

AMBITION



EXECUTION

Investor Presentation

November 2019

**Our Ambition is to be a Leading
Pure-play Animal Health Company**
in the world with integrated,
end-to-end capabilities





Largest Pureplay

Animal Health Company from India into APIs, Formulations and analytical services



8 Global Manufacturing Assets

in India, Spain, Germany, Brazil and Turkey



100+

Country Presence



26

Commercial Active Pharmaceutical Ingredients (API)



1,000+

Finished dosage formulations (FDF) across 12 dosage forms



\$100 Mn

Invested in R&D, manufacturing capabilities, building market presence



1,400+

Member Global Team



4.5x Business scaled

In last 4 years

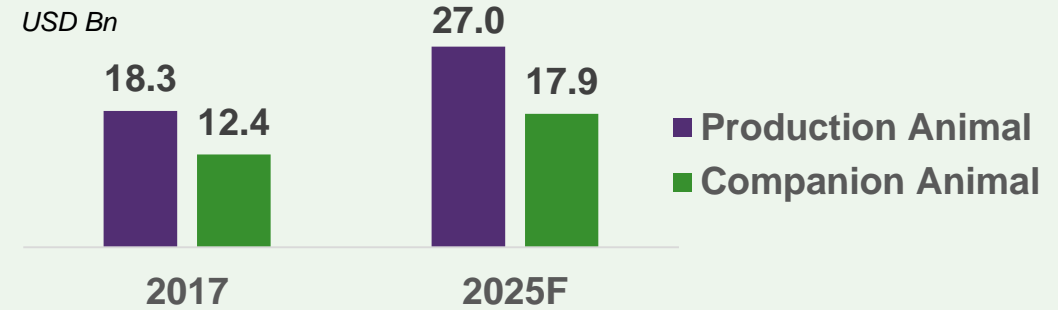


USFDA Approved

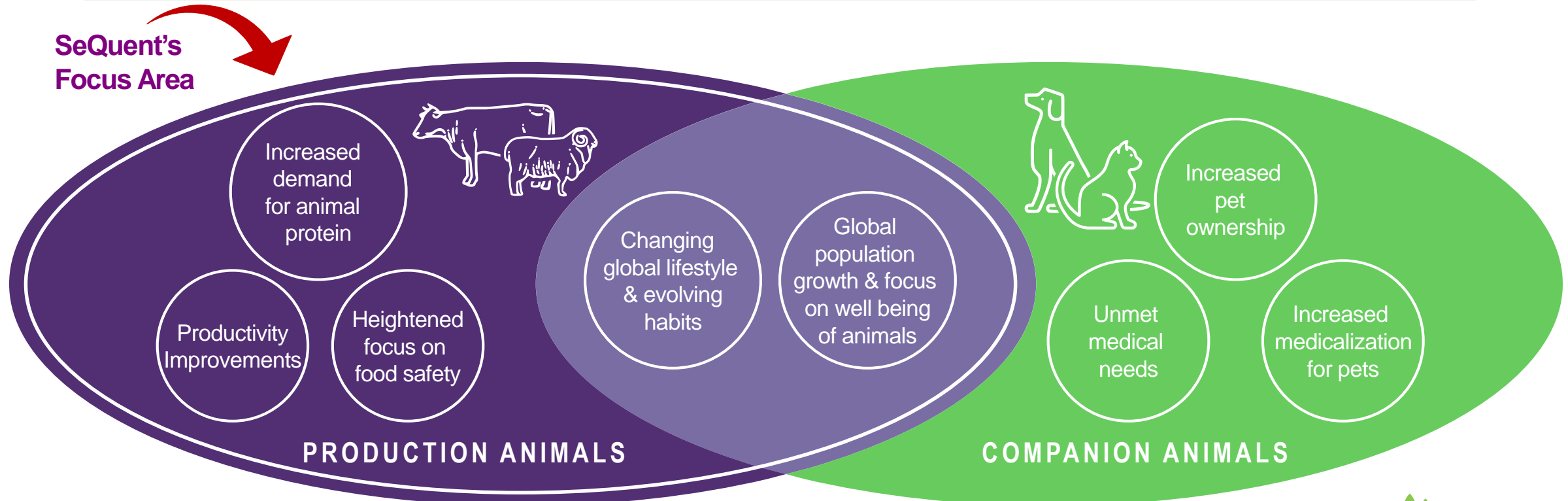
India's only USFDA approved animal health API manufacturing facility (Vizag)

Advantageously placed in a growing opportunity

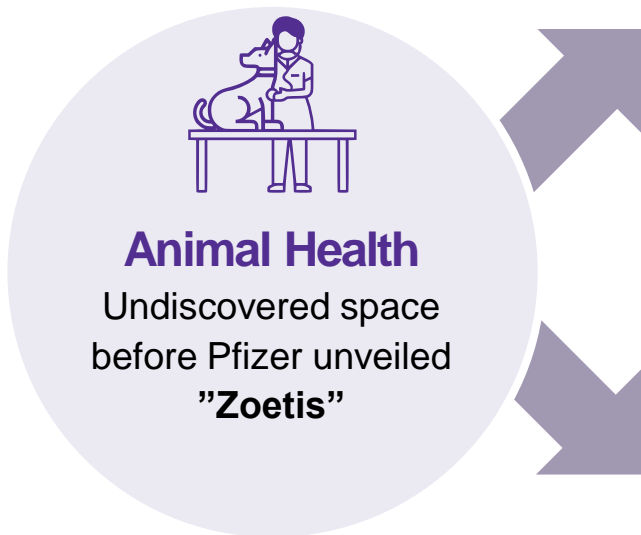
Global animal health industry will grow at a **CAGR of 4.8%** to reach **US\$ 45 billion by 2025** with Production animal segment continue to have the larger share



SeQuent's
Focus Area



Seeing the industry disruption at a distance



SeQuent in Early Days

- Multiple business domains including animal health
- Price-sensitive, spot business
- **API-led strategy**
- Volume driven
- Emerging markets footprint

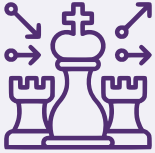


Changing times for Industry

- Emergence of standalone animal health businesses, clear differentiation from human pharma models
- Increasing complexity in regulatory environment and growing oversight on compliance - quality and EHS
- Supply chain disruption led by segregation from Human pharma
- Growing consolidation of Animal health industry



