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Cipla

The title 'Investor Presentation' is written in a large, bold, white, sans-serif font, positioned in the lower left quadrant of the slide. The background behind the text is a blurred image of hands clasped together, overlaid with a semi-transparent blue filter.

Investor Presentation

Q4FY22

10-5-2022

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In FY22, we delivered strong performance across our key markets; upward operating profitability trajectory sustained



Overall Cipla

Revenue <small>(YoY Growth in INR terms)</small>	EBITDA Margin	R&D Spends ²
Overall ↑ 14%	Overall 21%	↑ 21%
Ex-covid ↑ 12%	Adj. margin ¹ ~22%	<small>(YoY Growth)</small>

One-India

(YoY Growth in INR terms)

One India **↑ 27%**

Prescription business crossing \$1Bn scale; continued traction in trade generics and consumer health

North America

NA revenue **↑ 8%** (YoY Growth)

\$594Mn

Continued momentum in respiratory franchise and peptide unlocking

SAGA

SAGA **↑ 6%** (YoY Growth in \$ terms)

SA Private **↑ 15%** (YoY Growth in ZAR terms)

Market beating growth in private business on steady launches

International Markets & API

International Markets **\$385Mn**

Strong respiratory filings in Europe

API **↓ 5%** (YoY Growth in \$ terms)

Note:1. Excludes impact of one-time covid inventory and other charges of ~INR 200 crores in Q4 | 2. Opex including depreciation

Strong traction in One-India and US business drive Q4FY22 performance; Core profitability maintains strong trajectory

Cipla

Overall Revenue



↑ **14%**

(Q4 YoY Growth in INR Terms)

Sustained traction across branded & generic markets

Overall EBITDA



EBITDA Margin

14.5%

Adj¹ EBITDA Margin

18%+

R&D spends²

↑ **16%**

(YoY Growth)

One India



↑ **21%**

(Q4 YoY Growth in INR Terms)

Sustained momentum across core therapies and traction in flagship brands

SAGA



Overall SAGA

↑ **8%**

(Q4 YoY growth in \$ Terms)

SA Private Market

↑ **17%**

(Q4 YoY growth in ZAR Terms)

North America



Robust momentum in core business; strong traction in respiratory portfolio & peptide unlocking

\$160 Mn

Q4FY22 Revenues

↑ **17%**

(Q4 YoY growth in \$ Terms)

International Markets & API



International

↑ **4%**

(Q4 YoY growth in \$ Terms)

