

Investor Day

The Next and the New

Purpose-driven | Future-ready | Sustainable

**Good
Health
Can't
Wait.**

Safe Harbor Statement

This presentation contains forward-looking statements and information that involve risks, uncertainties and assumptions. Forward-looking statements are all statements that concern plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are other than statements of historical fact, including, but not limited to, those that are identified by the use of words such as “anticipates”, “believes”, “estimates”, “expects”, “intends”, “plans”, “predicts”, “projects”, “aspirations”, “goals”, “aim”, “promises” and similar expressions. Risks and uncertainties that could affect us include, without limitation:

- General economic and business conditions in India and other key global markets in which we operate;
- The ability to successfully implement our strategy, our research and development efforts, growth & expansion plans and technological changes;
- Changes in the value of the Rupee and other currency changes;
- Changes in the Indian and international interest rates;
- Allocations of funds by the Governments in our key global markets;
- Changes in laws and regulations that apply to our customers, suppliers, and the pharmaceutical industry;
- Increasing competition in and the conditions of our customers, suppliers and the pharmaceutical industry; and
- Changes in political conditions in India and in our key global markets.

Should one or more of such risks and uncertainties materialize, or should any underlying assumption prove incorrect, actual outcomes may vary materially from those indicated in the applicable forward-looking statements.

For more detailed information on the risks and uncertainties associated with the Company's business activities, please see the company's annual report filed in Form 20-F with the US SEC for the fiscal year ended March 31, 2021 and quarterly financial statements filed in Form 6-K with the US SEC for the quarters ended Jun 30, 2021, Sep 30, 2021, Dec 31, 2021 and our other filings with US SEC. Any forward-looking statement or information contained in this presentation speaks only as of the date of the statement. We are not required to update any such statement or information to either reflect events or circumstances that occur after the date the statement or information is made or to account for unanticipated events.

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Our purpose continues to **guide** and **energize** us on our journey

Our credo

**Good
Health
Can't
Wait.**

translates into three pillars



Access

To serve as many patients as possible across the world



Affordability

operational excellence and productivity to deliver care affordably to patients

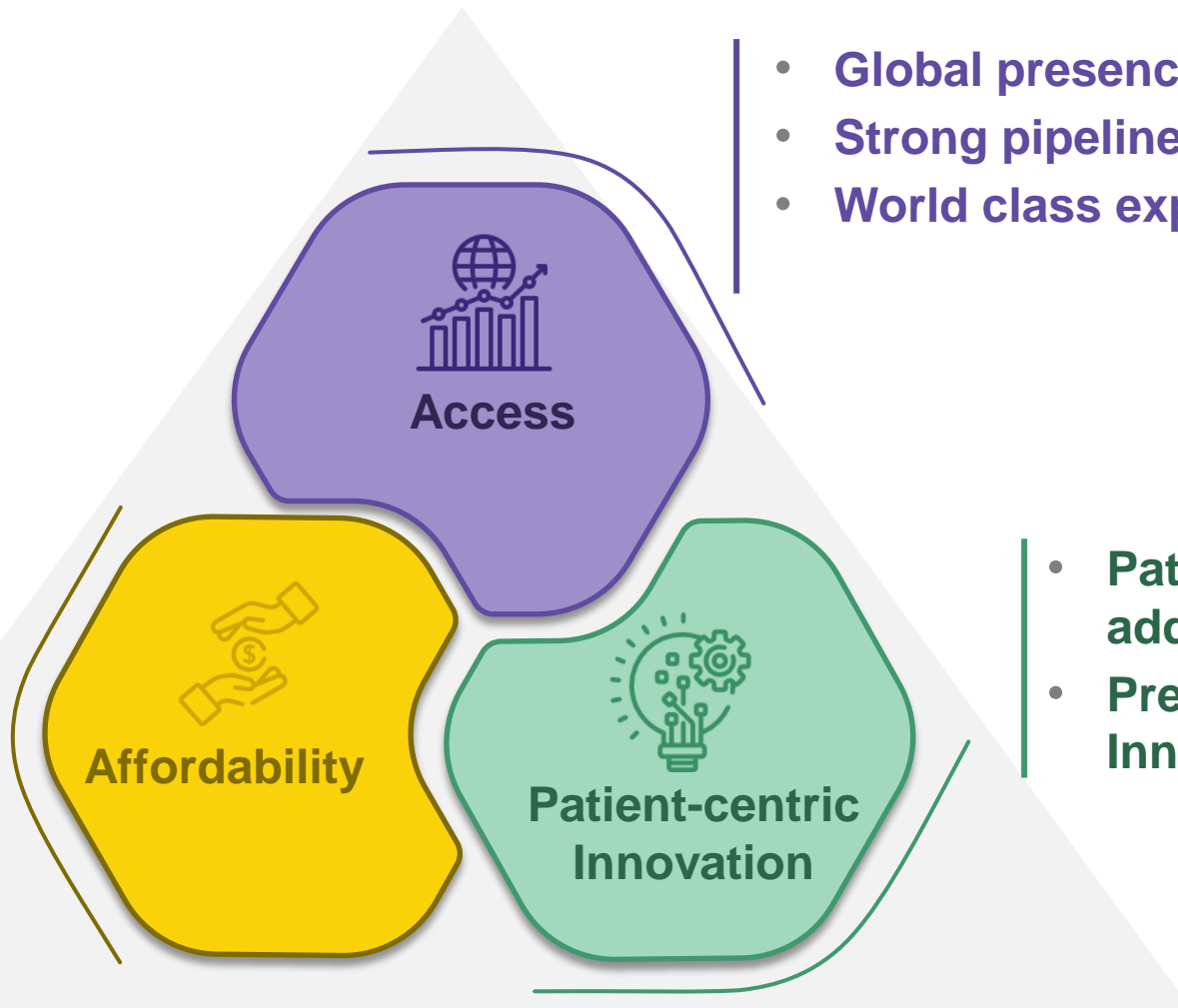


Patient-centric Innovation

Focused innovation to identify and address unmet needs of patients

Our distinctive strengths

- **Vertically Integrated**
- **Agile supply chain**
- **Robust manufacturing operations**
- **Productivity & execution excellence**



