

MOREPEN



Leading Player in
Medical Devices and APIs

MOREPEN LABORATORIES LIMITED


Dr. Morepen[®]

Q1'FY25

INVESTOR PRESENTATION - AUG 2024

SAFE HARBOUR

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Core Values

EXCELLENCE

1

Passion

2

Action

3

Innovation



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- 1 Corporate Action**
- 2 Consolidated View**
- 3 Business Segments**
- 4 Financial Overview**

1

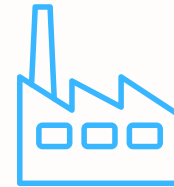
Corporate Action

Capital Event: QIP was oversubscribed by 1.68 times, successfully completed on Aug 5, 2024



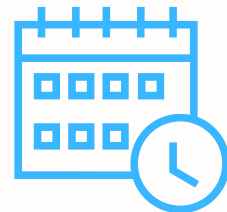
Rs.200 crore

*QIP successfully completed
with shares listed*



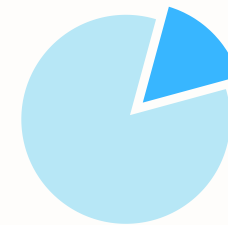
Capex & WC

*Funds for growth in Medical
Devices and API Business*



18-24 months

*Capacity enhancements to be
completed*



6.71% Dilution

*36.785 million new shares issued to
Institutional Investors*

10.6%

*Institutional holding, up from
4.19% before QIP*

Eminent Global Investors:

- *Bank of America Securities Europe (BOFA)*
- *Samsung India Securities*
- *Citigroup, Mauritius/ODI*
- *Societe Generale ODI*
- *Nomura Singapore*
- *BNP Paribas*
- *Morgan Stanley Singapore*
- *Eminence Global Fund*

Book Running Lead Manager:



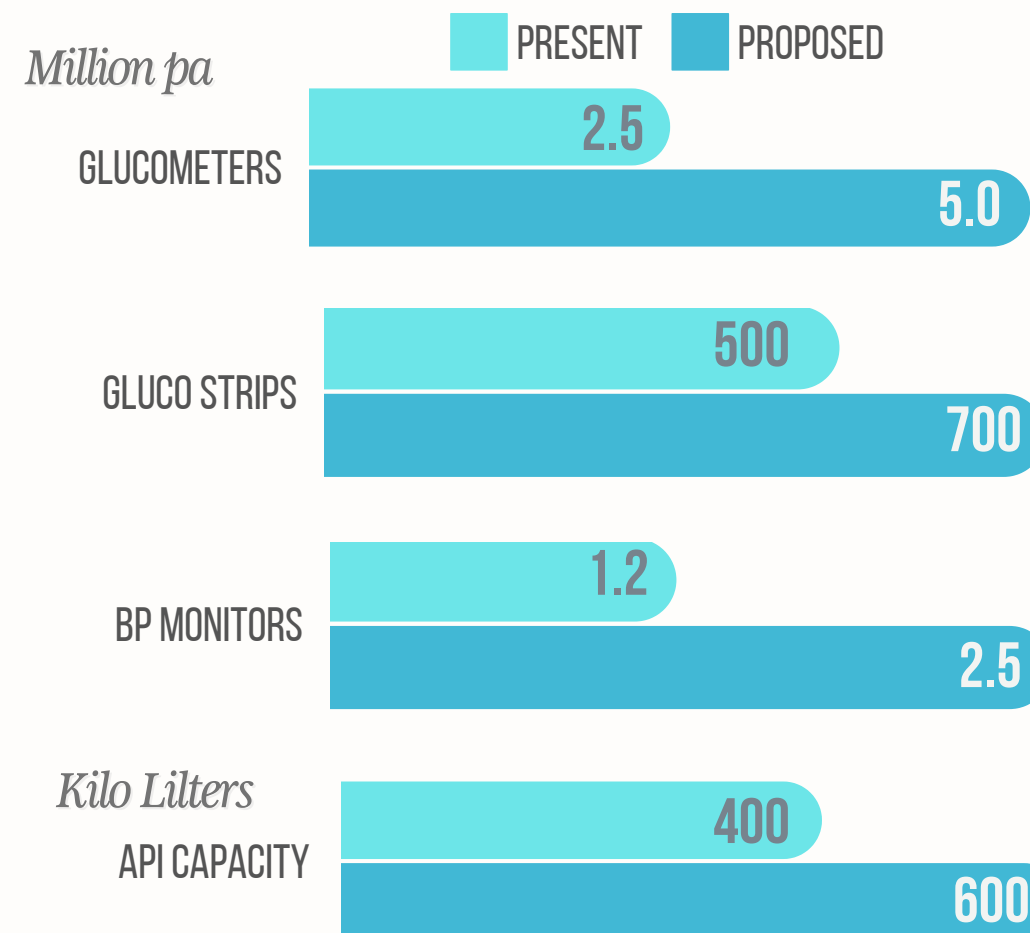
1

Corporate Action

Impact of the Fundraise:

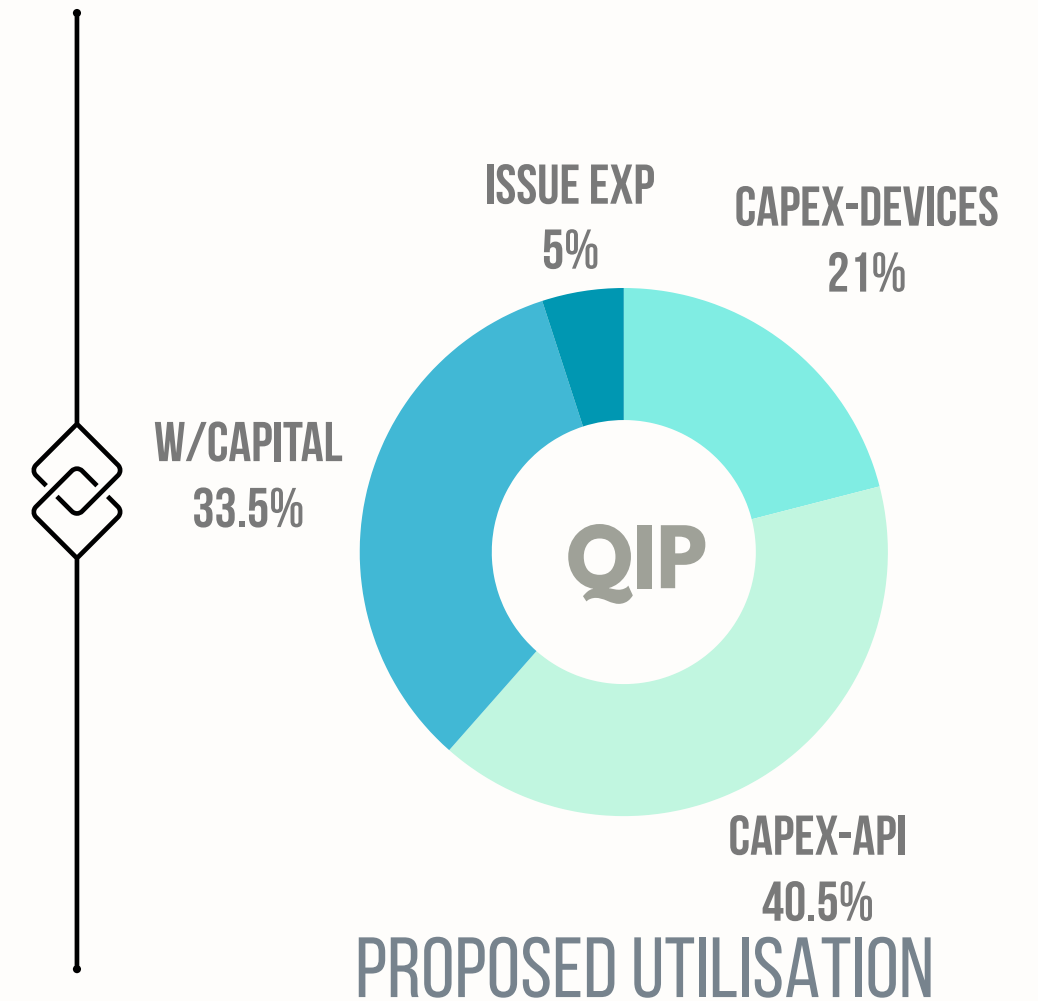
Objectives of the Issue:

- The fundraise specifically aims to advance the rapid growth of the business
- Primary focus is to increase the capacity of Glucometers from the current 2.5 million meters pa to 5.0 million meters pa, with full backward integration including SMT machines at Baddi
- Annual Strip manufacturing capacity to be increased from 500 million strips 700 million strips
- Annual BP Monitor manufacturing capacity to go up from 1.2 to 2.5 million meters pa
- API capacity to be increased from 400 KL to 600 KL to support new product launches



61.5%

of the QIP fundraise is allocated to building additional capacities



1

Corporate Action

Impact of the Fundraise:

Strategic Goals & Objectives:

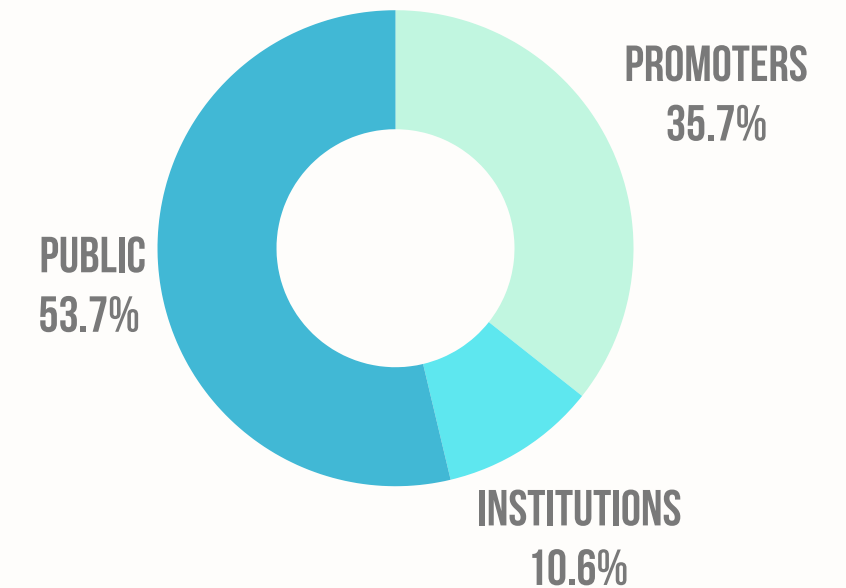
- With this fundraise, the company can clearly focus on the two growth engines - Pharma & Devices
- Reposition the company on the path of growth in select categories with an end-to-end supply chain from manufacturing to marketing
- Increased focus on research and backward integration, leading to innovation and cost reduction
- Position the company as a reliable partner for global outsourcing for both Devices and API in "China+1" model.
- Create a strategic brand positioning of the company in as Consumer Health brand

Expected Financial Impact:

- The new capacities and additional working capital will help the company achieve revenue growth targets of 15-20% pa
- Focus on investing in new products, markets, and customers will generate new selling avenues globally
- Investment in backward integration will help increase efficiencies and improve EBITDA margins by 3-4%
- Increased customer base for Glucometers installed prompts increased strip sales, which help improve profitability
- Increased distribution and reach in India
- Improved ROIs and ROCE over long term

3-4%

Expected increase in EBITDA with additional investments



SHAREHOLDING PATTERN

(Post QIP Allotment)

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Consolidated View



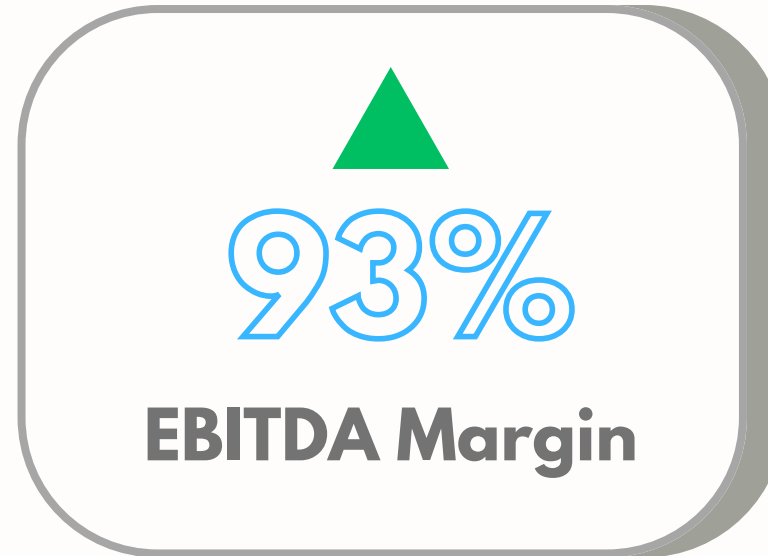
Outstanding Performance

Medical Devices and APIs

2

Consolidated

Quarterly Highlights: Outstanding Performance in Q1'FY25



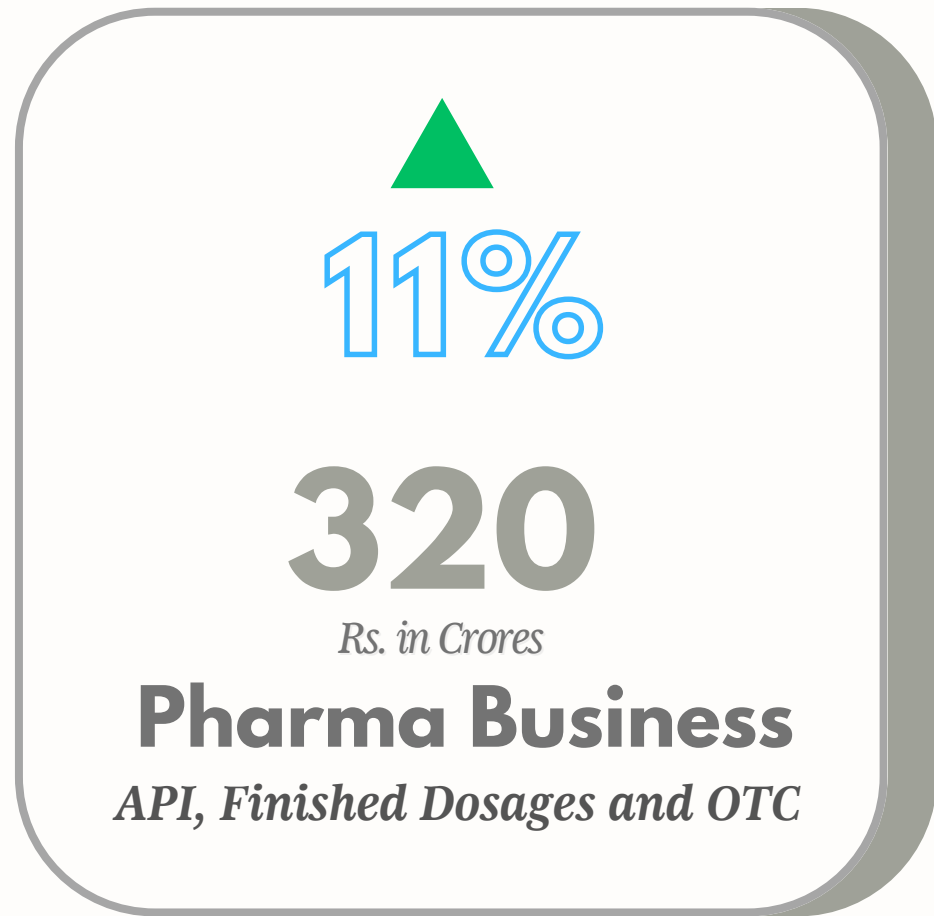
Rs. 2.30

Earnings Per Share (EPS) for the Trailing Twelve Months (TTM)

