

Alembic Pharmaceuticals Limited

Investor presentation – September 2019

BSE & NSE: APLLTD

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	Formed a JV, Rhizen, 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	Formed a JV, Aleor, for dermatology portfolio
2017	Acquired Orit Laboratories LLC, USA
2018	FDA approves Aleor's dermatology facility Highest ever investment commitment across four new manufacturing facilities
2019	Formed a JV, to enter China, FDA approves Oncology oral solid facility

Financial Highlights

Particulars	Q2 FY20	Q2 FY19	Growth	H1 FY20	H1 FY19	Growth	INR Bn
							FY19
Net Sales	12.41	11.27	10%	21.90	19.90	10%	39.35
EBIDTA Pre R&D	5.05	4.43	14%	8.69	7.10	22%	13.38
<i>Margin %</i>	<i>41%</i>	<i>39%</i>		<i>40%</i>	<i>36%</i>		<i>34%</i>
R&D	1.74	1.45	19%	3.14	2.66	18%	4.98
<i>R&D %</i>	<i>14%</i>	<i>13%</i>		<i>14%</i>	<i>13%</i>		<i>13%</i>
EBIDTA Post R&D	3.42	3.05	12%	5.75	4.56	26%	8.75
<i>Margin %</i>	<i>28%</i>	<i>27%</i>		<i>26%</i>	<i>23%</i>		<i>22%</i>
Net Profit	2.46	2.00	23%	3.70	2.91	27%	5.84
Capex	1.97	1.86		3.70	3.42		6.26
Debt-Equity (Net)				0.45	0.41		0.34

Business snapshot – Q2FY20



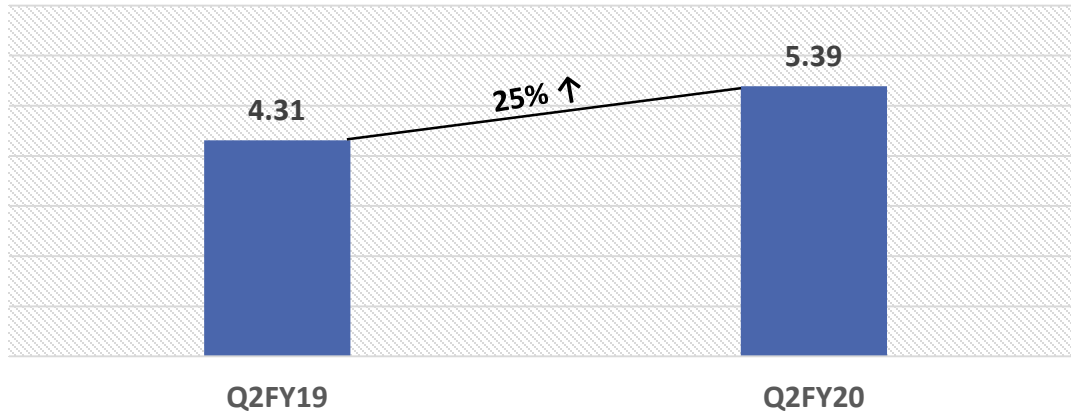
	Formulations			API	Total
	Generics		Branded		
	US	Ex-US	India		
Revenue Q2FY20 (INR Bn)	5.39	1.07	3.91	2.04	12.41
Q2FY20 Revenue Contribution					
Growth Q2FY20 over Q2FY19					
Growth Q2FY20 Over Q1FY20					

Business snapshot – H1FY20

	Formulations			API	Total
	Generics		Branded		
	US	Ex-US	India		
Revenue H1FY20 (INR Bn)	8.84	2.15	7.15	3.76	21.90
H1FY20 Revenue Contribution					
Growth H1FY20 over H1FY19					
Overview	<ul style="list-style-type: none"> Well-established US front end having strong customer base Expanded our capabilities to deliver a diverse portfolio to the US market 	<ul style="list-style-type: none"> Ex-US driven by partnership Long term relationship with key clients across the regulated markets 	<ul style="list-style-type: none"> Marketing team of over 5,000 field colleagues, well recognized by Doctors & patients Diverse portfolio with steady pipeline of speciality medicines 	<ul style="list-style-type: none"> Inhouse API Development with vertical integration for selective formulation products 102 DMF Filings 	

