

6<sup>th</sup> November, 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, 5<sup>th</sup> floor,  
Plot no. C/1, G Block,  
Bandra Kurla Complex,  
Bandra (East), Mumbai - 400 051

**Scrip Code: 500087**

**Scrip Code: CIPLA EQ**

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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 6<sup>th</sup> November, 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



# Investor Presentation Q2FY21

06-11-2020

# Disclaimer



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# Cipla's efforts in combatting Covid-19

Delivering on our promise of  
*'Caring for life'*

## Patients

- ❖ **1.5 lakhs+** severe Covid-19 patients serviced with supply of Actemra®, Cipremi® and Ciplenza®
- ❖ **95,000+** patients supported via 24\*7 helpline for Covid-19 products
- ❖ Offered support for post-recovery of mild-to-moderate Covid-19 patients

## Physicians

- ❖ Teleconsultation support to **20,000+ doctors** to ensure safe and convenient healthcare access
- ❖ Engagement with **2.5 lakhs+ doctors** through virtual conferences and continuing medical education seminars
- ❖ Developing knowledge building platforms for healthcare professionals by partnering with leading universities

## Employees

- ❖ Continued work from home with several enabling programs for ensuring well-being, care and support
- ❖ 24\*7 ambulance and quarantine facility in India for select locations
- ❖ Doctor consultation facility
- ❖ Health Insurance with COVID care cover

# Strong demand, resilient operations and cost control drive Q2 performance



## Overall Revenues

**↑ 15%** (YoY Growth)    **↑ 16%** (QoQ Growth)

*Robust performance across geographies*

1

## India delivers growth across all lines of business

One India

**↑ 17%** YoY    **↑ 30%** QoQ

India Rx

*5<sup>th</sup> consecutive quarter of market beating growth*

India Gx

*Strong demand across regions*

CHL

**2x growth** YoY led by organic and transferred brands

2

## US business continues to strengthen

**US\$141mn** Q2FY21 Revenues    **↑ 5%** QoQ

*Continued momentum in new launches*

3

## South Africa delivers strong growth

SA  
**↑ 14%** YoY in ZAR Terms

*Strong performance across private and tender businesses*

**EBITDA Margin**

**23%** Q2FY21

**↑ 29%** (YoY Growth)    **↑ 12%** (QoQ Growth)

*Sustained cost control*

# Continued progress across our key strategic priorities

## One-India

- Continue to drive synergies across the three businesses
- Prescription growth 14% YoY; continued servicing with Covid products
- Continued strong demand and high order flow across regions in trade generics
- Healthy demand in consumer health brands transitioned from trade generic business
- Digital adoption and launch of Berok Zindagi 3.0

