

Alembic Pharmaceuticals Ltd

Investor Presentation

January-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

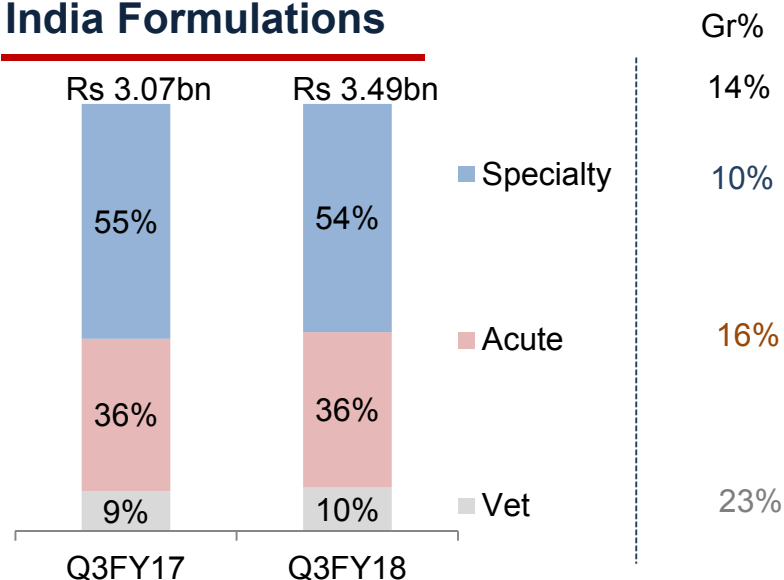
1907	Established by Amin family
2006	FDA approves API facility
2007	Acquired Dabur's Indian Cardiology, GI and Gynaecology brands
2008	FDA approves Formulation facility
2010	Pharmaceuticals business demerged from Alembic – APL listed.
2012	Rhizen JV for NCE research
2013	Launched first NDA with a partner Commenced filing in EU, Australia and Brazil
2014	Alembic Mami JV in Algeria
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 – Q3FY18

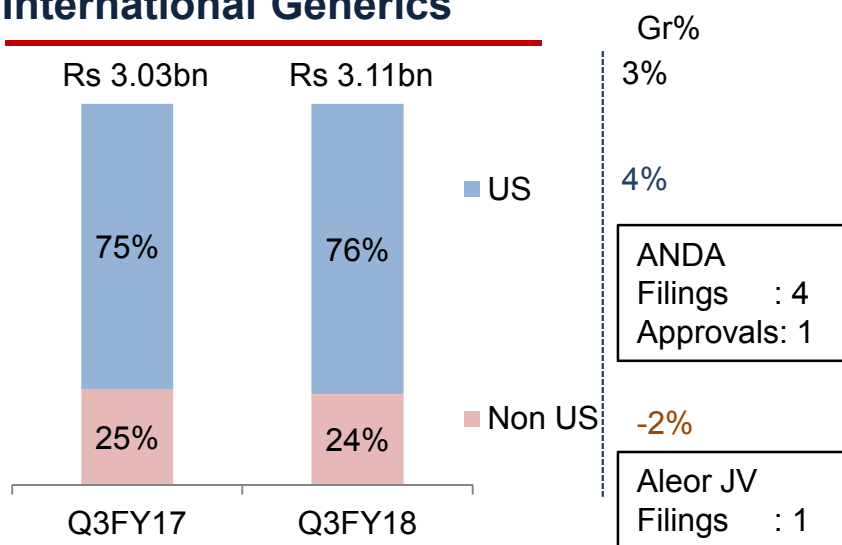
Financial Highlights

Particular (Rs bn)	Q3FY17	Q3FY18	Gr%
Net Sales	7.77	8.40	8%
EBITDA Pre R&D	2.62	2.81	7%
Margin %	34%	33%	
R&D	1.21	0.98	-19%
R&D %	16%	12%	
EBITDA Post R&D	1.45	1.88	29%
Margin %	19%	22%	
Net Profit	0.86	1.31	52%

