

The background of the slide features a photograph of a woman with dark hair holding a young child with light brown hair in pigtails. The woman is looking down at the child, and the child is looking upwards with a slight smile. A semi-transparent hexagonal molecular structure is overlaid on the entire image. The Cipla logo is in the top right corner.

Cipla

JP Morgan Healthcare Conference

Umang Vohra, MD & Global CEO

January 2022

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Established in 1935, Cipla has transformed into a world class pharmaceutical company with formidable branded and unbranded generic market franchise on the back of deep-rooted R&D capabilities and strong execution

Cipla

Our relentless focus of bringing in best-in-class drugs resonates with our purpose of **'Caring for Life'**; serving patients via innovative respiratory drug-device combinations, complex formulations and broad-spectrum capabilities in injectables, oral solids and inhalation amongst others



One-India

3rd

Largest pharma company in India^{1,2}



South Africa

3rd

Largest pharma company in the prescription and OTC¹ space



North America

8th

Largest by prescriptions in the US³



International Markets

2nd

Largest Indian exporter to EMs⁴




In FY22, we delivered strong progress on our strategic priorities for FY25 (1/2)



		<u>FY25 targets</u>	<u>YTD FY22 progress</u>
	Expanding lung leadership globally and maximising value opportunity in US complex generics	Incremental opportunity to add \$300Mn-\$500Mn by FY25	Launch & scale-up in respiratory assets Albuterol & Arfomoterol; Peptide portfolio unlocking
	Maintain market-beating growth in large branded and unbranded generic franchises of India & South Africa; augment consumer wellness franchise	Market-beating growth in India & South Africa and 10% share of consumer business	Continued market beating performance in India & SA; share of consumer business 7%+
	Focused DTMs ¹ and new frontier markets (China & Brazil) for organic growth in Europe and Emerging markets; expanding biosimilar partnerships in key markets	Drive sustainable growth through organic and inorganic levers	Tracking annualized revenue of \$400Mn+

1. DTM – Direct to market

In FY22, we delivered strong progress on our strategic priorities for FY25 (2/2)

		<u>FY25 targets</u>	<u>YTD FY22 progress</u>
	Leverage digital capabilities to deliver transformative business and patient outcomes in the new normal	Digital patient care continuum	Continued rigor on creating industry leading digital initiatives
	Focus on regulatory compliance across manufacturing locations and embrace best-in class globally benchmarked ESG ¹ practices	Global benchmark for quality compliance & ESG	Inclusion in Dow Jones Sustainability Emerging Markets Index
	Consistent upward RoIC ² trajectory over the long term	RoIC expansion to 17%-20% over the long term	Trailing 12-month (Sept-21) RoIC at 22.0%

Strong customer delight, continued rigor on portfolio execution and cash generation initiatives have improved financial metrics

