

# Alembic Pharmaceuticals Limited

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Investor presentation – March 2020

# 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	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
2017	Acquired Orit Laboratories LLC, USA
2018	FDA approves Aleor's dermatology facility
	Highest ever investment commitment across four new manufacturing facilities
2019	Formed a JV, to enter China, FDA approves Oncology oral solid facility
2020	US front-end achieved milestone of crossing \$ 250 Mn Sales in FY20

# Financial Highlights



INR Bn

Particulars	Q4 FY20	Q4 FY19	Growth	YTD FY20	YTD FY19	Growth
Net Sales	12.07	9.27	30%	46.06	39.35	17%
EBIDTA Pre R&D	5.13	2.84	81%	18.15	13.38	36%
<i>Margin %</i>	<i>42%</i>	<i>31%</i>		<i>39%</i>	<i>34%</i>	
R&D	1.85	1.20	55%	6.45	4.98	29%
<i>R&amp;D %</i>	<i>15%</i>	<i>13%</i>		<i>14%</i>	<i>13%</i>	
EBIDTA Post R&D	3.39	1.74	95%	12.13	8.75	39%
<i>Margin %</i>	<i>28%</i>	<i>19%</i>		<i>26%</i>	<i>22%</i>	
Net Profit	2.25	1.24	81%	8.29	5.84	42%
Capex	1.46	1.22		6.97	6.26	
Debt-Equity (Net)				0.52	0.34	

# Business snapshot – Q4FY20



## Formulations

Generics		Branded
US	Ex-US	India

## API

## Total

Revenue Q4FY20 (INR Bn)

**5.77**

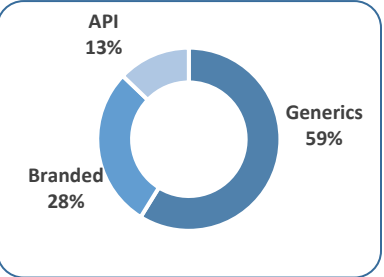
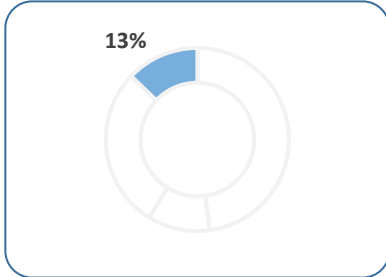
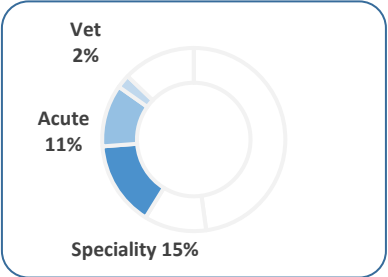
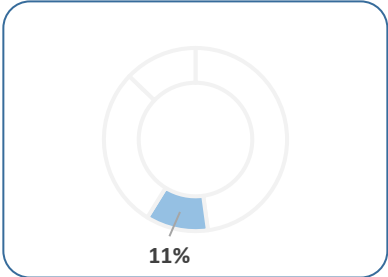
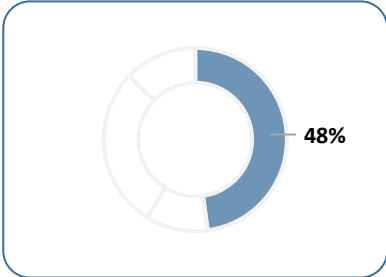
**1.32**

