

# Alembic Pharmaceuticals Ltd

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## Investor Presentation

July-2018

# Contents

1. Milestones
2. Quarterly Highlights
3. Yearly Highlights
4. Business
  - International
  - India
5. Strategy
6. Financials
  - Annual
7. Shareholding Pattern

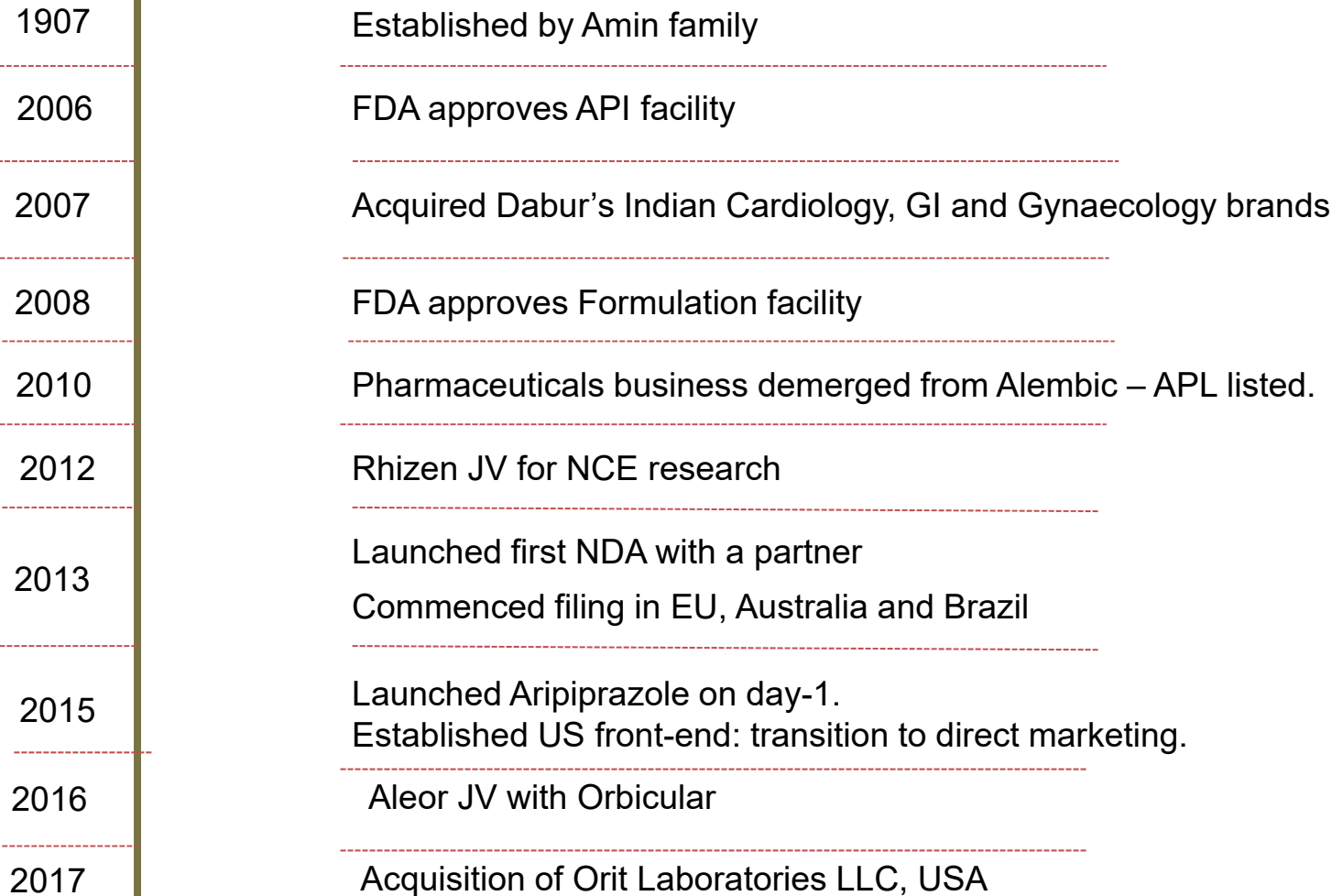
# Safe Harbor Statement

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.

