

# COHANCE LIFESCIENCES

## INVESTOR PRESENTATION

JUNE 2023



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- 1. Cohance Summary**
2. CDMO Segment Philosophy
3. API Segment Philosophy
4. Mfg. and R&D Capabilities
5. Management Capabilities
6. Transformation Journey
7. Financials and Drivers of Growth

# KEY BUSINESS UPDATES IN THE LAST 6 MONTHS

## Financials

- Revenue: Achieved INR 1,330+ Cr revenue in FY23; 16%+ 4 year CAGR; FY22-23 YoY revenue growth impacted due to normalization of COVID related molecule sales vs. FY22
- Margins: EBITDA margins continue to be healthy at 31% revenue

## Key wins

- Added 2 innovator and 4 large pharma companies as customers; significant traction being seen on ADC capability-led CDMO business
- Supplied NCE launch quantities for a key innovator customer

## Pipeline & Capacity

- 5 new product validations completed in the last 6 months
- 1 additional block of 50kL capacity for intermediate & API has been commissioned & qualified in ZCL

## Regulatory approvals


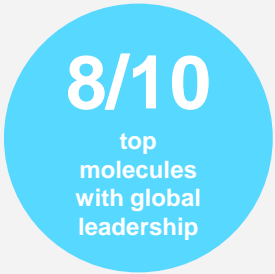




- US FDA audits of CRBio facility and Ankleshwar unit got completed with zero Form 483 observations
- Unit III (Atchutapuram) audit by EU GMP got completed with no critical observations

## Process & System updates

- EHS: Onboarded partner to drive ESG internally and report generation initiated
- IT & Digital: SAP-HANA system introduced at the platform

## ABOUT COHANCE PLATFORM

- One of leading, diversified CDMO + merchant API platform in India with ~INR 1,330 Cr+ revenue and ~INR 420 Cr EBITDA in FY23; for pharmaceuticals and specialty chemicals customers across the globe
- Well-invested asset with complex chemistry capabilities (e.g. camptothecin derivatives, acetylene compounds)

Leading player	Global leadership	Innovator CDMO <sup>3</sup>	Leading metrics <sup>4</sup>	Capex invested	Top management
 <p><b>One of Top Indian CDMO+ Merchant API</b></p> <p><i>One of India's top CDMOs + merchant API<sup>1</sup></i></p>	 <p><b>8/10</b> top molecules with global leadership</p> <p><i>Leadership (top 3 position)<sup>2</sup> in key molecules driven by deep cost position due to backward integration</i></p>	 <p><b>~32%</b> share of CDMO in total revenue</p> <ul style="list-style-type: none"> <li>- <i>Delivered 125+ innovator projects from gram to multi-kilo scale</i></li> <li>- <i>CDMO biz. growth at ~26% 3Y CAGR (faster than other segments)</i></li> </ul>	 <p><b>16%+</b> revenue CAGR of overall business</p> <p><i>Industry leading financial metrics - growth (16%+), EBITDA margins (~31%), and return on capital employed (~34%)</i></p>	 <p><b>&gt;2x</b> expansion potential on invested capex</p> <p><i>Fully invested in capex enough to support upto 2x current scale; ~INR 300 Cr. invested since acquisition</i></p>	 <p><b>~10</b> CXOs hired from top global companies</p> <p><i>Top tier management team with 250+ years of cumulative experience of handling businesses 2-3x the size of Cohance</i></p>

**Built on back of deep chemistry capabilities (incl. ADCs, HPAPI) and with deep focus on Safety, Quality & Compliance**

**Note:** 1. Basis market work by independent consulting organizations taking into account revenues from CDMO segment of leading CDMO/API players

2. Ranking based on data from IQVIA

3. Innovators refer to customers classified as customers engaged in R&D/manufacturing/marketing of new molecules in the pharmaceutical and/or specialty chemical industries; and CDMO includes revenue from innovators on their on-patent or genericized molecules custom manufacturing of intermediates and specialty chemicals

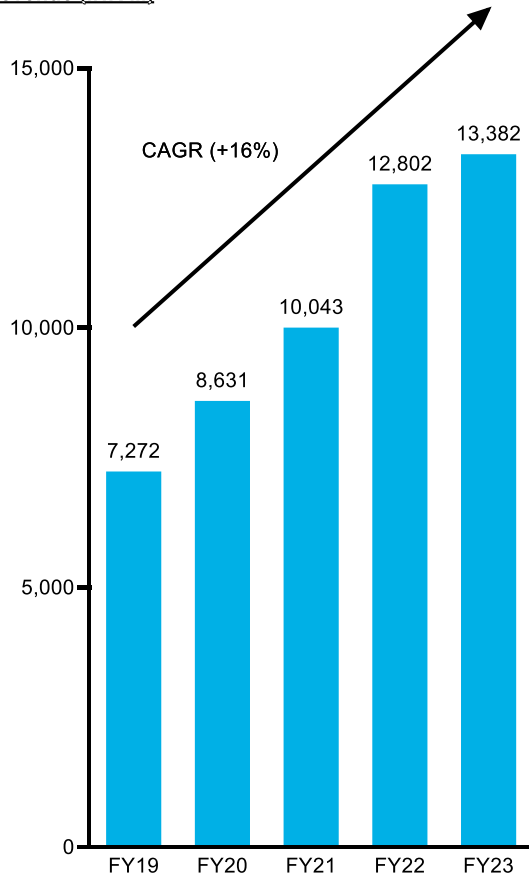
4. FY23 numbers are basis unaudited financial statements; AVRA financial statements are on IGAAP and not on IND-AS

# COHANCE'S FINANCIAL HIGHLIGHTS

- Cohance has delivered consistent revenue growth (16% 4Y CAGR) and EBITDA growth (27% 4Y CAGR), with healthy financial metrics (~31% EBITDA margins, ~34% ROCE)
- FY22-23 YoY revenue growth impacted due normalization of COVID related molecule sales vs. FY22

