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IPO NOTE

Mankind Pharmaceuticals

Brand Powerhouse

Mankind Pharmaceuticals is the 4th largest domestic pharma company by market share in IPM. The company is engaged in developing, manufacturing, and marketing a diverse range of pharma products across Acute and Chronic therapies, along with various consumer healthcare products. Mankind is predominantly generating its revenue from India formulations business with the division contributing nearly 98% to the top-line and the rest coming from exports. Within domestic sales, chronic therapies contribute ~34% and rest comes from acute. The contribution of chronic portfolio has grown by ~5% in as many years. Over the past three years, the company has grown by 16% CAGR, with Anti-Infective, VMN, and Cardiac being the key growth drivers.

Market leader in Tier 2–4 towns

Mankind has historically focused on Tier 2–4 towns and rural areas with an aim to provide medicines at affordable prices. Tier 2–4 towns accounted for ~47% of the revenue in FY22 and in 9MFY23, as against 37% for the Indian pharmaceutical market (IPM), indicating well entrenched presence across high growth markets. Over FY18–22, CAGR of IPM in these markets was ~13.5% as against ~10% for metros and Tier 1 cities, indicating higher growth in rural areas, especially in North India, which is the core region for Mankind.

Metro and Tier 1 cities to be new growth frontiers

Compared to its peers, Mankind has lower presence in metros and Tier 1 towns with revenue contribution of ~53% as against IPM contribution of ~63%. However, domestic sales growth has been robust with 22% CAGR over the past three years as against ~10% CAGR over the same period for IPM. In-order to bridge the gap, the company has charted its growth strategy by engaging with key opinion leaders in the healthcare industry and corporate hospitals through a dedicated team of regional medical advisors to seek and foster collaborative relationships across cities. Besides, in the past three years, Mankind has created dedicated field force and specialty divisions for targeting key therapies viz. Diabetes, CNS, Respiratory, Ophthalmology, and Gynaecology. Mankind has a robust distribution set-up with its products sold over 11,000 stockist channels. To grow its business in Tier 1 and metro cities, the company will be looking to add more stockist to its network and also open newer channels viz. e-commerce and modern trade networks.

Consumer Healthcare business

Consumer Healthcare contributes ~10% to Mankind's domestic sales. The company is a category leader in (i) Male condoms, (ii) Pregnancy detection kits, and (iii) Emergency contraceptives. Its growth has been fuelled by product innovation, focused marketing campaigns, and strategic selection of distribution channels, which have enabled the company to build customer connect. For further growth, Mankind plans to (i) Expand its distribution reach through smaller grocers and kirana stores, (ii) Launch line extension for its large brands, (iii) Hire additional field force, and (iv) Sign-up brand ambassadors for marketing.

Our View

Over the past three years, revenue, EBITDA, and PAT have grown at 16%/ 29%/ 35% respectively. While we believe Mankind's goal of increasing penetration in metro and tier 1 cities will be a challenging task, the company has taken right steps in the direction by creating dedicated divisions for tapping the right doctors for Rx. We also don't see a meaningful drift in margins on account of higher expenditure for gaining market share in metro cities. With likely improvement in business mix towards chronic segment we expect RoCEs and EBITDA Margins to remain healthy in coming years.

IPO issue details

Opening Date	25 April
Closing Date	27 April
Price Band (INR)	1,026-1,080
Offer for sale (shares)	40.06mn
Issue size (INR bn)	43.3
Post Issue Mcap (INR bn)	432.6

Note: Calculation above is based on higher end of price band

Mankind Pharma—A Brand Powerhouse

Incorporated in 1991, Mankind is India's 4th largest pharmaceutical company by domestic sales. The company is engaged in developing, manufacturing, and marketing a diverse range of pharma products across Acute and Chronic therapies, along with various consumer healthcare products. The company operates at the intersection of pharma products and consumer healthcare products; it aims to provide quality products at affordable prices. Mankind has created ~36 brands which have achieved a turnover of over INR 500 mn in FY23. The company boasts of having the largest distribution network of medical reps, covering nearly 80% of the doctors in the market.

For its covered market, Mankind is ranked #2 by market share. Mankind's covered market presence in IPM has increased from ~62% to over ~64% in the past three years. This kind of robust growth was achieved through its focus on increasing penetration in the chronic therapeutic areas.

Over the past three years, the company's revenue has grown at 16% CAGR, which is nearly 1.5x the IPM growth rate. Mankind's rank, based on domestic sales, has improved from #8 to #4 in the past 10 years. During the same period, the company has also been able to increase its market share by 0.4% to 4.4% in FY23, making it one of the fastest growing companies in IPM.

Mankind has pan-India presence with a large part of its revenue contribution coming from North India (~35%), with south and west contributing an equal ~23% each, and the rest being covered from the eastern markets. A large part of Mankind's revenue comes from Tier 2–4 towns with the regions contributing ~47% to sales, which is ~37% for its larger peers and IPM in general. The company has a large field force of ~12,000 MRs and ~3,200 line managers, helping the company grow at ~13% CAGR over the past three years in Tier 2–4 markets.

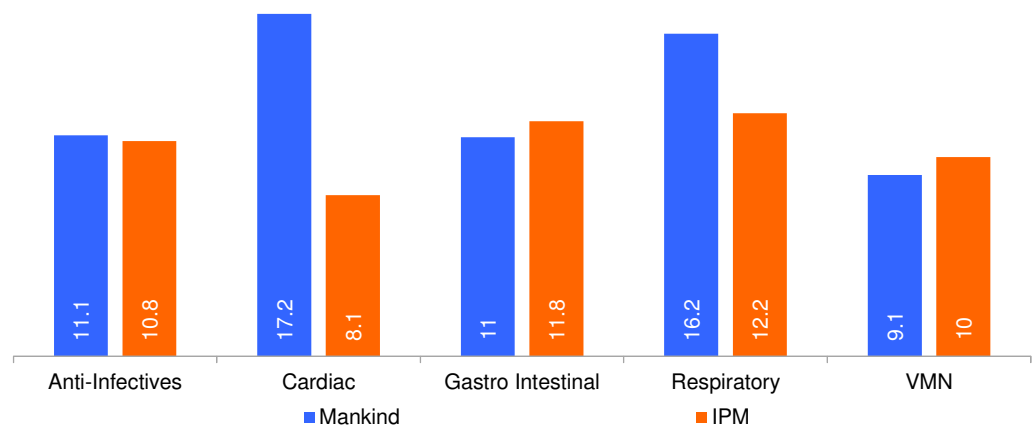
Chronic segment growth key to market share improvement

Historically, Mankind has been present in Acute therapy areas; the acute portfolio on three-year CAGR has grown by 16% as against 11% of IPM. The prevalence of cardiovascular diseases in India has increased from approximately 54 million cases in 2011 to approximately 77 million cases in 2021, and is expected to increase to approximately 91 million cases by 2030 (source: IQVIA Report, RHP). Similarly, the prevalence of diabetes has increased from approximately 53 million cases in 2011 to approximately 93 million cases in 2021, and is expected to increase to approximately 134 million cases by 2030 (source: IQVIA Report, RHP).

Mankind's growth in the Chronic segment has been driven by launching new divisions across chronic therapies, including larger market of Anti-Diabetic, Cardiovascular, and CNS and respiratory. Following increased focus on chronic therapeutic areas, domestic sales from chronic therapeutic segments grew at a CAGR of ~18% between FY20 and FY22, outperforming IPM's chronic therapeutic areas CAGR of approximately 11% over the same period, by approximately 1.7x.

