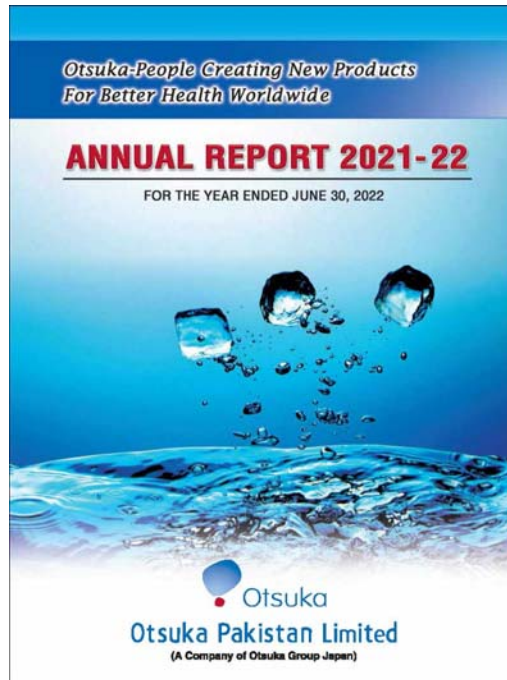




# CORPORATE BRIEFING SESSSION (CBS)

## 2021-22



For Life .

Realizing  
the hidden power  
within.



HUNDRED YEAR  
OTSUKA QUALITY

Otsuka Holdings Co., Ltd.

Thursday, October 27, 2022



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# 1. COMPANY BRIEF

**Company Name:** Otsuka Pakistan Limited

**Symbol:** OTSU

**Date of Incorporation:** February 22, 1988

**Date of Commencement of Commercial Production:** April 11, 1988

**Vision:** Otsuka-people creating new products for better health worldwide

**Mission:** To provide quality health care products while maintaining leadership position in chosen segments by working efficiently towards customer satisfaction, rapid growth and enhanced stakeholders value

**Nature of Business:** Manufacturer of I.V. Solutions & Commercial Importer of Pharmaceutical and Medical Devices products.

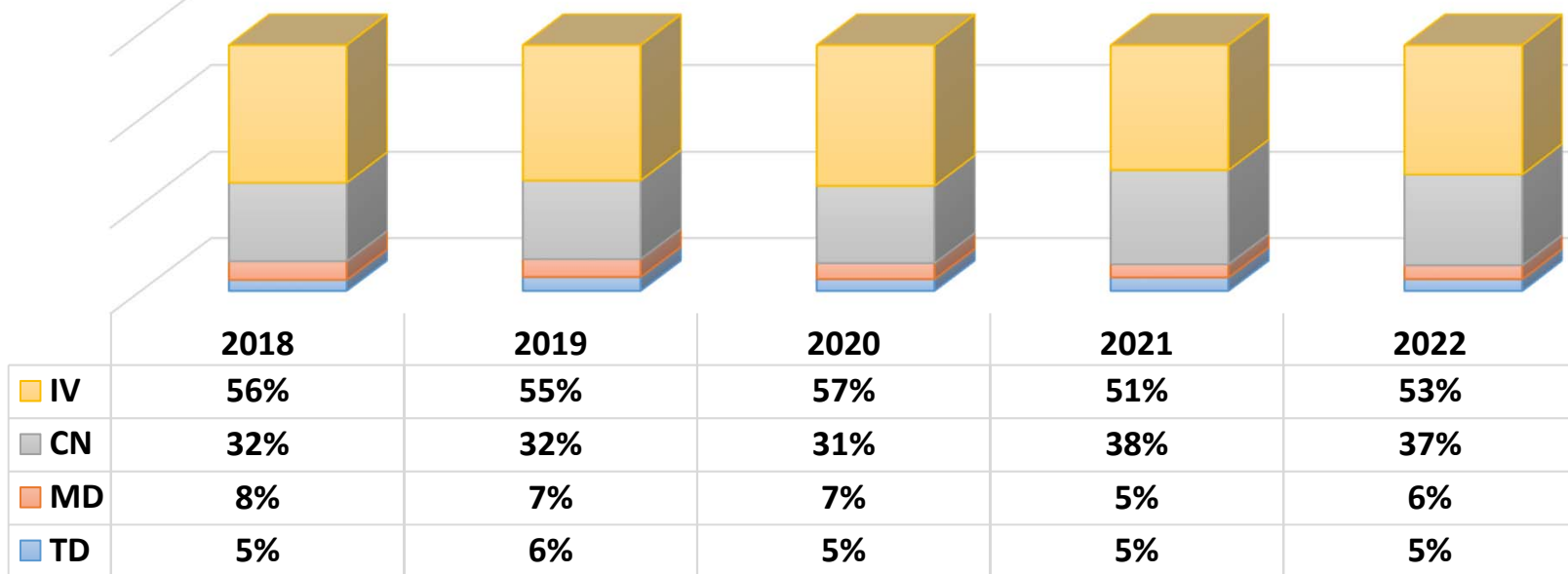
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# 1. COMPANY BRIEF

