Strides

Warm Welcome to Shareholders

September 3, 2021

ADAPT

PERFORM

GROW

AGENDA

- Strides at a Glance
- Financial Highlights for FY21
- Business Highlights for FY21
- Recent Updates
- Stelis Updates
- AGM Agenda

Strides - A Leading Global Pharma Company

30+ YEARS

Rich experience in the dynamic pharmaceutical industry

8

World-class manufacturing facilities with all key regulatory approvals

3,500+

Global workforce strength

100+

Country of global sales presence across regulated and emerging markets

225+

R&D team size with global development and filing capability

400+

Registrations for other regulated markets

130

Cumulative ANDAs filed (30 pending approval)

18Bn

Annual multi dosage capacity across our 8 plants

₹33,308

Million
Consolidated Revenues during FY 21

0.46x

Healthy Net Debt to Equity Ratio at the end of FY 21

Financial Highlights for FY21

Healthy financial performance in FY21 led by regulated markets

Key financial highlights for FY21

29%

Growth in consolidated revenues for FY21 led by regulated markets

67%

EBITDA growth driven by higher contribution from regulated markets , EBITDA margin expansion of 450bps

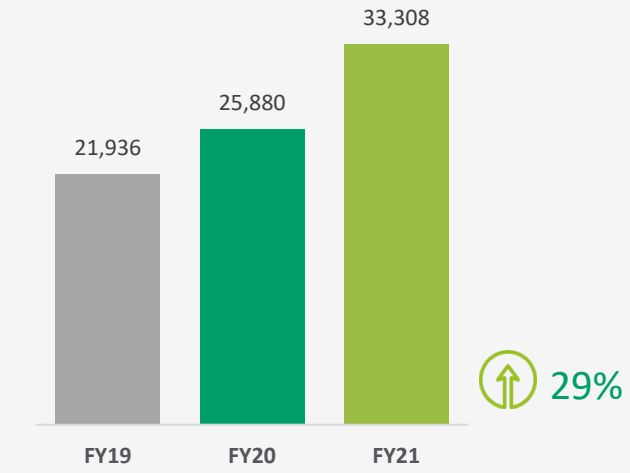
~3x

Growth in Earnings Per Share (EPS) driven by operating leverage

* Excludes Ranitidine sales of ₹1,756m in FY20

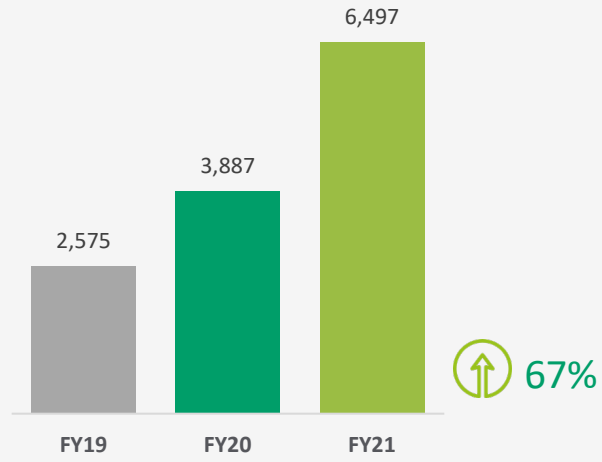
Revenue

(₹ in Million)



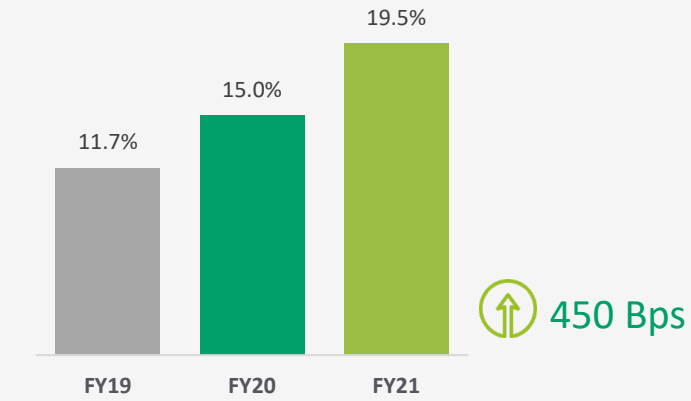
EBITDA

(₹ in Million)



