

25<sup>th</sup> January 2023

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|--|---|
| <p>(1) BSE Ltd.<br/>Listing Department<br/>Phiroze Jeejeebhoy Towers<br/>Dalal Street<br/>Mumbai 400 001<br/><b>Scrip Code: 500087</b></p> | <p>(2) National Stock Exchange of India Ltd.<br/>Listing Department<br/>Exchange Plaza, 5<sup>th</sup> floor,<br/>Plot no. C/1, G Block,<br/>Bandra (East), Mumbai - 400 051<br/><b>Scrip Code: CIPLA</b></p> |
| <p>(3) SOCIETE DE LA BOURSE DE<br/>LUXEMBERG<br/>Societe Anonyme<br/>35A Boulevard Joseph II,<br/>L-1840 Luxembourg</p>                    |   |

**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 25<sup>th</sup> January 2023.

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

The Cipla logo is displayed in a bold, white, sans-serif font in the upper right corner of the slide. The background of the slide is a dark blue gradient with a white molecular structure pattern of hexagons and dots. A white diagonal line runs from the top center towards the bottom right, separating the logo area from the main content area.

**Cipla**

The title 'Investor Presentation' is written in a large, bold, white, sans-serif font in the lower left quadrant of the slide. The background behind the text is a blurred image of several hands clasped together, suggesting teamwork or support.

**Investor Presentation**

**Q3FY23**

25-1-2023

# 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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# Q3FY23 Performance

Continued strong traction in One-India and US differentiated portfolio drive revenue and profitability

## KEY HIGHLIGHTS

### Overall Revenue

**INR 5,810 Cr**

**6%**  
Reported  
YoY growth

**11%**  
Ex-covid  
YoY growth

### EBITDA Margin

**INR 1,408 Cr**      **24.2%**

**13%**  
Reported  
YoY growth

**24%**  
Ex-covid  
YoY growth

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

**INR 363 Cr**      Continued investment  
in respiratory, biosimilar  
and other projects

**39%**  
YoY growth

**6.2%**  
of overall  
revenue

## BUSINESS PERFORMANCE

### One-India

**2%**      **11%**  
(Reported)      (Ex-covid)  
YoY growth in INR terms

Robust double-digit traction in core portfolio across therapies and business segments

### North America

**\$ 195 Mn**      **30%**  
YoY growth in \$ terms

Strong traction in respiratory products further propelled by new launches including peptides

### SA Private

**3%**      YoY  
in ZAR terms

Supply challenges being addressed

### International Markets

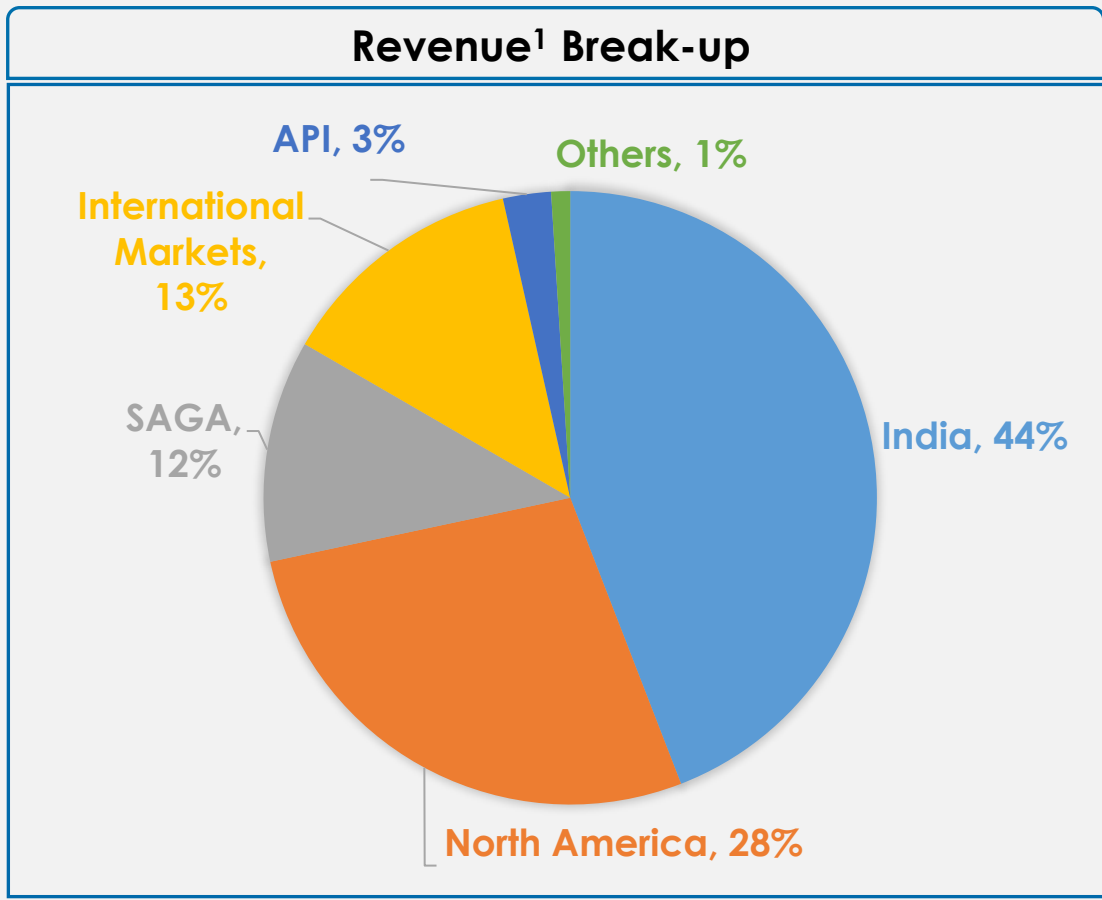
**\$ 93 Mn**

\$ revenue impacted by currency volatility; Strong secondary growth continues across key markets

