



Bal Pharma Limited

To,
The Manager-Listing
National Stock Exchange of India Ltd
Mumbai.

06.09.2022

BSE Limited
Mumbai.

Dear Sir,

Sub : Investor Presentation for Q1 of FY23.
REF : Regulation 30 of SEBI(LODR) Regulations,2015.

With reference to the above, we are submitting to the exchanges copy of the Investor presentation which is being circulated among the investors and media, for the quarter ended 30.06.2022.

Please take the same on record.

Thanking You.

For Bal Pharma Limited

**SHAILES
H SIROYA**

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Investor Presentation

Q1 FY23



Disclaimer

This presentation and the following discussion may contain “forward looking statements” by Bal Pharma Limited (“Bal Pharma” or the Company) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives, are based on the current beliefs, assumptions, expectations, estimates, and projections of the management of about the business, industry and markets in which Bal Pharma operates.

These statements are not guarantees of future performance, and are subject to known Bal Pharma and unknown risks, uncertainties, and other factors, some of which are beyond Bal Pharma’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements.

Such statements are not, and should not be construed, as a representation as to future performance or achievements of Bal Pharma.

In particular, such statements should not be regarded as a projection of future performance of Bal Pharma. It should be noted that the actual performance or achievements of Bal Pharma may vary significantly from such statements.

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- Financial Overview
- Leadership Team



ABOUT US

COMMITTED TO
QUALITY HEALTH
CARE



A Leading Pharmaceuticals player focussed on treating lifestyle diseases



Overview

- Established in 1992, today the Company has a presence across more than 80 countries worldwide with strong Pan India presence across all its segments
 - API/ Intermediates
 - Finished Dosage Forms (FDF's)
- We have more than 22 API's/Intermediates in our Portfolio and more than 200 Finished Dosage Formulations in more than 20 therapeutic segments.
- We have Six state-of-the-art facilities engaged in manufacturing API's and FDF's



Vision

- To be a leading global player in the Healthcare industry with a focus on innovation, quality, products, processes and markets.



Mission

- To provide dynamic, scientific, cost-effective and quality health care solutions to the global community through innovation



Bal Pharma is a fully integrated pharmaceutical company specialized in Bulk Actives, Prescription Drugs, Generics and pharma intermediates. Bal Pharma's focused therapeutic areas are Antidiabetes, Antihistamine, Antiinflammatory, Analgesics and antipyretics, Anti-infective, Acne Treatment, Gastroenterology, Ectile Dysfunction, Anti Protozoals, Cardiology, and dermatology, The Company is one of the largest producers and exporters of **Gliclazide**, a medicine to treat type-2 diabetes.

30 years of Legacy

Expanded its API's portfolio to 20+ and FDF's to 200+



1992



Inception

The Company was founded by Siroya and Surana Families and started with Formulation's business

1992-1996



Beginning

The Company begin its API manufacturing and unit II

1996-2011



Implement

The Company started investing in various facilities and added 5 units during this period

2011-2020



Invest

The company started reaching various geographies and expanded capacities as well. The company had 3 units for API's/Intermediaries and 3 units for FDF's

