



STRATEGY AT
PLAY

Welcome to
**29th Annual General
Meeting**

August 20, 2020





CONTENT

Strides at a Glance



FY20 Performance Highlights



Q1FY21 Performance & Outlook



AGM Agenda





Strides at a Glance





30+ YEARS

Rich experience in the dynamic pharmaceutical industry



8

World-class manufacturing facilities spanning four continents



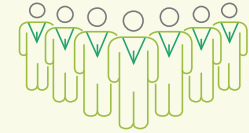
3,000+

Global workforce strength



100+

Country of global presence



225+

R&D team size



400+

Registrations for other regulated markets



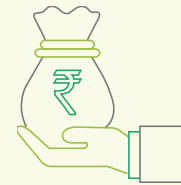
124

Cumulative ANDAs filed (38 pending approval) as of March 31, 2020



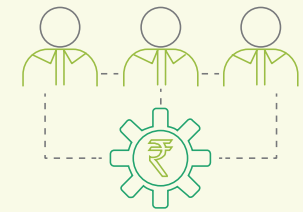
18 Billion

Annual oral solid dosage capacity across our 8 plants



₹13,740

Million Debt repaid during the year



140%

Dividend declared for FY 2019-20 (Face value of ₹10 per share)



FY20 Performance Highlights



Performance in FY20

Adjusted financial performance*

33%

Revenue growth led by regulated markets

153%

EBITDA growth leading to stable margins (22.4%) expansion

56%

Regulated market revenues driven by the US markets

Reported financial performance

26%

Revenue growth led by regulated markets

105%

EBITDA growth leading to stable margins (19.1%) expansion

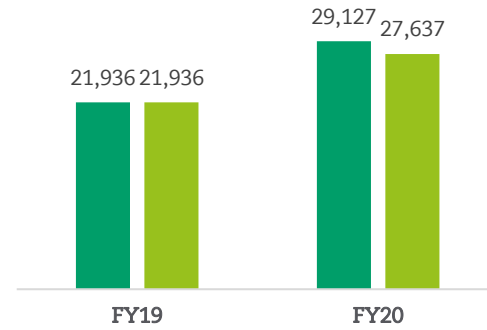
47%

Regulated market revenues driven by the US markets

*Adjusted performance does not include the impact of Ranitidine withdrawal

Revenue

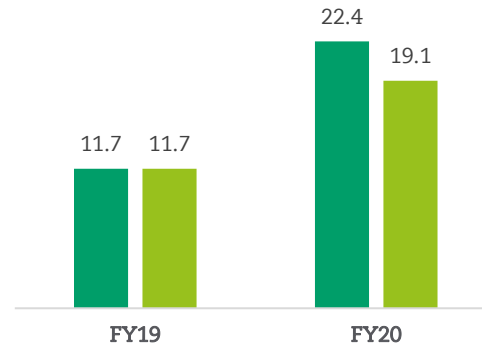
(₹ in Million)



33% | 26%

EBITDA Margins

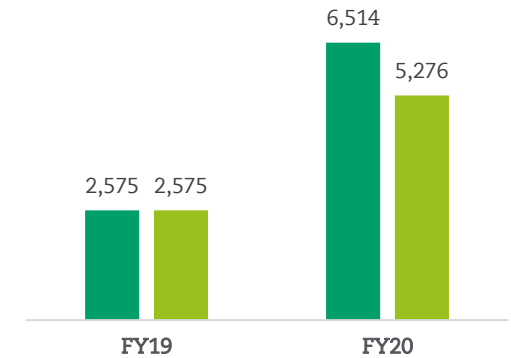
(%)



1070_{bps} | 740_{bps}

EBITDA

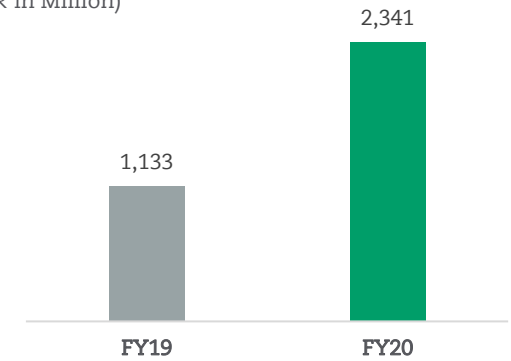
(₹ in Million)



153% | 105%

Pharma PAT

(₹ in Million)

