



Natco Pharma Limited

Regd. Off. : 'NATCO HOUSE', Road No. 2, Banjara Hills, Hyderabad - 500034,
Telangana, INDIA. Tel : +91 40 23547532, Fax : +91 40 23548243
CIN : L24230TG1981PLC003201, www.natcopharma.co.in

14th August, 2017

Corporate Relationship Department
M/s. BSE Ltd
Dalal Sreet, Fort
Mumbai 400 001

Manager – Listing
M/s. National Stock Exchange of India Ltd
“Exchange Plaza”, Bandra – Kurla Complex
Bandra (E) Mumbai 400 051

Scrip Code: 524816

Scrip Code: NATCOPHARM

Dear Sir

Please find enclose herewith the corporate presentation.

Thanking you

For NATCO Pharma Limited

A handwritten signature in black ink that reads "M. Adinarayana".

M. Adinarayana
Company Secretary &
Vice President (Legal & Corp. Affairs)



CORPORATE PRESENTATION

August 2017



Disclaimer / Important Disclosure



This presentation has been prepared by Natco Pharma Limited (the “Company”) solely for information purposes without regard to any specific objectives, financial situations or informational needs of any particular person. This presentation should not be construed as legal, tax, investment or other advice. This presentation is confidential, being given solely for your information and for your use, and may not be copied, distributed or disseminated, directly or indirectly, in any manner. Furthermore, no person is authorized to give any information or make any representation which is not contained in, or is inconsistent with, this presentation. Any such extraneous or inconsistent information or representation, if given or made, should not be relied upon as having been authorized by or on behalf of the Company. The distribution of this presentation in certain jurisdictions may be restricted by law. Accordingly, any persons in possession of this presentation should inform themselves about and observe any such restrictions. Furthermore, by reviewing this presentation, you agree to be bound by the trailing restrictions regarding the information disclosed in these materials. This presentation contains statements that constitute forward-looking statements. These statements include descriptions regarding the intent, belief or current expectations of the Company or its directors and officers with respect to the results of operations and financial condition of the Company. These statements can be recognized by the use of words such as “expects,” “plans,” “will,” “estimates,” “projects,” or other words of similar meaning. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those specified in such forward-looking statements as a result of various factors and assumptions. The risks and uncertainties relating to these statements include, but are not limited to, (i) fluctuations in earnings, (ii) the Company’s ability to manage growth, (iii) competition, (iv) government policies and regulations, and (v) political, economic, legal and social conditions in India/ elsewhere. The Company does not undertake any obligation to revise or update any forward-looking statement that may be made from time to time by or on behalf of the Company. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements.

The information contained in this presentation is only current as of its date and has not been independently verified/ authenticated and are based upon to the best of the knowledge, belief and information. The Company may alter, modify or otherwise change in any manner the contents of this presentation, without obligation to notify any person of such revision or changes. No representation, warranty, guarantee or undertaking, express or implied, is or will be made as to, and no reliance should be placed on, the accuracy, completeness, correctness or fairness of the information, estimates, projections and opinions contained in this presentation. None of the Company or any of its affiliates, advisers or representatives accept any liability of whatsoever nature for any loss howsoever arising from any information presented or contained in this presentation. Please note that the past performance of the Company is not, and should not be construed as, indicative of future results. A number of adjusted measures are used to report the financial performance of our company. Potential investors must make their own assessment of the relevance, accuracy and adequacy of the information contained in this presentation and must make such independent investigation as they may consider necessary or appropriate for such purpose. Such information and opinions are in all events not current after the date of this presentation.

None of the Company, any placement agent or any other persons that may participate in the offering of any securities of the Company shall have any responsibility or liability whatsoever for any loss howsoever arising from this presentation or its contents or otherwise arising in connection therewith. This presentation does not constitute or form part of and should not be construed as, directly or indirectly, any offer or invitation or inducement to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of the Company by any person in any jurisdiction, including in India or elsewhere, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any investment decision or any contract or commitment therefore.. This presentation is not a prospectus, a statement in lieu of a prospectus, an offering circular, an advertisement or an offer document under the Companies Act, 2013, as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, or any other applicable law in India. We undertake no obligation arising out of this information or any consequence arising therefrom.

- Vertically integrated pharmaceutical company with **well diversified businesses** across geographies – India, US and RoW
- **Leading position** in the domestic Oncology and Gastro Hepatology segments
 - Portfolio of **market leading brands** catering to various oncology diseases including breast, brain, bone, lung and ovarian cancer
 - Amongst the first company in India to launch the generic version of Gilead's Sovaldi (Sofosbuvir) and its combinations under its brands Hepcinat and Hepcinat LP for the treatment of Hep-C ('Hepatitis C') in India
- Focused on **complex generics for the US markets** with a portfolio of **43 niche ANDA filings including 20 Para IV filings⁽¹⁾**
 - **First Company** to launch the generic version of oseltamivir, flu medicine, in the USA in partnership with Alvogen
- **Strong impetus on R&D** with about 350 employees dedicated to R&D
- Reported revenues⁽²⁾ of INR 20,789mn for the financial year ended 31st March 2017
- Listed on the Bombay Stock Exchange and National Stock Exchange with a market capitalization⁽³⁾ of **USD 2.6bn**
- Incorporated in 1981 and headquartered in Hyderabad with over 4,000 employees across all locations

(1) As of March 31, 2017

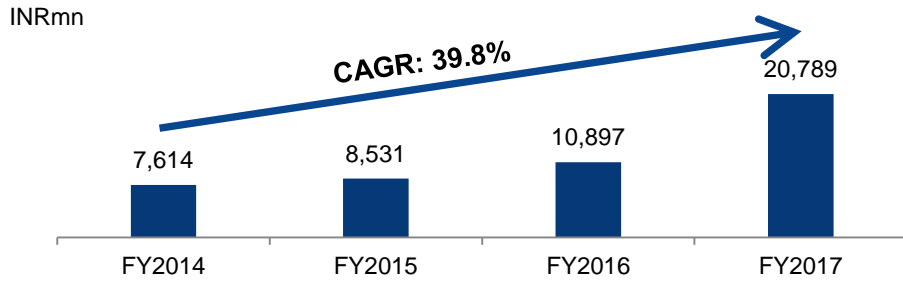
(2) Represents consolidated revenue from operations (gross)

