

Alembic Pharmaceuticals Ltd

Investor Presentation

May-2018

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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

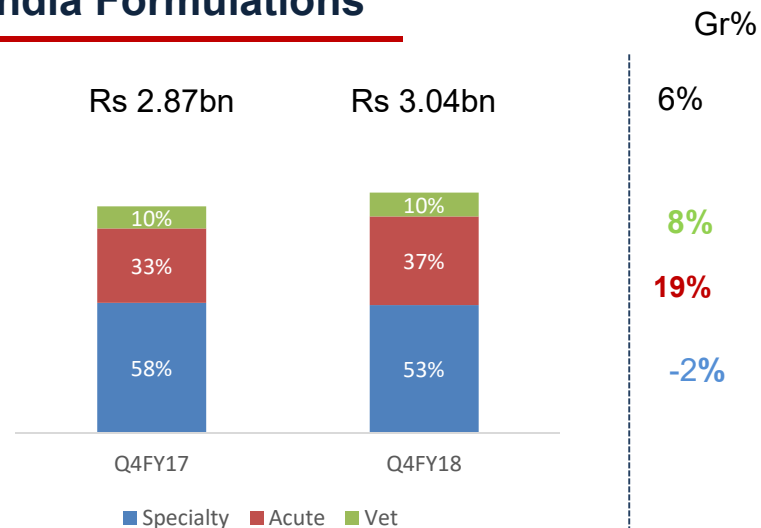
Acquisition of Orit Laboratories LLC, USA

Highlights – Q4FY18

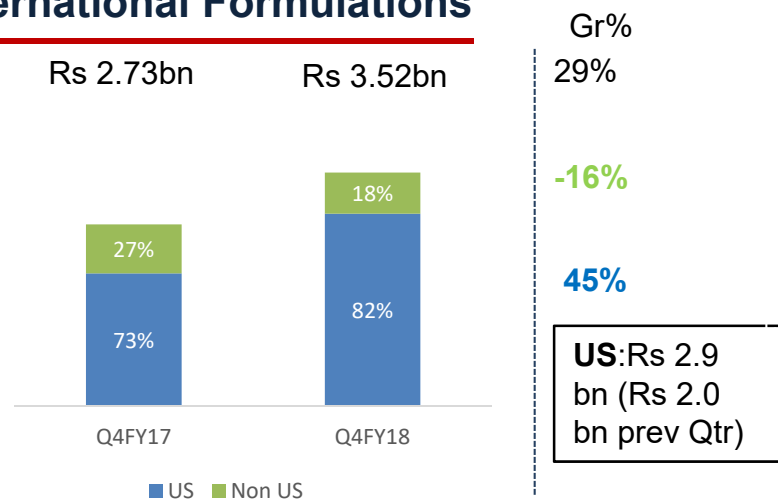
Financial Highlights

Particular (Rs bn)	Q4FY17	Q4FY18	Gr%
Net Sales	7.41	8.53	15%
EBITDA Pre R&D	2.42	2.81	16%
Margin %	33%	33%	
R&D	1.12	1.21	7%
R&D %	15%	14%	
EBITDA Post R&D	1.33	1.65	24%
Margin %	18%	19%	
Net Profit	0.92	0.93	-1%

