



Cadila Healthcare Limited

Investor Presentation

November 2016



Well integrated pharma player with global footprints

> 60 years

Operational experience

9th largest

Generic co. in US in terms of prescriptions

1st Indian Company

To discover & develop an NCE in-house : Lipaglyn (Saroglitazar)

~ \$ 1.5bn

Global Revenues

Among top 5

Pharmaceutical companies in India

1st Company

To launch biosimilar of Adalimumab anywhere in the world

>16% CAGR

In global revenues and net profits (FY'11-FY'16)

16 brands

Among top 300 brands in India

21 Biosimilars

In pipeline, including 6 novel biologics

~20% CAGR

In net worth (FY'11-FY'16)

20000+ employees

Across the globe, with 1200+ for R&D

1220 patents

Filed globally

~ \$ 6 bn

 Market Cap

30 mfg. sites

Producing > 15bn pills annually

8 R&D Centers

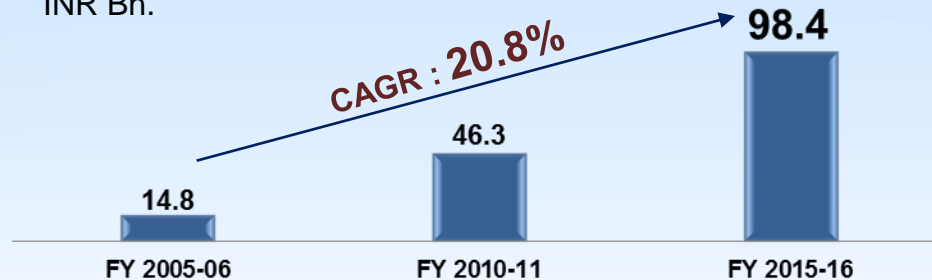
For NCE, APIs, Generic formulations, Biosimilars and Vaccines



Track Record of Value Creation...

**Total Income
from
Operations**

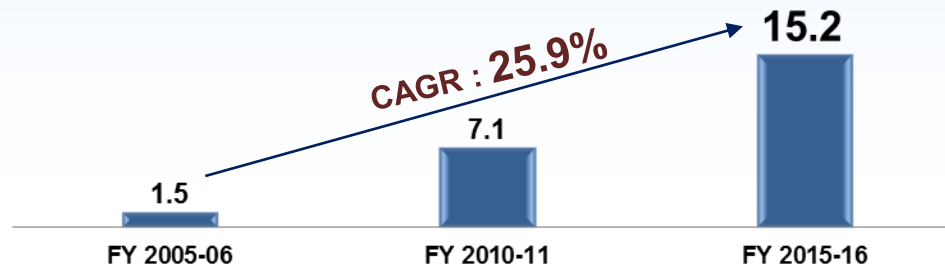
INR Bn.



... which gave us
**significant external
recognition**

Net Profit

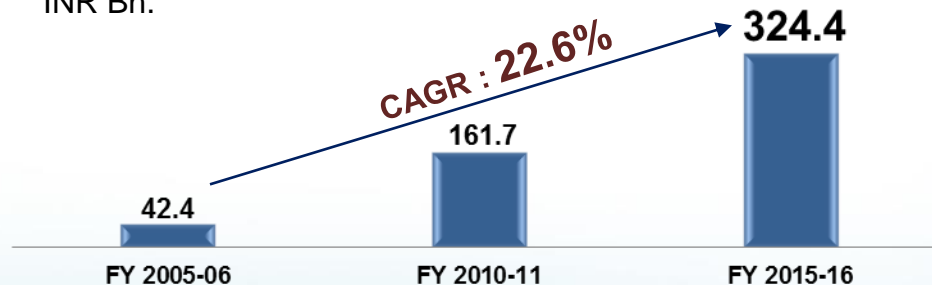
INR Bn.



