

Revised Release

**Cipla**

# Investor Presentation

Q3FY21

29-1-2021

# DISCLAIMER

The Cipla logo is displayed in white text on a dark blue rectangular background in the top right corner of the slide.

*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 including impact of Covid-19 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.*

The investor presentation is not intended to endorse, advertise, promote or recommend the use of any products listed in it which are for representation purpose only, some of which are reference listed drugs of which the Company has approved, under approval or under development generic equivalents. The prefixes "g" and "generic" used interchangeably indicate the generic versions of the named brand drugs.

Information relating to any medical products or medical devices contained herein is provided by Cipla for general information purposes only. Information on any of the medical products or medical devices may vary from country-to-country. A reference to a medical product or a medical device does not imply that such medical product or medical device is available in your country. The commercial availability of the medical products or medical devices listed herein in your country is dependent on the validity and status of existing patents and/or marketing authorizations related to each. An independent enquiry regarding the availability of each medical products or medical device should be made for each individual country.

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.

# In Q3, we continued our efforts globally in combating Covid-19 and delivering on our promise of 'Caring for life'

# Cipla



## Patients

- ❖ **2 lac+** severe COVID patients served during the quarter; **4 lac+** during the pandemic



## Physicians

- ❖ **600+** virtual conferences & webinars engaging **75k+** physicians
- ❖ **Teleconsultation support** to physicians
- ❖ Developing knowledge building in partnership with leading universities for physicians



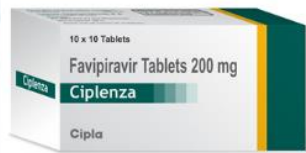
## Employees

- ❖ **Hybrid return to office approach** with stringent safety protocols; option to **work from home**

## Comprehensive Covid-19 portfolio for diagnosis and treatment



**Cipremi®**  
Remdesivir



**Ciplenza®**  
Favipiravir



**Actemra®**  
Tocilizumab



**CIPHANDS®**  
Sanitizer range



**ELIFast®**  
COVID-19 antibody detection for India



**CIPtest®**  
Rapid Antigen Detection Test for Covid-19 diagnosis



**Covi-G®**  
COVID-19 rapid antibody detection for EMEU



# We commissioned the largest open access solar power plant under group captive scheme in Maharashtra

**Cipla**



## **Largest open access solar power plant in the state**

- ❖ 30 MW solar group captive project in Tuljapur, Maharashtra spread across an area of 11 acres
- ❖ Project in partnership with AMP Solar Power System Ltd.



## **Securing green energy requirements for manufacturing units**

- ❖ Renewable power for Kurkumbh and Patalganga units
- ❖ ~35,000 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) emissions avoided over 25 years of project life



## **Growing solar energy portfolio**

- ❖ 48MW added through various initiatives since FY19
- ❖ 4 manufacturing units now on renewable power



## **Continued commitment to 2025 sustainability goals**

- ❖ By 2025, Cipla plans to achieve carbon and water neutrality, zerowaste to landfill, anti-microbial resistance stewardship and green chemistry



**Relentless commitment towards contributing to a greener environment by promoting the use of cleaner and renewable sources of energy**

## Strong demand, sustained cost optimization and operational excellence drives Q3 performance

### Overall Revenue



**↑ 18%** (YoY Growth)

Solid performance across geographies

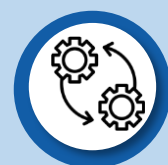
### Overall EBITDA<sup>1</sup>



**EBITDA Margin** **24.8%**  
Q3FY21

**↑ 69%** (YoY Growth) **Sustained Cost Optimization**

### One India strategy progressing well



**Overall revenue** **↑ 22%**  
(YoY Growth)

**6<sup>th</sup>** Consecutive quarter of double-digit growth in **prescription business**

### Solid traction in top consumer brands

(YoY Growth)

**↑ 15%**

Nicotex

**↑ 58%**

Cofsils

**#1 in pain relief**

Omnigel

### South Africa performance in-line



**Overall SAGA**

**↑ 6%**  
(YoY growth in \$ Terms)

**Fastest** growing amongst top 5 corporations in **South Africa private market**

**SSA**

**↑ 15%**

(YoY growth in \$ Terms)

