

NATCO PHARMA LIMITED

INVESTOR PRESENTATION

Q2FY24

THIS PRESENTATION (PRESENTATION) IS NOT AN OFFER TO SELL ANY SECURITIES OR A SOLICITATION TO BUY ANY SECURITIES OF NATCO PHARMA LIMITED OR ITS SUBSIDIARIES OR JOINT VENTURES (TOGETHER, THE "COMPANY").

The material that follows is a Presentation of general background information about the Company's activities as at the date of the Presentation or as otherwise indicated. It is information given in summary form and does not purport to be complete and it cannot be guaranteed that such information is true and accurate. This Presentation has been prepared by and is the sole responsibility of the Company. By accessing this Presentation, you are agreeing to be bound by the trading restrictions. It is for general information purposes only and should not be considered as a recommendation that any investor should subscribe / purchase the Company shares.

This Presentation includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "projects", "expects", "intends", "may", "will", "seeks" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, aims, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Presentation and include statements regarding the Company's intentions, beliefs or current expectations concerning, amongst other things, its results or operations, financial condition, liquidity, prospects, growth, strategies and the industry in which the Company operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance including those relating to general business plans and strategy of the Company, its future outlook and growth prospects, and future developments in its businesses and its competitive and regulatory environment. No representation, warranty or undertaking, express or implied, is made or assurance given that such statements, views, projections or forecasts, if any, are correct or that the objectives of the Company will be achieved. There are some important factors that could cause material differences to Company's actual results. These include (i) our ability to successfully implement our strategy (ii) our growth and expansion plans (iii) changes in regulatory norms applicable to the Company (iv) technological changes (v) investment and business income (vi) cash flow projections etc. (vii) exposure to market as well as other risks.

The Company, as such, makes no representation or warranty, express or implied, as to, and does not accept any responsibility or liability with respect to, the fairness, accuracy, completeness or correctness of any information or opinions contained herein. The information contained in this Presentation, unless otherwise specified is only current as of the date of this Presentation. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements based on any subsequent development, information or events, or otherwise. Unless otherwise stated in this Presentation, the information contained herein is based on management information and estimates.

Any opinions expressed in this presentation are subject to change without notice. The presentation should not be construed as legal, tax, investment or other advice. None of the Company or any of its affiliates, advisers or representatives accepts any liability whatsoever for any loss howsoever arising from any information presented or contained in this presentation. The information contained in this presentation has not been independently verified. Furthermore, no person is authorized to give any information or make any representation which is not contained in, or is inconsistent with, this presentation. Any such extraneous or inconsistent information or representation, if given or made, should not be relied upon as having been authorized by or on behalf of the Company. Further, past performance is not necessarily indicative of future results.

This document is just a Presentation for information purposes and private circulation only and is not intended to be a "prospectus" or "offer document" or a "private placement offer letter" (as defined or referred to, as the case may be, under the Companies Act, 2013). It is clarified that this Presentation is not intended to be a document offering for subscription or sale of any securities or inviting offers from the Indian public (including any section thereof) or from persons residing in any other jurisdiction including the United States for the subscription to or sale of any securities including the equity shares of the Company or any of its subsidiaries. No part of it should form the basis of or be relied upon in connection with any investment decision or any contract or commitment to purchase or subscribe for any securities. None of the Company's securities may be offered or sold in the United States without registration under the U.S. Securities Act of 1933, as amended, except pursuant to an exemption from registration there from.

This document has not been and will not be reviewed or approved by a regulatory authority in India or by any stock exchange in India. This presentation is confidential and this presentation or any part thereof should not be used or relied upon by any other party or for any other purpose and should not be copied, reproduced, recirculated, redistributed, published in any media, website or otherwise, in any form or manner, in part or as a whole, without the express consent in writing of the Company. Any unauthorized use, disclosure or public dissemination of information contained herein is prohibited. The distribution of this presentation in certain jurisdictions may be restricted by law. Accordingly, any persons in possession of the aforesaid should inform themselves about and observe any such restrictions.

Diversified enterprise focused in pharmaceutical sector with presence across geographies - India, US and ROW

Strong brand position in domestic pharma segments

- Well established player in oncology with brands catering to diseases including breast, bone, lung and ovarian cancer
- Expanding reach to wider pool of doctors through NATCO REACH

Focused on complex generics for the US Markets with niche Para IV and Para III filings

- Established front-end presence through Dash acquisition

Two R&D centers with around 465 employees⁽¹⁾

Targeting growth in Crop Health Sciences business with state-of-the-art manufacturing facilities for both technical and formulation

Total revenues⁽²⁾ of ₹ 28,117 million for the financial year ended 31st March 2023

Listed on BSE and NSE with a market capitalisation⁽³⁾ of USD 1.89 billion

Incorporated in 1981 and headquartered in Hyderabad with around 4,900 employees across all locations⁽¹⁾.