# Milestones



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
2010	Pharmaceuticals business demerged from Alembic – APL listed.
2012	Rhizen JV 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	Aleor JV with Orbicular
2017	Acquisition of Orit Laboratories LLC, USA

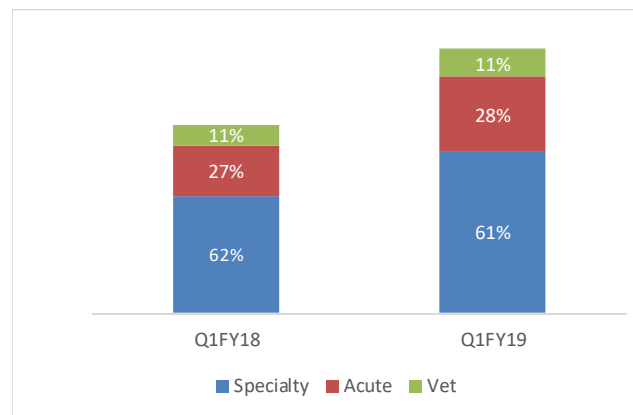
# Highlights – Q1FY19

## Financial Highlights

Particulars (Rs. bn)	Q1 LY	Q1 CY	Gr%
Net Sales	6.48	8.63	33%
EBITDA Pre R&D	1.95	2.67	37%
Margin %	30%	31%	
R&D	0.94	1.21	29%
R&D %	15%	14%	
EBITDA Post R&D	1.05	1.51	44%
Margin %	16%	18%	
Net Profit	0.65	0.98	50%

## India Formulations

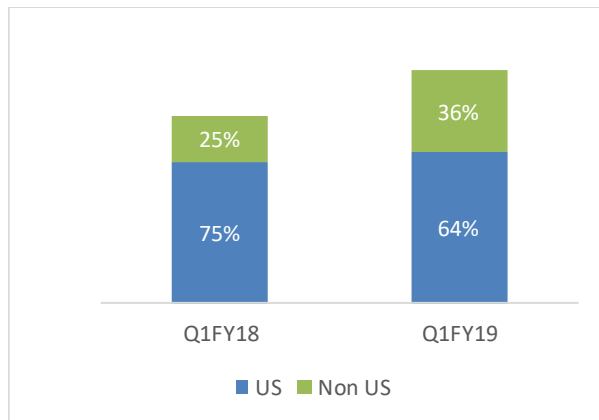
Rs 2.36bn      Rs 3.31bn



Gr%  
40%  
36%  
48%  
37%

## International Formulations

Rs 2.82 bn      Rs 3.52 bn



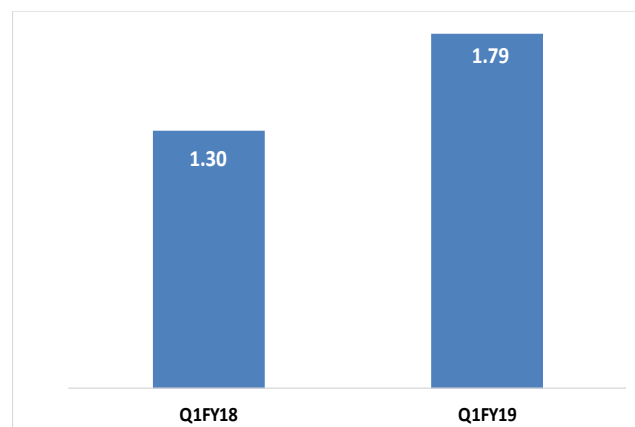
Gr%  
25%

80%  
7%

**US Generics**

Q1FY19:  
**2.26 Bn**  
V/s  
Q1FY18:  
**2.11 Bn**

## API Business



1 DMF application filed

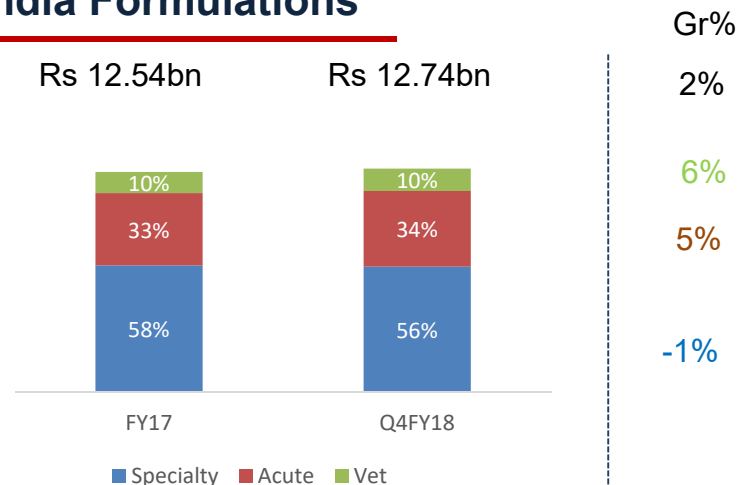
ANDA Filings:3 (Cum ANDA:135),Approvals: 3 (Cum :73 incl 9 TA)

