Caplin Point
Laboratories Limited



EARNINGS PRESENTATION H1 FY25

Rated #1 in India for "*Most Consistent Profitable Growth across the last 10 years*"

*Second Largest wealth creator for the decade ending 2020**

November 2024 | www.caplinpoint.net

#Value Research magazine – Wealth Insight June 2022 issue
*The Economic Times

Disclaimer

Caplin Point Laboratories Limited

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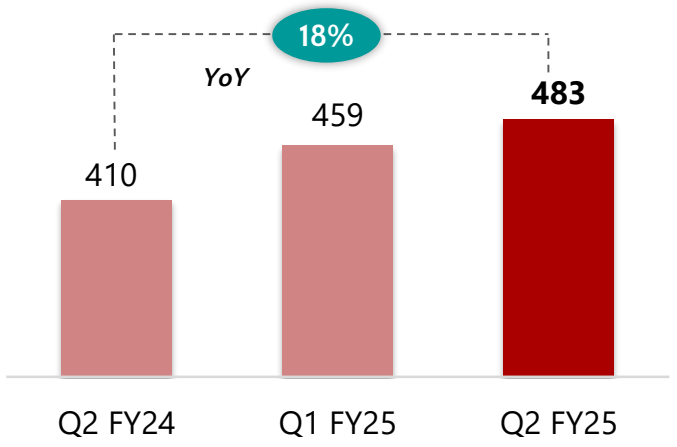
This presentation may include certain "forward looking statements". These statements are based on current expectations, forecasts and assumptions that are subject to risks and uncertainties which could cause actual outcomes and results to differ materially from these statements. Important factors that could cause actual results to differ materially from our expectations include, amongst others, general economic and business conditions in India and abroad, ability to successfully implement our strategy, our research & development efforts, our growth & expansion plans and technological changes, changes in the value of the Rupee and other currencies, changes in the Indian and international interest rates, change in laws and regulations that apply to the Indian and global pharmaceuticals industries, increasing competition, changes in political conditions in India or any other country and changes in the foreign exchange control regulations in India. Neither the company, nor its Directors and any of the affiliates or employee have any obligation to update or otherwise revise any forward-looking statements. The readers may use their own judgment and are advised to make their own calculations before deciding on any matter based on the information given herein.

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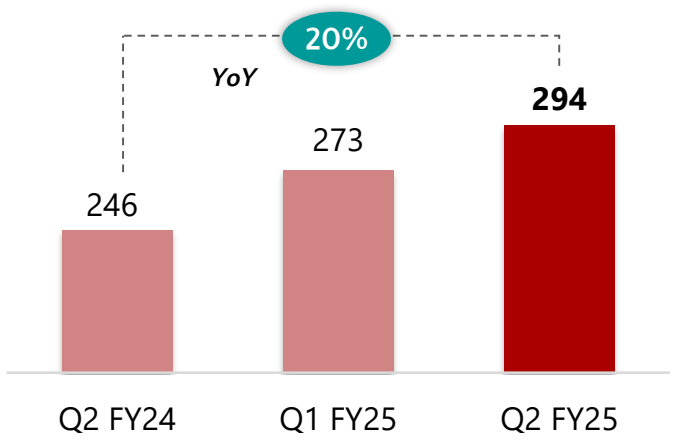
Q2 FY25 Income Statement

