



# ANUH PHARMA LTD.

Investor Presentation

August 2015

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[www.anuhpharma.com](http://www.anuhpharma.com)

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# Vision Statement

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To be a leader in the field of APIs by adhering to sound business ethics with a strong dependence on modern management concepts, constantly striving for excellence in every sphere of our operations.



## Company Overview

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- Anuh Pharma, a bulk drug manufacturing company is part of the INR 8.5bn SK Group, which employs ~2000 people across businesses such as manufacturing of pharma formulations, trading, distribution and logistics (primarily for large MNC brands)
- Anuh Pharma is one of the largest manufacturers of Macrolides and Anti-TB products in India, besides being a major player in Anti-bacterials, Anti-malarial, Anti-hypertension and Corticosteroids
- The Company owns one manufacturing facility at Tarapur over 3,600 sq. mtrs of land and an R&D facility at Mahape spread over 10,000 sq.ft.



## Company Overview

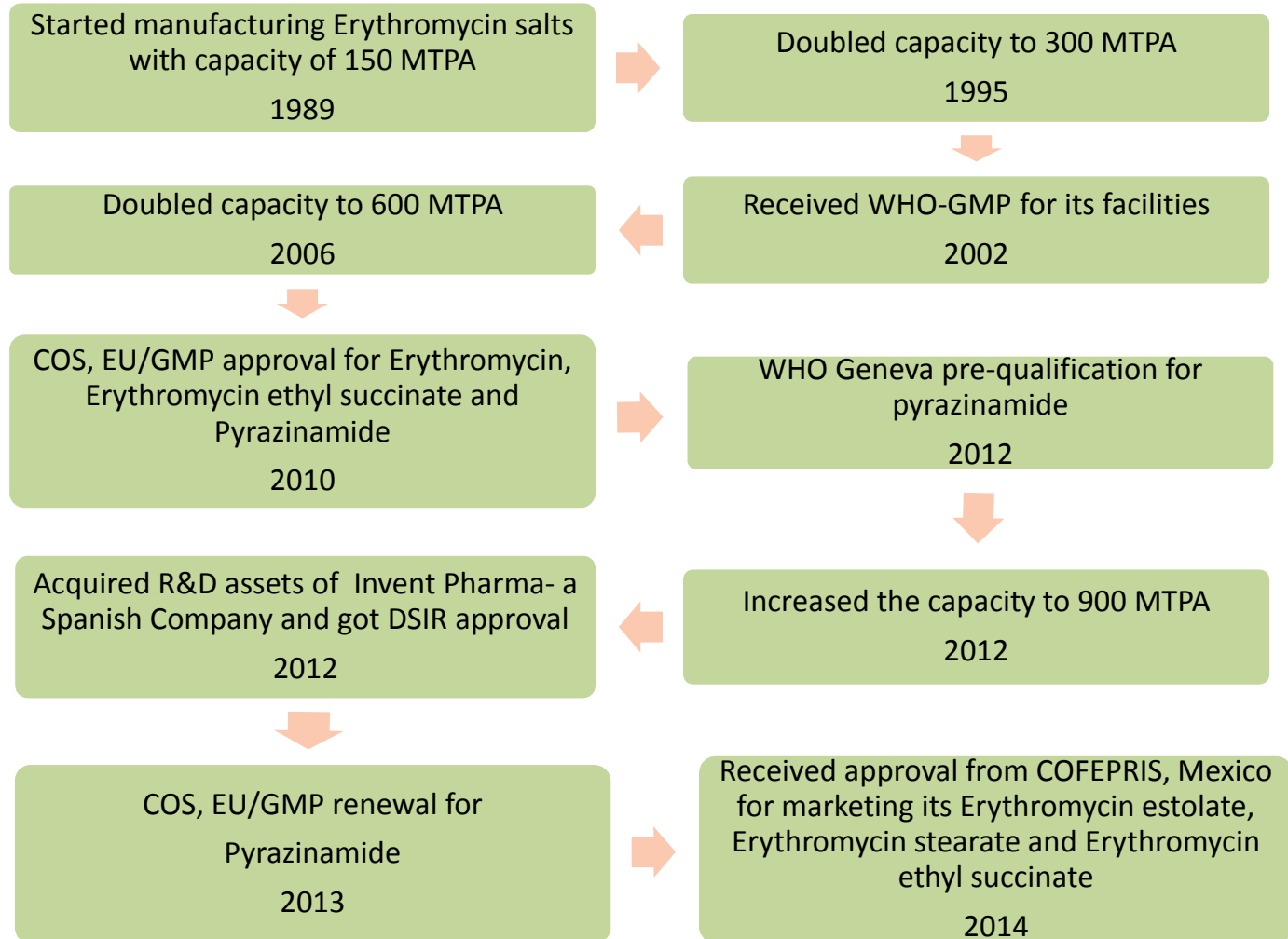
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- The Company derived ~43% of its revenues from exports in FY15; share of domestic markets increased from ~54% to ~57% (FY12-FY15)
- The Company has strong marketing partnerships with 350 customers in over 57 countries including Europe, Mexico and South Africa
- Debt-free company with revenues growing at a CAGR of 10% over last 5 years
- The Company has acquired additional 7,800 square meters land at Plot No. E-18 in the Tarapur Industrial Area of MIDC connecting to the existing Factory for expansion purpose