# Financial Performance – Q3FY23

## Revenues

INR 5,810 Cr



## EBITDA

INR 1,408 Cr

**Q3 FY23 (Consolidated)**

	Actuals (INR Cr)	vs Q3 FY22
<b>Total Revenue from Operations</b>	<b>5,810</b>	<b>6%</b>
EBITDA	1,408	13%
<b>EBITDA % of revenue</b>	<b>24.2%</b>	<b>153 bps</b>
PAT	801	9.9%
<b>PAT % of revenue</b>	<b>13.8%</b>	<b>49 bps</b>
Adj. PAT <sup>2</sup>	876	20.2%
<b>Adj. PAT % of revenue</b>	<b>15.1%</b>	<b>178 bps</b>

**R&D<sup>3</sup> INR 363 Cr**    **↑ 39% YoY**    *Priority projects on track*

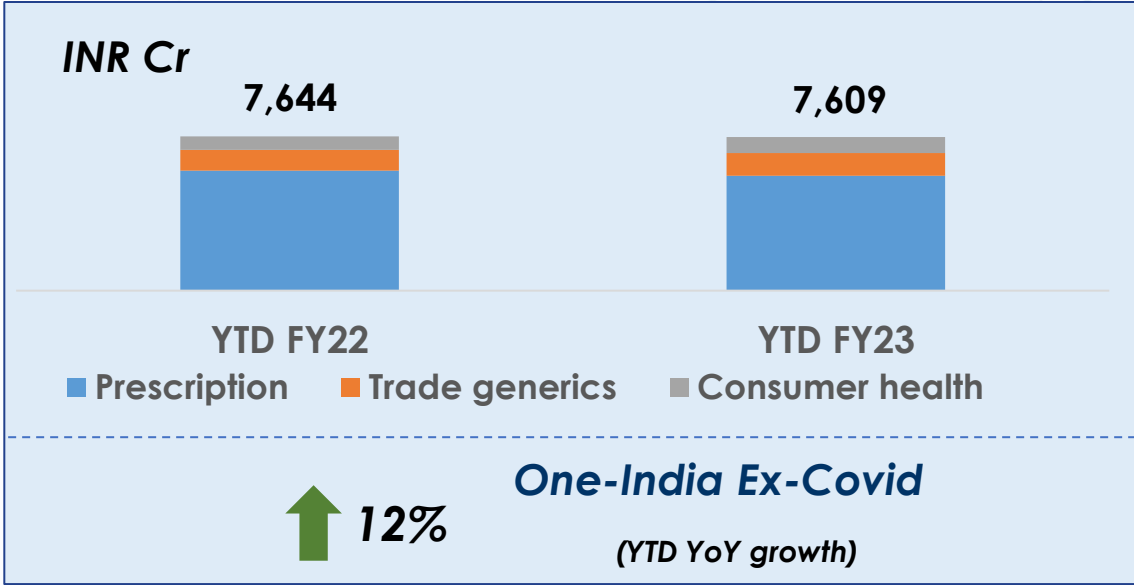
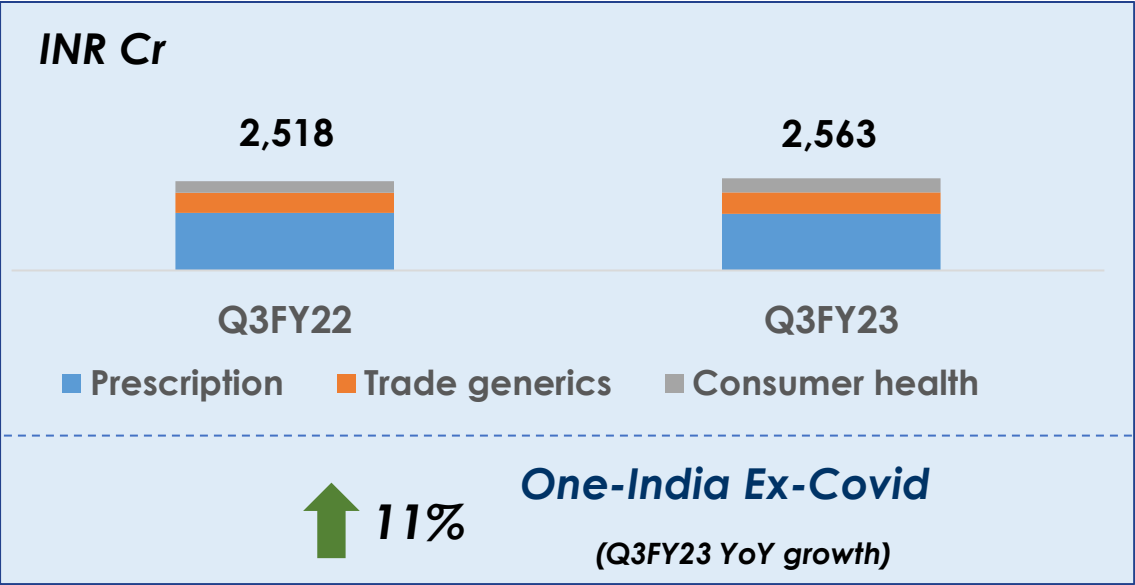
1. India includes Rx + Gx+ CHL; SAGA includes South Africa, Sub-Saharan Africa and Cipla Global Access; International Markets include Emerging Markets and Europe | Figures have been rounded-off | 2. Excludes one-time tax charge on account of deferred tax asset reversal | 3. Opex including depreciation

# Continued focus on building balance sheet strength



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

# One India (Rx + Gx+ CHL<sup>1</sup>): Strong execution across portfolio and distribution helping us drive growth across the three businesses



