

15th May, 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 15th May, 2020.

This is for your information and record.

Thanking you,

Yours faithfully,
For **Cipla Limited**

Rajendra Chopra
Company Secretary

Encl: as above

Prepared by: Mandar Kurghode

Cipla Ltd.

Regd. Office - Cipla House, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013, India. **Phone:** +91 2224826000
Fax: +9122 24826120 **Website:** www.cipla.com **Email:** contactus@cipla.com **Corporate Identity Number:** L24239MH1935PLC002380



Investor Presentation Q4FY20

15-05-2020

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.

The investor presentation is not intended to endorse, advertise, promote or recommend the use of any products listed in it which are for representation purpose only, some of which are reference listed drugs of which the Company has approved, under approval or under development generic equivalents. The prefixes "g" and "generic" used interchangeably indicate the generic versions of the named brand drugs.

Information relating to any medical products or medical devices contained herein is provided by Cipla for general information purposes only. Information on any of the medical products or medical devices may vary from country-to-country. A reference to a medical product or a medical device does not imply that such medical product or medical device is available in your country. The commercial availability of the medical products or medical devices listed herein in your country is dependent on the validity and status of existing patents and/or marketing authorizations related to each. An independent enquiry regarding the availability of each medical products or medical device should be made for each individual country.

The product information contained herein is not intended to provide complete medical information, and is not intended to be used as an alternative to consulting with qualified doctors or health care professionals.

Nothing contained herein should be construed as giving of advice or the making of a recommendation and it should not be relied on as the basis for any decision or action. It is important to only rely on the advice of a health care professional.

Navigating the Pandemic: Continuing focus on our strategic priorities while combatting Covid-19



Our key priorities as we continue to deliver on our promise of 'Caring for life'

1

Safety of our employees, patients and communities we serve

Central **Covid-19 Response Task Force** set-up under the guidance of Management Council to ensure safety and well-being of our employees; strict adherence to social distancing norms and sanitization practices at all plants and sales depots

Set-up an **INR 25 crore 'Caring for Life' COVID-19** dedicated fund to support patients, the healthcare ecosystem and communities including contribution from employees and contributions to PM Cares Fund and State Disaster management

To **safeguard frontline healthcare workers**, Cipla has supplied essential items such as masks, personal protective equipment (PPE), gloves and sanitizers to frontline health workers in its global markets including India

2

Ensuring continuity of our business to serve patient needs

Relentless efforts and **high execution focus on managing manufacturing, supply chain** – both back end supplies and front-end logistics; announced OneCipla Credo Award for plant and R&D colleagues

Central task force set-up to **ensure real-time assessment of costs and cash position** with weekly governance to eliminate inefficiencies and support liquidity

Scale-up **trajectory of new launches on track** and continuing the focus on respiratory clinical trials; strong partnership with regulatory bodies to deliver critically needed medicines in the Respiratory space; Agreement signed with Gilead for **Remdesivir**

In FY20, we made significant progress across our key priorities



1

India

Drive market beating growth

- India Rx delivers **3rd consecutive quarter of market beating double digit growth; full year growth at 9%**
- Trade generics continues to drive growth with 15%¹ in Q4; second growth quarter in a row post stabilizing of model change implemented in Q1

2

South Africa

Continue private market and OTC momentum

- South Africa private business delivered **11% growth on a year on year basis**; continued to out-perform the market
- **Emerged one of the largest player in the OTC² market** led by strong growth in Mirren portfolio

3

US

Drive Respiratory pipeline progress and IP-enabled opportunity

- **Delivered growth of 12% on a full year basis**; scale-up beyond USD500Mn
- **Validation and successful execution of high investment limited competition portfolio** with Albuterol approval and completion of trials for generic Advair®; filed another complex inhalation asset
- Approval received for **Esomeprazole for Oral Suspension with a 'First-to-File'** on the 10mg strength

4

Quality and Compliance

- Working with US FDA to comprehensively address the observations in Goa
- Over the last 15 months, FDA inspections covered most of our facilities outside Goa; we have already received EIR for all of these

Update on our strategic priorities: Harvesting growth opportunities across our businesses



1

'One-India'