**3.42**

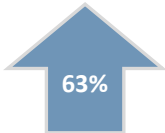
**1.55**

**12.07**

Q4FY20 Revenue Contribution



Growth Q4FY20 over Q4FY19



Growth Q4FY20 over Q3FY20

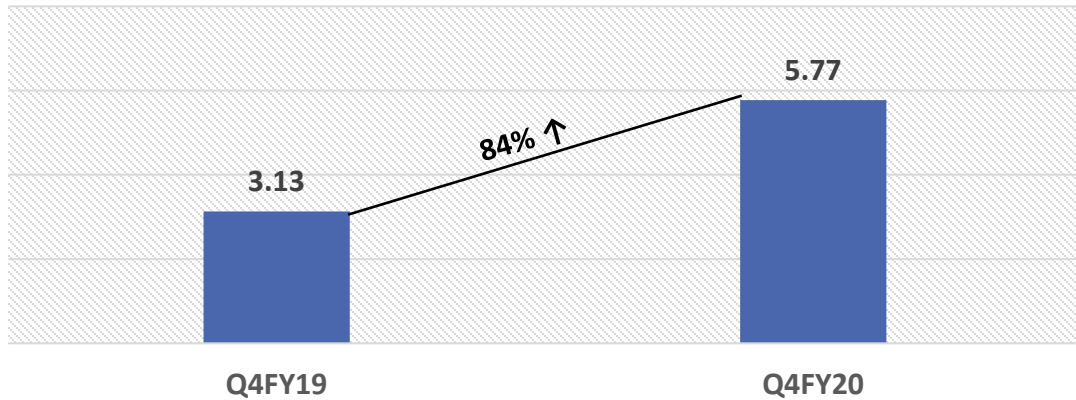


# Business snapshot – YTD FY20

	Formulations			API	Total
	Generics		Branded		
	US	Ex-US	India		
Revenue YTD FY20 (INR Bn)	19.76	4.97	14.25	7.08	46.06
YTD FY20 Revenue Contribution					
Growth YTD FY20 over YTD FY19					
Overview	<ul style="list-style-type: none"> <li>Well-established US front end having strong customer base</li> <li>Expanded our capabilities to deliver a diverse portfolio to the US market</li> </ul>	<ul style="list-style-type: none"> <li>Ex-US driven by partnership</li> <li>Long term relationship with key clients across the regulated markets</li> </ul>	<ul style="list-style-type: none"> <li>Marketing team of over 5,000 field colleagues, well recognized by Doctors &amp; patients</li> <li>Diverse portfolio with steady pipeline of speciality medicines</li> </ul>	<ul style="list-style-type: none"> <li>Inhouse API Development with vertical integration for selective formulation products</li> <li>109 DMF Filings</li> </ul>	

## Revenue – Q4 FY20

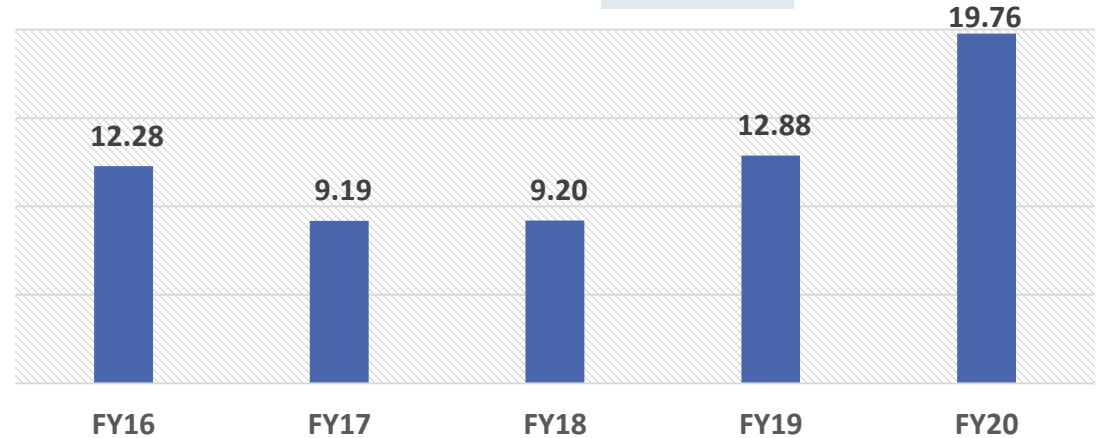
INR Bn



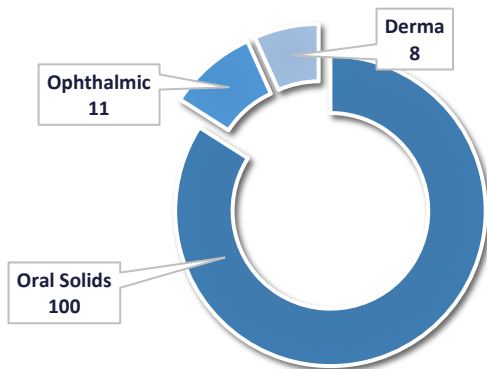
## Revenue – Last 5 Years

CAGR - 13%

INR Bn



## Approved ANDAs



Total – 119\*

\* Includes 12 Tentative Approval

## Milestones & Updates

- 69 products launched through the US front end (5 launched in Q4FY20, 22 Launched in YTD FY20), 7 products are on partner label
- 10 products planned to be launch in H1FY21
- The Aleor derma facility at Karakhadi was audited by USFDA without any observations
- The Formulation OSD facility (F-1) at Panelav was recently audited by USFDA with 4 procedural observations