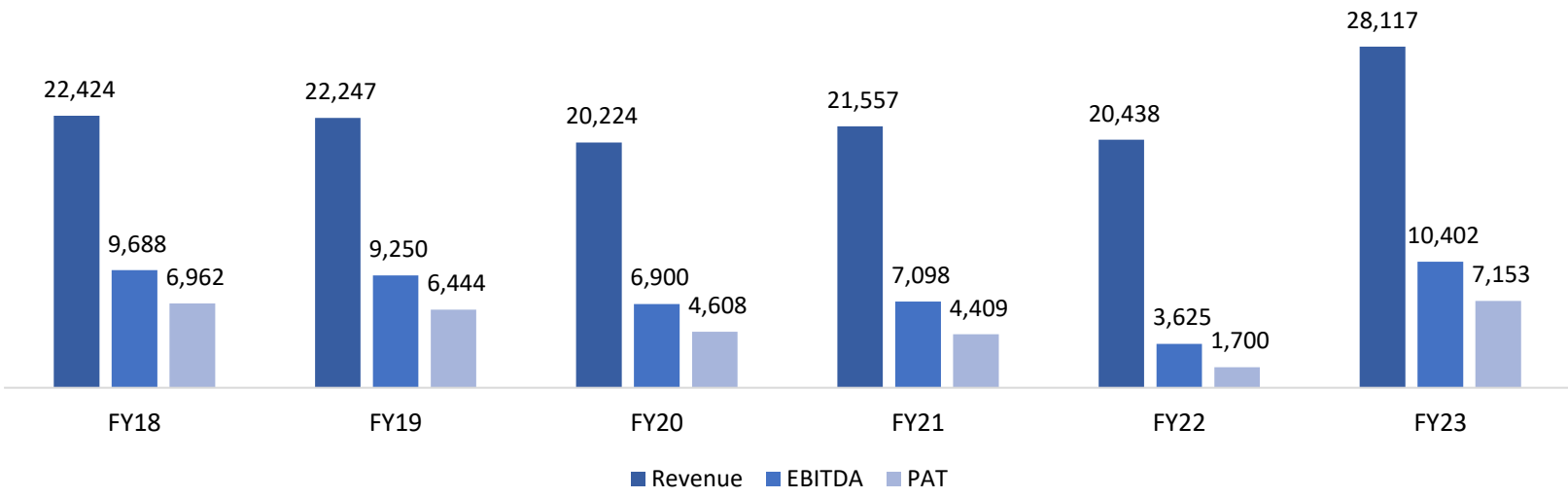
(1) As of March 31, 2023

(2) Represents consolidated revenue

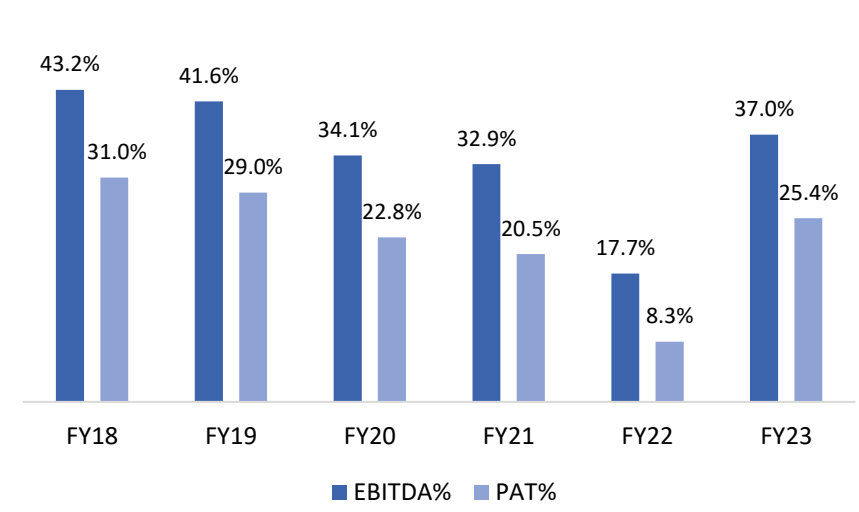
(3) Market capitalization as of Sept 30, 2023 using INR / USD exchange rate of ₹ 83.1073

