

Alembic Pharmaceuticals Limited

Investor presentation – September 2020

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
2020	US front-end achieved milestone of crossing \$ 250 Mn Sales in FY20

Financial Highlights

							INR Bn
Particulars	Q2 FY21	Q2 FY20	Growth	H1 FY21	H1 FY20	Growth	YTD FY20
Net Sales	14.57	12.41	17%	27.98	21.90	28%	46.06
EBIDTA Pre R&D	6.28	5.05	24%	11.77	8.36	41%	18.15
<i>Margin %</i>	<i>43%</i>	<i>41%</i>		<i>42%</i>	<i>38%</i>		<i>39%</i>
R&D	1.85	1.74	6%	3.27	3.14	4%	6.45
<i>R&D %</i>	<i>13%</i>	<i>14%</i>		<i>12%</i>	<i>14%</i>		<i>14%</i>
EBIDTA Post R&D	4.55	3.42	33%	8.71	5.42	61%	12.13
<i>Margin %</i>	<i>31%</i>	<i>28%</i>		<i>31%</i>	<i>25%</i>		<i>26%</i>
Net Profit	3.33	2.46	35%	6.35	3.70	72%	8.29
Capex	1.68	1.97		3.11	3.70		6.97
Debt-Equity (Net)				0.07	0.45		0.52

Business snapshot – Q2FY21



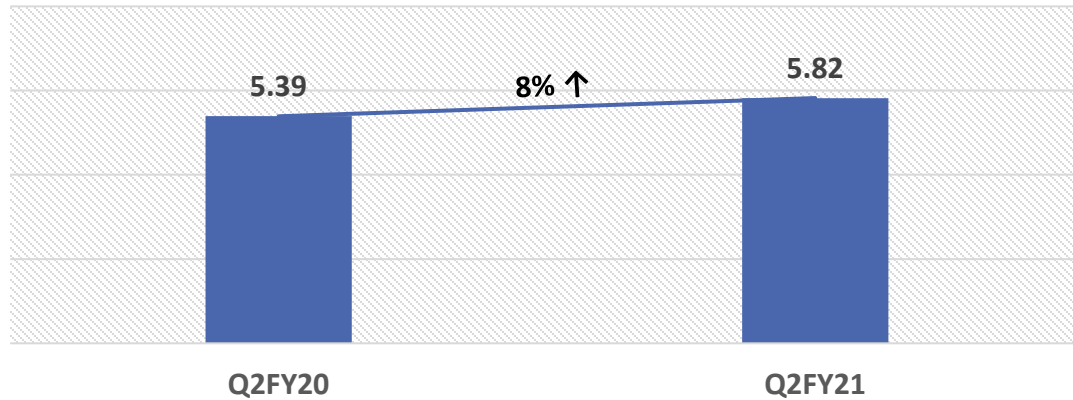
	Formulations			API	Total
	Generics		Branded		
	US	Ex-US	India		
Revenue Q2FY21 (INR Bn)	5.82	1.97	4.15	2.63	14.57
Q2FY21 Revenue Contribution					
Growth Q2FY21 over Q2FY20					
Growth Q2FY21 over Q1FY21					

Business snapshot – H1FY21

	Formulations			API	Total
	Generics		Branded		
	US	Ex-US	India		
Revenue H1FY21 (INR Bn)	11.77	3.73	7.21	5.28	27.98
H1FY21 Revenue Contribution					
Growth H1FY21 over H1FY20	↑ 33%	↑ 73%	↑ 1%	↑ 40%	↑ 28%
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 111 DMF Filings	