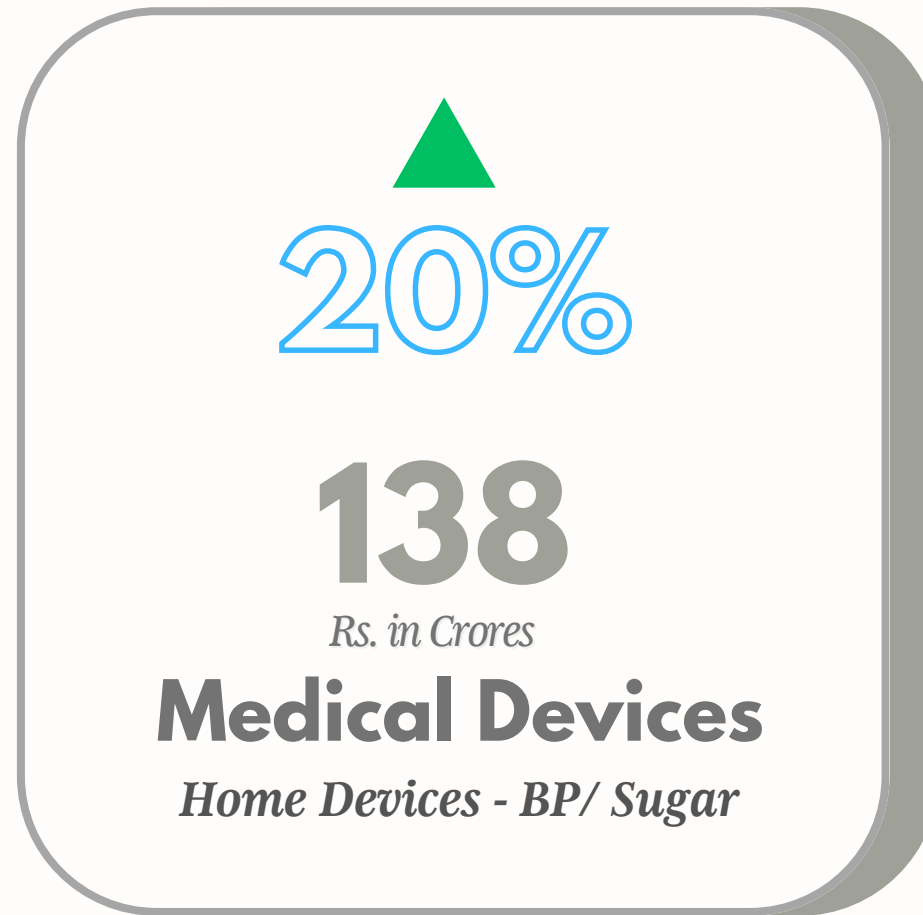
- Gross revenue up 13.7% from Rs 403.46 in Q1'FY24 to Rs.458.64 cr in Q1'FY25
- Gross margin contributions jumped 26% with increased revenue. Current quarter EBITDA increased 93% to Rs. 55.05 cr, compared to the same quarter last year
- Profit before tax rose to Rs. 48.17 cr this quarter, up 135% from Q1'FY24
- Profit after tax rose to Rs. 36.17 cr, marking a 147% increase
- Trailing twelve months (TTM) ending 30th June '24 show EPS at Rs. 2.30, up from Rs. 1.88 at the end of FY24, reflecting significant growth

2 Consolidated

Business Segments: Consolidated Revenue of Rs. 458.64 cr, up 13.68%

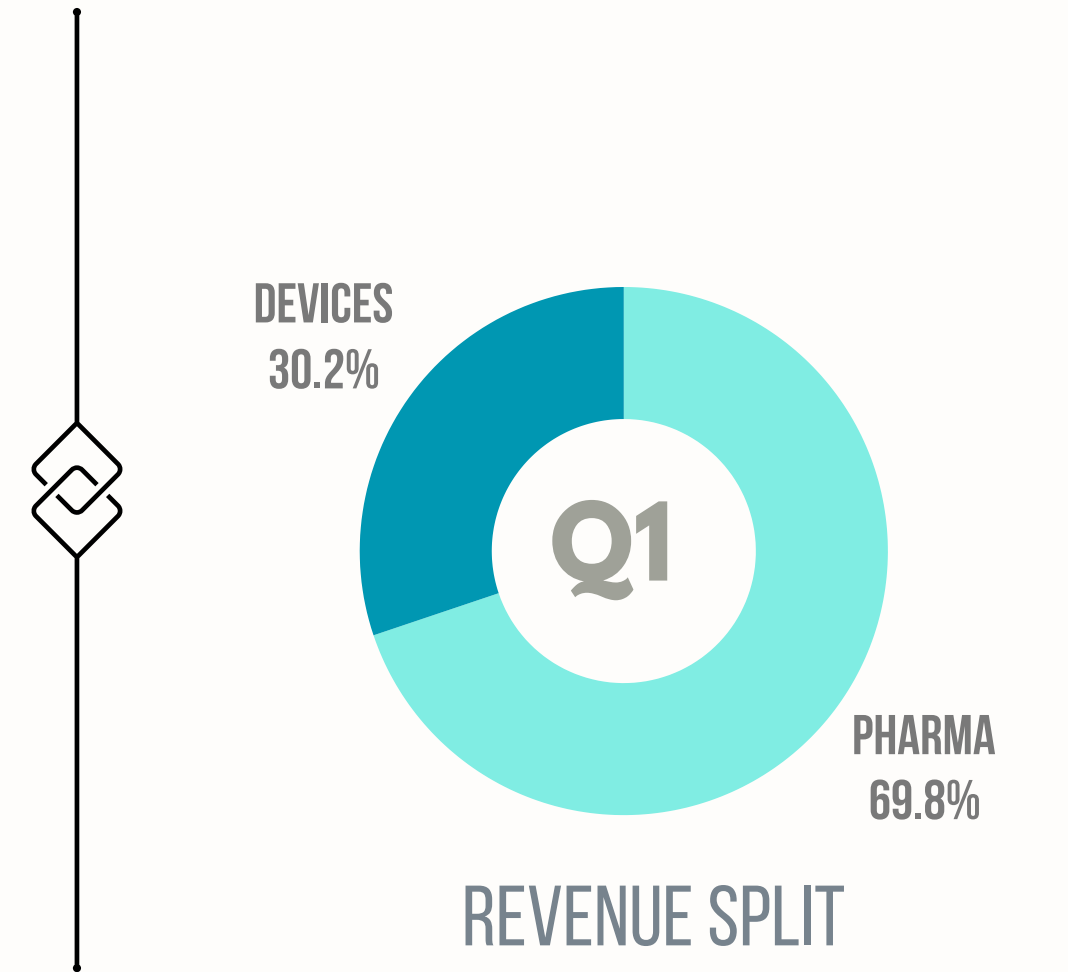


MOREPEN



 **Dr. Morepen®**

30.2%
Q1 revenue share from Medical Devices as compared to 28% in FY24



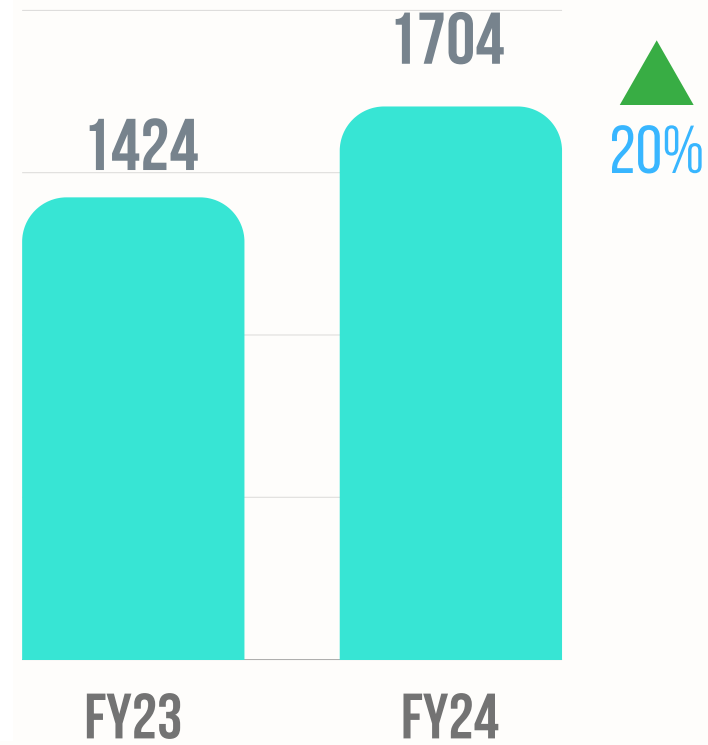
2

Consolidated

Operational Performance:

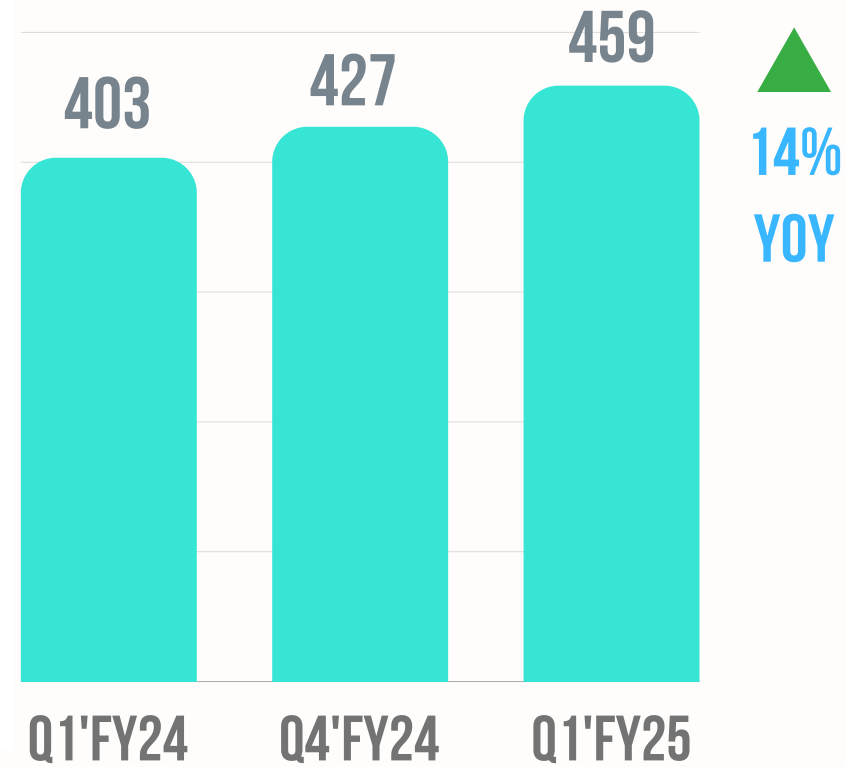
Annual Revenue

Rs. in Crores



Quarterly Revenue

Rs. in Crores



31%

Growth in export business with more focus on high-value drugs

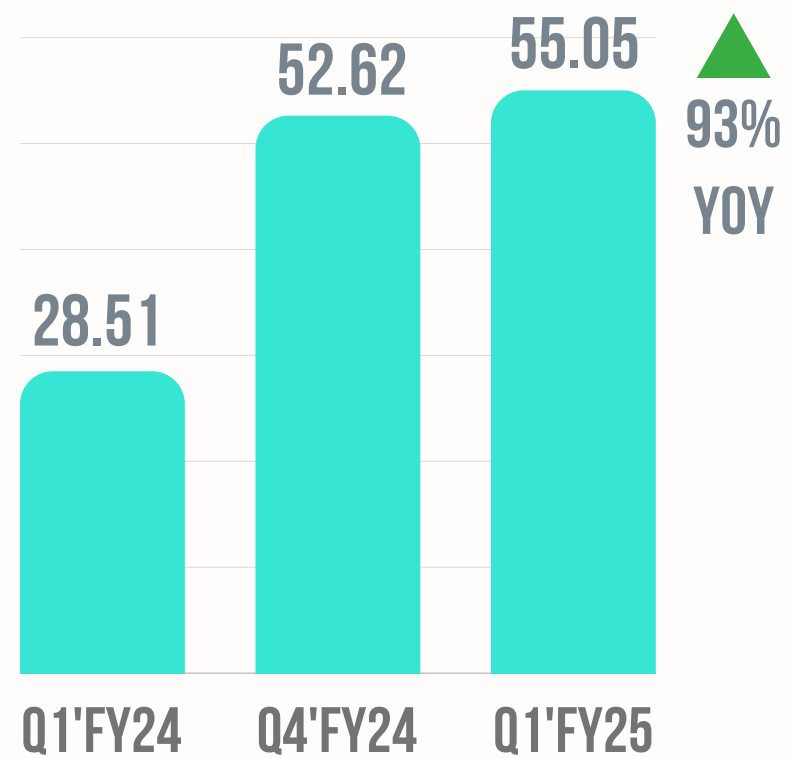
- 14% increase in Q1 revenue year-over-year and 7% increase compared to Q4 FY24
- This quarter, the major focus was on high-value export markets leading to a 31% growth
- Import prices have softened, and we continue to improve our margins
- Focus on backward integration in Medical Devices during the quarter

