

Cipla

Nuvama India Conference 2024



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1 Journey
So Far

2 India
Trends

3 Cipla Way
Forward



Journey So Far



Established in 1935: Grown into one of the most respected companies globally

Cipla



85+
Markets



\$3 Bn
Revenues



24%+
EBITDA



47
State of art
manufacturing
facilities



50+
Dosage
forms



26,000+
Employees

Note: Revenue and EBITDA of last 4 qtrs (Q4' FY23 – Q3' FY24)

Performance for purpose

Strong execution to establish market leadership, build differentiated pipeline and accelerate our journey to being a global healthcare company

Cipla

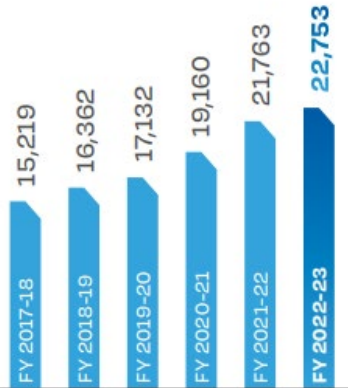
Revenue from Operations

(₹ in crores)



8%

5-year CAGR



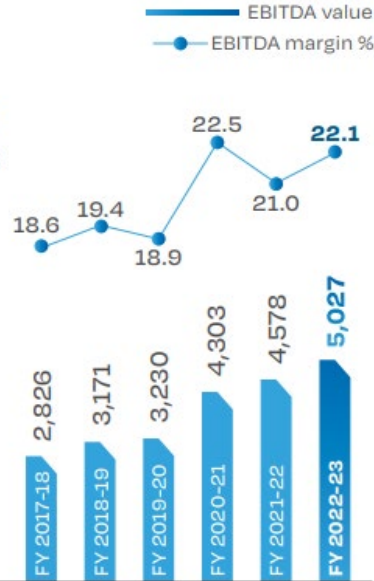
EBITDA and EBITDA Margin¹

(₹ in crores)



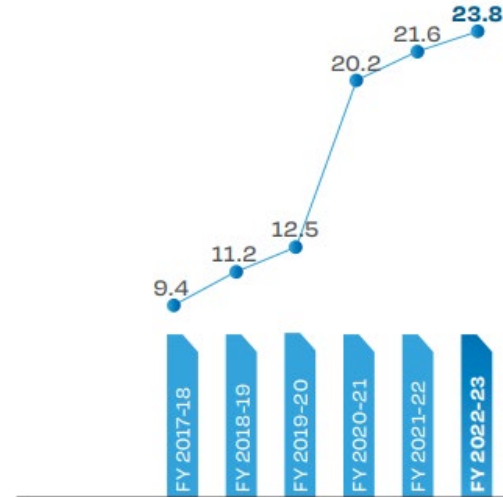
12%

5-year CAGR



Return on Invested Capital (RoIC)³

(in %)