Revenue – Q2 FY21

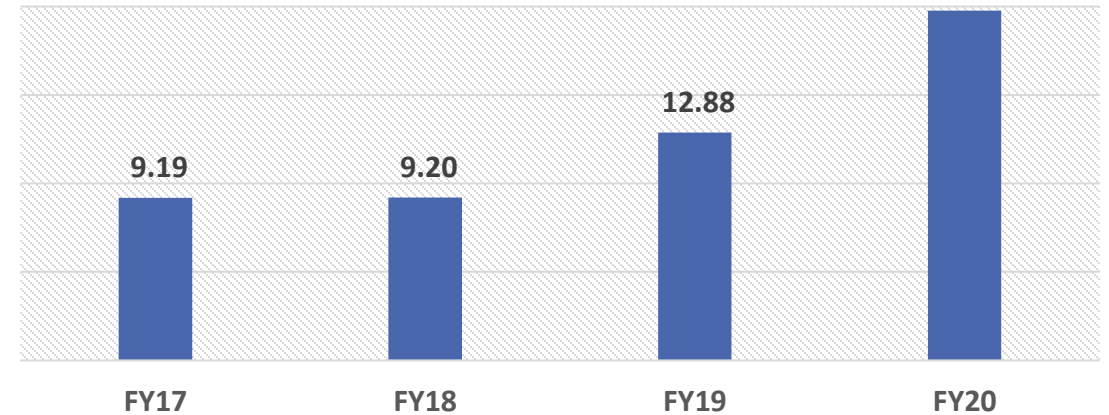
INR Bn



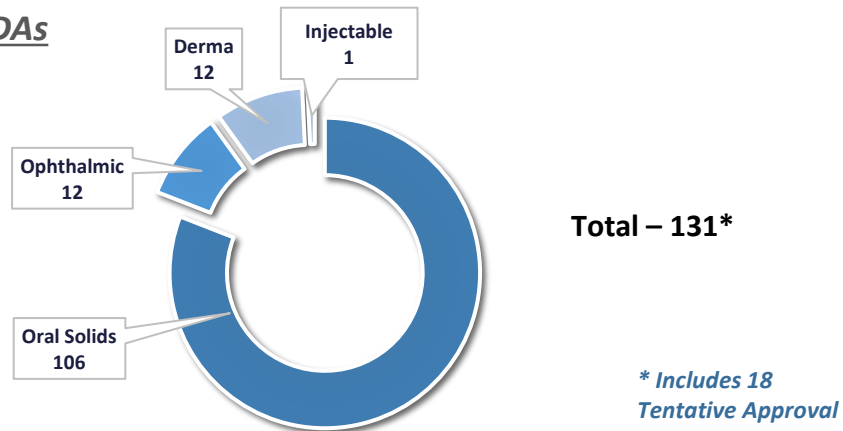
Revenue – Last 4 Years

CAGR - 29%

INR Bn



Approved ANDAs



- Well-established US front end having strong customer base
- Expanded our capabilities to deliver a diverse portfolio to the US market
- 75 products launched through the US front end (3 launched in Q2FY21), 7 products are on partner label
- 5+ products planned to be launch in Q3FY21

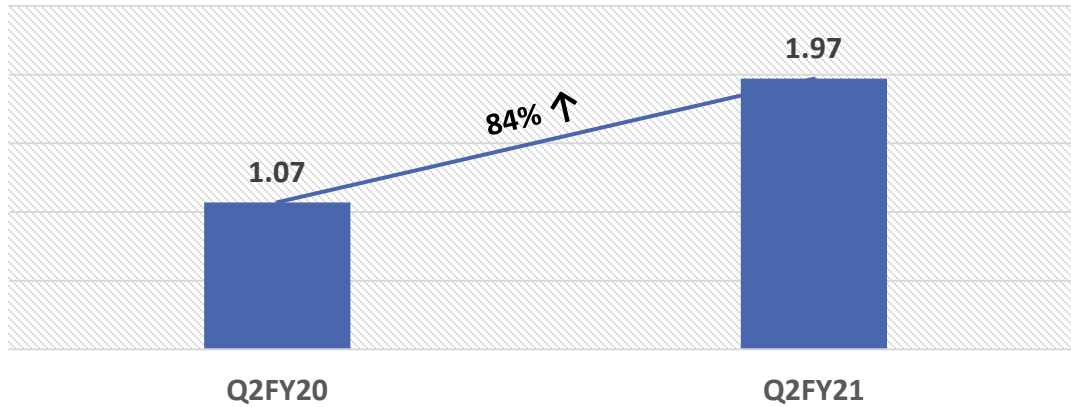
Q2 FY21 : - 7 ANDA Filings, 2 Final Approvals