Caplin Point Laboratories Limited

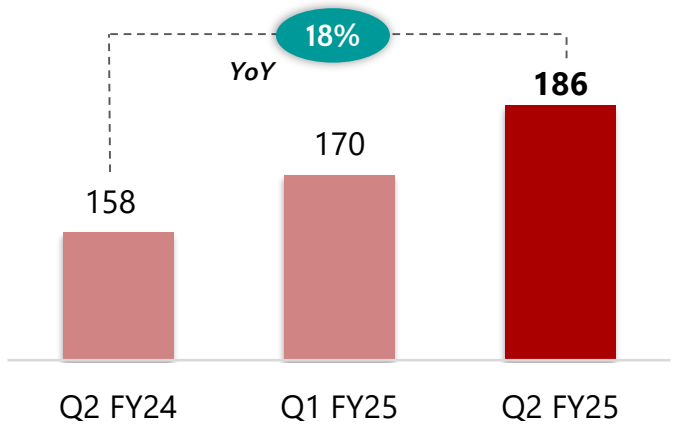
Revenue from Operations



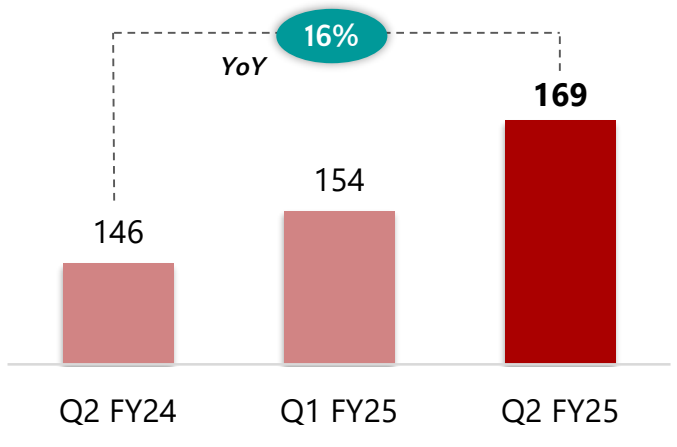
Gross Profit



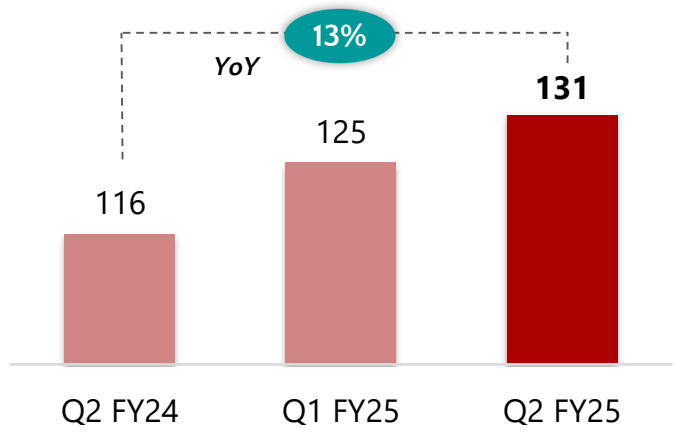
EBITDA



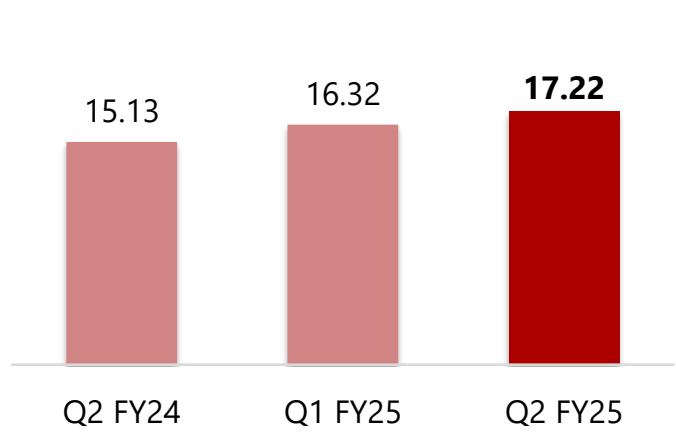
EBIT



PAT



Earnings Per Share

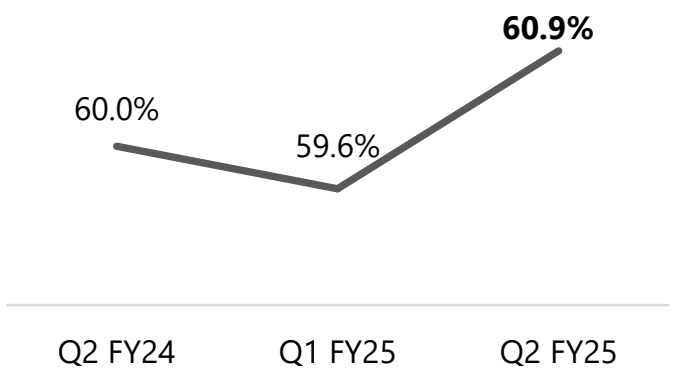


(All figures in ₹ Crores except EPS in ₹)

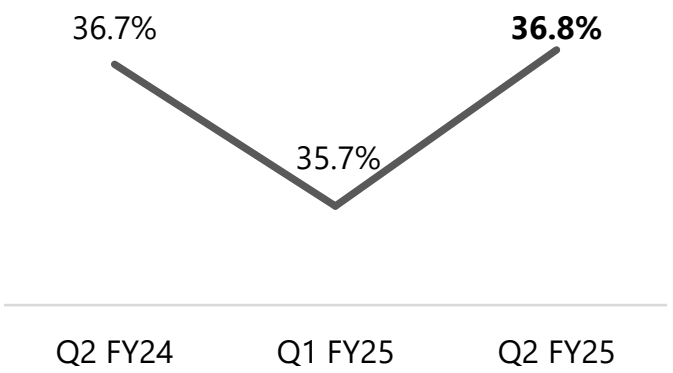
Q2 FY25 Profit Margins

Caplin Point Laboratories Limited

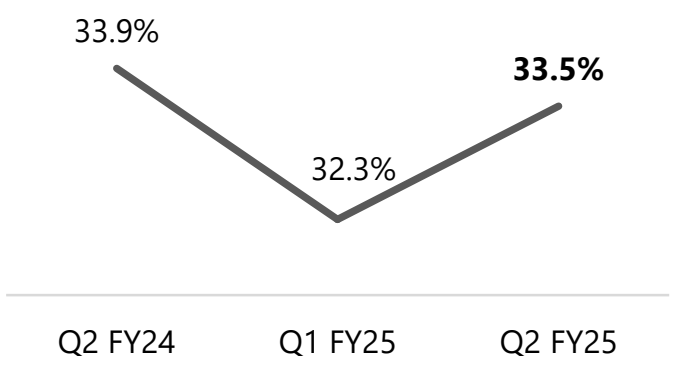
Gross Profit Margins (%)



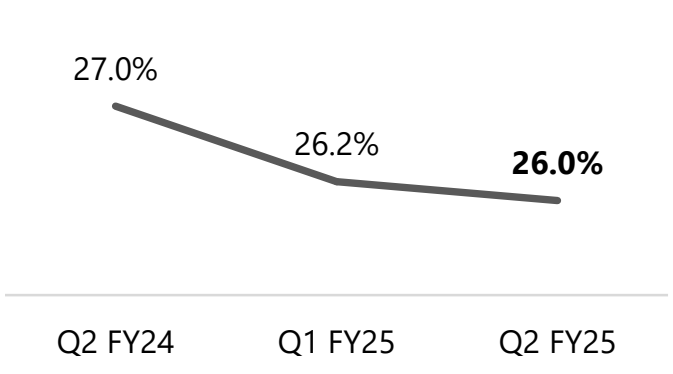
EBITDA Margins (%)



EBIT Margins (%)



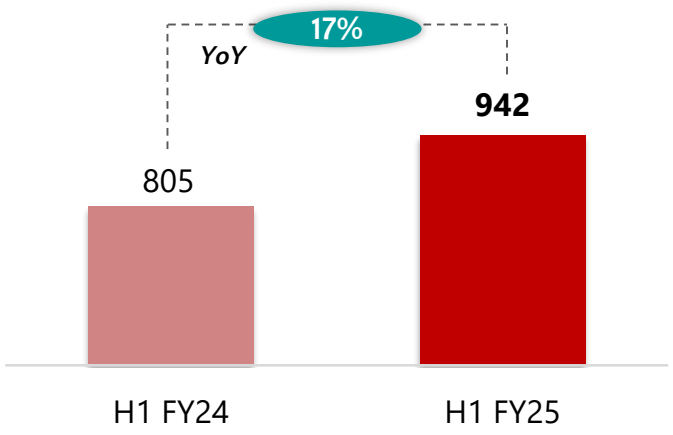
PAT Margins (%)



