About Myself

- CA ; MBA
- Currently Investment Banking @Upwisery – a boutique IB and wealth management firm
- Previously Management Consultant @Arthur D. Little, Finance and Investor Relations @ Shopkirana (now acquired by Udaan) , Investigations @ SEBI
- Started proper investing journey in 2019

My Investing Framework (For Long Term >= 5 yr bets) *

Management Quality

Possibility of growing revenues/ earnings in double digits (~ 15%)

Cash Flow Generation

Intent and Vision to endure short term pain (Operating Deleverage)

Valuations – Fair – Valuations should not reflect over-optimism

** Not Exhaustive*

WINDLAS BIOTECH LIMITED
ABOUT THE COMPANY

Founded in 2001 and listed in 2021, Windlas is a **family run enterprise now evolving to professionally managed leadership**

Ashok Kumar Windlass
Whole Time Director

- **Ex Chairman of Confederation of Indian Industries ,** Uttarakhand State Council,
- **Established Windlas Biotech in 2001.**
- Led Windlas Biotech as MD till 2020

Hitesh Windlass
Managing Director

- **23+ years of experience in field of management**
- Bachelor's degree from the **IIT-BHU, MS in Material Science & Engr. from Georgia Institute of Technology and MBA from the Booth School of Business, University of Chicago**
- Leads the company since 2008

Manoj Kumar Windlass
Jt. Managing Director

- **Co-founded Windlas Biotech in 2001**
- Deeply engaged in **managing client relations, and product portfolio expansion**
- Plays a significant role in driving the product portfolio decisions and overall commercial operations including business development, supply chain and procurement
- He is a BBA graduate from George State University Atlanta

Founding Team

Pawan Sharma
Executive Director

- **24+ years** of experience in the pharmaceutical industry, he has a Bachelor's degree in Law from the Hemwati
- Nandan Bahuguna Garhwal University, Srinagar (Garhwal)

Prachi Jain Windlass
Non-Executive Director

- **22+ years** of experience.
- Bachelor's degree in technology from the IIT, Delhi, Master's degree in science from University of Southern California, and an MBA from University of Chicago.
- Currently associated with Michael & Susan Dell Foundation India and previously with Boston Consulting Group

Gaurav Gulati
Independent Non-Executive Director

- Bachelor's degree in Science (computer science) from the University of Illinois. MBA from Booth School of Business.

Vivek Dhariwal
Chairman and Independent Director

- **24+ years** of experience in manufacturing and supply operations.
- Previously associated with ICI India Ltd, Baxter India Private Ltd, and Pfizer Ltd.
- Bachelor's degree from IIT-B & Master's degree in science from University of Kentucky

Srinivasan Venkatraman
Independent Non-Executive Director

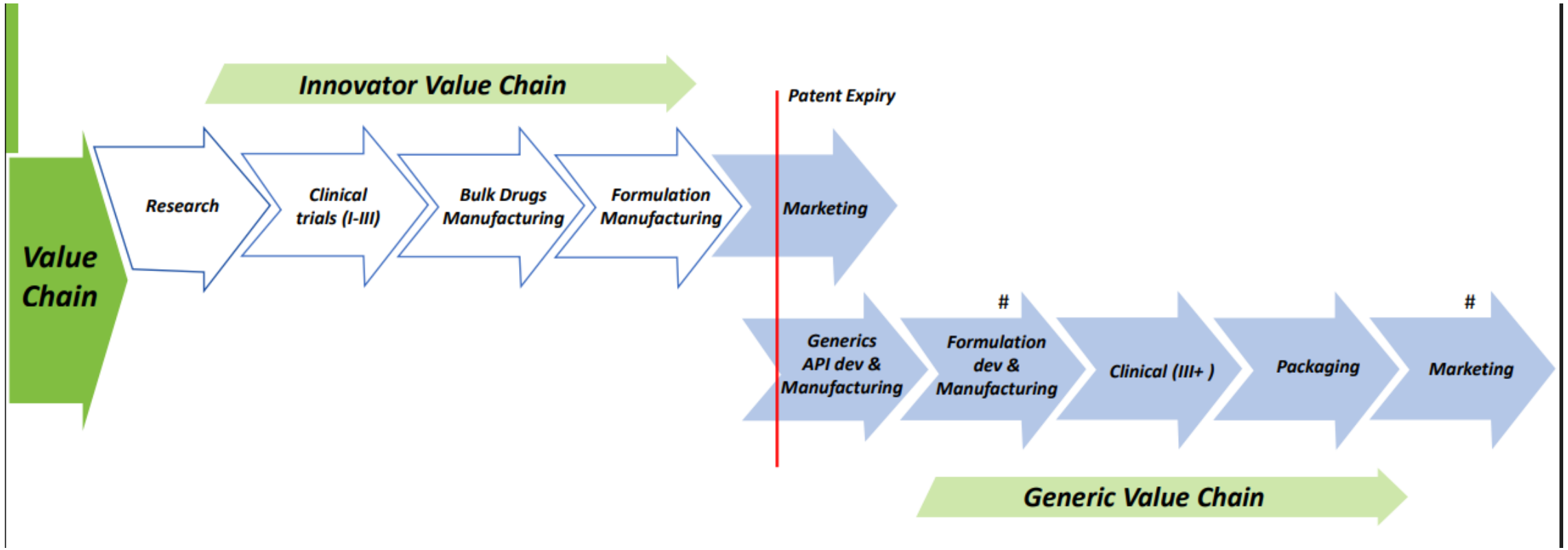
- Fellow member of the Institute of Chartered Accountants of India.
- Previously associated with Wealth Tree Advisors, Hines, Aon Global Insurance Services, and Lovelock & Lewes