## Revenue<sup>1</sup>

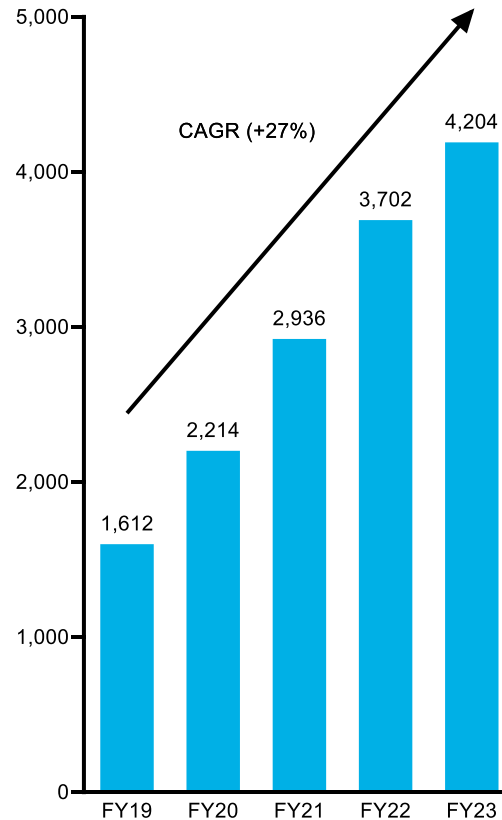
Revenue (INR M)



YoY Gr.                      19%    16%    27%    5%

## Adjusted EBITDA<sup>1</sup>

EBITDA (INR M)



EBITDA %    22%    26%    29%    29%    31%

## Profitability and Cash Generation



~26%

Strong cash flow generation<sup>2</sup>



~34%

Return on Capital Employed (FY23)<sup>3</sup>



31%+

Industry leading EBITDA Margins (FY23)<sup>4</sup>



21%+

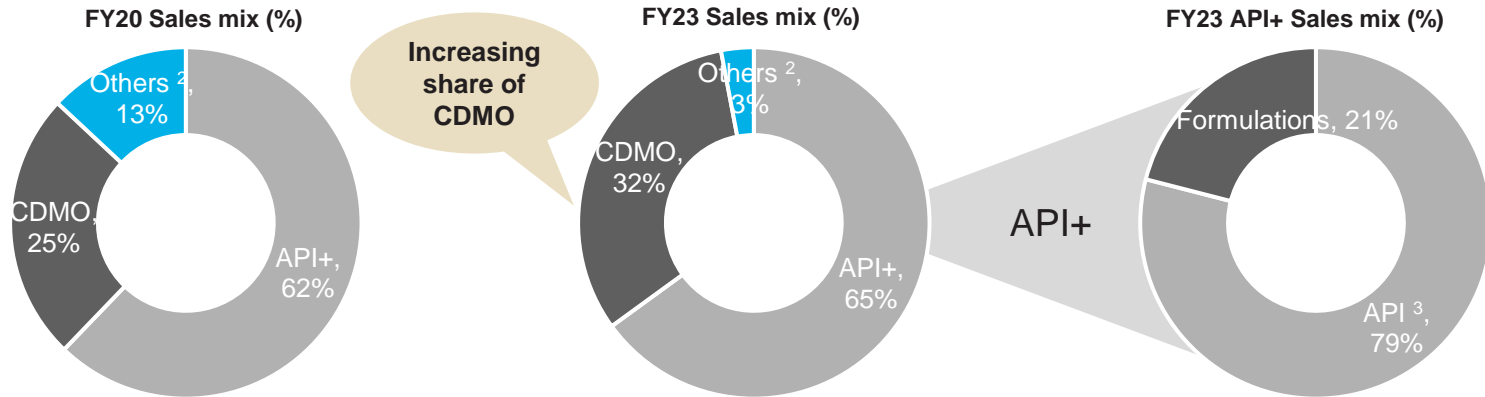
Industry leading PAT Margins (FY23)<sup>4</sup>

Note: 1) Financials are Pro-forma combination of financials of RA Chem, ZCL and Avra; Adjusted EBITDA is EBITDA adjusted out for one time expenses and income 2) L3Y avg Free Cash Flow Generation as % of EBITDA 3) ROCE = EBIT/Avg capital employed [Net fixed assets + NWC + other net assets]; 4) EBITDA & PAT margin is for FY23 5) FY23 financials basis unaudited financial statements post accounting policy

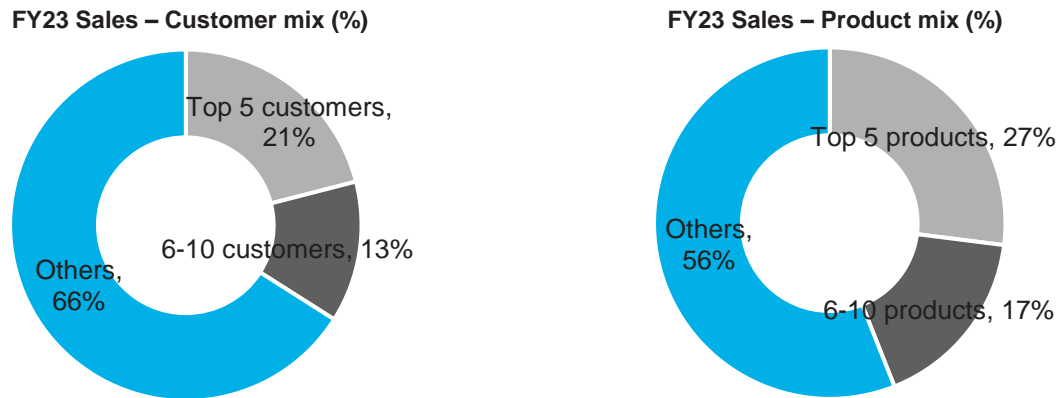
# BUSINESS MIX

- Increasing share of CDMO to ~32% of sales in FY23 (vs 25% in FY20) driven by unique capabilities in antibody-drug conjugates
- Well diversified customer and product mix

## Business Units <sup>1</sup>



## Minimal concentration across customers & products



**Note:** 1) CDMO includes revenue from innovators on their on-patent or genericized molecules and custom manufacturing of intermediates & specialty chemicals. Innovators refer to customers engaged in R&D/manufacturing/marketing of new molecules in the pharmaceutical and/or specialty chemical industries 2) Others include Clinical & analytical services, Toll manufacturing, Scrap sales, etc 3) API segment includes API business majorly and Pellets business 4) Business mix data is based on MIS reporting

