



Centurion
UNIVERSITY

NUTRACEUTICALS MARKET – INDIA

EXECUTIVE SUMMARY

Market

- Market valued at INR b bn in 2011 and is estimated to reach INR f bn in 2015
- Comprises of three segments, dietary supplements, functional foods and functional beverages
- India accounts for a mere m% of the total world market for nutraceuticals

Probiotic Market

- Probiotics in India generally comes in two forms : Drugs and Packaged foods and beverages
- Major pharmaceuticals companies have become active in this space and are devising newer drugs and products, however current drugs are predominant in the area of gastroenterology
- Players are also devising packaged products like jellies, RTE cookies and smoothies

Drivers & Challenges

Drivers:

- Increasing shift towards preventive therapies
- Increasing disposable income
- Increase in Healthcare Spending
- Increasing shift towards self-medication
- Changing Demographics
- Growth in pharmacy and wellness related retail chains

Challenges:

- Lack of standardization
- High pricing
- Lack of awareness
- Marketing and distribution challenges

Trends

- Fortified foods
 - Favorable pricing environment
- Ayurvedic nutraceuticals
- Foreign tie-ups
- Initiatives by players to educate consumers
- Encapsulation
- Cosmeceuticals and Nanoceuticals

Competition

| Major Public Players | | Major Private Players | |
|----------------------|-----------|-----------------------|-----------|
| Company 1 | Company 3 | Company 5 | Company 7 |
| Company 2 | Company 4 | Company 6 | Company 8 |

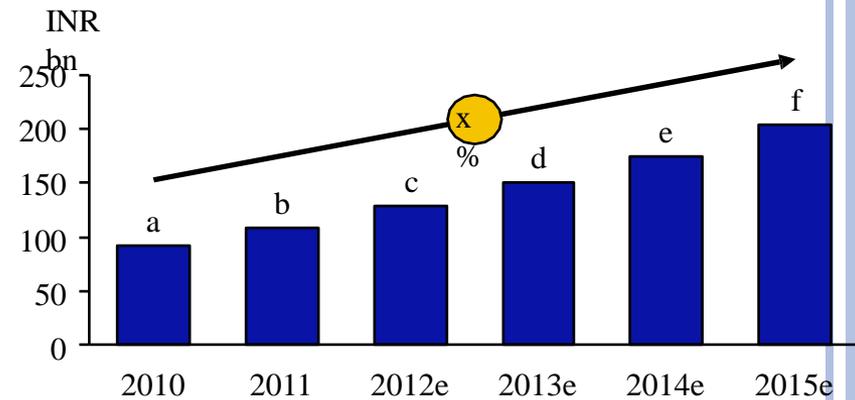
- Introduction
- Market Overview
- Probiotic Market
- Drivers & Challenges
- Trends
- Government Regulations
- Competition
- Financial Transactions
- Key Developments
- Strategic Recommendations
- Appendix

INCREASING SHIFT TOWARDS PREVENTIVE THERAPIES AND INCREASING DISPOSABLE INCOME HAS LED TO A GROWING MARKET

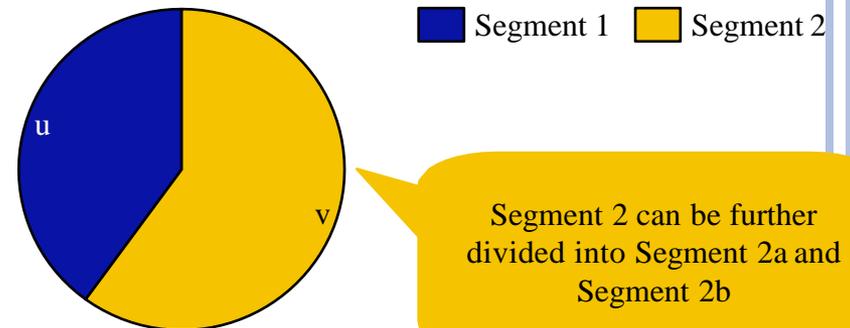
Market Overview

- India accounts for only m% of the world nutraceuticals market
- Nutraceuticals market in India is growing at a very fast pace and is expected to be almost double in 20-- from its size in 20--
- Increasing shift towards preventive therapies and increasing disposable income is driving growth in this sector
- Several pharmaceutical companies are entering this space, realizing that nutraceutical products can be supplementary products to their therapeutic products
- There are more Indian players than multinationals in the market as it is a relatively low technology section compared to pharmaceuticals
- Probiotics is one of the most emerging and nascent segments in this market with increasing consumer acceptance and greater player attention expected to drive its growth