PERFORMANCE AT A GLANCE

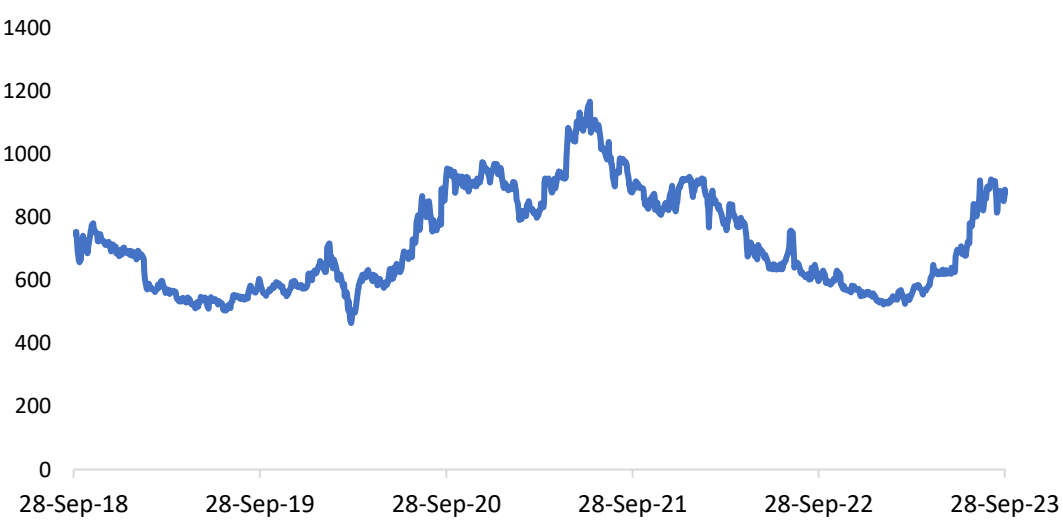
Financial Performance⁽¹⁾ (₹ million)



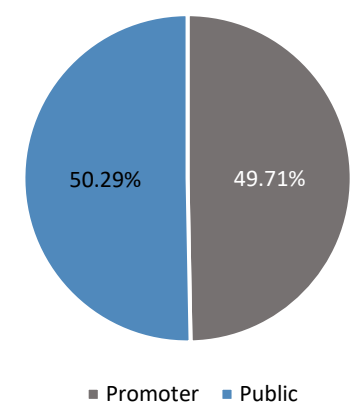
Profitability Margins



NATCO Pharma Stock Performance

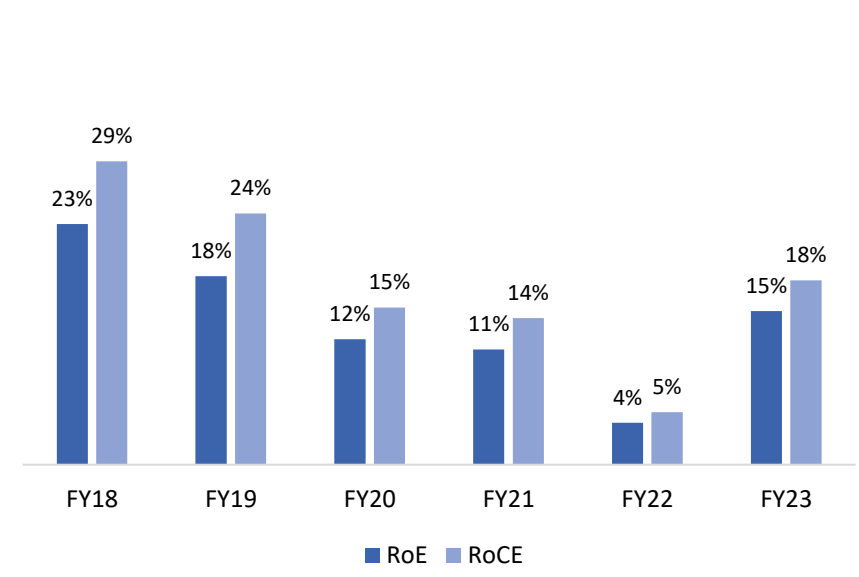


Ownership Structure⁽³⁾



No. of fully paid-up equity shares held:
17,91,09,870

Efficiency Ratios



FY numbers have been prepared under Ind AS
 (1) Represents consolidated gross revenue and includes other income
 (3) As on September 30, , 2023

(2) Represents PAT after minority interest

DOMESTIC FORMULATIONS	EXPORT FORMULATIONS	SUBSIDIARIES	API BUSINESS
-----------------------	---------------------	--------------	--------------

Overview⁽¹⁾

- | | | | |
|---|--|---|--|
| <ul style="list-style-type: none"> • Three key business segments: Oncology, Specialty Pharma, Cardiology and Diabetology • Strong brand position in the domestic oncology • Specialist sales force of nearly 550 personnel and ~1,000 distributors • Strengthened C&D portfolio through additional 250+ sales force • Launched 11 new products across oncology and C&D • Targeting 20 product launches a year with over 12% growth • Strengthening the gastroenterology, critical care, oncology and cardio-diabetes portfolios with expanded geographical, disease and therapy area coverage. | <ul style="list-style-type: none"> • Focused on niche opportunities in the US, Canada and emerging markets • Integration of Dash Pharmaceuticals LLC complete and name changed to Natco Pharma USA LLC • Focus on Para IV and First-to-File molecules • Strengthening presence in South-east Asia, MENA and LATAM among other ROW markets by registering our niche product portfolio in these countries. | <ul style="list-style-type: none"> • Operations in Brazil, Canada, Singapore, Australia and Philippines • Amongst top 10 generic companies by sales revenue in Canada. Strong portfolio of Oncology, cardiovascular and CNS therapies • In Brazil, continued to increase our presence in the Oncology and primary healthcare segments with strong market share in Everolimus and Apixaban • Building a strong product portfolio in Singapore in both Tender and Private segments. | <ul style="list-style-type: none"> • 45 active DMFs⁽²⁾ in the US with niche products under development • Exports focused on US, Europe and emerging markets • Oncology APIs and specialty products • Difficult-to-make chemistry with long synthesis. • Expanding our oligonucleotide portfolio. |
|---|--|---|--|