Cumulative : - 198 ANDA Filings, 131 Approvals* and 82 Products Launched so far

Ex-US Generics

Revenue : Q2 FY21

INR Bn

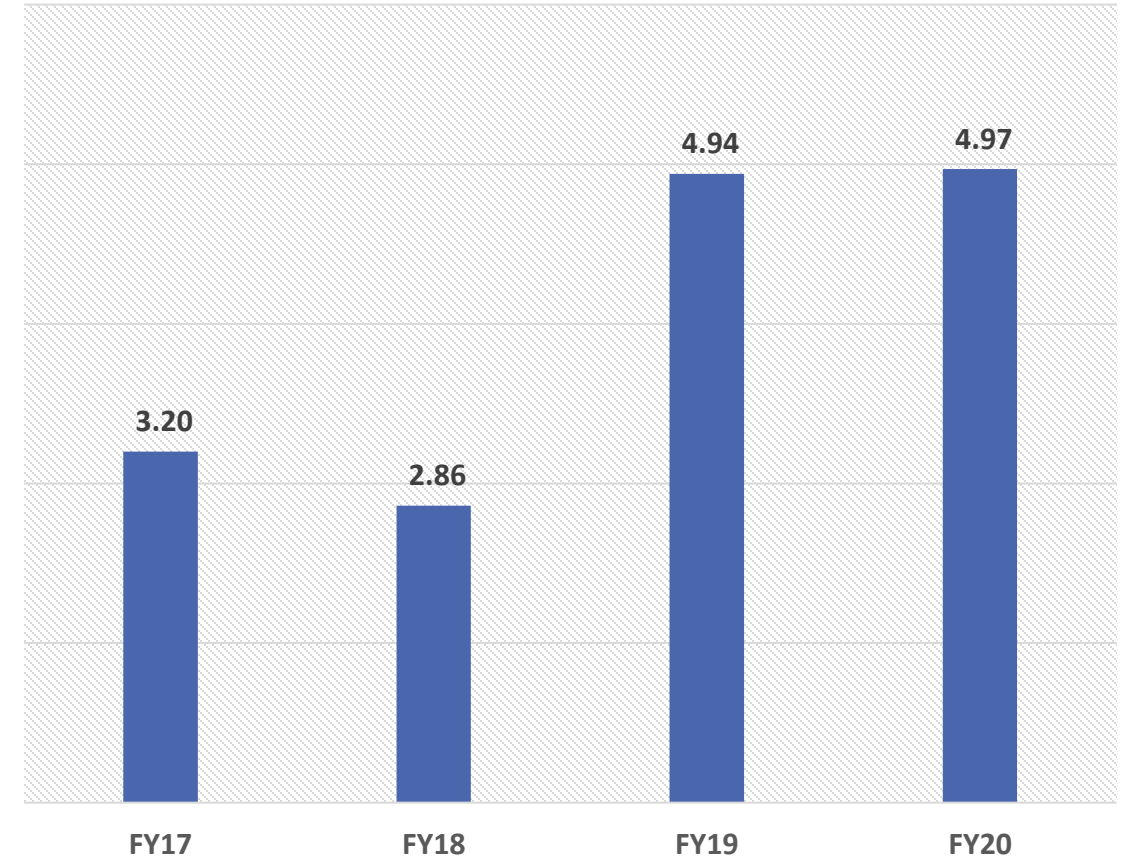


- Ex-US driven by partnership
- Presence in following markets
 - Europe, Canada, Australia, Brazil and South Africa
- The business will focus on new launches across key markets
- Plant successfully audited by key regulatory authorities across the globe

