

Alembic Pharmaceuticals Limited



Investor Presentation

October 2014

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www.alembic-india.com



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.

The Journey so far

1907

Alembic Ltd. starts manufacturing tinctures and alcohol at Vadodara

1940

Starts manufacturing cough syrup, vitamins, tonics and sculpture drugs

1961

Penicillin plant inaugurated

1971

Becomes 1st Indian company to manufacture Erythromycin

1972

Launched it under brand 'ALTHROCIN'

2007

Acquires Non-Oncology Division of Dabur Pharma - enters high margin segments such as Cardiology, Diabetes, Gastro and Gynaecology

2004

R&D facility set up at Vadodara

2006

Receives USFDA approval for API and Formulation facilities

2001

Starts manufacturing of Cephalosporin C

2003

Formulation facility set up for Regulated markets

2010

"Azithral" sales crosses INR 1bn
Demerger of pharma business from Alembic Ltd. – Alembic Pharmaceuticals Ltd. Formed

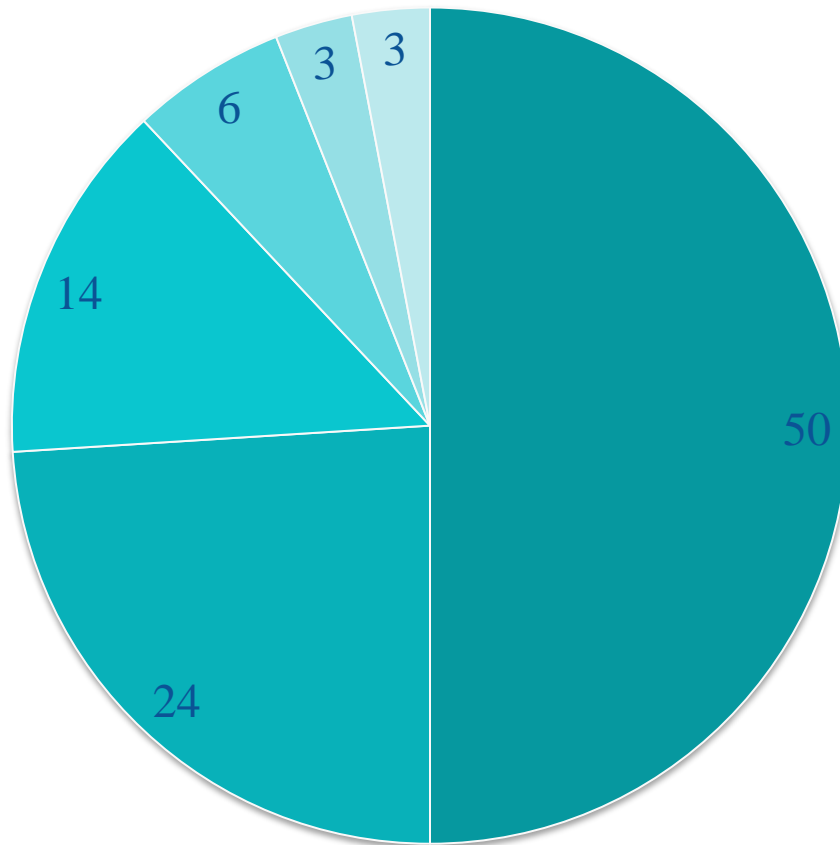
2011

Receives ANVISA approval
Aggressive ANDA & DMF filings

2014

Cumulatively filings made for 65 ANDAs/NDAs and 68 DMFs
16 Marketing divisions in operation for India business

% of the total sales



- India Branded Formulations
- International Generics
- API Export
- India Generics
- International Branded Formulations
- API Domestic

