



Respectfully Indian at Heart, Global in Vision

MANAGEMENT DISCUSSION & ANALYSIS

for the First Quarter FY22

August 11, 2021



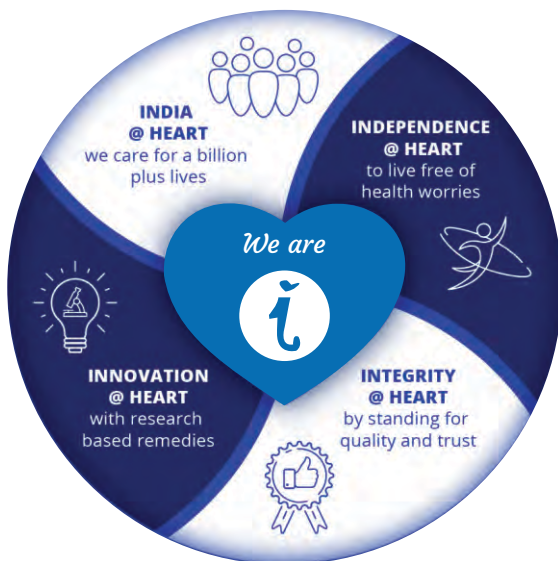
A NEW BRAND IDENTITY



We are proud to announce the launch of our new corporate brand identity with a redesigned logo. This new identity comes with Indoco entering into its 75th year of operations and at a time when the Company is on the verge of an unprecedented zeal for growth in its domestic and global operations.

The new identity captures our core values and the younger, bolder and dynamic nature of Indocoites. The bowing R of Remedies indicates the respectful bow to the Heart of India, atop the I, to bring out our Core Value, "**Respectfully Indian at Heart, Global in Vision**".

OUR LOGO STORY



Financials (Stand-alone)

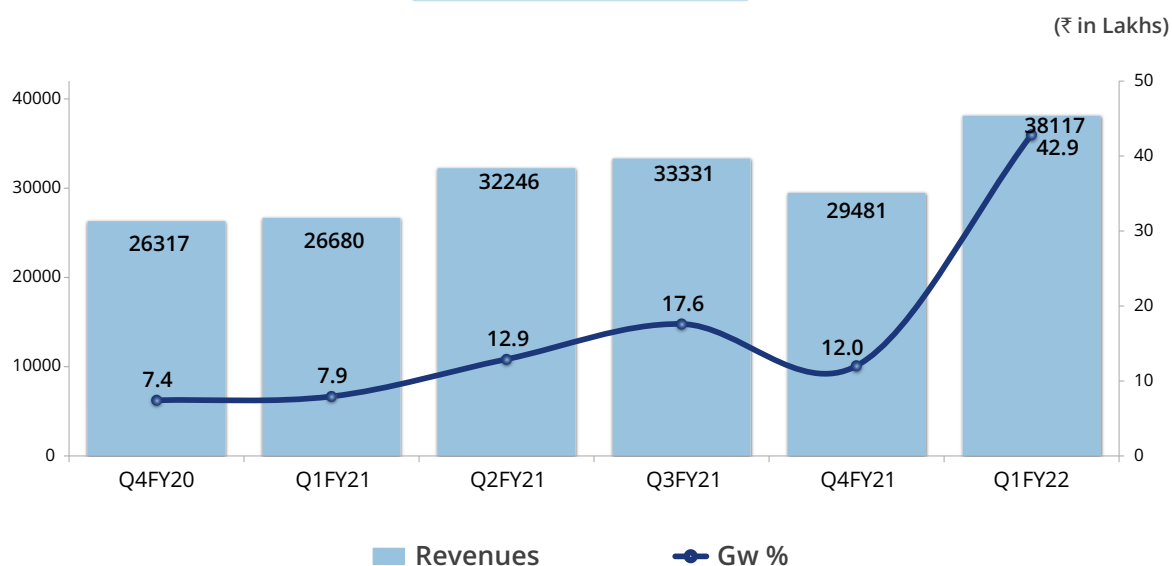
(₹ In Lakhs)

