

Alembic Pharmaceuticals Ltd

Investor Presentation

Mar-2019

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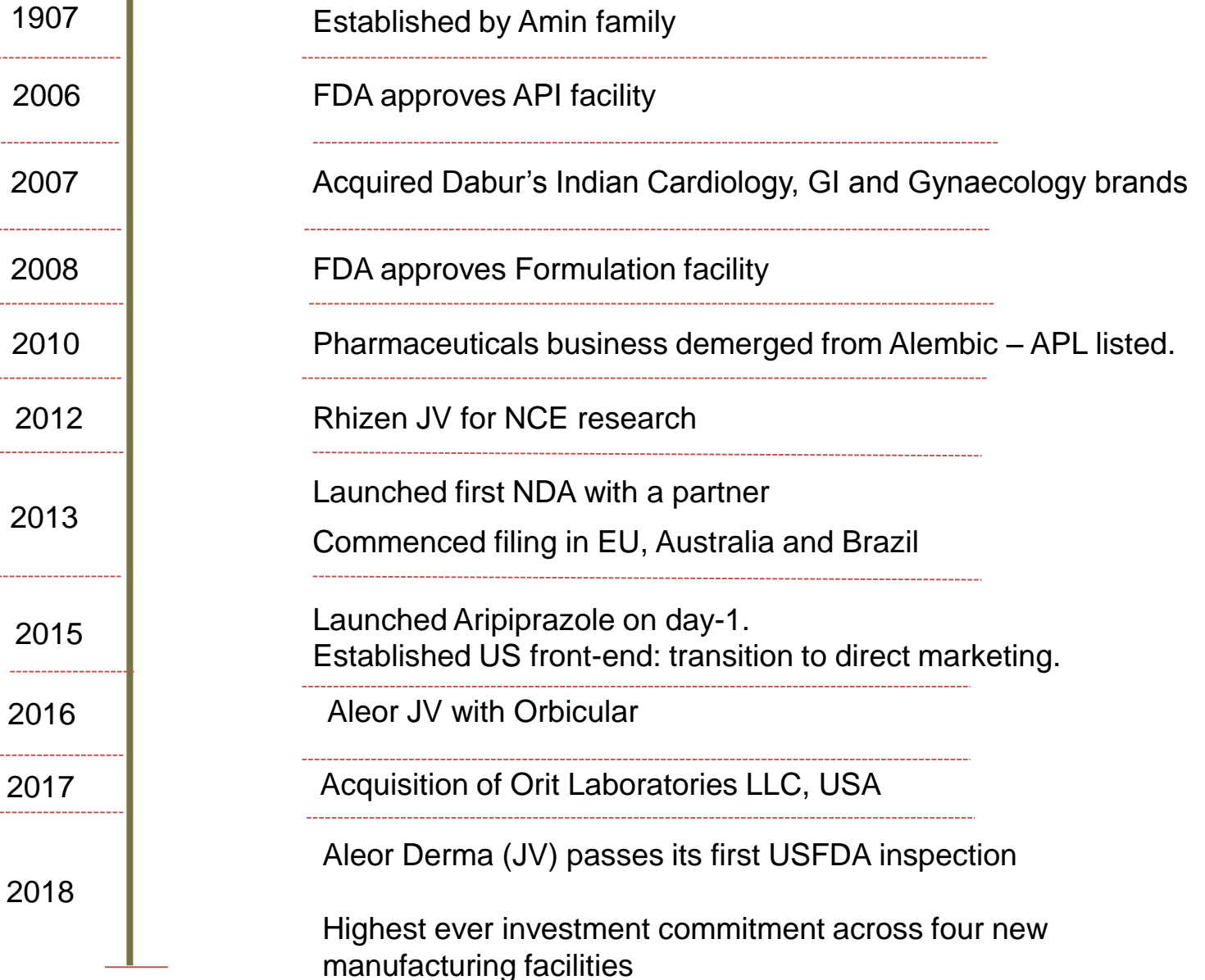
Safe Harbor Statement

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
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
2018	Aleor Derma (JV) passes its first USFDA inspection Highest ever investment commitment across four new manufacturing facilities

