

Cipla announces Q1 FY22 results
Strong demand-led momentum across businesses drives 27% revenue growth and EBITDA margin of 24.5%

Income from Operations

EBITDA

PAT¹

INR 5,504 Cr

INR 1,346 Cr | 24.5%¹

INR 715 Cr | 13.0%¹

↑ 27% YoY

↑ 28% YoY

↑ 24% YoY

1. as a % of revenue | ^ includes impact of impairment

Mumbai, August 5, 2021: Cipla Limited (BSE: 500087, NSE: CIPLA) today announced its unaudited consolidated financial results for quarter ended June 30th, 2021.

Key highlights of the quarter

- **One India:** Overall business grew by 68% YoY with strong volume traction in core therapies and Covid-19 portfolio contribution
- **SAGA:** Continued market beating growth in South Africa private business; SAGA grew 13% YoY in USD terms
- **US business:** Reported USD 141Mn revenue and 5% YoY growth led by continued expansion in market share of Albuterol
- **Quality Focus:** Working with USFDA on Goa plant observations; Infrastructure for virtual audit in place
- **R&D investments** stand at INR 264 crore; Absolute trajectory of R&D spends on track
- Continued healthy **net cash positive** position led by operating profitability and prudent working capital management

"At Cipla, we feel proud to have contributed extensively to the fight against covid-19 amid the second wave by ensuring continuous supply of life-saving medicines. I am pleased to see the robust demand led traction in core therapies across our branded markets and continued cost control leading to 27% revenue growth and 24.5% EBITDA margin for the quarter. In India, we maintained our market beating performance as core therapies responded to demand triggers along with support from covid portfolio during the second wave. I am delighted to witness the continued unlocking of our respiratory franchise in the US with market share expansion in Albuterol and strengthening of the portfolio with Arformoterol launch. Our South Africa private business continues to outperform the market. Our investments in creating a differentiated API portfolio have helped drive growth in the quarter"

Umang Vohra
MD and Global CEO, Cipla Ltd

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ONE-INDIA

- ❖ Overall business grew by 68% YoY with strong volume traction in core therapies and Covid-19 portfolio contribution
- ❖ The **branded prescription business** continued market beating performance driven by the volume growth in core therapies and support from existing and new introduction in covid portfolio through the second wave; Acute and respiratory nebulization recovered well
- ❖ **Trade generics business** reported healthy order flow across regions benefiting from strong demand tailwinds across core portfolio and covid ancillary products
- ❖ **Consumer health business** witnessed continued traction in anchor brands & transitioned brands

Therapy	Market rank	Market share	Cipla growth	Market growth
Overall Chronic	2	8.2%	16%	12%
Respiratory	1	24.0%	14%	4%
Urology	1	14.8%	7%	10%
Anti-infective	3	7.5%	10%	9%
Cardiac	5	5.3%	10%	15%

Source: IQVIA MAT June 2021

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

- ❖ **SAGA** grew 13% YoY in USD terms
- ❖ **South Africa private business** continued market beating growth during the quarter
- ❖ **SSA:** Strong demand seen in markets impacted by Covid-19 as compared to last year
- ❖ **CGA:** Performance in-line with order flow; sales traction witnessed in TLD

Market segment	Market rank	Market share	Cipla growth	Market growth
South Africa private	3	7.1%	7.6%	5.1%
South Africa OTC	3	6.6%	8.5%	12.2%

Source: IQVIA MAT June 2021

NORTH AMERICA

- ❖ North America grew by 5% YoY led by continued market share expansion in overall Albuterol market
- ❖ Cipla ranks #1 with a TRx market share 89.3% of the Proventil market, 17.6% of the generic market and 14.1% for the overall market as per IQVIA week ending 9th July 2021
- ❖ **New approval:** Arformoterol Tartrate Inhalation Solution 15 mcg / 2 mL
- ❖ Entered into the top 10 generic companies in the US by prescriptions in FY21 driven by unlocking of respiratory franchise as well as strong limited competition launches over the last 2-3 years

INTERNATIONAL MARKETS (EMERGING MARKETS & EUROPE) & API

- ❖ In International markets, strong in-market performance continues across key DTMs
- ❖ Emerging markets business impacted by timing deferral pertaining to in-country currency allocation for our middle eastern supplies
- ❖ The API business grew by 69% on a YoY basis in USD terms; includes one-time profit share on the commercial supply of an API to a partner

CONSOLIDATED PROFIT & LOSS STATEMENT

In INR Cr	Q1FY22	Q1FY21	Y-o-Y Growth	Q4FY21	Q-o-Q Growth
Total Revenue from Operations	5,504	4,346	27%	4,606	19%
EBITDA	1,346	1,049	28%	796	69%
% of Income from Operations	24.5%	24.1%	32bps	17.3%	717bps
PAT	715[^]	578	24%	413	73%
% of Income from Operations	13.0%	13.3%	-31bps	9.0%	401bps

[^] Includes impact of impairment

BUSINESS-WISE SALES PERFORMANCE[§]

Business (In INR Cr.)	Q1FY22	Q1FY21	Y-o-Y Growth	Q4FY21	Q-o-Q Growth
India (Rx + Gx + CHL)	2,710	1,608	68%	1,807	50%
North America	1,038	1,021	2%	1,002	4%
SAGA[#]	837	763	10%	848	-1%
<i>South Africa[^]</i>	<i>634</i>	<i>548</i>	<i>16%</i>	<i>606</i>	<i>5%</i>
International Markets[*]	582	697	-16%	681	-15%
API	302	184	64%	224	35%
Others	36	73	-51%	44	-19%
Total	5,504	4,346	27%	4,606	19%

[§] 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.)	June-21	March-21
Equity	19,462	18,586
Total Debt	1,931	1,756
Inventory	5,532	4,669
Cash and Cash Equivalents[*]	4,895	3,676
Trade Receivables	3,416	3,446
Net Tangible Assets	5,721	5,649
Goodwill & Intangibles	4,941	4,836

^{*} 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, 1500 hrs BST, 1000 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	August 5, 2021 at 1930 – 2030 hrs IST 2200 – 2300 hrs SST/HKT 1500 – 1600 hrs BST 1000 – 1100 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)	49147#	August 5, 2021, to August 12, 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 June 2021), 3rd largest in the pharma private market in South Africa (IQVIA MAT June 2021), 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.