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KWALITY PHARMACEUTICALS LTD.

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Date: May 30, 2022

To,

The Corporate Services Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400001

Scrip Code: 539997

Subject: Investor Presentation

Dear Sir/Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find the enclosed herewith a copy of investor presentation of the Company.

You are requested to take the above information on record.

Thanking You

Yours Faithfully,
For **Kwality Pharmaceuticals Limited**


Ramesh Arora
Managing Director
DIN: 00462656





Kwality Pharma

QUALITY YOU CAN TRUST

Investor Presentation
Financial Year March 2022





Executive Summary

Kwality – A Niche Injectable Player for Emerging Markets



India's Leading injectable player with a strong presence in emerging markets



Strong focus on complex injectables like Liposomal, peptide-based, protein-based, and lyophilized injectables



Strong portfolio of 600 products and a pipeline of 300 products under registration.



An experienced team led by visionary management



State of art manufacturing for Critical care, Oncology, General & Cephalosporin injectables



Superior financials –
FY22 Revenues: 74%
EBTIDA: 38.4%, ROE: 66%

Kwality at a Glance: Overview

Company overview



About

- ✓ Established in 1983, Kwality Pharmaceuticals is a leading exporter of complex generics formulations with Injectables forming over 70% of its FY 22 sales.
- ✓ Listed on the Bombay Stock Exchange (SME Segment) in 2015 and is migrating to (Main Board) in the coming months.
- ✓ Presence in 60+ countries, with 120+ overseas channel partners
- ✓ Team size: ~1500 members



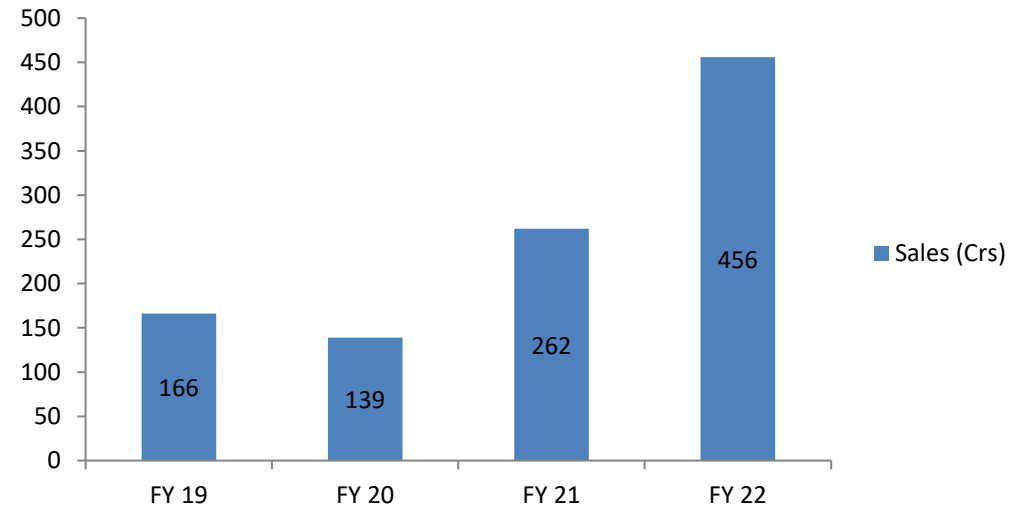
Portfolio: 3000+ formulations in >25 therapeutic areas

- ✓ Generic Liquid injectables: Small volume parenteral in vials and ampoules, dental cartridge, ophthalmic, and prefilled syringes.
- ✓ Generic Lyophilized injectables in vials
- ✓ Others- Oral Liquids, tablets, capsules, dry syrups, and sachets
- ✓ Oncology liquid and lyophilized Injectables, Oral tablets & capsules
- ✓ Cephalosporins: Tablets, capsules, dry syrups and sachets, Dry powder injectables
- ✓ Beta-lactam - Oral tablets, capsules, dry syrups, and sachets, Dry powder injectables

