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08-10-2022

The Manager,  
Listing Compliance Department,  
**National Stock Exchange of India Ltd,**  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai – 400051

**Symbol: SAKAR**

Dear Sir,

**Subject: Announcement under Regulation 30 (LODR) - Investor Presentation/Corporate Presentation**

Please find attached herewith the Investor Presentation/Corporate Presentation. This is for your information, records and meeting the disclosure requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Thanking you,

Yours faithfully,  
for **SAKAR HEALTHCARE LIMITED**

**BHARAT SONI**  
**COMPANY SECRETARY &**  
**COMPLIANCE OFFICER**



# Investor Presentation

October 2022

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**Sakar**  
Healthcare Ltd.



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Sakar is at crux of next phase of growth, prepared to enter the niche segment of Oncology to cater to humanity. Sakar is well equipped to deliver High Precision Research works, suitably followed by Technology Transfer and Scale-up to commercialize Anti-Cancer products worldwide.”



**Mr. Sanjay Shah,**  
Chairman and MD  
Sakar Healthcare Limited

# Sakar Healthcare in a Nutshell

Indian pharmaceutical manufacturing company since 2004



Established by first generation entrepreneur Mr. Sanjay Shah in 2004 in Changodar, Gujarat, India. Started with manufacturing Oral Liquid as a Contract Manufacturer for pharma multinationals (CMO).



Sakar manufactures and markets 175 products, with 292 Registrations under its own name covering more than 24 therapeutic areas to 60 international markets.



Over a period of time diversified into manufacturing wide range of Pharmaceutical Formulations. viz.

- Liquid Injectables (Vials and Ampoules)
- Lyophilized Injections (Vials)
- Oral Solid (Tablet/Capsule/Dry Syrup)
- Oral Solid (Dry Powder Syrup)
- Dry Powder Injections



In FY21, forayed into Oncology by setting-up a greenfield integrated unit at Bavla, Gujarat, India which will contribute to the next phase of growth at Sakar Healthcare.



Initial Public Offering of 14.81 Cr at issue price 50/share in Oct.2017. In Jan.2019 migrated from SME Platform to main board NSE



Sakar is presently engaged in developing, manufacturing (CDMO) & export of Pharmaceutical Finished Dose Formulations worldwide.

# Sakar Healthcare in a Nutshell

Key financial numbers FY22

**ICRA BBB/A3+**

Credit Rating

**292+**

Registered Brands

**450+**

Workforce

**24+**

Therapeutic Areas

**60+**

Countries Present

**64.5+**

Promoter Holding

**175+**

Formulations

**79+**

Overseas Partners

**12,823**

Revenue from Operations  
(In Lakh)

↑ **25%**  
CAGR%\*

**2,940**

EBIDTA

**22.9%**

EBIDTA(%)

↑ **24%**  
CAGR%\*

**1,501**

PAT

**11.5%**

PAT(%)

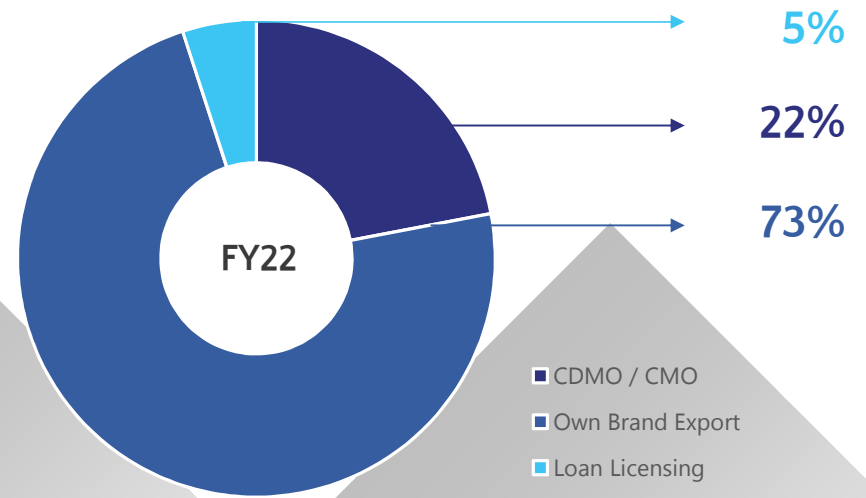
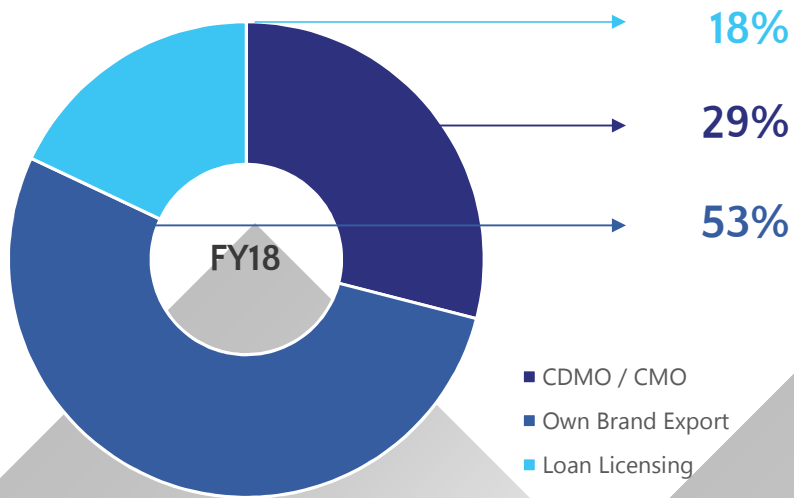
↑ **36%**  
CAGR%\*

