

# Alembic Pharmaceuticals Limited

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Investor presentation – December 2022

BSE & NSE: APLLTD

1907	Established by Amin family
2006	FDA approves API facility
2007	Acquired Dabur's Indian Cardiology, GI and Gynaecology brands
2008	FDA approves Formulation facility
2009	Multiple divisions to address chronic therapies launched
2010	Pharmaceuticals business demerged from Alembic – APL listed
2012	Formed a JV, Rhizen, for NCE research
2013	Launched first NDA with a partner Commenced filing in EU, Australia and Brazil
2015	Launched Aripiprazole on day-1. Established US front-end: transition to direct marketing
2016	Formed a JV, Aleor, for dermatology portfolio
2018	FDA approves Aleor's dermatology facility Highest ever investment commitment across four new manufacturing facilities
2019	Azithral crossed Rs. 250 Cr sales Mark as per ORG IMS, MAT December 2019
2022	Azithral Ranked 16th Highest selling brand in IPM with sales reflection of over RS. 447 Cr. as per ORG IMS, MAT December 2022 (Source – IQVIA) Aleor Dermacuticals Ltd. has merged with Alembic pharmaceuticals limited.

# Financial Highlights

							INR Bn
Particulars	Q3 FY23	Q3 FY22	Growth	YTD Dec'22	YTD Dec'21	Growth	FY22
Net Sales	15.09	12.72	19%	42.46	38.9	9%	53.06
EBIDTA Pre R&D	3.68	3.98	-8%	9.83	12.13	-19%	16.40
<i>Margin %</i>	<i>24%</i>	<i>31%</i>		<i>23%</i>	<i>31%</i>		<i>31%</i>
R&D	1.57	1.54	2%	5.86	4.89	20%	8.38
<i>R&amp;D %</i>	<i>10%</i>	<i>12%</i>		<i>14%</i>	<i>13%</i>		<i>16%</i>
EBIDTA Post R&D	2.36	2.61	-10%	4.76	7.71	-38%	9.30
<i>Margin %</i>	<i>16%</i>	<i>21%</i>		<i>11%</i>	<i>20%</i>		<i>18%</i>
Net Profit*	1.22	1.72	-29%	1.89	4.99	-62%	5.21
Capex	1.13	1.04		3.45	3.68		4.67
Debt-Equity (Net)				0.10	0.11		0.11

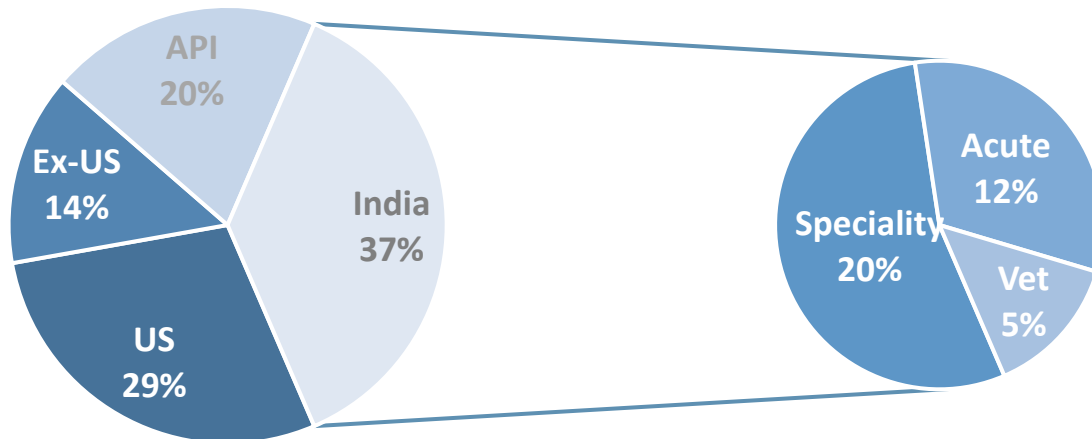
\*The consolidated result reflect a non-recurring expenses of Aleor's accelerated amortization of existing intangible assets. Excluding this one off, APL's consolidated profit before tax for YTD Dec'22 would have been higher by Rs. 144 crores and profit after tax would have been higher by Rs. 119 crores.

# Revenue snapshot – Q3 & YTD FY23

INR Bn

Business	Q2FY23	Q3FY23	Q3FY22	Y-o-Y	Q-o-Q	YTD Dec'22	YTD Dec'21	Y-O-Y
<b>Formulations</b>								
India	5.49	5.45	4.88	12%	-1%	15.73	14.78	6%
US	4.18	4.32	3.93	10%	3%	12.18	11.09	10%
Ex-US	2.15	2.06	1.93	7%	-4%	6.02	5.87	3%
<b>API</b>	2.94	3.26	1.98	65%	11%	8.53	7.16	19%
<b>Total Revenue</b>	<b>14.76</b>	<b>15.09</b>	<b>12.72</b>	<b>19%</b>	<b>2%</b>	<b>42.46</b>	<b>38.90</b>	<b>9%</b>