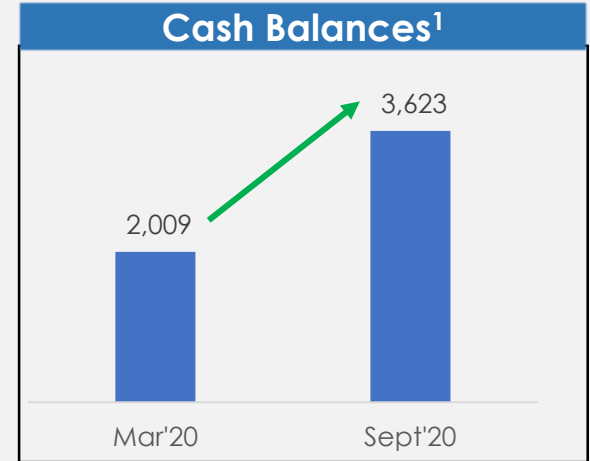
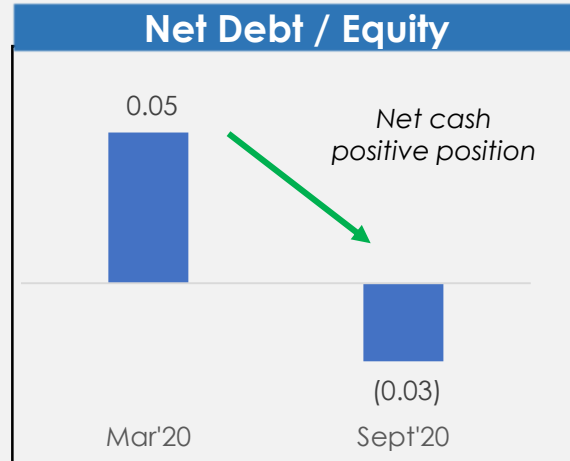
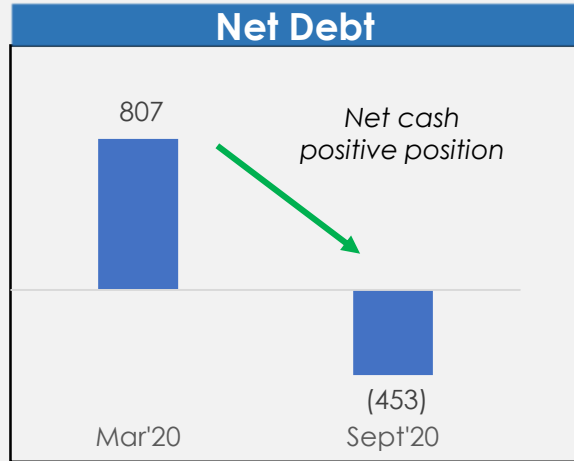
## South Africa & Emerging markets

- 3<sup>rd</sup> largest within the SA private market with 7.0% market share<sup>1</sup>; new brands significant growth driver
- OTC market share stood at 7.2%; 3<sup>rd</sup> overall and 1<sup>st</sup> in addressable market<sup>1</sup>
- Australia and focused DTMs<sup>2</sup> witnessing strong demand and achieving scale
- Establishing biosimilar franchise via partnerships across emerging markets

## US Generics

- Continue to build the US pipeline with differentiated products
- Continued momentum across new launches such as Albuterol, Esomeprazole oral suspension, DHE Nasal spray; Dimethyl Fumarate DR launched
- Focused R&D investments towards value accretive assets
- Continued investments in expanding capacity and developmental capabilities for global respiratory franchise

# Continued focus on maintaining balance sheet health with strong cash flow generation



- Strong governance set-up for cash and liquidity management
- Focused efforts on working capital management and improved cash flow generation
- **Net cash positive position** at September-20 end reflects strong balance sheet strength

# Financial Performance – Q2FY21



**Revenues** INR 5,038 Cr ↑ 15% YoY

**EBITDA** INR 1,177 Cr | 23.4% ↑ 29% YoY

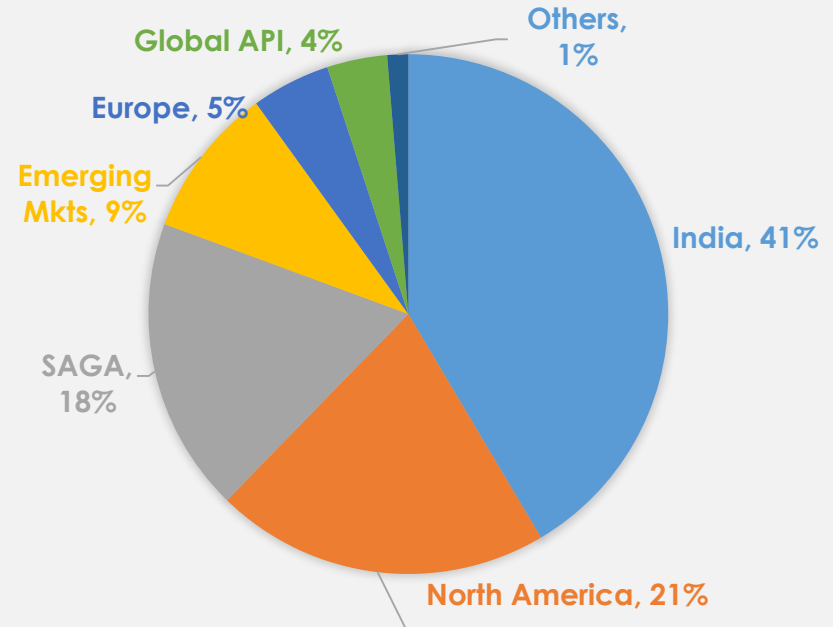
## Q2 FY21 (Consolidated)

