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Except for the historical information contained herein, statements in this presentation and the subsequent discussions may constitute "forward-looking statements". These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, our ability to obtain regulatory approvals, technological changes, fluctuation in earnings, foreign exchange rates, our ability to manage international operations and exports, our exposure to market risks as well as other risks. Cipla Limited does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

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The product information contained herein is not intended to provide complete medical information, and is not intended to be used as an alternative to consulting with qualified doctors or health care professionals.

Nothing contained herein should be construed as giving of advice or the making of a recommendation and it should not be relied on as the basis for any decision or action. It is important to only rely on the advice of a health care professional.
## Update on our key FY19 priorities and challenges

### Key Priorities

<table>
<thead>
<tr>
<th></th>
<th>India: Growth &amp; Therapy Strengthening&lt;sup&gt;1&lt;/sup&gt;</th>
<th>US: Launches &amp; Ramp-up</th>
<th>US Filings Ramp-up</th>
</tr>
</thead>
</table>
| 1 | Strong market beating performance across key therapeutic areas  
  #4 ranked now in Cardiology | 7 approvals in Q2 including Atazanavir, Diclofenac gel and Albendazole | 5 ANDAs filed in Q2  
 On-track for 20+ ANDA filings in FY19 |
| 4 | South Africa: Growth | Quality & Compliance | Challenges |
| 2 | 14%<sup>2</sup> Cipla vs 5% market growth  
  3<sup>rd</sup> Largest Pharma Player<sup>3</sup> in Private Market | Inspections at Medispray (No observations) and Goa (minor procedural observations) | Operational challenges around supply and capacity balancing impacted serviceability  
 Pressure on tender businesses continuing |

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1 IQVIA (IMS) Q2’18  
2 IQVIA (IMS) MAT Aug’18  
3 As per IQVIA (IMS) YTD Aug’18
### Financial Performance – Q2FY19

#### Revenues

<table>
<thead>
<tr>
<th>INR 4,012 Cr</th>
</tr>
</thead>
</table>

#### EBITDA

<table>
<thead>
<tr>
<th>18.8% to sales</th>
</tr>
</thead>
</table>

### Q2 FY19 (Consolidated)

<table>
<thead>
<tr>
<th>Actuals (Rs Cr)</th>
<th>vs Q2 FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenue from Operations</strong></td>
<td>4,012</td>
</tr>
<tr>
<td><strong>a) Domestic Sales</strong></td>
<td>1,666</td>
</tr>
<tr>
<td><strong>b) Int’l Sales</strong></td>
<td>2,282</td>
</tr>
<tr>
<td><strong>c) Other Operating Income</strong></td>
<td>64</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>753</td>
</tr>
<tr>
<td><strong>EBITDA %</strong></td>
<td>18.8%</td>
</tr>
<tr>
<td><strong>PAT</strong></td>
<td>377</td>
</tr>
<tr>
<td><strong>PAT %</strong></td>
<td>9.4%</td>
</tr>
</tbody>
</table>

#### Revenue Break-up

- **India**, 41%
- **North America**, 19%
- **SAGA**, 19%
- **Emerging Mkts**, 12%
- **Europe**, 3%
- **Global API**, 4%
- **Others**, 2%

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1 Others: Includes CNV business, Vet and others; SAGA includes South Africa, Sub-Saharan Africa and Cipla Global Access; Percentages have been rounded-off.

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Investor Presentation: Q2FY19
EBITDA Build-up

<table>
<thead>
<tr>
<th>INR Cr</th>
<th>Q2FY19</th>
<th>Q2FY18</th>
<th>Q1FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit Before Tax</td>
<td>509</td>
<td>573</td>
<td>620</td>
</tr>
<tr>
<td>Add:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance Costs</td>
<td>44</td>
<td>42</td>
<td>35</td>
</tr>
<tr>
<td>Depreciation, Amortisation &amp; impairment Expense</td>
<td>282</td>
<td>302</td>
<td>241</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance, investment &amp; Divestitures related income</td>
<td>82</td>
<td>113</td>
<td>170</td>
</tr>
<tr>
<td>EBITDA</td>
<td>753</td>
<td>804</td>
<td>726</td>
</tr>
<tr>
<td>EBITDA % to Sales</td>
<td>18.8%</td>
<td>19.7%</td>
<td>18.4%</td>
</tr>
</tbody>
</table>

