

September 27, 2024

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Fort
Mumbai - 400 001

National Stock Exchange of India Limited

Exchange Plaza, Bandra Kurla Complex,
Bandra (E),
Mumbai - 400 051

Scrip code: 512529

Symbol: SEQUENT

Dear Sir/ Madam,

Subject: Investor Presentation

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Investor Presentation on “SeQuent Scientific Limited and Viyash Lifesciences Private Limited Announce Strategic Merger to Create a Global Animal Health Leader with End-to-End Integrated Capabilities”.

Kindly take the same on your record.

Thanking you,
Yours faithfully,

For **Sequent Scientific Limited**

Phillip Trott
Company Secretary & Compliance Officer
Membership No. F7403

SeQuent Scientific Limited

Registered Office: 301, 3rd Floor, Dosti Pinnacle, Plot No. E7, Road No. 22, Wagle Industrial Estate, Thane (W), Mumbai - 400604, India

Tel: +91-22-4111-4777 | **CIN:** L99999MH1985PLC036685

Website: <http://www.sequent.in> | **Email Id:** investorrelations@sequent.in



Investor Presentation

Merger Proposal

SEQUENT SCIENTIFIC LIMITED

27 September 2024

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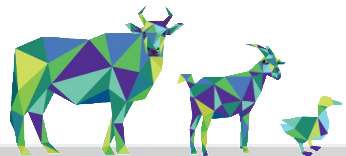
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Target Overview



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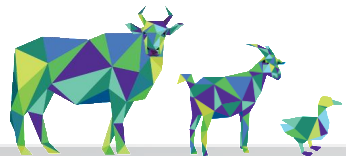
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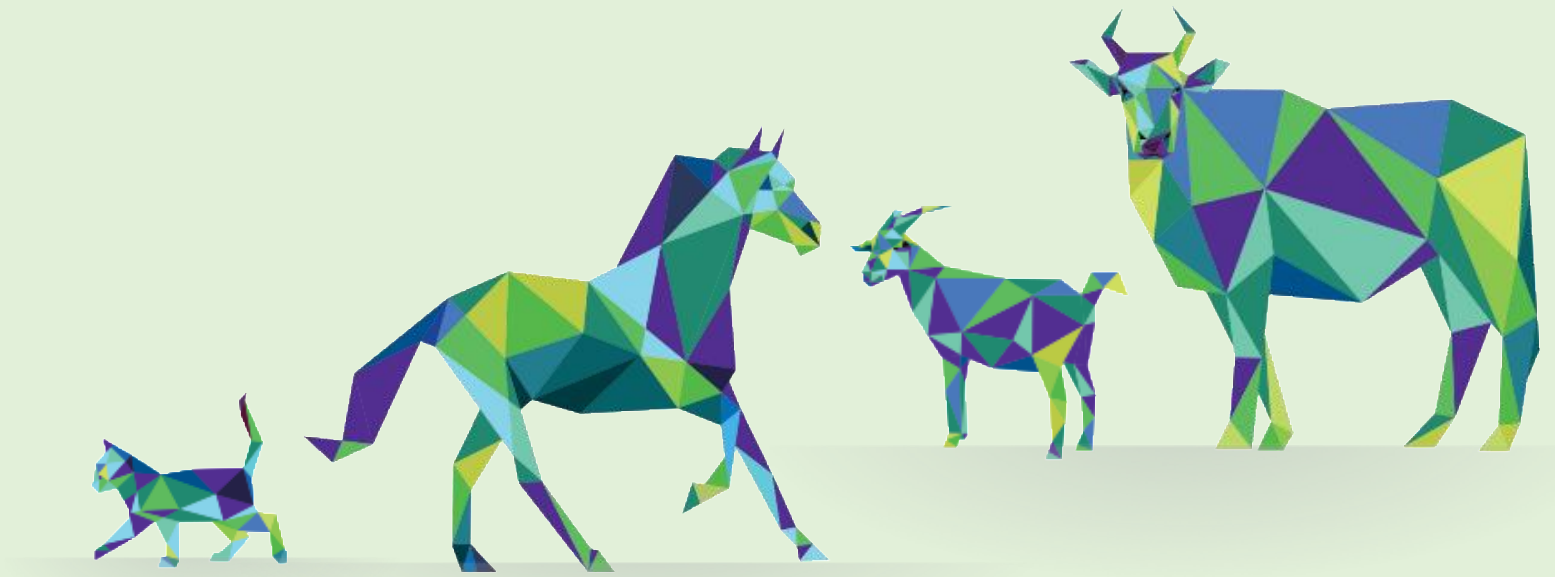
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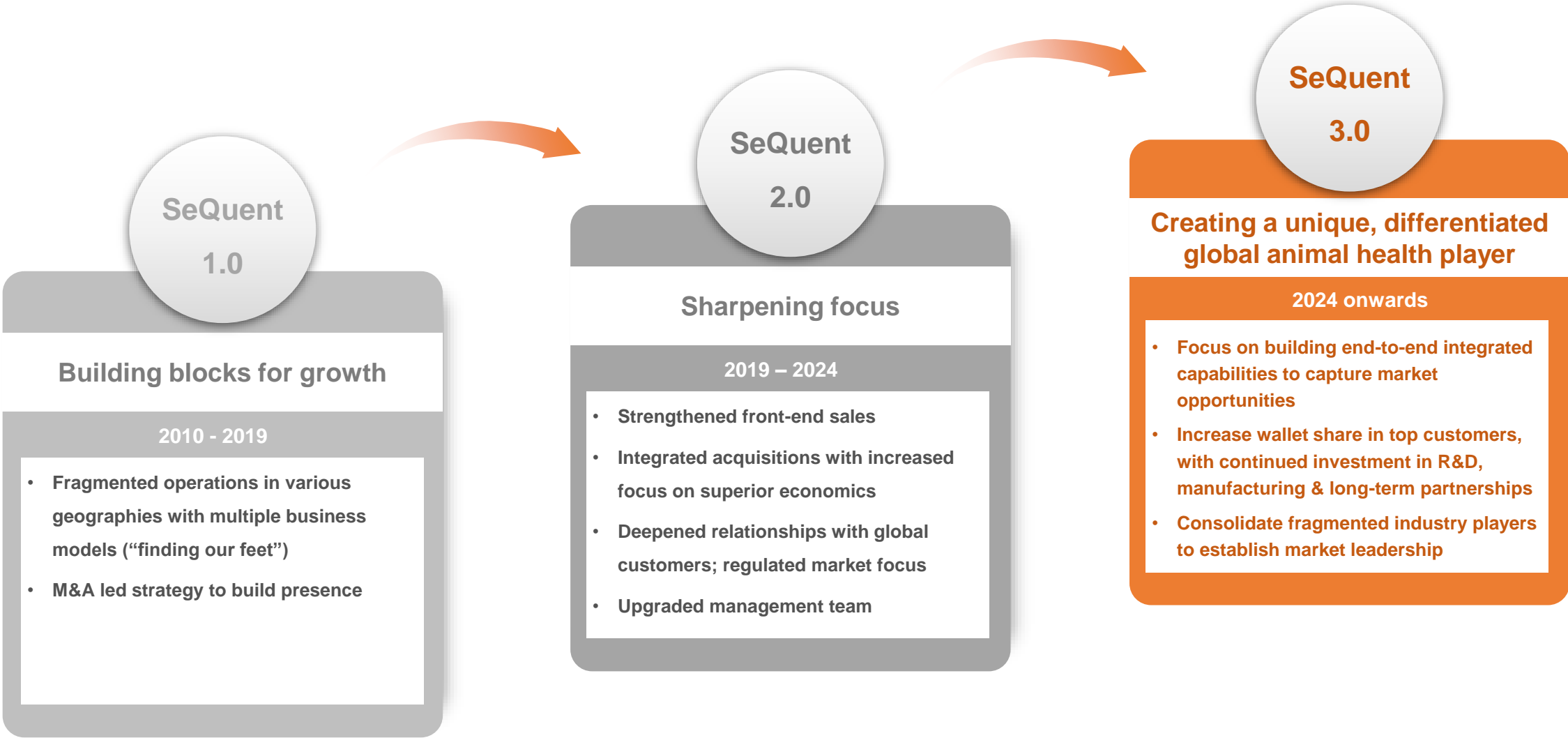


01

Strategic Focus

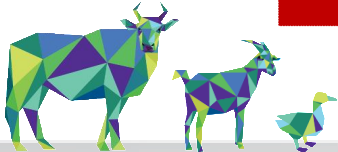
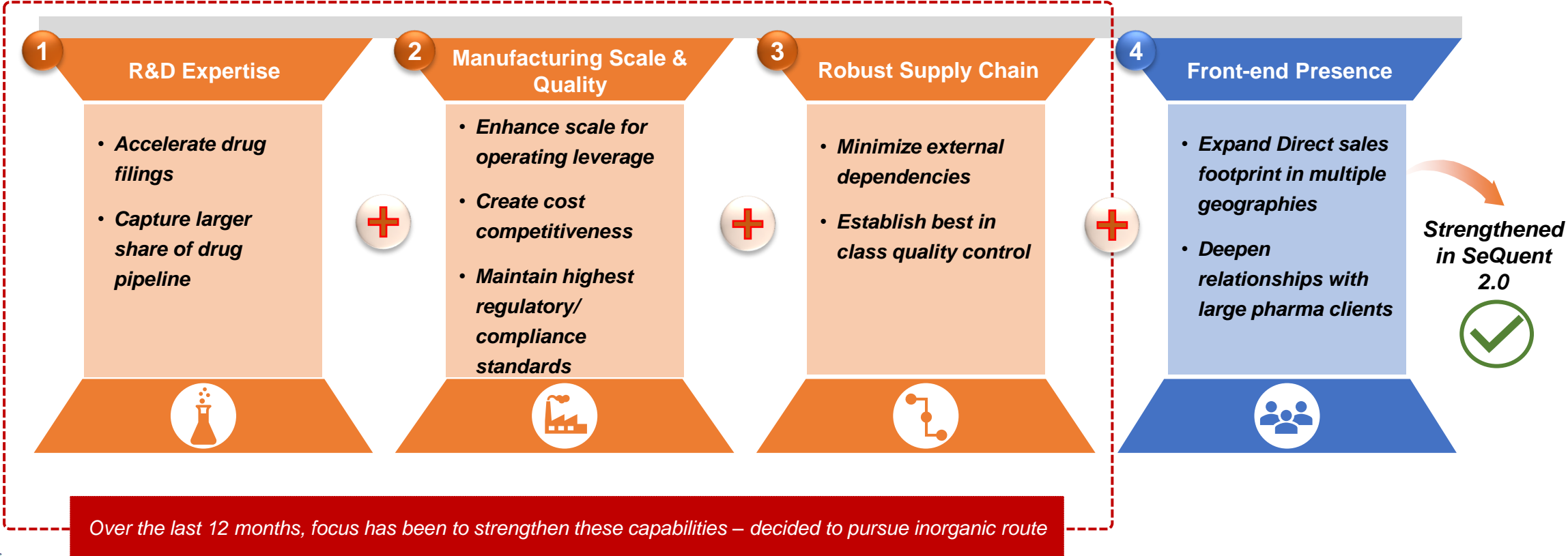


