COHANCE LIFESCIENCES

INVESTOR PRESENTATION

H1 FY24

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KEY BUSINESS UPDATES IN THE LAST 6 MONTHS

Financials

- Revenue: Achieved INR 1,330+ Cr revenue in FY23; 16%+ 4 year organic CAGR. Achieved revenue of INR 620+ Cr in H1 FY24
- Key highlights of H1 FY24 performance below:
  - Growth impacted by a) One key COVID molecule in FY23 base b) impact of macro – broader destocking impacting demand for some molecules c) delay in vendor qualification for some products
  - Business mix heading in right direction (CDMO / more profitable mix); CDMO segment grew at 41% and now 35% of total business in H1
  - Scale-up in ADC-led CDMO business, as well as demand pick-up on key growth merchant API products with higher margin profile
  - New key product development and commercialization on track, albeit with time lag
- Margins: EBITDA margins continue to be healthy at ~30% of revenue. Overall, CDMO business scale-up, improved customer/market mix, and cost transformation initiatives has supported maintaining margins, despite revenue softness in H1 FY24

Key Innovator Wins

- Positive traction in 2 new innovator lifecycle management opportunities

Pipeline & Capacity

- 5 new product validations in progress
- 1 additional block of 50kL capacity for intermediate & API has been commissioned & qualified in ZCL

Regulatory Approvals

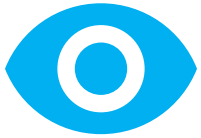
- US FDA audits of CRBio facility and Ankleshwar unit got completed with zero Form 483 observations
- Unit III (Atchutapuram) audit by EU GMP got completed with no critical observations
- FDF Unit-I Nacharam successfully completed 2 EU GMP inspections (Germany and Greece)
- 5 new China DMF approvals received in last 6 months

Process & System Updates

- EHS: Implementation of ESG initiatives is on track; API Unit I (Jaggayapet) has been awarded “Silver” rating by Ecovadis in Oct’23
- IT & Digital: SAP-HANA system introduced at the platform

BUILDING BLOCKS IN PLACE FOR GROWTH IN H2 FY24 AND BEYOND

- **Improving orderbook coverage, positive developments for ADC platform and API+ demand revival provides improving outlook for H2**
- **Multiple growth levers in place for near-to-mid term growth**



Outlook for H2 FY24

- **Expect growth to revive in H2 largely driven by the following:**
  - **Improving order book coverage**
  - **Newer indication and market approvals of Innovator ADC products** to drive continued growth in CDMO
  - **Demand revival in API+ segment** (incl. pellets), with new potential wins in Emerging markets
  - **Improved business mix and focus on cost control measures** to drive sustained high-margins

Near to mid-term growth drivers

- **Strong focus on Innovator clients;** growth in CDMO business
- **Expansion in high-quality emerging markets**; strong momentum with new DMF approvals and customer partnerships in these geographies
- **Increasing SoW with existing customers** and **addition of new blue-chip customers**
- **Ramp-up from new product launches** across CDMO, API+ and formulations; pipeline with near-term commercialization opportunity

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[3]	Leading metrics[4]	Capex invested	Top management
One of Top Indian CDMO+ Merchant API	**8/10** top molecules with global leadership	**~35%** share of CDMO in total H1'24 revenue	**16%+** revenue CAGR of overall business	**>1.5x** expansion potential on invested capex	**~10** CXOs hired from top global companies
One of India's top CDMOs + merchant API[1]	*Leadership (top 3 position)[2] in key molecules driven by deep cost position due to backward integration*	- *Delivered 125+ innovator projects from gram to multi-kilo scale* - *CDMO biz. growth at ~33% 3Y CAGR (faster than other segments)*	*Industry leading financial metrics - growth (16%+), EBITDA margins (~31%), and return on capital employed (~34%)*	*Invested in capex enough to support >1.5x current scale; ~INR 350 Cr. invested since acquisition*	*Top tier management team with 250+ years of cumulative experience of handling businesses 2-3x the size of Cohance*

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

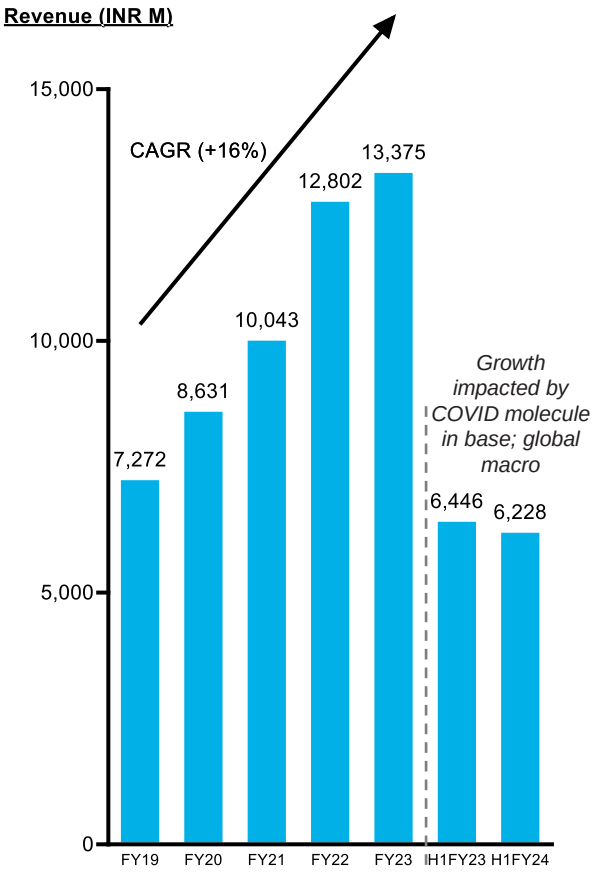
3. Innovators refer to customers classified as customers engaged in R&D/manufacturing/marketing of new molecules in the pharmaceutical and/or specialty chemical industries; and CDMO includes revenue from innovators on their on-patent or genericized molecules and custom manufacturing of intermediates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