Market Size and Growth



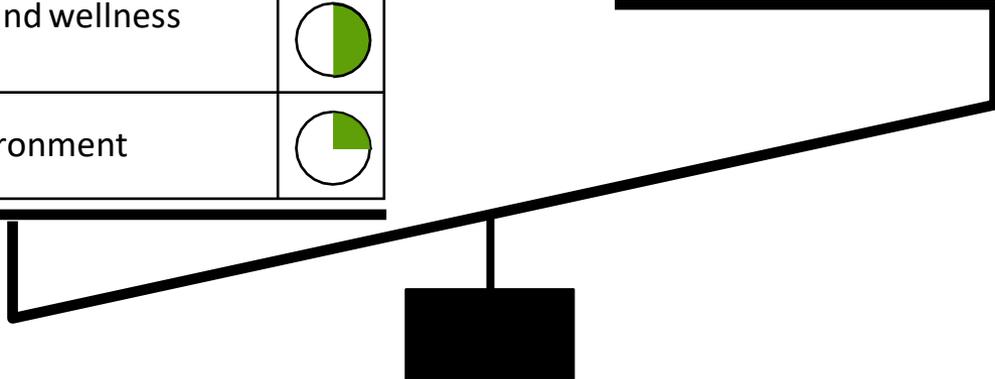
Market Segmentation (2011)



DRIVERS & CHALLENGES – SUMMARY

| <i>Drivers</i> | |
|---|---|
| Increasing shift towards preventive therapies |  |
| Increasing disposable income |  |
| Increase in Healthcare Spending |  |
| Increasing shift towards self-medication |  |
| Changing Demographics |  |
| Growth in pharmacy and wellness related retail chains |  |
| Favorable pricing environment |  |

| <i>Challenges</i> | |
|---------------------------------------|---|
| Lack of standardisation |  |
| Marketing and distribution challenges |  |
| High pricing |  |
| Lack of awareness |  |



