Alembic Pharmaceuticals Ltd

Investor Presentation

October-2016

Contents

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 facilities
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 for NCE research
2013	Launched first NDA with a partner Commenced filing in EU, Australia and Brazil
2014	Formed 50:50 JV in Algeria
2015	Launched Aripiprazole on day-1. Established US front-end: transition to own marketing.
2016	JV with Orbicular Inc.

Quarterly Highlights – Q2 FY 17

Financial Highlights

- Net Sales at Rs 8787 mn
- EBITDA margins at 20% at Rs 1778 mn
- Net Profit at Rs 1187 mn
- R&D spend is Rs 1151 mn for the quarter which is 13% of net sales. This is up by 48 % (YOY)

India Branded Formulations (Rs. 3383 mn)

- Business grew by 19%
- Acute segment grew by 22% and Specialty segment grew 16%

International Formulations (Rs. 3517 mn)

- International formulation business at Rs 3517 mn for Q2 FY 2016-17 as against Rs 5709 mn during the same period in last year.
- US market sales is Rs 2692 mn.
- 2 ANDA tentative approvals were received,
- 4 ANDA applications were filed

API Business (Rs. 1643 mn)

- Business grew by 20%
- 1 DMF application was filed, Cumulative DMF filings at 83

Quarterly Highlights – H1 FY 17

Financial Highlights

- Net Sales at Rs 16145 mn
- EBITDA margins at 21% at Rs 3347 mn
- Net Profit at Rs 2207 mn
- R&D spend is Rs 1945 mn which is 12% of net sales. This is up by 55 % (YOY)

India Branded Formulations (Rs. 6161 mn)

- Business grew by 13%
- Specialty Segment grew by 16% and Acute Segment grew by 7%.
- Strengthening the share of specialty therapies in the overall revenue basket.

International Formulations (Rs. 6602 mn)

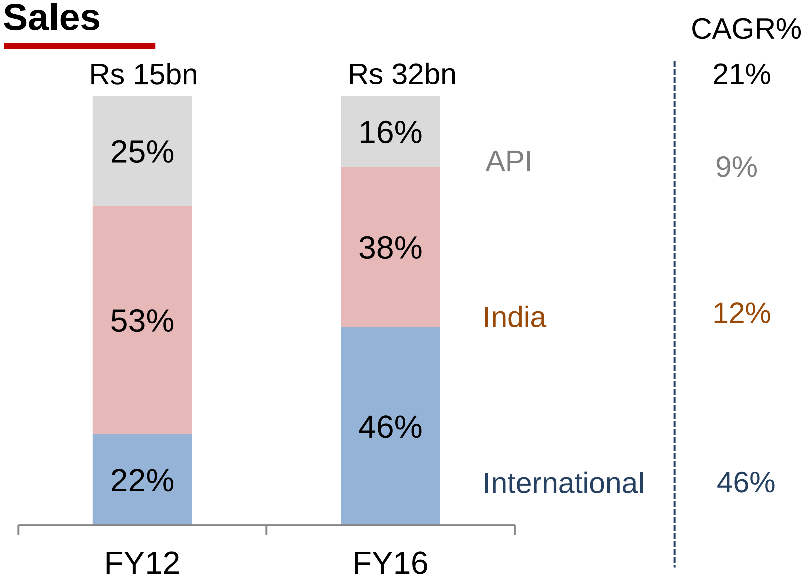
- International formulation business at Rs 6602 mn for H1 FY 2016-17 as against Rs 7502 mn during the same period in last year.
- US market sales is Rs 4917 mn.
- 1 new product launch in USA.
- 1 ANDA final approval and 2 tentative approvals were received
- 6 ANDA applications were filed

API Business (Rs. 2925 mn)

- Business grew by 14%
- 2 DMF application was filed during the quarter, taking cumulative DMF filings at 82

Business

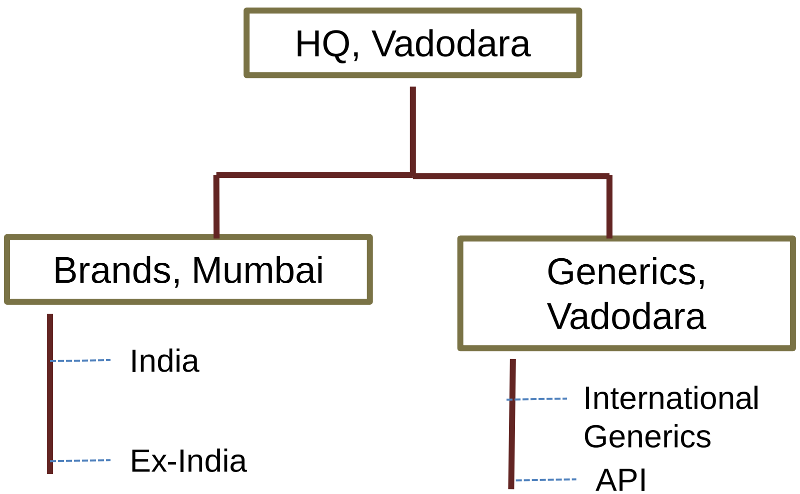
Sales



Manufacturing:

Formulation: Baddi and Sikkim for India market
FDA approved Oral Solids in Vadodara
Doubled capacity in 2014

API: 3 FDA approved facilities in Vadodara
Expansion in 2015



R&D:

Formulation: Vadodara and Hyderabad

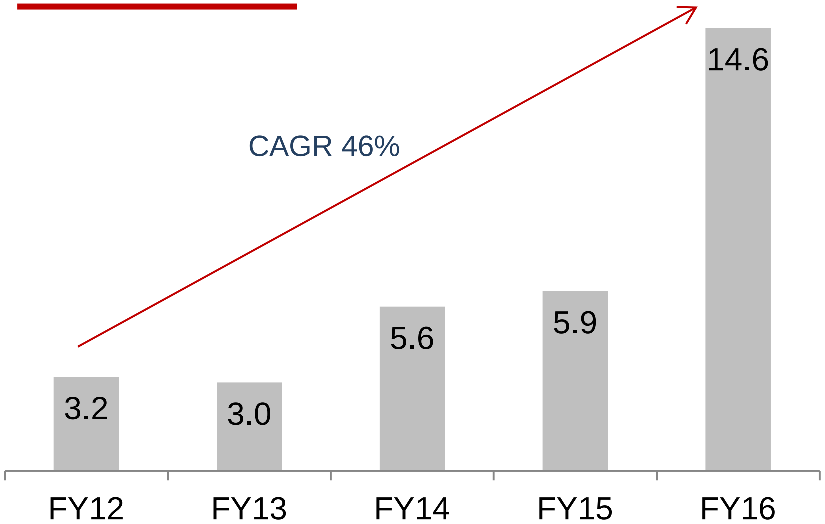
API: Vadodara

Biocentre: Vadodara
150 beds

Total 500+ scientists

International Formulations

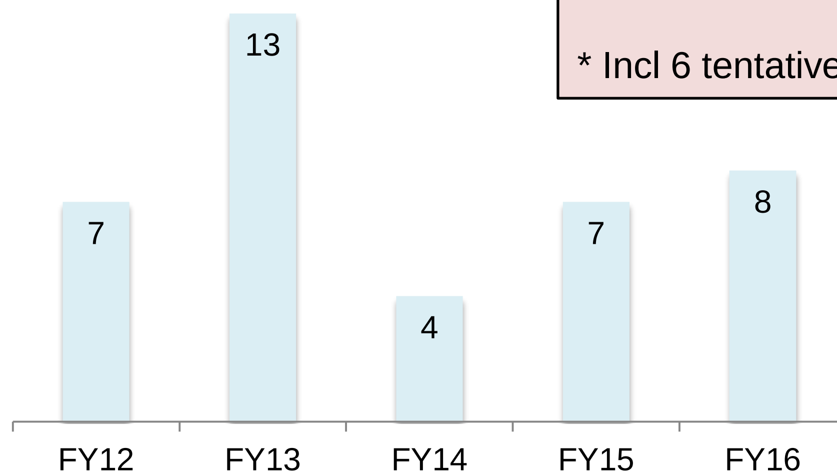
Sales (Rs bn)



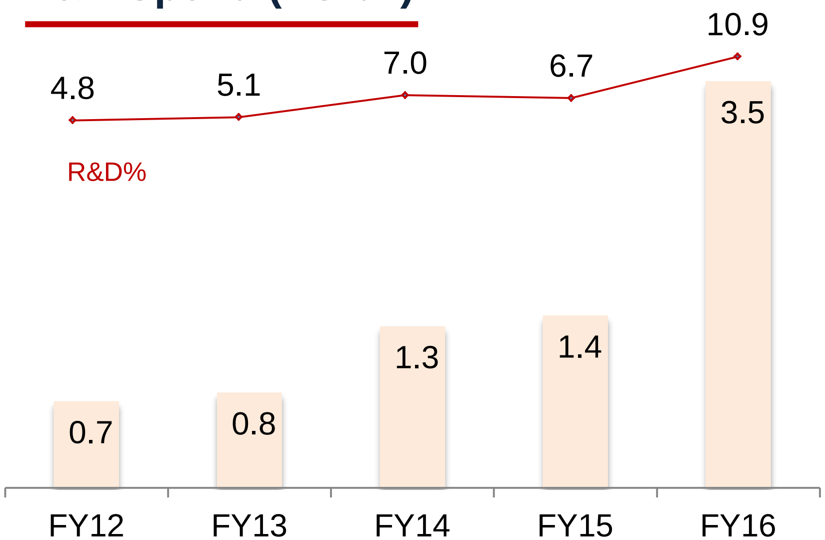
ANDA Filed

Filings: 82
Approval: 49*

* Incl 6 tentative



R&D Spend (Rs bn)