Embarking on SeQuent 3.0

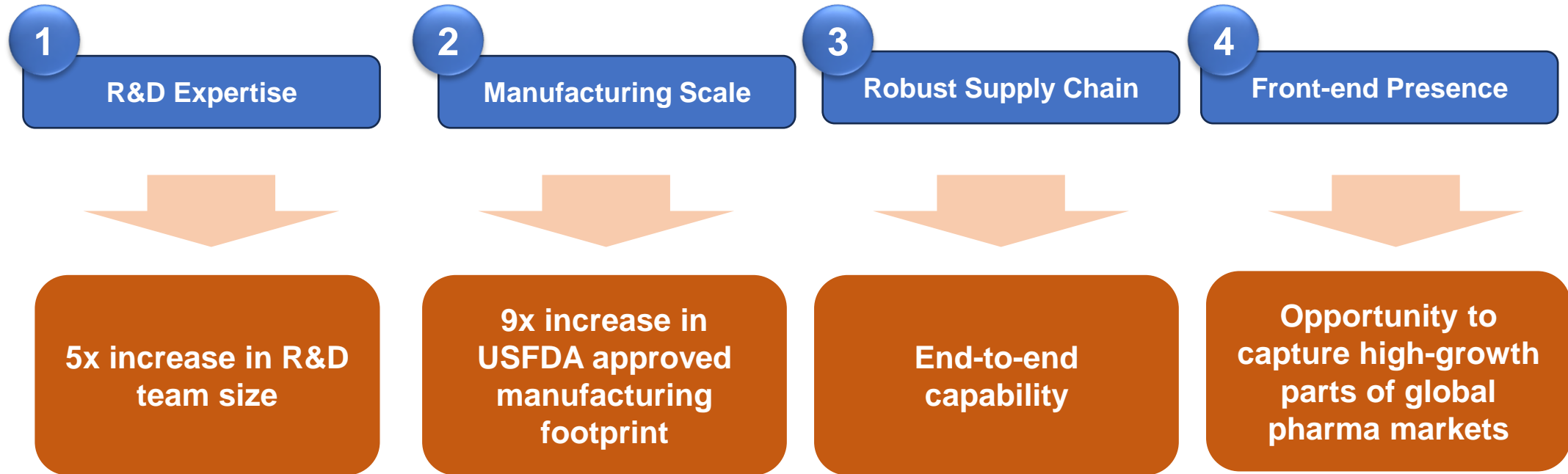


SeQuent 3.0 – Key Pillars of Our Strategy

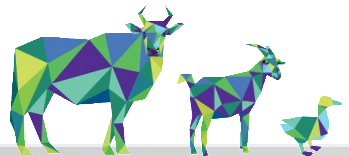
A unique, differentiated, and scaled global animal health leader with end-to-end integrated capabilities



Adopted an Inorganic Merger Route To Significantly Strengthen The Pillars

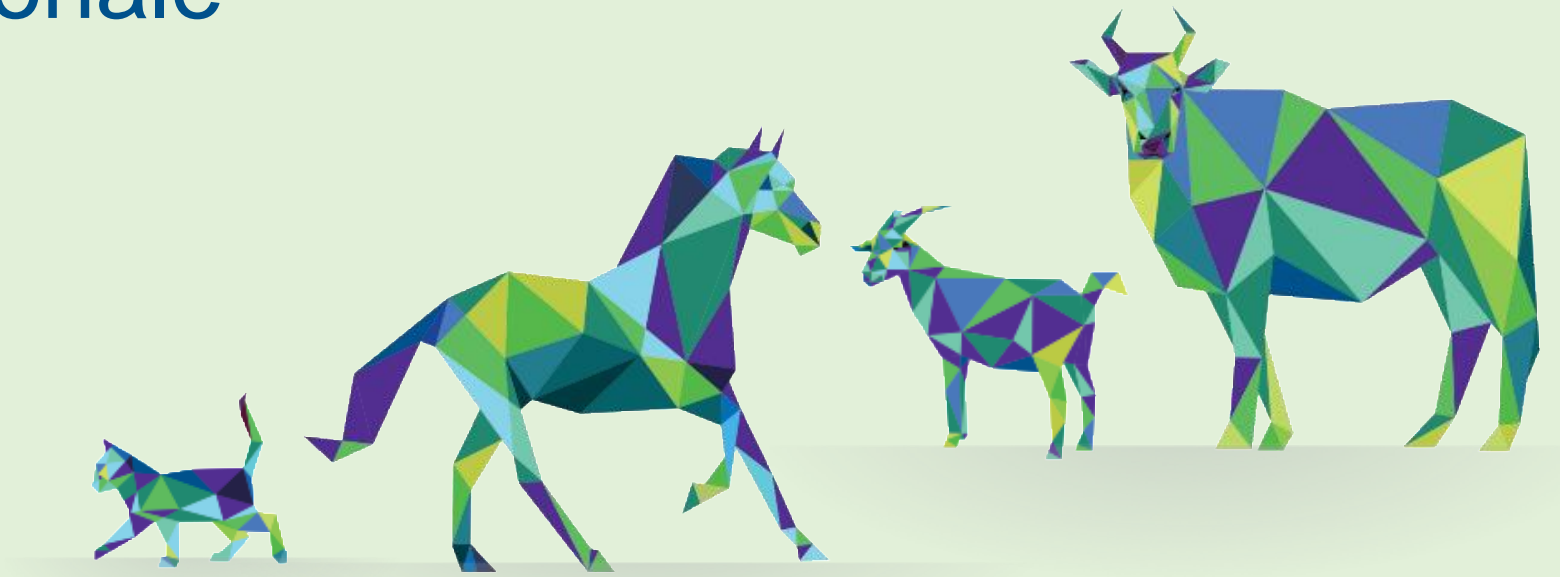


With the proposed merger, all enabling pillars will be in place to deliver SeQuent 3.0's roadmap

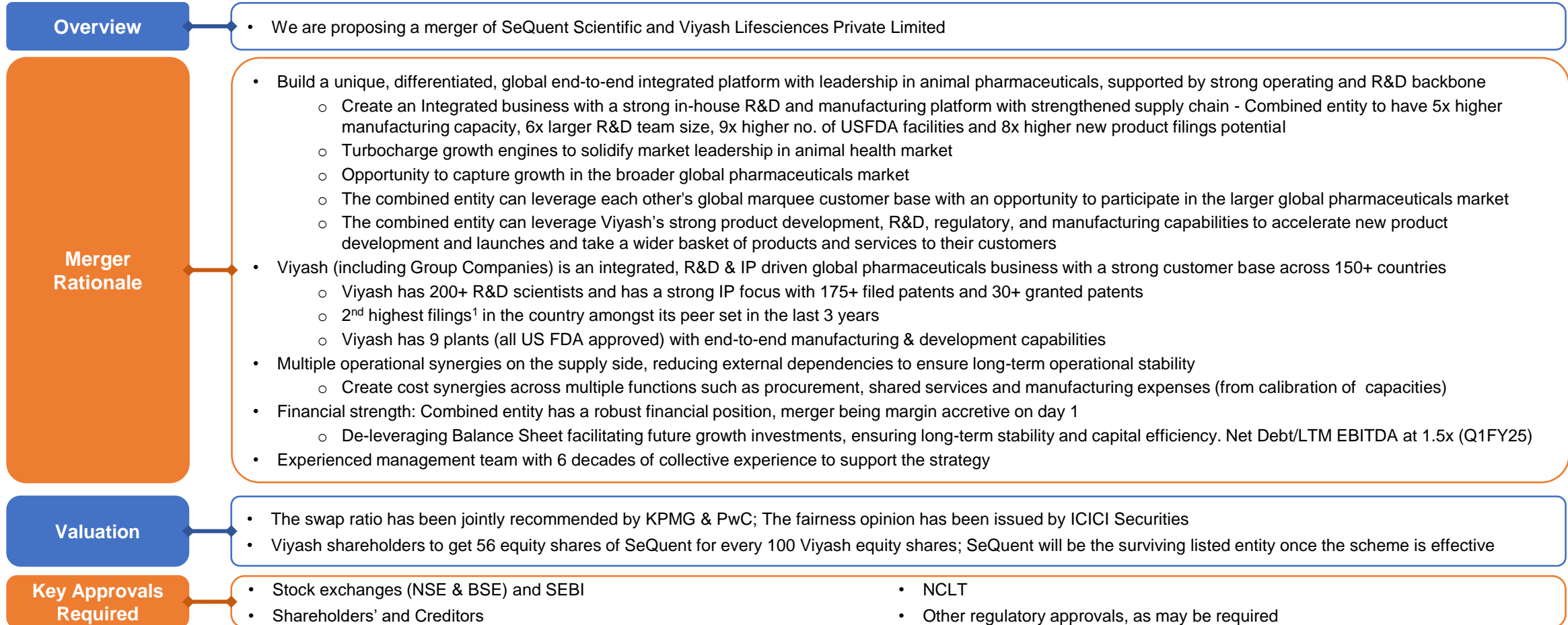


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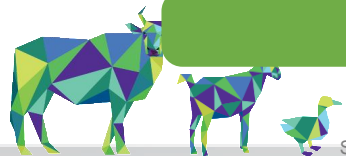
Transaction Rationale