***Ms. Komal Gupta,** CEO & CFO*

- Experience – 20+ Years;
- Educational Qualification - CA, CS & CWA
- Working with Windlas since 2015
- Previously worked with DSM Group and Anand Automotives Systems Ltd.

Current CEO

Windlas's strategic focus lies in **formulation development and manufacturing within the generics value chain**



- Windlas is present across the **generics value chain**
- # Focus area for Windlas is ***formulation development ,manufacturing and marketing***
- Company invests in creating its own formulation technology for our products. Almost 100% of its CDMO supplies are based on products where they own the entire IP from initiation to regulatory permission.
- Facilities located in Dehradun – 5 operational plants + 1 new launched towards end of last fiscal

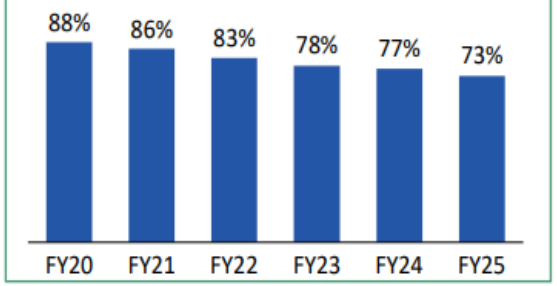
Source – Company IR deck

Windlas has three business verticals — **a CDMO core, fast-scaling Trade Generics, and an early stage exports franchisee**

Generic Formulations CDMO

- Generic Formulations CDMO vertical focused on providing products & services across- a diverse range of pharmaceutical & nutraceutical generic products.
- 'Marketeers' equally responsible for quality of the drug product in eyes of regulator
- New schedule M implemented in October 2021 – many small manufacturers may become unviable
- Such products are sold to Indian or foreign Pharma MNCs who market products under their own brand names.
- Intellectual Property Rights of 99% of products sold owned by Windlas.

Contribution as a % of Total Revenue from Operations

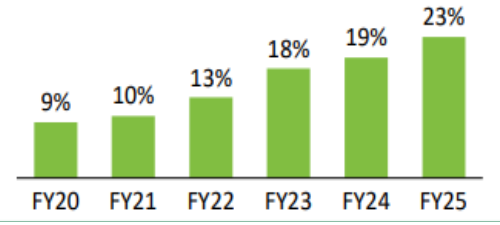


Cipla, Zydus (Dedicated To Life), Eris, Alkem

Trade Generics & Institutional

- This vertical consists of Trade Generics which includes products sold to various institutions.
- These products are Drugs for which Patents have been expired and are typically used as a substitute to branded expensive Generic medicines.
- Generally sold to the Distributors & not Medical representatives.

Contribution as a % of Total Revenue from Operations

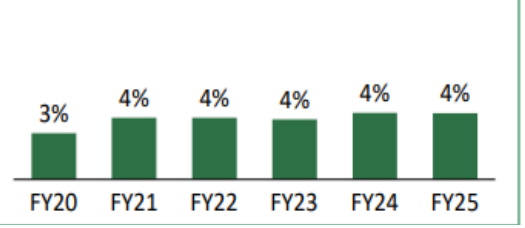


Anti Spas 10mg/250mg Tablet
Clotrimawin 1% Powder
Ketobuoy 1% Shampoo
Liverwin UDC 300mg Tablet
Nozeopen 0.1% Nasal Solution
Atrest 25mg Tablet
Coverdoz 50mg/100mg/12mg Kit
Ketobuoy 2% Soap
Mecobfol Plus Injection
Oflonain D Eye Drop

Exports

- Export vertical is engaged in identifying high growth opportunities in Semi regulated international markets & selected regulated markets.
- The motive is to Develop & Register product applications in order to obtain marketing authorizations for medicines & health supplements.
- Subsequently such products are sold to Pharmaceutical Companies & Pharmacies in the respective markets.