**CGA**

**↑ 63%**

### North America continues to scale-up



**US\$141Mn** **↑ 6%**  
Q3FY21 Revenues (YoY Growth)

Continued traction in Albuterol and new launches

**gRevlimid settlement** strengthens complex generic pipeline

### EMEU



**Emerging markets**

**↑ 46%**

**Europe**

**↑ 28%**

(YoY growth in \$ Terms)

### API



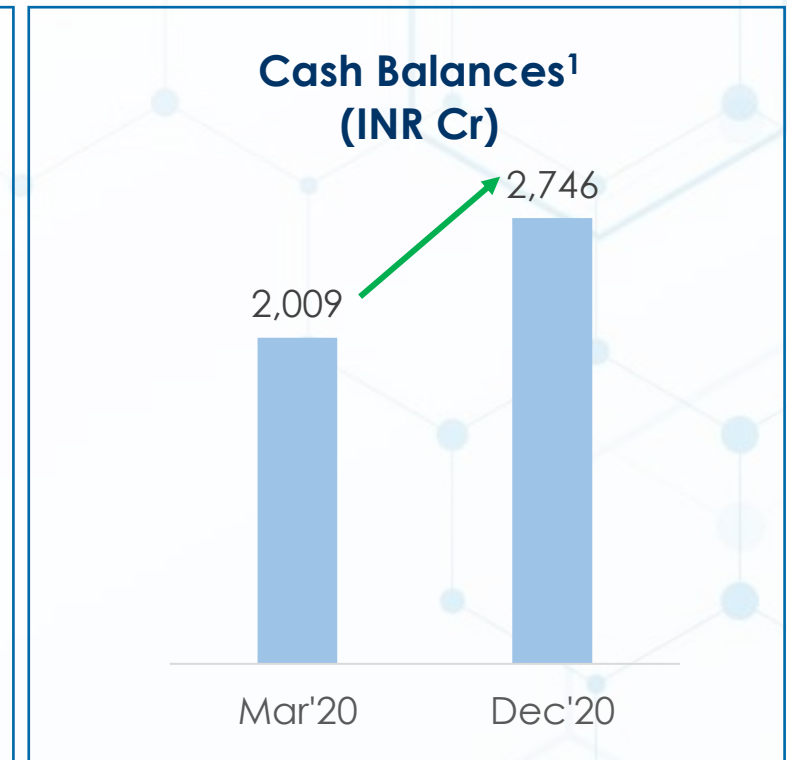
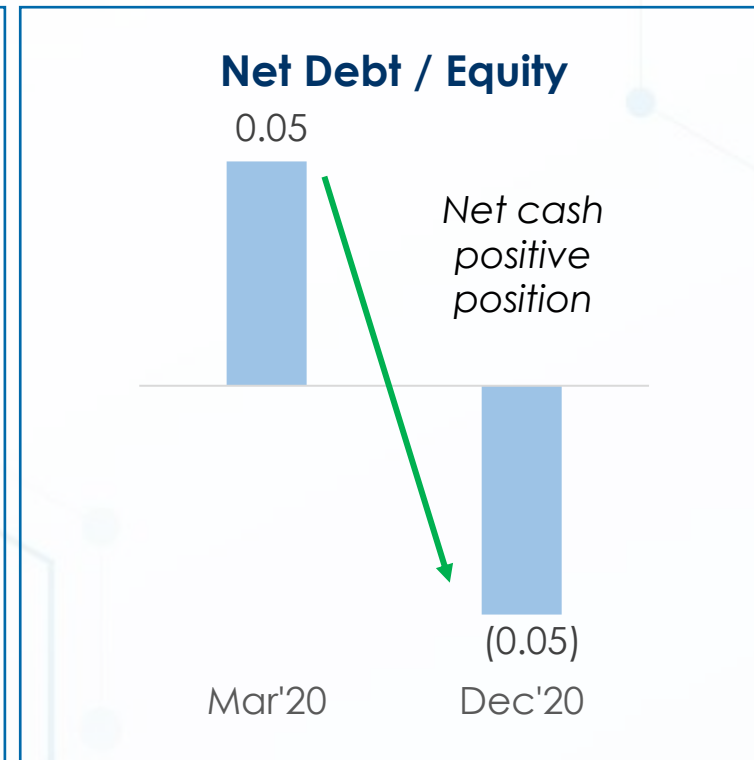
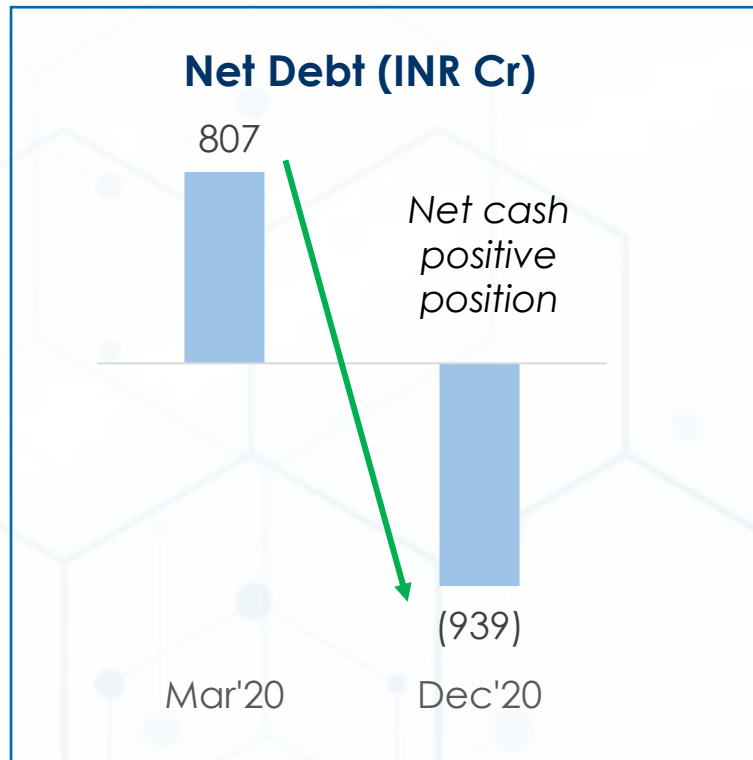
**↑ 18%**