Bringing together the might of 3 businesses

- **Portfolio Synergies:** Successful transitions of select brands with high consumerization potential to consumer from trade generics - **Omnigel consumer campaign, Prolyte, Maxirich and Mamaxpert.**
- **One Distribution:** Building task force to deepen channel engagement, investing in strategic partnerships and smart analytics
- Enhancing patient connect through respiratory awareness campaigns (#BeRok, Breathefree) and one therapy consumer platforms

2

South Africa and Emerging Markets

Private market execution in SA; consolidated presence in EMs

- 3rd largest player overall in SA with market share of 6.9%; growing 2x the market
- OTC market share of 7.1% growing at 2x market with strong growth in Mirren Portfolio
- Focus on top 4 DTM markets in Europe and top 10 DTM markets in Emerging markets to drive growth
- Strategic in-licensing and partnerships deals driving portfolio expansion (such as Novartis partnership in Australia)

3

US Generics and Specialty

Focused and moderated investments across Gx R&D and Specialty built-up

- Continue to build the US Generics pipeline with differentiated products; successful execution of high investment projects, R&D investments to moderate going forward
- **CNS Out-licensing:** Sub-licensed NCE CNS asset to a partner for further development and actively exploring partnerships for the other CNS asset

4

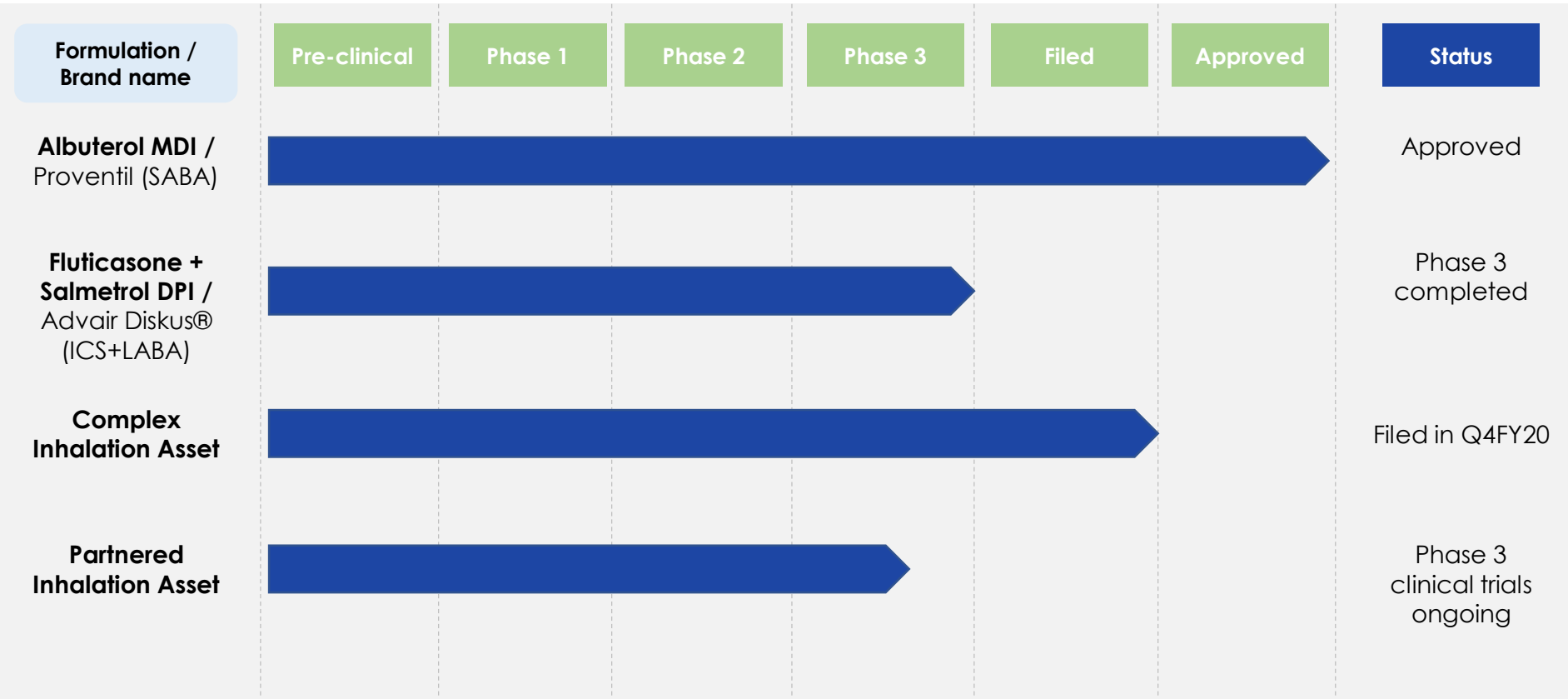
Lung Leadership across markets

Leveraging Cipla's drug-device capabilities to establish a global franchise

