

Alembic Pharmaceuticals Limited



Investor Presentation

October 2015

www.alembic-india.com



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.

- Established in 1907 at Vadodara
- Demerger of pharma business from Alembic Ltd. – Alembic Pharmaceuticals Ltd. formed in 2011
- Investment in Algeria JV
- Three API manufacturing facilities approved by USFDA
- One solid dosage formulation facility approved by USFDA
- 18 Marketing divisions in operation for India business
- Formulations business accounts for 84% of revenues
 - International Generic – 45%
 - India Branded – 34%

- Net Sales up 85% to Rs 10177 mn
- EBITDA margins at 37% at Rs 3760 mn
- Net Profit up 274% to Rs 2889 mn
- Total R&D spend is Rs 956 mn for the quarter which is 9.4% of net sales.

India Branded Formulations (Rs. 2846 mn)

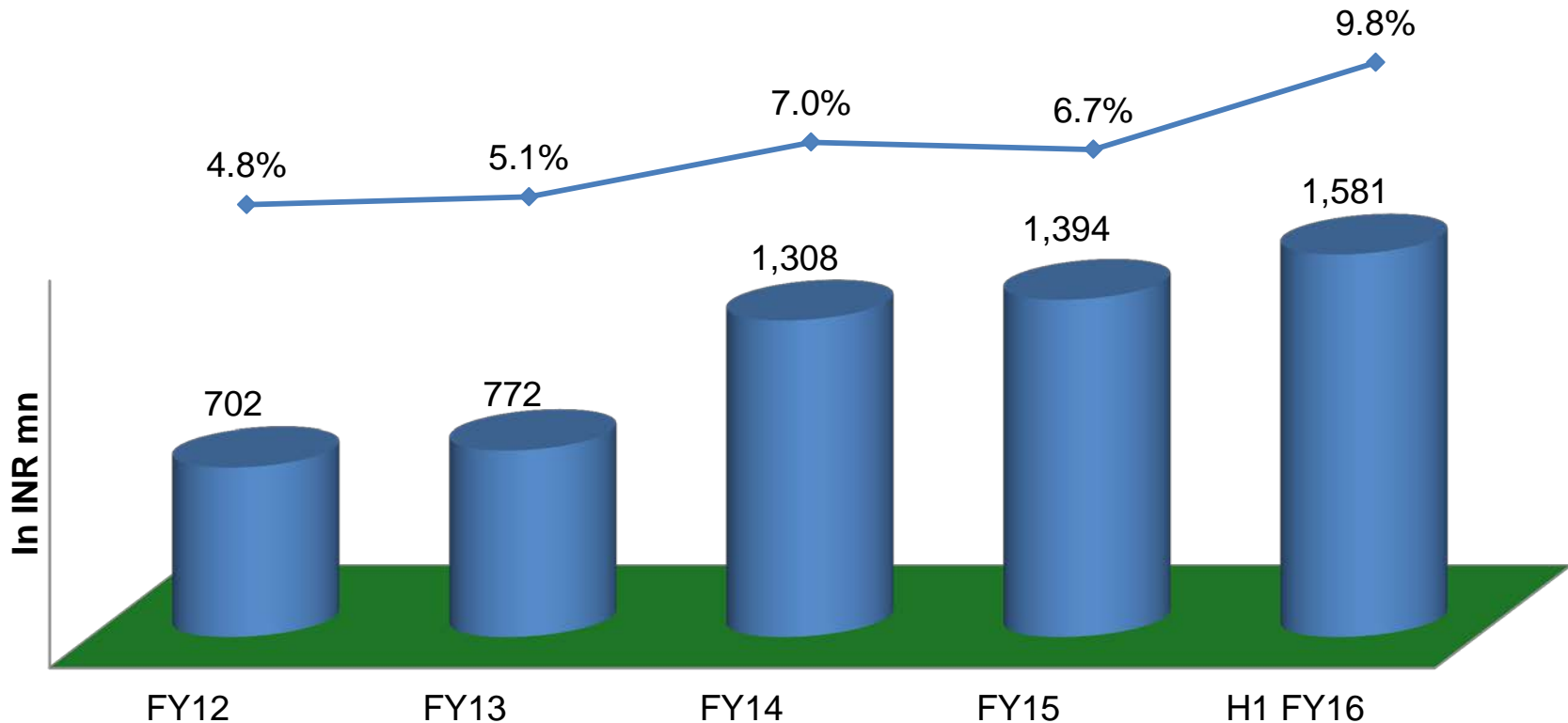
- Specialty Segment grew by 21% and Acute Segment de-grew by 9%. Althrocin price cut also contributed to acute segment degrowth
- Strengthening the share of specialty therapies in the overall revenue basket. Within specialty Cardiology, Anti Diabetic and Gynaecology grew impressively by 34%, 31% and 26% respectively
- Alembic's "Tellzy" is the fastest growing (50% as per ORG MAT Sep 2015) Telmisartan brand and is now the 3rd ranked brand in the Telmisartan market