Revenue – Last 4 Years

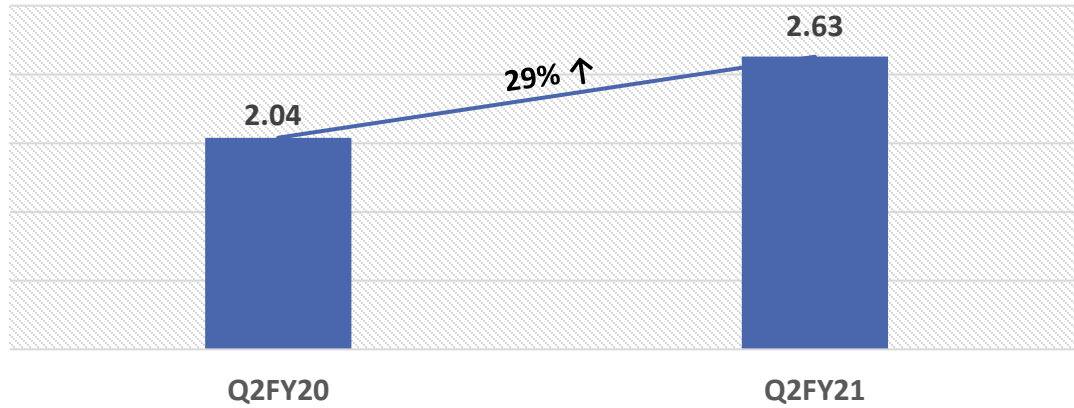
INR Bn

CAGR - 16%



Revenue : Q2 FY21

INR Bn

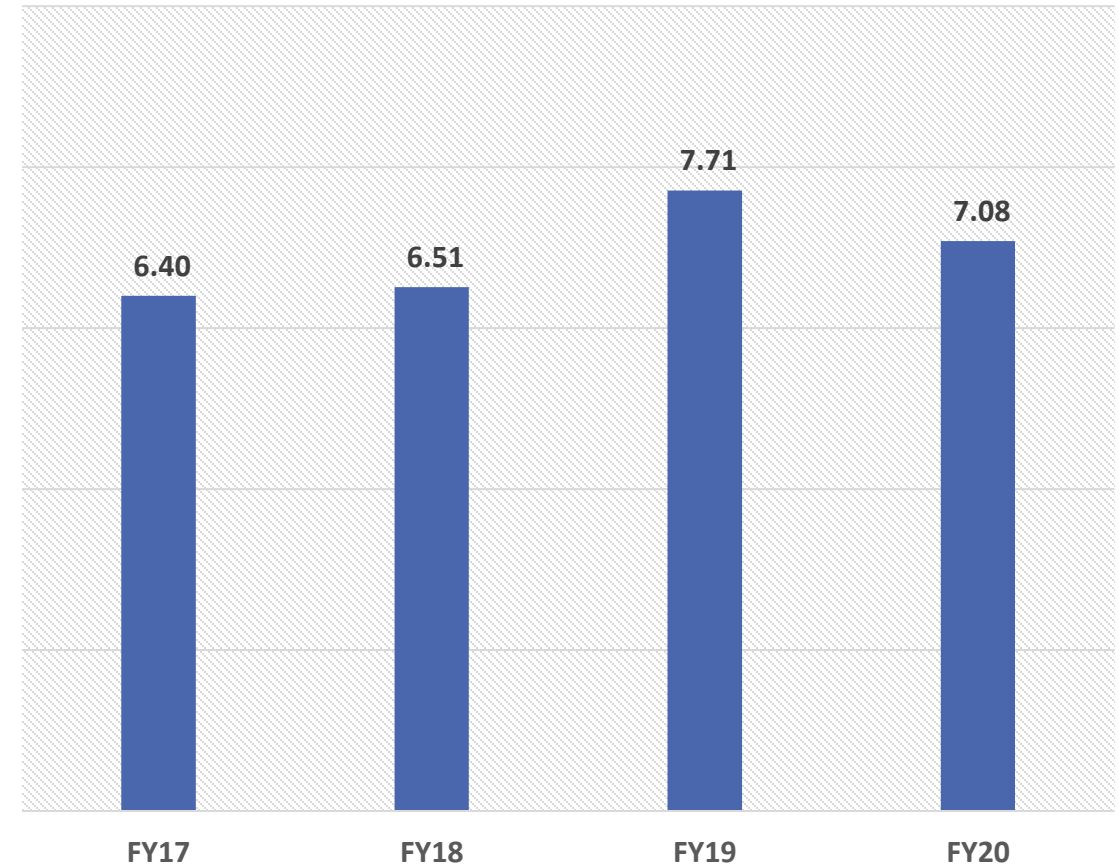


- Sales across geographies as preferred supplier
- Investing in plants to create additional capacities
- FDA Compliant plants
- State of the art R&D center and Process development lab
- 111 DMF filings on cumulative basis

