

Investor Update – Q1 FY'15

Venus Remedies Limited



Sep 2014

 Four-S Services



Financial Performance

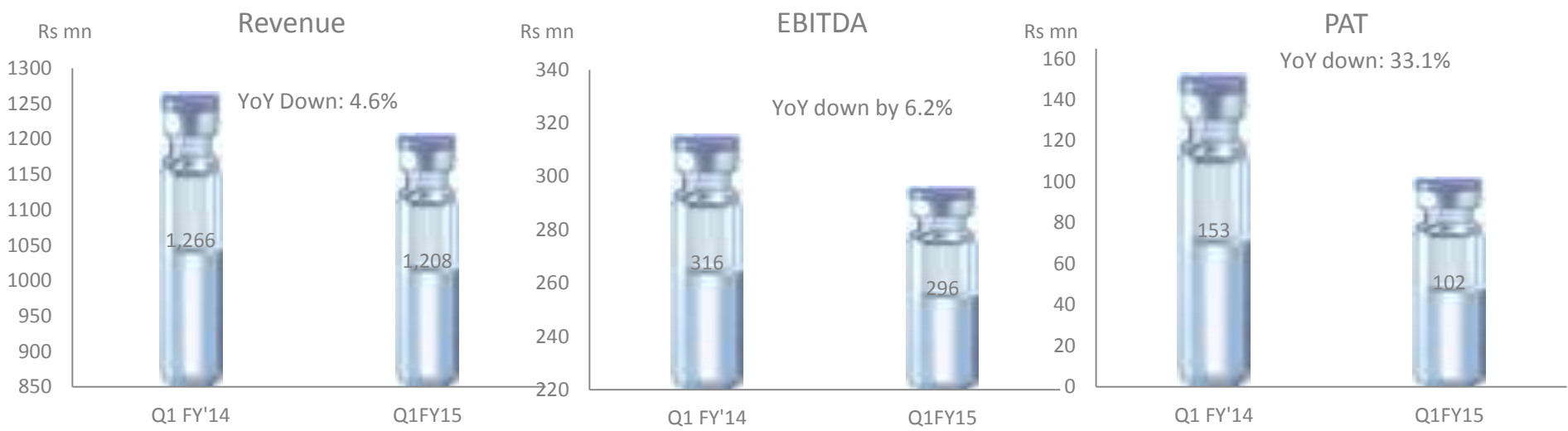


Business performance

Company Overview

Annexure

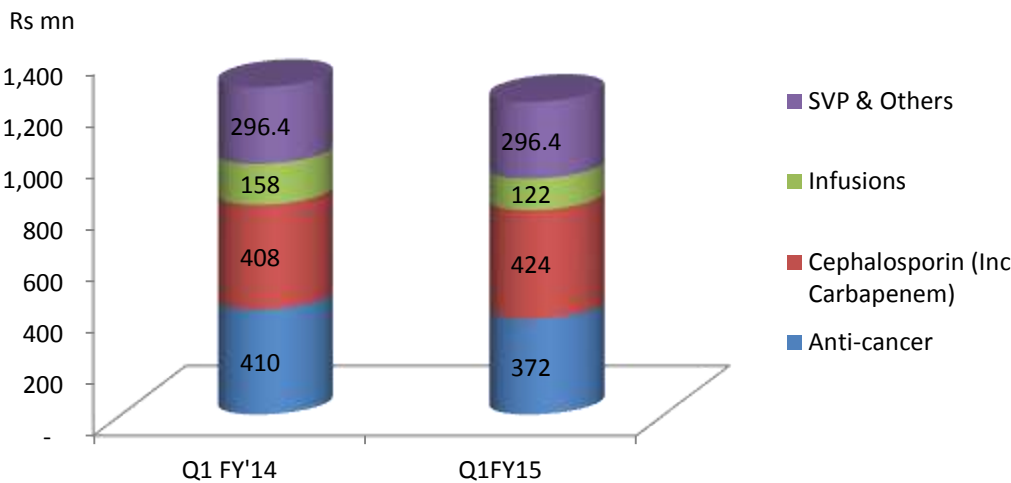
Stable performance with sustained EBITDA margins



