



UNICHEM
LABORATORIES LTD.

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

August 16, 2016

Department of Corporate Services

Bombay Stock Exchange,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.

Mr. Hari K.

Asst. Vice President - Operations
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051.

Dear Sir,

Ref: BSE Scrip Code - 506690 : NSE Symbol - UNICHEMLAB
Sub.: Investor Presentation for the Quarter Ended June 30, 2016

Please find enclosed the investor presentation on the unaudited financial results for the quarter year ended June 30, 2016.

Please take the above on record.

For UNICHEM LABORATORIES LIMITED

Neema Thakore
Head - Legal & Company Secretary

Unichem Laboratories Limited



Investor Presentation
Q1 & 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 26th in the Domestic Formulations market as per AWACS MAT June 2016
 - Amongst the top # 19 companies in representative (covered) market
 - Domestic Operations contribute ~58% of Consolidated Revenues
 - International Operations contribute ~42% 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 June, 2016*)
 - Largest brand / brand extensions in excess of Rs170Cr
 - Over 20 brands with Rs. 10cr + Revenues
 - Over 20 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 45 therapeutic sub-groups

- Uninterrupted Dividend track record and cash generating operations

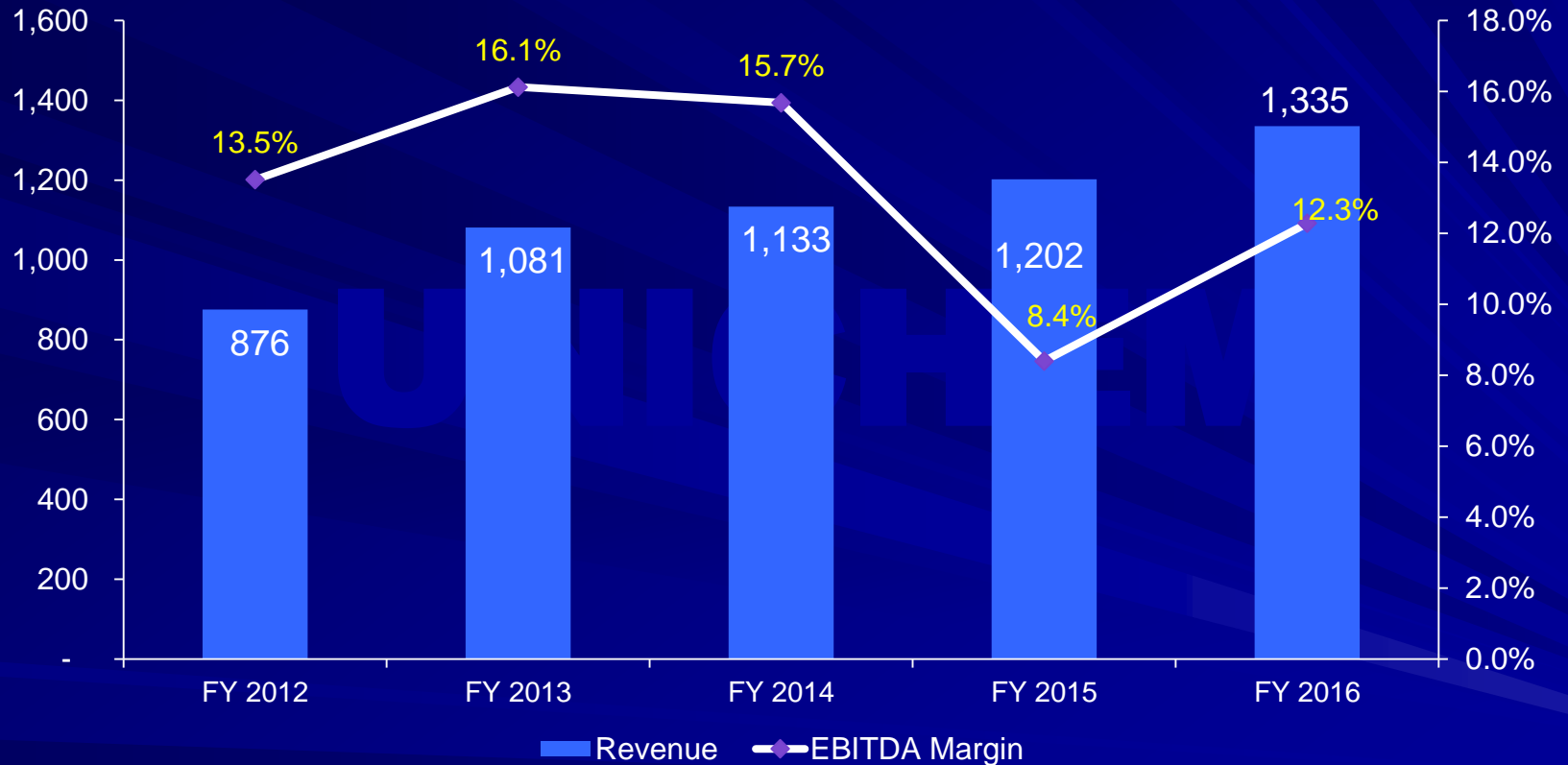
History - Key Milestones (Last 10 Years)



