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BSE Limited 1 st Floor, P.J. Towers Dalal Street <u>Mumbai – 400 001</u>	National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East) <u>Mumbai – 400 051</u>
Kind Attn.: Mr. Sanjay Golecha / Mr. Gopalkrishnan	Kind Attn.: Famroze Pochara Asst. Vice President
Date: March 22, 2017	
Re.: Updated Investors' Presentation.	

Dear Sir / Madam,

Please find attached herewith an updated Investors' Presentation for your kind ready reference.

Kindly find the same in order.

Thanking you,

Yours faithfully,
For **Cadila Healthcare Limited**


✓ **Upen H. Shah**
Company Secretary



Encl.: As above.



Cadila Healthcare Limited

Investor Presentation

March 2017



A Leading Pharmaceutical Company

#4

Leading pharmaceutical company in India ¹
Market share of 4.2%

#10

US Generics player (based on scripts) ²
Market share of 3.2%

198

ANDAs pending approval in the US

\$1.5 Bn

Last reported fiscal year revenues ^{3,6}

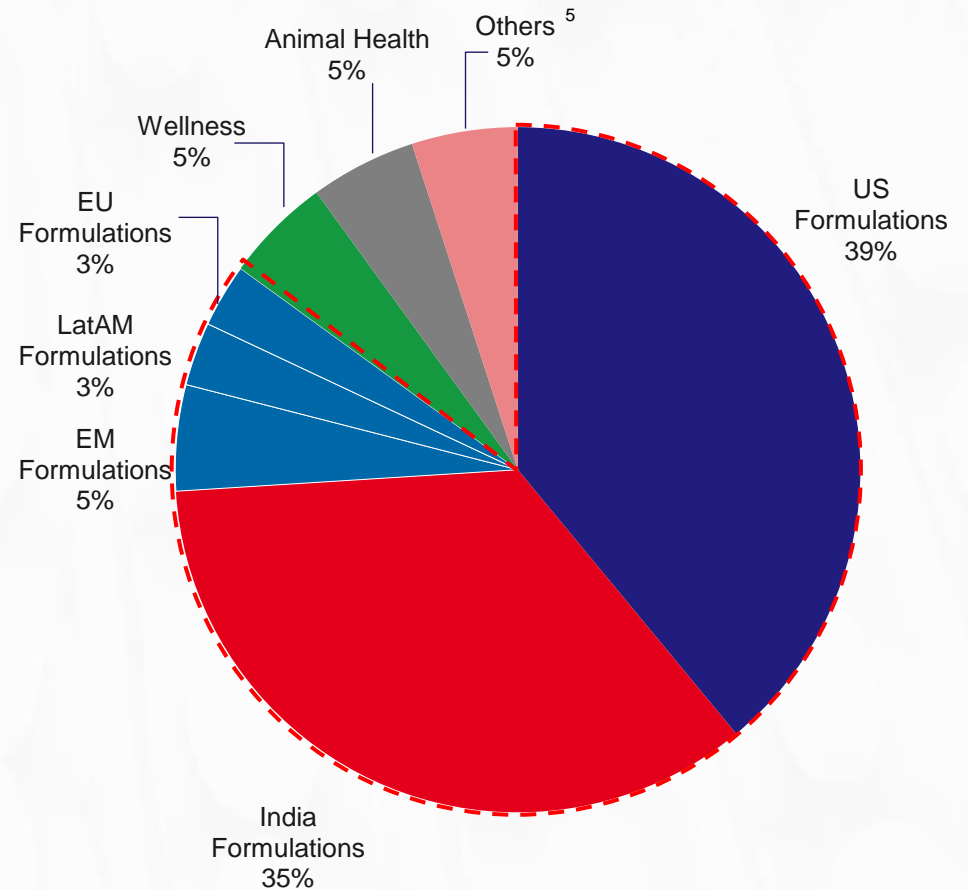
\$6.8 Bn

Current market capitalization ^{4,6}

**Well diversified business across geographies;
Presence in generics, branded generics, animal health, wellness and others**

