



Investor Presentation Q4FY19

22-05-2019

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Key highlights:

1 Expansion in EBITDA margins

22.1%
(Q4 EBITDA) **75%**
Q4 EBITDA¹ YoY Growth

19.4%
(FY19 EBITDA) **12%**
FY19 EBITDA¹ YoY Growth

2 Continued growth across branded markets

India
 11%
(Q4 YoY Growth) **11.2%**
As per IQVIA MAT Mar'19

South Africa
 12% **10.4%** **3x**
FY19 Private Market YoY Growth (ZAR) As per IQVIA MAT Mar'19 Vs market growth

3 Strong growth in the US business

41%
Q4 YoY Growth **18%**
FY19 YoY Growth

Ramp-up in new launches and contribution from Cinacalcet

4 Quality and Compliance

- EIR received for the Jan'19 US FDA inspection at Goa plant
- Response submitted for the inspection at Kurkumbh
- Indore post-approval inspection from May 13 to May 17 ended with zero observations

5 Pipeline Progress

- Q4 R&D at 7.1% to sales; Respiratory trials well on-track; 2 respiratory filings targeted in FY20
- Continued focus on limited competition opportunities through targeted R&D investments; 20 assets filed in FY19

1. Without the impact of exceptional items in FY18

FY19: Significant progress across our key priorities



US	FY19 Growth +18%	<ul style="list-style-type: none">• Launch and ramp-up of differentiated products (gPulmicort, gVoltaren, gsuprel,gSensipar)
India	FY19 Growth +7%	<ul style="list-style-type: none">• Strong execution supported by prescription generation and market beating growth across key therapies; in-licensed products ramping up• In Chronic therapies (as per IQVIA), became the 2nd biggest player in India during the year
South Africa	FY19 Pvt Growth +12% <i>ZAR Terms</i>	<ul style="list-style-type: none">• Strong private market performance continues; 12% YoY primary growth• Expanded product offering in the fast growing OTC market with Mirren acquisition
Specialty	Total 4 assets in pipeline	<ul style="list-style-type: none">• 3 new assets added to the Specialty pipeline during the year in the areas of CNS, Respiratory and Institutional business<ul style="list-style-type: none">• CTP-254 (CNS): In-licensed from Concert• Pulmazole (Respiratory): Partnership with Pulmatrix• IV Tramadol (Pain Management): Proposed acquisition of Avenue Therapeutics
R&D	7.4% of Revenue	Initiation of gAdvair trials on track; 20 new ANDAs filed during the year including 2 in-licensed assets

Building a sustainable Specialty business: Inhaled itraconazole

Marks Cipla's entry into Specialty Respiratory segment



Respiratory Specialty



Pulmazole – Inhaled Itraconazole

Cipla¹ enters into a worldwide co-development and commercialization agreement of Pulmazole (PUR1900) – an inhaled iSPERSE™ formulation of the anti-fungal drug itraconazole for the treatment of **ABPA² in patients with asthma**

