Alembic Pharmaceuticals Limited

Investor presentation – June 2019

BSE & NSE: APLLTD

Milestones

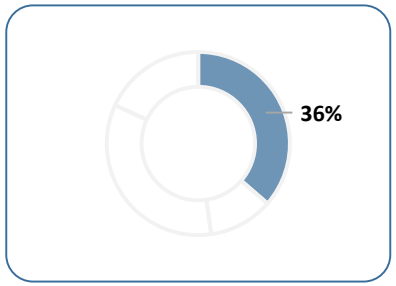
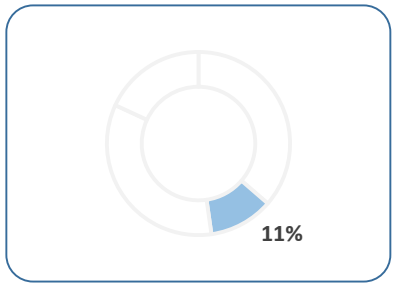
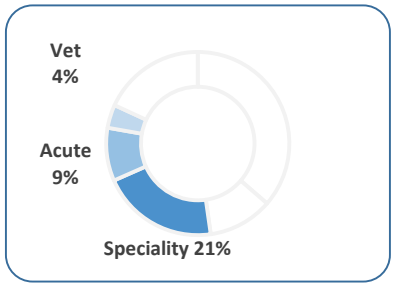
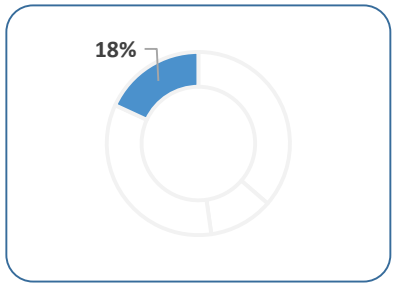
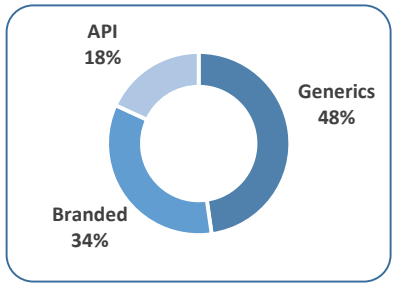
1907	Established by Amin family
2006	FDA approves API facility
2007	Acquired Dabur's Indian Cardiology, GI and Gynaecology brands
2008	FDA approves Formulation facility
2010	Pharmaceuticals business demerged from Alembic – APL listed
2012	Formed a JV, Rhizen, for NCE research
2013	Launched first NDA 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

INR Bn

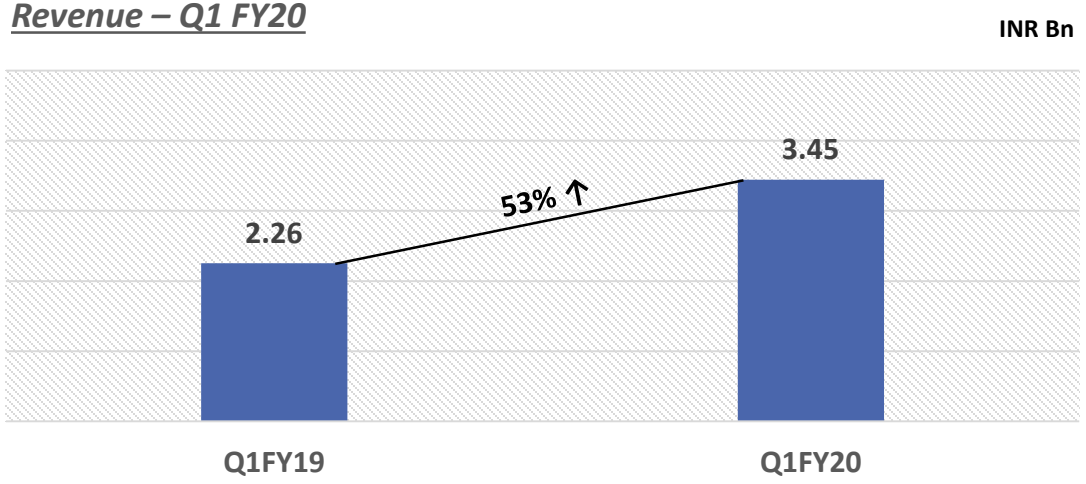
Particulars	Q1 FY20	Q1 FY19	Growth	FY19
Net Sales	9.49	8.63	10%	39.35
EBIDTA Pre R&D	3.64	2.65	37%	13.38
Margin %	*38%*	*31%*		*34%*
R&D	1.40	1.21	16%	4.98
R&D %	*15%*	*14%*		*13%*
EBIDTA Post R&D	2.33	1.51	54%	8.75
Margin %	*25%*	*18%*		*22%*
Net Profit	1.24	0.90	37%	5.84
Capex	1.74	1.56		6.26
Debt-Equity (Net)	0.35	0.35		0.34

