TTK Healthcare
LIMITED

TTKH:SECL:GJ:176:19

August 09, 2019

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

SCRIP CODE: 507747

National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex
Bandra East
Mumbai 400 051

SCRIP CODE: TTKHLTCARE

Dear Sirs,

Re : Chairman's Speech

We are forwarding herewith a copy of the Speech delivered by our Chairman at the 61st Annual General Meeting of our Company held today at The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No.168 (Old No.306), TTK Road, Chennai 600 014.

We request you to kindly take the above document on record.

Thanking you

Yours faithfully
For TTK Healthcare Limited

Kalyanaraman

(S KALYANARAMAN)
Wholetime Director & Secretary

Encl. : a/a

Regd. Office : No. 6, Cathedral Road, Chennai - 600 086, INDIA
Phone : 91-44-28116106 - 08, Fax : 91-44-28116387
Email : info@ttkhealthcare.com Website : www.ttkhealthcare.com
CIN : L24231TN1958PLC003647

TTK HEALTHCARE LIMITED

Regd. Office: No.6, Cathedral Road, Chennai 600 086
CIN: L24231TN1958PLC003647 Website: www.ttkhealthcare.com

CHAIRMAN'S SPEECH

[61st ANNUAL GENERAL MEETING – 9th AUGUST, 2019]

Ladies and Gentlemen,

It gives me great pleasure to welcome you all to this 61st Annual General Meeting of your Company.

FINANCIAL YEAR 2018-19:

The Annual Report for the year has already been circulated. I would like to touch upon the salient features of the Company's performance during the year under review.

Financial Highlights:

- Revenue from Operations grew by around 9% from Rs.577.55 crores to Rs.627.88 crores.
- The Pre-tax Profit stood at Rs.39.26 crores, with a growth of 30%. (Previous year - Rs.30.15 crores).
- Earnings per Share (EPS) was Rs.17.25 as against the previous year's figure of Rs.12.86.
- Cash Balance stands at around Rs.110 crores.

BUSINESSWISE PERFORMANCE:

(1) PHARMACEUTICAL BUSINESS:

Ethical Products Division & Ventura Division:

The Pharma business registered a growth of around 9%. Both the existing brands and new introductions added a decent volume to the topline.

During the current year, your Company has bifurcated the Ventura Division into- (i) Ventura – Gynaec; and (ii) Ventura – Fertility, with an appropriate addition of manpower so as to ensure adequate market coverage / penetration. This initiative is aimed at further strengthening your Company's position in Gynaecology and Infertility Segments.

The strategy for the year 2019-20 for Pharma Business is to constantly work on improving the people productivity, to focus on existing brands that have good potential and also to launch a few new brands, to grow the business.

Animal Welfare Division (AWD):

The Animal Welfare Division reported an encouraging performance with a growth of around 23% over the previous year.

More importantly, the flagship OTO Brands (Orcal-P, Tefroli and Ossomin) too reported an impressive performance.

During the current year, your Company is also planning to launch a few aqua products under its new Division "Aquanim", on a test marketing basis.

The focus for the year 2019-20 would be to sustain the current momentum and to achieve a healthy growth in all sub-divisions of AWD.

(2) CONSUMER PRODUCTS BUSINESS:

The performance of Woodward's Gripewater (WGW) has been satisfactory with a growth of around 3%. Your Company has recently started engaging the New Age Digital Mothers through online initiatives and this is helping your Company to convey the product benefits and usage, alongside building the advocacy for the brand. The strategy for the year 2019-20 would be to focus on consumption increase and also generating trials for the product.

The EVA Base Deo reversed the negative trend and moved into the positive zone. EVA Deo had recently undergone an extensive packaging design revamping and the Brand has been re-launched across the country. Similarly, the packaging of EVA Talc is also being revamped and the new packs would be launched during the year. Extensive investments are being made in new commercials and advertising / sales promotional initiatives for growing the brand.

The Skore brand reported a decent growth in volumes. Despite facing huge competitive pressure, Skore has maintained its position as No.2 brand. The strategy for the year 2019-20 would be to increase its reach amongst its consumers through distribution expansion and increasing brand awareness. This year would also witness Skore's foray into Sexual Wellness Portfolio with the launch of a few pleasure products and accessories.

Good Home as a brand reported a healthy growth. The focus for the year 2019-20 would be to launch a few more differentiated products under the range and also to focus on distribution expansion to build the requisite franchise for the brand.

(3) MEDICAL DEVICES BUSINESS:

Heart Valve Division:

The performance of Heart Valve Division has been quite satisfactory with a growth of around 20%. The improved performance was partly aided by the demand generated for Heart Valves under the recently launched Medical Insurance Scheme by the Government of India.

Your Company is also actively working on increasing its presence in the Bi-Leaflet and Tissue Valve Segments, both of which are showing good acceptance amongst the Surgeons.

The Single Centric Clinical Trials for the improved Heart Valves would commence after receipt of necessary regulatory clearances.

The focus for the year 2019-20 would be to grow the volumes of existing Heart Valve and to gain further volumes through Bi-Leaflet / Tissue Valves.

Ortho Division:

The Ortho Division reported a healthy growth of over 40%.

The sales and distribution footprint has now been expanded to North, West and East India in line with the growth objectives.

The development and testing of Cementless Hip Implant has been completed and the product would be launched during the current year. Development of Fixed Bearing Knee is underway.

Your Company has successfully migrated to ISO 13485:2016 version.

The strategy for 2019-20 would be to continue expansion into new geographies, grow revenues from new products such as Hip range and Knee portfolio extensions and explore export opportunities.

Protective Devices Division:

The performance of Protective Devices Division has been satisfactory.

Your Company has successfully retained the various quality certifications such as ISO, CE Mark, SABS Certification, etc., after going through the audits conducted by the respective Certifying Agencies.

Your Company's Research & Development Centre is in the process of developing various value added, innovative and differentiated products, a few of those will be launched during 2019-20.

The focus for 2019-20 would be to grow the branded Condom business through differentiated and innovative Condom variants and other allied products; to develop and strengthen relationships with 3^{rd} party contract manufacturing customers for increasing the volumes; and to work on cost optimization to be more competitive in the domestic and international tender business.

(4) FOODS BUSINESS:

The Foods Division reported a growth of around 11%. While there is improvement in volumes, the margins were under pressure due to increase in input costs of major raw materials like Maida, Starch, etc., and also intense competition.

Your Company is, therefore, working on differentiation through innovative products and export and institutional business initiatives apart from focusing on mid-sized fryers.

Your Company is test marketing retail packs in some of the towns in South India. Based on the market response, your Company would further expand into more number of towns.

Your Company's R&D Centre at Hosakote has developed a few new products which have been launched in the market, with good acceptance.

Your Company has recently obtained USFDA registration for its manufacturing facility at Jaipur.

The strategy for the year 2019-20 would be to increase the capacity utilization at Jaipur facility through enhanced focus on domestic / institutional and export businesses and also to work on developing and launching innovative and differentiated products to improve volumes / margins.

DIVIDEND:

Your Directors recommend maintaining the dividend of Rs.5.00 per share (i.e.) 50%.

FINANCIAL YEAR 2019–20:

Considering the various initiatives outlined under the individual business segments, the overall outlook for the year 2019-20 looks positive and the details of the performance during the First Quarter, would be shared after the Board Meeting later in the day.

ACKNOWLEDGEMENT:

I acknowledge the valuable contributions of Banks, Business Associates, Shareholders and Employees at all levels who have supported the Company in all its endeavours.

Thank you.