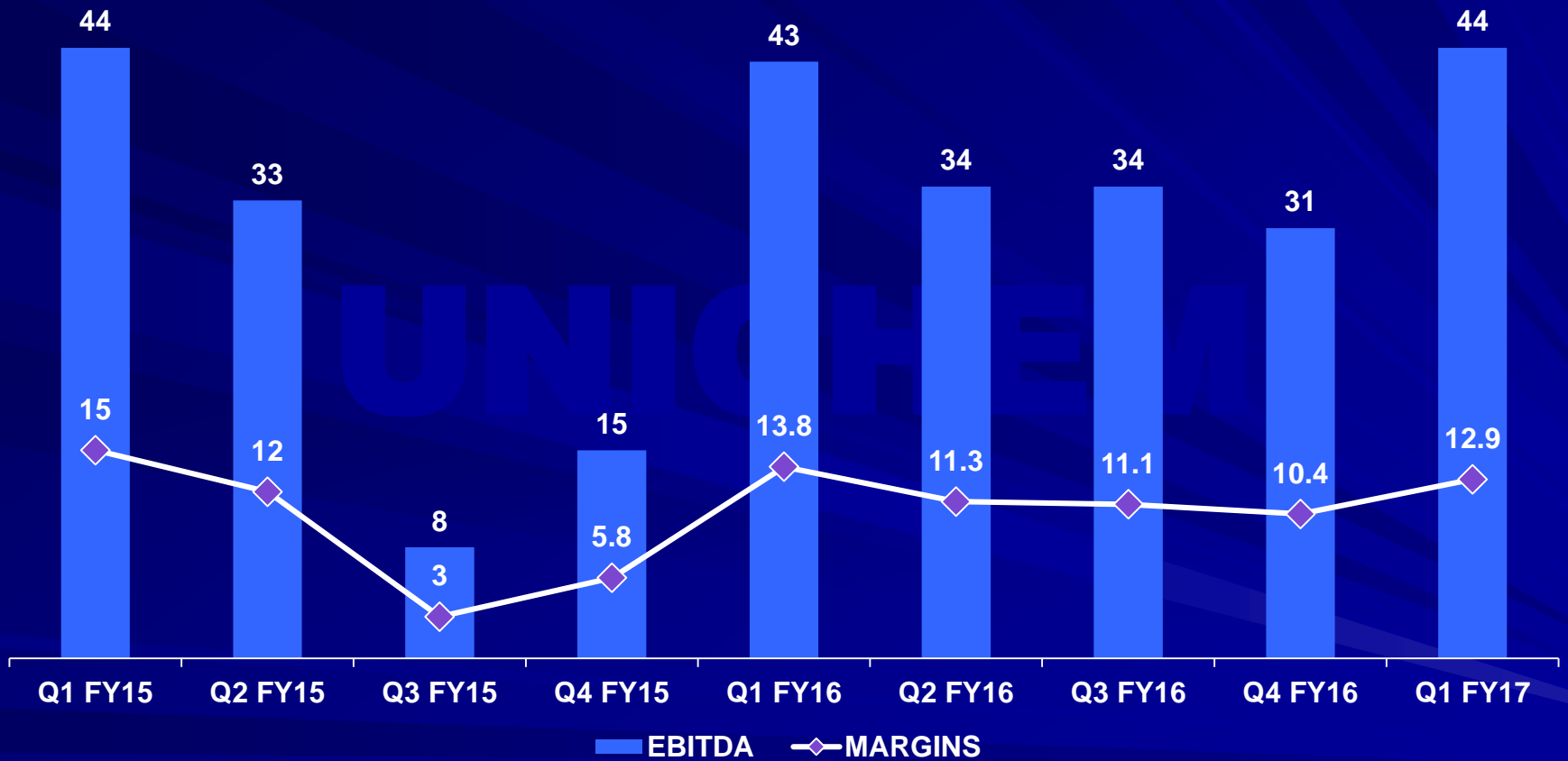
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Consolidated Financials {Rs. Crores}