- **Global presence in 66 countries**
- **Strong pipeline across markets**
- **World class expertise in R&D**

- **Patient-centric innovation to address unmet needs**
- **Preferred partner for Innovation**

Science & technology

Governance

People

Sustainability

Sustainability is deeply embedded in our purpose and forms the core of our organization

Sustainability has **always** been an **important focus area** for us



Good progress on environment, impactful work in communities and robust corporate governance

Environment

- Waste minimization
- Waste management
- Water neutrality
- Emissions and Renewable Power

Social

- Community development
- People practices
- Responsible Corporate citizen

Governance

- Strong focus on ethics, compliance and transparency

Today we further **strengthen our commitment to sustainability**

Our Sustainability goals

Being committed to environmental stewardship

Reducing carbon emissions

- 100% renewable power (RE100) by 2030
- Carbon neutral in direct operations by 2030
- 12.5% reduction in indirect carbon emissions (Scope 3) by 2030

Water Positivity

- Water-positive by 2025

Making our products accessible and affordable for patients

Access

- Serve 1.5Bn+ patients by 2030

Affordability

- 25% new launches to be first to market by 2027

Innovation

- 3 Innovative products improving standard of treatment every year

Contributing to a fairer and more socially inclusive world

Equity, diversity and inclusion

- At least 35% women in senior leadership (3X from current) by 2030
- Gender parity by 2035
- 3% of our workforce to be PwD by 2030
- Ensure 100% living wages for our extended workforce by 2025

Enhancing trust with our stakeholders

Highest standards on **Compliance** and **Ethics** backed by robust **Corporate Governance**

ESG disclosures: Enhance disclosure to reach top quartile by 2025

Strategic Suppliers: 100% of our strategic suppliers to be compliant with our internal ESG framework by 2030

Our Board of directors

Independent Directors



Kalpana Morparia



Allan Oberman



Dr. Bruce LA Carter



Prasad R Menon



Penny Wan



Sridhar Iyengar



Dr. K P Krishnan



Leo Puri



Shikha Sharma

Whole Time Directors



G V Prasad



Satish Reddy

Strong Leadership Team



EREZ ISRAELI
Chief Executive
Officer



M V RAMANA
Chief Executive
Officer, Branded
Markets (India and
Emerging Markets)