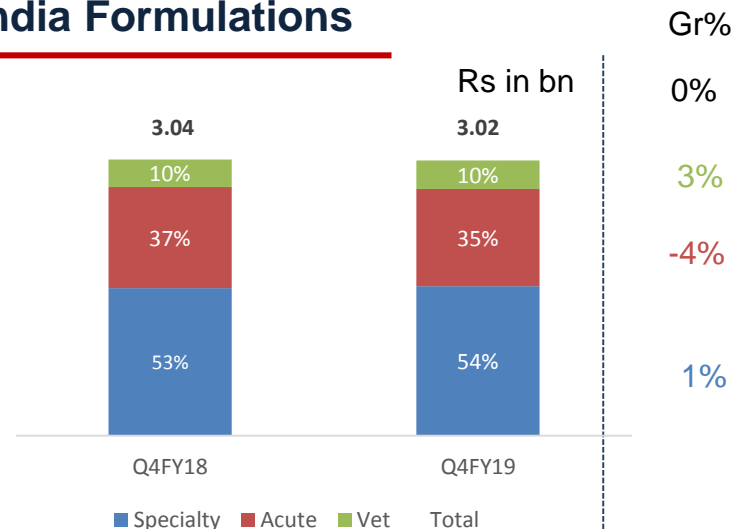
Highlights – Q4FY19

Financial Highlights

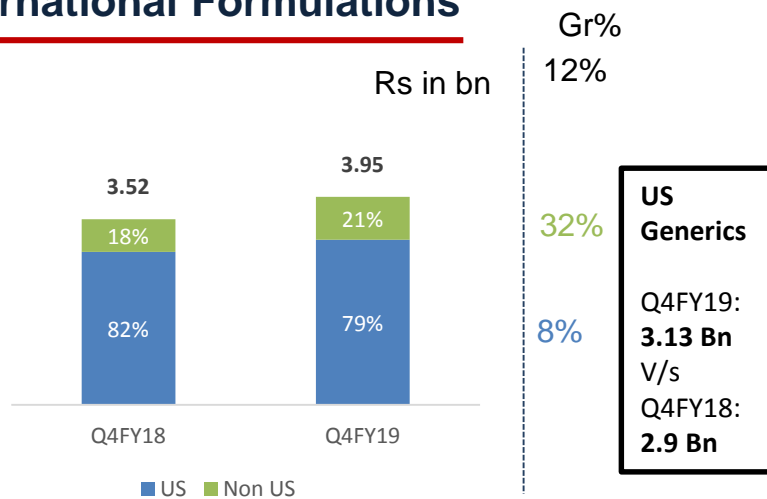
Rs. In Billion

Particulars (Rs. bn)	Q4 LY	Q4 CY	Gr%
Net Sales	8.53	9.27	9%
EBITDA Pre R&D	2.81	2.84	1%
<i>Margin %</i>	<i>33%</i>	<i>31%</i>	
R&D	1.21	1.20	-1%
<i>R&D %</i>	<i>14%</i>	<i>13%</i>	
EBITDA Post R&D	1.65	1.74	5%
<i>Margin %</i>	<i>19%</i>	<i>19%</i>	
Net Profit	0.94	1.24	32%

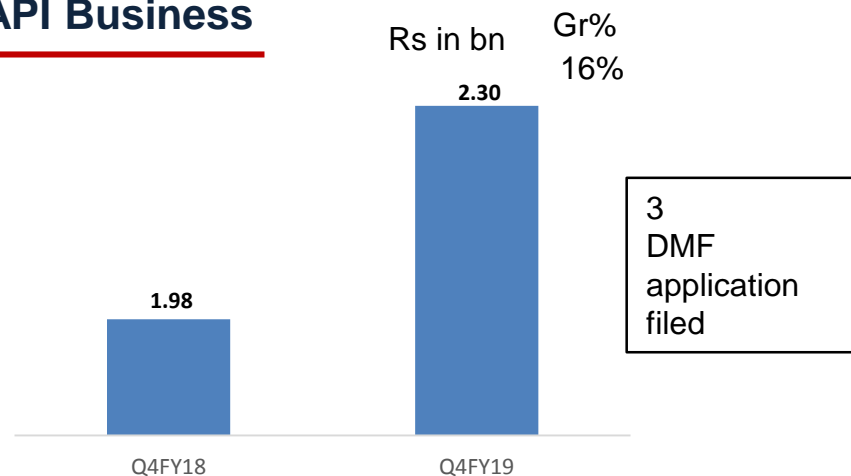
India Formulations



International Formulations



API Business



Highlights – FY19

Financial Highlights

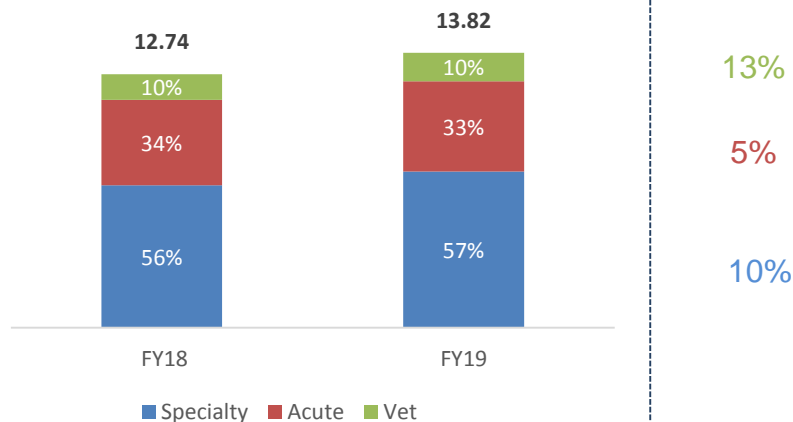
Rs. In Billion

Particulars (Rs. bn)	FY18	FY19	Gr%
Net Sales	31.31	39.35	26%
EBITDA Pre R&D	10.36	13.38	29%
Margin %	33%	34%	
R&D	4.11	4.98	21%
R&D %	13%	13%	
EBITDA Post R&D	6.42	8.75	36%
Margin %	21%	22%	
Net Profit	4.13	5.84	42%

