J P Morgan Healthcare Conference

Glenmark Corporate Overview

January, 2017

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Agenda

- Journey over the last 15 years
- Strategic Roadmap
- Growth Drivers
- Research and Development
- Financials

Agenda

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Journey over the last 15 years

Strategic Roadmap

Growth Drivers

Research and Development

Financials

Evolved into a successful global organization over the last 15 years

	Year 2000	Year 2016
Wealth Creation	Revenue: **US$ 31 mn** Market Cap.: **US$ 40 mn**	Revenue: **US$ 1.2 bn** Market Cap: **US$ 3.8 bn**
Manufacturing Footprint	**2** formulations facilities	**17** facilities across 4 continents; 7 approved by USFDA
International Operations	**~8%** of total revenues	**>70%** of total revenues Present in US, EU, RCIS, LATAM etc.
Innovation	Initiation of NME research	**Novel molecules** in pipeline Focused on **Oncology, Dermatology** and **Respiratory**
Employees	<**1,000**: Primarily in India	>**12,000**: Spread over 50 countries

Note: Revenues for FY2000 and FY2016. Market Capitalization is as of 31st March 2000 and 30th Dec 2016. FX Rate: US$1 = INR 67

Current business is spread across API, Branded and Generic Formulations

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Formulations Development and Marketing

Branded Formulations

Brand Building in Selected Therapies

Key geographies

- India
- Russia & CIS
- Latin America
- Asia
- Africa
- CEE

Generics Formulations

Substitution Model

Key geographies

- North America
- Western Europe

API Manufacturing & Marketing

Captive Consumption and External Sales

Key geographies

- North America
- Europe
- Japan
- India
- Latin America

NME & Specialty

Biologics and Small Molecules

Key facilities

- Switzerland
  - Dedicated center for biologics
- India
  - R&D center for NCEs
  - Development hub for specialty

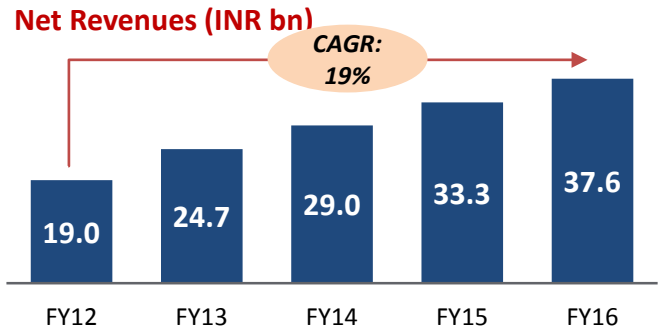
Revenue generating segments

Investing for the future

Robust growth exhibited across business segments

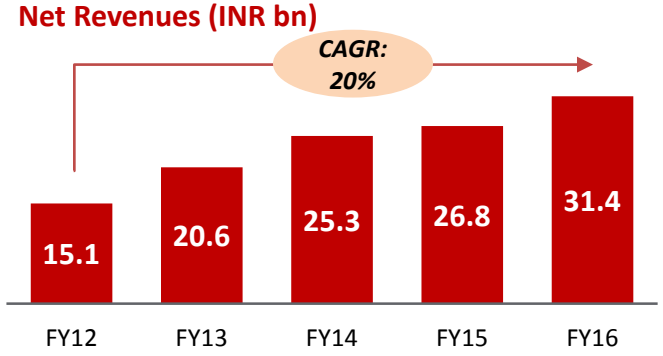
Branded Formulations

- **CAGR of 19%** over last five years
- Focused on brand building in select TAs
- Strong field force of **5,500+** globally



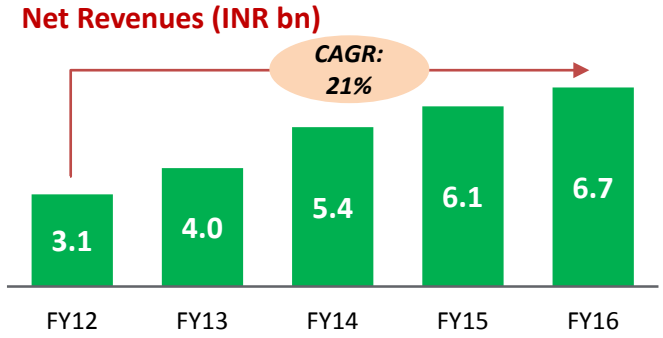
Generic Formulations

- **CAGR of 20%** over last five years
- Growth driven by niche products and selected large scale opportunities
- Leading Gx derma player in the US



