



Cadila Healthcare Limited Investor Presentation

May 2015



Well integrated pharma player with global footprints

>60 years

Operational
experience

~ \$ 1.4 bn

Global Revenues

~ 7% of sales

Spent on R&D annually

20+ mfg. sites

Producing >15
bn pills annually

>18% CAGR

In Gross Sales and
Net Profits
(FY '10 – FY '15)

1st Indian Company

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

> 20% CAGR

In Net Worth
(FY '10 – FY '15)

1st Company

To launch biosimilar of
Adalimumab anywhere
in the world

24 Biosimilars

In pipeline, including 4
novel biologics

16,000+ employees

Across the globe,
with ~1200 for R&D

Among top 5

Pharmaceutical
Companies in India

13 brands

Among top 300
brands in India

8th largest

Generic co. in US in
terms of prescriptions

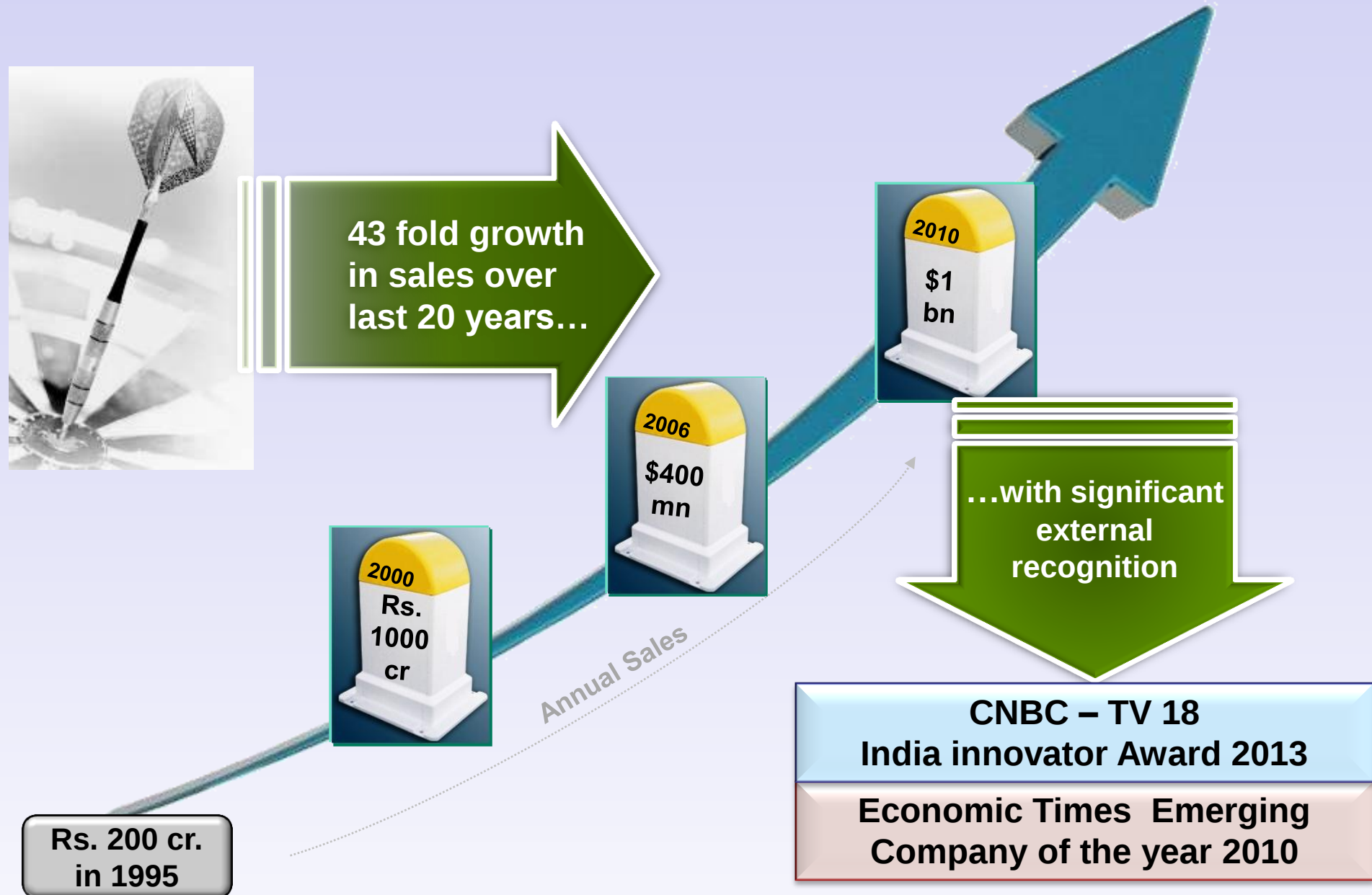
1140+ patents

Filed globally

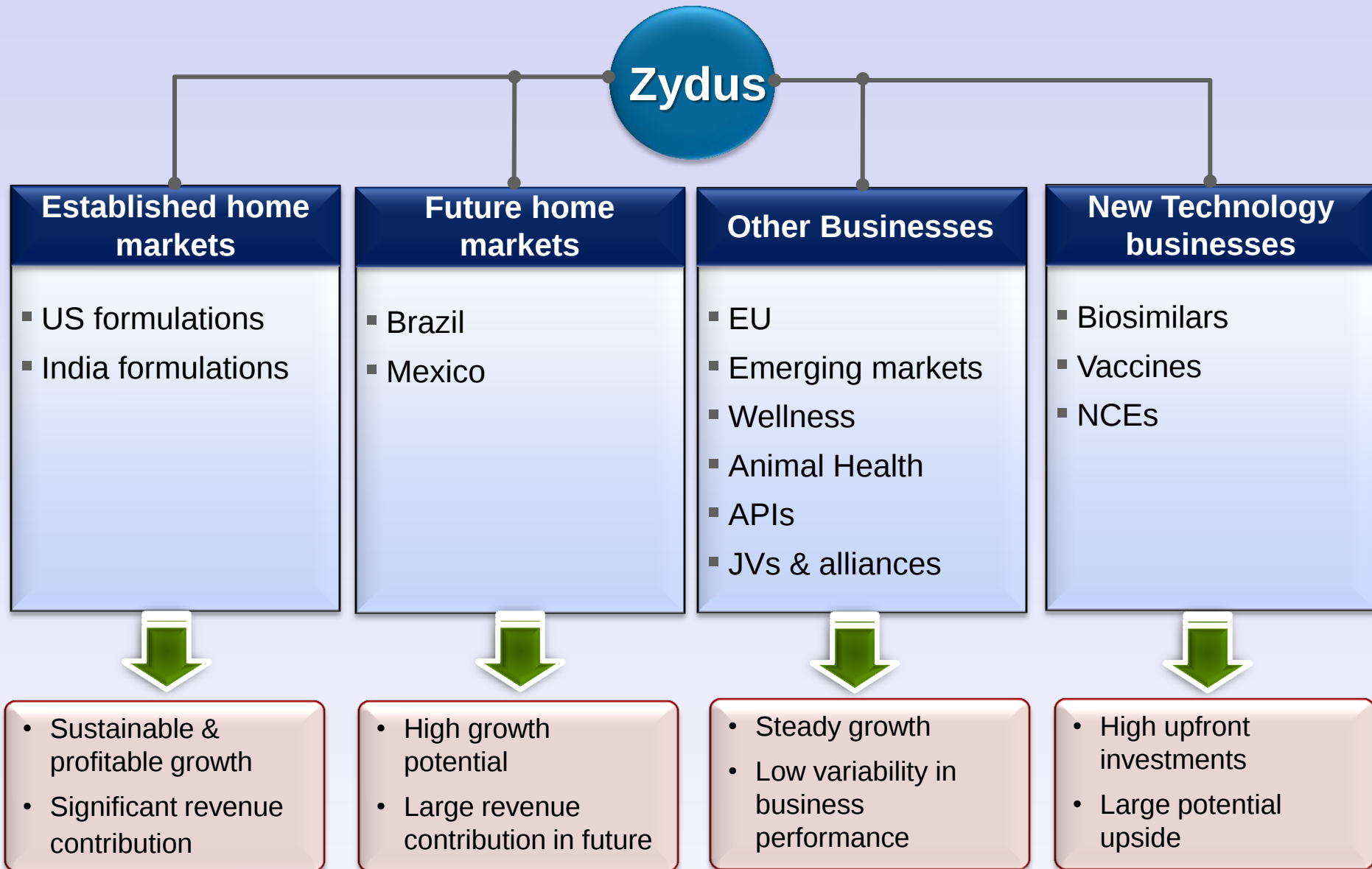
> \$ 5.5 bn

Market Cap

History of achieving milestones consistently