2 Consolidated

Operational Performance:

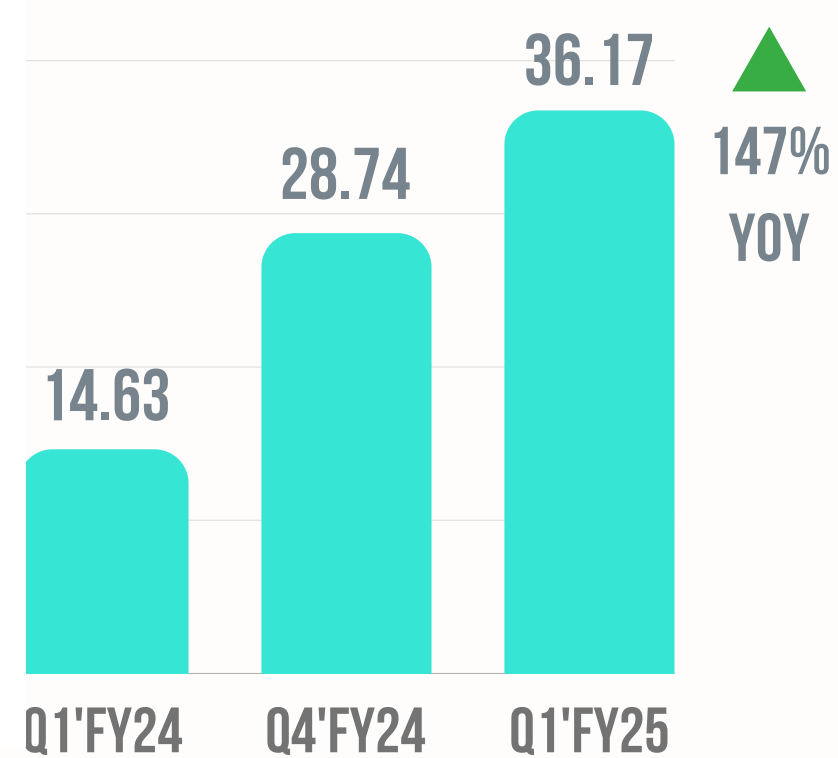
Quarterly EBITDA

Rs. in Crores



Quarterly PAT

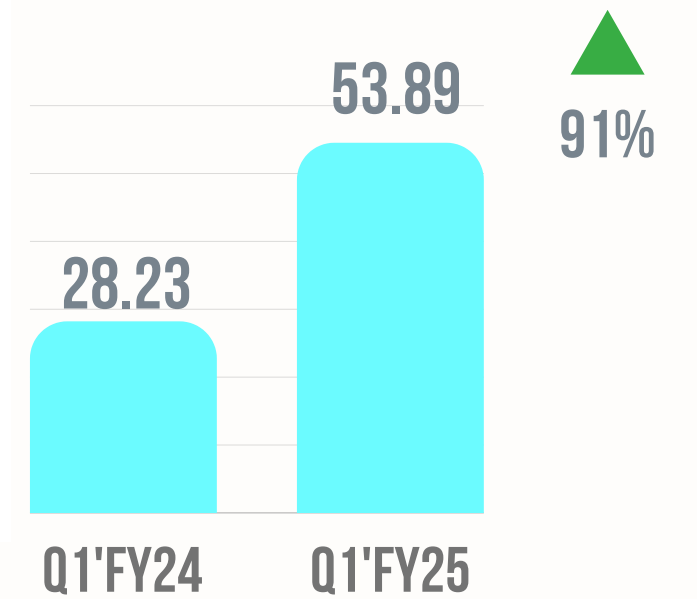
Rs. in Crores



93%

Increase in EBITDA with higher revenues & improved gross margins

Cash Generation - Pre Tax



Rs. in Crores

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3

Business Segments



Category Leader in

Medical Devices and APIs

3

Business Segments

Medical Devices



96%

Business comes from Glucometers and BP Monitors

Category Leader in Medical Devices :



Blood Glucometers

19%

Market Share*

Leading Brands

- Other Portfolio :
- Thermometers
 - Weighing Scales



BP Monitors

18%

Market Share*

- Pregnancy Kits
- Oximeters
- Ortho Support
- Stethoscope

- 100% in-house production, started in Baddi in 2015, and includes injection moulding
- Glucometers manufactured from bare PCBs, with low dependency on import
- Facilities meet global standards and are certified by ISO 13485
- Capacity expansion and backward integration drive on



*Industry Report (FY23)



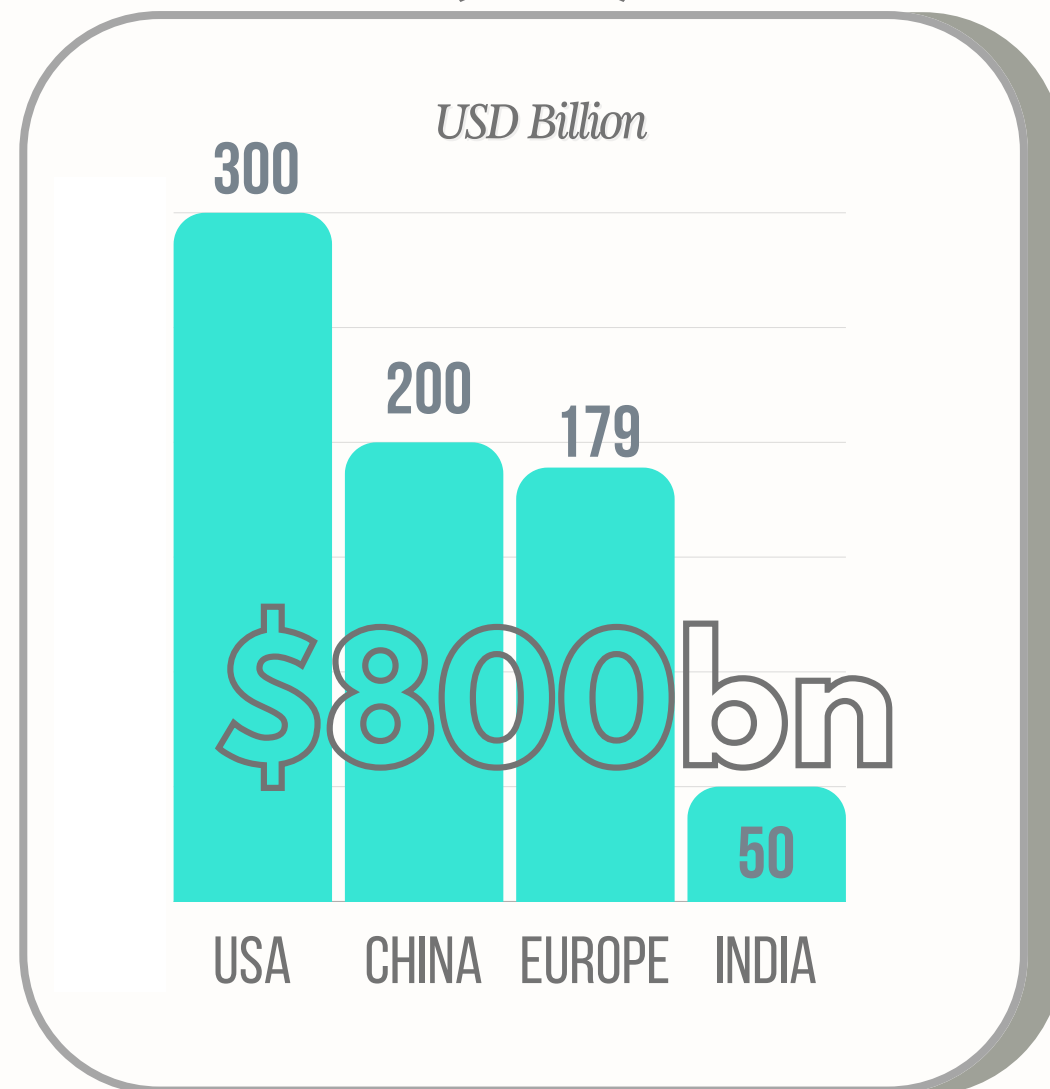
3

Business Segments

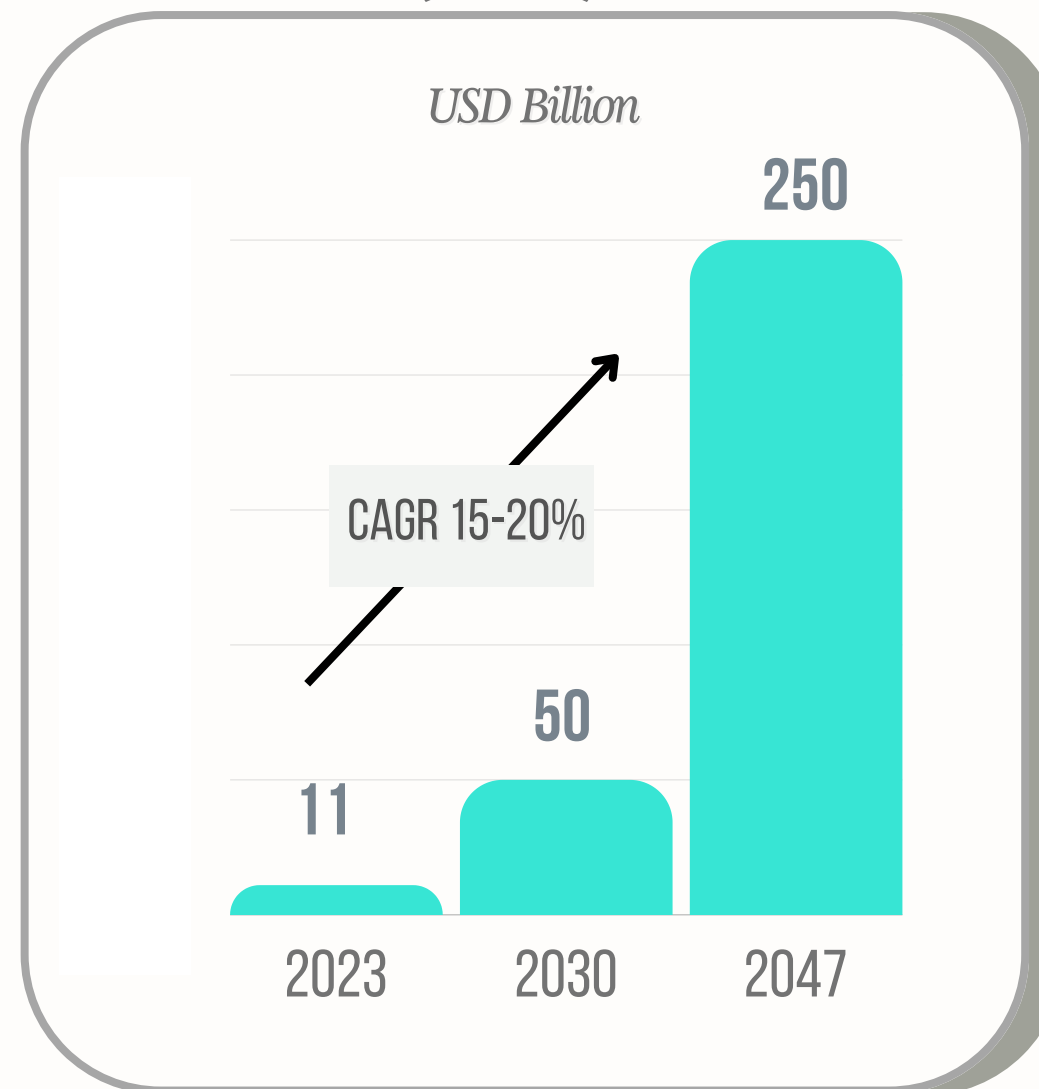
Medical Devices

Large Medical Devices Market Opening up in India and the World:

Estimated Market Size Global (2030)



Estimated Market Size (India) (2047)



\$250bn

Projected Medical Device Market in India by 2047 by InvestIndia**

- India is the fourth largest medical devices market in Asia. Recognized as a Sunrise Sector of India
- Indian medical devices market, currently valued at \$11 bn, is expected to reach \$50 bn by 2030, and is projected to grow to \$250 bn by 2047*
- Global blood glucose testing market is expected to jump to \$31.34 bn in 2030, from \$16.46 bn now
- BP testing devices globally are projected to grow to \$9.7 bn, from \$5.50 bn now

*InvestIndia-Govt of India Arm

3

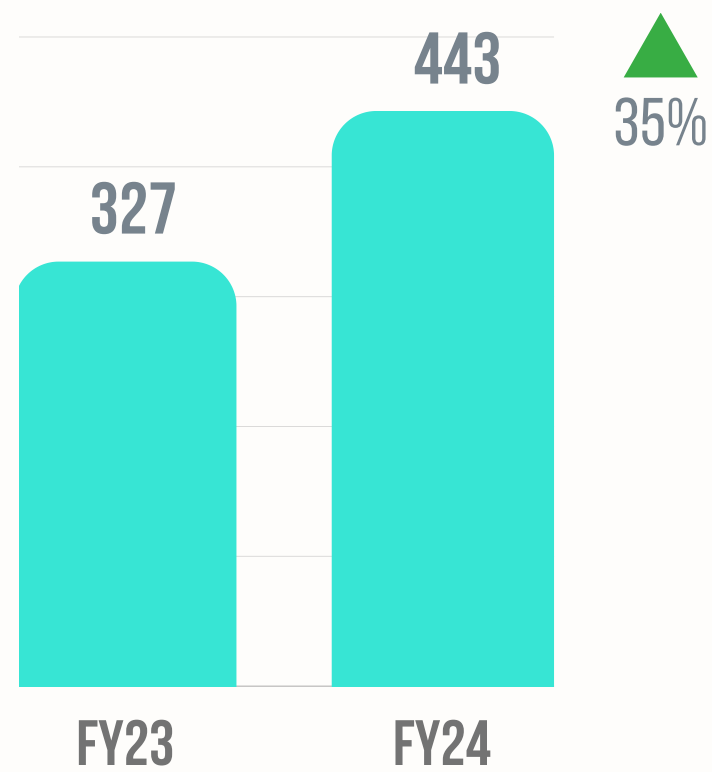
Business Segments

Medical Devices

Operational Performance:

