

AMBITION



EXECUTION

Earnings Presentation

Q1 FY21

July 30, 2020



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.

Operational excellence despite challenging times

Revenues



₹3,103

Million

11.6%
YoY

EBITDA margin



16.8%

290bps
YoY

PAT



₹209

Million

82.6%
YoY

Cash from operations



₹409

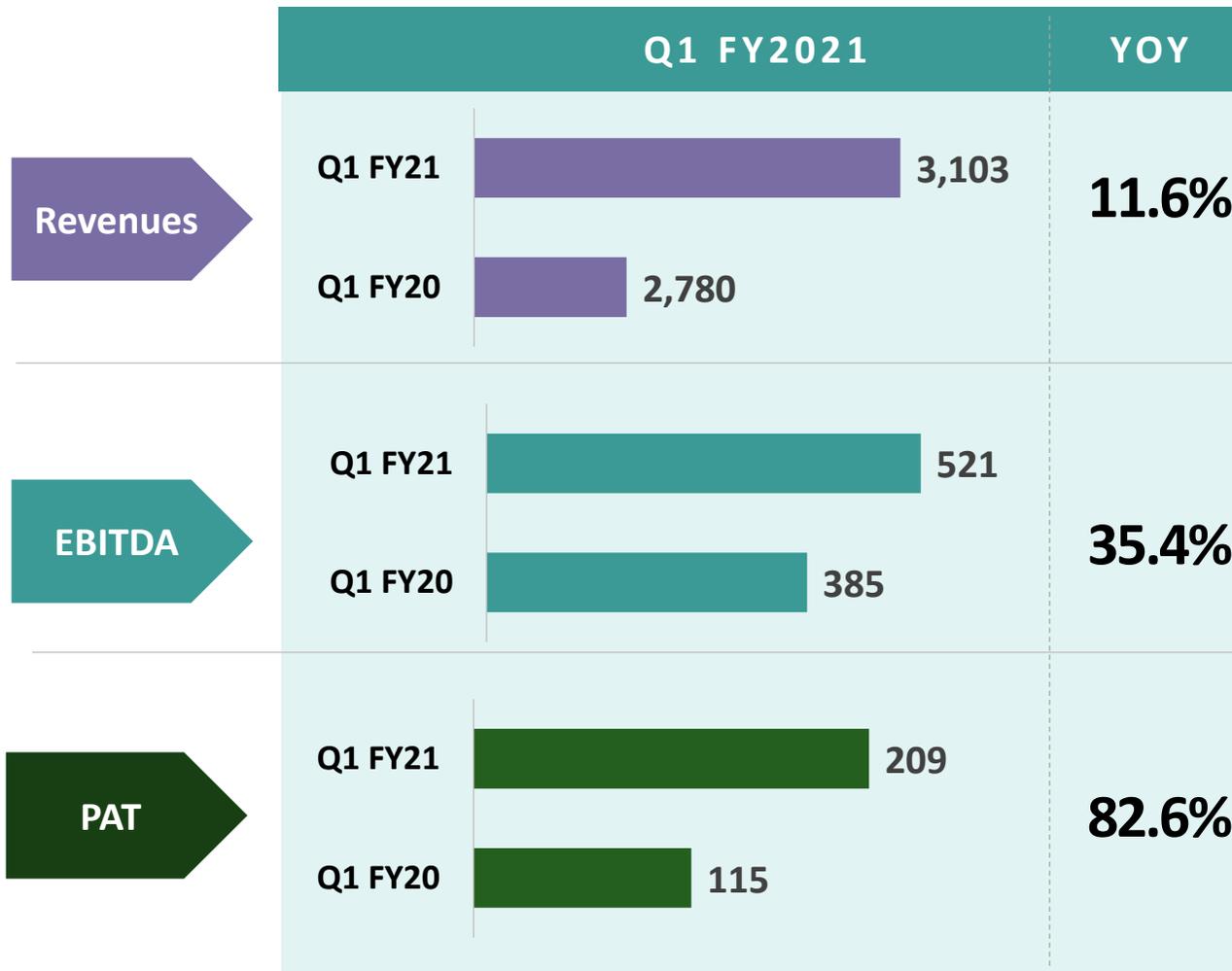
Million

4.8x
YoY

Q1 FY21 Performance Review



Challenging environment brings out best in SeQuent



“We are pleased to kick start the year with a strong performance despite the challenging external environment driven by the global pandemic. Europe, Turkey and LATAM contributed to the growth in Formulations while APIs clocked another quarter of consistent performance.