FY17-FY21

Revenue CAGR

7%

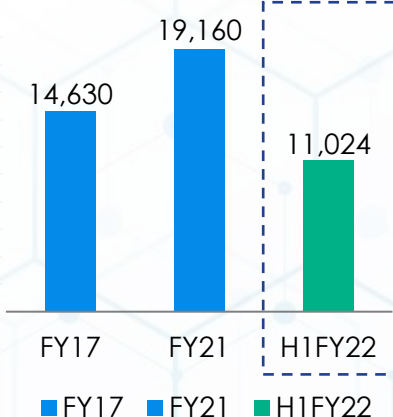
EBITDA CAGR

15%

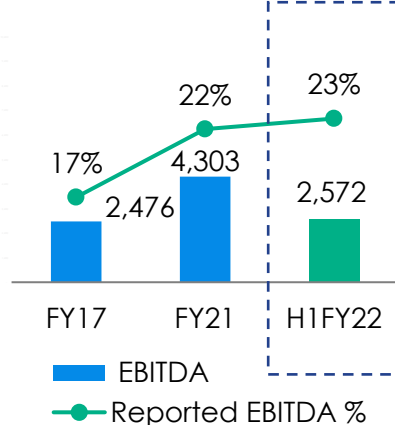
PAT CAGR

24%

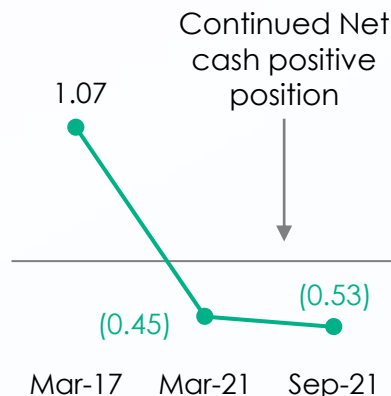
**Revenue
(INR Cr)**



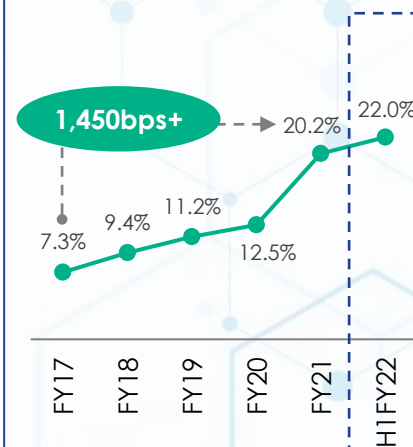
**EBITDA
(INR Cr)**



**Net debt¹
to EBITDA**



RoIC²



1. Net Debt = Total borrowings less Cash and Cash equivalents including Current Investments; Sept-21: Net debt + Trailing 12-month EBITDA; 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]; H1FY21: Calculations based on Trailing 12-month EBITDA

Our One-India strategy continues to witness seamless execution demonstrating scale and continued momentum

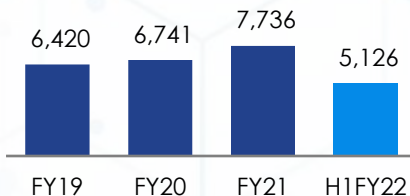
Growth

Cipla



3rd largest Pharma company in India^{1,2}

One-India Revenue (INR Cr)



↑ **15%**

FY21 YoY Growth

↑ **39%**

H1FY22 YoY Growth



Targeting to continue the upward trajectory



Continued market beating growth and gain ranks



Increase in share of chronic therapies



Industry leading MR productivity



Increase in share of consumer wellness portfolio



Branded Prescriptions: Strong Levers to improve chronic share and depth

Overall business continues market beating growth

↑ **41%**

H1FY22
YoY Growth

Strong In-licensing franchise; Partner of choice for Global MNCs

↑ **22%**

H1FY22³
YoY Growth



Trade Generics: Establishing deeper connect and strong governance



Enhancing connect with distributors & stockiest digitally

↑ **34%⁴**

H1FY22
YoY Growth

17

Products launched in H1FY22



Foray into Thyroid and Ophthalmic categories



Consumer Wellness: Harnessing profitable growth

Strong momentum continues in overall consumer business under CHL

↑ **28%⁴**

H1FY22
YoY Growth

CiplaHealth
Improving lives, every day

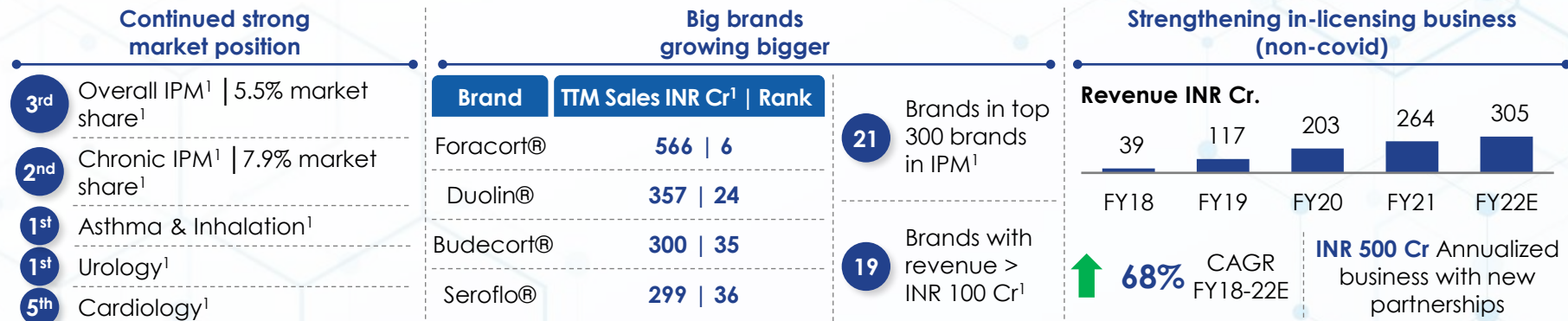
EBITDA break-even achieved in H1FY22

In **One-India**, our branded prescription business is gearing towards a \$1Bn franchise; trade generics expanding categories and deepening connect