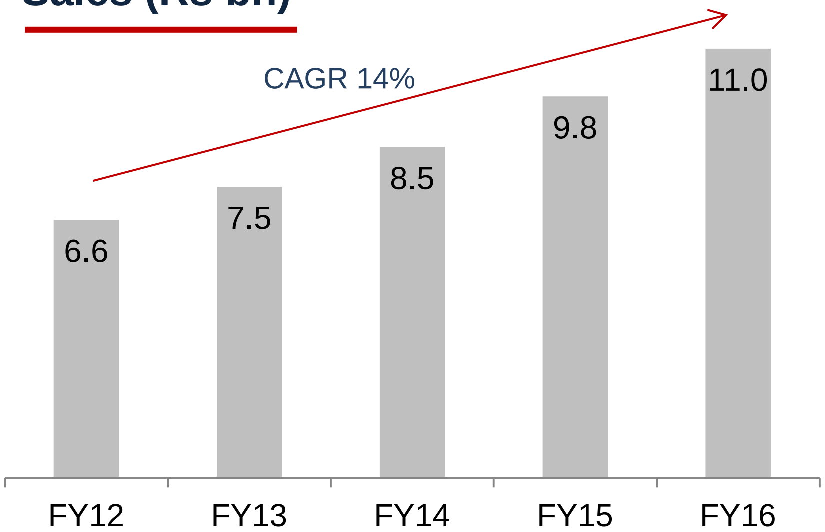


Milestones and Update

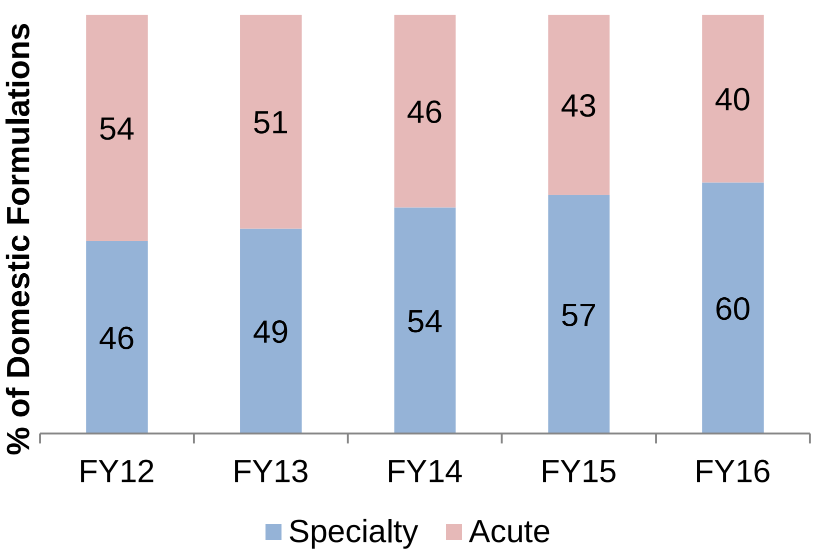
- Focus on day-1 launches
  Aripiprazole
- US front-end in place, 23 products already launched
- Existing relationships being evaluated
  Some are non-exclusive, some expiring, some continuing
- Ex-US remains driven by partnerships

India Branded

Sales (Rs bn)



Therapy Split



Marketing Organisation

- 5000 + marketing team
  Added 1000 over last two years
- 17 marketing divisions
  Added new divisions in gynaecology, cardiology , GI, urology
- 170 products
  Launch 20-25 products every year

Key Achievements

- Leadership in Macrolides
  33% share of the segment with Althrocin, Azithral, Roxid
- Decent share in key new launches
  Tellzy, Rekool, Gestofit, Ovigyn D, Rosave, Richar
- 5 brands in top 300
  Azithral, Althrocin, Wikoryl, Roxid, Gestofit

