



# SUVEN Life Sciences

A bio-pharmaceutical solution provider

In search of new CNS therapies for better living

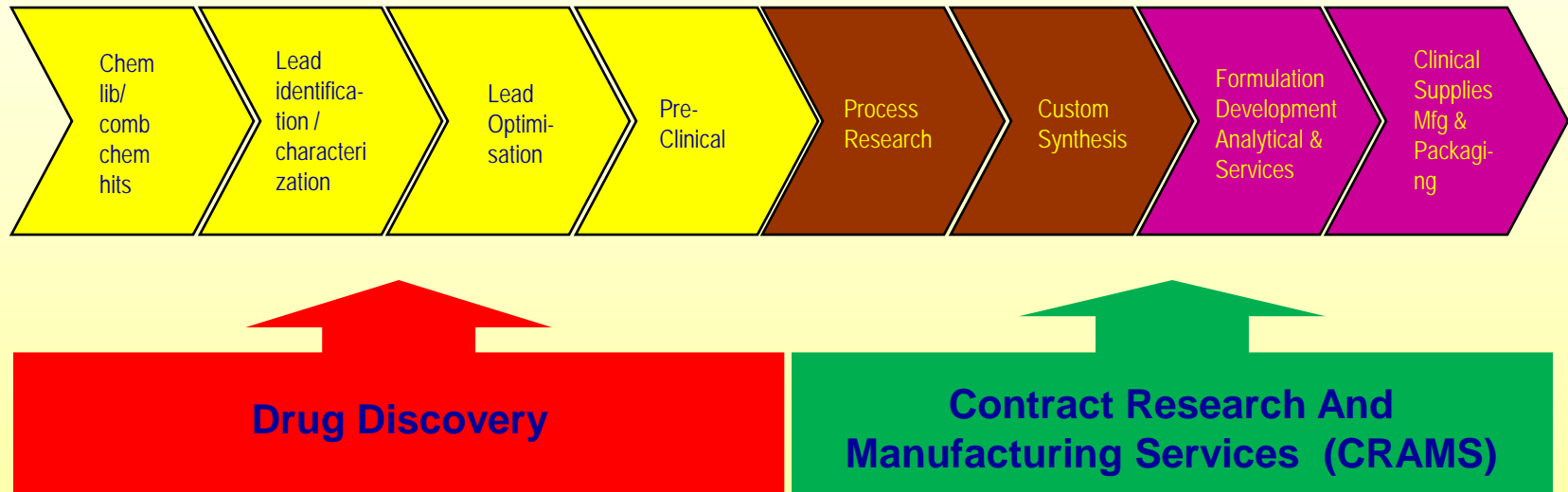


# Safe harbor statement

Except for historical information, all of the statements, expectations and assumptions, including expectations and assumptions, contained in this presentation may be forward-looking statements that involve a number of risks and uncertainties. Although Suven attempts to be accurate in making these forward-looking statements, it is possible that future circumstances might differ from the assumptions on which such statements are based. Other important factors which could cause these statements to differ materially including outsourcing trends, economic conditions, dependence on collaborative partnership programs, retention of key personnel, technological advances and continued success in growth of sales that may make our products/services offerings less competitive; Suven may not undertake to update any forward-looking statements that may be made from time to time



# Suven's Business Model



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# Mission

- Providing world-class R&D solutions for Global Life Science companies with quality, speed and in a cost effective manner
- Commitment to drug discovery and development in CNS where there is the highest unmet medical need

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# Multi location facilities



**Banjara Hills, Hyderabad, India**  
**Corporate Office**



**SUVEN USA, New Jersey**

## **Business Office**

- Business Development
- Project Management
- Intellectual Property Management



**Jeedimetla, Andhra Pradesh, India**

## **SUVEN R&D–Pilot Plant**

- Process Research
- Discovery R&D, Analytical R&D
- Killo lab, 30L CM Reactors (32)
- 50L – 4000 L GL/SS