1.As of March 31, 2023
2.As of Sept 30, 2023

US MARKET FOCUS- COMPLEX GENERICS & FRONTEND

Predominantly focused on high-barrier-to-entry products that are typically characterized by one or more of the following:

- Intricate Chemistry
- Challenging delivery systems
- Difficult or complex manufacturing process

Will continue to work with partners for complex products or those involving unique patent challenges

Low risk business model; through partnerships with global pharmaceutical players

- Marketing partner typically responsible for litigation and regulatory process to secure ANDA approval.
- Multi-site approvals
- Multi-sourcing arrangements

- Launched Ondansetron, Nitroglycerin and Armodafinil through NATCO Pharma USA LLC.

PIPELINE OF NICHE IN THE US

23 Para IVs in the pipeline ⁽²⁾

Of which 15 are approved⁽²⁾ (either tentative or fully).

SOLO FIRST TO FILE IN THE PIPELINE ⁽¹⁾

Key Brand	Molecule	Therapeutic Segment / Primary Indication
Tracleer	Bosentan (32mg)	Anti-hypertensive
Kyprolis	Carfilzomib (10mg)	Cancer/Multiple Myeloma
Imbruvica	Ibrutinib (tablet)	Cancer/Leukaemia
Zydelig	Idelalisib	Cancer
Lynparza	Olaparib	Ovarian/Breast Cancer
Ozempic	Semaglutide pen (8mg/3ml)	Diabetes
Balversa	Erdafitinib	Bladder Cancer

KEY PRODUCTS IN THE PORTFOLIO ⁽¹⁾

Key Brand	Molecule	Therapeutic Segment / Primary Indication
Revlimid	Lenalidomide	Cancer/Multiple Myeloma
Copaxone	Glatiramer Acetate	CNS/Multiple Sclerosis
Tamiflu	Oseltamivir	Anti-Viral/Influenza
Afinitor(2.5 mg, 5 mg, 7.5 mg and 10 mg)	Everolimus (higher strength)	Cancer/Breast
Fosrenol	Lanthanum Carbonate	Renal disease
Doxil	Liposomal Doxorubicin	Cancer/ Ovarian and other
Tykerb	LapatinibDitosylate	Cancer/Breast
Zortress	Everolimus (lower strength)	Immunosupressant/Organ Transplant

KEY PARA IV PRODUCTS IN THE PIPELINE ⁽¹⁾

Key Brand	Molecule	Therapeutic Segment / Primary Indication
Eliquis	Apixaban	Anticogulant
Ozempic	Semaglutide pen	Diabetes
Lynparza	Olaparib	Ovarian/Breast Cancer
Kyprolis	Carfilzomib	Cancer/Multiple Myeloma
Imbruvica	Ibrutinib	Cancer/Leukaemia
Pomalyst	Pomalidomide	Cancer/Multiple Myeloma
Lonsurf	Trifluridine/Tipracil	Metastatic colorectal cancer
Yondelis	Trabectedin	Advanced soft-tissue sarcoma/ ovarian cancer
Calquence	Acalabrutinib	Cancer/Blood
Zydelig	Idelalisib	Cancer

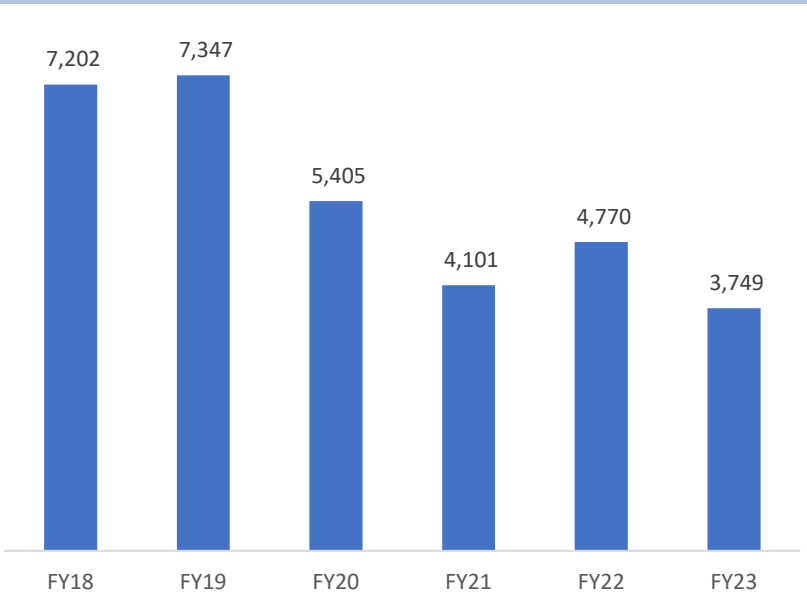
1.As of Sept 30, 2023
 2. As of Sept 30, 2023. Approval received either by Natco or its marketing partner