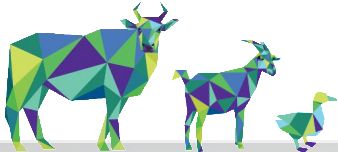
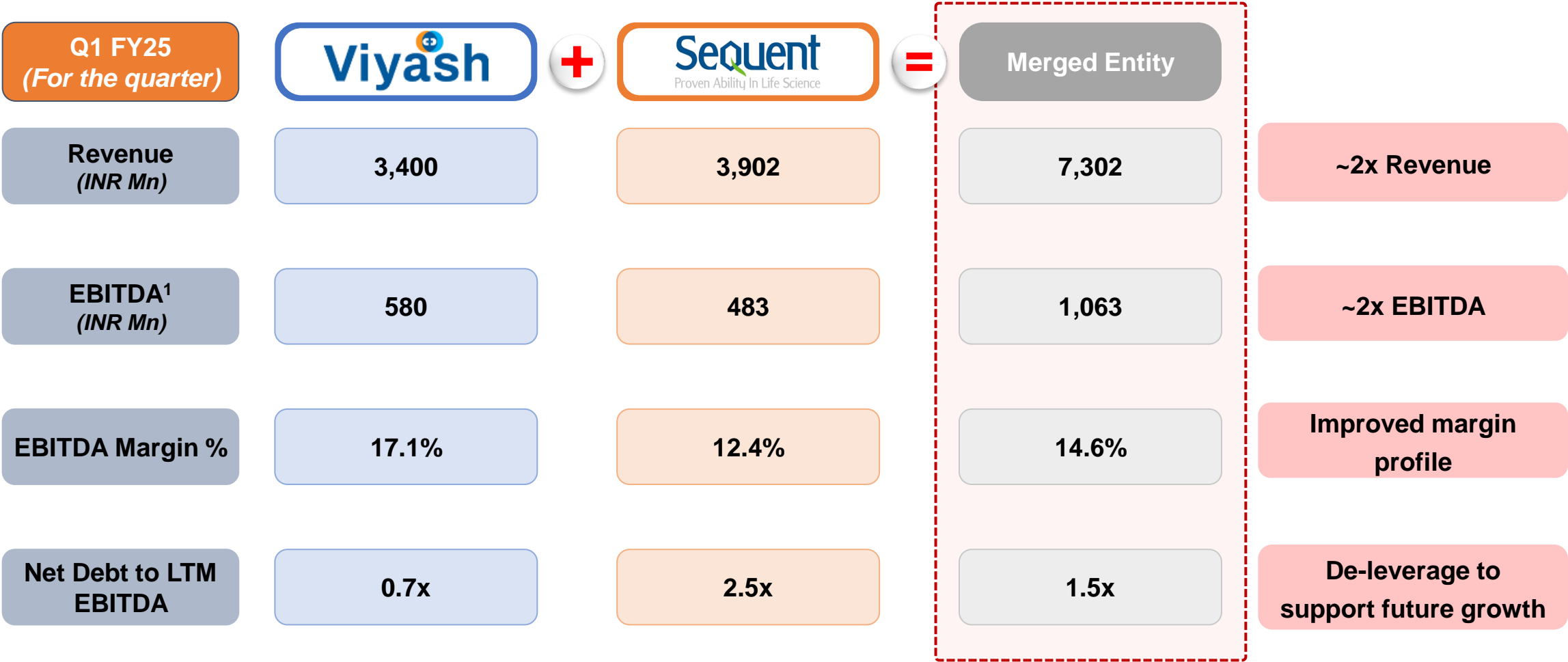
Transaction Summary



Proposed merger expected to be EBITDA margin accretive and de-lever SeQuent's Balance Sheet



Superior Financial Profile of the Merged Entity with Healthy Balance Sheet To Support Future Expansion

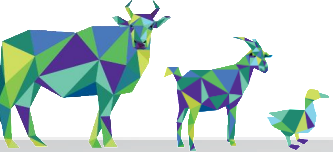


Notes: 1. EBITDA for Viyash is adjusted for ESOP costs, call option impairments and includes Forex gains; EBITDA for SeQuent is adjusted for ESOP Costs

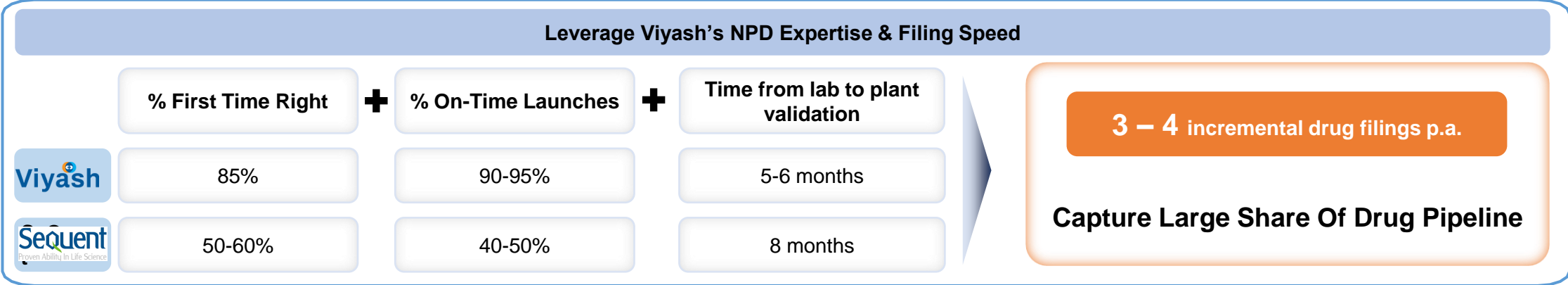
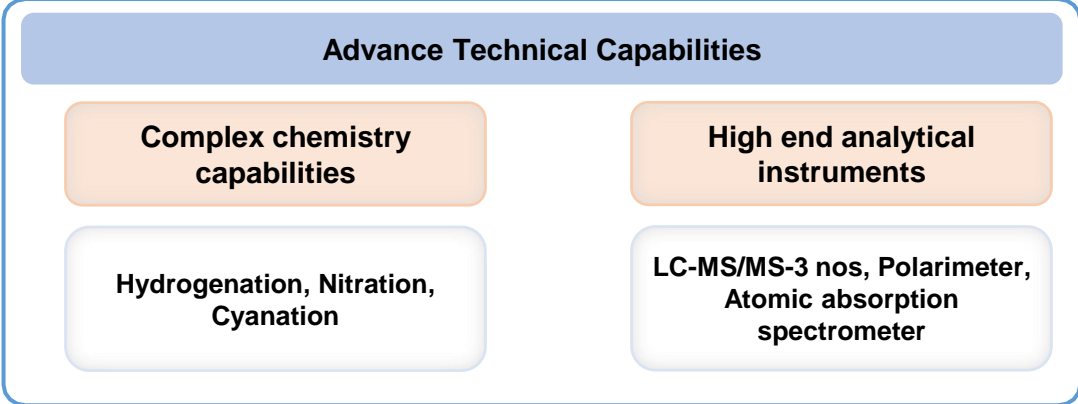
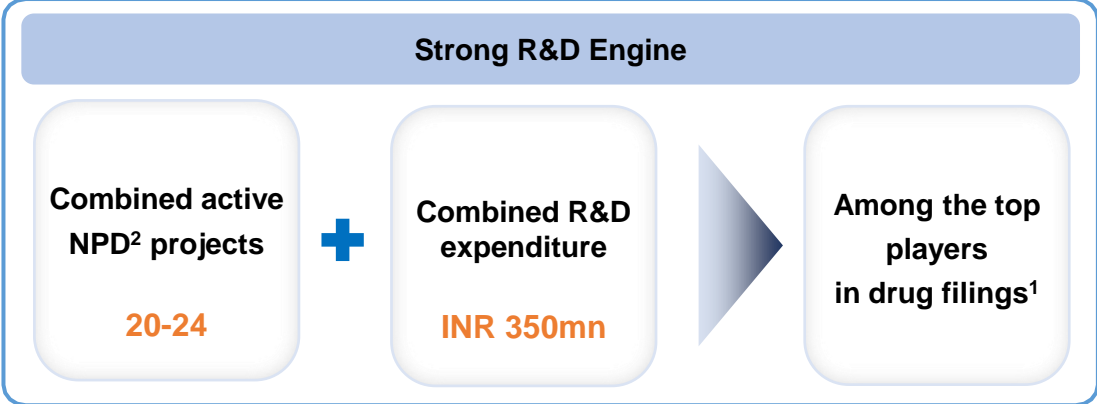
Strong R&D, Superior Scale, Integrated Supply Chain, and Enhanced Front-end Presence

	<i>R&D Expertise</i>	<i>Manufacturing Scale</i>			<i>Robust Supply Chain</i>	<i>Front-end Presence</i>
	R&D Team size	Manufacturing capacity	Manufacturing facilities	USFDA approved units	Minimizing External Dependencies	Marquee Customers (\$1Bn+ annual revenue)
	200+	2,040 kL	9	9	<p><i>In-sourcing manufacturing given end-to-end integrated capabilities</i></p> <p><i>Scale to deliver procurement savings</i></p>	5
	35+	370 kL	7	1		5
	235+	2,400 kL	16	10		10
	6x	5x	2x	10x		2x

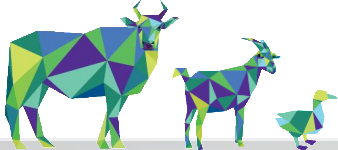
Merger will enable SeQuent to transform into a unique, differentiated, and end-to-end integrated global animal health player



R&D: Market Leadership In Drug Filings Driven By Strong R&D Engine And Faster Time To Market



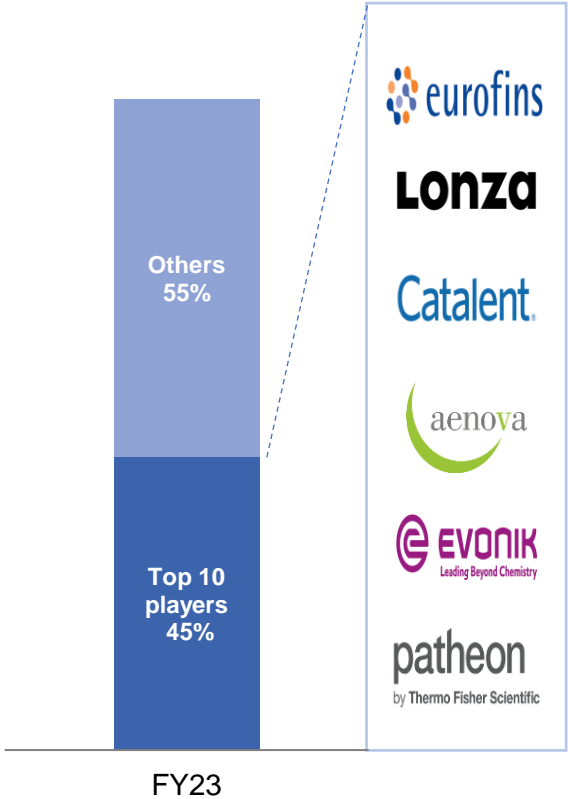
Large Scale Proven R&D Capabilities To Accelerate New Product Development



Source: Management data & commercial due diligence analysis
 1. DMFs filed in period of 2021- Q1'2024
 2. NPS: New Product Development

R&D: Leveraging Strong Execution & Track Record To Build a CDMO Powerhouse






Global Animal Health CDMO Market

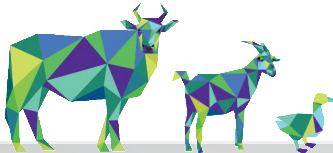


Recent Animal Health CDMO wins in India

- Global Top 5 AH player
✗
Indian API player
- Global Top 3 AH player
✗
Indian API player
- Global Top 5 AH player
✗
Indian API player