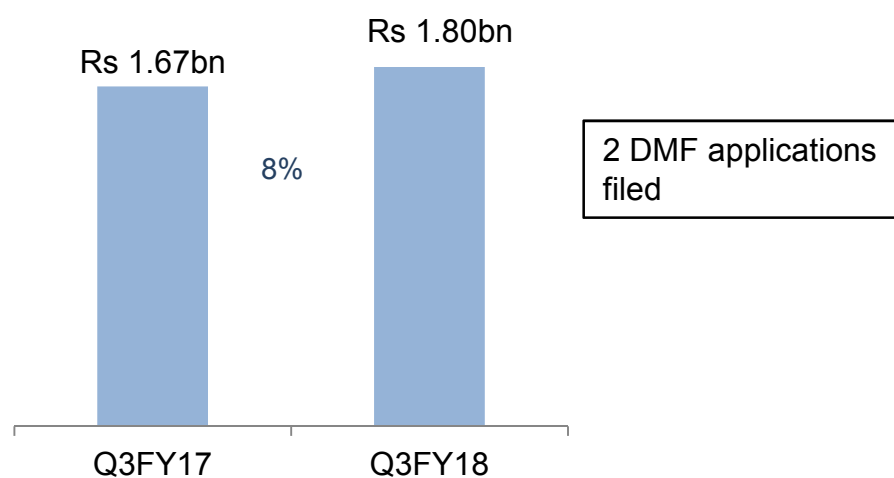
India Formulations



International Generics



API Business

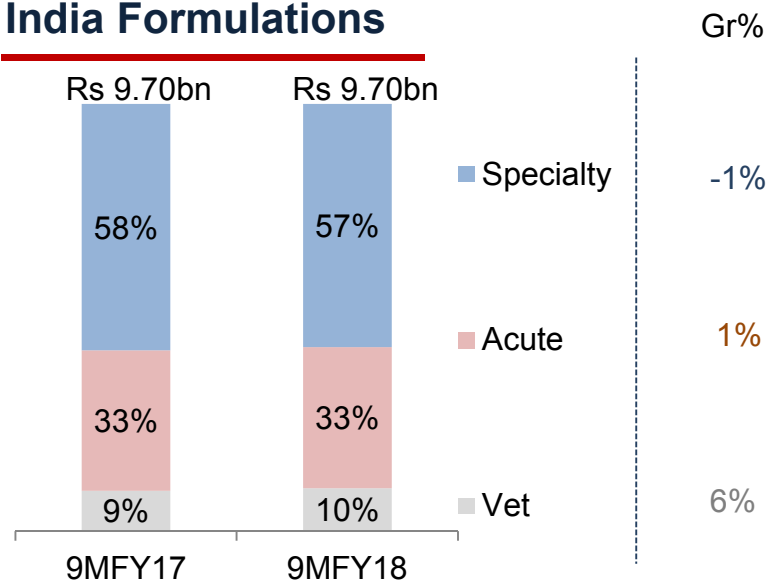


Highlights – 9MFY18

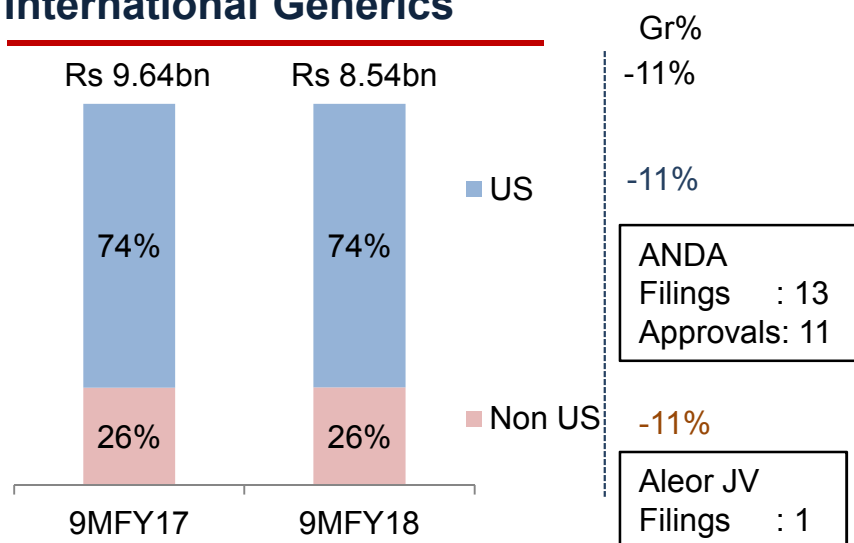
Financial Highlights

Particular (Rs bn)	9MFY17	9MFY18	Gr%
Net Sales	23.93	22.77	-5%
EBITDA Pre R&D	7.89	7.51	-5%
Margin %	33%	33%	
R&D	3.15	2.90	-8%
R&D %	13%	13%	
EBITDA Post R&D	4.80	4.68	-3%
Margin %	20%	21%	
Net Profit	3.07	3.17	3%

