



# Investor Presentation Q4FY18

22-05-2018

# Disclaimer



*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 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. Cipla Limited does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.*

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# Key Highlights

Financials Q4	Revenue Q4 FY18		EBIDTA <sup>2</sup> Q4 FY18		PAT Q4 FY18	
	Rs 3,698 Cr	<b>5%</b> YOY GST Adj	15.1%		4.8% / ~6% <sup>1</sup>	

Financials FY18	Revenue FY18		EBIDTA <sup>2</sup> FY18		PAT FY18	
	Rs 15,219 Cr	<b>6%</b> YOY GST Adj	18.6%	<b>14.2%</b> YOY	9.3%	<b>40%</b> YOY

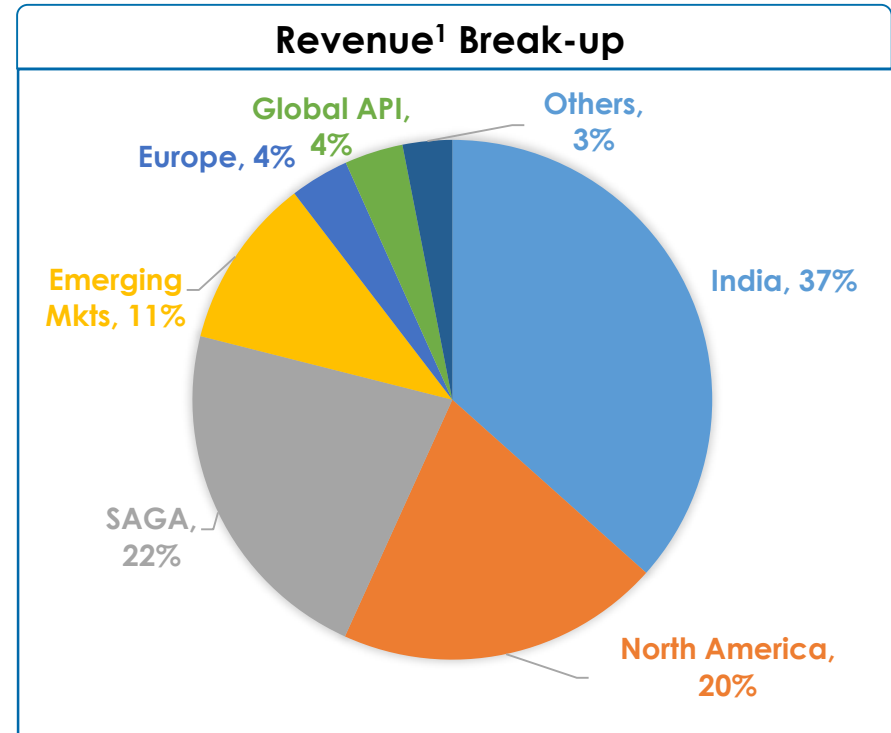
Growth across markets	India	US	South Africa (ZAR) <sup>3</sup>	Above industry growth in South Africa and key emerging markets
	<b>11%</b> vs FY17 (GST Adj) <b>21%</b> vs Q4FY17 (GST Adj)	<b>5%</b> vs FY17 (US \$) <b>8%</b> vs Q4FY17 ( \$, ex of one-off income)	<b>14%</b> vs FY17 <b>16%</b> vs Q4FY17	

R&D and Product launches	<b>Approval and launch of key differentiated products – gDacogen, gPulmicort and gAloxi</b>	<b>7.6% of revenues invested in R&amp;D in Q4</b> <b>Initiation of gAdvair trials and ground work for 2 more trials</b>
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<sup>1</sup> When adjusted for the one-off exceptional item | <sup>2</sup> Without considering the impact of exceptional item | <sup>3</sup> Excludes SA Animal Health; on reported basis

# Financial Performance – Q4FY18

Q4 FY18 (Consolidated)		
	Actuals (Rs Cr)	vs Q4 FY 17
<b>Total Income from Operations</b>	<b>3,698</b>	<b>3%</b>
a) Domestic Sales	1,387	11%
b) Int'l Sales	2,109	-6%
c) Other Operating Income	202	113%
EBITDA <sup>2</sup>	557	10%
<b>EBITDA<sup>2</sup> %</b>	<b>15.1%</b>	
PAT	179	na
PAT %	4.8%	

