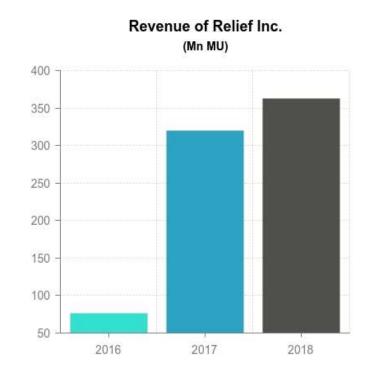




Relief: Overcoming drug addiction

2.5 years since the launch of AAA, Relief Inc. has achieved remarkable results

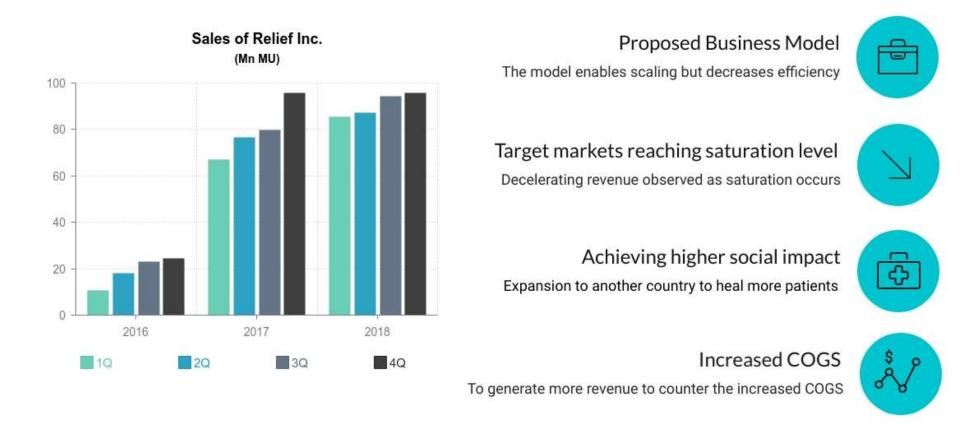


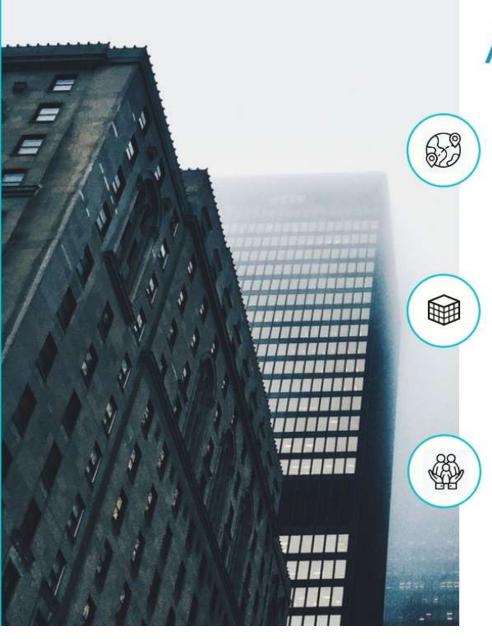




Reasons for Expanison

Relief Inc now faces challenges which pose a threat to its business model





AGENDA

Selection of an ideal country for expansion

On the basis of net profit, maximum social impact and estimated PnLs

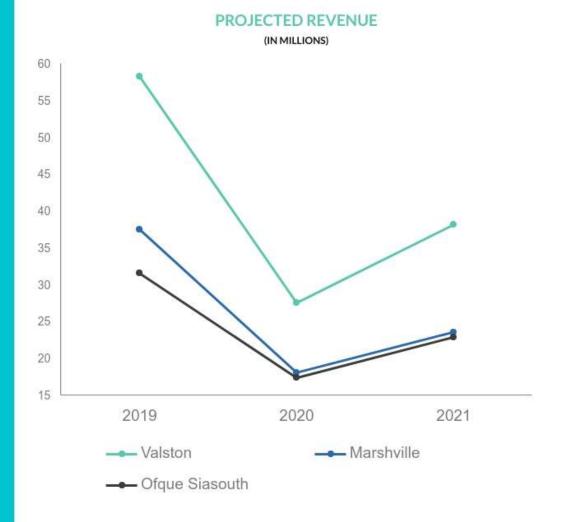
Building a Expansion Strategy

Emphasizing on maximizing sales and increasing trust among locals

Proposal of timeline for increasing social impact

Optimizing the distribution of time and resources for our purposes

PROJECTED REVENUE





Drop-in Revenue

A drop in revenue in the year 2020. is observed for all the expansion options. This is due to market exhaustion as explained in the next slide



