

7th August, 2020

(1) BSE Limited
Listing Department,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

(2) National Stock Exchange of India Limited
Listing Department
Exchange Plaza, 5th floor,
Plot no. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051

Scrip Code: 500087

Scrip Code: CIPLA EQ

(3) SOCIETE DE LA BOURSE DE LUXEMBOURG
Societe Anonyme
35A Boulevard Joseph II,
L-1840 Luxembourg

Sub: Investor Presentation

Dear Sir/ Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed investor presentation dated 7th August, 2020.

This is for your information and record.

Thanking you,

Yours faithfully,
For Cipla Limited

Rajendra Chopra
Company Secretary

Encl: as above

Prepared by: Pratiksha Mangaonkar



Investor Presentation Q1FY21

07-08-2020

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 including impact of Covid-19 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.

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Delivering on our promise of 'Caring for life'

Patients

- **Comprehensive presence across the Covid care continuum**
- **Accelerated launch of the largest Covid-19 portfolio in the country**
 - Cipremi® (Remdesivir)
 - Actemra® (Tocilizumab)
 - Ciplenza® (Favipiravir)
 - Ciphands® (Hand Sanitizer)
- 24/7 support & Toll-Free Helpline for availability of essential medicines

Physicians

- Supported onboarding of 10K+ doctors on multiple **telehealth platforms to facilitate on-demand consultations**
- Engaged 75k+ doctors through Webinars, e-adboards and e-CMEs (Continuing medical education)
- Support to Healthcare professionals (HCPs) and paramedical staff with **Covid healthcare management** training program
- Distributed 1.2 lac PPE Kits, 30 lac+ masks, 20 lac+ sanitizers, 11 lac gloves

Employees

- Embracing changed working norms with **work-life assistance program**
- **Multiple programs** initiated to ensure employee **safety and support to their families**
 - Medical emergency coordination committee
 - Financial assistance policy

Supporting the Indian government's efforts to effectively combat the pandemic with INR 25 Cr 'Caring For Life' Fund

Business re-imagination, resilient operations and lower costs drive Q1 performance

Overall Revenues  **9%**
(YoY Growth)

1 Strong EBITDA margin expansion led by cost control

24%
Q1FY21

~145bps
YoY expansion  **16%**
YoY

~923bps
QoQ expansion  **61%**
QoQ

2 Strong growth across branded franchise of India & SA

One India  **16%**
YoY **4th consecutive**
quarter of market
beating growth

India Rx
South Africa Pvt
 **24%**
YoY in ZAR Terms

3 US business continues to scale-up with ramp-up of new launches

US\$135mn
Q1FY21 Revenues

 **14%**
QoQ

*Strong Albuterol
ramp-up*

4 Strong execution on **cost optimization** and **ZERO Net-debt**

Other Expenses  **27%**
QoQ

 **17%**
YoY

Net Debt **(-) INR 50 Cr**

*Zero net debt
position & strong
liquidity*

Significant efforts and focus across the organization to enable business operations



1 Business Re-imagination

Accelerated digital adoption to connect healthcare ecosystem and **identifying value generating near term tailwinds**

2 Significantly lower costs

Strong optimization by identifying avenues for **reduction of cost drivers**

3 Operational Resilience

Strong back-end & front-end operations management to ensure serviceability and patient access

4 Collaborative Stakeholder Partnerships

Various initiatives to help our vendors and channel partners maintain liquidity and sustain in a challenging environment

5 Cash & Liquidity Management

Significant net cash addition through focus on **cash conservation** and liquidity management

Financial Performance – Q1FY21

Revenues INR 4,346 Cr  9%

Q1 FY21 (Consolidated)

	Actuals (Rs Cr)	vs Q1 FY 20
Total Revenue from Operations	4,346	9%
EBITDA	1,049	16%
EBITDA % of revenue	24%	145 bps
PAT	578	21%
PAT % of revenue	13%	131 bps

