

Alembic Pharmaceuticals Ltd

Investor Presentation

July-2017

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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

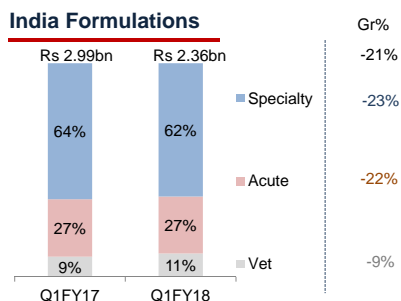
1907	Established by Amin family
2006	FDA approves API facility
2007	Acquired Dabur's Indian Cardiology, GI and Gynaecology brands
2008	FDA approves Formulation facility
2010	Pharmaceuticals business demerged from Alembic – APL listed.
2012	Rhizen JV for NCE research
2013	Launched first NDA with a partner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

Highlights – Q1FY18

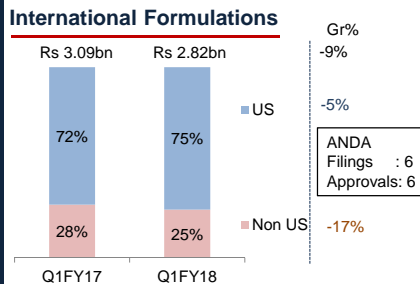
Financial Highlights

Particular (Rs bn)	Q1FY17	Q1FY18	Gr%
Net Sales	7.37	6.48	-12%
EBITDA Pre R&D	2.37	1.95	-19%
Margin %	32%	30%	
R&D	0.82	0.94	14%
R&D %	11%	14%	
EBITDA Post R&D	1.57	1.05	-35%
Margin %	21%	16%	
Net Profit	1.02	0.65	-36%