**CII
Industrial
Innovation
Awards
2015**

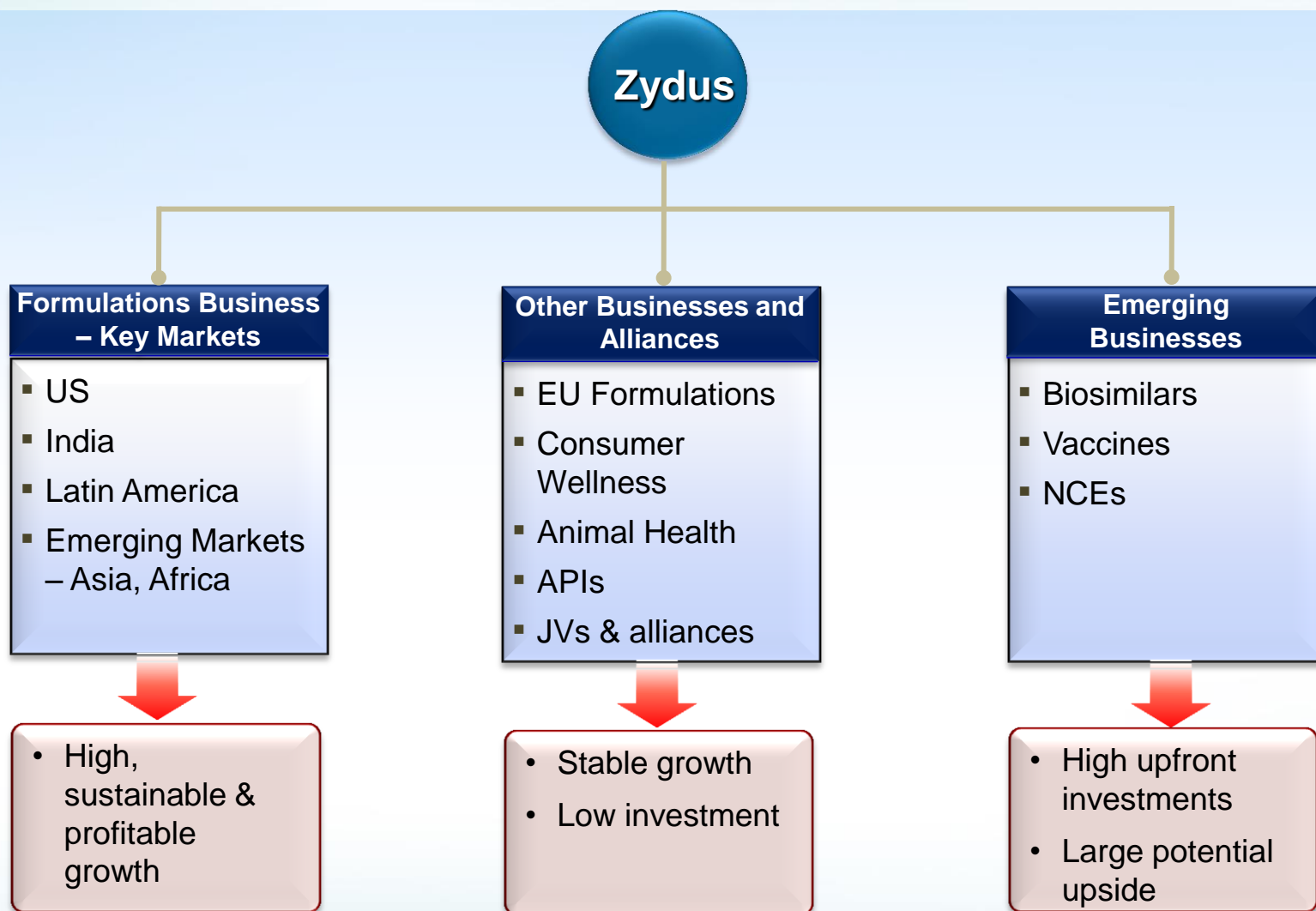
**Market
Capitalisation

INR Bn.



