



Cadila Healthcare Limited Investor Presentation

February 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 >13
bn pills annually

>20% CAGR

In Sales and Net
Profits
(FY '08 – FY '13)

1st Indian Company

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

15,000+ employees

Across the globe,
with 1050+ for R&D

~ 23% CAGR

In Net Worth
(FY '08 – FY '13)

21 Biosimilars

In pipeline, including 2
novel biologics

Among top 5

Pharmaceutical
Companies in India

20 brands

Among top 300
brands in India

950+ patents

Filed globally

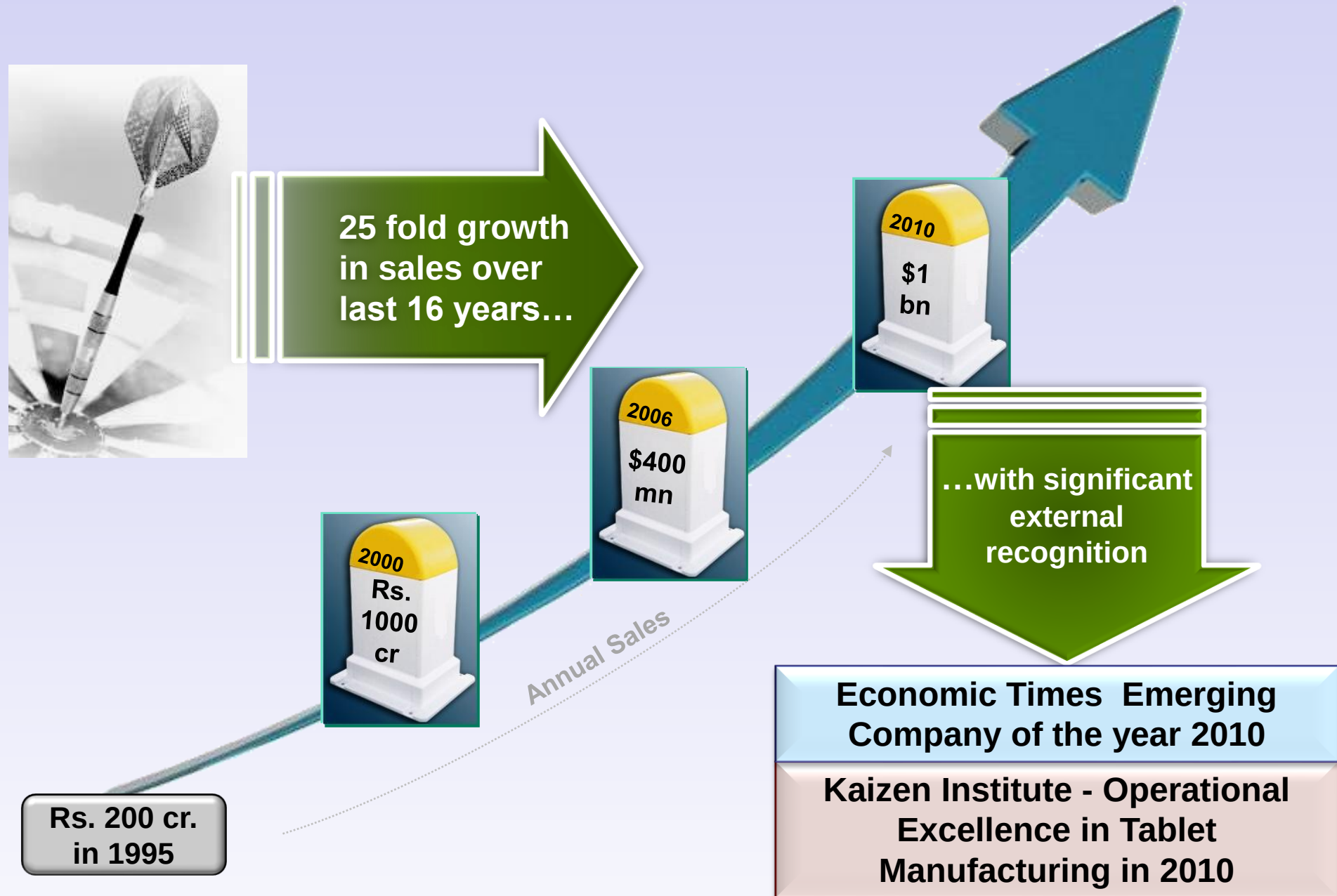
10th largest

Generic co. in US in
terms of prescriptions

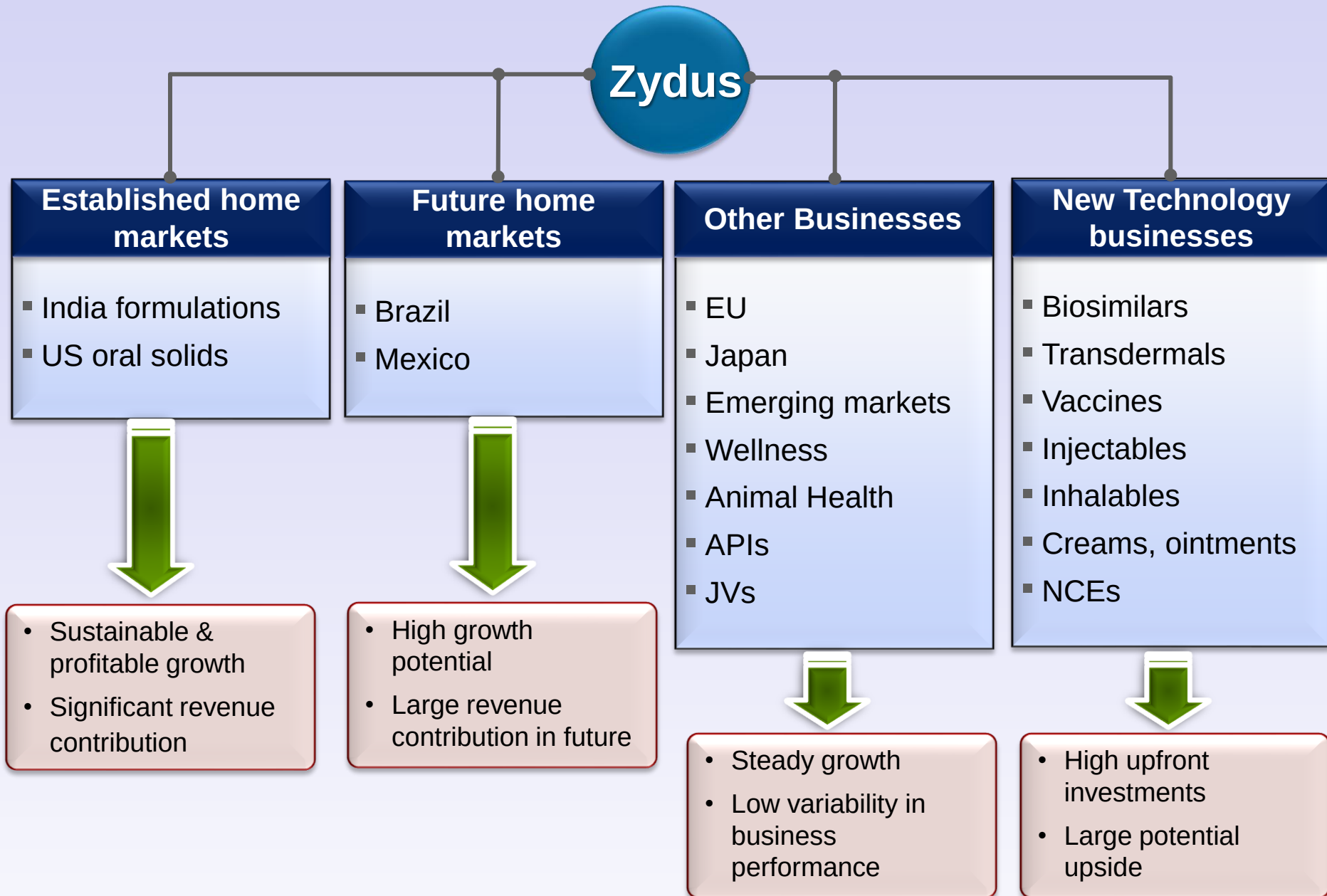
\$ 3 bn +

Market Cap

History of achieving milestones consistently



Key businesses for our journey Beyond the Billion



India formulations

Aspirations

- Maintain strong leadership position in key areas – CVS, GI, respiratory, female healthcare
- 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 : 20 brands among top 300 in India
- New product launches : 55 during Apr-Dec 13 (incl. line extensions), with 11 First-in-India