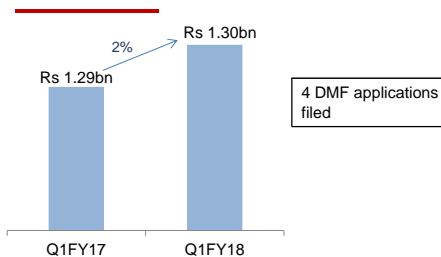
India Formulations



International Formulations



API Business

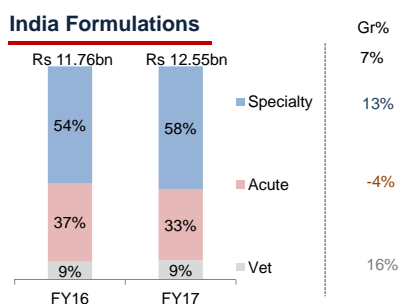


Highlights – FY17

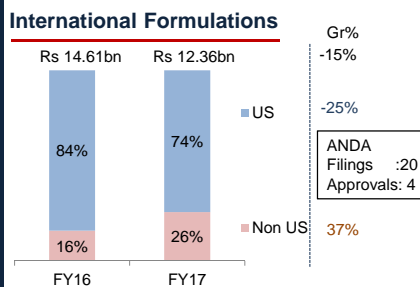
Financial Highlights

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%

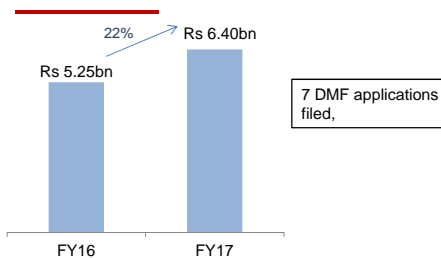
India Formulations

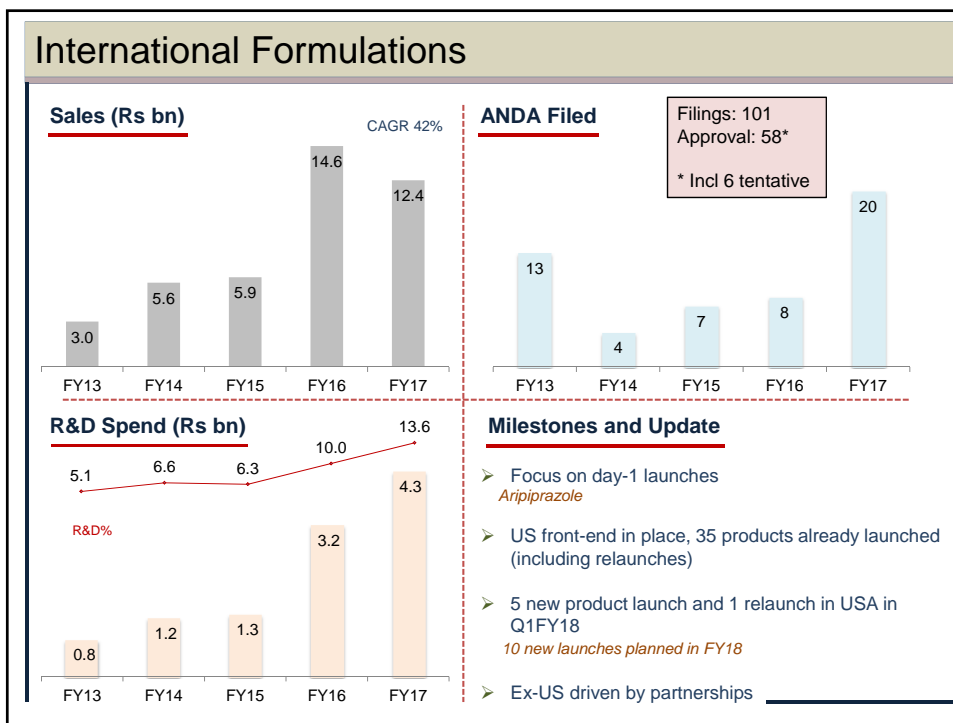
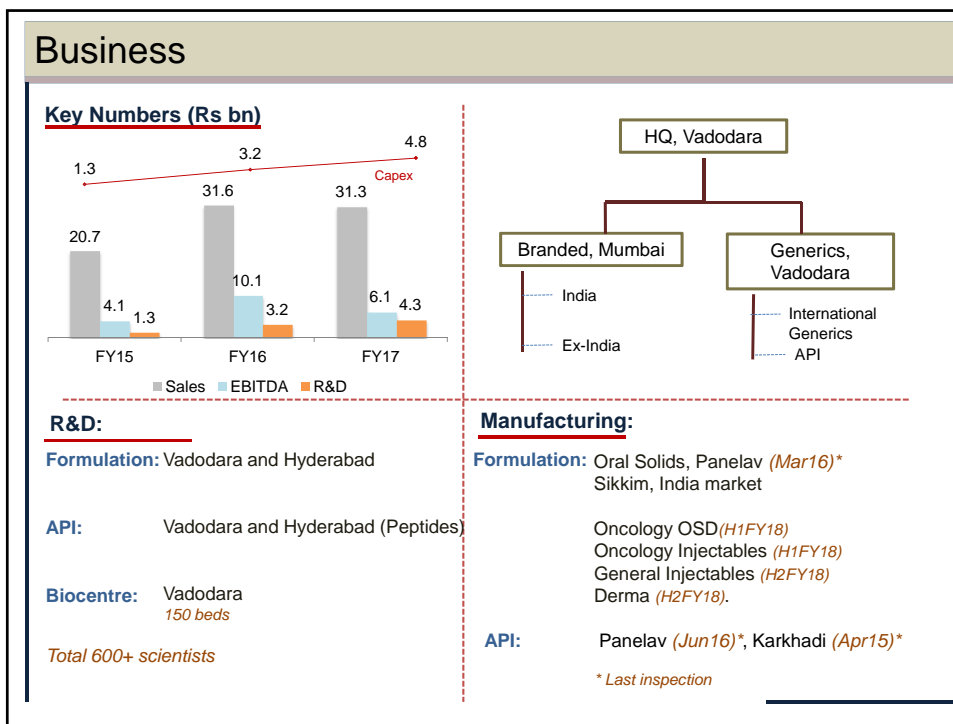


International Formulations



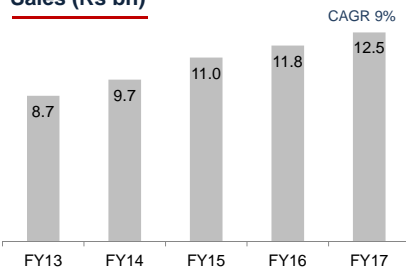
API Business





India Formulations

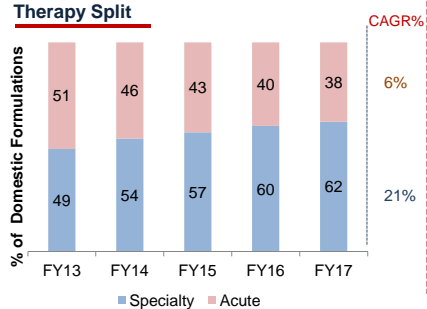
Sales (Rs bn)



Marketing Organisation

- 5000 + marketing team
Added 1000 over last three years
- 17 marketing divisions
Added new divisions in gynaecology, cardiology, GI, urology
- 170 products, 15% of products in NLEM
Launch 20-25 products every year

Therapy Split



Key Achievements

- Successful key new launches
Tellzy, Rekoool, 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, Roxid, Gestofit

Therapy-wise Performance Q1FY18

Therapy	Q1 FY 2018				Q1 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	2.07	8	-10	10	2.00	19	16
Anti Diabetic	16	1.70	8	-12	16	1.82	42	31
Gynaecology	3	2.80	3	-20	10	2.80	26	31
Gastrology	4	1.63	-5	-30	8	1.80	-1	4
Dermatological	13	0.41	13	-18	14	0.41	-12	-7
Orthopaedic	3	0.86	-7	-33	6	0.94	5	12
Ophthalmology	9	1.45	11	-3	12	1.42	16	18
Nephro / Uro	8	2.16	9	-13	12	2.14	35	42
Anti Infective	-2	2.60	1	-25	4	2.52	-5	-3
Cold & Cough	2	4.90	16	-8	-4	4.28	-14	-27

(Source : ORG JUN 2017)

Therapy-wise Performance MAT JUN 17

Therapy	MAT JUN 2017			MAT JUN 2016		
	Therapy Growth (ORG)	Market Share (ORG)	Alembic Growth (ORG)	Therapy Growth (ORG)	Market Share (ORG)	Alembic Growth (ORG)
Cardiology	7	2.07	14	14	1.94	26
Anti Diabetic	16	1.74	21	20	1.66	38
Gynaecology	5	2.91	15	14	2.65	31
Gastrology	8	1.75	0	13	1.88	2
Dermatological	16	0.42	5	17	0.47	10
Orthopaedic	6	0.91	2	10	0.94	8
Ophthalmology	10	1.41	15	13	1.35	8
Nephro / Uro	12	2.22	15	15	2.16	24
Anti Infective	3	2.75	3	7	2.77	0
Cold & Cough	7	4.68	8	6	4.63	0

(Source : ORG JUN 2017)

Strategy

R&D Pipeline

Dosage Form	FY14	FY17
Oral Solids	✓	✓
Injectables	x	✓
Oncology	x	✓
Dermatology	x	✓
Ophthalmology	x	✓
Inhalation	x	x
Biologics	x	x
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