- Revenue down 4.6% YoY, from Rs 1,266mn in Q1FY14 to Rs 1,208mn in Q1FY15, due to sales hit in politically instable countries like Syria, Venezuela and Ukraine
- EBITDA down 6.2% YoY, from Rs 316mn in Q1FY14 to Rs 296mn in Q1FY15, maintained strong EBITDA margins of 24.4%
- PAT down 33.1% YoY, from Rs 153mn in Q1FY14 to Rs 102mn in Q1FY15, due to higher depreciation and finance charges

Resilient performance of Anti-Cancer & Cephalosporin segments

Revenue Breakup

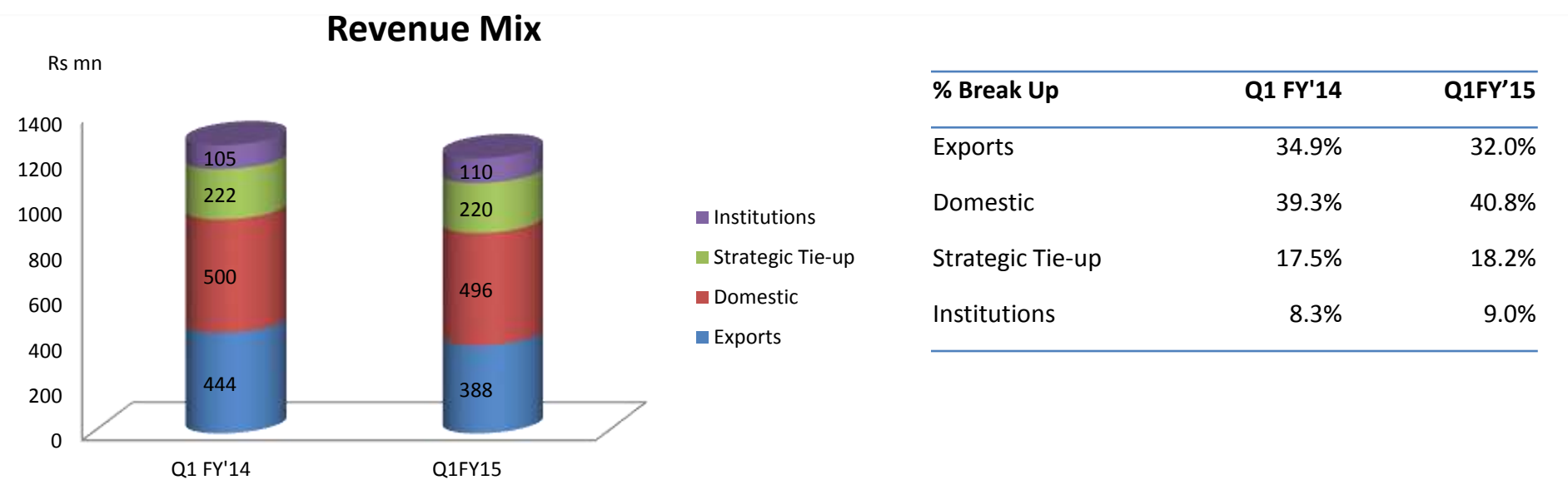


% Break Up	Q1 FY'14	Q1FY15
Anti-cancer	32.2%	30.7%
Cephalosporin (Inc Carbapenem)	32.1%	34.9%
Infusions	12.4%	10.0%
SVP & Others	23.30%	24.40%

Cephalosporin up 3.9% YoY from Rs. 408mn in Q1 FY14 to Rs 423mn in Q1FY15

Strategically important anti-cancer segment contributed 31% of revenue

Well diversified revenue mix



% Break Up	Q1 FY'14	Q1FY'15
Exports	34.9%	32.0%
Domestic	39.3%	40.8%
Strategic Tie-up	17.5%	18.2%
Institutions	8.3%	9.0%

Strong exports of Rs 388mn contributed 32% revenue, driven by generic and R&D products