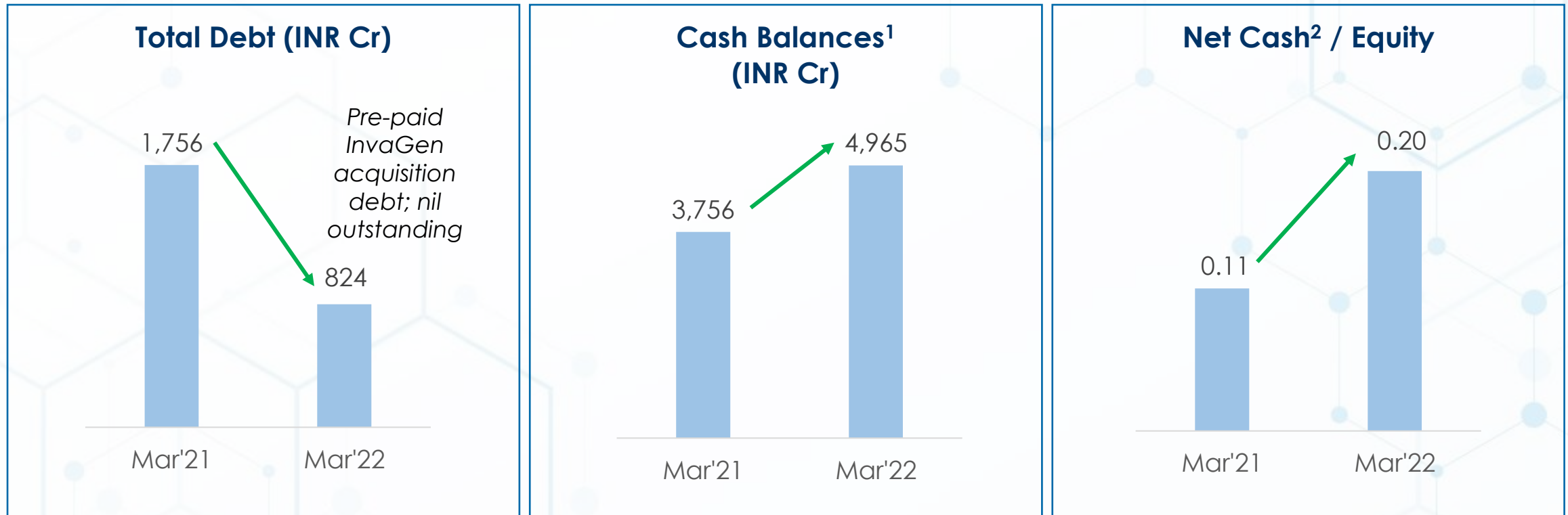


API

↓ **41%**

(Q4 YoY growth in \$ Terms)

Continued focus on maintaining a strong balance sheet health and robust free cash flow generation



- Continued governance on cash and liquidity management
- Prudent working capital management and optimised capex and drive robust free cash flow generation
- **Net cash positive position** continues at March-22 end reflects strong balance sheet health

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

Revenues

INR 5,260 Cr ↑ 14% YoY

EBITDA²

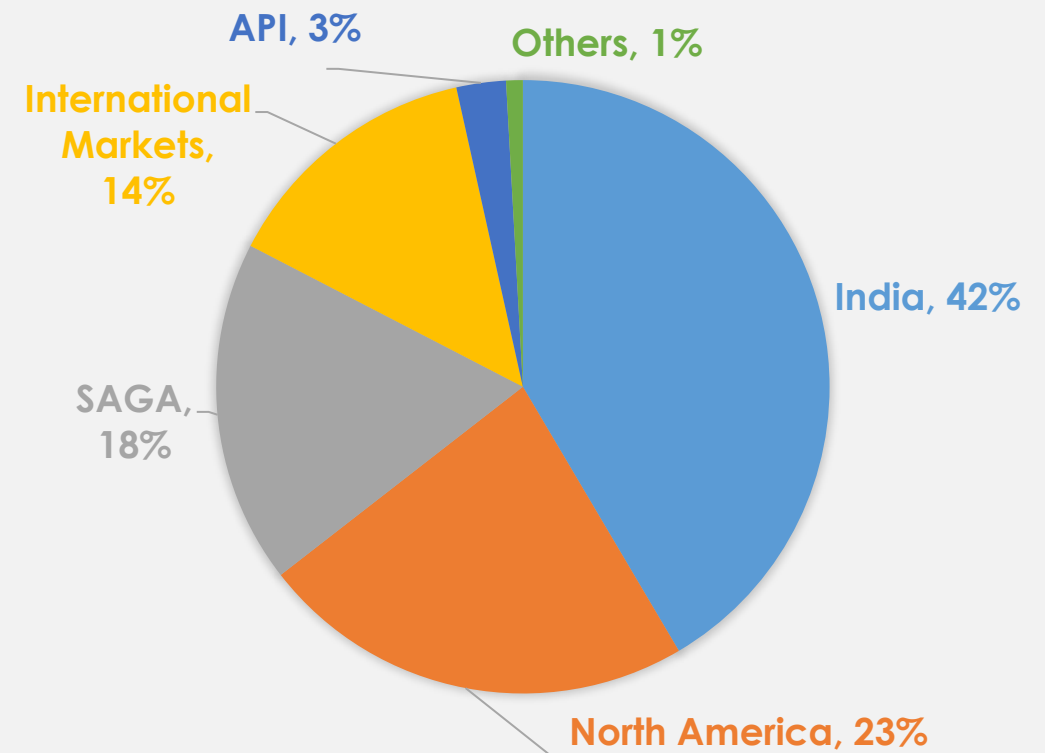
INR 763 Cr | 14.5% ↓ 4% YoY

Q4 FY22 (Consolidated)

	Actuals (INR Cr)	vs Q4 FY 21
Total Revenue from Operations	5,260	14%
EBITDA ²	763	-4%
EBITDA % of revenue	14.5%	-279 bps
PAT ³	362	-12%
PAT % of revenue	6.9%	-209 bps