## Business Breakup – YTD Dec'22



## Key Highlights :

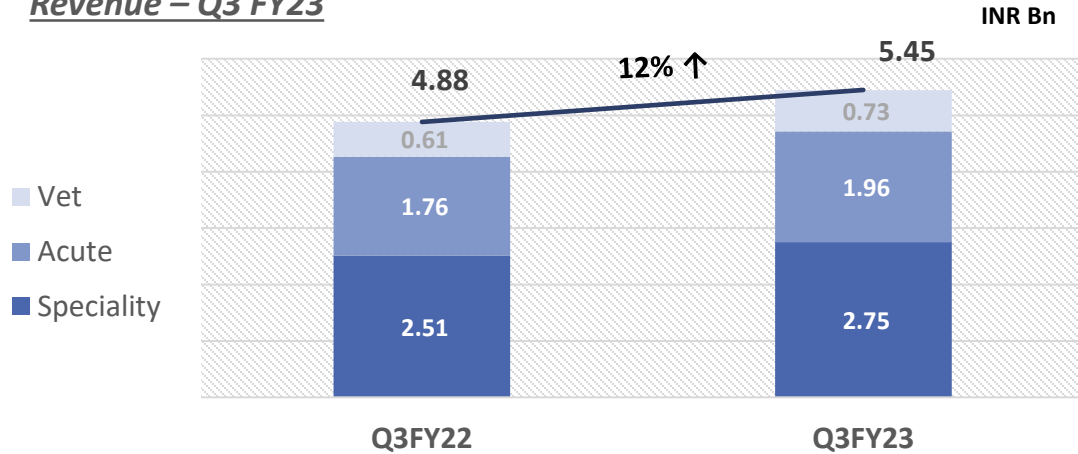
**India Branded Business** : India Branded Business recorded 12% growth with topline of Rs 545 crores for Q3 FY23, reflecting performance better than the industry. Acute segment grew by 12% compared to industry growth of 11%.

**US Generics** : Growth of 10% driven by Launches and scale up of new products coupled with favorable forex. Our market share gain in few products has continued for this quarter as well.

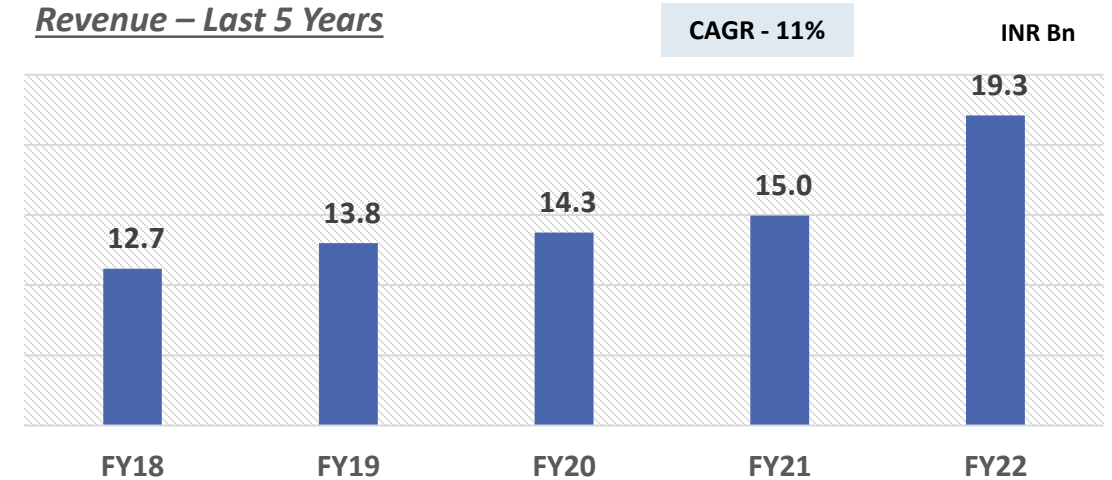
**Ex-US Generics** : Sustainable business with growth of 7% on YoY basis. Demand outlook remains strong. Product registrations as well as dossier extensions to new markets are on track to accelerate growth.

**API** : Strong momentum delivering growth of 65% on YoY basis, largely led by high off-take and better product mix in Q3. Anticipate good growth in API business through FY23 backed by strong orderbook.

## Revenue – Q3 FY23



## Revenue – Last 5 Years



## Marketing organization

- 4700+ MRs
- 18 Marketing divisions
- 15% Product portfolio in NLEM
- Prescribers around 2,23,000

## Manufacturing facility

- Sikkim

## Key achievements

- India Branded Business recorded 12% growth with topline of Rs 545 crores for Q3 FY 23, reflecting performance better than the the industry.
- Acute segment grew by 12% compared to industry growth of 11%.
- 3 Brands in top 300
- Market share is 1.5% of Indian Pharma space as per MAT Dec 22 (Source IQVIA)

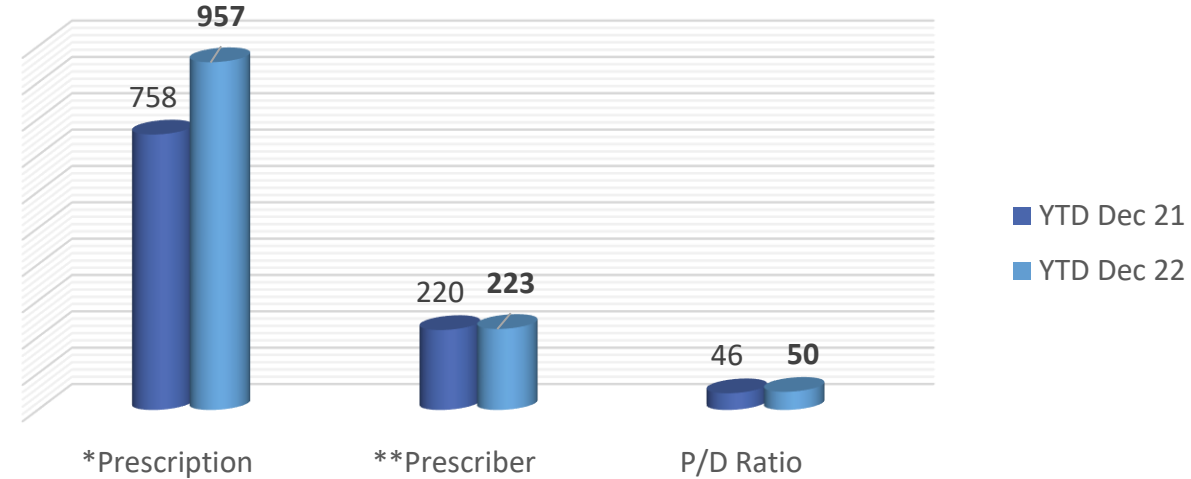
## Top Brands with rank and MS%

Leading Brands		
BRANDS	Rank MAT Dec 22	MAT Dec 22 MS%
AZITHRAL	1	31.6
TELLZY	5	4.9
WIKORYL	3	10.1
ALTHROCIN	1	87.2
REKOOL	5	5.7
CETANIL	2	8.3
ULGEL	4	9.2
GESTOFIT SR	2	16.3
ROSAVE	7	2.8
ROXID	1	92.9
CRINA-NCR	1	24.4
LAVETA	7	3.7
BROZEET-LS	3	6.9
HERMIN	4	11.3
GLZ	6	5.7
LACTONIC GRAN	1	44.6

