



Building the

Future 

Investor Presentation, November 2018



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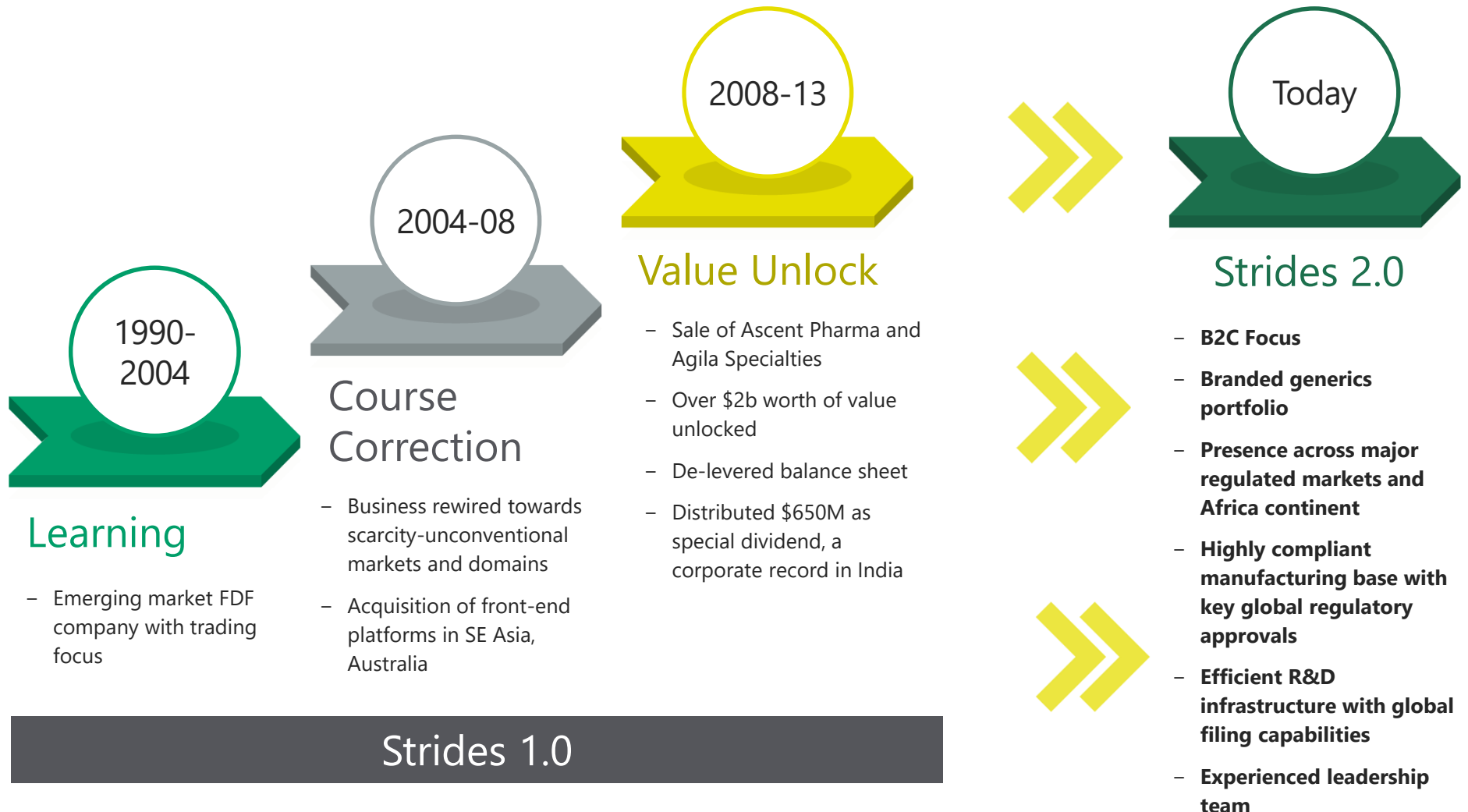
Strides 1.0 delivered value.
Strides 2.0 is next.