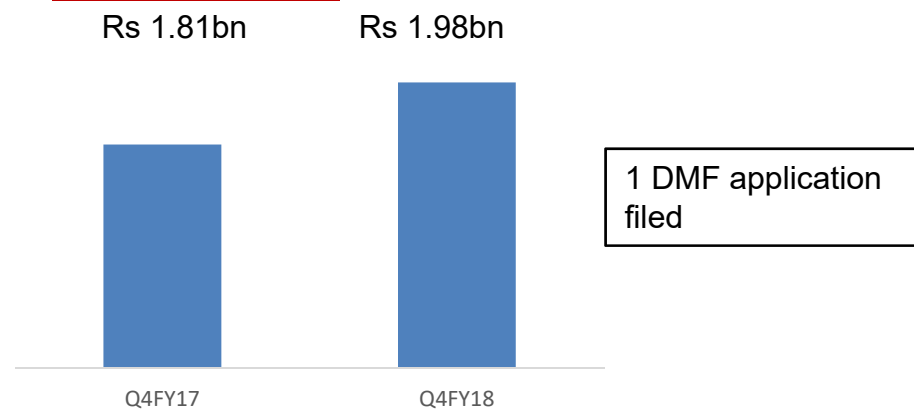
India Formulations



International Formulations



API Business



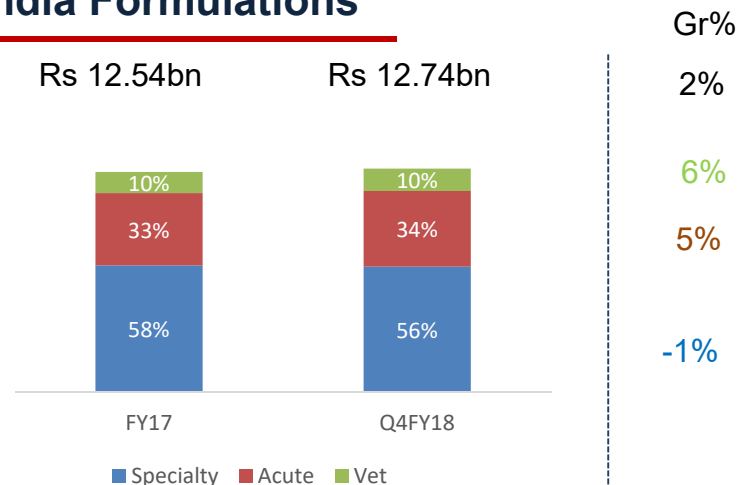
ANDA Filings : 12(incl-2 Aleor)

