



UNICHEM
LABORATORIES LTD.

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CIN : L99999MH1962PLC012451.

Registered & Corporate Office : Unichem Bhavan, Prabhat Estate, S. V. Road, Jogeshwari (West), Mumbai-400102, INDIA.

Ref: ULL/SEC/2017-18

Date : June 9, 2017

Corporate Relation Department
Bombay Stock Exchange Ltd.
1st Floor, Rotunda Bulding
Dalal Street,
Mumbai – 400 001

National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra– Kurla Complex
Bandra (East), Mumbai – 400 051

Sub: Investor Presentation for Unichem Laboratories Limited for Q4 and FY2017 Results
Ref: BSE Scrip Code: 506690 : NSE Symbol – UNICHEMLAB

Dear Sir,

Please find attached the Investor Presentation on the audited financial results for the quarter and year ended March 31, 2017 for your information and records.

Please take the above on record.

For UNICHEM LABORATORIES LIMITED


SHALINI KAMATH
DGM- Secretarial

Encl .: As above

Unichem Laboratories Limited



Investor Presentation
Q4 & FY 2017

Safe Harbor Statement

This presentation may include certain forward-looking statements and information that involve risks, uncertainties and assumptions based on current expectations, within the meaning of applicable laws and regulations. Forward-looking statements are all statements that concern plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are other than statements of historical fact, including, but not limited to, those that are identified by the use of words such as “anticipates,” “believes,” “estimates,” “expects,” “intends,” “plans,” “predicts,” “projects” and similar expressions. Actual results could differ materially from those projected in forward looking statements and the company does not guarantee realization of these statements. Any forward looking statement or information contained in this presentation speaks only as of the date of the statements. The company also disclaims any obligation to revise any forward looking statements.

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Agenda

1. Profile & History
2. Growth & Profitability
3. Business Operations
 - Domestic Operations
 - International Operations
 - API Operations
4. Research & Development
5. Management & Governance
6. Financials

Profile

- One of the India's leading integrated Pharmaceutical Companies with a strong presence in domestic formulations market
 - Ranked 25th in the Domestic Formulations market as per AWACS MAT Mar 2017
 - Amongst the top # 18 companies in representative (covered) market
 - Domestic Operations contribute ~56% of Consolidated Revenues
 - International Operations contribute ~44% of Consolidated Revenues
 - US revenues showing a robust growth
 - Dedicated focus on International operations –gaining momentum

- 4 brands featuring among top 300 brands (*AWACS MAT Mar, 2017*)
 - Largest brand / brand extensions in excess of Rs200Cr
 - Over 23 brands with Rs. 10cr + Revenues
 - Over 21 brands with Rs. 5cr + Revenues and over 25 brands waiting to cross this threshold
 - In 19 therapeutic sub-groups Unichem's brand is No 1 brand, over all Unichem's brands rank in the top 5 in 46 therapeutic sub-groups

- Uninterrupted Dividend track record and cash generating operations

History - Key Milestones (Last 10 Years) (Calendar Year)

- USFDA certification of Goa Plant
- Acquisition of 100% stake in Niche Generics

- USFDA certification of Ghaziabad Plant
- EDQM certification of Roha Plant

- USFDA certification of API plant at Pithampur

- USFDA re-certification of Goa Plant & Roha Plant
- Commencement of Sikkim & Baddi – Formulation Plant
- Commencement of US sales

- Expansion of Packaging facility at Goa Plant
- Construction of R & D Centre at Goa started

- Re-location of R&D from Mumbai to Goa (CoE). Filings commissioned from new R&D Centre
- Sale of Indore SEZ plant to Mylan Laboratories Ltd.
- USFDA re-certification of API plant Pithampur

- USFDA's surprise inspection at 3 plants
- EIR received from USFDA, for Goa, Ghaziabad, Pithampur and Roha plants, thereby enabling business continuity in US
- Commissioned expanded capacities at Goa Formulation plant. Significantly increasing the capacities

2005 & 06

2007 & 08

2009

2010 & 11

2012

2013 & 14

2015 & 16

- New PTD at Goa
- Baddi II commissioned
- Acquisition of API plant at Pithampur

- Goa BioScience R&D commissioned
- Launch of Unikare - Derma Division

- Sikkim Factory construction started
- Establishment of packing unit at Ireland

- Modernization of Betalactum Plant - Baddi
- SEZ Pithampur construction started
- Reorganization of Acute Business

- Purchase of additional land at Goa

- Realignment of Chronic business. Commenced further sub divisionalization with increased focus on Chronic, launching new division on Cardio & Neuro.
- Commencement of expansion at API facility in Pithampur