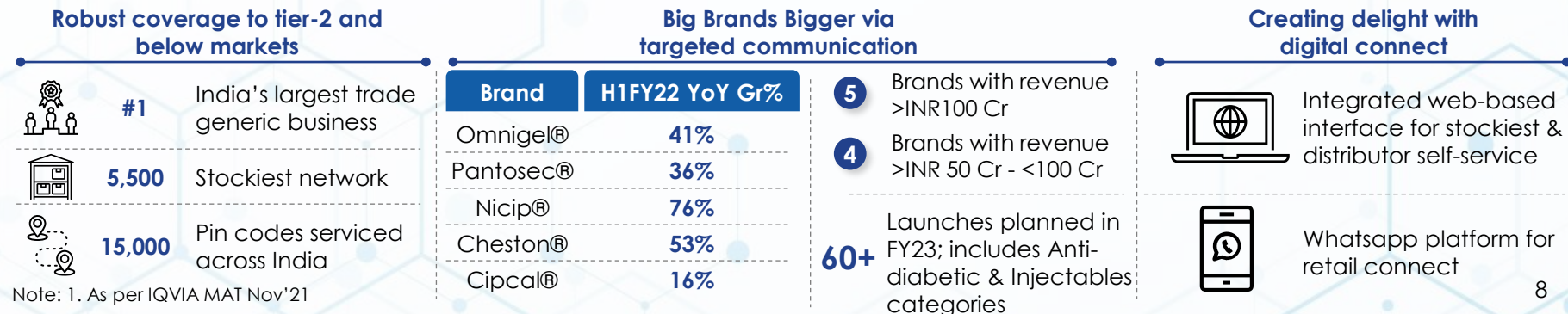
Growth

Cipla

Branded Prescriptions: Big Brands growing faster and driving patient outcomes



Trade generic business: Strengthening position, portfolio breadth and connect with channel



Note: 1. As per IQVIA MAT Nov'21

Our global consumer wellness franchise is tracking in-line with FY25 aspirations of 10% revenue share

Growth

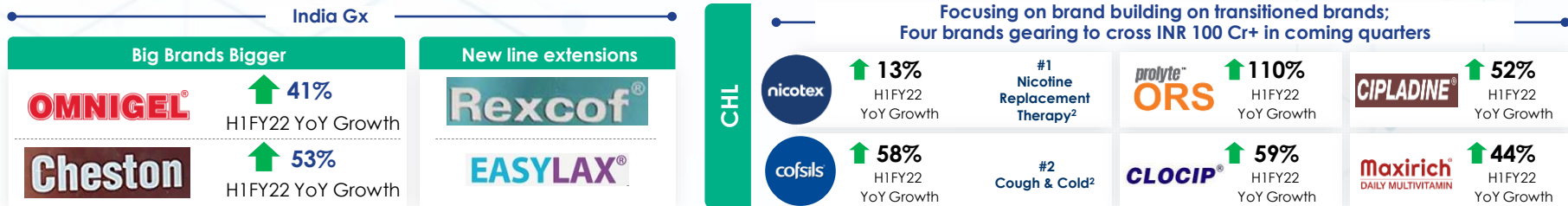
Cipla

Demonstrated high growth in H1FY22; Building stronger brands in focus categories



Share of Consumer business in Cipla for H1FY22

Levers: Brand building, deepening distribution and category innovations



Consumer reach – # of outlets touched: Presence in **500k Retailers³** **40k+ Grocer & others** **700+ Modern trade** **9 E-commerce**



Note: 1. excluding Ciphands; 2. Latest market share estimates; 3. including pharmacies

In South Africa, Cipla continues to drive market beating performance in prescription as well as OTC portfolio