Our focus during the pandemic has been to keep the business functioning while empathizing with all our stakeholders. With employee safety and welfare as the paramount focus, we also ensured timely payments of our financial obligations, including to our vendors and suppliers.

We look forward to the rest of the year with greater optimism and confidence for continued value creation under the new ownership.”

Managing Director
Manish Gupta

- Collaborative efforts to maintain eco-system and manage stakeholders with larger interest in mind
 - Complete support to vendors & employees, timely payments to all including banks
 - More than doubled medical insurance coverage for employees and families
- Operations continue across all sites in India and overseas under heightened care
- Supply chain team ensure material availability despite logistical challenges, custom issues
- Field operations streamlined for safety, field visits replaced by phone calls to customers
- International business and operations also continue with limited impact
- Extra-ordinary co-ordination between Business, Operations, Finance and HR ensure near execution of the Q1 plan
- As Covid-19 cases spread in interiors of India, expect some localized disruptions at sites – cases reported at Mahad site recently, currently expect no impact on Q2 plan

Operational outlook for Q2 is stable with near normal operations both in India and ex-India



Operating challenges

- Intermittent lockdowns
- Manpower availability
- Material supply constraints
- Logistical disruption
- Customs hold-up
- Delivery cycle impact
- Project execution delays



Counter measures and Strategic actions

- Longer shifts, attendance incentives, safety measures, enhanced term & medical insurance, free medical care
- Accelerated supply chain security program for key molecules
- Dedicated logistics companies
- Welfare measures for plant staff

Steady performance across businesses

All values in ₹ Mn

Revenue Distribution	Q1 FY21	Q1 FY20	YoY%	YoY% (Constant currency)
Formulations	2,001	1,874	6.8%	8.5%
<i>Europe</i>	1,072	882	21.6%	13.6%
<i>Turkey</i>	354	342	3.5%	11.1%
<i>Emerging Markets</i>	240	408	(41.2%)	(43.3%)
<i>LATAM</i>	334	241	38.6%	74.1%
APIs	1,102	907	21.5%	13.4%
Global Sales	3,103	2,780	11.6%	10.1%

Key Highlights

- Global sales grew 10.1% on constant currency basis, 11.6% on reported basis
 - API drives growth with increase of 13.4% on constant currency basis, +21.5% on reported basis
 - Formulations business keeps pace with a constant currency growth of 8.5%
 - Led by growth across key markets of Europe, Turkey and LATAM
 - Cautious approach in Emerging markets lead to 43% decline, expect recovery in Q2

Note: All growth % are in constant currency

Q1 FY21 Business Review



APIs

Scaling the capability curve

Revenues in ₹ Mn

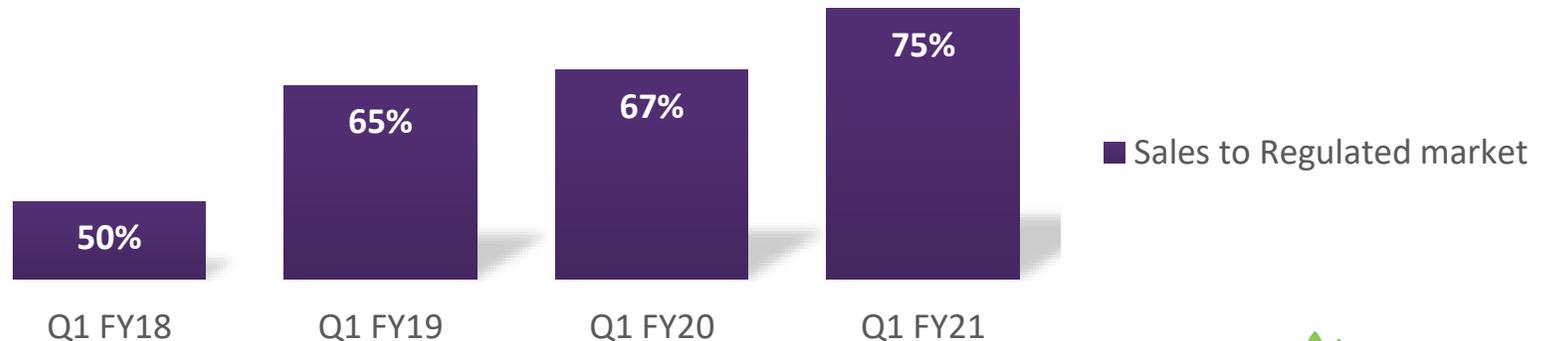
Q1 FY21	Q1 FY20	YoY% (cc)
1,102	907	13.4%