# Business and Operational Overview

- Business Model
- Therapeutic Segments
- Formulation Segmentation
- Marquee Customers
- Global Footprint
- State of Art Manufacturing Facility
- Leadership and Management

# Transformation of Business Model

## Business Vertical Contribution



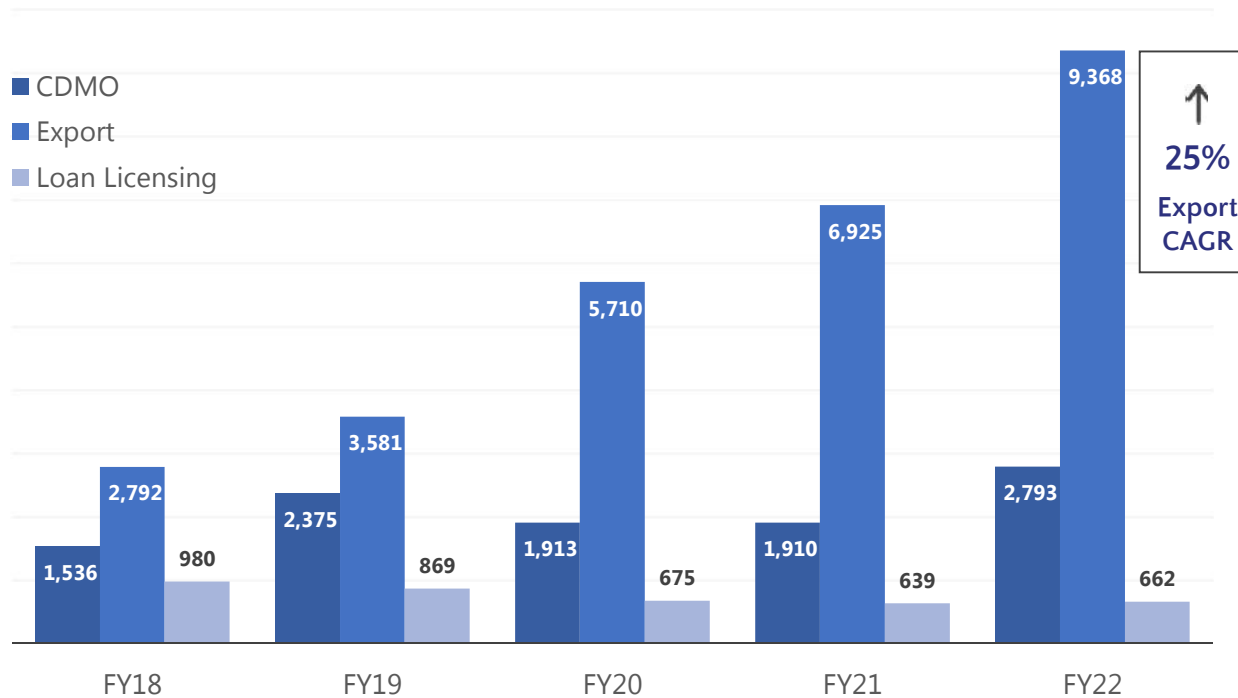
**CDMO:** Operates as a Contract Development & Manufacturer for leading Multinational Pharmaceutical Companies in India & Overseas.

**Own Brand Export:** Exports constitute of Sakar's own formulation brands to over 60 countries across generics market.

**Loan Licensing:** Involves necessary conversion and packaging of the product into finished formulation.

# Transformation of Business Model

Revenue from each Business Segment (In Lakh)