Growth

Cipla



3rd largest player in South Africa private market¹

ZAR 5Bn+

Annualized Business
including branded and OTC segments
in South Africa

9.1%¹

Cipla private market
growth

VS

8.2%¹

Overall private market
growth



Developing
leading
brands

6

Brands with
revenue > ZAR
100Mn in the
last 3 years

Exciting new launches: 37 in YTD Dec-21



Ezetimibe
10 Teva
(Cardio)



Nuvigil
(CNS)



6

Oncology
Launches

- Lenalidomide
- Onbort
- Erlocip
- Trastuzumab
- Abiraterone
- Capeloda

**Launches in Prescription & OTC
(including acquisitions) to continue**

Expanding footprint in Sub-Saharan Africa

Kenya: Strong momentum continues

#2

Fastest growing company¹

>3.3x

Above market growth¹

#2

Market share in Inhalers¹

Therapy

Rank¹

Market share¹

Respiratory

1st

~13%

CNS

1st

~10%

Systemic anti-infectives

1st

~7%

Cardiology

2nd

~7%

Alimentary tract & metabolism

2nd

~5%

Future Priorities



Expansion of strategic
partnerships in
Southern and Sub-
Saharan Africa



2%-3%+

Revenue growth
above SA
private market



#1

Player in Prescription
and OTC space in
South Africa Private



#1

Generics
Pharmaceutical
Company in
South Africa

Note: 1. As per IQVIA MAT Nov'21; Rank as per market where we play (WWP) and market share as per total private market (TPM)

Our North America generics business continues to grow driven by respiratory footprint expansion & unlocking of complex generics pipeline

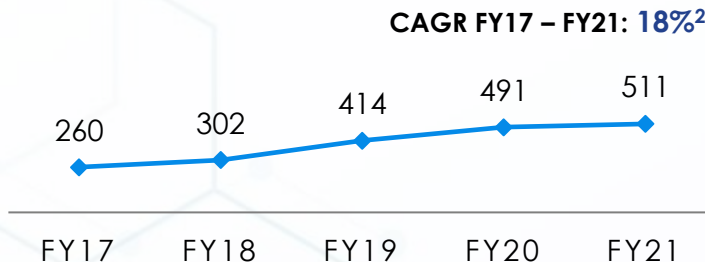
Growth

Cipla

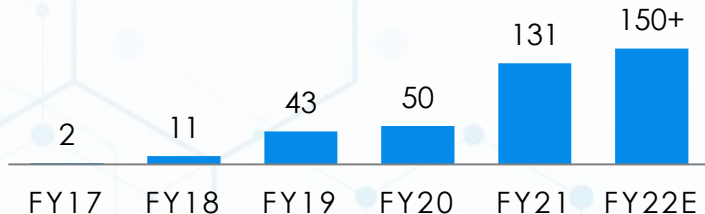


\$550Mn+ (FY21) Annualized business | **9% CAGR** over FY17-21 | **8th** Largest by Prescriptions

Core Cipla US
Revenue
\$Mn²



Revenue from
Respiratory
products
\$Mn²



Our strategy of expanding our respiratory footprint has been a key driver of growth in the US

19%

Albuterol
Gx share¹

41%

Arformoterol
Gx share¹



Unlocked our first major peptide asset in the US with the approval of a 505(b)(2) version of Lanreotide injection

We expect double digit growth in FY23 by unlocking value of our complex generics pipeline

Our focus continues on driving our **North America generics business** growth through strong execution of our complex asset pipeline

Growth

Cipla



Near to Medium term horizon (Next 3 to 5 years)



Continued investments in respiratory Pipeline

Assets in pipeline with market size of \$10Bn+¹

- Review of gAdvair progressing well at USFDA
- 2 More programs in advanced stage of development
- 5+ Programs under early stages of development



Strong pipeline of complex generics

Assets in pipeline with market size of \$7Bn+1

- 2 Peptide based programs under approval
- Expect to launch one complex generics injection product in FY24
- 3 Peptide Programs under development through internal & partnerships

Incremental opportunity to add \$300Mn-\$500Mn to US franchise over the next 3 to 5 years



Long term horizon (beyond 5 years)

