



Cadila Healthcare Limited Investor Presentation

August 2014



Well integrated pharma player with global footprints

>60 years

Operational
experience

\$ 1 bn +

Global Revenues

~ 7% of sales

Spent on R&D annually

20+ mfg. sites

Producing >14
bn pills annually

>20% CAGR

In Net Worth and Net
Profits
(FY '09 – FY '14)

1st Indian Company

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

16,000+ employees

Across the globe,
with 1100+ for R&D

~ 20% CAGR

In Sales
(FY '09 – FY '14)

20 Biosimilars

In pipeline, including 3
novel biologics

Among top 5

Pharmaceutical
Companies in India

15 brands

Among top 300
brands in India

1070+ patents

Filed globally

8th largest

Generic co. in US in
terms of prescriptions

\$ 3.5 bn +

Market Cap

History of achieving milestones consistently



35 fold growth
in sales over
last 19 years...

2000
Rs.
1000
cr

2006
\$400
mn

2010
\$1
bn

...with significant
external
recognition

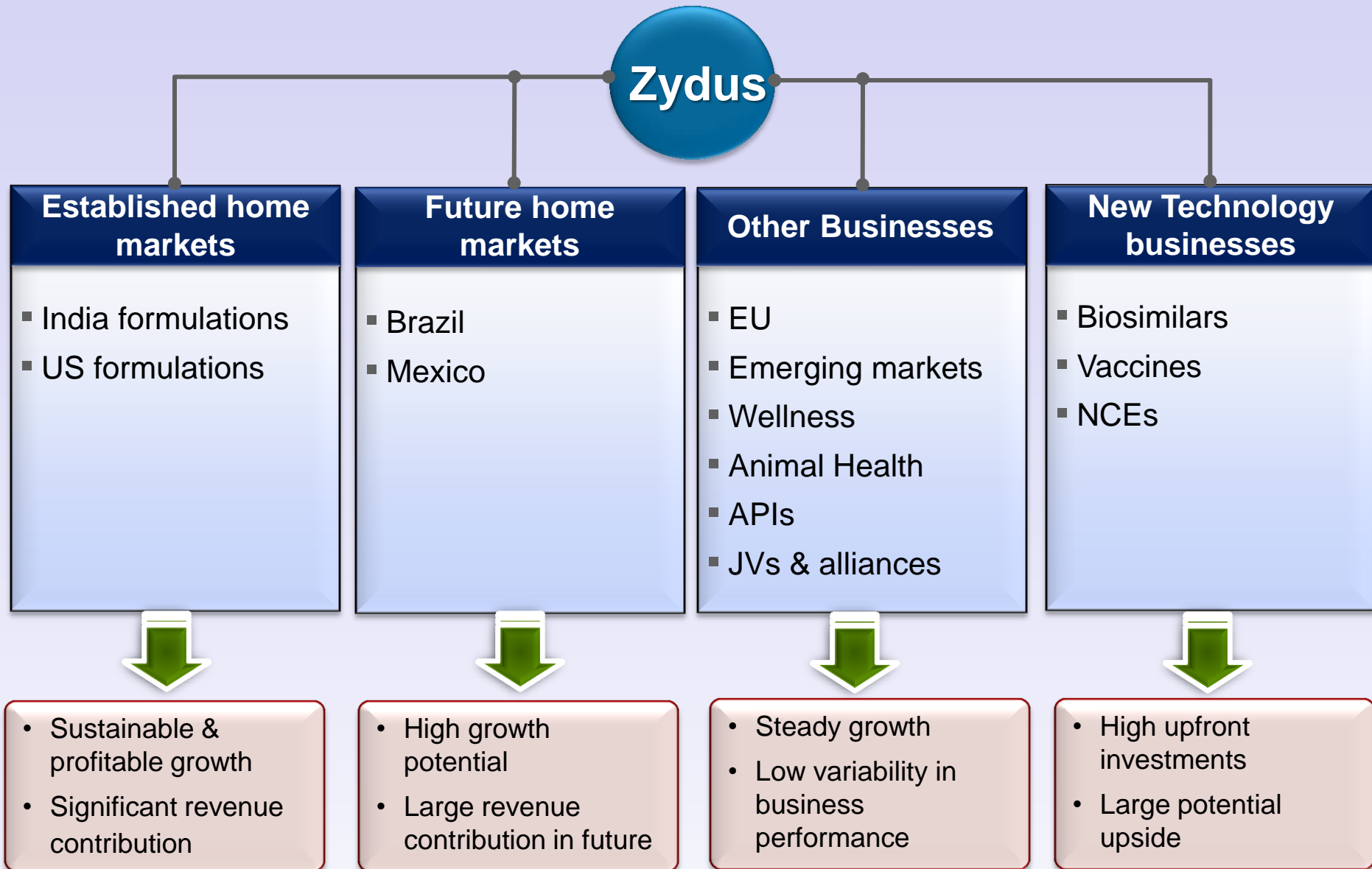
Rs. 200 cr.
in 1995

Annual Sales

CNBC – TV 18
India innovator Award 2013

Economic Times Emerging
Company of the year 2010

Key businesses for our journey Beyond the Billion



India formulations

Aspirations

- Maintain strong leadership position in key areas – CVS, GI, respiratory, female healthcare, dermatological.
- 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
- Gained 2 positions in dermatological segment – from 6th last year to 4th rank
- Strong brand equity : 15 brands among top 300 in India
- New product launches : 19 during Apr-Jun 14 (incl. line extensions), with 6 First-in-India
- Launched Lipaglyn (Saroglitazar) in Q2 FY 14, the first NCE discovered and developed indigenously by an Indian Pharma company

Market size*	: Rs. 775 bn+
Market growth*	: 7%
Zydus size**	: Rs. 33.3 bn+
Market Share*	: 4.3%
Zydus growth**	: 8%

A first for the nation