Business snapshot

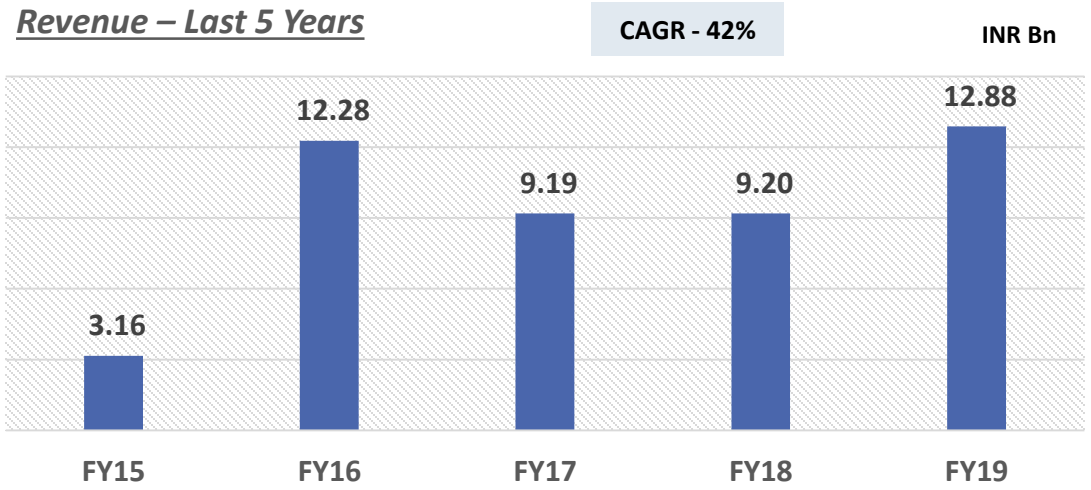
	Formulations			API	Total
	Generics		Branded		
	US	Ex-US	India		
Revenue Q1FY20 (INR Bn)	3.45	1.08	3.24	1.72	9.49
Q1FY20 Revenue Contribution					
Growth Q1FY20 over Q1FY19	53%	-14%	-2%	-4%	10%
Overview	• Well-established US front end having strong customer base • Expanded our capabilities to deliver a diverse portfolio to the US market	• Ex-US driven by partnership • Long term relationship with key clients across the regulated markets	• Marketing team of over 5,000 field colleagues, well recognized by Doctors & patients • Diverse portfolio with steady pipeline of speciality medicines	• Inhouse API Development with vertical integration for selective formulation products • 100 DMF Filings	

US Generic

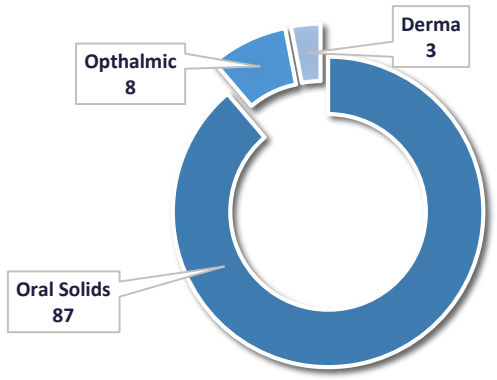
Revenue – Q1 FY20



Revenue – Last 5 Years



Approved ANDAs



Total – 98*

** Includes 12 Tentative Approval*

Q1 FY20 : - 4 ANDA Filings, 9 Final Approvals
Cumulative : - 165 ANDA Filings, 98 Approvals* and 57 Products Launched so far

