

29<sup>th</sup> July, 2022

(1) BSE Ltd.  
Listing Department  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001

**Scrip Code: 500087**

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

(2) National Stock Exchange of India Ltd.  
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: CIPLA**

**Sub: Investor Presentation**

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing the investor presentation dated 29<sup>th</sup> July, 2022.

This is for your information and record.

Thanking you,

Yours faithfully,  
For Cipla Limited



**Rajendra Chopra  
Company Secretary**

Encl: as above

Prepared by: Chirag Hotchandani



**Cipla**



**Investor Presentation**

Q1FY23

29-7-2022

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# Q1FY23 Performance

Sustained performance across geographies and continued momentum on core profitability

## KEY HIGHLIGHTS

### Overall Revenue

INR 5,375 Cr

**2%**  
overall  
YoY growth

**6%**  
Ex-covid  
YoY growth

### EBITDA

INR 1,143 Cr

**21.3%**  
Margin

Core margin trajectory intact; despite sharp normalisation in covid portfolio contribution compared to Q1FY22

### R&D Investment<sup>1</sup>

INR 274 Cr

**4%**  
YoY growth

**5.1%**  
of overall  
revenue

## BUSINESS UNIT-WISE REVENUE & YOY GROWTH

### One-India

**9%** (ex-covid) YoY growth in INR terms

Continued **core portfolio momentum** across therapies and business segments

### North America

**10%** YoY growth in \$ terms

**Steady momentum** in core formulation business driven by contribution from **respiratory and peptide products**

### SA Private

**8%** YoY growth in ZAR terms

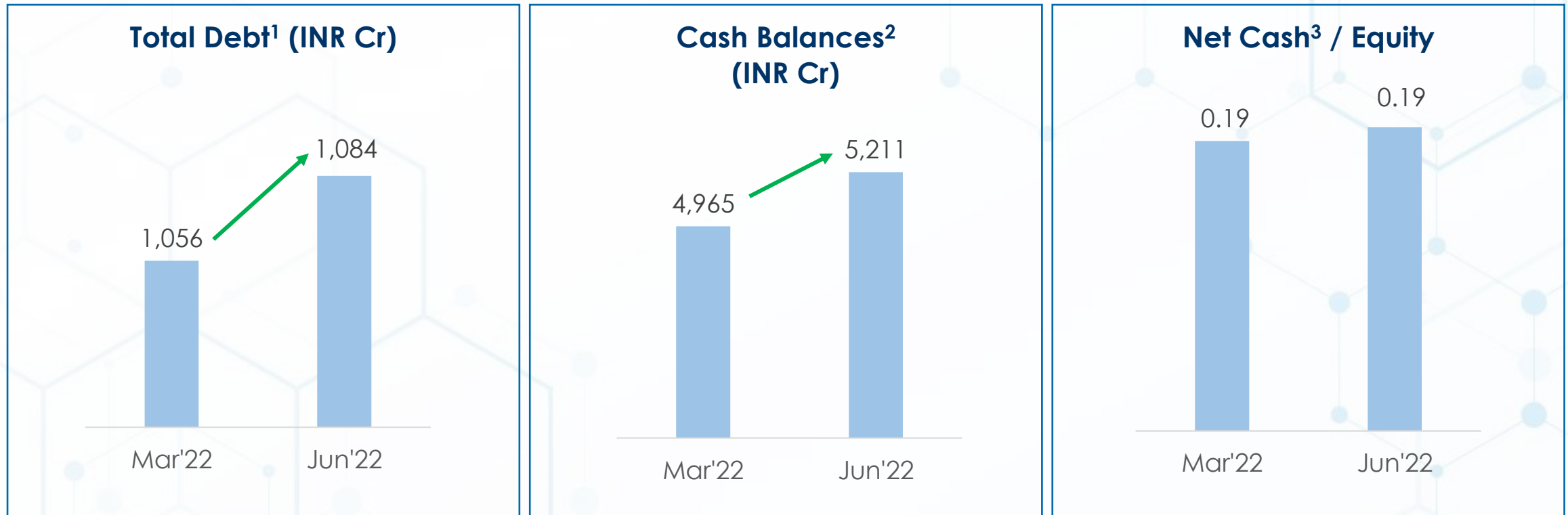
**Recovery expected in Q2FY23**

### International Markets

**18%** YoY growth in \$ terms

**Strong DTM<sup>2</sup> growth across geographies**; offset emerging market forex volatility and muted B2B demand in Europe