# Journey So Far...

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## State of the Art Manufacturing facility

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- Anuh Pharma has a cGMP and ISO 9001-2000 approved manufacturing facility at Tarapur spread across 3600 sq. meters with 6 blocks and a total capacity of 900 MTPA – this is rated capacity whereas the maximum achievable capacity is 1140 MTPA



## State of the Art Manufacturing facility

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- The products manufactured at the facility are Erythromycin, higher macrolides (Azithromycin, Roxithromycin, Clarithromycin), Chloramphenicol, Pyrazinamide.
- The company also manufactures Corticosteroids at a dedicated L&L facility which has a capacity of 7 MTPA
- The average current capacity utilization of the facilities is ~65% of the maximum achievable capacity





## R&D Infrastructure

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- To develop new products and processes and to expand its product portfolio, the Company acquired R&D assets of Invent Pharma, a Spanish company in 2012



## R&D Infrastructure

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- The R&D centre is spread across 10,000 sq.ft and is situated at Mahape, Navi Mumbai
- It has three sections; i.e. Analytical Development lab, Chemical Synthesis lab and a Pilot Plant equipped with latest and sophisticated equipments and machinery



# Competitive Advantage

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- Anuh Pharma Limited is the largest producer of Erythromycin salts in India and among the top 5 producers in the world for both Erythromycin and Anti-TB drugs
- CEP, EU GMP, COFEPRIS approvals and WHO Geneva pre-qualification for products manufactured at its facilities located at Tarapur that are built and operated according to cGMP standards (current good manufacturing practices)



# Competitive Advantage

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- Debt-free company with strong credit rating from leading global suppliers
- Facilities built at low cost resulting in exceptionally high capital efficiency
- Attrition rates lower than industry standards



# Competitive Landscape

Product	Global demand (MTPA)	Anuh mkt share	Other key players
Erythromycin	1800	18	S.M. Biomed (Malaysia), Linaria Chemical (Thailand)
Higher macrolides (Azi/Roxi/Clari)	1000	10	Zhejiang Guobang Pharma, CSPC, HEC Pharm(China)
Chloramphenicol	200	14	Northeast Pharma, Nanjing Baijingyu, Wuhan Wuyao (China)
Pyrazinamide	1200	20	Calyx Pharma, Linaria Chemical
Corticosteroids	100	5	GSK, MSD, Pharmabios (Italy)

Source: Company Estimates; captive capacities not considered

- Anuh Pharma still has considerable surplus capacity available for macrolides (including erythromycin) and chloramphenicol and can grow market share without setting up fresh capacity
- It expects to significantly increase market share on corticosteroids as well in the next couple of years, given the low base