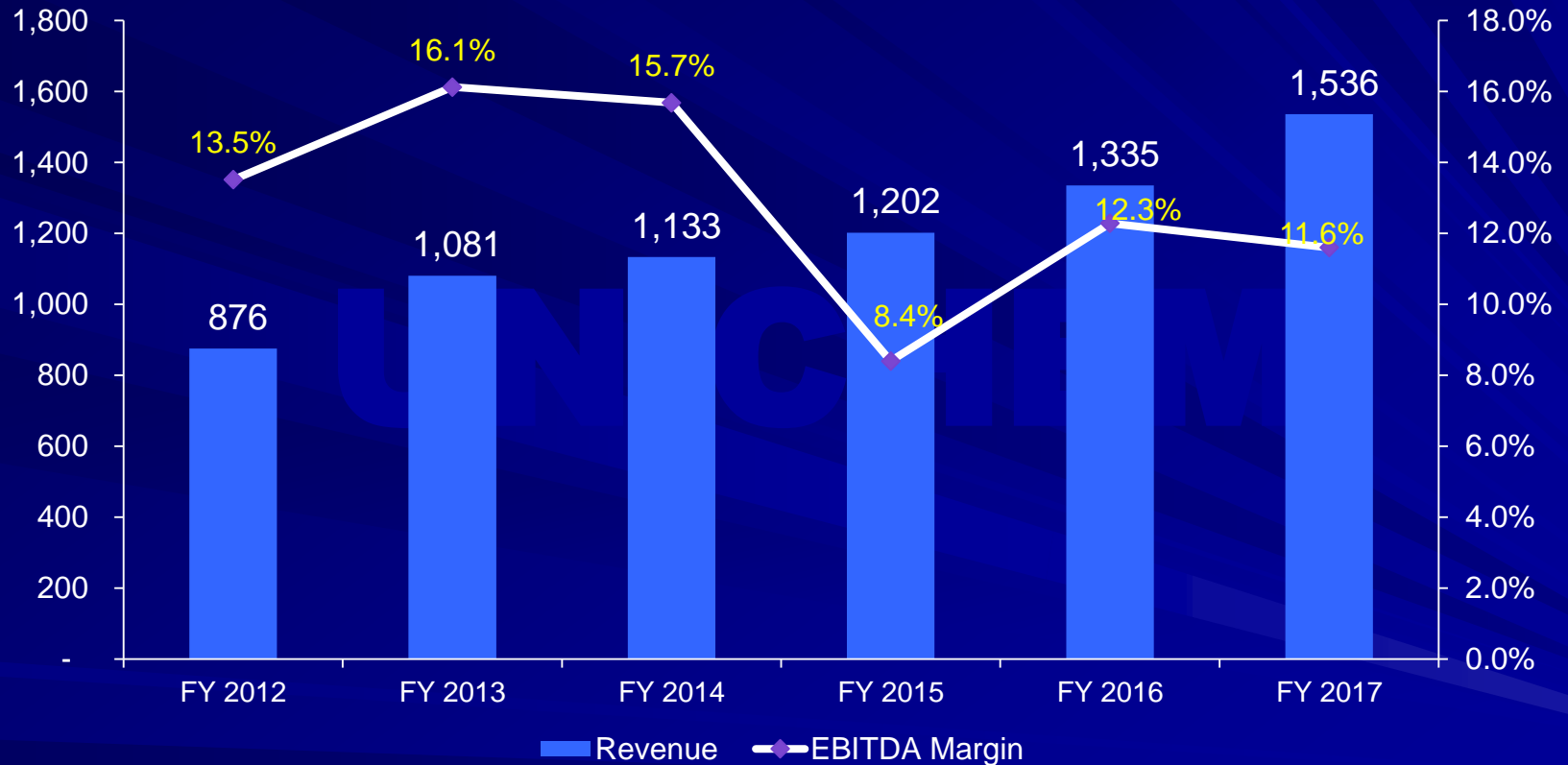
- Entered over the counter market by launching Unienzyme via Wellness Division

- Acquiring API facility in Kolhapur, Maharashtra

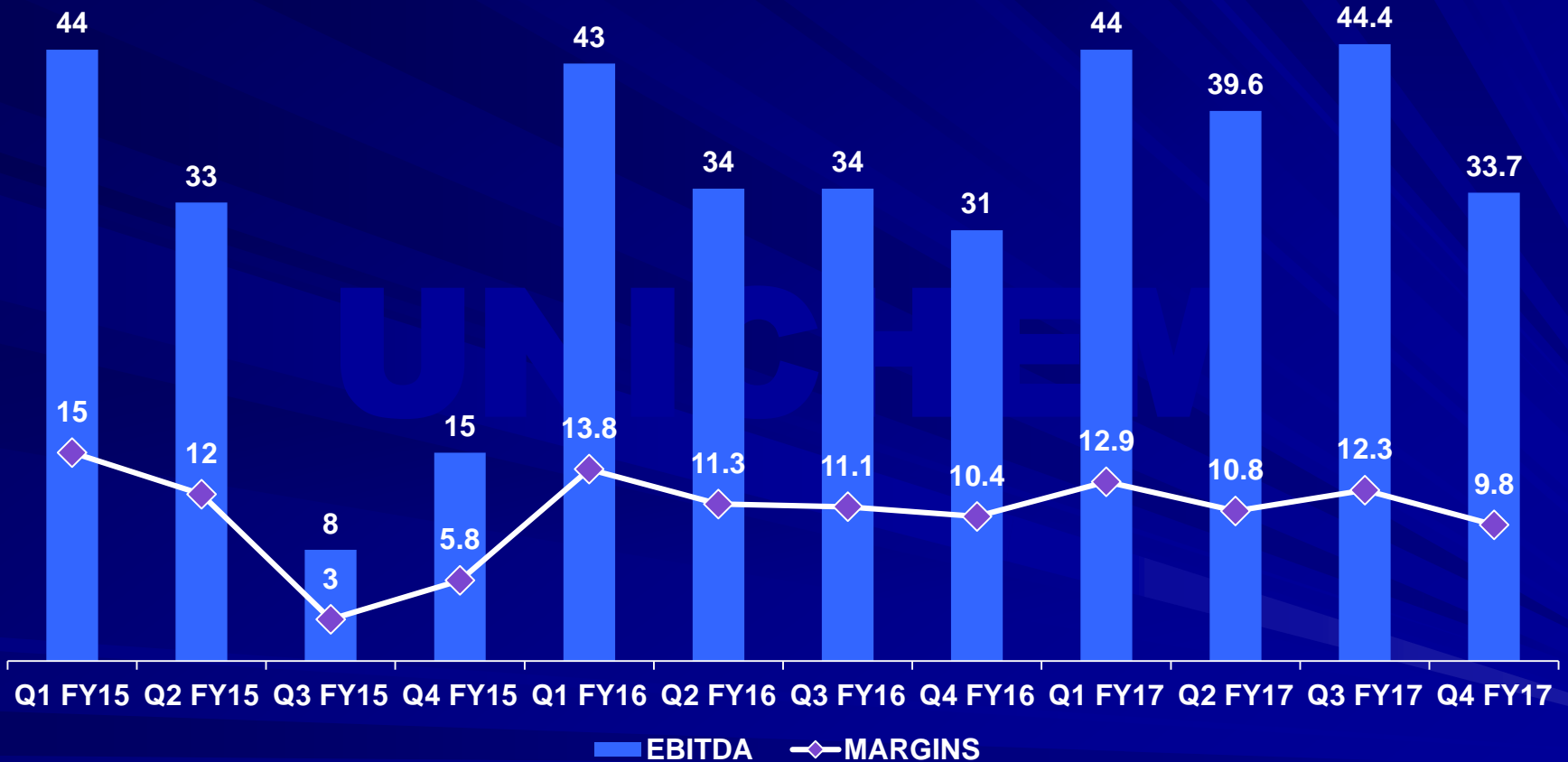
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Consolidated Financials {Rs. Crores}