Contribution as a % of Total Revenue from Operations



Brogus Syrup
Fixoheam 250mg Tablet
Levaxol Syrup
Moxinain 0.5% Eye Drop
Oflowind 200mg Tablet
Citicowin 500mg Tablet
Glimilio M 2mg/500mg Tablet
Levetwin 500mg Tablet
Nitrazone 10mg Tablet
Oragone Dental Gel

Source – Company IR deck

Windlas has delivered **consistent revenue growth with gradual expansion in margins and profitability**

Consolidated Profit & Loss Statement

windlas

Consolidated

Particulars (Rs. Crores)	FY25	FY24	FY23	FY22	FY21	FY20
Net Revenue from Operations	**759.9**	**631.0**	**513.1**	**465.9**	**427.6**	**328.9**
COGS	471.9	396.2	325.4	302.8	274.4	211.6
Gross Profit	**288.0**	**234.8**	**187.6**	**163.1**	**153.2**	**117.3**
Gross Margin (%)	***37.9%***	***37.2%***	***36.6%***	***35.0%***	***35.8%***	***35.7%***
Employee Expenses	122.9	87.5	70.3	63.4	58.3	43.6
Other Expenses	71.0	69.2	57.1	47.3	40.4	39.7
EBITDA	**94.1**	**78.2**	**60.2**	**52.4**	**54.5**	**34.0**
EBITDA Margin (%)	***12.4%***	***12.4%***	***11.7%***	***11.3%***	***12.7%***	***10.3%***
Other Income	18.0	13.5	10.0	6.7	3.1	2.5
Finance Costs	4.4	1.1	0.8	1.4	1.3	2.5
Depreciation	28.0*	13.4	12.4	12.1	13.0	9.3
PBT before exceptional items	**79.8***	**77.1**	**57.0**	**45.6**	**43.4**	**24.7**
Taxes	18.8	19.0	14.4	7.5	6.2	8.5
Reported PAT	**61.0***	**58.2**	**42.6**	**38.1**	**15.6**	**16.2**
Exceptional (Loss)/Gain	0.0	0.0	0.0	0.0	(21.6)	0.0
Tax benefit due to merger with Windlas Healthcare	0.0	0.0	0.0	0.0	8.3	0.0
Adjusted PAT	**61.0**	**58.2**	**42.6**	**38.1**	**28.8**	**16.2**
Adjusted PAT Margin (%)	**8.0%**	**9.2%**	**8.3%**	**8.2%**	**6.7%**	**4.9%**
Adjusted Earnings Per Share (EPS)	29.19	27.97	19.70	18.58	15.99	8.90

* PBT and PAT include incremental depreciation majorly attributable to Injectable facility

18 % Revenue CAGR

200 bps EBITDA margin expansion

300bps PAT margin expansion

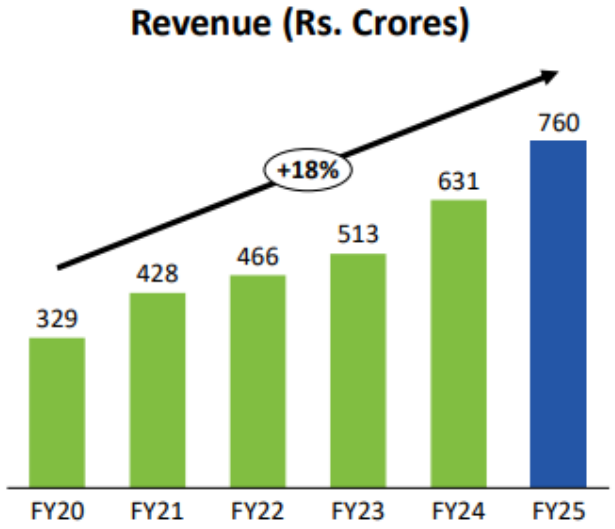
Source – Company IR deck

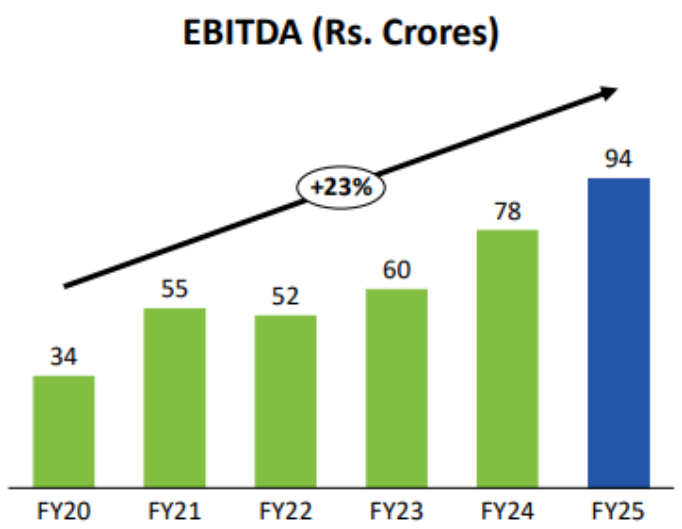
Revenue **growth is broad-based** across all segments, led by **strong momentum in Trade Generics** and sustained expansion in CDMO