State-of-the-art Analytical & IPR infrastructure



R&D facility

R&D centre has been recognized by DSIR, Govt. of India

High-end R&D equipment- NMR XRD, TGA, DSC, LCMS

World-class infrastructure

F&D Capabilities

Expertise in Drug Deliveries and Niche formulations

Well-defined Processes and Quality Systems

Capabilities in Solid Oral and Liquid Oral Products

Bio Equivalence Centre

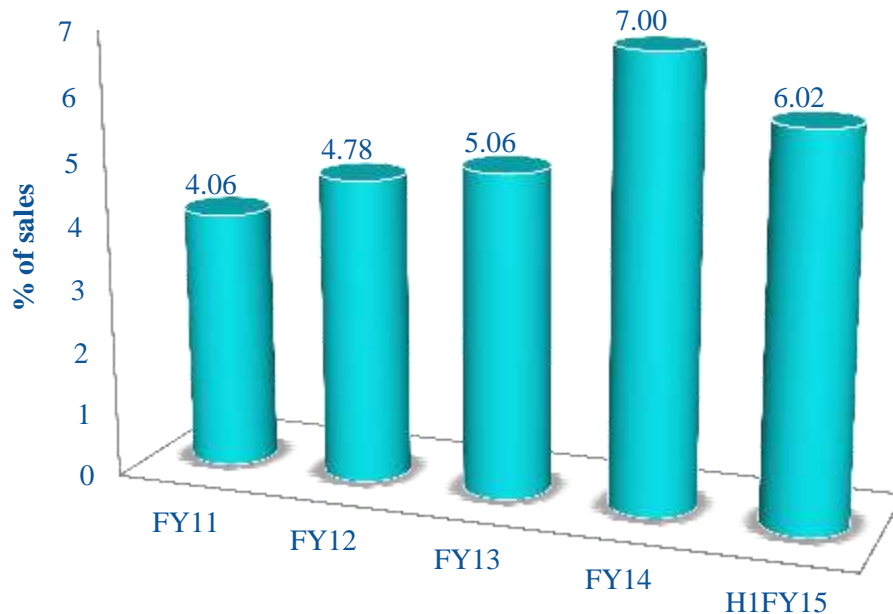
State-of-the art 90-bedded new Bio Centre

100 Pilot studies

50 Pivotal Studies

R&D spends to continue rising

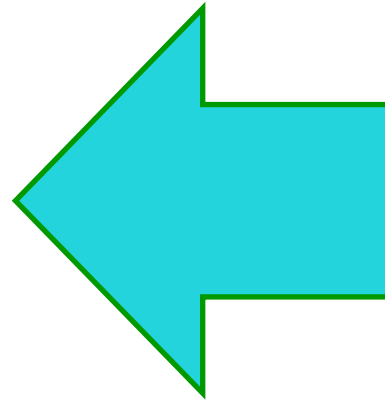
R&D spend as a % to sales



- Highly talented pool of 350 research scientists working to address complex genericisation opportunities, novel drug delivery systems and new technology platforms
- The Company has filed cumulatively 65 ANDAs and 68 DMFs with USFDA upto H1 FY 15

State of the Art Manufacturing Facilities

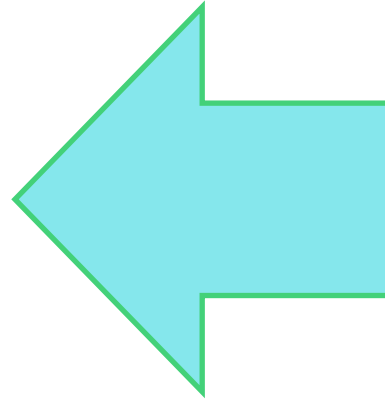
Formulations



Located at Panelav, Gujarat

USFDA, MCC, MHRA, ANVISA & TPD approved – for Generic exports

Capacity - 5 bn tablets / capsules p.a. being expanded to 7 bn p.a.

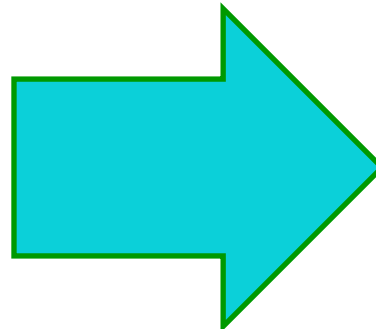


Located at Baddi, Himachal Pradesh
WHO GMP approved

Manufactures branded formulations and caters to domestic market

Capacity 2 bn tablets / capsules p.a, 0.15 bn bottles p.a.