**PARAG
AGARWAL**
Chief Financial
Officer



**ARCHANA
BHASKAR**
Chief Human
Resource Officer



SANJAY SHARMA
Global Head of
Manufacturing



**DEEPAK
SAPRA**
Chief Executive
Officer, API and
Services



**MARC
KIKUCHI**
Chief Executive
Officer, North
America Generics



**JAYANTH
SRIDHAR**
Global Head
Biologics



**MUKESH
RATHI**
Chief Digital and
Information Officer



**PATRICK
AGHANIAN**
Chief Executive
Officer, European
Generics



**SUSHRUT
KULKARNI**
Global Head of
IPDO



**INDRAJIT
BOSE**
Global Head of
Quality



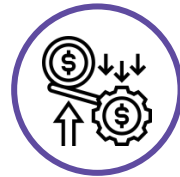
Our Strategy

We are delivering **the promises** we made in 2019

We have
increased opportunities
and
reduced risks
through



Capital Reallocation



**Leveraging portfolio
across markets**



**Continuous Focus on
increasing productivity**

**delivering double digit
growth***

with
healthy cash flow,
no debt,
and

EBITDA & ROCE[^] of 24%
achieving

~2X[#] Market Capitalization

The context around us is changing



Intense competition in traditional Generics



More complex, Injectables and Biologics



Patients looking for holistic solutions



New players in the Health ecosystem



Disruption through Digital

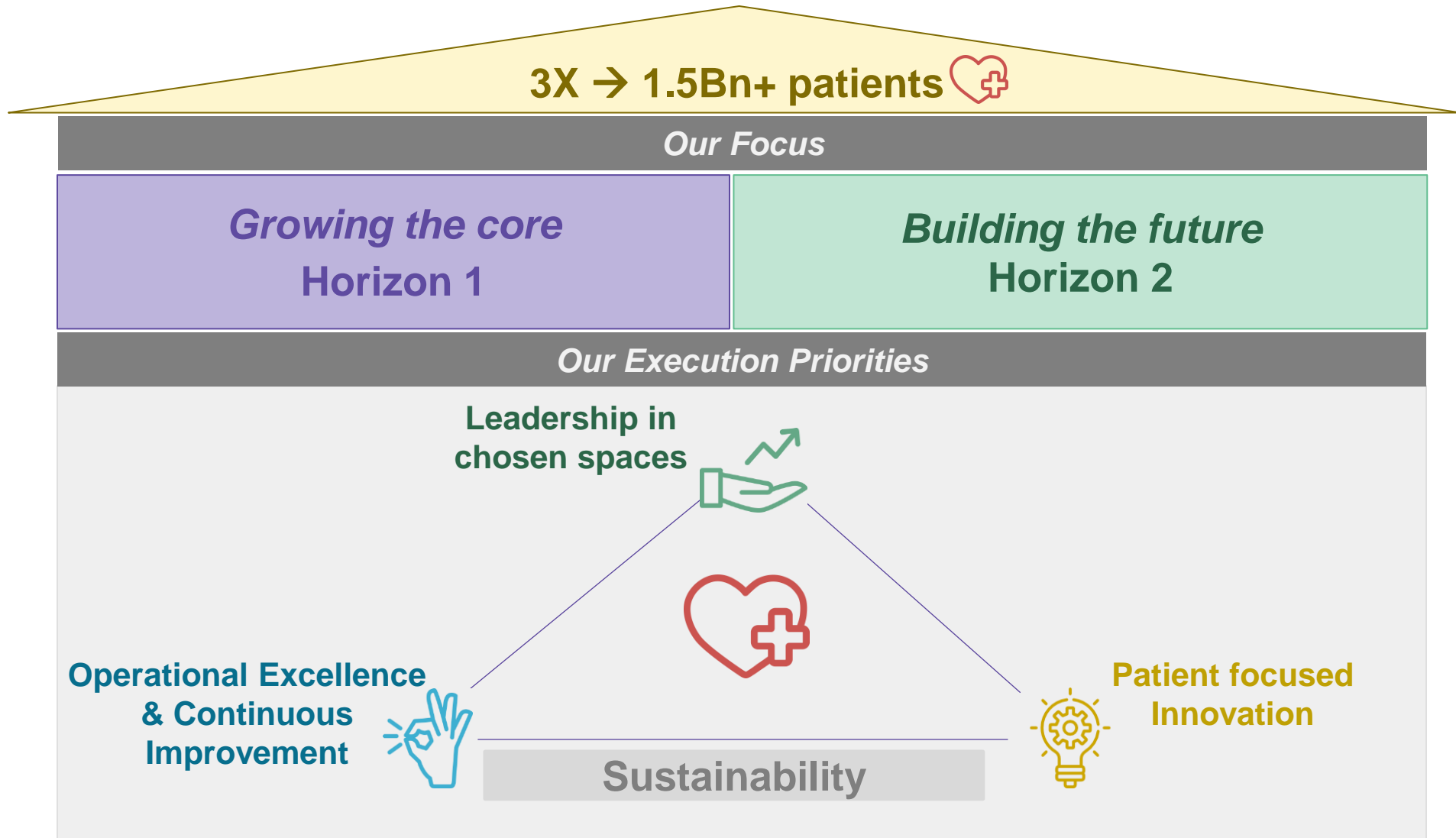


Geopolitics



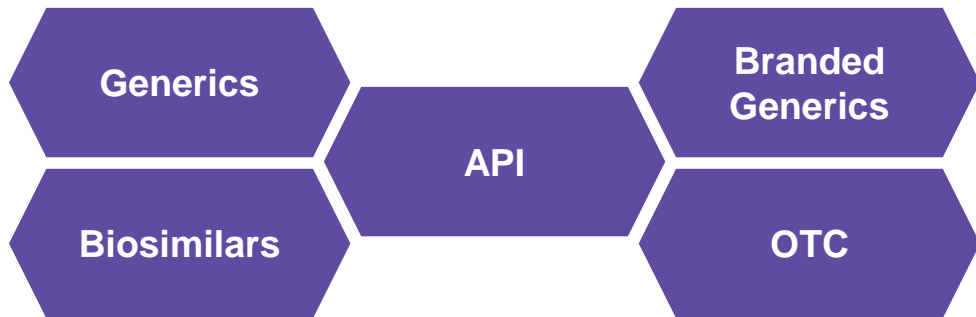
Macroeconomics

Our strategy is in alignment with the **opportunities** and **trends**



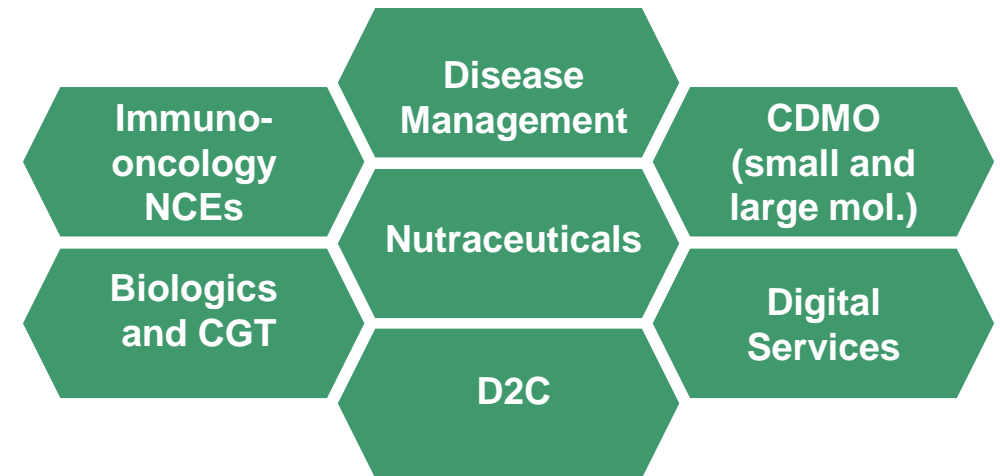
We continue to progress on our journey in **two horizons**...