Standalone EBITDA Profile from FY 15 onwards



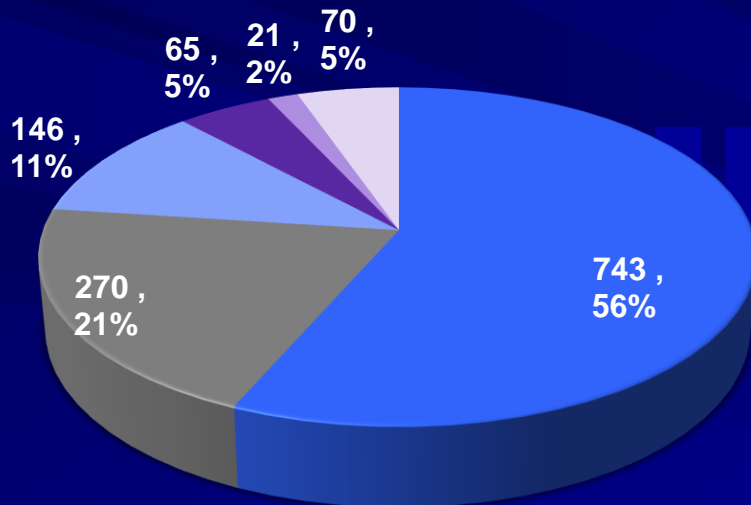
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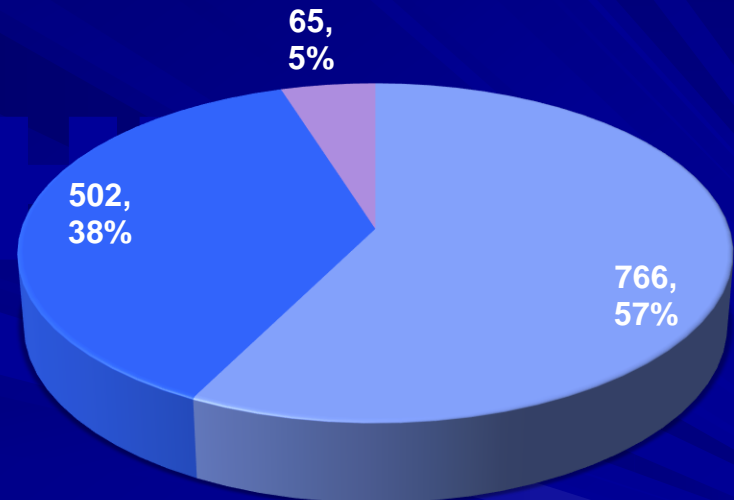
Revenue & Business areas break-up

Consolidated – FY 2016

Revenue Break-up by Segment
Rs. Crores



Revenue Break-up by Region
Rs. Crores



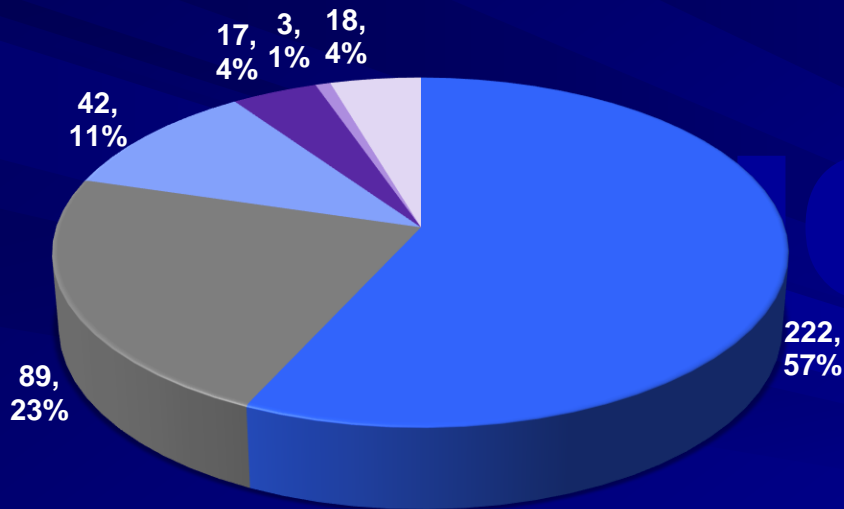
- Formulation - Domestic
- International Business - US/Brazil
- International Business - Niche/EU
- RoW
- API - Domestic
- API - Exports

- India Business
- Regulated Markets
- Emerging Markets

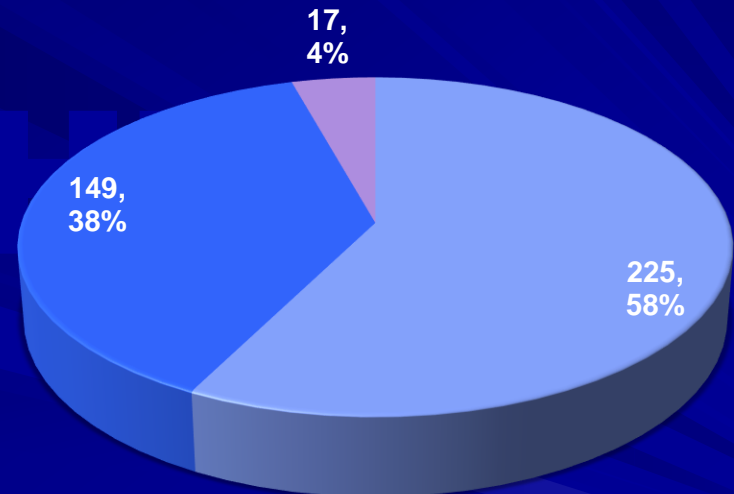
Revenue & Business areas break-up

Consolidated – Q1 FY 2017

Revenue Break-up by Region
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 ~58%* of Domestic Formulation Revenues
 - Acute portfolio accounts for ~42%* of Domestic Formulation Revenues

Price Control

- Less than 20% of Domestic Portfolio (in value terms) are under DPCO 2013.