India Formulations

Rs in bn

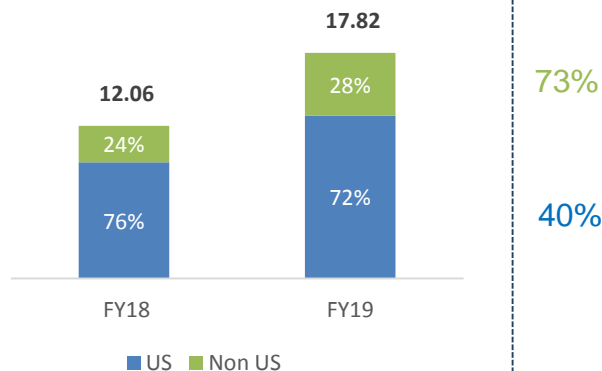
Gr%



International Formulations

Rs in bn

Gr%

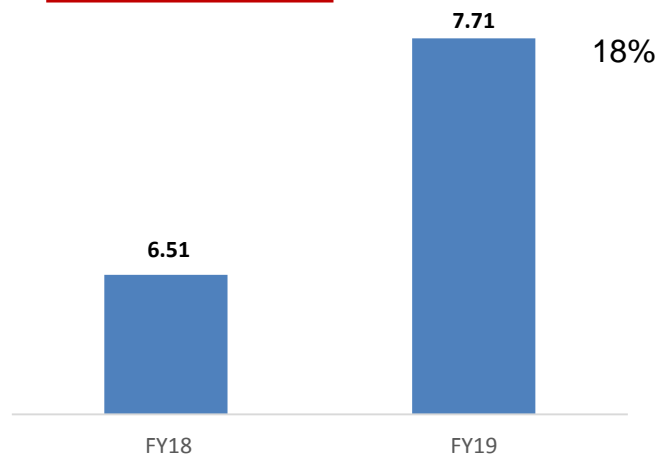


US Generics

FY19:
12.88 Bn
V/s
FY18:
9.2 Bn

API Business

Rs in bn Gr%

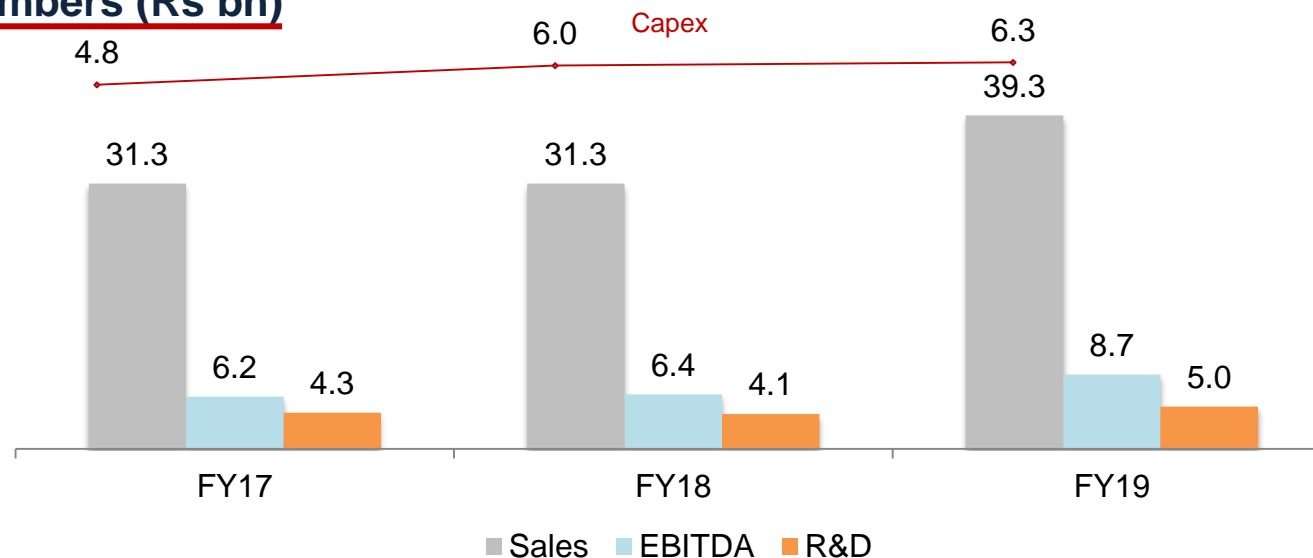


8 DMF application filed,
Cum DMF 100

ANDA Filings:29 (Cum ANDA:161),Approvals: 16 (Cum :89 incl 12 TA)