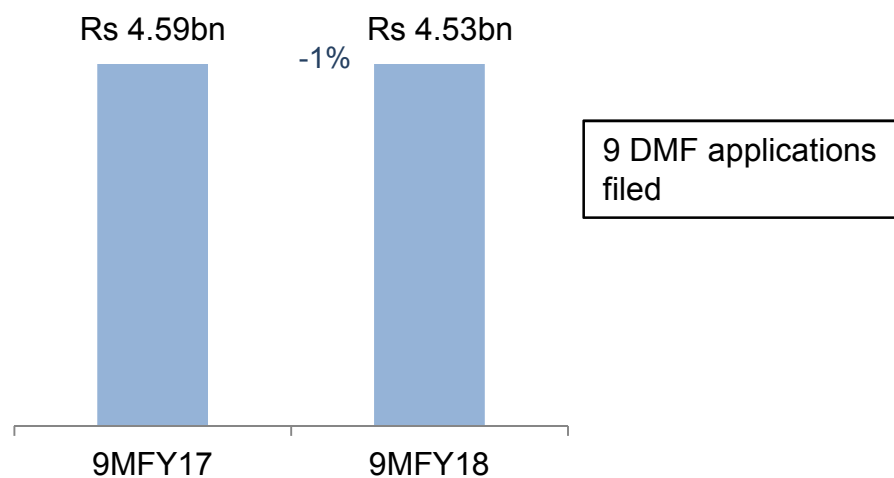
India Formulations



International Generics



API Business

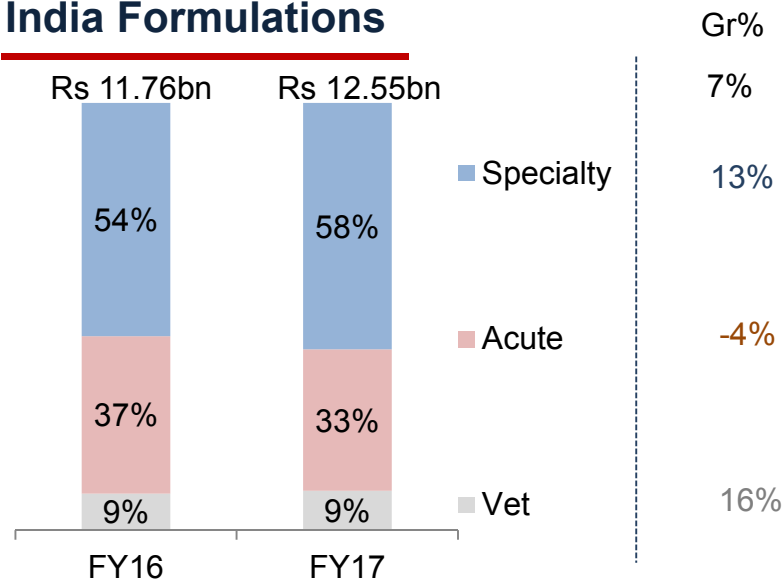


Highlights – FY17

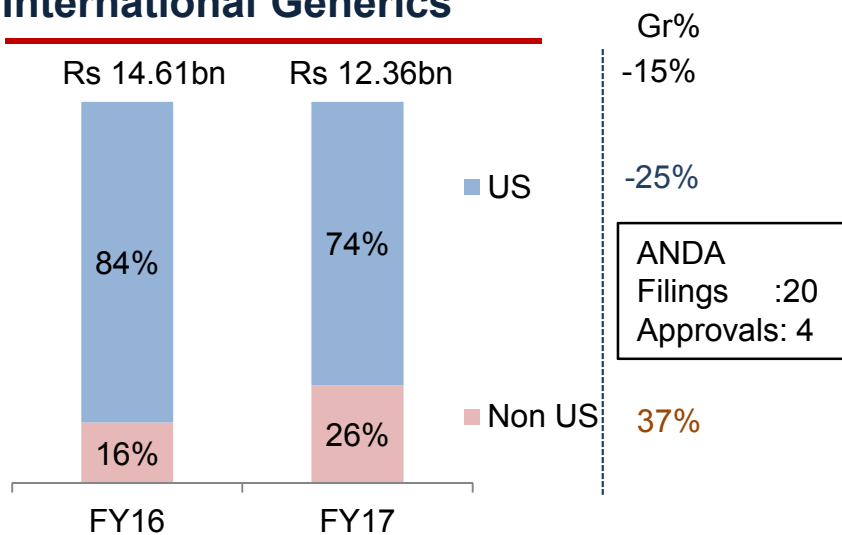
Financial Highlights

Particular (Rs bn)	FY16	FY17	Gr%
Net Sales	31.62	31.31	-1%
EBITDA Pre R&D	13.13	10.25	-22%
Margin %	42%	33%	
R&D	3.16	4.27	35%
R&D %	10%	14%	
EBITDA Post R&D	10.07	6.11	-39%
Margin %	32%	20%	
Net Profit	7.20	4.01	-44%

