



# Investor Presentation Q1FY19

08-08-2018

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# Continued progress on our key FY19 priorities

## Key Priorities

### 1 India: Growth & Therapy Strengthening

**22%**

Product partnerships with **Roche and Eli Lilly**

### 2 US: Launches & Ramp-up

**7** approvals in Q1 including **Isoproterenol** HCl Inj and **Testosterone** Cypionate Inj

### 3 US Filings Ramp-up

**5** ANDAs filed in Q1  
*On-track for 20+ ANDA filings in FY19*

### 4 South Africa: Growth

**15%**<sup>1</sup> Cipla vs 7% market growth

#### **First-to-Market**

Launches planned in Q2 including first biosimilar **Filgrastim** Injection

### 5 RoW: Growth & Biosimilars

#### **Trastuzumab**

deal signed for key Emerging Markets (ANZ, Colombia and Malaysia)

### 6 Quality & Compliance

#### **EIR for Goa & Indore Plants Received**

Continued focus on maintaining compliance & control at all manufacturing locations

<sup>1</sup> IQVIA (IMS) MAT Jun'18

# Cipla SA signs a definitive agreement to acquire 100% stake in Mirren (Pty) Ltd.

Deal is subject to SA Competition Commission Approval




Key Transaction Financials	Mirren Revenue FY18	OTC Growth in SA	Valuation Metrics
	ZAR 152m  <b>29%</b> vs. LY	<b>11%</b> ~300bps higher than overall market	ZAR 450m 3x FY18 Sales

<p><b>Coryx: Cough &amp; Cold</b></p> <p> <b>15%</b></p> <p>Tab &amp; syrup market growth (Cough &amp; Cold)</p> 	<p><b>Broncol: Cough &amp; Cold</b></p> <p> <b>90%</b></p> <p>Syrup market growth with no codeine (Cough &amp; Cold)</p> 	<p><b>Tensopyn: Pain Mgmt.</b></p> <p> <b>50%</b></p> <p>Tab &amp; syrup market growth (Pain Mgmt)</p> 	<p><b>Ultimag: Mag &amp; Zinc Supplement</b></p> <p> <b>30%</b></p> <p>Tab &amp; syrup market growth (Mag &amp; Zinc Supplement)</p> 
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**Local manufacturing facility** for liquids, OSD & Effervescent

- Synergies & Capabilities**
- Play in the ZAR11Bn OTC market
  - Accelerate OTC business to reach ZAR 1Bn
  - Expand presence in Pain, Cough & Cold therapeutic area
  - Access to local liquid manufacturing facility

