Twitter Thread by Tar ■

Tar ■
@itsTarH

So many updates on #SequentScientific Results, almost none focus on the most important metric

Net profit before tax and exceptional items (True Cash earned by the company) increase by ~55% YoY

Sequent

SEQUENT SCIENTIFIC LIMITED

AUDITED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
	Audited	Audited * (Refer note 13)
Cash flow from operating activities		
Net profit before tax and exceptional items	14,545.20	9,407.50
Adjustments for:		
Depreciation and amortisation expenses	5,059.80	5,062.20
Unrealised forex loss (net)	421.60	548.80
Bad trade receivables written off	303.10	241.60
Allowance for doubtful trade receivables provided / (written back)	(213.20)	15.40
Finance costs	2,438.30	3,571.40
Dividend income	(99.50)	(526.40)
Interest income	(62.60)	(150.30)
Miscellaneous income	(74.60)	-
Profit on sale of property, plant and equipment (net)	(69.80)	(11.40)
Gain on sale of investments	(257.90)	(36.50)
Property, plant and equipment written off	306.90	-
Lease liability written back (net)	(75.70)	-
Fair value gain on financial instruments at fair value through profit or loss	(1.70)	(40.90)
Share-based payment to employees	723.40	466.70
Operating profit before working capital changes	**22,943.30**	**18,548.10**
Changes in working capital		
(Increase) in trade receivables, loans and advances and other assets	(3,947.50)	(5,081.70)
(Increase) in inventories	(4,561.70)	(1,931.40)
(Increase) / decrease in margin money and unpaid dividend accounts	527.70	(347.90)
Increase in trade payables, other payables and provisions	892.90	1,531.30
Net changes in working capital	**(7,088.60)**	**(5,829.70)**
Cash generated from operations	**15,854.70**	**12,718.40**
Income taxes paid (net)	(4,379.30)	(1,185.40)
Net cash generated from operating activities (A)	**11,475.40**	**11,533.00**

ROCE now above 20% and PAT increase by 36.5% are signs of Operating Leverage

Before Op Leverage kicked in for Laurus, its ROCE was in ~14%

Revenue grew by 15.5% YoY to ₹ 13,616 Mn. Operating EBITDA increased to ₹ 2,375 Mn at 17.4%, a healthy expansion of 250 bps YoY. PAT grew 36.5% and the business generated ₹ 1.5 Bn+ in cash from operations enabling us to pare down debt, resulting in a two-notch improvement in credit rating. ROCE now exceeds 20%, reflecting the underlying strength of our business model we have built in Sequent 1.0. This confidence also reflects in the Board recommending a 25% dividend for the year.

The Advisor onboarded created the animal healthcare business for Boehringer Ingelheim (~2nd largest animal healthcare business in the world with net sales of ~4.5 Billion+ and presence in over 150 countries

Boehringer Ingelheim
7 yrs 5 mos

Global Head of the Strategic Buisiness Unit Livestock
2017 – Jan 2020 · 3 yrs
Ingelheim, Germany

Responsible for developing and implementing the global strategy for the livestock business segment at Boehringer Ingelheim. Accountable for sales and profits from livestock products and services. Boehringer Ingelheim Animal Health is the second largest animal health pharmaceutical company in the world.

Global Head of Boehringer Ingelheim Animal Health, Senior VP Boehringer Ingelheim GmbH
Sep 2012 – Dec 2016 · 4 yrs 4 mos
Ingelheim, Germany

Responsible for the Global Animal Health Business of Boehringer Ingelheim GmbH

Boehringer Ingelheim Vetmedica, Inc
11 yrs 5 mos

President, CEO
Aug 2002 – Dec 2009 · 7 yrs 5 mos

Sales and Profits of the US business, Sales and Marketing for the USA commercial business, Research and Development in the USA, and Manufacturing in USA.

Head of Animal Health
Aug 1998 – Aug 2002 · 4 yrs 1 mo
Burlington, Ontario

Head of the Animal Health business for Boehringer Ingelheim in Canada

Vice President, (Head of Animal Health Operative Unit)
Boehringer Ingelheim Canada Ltd.,
Jan 1999 – Aug 2002 · 3 yrs 8 mos
Burlington, Ontario, Canada

Accountable for the sales and profits from the Animal Health Business in Canada

Look for qualitative insights in a business, quantitative insights are just ~10% of the work

Formulations delivered strong growth across key geographies

Highlights

- Europe business accelerates in Q4, driven by new launches
  - Tulathromycin, first in-house developed injectable for global markets
  - Citramox LA, first long acting injectable & Halofusol, in-house developed oral solution
- Turkey growth momentum owing to market share gains in antibacterial & intramammary products
- Brazil records strong growth led by new launches and fresh tender wins
- India revenues double, strong performance around cattle, commercialization of Zoetis distribution arrangement
- Submitted first filings in US, Canada and Australia from India R&D

All values in ₹ Mn

Q4FY21	Q4FY20	YoY% (cc)	FY21	FY20	YoY% (cc)
2,506	1,934	*34.3%*	**9,055**	7,789	*19.8%*

FDFs 1000+

Manufacturing facilities 5

Sales to regulated markets 64%

Countries with marketing presence 80+