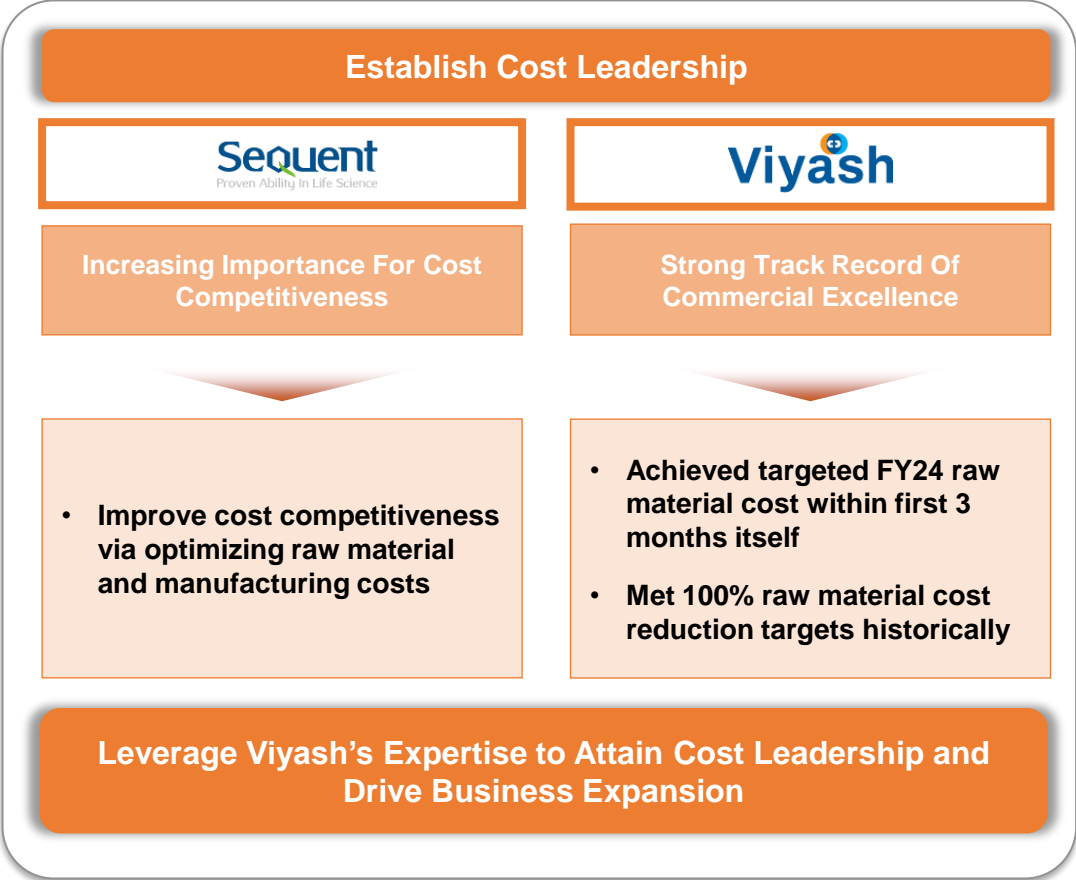
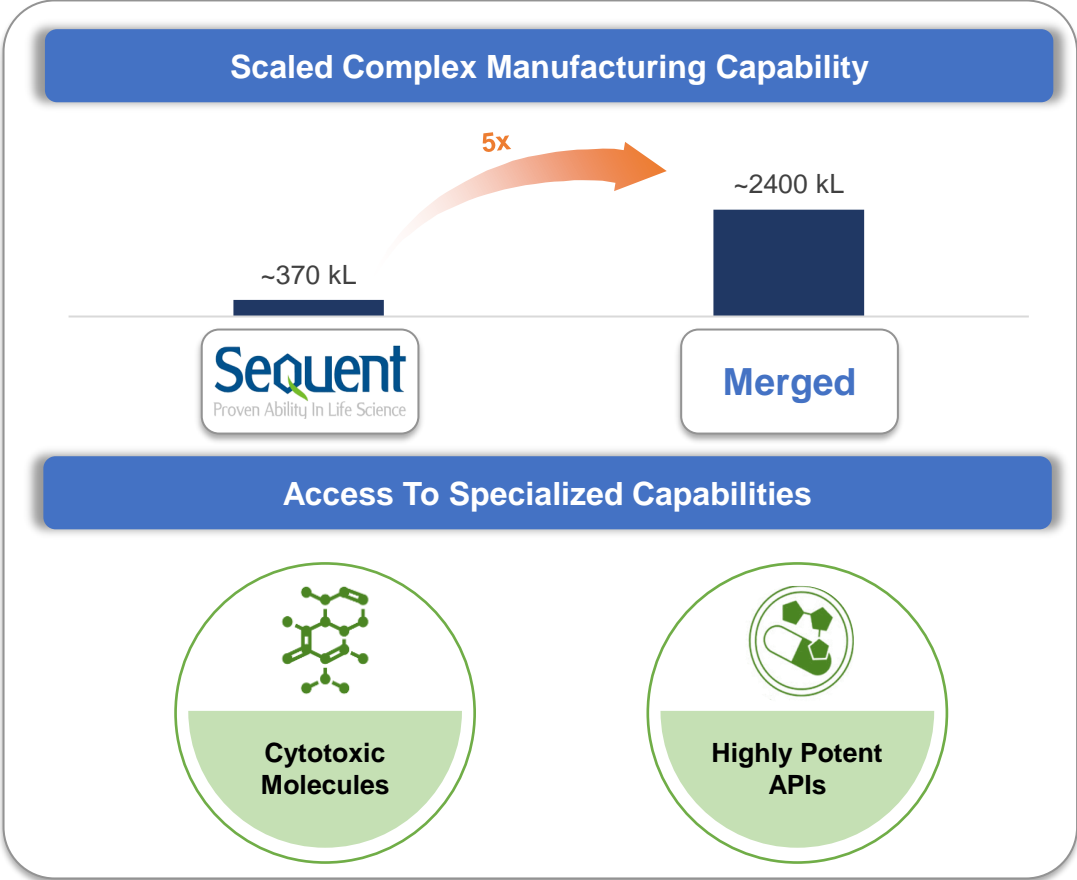
Viyash's Strong Execution Track Record

<p>High OTIF rates</p> <p>90-95% on-time launches</p> 	<p>Strong client advocacy</p> <p>67% proposal win rates</p> 	<p>Flawless regulatory focus</p> <p>No OAI in 15 years; 28 US FDA inspections</p> 
<p>Robust technical capabilities</p> <p>8-10 molecules added annually</p> 	<p>Superior Project Management</p> <p>Dedicated BU head & regional BD managers</p> 	<p>Wide spectrum of services</p> <ul style="list-style-type: none"> Co-Development Exclusive CDMO Pure CMO service

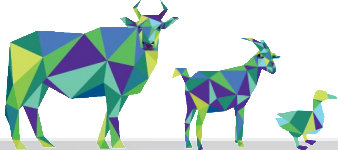


Source: Management data & commercial due diligence analysis
 Note CDMO - Contract Development and Manufacturing Organization; OTIF – On-Time, In-Full

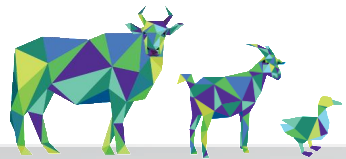
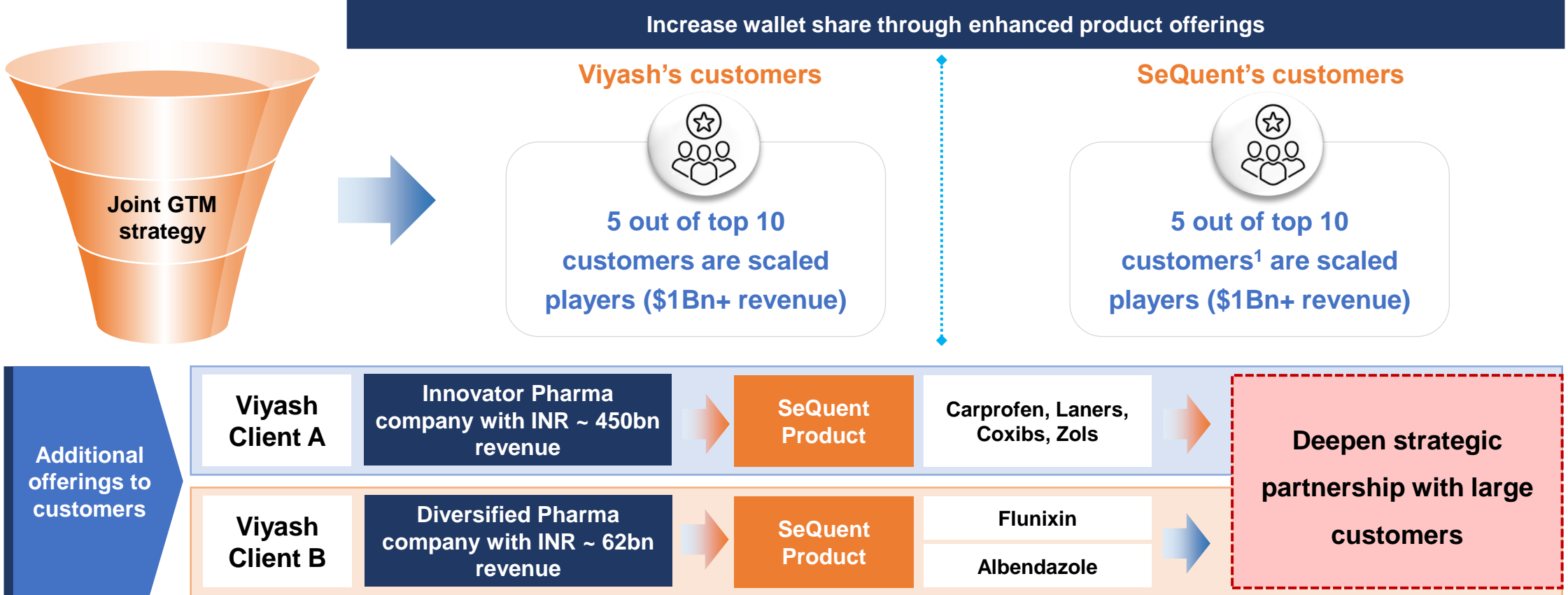
Manufacturing: Scaled Complex Manufacturing Capabilities with Excellent Track Record of Achieving Cost Leadership



Leverage 2,400 kL Specialized Manufacturing Capability And Enhance Cost Competitiveness Via Commercial Excellence