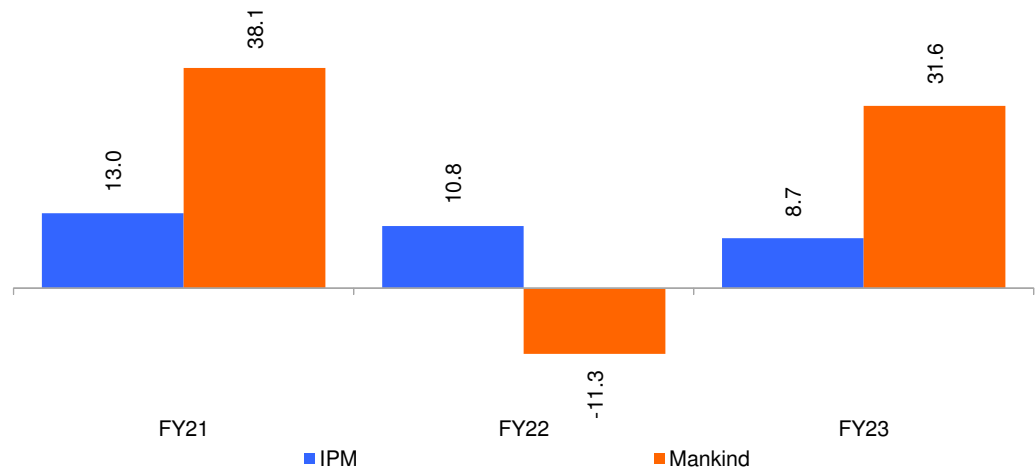
Mankind's domestic sales from chronic therapeutic areas as a proportion of total domestic sales increased from approximately 28% in FY18 to approximately 33% in FY22. Robust growth rate was accomplished with the launch of multiple brands within the same therapeutic area and occasionally for the same molecule. The company does this in order to cater to different kinds of patients and doctors based upon geographies and channels, which has contributed to wide coverage and led to its presence in several therapeutic areas.

Exhibit 1 – Mankind's 3-year CAGR for its large therapies vs. IPM



Source: IQVIA, Antique

Exhibit 2 – Cardiac portfolio growth faster than IPM

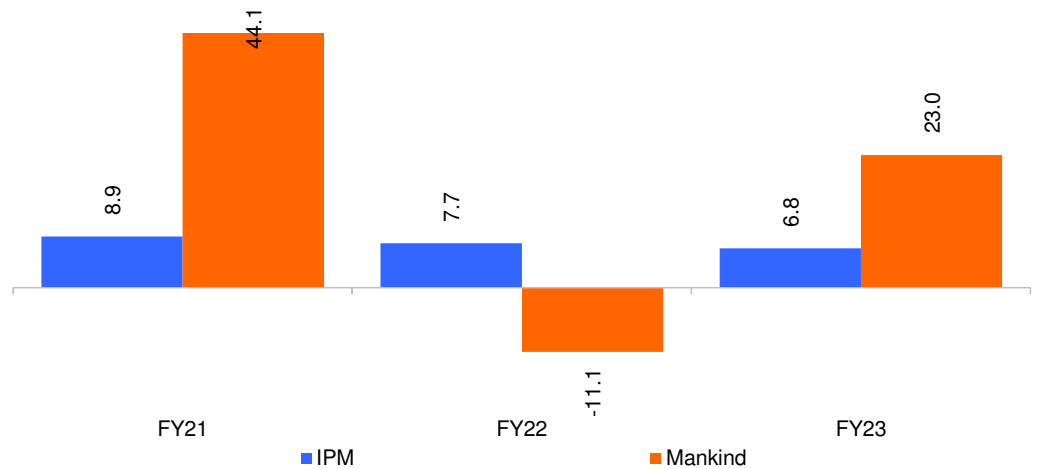


Source: IQVIA, Antique

Exhibit 3 – Key brands under Cardiac portfolio

	MAT Dec'23 sales (INR mn)	Rank	Market share
Amlokind	489	4	10.5%
Amlokind-AT	1,820	1	29.0%
Telmikind	1,092	2	10.1%
Telmikind-H	1,111	2	14.2%
Telmikind-AM	1,049	2	11.6%

Source: IQVIA, Antique

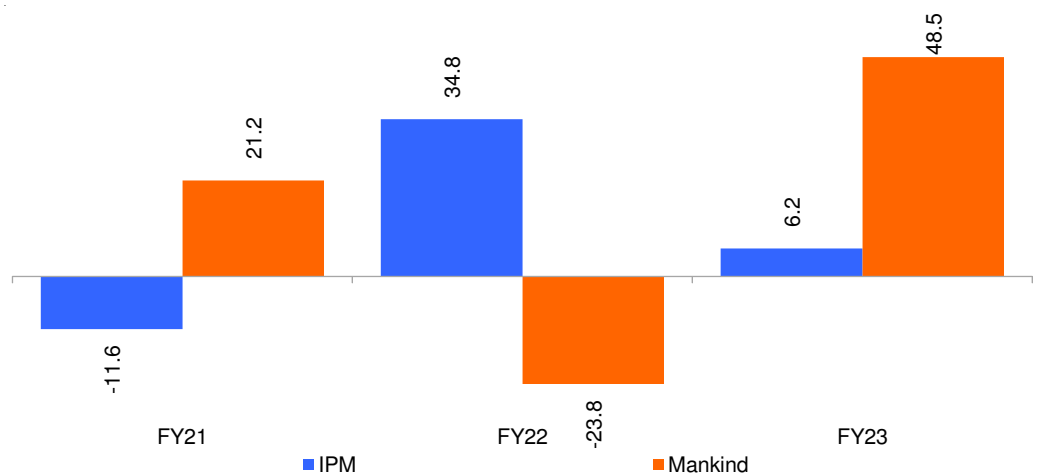
Exhibit 4 – Anti-diabetic growth faster than IPM

Source: IQVIA, Antique

Exhibit 5 – Key brands under Anti-Diabetic portfolio

	MAT Dec'23 sales	Rank	Market share
Glimestar-M	1,588	6	5.1%
Glimestar-PM	742	1	10.3%
Dynaglipt-M	642	2	10.3%
Glizid-M	576	2	12.3%
Voglistar GM	418	7	3.7%

Source: IQVIA, Antique

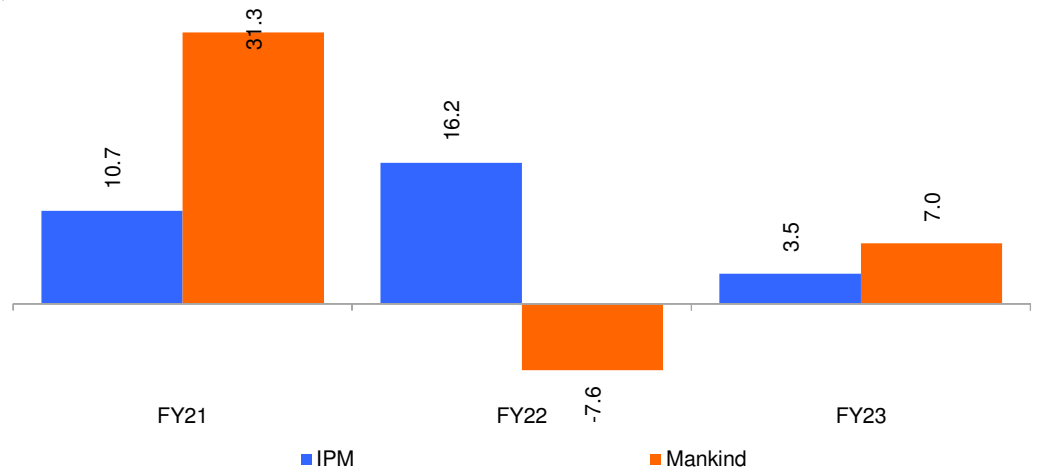
Exhibit 6 – Anti-Infective growth faster than IPM

