

AHEAD

with purpose
and
confidence

Earnings Presentation

Q4 & FY22

25th May 2022

Except for the historical information contained herein, statements in this presentation and the subsequent discussions, which include words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", seek to", "future", "objective", "goal", "likely", "project", "should", "potential", "will pursue", and similar expressions of such expressions may constitute "forward-looking statements". These forward looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, obtain regulatory approvals, our provisioning policies, technological changes, investment and business income, cash flow projections, our exposure to market risks as well as other risks. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

“Q4 FY22 reflects a strong performance across APIs and formulations. Our API business in this quarter grew by 11% on constant currency basis in a challenging environment. The formulations business grew as per expectations at 12% on constant currency basis, driven by market beating performance in Latam and India.

The macro environment continues to be challenging due to volatility in costs and disruptions across supply chains. Our concerted efforts towards building strong partnerships and judicious price increases have started reflecting in our Q4 FY22 financial performance.

We remain committed to our strategy to build a unique leader in Animal Health. Towards this goal, we will continue to invest in building capabilities in R&D, manufacturing and long-term partnerships.

Rajaram Narayanan, Managing Director

Business

- Q4 FY22 Revenues at ~₹ 3.83 Bn+; +11.7% (cc)
- API: Q4 strong performance at ₹ 1.27 Bn, +11% cc
- Formulations at ~₹ 2.56 Bn, +12.0% (cc)
 - Latam, India & EMs drive strong growth
 - India business crosses ₹ 1 Bn sales milestone

Corporate Updates

- Brazil – Acquired Nourrie to enter pet segment (4th largest market), secured Transuin business
- Business integration – consolidated Brazil entity, shifting towards a global “Alivira” brand
- Capex investments on track for strategic initiatives

Operations

- Germany: USFDA upgrade progressing as per plan
- Successfully completed customer EHS audits with no critical observations
- Inflationary input cost pressures continue

Finance

- Recovery in gross margins as a result of price revisions from Q4
- Cash flow returns to normalcy in Q4
- FY22 impacted due to higher input costs, Opex

Q4 FY22
OUTCOMES

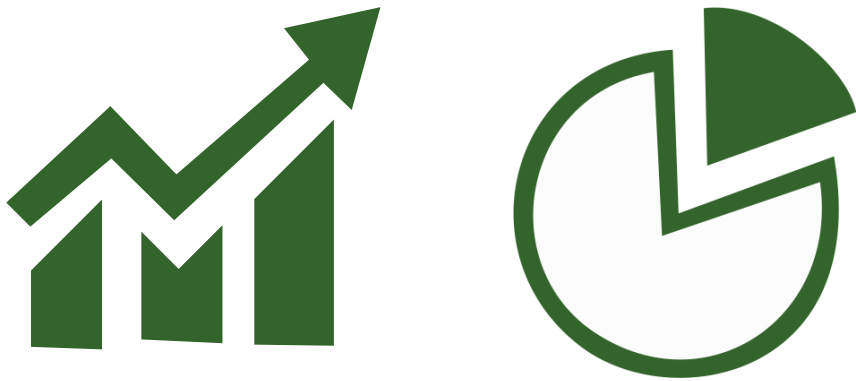
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02