**Suryapet, Andhra Pradesh, India**  
**SUVEN Intermediate Mfg. Facility**

- 300 CM reactors (93)
- 500L to 10 KL GL/SS
- GMP Intermediates



**Pashamylaram, Andhra Pradesh, India**

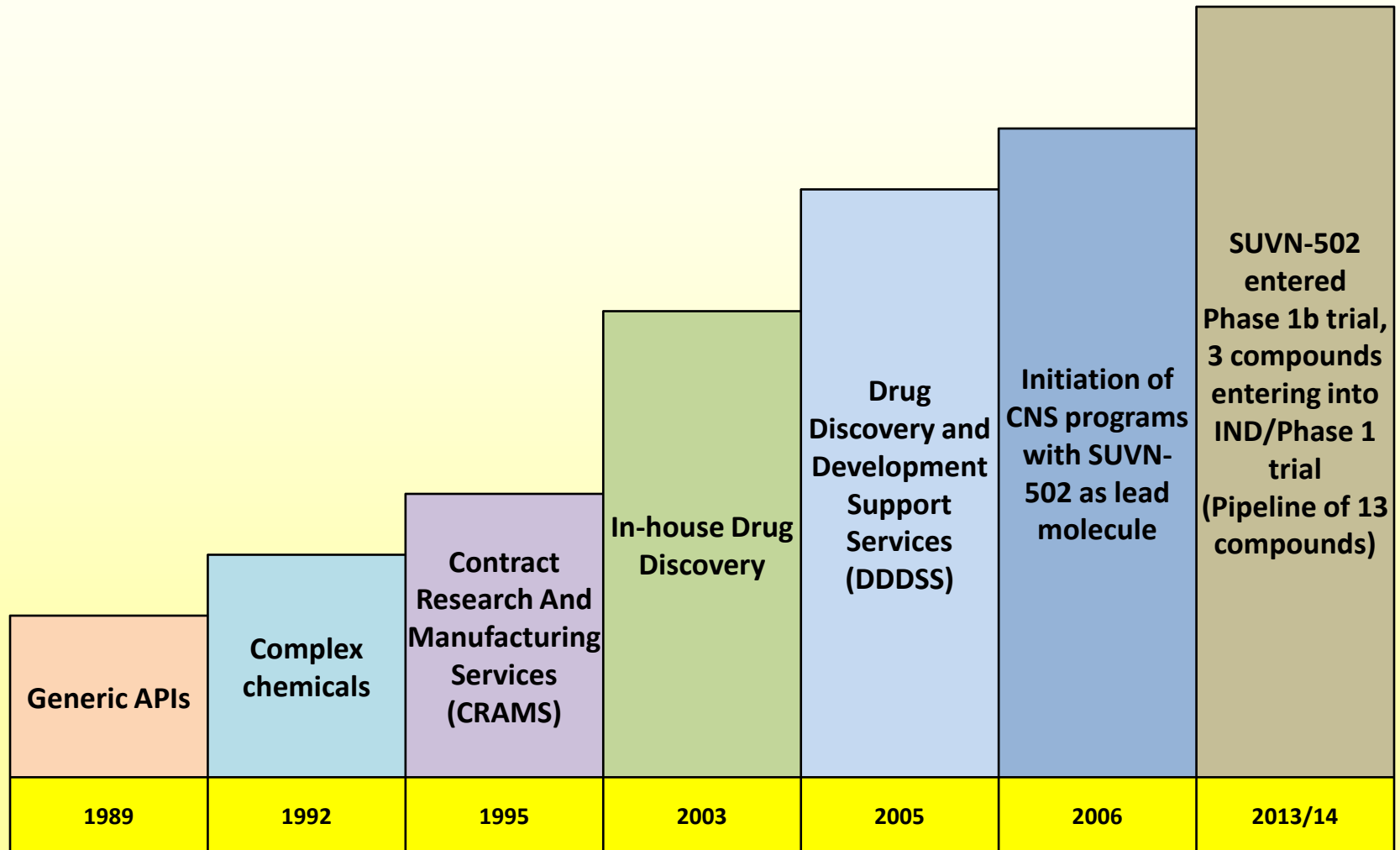
## **SUVEN API & Formulation Facility**

- 120 kL reaction volume
- 50L – 6000 L GL/SS (45)
- API Manufacturing
- Biopharmaceutical Research (GLP)
- Formulation R&D