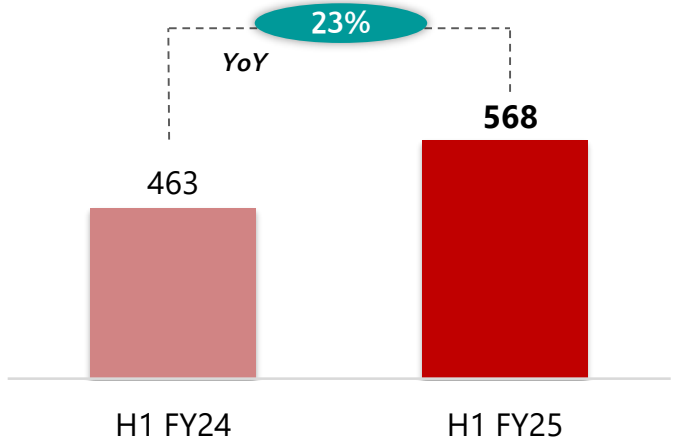
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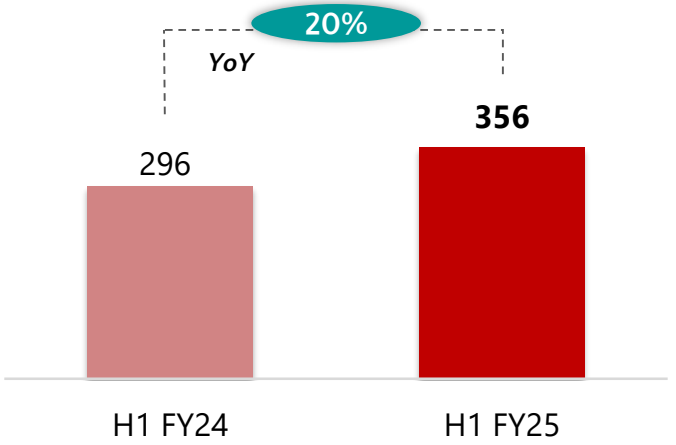
Revenue from Operations