**CNBC –
TV 18
India
Innovator
Award 2013**

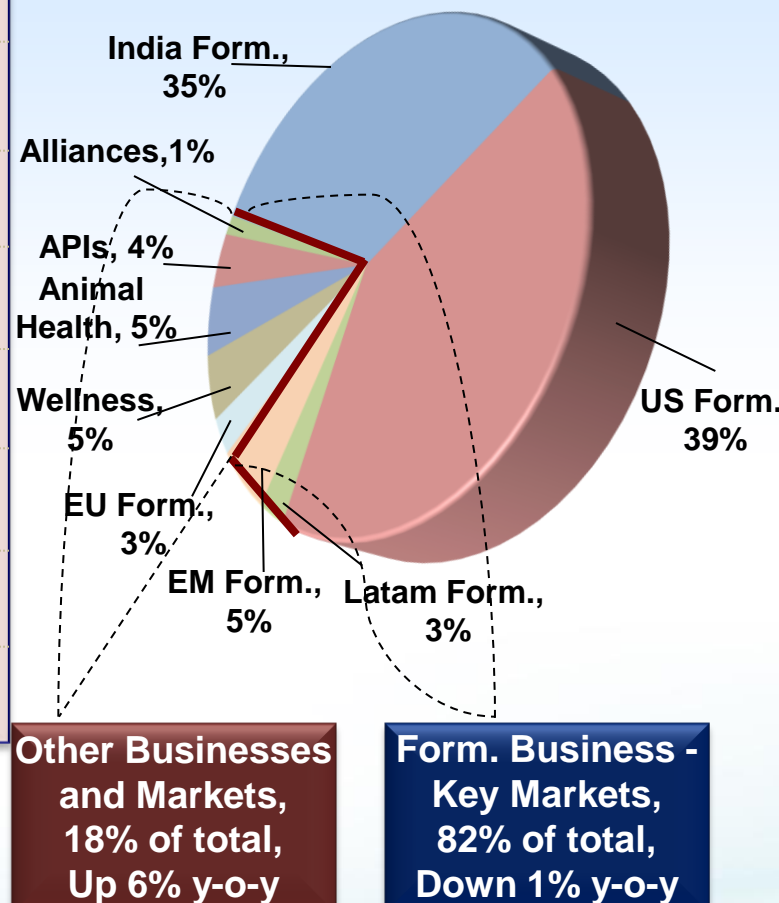
Key businesses for ZyNext journey



Key Financial Numbers – H1 2016-17

Consolidated (Rs. Mio.)	Amount	Gr.%
Total Income from Operations	47,366	-1.8%
EBIDT	10,399	-12.5%
EBIDT % to Income from Ops.	22.0%	
Profit before tax	8,752	-17.7%
PBT % to Income from Ops.	18.5%	
Net Profit	6,938	-25.8%
Net Profit % to Income from Ops.	14.6%	
R&D Spend % to Income from Ops.	6.6%	
Debt net of cash (as at 30-Sep-16)	18,363	
Capex (H1 2016-17)	7,022	

Segment-wise Gross Sales *



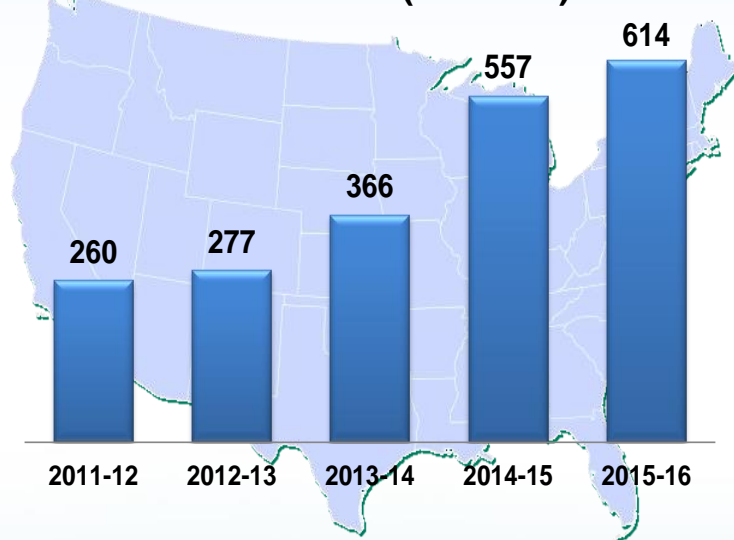
* Gross Sales = Rs. 46,491 Mio.

US formulations – 9th largest generic player (based on scripts)

Market size* : ~\$ 67 bn
Market growth* : -1%
Zydus size** : ~ \$ 614 mn
Zydus growth** : 10%

24% CAGR in Sales (Last 5 years)

Gross Sales (USD mn)



Aspirations

- Be amongst the top 10 generic cos. in US with continued strong focus on customer needs
- One of the significant contributors to revenues and profits

Strengths to be leveraged

- Sale of generic oral solids and injectable products
- Strong sales and marketing base – long-term relationships with large whole-sellers & retail chains
- Cost efficient manufacturing and supply chain
- Robust regulatory pipeline - 275+ ANDA fillings, 105+ approvals
- Alliance with innovator pharma companies for sale of authorized generics (AGs)
- 75+ products launched so far (incl. 9 AGs)
- Among top 3 for ~3/4th of the products marketed in US
- Ranked 9th among US generic companies based on scripts (Source : IMS MAT September,2016 Report).

US formulations – strong product pipeline

Growing Focus on Complex Generics

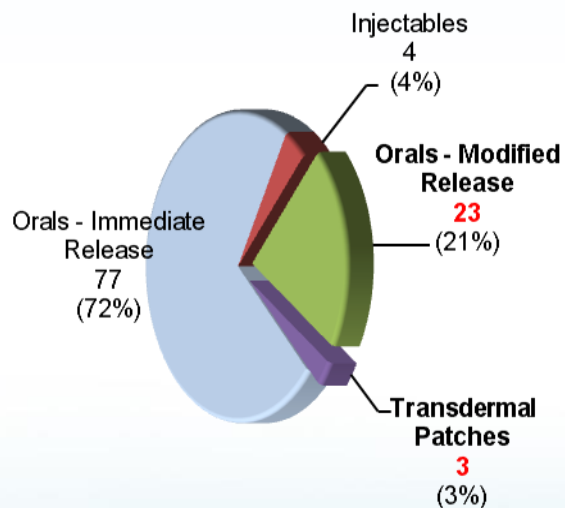
- Immediate Release Oral Solids
- Injectables
- Controlled Substances