Valston Shines

Valston outperforms other countries in terms of revenue generated in the first year of expansion owing to its large consumer base.

46%

Revenue exceeds Ofque Siasouth by



INCREASE IN MARKET TAKE-UP



2018

2017

2016

9%

6%

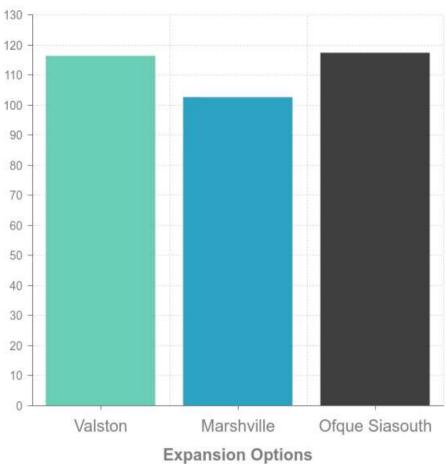
18%

We look forward to increase our growth, but at the same time we are exhausting our market. Thus Relief Inc. needs to constantly look for new markets to expand to.

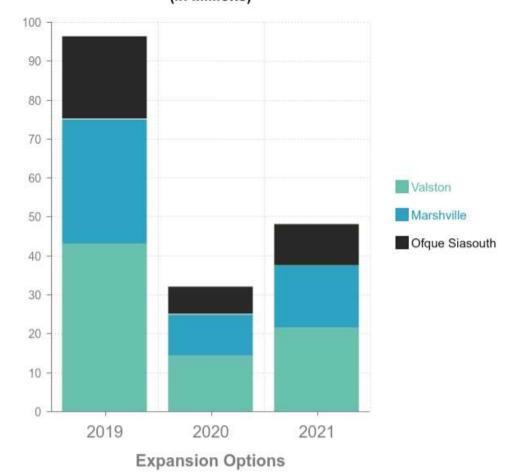
As more and more consumers get cured each year, The potential customer base gets depleted in the next year Initially, there is a shoot in market take-up as the company launches its product in a given country.

This explains the initial dip in the company's projected revenue in the year 2020

Cummaltive Profit (In Millions)



No. of Potential Customers (In Millions)







