

The image features a background split diagonally. The left side shows a close-up of two hands clasped together, with one hand wearing a grey ribbed sweater cuff. The right side is a solid blue field with a white molecular or hexagonal grid pattern. The Cipla logo is positioned in the top right corner.

Cipla

Investor Presentation

Q2FY23

4-11-2022

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Q2FY23 Performance

Strong One-India momentum and US differentiated portfolio unlocking drives revenue and profitability

KEY HIGHLIGHTS

Overall Revenue

INR 5,829 Cr

6%
overall
YoY growth

12%
Ex-covid
YoY growth

EBITDA Margin

Overall	22.3%
Adj. margin ¹	~24%

R&D Investment²

INR 335 Cr

22%
YoY growth

5.8%
of overall
revenue

BUSINESS UNIT-WISE REVENUE & YOY GROWTH

One-India

6%
(Overall)
YoY growth in INR terms

15%
(Ex-covid)

Robust traction in core portfolio
across therapies and business
segments

North America

\$ 179 Mn **25%**
YoY growth in \$ terms

Differentiated portfolio unlocking
with the launch of Lenalidomide
and market share expansion in
lanreotide 505b2

SA Private

1%
YoY
in ZAR terms

28%
QoQ growth
in ZAR terms

**Recovery on track; double digit
sequential growth**

International Markets

\$ 96 Mn

Maintained scale over Q2FY22
ex-covid base, **despite forex
volatility**

Note: 1. Excludes impact of covid inventory charge | 2. Opex including depreciation



Cipla Indore's OSD plant designated as an 'Advanced Fourth Industrial Revolution (4IR) Lighthouse' by the World Economic Forum

Continued traction on transforming into a digitally native organization

- Amongst the **first pharmaceutical companies in India and Asia** to be recognized for adopting 4IR technologies to digitally transform operations
- Demonstrates advanced technologies to drive **productivity, workforce engagement, sustainability, and resilience**