Institutional sales up 4%, while domestic market contributed 41% of revenue

Financial Performance

Business Performance



Company Overview

Annexure

Collaboration with TEVA to develop and manufacture Anti-Cancer drug for Canada



To target \$75-100 Million Canadian market

- The company will be entering Canada for the first time.
- It will assist Teva in developing Anti-Cancer drug in R&D unit “Venus Medicine Research Center” for registrations. The product is under patent protection till 2016
- Venus Remedies to use manufacturing capability with EU cGMP certification for Canada.
- It is widely used for the treatment of malignant pleural mesothelioma and non-squamous non-small cell lung cancer
- Global market size of USD 2.8 Billion with approx. \$ 75-100 Million market in Canada
- The company is already working in association with Teva for two Cephalosporins product business for the EU market

Launched flagship product 'Elores' in Guatemala

To generate revenue of \$5 million within three years of the launch

\$50bn, Latin American pharma market growing at CAGR of 15-20%

Received marketing authorisation in October last year

Expected to generate revenue of \$5 million within three years of launch

Resistance to ESBL found to be as high as 40-60% in Latin American countries

Since launch in India early this year, the product has received tremendous response from medical fraternity across the nation

Swiss marketing authorisation for Gemcitabine, anti-cancer drug

First marketing authorization in Switzerland, to launch next quarter

- Received its first marketing authorization in Switzerland from Swiss drug authority (SWISSMEDIC) for Gemcitabine
- The company is planning to launch the product early within this fiscal year
- Venus Pharma GmbH, the German subsidiary, will carry out complete analysis of the goods
- Marketing tie-up with Swiss Pharma GmbH to launch product in Switzerland
- Received more than 20 marketing approvals for Gemcitabine and is sold in UK, Poland and Germany
- Amongst the first few to receive market authorization
- Gemcitabine is first line anti-cancer drug which is used in the treatment of a variety of cancer including lungs, pancreas, bladder and breast. It received US-FDA & EMEA approval as a first line treatment for lung cancer
- Gemcitabine is the only approved drug for pancreatic cancer which has a survival rate of below 3%

Received additional US patent for Vancoplus, valid till 2032

To be commercialized in US through technology transfer/ out-licensing

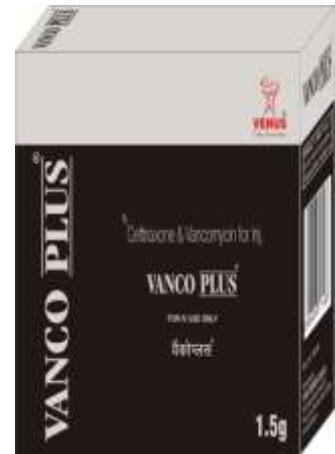
Bagged additional patent from USPTO with broader coverage for use and method of treatment. Company already has product patent for Vancoplus.

The patent is valid till 2032. The company has Initiated process for pre IND meeting with US FDA for fast-track approval.

Vancoplus is an antibiotic adjuvant entity effective in one the most deadly resistance by Methicillin resistant Staphylococcus Aureus (MRSA).

The drug is the only solution till date for MRSA with more than 9 per cent success rate.

Vancoplus is growing at a 4 year CAGR of 25%+ since it was launched



Received market authorization for Meropenem from Australia & Venezuela

Australia launch in 3rd quarter of 2014 and Venezuela in few months

- Received MA for Meropenem from TGA, Australia and Venezuela
- Tie-up with Lupin to launch in Australia by 3rd quarter of 2014, and in few months in Venezuela
- Strategy in place to capture sizable share within 1st year of launch in the \$10mn Venezuelan market and \$15mn market in Australia
- Set to expand market share with 35 MAs from various countries in the global target market of \$1.3bn
- Targeting highly lucrative markets like Europe, New Zealand, Saudi Arabia
- In the process of extending its footprint and sales operations in the most of other regulated markets like Canada and Switzerland.