# Highlights –FY18

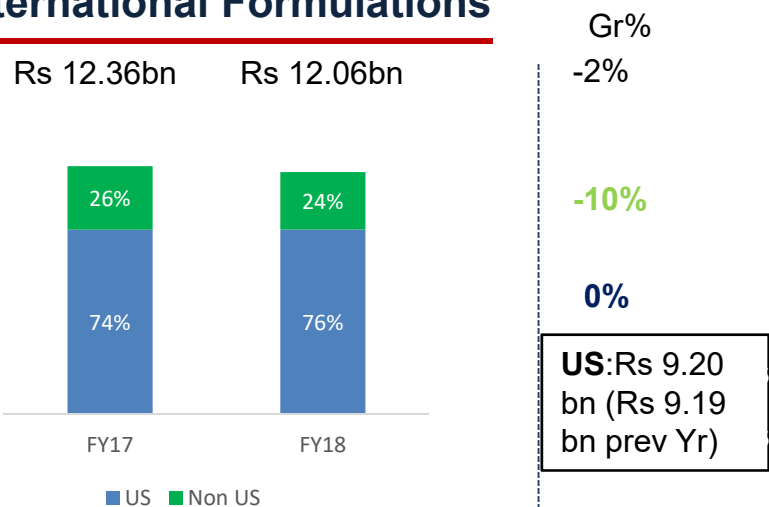
## Financial Highlights

Particular (Rs bn)	FY17	FY18	Gr%
Net Sales	31.34	31.31	0%
EBITDA Pre R&D	10.36	10.27	-1%
Margin %	33%	33%	
R&D	4.27	4.11	-4%
R&D %	14%	13%	
EBITDA Post R&D	6.13	6.42	5%
Margin %	20%	21%	
Net Profit	3.99	4.09	3%