Dividend payout²

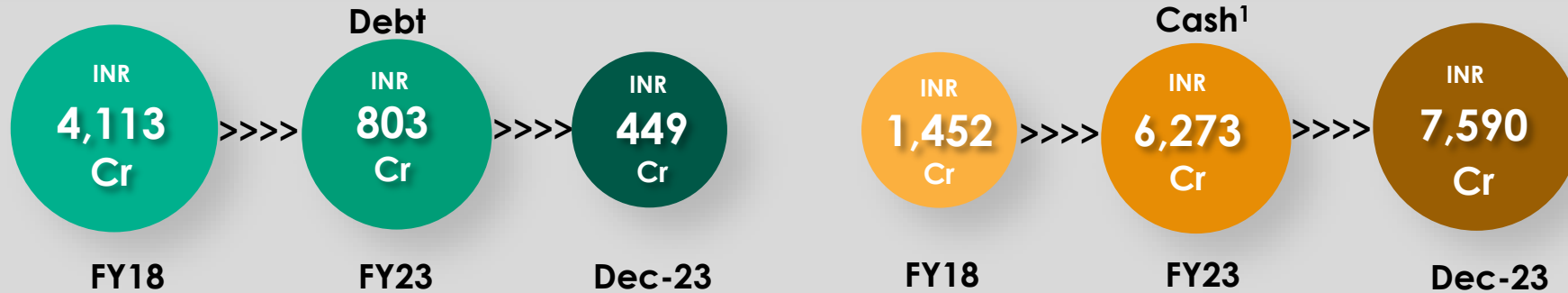
FY 23 : 686 Cr

5Y Avg. : 460 Cr

R&D Investment³

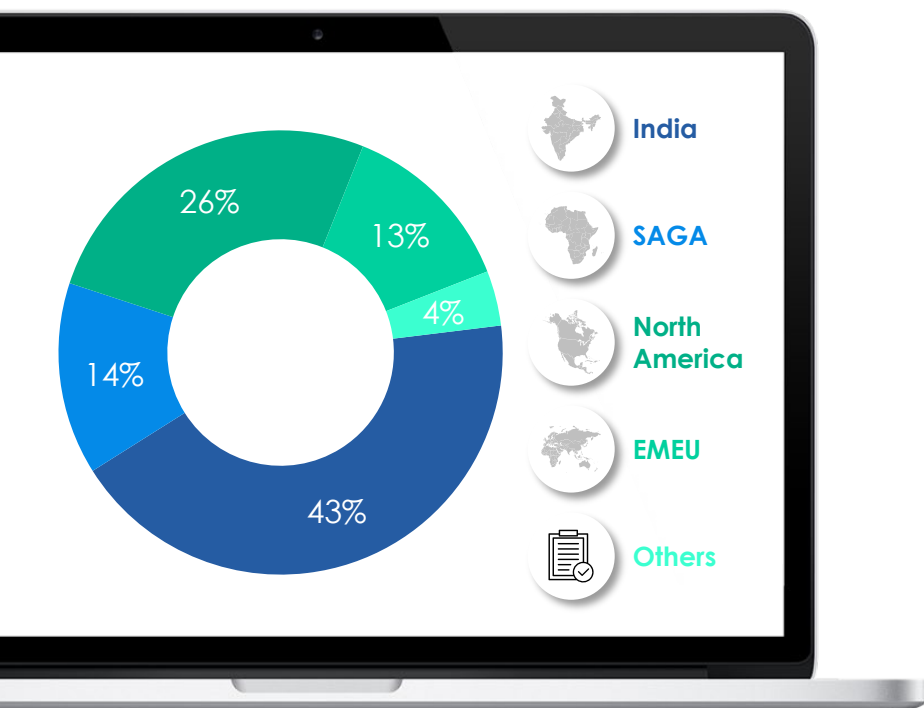
FY 23 : 1,343 Cr

5Y Avg. : 1,140 Cr



1. Cash and Cash Equivalents; 2. Since FY19; 3. R&D Including depreciation from FY18-FY23

Global footprint with strong portfolio and execution capabilities across its key markets



1. Revenue share as per FY'23 Annual report | 2. SAGA includes South Africa, Cipla Global Access and Sub-Saharan Africa # EMEU – Emerging Markets and Europe

India

- 3rd largest** in the India domestic Rx market; Leadership in Gx
- 1st rank** in Respiratory; top 5 in Urology and Anti-infectives
- 7,500+ field force** detailing to HCPs across the country – 85% physicians prescribe at-least one Cipla product
- Over 5 Lac+ no of downloads** - Digital Breathefree
- Strengthened presence in tier 2 & tier 3 cities** – GoApptiv & other initiatives

SAGA

- 3rd largest player** in private Rx market in SA
- OTC Expansion** (acquisition of Actor Pharma)

North America

- Fastest growing generic player**; #11 by prescriptions in volume in FY'23
- Adopted portfolio & customer diversification strategy**
- Established 505 (b) (2) & Para IV verticals**

EM and Europe

- Presence across **50+ markets** in EM and **20+ markets** in EU with **2,000+ SKUs** and **35+ dosage**
- Building presence in deeper markets by collaborating with local partners**