Transaction Structure

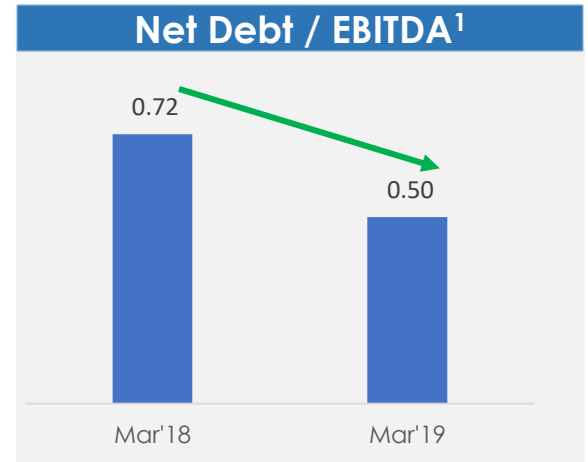
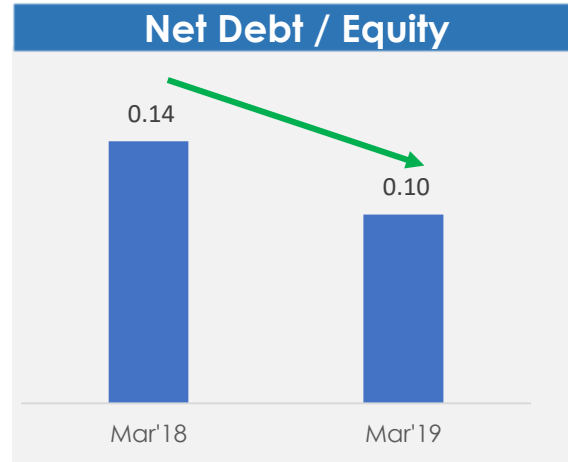
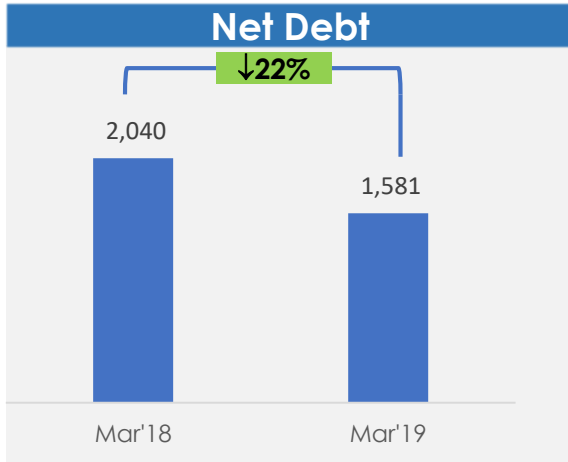
- \$22mn upfront payment for assignment of all rights for Pulmazole in relation to pulmonary indications
- Both parties will equally share costs related to the future development and commercialization and equally share worldwide free cash flow from future sales of Pulmazole
- Pulmatrix will remain primarily responsible for the execution of the clinical development and Cipla¹ will be responsible for the commercialization of the product.

Formulation addresses clinically unmet patient need

- ABPA² is a unique condition found among asthmatic patients with hypersensitive immune reaction to aspergillus - a condition that possibly impacts over 2 million patients worldwide but has no labelled drug
- Existing oral itraconazole also presents multiple clinically significant and tangible challenges:
 - Unpredictable bioavailability: efficacy unpredictability
 - Impact on steroid metabolism and need to monitor for their side effects
 - Compliance challenges: twice daily dosing in an already polytherapy disease and gastric side effects

1. Cipla Technologies LLC, a subsidiary of Cipla Limited 2. Allergic bronchopulmonary aspergillosis

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



Capex optimization through a structured approach leading to improvement in cash flow generation