Standalone EBITDA Profile from FY 15 onwards



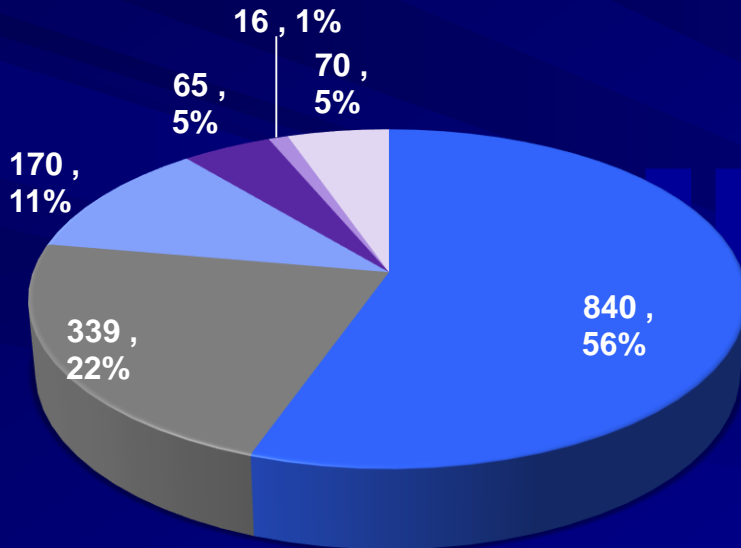
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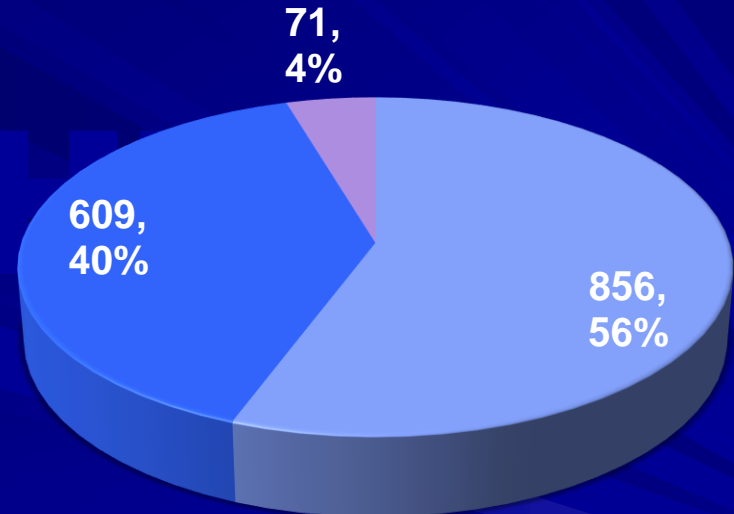
Revenue & Business areas break-up

Consolidated – FY 2017

Revenue Break-up by Segment
Rs. Crores



Revenue Break-up by Region
Rs. Crores

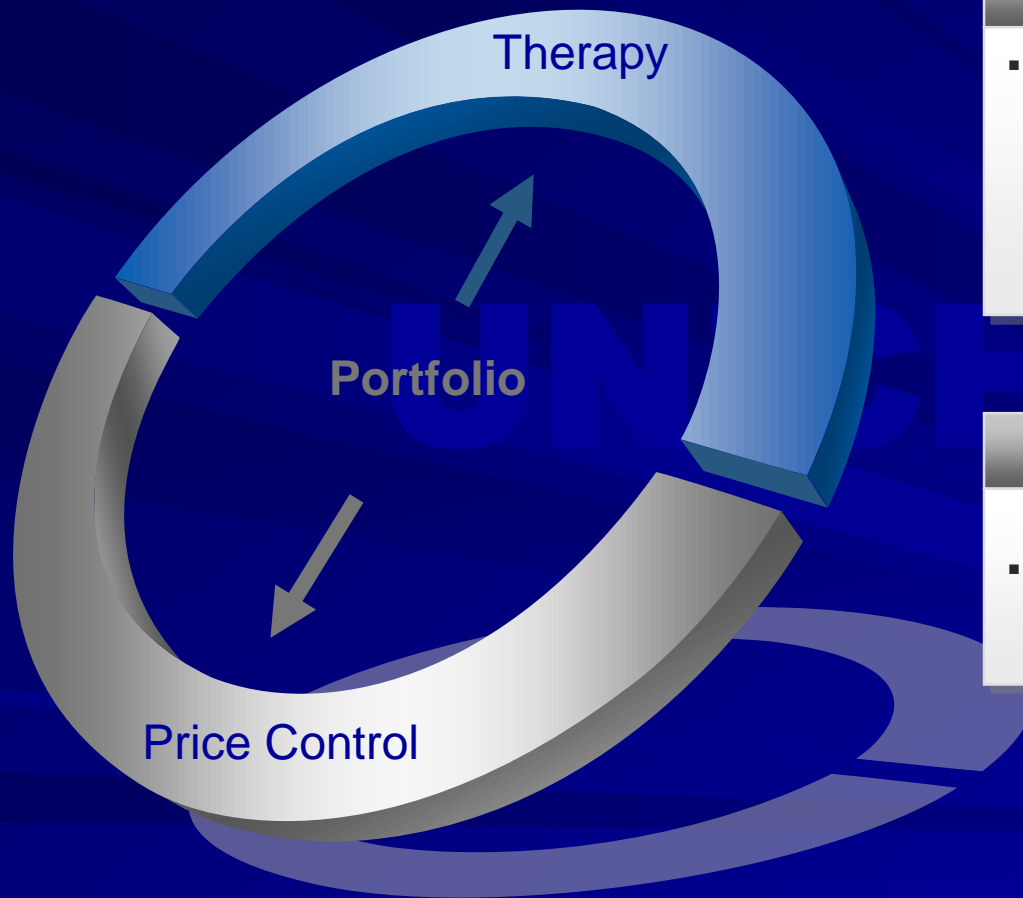


- Formulation - Domestic
- International Business - US/Brazil
- International Business - Niche/EU
- RoW
- API - Domestic
- API - Exports

- India Business
- Regulated Markets
- Emerging Markets

Portfolio Therapy Dominance & Price Control

SCENE



Therapy

- Major Revenue contributors:
 - Chronic care accounts for ~60%* of Domestic Formulation Revenues
 - Acute portfolio accounts for ~40%* of Domestic Formulation Revenues

Price Control

- Less than 20% of Domestic Portfolio (in value terms) under NLEM 2013. Will reduce to less than 10% under NLEM 2015.