Other Leading Brands		
BRANDS	Rank MAT Dec 22	MAT Dec 22 MS%
ELATA	1	41.9
VEHYCAL-XT	4	7.2
ESTROPLUS	2	37.7
BILAMBIC-M	2	8.7
OVIGYN	1	36.7
ISOFIT	9	2.7

**\*Above ranks are based on  
respective Molecule group**

## Prescription Business



\* Prescription is in lacs.

\*\*Avg Prescriber is in '000.

- Prescription wise Alembic Ranks at 18<sup>th</sup> Position (MAT Dec 22)
- Alembic's prescription base increased from 7.58 Cr in YTD Dec 21 to 9.57 Cr in YTD Dec 22, grew by at 26%
- The P/D ratio also improved from 46 to 50 YoY.

# Therapy-wise Performance Q3 FY23

	Q3 FY23				Q3 FY22			
Therapy	Therapy Growth % (IPM)	Market Share % (ORG)	Alembic Growth % (ORG)	Alembic Growth % (PRIM)	Therapy Growth % (ORG)	Market Share % (ORG)	Alembic Growth % (ORG)	Alembic Growth % (PRIM)
Gynecology	12	3.2	31	27	13	2.7	15	13
Cardiology	11	1.8	10	8	8	1.8	5	7
Gastrology	8	1.3	-2	-9	13	1.4	14	14
Anti Diabetic	5	1.3	14	12	7	1.2	30	22
Orthopaedic	12	0.8	13	7	13	0.7	12	10
Nephro / Uro	12	1.8	8	10	13	1.8	7	20
Ophthalmology	15	1.9	32	31	17	1.6	29	24
Dermatological	7	0.2	14	1	4	0.2	14	3
<b>SPECIALTY</b>	<b>10</b>	<b>1.5</b>	<b>14</b>	<b>9</b>	<b>10</b>	<b>1.4</b>	<b>13</b>	<b>12</b>
Anti Infective	12	2.7	24	10	17	2.4	11	11
Cold & Cough	10	4.4	16	15	43	4.2	40	52
<b>ACUTE</b>	<b>11</b>	<b>3.1</b>	<b>21</b>	<b>12</b>	<b>23</b>	<b>2.8</b>	<b>20</b>	<b>22</b>
<b>OVERALL</b>	<b>10</b>	<b>1.6</b>	<b>15</b>	<b>12</b>	<b>11</b>	<b>1.5</b>	<b>13</b>	<b>17</b>

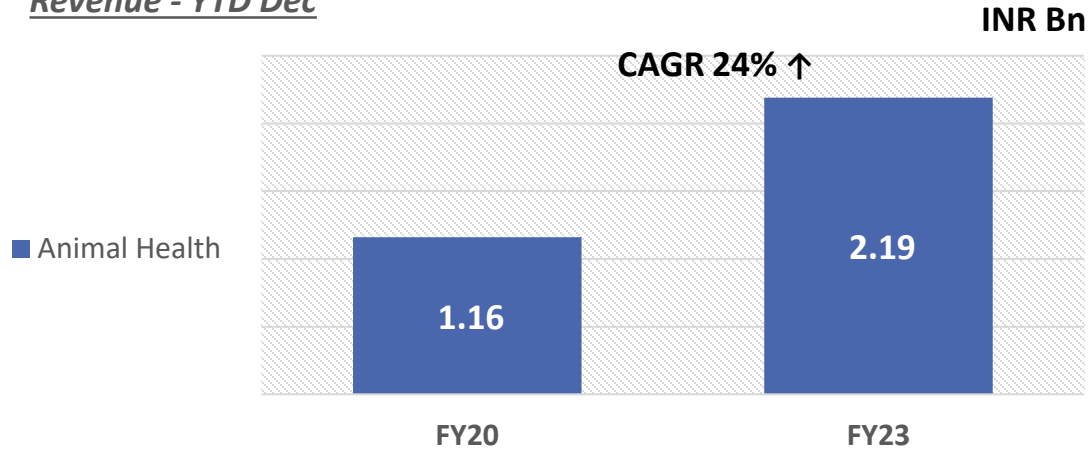
# Therapy-wise Performance 9M FY23

	9M FY23				9M FY22			
Therapy	Therapy Growth % (IPM)	Market Share % (ORG)	Alembic Growth % (ORG)	Alembic Growth % (PRIM)	Therapy Growth % (ORG)	Market Share % (ORG)	Alembic Growth % (ORG)	Alembic Growth % (PRIM)
Gynecology	15	3.0	30	33	18	2.6	27	23
Cardiology	7	1.8	9	8	12	1.8	6	10
Gastrology	11	1.3	2	1	20	1.4	24	22
Anti Diabetic	6	1.3	21	18	8	1.2	27	25
Orthopaedic	13	0.8	19	20	18	0.7	22	22
Nephro / Uro	15	1.7	11	16	14	1.8	6	18
Ophthalmology	17	1.8	31	39	26	1.6	44	40
Dermatological	5	0.2	17	4	12	0.2	37	33
<b>SPECIALTY</b>	<b>10</b>	<b>1.5</b>	<b>16</b>	<b>14</b>	<b>15</b>	<b>1.4</b>	<b>19</b>	<b>19</b>
Anti Infective	1	2.3	-13	-11	41	2.7	42	33
Cold & Cough	-5	4.4	2	6	68	4.0	65	80
<b>ACUTE</b>	<b>-1</b>	<b>2.8</b>	<b>-8</b>	<b>-6</b>	<b>46</b>	<b>3.0</b>	<b>48</b>	<b>43</b>
<b>OVERALL</b>	<b>6</b>	<b>1.5</b>	<b>6</b>	<b>6</b>	<b>21</b>	<b>1.5</b>	<b>24</b>	<b>30</b>