Potential Para IV (non NCE-1) opportunity

- 10+ Products under development

Repurpose old molecules through 505(b)(2) route

- Two assets under early development

Evaluating development of multiple assets under long-acting injection category

- Microsphere
- Suspension
- Gel technology-based products

1. market size estimates are per IQVIA

The footprint of complex dosage forms in our **North America generics** portfolio continues to expand

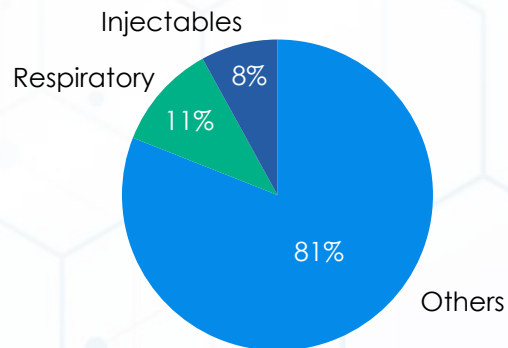
Growth

Cipla

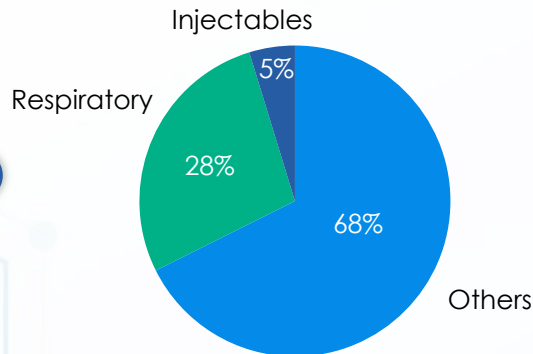


Increasing contribution of limited competition portfolio (% Revenue contribution by category)

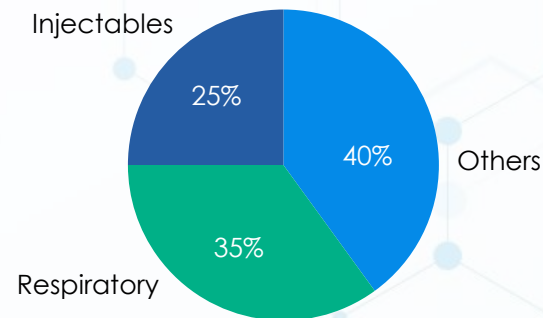
FY18



FY22E



FY26 / FY27E



Key launches and pipeline

Budesonide
Respules
(gPulmicort)

12/2017

Albuterol
Sulfate HFA
(gProventil)

4/2020

Arfomoterol
(gBrovana)

6/2021

Lanreotide inj.
505(b)(2)

12/2021

**Respiratory &
Complex Generic Launches
over FY22E-FY27E**

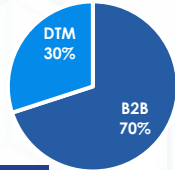
In **International markets**, we continue to scale-up our organic footprint via focused DTMs and new frontier markets with portfolio and capabilities

Growth

Cipla

International Markets: \$400Mn+ in Annualized Business

Europe: Operations in 20+ Countries



DTM CAGR
FY18 – FY22E

31%

>\$20Mn+ 1 market

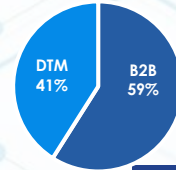
>\$5Mn - <10Mn+ 2 markets

Annualized
DTM Revenue

Strategy
updates

- **New Partnerships** in Spain for biosimilars; DTM operations commenced
- **Entry into deep markets:** 2 Respiratory dossiers filed in Europe
- **Respiratory program** picking momentum with multiple in-licensing deals (incl. Budesonide-Formoterol DPI, FPSM¹ DPI, Bevacizumab), **on track for 4x growth from last year**

Emerging Markets: Operations in 50+ Countries



DTM CAGR
FY18 – FY22E

24%

>\$25Mn+ 1 market

>\$15Mn - <25Mn+ 2 markets

>\$5Mn - <15Mn+ 4 markets

Annualized
DTM Revenue

Strategy
updates

- **New Partnerships** in Australia with Ferring and Novartis
- **Entry into deep markets:** Filings in Saudi Arabia, Mexico and China
- Strong pipeline of **in-licensed biosimilars across markets**
- **China** manufacturing plant set-up completed; portfolio launches over medium term