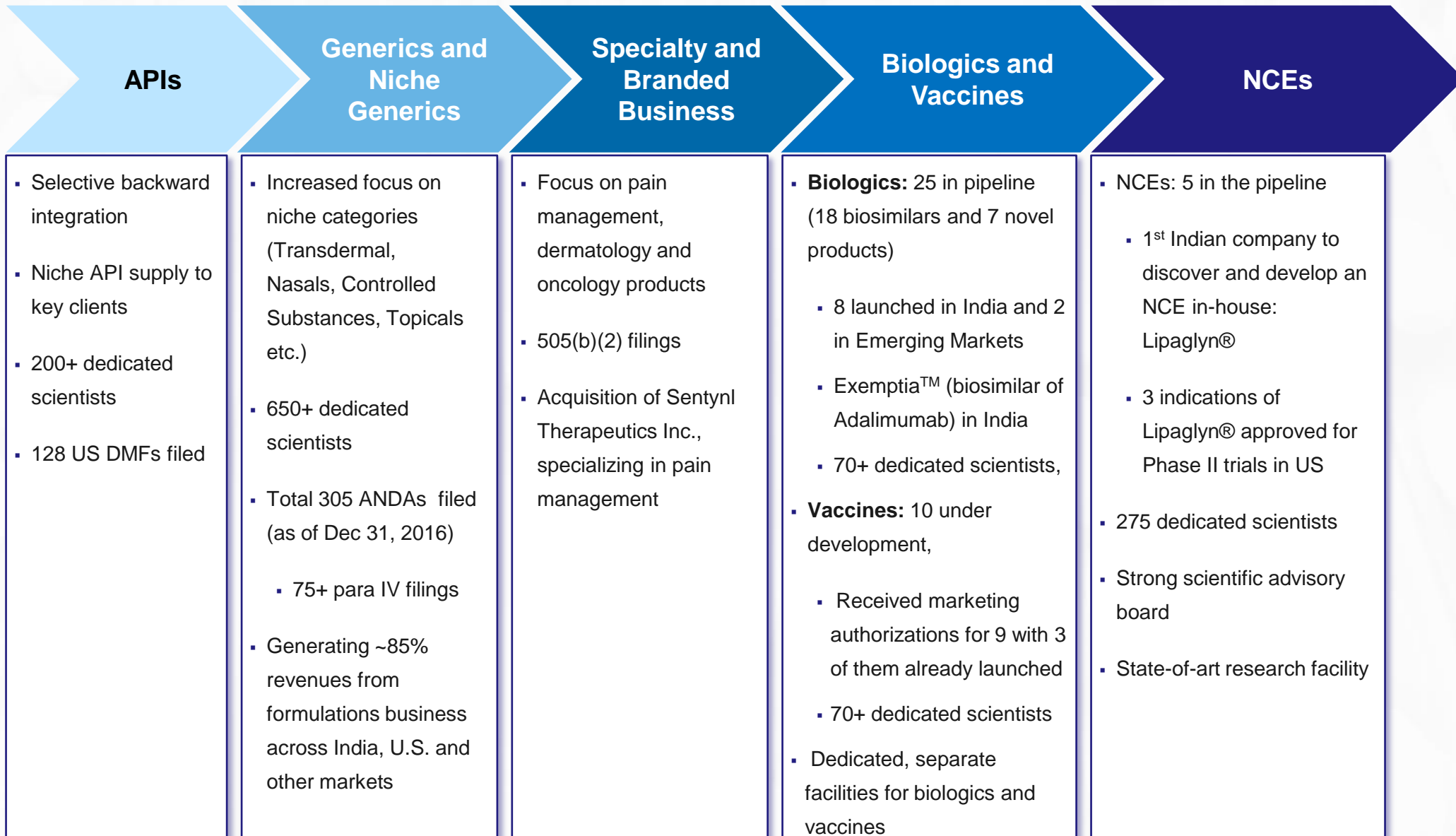
With a Global Footprint

Revenue Split for 9MFY17



1. As per AWACS MAT December 2016
 2. IMS MAT December 2016
 3. For the year ending Mar 31, 2016
 4. As of 17 March 2017
 5. Others include APIs (4%) and Alliances (1%)
 6. US\$ 1 = INR 67.00

Vertically Integrated Business Model with Presence Across The Pharma Value Chain



Key Business Segments



	Key Formulations Businesses	Other Businesses & Alliances	Emerging Businesses
Divisions	<ul style="list-style-type: none"> India formulations <ul style="list-style-type: none"> #4 by value 4.2% market share US formulations <ul style="list-style-type: none"> #10 by prescription volumes 3.2% market share Latin America Emerging Markets of Asia and Africa 	<ul style="list-style-type: none"> EU Formulations Consumer Wellness Animal Health APIs JVs & alliances 	<ul style="list-style-type: none"> Biologics Vaccines NCEs
Key Themes	<ul style="list-style-type: none"> High, sustainable and profitable growth Significant revenue contribution 	<ul style="list-style-type: none"> High growth potential in Wellness and Animal Health segments 	<ul style="list-style-type: none"> Complex technology with high entry barriers for competition Large potential upside Upfront investments
In-House Capabilities serving as bedrock of organization	<p>30 manufacturing locations across India, US, Brazil and Germany</p> <p>Manufacturing</p>	<p>8 R&D sites across India, US and Italy +1,200 employees</p> <p>R&D Capabilities</p>	<p>Highly experienced and committed management team</p> <p>People</p>

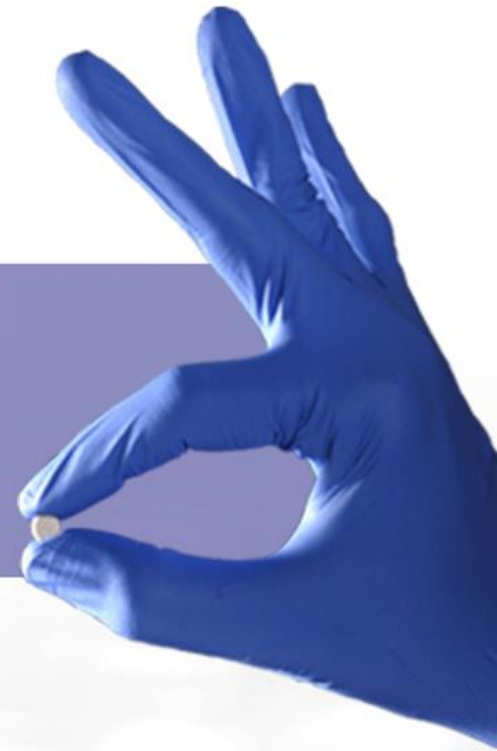
Track Record of Value Creation



1. Market capitalization is calculated by applying the closing price of the financial year
 2. US\$ 1 = INR 67.00
 3. As of 17 March 2017