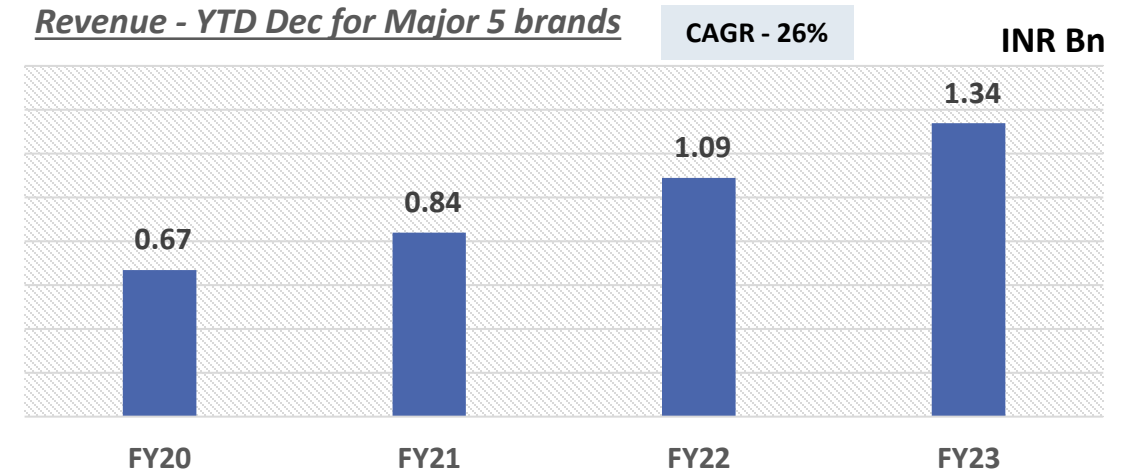
Ex of Covid related products, growth of India Branded Business is 13%.



Revenue - YTD Dec



Revenue - YTD Dec for Major 5 brands

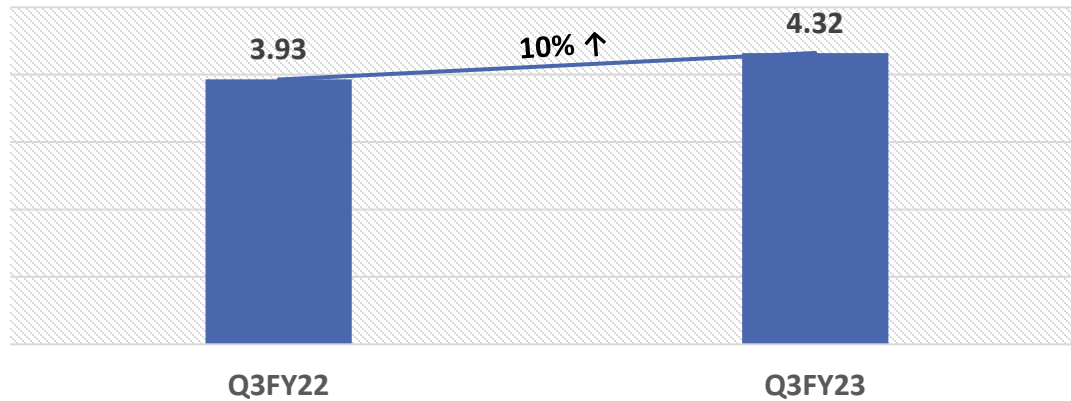


## Key achievements

- Leader in Hematinic Market covering Sharkoferrol Brand
- Leader in Anti Biotic Market covering Moxel, Xceft and Mceft brands
- Operating in Dairy and Poultry Market
- Industry is growing 15% whereas Alembic is growing 24% CAGR