(YoY growth in \$ Terms)

1. Includes one-time income from a litigation settlement

# Strong balance sheet and robust free cash flow generation

# Cipla



- Continued governance on cash and liquidity management
- Focused efforts on working capital management and robust free cash flow generation
- \$137Mn invagen loan repaid **1 year ahead of schedule**; INR 300 cr working capital loan in India repaid during the quarter
- **Net cash positive position** continues at December-20 end reflects strong balance sheet strength

1. included cash and cash equivalents and current investments

## Revenues

INR 5,169 Cr ↑ 18% YoY

### Q3 FY21 (Consolidated)

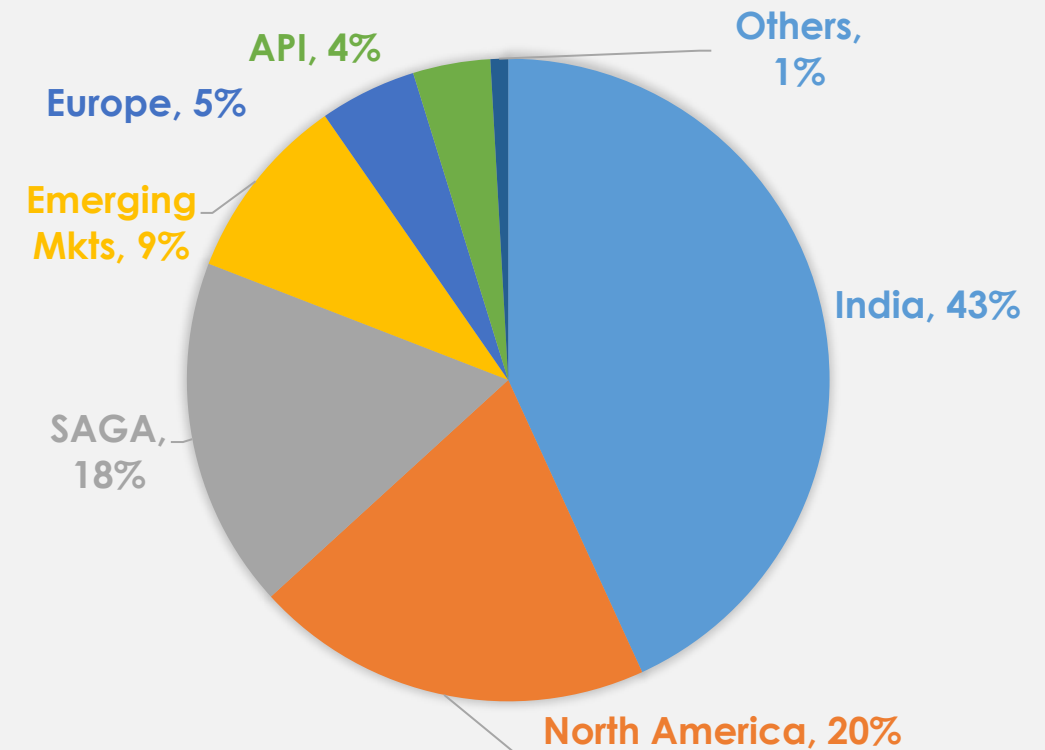
	Actuals (Rs Cr)	vs Q3 FY 20
Total Revenue from Operations	5,169	18%
EBITDA <sup>2</sup>	1,281	69%
EBITDA % of revenue	24.8%	744 bps
PAT	748	113%
PAT % of revenue	14.5%	644 bps