- Recently launched Lipaglyn (Saroglitazar), the first NCE discovered and developed indigenously by an Indian Pharma company

Market size*	: Rs. 730 bn+
Market growth*	: 6%
Zydus size**	: Rs. 32.5 bn+
Market Share*	: 4.4%
Zydus growth**	: 11%

A first for the nation



* All market related information sourced from AIOCD AWACS MAT Dec-13

** Zydus numbers including Biochem as reported by AIOCD AWACS MAT Dec-13

US Oral Solids

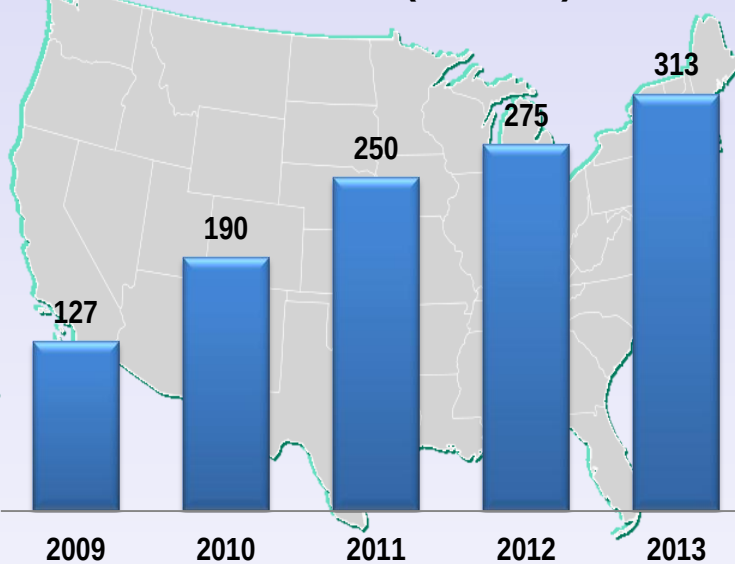
Market size* : >\$ 50 bn
Market growth* : 15-17%
Zydus size** : ~ \$ 313 mn
Zydus growth** : 14%

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

32%+ CAGR in Sales (Last 5 years)

Gross Sales (USD mn)



Strengths to be leveraged

- Among top 3 for 2/3rd of the products marketed in US
- Highly efficient service levels, making us the 'Preferred supplier' for our customers
- Robust regulatory pipeline, with increasing focus on complex and niche products.
- 35 ANDA filings for oral solids (out of total 54 for all dosage forms) done in 2013.
- 170+ ANDA filings, 70+ approvals and 50+ product launches so far in the oral solids space
- Neshor – Filed first ANDA in Q3 FY 14. Two products already in the market.

* Approx. numbers as per IMS Report

** Zydus numbers includes Neshor, as reported in books, for CY 2013

Brazil

Market size* : >\$ 16 bn
Market growth* : 12-14%
Zydus size** : Rs. 2,367 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 CY 2013

Mexico

Market size* : ~ US\$ 10 bn
Market growth* : 8-10%



Aspirations

- Build a profitable business in 2015
- 40+ product launches and 60 + filings by 2015

Strengths to be leveraged

- Focused segments (Branded) – CNS, metabolic disorders and respiratory
- Building product pipeline from India – 35+ filings and 7 approvals so far.
- Commenced commercial operations in June 2013 with the launch of first product in the market from India
- Launched 6 products in the market so far

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. : 15-18%
Zydus Size **: **Rs. 4,017 mn**
Zydus Gr. : 17%

- 9th largest in France, among top 20 in Spain
- Expansion through new products : launched 110+ molecules in France and 80+ molecules in Spain so far (incl. several 'Day 1')
- Leveraging India cost advantage : 170+ new products and 60+ site transfer filings so far, >40% of sales supplied from India

Emerging Mkts.