Valston

Profit and Loss Statement

P&L Country : Valston	UNITS	2019			2020			2021		
		Current Market	Valston	Total	Current Market	Valston	Total	Current Market	Valston	Total
Medications sold	pcs.	28,271,150	4,323,513	32,594,663	28,271,150	1,441,171	29,712,321	28,271,150	2,161,756	30,432,906
incl. Frankfurt facilities	pes.	14,000,000	2,000,000	16,000,000	14,000,000	1,441,171	15,441,171	14,000,000	2,000,000	16,000,000
incl. Hanoi facilities	pcs.	14,271,150	2,323,513	16,594,663	14,271,150		14,271,150	14,271,150	161,756	14,432,906
Revenue	MU	362,846,237	58,191,568	421,037,805	391,873,936	27,490,429	419,364,365	423,223,851	38,091,190	461,315,041
COGS	MU	235,129,200	35,073,222	270,202,422	253,939,536	12,829,253	266,768,789	274,254,699	20,737,625	294,992,324
incl. Frankfurt facilities	MU	120,960,000	16,485,120	137,445,120	130,636,800	12,829,253	143,466,053	141,087,744	19,228,244	160,315,988
incl. Hanoi facilities	MU	114,169,200	18,588,102	132,757,302	123,302,736	•	123,302,736	133,166,955	1,509,381	134,676,336
Other expenses	MU	89,142,300	17,299,190	106,441,490	93,777,684	11,912,134	105,689,818	98,783,899	13,544,447	112,328,345
Shipping	MU	57,942,300	7,899,190	65,841,490	62,577,684	2,512,134	65,089,818	67,583,899	4,144,447	71,728,345
Fixed	MU	19,000,000	5,500,000	24,500,000	19,000,000	5,500,000	24,500,000	19,000,000	5,500,000	24,500,000
R&D costs	MU	12,200,000	3,900,000	16,100,000	12,200,000	3,900,000	16,100,000	12,200,000	3,900,000	16,100,000
EBITDA	MU	38,574,737	5,819,157	44,393,894	44,156,716	2,749,043	46,905,759	50,185,253	3,809,119	53,994,372
Interest payments	MU	-	-	-	-	.)			1.	-
EBT	MU	38,574,737	5,819,157	44,393,894	44,156,716	2,749,043	46,905,759	50,185,253	3,809,119	53,994,372
Income taxes	MU	7,714,947	1,163,831.37	8,878,778	8,831,343	549,808.59	9,381,152	10,037,051	761,823.81	10,798,874
Net profit	MU	30,859,790	4,655,325	35,515,115	35,325,373	2,199,234	37,524,607	40,148,203	3,047,295	43,195,498
Total Profit over the period										116,235,220

Marshville

Total Profit over the period

Profit and Loss Statement

P&L Country : Marshville	UNITS	2019			2020			2021		
		Current Market	Marshville	Total	Current Market	Marshville	Total	Current Market	Marshville	Total
Medications sold	pcs.	28,271,150	3,201,246	31,472,396	28,271,150	1,067,082	29,338,232	28,271,150	1,600,623	29,871,773
incl. Frankfurt facilities	pcs.	14,000,000	2,000,000	16,000,000	14,000,000	1,067,082	15,067,082	14,000,000	1,600,623	15,600,623
incl. Hanoi facilities	pcs.	14,271,150	1,201,246	15,472,396	14,271,150	: ₩0	14,271,150	14,271,150	8₩6	14,271,150
Revenue	MU	362,846,237	37,458,121	400,304,358	370,103,162	18,027,238	388,130,399	377,505,225	23,533,881	401,039,106
COGS	MU	235,129,200	26,095,084	261,224,284	239,831,784	8,980,191	248,811,975	244,628,420	13,753,163	258,381,583
incl. Frankfurt facilities	MU	120,960,000	16,485,120	137,445,120	123,379,200	8,980,191	132,359,391	125,846,784	13,753,163	139,599,947
incl. Hanoi facilities	MU	114,169,200	9,609,964	123,779,164	116,452,584	5 = 8	116,452,584	118,781,636	Y = 0	118,781,636
Other expenses	MU	89,142,300	7,617,224	96,759,524	90,301,146	7,244,323	97,545,469	91,483,169	7,427,330	98,910,499
Shipping	MU	57,942,300	717,224	58,659,524	59,101,146	344,323	59,445,469	60,283,169	527,330	60,810,499
Fixed	MU	19,000,000	3,700,000	22,700,000	19,000,000	3,700,000	22,700,000	19,000,000	3,700,000	22,700,000
R&D costs	MU	12,200,000	3,200,000	15,400,000	12,200,000	3,200,000	15,400,000	12,200,000	3,200,000	15,400,000
EBITDA	MU	38,574,737	3,745,812	42,320,549	39,970,232	1,802,724	41,772,956	41,393,636	2,353,388	43,747,025
Interest payments	MU	-	-	-	-) - :	S=3		
EBT	MU	38,574,737	3,745,812	42,320,549	39,970,232	1,802,724	41,772,956	41,393,636	2,353,388	43,747,025
Income taxes	MU	7,714,947	561,871.81	8,276,819	7,994,046	270,408.57	8,264,455	8,278,727	353,008.22	8,631,735
Net profit	MU	30,859,790	3,183,940	34,043,730	31,976,185	1,532,315	33,508,501	33,114,909	2,000,380	35,115,289