# Continued focus on maintaining strong balance sheet health and robust free cash flow generation



- Robust free cash flow generation driven by prudent working capital management and optimised capex drive
- Continued governance on cash and liquidity management
- **Net cash positive position** continues at June-22 end reflects robust capital structure

1. Total debt includes lease liabilities | 2. Includes cash and cash equivalents including fixed deposits, current investments, margin deposits and excludes unclaimed dividend balances | 3. Net Cash = Total Cash balances - Total debt

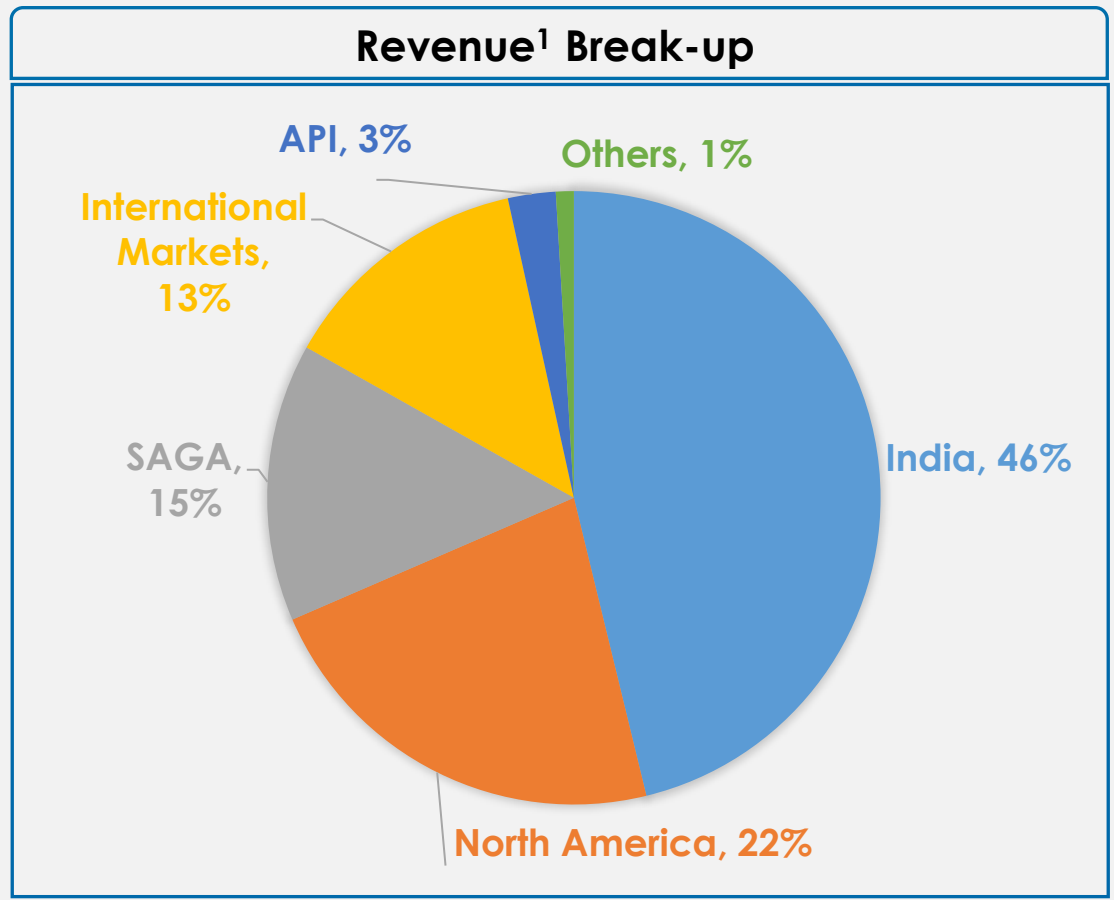
# Financial Performance – Q1FY23

**Revenues** INR 5,375 Cr ↓ 2% YoY

Q1 FY23 (Consolidated)		
	Actuals (INR Cr)	vs Q1 FY 22
Total Revenue from Operations	5,375	-2%
EBITDA	1,143	-15%
EBITDA % of revenue	21.3%	-318 bps
PAT	686	-4%
PAT % of revenue	12.8%	-22 bps