**Cipla OTC**

18% of Cipla overall business  **14%** YOY

Targeted Market ZAR3bn



**Cipla + Mirren**

22%+ of Cipla overall business

Targeted Market ZAR14bn

# Financial Performance – Q1FY19

**Revenues** INR 3,939 Cr **↑12%**  
YoY

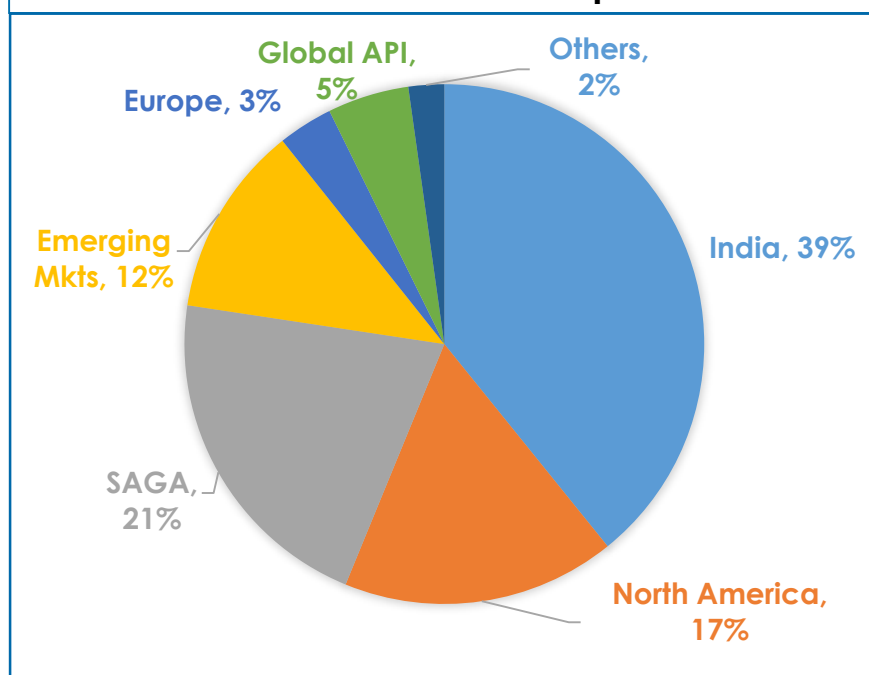
**EBITDA** 18.4% **↑12%**  
YoY

**PAT** 11.5% **↑10%**  
YoY

## Q1 FY19 (Consolidated)

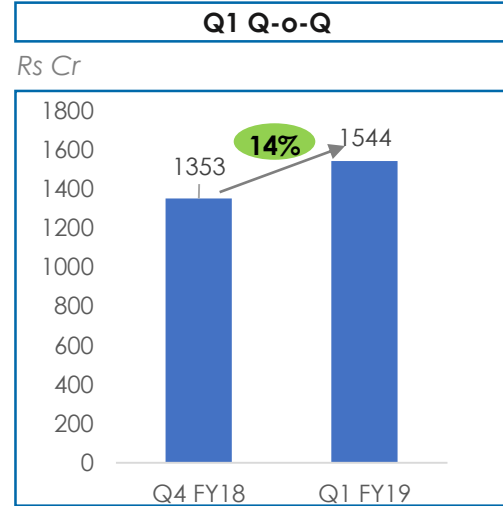
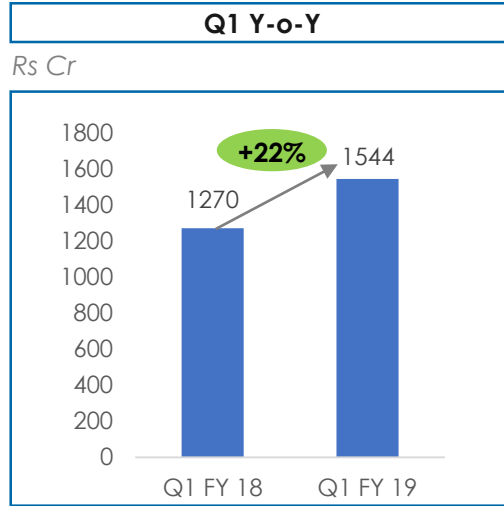
	Actuals (Rs Cr)	vs Q1 FY 18
<b>Total Income from Operations</b>	<b>3,939</b>	<b>12%</b>
a) Domestic Sales	1,559	20%
b) Int'l Sales	2,287	7%
c) Other Operating Income	93	-
EBITDA	726	12%
<b>EBITDA %</b>	<b>18.4%</b>	
PAT	451	10%
<b>PAT %</b>	<b>11.5%</b>	

## 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

# India (Rx + Gx) Sales



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

- Key therapeutic areas delivered above market performance which includes Cardiac (11.3% Vs Mkt 7.5%), Respiratory (11.2% Vs Mkt 9.1%), Urology (14.5% Vs Mkt 13.1%) and CNS (7% Vs Mkt 4.7%)
- **Continued leadership position** in Respiratory and Urology and ranked amongst top 5 in CNS, Cardiac and Anti-infectives
- **Strategic partnership with Roche** India: Strengthened Oncology portfolio with the launch of 3 MABs (Bevacizumab, Trastuzumab & Rituximab)
- Diabetes franchise development: Partnered with Eli Lilly to market and distribute **insulin glargine injection (Basaglar)<sup>2</sup>**

