



# Investor Presentation Q3FY19

06-02-2019

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# Key highlights for the quarter

**1** Continued growth across branded markets

**2** Strong sequential growth in the US business

**3** Emerging Markets Biosimilar Franchise

**4** Quality and Compliance

**5** Pipeline Progress

India	South Africa
<p><b>↑ 6%</b> (Adjusted for re-stocking impact in the base of Q3FY18)</p> <p><b>↑ 12%</b> As per IQVIA Q3'18</p>	<p><b>↑ 9.1%</b> As per IQVIA MAT Dec'18</p> <p><b>↑ 4x</b> Vs market growth</p>
<p><b>↑ 18%</b> YoY</p> <p><b>↑ 10%</b> QoQ</p>	<p><b>2<sup>nd</sup></b> consecutive quarter of sequential and YoY growth</p> <p><i>Medroxyprogesterone Injectable approved</i></p>
<p><b>Bevacizumab</b> Colombia, Malaysia, Lebanon, Morocco</p>	<p><b>Trastuzumab</b> Morocco, Lebanon, Nepal, Sri Lanka</p>
<ul style="list-style-type: none"> <li>US FDA Pre-Approval Inspections (PAI) at Kurkumbh and Invagen ended with minor and procedural observations; Response submitted and EIR received for Invagen</li> <li>Company received observations from the recent PAI inspection at Goa; responses will be submitted within stipulated time</li> </ul>	
<ul style="list-style-type: none"> <li>Respiratory trials progressing well; 2 respiratory filings targeted next year</li> <li>Continue to maintain one limited competition launch per quarter</li> </ul>	

# We have accelerated our investments towards building a sustainable Specialty business



## Central Nervous System (CNS) Specialty

CPN-101 **Tizanidine Patch**



Strong commercial synergies



**CoNCERT**  
Pharmaceuticals Inc.®

Indication:  
Treatment of Spasticity

One PK study (Phase 1a) completed and on track to initiate an additional PK study (Phase 1b) and a PD study (Phase 2) during FY19

Exclusive worldwide license to develop and commercialize CTP-354, a novel GABA(A) receptor subtype-selective modulator.

Indication: Treatment of spasticity/movement disorders

## Institutional Specialty Business



**IV Tramadol**

**Cipla's first large specialty transaction** – major milestone towards our US hospital specialty strategy

\$35mn to be invested as first tranche for 33.3% equity stake; second tranche contingent on key label conditions

