

Alembic Pharmaceuticals Ltd

Investor Presentation

July-2016

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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 facilities
2007	Acquired Dabur's Indian cardiology, GI and gynaecology brands
2008	FDA approves Formulation facility
2010	Pharmaceuticals business demerged from Alembic – APL listed.
2012	Formed a JV for NCE research
2013	Launched first NDA with a partner Commenced filing in EU, Australia and Brazil
2014	Formed 50:50 JV in Algeria
2015	Launched Aripiprazole on day-1. Established US front-end: transition to own marketing.
2016	JV with Orbicular Inc.

Quarterly Highlights – Q1 FY 17

Financial Highlights

- Net Sales up 25% to Rs 7358 mn
- EBITDA margins at 21% at Rs 1570 mn
- Net Profit up 45% to Rs 1020 mn
- R&D spend is Rs 795 mn for the quarter which is 11% of net sales. This is up by 66 % (YOY)

International Formulations (Rs. 3085 mn)

- Business grew by 72%
- 1 new product launch in USA
- 1 ANDA final approval was received during the quarter, taking cumulative approvals at 47
- 2 ANDA applications were filed during the quarter, taking cumulative ANDA filings at 78

India Branded Formulations (Rs. 2777 mn)

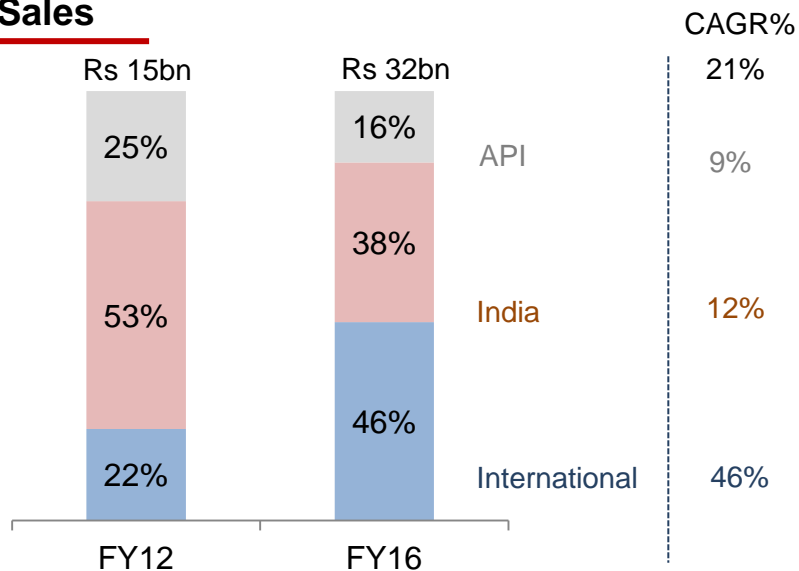
- Business grew by 6%
- Specialty Segment grew by 16% and Acute Segment de-grew by 10%.
- Strengthening the share of specialty therapies in the overall revenue basket.

API Business (Rs. 1282 mn)

- Business grew by 7%
- 1 DMF application was filed during the quarter, taking cumulative DMF filings at 82

Business

Sales



Manufacturing:

Formulation: Baddi and Sikkim for India market
FDA approved Oral Solids in Vadodara

Doubled capacity in 2014

API: 3 FDA approved facilities in Vadodara

Expansion in 2015

R&D:

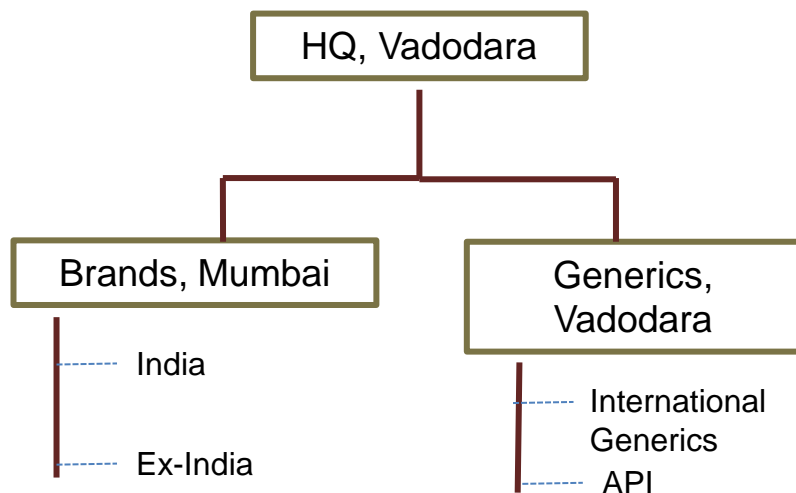
Formulation: Vadodara and Hyderabad

API: Vadodara

Biocentre: Vadodara

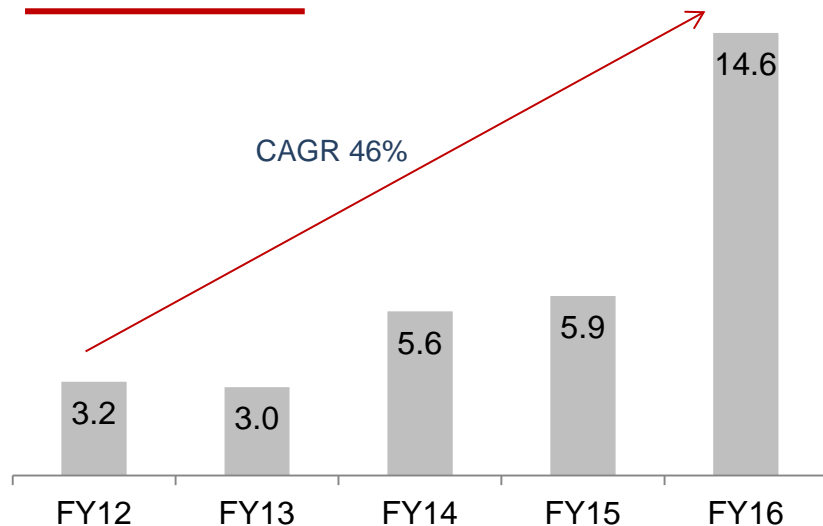
150 beds

Total 500 scientists

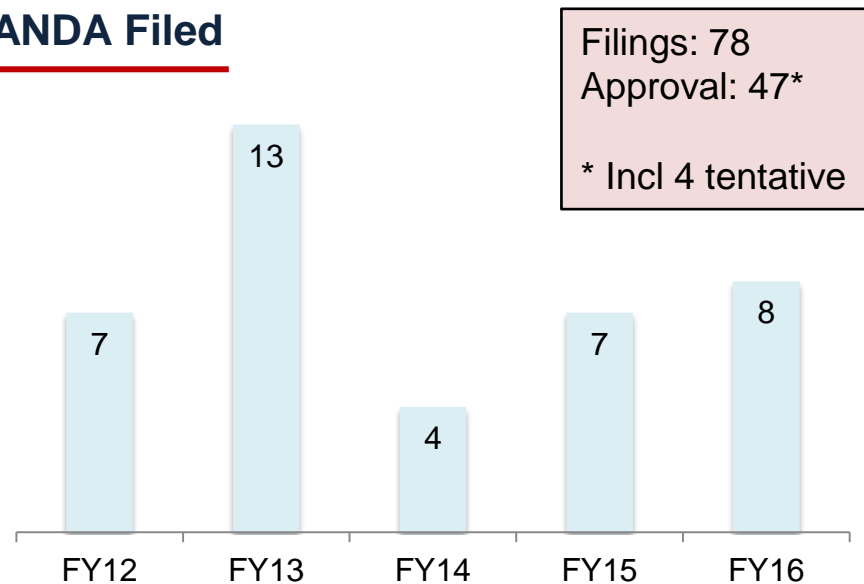


International Formulations

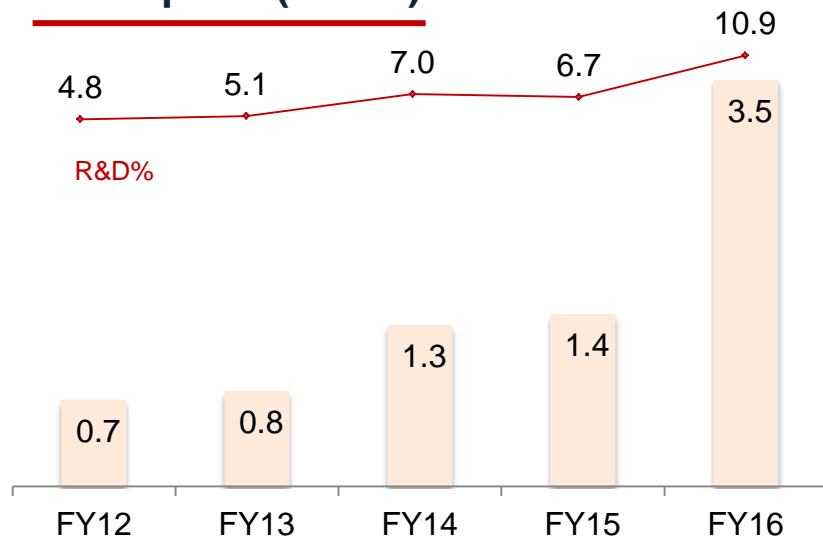
Sales (Rs bn)