Source: IQVIA, Antique

Exhibit 7 – Key brands under Anti-Diabetic portfolio

	MAT Dec'23 sales	Rank	Market share
Moxikind-CV	3,123	3	8.9%
Gudcef	1,676	2	13.7%
Gudcef-CV	961	1	15.6%
Mahacef	741	8	2.7%
Cefakind	1,098	2	12.4%

Source: IQVIA, Antique

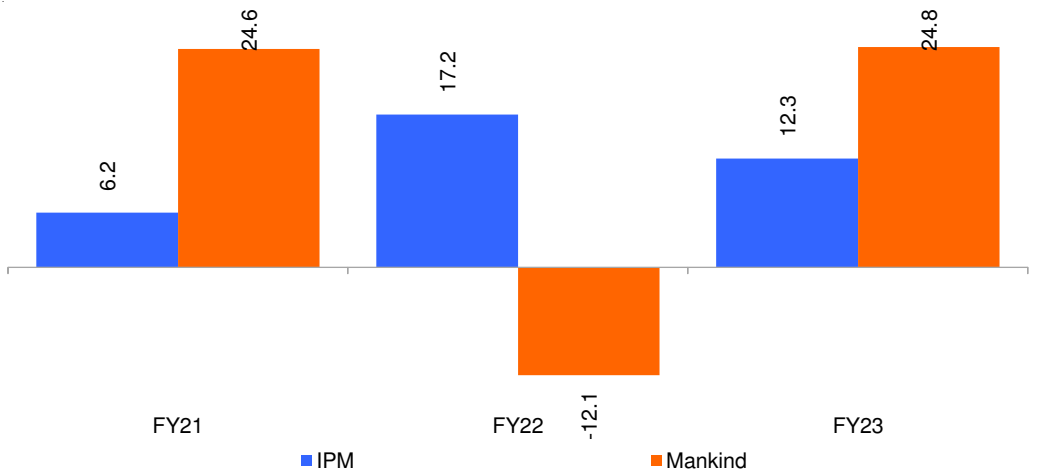
Exhibit 8 – VMN growth faster than IPM

Source: IQVIA, Antique

Exhibit 9 – Key brands under Anti-Diabetic portfolio

	MAT Dec'23 sales	Rank	Market share
Nurokind Gold	1300	1	6.2%
Nurokind Plus-RF	1156	2	14.2%
HealthOK	798	5	3.3%
Nurokind	587	3	9.6%
Argipreg	614	1	21.3%

Source: IQVIA, Antique

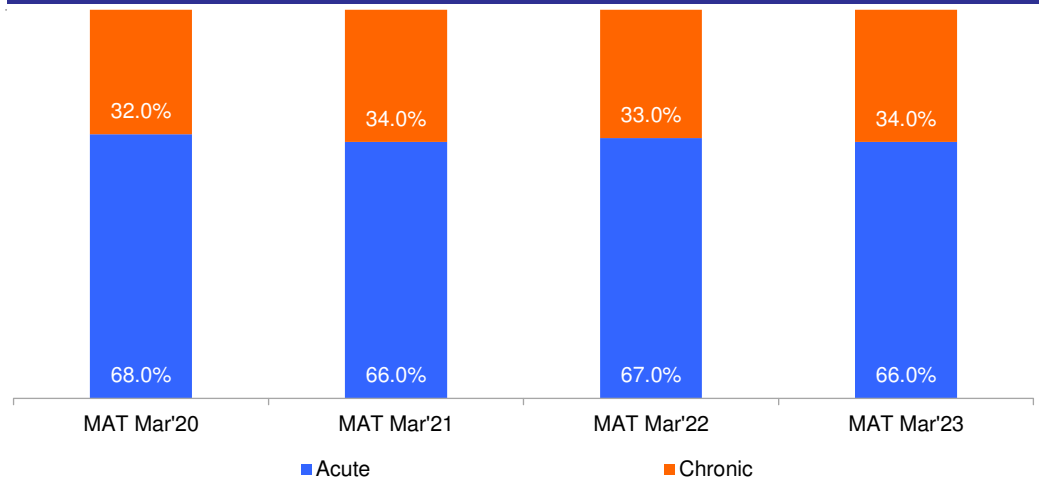
Exhibit 10 – Gastro growth faster than IPM

Source: IQVIA, Antique

Exhibit 11 – Key brands under Anti-Diabetic portfolio

	MAT Dec'23 sales	Rank	Market share
Neurokind-LC	1257	1	50.2%
Vomikind	1059	3	21.3%
Rebekind-DSR	449	9	3.9%
Pantakind-DSR	364	6	2.5%
Zenflox-OZ	435	2	12.3%

Source: IQVIA, Antique

Exhibit 12 – Share of Chronic segment has improved over the years

Source: IQVIA, Antique

Exhibit 13 – Top 10 brands by revenue and 3-year CAGR

	MAT Dec'23 (INR mn)	CAGR for the Dec'22 FY20 to MAT	Market share	Rank
Manforce	3,862	18%	48.1%	1
Moxikind-CV	3,123	10%	8.9%	3
Unwanted-Kit	2,047	19%	48.6%	1
Dydroboon	2,050	177%	22.3%	2
Prega News	1,844	24%	79.7%	1
Amlokind-AT	1,820	10%	29.0%	1
Gudcef	1,676	14%	13.7%	2
Candiforce	1,725	1%	18.2%	1
Glimestar-M	1,588	13%	5.1%	6
Codistar	1,408	34%	25.2%	2

Source: IQVIA, Antique

Exhibit 14 – Top brands including line extensions

	MAT Dec'23 (INR mn)	% of sales MAT Dec'22
Nurokind	5,154	6.1%
Telmikind	4,363	5.2%
Manforce Rx	3,948	4.7%
Unwanted	3,330	4.0%
Moxikind	3,123	3.7%
Gudcef	2,899	3.5%
Glimestar	2,492	3.0%
Amlokind	2,488	3.0%
Asthakind	2,091	2.5%
Dydroboon	2,050	2.4%

