



FROST & SULLIVAN
INSTITUTE

2021 Frost & Sullivan Institute **Enlightened Growth Leadership Award**

Excellence in Best Practices





Congratulations!

Frost & Sullivan Institute, in partnership with Frost & Sullivan, is proud to present Cadila Pharmaceuticals Limited (Cadila Pharmaceuticals) with the Enlightened Growth Leadership Award.

Frost & Sullivan's global team of growth pipeline experts continuously identifies and evaluates growth opportunities across multiple industries, technologies, and regions of the world. As the world emerges into the new norm disrupted and accelerated by the COVID-19 pandemic, it is becoming increasingly important for companies to leverage opportunities to shed old ways of thinking, build value chains that leave no stakeholders behind, and create foundations for stable growth to thrive in these new environments. We identify companies that demonstrate the commitment to embrace emerging technologies and protocols and generate opportunities for all while sustaining continued growth and highlighting best practices for sustainable development. This approach involves deep strategic deliberation around best practices and the development of core analytics across the entire value chain of specific products and services. Against the backdrop of these analytics, Frost & Sullivan Institute, in partnership with Frost & Sullivan, recognizes Cadila Pharmaceuticals for its valuable achievement.

Frost & Sullivan strictly reserves this recognition to companies at the innovation to zero and growth forefront in their respective industries. These companies demonstrate proactivity in utilizing business practices to 'innovate to zero' and address global priorities while securing sustainable growth over a span of their enduring association with Frost & Sullivan. These companies also uniquely leverage technology and boost their industry partner ecosystem to serve ever-evolving customer needs in a way that facilitates environmental initiatives and supports the planet's well-being. Moreover, by combining business sense with a moral imperative, these companies demonstrate aspirational ideals beyond the simple goal of generating profits. This recognition is also a token of our gratitude towards our clients whom we have accompanied on their journeys towards transformational growth. In this context, Cadila Pharmaceutical's recognition holds an even greater significance in reaffirming its longstanding relationship with Frost & Sullivan.

Moreover, this recognition is the result of many individuals (employees, customers, partners, and investors), making critical decisions every single day to support the organization and meaningfully contribute to its own future in a sustainable and socially responsible way. Frost & Sullivan in partnership with Frost & Sullivan Institute enthusiastically acknowledges and celebrates their contributions.

Once again, congratulations on your accomplishments, and we wish you great success in the future.

Sincerely,

David Frigstad

Chairman

Frost & Sullivan and Frost & Sullivan Institute



Best Practices Criteria for World-Class Performance

Frost & Sullivan Institute leverages Frost & Sullivan's rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria for each nominated company. Cadila Pharmaceuticals excels in multiple criteria.



Introduction

Lack of access to healthcare continues to pose a serious challenge to economies around the globe, with only half the global population receiving requisite medical diagnosis and treatment as of 2017¹. Governments and supranational agencies continue working hand-in-hand to bridge the deep healthcare chasm by designing sustainable solutions that ultimately aim to realize a vision of zero diseases and zero fatalities. Moreover, over the past two decades, several healthcare firms have expanded operations across emerging economies with the goal of improving access to affordable pharmaceutical solutions.

With a product portfolio spanning 5 key therapeutic areas, a wide geographical presence in nearly 60 countries and an underlying mission to deliver high-quality yet affordable healthcare solutions, Cadila Pharmaceuticals (Cadila) stands out for its contribution in prolonging human lifespan and enhancing quality of life². Over the six decades of its existence, the company has emerged as an established market leader in inclusive healthcare by delivering comprehensive pharmaceutical solutions across gastroenterology, cardiology, gynecology, diabetology, and oncology.

¹ WHO; December 13, 2017; ["Half the world lacks access to essential health services, 100 million still pushed into extreme poverty because of health expenses"](#)

² Cadila Pharmaceuticals; ["Therapies"](#)



'Innovating to Zero' on Global Priorities

True to its mission, Cadila leveraged its deep research expertise and production capacity to fight the pandemic in 2020 and 2021 by designing and disseminating relevant medical products. Amid severe shortages of essential drugs during the pandemic, Cadila launched several products, including Remdesivir, Hydroxychloroquine, and Dexamethasone injections at affordable prices in India. Cadila's Remdac remained the most economical brand of Remdesivir even during acute product shortages amid a surge in the viral caseload. Moreover, during the second wave in 2021, the company collaborated with TLC Pharmaceuticals to scale the availability of the treatment drug for black fungus infections in response to a rise in Mucormycosis cases in India. Cadila's swift adaptation to changing healthcare requirements during the pandemic, achieved by ramping up the supply of affordable medication, contributed significantly to minimizing the loss of life and minimizing the gap in the accessibility to healthcare when it was required the most.