TRENDS – SUMMARY

Trends

Fortified Foods

Ayurvedic Nutraceuticals

Foreign Tie-ups

Players Educating Consumers

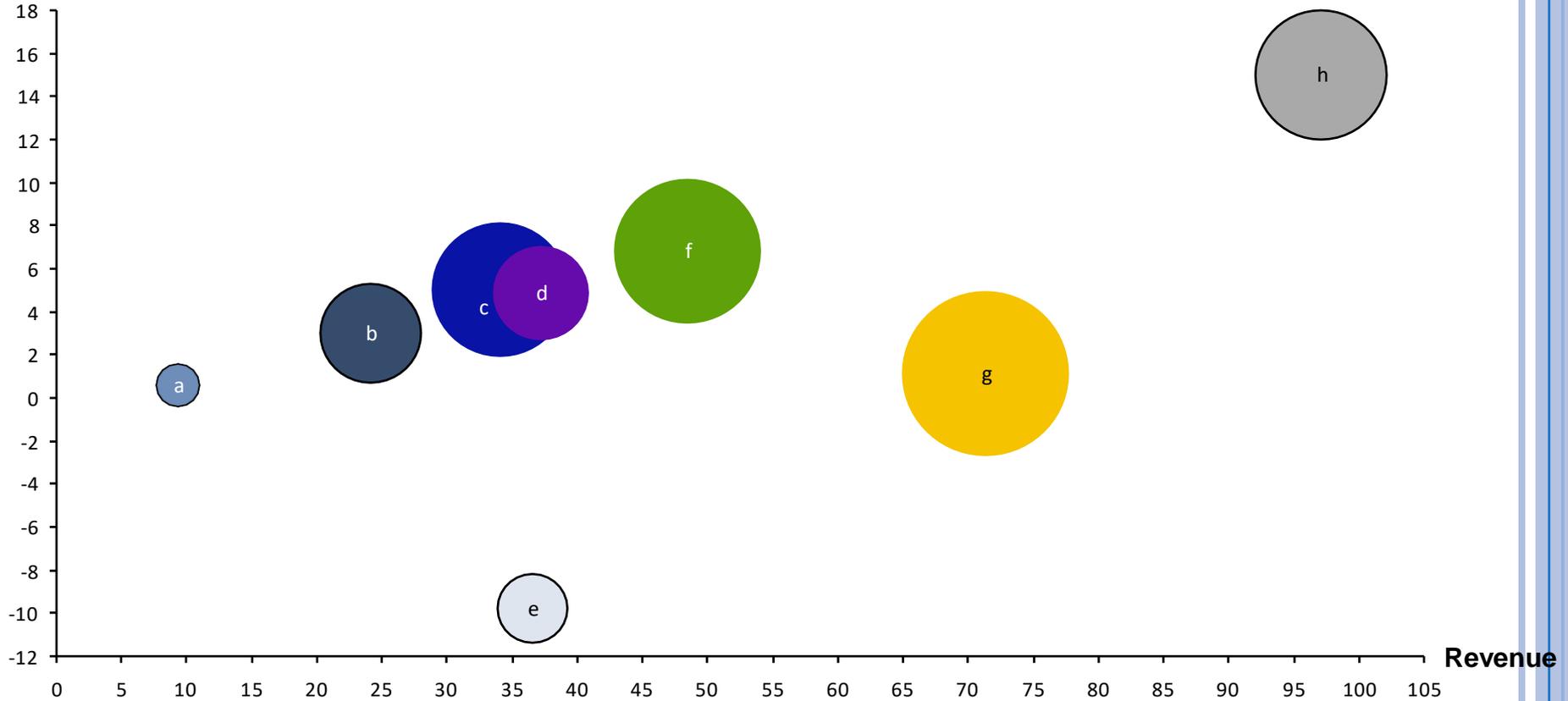
Encapsulation

Cosmeceuticals and Nanoceuticals

MAJOR PUBLIC COMPANIES – SUMMARY

Size of the Bubble represents Market Capitalization in INR bn

Net Profit



Company 1 Company 2 Company 3 Company 4 Company 5 Company 6 Company 7 Company 8

7

Source:

Note: All figures are in INR mn for FY 2010

PUBLIC: DOMESTIC COMPANY – COMPANY 1 (1/3)

Company Information

Corporate Address

Tel No.

Fax No.

Website

Year of Incorporation

Ticker Symbol

Stock Exchange

Products and Services

| Category | Products/Services |
|-----------|---|
| Segment 1 | Product 1, Product2 |
| Segment 2 | Product 1, Product 2, Product 3 |
| Segment 3 | Product 1, Product 2, Product 3 |
| Segment 4 | Product 1, Product 2, Product 3, Product 4, Product 5 |

Offices and Centres – India



↓ Head Office

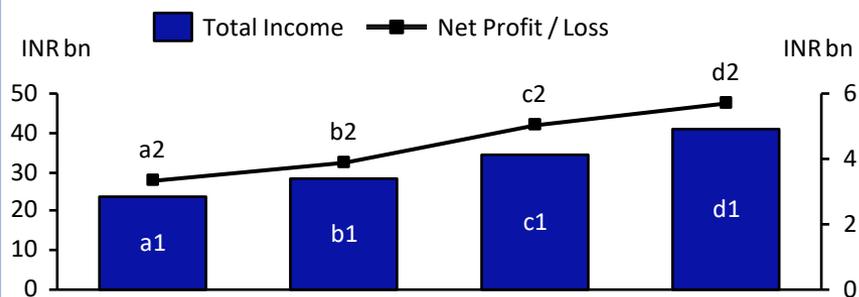
NUTRACEUTICALS MARKET IN INDIA 2012.PPT

Key People

| Name | Designation |
|----------|----------------------------------|
| Person A | CEO & Executive Director |
| Person B | Chief Financial Officer |
| Person C | Executive Director of Operations |
| Person D | Company Secretary |

PUBLIC: DOMESTIC COMPANY – COMPANY 1 (2/3)

Financial Snapshot



Key Ratios

| Particulars | y-o-y change (2011-10) | 2011 | 2010 | 2009 | 2008 |
|-----------------------------------|------------------------|------|------|------|------|
| Profitability Ratios | | | | | |
| Operating Margin | ↓ | | | | |
| Net Margin | ↓ | | | | |
| Profit Before Tax Margin | ↓ | | | | |
| Return on Equity | ↓ | | | | 2.1% |
| Return on Capital Employed | ↓ | | | | 2.1% |
| Return on Working Capital | ↓ | | | | 2.1% |
| Return on Assets | ↓ | | | | 1.1% |
| Return on Fixed Assets | ↓ | | | | 1.1% |
| Cost Ratios | | | | | |
| Operating costs (% of Sales) | ↓ | | | | 1.1% |
| Administration costs (% of Sales) | ↑ | | | | 1.1% |
| Interest costs (% of Sales) | ↓ | | | | 1.1% |
| Liquidity Ratios | | | | | |
| Current Ratio | ↑ | | | | 1.1% |
| Cash Ratio | ↓ | | | | 1.1% |
| Leverage Ratios | | | | | |
| Debt to Equity Ratio | ↓ | | | | 1.1% |
| Debt to Capital Ratio | ↓ | | | | 1.1% |
| Interest Coverage Ratio | ↓ | | | | 1.1% |
| Efficiency Ratios | | | | | |
| Fixed Asset Turnover | ↑ | | | | 1.1% |
| Asset Turnover | ↓ | | | | 1.1% |
| Current Asset Turnover | ↓ | | | | 1.1% |
| Working Capital Turnover | ↓ | | | | 1.1% |
| Capital Employed Turnover | ↓ | | | | 1.1% |