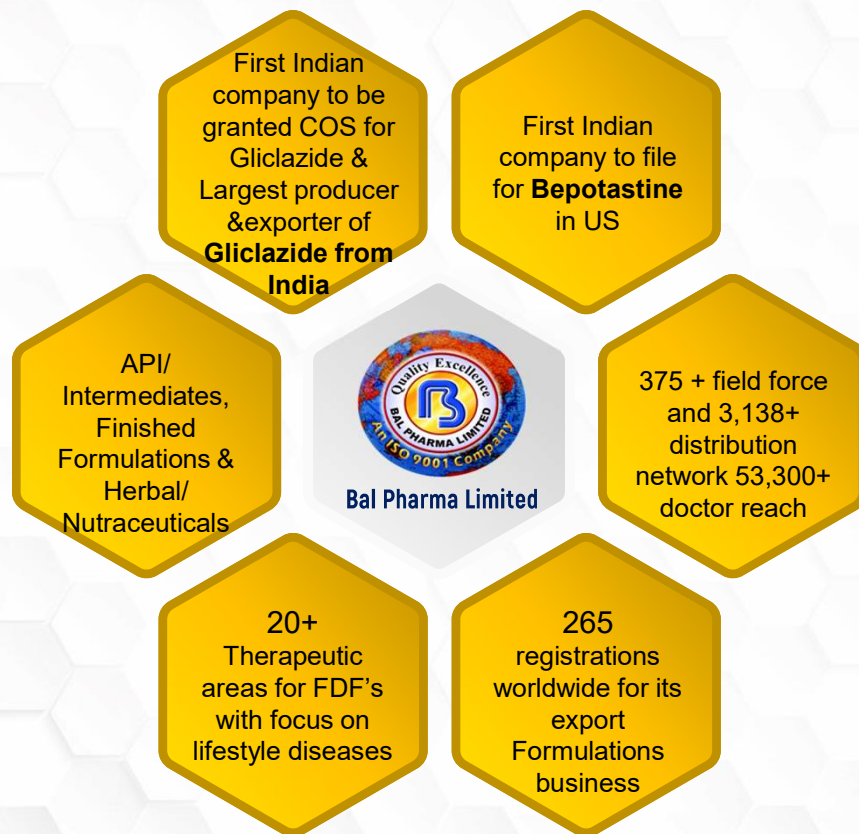
2021



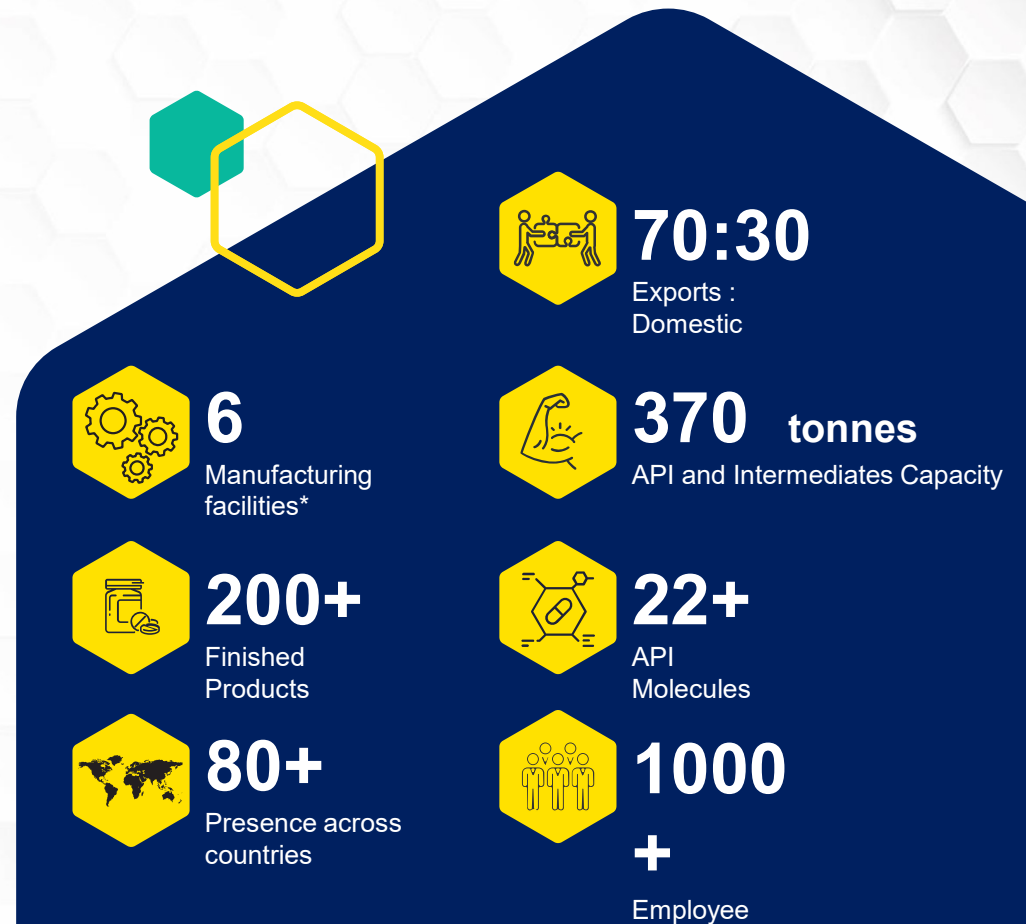
Growth

The company increased its footprints across geography and with expansion and integrated play, Company is on the growth path.

Bal Pharma at a Glance



* Unit 3 - Land and Building held for strategic purpose



Our State-of-the-Art Manufacturing facilities

6 manufacturing facilities- 3 for API's & Intermediates , 3 for Finished Dosage Formulations (FDF)



