

Alembic Pharmaceuticals Limited



# Investor Presentation

January 2016

[www.alembic-india.com](http://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 86% of revenues
  - International Business – 50%
  - India Business – 36%

- Net Sales up 81% to Rs 9307 mn
- EBITDA margins at 41% at Rs 3846 mn
- Net Profit up 281% to Rs 2695 mn
- Total R&D spend is Rs 745 mn for the quarter which is 8% of net sales. This is up by 139 % (YOY)

## India Branded Formulations (Rs. 2883 mn)

- Sikkim plant commissioned
- Specialty Segment grew by 22% and Acute Segment grew by 10%. Althrocin price led to lower growth
- Strengthening the share of specialty therapies in the overall revenue basket. Within specialty Anti Diabetic, Cardiology, and Gynaecology grew impressively by 43%, 34% and 29% respectively
- Alembic's "Tellzy" is the fastest growing (46% as per ORG MAT Dec 2015) Telmisartan brand and is the 3<sup>rd</sup> ranked brand in the Telmisartan market

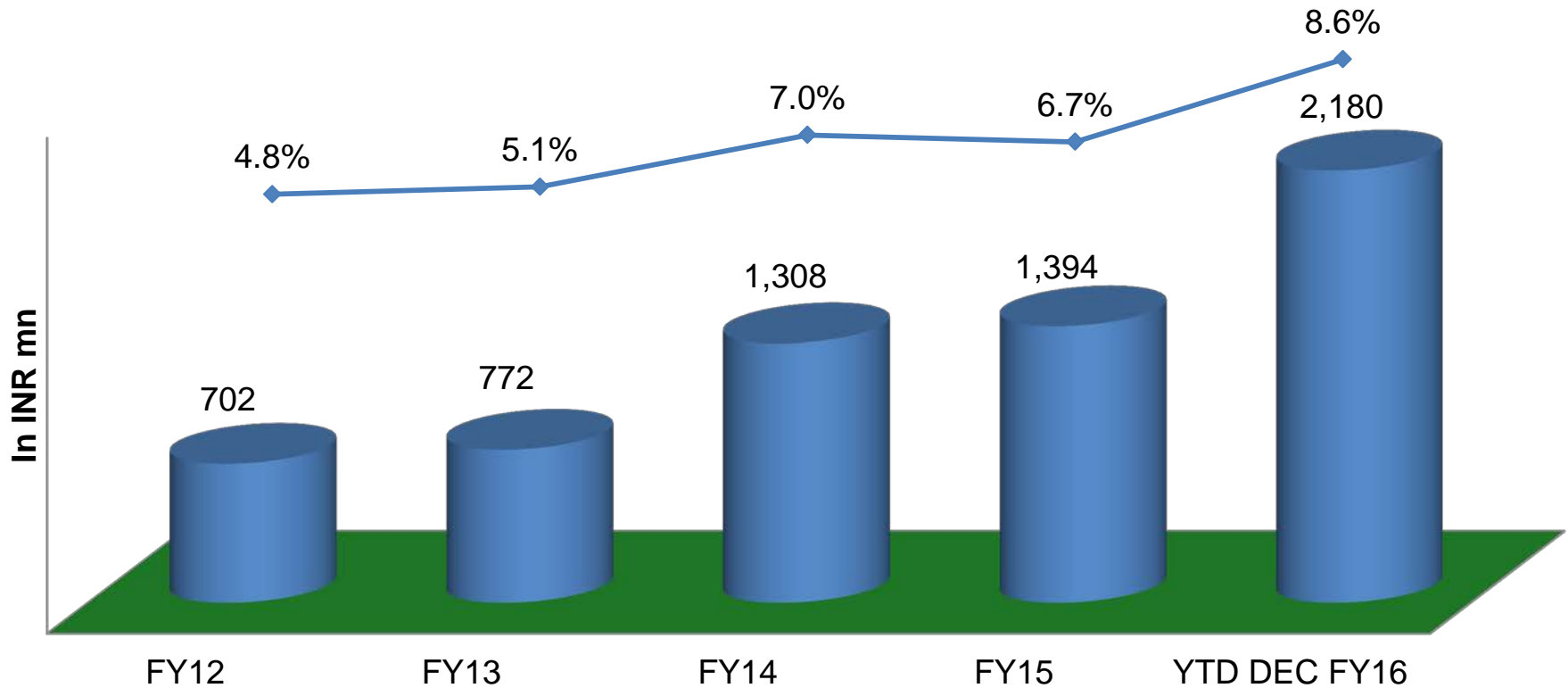


## International Business (Rs. 5211 mn)

- Business grew by 248% in the quarter
- Successful Launch of Aripiprazole Generic