Horizon 1 – Growing the core



(drivers in short to medium-term)

Horizon 2 – Building the future



(drivers in short to long-term)

...to deliver our future aspiration



Growth

Serving 1.5Bn+ patients (3X from current baseline)
Double digit revenue growth



Returns

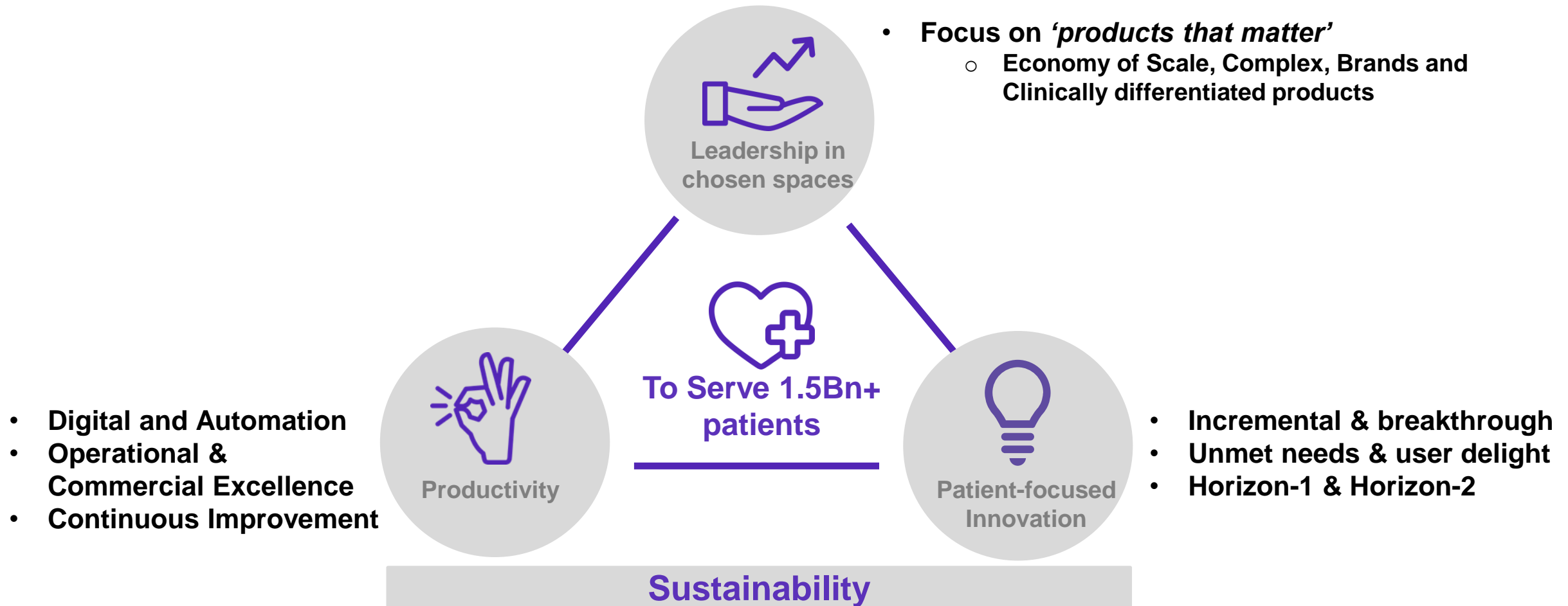
25% EBITDA and 25% ROCE



Sustainability

Be a leader

With patient at the center, our execution is driven by three pillars of **Market Leadership, Productivity** and **Innovation**

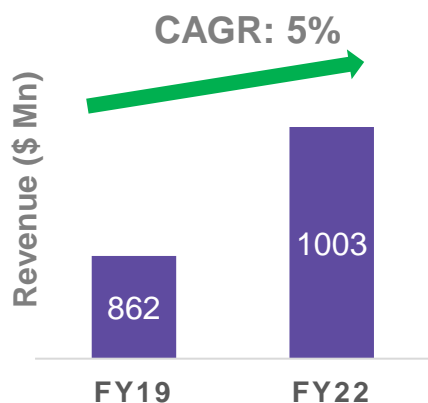




Market Leadership

North America – consistent growth in the last 10 out of 12 quarters

Growth despite price erosion



Win in products

Product	Vol. mkt. share
gSuboxone	19%
Icosapent Ethyl	12%
Ciprofloxacin	43%
Dexamethasone	43%
Metoprolol ER	25%
Liposomal Doxorubicin	45%

Win in channels

Retail	60% products are ranked 1-3
Institutional	55% products are ranked 1-3
OTC <i>Private label</i>	Ranked 2 in Rx-OTC segment

Strong Portfolio

335+ products of which **160+ commercial** and rest in various stages of the pipeline*

Key Focus areas

Horizon 1

- **Injectables Business**
- **Agile business model and productivity in Retail generics**
- **OTC – Private label and brands**
- **Direct to patient channels**

Horizon 2

- **Biosimilars**
- **Digital-led self-care & wellness solutions**
- **Drug-device combinations**
- **Immuno-Oncology**

North America – Robust pipeline of 175+ products , 90 of them filed



~40% Injectables/ Sterile products



25+ complex products across Drug-device combos, peptides, long-acting Injectables & RTUs



At advanced stages on multiple platform technologies:

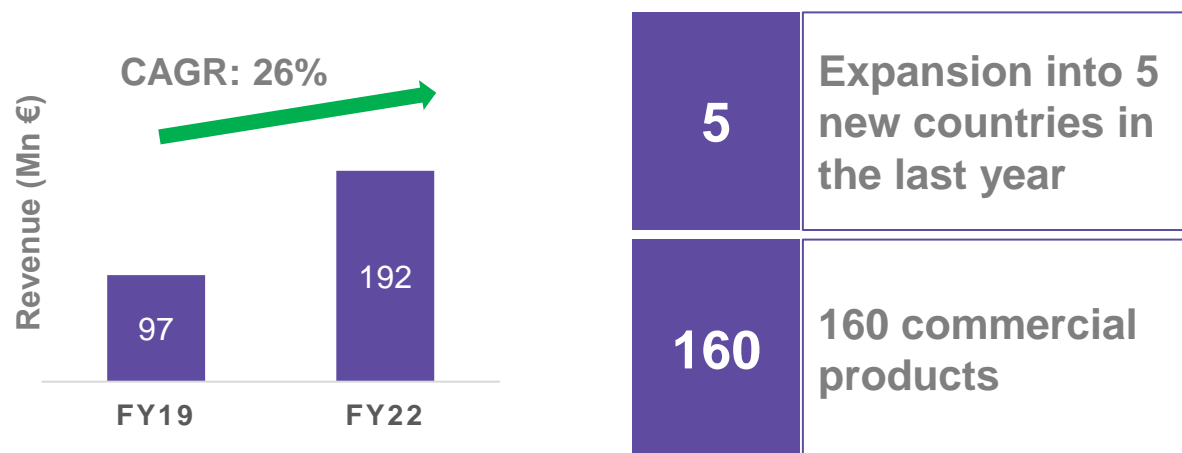
Particulate Systems, Microsphere & Liposomal, Peptides platform, Emulsions and Suspensions

Select products

Complex Gx	Biosimilars
Semaglutide	Pegfilgrastim [#]
Teriparatide	Rituximab [#]
Octreotide	Tocilizumab
Liraglutide	Abatacept
Regadenoson	
Dasatinib	

Europe – 2X in the last three years

Continuous Growth; Rapid expansion



Strong pipeline* of biosimilars and generics

<i>Select products</i>		
Biosimilars	Complex Generics	Other Generics
<ul style="list-style-type: none"> Pegfilgrastim[#] Rituximab Tocilizumab Abatacept 	<ul style="list-style-type: none"> Liraglutide Doxorubicin liposomal 	<ul style="list-style-type: none"> Apixaban Rivaroxaban DMF Sacubitril

Key Focus areas

Horizon 1

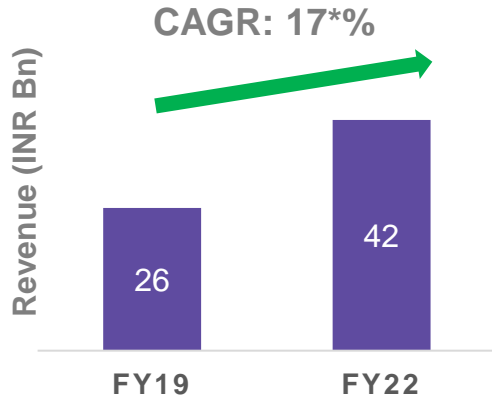
- Build scale in EU5 – Germany, UK, Spain, France and Italy
- Selective geographic expansion to other markets
- More first-to-market launches leveraging current portfolio

Horizon 2

- Branded businesses - differentiated branded and OTC play
- Pioneering in new spaces, e.g., Pharmaceutical Cannabis
- Biosimilars

India ~2X in the last four years; Continues to outperform IPM

Market beating growth...



...with big brands

Brand	MAT as per IPM (₹ Cr)
OMEZ & OMEZ D	389
ZEDEX & BRO-ZEDEX	305
ATARAX	162
RAZO-D	134
KETOROL	125
STAMLO	117
NISE	114

Driving outcomes strongly

16	Brands in IPM Top 300
15	Brands with >100Cr+
10	MQT Rank in the IPM

...towards aspiration

5
Aim to be among Top 5 in India

Key Focus areas

Horizon 1

- Building big brands through strong product management processes
- Winning in chosen therapy/ disease areas through differentiated portfolio & inorganic play
- Productivity through sales & marketing excellence using Digital & Analytics

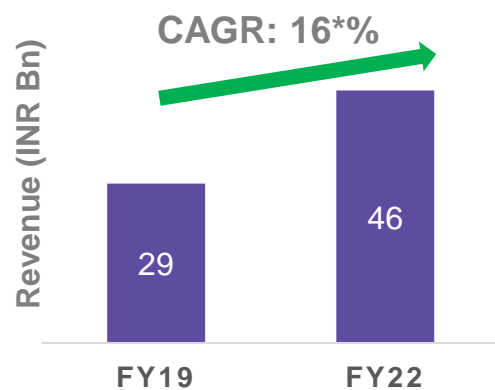
Horizon 2

- Nutraceuticals
- OTC
- Biologics and CAR-T
- NCE / NBE
- Condition & disease management
- Digital ecosystem play

+ other inorganic moves

Emerging Markets – 2X in the last four years

Fastest among Indian peers ...



...driven by market expansion

13	13 new markets in last 5 years
33	Serving patients in 33 countries

...excellence in S&M and a strong portfolio

11	Brands with >100Cr+
564	Filings in last 4 years



Russia

- 40 products, 6 mega-brands
- 800+ employees



China

- Aim to be 2-3X in next 5 years
- Double-digit filings annually



Brazil

- Aim to be 4-5X in next 5 years
- Oncology & Institutional

Key Focus areas

Horizon 1

- | | | |
|--|---|--|
| <ul style="list-style-type: none"> • Grow Mega-brands in Rx and OTC | <ul style="list-style-type: none"> • Leverage global portfolio into EM Geography Reach | <ul style="list-style-type: none"> • Productivity Growth through S&M excellence |
|--|---|--|

Horizon 2

- | | | |
|--|--|--|
| <ul style="list-style-type: none"> • Differentiated formulations, Nutrition portfolio | <ul style="list-style-type: none"> • Biologics • NCE / NBE | <ul style="list-style-type: none"> • Disease management • Direct-to-Customer |
|--|--|--|

Our API business is...