# COHANCE PLATFORM - CDMO AND API BUSINESSES

## CDMO BUSINESS



### Deep innovator relationships

1

- ▶ Relationships with ~25 pharma and spec chem innovators
- ▶ Delivered 125+ innovator projects from gram to multi kilo scale<sup>1</sup>



### Complex chemistry capabilities

2

- ▶ Handle complex, multi-step chemistries: intermediates for ADC warheads, cross coupling, carbon monoxide, cryogenic reactions, etc.
- ▶ Leverage synthetic camptothecin platform capabilities



### Lifecycle management of molecules

3

- ▶ Capabilities to handle a drug end-to-end throughout its lifecycle
- ▶ Working on various lifecycle molecules for Innovators



### Specialty Chemicals segment

4

- ▶ Amongst India's leading manufacturers of high purity electronic chemicals
- ▶ Expanding portfolio of fine chemicals

## API BUSINESS

1

### Uniquely curated portfolio



- ▶ Focus on low-mid volume APIs with low competitive intensity
- ▶ Built deep cost position through backward integration
- ▶ Top 3 players by global market share<sup>1</sup> across most top molecules

2

### Diversified business mix



- ▶ Diversified mix of customers & molecules
- ▶ Balanced presence across regulated and high-quality emerging markets

3

### Complex chemistry capabilities



- ▶ Expertise in handling multi-step complex chemistry: Onco APIs, etc.
- ▶ State-of-the art Analytical labs with NMR, ICP - OES HPLC, UPLC, GC, GC-MS, GC-MS/MS

4

### Robust molecule selection process



- ▶ Launch select 5-6 molecules only every year
- ▶ Focus on molecules where we can build deep cost position and gain global market leadership

**cohance**  
lifesciences

**Note:** 1. Market share based on data from IQVIA; 2. Pertains to projects in the last 5 years only



## KEY ELEMENTS OF COHANCE PLATFORM (1/2) - OVERALL

- One of India's leading contract developer and manufacturer (CDMO) and merchant API player serving marquee customers across Pharmaceuticals and Specialty Chemicals



Focused portfolio and market leadership in low-mid volume, specialty APIs with low competitive intensity

1

~32% business contribution through innovator CDMO arm; growing at >26% CAGR

2

Global leadership in 8 of top 10 molecules driven by deep cost position due to backward integration

3

Amongst India's leading manufacturer of high purity electronic chemicals

4

Complex chemistry capabilities, including expertise in controlled substances, ADCs, HPAPIs, etc.

5

Scale manufacturing with 7 facilities across India; fully invested in capex to drive 2x growth

6

Deep focus on safety, quality and regulatory compliance

7

Strong financial profile having grown >16% CAGR (L4Y), with 31% EBITDA and 34% RoCE

8

Expanding pipeline of molecules, growing lifecycle management for innovators and fine chemicals

9

**Note:** 1) Financials are Pro-forma combination of financials of RA Chem, ZCL and Avra; Adjusted EBITDA is EBITDA adjusted out for one-time expenses and income

## KEY ELEMENTS OF COHANCE PLATFORM (2/2) - ESG

- **ESG framework made an integral part of operations**
- **Recently received ISO 14001, ISO 45001 and ISO 9001 accreditations**

### Key focus areas of ESG framework

#### Water & Energy

- Continuous process & technology improvement for reducing consumption and recycling
- Dedicated energy program measuring utilization & optimizing consumption
- Condensate recovery & boiler efficiency system – minimizing thermal energy and water loss

#### Waste management

- “Quality by design” to reduce waste at source
- Invested in effluent treatment plants with zero liquid discharge
- Wet scrubbers for Gaseous waste & specialized partner collaboration for solid waste disposal

#### Health and Safety

- Infrastructure upgraded (*including fire hydrant system; Pressure Relief Valve, Rupture Disks*)
- Systems deployed (*including LOTO & Interlocking systems, monthly governance; incident reporting*)
- Trainings on safety & behavioral approaches & mock drills

### Results achieved in the last 3 years

**17%**

Reduction in water consumption/MT produced

**6%**

reduction in coal consumption/MT produced

**6%**

Reduction in CO<sub>2</sub> emissions per MT produced

**12%**

Reduction in treated effluents per day

**33,000+**

Plantations since acquisition ie 30/day

**INR 300 Mn**

EHS spend

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## COHANCE – CDMO SEGMENT PHILOSOPHY

- **CDMO Segment:** ~32% business contribution through CDMO arm across Pharma and Specialty Chemical Innovators; historically grown at >26% CAGR

### 1 Deep innovator relationships

- Relationships with ~25 pharma and spec chem innovators
- Delivered **125+ innovator projects** from gram to multi kilo scale<sup>1</sup>

### 2 Complex chemistry capabilities

- Handle complex, multi-step chemistries: intermediates for ADC warheads, cross coupling, carbon monoxide, cryogenic reactions, etc.
- Leverage synthetic camptothecin platform capabilities



### PHILOSOPHY FOR CDMO

### 3 Lifecycle management of molecules

- Capabilities to handle a drug end-to-end throughout its lifecycle
- Working on various lifecycle molecules for Innovators

### 4 Specialty Chemicals segment

- Amongst India's leading manufacturer of high purity electronic chemicals
- Expanding portfolio of fine chemicals

**Note:** 1. Pertains to projects in the last 5 years only

## MULTIPLE PLATFORMS POISED TO DRIVE GROWTH

- Deep, long-standing relationships with marquee global innovator customers across pharma & specialty chemicals

Customer	Description	Product Type	Years of relationship
<b>Innovator Customer 1</b>	Leading global biopharmaceutical company	Antibody Drug Conjugate (ADC) Intermediates	>6 years
<b>Innovator Customer 2</b>	Global MNC innovator pharmaco	Ophthalmology intermediates	>8 years
<b>Innovator Customer 3</b>	Leading global innovator pharmaco	Oncology Intermediates	>6 years
<b>Innovator Customer 4</b>	Leading global supplier of paints, coatings & specialty chemicals	Speciality Chemicals	>8 years
<b>Innovator Customer 5</b>	Global manufacturer of ester chemistry-based materials	Speciality Chemicals	>8 years

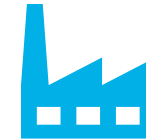
## MULTIPLE PLATFORMS POISED TO DRIVE GROWTH

- Extensive expertise across areas including highly attractive camptothecin drugs family, controlled substances, clinical trial intermediates and molecule lifecycle management