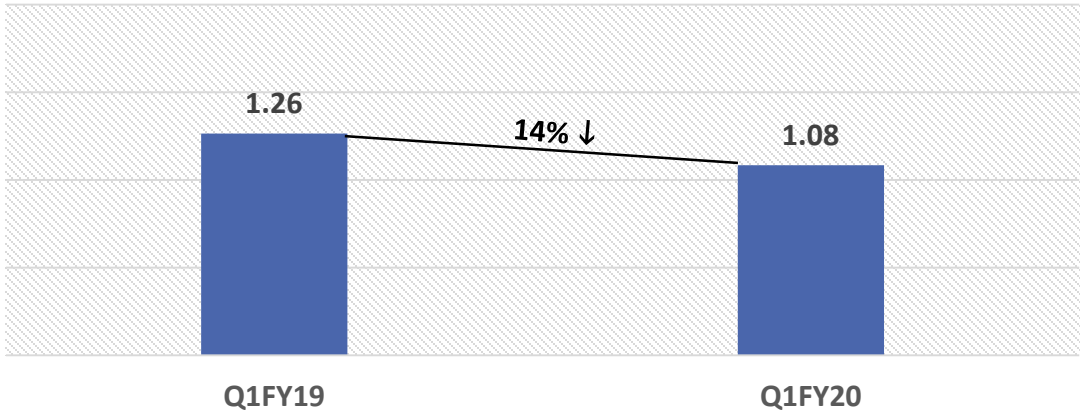
Milestones & Updates

- The Oncology OSD facility at panelav was successfully audited by USFDA with Zero 483s
- 50 products launched through the US front end (3 launched in Q1FY20), 7 products launched through partners
- 10+ products planned to be launched in Q2 FY20