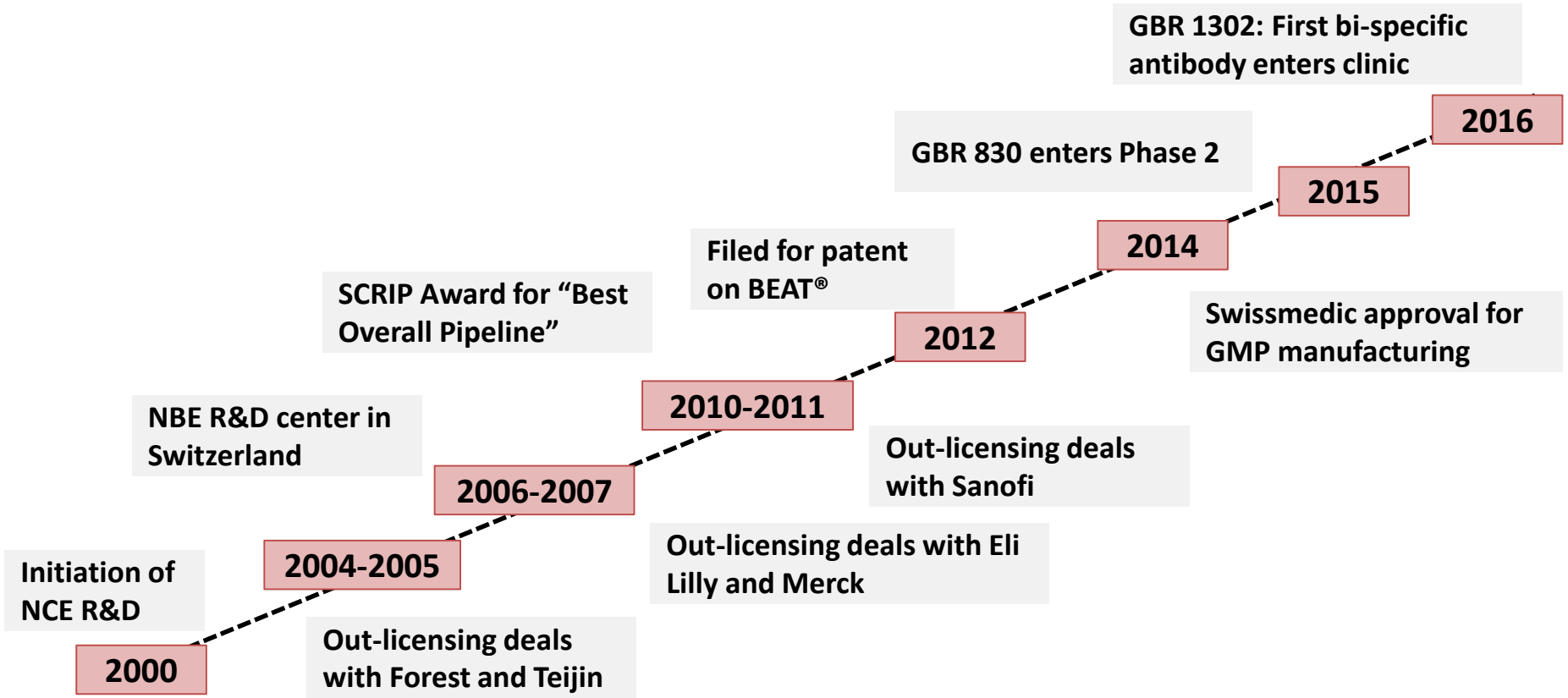
API

- **CAGR of 21%** over last five years
- Leadership position in multiple products
- Filed ~200 DMFs in various markets