Key Business Segments



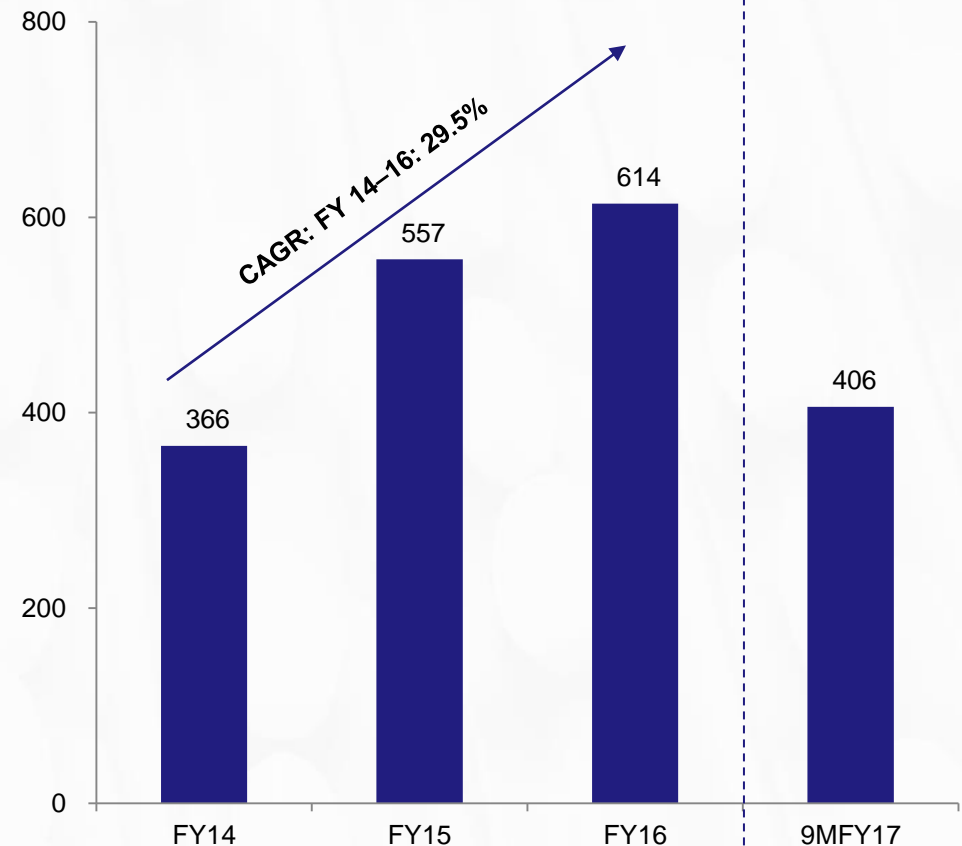
US Generics: Strong Platform with Robust Growth

Our US Formulations Business

- #10 generics player in US (based on scripts) with a market share of 3.2%
 - Among top 3 for more than 70% of the products marketed in US
- Sale of generic oral solids and injectable products; +80 products commercialized
- Robust product pipeline
 - 198 ANDAs pending approval (of which 75+ Para IV filings)
- Cost efficient manufacturing and supply chain
- Long-term relationships with large whole-sellers and retail chains
- **Acquired Sentynl Therapeutics Inc.**, a US based specialty pharmaceutical company, specializing in pain management segment

US Generics Growing at CAGR of ~30%

Gross Sales, US\$ MM



Strong Filing Track Record and Addition to Capabilities

Growing Focus on Complex Generics Business

- Immediate Release Oral Solids
- Injectables
- Controlled Substances

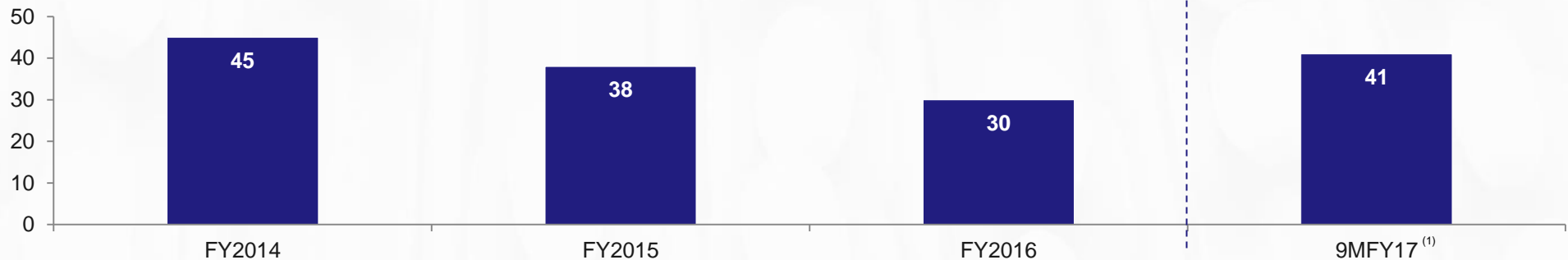


- Modified Release Oral Solids
- Transdermals
- Topicals
- Nasal Sprays

Track Record of ANDA Filings

(filings annually)