## Branded prescription business

- ❖ Sustained momentum across respiratory, cardiac, anti-diabetic in core portfolio; beating market growth in secondary terms in Q3 as per IQVIA
- ❖ Healthy market shares and ranks across chronic therapies in Q3 as per IQVIA

**11%**

(Q3YoY ex-covid growth)

**3<sup>rd</sup>**

**Largest in India branded prescriptions segment**



## Trade generics business

- ❖ Strong demand for flagship brands and key therapeutic categories, including new launches
- ❖ Continued focus on customer engagement for healthy order flows



## Consumer health business

- ❖ Robust traction in anchor brands as well as transitioned brands
- ❖ **4** brands with revenue > INR 100 Cr in TTM ending Dec-22
- ❖ Continued category innovation and expansion

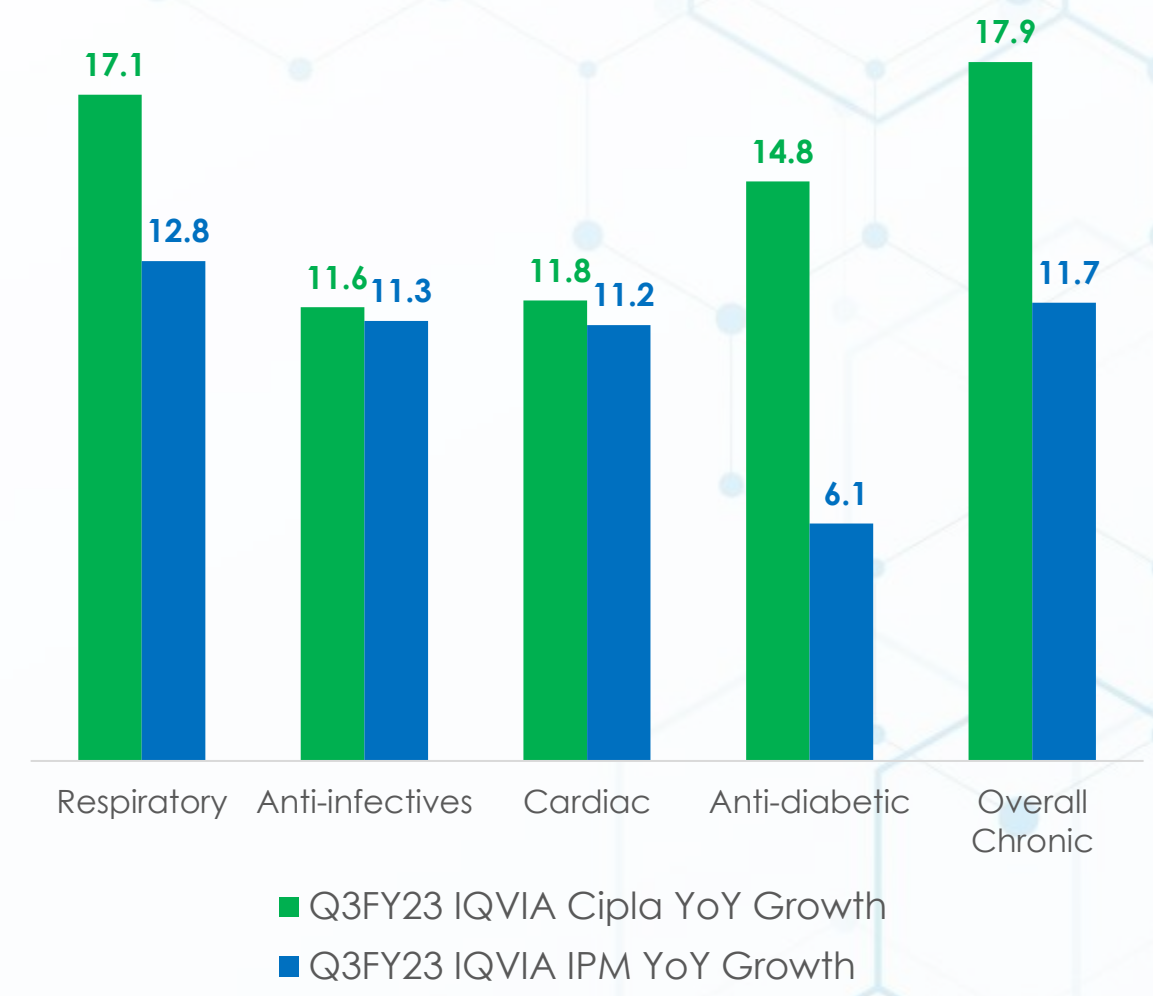
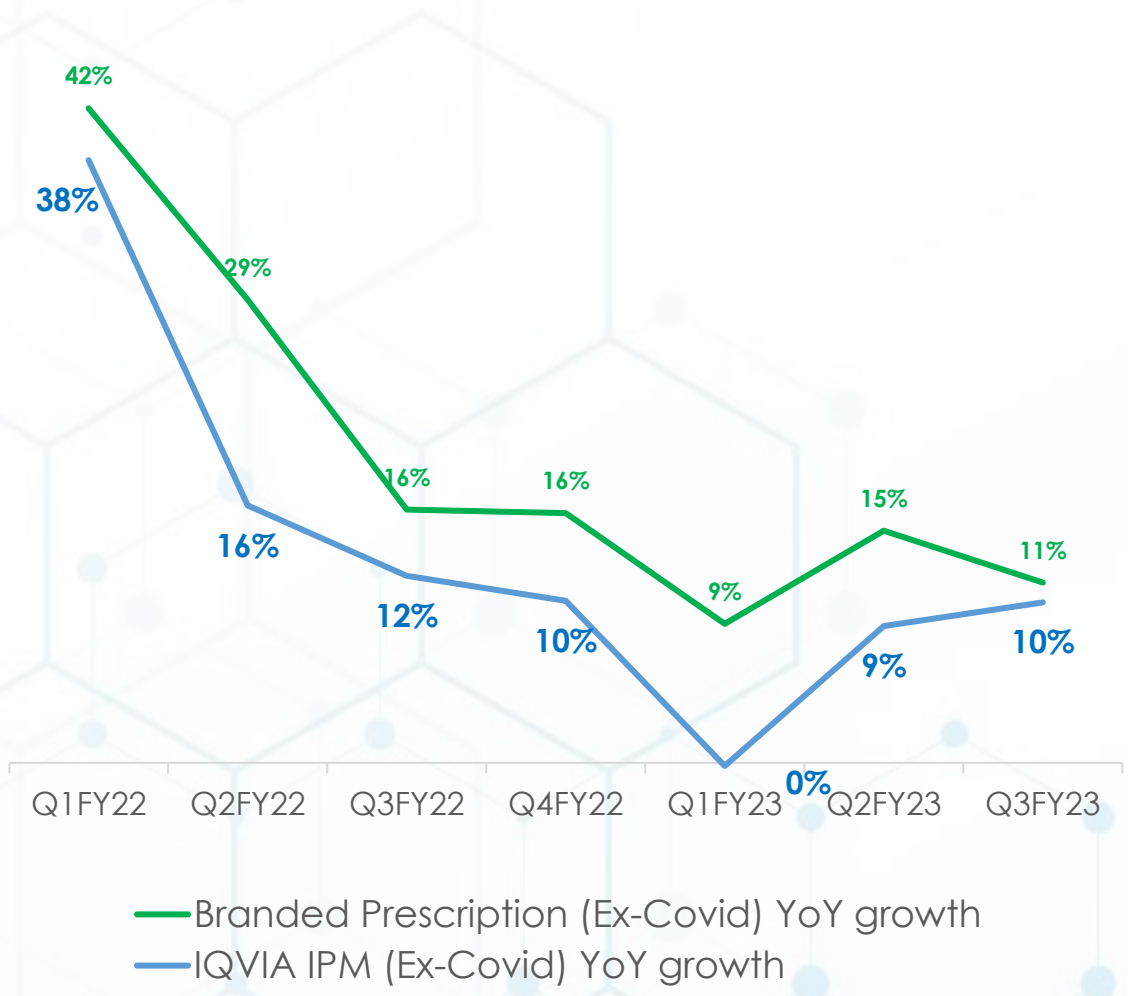
**16%<sup>^</sup>**

