

Zandu Pharmaceutical Works: The Takeover Bid (A)

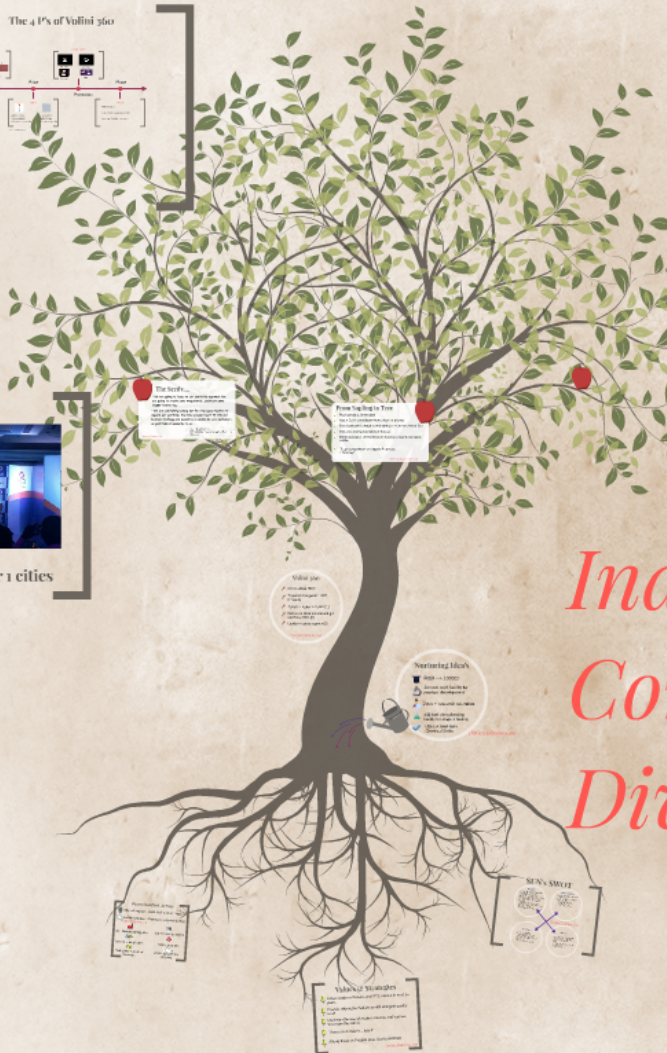
Industry : Pharmaceuticals

Company : Zandu Pharma

Division : Consumer Healthcare



- Recommendation**
- ✍ Focus more on 15 gm packs
 - ✍ Focus on neutralising herbal aroma of clove oil
 - ✍ Improve on primary packaging



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From Stardust..to Sun



Dilip Shanghavi : 1983 : INR 10,000 : Vapi



Family business : Pharmacy : psychiatric drug

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45+ Manufacturing sites



150 + markets served



30,000 + employees



2000+ products



US\$ 20bn + worth of
Revenue



India's top pharma
company

Values & Strategies



Global leader in Generic and OTC market in next 10 years



Provide affordable medicines with stringent quality to all



Maximise the use of modern science and harness best from the nature



"If you can't make it... buy it"



Strong focus on Exports (esp. USA) and R&D

SUN's SWOT

Strength

- Strong foothold in emerging market
- Highest number of USFDA
- Strong Sales force of 12000+
- Strong Brand presence in India and US
- Extensive product catalogue due to successful acquisitions of Taro and Ranabaxy
- Independent and wholly owned research wing Sun Pharma Advanced Research Company
- Ability to launch products consistently

Opportunities

- Ranbaxy's lucrative generic and OTC portfolio
- Further acquisitions to expand API market share
- Contract Manufacturing
- Relaxation of DPCO
- Animal Drugs segment

Weakness

- Lower profit margins
- Limited presence in merging markets of Africa and Asia as well as certain major markets of Europe
- Slim portfolio in OTC segment

Threats

- Continues loses made by Caraco Pharma in USA. Acquired by Sunpharma to compete with Pfizer
- Stiff Regulatory norms in both of its major market
- Tewa-Actavis merger

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Nurturing Idea's



R&D --> 1000Cr



200000 sq.ft facility for product development



2000 + research scientists



408 bed clinical testing facility for stage 1 testing



USFDA level New Chemical Entity

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The Seeds....

" We are going to focus on our portfolio approach. We are going to create some megabrands...and turn some smaller brands big."

" We are constantly looking out for new opportunities to expand our portfolio. The new product must fit into our business strategy and should be as useful for our customers as profitable it would be to us."

**- Mr. Subodh Marwah
(VP and Global Head of Consumer Healthcare
Division)**

Volini 360



OTC since 2007



Tropical Analgesic : 2011
in Spray



Zandu > Iodex > Volini [1]



Pioneer in Diclofenac based gel
and Spay SKU [2]



Leader in spray segment [3]

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From Sapling to Tree

- 👍 Push product, innovation
- 👍 Idea in 2014, consultation from a team of physios
- 👍 Exact pain point is tough to find during an injury and hence 360
- 👍 Dedicated testing laboratory at Baroda
- 👍 Better absorption of Diclofenac in blood and easy to use spray nozzle
- 👍 Tough competition from Appolo Pharmacy (Relispray)

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