Unichem in The Indian Pharma Market

Rs. Crores

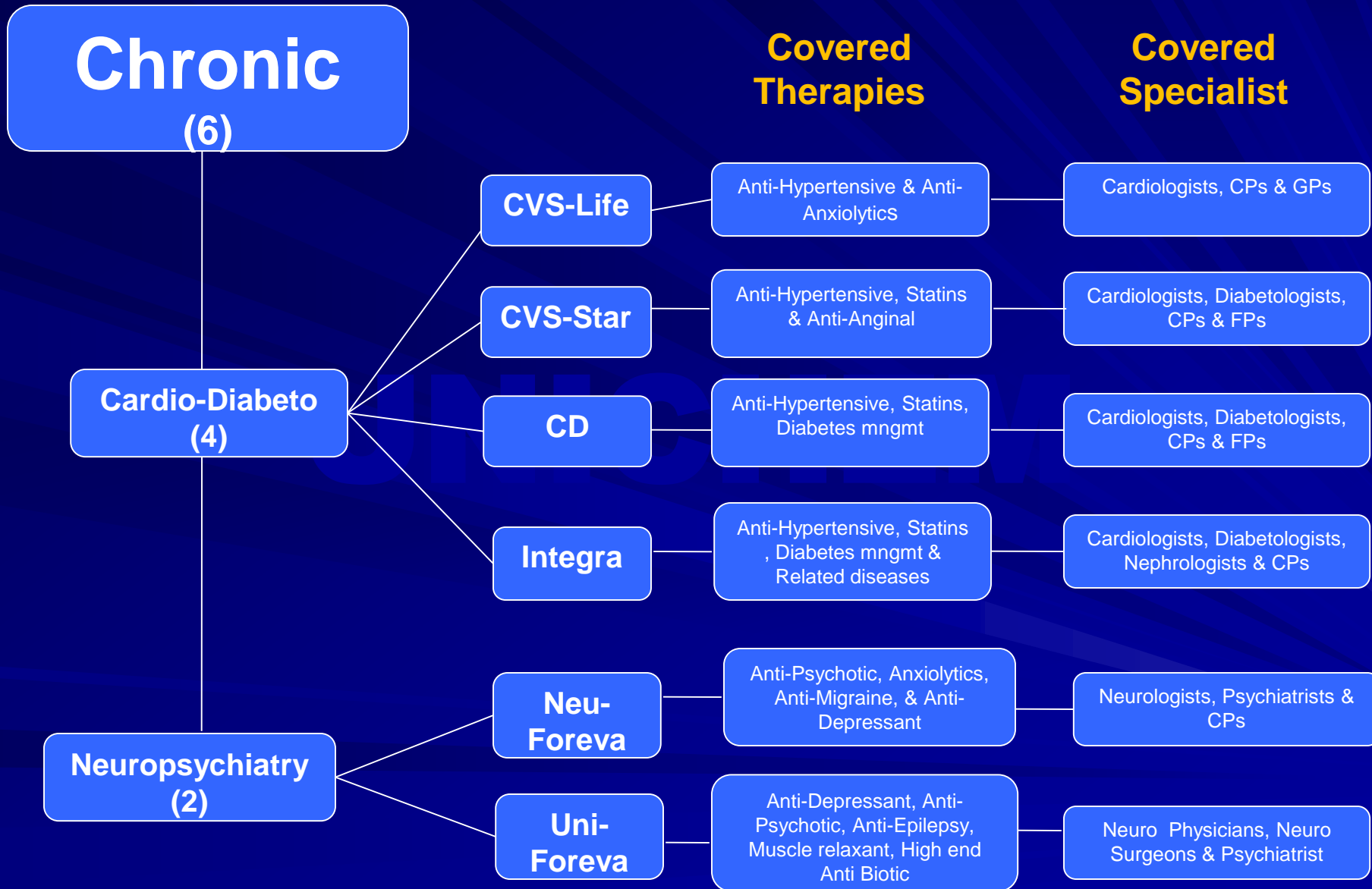
	Indian Pharmaceutical Market	MAT June, 2016	% Growth
	Total Size of the Market	100,017	10.6
	Unichem Represented (Covered) Market	48,056	9.7
Sr. No	Top Companies in Covered Market		
1	Sun Pharma + Ranbaxy	5,224	11.1
2	Alkem	2,634	8.3
3	Mankind	2,311	15.5
4	Cipla	2,088	9.4
5	Zydus	2,086	7.0
6	Lupin	1,917	9.5
7	Macleods	1,849	6.9
8	Abbott Healthcare	1,791	7.6
9	Aristo	1,631	8.7
10	Intas	1,534	15.4
18	Unichem Labs	908	9.8