Revenue – Q2 FY20

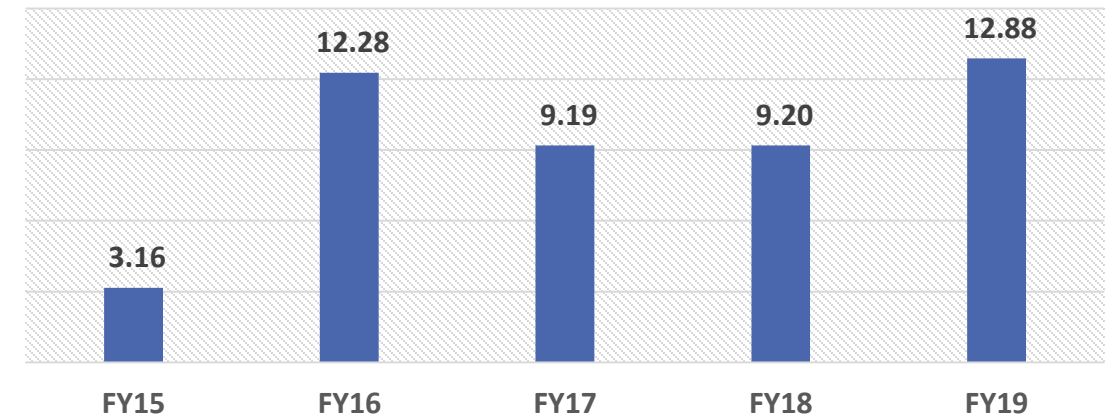
INR Bn



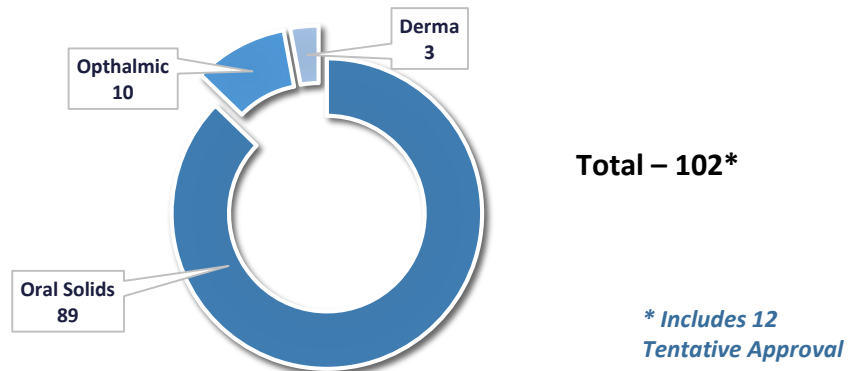
Revenue – Last 5 Years

CAGR - 42%

INR Bn



Approved ANDAs



Milestones & Updates

- The Aleor derma facility at Karakhadi was audited by USFDA with one observation
- 57 products launched through the US front end (7 launched in Q2FY20), 7 products launched through partners
- 10+ products planned to be launched in Q3 FY20

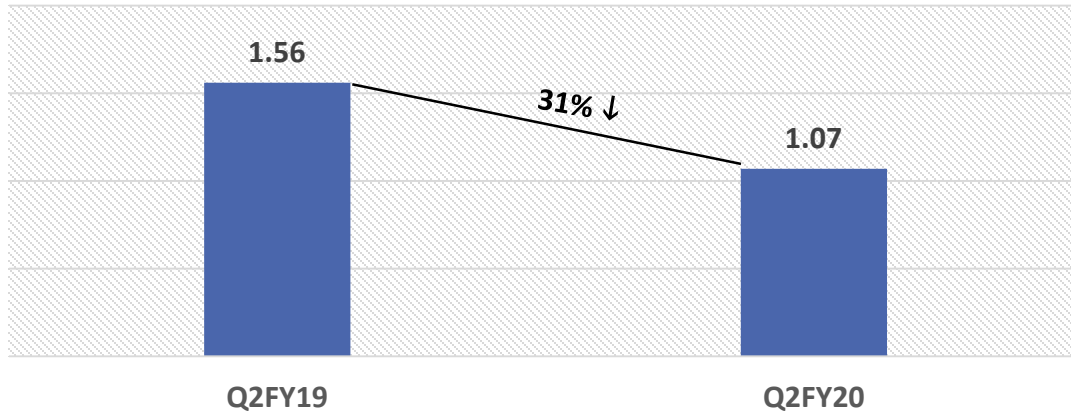
Q2 FY20 : - 5 ANDA Filings, 4 Final Approvals