Source: IQVIA, Antique

Growth Strategy for Branded Rx India Business

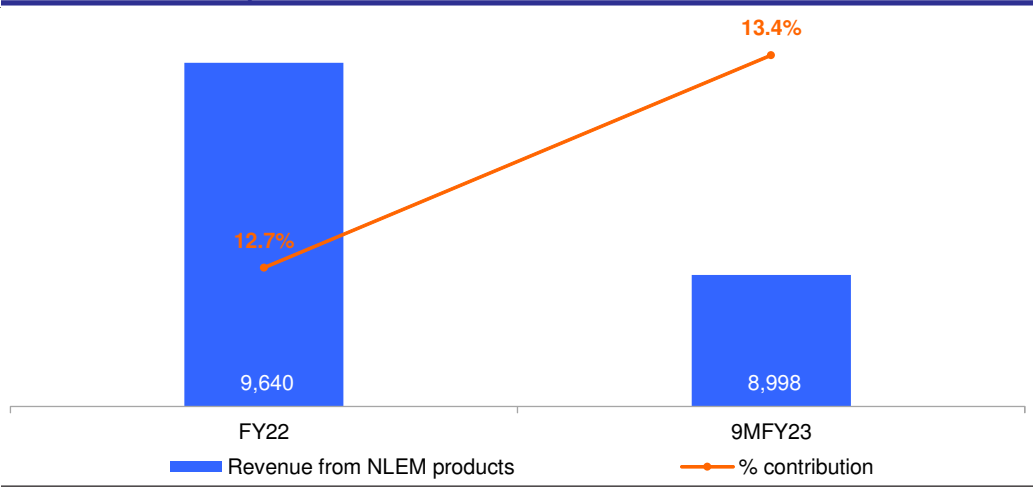
- 1) Focus on increasing market share in metro and Tier 1 cities** – Mankind's revenue contribution from metros and Tier 1 cities is ~53% as against ~63% for the larger IPM. The focus going forward will be to improve its share of revenue from these markets.
 - a. The company plans to offer US grade quality products at India prices for gaining further headroom in the prescription market.
 - b. Engaging with key opinion leaders in the healthcare industry as well as corporate hospitals through a dedicated team of regional medical advisors that will seek to foster collaborative relationships across metros and Tier I cities.
 - c. Launched dedicated specialty divisions for Chronic therapies viz. Cardiac, Cardio-diabeto, Neuro, Opthal, Respiratory, Gynaecology, and Critical Care along with launch of transplant and Oncology division.
- 2) Brand acquisition** – Mankind remains open to M&A to improve its market share and also to enter newer therapies. In Feb'22, the company acquired one derma brand i.e. Daffy and one respiratory brand viz. Combihale from Dr Reddy's. And also in the same month it entered into an asset purchase agreement with Panacea Biotec to acquire their formulations brands in India and Nepal. These brands are expected to help the company explore new super-specialty therapeutic areas, such as transplant and oncology.
- 3) In-licensing opportunities** – Given its large field force and doctor reach, Mankind entered into in-licensing agreements for the distribution of (i) Remogliflozin Etabonate tablet (SGLT-R), a novel SGLT2 inhibitor for the treatment of type 2 diabetes from Glenmark Pharmaceuticals and (ii) Sacubitril/ Valsartan tablet (Neptaz), a novel neprilysin inhibitor used to treat chronic heart failure, from Novartis Healthcare.
- 4) Piggy backing on growth of in-licensed brands** – Mankind has benefitted from marketing and distribution channels used to create brand awareness for in-licensed products. The company has optimized these resources for launching new products under its own label in the anti-diabetic category where the company leveraged its market position of in-licensed SGLT-R brand, a Remogliflozin tablet which was launched in 2019, to launch its own SGLT-RV brand, a Vildagliptin tablet and SGLT-D brand, a Dapagliflozin tablet.
- 5) Improving doctor coverage** – With a larger field force of ~12,000 MRs, Mankind has been able to cover ~80% of the doctors in the country. Besides, the company has established significant distribution network covering over 11,000 stockist and having engagement with 75 C&F agents. The company's MRs frequently visit prescribers across medical specialties to market products and also visit pharmacies and distributors to ensure adequate supplies. The focus solely remains on improving work habits such as doctor coverage, doctor call frequency, and chemist surveys.
- 6) Alternate channels for growth** – The company will be looking to expand its market share through alternative channels for growth, including through e-commerce and modern trade channels. The number of households using e-pharmacy services rose during the initial Covid-19 lockdown period to approximately nine million by May 2020 and increased further during the second wave of the pandemic (source: IQVIA Report). Mankind has established a specialized team to manage and develop strategic alliances with key channel intermediaries. This team will be responsible for ensuring the availability of products at different channel intermediaries.
- 7) Launching novel products, first time in India** – The company plans to develop and launch new chemical entities in IPM, such as GPR119, a novel G protein coupled receptor targeted for treatment of type 2 diabetics and obesity. Besides, the company will also continue to introduce difficult to manufacture molecules, such as Dydrogesterone, a synthetic hormonal drug used to treat female infertility.
- 8) Develop digital platforms for doctor engagement** – Mankind has developed digital platforms to improve doctor engagement. For instance, developed in-house, the DrOnA Health service is a dedicated virtual consultation platform that enables doctors to easily consult and interact with their patients across various channels, including in-clinic and virtually. The company also recently launched Docflix, an over-the-top (OTT) platform solely for doctors that provides access to reliable, authentic, and engaging content on various medical fields, and which seeks to assist doctors in making quicker and more informed clinical decisions. Other digital platforms developed include Mankind Connect and Prana.

NLEM products

The National List of Essential Medicines (NLEM) was developed in concordance with the standard treatment guidelines, to take into account (a) Priority healthcare needs of a majority of the population, (b) To address the disease burden of the nation, and (c) Increase access to the commonly used medicines at primary, secondary, and tertiary healthcare levels. NPPA has periodically issued ceiling prices for several molecules. Periodically, every April, these ceiling prices are revised in line with the changes in the wholesale price index (WPI), to factor the underlying inflation on YoY basis.

During 9MFY23, ~13.44% of company’s revenue came from the sale of 213 products listed on the NLEM, which are subject to price control.

Exhibit 15 – ~13% of portfolio under NLEM



Source: Company, Antique

Exhibit 16 – Strong brand building pedigree

	MAT Dec'23	CAGR FY20-MAT Dec'22	MS as of MAT Dec'22	Rank
Manforce Rx sales	3,862	18%	48.1%	1
Unwanted Kit	2,047	19%	48.6%	1
Prega news	1,844	24%	79.7%	1
Unwanted 72	1,083	19%	61.7%	1

Source: IQVIA, Antique

Mankind's acquisition history

Year	Company/ brand	Consideration (INR mn)
Nov'20	Lifestar Pharma	900
Nov'20	Magnet Labs	100
Mar'22	Panacea Biotec's domestic formulation brands	22,090
Nov'22	Upakarma Ayurveda	NA
Feb'22	Brands Combihale and Daffy (from DRRD)	402
Feb'22	Licensing brand Entresto	NA
2014	Shree Jee Labs (API unit)	NA

Source: Company Antique

In Nov'22, Mankind invested INR 22.2 mn to acquire majority stake in Upakarma Ayurveda. The organization is engaged in development, manufacture, and sales of ayurvedic and herbal products. This acquisition helps the company widen its product offering, penetrate the market, and leverage Mankind's distribution network.

In March'22, the asset purchase agreement with Panacea Biotec to acquire their formulations brands in India and Nepal for consideration of INR 22.1 bn. The acquisition will help Mankind in exploring super-specialty therapeutic areas, such as transplant and oncology.

The domestic formulations brands being sold have reported revenue from operations of INR 1,320 mn for 1HFY22, which is ~40% of the company's consolidated revenue for 1HFY22. The acquired products in therapeutic areas ranging from antibiotics to gastrointestinal cardiovascular, dermal, and erectile dysfunction medications. The deal structure included an asset purchase agreement for the acquisition of certain assets, including the sales and marketing teams of Panacea as well as a contract manufacturing arrangement between the companies. Mankind will retain Panacea's sales and marketing team.

Key brands of Panacea Biotec	MAT Mar'23 (INR mn)	YoY growth
Sitcom	470	12%
Pangraf	306	14%
Glizid	987	3%

Source: IQVIA, Antique

In Feb'22, Mankind completed acquisition of two brands, namely Combihale and Daffy from Dr Reddy's for a consideration of INR 402 mn. Combihale is a respiratory brand used for treating asthma and chronic obstructive pulmonary disease and has a category market size of INR 9 bn, which is growing at 14% (IQVIA). Daffy is a dermatology brand, soap-free moisturizing bar for infants and operates in a market category that is valued at INR 10 bn and is growing at 18% (IQVIA).