1. IQVIA (IMS) MAT Jun'18 | 2. Upon final approval

# North America: Driving Value-Play in the US market through rationalization of select product categories and ramp-up of new launches

**1** Q1FY19<sup>1</sup>  
Contribution from new products launches in last 12 months

**30%**  
of Q1FY19 **DTM** Revenues

**19%**  
of Q1FY19 Revenues

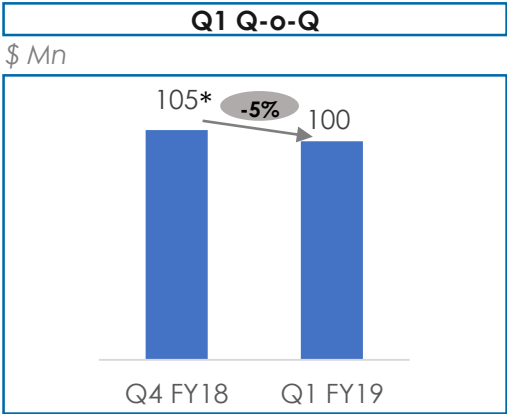
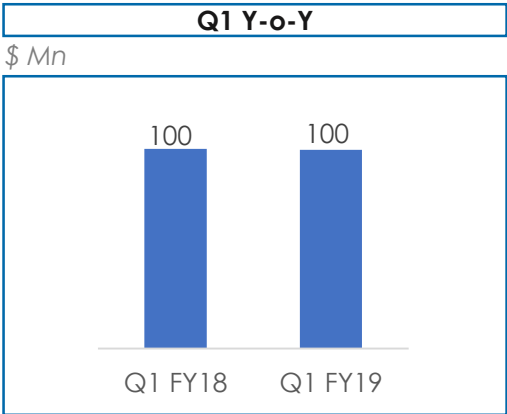
**2** Significant Gross Margin Improvement driven by product rationalization and ramp-up of new launches