Financial numbers are rounded off
India (Rx + Gx) Sales

Higher base in Q2FY18 due to GST led inventory re-stocking

### Key Business Highlights

1. As per IQVIA (IMS) Q2’18, Cipla continued its **outperformance growing by 14%**

2. Performance in key therapeutic areas as follows
   - Cipla gained one Rank in Cardiology and now stands at 4th position growing 500bps higher than market at 19%
   - Continued leadership position in Respiratory growing at 23%. Cipla’s flagship inhalation awareness campaign “Berok Zindagi’ on a good start
   - Urology maintained its leadership position with over 15% market share

### GST adjusted H1 Growth at 13%

**Therapy** | **IPM Rank**
--- | ---
Respiratory (Inhalation) | 1
Urology | 1
Anti-virals | 1
Anti-Infectives | 3
Cardiology | 4
Ophthalm | 4

1. IQVIA (IMS) Q2’18 | 2 IQVIA (IMS) MAT Sept’18

Investor Presentation: Q2FY19
North America: Ramp-up across key DTM launches drives quarterly growth with strong improvement in margins

1. **Q2FY19**
   - Contribution from new products launches in last 12 months
   - 40% of Q2FY19 DTM Revenues
   - 25% of Q2FY19 Total US Revenues

2. **Significant Gross Margin Improvement**
   - Driven by product rationalization and ramp-up of new Cipla launches
   - +900bps Improvement in overall DTM (Cipla & Invagen) business Gross Margin% vs Q2FY18
   - 56% Share of Cipla DTM in overall DTM business (vs 27% in Q2FY18)

3. **Share of B2B Business declining**
   - 19% share of B2B business in overall sales down from 26% in Q2FY18

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1 Only DTM revenues of new launches considered  |  2 Direct to Market  |  3 Business to Business (Partnered Business)
ANDA¹ Portfolio & Pipeline (As on 30th Sept 2018)

1. Does not include Vet product ANDAs
2. PEPFAR approved ANDAs can be commercialised in US
**SAGA*: South Africa, Sub-Saharan Africa and Cipla Global Access**

<table>
<thead>
<tr>
<th>Q2 Y-o-Y</th>
<th>H1 Y-o-Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ Mn</td>
<td>$ Mn</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>South Africa</td>
<td>Others</td>
</tr>
<tr>
<td>Q2 FY18</td>
<td>63</td>
</tr>
<tr>
<td>Q2 FY19</td>
<td>36</td>
</tr>
<tr>
<td>H1 FY18</td>
<td>156</td>
</tr>
</tbody>
</table>

**Key Business Highlights**

- As per IQVIA (IMS) MAT Aug’18, South Africa business grew at more than double the market at 14% in the private market vs 5% market growth.
- As per YTD Aug IQVIA (IMS) data, Cipla became the 3rd largest pharma company in SA private market with 6.3% share.
- Closed the Mirren acquisition; working towards successfully integrating the business and driving synergies in fast-growing OTC space.
- Successful IPO and listing of Cipla’s subsidiary CiplaQCIL on the Uganda Stock Exchange.

*Financial numbers are rounded off.*

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*IQVIA (IMS) MAT Aug’18*
EM, Europe and API

Emerging Markets

- Biosimilars franchise in the EM: Late stage discussions on-going for various key biosimilar assets across multiple markets
- Signed a commercializing deal for Bevacizumab in Sri Lanka and Nepal.
- Inaugurated Cipla Maroc facility

Europe

- Business continues to operate with strong profitability profile
- FPSM (Fluticasone propionate / Salmeterol) launched in Italy with substitutability status

API

- Continued momentum in seedings and lock-ins across various markets
- In H1, over 30% of the sales were in the US – largest share amongst all regions
Some emerging challenges for the next 2 quarters

Emerging Challenges

**Sanctions** to impact reported performance in certain parts of the business

**Capacity balancing**: Currently engaged in capacity balancing in certain specific categories at our plants which will have a short-term impact

**Commodity & Crude prices inflation and escalation in China** sourced supplies will continue for the next 2 quarters

**Pressure on Tender businesses** across markets
Thank you

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