* All market related information sourced from AWACS MAT Jun-14

** Zydus numbers including Biochem as reported by AWACS MAT Jun-14

US formulations

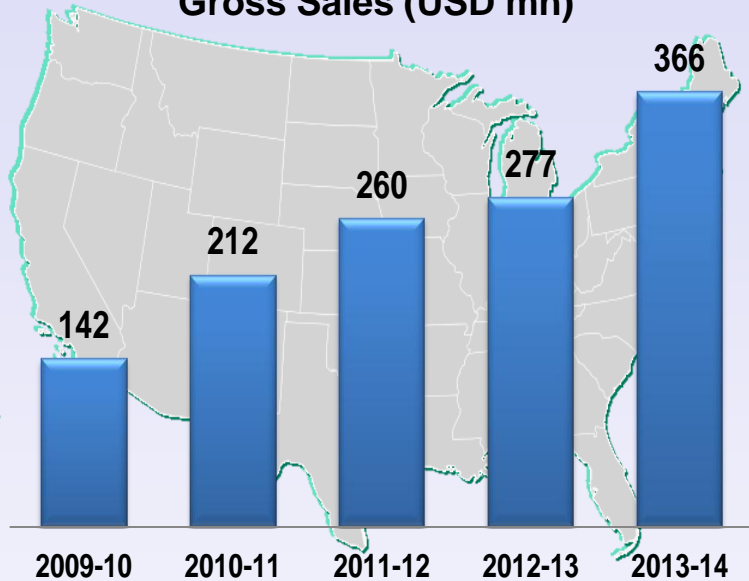
Market size* : ~\$ 50 bn
Market growth* : 10%+
Zydus size** : ~ \$ 366 mn
Zydus growth** : 32%

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

33%+ CAGR in Sales (Last 5 years)

Gross Sales (USD mn)



Strengths to be leveraged

- Ranked 8th (from 10th in last year) among US generic companies based on scripts (Source : IMS).
- 'Preferred supplier' for our customers - received 'Service Level Excellence' award from a large US whole-seller for highly efficient service levels
- Robust regulatory pipeline
 - Increasing focus on complex and niche products
 - Dosage forms - oral solids, injectables, nasals, topicals, transdermals.
 - 225+ ANDA fillings, 80+ approvals so far
 - 60+ launches so far (incl. AGs).

* Approx. numbers as per IMS Report

** Zydus numbers includes that of Neshor and Hercon, as reported in books, for FY 2013-14

Brazil

Market size* : ~ \$ 18 bn
Market growth* : 12-14%
Zydus size** : Rs. 2,353 mn
Zydus growth** : -1%



Aspirations

- To establish strong base with aggressive product launches

Strengths to be leveraged

- Presence in branded generics and generic generics segments with a continued focus on brand building initiatives
- Local manufacturing site
- Robust product pipeline from India – 100+ filings, 40 approvals
- Focused segments (Branded) – female healthcare, hepatology, CNS, CVS and Nutraceuticals
- Product launches : 20+ branded, 15+ generic generics

* Approx. numbers as per IMS Report

** Zydus numbers as reported in books for FY 2013-14

Mexico

Market size* : ~ US\$ 10 bn
Market growth* : 2-3%
Zydus size** : Rs. 109 mn



Aspirations

- To establish strong base with aggressive product launches.