OPERATING SEGMENTS	2018	2019	2020	2021	2022	CAGGR
	Rs. in million					%
SALE OF IV	1,046	1,037	1,274	1,294	1,500	9%
SALE OF CN	598	604	701	977	1,054	15%
SALE OF MD	141	137	145	136	161	3%
SALE OF TD	84	106	107	140	137	13%
<b>TOTAL</b>	<b>1,869</b>	<b>1,885</b>	<b>2,227</b>	<b>2,546</b>	<b>2,852</b>	<b>11%</b>

Segment-wise Sales



## 2. STRATEGIC/OPERATIONAL DEVELOPMENTS:

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- ❖ Otsuka has launched German based CE marked stents with an overwhelming response in the market.
- ❖ Otsuka Japan has completed its 100 Years (1921-2021) of operations, providing quality products across the globe.
- ❖ Introduction of Amino acids in plastic bottles (Aminovel Inj. And Aminoleban Inj.) which was appreciated and accepted by the doctors and healthcare professionals.
- ❖ DRAP approval for the 15 new products related to Nutraceutical unit has been received and the Company is expected to launch these products in a phased manner keeping in view the financial feasibilities of each product.
- ❖ Retrospective implementation of Super Tax @ 10% in Finance Act, 2022 has reduced the EPS of the Company by Rs. 3.5 per share, financial impact is Rs. 42 mln.
- ❖ Sales tax refund of Rs. 97 mln.
- ❖ Export sales have gone down during the year due to un-certain economic and political situation in Afghanistan:  
- 2019: Rs. 7.5 million      - 2020: Rs. 71.90 million      - 2021: Rs. 76.10 million      - 2022: Rs. 43.35 million
- ❖ Oil price after Ukraine war
- ❖ An investment plan for upgradation in accordance with GMP requirements of LINE-II manufacturing facility (IV 1000 mL) of the Company is under progress and the completion is delayed due current economic conditions and import restrictions.

### 3. FINANCIAL DETAILS – 5 YEARS

<b>Profit &amp; (Loss) Statement</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
	----- Rs. In 'million -----				
Sales- net	1,869	1,885	2,227	2,546	2,852
Gross Profit	570	396	599	845	927
<b>Operating Profit/(Loss) excluding Exchange gain/(loss)</b>	<b>262</b>	<b>66</b>	<b>229</b>	<b>432</b>	<b>446</b>
Exchange Gain / (Loss) - Net	(86)	(194)	(48)	57	(75)
Operating Profit/(Loss)	177	(128)	180	488	371
Profit/(Loss) before tax	138	(194)	108	470	365
Profit/(Loss) after tax	65	(175)	91	386	232
<b>Earning / (Loss) PKR per share</b>	<b>5.40</b>	<b>(14.49)</b>	<b>7.53</b>	<b>31.93</b>	<b>19.16</b>