Ex-US Generics

Revenue : Q1 FY20

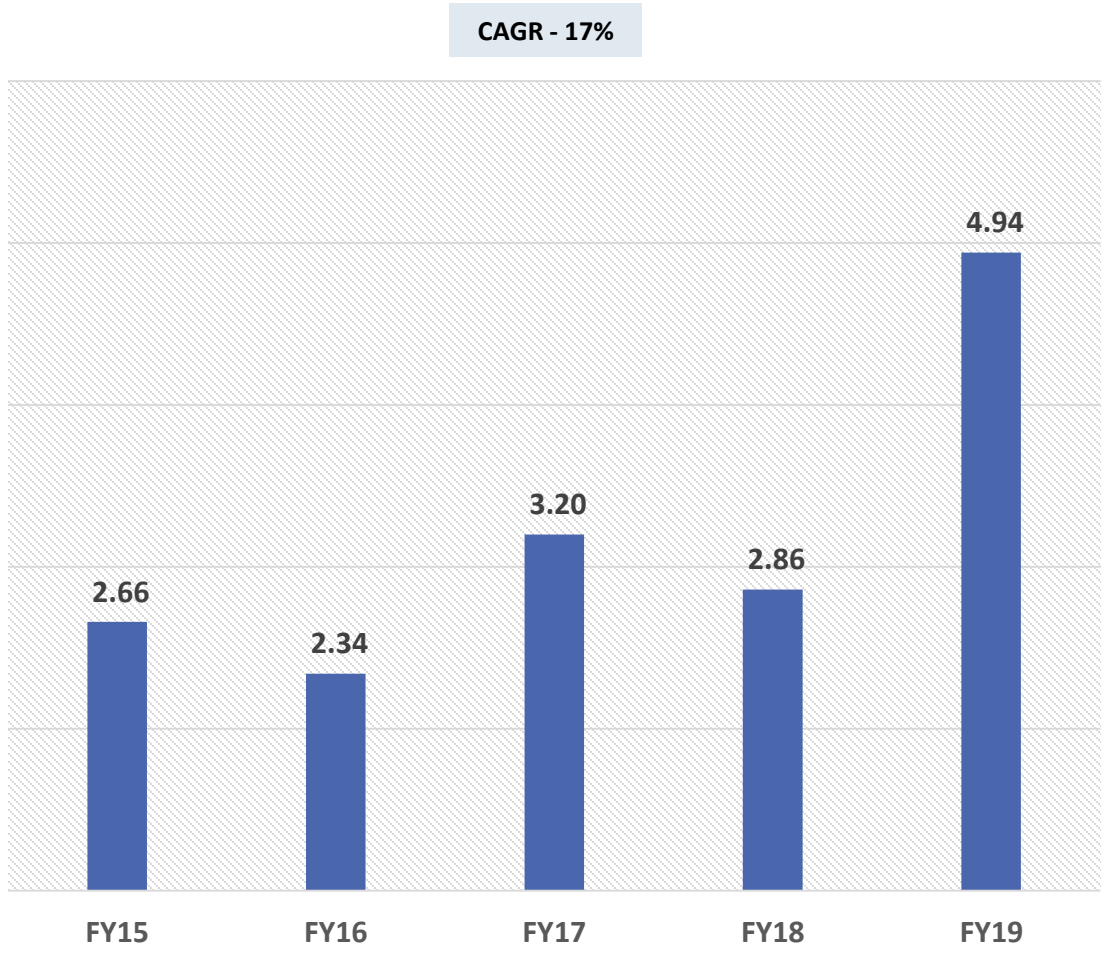
INR Bn



- 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
- Signed Joint venture agreement with SPH SINE – China

