Investor Presentation
Q1FY20

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%¹

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\(^1\) 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

<table>
<thead>
<tr>
<th>United States</th>
<th>FDA Approved and Commercial</th>
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<tbody>
<tr>
<td></td>
<td>Approved for patients with cUTI (complicated Urinary Tract Inflection), including pyelonephritis</td>
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<td></td>
<td>Data on cUTI with concurrent bacteremia included in clinical section and activity against carbapenem resistant isolates included in microbiology section</td>
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<tr>
<th>European Union</th>
<th>Filed and under-review</th>
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<tbody>
<tr>
<td></td>
<td>Regulatory submission focused on cUTI, including pyelonephritis, BSI (Blood Steam Inflection) due to CRE (Carbapenem-resistant Enterobacteriaceae) and in patients with limited treatment options</td>
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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

<table>
<thead>
<tr>
<th>Q1 FY20 (Consolidated)</th>
<th>Actuals (Rs Cr)</th>
<th>vs Q1 FY 19</th>
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<tbody>
<tr>
<td>Total Revenue from Operations</td>
<td>3,989</td>
<td>1.3%</td>
</tr>
<tr>
<td>a) Domestic Sales</td>
<td>1,429</td>
<td>-8%</td>
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<tr>
<td>b) Int’l Sales</td>
<td>2,466</td>
<td>8%</td>
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<tr>
<td>c) Other Operating Income</td>
<td>95</td>
<td>2%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>905</td>
<td>25%</td>
</tr>
<tr>
<td>EBITDA %</td>
<td>22.7%</td>
<td></td>
</tr>
<tr>
<td>PAT</td>
<td>478</td>
<td>6%</td>
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<tr>
<td>PAT %</td>
<td>12%</td>
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</tbody>
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Revenue¹ Break-up

- India, 34%
- North America, 28%
- SAGA, 17%
- Emerging Mkts, 7%
- Europe, 5%
- Global API, 5%
- Others, 4%

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

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

**Q1FY20**

Contribution from new products launches in last 12 months

**59%**

of Q1FY19 DTM Revenues

**47%**

of Q1FY19 Revenues

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**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

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1. 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.

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1. Financial numbers are rounded off.
2. As per IQVIA MAT Jun’19.
EM, Europe and API

Emerging Markets

- **Biosimilars franchise in the EM**: Partnership with Alvotech on adalimumumab 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.

Investor Presentation: Q1FY20
Key priorities for the upcoming quarters:

**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

**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

**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

**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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