ANDA Filed



R&D Spend (Rs bn)

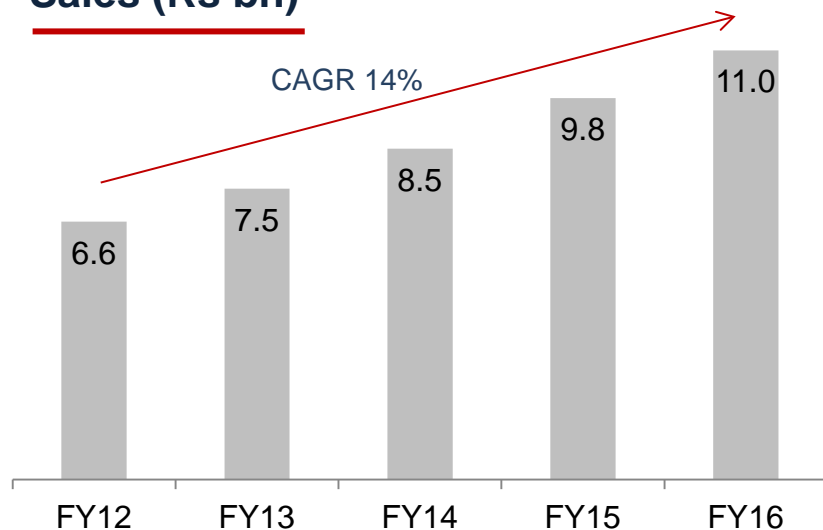


Milestones and Update

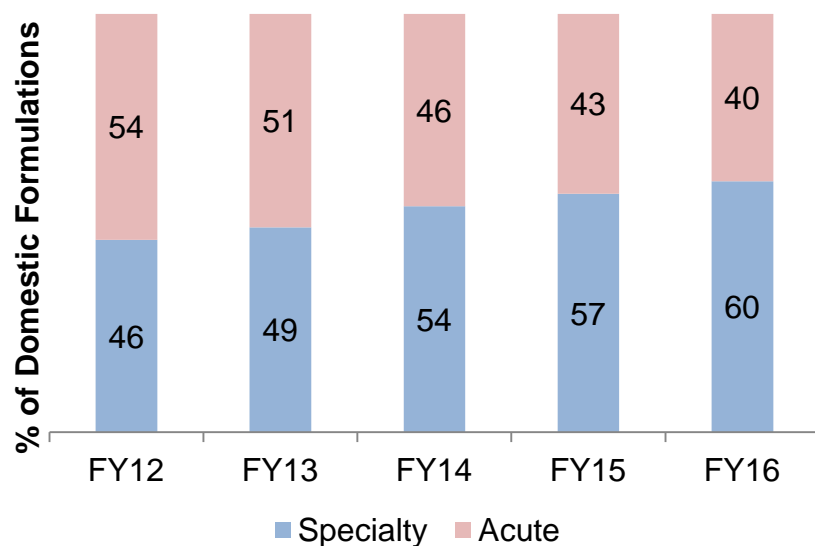
- Focus on day-1 launches
Aripiprazole
- US front-end in place, 23 products already launched
- Existing relationships being evaluated
Some are non-exclusive, some expiring, some continuing
- Ex-US remains driven by partnerships

India Branded

Sales (Rs bn)



Therapy Split



Marketing Organisation

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

Key Achievements

- Leadership in Macrolides
33% share of the segment with Althrocin, Azithral, Roxid
- Decent share in key new launches
Tellzy, Rekool, Gestofit, Ovigyn D, Rosave, Richar
- 5 brands in top 300
Azithral, Althrocin, Wikoryl, Roxid, Gestofit