**+300bps**  
Improvement in overall DTM (Cipla & Invagen) business Gross Margin%

**15%pp**  
Improvement in Cipla DTM business Gross Margin%

**~\$5mn** impact due to rationalization of low-margin SKUs

**90%** of new product revenues in Q1 contributed by **Budesonide, Decitabine, Palonosetron & Isoproterenol**



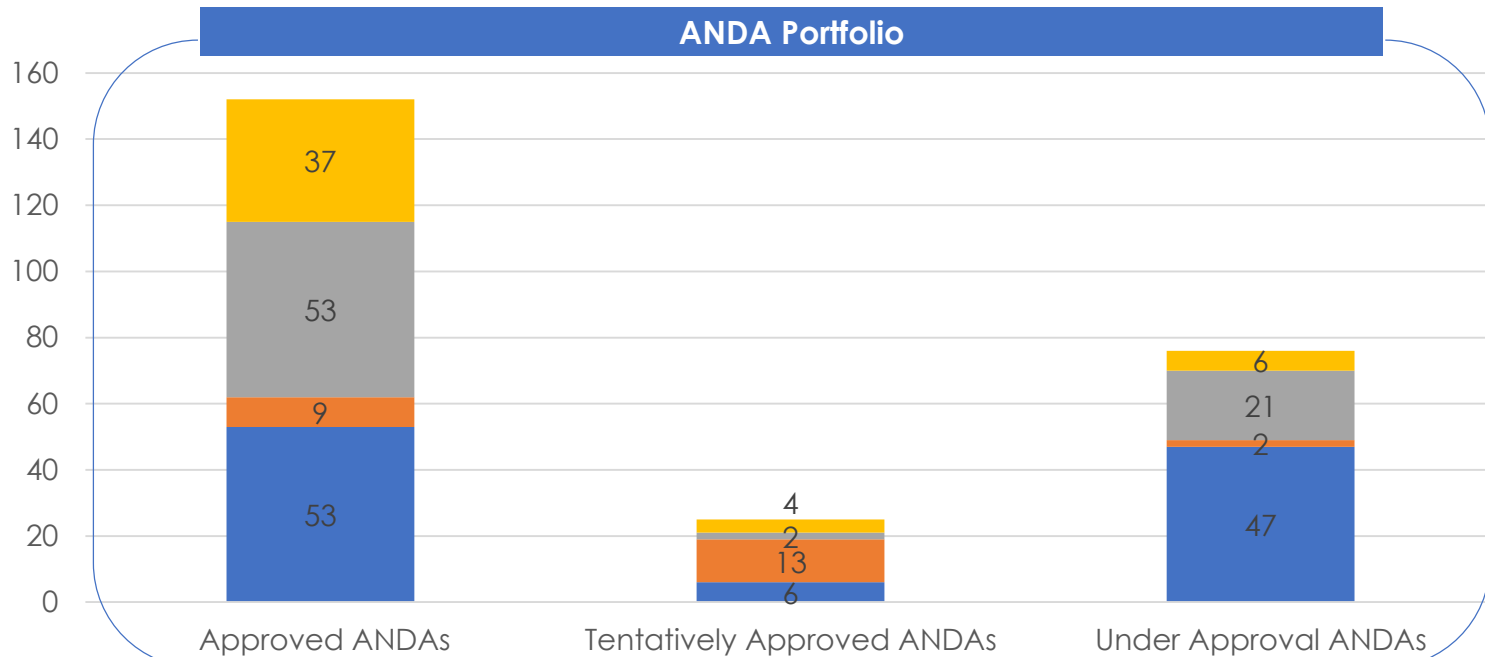
\* Excluding one-time income

<sup>1</sup> Only DTM revenues of new launches considered

# ANDA<sup>1</sup> Portfolio & Pipeline (As on 30<sup>th</sup> June 2018)

**Cipla**

Total
+
152
+
25
+
76
=
253  
ANDAs



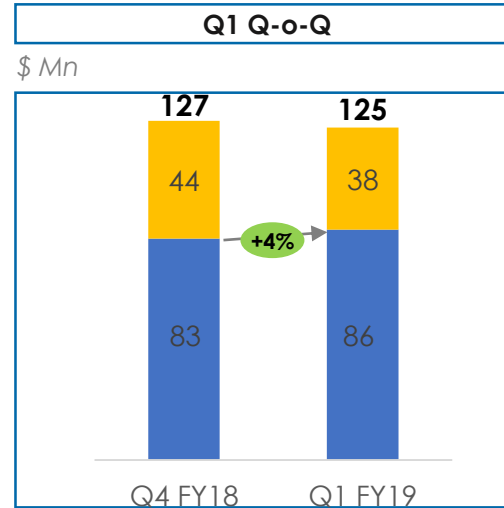
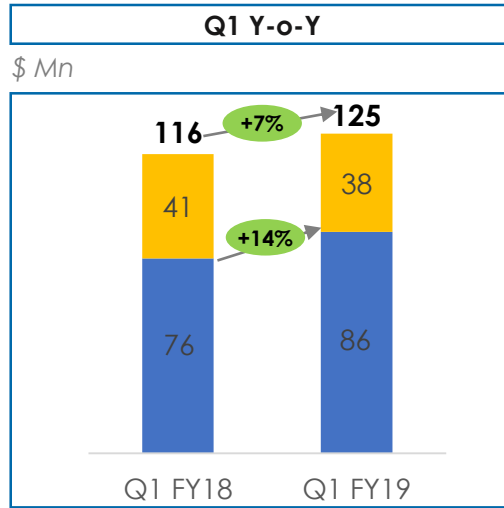
<sup>1</sup> Does not include Vet product ANDAs