Unichem in The Indian Pharma Market

Rs. Crores

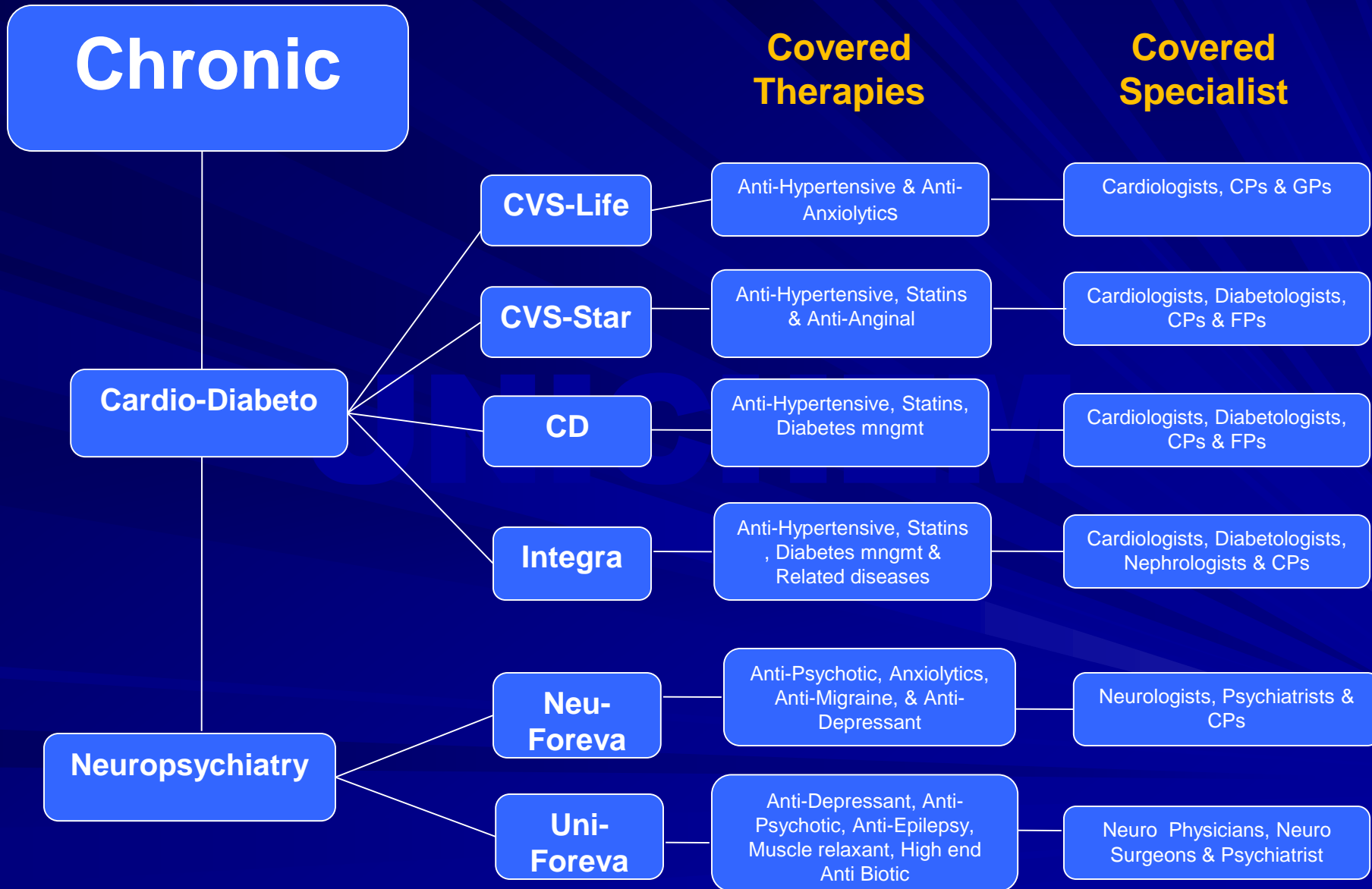
	Indian Pharmaceutical Market	MAT Mar, 2017	% Growth
	Total Size of the Market	111135	10.3
	Unichem Represented (Covered) Market	51533	9.3
Sr. No	Top Companies in Covered Market		
1	Sun Pharma + Ranbaxy	5571	9.6
2	Alkem	3071	15.0
3	Mankind	2486	11.8
4	Zydus	2206	7.9
5	Cipla	2177	6.1
6	Lupin	1933	7.0
7	Macleods	1870	5.1
8	Abbott Healthcare	1842	2.5
9	Aristo	1806	11.4
10	Intas	1576	17.5
18	Unichem Labs	992	14.5