**R&D<sup>2</sup>** INR 274 Cr ↑ 4% YoY *Priority projects on track*

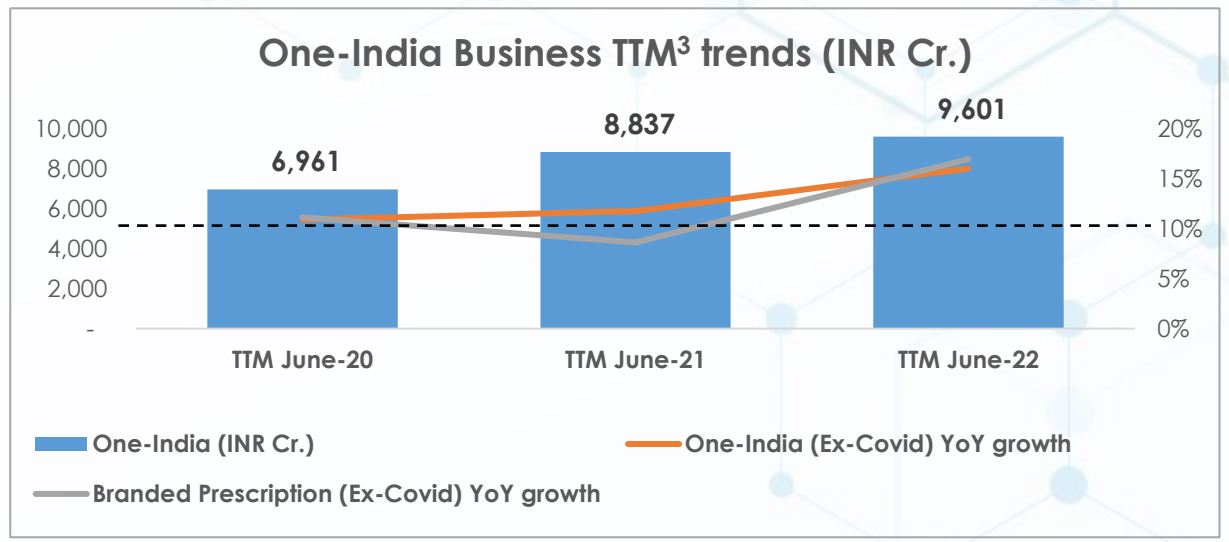
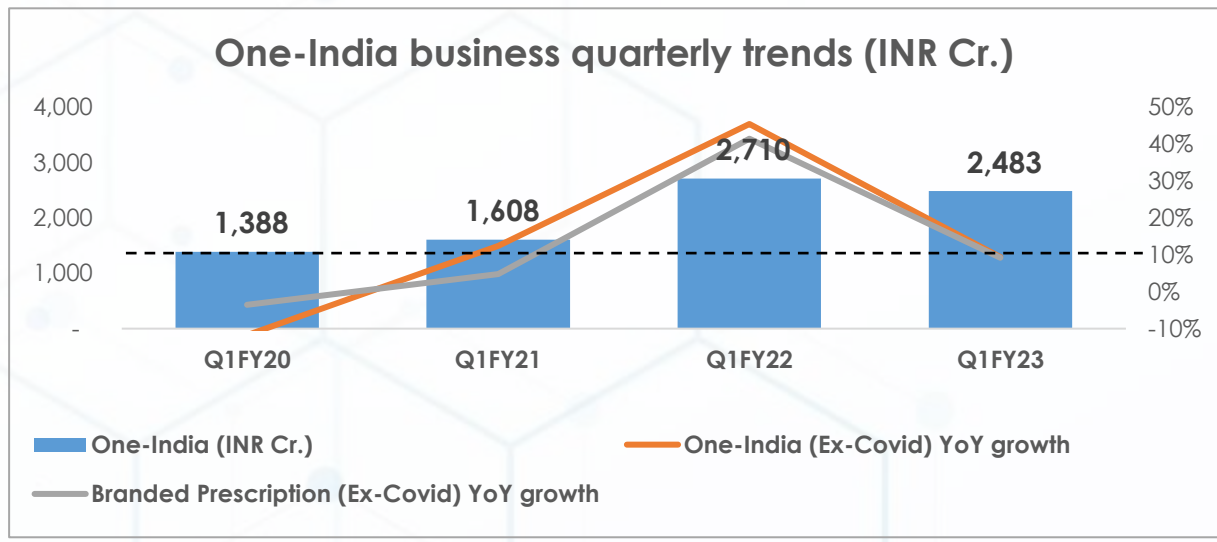
**EBITDA** INR 1,143 Cr | 21.3% ↓ 15% YoY