- Modified Release Oral Solids
- Transdermals
- Topicals
- Nasal Sprays

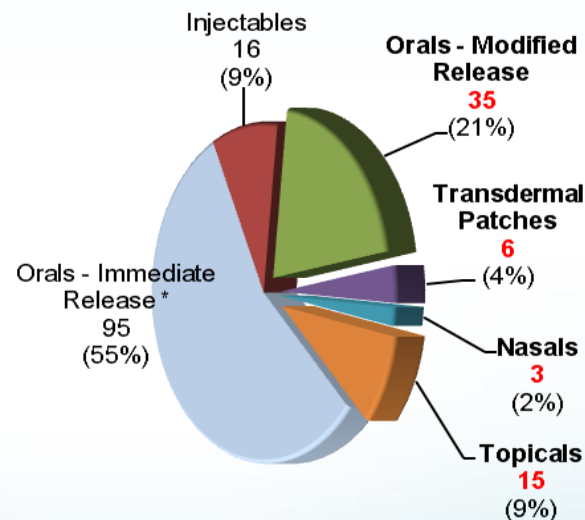
Total Approved ANDAs – 107⁽¹⁾

As on September 30, 2016



Total ANDAs Pending Approval – 170

As on September 30, 2016



India formulations – 4th largest player

Aspirations

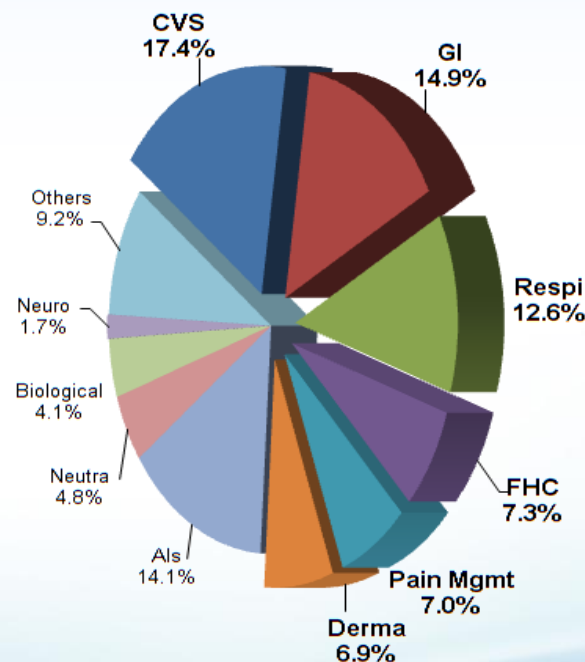
- Leadership in respiratory, female healthcare and pain mgt. area, among top 5 players in GI, CVS and derma
- Continue to be one of the significant contributors to revenues and profits

Strengths to be leveraged

- One of the largest market players with leading positions in key therapy areas
- Strong brand equity : 16 brands among top 300 in India
- New product launches : 35 during H1 2016-17 (incl. line extensions), with 8 First-in-India
- Alliances with global players for new product launches – Sovihep (Sofosbuvir)
- First company in the world, which launched –
 - Lipaglyn® (Saroglitazar in Q2 FY 14), the first NCE discovered and developed by an Indian company
 - Exemptia® (Q3 FY 15), world's first biosimilar of Adalimumab

Market size*	: Rs. 1030 bn+
Market growth*	: 11%
Zydus size**	: Rs. 43.5 bn+
Market Share**	: 4.2%
Zydus growth**	: 9%

Key therapies : ~66% of total sales#



CVS = Cardiovasculars
 GI = Gastro Intestinals
 Respi = Respiratory
 FHC = Female Healthcare
 Derma = Dermatology
 Als = Anti Infectives
 Neutra = Neutraceuticals
 Neuro = Neurologicals

Latin America formulations

Aspirations : To establish strong base with aggressive product launches

Brazil

Mkt. Size* :
~ **BR\$ 83 bn.**
Mkt. Gr. : ~ **5%**

- Presence in branded generics and generic generics segments with a continued focus on brand building initiatives
- Robust product pipeline from India - 96 filings, 45 approvals
- Focused segments (Branded) – female healthcare, hepatology, CNS, CVS, Nutraceuticals and Pain Mgt.
- Product launches : 25+ branded, 20+ generic generics

Mexico

Mkt. Size* :
~ **US\$ 8 bn.**
Mkt. Gr. : ~ **-8%**

- Focus therapy area (Branded) – CNS
- Building product pipeline from India – 40+ filings and 35+ approvals so far
- Commenced commercial operations in 2013 with launch of first product from India
- Launched 20 products in the market so far.