Value creation over time

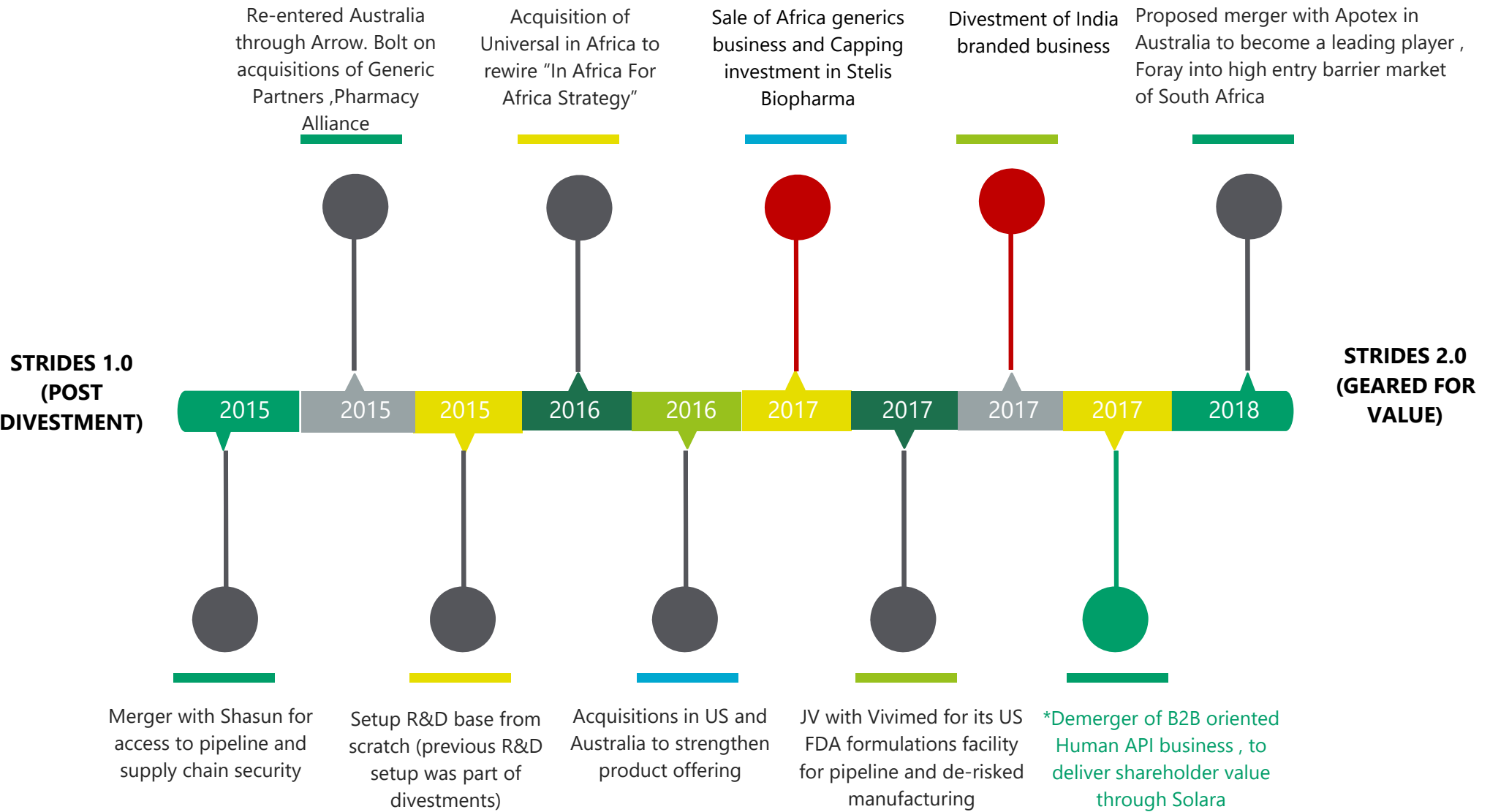
Strategic progression, Significant value unlocked





Evolution of Strides 2.0

Growth pivots in place with organic and inorganic strategies





Strongly Positioned Today

STRONG B2C FOUNDATION



Scope

- Well diversified consumer facing business in regulated and Africa continent



Infrastructure

- Highly compliant manufacturing base with key global regulatory approvals
- FDF facilities in India, Europe, Africa and Singapore
- Supply chain security through long term supply agreements for API with our strategic partner Solara



Research

- Efficient R&D infrastructure
- Global filing capabilities



Portfolio

- Capabilities in multiple delivery technologies and dosage formats
- Portfolio across orals, topicals, liquids, creams, ointments, soft gels, tablets and modified release formats



Management

- Experienced management team with strategic oversight of a reconstituted Board



Compliance

- Strong compliance environment with impeccable regulatory track record
- Technology led complete control on operations, quality and data management



CAPEX AND INVESTMENT CYCLE NOW COMPLETE, GEARED FOR EXECUTION





Strides 2.0 strategy is in place.
Focus is on execution.

United States



Australia



Other Regulated – UK, Europe, South Africa



Africa



Institutional Business





Execution in Play

Sharpened focus across all value drivers

Diversified market positioning

Diversified B2C business model with frontend presence across regulated markets and Africa continent

Technology and Compliance

Highly compliant culture led by technology driven quality environment

Experienced Management Team with Board Oversight

Highly compliant manufacturing base with key global regulatory approvals

Capabilities across key oral solid dosage formats including topicals, liquids, creams and ointments, soft gels, tablets and modified release