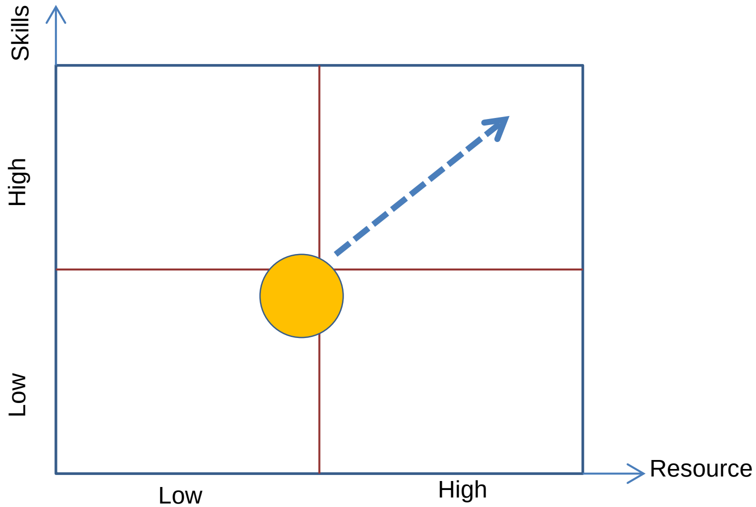
Therapy-wise Performance Q2 FY17

	SEP QTR 2016				SEP QTR 2015			
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	8	2.09	20	17	17	1.88	35	33
Anti Diabetic	16	1.84	43	28	22	1.50	32	31
Gynaecology	7	2.91	25	34	18	2.48	37	26
Gastrology	11	1.88	-2	0	17	2.14	3	8
Dermatological	15	0.40	-8	9	19	0.50	34	-6
Orthopaedic	9	0.96	4	10	13	1.01	7	21
Ophthalmology	11	1.41	14	1	16	1.37	3	31
Nephro / Uro	14	2.14	19	22	19	2.06	16	9
Anti Infective	23	2.74	10	16	3	3.06	-3	-9
Cold & Cough	36	4.83	27	35	-3	5.19	-10	-8
OVERALL	**14**	**1.62**	**15**	**19**	**14**	**1.62**	**10**	**7**

(Source : ORG SEP 2016)

Strategy

Competitive position



Growth drivers

US: Rapidly expand breadth and quality of pipeline

Doubled internal OSD grid, half of grid is external – injectable, dermatology and ophthalmics
Partnerships to gain time and leverage financial resource
Build manufacturing capacities rapidly, use CMOs , de-risk

Ex-US: Selective commercialisation

Model under evaluation

India: Focus on chronic segment

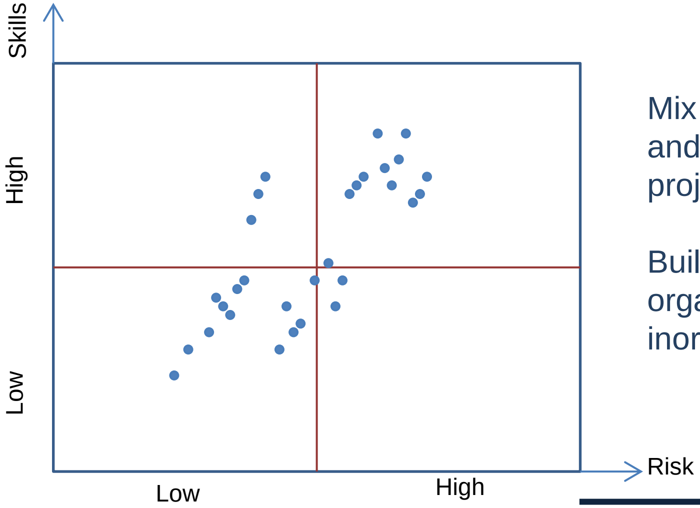
Aim for reasonable share in identified therapy-important molecules

Enablers

People:
- Renewed focus on HR
- Skill gaps identified
- Talent acquisition and retention

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

Pipeline

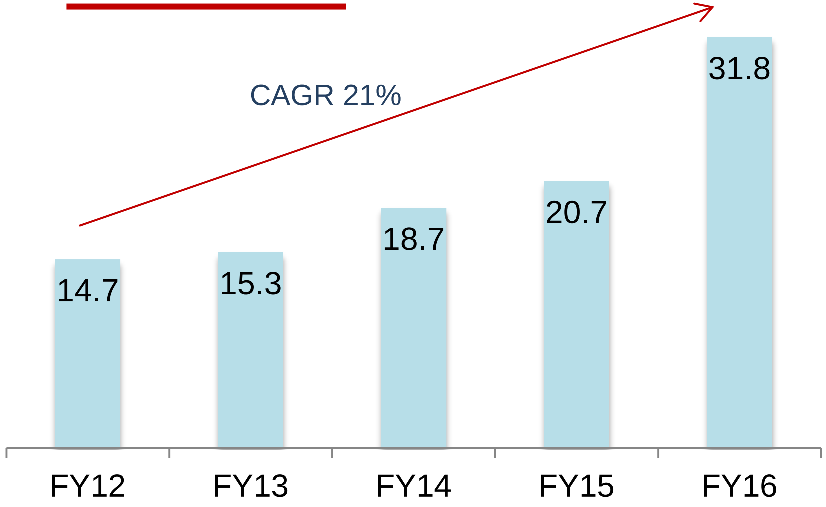


Mix of high-risk and low-risk projects.

