



May 23, 2023

To,

BSE Limited

Corporate Relationship Department
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001.

National Stock Exchange of India Limited

Listing Department
Exchange Plaza, Bandra-Kurla Complex,
Bandra (East),
Mumbai – 400 051.

Scrip code: 512529

Symbol: SEQUENT

Dear Sir/ Madam,

Sub: Investor Presentation

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Investor Presentation on Audited Standalone and Consolidated Financial Results for the quarter and year ended March 31, 2023.

This is for your information and records.

Thanking you,

Yours faithfully,

For **Sequent Scientific Limited**

Krunal Shah

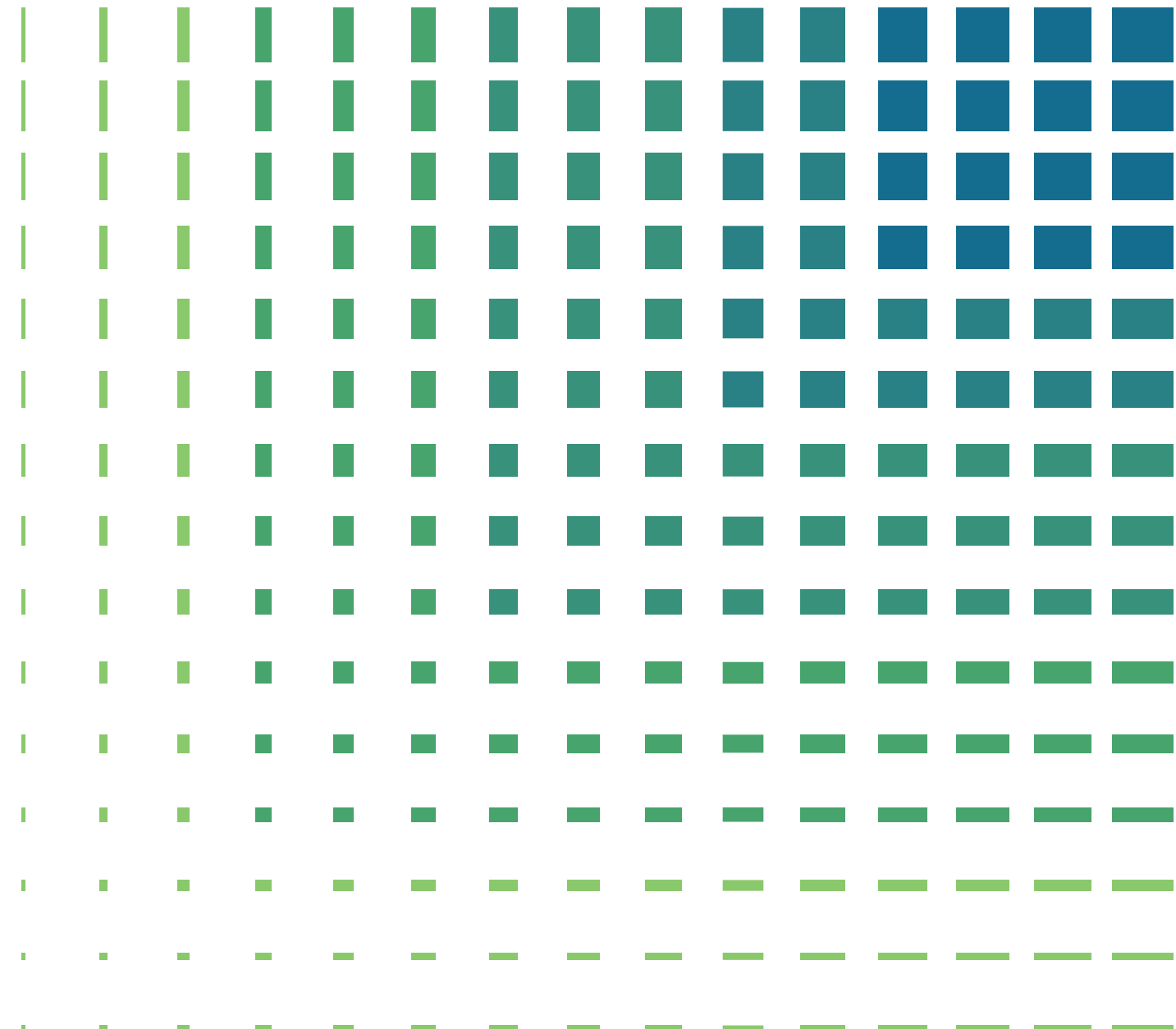
Company Secretary & Compliance Officer

Encl.: A/a

Earnings Presentation

Q4 & FY23

24th May 2023



Except for the historical information contained herein, statements in this presentation and the subsequent discussions, which include words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", seek to, "future", "objective", "goal", "likely", "project", "should", "potential", "will pursue", and similar expressions of such expressions may constitute "forward-looking statements". These forward looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, obtain regulatory approvals, our provisioning policies, technological changes, investment and business income, cash flow projections, our exposure to market risks as well as other risks. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

Sequent announces Q4 FY 23 results.

Company to restructure European operations



In Q4 FY23, we have continued to make structural adjustments, so that we are present and ready to win in the most attractive markets and customer segments. Our recent actions are showing results. Despite the headwinds in some markets, the overall formulation business has grown at 9.9% on CC basis for the full year. While the devastating earthquake in Turkey did not damage our facilities, it has impacted the demand in the Turkey market since the clinic and distribution infrastructure is yet to be restored.

In continuation with our strategy to improve profitability, the manufacturing operations in our plant in Germany have been discontinued and will move to alternative low cost sites. We expect to see the benefit in the coming quarters.