Unichem's Therapy Gaps in the market

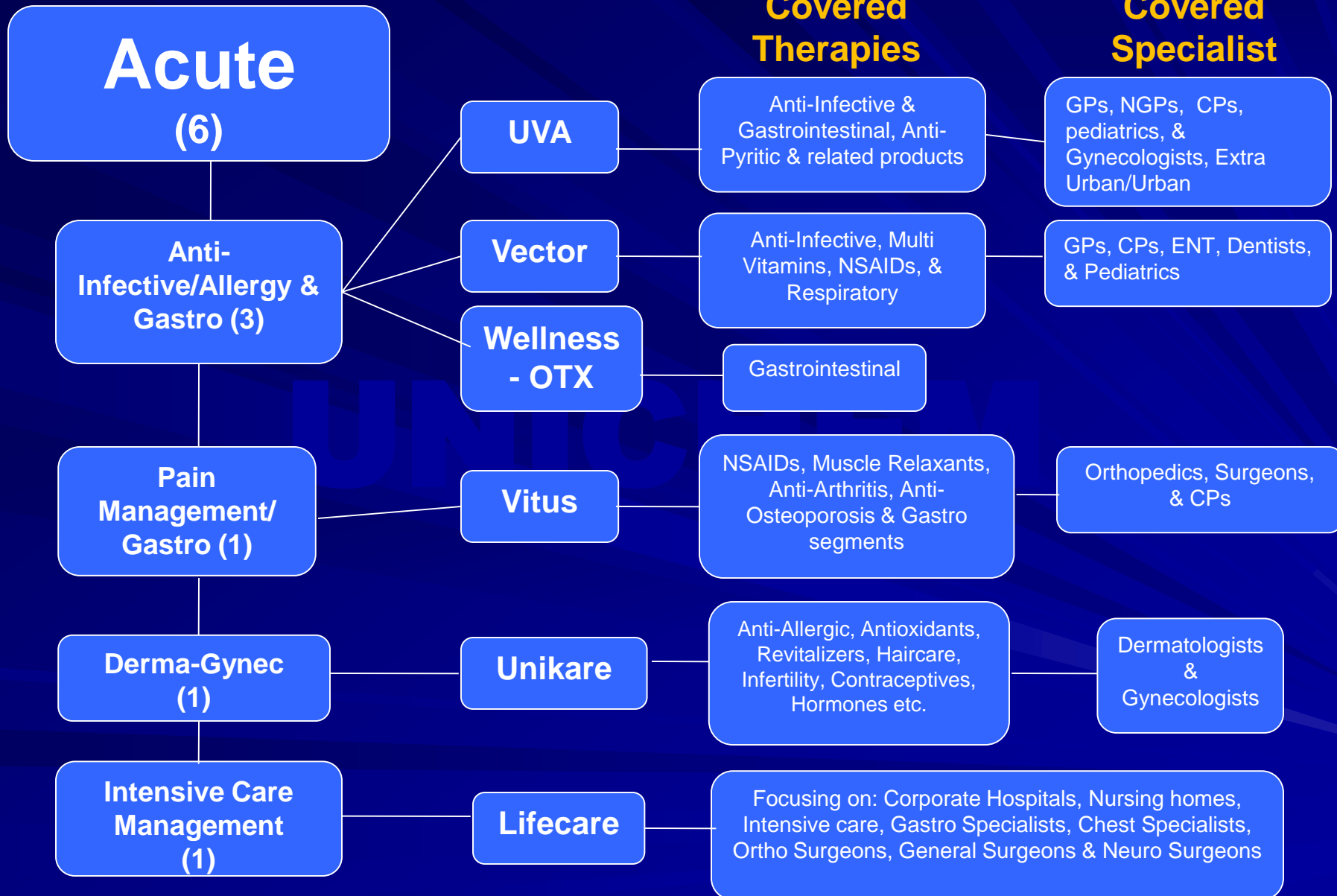
	MAT Mar' 16 Value Rs. Crs	% of Total Value	No. of Sub- Segments	% of Total No. of Segments
Unichem Non-Represented Segments	51,961	52.0%	2,611	87.7%
Unichem Represented Segments	48,056	48.0%	366	12.3%
Total Market	100,017	100%	2,977	100%

- Unichem is represented in 365 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

- 6 Chronic Verticals manned by ~1300 + CBAs
- 6 Acute verticals manned by ~1200 + CBAs

■ Doctor Coverage: Over 100,000 doctors covered

■ Chronic Coverage

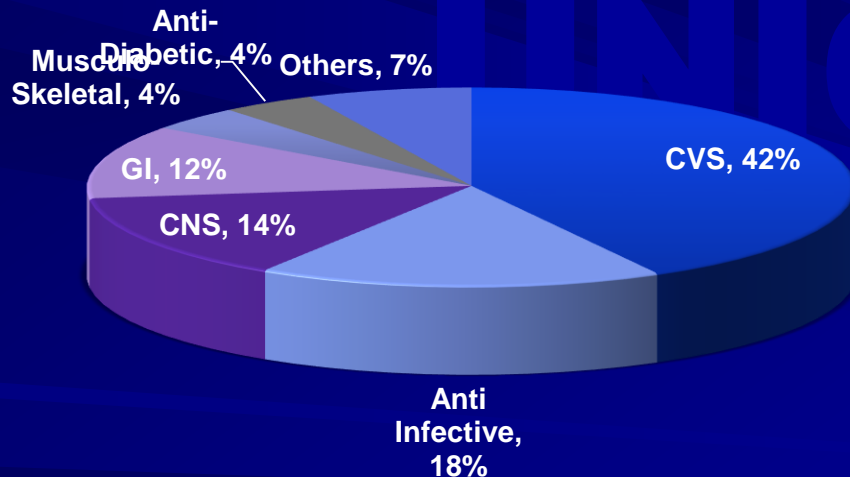
Cardiologists, Diabetologists, Neurologists, Psychiatrists, Nephrologists, Gynaecologists (Infertility treatment), CPs, GPs etc.