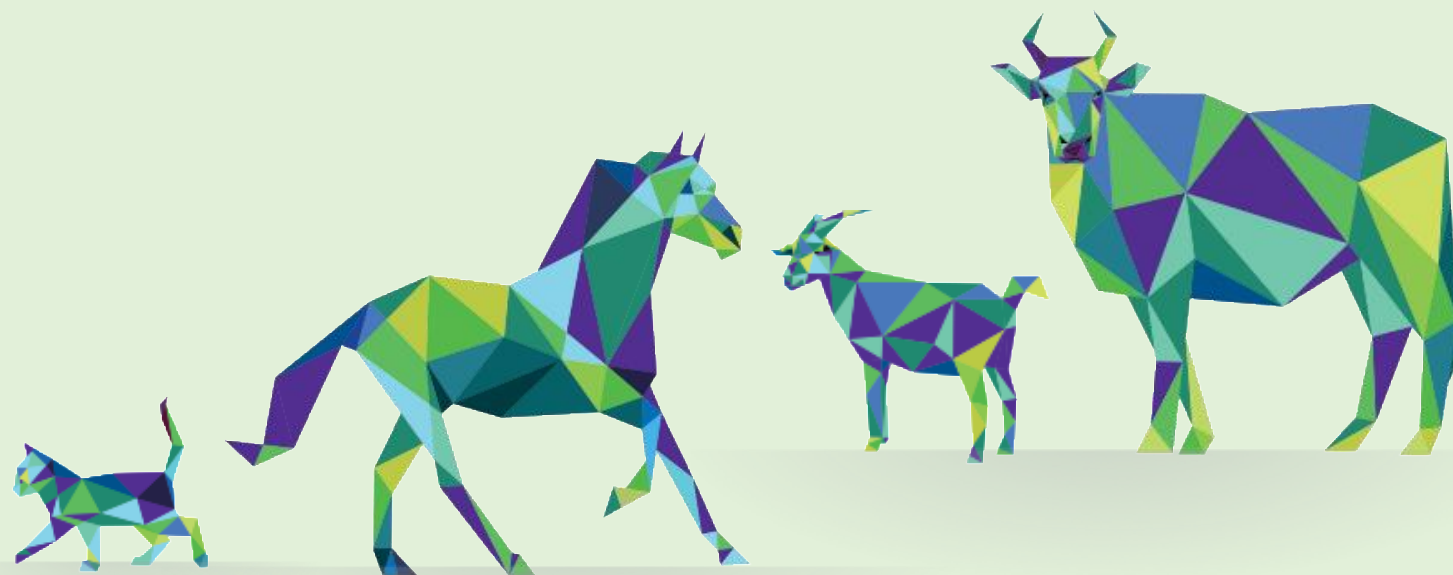
Enhance Front-end Presence: Increase Wallet Share In Strategic Customers Through Joint GTM Capabilities



Source: Management data
Note 1. Customers of API Business

03

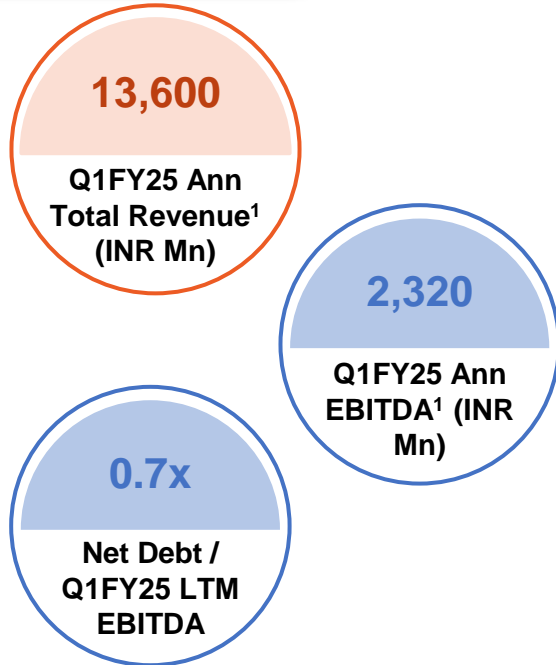
Target Overview



Viyash Business Overview

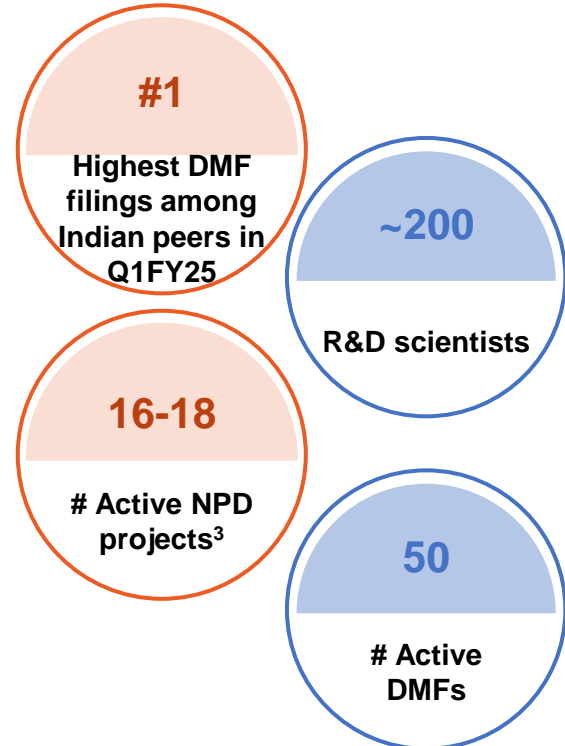
Integrated pharmaceutical company with a strong portfolio of APIs & API ++

Financial Metrics

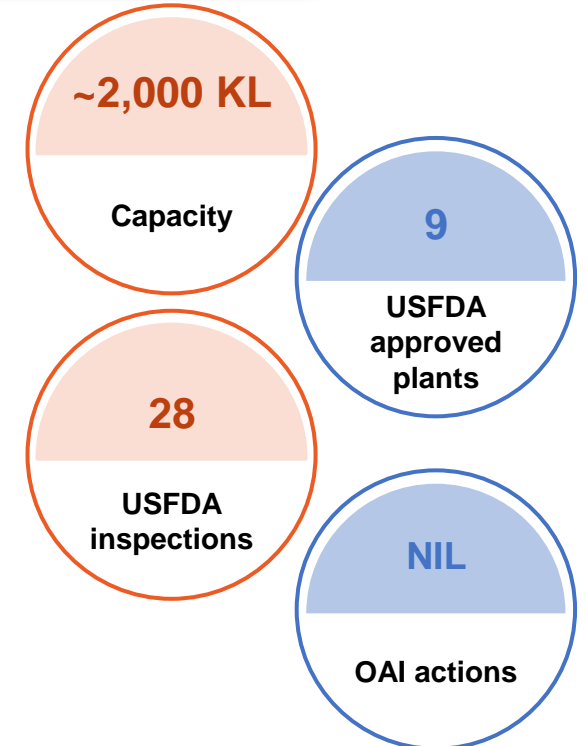


Delivered 35% Revenue CAGR (FY21-24) & 100% EBITDA CAGR (FY21-24)

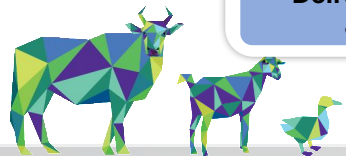
R&D Metrics



Regulatory & Operational Footprint



High regulatory compliance with zero OAIs



Strong Business Profile

Experienced management team with 6 decades of collective experience to support the strategy

Robust pipeline in fast growing markets including oncology (~40% molecules have market size of \$1Bn+)

Marquee customer profile – Caters to 5 large pharma companies (\$1Bn+ in revenue)

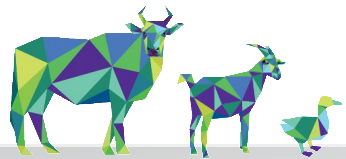
Market leadership – Top 3 supplier globally in 5 out of 7 focus molecules

Attractive product basket – Diversified therapy areas across anti-inflammatory & anti-psychotics

Regulated market play across USA & Europe

Scaled operations –9 facilities with a combined capacity of ~2,000 KL. No OAI's across 28 inspections over 15 years

Strong focus on quality with robust R&D proficiency ~28 DMFs filed in last 3 years

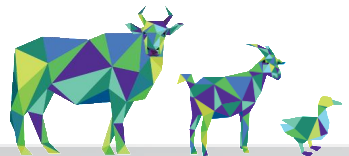


Experienced CEO with Strong Operational Expertise & 3+ Decades Of Global Pharma Experience



Dr. Hari Babu Bodepudi
Whole-time Director & CEO

- 30 years of industry experience with roles in research, manufacturing, quality and operations for APIs & oral solids
- Former CEO, Mylan India & Global COO, Mylan - Led operations & manufacturing at Mylan (Global COO) for 50+ plants and \$6bn+ of direct and indirect costs across geographies
- Experience in global supply chain, API R&D, quality and commercial operations
- PhD in Organic Chemistry from Andhra University
- Founded Viyash Life Sciences 6 years ago



Highly Experienced Management Team



Dr. Srihari Raju Kalidindi
Founder & Non-Executive Director

- 30 years of Industry experience in pharmaceutical research and development of complex APIs and finished dosage forms
- Past experience: Co-founder & ED, Laurus Labs & Mayne Pharma (now acquired by Pfizer) in Australia
- PhD in Organic Chemistry from Andhra University
- Stepped down as COO in Mar'23; Mentor to management team across functions