H1 FY20 : - 9 ANDA Filings, 13 Final Approvals

Cumulative : - 170 ANDA Filings, 102 Approvals* and 64 Products Launched so far

Revenue : Q2 FY20

INR Bn

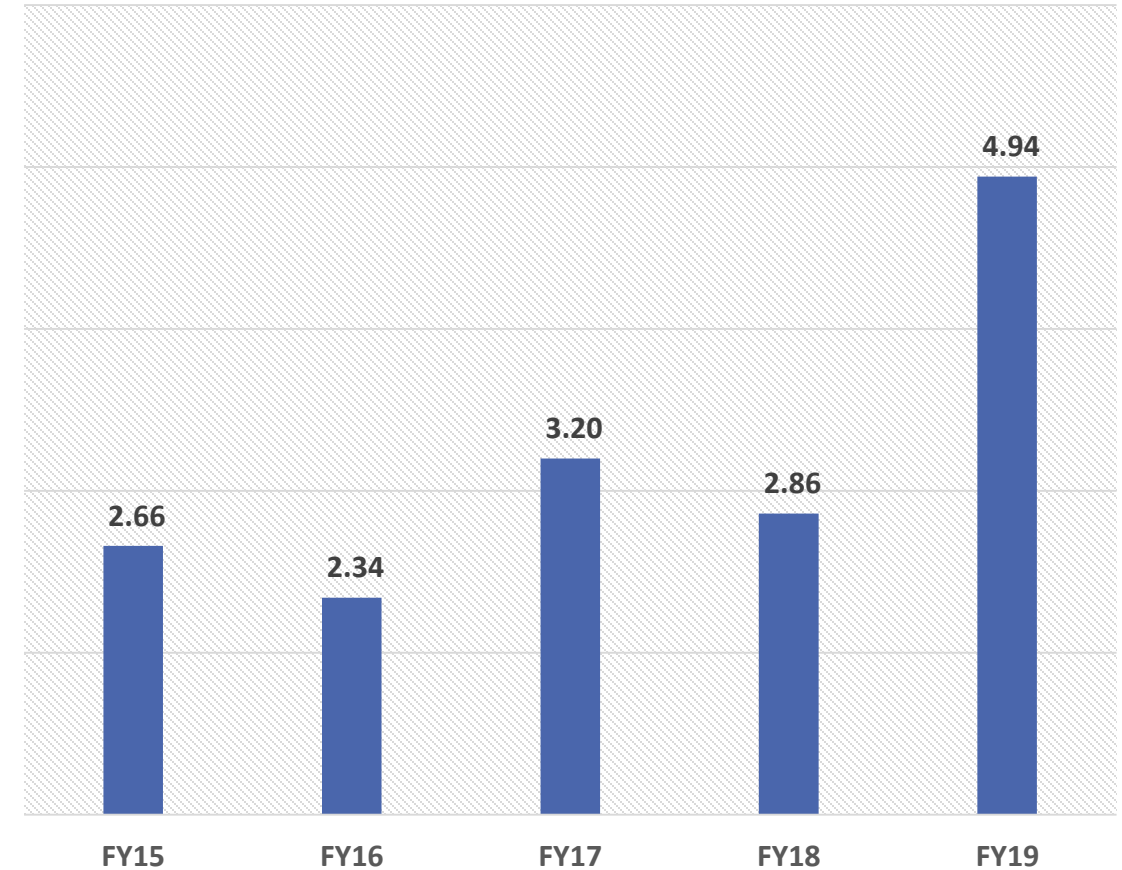


- Presence in following markets
 - Europe, Canada, Australia, Brazil and South Africa
- The business will focus on new launches across key markets
- Plant successfully audited by key regulatory authorities across the globe