■ 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 19 therapeutic groups Unichem's brand is No 1 brand
- Over all Unichem's brands rank in the top 5 in 45 therapeutic sub-groups
- Healthy balance between chronic (~58%) & acute (~42%)

Brand Building – Focus Brand Portfolio

- # Top 10 Brands contributes ~46% of the company's domestic revenues
 - *Losar H, Ampoxin, Losar, Unienzyme, Vizylac, Trika, Serta, Unistar, Telsar, and Arkamin*

- Top 50 Brands contributes ~80% of the company's domestic revenues
 - # 4 - Rs. 50+ crore brands
 - # 1 - Rs. 30 - 50 crore brand
 - # 2 - Rs. 20 - 30 crore brands
 - # 13- Rs.10 - 20 crore brands
 - # 46 - Rs. 3 - 10 crore brands

Top 10 Product Groups Performance

Rs. Crores

	MAT June, 2016	% Growth	% Market Share	% Contribution to Revenue
Total Revenue	908	9.8	0.9	100.0
Losar Group	178	8.0	35.8	19.6
Ampoxin Group	75	5.9	45.6	8.3
Unienzyme	58	-5.5	15.1	6.4
Telsar Group	55	11.9	3.1	6.0
Olsar Group	37	17.2	5.5	4.1
Vizylac	34	12.4	13.3	3.7
Pregaba Group	28	33.7	6.0	3.1
Trika Group	27	-9.4	19.8	3.0
Serta	23	13.6	28.8	2.5
Metride Group	20	6.9	0.8	2.2

AWACS Data – MAT June, 2016

Therapy Market Segment	Representative Market		Unichem Laboratories		
	Size (Rs. Crs)	% Growth	Sales (Rs. Crs)	% Share	% Growth
Cardiac Care	7,964	10.8	384	4.8	10.2
Anti-Infectives	10,981	3.4	153	1.4	2.6
Neuro-Psychiatry	3,527	13.9	123	3.5	18.6
Gastro Intestinal	6,092	11.8	109	1.8	1.1
Musculosketetals	4,091	11.9	37	0.9	21.5
Anti – Diabetic	3,724	17.0	34	0.9	25.6
Others	11,677	9.9	69	0.6	12.8
TOTAL	48,056	9.7	908	1.9	9.8

Globally Accredited State of the art Manufacturing Facilities

■ Formulations

- Baddi (HP) – essentially catering to domestic and developing regulated market
 - Regulatory approvals – MHRA & ANVISA
- Ghaziabad (UP) – for catering to regulated and developing regulated markets
 - Regulatory approvals – USFDA (Re-Certified recently), ANVISA, TGA, MHRA
- Goa – for catering both to regulated and developing regulated 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 and Kazakhstan Regulatory Authority

■ 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
- Entering the OTX in Gastrointestinal market with Unienzyme

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

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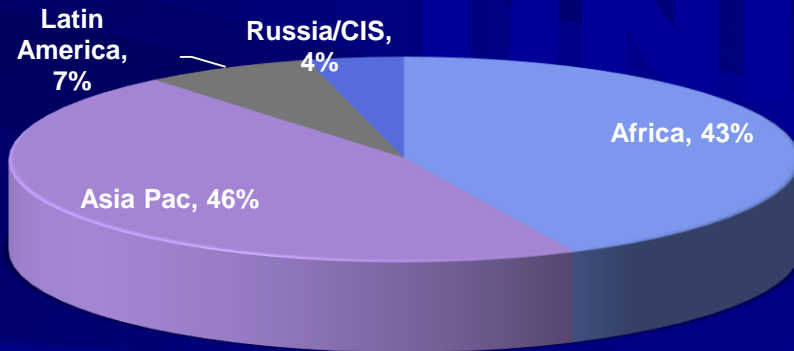
International Formulation Business

- Company has made significant investments in building infrastructure which includes new R&D centre and API plants for captive consumption to support international business
- Company is in process of further augmenting its 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
- # 38 US ANDAs filed so far and # 21 of which already approved (Incl 1 PARA IV)
 - Many more filings in the pipeline