R&D

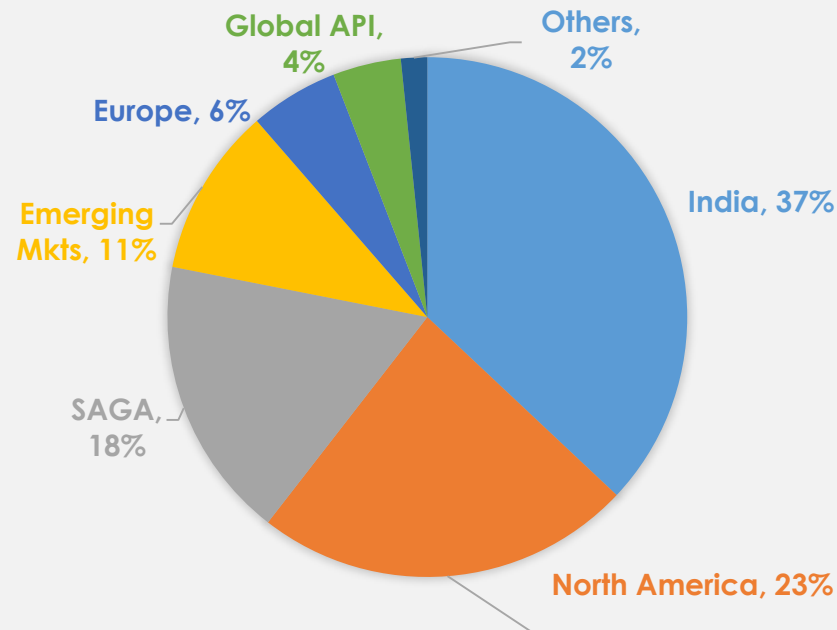
INR 200 Cr
4.6% to sales



36% Focused R&D
QoQ investments

EBITDA INR 1,049 Cr | 24%  16% YoY

Revenue¹ Break-up



¹ India includes Rx + Gx+ CHL; Others: Includes CNV business ; SAGA includes South Africa, Sub-Saharan Africa and Cipla Global Access; Figures have been rounded-off

India (Rx + Gx+ CHL¹) : Resilient execution driving growth across businesses in India

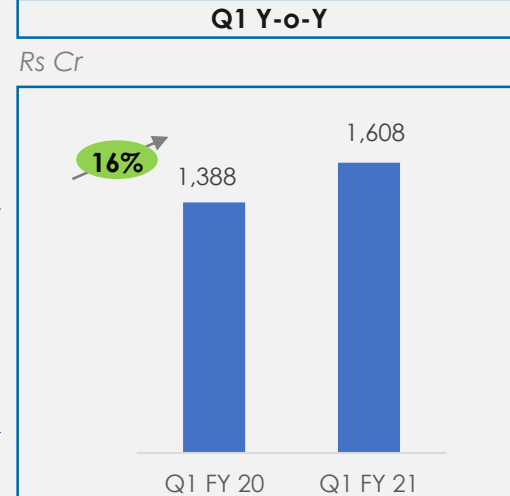
Cipla

Key Business Highlights²

- The **Rx business** grew **9%** YoY led by strong traction in chronic therapies despite lock down challenges; continued servicing of patients with Covid portfolio
- Outperformed the market in Respiratory, Inhalation and Urology while Cardiology reported strong double digit growth
- Performed better than the market in CNS, Ophthalmology and Dermatology
- Key acute therapies witnessed a sharp recovery in June'20 over May'20; trends to be tracked closely for Q2
- Trade generics business grew 46%** YoY on a base adjusted for CHL transfers
- CHL:** Growth driven by strong portfolio expansion; Ciphands generated INR 30+ crore revenue for the quarter

Therapy	Market rank	Market share	Cipla growth ²	Market growth ²
Overall Chronic	2	7.4%	7%	5%
Respiratory	1	25.7%	5%	-2%
Inhalation	1	68.9%	6%	4%
Urology	1	16.3%	5%	-6%
Cardiology	4	5.5%	10%	12%