- **2nd largest inhaler selling company** with ~120¹m units sold globally
- Unlocking of the Respiratory franchise in the US with the **launch of generic Albuterol**; Only approved generic for Proventil®
- 1st Indian company to achieve first-pass **success in the phase 3 trials for generic Advair®**
- **Filing of another complex inhaler**

Unlocking of Respiratory franchise in the US :

Approval for generic Albuterol, successful completion of generic Advair® trials and filing of another complex respiratory asset



Key highlights: Sustained growth momentum across businesses

1

Strong Financial Performance

Overall Revenues

↑ **5%**
(FY20 YoY Growth)

↑ **7%**
(Q4 YoY Growth
Excluding Cinacalcet in base)

EBITDA Margin

~**19%**
(FY20)

~**15%**
(Q4FY20)

Impacted by ~200bps
due to Covid related
cut-off

2

Continued growth
across key markets

India Rx

↑ **12%** (Q4 YoY Growth)
3rd consecutive quarter of
double digit growth

India Gx

↑ **151%**
(Q4 YoY Growth)

South Africa

↑ **10%** (Q4 YoY
Growth; ZAR)

3

Momentum continues in
the US business

US\$118mn
Q4 Revenues

US\$547mn
FY20 Revenues

↑ **12%**
FY20 YoY Growth

4

R&D and
Pipeline Progress

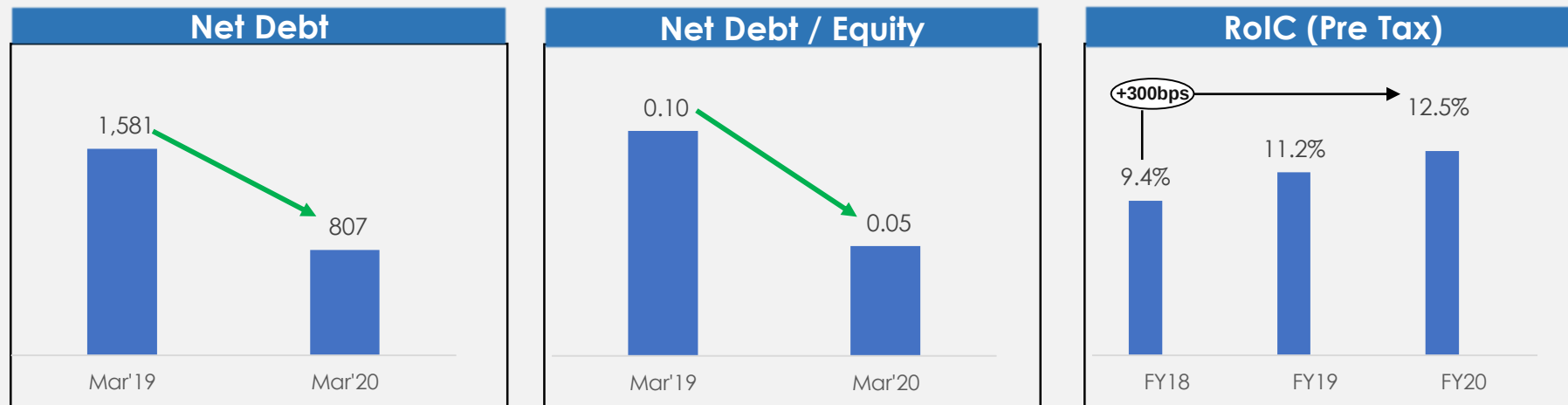
- Q4 R&D at INR 311 cr or ~7% to sales; FY20 R&D at INR 1,175 cr or ~7% to sales
- Launch of generic Albuterol and Esomeprazole for Oral Suspension with a 'First-to-File' on the 10mg strength
- Completed Phase 3 trials for gAdvair® and filed another complex inhalation ANDA