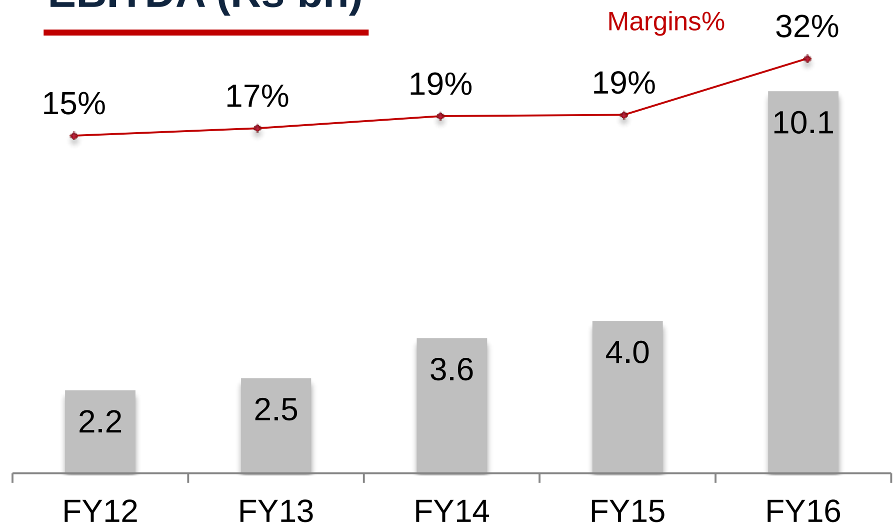
Building skill sets organically and inorganically.

Financials – 5 years

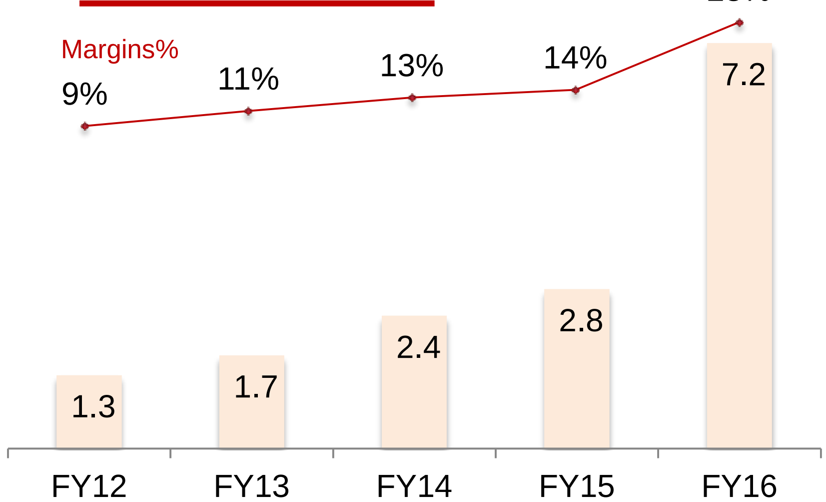
Sales (Rs bn)



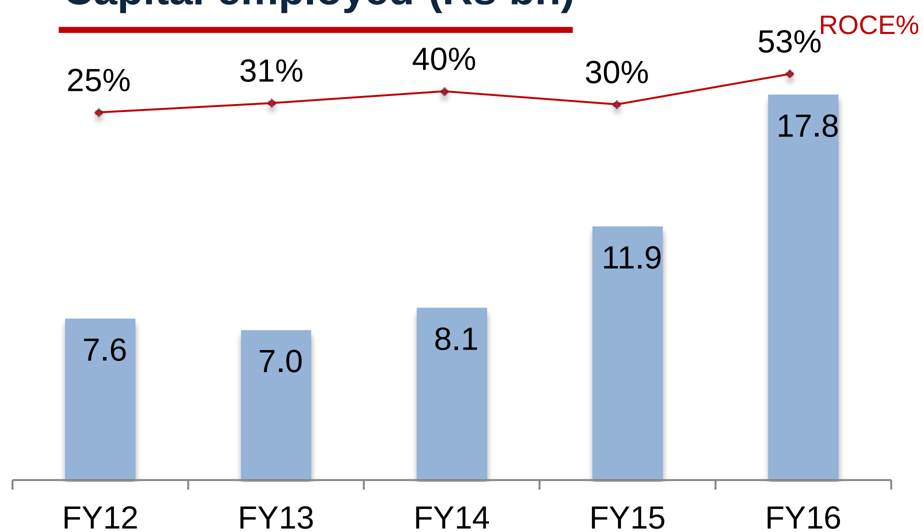
EBITDA (Rs bn)