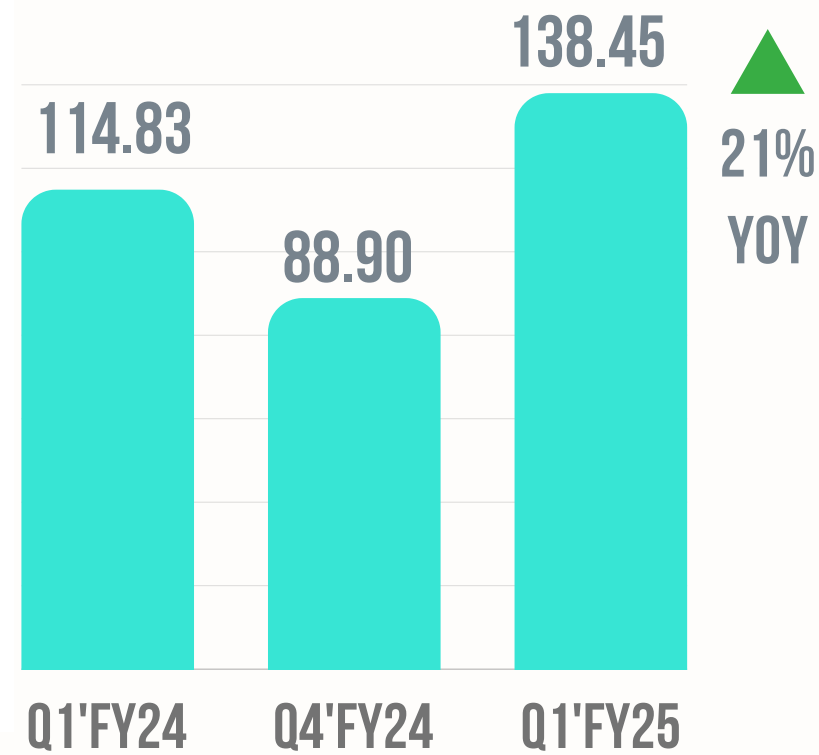
Annual Revenue

Rs. in Crores



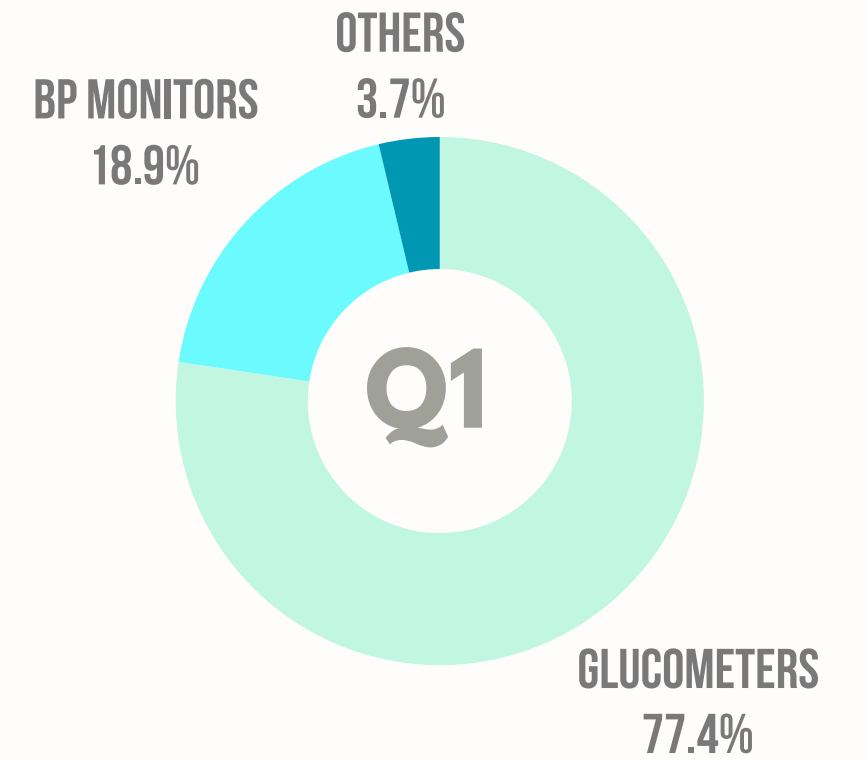
Quarterly Revenue

Rs. in Crores



21%

Increase in sales revenue with excellent all-around growth



PRODUCT SPLIT

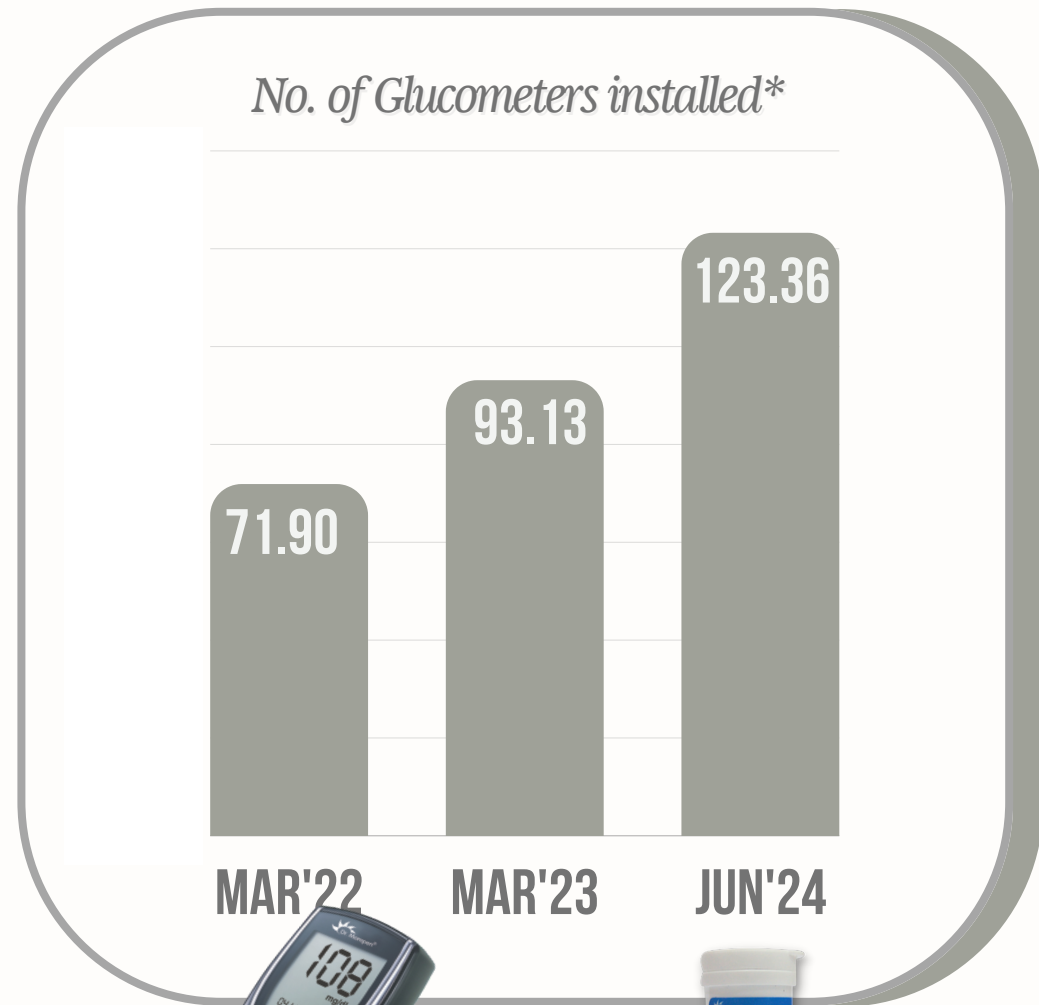
3 Business Segments

Medical Devices

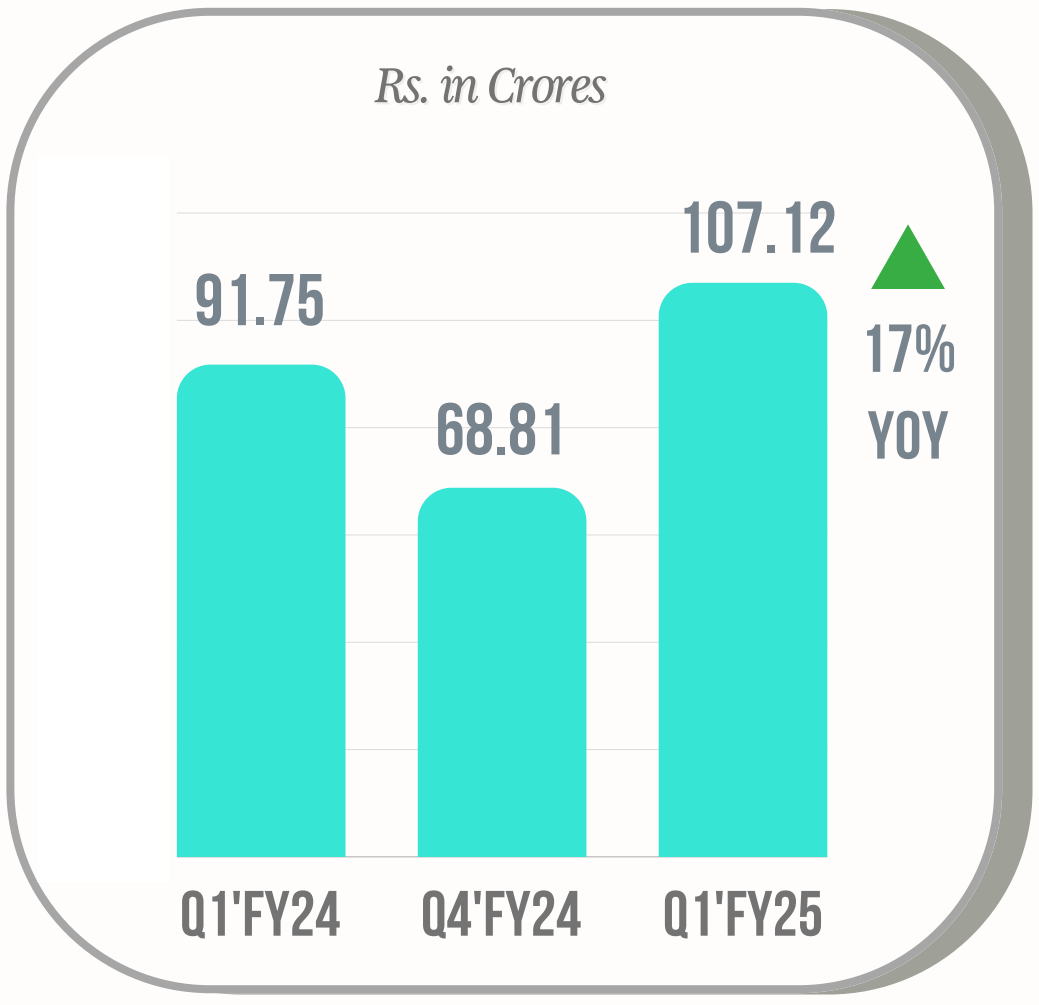
12.3mn
Customer base with repeat purchase of strips every year

Glucometers:

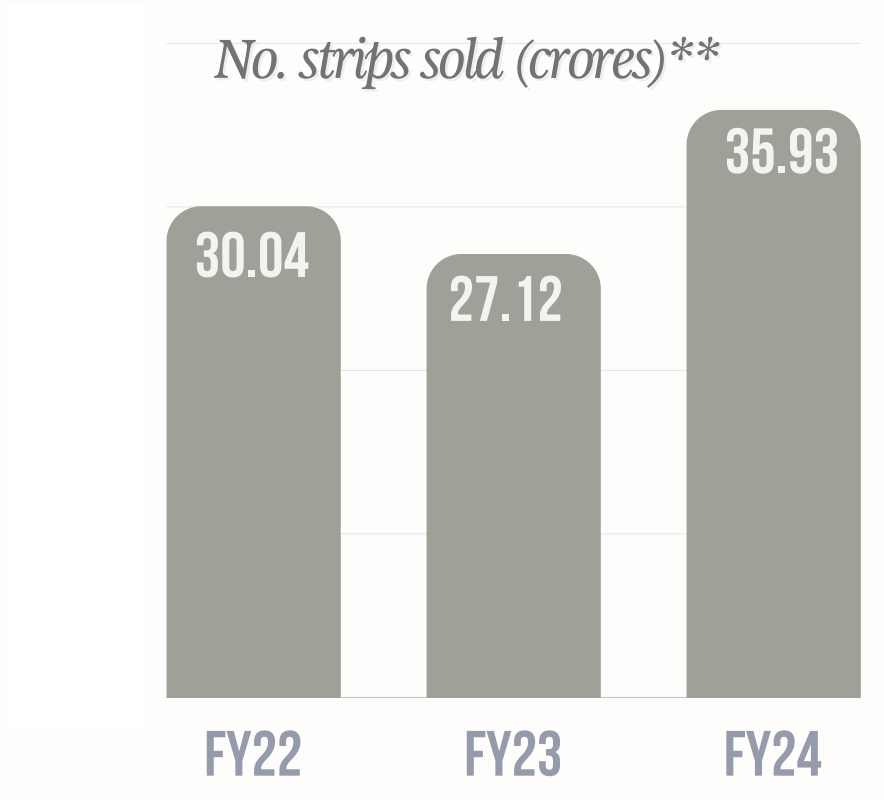
Cumulative Glucometers Installed



Glucometer & Strip Sales (Total)