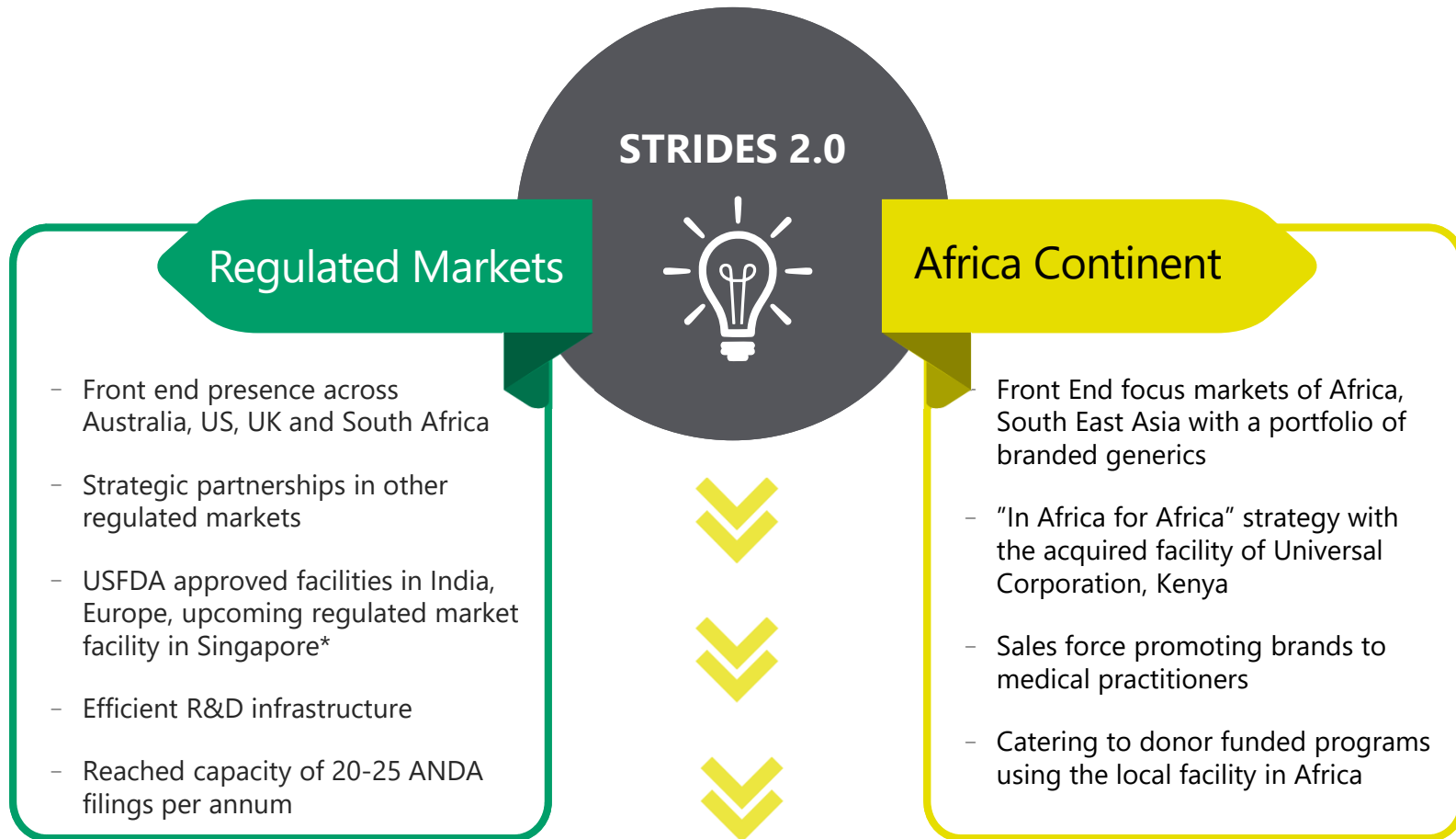
Future ready manufacturing base

Strong and efficient R&D Capability



Diversified market positioning

Consumer facing formulation businesses

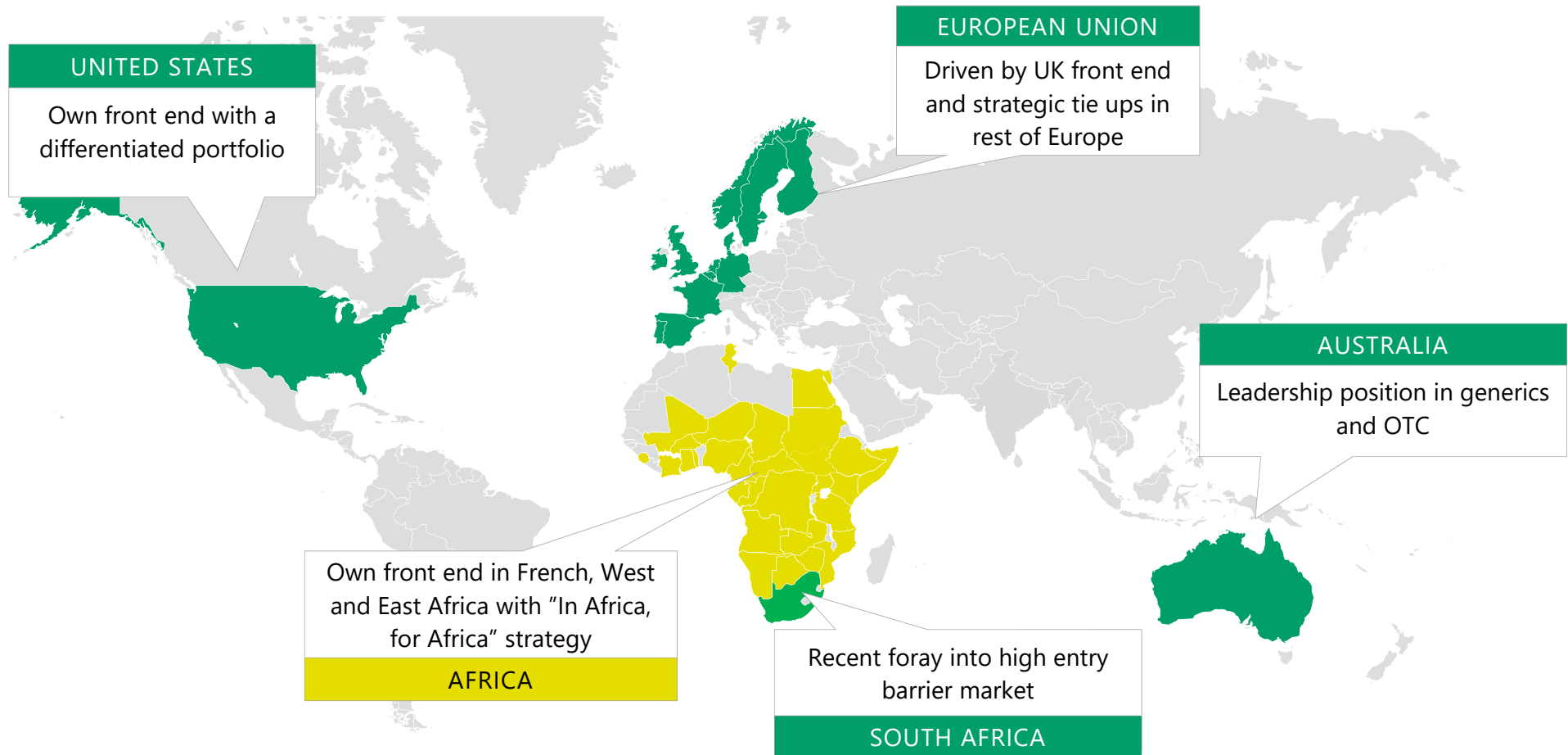


*Expected to come on-stream in H2 FY 19



Differentiated Strategy for Continued Growth

Focused approach for each market



FOOTPRINT ACROSS 100+ REGULATED MARKETS AND AFRICA CONTINENT





Growth Markets.
Competitive Positioning.