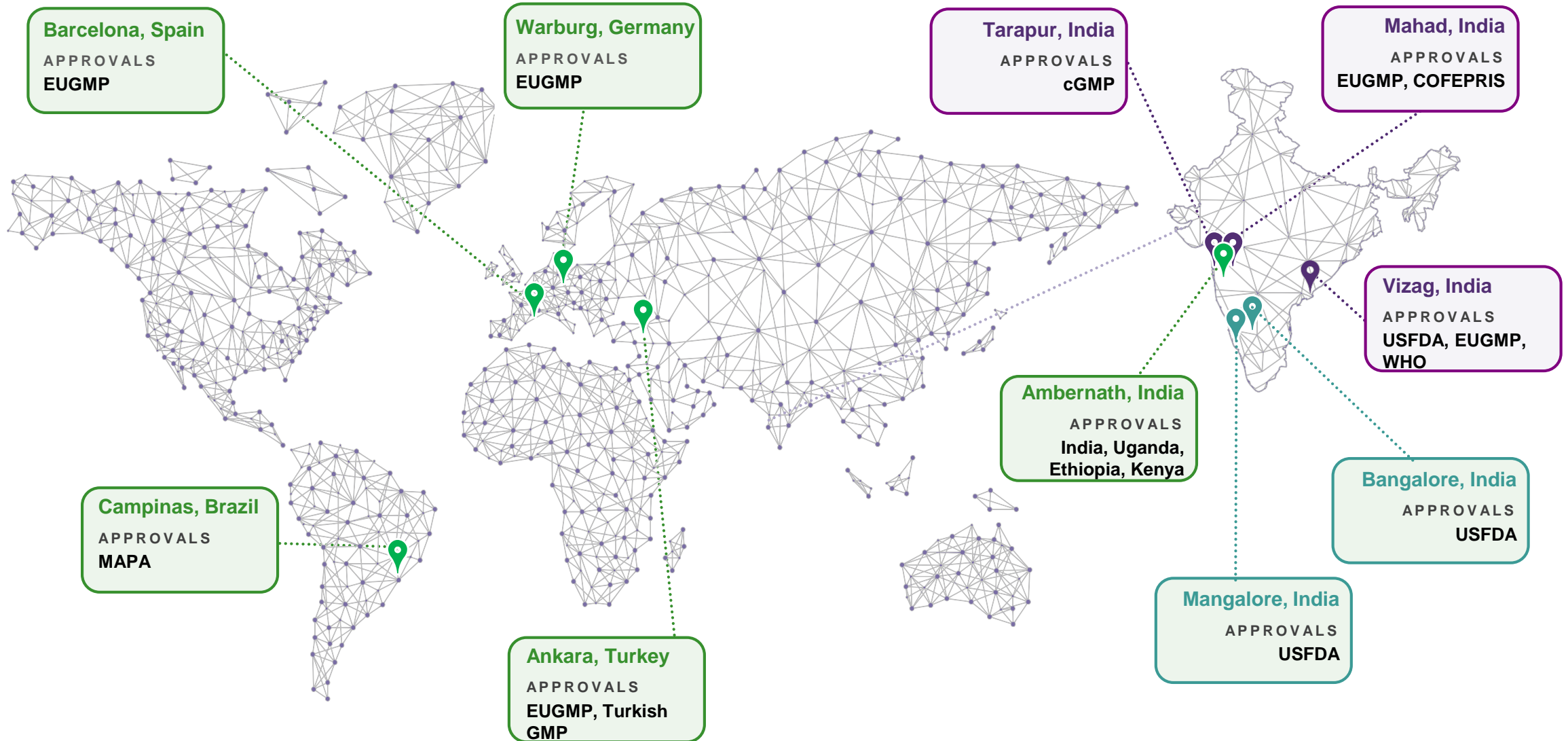
Rewired SeQuent

- Focus on building business around Animal health domain 
- Unique, **integrated strategy with focus on both APIs and Formulations**
- Supported by focused R&D and compliant manufacturing
- API focus realigned to regulated markets
- Leverage big pharma relationship
- Divest non-core businesses
- Recapitalized business for growth

SeQuent's strategic capacity building, fast expanding market coverage and differentiated products driven by innovation enable us to outperform the industry



Global manufacturing presence



Production capabilities

	FORMULATIONS					API		
	Barcelona	Warburg	Campinas	Ankara	Ambernath	Vizag	Mahad	Tarapur
	Spain	Germany	Brazil	Turkey	India	India	India	India
Capabilities	Dedicated betalactam powder block and nutrition	Betalactam and hormones	-	Dedicated Beta-lactam block, hormones and Cephalosporinis	Sterile granules	6 clean rooms with reactor capacity of 225 KL	2 clean rooms with 23 reactors with total capacity of 80KL	2 clean rooms with reactor capacity of 64 KL
Dosage Forms	Oral solutions/suspension, powder and premixes	Injectable solutions/suspension, oral solutions/suspension, powder and premixes	Powder and premixes	Injectable solutions/suspension, intra-mammaries, pour-on, spot-on, aerosol, oral solutions/suspension	Oral solutions, suspension, powder and premixes	-	-	-
Strategic Intent	EU and US markets		Strategic local manufacturing		Emerging markets	India Cost Arbitrage		



Led by a global leadership team

Corporate Head



Manish Gupta
Managing Director



Tushar Mistry
Chief Financial Officer



Sharat Narasapur
Technical Operations

Business Head



Allen Kelly
United States



Jose Nunes Filho
LATAM



Sirjiwan Singh
Technical Operations - Europe



Ashish Kakabalia
*Business Development
and R&D*



Ramon Vila
Europe



Yawar Abbas
Emerging Markets



Dr. Huseyn Aydin
Turkey



Shrikant Makode
API

Broad-based portfolio providing differentiated solutions

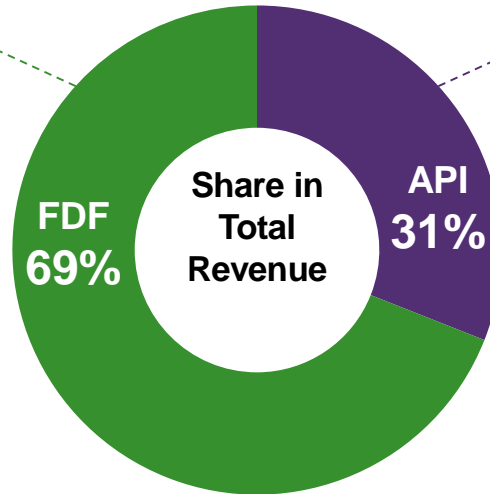
Strong, diversified product base that addresses the needs of a multitude species within the formulation front

World's largest veterinary API producer from India

Animal health Formulations

Animal health API

Revenue FY19
₹10,393 Mn
(\$150 Mn)



₹7,145 Mn

Formulation Revenue

50%+

Sales to regulated market

₹3,248 Mn

API Revenue

54%

Contribution of top 10 customers to API sales

35+

Formulation products under development

35+

New products launched in FY19

14+

Complex APIs under development

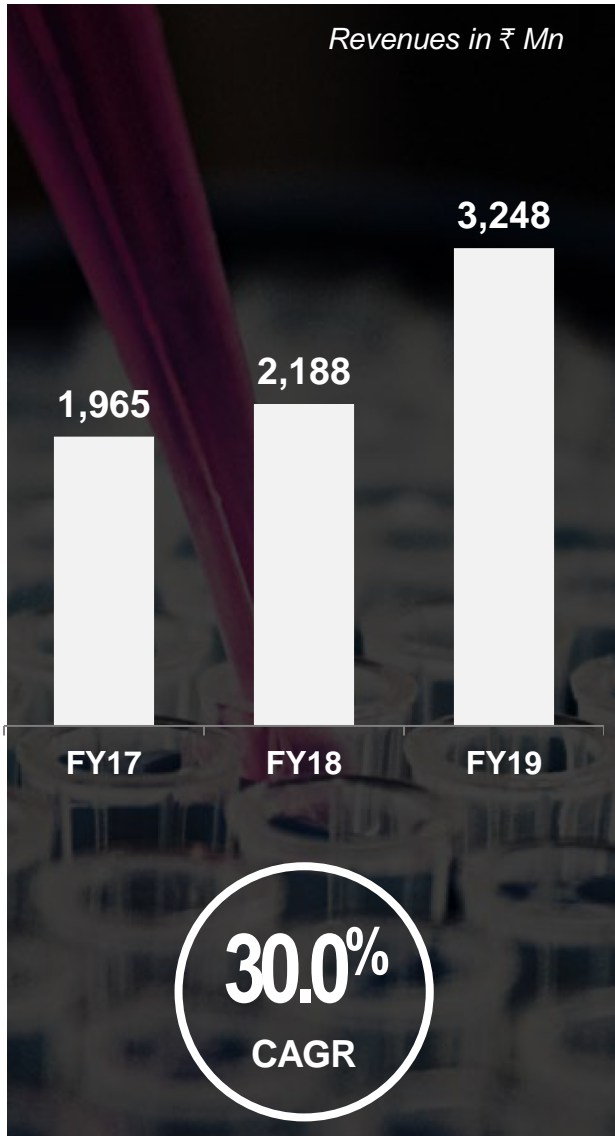
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Filings in the US and EU



API: Competitive Edge in Animal Health

APIs: Scaling the capability curve



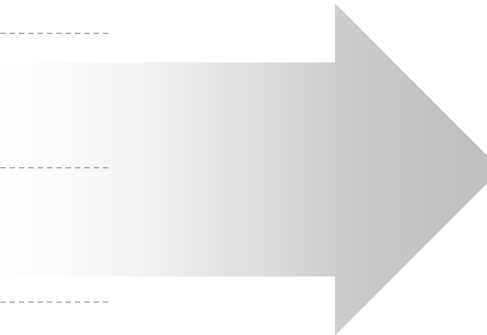
26 Commercial APIs	18 US Filings / Approvals	11 CEP Filings
14+ Pipeline	1.9x Asset Turnover	~₹1 Bn Quarterly Run-rate