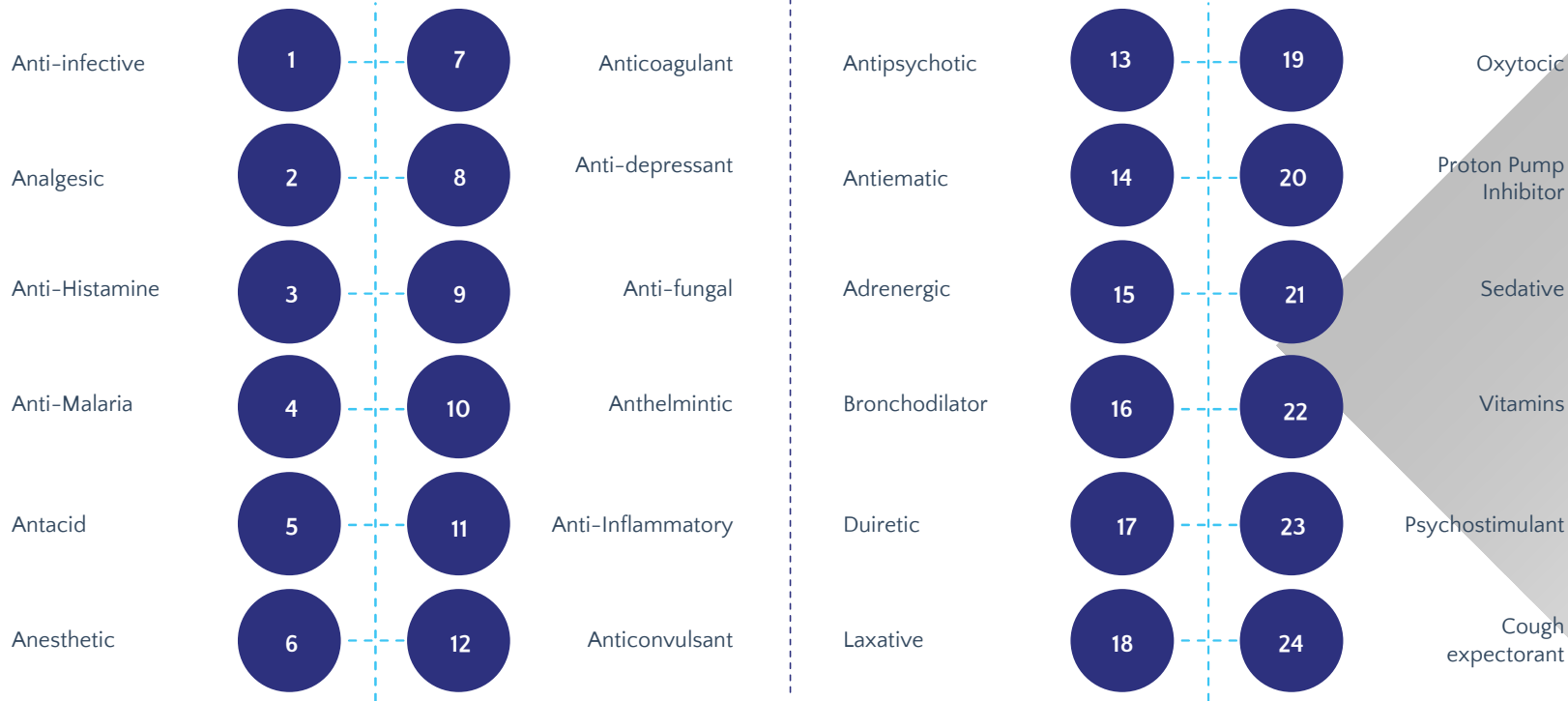


- Over the years, the growth has come from developing, manufacturing & marketing formulations under Sakar's own Registered Brands primarily to APAC, Latin America, East & French-West Africa, CIS, Europe, etc.
- Going forward, revenue will add-on from Oncology; high growth and margin expansion is expected in the business considering high entry barrier to the segment.



# Exposure to several Therapeutic Segments

Width of Therapeutic Segments



- Top 5 Therapeutic segments are Proton pump Inhibitors, Antibiotic, Analgesic, Anti Coagulant, Anti Malarial.

- Diverse basket of products made Sakar an one-stop solution to 79 operating partners & around 12 new prospects.

- Sakar has forayed into Oncology with vertically integrated unit to meet the increased demand in this category.

# Formulation Segmentation

**57%**

Contributed by Injectable group

**25%**

Contributed by Oral Solid Dosage (OSDs)

**Top 10**

Molecules contribute nearly +45% of the export sales

## Oral Liquid

The liquid form is the most acceptable dosage form across age groups. It is normally available in sealed glass or pet bottles in different volumes.

## Liquid Injections (Vials & Ampoules)

They are meant for administration inside veins or muscles in human body and are manufactured aseptically.

## Lyophilized Injection (Vials)

Lyophilization is the process commonly known as Freeze Drying which helps enhance the product stability. It is manufactured in a Lyophilizer.

### Key Molecules:

- Metronidazole (Antibiotic)
- Nystatin (Anti fungal)
- Ambroxil, Terbutaline, Guaphenisin (Cough expectorant)

### Key Molecules:

- Tramadol (Analgesic)
- Diclofenac (Anti inflammatory)
- Heparin (Anti coagulant)

### Key Molecules:

- Pantoprazole (Proton Pump Inhibitor)
- Omeprazole (Proton Pump Inhibitor)
- Vancomycin (Antibiotic)

# Formulation Segmentation

## Oral Solid (Tablet/Capsule/Dry Syrup) Cephalosporin

Cephalosporins are antibiotics used to treat a wide variety of bacterial infections, such as respiratory tract infections, skin infections and urinary tract infections. This is the most widely used formulation type.

## Oral Solid (Dry Powder Syrup)

Dry Powder need to be reconstituted prior administration and is intended for paediatric use.

## Dry Powder Injections Cephalosporin

Dry powder injections are stable and need to be reconstituted with WFI prior administration inside veins or muscles in human body.