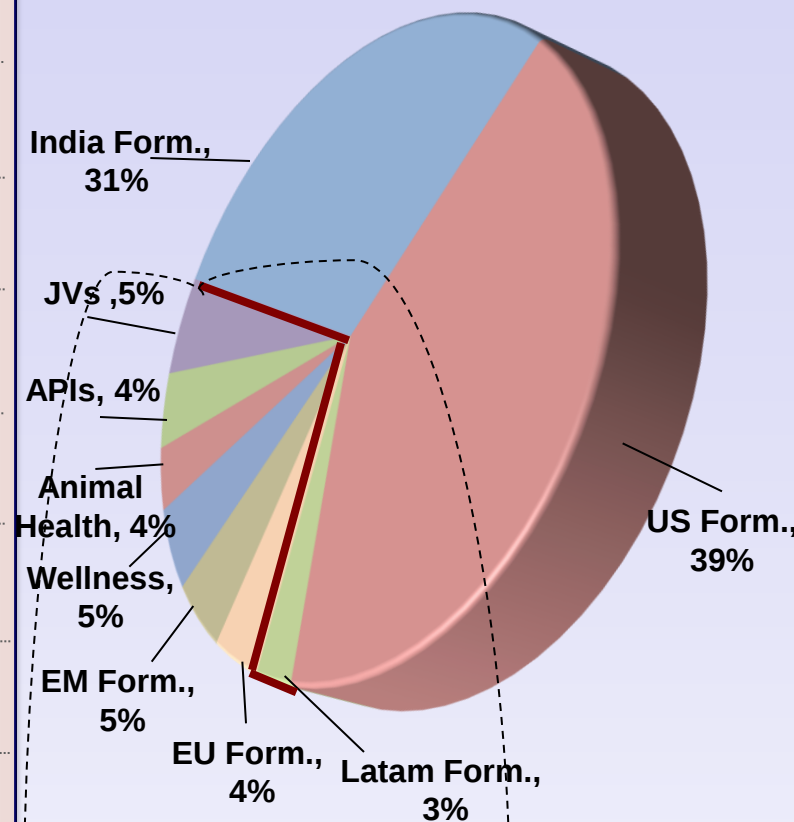
Key businesses for our journey Beyond the Billion



Key Financial Numbers – FY 2014-15

Consolidated (Rs. Mio.)	Amount	Gr.%
Gross Sales	86,577	20.1%
Total Income from Operations	86,513	19.8%
EBIDT	17,557	46.3%
EBIDT % to Income from Ops.	20.3%	
Profit before tax	14,455	53.4%
PBT % to Income from Ops.	16.7%	
Net Profit	11,506	43.2%
Net Profit % to Income from Ops.	13.3%	
Debt net of cash (as at 31-Mar-15)	19,814	
Capex (FY 2014-15)	3,829	