1. India includes Rx + Gx+ CHL; SAGA includes South Africa, Sub-Saharan Africa and Cipla Global Access; International Markets include Emerging Markets and Europe | 2. Opex including depreciation | Figures have been rounded-off

# One India (Rx + Gx+ CHL<sup>1</sup>): Continued core portfolio momentum across businesses amid significant normalisation in covid contribution

**Core One-India portfolio growth tracking above 10% for most quarters; market beating growth in branded prescriptions for 5 consecutive quarters**



## Branded prescription business

- ❖ Sustained momentum across therapies in core portfolio driven by pricing & new introductions
- ❖ Healthy market share<sup>2</sup> and rank<sup>2</sup> across therapies

## Trade generics business

- ❖ Healthy traction across our flagship brands with steady order flow across regions; Continued channel engagement and governance
- ❖ 16 new launches; includes anti-diabetic and ophthalmic products

## Consumer health business

- ❖ Robust traction in anchor brands as well as transitioned brands
- ❖ Sharp consumer insighting and strong on-ground execution

1. CHL – Cipla Health Limited | 2. Market data as per IQVIA MAT June 2022 | 3. Trailing 12 months

# Strategic product deals and investments in Q1FY23

Continued strengthening of **One-India** franchise with medium to long term growth levers

## Diagnostics



**Transaction description:** Acquisition of **21.05% for ~INR 25 Cr.** in Achira Labs, engaged in development and commercialization of point of care (PoC) medical test kits in India

**Strategic rationale:** Cipla's entry in the PoC diagnostics and AMR space through the design, development, and manufacturing of microfluidics-based technologies; increasing patient access to innovative, affordable and quality diagnostic solutions

## Wellness



**Transaction description:** Acquisition of Endura Mass, a renowned nutritional supplement brand in the category of weight gain from Medinn Belle Herbal Care Private Limited

**Strategic rationale:** Expand Cipla's wellness portfolio by foraying into new category nutritional supplements for weight gain

*Including Endura Mass, Domestic Consumer Business under Cipla Health expected to achieve annualized revenue of **INR 600+ Cr***

## Digital



**Transaction description:** Acquisition of additional stake for **INR 25.9 Cr.** In GoApptiv Private Limited; Cipla's total stake increases to **22.02%** on a fully diluted basis post investment (Initial investment in June 2020)

**Strategic rationale:** Enable Cipla to further widen its patient reach to affordable and quality drugs with end-to-end brand marketing and channel engagement across tier 2-6 towns in India by leveraging GoApptiv's end to end digital solutions



# Global consumer wellness franchise committed to provide a holistic wellness solutions; improving health outcomes

## Consumer franchise in India

**9%**  
 Contribution of Global Consumer franchise to overall revenues in Q1FY23

**1,100 INR Cr+**  
 Trailing 12-month revenue

**Flagship Brands**

<b>OMNIGEL®</b>	<b>nicotex</b>	<b>CIPLADINE®</b>	<b>cofsils</b>
↑ 22%	↑ 22%	↑ 18%	↑ 25%
<b>prolyte™ ORS</b>	<b>PARACIP-500</b>	<b>Cheston</b>	<b>CLOCIP®</b>
↑ 45%	↑ 30%	↑ 10%	↑ 35%