4. AVRA financial statements before mar'23 are on IGAAP and not on IND-AS

COHANCE'S FINANCIAL HIGHLIGHTS

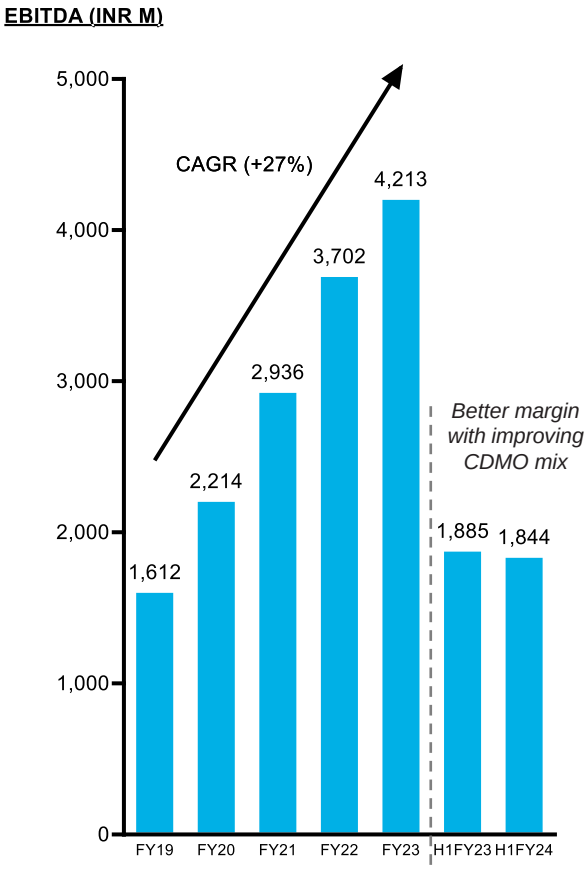
- **Cohance has delivered consistent revenue growth (16% 4Y CAGR) and EBITDA growth (27% 4Y CAGR), with healthy financial metrics (~31% EBITDA margins, ~34% ROCE)**
- **H1FY24 affected due to one COVID molecule in H1'23, global macro headwinds and order lags. H2 outlook positive on improving orderbook, and positive developments in ADCs and API+ demand**

Revenue[1]



	FY19	FY20	FY21	FY22	FY23	H1FY23	H1FY24
YoY Gr.		19%	16%	27%	4%		

Adjusted EBITDA[1]



	FY19	FY20	FY21	FY22	FY23	H1FY23	H1FY24
EBITDA %	22%	26%	29%	29%	31%	29%	30%

Profitability and Cash Generation

~29%

Strong cash flow generation[2]

34%+

Return on Capital Employed (FY23)[3]

31%+

Industry leading EBITDA Margins (FY23)[4]

~21%

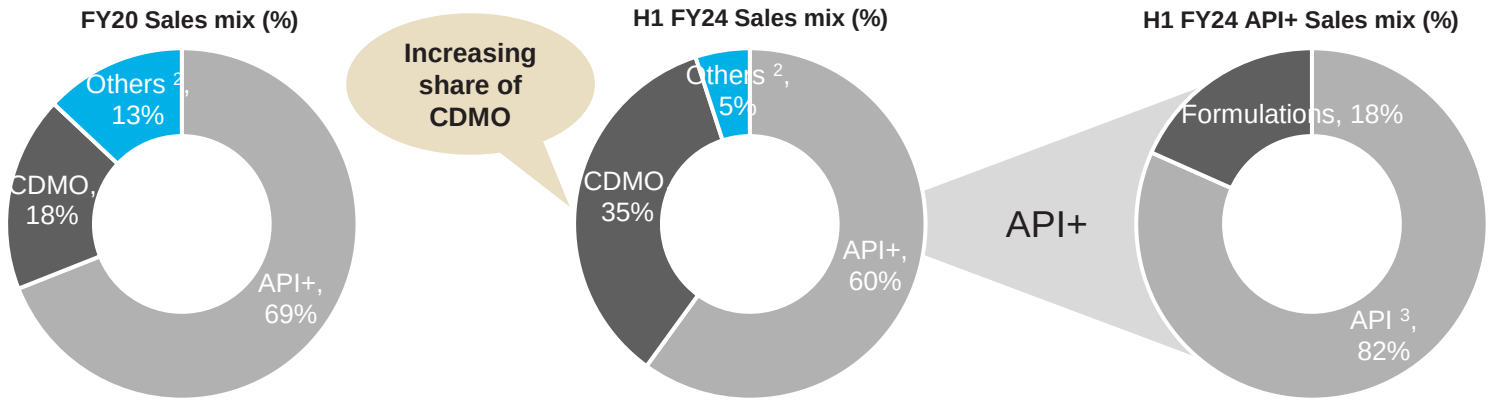
Industry leading PAT Margins (FY23)[4]