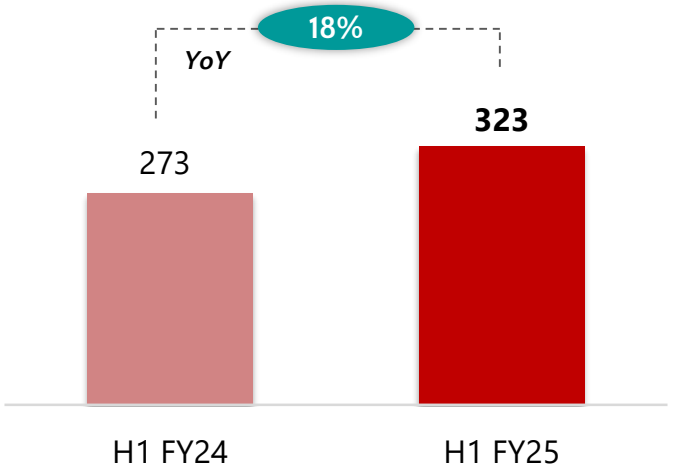
Gross Profit



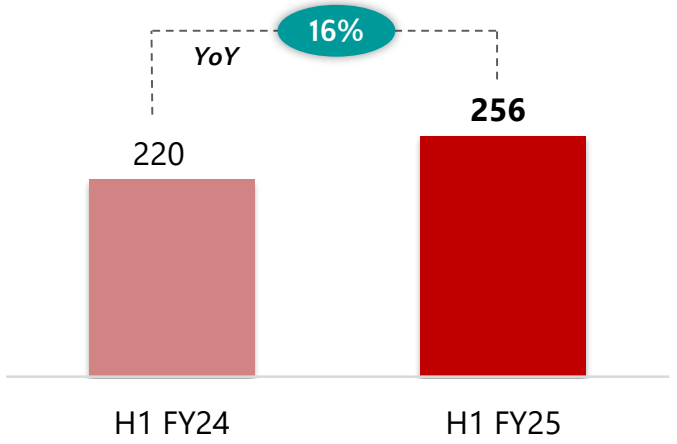
EBITDA



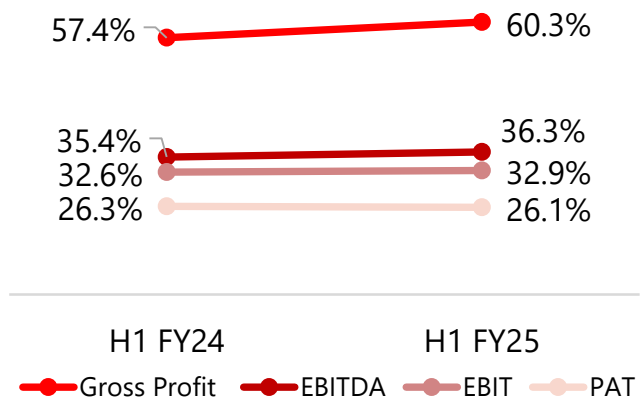
EBIT



PAT



Profit Margins

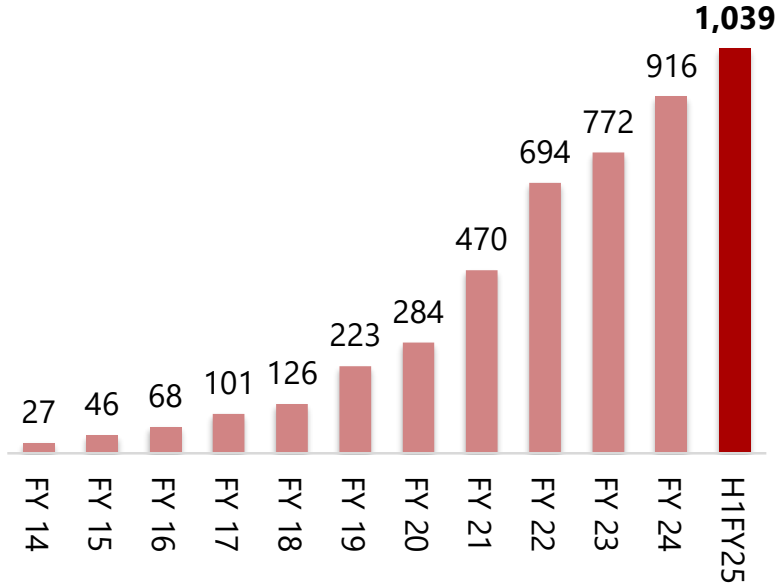


(All figures in ₹ Crores)

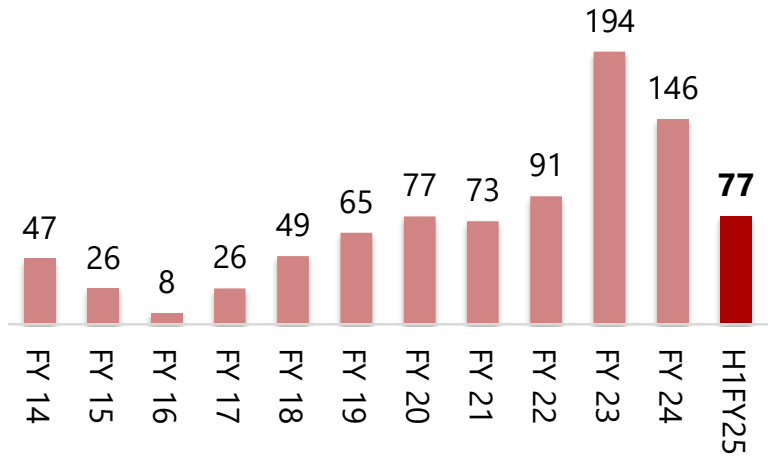
H1 FY25 Cash and Cash Equivalents and other Key Metrics

Caplin Point Laboratories Limited

Cash and Cash Equivalents



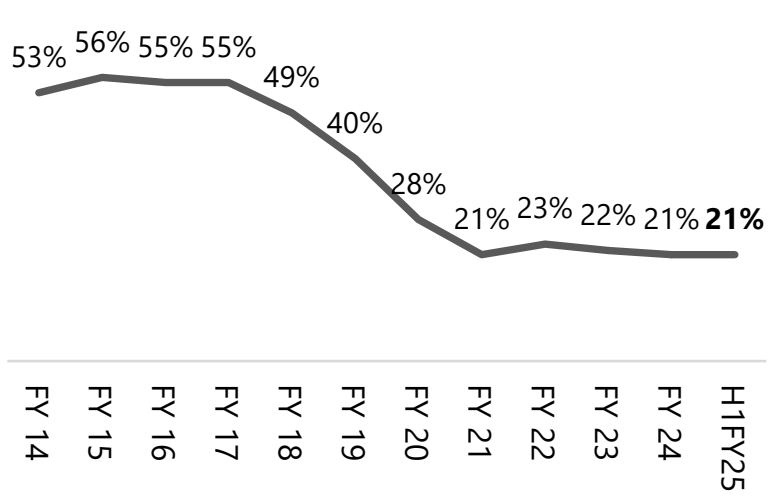
Capital Investment Lifecycle



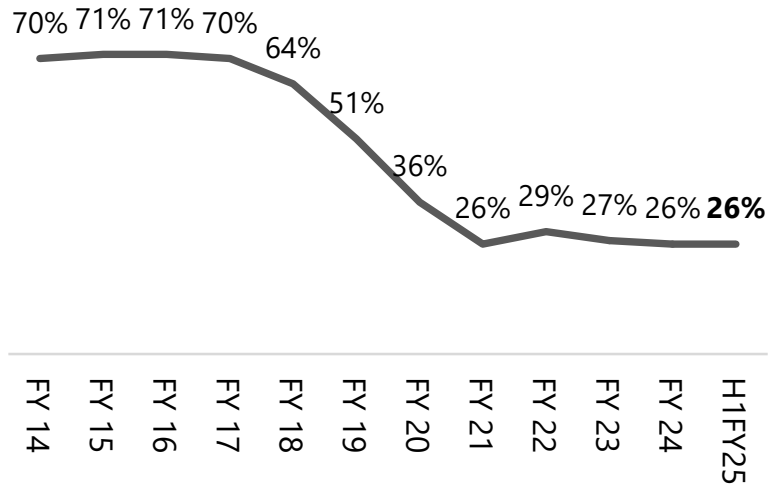
Cash Flow from Operation: ₹ **186** Cr

Free Cashflow: ₹ **109** Cr

ROE (%)



ROCE (%)



Receivables: **118** Days

Leadership Team

Caplin Point Laboratories Limited

Chairman Perspectives



Commenting on the recent performance, Mr. C.C. Paarthipan, Chairman of Caplin Point Laboratories said:

Consistency and Stability are key factors in the sustainability of any business. When we add our unique business model of taking the road less travelled and catering to the bottom of the pyramid, you have a potent combination. Our relentless focus towards high degree of compliance, supply chain efficiency and robustness in cashflows has led to another strong quarter, driven both by our Emerging Markets business in LatAm and our growing business in the US. We remain confident of keeping up these fundamentals in the years to come.