## Consumer franchise in South Africa

**17%**  
 Q1FY23 YoY growth in Global Consumer franchise

**1,275 ZAR m+**  
 Trailing 12-month revenue

**Flagship Brands**

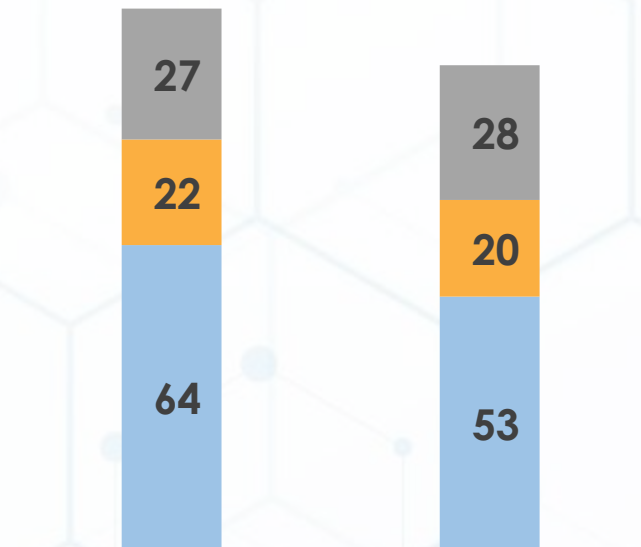
ZAR 80m+	ZAR 80m+	ZAR 95m+	ZAR 100m+	ZAR 55m+

Trailing 12 month June-22 YoY growth

Trailing 12 month June-22 revenue

\$ Mn

Q1 Y-o-Y



Q1FY22

Q1FY23



## South Africa<sup>2</sup>

- ❖ Muted growth in private primary sales with recovery expected in Q2FY23; traction in tender business
- ❖ In secondary terms, strong demand continues with South Africa private business continuing to outperform market
- ❖ Growth diversified across base and new product portfolios
- ❖ Healthy ranks & market positions in key therapy areas

8

**Brands launched across multiple therapies in Q1FY23**

**4-in-1 fixed dose anti-retroviral treatment launched in partnership with DNDi<sup>3</sup>**

Market Segment	Market Rank	Market share	Cipla Growth	Market Growth
South Africa prescription	3	7.7%	10%	6.4%
South Africa OTC	3	7.0%	11.6%	8.0%
South Africa overall	3	7.4%	10.6%	7.0%



## Sub-Saharan Africa (SSA) & Cipla Global Access (CGA)

- ❖ **SSA:** Traction driven by continued order flow across regions
- ❖ **CGA:** Performance in-line with expectations driven by strong order flow for TLD

# North America: Core formulation business continues steady momentum; continued serviceability across categories



**10%**  
Q1FY23 YoY growth  
in \$ terms

Steady momentum in core formulation business led by contribution from **respiratory and peptide assets amongst others**



**16.5%**  
**33.4%**

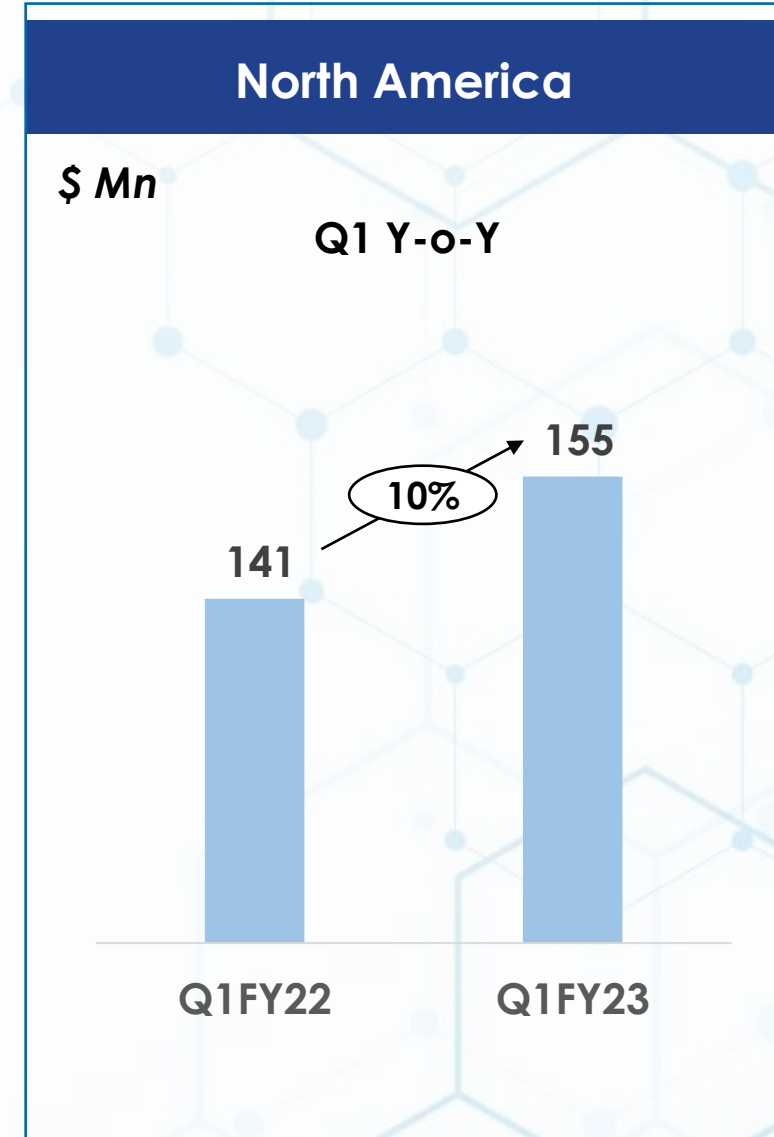
**Albuterol** total market share<sup>1</sup>