### Camptothecin Technology Platform

- 1<sup>st</sup> in world to develop synthetic route for large-scale production of Camptothecin derivatives (*better purity vs natural process*)
- Supplies intermediates for US-EU market approved Antibody-Drug-Conjugates



### Controlled Substance Platform

- Extensive expertise and global leadership in regulated controlled substance products
- Well-positioned to leverage capabilities to capture synthetic cannabinoid space



### Clinical Trial Intermediate Supply

- Cohance supplies intermediates of several NCE's involved in ongoing clinical trials with large potential including:
  - Lung cancer drug in Ph III;
  - Anti-thrombotic drug starting Ph III;
  - Active discussions for various other supplies



### Lifecycle management

- Innovator molecules which become Gx post patent
- Post patent supply is to innovator customers
- E.g. Molecule 1 – sold to an innovator customer which was earlier co-marketeter of product along with global pharmaco

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## COHANCE – API+ SEGMENT PHILOSOPHY

- **API+ Segment: Focus on select low-mid volume molecules, taking global market share, backed by deep cost position and robust chemistry capabilities**

### 1 Uniquely curated portfolio

- Focus on low-mid volume, high value specialty APIs with low competitive intensity
- Built deep cost position through backward integration
- Top 3 players by global market share<sup>1</sup> across most top molecules

### 2 Robust molecule selection process

- Launch select 5-6 molecules only every year
- Focus on molecules where we can build deep cost position and gain global market leadership



### PHILOSOPHY FOR API

### 3 Complex chemistry capabilities

- Expertise in handling multi-step complex chemistry: Onco APIs, etc.
- Capability to handle and develop drugs in varied OEB levels
- State-of-the art Analytical labs with NMR, ICP - OES HPLC, UPLC, GC, GC-HS, GC-MS/MS

### 4 Diversified business mix

- Diversified mix of customers & molecules
- Balanced presence across regulated and high-quality emerging markets

**Note:** 1. Market share based on data from IQVIA



## STRONG GROWTH IN KEY MOLECULES

- Amongst top 3 suppliers in top products with demonstrated history of market share gain and high degree of backward integration enabling sustainable cost advantage

Customer	FY23 Market Share	Mkt share trend since FY20	Degree of backward integration
Molecule 1	✓✓✓	↗	●
Molecule 2	✓✓✓	↗	●
Molecule 3	✓✓	→	●
Molecule 4	✓✓✓	↗	●
Molecule 5	✓✓	→	●
Molecule 6	✓✓	→	◐
Molecule 7	✓✓✓	↗	●
Molecule 8	✓✓✓	↗	●

✓✓✓ >30%  
 ✓✓ 20%-30%  
 ✓ <20%

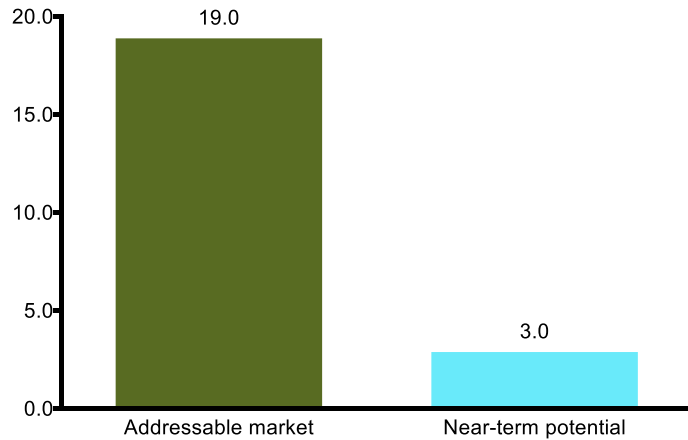
● High  
 ◐ Medium  
 ◑ Low

## FOCUSED PRODUCT PIPELINE

- Portfolio strategy based on careful selection of products underpinned by robust process, competitive cost position and limited competition
- Products identified for driving near term as well as long term growth

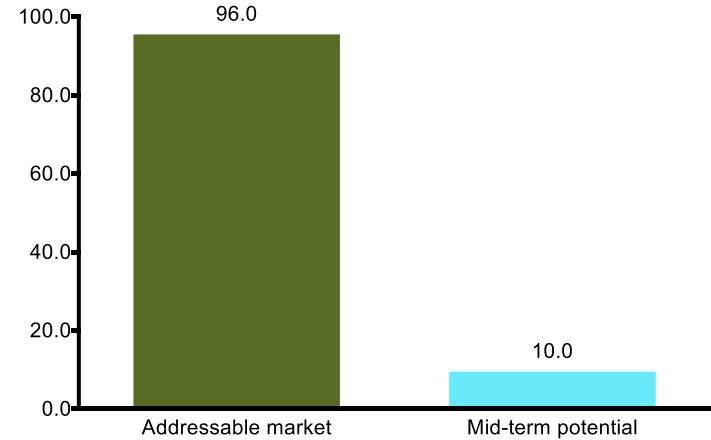
### Nascent high-potential products (9 molecules)

INR Bn



### Pipeline products (12 molecules)

INR Bn



## EXPANSION IN MARKET BASE LED BY GLOBALIZATION OF CURRENT PORTFOLIO

- ~40 Drug Master Files (DMFs) submitted in semi-regulated / emerging markets since acquisition

**10  
filings**

**Brazil**

**15  
filings**

**China**

**5  
filings**

**Korea**



































**10  
filings**

**RoW**

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# COHANCE'S SPECIALIZED MANUFACTURING CAPABILITIES

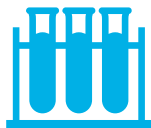
- Total capacity to go upto 1,500 KL for API and Intermediates by 2024 through capex already invested in Cohance