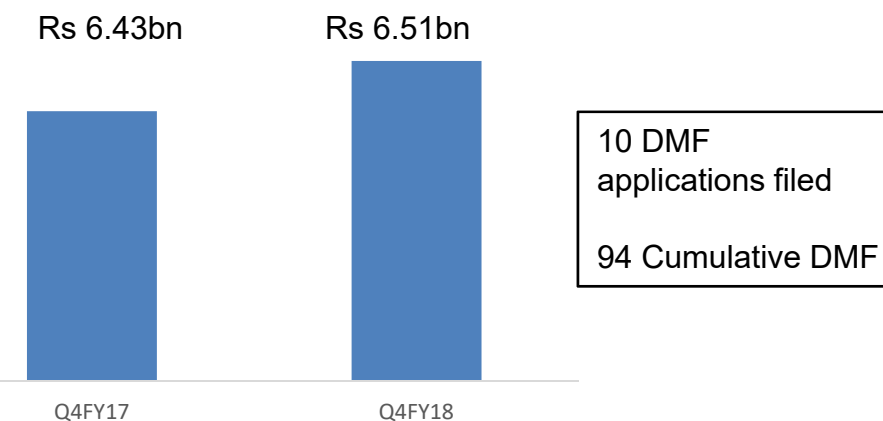
## India Formulations



## International Formulations



## API Business

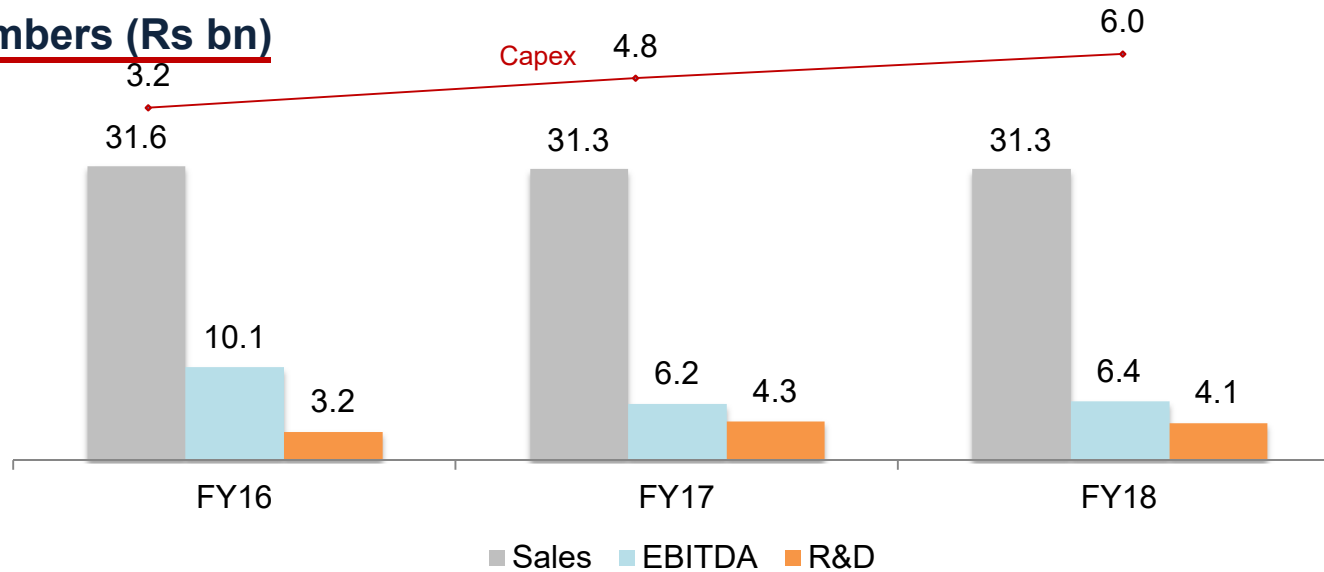


10 DMF applications filed  
94 Cumulative DMF

ANDA Filings: 26 (Incl. 3 Aleor) Approvals: 13 (Incl.4 TA)

# Business

## Key Numbers (Rs bn)



### R&D:

**Formulation:** Vadodara , Hyderabad and USA

**API:** Vadodara and Hyderabad(Peptides)

**Biocentre:** Vadodara  
150 beds

Total 1000+ R&D employees strength

### Manufacturing:

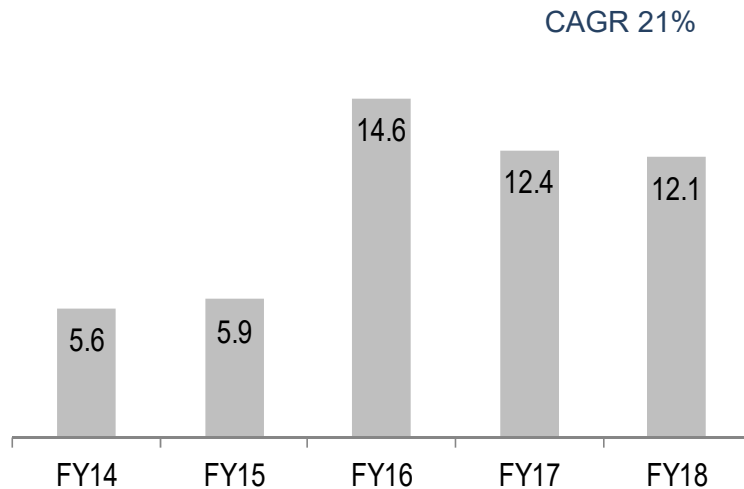
**Formulation:** Oral Solids, Panelav (Mar18)\*  
Oncology Injectables (H2FY19)  
General Injectables (H2FY19)  
Oral Solids, Jarod (H2FY19)  
Derma (H2FY18).

Sikkim, India market

**API:** Panelav (Apr18)\*, Karkhadi (May18)\*  
\* Last inspection

# International Formulations

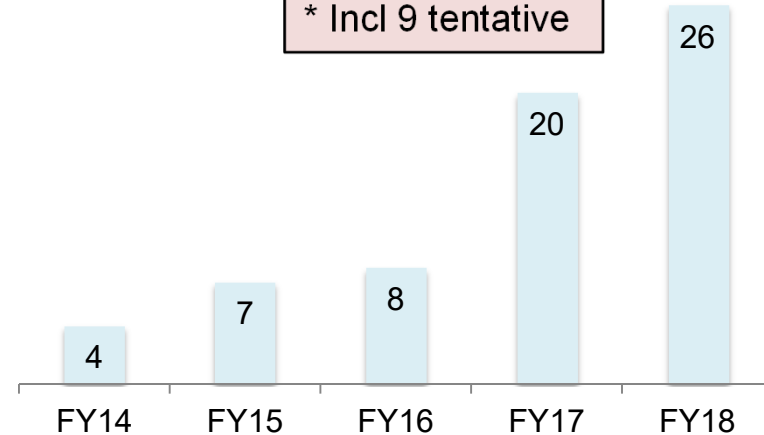
## Sales (Rs bn)



