



CIN No. : U24239DL2004PLC125888

AKUMS DRUGS & PHARMACEUTICALS LIMITED

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Ref: Akums/Exchange/2024-25/08

August 24, 2024

**To,
The Listing Department
National Stock Exchange of India Ltd
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051**

**To,
The Listing Department
BSE Limited
Rotunda Building, Phiroze
Jeejeebhoy Towers, Dalal Street,
Fort, Mumbai – 400 001**

Symbol: AKUMS

Scrip Code: 544222

Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Investor Presentation

Respected Sir/Madam,

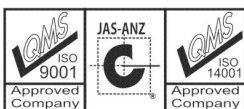
In compliance of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a copy of investor presentation which is enclosed herewith.

This is for your kind information and record.

Thanking You

For Akums Drugs and Pharmaceuticals Limited

Dharamvir Malik
Company Secretary & Compliance Officer



ISO 9001 : 2015
ISO 14001 : 2015
ISO 17025 : 2005 (NABL)

WHO-GMP
US : NSF
H A C C P





Investor Presentation

August 2024

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Managing Directors' Message



It gives us immense pleasure to announce our first quarterly results as a publically listed company. The company got listed on respective stock exchanges on August 6th 2024, a momentous day for each one of us. We wish to extend our sincere gratitude to all shareholders, stakeholders, employees, partners and everyone who has been a part of this journey. As a listed company, our commitment is to become a leading CDMO globally and create long term shareholder value.

The Indian CDMO market is growing strong and is expected to grow at 14% annually in coming years. Approximately one-third of medicines sold are outsourced to CDMOs in India and Akums holds the leadership position with over 30% market share. We serve over 1,500 clients annually, a testament of our wide range of product basket, robust manufacturing processes, world class quality systems, efficient supply chain and dedicated R&D efforts.

We are pleased to report a robust first quarter of FY25. Overall, the revenue grew by 5.1% and the adjusted EBITDA grew by 21.1%. CDMO remained the key driver with revenues of Rs 7,820 million and adjusted EBITDA of Rs 1,212 million.

We continue to focus on increasing our plant utilizations, expanding our portfolio of innovative products, bringing efficiencies in our API business and drive the overall business growth. The company is well-positioned to tap the growing opportunity in Indian and global CDMO business.

- Sanjeev Jain and Sandeep Jain



Q1 FY24-25 Financial Performance Highlights

Key Highlights – June 2024

Adjusted EBITDA* grew from Rs. 1,080 mn (11.0%) to Rs. 1,307 mn (12.7%) while gross margins improved by Rs. 468 mn from Rs. 3,763 mn (38.8%) to Rs. 4,231 mn (41.5%) on YoY basis

Adjusted PAT** increased from Rs. 377 mn (3.9%) to Rs. 573 mn (5.6%) YoY basis

Net debt for the group decreased by Rs. 2,052.49 mn from Rs. 4,180.12 mn in June 23 to Rs. 2,127.63 mn in June 2024

Cash flow from operations for Q/E June 2024 is Rs. 516.12 mn (Rs. 334.97 mn) while Free cash flows ended at Rs. 313.14 mn (-ve Rs. 343.66 mn)

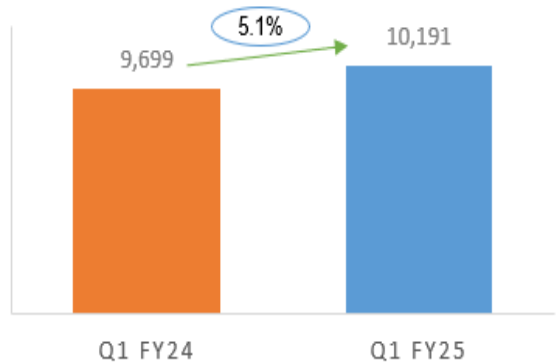
EBITDA for CDMO (constituting 77% of revenue) increased from Rs. 1,068 mn (14.4%) to Rs. 1,212 mn (15.5%) on YoY basis

**Adjusted EBITDA has been calculated as the sum of restated profit/ (loss) for the quarter, tax expenses, finance costs, depreciation and amortization expense, fair value changes to financial instruments, share of profit/ (loss) of associates and exceptional items.*