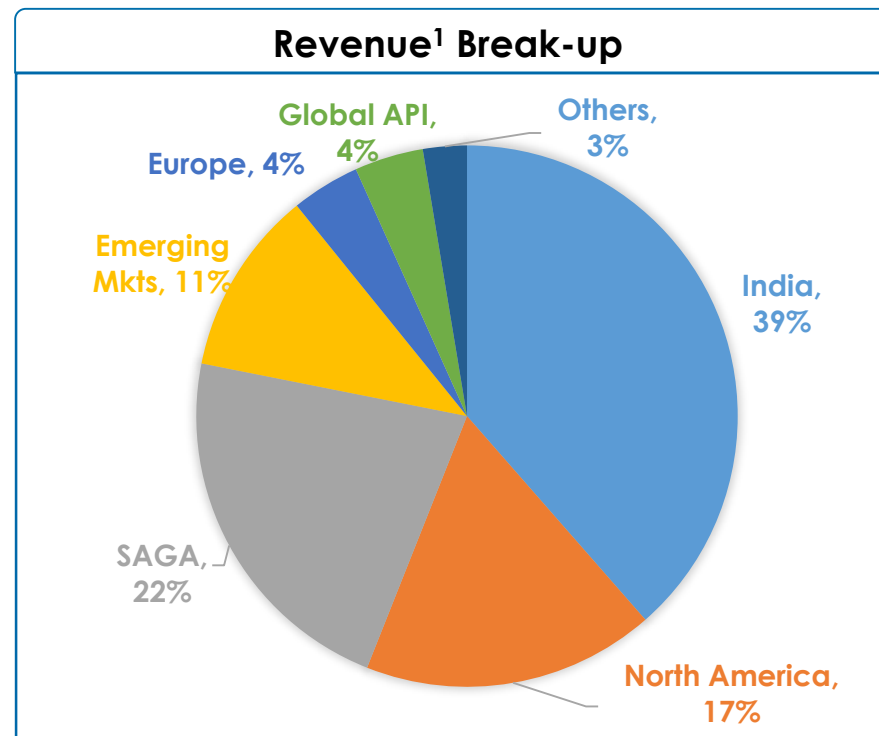


1 Others: Includes CNV business, Vet and others; SAGA includes South Africa, Sub-Saharan Africa and Cipla Global Access; Rounded-off numbers presented here

2 Without considering the impact of exceptional item in Q4

# Financial Performance – FY18

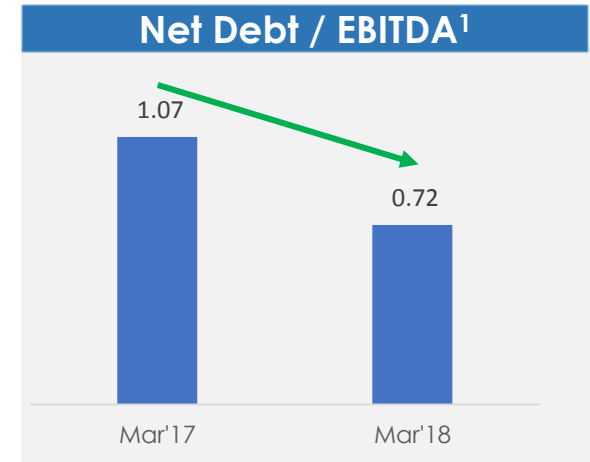
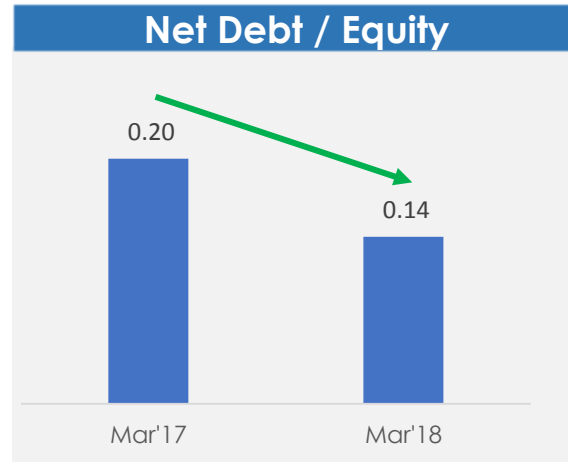
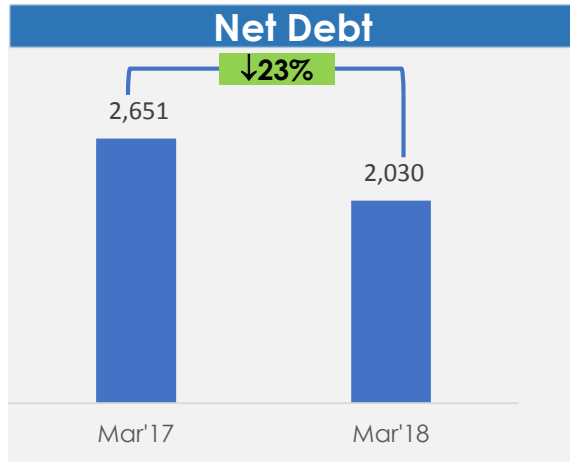
FY18 (Consolidated)		
	Actuals (Rs Cr)	vs FY 17
<b>Total Income from Operations</b>	<b>15,219</b>	<b>4%</b>
a) Domestic Sales	5,999	5%
b) Int'l Sales	8,752	2%
c) Other Operating Income	468	34%
EBITDA <sup>2</sup>	2,826	14.2%
<b>EBITDA<sup>2</sup> %</b>	<b>18.6%</b>	
PAT	1,411	40%
PAT %	9.3%	