Focused **management of inventory** driving strong working capital efficiencies

1. EBITDA for respective Trailing Twelve Months (TTM) of the period | FY18 EBITDA excluding exceptional items

Financial Performance – Q4FY19

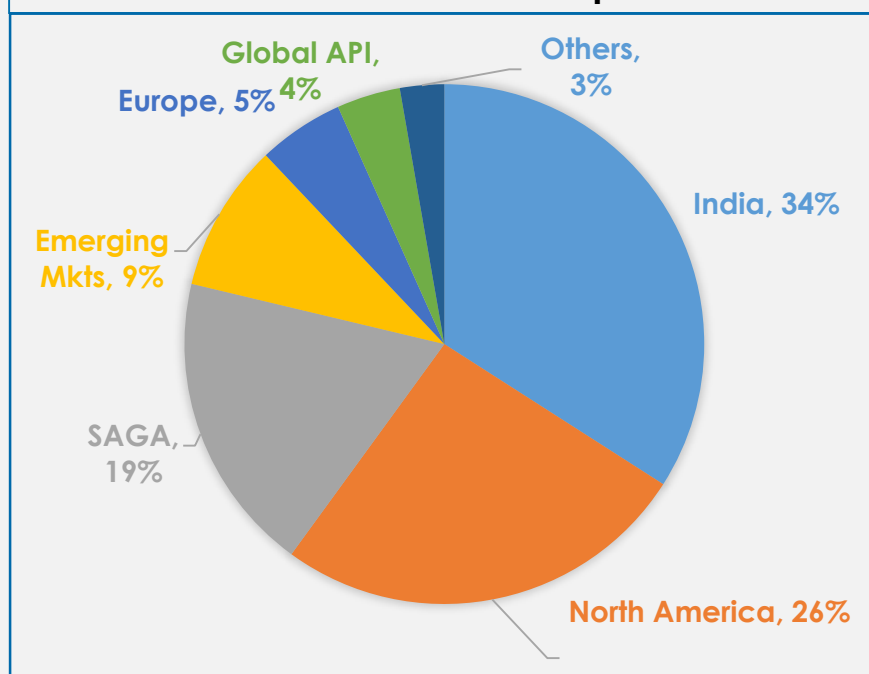
Revenues INR 4,404 Cr ↑ 19%

EBITDA ~22.1% to sales ↑ ~700bps

Q4 FY19 (Consolidated)

	Actuals (Rs Cr)	vs Q4 FY 18
Total Revenue from Operations	4,404	19%
a) Domestic Sales	1,538	11%
b) Int'l Sales	2,732	30%
c) Other Operating Income	133	-34%
EBITDA ²	972	75%
EBITDA %	22.1%	
PAT	367	106%
PAT %	8.3%	

Revenue¹ Break-up



¹ Others: Includes CNV business, Vet and others; SAGA includes South Africa, Sub-Saharan Africa and Cipla Global Access; Percentages have been rounded-off

² Without the impact of exceptional items in FY18

Financial Performance – FY19

Revenues

INR 16,362 Cr ↑ 8%

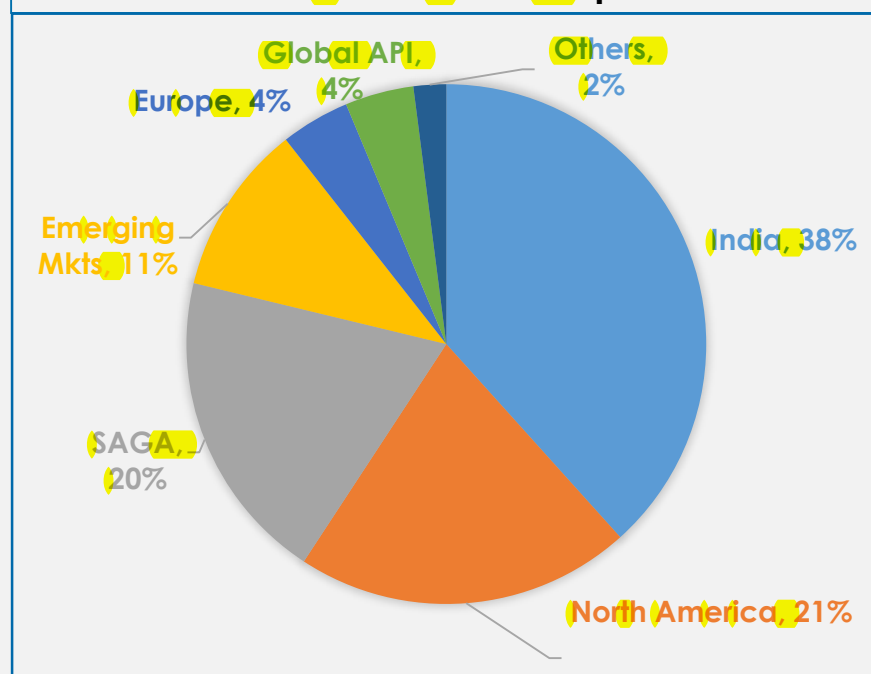
EBITDA

19.4% to sales ↑ ~80bps

FY19 (Consolidated)

	Actuals (Rs Cr)	vs FY 18
Total Revenue from Operations	16,362	8%
a) Domestic Sales	6,367	6%
b) Int'l Sales	9,603	10%
c) Other Operating Income	391	-16%
EBITDA	3,171	12.2%
EBITDA %	19.4%	
PAT	1,528	8%
PAT %	9.3%	