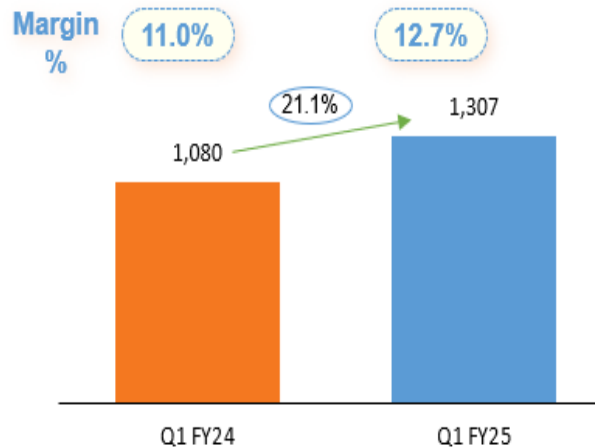
***Adjusted PAT is calculated as the profit for the quarter plus fair value changes to financial instruments.*

Consolidated Quarterly Performance Highlights

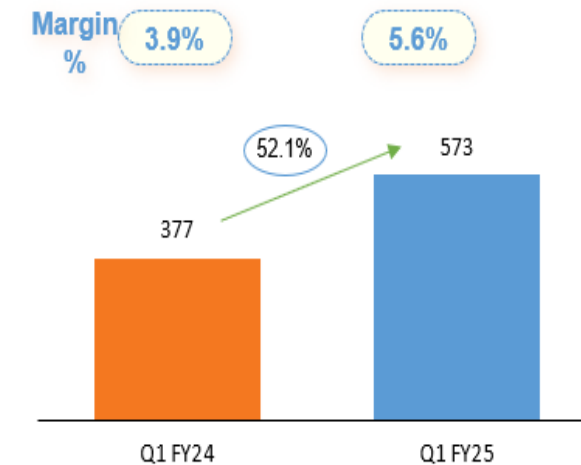
Revenue (INR mn)



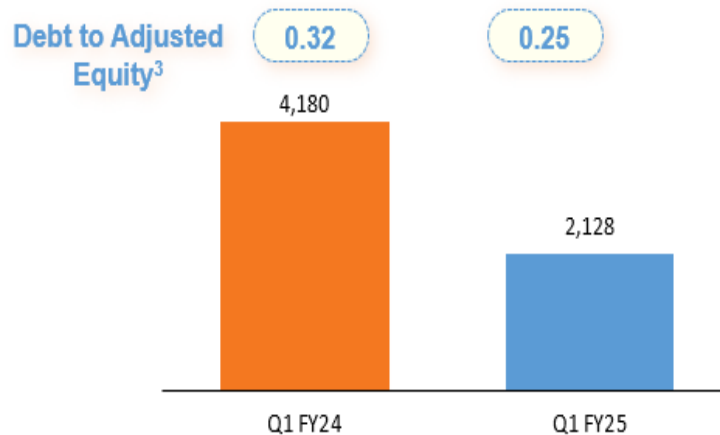
Adjusted EBITDA¹ (INR mn)



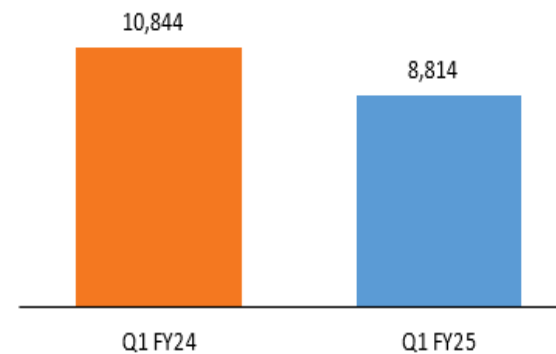
Adjusted PAT² (INR mn)



Net Debt (INR mn)



Working capital⁴ (INR mn)