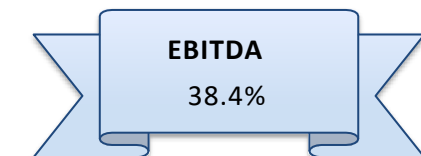
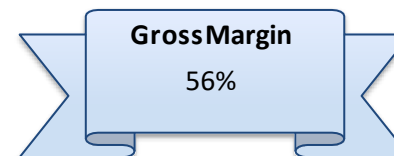
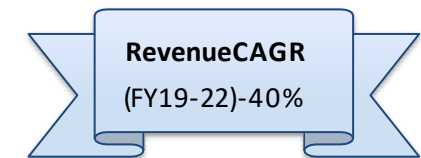
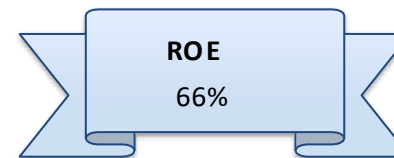


Manufacturing: Facilities located in Amritsar (Punjab) and Jassur (Himachal Pradesh)

Financial overview

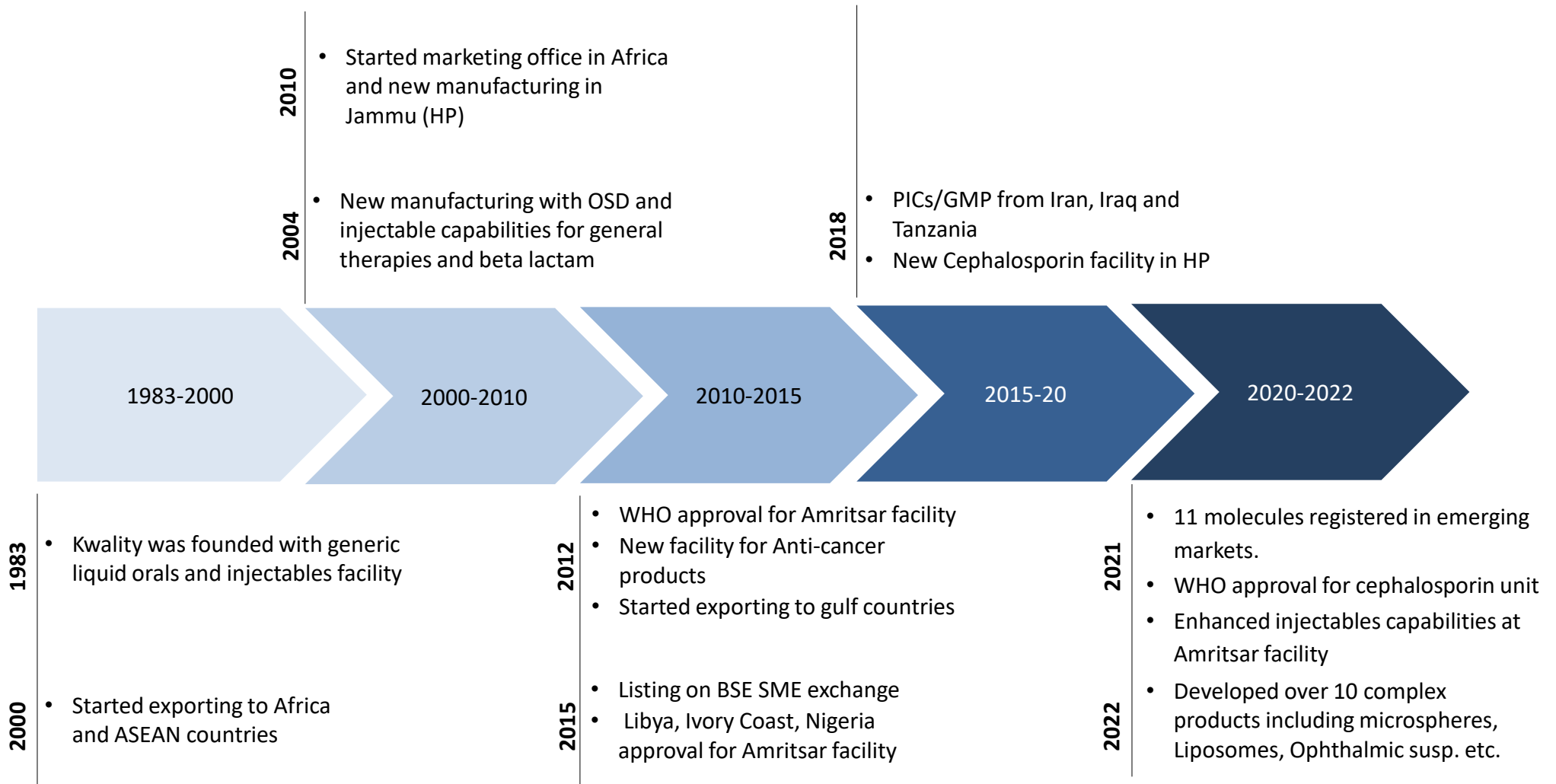


Key financial ratios (FY22)





Kwality at a Glance: Evolution of the Company





Key Highlights

Kwality: Key Highlights



Development capabilities in complex products: Specialist capabilities, expertise, and know-how in Long-chain acting injectables, Liposomal injectables, Lipid nano particles/Lipid complexes, Lyophilized injectables, Protein-based injectables, and complex ophthalmic



Highly experienced leadership team: The management team at Kwality has extensive experience in the development, marketing, and manufacturing of complex pharmaceutical products. Under their leadership, the company has successfully registered over 600 products globally.



Emerging market-approved manufacturing facilities: Business at Kwality is supported by state-of-art manufacturing facilities approved by many emerging markets. These facilities are fully capable of manufacturing complex injectables on a commercial scale



Presence in over 60 countries through successful registrations: Kwality has successfully filed 600 products in different therapies and across dosages with strong presence in injectables. Injectable sales contributes ~70% to the overall company sales.