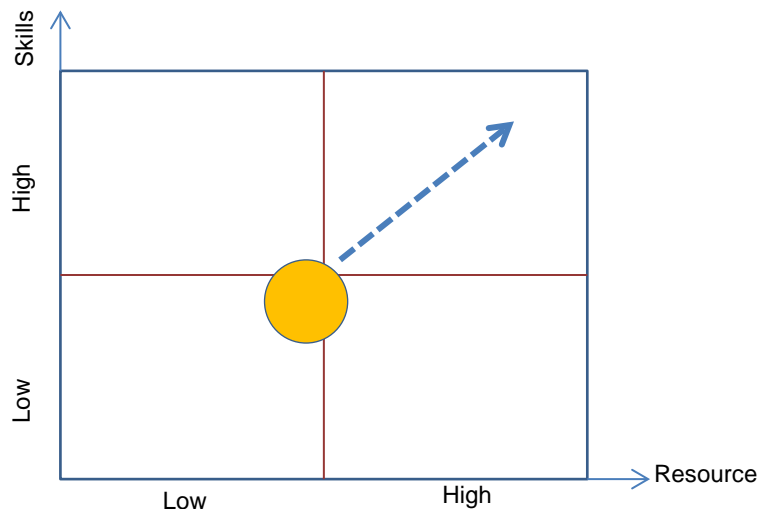
Therapy-wise Performance Q1 FY17

Therapy	JUN QTR 2016				JUN QTR 2015			
	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	10	2.01	18	16	15	1.87	49	35
Anti Diabetic	15	1.84	42	31	19	1.49	40	31
Gynaecology	10	2.83	26	31	13	2.48	38	22
Gastrology	7	1.89	(6)	4	16	2.17	13	16
Dermatological	14	0.41	(12)	(7)	20	0.53	45	26
Orthopaedic	6	0.99	3	12	13	1.01	3	20
Ophthalmology	11	1.43	16	18	16	1.37	(14)	(17)
Nephro / Uro	12	2.02	30	42	20	1.75	11	5
Anti Infective	4	2.57	(9)	(3)	7	2.95	4	8
Cold & Cough	(5)	4.55	(15)	(27)	8	5.12	13	23
OVERALL	9	1.51	5	6	14	1.57	19	18

(Source : ORG June 2016)

Strategy

Competitive position



Growth drivers

US: Rapidly expand breadth and quality of pipeline

Doubled internal OSD grid, half of grid is external – injectable, dermatology and ophthalmics

Partnerships to gain time and leverage financial resource

Build manufacturing capacities rapidly, use CMOs, de-risk

Ex-US: Selective commercialisation

Model under evaluation

India: Focus on chronic segment

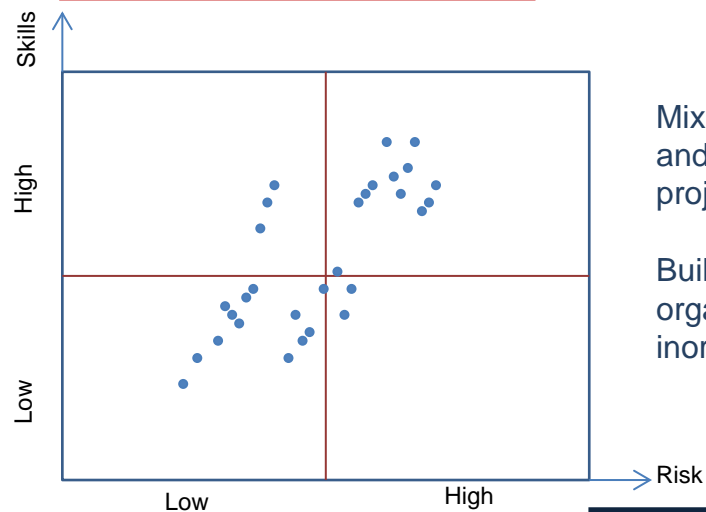
Aim for reasonable share in identified therapy-important molecules

Enablers

People: Renewed focus on HR
Skill gaps identified
Talent acquisition and retention

Process: Simple, clear structures
Clear goals and empowerment
Focus on compliance
De-risk with systems
Close monitoring
Focus on supply chain