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# Suven evolution



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# SUVEN Overview



**INR ~750  
Crores**

Market  
Cap.

**INR 258  
Crores**

Half year  
Revenue

**>80%**

Revenue from  
US & Europe

- Publically listed in India (1995)
- Profitable and dividend declaring for the last 2 decades
- Strong asset base and financial fundamentals
- Relationships with more than 22 global pharmaceutical companies
- Services:
  - Contract Research And Manufacturing Services (CRAMS)
  - Drug Discovery & Development Support Services (DDDSS)
- 18 inventions with granted 607 product patents and 35 process patents
- USFDA inspected
- Over 800 employees

## CRAMS

- Leader and innovator for NCE based intermediates
- 650+ projects
- 386 R&D professionals

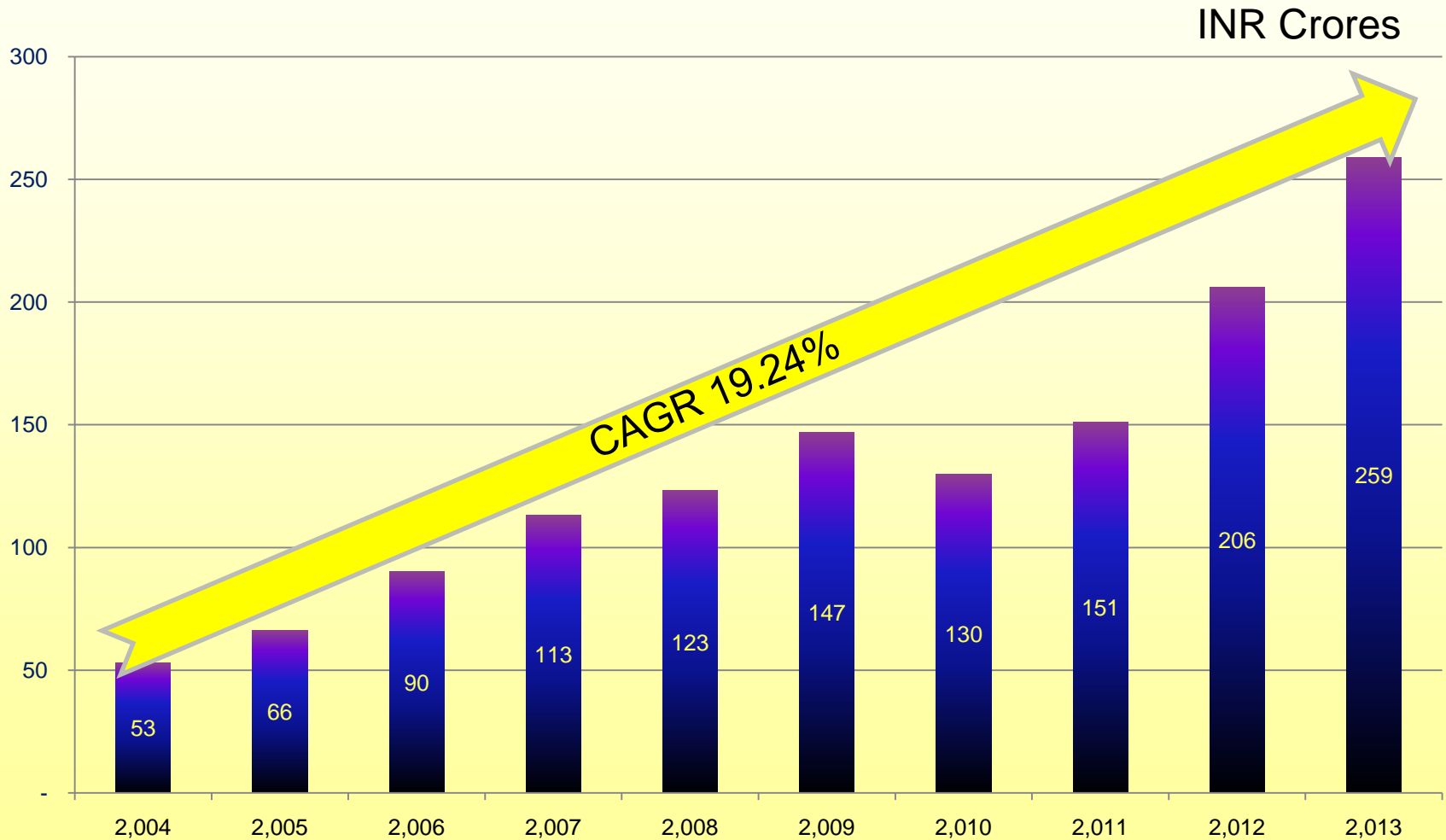
## DDDSS

- CNS based drug discovery in India
- State of the art facilities & models
- Multiple big pharma relationships

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# CRAMS Revenue



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# Financials



Year ending March 31'	2009	2010	2011	2012	2013
Income	14,704	12,982	15,104	20,611	25,893
Pre-R&D EBITDA	4,632	4,809	4,595	5,810	8,892
Pre-R&D EBITDA Margin	31.50%	37.04%	30.43%	28.19%	34.34%
EBITDA	1,686	1,394	1,481	2,505	5,423
EBITDA Margin	11.47%	10.73%	9.81%	12.15%	20.95%
EBIT	1,184	865	936	1,905	4,636
EBIT Margin	8.06%	6.66%	6.20%	9.24%	17.91%
Financing costs	675	494	611	991	1,351
Taxes	(203)	(330)	(715)	(522)	201
Net Profit after tax	712	700	1,040	1,436	3,084
NP Margin	4.84%	5.39%	6.89%	6.97%	11.91%
EPS (basic & diluted)	0.61	0.60	0.89	1.23	2.64
Paid up share capital (One Rupee Share)	1,159	1,159	1,167	1,167	1,168
Depreciation	502	529	545	600	787
R&D expenses	2,946	3,415	3,114	3,305	3,469

*All figures in INR Lacs, except EPS and Margins*

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# Financial – Period ending 30 Sep 13