Growth engines poised to deliver high trajectory in deep markets



#1

Rank across major DTM markets by 2025

\$500Mn

International market franchise by 2025

1. FPSM: Fluticasone Propionate and Salmeterol Xinafoate

Cipla's innovation engine extending beyond respiratory and biopharma; exploring new avenues under Horizon 2.0

Innovation

Cipla



Biopharma

In-licensing partnerships

One-India

Oncology (Roche)	Diabetes (Eli Lilly)	Diabetes (Boehringer Ingelheim)
3 molecules	2 molecules	3 molecules
INR616Cr	INR699Cr	INR3,054Cr
Market size	Market size	Market size

South Africa

Immuno-Onco-CNS (Alvogen)	Immuno-Onco (Alvotech)
6 molecules	5 molecules
ZAR300Mn-ZAR500Mn	ZAR600Mn-ZAR900Mn
Market size	Market size

International Markets

Emerging markets

6 molecules	4 molecules
\$750Mn+	\$550Mn+
Market size	Market size

Europe

1st Biosimilar Bevacizumab launched in Spain
\$200Mn
Market size

Co-development partnerships

- JV with Kemwell Biopharma formed for developing, manufacturing & commercializing biosimilars
- Finalizing Portfolio & protocol for preliminary studies
 - Building organizational capabilities



Devices

India's first pneumotach based portable wireless Spirometer for diagnosis of COPD and asthma



In-house development of cutting-edge inhalation devices with better efficacy are in progress

Smart inhalers



Complex inhalers



Diagnostics

Successfully established Covid-19 portfolio with multiple products



Vision to build **INR 500Cr** franchise by launching new age diagnostic solutions fulfilling gap of poor diagnosis in specific therapy areas



Technology platforms

Exploring opportunities to build development and manufacturing capability in new age platforms



Business models

Exploring setting up a dedicated company operating new business model of offering **best in class end-to end disease management digitally to respiratory patients**; leveraging Cipla's core strengths



Sharp consumer insighting and robust media campaigns have translated into winning benefits for consumers

Consumer

Cipla



Sharp consumer insighting

Paving way for new extensions



Playing the price piano and multiple new flavours to cater to a broader and diverse audience

Launching brands in adjacent needs



Such as, Clocip soap in anti fungal category; Rubs in Naselin

Maxirich



Building VMS brand playing across spectrum



Therapy shaping initiatives

Berok Zindagi



Marquee campaign to increase awareness on benefits of Inhalers

Prolyte



Public health messaging to encourage people to consume only WHO approved ORS for diarrhoea



South Africa launched inspiring campaign 'Live2Love' to build awareness of 'PrEP'³



World class media campaigns

OMNIGEL[®]

Spontaneous Awareness

By 15%¹

Revenue

41%

H1FY22
YoY Growth

cofsls

Spontaneous awareness

By 10%²

Revenue

58%

H1FY22
YoY Growth

Cipla extending 'Beyond the Pill' across patient care; developing better connect with physicians and channel partners digitally in the new normal

Digital Leap

Cipla

Present across patient care continuum; awareness, diagnosis, treatment and adherence



For Patients

#BerokZindagi

Media Reach FY22 Target: 18 Cr¹

Ad & Brand Recall FY22 Target: 45%

Influencer marketing



Media Reach

100k children at 400-500 schools

breathefree + lybrae

Lung health assessment and doctor identification



Patient onboarding onto inhalation therapy



For Physicians



OTT style video learning and central events platform



International web series program, 10,000+ HCP engagements in 55+ countries
Won Awards for digital transformation in healthcare



For channel

channelPaixa

Extra urban market penetration of chronic legacy portfolio

Late lifecycle brand promotions

Customer engagement program via Cipla OneApp in South Africa: Personalised, single view, loyalty driven Omni Channel engagement with Doctors, Pharmacies and Wholesellers

Note: 1. Population reached

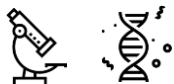
Marquee initiatives, Non-exhaustive

17

We are also transforming our IPD, manufacturing, supply chain, and quality operations for higher performance and resilience