Pipeline

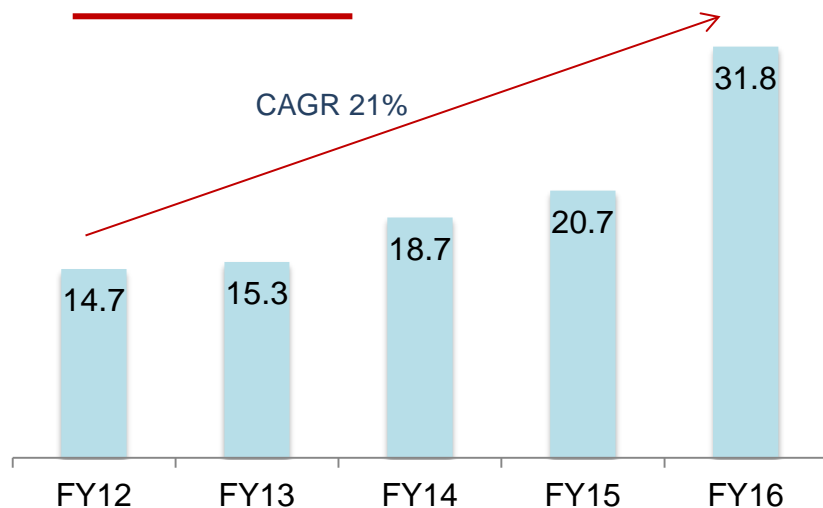


Mix of high-risk and low-risk projects.

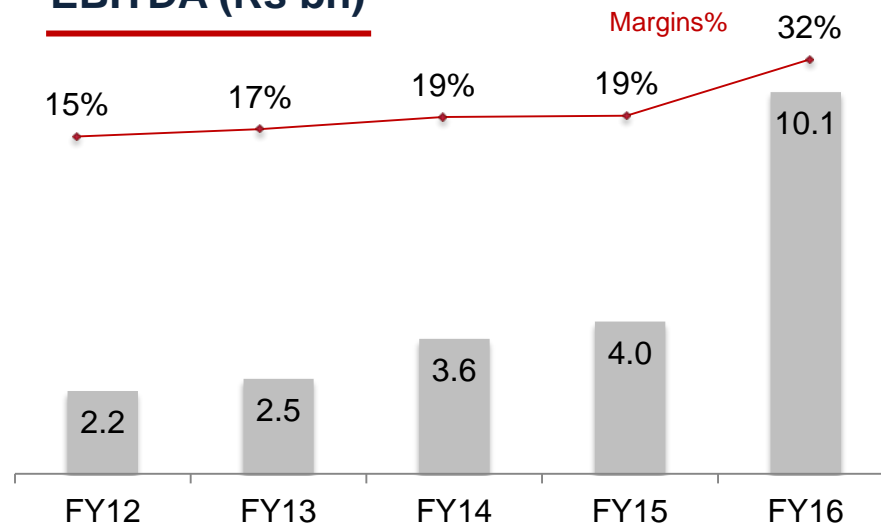
Building skill sets organically and inorganically.

Financials – 5 years

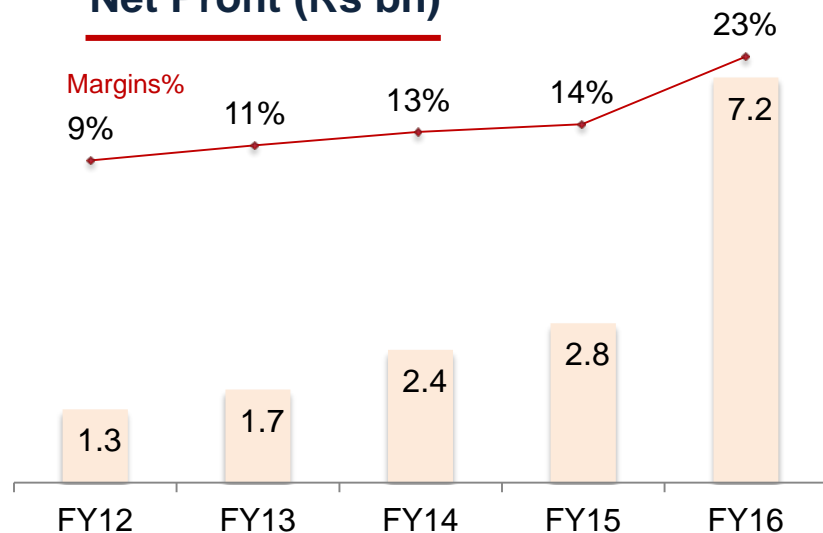
Sales (Rs bn)