Unit 1 – Bangalore, Karnataka

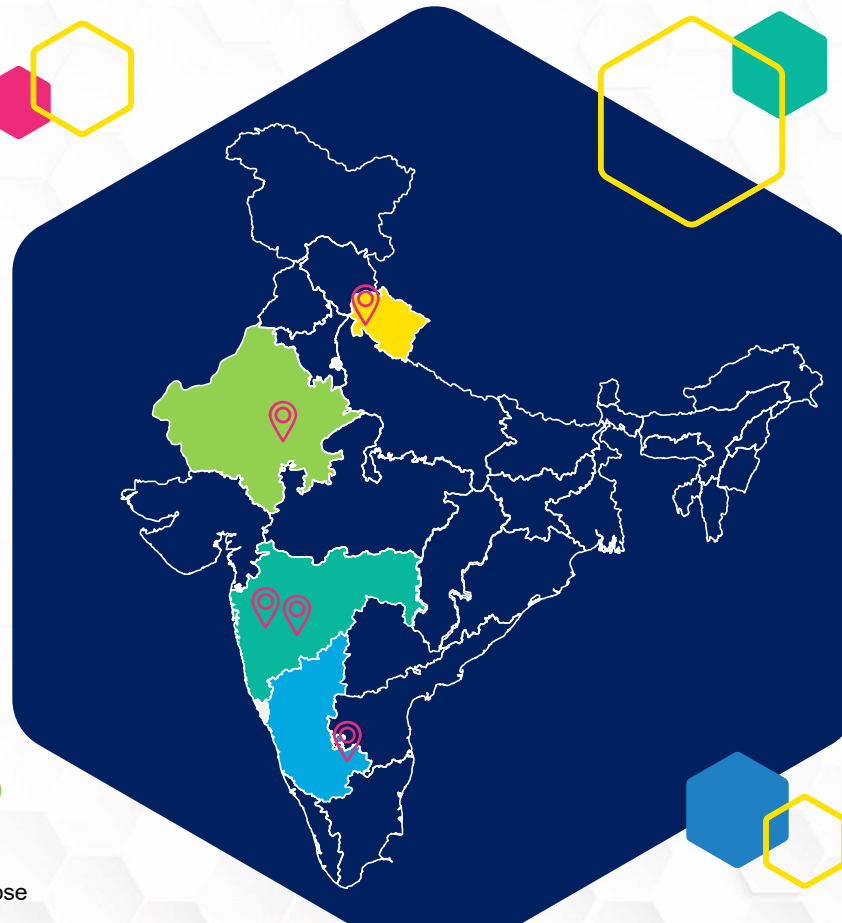
Unit 2- Bangalore, Karnataka

Unit 3- Pune, Maharashtra

Unit 4- Rudrapur, Uttarakhand

Unit 5- Sangli, Maharashtra

Unit 6- Udaipur, Rajasthan



Unit	Dosage Form	Capacity
Unit 1	FDF	1.2 bn Tablets 240 mn Capsules
Unit 2	API	120 tonnes per annum
Unit 3*	FDF	6mn LVP, 180mn SVP & 6mn Liquid Orals
Unit 4	FDF	1.8bn tablets, 250mn capsules & 10mn tubes
Unit 5	Intermediates	70 tonnes per annum
Unit 6	API	180 tonnes per annum

* Unit 3 is not operational and is held for strategic purpose

Our State-of-the-Art Manufacturing facilities



API- Unit 2
Bangalore,
Karnataka



Intermediate-
Unit 5
Sangli,
Maharashtra



API- Unit 6
Udaipur,
Rajasthan



FDF- Unit 1,
Bangalore,
Karnataka



FDF- Unit 3
Pune,
Maharashtra



FDF- Unit 4
Rudrapur,
Uttarakhan
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Diversified Global Markets

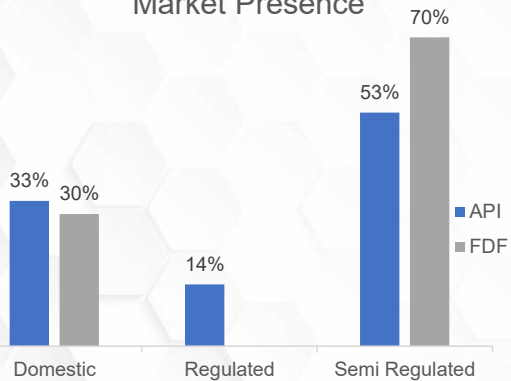
Diversified across 80+ countries with mix of API's and FDF's



63 countries for API
(Domestic market 33%, Regulated markets 14 % other semi-regulated markets 53%)

34 countries for FDF
(Domestic 30% in other semi-regulated markets 70%)

Market Presence



*API domestic business is the majority of supplies to global regulated markets by the leading players

More than
80+ countries

Top quartile contributes
60% Total Revenue

300+ Regulatory Approvals
for API & Formulations

Working with worlds leading players like
Teva, Actavis, Krka, Apotex, Mylan, Takeda, Novartis,
Sun Pharma, Dr. Reddy's.

*Note on API and Formulations market

Presence across all segments- An Integrated Player

API, Finished Dosage Formulations (FDF) and Herbal with widespread market across geographies



API

- API Manufacturer with 22+ Active Molecules. The range of APIs includes Anti-Diabetic, Anti-Histamine, Anti Inflammatory, Diuretic, Acne Treatment, Antipsychotic, Glaucoma Treatment, etc.
- API Products are exported to Europe, Australia, Far East, the Middle East, South East Asia, Africa, South America and North America. etc.
- One of the largest Manufacturers of Gliclazide
- 3 Manufacturing facilities with capacity to manufacture 370 tonnes P.A(API & Intermediates)



FDF

- Extensive range of products covering dosage forms – tablets, capsules, syrups, suspensions, IV infusions, Ophthalmic, creams, and ointments to various Semi-Regulated markets globally.
- Offering more than 200+ formulations in 20 different therapeutic segments. Vibrant is multi-speciality division focused on Nutritional supplements; Anti Allergic, Anti- Fungal, Gastro, Gynecological etc. with brands EBAL, Aziwin, MNF, Monogesic Plus Gel, Ketovate etc. Glyduz Division in the domestic segment is dedicated to Diabetic Care Products. Diabend and Diabend M Group are flagship brands in the segment. Servetus Division is dedicated to Cardiac Care, and the flagship brands are Secremet, Aldostix, Diurix
- 2 State of the Art manufacturing facilities, with the production capacity of 3billion tablets, 490 million Capsules, 10 million Creams P.A



Herbal/Institutional

- Bal Vedics Division integrates modern medicine with herbal preparation targeting specific conditions like Prostrate Enlargement, Renal Calculi, Male Infertility etc.
- Bal Vedic flagship brands are Stonex, Ashwamed, Prostowin, Suswas, Menoleap and Ayursulin.
- Institutional division is associated with the top Government bodies and Hospitals to extend our product range to the masses.