While the overall market for Vet APIs was subdued in Q4 FY 23, we continue to receive over 70% of our API revenues from customers in regulated markets and anticipate a gradual pickup in the coming quarters. The focus remains on deepening our engagement with top animal health companies worldwide. During the year FY 23, we accelerated our filings, registering 5 VMFs and 3 CEPs. Our API business has started a significant initiative to improve long term competitiveness. We have invested in additional capacity for new business and expanded our R&D team to meet the requirements of new partnerships with leading Animal Health companies.

The results of the quarter reflect a one time charge on the closure of manufacturing in Germany and the impact of recent events on Turkey. This sets up the company for stronger, sustained growth and profitability.

Rajaram Narayanan, Managing Director

FY 23 : Overall growth of 2% in a challenging year

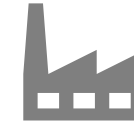


~10% cc growth for Formulations.

Business restructuring in Europe



Emerging Markets delivered robust growth of 16% cc, driving overall Formulations



Subdued sales of APIs

Mahad site awarded the EcoVadis Sustainability Silver Medal



API : Focus on Top 10 AH customers. Regulated markets contribute to 72% of sales



New comprehensive cost reduction and process efficiency improvement program



APIs - Accelerating new product pipeline :
8 new filings (5 USVMF + 3 CEPs

Revenue performance by Geography

All values in ₹ Mn

Revenue Distribution	Q4 FY23	Q3 FY23	QoQ Gr%	QoQ Gr% (In cc)	Q4 FY22	YoY Gr%	YoY Gr% (In cc)	FY23	FY22	YoY Gr%	YoY Gr% (In cc)
Formulations	2,559	2,588	(1.1%)	(6.3%)	2,493	2.6%	2.9%	10,009	9,686	3.3%	9.9%
Europe	1,146	1,050	9.1%	4.1%	1,024	11.9%	7.0%	4,147	4,205	(1.4%)	1.7%
Emerging Markets	1,201	1,252	(4.1%)	(10.5%)	1,253	(4.1%)	(0.8%)	4,807	4,461	7.8%	15.9%
India	213	286	(25.7%)	(25.7%)	217	(2.0%)	(2.0%)	1,055	1,021	3.4%	3.4%
APIs	941	1,072	(12.1%)	(12.2%)	1,273	(26.1%)	(31.8%)	3,808	4,314	(11.7%)	(15.4%)
Other Sales	10	25	NM	NM	70	NM	NM	102	128	NM	NM
Global Sales	3,511	3,685	(4.7%)	(8.4%)	3,837	(8.5%)	(10.2%)	13,920	14,128	(1.5%)	2.2%
Adjustment* - Ind AS 29	156	69						289	-		
Reported Sales	3,667	3,753	(2.3%)	(8.0%)	3,837	(4.4%)	(9.9%)	14,209	14,128	0.6%	2.2%