Received European patent for drug to fight “Multi-drug resistant bacteria”

Designed for mixed multi-drug infections for pediatric, geriatric ad adult immune-compromised patients

VMRC DRUG VRP008 received patent after 8 years of in-house research

Designed for mixed multi-drug infections for pediatric, geriatric ad adult immune-compromised patients where the risk of adverse events is high and very low amount of doses are required

VRP008 consists of a carbapenem and a novel aminoglycoside (NCE entity) from EPO

5th EU patent for the company after Elores, Potentox, Vancoplus and Achnil

Financial Performance

Business Performance

Company Overview



Annexure

Venus Remedies : R&D led Innovative Pharma Company

- One of the few pharma companies in India with complete focus on innovation and R&D
- Focussing on unmet medical needs with life threatening implications to develop innovative research products
- Received 100+ patents, 70 trademarks and 9 copyrights for its R&D based products across the globe
- Pipeline of 25 innovative products; commercialized 15 products in domestic and international market
- Strong R&D focus on high growth anti microbial resistance and Oncology segments
- Developed expertise in key technologies like Novel drug delivery system and nano-technology
- Venus Medical Research Centre in Baddi is a DSIR approved and GLP certified research centre, to become one amongst the 8 pharma companies in India

100+ patents granted from 51 countries. 260 more patents filed across the globe

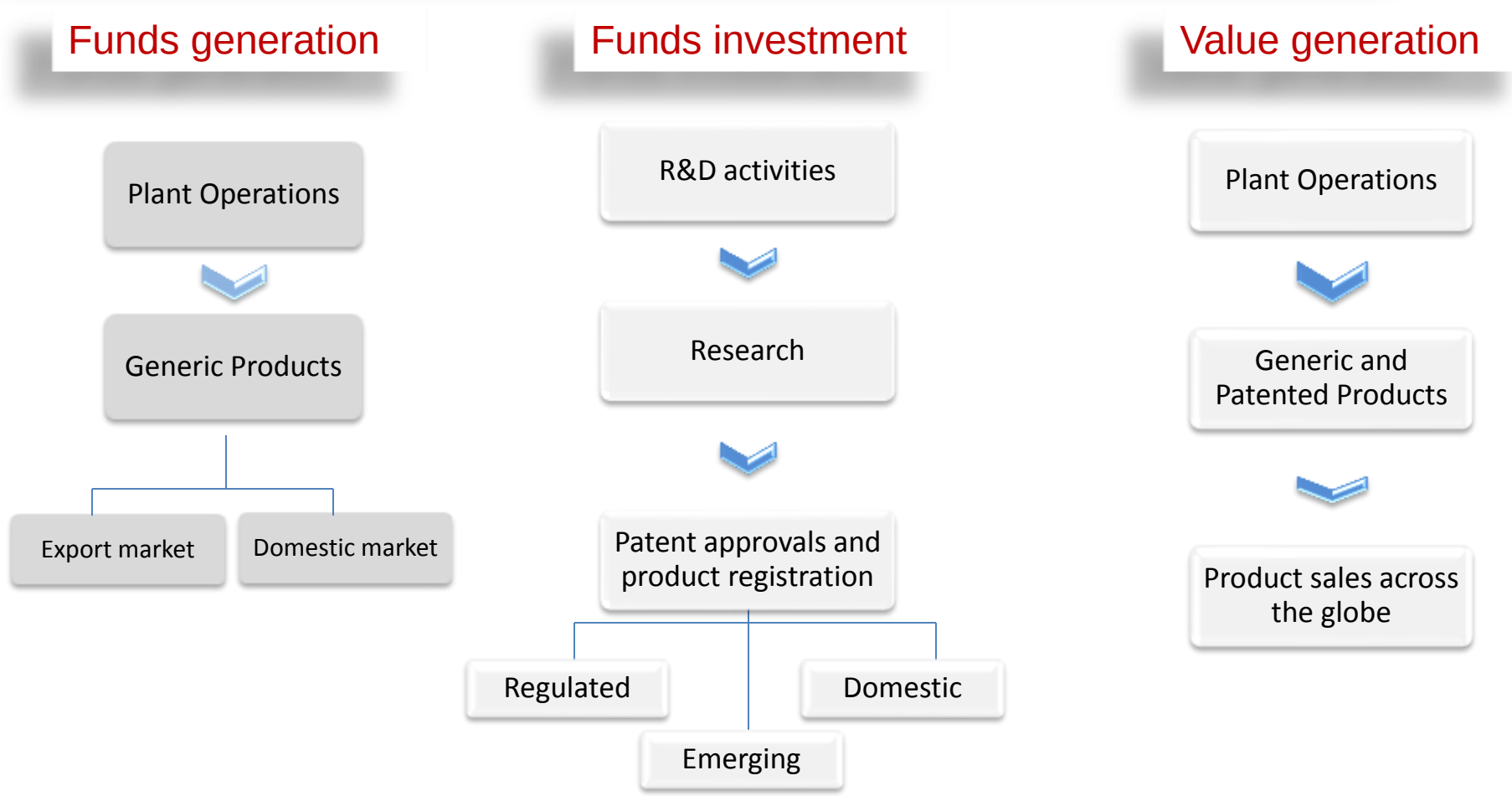
R&D products in Anti-cancer, Anti-infective, Wound care, Pain Mgmt and Neurology