Superior financials: Kwality revenues for FY22 increased by 74% to Rs 456.2 cr from Rs 262 cr while EBITDA grew to Rs 175.2 cr from Rs 30.4 cr compared with the year ago period. EBITDA margin stood at 38.4%. Net profit too increased to Rs 120 cr from Rs 15 cr compared with the same period a year ago.



Development capabilities in complex injectables

Complex injectable drug products

Long-acting Injectables using micro-sphere technology

Liposomal Injectables

Protein-based Injectables

Lyophilized Injectables

Key technologies involved

- Sustained drug release
- Reducing injection frequency
- Polymeric microspheres
- In-situ forming depots
- Advanced in-vitro efficacy read-outs
- Advanced polymer characterization

- Tissue targeting
- Intracellular targeting
- Increase exposure time
- Drug solubilization and stabilization

- Selectivity for specific protein targets
- Higher potency and reduced toxicity than many small molecules
- Improved stability & control release

- Solubility using freeze-drying
- Improved stability, solubility and stability

Kwality experience

Developed complex long-acting injectables: Leuprolide depot injectable, Octreotide Acetate injectable Suspension, Risperidone Long-Acting injectable, Goserelin Acetate Depot injectable

Developed complex oncology injectables: Daunorubicin Liposomal Injection and Doxorubicin Liposomal Injection with stability data of 24 months

Developed complex protein based injectables: Erythropoietin Injectable, Alteplase for Injection, Darbepoetin injectable for intravenous and subcutaneous

Developed complex Lyophilized products: Paclitaxel injection suspension, Amphotericin B inj., Caspofungin Acetate inj., Isoniazid inj., Micafungin inj., Rifampin inj., Tenoxicam inj., Suxamethonium inj.