5

Quality and Compliance

- Received EIR for API manufacturing facility at Bangalore from USFDA
- Working with USFDA comprehensively to resolve all observations received in Goa

Expanding RoIC¹ profile; continued focus on maintaining balance sheet health with strong cash flow generation



- Repaid loan of USD 275 Mn in FY20 ahead of schedule; Paid interim dividend of Rs. 3 per equity share and one-time special dividend of Rs. 1 per equity share in the month of March-20
- High focus on cash and liquidity management given the current uncertainty
- Focused efforts on working capital management and improved cash flow generation
- Reduction in Net Debt/Equity despite continued growth and strategic investments

1. RoIC = EBIT / (Fixed assets including goodwill + Current assets excluding cash and cash equivalents - Current assets excluding borrowing)

Financial Performance – Q4FY20

Cipla

Revenues

INR 4,376 Cr  7%¹

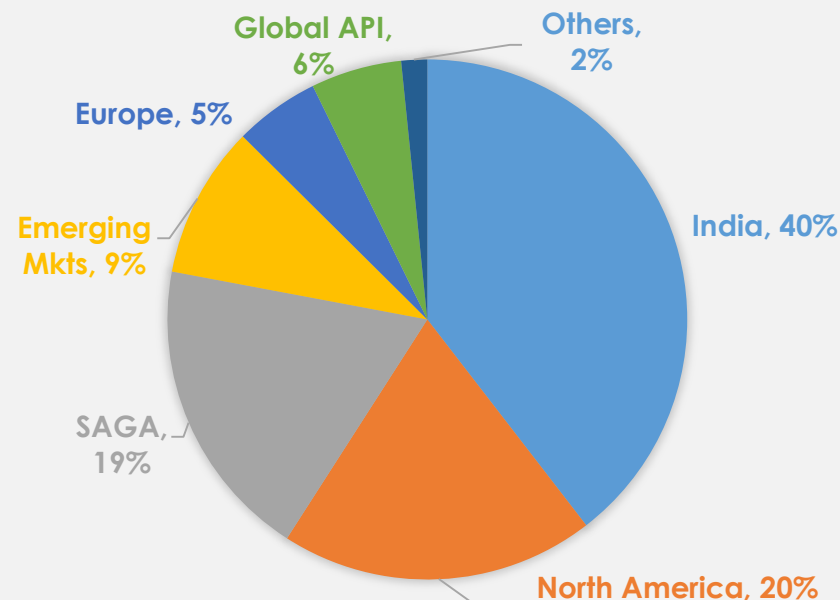
Q4 FY20 (Consolidated)²

	Actuals (Rs Cr)	vs Q4 FY 19
Total Revenue from Operations	4,376	- 1%
a) Domestic Sales	1,739	13%
b) Int'l Sales	2,563	- 6%
c) Other Operating Income	75	- 44%
EBITDA	652	- 33%
EBITDA %	15%	
PAT	246	- 33%
PAT %	5.6%	