Mr. Ramakant Singani
Chief Financial Officer

- 27 years of Industry experience



Dr. Pramod Kumar
SVP & Head – API R&D

- 28 years of Industry experience



Mr. Vasireddy Srinivas
SVP & Head – API Operations

- 33 years of Industry experience



Mr. Samson Ponselvan
Head – EHS

- 24 years of Industry experience



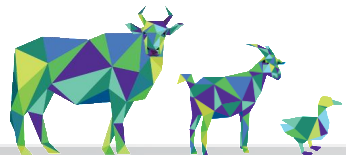
Dr. AJ Reddy
Head – SCM

- 30 years of Industry experience



Mr. Rajkamal Varshney
SVP & Head – API Sales

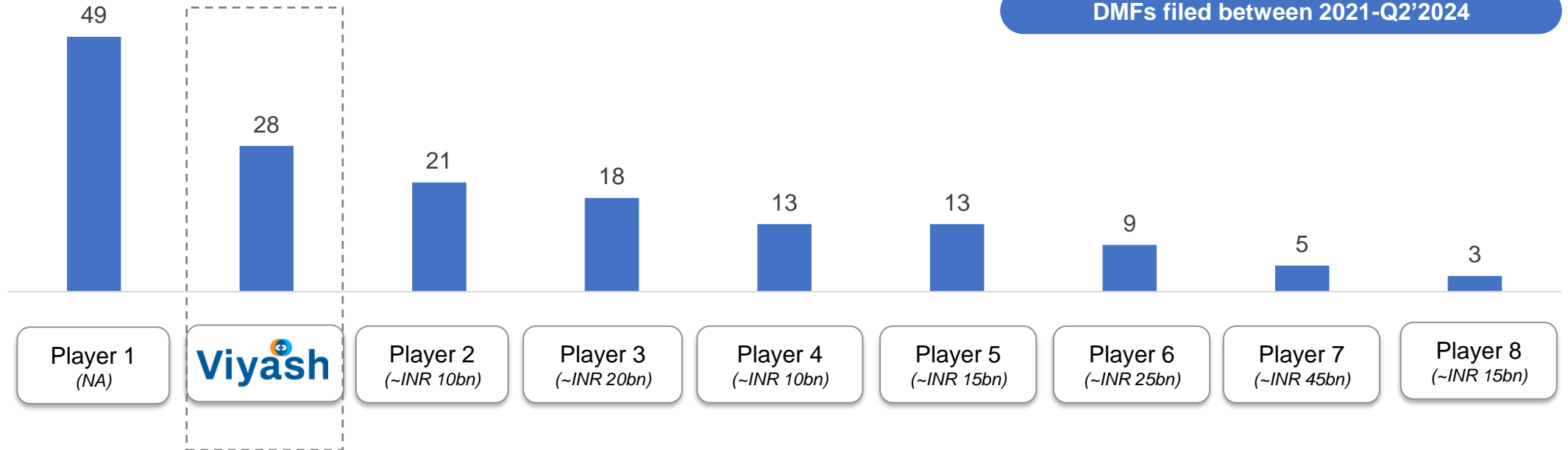
- 30 years of Industry experience



Strong R&D Expertise: 2nd Highest Drug Filings Among Peers

US filings: Despite Nascent entry, Viyash is ahead of its peer set

DMFs filed between 2021-Q2'2024

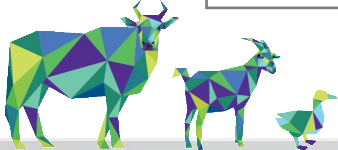
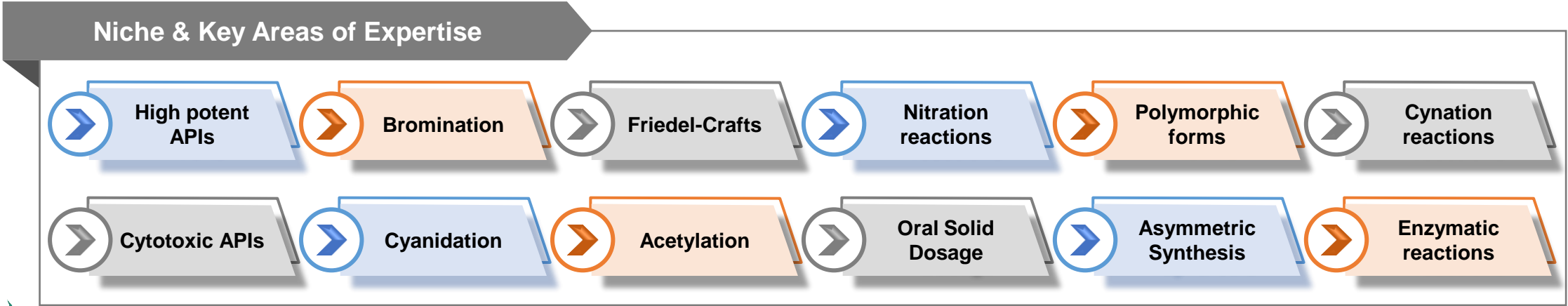
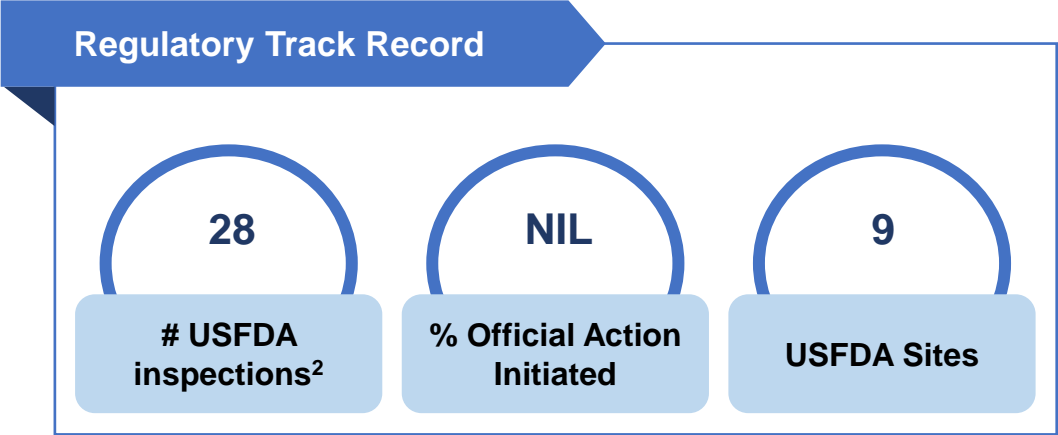
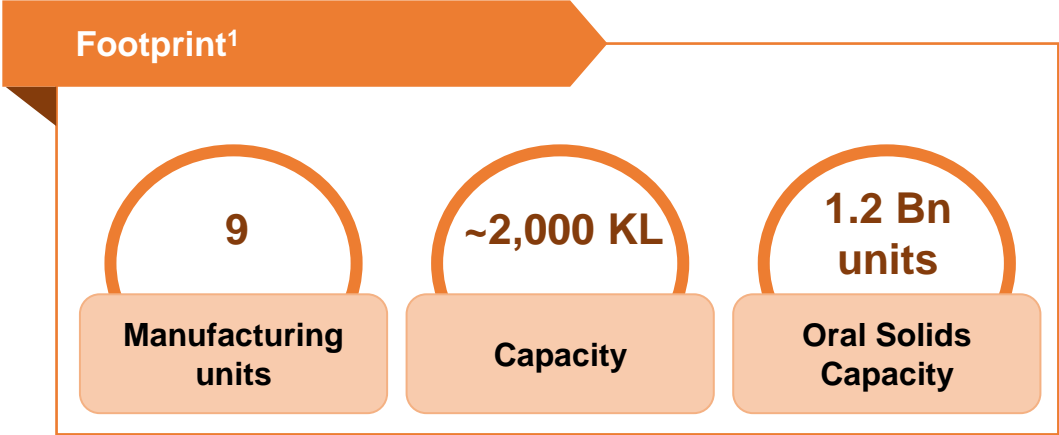


(INR xx bn – API Revenue FY24)

Continuing with its impressive track record, Viyash was the highest drug filer in Q1FY25 among its peer set



Scaled & Specialized Manufacturing Capabilities With Excellent Regulatory Track Record (1/2)



Source: Company website & Management data
 Note 1. All facilities are USFDA approved except Vandana Life Sciences & Symed Labs Limited, Unit-III 2. Over the course of 2009-2024

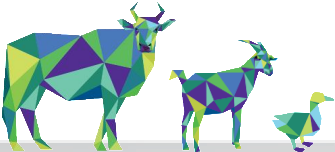
Scaled & Specialized Manufacturing Capabilities With Excellent Regulatory Track Record (2/2)



State-of-the art manufacturing facilities

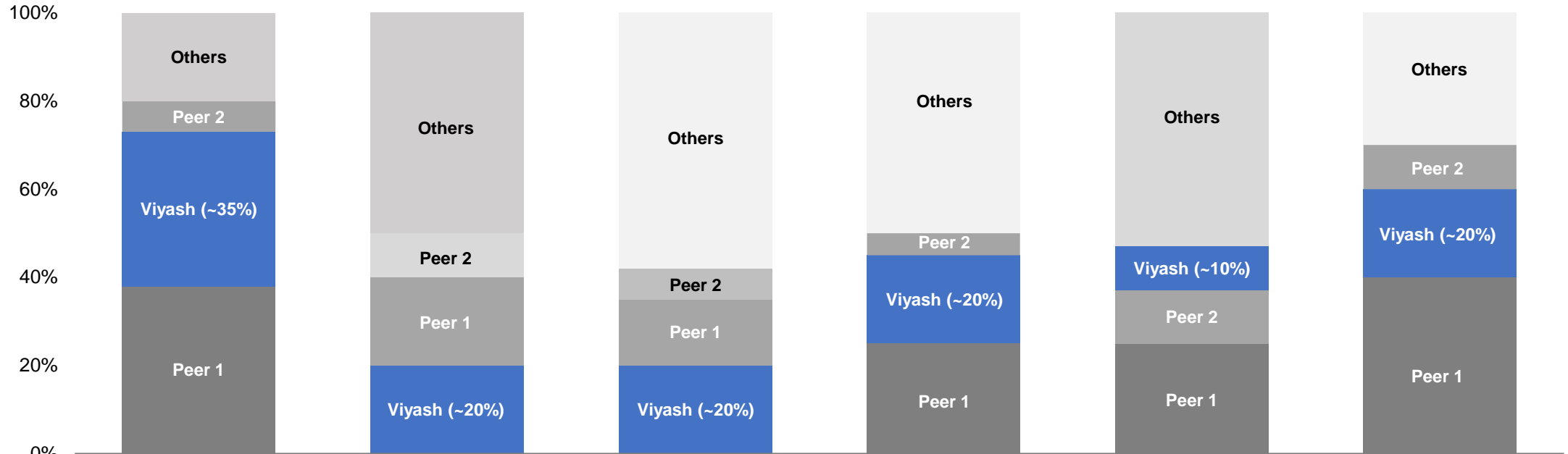


Cutting-edge R&D Labs



Leading Market Position In Focus Segments

Outsourced API - Market Share % (FY24)