Business

Key Numbers (Rs bn)



R&D:

Formulation: Vadodara , Hyderabad and USA

API: Vadodara and Hyderabad(Peptides)

Biocentre: Vadodara
150 beds

Total 1100 R&D employees strength

Manufacturing:

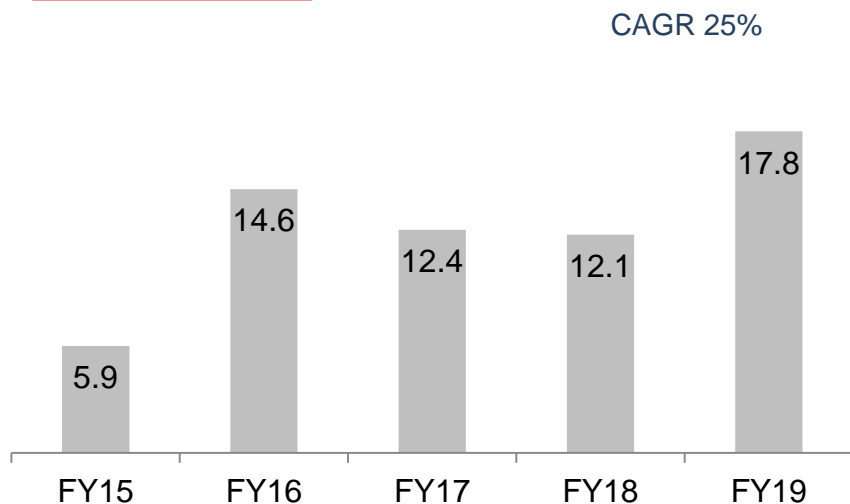
Formulation: Oral Solids, Panelav (*Oct18*)*
Derma (*Oct18*)*
Oncology OSD (*H1FY20*)
Oncology Injectables (*H1FY21*)
General Injectables (*H2FY20*)
Oral Solids, Jarod (*H2FY20*)

Sikkim, India market

API: Panelav (*Dec18*)*, Karkhadi (*Dec18*)*
** Last inspection*

International Formulations

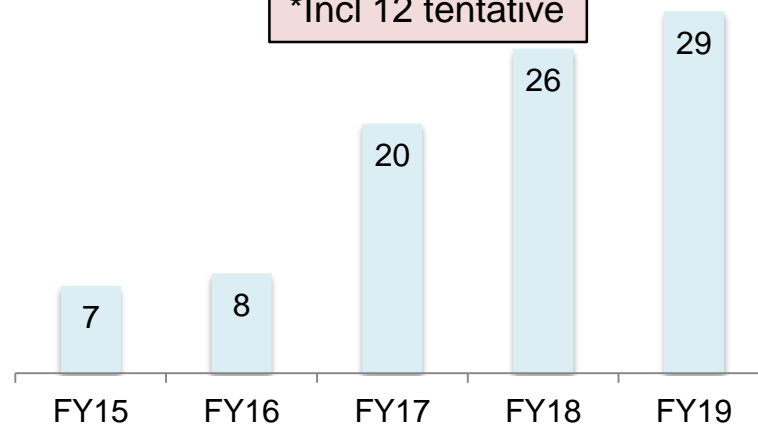
Sales (Rs bn)