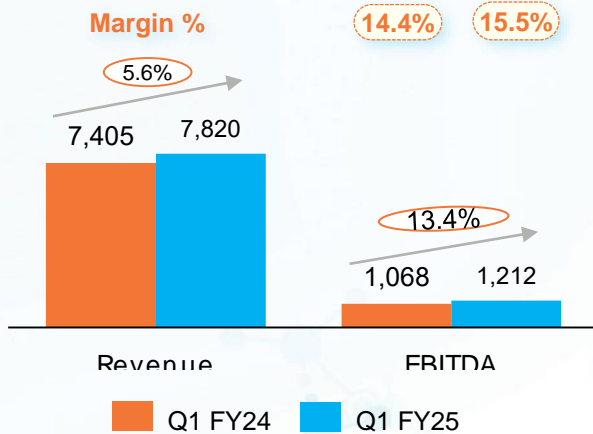
(1) Adjusted EBITDA = Profit before tax + fair value changes to financial instrument + finance cost + depreciation and amortization

(2) Adjusted PAT = PAT + Fair value changes to financial instrument, (3) Adjusted Equity = Equity attributable to equity holders of the parent + Put option liability

(4) Working capital = Debtors + Stock - Creditors

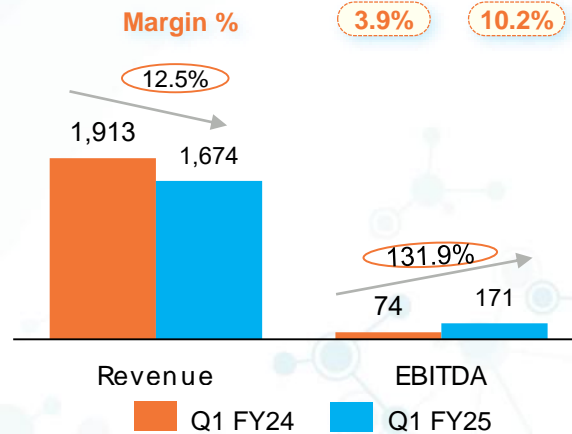
Segmental Financials

CDMO



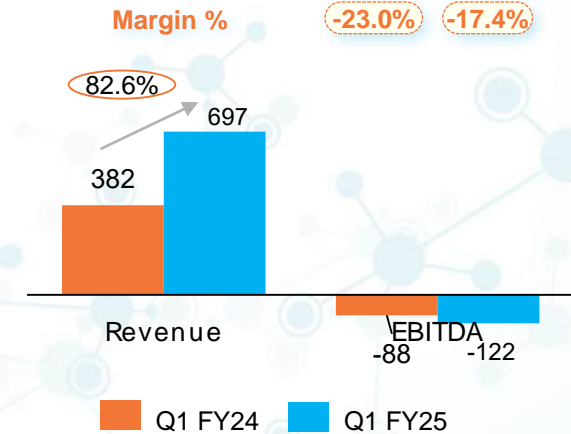
- Revenue from CDMO grew by 5.6% while margins increased from 14.4% to 15.5%
- Achieved better gross margins from 33.7% to 38% on YoY basis
- Working capital improved from Rs. 8,281 mn in June 23 to 6,678 mn in June 24

Branded and Generic Formulations



- Focused mainly on improving margins and reducing losses, hence margins improved from 3.9% to 10.2%
- Working capital improved from Rs. 1,351 mn to Rs. 905 mn
- Exports increased from Rs. 365 mn to Rs. 486 mn in Q1 2025 as compared to Q1 2024

API



- Revenue increased from 382 mn to Rs. 697 mn in Q1 2025
- Working capital increased from Rs. 1,212 million to Rs. 1,231 mn

Note: (1) CDMO: Contract Development and Manufacturing Operations; BGF: Branded and Generic Formulations; API: Active Pharmaceutical Ingredients

IPO proceeds utilization plan

The Company successfully got listed on 6 August 2024. Post listing, the Company received Rs. 6,373.70 million (net of offer expenses borne by Company) to be spent as mentioned.

Purpose of Funds		Amount (in million)
Loan repayment	Akums	1,599.10
	Subsidiaries	2,270.90
General corporate purpose		1,675.00
Incremental working capital funding		550.00
Inorganic acquisition		278.70
Total funds		6,373.70

Key Performance Indicators (KPIs)