International Generics (Rs. 5593 mn)

- Business grew by 342% in the quarter
- Successful Launch of Aripiprazole Generic on Day one
- 1 product launch in USA
- USA front end launched
- 2 ANDA approvals were received during the quarter, taking cumulative approvals at 44 including 4 tentative approvals
- 3 ANDA applications were filed during the quarter, taking cumulative ANDA filings at 71

API Business (Rs. 1372 mn)

- Business grew by 43% in the quarter
- 2 DMF applications were filed during the quarter, taking cumulative DMF filings at 75



- Total R&D spend is Rs 1581 mn for the H1 FY16 which is 9.8% of net sales.
- Highly talented pool of 470 research scientists

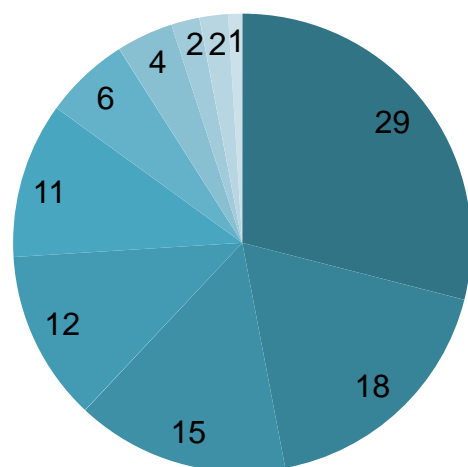
India Branded Formulation Business - Key Highlights

- 1.76% market share (Ranked 19th) in Indian formulations market as per IMS MAT data
- Sustained dominance in anti-infective, analgesics, cough and cold segments
- Robust growth in Cardiology, Diabetes, Gastrology, Gynaecology, Dermatology, Orthopedic and Respiratory
- Ranked 17th in doctors' prescription universe
- Diversified basket of 150 brands
- 2 brands featured among top 100 and 5 among top 300 brands in India as per IMS MAT data

Key Therapies & Brands

Therapeutic Segment-wise Break-up (Q2FY16)

% of total domestic formulation revenue



- Anti Infectives
- Gastrology
- Cardiology
- Gynecology
- Cough & Cold
- Anti Diabetic
- Orthopedics
- Nephrology/Urology
- Dermatology
- Ophthalmology

- Launched 12 product SKUs in the domestic market in Q2FY16.