1 Others: Includes CNV business, Vet and others; SAGA includes South Africa, Sub-Saharan Africa and Cipla Global Access

2 Without considering the impact of exceptional item in Q4

# Strong cash flow generation leading to continuous improvement in balance sheet health



Systematic approach to Capex rationalization leading to improvement in cash flow generation

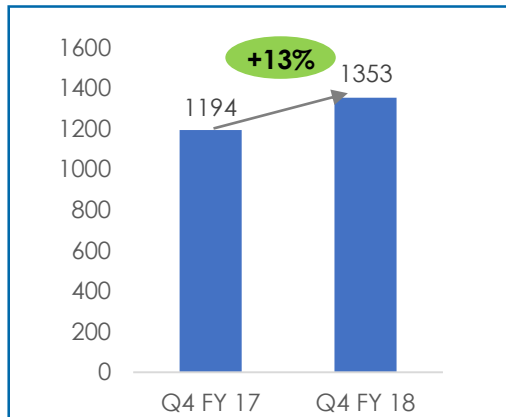
Working capital efficiencies through focused management of inventory and payables

1. EBITDA for respective Trailing Twelve Months (TTM) of the period | FY18 EBITDA excluding exceptional items

# India (Rx + Gx) Sales

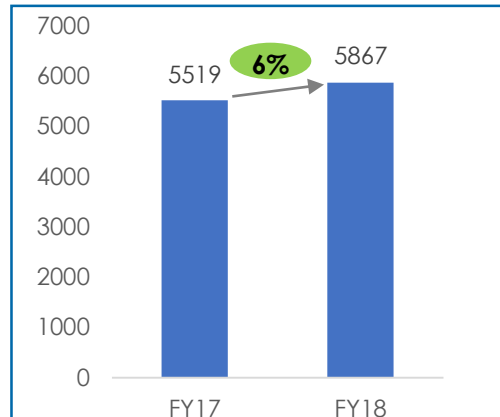
Q4 Y-o-Y

Rs Cr



FY18 Y-o-Y

Rs Cr



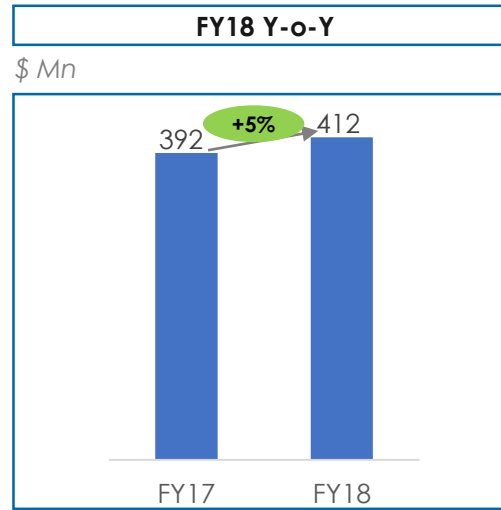
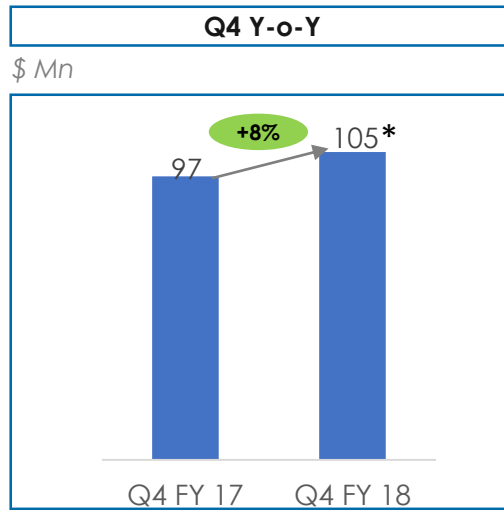
Q4: On a like-to-like basis  
GST adj growth at  
~21%

FY18: On a like-to-like basis  
GST adj growth at  
~11%

Looking at **\$1bn**  
of India Sales in  
FY19