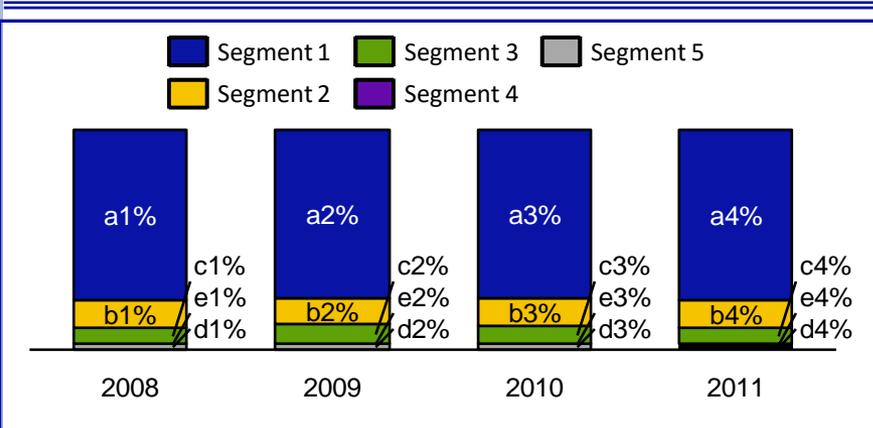
| Indicators | Value (dd/mm/yyyy) |
|------------------------------|--------------------|
| Market Capitalization (INR) | |
| Total Enterprise Value (INR) | |
| EPS (INR) | |
| PE Ratio (Absolute) | |

Source: Annual Reports; Netscribes Analysis; Databases

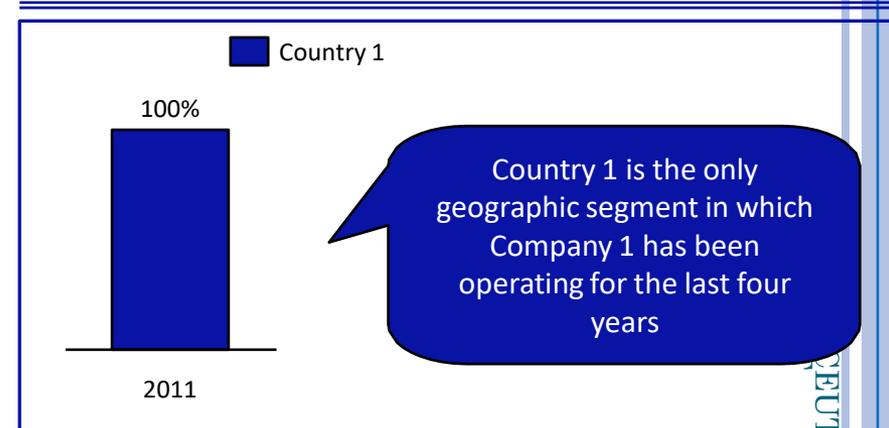
↑ Improved ↓ Decline

PUBLIC: DOMESTIC COMPANY – COMPANY 1 (3/3)

Key Business Segments



Key Geographic Segments



Business Highlights

| Description | News |
|------------------------|---|
| Overview | <ul style="list-style-type: none"> • Has 3 major strategic business units, namely, Business Unit 1, Business Unit 2 and Business Unit 3 • Markets its products in over 60 countries • Has 50 C&F agents, more than 5000 distributors and over 2.8 mn retail outlets in Country 1 |
| Nutraceutical Business | <ul style="list-style-type: none"> • Its nutrition product range includes products such as Product 1, Product 2 and Product 3 • Is setting up a manufacturing plant in Country 2 to manufacture Product 3 |

Thank You