Besides delivering on its core vision, Cadila continues to work towards reducing the impact of its operations on the environment. The company has instituted an Environment, Health, and Safety (EHS) program with a four-pronged approach of reusing, recycling, and recovering valuable resources and reducing their usage. More specifically, the program focuses on the reuse of hazardous waste generated

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during operations through co-processing, solvent recovery, use of energy-efficient techniques in manufacturing, and water conservation. More recently, Cadila upgraded its effluent treatment plant with Supervisory Control and Data Acquisition (SCADA) monitoring system and constructed a neutralization tank in 2019 to ensure minimum damage to the ecosystem around its production plant in Gujarat, India. By actively reducing its carbon footprint, the company is taking strides towards the goal of an emission-free world.

- Analyst, Frost & Sullivan

Frost & Sullivan lauds Cadila's unwavering commitment to delivering an affordable and comprehensive range of pharmaceutical solutions

that have remarkably improved human lives and commends its progress in minimizing its carbon footprint that will contribute to a vision of innovating emissions to zero.

Growth Excellence

Cadila's robust growth over the last six decades has been facilitated by its wide geographical presence, a diverse product portfolio catering to varied healthcare needs, pertinent research focus, and synergistic collaborations that enable it to stay ahead of the curve. Notably, while the global healthcare market



slowed down marginally in 2020 due to various mobility restrictions because of the pandemic, Cadila's revenues grew 6% in FY 2021, with an 81% increase in net profit³.

Cadila's growth excellence stems from its ability to understand local healthcare requirements in the 60 markets it covers, from advanced economies in North America and Europe to emerging markets in Asia, Africa, and Latin America⁴. In 2021, the company ranked 5th among generic drug companies based on prescriptions in the US, the single biggest pharmaceutical market in the world⁵. Cadila focuses on in-licensing and out-licensing opportunities to scale its market presence which resulted in healthy growth in all major markets of Asia-Pacific and Africa in 2020, the pandemic notwithstanding. Regional variation in its product portfolio also helps it drive growth. While the company offers consumer wellness and animal health products in addition to medication in India, specialty and complex generic businesses form the crux of its offerings in the US.

Another key factor contributing to Cadila's growth is its ability to stay abreast of evolving trends transforming the healthcare industry. Recognizing the importance of digitalization, the company has launched two digitalization initiatives to enhance operational efficiencies and boost sales. Cadila's Planning and Collaboration Excellence (PACE) initiative is a comprehensive program that facilitates long-

"Cadila's ability to leverage evolving disruptive trends such as digitalization to its advantage and its synergistic partnerships with leading healthcare companies has resulted in a diversified product portfolio and scaled geographical presence, powering sustained growth over the years."

- Analyst, Frost & Sullivan

term strategic planning, including capacity expansion, warehousing, and resource management based on growth aspirations. It also digitizes supply chain processes to generate sales forecasts, manufacturing plans, and optimize resource utilization. A second digitalization program, Integrated Real-time Information System (IRIS), enhances coordination among cross-functional teams by automating project updates and providing real-time visibility in project milestones, resulting in high operational efficiency. Cadila's flagship digitalization initiatives have enabled it to leverage the strategic imperative of

transformative megatrends to its advantage through augmented sales and effective resource management.

Cadila also continues to form strategic alliances with leading healthcare and pharmaceutical companies around the world to fortify its research capabilities and retain innovation excellence. In 2009, the company acquired a significant stake in Novavax Inc. and set up a joint venture to produce vaccines based on the virus-like-particle (VLP) methodology, which can result in highly efficacious vaccines particularly effective against virus mutations. Additionally, the company has established research collaborations with Stemcyte, Lipidor, and Aplagon Oyj to develop a range of healthcare solutions – from Psoriasis treatment to vascular surgical solutions. Over the years, Cadila's research partnerships have

³ Cadila Healthcare; ["Annual Report 2020-21"](#)

⁴ Ibid.