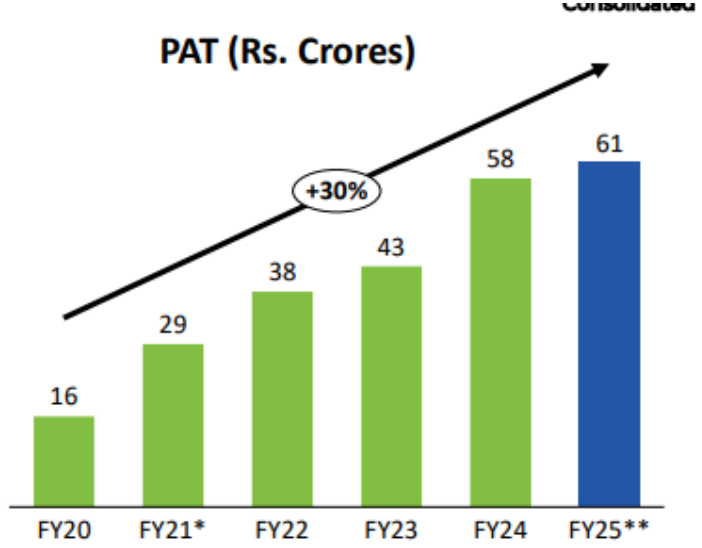
Revenue Stream	FY 2021–22	FY 2022–23	FY 2023–24	FY 2024–25	Revenue CAGR
Generic CDMO formulations	384.2	402.8	481.2	555.1	13%
Growth Rate		*5%*	*19%*	*15%*	
Domestic Trade Generics	60.8	90.5	122.4	172.1	41%
Growth Rate		*49%*	*35%*	*41%*	
Exports	21	20	27.4	32.6	16%
Growth Rate		*-5%*	*37%*	*19%*	
Total Operating Revenue	**466**	**513.3**	**631**	**759.8**	**18%**

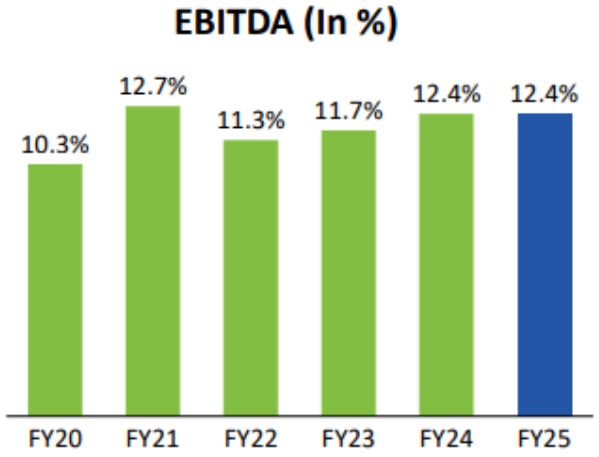
Source – Company IR deck

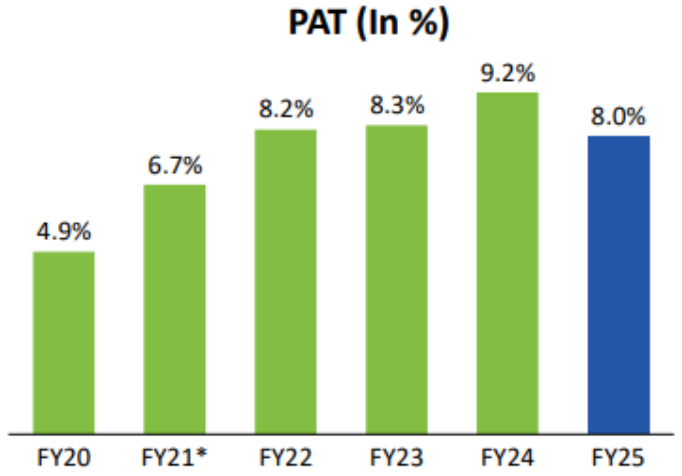
Windlas has demonstrated **sustained compounding across topline and bottom-line with stable margin profile**