Segment-wise Gross Sales



**Other Markets,
27% of total,
Up 1% y-o-y**

**Home Markets,
73% of total,
Up 29% y-o-y**

US formulations

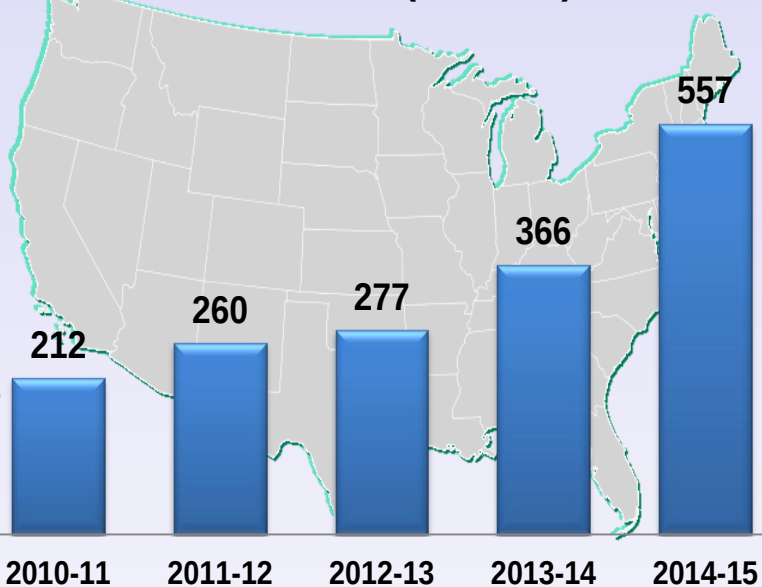
Market size* : ~\$ 60 bn
Market growth* : 10%+
Zydus size** : ~ \$ 557 mn
Zydus growth** : 53%

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

- Ranked 8th among US generic companies based on scripts (Source : IMS).
- Continued to be awarded for superior service levels from large wholesale customers aided by strong focus on customer service levels.
- Robust regulatory pipeline
 - Increasing focus on complex and niche products
 - Dosage forms - oral solids, injectables, nasals, topicals, transdermals.
 - 235+ ANDA fillings, 85+ approvals so far
 - ~ 70 launches so far (incl. AGs).

* Approx. numbers as per IMS Report

** Zydus numbers include that of Neshor and Hercon, as reported in books, for FY 2014-15

India formulations

Aspirations

- Leadership in CVS, female healthcare and respiratory area, among top 5 players in GI 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 : 13 brands among top 300 in India
- New product launches : > 55 during FY 2014-15 (incl. line extensions), with 19 First-in-India
- 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, the world's largest selling therapy

Market size*	: Rs. 860 bn+
Market growth*	: 13%
Zydus size**	: Rs. 36 bn+
Market Share*	: 4.22%
Zydus growth**	: 8%

First for the nation



Latin America Formulations - Brazil

Market size* : ~ \$ 25 bn+
Market growth* : 10%+
Zydus size** : Rs. 2,348 mn
Zydus growth** : - 5%



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, 36 approvals
- Focused segments (Branded) – female healthcare, hepatology, CNS, CVS and Nutraceuticals
- Product launches : 20+ branded, 15+ generic generics

* Approx. numbers of Brazil as per IMS Report

** Zydus numbers of Brazil and Mexico together as reported in books for FY 2014-15

Latin America Formulations - Mexico

Market size* : ~ US\$ 9 bn
Market growth* : - 4%
Zydus size** : Rs. 2,348 mn
Zydus growth** : - 5%

Aspirations

- To establish strong base with aggressive product launches.