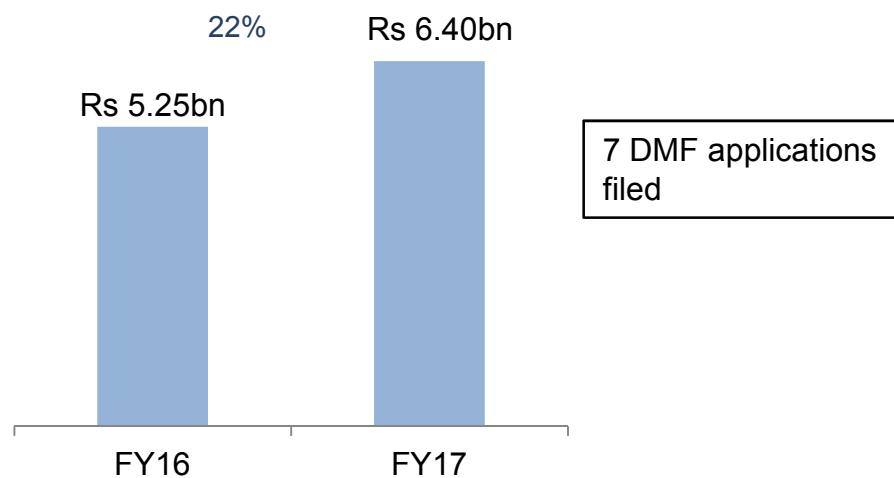
India Formulations



International Generics

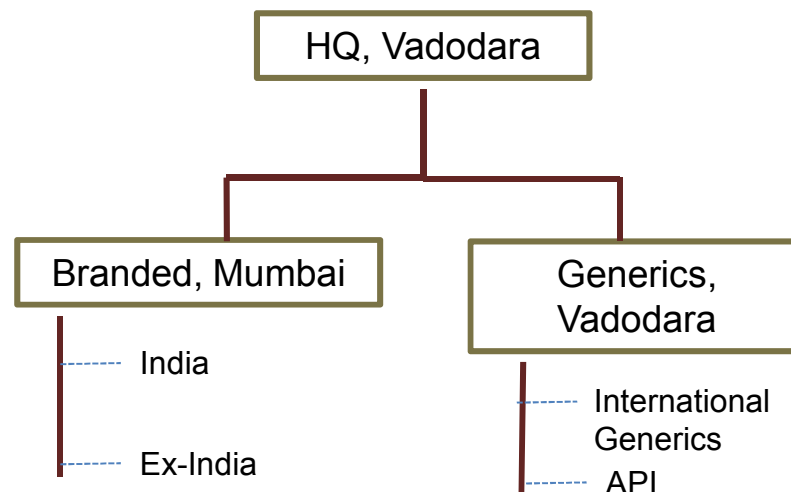
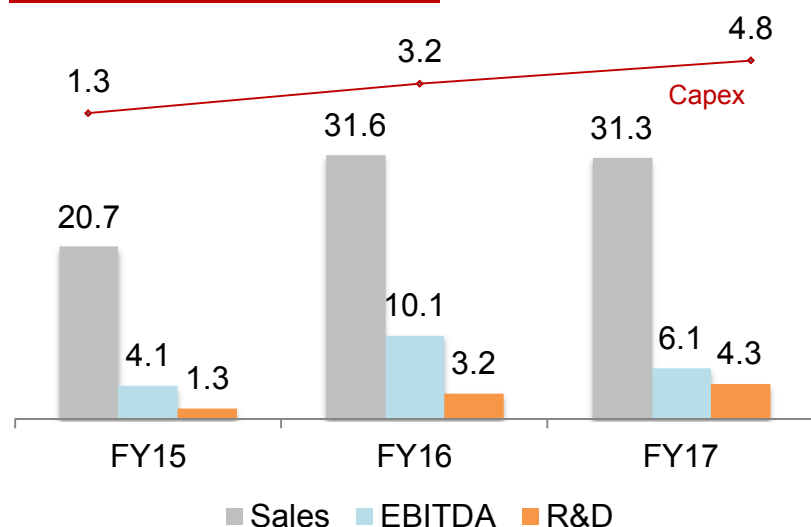


API Business



Business

Key Numbers (Rs bn)



R&D:

Formulation: Vadodara and Hyderabad

API: Vadodara and Hyderabad (Peptides)

Biocentre: Vadodara
150 beds

Total 800 R&D employees strength

Manufacturing:

Formulation: Oral Solids, Panelav (Mar16)*
Oncology OSD, Panelav
Derma JV, Karkhadi

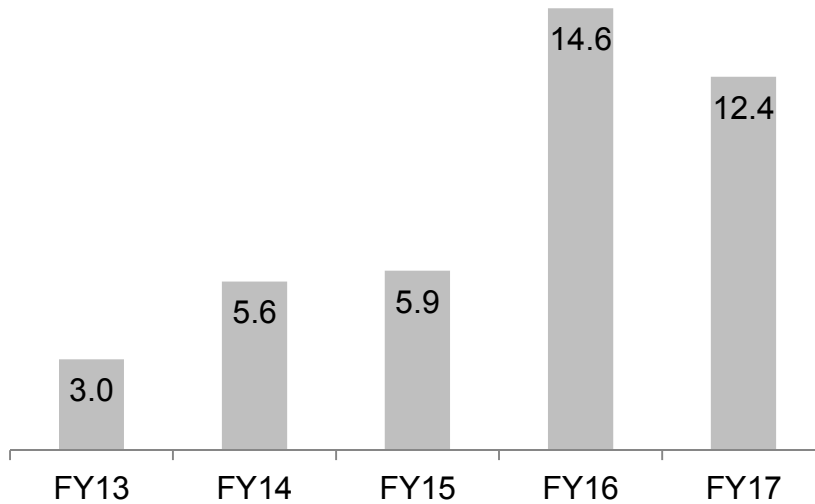
Oncology Injectables, Panelav (H1FY19)
General Injectables, Karkhadi (H1FY19)
New Oral Solids, Jarod (H2FY19)