### Key Molecules:

- Cefuroxime (Antibiotic)
- Cefpodoxime (Antibiotic)
- Cefalexin (Antibiotic)

### Key Molecules:

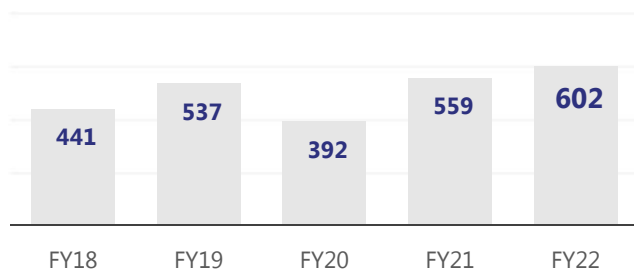
- Cephalexin (Antibiotic)
- Cefixime (Antibiotic)
- Cefpodoxime (Antibiotic)

### Key Molecules:

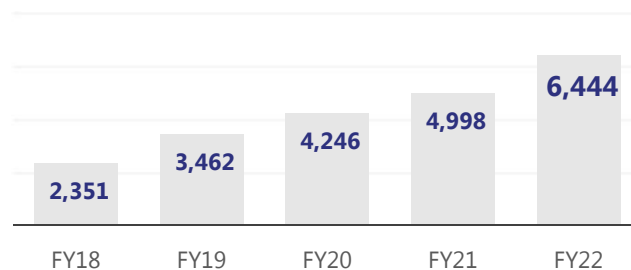
- Cefotaxime (Antibiotic)
- Ceftriaxone (Antibiotic)
- Ceftazidime (Antibiotic)

# Value derived from each Formulation Segments

Oral Liquid (In Lakh)



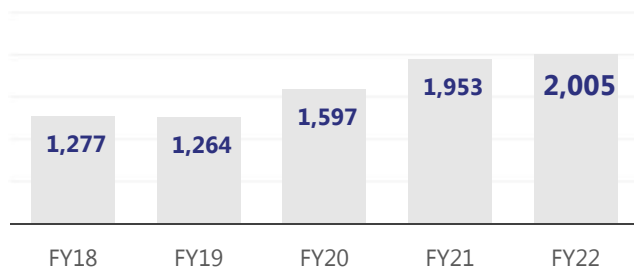
Liquid Injections (Vials & Ampoules) (In Lakh)



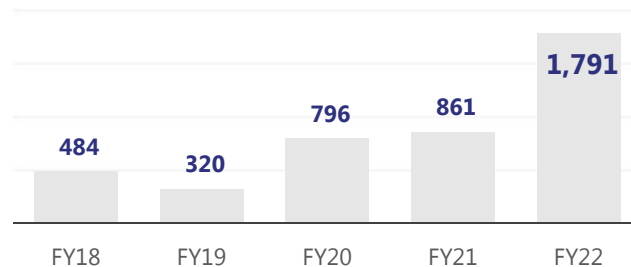
The products manufactured have application across wide range of therapeutic segments, in addition Sakar can cater to the customers present across regions which ensures a sustainable business model.

Sakar's diversified product portfolio has helped accelerate growth, improve profitability and thus retain both new and existing customers.

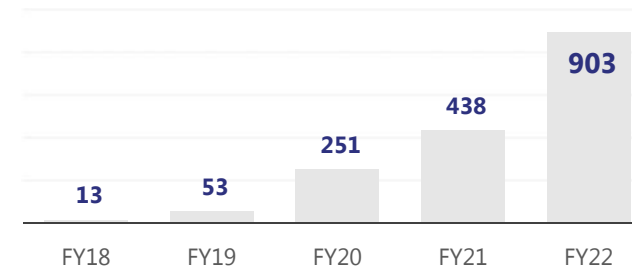
Oral Solid (Tablet/Capsule/Dry Syrup) (In Lakh)



Dry Powder Injections (In Lakh)



Lyophilized Injection (Vials) (In Lakh)



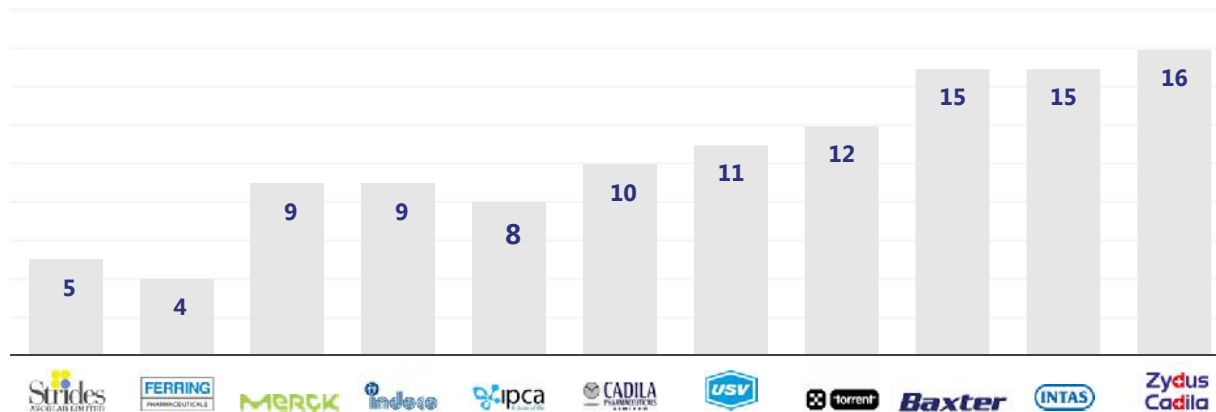
Notes: (1) Numbers have been rounded off