Revenue – Last 4 Years

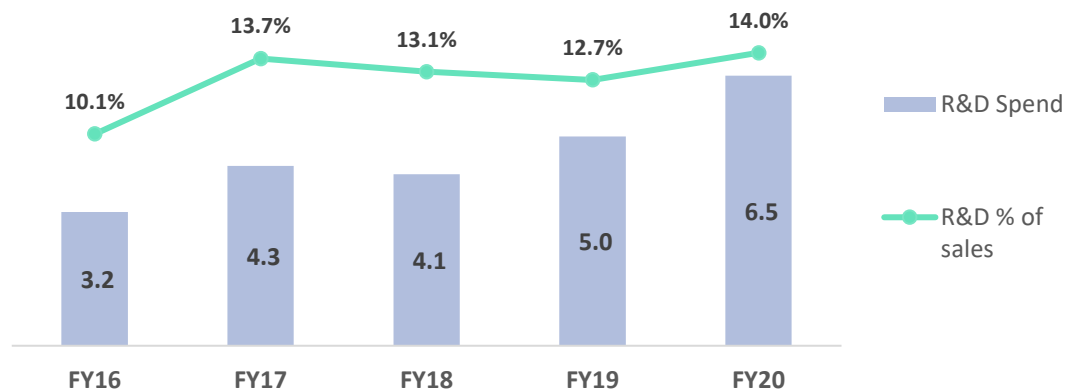
INR Bn

CAGR - 3%

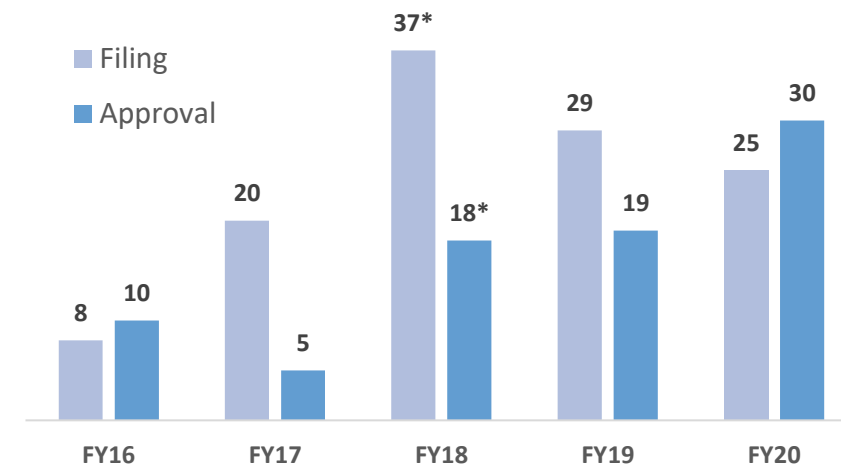


Significant investments in building capabilities

INR Bn



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	✗	✓
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	Mar'20*
F2 – Panelav	Oncology Oral Solids	Jun'19*
	Oncology Injectables	H2FY21#
F3 – Karkhadi	General Injectables	Jan'20#
	Ophthalmic	
F4 – Jarod	General Oral Solids	Jun'20#
Aleor (JV) - Karkhadi	Various derma forms	Jan'20*
API		
API I & II – Panelav		Dec'18*
API III – Karkhadi		Jan'20*

