

# Alembic Pharmaceuticals Ltd

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## Investor Presentation

November-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

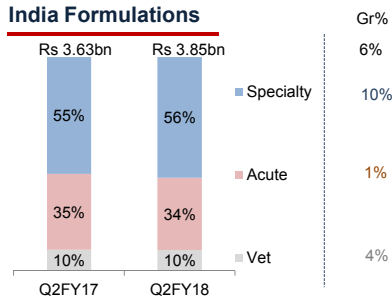
1907	Established by Amin family
2006	FDA approves API facility
2007	Acquired Dabur's Indian Cardiology, GI and Gynaecology brands
2008	FDA approves Formulation facility
2010	Pharmaceuticals business demerged from Alembic – APL listed.
2012	Rhizen JV for NCE research
2013	Launched first NDA with a partner 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
2017	Acquisition of Orit Laboratories LLC, USA

## Highlights – Q2FY18

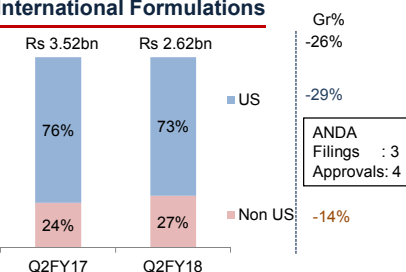
### Financial Highlights

Particular (Rs bn)	Q2FY17	Q2FY18	Gr%
Net Sales	8.79	7.89	-10%
EBITDA Pre R&D	2.86	2.73	-5%
Margin %	33%	35%	
R&D	1.12	0.98	-12%
R&D %	13%	12%	
EBITDA Post R&D	1.78	1.79	1%
Margin %	20%	23%	
Net Profit	1.19	1.20	1%

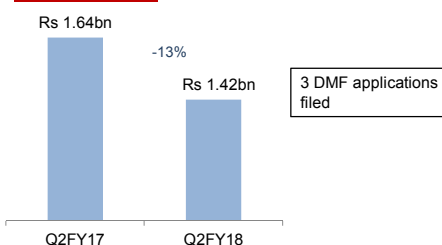
### India Formulations



### International Formulations



### API Business

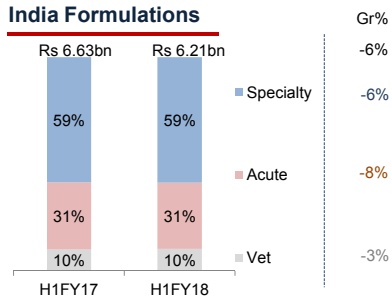


## Highlights – H1FY18

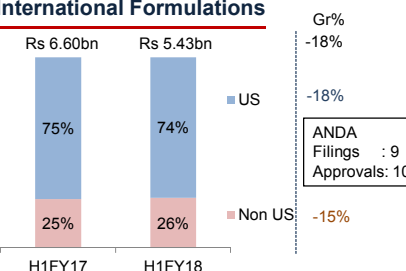
### Financial Highlights

Particular (Rs bn)	H1FY17	H1FY18	Gr%
Net Sales	16.16	14.37	-11%
EBITDA Pre R&D	5.23	4.65	-11%
Margin %	32%	32%	
R&D	1.94	1.92	-1%
R&D %	12%	13%	
EBITDA Post R&D	3.35	2.81	-16%
Margin %	21%	20%	
Net Profit	2.21	1.86	-16%