**Multiple additional institutional assets under late-stage evaluation**

# Financial Performance – Q3FY19

Revenues

INR 4,008 Cr

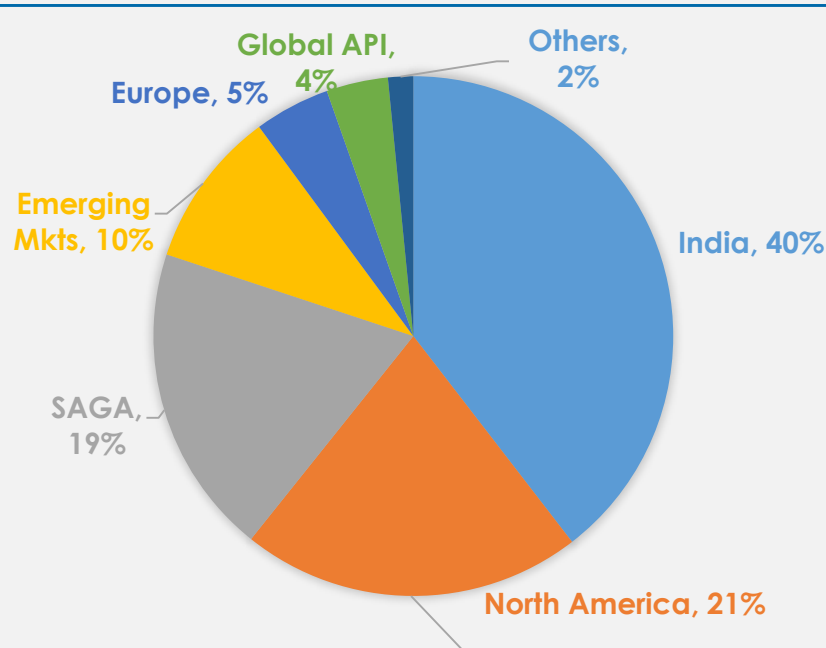
EBITDA

~18% to sales

## Q3 FY19 (Consolidated)

	Actuals (Rs Cr)	vs Q3 FY 18
<b>Total Revenue from Operations</b>	<b>4,008</b>	<b>2%</b>
a) Domestic Sales	1,604	-2%
b) Int'l Sales	2,303	5%
c) Other Operating Income	101	28%
EBITDA	720	-12%
<b>EBITDA %</b>	<b>~18%</b>	
PAT	332	-17%
PAT %	8.3%	

## Revenue<sup>1</sup> Break-up



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

# Q3 EBITDA Build-up

INR Cr	Q3FY19	Q3FY18	Q2FY19
<b>Profit Before Tax</b>	<b>449</b>	<b>340</b>	<b>509</b>
<i>Add:</i>	-	-	-
Finance Costs	44	9	44
Depreciation, Impairment and Amortisation Expense	293	522	282
<i>Less:</i>	-	-	-
Finance and investment related income	66	53	82
<b>EBITDA</b>	<b>720</b>	<b>819</b>	<b>753</b>

Financial numbers are rounded off

# Financial Performance – 9mFY19

Revenues

INR 11,958 Cr

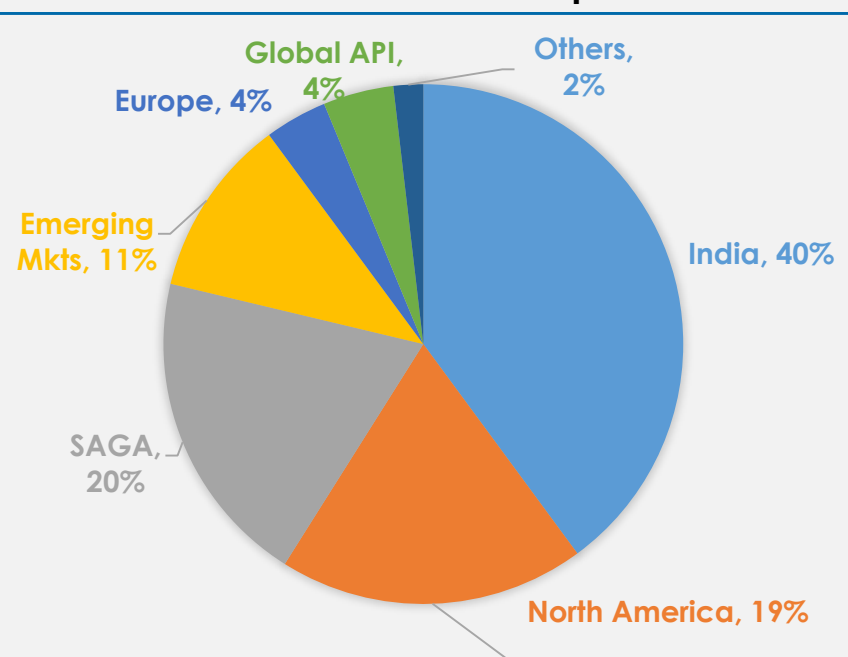
EBITDA

18.4% to sales

## 9m FY19 (Consolidated)

	Actuals (Rs Cr)	vs 9m FY 18
<b>Total Revenue from Operations</b>	<b>11,958</b>	<b>4%</b>
a) Domestic Sales	4,829	4%
b) Int'l Sales	6,871	4%
c) Other Operating Income	258	-3%
EBITDA	2,199	-3%
<b>EBITDA %</b>	<b>18.4%</b>	
PAT	1,161	-6%
PAT %	9.7%	