## Product-wise Sales mix

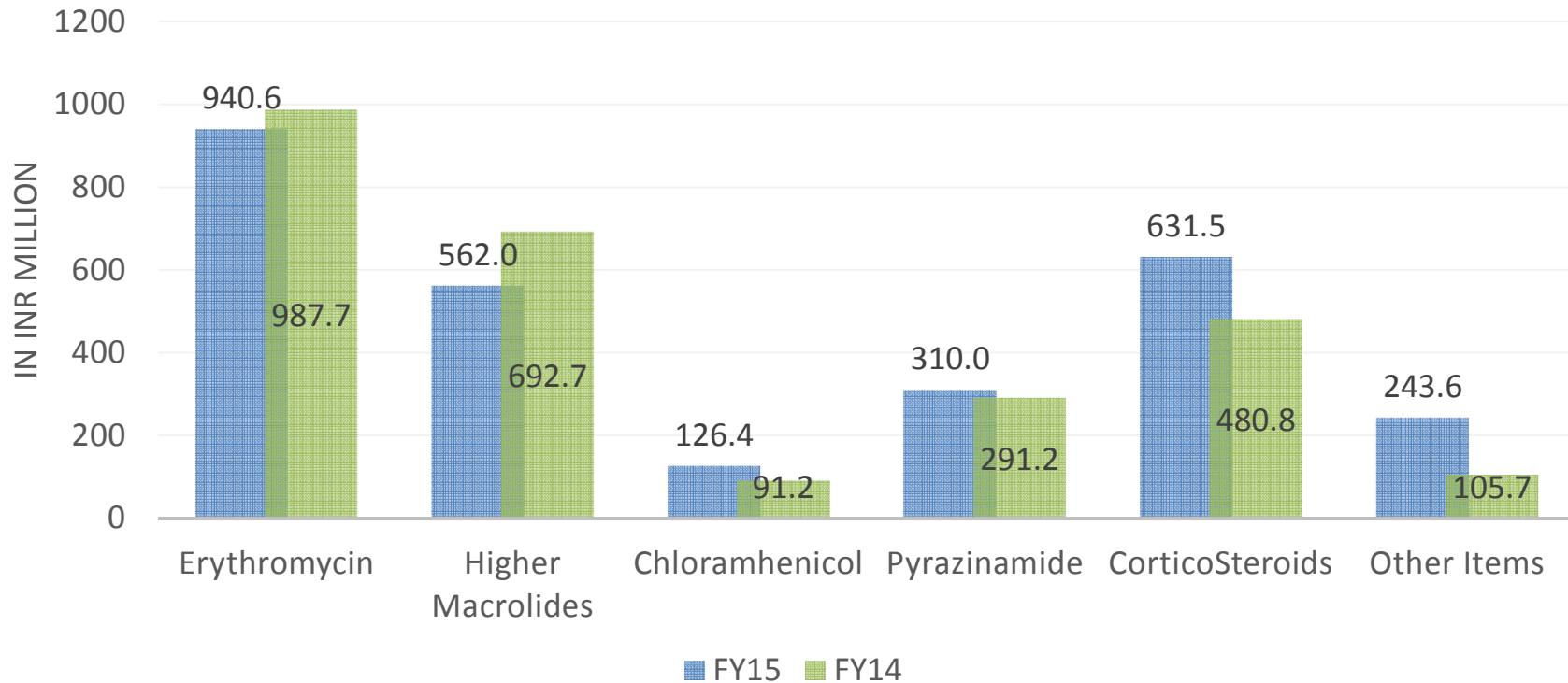
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- Growth in FY15 v/s FY14 was led by approximately 31% increase in sales of Corticosteroids and a 39% increase in sales of Chloramphenicol
- Revenue contribution from Corticosteroids rose considerably from 18% to 22.4% y-o-y, driven by sharp improvement in products like Clobetasol Propionate, Prednisolone Sodium Phosphate, Betamethasone Dipropionate, Deflazacort and Betamethasone



# Product-wise Sales mix

- Dependence on macrolides (including erythromycin) was reduced to 53% from 63% y-o-y