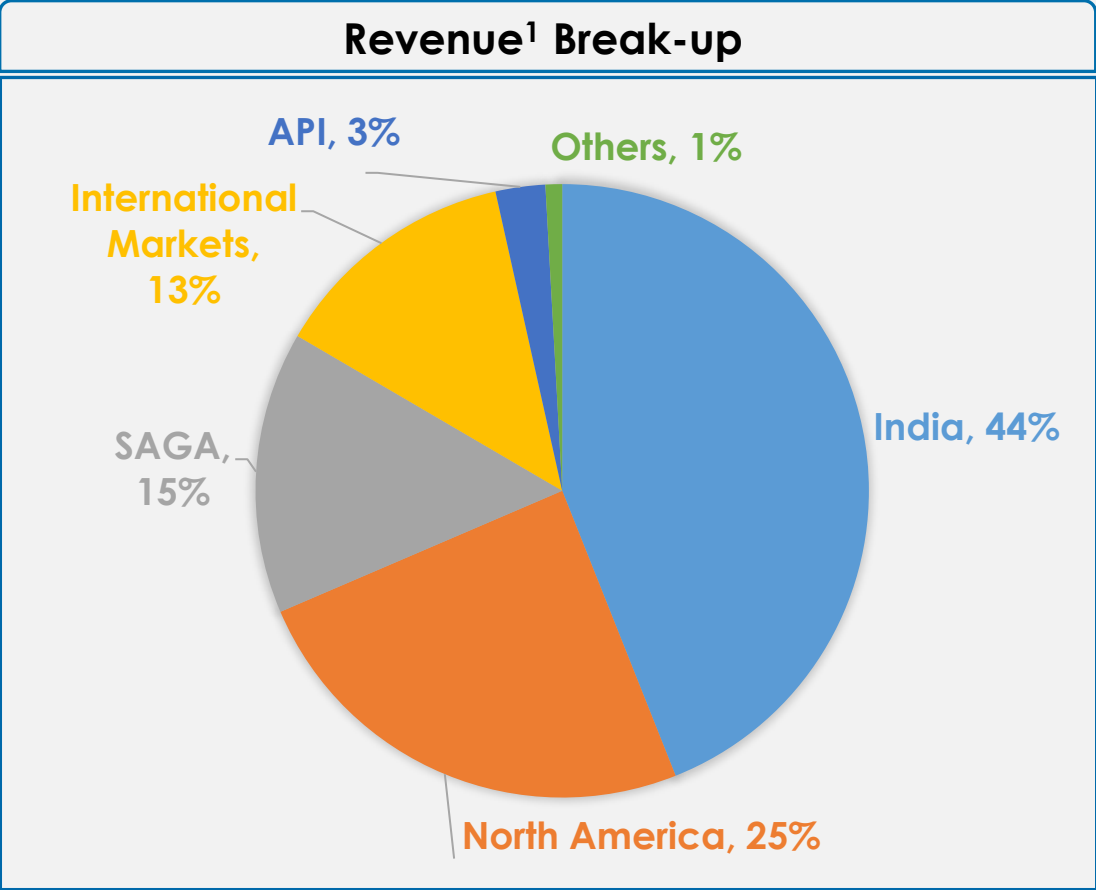


Recognition for high corporate governance practices

- Cipla wins Golden Peacock Award for the 3rd time in the last 5 years

Revenues

INR 5,829 Cr ↑ 6% YoY



EBITDA²

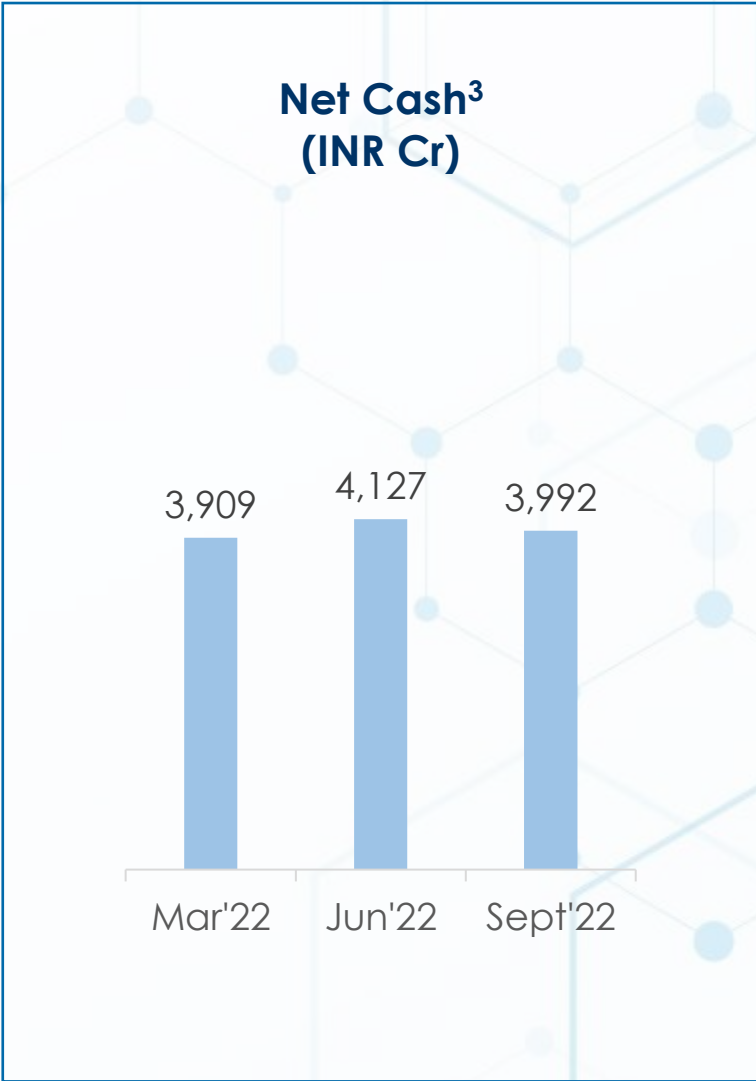
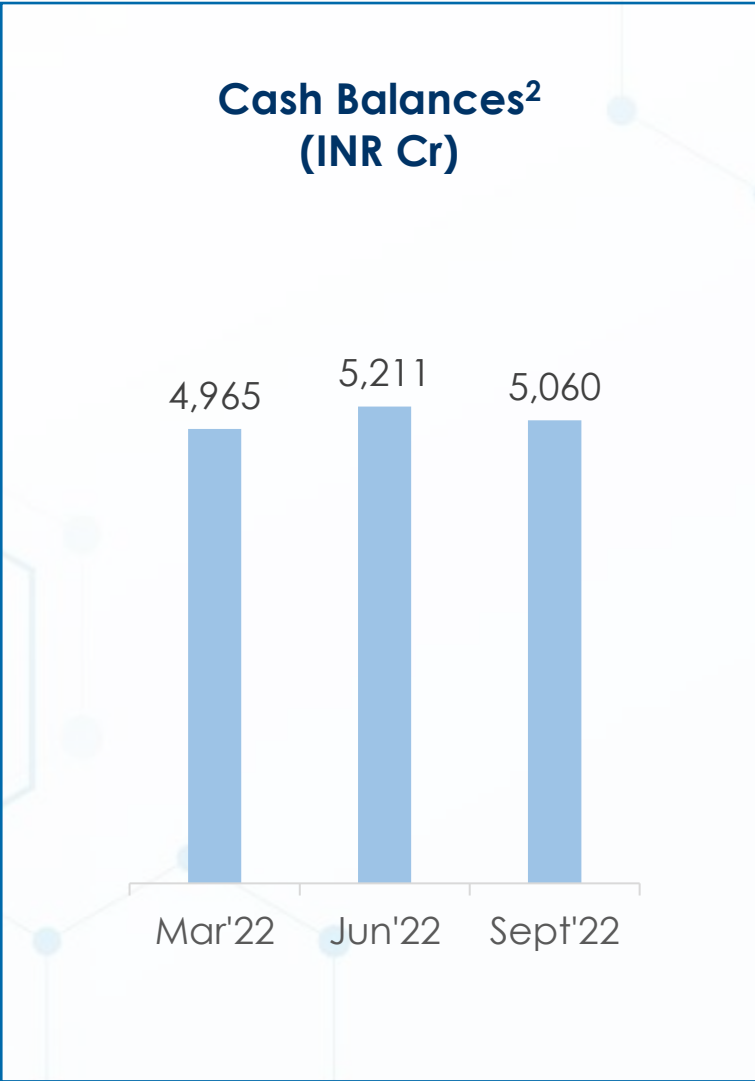
INR 1,302 Cr | 22.3% ↑ 6% YoY

