Cadila Healthcare Limited
Investor Presentation
February 2015

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)

~ 20% CAGR
In Sales (FY '09 – FY '14)

1st Company
To launch biosimilar of Adalimumab anywhere in the world

25 Biosimilars
In pipeline, including 3 novel biologics

16,000+ employees
Across the globe, with 1100+ 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

1070+ patents
Filed globally

> $ 5 bn
Market Cap

History of achieving milestones consistently

35 fold growth in sales over last 19 years…

Annual Sales

…with significant external recognition

CNBC – TV 18
India innovator Award 2013

Economic Times Emerging Company of the year 2010

Rs. 200 cr. in 1995

Key businesses for our journey Beyond the Billion

Zydus

Established home markets

- India formulations
- US formulations

- Sustainable & profitable growth
- Significant revenue contribution

Future home markets

- Brazil
- Mexico

- High growth potential
- Large revenue contribution in future

Other Businesses

- EU
- Emerging markets
- Wellness
- Animal Health
- APIs
- JVs & alliances

- Steady growth
- Low variability in business performance

New Technology businesses

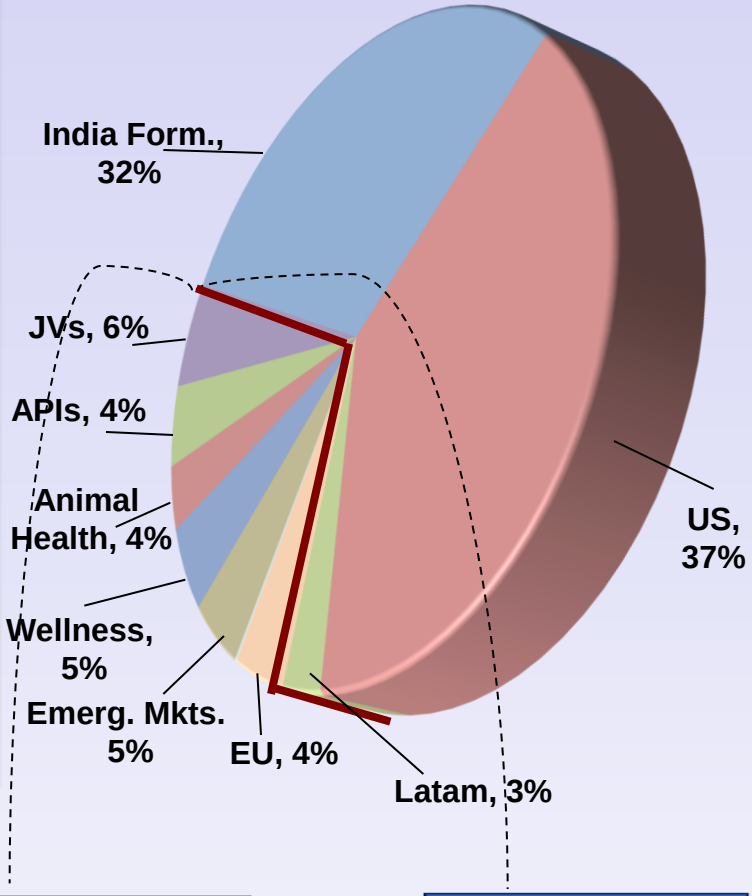
- Biosimilars
- Vaccines
- NCEs

- High upfront investments
- Large potential upside

Key Financial Numbers – CY 2014

Consolidated (Rs. Mio.)	Amount	Gr.%
Total Income from Operations	83,161	21.1%
EBIDT	16,028	42.2%
EBIDT % to Income from Ops.	19.3%	
Profit before tax	13,009	48.3%
PBT % to Income from Ops.	15.6%	
Net Profit	10,394	25.8%
Net Profit % to Income from Ops.	12.5%	
Debt net of cash (as at 31-Dec-14)	19,955	
Capex (CY 2014)	2,507	

Segment-wise Gross Sales



Steady growth Markets, 28% of total, Up 2% y-o-y

Home Markets, 72% of total, Up 31% y-o-y

India formulations

Aspirations

- Maintain strong leadership position in key areas – CVS, GI, respiratory, female healthcare, dermatology
- 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 : 43 during Apr-Dec 14 (incl. line extensions), with 14 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. 830 bn+**
Market growth*	: **10%**
Zydus size**	: **Rs. 36 bn+**
Market Share*	: **4.34%**
Zydus growth**	: **9%**