Total ANDA Filings as of 31 Dec 2016 – 305

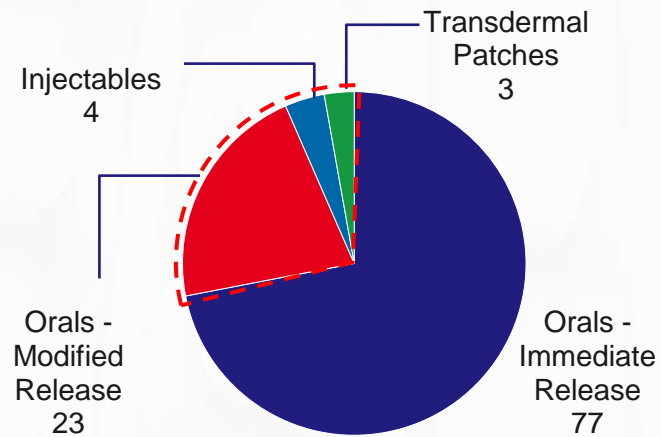


Large ANDA Pipeline With Increasing Focus on Niche Filings

Approved ANDAs by Type

As on 31 Dec 2016

Total Approved ANDAs—107¹



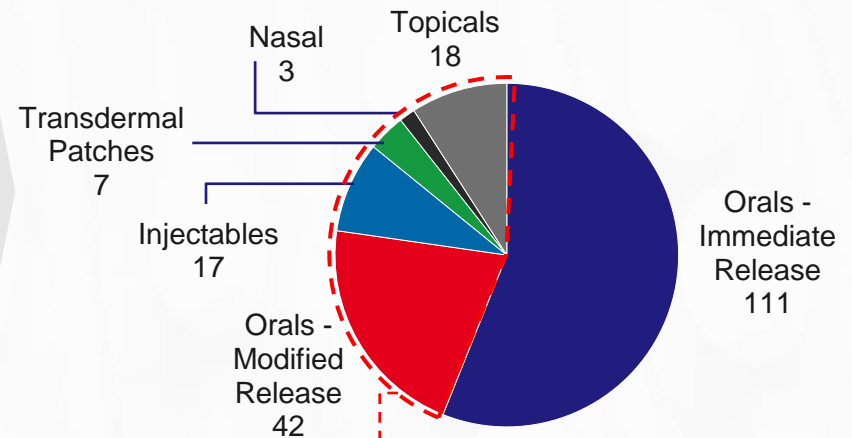
+80 products commercialized

Among top 3 for more than 70% of the products marketed in US

ANDA Pending Approval—Focus on Niche Segments

As on 31 Dec 2016

Total ANDAs Pending Approval—198; market size of +\$75 Bn²



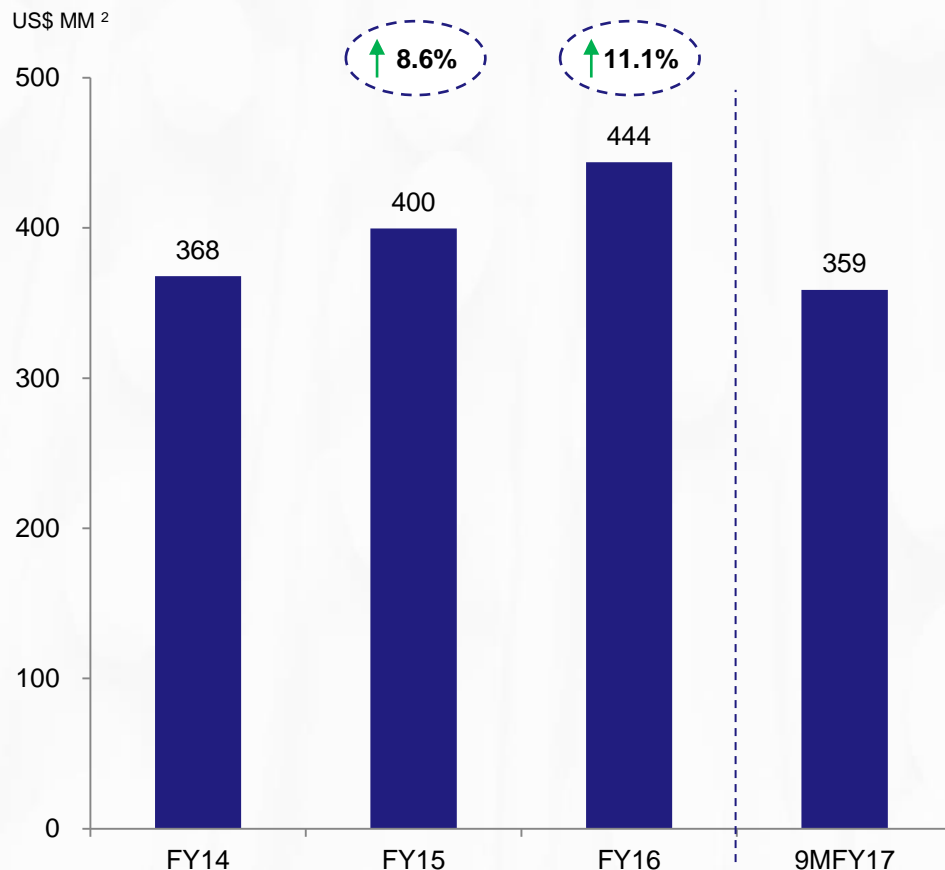
New filings with increased focus on differentiated products with potentially competitive edge

Total 75+ Para IV filings

Strong Leadership in India Formulations Business

Leading Player in the \$16 Bn Market of India

India Formulation Sales: Strong Base with Steady Growth



#4 Leading pharmaceutical company in India ¹

4.2% Domestic market share ¹

17 Brands among top 300 in India

50 Product launches in 9MFY17

1st Indian company to discover and develop an NCE in-house: Lipaglyn® (Saroglitazar)