Following strong growth in Q3, Q4 revenue was lower by 8% cc vs. Q3 FY23. Despite multiple headwinds across geographies, in FY23, recorded a growth of 2.2% y-o-y in cc terms

❖ Formulations Business :-

- ❖ Europe clocked 7% yoy growth in Q4. FY23 was relatively flat with growth of 1.7% over FY22. Implemented strategic initiatives to streamline operations and optimize cost structures.
- ❖ Emerging Markets segment continues its growth trajectory despite a muted LATAM sales during Q4 FY 23. In FY23, the region delivered a robust 15.9% cc growth despite major headwinds in Turkey.

❖ **API business** : Top 10 customers continue to contribute ~58% of sales. Comprehensive margin and operations improvement program underway. New investment in capacity expansion and R&D capability

Formulations : Sustaining growth momentum.

Key Updates

EUROPE-

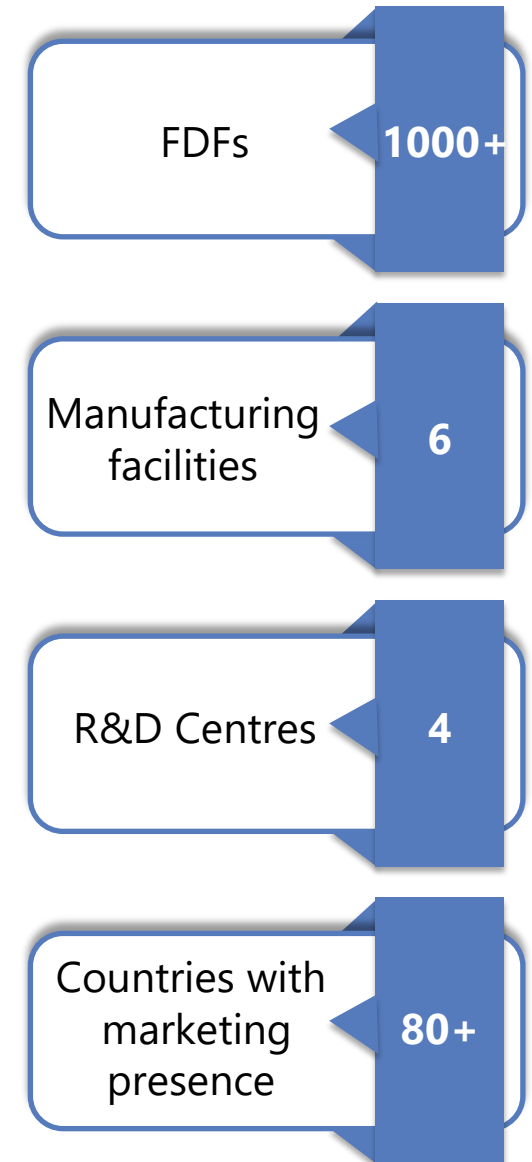
- Return to growth with launch of new Phyto range. Structural adjustments to improve margins
- Manufacturing in Germany discontinued and operations to shift to alternative low cost locations.
 - Margin accretive from Q3 FY 24

EMERGING MARKETS –

- Nourrie integration completed in Brazil . New platform created for companion animals. Turkey business impacted by inflationary pressures and the recent earthquake.