India Rx
4th consecutive
quarter of market
beating growth



9%
Q1 YoY

India Rx

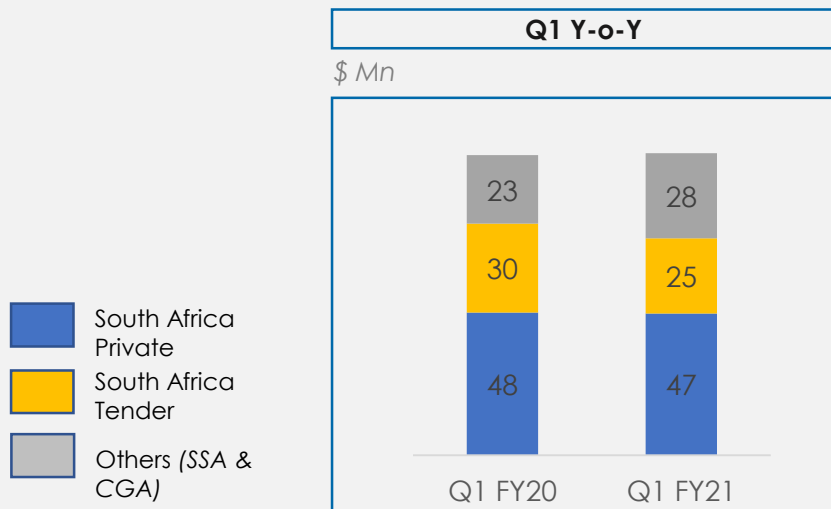
46%
Q1 YoY
 (Adjusted CHL product transfer in base)

India Gx

INR 100 Cr
Q1FY21

CHL

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



South Africa Market
↑ **17% Q1 YoY**
ZAR Terms

South Africa Private
↑ **24% Q1 YoY**
ZAR Terms

South Africa Tender
↑ **6% Q1 YoY**
ZAR Terms

Key Business Highlights²

- Growth in the quarter driven by strong demand across prescription, OTC and tender business volumes
- Private business grew by 6.6% while market declined by 1.2%; continued to be the 3rd largest pharmaceutical corporation (Rx + OTC) within the SA private market with 7.2% market share
- OTC market share stood at 7.7%; maintained 3rd overall and 1st in addressable market; grew at 9.3% while market declined by 0.5%

North America: Significant growth driven by contribution from new launches and Albuterol ramp-up

Continued momentum in complex and differentiated launches

Generic Albuterol ramp-up on track

DHE Nasal spray launched with 180 day CGT exclusivity

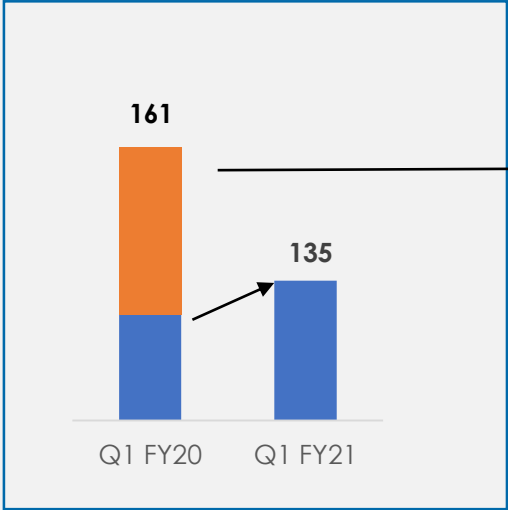
Launch of Icatibant pre-filled syringe

Key Business Highlights

- Generic Albuterol launched and gaining significant market share in Proventil HFA market
- Litigation settlement with Amgen on Cinacalcet
- Pipeline Update:**
 - Launched dihydroergotamine mesylate nasal spray with 180 day of CGT exclusivity
 - Launch of Icatibant injectable pre-filled syringe
- US Specialty:**
 - CNS Out-licensing:** Actively exploring partnerships for the other CNS asset
 - Working with USFDA for IV Tramadol NDA goal date