United States

In growth phase, Anchor market for future

Opportunity

- \$467b+ market with patent expiry of brands worth \$77.2b in the next 5 years
- Indian generics have 40% of volumes in US market
- Regulatory overhang paving way for fully compliant players
- New GDUFA guidelines accelerating entry of new players and products

Strategy

- Focus on niche, low competition, high technology barrier products built around modified release, soft gel capsules, topicals
- Target of 20-25 filings every year, to benefit from new GDUFA regulations
- Exit partnership business, no new partnership contracts being entered into



Business Today

- Portfolio of 80 filed ANDAs (27 pending approval)
- Strong go to market capability through own frontend
- Key frontend products have captured leadership position:
Ergocalciferol 56%, Ranitidine 36%, Acarbose 37%, Dutasteride 30%, Buspirone 39%, Methoxsalen 57%
- This portfolio witnessed a single digit price erosion

Growth Enablers

- Strong and efficient R&D capability, Filings momentum to continue with 20-25 ANDA filings per year
- Future ready mirrored facilities with capabilities across dosage forms
- Leveraging front end capabilities to go direct to market





Strong and Efficient R&D Capability

Calibrated to Version 2.0

Filings momentum to continue
with 20-25 ANDA filings per year



Organization

Modelled on Full Time Equivalence (FTE) structure for improved efficiency and increased scientific collaboration



Differentiated Portfolio

Focus on difficult-to-develop and differentiated products



Dosage Capabilities

Orals, topicals - Liquids, creams and ointments, soft gels (Rx), sachets, tablets, and modified release dosage formats



Paperless

Oracle Agile based Product Lifecycle Management systems from conception to filing