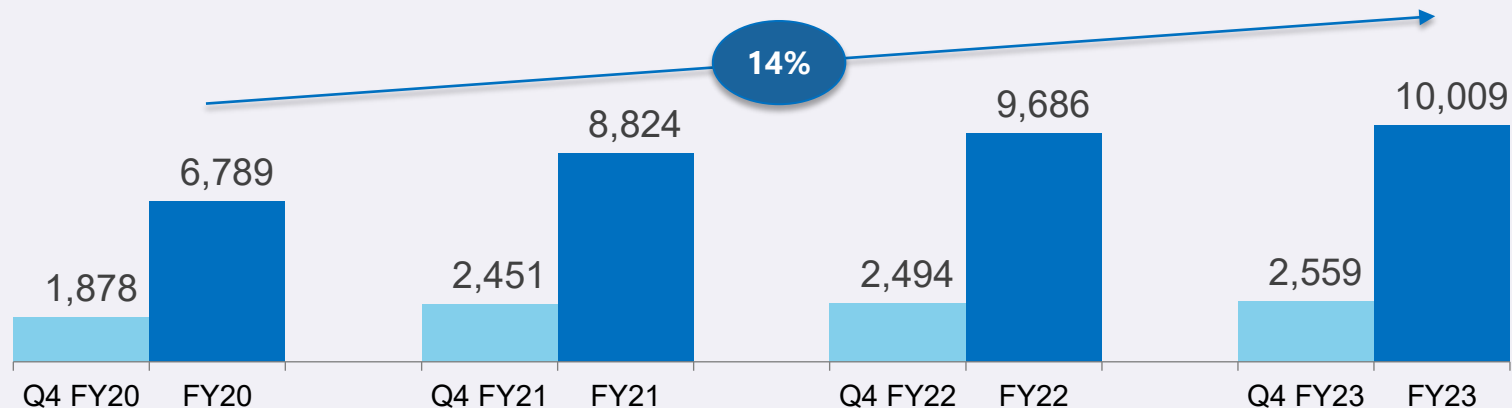
INDIA –

- Cattle business continues to grow by ~10% despite challenges in rural markets. Expansion of team for accelerated growth in FY 24



Revenues

All values in ₹ Mn



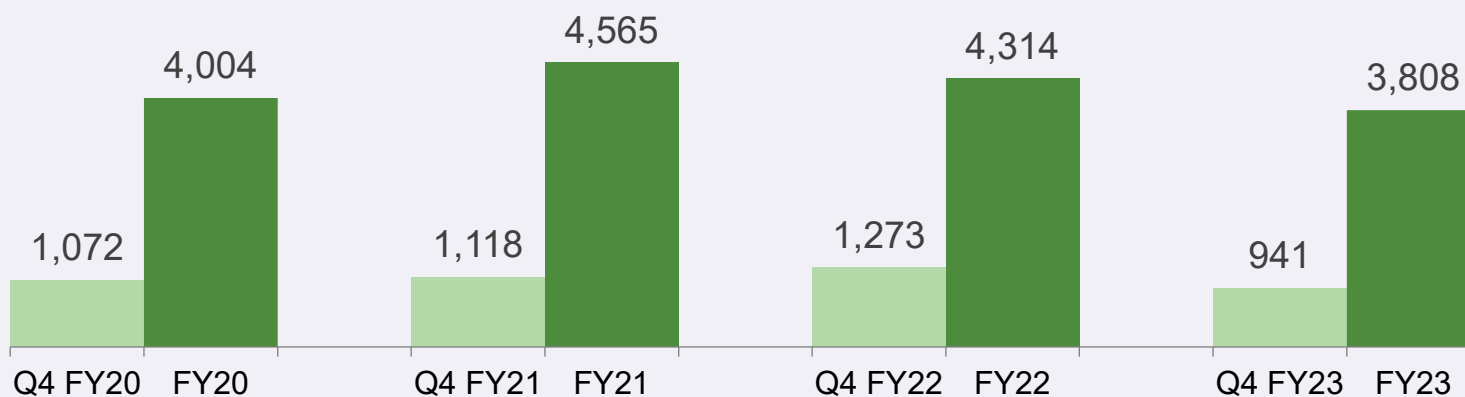
API : Continued strength in regulated markets

Key Updates

- ❖ Pricing pressures and currency challenges in some markets had an adverse impact on demand
- ❖ Regulated markets contribute ~ 72% of the revenue
- ❖ Strong portfolio- 8 fillings during the year . (5 USVMF + 3 CEPs)
- ❖ API business now has total 29 USVMFs + 18 CEPs
- ❖ New investment in capacity expansion for leading AH customers
- ❖ R&D capacity expansion
- ❖ Comprehensive margin and operations improvement program (Project Pragati) underway. Benefits to kick in from Q2 FY 24.