(3) Market capitalisation as of 31 July 2017, using INR / USD exchange rate of 64.5

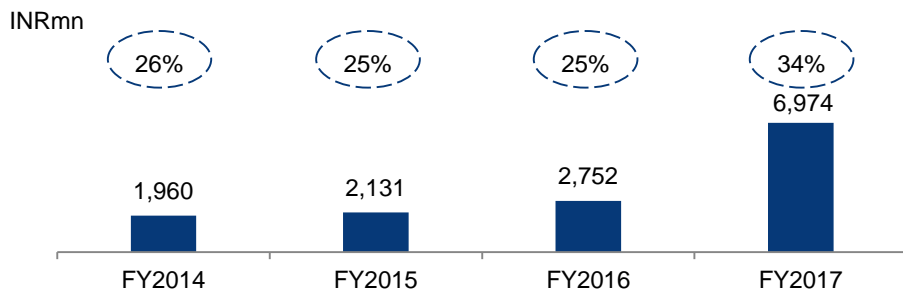
Track Record of Consistent Growth and Value Creation



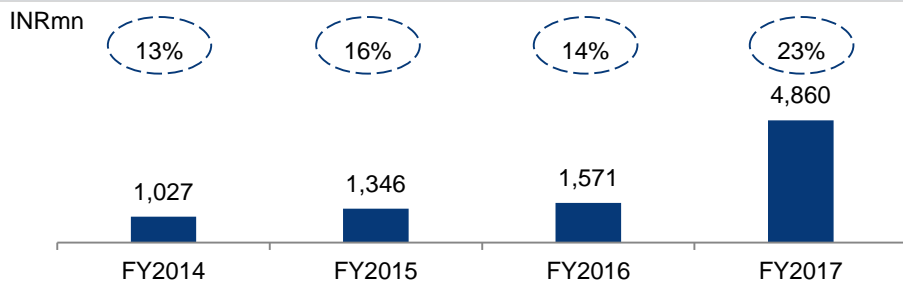
Revenue⁽¹⁾ Has Grown At A CAGR of 40% Over The Last 3 Years



EBITDA Has Grown At A CAGR of 53% Over The Last 3 Years



PAT⁽²⁾ Has Grown At A CAGR of 68% Over The Last 3 Years



Natco Pharma's Stock Price Has Increased by Over 500% Since May-14



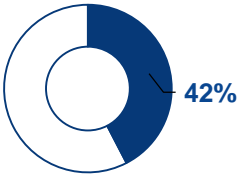
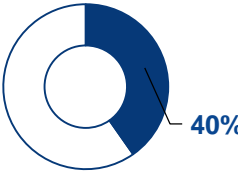
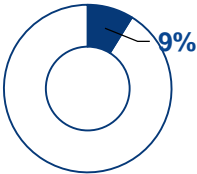
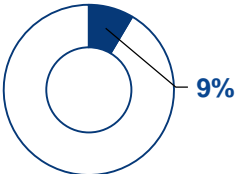

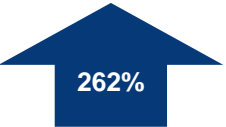

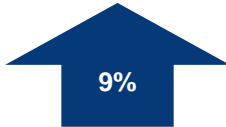
Consolidated results for year ended 31 March 2017 are in compliance with Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs and results for the year ended 31 March 2016 have been restated to comply with Ind AS. Results for the financial years ended 31 March 2015 and 31 March 2014 are as per Indian GAAP

(1) Represents consolidated gross revenue and includes other income

(2) Represents PAT after minority interest

Key Business Segments



	Formulations		API (Domestic & Exports)	Others
	Domestic	International		
Overview	<ul style="list-style-type: none"> Leading player in the domestic oncology and Gastro Hepatology segment with a portfolio of market leading brands Recent foray into the Cardiology and Diabetology segments Specialist sales force of over 350 personnel and over 500 distributors 	<ul style="list-style-type: none"> Focused on complex generics for the US Front end partnerships with leading global generic pharma companies 43 niche ANDA filings including 20 Para IV filings Emerging presence in Asia, Europe and developing markets 	<ul style="list-style-type: none"> Strategically important division Vertical integration for its FDF portfolio Filed 37 DMFs in US with over 10 products under development Exports focused on Europe and emerging markets 	<ul style="list-style-type: none"> Operations in Brazil, Canada, Singapore and Australia Selective contract manufacturing business and other operating income
FY17 Revenue (INRmn)	8,810 *	8,370	1,838	1,771
FY17 Revenue Contribution				
Growth FY17 over FY16				