**R&D** INR 221 Cr *Focused R&D investments*

## EBITDA<sup>2</sup>

INR 1,281 Cr | 24.8% ↑ 69% YoY

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





## One India (Rx + Gx+ CHL<sup>1</sup>): Consistent execution driving growth across businesses in India

### Key Business Highlights



#### Prescription business

- ❖ Growth led by covid-19 portfolio, healthy traction in respiratory and chronic therapies, recovery in hospital and acute businesses with opening-up of OPDs

**↑ 25%**  
(YoY growth)

Therapy <sup>2</sup>	Market Rank	Market share	Cipla Growth	Market growth
Overall Chronic	2	8.1%	6%	10%
Respiratory	1	25.4%	14%	-4%
Urology	1	14.4%	8%	7%
Cardiac	5	5.2%	9%	15%
Derma	11	2.7%	15%	8%



#### Trade generics business:

- ❖ **7% YoY growth** adjusted for brands transitioned to consumer health business.
- ❖ Healthy seasonal demand across regions



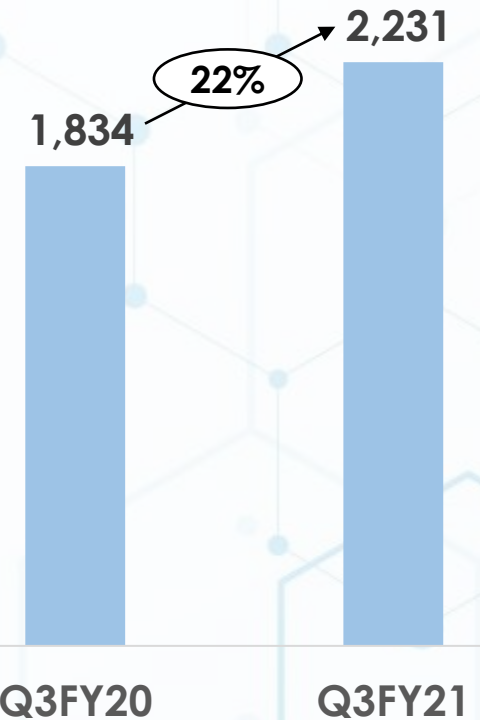
#### Consumer health business:

- ❖ Strong demand for organic products and continued traction in our consumer brands post transfer from trade generics business