* Last USFDA Inspection
Filing/Expected filing



F2 - Panelav



F3 - Karkhadi



F4 - Jarod

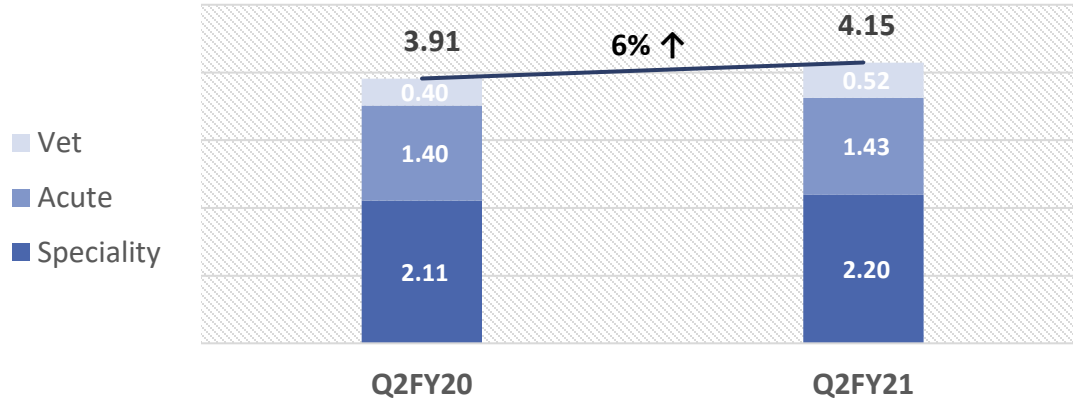


Aleor (JV) - Karkhadi

Branded Business

Revenue – Q2 FY21

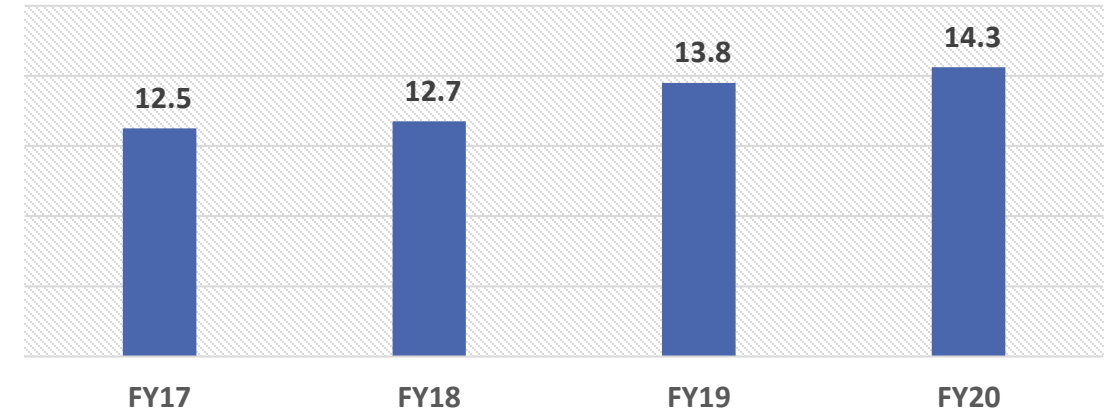
INR Bn



Revenue – Last 4 Years

CAGR - 4%

INR Bn



Marketing organization

- 5000 + Marketing team
- 17 Marketing divisions
- 16.75% Product portfolio in NLEM
- Caters to around 1,75,000 Doctors in India