R&D⁴ INR 322 Cr ↑ 16% YoY *Priority projects spend on track*

Revenue¹ Break-up



1. India includes Rx + Gx+ CHL; SAGA includes South Africa, Sub-Saharan Africa and Cipla Global Access; International Markets include Emerging Markets and Europe | 2. Includes one-time covid inventory and other charges | 3. includes impact of impairments | 4. Opex including depreciation | Figures have been rounded-off

Revenues

INR 21,763 Cr ↑ 14% YoY

EBITDA

INR 4,578 Cr | 21% ↑ 6% YoY

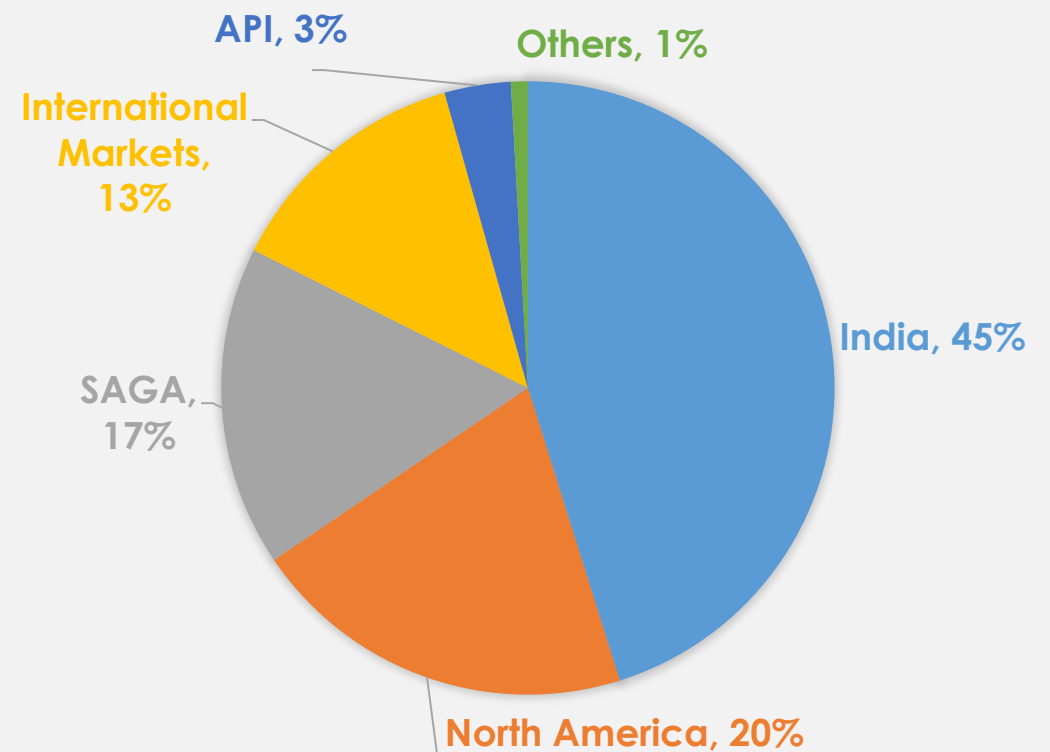
FY22 (Consolidated)

	Actuals (INR Cr)	vs FY 21
Total Revenue from Operations	21,763	14%
EBITDA ²	4,578	6%
EBITDA % of revenue	21%	-142 bps
PAT ³	2,517	4.7%
PAT % of revenue	11.6%	-99 bps