Digital Leap

Cipla



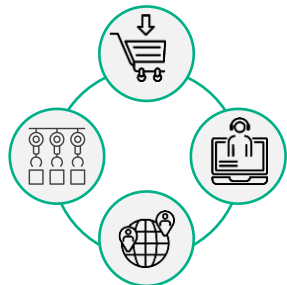
IPD

Significant opportunity for simplification, agile manufacturing & operations



IoT and RPA in analytical development labs

Regulatory Intelligence Platform to improve gather global regulatory updates on a real-time basis



Procurement, Manufacturing & Supply Chain

Making our plant operations 'touchless'

'Extent of touch'

80%

(LY:90%)



65%-70%

across prioritized units over next 18 months

Implemented Production Planning and Detailed Scheduling (PP-DS)



Better production campaign planning and minimizing change over time

Integrated Business Planning tool



10%

improvement in efficiency & customer service

Digital-Analytics-Automation (DAA): To enable near-real-time data-transparency and data-led decision making



3%-5%

Yields for top products



4+ Bn

Capacity unlock



15+ PP

efficiency of top lines (OEE¹)

Focus on Continuous Manufacturing



Quality

QC Capacity Planning Tool

Improved planning efficiency



20%-30%

release of lab capacity with given resources

Full view of lab capacity during planning meetings, better predictability of stock availability

Our people are our most valuable assets. They are the enablers of our purpose of Caring for Life and our partners in the journey towards a future-ready Cipla

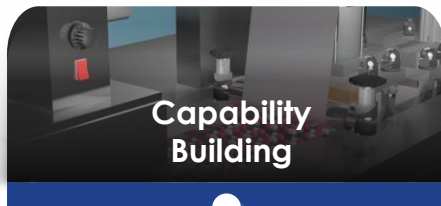
Talent

Cipla



- Functional and Leadership development programs in partnership with world-class universities

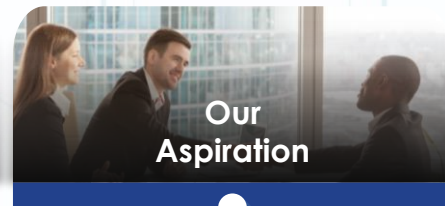
University Partners



- Our 1200+ strong R&D team is nurtured by learning and development programs across domain areas such as launch excellence, drug development and sterile capability amongst others
- 1.4Mn+ annual training hours pan-Cipla, with average ~38 hours per employee



- Inclusion & Diversity Council #EqualCipla – 20% gender diversity by FY24
- Enabling employees to focus on holistic well-being amid the evolving pandemic
- Financial assistance policy to support bereaved families



Global Employer of Choice



Relentless focus on Agility, Innovation and Execution Excellence

Our commitment towards our **ESG Goals** has led us to embrace best-in class globally benchmarked practices

ESG

Cipla

FY21 updates & progress on our 2025 ESG goals commitment



Carbon Neutral

- **8%** ↓ GHG emissions over FY20
- **24%** renewable energy contribution (15% RE + 9% Grid Hydro)



Water Neutral

- **32%** of water withdrawn is recycled
- **67%** facilities are Zero Liquid Discharge units
- RWH potential: 76,368 m3, **4% of net water consumption**



Zero Waste to Landfill

- **40%** facilities are Zero waste of landfill
- **15%** ↓ in waste disposed



AMR Stewardship

- **100%** India Mfg sites audited + Roadmap for high risk sites
- **43%** of domestic supplier audited
- **57%** molecules testing of waste water completed



Green Chemistry & Making it Right

- **Solvent (IPA) elimination** has resulted in cycle time **reduction of ~2,500 hours**, and **avoidance of ~300 tCO2e of GHG emissions**



Wellbeing of Employees & Partners

- Total Recordable Incident Rate: **0.86** (Best-in-class std <2.5)
- Fatalities: **0**
- Process Safety Incident Rate: **New metric introduced in FY22**

Environmental



Tuljapur, 30 MW Solar power plant largest open access plant in MH



33% Stake in Clean Max Auriga Power LLP to boost captive renewable power

Social



Diversity Council formed with focus on Diversity & Inclusion



6,97,600+ beneficiaries of programs in health, skill development & education

Governance



Percentile Rank in DJSI 2021 amongst 91 global pharma companies



Sustainability Council formed in Jan'21

Thank You

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