## Revenue – Q3 FY23

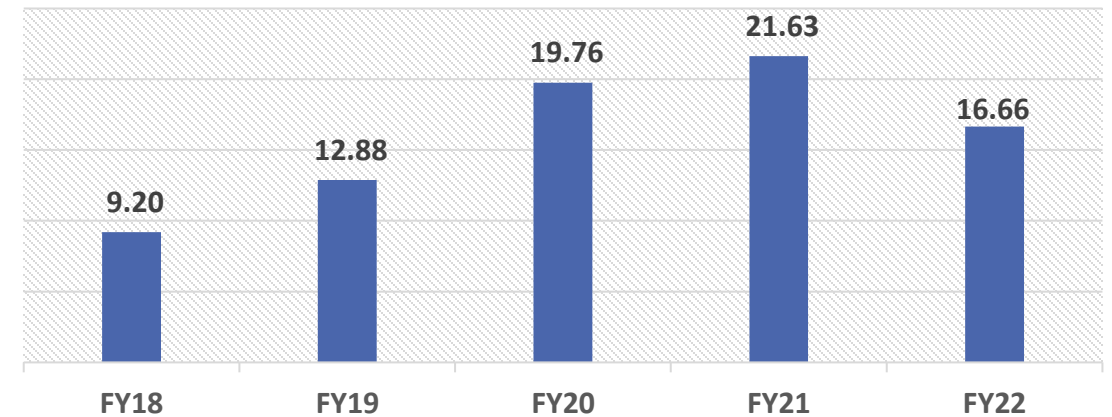
INR Bn



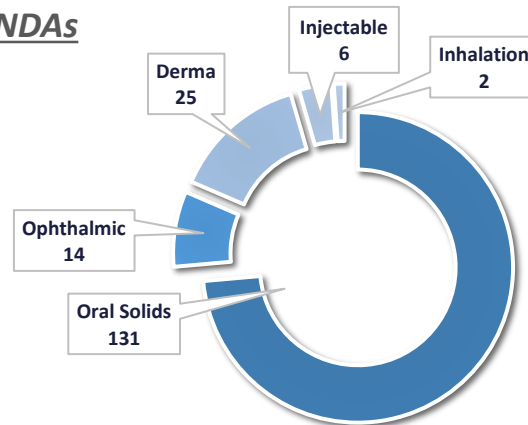
## Revenue – Last 5 Years

CAGR - 16%

INR Bn



## Approved ANDAs



Total – 178\*

\* Includes 23  
Tentative Approval

Q3 FY23 :- 4 ANDA Filings, 9 Final Approvals

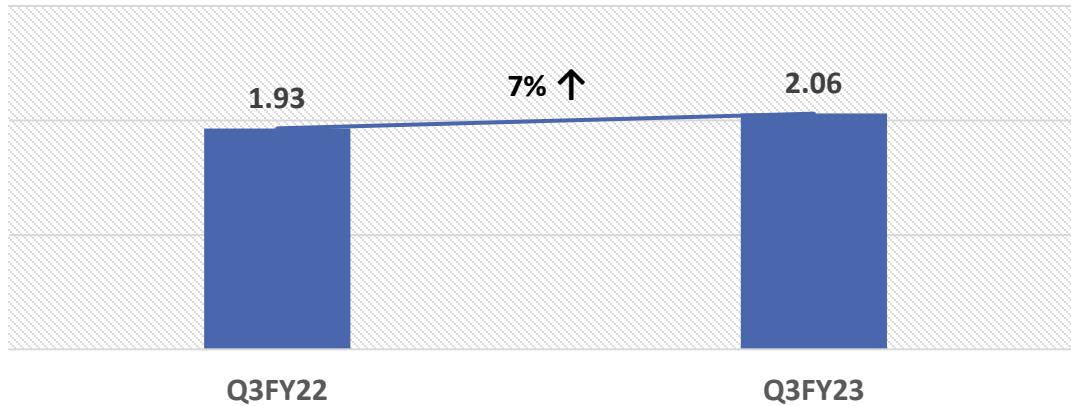
YTD FY23 :- 16 ANDA Filings, 17 Final Approvals

Cumulative :- 246 ANDA Filings, 178 Approvals\* and 117 Products Launched so far

- Well-established US front end having strong customer base
- 2 products launched in Q3FY23. Cumulatively 117 products launched in the US market
- 5+ product launches in Q4FY23
- Launches from new facilities/dosage forms to drive growth in upcoming quarters.

Revenue : Q3 FY23

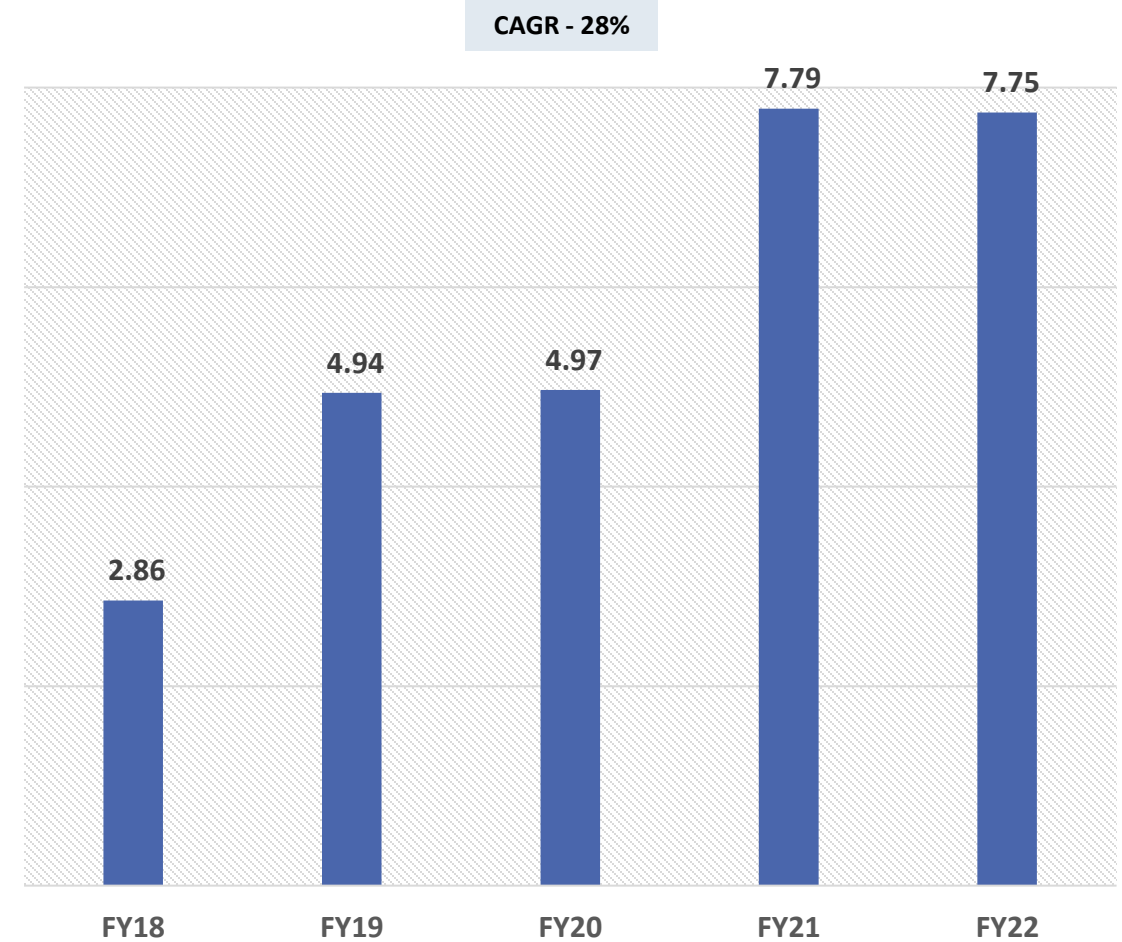
INR Bn



- Ex-US driven by partnership. Delivered impressive CAGR of 28% in last 5 years.
- Presence in following key markets
  - Europe, Canada, Australia, Brazil and South Africa
- New launches/dossier extension to new market is on track to drive growth in the future