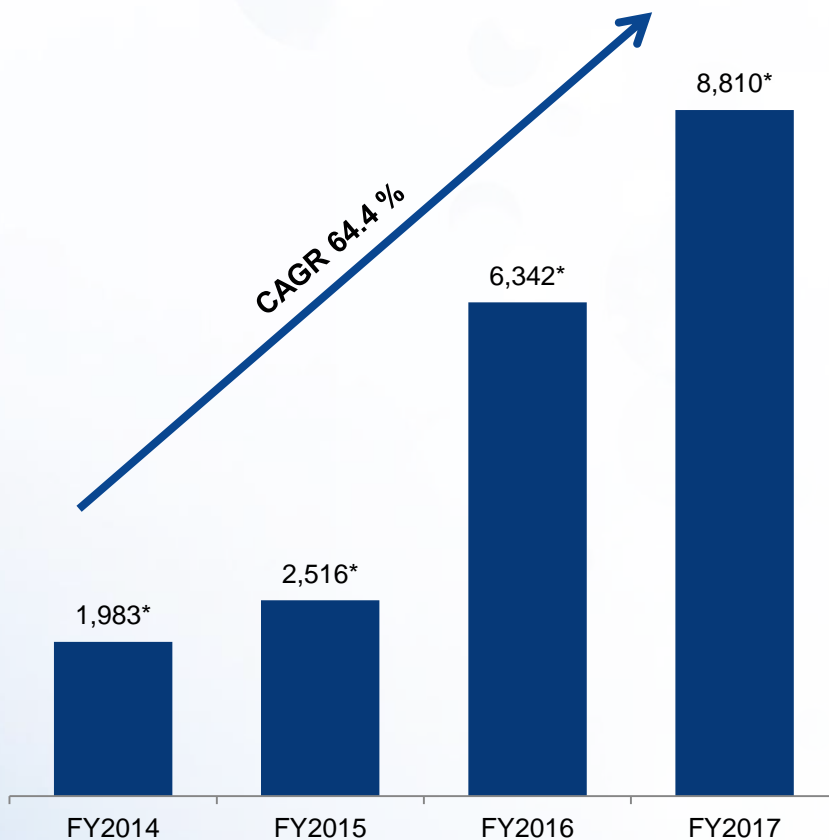
* Includes third party sales
 Note: All numbers are Gross Revenue
 All data as of March 31, 2017

Strong Growth in Domestic Formulations Business



Domestic Formulation Sales⁽¹⁾: Market Leading Growth

INRmn



Leading position in Oncology and Gastro Hepatology domains

6

Brands occupy the number 1 position in Oncology segment

3

Brands occupy the number 1 position in Hep-C segment capturing over 60% of market value

10+

Products targeted to be launched in FY18E

350+

Sales force in India across Oncology, Gastro Hepatology, Cardiology and Diabetology

Among the first companies to launch generic Hep-C range of products

(1) Represents gross revenue
* Includes third party sales

Leading Position in Domestic Oncology Segment



Oncology Division Overview

- Entered the segment with launch of generic version of Imatinib in 2003
- Portfolio of market leading brands – 6 brands occupy the number 1 position
- Progressively widened its oncology product range from **6** in 2003-04 to **28***
- Sales and marketing of the product is supported by over 75 sales representatives and strategically located logistics network of over 500 distributors
- #1 Domestic Company in Oncology

Oncology Portfolio

Hematology

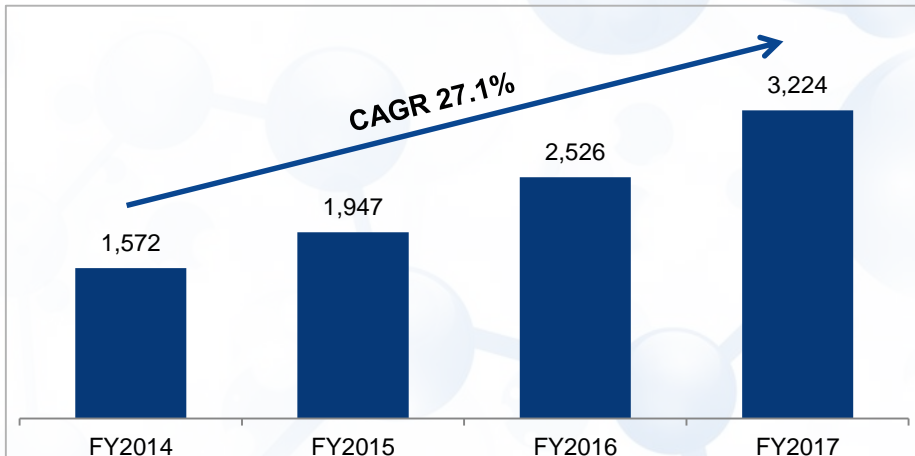
Solid Tumors

of Active Brands*

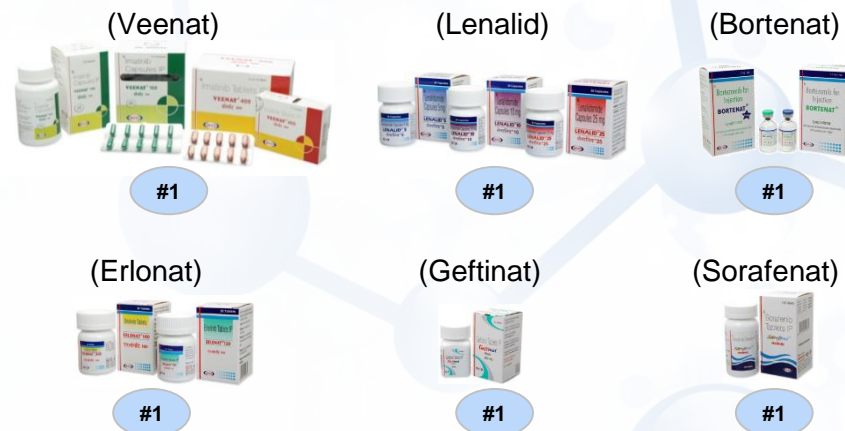
11

17

Oncology Revenue – Gross (INRmn)



INR100mn+ Brands (FY17)



*As on 31-March-2017

Gastro Hepatology – Leading Market Position in Hep-C



Market Leading Hep-C Franchise

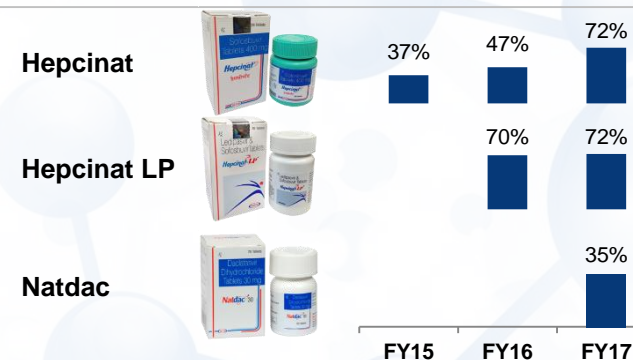
- First Company to launch generic Sofosbuvir and its combinations for the treatment of Hep-C in India & Nepal under its brand **Hepcinat** & **Hepcinat LP**
- Non-exclusive licensing agreement with Gilead Sciences for 101 countries including India reaching a target population of 103 million people
- Launched generic Daclatasvir in India under its brand **Natdac**
- Market leading positions across the Hep-C class of drugs in India
- Sales and marketing of the product is supported by over 120 sales representatives