Located at Panelav and Karkhadi, Gujarat
USFDA, EDQM, TGA, WHO approved



APIs

**Formulations business
accounts for ~80% of revenues**

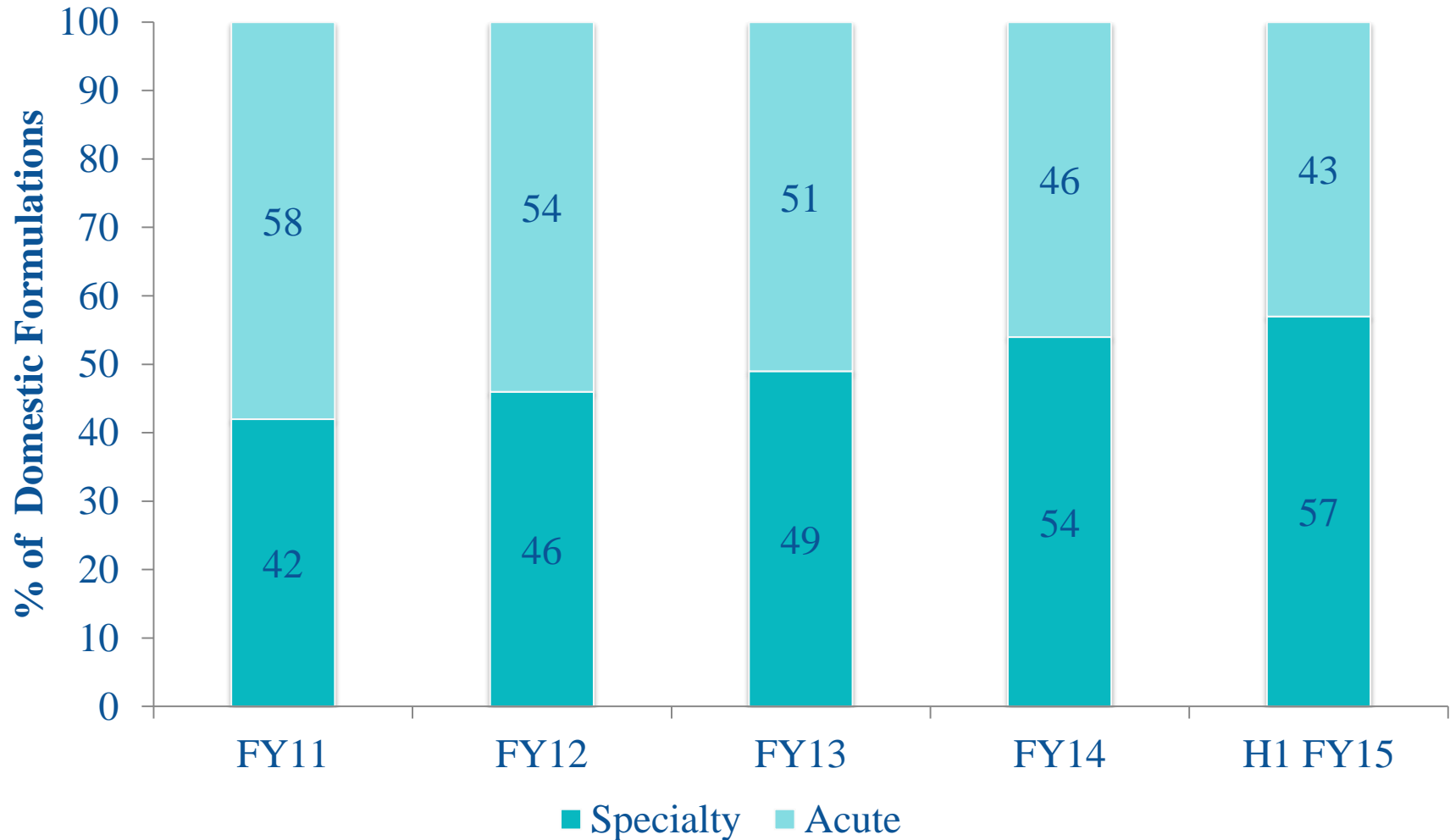
Branded business continues to grow

Strong domestic market presence



Continued shift towards Specialty therapies

Therapy Dominance

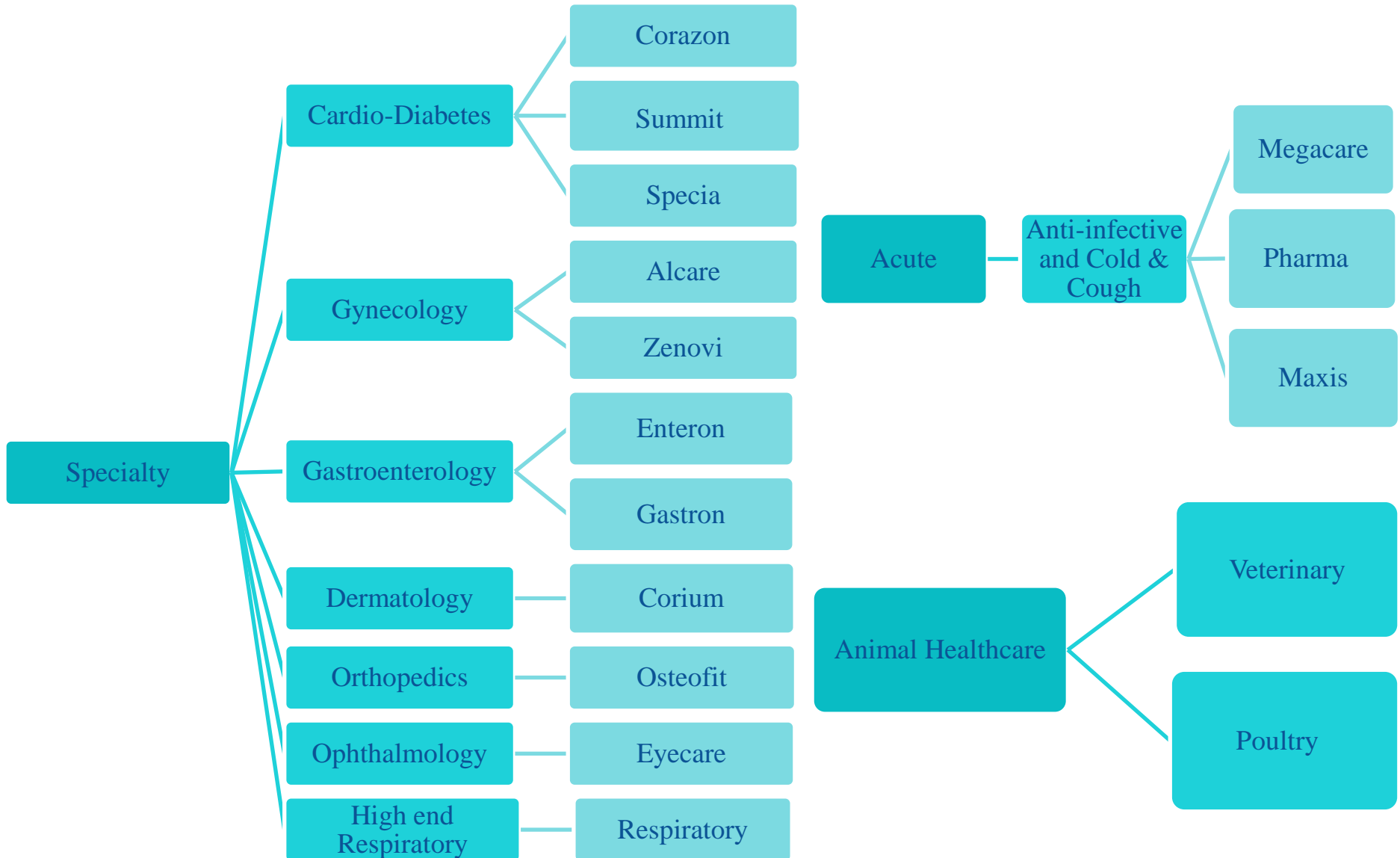


Therapy-wise Performance

Therapy	SEP QTR 2014				SEP QTR 2013			
	Therapy Growth	Market Share	Alembic Growth (ORG)	Alembic Growth (PRIM)	Therapy Growth	Market Share	Alembic Growth (ORG)	Alembic Growth (PRIM)