102,667,520

Ofque Siasouth

Profit and Loss Statement

Total Profit over the period

P&L Country : Siasouth	UNITS	2019			2020			2021		
		Current Market	Siasouth	Total	Current Market	Siasouth	Total	Current Market	Siasouth	Total
Medications sold	pcs.	28,271,150	2,113,079	30,384,229	28,271,150	704,360	28,975,510	28,271,150	1,056,540	29,327,690
incl. Frankfurt facilities	pes.	14,000,000	2,000,000	16,000,000	14,000,000	704,360	14,704,360	14,000,000	1,056,540	15,056,540
incl. Hanoi facilities	pes.	14,271,150	113,079	14,384,229	14,271,150	-	14,271,150	14,271,150	-	14,271,150
Revenue	MU	362,846,237	31,511,088	394,357,325	402,759,323	17,310,570	420,069,893	447,062,849	22,837,100	469,899,948
COGS	MU	235,129,200	17,389,755	252,518,955	260,993,412	6,444,358	267,437,770	289,702,687	10,729,856	300,432,543
incl. Frankfurt facilities	MU	120,960,000	16,485,120	137,445,120	134,265,600	6,444,358	140,709,958	149,034,816	10,729,856	159,764,672
incl. Hanoi facilities	MU	114,169,200	904,635	115,073,835	126,727,812	-	126,727,812	140,667,871	-	140,667,871
Other expenses	MU	89,142,300	10,970,224	100,112,524	95,515,953	9,135,155	104,651,108	102,590,708	9,823,534	112,414,241
Shipping	MU	57,942,300	2,870,224	60,812,524	64,315,953	1,035,155	65,351,108	71,390,708	1,723,534	73,114,241
Fixed	MU	19,000,000	4,100,000	23,100,000	19,000,000	4,100,000	23,100,000	19,000,000	4,100,000	23,100,000
R&D costs	MU	12,200,000	4,000,000	16,200,000	12,200,000	4,000,000	16,200,000	12,200,000	4,000,000	16,200,000
EBITDA	MU	38,574,737	3,151,109	41,725,846	46,249,958	1,731,057	47,981,015	54,769,453	2,283,710	57,053,163
Interest payments	MU	-	1341	180		*	=	-		35=
EBT	MU	38,574,737	3,151,109	41,725,846	46,249,958	1,731,057	47,981,015	54,769,453	2,283,710	57,053,163
Income taxes	MU	7,714,947	567,199.58	8,282,147	9,249,992	311,590.27	9,561,582	10,953,891	411,067.79	11,364,958
Net profit	MU	30,859,790	2,583,909	33,443,699	36,999,966	1,419,467	38,419,433	43,815,563	1,872,642	45,688,205

117,551,337

WHY VALSTON?



Profits

The profit margin of Valston is second only to Siasouth and behind by

1.13%



Consumer Base

The consumer base of Valston is the highest and exceeds Siasouth by

51.12%

How to Build Trust?



Replacing bad reputed Local Distributors

Conduct surveys of Pharmacies and introduce a grading system to eliminate bad local distributors



Introducing Shippers

Cutting down the local distributors by partnering with shipping companies who deliver our product directly to the pharmacies, thus increasing trust



Government Tie-Ups

Sell product to the government to be distributed in government medicine shops at a subsidized rate



Social initiatives

Goodwill branding by investing in social projects like rehabilitation centers, child education, tree plantation drives, and other similar campaigns.



DISTRIBUTOR GRADING SYSTEM

Low performing local distributors (having low DG) will be replaced either by new local distributors or by paid shippers.