R&D⁴ INR 1,122 Cr ↑ 21% YoY

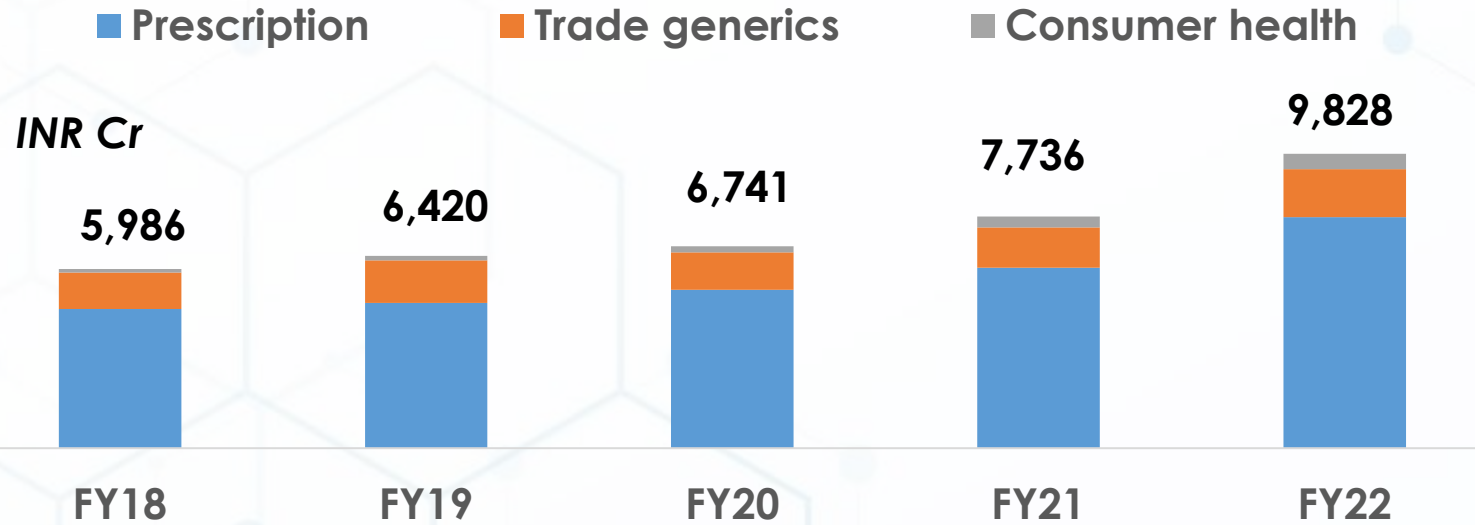
Priority projects spend on track

Revenue¹ Break-up



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One India (Rx + Gx+ CHL¹): Over the last 2 years we have driven strong execution across portfolio and distribution synergies helping us drive growth across the three businesses



Overall One-India

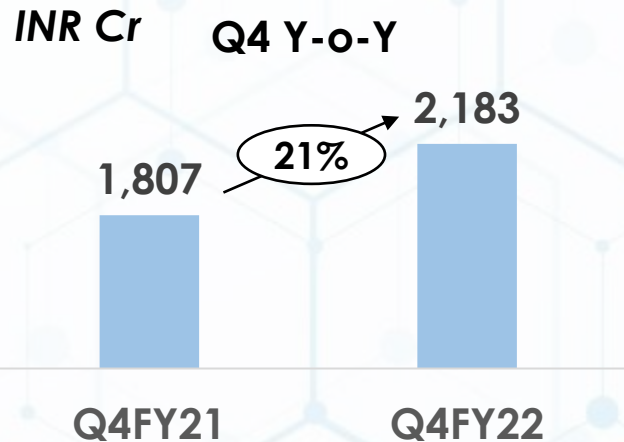
↑ 27%
(FY22 YoY growth)

One-India Ex-Covid

↑ 25%
(FY22 YoY growth)

Branded Prescription business crossing \$1 Billion scale

One-India business tracking close to INR 10,000 Cr. scale



Branded prescription business

- ❖ Sustained momentum across therapies in core portfolio
- ❖ Healthy market shares² and ranks² across therapies

Trade generics business

- ❖ Strong demand for flagship brands and key therapeutic categories
- ❖ Continued focus on customer engagement for healthy order flows

19 Brands launched in Q4FY22

Consumer health business

- ❖ Robust traction in anchor brands as well as transitioned brands
- ❖ On sustainable EBITDA trajectory after break-even achieved in FY22

Cipla's core branded prescription portfolio therapy mix reflect strong fundamentals across chronic and acute segments; big brands growing bigger in size and brand equity



High-quality branded franchise across chronic and acute therapies

Core Acute portfolio (Ex-Covid) as per IQVIA

41% Contribution to Cipla as on MAT Mar-22
5% CAGR over MAT Mar'18-22

Core Chronic portfolio (Ex-Covid) as per IQVIA

59% Contribution to Cipla as on MAT Mar-22
↑750bps+ in chronic contribution over MAT Mar'18-22
13% CAGR over MAT Mar'18-22

Cipla's Top Acute Brands with revenue >INR 25Cr as on MAT Mar-22 (IQVIA)