Highlights –FY18

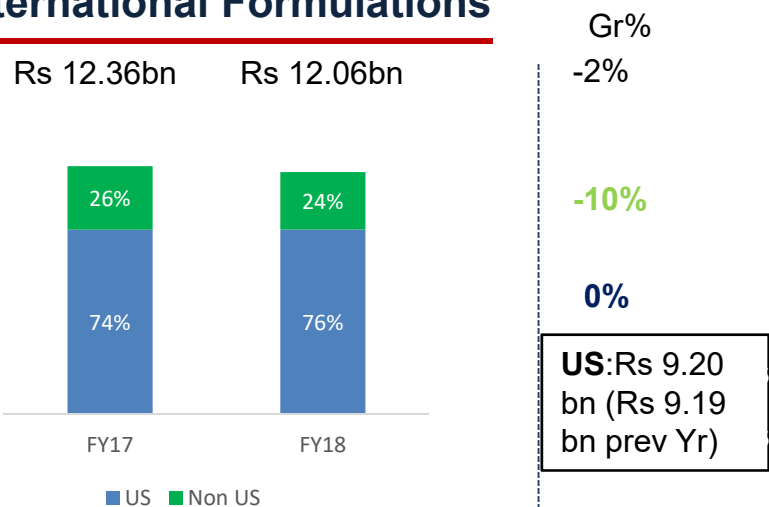
Financial Highlights

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%

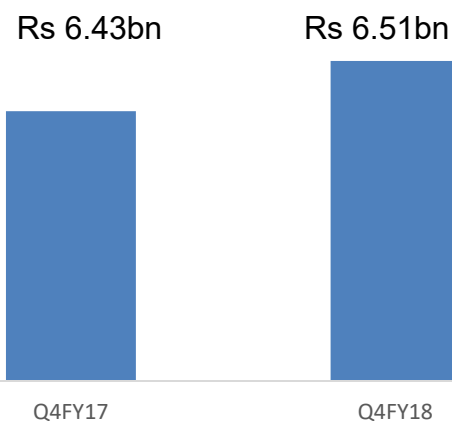
India Formulations



International Formulations



API Business

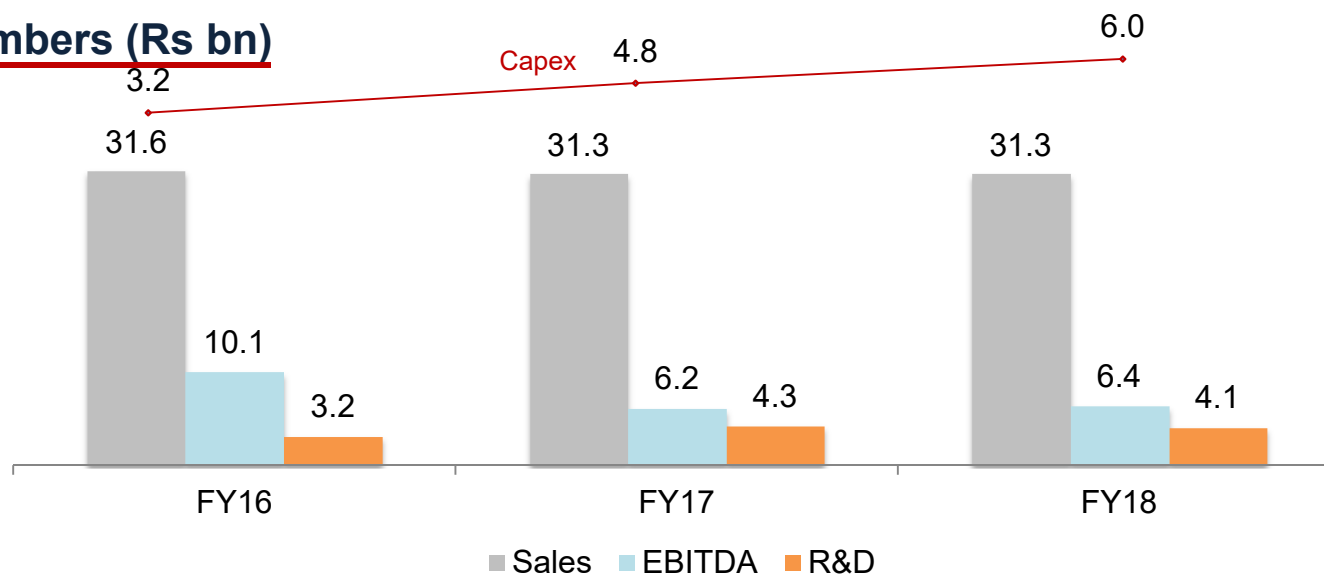


10 DMF applications filed
94 Cumulative DMF

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 900+ R&D employees strength

Manufacturing:

Formulation: Oral Solids, Panelav (Mar18)*
Sikkim, India market

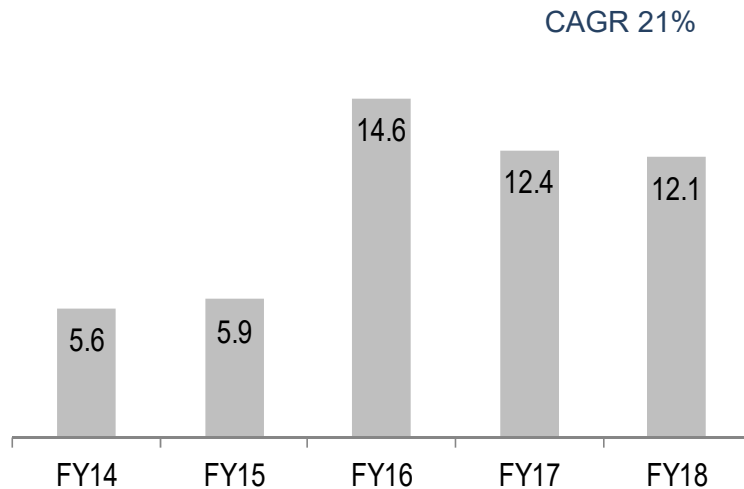
Oncology Injectables (H1FY19)
General Injectables (H1FY19)
Oral Solids, Jarod (H2FY19)
Derma (H2FY18).