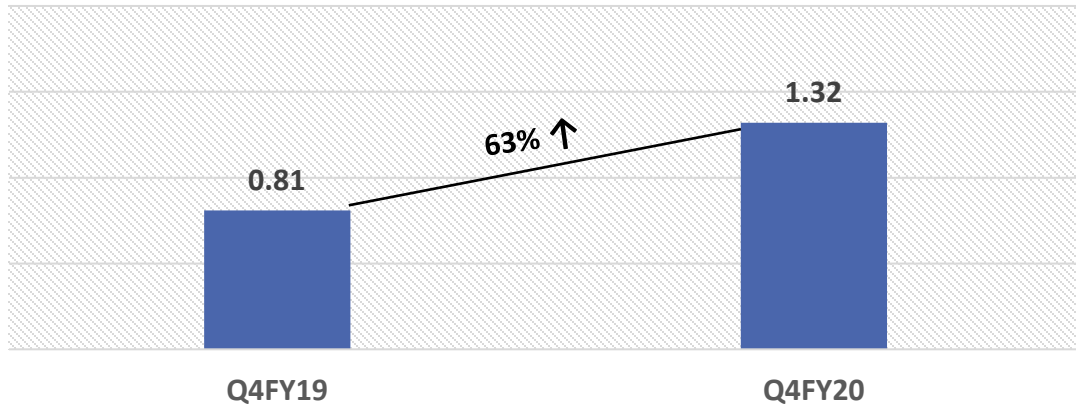
Q4 FY20 : - 10 ANDA Filings, 10 Final Approvals