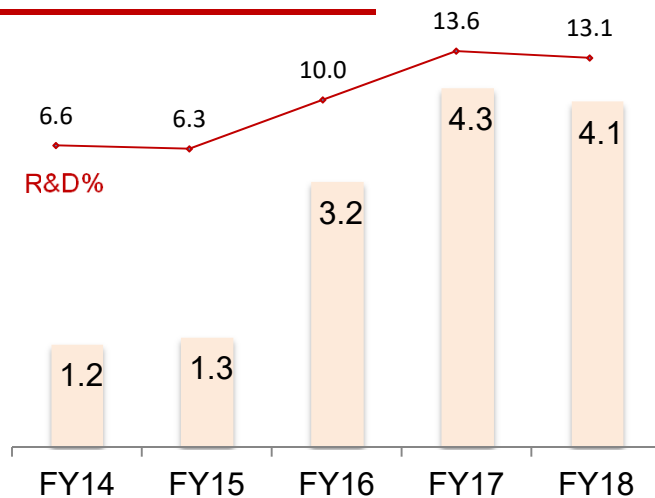
## ANDA Filed

Filings: 132  
Approval: 70\*

\* Incl 9 tentative



## R&D Spend (Rs bn)



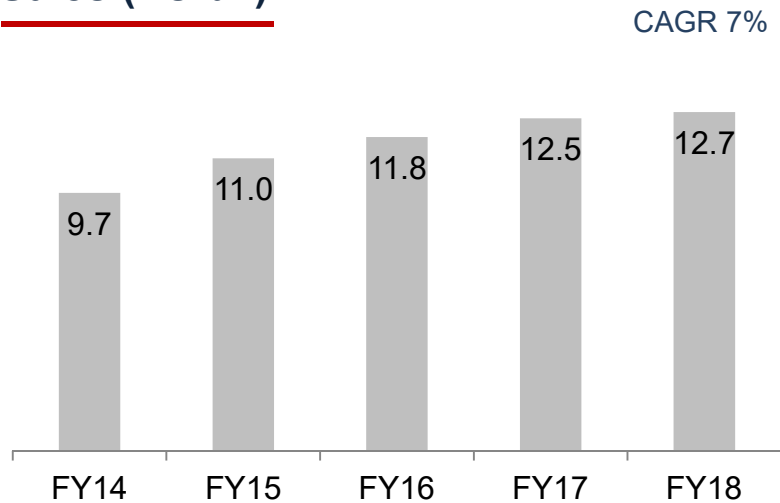
## Milestones and Update

- Acquired US based Orit Laboratories LLC  
*7 Approved ANDAs and 4 ANDAs Pending approval*
- US front-end in place, 39 products already launched (1 launched in Q1FY19)
- Ex-US driven by partnerships



# India Formulations

## Sales (Rs bn)



## Marketing Organisation

- 5000 + marketing team
- 17 marketing divisions  
*Added new divisions in gynaecology, cardiology, GI, urology*
- 170 products, 15% of products in NLEM  
*Launch 20-25 products every year*

## Key Achievements

- Successful key new launches  
*Tellzy, Rekool, Gestofit, Ovigyn D, Rosave, Richar*  
*Last 5 year new launches cover 2% of market share and contribute 19% of FY16 sales.*  
*90% new launches in specialty*
- 5 brands in top 300  
*Azithral, Althrocin, Wikoryl, Gestofit, Roxid*

# Therapy-wise Performance Q1FY19

	QTR JUN 18				QTR JUN 17			
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	10	2.16	14	36	17	15.87	2	-10
Anti Diabetic	11	1.66	7	34	19	28.72	2	-11
Gynaecology	11	2.82	16	32	11	13.53	3	-20
Gastrology	9	1.58	6	33	19	13.89	2	-30
Dermatological	15	0.41	18	60	47	29.83	0	-17
Orthopaedic	8	0.94	11	37	25	10.99	1	-31
Ophthalmology	8	1.57	17	29	16	17.86	1	-3
Nephro / Uro	19	2.45	34	82	10	28.40	2	-14
Anti Infective	7	2.79	15	51	13	4.63	3	-25
Cold & Cough	13	4.66	7	36	6	14.64	5	-6
<b>OVERALL</b>	<b>11</b>	<b>1.48</b>	<b>12</b>	<b>40</b>	<b>21</b>	<b>16.30</b>	<b>1</b>	<b>-20</b>