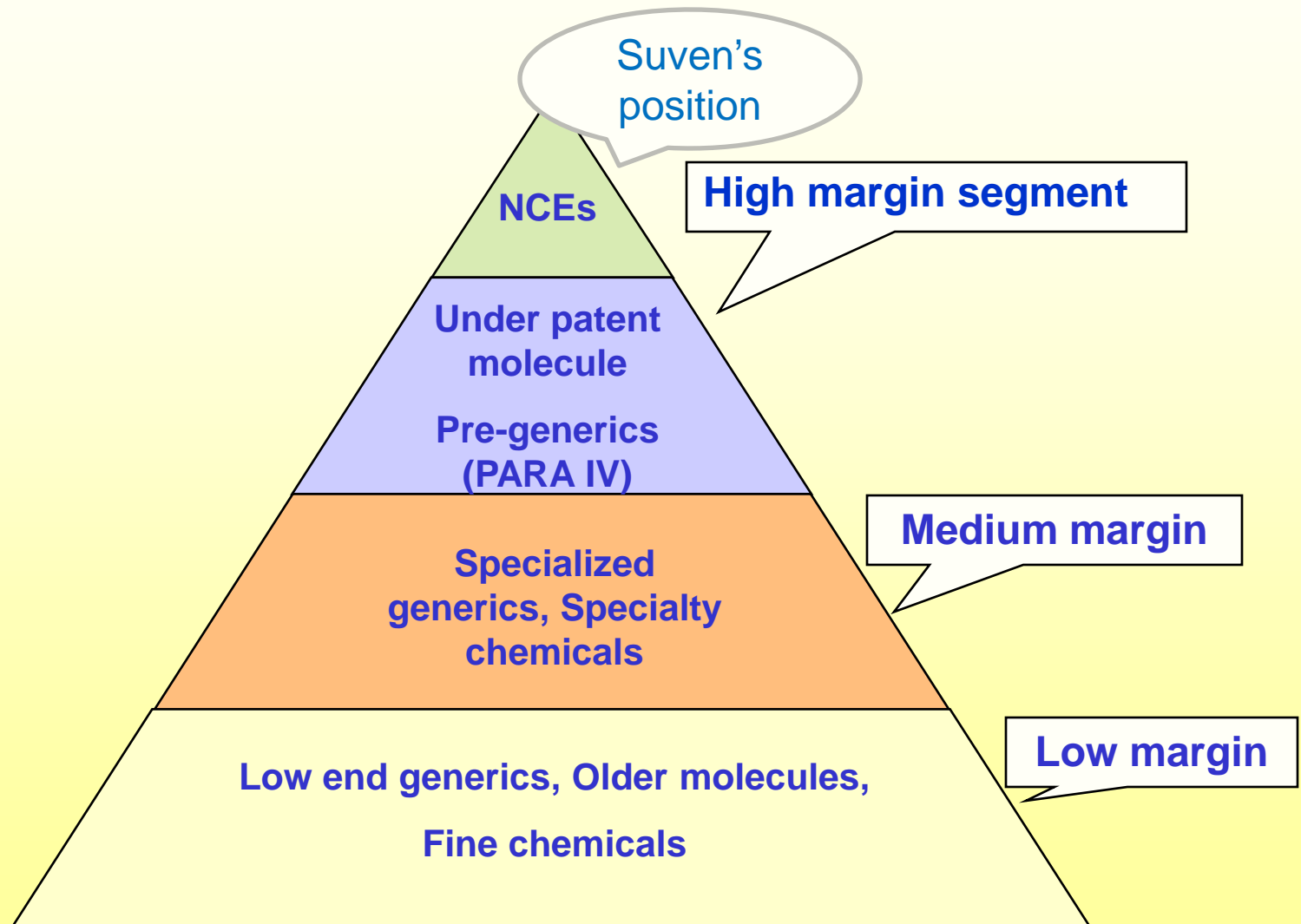
Period ended	Sep 2012	Sep 2013	Growth %	Sep 2012	Sep 2013	Growth %
	<b>Quarterly</b>			<b>Half yearly</b>		
Income	5,026	15,153	201%	12,079	26,335	118%
Pre-R&D EBITDA	1,783	8,942	402%	4,043	14,355	255%
Pre-R&D EBITDA Margin	35.47%	59.02%		33.48%	54.51%	
Post R&D EBITDA	1,100	7,153	550%	2,486	11,771	374%
EBITDA Margin	21.88%	47.20%		20.58%	44.70%	
EBIT	930	6,931	645%	2,133	11,340	432%
EBIT Margin	18.50%	45.74%		17.66%	43.06%	
Financing costs	289.75	341.28		612	660	
Taxes	-8.96	2,035		76	3,148	
Net Profit after tax	649	4,555	602%	1,445	7,532	421%
Net Profit Margin	12.91%	30.06%		11.97%	28.60%	
EPS (basic & diluted)	0.56	3.90	601%	1.24	6.45	421%
Paid up share capital	1,167	1,168		1,167	1,168	
R&D expenses	683	1,790	162%	1,557	2,584	66%