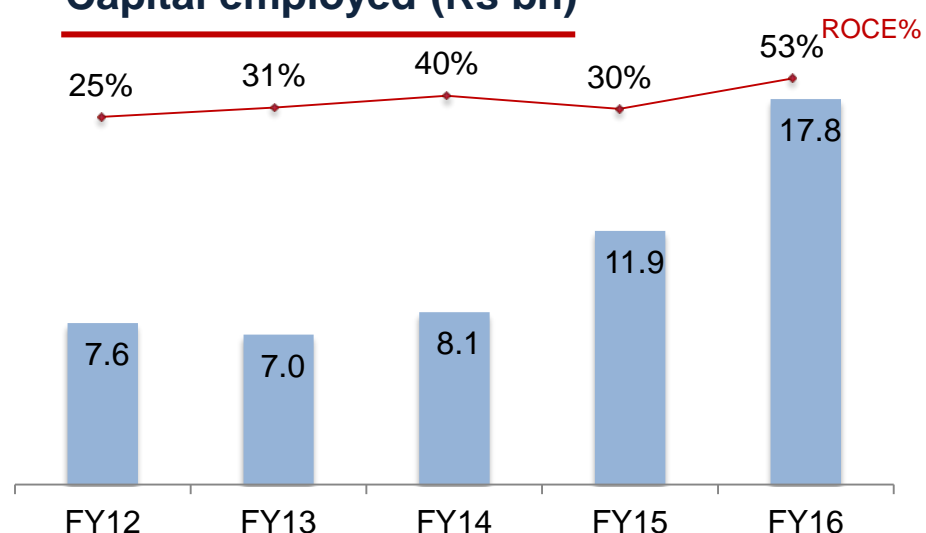
EBITDA (Rs bn)



Net Profit (Rs bn)

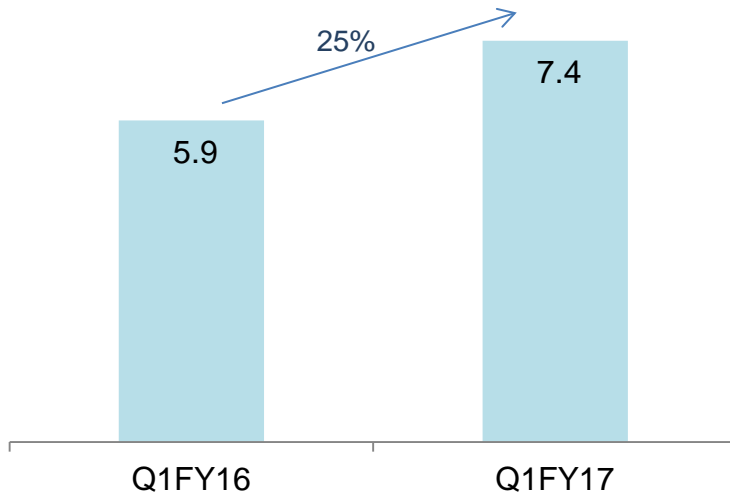


Capital employed (Rs bn)

