

## Cipla announces Q2 FY19 results demonstrating continued momentum across branded markets and progress on US pipeline

Income from Operations

INR  
4,012Cr

EBITDA

INR  
753 Cr

18.8%  
to Sales

PAT

INR  
377 Cr

**Mumbai, Nov 5, 2018:** Cipla Limited (BSE: 500087, NSE: CIPLA) today announced its unaudited consolidated financial results for quarter ended September 30, 2018.

### Key highlights of the quarter

- **R&D investments** at ~INR 316cr / ~8% of sales
- **Continued growth momentum:** Growth in private market [non-tender] segments continues strong across India, the US, South Africa and Emerging Markets
- **US business sales trajectory improves** with 12% YoY growth driven by contribution from new launches. 7 new approvals in the quarter with multiple limited competition assets getting launched
- **Quality Focus:** Inspection at Goa plant concludes with minor procedural observations

*"We had a modest quarter but maintained a strong performance in our private market segment across geographies. I am pleased to see that our limited competition assets in the US are ramping up to drive quarter on quarter growth. We also recently announced the approval of Metoprolol, another limited competition asset. As we enter the second half of this fiscal, multiple headwinds are likely to impact our reported performance. Having said that, we are focusing on positioning our businesses for long term growth"*

**Umang Vohra**  
MD and Global CEO, Cipla Ltd

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Lower Parel, Mumbai-400013

## India<sup>1</sup>

- As per IQVIA (IMS) Q2'18, Cipla continued its outperformance growing by 14%
- Performance in key therapeutic areas as follows
  - Cipla gained one Rank in Cardiology and now stands at 4th position growing 500bps higher than market at 19%
  - Continued leadership position in Respiratory growing at 23%. Cipla's flagship inhalation awareness campaign "Berok Zindagi" on a good start
  - Urology maintained its leadership position with over 15% market share

## SAGA - SOUTH AFRICA, SUB-SAHARAN AFRICA AND GLOBAL ACCESS<sup>2</sup>

- As per IQVIA (IMS) MAT Aug'18, South Africa business grew at more than double the market at 14% in the private market vs 5% market growth
- As per YTD Aug IQVIA (IMS) data, Cipla became the 3rd largest pharma company in SA private market with 6.3% share
- Closed the Mirren acquisition; working towards successfully integrating the business and driving synergies in fast-growing OTC space
- Successful IPO and listing of Cipla's subsidiary CiplaQCIL on the Uganda Stock Exchange

## NORTH AMERICA

- DTM [Direct to Market] business saw continued improvement in gross margin through increased contribution from differentiated launches
- 7 approvals in Q2 including Atazanavir, Diclofenac gel and Albendazole
- 5 ANDAs filed during the quarter; on track for 20+ filings in FY19

## EUROPE & EMERGING MARKETS

- Biosimilars franchise in the EM: Late stage discussions on-going for various key biosimilar assets across multiple markets
- Signed a commercializing deal for Bevacizumab in Sri Lanka and Nepal.
- Inaugurated Cipla Maroc facility
- FPSM (Fluticasone propionate / Salmeterol) launched in Italy with substitutability status

1. IQVIA (IMS) Q2'18  
2. IQVIA (IMS) MAT Aug'18

## CONSOLIDATED PROFIT & LOSS STATEMENT

CONSOLIDATED (IND AS) In INR Cr	Q2FY19	Q2FY18	Y-o-Y Growth	Q1FY19	Q-o-Q Growth
<b>Total Revenue from Operations</b>	<b>4,012</b>	<b>4,082</b>	-2%	<b>3,939</b>	2%
<b>EBITDA</b>	<b>753</b>	<b>804</b>	-6%	<b>726</b>	4%
% of Income from Operations	18.8%	19.7%		18.4%	
<b>PAT</b>	<b>377</b>	<b>423</b>	-11%	<b>451</b>	-16%
% of Income from Operations	9.4%	10.4%		11.5%	