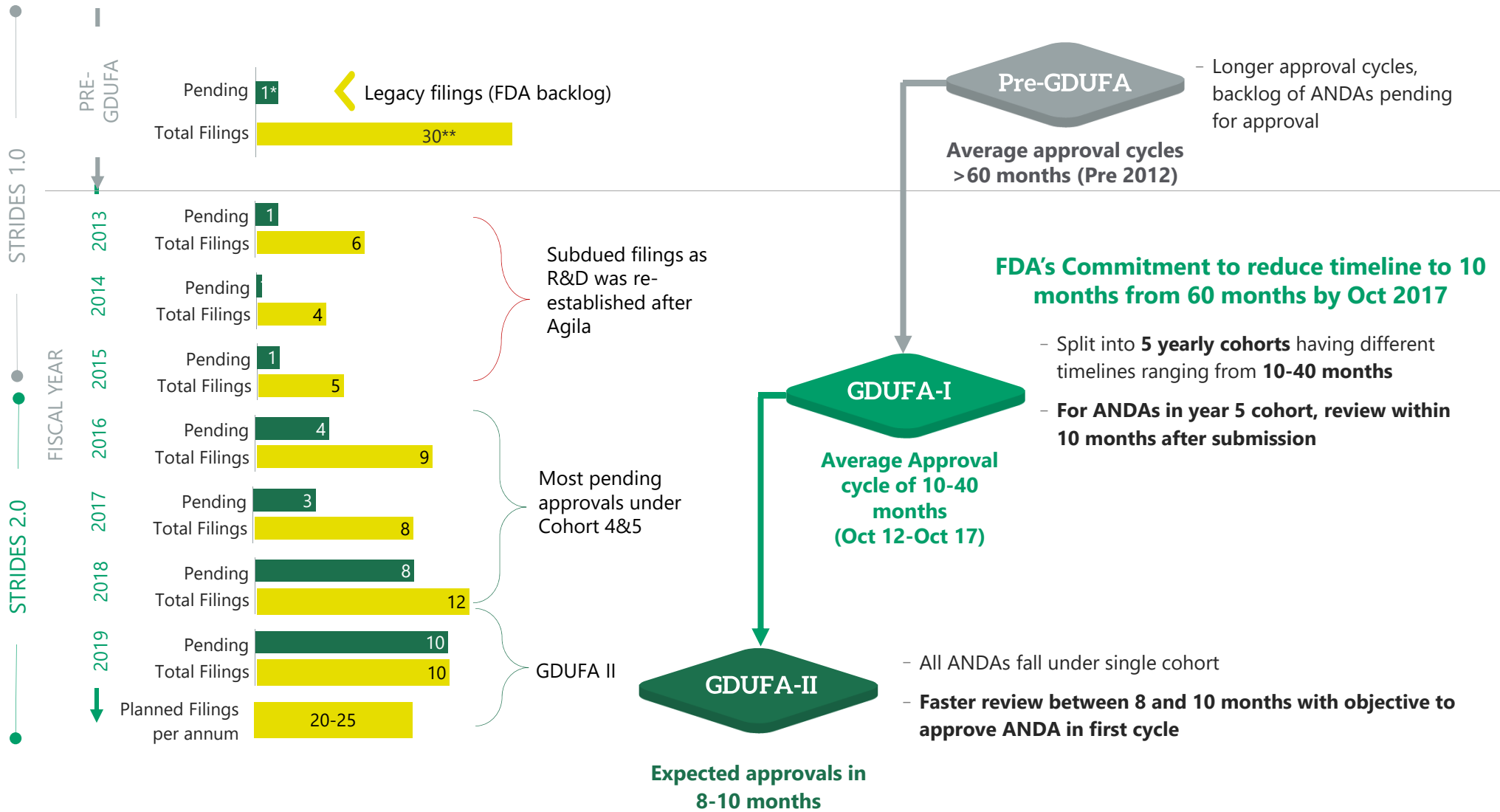
Proficient Regulatory Network

Capable of developing and filing products for all regulated markets



In a sweet spot under new GDUFA guidelines

Filing and approvals seeing strong momentum

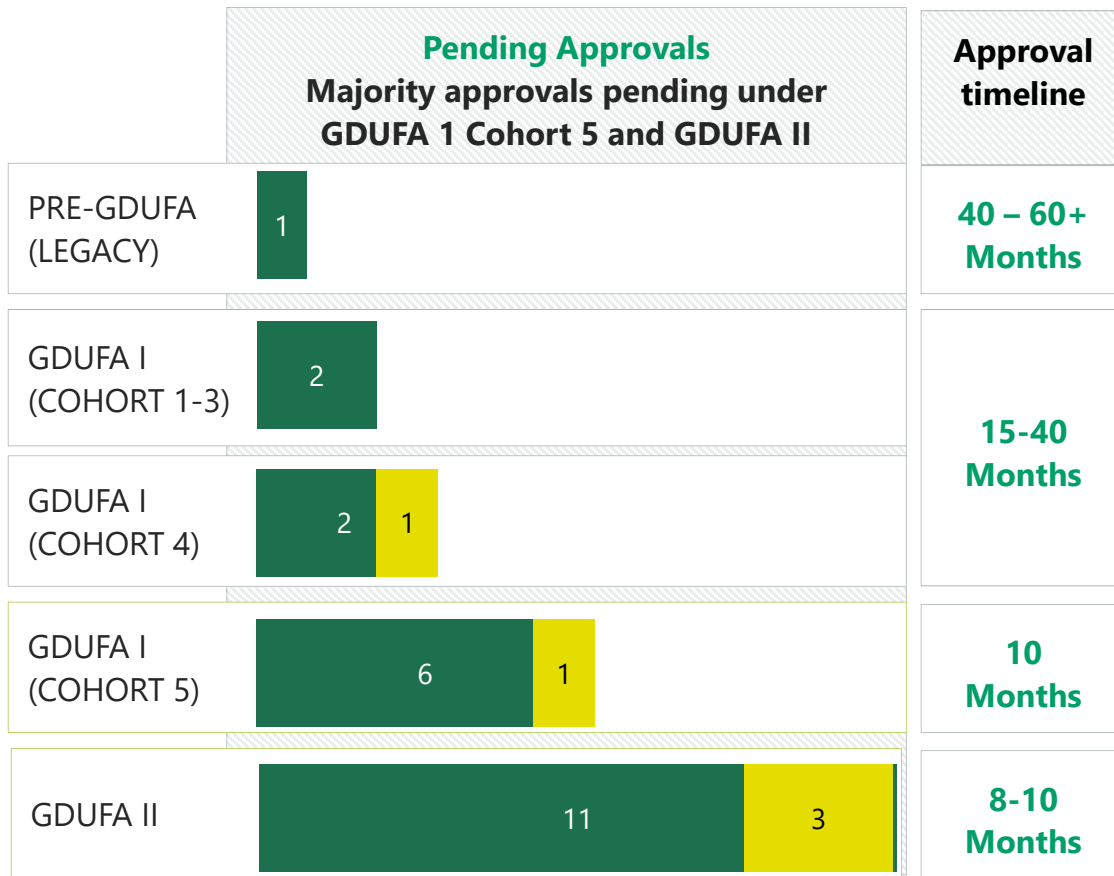


* Includes 1 ANDA filed in fiscal year 2013, ** includes 4 ANDA filed in fiscal year 13



Exciting growth pipeline nearing approval

Bigger products faster to market



Non Para IV
 Para IV



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Robust Visibility on the pipeline

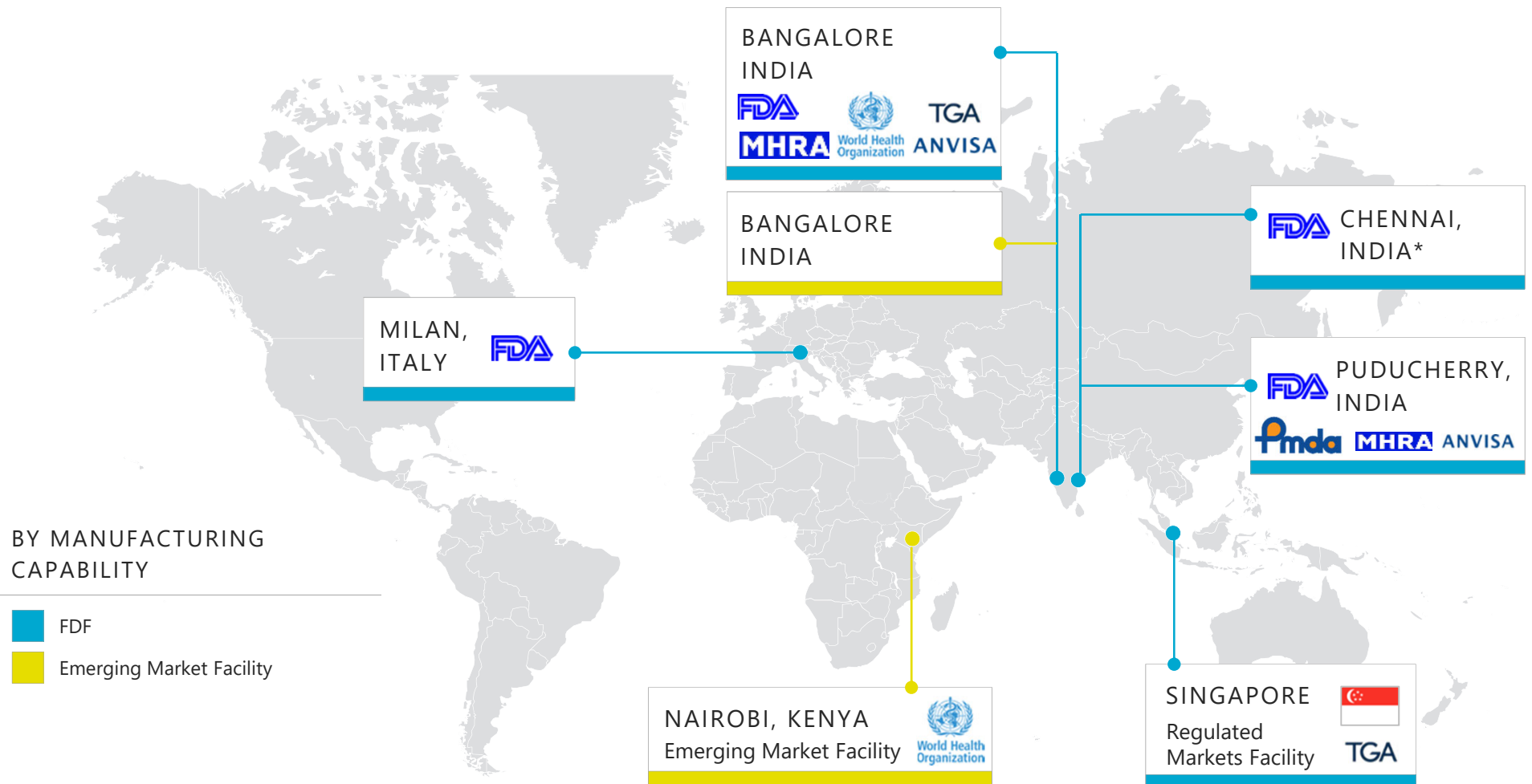
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- 27 ANDA's pending approval with the USFDA filed mostly in cohort 5 of GDUFA 1 and under GDUFA II
- Continued niche portfolio strategy with \$9.5 b addressable opportunity as per IMS
 - 9 Para IV opportunities
 - 4 approved Para IV's of Fingolimod (US\$ 2.2 b), Roflumilast (US\$ 210 M), Cinacalcet (US\$ 1.8 b), Milnacipran (US\$ 140 Mn)
 - 5 Para IV ANDA's pending approval
- Receives acceptance from USFDA for 2 key ANDAs under newly introduced Competitive Generic Therapy. Combined market for the two products is US\$ 550 Mn and these products could be eligible for a potential 180-day exclusivity
- Strong approval momentum to continue with 9 approvals already received in FY 19
- Ramp up filings to 20-25 per year across specialized dosage formats to benefit from FDA's focus on quicker approval to low competition drugs
- Capped R&D investments at \$20 million per year