**Arformoterol** total market share<sup>1</sup>



**22%**

Q1FY23 YoY Growth in **DTM respiratory franchise**<sup>2</sup>



1. Market data as per IQVIA week ending 1<sup>st</sup> July 2022; 2. Excludes B2B revenue for the US market

# North America: Respiratory, Complex generics & Peptide pipeline



## Respiratory

Formulation / Brand name	Pre-clinical	Phase 1	Phase 2	Phase 3	Filed	Approved	Status
Complex inhalation asset	[Progress bar: Pre-clinical to Filed]						Filed in Q4FY20
Fluticasone + Salmeterol DPI (gAdvair Diskus®)	[Progress bar: Pre-clinical to Filed]						Filed in Q1FY21
Partnered Inhalation Asset	[Progress bar: Pre-clinical to Filed]						Filed in Q3FY17
Complex Inhalation Asset	[Progress bar: Pre-clinical to Phase 2]						Development in progress
Complex Inhalation Asset	[Progress bar: Pre-clinical to Phase 2]						Clinical trials initiated in Q4FY22

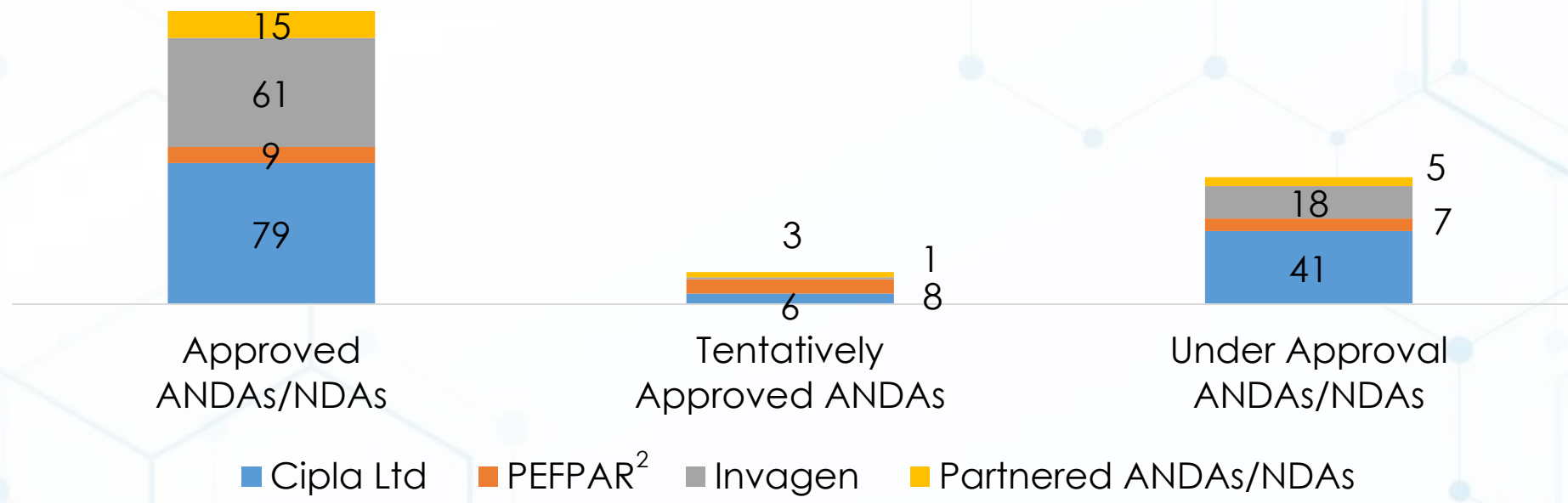
## Complex Generics

Nano Paclitaxel (gAbraxane®)	[Progress bar: Pre-clinical to Filed]						Filed in Q1FY17