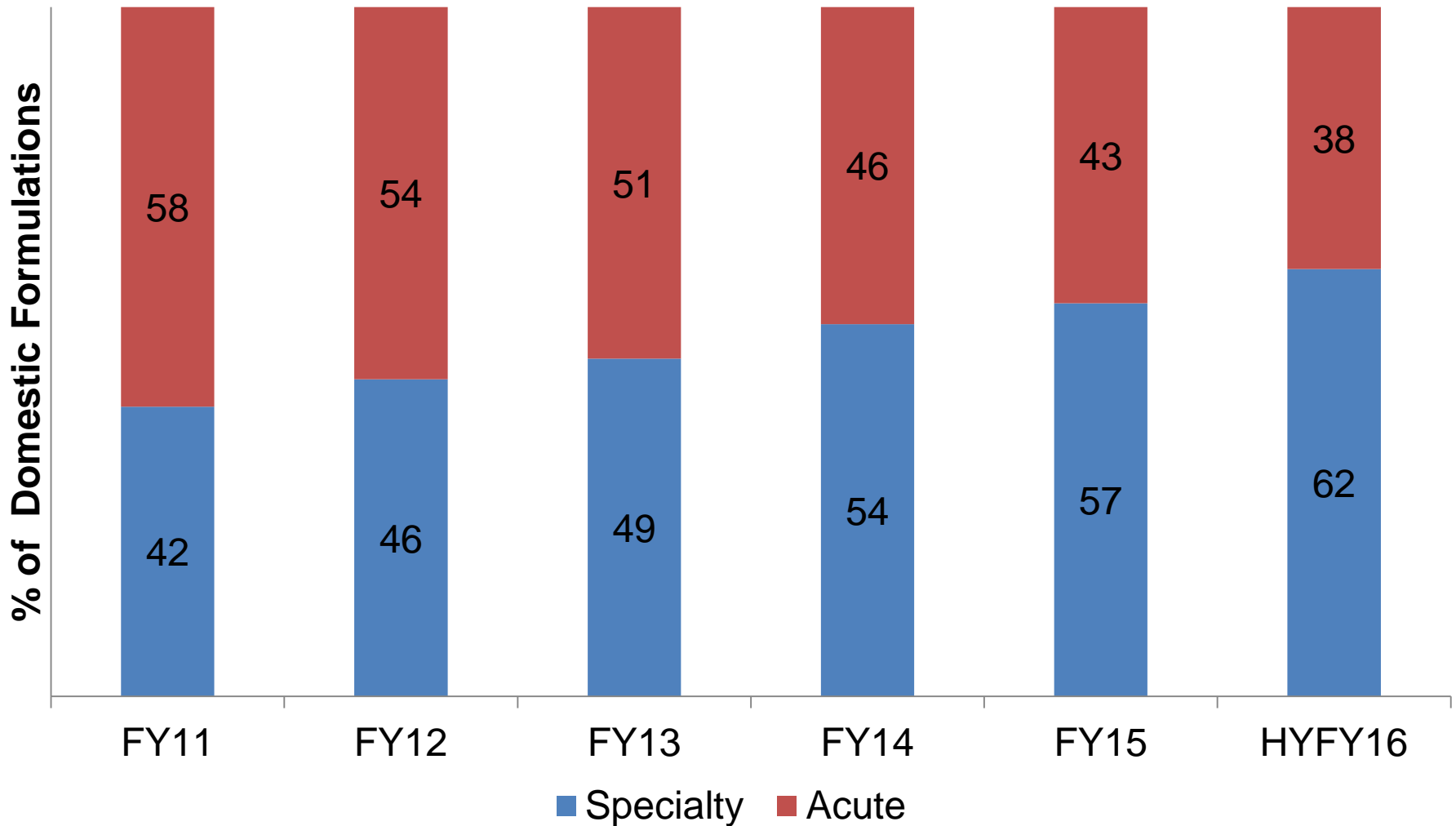
Brand Name	Therapeutic Area	Ranking
Azithral	Anti-infective	34
Althrocin	Anti-infective	71
Wikoryl	Respiratory	180
Roxid	Anti-infective	187
Gestofit	Gynecology	253

- 5% market share in the cough and cold segment
- 5000+ marketing team

Company	SEP MAT 2015				SEP MAT 2014			
	Growth %	Volume Grth %	Price Grth %	New Prod Grth %	Growth %	Volume Grth %	Price Grth %	New Prod Grth %
IPM	13.6	5.2	3.5	4.9	12.6	5.6	0.5	6.4
Alembic	15.1	6.2	4.9	4.0	10.5	6.3	-1.4	5.6

(Source : ORG September 2015)

Therapy Dominance



Therapy-wise Performance Q2 FY16

	SEP QTR 2015				SEP QTR 2014			
Therapy	Therapy Growth (ORG)	Market Share (ORG)	Alembic Growth (ORG)	Alembic Growth (PRIM)	Therapy Growth (ORG)	Market Share (ORG)	Alembic Growth (ORG)	Alembic Growth (PRIM)
Cardiology	16	2.01	39	34	12	1.68	25	30
Anti Diabetic	21	1.54	34	31	20	1.39	24	22
Gynaecology	17	2.57	37	26	12	2.19	21	27
Gastrology	16	2.22	2	8	15	2.52	13	14
Dermatological	18	0.48	42	-6	20	0.40	33	44
Orthopaedic	12	0.95	3	21	15	1.03	1	8
Ophthalmology	17	1.19	-3	31	22	1.43	-6	-25
Nephro / Uro	19	1.91	6	9	16	2.13	18	32
Anti Infective	1	3.45	-4	-9	13	3.63	10	16
Cold & Cough	-4	5.27	-11	-8	14	5.69	30	21
OVERALL	12	1.73	9	7	15	1.78	16	17

(Source : ORG September 2015)