Leverage innovation for growth

1650 scientists | 5 R&D facilities | 303 patents granted till date

New Products Launched

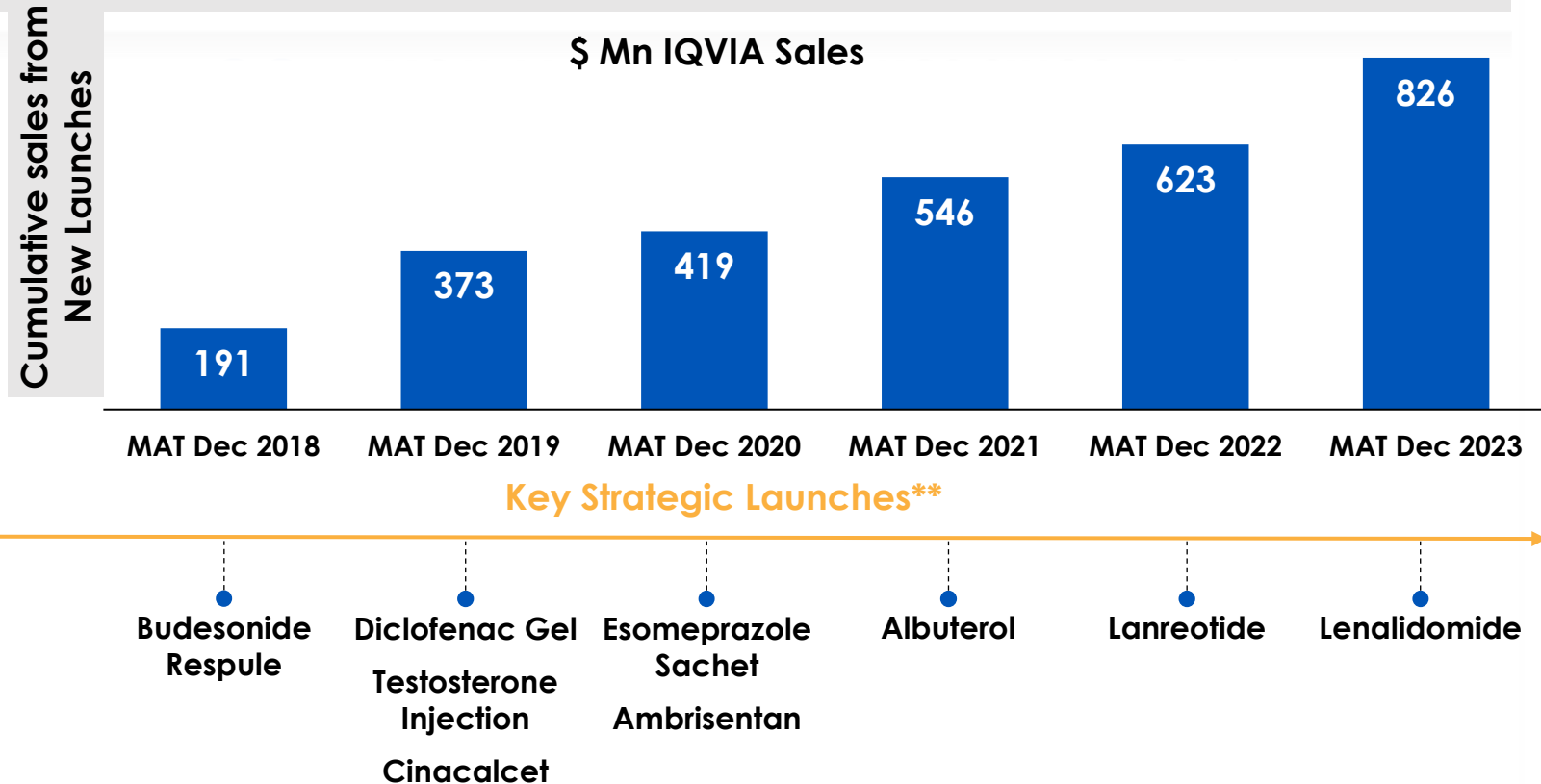


Geography-wise product launches in FY 2022-23



Investment in niche/complex opportunities in the U.S.