Sikkim, India market

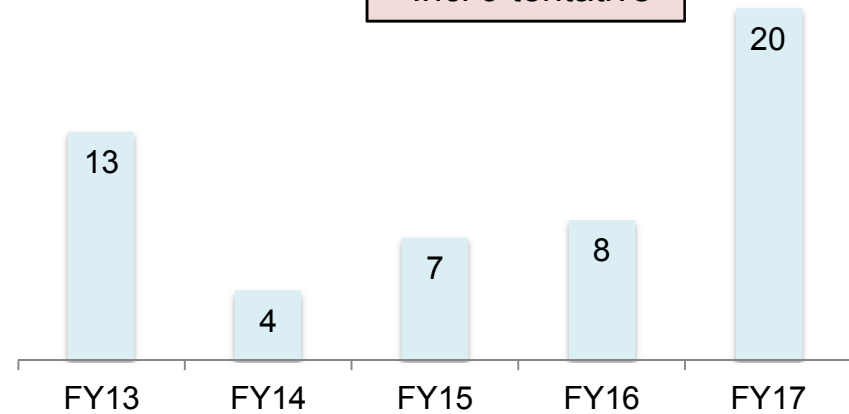
API: Panelav (Jun16)*, Karkhadi (Apr15)*
* Last inspection

International Generics

Sales (Rs bn)



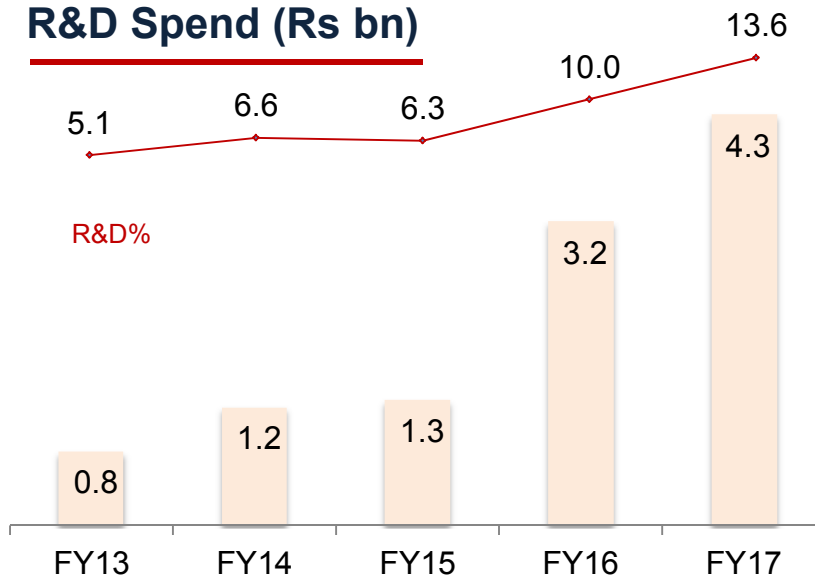
ANDA Filed



Filings: 119
Approval: 70*

* Incl 9 tentative

R&D Spend (Rs bn)

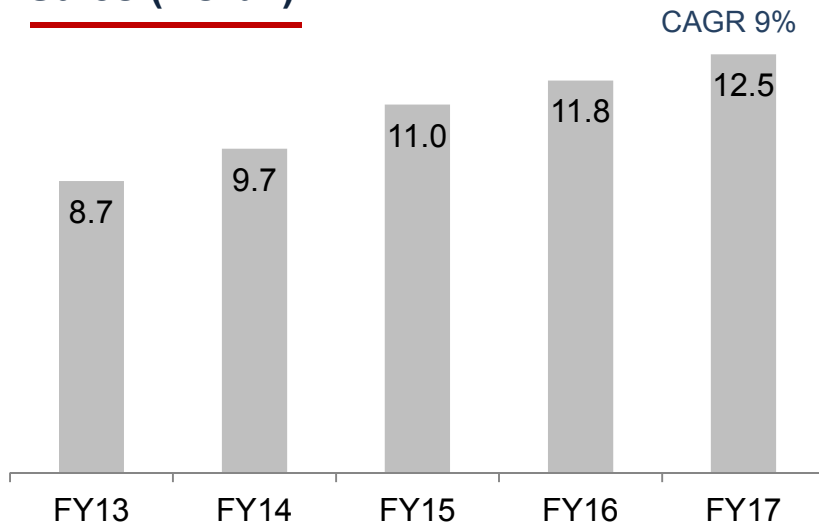


Milestones and Update

- 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)
- 8 new products launch and 1 relaunch in USA in 9MFY18
10+ new launches planned in FY19
- Ex-US driven by partnerships