451 market authorizations and 642 ACTDs filed in emerging countries.

67 Market authorizations and filed 151 in regulated countries

With strong business model

IP value generated through substantial investments from generic operation



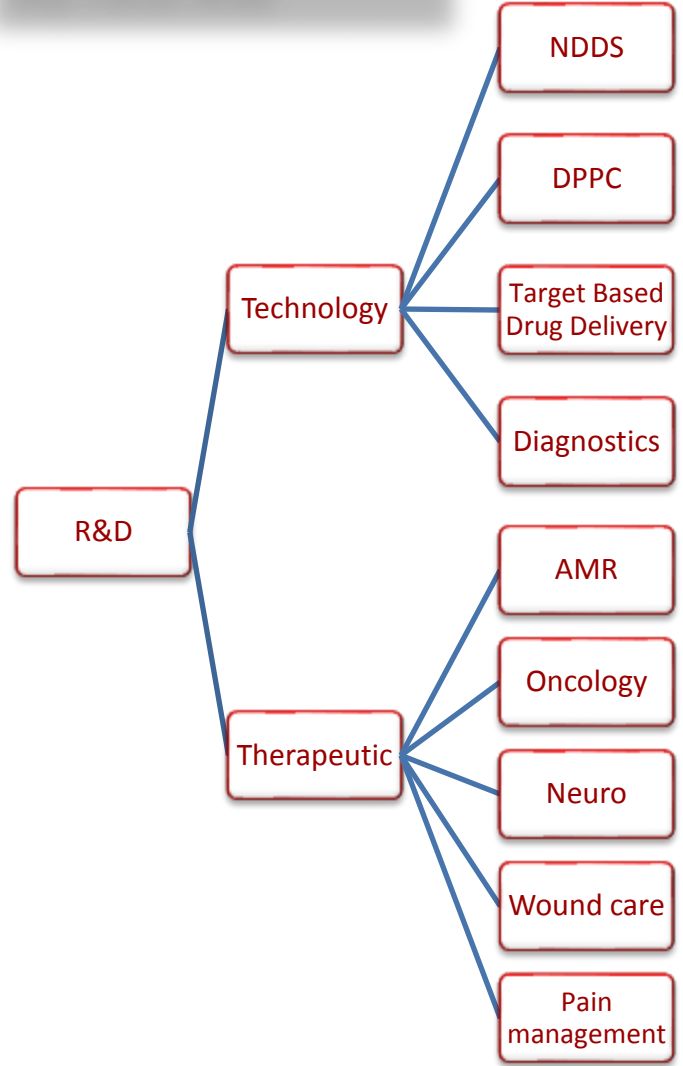
Vision 2015: To create intellectual property wealth of \$1bn

