

## Cipla announces Q2FY23 results

Differentiated pipeline unlocking and continued One-India momentum drive core revenue growth of 12% and expansion in EBITDA margin

Income from Operations

**INR 5,829 Cr**

EBITDA Margin

**INR 1,302 Cr | 22.3%**  
**Adj. EBITDA ~24 %<sup>1</sup>**

PAT Margin

**INR 789 Cr**  
**13.5%**

1. Adjusted EBITDA excludes covid inventory charge

**Mumbai, November 4, 2022:** Cipla Limited (BSE: 500087, NSE: CIPLA) today announced its unaudited consolidated financial results for quarter ended September 30<sup>th</sup>, 2022.

### Key highlights of the quarter

- **Revenue:** Revenue growth for the quarter was at 6% on a reported basis and a strong 12% on a covid adjusted base of last year
- **One-India:** Robust traction in core portfolio across therapies and business segments; 15% YoY ex-covid growth
- **US business:** Reported multi-quarter high of \$179Mn in revenue and 25% YoY growth; Successful launch of Lenalidomide and continued market share expansion in Lanreotide 505b2
- **SAGA:** SA Private market recovery on track; Double digit sequential growth; Strong secondary demand with SA private outperforming market
- **R&D investments** stands at INR 335 crores or 5.8 % of sales; Higher 22% YoY driven by on-going clinical trials on a respiratory asset and other developmental efforts

*Our Q2FY23 performance reflects strong momentum in One-India business and solid execution on differentiated portfolio in the US including the launch of Lenalidomide, driving our overall revenue to a multi-quarter high and expansion in our reported operating profitability, despite external headwinds. Our reported operating profitability of 22.3% and is tracking well within our full year guidance of 21-22% range. Our proactive logistics management, cost rigor and calibrated pricing actions have helped offset the adverse impact of inflationary cost elements on profits. We are closely working with USFDA on Goa observations, de-risking key assets and improving compliances holistically across manufacturing locations"*

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

#### For Queries Contact:

**Corporate Communications**  
Heena Kanal  
CorpComm@cipla.com

**Investor Relations**  
Naveen Bansal  
Investor.Relations@cipla.com

**Cipla Ltd.**  
Cipla House,  
Peninsula Business Park,  
Ganpatrao Kadam Marg,  
Lower Parel, Mumbai-400013

## ONE-INDIA

- ❖ **One India business:** Robust traction in core portfolio across therapies and business segments
  - **Branded prescription business:** 6<sup>th</sup> consecutive quarter of market beating growth in core portfolio adjusted for covid products; 15% YoY growth ex-covid
  - Healthy mix of price, volume and contribution from new launches
  - **Trade generic business:** Strong traction across all flagship trade generic brands driving 15% YoY growth; Robust order flow from Tier 2-6 & rural towns
  - **Consumer health:** Strong growth across anchor and transitioned brands driving 22% YoY growth in overall consumer health business

## SAGA - SOUTH AFRICA, SUB-SAHARAN AFRICA AND GLOBAL ACCESS

- ❖ **South Africa:** SA private market recovery on track; 28% sequential growth in ZAR terms; Tender business performance in-line
- ❖ In secondary terms, strong demand continues with overall South Africa private business growing 2x the market
- ❖ Healthy ranks & market position in key therapy areas of Asthma & COPD, Anti-biotics, Cough & Cold and probiotics

Market Segment	Market	Market share	Cipla Growth	Market Growth
South Africa prescription	3	7.8%	7.6%	4.2%
South Africa OTC	3	7.2%	6.5%	0.6%
South Africa overall	3	7.5%	7.2%	2.8%

Source: IQVIA MAT August 2022

## NORTH AMERICA

- ❖ Reported multi-quarter high of \$179Mn in revenue and 25% YoY growth
- ❖ Successful launch of Lenalidomide and continued market share expansion in Lanreotide 505b2

## INTERNATIONAL MARKETS (EMERGING MARKETS & EUROPE) & API

- ❖ **International Markets**
  - Maintained scale over Q2FY22 excluding covid contribution in base, despite forex volatility
  - Strong momentum across focused DTMs; steady double-digit secondary growth
- ❖ **API**
  - Continued growth in emerging markets offsetting normalisation in inventory levels for European customers
  - Continued traction with global seedings & lock-ins