S. No.	Financial KPIs	Unit	Quarter ended			Year ended
			30-Jun-24	31-Mar-24	30-Jun-23	31-Mar-24
(a)	Revenue from operations	(₹ in million)	10,191.13	9,442.09	9,698.86	41,781.82
(b)	EBITDA ⁽¹⁾	(₹ in million)	1,345.63	132.30	-1,171.75	1,570.10
(c)	EBITDA margin ⁽²⁾	%	13.12%	1.39%	-11.98%	3.73%
(d)	EBIT ⁽³⁾	(₹ in million)	1,004.99	-207.23	-1,468.92	313.70
(e)	EBIT margin ⁽⁴⁾	%	9.80%	-2.17%	-15.02%	0.74%
(f)	Profit for the period/year	(₹ in million)	612.08	(394.68)	(1,874.27)	7.90
(g)	Profit after tax margin ⁽⁵⁾	%	5.97%	-4.14%	-19.16%	0.02%
(h)	Fixed asset turnover ratio ^{(6)*}	Times	0.80	0.75	0.87	3.30
(i)	Debt-equity ratio ⁽⁷⁾	Times	0.25	0.69	1.07	0.69
(j)	Return on equity ^{(8)*}	%	2.86%	-5.48%	-34.99%	0.11%
(k)	Return on capital employed ^{(9)*}	%	4.26%	-2.22%	-15.40%	3.37%
(l)	Segment results before depreciation*	(₹ in million)				
	- CDMO		1,211.54	805.35	1,068.44	4,866.92
	- API		-121.60	-79.84	-87.78	-455.14
	- Branded & Generic Formulations		171.16	194.82	73.81	590.58
(m)	Segment results before depreciation margin ^{(10)*}	%				
	- CDMO		15.49%	11.01%	14.43%	14.90%
	- API		-17.45%	-12.47%	-23.01%	-21.42%
	- Branded & generic formulations		10.22%	13.11%	3.86%	8.45%
(n)	Adjusted EBITDA ^{(11)#}	(₹ in million)	1,306.96	984.60	1,079.55	5,147.84
(o)	Adjusted EBITDA margin ⁽¹²⁾	%	12.74%	10.32%	11.04%	12.22%
(p)	Adjusted EBIT ^{(13)#}	(₹ in million)	966.32	645.07	782.38	3,891.44
(q)	Adjusted EBIT margin ⁽¹⁴⁾	%	9.42%	6.76%	8.00%	9.24%
(r)	Adjusted Return on equity ^{(15)#*}	%	2.67%	2.19%	2.13%	17.19%
(s)	Adjusted Return on Capital employed ^{(16)#*}	%	4.10%	2.81%	3.58%	16.94%

*not annualized for quarters ended 30 June 2024, 31 March 2024 and 30 June 2023.

Calculated without considering the computation of fair value of the put option liability. The Put option liability arose as a result of buyback obligation on account of certain exit rights granted to Ruby QC Investment Holdings Pte. Ltd. by our Company, under the shareholder agreement, dated October 3, 2019, entered among our Company and the Promoters. This put option liability or the buyback obligation is recognised as a financial liability and is re-measured at each accounting date and has been recognised as fair value changes to the financial instrument in the Restated Consolidated Financial Information in accordance with Ind AS 109 "Financial Instruments" applicable to our Company. On May 29, 2024, Ruby QC Investment Holdings Pte. Ltd. waived its exit right, which required our Company to buy back the Equity Shares held by Ruby QC Investment Holdings Pte. Ltd., or any portion thereof, in accordance with applicable law.

Key Performance Indicators (cont'd)

Notes:

- (1) EBITDA refers to sum of EBIT and depreciation and amortization expense.
- (2) EBITDA margin is calculated as EBITDA divided by total income.
- (3) EBIT refers to earnings before interest and tax, calculated as the sum of restated profit/(loss) before share of profit/(loss) of associates and exceptional items for the quarter/ year, and finance costs.
- (4) EBIT margin is calculated as EBIT divided by total income.
- (5) Profit after tax margin is calculated as the percentage of restated profit after tax for the quarter/ year divided by total income.
- (6) Fixed asset turnover ratio is calculated as revenue from operations divided by fixed assets at the end of the quarter/ year. Fixed assets includes Property, plant and equipment, Capital work-in-progress, Other intangible assets and Intangible assets under development.
- (7) Debt-equity ratio is calculated by dividing total debt (including both current and non-current borrowings) by equity attributable to equity holders of the parent.
- (8) Return on equity is calculated by dividing restated profit for the quarter/ year by total equity.
- (9) Return on Capital Employed is calculated as EBIT divided by capital employed (i.e. sum of total equity and net debt). Net debt is calculated as total debt (including both current and non-current borrowings) less cash and cash equivalent, bank balance other than cash and cash equivalents and fixed deposits with remaining maturity of more than 12 months.
- (10) Segment results before depreciation margin is calculated as segment results before depreciation from each segment divided by revenue from operations from that segment.
- (11) Adjusted EBITDA is calculated as the sum of restated profit for the quarter/ year, tax expenses, finance costs, depreciation and amortization expense, fair value changes to financial instruments, share of profit/ (loss) of associates and exceptional items.
- (12) Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by total income.
- (13) Adjusted EBIT is calculated as the sum of our restated profit/(loss) before share of profit/(loss) of associates and exceptional items for the quarter/ year, finance costs and fair value changes to financial instruments.
- (14) Adjusted EBIT margin is calculated as Adjusted EBIT divided by total income.
- (15) Adjusted return on equity is calculated by dividing the sum of profit after tax for the quarter/ year and fair value changes to financial instrument by the sum of total equity and put option liability
- (16) Adjusted return on capital employed is calculated as Adjusted EBIT divided by capital employed (i.e. sum of total equity, net debt and put option liability). Net debt is calculated as total debt (including both current and non-current borrowings) less cash and cash equivalent, bank balances other than cash and cash equivalents and fixed deposits with remaining maturity of more than 12 months.

Expansion Plan

- Plan to set up greenfield manufacturing units in the UT of Jammu and Kashmir
- Two manufacturing units will be set up – one multi-dosage facility focusing on pharmaceuticals and other dedicated unit to nutraceuticals

Rationale for expansion

- Under the Govt. of India's New Central Sector Scheme for Industrial Development of UT of J&K 2021, several benefits are available for establishment of manufacturing unit
- Benefits include GST Linked Incentive, Capital Subvention Scheme among others
- Plan to expand capacity of dosage forms at J&K which currently have high utilization
- Also new dosage forms wherein Akums is currently not present will be operationalized
- J&K has pharma manufacturing ecosystem with units of Sun, Cadila, Emcure, Lupin etc.

Capex Outlay

- Proposal to invest up total of INR 2,650 million for both the facilities, which will be funded via bank loans as well as internal accruals

Akums has a **strategic presence across the pharmaceutical value chain** driven by large R&D and manufacturing capabilities which reflects in the diverse and longstanding client relationships.



India's Largest
India-Focused
CDMO Player

CDMO
(77%)(1,3)

Branded and Generic Formulations
(16%)(1,3)

API
(7%)(1,3)

4,959 Cr
(49.6bn) units

CDMO Mfg. Capacity

4,146

Commercialized formulations across 60 dosage forms⁽²⁾

1,524

Customers; serving 26 out of leading 30 players in IPM⁽⁴⁾

220+

Innovative Formulation⁽⁴⁾

12 / 3

Manufacturing Plants / R&D Facilities⁽¹⁾

18,874

SKUs across different molecules⁽⁴⁾

38 of 50

Largest customers with legacy of >5 years⁽⁴⁾

927 / 923

DCGI⁽²⁾ / FSSAI Approvals

59

Rank in IPM (Akumentis)⁽⁴⁾

69%

Revenue from chronic and sub chronic (Akumentis)⁽⁴⁾

65

Presence in number of countries⁽⁴⁾

559 / 289

Dossiers received since FY22/ Dossiers under registration⁽⁴⁾

737.4MT

API Manufacturing Capacity⁽¹⁾

3 / 1

Manufacturing Plants / R&D unit⁽¹⁾

20 / 15+

DMFs / Active APIs⁽⁴⁾

200+

Customers⁽⁴⁾

Note: Figures and percentages rounded off to nearest 0 decimal; any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off
(1) For Q1 FY25 (2) Cumulative since commencement of operations till FY24 (3) % of group consolidated revenue (4) For FY 24

Two Decades' Legacy of Expertise, Experience and Trust

2004–2010

Build

- Incorporated in April 2004
- Set up of **first plant for oral solid dosage form** in Haridwar

2004

2010–2021

Strengthen

- Dedicated facilities for **Hormones, Cosmetics and Dermatology**
- Launched **Akumentis⁽¹⁾** to venture into **branded formulations**
- Introduced **bi-layered and tablet-in-tablet**
- Expanded into **African markets**
- Acquired **Malik Lifesciences⁽²⁾**