Strengths to be leveraged

- Focused segments (Branded) – CNS, metabolic disorders and respiratory
- Building product pipeline from India – 35+ filings and 15 approvals so far.
- Commenced commercial operations in June 2013 with the launch of first product in the market from India
- Launched 9 products in the market so far

• Approx. numbers as per IMS Report

** Zydus numbers as reported in books for FY 2013-14

Other Global Markets

Aspirations : To be amongst the leading players in these generics markets

EU

Mkt. Size* : ~\$ 6.5 bn
(France + Spain Gx)
Mkt. Gr. : 2-3%
Zydus Size **:
Rs. 3,902 mn
Zydus Gr. : 6%

- 8th largest in France, among top 20 in Spain
- Expansion through new products : launched 115+ molecules in France and 80+ molecules in Spain so far (incl. several 'Day 1')
- Leveraging India cost advantage : 175+ new products and 65+ site transfer filings so far, >40% of sales supplied from India

Emerging Mkts.

Mkt. Size* : ~\$ 13 bn
Mkt. Gr. : 12-13%
Zydus Size **: **Rs. 3,592 mn**
Zydus Gr. : 15%

- Operations in different markets of Asia Pacific and Africa with leadership positions in several of these markets
- Consolidated the Branded Generic business in the key markets of Asia Pacific, Africa and Middle East
- Increased product development activities supported by strong regulatory teams

* Approx. numbers as per GERS Report for Europe and as per EvaluatePharma for emerging markets

** Zydus numbers as reported in books for FY 2013-14

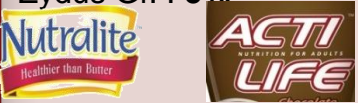
Other Businesses

Wellness



Zydus Size **: **Rs. 4,296 mn**

Zydus Gr. : 5%



Aspirations : To create niches in wellness space through innovation

- Leadership in sugar substitutes (~93% market share) and peel-off and scrub range for skin-care in India
- Continuous thrust on new product launches with launch of several products under EverYuth brand and launch of low priced Nutralite yummy.
- Recently completed significant re-organization of sales and distribution model in order to ensure continued growth in future.

Animal Health

Zydus Size **: **Rs. 2,754 mn**

(incl. Bremer)

Zydus Gr. : 17%

Aspirations : To be a comprehensive, global animal healthcare provider

- One of India's leading animal healthcare co with wide range of drugs, feed supplements and vaccines for livestock, companion animals and poultry
- Presence in key markets across Europe, South America, Asia and Africa through Bremer Pharma, Germany

APIs

Zydus Size **: **Rs. 3,497 mn**

Zydus Gr. : 13%

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

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 Nycomed
- Commissioned the expanded facility to manufacture complex high-end APIs
- Commenced mfg. and supply of 10 products so far (incl. 4 for validation)

Zydus Hospira JV

- State-of-the-art cytotoxic facility approved by leading authorities like MHRA, USFDA, TGA, Health Canada
- Commercial supplies commenced for :
 - EU (6 products) and US (4 products)
 - Expanded scope of collaboration to cover additional products

Bayer Zydus JV

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

Out-licensing deal with Abbott

- Licensed 30+ products for ~18 key emerging markets
- Commenced commercial supply of products under the deal and shipped 8 products so far.



Biosimilars and Vaccines

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

Strengths to be leveraged

Biosimilars

- Dedicated facilities for R&D and mfg.
- 170+ experienced scientists
- Strong pipeline: 17 biosimilars and 3 novel products
- Strong IP position either through own patent or non-infringing processes

Vaccines

- Dedicated facilities for R&D and mfg.
- 60+ experienced scientists
- 10 vaccines under different stages of development

Biosimilar pipeline

Product	Indication	Cloning	Process Devp.	Pre-Clinical Devp.	Regulatory Permission	Clinical Devp.	Mktg. Authorisation
G-CSF	Oncology	LAUNCHED (in India)					
Peg G-CSF	Oncology						
IFN α -2b	Infectious diseases						
Peg IFN α -2b	Infectious diseases						
EPO	Oncology/Nephrolog						
Teriparatide	Osteoporosis						
IFN β 1b	Multiple Sclerosis						
Prod 1	Nephrology	[Progress bar]					
Prod 2	Rheumatoid Arthritis	[Progress bar]					
MAB 1	Oncology/RA	[Progress bar]					
MAB 2	Inflammation	[Progress bar]					
MAB 3	Oncology	[Progress bar]					
MAB 4	Oncology	[Progress bar]					
Prod 3	AMI	[Progress bar]					
Prod 4	Fertility	[Progress bar]					
Prod 5	Fertility	[Progress bar]					
Prod 6	Fertility	[Progress bar]					
MAB 5	Rabies	[Progress bar]					
PEG-EPO	Nephrology	[Progress bar]					
Prod 7	Oncology	[Progress bar]					