Net Profit (Rs bn)

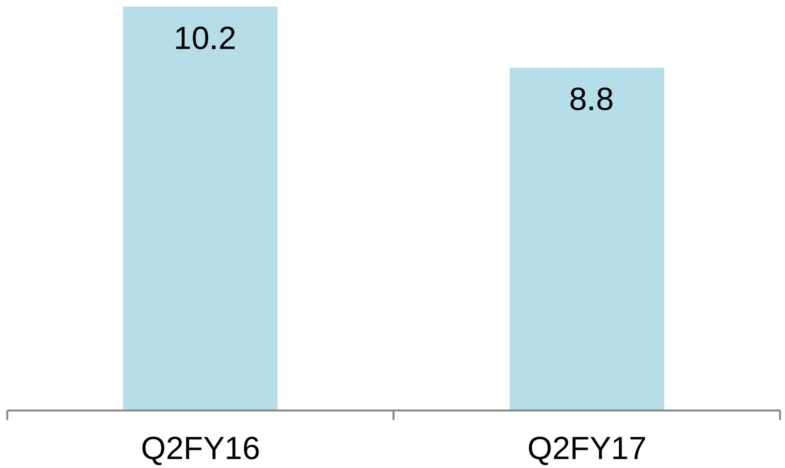


Capital employed (Rs bn)

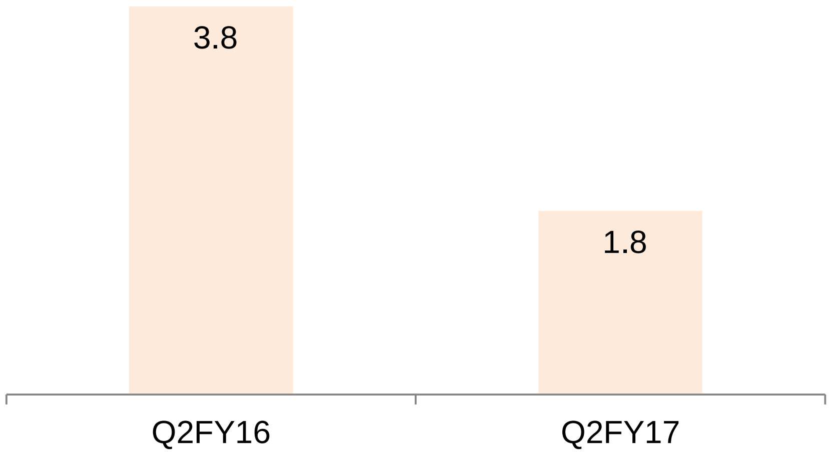


Financials - Quarter

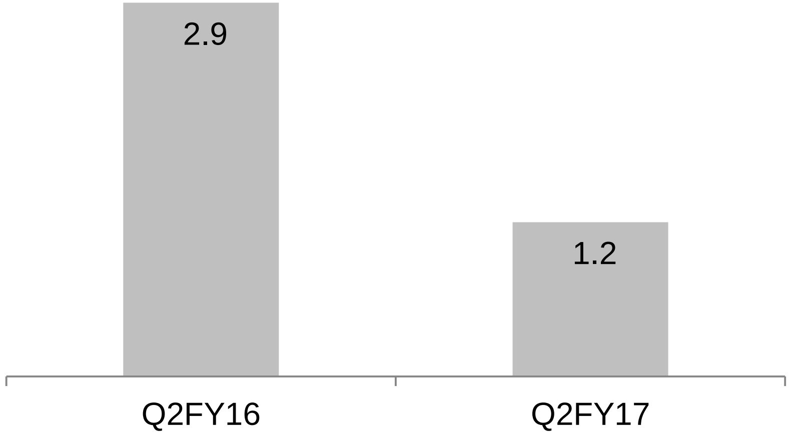
Sales (Rs bn)