## Revenue<sup>1</sup> Break-up

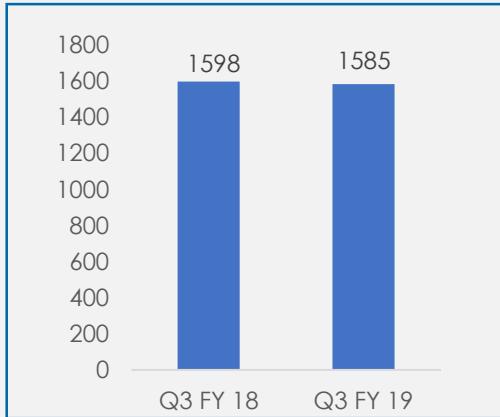


<sup>1</sup> Others: Includes CNV business, Vet and others; SAGA includes South Africa, Sub-Saharan Africa and Cipla Global Access; Percentages have been rounded-off

# India (Rx + Gx) Sales: Continued momentum across key therapeutic areas; Chronic segment driving growth

Q3 Y-o-Y

Rs Cr

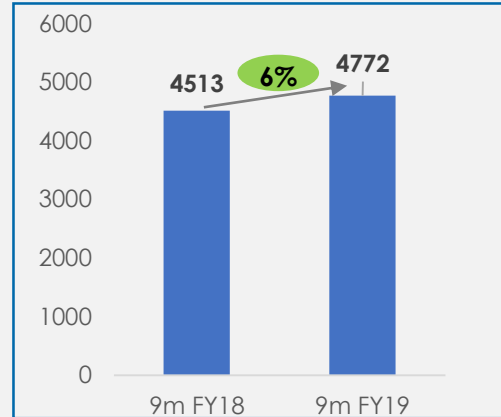


Higher base in Q3FY18 due to re-stocking post GST

Q3 Growth at **6%**  
Adjusted for above

9m Y-o-Y

Rs Cr



Double digit growth targeted for Q4

Domestic businesses targeted to close ~ INR 6300-6400cr

## Key Business Highlights<sup>1</sup>

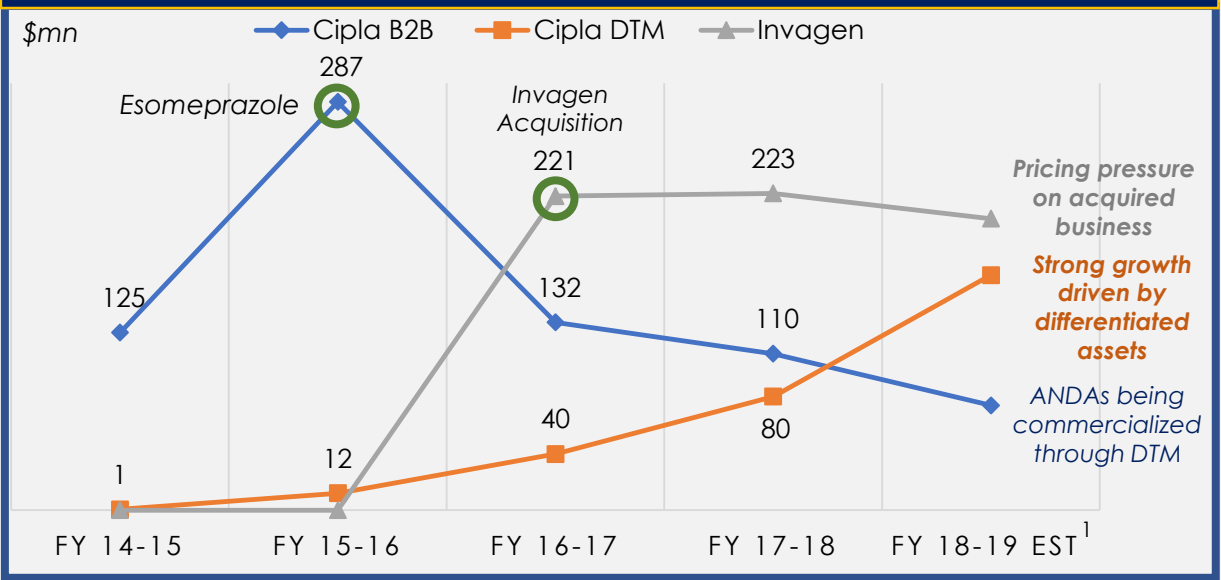
- Cipla continued its **outperformance growing by 12%** vs market growth of 10%; **market share increased to 5.41%**
- Efforts on prescription generation and therapy focus have resulted in strong market performance across our key therapies
  - **Chronic segment** is increasingly becoming the growth driver; gained a rank to become **No 2 in Chronic Segment**, growing ~19% vs 13% market growth
  - **Market shares improved** across all key therapeutic areas such as **Respiratory Inhalation, Urology and CNS**
  - Award-winning Respiratory campaign 'BerokZindagi' has become a benchmark initiative to build public awareness