RESILIENT DOMESTIC PHARMA BUSINESS

OVERVIEW OF DOMESTIC PHARMA BUSINESS

- Three key business segments: Oncology, Pharma specialty and Cardiology & Diabetology
- Focus on niche molecules with high barriers to entry. Majority of launches in India are first-time branded generics
- Strategic entry into high volume mass market with innovative products
- Promising pipeline of ~40 innovative molecules for future growth in specialty business
- Launched 11 products across the three business segments during FY 2022-23

DOMESTIC FORMULATION SALES⁽¹⁾ (₹ IN Million)



FY numbers have been prepared under Ind AS
 (1) Represents gross revenue

- 23 Brands in #1 position in indicated prescription
- Around 650 sales force in India
- 8 Brands in excess of INR 100mn+ sales
- 6,000+ doctors engaged through continuous professional development programmes

ONCOLOGY

- One of the leaders in the branded oncology medicines in India
- Two decades of strong presence in oncology segment with 54⁽¹⁾ in 2022-23
- Portfolio of well recognized brands – 6 brands with INR 100mn+ sales in the oncology segment
- Widened its oncology product range with introduction of additional therapy options for liver/kidney/prostate cancers and entering into the untapped market of ovarian cancer with a novel agent.

PHARMA SPECIALTY

- Focus increased in areas other than Hep-C: Hep-B, Ortho-Rheuma, Critical care
- Market penetration into new disease areas and increased customer base translating into higher market share.

CARDIOLOGY & DIABETOLOGY

- Strengthened the portfolio with anticoagulants, anti-diabetics, anti-hypertensives, metabolic disorder therapies with novel products
- Apigat achieved #1 position in prescriptions with extensive market penetration and customer acquisition
- Fortified anti-diabetic portfolio by introducing new-age gliptins like sitagliptin
- Capitalised on health & nutrition awareness phenomenon with introduction of cutting-edge formulation of Vitamin D3- Nanonat D3
- Expanding reach to wider base of doctors/patients/geographies through NATCO Reach by adding 250+ sales executives.

EXPANDING ROW PRESENCE



CANADA

Strong portfolio with 30+ products including Oncology, anti-viral, cardiovascular and CNS therapies
 Amongst top 10 generic companies by sales revenue in Canada
 25 approvals in place
 Highest market share of Nat-Lenalidomide in this molecule
 Launched Nat-Pomalidomide, Nat-Apixaban, Nat-Teriflunomide in the market



BRAZIL

Launched Apixaban in Brazil, amongst the first to launch, through own sales and out-licensing
 Launched Azacitidine in Brazil through generic and brand, second generic in the market
 Launched Gefitinib- first to launch and the only generic
 Launched Vildagliptin, only generic and first-to-launch
 Continue to be the single source for Everolimus for the fourth consecutive year
 Strong market share for Oseltamivir



PHILIPPINES

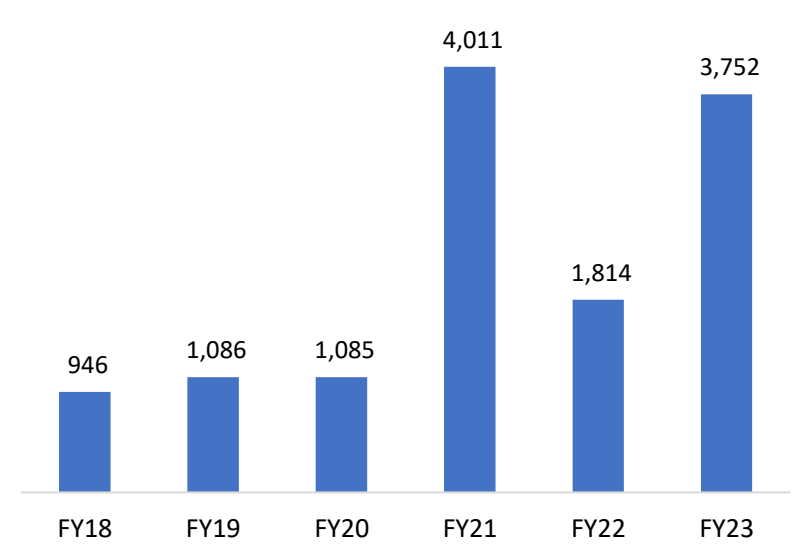
Launched first generic Azacitidine in the market
 Gaining market share in branded generics in oncology by making available basket of products at attainable prices
 Increasing reach in the country by selling products in additional provinces