	Actuals (Rs Cr)	vs Q2 FY 20
<b>Total Revenue from Operations</b>	<b>5,038</b>	<b>15%</b>
EBITDA	1,177	29%
<b>EBITDA % of revenue</b>	<b>23.4%</b>	<b>266 bps</b>
PAT	665	41%
<b>PAT % of revenue</b>	<b>13.2%</b>	<b>248 bps</b>

**R&D** INR 226 Cr

*Focused R&D investments*

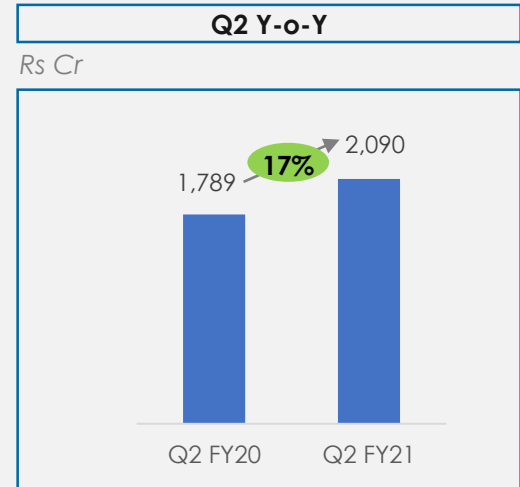
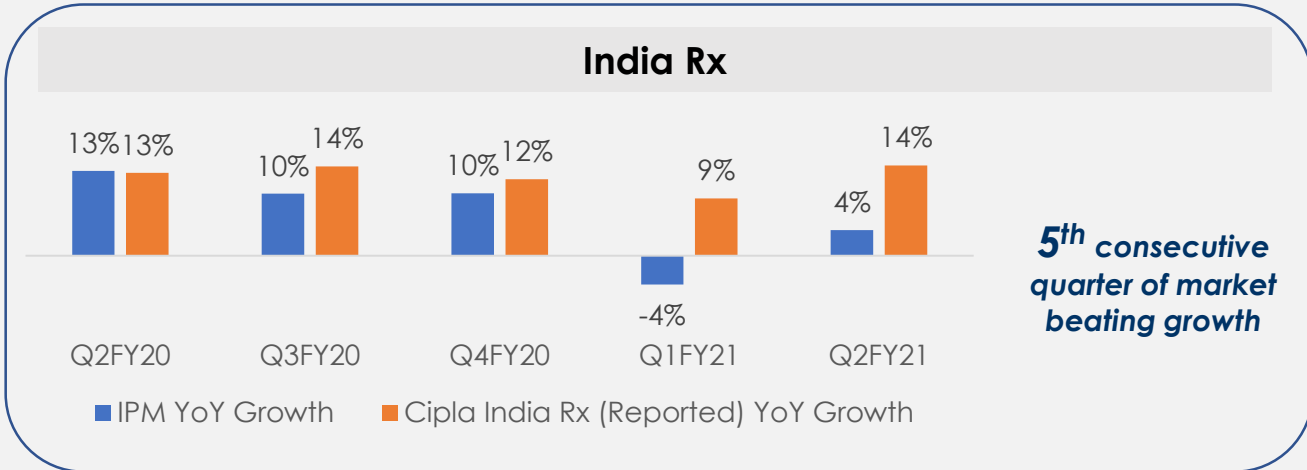
## Revenue<sup>1</sup> Break-up