Alivira API facility

27 Commercial APIs **3** Manufacturing facilities **75%** Sales to regulated markets **2.5x** Asset turnover ratio

Highlights

- ✓ Continue to expand margins through emphasis on high value products and focus on regulated markets
- ✓ Initiated Vizag expansion project for FY22 requirements, delay of 3 months
- ✓ Alivira is the # 1 Generic Animal Health USVMF Filer and # 3 Global Animal Health USVMF filer including 6 products where we are sole VMF holders



Formulations

Value creation

Revenues in ₹ Mn

Q1 FY21	Q1 FY20	YoY% (cc)
2,001	1,874	8.5%

1,000+

FDFs

5

Manufacturing facilities

65%

Sales to regulated markets

80+

Countries with marketing presence

Highlights

- ✓ EU grew 13.6% cc during the year, ahead of industry
 - ✓ Growth driven by Benelux region and nutrition business from Spain
 - ✓ Bremer expansion plan deferred: execution challenges due to Covid-19
- ✓ Turkey grows steadily at 11.1% cc
- ✓ LATAM delivers robust growth of 74.1% cc with both Brazil and Mexico performing well
- ✓ Emerging markets decline 43.3% cc, impacted by weak macro environment and collection concerns. To be back on track from Q2, led by India
 - ✓ Multi-year agreement with Zoetis to market & distribute their ruminant portfolio in India – commercialised from 1st July
 - ✓ Portfolio of 13 brands (19 SKUs) covering the therapeutic areas of Antibiotics, Parasiticides, Hormones and Vaccines

R&D

Diverse Initiatives

Formulations

35+

Products Under
Development

4

R&D Centres

38%

Injectables

10

New filings in
US in next 3 years

API

14+

Molecules in
pipeline

1

R&D Centre

19

US Filings

10

CEP Filings

Carlyle transaction update

- As announced on May 8, 2020, CA Harbor Investments (The Carlyle Group entity) entered in Binding Agreement to acquire majority stake in SeQuent Scientific Limited
- Proposed transaction also triggered mandatory open offer by CA Harbor Investments and CAP V Mauritius Limited for the purchase of up to 26% equity shares of SeQuent from public
- The transaction was planned to close in Q2 FY21, subject to customary closing conditions and regulatory approvals

Current Status

- Proposed transaction has received necessary consents & approvals including from Competition Commission of India as well as Turkish Regulatory Authority
- We understand that the Acquirer is liaising with SEBI with respect to SEBI's queries on the draft letter of offer, and with the Government of India for its application pursuant to Rule 6(a) of the Foreign Exchange Management (Non-Debt Instrument) Rules, 2019