Manufacturing facility

- Sikkim

Key achievements

- 3 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 FY21

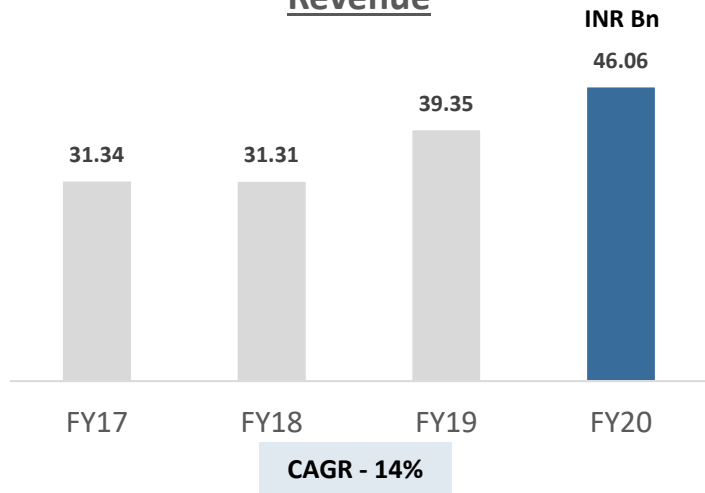
	Q2 FY21				Q2 FY20			
Therapy (%)	Therapy Growth % (ORG)	Market Share % (ORG)	Alembic Growth % (ORG)	Alembic Growth % (PRIM)	Therapy Growth % (ORG)	Market Share % (ORG)	Alembic Growth % (ORG)	Alembic Growth % (PRIM)
Cardiology	15	2.1	14	16	12	2.1	4	1
Gynecology	1	2.7	4	-1	13	2.6	1	0
Gastrology	5	1.6	12	16	13	1.5	-3	-11
Anti Diabetic	11	1.5	11	9	14	1.5	2	2
Orthopaedic	-0	0.9	-8	-12	12	1.0	12	3
Nephro / Uro	5	2.2	10	14	13	2.1	0	2
Ophthalmology	-4	1.4	-9	-12	12	1.5	5	16
Dermatological	5	0.2	-29	-23	10	0.4	-8	-6
Anti Infective	-13	3.9	16	23	20	2.9	16	10
Cold & Cough	-21	4.3	-32	-39	19	5.0	22	11
OVERALL	4	1.5	4	5	13	1.5	8	3

Therapy-wise Performance H1 FY21

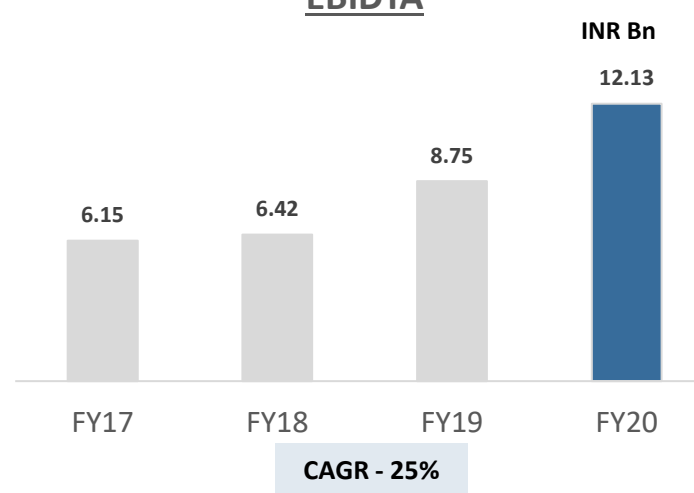
	H1 FY21				H1 FY20			
Therapy (%)	Therapy Growth % (ORG)	Market Share % (ORG)	Alembic Growth % (ORG)	Alembic Growth % (PRIM)	Therapy Growth % (ORG)	Market Share % (ORG)	Alembic Growth % (ORG)	Alembic Growth % (PRIM)
Cardiology	14	2.1	13	18	12	2.1	6	1
Gynecology	-4	2.6	-6	-15	13	2.6	5	2
Gastrology	-1	1.5	3	9	11	1.5	-2	-16
Anti Diabetic	11	1.5	9	10	14	1.5	4	1
Orthopaedic	-5	0.9	-14	-21	12	1.0	15	3
Nephro / Uro	-0	2.2	8	15	13	2.0	1	-7
Ophthalmology	-12	1.3	-23	-30	12	1.5	7	16
Dermatological	1	0.2	-42	-42	10	0.4	-1	-9
Anti Infective	-18	3.8	9	15	16	2.8	13	3
Cold & Cough	-15	4.1	-27	-34	13	4.8	17	8
OVERALL	0	1.5	-1	0	12	1.5	8	0