Cardiology	9	1.67	20	31	13	1.51	33	36
Anti Diabetic	18	1.41	24	22	23	1.35	21	29
Gynaecology	11	2.22	18	26	8	2.08	28	34
Gastrology	13	2.44	9	14	5	2.54	7	14
Orthopaedic	12	1.05	1	9	7	1.17	12	19
Anti Infective	12	3.66	10	15	-6	3.71	-15	-12
Cold & Cough	13	5.71	29	22	9	5.01	8	20
Ophthalmology	18	1.45	-9	-25	10	1.88	61	38
OVERALL	13	1.78	14	18	7	1.76	4	10

(Source : ORG September 2014)

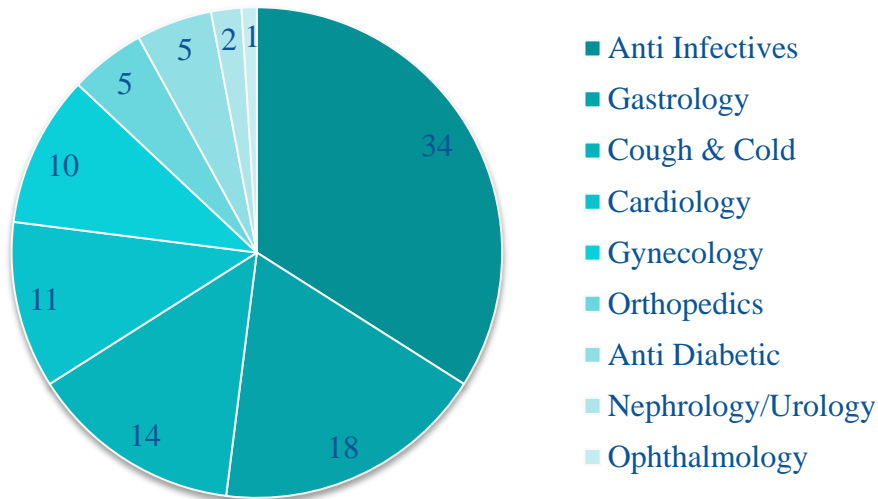
Marketing Divisions



Key Therapies & Brands

Therapeutic Segment-wise Break-up (Q2FY15)