41
Brands



66% contribution to core Acute Portfolio (excluding covid)

~14% market share in addressable molecule market

8% CAGR MAT Mar'18-22

29 out of **41** Brands with mkt share **15%+** in addressable molecule market

Cipla's Top Chronic Brands with revenue >INR 25Cr as on MAT Mar-22 (IQVIA)

32
Brands



~78% contribution to core Chronic Portfolio (excluding covid)

32% market share in addressable molecule market

15% CAGR MAT Mar'18-22

24 out of **33** Brands with mkt share **15%+** in addressable molecule market

Portfolio under NLEM price control grew at a modest pace control over the last 4 years

23%¹ of overall domestic branded prescription business is under NLEM price control as on Mar-22

~6%¹ revenue CAGR FY18-FY22 for products under NLEM price control as on Mar-22

Note: Core branded prescription portfolio (Acute & Chronic) excludes contribution from covid products | 1. As per company sales

Global consumer wellness franchise committed to provide a holistic and customized wellness solutions



~8% contribution to overall revenues in FY22; Improving consumer health outcomes

Anchor consumer brands in India¹

OMNIGEL[®]
 ↑ **17%**
 (FY22 YoY growth)
#1
 Pain Relief Category
 (Feb-22)

nicotex ↑ **8%**
 (FY22 YoY growth)
#1
 NRT*
 Category
 (Dec-21)

prolyte[™]
ORS ↑ **57%**
 (FY22 YoY growth)

cofsils ↑ **62%**
 (FY22 YoY growth)
#2
 Cough & Cold
 Category
 (Feb-22)

Cheston ↑ **33%**
 (FY22 YoY growth)

Emerging consumer brands in India¹

CIPLADINE[®] ↑ **32%**
 (FY22 YoY growth)

CLOCIP[®] ↑ **41%**
 (FY22 YoY growth)

Rexcof[®] ↑ **63%**
 (FY22 YoY growth)

Maxirich[®] ↑ **36%**
 DAILY MULTIVITAMIN
 (FY22 YoY growth)

Anchor consumer brands in South Africa

Cipla Actin
 ↑ **8%**
 (FY22 YoY growth in ZAR Terms)

CORYX
 ↑ **51%**
 (FY22 YoY growth in ZAR Terms)

Asthavent
 ↑ **7%**
 (FY22 YoY growth in ZAR Terms)

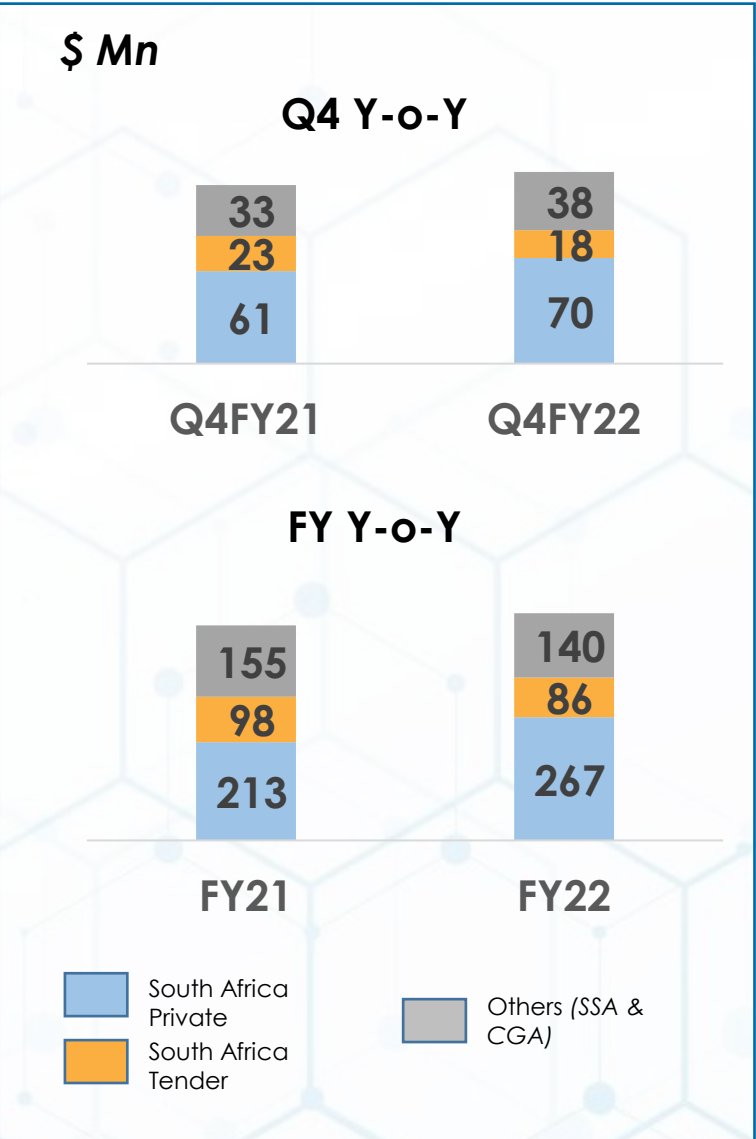
acurate
 ↑ **12%**
 (FY22 YoY growth in ZAR Terms)

