



# Investor Presentation Q1 FY20

07-08-2019

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# Key milestones achieved in the quarter:



1

## India & South Africa Private

- India continues strong secondary performance across key therapies and outpacing the market in Respiratory and Cardiology
- South Africa private business continues to outperform the market; grew over 2 times the market at 7.3%<sup>1</sup>

2

## US Generics Ramp-up

- Approvals received for Ambrisentan and Pregabalin
- Respiratory trials for generic Advair on track
- IP-enabled Cinacalcet continued to drive growth in the business; US Court of Appeals in the Third Circuit dismissed innovator's motions in appeal for injunction

3

## New Investments

- Acquired worldwide rights (excluding Greater China) of ZEMDRITM (IV Plazomicin) from Achaogen Inc. in a Chapter 11, U.S. Bankruptcy Code auction
- Signed a definitive agreement to form a manufacturing JV and opened office in China; critical milestone in the journey to establish a respiratory franchise in the market
- Executed transaction for development and commercialization of inhaled itraconazole in US with Pulmatrix

4

## Operations

- Received EIR for Kurkumbh plant for the inspection conducted by the United States Food and Drug Administration (USFDA) from 11th March 2019 to 20th March 2019

5

## Profitability

- Despite significant global volatility and revenue deferrals for the quarter, profitability maintained

1. As per IQVIA MAT Jun'19

# Cipla furthers Anti-Microbial Resistance (AMR) stewardship with acquisition of key anti-infective ZEMDRI™ (IV Plazomicin)

## ZEMDRI (IV Plazomicin)

- A novel aminoglycoside with a robust clinical data package and convenient once daily dosing
- Strong commercial synergies with IV Tramadol<sup>1</sup> in the Institutional Specialty space



### Transaction Details

- Acquired from Achaogen Inc. in a Chapter 11, U.S. Bankruptcy Code auction of Achaogen's assets
- Cipla has acquired worldwide rights of ZEMDRI™ (excluding Greater China) with its allied assets and limited liabilities

### United States

FDA Approved and Commercial

- Approved for patients with cUTI (complicated Urinary Tract Infection), including pyelonephritis
- Data on cUTI with concurrent bacteremia included in clinical section and activity against carbapenem resistant isolates included in microbiology section

### European Union

Filed and under-review

- Regulatory submission focused on cUTI, including pyelonephritis, BSI (Blood Stream Infection) due to CRE (Carbapenem-resistant Enterobacteriaceae) and in patients with limited treatment options

1. Avenue Therapeutics second tranche contingent on key label conditions

# Financial Performance – Q1FY20

Revenues

INR 3,989 Cr

EBITDA

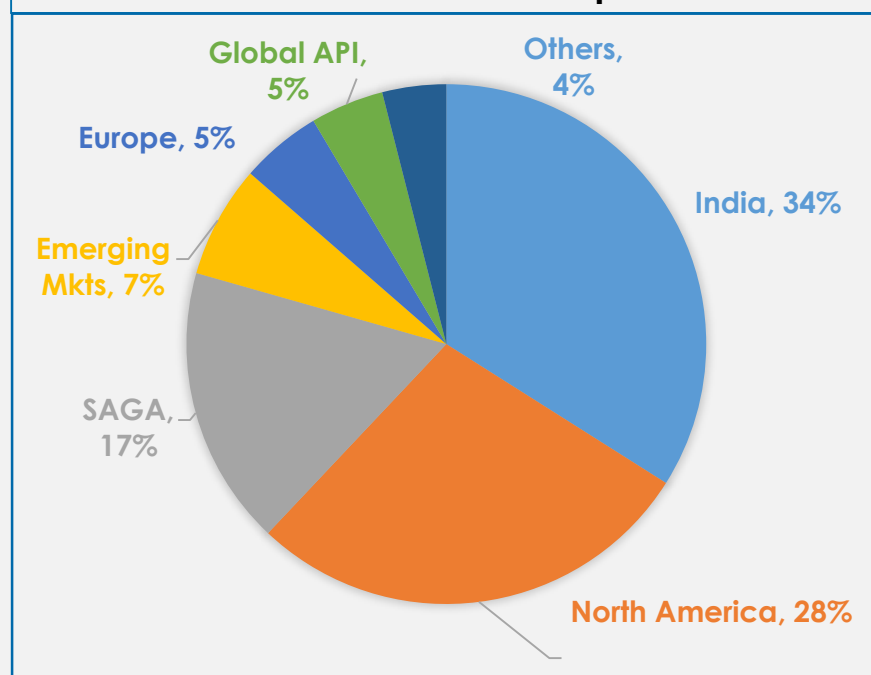
INR 905 Cr

~23% to sales

## Q1 FY20 (Consolidated)

	Actuals (Rs Cr)	vs Q1 FY 19
<b>Total Revenue from Operations</b>	<b>3,989</b>	<b>1.3%</b>
a) Domestic Sales	1,429	-8%
b) Int'l Sales	2,466	8%
c) Other Operating Income	95	2%
EBITDA	905	25%
<b>EBITDA %</b>	<b>22.7%</b>	
PAT	478	6%
PAT %	12%	