International Generics Business - Key Highlights

- Launched own front-end marketing in the USA
- All Facilities approved for supply to regulated markets such as the US, Europe, Australia and Brazil
- Partnership with leading generic players in the US, Europe, Canada, Australia
- ANDAs vertically integrated to DMFs
- 44 ANDAs/NDAs approved including 4 tentative, 27 ANDAs pending approval

Financial Snapshot

Financial Highlights

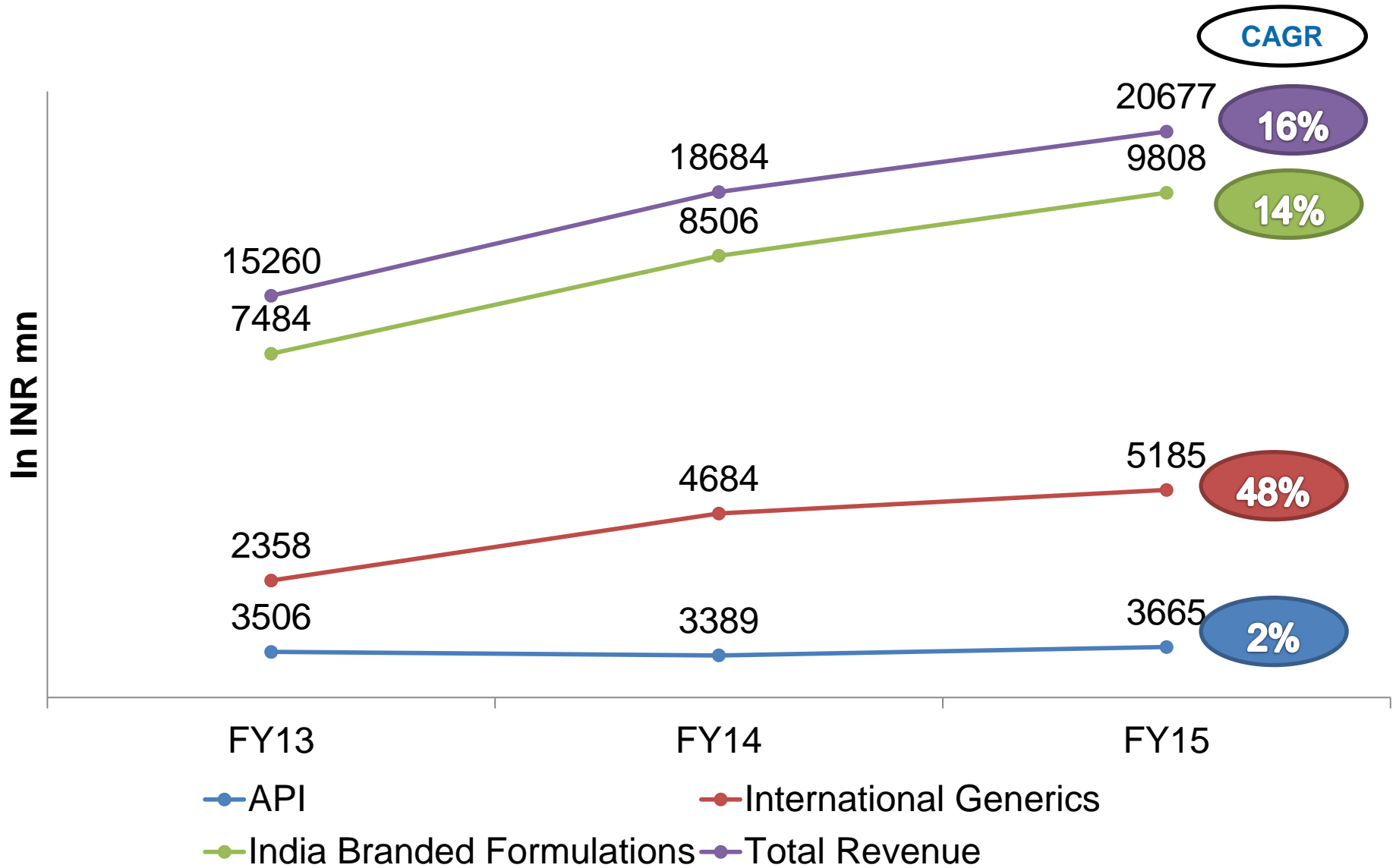


Particulars (INR mn)	Q2 FY16	Q2 FY15	H1 FY16	H1 FY15	%Growth
Formulations Revenue					
India					
Branded	2846	2755	5474	4988	10%
Generics	251	322	537	574	(-)%7%
International					
Branded	116	187	201	418	(-)%52%
Generics	5592	1264	7301	2435	200%
API Revenue	1372	960	2568	2034	26%
Total Revenue	10177	5488	16081	10449	54%
EBITDA	3760	1074	4781	2035	135%
EBITDA %	37%	20%	30%	19%	
PAT	2889	773	3588	1419	153%
PAT %	28%	14%	22%	14%	
EPS	15.32	4.10	19.03	7.53	
Book Value/share			65.6	43.2	
Debt (Net of cash equivalent)			-	2283	
ROCE %			62.9%	34.2%	