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) Numbers till FY23 are based on audited Financials and H1 numbers are unaudited

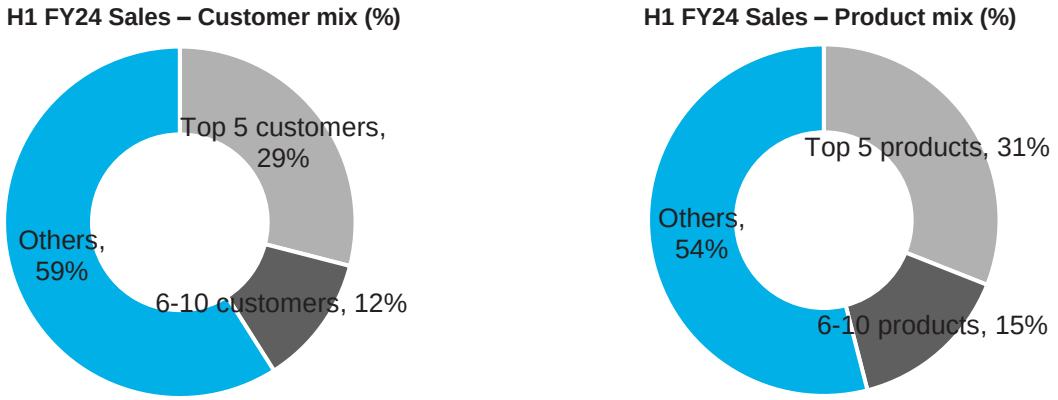
BUSINESS MIX

- **Increasing share of CDMO to ~35% of sales in H1 FY24 (vs 18% in FY20)**
- **Well diversified customer and product mix**

Business Units [1]



Minimal concentration across customers & products



Note: 1) CDMO includes revenue purely 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. CMO business / FDF is captured un the API+ segment 2) Others include Clinical & analytical services, Toll manufacturing, Scrap sales, etc 3) API segment includes API business majorly and Commercial intermediates & 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[1]

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

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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[1] 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-HS, GC-MS/MS

4 Robust molecule selection process

- Add only 5-6 new products each year in development pipeline
- Focus on molecules where we can build deep cost position and gain global market leadership

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**

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1. Focused portfolio and market leadership in low-mid volume, specialty APIs with low competitive intensity
2. ~35% business contribution through innovator CDMO arm; growing at 30%+ CAGR
3. Global leadership in 8 of top 10 molecules driven by deep cost position due to backward integration
4. Amongst India's leading manufacturer of high purity electronic chemicals
5. Complex chemistry capabilities, including expertise in controlled substances, ADCs, HPAPIs, etc.
6. Scale manufacturing with 7 facilities across India; fully invested in capex to drive 2x growth
7. Deep focus on safety, quality and regulatory compliance
8. Strong financial profile having grown >16% CAGR (L4Y), with 31% EBITDA and 34% RoCE
9. Expanding pipeline of molecules, growing lifecycle management for innovators and fine chemicals

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_2 emissions per MT produced

12%
Reduction in treated effluents per day

33,000+
Plantations since acquisition ie 30/day

INR 300 Mn
EHS spend

Silver
Ecovadis Rating for API Unit I

Note: Based on internal analysis
1 ETP – effluent treatment plants ; ZLD – Zero liquid discharge

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COHANCE – CDMO SEGMENT PHILOSOPHY

- **CDMO Segment: ~35% business contribution through CDMO arm across Pharma and Specialty Chemical Innovators; historically grown at 30%+ CAGR**

1 Deep innovator relationships

- Relationships with ~25 pharma and spec chem innovators
- Delivered **125+ innovator projects** from gram to multi kilo scale[1]

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

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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**

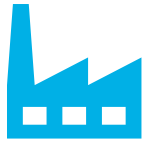
Customer	Description	Product Type	Years of relationship
Innovator Customer 1	Leading global biopharmaceutical company	Antibody Drug Conjugate (ADC) Intermediates	>6 years
Innovator Customer 2	Global MNC innovator pharmaco	Ophthalmology intermediates	>8 years
Innovator Customer 3	Leading global innovator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

- 1st 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:
  - Advanced stage pipleline in Phase 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-marketeer 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[1] across most top molecules