Note: Net revenues in Generics Formulations chart include US, WEU and CEE

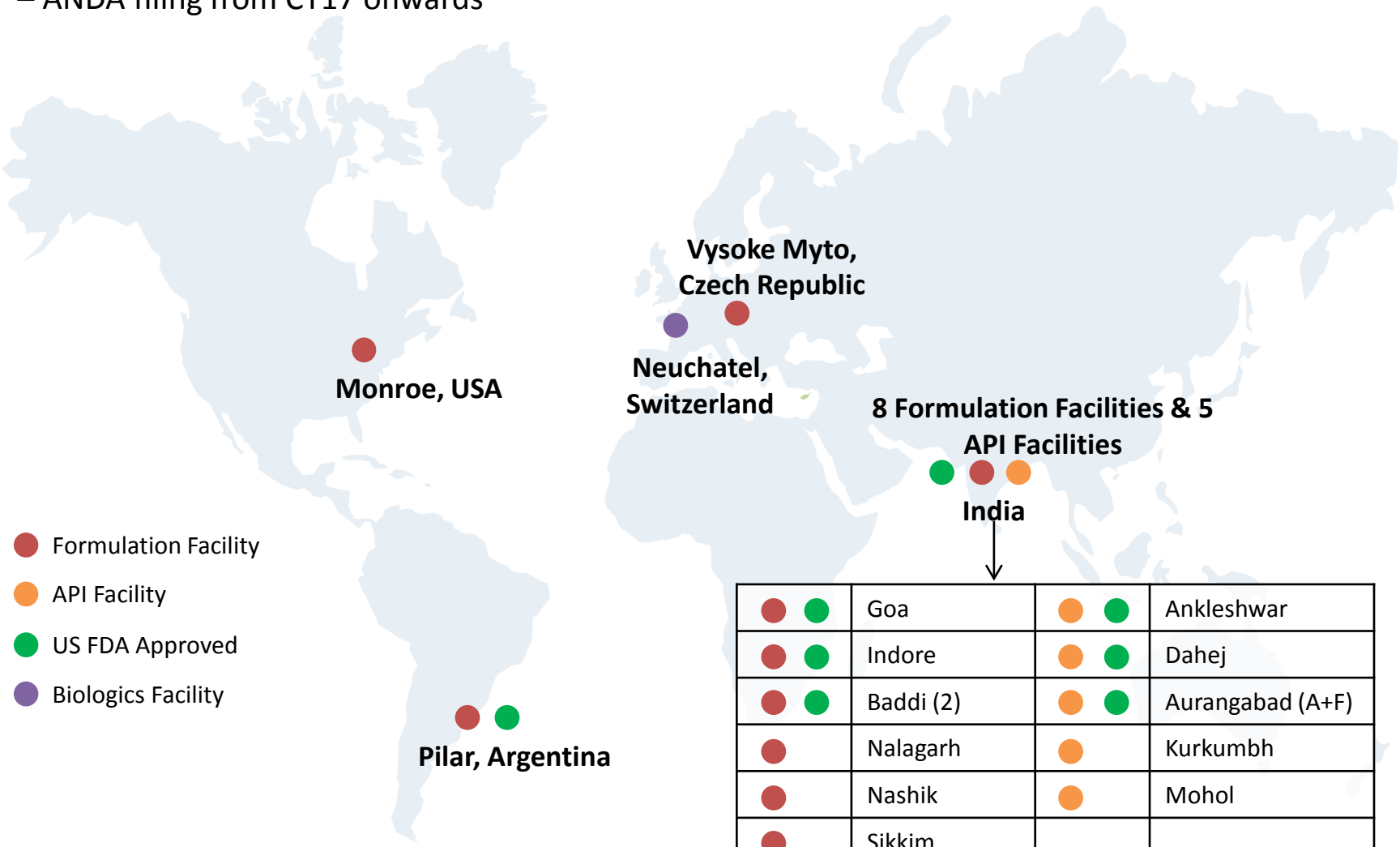
Initiated novel R&D in 2000 with a vision to bring innovative molecules to market



Seven out-licensing deals since 2004, with cumulative revenues of US$ 200+ mn

Manufacturing network spread over 4 continents; 7 facilities approved by the USFDA

Commissioned US manufacturing site in 2016 and obtained DEA license for controlled substances – ANDA filing from CY17 onwards



● ●	Goa	● ●	Ankleshwar
● ●	Indore	● ●	Dahej
● ●	Baddi (2)	● ●	Aurangabad (A+F)
●	Nalagarh	●	Kurkumbh
●	Nashik	●	Mohol
●	Sikkim		

Agenda

Journey over the last 15 years

Strategic Roadmap

Growth Drivers

Research and Development

Financials

Strategic elements to overcome the key challenges faced by the Pharmaceuticals Industry