YTD FY20 : - 25 ANDA Filings, 30 Final Approvals

Cumulative : - 183 ANDA Filings, 119 Approvals\* and 76 Products Launched so far

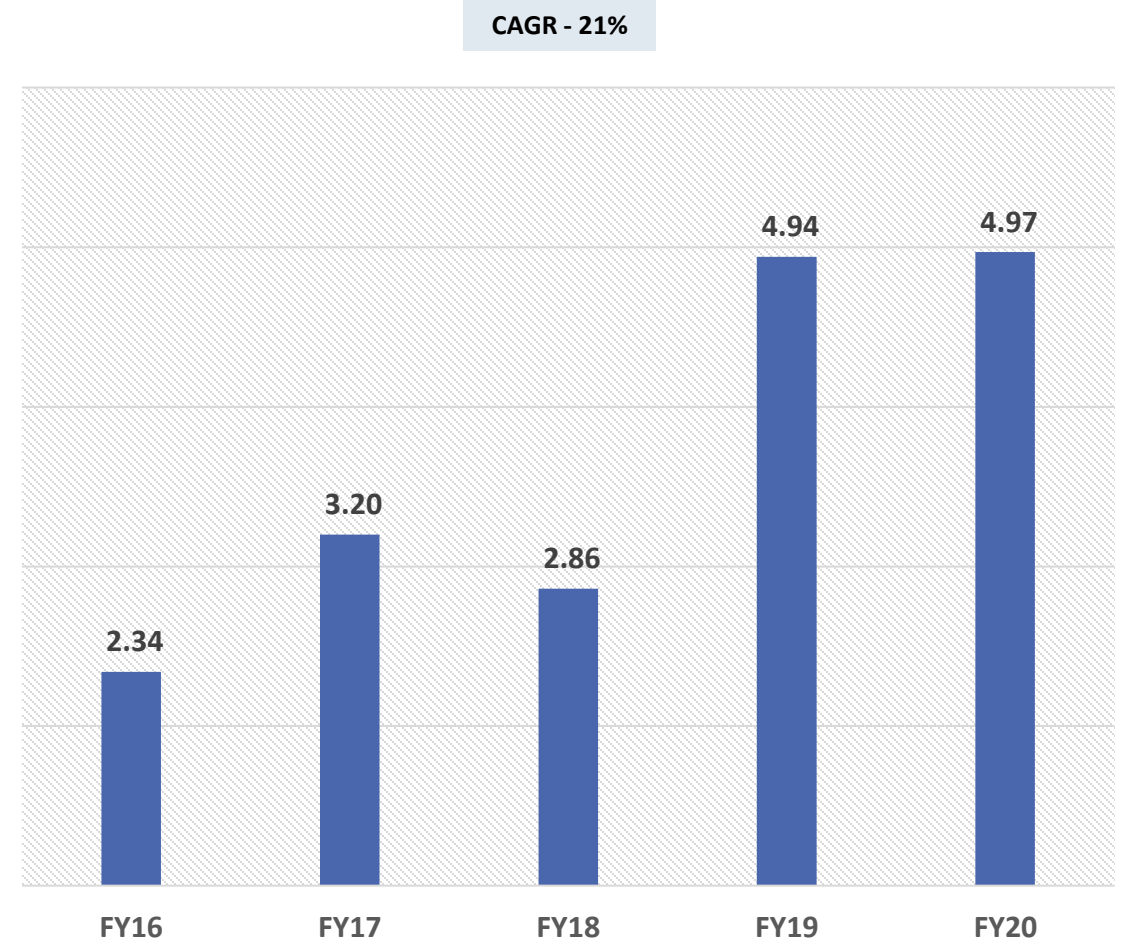
Revenue : Q4 FY20

INR Bn



Revenue – Last 5 Years

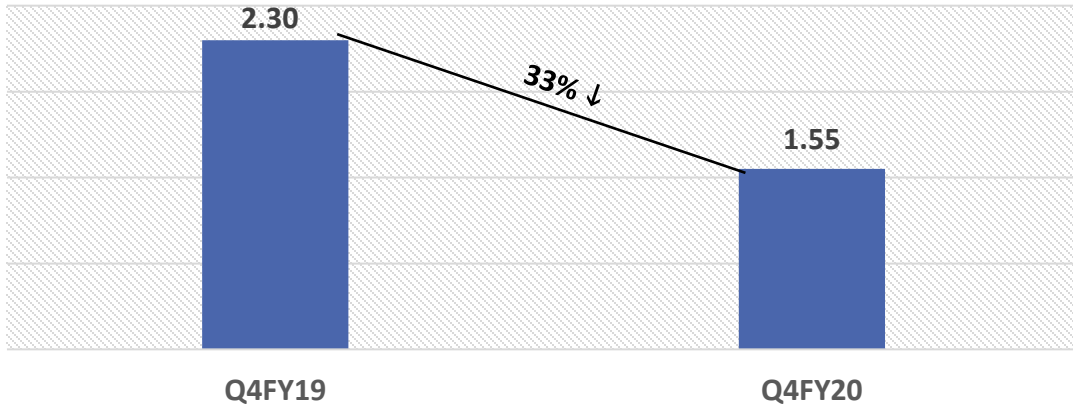
INR Bn



- Presence in following markets
  - Europe, Canada, Australia, Brazil and South Africa
- The business will focus on new launches across key markets
- Plant successfully audited by key regulatory authorities across the globe