Q1 Y-o-Y

\$ Mn

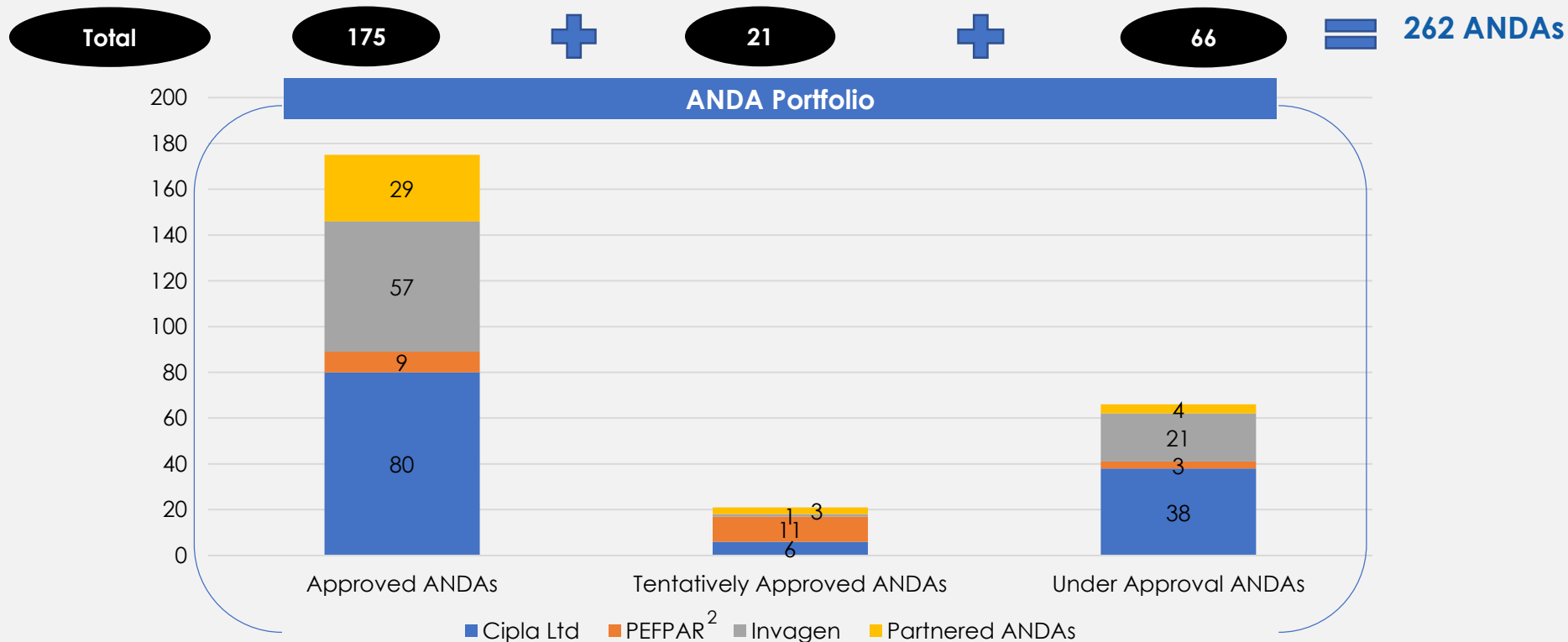


Base includes Cinacalcet

Strong YoY growth adjusted for Cinacalcet in base

14% QoQ

ANDA¹ Portfolio & Pipeline (As on 30th June 2020)

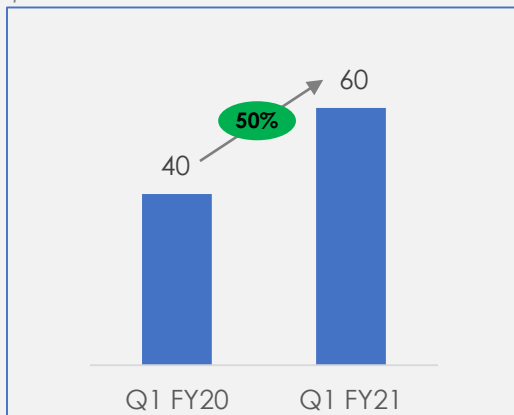


¹ Does not include Vet product ANDAs

² PEPFAR approved ANDAs can be commercialised in US

Emerging Markets

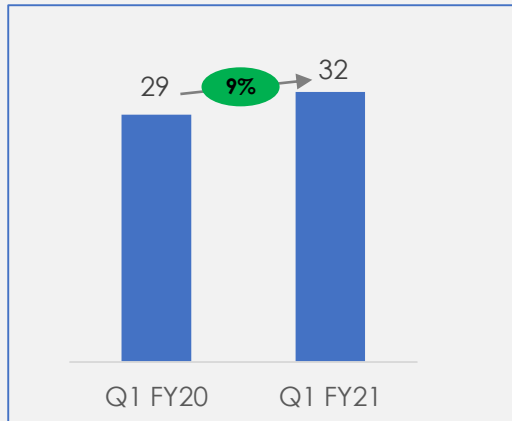
\$ Mn



- Growth in the quarter driven by strong demand and base effect from last year; adjusted growth for the quarter is 10% YoY
- Expanded the biosimilar franchise with 4 more molecules
- Continued focus on value generating DTM markets