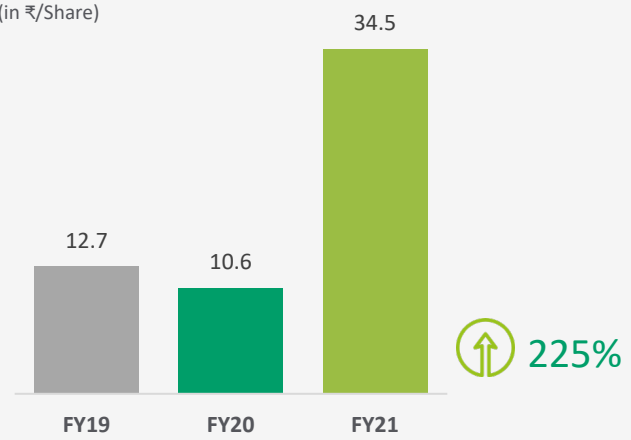
EBITDA Margin

(in %)



Adjusted Earnings Per Share (EPS)

(in ₹/Share)



Strong balance Sheet with steady improvement in ROCE

Key balance sheet highlights and ROCE

0.46x

Healthy Net Debt to Equity ratio at the end of FY21

1.98x

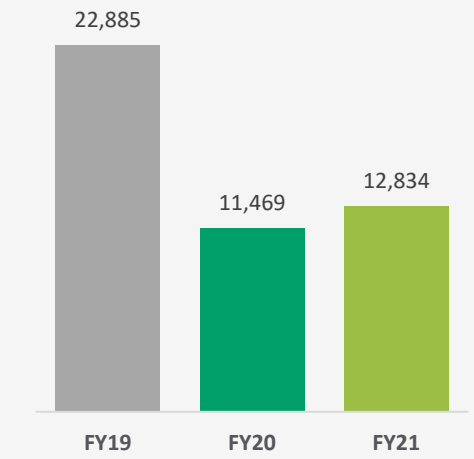
Strong Net Debt to EBITDA ratio driven by healthy operating performance

~12.6%

Higher asset turn and better business mix drive steady improvement in ROCE

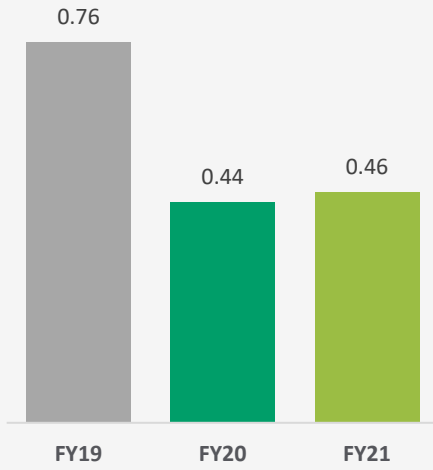
Consolidated Net Debt

(₹ in Million)



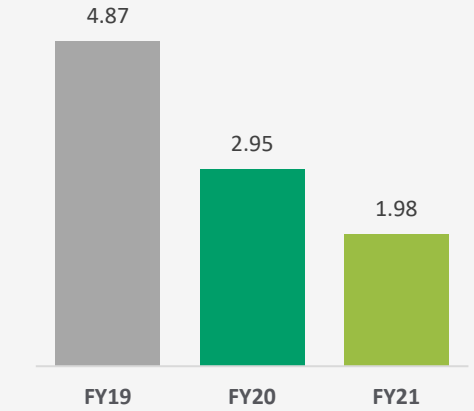
Net Debt To Equity Ratio

(x times)



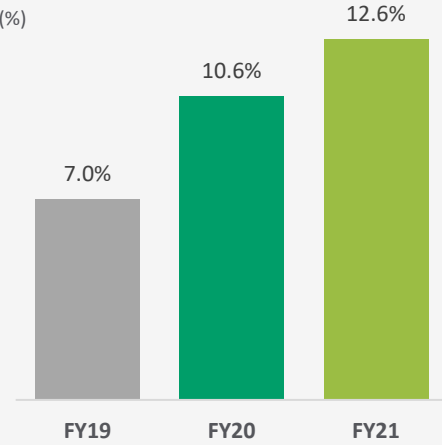
Net Debt to EBITDA

(x Times)