Unichem's Therapy Gaps in the market

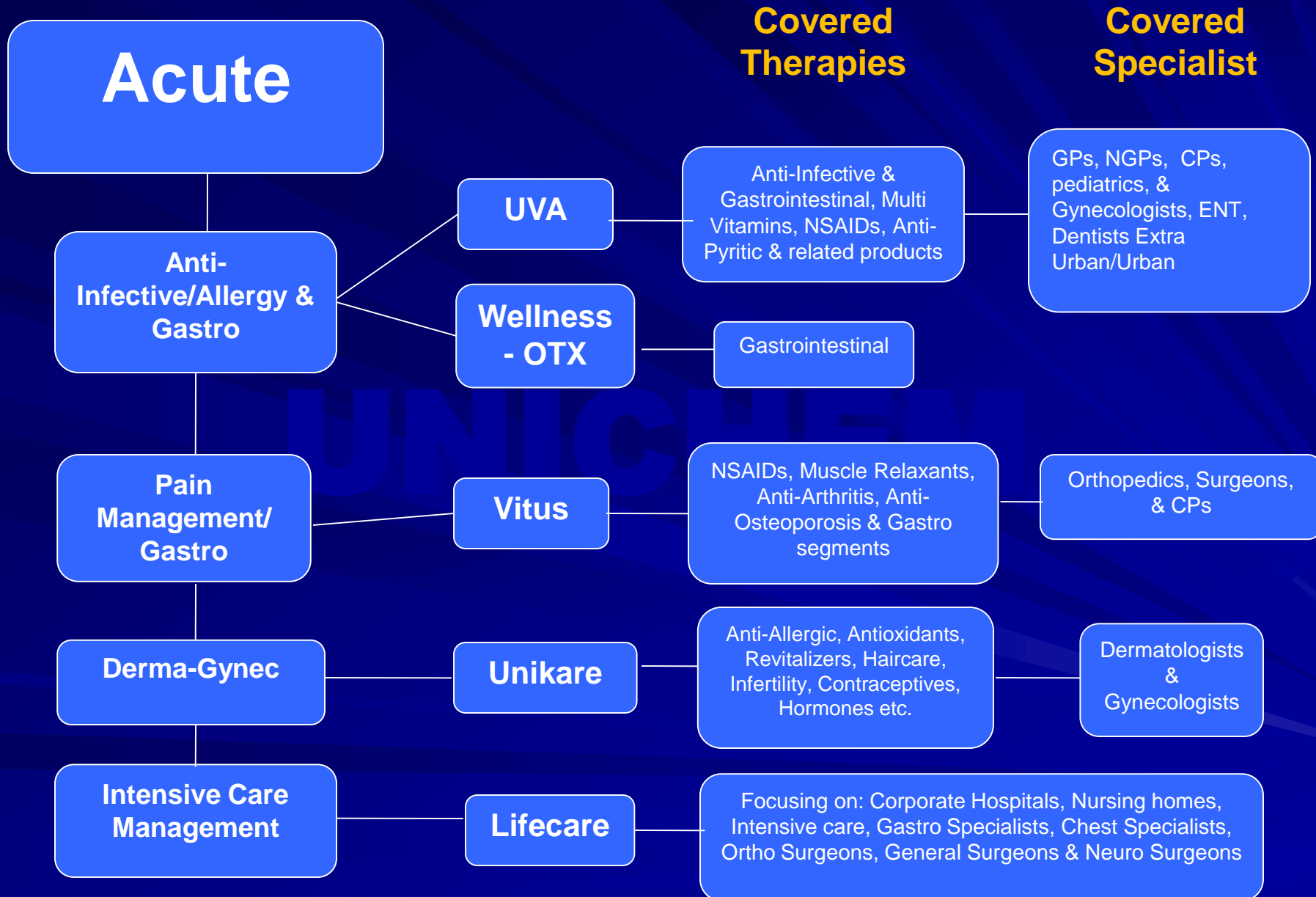
	MAT Mar' 17 Value Rs. Crs	% of Total Value	No. of Sub- Segments	% of Total No. of Segments
Unichem Non-Represented Segments	59,602	53.6%	2,661	88.1%
Unichem Represented Segments	51,533	46.4%	358	11.9%
Total Market	111,135	100.0%	3,019	100.0%

- Unichem is represented in 374 sub-segments (*about ~12 % of total sub-segments*), but covers nearly half of the IPM in value terms
- *However, opportunity does exist for more Unichem introductions in high growth non-represented segments*
- **Opportunity exists in the following Therapeutic Segments:**
 - Hospital Products
 - Women Health
 - Dermatology
 - Nutritional
 - Augmenting product portfolio of -
 - Acute Therapy
 - CNS & Nephrology

Domestic Formulations: Divisions



Domestic Formulations: Divisions



Domestic Business: Customer Coverage

■ Penetration

- Distinct vertical catering to Chronic segment manned by ~ 1300 +CBAs
- Distinct vertical dedicated to Acute segment manned by ~ 1200 +CBAs

■ Doctor Coverage: Over 100,000 doctors covered

■ Chronic Coverage

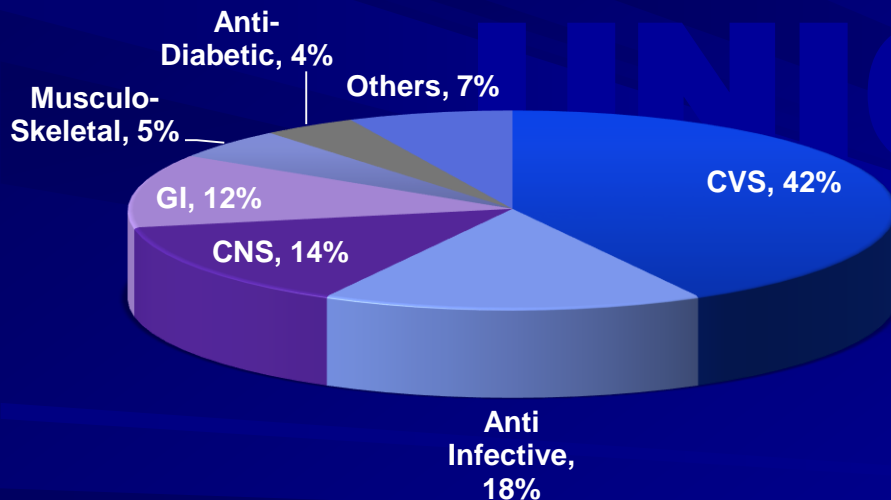
Cardiologists, Diabetologists, Neurologists, Psychiatrists, Nephrologists, Gynaecologists (Infertility treatment), CPs, GPs etc.

■ Acute Coverage

GPs, CPs, NGPs, ENTs, Dentists, Surgeons, Paediatrics, Gynaecologists (General), Dermatologists, etc.