Revenue – Last 5 Years

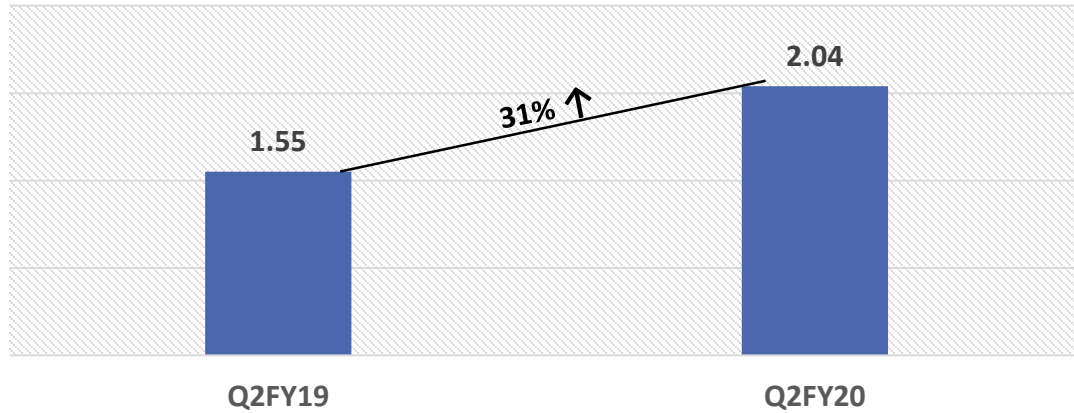
INR Bn

CAGR - 17%



Revenue : Q2 FY20

INR Bn

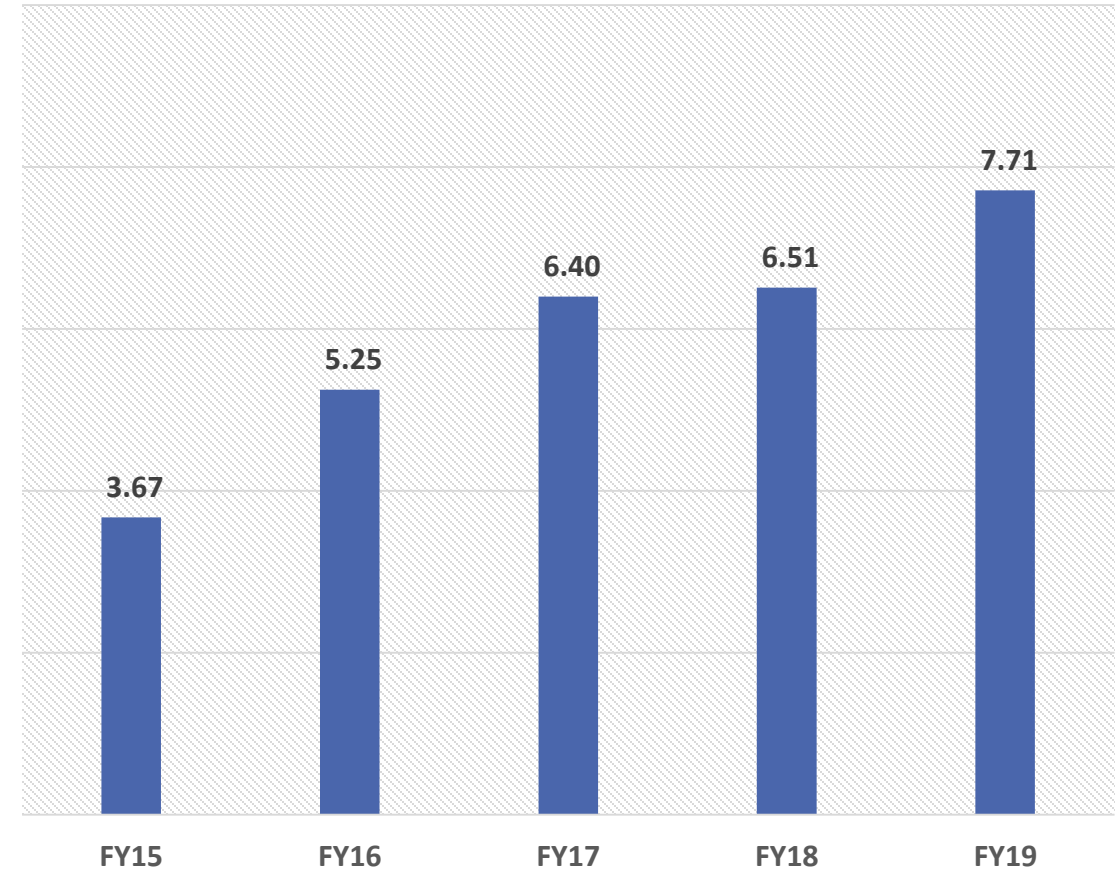


- Sales across geographies as preferred supplier
- Investing in plants to create additional capacities
- FDA Compliant plants
- State of the art R&D center and Process development lab
- 102 DMFs filed with USFDA on cumulative basis

Revenue – Last 5 Years

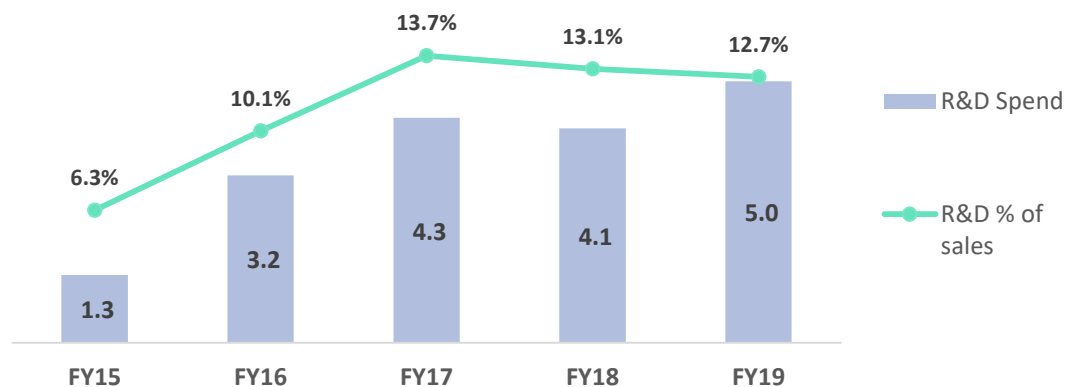
INR Bn

CAGR - 20%



Significant investments in building capabilities

INR Bn



ANDA – Accelerated filings & approvals



Diversified Portfolio

Dosage Form	FY15	FY20
Oral Solids	✓	✓
Injectable	✗	✓
Oncology	✗	✓
Dermatology	✗	✓
Ophthalmology	✗	✓
Biologics	✗	✗
NCEs	✓	✓

R&D Capabilities

Formulation : Vadodara, Hyderabad and USA

API : Vadodara and Hyderabad

Bio Centre : Vadodara

1200+ R&D employees with diverse skill sets

State of the art facilities and infrastructure

Location	Dosage Form	Audit/Filing status
International Generics		
F1 – Panelav	General Oral Solids	Oct'18*
F2 – Panelav	Oncology Oral Solids	Jun'19*
	Oncology Injectables	H1FY21#
F3 – Karkhadi	General Injectables	H2FY20#
	Ophthalmic	
F4 – Jarod	General Oral Solids	H1FY21#
Aleor (JV) - Karkhadi	Various derma forms	Sep'19*
API		
API I & II – Panelav		Dec'18*
API III – Karkhadi		Dec'18*