*All figures in INR Lacs, except EPS and Margins*

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# Value chain in CRAMS



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# Key Differentiators

## Suven

- Contract research
- Innovation lead
- Pioneer in CRAMS
  
- Long term approach
- High focus on NCEs
- Full spectrum services

## Others

- Contract manufacturing
- Process lead
- Followers & 'Me-too' segments
  
- Short term approach
- Mostly generics
- Mostly chemistry services

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# Suven focus

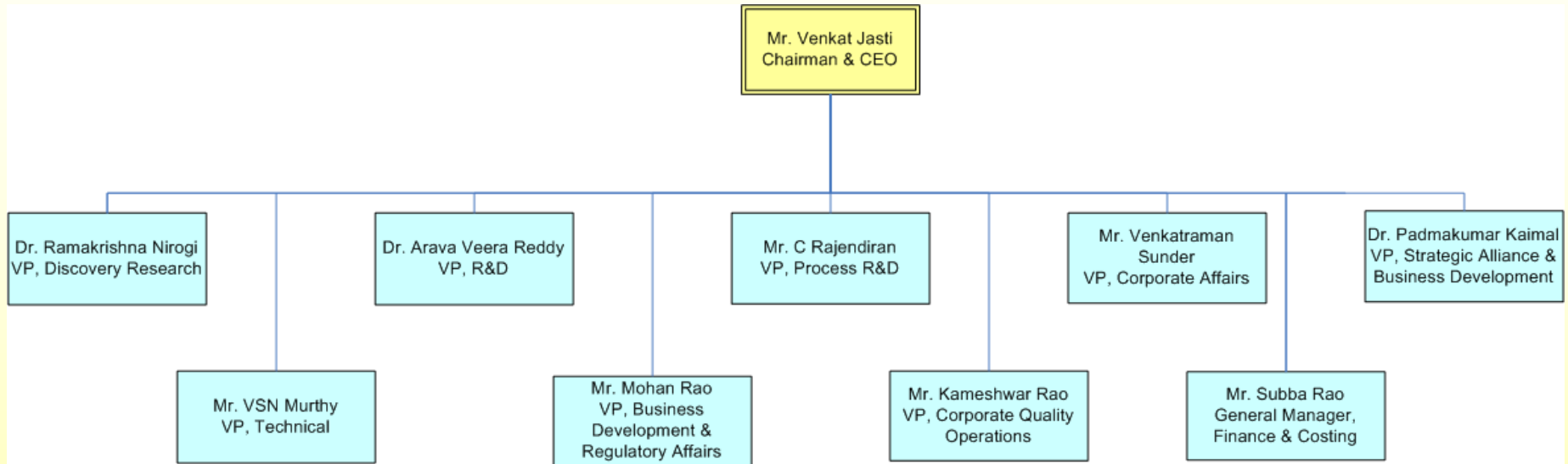
A full fledged bio-pharmaceutical solutions provider for global pharmaceutical companies

- Focused on value addition in research and development
- Investing in R&D for more than a decade specializing in CNS arena
- NCE based CRAMS
- High end drug discovery services

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# Suven's management team



- Management
  - Good integrity
  - Capable & Focused
  - Technically sound
- Corporate Transparency
- Good corporate governance

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# Our Relationships



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# Suven Revenue Profile

- Solid sales growth with strong customer relationship
- Multi-year NCE based contract research for chemistry development for global sponsors.
- Entering into long term commercial supply agreements.
- Pipeline of 46 Phase 1 & 41 phase 2 projects
- 3 phase III compounds with potential NDA filings by the innovator in next few years leading to long term commercial supply agreements.