Extending the Hep-C Franchise

- Launched an oral fixed-dose combination of Sofosbuvir and Velapatasvir under its brand **Velpanat**
- Medicine is highly efficacious across all genotypes 1 to 6
- Limited competition with only one other competitor in the domestic market
- Aggressively foraying into RoW markets

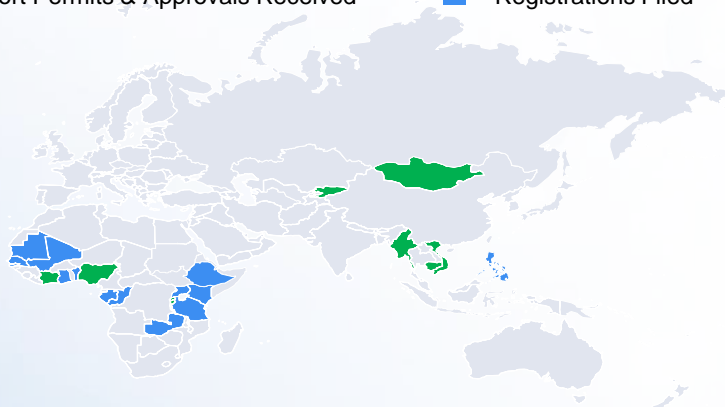
Key Brands

Market Share⁽²⁾



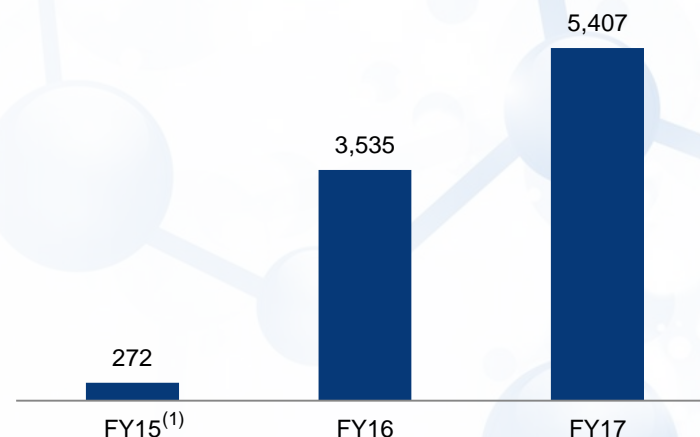
Expanding Into Emerging Markets Of Asia And Africa

- Import Permits & Approvals Received
- Registrations Filed



Registrations filed in 23 countries and import permits and approvals received in 9 countries

Demonstrating Strong Revenue Growth (INRmn)



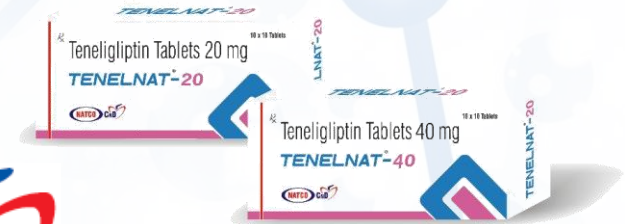
(1) Represents partial year revenue with 1 month of operations.
 (2) Source: AWACS.

Expanding Domestic Presence with Launch of New CnD Division



Cardiology and Diabetology

- Launched Cardiology and Diabetology (CnD) division in early 2017
- Launched Argatroban injection in July 2017, 1st time in India, for treatment of patients with thrombosis syndrome
- Focus will be on niche molecules with high barriers to entry



US Market - Focus on Complex Generics



US FDF product portfolio is predominantly focused on high-barrier-to-entry products that are typically characterised by one or more of the following:

- Intricate chemistry
- Challenging delivery mechanism
- Difficult or complex manufacturing process
- May face complex legal and regulatory challenges

Overview of Key Filings

	Key Brand	Molecule	Therapeutic Segment / Indication	Dosage Form	Para IV	Para III	Market Size (US\$m) [#]
Pipeline	Copaxone 20&40mg	Glatiramer 20&40mg	Multiple Sclerosis	PFS	✓		4,138.4
	Tamiflu	Oseltamivir Suspension	Influenza Infection	Suspension	✓		213.1
	Vidaza	Azacitidine	Myelodysplastic syndrome	Injection		✓	203.1
	Fosrenol	Lanthanum Carbonate	End stage renal disease	Tablets	✓		119.0
	Revlimid*	Lenalidomide	Multiple Myeloma	Capsules	✓		4,416.9
	Tracleer*	Bosentan	Hypertension	Tablets		✓	367.5
	Nexavar*	Sorafenib	Liver, Kidney Cancer	Tablets	✓		330.7

- Pipeline of niche and complex generics products in US
- 43 niche ANDA filings including 20 Para IV filings⁽¹⁾
- 22 approved ANDAs (1 yet to be launched)