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

<sup>2</sup> PEPFAR approved ANDAs can be commercialised in US



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



**ZAR Growth**  
**SA: ↑ 14%** vs Q1 FY18 normalized for animal health



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

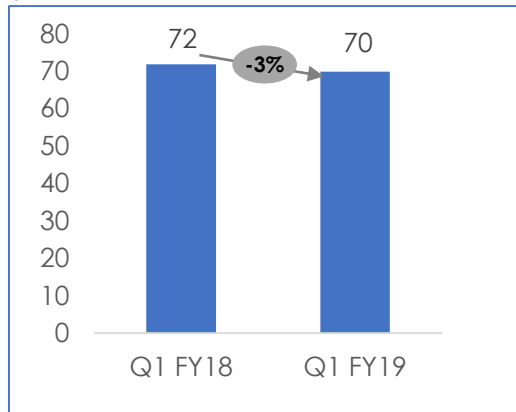
- Above market growth in South Africa private market; Cipla continues to outpace market growth at 15% vs 7%
- Cipla maintained its position as the 4th largest pharmaceutical company in the private market with **6% market share**
- Strong momentum in **Sereflo Synchrobreathe** growing at 45% vs Q1FY18
- First to market launches planned in Q2 including the **first biosimilar Filgrastim Injection (Teva portfolio)**

<sup>1</sup> IQVIA (IMS) MAT Jun'18

\*Financial numbers are rounded off

## Emerging Markets

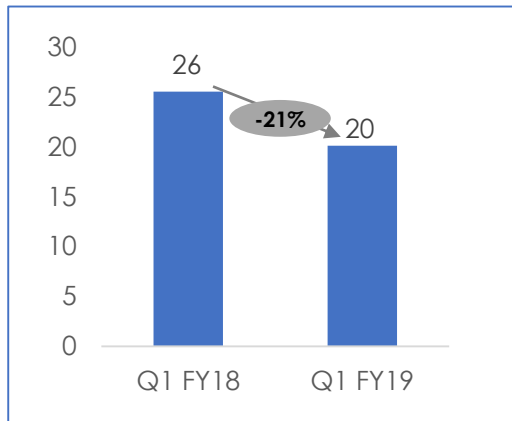
\$ Mn



- **ANZ Portfolio:** Azacitidine injection approved in Australia; Dymista launched in NZ
- **Morocco:** Pharma status received for Cipla Morocco plant
- **Colombia:** 5 new product launches and 4 approvals

## Europe

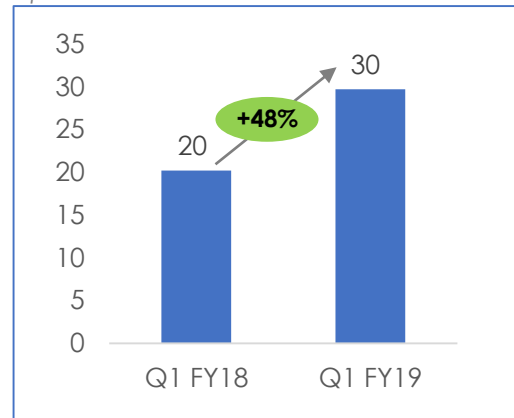
\$ Mn



- **Europe Hospital segment strategy** execution with Bosentan as the first product
- **UK FPSM:** Continued traction with channel partners

## API

\$ Mn



- Continued momentum in **seedings and lock-ins**
- **Respiratory** continues to be the largest component (36% of overall) of the business

# Recap of progress on our key FY19 priorities and some emerging challenges

**India** • Strong Y-o-Y growth in India business ( ↑ 22%)

**US** • **Differentiated approvals:** Isoproterenol HCl Inj and Testosterone Cypionate Inj  
 • **Filings:** 5 ANDAs filed in Q1; on track to file 20+ in FY19

**South Africa** • 15% Cipla vs 7% market growth; first biosimilar launch planned for Q2  
 • **Mirren\*** acquisition to give OTC boost

**EM** • Biosimilar portfolio development efforts underway  
 • **Trastuzumab:** deal signed for key Emerging Markets (ANZ, Colombia and Malaysia)

**Quality** • EIR received for **Goa & Indore** plants

## Emerging Challenges

China, commodities and oil linked cost inflation pressure

Continued geo-political volatility in emerging markets

\*Deal is subject to South Africa Competition Commission Approval

# Thank you

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