Europe

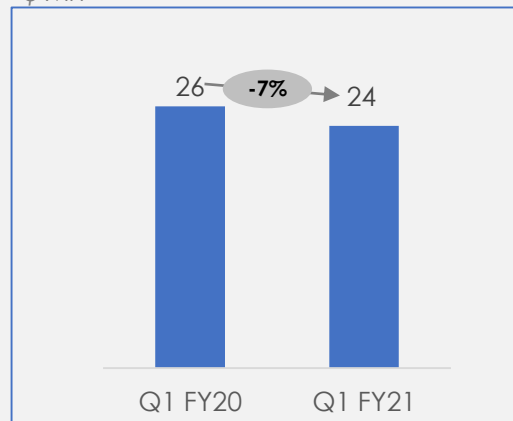
\$ Mn



- Strong performance in key DTM¹ markets
- FPSM pMDI market share is 20%² and Beclomethasone 9%² in UK

API

\$ Mn



- Adjusted YoY revenue growth at 11% for one-time order in Q1FY20
- Continued momentum with global seedings & lock-ins
- Continues to deliver higher margins on product mix and pricing

Continued progress across our key strategic priorities



One-India

- **Continue to drive synergies across the three businesses**
- Rx growth 9% YoY
- Naselin and Clocip brands transitioned from trade Gx to consumer
- 5 transitions since Q4FY20; sharp consumer insights and strategic promotion
- GoApptive investment to expand reach beyond tier-2 markets
- Significant business re-imagination and digital adoption

South Africa¹ & Emerging markets

- **Private market execution in SA**
- Fastest growing corporation in private market; new brands significant growth driver
- 3rd largest within the SA private market with 7.2% market share
- OTC market share stood at 7.7%; 3rd overall and 1st in addressable market
- Expanding biosimilar franchise with 4 deals signed in emerging markets

US Generics

- **Continue to build the US Generics pipeline with differentiated products**
- Strong ramp-up in Albuterol
- DHE Nasal spray and Icatibant prefilled syringe launched
- Focused R&D investments towards value accretive assets
- Actively exploring partnerships for CNS asset

Lung leadership across markets

- **Leveraging Cipla's drug-device capabilities to establish a global franchise**
- 2nd largest inhaler selling company with ~120²m units sold globally
- Unlocking of the Respiratory franchise in the US with healthy market share gain in Albuterol
- Continued pipeline expansion with differentiated products
- Leadership position in Respiratory across multiple markets in EMs

Priorities for the coming quarters: Sustaining growth through the pandemic



1

Sustaining leadership in the post pandemic environment

- Business re-imagination and cost optimisation for adapting to the new normal and continued delivery across multiple strategic priorities
- Proactively de-risking the business by diversifying sources for critical APIs, intermediates and KSMs and maintaining adequate inventory levels of finished goods in the channel

2

India

- Driving market beating growth in India business through focused execution of the One-India Strategy
- Leverage digital transformation for fortifying channel and leveraging demand patterns

3

South Africa

- Continue market outperformance in the private market portfolio with new launch momentum
- Sustain the dominant play in the OTC space and drive further growth in the Mirren portfolio

4

US:

- Drive share and focus on maximizing value opportunity across key assets including Albuterol
- Continue to track Respiratory filings closely; focused R&D investments
- Finalize out-licensing for CNS Specialty assets; work with US FDA on IV Tramadol

5

Quality and Compliance

- Work with US FDA to comprehensively address the observations in Goa
- Continue to operate our facilities globally with the highest level of compliance and control

Thank you

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www.cipla.com