Lenalidomide (gRevlimid®)	[Progress bar: Pre-clinical to Filed]						Filed in Q1FY18

## Peptide injectables

Partnered Peptide Injectable	[Progress bar: Pre-clinical to Filed]						Filed in Q4FY21
Peptide Injectable	[Progress bar: Pre-clinical to Filed]						Filed in Q1FY22
Peptide Injectable	[Progress bar: Pre-clinical to Filed]						Filed in Q4FY22
Partnered Peptide Injectable	[Progress bar: Pre-clinical to Filed]						Filed in Q4FY22
Partnered Peptide Injectable	[Progress bar: Pre-clinical to Filed]						Filed in Q1FY23

# ANDA<sup>1</sup> & NDA Portfolio & Pipeline (As on 30<sup>th</sup> June 2022)

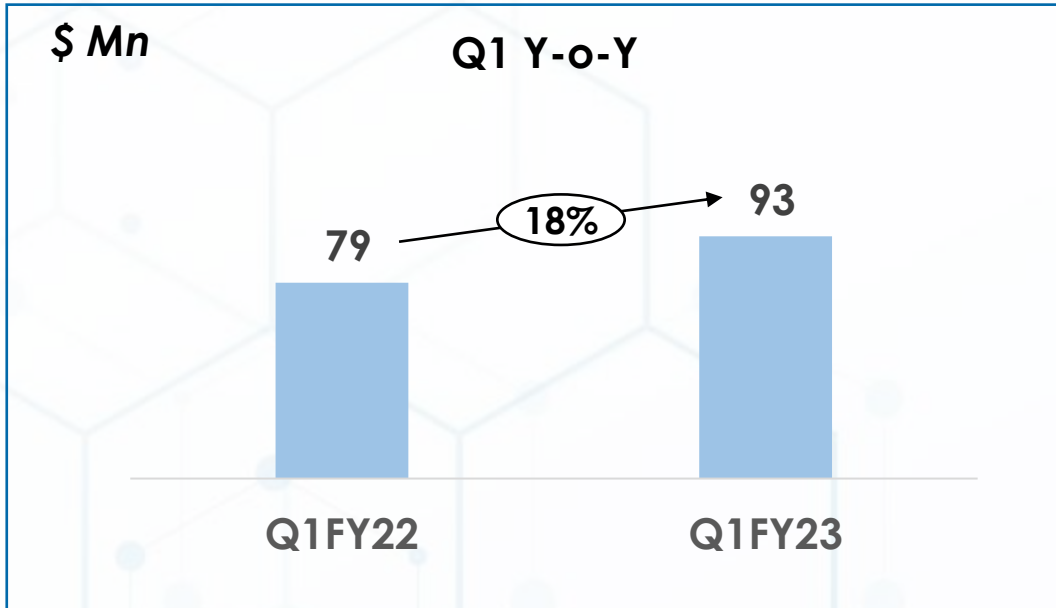


<b>164</b>	+	<b>18</b>	+	<b>71</b>	=	<b>253</b>
<b>Approved ANDAs &amp; NDAs</b>		<b>Tentatively Approved ANDAs</b>		<b>Under Approval ANDAs &amp; NDAs</b>		<b>Total ANDAs &amp; NDAs</b>

<sup>1</sup> Does not include Vet product ANDAs  
<sup>2</sup> PEPFAR approved ANDAs can be commercialised in US