(Source : ORG JUN 2018)

# Therapy-wise Performance MAT JUN 18

Therapy (%)	MAT JUN 18			MAT JUN 17		
	Therapy Growth (ORG)	Market Share (ORG)	Alembic Growth (ORG)	Therapy Growth (ORG)	Market Share (ORG)	Alembic Growth (ORG)
Cardiology	7	2.05	6	7	2.07	15
Anti Diabetic	11	1.63	3	16	1.75	22
Gynaecology	7	2.67	1	5	2.84	12
Gastrology	7	1.62	0	8	1.74	0
Dermatological	14	0.40	7	17	0.42	5
Orthopaedic	5	0.91	-2	7	0.97	3
Ophthalmology	7	1.48	13	10	1.41	15
Nephro / Uro	14	2.36	20	13	2.24	15
Anti Infective	3	2.90	9	3	2.74	3
Cold & Cough	6	4.81	9	7	4.67	8
<b>OVERALL</b>	8	1.51	5	8	1.54	9

(Source : ORG JUN 2018)

# Strategy

## R&D Pipeline

Dosage Form	FY14	FY18
Oral Solids	✓	✓
Injectables	✗	✓
Oncology	✗	✓
Dermatology	✗	✓
Ophthalmology	✗	✓
Inhalation	✗	✓
Biologics	✗	✗
NCEs	✓	✓

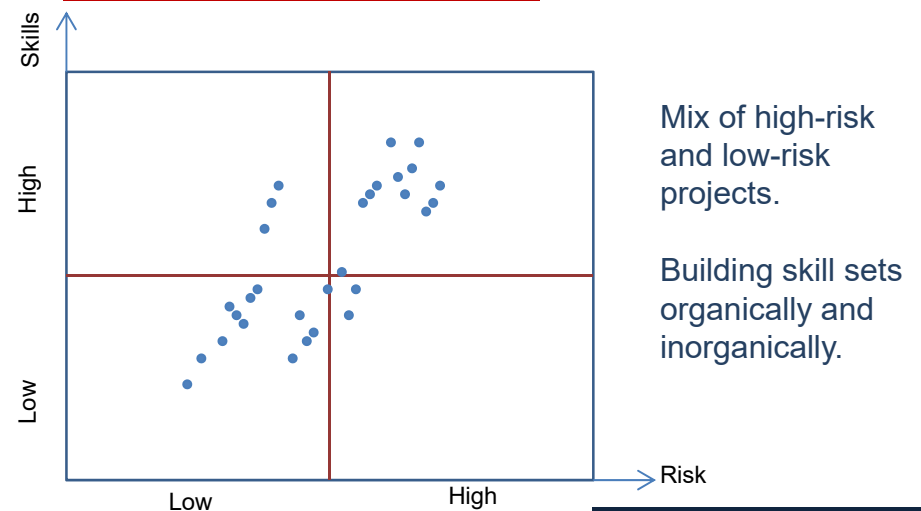
## Growth drivers

- R&D:** Rapidly expand breadth and quality of pipeline  
*Doubled internal OSD grid. injectable, dermatology ophthalmology and oncology. Expanded grid 5 fold*  
*Partnerships to gain time*  
*Build manufacturing capacities rapidly, use CMOs*
- US:** > 90% of R&D spend towards US market  
*On ground presence.*  
*Focus on quality and supply chain*
- India:** Emphasis on specialty segment  
*Market share in identified therapy-important molecules*