- A** Essential for our competitive advantage
- B** Key to leveraging our current portfolio across markets
- C** Key to enable global access to address unmet patient needs

1 API

Develop, manufacture and sell APIs to customers globally

Aim to backward-integrate 70%+ core molecules resulting in +500 bps gross margin improvement in next 5 years

225+ active DMFs, 55+ products in pipeline

2 API+

Institutional & B2B sales of value-added offerings above the API

Currently in 25+ countries; Aim to be in 60+ countries in next 5 years

3 Discovery + CDMO (APSL)

Discovery + CDMO services to originator & biotech companies

Serving 3 of top 5 innovators and 120 biotech companies globally

4 Health access business

Working with public health institutions to enhance access

5Mn+ lives during Covid-19; Aim to impact 500Mn+ lives in the next five years

Biologics - We are scaling-up to build a **global Biosimilars business** in Horizon-1 and **CGT and CDMO** in Horizon-2

Scaling-up current Biosimilars business

- ❑ We are building a **Global biosimilars business** with **Highly Regulated Market Approvals**
 - **PEG-GCSF#**: already approved in Europe and in advanced stages of review with US FDA
 - **Rituximab**: Advanced stages of completing Global Safety Efficacy trials; expected filing for regulated markets by early 2023
- ❑ We have a current portfolio of **6 commercial products** in India and in **25+ Emerging Markets**
- ❑ **Robust pipeline** of \$50Bn+ of Innovator Peak Sales
- ❑ **Focus areas: Oncology & Auto-Immune disease**

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Products in pipeline across various stages of development; 1 filed

By FY23

- 2 assets expected to enter **clinical phase**
- 2 other assets to be **scaled-up**

Building Biologics

Cell and Gene therapy

CDMO Biologics



Productivity

Our aspiration is to be the **most efficient pharma operations in the world**

Productivity to us is to be *first-to-market*, have *lowest cost*, deliver *best customer service* & always be *beyond compliance*. The key enablers are:

- 1 **Integrated Product Strategy** to align global market opportunities & drive seamless execution
- 2 Best-in-class results delivery engine to be **First-to-Market**
- 3 Deliver the most competitive products through continuous **Life Cycle Management** and **Top decile productivity**
- 4 Align **long term infrastructure plan** with our aspirations
- 5 Accelerate improvements through **Industry 4.0 Technologies**

 Case Study

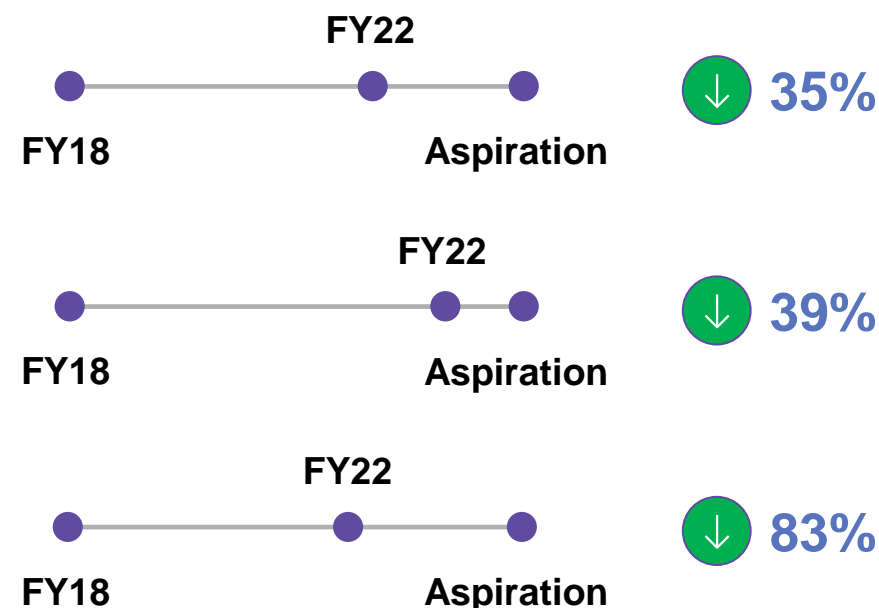
We have demonstrated **step change in operational productivity** in the last 4 years

Metric

Improvement (FY18 vs FY22)

Opex productivity

- API operations¹
(opex as a % of sales)
- Formulations OSD operations²
(\$/'000 units)
- Sterile operations²
(\$/unit)



We continue to progress strongly towards our aspiration of being top decile in operational productivity

1. Plants based in India
2. Only considering fully commercialized India based plants

From Top Quartile to Top Decile: Deploying 40+ industry 4.0 use cases in our largest plant



2 Digital Twins

Digital twin for manufacturing & quality testing

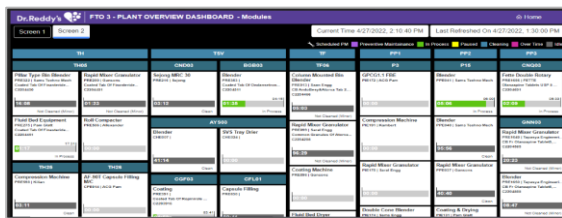
2 use cases

New operator training and remote assistance for method transfer



14 use cases

Decision-making based on real time visibility across manufacturing, quality & sustainability.