# International Markets and API

## International Markets



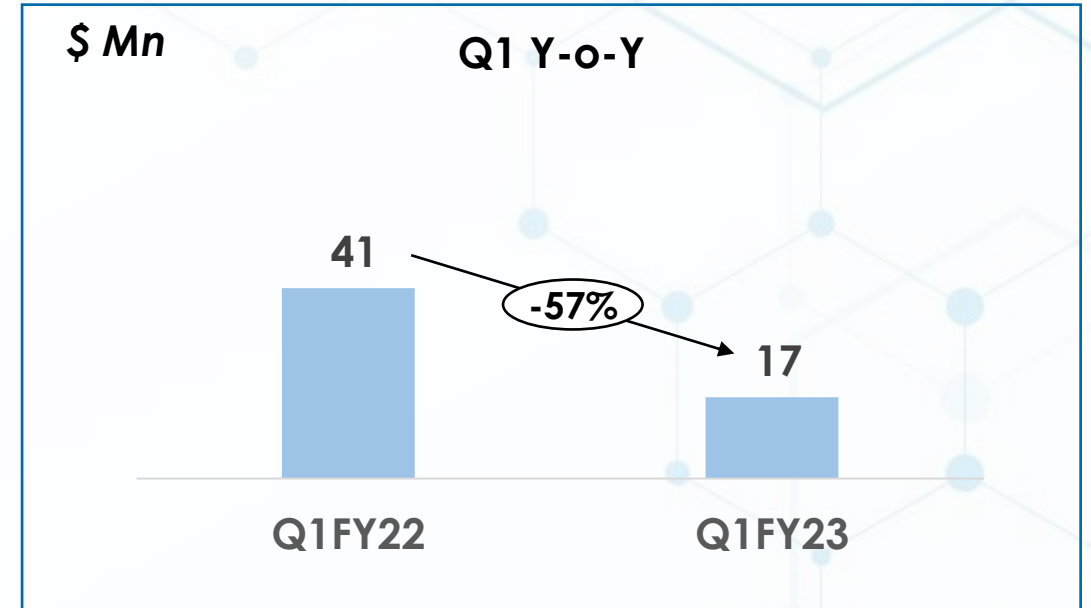
## Key Business Highlights



- ❖ Strong DTM<sup>1</sup> growth across geographies; offset by forex volatility in emerging markets and muted B2B demand in Europe
- ❖ Steady double-digit growth in secondary terms during the quarter

1. DTM – Direct to market

## API



## Key Business Highlights



- ❖ Performance attributed to higher Q1FY22 base due to one-time profit share on an API supply
- ❖ Continued traction with global seedings & lock-ins

# Our Strategic Priorities for FY23

	<p>Accelerate growth in One-India engine with sharp focus on;</p>	<p>Building <b>big prescription brands across chronic therapies, improved productivity and HCP knowledge partnering</b></p>	<p>Driving <b>penetration and accessibility of brands for unmet chronic ailments</b> in trade generics</p>	<p>Consumer <b>insighting driving portfolio expansion to address wellness needs and purpose led brand experiences</b></p>
	<p>Advancement on <b>innovative consumer centric products across emerging channels</b> to accelerate the trajectory of our Global Consumer Wellness franchise across India &amp; South Africa</p>			
	<p>Sustainable <b>scale up our US core formulations sales</b> driven by <b>high serviceability of respiratory and peptide franchise</b>; closely monitoring upcoming <b>high value complex launches in H2FY23</b></p>			
	<p>Continued <b>execution on branded &amp; generic portfolio, brand-building, portfolio interventions, launch excellence</b> across DTM<sup>1</sup> markets</p>			
	<p>Continued <b>cost focus, calibrated pricing actions and other interventions to navigate inflationary procurement, freight and other cost elements for insulating margins and maintaining consistent upward RoIC<sup>2</sup> trajectory</b></p>			
	<p>Driving <b>value through digital adoption across businesses and functions</b> with a dynamic agenda under Cipla Digital Health Ltd.</p>			
	<p>Focus on <b>regulatory compliance across manufacturing facilities</b> and <b>implement globally benchmarked ESG<sup>3</sup> practices</b></p>			

1. Direct to market | 2. Return on Invested Capital (RoIC) = EBITDA - depreciation & amortization ÷ Average [(Fixed assets including goodwill + Current assets excluding cash and cash equivalent) - Current liabilities excluding borrowing)]; Calculations based on FY22 reported EBITDA | 3. Environmental, Social, Governance



# Cipla

## Thank You

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