All EIRs in place

* Last USFDA Inspection
Expected filing



F2 - Panelav



F3 - Karkhadi



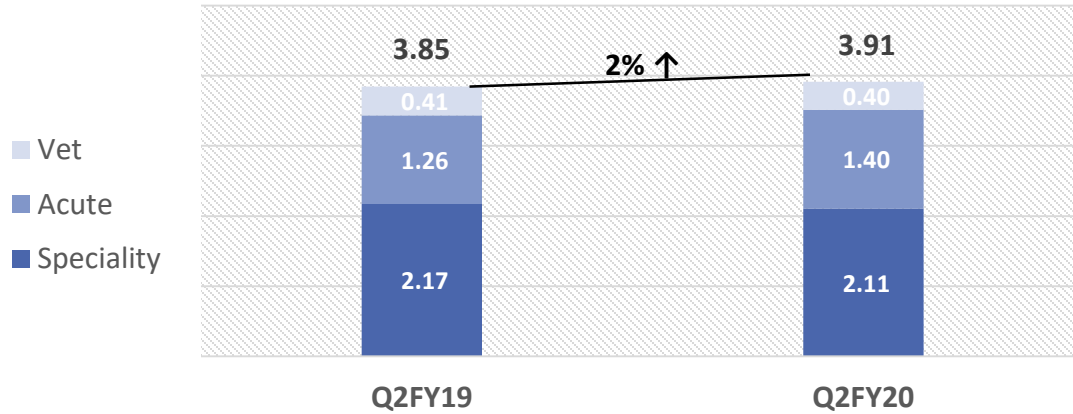
F4 - Jarod



Aleor (JV) - Karkhadi

Revenue – Q2 FY20

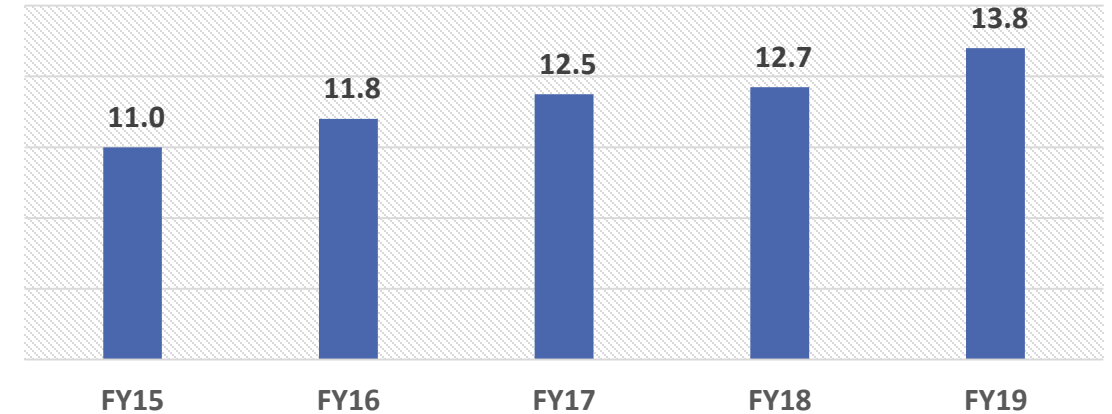
INR Bn



Revenue – Last 5 Years

CAGR - 6%

INR Bn



Marketing Organization

- 5000 + Marketing team
- 17 Marketing divisions
- 14% Product portfolio in NLEM
- Caters to around 1,75,000 Doctors in India