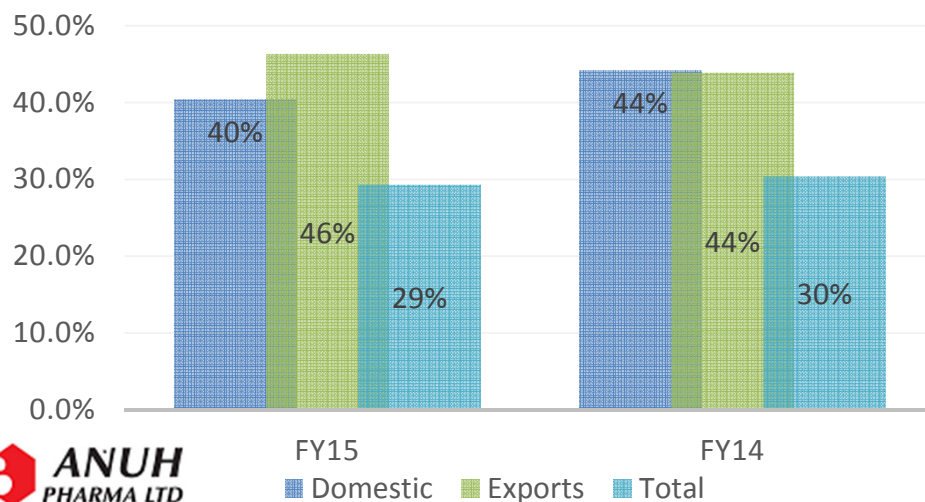




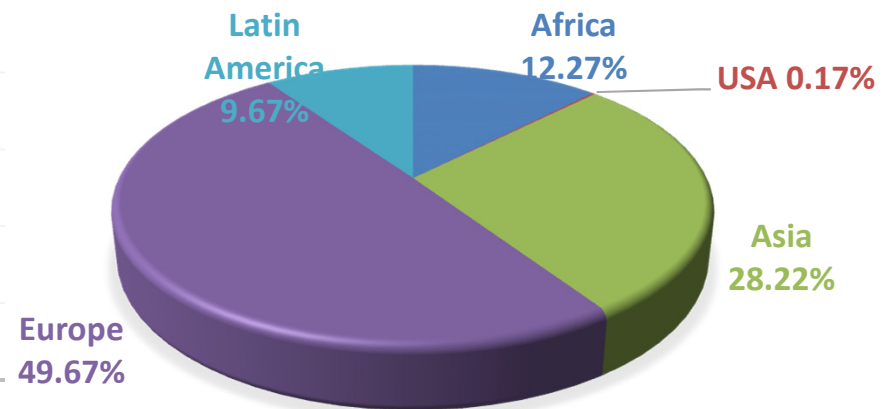
# Diversified Customer base

- Anuh Pharma has consistently had a diversified customer base, when it comes to both domestic as well as exports business, without over dependence on any customer
- Majority of sales continue to come from domestic markets, the contribution from exports has consistently been northwards of 40% on an average

**Top 5 Customer Contribution**



**Geographical Revenue Break-up (FY15)**



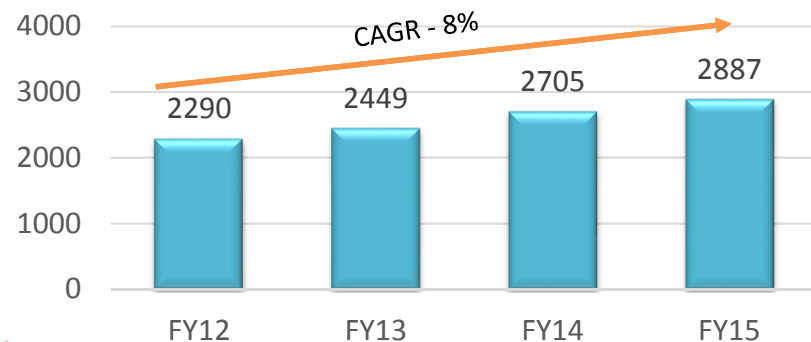




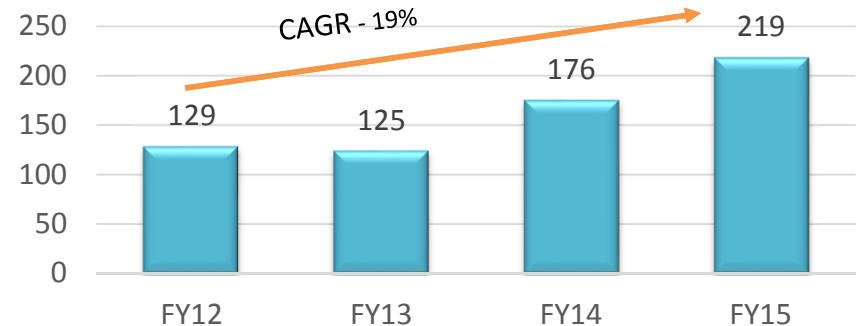
# Financial Highlights

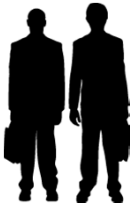
Particulars (INR mn)	Q4FY15	Q4FY14	% Growth	FY15	FY14	% Growth
Operating Revenue	709.1	766.1	-7%	2836.9	2663.98	6.5%
Operating Profit	102.4	114.9	-11%	457.7	391.4	16.9%
% Margin	14.4%	15.0%		16.1%	14.7%	
Other Income	14.83	10.07	47%	50.49	41.49	21.7%
PAT	49.82	56.89	-12%	219.91	175.9	25.0%
% Margin	7.0%	7.4%		7.8%	6.6%	
Reported EPS	5.97	6.81	-12%	26.33	21.06	25.0%
Net Cash & Investments.				434	342.7	26.6%
Book Value per share				120.8	102.8	17.5%
% ROCE				19	26	
% ROE				15	22	