Domestic Formulations Business

Therapeutic Segment-wise break-up



- Leadership position in key participated segments
 - Largest brand / brand extensions in excess of Rs170cr
- # 4 Brands in Top 300 brands
 - Losar H, Ampoxin, Losar & Unienzyme
- In 18 therapeutic groups Unichem's brand is No 1 brand
- Over all Unichem's brands rank in the top 5 in 46 therapeutic sub-groups
- Healthy balance between chronic (~60%) & acute (~40%)

Brand Building – Focus Brand Portfolio

- # Top 10 Brands contributes ~45% of the company's domestic revenues
 - *Losar H, Ampoxin, Losar, Unienzyme, Vizylac, Trika, Serta, Arkamin, Unistar, and Telsar*

- Top 50 Brands contributes ~79% of the company's domestic revenues
 - # 4 - Rs. 50+ crore brands
 - # 1 - Rs. 30 - 50 crore brand
 - # 4 - Rs. 20 - 30 crore brands
 - # 14 - Rs. 10 - 20 crore brands
 - # 40 - Rs. 3 - 10 crore brands

Top 10 Product Groups Performance

Rs. Crores

	MAT Mar, 2017	% Growth	% Market Share	% Contribution to Revenue
Total Revenue	992	14.5	0.9	100.0
Losar Group	202	21.2	38.3	20.4
Ampoxin Group	87	4.0	4.5	8.8
Unienzyme	60	0.0	15.7	6.0
Telsar Group	58	11.1	3.0	5.8
Vizylac	43	24.5	5.9	4.3
Olsar Group	37	9.3	5.0	3.8
Pregaba Group	33	30.3	5.5	3.4
Trika Group	26	-2.5	18.9	2.6
Serta	23	7.4	25.8	2.3
Arkamin Group	22	44.2	100.0	2.2

AWACS Data – MAT Mar, 2017

Therapy Market Segment	Representative Market		Unichem Laboratories		
	Size (Rs. Crs)	% Growth	Sales (Rs. Crs)	% Share	% Growth
Cardiac Care	8576	8.6	421	4.9	16.7
Anti-Infectives	11107	2.5	159	1.4	4.5
Neuro-Psychiatry	3767	11.0	136	3.6	18.7
Gastro Intestinal	6578	9.9	114	1.7	6.5
Anti - Diabetic	4436	23.1	51	1.1	67.3
Musculosketetals	4702	11.3	40	0.9	14.7
Others	12367	10.2	71	7.2	-
TOTAL	51533	9.3	992	1.9	14.5

Globally Accredited State of the art Manufacturing Facilities

■ Formulations

- Baddi (HP) – essentially catering to Domestic and Emerging market
 - Regulatory approvals – MHRA & ANVISA
- Ghaziabad (UP) – catering to Regulated, Emerging and Domestic markets
 - Regulatory approvals – USFDA (Re-Certified recently), ANVISA, TGA, MHRA
- Goa – catering to Regulated and also Emerging markets
 - Regulatory approvals – USFDA (Re-Certified recently), MHRA, ANVISA, TGA
- Sikkim Plant – catering to domestic market
- Ireland – Packaging facility in Baldoyle
 - Regulatory Approvals – Irish Medical Board

■ APIs

- Roha (Maharashtra) – Multiple plants
 - Regulatory approvals – USFDA (Re-Certified recently), EDQM, PMDA, EU GMP, KFDA, ISO, OHSAS
- Pithampur (MP) – Multiple plants
 - Regulatory approvals – USFDA , EUGMP, COFEPRIS

Unichem is built on the foundation of “Quality & Reliability”

Domestic Market – Management Focus

■ Domestic Market

- Enhancing relationship with customers and Focus on Field Productivity
- Brand building through ‘Focused Brand approach’
- Increased coverage and compliance
- Entry into unrepresented / uncovered market segments
- Optimal use of Manufacturing Assets
- Over the Counter - In Gastrointestinal market with Unienzyme through Wellness division

- **Key risks:**
 - Higher competition in the domestic market
 - Regulatory hurdles
 - High concentration risk (*Three products generate ~25% of sales*)

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International Formulation Business

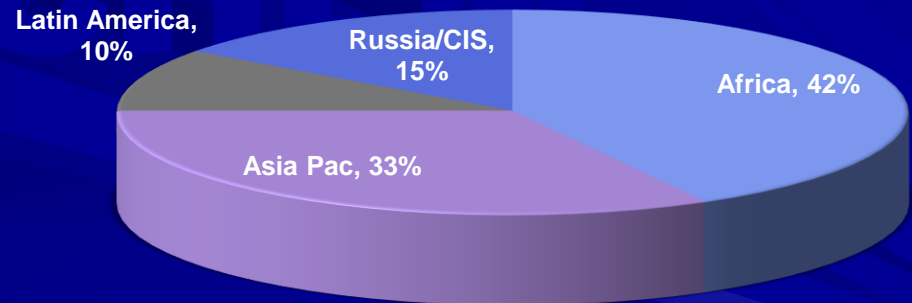
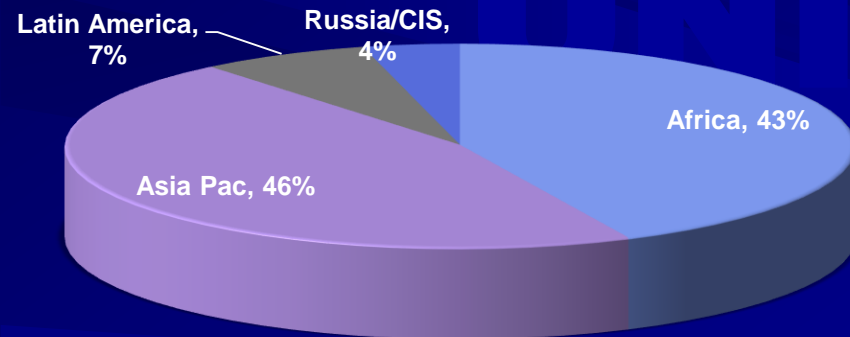
- Company has made significant investments in building infrastructure which includes state of the art R&D centre and API plants for captive consumption to support international business
- Company is in process of further augmenting it's API & Formulation capacities for expected future growth
- Regulatory Approvals
 - Goa Plant - USFDA (Re-Certified recently), MHRA, ANVISA, TGA
 - Ghaziabad Plant - USFDA (Re-Certified recently), MHRA, ANVISA, TGA
- More than # 800 product registrations across the world
- # 39 US ANDAs filed so far and # 23 of which already approved (Incl 1 PARA IV)
 - Many more filings in the pipeline

International Business – Formulations

ACASIA : Emerging Global Markets

Geographic Mix – FY 16

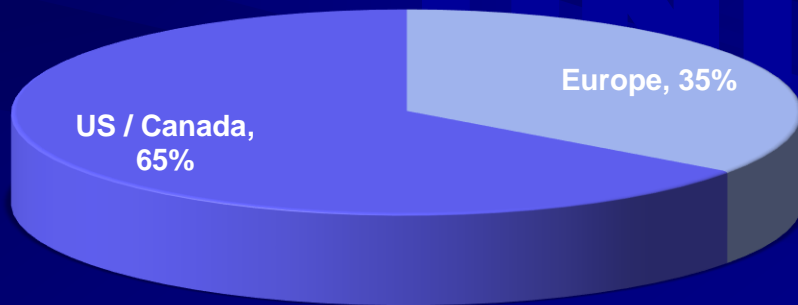
Geographic Mix – FY 17



International Business – Formulations

Regulated Markets

Geographic Mix – FY 16



Geographic Mix – FY 17



International Business – Formulations

Regulated Markets - USA and LATAM

UNITED STATES:

- UNICHEM PHARMACEUTICALS (USA) Inc - wholly owned subsidiary to manage ANDA filings and Business Development
 - Business model is based on leveraging Unichem's technical expertise and production capability with integrated end-to-end value chain
 - Longstanding relationship with large wholesalers and retail chains for products launched
 - Total number of ANDAs filed # 39 and development in progress for further filings
 - Total ANDAs approved so far # 23 including #1 PARA IV approval
- Increase in R & D Investments to support the anticipated further growth
- Company's strategy is to scale-up operations for sustained growth over time

International Business – Formulations

Regulated Markets

EUROPE

- European presence through 100% subsidiary - Niche Generics, UK
- The subsidiary sells these regulatory dossiers and supply agreements to third party companies
 - Total # 37 products {(Own:# 34; In-Licensing: # 3) (Direct marketing by Niche#23)}
 - Packing facility at Ireland
- The subsidiary has direct sales operations in the U.K.
- The subsidiary trades across Europe and also looking to extend into other geographies
- The subsidiary to focus on developing markets for generics and identifying potential products that can drive the business in in UK and Europe
- Direct (Unichem) presence through contract manufacturing and supply agreements
- 2012-13 : 100% subsidiary in Ireland

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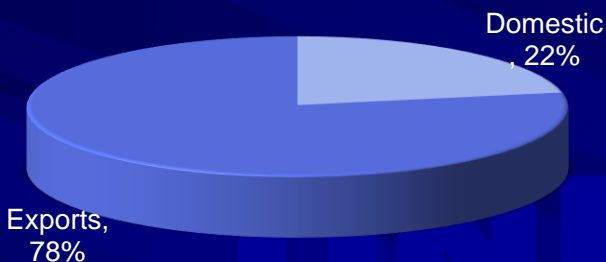
API-World class Manufacturing Facilities and Infrastructure

- Roha (Maharashtra) – Multiple plants
 - Regulatory Approvals – USFDA (Re-Certified recently), EDQM, PMDA, EU GMP, KFDA, ISO, OHSAS
- Pithampur (MP) – Multiple plants
 - Regulatory Approvals – USFDA (Re-Certified recently), EUGMP, COFEPRIS
- More than # 500 Regulatory filings (DMFs, EDMFs, e-CTDs, ACTDs etc)

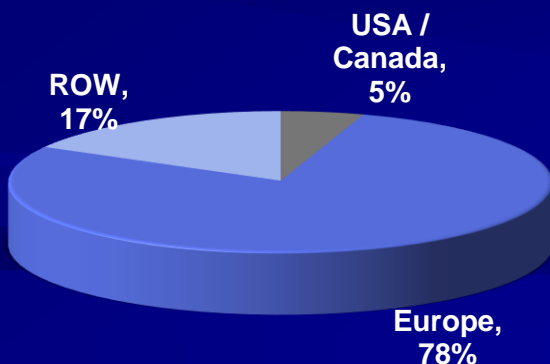
API - Total Revenue (Excluding Captive)