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Industry Challenges

- Decline in small molecule generics opportunities in the US
- Increase in competitive landscape due to entry of new players
- Consolidation of competitors and customer base in the US and EU
- Pricing pressure in developed markets driven by need to manage healthcare budget
- Push towards local manufacturing of generics in key emerging markets

Strategic Elements

- Focus on **3 core therapy areas** – Oncology, Dermatology and Respiratory
- Continue to grow generics business through differentiated products and **launch specialty and innovative products**
- Enhance development efforts on **niche generics** and **complex technologies** such as semi solids and Hormones
- Enter **new dosage forms** with low competitive intensity e.g. Inhalers
- **Advance NME pipeline** and continue to look for partnering opportunities

Roadmap to evolve into a innovative research led firm and launch proprietary products

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- 2 major geographies - US and India contributing ~60% of sales
- Generic formulation player in the US and WEU
- Branded formulation in other markets
- NME pipeline in early to mid stage of development
- Manufacturing base primarily in India

Current position

- US, India, Europe and API to contribute >80% of sales
- Increase presence in complex generics
- Launch specialty business in the US
- NME pipeline in advanced stage of development
- Expand manufacturing footprint

Medium term focus (next 3-5 years)

- Launch innovative and specialty products in multiple markets
- ~30% of total revenues from specialty and innovation segments

Long term focus (next 5-10 years)

Focusing across the value chain in core therapy areas

Oncology | Dermatology | Respiratory

Generics

- Oncology injectables in EMs
- 9 oncology injectables filed in US; Launch from FY18 onwards

- Ranked #2 in India
- One of the leaders in the US Gx market – Launched 30+ products

- Launched inhalers in EMs
- In-licensed g-Seretide for EU
- 3 inhalers in development for US

Specialty/Complex Gx

- Licensed g-Abraxane; FY19 filing
- Internally developing other complex injectables

- Launched unique combinations in India, EMs
- Assets in development for the US

- 3 Specialty programs in pipeline for US – 1 in P3
- Unique combinations and devices in India, other EMs

Innovative Products

- Focused on bispecific and multivalent antibodies
- Four programs in clinical or late preclinical phase

- GBR 830, targeting atopic dermatitis, in phase 2
- Other autoimmune disorders under evaluation

- Assets targeting respiratory disorders in late discovery stage
- Disease Areas: COPD, IPF

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Growth Drivers

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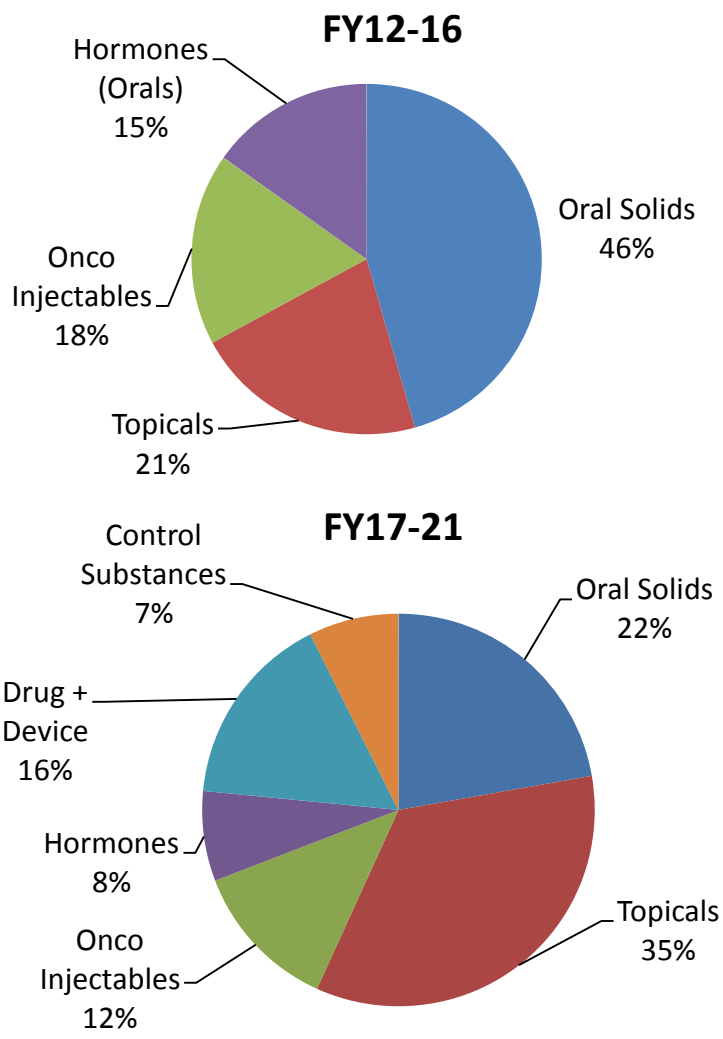
Niche, complex generics and specialty products to drive growth in the US business

