Indoco Remedies Limited

COMPANY BACKGROUND……………………………………………………………

- In 1945, Late Mr. Govind Ramnath Kare founded 'Indo-Continental Trading Company', to import pharmaceutical products from Europe, and after independence it ventured into the manufacturing of pharmaceuticals to foster manufacturing of indigenous pharmaceutical formulations, thus, creating Indoco Remedies Limited.
- Indoco Remedies ltd (Indoco) is an integrated, research-oriented pharmaceutical company with seven decades of presence in Indian markets and a strong international presence.
- The company is primarily engaged in the manufacturing and marketing of formulations (finished dosage forms) and active pharmaceutical ingredients (APIs).
- It has 9 manufacturing facilities in India, 6 for finished dosages and 3 for API's, which is supported by a 1,00,000 sq.ft. state-of-the-art R&D Centre and a 150 Bed Clinical Research Organization (CRO).
- The manufacturing facilities are approved by various regulatory authorities including USFDA, UK-MHRA and TGA-Australia.
- Indoco has a large basket of products backed by ANDAs / eCTD dossiers and Drug Master Files (DMFs).

BUSINESS MIX (as on Q2-FY25)…………………………………………………

- **Domestic Formulations (55%):** Indoco's domestic formulations business has a pan India presence. Indoco has a strong presence in the Indian market and is rated highly by the key customers and Doctors across the country.
- **International Formulations(36%):**. For the international markets, Indoco offers complete solutions, including product development, manufacture and supply of finished dosages, APIs and intermediates. Indoco has a strong foothold in the international market with exports to over 55 countries
- **Active Pharmaceutical Ingredient(8%):** Indoco offers full range of services with respect to API supplies in Regulated markets. The distinct advantage of API business emanates from the backward integration for its own ANDAs and Dossiers as well.
- **Allied Services(1%):** AnaCipher CRO (state-of-the-art clinical research facility), Indoco Analytical Solutions (USFDA Approved cGMP Laboratory), Xtend Industrial Designers & Engineers Pvt. Ltd (engineering and consulting services for all phases of project development, from project design to product validation)

FINANCIAL PERFORMANCE (CONSOLIDATED) ……………………………..

(INR Mn)	Operating Income	EBITDA	EBITDA%	PAT	PAT%	EPS
FY22	15,408	3,273	21.25%	1,548	10.05%	16.80
FY23	16,686	2,861	17.15%	1,423	8.53%	15.42
FY24	18,173	2,443	13.44%	970	5.34%	10.51
H1-FY25	8,641	880	10.18%	(82)	(0.95)%	(0.89)

Note: All numbers are as per IND-AS

Key Data

BSE Code	532612
NSE Code	INDOCO
Reuters	INRM.BO
Bloomberg	INDR:IN

Market Data (INR) as on 30th September, 2024.

Face Value	2.0
CMP	359.2
52 Week H/L	417.0/286.5
MCAP (Mn)	33,111.9
Shares O/S (Mn)	92.2
Avg. Volume ('000)	176.72

Performance as on 30th September, 2024.

	3M	6M	12M
Indoco Remedies LTD.	10.49%	9.31%	1.48%
SENSEX	6.65%	13.97%	28.09%
BSE SMALLCAP	9.02%	31.18%	51.58%

Shareholding Pattern as on 30th September, 2024.

Promoters	59.04%
Public	20.93%
DII	18.33%
FII	1.70%

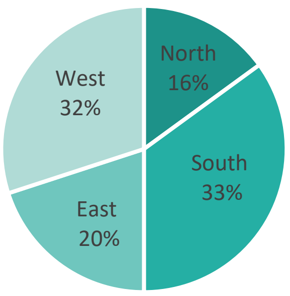
INDIA Business (FY24)

Acute – 88%	Chronic – 12%

Major Therapeutic Segments Contribution (Q2-FY25)

Major Therapeutic Segments	Revenue Share
Stomatologicals	24%
Gastro - Intestinal	17%
Respiratory	14%
Anti – Infectives	17%
Others	28%

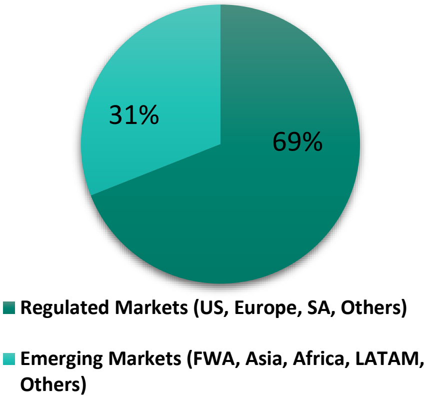
Domestic Formulations - H1/FY25



Top Brands & their revenue share (Q2-FY25)

Top Brands	Market Share
Cyclopam	15%
Febrex Plus	8%
Oxipod	7%
Cital	7%
ATM	6%
SENSOFORM	3%

International Formulations – H1/FY25



KEY GROWTH DRIVERS

Domestic Formulations:

- Expand in Northern and Eastern regions.
- Strategic in-licensing in chronic segment.
- Focusing on sales force effectiveness, new product launches & exploring new channels of distribution.
- Strategic focus on sub-chronic category to enhance prescription from mass specialists (pediatrician, ENT, ophthalmologist, dentist, gynecologist) to dive favorable mix.
- Selective launches in specialty segment.