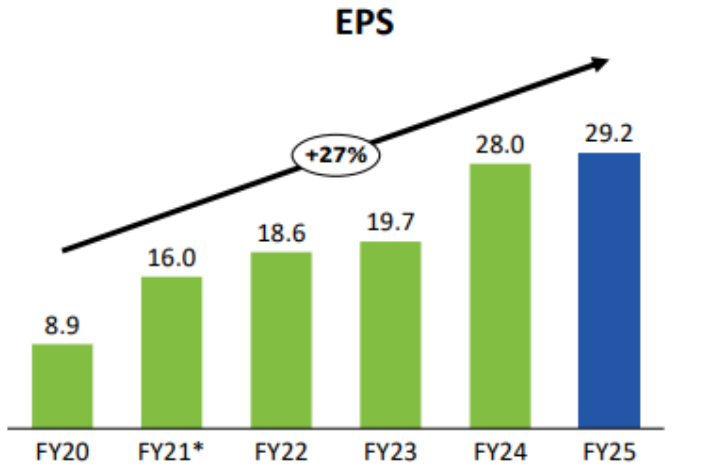






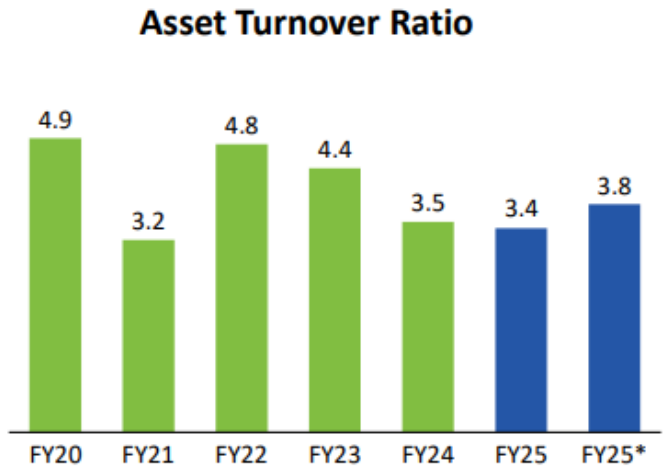


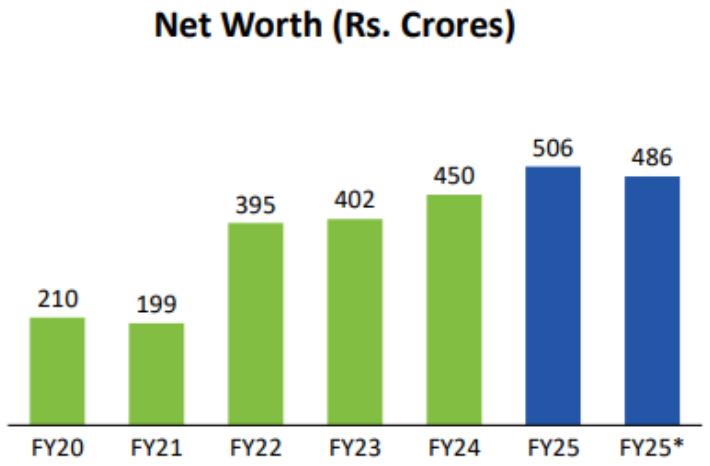


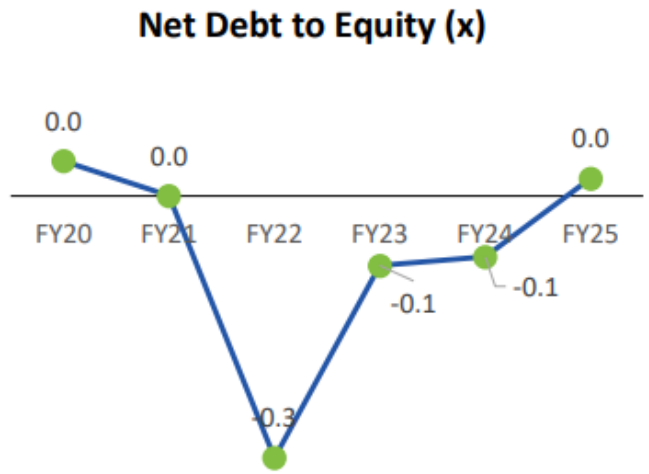


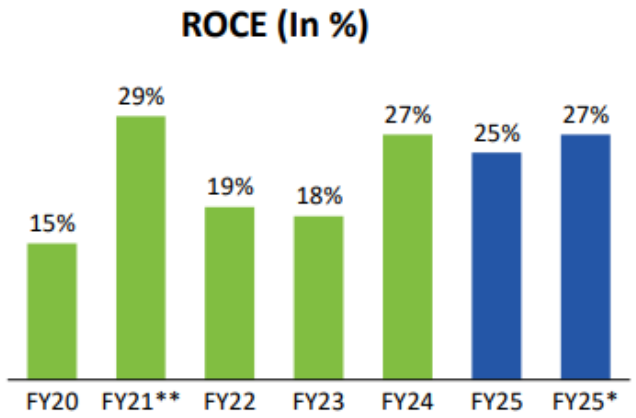
Source – Company IR deck

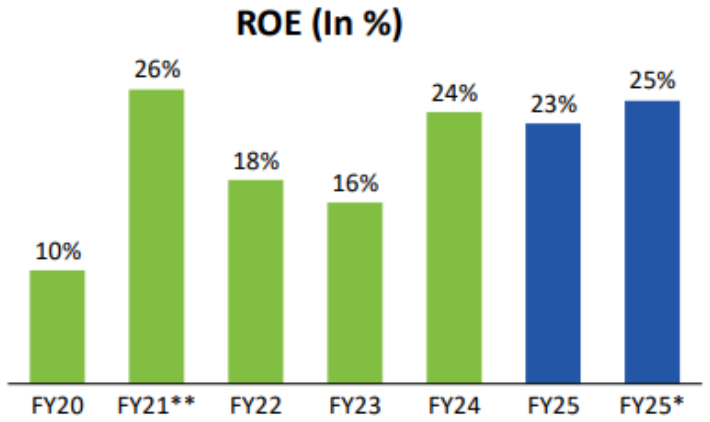
This growth has been achieved with **strong capital efficiency and a debt-free balance sheet**

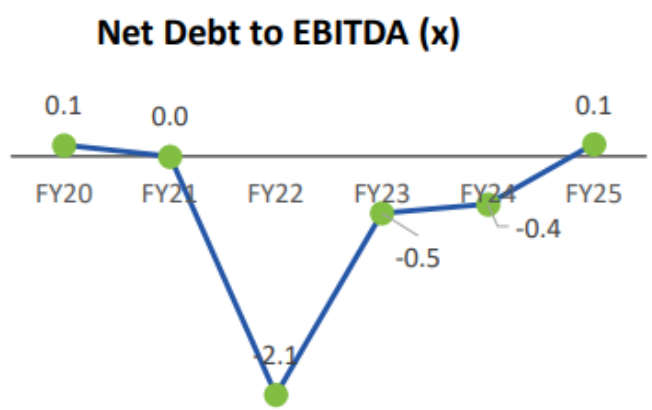












Note:

****Adjusted for exceptional items in FY21 (Negative Impact of Rs. 22 Crs)

1. *All ratios calculated considering capex for Injectables (Plant-5), Plant-2 extension and Plant-6 (upcoming). For FY25 two bars have been shown, one considering complete capex and second *excluding CWIP of Plant-6.*
2. *For ROCE & ROE, Capital Employed & Equity at the end of period after removing cash/bank & mutual fund balances at the end of period*

Source – Company IR deck

WHY WINDLAS BIOTECH

Management Quality – A management focused on culture of compliance and cash flow consciousness with intent of sharing it with shareholders and employees

- **Culture of compliance and governance** – Regular emphasis on compliance as a strategic differentiator; focus on Schedule M compliance and GMP compliance - Surprise audits by regulators are ongoing across Uttarakhand and Baddi regions; many smaller CMOs faced closure, but Windlas remained unaffected
- The team follows **a cash-flow-first philosophy**, avoiding over-leveraging and unnecessary capex. Expansion has been modular in terms in one step/ one region at a time, even as injectables and new facilities were developed