ASIA-PACIFIC

Participated and won large tender in Hong Kong market for Oseltamivir capsules
 Launched Oseltamivir capsules in China market- Natco's first product launch in the territory
 Won large tenders for Imatinib tablets & Erlotinib tablets in Thailand market
 Launched first generic Apixaban in Myanmar, Thailand & Philippines
 Acquired significant market share for Tenofovir Alafenamide Fumarate in Thailand, Indonesia & Vietnam markets

SUBSIDIARIES REVENUE (₹ IN Million)



Natco has 8 subsidiaries including two step-down subsidiaries

* Includes one-time licensing fee

Strategically important business – develops APIs primarily for third party sales and also for captive consumption

Portfolio of 45 ⁽¹⁾ active US DMFs with niche products under development

Focus on complex oncology molecules. Other therapeutic areas of development includes CNS and Orphan indications

Exports are focused on the US, EU, Latin America and RoW markets.

In-house KSMs for several APIs a key competitive advantage

STRENGTHS

Complex multi-step synthesis & scale-up

Advanced synthetic/separation technologies

Containment facility for handling High potency APIs

Peptide (Solid phase) pharmaceuticals

Oligo nucleotide Pharmaceuticals

Well established process safety engineering lab



MEKAGUDA TELANGANA

Oncology API's and speciality products

Approvals from USFDA, PMDA (Japan), COFEPRIS (Mexico), EDQM (Europe), ANVISA, WHO, EU GMP (Germany), CDSCO

Last USFDA audit successfully completed and EIR received in September 2019



CHENNAI TAMIL NADU

Dedicated for Oncology

USFDA, CDSCO, WHO-GMP

USFDA audit with Establishment Inspection Report (EIR) received in July 2019

(1) As of Sept 30, 2023

FORMULATION FACILITIES

INTERNATIONAL MARKETS

DOMESTIC MARKETS



KOTHUR TELANGANA

Oral and solid dosages including dry powder, cytotoxic & non-cytotoxic orals and cytotoxic injectables.

USFDA, GMP, DCA, German Health Authority, Australia TGA, ANVISA (Brazil)

USFDA audit conducted in October 2023, received Form 483, awaiting EIR

VISAKAPATNAM ANDHRA PRADESH

Solid oral tablet and capsule manufacturing

Site approval received from USFDA, ANVISA, Health Canada Authority

Located in a Special Economic Zone (SEZ)

USFDA audit with Establishment Inspection Report (EIR) received in June 2023

NAGARJUNASAGAR TELANGANA

Oncology, Antibiotics and Antiviral

ANVISA (Brazil), WHO GMP and Kenya MOH, EFMHACA-Ethiopia, NMRA- Sri Lanka, Health Canada

Approvals in place to service regulatory markets

GUWAHATI ASSAM

Tablets, Capsules

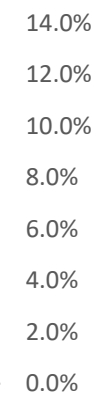
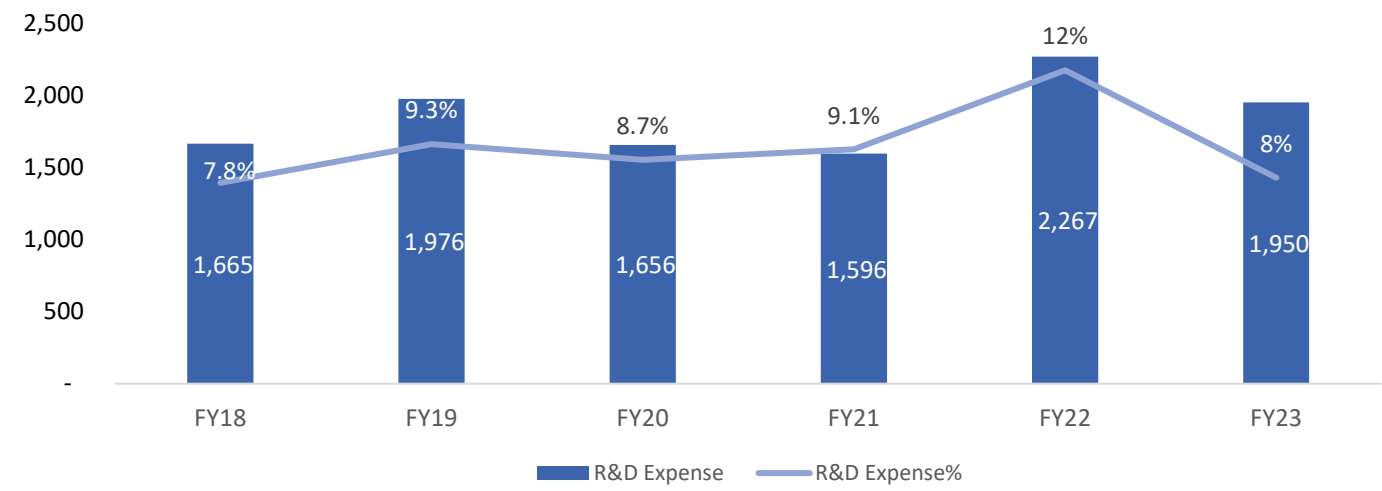
WHO-GMP, CDSCO Compliant facility