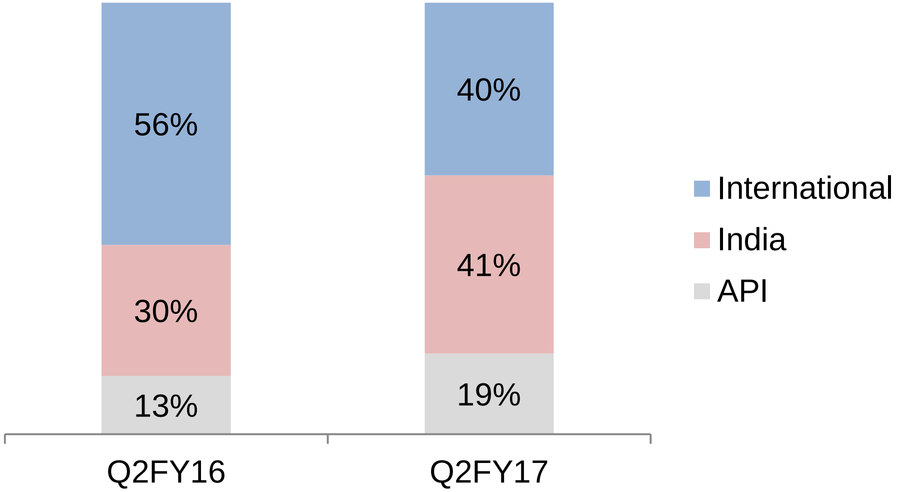
EBITDA (Rs bn)



PAT (Rs bn)

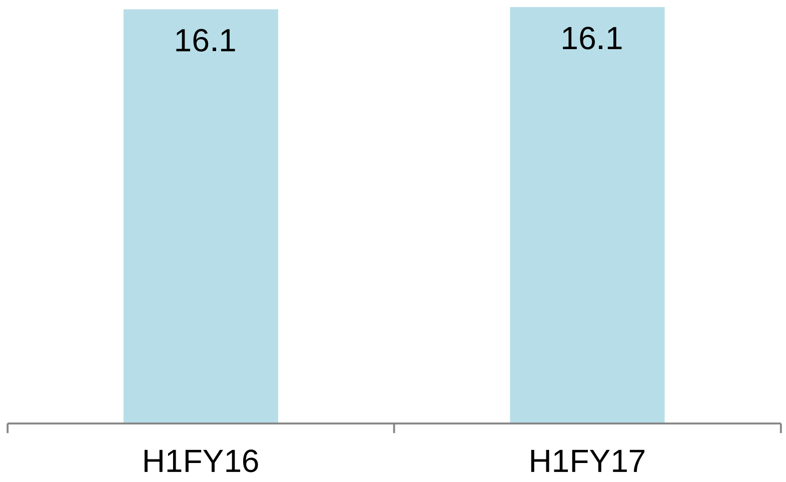


Business Sales

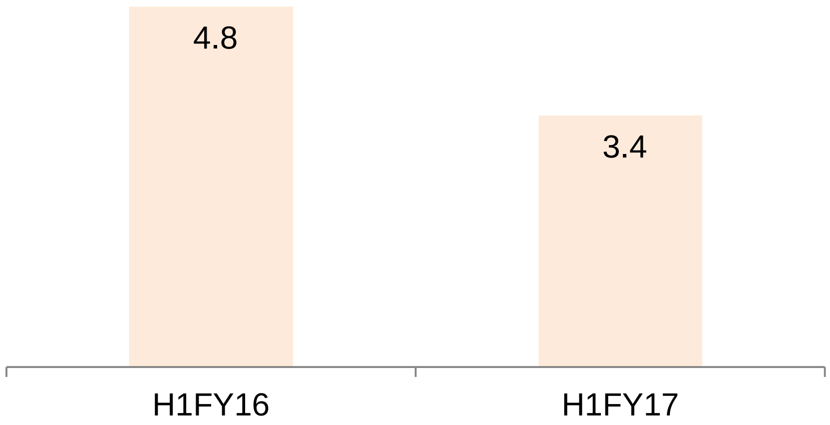


Financials – Half yearly

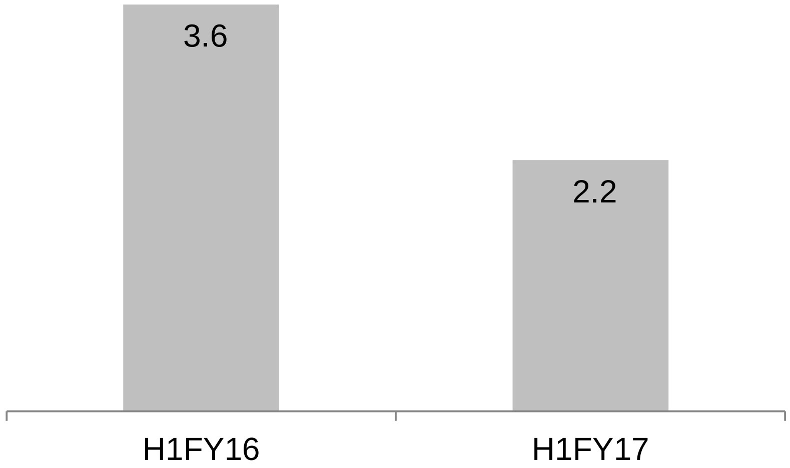
Sales (Rs bn)