Particulars	Quarter Ended				Year Ended
	30.06.2021	31.03.2021	30.06.2020	Gw%	31.03.2021
	Unaudited	Audited	Unaudited		Audited
Gross Sales					
Formulation:					
- Domestic	21506	13923	14751	45.8	61898
- Export					
Regulated Market:	12828	10513	7648	67.7	39985
Emerging Market:	2415	2669	1897	27.3	9251
Export Total	15243	13182	9545	59.7	49235
Formulation...(A)	36749	27105	24297	51.3	111134
API:					
- Domestic	416	917	840	(50.5)	4393
- Export	672	1075	1379	(51.3)	5005
API...(B)	1087	1992	2219	(51.0)	9398
Anacipher CRO & Indoco Analytical Solutions (IAS)... (C)	280	384	165	70.1	1207
Gross Sales (A+B+C)	38117	29481	26680	42.9	121738
Other Operating Income	532	1004	906	(41.3)	2292
Income from Operations	38649	30485	27586	40.1	124030
EBIDTA	8681	5457	4886	77.7	22357
Operating Profit	7689	4790	3424	124.6	18793
Profit Before Tax	6121	3345	2424	152.5	13135
Profit After Tax	3961	2491	1723	129.9	9239

Revenues of the Company grew by 42.9 % YoY.

REVENUES

Q1 YoY Gw 42.9 %



The financial ratios for the First Quarter are as follows:

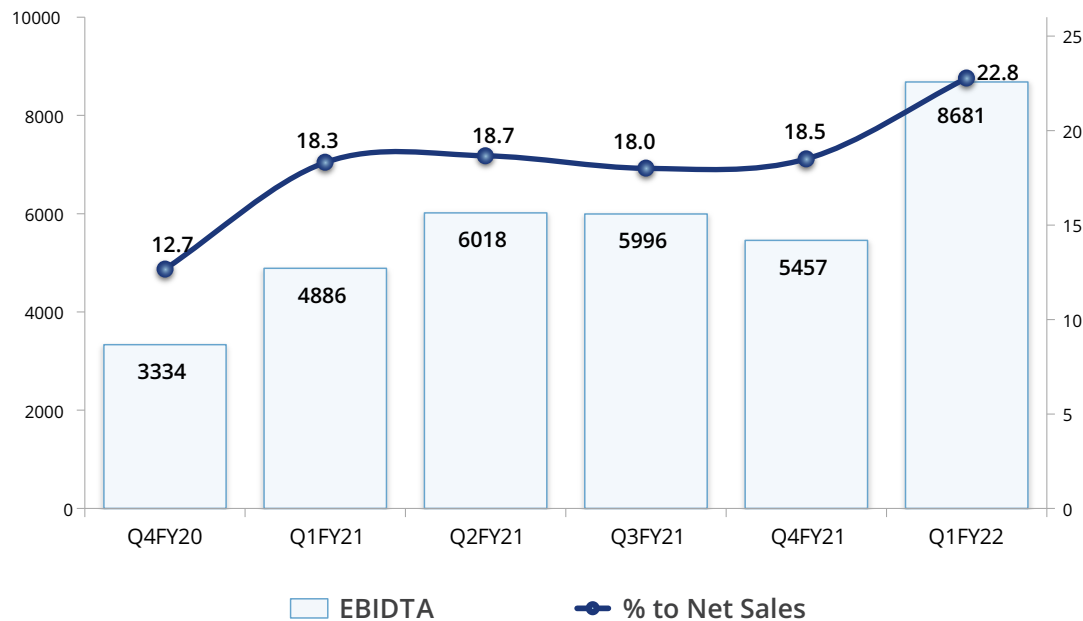
Particulars	Quarter Ended			Full Year
	30.06.2021 (Unaudited)	31.03.2021 (Audited)	30.06.2020 (Unaudited)	31.03.2021 (Audited)
Material Cost (%)	28.9	29.8	30.6	29.1
Employee Benefits Expense (%)	19.6	20.3	24.6	22.4
R&D Expenses (%)	4.3	5.6	3.8	4.9
Finance Cost (%)	1.1	1.5	2.2	1.8
Depreciation (%)	5.8	6.3	7.2	6.0
Other Expenditure (%)	25.8	29.2	26.1	27.1
Profit Before Tax (%)	16.1	11.3	9.1	10.8
Tax (Curr. & Deferred- After MAT ent.) to PBT (%)	35.3	25.5	28.9	29.7
Profit After Tax (%)	10.4	8.4	6.5	7.6
EBIDTA (₹ In Lakhs)	8681	5457	4886	22357
EBIDTA (%)	22.8	18.5	18.3	18.4
Operating Profit (₹ In Lakhs)	7689	4790	3424	18793
Operating Profit (%)	20.2	16.2	12.8	15.4

EBIDTA grew by 77.7 % YoY.