DEHRADUN UTTARAKHAND

Tablets, Capsules

GMP, WHO-GMP, Public Health Service of the Netherlands (EU GMP)

R&D Expense (₹ in million)

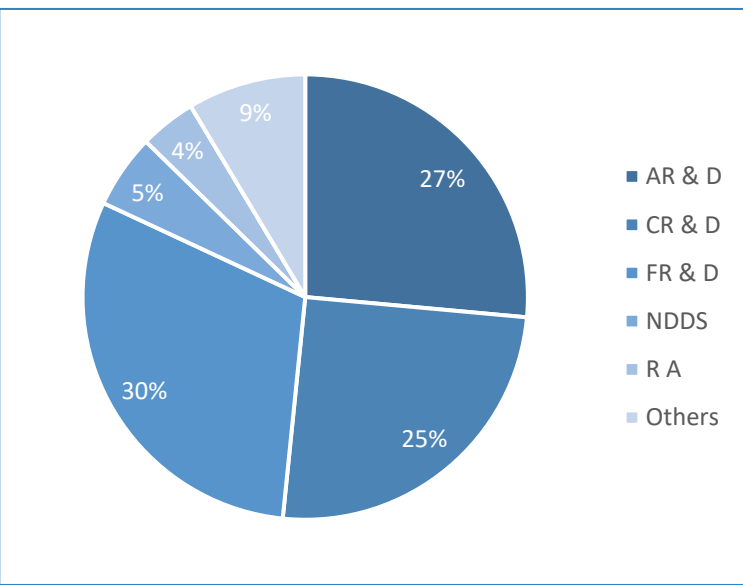
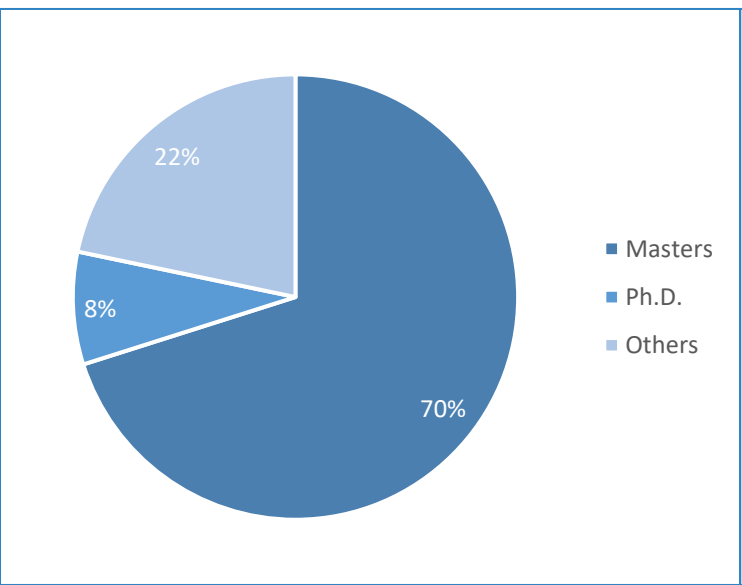


R&D capabilities demonstrated by its complex and niche product filings in formulations and API segments

Two research facilities with capabilities across synthetic chemistry, nano pharmaceuticals, new drug discovery and cell biology

Specialised R&D laboratories in two research facilities

Talented Pool of Scientists: 465⁽¹⁾



BREAKDOWN OF SCIENTISTS

FINISHED DOSAGE FORMULATIONS (FDF) ⁽²⁾	ACTIVE PHARMACEUTICAL INGREDIENTS (API) ⁽²⁾
23 Para IV filings in pipeline	56 Cumulative DMFs filed
15 approved Para IV (either tentative or final)	45 active DMFs

FY numbers have been prepared under Ind AS

(1) As of March 31, 2023

(2) As of Sept 30, 2023. Does not include integrated DMFs filed with ANDAs

Leveraging strong Techno-Legal expertise in Pharma to drive business in Agro-Chemical segment.

Manufacturing Facilities include a Technical (Active Ingredient) and Formulation asset, located in the state of Andhra Pradesh. Operate additional leased facilities, especially to supply Granule Products.

Targeting two categories of products – bioproducts and pesticides.