2 Robust molecule selection process

- Add only 5-6 new products each year in development pipeline for future growth
- Focus on molecules where we can build deep cost position and gain global market leadership

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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%

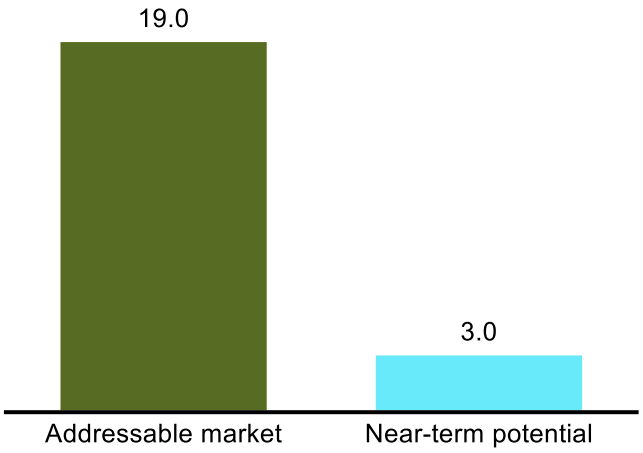
● High
◔ Medium
◑ Low

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**

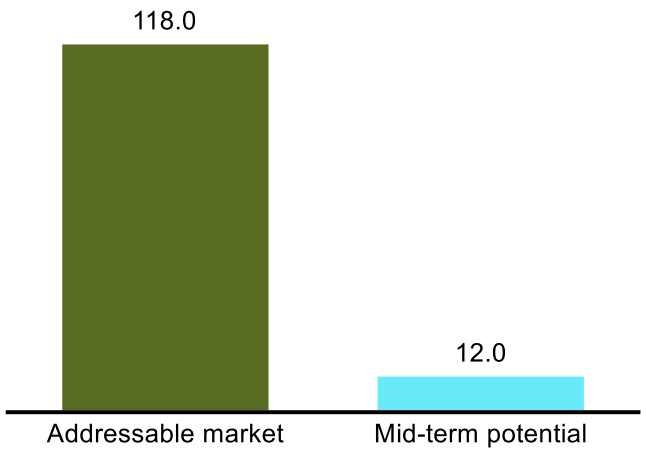
Nascent high-potential products (9 molecules)

INR Bn



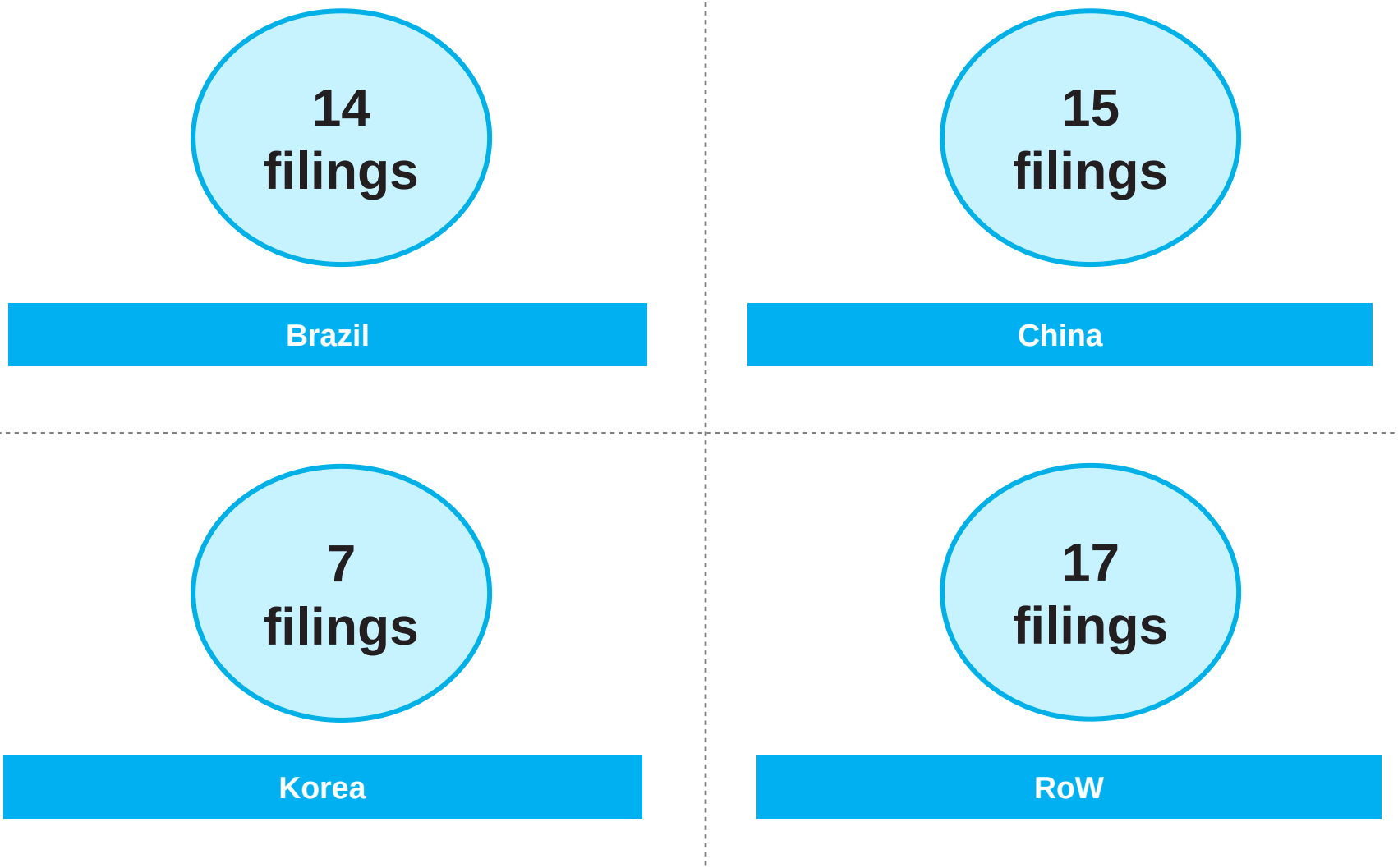
Pipeline products (12 molecules)