API:

Panelav (Apr18)*, Karkhadi (Apr15)*
* Last inspection

International Formulations

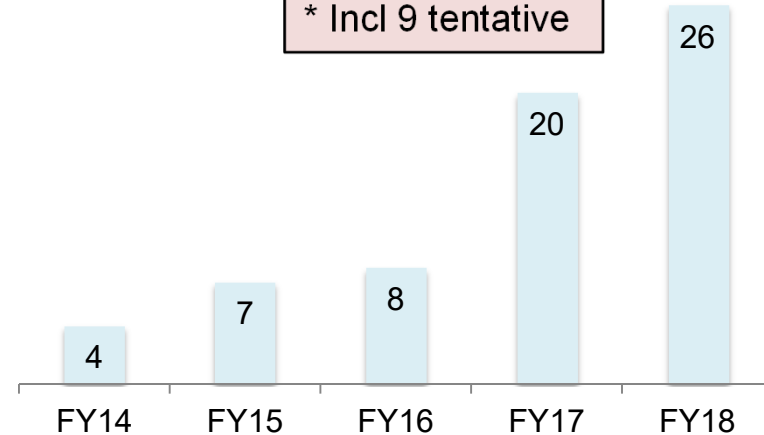
Sales (Rs bn)



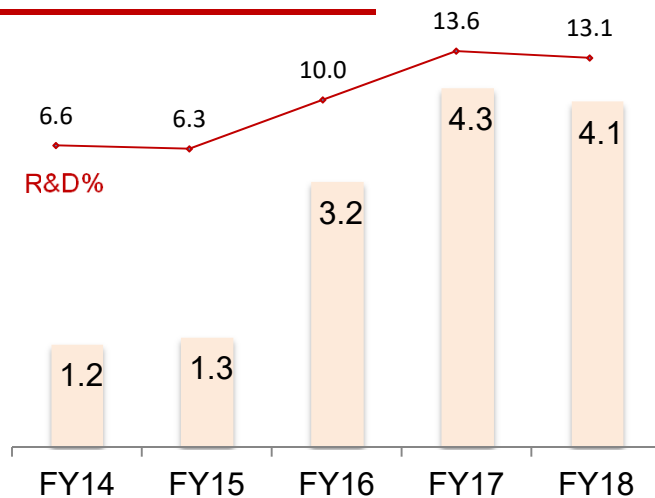
ANDA Filed

Filings: 132
Approval: 70*

* Incl 9 tentative



R&D Spend (Rs bn)

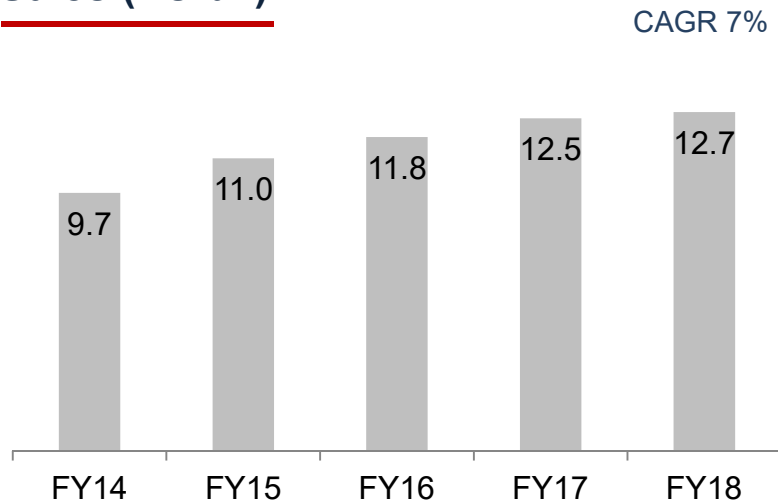


Milestones and Update

- Acquired US based Orit Laboratories LLC
7 Approved ANDAs and 4 ANDAs Pending approval
- US front-end in place, 38 products already launched (including relaunches)
- 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 Q4FY18

