
Strides Shasun to acquire Perrigo's US FDA approved API facility in India

Bangalore, December 9, 2016. Strides Shasun Limited (the Company) today announced the signing of definitive agreements to acquire the entire shareholding in Perrigo API India Private Limited (Perrigo API India) for INR 1000 Million. The transaction is subject to customary closing conditions and expected to be closed by December 31, 2016.

Strategic Rationale

- Pursuant to the merger with Shasun Pharmaceutical Limited in 2014, the Company got access to two US FDA API facilities, which had a combination of API's for captive consumption and commodity APIs.
- While the strategic intent of the Merger was achieved through vertical integration of various products, the merger also brought into Strides few commodity APIs.
- Post-merger with Shasun Pharmaceutical Limited in 2014, the Company has significantly scaled up its API practice through upgrade of infrastructure and quality standards with a focus on building a portfolio of backward integrated small molecules and catering to high entry barrier markets of Japan and South Korea
- To separate the Commodity API business from integrated APIs, the Company has recently announced hive off of Commodity API business to a separate entity.
- The Company already has a portfolio of integrated products under development and with the R&D teams for formulations and API working on a joint development platform, the Company is confident of reaching its stated filling run rate of 20-25 molecules which will largely comprise of integrated molecules.
- Perrigo API India's facility brings into the fold a US FDA approved API facility located at Ambarnath, Maharashtra, to be used for captive consumption and will augment the Company's resources to handle high velocity of new product development and commercial launches in the formulations portfolio.
- The facility with a potential capacity of 600 tons per year had zero 483s during its last US FDA inspection.
- The Company intends to transfer all the integrated DMFs filed for captive consumption to the acquired facility.

Transaction details

- Under the terms of the agreement, Strides Shasun will acquire 100% of the issued capital of Perrigo API India for a consideration of INR 1000 Million.
- Perrigo parent or affiliates will continue to source few products from the facility under a long term supply agreement.
- Perrigo API India reported a turnover of INR 737.60 Million for the financial year ended March 31, 2016 and had a gross asset base of INR 2874 Million.

Commenting on the development, Shashank Sinha, Group CEO of Strides Shasun stated “With this acquisition, we bring into our fold a manufacturing facility designed to handle multipurpose small batch productions and accelerates our time to market. This augurs well for the Strides’ stated strategy of building a backward integrated portfolio of niche and small volume products for the regulated markets.”

About Strides Shasun Limited

Strides Shasun Limited, listed on the BSE Limited (532531) and National Stock Exchange of India Limited (STAR), is a vertically integrated global pharmaceutical company headquartered in Bangalore. The Company has four business verticals, viz., Regulated Markets, Emerging Markets, Institutional Business and Active Pharmaceutical Ingredients.

The Company has global manufacturing footprint with 13 manufacturing facilities spread across three continents including 5 US FDA approved facilities and 8 facilities for the emerging markets. The Company has three dedicated R&D facilities in India with global filing capabilities and a strong commercial footprint across 85 countries.

Additional information is available at the Company’s website at www.stridesarco.com

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