## Key Business Highlights

- Key Therapeutic Areas delivered above market performance which includes Cardiac (9% Vs Mkt 6%), Respiratory (10% Vs Mkt 8%) and Urology (11% Vs Mkt 10%) as per IQVIA (IMS) MAT Mar'18
- Leader in Urology market in FY18 and ranked amongst top 5 CNS players as per IQVIA (IMS) Q4'18.
- Leveraging our commercial strength to build strategic partnerships with MNCs; Launched 7 in-licensed products in FY18 with Plamumab (Adalimumab) launched in Q'4 for the treatment of RA (Rheumatoid Arthritis)



## Key Business Highlights

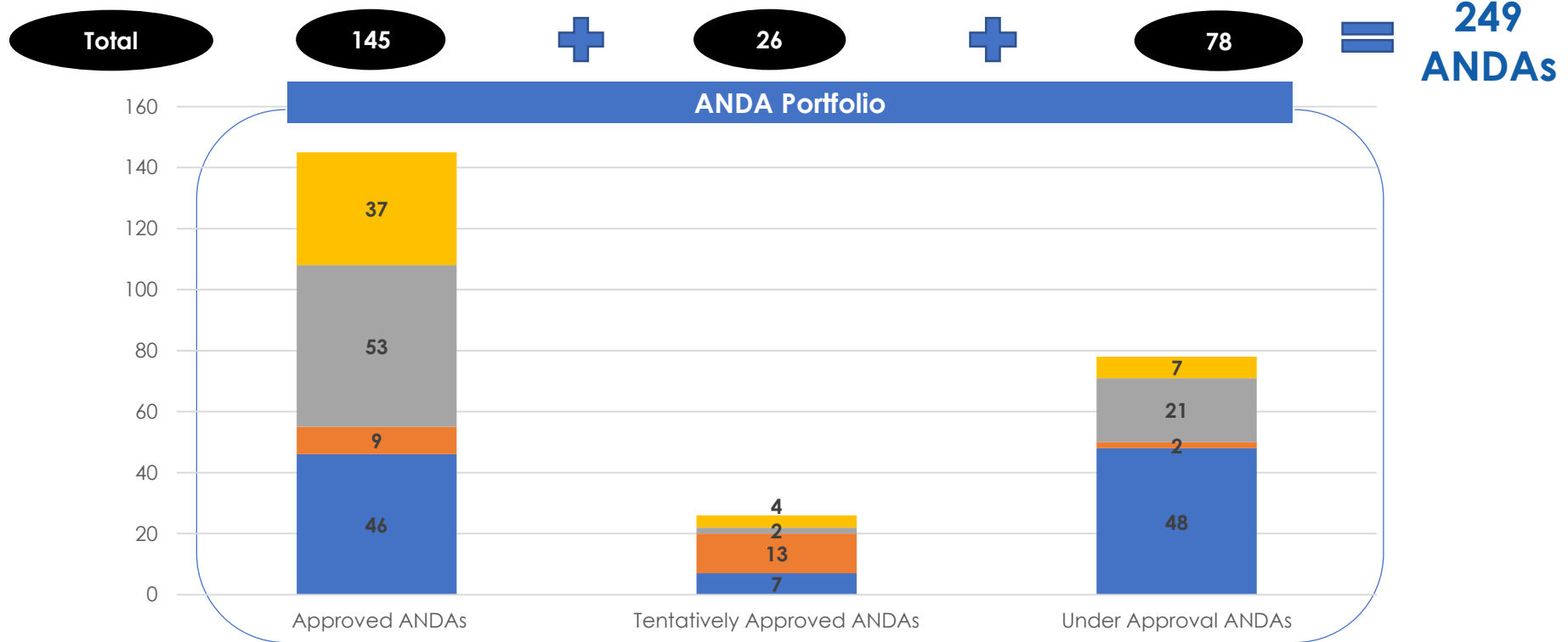
- FY18: Approval and launch of Budesonide (gPulmicort) and Decitabine (gDacogen); Healthy contracted shares for the authorized generic of Aloxi (Palonosetron)
- Consistently ranked amongst the Top 10 most dispensed generic companies in the US
- Strong performance across key existing and new products
  - 13 of the 52<sup>1</sup> (25% of portfolio) are in the leadership (#1) position.
  - 29 of 52<sup>1</sup> (56%) products ranked among top 3
- Filed 14 new products in Q4FY18 taking the full year filing count to 24 filings including 7 NCE-1s