Product Portfolio



Top Therapeutic usage of API	Percentage
Antidiabetic	62%
Antihistamine	21%
Anti-inflammatory	4%
Diuretic	2%
Acne treatment	1%
Antipsychotic	1%

Top Therapeutic usage of Formulations	Percentage
Analgesics and antipyretics	48%
Antibacterial	15%
Cardiology	8%
Antidiabetics	6%
Antimicrobial	4%
Beta-lactams	3%
antihistamines	3%
Gastroenterology	3%
Erectile Dysfunction	2%
Anti Protozoals	1%



INDUSTRY



Pharma Industry



Global

- While the global pharmaceutical manufacturing market has reached **\$402 billion** in 2020, the US and European markets alone will be worth **\$635 and \$315 billion** in sales by 2024, respectively.
- Global market is expected to grow at a compound annual growth rate (CAGR) of 11.34% from 2021 to 2028.

Domestic

- Globally, India ranks 3rd in terms of pharmaceutical production by volume and 14th by value. The domestic pharmaceutical industry includes a network of 3,000 drug companies and 10,500 manufacturing units.
- The country also has a large pool of scientists and engineers with the potential to steer the industry ahead to greater heights.
- Domestic market is expected to grow 3x in the next decade. India's domestic pharmaceutical market is estimated at US\$ 65 billion by 2024 and further expand to reach US\$ 120-130 billion by 2030.
- India is the world's largest supplier of generic medications, accounting for 20% of the worldwide supply by volume and supplying about 60% of the global vaccination demand.
- The Indian drugs and pharmaceuticals sector received cumulative FDIs worth US\$ 17.99 billion between April 2000 and March 2021.
- Indian exports stood at US\$ 24.44 billion in FY21. and Indian drugs are exported to more than 200 countries in the world, with US being the key market

(Source: IBEF, Grand View Research),

Pharma Industry



Growth Trend in the overall contribution of the pharma industry.



Low Labour Cost helps to reduce cost of production and increase margins.



Estimated Opportunity with 1.27 tr USD revenue worldwide



Government Support under the Aatmnirbhar Bharat government is taking all the efforts to support Indian Pharma Industry



High-End Technology leading quality R&D and efficiency improvement



Economy Support is in favour of Pharma companies. India provides generic drugs globally & over half of the global demand for various vaccines.



Innovative Investment inflow brings better R&D and lead to better and innovative products



Market Efficiency is the key factor. Low cost of production, skilled labour, better quality and better supply reliability give it a competitive advantage.



Research & Development transformed research and development with increasing productivity



Positive Impact of Pandemic as it opens more avenues for the pharma companies.



Global Market

Domestic Market

INTEGRATED PLAY



Investing in Bal Pharma:

A play on integration and diversified product-client mix

Bal Pharma well poised to deliver sustainable growth over long term



An Integrated Player with well diversified product portfolio of API's, Intermediates and Formulations

- Gliclazide and Ebastine remains prominent API drivers with a new introduction like Alfuzosin, Dabigatran
- Many other Value-added products under pipeline for API & FDF



Export Markets to remain key driver

- Existing products having approval in developed markets shall continue to remain the consistent growth driver
- US FDA approval & Launches in EU would be the medium-term growth driver



Domestic markets to drive the next leap of growth

- Domestic market with respect to formulation is a big opportunity.
- Apart from anti-diabetics and cardiovascular, the emphasis is on therapies like dermatology, Herbal and nutraceutical.