India Formulations

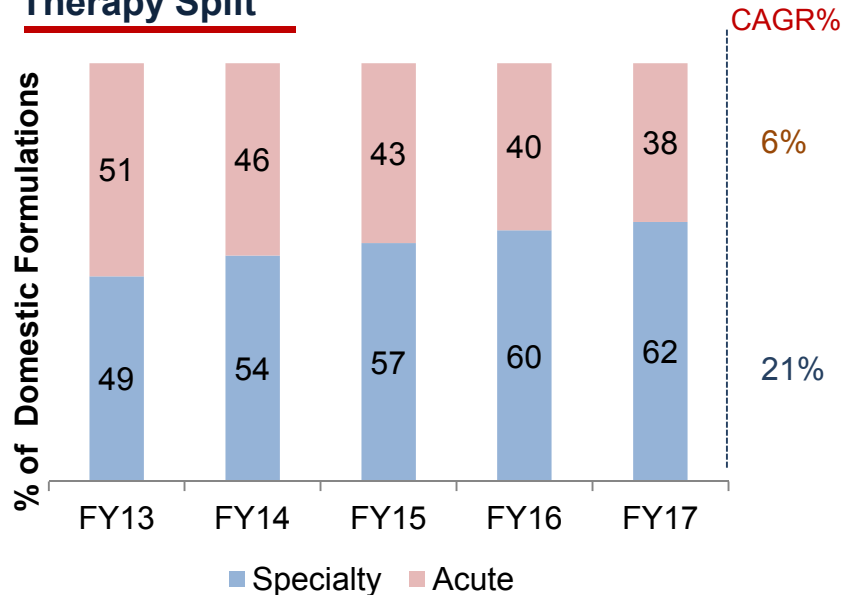
Sales (Rs bn)



Marketing Organisation

- 5000 + marketing team
- 17 marketing divisions
- 170 products, 15% of products in NLEM

Therapy Split



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 sales.
 90% new launches in specialty
- **5 brands in top 300**
Azithral, Althrocin, Wikoryl, Gestofit, Roxid

Therapy-wise Performance Q3FY18

Therapy	Q3 FY 2018				Q3 FY 2017			
	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	7	2.00	4	10	8	2.06	18	11
Anti Diabetic	10	1.65	7	4	15	1.70	19	6
Gynaecology	10	2.78	0	0	5	3.05	23	20
Gastrology	10	1.71	1	2	6	1.85	-1	-5
Dermatological	17	0.39	5	20	16	0.43	1	-3
Orthopaedic	7	0.84	-3	-2	6	0.93	6	1
Ophthalmology	12	1.49	21	20	8	1.38	11	19
Nephro / Uro	18	2.29	15	27	10	2.34	16	17
Anti Infective	10	3.02	18	13	-5	2.84	-3	-4
Cold & Cough	10	4.99	19	14	-2	4.61	-7	-5

(Source : ORG DEC 2017)

Therapy-wise Performance 9MFY18

Therapy	9M FY 2018				9M FY 2017			
	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	5	2.03	4	5	9	2.05	19	15
Anti Diabetic	12	1.67	5	4	16	1.79	34	21
Gynaecology	4	2.76	-2	-4	7	2.93	25	29
Gastrology	4	1.67	-4	-10	8	1.82	0	0
Dermatological	14	0.39	7	6	15	0.41	-6	-1
Orthopaedic	3	0.84	-7	-14	7	0.93	6	9
Ophthalmology	8	1.45	11	11	10	1.40	14	12
Nephro / Uro	10	2.26	11	14	12	2.24	24	24
Anti Infective	-3	2.80	1	-1	7	2.70	3	4
Cold & Cough	-2	4.90	7	1	10	4.50	2	3

(Source : ORG DEC 2017)

Therapy-wise Performance MAT DEC 17

Therapy	MAT DEC 2017			MAT DEC 2016		
	Therapy Growth (ORG)	Market Share (ORG)	Alembic Growth (ORG)	Therapy Growth (ORG)	Market Share (ORG)	Alembic Growth (ORG)
Cardiology	6	2.04	6	10	2.03	20
Anti Diabetic	13	1.68	8	17	1.76	34
Gynaecology	5	2.80	1	9	2.90	26
Gastrology	5	1.68	-2	9	1.81	0
Dermatological	16	0.40	10	16	0.43	-5
Orthopaedic	4	0.85	-5	8	0.93	7
Ophthalmology	9	1.43	14	12	1.37	11
Nephro / Uro	11	2.24	12	13	2.23	24
Anti Infective	-3	2.81	0	7	2.73	2
Cold & Cough	-2	4.88	6	9	4.49	2

(Source : ORG DEC 2017)

Strategy

R&D Pipeline

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

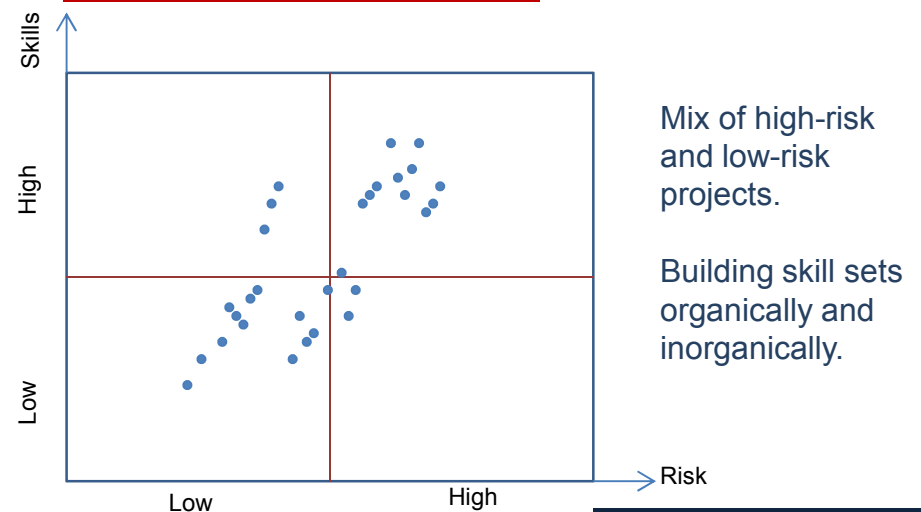
Growth drivers

- 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:** > 80% 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