Financials : *Generating consistent returns*

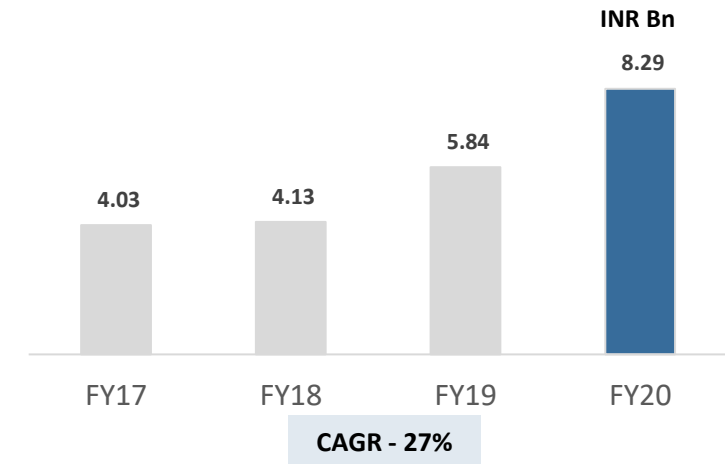
Revenue



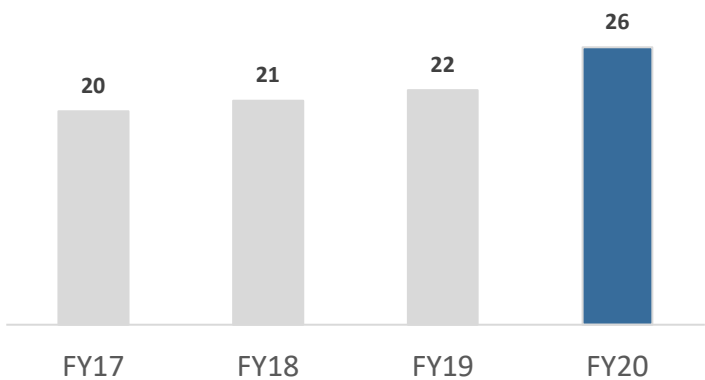
EBIDTA



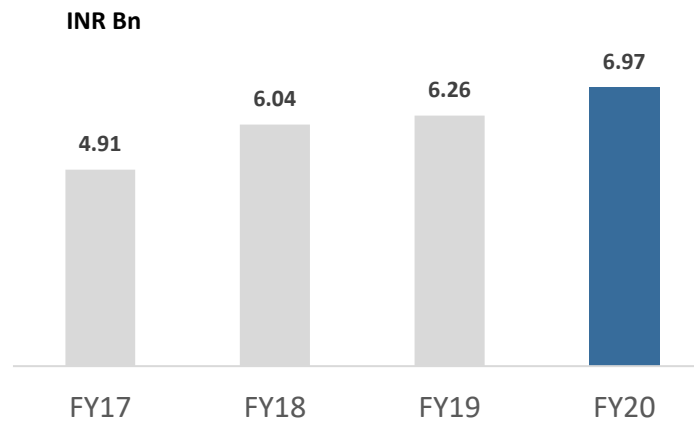
Net Profit



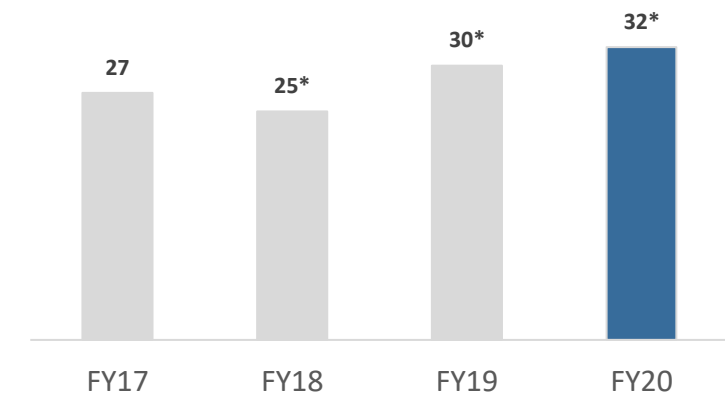
EBIDTA margin %



Capex



ROCE %



* Capital excludes New Projects

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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.