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
- 300+ scientists dedicated for NME research

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	Lipodystrophy								
Saroglitazar	PPAR- α , γ	Non-alcoholic Steatohepatitis								
ZYH7	PPAR- α	Dyslipidemia								
ZYG19	GPR 119 Agonist	Diabetes								
ZYDPLA1	DPP-IV inhibitor	Diabetes								



World class infrastructure to support growth journey

Formulations Mfg.



Oral Solids (India)

- Ahmedabad (USFDA)
- Baddi (USFDA)
- Goa
- Sikkim
- Ahmedabad SEZ (onco. and others)
- Daman (Biochem)

Oral Solids (outside India)

- US (Nesher Pharma – controlled substances)
- Brazil
- Germany (animal health)

Other dosage forms (India)

- Transdermals – Ahmedabad SEZ
- Topicals – Ahmedabad
- Vaccines Mfg. - Ahmedabad

API Mfg.



- Ankleshwar (USFDA)
- Dabhasa (USFDA)
- Oncology API, Ahmedabad (USFDA)
- Biologics active substances and MABs, Ahmedabad

Mfg. facilities for partners



- Cytotoxic Injectable for Hospira JV – Ahmedabad SEZ (USFDA)
- API facility for Nycomed JV - Mumbai
- Cytotoxic Injectable for BSV JV – Ahmedabad SEZ