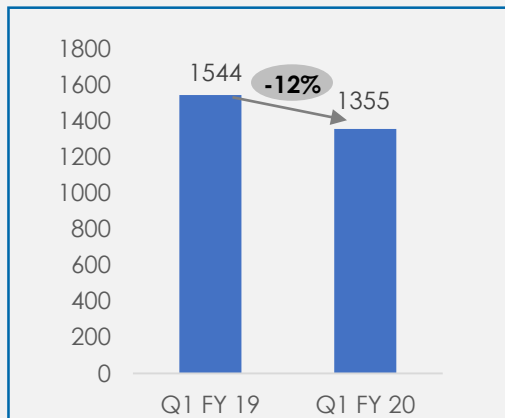
## Revenue<sup>1</sup> Break-up



<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

## Q1 Y-o-Y

Rs Cr



- **Conscious decision on realignment of distributors in the trade generics;** on expected lines and as per guidance in the last quarter
- **Impact of dispatch deferrals** to July of ~INR 60 crores, incremental over usual trends

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

- Cipla continued to perform well across key therapeutic areas:
  - ❖ Strong prescription trends across therapies
  - ❖ Continued to maintain leadership position (#1 IPM Rank) across Respiratory and Urology
  - ❖ Chronic therapies continue to drive a significant share of growth and grew 14% vs 12% market growth
  - ❖ Respiratory growth at 14% vs market growth of 9% and Cardiology grew by 18% vs market growth of 12%

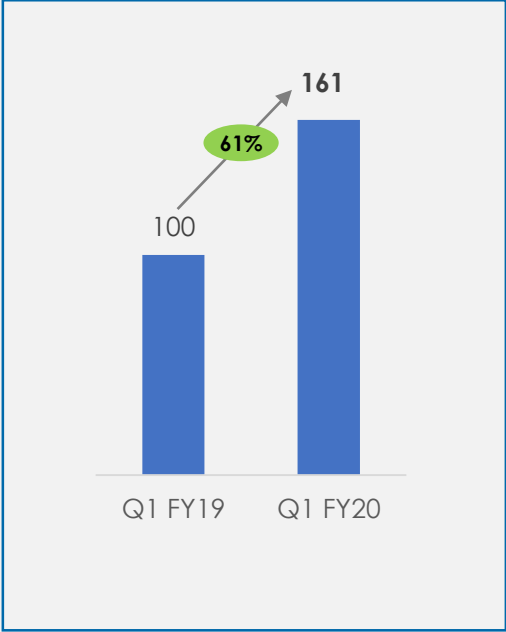
1. IQVIA Q1-FY20

# North America: Significant growth driven by contribution from limited competition assets

<p><u>Q1FY20<sup>1</sup></u> Contribution from new products launches in last 12 months</p>	<p><b>59%</b> of Q1FY19 <b>DTM</b> Revenues</p>	<p><b>47%</b> of Q1FY19 Revenues</p>
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Q1 Y-o-Y