EBITDA

INR 652 Cr | ~15%

Revenue² Break-up



¹ Adjusted for Cinacalcet in 4QFY19

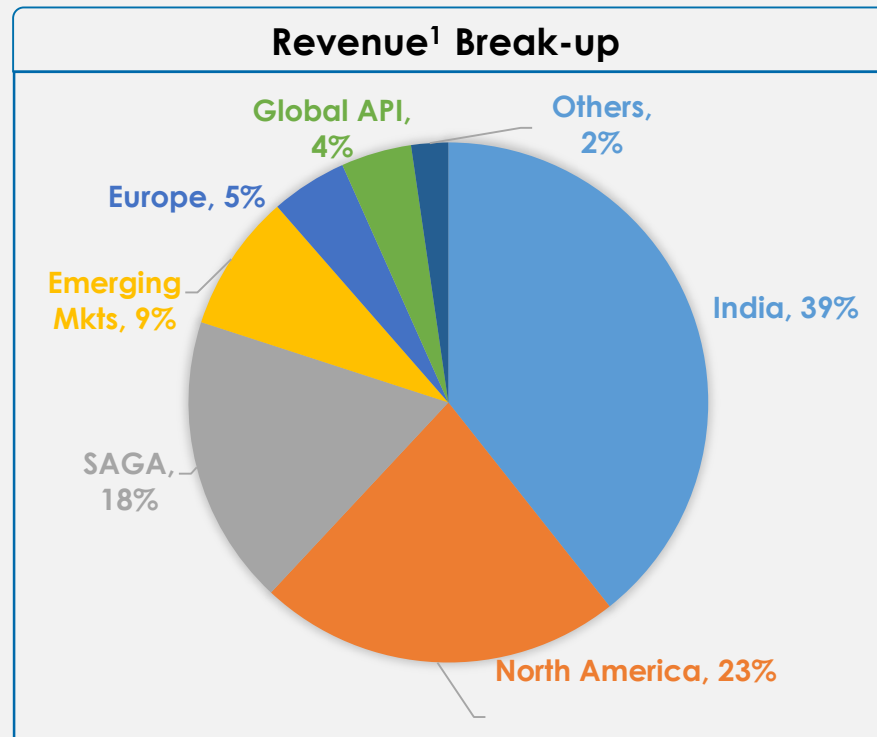
² India includes Rx + Gx+ CHL; Others: Includes CNV business ; SAGA includes South Africa, Sub-Saharan Africa and Cipla Global Access; Figures have been rounded-off

Financial Performance – FY20

Revenues INR 17,132 Cr  5%

FY20 (Consolidated)		
	Actuals (Rs Cr)	vs FY 19
Total Revenue from Operations	17,132	5%
a) Domestic Sales	6,819	7%
b) Int'l Sales	9,876	3%
c) Other Operating Income	437	12%
EBITDA	3,230	2%
EBITDA %	19%	
PAT	1,547	1%
PAT %	9%	

EBITDA INR 3,230 Cr | ~19%



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) : Rx continues the momentum with market beating double digit growth; Gx fully recovered post model change **Cipla**

YoY	Q2	Q3	Q4
Cipla Rx	13%	14%	12%
IPM ²	13%	10%	10%
Cipla Gx	Model change being implemented		15%

Rx delivers 3rd consecutive quarter of market beating double digit growth

 **9% FY YoY**

Gx revives strongly since Q2 highlighting the fundamental strength of the business

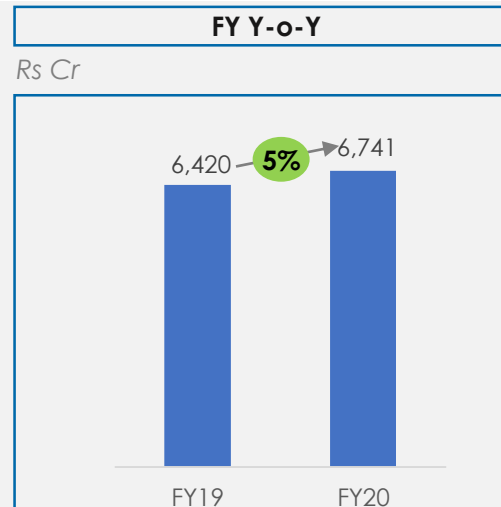
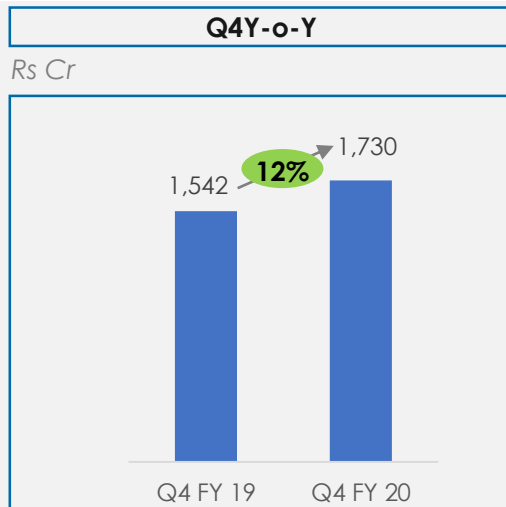
 **15% YoY**
(Q4 YoY Growth)
Adjusted CHL product transfer in base)