Revenue – Last 5 Years

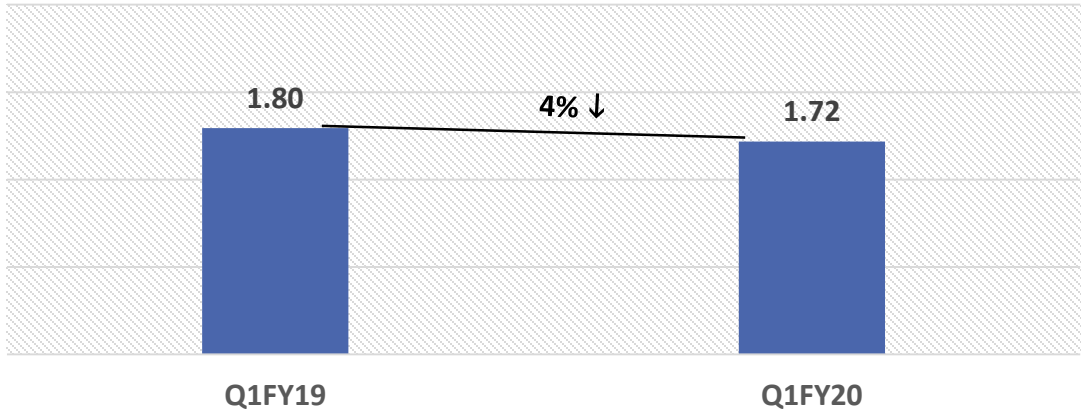
INR Bn



API

Revenue : Q1 FY20

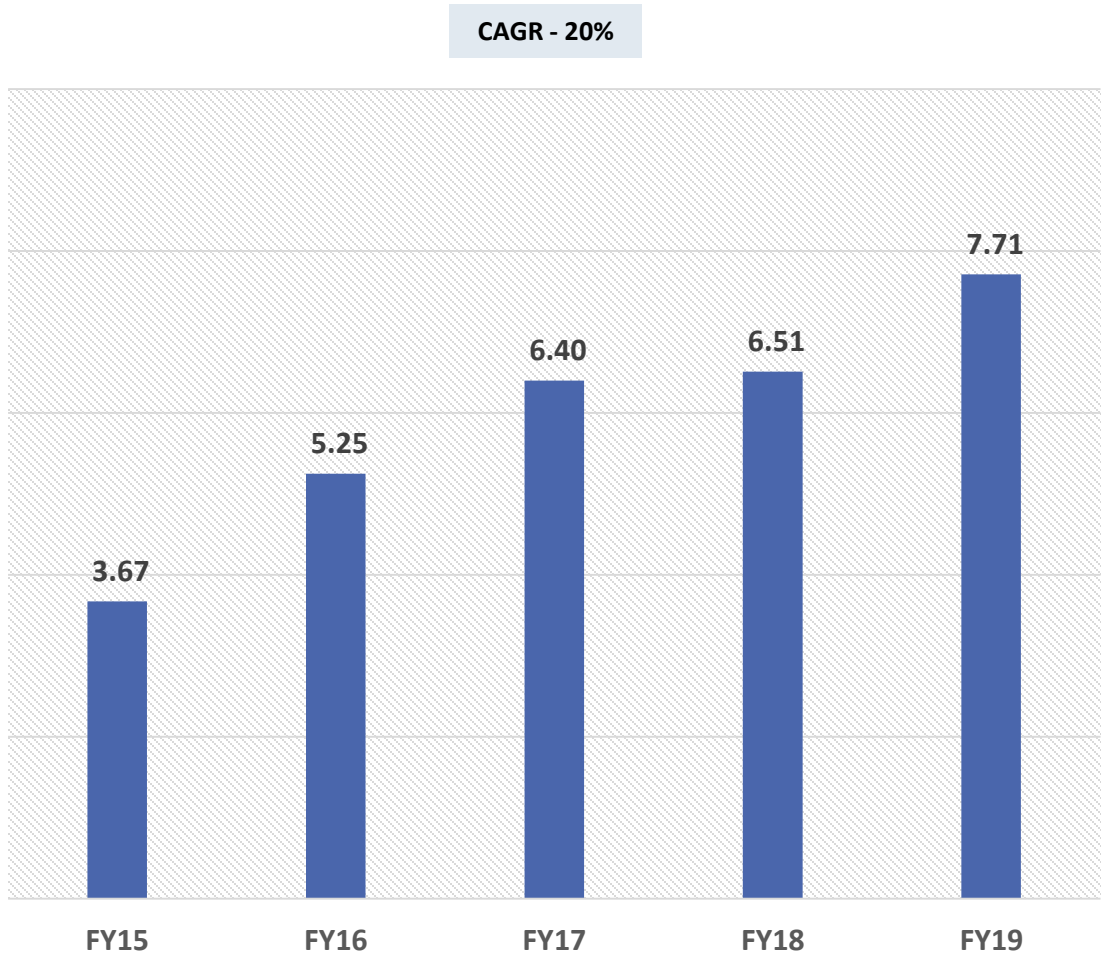
INR Bn



- 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
- 100 DMFs filed with USFDA on cumulative basis