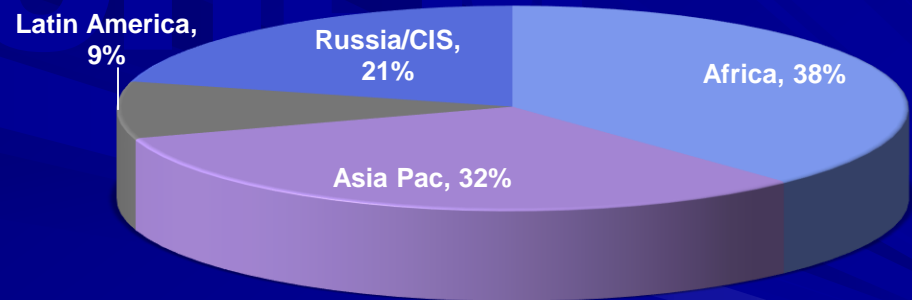
International Business – Formulations

Zone 1 : Emerging Global Markets

Geographic Mix – FY 16



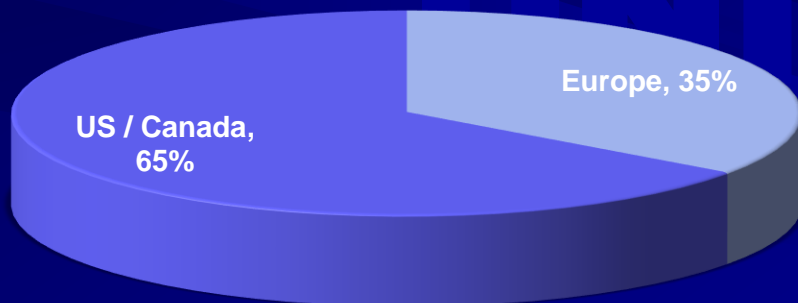
Geographic Mix – Q1 FY 17



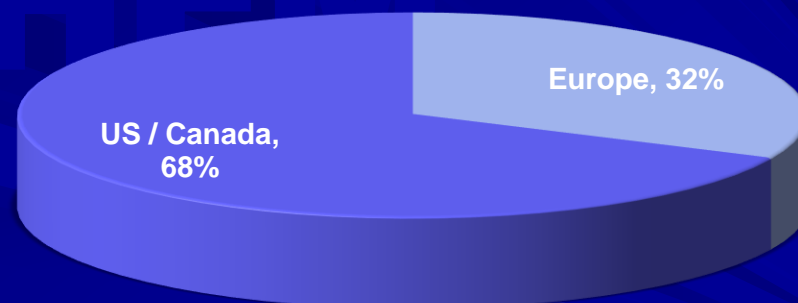
International Business – Formulations

Regulated Markets

Geographic Mix – FY 16



Geographic Mix – Q1 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 # 38 and development in progress for further filings
 - Total ANDAs approved so far # 21 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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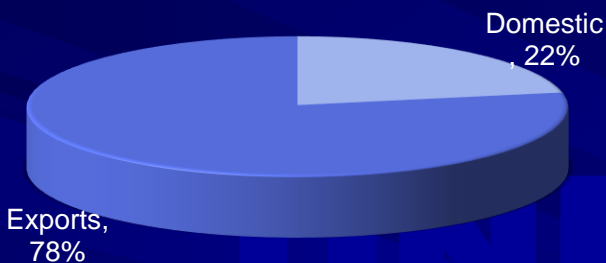
API-World class Manufacturing Facilities and Infrastructure

- 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)

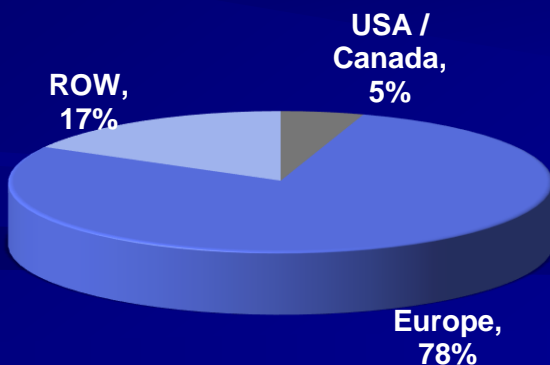
API - Total Revenue (Excluding Captive)