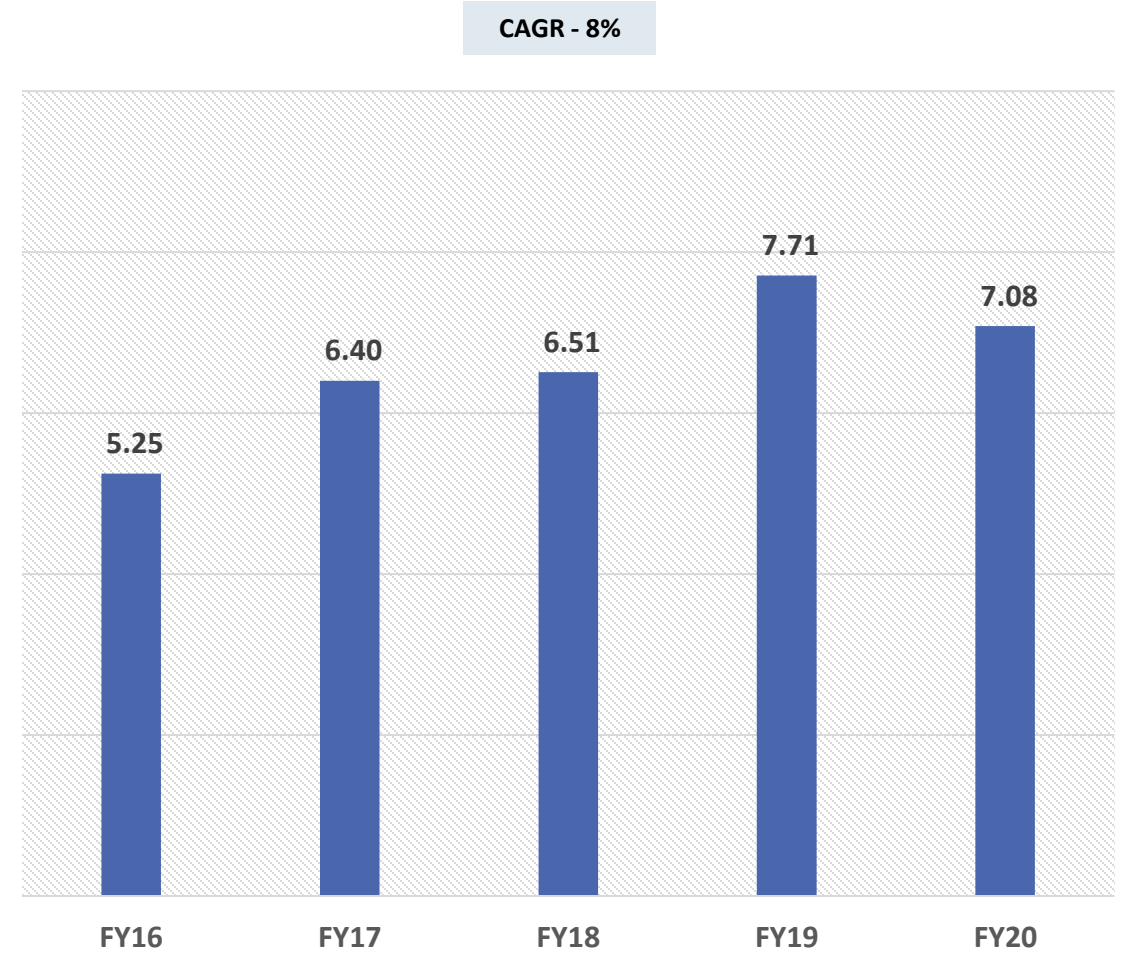
Revenue : Q4 FY20

INR Bn



Revenue – Last 5 Years

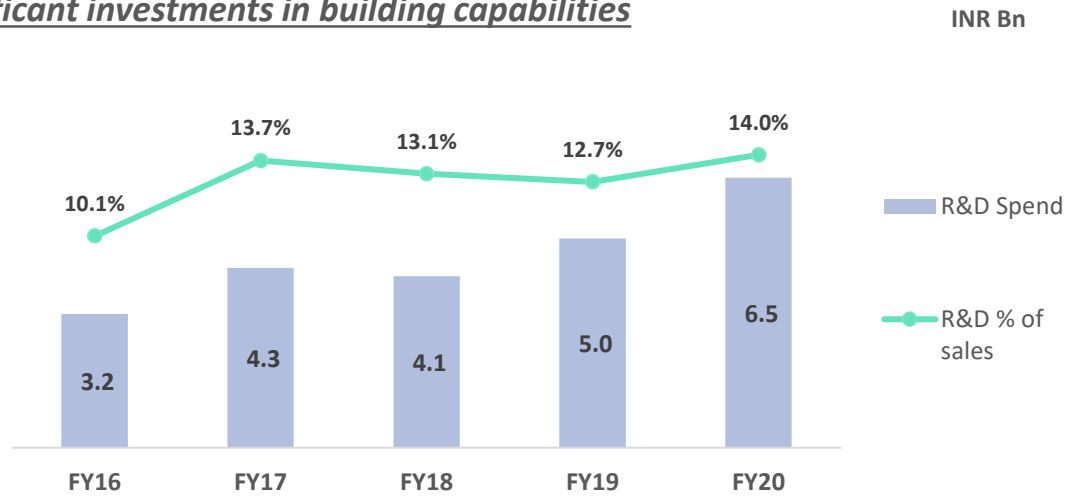
INR Bn



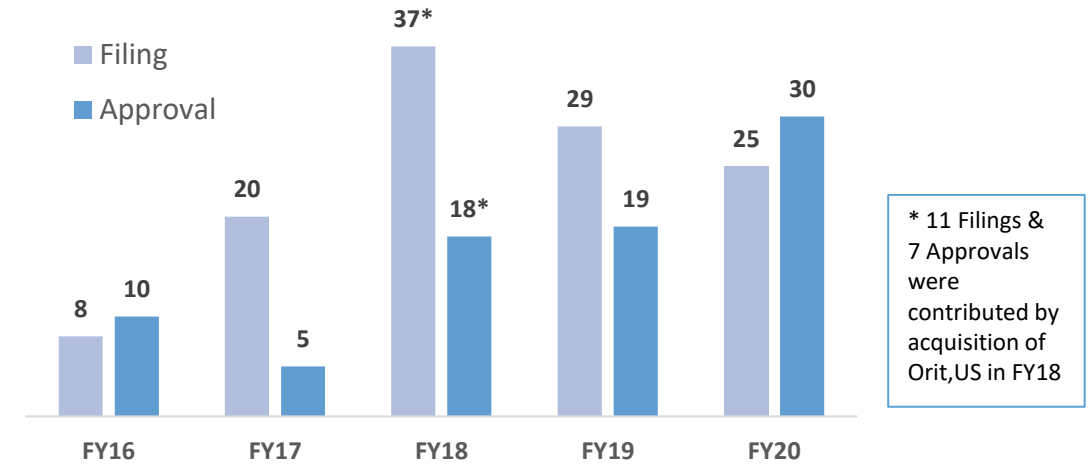
- Sales across geographies as preferred supplier
- Investing in plants to create additional capacities
- FDA Compliant plants
- State of the art R&D center and Process development lab
- 9 DMFs filed with USFDA in current FY (5 in Q4FY20), aggregates to 109 DMF filings on cumulative basis