INR Bn



EXPANSION IN MARKET BASE LED BY GLOBALIZATION OF CURRENT PORTFOLIO

- **Strong presence in regulated markets (70+ approved USDMF & CEP)**
- **Expanding presence in semi-regulated / emerging markets with 50+ DMFs submitted since acquisition**



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COHANCE'S SPECIALIZED MANUFACTURING CAPABILITIES

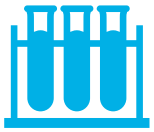
- **Total capacity to go upto 1,500 KL for API and Intermediates by 2024 through capex already invested in Cohance**

	Plant	State	About the facility	Approvals	Markets
1	**Ankaleshwar**	Gujarat	68 reactors with upto 420Kl capacity	FDA, EU GMP	US, Europe, Emerging markets
2	**Jaggayapet**	Andhra Pradesh	~120 reactors, >520Kl capacity	FDA, EU GMP	
3	**Atchutapuram**	Andhra Pradesh	46 reactors with >140Kl capacity	WHO GMP, EU GMP	
4	**Nacharam**	Telangana	60+ reactors Unit with Oncology facility	FDA, WHO GMP	
5	**Parwada**	Andhra Pradesh	API plant with >130Kl capacity	ISO 9001:2015	
6	**Nacharam FDF**	Telangana	250M OSDs, 180MT PFI per annum	FDA, EU GMP	
7	**Jadcherla**	Telangana	Pellets: 480MT per annum	WHO GMP	

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

- **Extensive range of Complex chemistry capabilities**

Metal catalyzed Carbonylations using carbon monoxide on multi kilo scale

Palladium catalyzed cross-coupling reactions for C-C & C-N bond formations

Highly Selective Alkylation to Esters catalyzed by $LaCl_3$. 2LiCl

Capability to handle highly potent molecules

Cryogenic, Organometallic, pyrophoric reagents and reactions

Chiral reductive aminations

Carbohydrate chemistry

Stereo selective & Stereospecific asymmetric synthesis

- Suzuki Coupling using Miyaura borylated species
- Negishi Coupling with alkyl zinc bromides
- Stille: Between organohalides & organotin compounds
- Buchwald Hartwig: Between aryl halide & amine or aryl alcohol
- Expertise in selection of Palladium catalyst & ligands such as
  - *Pd(OAc)2, Pd2(dba)3.DCM, Pd(PPh3)4, Pd(PPh3)2Cl2*
  - *RuPhos, SPhos, X-Phos and xantphos*

- Tsuji-Trost: Between alkene and a nucleophile
- Heck- Matsuda: Between alkenes and alkyl halides
- Asymmetric C – C & C - N bond formation
- Asymmetric transformation
- Gilman reaction on production scale
- Solid distillation (Upto 0.01 torr)
- Phase Transfer Catalysis
- Copper catalyzed Ullmann Reaction

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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, Mafatlal, 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

Amit Agarwal

Head, Mergers and Acquisition

13+ years of experience
Ex Partner-EY, Jefferies
Education: IIM Indore, IIT Roorkee

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 good growth (~27% L4Y CAGR)

ESG

- Comprehensive ESG framework integrated with operations
- Recently received ISO 14001, ISO 45001 and ISO 9001 accreditations
- API Unit I (JPT) awarded Ecovadis Siver Rating in Oct'23

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
- 7 successful regulatory audits in 2023

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**

Overall Transformation Framework

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1. Cohance Summary
2. CDMO Segment Philosophy
3. API Segment Philosophy
4. Mfg. and R&D Capabilities
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7. **Financials and Drivers of Growth**