FY19 Growth Highlights

- Deepening relationships with global top 10 veterinary companies is paying off with ₹1 billion revenues clocked in a single quarter
- Reported margin expansion through focus on regulated markets and high-value products
- Acquisition of EU GMP approved API facility at Mahad provides comprehensive infrastructure to scale API business in the medium term

Driven by top-5 customers

Customer	Growth FY19 vs. FY18	% Contribution of sales
Customer 1	2.0x	11%
Customer 2	2.3x	8%
Customer 3	2.7x	7%
Customer 4	5.0x	5%
Customer 5	1.9x	5%



2.4x

Growth with
Top-5 customers

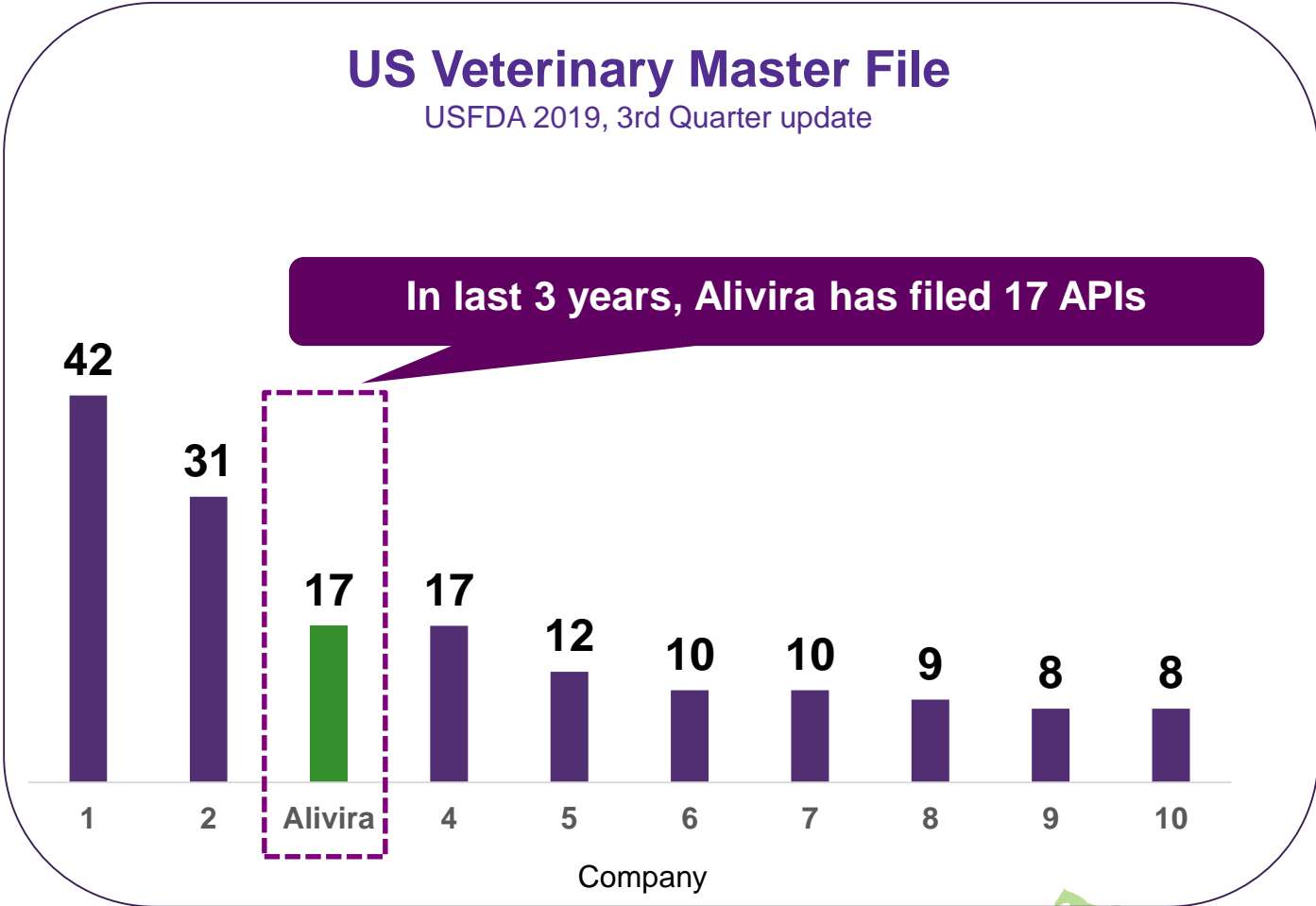
54%

Contribution of Top 10
customers to API sales



Alivira amongst 'Top 3' US FDA VMF Filers

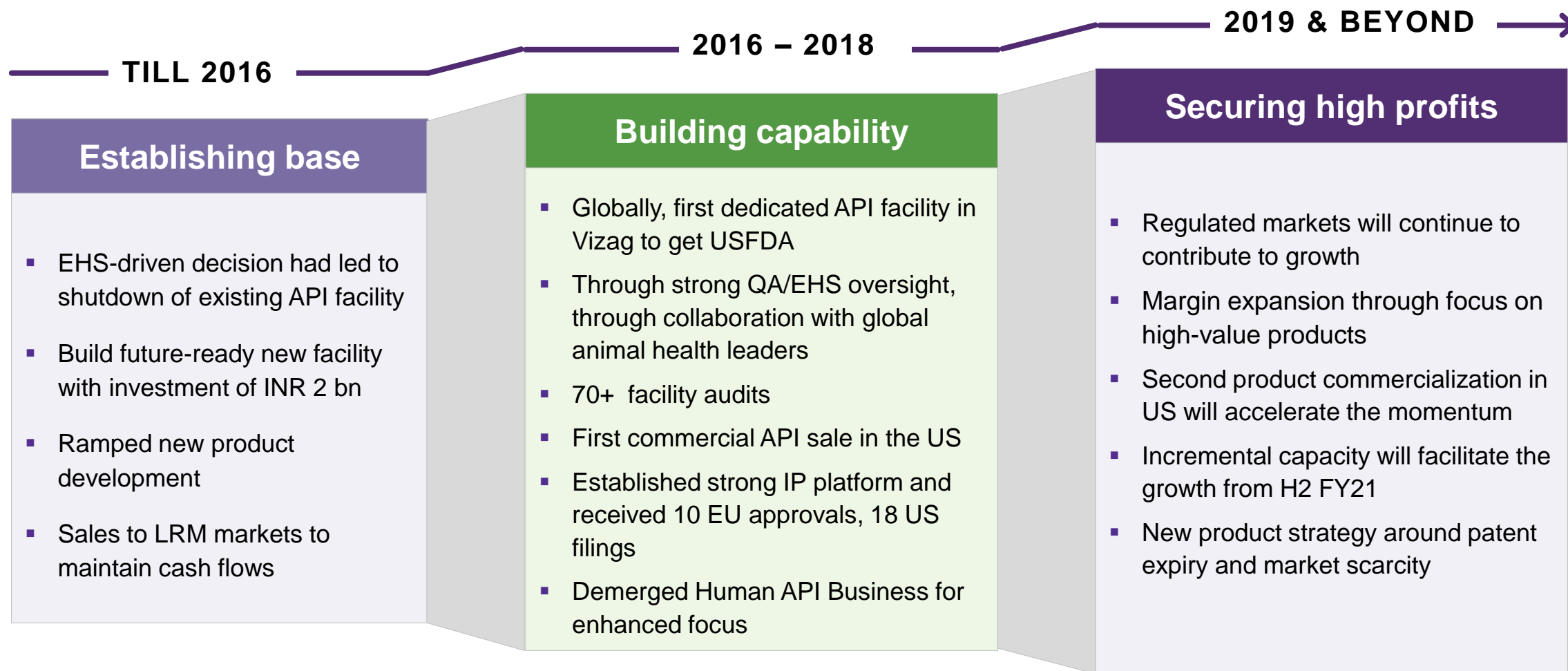
Alivira is the # 1 Generic Animal Health USVMF Filer and # 3 Global Animal Health USVMF filer