Revenue¹ Break-up



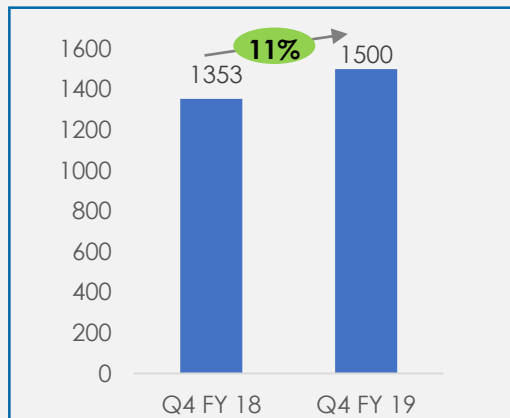
¹ Others: Includes CNV business, Vet and others; SAGA includes South Africa, Sub-Saharan Africa and Cipla Global Access; Percentages have been rounded-off

India (Rx + Gx) Sales: Strong growth momentum continues across key therapeutic areas



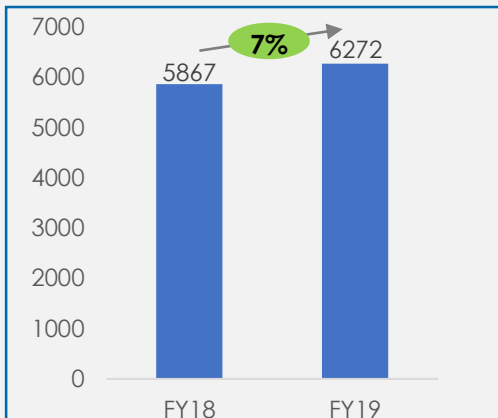
Q4 Y-o-Y

Rs Cr



FY19 Y-o-Y

Rs Cr



Prescription Growth	Secondary Growth	Primary Growth
9%	11.2%	7%

Impacted due to channel **de-stocking** during the year

Overall, Domestic businesses (incl OTC) delivered INR 6420 Cr; in-line with guidance

Key Business Highlights¹

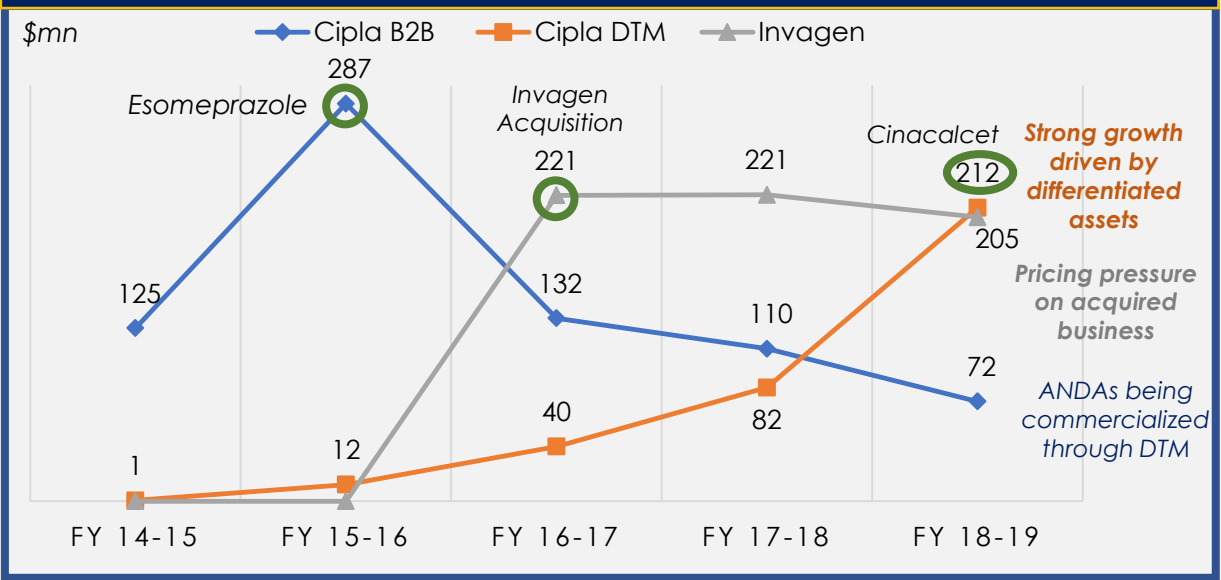
- Cipla continued its **outperformance in FY19; grew by 11.2% vs market growth of 10.5%**
- Chronic therapies:** Cipla became the **2nd biggest player** growing over 18% vs market growth of 13%
- Strategic partnership with LG Life Sciences for Women Health Portfolio