**Total Income (INR million)**



**Total PAT (INR million)**





## Focus on Shareholder Value Creation

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- Anuh Pharma has consistently focused on shareholder value creation and has maintained dividend payout ratio in the range of 32-40% of post tax profits over the last 3 years (FY12-FY15)
- Dividend payments have increased at a CAGR of 6% over the same period
- The growth has continued in FY15 as well, with operational revenue, operational profit and post tax profits registering a growth of 6.5%, 17% and 25% respectively, as is evident from the Financial Highlights
- Anuh Pharma has rewarded it's shareholders with a 2:1 bonus issue i.e. 2 new shares for every 1 share held



# Growth Strategy

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Continued focus on increasing market share in corticosteroids, for which manufacturing capacity at L&L site is being enhanced to 12 MTPA (expected to be commissioned in Q4FY15)

Within corticosteroids, the focus shall continue to be on higher margin products to maximize profits

Identification of new molecules and therapeutic areas is currently underway and will drive the next leg of growth over the medium to long term, while boosting utilization levels in the short run

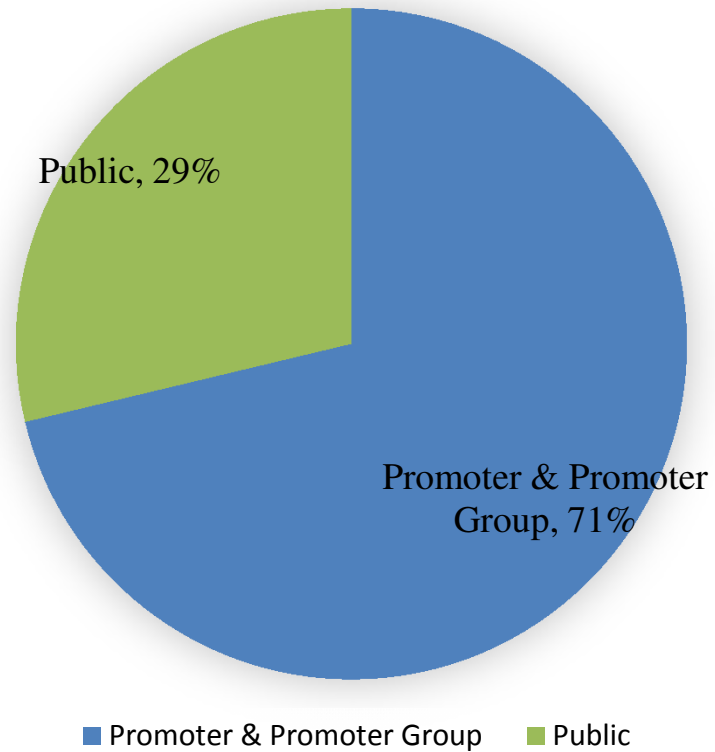
Immediate focus shall be on exploiting the current product approvals in Europe which offer a USD 15mn opportunity; more approvals are pending which will enhance this addressable market further

3 new products proposed for FY16 launch in anti-bacterial and respiratory segments

Setting up of a state-of-the-art manufacturing facility targeted at regulated markets is under construction on the newly acquired piece of land