# Servicing Multinational Marquee Customers (CDMO / CMO)

Esteemed customers in CDMO



## Belief, trust and support of customers



- Most of these companies ranked amongst top 20 in Indian Pharmaceutical industry and trust Sakar for manufacturing their brands over the years.
- Domestically, the company does contract manufacturing for marquee pharmaceutical clients which comprises 15% of revenue in total.
- CDMO, being the EU GMP approved CMO for leading multinational pharmaceutical companies: works in association for product development with technology transfer & commercial supplies from European clients.

# Continuously expanding Global Footprint

Sakar's presence in 60 countries on global map



**85%**

Contribution by top 15 countries in FY22

In the year 2008, Sakar began exports with African region; ever since every five years expanded to different regions. Very recently began exports to Europe.

- Regulatory approvals received from national drug authority of

Europe (Croatia)	
Canada	Philippines
Cambodia	Peru
Columbia	DR Congo
Vietnam	Zimbabwe
Kenya	Yemen
Ethiopia	Ghana
Nigeria	Ivory Cost
Uganda	Malawi

- ISO 9001:2015 Bureau Veritas certification

# State of the Art Manufacturing Facility



## Changodar, Ahmedabad, Gujarat, India

- Manufacturing facility started since 2004.
- The plant is approx. 45 Kms away from Sardar Vallabhai Patel International Airport, Ahmedabad and approx. 300 Kms from Kandla.
- Installed Solar power unit that saves up to a third of the total power consumptions; thereby limits environmental pollution and improves cost efficiency.

### Plant Capacity Utilization

Block	Facility	Built up area (Sq Meters)	Annual capacity (Single shift)	Capacity Utilization (FY22)
Block 1	Oral Liquid Syrup & Suspension	2,266	80,64,000	57%
Block 2	Antibiotics Tablets & Capsules	2,960	332,40,000	62%
	Antibiotics Dry Syrup & Sachets		60,48,000	49%
Block 3	Liquid Injectable (SVP)-Vial & Ampoule	5,073	907,20,000	71%
	Lyophilised Injection-Vial		43,20,000	54%
Block 4	Antibiotic Dry Powder Injection	1,980	120,96,000	74%
<b>Total Units</b>			<b>1544,88,000</b>	<b>67%</b>

# The Force behind Sakar's Growth Leadership and Management



**Mr. Sanjay Shah**  
Chairman & MD

MBA from Vikram University plus a course in Plastic Technology

More than 3 decades of experience in pharmaceutical, mineral- water and plastic industry.

Prior to Sakar, he promoted bottling of mineral water since 1986.

Presently manages the corporate strategy, business planning and finance.



**Mr. Aarsh Shah**  
JT. MD

Pharmacist plus MBA from University of Cardiff, UK

Looks after production, international sales and marketing and developing business relations

## **Ms. Rita Shah**

Whole Time Director

BSc from Gujarat University

Look after the following departments: Administrative, Procurement of materials, Production and Controlling of quality products

## **Mr. Prashant Srivastav**

Independent Director

Chartered Accountant and Company Secretary

Experience of more than 13 years in the field of Banking Accounts and Finance

## **Mr. Shailesh Patel**

Independent Director

Electrical Engineering

Experience of more than 28 years in the field of Electrification

## **Mr. Hemendra Shah**

Independent Director

B.Com, LL.B, M.Com as well as qualified Cost and Management Accountant (ACMA) and Company Secretary (ACS)

Over 38 years of Experience in Finance, Cost & Management Accounting, Banking, Taxation Secretarial, Insurance & other related matters.



# Next Phase of Growth- Oncology

- Greenfield Integrated Oncology Unit
- Oncology Business Model
- World Class Facility that supports Sustainability- Green Chemistry
- Global Oncology Scenario
- Rationale for Diversifying into Oncology

# Greenfield Integrated Oncology Unit

Started Operations in Sept.2021

Research-driven API-Integrated Finished Dosage Formulation Plant

The standalone unit covers are of 39,121 m<sup>2</sup> functioning with -

An up-to-date Analytical Development Lab

Formulation Development Lab, Research Development

Lab with modern flow chemistry technique

Comprehensive and updated Pharmaceutical Product

Powder processing unit with dedicated ETP and Utilities

Manufacturing Finished Formulations for

1. Oral Solid (Tablet, Capsule)
2. Injections (Liquid & Lyophilised)

**22** Technical Experts with domain experience of over 15 years

Project Cost

**194**<sup>\*</sup>  
crore

Debt Funding  
Sanctioned

**95**  
crore

through Bank Loans

Equity Funding  
Cobra invested

**14.85**  
crore in

Mar.21 and  
HBM PE Healthcare Fund  
invested

**24**  
crore in

June.22; Holding 14%  
Equity. Balance through  
promoter's contribution  
& Internal Accruals

**Expected Completion**  
R&D, OSD & API units  
are Operational.  
Injectables will begin  
in early Mar.23.

\* Project Cost has been approved by GITCO through techno commercial economic viability assessment

# Oncology Business Model



## Sakar's Positioning in Oncology

Sakar forayed into a different product line by setting-up greenfield manufacturing unit at Bavla, Gujarat, 15 minutes from the existing unit.