2010-13

- In Nov 2019, **Quadria Capital⁽³⁾** bought a minority stake (15.09%) in the company
- Acquired **Parabolic Drugs** to venture into API

2019-21

2005-09

- Established dedicated manufacturing site for **Oral Liquid Dosage & Sterile products**
- Established Maxcure Nutravedics Ltd. to **venture in nutraceuticals**

2014-18

- Expanded into **Asian markets**
- Acquired **Pure & Cure Healthcare⁽⁴⁾**
- Established R&D lab in Mumbai to **venture into regulated market**
- Received **US-NSF Certification** for **Maxcure Nutravedics⁽⁵⁾** facility

2021 – 2024

Accelerate

2022-24

- **Plant 1 & Plant 3** accredited by **EU-GMP** thus **qualifying for European exports**
- 3 more facilities added to reach 15 total facilities (12 CDMO⁽⁶⁾ + 3 API)
- **Listed on NSE and BSE** in August 2024

Note: (1) Akumentis Healthcare Limited (2) Malik Lifesciences Private Limited (3) Ruby QC Investment Holdings Pte. Ltd. (4) Pure and Cure Healthcare Private Limited (5) Maxcure Nutravedics Limited (6) Akums Lifesciences Limited (6) 11 operational and 1 upcoming CDMO facilities

Akums has a right to win in a large pharma opportunity



1

Largest India Focused CDMO with diverse client base

2

Comprehensive Offerings With Advanced Manufacturing Capabilities

3

Large and Growing R&D Capabilities Across Product Portfolio

4

Strategic Presence Across the Pharmaceutical Value Chain

5

Experienced Board with a Proven Track Record

1 Largest India Focused CDMO¹ with diverse client base



10.0% share by value in total addressable Indian domestic CDMO in FY24²

30.2% share in Indian Domestic CDMO market in FY24 by value²

4,000+ Formulations

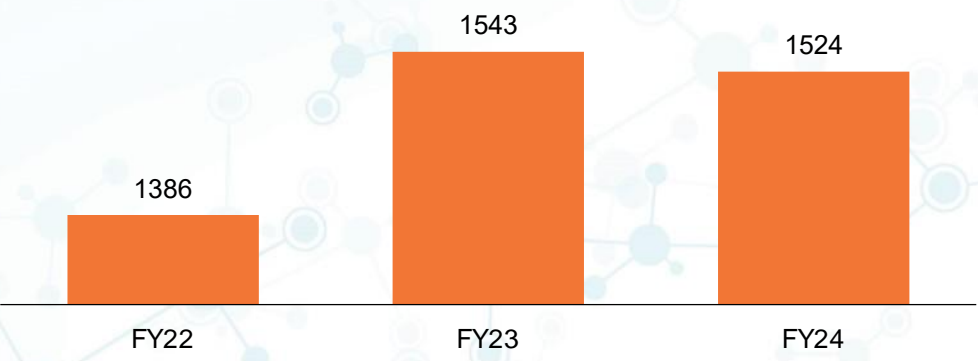
60+ Dosage Forms

18,500+ SKUs manufactured in FY24

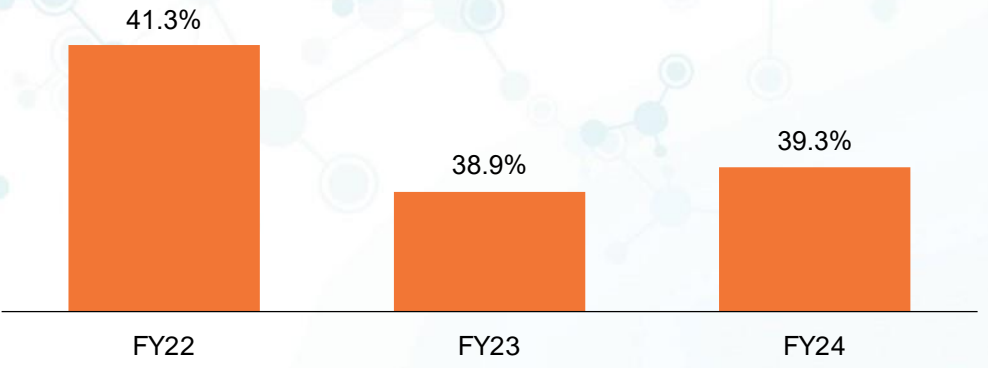
Significant nase of CDMO Clients...