In overall Latin America :

Zydus Size** :
Rs. 2,177 mn
Zydus growth** : **24% in constant currency**

Emerging Markets formulations

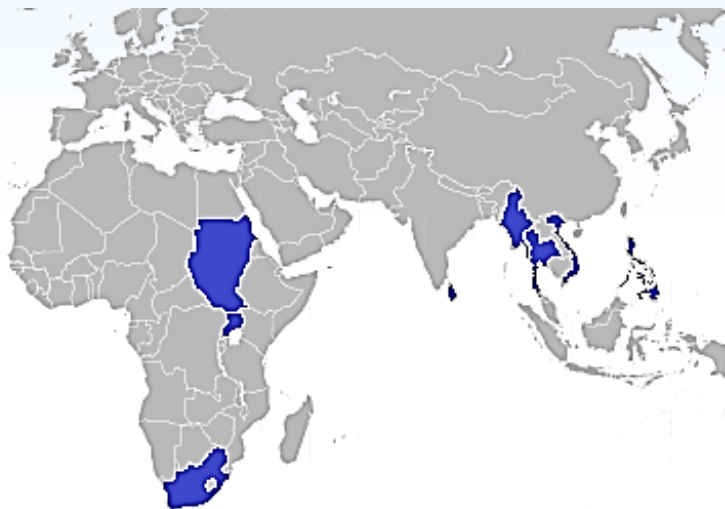
Market size* : ~ \$ 13 bn
Market growth* : ~ 12-13%
Zydus size** : Rs. 4,760 mn
Zydus growth** : 17%

Aspirations

- To strengthen the position in different markets of Asia and Africa

Strengths to be leveraged

- Operations in different markets of Asia Pacific and Africa and Middle East region with leadership position in several of these markets.
- Focus on brand building initiatives and strengthening branded generics portfolio to ensure sustainable growth in topline and bottomline.
- Increased product development activities supported by strong regulatory teams.
- Commenced biosimilars business in emerging markets by launching the first biosimilar viz. Pegihep in FY 2015-16.



Other businesses (1/2)

EU formulations

Mkt. Size* : ~Euro 5.4 bn (France + Spain Gx)
Mkt. Gr. : 4%
Zydus Size **: Rs. 2,956 mn
Zydus Gr. : -12%

Aspirations : To be a relevant player in generic markets of France and Spain

- Among top 10 in France, among top 20 in Spain
- Expansion through new products : launched ~150 molecules in France and ~110 molecules in Spain so far (incl. several 'Day 1')
- Leveraging India cost advantage : 200+ new products and 65+ site transfer filings so far, >50% of sales supplied from India

Consumer Wellness

Sugar Free
Zydus Size **: Rs. 4,570 mn
Zydus Gr. : 3%

Nutralite
Healthier than Butter

EverYuth

Aspirations : To create niches in wellness space through innovation

- Leadership in sugar substitutes (~94% market share) and in couple of sub-categories viz. scrub and peel-off of skin care products.
- Continued thrust on different marketing initiatives to grow the categories and market share of different brands.

Other Businesses (2/2)

Animal Health

Zydus Size *: **Rs. 3,169 mn**
Zydus Gr. : **3%**

Aspirations : To be a comprehensive, global animal healthcare provider

- One of India's leading animal healthcare players.
- Acquired select brands and manufacturing operations in India from Zoetis, a global animal healthcare company so as to expand business in India.
- Presence in key markets across Europe, South America, Asia and Africa through Bremer Pharma, Germany.

APIs

Zydus Size *: **Rs. 3,647 mn**
Zydus Gr. : **-2%**

Aspirations : To be a 'reliable' service provider to customers

- Backward integration capabilities to meet captive API requirements.
- Operations in India, US and select markets of Europe, Latin America, Asia Pacific and Middle East regions.
- Continuous endeavour to improve service levels by improving cost competitiveness and continuous process improvement.