Sakar is positioned as a **PREMIUM CDMO** to partner:

- Research & Product development
- Scale up pilot/commercial batches
- API
- Technology Transfer
- Finished Formulations (OSD & Liquid /Lyophilized injections)

**EXPORT** of Sakar brands to overseas markets / existing channel partner network to get leverage

# World Class Facility that supports Sustainability- Green Chemistry

Green Chemistry

## 12 principles

1 Prevent waste

2 Maximize atom economy

3 Less hazardous chemical synthesis

4 Safer chemicals & products

5 Safer solvents & reaction-conditions

6 Increase energy efficiency

7 Use renewable feedstocks

8 Avoid chemical derivatives (protein groups)

9 Use catalysts

10 Design chemicals & products to degrade after use

11 Analyse in real time to prevent pollution

12 Minimize potential for accidents

### Modern machinery and equipment's

1. Vapourtec R Series System, UK
2. Glass Line Reactors from De-Dietrich, Italy
3. OSD Containment Granulation and Compression Line, GEA, Belgium
4. Glatt-Autocoater, Germany
5. Tablet Capsule Inspection Machine by Sensum, Slovenia
6. Sterile Manufacturing Line with Lyophiliser, Tofflon
7. Kevin Roll Compacter
8. Bulk packaging Line IMA, Germany

### Enables Green Chemistry

Adopted techniques like Flow-Chemistry (Vapourtech) - safer with small reaction volumes, low solvent-reagent, low risk of environment exposure

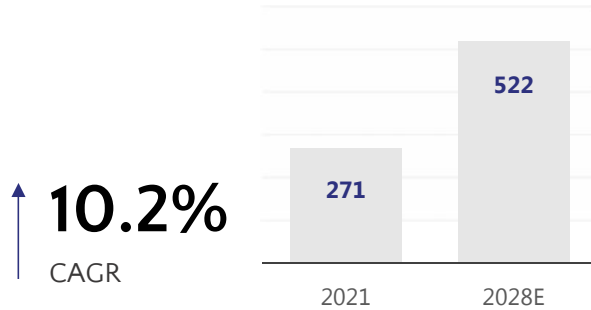
GEA containment line supports Green Chemistry principles

Designs and processes are in place to suit Green Chemistry objectives

Newly installed facility along with world class equipment, provides Sakar competitive edge.

# Global Oncology Scenario

Oncology Market  
(\$ billion)

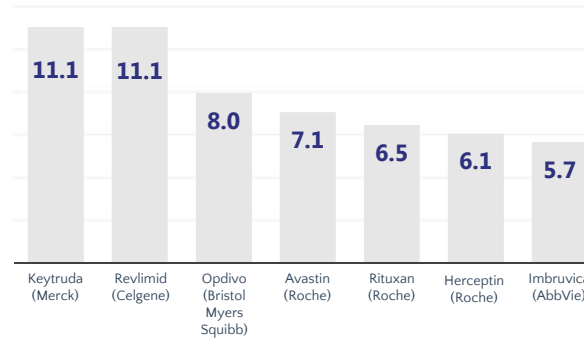


Global oncology market is growing at a CAGR of 10.2%

Cancer medicine spending rose to \$185 Bn globally in 2021 and is expected to reach more than \$300 Bn by 2026

20% of the Global Pharmaceutical sales account to Oncology

Product Sales, 2019  
(\$ billion)

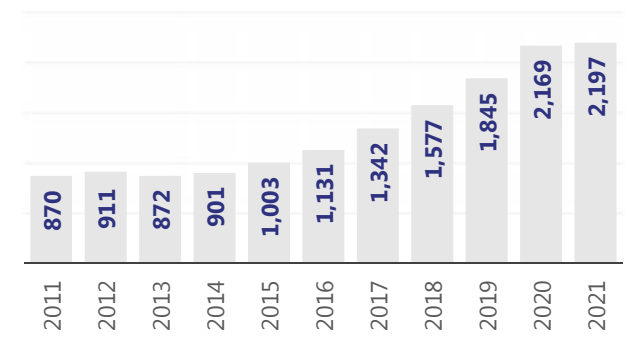


Top 10 pharmaceutical companies in the world are invested with oncology

Top MNCs are into active acquisition, collaboration for Oncology portfolio with an avg. deal value exceeding \$5 Billion (Pfizer, AbbVie, Genmab, etc.)