Manufacturing Facility

- Sikkim

Key Achievements

- 5 Brands in top 300
- Market share is 1.5% of Indian Pharma space

Growth drivers

- Emphasis on Specialty segment
- 93% new launches in specialty

Therapy-wise Performance Q2 FY20

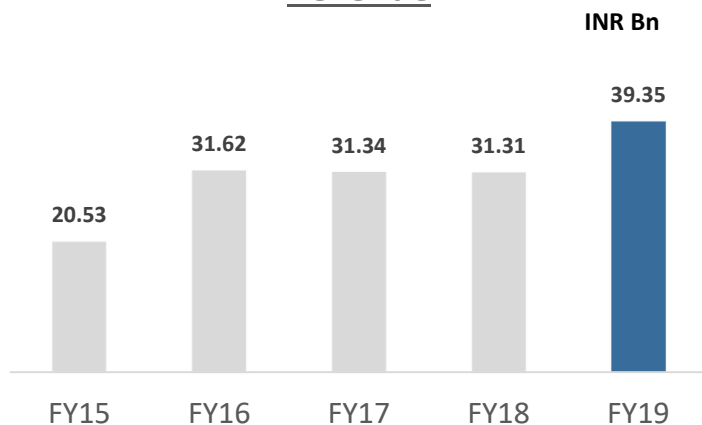
	Q2 FY20				Q2 FY19			
Therapy (%)	Therapy Growth % (ORG)	Market Share % (ORG)	Alembic Growth % (ORG)	Alembic Growth % (PRIM)	Therapy Growth % (ORG)	Market Share % (ORG)	Alembic Growth % (ORG)	Alembic Growth % (PRIM)
Cardiology	12	2.07	4	1%	14	2.22	27	7%
Anti Diabetic	14	1.54	2	2%	15	1.71	19	-2%
Gynecology	13	2.64	4	0%	15	2.85	49	-6%
Gastrology	12	1.49	-3	-11%	11	1.73	17	-2%
Dermatology	10	0.35	-8	-6%	18	0.42	39	5%
Orthopaedic	12	0.97	12	4%	12	0.96	25	4%
Ophthalmology	12	1.49	5	16%	13	1.59	31	11%
Nephro / Uro	13	2.04	0	3%	20	2.30	20	16%
Anti Infective	20	2.88	16	10%	10	2.97	21	-1%
Cold & Cough	19	4.96	22	11%	10	4.85	17	-1%
OVERALL	13	1.50	8	3%	13	1.57	24	0%

Therapy-wise Performance H1 FY20

	H1 FY20				H1 FY19			
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	12	2.09	6	1%	12	2.20	21	20%
Anti Diabetic	14	1.55	4	1%	13	1.70	14	13%
Gynecology	13	2.66	8	2%	14	2.77	38	9%
Gastrology	11	1.46	-2	-15%	10	1.65	12	13%
Dermatology	9	0.37	-1	-9%	17	0.41	29	27%
Orthopaedic	11	0.99	15	3%	10	0.95	20	18%
Ophthalmology	12	1.48	7	16%	11	1.56	22	19%
Nephro / Uro	13	1.99	1	-7%	19	2.23	20	41%
Anti Infective	16	2.81	13	3%	9	2.88	19	16%
Cold & Cough	14	4.85	17	8%	11	4.70	14	10%
OVERALL	12	1.46	8	0%	12	1.51	20	15%

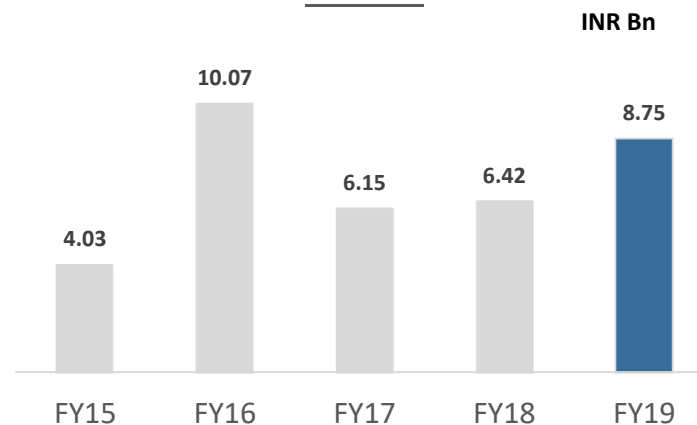
Financials : *Generating consistent returns*