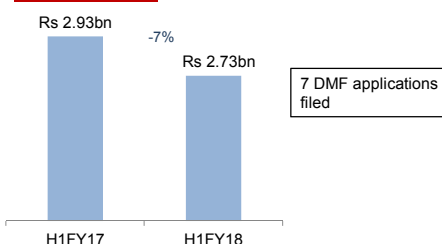
### India Formulations



### International Formulations



### API Business

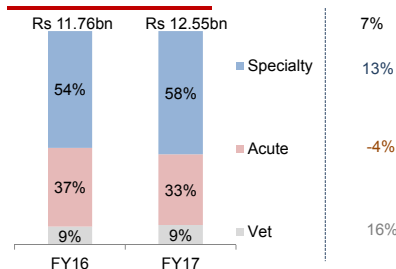


## Highlights – FY17

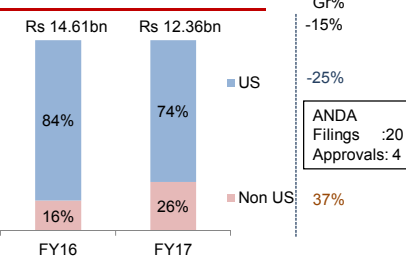
### Financial Highlights

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%

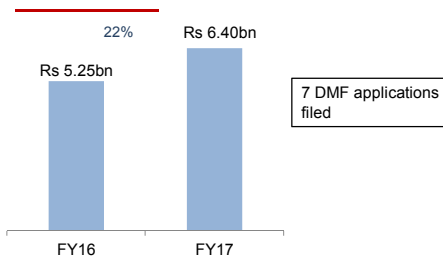
### India Formulations



### International Formulations

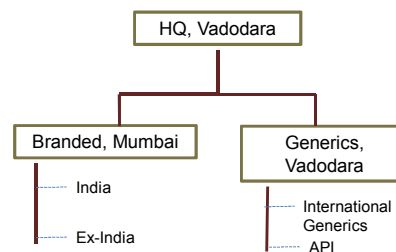
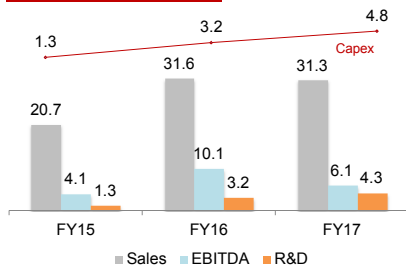


### API Business



## Business

### Key Numbers (Rs bn)



### R&D:

**Formulation:** Vadodara and Hyderabad

**API:** Vadodara and Hyderabad (Peptides)

**Biocentre:** Vadodara  
150 beds

Total 600+ scientists

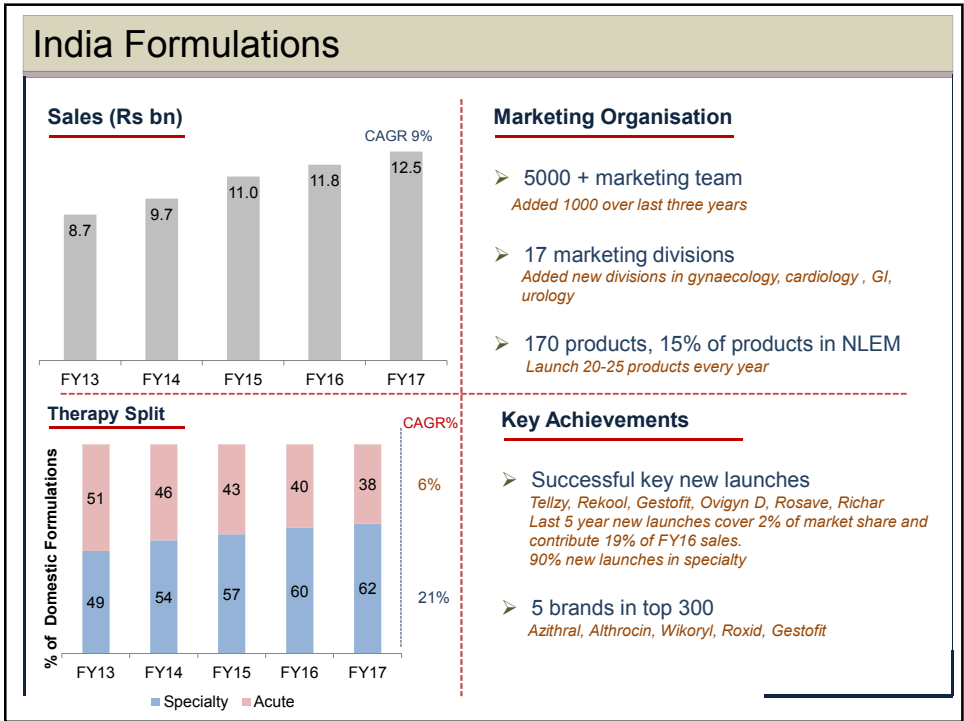
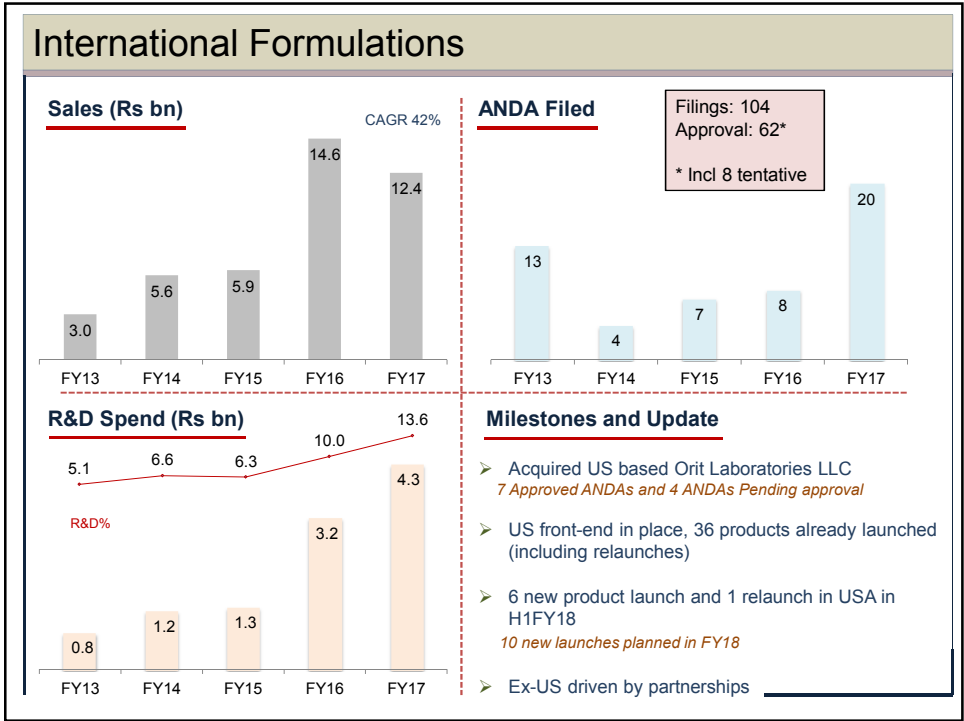
### Manufacturing:

**Formulation:** Oral Solids, Panelav (Mar16)\*  
Sikkim, India market

Oncology OSD (H1FY18)  
Oncology Injectables (H2FY18)  
General Injectables (H1FY19)  
Derma (H2FY18).

**API:** Panelav (Jun16)\*, Karkhadi (Apr15)\*

\* Last inspection



## Therapy-wise Performance Q2FY18

Therapy	Q2 FY 2018				Q2 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	3	1.98	-2	15	9	2.08	21	17
Anti Diabetic	10	1.64	-1	18	17	1.84	43	28
Gynaecology	1	2.66	-8	6	7	2.91	26	36
Gastrology	-1	1.67	-8	1	11	1.81	2	0
Dermatological	13	0.37	5	16	16	0.40	-7	5
Orthopaedic	-2	0.83	-12	-7	9	0.92	7	12
Ophthalmology	2	1.40	1	18	10	1.41	14	1
Nephro / Uro	4	2.36	9	27	14	2.24	23	19
Anti Infective	-14	2.74	-13	6	22	2.72	14	16
Cold & Cough	-16	4.82	-11	-8	37	4.52	27	35

(Source : ORG SEP 2017)

## Therapy-wise Performance H1FY18

Therapy	H1 FY 2018				H1 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	4	2.03	3	3	9	2.04	20	17
Anti Diabetic	13	1.67	3	4	16	1.83	43	30
Gynaecology	2	2.74	-3	-6	9	2.86	26	34
Gastrology	2	1.65	-7	-15	9	1.80	1	2
Dermatological	13	0.39	9	0	15	0.40	-10	-1
Orthopaedic	0	0.84	-9	-19	8	0.93	6	12
Ophthalmology	5	1.43	6	7	11	1.41	15	9
Nephro / Uro	6	2.25	9	7	13	2.19	29	29
Anti Infective	-9	2.67	-7	-7	14	2.63	6	7
Cold & Cough	-10	4.85	-1	-7	19	4.44	9	9

(Source : ORG SEP 2017)

## Therapy-wise Performance MAT SEP 17

Therapy	MAT SEP 2017			MAT SEP 2016		
	Therapy Growth (ORG)	Market Share (ORG)	Alembic Growth (ORG)	Therapy Growth (ORG)	Market Share (ORG)	Alembic Growth (ORG)
Cardiology	6	2.04	9	12	1.99	22
Anti Diabetic	14	1.69	11	19	1.75	40
Gynaecology	4	2.86	7	11	2.78	28
Gastrology	4	1.71	-3	12	1.84	1
Dermatological	16	0.42	9	16	0.44	0
Orthopaedic	3	0.88	-3	9	0.93	7
Ophthalmology	8	1.41	11	12	1.36	10
Nephro / Uro	10	2.25	12	14	2.20	25
Anti Infective	-7	2.76	-5	13	2.71	4
Cold & Cough	-6	4.76	-1	16	4.55	9

(Source : ORG SEP 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