Joint Ventures and Alliances – leveraging strengths

Aspirations : Value creation through win-win alliances and be a partner of choice

Zydus Takeda JV

- State-of-the-art mfg. facility for APIs of Takeda
- Expanded the facility to manufacture complex high-end APIs
- Commercial supply of 10 products (incl. 2 for validation)

Zydus Hospira JV

- State-of-the-art cytotoxic facility approved by leading authorities like MHRA, USFDA, TGA, Health Canada
- Commercial supply of 12 products for EU market and 8 products for US market

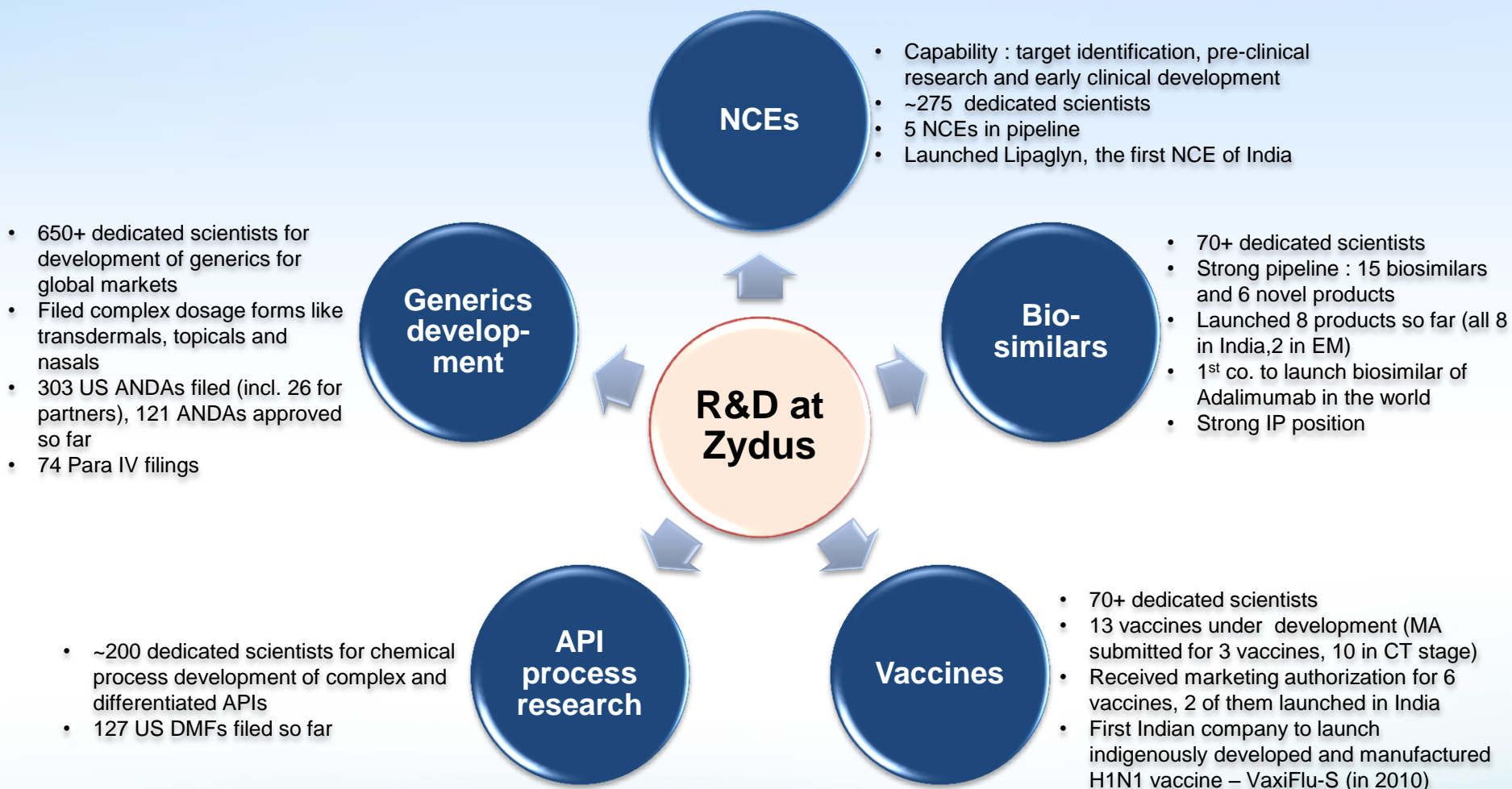
Bayer Zydus JV

- Operates in female healthcare, metabolic disorders, diagnostic imaging, CVS, diabetes and oncology segments in India
- Leveraging strengths of Bayer's optimized product portfolio and Zydus' marketing and distribution capabilities
- JV scope covers launch of innovator products of Bayer

Alliances with other partners

- 26 ANDAs filed for various partners, 14 approved, 11 commercialised.
- Received the first NDA approval from US FDA which was filed on behalf of a partner.
- Commercial supply of 14 products so far under the out-licensing deal with Abbott

Strong focus on R&D



Biosimilars and Vaccines – emerging businesses

Aspirations : Leverage technological edge to unlock substantial value and create pillars for future growth.