11.71 cr strips sold in Q1'FY25
19% increase year-over-year



*Cumulative **Annual

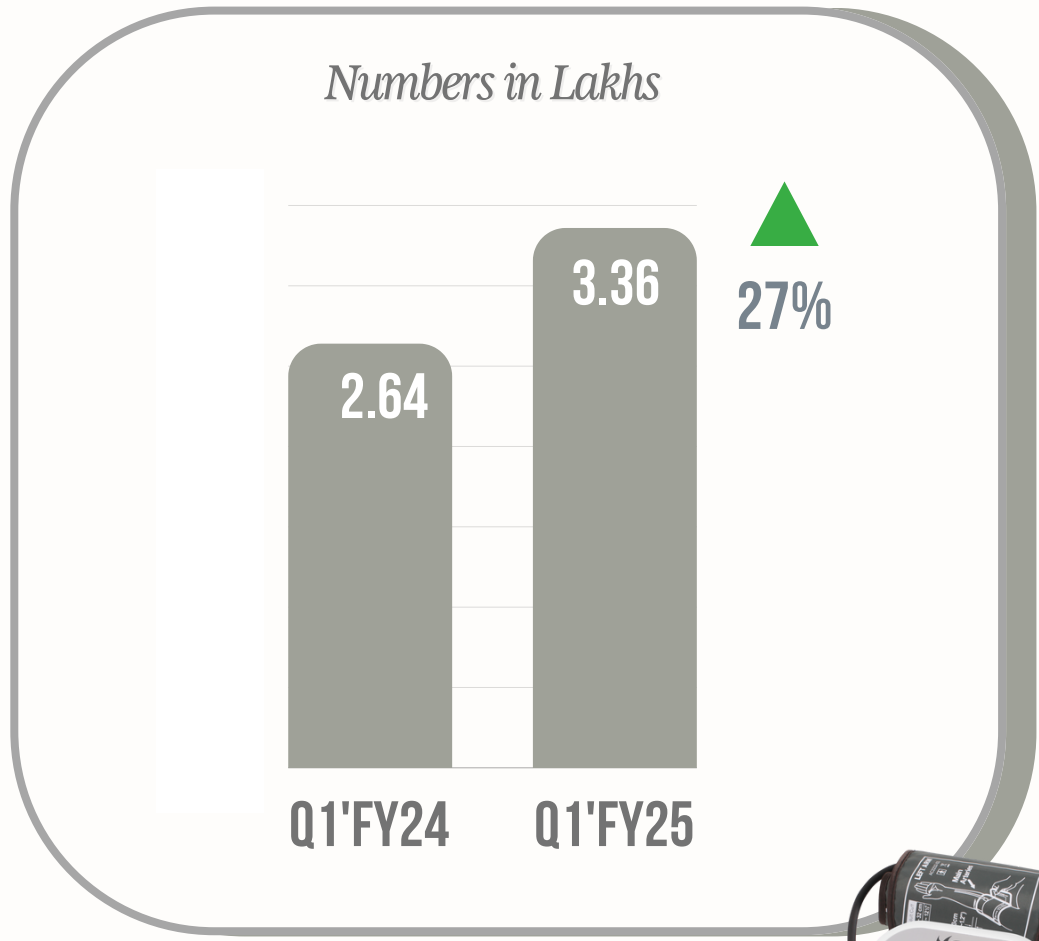
3 Business Segments

Medical Devices

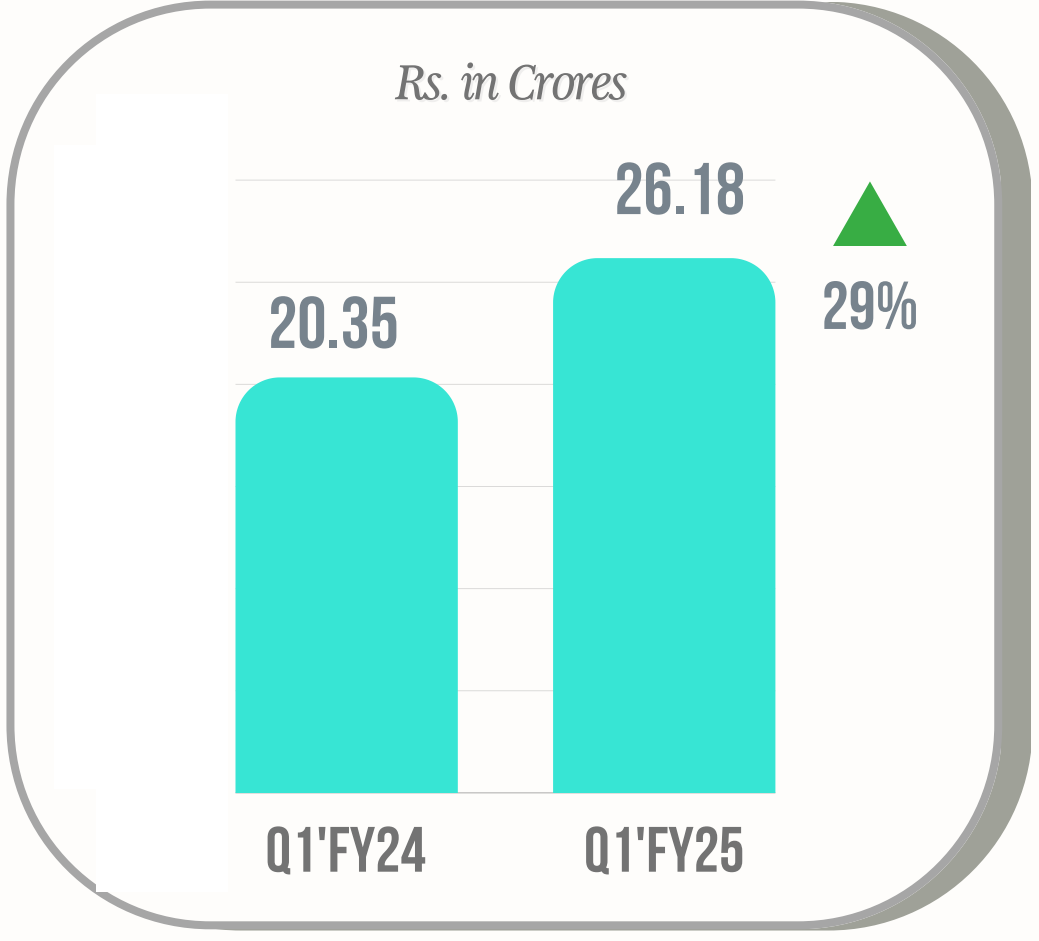
Blood Pressure Monitors:

Over **6 million**
BP Monitors sold till Q1'FY25 with increasing health awareness

No. of BP Monitors Sold



Sales Revenue



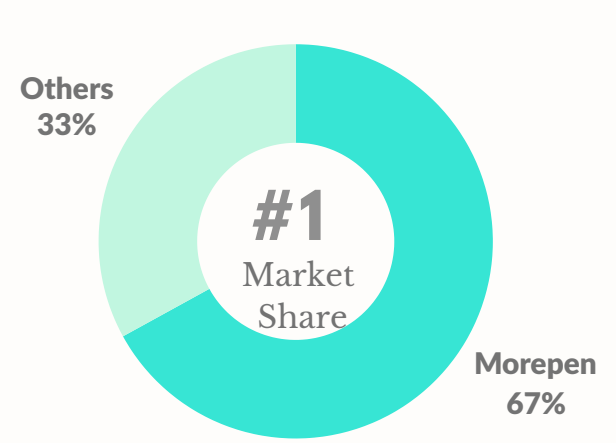
- *Consistent growth in product demand and expansion into new markets*
- *100% manufacturing in India with full backward integration*
- *Dedicated SMT lines ordered to ensure regular supply at competitive costs*
- *Expanding market reach across India, particularly in South India*

3 Business Segments Pharma Business

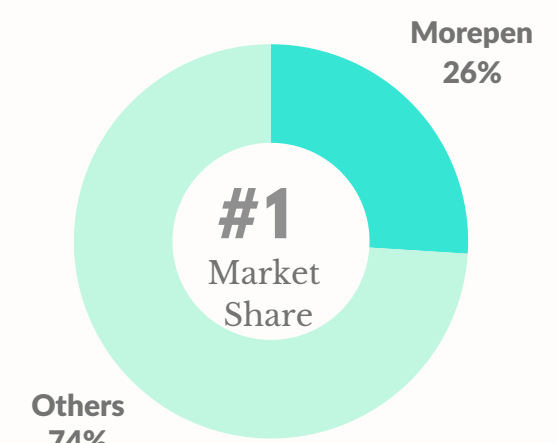
APIs

Over **85%**
of API revenue comes from top six leading high-value products

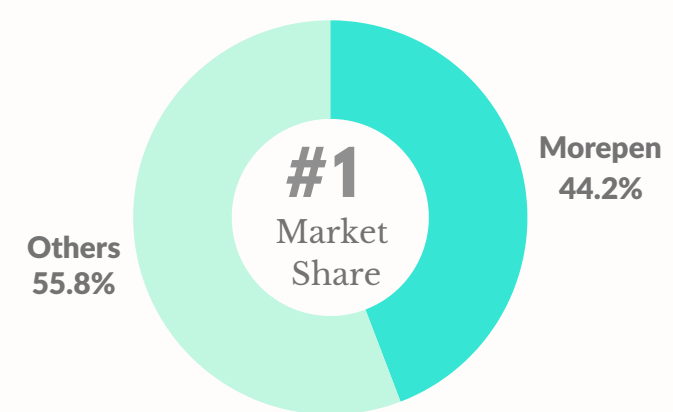
Category Leaders in Six APIs: Based on the last 15 months export data



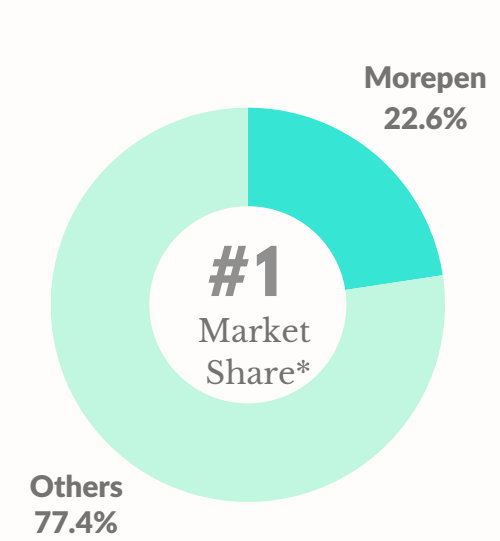
LORATADINE



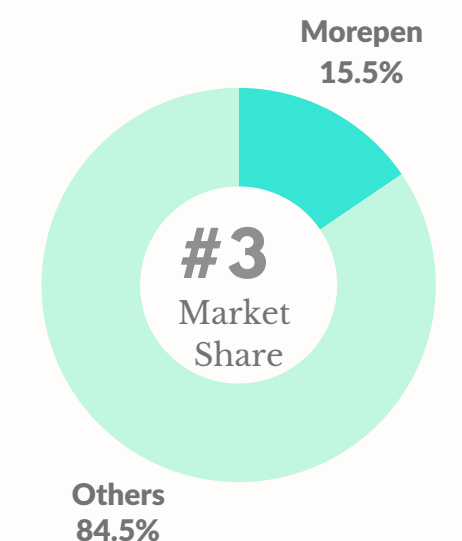
DESLORATADINE



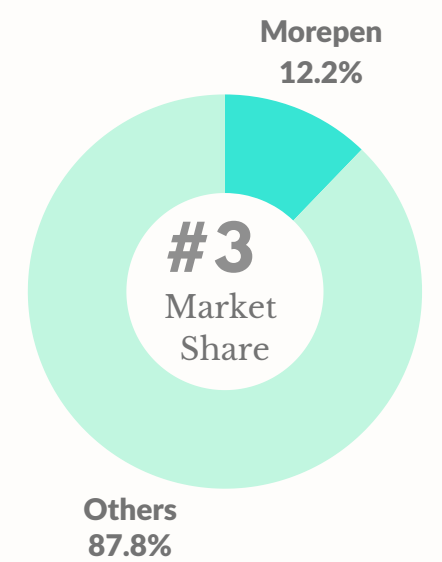
MONTELUKAST



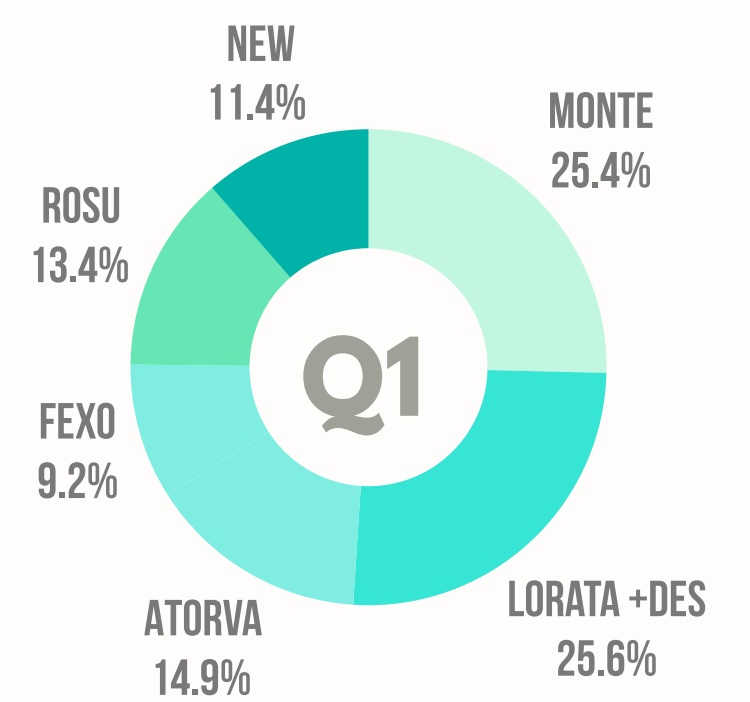
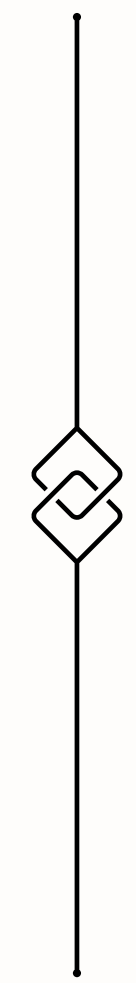
FEXOFINADINE