EBIDTA

Q1 YoY Gw 77.7 %

(₹ in Lakhs)

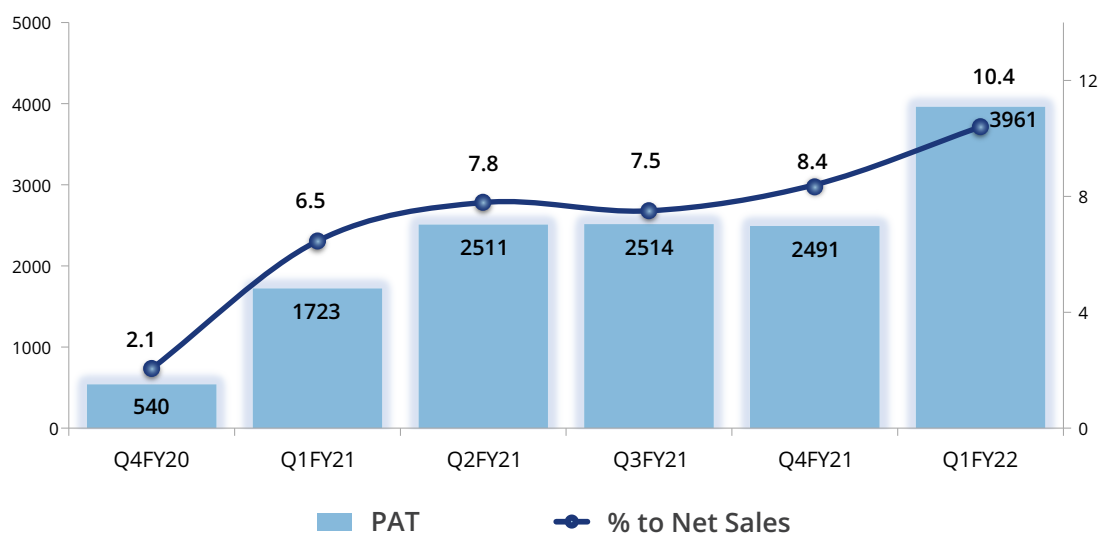


PAT grew by 129.9 % YoY.