First for the nation

Lipaglyn
Saroglitazar

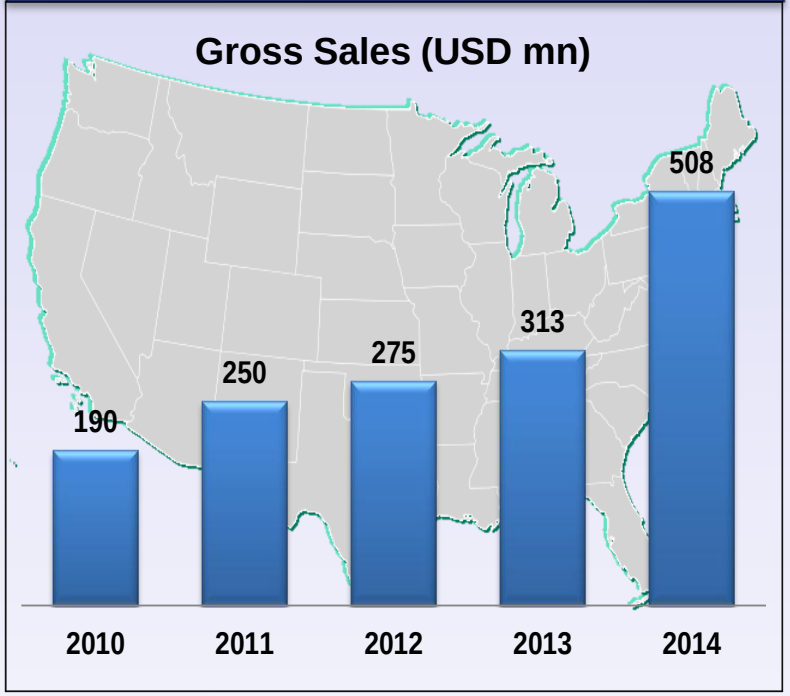
Exemptia™
Adalimumab
EMPOWERING YOU

* All market related information sourced from AWACS MAT-Dec-14 ** Zydus numbers including Biochem as reported by AWACS MAT-Dec-14

US formulations

Market size* : **~$ 50 bn**
Market growth* : **10%+**
Zydus size** : **~ $ 508 mn**
Zydus growth** : **62%**

32%+ CAGR in Sales (Last 5 years)



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

- 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.
  - 230+ ANDA fillings, 85+ approvals so far
  - ~ 70 launches so far (incl. AGs).

* Approx. numbers as per IMS Report
** Zydus numbers includes that of Nesher and Hercon, as reported in books, for CY 2014

Brazil

Market size*	: **~ $ 18 bn**
Market growth*	: **12-14%**
Zydus size**	: **Rs. 2,302 mn**
Zydus growth**	: **-3%**

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 2014**

Mexico

Market size* : **~ US$ 10 bn**
Market growth* : **2-3%**
Zydus size** : **Rs. 96 mn**
Zydus growth** : **14 %**

Aspirations

- To establish strong base with aggressive product launches.

Strengths to be leveraged

- Focused therapeutic areas (Branded) – CNS, metabolic disorders and respiratory
- Launched 2 segments viz. CNS and CVS
- 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 as per IMS Report**

**** Zydus numbers as reported in books for CY 2014**

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. 3,480 mn
Zydus Gr. : **-13%**

- Among top 10 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 : 185+ 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. 3,905 mn
Zydus Gr. : **7%**

- 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 CY 2014**

Other Businesses

Wellness

Zydus Size **:
Rs. 4,390 mn
Zydus Gr. : **2%**

Aspirations : To create niches in wellness space through innovation

- Leadership in sugar substitutes (~92% 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. 3,005 mn
(incl. Bremer)
Zydus Gr. : **16%**

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. 3,793 mn
Zydus Gr. : **11%**

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

**** Zydus numbers as reported in books for CY 2014.**

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

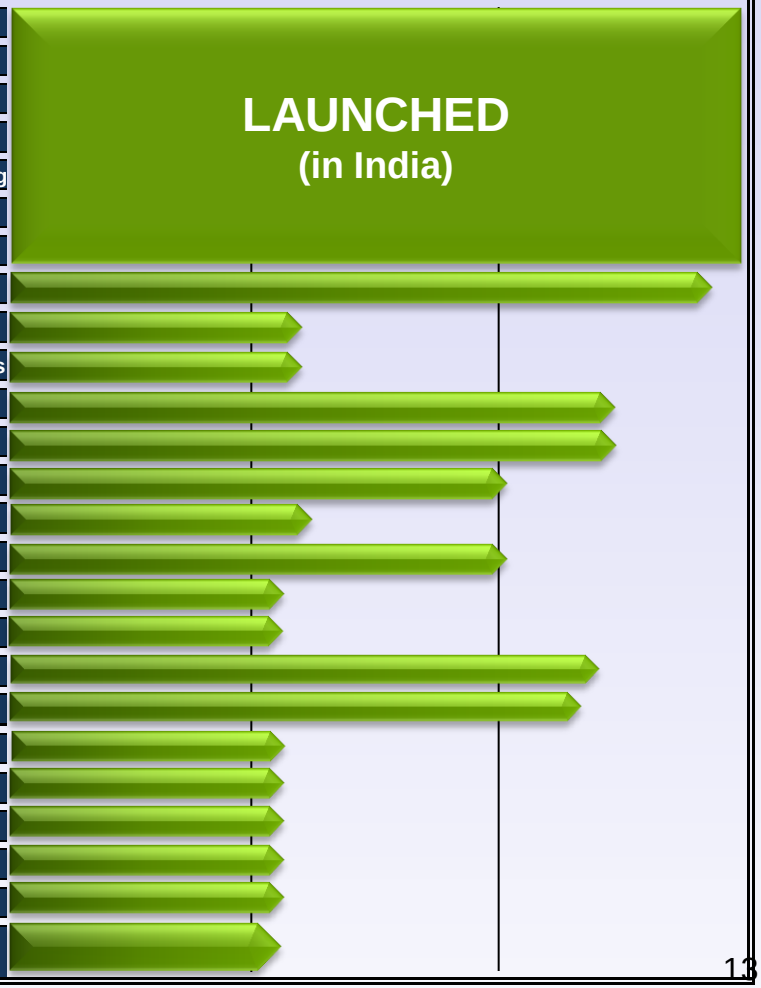
- Dedicated facilities for R&D and mfg.
- 170+ experienced scientists
- Strong pipeline: 22 biosimilars and 3 novel products
- Strong IP position either through own patent or non-infringing processes