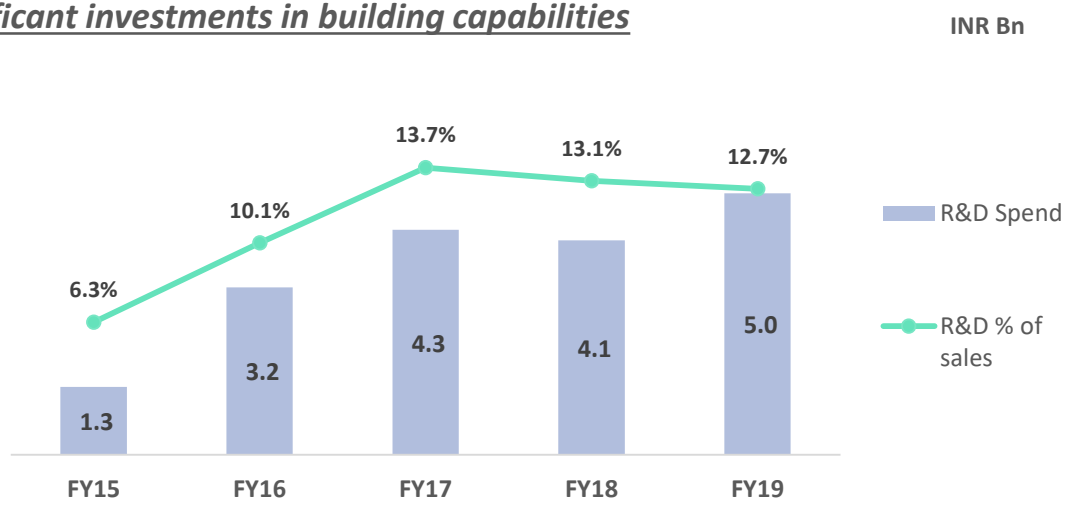
Revenue – Last 5 Years

INR Bn

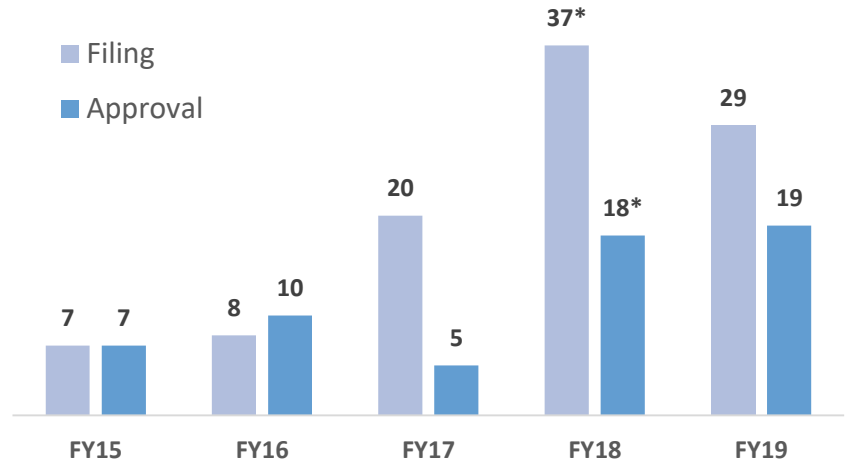


R&D

Significant investments in building capabilities



ANDA – Accelerated filings & approvals



* 11 Filings & 7 Approvals were contributed by acquisition of Orit,US in FY18

Diversified Portfolio

Dosage Form	FY15	FY20
Oral Solids	✔	✔
Injectable	✕	✔
Oncology	✕	✔
Dermatology	✕	✔
Opthalmology	✕	✔
Biologics	✕	✕
NCEs	✔	✔

R&D Capabilities

Formulation : Vadodara, Hyderabad and USA

API : Vadodara and Hyderabad

Bio Centre : Vadodara

1100+ 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 Ophthalmic	H2FY20#
F4 – Jarod	General Oral Solids	H2FY20#
Aleor (JV) - Karkhadi	Various derma forms	Feb'19*
API		
API I & II – Panelav		Dec'18*
API III – Karkhadi		Dec'18*