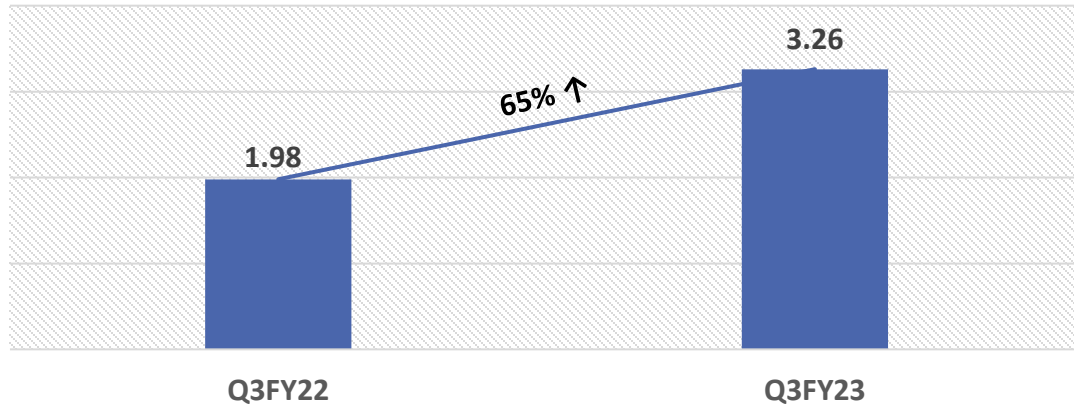
Revenue – Last 5 Years

INR Bn



Revenue : Q3 FY23

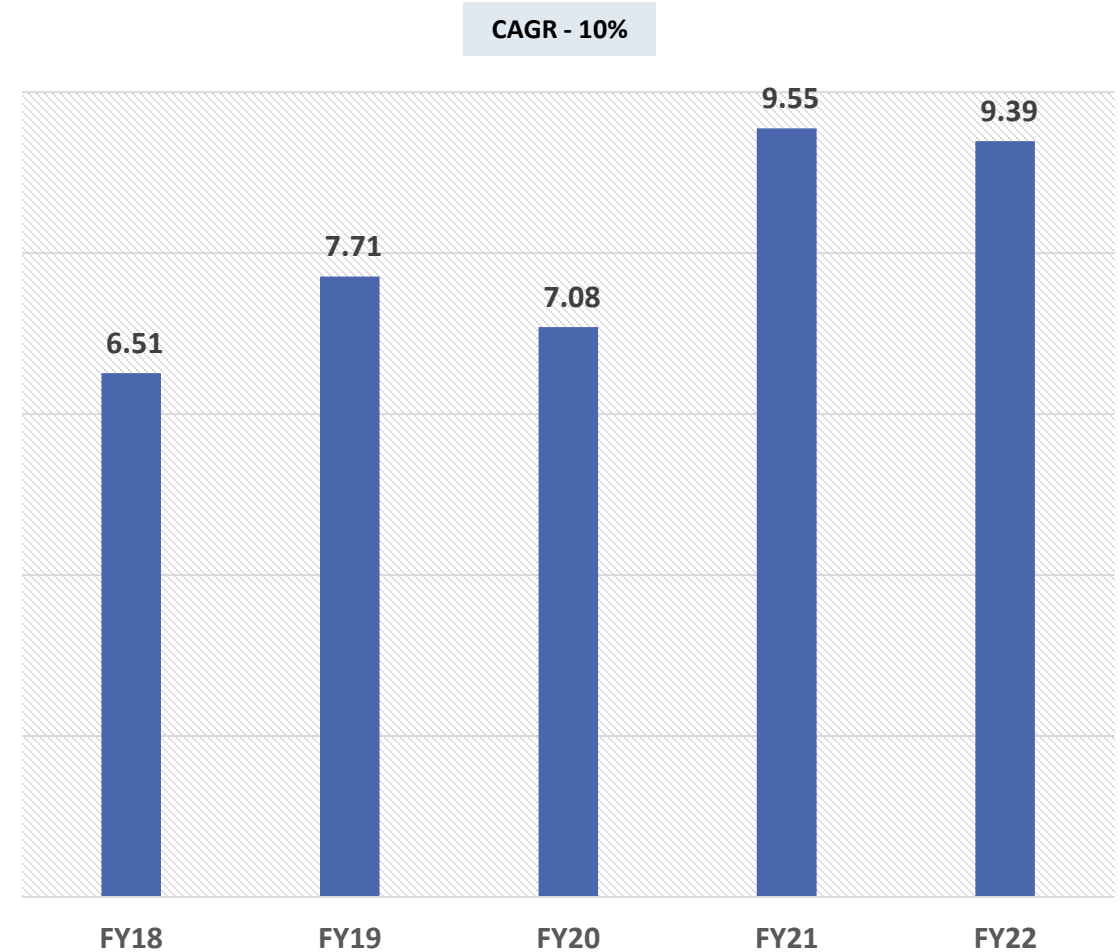
INR Bn



- Growth of 65% on QoQ basis is mainly on account of high off-take and better product mix in Q3.
- API Business posted growth of 11% on Sequential quarter basis.
- 4 USDMFs filed in YTD Dec'22. 129 Cumulative DMF filings with the US FDA.
- Expect steady growth for this business.
- Future capacity expansion is on track.