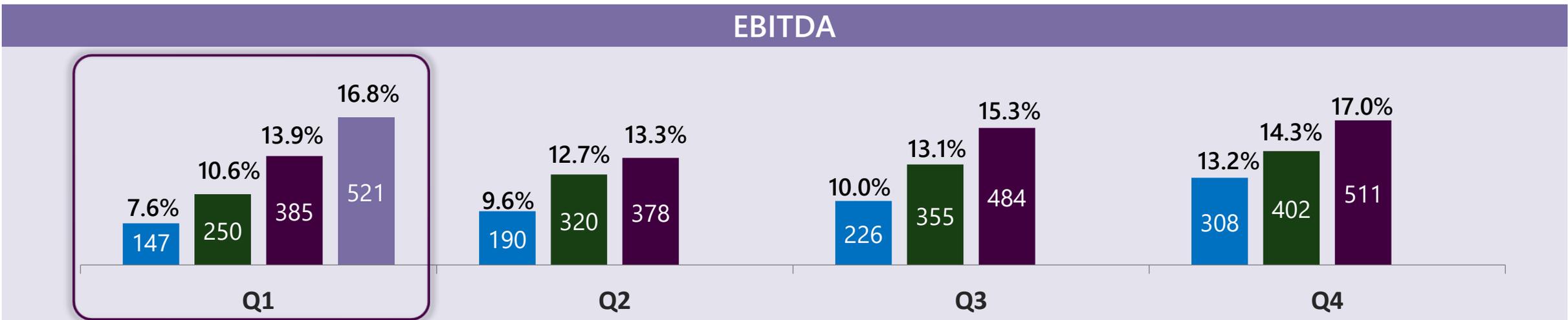
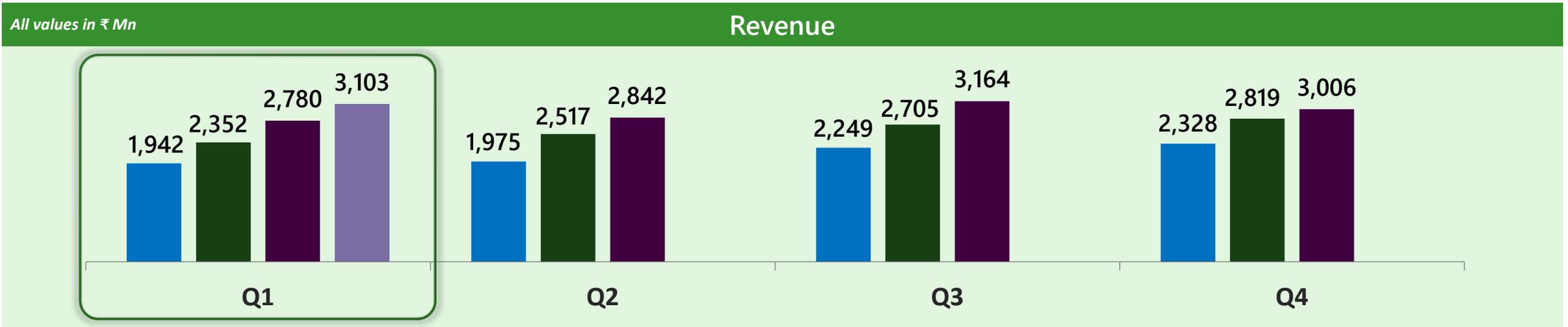
Transaction on track to conclude in Q2 FY21 (current quarter)