## Significant investments in building capabilities



## ANDA – Accelerated filings & approvals



\* 11 Filings & 7 Approvals were contributed by acquisition of Orit,US in FY18

## Diversified Portfolio

Dosage Form	FY15	FY20
Oral Solids	✓	✓
Injectable	✗	✓
Oncology	✗	✓
Dermatology	✗	✓
Ophthalmology	✗	✓
Biologics	✗	✗
NCEs	✓	✓

## R&D Capabilities

**Formulation** : Vadodara, Hyderabad and USA

**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	Audit/Filing status
<b>International Generics</b>		
F1 – Panelav	General Oral Solids	Mar'20*
F2 – Panelav	Oncology Oral Solids	Jun'19*
	Oncology Injectables	H2FY21#
F3 – Karkhadi	General Injectables	Jan'20#
	Ophthalmic	
F4 – Jarod	General Oral Solids	H1FY21#
Aleor (JV) - 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

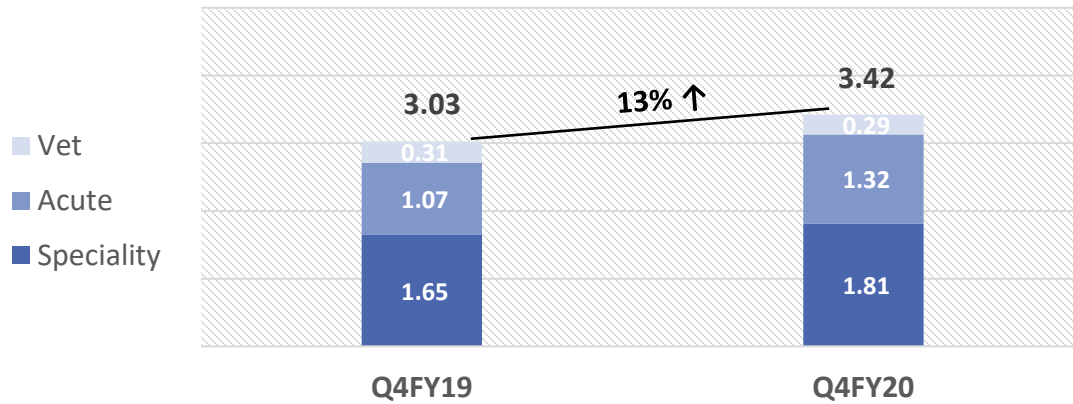


Aleor (JV) - Karkhadi

\* Last USFDA Inspection  
# Filing/Expected filing

## Revenue – Q4 FY20

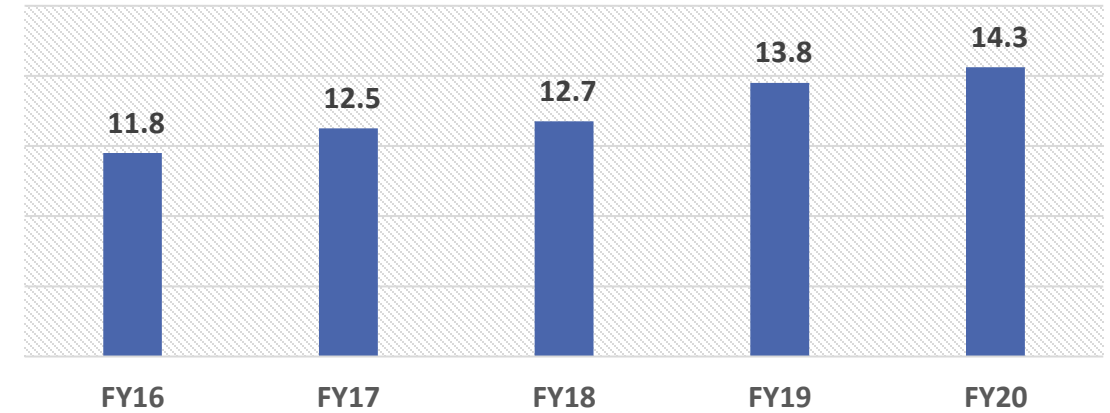
INR Bn



## Revenue – Last 5 Years

CAGR - 5%

INR Bn



## Marketing organization

- 5000 + Marketing team
- 17 Marketing divisions
- 14% Product portfolio in NLEM
- Caters to around 1,75,000 Doctors in India