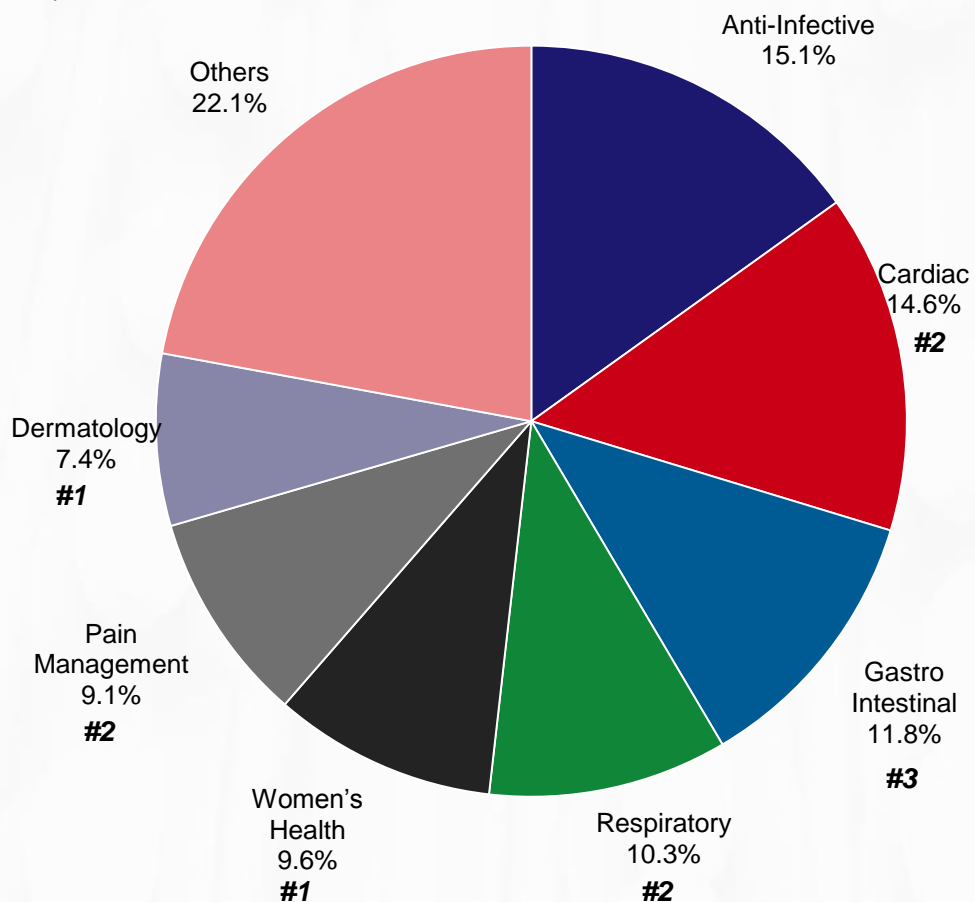
1st Company to launch biosimilar of Adalimumab

~5,900 Marketing field force ³

Focus on Key Therapeutic Areas in India

Key Therapeutics Areas for Zydus

As per AWACS MAT December 2016



Leadership positions in Women's Health, Dermatology, CVS, Pain Management, Respiratory and GI

Brand acquisitions to fill the portfolio gaps – recently acquired brands from MSD in men's and women's health

Introduction of biologicals and vaccines products



In-licensing arrangements

Improving sales force productivity

Represents Zydus' ranking in the covered market.

Other Growing Formulations Markets

Latin America

		
Market Size ¹	US\$ 27 Bn	US\$ 8 Bn
Market Growth	~14%	(7%)
Zydus Size ²	US\$ 36 MM	
Zydus Growth	~10%	

- Branded generics and generic generics
- **Brazil:** 98 filings, 46 approvals ,45+ products commercialized
- **Mexico:** 40+ filings, 35+ approvals, 20 products commercialized
- Focused segments (Branded) – Women’s Health, Hepatology, CNS, CVS, Nutraceuticals and Pain Management

Source: IMS MAT December 16 Report and KNOBLOCH MAT December 16 Report


Emerging Markets

	Emerging Markets in Asia and Africa
Market Size ¹	US\$ 13 Bn
Market Growth	~12-13%
Zydus Size ²	US\$ 74 MM
Zydus Growth	~11%

- Branded generics and generic generics
- Leadership position in several of these markets
- Launched 2 biosimilars
- Continue to expand geographical presence in select markets
- Leveraging existing portfolio of India and other regulated markets

Source: EvaluatePharma

Europe Formulations

	
Market Size ¹	~US\$ 5.7 Bn
Market Growth	~4%
Zydus Size ²	US\$ 40 MM

- Among top 10 in France, among top 20 in Spain
- Launched ~150 molecules in France and ~110 molecules in Spain
- 205+ new products and 65+ site transfer filings

Source: GERS and IMS Report for Europe as per MAT December-16

Consumer Wellness

- Operates through Zydus Wellness, listed in India
- Brand extensions and new product launches
- Geographical expansion
- ~US\$ 68 MM revenues



~94%
market share



Leading
table spread brand in India



Market Leader
scrub and
peel-off brand

Animal Health

- Leading animal healthcare player
- Acquired select brands and manufacturing operations in India from Zoetis
- Global presence through Bremer Pharma, Germany
- 2 manufacturing facilities at Haridwar (India) and Warburg (Germany)
- ~US\$ 64 MM revenues

APIs

- Backward integration capabilities to meet captive API requirements
- 1 dedicated R&D unit and 4 manufacturing plants
- 128 DMFs, 200+ dedicated scientists
- ~US\$ 56 MM revenues