De-risked Business Model through Partnerships with Global Pharmaceutical Players



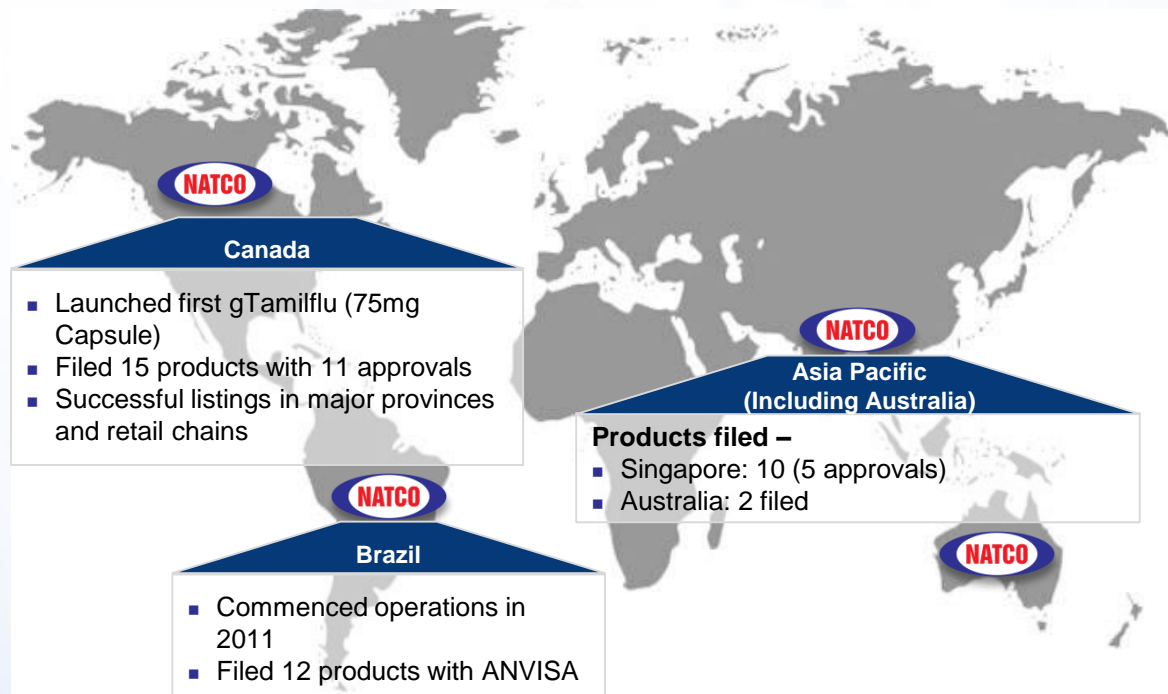
Mitigation Strategy

US Market reach and Regulatory Challenges

- Adopted and successfully implemented partnership strategy for international formulations product
 - Has product specific partnerships with global generic players at different stages of a potential ANDA filing
 - Entered into de-risked arrangements with marketing partner with the partner responsible for the litigation and regulatory process to secure the ANDA approval
 - Profit sharing arrangements with the front end partners to ensure Natco participates in the up-side. Recent success with the launch of generic Tamiflu capsules in partnership with Alvogen & Doxorubicin Liposomal Injection with Dr. Reddy's Laboratories Ltd.



RoW growth to be driven by Hep-C franchise expansion and continued business in LatAm and other Asian countries



Hep-C driven markets

- Filed in over 40 countries
- Received approvals and import permits for over 10 countries

Europe

- Sell our products in Eastern Europe, UK and Germany
- 4 approvals
- Distribution arrangements with our business partner

Venezuela

- Sell our FDF products (oncology) to third parties

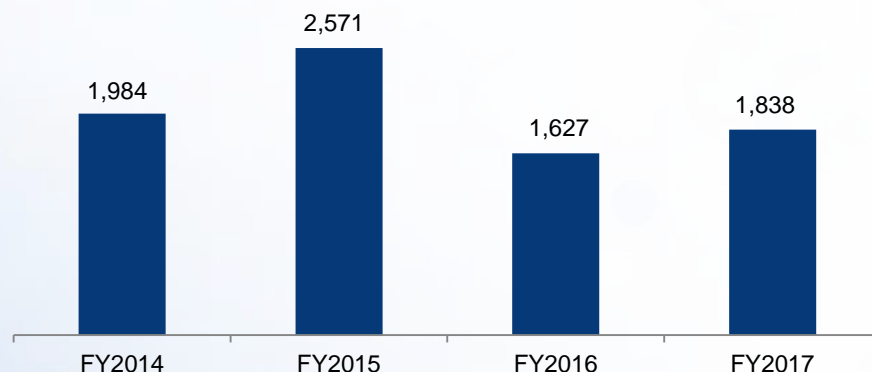
Strong In-House API Development with Vertical Integration for Key Formulation Products

- Strategically important business – develops APIs primarily for captive consumption of its FDF portfolio as well as third party sales
- Portfolio of 37 US DMFs with over 10 products under development (as of 31-March-2017)
- Focuses on complex molecules in oncology and CNS segments
 - Other therapeutic areas of focus includes Anti-asthmatic, Anti-depressant, Anti-migraine, Anti-osteoporosis and G I Disorders
- Exports are focused on the US, EU, Canada, Latin America and South-East Asia
- Vertical integration for several APIs a key competitive advantage

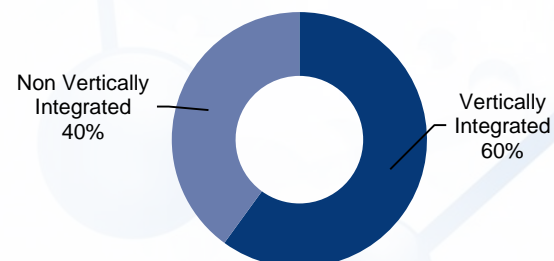
API Strengths

- Complex multi-step synthesis & scale-up
- Semi-synthetic fusion technologies
 - Fermentation / Biotech / Synthetic / Separation technologies
- Containment / High potency APIs
- Peptide (Solid phase) pharmaceuticals

Gross API Revenue (INRmn)