DRIVERS OF GROWTH

- **Tapping multiple engines for sustainable, industry leading future growth**

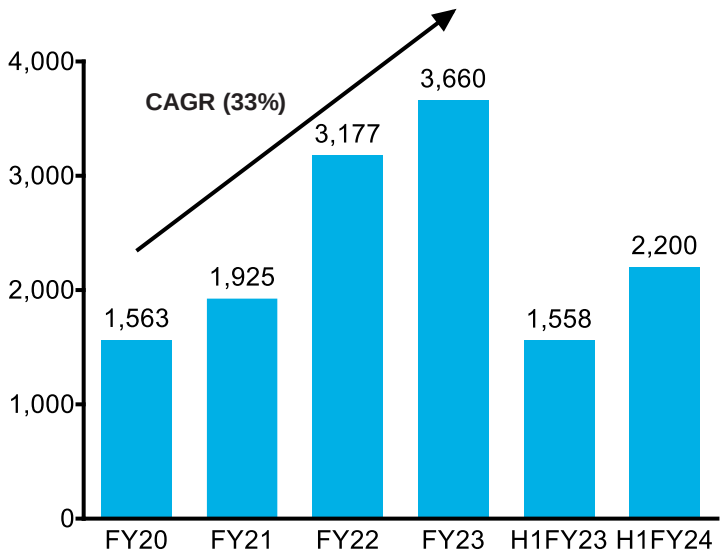
Existing Products	**Expand CDMO Platform Capabilities**	• Expand the portfolio of ADC payload offerings • Leverage chemistry capabilities and innovator relationships for NCE CDMO projects
	Existing Customers	• Continue to increase SoW in existing customers backed by a) deep cost position / backward integration b) focus on delivery and c) increased product portfolio
	New Customers	• Add more innovator and large pharma co as customers • Under active discussions with 10+ global innovator pharmacos including opportunities in lifecycle management of genericized molecules
	Globalize Portfolio	• 40+ DMF filings submitted in semi-reg/emerging markets since acquisition, with strong plans of expanding further in Emerging markets 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 12 Bn in an addressable mkt of ~INR 120 Bn

REVENUE GROWTH BY SEGMENT

- **Strong revenue growth in CDMO segment (33% L3Y CAGR) & API (17% L3Y CAGR) driven by healthy mix of increasing wallet share in existing customers, new customer additions & new products**
- **CDMO continued strong growth (41% yoy in H124) ; API+ was affected due to macro headwinds**

CDMO Segment

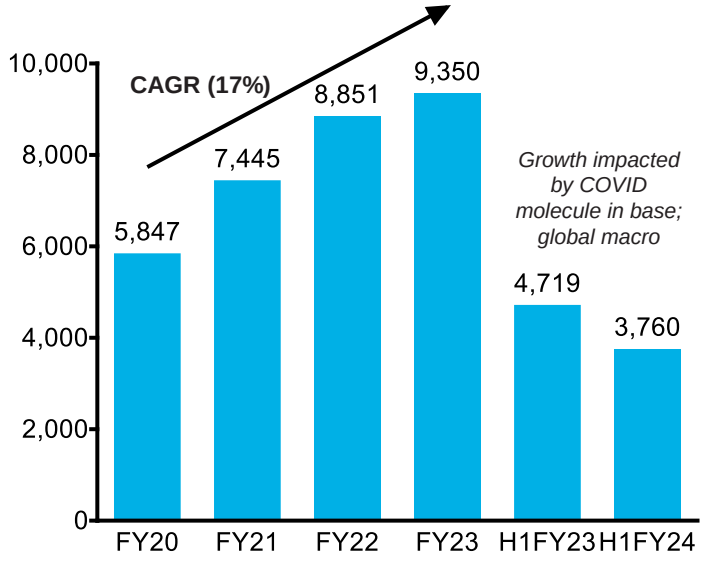
CDMO Sales (INR M)



	FY20	FY21	FY22	FY23	H1FY23	H1FY24
% of Total Sales	18%	19%	25%	27%	24%	35%

API Segment

API+ Sales (INR M)



	FY20	FY21	FY22	FY23	H1FY23	H1FY24
% of Total Sales	69%	73%	70%	69%	73%	60%

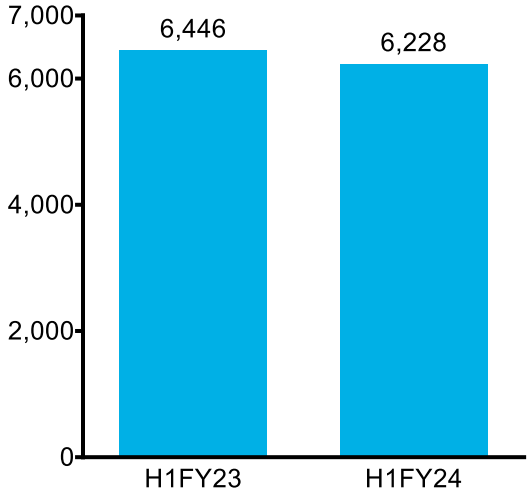
Note:

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 Commercial intermediates not included and grouped under API+. 2) API segment includes API business majorly and Commercial intermediates & Pellets business 3) Business mix data is based on MIS reporting