Successful Track Record of Global Partnerships

Value Creation Through Win-win Alliances and Be a Partner of Choice

Zydus Takeda JV

- 50:50 JV with Takeda Pharmaceuticals
- State-of-the-art manufacturing facility for complex high-end APIs of Takeda
- Commercial supply of 10 products (incl. 1 for validation)

Zydus Hospira JV

- 50:50 contract manufacturing JV with Hospira¹ for **oncology** injectable products
- State-of-the-art cytotoxic facility approved by leading authorities like MHRA, USFDA, TGA, Health Canada
- Commercial supplies: EU (12 products) and US (9 products)

Bayer Zydus JV

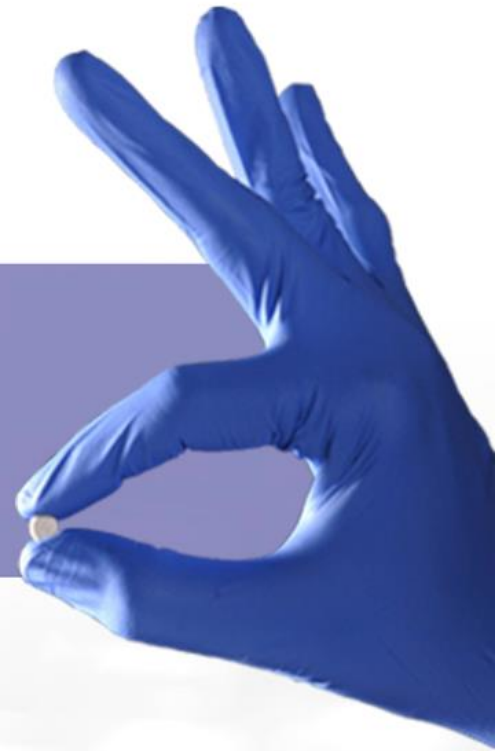
- 50:50 JV with Bayer
- Operates in female healthcare, metabolic disorders, diagnostic imaging, CVS, diabetes and oncology segments in India
- Leveraging strengths of Bayer's optimised product portfolio and Zydus' marketing and distribution capabilities
- JV scope covers launch of innovator products of Bayer

Other Alliances

- 26 ANDAs filed, 13 approved, 11 commercialized (for partners)
- Received 1st NDA approval from US FDA (filed for a partner)
- Commercial supply of 15 products under the out-licensing deal with Abbott
- Out-licensing and distribution arrangements for biosimilars in certain emerging markets like Turkey, Russia, Indonesia, Columbia



Manufacturing and Innovation



Strong Base of Cost Efficient and High Quality Manufacturing Facilities

30

Facilities across
India, US, Brazil
and Germany

11

Facilities
inspected by
USFDA

+15 Bn

Annual capacity
of pills

16 facilities for formulations, 4 for API, 3 for vaccines, 3 for biologics, 2 for consumer wellness and 2 for animal health

Capabilities across platforms - Oral Solids, Controlled Substances, Injectables, Topicals, Lyophilized Injectable, Sprays and Transdermals

Focus on quality, efficiency and regulatory compliance

Key Focus Areas for R&D

R&D expenditure formed ~7.5%¹ of operating revenues

NCEs

- Capability: target identification, pre-clinical research and early clinical development
- ~275 dedicated scientists
- 5 NCEs in pipeline
- Launched Lipaglyn®, the first NCE of India

Vaccines

- 70+ dedicated scientists
- 10 vaccines under development
- Marketing authorization for 9 vaccines, 3 launched
- 1st Indian company to launch indigenously developed and manufactured H1N1 vaccine – VaxiFlu-S (in 2010)

Generics Development

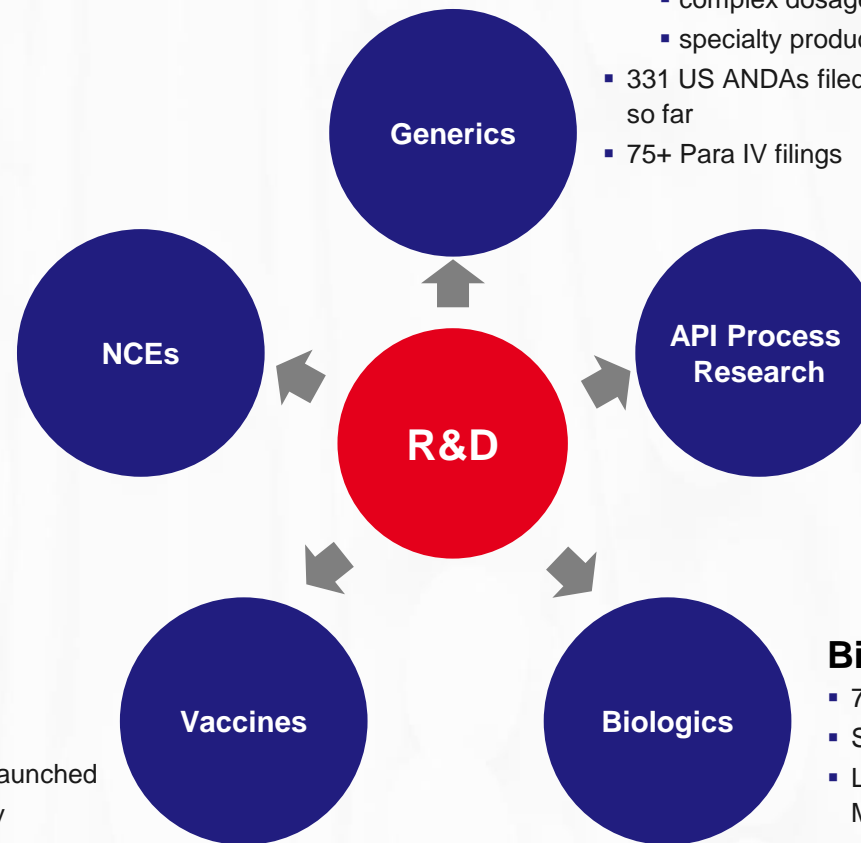
- 650+ dedicated scientists
- Increasing focus on
 - complex dosage forms like transdermals, topicals and nasals
 - specialty products and 505(b)(2) route
- 331 US ANDAs filed (incl. 26 for partners), 120 ANDAs approved so far
- 75+ Para IV filings