Emerging biopharma companies are responsible for 68% of products currently under development for cancers, an increase from 47% in 2016

Number of phase I to regulatory submission oncology pipeline products by company segment, 2011-2021



Oncology trial starts reached historically high levels in 2021, up 56% from 2016 and mostly focused on rare cancer indications, which have higher success rates despite greater complexity

Top 7 products with sales of > \$5 Billion

In last 5 years, many molecules and efforts have been put in covering the most prevalent cancers like Thyroid, Breast, Prostate, NSLC and Multiple Myeloma cancer

Source: McKinsey, Delivering Innovation: 2020 Oncology market, Global Oncology Market Report 2028, IQVIA – Global Oncology Report 2022

# Rationale for Diversifying into Oncology

**Presence of limited** players in India for both API & finished formulations in Oncology due to **high entry barriers** thereby ensuring healthy competition.

- Majority of the players have presence in regulated market with less players having presence in semi-regulated markets where Sakar has firm presence since over a decade.
- Exhaustive range of off-patent products in the pipeline; thereby enhancing growth opportunities

New cancer cases in 2020 were 13,24,413 of which Breast cancer 13.5%, Oral cavity 10.3% , Cervix Uteri 9.4%, Lung 5.5%. The Indian Cancer market shows a healthy double-digit growth.

Oncology being **margin accretive** supported by strong growth drivers across geographies.

- Sakar's objective was to enter R&D with hi-tech equipment to cater to the global requirements.

Sakar has set-up a fully equipped state of the Art facility in Oncology and a fully integrated plant catering to R&D, OSDs, Injectables.

Oncology products are cytotoxic in nature and requires containment set-up and implementation of safety handling procedures which are in place.

Indian government's strong focus on introducing strategic initiatives to support setting-up, development and promotion of **bulk drug and API manufacturing units** in India by introducing various incentive schemes



# Key Strengths

Diversified Product Profile, Geographies, Customers and Therapeutic Areas along with multi-end user industry.

Entry into the Regulated Markets of Europe, APAC will provide growth impetus

Product Pipeline under Registration 200+

An end-to-end solution provider with Vertically Integrated Oncology unit to ensure Research & Development, Pilot & scale-up of product batches up to commercial scale.

**Sakar is well placed to benefit from Industry Tailwinds:**

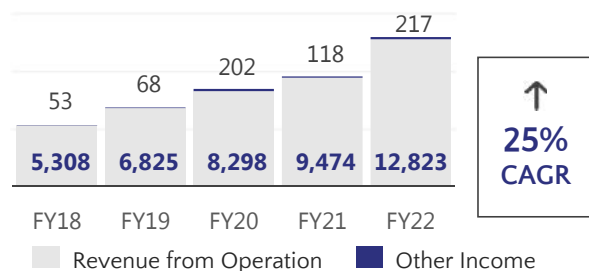
Growing export opportunity in ROW regions, specially after the environmental related shutdowns in China

Structural drivers in places for a robust domestic demand growth

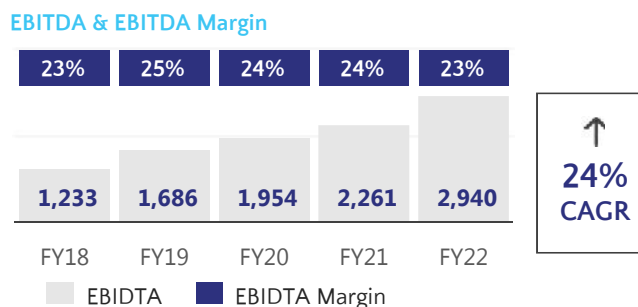


# Demonstrated business growth by diversifying into high value Product Mix, across Geographies

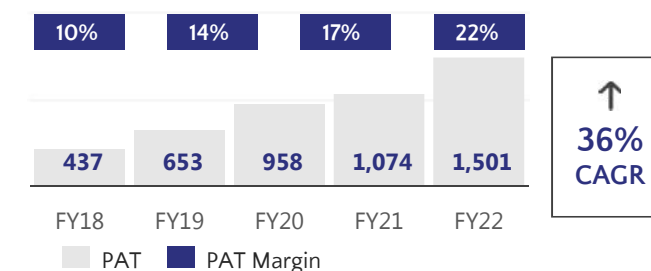
REVENUE FROM OPERATIONS<sup>1</sup> (IN LAKH)



PROFITABILITY<sup>1</sup> (IN Lakh)

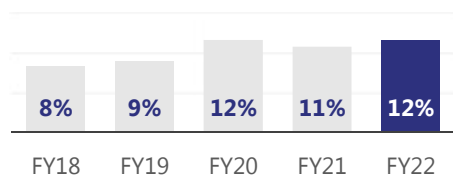


PAT & PAT Margin

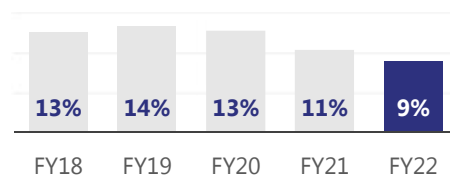


## BALANCE SHEET RATIOS

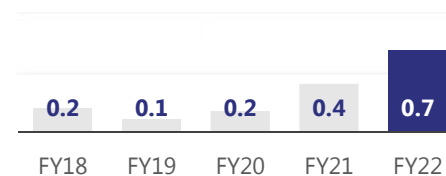
RoE (%)