Financial Ratios

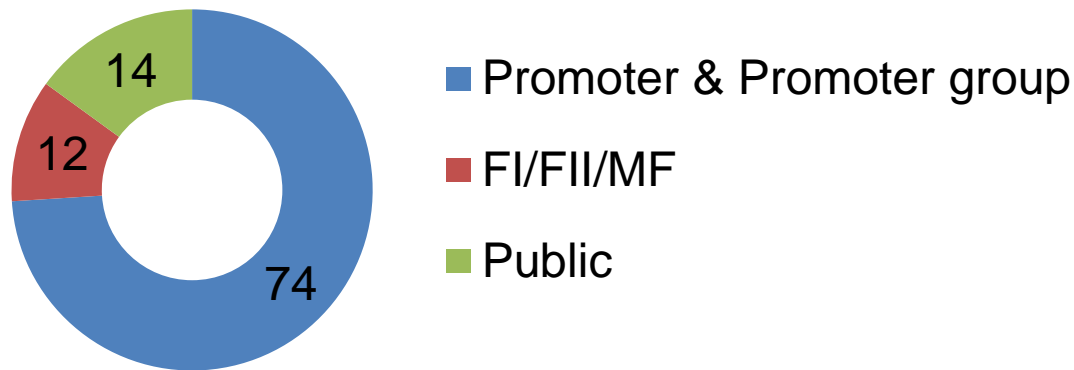
Various Ratios	H1 FY 16	H1 FY 15	FY 15
EBIDTA Margin	30.03%	19.56%	19.69%
Gross Margin	72.23%	64.80%	65.29%
ROCE	62.88%	34.22%	30.59%
RONW	57.93%	34.87%	31.98%
EPS	19.01	7.53	15.01
Book Value per share	65.63	43.18	46.93
Debt Equity Ratio	0.13	0.28	0.30
EBITDA / Debt Ratio	0.16	0.56	0.65
Stock Turnover Ratio	4.79	4.47	4.43
Receivables days	40	64	64
Inventory days	76	82	82
Interest Cover	337.11	114.31	202.68
Asset Turnover Ratio	4.74	4.50	3.46
Current Ratio	2.12	2.34	2.19
Sales / Cap Employed	2.21	1.96	1.75

Revenue Trend



Latest Shareholding Pattern

% of Total Shareholding



Market capitalization	INR 129 bn
Total paid-up share capital	377.03mn
Total number of shares O/S	188.52mn
No. of shareholders	>50 K
Free float market capitalization	INR 33 bn

Strategy going forward

- Continue to focus on complex products. Expect to launch 7-9 products every year for the next three years in the US markets
- Aggressive investments in R&D and F&D activities to build robust pipeline of products for regulated markets
- More products through our USA front end.
- Filing ANDAs/MAs in other international markets such as Europe, Australia, Canada, Brazil and South Africa
- Continued focus on progressive therapies for sustainable growth and increased market share for India Branded business
- Building pipeline for ROW markets.

Conference call details

Date : Tuesday, October 27, 2015
Time : 05.00 pm IST

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About Alembic Pharmaceuticals Limited

Alembic Pharmaceuticals Limited, a vertically integrated research and development pharmaceutical company, has been at the forefront of healthcare since 1907. Headquartered in India, Alembic is a publicly listed company that manufactures and markets generic pharmaceutical products all over the world. Alembic's state of the art research and manufacturing facilities are approved by regulatory authorities all over the world including the US FDA. Alembic is one of the leaders in branded generics in India. Alembic's brands, marketed through a marketing team of over 5000 are well recognized by doctors and patients.

Information about the company can be found at:

www.alembic-india.com;(Reuters:ALEM.NS) (Bloomberg:ALPM:IN) (NSE:APLLTD)
(BSE:533573)

For updates and specific queries please feel free to contact

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Thank You