Management Team

Dr. Sridhar Ganesan

- Managing Director



Mr. Vivek Partheeban

- Chief Operating Officer



Mr. D Muralidharan

- Chief Financial Officer



Mr. Ashok Partheeban

- Business Head, LATAM



Q2 FY25 Highlights (Emerging Markets)

Caplin Point Laboratories Limited

01

Company's Latin America business drives robust growth in Top and Bottom line, with benchmark cashflows

02

Growth aided by new product launches in existing and new markets, both in Branded Generic and Generic segments. Segment breakup remains stable at:
- Generics – 75%
- Branded Generics – 25%

03

Caplin One Labs – the company's Oncology business which commenced exports in March, clocks ₹12 Cr in revenue in the first half of the year. Entity expected to turn profitable in first full year of operations - FY25

04

Amaris Clinical, Caplin Point's CRO division, has completed BE/BA studies for 15 in-house products, with 30+ studies planned over the next 12-15 months for LatAm markets. These in addition to the 9 products completed for U.S. since inception.

Emerging Markets Business Highlights

Company has filed 23 products in key target market Mexico, which is a combination of in-house and outsourced products. Dossier compilation and review ongoing for 40+ products, to be filed in the next 12-18 months

05

Capacity expansion nearing completion at CP-1 (Puducherry site) for higher Lyophilized Injection capacity due to enhanced demand from markets. Part of the expansion includes installing unique Dual Chamber Pre-Filled Syringe line, a segment with limited competition at LatAm

06

Company ties up with partners in China for entry into Biologics/Biosimilars for Emerging Markets initially, with specific focus on Insulin Analogues and Biosimilars. Clinical studies, if needed, will be done in-house at Amaris Clinical

07

Company's API R&D division completes development of 90+ molecules both in General Category and Oncology segments. Vizag API plant (General Category) nearing completion, with qualifications targeted by Q4-FY25. Onco API plant layout and design process underway

08

Q2 FY25 Highlights (US and Regulated markets)

Caplin Point Laboratories Limited

01

Caplin Steriles Limited (CSL) achieves strong revenue growth, driven by Phase II capacity expansion and new ANDA launches in the Ophthalmic line, maintaining a stable revenue mix of 75% - Product Revenue and 25% -Milestone/Profit Share

02

Company holds 25 ANDA approvals (30 including partners) and has 14 more under FDA review, expected to be approved within 12-15 months. Over the next year, it plans to file an additional 15 ANDAs across Vials, Pre-Filled Syringes, RTU Bags, and Ophthalmic products.

03

Company is actively engaging with various CMOs to in-license or acquire Injectable and Ophthalmic products for CSL USA Inc., aiming to launch over 30 products in its first full year of operations

04

Line-6 qualifications for Pre-Filled Syringes have been finalized. The first exhibit batches are scheduled for Dec '24, with an ANDA filing anticipated in Jul '25

US & Regulated Markets Business Highlights

Caplin Steriles USA Inc. has received 49 of 50 state licenses & launched 14 products, shipping them to a 3PL warehouse in US. Contracts are in place with the 3 largest US wholesalers, with 2 more mid-level wholesaler agreements to be completed in Nov '24

05

CSL has filed multiple products in Canada, Mexico, and South Africa, with plans for market entries in Brazil and the EU by FY26. Also company is set to introduce its first RTU Bag product in the US market by Jan '25, through both partnerships and under its own label

06

Company has secured agreements with 10 direct buyers (IDNs and Hospital Systems) and is ongoing discussions and aims to onboard 23 more by Mar '25.

07

CSL is advancing plant digitalization, aiming for a fully paperless Quality Control and Microbiology system by Q1 FY26. All manual logbooks are expected to be transitioned to electronic formats by Q2 FY26, enhancing compliance

08

Evolution Over the Decades

Caplin Point Laboratories Limited

1990 — Incorporation

1994 — Listed on Stock Exchange

2001 — Entered Angola with unique Stock & Sale model

2005 — Started outsourcing from China

2006 — Entered the Caribbean and Latin America

2014 — Work on Regulated Markets Injectable unit starts

2017 — Liquid injectable facility gets EU & USFDA Approval

2018 — Started first commercial shipments to US

2019 — Fidelity investment into Caplin Steriles

2021 — Commences Capex expansion in multiple projects equaling INR 600 Cr. CRO wing Amaris Clinical gets USFDA approval

2022 — Company acquires API plant in Vizag, as part of backward integration move. Amaris Clinical gets ISP Chile approval

2023 — Incorporates Caplin Steriles USA Inc for launching own label in US

2024 — Oncology facility started production at SIDCO Kakkalur, Chennai

Contract manufacturer

- Market-led Company
- Plain vanilla generic products
- Introducing products that plugged marketplace gaps
- Negative-working capital business
- 2 main geographies 10 countries (Latin America & Francophone Africa)

Becoming a responsible pharma company

- Technology and research-led marketing Company
- Mix of generics, branded generics and specialty molecules and Injectables
- Launch specialty niche products that Create new markets in varied therapy segments
- Selective use of Credit strategy to increase market share and remain cash surplus
- Extended to Regulated markets like USA with recent entry into Canada, Australia, Mexico and Brazil shortly