	Plant	State	About the facility	Approvals	Markets
1	 <b>Ankaleshwar</b>	Gujarat	68 reactors with upto 420KI capacity	 	 <b>US</b>  <b>Europe</b>  <b>Emerging markets</b>
2	 <b>Jaggayapet</b>	Andhra Pradesh	~120 reactors, >520KI capacity	 	 <b>US</b>  <b>Europe</b>  <b>Emerging markets</b>
3	 <b>Atchutapuram</b>	Andhra Pradesh	46 reactors with >140KI capacity		 <b>Emerging markets</b>
4	 <b>Nacharam</b>	Telangana	60+ reactors Unit with Oncology facility	 	 <b>US</b>  <b>Europe</b>  <b>Emerging markets</b>
5	 <b>Parwada</b>	Andhra Pradesh	API plant with >130KI capacity		 <b>US</b>  <b>Emerging markets</b>
6	 <b>Nacharam FDF</b>	Telangana	250M OSDs, 180MT PFI per annum	 	 <b>US</b>  <b>Europe</b>  <b>Emerging markets</b>
7	 <b>Jadcherla</b>	Telangana	Pellets: 480MT per annum		 <b>Emerging markets</b>

**Note:** 1. Markets refer to sales made of both pharma and specialty chemicals; approvals only for pharma

## COHANCE'S R&D CAPABILITIES

- **Deep R&D expertise with multiple state-of-the-art facilities and qualified personnel experienced in complex molecules**



### R&D Centers & Analytical Labs

- 4 state-of-the-art R&D centers and analytical labs with NMR, stability & photo stability chambers



### Highly skilled & diverse team

- Backed by a team of 200+ staff to bolster innovation & growth



### Expertise in handling complex chemistries

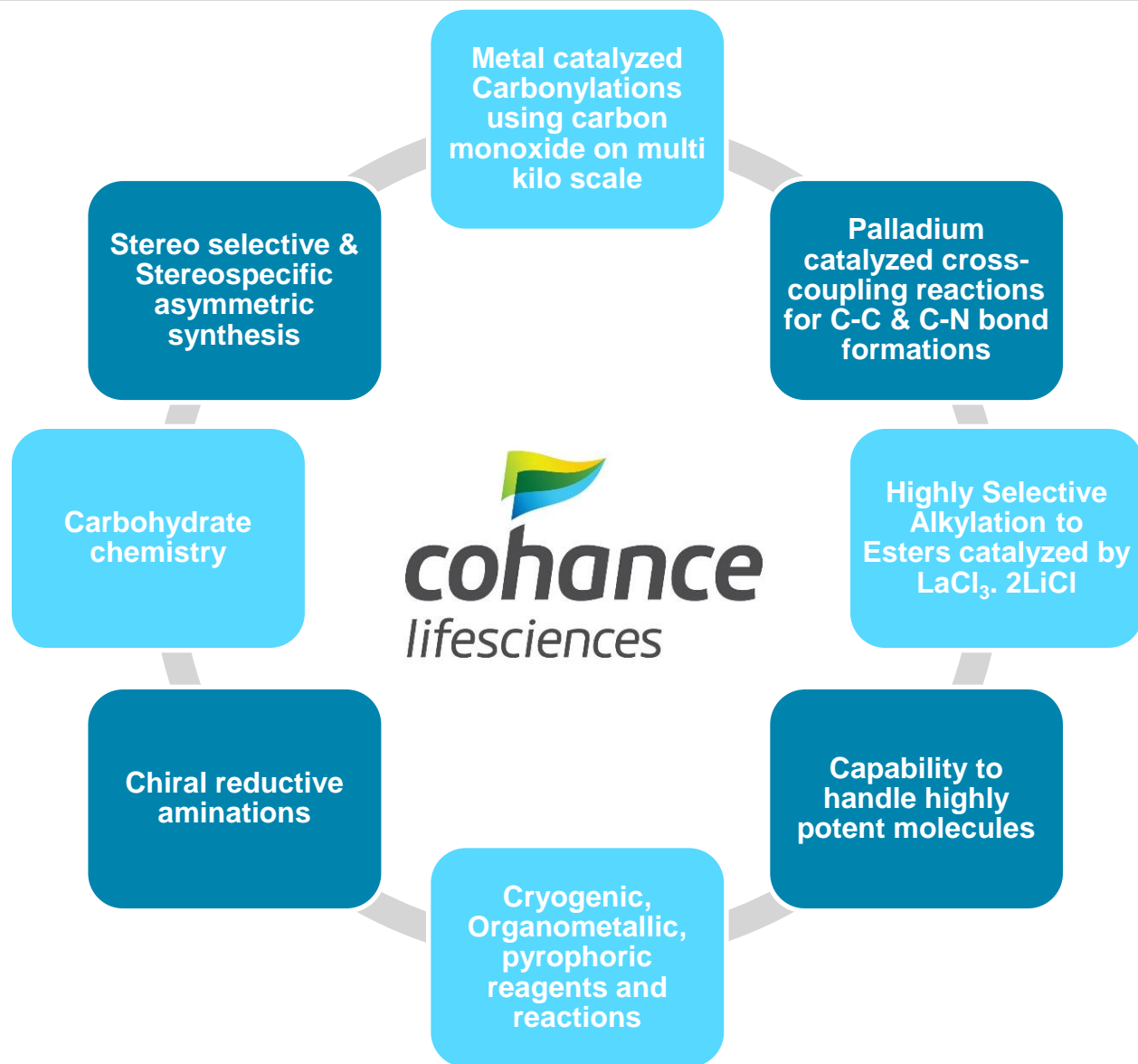
- Capable of executing multi-step reactions incl. coupling reactions, nucleoside & carbohydrate chemistry, asymmetric catalysis, and development of suitable analytical chiral methods



### Patent evaluation & screening

- Carry out full-scale patent evaluation including development of non-infringing processes & collaborative programs under confidentiality agreements

## SELECT CHEMISTRY COMPETENCIES



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## COHANCE HAS A HIGHLY EXPERIENCED MANAGEMENT TEAM

- Led by experienced, high quality management team who has handled 2-3x the scale of Cohance's business before joining our platform

### Strong Management Team with both MNC and Indian pharma company experience

#### Dr. Prasada Raju



#### Chief Executive Officer

##### Experience

- 28+ years experience in the CDMO and API industry
- Ex Executive Director, Granules, various leadership positions with Dr Reddy's
- Strong techno commercial expertise
- Experience across Growth strategy, R&D, Quality, IP, Projects
- Education: PhD, PG Dip in patents law, IIMc and trained in Material Sciences in IIT, Chicago, USA