% of total domestic formulation revenue

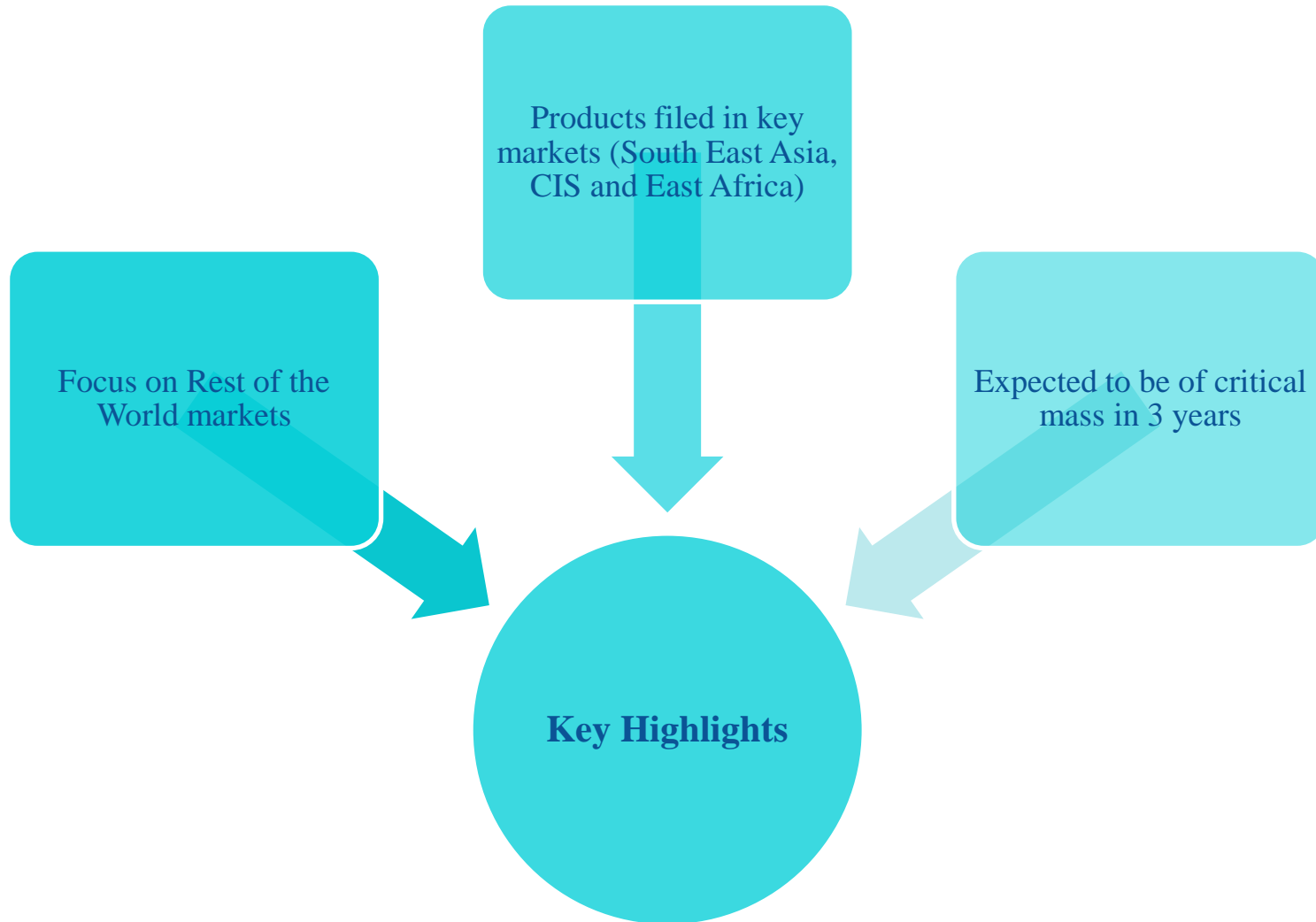


- Launched 14 products in the domestic market in Q2FY15

Brand Name	Therapeutic Area	Ranking
Azithral	Anti-infective	35
Althrocin	Anti-infective	59
Wikoryl	Respiratory	152
Roxid	Anti-infective	160
Gestofit	Gynecology	298