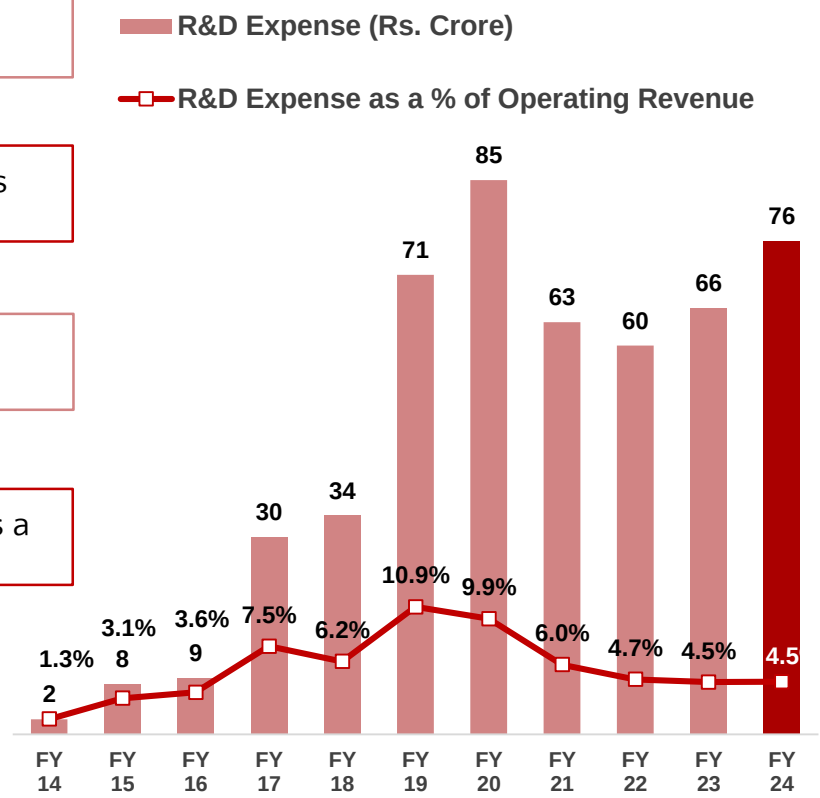
Diversified Product Portfolio

- 4000+ Products registered and 650+ Pharmaceutical formulations
- 36 Therapeutic Segments
- Product mix covers over 65% of WHO essential drug list
- Latest focus towards complex spaces
- Accounts for larger shelf share across pharmacies on account of a widening product basket

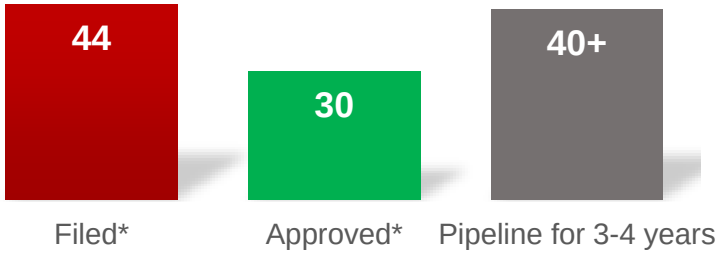
Research & Development Capabilities

Caplin Point Laboratories Limited

1. Caplin has 5 dedicated R&D setups (3 – DSIR approved and 2 under approval)
2. Continuous capex investment of over INR 721 Cr over last 8 years towards enhanced manufacturing and R&D capabilities, from internal accruals.
3. Total R&D Spends (Capex + Opex) is 16.4% of FY24 PAT
4. Caplin ranks amongst the top companies in India, for R&D spend as a percentage of Revenue on average in the past 5 years.*
5. Completed R&D for 90+ APIs to be used for backward integration in US and Emerging markets. On track for first DMF filing by FY25



390
Strength of R&D Team





Research and Development along with conscious conversion of certain fast-selling generics into Branded Generics for better profitability

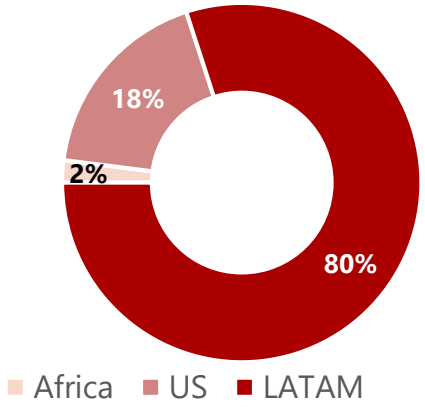
*Source – CNBC-TV18, Dec 31st 2020

*Including Partners

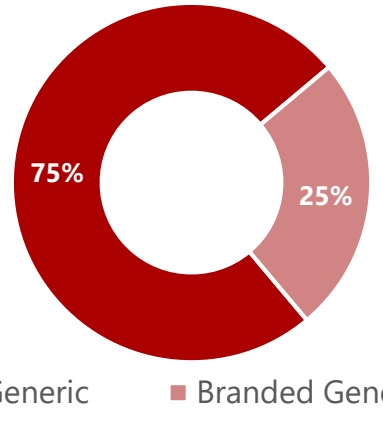
Revenue Break up and Manufacturing Strategy

Caplin Point Laboratories Limited

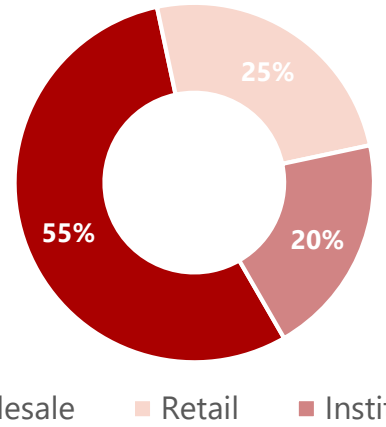
FY24 Operating Revenue



Revenue by Business Segment (Emerging Markets)



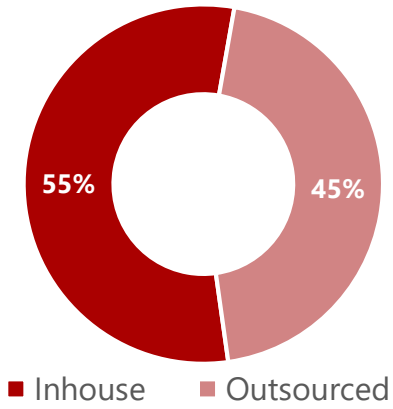
Revenue by Channel (Emerging Markets)