- 3 products launch in USA
- USA front end operational
- 2 ANDA approvals were received during the quarter, taking cumulative approvals at 45 including 3 tentative approvals
- 3 ANDA applications were filed during the quarter, taking cumulative ANDA filings at 74

## API Business (Rs. 1012 mn)

- Business grew by 24% in the quarter
- 4 DMF applications were filed during the quarter, taking cumulative DMF filings at 79



- Total R&D spend is Rs 2180 mn for the YTD DEC FY16 which is 8.6% of net sales.
- Highly talented pool of 470 research scientists



## India Branded Formulation Business - Key Highlights

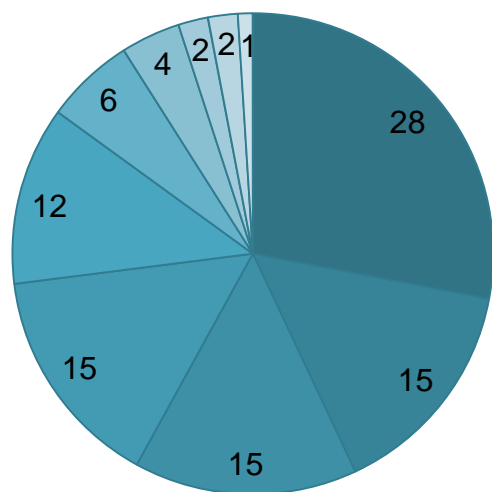
- 1.74% market share (Ranked 19<sup>th</sup>) in Indian formulations market as per IMS MAT data
- Ranked 17<sup>th</sup> in doctors' prescription universe
- Sustained dominance in anti-infective, analgesics, cough and cold segments
- Robust growth in Cardiology, Diabetes, Gastrology, Gynaecology and Orthopedic
- 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 (Q3FY16)

- Launched 8 product SKUs in the domestic market in Q3FY16.