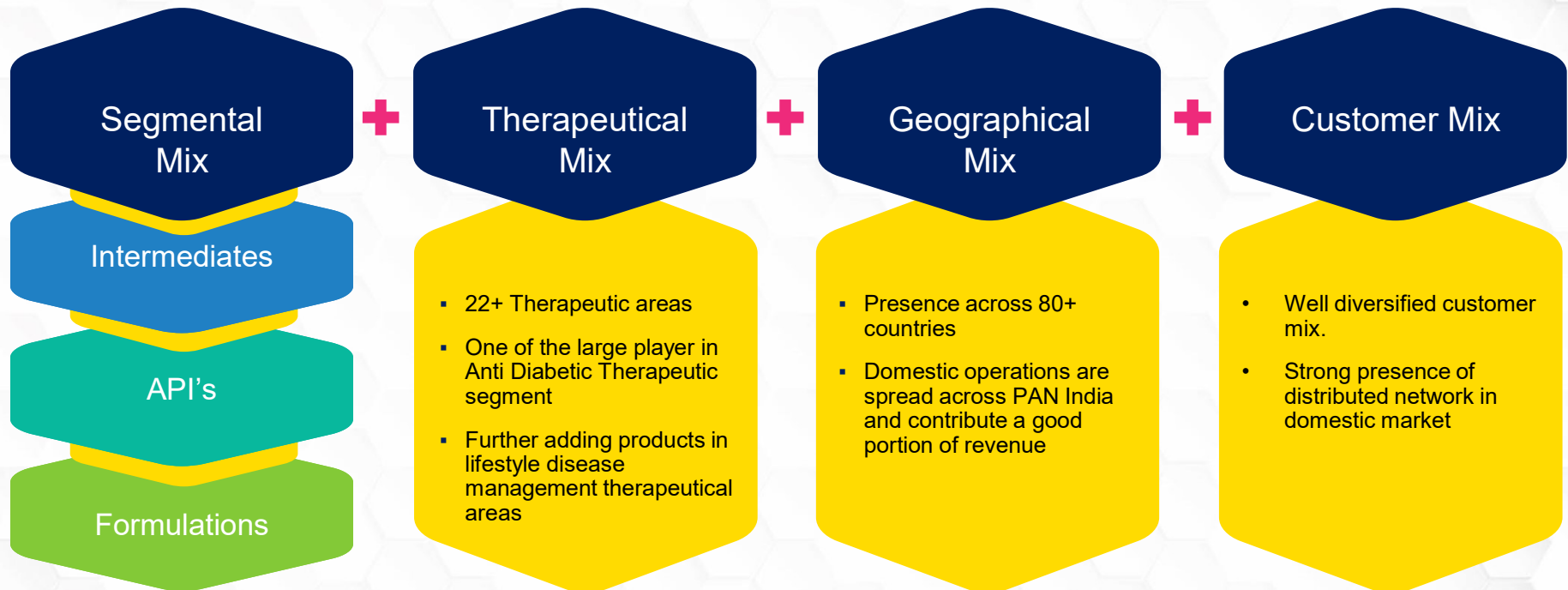


Reframing its OTC business

- Differentiated delivery system, the brands has a good brand recall
- Addition of more wellness brands including probiotics
- digital marketing and the enhancement of product offerings.

BAL Pharma Ltd (BPL) an integrated player with Diversification across multiple geographies, multiple Therapeutic segments has created a sustainable roadmap for long term value creation.

Integrated play- Diversified product & Geographic mix



Wider Product Portfolio + Diversified Therapeutical areas + Entrenched Geographies + Broader Clientele = Growth Visibility + Risk Minimisation

Healthy Order Book & Strong Product Pipeline



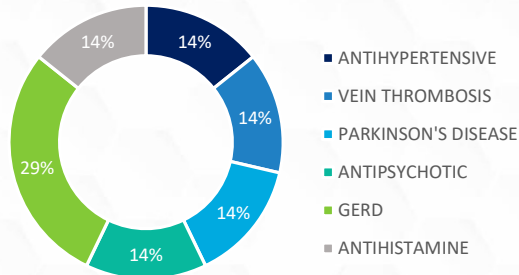
Order Book (as on date)

API (including Intermediates)

Order book of Rs. 370 Mn in API to be executed in next months including both domestic and exports



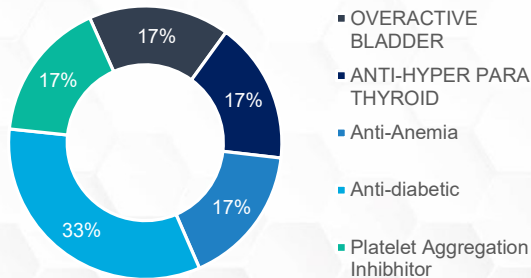
Product Under Development



7 Products under development



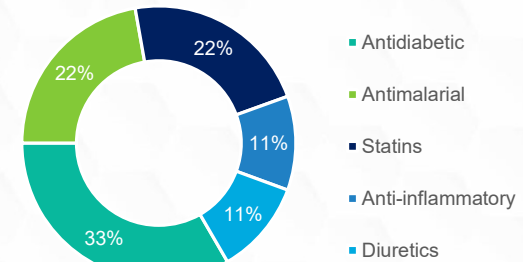
Product Under Pipeline



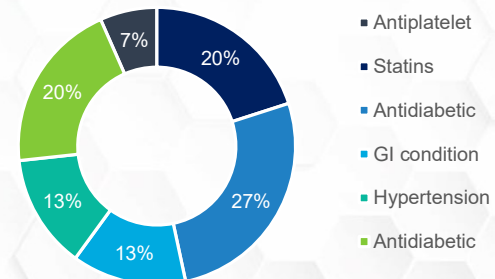
6 Products under Pipeline

Formulations (Finished Dosages)

Order book of Rs. 270 Mn in FDF to be executed in next months including both domestic and exports