03

Performance Overview

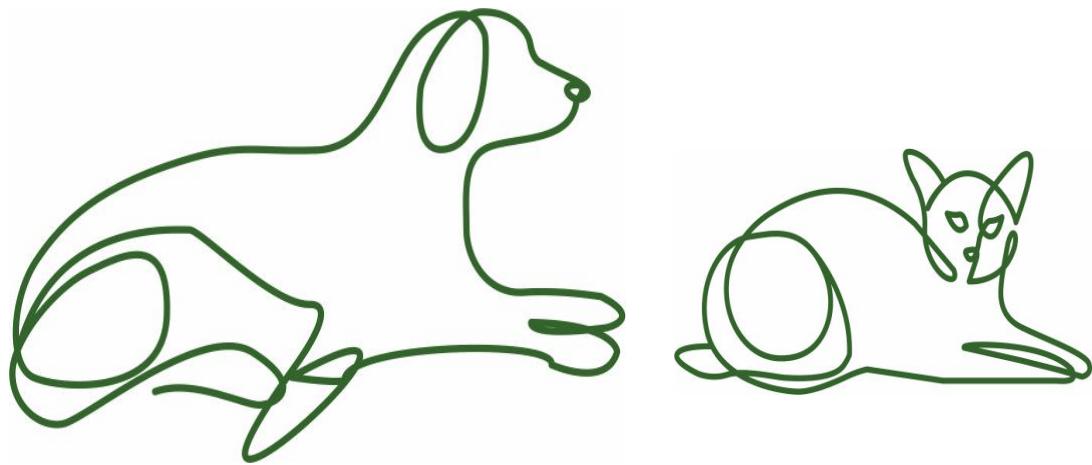


Recovery in Q4, stable performance for full year

Revenue Distribution	Q4 FY22	Q4 FY21	YoY Gr%	YoY Gr% (In cc)	FY22	FY21	YoY Gr%	YoY Gr% (In cc)
APIs	1,273	1,118	13.8%	11.0%	4,314	4,565	(5.5%)	(5.4%)
Formulations	2,564	2,500	2.6%	12.0%	9,814	9,051	8.4%	13.5%
<i>Europe</i>	<i>1,034</i>	<i>1,105</i>	<i>(6.4%)</i>	<i>(2.6%)</i>	<i>4,205</i>	<i>4,171</i>	<i>0.80%</i>	<i>0.81%</i>
<i>LATAM</i>	<i>647</i>	<i>455</i>	<i>42.2%</i>	<i>32.0%</i>	<i>2,247</i>	<i>1,557</i>	<i>44.3%</i>	<i>42.1%</i>
<i>Turkey</i>	<i>401</i>	<i>552</i>	<i>(27.3%)</i>	<i>15.3%</i>	<i>1,396</i>	<i>1,603</i>	<i>(12.9%)</i>	<i>17.6%</i>
<i>Emerging Markets</i>	<i>264</i>	<i>206</i>	<i>28.5%</i>	<i>31.0%</i>	<i>947</i>	<i>938</i>	<i>1.0%</i>	<i>1.4%</i>
<i>India</i>	<i>217</i>	<i>182</i>	<i>19.0%</i>	<i>19.0%</i>	<i>1,021</i>	<i>782</i>	<i>30.5%</i>	<i>30.5%</i>
Global Sales	3,837	3,618	6.0%	11.7%	14,128	13,616	3.8%	7.2%

- ❖ Overall business grows by 11.7% cc during Q4
 - ❖ API recovers with strong performance in Q4 at 11% cc growth, inflationary cost pressures continue to impact
 - ❖ Formulations maintains momentum in Q4 with 12% cc growth – LATAM, Emerging Markets and India perform exceptionally well
 - ❖ Turkey business grows by 15.3% cc, however impacted by currency depreciation
 - ❖ Europe performance subdued of late, expect recovery going forward

Business Review



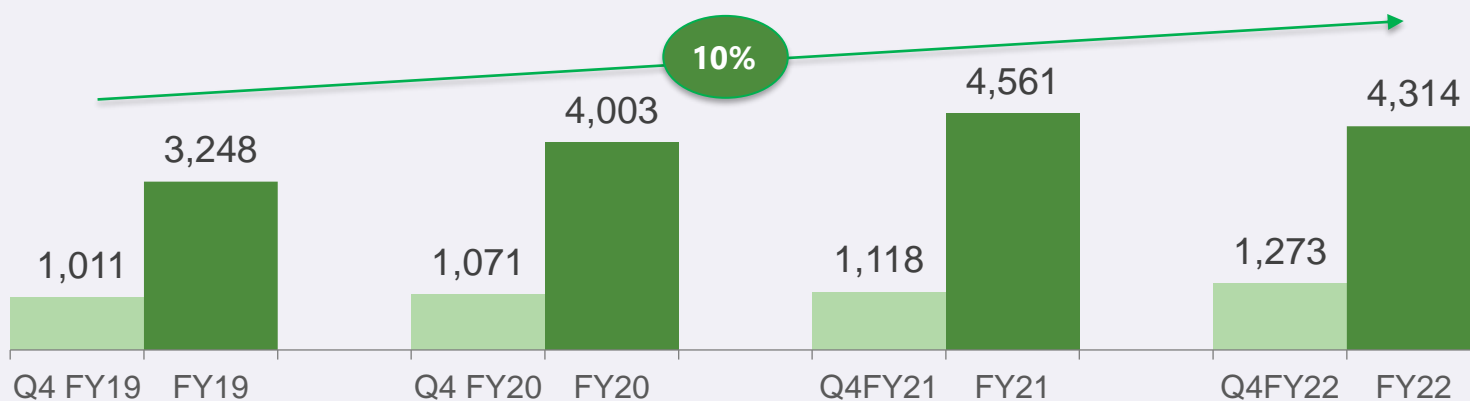
API : Delivers a strong performance in Q4

Key Updates

- ❖ Achieved highest-ever quarterly sales of ₹ 1.27 Bn, +11% YoY cc growth in Q4
- ❖ Regulated markets contribution continues to increase, up from 57% in FY21 to 71% in FY22
- ❖ Subdued demand coupled with inflationary input cost pressures impacts overall growth
- ❖ Submitted 1 VMF filing – Total 24 USVMF filings, 11 CEP approvals
- ❖ Mahad site received ISO 14001, ISO 45001 certifications for EHS from TÜV NORD CERT GmbH