55+ New Product launches since 2017



* All launches since 2017, IQVIA Dec MAT 2023 | **Sub-set of all launches in the FY

Cipla stays anchored to its motto – “None shall be denied” **Cipla**

Strong R&D leveraged to develop solutions that address unmet medical needs, improve access to life-saving medicines

Cipla continues to innovate in HIV

Then: Offered ARV triple combo

During the AIDS crisis in the late 90s, Cipla utilized its formulation capabilities to provide ARV medicines to under-served patients

‘\$1 per day’



Now: Worked with DNDi for Quadrimune

Launched a heat-stable, sweet pediatric combination that does not require refrigeration in SAGA

1st 4-in-1 FDC

Abacavir + Lamivudine + Lopinavir + Ritonavir

Our Endeavor to improve access continues

Inhaled anti-fungal

Ongoing global phase-2B & India phase-2 clinical trials

PULMAZOLE™

Leuprolide 3M Depot injection

Launched peptide based, long acting 505(b)(2) product for advanced prostate cancer

Lanreotide Injection

Key complex NDA developed & commercialised

Lenalidomide Capsule

For blood related malignancies including multiple myeloma

Cipla remained at the forefront of Covid care, displaying unwavering resilience

Cipla accelerated 'Access to life-saving drugs' for Covid and launched multiple products

01

Antibody Cocktail



02

Antivirals



03

Immunosuppressants



04

RT-PCR testing and Antigen testing Kits



Served **1.2 Lacs** patients
Available at **>3000+** hospitals



Set-up Covid helpline: Received 100
to 300 calls on a day-to-day basis



CMO in Egypt; Supplied
Remdesivir to Emerging markets

India Trends



Patient Pool: Growth of ~20% expected between 2021 and 2030

Reducing fertility rates, ageing population, increasing chronic ailments and better awareness among patients are resulting in higher patient pool

Evolving Demographics

India ageing, **elderly to make up 20% of population by 2050** increasing the demand for age-related healthcare services significantly

Increasing Awareness Among Patients

With over **700 million internet users** in India, As per BCG the Indian digital health market is projected to grow at CAGR of **27%** from 2020 to 2024.

Proportion of Chronic Ailments

India is projected to house over **134 million diabetics** by 2045. Cancer cases expected to increase by **12%** by 2025

Lifestyle Changes

NCDs account for around **63% of all deaths in India. Obesity expected to affect over 5%** of the country's Adult population by 2025

Pollution-Related Ailments

Home to the world's most polluted cities, over **1.7 million deaths in India (18% of all deaths)** were attributable to air pollution contaminated water sources contribute to gastrointestinal diseases, hepatitis, and other health issues.



Trends in Surgery | Advanced technologies driving adoption of both High-end complex and minimally invasive surgeries

Hi-Tech complex surgeries

Such as Bi-valve replacement, Ortho surgery etc



Joint replacement

Knee replacement surgeries up **2.5x in 5 yr**



Spine: very complex, specialized skillsets, higher surgical value

60% of the Indian population will have a significant episode of spine-related problem once in their lifespan



Trauma: Large volume, good quality is a need of the market
Value of the trauma fixation devices market within India was expected to be over **\$100m in 2022 ****

Minimally Invasive Procedures

Estimated increase of over **30%** in the past five years in major metro cities.

Robotics and AI Integration

Over **5,000** robotic-assisted procedures reported annually in leading hospitals. The market for surgical robotics expected to grow at CAGR of **20%** from \$64.9 million in 2016 to **\$349.3 million by 2025**

Day Care Surgery

40% growth rate in metros, driven by advancements in surgical techniques and **patient preference for convenience**. Procedures such as cataract surgery and minor cosmetic surgeries performed on an outpatient basis.