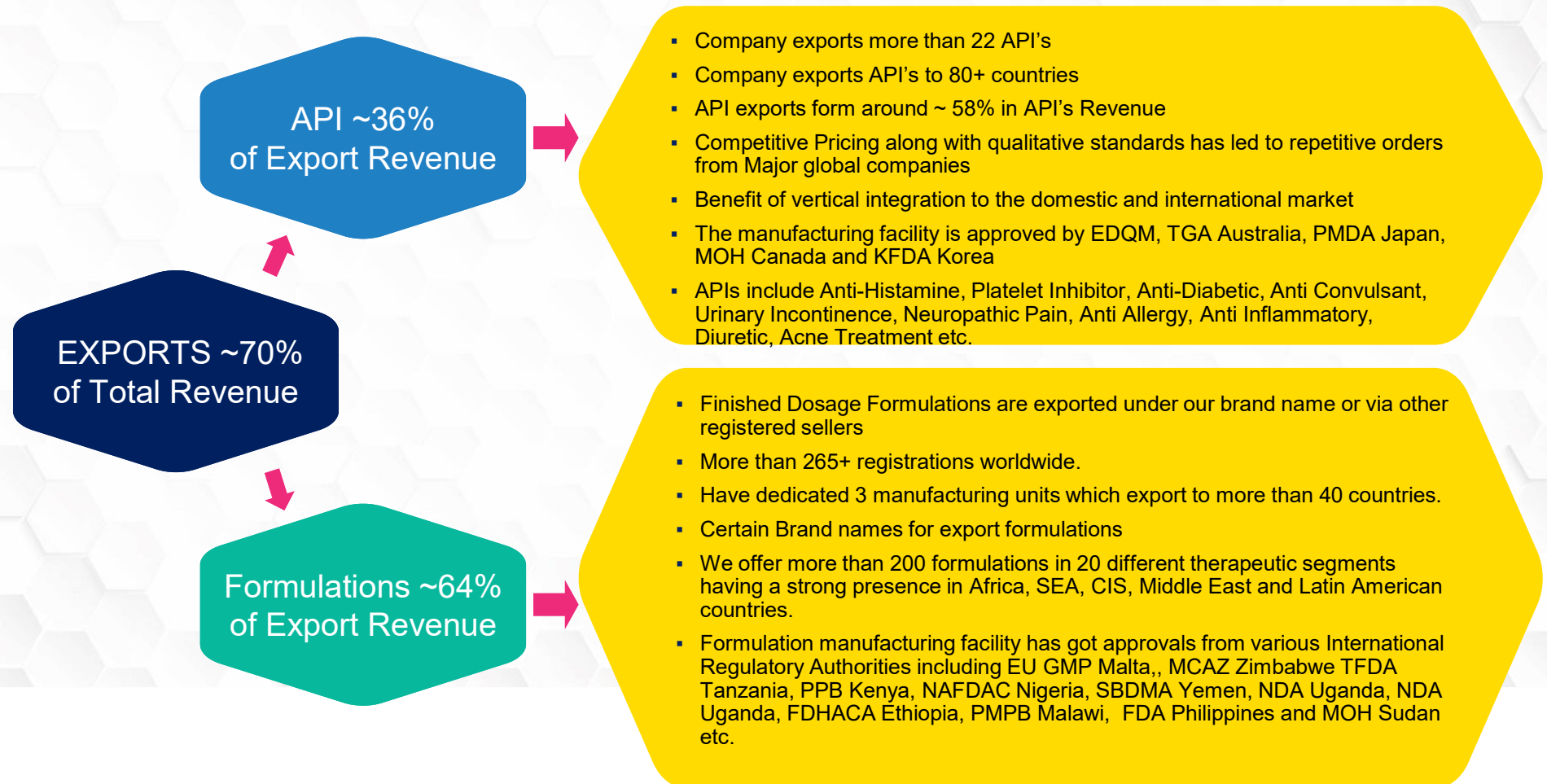


9 Products under development



15 Products under Pipeline

Export Markets – a key driver of our current offerings



Domestic Formulations: Increasing Market presence



Vibrant

Multispecialty

- PAN India Operations
- 246+ Field Force; 2800+ Stockists ; 41,300+ Doctor Reach
- Nutritional supplements; Anti Allergic, Anti- Fungal, Gastro, Gynecological

Glyduz and Servetus

Diabetes and Cardiology

- Presence in 8 states
- 127+ Field Force; 338 + Stockists; 12,000+ Doctor Reach
- Diabetes & Cardiology

Institutional Sales

Govt and institutional

- PAN India Operations
- Central & State Government Rate Contract Business; Corporate Hospitals Business
- Railways & PSU (Rate Contract/ LP Business)

Lifezen

OTC product

- Lifezen is an ambitious healthcare & OTC products venture with primary focus on launching innovative world class products & creating solid sustainable brands.

Snapshot of Major Domestic Formulation Division



Vibrant



Lifezen



Glyduz and Servetus



Pharmaceutical Production Linked Incentive (PLI) Scheme



The scheme is aimed towards pushing domestic manufacturing of key starting materials (KSMs), drug intermediates and active pharmaceutical ingredients (APIs) to reduce import dependence on such input materials

Sector Benefits

Objective:

The objective of the scheme is to enhance India's manufacturing capabilities by increasing investment and production in the sector and contributing to product diversification to high-value goods in the pharmaceutical sector. One of the further objectives of the scheme is to create global champions out of India who has the potential to grow in size and scale using cutting-edge technology and thereby penetrate the global value chains.

Outlay:

₹ 150 bn worth of incentives for 6 years (for financial years 2020-21 to 2028-29)

Incentives:

The rate of incentive on incremental sales (over a base year) of pharmaceutical goods covered under Category 1 & 2 will be 10% for FY 2022-23 to FY 2025-26, 8% for 2026-27 and 6% for 2027-28. The rate of incentive on incremental sales (over a base year) for pharmaceutical goods covered under Category-3 will be 5% for FY 2022-23 to FY 2025-26, 4% for 2026-27 and 3% for 2027-28.

Impact:

Total incremental sales worth ₹2.94 trillion and incremental exports of ₹1.96 trillion are expected during the six years.