#### Jayantt M.

**Chief Financial Officer**  
28+ years of experience  
Ex CFO, Sai Life Sciences  
Ex CFO Mahindra Lifespaces  
Education: CA, CS, CWA



#### Sunil U.

**Chief Operating Officer**  
27+ years in Pharma; Ex VP Ops, Sun Pharma; Director of Manufacturing, Emcure, Cluster Head Cipla  
Education: BITS Pilani, ICFAI



#### Vishal M. Chief Commercial Officer

25+ years of experience  
Ex CMO, Emcure, Ex-VP Sales & Marketing, Glenmark Life Sciences



#### Saswata Lahiri

**CDMO Head, Avra**  
20+ years of experience  
Ex Sr. VP, PI Industries  
Head, API, Fresenius Kabi  
Education: PhD, IICT



#### Swaminathan N.

**Chief Supply Chain Officer**  
30+ years of experience  
Ex VP, Granules, Nippon Paints, Pidilite Industries, ICI India, Mafatal, Brooke Bond; Education: Grad in Mathematics



#### K. Nagendra Babu Chief Quality & Compliance Officer

25+ years of experience, Ex Quality Dir., Mylan; Head of Global Compliance, Granules; GSK; Education: PhD



#### Pushkar Lakhekar

**Chief Transformation Officer**  
22+ years; Ex Head, Strategic Mfg, Glenmark LS; Associate Director, Dr Reddy's; Education: Chem Engg (UDCT); IIM Indore



#### Sidhartha Das

**CHRO**  
23+ years of experience  
Ex Global HR Lead, Sai Life Sciences  
Ex Head HR, Marico Bangladesh  
Education: XLRI, MSU

### Industry veterans on the Board and guiding the Cohance journey

#### Abhijit Mukherjee



#### Operating Partner

##### Experience

- 40+ years of experience (20 in Pharma)
- Ex COO, DRL India
- Board member - ICE, Slayback Pharma, RA Chem, ZCL, BSV

#### Bhasker Iyer



#### Operating Partner

##### Experience

- ~40 years of experience in Pharma
- Ex Head, Abbott India
- Board Member - Themis Medicare, RPG life sciences, RA Chem, ZCL, BSV

#### Anil Chanana



#### Independent Director

##### Experience

- 40+ years of experience
- Former CFO, HCL Technologies
- Board member – Medi Assist, DFM Foods, RA Chem, ZCL

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## COHANCE PLATFORM TRANSFORMATION

- Three businesses integrated successfully to create an INR 1,330+ Cr CDMO + Merchant API business
- Growing at 16%+ CAGR with improving margins

### Attractive Financial Profile

- Scaled 1.8x+ over the last 4 years at 16%+ L4Y CAGR (Organic growth)
- Industry-leading EBITDA margins at 31%+ with strong growth (~27% L4Y CAGR)

### ESG

- Comprehensive ESG framework integrated with operations
- Recently received ISO 14001, ISO 45001 and ISO 9001 accreditations

### Market leadership

- Added 40+ customers since acquisition
- Top 3 supplier in 8 of top 10 molecules driven by focus on deep cost position & expansion into global markets

### Quality & Regulatory

- Comprehensive Quality Management Systems
- Extensive inspection protocols to foster anytime readiness for plant audits

### Management Team

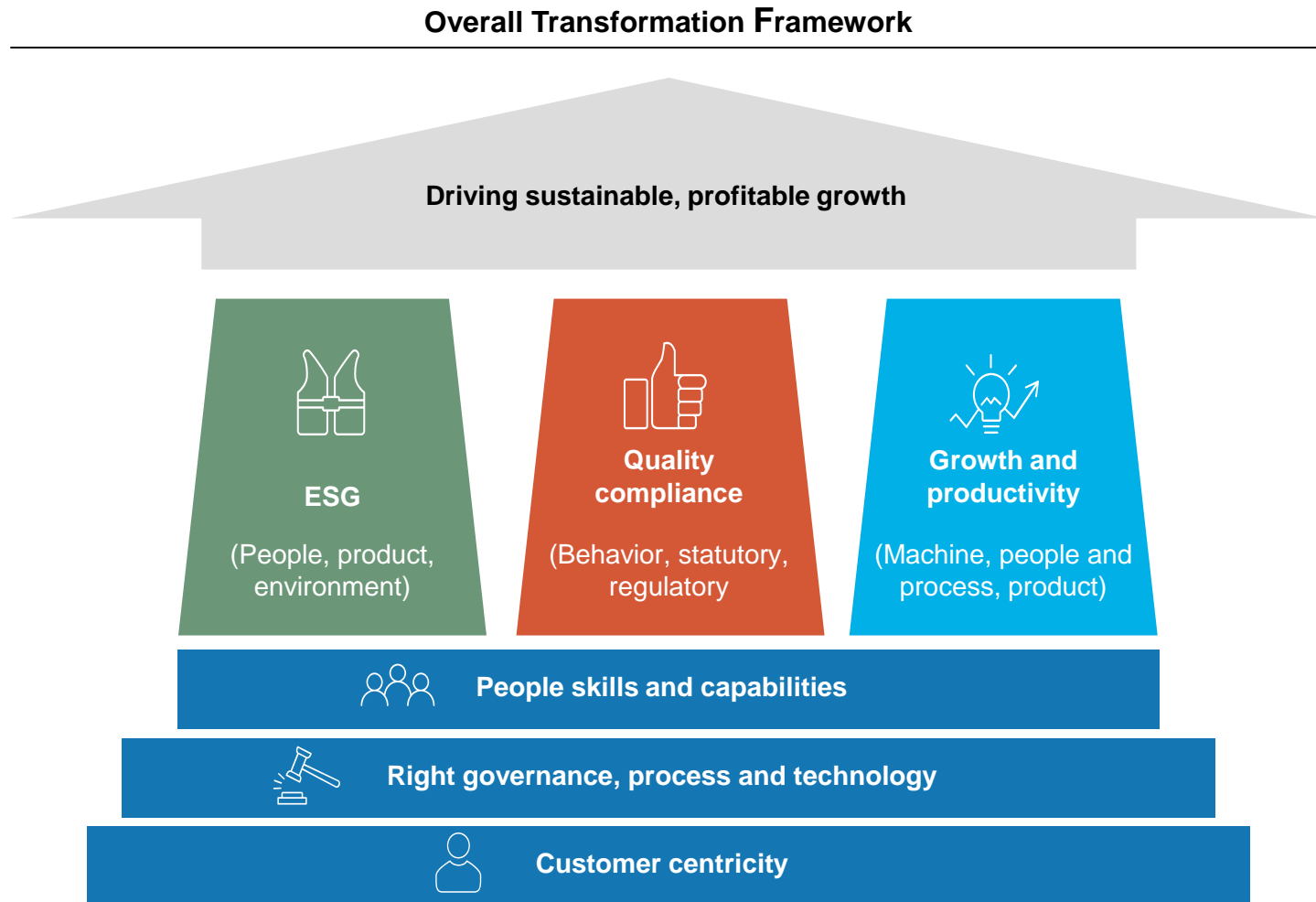
- Highly experienced CXO team with 250+ years of cumulative work experience in the space