Successfully launched broad-spectrum insecticide Chlorantraniliprole (CTPR) based products in India across key agrarian states.

Launched first pheromone-based mating disruption product for management of Pink Bollworm pest for cotton

Focus on registration of niche molecules, for both domestic and international markets.

R&D

Strong Chemistry team focused on development of Active Ingredient with emphasis on backward integration & cost optimization.

Formulation development team with derived expertise from Pharma standards of quality and control for consistent delivery of product

Target niche products post Intellectual Property (IP) assessment and Freedom to Operate boundaries

PRODUCT DEVELOPMENT

Field testing and wide area demonstrations of newer chemistries pan India

Village adoption programs across different states for pest management

Farmer training about new technologies

SALES & DISTRIBUTION

Sales & Marketing team comprises of over 300 direct and indirect employees

Strategically picked distributors and dealers across all key zones in India



Technical Unit, Nellore, AP



Formulation Unit, Nellore, AP

SEGMENTAL BREAKDOWN (INR Million)

Revenue Division	Q2FY24	Q1FY24	Q2FY23	FY23	FY22
A) API Revenue	778	751	441	2,103	2,481
B) Formulation					
B1) Formulation – Exports (incl profit share, license income, export service income & Subsidiaries)	7,923	8,842	2,834	20,632	11,842
B2) Formulation - Domestic	1,025	1,324	935	3,749	4,771
Formulations Total Revenue (B1 + B2)	8,948	10,166	3,769	24,381	16,612
c) Crop Health Sciences	558	447	30	409	51
D) Other Operating & Non - operating incomes	324	238	286	1,224	1,293
Consolidated Total Revenue	10,608	11,602	4,526	28,117	20,438

KEY FINANCIAL SUMMARY (INR Million)

Financial Summary	Q2FY24	Q1FY24	Q2FY23	FY23	FY22
Revenue	10,608	11,602	4,526	28,117	20,438
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	4,874	5,477	1,023	10,402	3,625
<i>EBITDA Margin* (%)</i>	<i>45.9%</i>	<i>47.2%</i>	<i>22.6%</i>	<i>37.0%</i>	<i>17.7%</i>
Profit After Tax (PAT)	3,690	4,203	568	7,153	1,700
<i>PAT Margin (%)</i>	<i>34.8%</i>	<i>36.2%</i>	<i>12.5%</i>	<i>25.4%</i>	<i>8.3%</i>

*includes other income

CONSOLIDATED PROFIT & LOSS STATEMENT (as reported)



Profit & Loss Statement (INR Million)	Q2FY24	Q1FY24	Q2FY23	FY23	FY22
Total Revenue	10,608	11,602	4,526	28,117	20,438
Gross Profit	8,450	9,642	3,468	21,844	14,829
Gross Margin (%)*	79.7%	83.1%	76.6%	77.7%	72.6%
Overheads	3,576	4,165	2,310	11,442	11,204
Earnings before interest, tax, depreciation and amortization (EBITDA)	4,874	5,477	1,023	10,402	3,625
EBITDA Margin* (%)	45.9%	47.2%	22.6%	37.0%	17.7%
Finance cost	42	42	38	145	177
Depreciation	436	435	417	1,638	1,426
Profit before tax (PBT)	4,396	5,000	703	8,619	2,022
Tax	706	797	135	1,466	322
Profit after tax (PAT)	3,690	4,203	568	7,153	1,700
Reported Earnings per share (EPS) INR – Basic and Diluted	20.6	23.26	3.11	39.18	9.32

*includes other income

CONSOLIDATED BALANCE SHEET (as reported)



Balance Sheet (INR Million)	As of September 2023	As of March 2023
Assets		
Net tangible assets	23,531	23,034
Goodwill and other intangibles	1,984	1,878
Financial assets	2,550	1,043
Deferred tax asset (net)	152	0
Other non-current assets	481	271
Other non-current tax assets	345	345
Inventories	7,098	7,429
Cash and cash equivalents	7,195	5,463
Trade receivables	11,198	8,561
Other financial assets	5,050	6,260
Other current assets	2,956	2,290
Total assets	62,540	56,574
Liabilities		
Equity	52,935	48,738
Borrowings	2,388	1,650
Lease liabilities (Current & Non-current)	87	17
Deferred tax liabilities (net)	46	124
Other financial liabilities	33	17
Provisions (Current & Non-current)	1,164	1,022
Trade payables	3,661	2,638
Other current financial liabilities	814	859
Current tax liabilities (net)	673	101
Other current liabilities	739	1,408
Total liabilities	9,605	7,836
Total Equity & Liabilities	62,540	56,574

Thank You

For any queries, please contact

Rajeev Menon, Investor Relations
r.menon@natcopharma.co.in

Rajesh Chebiam, Executive Vice President, Crop Health
Sciences
ir@natcopharma.co.in

Phone: 040-2354 7532