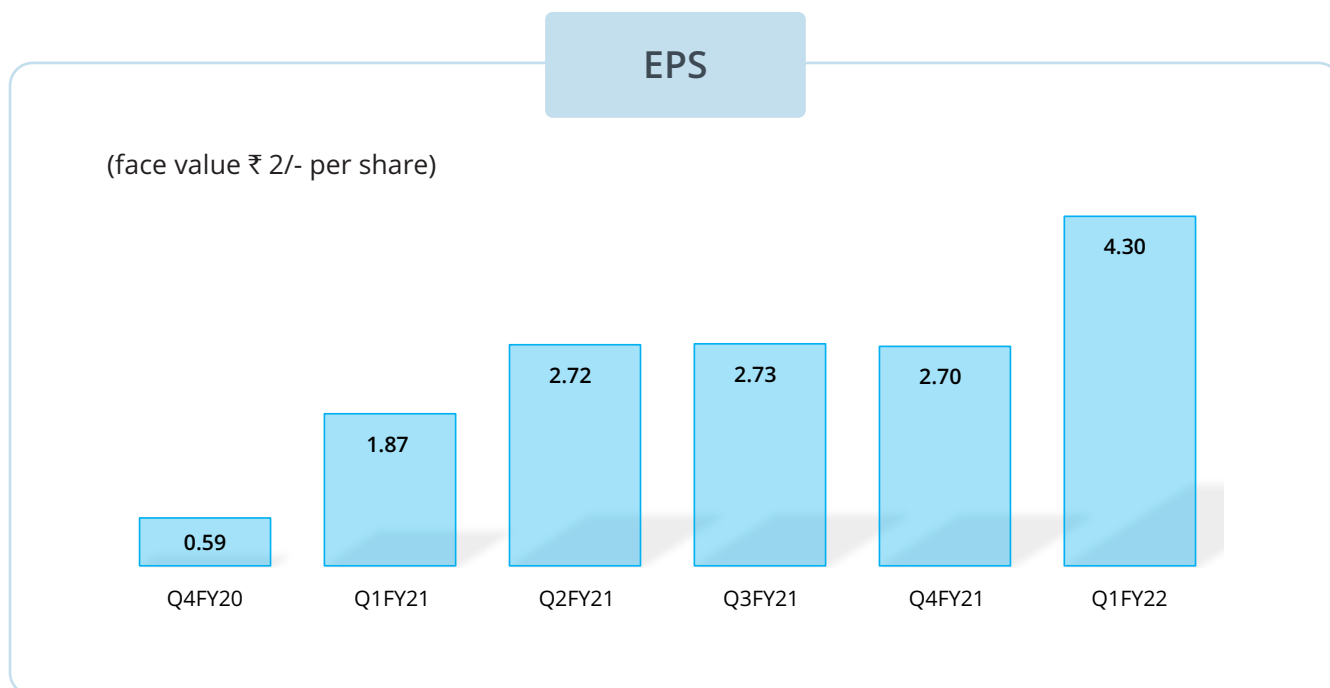
PAT

Q1 YoY Gw 129.9 %

(₹ in Lakhs)



Earnings Per Share (EPS) for the quarter is ₹ 4.30, compared to ₹ 1.87 for the same quarter last year.



CREDIT RATING

ICRA has upgraded Indoco's long-term rating to [ICRA] AA- from [ICRA] A+. The outlook on the long-term rating is stable. The Rating Committee of ICRA has also upgraded the short-term rating to [ICRA] A1+ from [ICRA] A1.

Short term [ICRA] 'A1' rating instruments with this rating are considered to have a very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.

Long term [ICRA] 'AA' rating instruments are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

FINISHED DOSAGES

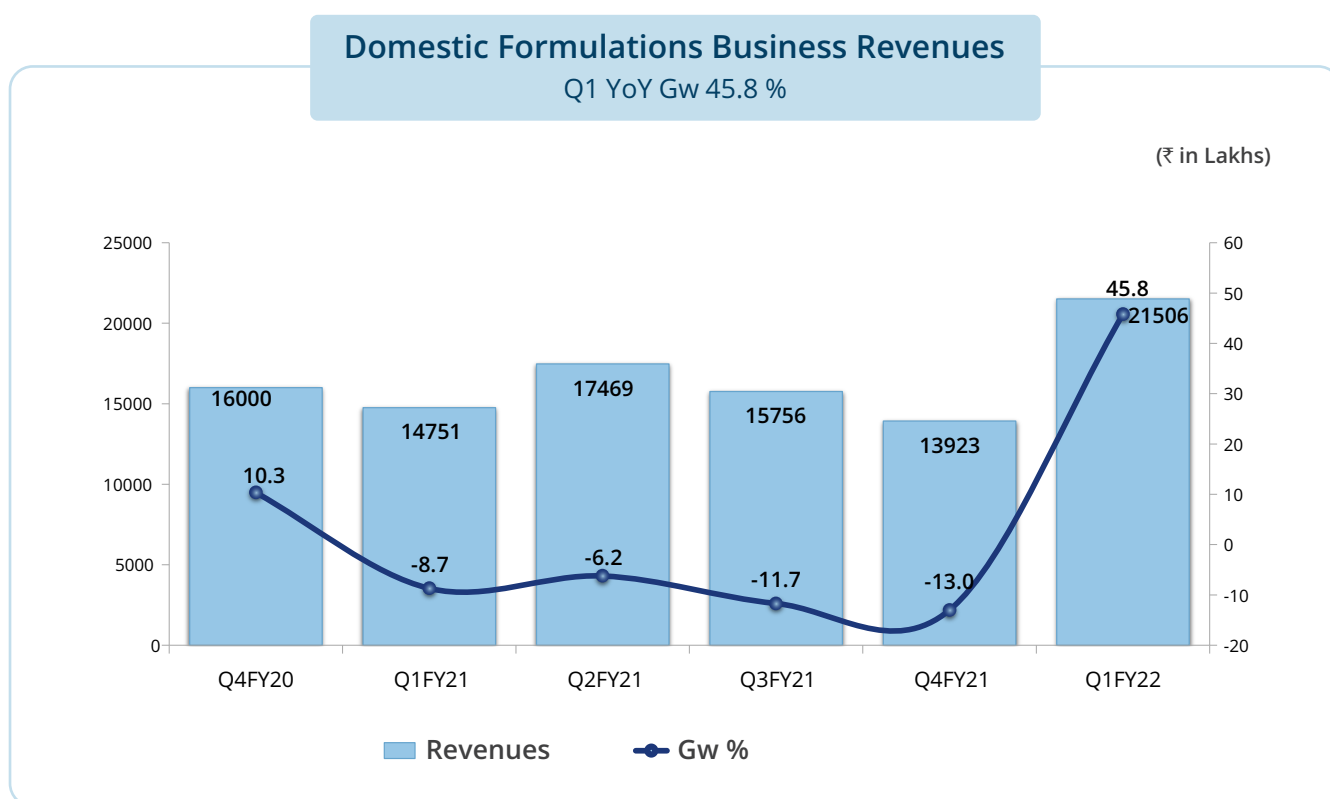
Indian Pharma Market (IPM)