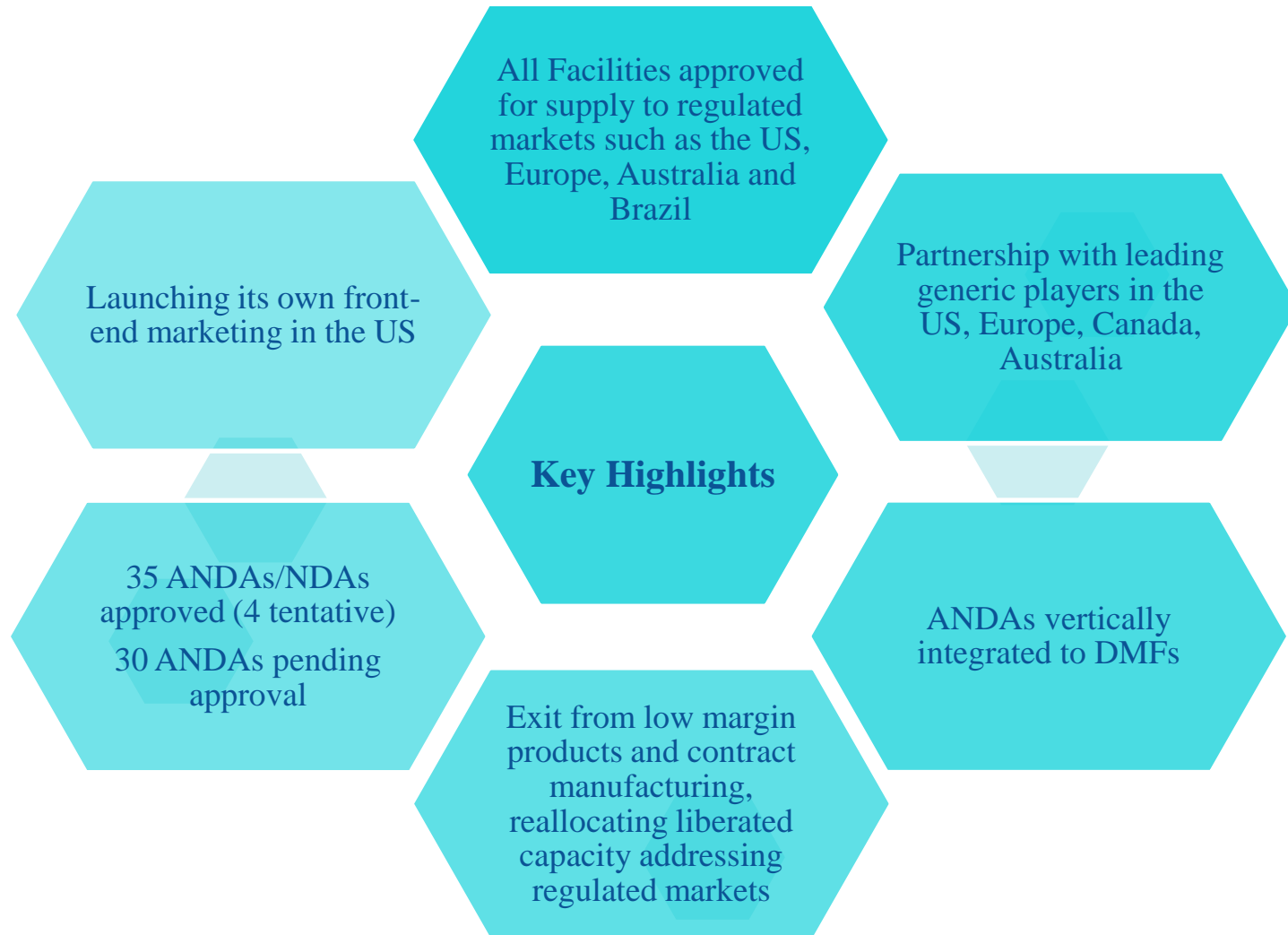
- 5% market share in the cough and cold segment
- 4400+ marketing team for the domestic market