How it will benefit BAL Pharma

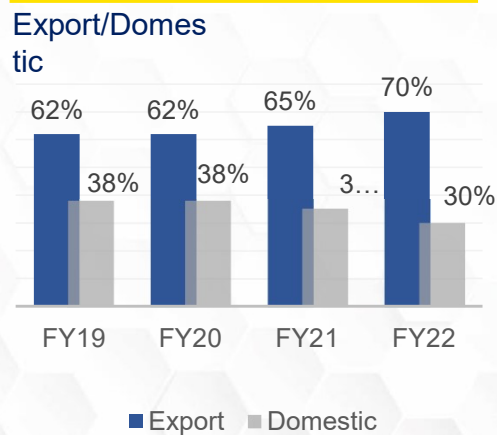
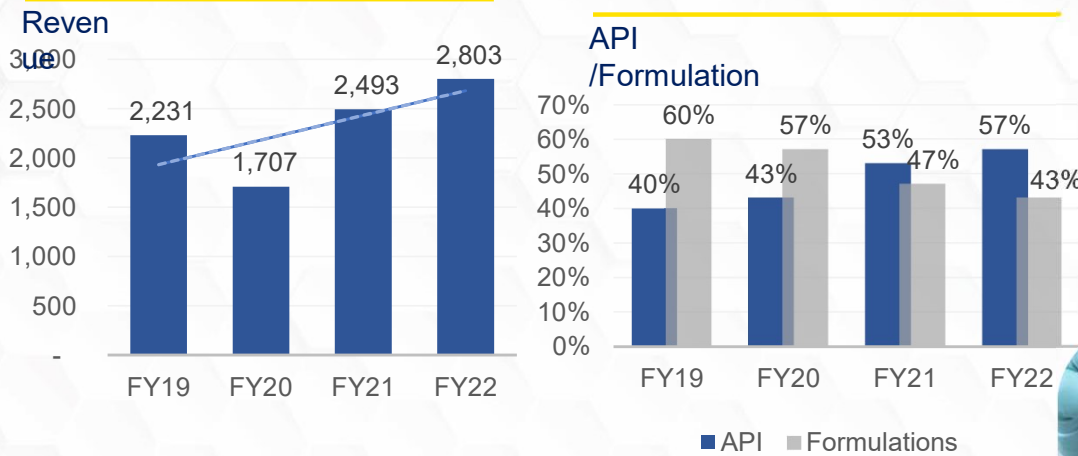
- BAL pharma has received approval under the PLI scheme and placed under 'Category C' of the said scheme
- Company's various products in API and intermediates are eligible for 10% incentives on incremental turnover per annum and Formulations in Anti Diabetic and Cardiovascular diseases are eligible for 5%.
- Planned a CAPEX of ₹ 300 mn over the period for the following products
- Expecting ~ ₹500 Mn of incentives over 6 years through this scheme via increased revenue. The company targets an average an incremental annual turnover of INR 1,250 mn p.a from these eligible products.
- This will help the company to diversify its product portfolio, increase the top line, and enhance the profitability & margin profile.
- Backed by consistent free cash flow generation, the committed CAPEX will be funded mostly through internal accruals and debt

FINANCIAL OVERVIEW



Yearly Financial Highlights

₹ Mn



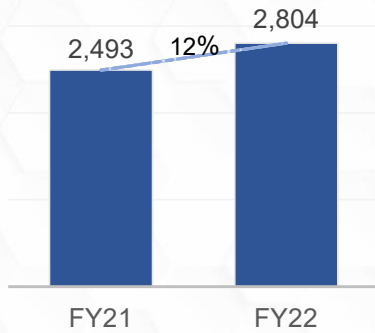
Key Result Highlights

FY22 in Highlights

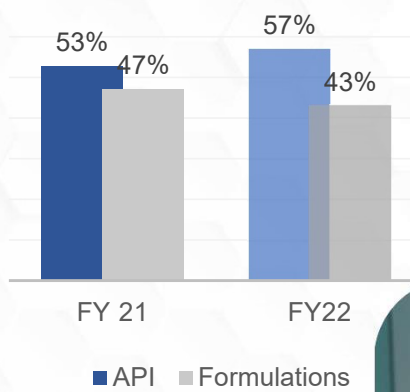
₹ Mn



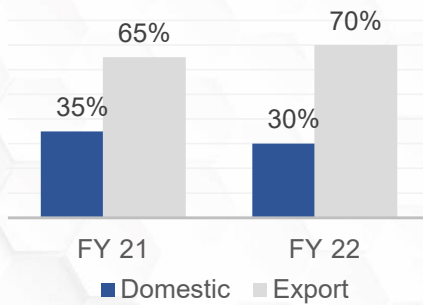
Revenue



API/Formulations



Domestic/Export



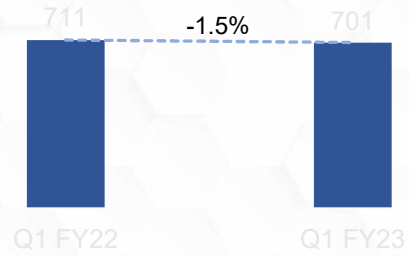
Key Result Highlights

Q1FY23 and FY22 in Highlights

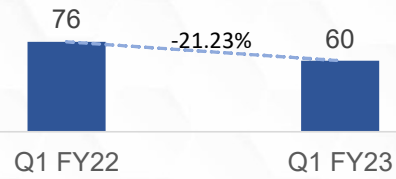


₹ Mn

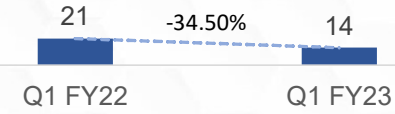
Revenue



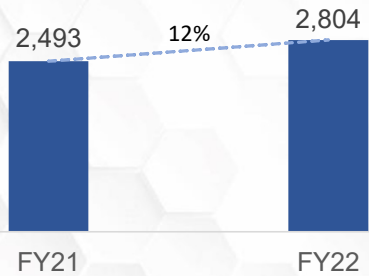
EBITDA



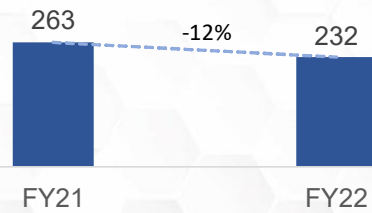
PAT



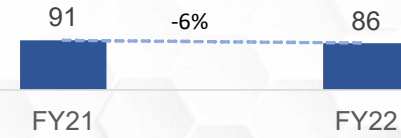
Revenue



EBITDA



PAT



Corporate Structure



Corporate Structure

Bal Pharma Limited

(Having 5 manufacturing facilities API, Intermediates and FDF Holding Company)