Key competencies driving growth of Venus

Competencies



Key Focus Area



Leading to strong growth in R&D revenues

Continued efforts towards IP generation

- Invested 12% sales in R&D in FY14



Strong IP wealth generation

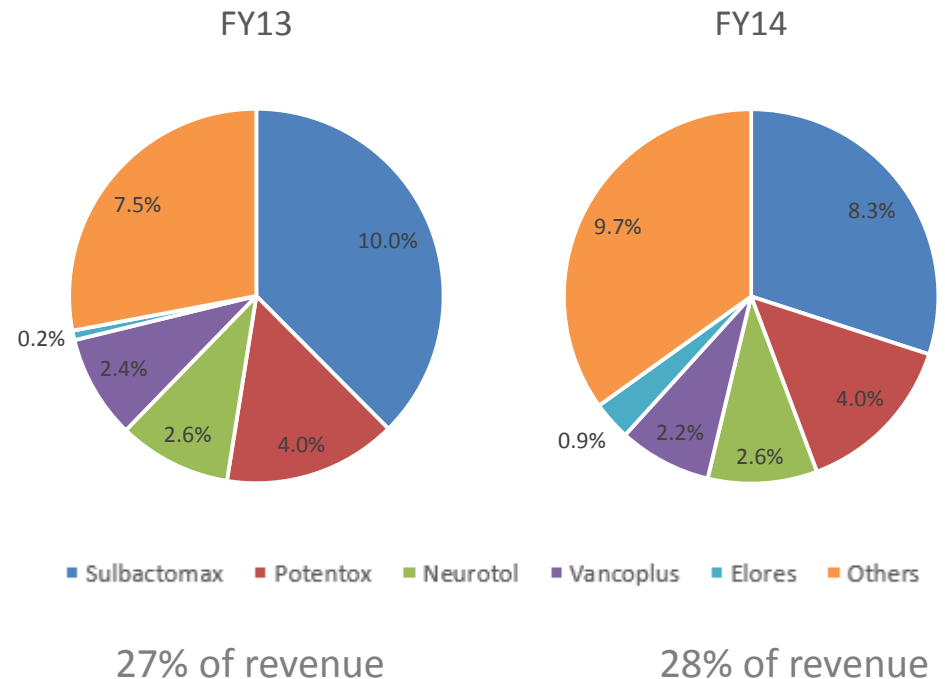
- 67 CTDs and 451 ACTDs registered across the globe out of 151 CTDs and 642 ACTDs filed till date*



Strong traction from R&D products

Revenue grew by 20.3% in FY14

Revenue contribution by R&D products



Revenue from research products at ~28% in FY'14

Growth Engines: Commercialised high potential R&D products

Path breaking innovative products from Venus Medical Research Center to drive the growth



Elores

- Antibiotic adjuvant entity (AAE)
- Effective for a range of drug-resistant infections including Carbapenemase-resistant Metallobetalactamses (MBL) strains
- Market opportunity of more than \$11bn
- Signed deal with Korean pharma giant Goodwills Co. Ltd for exclusive marketing rights of Elores in Korea
- Expected to capture 15% of \$300mn target market in Korea within 3 years of launch



Vancoplus

- Antibiotic adjuvant entity (AAE)
- Effective in combating MRSA
- Only remedy after vaccination to treat MRSA and multi drug resistant microbe
- Growing with a CAGR of 50% since past 3 years



Potentox

- Reduces pneumonia treatment time from 21-30 days to 7-10 days as well as drug and disease-induced toxicities
- Approximately 20-30% cost reduction
- \$4.5bn global market opportunity
- Made an exclusive marketing rights deal with major South African pharma major, Adcock
- To be launched in SA market by 2015
- Expected to capture about 15% market share of ~\$69mn addressable market within 3 years of launch

Path breaking innovative products from Venus Medical Research Center to drive growth



Trois

- Topical nano-emulsion for Arthritis
- Most effective arthritis drug
- Time-to-action of less than 15 minutes
- The company is hopeful of capturing a significant share of the rheumatoid arthritis drug market in India, which is speculated to grow up to \$672 million by 2013



Taxedol

- Ready-to-use single vial Docetaxel
- For treatment of different types of cancer, particularly Breast and ovarian cancer
- Cost-effective and safe solution for patients
- Lower impurities & enhanced penetration with 11% higher tumorous cell-killing potential
- Global Docetaxel market is estimated to be \$ 2.5bn in 2012



Ezenus

- Detoxifier OTC Candy
- Free from side effects, with antioxidant, hepato-protective, and immune boosting activity
- Reduces more than 60% stress within 30 days without change in life style
- The company is hopeful that this novel research product 'EZENUS' will acquire 5% of the 100 million USD direct market of stress segment in India, other than lifestyle disorders, within 3 years of its launch.