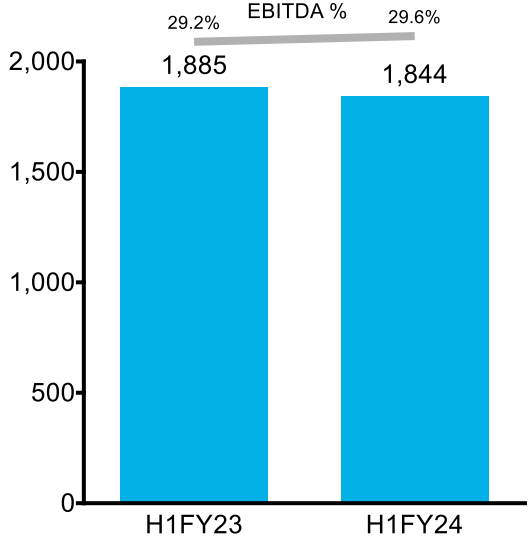
YOY COMPARISON FOR H1

- **Growth impacted by a) One key COVID molecule in FY23 base b) impact of macro – broader destocking impacting demand for some molecules c) delay in vendor qualification for some products**
- **Margins continue to be healthy at ~30%. Driven by CDMO business scale-up and cost focus**

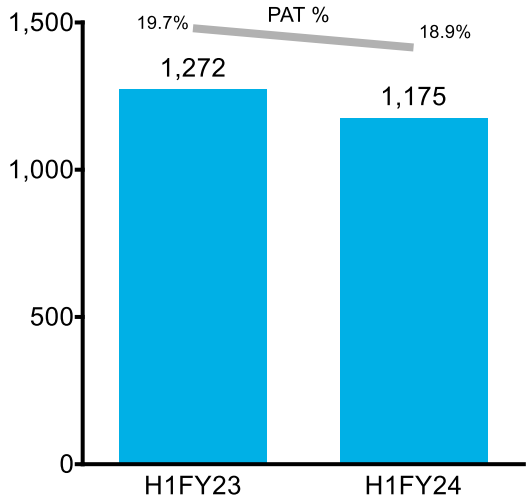
Operational Revenue (INR M)



Adjusted EBITDA (INR M)



Adjusted PAT (INR M)



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) H1 financials based on unaudited financial statements

COHANCE ORGANIC PROFORMA P&L - SNAPSHOT

- **Cohance platform build-out started in Oct '20; Organic revenue CAGR at ~16.5% from FY19-23 (L2L organic growth for the entire platform, proforma for acquisitions across years). EBITDA growth at 27% CAGR**
- **H1 FY24 saw better Ebitda margins driven by better CDMO mix, despite softness in revenue growth**

INR million

Proforma P&L Snapshot	FY19	FY20	FY21	FY22	FY23	H1FY23	H1FY24	CAGR FY19-23	CAGR H1 yoy
Revenue	**7,272**	**8,631**	**10,043**	**12,802**	**13,375**	**6,446**	**6,228**	**16.5%**	**-3.4%**
COGS	(2,900)	(3,705)	(4,004)	(5,300)	(5,058)	(2,601)	(2,297)		
Material Margin	**4,372**	**4,926**	**6,039**	**7,502**	**8,317**	**3,845**	**3,931**	**17.4%**	**2.2%**
Material Margin%	*60.1%*	*57.1%*	*60.1%*	*58.6%*	*62.2%*	*59.6%*	*63.1%*		
Manufacturing Expenses	(1,058)	(955)	(1,123)	(1,277)	(1,480)	(676)	(703)		
Employee cost	(1,137)	(1,273)	(1,433)	(1,714)	(1,933)	(971)	(1,017)		
Other expenses	(584)	(657)	(693)	(879)	(839)	(446)	(381)		
Adjusted EBITDA (pre Fx)	**1,593**	**2,041**	**2,790**	**3,633**	**4,066**	**1,752**	**1,831**	**26.4%**	**4.5%**
Operating Forex gain / (loss)	19	174	146	69	147	133	13		
Adjusted EBITDA (post Fx)	**1,612**	**2,214**	**2,936**	**3,702**	**4,213**	**1,885**	**1,844**	**27.1%**	**-2.2%**
EBITDA%	*22.2%*	*25.7%*	*29.2%*	*28.9%*	*31.5%*	*29.2%*	*29.6%*		
Depreciation & Amortization	(479)	(444)	(469)	(509)	(522)	(264)	(299)	2.2%	13.4%
Finance costs	(169)	(197)	(45)	(110)	(154)	(22)	(133)		
Other income	157	204	189	186	154	101	159		
Adjusted PBT	**1,121**	**1,777**	**2,610**	**3,269**	**3,691**	**1,700**	**1,570**	**34.7%**	**-7.7%**
Tax	(282)	(447)	(657)	(823)	(929)	(428)	(395)		
Adjusted PAT	**839**	**1,330**	**1,953**	**2,446**	**2,762**	**1,272**	**1,175**	**34.7%**	**-7.7%**
PAT%	*11.5%*	*15.4%*	*19.4%*	*19.1%*	*20.6%*	*19.7%*	*18.9%*		
Accounting entries relating to merger of AI Pharmed and RA Chem									
Depreciation and amortization				(185)	(75)	(37)	(32)		
Tax impact of above				47	19	9	8		
PAT (post consol adjustments)				**2,307**	**2,706**	**1,245**	**1,151**		