Therapy	Market Rank	Market Share	Cipla Growth	Market Growth
Respiratory	1	21.8%	19%	11%
<i>Respiratory Inhalation</i>	1	67.4%	20%	18%
Urology	1	15.1%	19%	17%
Cardiology	4	5.6%	18%	12%
Central Nervous System	5	3.2%	16%	10%

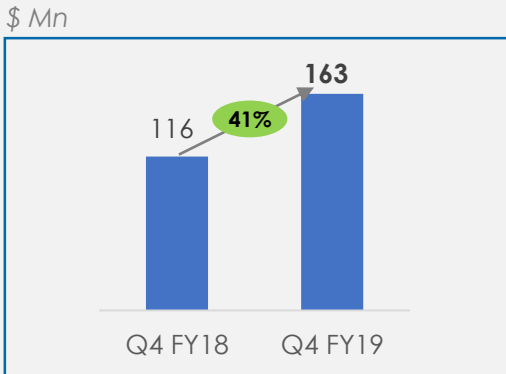
1. IQVIA MAT Mar'19

North America: Significant growth driven by ramp-up across key differentiated products

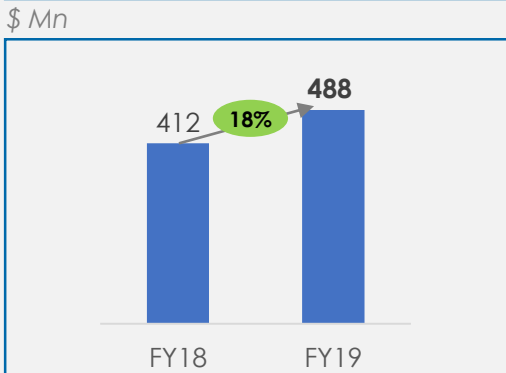
Business-wise ramp-up (rounded-off)