# Latest Shareholding Pattern



**Market capitalization (28<sup>th</sup> July 2015)**

**INR 7838 mn**

**Free float market capitalization (28<sup>th</sup> July 2015)**

**INR 2743 mn**



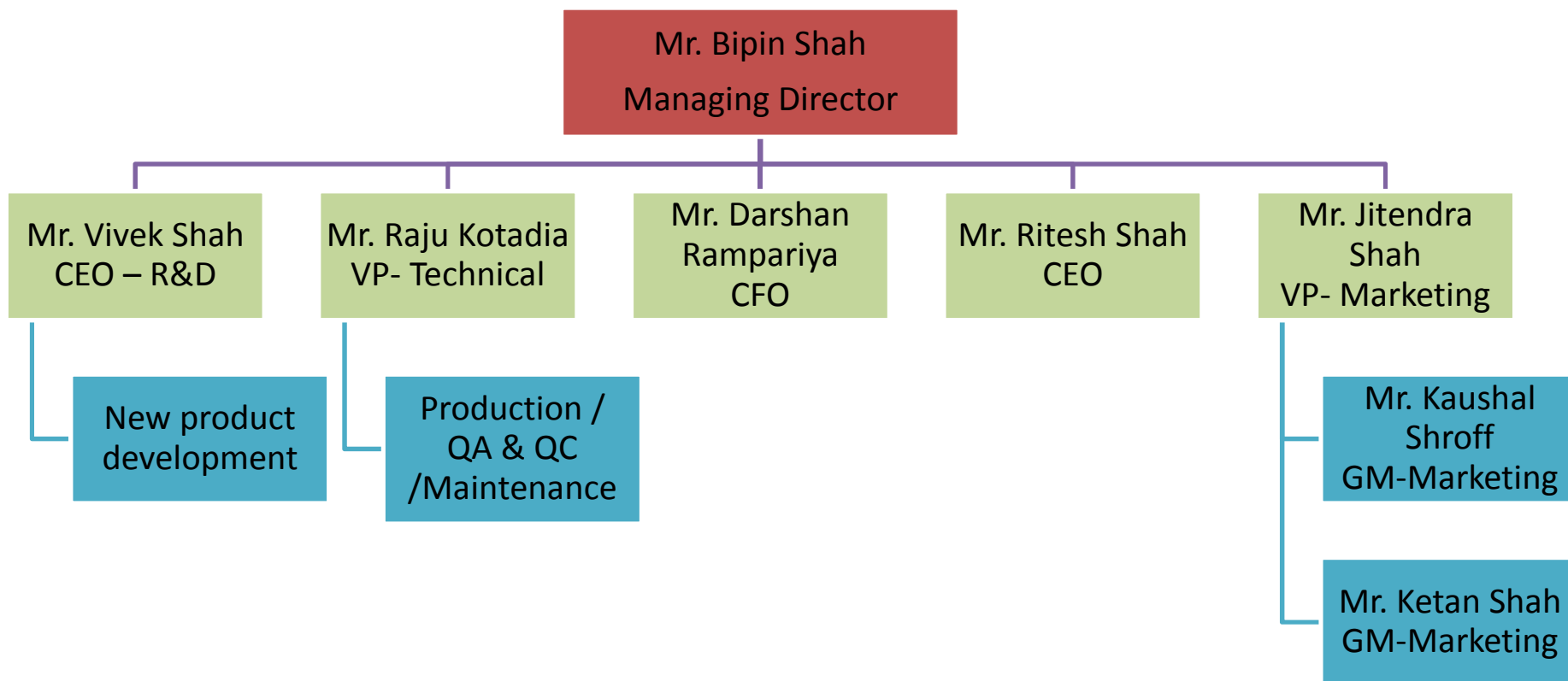
# Key Management Personnel

Name	Designation	Profile
Mr. Jasvantlal G Shah	Chairman	Economics & Law Graduate, PGDBM and CS; was a senior professional in two reputed business groups as well as number of international pharmaceutical companies. Also a director and VP of BSE
Mr. Bipin N Shah	Managing Director	Involved with Anuh Pharma since inception as promoter. He holds Bachelors degree in Chemical Engineering; is also a director in S.K.Finechem and President of Thane Belapur Association.
Mr. Ritesh B Shah	CEO	BSc. Chemistry, MBA, handled international marketing for Anuh Pharma for over 10 years, currently involved in overall management of the company
Mr. Vivek B Shah	CEO R&D	MSc. Biotechnology; handling entire operations and R&D since 2009
Mr. Raju Kotadia	VP Technical	BSc. Chemistry; part of Anuh Pharma since inception, handling overall management of factory
Mr. Jitendra Shah	VP Marketing	CA with 20+ years of experience in Pharma Business Development
Mr. Darshan Rampariya	CFO	CA with 8+ years of experience in audit, taxation and corporate finance
Ms. Ashwini Ambrale	CS	CS with 2+ years of experience in Corporate Secretarial Compliance



# Key Management Personnel

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# Thank You.

For specific queries please feel free to contact;  
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