⁵ Ibid.



enabled it to transform the strategic imperatives of competitive intensity and innovative business models into sustained business opportunities.

Frost & Sullivan salutes Cadila's exceptional geographical coverage, diversified product portfolio, and ability to leverage transformative megatrends and competitive intensity to power consistent growth excellence.

Technology Leverage/Innovation

For Cadila, continuous innovation is the engine that powers sustained growth. The company invests 7% to 8% of its annual revenues on innovation in four key areas of research, viz. New Chemical Entity (NCE) research, biologics, vaccines, and specialty and complex generics⁶. Cadila's innovative research program is spearheaded by over 1400 research scientists and pharmaceutical technology experts across eight state-of-the-art Research and Development (R&D) centers worldwide⁷. Cadila's innovative excellence has resulted in the successful attainment of over 130 patents and more than 1400 product registrations worldwide⁸.

The company has a number of novel innovative healthcare solutions to its credit that have revolutionized the treatment of serious diseases such as tuberculosis and reduced the risk of contracting others thereby making strides in innovating disease to zero. For instance, by reducing the dose of Rifampicin in half in its tuberculosis treatment drug, patients have lesser gastrointestinal adverse effects and better tolerability leading to enhanced treatment compliance, ultimately translating to a higher cure rate and lesser treatment failure. The world's first drug combination that reduces the risk of cardiovascular diseases by 62% and that of a heart stroke by 48% also stemmed from Cadila's pioneering research in 2009⁹.

Cadila is the first company to introduce Rabeprazole in the IV form, a product that is especially safe for use in patients with liver and kidney dysfunction. The company has also devised a novel drug for the treatment of Non-small Cell Lung Cancer (NSCLC), which has contributed to improvements in overall response and patient survival rates.

Over the last two years, Cadila swung its deep expertise into action and introduced a range of drugs and vaccines to fight the pandemic. The company has developed the world's first Plasmid DNA vaccine, which is inexpensive and easy to manufacture, has a long shelf-life between 2 to 8 weeks, and remains stable at relatively higher temperatures, contributing to its scalability across hotter regions such as India and Africa. Moreover, the DNA platform permits the generation of new constructs that can adeptly respond to virus mutations, a pressing concern in the fight against the pandemic. The company also launched Virafin, a drug for treating moderate COVID infections in adults, reducing the need for supplemental oxygen in patients that can prove critical during protracted oxygen shortages amid a deluge of cases that overwhelm existing medical capabilities.

⁶ Ibid.

⁷ Ibid.

⁸ Ibid.

⁹ Cadila Pharmaceuticals; ["World's First Innovation"](#)



Frost & Sullivan commends Cadila's in-depth healthcare expertise and its pioneering research program that have enabled it to consistently churn out novel healthcare solutions, from vaccines and preventive medication to highly efficacious treatment drugs; thus becoming a strong part of the solution to some of the most pressing healthcare challenges the world faces.

Conclusion

Over the last six decades, Cadila has emerged as a frontrunner in providing comprehensive healthcare solutions to significantly improve human lives. A combination of the company's entrenched healthcare expertise and state-of-the-art innovation facilities has resulted in ground-breaking research in gastroenterology, cardiology, and oncology. The Company has therefore made healthcare more affordable and accessible in some of the most under-served markets. Cadila's commitment to healthcare is complemented by its focus on reducing environmental externalities and driving sustainability.

For its strong overall performance driven by a moral imperative, Cadila Pharmaceuticals earns the 2021 Frost & Sullivan Institute Enlightened Growth Leadership Award.



What You Need to Know about the Enlightened Growth Leadership Recognition

Frost & Sullivan Institute's Enlightened Growth Leadership Award recognizes the company that addresses the global priorities as identified by the Institute and demonstrates sustainable growth in the industry.