Surge in Preventive Care | With Curative Healthcare remaining heavily strained, focus has been shifting to Preventive Healthcare

Over **60%** now prioritize regular health check-ups a significant increase from a decade ago

- HCIs spend INR 4k-10k per annum on Preventive Healthcare
- Willing to pay 20%-50% more in future

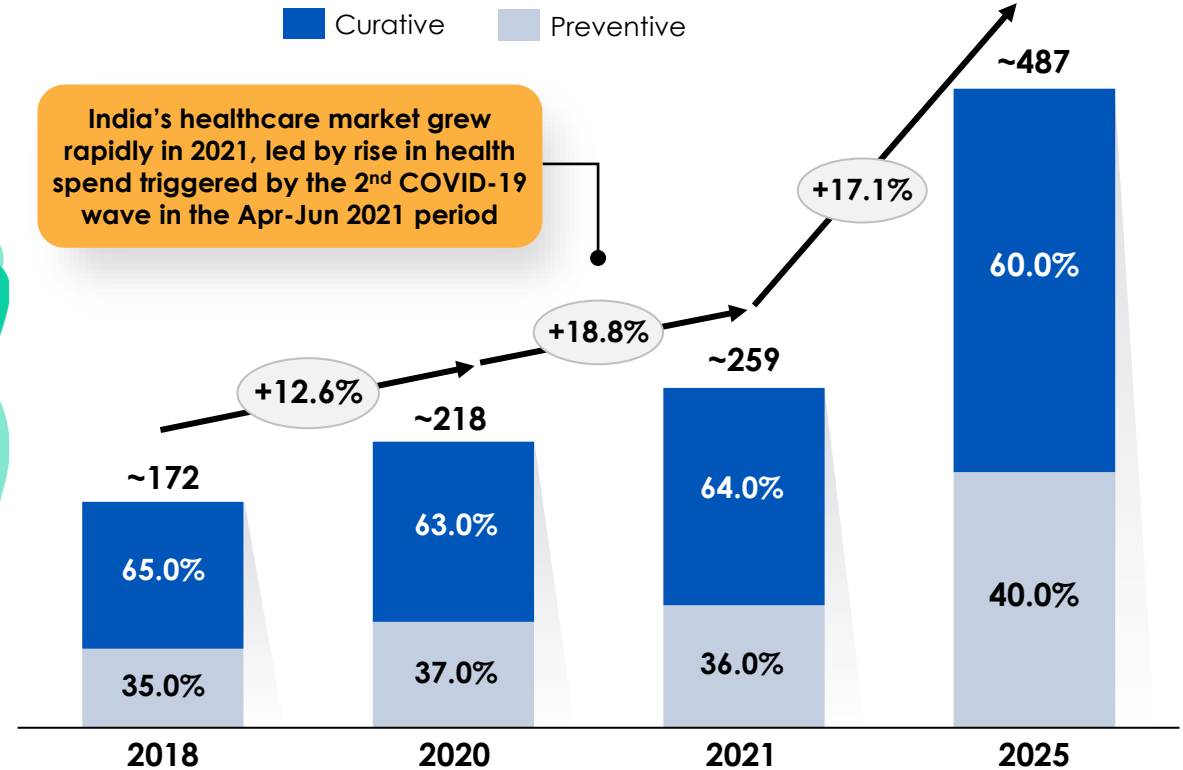
Corporate wellness programs

Participation increase of up to **70%** in major cities, reflecting growing employer investment in health initiatives.

The use of health apps and wearables has seen a **four-fold increase** among the urban population in the last five years.

Preventive Healthcare Market
Expected to contribute **40%** of the Healthcare spends in 2025, up from 36% in 2021*

Indian Healthcare Spend in \$ Bn (Private + Government)



Trends in Diagnostics | Accurate, accessible, and personalized diagnosis to expand patient pool and improve clinical outcomes



Advanced Imaging Technologies (AIT)

Valued at \$9.54 Bn in 2022 and is estimated to expand at CAGR of

8%*

from 2022 to 2030 and will reach \$17.54 Bn in 2030. Increasing use of PET-CT and MRI with Advanced tech adoption



Point-of-Care Testing (POCT)

The market for POCT in India is expected to grow by **17%**** annually. With urban clinics and pharmacies expanding their offerings for rapid tests, reflecting a growing **demand for immediate results**



Genomic Testing (GT)

Expected to grow at a CAGR of

7%#

From \$ 61 Mn in 2022 to \$90 Mn by 2028 .