Branded Export business nascent but growing

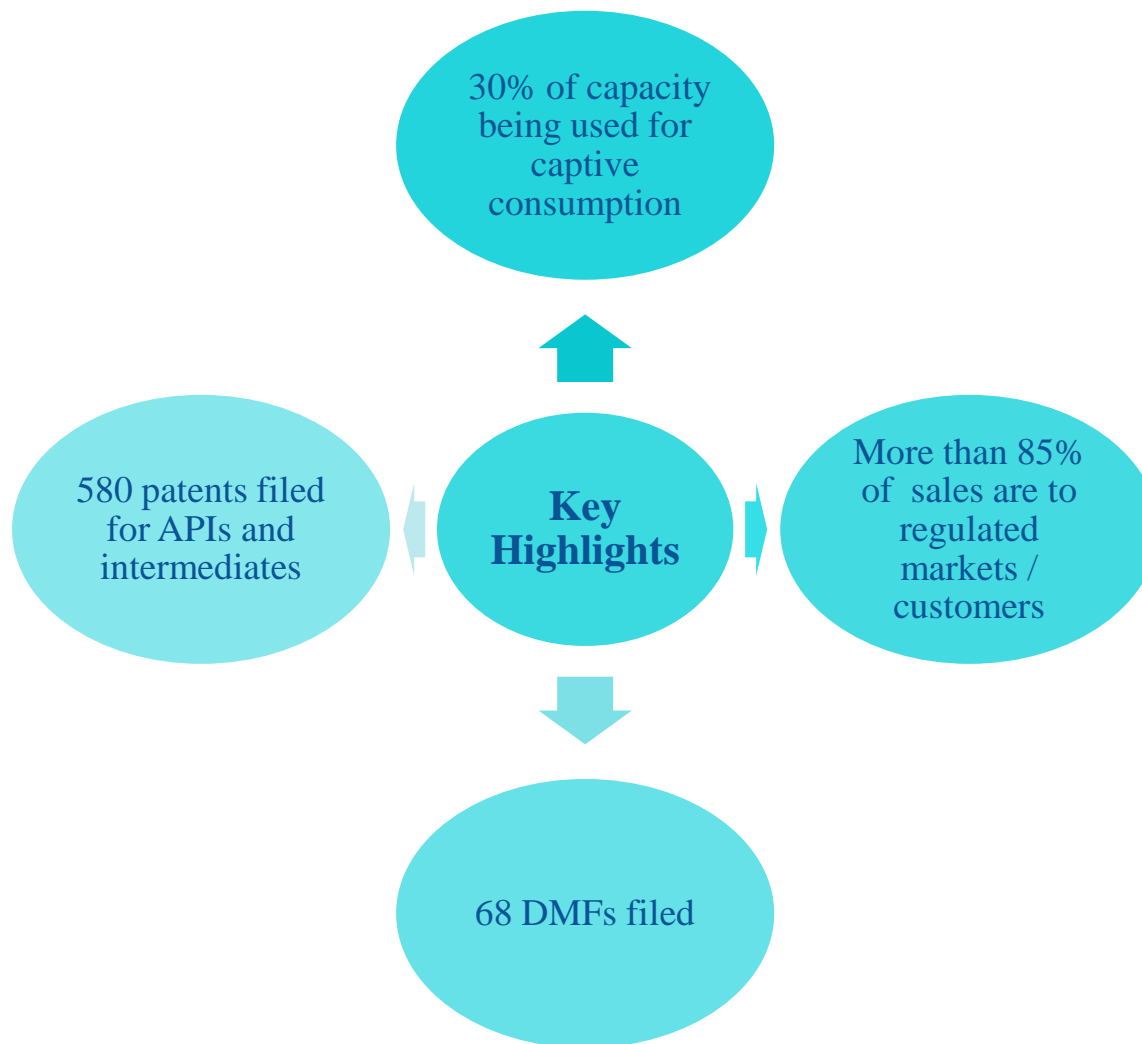


International Generics will be the
growth driver

Fast emerging player in international generics



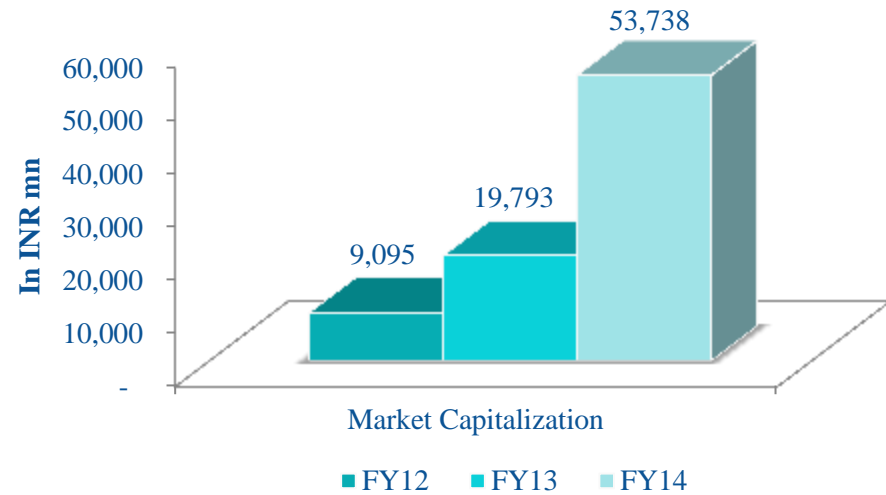
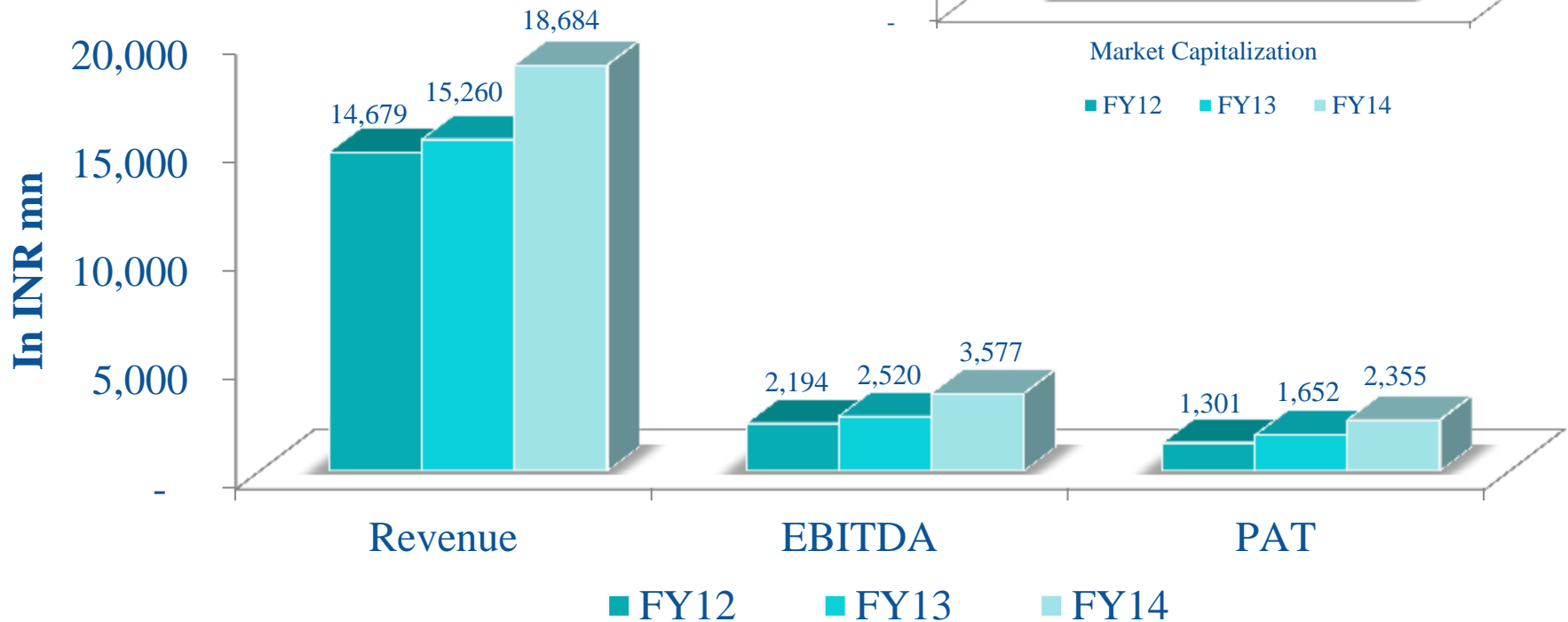
API business accounts for ~20% of
revenues