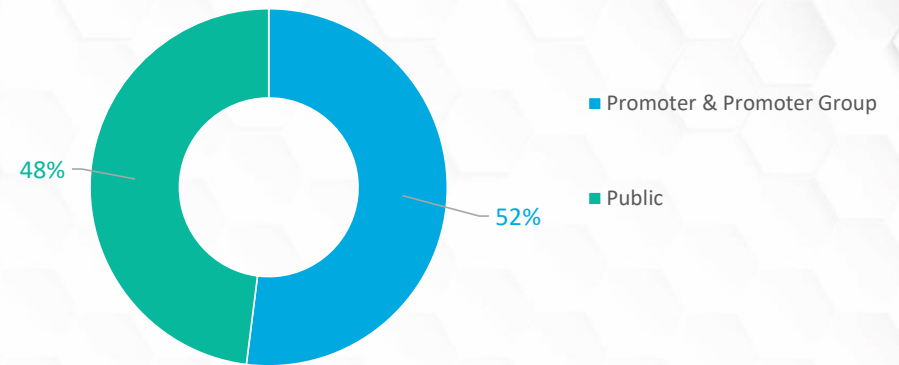
Golden Drugs Private Limited
(Unit of API Manufacturing)
100% Subsidiary

Lifezen Health care Private Limited
(Marketing of OTC Products)
99.40% Subsidiary

Bal Research Foundation
(Research & Development)
80% Subsidiary

Balance Clinics LLP
(Diabetic care clinics)
80% Subsidiary

Shareholding Pattern



GMP Accreditation



Unit 1 – Bangalore (Karnataka)

S. No.	Country	Inspection / Accreditation Authority
01	Tanzania	Tanzania Medicines & Medical Devices Authority (TMDA)
02	Philippines	Philippines Food and Drug Administration (PFDA)
03	Yemen	Supreme Board for Medicine & Medical Appliances
04	Kenya	Pharmacy & Poisons Board (PPB)
05	Nigeria	National Agency for Food & Drug Administration (NAFDAC)
06	Malawi	Pharmacy and Medicines Regulatory Authority (PMRA)
07	India	Central Drugs Standard Control Organisation(CDSCO)

Unit 4 Rudrapur (Uttarakhand)

S. No.	Country	Inspection / Accreditation Authority
01	Malta	Malta Medicines Authority (EUGMP)
02	India	Central Drugs Standard Control Organisation(CDSCO)
03	Zimbabwe	The Medicines Control Authority of Zimbabwe(MCAZ)
04	Tanzania	Tanzania Food and Drugs Authority
05	Kenya	Pharmacy & Poisons Board (PPB)
06	Nigeria	National Agency for Food and Drugs Administration and Control(NAFDAC)
07	Republic of Yemen	Ministry of Public Health and Population
08	Uganda	National Drug Authority (NDA)
09	Ethiopia	Food Medicine and Health care Administration and control Authority of Ethiopia
10	Malawi	Pharmacy and Medicines Regulatory Authority
11	Republic of Philippines	Food and Drug Administration, Republic of Philippines

LEADERSHIP TEAM



Meet the Board



Shailesh Siroya Managing Director

He is a chief promoter and Managing Director of the Company and with over 30 years of pharmaceutical industry experience . He is an MBA (Finance) Graduate from Akron University, Ohio, USA and is heading the management team of the Company since its inception.

Himesh Virupakshaya Whole Time Director

He is a Chemical Engineer with over 34 years of experience in the field of manufacturing Active Pharma Ingredients (API) and has served several reputed pharmaceutical Companies including Bal Pharma Ltd.

Kotian Chittanand Damodar Whole Time Director

He has qualification of MSC and MBA with over 33 years experience in the field of operations, Administration, Quality Assurance and Projects

Meet the Board



Dr. C V Srinivas Independent Director

Dr. C.V Srinivas is a Fellow in otology from Andre Sulta, Paris, France and did MS from K.G Institute of Medical Sciences and Research Centre, Bangalore. He advises the Company in its R&D, Development and commercialisation of new molecules in the market.

Jatish Seth Independent Director

He is an Independent, non-executive Director of the Company with pharma experience of over 30 years . He is the Managing Director of Srishti Pharmaceuticals Pvt Ltd. and advises the Company in R&D, Production and Marketing.

H S Venkatesh Independent Director

He is a Chartered Accountant by profession with over 37 years of experience in audit, finance, fund management and statutory compliance.

Nicola Neeladri Independent Director

Ms. Nicola Neeladri is a graduate in arts with over 12 years of experience in diverse businesses including the wellness industry.

THANK YOU!



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