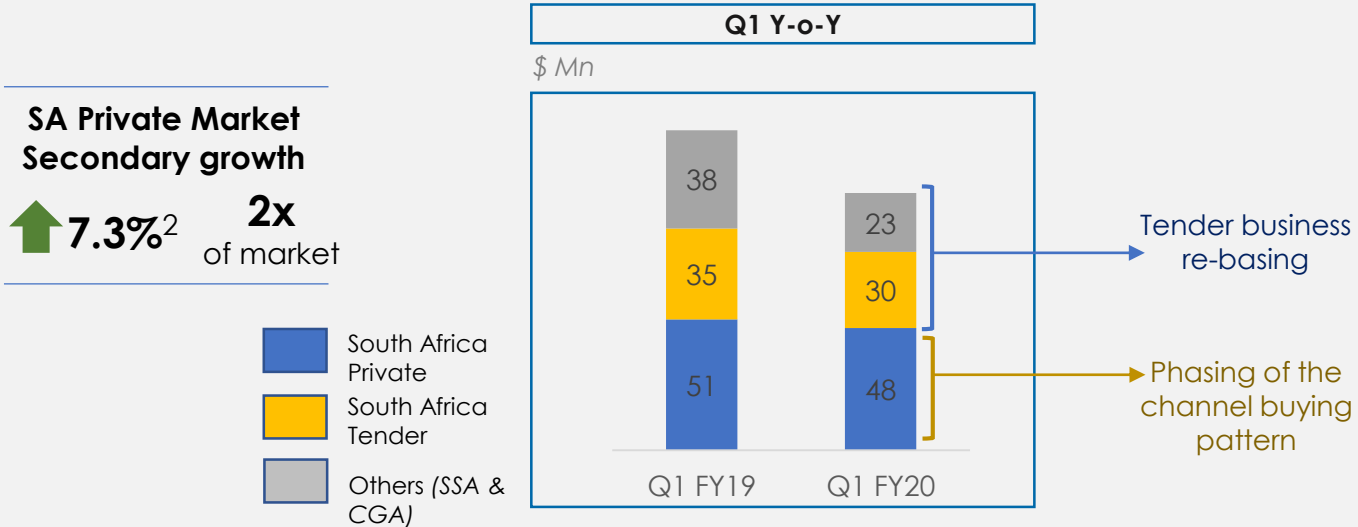
\$ Mn



### Key Business Highlights

- Base business (normalized for Cinacalcet) grew year on year
- Approvals received for Ambrisentan and Pregabalin
- Gross margin expansion of over 10 percentage points led by contribution from limited competition assets
- Pipeline Update:
  - Progressing well on trials for Respiratory products
  - Of the total 253 ANDAs, 63 are under-approval and 21 are tentatively approved

<sup>1</sup> Only DTM revenues of new launches considered; Including contribution from Cinacalcet



### Key Business Highlights

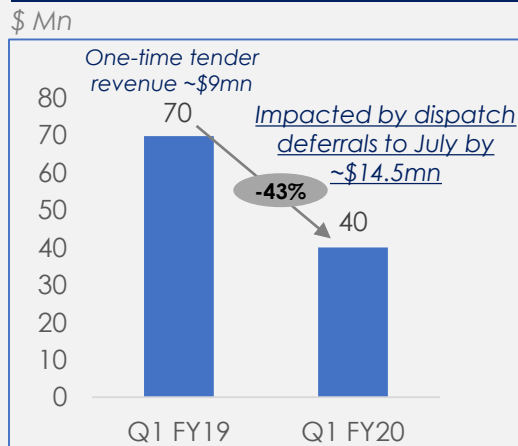
**South Africa:**

- As per IQVIA (IMS) MAT Jun'19, South Africa business grew at more than two times the market at 7.3% in the private market
- Acquired portfolio of Mirren in the OTC space delivered over 10% growth
- Tender business to rebase in-line with new tender supplies in Q2

1. Financial numbers are rounded off | 2. As per IQVIA MAT Jun'19

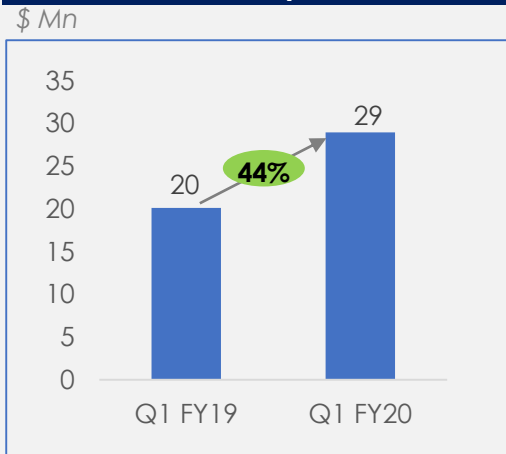


## Emerging Markets



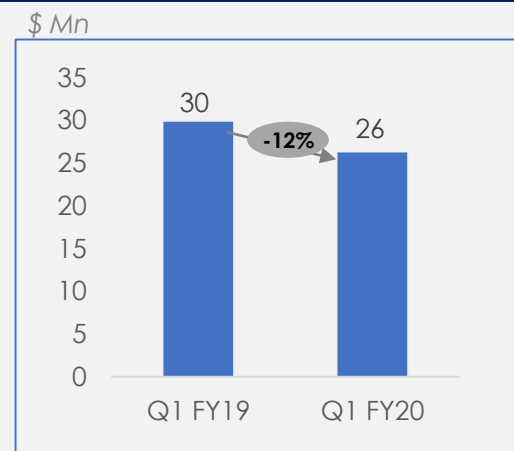
- **Biosimilars franchise in the EM:** Partnership with Alvotech on adalimumab biosimilar for select emerging markets
- Quarter impacted by deferral of despatches to the first week of July and the continuing challenges in the middle eastern markets

## Europe



- 44% year on year increase driven by strong performance in key products and contribution from new launches
- Market share of FPSM in over 14% across Europe, as per IQVIA MAT Mar'19; UK share over 10% now

## API



- New product launch in ARV
- Strong momentum continues in seedings and lock-ins

# Key priorities for the upcoming quarters:

1

## India

- Drive further growth in Chronic portfolio
- Launch key patient-focused initiatives in Respiratory
- Improved execution on the acute portfolio by focusing on micro-market segments

2

## South Africa / SAGA

- Drive private market portfolio to deliver growth in the overall business offsetting impact of new tender supplies
- Evaluate portfolio choices in Global Access

3

## US:

- Focus on limited competition launches in the later part of Q3
- Drive ramp-up in existing limited competition assets
- Smooth transition of IV Plazomicin into Cipla portfolio

4

## Quality and Compliance

- Respond to USFDA within the stipulated time for the observations at API plant in Virgonagar, Bangalore
- Continue to operate our facilities globally with the highest level of compliance and control

# Thank you

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