<sup>1</sup> 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



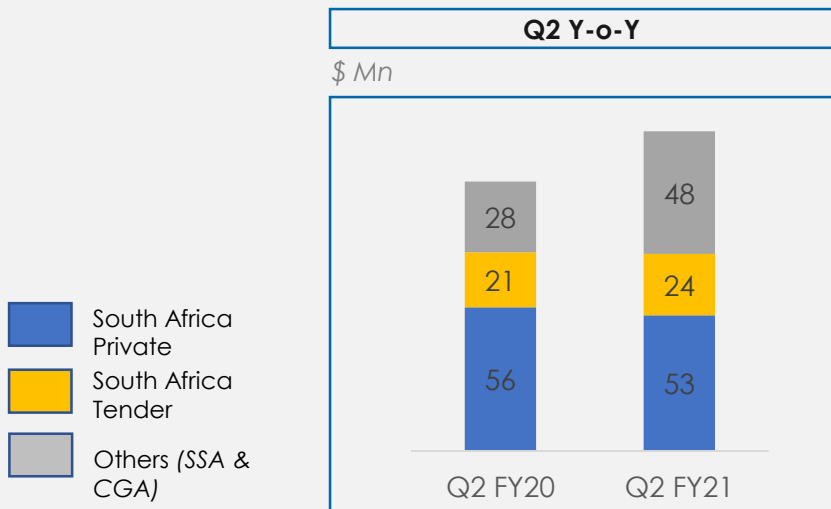
# India (Rx + Gx+ CHL<sup>1</sup>): Consistent execution driving growth across businesses in India



## Key Business Highlights

- The **prescription business** grew **14%** YoY led by Covid portfolio, traction in chronic therapies coupled with a recovering hospital business partially offset by subdued seasonal triggers in acute therapies
- As per IQVIA<sup>2</sup>, outperformed the market in Respiratory, Inhalation and Urology while Cardiology reported strong double digit growth on a YoY basis
- **The trade generics business** delivered healthy growth for the quarter driven by strong demand and high order flow
- **Consumer health business:** H1FY21 revenue stood at INR 180+ crore; Strong demand in consumer brands post transfer from trade generics business.

# SAGA<sup>1</sup>: South Africa, Sub-Saharan Africa and Cipla Global Access



**South Africa Market**  
 ↑ **14% Q2 YoY**  
*ZAR Terms*

**South Africa Private**  
 ↑ **9% Q2 YoY**  
*ZAR Terms*

**South Africa Tender**  
 ↑ **28% Q2 YoY**  
*ZAR Terms*

## Key Business Highlights<sup>2</sup>

- Growth in the quarter driven by strong demand across prescription, OTC and tender business
- SSA and CGA report strong growth attributable to robust order book and supplies
- As per IQVIA<sup>2</sup>, 3<sup>rd</sup> largest pharmaceutical corporation in SA private market with 7.0% market share
- As per IQVIA<sup>2</sup>, OTC market share stood at 7.2%; maintained 3<sup>rd</sup> rank overall and 1<sup>st</sup> in addressable market; grew at 8.2% while market grew at 2.6%
- Exclusive partnership with Alvotech for commercialisation of 5 biosimilar candidates in immunology and oncology space