Vertically Integrated ANDAs



Expansion plans to significantly augment API manufacturing capacity

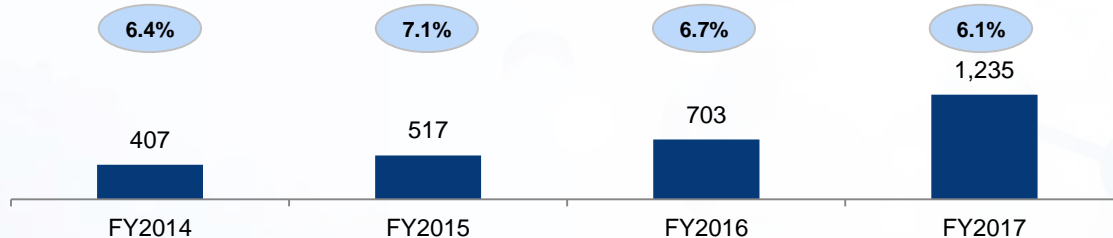
Strong Research & Development Capabilities



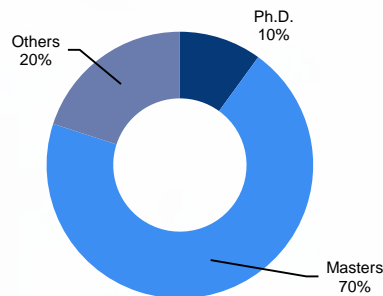
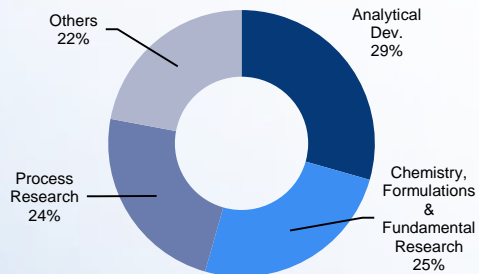
Strong R&D capabilities demonstrated by its complex and niche product filings in formulations and API segments

- Two well equipped research facilities with capabilities across synthetic chemistry, biotech & fermentation, nano pharmaceuticals, new drug discovery & cell biology

R&D Expense (INRmn) and as % of Standalone Revenue



Highly Talented Pool of Scientists



Over 35 R&D laboratories

22 ANDAs Approved
(1 yet to be launched)

20 Para IV Filings⁽¹⁾

37 US DMFs Filed⁽¹⁾

Over 10 API products Under Development



189 International Patents Filed⁽¹⁾

133 International Patents Granted

185 Indian Patents Filed⁽¹⁾

83 Indian Patents Granted


(1) As of March 31, 2017

% of standalone revenues





Commitment to Manufacturing Excellence with a Culture of Quality and Compliance



International Markets Formulations





	Kothur Facility	Visakhapatnam Facility
		
Capability	<ul style="list-style-type: none"> Tablets, Capsules, Pellets, Injectables 	<ul style="list-style-type: none"> Cytotoxic & other Oral Solid Dosages
Key Regulatory Approvals	<ul style="list-style-type: none"> GMP, USFDA, German Health Authority, ANVISA 	<ul style="list-style-type: none"> na
Other Highlights	<ul style="list-style-type: none"> US FDA last audit – January 2017 (approval received) 	<ul style="list-style-type: none"> Targeted towards US & other International regulated markets Located in a Special Economic Zone (SEZ)

API Manufacturing Facilities

	Mekaguda Facility	Chennai Facility
		
		
Key Regulatory Approvals	<ul style="list-style-type: none"> GMP, USFDA, German Health Authority, PMDA (Japan), Cofepris (Mexico) 	<ul style="list-style-type: none"> GMP
Last Audit	<ul style="list-style-type: none"> US FDA – January 2015 (Last approval) 	<ul style="list-style-type: none"> US FDA – February 2016 (approval received)

- Expansion plans to significantly augment API manufacturing capacity
- Focus on renewable energy to reduce manufacturing cost

Domestic Market Formulations

	Nagarjuna Sagar Facility	Dehradun Unit 6 Facility	Dehradun Unit 7 Facility	Guwahati Facility
				
Capability	<ul style="list-style-type: none"> Ampoules, Vials, Lyophilized vials, Parenterals, Sterile Dry Powders 	<ul style="list-style-type: none"> Tablets, Capsules, Injectables 	<ul style="list-style-type: none"> Tablets, Capsules 	<ul style="list-style-type: none"> Tablets, Capsules
Key Regulatory Approvals	<ul style="list-style-type: none"> GMP 	<ul style="list-style-type: none"> GMP 	<ul style="list-style-type: none"> GMP, Public Health Service of the Netherlands (EU GMP) 	<ul style="list-style-type: none"> GMP Compliant Facility

 Under development

Domestic Branded Formulations

- Maintain leadership position in Oncology and Gastro Hepatology segment
- Launch 8- 10 new products
- Traction in the newly launched CnD division
- Extension of the Hep-C franchise via the launch of Velpanat
- Target 20% plus YoY growth

2017-18

- Enter new attractive segments
- Aggressive push into emerging markets

2020+

Complex Generics

- Near term approval for some key molecules – Copaxone, Lanthanum Carbonate, Bosentan
- Extension of the Tamiflu franchise via launch of the suspension version
- Profit share component via the launch of the Doxorubicin Liposomal injection

- Focus on a select few high-potential filings for the USA
- Differentiated products through either Novel Drug Delivery Systems (NDDS) or complex chemistries

Experienced Management



Mr. V.C Nannapaneni
Chairman and Director

- Holds Masters degree in Pharmaceutical Administration from the Long Island University, US
- Over 42 years of experience in the Pharmaceutical Industry



Mr. Rajeev Nannapaneni
Vice Chairman & CEO

- Holds bachelors degree in Quantitative Economics and History from Tufts University, Boston, USA
- Holds wide experience and exposure in General Management and Product Development



Dr. Linga Rao
President (Technical Affairs)

- Holds Masters degree in Science (Applied Chemistry) & Ph.D in Chemistry from JNTU, Hyderabad
- Over 35 years of experience in the pharmaceutical industry and has been working with Natco for over 21 years



