



Investor Presentation Q2FY20

06-11-2019

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Key highlights:

| | | | | |
|---|--|--|--|---|
| <p>1 Continued growth across key markets</p> | <p>Overall 10% <small>(Q2 YoY Growth)</small></p> | <p>India Rx 13% <small>(Q2 YoY Growth)</small></p> | <p>India Gx 61% <small>(QoQ Growth)</small></p> | <p>South Africa 13% <small>(Private Market Q2 YoY Growth; ZAR)</small></p> |
| <p>2 Strong EBITDA margin trajectory</p> | <p>~21% <small>(Q2 EBITDA)</small></p> | | <p> 21% <small>Q2 EBITDA YoY Growth</small></p> | |
| <p>3 Momentum continues in the US business</p> | <p>US\$135mn <small>Q2 Revenues</small></p> | <p> 25% <small>Q2 YoY Growth</small></p> | <p>Retained share in Cinacalcet Launched Pregabalin and Daptomycin</p> | |
| <p>4 Pipeline Progress</p> | <ul style="list-style-type: none"> ▪ Q2 R&D at INR 295cr or ~7% to sales; Respiratory trials well on-track ▪ Patient randomization completed for Advair; Albuterol as a launch in the first half of FY21 | | | |
| <p>5 Quality and Compliance</p> | <ul style="list-style-type: none"> ▪ Response submitted for the inspection at Goa | | | |

Financial Performance – Q2FY20

Revenues

INR 4,396 Cr ↑ 10%

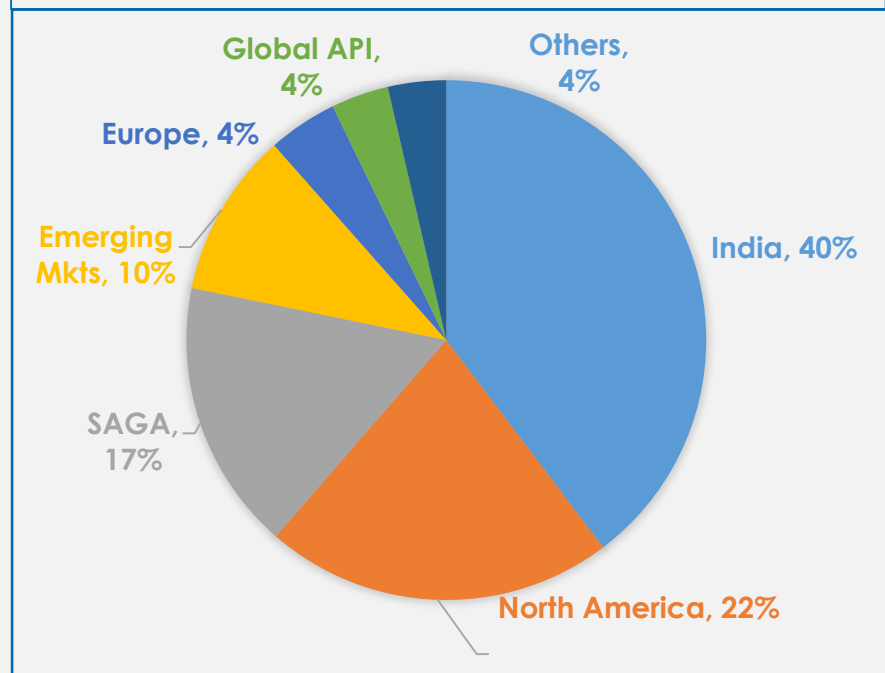
EBITDA

INR 909 Cr / ~21% to sales ↑ 21%

Q2 FY20 (Consolidated)

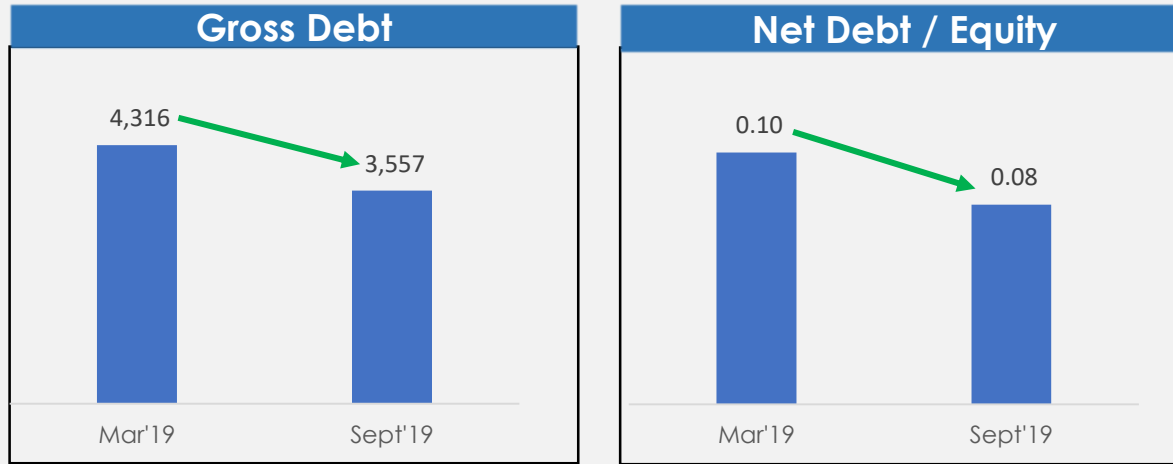
| | Actuals (Rs Cr) | vs Q2 FY 19 |
|--------------------------------------|--------------------|-------------|
| Total Revenue from Operations | 4,396 | 10% |
| a) Domestic Sales | 1,810 | 9% |
| b) Int'l Sales | 2,454 | 8% |
| c) Other Operating Income | 132 | 106% |
| EBITDA | 909 | 21% |
| EBITDA % | 20.7% | |
| PAT | 471 | 25% |
| PAT % | 10.7% | |