IPM has shown encouraging sales trend, with sales of ₹ 44032 crores and a growth of 37.2 % in Q1FY22. Most therapies have shown stronger growth during this quarter. Anti-Infective and Respiratory segments, which were impacted during the Covid-19 period have shown significant revival.

DOMESTIC FORMULATIONS BUSINESS

The Company ranks 29th in the IPM, with market share of 0.66 % as on 30th June'21, as per AWACS. In terms of prescription generation, the Company ranks 21st as per IQVIA.

Revenues from Domestic formulations business grew by 45.8 % YoY. Performance of Anti-Infective and Respiratory resulted in excellent sales during the quarter.



NEW PRODUCTS

During the quarter, two products were launched, viz., Naricover Lozenges 10s (under the Respiratory segment) and Methycal 60K, 4s Tablets (under Vitamin / Mineral / Nutrient segment).

Details of revenues from major therapies are as follows:

(₹ In Lakhs)

THERAPY	Q1FY22	Q1FY21	GW %
Stomatologicals	4125	3643	13.2
Gastrointestinal	2725	2586	5.4
Anti-Infectives	4340	1607	170.0
Respiratory	4594	1911	140.4
Vitamins / Minerals / Nutrients	1168	1001	16.7
Gynaec.	1091	966	13.0
Ophthal / Otological	785	561	40.0
Anti-Diabetic	845	844	0.2
Pain / Analgesics	695	547	27.0
Dermatology	613	684	-10.4
Cardiac	275	223	23.3
Urological	453	421	7.8

Details of revenues from major brands are as follows:

(₹ In Lakhs)

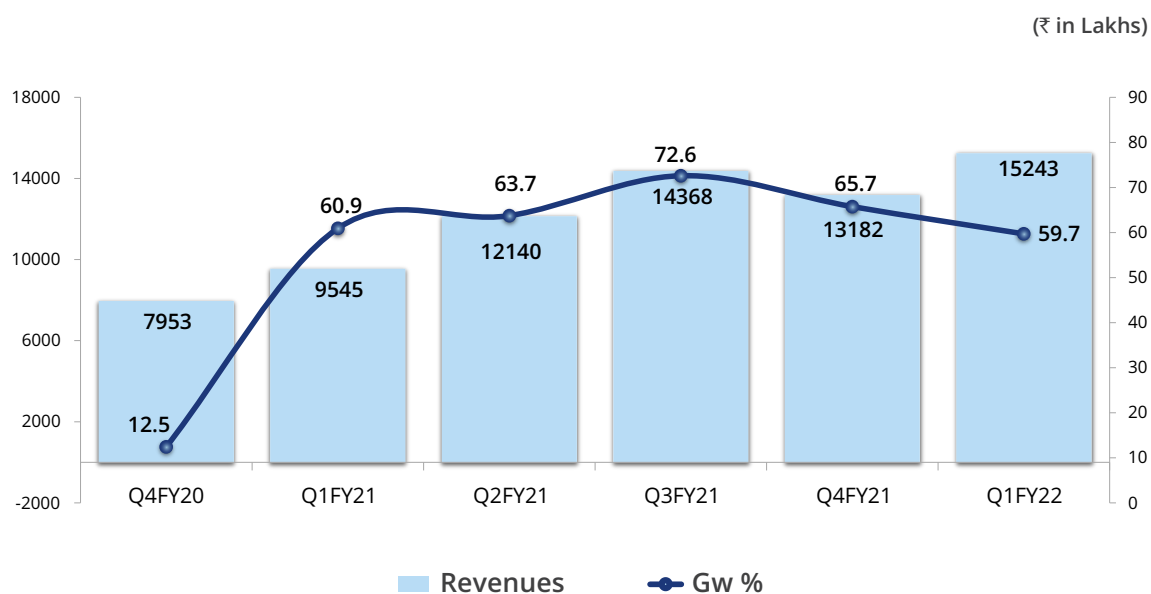
BRANDS	Q1FY22	Q1FY21	GW %
Karvol Plus	2668	398	569.8
ATM	2422	783	209.4
Cyclopam	2155	2077	3.7
Febrex Plus	1469	1261	16.4
Sensodent K	1456	1413	3.0
Cital	1283	1163	10.4
Oxipod	821	462	77.8
Sensodent KF	680	691	-1.5
Fevindo	666	-	-
Sensoform	632	631	0.2
Rexidin	498	337	47.8
Cloben G	481	486	-1.1
Kidodent	456	316	44.2
Methycal	397	370	7.3
Carmicide	328	264	24.6

