



TTK Healthcare
LIMITED

TTKH:SECL:SL:219:24

July 24, 2024

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex
Bandra East
Mumbai 400 051

SCRIP CODE: 507747

SCRIP CODE: TTKHLTCARE

Dear Sirs,

Re : Chairman's Speech – 66th Annual General Meeting of the Company – July 24, 2024

We are forwarding herewith a copy of the Speech delivered by Mr T T Raghunathan, Executive Chairman at the 66th Annual General Meeting of our Company held today through Video Conferencing / Other Audio Visual Means (VC / OAVM).

We request you to kindly take the above document on record.

Thanking you

Yours faithfully
For TTK Healthcare Limited

(GOWRY A JAISHANKAR)
DGM – Legal & Company Secretary

Encl. : a/a



TTK HEALTHCARE LIMITED

Regd. Office: No.6, Cathedral Road, Chennai 600 086
CIN: L24231TN1958PLC003647 | Website: www.ttkhealthcare.com

CHAIRMAN'S SPEECH

**66TH ANNUAL GENERAL MEETING
AT 11.00 A.M., ON WEDNESDAY,
JULY 24, 2024
THROUGH VC / OAVM**



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CHAIRMAN'S SPEECH

[66th ANNUAL GENERAL MEETING – JULY 24, 2024]

Ladies and Gentlemen,

It gives me great pleasure to welcome you all to this 66th Annual General Meeting of your Company.

FINANCIAL YEAR 2023-24:

The Annual Report for the year has already been circulated. I would like to touch upon the salient features of the Company's performance during the year under review.

Financial Highlights:

The transaction relating to the sale / transfer of Human Pharma Undertaking was completed during the previous year and the figures provided below relate only to the Continuing Operations.

- ❖ Revenue from Operations amounted to Rs.752.79 crores as against the previous year's figure of Rs.725.11 crores, with a growth of around 4%.
- ❖ The Pre-tax Profit stood at Rs.84.12 crores (Previous Year - Rs.61.64 crores).
Earnings per Share (EPS) was Rs.44.47 (Previous Year - Rs.31.61).
- ❖ Your Company carries a free Cash Balance of around Rs.850 crores, as at 31st March, 2024.

BUSINESSWISE PERFORMANCE:

Let me now provide a quick brief on the performance of the various businesses of the Company during 2023-24 and also the plans for the year 2024-25.

(1) Consumer Products Business:

The Consumer Products Division (CPD) reported a static performance.

Woodward's Gripe Water (WGW) faced a challenging year with significant drop in volumes.

Several initiatives such as mainstream media campaign, tie-up with Medifact for endorsement, rural outreach programmes and several digital campaigns were undertaken during the year under review to reverse the trend.

The introduction of new packaging with original blue colour coupled with clear value proposition of Gentler, Safer and Tastier Gripe Water has been received well.

The strategy for the year 2024-25 would be (i) to target modern mothers through new TV commercials; (ii) to focus on advertising across various media including Digital and to carryout influencer marketing; (iii) to undertake market specific in-store activations and consumer offers; and (iv) to extend brand Woodward's to other digestive offerings.

EVA, is on a recovery path despite lower growth reported for Aerosol Deos as a Category.

Through three major mainstream media campaigns, the brand increased its media presence and this has clearly established the brand promise and proposition – Special Happens.

EVA has also forayed into the No Gas category with the launch of Purse Perfume and also entered the emerging category of Roll On by launching a range of Teen Skin Friendly Offerings in October, 2023.

The strategy for the year 2024-25 would be (i) to further improve the brand affinity and gain market share through brand promotions; (ii) to establish the presence in the emerging category by creating demand through new campaigns for Roll On and also launch of No Gas Deo Sprays; and (iii) to create Brand Relevance by upgrading packs and fragrances in the base deodorant space.

Skore, performed satisfactorily during the year under review though there has been marginal dip in volumes, mainly due to external disturbances.

The Non-condom segment (Pleasure Products) reported a healthy growth due to numerous activities across channels and multiple digital initiatives.

Additionally, Skore range of products was launched in Nepal and South Africa and the initial response is encouraging.

LoveDepot, the recently launched D-2-C portal has witnessed upward trajectory through the year with gradual increase in revenue. The initial response for the female pleasure brand MsChief is also encouraging. Appropriate investments have been committed for nurturing these initiatives further.

The strategy for the year 2024-25 would be (i) to grow the core range of condoms through regular trade and brand promotions; (ii) to continue to drive the non-condom segment in the digital space through new launches and also make inroads in general trade and modern trade chains; (iii) to identify the right partners and launch Skore in more international markets; and (iv) to promote LoveDepot / MsChief to generate brand salience as well as transactions / revenue.

Good Home, performed consistently during the year under review.

Aroma (Air Freshener) and Unblox (Drainage Cleaner) were the top performing categories which achieved a healthy double-digit growth.