### Processes & Technology

- Strengthened governance & process capabilities
- 3-year digital transformation roadmap in place and under execution

# TRANSFORMATION FRAMEWORK TO AUGMENT GROWTH JOURNEY

- 3 pillar transformation framework put in place to unlock full potential of platform and drive sustainable growth



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## DRIVERS OF GROWTH

- Tapping multiple engines for sustainable, industry leading future growth

### Existing Products

Existing Customers

New Customers

Globalized Portfolio

- Continue to increase SoW in existing customers backed by a) deep cost position / backward integration b) focus on delivery and c) increased product portfolio
- Add more innovator and large pharma co as customers
- Under active discussions with 10+ global innovator pharmacos for opportunities in lifecycle management of genericized molecules
- 40+ DMF filings submitted in semi-reg/emerging markets since acquisition, with strong plans of expanding further in LatAm, Mexico, China etc.

### New products with high potential

- Near-term potential of INR 3 Bn sales from key molecules (addressable market of ~INR 20 Bn)

### Pipeline products

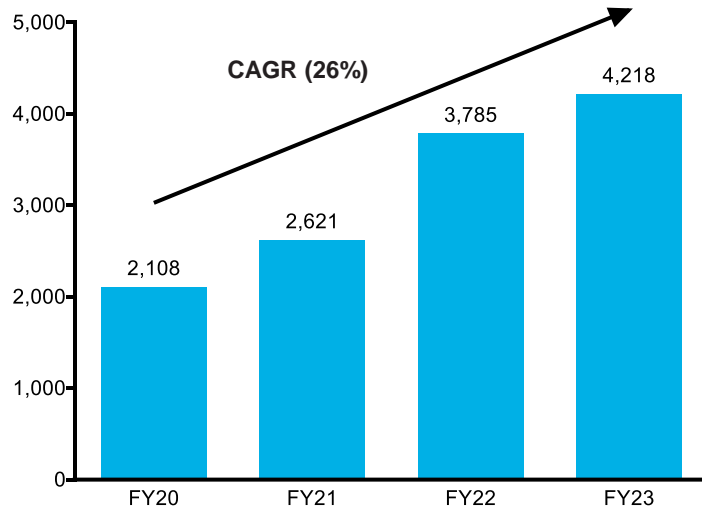
- Pipeline of new products with mid-term sales potential of INR 10 Bn in an addressable mkt of ~INR 100 Bn

# REVENUE GROWTH BY SEGMENT

- Strong revenue growth in CDMO segment (26% L3Y CAGR) & API (17% L3Y CAGR) driven by healthy mix of increasing wallet share in existing customers, new customer additions & new products

## CDMO Segment

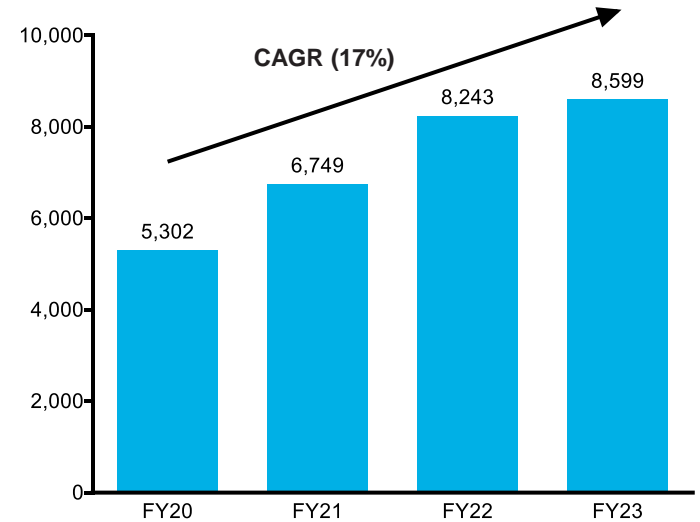
CDMO Sales (INR M)



% of Total Sales      25%      26%      30%      32%

## API Segment

API+ Sales (INR M)



% of Total Sales      62%      67%      65%      65%

**Note:**

API+ segment includes commercial API, PFI & Formulations

## COHANCE ORGANIC PROFORMA P&L - SNAPSHOT

- Cohance platform build-out started in Oct '20; biz. has shown organic revenue CAGR at ~16.5% from FY19-23 (L2L organic growth for the entire platform, proforma for acquisitions across years)
- Organic EBITDA growth at 27% CAGR from FY19-23