ATORVASTATIN



ROSUVASTATIN



API PRODUCT SPLIT

Other Lead Products : • Sitagliptin • Linagliptin • Dapagliflozin • Empagliflozin

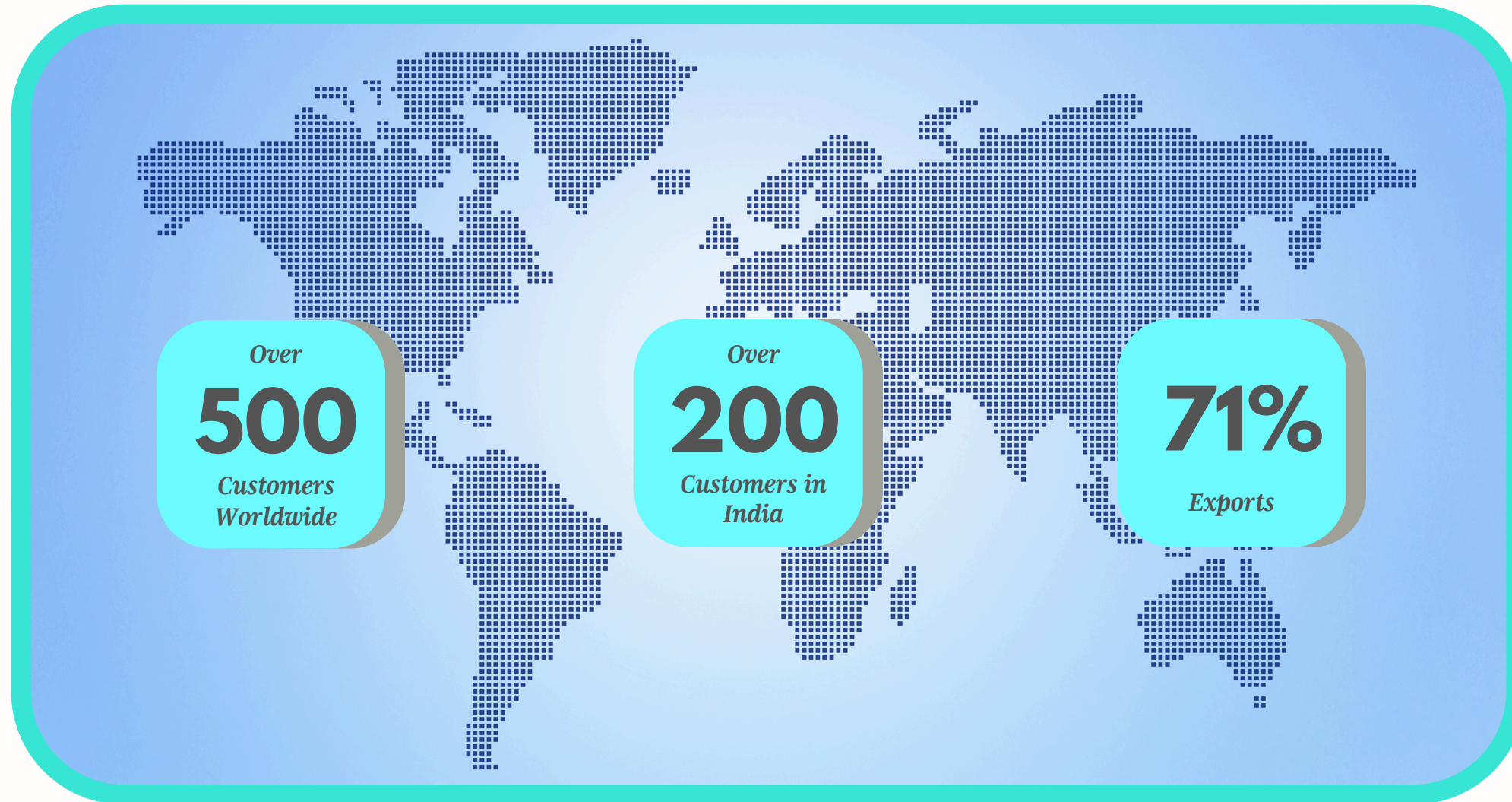
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Business Segments

Pharma Business

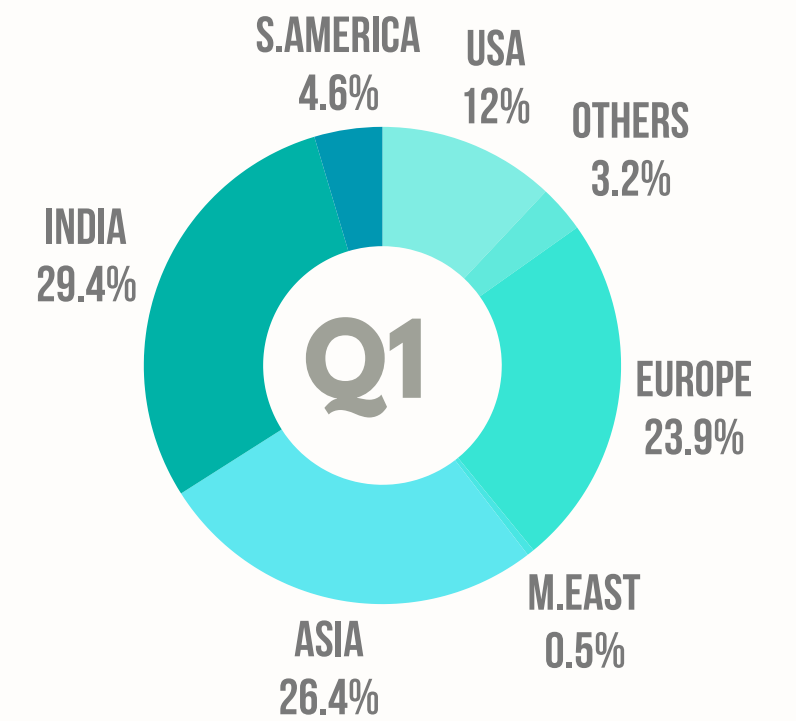
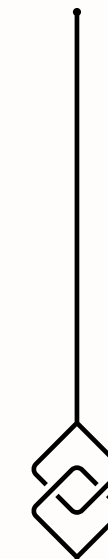
APIs

Exporting to over 80 Countries:



31%

Increase in exports with consistent repeat orders



API REVENUE SPLIT

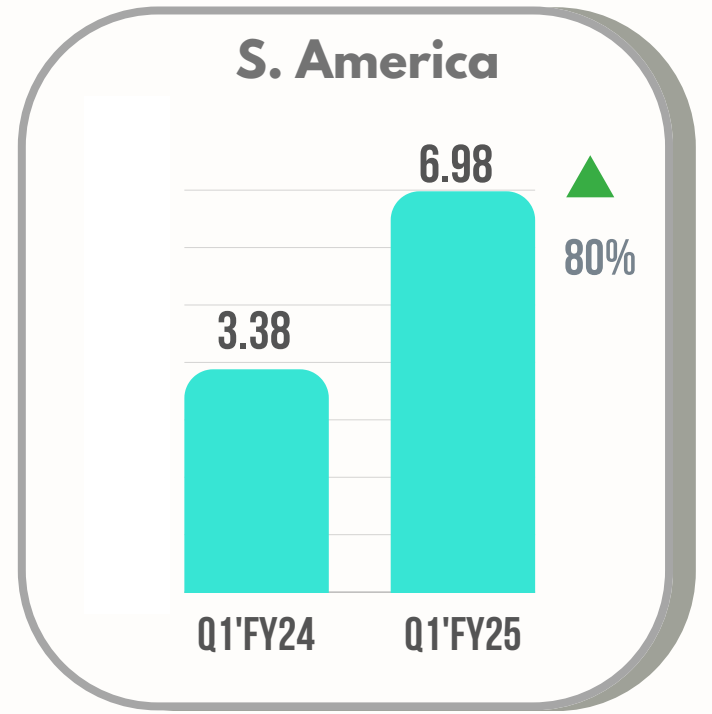
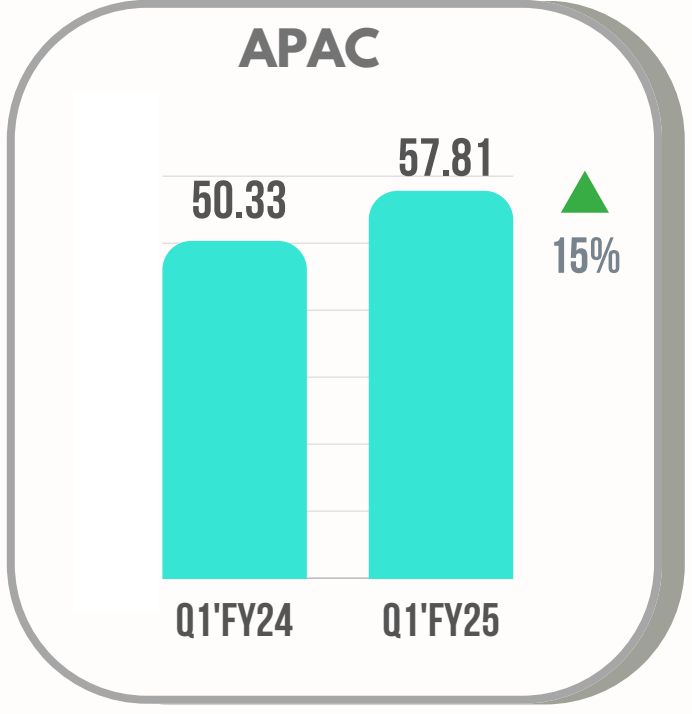
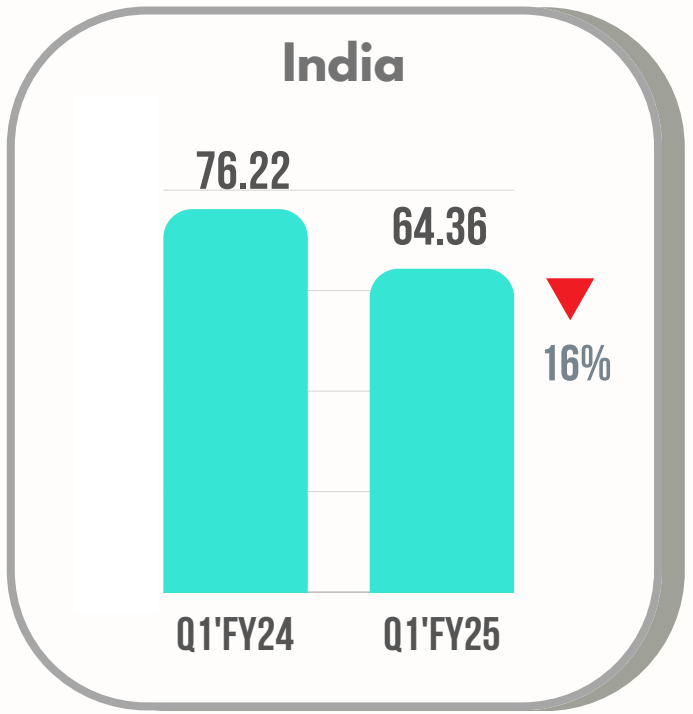
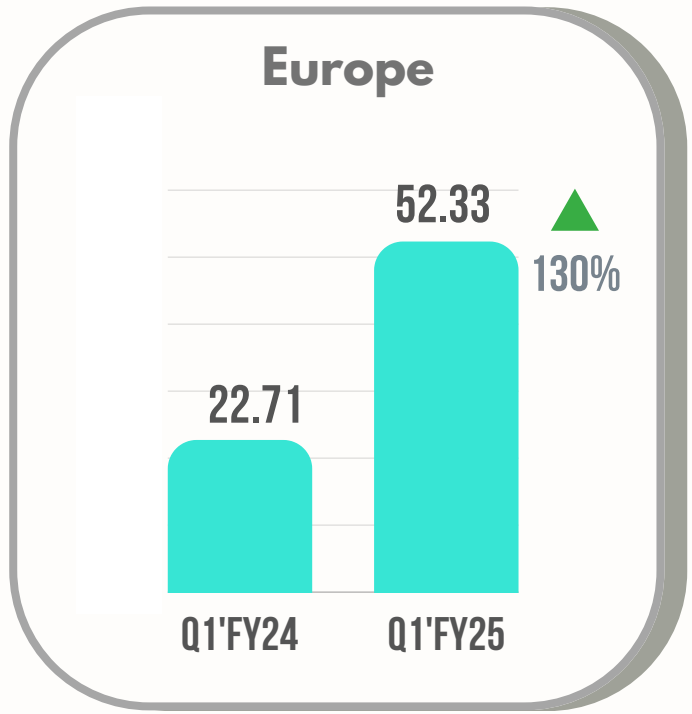
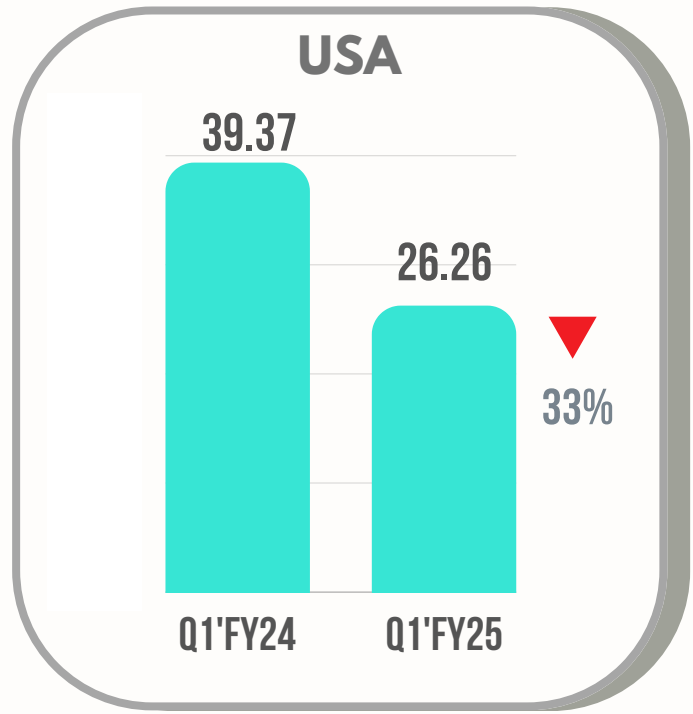
3 Business Segments