- In multiple calls, Hitesh Windlass and Komal Gupta **explicitly refuse to give earnings or utilization guidance**, urging investors to assess performance over longer horizons rather than short-term metrics
- The promoter family's **continuing stake and operational involvement**, combined with a professional management layer and **ESOPs**, ensures both skin in the game and institutional accountability (Recently they have announced ESOP Plan 2025 of 5,70,500 shares with 4 years timeline)
- **Clear dividend policy** – Being still very early in growth stage and ~ 2000 cr Mcap , company has communicated a 20% Dividend Payout Ratio
- Nov 2022 – The company did a very small buyback of 25 cr in May 2023 – **Intent of sharing cash with shareholders**

Growth Opportunity - Presence of growth tailwinds in trade generics alongside growth optionality in injectables and export opportunities

- **Trade Generics**
  - The fastest-growing vertical (+44% YoY in FY25) driven by government healthcare schemes (Jan Aushadhi, Ayushman Bharat) and deeper penetration into Tier-2/3 markets
  - Management calls this a “blue-ocean” opportunity: large, under-penetrated, fragmented market where **Windlas’s compliant manufacturing and wide SKU base can create an advantage**
  - This is more of a **FMCG type distribution led play where cash conversion cycle is very important**. Windlas **cash conversion cycle focus** in this segment is worth noticing