Future ready manufacturing base

Highly compliant manufacturing base, capacity mapped



*JV with Vivimed Private Limited.



Technology and Compliance

Continued focus on quality, compliance & governance

Structured approach of product development & lifecycle management embedded with QBD



Emphasis on skill & competency development of employees



Integrated QMS with increased effectiveness



Proprietary Interactive Mobile App for awareness & feedback

Quality & compliance-Culture build through Integrity, Collaboration & Efficiency Framework



✓ Open Communication

✓ Employee Empowerment

✓ Technology Led

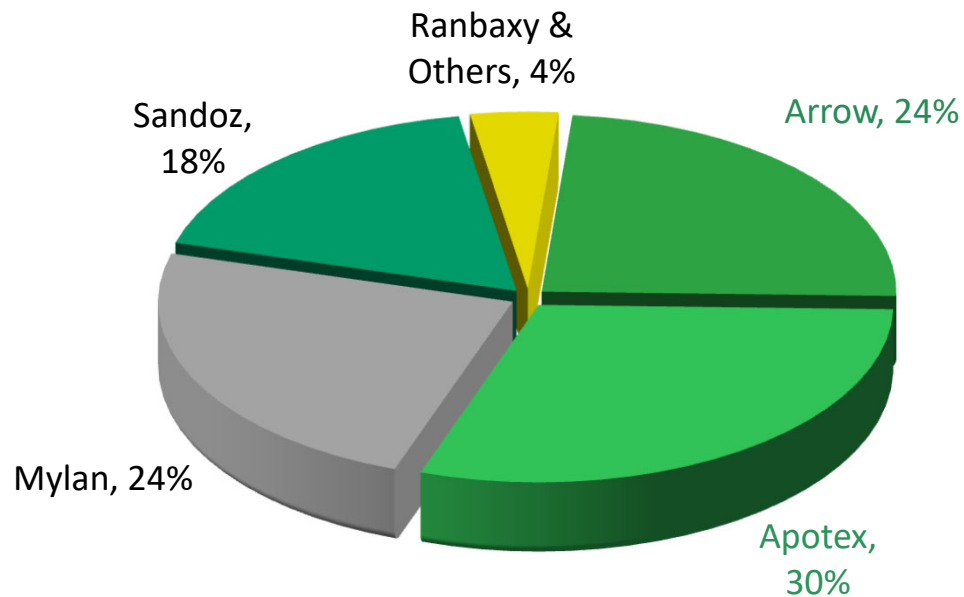
✓ Knowledge Driven

✓ Awareness Focus



Australia Generic Market Landscape

A market with high entry barrier



Current Generic Market Shares 2017
Source: Sinapse data analytics

Attractive pharmaceutical and OTC market

- Generic market size at \$1.8b, market consolidated due to high cost of operation and high competitive barriers
- Generic substitution currently at ~75%, significantly lower than other developed markets
- Presence of 4 major generic companies – Apotex, Arrow, Mylan and Sandoz, all have their market positioning and customer base
- Total range across 4 major companies is between 160 - 220 molecules
- Top 3 wholesaler Sigma, Symbion and API command 95% market share and are mapped to a generic supplier as a preferred partner
- Attractive OTC market currently pegged at \$ 3.7b
- Fragmented base of 5,500 retail pharmacies, with no pharmacist owning more than 5 pharmacies
- Tie up with buying groups and banner groups a critical success factor

*Arrow acquired Amneal's Australian business in 2017



Australia

Settled Strategy , poised for leadership

Opportunity

- Market to stay consolidated with high entry barriers for new entrants
- Pharmacy ownership to stay independent by law, opportunity to consolidate under buying and banner groups
- Changes in PBS reimbursements regulations driving expansion of generics market

Strategy

- To become market leader in Australia
- Expansion of product portfolio through in-house development and in-licensing opportunities
- Enhance pharmacy coverage to 2000+ first line pharmacies with high loyalty across footprints
- Backward integration momentum to continue and supplies from India to contribute to further COGS savings