Highly experienced leadership team



Mr. Ramesh Arora
Managing Director

- Founder of the company
- Overall head of business with a focus on strategy and R&D
- Education: B.COM(H)



Mr. Ajay Arora
Director

- Has been with the company for the past 28 years
- Heads sourcing and projects
- Education: Graduate in pharmacy

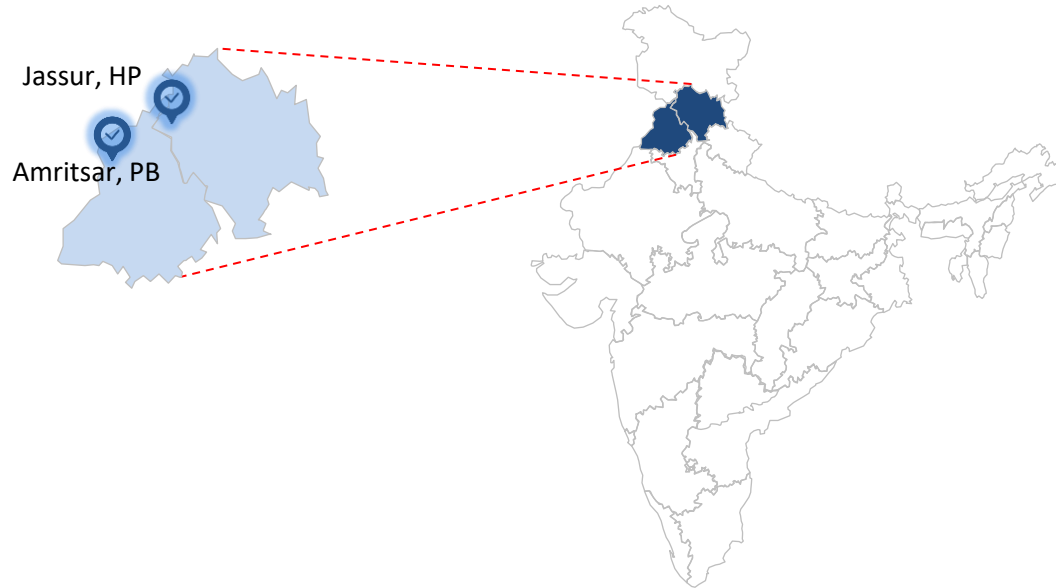


Mr. Aditya Arora
Director

- Has been with the company for the past 7 years
- Heads finance and operations
- Education: B.COM(H)

Manufacturing facilities are approved by emerging markets...

Locations



Regulatory approvals



Locations	Amritsar		Jassur	
Units	Unit-1	Unit-4*	Unit-2	Unit-3
Therapy	General Therapies	Beta-lactum	Oncology	Cephalosporins
Dosage forms	Tablets, Capsules, Oral liquid, Sachets, Dry powder for suspension, Lyophilized injections Vials and ampoules Eye/Ear/Nasal drops and cream/ointment/lotion/gel	Tablets/Capsules, Dry powder for suspension, Injections	Tablets/Capsules, Lyophilized injections	Tablets/Capsules, Dry powder for suspension, Lyophilized injections

*under completion

..and expected to get approved by high-end markets like Europe, Brazil and Mexico



Regulatory agency



Comisión Federal para la Protección
contra Riesgos Sanitarios

Region/countries



- Country: Brazil
- Brazil is among the top 15 pharmaceuticals market by country in the world in value terms

- Region: Europe
- Europe region is 2nd largest pharma market after North America in value terms

- Country: Mexico
- Mexico is among the top 15 pharmaceuticals market by country in the world in value terms

Expected timeline of approvals

- By Oct 2022 (General therapy section) and by Nov. 2022 (Oncology injection)

- Cephalosporin and Oncology section by Dec 22

- General therapy and Oncology section by Dec 2022

Manufacturing facility: Few snapshots



Established presence in over 60 emerging markets through successful product registrations