Consumer Healthcare—established franchise with greater brand recall

Mankind entered into consumer healthcare industry in CY07 and has since established several differentiated brands in the condom, pregnancy detection, emergency contraceptive, antacid powder, vitamin and mineral supplement, and anti-acne preparation categories. The covered market for Mankind's consumer healthcare business amounted to INR 203.6 bn for FY22.

The company operates at the intersection of the Indian pharmaceutical formulations and consumer healthcare sectors with the aim of providing quality products at affordable prices, and have an established track record of building and scaling brands in-house. According to the IQVIA Report, the consumer healthcare market has witnessed growth and is expected to continue to see value growth in the range of 10%–11% driven by new lifestyle patterns.

Mankind has established a number of consumer healthcare brands in the condom, pregnancy detection, emergency contraceptive, antacid powder, vitamin and mineral supplement, and anti-acne preparation categories; among others, the segment contributes ~10% to domestic top-line. Mankind remains a category leader in:

- A. Male condom category** – Manforce was launched in 2007 and has been able to grow its market share to ~30% and revenue of INR 4,272 mn in FY22, which is a growth of ~4% in the past three years as against market growth rate of -0.2% during the same period. The company recently launched Epic category of condoms as a brand extension to its Manforce brand to cater to the premium market segment.
- B. Pregnancy detection kit category** – Prega News was launched in 2010 and currently ranks #1 in pregnancy test kit category with market share of ~80% and sales of INR 1,529 mn in FY22. The brand grew at a robust 23% CAGR over a three-year period, outpacing the industry growth of ~17%.
- C. Emergency contraceptives category**, where Unwanted-72 brand had domestic sales of approximately INR 904 mn, which is a market share of ~59%. The contraceptive range also includes birth control pill, namely Unwanted-21 days.

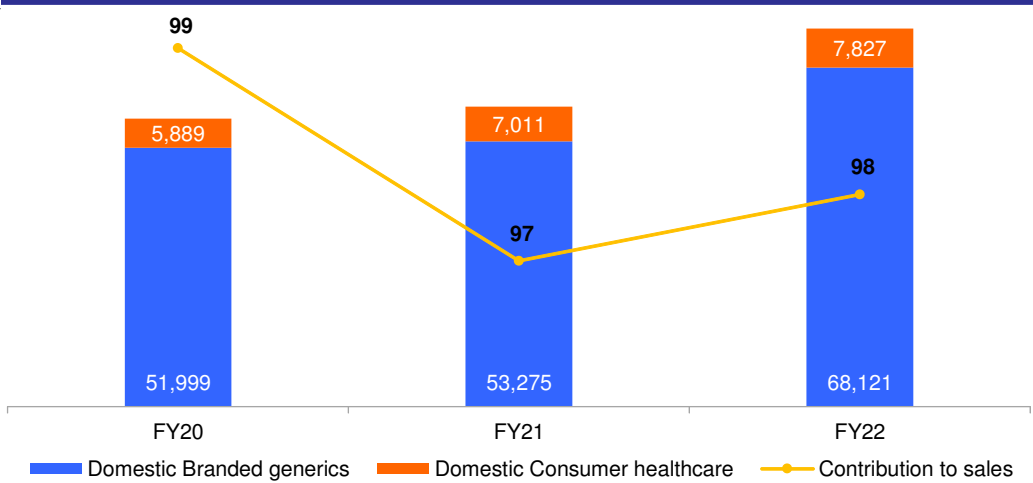
Other large Consumer Healthcare brands

- A. Gas-O-Fast** – The brand was launched in 2012 as an ayurvedic, multi-flavor, oral antacid powder that seeks to relieve symptoms of acidity, heartburn, and indigestion. The brand ranks #5 in its category with market share of ~4% and revenue of INR 1,120 mn in FY22 and generated INR 1,230mn sales for MAT Dec'23.
- B. Nurokind** – Nurokind launched in 2004 is a neuroprotector containing methyl cobalamin combinations. Individual brands sold under the Nurokind brand include Nurokind LC, which is used for treating chronic fatigue syndrome, and Nurokind Gold and Nurokind Plus-RF, which are used for treating vitamin deficiency. Nurokind and its line extensions together contributed INR 5,265 mn in FY22 and generated INR 5,154mn sales for MAT Dec'23.
- C. Telmikind** – Telmikind contains telmisartan combinations, which are used to treat hypertension. Telmikind along with its line extensions contributed INR 3,912 mn with market share of ~10.3% in FY22 and generated INR 4,363mn sales for MAT Dec'23. Mankind's Telmikind ranked #2 in the overall Telmisartan market.

Growth strategy for Branded Rx India business

Consumer Healthcare segment growth will be driven by expansion of distribution channel with reach through grocers and small neighborhood stores (kirana). Mankind will be adding an additional field force for this purpose and seeks a collaborative arrangement with distributors. With the addition of new distributors on the retail side, the focus will be on growing market share in its large brands viz. Manforce, Prega News, and Gas-O-Fast. Besides, the company will be leveraging these brands by launching line extensions; for instance, Prega News Advance was launched as an advanced version of Prega News detection kit. Mankind is also looking to launch new range of products in preconception and pre-natal care category under its existing Prega News brand.

Exhibit 17 – Revenue growth in Domestic business growing at 15% CAGR



Source: Company, Antique

International Business

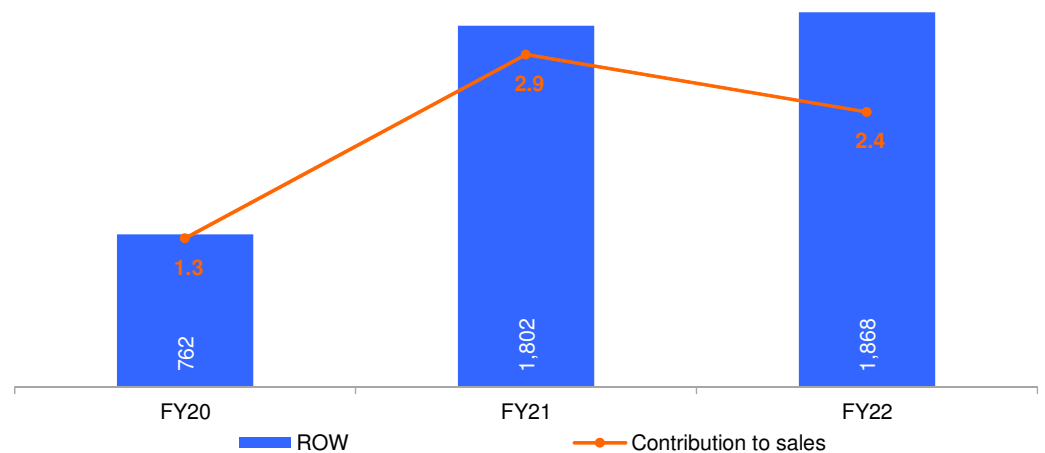
Mankind began its exports market journey in 2011, with its products being sold in over 20 countries, including in regulated and semi-regulated emerging markets such as the United States, Latin America, Southeast Asia, Africa, the Middle East, and CIS. The company sells its products either through its subsidiaries or through distribution and supply agreements. In FY22 and 9MFY23, the segment clocked revenue of INR 1,868 mn and INR2,151 respectively accounting for ~3% to the top-line.