Strategic product selection

API Filings	Competition
5	Alivira only
7	< 3 competitors
5	5+ competitors

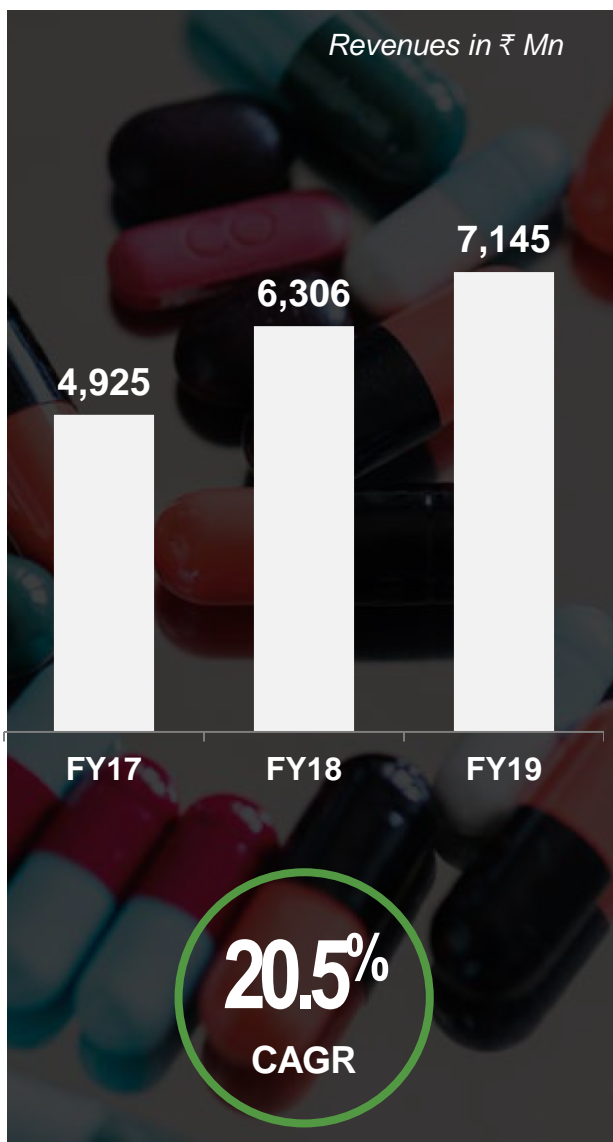
Reaping benefits of well-executed strategy





Formulations: The Value Driver

Formulations: Value creation



35+

Products Under Development

80+

Countries with marketing presence

50%+

Sales to regulated markets

1000+

Products focused on Production Animals

12

Dosage Forms

35+

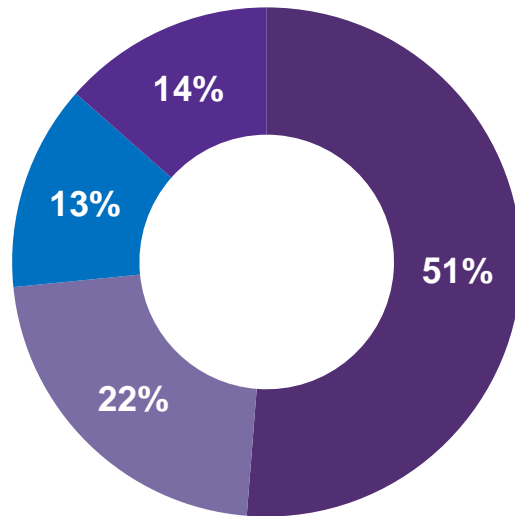
Launches in FY19

FY19 Growth Highlights

- Robust growth across geographies, driven by new launches and improved market share
- Launched 18 products in EU and 15 products in emerging markets
- Acquired Bremer Pharma (Germany) for significant boost to injectable pipeline in the US and EU
- Reinforced global technical operations with key leadership hiring

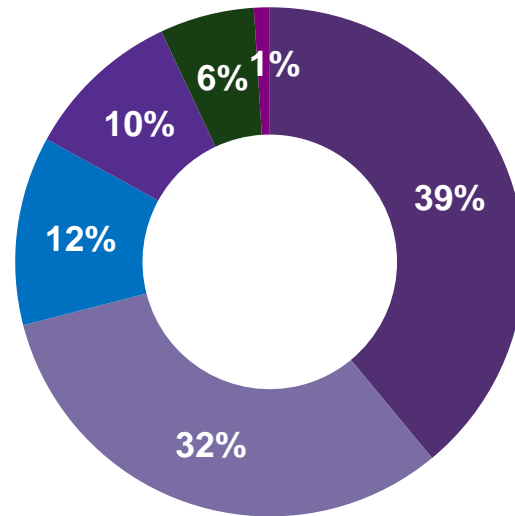
Diversified offerings addressing the widespread needs

Revenue by Region



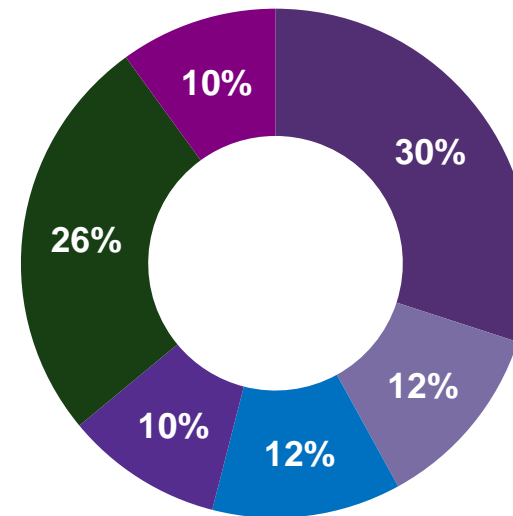
- Europe
- Emerging Markets
- Latam
- Turkey

Revenue by Species



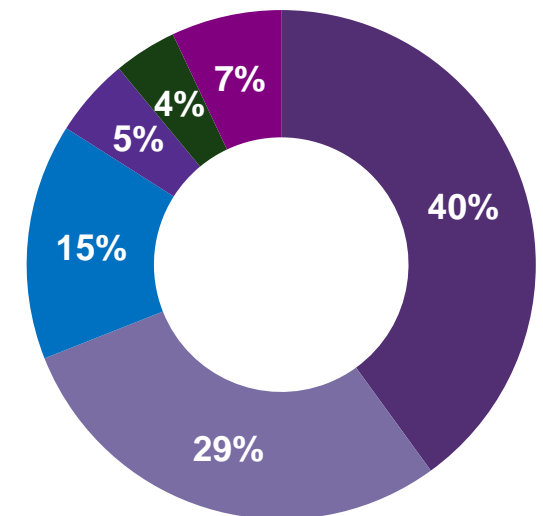
- Multispecies
- Ruminants
- Poultry
- Companion Animals
- Swine
- Others

