |
| Dry Syrup (Filling) | 72,00,000 | Bottles |
| Ointment (Filling General & Sterile) | 336 lacs | 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 |



BEST IN CLASS FACILITIES



WHO-GMP Certified; ISO 9001:2015 Certified.

Certification

Approved Team of 10 plus scientists for R&D.

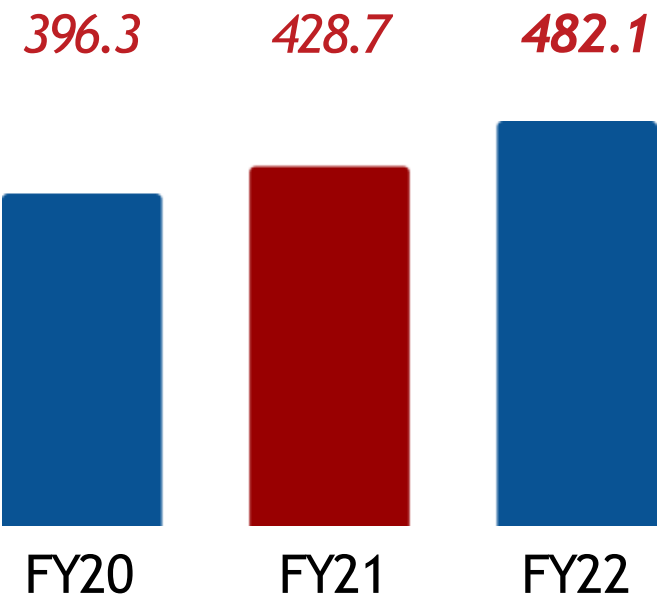
R&D Center

Dosage Forms Produced at Unit 3 OSD and Dry Powder Injection

| Description | Size | Annual Capacity | Unit |
|--------------------------------|---------------|-----------------|----------|
| Tablet (Compression & Coating) | | 511 lacs | Tablets |
| Tablet (Granulation) | | 222768 | Kg |
| Capsule (Filling) | | 120 lacs | Capsules |
| Dry Syrup (Filling) | | 68,14,080 | Bottles |
| Dry Powder Injection | 7.5 ml, 10 ml | 4,32,00,000 | Vials |
| Dry Powder Injection | 20 ml, 30ml | 3,00,00,000 | Vials |