International subsidiary financials

Name	Country of operation	% stake in the company
Lifestar Pharma LLC	US	~90%
Lifestar Pharmaceuticals Pvt. Ltd. ("Lifestar Nepal")	Nepal	85%
Mankind Pharma FZ-LLC	Dubai	100%
Mankind Pharma Pte. Ltd.	Singapore	100%

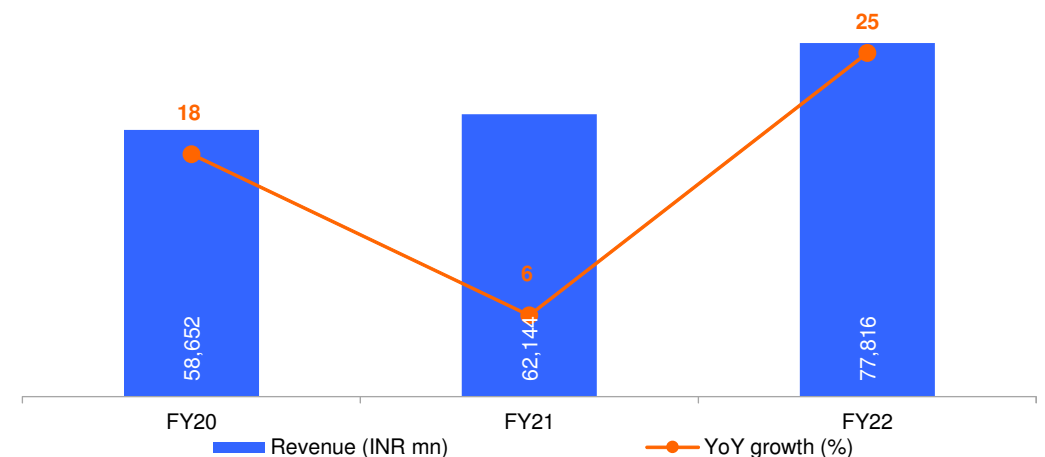
Source: Company RHP, Antique

Exhibit 18 – Revenue growth in exports formulations



Source: Company, Antique

Exhibit 19 – Revenue growth at 16% CAGR for past 3 years



Source: Company, Antique

Exhibit 20 – EBITDA margins at ~26%

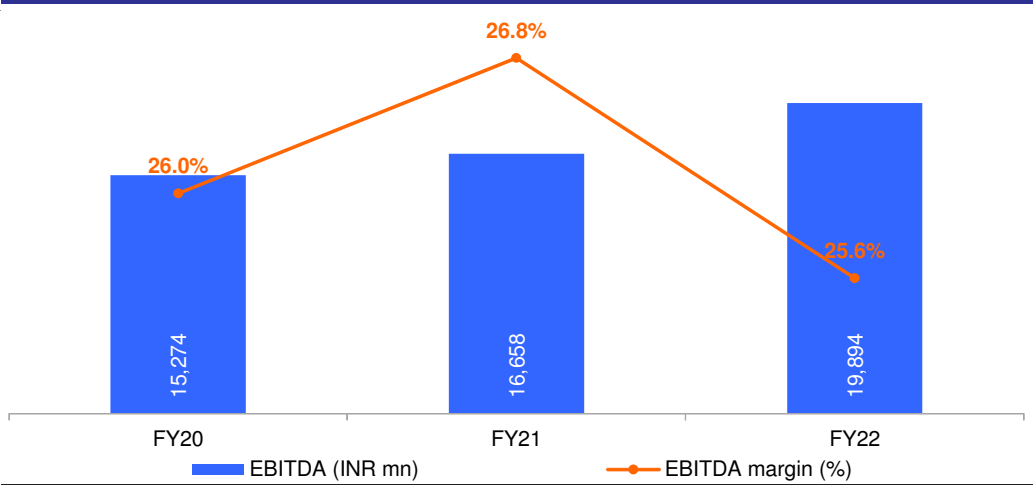
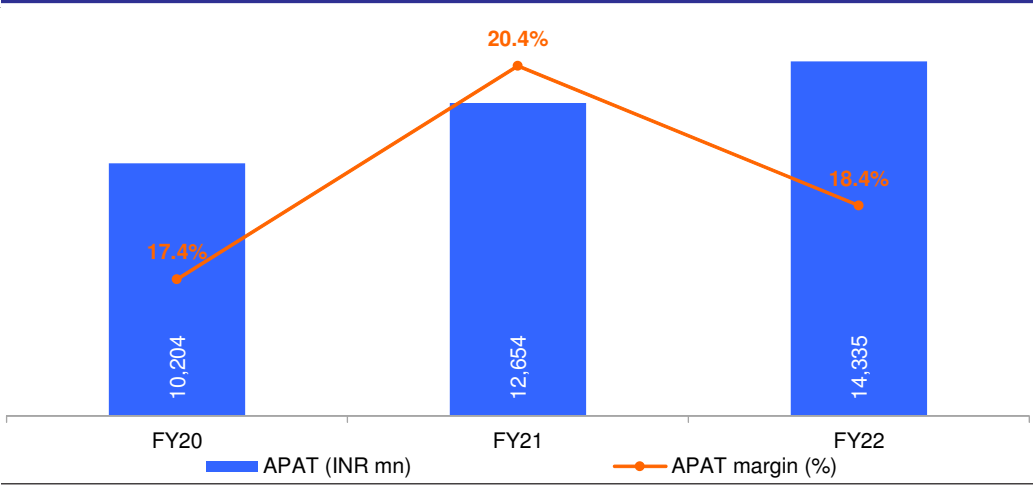


Exhibit 21 – APAT margins in high teens range



Manufacturing Strengths

The company has 23 manufacturing facilities across India, consisting of formulations facilities with a total installed capacity of 40.77 bn units across a wide range of dosage forms including tablets, capsules, syrups, vials, ampoules, blow fill seal, soft and hard gels, eye drops, creams, contraceptives, and other over-the-counter products, as of March 31, 2022.

Exhibit 22 – Manufacturing Units

	Unit no.	Unit location	Dosage form	Products
Mankind Pharma	I	Paonta Sahib, Himachal Pradesh	Injectable	ampoules and vials
Mankind Pharma	II	Paonta Sahib, Himachal Pradesh	OSD and liquid dosages	tablets, capsules, liquids and strips
Mankind Pharma	III	Paonta Sahib, Himachal Pradesh	OSD and injectable	tablets, capsules, vials, blow fill seals, and eye and ear drops
Mankind Pharma	IV	South Sikkim, Sikkim	OSD	tablets and capsules
Shree Jee Laboratory Pvt. Ltd.	V	Behror, Rajasthan	API	
Medipack Innovations Pvt. Ltd.	VI	Paonta Sahib, Himachal Pradesh	Packing materials: foils and laminates	
Packtime Innovations Pvt. Ltd.	VII	Pune, Maharashtra	Packing materials: foils and laminates	
Relax Pharmaceuticals Pvt. Ltd. Unit I	VIII	Paonta Sahib, Himachal Pradesh	OSD, liquid syrups, injectable and powders	tablets, capsules, dry powders and ampoules
Relax Pharmaceuticals Pvt. Ltd. Unit II	IX	Paonta Sahib, Himachal Pradesh	OSD and dry powders	tablets, dry syrups, drops and suspension
Copmed Pharmaceuticals Pvt. Ltd. Unit I	X	Paonta Sahib, Himachal Pradesh	OSD and liquid orals	liquid, bolus and dry powder
Copmed Pharmaceuticals Pvt. Ltd. Unit II		Paonta Sahib, Himachal Pradesh	OSD and dry syrups	tablets and syrups
Copmed Pharmaceuticals Pvt. Ltd. Unit III		Paonta Sahib, Himachal Pradesh	OSD	powder sachets, tablets, granules, and bottles
Vetbesta Labs PTP		Paonta Sahib, Himachal Pradesh	Animal feed and supplements	powders, liquid bottles, and bolus
Mediforce Healthcare Pvt. Ltd. Unit I		Paonta Sahib, Himachal Pradesh	OSD	tablets and capsules
Mediforce Healthcare Pvt. Ltd. Unit II		Paonta Sahib, Himachal Pradesh	Medical device	pregnancy detection kits
JPR Labs Pvt. Ltd.			API	
Pharma Force Lab PTP Unit I		Paonta Sahib, Himachal Pradesh		dusting powders
Pharma Force Lab PTP Unit II		Paonta Sahib, Himachal Pradesh	OSD, liquids, and external preparation	syrups, sachets, pouches, tubes, and tablets
Pharma Force Lab PTP Unit III		Paonta Sahib, Himachal Pradesh	OSD, dry syrup, and external preparation	syrups, sachets, oral powders, tubes, tablets & capsules
Penta Latex LLP Unit I & II		Haridwar, Uttarakhand	OTC product	condoms
Mankind Specialities PTP		Paonta Sahib, Himachal Pradesh	OTC product	creams, lotions, gel, hand rubs, and deodorant
North East Pharma Pack PTP		South Sikkim, Sikkim	Packing material: foil and cartons	
MankindLifesciences Pvt.Ltd.		Paonta Sahib, Himachal Pradesh	Pet food	
PharmaforceExcipients Pvt. Ltd.		Paonta Sahib, Himachal Pradesh	Excipients manufacturing	