Q4 Y-o-Y

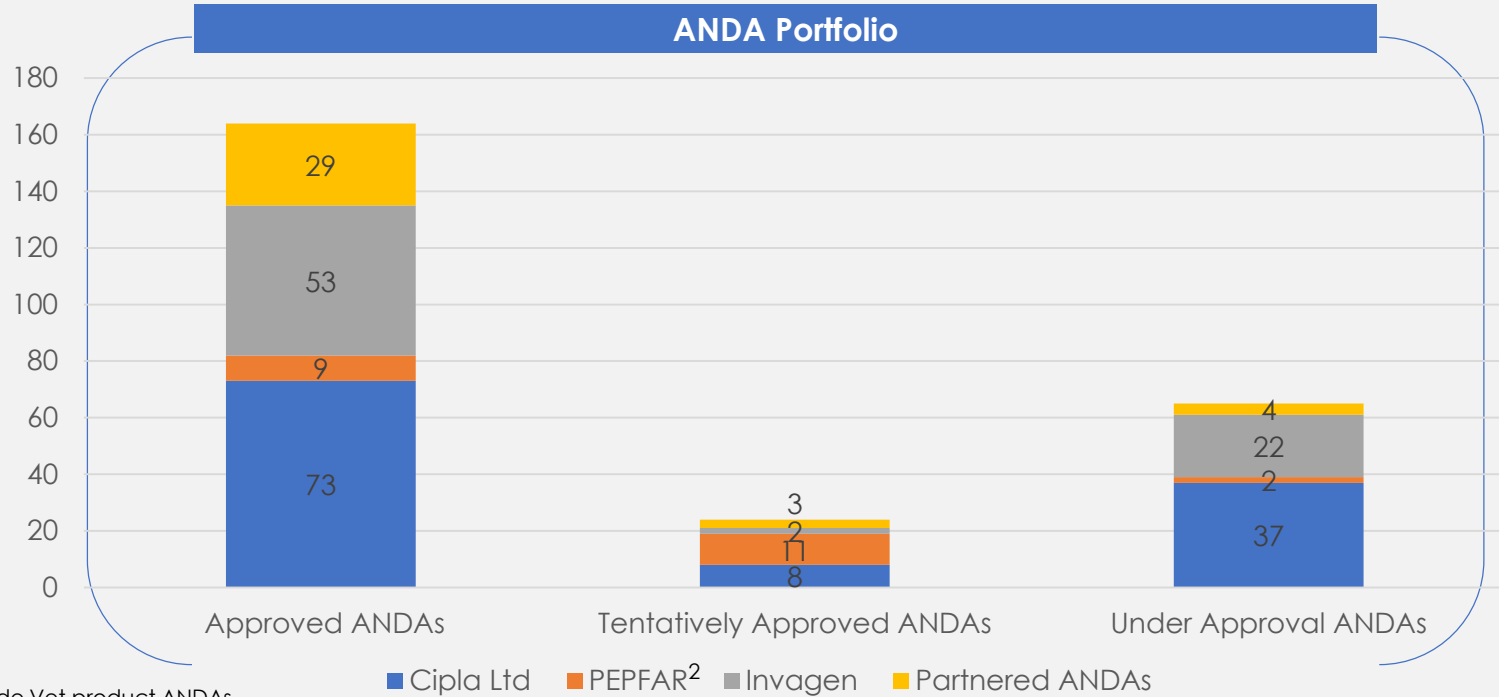


FY19 Y-o-Y



ANDA¹ Portfolio & Pipeline (As on 31st Mar 2019)

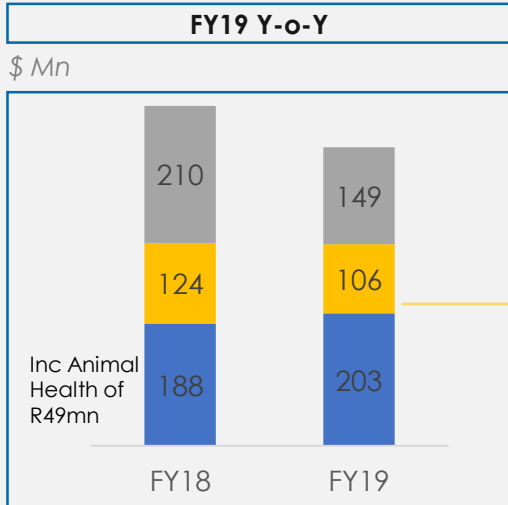
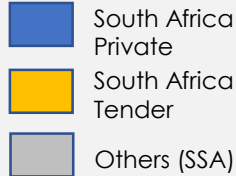
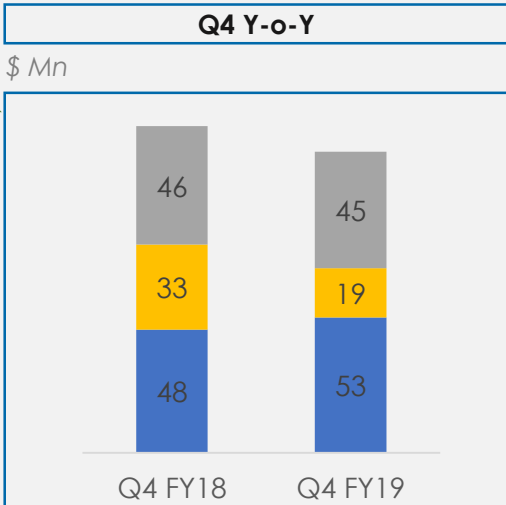
Total
+
164
+
24
+
65
=
253
ANDAs



¹ Does not include Vet product ANDAs

² PEPFAR approved ANDAs can be commercialised in US

Q4: SA Private Market Local currency ZAR growth 30%
(ex Animal Health; Inc Mirren)



SA Private Market Local currency ZAR growth 12%
(ex Animal Health; Inc Mirren)