All EIRs in place except F2

*** Last USFDA Inspection**
 # Expected filing

F2 - Panelav

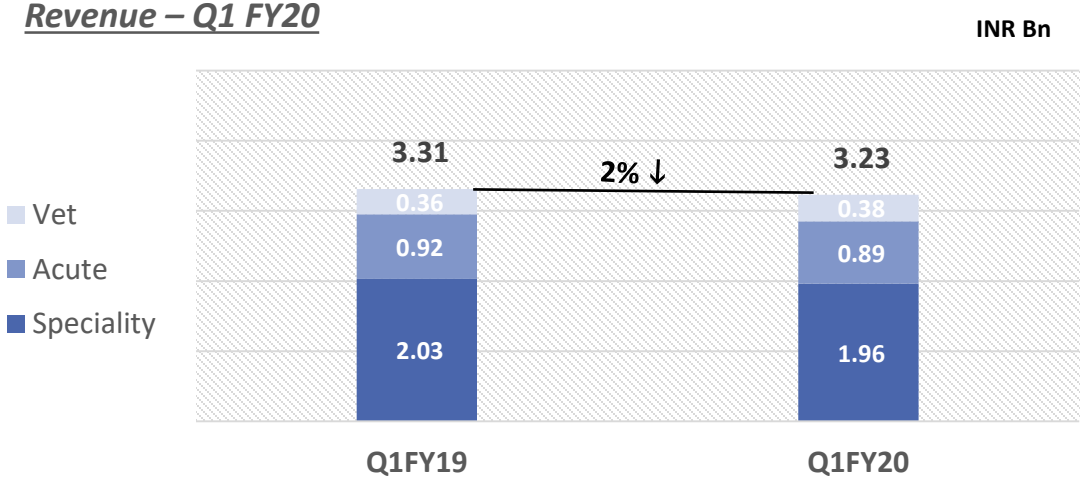
F3 - Karkhadi

F4 - Jarod

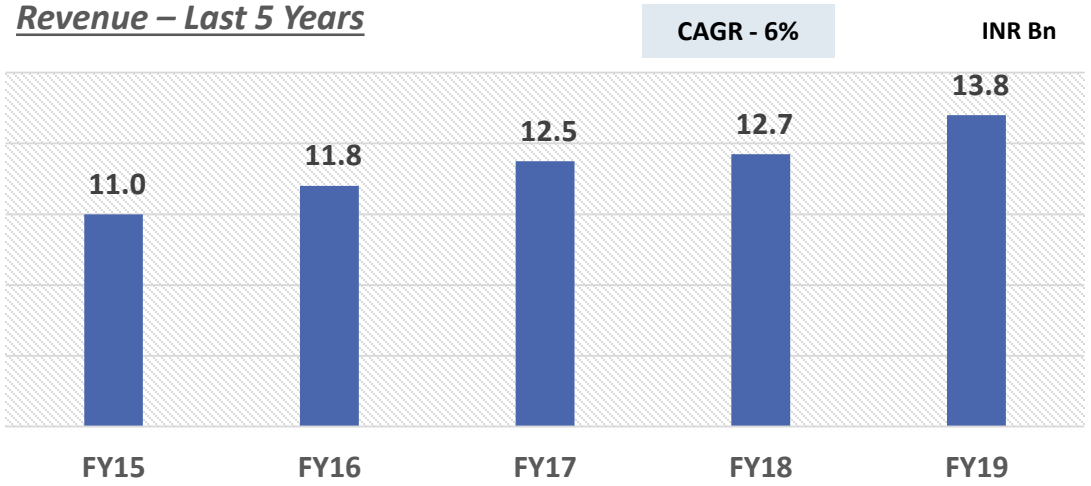
Aleor (JV) - Karkhadi

Branded Business

Revenue – Q1 FY20



Revenue – Last 5 Years



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 1.6% of Indian Pharma space

Growth drivers

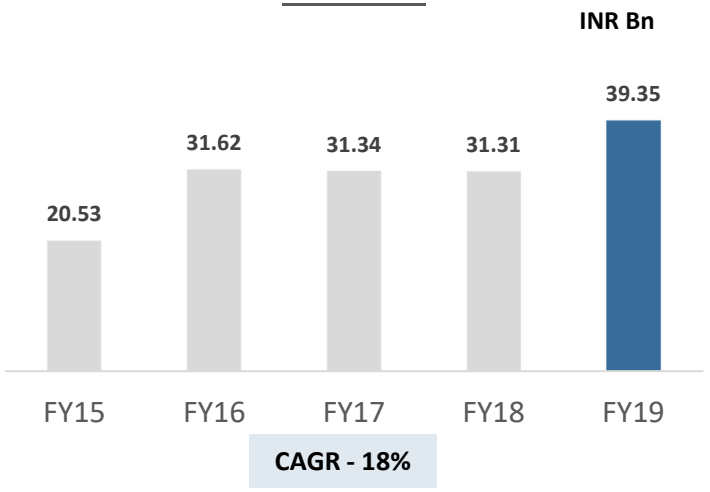
- Emphasis on Specialty segment
- 93% new launches in specialty

Therapy-wise Performance Q1 FY20

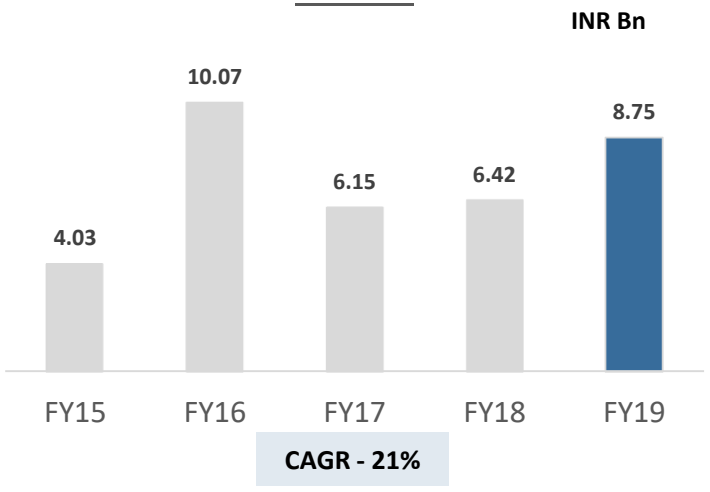
	QTR JUN 19				QTR JUN 18			
Therapy (%)	Therapy Growth % (ORG)	Market Share % (ORG)	Alembic Growth % (ORG)	Alembic Growth % (PRIM)	Therapy Growth % (ORG)	Market Share % (ORG)	Alembic Growth % (ORG)	Alembic Growth % (PRIM)
Cardiology	11	2.10	8	1%	11	2.17	14	37%
Anti Diabetic	14	1.57	6	0%	12	1.68	10	34%
Gynecology	13	2.73	11	4%	12	2.79	13	32%
Gastrology	9	1.44	-1	-20%	9	1.58	7	33%
Dermatology	8	0.39	0	-13%	16	0.43	21	60%
Orthopaedic	10	1.00	18	2%	8	0.94	11	37%
Ophthalmology	12	1.64	18	17%	8	1.56	17	29%
Nephro / Uro	13	1.85	1	-17%	19	2.07	19	82%
Anti Infective	11	2.72	8	-6%	7	2.77	15	51%
Cold & Cough	6	4.68	10	4%	13	4.51	8	36%
OVERALL	**10**	**1.43**	**7**	**-4%**	**11**	**1.47**	**12**	**40%**