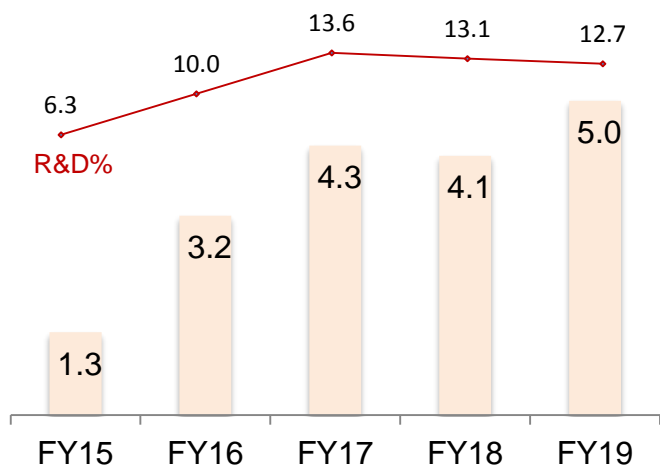
ANDA Filed

Filings: 161
Approval: 89*

*Incl 12 tentative



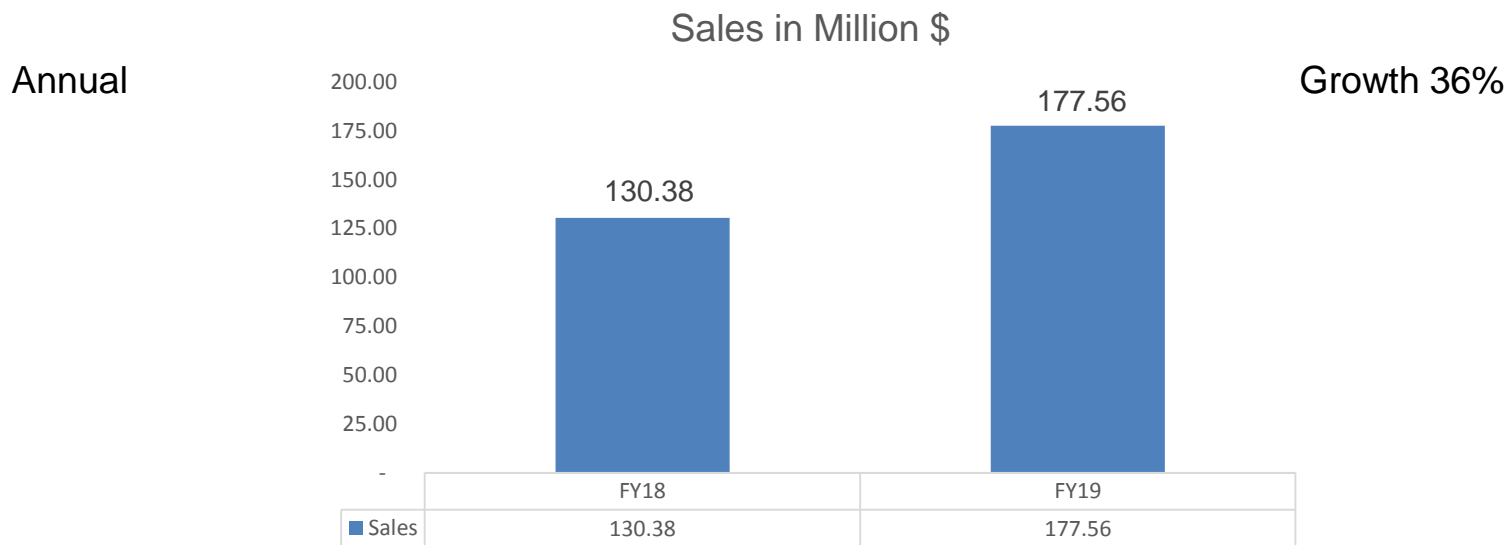
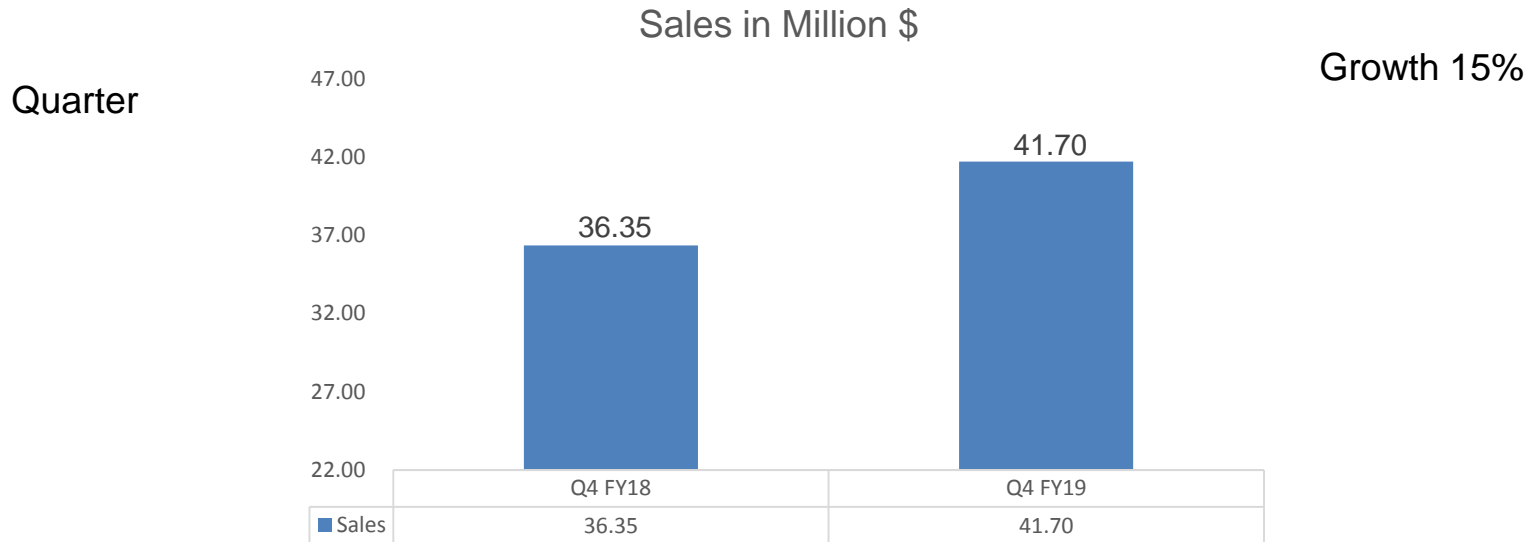
R&D Spend (Rs bn)