Q2 FY23 (Consolidated)		
	Actuals (INR Cr)	vs Q2 FY 22
Total Revenue from Operations	5,829	6%
EBITDA	1,302	6%
EBITDA % of revenue	22.3%	13 bps
PAT	789	10.9%
PAT % of revenue	13.5%	65 bps

R&D³ INR 335 Cr ↑ 22% YoY *Priority projects on track*

1. India includes Rx + Gx+ CHL; SAGA includes South Africa, Sub-Saharan Africa and Cipla Global Access; International Markets include Emerging Markets and Europe | Figures have been rounded-off | 2. Includes covid inventory charge | 3. Opex including depreciation

Continued focus on building balance sheet strength



1. Total debt includes lease liabilities | 2. Includes cash and cash equivalents including fixed deposits, current investments, margin deposits and excluding unclaimed dividend balances | 3. Net Cash = Total Cash balances - Total debt

Driving wellness ecosystem with focus on New Science, Better Reach and Digital-first approach



Branded Prescription



New Science

Synchronbreath offerings

SABA (Levolin®) | LAMA (Tiova®)
| ICS/LABA (Seroflo®, Maxiflo®, Foracort®)

In-licensing franchise bring novelty to physicians and patients
~550 Cr annualized Ex-covid business

Humalog® [Insulin Lispro I.P. (rDNA Origin) injection]
Trulicity™ (Dulaglutide)

Trade Generics

Emerging Categories

Thyroid

Ophthalmic

Diabetics

Injectables

Consumer Health

Category innovation and expansion

Mothercare

Feminine hygiene

mamaxpert™
For moms, with love.