**INR 250 Cr+**  
(9MFY21 revenue)

### One India Q3 Y-o-Y

Rs. Cr





## Solid traction across top consumer brands

### Anchor consumer brands

**OMNIGEL<sup>®</sup>**

**#1**  
Pain Relief Category

**18.6%**  
market share in Dec'20

**↑ 46%**  
(YTD YoY growth)

**nicotex**

**#1**  
NRT Category

**98.1%**  
market share in Nov'20

**↑ 14%**  
(YTD YoY growth)

**cofsils**

**#2**  
Cough & Cold Category

**5.9%**  
market share in Dec'20

**↑ 82%**  
(YTD YoY growth)

### Emerging consumer brands

**prolyte<sup>™</sup>**  
**ORS**


**↑ 8%**  
(YTD YoY growth)

**Maxirich<sup>®</sup>**  
DAILY MULTIVITAMIN

**↑ 38%**  
(YTD YoY growth)

**Naselin<sup>™</sup>**

**↑ 87%**  
(YTD YoY growth)

  
**mamaexpert<sup>™</sup>**  
For moms, with love.

**↑ 24%**  
(YTD YoY growth)

# SAGA<sup>1</sup>: South Africa, Sub-Saharan Africa and Cipla Global Access

# Cipla

## Key Business Highlights



### South Africa

❖ Overall business in-line with last year for the quarter in ZAR terms

Private market

↑ **11%**  
(9MFY21 YoY growth in ZAR Terms)

Tender market

↑ **8%**  
(9MFY21 YoY growth in ZAR Terms)

Market Segment <sup>2</sup>	Market Rank	Market share	Cipla Growth	Market growth
South Africa private	3	7.1%	2.4%	-2.0%
South Africa OTC	3	7.2%	6.4%	3.3%

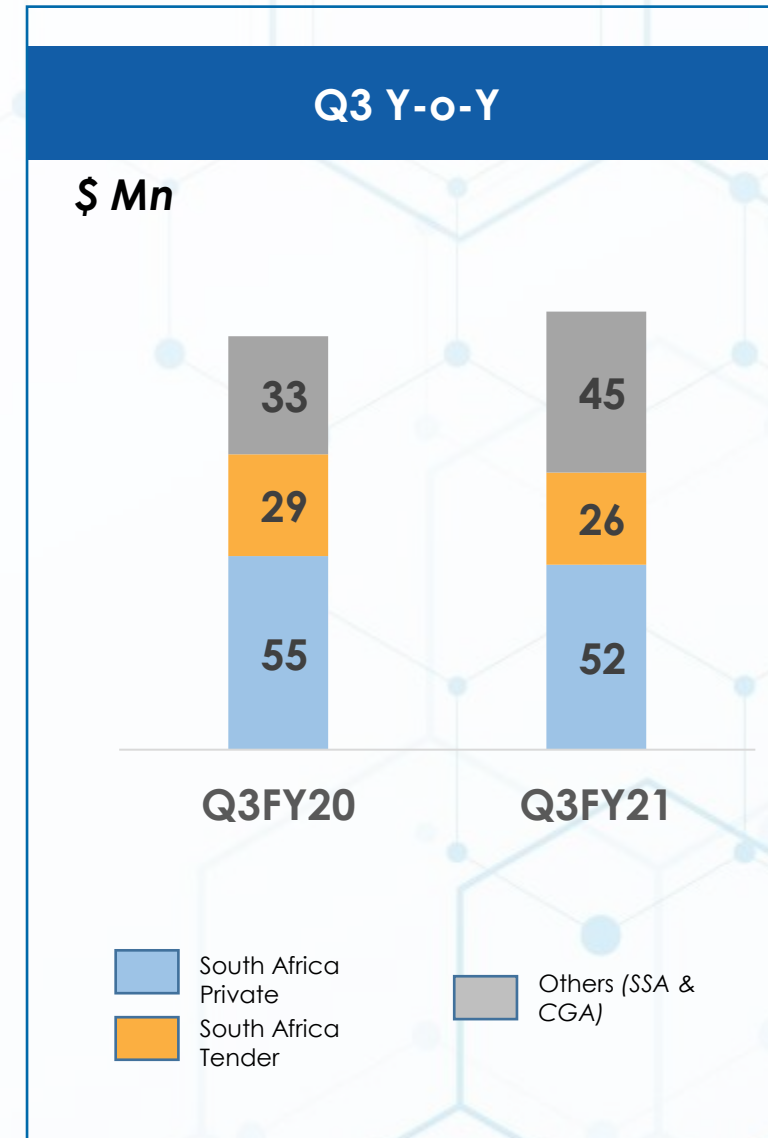


**Continued expansion of product portfolio:** Strategic partnership with Alvogen for 4 oncology products



### Sub-Saharan Africa (SSA) & Cipla Global Access (CGA)

- ❖ **SSA:** 15% YoY growth in \$ terms on strong commercial execution
- ❖ **CGA:** 63% YoY growth in \$ terms on higher order delivery in the quarter