Key growth drivers in the next 4-5 years

- Sole FTF gZetia launched in December 2016
- Large portfolio: 110+ ANDAs approved, 60+ under approval and 75+ in development
- File ~20 ANDAs and launch 10-20 products annually
- Leverage expertise in dermatology segment
  - 15+ ANDAs under approval and 20+ in development
- Multiple new dosage forms in development
  - Launch of inhalers in the next 3-4 years
  - 2 additional new dosage forms, with potential launch in CY18 and CY19
- ~15 deals signed or in advance discussions to inlicense complex generics; market size of US$ ~12 bn
- Launch specialty respiratory products in the next 3-4 years

Distribution of ANDAs filed (Count)



Source: IMS NSP MAT Oct 2016 for the US market

Focus on differentiated products and select therapies to drive growth in other businesses

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India	• Strengthen presence in **large and fast growing therapies**: Dermatology, Cardiac, Anti-Diabetic, Respiratory and Oncology • Continue to build **strong brands** – 8 brands amongst Top -300 in the IPM • Grow OTC business through focus on existing brands and new launches
Europe	• Leverage presence in existing markets such as UK, DE, CEE • Selectively enter 1-2 markets primarily in the tender segment e.g. Entered Spain in FY16 • Launch products with **limited competitive intensity** e.g. In-licensed gSeretide (DPI) for 15 countries with market size of US$ ~700
Rest of World	• Strengthen presence in large markets such as Russia, Brazil and Mexico • **Limit front end presence** to existing markets and use partnerships in others • Build **strong brands in core therapy areas** – Dermatology, Respiratory and Oncology
Global API	• **Leadership position** in products such as Amiodarone, Lercanidipine, Adapalene etc. • Primarily target players focused on US and Europe and strengthen presence in new markets such as Japan • Focus on differentiated products and cost competitiveness

Rest of World includes RCIS, LATAM, Asia and Africa.
Source for India data: IMS Total Sales Audit MAT Oct'16. IPM: Indian Pharmaceuticals Market

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Growth Drivers

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R&D capabilities across the value chain

End to End R&D capability – New Chemical Entities, Novel Biologics, Generic APIs and Formulations

Generic API

- Supports both internal and external market demand
- ~200 DMFs filed across key markets: US, Europe, Japan etc.
- Ability to develop and scale up molecules with complex chemistry

Generic and Specialty Formulations

- Primarily based out of India
- Dosage forms – Solids, Semi solids, Inhalers, oral liquids, parenteral etc.
- Focus on Novel Drug Delivery Systems (NDDS)

Novel Chemical Entities

- Team of 350+ involved in R&D on NCEs
- Target selection to clinical development
- Key TAs: Respiratory, inflammatory disorders
- Evaluation of Novel SM immunomodulators in Immuno-Oncology

Novel Biologics

- Team of 110+ involved in NBE R&D
- Monoclonal antibodies to bispecific and multivalent antibodies
- Proprietary technology Platform: BEAT®
- Key TAs: Oncology and Immunology (Derma)

Supported by Global Clinical, Regulatory, Program Management and Business Development Functions

Overall NME and Specialty pipeline

Therapy	Molecule	MoA/Class	Indication	Pre Clinical	Phase 1	Phase 2	Phase 3	Approval
Oncology	GBR 1302	HER2 X CD3	Breast Cancer Gastric Cancer					
Oncology	GBR 1342	CD38 X CD3	Multiple Myeloma					
Oncology	GBR 1372	EGFR X CD3	Colorectal Cancer					
Oncology	GBR 8383	OX40R Agonist	Multiple Cancers					
Dermatology	GBR 830	OX40 Antagonist	Atopic Dermatitis					
Respiratory	GRC 388XX	Undisclosed	COPD, IPF					
Respiratory	GSP 301	Steroid + AH	Allergic Rhinitis					
Respiratory	GSP 304	LAMA	COPD					
Respiratory	GBR 310	Biosimilar	Asthma, CIU					
Pain	GRC 27864	mPGES-1	Chronic Pain					