Financials : *Generating consistent returns*

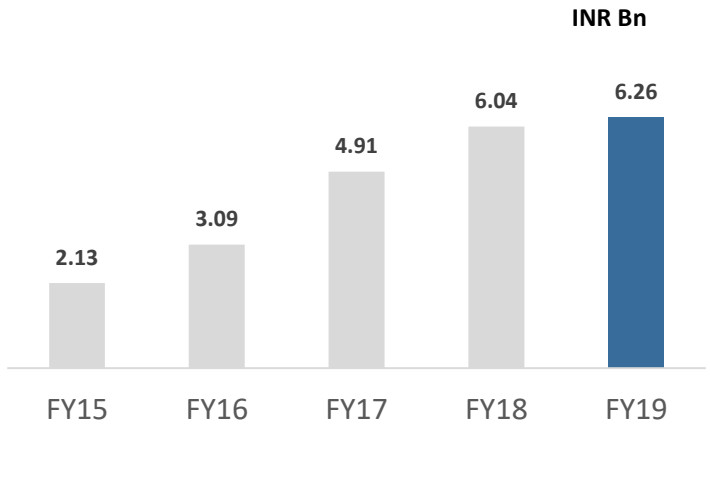
Revenue



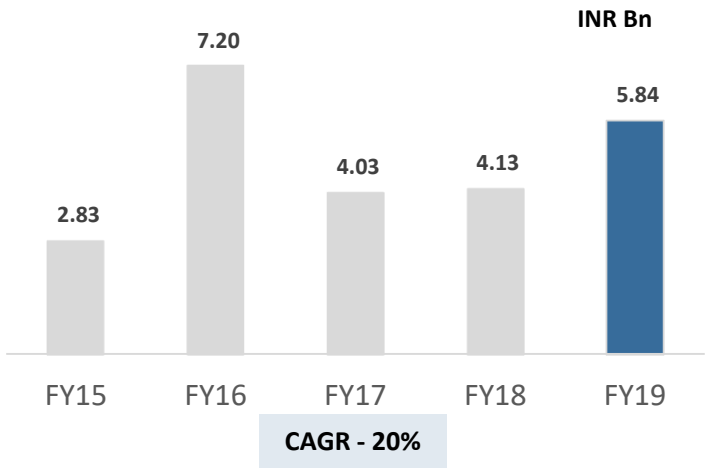
EBIDTA



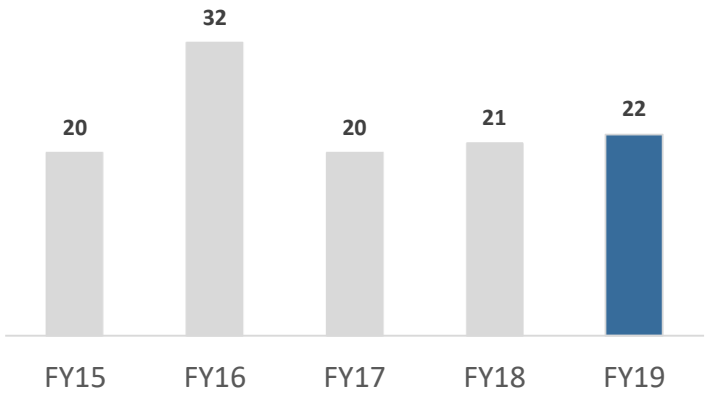
Capex



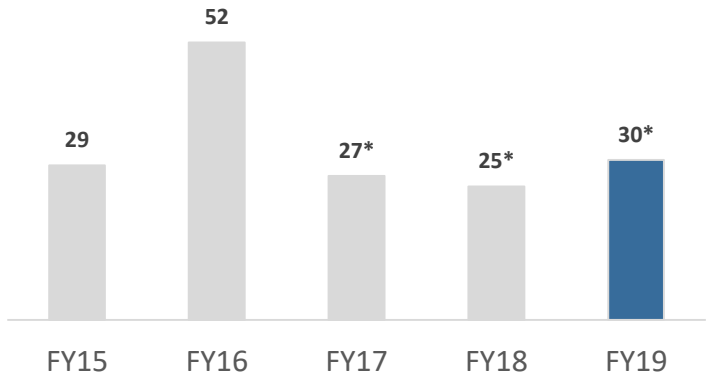
Net Profit



EBIDTA margin %



ROCE %



* Capital excludes New Projects

Thank you

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.