evexpert™

Foraying into D2C Skincare

rivela
DERMASCIENCE®



Better Reach

Affordable & Early Diagnosis

Spirofy®
spirometer
Launched

breathefree
A Cipla initiative
11 Lac patients counseled

Investment in
ACHIRA

GoApptiv

Double-digit growth in the matured brand portfolio for YTD Sept'22



Digital first

Digital initiatives

Digital Educator

85,000+ patients counseled

24,000+ app downloads

25 Cr+ Views

BerokZindagi
#InhalersHainSahi

Cipla DIGITAL HEALTH

incorporated

Partnership with E-commerce platforms

19,000 Pin codes

99% Listing rate¹

90%+ Fill rate¹



Integrated web-based interface for stockiest & distributor self-service



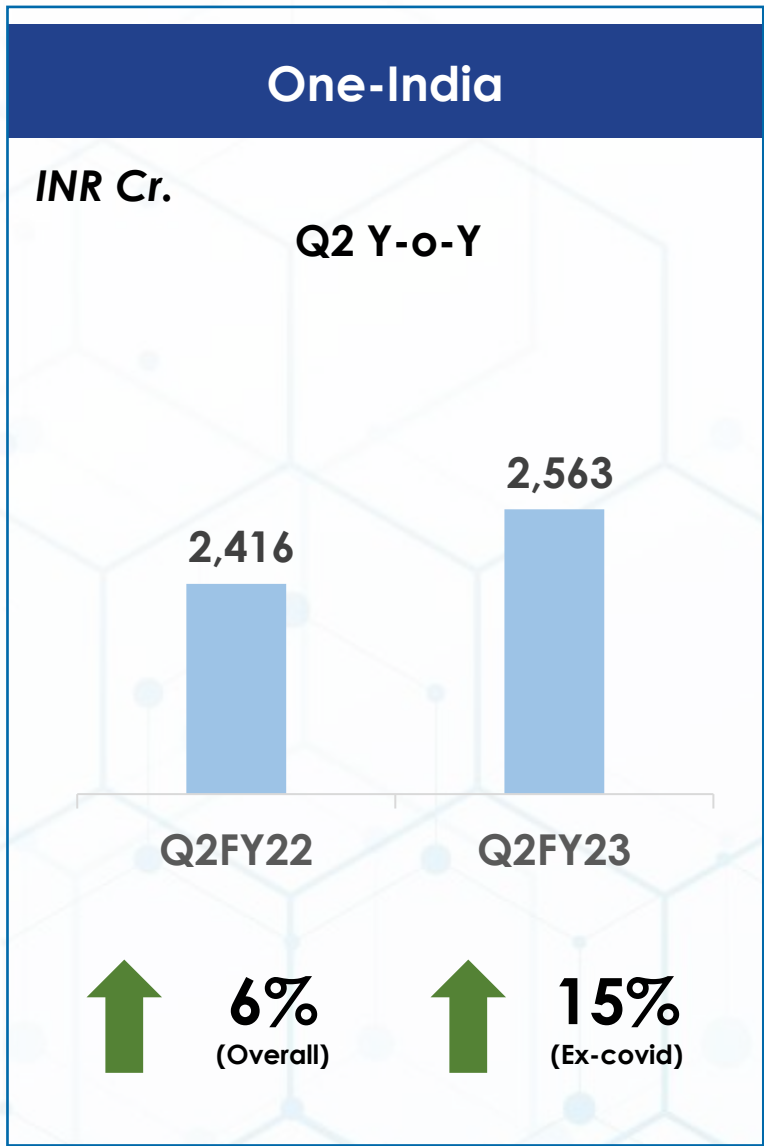
Digitally connecting 70k+ retailers

D2C digital media campaigns

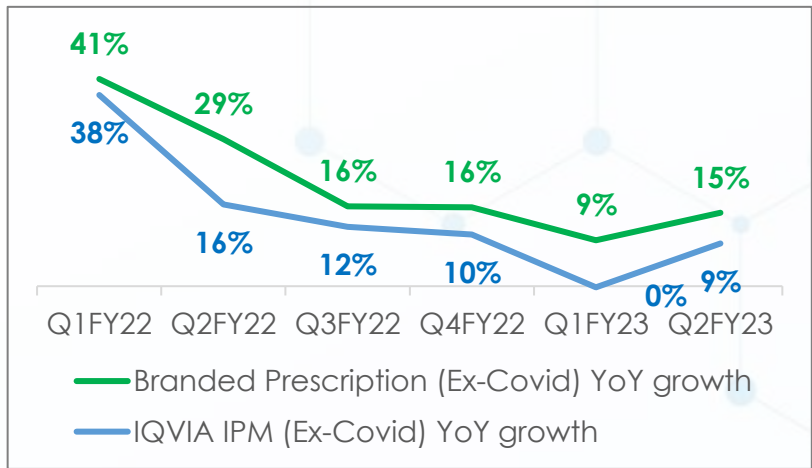


Deep consumer insights and D2C media campaigns driving innovation, translating into winning benefits for consumers

One India (Rx + Gx+ CHL¹): Robust core portfolio traction across therapies and business segments



Rx



6th consecutive quarter of market beating growth in core branded prescription business (ex-covid)