Revenues

All values in ₹ Mn



Commercial APIs

30

Manufacturing facilities

3

R&D Centre

1

Asset turnover ratio

2.0x

Formulations : Brazil, India, Emerging Markets outperform in Q4

Key Updates

- ❖ Q4 revenues of ₹ 2.56 Bn, +12 % YoY cc growth
- ❖ Met expectations of double-digits growth (cc) for full year, enabled by a diversified market reach
- ❖ India business achieves key milestone, crosses landmark of ₹ 1 Bn revenues for the year
- ❖ Europe weakness owing to supply chain pressures and slowdown in demand
- ❖ Surprises in currency volatility impact Turkey growth, uncertainty likely to continue in near future

FDFs

1000+

Manufacturing facilities

6

R&D Centres

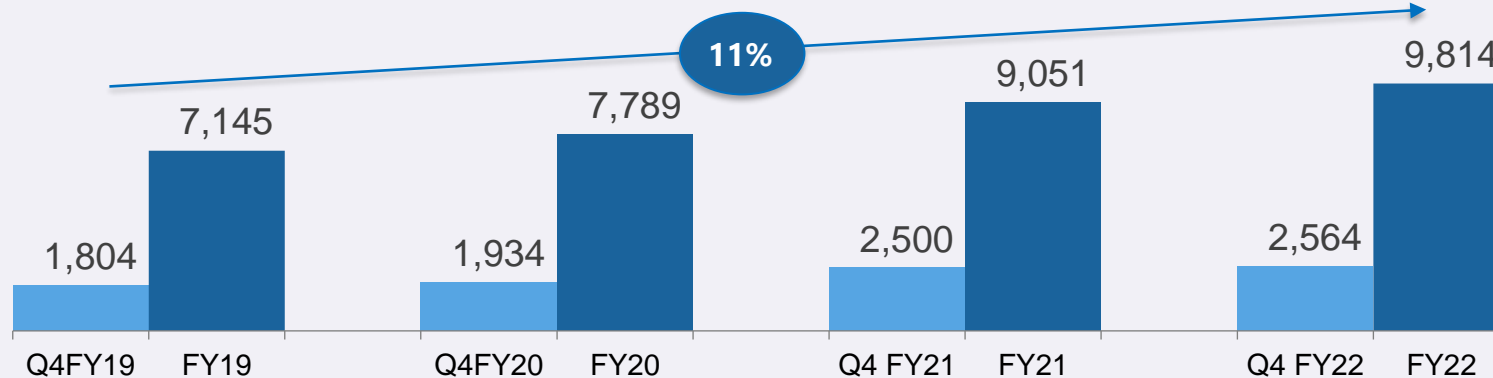
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Countries with marketing presence

80

Revenues

All values in ₹ Mn



Financials



Consolidated Financials

Particulars	Q4 FY22 Unaudited	Q3 FY22 Unaudited	Q4 FY21 Unaudited	FY22 Audited	FY21 Audited
Revenue from Operations	3,837	3,580	3,618	14,128	13,616
Material Consumption	(2,188)	(2,075)	(1,857)	(7,930)	(6,947)
Gross Margin	1,649	1,505	1,761	6,198	6,670
%	43.0%	42.0%	48.7%	43.9%	49.0%
Employee Benefit Expenses	(519)	(488)	(486)	(1,985)	(1,819)
Operating Expenses	(744)	(680)	(780)	(2,791)	(2,634)
EBITDA (pre ESOP)	386	337	495	1,423	2,216
%	10.1%	9.4%	13.7%	10.1%	16.3%
ESOP cost	(53)	25	(54)	(329)	(54)
EBITDA	333	362	442	1,094	2,163
%	8.7%	10.1%	12.2%	7.7%	15.9%
Exchange Gain / (Loss)	23	29	(9)	63	(42)
Other Income	15	8	14	45	84
Finance Cost	(60)	(35)	(32)	(158)	(244)
Depreciation	(125)	(128)	(127)	(511)	(506)
Exceptional Items	-	-	2	-	(88)
Earnings Before Tax	186	236	290	534	1,366
Taxes	(86)	(50)	(55)	(82)	(322)
Earnings After Tax	100	186	235	452	1,045
Minority Interest	10	14	29	38	90
Earnings after Minority Interest	90	171	206	414	954

