



**TTK Healthcare
LIMITED**

TTKH:SECL:GJ:212:23

July 25, 2023

**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 – 65th Annual General Meeting of the Company – July 25, 2023

We are forwarding herewith a copy of the Speech delivered by Mr T T Raghunathan, Executive Chairman at the 65th 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

(S KALYANARAMAN)
Wholetime Director & Secretary

Encl. : a/a



TTK HEALTHCARE LIMITED

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CIN: L24231TN1958PLC003647 | Website: www.ttkhealthcare.com

CHAIRMAN'S SPEECH

[65th ANNUAL GENERAL MEETING – JULY 25, 2023]

Ladies and Gentlemen,

It gives me great pleasure to welcome you all to this 65th Annual General Meeting of your Company.

FINANCIAL YEAR 2022-23:

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.

Sale / Transfer of Human Pharma Division:

During the year under review, the Human Pharma Division (Undertaking) of the Company stood transferred as a going concern, on a slump sale basis, for a consideration of Rs.802.81 crores (after working capital and other customary adjustments) to M/s BSV Pharma Private Limited (BSV), with effect from 9th May, 2022 and the agreed consideration has duly been received by the Company.

Financial Highlights:

- ❖ Revenue from the Continuing Operations amounted to Rs.725.11 crores as against the previous year's figure of Rs.599.24 crores, with a growth of around 21%.
The Pre-tax Profit of the Continuing Operations stood at Rs.61.64 crores (Previous Year - Rs.24.84 crores).
Earnings per Share (EPS) on Continuing Operations was Rs.31.61 (Previous Year - Rs.13.10).
- ❖ The sale proceeds of Human Pharma Division amounted to Rs.802.81 crores and the Profit before tax amounted to Rs.764.29 crores.
- ❖ Your Company carries a free Cash Balance of around Rs.800 crores, as at 31st March, 2023.

BUSINESSWISE PERFORMANCE:

Let me now provide a quick brief on the performance of the various businesses of the Company during 2022-23 and also the plans for the year 2023-24.

(1) Consumer Products Business:

The Consumer Products Division (CPD) reported a growth of around 11%.

Woodward's Gripewater (WGW), post-pandemic, faced a slowdown in key markets, more intensely in Tamil Nadu, from the second-half of the year and also witnessed enhanced competitor activities, particularly in the West Zone. This has impacted the volume sales and the brand continues to witness lower off-takes across the country.

To further strengthen the brand connect with the consumers, particularly the young mothers, a high-decibel media campaign across the country with enhanced focus on Tamil Nadu was undertaken. Various initiatives such as retailers meet, distribution expansion, on-ground and digital activations, etc., were also undertaken during the year, so as to increase trials and awareness.

The focus would be (i) to build brand saliency and purchase intent through various promotional initiatives and expand consumer touch points especially in rural markets through ground level activations; and (ii) to strengthen the trust through PR and consumer outreach initiatives.

EVA, despite category challenges especially on the aerosol segment during the year, reported a healthy growth. Your Company roped in celebrity Rashmika Mandanna as the new Brand Ambassador and the new "Eva Special Happens" campaign with celebrity endorsement helped in increasing brand awareness and turnover during the year.

As part of the Look Special Range, the Lip Range with the revamped packaging was launched during the year and this had a positive impact on the brand.

Considering the fact that the category growth was predominantly driven by Roll On Deo and No Gas Deo, your Company is also planning to launch these two offerings during the Third Quarter of the current year.

The focus would be (i) to further strengthen the brand promise of "Special Happens" and gain market share through promotions featuring the new celebrity; (ii) to launch new products to penetrate market and gain share; and (iii) to increase trials for the brand through effective marketing activations.

Skore, achieved its highest ever sales in terms of both, volume and value, with healthy growth. The Non-Condom Segment too reported a healthy growth due to various digital initiatives.

A key highlight for the year was the launch of SKORE 4.0, an improved product offering, with new packaging and positioning. The “Change the Game” brand campaign which followed the launch, was successful in generating good momentum and buzz for the brand.

The online portal www.lovedepot.com launched for the sale of pleasure products too is gaining momentum.

The focus would be (i) to drive distribution expansion to grow the Condom Segment; (ii) to continue to drive the Non-Condom Segment in the digital space through new launches and also make inroads into general trade; and (iii) to build on the “Change the Game” campaign to keep up the momentum and gain market share.