F Y 2016

Revenue Break-up by Segment



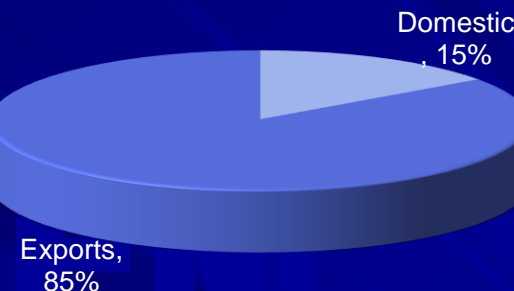
Export Revenue Break-up by Region



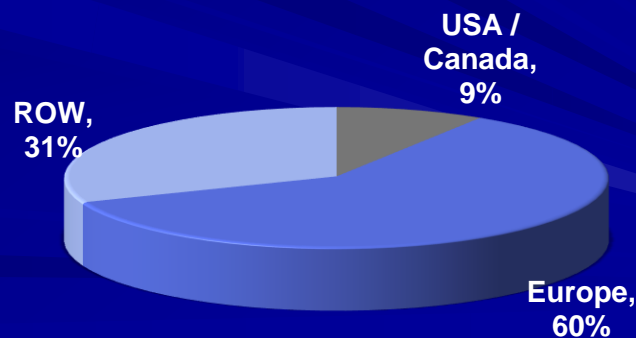
Total API Revenue : Rs.93 Crores

F Y 2017

Revenue Break-up by Segment



Export Revenue Break-up by Region



Total API Revenue : Rs. 102 Crores

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Focus

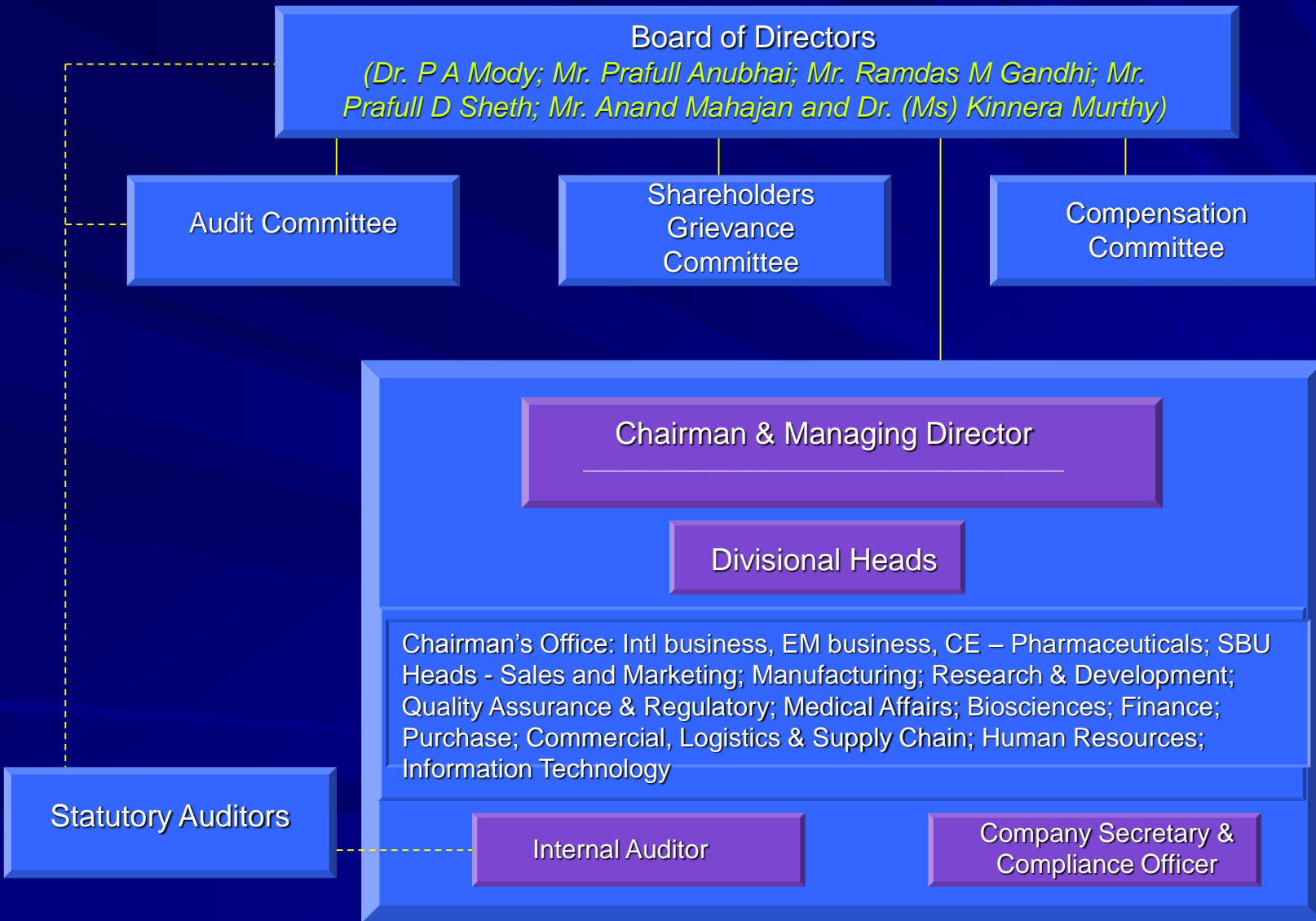
- Unichem has a two fold R&D strategy
 - Development of patent non-infringing processes for APIs
 - Development of Novel Drug Delivery Systems (NDDS)
- Chemical R&D
 - Centre of Excellence at Goa offering the most conducive environment for value added research
 - Developed novel, innovative & efficient processes for 45 new generation molecules in various therapeutic categories
 - Strong synthesis & analytical team fully equipped with latest facilities
- Formulations R&D
 - State-of-the-art Pharma R & D facilities to undertake formulation development of Tablets, Capsules, Liquid Orals, Creams, Ointments & Injectibles
 - Separate facilities for antibiotics
 - Pre-formulation laboratories to carry out drug-excipient compatibility studies and physical characterization of API regarding compressibility and flow characteristics
 - Formulation services on contract research and development projects for a number of leading European companies
 - Formulation Development and ANDA filings following QbD protocol
- Biosimilar products at various stages of development
 - Recombinant DNA Technique
 - Fermentation based products
 - Monoclonal Anti Bodies
- Total R & D spending of ~5 % of sales
 - More than # 325 Scientists (including more than # 30 PhDs) in R & D activities

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UNICHEM

Management & Governance



Maintains high standards of Corporate Governance

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Standalone Financials (INR Lakhs)

Analysis of Standalone results for Quarter and Year ended 31st March, 2017				Figures in INR Lakhs		
Particulars	STANDALONE FINANCIALS			STANDALONE FINANCIALS		
	Three months ended March 31, 2017	Three months ended March 31, 2016	% Growth	Year Ended March 31, 2017	Year Ended March 31, 2016	% Growth
Sales Income from Operations:						
Domestic Operations						
Formulations	18,735	17,447	7%	83,948	75,483	11%
API	489	296	65%	1,551	2,247	-31%
International Operations						
Formulations	11,852	10,075	18%	45,236	36,806	23%
API	2,651	1,737	53%	8,650	7,272	19%
Other Operating Income	666	938	-29%	2,000	1,806	11%
Total Income	34,393	30,493	13%	141,385	123,615	14%
Expenditure:						
Material Consumption	12,175	10,781	13%	50,351	45,201	11%
% Sales Income	35.4%	35.4%		35.6%	36.6%	
Staff Cost	6,489	5,679	14%	26,790	22,606	19%
Other Expenditure	12,355	10,963	13%	48,049	41,593	16%
EBITDA	3,373	3,070	10%	16,196	14,214	14%
% Total Income	9.8%	10.1%		11.5%	11.5%	
Finance Costs	35	79	-56%	202	230	-12%
Depreciation	1,040	881	18%	4,108	3,499	17%
Total Expenditure	32,094	28,383	13%	129,499	113,129	14%
% Total Income	93.3%	93.1%		91.6%	91.5%	
Operating Income	2,299	2,111	9%	11,886	10,486	13%
% Total Income	6.7%	6.9%		8.4%	8.5%	
Other Income	7	570	-99%	1,274	2,271	-44%
Profit before Tax	2,305	2,680	-14%	13,160	12,756	3%
% Total Income	6.7%	8.8%		9.3%	10.3%	
Income Tax	(841)	(84)		2,773	2,440	
Net Profit After Tax	3,146	2,764	14%	10,387	10,316	1%
% Total Income	9.1%	9.1%		7.3%	8.3%	
Other Comprehensive Income - Net of Tax	(103)	23		(124)	(266)	
Total Comprehensive Income after Tax	3,043	2,787	9%	10,263	10,050	2%
% Total Income	8.8%	9.1%		7.3%	8.1%	
Earning per Share (In Rupees)						
Basic	3.35	3.10	8%	11.29	11.08	2%
Diluted	3.34	3.09	8%	11.28	11.06	2%

Thank You