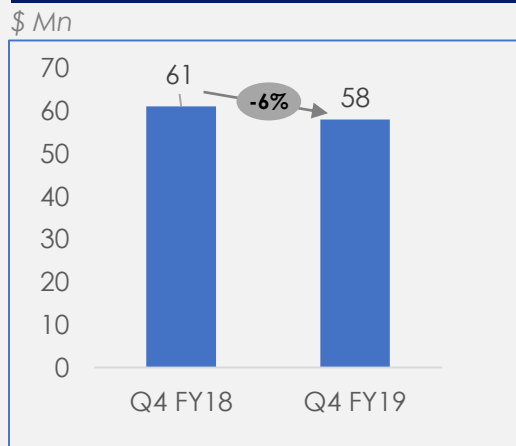
Impacted by rebasing of Tender business

Key Business Highlights

- Re-basing of global access business and softness in South Africa tender; Global access business de-grew 36% YoY during the year
- As per IQVIA (IMS) MAT Mar'19, South Africa business grew at more than three times the market at 10.4% in the private market
- Expanded offering to the patients in South Africa beyond medicines, acquired 30% stake in Brandmed, a connected health solutions company.

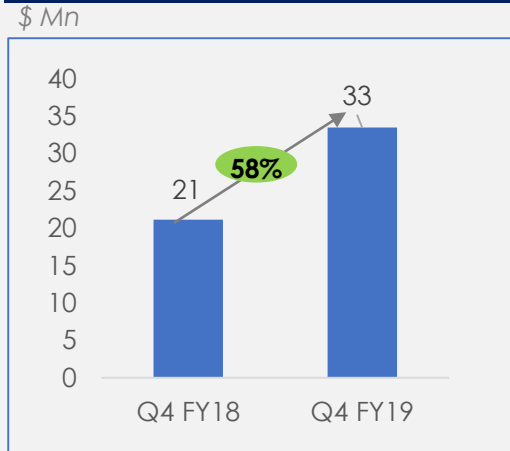
*Financial numbers are rounded off

Emerging Markets



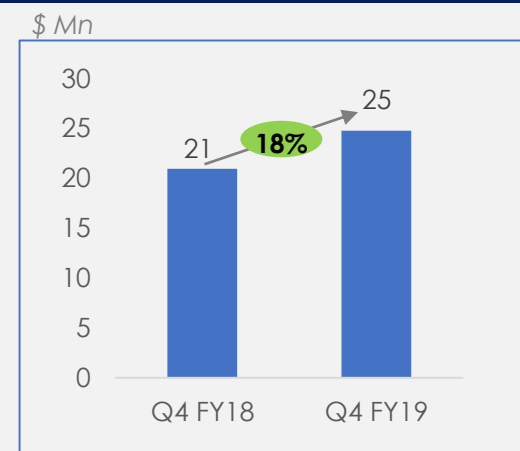
- **Biosimilars franchise in the EM:** Added Peg-filgrastim for Australia, New Zealand, Colombia and Malaysia
- De-growth largely attributable to geopolitical challenges in Middle East markets and currency movements

Europe



- Strong ramp-up in key respiratory products post the resolution of supply issues
- FPSM market share ramping-up steadily

API



- Strong contribution from key accounts and top 5 products; sales ramp-up in Oncology APIs
- Continued momentum in seedings and lock-ins

Priorities for FY20

Continued growth across focused markets



India	+	US	+	South Africa	+	RoW & Others
Above market growth <i>Strong growth in existing franchises incl Respi + ramp-up of chronic therapies such as Diabetes, Cardio and Women Health</i>		Gx: Drive double digit growth <i>Scale-up of FY19 launches + FY20 new launches</i> Specialty investments to continue		Continued strong private market performance <i>OTC business to ramp-up further offsetting softness in Tender</i>		Continue market leadership in key regions; <i>China and Brazil entries accelerated</i> <i>Manage risks in middle eastern markets</i>

EBITDA

FY20



Margin expansion over normalized FY19 EBITDA

R&D spend

7-8%



Continued investments to ramp-up US portfolio; Respiratory Clinical and Specialty investments

Planned filings

12+ ANDAs

Focus towards complex and differentiated assets

Quality & Compliance

Ensuring compliance at all our facilities globally

Thank you

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