Double digit growth across all therapies

Healthy mix of price, volume and contribution from new launches



Gx

Strong traction across flagship brands

Robust order flow from Tier 2-6 & rural towns

↑ 15%
Q2 YoY Revenue growth in overall business

65%+
YTD Contribution



CHL

↑ 22%
Q2 YoY revenue growth in overall business

Building brand salience across Digital, TV and print media communication

↑ 14%
Q2 YoY revenue growth in transitioned consumer brands

One-India

675+
INR Cr
H1FY23 revenue

~9%

Contribution of Global
Consumer franchise to
overall revenues in
H1FY23



South Africa

650+
ZAR m+
H1FY23 revenue

Flagship Brands

OMNIGEL®

↑ 26%

prolyte™
ORS

↑ 26%

nicotex

↑ 35%

CIPCAL®

↑ 15%

CIPLADINE®

↑ 34%

Cheston

↑ 8%

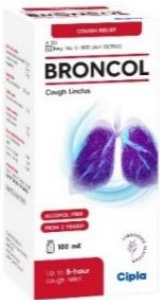
cofsils

↑ 8%

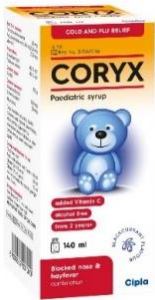
CLOCIP®

↑ 32%

Flagship Brands



ZAR 70m+



ZAR 60m+



ZAR 45m+

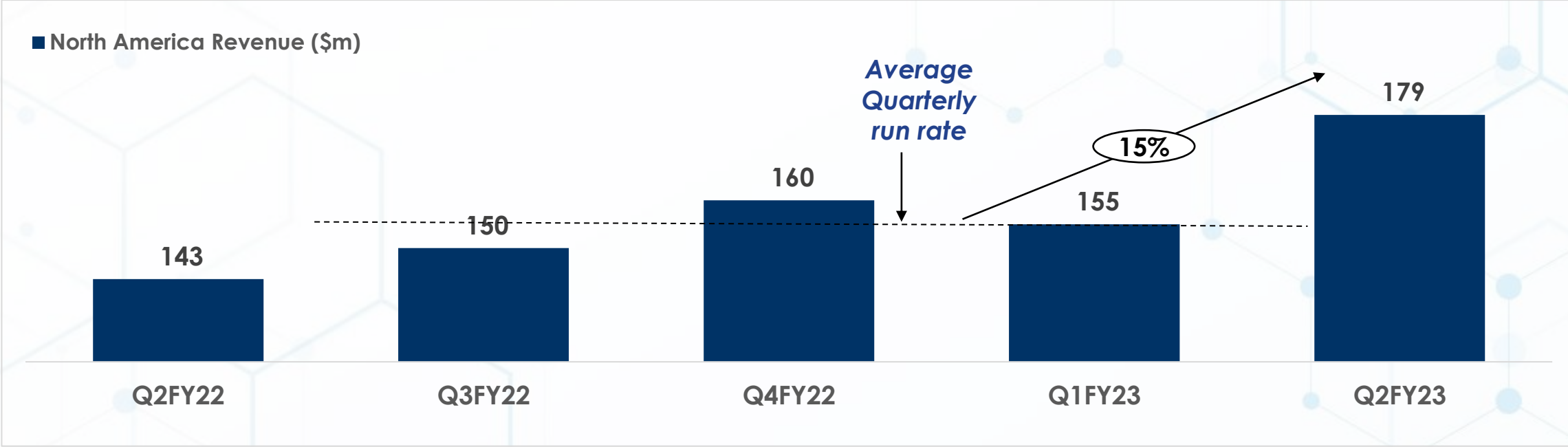


ZAR 40m+



ZAR 30m+

North America: The contribution of differentiated products continues to expand



Key launches and pipeline

Budesonide
Respules
(gPulmicort)



12/2017

Albuterol
Sulfate HFA
(gProventil)



4/2020

Arfomoterol
(gBrovana)



6/2021

Lanreotide
Injection
505b2



12/2021

Lenalidomide
Capsules



9/2022

Respiratory, Peptide injectables &
Complex Generic launches over
FY24E-FY27E



North America: Unlocking of differentiated portfolio



Growth driven by successful launch of Lenalidomide and continued market share expansion in Lanreotide 505b2



Q4FY22	Q1FY23	Q2FY23
1.9%	4.6%	9.6%

Sustained market share¹ ramp-up in lanreotide 505b2



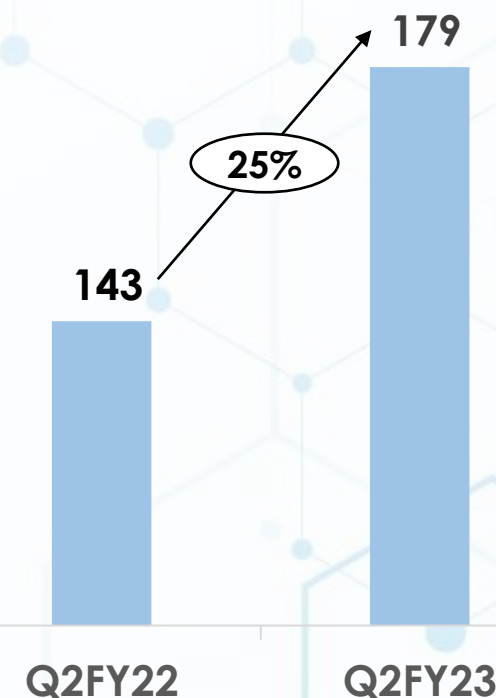
Pipeline update

- ❖ Working with USFDA on **gAdvair**; Pre-approval inspection at Indore plant concluded, establishment inspection report received
- ❖ Clinical trials on a respiratory asset on-going