Consumer Health Business

FY20: INR 201 Cr  36% YoY

Strong growth momentum across organic brands and ramp-up of products switched from trade generics

India (Rx + Gx+ CHL¹) : Focused execution driving growth across all 3 India businesses



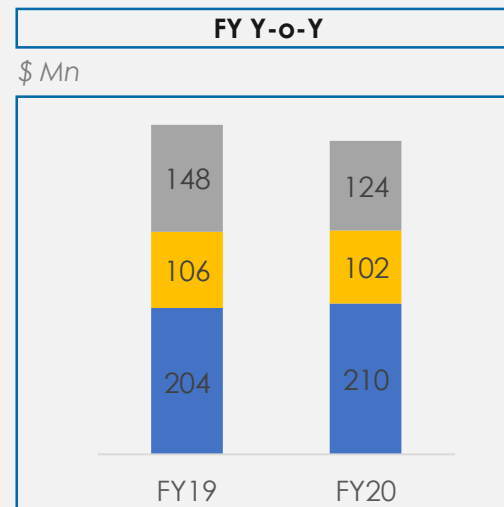
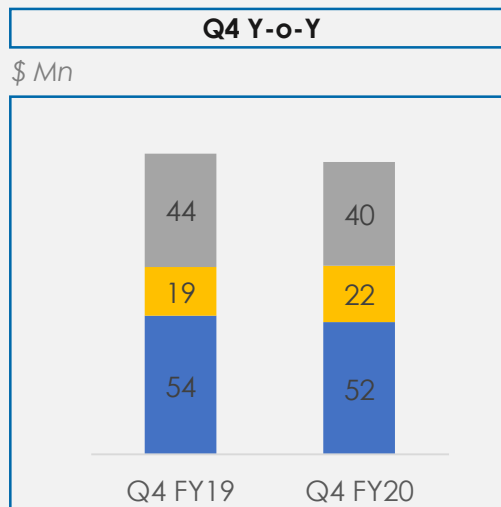
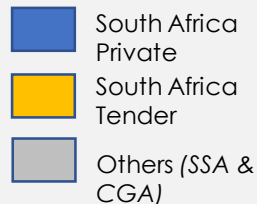
Key Business Highlights²

- The **Rx business** grew **12%** over 4QFY19 and **9%** over FY19 driven by Respiratory, Cardiac, Gastro and Pain
- 39%** of brands gained ranks while **41%** of brands outpaced industry growth in Q4
- Trade generics business delivered normalized **growth of 15 % in Q4FY20** on a year on year basis
- Successful brand transitions to consumer from trade generics

Therapy	Market Rank	Market Share	Cipla Growth
Overall Chronic	2	7.8%	12%
Respiratory Inhalation	1	67.9%	13%
Urology	1	14.5%	10%
Cardiology	4	5.6%	12%

South Africa Market

10% Q4 YoY
ZAR Terms



SA Private Market
 11% FY YoY
ZAR Terms

Key Business Highlights

- SA private business continued the growth momentum and reported 11% full year growth in local currency
- Cipla ranks 3rd largest pharmaceutical corporation (Rx + OTC) within the SA private market, in volume and value
- Top three therapies and market share - CNS (10.2%), Respiratory (12.6%) and metabolic (5.1%)
- Cipla emerged largest OTC player in the addressable market with a share of 7.1% and 3rd largest ARV player in the private market with a share of 15%
- The Sub-Saharan Africa business were impacted by receivables related challenges; CGA business remained flat for the quarter

North America: FY20 growth driven by optimization of IP led opportunity; building the foundation for Respiratory franchise in FY21



