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

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

| Wealth Creation | Revenue: **US$ 31 mn**  
|                 | Market Cap.: **US$ 40 mn**  
| Year 2000       | Revenue: **US$ 1.2 bn**  
|                 | Market Cap: **US$ 3.8 bn**  
| Year 2016       |

| Manufacturing Footprint | 2 formulations facilities  
|                         | 17 facilities across 4 continents; 7 approved by USFDA  
| Year 2000               | Year 2016               |

| International Operations | ~8% of total revenues  
|                         | >70% of total revenues  
| Present in US, EU, RCIS, LATAM etc.  
| Year 2000               | Year 2016               |

| Innovation | Initiation of NME research  
| Novel molecules in pipeline  
| Focused on Oncology, Dermatology and Respiratory  
| Year 2000               | Year 2016               |

| Employees | <1,000: Primarily in India  
| >12,000: Spread over 50 countries  
| Year 2000               | Year 2016               |

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

Formulations Development and Marketing
- Branded Formulations
  - Brand Building in Selected Therapies
- Generics Formulations
  - Substitution Model

API Manufacturing & Marketing
- Captive Consumption and External Sales

NME & Specialty
- Biologics and Small Molecules

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

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

Input 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

- Monroe, USA
- Pilar, Argentina
- Vysoke Myto, Czech Republic
- Neuchatel, Switzerland

8 Formulation Facilities & 5 API Facilities

India

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

Formulation Facility
API Facility
US FDA Approved
Biologics Facility
Agenda

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

Current position

- 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

Medium term focus (next 3-5 years)

- 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

Long term focus (next 5-10 years)

- Launch innovative and specialty products in multiple markets
- ~30% of total revenues from specialty and innovation segments
Focusing across the value chain in core therapy areas

**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

**Oncology**

**Dermatology**

**Respiratory**
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

| 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
Agenda

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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

#### 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)

#### 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)

Supported by Global Clinical, Regulatory, Program Management and Business Development Functions
## Overall NME and Specialty pipeline

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

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

<table>
<thead>
<tr>
<th><strong>GBR 830</strong></th>
<th>Atopic Dermatitis</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Phase 1 SAD study completed successfully in healthy volunteers</td>
<td></td>
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<tr>
<td>- Safe and well tolerated in 34 healthy adults vs. 18 on placebo</td>
<td></td>
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<tr>
<td>- No clinically significant findings in lab test results, vital signs, ECG, cytokines</td>
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<tr>
<td>- Dose proportional PK profile with t$_{1/2}$ between 10 and 15 days</td>
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<tr>
<td>• PoC study ongoing in USA and Canada in adults with moderate-to-severe AD</td>
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<tr>
<td>- Primary endpoints include safety, tolerability &amp; biological response in skin biopsies</td>
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<tr>
<td>- Expect to complete by Q3 CY17</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>GBR 1302</strong></th>
<th>Breast and Gastric Cancer</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Phase 1 part 1 dose escalation study currently underway in HER2+ subjects</td>
<td></td>
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<tr>
<td>- 4 patient cohorts completed in Germany. To open US sites in CY17 (US IND opened in Q4 CY16)</td>
<td></td>
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<tr>
<td>- Primary endpoints include MTD and Safety</td>
<td></td>
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<tr>
<td>• Part 2 expansion study to be conducted at MTD determined in Part 1</td>
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</tr>
<tr>
<td>- Patient population: HER2+ resistant mBC, HER2 equivocal mBC and other HER2+ metastatic tumors including GI</td>
<td></td>
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<tr>
<td>• Phase 1 completion targeted for Q2 CY19 (monotherapy)</td>
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<tr>
<td>• Additional studies including combinations planned within the CDP lifecycle</td>
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</table>

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

<table>
<thead>
<tr>
<th>Therapy Area</th>
<th>Molecule</th>
<th>Status</th>
<th>Filing Timelines (NDA/BLA)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>2019</td>
</tr>
<tr>
<td>Respiratory</td>
<td>GSP 301</td>
<td>Phase 3</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>GSP 304</td>
<td>Phase 2</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>GBR 310</td>
<td>Pre Clinical</td>
<td>✓</td>
</tr>
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<td></td>
<td>GRC 388XX</td>
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</tr>
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<td>Dermatology</td>
<td>GBR 830</td>
<td>Phase 2</td>
<td>✓</td>
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<td>GBR 1302</td>
<td>Phase 1</td>
<td>✓</td>
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<tr>
<td></td>
<td>GBR 8383</td>
<td>Pre Clinical</td>
<td></td>
</tr>
</tbody>
</table>

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

**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

<table>
<thead>
<tr>
<th>Glenmark in 2016</th>
<th>Glenmark in 2020</th>
<th>Glenmark in 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 2 major geographies - US and India</td>
<td>• US, India, Europe and API to contribute &gt;80% of sales</td>
<td>• Launch of innovative products</td>
</tr>
<tr>
<td>• Revenue stream consisting of purely generics portfolio</td>
<td>• Increased presence in complex generics</td>
<td>• Specialty business ramp up in the US</td>
</tr>
<tr>
<td>• US, EU business based on substitution model</td>
<td>• Launch of specialty business in the US</td>
<td>• Specialty and Innovative segments to be the main growth drivers</td>
</tr>
<tr>
<td>• NME pipeline in early to mid stages</td>
<td>• NME pipeline in advanced stage of development</td>
<td>• Increased presence in complex generics space</td>
</tr>
<tr>
<td>• Manufacturing base primarily in India</td>
<td>• Global manufacturing footprint</td>
<td>• ~30% of total revenues from specialty and innovation segments</td>
</tr>
<tr>
<td>• Profitability margin at ~20%</td>
<td>• Profitability margin at ~23%</td>
<td>• Profitability margin at ~25%</td>
</tr>
</tbody>
</table>
Thank You