Pharma ROCE

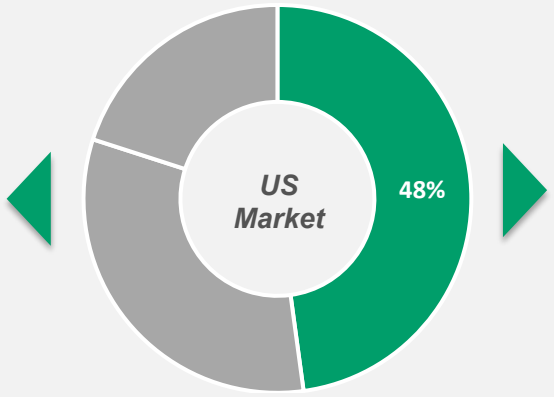
(%)



Business Highlights for FY21

US business delivers steady growth despite headwinds, revenues up 17%

% of consolidated revenues in FY21



Reported Market Revenues

₹15,936
In ₹ Million

$215
In $ Million

Year on year Increase

17%
YoY Growth %

Front End Revenues

82%
% of total US sales

Growth in FY21 driven by improved revenue contribution from base molecules, new launches and VA business leveraging our Singapore facility

COVID related headwinds witnessed in the market with tepid footfalls at pharmacies and hospitals, winter portfolio impacted as there was no flu season in the US

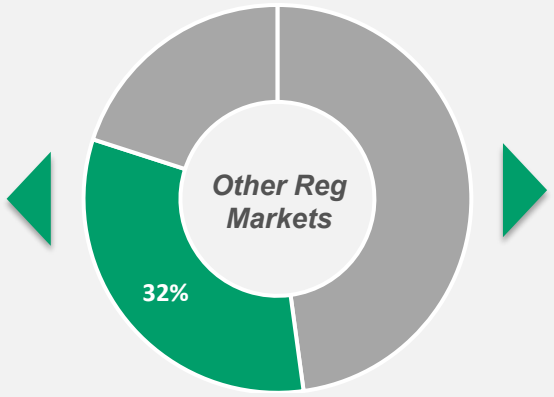
Heightened competitive intensity leads to price erosions for several molecules in the portfolio

FY21 R&D investments at ₹1,106m forming 7% of US sales, filed 11 ANDA's during the year

* Excludes Ranitidine sales of ₹1,756m in FY20

Continued growth momentum in other regulated markets, revenues up 28%

% of consolidated Revenues in FY21



Reported Market Revenues

₹10,700
In ₹ Million

$144
In $ Million

Year on year Increase

28%
YoY Growth %

Strong growth trajectory across other regulated markets for FY21 led by portfolio expansion and strengthening of frontend presence

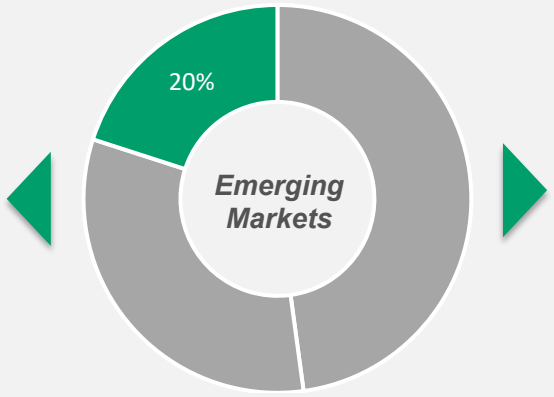
Healthy scale of supplies to Arrotex in Australia driven by increased volumes and expansion of product offerings

Continued focus on portfolio expansion through portfolio maximization, filed 18 new products and received 16 approvals in FY21

Long term outlook for the business continues to be robust, business will benefit from portfolio maximization and better penetration of frontend markets

Emerging markets returns to growth in FY21 with 73% jump in revenues

% of consolidated Revenues in FY21



Reported Market Revenues

₹6,672
In ₹ Million

$90
In $ Million

Year on year Increase

73%
YoY Growth %

Post a strategic reset, Africa business returned to healthy growth during FY21 with a sharper focus on supply chain execution