Mr. P.S.R.K Prasad
Executive Vice President

- Holds B.E. Mech. Engg. from Andhra University, Visakhapatnam
- Responsible for looking after the general administration, engineering, regulatory, training, environmental matters, safety, health, production and maintenance activities of the Company



M. Adinarayana
*Company Secretary &
VP-Legal & Corporate Affairs*

- Bachelors in Commerce and Bachelors in Law from Andhra University, Fellow Member of Institute of Company Secretaries of India
- 22+ years of experience within the Company in legal, secretarial and patent litigation areas



Mr. S.V.V.N.Appa Rao
CFO

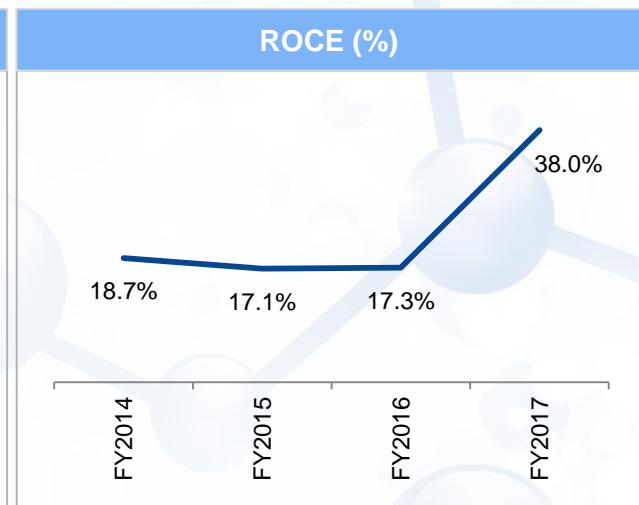
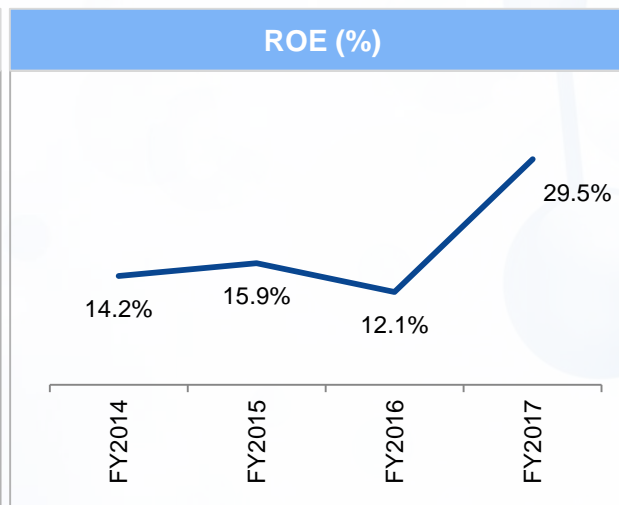
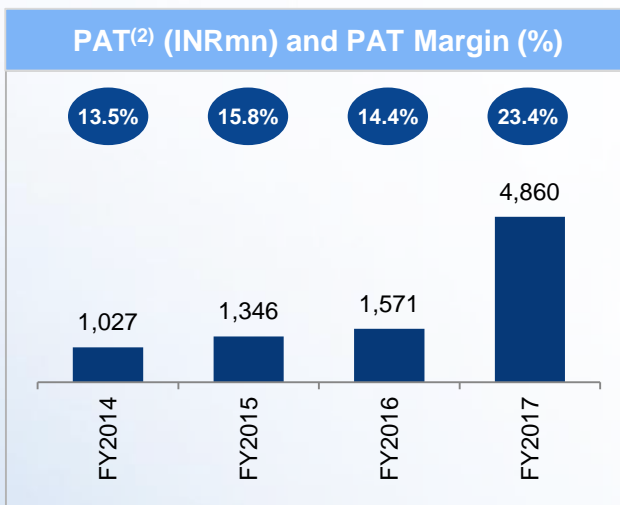
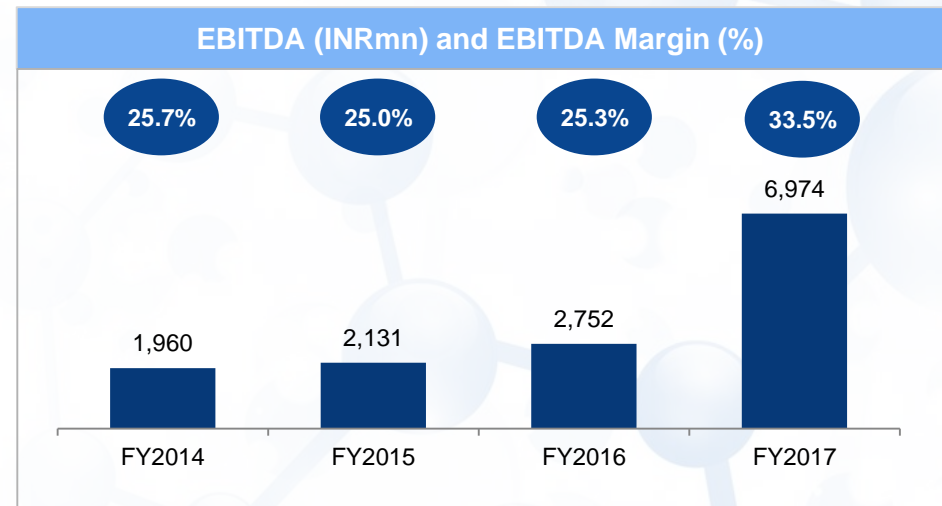
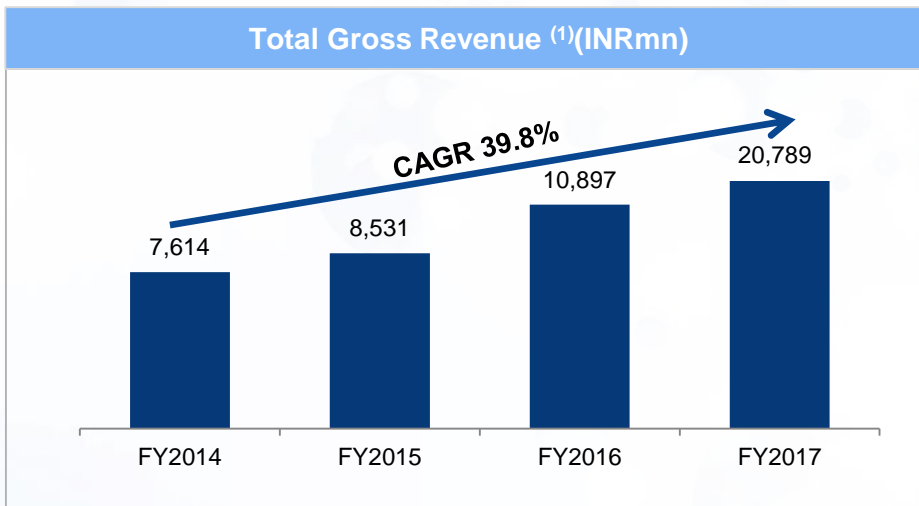
- Over 25 years of experience including 20 years within the Company covering areas of accounting, financial controller, treasury
- Responsible for finance and treasury functions at the Company



