

Q2 FY24 results

Setting new benchmarks across key financial metrics with highest ever quarterly revenue and EBITDA margin at 26%

	Income from Operations	EBITDA Margin	PAT
Q2:	INR 6,678 Cr ↑ 14.6% YoY	INR 1,734 Cr 26.0% ↑ 33.1% YoY	INR 1,131 Cr ↑ 43.4% YoY
Q2[^]: (Ex-QCIL)	INR 6,490 Cr ↑ 13.9% YoY	INR 1,690 Cr 26.0% ↑ 33.3% YoY	INR 1,115 Cr ↑ 43.9% YoY

[^] Above numbers are ex-QCIL

Mumbai, Oct 27, 2023: Cipla Limited (BSE: 500087, NSE: CIPLA) today announced its unaudited consolidated financial results for quarter ended September 30th, 2023.

Key highlights for the quarter

- **One-India:** Revenue up by 10% YoY driven by strong execution across Branded prescription and Trade generics businesses. Branded Prescription continues to outpace market growth* while seasonal trends impacted the consumer business for the quarter.
- **North America:** Quarterly revenue scales to \$ 229 Mn driven by 28% YoY growth and QoQ growth of 3%; strong momentum continues with key milestones achieved across multiple pipeline assets.
- **South Africa:** Private Market grew at 12% YoY in local currency terms on back of robust performance in prescription and OTC. OTC share set to expand with acquisition of Actor.
- **R&D investments** stands at INR 379 Cr or 5.7 % of sales, higher by 13% YoY driven by continued progress of clinical trials on key pipeline assets
- **Strong balance sheet health** continues with robust **net cash position of INR 5,850 Cr**

*As per IQVIA MAT September 2023

"Pleased to share an exceptional set of results reflecting the strength of our core business across key markets of India, North America and South Africa. We reported our highest ever quarterly revenue with EBITDA margins scaling up to 26%. One-India business grew at a healthy 10% YoY with continued market beating performance in the branded prescription and Trade Generics business. In South Africa, the private market business grew in double digits driven by strong execution across prescription and OTC. The North America business scaled up to \$229mn, growing 28% YoY, driven by strong traction across core products with share expansion in differentiated assets. Our pipeline is progressing really well with key milestones achieved in Respiratory and Peptide assets. We will continue our focus on driving profitable growth across businesses".

Umang Vohra
MD and Global CEO, Cipla Ltd

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ONE-INDIA

- ❖ **One India Business** grew 10% YoY with continued momentum across Branded Prescription, Trade Generics and Consumer Health

Branded Prescription business*:

- Continued market beating growth at 11% driven by key therapies in chronic portfolio.
- Share of chronic improves by 140 bps YoY to 60%
- Theme of 'Big Brands Bigger' continues with 22 brands over INR 100 Cr revenue.

Trade Generic business:

- Strong focus on on-ground commercial execution drives double-digit growth despite weak seasonality.
- Margins aided by declining raw material costs.
- Deepening market penetration through investments in field force
- Continued focus on customer engagement leveraging both physical & digital capabilities.

Consumer health:

- Quarterly performance impacted by inconsistent weather patterns: Core portfolio remains strong with 5 brands over INR 100 Cr sales in trailing twelve months
- Sustainable EBITDA trajectory continues with margins in mid-teens.

*As per IQVIA MAT September'23

NORTH AMERICA

- Business scaled new peak with quarterly revenue of \$ 229 Mn, 28% YoY growth; 14th consecutive quarter of YoY growth.
- Market share expands across key differentiated assets; Lanreotide market share now at 20%**

**IQVIA August'23

SOUTH AFRICA

Private Market grew at 12% YoY in ZAR terms driven by traction in prescription business and OTC; Outpaced overall market by growing at 10% vs market growth at 4%#

#IQVIA MAT August'23

CONSOLIDATED PROFIT & LOSS STATEMENT

In INR Cr	Q2FY24	Q2FY23	Y-o-Y Growth
Total Income from Operations	6,678	5,829	14.6%
EBITDA	1,734	1,302	33.1%
% of Income from Operations	26.0%	22.3%	362 bps
PAT	1,131	789	43.4%