.. with optimal client concentration

Number of CDMO customers



Client Concentration – Top 10 CDMO Clients



Highly Reputed Company Recognized by Various Industry Bodies



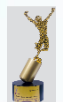
India Pharma Leader Award by Govt. of India (2018, 19)



Excellence in Operations - Manufacturing by CPHI Awards (2022)



Excellence in Formulations, India Pharma World Awards by The Economic Times (2023)



Excellence in Contract Research and Manufacturing, Informamarket (2021)

Note: 1. In terms of revenue, production capacity and clients served in FY23 2: As per F&S Report

2 Technologically Advanced Manufacturing Capabilities

- 1 
- 2 
- 3 
- 4 
- 5 
- 6 
- 7 
- 8 
- 9 
- 10 
- 11 
- 12 

Location	Year	Annual Capacity (Cr units)	Dosage Forms
Haridwar	2004	649	Oral Solids
Haridwar	2007	15	Oral Liquids
Haridwar	2007	39	Sterile Preparations
Haridwar	2010	244	Hormonal – Oral, Injectables and Topicals
Haridwar	2010	6	Dermatology and Cosmetics
Haridwar	2010	252	Ayurvedic / Nutraceuticals
Haridwar	2014	2,603	Oral Solids, Oral Liquids, Topical & Sterile Preparations
Haridwar	2014	732	β -lactam anti-infective
Kotdwar	2021	17	Penam anti-infective
Baddi	2023	368	Oral Solids, Oral Liquids
Haridwar	2024	36	Sterile Preparations
Baddi	-	-	-

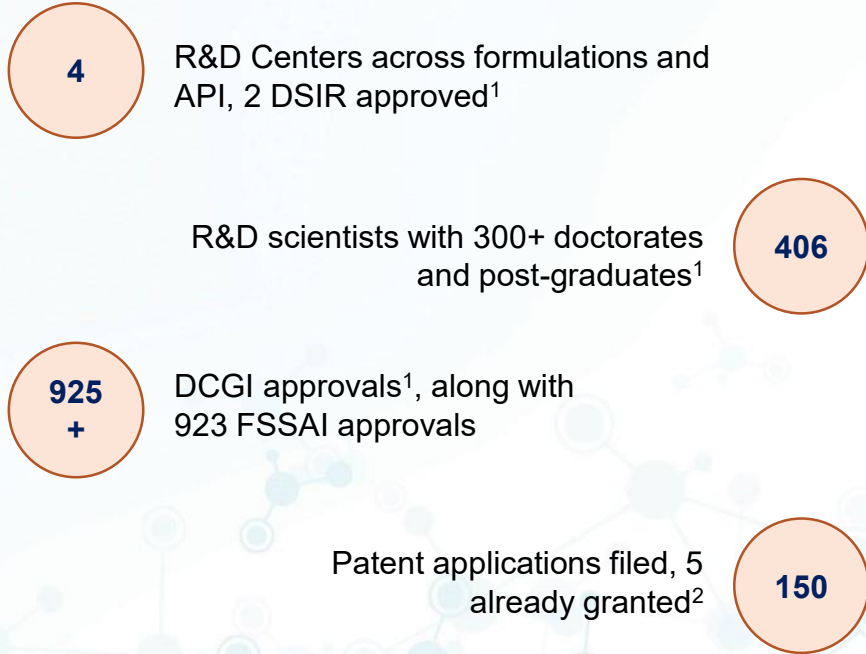
Key Accreditations¹



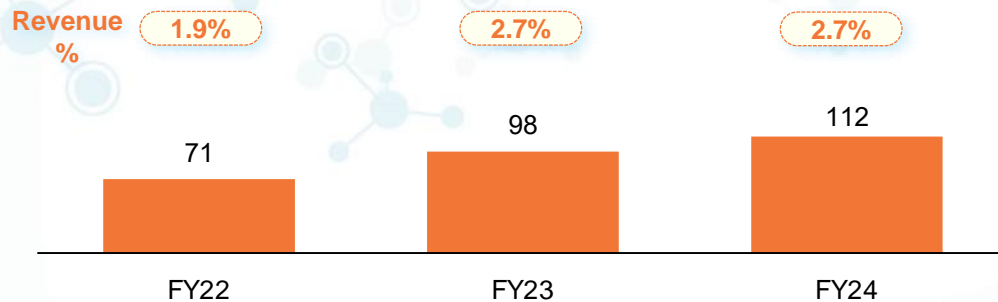
Note: ((1) Received by some / all of our CDMO facilities