## Manufacturing facility

- Sikkim

## Key achievements

- 3 Brands in top 300
- Market share is 1.5% of Indian Pharma space

## Growth drivers

- Emphasis on Specialty segment
- 93% new launches in specialty

# Therapy-wise Performance Q4 FY20



Therapy (%)	Q4 FY20				Q4 FY19			
	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	15	2.0	11	18	11	2.1	16	10
Anti Diabetic	13	1.5	4	12	13	1.6	16	10
Nephro / Uro	8	2.2	9	33	11	2.2	15	-6
Orthopaedic	8	1.0	12	9	8	1.0	21	14
Ophthalmology	7	1.3	-9	-8	6	1.5	11	11
Gastrology	6	1.5	-3	15	4	1.6	11	-10
Dermatological	6	0.3	-19	-13	9	0.4	23	16
Gynecology	6	2.5	-6	11	11	2.9	32	-3
Cold & Cough	23	4.9	22	22	0	5.0	8	-1
Anti Infective	10	3.2	15	28	3	3.0	4	-6
<b>OVERALL</b>	<b>10</b>	<b>1.5</b>	<b>7</b>	<b>18</b>	<b>8</b>	<b>1.6</b>	<b>13</b>	<b>0</b>

# Therapy-wise Performance YTD Mar'20

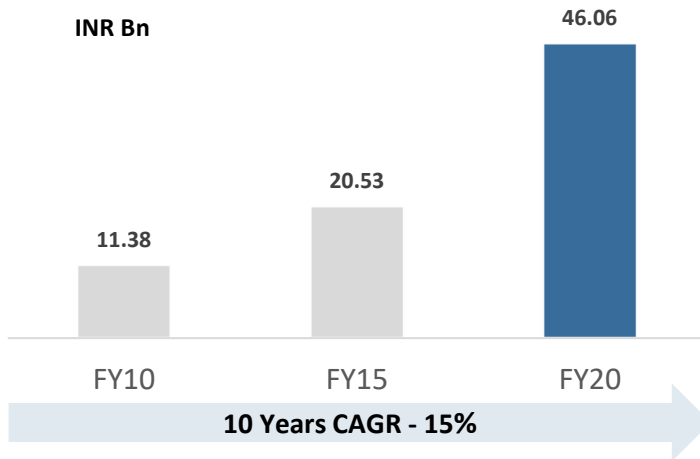


Therapy (%)	YTD Mar'20				YTD Mar'19			
	Therapy Growth % (ORG)	Market Share % (ORG)	Alembic Growth % (ORG)	Alembic Growth % (PRIM)	Therapy Growth % (ORG)	Market Share % (ORG)	Alembic Growth % (ORG)	Alembic Growth % (PRIM)
Anti Diabetic	13	1.5	3	3	14	1.7	15	11
Cardiology	12	2.1	7	6	12	2.2	20	16
Nephro / Uro	11	2.1	4	6	15	2.2	18	17
Ophthalmology	11	1.4	2	8	9	1.6	17	16
Gynecology	10	2.6	0	3	12	2.9	37	6
Orthopaedic	9	1.0	13	4	9	1.0	21	15
Gastrology	9	1.5	-3	-9	8	1.7	12	7
Dermatological	9	0.4	-10	-12	13	0.4	29	21
Cold & Cough	18	4.9	20	13	7	4.8	10	5
Anti Infective	13	3.0	14	10	7	3.0	12	6
<b>OVERALL</b>	<b>11</b>	<b>1.5</b>	<b>7</b>	<b>5</b>	<b>11</b>	<b>1.6</b>	<b>17</b>	<b>9</b>

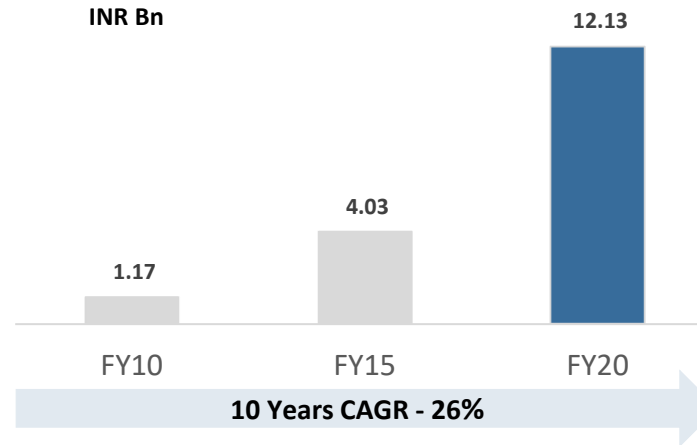
# Financials : *Generating consistent returns*