INTERNATIONAL FORMULATIONS BUSINESS

Revenues from International formulations business posted a healthy growth of 59.7 % YoY.

International Formulations Business Revenues

Q1 YoY Gw 59.7 %

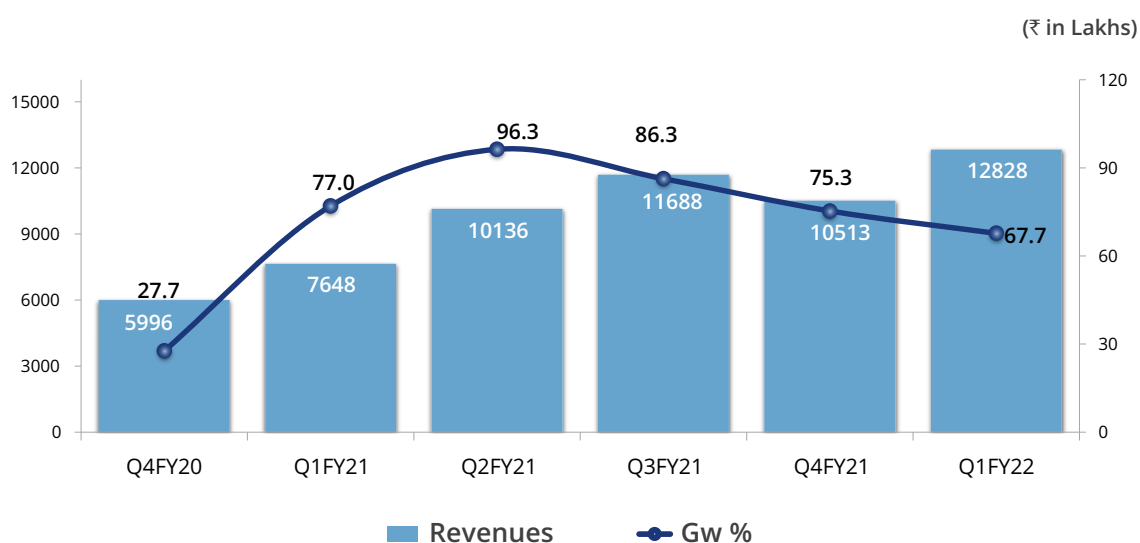


REGULATED MARKETS

Revenues from Regulated Markets grew by 67.7 % YoY.

Regulated Markets Revenues

Q1 YoY Gw 67.7 %



USA

Revenues from US business for the quarter grew by 71.9 % at ₹ 46.2 crores, as against ₹ 26.8 crores for the same quarter last year. The major portion of growth is contributed by Brinzolamide Ophthalmic Solution. Currently we have 16 products in the US markets, which comprise of 4 solid dosages, 10 injectables and 2 ophthalmic suspensions.