**% of total domestic formulation revenue**



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

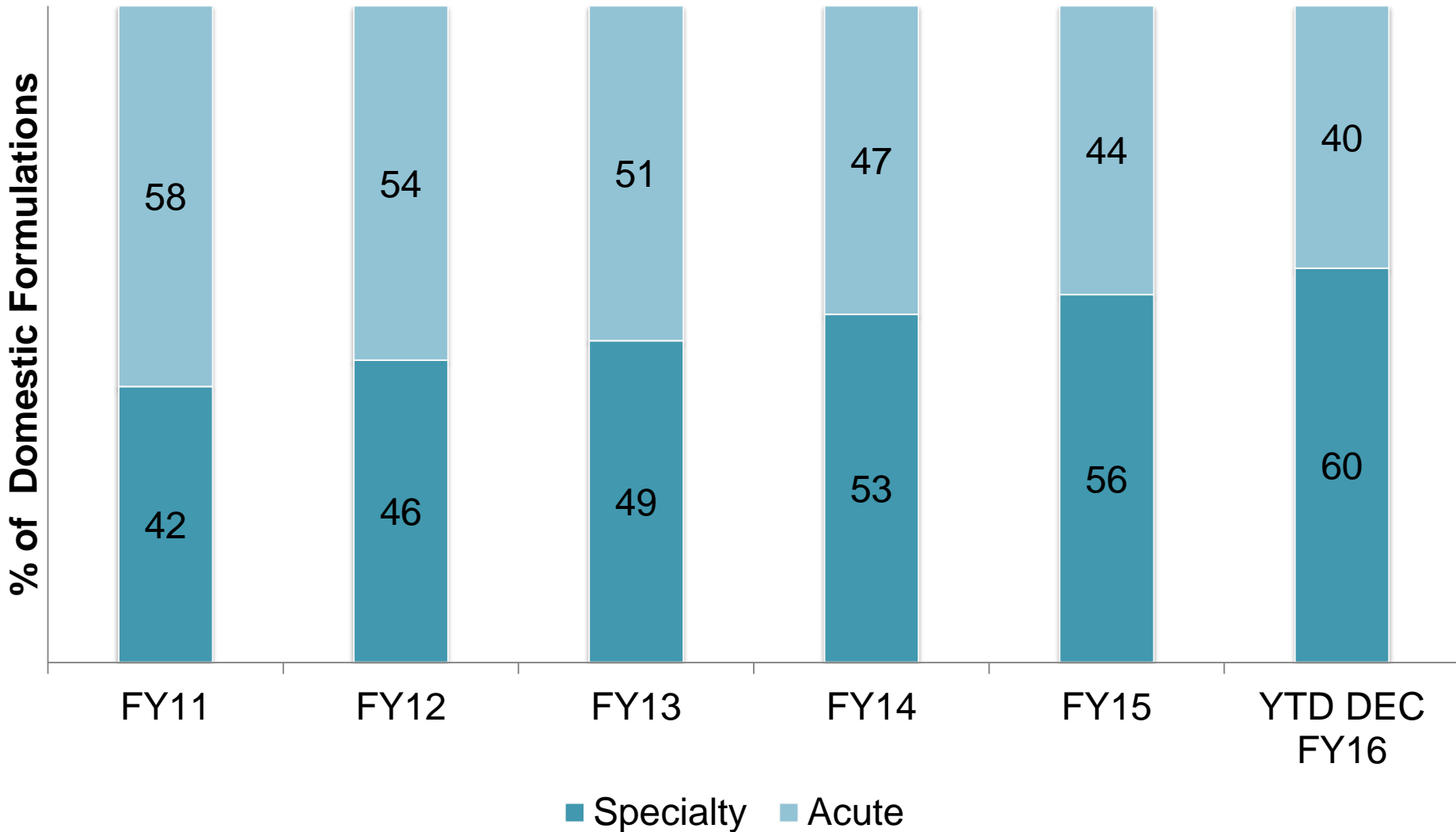
Brand Name	Therapeutic Area	Ranking
Azithral	Anti-infective	32
Althrocin	Anti-infective	92
Wikoryl	Respiratory	176
Roxid	Anti-infective	195
Gestofit	Gynecology	256

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

Company	DEC MAT 2015				DEC MAT 2014			
	Growth %	Volume Grth %	Price Grth %	New Prod Grth %	Growth %	Volume Grth %	Price Grth %	New Prod Grth %
IPM	14.5	5.8	3.7	5.0	12.8	5.4	1.3	6.1
Alembic	14.9	6.8	3.8	4.2	11.3	5.4	1.1	4.7

(Source : ORG December 2015)

## Therapy Dominance



# Therapy-wise Performance Q3 FY16

Therapy	DEC QTR 2015				DEC QTR 2014			
	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	14	2.05	29	34	13	1.80	33	31
Anti Diabetic	21	1.59	27	43	17	1.52	30	24
Gynaecology	13	2.70	26	29	14	2.42	28	24
Gastrology	16	2.22	0.2	7	14	2.56	8	16
Dermatological	14	0.48	26	-14	21	0.44	38	62
Orthopaedic	12	0.94	2	20	11	1.03	2	9
Ophthalmology	8	1.17	-1	1	27	1.27	-6	-18
Nephro / Uro	16	2.17	13	20	19	2.23	18	31
Anti Infective	15	3.30	1	5	5	3.74	-1	-1
Cold & Cough	18	5.35	17	20	5	5.41	16	12
<b>OVERALL</b>	<b>15</b>	<b>1.76</b>	<b>12</b>	<b>16</b>	<b>13</b>	<b>1.81</b>	<b>12</b>	<b>11</b>