Revenue by Therapy



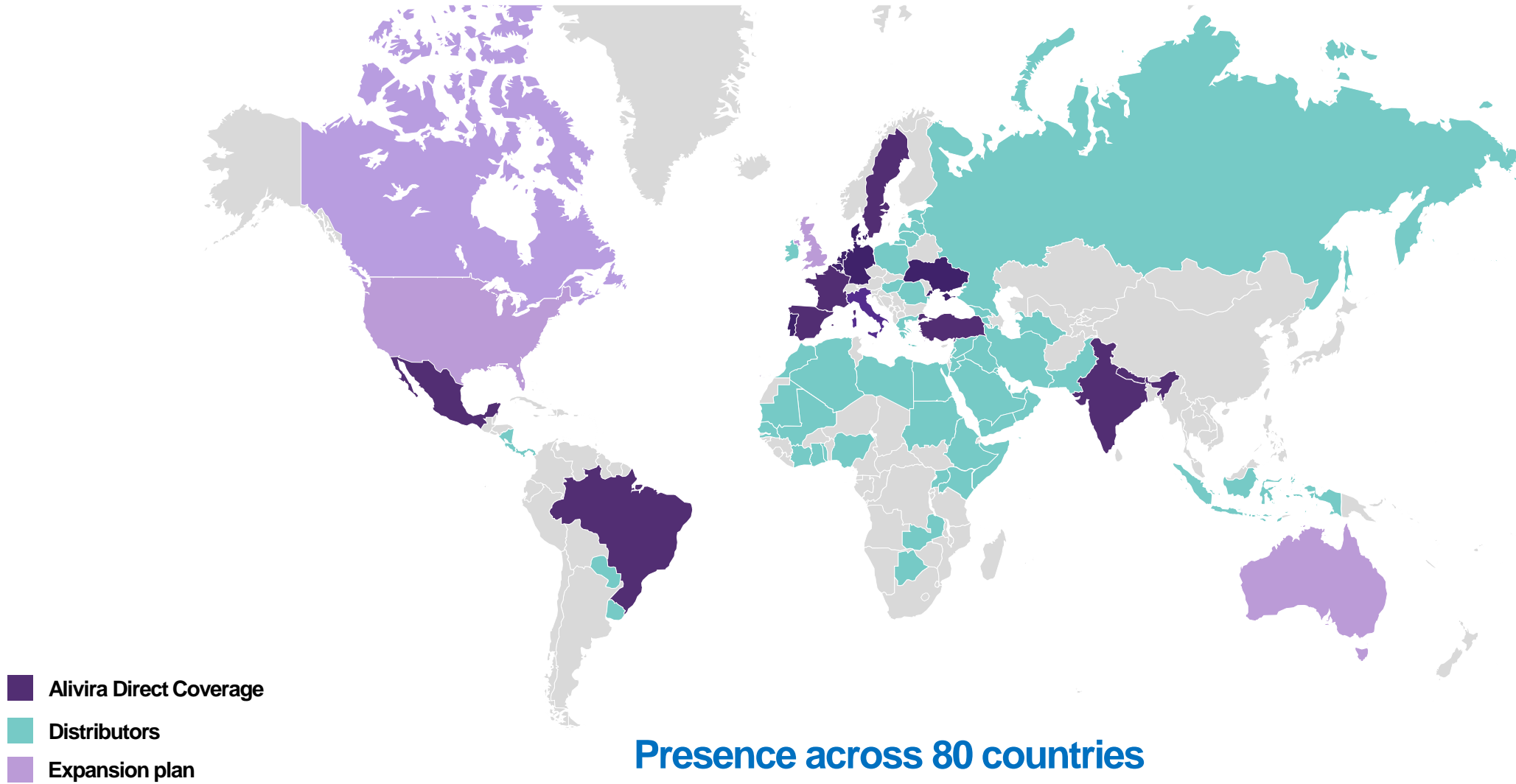
- Antibiotic Non-Injectables
- Antibiotic Injectables
- Anthelmintics
- Pain Management
- Nutritional
- Other

Revenue by Dosage Form



- Powder / Premixes
- Injectables
- Oral Solutions / Suspensions
- Solids
- Pour On / Spot On
- Paste & others


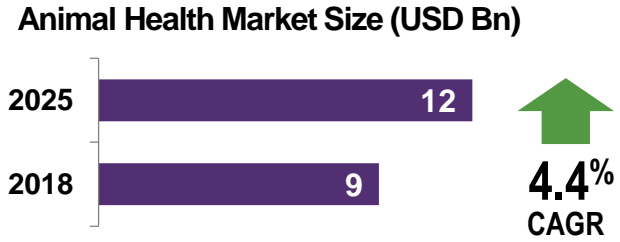

Carving a niche in major global markets



Presence across 80 countries
Direct Alivira marketing in 10 of Top 25 EU countries





Market coverage with deepening presence in 80+ countries

	Market Statistics	SeQuent Presence	Future Strategy
 Europe	<p>2nd Largest animal health market in the world</p> <p>Animal Health Market Size (USD Bn)</p> 	<p>35+ Front-end team members in 7 of the top 10 EU countries (ES, NL, BE, SE, DE, IT and FR)</p> <p>230+ Product registrations with last mile channel partnership for 27 EU companies</p> <p>Manufacturing base at Spain and Germany, R&D base at Barcelona</p>	<ul style="list-style-type: none"> ▪ Leverage Alivira's strong brand image ▪ Establish front-end presence in top-10 EU Markets ▪ Leverage injectable manufacturing capabilities in Germany
 Turkey	<p>\$450 Mn. USD Turkey veterinary market</p> <p>8% Growth YoY, 2X industry growth</p>	<p>3rd Largest animal health company with ~10% market share</p> <p>120+ Products</p> <p>40+ Field force</p> <p>Best in class manufacturing capabilities</p>	<ul style="list-style-type: none"> ▪ Capitalize on the manufacturing capabilities and distribution network ▪ Make a wider foray into the cattle and sheep segment ▪ Leverage our expertise in injectable products especially penicillin and cephalosporins




Market coverage with deepening presence in 80+ countries

	Market Statistics	SeQuent Presence	Future Strategy
 Latin America	<p>Dominated by Brazil and Mexico</p> <p>Of the global animal health business accounted by Brazil and Mexico</p> <p>6.7%</p> <p>Estimated growth rate to reach US\$ 5 bn by 2025</p> <p>5.5%</p>	<p>BRAZIL</p> <p>25+ Registered Products</p> <p>11+ Field force</p> <p>GMP facility approved by MAPA</p> <hr/> <p>MEXICO</p> <p>37+ Registered Products</p> <p>7+ Field force</p>	<ul style="list-style-type: none"> Launch therapeutic products in nutritional additives and supplements Capitalise EU relationships for in-licence products Expand into other LATAM markets
 India	<p>2nd Fastest growing market for animal healthcare</p> <p>Healthcare market for production animals (USD Mn)</p> <p>2025 930</p> <p>2015 460</p> <p>8.1% CAGR</p>	<p>Established presence with overall business revenue of US\$ 7 million</p> <p>50+ Registered Products</p> <p>150+ Field force</p>	<ul style="list-style-type: none"> Mastitis, infertility and probiotics therapies to augment penetration in the cattle business Catalysing poultry business through nutritional products like enzymes, toxin binders and acidifiers