Selective expansion of footprint with new launches including line extensions to drive growth, focus on improving MR productivity to drive margin improvements

Institutional business delivered a healthy growth in FY21 benefitting from successful commercialization of TLD during FY21

Re-looking the business to be a cost leader in the space with a strong product pipeline

Recent Updates

Industry headwinds currently impacting performance across markets

Sector Headwinds

- Major headwinds faced by the sector owing to current Covid-19 pandemic particularly for the regulated markets
  - Prescription rates trends below historical levels in the US
  - Significant fall in prescriptions rates down over ~20%, aggravated by lockdown in UK
  - Acute portfolio impacted severely
  - Drop in new product approvals for the industry due to travel restrictions and slowdown in inspections
- Above dynamics has led to heightened competitive intensity to capture a higher wallet share for existing products, industry witnesses unprecedented price erosion
- Rise in Covid-19 cases leads to intermittent lockdowns and restrictions across geographies disrupting supply chain, increasing cost of operations

Implications for Strides

- Witnessed double digit price erosion in US portfolio with higher competitive intensity leading to significant drop in revenues
- Recent new product launches have witnessed steep price erosion in the US
- Delays in products approvals impact new product launch cycles
- Significant rise in Covid cases during the 2nd wave at our plants in India lead to operational disruptions impacting supplies
- Failure to supply cost pre-Covid in FY20 was <1% of US sales, same has increased to ~4% due to Covid led supply disruptions
- Logistics cost higher by US$4m YoY due to higher air shipments

Mitigation Strategies

US Business

- Strides announced acquisition of basket of ANDAs and manufacturing site at Chestnut Ridge, New York from Endo Pharmaceuticals
- Acquired basket of products to deliver the following outcomes :
  - our portfolio of 100 approved products will more than double
  - Transaction immediately adds 20 commercial products to Strides portfolio
  - Mitigates delays in approvals due to Covid-19 induced travel restrictions and delay in inspections providing a large basket of commercializable portfolio
  - Enabling 5-6 new launches from the combined portfolio each quarter
  - Adds new dosage capabilities including Controlled Substances, Hormones, Nasal Sprays, Gels
  - Significantly enhances our nascent modified release and liquids portfolio
  - Middle of pyramid basket expands 2x to over 100+ products with limited competition and superior margin
  - 100+ TAA compliant products in the combined portfolio for government supplies

Other Regulated Markets

- Continued R&D investments for portfolio building, focus on consistent product launches
- Minimize stockout to drive higher order fulfillment rate for partnered business

Other Initiatives

- Initiatives in place to lower logistics cost and FTS impact
- Organization wide cost control programs to deliver operating leverage
- R&D to focus on specialty portfolio and portfolio maximization

Acquisition of ANDA portfolio from Endo solves for headwinds
Portfolio more than doubles our current basket of 100 approved ANDA's

Transaction Details

- Strides will pay ~US$24m for the acquisition of basket of ANDAs and the manufacturing facility at Chestnut Ridge, NY
- The transaction will be financed by a combination of internal accruals and debt financing
- The transaction is expected to close in 60-70 days subject to customary closing conditions

Acquired Portfolio

- Adjusting for overlapping products, our portfolio of 100 approved products will more than double with the acquired basket
- 20 commercialized products will transition from Endo on closing along with a basket of commercializable ANDAs (IQVIA - US$4.7b)
- Differentiated portfolio comprising of Controlled Substances, Hormones, Nasal Sprays, Gels, Modified Release products, Liquids.
- Significantly expands our middle of pyramid product basket enabling sustainability of margins
- Mitigates delays in approvals due to Covid-19 induced travel restrictions and delay in inspections

Immediately Accretive

- Accelerate product launches in the US with 5-6 launches each quarter from the acquired portfolio solving for its current dry run of key approvals from our filings
- Scale of the combined portfolio helps us refocus R&D spends to more complex and specialty programs
- Transaction delivers over 100 TAA compliant ANDAs allowing us to broad base our offering to federal procurements
- Readily available basket ensures lower dependency on new ANDA filings and approvals
- Leverage IP to expand our product offering for the global markets through portfolio maximization