Revenues

All values in ₹ Mn



Commercial APIs

30+

Manufacturing facilities

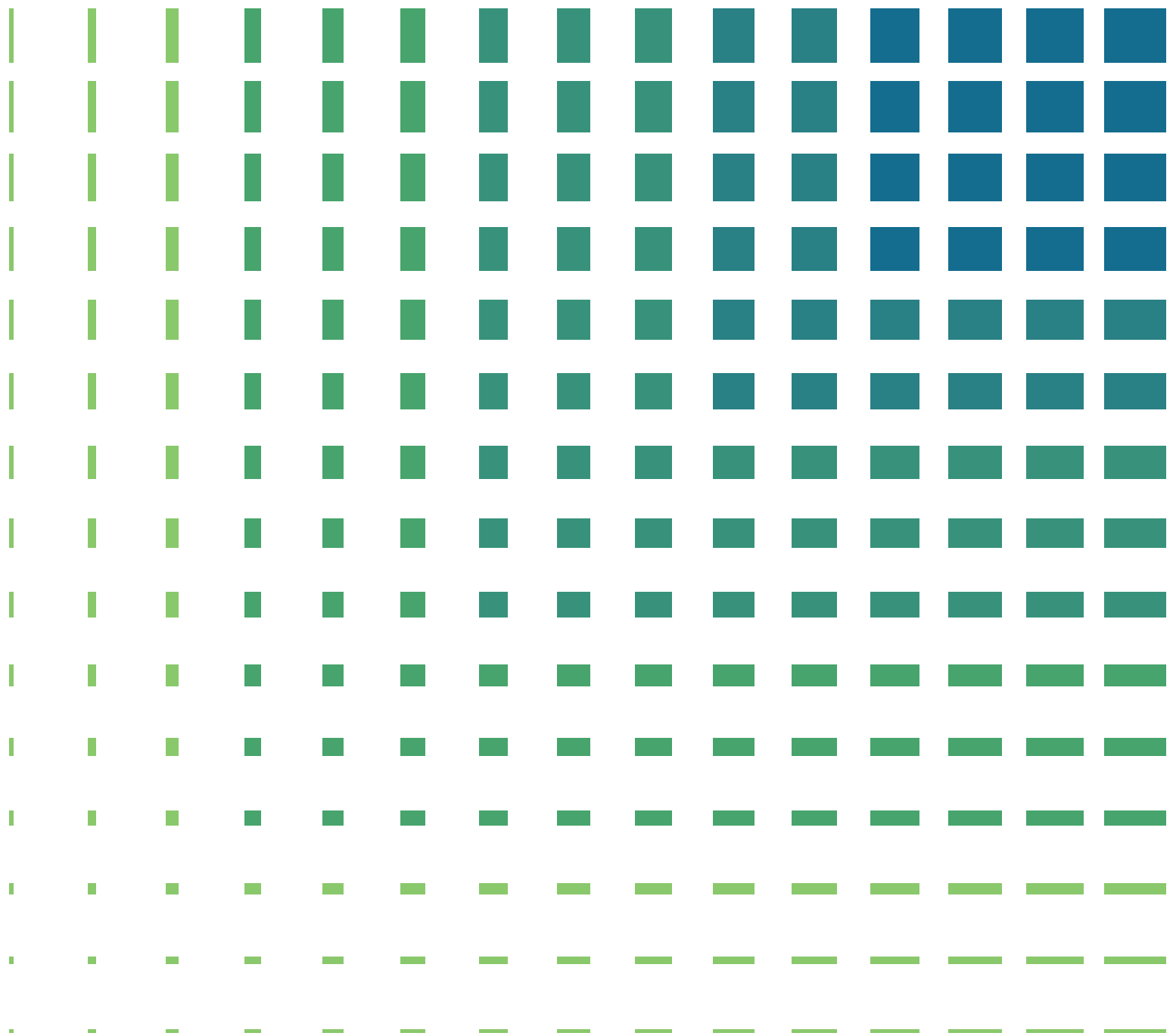
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R&D Centre