- **Injectables**
  - Moving up the pharma value chain. Windlas has commissioned a WHO-GMP–compliant sterile injectables facility, marking its **entry into a high-barrier, high-margin dosage form segment**.
  - Injectables offer sticky customer relationships, as large pharma clients validate facilities before long-term supply tie-ups.
  - This vertical transforms Windlas from a pure oral CMO into a multi-dosage-form partner

- **Exports**
  - Still a small base (~ 4% revenue) but growing rapidly (+45% YoY in Q1 FY26) with presence across Asia and Africa
  - The company is continuously filing new dossiers and renewals to **expand its portfolio in semi-regulated markets** (Vietnam, Myanmar, Sri Lanka, Thailand, Philippines, Cambodia, Fiji, Trinidad & Tobago, and South Africa)
  - Through regulatory expansion, new plant investments, dossier filings, and GMP compliance, Windlas is positioning itself for a multi-year export scale-up — **transitioning from a small India-centric player to a credible semi-regulated market supplier**

Cash flow generation – Windlas has exhibited good track record of cash flow generation supported by a strong cash conversion cycle compared to its peers

Consolidated Cash Flow

windlas

Consolidated

Particulars (Rs. Crores)	FY25	FY24	FY23	FY22	FY21	FY20
Net Profit before Tax and Extraordinary items	**79.8**	**77.1**	**57.0**	**45.6**	**21.7**	**24.7**
Adjustments for: Non Cash Items / Other Investment or Financial Items	18.4	6.6	7.3	10.0	36.3	17.3
Operating profit before working capital changes	**98.2**	**83.7**	**64.4**	**55.6**	**58.0**	**42.0**
Changes in working capital	-9.1	44.0	6.3	-37.6	40.0	3.6
Cash generated from Operations	**89.1**	**127.6**	**70.7**	**18.0**	**18.0**	**38.4**
Direct taxes paid (net of refund)	-20.9	-18.6	-9.7	8.9	6.5	13.4
Net Cash from Operating Activities	**68.2**	**109.0**	**61.0**	**9.1**	**11.5**	**25.0**
Net Cash from Investing Activities	**-74.1**	**-92.1**	**-14.1**	**-154.6**	**-20.2**	**-14.3**
Net Cash from Financing Activities	**1.0**	**-15.3**	**-43.7**	**130.1**	**0.8**	**-5.4**
Net Decrease/Increase in Cash and Cash equivalents	-4.9	1.6	3.1	-15.4	-8.0	5.2
Add: Cash & Cash equivalents at the beginning of the period	5.3	3.7	0.6	15.9	23.9	12.9
Cash & Cash equivalents at the end of the period	**0.4**	**5.3**	**3.7**	**0.6**	**15.9**	**18.1**

Consistent **conversion of profits into operating cash flows** ; This trend will continue with scale of trade generics

Company is operating at a **cash conversion cycle of ~14-15 days** (currently best in class amongst close peers – Akums &Innova Captab – 75-100 days)

Source – Company IR deck

Intent and Vision to endure short term pain – Windlas has consciously endured a phase of operating deleverage —to build its injectables capability.

Consolidated Figures in Rs. Crores / View Standalone

	Jun 2022	Sep 2022	Dec 2022	Mar 2023	Jun 2023	Sep 2023	Dec 2023	Mar 2024	Jun 2024	Sep 2024	Dec 2024	Mar 2025	Jun 2025
Sales +	120	133	120	141	145	153	162	171	175	187	195	203	210
Expenses -	**106**	**117**	**106**	**124**	**128**	**134**	**142**	**149**	**154**	**164**	**170**	**177**	**184**
Material Cost %	64%	64%	63%	63%	63%	63%	63%	63%	62%	62%	62%	62%	62%
Employee Cost %	14%	13%	15%	13%	14%	14%	14%	13%	16%	17%	16%	16%	15%
Operating Profit	**14**	**16**	**14**	**16**	**17**	**19**	**20**	**22**	**21**	**23**	**25**	**26**	**27**
OPM %	12%	12%	12%	12%	12%	12%	13%	13%	12%	12%	13%	13%	13%
Other Income +	3	3	2	2	3	3	3	4	4	5	4	5	5
Interest	0	0	0	0	0	0	0	0	0	1	1	1	1
Depreciation	3	3	3	4	3	3	3	4	6	6	7	8	7
Profit before tax	**14**	**16**	**13**	**15**	**16**	**18**	**20**	**23**	**18**	**20**	**20**	**21**	**23**