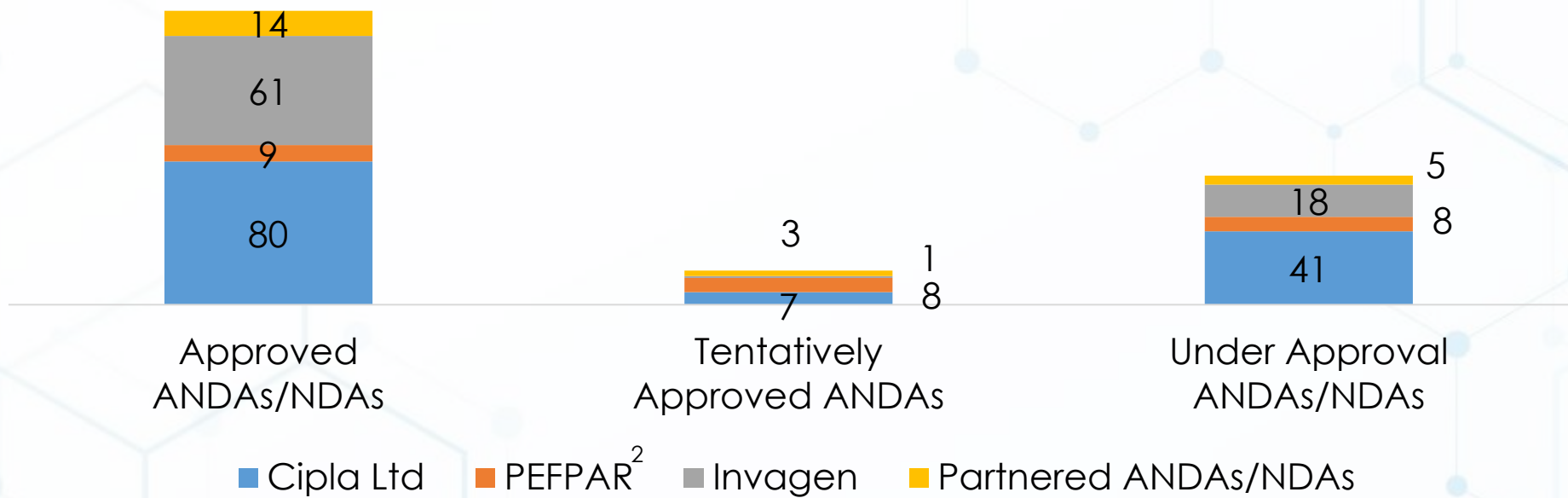
North America

\$ Mn

Q2 Y-o-Y



ANDA¹ & NDA Portfolio & Pipeline (As on 30th September 2022)



164
Approved
ANDAs & NDAs

+

19
Tentatively
Approved ANDAs

+

72
Under Approval
ANDAs & NDAs

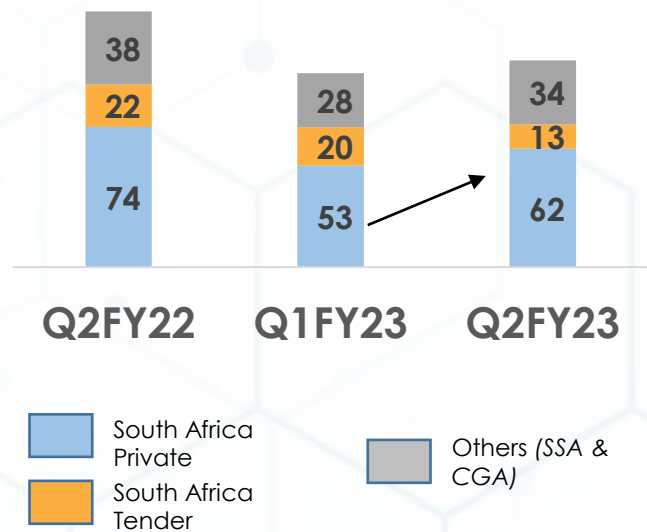
=

255
Total
ANDAs & NDAs

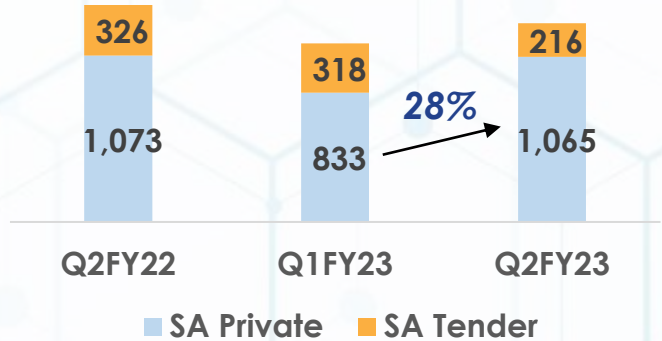
¹ Does not include Vet product ANDAs

² PEPFAR approved ANDAs can be commercialised in US

\$ Mn Q2 Y-o-Y | QoQ



ZAR Mn



South Africa²

- ❖ SA private market recovery on track; **28% sequential growth in ZAR terms**
- ❖ In secondary terms, strong demand continues with overall South Africa private business growing 2x the market
- ❖ Healthy ranks & market position in key therapy areas of Asthma & COPD, Anti-biotics, Cough & Cold and Probiotics
- ❖ Tender business performance in-line with order book delivery

6

Brands launched across multiple therapies in Q2FY23

Market Segment	Market Rank	Market share	Cipla Growth	Market Growth
South Africa prescription	3	7.8%	7.6%	4.2%
South Africa OTC	3	7.2%	6.5%	0.6%
South Africa overall	3	7.5%	7.2%	2.8%