Strengths to be leveraged

Biosimilars

- Dedicated facilities for bulk and finished formulations
- 70+ experienced scientists
- Strong pipeline: 15 biosimilars and 6 novel products
- Strong IP position either through own patent or non-infringing processes

Vaccines

- Dedicated R&D and mfg. facilities
- 70+ experienced scientists
- 10 vaccines under different stages of clinical development
- Received MA for 6 vaccines in India, 3 vaccines submitted for MA

Biosimilar pipeline

No	Product	Indication	Cloning	Process Devp.	Pre-Clinical Devp.	Regulatory Permission	Clinical Devp.	Mktg. Authorisation
1	G-CSF	Oncology	LAUNCHED (in India)					
2	Peg G-CSF	Oncology						
3	IFN α -2b	Infectious diseases						
4	Teriparatide	Osteoporosis						
5	Adalimumab	Inflammation						
6	Trastuzumab	Oncology						
7	Peg IFN α -2b	Infectious diseases	Launched in India and EM (Myanmar)					
8	EPO	Oncology/Nephrology						
9	MAB 1	Oncology/RA						
10	MAB 2	Oncology						
11	Prod 1	AMI						
12	Prod 2	Fertility						
13	MAB 3	Rabies						
14	PEG-EPO	Nephrology						
15	Prod 3	Oncology						
16	MAB 4	Osteoporosis						
17	MAB 5	Oncology						
18	Prod 4	Oncology						
19	Prod 5	Oncology						
20	Prod 6	Oncology						
21	Prod 7	Complement mediated disease						

NCE Research

Aspirations : Add more NCEs in pipeline to drive towards becoming a research based pharma co. by 2020

Key strengths

- State-of-the art research facility
- Capability of target identification to pre-clinical research / early clinical development
- ~275 scientists dedicated for NCE research
- Strong scientific advisory board comprising of world's renowned scientists, academicians and clinicians



Zydus
dedicated to life

NCE Pipeline

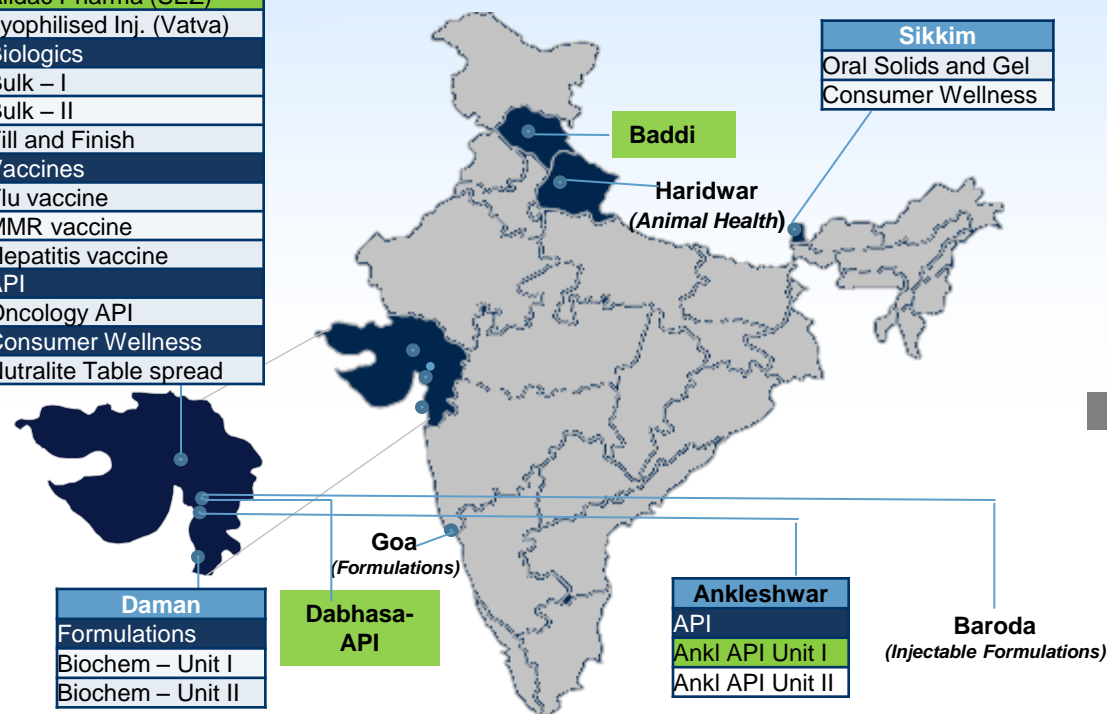
Project	Target	Indication	Drug Discovery	Lead optimisation	Pre-clinical Development	IND	Phase I	Phase II	Phase III	NDA
Saroglitazar	PPAR- α , γ	Dyslipidemia	First glitazar to be approved in the world. Launched in India as "LIPAGLYN"							
Saroglitazar	PPAR- α , γ	Hypertriglyceridemia	First glitazar to be approved in the world. Launched in India as "LIPAGLYN"							
Saroglitazar	PPAR- α , γ	Lipodystrophy								
Saroglitazar	PPAR- α , γ	Nonalcoholic Steatohepatitis								
Saroglitazar	PPAR- α , γ	Type 2 Diabetes								
Saroglitazar	PPAR- α , γ	Hypertriglyceridemia	Clinical trials going on in US							
Saroglitazar	PPAR- α , γ	Nonalcoholic Steatohepatitis	Clinical trials going on in US							
ZYH7	PPAR- α	Dyslipidemia								
ZYDPLA1	DPP-IV inhibitor	Type 2 Diabetes	Clinical trials going on in US							
ZYAN1	HIF - inhibitor	Anemia								
ZYTP1	PARP - inhibitor	Oncology								