3 Extensive R&D Capabilities Across Product Portfolio

R&D Capabilities



R&D Expenditure (INR Cr.)



Innovative In-house Technologies

Note: (1) As of 31st March 2024

(2) As of 1st Aug 2024

4 Strategic Presence Across the Pharmaceutical Value Chain

In addition to the CDMO Business, Akums is also engaged in manufacturing and sale of Branded Formulations, Trade Generics and APIs across domestic and overseas market

Domestic Branded Formulations

59th
Rank in Indian Branded Formulations¹



1.5k+
Salesforce



140
Brands



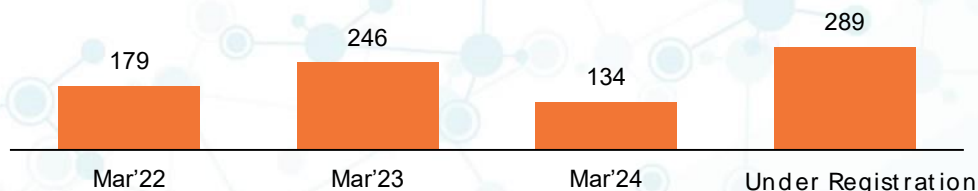
69%
Chronic and sub-chronic segment¹



Exports Oriented Branded Formulations

Dossiers
(# dossiers approved)

65
Countries



Inorganic expansion into API manufacturing through acquisition of facilities in 2021

15+ APIs across beta lactams and general APIs

200+ customers

20 Active DMFs

	Production Blocks	Capacity	Facility Description	
Derabassi, Punjab	6	557 MT	<ul style="list-style-type: none"> Beta lactam range 	
Lalru, Punjab	3	180 MT	<ul style="list-style-type: none"> General Range of APIs 	
Barwala, Haryana	1	0.38 MT	<ul style="list-style-type: none"> HPAPI, Oncology and other high potent APIs 	

Note: (1) As of per Pharmarack, MAT March 2024

5 Experienced Board Directors of Board



Sanjeev Jain
Managing Director

- Co-founder and promoter
- Extensive experience in Indian CDMO pharma industry



Sandeep Jain
Managing Director

- Co-founder and promoter
- Extensive experience in establishing and running large scale pharma manufacturing operations
- B.Com from University of Delhi



Sanjay Sinha
Whole Time Director

- Over 4 decades of experience in formulation operations
- Previously with IPCA as President, Operations (Formulations)
- B.Pharma and M.Pharma



Sunil Kumar Thakur
Non-Executive Director

- Partner at Quadria Capital and co-founder of Healthquad Capital
- Member CII' National Committee on Pharma; member governing council of NATHEALTH
- Over 2 decades in private equity and investment banking



Kewal Kundanlal Handa
Independent Director

- Served as director of Pfizer India
- Appointed as Chairman⁽²⁾ of Union Bank of India
- Director with Borosil and Borosil Scientific⁽²⁾



Satwinder Singh
Independent Director

- Past chairman of Expert Group on Secretarial Standards and Secretarial Standards Committee
- Past Chairman of NCLT/NCLAT Taskforce



Matangi Gowrishankar
Independent Director

- Previously associated with BP India, Cummins India and International Computers India
- Director with Cyient, IDFC First, Gabriel India⁽³⁾



Nand Lal Kalra
Independent Director

- Over 36 years of experience in Income Tax Appellate Tribunal⁽⁴⁾

Note: (1) non-official director and non-executive chairman (2) Borosil Limited and Borosil Scientific Limited (3) Cyient Limited, Gabriel India Limited, IDFC First Bank Limited (4) over 36 years of experience as Accountant member of the Income Tax Appellate Tribunal as an Income Tax Officer (with Commissioner of Income Tax being his last held position)




AKUMS