FINANCIAL HIGHLIGHTS

TOTAL REVENUE



NET PROFIT

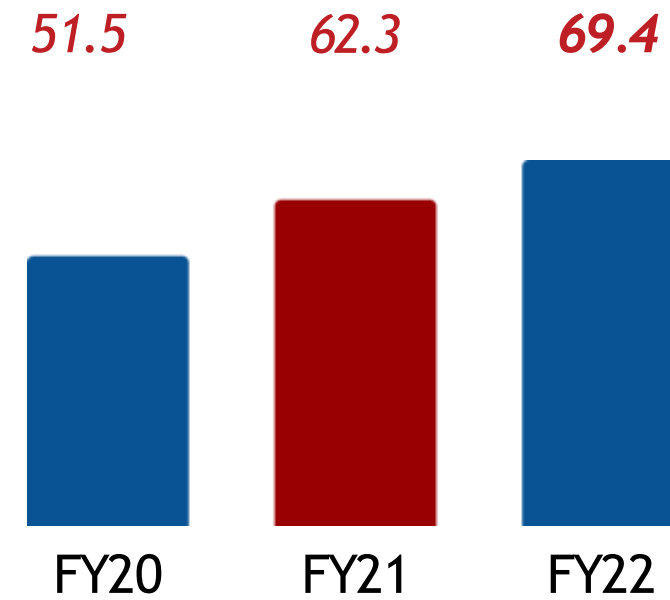
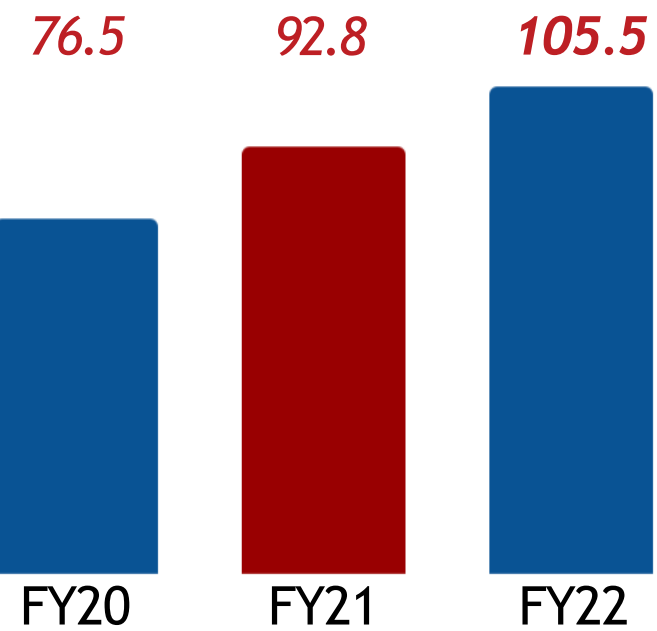
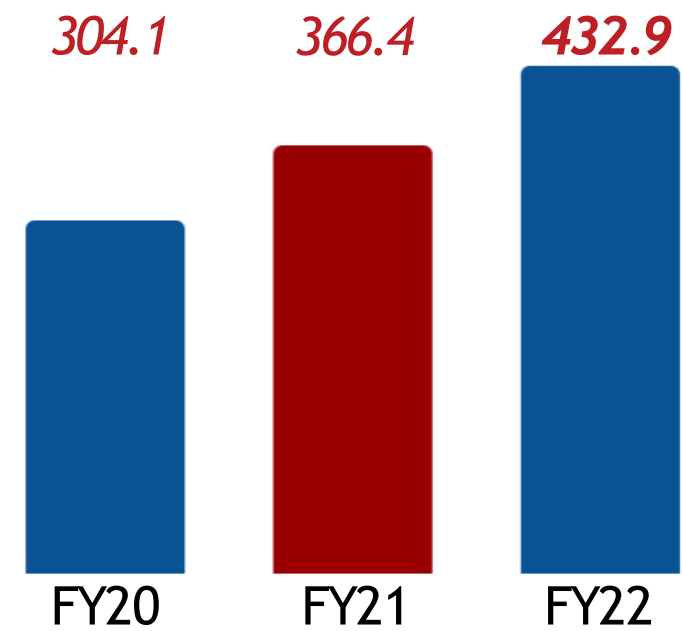


Fig (RsCr)