The use of genomic tests for cancer therapy selection has increased by over

50% in leading hospitals in metro cities

* Insights10 - <https://www.insights10.com/report/india-diagnostic-imaging-services-market/#:~:text=%24%203999,reach%20%2417.54%20Bn%20in%202030.>

** – Ken Research - <https://www.kenresearch.com/blog/2023/01/india-poct-sector/>

#. TechSci Research - <https://www.techsciresearch.com/report/india-genetic-testing-market/7813.html>

Town 2-6 towns expected to account for incremental healthcare growth

Last 4 years CAGR of chronic medicines in T2-T6 is 11% vs 9.8% for metros



01

Government initiatives and support

Policies and schemes

Ayushman Bharat PM-JAY aim to provide **health insurance to 50cr** beneficiaries encouraging private players to establish healthcare facilities in underserved area

Infrastructure development

Subsidies and incentives for setting up hospitals and clinics, have been pivotal.



02

Rising healthcare awareness and demand

Increased health awareness

Facilitated by digital penetration. This awareness is creating demand for quality healthcare services

Growing middle class

Higher disposable incomes, is willing to spend on better healthcare services.



03

Technological advancements

Telemedicine and digital health

The adoption of telemedicine provided easier access to specialist healthcare services

Digital health platforms

Facilitating consultations, diagnostic services, and e-pharmacy services, bridging the urban-rural divide.



04

Private sector investment

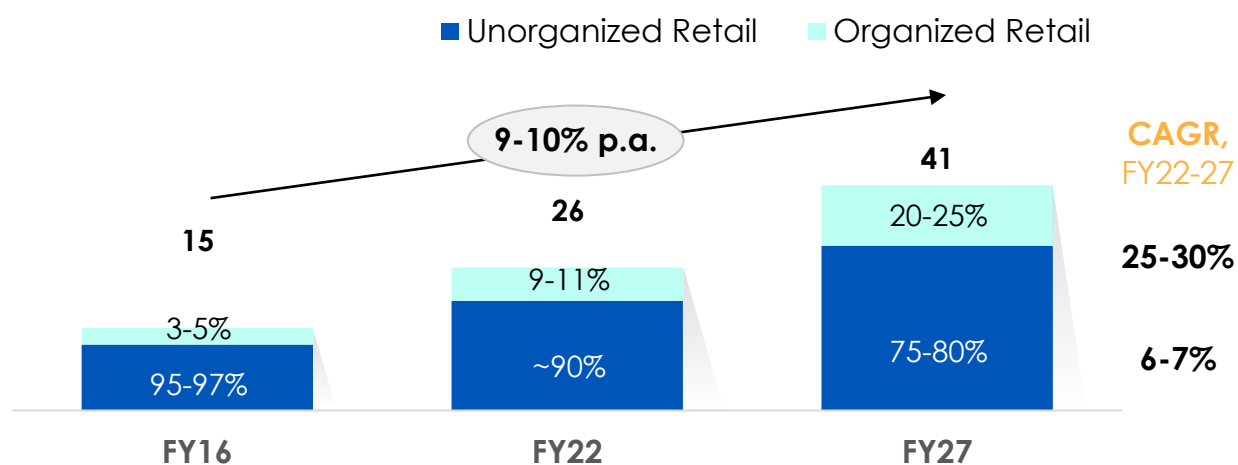
Private healthcare chains expansion

Increased investment in Tier 2-6 cities for setting up multispecialty hospitals, diagnostic centers, and specialty clinics.