(Q3YoY growth, adjusted for acquisition in Q2FY23)

1. CHL – Cipla Health Limited | <sup>^</sup>proforma growth adjusted for consumer brands transferred as a business undertaking to CHL in Q3FY23 and base has been adjusted accordingly

# Our branded prescription business continues to deliver market beating growth driven by growing share of chronic therapies

*7<sup>th</sup> consecutive quarter of market beating growth in core portfolio over previous year*



Note: Market data as per IQVIA December 2022



# Global consumer wellness franchise improving health outcomes

## One-India

**975+**  
**INR Cr**  
 9MFY23 revenue

**Flagship Brands**

 ↑ 28%	 ↑ 23%	 ↑ 5%	 ↑ 11%
 ↑ 36%	 ↑ 24%	 ↑ 7%	 ↑ 30%

**8.5%**

Contribution of Global Consumer franchise to overall revenues in 9MFY23 (in INR terms)



## South Africa

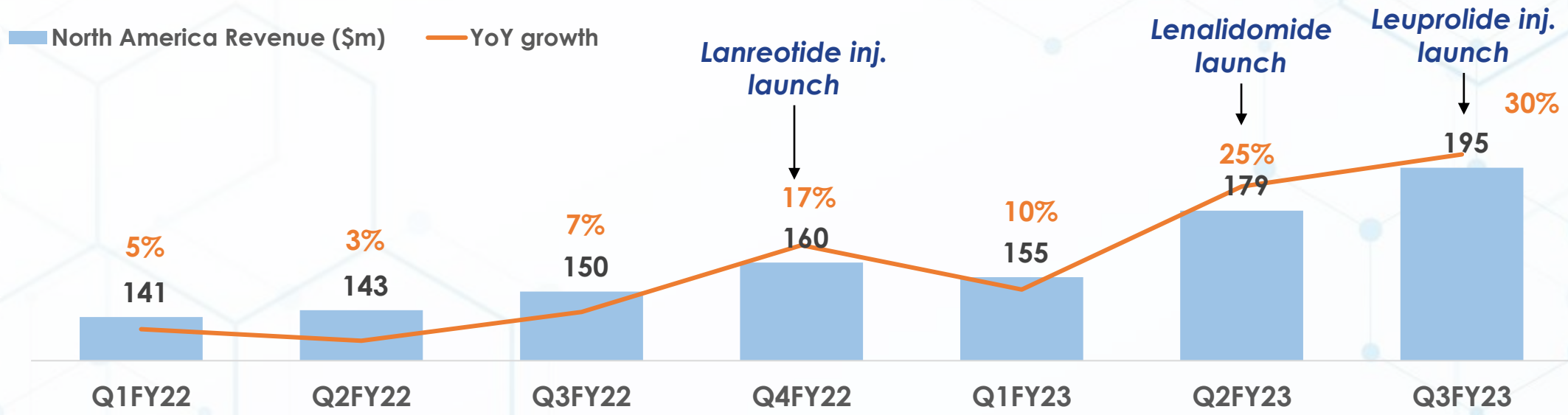
**970+**  
**ZAR Mn**  
 9MFY23 revenue

**Flagship Brands**

 ZAR 90Mn+	 ZAR 75Mn+	 ZAR 70Mn+	 ZAR 65Mn+	 ZAR 50Mn+
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# North America: Continued momentum on the back of expansion in share of differentiated products