	QTR MAR 18			
Therapy (%)	Therapy Growth (ORG)	Market Share (ORG)	Alembic Growth (ORG)	Alembic Growth (PRIM)
Cardiology	9	2.01	7	5
Anti Diabetic	10	1.56	0	-7
Gynaecology	9	2.75	2	-5
Gastrology	9	1.58	1	-1
Dermatological	12	0.42	3	15
Orthopaedic	6	0.84	-1	-5
Ophthalmology	7	1.49	14	15
Nephro / Uro	12	2.35	21	36
Anti Infective	16	3.05	24	16
Cold & Cough	23	4.77	23	21

Source:ORG March 18

Therapy-wise Performance FY18

	YTD MAR 18			
Therapy (%)	Therapy Growth (ORG)	Market Share (ORG)	Alembic Growth (ORG)	Alembic Growth (PRIM)
Cardiology	6	2.02	5	5
Anti Diabetic	11	1.64	4	1
Gynaecology	5	2.74	-1	-4
Gastrology	6	1.64	-3	-8
Dermatological	14	0.40	6	8
Orthopaedic	3	0.84	-6	-12
Ophthalmology	7	1.45	12	12
Nephro / Uro	11	2.31	14	19
Anti Infective	1	2.85	6	3
Cold & Cough	4	4.86	11	6

Source:ORG March 18

Strategy

R&D Pipeline

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

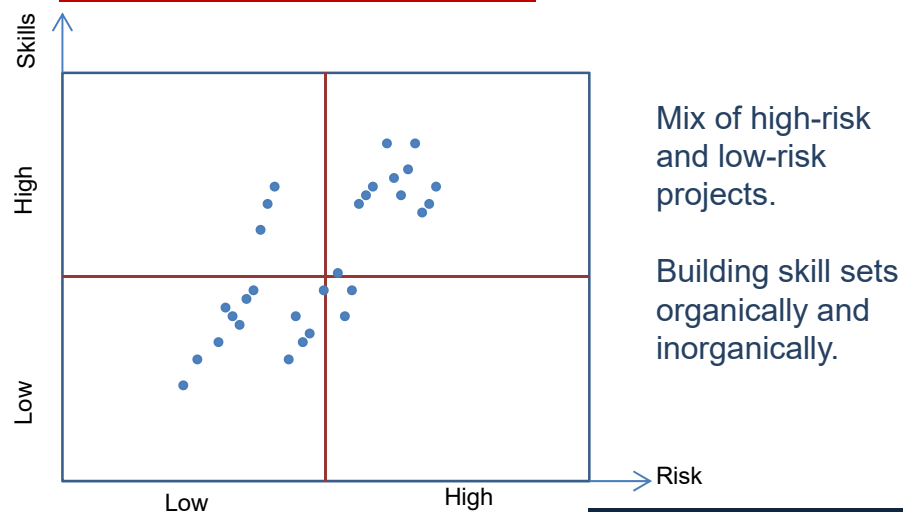
Growth drivers

- 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

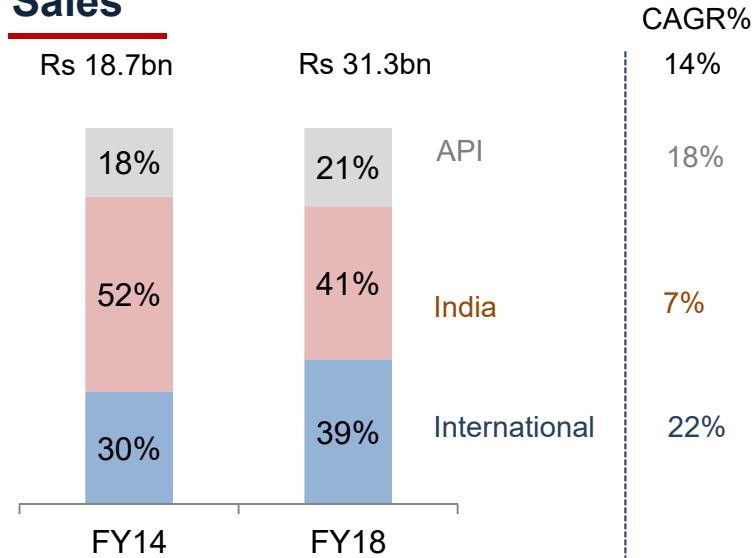
- People:** Renewed focus on HR
 Talent acquisition and retention
- Process:** Simple, clear structures
 Clear goals and empowerment
 Focus on compliance
 De-risk with systems
 Close monitoring