Business Today

- Ranks #2 by volume and #3 by revenues
- Strong OTC portfolio through Chemist's Own OTC franchise
- Own nation wide sales force driving distribution and loyalty in generics and proprietary Chemist's own portfolio
- First-line pharmacy coverage of 1,500+ stores

Growth Enablers

- Signed a 10 year exclusive distribution agreement with Sigma, a major distributor
- New product introduction (Rx and OTC) including drugs going off patent
- Continue to enhance pharmacy footprint
- Increase in loyalty and substitution through Pharmacy Alliance, across the pharmacy footprint





Strides & Apotex agree to merge in Australia

Getting to pole position in Australia



Strategic rationale

- The combination will enable Strides, through the merged business, to **become the number 1 Australian generic pharmaceutical company** by both volume and revenue
- The merged business to have the **largest portfolio of owned product IP for the Australian market**

Management team

- **Dennis Bastas**, Arrow, will lead the merged business as Executive Chairman, **Roger Millichamp**, Apotex, as CEO and **Andrew Burgess**, Arrow, as CFO
- The team brings together **Australia's most experienced management team** with in-depth knowledge of the Australian generics market

Transaction structure

- The proposed structure will be arrived through a **share swap**
- **Strides to have controlling interest in the merged entity**
- The detailed corporate structure will be announced on closing
- Australian Competition and Consumer Commission (ACCC) on Sep 20, 2018 decided not to oppose the merger
- The transaction is subject to customary closing conditions and statutory approvals, including approval from the Australian Foreign Investment Review Board

Key Highlights

- Arrow and Apotex will continue to enjoy preferred partner relationship with Sigma and Symbion respectively
- The merged entity will service ~3200 first line pharmacy accounts taken together. Arrow currently has 1400 + front line pharmacy accounts including Amcal, Guardian, Pharmacy Alliance, DDS & PharmaSave Stores . Apotex presently has 1800+ front line pharmacy accounts including Terry White, Chemmart, Blooms & Pharmacy Choice stores .
- Potential synergies will accrue through higher volumes and improved COGS
- Cross-pollination of the portfolio will help fill gaps in Arrow and Apotex portfolio's immediately
- Merged business will mainly benefit from Strides' and Apotex's manufacturing facilities
- The proposed merger to be EPS accretive from Year 1 through synergies



Other Regulated Markets

Portfolio and geographical expansion to be the key growth drivers

Opportunity

- The European pharmaceutical market is likely to grow to \$230b by 2022
- Growth expected on innovations in medicinal drugs across therapy areas including multiple sclerosis, chronic heart failure, rheumatoid arthritis and Alzheimer's.
- Recent foray into South Africa, a large private market for Anti-retroviral's

Strategy

- Focus on portfolio maximization through global regulated market portfolio
- Increasing coverage by expanding front end presence in UK
- Strategic partnerships to carry own IP generics to rest of Europe

Business Today

- Diversified portfolio including Rx soft gelatin capsules, sachets and oral solids in wide ranging therapies
- Established UK Front end supplying generics to hospitals approved by NHS
- Registration Capability for regulatory markets of Europe including UK

Growth Enablers

- Leveraging existing portfolio of US and Australia
- More listing at wholesalers in the UK
- Expansion of product offering through strategic tie ups in the rest of Europe and other new geographies
- Manufacturing facilities with key EU approvals including MHRA
- Leverage Trinity's established distribution channel in South Africa





Africa

“In Africa for Africa” theme with focus on Branded Generics

Opportunity

- Macro tailwinds with increased urbanization, purchasing power and healthcare infrastructure
- Increasing incidences of chronic lifestyle diseases
- Market expected to reach \$44b by 2020
- Regulatory trend towards global standards such as WHO pre-qualification for manufacturing

Strategy

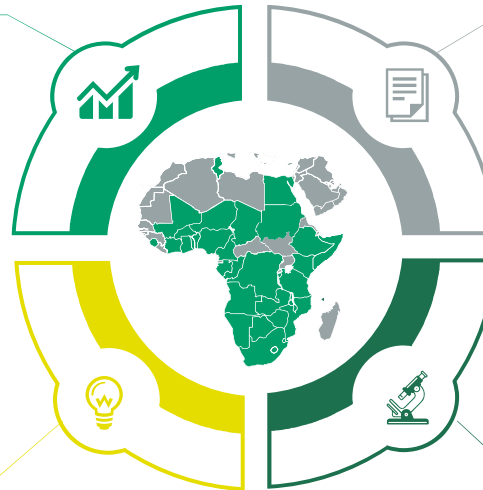
- To become a Sub-Saharan Africa branded generic player with leadership position in key markets and therapies
- Focus on lifestyle chronic therapies- driven by brands

Business Today

- Footprint in 40+ countries across Sub-Saharan Africa, Local medical field force with coverage of 30,000 doctors
- Industry leading secondary sales growth
- 750 product registrations with a pipeline of 500 product registrations
- Strong brand equity being a local player with the doctors and community

Growth Enablers

- Manufacturing consolidation under the WHO approved facility in Kenya and dedicated EM plant in India
- Well established player in West Africa, expanding footprint in East Africa to strengthen the branded generic platform
- Focus on introduction of new products and better penetration of high growth markets





Institutional Business

Focus on new treatment regimens

Opportunity

- Market opportunity of \$2.5b in terms of procurement
- Concentrated market with 5-6 key players holding majority of the business
- New treatment regimen attracting donor funding

Strategy

- R&D focus on developing next generation products as per donor agency guidelines
- Leverage strong visibility with innovator organization to be amongst the first wave of launches in select emerging markets

Business Today

- Approved supplier to institutionally funded aid projects and global procurement agencies like UNITAID, PEPFAR, CHAI and Global Fund
- Strong Portfolio of products in HIV, anti-malaria, and Hep-C
- Filed dossiers with product registrations across Emerging markets

Growth Enablers

- Capitalizing on WHO Approved manufacturing facility in Kenya for global donor agencies and local government tenders
- Robust delivery track record with superior supply chain execution
- Leg up in ARV growth through the introduction of next-generation combinations drugs inline with evolving treatment regimens, product already in R&D pipeline for development
- Increased collaboration for voluntary licensing





Robust Planning.
Sustainable growth.