10<sup>th</sup> consecutive quarter of growth in revenue over previous year



## Continued Peptide Unlocking in the US market

Key launches and pipeline

- Icatibant injectable pre-filled syringe (7/2020)
- Lanreotide Injection 505b2 pre-filled Syringe (12/2021)
- launch of leuprolide acetate injection depot (12/2022)
- Strong peptide pipeline along with respiratory and complex assets FY24E-FY27E

# North America: Continued momentum on the back of expansion in share of differentiated products



Highest ever quarterly revenue driven by steady contribution from Lenalidomide, market share expansion in respiratory & peptide products, offsetting price erosion in base



17.6% Albuterol Total market share<sup>2</sup> **170 bps+** expansion over last 1 year

38.5% Arformoterol Total market share<sup>2</sup> **1,000 bps+** expansion over last 1 year



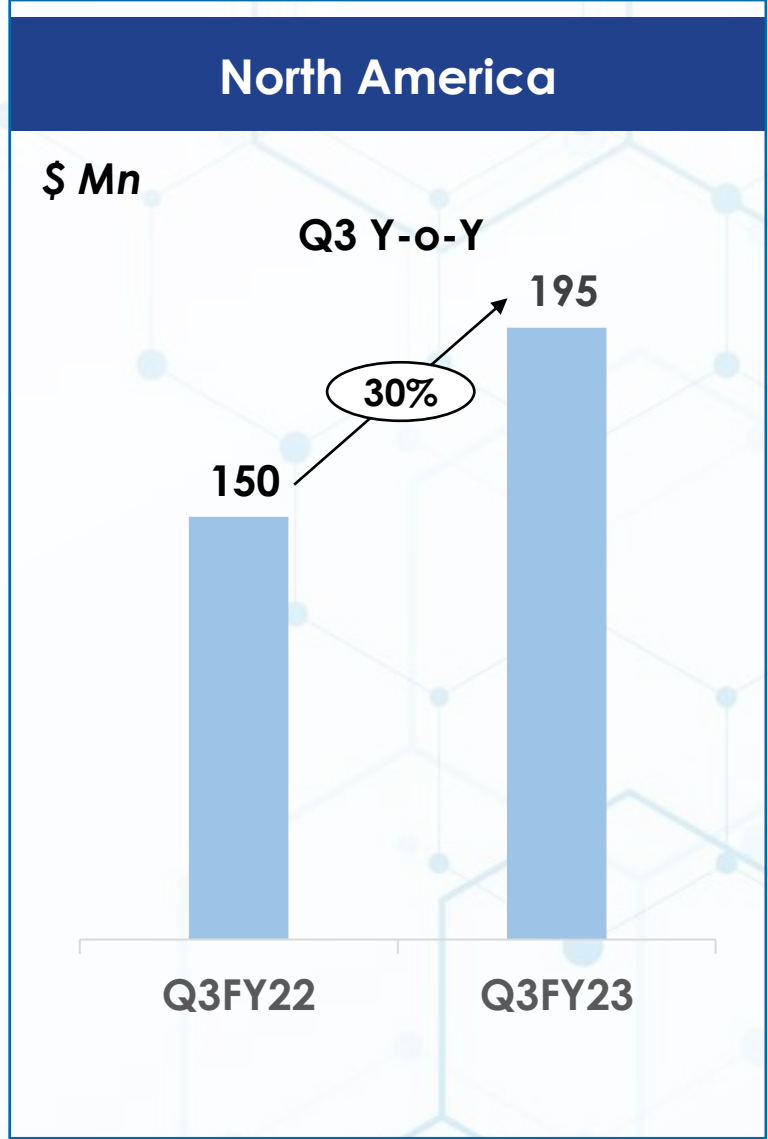
Q4FY22	Q1FY23	Q2FY23	Nov-22
1.9%	4.6%	9.6%	14.1%

Sustained market share<sup>1</sup> ramp-up in lanreotide 505b2



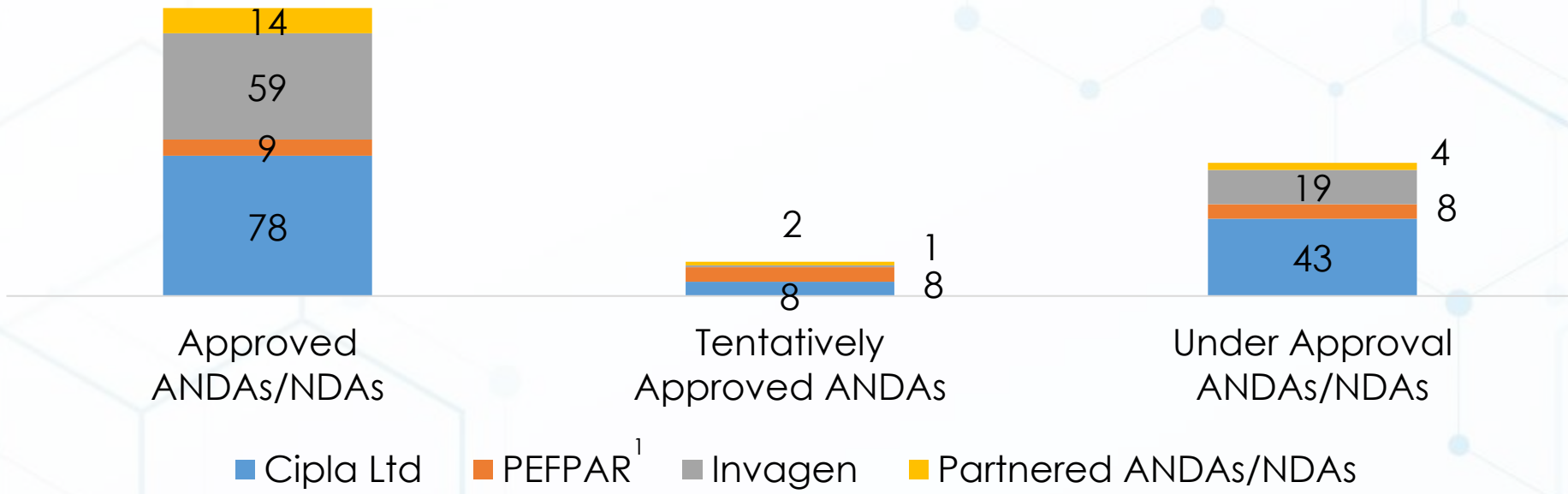
### Pipeline update

- ❖ Working with USFDA on **gAdvair**
- ❖ Clinical trials on a respiratory asset on-going