## Enablers

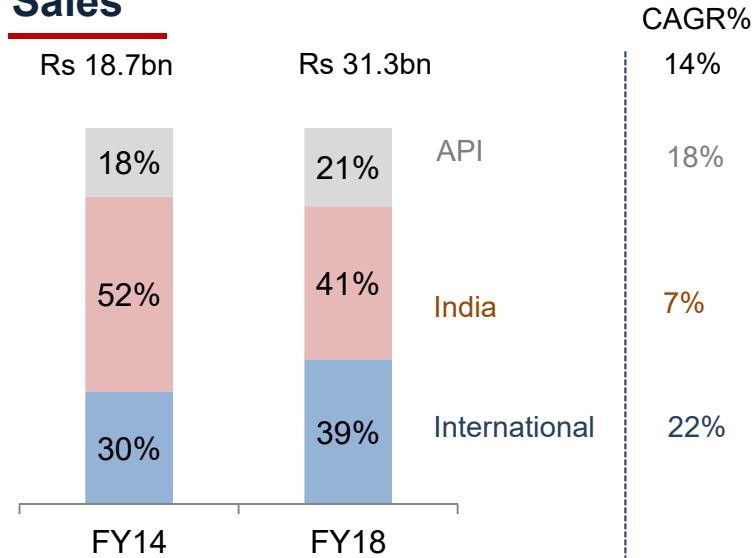
- People:** Renewed focus on HR  
 Talent acquisition and retention
- Process:** Simple, clear structures  
 Clear goals and empowerment  
 Focus on compliance  
 De-risk with systems  
 Close monitoring