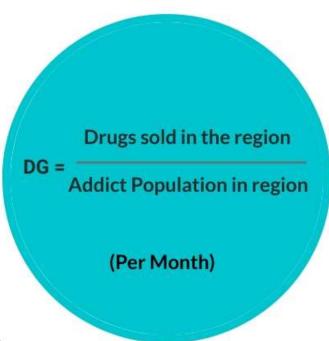
What is DG?

DG stands for Distributors' Grade that quantifies the distributor's efficiency



Role of Region

Each distributor supplies to pharmacies in a particular region. So we know the number of potential drug addicts that can be consumers in that region.





Using DG values, we can rank all our distributors, and then replace them one by one with new Distributors.



Why DG?

As the sales increase in a region the DG value increases but to compare different distributors, we need drugs sold per number of potential customers per month.



Direct Shippers instead of low DG Distributor.

Getting back the Trust

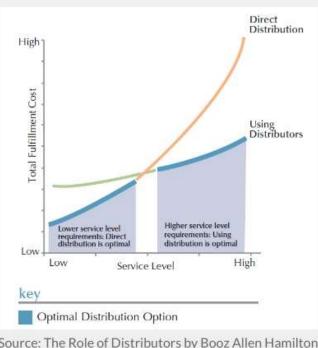
1/4th of drug-addicted people who had trust issues and were once potential customers will be gained as a customer base.

Better control over the market

Direct Distribution helps to monitor the goods that are being sold to the customers.

More Economical

By removing bad local distributors we fall in the low service level and low fulfillment level where usually direct distribution is much more profitable and efficient.



Source: The Role of Distributors by Booz Allen Hamilton



Govt. Tie-ups and Social Reforms

01

Mining the Population

Valston is an Agro based country with maximum population in agriculture and addicted to Opium

Targeted customer base through government subsidies

Strata D & E



02

Creating a sense of connection

Drug addiction treatment is a sensitive issue and the customer base can only increase by having an emotional connection which can be achieved by social reforms

04

Subsidised Medical Rates

As the majority of the population who are drug addicts are in strata D & E where many cannot afford AAA, Relief can tie up with Govt and provide medicines which in return can increase the customer base multiple folds

03

Creating awareness

In Valston govt have setup info.
centers and drug treatment centers
but due to poor leadership did not
work out, hence Relief.co can tie up
and provide various facilities

21.2 Mn

Maximum expected increase in customer base



For increasing social impact

Seal contract with government subsidized sales of AAA by the end of 2021

Warn local distributors with low sub-par DG value.

Investment in Goodwill branding by social campaigns against drug abuse



2019

Collect local distributors'

sales data to calculate

DG values

2020

。 。 。

> Begin two-year plan of elimination of sun-par distributors and

replacement with shippers

Extensive campaigning in Northern provinces.



2021

Launching AAA in government medical stores and rehabilitation centers.



2022 Onwards

Replacing shippers by new local distributors and enforcing DG norms strictly.

Survey pharmacies to segregate bad reputed distributors by the end of 2019

Budget Allocation and its Financial Feasibility

BUDGET: 100K MU



Social Campaigning

- Flash Mobs to target densely populated areas of Northern provinces
- Anti Drug abuse Awareness drives and information campaigns for adolescents





NECC-Team_Invictus.pdf **Shippers**

- According to a study by Booz Allen Hamilton, full replacement of distributors would take 11.6 % of company's total revenue. However, we plan a partial replacement of 10% which is 1.16% of total revenue.
- Note that this a temporary cost only for 2 years till shippers are further replaced by new local distributors.



Mass Media Marketing

- Radios to reach the agricultural-based population at the root level.
- Social media ads to target the youth of the nation



Note: Implementing DG System and conducting surveys would not incur significant capital

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Department of Computer
Science and Engineering



Inakshi Kar

Department of Metallurgical and Materials Engineering



Ishan Das

Department of Industrial and
System Engineering

Thank You!

It has been a great learning experience.