Unlocking of
Respiratory
franchise in the US

Launch of generic
Albuterol; Only
approved generic
for Proventil®

Achieved first-pass
success in the
phase 3 trials for
generic Advair®

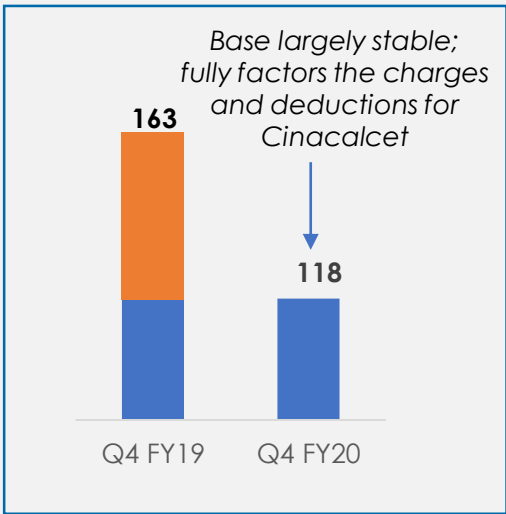
Filing of another
complex inhaler

Key Business Highlights

- IP-enabled opportunity optimised in FY20
- **Pipeline Update:**
 - Recently launched Esomeprazole for oral suspension with FTF on the 10 mg strength
- **US Specialty:**
 - **CNS Out-licensing:** Sub-licensed NCE CNS asset to a partner for further development and actively exploring partnerships for the other CNS asset
 - Working with USFDA on IV Tramadol NDA submitted in Dec via Avenue Therapeutics