Addressable API Market

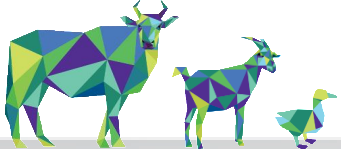
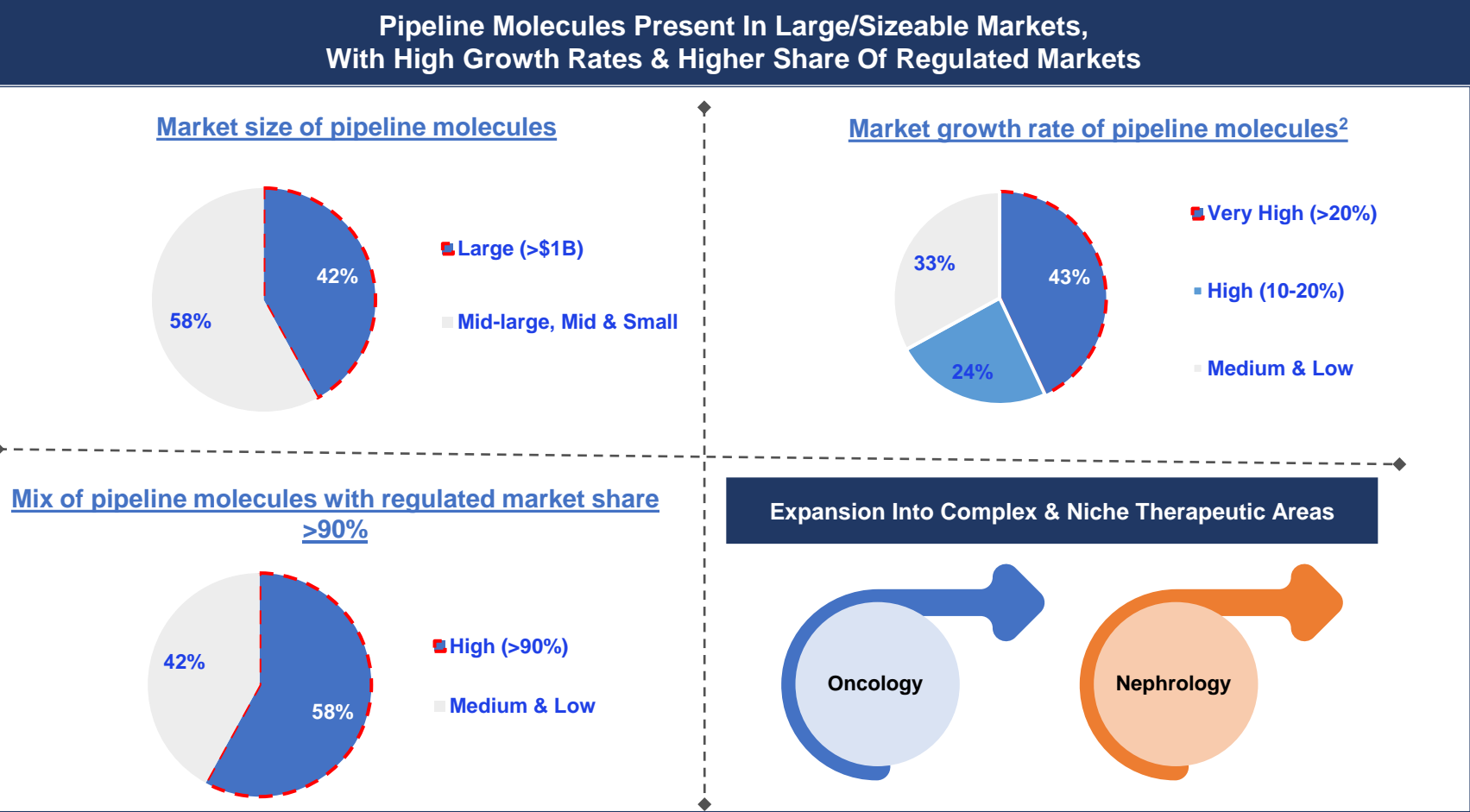
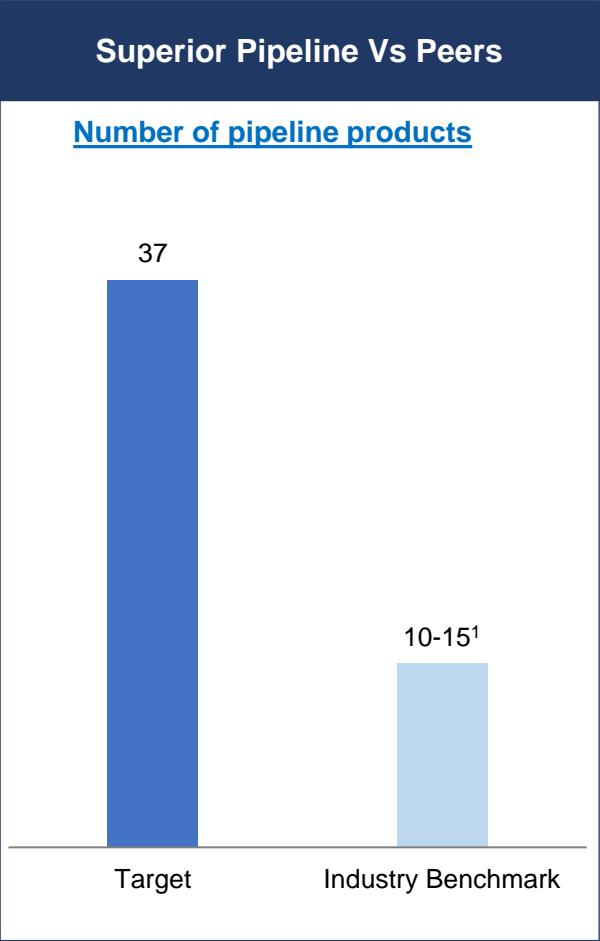
Market Position

~ INR 4,000mn	~ INR 2,400mn	~ INR 1,750mn	~ INR 1,300mn	~ INR 2,400mn	~ INR 1,250mn
Among Top 3 Player	Among Top 3 Player	Market Leader	Among Top 3 Player	Among Top 3 Player	Among Top 3 Player



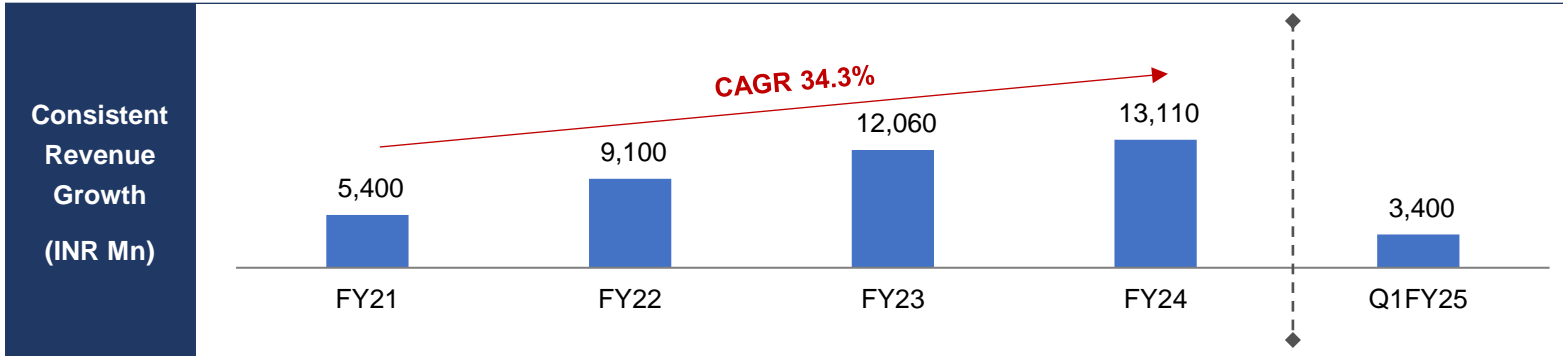
Source: Management data & commercial due diligence analysis

Near-term Pipeline: High Quality Pipeline With ~40% Molecules Having \$1bn+ Market Opportunity



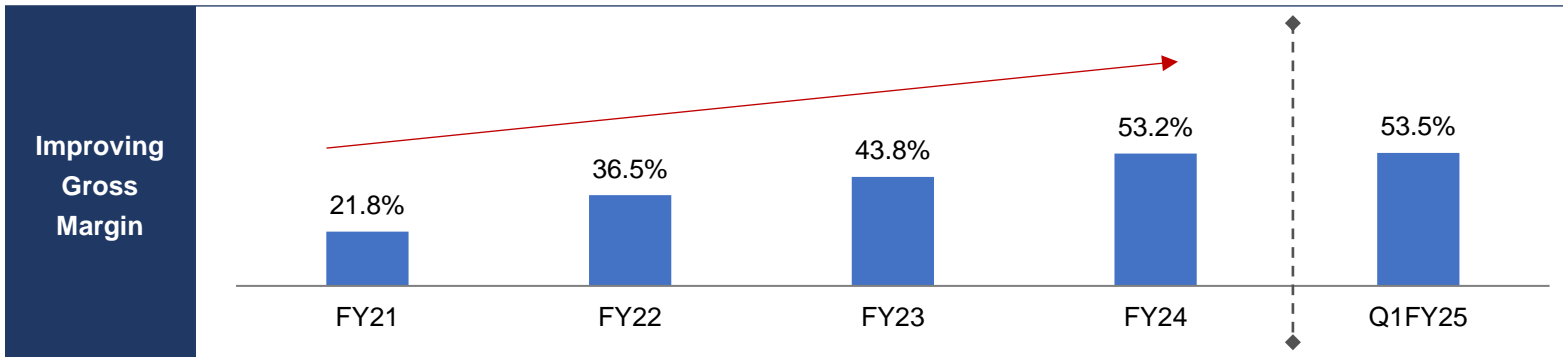
Source: Management data & commercial due diligence analysis
 1. Includes API suppliers of similar scale (Neuland, Solara, Cohance)
 2. For Period of 2019 – 2023

Consistent Revenue Growth & Improving Margin Profile



Factors driving revenue

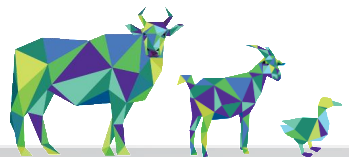
- Entered new accounts post FY22 & scaled these to INR 5 Cr+ by FY24
- Gains from existing customers through cross-selling & increasing Share of wallet (SoW)



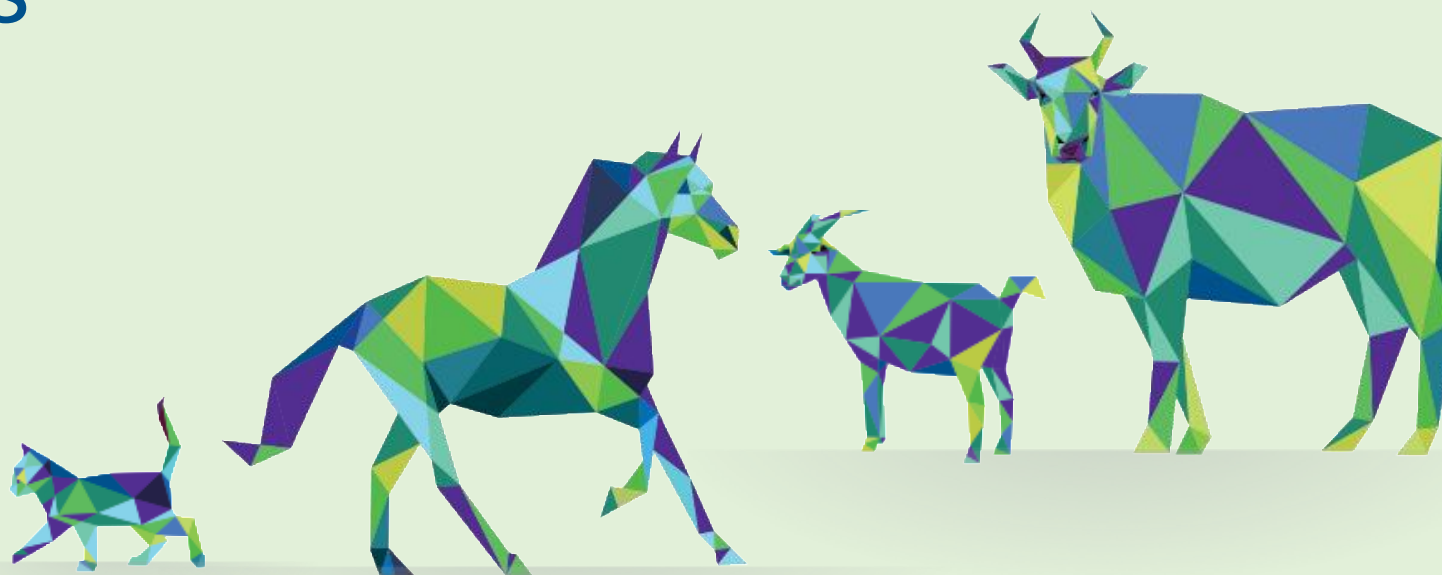
Factors driving margins

- Shift of product mix towards higher margin products
- Rationalization in procurement & manufacturing costs
- Commercial excellence measures undertaken to optimize raw material cost