API Process Research

- 200+ dedicated scientists
- 128 US DMFs filed so far

Biologics

- 70+ dedicated scientists
- Strong pipeline: 18 biosimilars and 7 novel products
- Launched 8 products in India and 2 in Emerging Markets
- 1st to launch biosimilar of Adalimumab in India
- Strong IP position



Biologics

- Launched 8 products in India and 2 in Emerging Market geographies
 - Launched Exemptia™ (biosimilar of Adalimumab) – 1st company in India
- Strong pipeline of 18 biosimilars and 7 novel products (including products launched)
 - 4 products already in clinical development phase
 - Development of RabiMabs in collaboration with WHO
- Wide range of indications covered including oncology, nephrology, ophthalmology, infectious diseases, osteoporosis, inflammation
- 70+ dedicated scientists

Vaccines

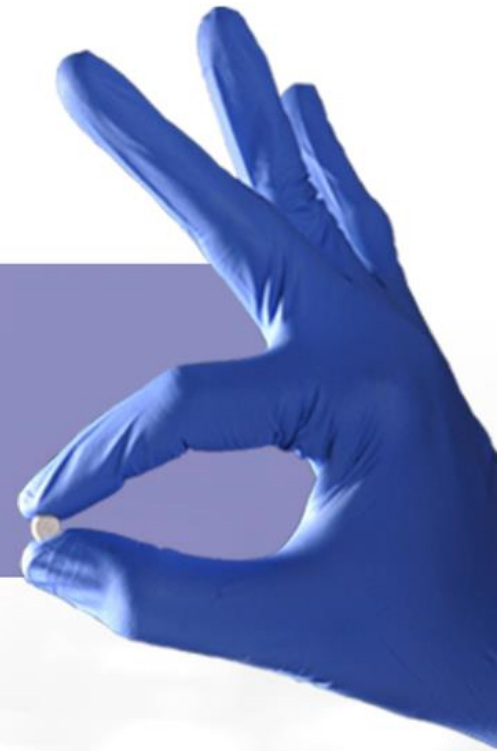
- Launched 3 products, received marketing authorizations for 6 other
 - First Indian company to launch indigenously developed and manufactured H1N1 vaccine – VaxiFlu-S
- 10 vaccines under various stages of development
- 70+ dedicated scientists

NCEs

- Launched Lipaglyn® – 1st NCE launched by an Indian company for 2 indications (Dyslipidemia and Hypertriglyceridemia)
 - Phase III trials ongoing in India for 3 indications (Lipodystrophy, NASH¹, Type 2 Diabetes)
 - 3 indications approved for Phase II trials in US (NASH¹, PBC² and Hypertriglyceridemia)
- 4 other NCE molecules under various stages of development
 - ZYH7 (Dyslipidemia)
 - ZYDPLA1 in US (Type 2 Diabetes)
 - ZYAN1 (Anemia)
 - ZYTP1 (Oncology)
- ~275 dedicated scientists