Flomist
 ↑ **21%**
 (FY22 YoY growth in ZAR Terms)

BRONCOL
 ↑ **55%**
 (FY22 YoY growth in ZAR Terms)

1. Market data as per Nielsen; *nicotine replacement therapy

SAGA¹: South Africa, Sub-Saharan Africa and Cipla Global Access



South Africa²

- ❖ Market beating growth continues in South Africa (SA) private business; tender business muted in-line with expectations
- ❖ Growth diversified across base and new product portfolios
- ❖ Continue to maintain leadership positions in key therapy areas

SA Private market

↑ 17%

(Q4 YoY growth in ZAR Terms)

5

Brands launched in Q4FY22

32

Brands launched in FY22

Market Segment	Market Rank	Market share	Cipla Growth	Market Growth
South Africa prescription	3	7.7%	12.0%	7.9%
South Africa OTC	3	7.1%	12.8%	8.1%
South Africa overall	3	7.5%	12.3%	8.0%



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

- ❖ **SSA:** Maintained scale over last year base driven by continued order flow across regions
- ❖ **CGA:** Performance driven by strong order flow for TLD

1. Financial numbers are rounded off | 2. Market data as per IQVIA MAT March 2022

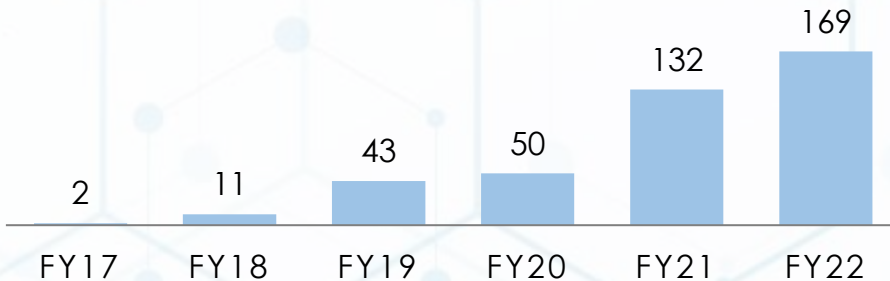
North America: Continued traction in core formulation business driven by respiratory franchise and peptide assets

Key Business Highlights



- ❖ Revenue at **multi-quarter high of \$160 Mn**
- ❖ Robust momentum in core formulation business; strong traction in respiratory assets as well as contribution from peptide assets
- ❖ Focus continues on limited competition complex launches