1. Market data as per IQVIA at respective quarter-end | 2. Market data as per IQVIA at 31/12/2022

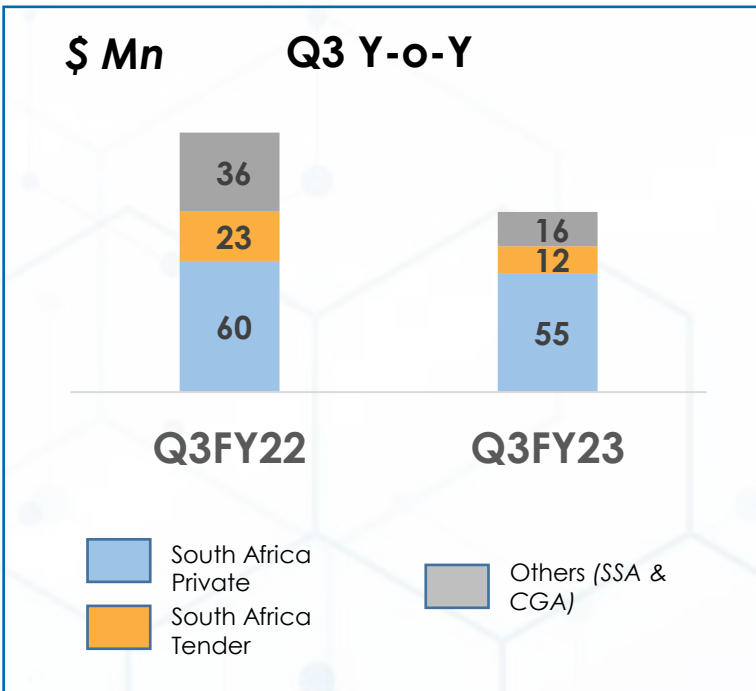
# ANDA & NDA Portfolio & Pipeline (As on 31<sup>st</sup> December 2022)



■ Cipla Ltd   
 ■ PEPFAR<sup>1</sup>   
 ■ Invagen   
 ■ Partnered ANDAs/NDAs

<b>160</b>	<b>+</b>	<b>19</b>	<b>+</b>	<b>74</b>	<b>=</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> PEPFAR approved ANDAs can be commercialised in US



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

- ❖ Supply challenges being addressed; evolving business mix between private and tender
- ❖ In secondary terms, strong demand continues with overall South Africa private business growing faster than the market
- ❖ Healthy ranks & market position in key therapy areas of Asthma & COPD, Anti-biotics, Cough & Cold and Probiotics

**8**

**Brands launched across multiple therapies in Q3FY23**

Market Segment	Market Rank	Market share	Cipla Growth	Market Growth
South Africa prescription	3	7.9%	9.3%	3.7%
South Africa OTC	3	7.3%	7.1%	0.0%
South Africa overall	3	7.7%	8.5%	2.3%

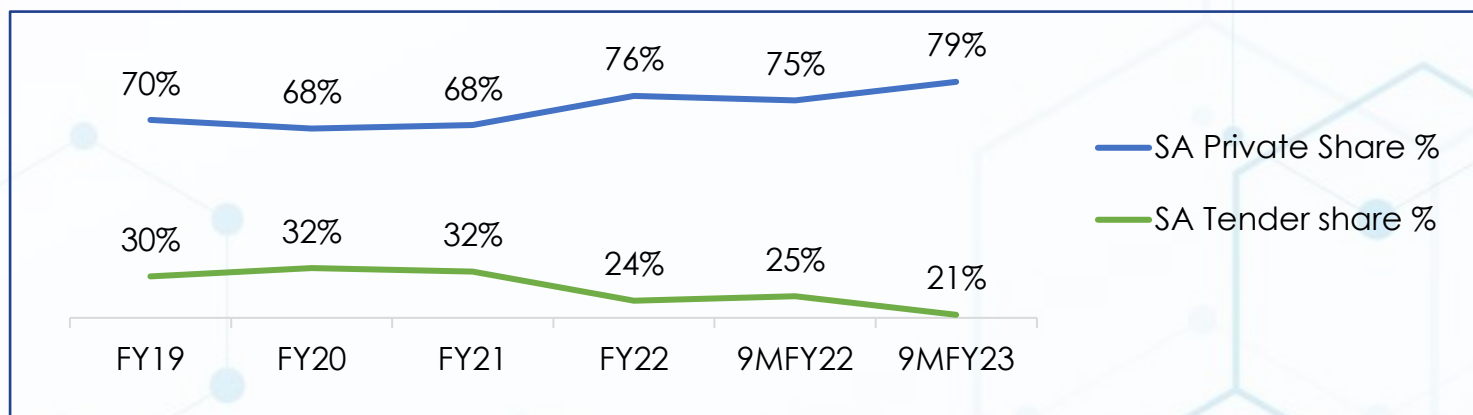
**Proactive efforts to shape business mix for garnering higher share of private and focus on margin accretive tender bids**

