

Cipla announces Q3 FY21 results
Strong demand, sustained cost optimization and operational excellence drives EBITDA margin of 24.8%

Income from Operations

INR 5,169 Cr

↑18% YoY

EBITDA[^]

INR 1,281 Cr | 24.8%¹

↑69% YoY

PAT

INR 748 Cr | 14.5%¹

↑113% YoY

1. as a % of revenue | ^ Includes one-time income from a litigation settlement

Mumbai, January 29, 2021: Cipla Limited (BSE: 500087, NSE: CIPLA) today announced its unaudited consolidated financial results for quarter ended December 31st, 2020.

Key highlights of the quarter

- **One India:** Overall business grew by 22% YoY with strong growth across the three businesses; demand led traction in core therapies as Covid-19 portfolio normalises
- **South Africa:** Overall business in-line with last year in ZAR terms; private and OTC businesses continue to outpace the market
- **US business:** Reported USD 141Mn and 6% YoY growth led by continued expansion in market share of Albuterol and other assets; growth in the institutional channel
- **Quality Focus:** Working with USFDA to comprehensively address observations received in Goa
- **R&D investments** stand at INR 221 crore or 4.3% of revenue
- Continued **net cash** position led by strong governance and focus on cash collection
- In-line with our One India strategy, transfer of consumer business undertaking to Cipla Health Ltd; Simplification of group structure with subsidiarization of India based US undertaking to drive further growth

"I am pleased to see the strong execution across our markets and continued efforts on cost optimisation helping us drive revenue growth of 18% YoY and a healthy EBITDA margin of 24.8%. In India, we have maintained market beating performance across our core therapies as contribution from the Covid-19 portfolio normalises in line with the reduction in infection cases. In the US, happy to see continued expansion in market share for Albuterol. Our businesses in South Africa and other international markets continued the momentum driven by strong demand in the base business and ramp-up in new launches. In line with our sustainability road map, we commissioned a 30 MW solar plant in Maharashtra which contribute significantly towards our objective of carbon neutral by 2025"

Umang Vohra
MD and Global CEO, Cipla Ltd

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INDIA

- ❖ The **prescription business** grew by 25% on a YoY basis led by covid-19 portfolio, healthy traction in respiratory and chronic therapies, recovery in hospital and acute businesses with opening-up of OPDs
- ❖ **Trade generics business** grew at an adjusted 7% on a YoY basis led by healthy seasonal demand across regions
- ❖ **Consumer health business:** strong demand for organic products and continued traction in consumer brands transferred from trade generics business

Therapy	Market rank	Market share	Cipla growth	Market growth
Overall Chronic	2	8.1%	6%	10%
Respiratory	1	25.4%	14%	-4%
Urology	1	14.4%	8%	7%
Cardiology	5	5.2%	9%	15%
Derma	11	2.7%	15%	8%

Source: IQVIA October-December 2020

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

- ❖ SAGA grew by 6% on a YoY basis in USD terms
- ❖ Overall business in South Africa in-line with last year for the quarter in ZAR terms
- ❖ SA private and OTC business continues to outpace the market

Market segment	Market rank	Market share	Cipla growth	Market growth
South Africa private	3	7.1%	2.4%	-2.0%
South Africa OTC	3	7.2%	6.4%	3.3%

Source: IQVIA MAT December 2020

- ❖ Strategic partnership with Alvogen for 4 oncology products

NORTH AMERICA

- ❖ North America grew by 6% YoY led by continued expansion in market share of Albuterol and other assets along with growth in the institutional channel
- ❖ Cipla ranks #1 with a TRx market share ~85% of the gProventil market as per IQVIA week ending 15th January 2021
- ❖ Business continues to deliver robust profitability in 9MFY21
- ❖ Respiratory franchise cross USD100Mn in 9MFY21

EUROPE, EMERGING MARKETS & API

- ❖ The emerging market business grew by 46% on a YoY basis in USD terms led by continued demand across all regions
- ❖ The European operations grew by 28% on a YoY basis in USD terms led by consistent in-market performance and market share gains in key DTMs
- ❖ The API business grew by 18% on a YoY basis in USD terms driven by seamless execution of orderbook and well-entrenched customer relationships

CONSOLIDATED PROFIT & LOSS STATEMENT

In INR Cr	Q3FY21	Q3FY20	Y-o-Y Growth	Q2FY21	Q-o-Q Growth
Total Revenue from Operations	5,169	4,371	18%	5,038	3%
EBITDA[^]	1,281	758	69%	1,177	9%
% of Income from Operations	24.8%	17.3%	744bps	23.4%	144bps
PAT	748	351	113%	665	12%
% of Income from Operations	14.5%	8.0%	644 bps	13.2%	127bps

[^] Includes one-time income from a litigation settlement

BUSINESS-WISE SALES PERFORMANCE[§]

Business (In INR Cr.)	Q3FY21	Q3FY20	Y-o-Y Growth	Q2FY21	Q-o-Q Growth
India (Rx + Gx + CHL)	2,231	1,834	22%	2,090	7%
North America	1,037	946	10%	1,049	-1%
SAGA[#]	913	831	10%	924	-1%
<i>South Africa[^]</i>	<i>579</i>	<i>594</i>	<i>-3%</i>	<i>569</i>	<i>2%</i>
Emerging Markets	488	323	51%	474	3%
Europe	252	190	33%	247	2%
API	201	165	22%	189	7%
Others[*]	46	82	-44%	66	-30%
Total	5,169	4,371	18%	5,038	3%

[§] Financials are rounded-off | [#] Includes South Africa, Sub-Saharan and Cipla Global Access business, excludes SA Animal Health |

[^] Excluding SA Animal Health | ^{*} Includes CNV business and other elements of Revenue | CHL – Cipla Health limited

BALANCE SHEET:

Key Balance Sheet Items (In INR Cr.)	December-20	September-20
Equity	18,291	17,335
Total Debt	1,807	3,169
Inventory	4,960	4,950
Cash and Cash Equivalents[*]	2,746	3,623
Trade Receivables	3,820	3,694
Net Tangible Assets	5,512	5,457
Goodwill & Intangibles	4,927	4,756

^{*} Includes current investment and excluding unclaimed dividend balances

EARNINGS CONFERENCE CALL

The Company will host an Earnings conference call at 1930 hrs IST (2200 hrs SST/HKT, 1400 hrs BST, 0900 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	January 29, 2021 at 1930 – 2030 hrs IST 2200 – 2300 hrs SST/HKT 1400 – 1500 hrs BST 0900 – 1000 hrs US ET
Dial-in Numbers	
Universal Access	Primary Access: (+91 22 6280 1214) (+91 22 7115 8115)
Diamond pass link	Click here to register
Local Access	Available all over India: (+91 7045671221)
Toll-free Number	USA: + 1 3233868721 UK: + 44 2034785524 Hong Kong: + 852 30186877 Singapore: + 65 31575746

Playback of Earnings Conference Call audio:

Playback of the earnings call will be available after the end of the call on the following number:

	Phone number	Access code	Replay Dates
Local Toll	India (+91 22 71945757) India (+91 22 66635757)	01095#	January 29, 2021, to February 5, 2021

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 46 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 December'20), 3rd largest in the pharma private market in South Africa (IQVIA MAT December'20), 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, 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 including the impact of Covid-19 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.