Acquisition of world class multi-dosage facility at Chestnut Ridge, New York

Multi-dosage Facility At Chestnut Ridge, New York

Built over an area of ~200,000 sq ft, the site adds new growth capacities of 2 billion units for the US markets

Site expands our capabilities into niche domains including Hormones, Nasal Sprays, Gels, Modified Release products, Liquids and Controlled Substances that mostly need to be manufactured in USA

Facility has long history of successful USFDA inspections, site to risk mitigate our manufacturing footprint for the US markets by mirroring capacities at the facility in Bangalore

Site strengthens our ability to service federal contracts with 100+ TAA compliant products in the combined portfolio

Access to a strong technical talent pool having several years of manufacturing and new product launch experience

Consolidating our West Palm Beach operations with multi-dosage site in Chestnut Ridge to deliver manufacturing cost synergies

Stelis Updates

Global CDMO services business

Drug Product block commercialized with healthy order book for the next 18-24 months

- Drug product block running on high-capacity with healthy orderbook visibility over **18-24 months**
- **Filing on behalf of partners ongoing** for several markets including the US, and Europe
- The target to **achieve operational break even in FY22** is tracking as per **expectations**

On track to receive all major regulatory approvals in FY22

- **Partnered product filings** have triggered inspections from global regulatory authorities including the EU/EMA and USFDA*
- **Inspections expected at the site** , post the Covid related travel restrictions are eased

Microbial drug substance block already validated and attracting commercial traction

- **Microbial drug substance** fully validated and under partner inspections for new business
- A **funnel of partnered products** to be manufactured as exhibit batches and to initiate regulatory approvals for the site
- **Pending installation***(impacted due to Covid restrictions)* on **mammalian block** initiated, block to be **mechanically completed by end FY22**

Integrated global vaccine CDMO business with large capacity and diverse capability

Diversified vaccine play

Capabilities	DS	DP
Viral vector	Yes	Yes
Protein subunit	Yes	Yes
m-RNA	Yes*(Planned)*	Yes
DNA	Yes*(Planned)*	Yes

Update on Sputnik V

- **rAD5 and rAD26 components** of the vaccine have been **validated on the small scale**
- **Scale up of the vaccine on track** to achieve commercial production
- Expected to launch **Sputnik V**(both components) in **Q3FY22**

Evaluating new vaccine partnerships

- **Significant ongoing interest** and discussions to partner with other **global players for vaccines manufacturing**
- Advanced discussions ongoing to **In-license new vaccine technologies**
- Plans to on-board **at least one CDMO Contract on vaccines** by **Q4FY22**

New vaccine suite designed to produce over a billion doses in a year

Own Products - Targeting 6 molecules in phase 1 with combined market size of USD 40b

Molecule	Market Size ($b)	Indication	Development Stage	Latest Update
STLP001 Rh- Teriparatide	~2	Osteoporosis	Filed in EU/ Phase 1 ready for US	• EU file for MAA under review cycle, expected closure by Q4FY22 • More than 20 companies are under discussion to license the product to commercialize in different geographies.
STLI001(Glargine)	~13	Diabetes	Clinical	• Phase-1 clinical trial for India dosing completed, initial results are encouraging. Global filings for several markets starting FY23
STLI002(Aspart)	~9	Diabetes	Pre-clinical	• Program initiated and on track for late FY24 filing
STLI003(Lispro)	`7	Diabetes	Pre-clinical	• Program initiation and scale-up planned in Q2/Q3FY22
STLG001	~6	Diabetes	Scale-up	• On track for Q3/Q4FY22 filing via ANDA path
STLG002	~7	Diabetes	Scale-up	• Development initiated, on track for filing in FY23 via ANDA path
STLS001	~5	Anti- hemorrhoid	Pre-clinical	• Pre-clinical stage , post FY24 opportunities

AGM Agenda

Agenda for the AGM

Ordinary Business	Adoption of Audited Financial Statements for the Financial Year ended March 31, 2021
Ordinary Business	Declaration of Dividend for the Financial Year ended March 31, 2021
Ordinary Business	Re-Appointment of Mr. Deepak Vaidya, retiring director, as a Non-Executive Director
Special Business	Remuneration payable to M/s. Rao, Murthy & Associates, Cost Auditors of the Company for FY21

Thank You

Strides

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