Channel play should be designed to accommodate both organized & unorganized retail

Organized players expected to garner a market share of 20-25% by 2027

~80% chemists still will be a part of unorganized retail



- 01 Traditional trade will continue to have a high dependence on medicines supply
- 02 Penetration of organized players is limited to Metros, Tier 1 □ Tier 2-6 growth will be driven through traditional trade
- 03 Data analytics & insights both from organized & unorganized retail will be critical for pharma industry to design efficiency & drive growth

Generative AI: A once-in-a-generation technology surges into healthcare industry

Gen AI applications to
contribute **\$64 billion** to
Indian healthcare in seven years

Enhanced efficiency and productivity

Outpatient journeys and clinical documentation for improved patient care. Shortage of both clinical and non-clinical talent (e.g., only 64 doctors per 100,000 patients compared to the global average of 150 per 100,000)

Improved diagnostic accuracy

Earlier and more accurate diagnoses, particularly in complex cases such as cancer

Personalized medicines

Enabling personalized treatment plans, improve the efficacy of treatments and reduce side effects,

Operational cost reduction

Optimize hospital operations, from inventory management to patient flow, significantly reducing waste and operational costs.

Expansion into new services

Such as virtual health assistants, remote patient monitoring, and predictive health analytics.

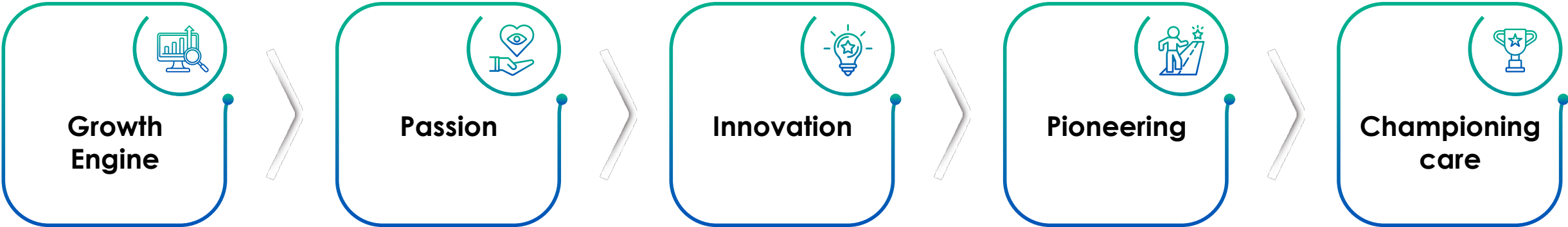
NASSCOM 2021 Report

Indian healthcare is expected to **reach \$372 Bn** by 2022 and data & AI has the potential to add **\$25-\$30 Bn** to India's GDP by 2025

Cipla Way Forward



Cipla is making strategic moves to offer “Beyond the Pill”



Future Fit Cipla: Aspiration to build bolder presence across key markets



ONE INDIA



SOUTH AFRICA



NORTH AMERICA



INTERNATIONAL MARKETS

To be **2nd** Largest Pharma company in Rx Market; Continue Leadership in Gx

To be **Largest Pharma** co in Rx(Private market) & OTC

To be **2nd** Largest Gx by respiratory prescriptions in the US

To **2x** revenue

\$100 Mn+ ->
2 countries

Future Fit Cipla: Redefining Respiratory – Bridging the ecosystem from Illness to Wellness



Breathefree – Scaling & launching commercial modules

6,42,000+ App Downloads
(↑ 217% from Jan'23)

68%

32%

10%¹
(0-18)

73%
(18-55)

17%
(>55)

1,11,000+ Monthly Active Users
(↑ 224% from Jan'23)

Lung Care Program 1.0 with **Pulmo Rehab + Diet plan**

Medicine Delivery & Diagnostics on demand

iOS App launched in Dec 2023

Diagnosis



Launched **Spirofy** and working on **Spiro Next Gen**



H1 FY 24

Impulse Oscillometer (iOS)