Milestones and Update

- USFDA approves Aleor Derma JV plant
Aleor ANDA gets first FDA approval
- 46 products launched through the US front end (8 launched in FY19), 7 launched through partner (1 launched in FY19)
10+ products planned to be launched in Q1 FY20
- Ex-US driven by partnerships

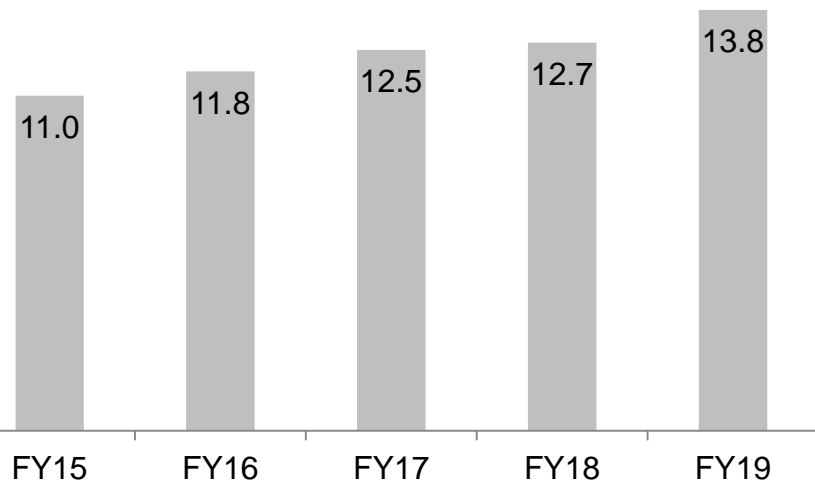
USA Generics *(part of International Formulations)*



Note: Excludes export incentive

India Formulations

Sales (Rs bn)



Marketing Organisation

- 5000 + marketing team
- 17 marketing divisions
Added new divisions in gynaecology, cardiology, gastrointestinal, urology
- 14% of product portfolio in NLEM
Launched 43 new products SKUs in FY19

Key Achievements

- Successful key new launches
Rekool, Rosave, Richar CR, Crina, Mirumigest, Bladmir, Pioride, Clostop SRX, Cloff, Cetanil

*Last 5 year new launches cover 2.1% of market share and contribute 15% of FY19 sales
91% new launches in specialty*
- 5 brands in top 300
Azithral, Althrocin, Wikoryl, Gestofit, Roxid

Therapy-wise Performance Q4 '19

	QTR MAR 19				QTR MAR 18			
Therapy (%)	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	11	2.11	16	10	9	2.02	7	4
Anti Diabetic	13	1.60	16	11	11	1.56	2	-7
Gynaecology	11	2.95	19	-3	9	2.75	3	-5
Gastrology	4	1.65	10	-11	10	1.57	1	-1
Dermatological	9	0.44	15	4	12	0.42	3	15
Orthopaedic	8	1.01	20	15	6	0.90	-1	-5
Ophthalmology	6	1.68	21	11	7	1.47	14	15
Nephro / Uro	12	2.10	15	-6	12	2.05	10	36
Anti Infective	3	3.05	3	-6	16	3.04	24	17
Cold & Cough	0	4.99	8	-1	24	4.59	24	21
OVERALL	8	1.58	12	-1	11	1.52	10	7

Therapy-wise Performance YTD Mar FY19

Therapy (%)	YTD MAR 19				YTD MAR 18			
	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	12	2.17	20	16	6	2.03	5	6
Anti Diabetic	14	1.67	15	12	12	1.64	4	1
Gynaecology	13	2.94	21	6	5	2.73	-1	-4
Gastrology	8	1.69	12	6	6	1.64	-3	-8
Dermatological	13	0.44	26	18	13	0.40	6	8
Orthopaedic	9	0.98	19	16	3	0.90	-6	-12
Ophthalmology	9	1.63	23	16	8	1.44	12	12
Nephro / Uro	16	2.17	18	23	11	2.13	11	19
Anti Infective	7	2.98	12	7	1	2.85	6	3
Cold & Cough	7	4.81	10	5	4	4.67	11	5
OVERALL	11	1.57	15	9	6	1.50	4	1

Strategy

R&D Pipeline

Dosage Form	FY14	FY19
Oral Solids	✓	✓
Injectables	✗	✓
Oncology	✗	✓
Dermatology	✗	✓
Ophthalmology	✗	✓
Inhalation	✗	✓
Biologics	✗	✗
NCEs	✓	✓