Strengths to be leveraged

- Focused therapeutic areas (Branded) – CNS and CVS
- Launched 2 divisions to focus on the segments of Cardiology and Central Nervous System
- Building product pipeline from India – 40+ filings and 20+ approvals so far.
- Commenced commercial operations in 2013 with the launch of first product in the market from India
- Launched 15 products in the market so far



* Approx. numbers of Mexico as per IMS Report

** Zydus numbers of Brazil and Mexico together as reported in books for FY 2014-15

Other Global Markets

Aspirations : To be a relevant player in these generics markets

EU

Mkt. Size* : ~\$ 6.5 bn
(France + Spain Gx)
Mkt. Gr. : 0%
Zydus Size **: **Rs. 3,376 mn**
Zydus Gr. : -13%

- Among top 10 in France, among top 20 in Spain
- Expansion through new products : launched 140+ molecules in France and 100+ molecules in Spain so far (incl. several 'Day 1')
- Leveraging India cost advantage : 190+ new products and 65+ site transfer filings so far, ~50% of sales supplied from India

Emerging Mkts.

Mkt. Size* : ~\$ 13 bn
Mkt. Gr. : 12-13%
Zydus Size **: **Rs. 4,075 mn**
Zydus Gr. : 14%

- Operations in different markets of Asia Pacific and Africa with leadership positions in several of these markets
- Continued to focus on brand building initiatives and strengthening branded generics portfolio to ensure sustainable growth in topline and bottom line.
- Increased product development activities supported by strong regulatory teams

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

** Zydus numbers as reported in books for FY 2014-15

Other Businesses

Wellness

Sugar Free

Zydus Size **: **Rs. 4,430 mn**
Zydus Gr. : **3%**



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
- Launched several new products under EverYuth brand. Upgraded Nutralite premium range with Omega-3 which is good for brain, eyes and heart.
- Recently, completed significant re-organization of sales and distribution model in order to ensure continued growth in future.

Animal Health

Zydus Size **: **Rs. 3,083 mn**
(incl. Bremer)
Zydus Gr. : **12%**

Aspirations : To be a comprehensive, global animal healthcare provider

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

APIs

Zydus Size **: **Rs. 3,723 mn**
Zydus Gr. : **6%**

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. 2 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 (7 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 9 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: 20 biosimilars and 4 novel products
- Strong IP position either through own patent or non-infringing processes

Vaccines

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

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	Peg IFN α -2b	Infectious diseases						
5	EPO	Oncology/Nephrology						
6	Teriparatide	Osteoporosis						
7	Adalimumab	Inflammation						
8	IFN β 1b	Multiple Sclerosis						
9	Prod 1	Nephrology						
10	Prod 2	Rheumatoid Arthritis						
11	MAB 1	Oncology/RA						
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						
22	MAB 7	Osteoporosis						
23	MAB 8	Oncology						
24	Prod 8	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
- 300+ 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"							
Saro-glitazar	PPAR- α , γ	Hypertrigly-ceridemia	First glitazar to be approved in the world. Launched in India as "LIPAGLYN"							
Saro-glitazar	PPAR- α , γ	Lipodystrophy								
Saro-glitazar	PPAR- α , γ	Nonalcoholic Steatohepatitis								
Saro-glitazar	PPAR- α , γ	Type 2 Diabetes								
ZYH7	PPAR- α	Dyslipidemia								
ZYDPLA1	DPP-IV inhibitor	Type 2 Diabetes								
ZYAN1	HIF - inhibitor	Anemia								



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 & Vaccines – Ahmedabad
- Cytotoxic Injectable - Ahmedabad SEZ (erstwhile BSV JV)

API Mfg.



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

Mfg. facilities for partners



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

Product Development



- Formulations Development, Ahmedabad (500+ scientists)
- API Process Research, Dabhasa (200+ scientists)
- Biosimilars and Vaccine Research, Ahmedabad (200+ scientists)

Thank You.



Safe Harbour Statement

This presentation may include certain “forward looking statements” , based on current expectations, within the meaning of applicable laws and regulations. Actual results may differ and the company does not guarantee realization of these statements. The Company also disclaims any obligation to revise any forward-looking statements . The readers may use their own judgment and are advised to make their own calculations before deciding on any matter based on the information given herein.

No part of this presentation may be reproduced, quoted or circulated without prior written approval from Cadila Healthcare Ltd.

www.zyduscadila.com