International Formulations:

- Drive operational efficiency.
- Transition to complete in-house distribution in the US.
- EU-GMP compliance for Goa plant-1 and Baddi plant-3 led larger available capacity and launch of proprietary products will help drive EU business.
- Robust pipeline of specialty dosages (ophthalmic and injectable).
- Curb other expenses.
- Strong customer base makes the Company, a preferred partner, offering complete solutions to its customers worldwide.

API & Allied Services:

- Expertise in Research and Development.
- Backward integration with own APIs.
- Full-fledged CRO set-up.

PEER COMPARISON (TRAILING 12 MONTHS) INR MN

Company	Operating Income	Operating EBITDA	Operating EBITDA%	PAT	PAT%	Market Cap
Indoco Remedies	17,733	1,999	11.27%	294	1.66%	28,346
Glenmark	1,22,477	14,859	12.13%	-8,504	-6.94%	4,69,984.
Gland Pharma	58,902	12,766	21.67%	6,916	11.74%	2,93,415
Cipla	2,65,120	66,648	25.14%	44,808	16.90%	12,85,434
Sun Pharma	5,03,078	1,40,586	27.95%	1,11,308	22.13%	43,46,035

INCOME STATEMENT (CONSOLIDATED) ……………………………………………………………………………………………

PARTICULARS (INR Mn)	FY22	FY23	FY24	H1-FY25
Operational Income	**15,408**	**16,686**	**18,173**	**8642**
Operating Expenses	12,134	13,825	15,730	7,761
EBITDA	**3,273**	**2,861**	**2,443**	**880**
EBITDA Margins (%)	**21.25%**	**17.15%**	**13.44%**	**10.18%**
Depreciation and amortisation	790	706	919	564
Finance costs	141	250	380	321
Other Income	23	23	99	26
Exceptional Items	-	-	115	-
PBT	**2,366**	**1,928**	**1,358**	**21**
Tax Expense	818	505	388	103
PAT	**1,548**	**1,423**	**970**	**-82**
PAT Margins (%)	***10.05%***	**8.53%**	**5.34%**	**(0.95)%**
Other Comprehensive Income	(53)	14	3	(11)
Total Comprehensive Income	**1,495**	**1,437**	**973**	**93**
Diluted EPS	16.80	15.42	10.51	(0.89)

CONSOLIDATED BALANCE SHEET (IND-AS)……………………………………………………………………………………

PARTICULARS (INR MN)	FY23	FY24	H1-FY25
EQUITY	**10,283**	**11,105**	**10,889**
Equity Share Capital	184	184	184
Other Equity	10,099	10,915	10711
Non-controlling interest	-	6	-6.6
NON-CURRENT LIABILITIES	**2,054**	**4,219**	**5,002**
a) Financial Liabilities			
i) Borrowings	1,435	3,517	4324
ii) Lease Liability	150	124	106
iii) Other Financial Liabilities	-	48	51
b) Provisions	334	337	311
c) Deferred tax liabilities (net)	61	118	136
d) Other Non- Current Liabilities	74	75	74
CURRENT LIABILITIES	**4,245**	**6,123**	**8,007**
a) Financial Liabilities			
i) Borrowings	1,710	3,034	3865
ii) Lease Liabilities	33	44	49
iii) Trade Payables	1,235	1,536	2,415
iv) Other financial liabilities	576	880	1,044
b) Other current liabilities	196	145	202
c) Provisions	495	484	432
d) Income Tax Liabilities(Net)	-	-	-
TOTAL LIABILITIES	**6,299**	**10,342**	**13,001**
TOTAL EQUITY AND LIABILITIES	**16,582**	**21,447**	**23,898**

PARTICULARS (INR MN)	FY23	FY24	H1-FY25
NON-CURRENT ASSETS	**8,446**	**11,900**	**13,551**
a) Property, plant and equipment	5,952	7,726	7,828
b) Capital work-in-progress	553	1,029	2,295
c) Right of Use Assets	170	156	145
d) Other Intangible assets	660	1,446	1,298
e) Intangible assets Under Development	582	219	352
f)Goodwill On Consolidation	1	215	215
g) Financial assets			
i) Investments	15	15	15
ii) Loans	29	31	32
iii) Other Financial Assets	20	67	70
h) Income Tax Assets (Net)	-	-	
I) Other non-current assets	465	996	1,301
CURRENT ASSETS	**8,136**	**9,547**	**10,347**
a) Financial Assets			
i) Investment	10	72	126
ii) Trade Receivables	3,509	4,062	3,819
iii) Cash and cash equivalents	109	149	182
iv) Bank balances other than above	24	95	110
v) Loans	7	15	15
vi) Other financial assets	30	70	28
b) Other current assets	1,132	1,536	88
c) Inventories	3,260	3,531	3,827
d) Current tax Assets (Net)	55	17	2,152
TOTAL ASSETS	**16,582**	**21,447**	**23,898**

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