Financial numbers are rounded off

### EBITDA Build-up

INR Cr	Q2FY19	Q2FY18	Q1FY19
<b>Profit Before Tax</b>	<b>509</b>	<b>573</b>	<b>620</b>
Add:			
Finance Costs	44	42	35
Depreciation, Amortisation & impairment Expense	282	302	241
Less:			
Finance, investment & Divestitures related income	82	113	170
<b>EBITDA</b>	<b>753</b>	<b>804</b>	<b>726</b>
<b>EBITDA % to Sales</b>	<b>18.8%</b>	<b>19.7%</b>	<b>18.4%</b>

Financial numbers are rounded off

### BUSINESS-WISE SALES PERFORMANCE

Business (In INR Cr.)	Q2FY19	Q2FY18	Y-o-Y Growth	Q1FY19	Q-o-Q Growth
<b>India (Rx + Gx)</b>	1,644	1,645	0%	1,544	6%
<b>North America<sup>§</sup></b>	758	618	23%	670	13%
<b>SAGA<sup>#</sup></b>	754	922	-18%	835	-10%
<b>South Africa<sup>^</sup></b>	503	517	-3%	578	-13%
<b>Emerging Markets</b>	472	454	4%	469	1%
<b>Europe</b>	141	151	-7%	134	5%
<b>API</b>	171	212	-19%	200	-14%
<b>Others*</b>	72	80	-10%	87	-18%
<b>Total</b>	<b>4,012</b>	<b>4,082</b>	<b>-2%</b>	<b>3,939</b>	<b>2%</b>

<sup>§</sup> Includes South Africa, Sub-Saharan and Cipla Global Access business, excludes SA Animal Health

<sup>^</sup> Excluding SA Animal Health

\* Includes CNV business, Vet (India and SA Animal Health) and other elements of Revenue

### BALANCE SHEET

Key Balance Sheet Items (In INR Cr.)	Sep-18	Mar-18
<b>Equity</b>	15,091	14,582
<b>Total Debt</b>	4,653	4,098
<b>Inventory</b>	4,160	4,045
<b>Cash and Cash Equivalents*</b>	2,446	2,058
<b>Trade Receivables</b>	3,971	3,102
<b>Net Tangible Assets</b>	5,715	5,829
<b>Goodwill &amp; Intangibles</b>	5,182	5,103

\* Includes current investment and excluding unclaimed dividend balances

## EARNINGS CONFERENCE CALL

The Company will host an Earnings conference call at 1530 hrs IST (1800 hrs SST/HKT, 1000 hrs BST, 0500 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](http://www.cipla.com). Kotak Institutional Equities will host the call.

<b>Earnings Conference Call Dial-in Information Date and Time</b>	<b>November 5, 2018 at</b> <b>1530 – 1630 hrs IST</b> <b>1800 – 1900 hrs SST/HKT</b> <b>1000 – 1100 hrs BST</b> <b>0500 – 0600 hrs US ET</b>
<b>Dial-in Numbers</b>	
Universal Access	Primary Access: <b>(+91 22 6280 1214)</b> <b>(+91 22 7115 8115)</b>
Local Access	Available all over India: <b>(+91 7045671221)</b>
Toll-free Number	USA: <b>1 866 746 2133</b> UK: <b>0 808 101 1573</b> Hong Kong: <b>800 964 448</b> Singapore: <b>800 101 2045</b>

## 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-retrovirals, urology, cardiology and CNS segments are well-known. Our 44 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 3<sup>rd</sup> largest in pharma in India (IQVIA MAT Sept'18), 3<sup>rd</sup> largest in the pharma private market in South Africa (IQVIA YTD Aug'18), and is among the most dispensed generic players in the US. 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 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](http://www.cipla.com), or click on [Twitter](#), [Facebook](#), [LinkedIn](#).

**Disclaimer:** Except for the historical information contained herein, statements in this document 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, cash flow projections, 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.