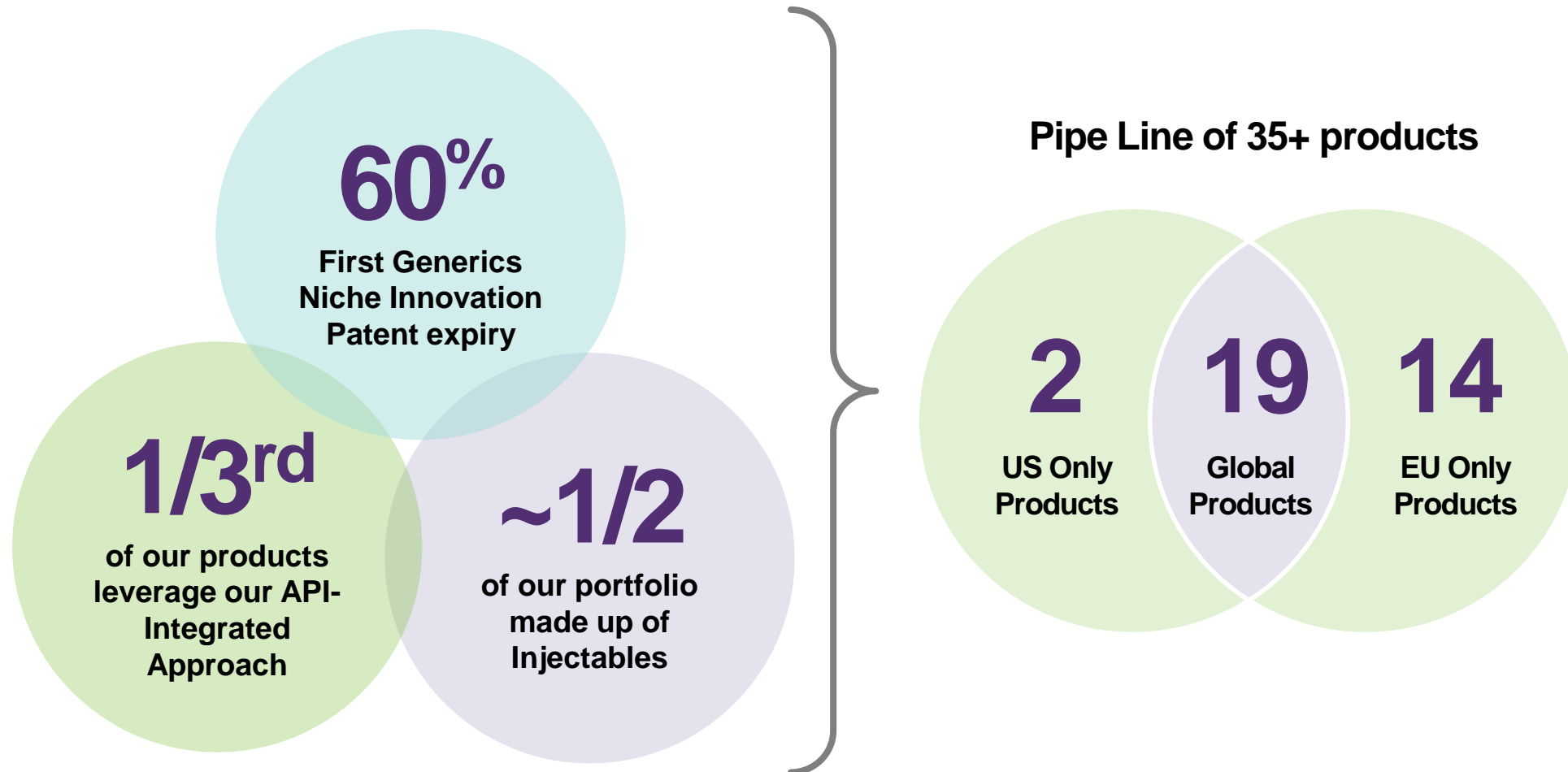
Market coverage with deepening presence in 80+ countries

	Market Statistics	SeQuent Presence	Future Strategy
 <p>Emerging Markets (Ex-India)</p>	<p>1/4th Of the global animal health business is represented by emerging markets</p>	<ul style="list-style-type: none"> ▪ Africa 9 key countries, 80+ approved products, 14 field force 	<ul style="list-style-type: none"> ▪ Establish front end presence in parts of East Africa and Southeast Asia ▪ Enter new markets: Egypt, Saudi Arabia, Thailand, Tanzania, CIS and Qatar ▪ Focus on innovative, non-antibiotic product portfolio ▪ Consolidate EM portfolio under single leadership
	<p>6.5% Estimated CAGR</p>	<ul style="list-style-type: none"> ▪ South East Asia 11 countries, 11 field force, 130+ approved products ▪ MENA 10 countries, 12 field force, 75+ registrations ▪ Russia and CIS 4 countries; 24 registrations 	