Financials

Sequent
Proven Ability In Life Sciences



Delivering consistently over 3+ years



■ FY18
 ■ FY19
 ■ FY20
 ■ FY21



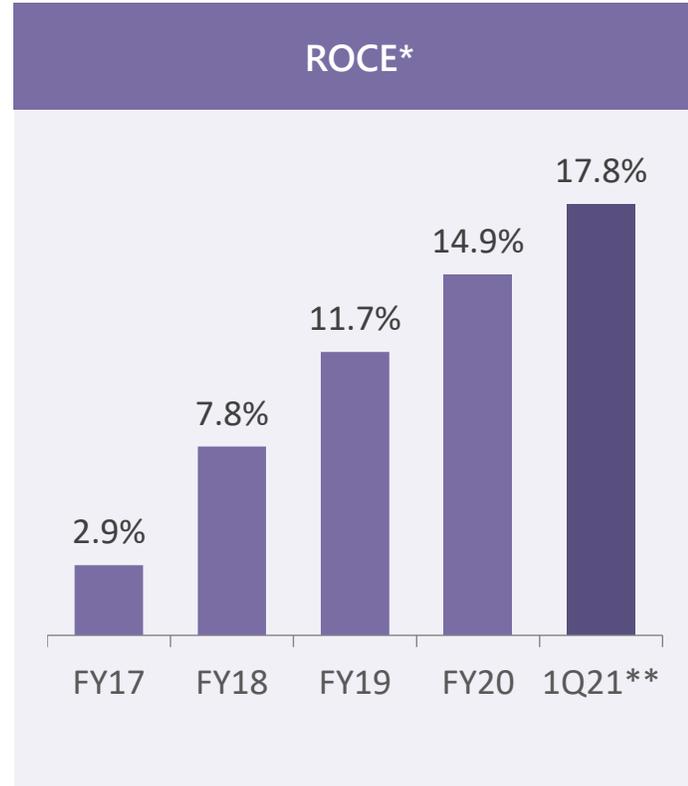
Consolidated Financials

PARTICULARS	Q1 FY21 Unaudited	Q4 FY20 Audited	Q1 FY20 Unaudited	FY20 Audited
Revenue from Operations	3,103	3,006	2,780	11,792
Material Consumption	(1,594)	(1,494)	(1,431)	(6,050)
Gross Margin	1,508	1,512	1,349	5,742
%	48.6%	50.3%	48.5%	48.7%
Operating Expenses	(987)	(1,001)	(964)	(3,984)
EBITDA	521	511	385	1,758
%	16.8%	17.0%	13.9%	14.9%
Exchange Gain / (Loss)	(11)	(64)	(1)	(55)
Other Income	15	18	13	101
Finance Cost	(76)	(93)	(89)	(357)
Depreciation	(130)	(131)	(120)	(506)
Earnings Before Tax	319	241	188	941
Taxes	(74)	(59)	(35)	(120)
Earnings After Tax	245	182	153	821
Minority Interest	36	14	38	121
Earnings after Minority Interest	209	169	115	699

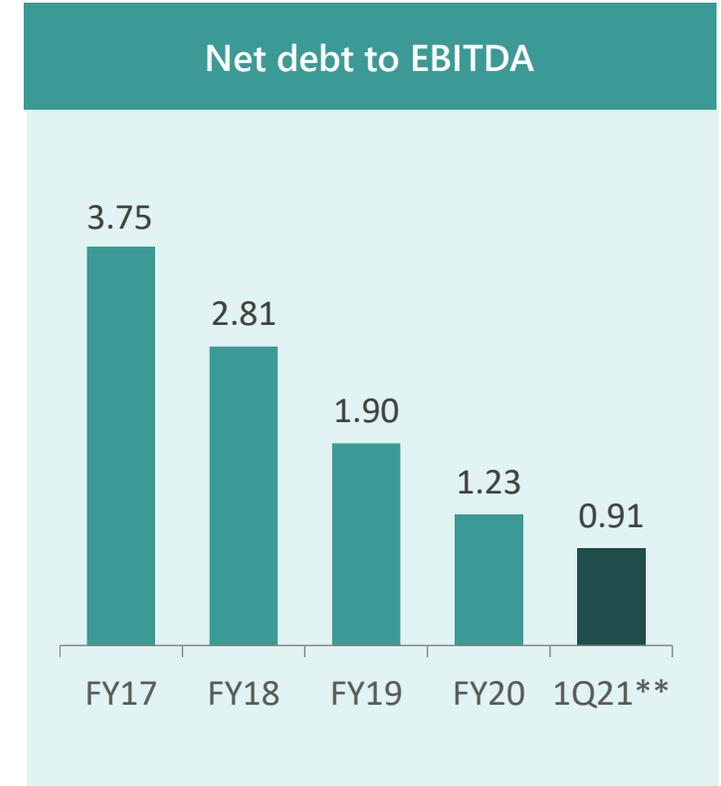
Key Balance Sheet items

All values in ₹ Mn

Particulars	Jun-20	Mar-20
Shareholders' funds	8,070	7,428
Minority Interest	478	447
Net Debt	1,903	2,155
Investments	1,723	1,313
Tangible Assets	3,522	3,560
Intangible Assets	2,862	2,897
Working Capital	3,026	3,000



*Adjusted for investments ** Quarter Annualised



Cash generated from operations is ₹409 Mn

Thank You

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