<sup>1</sup> Covered under IQVIA (IMS); as per IMS RQTR Mar'18

\* Excluding one-time income



# ANDA<sup>1</sup> Portfolio & Pipeline (As on 31<sup>st</sup> Mar'18)



1 Does not include Vet product ANDAs

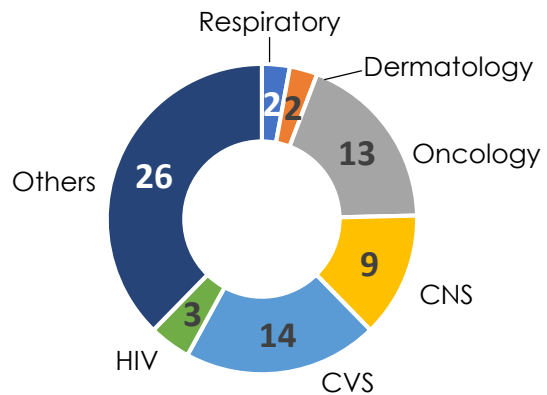
■ Cipla Ltd ■ PEPFAR<sup>2</sup> ■ Invagen ■ Partnered ANDAs

2 PEPFAR approved ANDAs can be commercialised in US

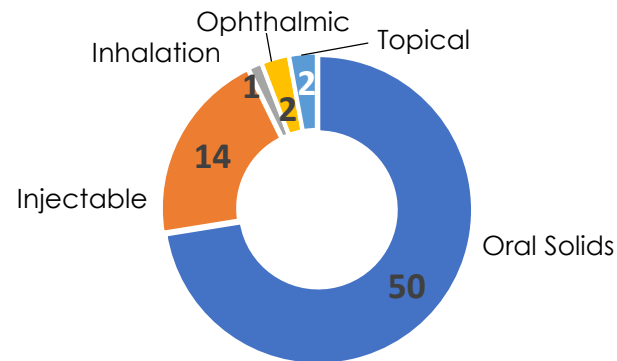
# Pipeline Update: Under-Approval ANDAs

Split of 69 under-approval products [Cipla / Invagen ANDAs]