Vaccines

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

Biosimilar pipeline

No	Product	Indication
1	G-CSF	Oncology
2	Peg G-CSF	Oncology
3	IFN α-2b	Infectious diseases
4	Peg IFN α-2b	Infectious diseases
5	EPO	Oncology/Nephrolog
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	Opthalmology
22	MAB 7	Osteoporosis
23	MAB 8	Oncology
24	Prod 8	Oncology
25	Prod 9	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 – Ahmedabad
- Vaccines Mfg. - Ahmedabad

API Mfg.

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

Mfg. facilities for partners

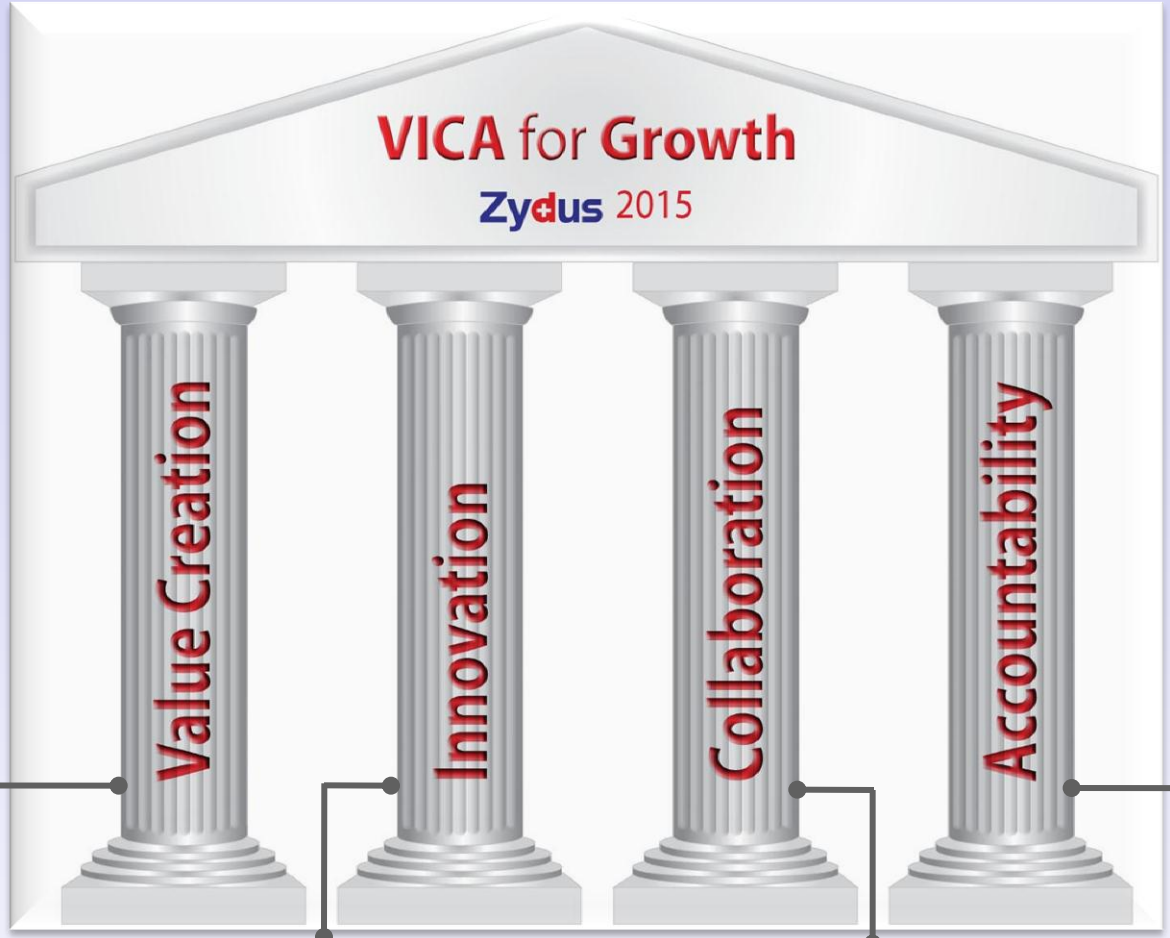
- Cytotoxic Injectible for Hospira JV – Ahmedabad SEZ (USFDA)
- API facility for Nycomed JV - Mumbai
- Cytotoxic Injectible for BSV JV – Ahmedabad SEZ

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

Thank You.

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