## Pipeline

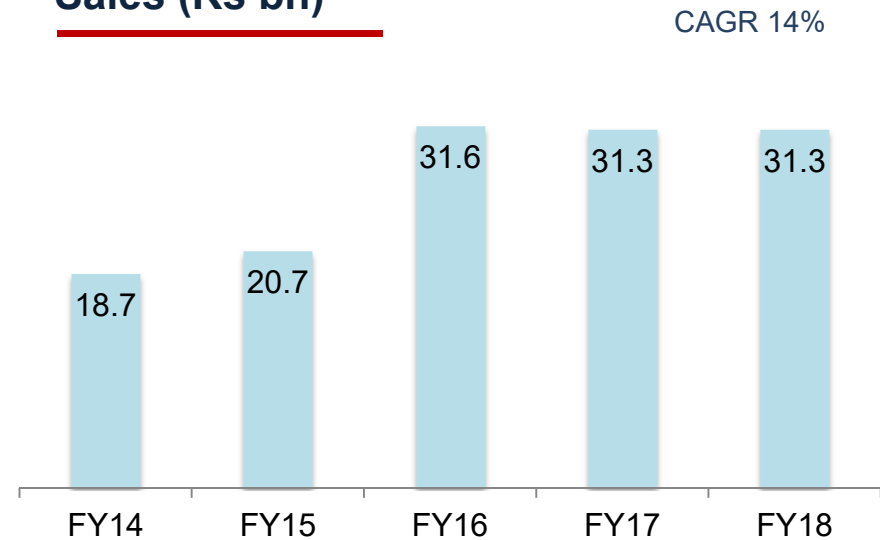


# Financials – 5 years

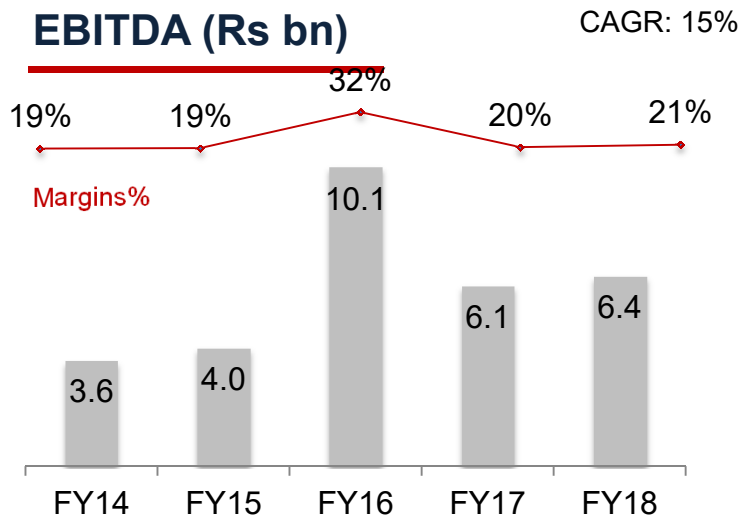
## Sales



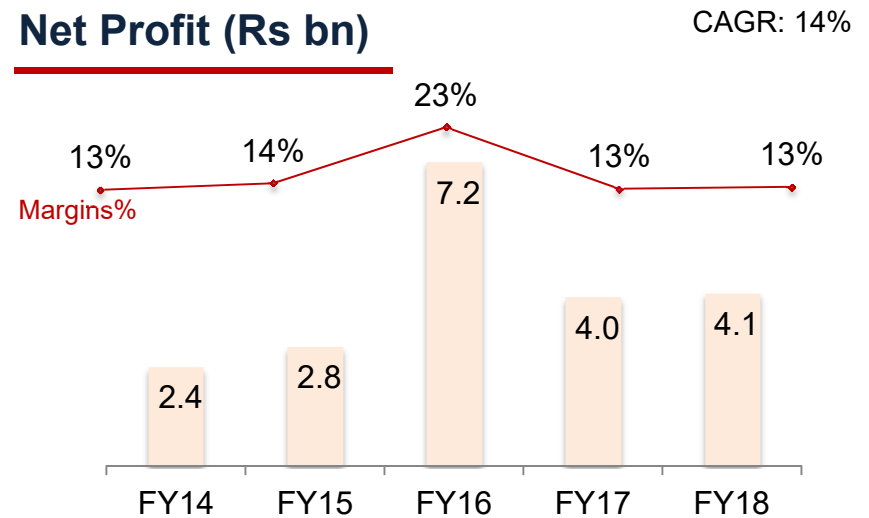
## Sales (Rs bn)



## EBITDA (Rs bn)

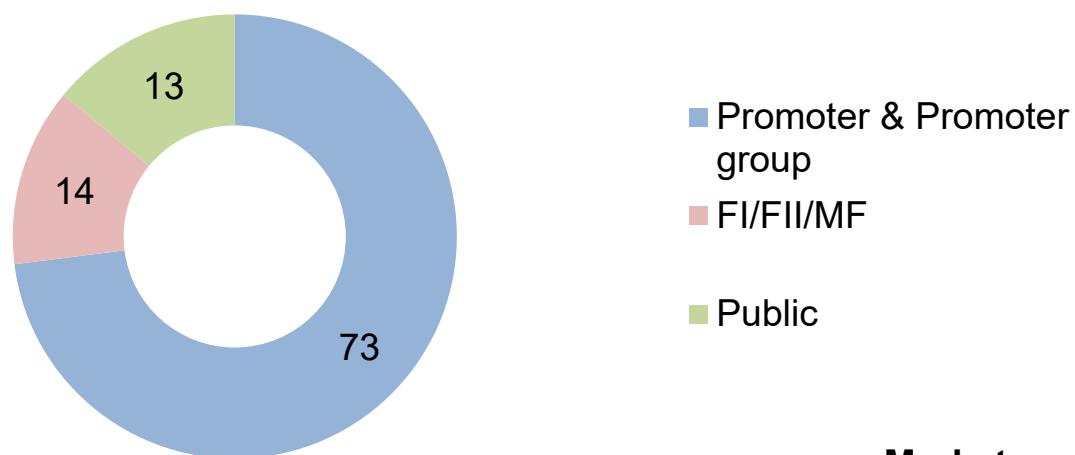


## Net Profit (Rs bn)



# Latest Shareholding Pattern

## % of Total Shareholding

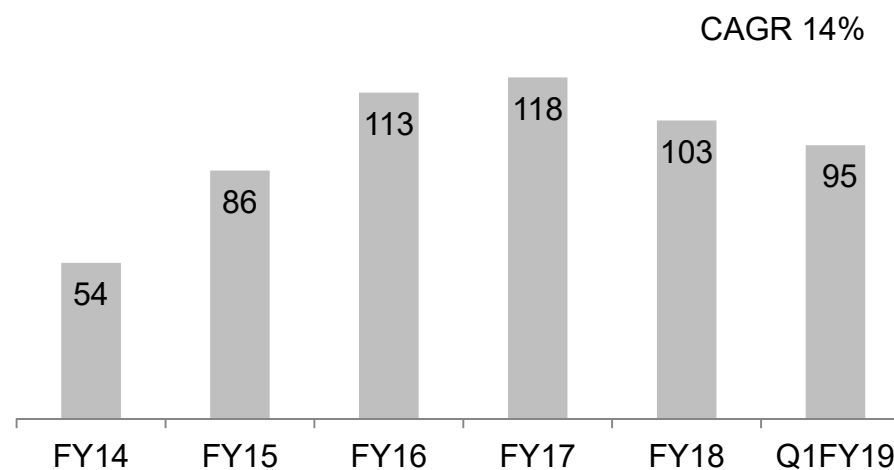


**Total paid-up share capital** 377.03mn

Total number of shares O/S 188.52mn

No. of shareholders >50 K

## Market capitalisation (Rs bn)



THANK YOU