Mkt. Size* : >\$ 13 bn
Mkt. Gr. : 12-13%
Zydus Size **: **Rs. 3,668 mn**
Zydus Gr. : 38%

- Operations in 8 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, as per IMS for Japan and as per EvaluatePharma for emerging markets

** Zydus numbers as reported in books for CY 2013

Other Businesses

Wellness



Zyodus Size **: **Rs. 4,306 mn**
Zyodus Gr. : **11%**



Aspirations : To create niches in wellness space through innovation

- Leadership in sugar substitutes (~94% market share) and peel-off and scrub range for skin-care in India
- Continuous thrust on new product introductions with the launch of Fairness Peel-off and Neem 3 in 1 under the EverYuth brand and launch of low priced Nutralite “Yummy”.

Animal Health

Zyodus Size **: **Rs. 2,603 mn**
(incl. Bremer)
Zyodus Gr. : **10%**

Aspirations : To be a comprehensive, global animal healthcare provider

- One of India's leading animal healthcare co.
- 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

Zyodus Size **: **Rs. 3,417 mn**
Zyodus Gr. : **15%**

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 5 products so far.



Biosimilars

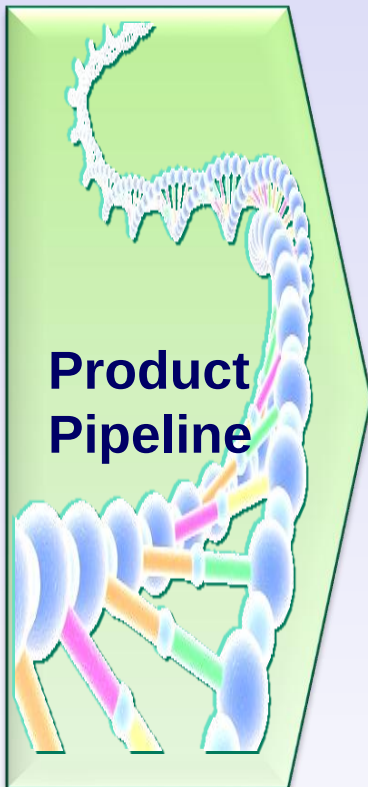
Aspirations :

Drive substantial business by 2015 through...

- Marketing in India and emerging markets
- Licensing / co-development for advanced markets

Strengths to be leveraged

- Dedicated facility for product development and mfg.
- 170+ experienced scientists
- Strong pipeline: 19 biosimilars and 2 novel products
- Strong IP position either through own patent or non-infringing processes



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	Peg IFN α -2b	Infectious diseases						
5	EPO	Oncology/Nephrology						
6	Teriparatide	Osteoporosis						
7	IFN β 1b	Multiple Sclerosis						
8	Prod 1	Nephrology						
9	Prod 2	Rheumatoid Arthritis						
10	MAB 1	Oncology/RA						
11	MAB 2	Inflammation						
12	MAB 3	Oncology						
13	MAB 4	Oncology						
14	Prod 3	AMI						
15	Prod 4	Fertility						
16	Prod 5	Fertility						
17	Prod 6	Fertility						
18	MAB 5	Rabies						
19	PEG-EPO	Nephrology						
20	Prod 7	Oncology						
21	MAB 6	Ophthalmology						

New Technologies

Aspirations : To be a leading market player in complex technologies



Transdermals

- State-of-the-art product development and manufacturing facility set-up in SEZ near Ahmedabad
- 6 patches already filed with US FDA
- Several other patches under development