Financial Performance

Business Performance

Company Overview

Annexure



Financial Statement Q1FY'15– Income Statement

Financials

Amount in Rs mn

Particulars (Rs mn)	Q1 FY'15	Q1 FY'14	% Chg YoY	Q4 FY'14	% Chg QoQ	FY14
Net sales	1208.1	1266.5	-4.6%	1372.9	-12.0%	5186.9
Other operating income	6.7	5.6	18.3%	50.5	-86.8%	73.7
Total Operating Income	1214.8	1272.1	-4.5%	1423.4	-14.7%	5260.6
Total Expenditure	918.4	956.0	-3.9%	1089.3	-15.7%	3928.3
Consumption of Raw Materials	629.4	752.5	-16.4%	853.8	-26.3%	3012.8
(Increase) / Decrease In Stock In Trade & WIP	49.1	-2.8	-1854.3%	-35.4	-238.8%	-23.2
Employees Cost	63.4	59.2	7.2%	76.9	-17.5%	255.7
Other Expenditure	176.5	147.1	19.9%	194.0	-9.1%	683.0
EBITDA	296.4	316.1	-6.2%	334.2	-11.3%	1332.3
Depreciation	111.3	95.4	16.7%	96.7	15.1%	386.1
EBIT	185.1	220.7	-16.1%	237.5	-22.1%	946.2
Interest & Finance charges	83.6	66.8	25.1%	73.5	13.8%	292.9
Other Income	1.0	8.2	-87.8%	1.9	-47.9%	4.1
PBT	102.5	162.1	-36.8%	165.9	-38.2%	657.3
Tax Expense	0.0	9.0	-100.0%	24.8	-100.0%	47.8
PAT	102.5	153.1	-33.1%	141.1	-27.4%	609.5

Financial Statement – Key Ratios

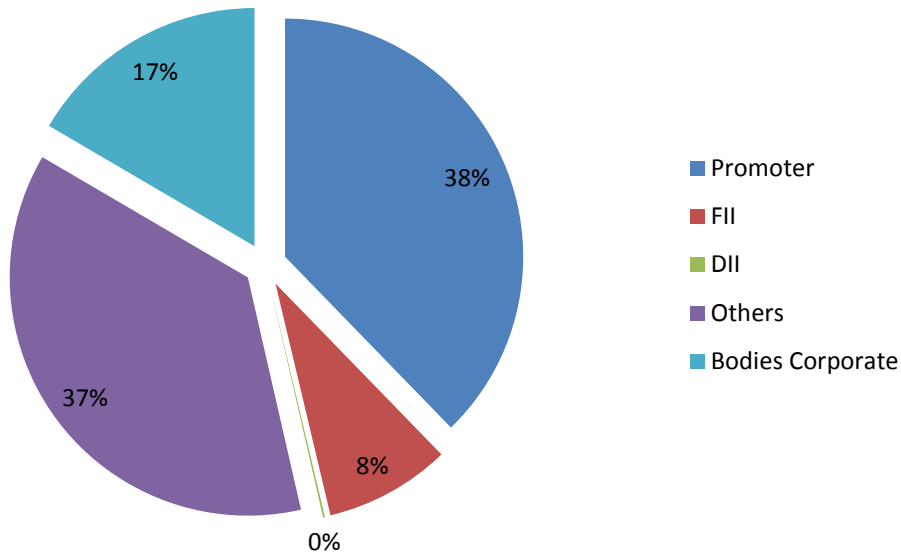
Key Ratios	Q1 FY'15	Q1FY'14	Q4FY'14	FY14
EBITDA Margin (%)	24.40%	24.8%	23.5%	25.3%
Net Margin (%)	8.44%	12.04%	9.9%	11.6%
Total Expenditure/ Total Operating Income (%)	75.6%	75.2%	76.5%	74.7%
Raw Material Cost/ Total Operating Income (%)	55.9%	58.9%	57.5%	56.8%
Staff Cost/ Total Operating Income (%)	5.2%	4.7%	5.4%	4.9%
Other Expenditure/ Total Operating Income (%)	14.5%	11.6%	13.6%	12.9%