1. Financial numbers are rounded off | 2. Market data as per IQVIA MAT Dec '20

## North America: Momentum continues driven by traction in new launches

### Key Business Highlights



#### US Generics ramp-up continues

- ❖ Continued expansion in market share for Albuterol and traction in other assets along with growth in the institutional channel
- ❖ In 9MFY21, the US business continues to deliver robust profitability
- ❖ US respiratory franchise **\$100Mn+** in 9MFY21

Albuterol HFA market <sup>1</sup> segment	TRx Market Rank	TRx Market share
gProventil	1	84.6%
Generic market (AG + Gx)	3	15.7%
Total market (Brand + AG + Gx)	3	12.3%

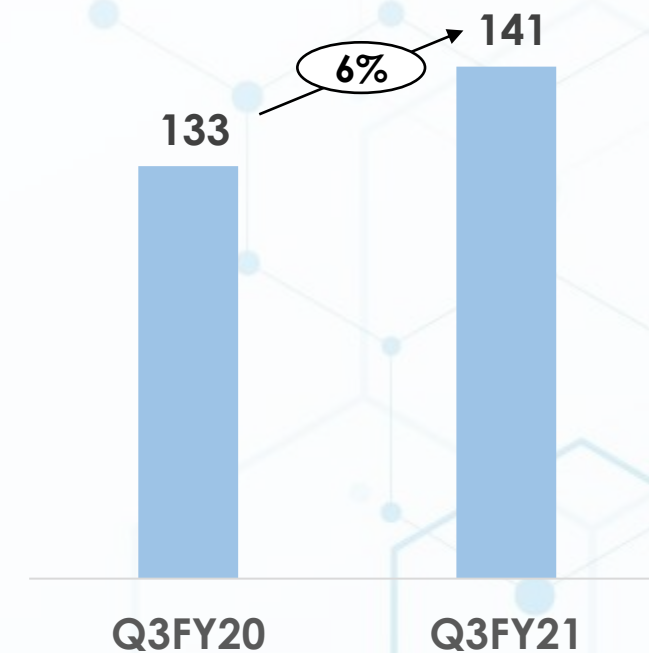


#### Pipeline update

- ❖ **gAdvair** is under active review; continuous engagement with agency
- ❖ **2 inhalation assets** to move into clinical trials shortly
- ❖ **gRevlimid** settlement **improves earnings visibility** and **enhances complex product portfolio**