F Y 2016

Revenue Break-up by Segment



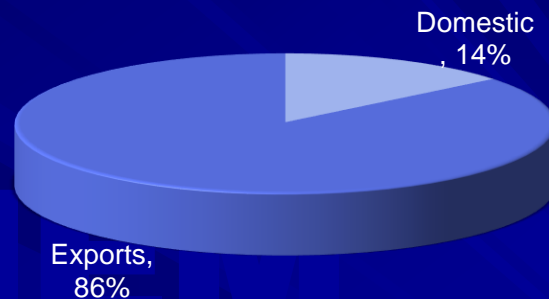
Export Revenue Break-up by Region



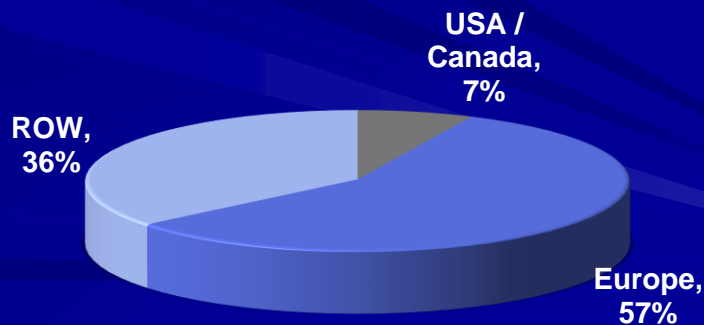
Total API Revenue : Rs.93 Crores

F Y Q1 2017

Revenue Break-up by Segment



Export Revenue Break-up by Region



Total API Revenue : Rs. 18 Crores

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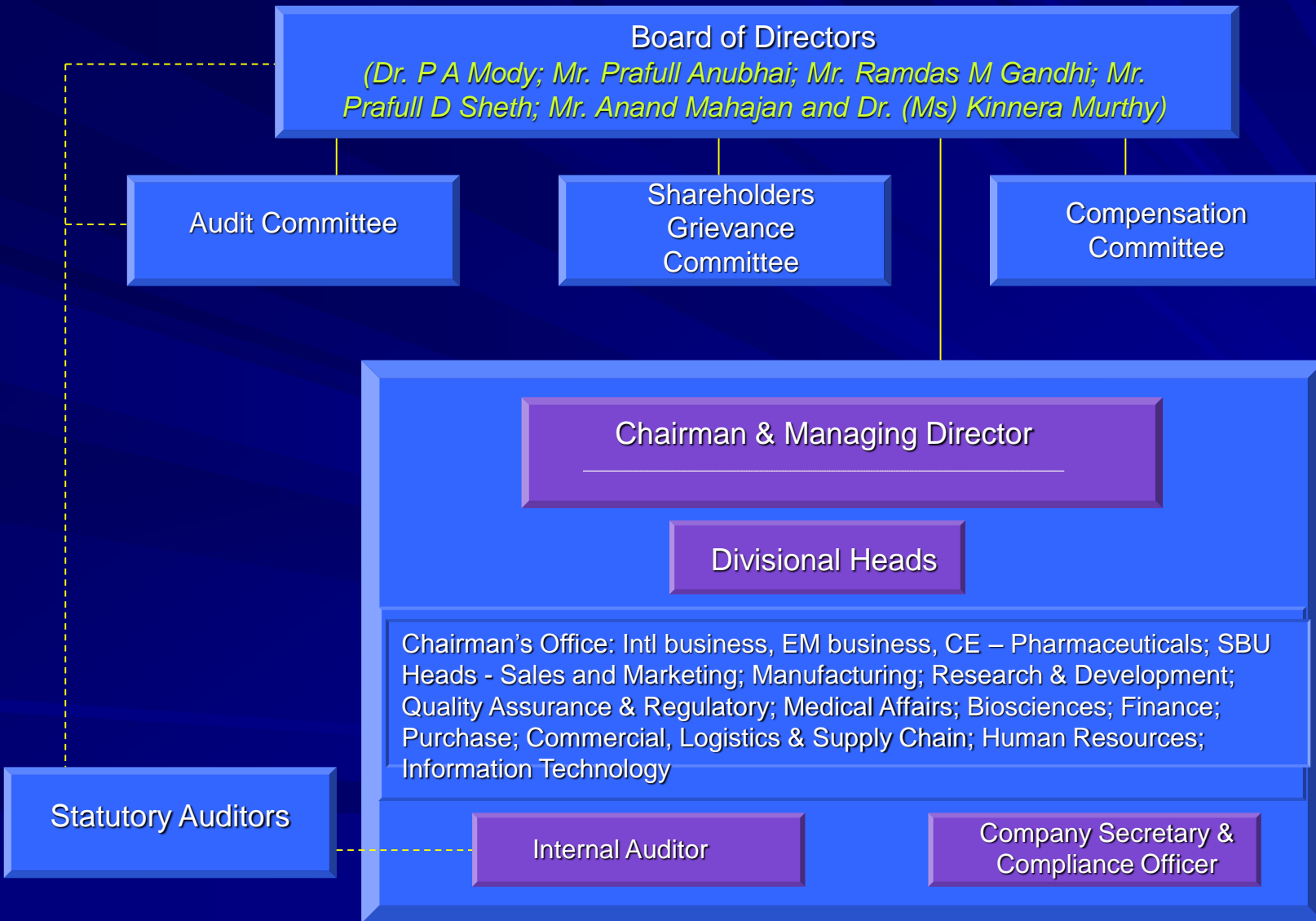
Focus

- 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 # 300 Scientists (including # 30 PhDs) in R & D activities

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Management & Governance



Maintains high standards of Corporate Governance

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Standalone Financials *(INR Lakhs)*

STAND ALONE FINANCIALS - IND-AS (INR Lakhs)			
Particulars	Three months ended June 30, 2016	Three months ended June 30, 2015	% Growth
Sales Income from Operations:			
<i>Domestic Operations</i>			
Formulations	22,154	19,696	12%
API	295	657	-55%
<i>International Operations</i>			
Formulations	9,715	8,328	17%
API	1,780	2,127	-16%
Other Operating Income	253	432	-41%
Total Income	34,197	31,240	9%
Expenditure:			
Material Consumption	12,384	11,469	8%
% Sales Income	36.2%	36.7%	
Staff Cost	6,323	5,480	15%
Other Expenditure	11,066	9,999	11%
EBITDA	4,424	4,292	
% Total Income	12.9%	13.7%	
Interest	60	54	11%
Depreciation	976	880	11%
Total Expenditure	30,808	27,881	10%
% Total Income	90.1%	89.2%	
Operating Income	3,389	3,358	
% Total Income	9.9%	10.8%	
Other Income	504	618	-18%
Profit before Tax	3,893	3,976	-2%
% Total Income	11.4%	12.7%	
Income Tax	1,316	1,077	22%
Net Profit before Exceptional Items	2,577	2,899	-11%
% Total Income	7.5%	9.3%	
Other Comprehensive Income - Net of Tax	-22.33	37.60	
Total Comprehensive Income after Tax	2,555	2,937	-13%
% Total Income	7.5%	9.4%	
Earning Per Share- Basic	2.84	3.19	-11%
Earning Per Share- Diluted	2.83	3.19	-11%

Notes: The previous period figures have been regrouped wherever necessary.

Thank You