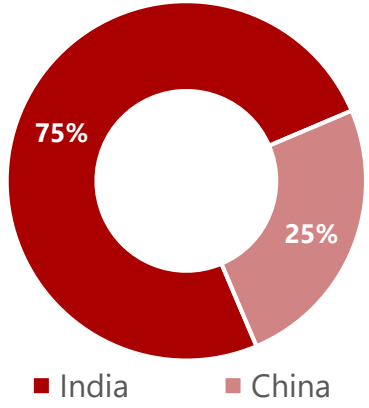
Caplin covers a wide spectrum of pharmaceutical formulations and therapeutic segments across 23 countries with total revenue of ₹ 1,761 Cr in FY24

- The products produced **inhouse**
- The products are **outsourced** from quality-conscious partners in India and China

Manufacturing & Outsourcing



Exports



Caplin's smart strategy of balanced manufacturing and outsourcing makes it possible to be a lean organisation as well as de-risk against cost escalations, currency fluctuations and other headwinds

Generics and Branded Generics Product Mix

Caplin Point Laboratories Limited



Non-Steroidal Antiinflammatory Drugs-NSAIDS



Antihelminthics/ Dewormer



Analgesic



Antibiotic and Antifungal



Antihypertensive drug



Electrolytes

Caplin Point Structure

Caplin Point Laboratories (BSE: 524742| NSE: CAPLIPOINT)

Manufacturing Units:

- CP I: Puducherry
- CP II: Gummidipoondi
- CP X: Vishakhapatnam

Research & Development:

- CP III: Amaris Clinical CRO, Chengalpattu
- CP VI: API's, Intermediates and Key Starting Materials for regulated and semi – regulated markets, Hyderabad
- CP VII: TICEL Bio-Park Bioequivalent dosage forms, Taramani, Chennai
- CP VIII:API's, Intermediates and Key Starting Materials for regulated and semi – regulated markets, Perungudi, Chennai

Subsidiaries of CPL

- Caplin Point Far East Ltd
- Caplin Steriles Limited (CSL)
- Caplin One Labs Limited (COL)
- Argus Salud Pharma LLP
- Caplin Point (S) Pte Ltd

Caplin Point Far East Ltd

Subsidiaries

- Caplin Point Laboratories Colombia SAS
- Caplin Point El Salvador, S.A. DE C.V.
- Drogueria Saimed de Honduras S.A
- Neoethicals CIA. LTDA Ecuador
- Neo Ethicals S.A. Nicaragua
- Nuevos Eticos Neo Ethicals S.A. Guatemala

Caplin One Labs Ltd (COL)

Manufacturing Unit:

- SIDCO, Kakkalur (Near Chennai)

Caplin Steriles Ltd (India)

Caplin Steriles USA Inc (US)

Distribution:

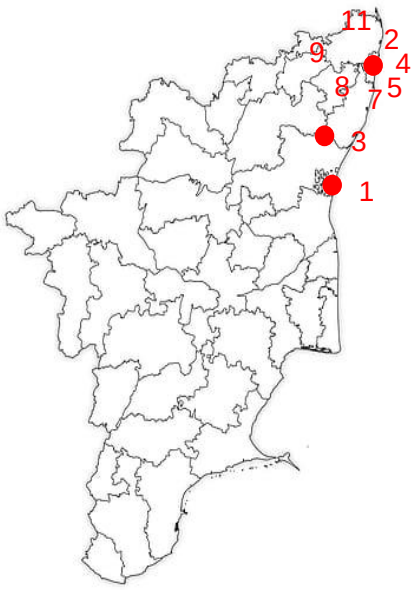
- Front-end trading arm for the sale of products in the USA

- Sunsole Solar Private Ltd (Associate of CSL)

Manufacturing and R&D Platform

Caplin Point Laboratories Limited

Tamil Nadu, India



Location of Plants and Facilities

1. Puducherry (CP I)
2. Gummidipoondi (CP II)
3. Chengalpattu (CP III)
4. Gummudipoondi (CP IV)
5. Chennai (CP V)
6. Hyderabad (CP VI)
7. Chennai (CP VII)
8. Chennai (CP VIII)
9. Thiruvallur (CP IX)
10. Visakhapatnam (CP X)
11. Corporate Office and other R&D Units, Chennai

Andhra Pradesh, India



Telangana, India



Note. CP III and CP VII are for Research and Development



CP I
Puducherry



CP IV
Gummidipoondi



Corporate Office and other R&D units:
Chennai



CP III
Chengalpattu



CP VI
Hyderabad



CP VII
Chennai

Strategic Investments

Caplin Point Laboratories Limited

Project Summary					
Facility	**Location**	**Product**	**Target Market**	**Status**	**Timeline**
Caplin Plant I	CP1, Suthukeny, Puducherry	Lyophilized Injectables and Dual Chamber Syringes	Existing Markets	Ongoing	Q4 FY25
Caplin Steriles Phase II	CP4, Gummidipoondi, Chennai	Injectable Vials and Pre-Filled Syringes	Regulated Markets	Line 5-Completed Line 6-Qualification completed, Media Fills to be done	Q3 FY25
API Facility upgradation	Visakhapatnam, Andhra Pradesh	General API	Existing and Regulated Markets	Ongoing	Q4 FY25
Oncology Facility	SIDCO, Kakkalur (Near Chennai)	OSD & Injectable phase	Existing and Regulated Markets	OSD – Completed. Injectable – Ongoing	Injectable – Q4 FY25
Oncology API Facility	Thervoy SIPCOT, Chennai	Oncology API	Existing and Regulated Markets	Design drawing process ongoing	Q3 FY26
OSD Facility	Thervoy SIPCOT, Chennai	Oral Solid Dosages	Existing Market along with Mexico, Brazil, US and EU	Design drawing process ongoing	Q4 FY26

Caplin Point has allocated an overall Capex budget of approximately ₹700+ Crores for the investment projects (most of which are nearing completion) to expand existing capacities, widen its product portfolio and backward integrate the majority of the products. All of the planned Capex is funded through internal accruals only and the company will remain net cash positive throughout the process.