Pharma Business

Region Wise Growth:

130%
Increase in Exports to highly regulated European market

Rs. in Crores

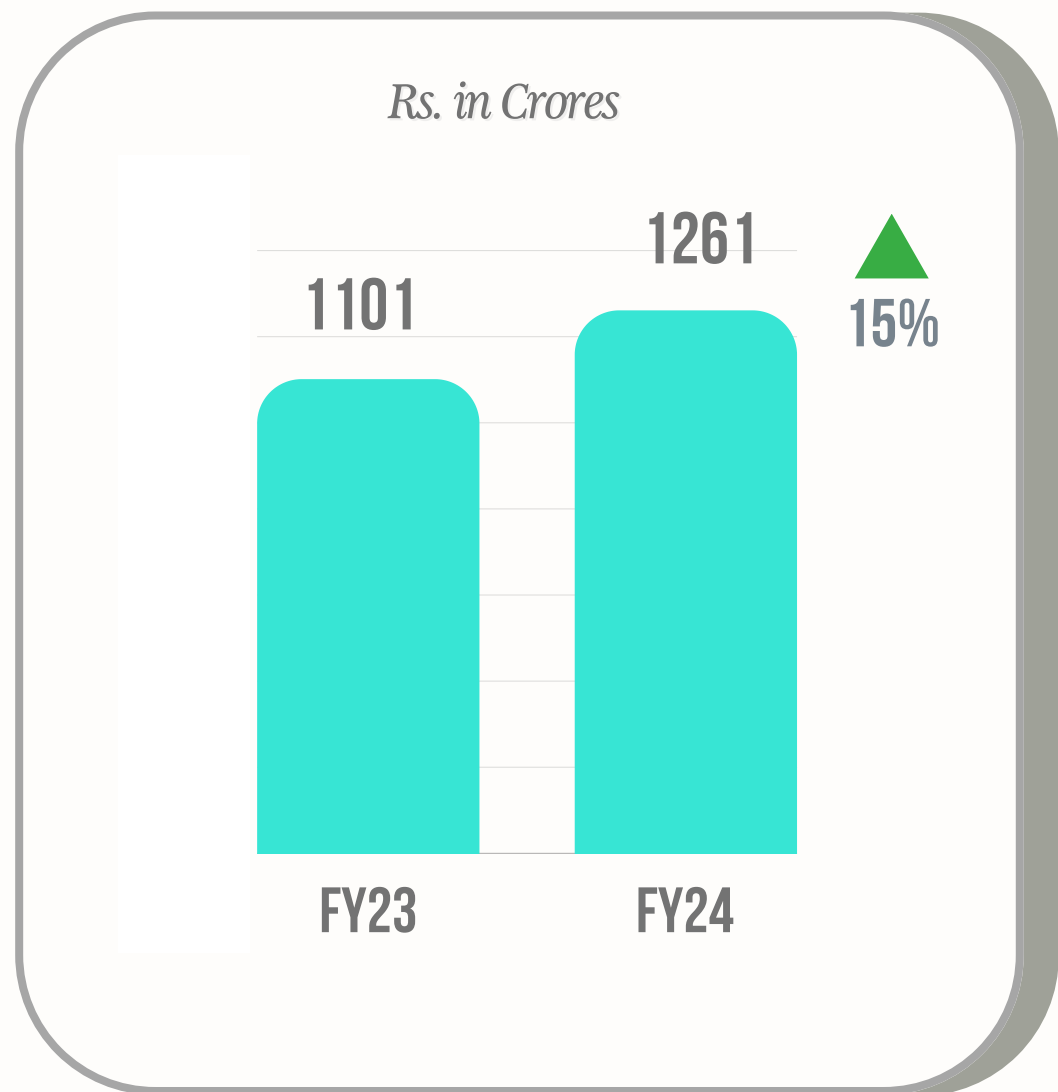


3 Business Segments

Pharma Business

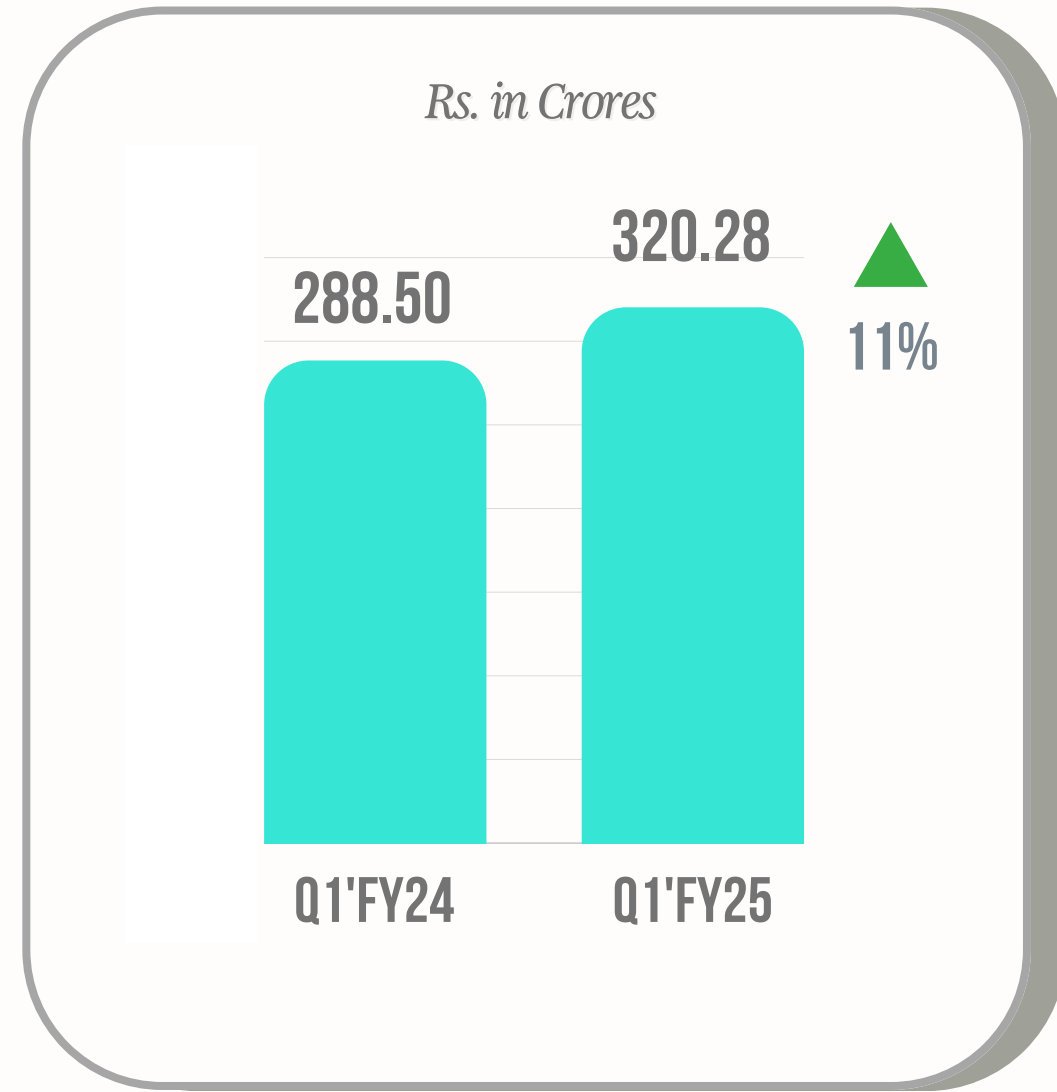
Operational Performance:

Annual Revenue

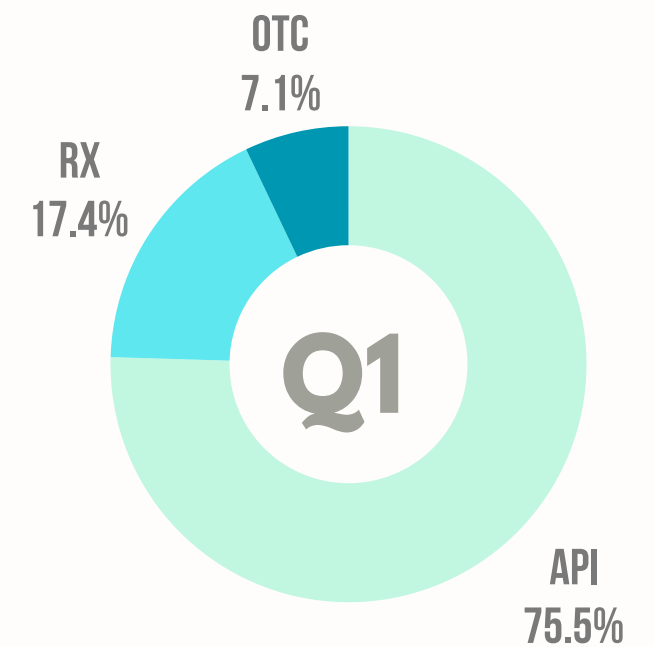
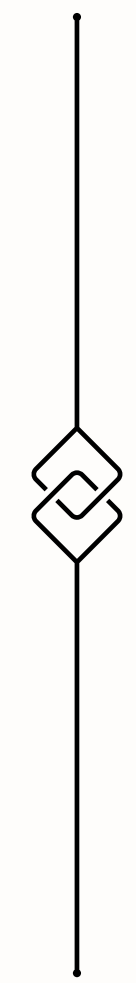


APIs and Finished Dosages

Quarterly Revenue



20%
Increase in Exports of High Value APIs



PHARMA REVENUE SPLIT

3

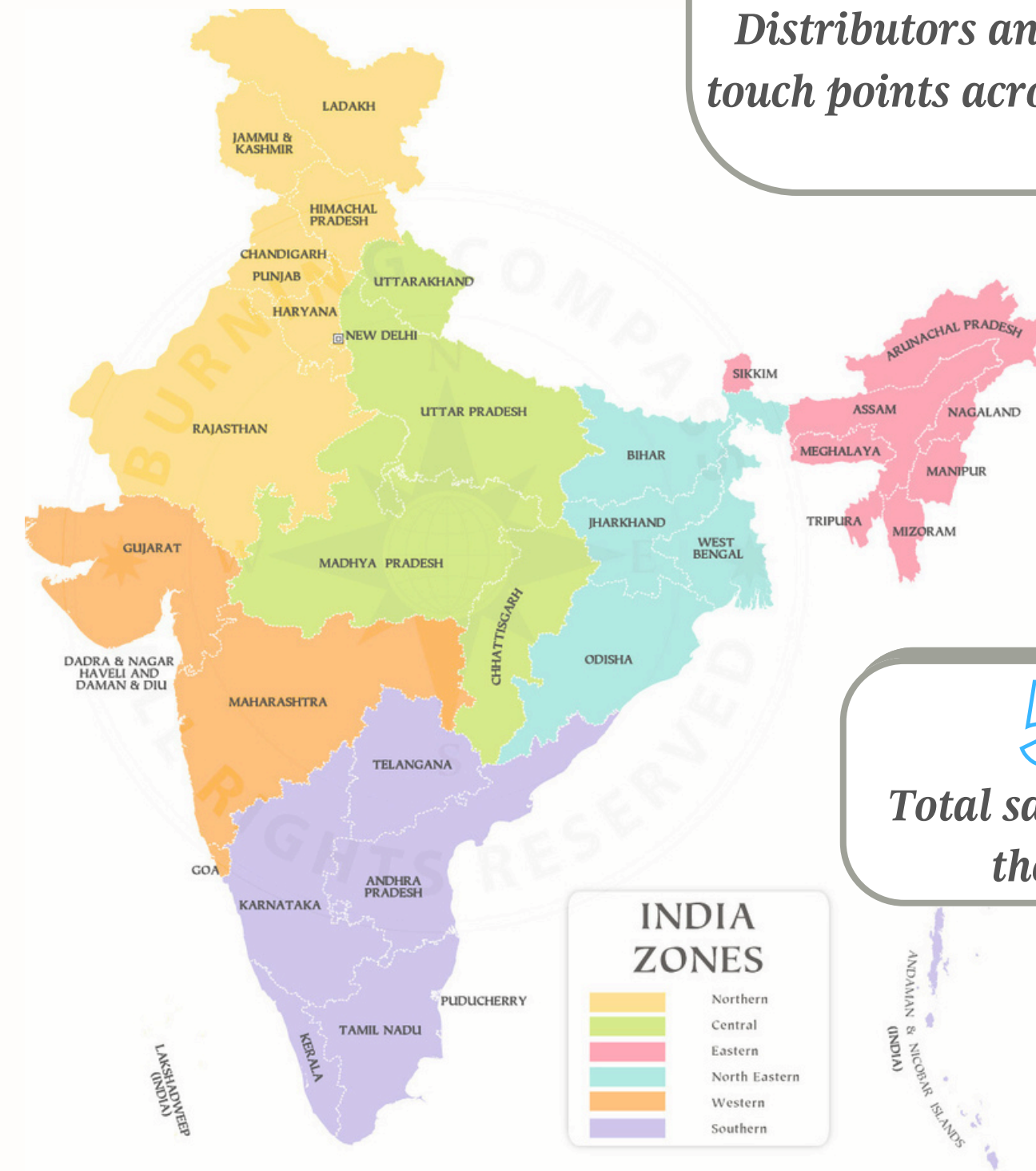
Business Segments

Pharma Business

- 5,100+ distributors and 3.28 lakhs retail touch points in 28 states and 1 UT across product portfolio
- Separate dedicated teams for Medical Devices, Rx and OTC businesses
- Total sales force of 580 members across India, including managers
- All India distribution of Generics through one super distributor
- Five company-owned Service Centres in each zone, in addition to the sales team