Digital Twin

AR/VR

Digital Performance Management



Process Digitalization & Automation

IIoT

15 use cases

Improve product robustness, quality, energy, throughput and yield.



Advanced Analytics

8 use cases

Warehouse automation through robotics and digital process automation (RPA)












2 use cases

Micro stoppage analysis & asset health monitoring



Our digital transformation¹ has improved speed, reduced people workload, removed redundant steps & delivered more output

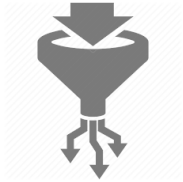
Category	Impact (2017-2021)	
Cost 	 43%	reduction in manufacturing cost per 1000 pills
	 27%	of total export shifted from air to sea mode of transport
Productivity 	 56%	increase in factory output, helping sustain margin against prices erosion
	 30%	reduction in production lead time
Quality 	 76%	reduction in quality deviations per production batch
	 43%	reduction in customer complaints due to improved process & execution robustness

We are driving productivity in sales & marketing using Digital & Analytics

Non-linear growth by making S&M spends work harder



Geo/ Customer coverage



Engagement & conversion



Share of wallet expansion



Distribution service levels

Convert S&M Operating “Spends” to “Investments”



Building Mega-brands



Expanded indications & dosage Forms



Being the ‘Partner’ of choice for HCPs



Deeper integration into Patient journeys

Sales & Marketing Spends: Rapid “Pilot, Test & Measure” processes to reallocate for higher RoI

GTM Innovations/
Structures

2.5X
Number of towns covered

Smart Rep & Omni Channel Programs

~15%
increase in number of brands detailed by TMs

Portfolio & Product Management Process

HCP Engagement Programs

~22%
Higher in-clinic time

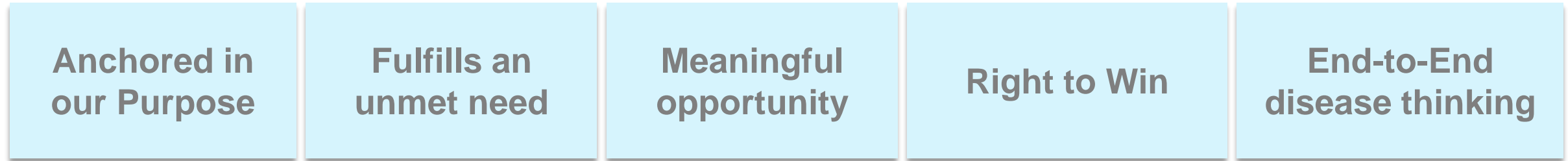
Pill+ Initiatives



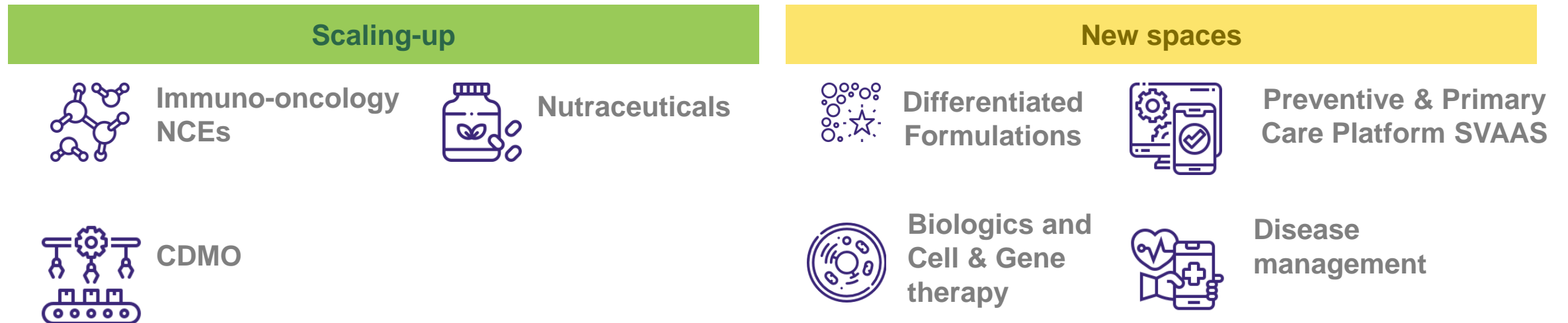
Innovation

The Industry is facing a shift and **we are investing to lead**

Our Approach:



← *Horizon 2 areas* →



... and more

We are evaluating spaces through our Innovation unit; **Projects across different stages**

Scaling-up



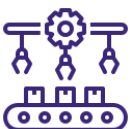
**Immuno-
oncology
NCEs**

Current Developments

25+ programs -
Internal, partnership & in-licensing
6 in clinical trial; 7 in IND filing stage

Our Aspiration

Global Oncology Biotech
franchisee



CDMO

3 of top 5 innovators
120 biotech companies globally

Technologically differentiated
CDMO



Nutraceuticals

Products in Diabetes, Renal,
Hepatology, Gastro and
Hospital nutrition

Nutrition unit with clinically-proven,
differentiated, personalized
products and services

We are evaluating spaces through our Innovation unit; **Projects across different stages**

New Spaces



SVAAS

Current Developments

Successful pilot in 7 cities;
25K lives

Our Aspiration

Leading Primary care & condition
management services platform



Differentiated
Formulation

Multiple products in
development pipeline

Develop clinically-differentiated
assets with efficacy & tolerability
for specific unmet needs