Revenue from Respiratory products \$Mn²



17.2%

Albuterol Total market share¹

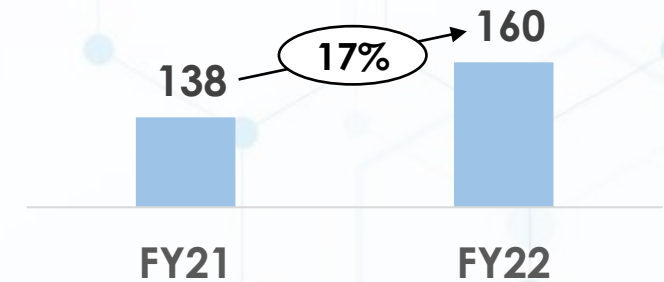
29.8%

Arformoterol Total market share¹

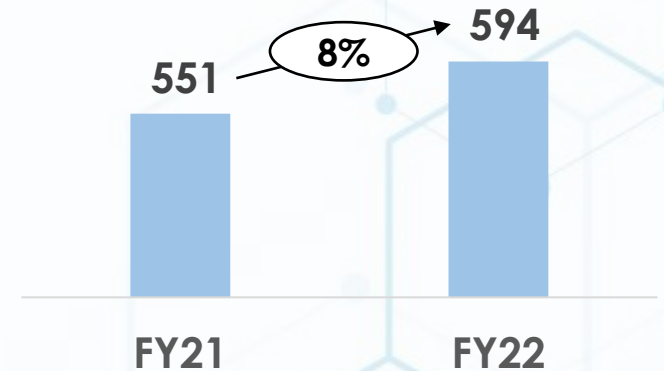
North America

\$ Mn

Q4 Y-o-Y



FY Y-o-Y



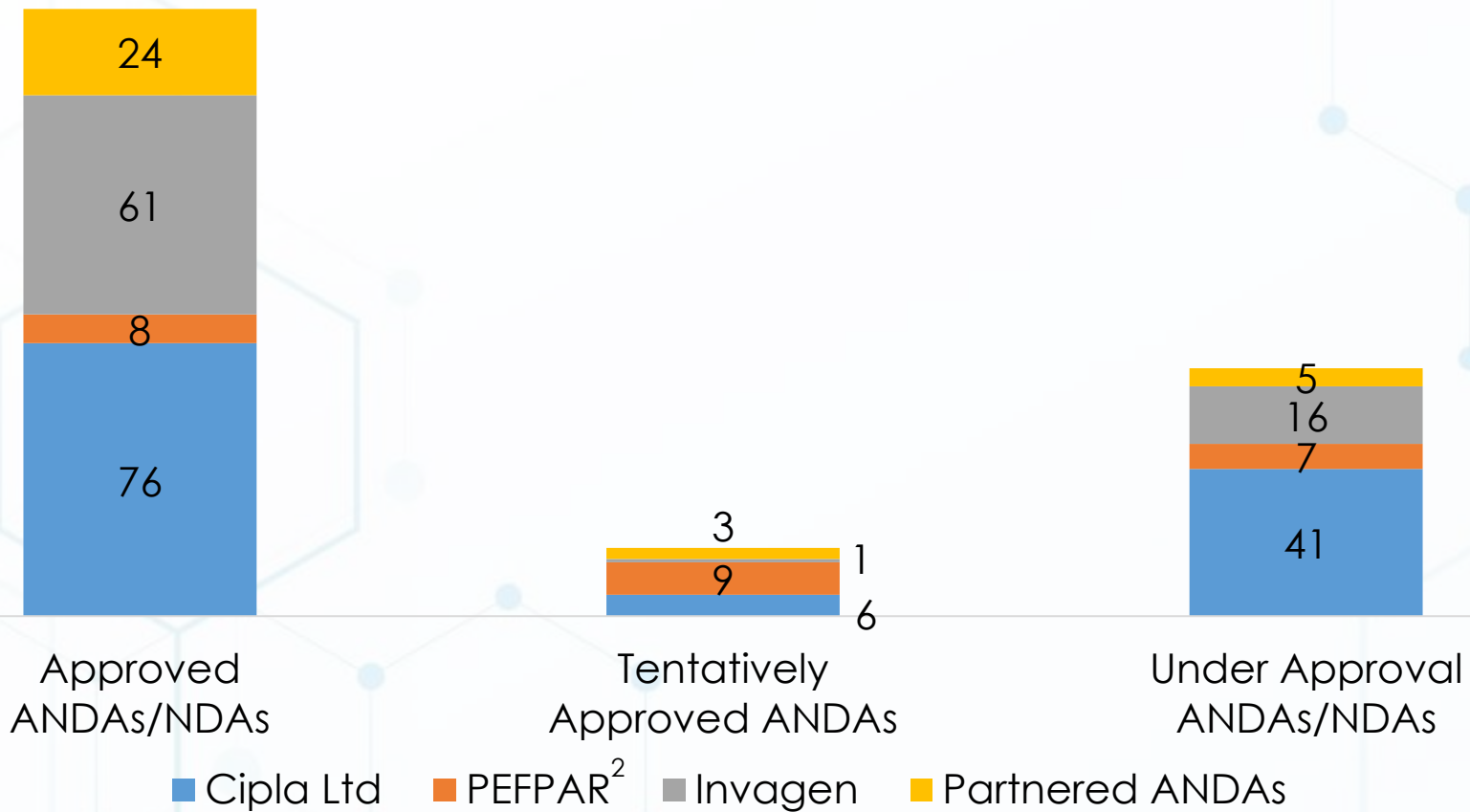
Pipeline update

- ❖ Working with USFDA on **gAdvair**;
- ❖ Initiated clinical trials on a respiratory asset