All values in ₹ Mn

Key Balance Sheet Items

All values in ₹ Mn

Particulars	Mar-22	Dec-21	Mar-21
Shareholders Funds	6,924	6,898	7,277
Minority Interest	480	466	487
Net Debt	2,542	1,929	1,628
Investments	364	563	769
Tangible Assets	3,252	3,270	3,479
Intangible Assets	2,414	1,994	2,186
Working Capital	4,222	4,093	3,653
Put / Buyout Liabilities	159	450	426

Balance Sheet Highlights

- ❖ Currency depreciation ₹ 728 Mn (Turkey impact ₹797 Mn) & MTM impact of Treasury investment ₹ 354 Mn resulting in reduced net worth
- ❖ Rise in Net Debt on account of Minority consolidation and Nourrie Acquisition – ₹ 607 Mn
- ❖ Increase in Intangible assets due to Nourrie acquisition
- ❖ Inventory build-up in formulation for Q1 sales plan
- ❖ Buyout Liabilities of ₹ 159 Mn on account of Nourrie acquisition balance payment

High Quality Generic Supplier

Portfolio



High Quality,
Specialty Generics

R&D



Complex Gx
Development

Commercial
Footprint



Selective
Presence

Key areas to
invest



Differentiated
Generics

API – Integrated, but separated

- ⦿ **Independent business unit** with own portfolio & pipeline decisions
- ⦿ **Internal API supply** for FDF business with strategic advantage, value added products
- ⦿ **Value growth** through:
 - ⦿ Big-4 AH penetration
 - ⦿ Pipeline (High value APIs)
 - ⦿ CDMO/ CMO business
- ⦿ **Key Differentiators:** Supply security, Quality and Compliance

FDF – Growth from the Core

- ⦿ **Deeper penetration in current key strategic animal health markets**
 - ⦿ Europe, India, Turkey, Brazil
- ⦿ **Select expansion into new geographies**
 - ⦿ USA, select EU and select South-East Asia
- ⦿ **Value added/ Specialty products**



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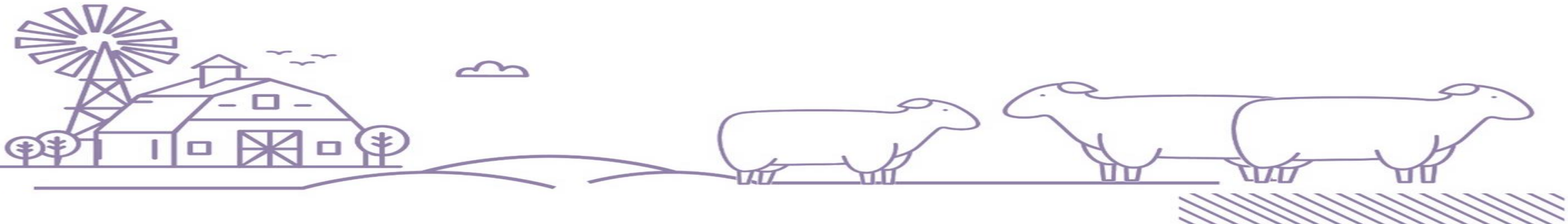
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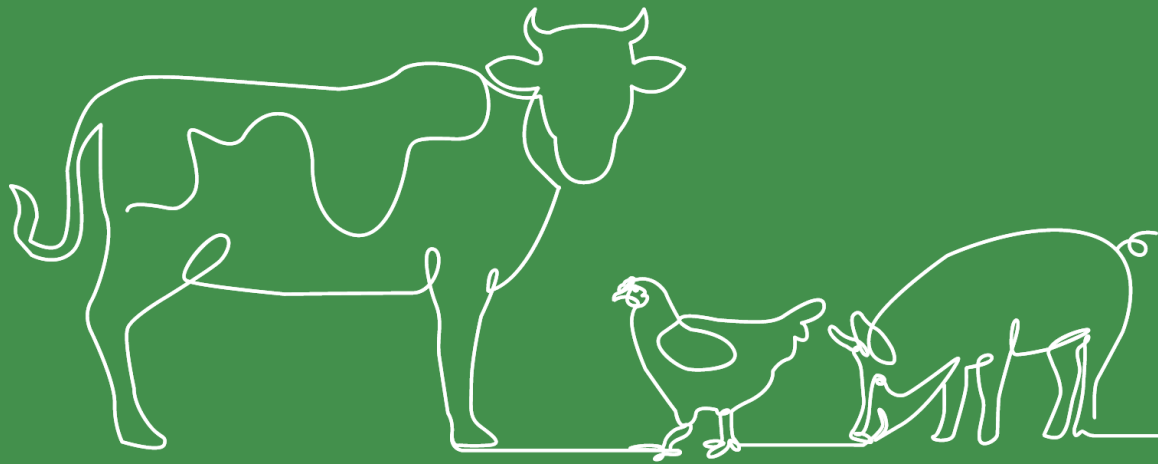
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