# North America: Growth driven by continued momentum in new launches

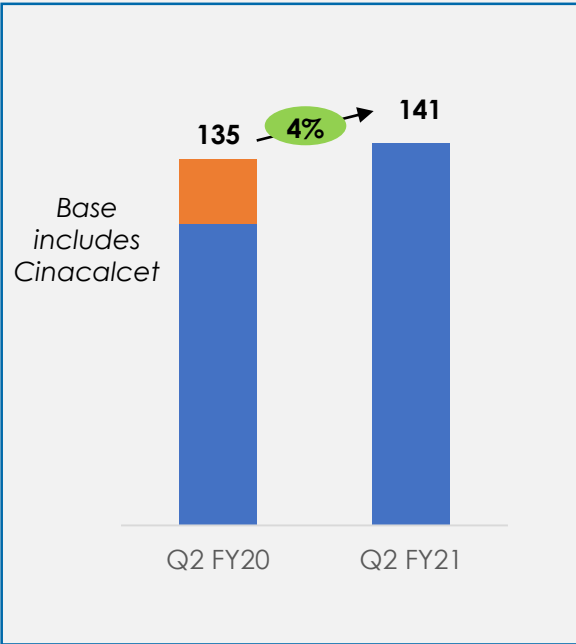


## Key Business Highlights

- Continued traction in new launches namely Albuterol, Esomeprazole oral suspension and DHE Nasal Spray supporting the base business; Launched dimethyl fumarate DR capsules
- Growth across government and institutional channel driven by portfolio expansion
- Largest TRx market share of ~84% in the Proventil market as per IQVIA week ending 2<sup>nd</sup> October 2020
- US business profitability trending close to company level in H1FY21