1. IQVIA (IMS) Q3'18

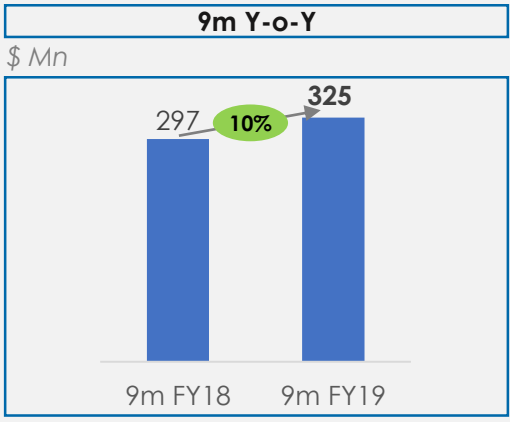
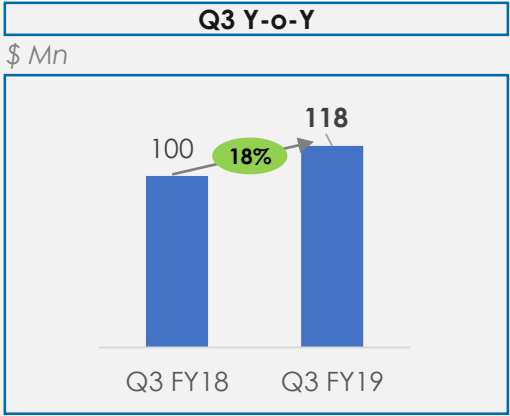