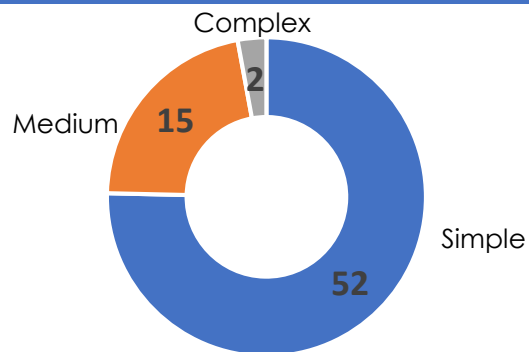
## Therapy



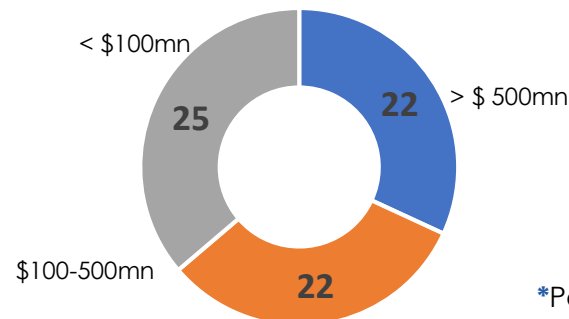
## Dosage Form



## Complexity



## Market Potential\* (Innovator Sales)



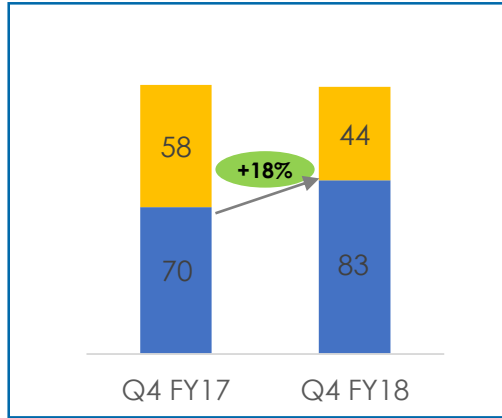
\*Per product

# SAGA: South Africa, Sub-Saharan Africa and Cipla Global Access



Q4 Y-o-Y

\$ Mn



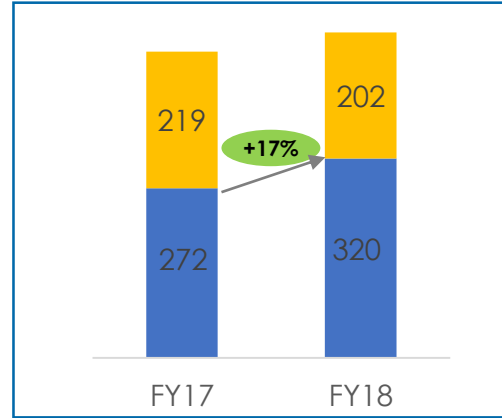
## ZAR Growth

**SA: ↑ 16%** vs Q4 FY17  
normalized for Animal Health



FY18 Y-o-Y

\$ Mn



## ZAR Growth

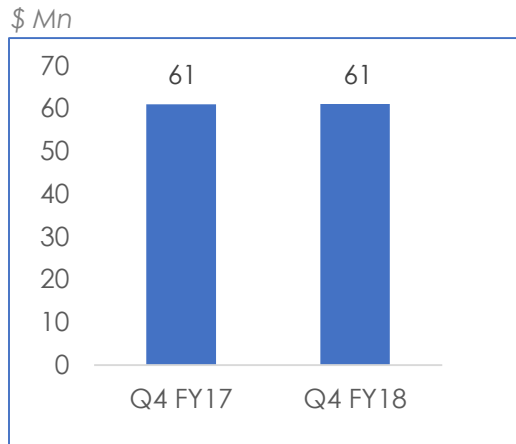
**SA: ↑ 14%** vs FY17  
normalized for Animal Health

## Key Business Highlights

- South Africa (SA) business continued strong growth momentum with 16%<sup>1</sup> year on year growth in Local Currency in Q4
- Above market growth in South Africa private market; As per IQVIA (IMS) MAT Mar'18, Cipla grew ahead of the market at 10.7% in the private market vs 8.4% market growth
- Cipla maintained its position as the 4<sup>th</sup> largest private market player and amongst one of the fastest growing companies amongst top 10 companies
- Launched first-to-market Pregablin from the Teva portfolio and will focus on delivering similar first-time offerings to patients in the near future