Pipeline

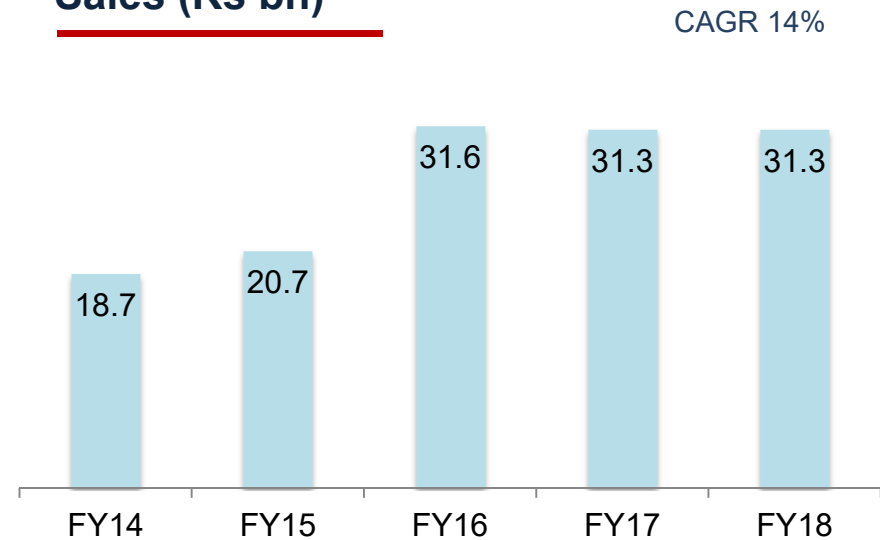


Financials – 5 years

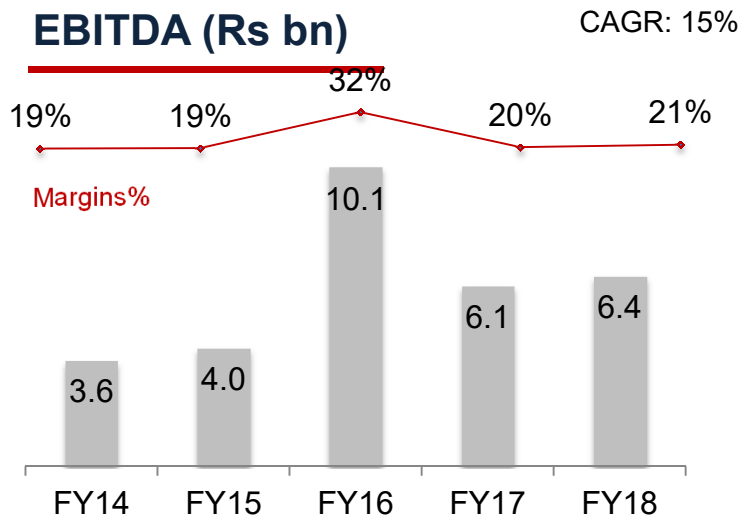
Sales



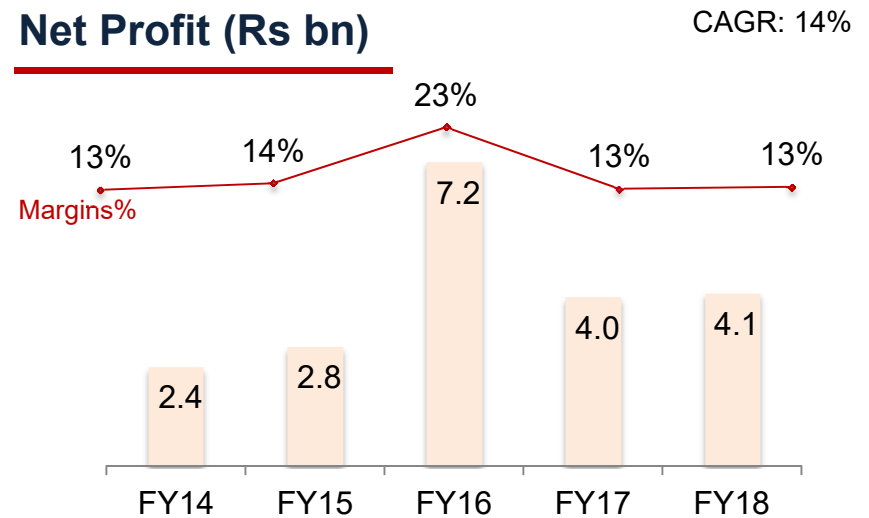
Sales (Rs bn)