BUSINESS WISE SALES PERFORMANCE

Business (In INR Cr.)	Q2FY24	Q2FY23	Y-o-Y Growth	Q1FY24	Q-o-Q Growth
India (Rx + Gx + CHL[^])	2,817	2,563	10.0%	2,772	1.6%
North America	1,887	1,432	31.8%	1,822	3.6%
SAGA[#]	993	867	14.5%	748	32.7%
<i>South Africa</i>	620	598	3.7%	514	20.7%
International Markets[*]	734	763	-3.8%	779	-5.8%
API	147	153	-3.5%	136	7.9%
Others[*]	100	51	95.9%	71	41.3%
Total	6,678	5,829	14.6%	6,329	5.5%

[^] CHL – Cipla Health limited | [#] Includes South Africa, Sub-Saharan Africa, QCIL and Cipla Global Access |

^{*} International Markets include Emerging Markets and Europe

BALANCE SHEET

Key Balance Sheet Items (In INR Cr.)	Sep-23	Jun-23	Mar-23
Equity	25,095	24,620	23,714
Total Debt	961	803	803
Inventory	5,470	5,297	5,156
Cash and Cash Equivalents[*]	6,811	6,941	6,273
Trade Receivables	4,850	4,309	4,057
Net Tangible Assets	5,725	5,750	5,740
Goodwill & Intangibles	4,464	4,426	4,514

^{*}Cash & cash equivalents includes current investments, fixed deposits, margin deposits and excluding unclaimed dividend balances

Earnings Call Details

Cipla to release Q2 FY24 Unaudited Financial Results on October 27, 2023

Date: October 27, 2023

1630 hrs IST – EARNINGS CONFERENCE CALL

The Company will host an earnings conference call at 1630 hrs IST (1900 hrs SST/HKT, 1200 hrs BST, 0700 hrs US ET), during which the leadership team will discuss the financial performance and take questions. A transcript of the conference call will be available at www.cipla.com.

Earnings Conference Call Dial-in Information Date and Time

October 27, 2023 at

1630 – 1730 hrs IST

1900 – 2000 hrs SST/HKT

1200 – 1300 hrs BST

0700 – 0800 hrs US ET

Dial-in Numbers

Universal Access

Primary Access: **(+91 22 6280 1562)**

(+91 22 7115 8387)

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USA: **18667462133**

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UK: **08081011573**

Hong Kong: **800964448**

Singapore: **8001012045**

ABOUT CIPLA LTD

Established in 1935, Cipla is a global pharmaceutical company focused on agile and sustainable growth, complex generics, and deepening portfolio in our home markets of India, South Africa, North America, and key regulated and emerging markets. Our strengths in the respiratory, anti-retroviral, urology, cardiology, anti-infective and CNS segments are well-known. Our 47 manufacturing sites around the world produce 50+ dosage forms and 1,500+ products using cutting-edge technology platforms to cater to our 80+ markets. Cipla is ranked 3rd largest in pharma in India (IQVIA MAT Sep'23), 2nd largest in the pharma prescription market in South Africa (IQVIA MAT Aug'23), and 4th largest by prescription in the US Gx inhalation products (IQVIA MAT Aug'23). For over eight decades, making a difference to patients has inspired every aspect of Cipla's work. Our paradigm-changing offer of a triple anti-retroviral therapy in HIV/AIDS at less than a dollar a day in Africa in 2001 is widely acknowledged as having contributed to bringing inclusiveness, accessibility and affordability to the centre of the HIV movement. A responsible corporate citizen, Cipla's humanitarian approach to healthcare in pursuit of its purpose of 'Caring for Life' and deep-rooted community links wherever it is present make it a partner of choice to global health bodies, peers and all stakeholders. For more, please visit www.cipla.com, or click on [Twitter](#), [Facebook](#), [LinkedIn](#).

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 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. Cipla Limited does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.