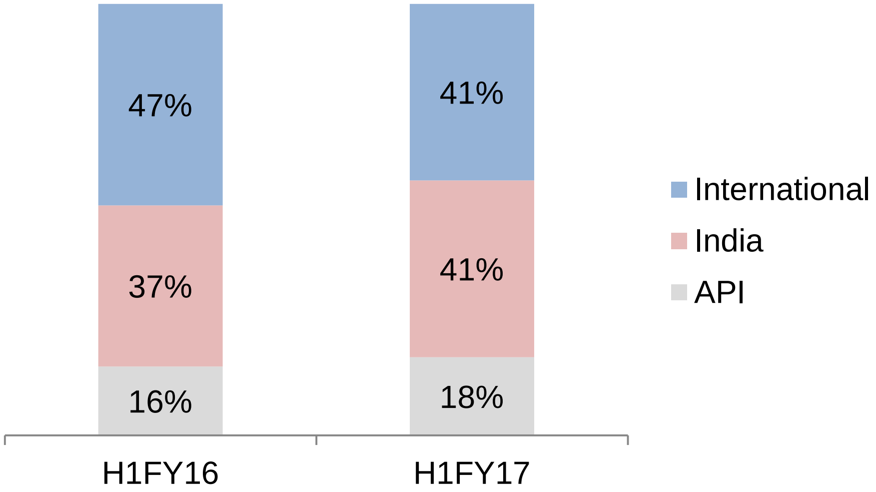
EBITDA (Rs bn)



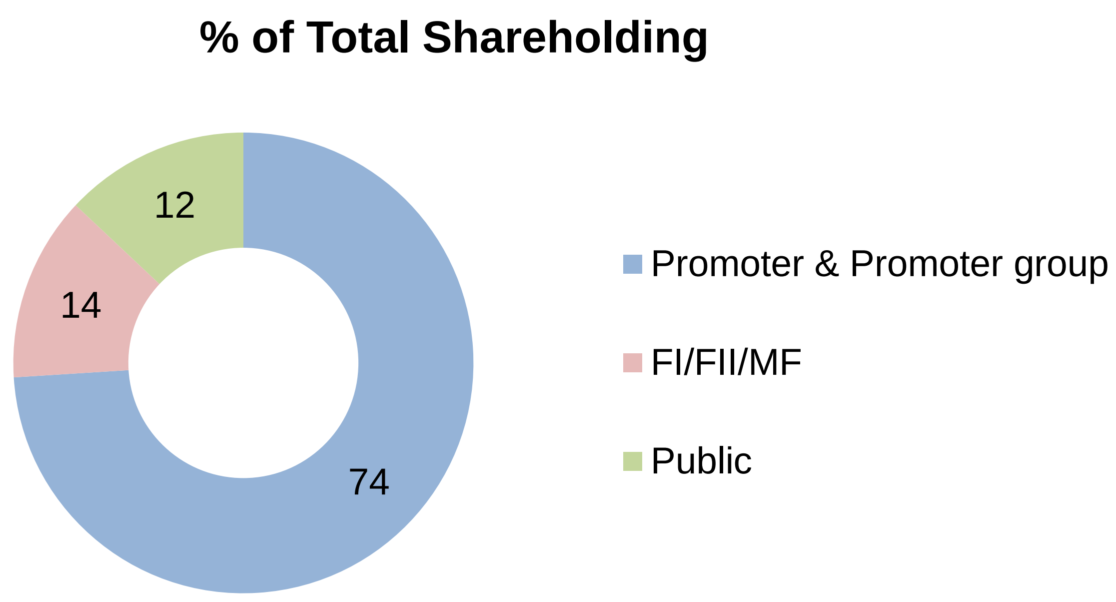
PAT (Rs bn)



Business Sales



Latest Shareholding Pattern



Market capitalization	INR 123 bn
Total paid-up share capital	377.03mn
Total number of shares O/S	188.52mn
No. of shareholders	>50 K
Free float market capitalization	INR 32 bn

THANK YOU