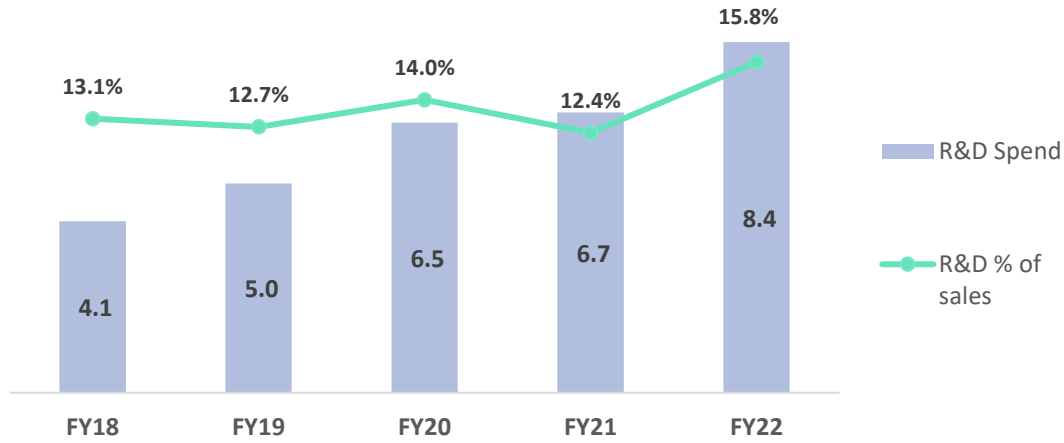
Revenue – Last 5 Years

INR Bn

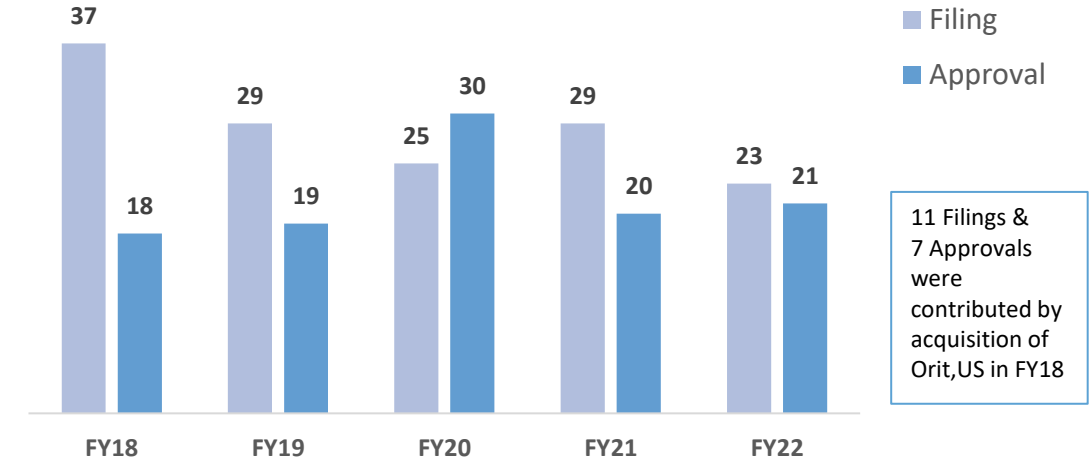


## Significant investments in building capabilities

INR Bn



## ANDA – Accelerated filings & approvals



## Diversified Portfolio

Dosage Form	FY15	FY22
Oral Solids	✓	✓
Injectable	✗	✓
Oncology	✗	✓
Dermatology	✗	✓
Ophthalmology	✗	✓
Biologics	✗	✗
NCEs	✓	✓

## R&D Capabilities

**Formulation** : Vadodara and Hyderabad

**API** : Vadodara and Hyderabad

**Bio Centre** : Vadodara

*1200+ R&D employees with diverse skill sets*

# State of the art facilities and infrastructure

Location	Dosage Form	Last USFDA Audit
<b>International Generics</b>		
F1 – Panelav	General Oral Solids	Mar'20*
F2 – Panelav	Oncology Oral Solids	Jun'19*
	Oncology Injectables	Oct'22*
F3 – Karkhadi	General Injectables	Aug'22
	Ophthalmic	
F4 – Jarod	General Oral Solids	Dec'22
Derma - Karkhadi	Various derma forms	Jan'20*
<b>API</b>		
API I & II – Panelav		Dec'18*
API III – Karkhadi		Jan'20*