The year also witnessed the launch of Clean Home Range consisting of Brooms, Floor Wipes, etc. and the initial response is encouraging.

The strategy for the year 2024-25 would be (i) to further grow the Aroma and Unbloss Range, through appropriate promotional spends; (ii) to expand the product basket relating to the Clean Home Range coupled with increase in both width and depth of distribution; (iii) to expand the product offerings with new and emerging category like Camphor and Clear Gel; and (iv) to focus on e-Comm and Modern Trade to improve volumes.

(2) **Animal Welfare Business (AWD):**

Animal Welfare Division registered a modest growth of around 9%, despite the challenging market conditions particularly in the Pet Segment and also high rate of attrition.

While Aquanim (Aquaculture) and Gallus (Poultry) reported a healthy growth, Bovianim (Livestock) reported moderate growth due to challenging market conditions. Companim (Pet) had a setback throughout the year due to competition from local players and also higher attrition resulting in a flat growth over the previous year.

Considering the growth potential, the Companim Division was further strengthened with a dedicated National Sales Head and expansion of the field team for wider coverage.

The strategy for the year 2024-25 would be (i) to focus on the Flagship Brands viz., Orcal-P – Tefroli – Ossomin – Nutricell (OTON) through Farm Approach Program and creating prescription support; (ii) to venture into Pet Treats Segment; (iii) to focus on e-Comm Channel; and (iv) to focus on new product launches along with an enhanced focus on the products launched during the year 2023-24.

(3) **Medical Devices Business:**

Heart Valve Division registered a healthy growth.

The imported CardiaMed Bi-Leaflet Valves reported an improved performance during the year, despite supply constraints from the Overseas Partner.

The test marketing of the Percutaneous Transluminal Coronary Angioplasty (PTCA) Catheters is progressing well.

The Single Centric Clinical Trial of the TC2 Titanium Valves has been successfully completed and steps would be initiated for commencing the Multi-centric clinical trial.

The strategy for the year 2024-25 would be (i) to grow the volumes of TTK Chitra Valves and to gain further volumes through Bi-Leaflet Valves; and (ii) to expand the promotion of PTCA Catheters in selected markets.

Ortho Division registered a healthy growth mainly driven by Knee Replacement Segment.

Regional growth was stronger in North – primarily due to better penetration of Punjab market as well as adoption by new customers in Rajasthan.

Strong relationships with customers helped to sustain and grow the customer base.

Expansion of distribution footprint supported the coverage of new markets.

Cost of production was optimized to support better margins for knee implants.

The strategy for the year 2024–25 would be (i) to continue to focus on footprint expansion in existing markets, with deeper penetration; (ii) to expand into new markets; (iii) to launch the new Fixed Bearing implants to target the larger market segments; and (iv) to continue the optimization of production costs for implants through improvement in processes and also through Vendor development initiatives.

(4) Protective Devices Business:

The performance has been quite satisfactory, with improved profitability.

With the recommencement of manufacturing operations at Virudhunagar facility, the overall production capacity stands enhanced. Further, approval of the International Aid Agency was also received for supply of condoms from this facility.

Your Company continues to hold the various Quality Accreditations from International Agencies / Certifying Bodies.

Your Company's R&D Division is working on the development of a few more products which would be launched progressively.

The strategy for the year 2024-25 would be (i) to grow the branded Condom business through differentiated and innovative products; (ii) to develop and strengthen relationships with third party contract manufacturing customers for increasing the volumes; (iii) to work on cost optimization; and (iv) to increase the production output efficiently by developing new infrastructure and by addition of high-speed machines.

(5) Foods Business:

Foods Division reported a satisfactory performance.

Your Company continues to use TPM as a tool to improve overall efficiency and enhance profitability.

Jaipur plant capacity utilisation has gone upto around 90% by increasing the existing business and adding new customers.

Three new products were developed at R&D Centre at Hosakote and commercially launched. More innovations are in the pipeline and are expected to be rolled out in phases.

Your Company has now started sourcing a few products which are in demand in the market and cannot be produced at Company's factories. Going forward, this would be one of the strategies to increase the overall volumes.

The strategy for the year 2024-25 would be (i) to further increase the capacity utilization at Jaipur facility through enhanced focus on domestic / institutional and export businesses; and (ii) to work on developing and launching innovative and differentiated products to improve volumes / margins.

DIVIDEND:

Your Directors recommend a dividend of Rs.10.00 per share (i.e.) 100%. [Previous Year – Rs.10.00 per share (i.e.) 100%].

OUTLOOK 2024-25:

Considering the above developments and initiatives, the outlook for your Company as a whole for 2024-25, appears positive.

ACKNOWLEDGEMENT:

I acknowledge the valuable contributions of Banks, Business Associates, Shareholders and Employees at all levels who have supported the Company in all its endeavours.

Thank you.