Financial Snapshot

Focus on shareholder value creation

3 Years CAGR	
Revenue	13%
EBITDA	28%
PAT	35%
Market Capitalization	143%



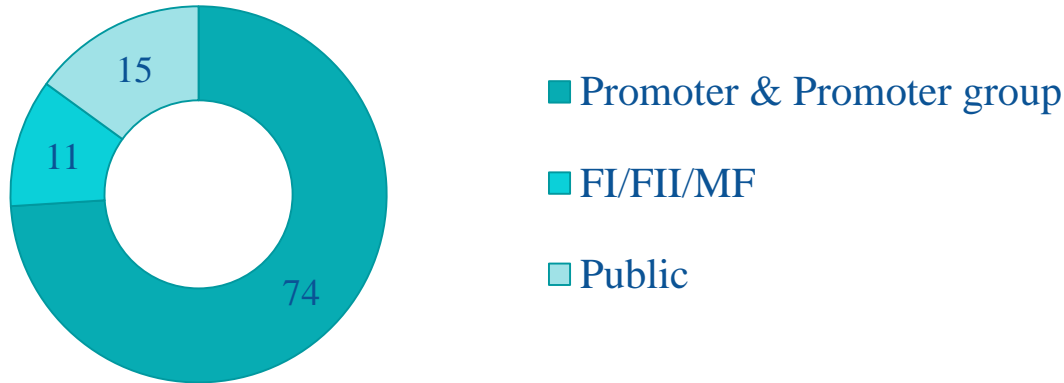
Financial Highlights



Particulars (INR mn)	Q2FY15	Q2FY14	%Growth	H1FY15	H1FY14	%Growth
Formulations Revenue						
India						
Branded	2755	2341	18%	4988	4261	17%
Generics	322	368	-12%	574	633	-9%
International						
Branded	184	183	-	410	333	23%
Generics	1235	1137	9%	2373	1991	19%
API Revenue	936	782	20%	2000	1852	8%
Exports Incentives	56	66		104	95	
Total Revenue	5488	4877	13%	10449	9165	14%
EBITDA	1083	927	17%	2049	1642	25%
<i>EBITDA %</i>	<i>19.7%</i>	<i>19.0%</i>		<i>19.6%</i>	<i>17.9%</i>	
PAT	773	616	25%	1419	1083	31%
<i>PAT %</i>	<i>14.1%</i>	<i>12.6%</i>		<i>13.6%</i>	<i>11.8%</i>	
EPS	4.10	3.27		7.53	5.74	
Book Value/share				43.18	32.86	31%
Debt				2283	1933	18%
<i>ROCE %</i>				<i>34.2%</i>	<i>34.9%</i>	

Latest Shareholding Pattern

% of Total Shareholding



Market capitalization	INR 78 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 20 bn

Way forward

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
- Create a front-end marketing presence in USA in addition to its existing marketing alliances
- Filing ANDAs/MAs in other international markets such as Europe, Australia, Canada, Brazil and South Africa
- Sustained focus on R&D and F&D activities to build robust pipeline of products for regulated markets
- 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 : Monday, October 20, 2014
Time : 04.30 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 4400 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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