F2 - Panelav



F3 - Karkhadi



F4 - Jarod

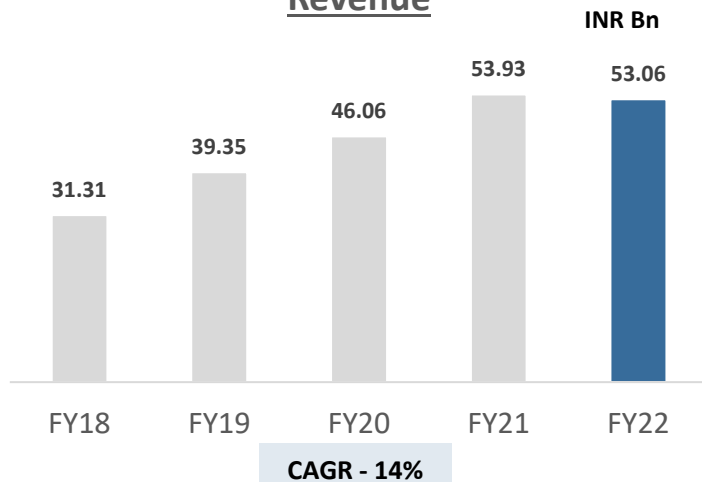


Derma - Karkhadi

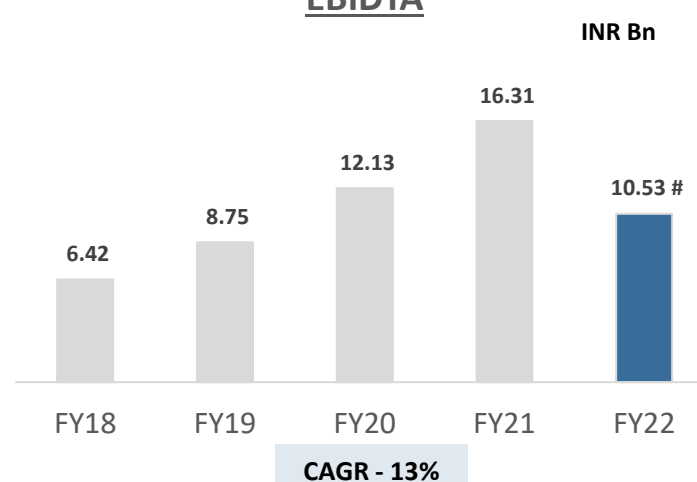
\* EIRs in place

# Financials : *Generating consistent returns*

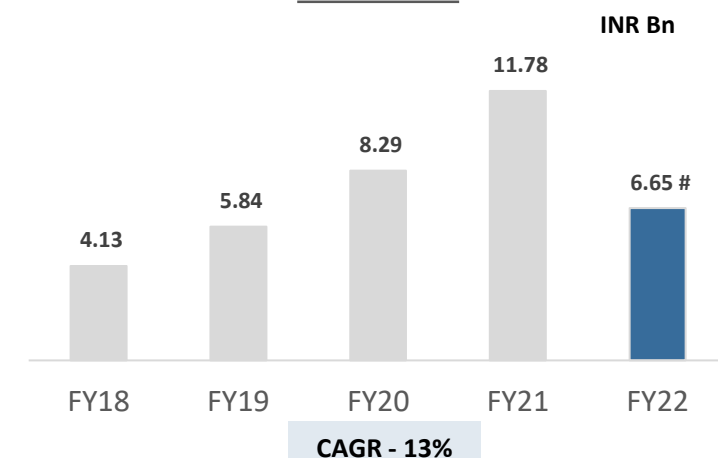
## Revenue



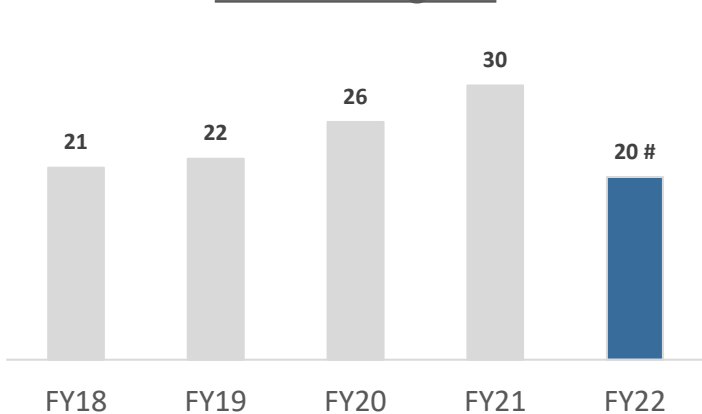
## EBIDTA



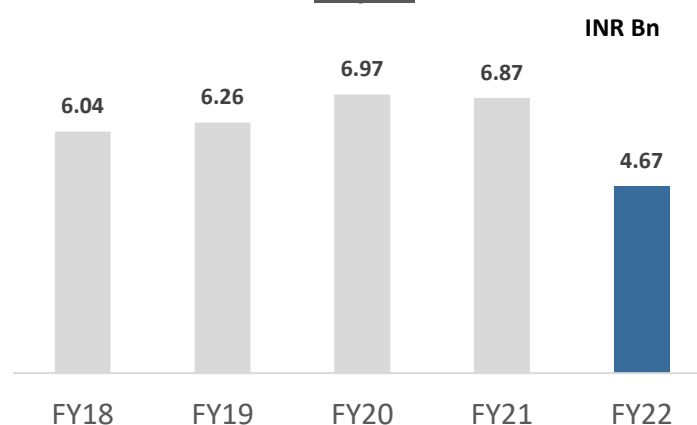
## Net Profit



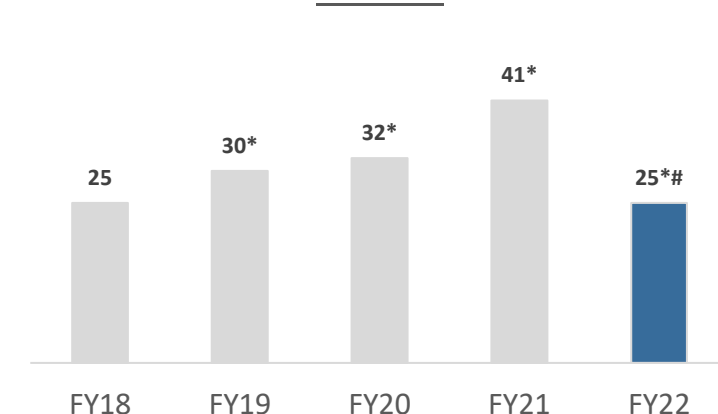
## EBIDTA margin %



## Capex



## ROCE %



\* Capital excludes New Projects



# Thank you

## Safe Harbour Agreement:

Materials and information provided during this presentation may contain 'forward-looking statements'. These statements are based on current expectations, forecasts and assumptions that are subject to risks and uncertainties which could cause actual outcomes and results to differ materially from these statements.

Risks and uncertainties include general industry and market conditions and general domestic and international economic conditions such as interest rate and currency exchange fluctuations. Risks and uncertainties particularly apply with respect to product-related forward-looking statements. Product risks and uncertainties include, but are not limited, to technological advances and patents attained by competitors, challenges inherent in new product development including completion of clinical trials; claims and concerns about product safety and efficacy; obtaining regulatory approvals; domestic and foreign healthcare reforms; trend towards managed care and healthcare cost containment and governmental laws and regulations affecting domestic and foreign operations.

Also, for products that are approved, there are manufacturing and marketing risks and uncertainties, which include, but are not limited, to inability to build production capacity to meet demand, unavailability of raw materials and failure to gain market acceptance.