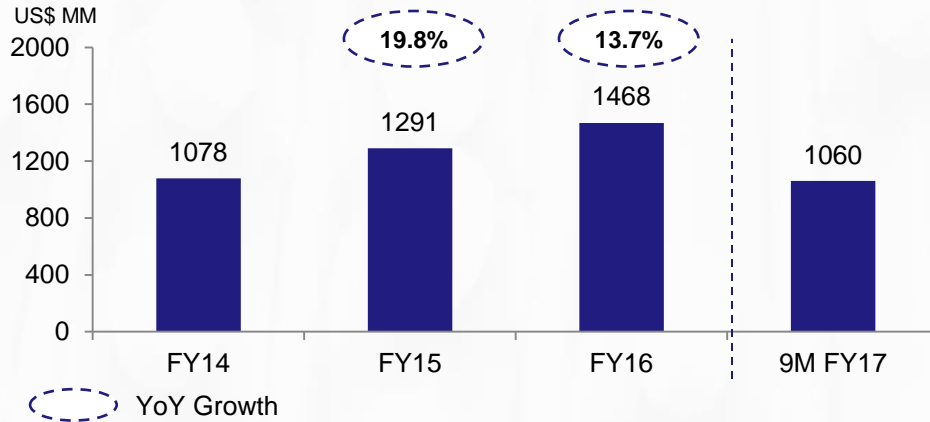


Key Financials

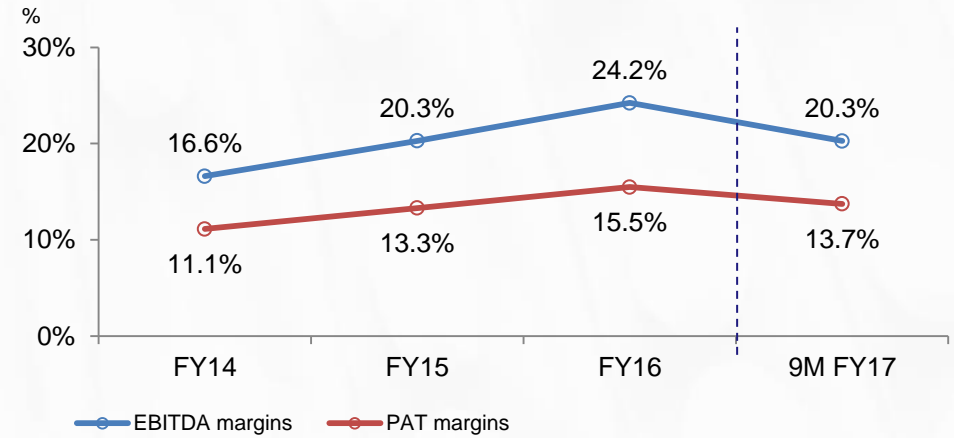


Strong Financial Profile

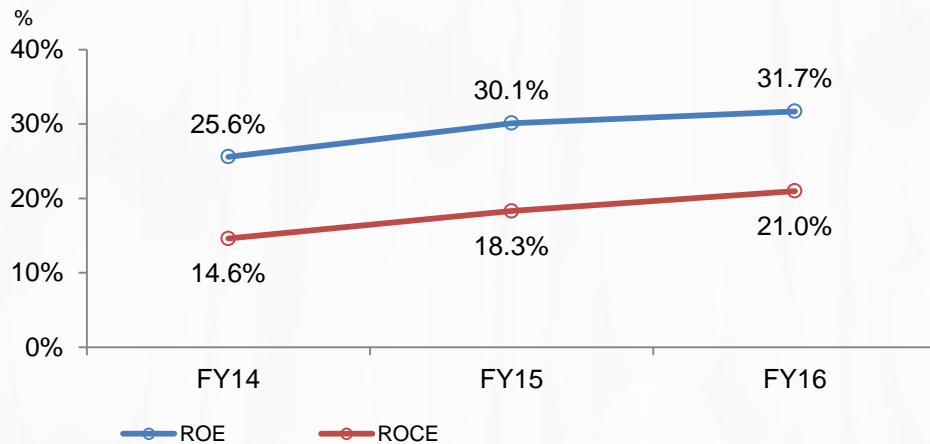
Consolidated Revenues ²



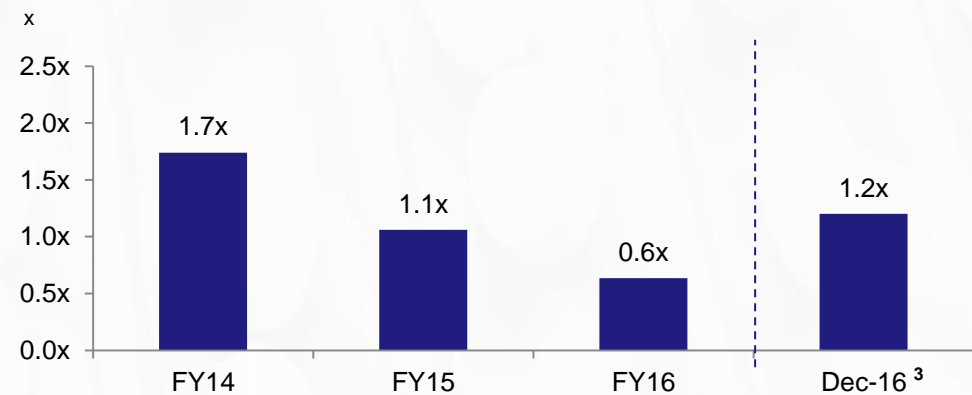
EBITDA and PAT Margins ²



Return Ratios²



Leverage (Net Debt / EBITDA)²



1. US\$1 = INR 67.00

2. FY14 to FY16 numbers are as per the Indian GAAP while numbers of 9M FY17 are as per newly notified Indian Accounting Standards.

3. EBITDA for LTM Dec-2016 and Net Debt as of Dec-2016

Strategies For The Future

1

Strong execution focus for the US market; drive growth with continuous focus on product launches

2

Focus on difficult to develop and manufacture and specialty products to improve margins

3

In India, focus on high growth Therapeutic Areas, in-licensing, outperform the domestic market and improve operational efficiency through increasing sales force productivity and technological advancement

4

Leverage strong platform of biosimilars and vaccines business

5

Select inorganic growth to expand in India, US and Emerging Markets, acquire capability platforms and move forward in value chain on specialty and branded business

Building Blocks For Our Strategy

Regulatory Compliance and Quality

- Focus on best in class manufacturing
- People training
- QUEST: Quality Excellence by Sustainable Transformation; Institutionalising a Culture of Quality

Operational Excellence

- PRISM – cost optimization program adopted in 2002 and institutionalised across the group
- SLIM - a Strategic, Lean and Integrated Manufacturing initiative

Innovate For Growth

- Continue to replenish generic pipeline in the US with profitable opportunities – move towards specialty
- In the branded generics / specialty markets of India and other emerging market to focus on additional growth from more advanced areas like biologics
- Continue to invest behind, innovate and commercialize opportunities in biologics, vaccines and NCEs
- Near term focus on emerging markets with longer term potential in developed markets

M&A

- Selective M&A
 - Complimentary generic assets or technology platforms
 - Specialty or branded assets
 - Consolidation / leadership

Thank You

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