## Q2 Y-o-Y

\$ Mn



Healthy YoY growth adjusted for Cinacalcet in base

**↑ 5% QoQ**

# ANDA<sup>1</sup> Portfolio & Pipeline (As on 30<sup>th</sup> Sept 2020)



**Total**

**165**



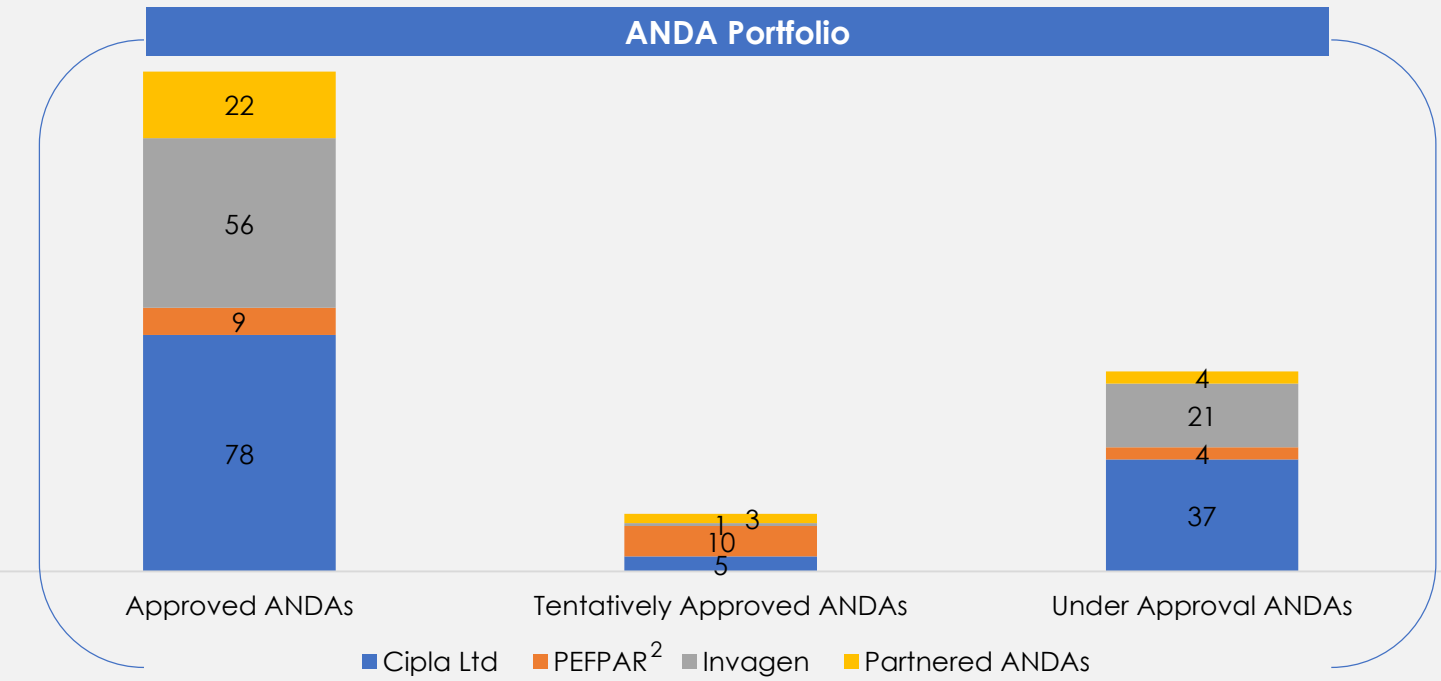
**19**



**66**



**250 ANDAs**

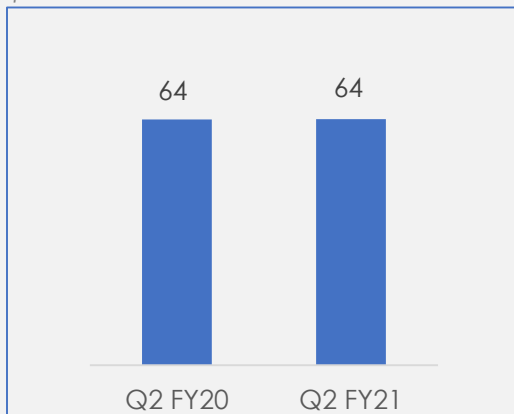


<sup>1</sup> Does not include Vet product ANDAs

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

## Emerging Markets

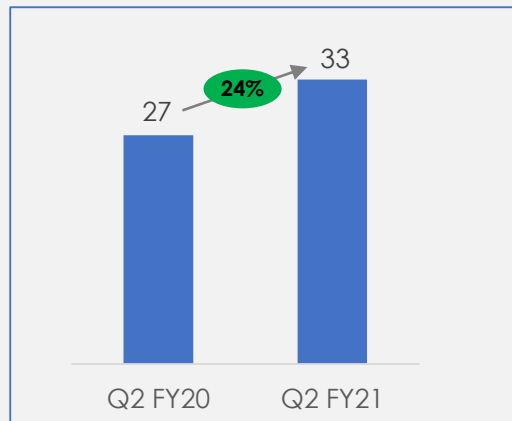
\$ Mn



- Maintained scale with continued demand across all regions
- Remdesivir supplies commenced across multiple markets; Covid kits launched
- Continued focus on value generating DTM<sup>1</sup> markets

## Europe

\$ Mn



- Strong performance in key DTM<sup>1</sup> markets
- FPSM pMDI market share is ~20%<sup>2</sup> and Beclomethasone 10.7%<sup>2</sup> in UK

## API

\$ Mn



- Strong sales momentum and orderbook
- Continued traction with global seedings & lock-ins
- Higher margins driven by product mix and pricing

# Priorities for the coming quarters: Sustaining growth through the pandemic



1

## Digital adoption and resilient operations

- Adopting digital transformation for patient and channel connect to expand access and leverage demand patterns
- Proactively de-risking the business by diversifying sources for critical APIs, intermediates and KSMs and maintaining adequate inventory levels

2

## Driving profitable growth

- **One-India:** Driving market beating growth and scaling India across the three businesses
- **South Africa:** Continue market outperformance in the private market & OTC portfolio with new launch momentum
- **US:** Drive share and focus on maximizing value opportunity in complex generics
- **Respiratory:** Continue focus on expanding our global respiratory franchise
- **Emerging Markets:** Focus on growth through organic launches and partnerships to augment generic and biosimilar footprint
- Drive Return on Invested Capital expansion

3

## Quality and Compliance

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

# Thank you

## **Registered Office :**

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