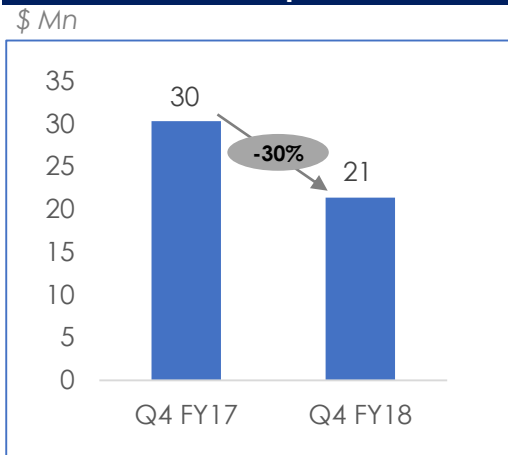
<sup>1</sup> Adjusted for Animal Health in Q4FY17

## Emerging Markets



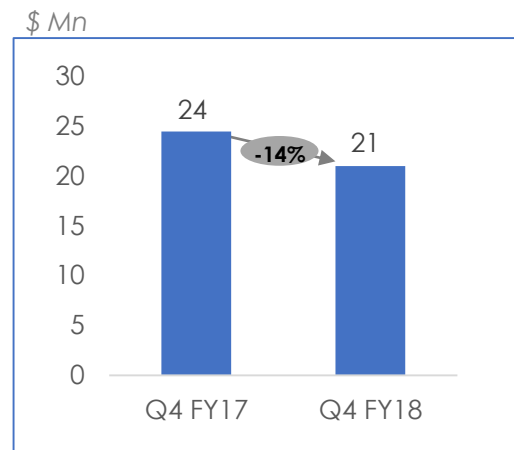
- Strengthening our business development efforts to drive future growth
- Region continues to operate under geo-political uncertainties

## Europe



- Expanded respiratory franchise with launch of Ipravent (Ipratropium bromide) in UK
- UK DTM ramp-up on track
- Significant improvement in operating margins over the year

## API



- Recorded strong year on year growth of 23% in FY18
- Strong momentum in seedings and lock-ins with key customers
- Key differentiated APIs driving growth; focus on developing a niche portfolio

# FY18 Recap: Continued progress on key priorities



**US**

Launch of differentiated products (gDacogen, gPulmicort, gAloxi); Sales ramp-up in the coming quarters

**India**

Strong growth momentum continues with strong performance across both branded and generics business

**South Africa**

Ahead of the market at 10.7% in the private market vs 8.4% market growth

**FY18 Growth**  
**+5%**

**FY18 Growth (GST Adj)**  
**+11%**

**FY18 Growth (US\$)**  
**+17%**

**Specialty**

Development of Tizanidine patch progressing smoothly; Evaluating multiple assets to build portfolio

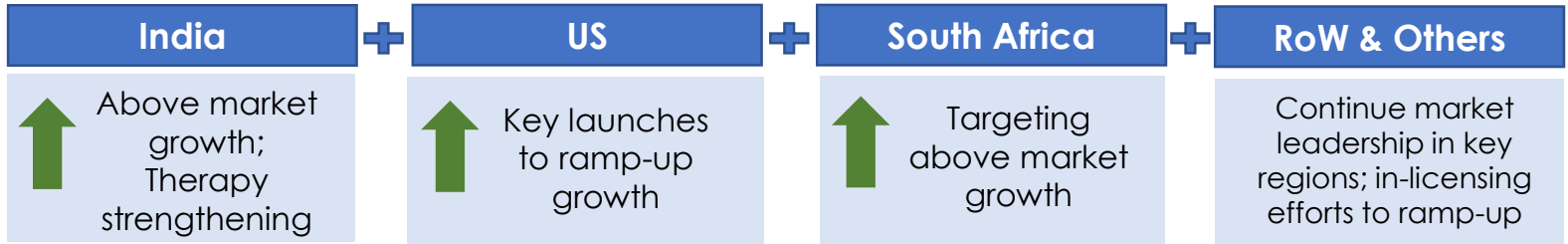
Focused efforts on finding unmet patient needs

**R&D**

Initiation of gAdvair trials; 24 new ANDAs filed during the year

**7.1% of revenues in FY18**

## Growth



## EBIDTA

**FY18** ↑

Margin expansion over FY18

## R&D spend

**7-8%** ↑

Continued investments to ramp-up US portfolio; Respiratory investments

## Planned filings

**20+ ANDAs**

Continue filing momentum for US with over 20 planned filings

## Quality & Compliance

Ensuring compliance at all our facilities will remain a bedrock of our operations and a non-negotiable agenda

# Thank you

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