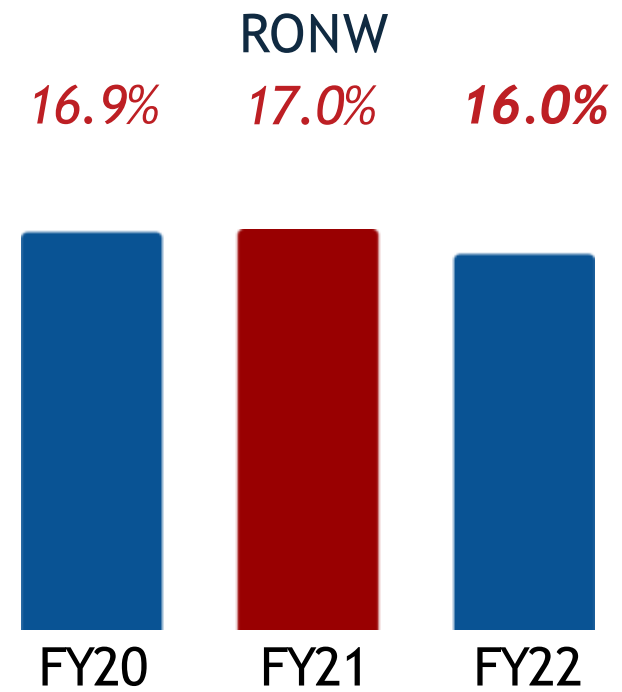
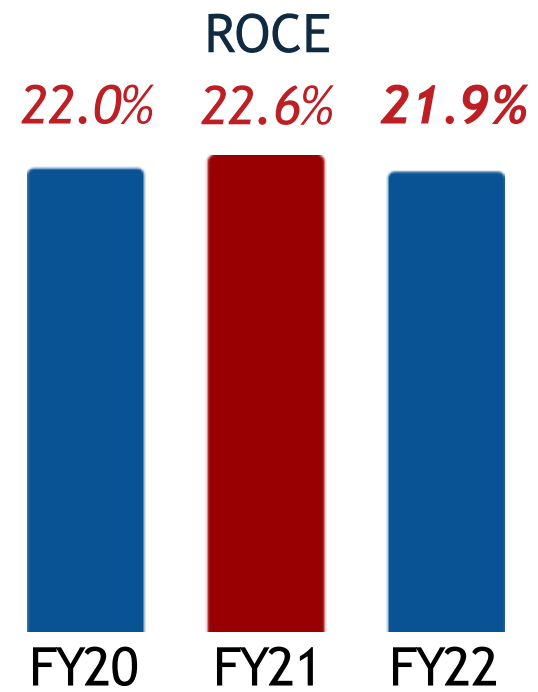
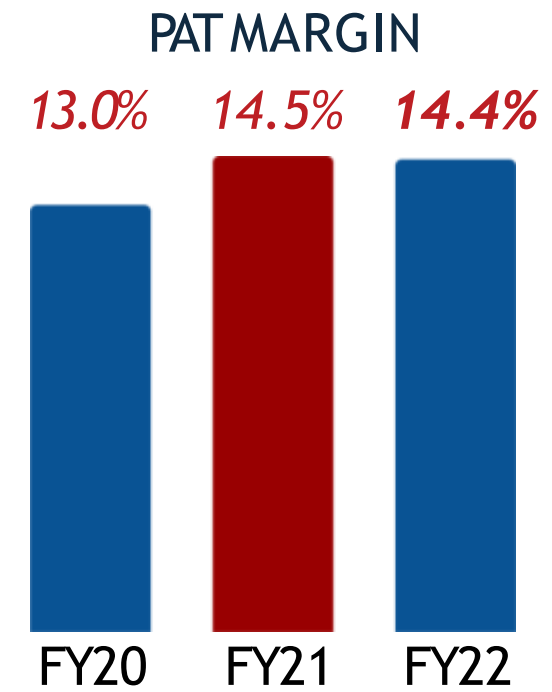
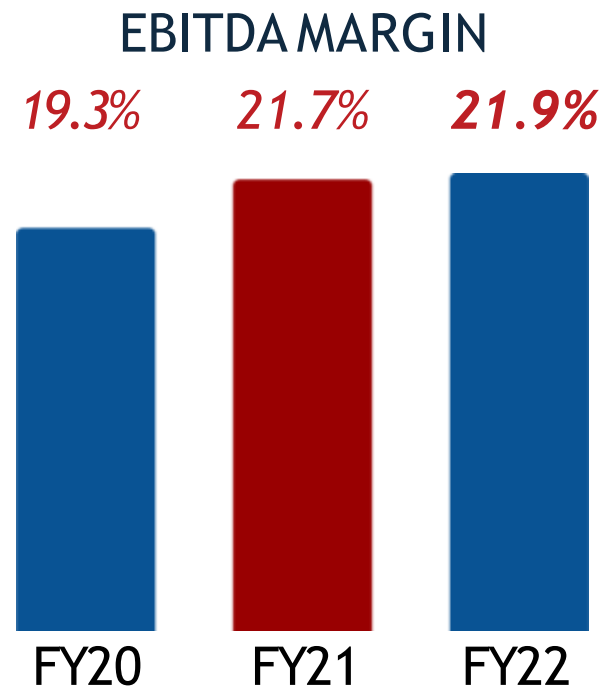
EBITDA



NET WORTH



PROFITABILITY RATIOS



SHARE HOLDING INFORMATION

| Particulars | September 2022 | | | March 2022 | | | |
|----------------|-------------------|--------------------|-------------------|-------------|--------------------|-------------------|-------------|
| | Investor Category | No of Shareholders | No of Shares Held | Holding (%) | No of Shareholders | No of Shares Held | Holding (%) |
| Promoter Group | | 29 | 88,29,612 | 44.08% | 29 | 84,22,173 | 42.05% |
| Public Holding | | 31,702 | 1,12,00,116 | 55.92% | 32,418 | 1,16,07,555 | 57.95% |
| Total | | 31,731 | 2,00,29,728 | 100% | 32,447 | 2,00,29,728 | 100% |



| Stock Information | As On 30 Sep 2022 |
|---|-------------------|
| No of Equity Shares | 2,00,29,728 |
| Face Value (INR) | 10 |
| Market Price (As on 30 Sep 2022) | 284.6 |
| 52 Week High/Low | 382.65/255.00 |
| Market Capitalisation (As on 30 Sep 2022) | Rs 570 Crore |



LOCATION



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