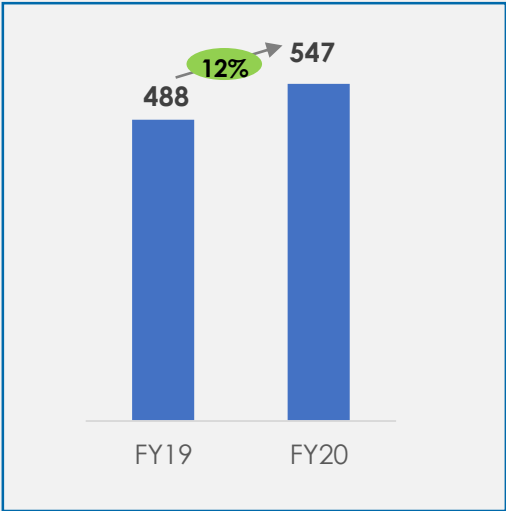
Q4 Y-o-Y

\$ Mn

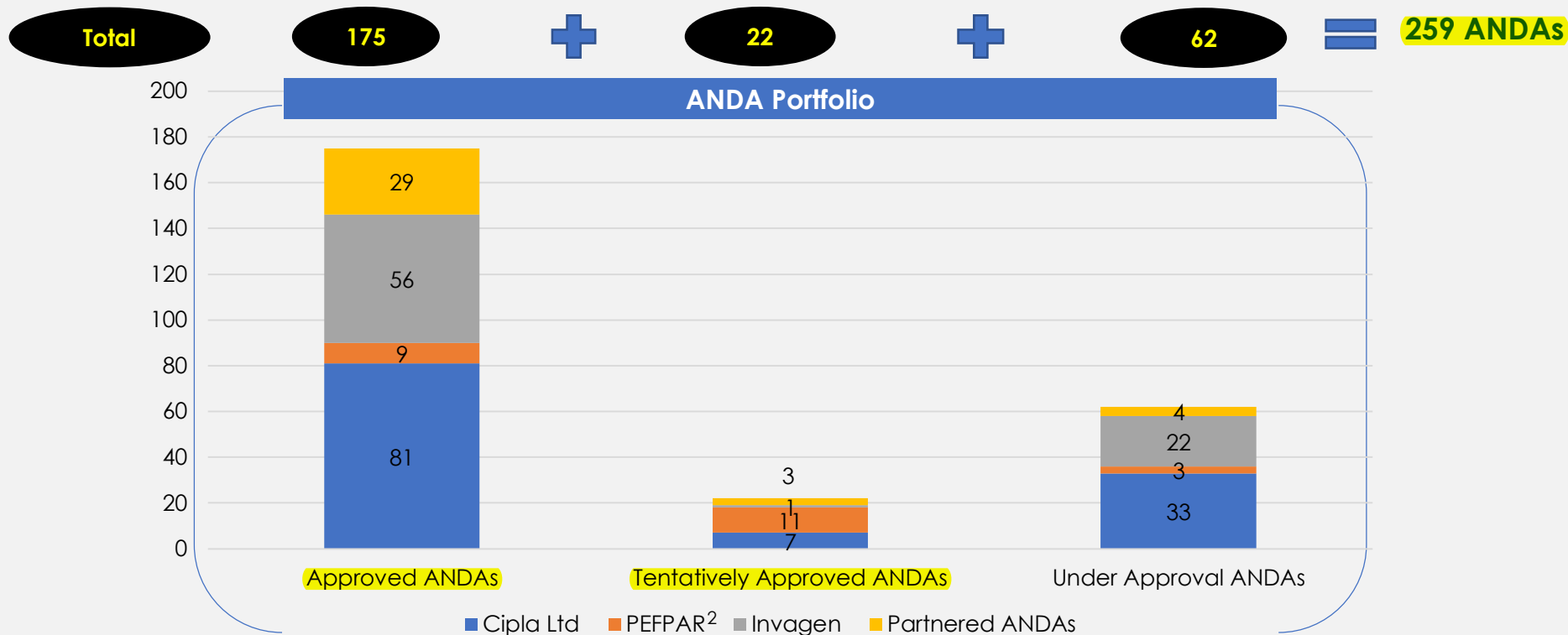


FY Y-o-Y

\$ Mn



ANDA¹ Portfolio & Pipeline (As on 31st March 2020)



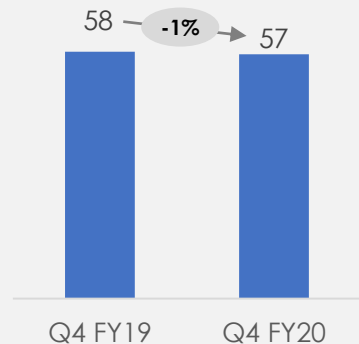
¹ Does not include Vet product ANDAs

² PEPFAR approved ANDAs can be commercialised in US

Emerging Markets

\$ Mn

FY Growth: -17%

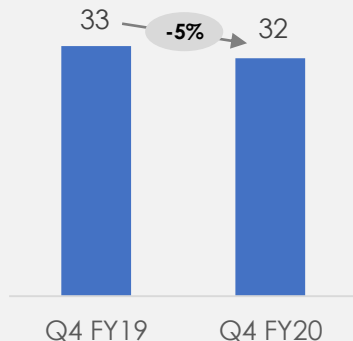


- Q4 revenues impacted significantly by month end logistics issues; to be recovered in Q1FY21
- Synchrobreathe™ breath-actuated inhaler launched in multiple markets and Flohale launched in Algeria
- Continued focus on value generating DTM markets

Europe

\$ Mn

FY Growth: +14%

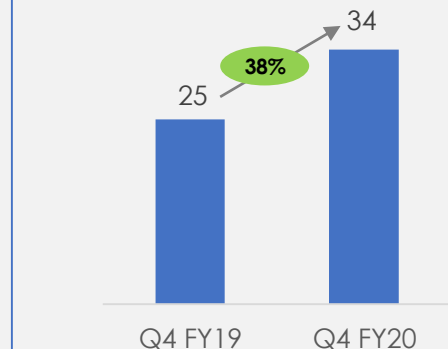


- Strong performance in key DTM¹ markets
- Strong 14% growth on a full year basis
- Overall FPSM pMDI market share is 20% in Europe

API

\$ Mn

FY Growth: +5%



- Continues to deliver higher margins on product mix and pricing
- Continued momentum in global seedings & lock-ins

1. Direct-to-Market

Priorities for the FY21: Sustaining growth through the pandemic **Cipla**

1

Managing Supply chain, optimizing costs and conserving cash

- Business continuity planning for manufacturing, supply chain, R&D and marketing with focus on cost optimization and cash management
- Proactively de-risking the business with increase in inventory holdings for critical APIs, intermediates and KSMs and 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
- Engage with channel via digital and continue to track the emerging demand patterns

3

South Africa

- Continue growth momentum in the private market portfolio to deliver growth in the overall business
- 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 going forward
- 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

Registered Office :

Cipla Limited, Cipla House, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013

For any queries, please contact

Naveen Bansal

Investor.Relations@cipla.com

For more information please visit

www.cipla.com