## CONSOLIDATED PROFIT & LOSS STATEMENT

In INR Cr	Q2FY23	Q2FY22	Y-o-Y Growth	Q1FY23	Q-o-Q Growth
<b>Total Revenue from Operations</b>	<b>5,829</b>	<b>5,520</b>	5.6%	<b>5,375</b>	8.4%
<b>EBITDA</b>	<b>1,302<sup>1</sup></b>	<b>1,226</b>	6.2%	<b>1,143</b>	13.9%
% of Income from Operations	22.3%	22.2%	13bps	21.3%	107bps
<b>PAT</b>	<b>789</b>	<b>711</b>	10.9%	<b>686</b>	14.9%
% of Income from Operations	13.5%	12.9%	65bps	12.8%	77bps

1. Includes covid inventory charge

## BUSINESS-WISE SALES PERFORMANCE<sup>§</sup>

Business (In INR Cr.)	Q2FY23	Q2FY22	Y-o-Y Growth	Q1FY23	Q-o-Q Growth
<b>India (Rx + Gx + CHL)</b>	<b>2,563</b>	<b>2,416</b>	<b>6.1%</b>	<b>2,483</b>	<b>3.2%</b>
<b>North America<sup>1</sup></b>	<b>1,432</b>	<b>1,060</b>	<b>35.1%</b>	<b>1,199</b>	<b>19.5%</b>
<b>SAGA<sup>#</sup></b>	<b>867</b>	<b>994</b>	<b>-12.8%</b>	<b>788</b>	<b>10.1%</b>
<i>South Africa<sup>^</sup></i>	<b>598</b>	<b>710</b>	<b>-15.8%</b>	<b>568</b>	<b>5.2%</b>
<b>International Markets<sup>*</sup></b>	<b>763</b>	<b>821</b>	<b>-7.1%</b>	<b>720</b>	<b>6.0%</b>
<b>API</b>	<b>153</b>	<b>172</b>	<b>-11.1%</b>	<b>135</b>	<b>12.9%</b>
<b>Others</b>	<b>51</b>	<b>56</b>	<b>-9.2%</b>	<b>51</b>	<b>0.8%</b>
<b>Total</b>	<b>5,829</b>	<b>5,520</b>	<b>5.6%</b>	<b>5,375</b>	<b>8.4%</b>

§ Financials are rounded-off | # Includes South Africa, Sub-Saharan and Cipla Global Access business, excludes SA Animal Health | ^ Excluding SA Animal Health | \* International Markets include Emerging Markets and Europe | CHL – Cipla Health limited

## BALANCE SHEET:

Key Balance Sheet Items (In INR Cr.)	Sept-22	June-22	Mar-22
<b>Total Equity</b>	22,169	21,818	21,117
<b>Total Debt<sup>1</sup></b>	1,068	1,084	1,056
<b>Inventory</b>	5,441	5,547	5,350
<b>Cash and Cash Equivalents<sup>2</sup></b>	5,060	5,211	4,965
<b>Trade Receivables</b>	3,969	3,526	3,424
<b>Net Tangible Assets</b>	5,651	5,567	5,609
<b>Goodwill &amp; Intangibles</b>	4,791	4,823	4,841

1. Total debt includes lease liabilities | 2. Cash & cash equivalents includes current investments, fixed deposits, margin deposits and excluding unclaimed dividend balances

## EARNINGS CONFERENCE CALL

The Company will host an earnings conference call at 1630 hrs IST (1900 hrs SST/HKT, 1100 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](http://www.cipla.com).

<b>Date and Time</b>	<b>November 4, 2022</b> at 1630 – 1730 hrs IST 1900 – 2000 hrs SST/HKT 1100 – 1200 hrs BST 0700 – 0800 hrs US ET
<b>Dial-in Numbers</b>	
Universal Access	Primary Access: <b>(+91 22 6280 1562)   (+91 22 7115 8387)</b>
Diamond pass link	Click <a href="#">here</a> to register
Toll Number	USA: <b>+1 3233868721</b> UK: <b>+44 2034785524</b> Hong Kong: <b>+852 30186877</b> Singapore: <b>+65 31575746</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-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 86 markets. Cipla is the 3<sup>rd</sup> largest in pharma in India (IQVIA MAT September'22), 3<sup>rd</sup> largest in the pharma private market in South Africa (IQVIA MAT August'22), and is among the most dispensed generic players in the U.S. 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](http://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. In addition, the COVID-19 pandemic has created uncertainty and inability to predict the extent to which the pandemic will continue to adversely impact our business operations, financial performance, results of operations, financial position and the achievement of our strategic objectives. Cipla Limited does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.