1

Sales to Regulated Markets

70%+



Financials

Consolidated Financials

Particulars	Q4 FY23 Unaudited	Q3 FY23 Unaudited	Q4 FY22 Unaudited	FY23 Audited	FY22 Audited
Revenue from Operations	3,667	3,753	3,837	14,209	14,128
Material Consumption	(2,217)	(2,174)	(2,188)	(8,338)	(7,930)
Gross Margin	1,449	1,579	1,649	5,871	6,198
%	39.5%	42.1%	43.0%	41.3%	43.9%
Employee Benefit Expenses	(570)	(580)	(519)	(2,230)	(1,985)
Operating Expenses	(751)	(722)	(744)	(2,886)	(2,791)
EBITDA (pre ESOP)	128	277	386	756	1,423
%	3.5%	7.4%	10.1%	5.3%	10.1%
ESOP cost	(76)	(89)	(53)	(354)	(329)
EBITDA	52	188	333	402	1,094
%	1.4%	5.0%	8.7%	2.8%	7.7%
Exceptional Items / Acquisition cost*	(616)	(10)	-	(658)	-
IndAS 29 Adjustment	(56)	(28)	-	(158)	-
Exchange Gain / (Loss)	(30)	(46)	23	(114)	63
Other Income	17	29	15	64	45
Finance Cost	(109)	(97)	(60)	(355)	(158)
Depreciation	(147)	(137)	(125)	(557)	(515)
Earnings Before Tax	(888)	(102)	186	(1,377)	529
Taxes	(36)	4	(86)	157	(83)
Earnings After Tax	(924)	(98)	100	(1,220)	446
Minority Interest	11	(9)	11	(8)	38
Earnings after Minority Interest	(936)	(89)	90	(1,212)	408

- Impact on gross margin due to reduction in Inventory
- OPEX controlled despite inflationary pressure
- Exceptional items driven by closure of plant in Germany and impact of recent events in Turkey

* Q3 FY23 ₹10 Mn acquisition related cost

Adjusted EBITDA at ₹ 110 crs

Amt in Rs Mn



ALIVIRA

Particulars	FY23
Revenue	14,209
EBITDA (Pre ESOP)	756
One offs	102
<i>Improvement in Inventory days</i>	60
<i>Business restructuring</i>	29
<i>Turkey earthquake impact</i>	13
Hyper inflation	28
Discontinued Operations in Germany	217
Adjusted EBITDA	1103

Key Balance sheet Items

All values in ₹ Mn

Particulars	Mar-23*	Dec- 22*	Mar-22``
Shareholders Funds	6,981	7,715	6,919
Minority Interest	500	482	480
Net Debt	3,561	3,631	2,542
Investments	0	0	368
Tangible Assets	3,622	3,780	3,263
Intangible Assets	3,085	3,186	2,498
Working Capital	4,261	4,804	4,222
Put / Buyout Liabilities	-	-	^159

Balance Sheet Highlights

- ❖ Operational initiatives - working capital days reduced by 11 days
- ❖ Net Debt is marginally down

*Mar'23 & Dec'22 reported numbers are adjusted for impact of hyperinflation accounting in Turkey as per IndAS 29 - 'Accounting for Hyperinflationary economies'

^ Buyout Liabilities of ₹ 159 Mn in Mar'22 paid on account of Nourrie acquisition

`` Mar'22 restated on account of Nourrie amalgamation

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Certain statements in this document that are not historical facts are forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local, political or economic developments, technological risks, and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. SeQuent Scientific Ltd. will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

Thank You