Disease
Management

Several pilots in progress

Multiple end-to-end condition
management platforms in chosen
therapy areas



Cell and Gene
therapy

In-licensing partnership
facility set-up; PoC Currently
under validation

To be a prominent CGT player



Financials

We have a **strong balance sheet** to invest in future growth



Net cash surplus of Rs. 1,500+ Cr*



Consistent annual cash generation of Rs. 2,000+ Cr**



Strong Credit Rating



Low financial risk in a volatile environment



Opportunities to drive inorganic growth

We will leverage Horizon 1 growth levers and drive productivity to invest in Horizon 2 spaces

Our medium-term aspiration



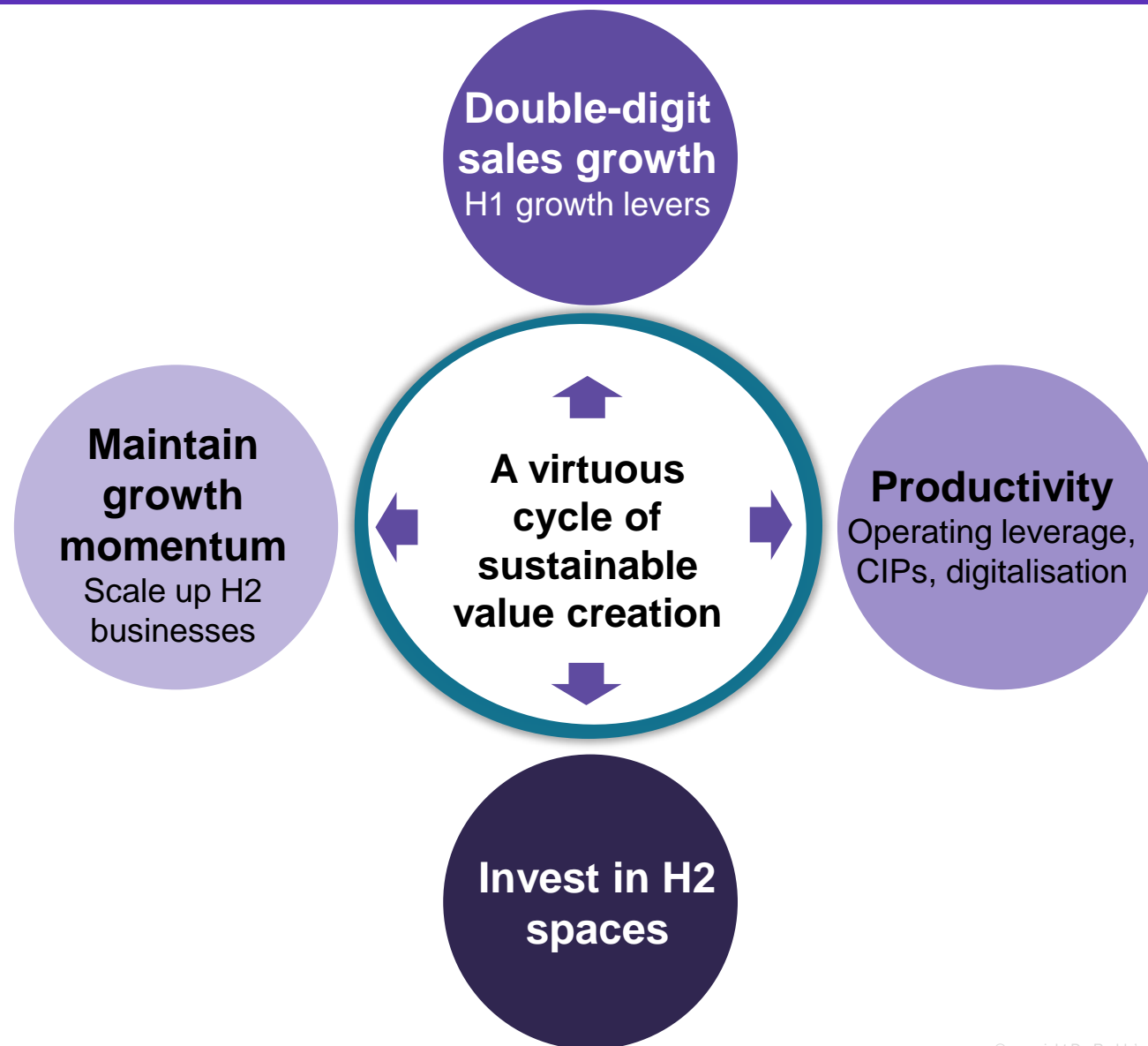
Double-digit sales growth



EBITDA 25%



ROCE 25%



We will focus on **creating the future** while **navigating industry-wide near-term challenges**



Inflationary environment



Demand volatility



Continued price erosion



Geopolitical uncertainties



There may be near-term volatility, however, our strategy will drive long-term value creation for all stakeholders

We will continue to follow a **disciplined capital allocation approach**

Allocate Capital to

Maximize Growth

Optimize Financial Risk

Create Sustainable Value

Utilize cash for growth

Funding R&D and Capex for Horizon 1 businesses

Scale up Biosimilars, NCE & CDMO

Develop new business models for Horizon 2

Value accretive Inorganic Moves

In summary, we are...



- 1 — **...a diversified pharma company with strong broad-based growth levers**
- 2 — **...creating new (Horizon 2) business models while growing in existing (Horizon 1) spaces to drive sustainable growth for all stakeholders**
- 3 — **...supplementing growth with value accretive inorganic moves**
- 4 — **...on a productivity journey to have best-in-class cost structure driven by capabilities in people, processes and digital**
- 5 — **...an organization driven by its purpose and sustainability integrated into its core**



Thank You