Enablers

People: Renewed focus on HR
Talent acquisition and retention

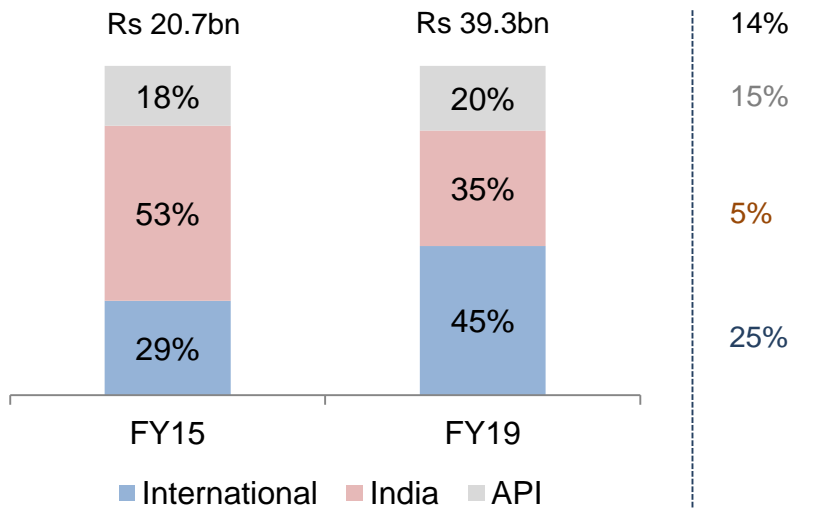
Process: Simple, clear structures
Clear goals and empowerment
Focus on compliance
De-risk with systems
Close monitoring

Growth drivers

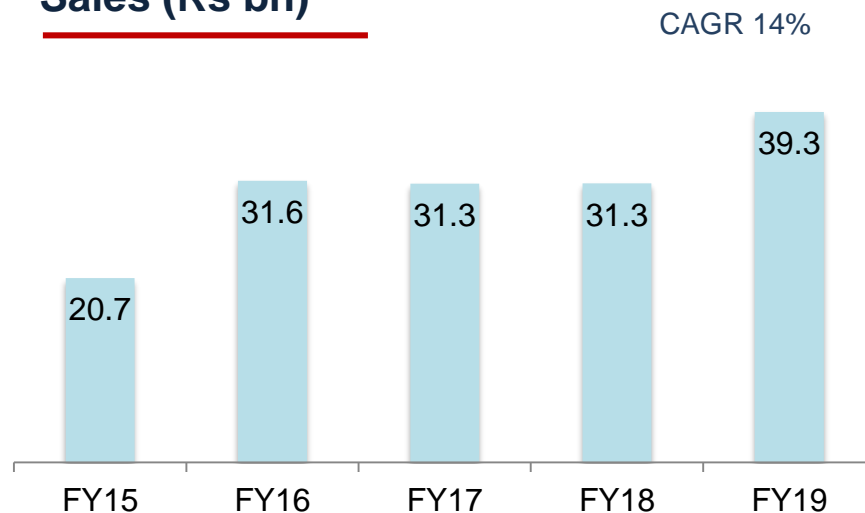
- R&D:** Rapidly expand breadth and quality of pipeline
Doubled internal OSD grid. injectable, dermatology ophthalmology and oncology.
Expanded grid 5 fold
Partnerships to gain time
Build manufacturing capacities rapidly, use CMOs
- US:** > 90% of R&D spend towards US market
On ground presence.
Focus on quality and supply chain
- India:** Emphasis on specialty segment
Market share in identified therapy-important molecules