EUROPE

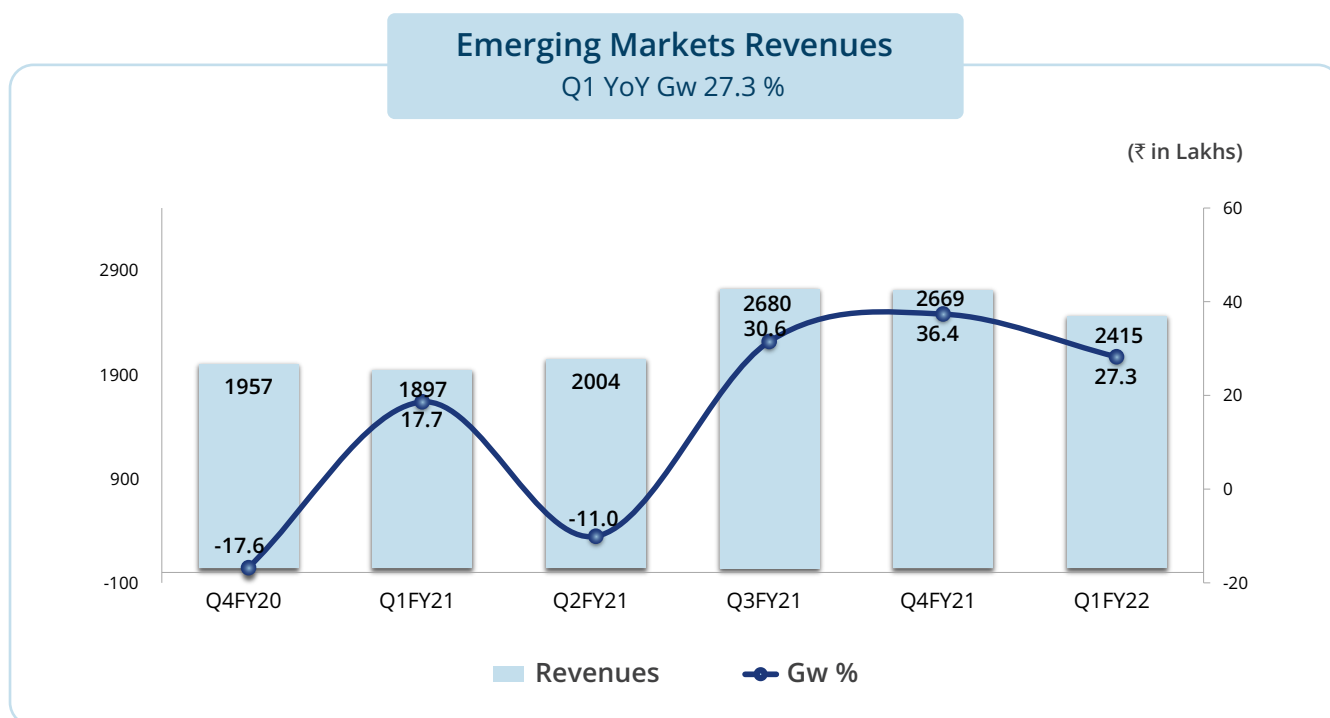
Revenues from Europe for the quarter grew by 65.4 % at ₹ 79.2 crores, as against ₹ 47.9 crores for the same quarter last year. Increased demand for analgesics in UK and AOK, Germany tender supplies have boosted the sales in Europe.

SOUTH AFRICA, AUSTRALIA AND NEW ZEALAND

Revenues from SAANZ for the quarter grew by 67.9 % at ₹ 2.9 crores, as against ₹ 1.8 crores for the same quarter last year.