Source: Company RHP, Antique

Research and Development

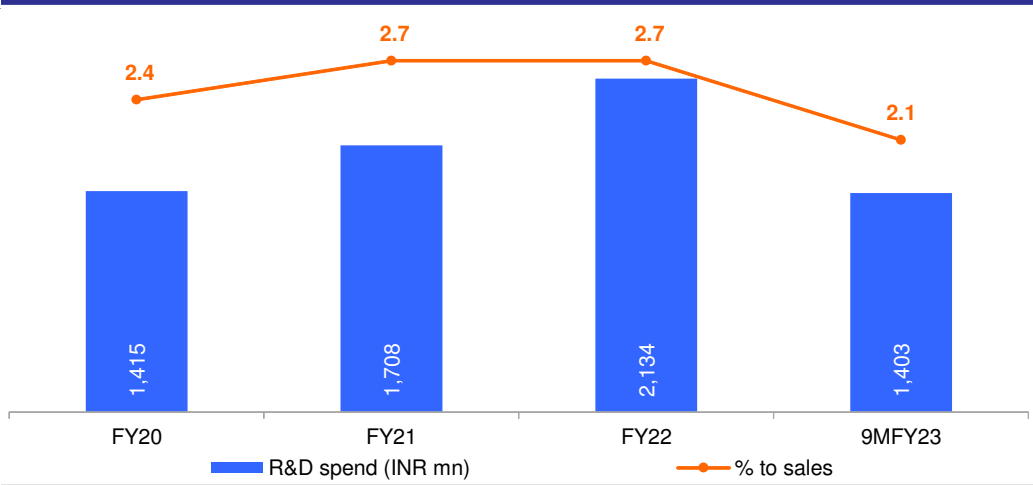
The company has a dedicated R&D center with three units located in IMT Manesar, Gurugram, and Haryana. One unit of this R&D center is recognized by the Department of Scientific and Industrial Research (DSIR), and one is in compliance with WHO Good Manufacturing Practice (GMP) and has been inspected by the USFDA. Mankind also has two additional R&D centers which are operated through its non-wholly owned subsidiaries, including the COPMED Research Centre in Dehradun, Uttarakhand (63% ownership) and the Mediforce Research Centre at Paonta Sahib, Himachal Pradesh (61.74% ownership).

R&D operations comprise several divisions, including for drug discovery, generic APIs, formulations, and biotechnology, and are also supported by dedicated intellectual property, global regulatory compliance, clinical research, and biopharmaceutical teams.

Mankind has a team of over 600 scientists, which includes 40 scientists who hold Ph.Ds. The focus areas of the R&D team is on development of niche APIs and complex generic formulations, as well as product and process improvements to achieve better quality and efficacy for existing products.

Mankind has 55 ANDA filings with the USFDA which included 11 Para IV filings, of these 29 ANDAs filings are approved and three have received tentative approvals. The company also focuses on backward integration with 25 API drug master files with the USFDA. For the European region, the company has received five approvals out of 11 API CEPs submitted. Mankind has spent ~2.09% of its total revenue on R&D in 9MFY23.

Exhibit 23 – R&D as % of revenue



Source: Company, Antique

Key Managerial Personnel

- **Mr. Ramesh Juneja** – Ramesh is the Chairman and a whole-time Director of the company. He is also the founder and Co-Promoter of the company. He has been associated with the company since its incorporation as Director and Promoter. He has experience of over 31 years in the pharmaceutical industry. He was awarded the finalist certificate for “Entrepreneur of the Year” by Ernst & Young in 2009.
- **Mr. Rajeev Juneja** – Rajeev is the Vice-Chairman and Managing Director of the company and also Co-Promoter of the company. He has been associated with the company since December 22, 1992 and has over 29 years of work experience in the pharmaceutical industry.
- **Mr. Sheetal Arora** – Sheetal is the Chief Executive Officer and a whole-time Director of the company. He has been associated with of the company since September 21, 2007 and has over 14 years of work experience in the pharmaceutical industry.
- **Mr. Ashutosh Dhawan** – He was appointed as the Chief Financial Officer of the company with effect from June 17, 2016. He has been previously associated with Oriflame India Pvt Ltd, Aricent Technologies Holdings Ltd, HCL Technologies Ltd, Sprint RPG India Ltd, STMicroelectronics Pvt Ltd and DLF Cement Ltd.

Offer for sale details

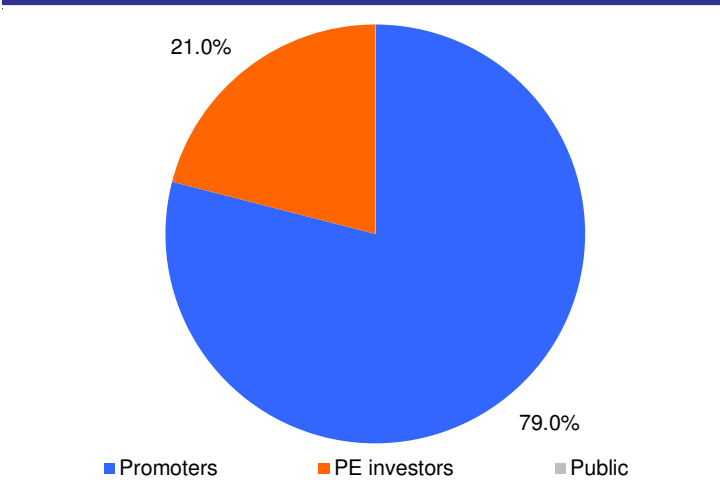
The promoters and other investors are planning an OFS (offer for sale) of 10% shareholding of the company i.e. 40,058,844 outstanding shares of INR 1 face value. The company will not be receiving a portion of the proceeds from the offer.