South and Central America		Africa		Middle East		Asia	
Colombia	Costa Rica	Botswana	Uganda	Iran	Egypt	India	Uzbekistan
Guatemala	El Salvador	Kenya	South Africa	Iraq	Algeria	Sri Lanka	Indonesia
Chile	Ecuador	Namibia	Tanzania	Oman	Morocco	Philippines	Malaysia
Peru	Honduras	Nigeria	Sudan	Lebanon	Jordan	Nepal	Vietnam
Nicaragua	Panama	Ethiopia	Zambia	KSA		Bhutan	
Dom. Republic	Jamaica	Guinea	French W Africa - 16 Countries	UAE		Pakistan	
Mexico	Brazil	Zimbabwe		Kuwait		Kyrgyzstan	



Kwality has an experienced marketing team with strong reach in emerging markets



Kwality will continue to strengthen its position in emerging market through more registrations and by adding new markets

Product registrations



South and Latin America*

Product registrations	#'s
Registered	72
Under registrations	77

Africa

Product registrations	#'s
Registered	102
Under registrations	17

South-East Asia

Product registrations	#'s
Registered	86
Under registrations	42

*Including Mexico and Brazil



Focus on Niche high margin portfolio of difficult to manufacture molecules



Building long term commercial partnerships both locally & globally



Injectables would be the growth driver



Continuing investments in R&D with focus on complexity



Manufacturing continues to be core competency



Superior Financials





Profit & Loss Account

For the yearending 31 st March (In Crores)	FY19	FY20	FY21	FY22
Revenue from operations	166.29	139.30	262.01	456.19
Cost of Goods Sold	119.45	87.08	165.59	200.60
Gross profit	46.84	52.22	96.42	255.59
Gross profit%	28.17	37.49	36.80	56.02
EBITDA	16.31	17.85	30.44	175.17
EBITDA%	9.81	12.81	11.62	38.40
PAT	7.56	8.21	14.89	119.94
PAT %	4.55	5.89	5.68	26.29



Balance Sheet

EQUITY AND LIABILITIES				
	FY 19	FY20	FY 21	FY22
Shareholders' funds				
(a) Share capital	10.38	10.38	10.38	10.38
(b) Reserves and surplus	26.92	35.63	50.78	170.77
	37.30	46.01	61.15	181.14
Minority Interest in Subsidiary				
	-0.98	-1.04	-1.30	-1.35
Non-current liabilities				
(a) Long-term borrowings	7.59	10.18	18.26	20.29
(b) Deferred tax liabilities (net)	0.12	0.00	0.00	0.27
(c) Other long-term liabilities	0.00	9.18	9.18	9.18
(d) Long-term provisions	0.52	0.62	0.68	0.75
	8.23	19.98	28.12	20.84
Current liabilities				
(a) Short-term borrowings	18.73		16.45	23.00
(b) Trade payables	17.07	22.97	26.21	34.51
(c) Other current liabilities	21.73	20.55	29.82	31.79
(d) Short-term provisions	3.30	3.00	5.80	41.00
	60.83	67.75	78.29	139.96
TOTAL	105.38	132.69	166.26	340.59
ASSETS				
Non-current assets				
(a) Property Plant & Equipment				
(i) Tangible	29.08	42.69	59.42	103.88
(b) Non-current investments	0.79	0.65	0.73	0.78
(c) Deferred Tax Assets(Net)	0.00	0.20	0.04	0.00
(c) Long-term loans and advances	0.12	0.12	0.17	8.11
(d) Other non-current assets	0.03	0.00	0.00	0.00
	30.03	43.66	60.36	112.77
Current assets				
(a) Current investments	4.04	3.34	4.44	0.00
(b) Inventories	11.25	22.42	17.36	53.36
(c) Trade receivables	38.43	30.33	35.71	69.13
(d) Cash and cash equivalents	1.40	1.54	5.81	12.95
(e) Short-term loans and advances	20.21	31.37	42.58	92.38
(f) Other current assets	0.03	0.03	0.00	0.00
	75.35	89.03	105.90	227.82
TOTAL	105.38	132.69	166.26	340.59



THANK YOU