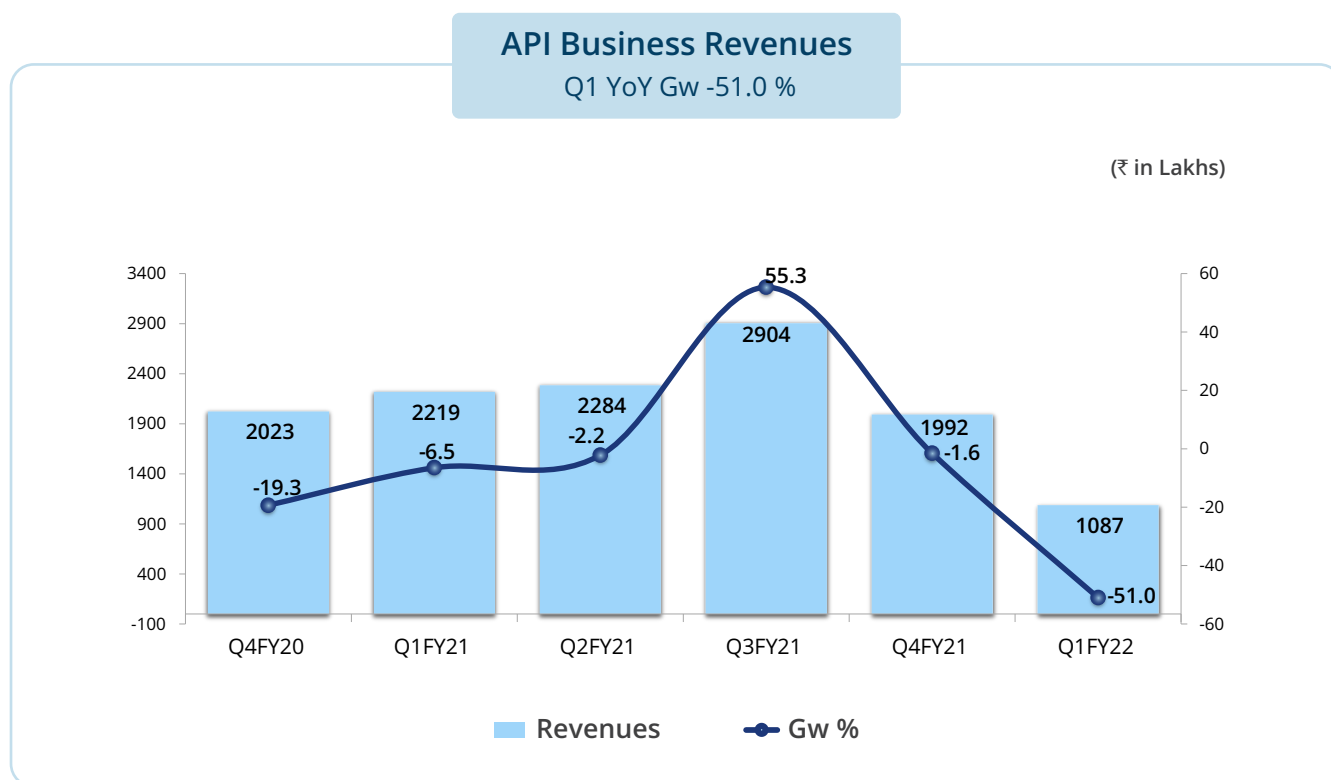
EMERGING MARKETS

Revenues from Emerging Markets grew by 27.3 % YoY.



ACTIVE PHARMACEUTICAL INGREDIENTS (APIs)

During the quarter, revenues from API Business de-grew by 51.0 % YoY. The degrowth is on account of higher captive consumption, which is at 63 % of the total API despatches.



ANACIPHER CRO AND INDOCO ANALYTICAL SOLUTIONS (IAS)

Revenues from Anacipher CRO and Indoco Analytical Solutions (IAS) for the quarter grew by 70.1 % at ₹ 2.8 crores, as against ₹ 1.6 crores for the same quarter last year.

FUTURE OUTLOOK

The Company's Domestic business continues to focus on brand building, thrust on chronic and sub-chronic segment as well as penetration in the North and East Region. The Company will selectively launch new products in the specialty segment to boost growth. Well-known legacy brands, Doctors loyalty over 7 decades, highly motivated field force, distribution network across India and presence in growing segments, including Stomatologicals and Ophthalmology will help the Domestic business to grow on sustainable basis.

On International front, the Company's US business is expected to grow as ANDAs are being commercialized at regular intervals and USFDA approvals have started flowing in. Reinstatement of the EU-GMP compliance certificate for Goa Plant-I and the EU-GMP approval of solid dosages manufacturing facility at Baddi (Plant-III) will boost the EU business, with availability of larger manufacturing capacity. Indoco is also consolidating its position in the Emerging Markets through active brand promotion in select markets. Robust pipeline in speciality dosages, viz., Ophthalmics and Injectables, will enable the Company to have an upper edge over its competitors in the International business.

The capacity expansion at the Company's API manufacturing facility at Patalganga will augment the captive requirements and boost external sale of APIs.

Expertise in Research and Development, backward integration with own APIs, a full-fledged CRO set-up, excellence in finished dosages manufacturing and a strong customer base makes the Company, a preferred partner, offering complete solutions to its customers worldwide.

SAFE HARBOUR

Statements made in this Management Discussion and Analysis (MDA) describing the Company's objective, projections, estimates and expectations may be 'Forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied due to risks, uncertainties and inaccurate assumptions.

STAY HEALTHY, STAY SAFE!

*Thank
you*