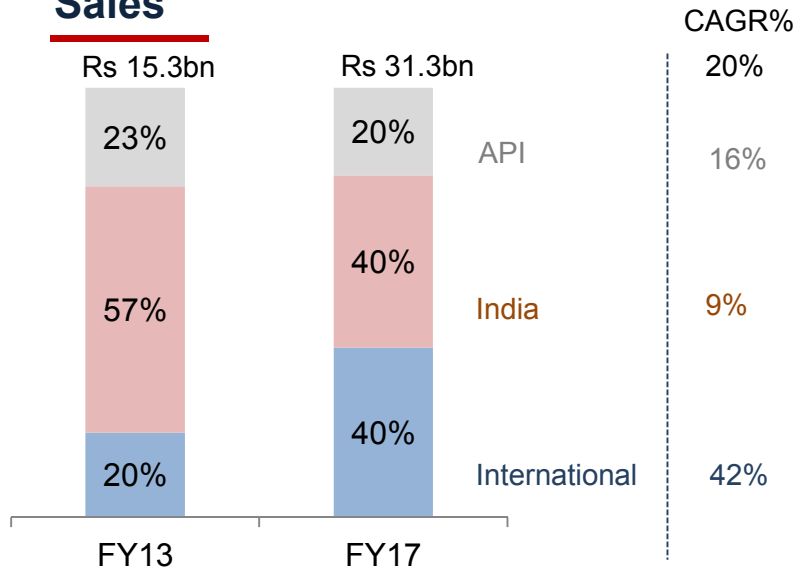
- People:** Renewed focus on HR
 Talent acquisition and retention
- Process:** Simple, clear structures
 Clear goals and empowerment
 Focus on compliance
 De-risk with systems
 Close monitoring