Note: Non core assets such as GRC 17536, GBR 900, GBR 500 deprioritized for any further investment. These 3 and GRC 27864 are candidates for outlicensing

Update on clinical studies for lead NME assets in core therapies

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GBR 830

Atopic Dermatitis

- Phase 1 SAD study completed successfully in healthy volunteers
  - Safe and well tolerated in 34 healthy adults vs. 18 on placebo
  - No clinically significant findings in lab test results, vital signs, ECG, cytokines
  - Dose proportional PK profile with $t_{1/2}$ between 10 and 15 days
- PoC study ongoing in USA and Canada in adults with moderate-to-severe AD
  - Primary endpoints include safety, tolerability & biological response in skin biopsies
  - Expect to complete by Q3 CY17

GBR 1302

Breast and Gastric Cancer

- Phase 1 part 1 dose escalation study currently underway in HER2+ subjects
  - 4 patient cohorts completed in Germany. To open US sites in CY17 (US IND opened in Q4 CY16)
  - Primary endpoints include MTD and Safety
- Part 2 expansion study to be conducted at MTD determined in Part 1
  - Patient population: HER2+ resistant mBC, HER2 equivocal mBC and other HER2+ metastatic tumors including GI
- Phase 1 completion targeted for Q2 CY19 (monotherapy)
- Additional studies including combinations planned within the CDP lifecycle

GBR 1342 is expected to enter clinic in CY17 with US IND submission planned in H1 CY17

Expected to file 9 NDA/BLA in the next decade across NME and Specialty portfolio

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Therapy Area	Molecule	Status	Filing Timelines (NDA/BLA)				
			2019	2020	2021	2022	2023 and Beyond
Respiratory	GSP 301	Phase 3	✓				
	GSP 304	Phase 2	✓				
	GBR 310	Pre Clinical		✓			
	GRC 388XX	Pre Clinical					✓
Dermatology	GBR 830	Phase 2				✓	
Oncology	GBR 1302	Phase 1				✓	
	GBR 1342	Pre Clinical					✓
	GBR 1372	Pre Clinical					✓
	GBR 8383	Pre Clinical					✓

Note: Above timelines are based on currently planned studies. They may change based upon data, regulatory agencies feedback etc.

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Financial outlook for the next 4-5 years

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Growth and Profitability

- Revenues to grow at a **CAGR of 15-20%** over the next 5 years
- India, US, EU and API to contribute >80% to the overall revenues
- **Operating margin** to be at **22-23%** from FY18 onwards. Higher margin in FY17 on account of g-Zetia launch
- **R&D expense**, net of outlicensing income, to be **~11% of revenues**
- Corporate tax rate to be ~25% going forward

Investments and Financial Status

- **Capital expenditure** of **INR 600-700 cr.** on fixed assets annually
- Annual spend on **Intangible assets** to be **INR 200 cr.** on account of in-licensing of complex generics
- **Net Debt to EBITDA** ratio to progressively go down from hereon
  - Mar'17 net debt to be lower than Mar'16 levels
- Net Working capital to be **~110 days** (of sales)
- **ROCE** to be **18-20%** over the next 4-5 years

Summary

Glenmark in 2016

- 2 major geographies - US and India
- Revenue stream consisting of purely generics portfolio
- US, EU business based on substitution model
- NME pipeline in early to mid stages
- Manufacturing base primarily in India
- Profitability margin at ~20%

Glenmark in 2020

- US, India, Europe and API to contribute >80% of sales
- Increased presence in complex generics
- Launch of specialty business in the US
- NME pipeline in advanced stage of development
- Global manufacturing footprint
- Profitability margin at ~23%

Glenmark in 2025

- Launch of innovative products
- Specialty business ramp up in the US
- Specialty and Innovative segments to be the main growth drivers
- Increased presence in complex generics space
- ~30% of total revenues from specialty and innovation segments
- Profitability margin at ~25%

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Thank You