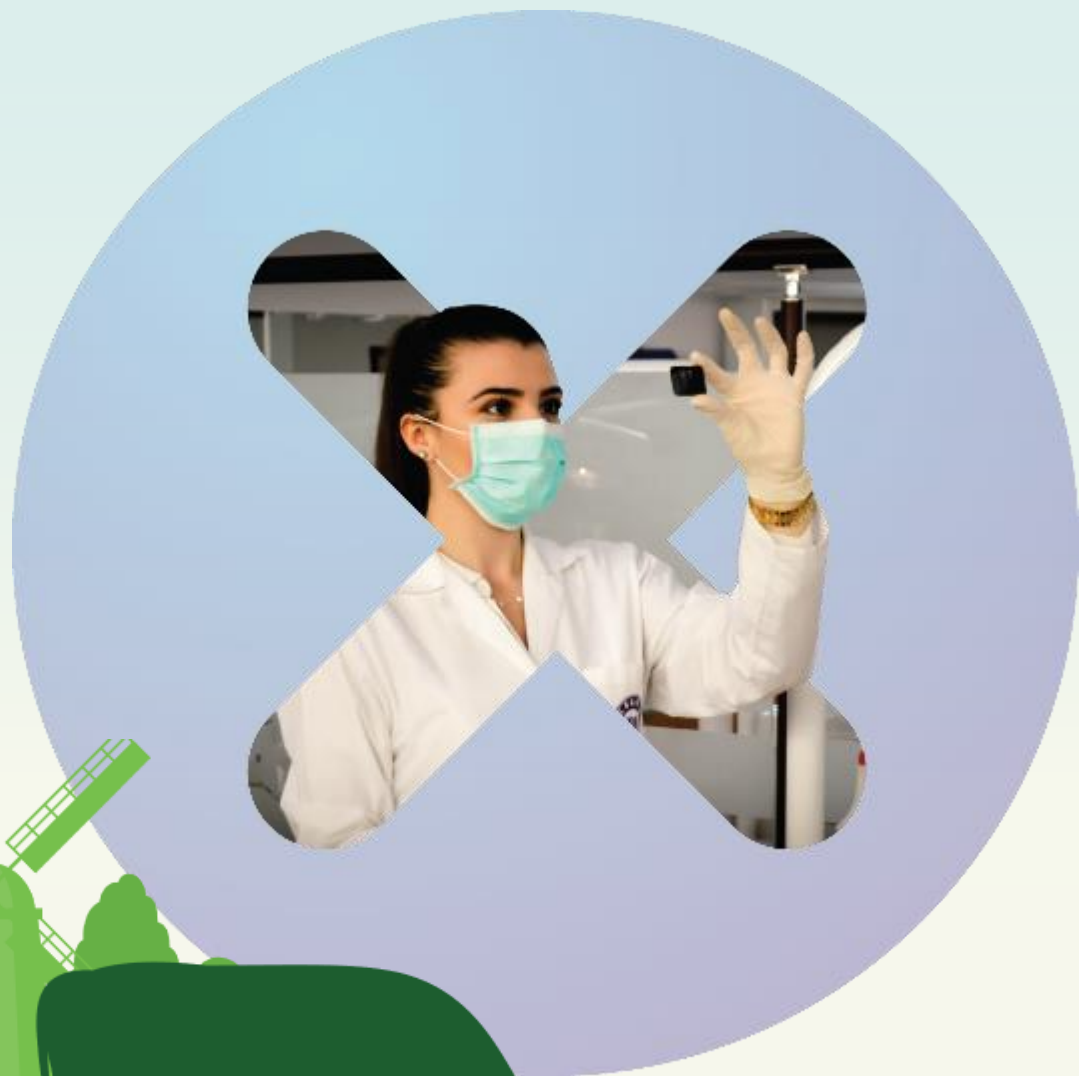
Calibrating with the growth strategy



R&D to drive value creation in FDF business



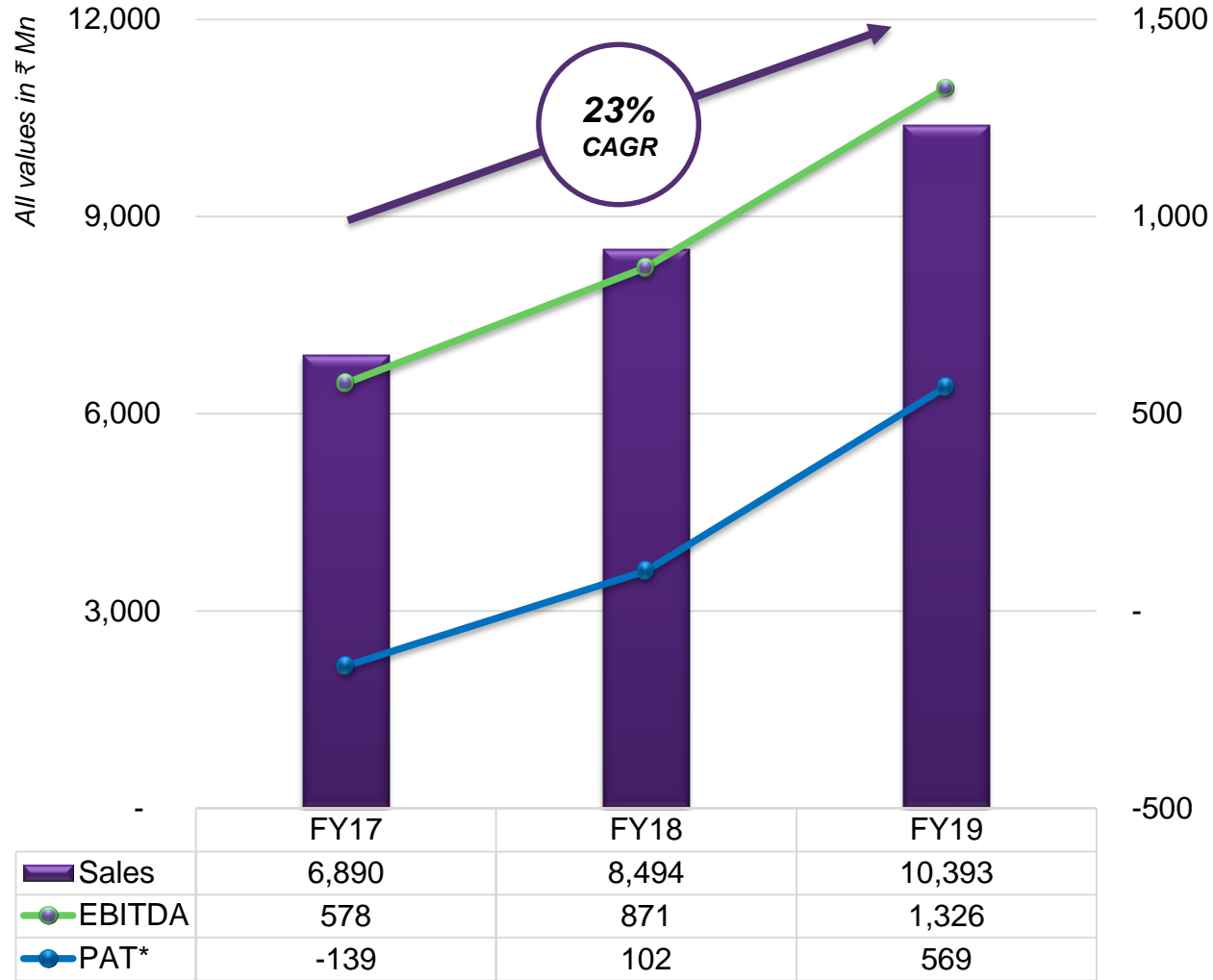
Portfolio of 35+ products under development, market opportunity of \$ 1 Bn+



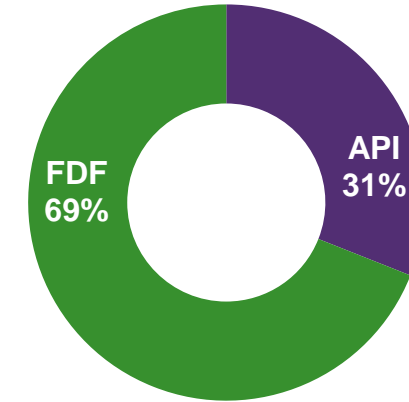
Financials



Relentless Execution



Revenue Contribution



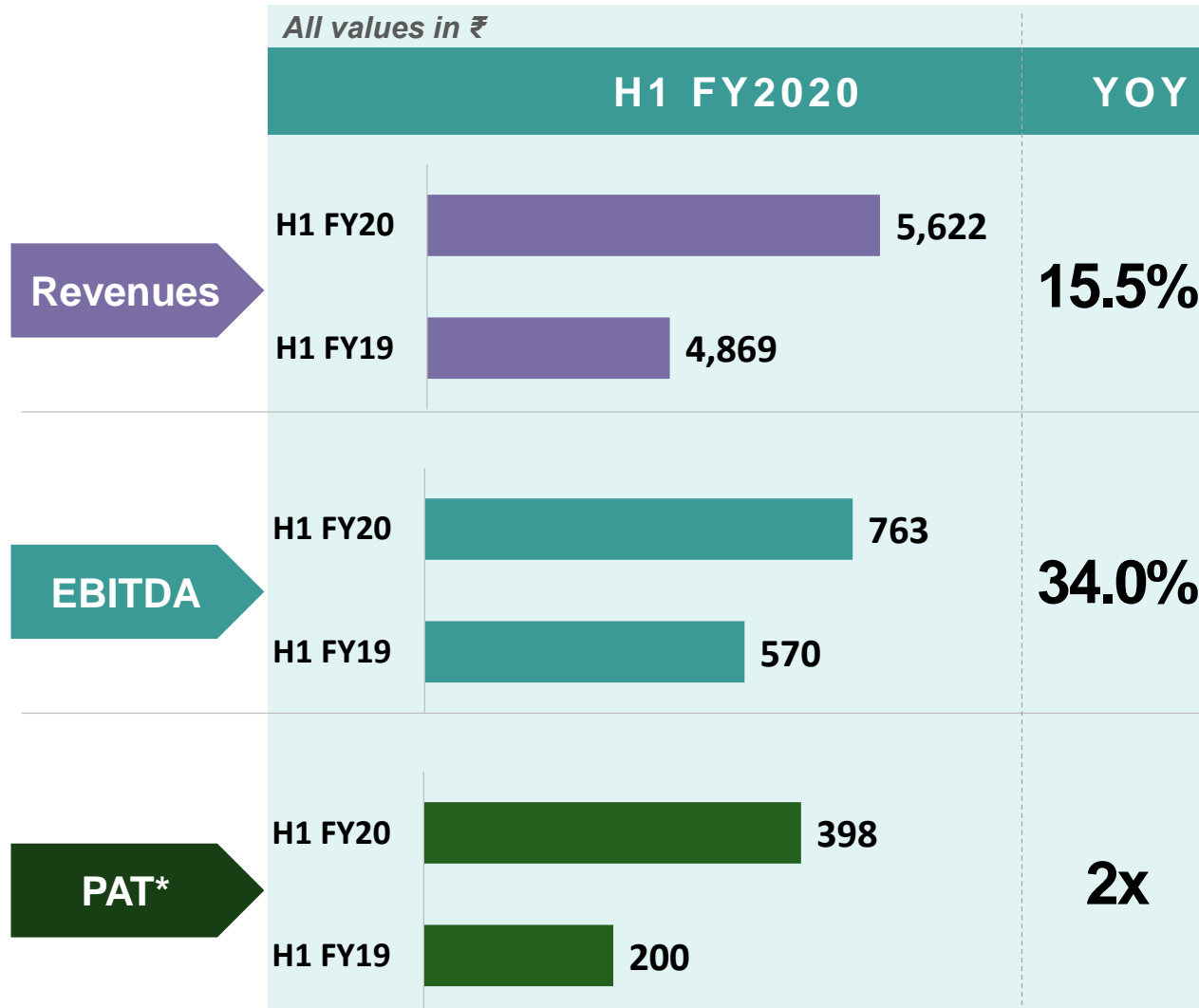
Growth Highlights

- Fully integrated global animal health company from India with an annual run rate of \$150 Mn
- Business Scaled 4.5X in four years
- Profitability margins on the upswing given investment phase is complete
- API constitutes 31% of the revenue and will continue to grow faster in the next 2 years

Targeting revenue growth of mid teens and margin improvement of 200 bps for FY 20

*PAT is pre-minority interest

Continuing Growth Momentum



*PAT is pre-minority interest

“ The first half of FY19 was very significant in our strategic journey as we completed EU filing of world’s largest animal injectable product. Our new, state-of –art R&D facility is now functional at Ambernath in Mumbai as we invest significant resources behind developing the regulated market pipeline.