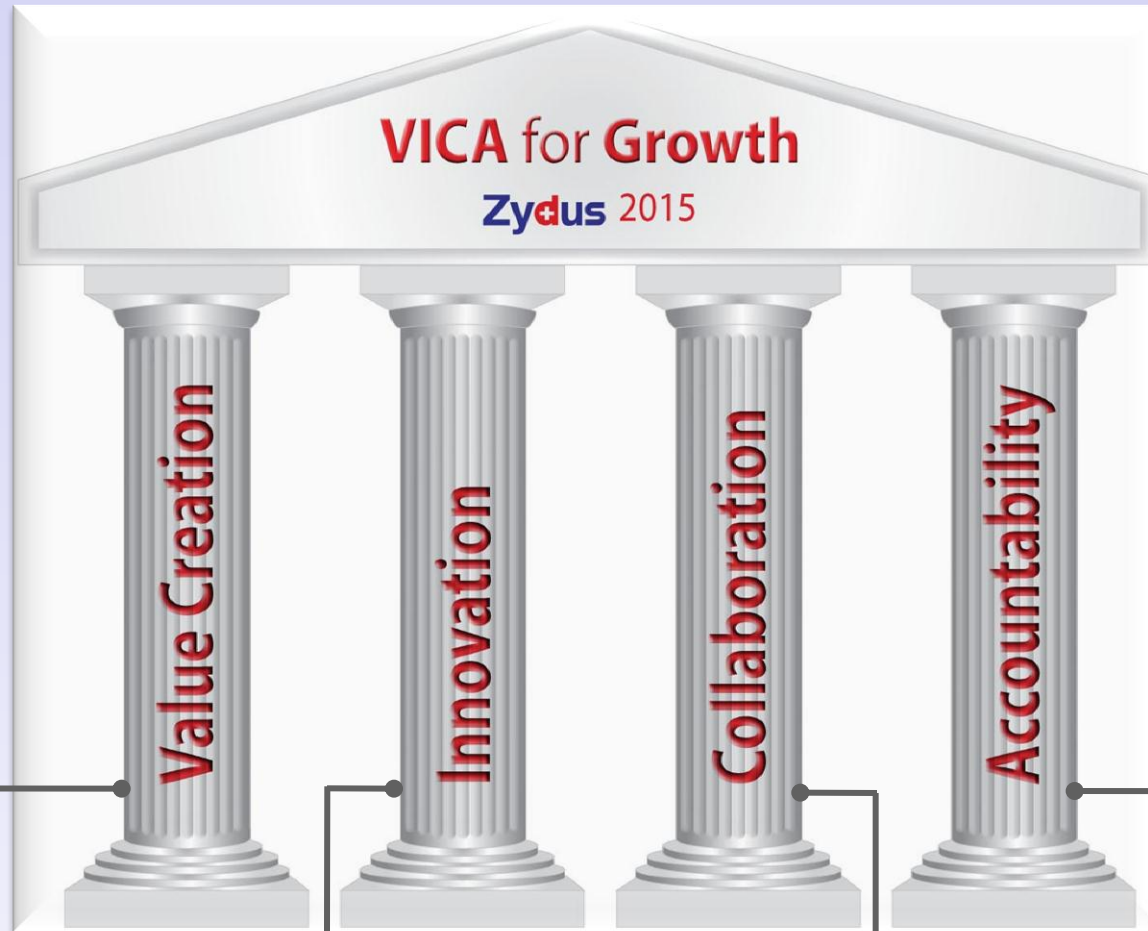
Product Development



- Formulations Development, Ahmedabad (400+ scientists)
- API Process Research, Dabhasa (200+ scientists)
- Biosimilars and Vaccine Research, Ahmedabad (200+ scientists)

Pillars of Organisational Health

Continuous endeavour to improve overall organisation health in four key areas



Creating value and developing talent across the organisation

Enhancing bottom-up innovation across the organisation

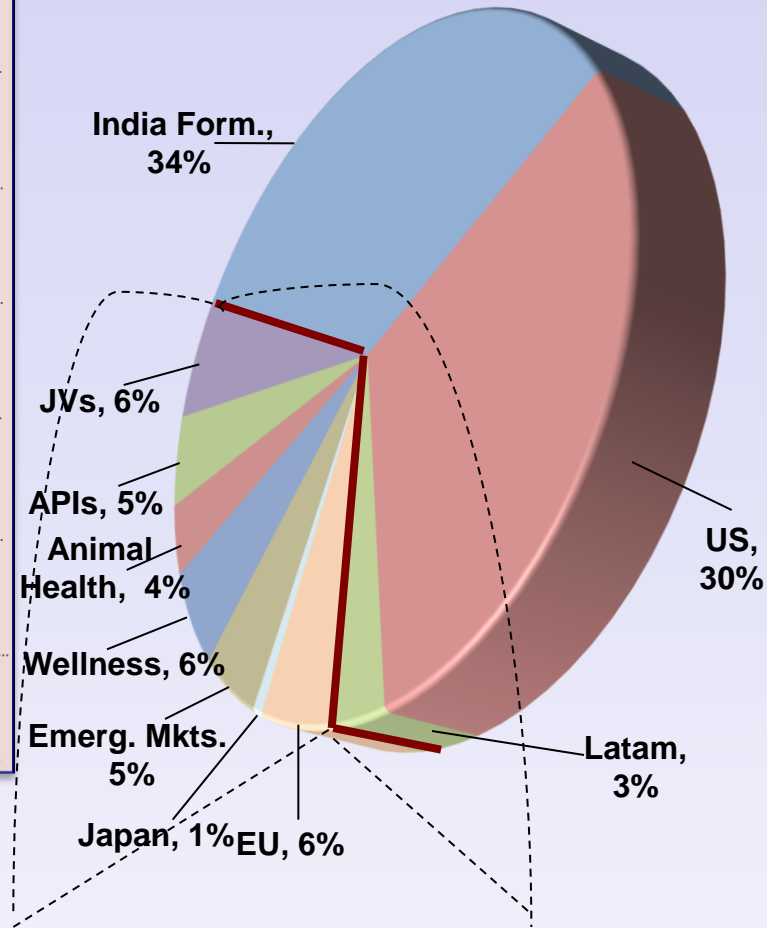
Promoting collaboration across businesses and functions

Strengthening accountability by proper performance management

Key Financial Numbers – FY 2013-14

Segment-wise Gross Sales

Consolidated (Rs. Mio.)	Amount	Gr.%
Total Income from Operations	72,240	13.6%
EBIDT	12,002	6.7%
EBIDT % to Income from Ops.	16.6%	
Profit before tax ¹	9,594	18.6%
PBT % to Income from Ops.	13.3%	
Net Profit ¹	8,189	25.3%
Net Profit % to Income from Ops.	11.3%	
Debt net of cash (31-Mar-14)	21,516	
Capex (FY 2013-14)	4,660	



**Other Markets,
33% of total,
Up 5% y-o-y**

**Home Markets,
67% of total,
Up 20% y-o-y**

¹ Excludes exceptional items.

Thank You.



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