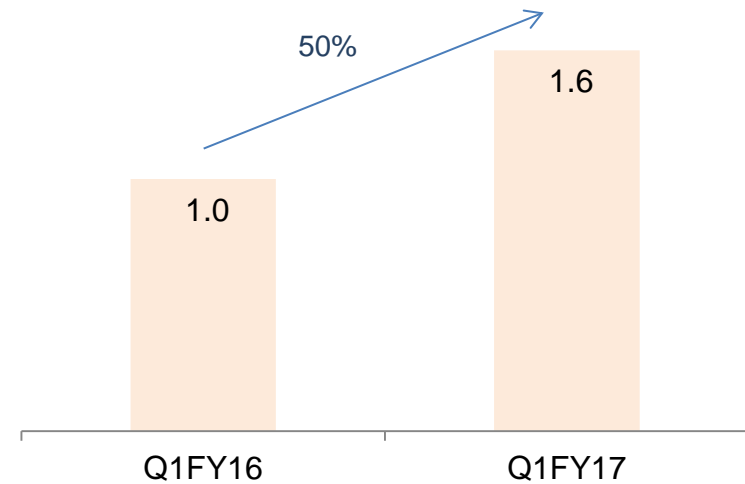


Financials - Quarter

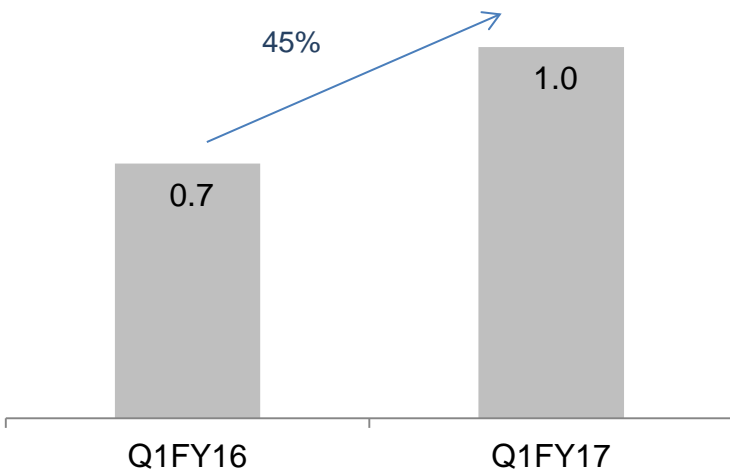
Sales (Rs bn)



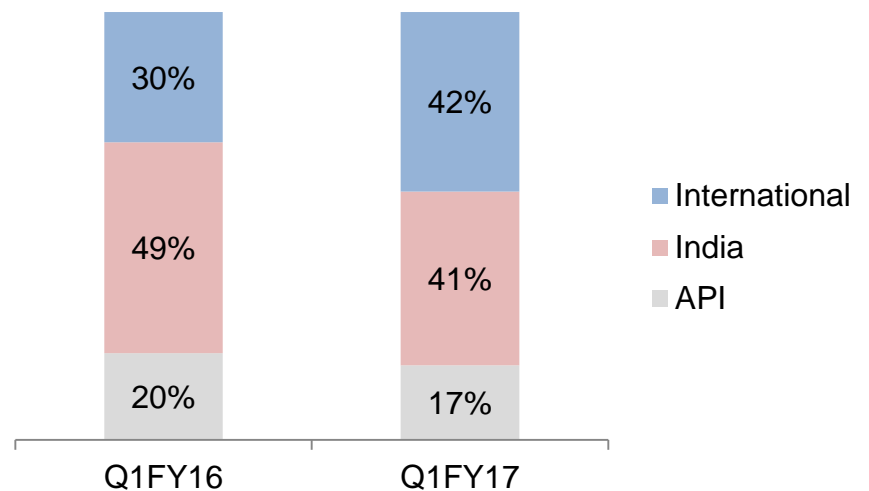
EBITDA (Rs bn)



PAT (Rs bn)

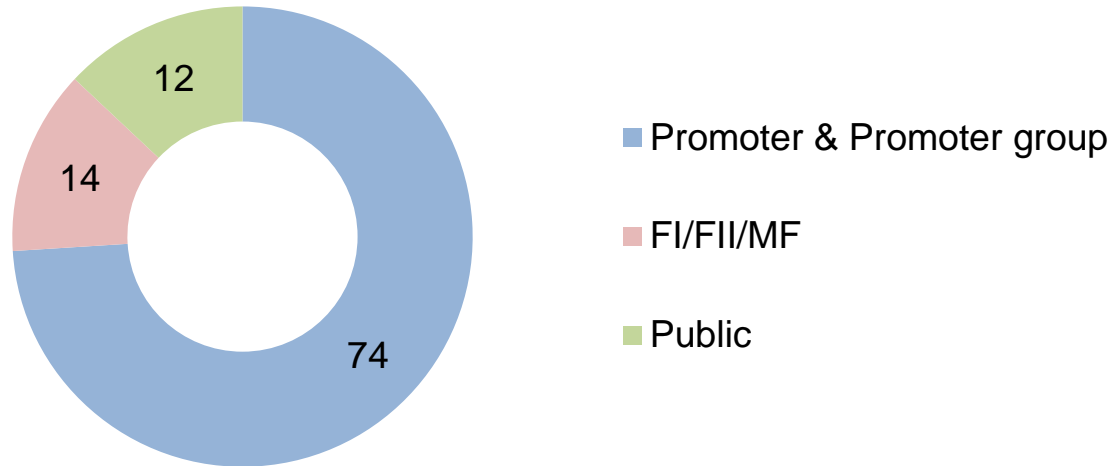


Business Sales



Latest Shareholding Pattern

% of Total Shareholding



Market capitalization	INR 108 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 28 bn

THANK YOU