Mr. Rajesh Chebiyam
*Vice President - Business
Development & Corp Support*

- Holds MBA from Babson College (USA) and Masters degree in Chemical Engineering from University of Rhode Island
- 20+ years of experience across supply chain, operations, business development, sales and strategy

Demonstrated Track Record of Topline and Earnings Growth



Consolidated results for year ended 31 March 2017 are in compliance with Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs and results for the year ended 31 March 2016 have been restated to comply with Ind AS.

Results for the financial years ended 31 March 2015 and 31 March 2014 are as per Indian GAAP

(1) Represents consolidated gross revenue and includes other income

(2) Represents PAT after minority interest

Historical Financials



Consolidated Profit & Loss Statement (INRmn)

Particulars	31-Mar-17	31-Mar-16
Revenue from operations (gross)	20,650	10,804
Less : Excise duty		
Revenue from operations (net)	20,650	10,804
Other income	139	94
Total revenue	20,789	10,897
Expenses		
Cost of material consumed	5,208	3,037
Purchase of stock in trade	971	152
Change in Inventory	(188)	(483)
Employee benefits	2,432	1,798
Finance costs	185	229
Depreciation	544	508
Other expenses	5,393	3,641
Prior period expenses	0	0
Total expenses	14,545	8,882
Profit before exceptional items and tax	6,244	2,015
Exceptional item	0	0
Profit before tax	6,244	2,015
Current Tax	1,393	441
Deferred Tax Benefit	1	38
PAT (Before Minority interest)	4,849	1,536
Profit from discontinued operations, net of tax		22
Minority Interest	(11)	(13)
PAT (After Minority interest)	4,860	1,571

Consolidated Balance Sheet (INRmn)

Particulars	31-Mar-17	31-Mar-16
Equity share capital	349	348
Other equity	16,144	12,609
Non-controlling interest	40	49
Total of Equity	16,533	13,007
Financial Liabilities		
Borrowings	-	-
Other financial liabilities	8	8
Employee benefit obligations	219	125
Deferred tax liabilities	150	146
Total Non-current liabilities	377	279
Financial liabilities		
Borrowings	2,216	984
Trade payables	2,627	2,755
Other financial liabilities	1,014	815
Current tax liabilities, net	133	34
Other current liabilities	258	327
Employee benefit obligations	18	15
Total Non-current liabilities	6,265	4,929
Total equity and liabilities	23,175	18,215
Property, plant and equipment	8,272	7,046
Capital work-in-progress	3,362	2,118
Other intangible assets	58	55
Investments	1	1
Other financial assets	131	106
Other non-current assets	478	521
Total Non-current assets	12,302	9,847
Inventories	3,489	3,573
Financial Assets		
Investments	321	221
Trade receivables	4,751	2,616
Cash and cash equivalents	235	242
Other bank balances	123	210
Loans	34	28
Other financial assets	752	770
Income tax asset	-	34
Other current assets	1,166	676
Total current assets	10,873	8,368
Total assets	23,175	18,215

Historical Financials (contd.)



Segmental Breakdown (INR Mn)

Revenue Division	Quarter ended		Year ended
	Q1 – FY18	Q1 – FY17	FY17
API, Domestic	67.2	82.3	512.2
API, Exports	795.9	212.3	1,325.5
API Gross Revenue	863.1	294.6	1,837.7
Formulations, Exports	436.1	386.1	3,947.4
Income from Profit Sharing	901.8	125.5	4,422.6
Formulations Onco	730.9	731.7	3,224.3
Formulations, Brand Pharma Non Onco	844.7	1,343.7	4,801.6
Formulations, 3rd party, & miscel	246.2	209.2	784.6
Formulations Gross Revenue	3,159.8	2,796.3	17,180.4
Total Gross Revenue (including service income)	4,029.3	3,096.4	18,929.4
Other Operating & Non-Operating Income	305.5	198.0	1,230.4
Stand-Alone Total Gross Revenue	4,334.8	3,294.4	20,159.8
Total Revenue, all subsidiaries	152.2	160.3	630.0
Consolidated TOTAL Gross Revenue	4,487.0	3,454.7	20,789.8

Consolidated Financial Results (INR Mn)

	Quarter ended		Year ended
	Q1 – FY18	Q1 - FY17	FY17
Total Revenues	4,487	3,455	20,789
EBITDA	1,401	824	6,973
EBITDA Margin (%)	31%	24%	34%
PAT, comprehensive income	940	477	4,860
PAT Margin (%)	21%	14%	23%

The Company adopted Indian Accounting Standards ("Ind AS") from 1 April 2016 and prior period figures have been reclassified wherever required to conform to the classification of the current period.