	Shareholder Type	Pre money share-holding (%)	Number of shares offered for sale	Post money share-holding (%)
Ramesh Juneja	Promoter	2.6	37,05,443	1.7
Rajeev Juneja	Promoter	2.5	35,05,149	1.6
Sheetal Arora	Promoter	6.0	28,04,119	5.3
Cairnhill Limited (Cairnhill CIPEF Ltd + Cairnhill CGPE Ltd)	Private Equity investor	11.0	2,00,29,422	6.0
Beige Limited	Private Equity investor	10.0	99,64,711	7.5
Link Investment Trust	Private Equity investor	0.0	50,000	0.0
Promoter group	Private Equity investor	67.9		67.9

Source: Company, Antique

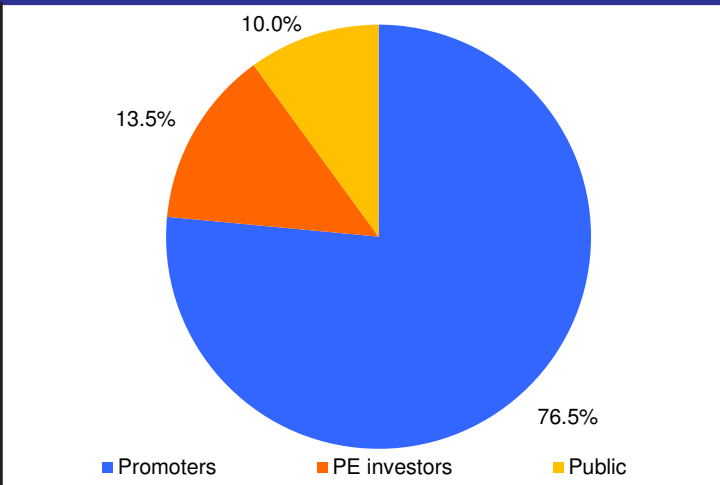
Shareholding Pattern

Pre-money shareholding



Source: Company, Antique

Post-money shareholding



Source: Company, Antique

Financials

Profit and loss account (INR mn)

Year ended 31 Mar	FY19	FY20	FY21	FY22
Net Revenue	49,800	58,652	62,144	77,816
Op. Expenses	40,555	43,378	45,486	57,922
EBITDA	9,245	15,274	16,658	19,894
Depreciation	690	991	1,190	1,666
EBIT	8,554	14,283	15,468	18,227
Other income	529	1,104	1,709	1,960
Interest Exp.	430	220	201	586
Extra Ordinary Items -gain/(loss)	(7)	(906)	(177)	-
Reported PBT	8,647	14,262	16,799	19,602
Tax	2,641	3,816	3,986	5,216
Reported PAT	6,005	10,446	12,814	14,385
Minority Int./Profit (loss) From Asso.	(220)	(242)	(159)	(50)
Net Profit	5,785	10,204	12,654	14,335
Adjusted PAT	5,785	10,204	12,654	14,335
Adjusted EPS (INR)	14.4	25.5	31.6	35.8

Balance sheet (INR mn)

Year ended 31 Mar	FY19	FY20	FY21	FY22
Share Capital	401	401	401	401
Reserves & Surplus	27,830	34,453	46,819	61,152
Networth	28,231	34,853	47,220	61,552
Debt	2,666	1,309	2,407	8,731
Minority Interest	1,586	1,863	1,409	1,611
Net deferred Tax liabilities	(730)	(287)	(805)	(484)
Capital Employed	31,752	37,738	50,230	71,410
Gross Fixed Assets	16,609	19,674	21,396	42,261
Accumulated Depreciation	2,819	3,938	5,011	6,638
Capital work in progress	3,279	3,170	3,720	7,015
Net Fixed Assets	17,069	18,906	20,105	42,638
Goodwill	204	204	204	204
Investments	5,433	6,650	13,462	9,417
Non Current Investments	0	0	400	673
Current Investments	5,433	6,650	13,062	8,745
Current Assets, Loans & Adv.	17,454	23,948	28,909	38,027
Inventory	8,210	8,991	11,835	17,602
Debtors	2,202	5,311	3,306	3,882
Cash & Bank balance	1,410	4,199	7,007	4,059
Loans & advances and others	5,631	5,447	6,760	12,483
Current Liabilities & Prov.	8,408	11,970	12,450	18,876
Liabilities	6,928	9,184	9,385	15,431
Provisions	1,479	2,787	3,065	3,445
Net Current Assets	9,046	11,978	16,460	19,150
Application of Funds	31,752	37,738	50,230	71,410

Per share data

Year ended 31 Mar	FY19	FY20	FY21	FY22
No. of shares (mn)	400.6	400.6	400.6	400.6
Diluted no. of shares (mn)	400.6	400.6	400.6	400.6
BVPS (INR)	70.5	87.0	117.9	153.7
CEPS (INR)	16.7	28.5	35.0	40.1
DPS (INR)	0.0	0.0	0.0	0.0

Source: Company, Antique

Cash flow statement (INR mn)

Year ended 31 Mar	FY19	FY20	FY21	FY22
PBT	8,746	14,377	16,916	19,746
Depreciation & amortization	690	1,666	1,190	991
Interest expense	430	186	164	141
(Inc)/Dec in working capital	(97)	(1,452)	(946)	(5,861)
Tax paid	(3,418)	(3,309)	(4,541)	(4,995)
Less: Interest/Div. Income Recd.	(56)	(129)	(383)	(129)
Other operating Cash Flow	(291)	(642)	(1,028)	(695)
CF from operating activities	6,004	10,697	11,372	9,198
Capital expenditure	(2,388)	(2,392)	(3,116)	(23,424)
Inc/(Dec) in investments	(1,383)	(91)	(5,753)	4,929
Add: Interest/Div. Income Recd.	59	129	383	303
CF from investing activities	(3,711)	(2,354)	(8,486)	(18,192)
Inc/(Dec) in share capital	-	-	(1,001)	-
Inc/(Dec) in debt	(1,541)	(1,445)	1,090	6,219
Dividend Paid	(289)	(3,643)	-	-
Others	(450)	(220)	(168)	(173)
CF from financing activities	(2,280)	(5,307)	(78)	6,046
Net cash flow	13	3,036	2,809	(2,948)
Opening balance	1,398	1,410	4,446	7,254
Closing balance	1,410	4,446	7,254	4,306

Growth indicators (%)

Year ended 31 Mar	FY19	FY20	FY21	FY22
Revenue	0.6	17.8	6.0	25.2
EBITDA	(9.0)	65.2	9.1	19.4
Adj PAT	(11.9)	76.4	24.0	13.3
Adj EPS	(11.9)	76.4	24.0	13.3

Valuation (x)

Year ended 31 Mar	FY19	FY20	FY21	FY22
P/E (x)	74.8	42.4	34.2	30.2
P/BV (x)	15.3	12.4	9.2	7.0
EV/EBITDA (x)	46.3	27.7	24.9	21.5
EV/Sales (x)	8.6	7.2	6.7	5.5
Dividend Yield (%)	0.0	0.0	0.0	0.0

Financial ratios

Year ended 31 Mar	FY19	FY20	FY21	FY22
RoE (%)	20.9	32.4	30.8	26.4
RoCE (%)	28.2	44.3	39.1	33.2
Asset/T.O (x)	1.9	2.1	1.8	1.6
Net Debt/Equity (x)	(0.1)	(0.3)	(0.4)	(0.1)
EBIT/Interest (x)	21.1	70.0	85.3	34.4

Margins (%)

Year ended 31 Mar	FY19	FY20	FY21	FY22
EBITDA Margin (%)	18.6	26.0	26.8	25.6
EBIT Margin (%)	17.2	24.4	24.9	23.4
PAT Margin (%)	11.5	17.1	19.8	18.0

Source: Company Antique

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