International Markets and API

International Markets

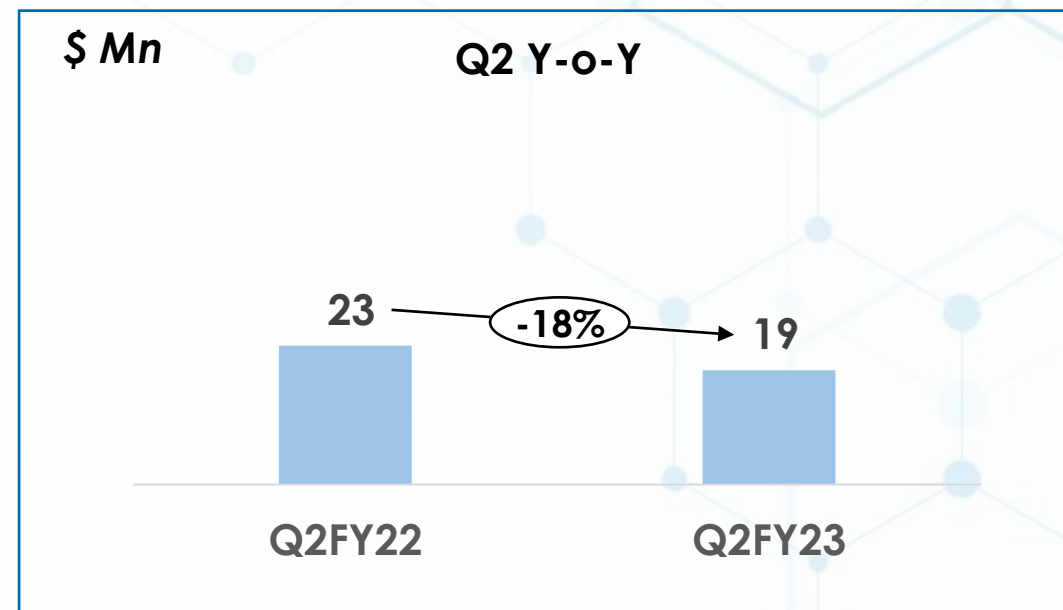


Key Business Highlights



- ❖ Maintained scale over Q2FY22 excluding covid contribution in base, despite forex volatility
- ❖ Strong momentum across focused DTMs¹; double-digit growth in secondary terms

API

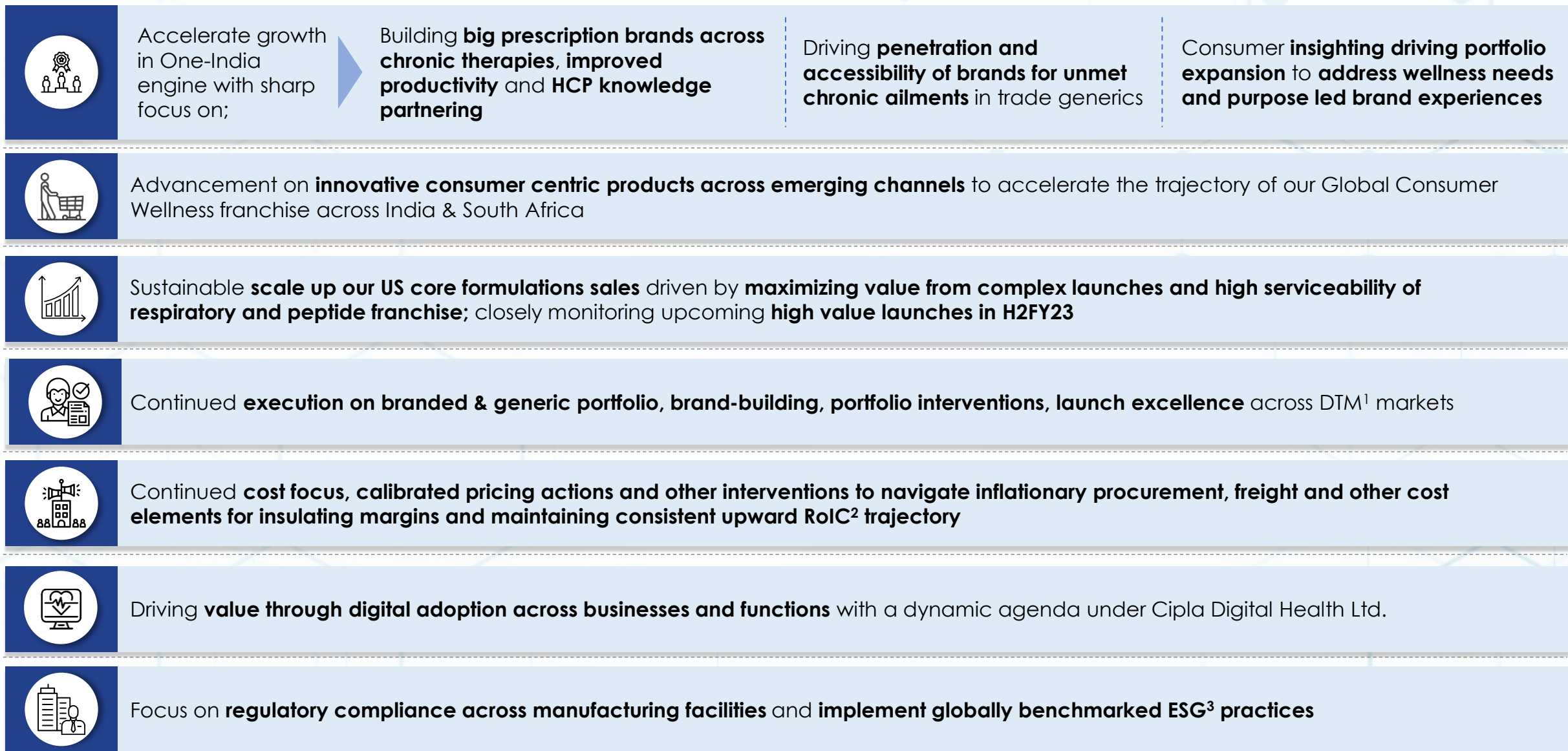


Key Business Highlights



- ❖ Continued growth in emerging markets offsetting normalisation in inventory levels for European customers
- ❖ Continued traction with global seedings & lock-ins