Revenue



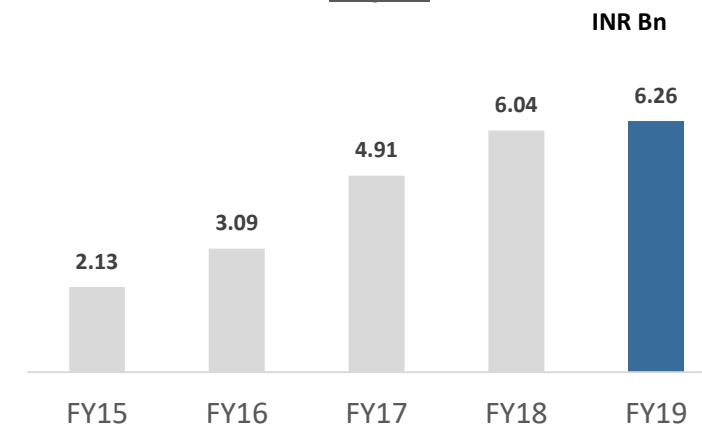
CAGR - 18%

EBIDTA

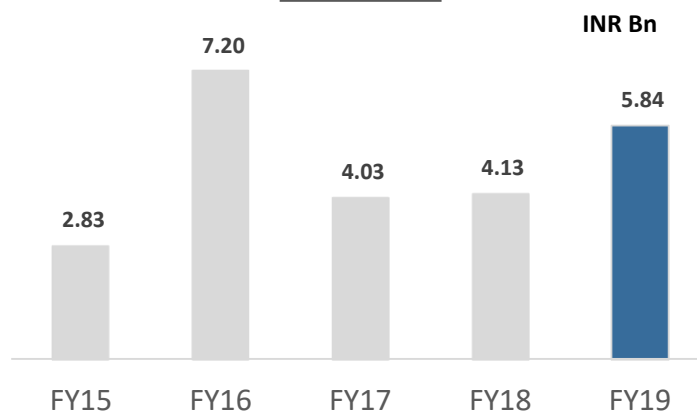


CAGR - 21%

Capex

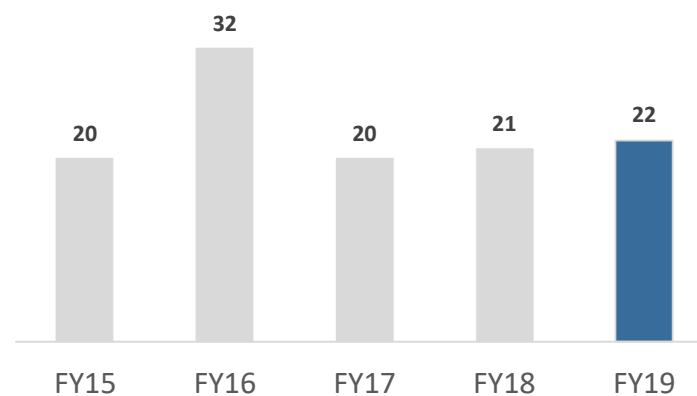


Net Profit

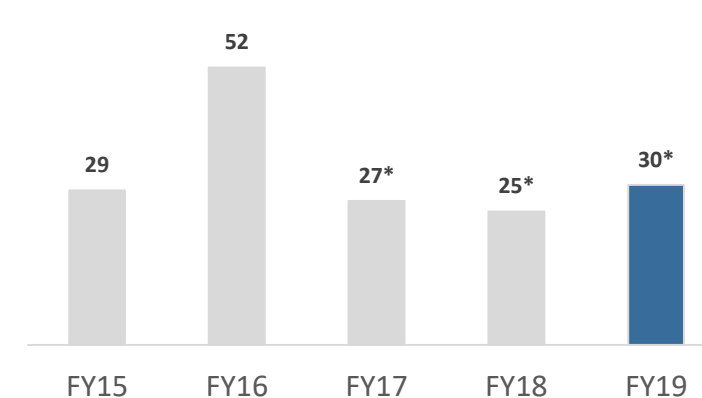


CAGR - 20%

EBIDTA margin %



ROCE %



* Capital excludes New Projects

Safe Harbour Agreement:

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.