Proforma for acquisitions, organic growth for the platform

Proforma for acquisitions, organic growth for the platform

Proforma for acquisitions, organic growth for the platform

Proforma for acquisitions, organic growth for the platform

Note: 1) Financials are Pro-forma combination of Financial of RA Chem, ZCL and Avra and Financials till FY23 have been extracted from report issued by Deloitte Touche Tohmatsu India LLP 2) Adjusted EBITDA is EBITDA adjusted out for one time expenses and income 3) Numbers till FY23 are based on audited financials and H1 based on unaudited financial statements

COHANCE PROFORMA BALANCE SHEET - SNAPSHOT

INR million

Proforma Balance Sheet Snapshot	Mar19	Mar20	Mar21	Mar22	Mar23	Sept23
Property, plant and equipment (PPE)	3,699	3,824	4,128	4,090	4,217	4,193
Right of use asset (RoU)	-	13	89	179	202	175
Capital work-in-progress	45	99	155	458	1,167	1,619
Intangible Assets	47	47	51	123	118	113
Fixed Assets	**3,790**	**3,982**	**4,422**	**4,850**	**5,704**	**6,101**
Inventories	1,674	1,894	2,551	3,266	3,641	3,642
Trade receivables	2,434	3,154	3,218	3,654	4,246	4,668
Trade payables	(852)	(1,305)	(1,716)	(1,670)	(2,239)	(1,748)
Core Net Working Capital (Core NWC)	**3,256**	**3,743**	**4,052**	**5,250**	**5,648**	**6,561**
Other net assets	(70)	(111)	(189)	(196)	273	542
Borrowings	(2,059)	(1,678)	(1,330)	(1,738)	(2,668)	(4,925)
Cash and Cash equivalents (including liquid investments)	3,323	3,470	3,918	4,111	974	1,382
Net (debt) / cash	**1,264**	**1,793**	**2,588**	**2,373**	**(1,694)**	**(3,543)**
Net assets	**8,239**	**9,406**	**10,874**	**12,277**	**9,931**	**9,661**
Shareholder's funds	**8,239**	**9,406**	**10,874**	**12,277**	**9,930**	**9,661**
Accounting entries relating to merger of AI Pharmed and RA Chem						
Goodwill			5,800	5,800	5,800	5,800
Tangible assets			397	389	382	379
Intangible assets			803	624	556	528
Tax impact			(297)	(137)	(119)	(111)
Other reconciling items			(21)	(20)	-	-
Net assets (post consol adjustments)	**8,239**	**9,406**	**17,556**	**18,933**	**16,550**	**16,257**

Note:

1) Financials are Pro-forma combination of Financial of RA Chem, ZCL and Avra and Financials till FY23 have been extracted from report issued by Deloitte Touche Tohmatsu India LLP
2) RoU and Intangible assets Includes RoU under development and intangibles under development respectively
3) Merger refers to the merger of AI Pharmed (renamed to Cohance) and RA Chem w.e.f 27th Oct 2020
4) H1 financials basis unaudited financial statements
5) Increase in borrowings as of Sept'23 is on Capex, dividends, CCD interest and a one time acquisition related payment

COHANCE PROFORMA - KEY RATIOS

- **Strong financial metrics**

Key Ratios	FY19	FY20	FY21	FY22	FY23	H1FY24	Basis
Net Working Capital (as days of sales)	163	158	147	150	154	192	NWC / Revenue * 365
PPE (as % of sales)	50.9%	44.3%	41.1%	31.9%	31.5%	33.7%	PPE / Revenue
Capex spend during the year (INR M)	313	498	810	911	1,346	716	as per proforma cashflows
Capex spend (as % of sales)	4.3%	5.8%	8.1%	7.1%	10.1%	11.5%	Capex spend / Revenue
(Net Debt)/ Net Cash to adjusted EBITDA (x times)	0.8x	0.8x	0.9x	0.6x	-0.4x	-1.0x	Adjusted EBITDA - Depreciation and Amortization
Adjusted EBIT (INR M)	1,133	1,771	2,466	3,193	3,691	1,545	Net Debt / Adjusted EBITDA
Avg Capital employed (INR M)		7,294	7,949	9,095	10,764	12,414	Avg of opening and closing Capital employed (Net fixed assets + NWC + other net assets)
ROCE (%)		24.3%	31.0%	35.1%	34.3%	24.9%	Adjusted EBIT / Avg. Capital employed
Avg Shareholder's funds (INR M)		8,822	10,140	11,576	11,104	9,796	Avg of Opening and closing shareholder's funds
ROE (%)		15.1%	19.3%	21.1%	24.9%	24.0%	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
4. H1 ratios are annualized (& not on LTM basis) and hence not comparable to ratios computed for previous full financial years