Best Practices Award Analysis

For the Enlightened Growth Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

'Innovating to Zero' on Global Priorities: The company demonstrates proactivity in 'Innovating to Zero' in terms of one or more of the following global priorities that form the seven pillars of the Frost & Sullivan Institute:

- i) **Environment:** Environmental initiatives can include climate change, vulnerable groups, behavioral change, international governance, waste management, or others.
- ii) **Education:** Education can encompass equal access, gender parity, EdTech, quality education, education resources, vocational training, or others.
- iii) **Infrastructure:** Infrastructure can incorporate infrastructure as a basic right, technology and infrastructure, environment and infrastructure, urban infrastructure, and financing models, among others.
- iv) **Healthcare:** Healthcare can comprise healthcare crisis, mental health, finance, healthcare systems, advanced healthcare, and technology and healthcare, among others.
- v) **Security:** Human security can refer to transnational governance, human security, food security, or others.
- vi) **Human Rights:** Human rights can involve governance, special group rights, justice, or other such elements.
- vii) **Economics:** Economics can pertain to inequality, new economic regime, FinTech, behavioral change, or others.

Growth Excellence: The company demonstrates healthy growth over a span of 10 years. It focuses on short-term and long-term growth strategies to maintain a superior industry position. The executive team's vision aligns with the company's growth strategy, effectively translating this vision into growth. The socially responsible organization enforces strategies to increase its share of the customer wallet, successfully differentiating itself from competitors and positively impacting its market share. It also adopts strategies to build upon achieved growth and sustain continued growth while highlighting best practices for sustainable development.



Customer Value Chain: The Company pays heed to the planet's well-being and addresses environmental initiatives such as climate change, carbon footprint reduction and elimination, waste management, or clean energy production. Its key value proposition is refined by building on client feedback and continuously improving products and services. The organization prioritizes its customers' needs and provides significantly greater value for the price. It offers exceptional customer value by providing the best purchase experience to customers, placing importance on providing a high degree of satisfaction amongst existing and potential clients, or ensuring the best and differentiated service experience.

Integrated Coopetition - Industry Partner Ecosystem: The company makes use of unique business models such as corporate partnerships and public-private collaborations to boost the industry partner ecosystem. By combining business sense with a moral imperative, the company demonstrates aspirational ideals beyond the simple goal of generating profits. The organization's efforts to cooperate with competitors reveal its cognizance of a broader vision and endeavors towards positively impacting the overall industry.

Technology Leverage/Innovation: The company incorporates or uniquely leverages technology, standing out among the competition. The technology addresses key future needs and applications and is disruptive to or supersedes existing technologies. The company's technology or technology leverage can be diversely applicable or has created new markets or applications where none existed before. It has introduced creative features and functionality by jumping through hoops to convert its vision into a reality. The organization has a structured process or best practices to incubate new technologies developed internally or through strategic partnerships. The company's innovations or technology incorporation has the potential to become an industry standard.

About Frost & Sullivan Institute

Frost & Sullivan Institute (FSI) is a non-profit organization dedicated to utilizing business practices to address global priorities. The genesis of the institute goes back to our vision of either creating or becoming part of a solution that addresses threats to humanity. Frost & Sullivan Institute has identified strategic imperatives for transformation and believes that by using a Socratic approach, we can truly accelerate innovation to zero. The Institute works in collaboration with leading analyst teams, its internal research team, industry experts, and other partners. It works closely with Frost & Sullivan Inc. to leverage in-house thought leadership in order to identify opportunities for transformation that will arise from innovation, disruptive technologies, and overarching megatrends that will alter the world as we know it today. To learn more about FSI, visit <https://www.frostandsullivaninstitute.org/>.

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

The Growth Pipeline Engine™



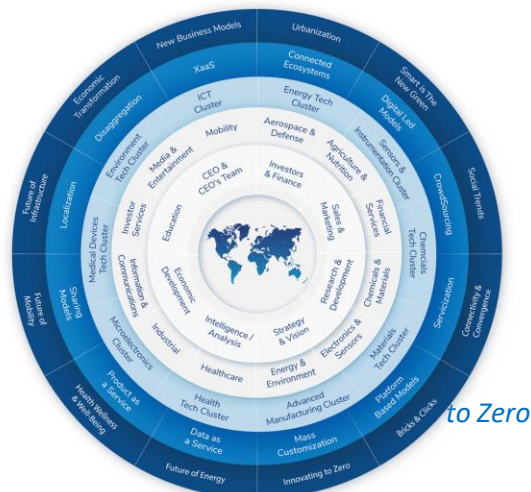
Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

Key Impacts:

- **Growth Pipeline:** Continuous flow of Growth opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership

The Innovation Generator™

Our six analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.





Analytical Perspectives:

- Mega Trend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)



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