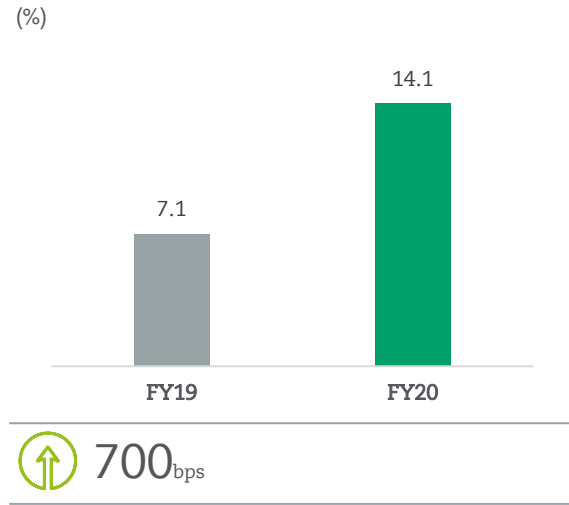


106.6%

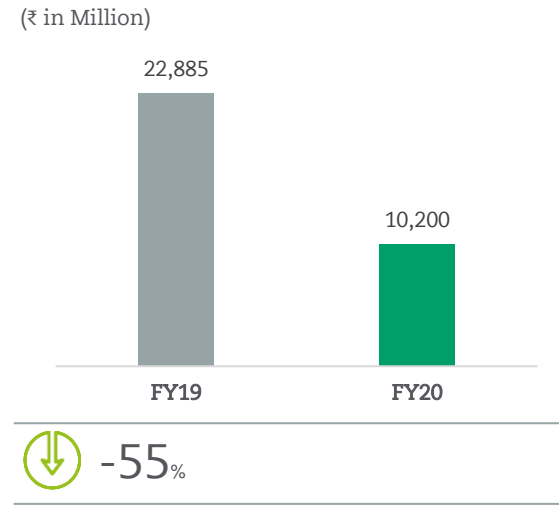
Adjusted Performance

Reported Performance

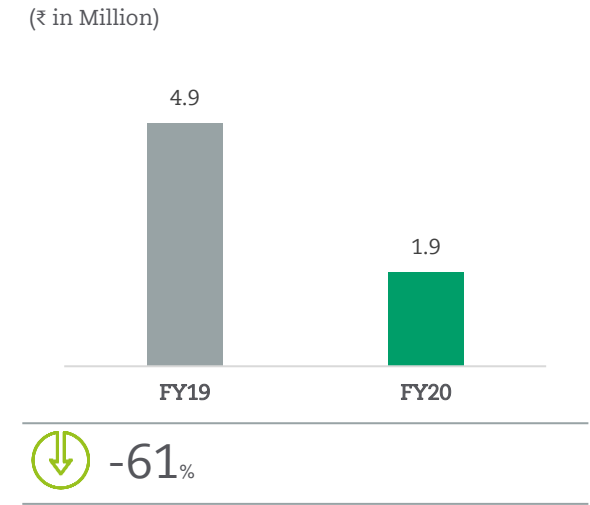
Pharma ROCE



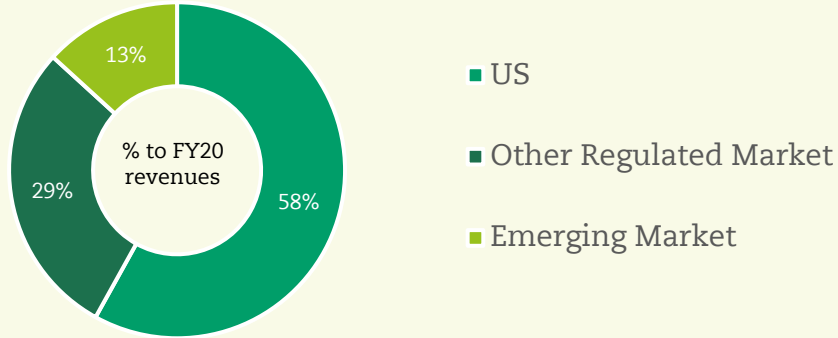
Total Debt



Total Net Debt to EBITDA



- Deleveraging debt undertaken during FY 20 helped strengthen the balance sheet significantly with a right-sized debt supporting continuing operations.
- The proceeds from Australian divestment was used for reducing debt