Sustained EBITDA margins of 24.4% with growing contribution from R&D products

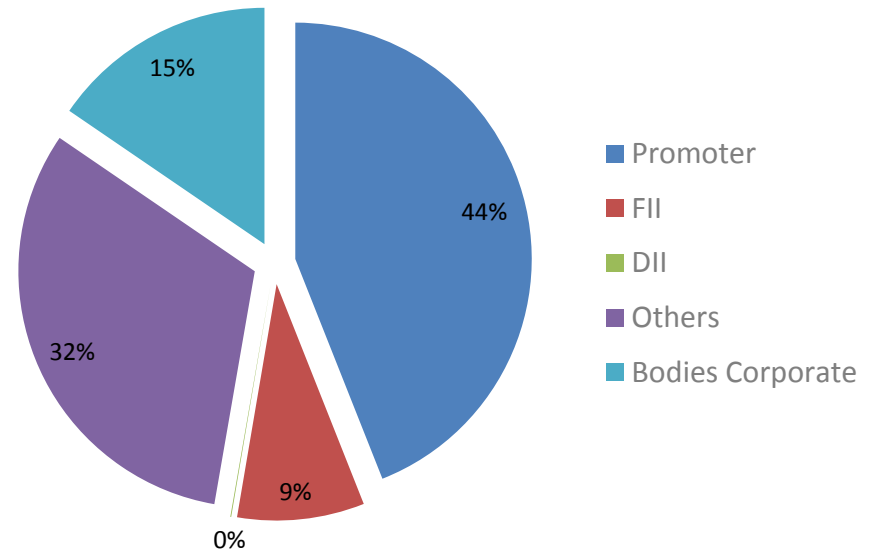
PAT margins affected due to higher depreciation and finance charges

Shareholding Pattern

As on 30th Jun -2014



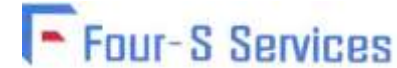
As on 31st Mar -2014



Outstanding Shares –11.44 mn

Contact us

For any Investor Relations queries, please contact:



Rakesh Pandit

Venus Remedies

Email: irpr@venusremedies.com

Tel. No. +91-172-3933035

Alok Somwanshi/ Seema Shukla

Four-S Services Pvt. Ltd

Email: alok.somwanshi@four-s.com/
Seema@four-s.com

Tel. No. +91-22-42153659

Safe Harbor:

This presentation may have certain statements that may be "forward looking" including those relating to general business plans and strategy of Venus Remedies Ltd., its future outlook and growth prospects. The actual results may differ materially from these forward looking statements due to a number of risks and uncertainties which could include future changes or developments in Venus Remedies Ltd.(Venus), the competitive environment, the company's ability to implement its strategies and initiatives, respond to technological changes as well as sociopolitical, economic and regulatory conditions in India.

All financial data in this presentation is obtained from the audited financial statements and the various ratios are calculated based on these data. This presentation does not constitute a prospectus, offering circular or offering memorandum or an offer, invitation or a solicitation of any offer, to purchase or sell, any shares of Venus and should not be considered or construed in any manner whatsoever as a recommendation that any person should subscribe for or purchase any of Venus' shares. None of the projection, expectations, estimates or prospects in this presentation should be construed as a forecast implying any indicative assurance or guarantee of future performance, nor that the assumptions on which such future projects, expectations, estimates or prospects have been prepared are complete or comprehensive .

This presentation is for information purposes only. This document and its contents should not be forwarded or delivered or transmitted in any manner to any person other than its intended recipients, and should not be reproduced in any manner whatsoever. The recipients further represents and warrants that : (i) It is lawfully able to receive this presentation under the laws of the jurisdiction in which it is located, and / or any other applicable laws, (ii) It is not an Indian person, (iii) This presentation is furnished to it, and has been received, outside of the India, and (iv) It will not reproduce, publish, disclose, redistribute or transmit this presentation, directly or indirectly, into the India or to any Indian person either within or outside of recipient's organisation.