We strengthened our leadership team with the joining of US business head as well as manufacturing and project leadership in Germany.

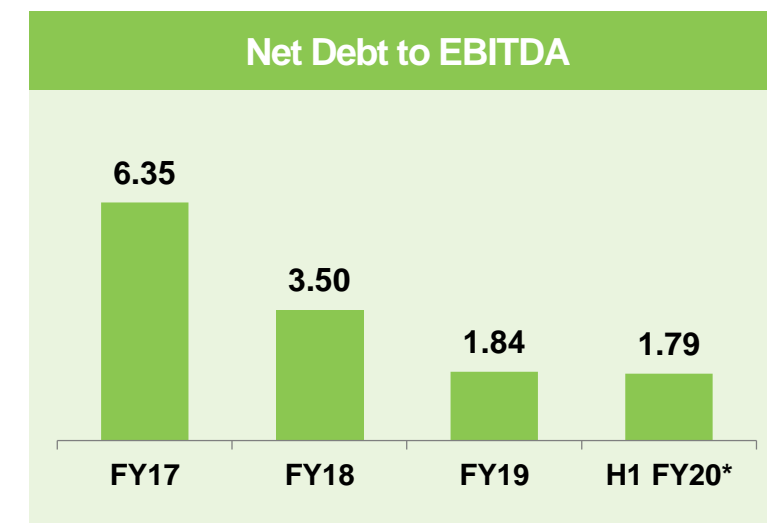
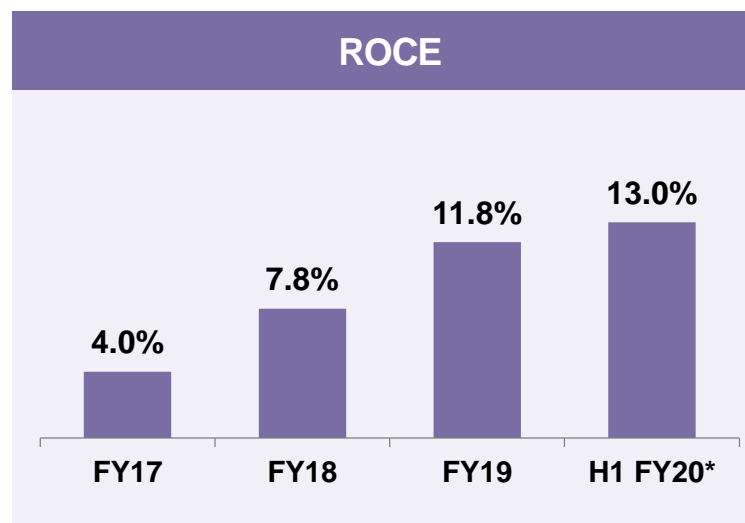
Operationally, we delivered steady performance with a 16% growth in sales, 34% growth in EBITDA and 77% growth in net profit, despite of challenging economic environment. We remain on target to meet our full year aspirations.”

Manish Gupta, Managing Director, Sequent

Key Balance Sheet items

All values in ₹ Mn

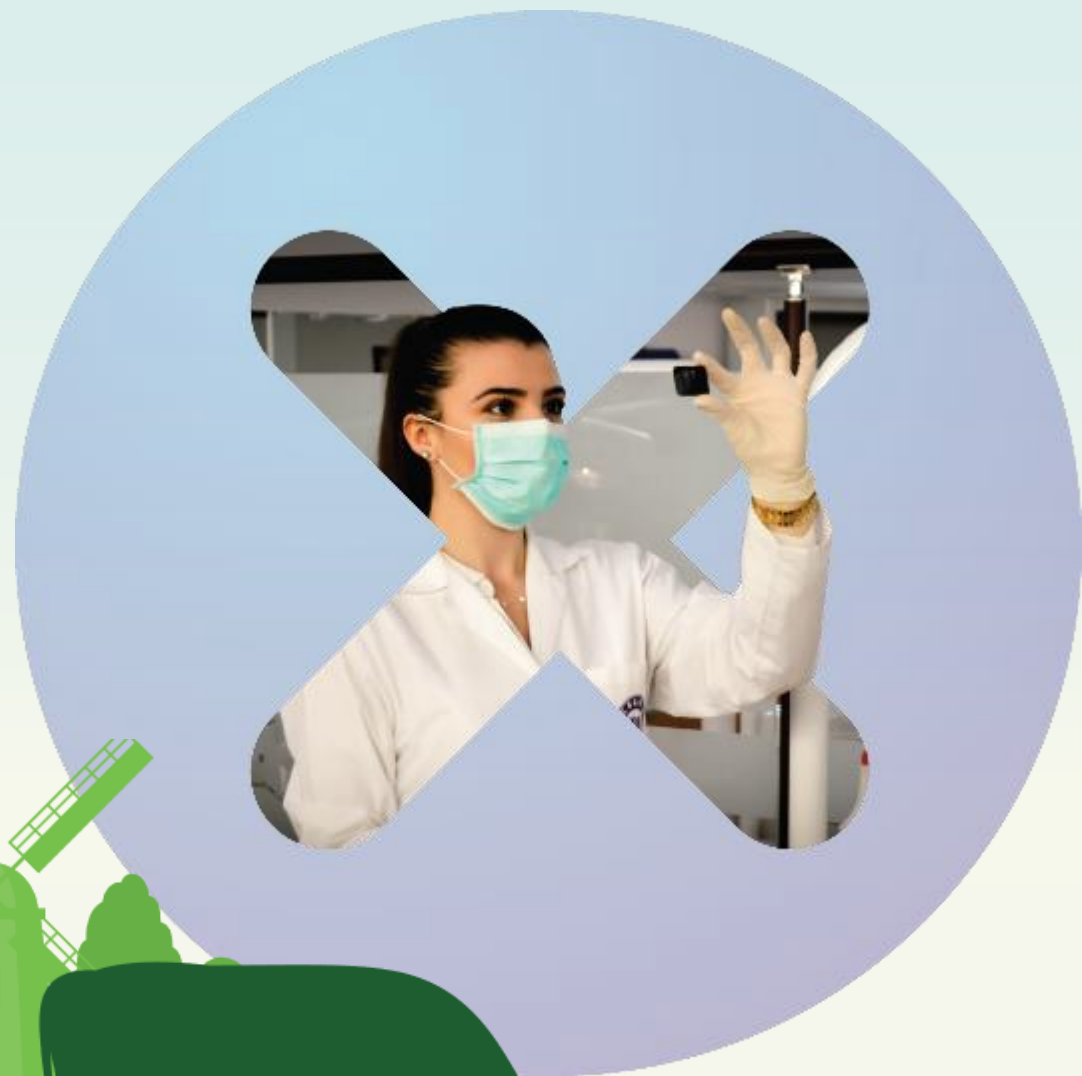
Particulars	Mar-19
Shareholders' funds	7,067
Net Borrowings	2,447
Investments	1,797
Assets	5,208
Working Capital	2,635



*H1 Annualised

Highlights

- ROCE jumped 800 bps in 24 months largely driven by operational excellence
- Investments in working capital, Capex and R&D met through operational cash flows bringing leverage to comfortable levels, Net Debt to EBITDA stands below 2.0
- With significant investments into the capacity building behind us, we expect return ratios to further improve driven by rising capacity utilization and operating leverage



Future Outlook



Developing Skill & Scale to be a reputed Global Animal Health Company

Consolidate Market Presence



- Expand presence in Top 10 EU markets
- Enter new Emerging markets across MENA, South East Asia & LATAM
- US to be the market with high growth acceleration due to product launches in the next three years
- Building the Global ALIVIRA Brand

Focus on New Products/ Segments



- Pipeline of 14 complex APIs
- 35+ formulation products at various stages of development
- Expand range of Phyto-solutions and probiotics product & technical offering

Strengthen Customer Centricity



- Established customer-centric, global front-end for last-mile partnership
- Strong customer relationship with top 10 global animal health players
- Strengthened leadership in both the injectables & the US business



Building blocks set to be a Global Health Company

Thank You

SeQuent Scientific Limited

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