Continued progress on FY23 strategic priorities



1. Direct to market | 2. Return on Invested Capital (RoIC) = EBITDA - depreciation & amortization ÷ Average [(Fixed assets including goodwill + Current assets excluding cash and cash equivalent) – Current liabilities excluding borrowing]; Calculations based on FY22 reported EBITDA | 3. Environmental, Social, Governance

Profit and Loss statement summary

Particulars	Q2 FY23 (INR Crores)	Q1 FY23 (INR Crores)	Q2 FY22 (INR Crores)
Revenue from sale of products	5,759.3	5,317.9	5,485.8
Other operating income	69.3	57.3	34.0
Income from operations	5,828.5	5,375.2	5,519.8
Material cost	2,160.2	2,024.4	2,136.7
Employee benefits expense	960.8	955.7	877.8
Other expenses	1,405.2	1,251.7	1,279.1
Total expenses	4,526.2	4,231.8	4,293.6
Finance costs	25.5	17.8	38.0
Depreciation, impairment and amortisation expense	299.4	254.4	253.1
Other income	122.9	103.4	60.7
Profit before tax	1,100.4	974.6	995.8
Tax expenses	302.6	268.0	283.8
Share of associate	(0.4)	(0.4)	(2.9)
Profit for the period	797.4	706.1	709.1
Non-controlling interest	8.5	19.7	(2.2)
Profit for the period attributable to Shareholders	788.9	686.4	711.4

Balance sheet summary

Particulars	Sep-22 (INR Crores)	Jun-22 (INR Crores)	Mar-22 (INR Crores)
Property, plant and equipment	5,080.0	5,059.0	5,164.4
Capital work-in-progress	510.1	446.7	382.9
Investment properties	60.5	60.9	61.4
Goodwill	3,143.2	3,146.7	3,137.9
Intangible assets	1,164.2	1,197.4	1,319.6
Intangible assets under development	484.1	478.8	383.3
Investment in associate	116.7	43.5	45.8
Investments	328.3	320.4	309.8
Loans	0.0	0.0	0.0
Other financial assets	100.5	99.7	417.0
Advance tax assets (net)	440.1	441.5	483.6
Deferred tax assets	467.0	458.1	448.8
Other non-current assets	262.2	244.8	218.9
Non-current assets	12,157.0	11,997.5	12,373.6
Inventories	5,441.0	5,547.0	5,350.2
Investments	2,350.9	2,259.5	2,195.0
Trade receivables	3,969.1	3,525.8	3,424.4
Cash and cash equivalents	686.8	1,018.8	677.7
Bank balance other than cash and cash equivalents	1,147.8	1,238.3	1,250.7
Loans	4.7	3.3	3.6
Other financial assets	1,316.7	1,069.7	898.4
Other current assets	971.9	1,007.2	910.7
Total current assets	15,888.9	15,669.6	14,710.8
Assets classified as held for sale	16.9	16.5	16.7
Total assets	28,062.8	27,683.5	27,101.1

Particulars	Sep-22 (INR Crores)	Jun-22 (INR Crores)	Mar-22 (INR Crores)
Share capital	161.4	161.4	161.4
Other equity	21,722.9	21,372.7	20,680.3
Equity attributable to owner	21,884.3	21,534.0	20,841.7
Non-controlling interest	285.1	284.0	275.7
Total equity	22,169.4	21,818.0	21,117.4
Borrowings	12.0	37.5	416.2
Lease Liabilities	143.6	149.4	158.3
Other financial liabilities	110.5	101.6	100.4
Provisions	101.6	100.5	100.2
Deferred tax liabilities	167.8	208.6	244.0
Other non-current liabilities	48.6	51.9	51.5
Total Non-Current Liabilities	584.3	649.6	1,070.5
Borrowings	840.7	829.8	407.9
Trade payables	2,400.8	2,457.8	2,508.1
Lease Liabilities	71.4	67.5	73.4
Other financial liabilities	426.4	396.7	370.8
Other current liabilities	273.0	236.4	311.1
Provisions	1,161.3	1,064.8	1,221.0
Current tax liabilities (net)	135.0	162.4	20.6
Total current liabilities	5,308.6	5,215.3	4,912.9
Liabilities directly associated with assets classified as held for sale	0.6	0.6	0.3
Total equity and liabilities	28,062.8	27,683.5	27,101.1



Cipla

Thank You

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