INR million						CAGR	
Proforma P&L Snapshot <sup>1</sup>	FY19	FY20	FY21	FY22	FY23	FY19-23	
Revenue	7,272	8,631	10,043	12,802	13,382	16.5%	Proforma for acquisitions, organic growth for the platform
COGS	(2,900)	(3,705)	(4,004)	(5,300)	(5,131)		
<b>Material Margin</b>	<b>4,372</b>	<b>4,926</b>	<b>6,039</b>	<b>7,502</b>	<b>8,251</b>		
<i>Material Margin%</i>	60.1%	57.1%	60.1%	58.6%	61.7%		
Manufacturing Expenses <sup>2</sup>	(1,058)	(955)	(1,123)	(1,277)	(1,426)		
Employee cost <sup>3</sup>	(1,137)	(1,273)	(1,433)	(1,714)	(1,933)		
Other expenses <sup>3</sup>	(565)	(483)	(547)	(810)	(688)		
<b>Adjusted EBITDA</b>	<b>1,612</b>	<b>2,214</b>	<b>2,936</b>	<b>3,702</b>	<b>4,204</b>	<b>27.1%</b>	Proforma for acquisitions, organic growth for the platform
<i>EBITDA%</i>	22.2%	25.7%	29.2%	28.9%	31.4%		
Depreciation & Amortization	(479)	(444)	(469)	(509)	(527)		
Finance costs	(169)	(197)	(45)	(110)	(156)		
Other income	157	204	189	186	246		
<b>Adjusted PBT</b>	<b>1,121</b>	<b>1,777</b>	<b>2,610</b>	<b>3,269</b>	<b>3,767</b>	<b>35.4%</b>	Proforma for acquisitions, organic growth for the platform
Tax	(282)	(447)	(657)	(823)	(948)		
<b>Adjusted PAT</b>	<b>839</b>	<b>1,330</b>	<b>1,953</b>	<b>2,446</b>	<b>2,819</b>	<b>35.4%</b>	Proforma for acquisitions, organic growth for the platform
<i>PAT%</i>	11.5%	15.4%	19.4%	19.1%	21.1%		
<i>Accounting entries relating to merger of AI Pharmed and RA Chem</i>							
Depreciation and amortization				(185)	(75)		
Tax impact of above				47	19		
<b>PAT (post consol adjustments)</b>				<b>2,307</b>	<b>2,763</b>		

**Note:** 1) Financials are Pro-forma combination of financials of RA Chem, ZCL and Avra; Adjusted EBITDA is EBITDA adjusted out for one time expenses and income 2) Free Cash Flow Generation as % of EBITDA 3) ROCE = EBIT/Avg capital employed [Net fixed assets + NWC + other net assets]; 4) EBITDA & PAT margin is for FY23 basis unaudited financials 5) FY23 financials based on unaudited financial statements



# COHANCE PROFORMA BALANCE SHEET - SNAPSHOT

INR million

Proforma Balance Sheet Snapshot <sup>1</sup>	Mar-19	Mar20	Mar21	Mar22	Mar23
Property, plant and equipment (PPE)	3,699	3,824	4,128	4,090	3,825
Right of use asset (RoU) <sup>2</sup>	-	13	89	179	181
Capital work-in-progress	45	99	155	458	1,516
Intangible Assets <sup>2</sup>	47	47	51	123	103
<b>Fixed Assets</b>	<b>3,790</b>	<b>3,982</b>	<b>4,422</b>	<b>4,850</b>	<b>5,624</b>
Inventories	1,674	1,894	2,551	3,266	3,611
Trade receivables	2,434	3,154	3,218	3,654	4,312
Trade payables	(852)	(1,305)	(1,716)	(1,670)	(1,783)
<b>Core Net Working Capital (Core NWC)</b>	<b>3,256</b>	<b>3,743</b>	<b>4,052</b>	<b>5,250</b>	<b>6,140</b>
Other net assets	(70)	(111)	(189)	(196)	43
Borrowings	(2,059)	(1,678)	(1,330)	(1,738)	(2,625)
Cash and Cash equivalents (including liquid investment)	3,323	3,470	3,918	4,111	923
<b>Net (debt) / cash</b>	<b>1,264</b>	<b>1,793</b>	<b>2,588</b>	<b>2,373</b>	<b>(1,702)</b>
<b>Net assets</b>	<b>8,239</b>	<b>9,406</b>	<b>10,874</b>	<b>12,277</b>	<b>10,105</b>
<b>Shareholder's funds</b>	<b>8,239</b>	<b>9,406</b>	<b>10,874</b>	<b>12,277</b>	<b>10,105</b>
<i>Accounting entries relating to merger of AI Pharmed and RA Chem</i>					
Goodwill			5,800	5,800	5,800
Tangible assets			397	389	382
Intangible assets			803	624	556
Tax impact			(297)	(137)	(99)
Other reconciling items			(21)	(20)	-
<b>Net assets (post consol adjustments)</b>	<b>8,239</b>	<b>9,406</b>	<b>17,556</b>	<b>18,933</b>	<b>16,744</b>

**Note:**

- 1) Proforma and Adjusted financials of Cohance entities (RA Chem, ZCL and Avra) have been extracted from report issued by Deloitte Touche Tohmatsu India LLP
- 2) Financials are Pro-forma combination of financials of RA Chem, ZCL and Avra
- 3) RoU and Intangible assets Includes RoU under development and intangibles under development respectively
- 4) Merger refers to the merger of AI Pharmed (renamed to Cohance) and RA Chem w.e.f 27<sup>th</sup> Oct 2020
- 5) FY23 financials basis unaudited financial statements

## COHANCE PROFORMA - KEY RATIOS

- Industry leading financial metrics

Key Ratios	FY19	FY20	FY21	FY22	FY23	Basis
NWC (as days of sales)	163	158	147	150	167	NWC / Revenue * 365
PPE (as % of sales)	50.9%	44.3%	41.1%	31.9%	28.6%	Closing PPE / Revenue
Capex spend during the year (INR M)	313	498	810	911	1,337	
Capex spend (as % of sales)	4.3%	5.8%	8.1%	7.1%	10.0%	Capex spend during year / Revenue
(Net Debt)/ Net Cash to adjusted EBITDA (x times)	0.8x	0.8x	0.9x	0.6x	-0.4x	Net Debt / Adjusted EBITDA
Adjusted EBIT (INR M)	1,133	1,771	2,466	3,193	3,677	Adjusted EBITDA - Depreciation and Amortization
Avg Capital employed (INR M)		7,294	7,949	9,095	10,856	Avg of opening & closing Capital employed (Fixed Assets + NWC + other net assets)
ROCE (%)		24.3%	31.0%	35.1%	33.9%	Adjusted EBIT / Avg. Capital employed
Avg Shareholder's funds (INR M)		8,822	10,140	11,576	11,191	Avg of opening and closing shareholder's funds
ROE (%)		15.1%	19.3%	21.1%	25.2%	Adjusted PAT / Avg Shareholder's funds

**Note:**

1. Proforma and Adjusted financials of Cohance entities (RA Chem, ZCL and Avra) have been extracted from report issued by Deloitte Touche Tohmatsu India LLP
2. All ratios computed using proforma combined financials of RA Chem, ZCL and Avra
3. FY23 financials basis unaudited financial statements