Good Home reported a consistent performance with a healthy growth, demonstrating a growing acceptance both at the trade and consumer levels.

The new packaging coupled with new positioning and the brand promise across its range were well received by the market.

The focus would be (i) to grow the Aroma Air Freshener and Odour Remover Segments through enhanced focus and promotional investments; (ii) to expand the range through new fragrances and formats; (iii) to venture into new categories viz., Cleaning Agents and Cleaning Tools; and (iv) to focus on e-Com / Modern Trade to exploit the untapped potential.

(2) Animal Welfare Business

Animal Welfare Division (AWD) registered a growth of around 7%.

Sustaining the high growth registered during the previous year was a challenge mainly due to huge attrition and also sluggish market conditions.

While Bovianim (Livestock) and Companim (Pet) have reported a decent growth. Gallus (Poultry) had a setback due to various external factors resulting in a marginal negative growth over the previous year. The recently launched Aquanim (Shrimp) has registered a healthy growth.

The focus would be (i) to restore the double digit growth by working on all Sub-Divisions along with Institution and Exports businesses; and (ii) to work upon attrition control and retention, new product launches and driving the flagship brands and the core projects.

(3) Medical Devices Business:

Heart Valve Division

Heart Valve Division registered a growth of around 46%.

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

The test marketing of the PTCA Catheters would commence shortly.

The focus would be (i) to grow the volumes of TTK Chitra Valves; (ii) to gain further volumes through Bi-Leaflet Valves; (iii) to introduce the PTCA Catheters in selected markets; and (iv) to complete the Single Centric Clinical Trial of TC2 Titanium Valves.

Ortho Division

Ortho Division reported an impressive performance, with a growth of around 38%.

This was made possible by all round improvement in sales across geographies, recovery of lost sales due to pandemic and strong market relationships. The strategy of expanding team footprint and distribution in line with market potential has yielded the desired results.

Hip Replacement Segment also picked up pace during the year, with a decent revenue.

The business growth was well supported by the manufacturing team with higher production, faster production cycles and reduced turnaround time from various vendors and suppliers.

The focus would be (i) to improve sales productivity in currently operating markets; (ii) to strengthen the team to penetrate deeper in the markets; (iii) to continue the footprint and distribution expansion in identified markets; (iv) to initiate test launch of the Fixed Bearing Knee; and (v) to expand the Hip Replacement Portfolio with the introduction of ceramic heads.

(4) Protective Devices Business:

Protective Devices Division delivered a robust performance, with a growth of around 48%.

Your Company has also been supplying Condoms for a leading International Brand both for their India and Overseas requirements and continues to hold the various certifications viz., BSI, CE Mark, SABS, etc., by successful completion of Quality Audits and Social Compliance requirements.

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

Considering the business visibility, your Company had recommenced the operations at Virudhunagar factory.

The focus 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 to be more competitive in the bid businesses; and (iv) to increase the output efficiently by developing new infrastructure and by addition of high-speed machines at designated positions.

(5) Foods Business:

Foods Division registered a growth of around 14%.

In terms of the bottom line, it was a very challenging year as there was constant escalation in the prices of input materials due to partial crop failure and export of wheat.

Your Company's R&D Centre developed a number of new products and product extensions, a few of them were scaled up and launched.

Your Company continues to work on developing micro pellets with different bases for thermo mechanical popping considering the future trend of healthy snacks with lesser oil content.

Steps are also initiated for manufacturing 2D die cut products / Micro pellets at Jaipur facility in order to make the manufacturing lines more versatile and increase capacity utilisation.

The strategy would be (i) to further increase the capacity utilization at Jaipur facility through enhanced focus on domestic / institutional and export businesses; and (ii) also 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%].

DELISTING:

The Promoters of the Company, in accordance with the SEBI (Delisting of Equity Shares) Regulations, 2021, have initiated the process to acquire all Equity Shares that are held by Public Shareholders of the Company and consequently, voluntarily delist the Equity Shares of the Company from the Stock Exchanges viz., BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and the same is in progress.

OUTLOOK 2023-24:

Since the Company would be making significant soft investments in certain Consumer Brands during 2023-24, the same would result in transient pressure on the operating margins. But for this, considering the above developments and initiatives, the outlook for your Company as a whole for 2023-24, 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.