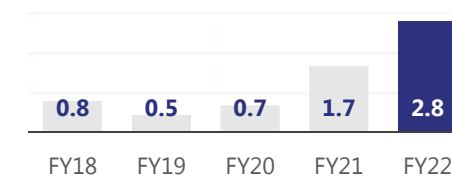
RoCE (%)



Debt to Equity

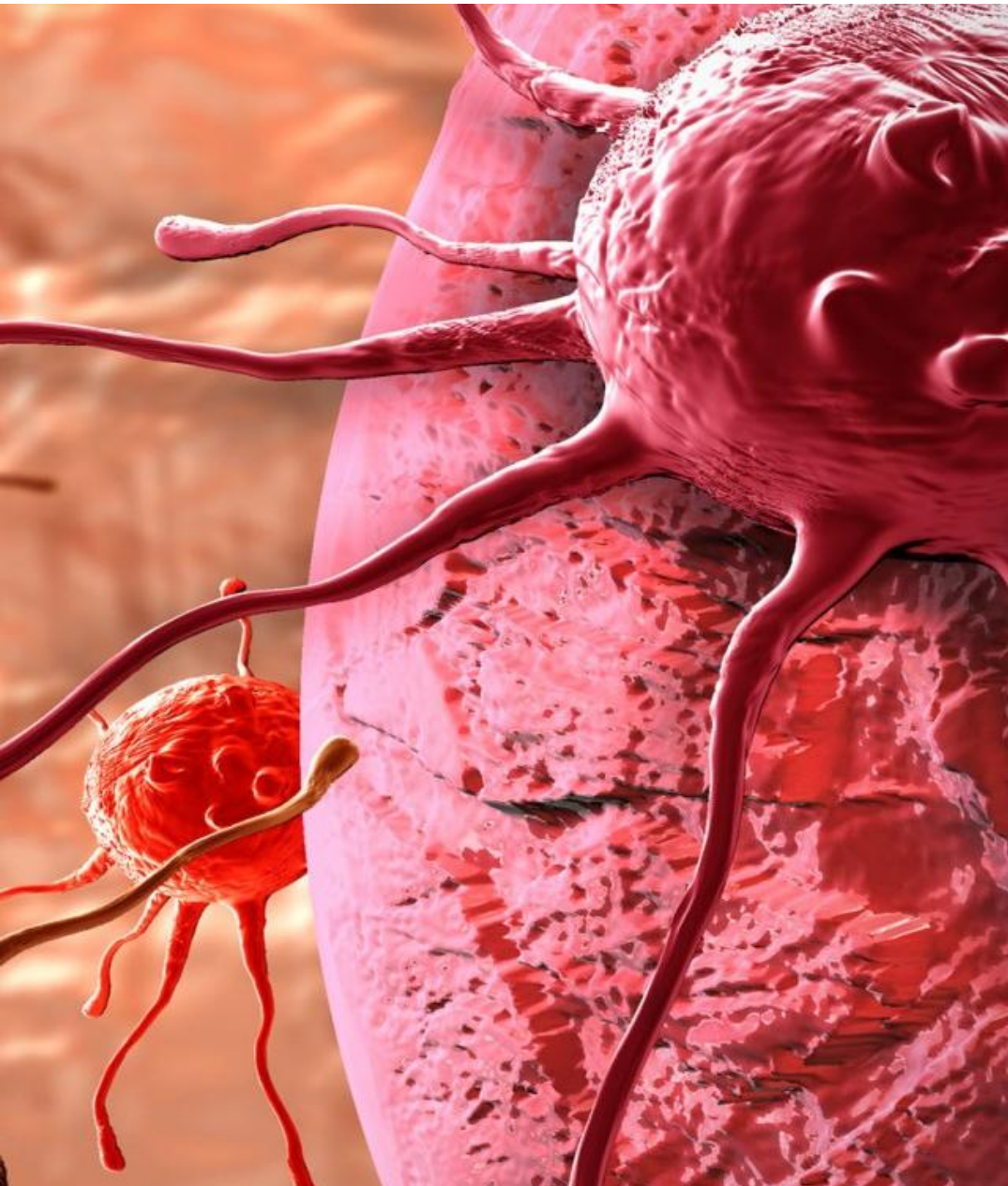


Debt to EBITDA



Notes: (1) Numbers have been rounded off





## Disclaimer

Certain statements in this presentation concerning our future growth prospects are forward looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements.

The company's results may be affected by factors including, but not limited to, the risks and uncertainties in research and development; competitive developments; regulatory actions; the extent and duration of the effects of the COVID-19 pandemic; litigation and investigations; business development transactions; economic conditions; and changes in laws and regulations.

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# Thank You

October 2022



**Sakar**  
Healthcare Ltd.

## SAKAR HEALTHCARE LIMITED

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ISIN: INE732S01012

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