### Q3 Y-o-Y

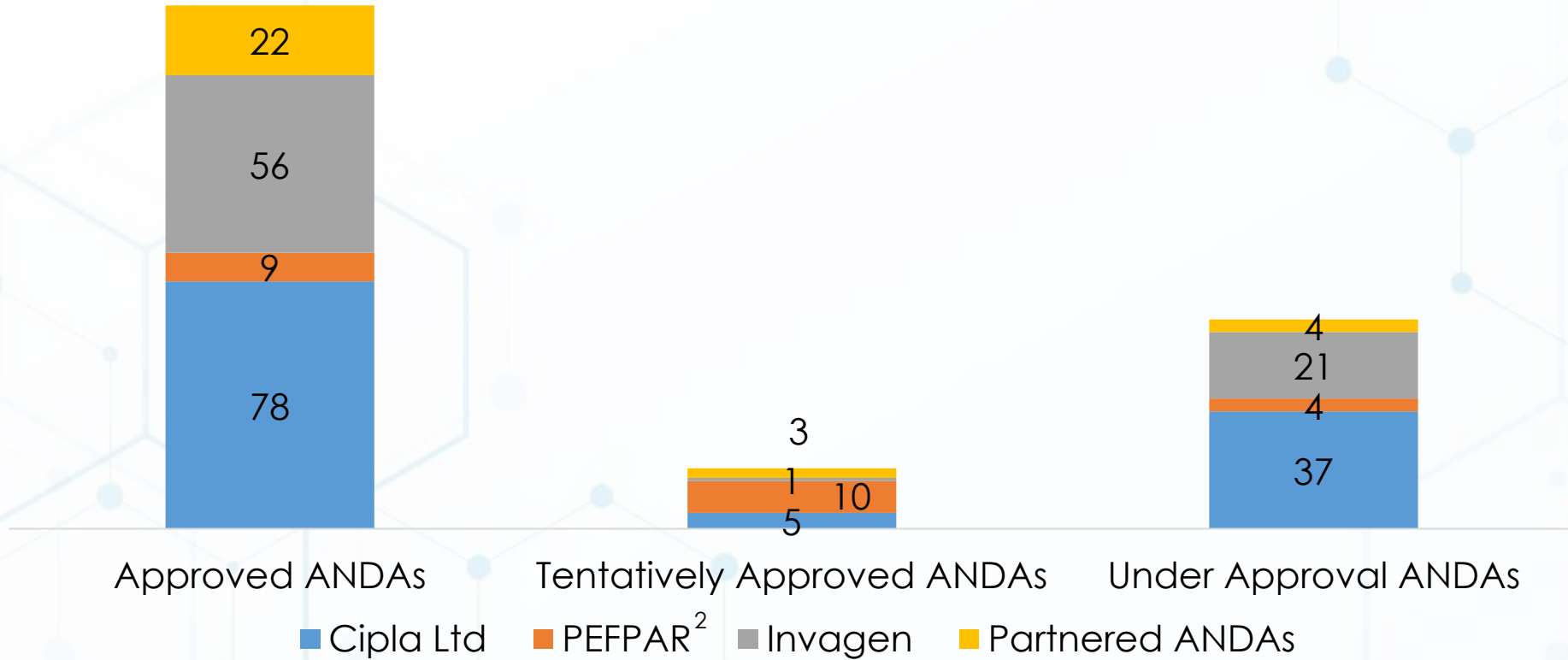
\$ Mn



# ANDA<sup>1</sup> Portfolio & Pipeline (As on 31<sup>st</sup> December 2020)



**Total ANDAs**    **165**    **+**    **19**    **+**    **66**    **=**    **250**

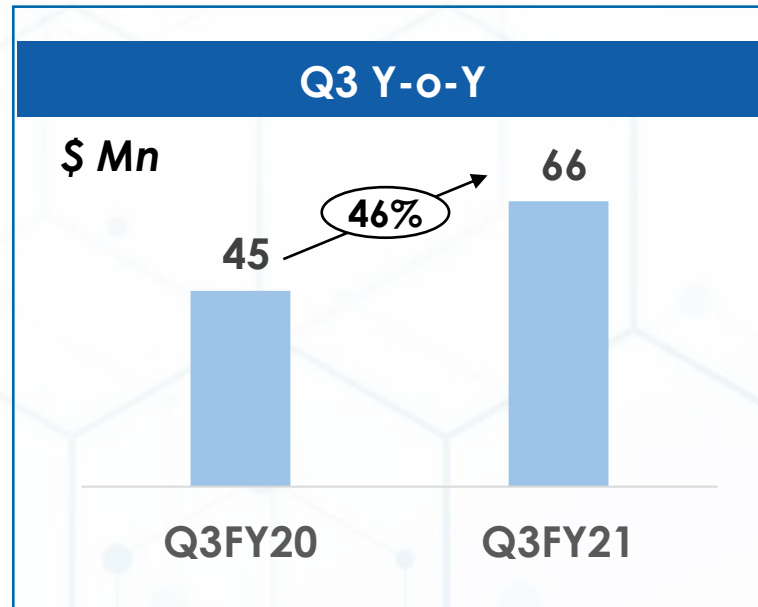


<sup>1</sup> Does not include Vet product ANDAs

<sup>2</sup> PEFPAR approved ANDAs can be commercialised in US



## Emerging Markets

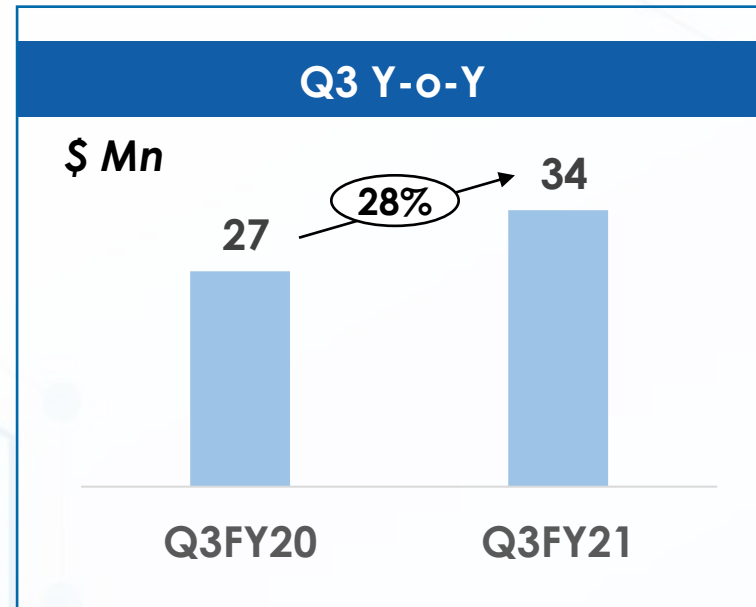


## Key Business Highlights



- ❖ Continued demand across all regions
- ❖ #1 Indian exporter to emerging markets<sup>1</sup>

## Europe

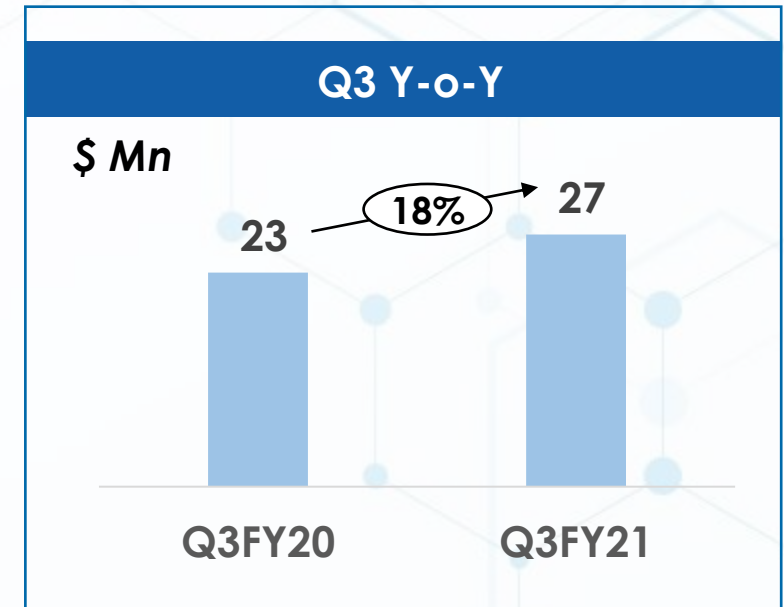


## Key Business Highlights



- ❖ Consistent in-market performance and market share gains in key DTMs<sup>2</sup>
- ❖ FPSM pMDI market share is ~20%<sup>3</sup> and Beclomethasone 12.8%<sup>3</sup> in UK

## API



## Key Business Highlights



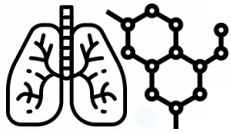
- ❖ Seamless execution of orderbook and well-entrenched customer relationships
- ❖ Continued traction with global seedings & lock-ins

# Our priorities include

Cipla



**Maintain market beating growth** in large branded and unbranded generic franchises of India, South Africa and **augment consumer wellness franchise**



Expanding **lung leadership** globally and maximising value opportunity in **US complex generics by prioritizing key launches** with focused execution and collaborating with regulatory authorities



Scaling up businesses across branded and generic DTMs of Europe and Emerging markets through **execution on organic and partnered launches**



**Accelerating digital transformation** to capitalize opportunities and growth opportunities across markets



Focus on **regulatory compliance across manufacturing** locations and embrace **best-in class globally benchmarked ESG<sup>1</sup> practices**



**Sustained expansion in RoIC** over the long term



# Cipla

## Thank You

### Registered Office :

Cipla Limited, Cipla House, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013

For any queries, please contact

**Naveen Bansal**

[Investor.Relations@cipla.com](mailto:Investor.Relations@cipla.com)

For more information please visit

[www.cipla.com](http://www.cipla.com)