

## Pharmaceutical

### HINOON: Management Call Takeaways

- Highnoon Laboratories Limited (HINOON) held a corporate briefing session to discuss the CY24 financial results and provide key insights on the future outlook for the Company.
- HINOON posted revenues of Rs23 billion for CY24, marking a 19% increase compared to the previous year. This growth was largely fueled by a rise in sales volume along with product price hikes. Additionally, the company's gross margin improved by 3%y/y, reaching 51% for the period.
- The company introduced 17 new medicines, with about 65% of them targeting chronic conditions.

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#### Key highlights from Corporate Briefing

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- The company's product portfolio is currently split between 53% acute and 47% chronic therapies. In terms of therapeutic categories, anti-infectives make up the largest share at 25%, followed by cardiovascular and blood treatments at 23%, alimentary products at 22%, respiratory at 17%, diabetes at 7%, musculoskeletal at 3%, and other categories also at 3%. Looking ahead, the company plans to strengthen its presence in the acute segment.
- Over the past three years, the company recorded a CAGR of 7.3% in volumes, significantly ahead of the industry average of 2.9% for the same period. Management expects revenue growth in CY25 to follow a similar trajectory as last year. Notably, the company's top ten brands account for more than half of its total gross revenue.

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- Management emphasized that the company is steadily building on its strong position in the chronic care segment, where it holds leadership in cardiology, diabetes, and respiratory therapies. At the same time, the company is aiming to expand its presence in the primary care space, focusing on acute treatments.
- The company also plans to expand its presence in the export market, which currently accounts for 7% of total revenue, with a target of reaching 10% by CY25.
- In addition, the recent reduction in customs duties on APIs is likely to benefit the pharmaceutical sector by cutting production costs and boosting profit margins.

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