# North America: Ramp-up across key DTM launches drives continued quarterly growth; post R&D EBITDA positive

## Business mix changes over years; Cipla DTM driving strong growth

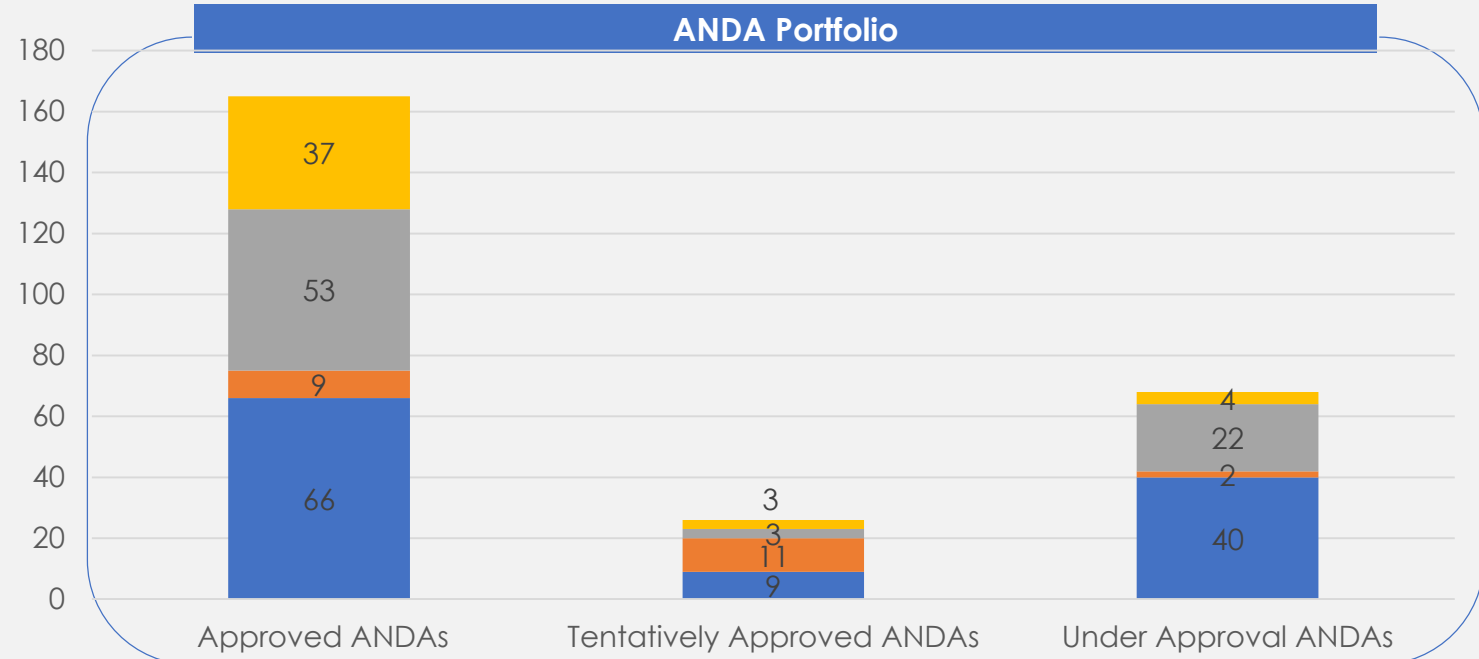


1. FY19 Est not to scale

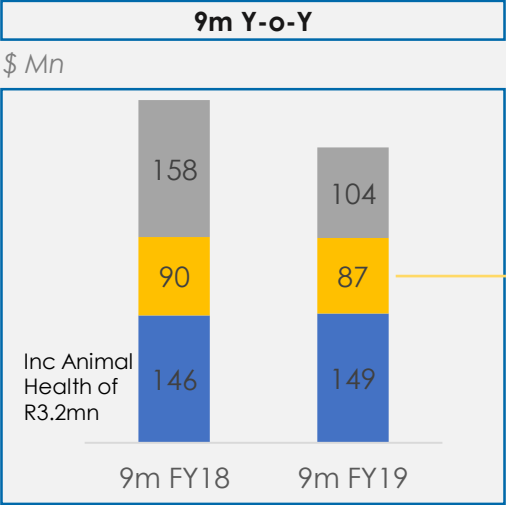
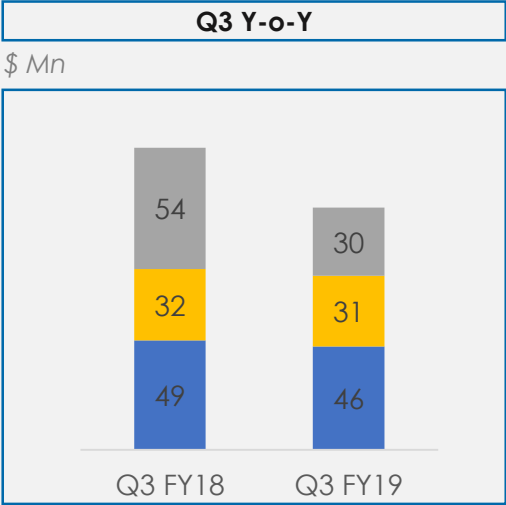