**900bps+ expansion in SA private share over Q3FY22**

**82%** SA Private revenue share

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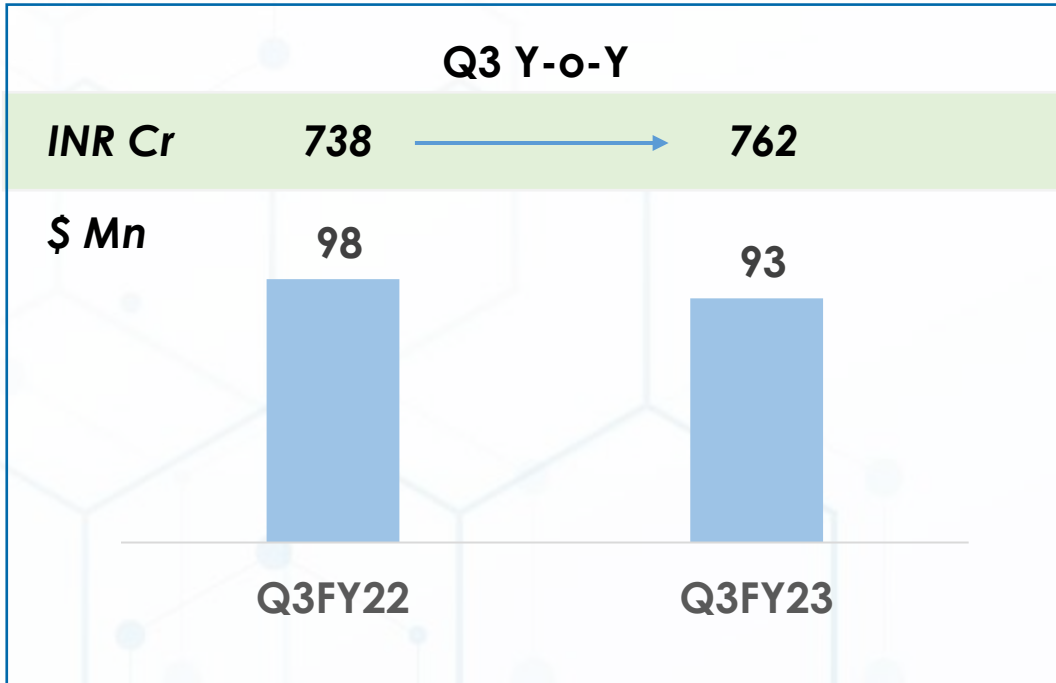
**18%** SA Tender revenue share



1. Financial numbers are rounded off | 2. Market data as per IQVIA MAT November 2022

# International Markets and API

## International Markets

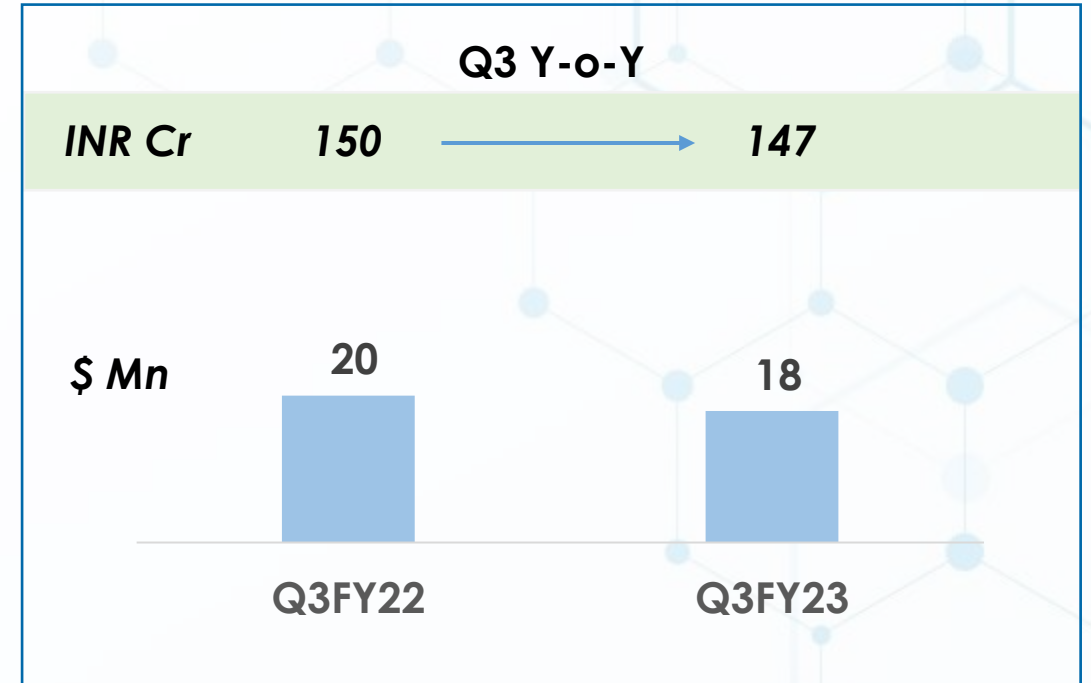


## Key Business Highlights



- ❖ \$ revenue impacted by currency volatility; 6% YoY ex-covid growth in INR terms
- ❖ Strong momentum continues across focused DTMs<sup>1</sup>; double-digit growth in secondary terms

## API



## Key Business Highlights



- ❖ Continued growth in emerging markets offsetting normalisation in inventory levels for European customers
- ❖ Continued traction with global seedings & lock-ins

## Partnering in development of mRNA-based therapies

- ❑ Ethris GmbH is global leader in delivering mRNAs directly to the respiratory system including administration by inhalation
- ❑ Cipla signed definitive agreements for equity investment of EUR 15 million in Ethris
- ❑ Investment will facilitate a long-term strategic partnership for the development of mRNA-based therapies and fast-track Cipla's participation cutting-edge healthcare solutions to patients