Pipeline

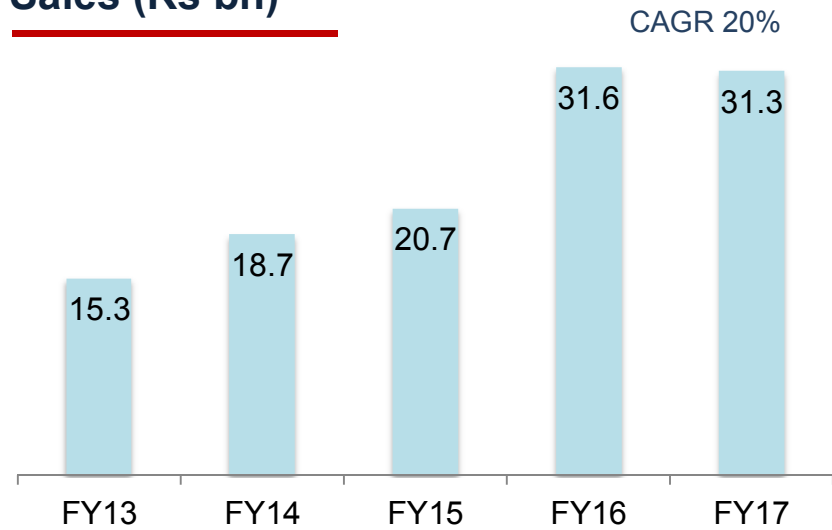


Financials – 5 years

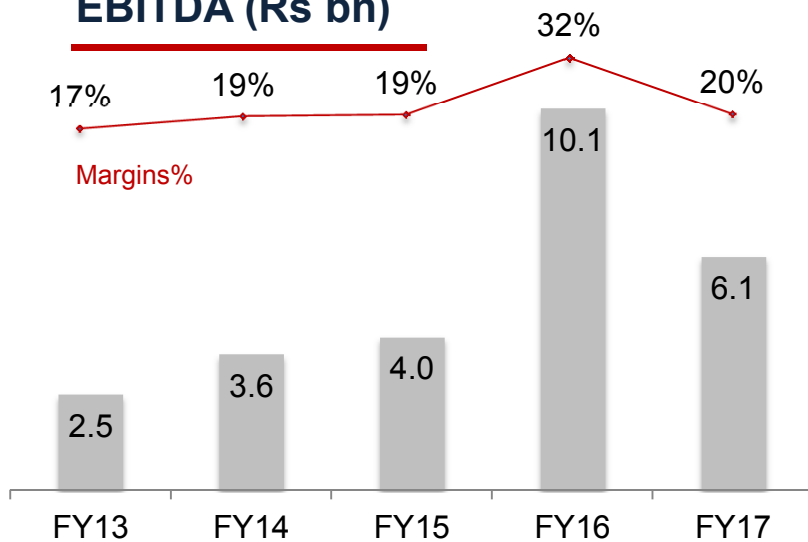
Sales



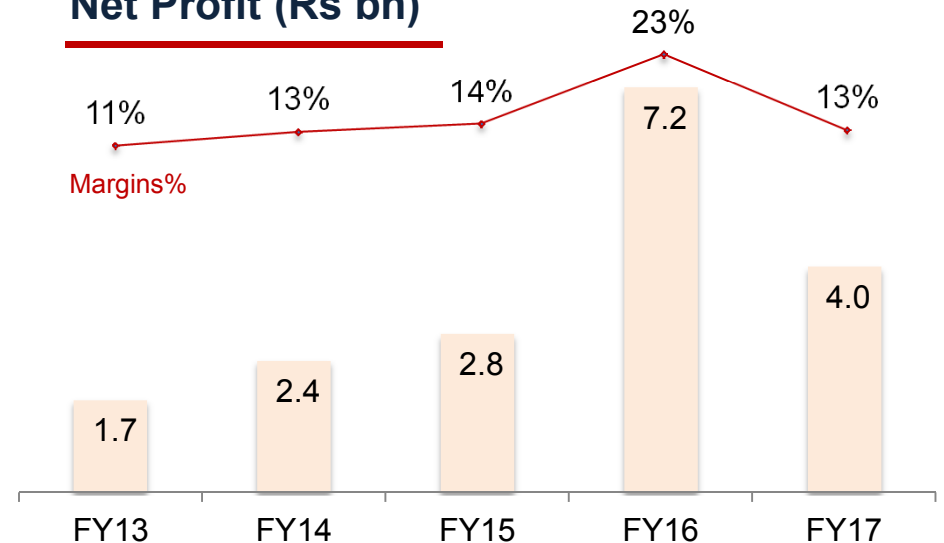
Sales (Rs bn)



EBITDA (Rs bn)

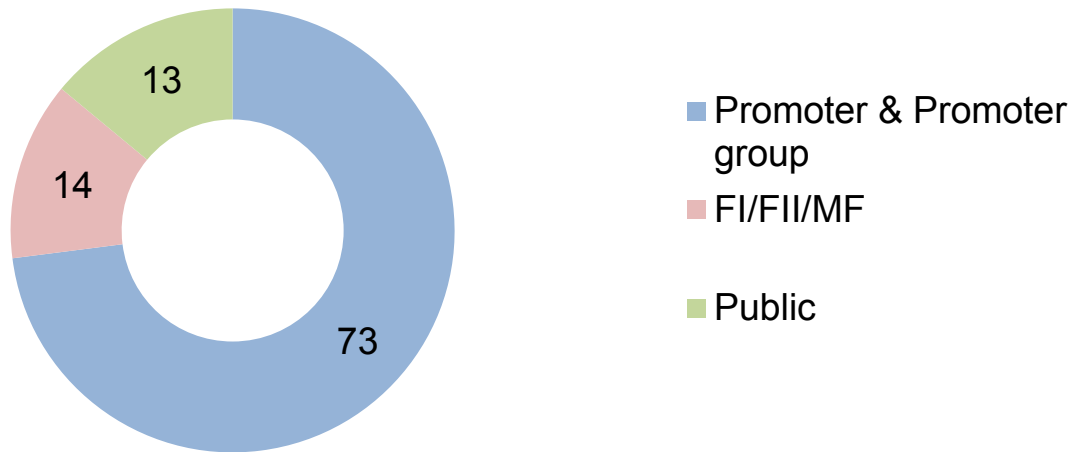


Net Profit (Rs bn)



Latest Shareholding Pattern

% of Total Shareholding



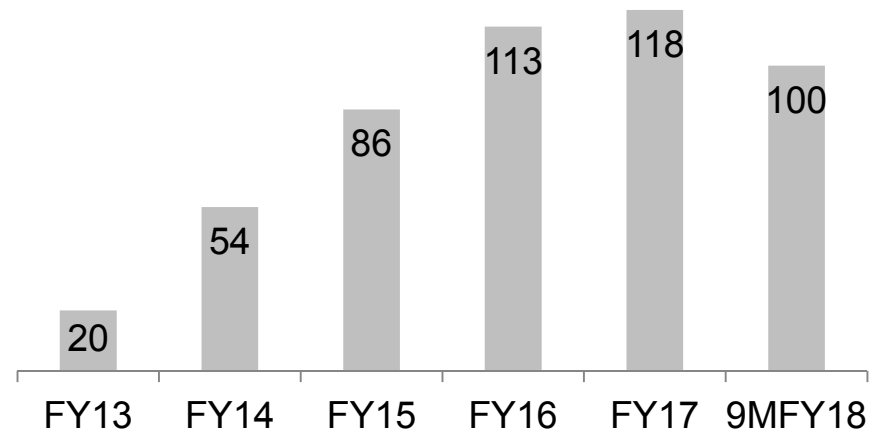
Total paid-up share capital 377.03mn

Total number of shares O/S 188.52mn

No. of shareholders >50 K

Market capitalisation (Rs bn)

CAGR 38%



THANK YOU