Demonstrated growth in business with consistent improvement in gross margin

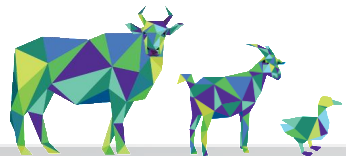
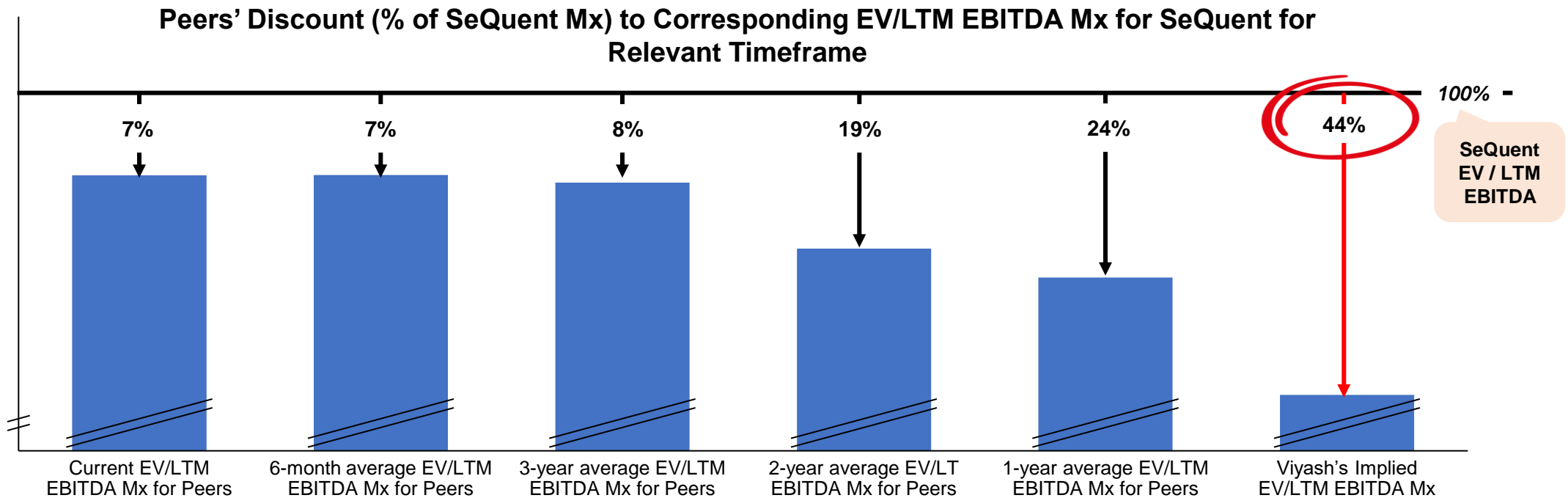


Transaction Details

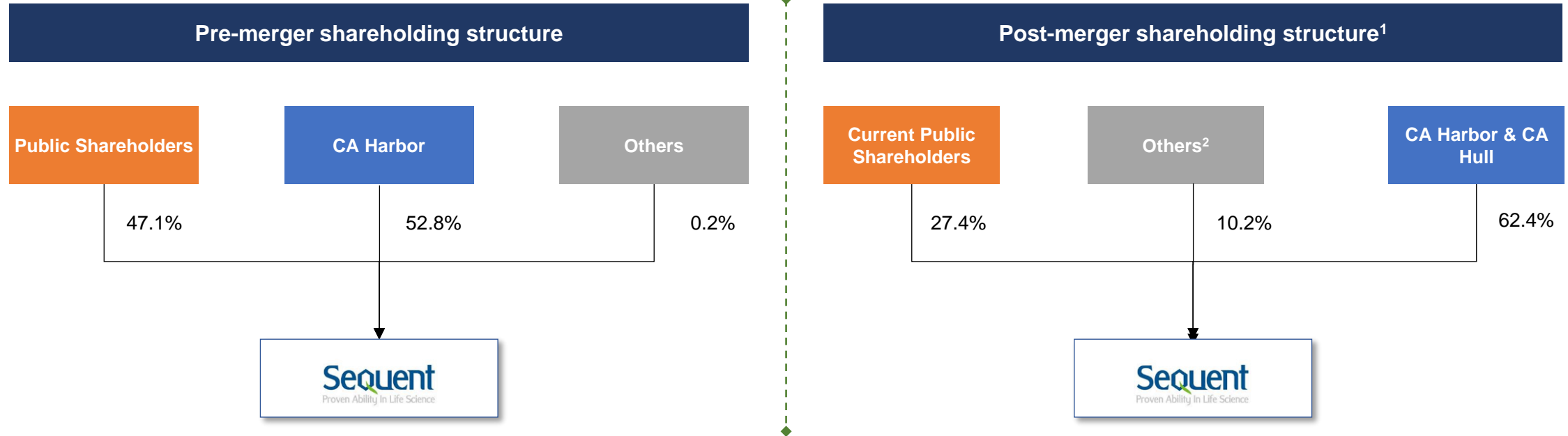


Viyash's Implied Valuation Multiple is at a 44% Discount To SeQuent

Peers discount to SeQuent multiple

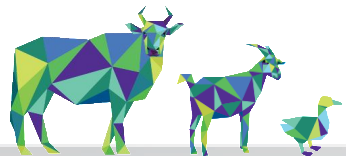


Transaction Overview



Swap ratio

- Upon merger of Viyash with SeQuent, the shareholders of Viyash will be issued 56 shares of SeQuent as consideration for every 100 shares held in Viyash



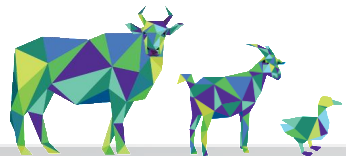
TSO for SeQuent are 249,480,995 (Jun-24)
 TSO for Viyash before merger with SeQuent are 320,459,890. Additionally, there are 40,710,138 warrants in Viyash
 For the detailed scheme please refer to the press release disclosures

1. The shareholding structure is ex-warrants; warrants represent 5.0% of the company's total outstanding shareholding on a fully converted basis
 2. Others includes shares to be issued to Viyash minority shareholders as part of this scheme of amalgamation

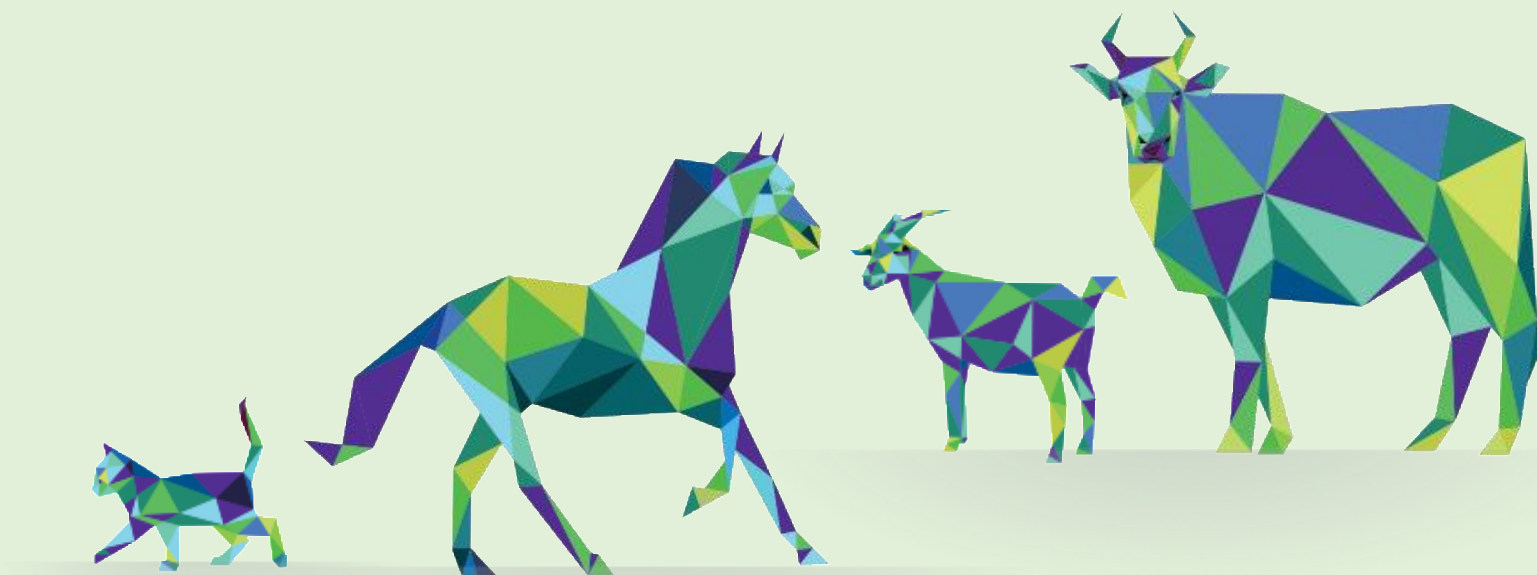
Strong corporate governance practices followed while evaluating the potential merger

Strong corporate governance practices followed while evaluating the potential merger

Deal Advisor	<ul style="list-style-type: none">Leading domestic investment bank	
Financial and Tax Advisor	<ul style="list-style-type: none">Leading advisory firms	
Independent Valuer	<ul style="list-style-type: none">Joint valuation report by industry leading valuers	
Fairness Opinion	<ul style="list-style-type: none">Leading domestic investment bank	
Legal Advisors	<ul style="list-style-type: none">Marquee legal advisors	
Commercial Diligence	<ul style="list-style-type: none">Global management consulting firm appointed for assessment of target, potential synergies & evaluating the business plan	



Annexure



Merged Entity P&L – Snapshot

INR Mn	Viyash		SeQuent		Combined	
	FY24	Q1'25	FY24	Q1'25	FY24	Q1'25
Revenue	13,110	3,400	13,697	3,902	26,807	7,302
Cost of goods sold	(6,142)	(1,580)	(7,597)	(2,143)	(13,739)	(3,723)
Gross profit	6,968	1,820	6,100	1,759	13,068	3,579
Margin %	53.2%	53.5%	44.5%	45.1%	48.7%	49.0%
EBITDA¹	1,671	580	1,068	483	2,739	1,063
Margin %	12.7%	17.1%	7.8%	12.4%	10.2%	14.6%
Other income	536	35	110	27	646	62
Depreciation & Amortization	(1,653)	(413)	(615)	(162)	(2,268)	(575)
Finance cost	(332)	(79)	(481)	(164)	(813)	(243)
Other Items	(219)	(68)	(628)	(64)	(847)	(132)
PBT	3	56	(546)	120	(543)	176
Tax	(88)	(68)	245	(29)	156	(97)
Profit / (Loss) after tax	(85)	(12)	(302)	91	(387)	79
Margin %	-0.6%	-0.3%	-2.2%	2.3%	-1.4%	1.1%
Adjusted PAT (Adj for amortization of acquisition intangibles)	905	233	(302)	91	603	324