Digital



Next generation digital asset – a SaMD for lung health screening



Estimated Launch H2 FY 24

Awareness and Adoption



Increase adoption of inhalers by addressing key myths



Increase awareness amidst kids and parents on use of inhalers for kids

Breathefree Wellness Centres



Bringing Lung Care to patients **Directly**

Better diet management

Counsellors for smoking deaddiction

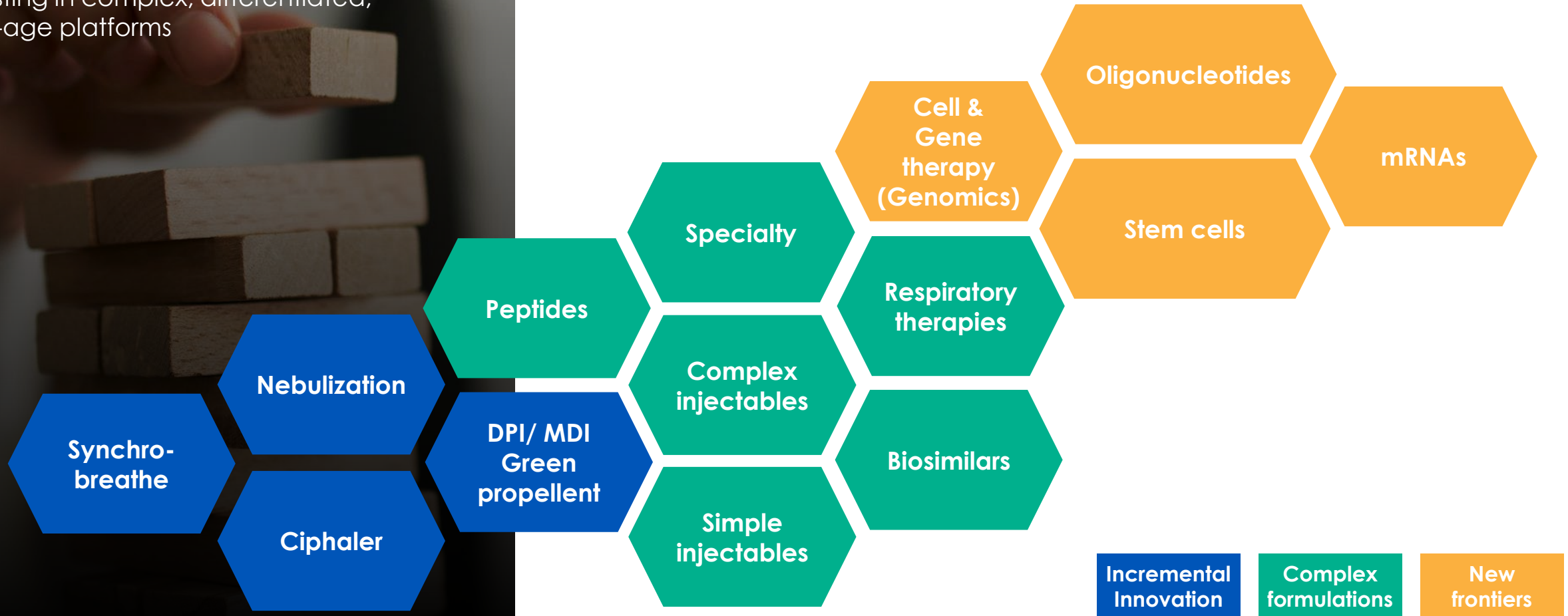
POC & Advance

Physiotherapists & trainers



Future Fit Cipla: Stay relevant , Build “Beyond the Pill”

Investing in complex, differentiated,
new-age platforms



Future Fit Cipla: To lead, grow into an integrated healthcare player



High engagement with Start-up ecosystem via VC Investments



Entering **POC model** by Leveraging Cipla's reach with doctors, clinics, nursing homes



Cippoint

<15 mins TAT

Launched in January 2023



Achira (In-development)

15-30 mins TAT

A **fully load-and-go** instrument



Neodocs

Conducting pilot for the UTI test kit

Future Fit Cipla: Sustainability Champion

CARING FOR PEOPLE,
PLANET AND PURPOSE



Cipla



Culture

Great places to work certified and strive to be in the top 100 companies across industries

Build a **culture of inclusion** – Enhancing diversity across demographics while increasing gender diversity by 100 bps yoy

Champion and Role Model the “Cipla Way”

Crusader for Health & Crisis

AMR Access

4 Generics & **2** innovative products in pipeline

University partnerships, surveillances, IAIH, AMR alliance memberships

ESG and Compliance

Carbon neutral by 2025

Initiated Net zero and Scope 3 journey

Water positive by 2025

cGMP; Best-in-class Corporate Governance practices



Cipla

Thank You

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