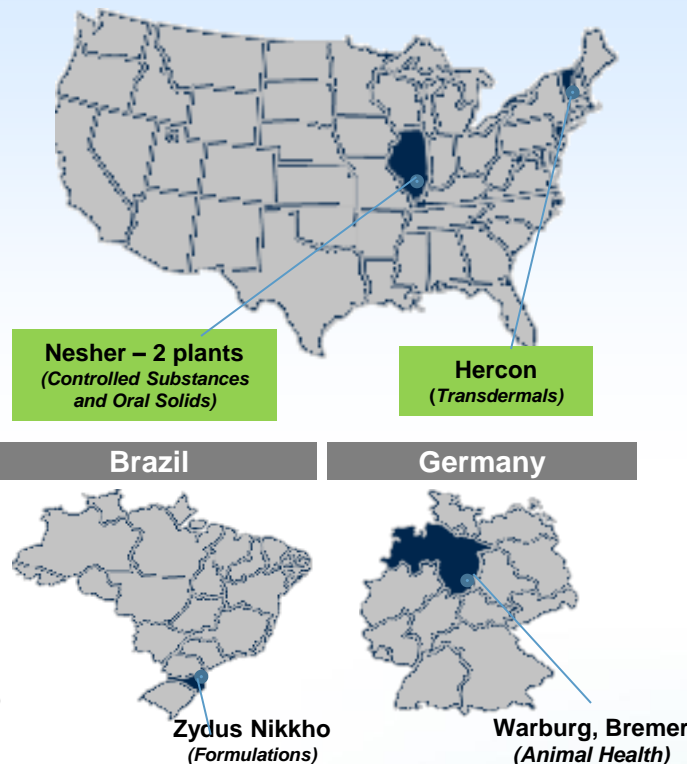
World class infrastructure to support ZyNext journey

Ahmedabad
Formulations
Oral Solids (Moraiya)
Oral Solids (SEZ)
Topicals
Transdermal (SEZ)
Alidac Pharma (SEZ)
Lyophilised Inj. (Vatva)
Biologics
Bulk – I
Bulk – II
Fill and Finish
Vaccines
Flu vaccine
MMR vaccine
Hepatitis vaccine
API
Oncology API
Consumer Wellness
Nutralite Table spread

India



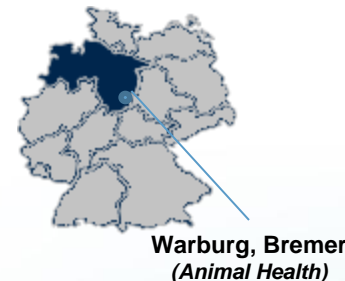
U.S.



Brazil



Germany



Total facilities – 30 (Formulations – 16, APIs – 4, Vaccines – 3, Biosimilars – 3, Consumer – 2, Animal Health – 2)

Total facilities inspected by US FDA – 11 (Formulations – 9, APIs – 2)

Key strategies for ZyNext journey

1

Strong execution focus for the U.S. market; drive growth with continuous focus on product launches

2

Focus on difficult to develop and manufacture and specialty products to improve margins

3

In India, focus on high growth Therapeutic Areas, outperform the domestic market and improve operational efficiency through increasing sales force productivity and technological advancement

4

Leverage strong platform of biosimilars and vaccines business

5

Select inorganic growth to expand in India, U.S. and Emerging Markets, acquire capability platforms and move forward in value chain on specialty and branded business



Thank You.

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