Well integrated pharma player with global footprints

- >60 years of operational experience
- 20+ manufacturing sites producing >15 billion pills annually
- >20% CAGR in Net Worth (FY '10 – FY '15)
- 16,000+ employees across the globe, with ~1200 for R&D
- 8th largest generic company in US in terms of prescriptions
- 1140+ patents filed globally
- >$1.4 billion global revenues
- ~7% of sales spent on R&D annually
- 1st Indian Company to discover & develop an NCE in-house: Lipaglyn (Saroglitazar)
- >18% CAGR in Gross Sales and Net Profits (FY '10 – FY '15)
- 1st Company to launch biosimilar of Adalimumab anywhere in the world
- 24 Biosimilars in pipeline, including 4 novel biologics
- Among top 5 pharmaceutical companies in India
- 13 brands among top 300 brands in India
- >$5.5 billion market cap
History of achieving milestones consistently

43 fold growth in sales over last 20 years...

Rs. 200 cr. in 1995

Rs. 1000 cr

2000

$400 mn

2006

$1 bn

2010

...with significant external recognition

CNBC – TV 18
India innovator Award 2013

Economic Times Emerging Company of the year 2010
Key businesses for our journey Beyond the Billion

**Established home markets**
- US formulations
- India formulations

**Future home markets**
- Brazil
- Mexico

**Other Businesses**
- EU
- Emerging markets
- Wellness
- Animal Health
- APIs
- JVs & alliances

**New Technology businesses**
- Biosimilars
- Vaccines
- NCEs

- Sustainable & profitable growth
- Significant revenue contribution

- High growth potential
- Large revenue contribution in future

- Steady growth
- Low variability in business performance

- High upfront investments
- Large potential upside
# Key Financial Numbers – FY 2014-15

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

**Segment-wise Gross Sales**

- **US Form.**, 39%
- **India Form.**, 31%
- **JVs**, 5%
- **APIs**, 4%
- **Latam Form.**, 3%
- **EM Form.**, 5%
- **EU Form.**, 4%
- **Wellness**, 5%
- **Animal Health**, 4%
- **Other Markets**, 27% of total, Up 1% y-o-y
- **Home Markets**, 73% of total, Up 29% y-o-y
US formulations

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 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).

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

32%+ CAGR in Sales (Last 5 years)

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross Sales (USD mn)</th>
</tr>
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<tbody>
<tr>
<td>2010-11</td>
<td>212</td>
</tr>
<tr>
<td>2011-12</td>
<td>260</td>
</tr>
<tr>
<td>2012-13</td>
<td>277</td>
</tr>
<tr>
<td>2013-14</td>
<td>366</td>
</tr>
<tr>
<td>2014-15</td>
<td>557</td>
</tr>
</tbody>
</table>

* Approx. numbers as per IMS Report
** Zydus numbers include that of Nesher 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%

* All market related information sourced from AWACS MAT-Mar-15
** Zydus numbers including Biochem as reported by AWACS MAT-Mar-15
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

<table>
<thead>
<tr>
<th>Market size*</th>
<th>~ US$ 9 bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market growth*</td>
<td>- 4%</td>
</tr>
<tr>
<td>Zydus size**</td>
<td>Rs. 2,348 mn</td>
</tr>
<tr>
<td>Zydus growth**</td>
<td>- 5%</td>
</tr>
</tbody>
</table>

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

- 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.

- 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

Market Size*:

- EU: ~$6.5 bn (France + Spain Gx)
- Emerging Mkts.: ~$13 bn

Market Growth:

- EU: 0%
- Emerging Mkts.: 12-13%

Zydus Size**:

- EU: Rs. 3,376 mn
- Emerging Mkts.: Rs. 4,075 mn

Market Share:

- EU: -13%
- Emerging Mkts.: 14%

* 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

**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.

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

### Animal Health

**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

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

### APIs

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

---

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

**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**

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<tbody>
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<td>1</td>
<td>G-CSF</td>
<td>Oncology</td>
<td></td>
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<td>2</td>
<td>Peg G-CSF</td>
<td>Oncology</td>
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<tr>
<td>3</td>
<td>IFN α-2b</td>
<td>Infectious diseases</td>
<td></td>
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<td>4</td>
<td>Peg IFN α-2b</td>
<td>Infectious diseases</td>
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<tr>
<td>5</td>
<td>EPO</td>
<td>Oncology/Nephrology</td>
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<tr>
<td>6</td>
<td>Teriparatide</td>
<td>Osteoporosis</td>
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<tr>
<td>7</td>
<td>Adalimumab</td>
<td>Inflammation</td>
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<td>8</td>
<td>IFN β 1b</td>
<td>Multiple Sclerosis</td>
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<tr>
<td>9</td>
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<td>Nephrology</td>
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<td>10</td>
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<td>14</td>
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<tr>
<td>15</td>
<td>Prod 4</td>
<td>Fertility</td>
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<td>16</td>
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<td>17</td>
<td>Prod 6</td>
<td>Fertility</td>
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<td>18</td>
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<td>Nephrology</td>
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<tr>
<td>20</td>
<td>Prod 7</td>
<td>Oncology</td>
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<td>Osteoporosis</td>
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<td>24</td>
<td>Prod 8</td>
<td>Complement mediated disease</td>
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</table>

LAUNCHED (in India)
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

<table>
<thead>
<tr>
<th>Project</th>
<th>Target</th>
<th>Indication</th>
<th>Drug Discovery</th>
<th>Lead optimisation</th>
<th>Pre-clinical Development</th>
<th>IND</th>
<th>Phase I</th>
<th>Phase II</th>
<th>Phase III</th>
<th>NDA</th>
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<tr>
<td>Saroglitazar</td>
<td>PPAR-α,γ</td>
<td>Dyslipidemia</td>
<td></td>
<td></td>
<td>First glitazar to be approved in the world. Launched in India as &quot;LIPAGLYN&quot;</td>
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<tr>
<td>Saroglitazar</td>
<td>PPAR-α,γ</td>
<td>Hypertriglyceridemia</td>
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<td>First glitazar to be approved in the world. Launched in India as &quot;LIPAGLYN&quot;</td>
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<td>Saroglitazar</td>
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<td>Saroglitazar</td>
<td>PPAR-α,γ</td>
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<tr>
<td>Saroglitazar</td>
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<td>Type 2 Diabetes</td>
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<td>PPAR-α</td>
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<td>ZYDPLA1</td>
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<tr>
<td>ZYAN1</td>
<td>HIF - inhibitor</td>
<td>Anemia</td>
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</table>
**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)

### 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

### 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)

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