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## Continued Progress on ESG Goals



**Carbon Neutrality**

- Healthy progress on renewable energy plan till date
- **Captive Open Access Projects:** 61 MWp completed
- **Onsite Roof-top/ Ground mounted:** 8 MWp completed



**Water Neutrality**

- Projects in water conservation initiated with multiple NGOs in field of Natural Resource Management

## Recognition for high corporate governance & sustainability practices



- **Cipla recognized by ICSI**
  - 1<sup>st</sup> "Business Responsibility and Sustainability" Awards, 2022
  - "Certificate of Recognition" for excellence in Corporate Governance



# Continued progress on our strategic priorities

	<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>maximizing value from complex launches and high serviceability of respiratory and peptide franchise</b>; closely monitoring upcoming <b>high value launches</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] | 3. Environmental, Social, Governance

# Profit and Loss statement summary

Particulars	Q3 FY23 (INR Crores)	Q2 FY23 (INR Crores)	Q3 FY22 (INR Crores)
Revenue from sale of products	5,730.1	5,759.3	5,442.9
Other operating income	80.0	69.3	36.0
<b>Income from operations</b>	<b>5,810.1</b>	<b>5,828.5</b>	<b>5,478.9</b>
Material cost	2,004.3	2,160.2	2,143.4
Employee benefits expense	948.7	960.8	872.4
Other expenses	1,449.6	1,405.2	1,232.1
<b>Total expenses</b>	<b>4,402.6</b>	<b>4,526.2</b>	<b>4,247.9</b>
Finance costs	31.8	25.5	20.7
Depreciation, impairment and amortisation expense	272.1	299.4	247.5
Other income	114.5	122.9	91.3
<b>Profit before tax</b>	<b>1,218.1</b>	<b>1,100.4</b>	<b>1,054.1</b>
Tax expenses	410.0	302.6	295.1
Share of associate	(0.2)	(0.4)	(2.1)
<b>Profit for the period</b>	<b>807.8</b>	<b>797.4</b>	<b>756.9</b>
Non-controlling interest	(6.9)	(8.5)	(28.3)
<b>Profit for the period attributable to Shareholders</b>	<b>801.0</b>	<b>788.9</b>	<b>728.6</b>

# Balance sheet summary

Particulars	Dec-22 (INR Crores)	Sep-22 (INR Crores)	Mar-22 (INR Crores)
Property, plant and equipment	5,077.6	5,080.0	5,164.4
Capital work-in-progress	586.5	510.1	382.9
Investment properties	60.2	60.5	61.4
Goodwill	3,250.5	3,143.2	3,137.9
Intangible assets	1,252.2	1,164.2	1,319.6
Intangible assets under development	410.9	484.1	383.3
Investment in associate	93.8	116.7	45.8
Investments	332.9	328.3	309.8
Loans	0.2	0.0	0.0
Other financial assets	191.7	100.5	417.0
Advance tax assets (net)	455.9	440.1	483.6
Deferred tax assets	380.6	467.0	448.8
Other non-current assets	264.8	262.2	218.9
<b>Non-current assets</b>	<b>12,357.7</b>	<b>12,157.0</b>	<b>12,373.6</b>
Inventories	5,446.9	5,441.0	5,350.2
Investments	2,625.7	2,350.9	2,195.0
Trade receivables	3,940.9	3,969.1	3,424.4
Cash and cash equivalents	740.3	686.8	677.7
Bank balance other than cash and cash equivalents	1,061.9	1,147.8	1,250.7
Loans	6.8	4.7	3.6
Other financial assets	2,159.3	1,316.7	898.4
Other current assets	960.2	971.9	910.7
<b>Total current assets</b>	<b>16,941.9</b>	<b>15,888.9</b>	<b>14,710.8</b>
Assets classified as held for sale	17.0	16.9	16.7
<b>Total assets</b>	<b>29,316.7</b>	<b>28,062.8</b>	<b>27,101.1</b>

Particulars	Dec-22 (INR Crores)	Sep-22 (INR Crores)	Mar-22 (INR Crores)
Share capital	161.4	161.4	161.4
Other equity	22,774.5	21,722.9	20,680.3
<b>Equity attributable to owner</b>	<b>22,935.9</b>	<b>21,884.3</b>	<b>20,841.7</b>
Non-controlling interest	314.9	285.1	275.7
<b>Total equity</b>	<b>23,250.8</b>	<b>22,169.4</b>	<b>21,117.4</b>
Borrowings	(0.0)	12.0	416.2
Lease Liabilities	140.2	143.6	158.3
Other financial liabilities	114.1	110.5	100.4
Provisions	98.4	101.6	100.2
Deferred tax liabilities	196.6	167.8	244.0
Other non-current liabilities	49.8	48.6	51.5
<b>Total Non-Current Liabilities</b>	<b>599.0</b>	<b>584.3</b>	<b>1,070.5</b>
Borrowings	836.5	840.7	407.9
Trade payables	2,569.4	2,400.8	2,508.1
Lease Liabilities	65.8	71.4	73.4
Other financial liabilities	503.9	426.4	370.8
Other current liabilities	221.1	273.0	311.1
Provisions	1,230.2	1,161.3	1,221.0
Current tax liabilities (net)	39.3	135.0	20.6
<b>Total current liabilities</b>	<b>5,466.2</b>	<b>5,308.6</b>	<b>4,912.9</b>
Liabilities directly associated with assets classified as held for sale	0.7	0.6	0.3
<b>Total equity and liabilities</b>	<b>29,316.7</b>	<b>28,062.8</b>	<b>27,101.1</b>



# Cipla

## Thank You

### Registered Office :

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