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# Suven market opportunity

- Customer focused long standing relationships for various early phase to commercial chemistry development
- Geographically dispersed in global markets (USA, Europe, Japan, Korea, Israel)
- Additional DMFs and ANDAs for regulated markets
- Growing market\* opportunity for contract research and manufacturing and drug discovery services

\*(\$17 billion, source: Jeffries, William Blair)

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# Key Risks and Challenges

- Sustaining long term relationships with innovator companies
- Potential price fluctuation/attrition
- Likely increase in competition from other Indian/global players
- Lack of disclosure due to CDAs
- Potential for lumpiness in revenues and profits



# Key takeaways

- Business growth in CRAMS to sustain for a self funded drug discovery company.
- An integrated solutions provider for CNS in Asia.
- In-house drug discovery programs poised to take off with out-licensing opportunities

# Drug Discovery R&D - CNS



## Why CNS?

- Central Nervous System (CNS) market is the Second Largest Therapeutic Category (15%) and it is one of the Fastest Growing segment
- Highly unmet medical need
- More than 200 compounds under development
- Challenges – High attrition during discovery and clinical development
- Highly rewarding – Based on the recent licensing deals in this segment

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# Market for CNS

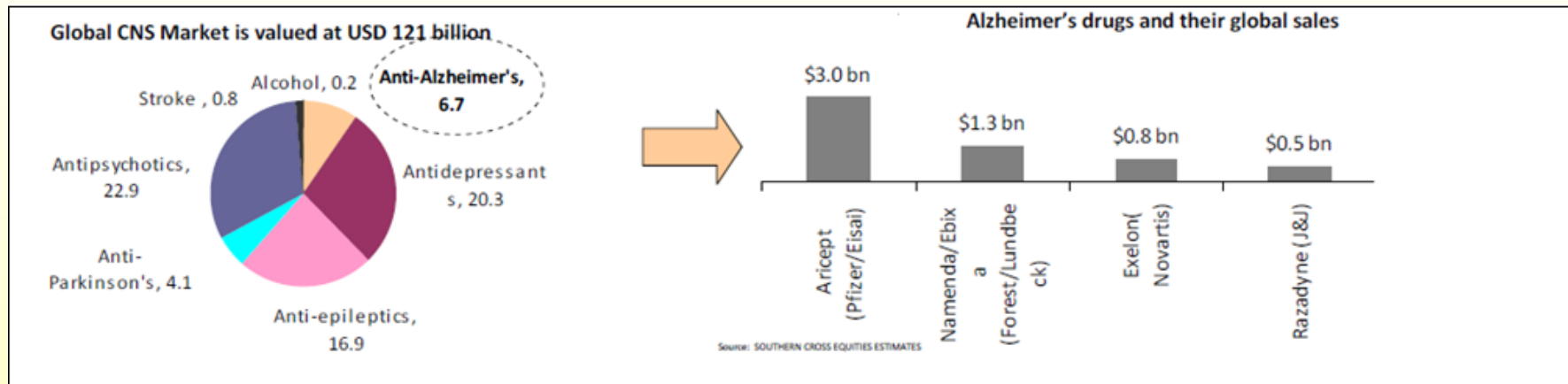
- Present market in CNS - \$120 billion
- Market for Cognitive disorders – Over \$30 billion
- 180 million worldwide suffer from CNS disorders that exhibit significant impairment of memory and other cognitive functions.
- An estimated 37 million people worldwide suffer from dementia, with Alzheimer's disease causing the majority of the cases
- An estimated 24 million people worldwide suffer from Schizophrenia
- 50% of adults aged over 65, are afflicted with Age associated cognitive decline

*Source: WHO*

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# Cognition - Alzheimer's drugs



## Global CNS players

### Branded

Astra Zeneca Pfizer, Novartis, JnJ Lilly, Eisai & Otsuka

### Generic:

Mylan, Teva, Ratiopharm, Stada & Apotex

### Under development:

Suven, Pfizer, Lilly, J&J, Lundbeck

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# Alzheimer's Disease



- Strong interest across pharma & biotech:
  - **Pfizer**
  - **GSK**
  - Lilly
  - AstraZeneca
  - BMS
  - **Merck**
  - **Roche**
  - Novartis
  - JNJ
  - Amgen
  - Sanofi
  - Abbott
  - **Lundbeck**
  - **Eisai**
  - And many others
- Ongoing clinical programs across many MOAs:
  - Serotonergic
  - Cholinergic
  - Glutamatergic
  - Glycine
  - GABA A
  - PDE
  - Histaminergic
  - MAO-B
  - Gamma secretase
  - Beta secretase
  - Tau phosphorylation
  - Biologicals
  - Other