Revenue¹ Break-up



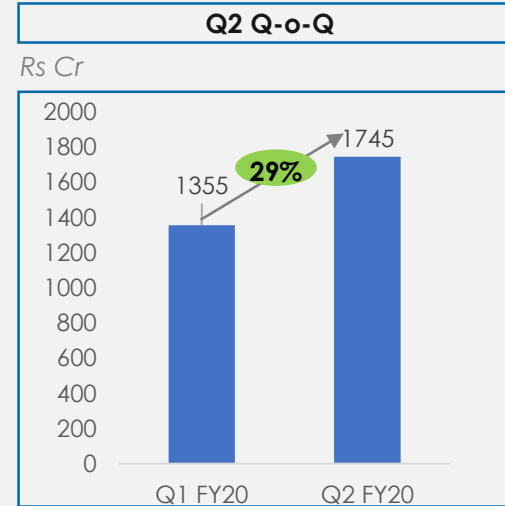
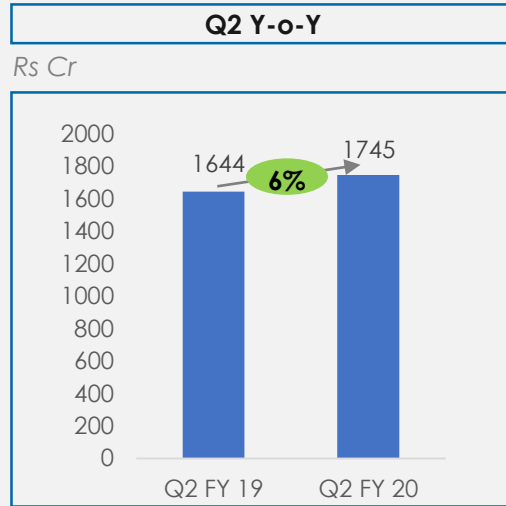
¹ Others: Includes CNV business, Vet and others; SAGA includes South Africa, Sub-Saharan Africa and Cipla Global Access; Percentages have been rounded-off

Continued focus on maintaining balance sheet health with strong cash flow generation



- **Loan repayment of US\$110mn** made during the quarter, *a year ahead of schedule*
- Reduction in Net Debt/Equity despite continued growth and strategic investments

India (Rx + Gx) : Strong recovery in the generics business and momentum across key therapies in the branded business



Key Business Highlights¹

- Strong recovery in the trade generics business with **growth of 61%** on a sequential basis
- The **branded business grew 13%** on a YoY basis driven by performance across both chronic and acute therapies.
- Seasonal triggers helped **acute business drive over 15%** year on year growth in primary sales

| Therapy | Market Rank | Market Share | Cipla Growth | Market Growth |
|------------------------|-------------|--------------|--------------|---------------|
| Overall Chronic | 2 | 7.8% | 15% | 12% |
| Respiratory Inhalation | 1 | 67.9% | 16% | 15% |
| Urology | 1 | 14.7% | 15% | 14% |
| Cardiology | 4 | 5.7% | 17% | 12% |

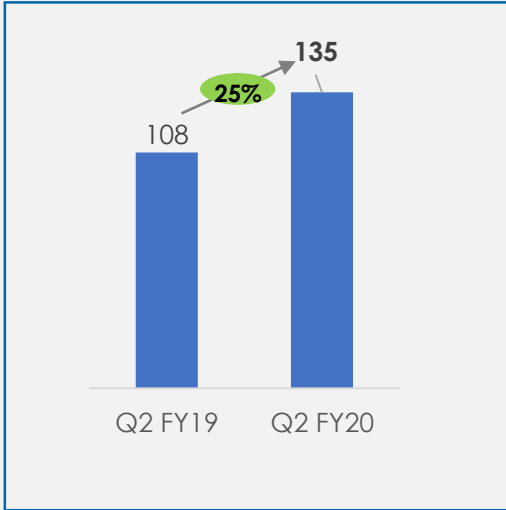
North America: Momentum continues behind new launches and retained share on key assets