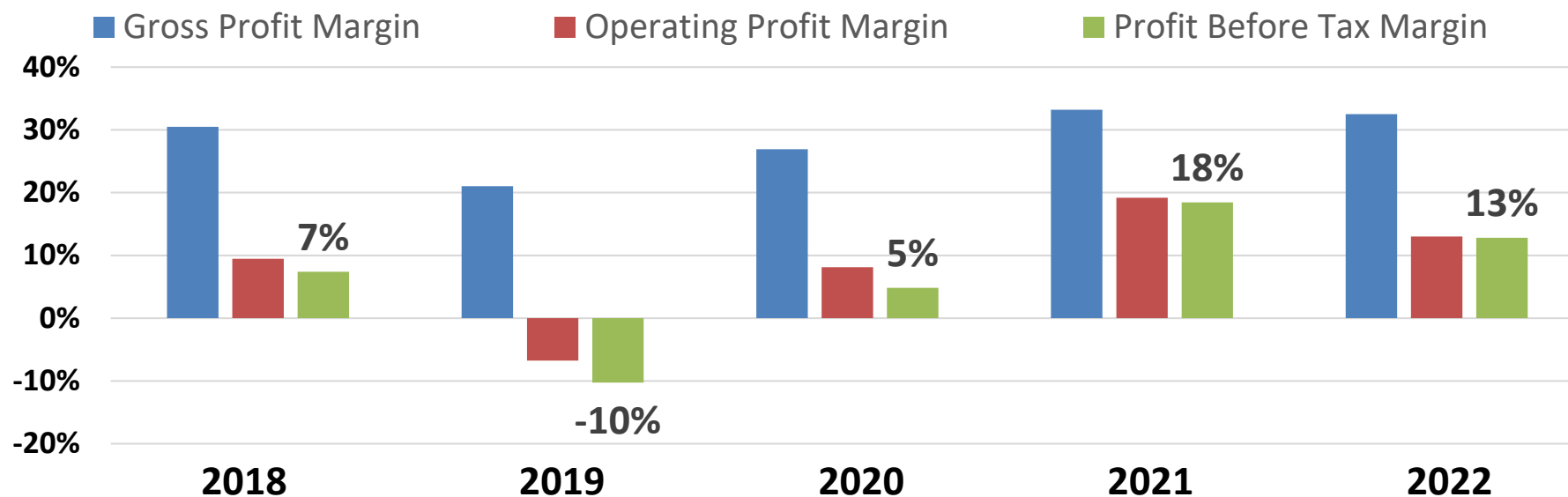
<b>Cashflow cycle</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
	----- Rs. In 'million -----				
<b>Opening</b>	<b>(435)</b>	<b>(486)</b>	<b>(573)</b>	<b>(408)</b>	<b>44</b>
Cash flows from Operations	82	(55)	219	654	23
Cash flows from Investments	(44)	(25)	(48)	(58)	(47)
Cash flows from Financing	(89)	(7)	(6)	(145)	(63)
<b>Closing</b>	<b>(486)</b>	<b>(573)</b>	<b>(408)</b>	<b>44</b>	<b>(43)</b>

<b>Capital Structure</b>					
Borrowing	916	1,141	1,015	979	500
Equity	203	23	117	501	713
<b>Capital Employed</b>	<b>1,119</b>	<b>1,164</b>	<b>1,132</b>	<b>1,480</b>	<b>1,213</b>

### 3. FINANCIAL DETAILS

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KEY RATIOS	2018	2019	2020	2021	2022
	%				
Gross Profit Margin	30%	21%	27%	33%	32%
Operating Profit Margin	9%	-7%	8%	19%	13%
Profit Before Tax Margin	7%	-10%	5%	18%	13%
Return on Asset	0.004%	-0.01%	0.01%	0.03%	0.01%
Return on Capital Employed	6%	-15%	8%	43%	19%
Debt to Equity Ratio (Times)	4.5	48.7	8.7	0.8	0.7





## 4. FUTURE PLANS

- ❖ The un-certainty from the prevalent floods in Pakistan will leave its lasting impact on the economy and the Company is fully committed to provide medicines at the affordable rates.
- ❖ The increase in global oil prices, production utilities, local transportation, minimum wages, local inflation, bank rates and depreciation of Pak Rupee against US Dollar shall be a big challenge to maintain current profitability trend..
- ❖ Imposition of 1% Sales Tax on the pharmaceutical imports and sales by importers/manufacturers will prove detrimental for the topline growth of the Company.
- ❖ Sales tax on PE (Net 16%), financial impact Rs. 50 mln per annum.
- ❖ Imposition of Super Tax with retrospective implementation and the delay in processing of sales tax related refunds will elevate the liquidity crisis during 2023.
- ❖ Request sent to DRAP to invoke 12(8) of Drug Pricing Policy.
- ❖ The Company is planning to introduce a range of medical devices products from its new business partner of Germany keeping in view the PKR/USD exchange rate parity.

**THANK YOU!**

# Now, QA Session.....