# ANDA<sup>1</sup> Portfolio & Pipeline (As on 31<sup>st</sup> Dec 2018)

Total
165
+
26
+
68
=
**259**
**ANDAs**



1 Does not include Vet product ANDAs      ■ Cipla Ltd    ■ PEPFAR<sup>2</sup>    ■ Invagen    ■ Partnered ANDAs  
 2 PEPFAR approved ANDAs can be commercialised in US



**SA Private Market ZAR growth 1%**  
(ex Animal Health)

- South Africa Private
- South Africa Tender
- Others (SSA)

**SA Private Market ZAR growth 11%**  
(ex Animal Health)



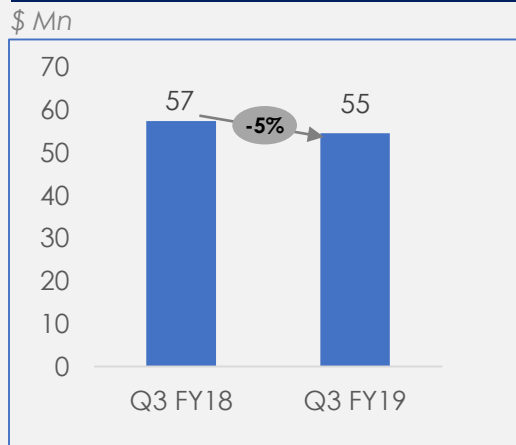
Impacted by rebasing of Tender business

**Key Business Highlights**

- Quarter impacted by re-basing of global access business and softness in South Africa tender; Global access business de-grew 48% YoY during the quarter
- As per IQVIA (IMS) MAT Dec '18, South Africa business grew at more than four the market at 9.1% in the private market
- Mirren portfolio successfully integrated with the business; working towards driving synergies in fast-growing OTC space

\*Financial numbers are rounded off

## Emerging Markets



### Biosimilars franchise in the EM:

Bevacizumab and Trastuzumab deals signed for multiple Emerging market territories

Business impacted by geo-political issues in middle eastern markets

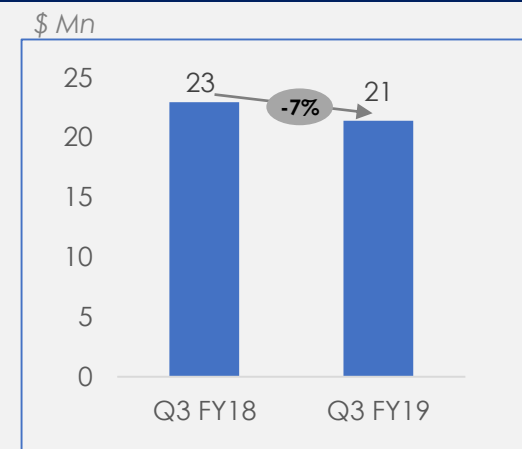
French-West Africa business divested

## Europe



- Business continues to operate with strong profitability profile
- Respiratory franchise expansion continues across key European markets

## API



- Continued momentum in seedings and lock-ins during the quarter
- North America sales continue to account for the largest share (37% in Q3)

# Strong momentum across our markets with continued focus on operational priorities; Specialty investments to continue



1.

Focused on driving **strong growth across our branded markets** in India, South Africa and key emerging market territories

2.

**US Business growth continues to remain strong** driven by ramp-up of key launches; Respiratory filings and approval trajectory with one limited competition asset per quarter to be maintained

3.

**Specialty investments to continue** with multiple assets in late stage evaluation; to address clinically unmet patient needs

4.

Continued expansion of **Biosimilar franchise in key emerging markets**; long term growth driver

5.

Operational issues being addressed on priority; **capacity debottlenecking at late stage** and will unlock opportunity across markets

6.

Continue our track record of **all time audit readiness** across our manufacturing footprint

# Thank you

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