Key Business Highlights

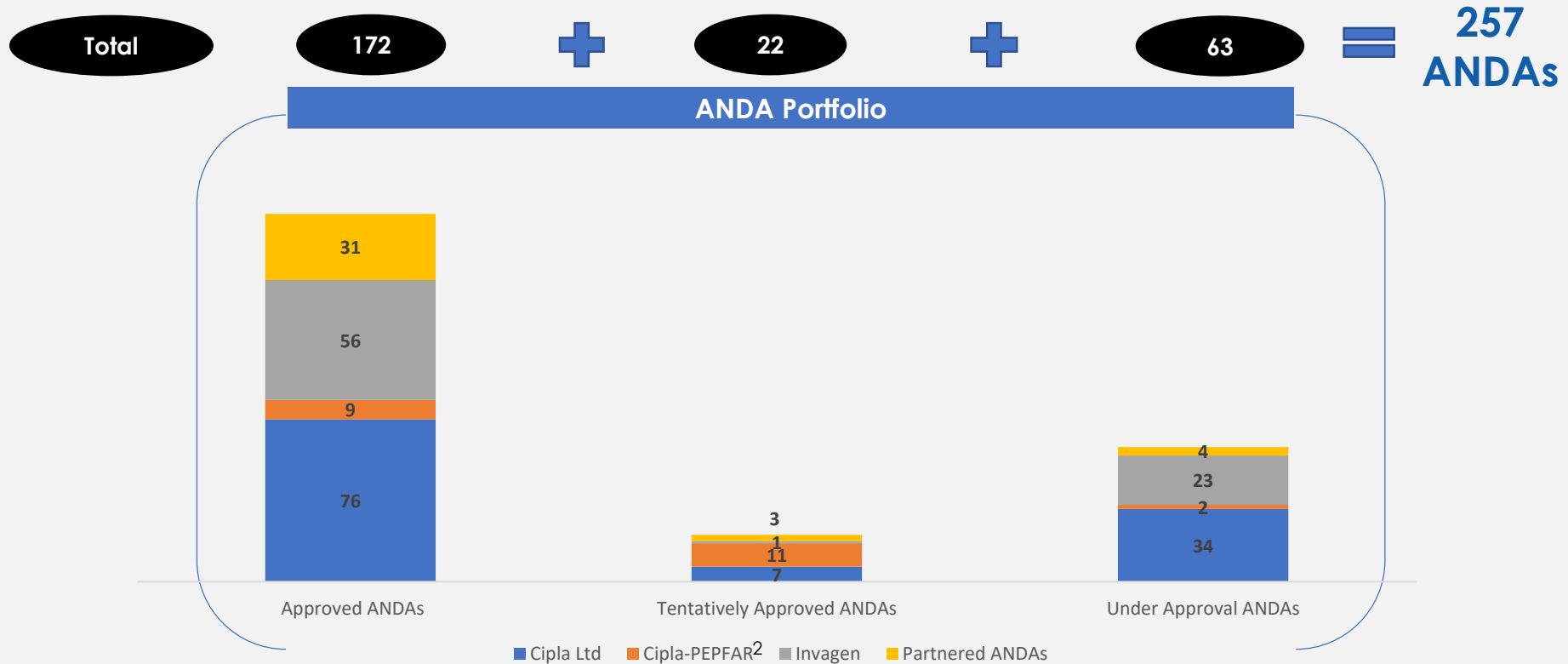
- Continue to retain share in Cinacalcet despite multiple competitors launching the product; contribution in value terms substantially normalized
- Launch of Pregabalin and Daptomycin
- During Q2, the gross margin expanded by ~500bps vs the same quarter last year. On a YTD basis, the gross margin expansion is ~900bps
- **Pipeline Update:**
 - Progressing well on trials for Respiratory products
 - Patient randomization completed for Advair; Albuterol as a launch in the first half FY21
- **US Specialty:**
 - Targeting submission of IV Tramadol NDA later in the year via Avenue Therapeutics.
 - Resumed supplies of Plazomicin in the market

Q1 Y-o-Y

\$ Mn



ANDA¹ Portfolio & Pipeline (As on 30th Sept 2019)