Strides 2.0- Continued Growth & Value Creation

Strong Business Foundation

- Highly compliant manufacturing base
- Strong and efficient R&D infrastructure
- Capabilities in multiple delivery technologies and dosage formats
- Front-end presence in regulated and Africa continent

Steady Growth through Execution

- Expanding portfolio range with addition of differentiated and limited competition products
- Leveraging a strong "Go To Market" capability to expand distribution network across Australia, US and Europe
- Building portfolio of strong brands in Africa

Steady returns to the stakeholders

- Focus on generating operating leverage
- Identifying newer growth avenues to deliver sustainable growth
- Enhancing shareholders return with an improved ROE profile



Experienced Management team

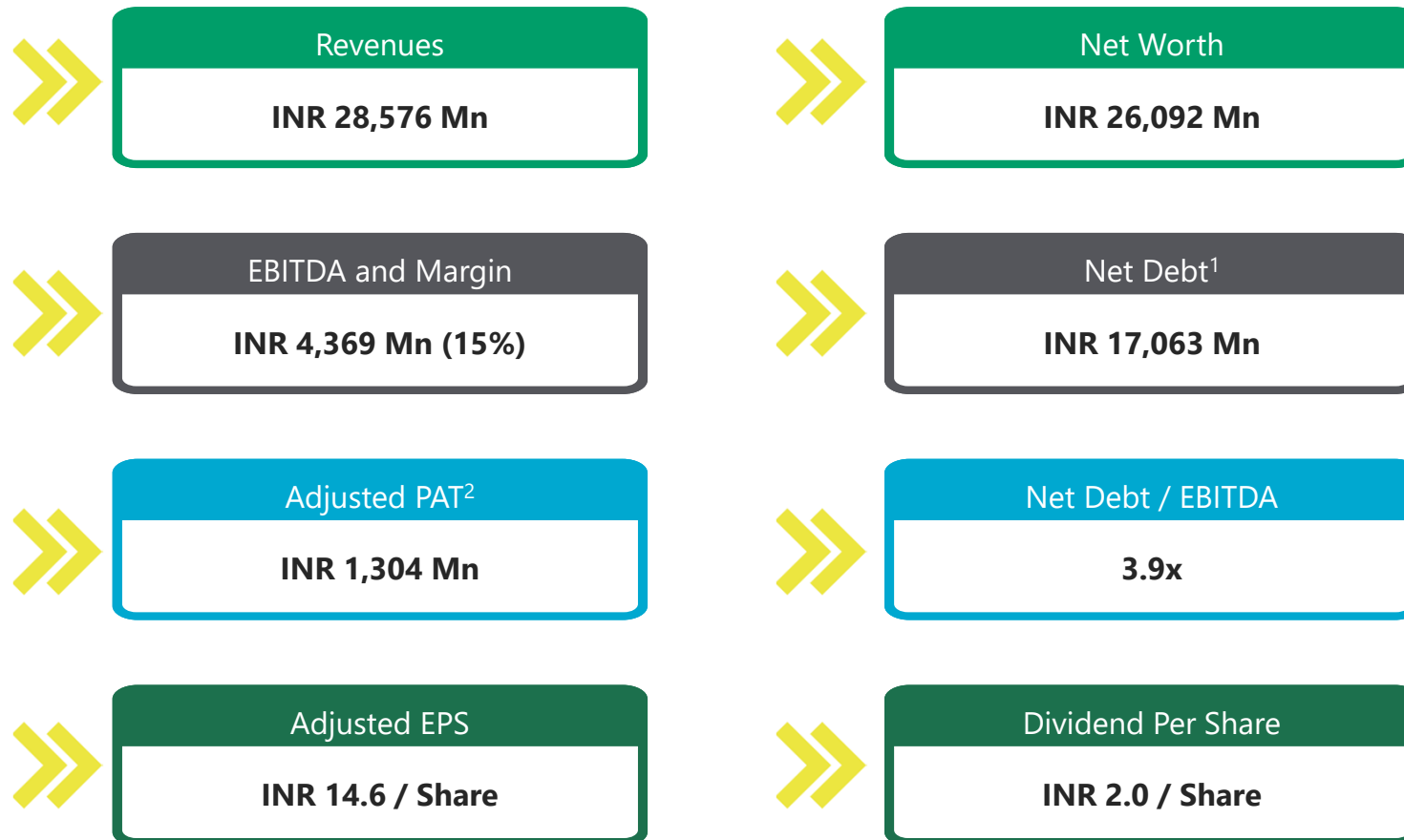
Foundation of Quality, compliance & governance

Transparent and open culture



Consolidated Financials

Key Financial Highlights FY 18



1. Adjusted debt includes cash receivable of ₹1,310M on account of divestment of SCPL and ₹662M for loans advanced to partners
2. Adjusted PAT- For FY18 - Adj for Stelis share of loss ₹144M, SCPL goodwill impairment ₹ 14M, restructuring expense ₹ 196M, CHC loss 446M.



Experienced Board and Management team

High engagement on areas of strategic focus



Arun Kumar
Founder, Group CEO and MD



Deepak Vaidya
Non-Executive Chairman



Sangita Reddy
Independent Director



Bharat Shah
Independent Director



S. Sridhar
Independent Director



Homi R Khusrookhan
Independent Director



Badree Komandur
Executive Director and CFO



Shashank Sinha
CEO - International Business



Ramaraju PVS
Chief Operating Officer



Umesh Kale
Chief Quality Officer



Lakshmi Narayanan
Chief Information and Technology officer



Strides

Thank You