ANDA & NDA¹ Portfolio & Pipeline (As on 31st March 2022)



Total ANDAs & NDAs **169** **+** **19** **+** **69** **=** **257**



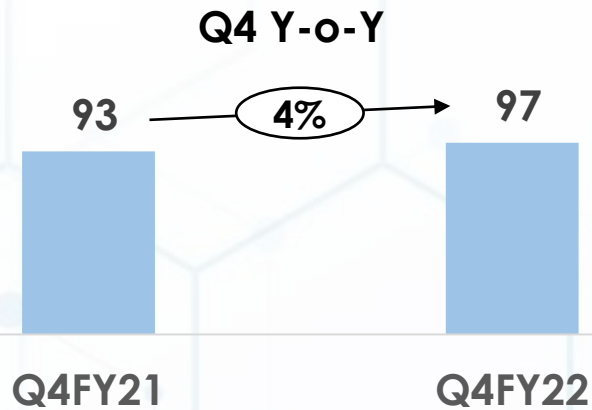
¹ Does not include Vet product ANDAs

² PEFPAR approved ANDAs can be commercialised in US

International Markets

FY22 Y-o-Y: 1%

\$ Mn



Key Business Highlights



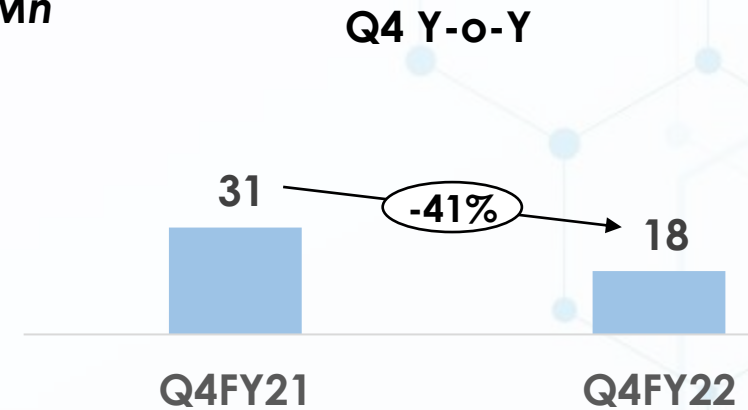
- ❖ Scale supported by strong DTM¹ growth across geographies; offset emerging market forex volatility and muted B2B demand in Europe
- ❖ Steady double-digit growth in secondary terms during the quarter

1. DTM – Direct to market

API

FY22 Y-o-Y: -5%

\$ Mn



Key Business Highlights



- ❖ Performance attributed to higher Q4FY21 base due to stock-up by customers and one-time profit share on an API supply
- ❖ Continued traction with global seedings & lock-ins

In FY22, we delivered strong progress on our strategic priorities for FY25

		<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 ~8%
	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 \$385Mn driven by strong DTM momentum
	Leverage digital capabilities to deliver transformative business and patient outcomes in the new normal	Digital patient care continuum	New digital company incorporated; enabler of digital agenda across functions
	Focus on regulatory compliance across manufacturing locations and embrace best-in class globally benchmarked ESG ² practices	Global benchmark for quality compliance & ESG	Inclusion in Dow Jones Sustainability Emerging Markets Index
	Consistent upward RoIC ³ trajectory over the long term	RoIC expansion to 17%-20% over the long term	FY22 RoIC at 21.6%

1. DTM – Direct to market | 2. Environmental, Social, Governance | 3. Return on Invested Capital (RoIC) = EBITDA - depreciation & amortization ÷ Average [(Fixed assets including goodwill + Current liabilities excluding current tax liabilities) / Current liabilities excluding current tax liabilities] × 100



Cipla

Thank You

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