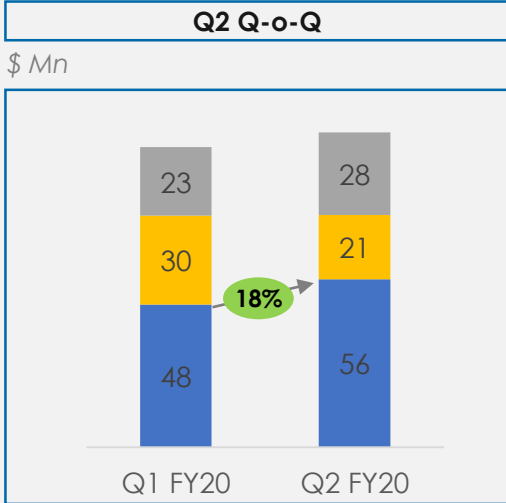
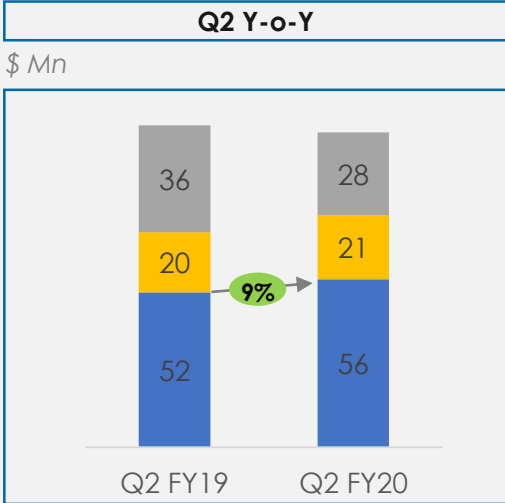


1 Does not include Vet product ANDAs

2 PEPFAR approved ANDAs can be commercialised in US

SA Private Market
 ↑ **13% YoY**
 ZAR Terms

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



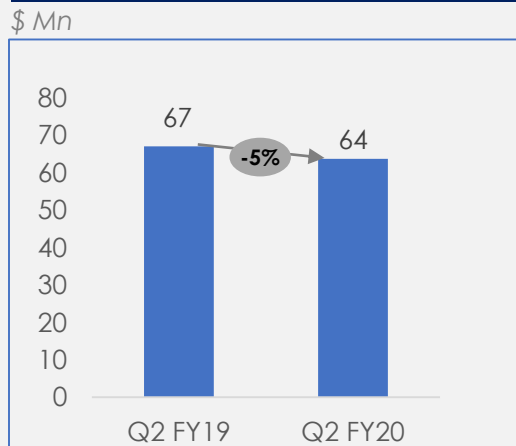
Key Business Highlights

South Africa:

- Overall South Africa business grew strongly at 12% on a year on year basis in local currency; private market business recovered strongly from Q1 to drive ~13% year on year growth
- Private market continued the momentum growing over 3 times the market at 7% as per IQVIA MAT Sept'19
- With Mirren portfolio growing strongly, Cipla is now the 3rd largest player in the OTC market, capturing a market share of 6.8%

1. Financial numbers are rounded off

Emerging Markets



Strengthening portfolio offering in key markets:

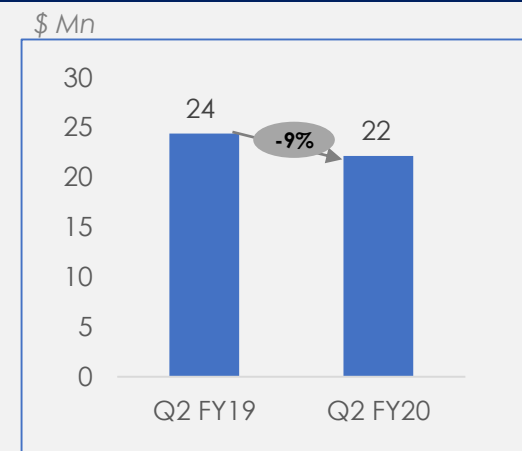
- In Sri Lanka, entered into a strategic partnership with Novartis for marketing and distribution of Ultibro Breezhaler
- Signed a strategic partnership with Novartis, effective Oct 1, to market their Respiratory portfolio in Australia

Europe



- Growth driven by performance in key products
- Overall FPSM UK market share at 12% as per ePACT May-July data

API



- Key customers and focused therapies of Oncology and Respiratory continue to drive business
- Momentum continues in seedings and lock-ins

Key priorities for the upcoming quarters:

1

India

- Leverage on the momentum and continue to drive performance across both branded and generics
- Launch Berok 2.0: Second version of Cipla's flagship patient-focused initiatives in Respiratory

2

South Africa

- Continue growth momentum in the private market portfolio to deliver growth in the overall business
- Continue to be a dominant player in the OTC space and drive further growth in the Mirren portfolio

3

US:

- Focus on limited competition launches in Q4; drive ramp-up in existing assets
- Continue to track Respiratory filings closely
- IV Tramadol NDA filing later this year; continue supply of IV Plazomicin in the market

4

Quality and Compliance

- Work with US FDA to address the observations in Goa
- Continue to operate our facilities globally with the highest level of compliance and control

Thank you

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