(Source : ORG December 2015)

## International Generics Business - Key Highlights

- 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
- 45 ANDAs/NDAs approved including 3 tentative, 29 ANDAs pending approval

# Financial Snapshot



# Financial Highlights

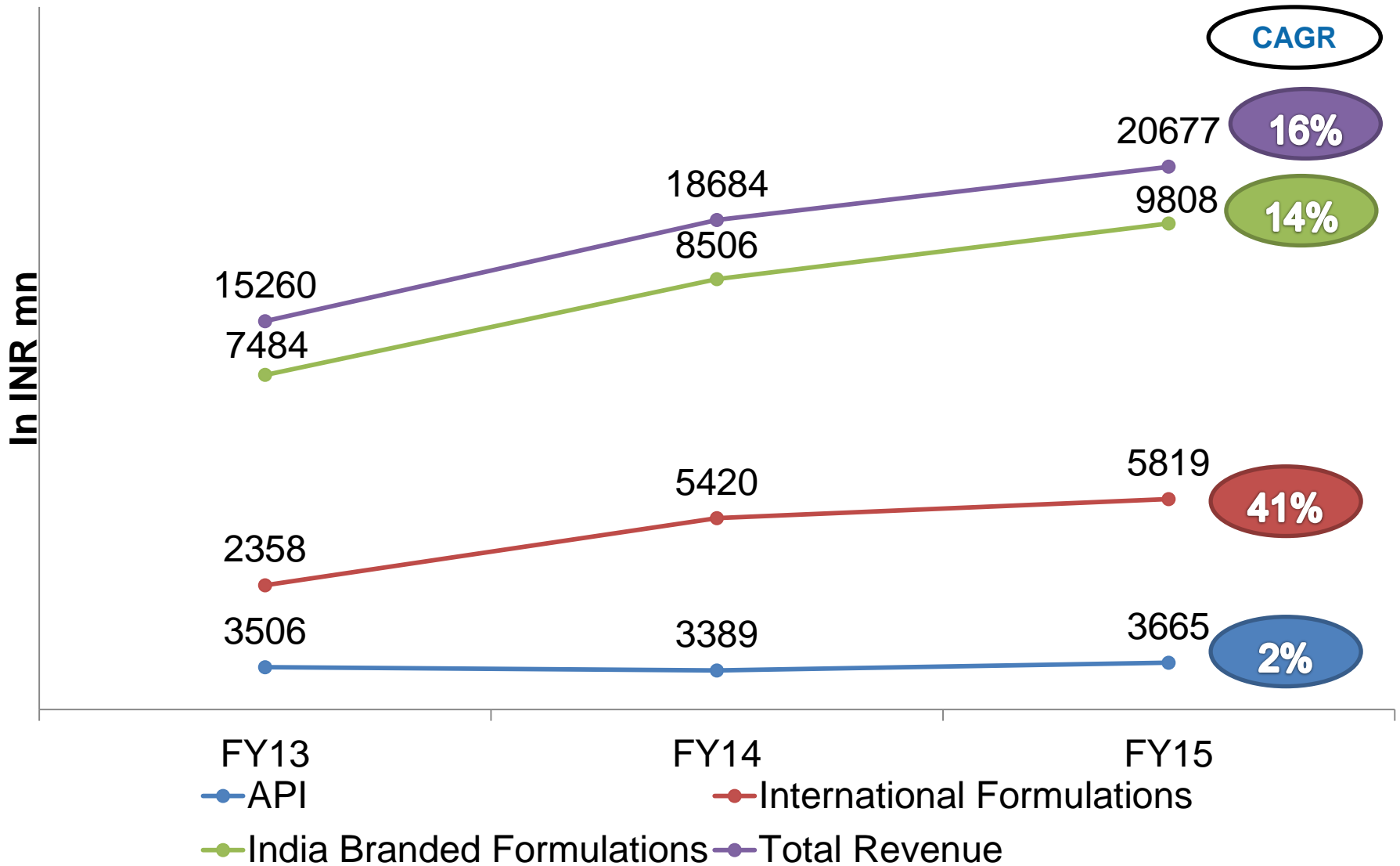


Particulars (INR mn)	Q3 FY16	Q3 FY15	%Growth	YTD DEC FY16	YTD DEC FY15	%Growth
Formulations Revenue						
International	5211	1498	248%	12714	4351	192%
India Branded	2883	2500	15%	8356	7488	12%
India Generics	201	332	-40%	737	907	-19%
API Revenue	1012	819	24%	3580	2852	26%
Total Revenue	9307	5149	81%	25387	15598	63%
EBITDA	3846	1016	279%	8627	3050	183%
EBITDA %	41%	20%		34%	20%	
PAT	2695	707	281%	6283	2126	196%
PAT %	29%	14%		25%	14%	
EPS	14.30	3.75		33.33	11.28	
Book Value/share				79.75	46.87	
ROCE %				62.79%	31.32%	

# Financial Ratios

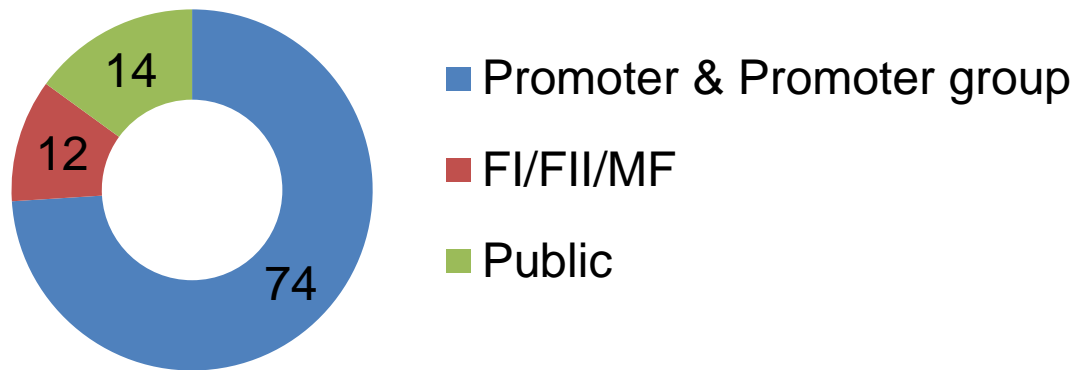
Various Ratios	YTD DEC FY 16	YTD DEC FY 15	FY 15
EBIDTA Margin	34.39%	19.66%	19.69%
Gross Margin	74.35%	65.18%	65.29%
ROCE	62.79%	31.32%	30.59%
RONW	55.55%	32.00%	31.98%
EPS	33.33	11.28	15.01
Book Value per share	79.75	46.87	46.93
Debt Equity Ratio	0.12	0.28	0.30
EBITDA / Debt Ratio	0.16	0.61	0.65
Stock Turnover Ratio	4.38	4.43	4.43
Receivables days	40	66	64
Inventory days	83	82	82
Interest Cover	343.41	192.09	202.68
Asset Turnover Ratio	4.48	4.15	3.46
Current Ratio	2.26	2.50	2.19
Sales / Cap Employed	1.93	1.79	1.75

# Revenue Trend



# Latest Shareholding Pattern

## % of Total Shareholding



<b>Market capitalization</b>	<b>INR 131 bn</b>
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 34 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

# Conference call details

**Date : Thursday, 21<sup>st</sup> January, 2016**  
**Time : 05.00 pm IST**

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India - Secondary Number	+91 22 67468328
USA	1 866 746 2133
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Hong Kong Toll Free No.	800 964 448



## 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](http://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