Hot area of Drug Development with many unproven targets

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# Partnering/out-licensing opportunities



## Internal R&D Pipeline

Neurodegenerative Diseases MCI / Cognition / Alzheimer's / Schizophrenia	Design	Discovery	Pre Clinical	IND	Phase - I	Phase - II	Phase - III	Expected Launch
SUVN-501 (5-HT <sub>6</sub> Antagonist)								
SUVN-502 (5-HT <sub>6</sub> Antagonist)				2008	2009	2014		2018-19
SUVN-507 (5-HT <sub>6</sub> Antagonist)								
SUVN-512 (5-HT <sub>6</sub> Antagonist)				2014				
SUVN-976 (5-HT <sub>6</sub> Antagonist)								
SUVN-D4010 (5-HT <sub>4</sub> Partial Agonist)				2014	2014			
nAChR Alpha-4 Beta-2								
SUVN-G3031 (Histamine-3 Antagonist)				2014	2014			

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# Partnering/out-licensing opportunities



## Internal R&D Pipeline

Pain / Major Depressive Disorder (MDD)	Design	Discovery	Pre Clinical	IND	Phase - I	Phase - II	Phase - III	Expected Launch
nAChR Alpha-4 Beta-2 Antagonist (Pain)								
SUVN-911 (nAChR Alpha-4 Beta-2) (MDD)			2014	2014				
CB2 Agonist (Pain)								

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# Suven Patent Pipeline



PCT and National Phase	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<b>Discovery Research</b>													
<b>Applications</b>	8	4	2	5	—	7	4	5	2	1	2	1	41
<b>Published</b>	—	3	7	3	2	5	3	2	2	5	2	1	35
<b>National Phase entered</b>	—	—	3	3	1	3	1	3	1	1	6	2	24
<b>Process Research</b>													
<b>Applications</b>	—	2	2	2	1	2	1	—	—	—	—	1	11
<b>Published</b>	—	—	—	3	1	3	—	2	1	—	—	—	10
<b>National Phase entered</b>	—	—	—	—	1	2	2	—	—	—	—	—	5

As on Aug-2013

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# Suven Patent Pipeline



Patents Granted	Region						
	Europe	USA	Australia	Japan	Singapore	New Zealand	
Discovery (Product Patents)	12	15	15	9	17	17	
Process Patents	2	5	2	2	1	1	
Patents Granted	Region						
	South Africa	India	Sri Lanka	Korea	Brazil	Mexico	
Discovery (Product Patents)	16	16	8	10	—	16	
Process Patents	1	4	—	3	—	1	
Patents Granted	Region						
	Canada	China	Eurasia	Norway	Hongkong	Russia	
Discovery (Product Patents)	13	11	11	2	12	3	
Process Patents	2	2	2	—	—	—	

As on Aug-2013

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# Exit potential for SUVN-502

- Lu AE58054 (Lundbeck, Otsuka) July 2013
  - \$150 Mil upfront for phase II program
- SUVN-502 data matches/beats, mechanism clear and fits
  - To start Phase 2a (POC) in 2014
- Dimebon (Medivation, Pfizer) Sep 2008
  - \$225 Mil upfront at POC
- Alzheimers program (CoMentis, Astellas) Apr 2008
  - \$100 Mil upfront (\$80+\$20) for Phase I program
- BACE discovery collaboration June 2009 (Vitae, BI)
  - \$42 Mil for pure research stage program + IP



# Contact

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