Vaccines

- Fully approved Vaccine Technology Center in India with 60+ dedicated scientists
- 1st Indian co. to launch H1N1 vaccine
- Several vaccines under different stages of development
- Dedicated manufacturing capabilities built for several vaccines

Injectables, Inhalables, Ointments

- Building product pipeline : ANDAs filed with US FDA for
 - 31 injectables (including 19 for a partner) and 6 nasal products
 - 8 ointments
- 10 approvals for injectables so far (9 for partner and 1 for own), production and supply of 9 of them (incl. own product) have commenced

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
- 400+ scientists dedicated for NME research

NCE Pipeline

Project	Target	Indication	Drug Discovery	Lead optimi-saiton	Pre-clinical Develop-ment	IND	Phase I	Phase II	Phase III	NDA
Saro-glitazar	PPAR- α , γ	Dyslipidemia	First glitazar to be approved in the world. Launched in India as "LIPAGLYN"							
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
- Japan
- 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 (150+ scientists)
- Vaccine Research, Ahmedabad (60+ scientists)

Pillars of Organisational Health

Key initiatives identified to improve overall organisation health in four key areas.



Creating value and developing talent across the organisation

Enhancing bottom-up innovation across the organisation

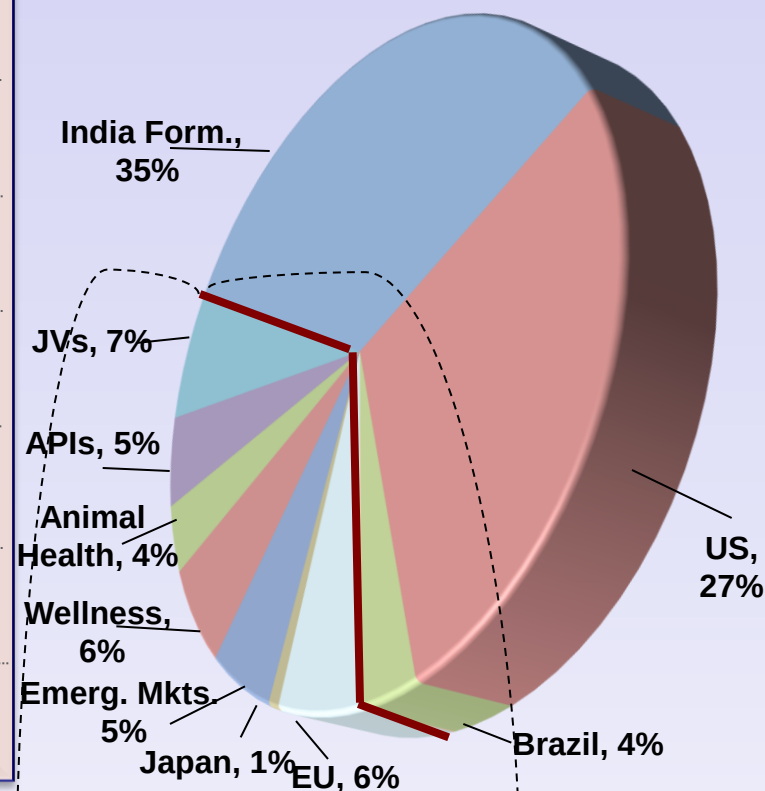
Promoting collaboration across businesses and functions

Strengthening accountability by proper performance management

Key Financial Numbers – CY 2013

Segment-wise Gross Sales

Consolidated (Rs. Mio.)	Amount	Gr.%
Total Income from Operations	68,671	11.8%
EBIDT	11,275	0.5%
EBIDT % to Income from Ops.	16.4%	
Profit before tax	8,771	7.4%
PBT % to Income from Ops.	12.8%	
Net Profit	8,266	47.0%
Net Profit % to Income from Ops.	12.0%	
Debt net of cash (31-Dec-13)	24,047	
Capex (CY 2013)	5,804	



**Steady growth Markets,
34% of total,
Up 10% y-o-y**

**Home Markets,
66% of total,
Up 15% y-o-y**

Thank You.

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