Caplin Point's Investment Case

Caplin Point Laboratories Limited

Core Business to show consistent growth	Caplin's core business which is focused on Latin America and Francophone Africa is expected to grow at a steady pace with industry-average margins and benchmark cashflows
US Business to Boost the Growth	Aspiration is to have exceptional compliance record and focus on niche products which continues to be in shortage in US market. Caplin believes US business to be one of its primary engines that will drive growth
Backed by Enhanced Value Chain	Backward and forward integration to help save cost, capture more market and control supply chain which is expected to boost earnings
Strong Balance Sheet	Caplin's DNA of remaining debt-free and self-sustenance is highlighted by increasing cash surplus over the years. Strong Balance sheet of Caplin acts as an anchor for our long-term vision
Expansion into Other Geographies and Widening of the Portfolio	Caplin plans to enter more regulated markets such as Canada, Australia, MENA, Russia/CIS as well as enter the bigger LATAM markets of Mexico and Brazil in the near to medium term horizon

Strong operational performance driven by key pillars of Caplin's Engines

Experienced and Visionary Board of Directors

Caplin Point Laboratories Limited



Mr. C.C. Paarthipan

Chairman

30+ Years of experience in the pharmaceutical industry

Spearheading the group in its multi-pronged growth approach

First Gen Entrepreneur with a focus towards bottom of the pyramid



Dr. Sridhar Ganesan

Managing Director

35+ Years experience in Pharmaceutical Industry

Previously, held leadership positions in several international assignments

The Government of India's Pharmaceutical Export Promotion Council of India has designated him as an "Honorary Expert"

Has been a Faculty in BITS



D Sathya Narayanan

Independent Director

30+experience in application dev. & implementation

MS from Stanford University and bachelor from IIT-Madras

Brother of Global Valuations Icon Aswath Damodaran years.



Dr. C K Gariyali, IAS

Independent Director

Retired IAS Officer and holds a Doctorate in Women Studies

Was Principal Secretary to the Governor of Tamil Nadu from 2005-08

Was Secretary to Hon'ble CM of Tamil Nadu

Worked with various International Agencies like World Bank etc.



Dr. R Nagendran

Independent Director

Ph.D in Ecology and Ethology and M.SC in Zoology

Former Expert Member of the National Green Tribunal and former Head of Department of Environmental Science in St. Joseph's College, Bangalore.



Mr S Deenadayalan

Independent Director

Post Graduate degree in Social Work from Madras School of Social Work and Under Graduate degree in Sociology from Annamalai University

Has extensively worked and mentors individuals enabling them to become successful professionals and more than 30,000 municipal school students have been benefitted by his idealistic model.



Mr. R. Vijayaraghavan

Independent Director

35+ years of experience as a taxation expert with a consulting and litigation practice across India

Advises major corporate groups in South India on Direct Taxes, Tax Planning, Tax Litigations

Specializes in advising on taxation of non-residents, joint ventures & collaborations, double taxation avoidance agreements & transfer pricing issues.

P&L for the Q2 FY25 – Consolidated

Caplin Point Laboratories Limited

Value (₹ in Cr)	Q2 FY25	Q2 FY24	YoY (%)	Q1 FY25	QoQ (%)	H1 FY25	H1 FY24	YoY (%)
Revenue from Operation	483.10	410.06	*17.8%*	458.96	*5.3%*	942.06	805.38	*17.0%*
Other Income	20.77	20.43		18.56		39.33	32.47	
Total Revenue	**503.87**	**430.49**	***17.0%***	**477.52**	***5.5%***	**981.39**	**837.85**	***17.1%***
Cost of Goods sold	188.82	164.10	*15.1%*	185.48	*1.8%*	374.30	342.70	*9.2%*
Gross Profit (Excluding Other Income)	**294.28**	**245.96**	***19.6%***	**273.48**	***7.6%***	**567.76**	**462.68**	***22.7%***
Gross Profit Margin (on Rev from Operations)	***60.9%***	***60.0%***		***59.6%***		***60.3%***	***57.4%***	
Employee Benefit Expenses	44.29	35.08	*26.3%*	40.15	*10.3%*	84.44	70.15	*20.4%*
Research and Development expenses	19.64	17.86	*10.0%*	19.20	*2.3%*	38.84	31.67	*22.7%*
Other operating expenses	65.59	55.62	*17.9%*	62.32	*5.2%*	127.91	96.93	*32.0%*
Total expenditure	**129.52**	**108.56**	***19.3%***	**121.67**	***6.5%***	**251.19**	**198.75**	***26.4%***
EBITDA	**185.53**	**157.83**	***17.5%***	**170.37**	***8.9%***	**355.90**	**296.40**	***20.1%***
EBITDA Margin	***36.8%***	***36.7%***		***35.7%***		***36.3%***	***35.4%***	
Depreciation and Amortisation	16.76	11.76	*42.5%*	15.96	*5.0%*	32.72	23.14	*41.4%*
EBIT	**168.77**	**146.07**	***15.5%***	**154.41**	***9.3%***	**323.18**	**273.26**	***18.3%***
EBIT Margin	***33.5%***	***33.9%***		***32.3%***		***32.9%***	***32.6%***	
Finance Cost	*0.21*	*0.18*		0.05		0.26	0.46	
Share of Profit/(Loss) in associates	*(0.10)*	*0.11*		0.02		*(0.08)*	*0.19*	
Profit Before Tax	**168.46**	**146.00**	***15.4%***	**154.38**	***9.1%***	**322.84**	**272.99**	***18.3%***
PBT Margin	***33.4%***	***33.9%***		***32.3%***		***32.9%***	***32.6%***	
Tax	37.65	29.86		29.46	*27.8%*	67.11	52.62	*27.5%*
Profit after Tax	**130.81**	**116.14**	***12.6%***	**124.92**	***4.7%***	**255.73**	**220.37**	***16.0%***
PAT Margin	***26.0%***	***27.0%***		***26.2%***		***26.1%***	***26.3%***	

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