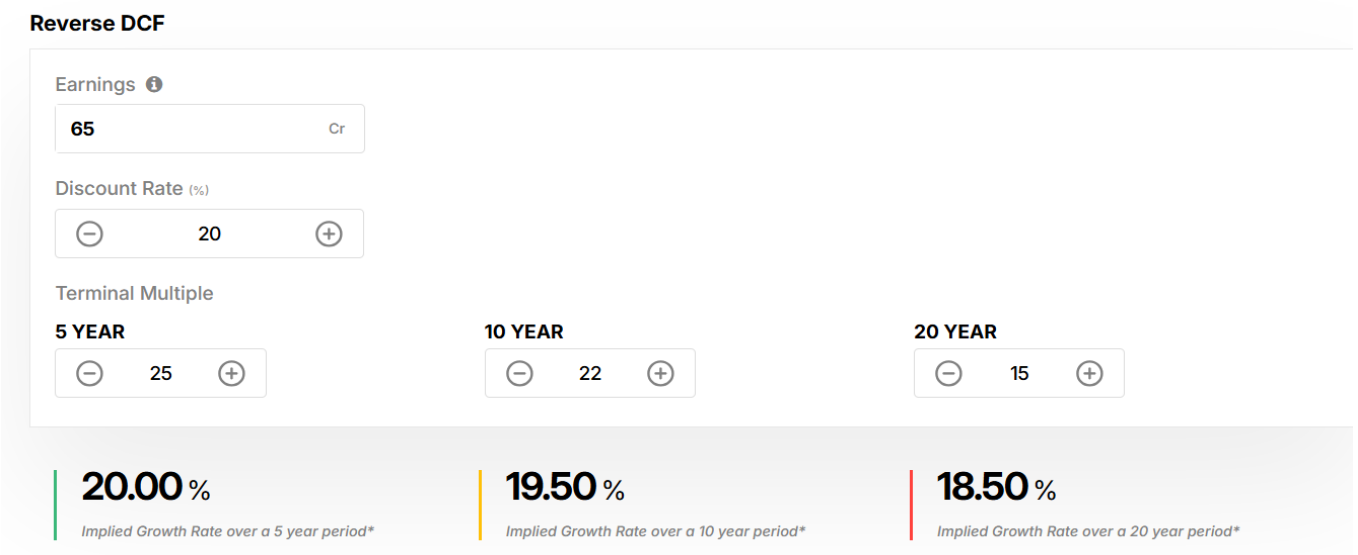
- This is a conscious effort to undergo short term pain to build a high-return / high margin vertical of injectables and build business development capacity for exports
- CEO Komal Gupta has confirmed in calls that injectables-related depreciation and wages were already fully expensed.

Source – Screener.com

Valuations* – Valuations seem fair with decent EV/ Sales ; Reverse DCF gives a comfort

Peer Valuation

Peers	MCAP	Net Debt	Enterprise Value (MCAP + Net Debt)	TTM Sales	EV/ Sales	ROIC (FY 25)	PE	Last 3 yr Sales CAGR	Dividend Yeild
Windlas	1958	-206	1752	795	2.20	25.00%	30.6	18%	0.62%
Akums	7249	-488	6761	4123	1.64	12.90%	22.0	4%	0.00%
Innova Captab	4608	269	4877	1300	3.75	13.60%	30.0	16%	0.00%



- Reverse DCF implies a PAT of 160 cr in 5 years and a sales of 1600 cr (~ 10% PAT Margins) ;
- If I assume a 5 year forward PE multiple of 30 ; implied growth rate in PAT is 16 %
- If the PE grows to 35 ; 5 year implied growth rate in PAT is 13%

**As on 26th Oct 2025 ; Reverse DCF calculator – tijorifinance.com*

Risks – Windlas's journey from a small-cap to mid cap is more prone to risks related to execution rather than structural risks

- **Execution delays** if it happens in injectables will extend the operating deleverage
- As the trade generics scale up especially in new territories , **business may experience bumps in cash conversion cycle in terms due to chances of increase in receivable days**
- **Customer concentration in CDMO segment** (top 10 CMO customers contribute to 34% of CMO segment revenue ; However, this was 57% in 2020, number of CMO customers have also scaled up from 143 to 757 from FY 20-25 ; Now no single client accounts for more than 10% of revenue)
- **Compliance risk** – Increased scrutiny post-Schedule M revisions could mean compliance-related capex and margin volatility
- **Exports still a very small percentage** of overall revenue; whether they will scale up still is a big question

Long Term Value Creation in Windlas would come from ***disciplined capital allocation*** *and ensuring that* ***management doesn't get into any misadventures especially wrong M&A's***

THANK YOU