US MARKET

₹ **16,912** Million **61%** ↑

OTHER REGULATED MARKETS

₹ **8,361** Million **47%** ↑

TOTAL REGULATED MARKETS

₹ **23,274** Million **56%** ↑

EMERGING MARKETS AND INSTITUTIONAL

₹ **3,853** Million **-33%** ↓

↑ Year on year growth

The US business, including the sales of Ranitidine of \$46m, grew from \$150m in FY19 to \$238m, up by 61%, meets the higher end of FY20 guidance

The Other Regulated Markets reported a 47% YoY growth in FY20, driven by a strong momentum in markets such as United Kingdom, Australia, key EU countries and South Africa.






As guided, FY 20 was a reset year for emerging markets as we laid a strong foundation for sustainable growth for the market

The R&D spend in FY20 spend was ₹939m, as a significant buildout of the US portfolio is completed, we have shifted gears in R&D in FY20 to focus on other regulated markets



Q1FY21 Performance & Outlook



	Q1FY21	Q4FY20	Q1FY20 ¹	QoQ%	YoY%
 Revenues	₹7,847m	₹6,126m	₹6,888m	26% ↑	14% ↑
 Gross Margins	₹4,825m <small>61.5%</small>	₹3,750m <small>60.3%</small>	₹3,726m <small>54.1%</small>	29% ↑ <small>120 bps</small>	29% ↑ <small>740 bps</small>
 EBITDA	₹1,578m <small>20.1%</small>	₹680m <small>10.9%</small>	₹1,239m <small>18.0%</small>	132% ↑ <small>920 bps</small>	27% ↑ <small>210 bps</small>
 Pharma PAT²	₹788m	₹84m	₹523m	839% ↑	51% ↑
 Pharma EPS²	₹8.8	₹0.9	₹5.8	839% ↑	51% ↑



Deliver Growth

- Robust growth over our reset base in the U.S
- Continued strong momentum in Other regulated markets
- A recharge of our institutional business and branded generics business in Emerging Markets



Ensure Compliance

- Upholding a state of complete vigilance and control in our manufacturing sites
- Reclassification of Puducherry Facility
- Quality Fabric initiative to strengthen our quality culture based on people, products, processes and facilities.



Healthy Financials

- Maintaining a healthy balance sheet and P&L Ratios – sustaining gross margins, high operating Ratios, controlled leverage
- Free cash flow generation



Build Sustainability

- R&D engine to anchor our growth plans with a strong pipeline of new filings and new launches
- Risk mitigation – will enable our business to grow responsibly and sustainably.
- Robust process-driven culture and enhance IT footprint



PEOPLE FIRST

- Established leadership connect globally and ensure employee Safety & Wellbeing
- Build Emotional Connect through multiple channels – extending to families of employees
- Rapid response & agile adaption of new work practices at organization level globally



OPERATIONS & SCM

- Proactive engagement with suppliers to ensure uninterrupted supplies of materials
- Smart working capital management
- Continued compliance of all sites with focus on sustaining and maintaining the quality metrics



BUSINESS ENGAGEMENT

- Right size channel inventory to avoid stock out situations given constraints
- Strengthen customer advocacy and build a strong connect with customers leveraging digital platforms
- Focus on improving productivity and efficiency at each level to maximize returns



FINANCIAL FOCUS

- High focus on Enterprise Risk Management framework
- Austerity measures to contain cost and preserve cash without disrupting business
- No major new investments or M&As until we have better visibility on situation



AGM Agenda



**ORDINARY
BUSINESS**

- 1) Adoption of Audited Financial Statements for the Financial Year ended March 31, 2020
- 2) Declaration of Final Dividend of Rs. 2/- and confirmation of Interim Dividend of Rs. 12/- for the Financial Year ended March 31, 2020
- 3) Re-Appointment of Mr. Arun Kumar, retiring director, as a Non-Executive Director

**SPECIAL
BUSINESS**

- 4) Appointment of Dr. Kausalya Santhanam as an Independent Director of the Company
- 5) Appointment of Dr. R Ananthanarayanan as a Managing Director & Chief Executive Officer of the Company
- 6) Re-appointment of Mr. Badree Komandur as an Executive Director-Finance & Group CFO of the Company
- 7) Ratification of remuneration payable to M/s. Rao, Murthy & Associates, Cost Auditors of the Company for FY20



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