Financials – 5 years

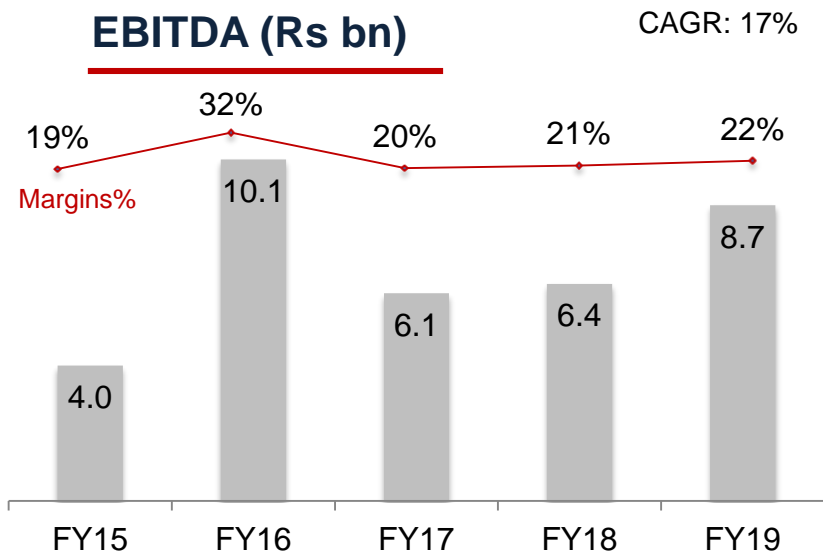
Sales



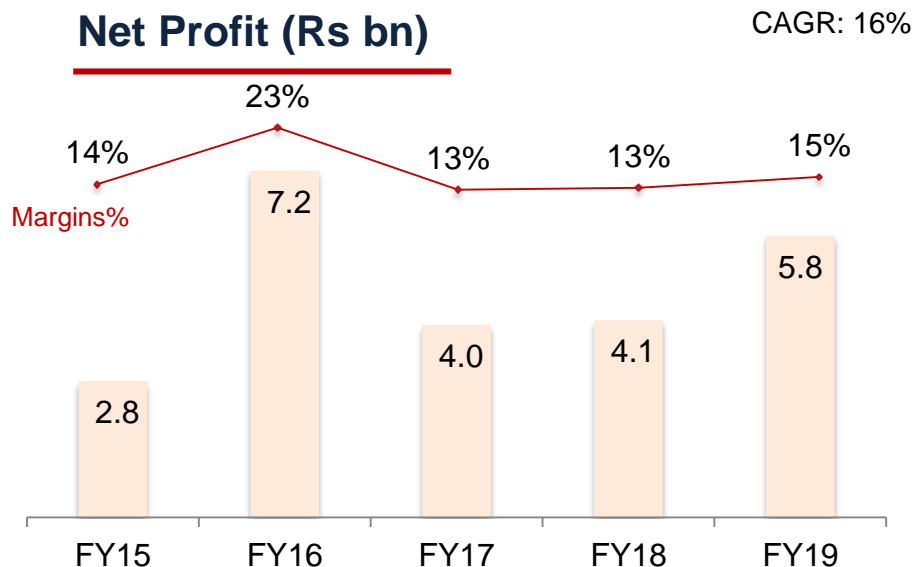
Sales (Rs bn)



EBITDA (Rs bn)

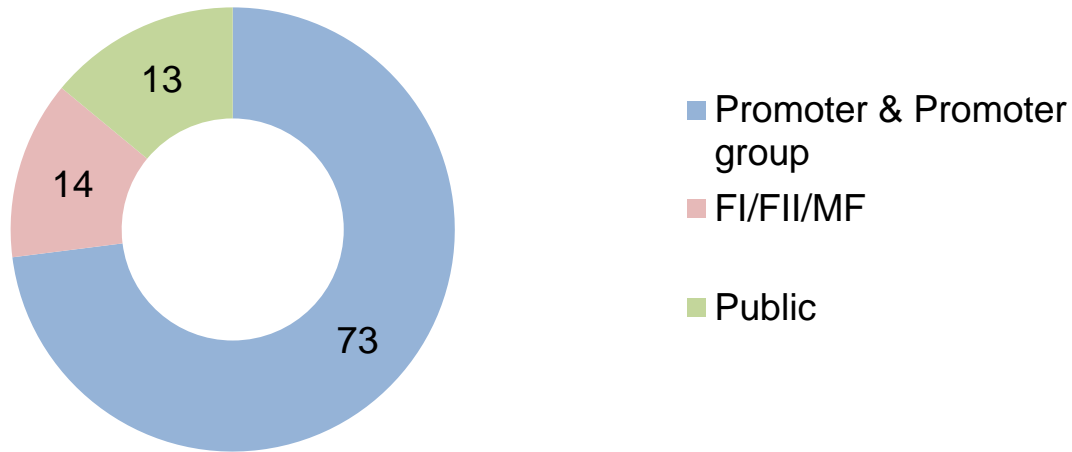


Net Profit (Rs bn)

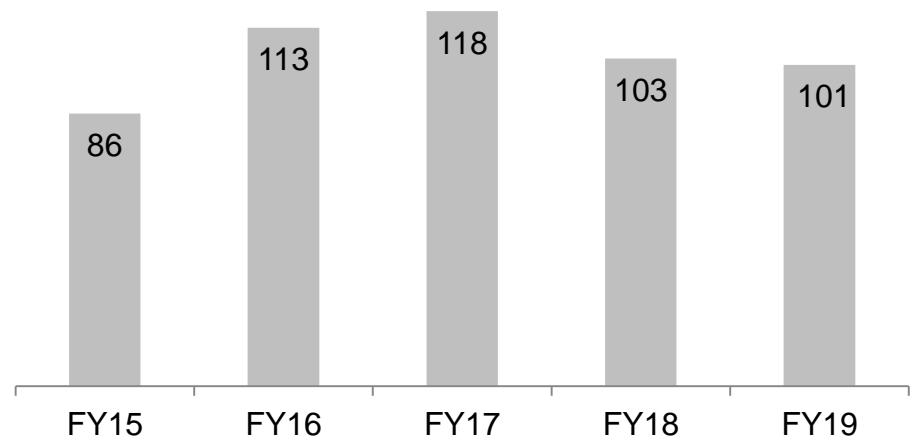


Latest Shareholding Pattern

% of Total Shareholding



Market capitalisation (Rs bn)



Total paid-up share capital 377.03mn

Total number of shares O/S 188.52mn

No. of shareholders >50 K

THANK YOU