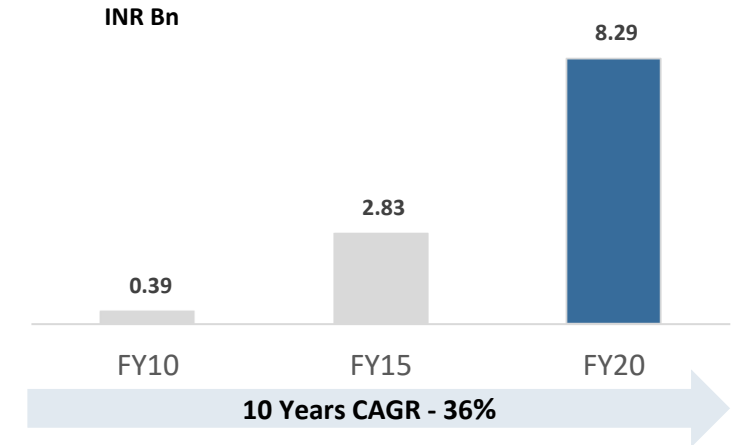
## Revenue



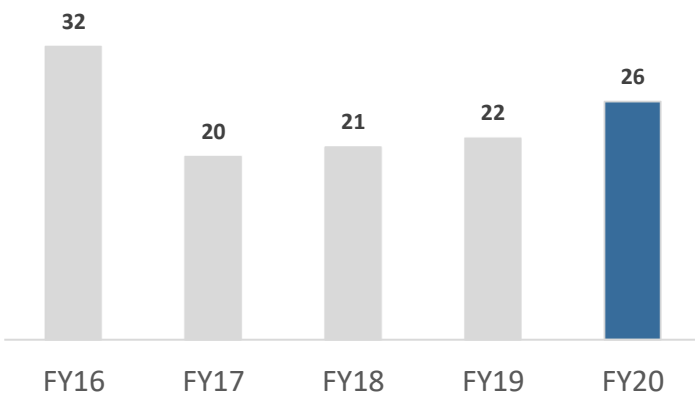
## EBIDTA



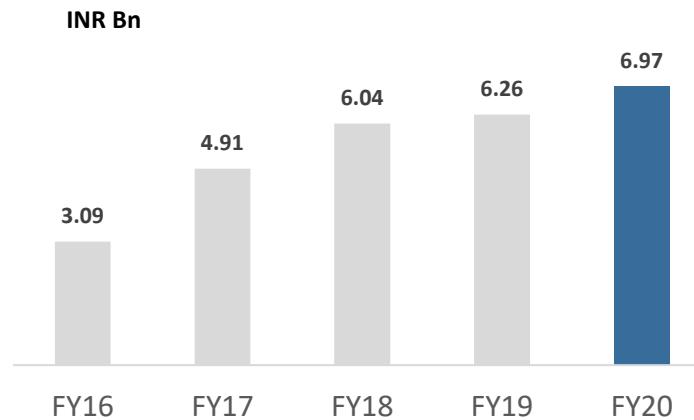
## Net Profit



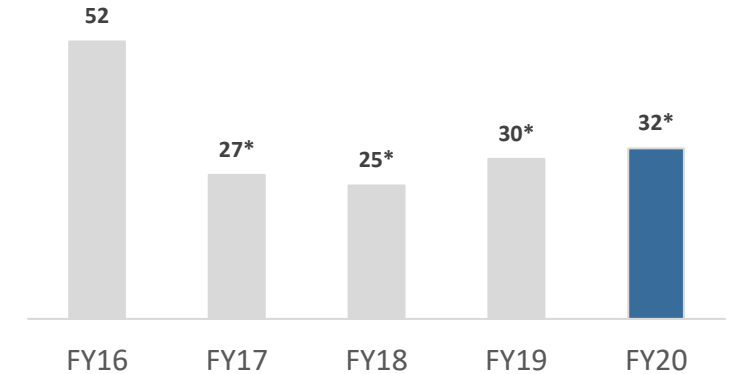
## EBIDTA margin %



## Capex



## ROCE %



\* Capital excludes New Projects

Note : - Financial numbers of FY10 is of Alembic Limited, since Alembic pharmaceuticals Limited was demerged from Alembic Limited on 1<sup>st</sup> Apr'10.

## 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.