5100+

Distributors and 3.28 Lakhs retail touch points across product portfolio



580

Total sales force across the portfolio

Note: Map not to scale

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4

Financial Overview



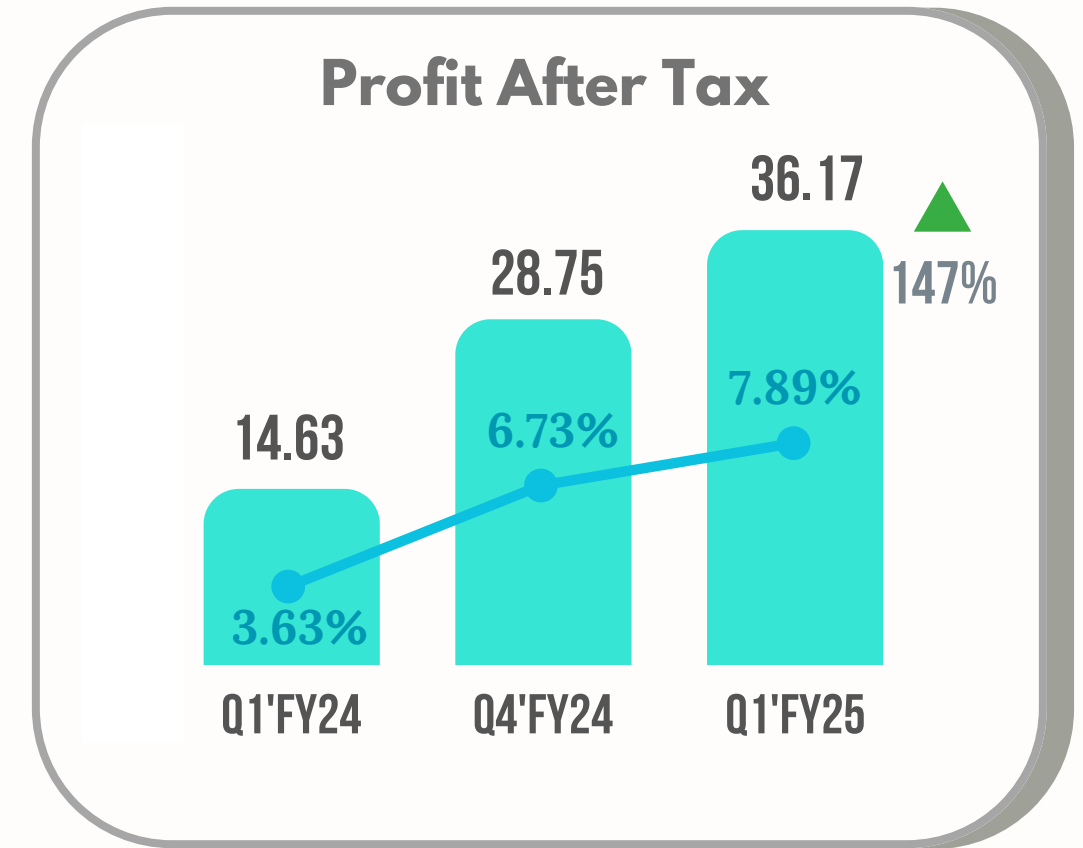
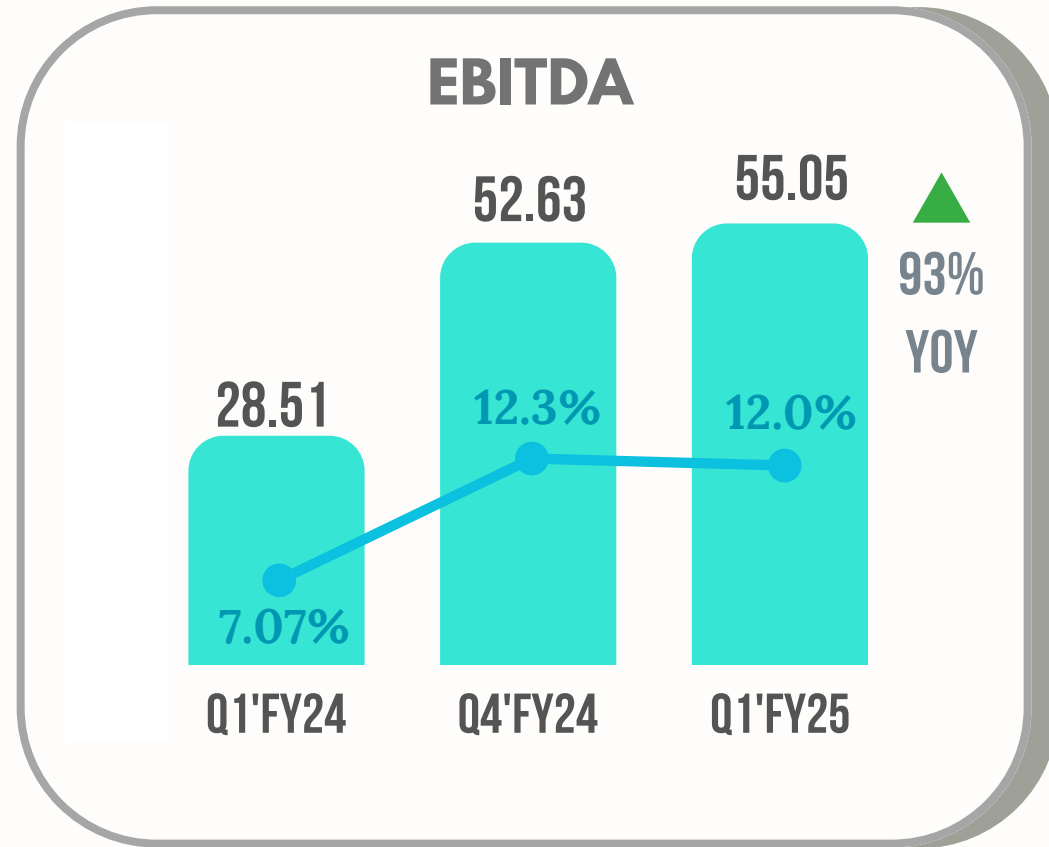
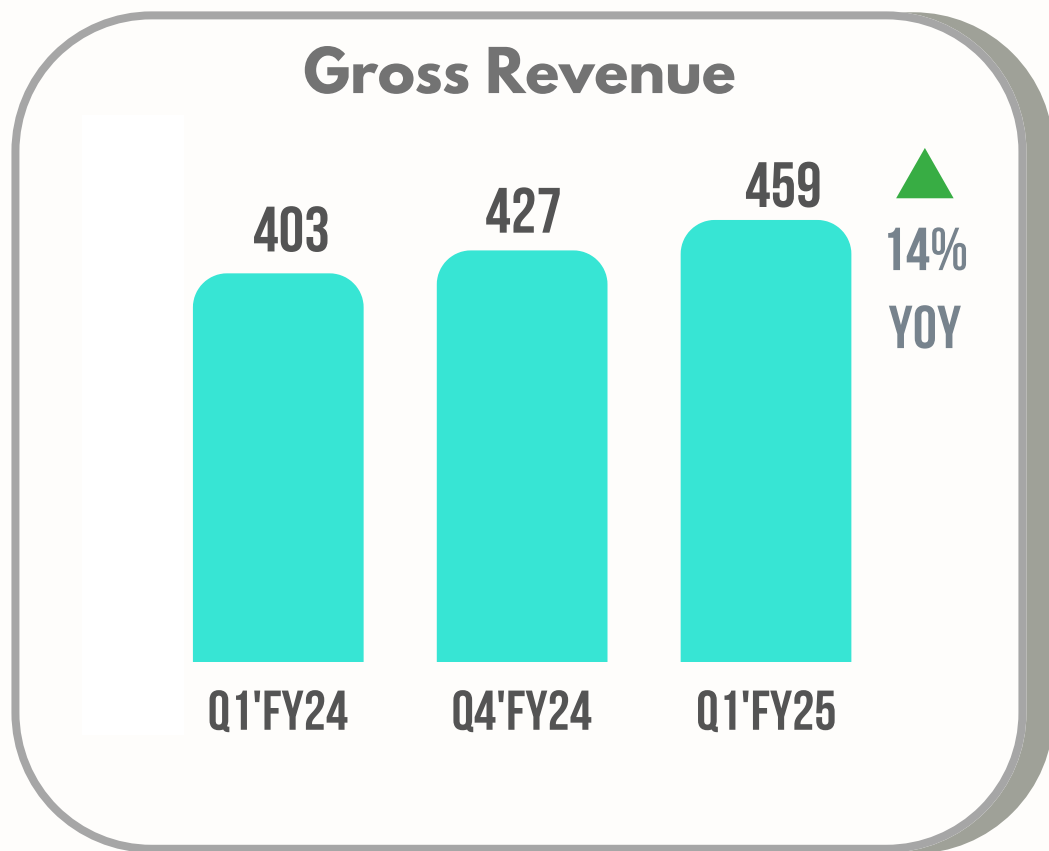
Improved
Revenue and EBITDA Margins

4 Financial Overview

Quarterly Performance:

Rs. in Crores

147%
*Increase in Profit after Tax driven
by a 93% increase in EBITDA*

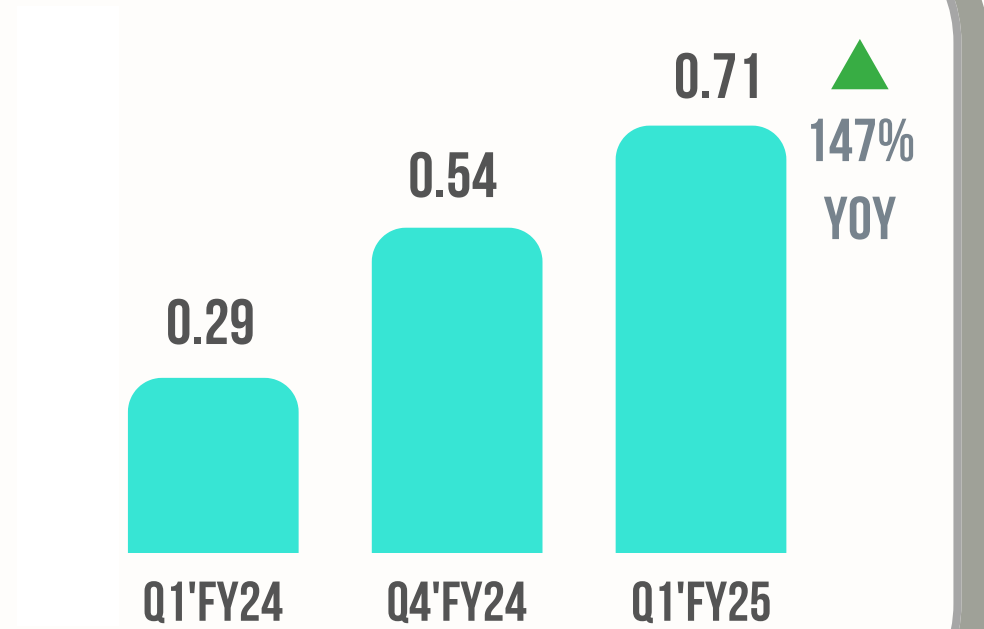


4 Financial Overview

Quarterly Performance:

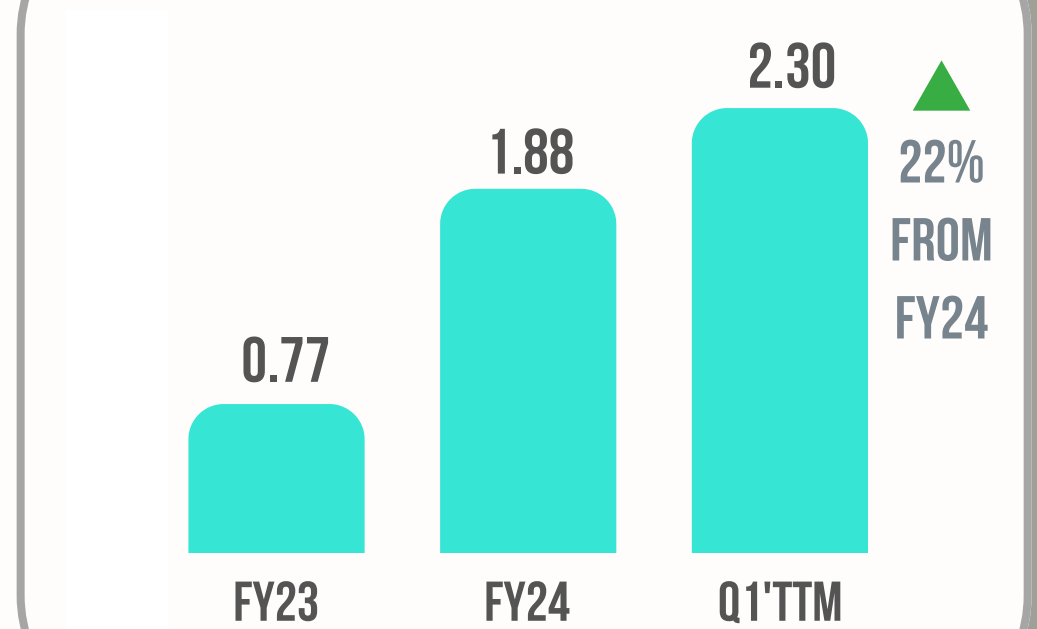
EPS in Rupees

Quarterly EPS



EPS in Rupees

Annual EPS



147%

Increase in the Quarterly EPS driven by a 147% increase in PAT



- Profit after tax rose to Rs. 36.17 cr, marking a 147% increase
- Earnings per share for Q1'FY25 increased by 147% as compared to the same quarter last year
- Trailing twelve months (TTM) ending 30th June '24 show EPS at Rs. 2.30, up from Rs. 1.88 at the end of FY24, reflecting significant growth



**Looking forward to
working with you**

Thank you