EBITDA (Rs bn)

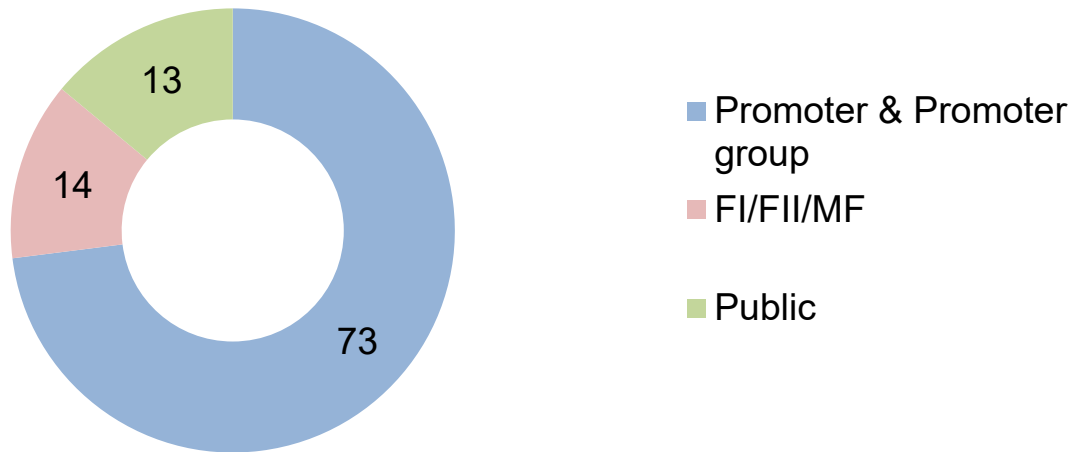


Net Profit (Rs bn)



Latest Shareholding Pattern

% of Total Shareholding

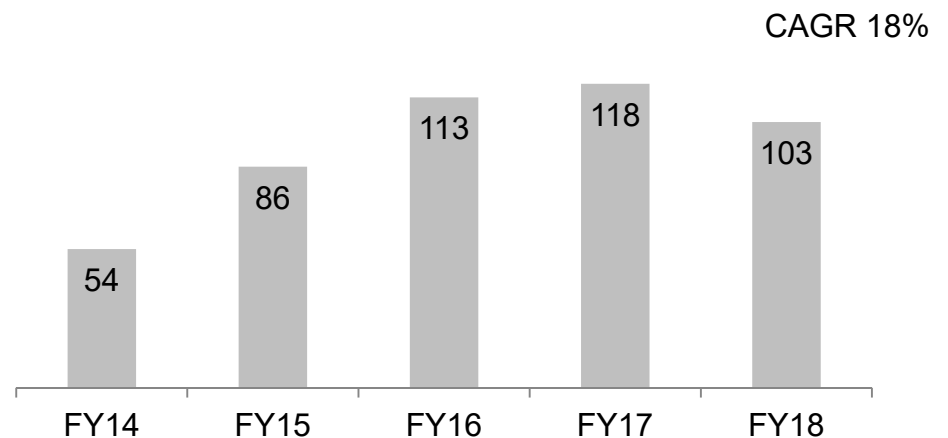


Total paid-up share capital 377.03mn

Total number of shares O/S 188.52mn

No. of shareholders >50 K

Market capitalisation (Rs bn)



THANK YOU