

Cipla announces Q2 FY22 results
Growth momentum across core therapies and markets continue
and sustained cost control drives EBITDA margin of 22.2%

Income from Operations	EBITDA	PAT
INR 5,520 Cr 10% YoY	INR 1,226 Cr 22.2%¹ 4% YoY	INR 711 Cr 12.9%¹ 7% YoY

1. as a % of revenue

Mumbai, October 26, 2021: Cipla Limited (BSE: 500087, NSE: CIPLA) today announced its unaudited consolidated financial results for quarter ended September 30th, 2021.

Key highlights of the quarter

- **One India:** Overall business grew by 16% YoY on high FY21 base led by sustained volume traction across core therapies; covid portfolio contribution normalising in-line with expectations
- **SAGA:** Continued market beating growth in South Africa private business; SAGA grew 8% YoY in USD terms
- **US business: Reported USD 142Mn revenue** at multi-quarter high; Steady momentum in core products offsetting price erosion in rest of the portfolio
- **R&D investments** stand at INR 274 crore; Priority projects spends on track
- Continued healthy **net cash positive** position led by growth in operating profitability and prudent working capital management; Prepaid USD 137.5Mn outstanding InvaGen acquisition debt during the quarter

"I am pleased to see the strong momentum in core therapies across our branded markets and sustained cost control leading to 10% revenue growth and 22.2% EBITDA margin for the quarter, offsetting price erosion and normalising covid contribution. In India, we continue to drive strong performance led by sustained volume traction despite a high FY21 base. Our collaboration with Eli Lilly for their diabetes products helps us further strengthen our endeavour of creating access to innovative medicines in-line with the One-India strategy. The US business also witnessed healthy run rate driven by core portfolio and desired traction in respiratory franchise across Albuterol and Arformoterol. International markets rebounded in-line with expectations despite continuing geopolitical challenges. Featuring in the Forbes World's Best Employers 2021, affirms our commitment to promote a positive and inclusive culture and sustained efforts to build a future fit organisation"

Umang Vohra
MD and Global CEO, Cipla Ltd

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ONE-INDIA

- ❖ Overall business grew by 16% YoY in INR terms over high FY21 base
- ❖ The **branded prescription business** continued strong performance driven by sustained volume traction across therapies in core portfolio; covid portfolio contribution normalising in-line with expectations
- ❖ **Trade generics business** reported healthy order flow across regions benefiting from strong demand regions and continued momentum in flagship brands
- ❖ **Consumer health business** witnessed robust traction in anchor brands & transitioned brands
- ❖ **Strategic partnership** with Eli Lilly for Diabetic products Humalog® and Trulicity™

Therapy	Market rank	Market share
Overall Chronic	2	7.8%
Respiratory	1	23.1%
Urology	1	14.6%
Anti-infective	3	7.5%
Cardiac	5	5.3%

Source: IQVIA MAT September 2021

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

- ❖ **SAGA** grew 8% YoY in USD terms
- ❖ **South Africa private business** continued market beating growth during the quarter; Market beating growth in CNS, respiratory and anti-infectives therapies
- ❖ **SSA & CGA:** Performance attributed to delays in order confirmation from select clients

Market segment	Market rank	Market share	Cipla growth	Market growth
South Africa private	3	7.3%	8.7%	5.4%
South Africa OTC	3	6.8%	8.0%	10.6%

Source: IQVIA MAT August 2021

NORTH AMERICA

- ❖ Steady momentum in core products offsetting price erosion in rest of the portfolio
- ❖ In Albuterol, Cipla's TRx market share stood at 18.2% of the generic market and 14.6% for the overall market as per IQVIA week ending 8th October 2021
- ❖ In Arformoterol, Cipla's TRx market stood at 39% of the generic market and 24% for the overall market as per IQVIA week ending 8th October 2021
- ❖ **New approval:** Difluprednate Ophthalmic Emulsion 0.05%

INTERNATIONAL MARKETS (EMERGING MARKETS & EUROPE) & API

- ❖ International markets grew 14% YoY in USD terms
- ❖ Emerging markets business resumed middle eastern supplies, demonstrated strong DTM performance and contribution from Covid therapy products
- ❖ Bevacizumab Biosimilar launched under partnership in Spain
- ❖ In API, sales momentum was supported by strong customer relationships

CONSOLIDATED PROFIT & LOSS STATEMENT

In INR Cr	Q2FY22	Q2FY21	Y-o-Y Growth	Q1FY22	Q-o-Q Growth
Total Revenue from Operations	5,520	5,038	10%	5,504	0.3%
EBITDA	1,226	1,177	4%	1,346	-9%
% of Income from Operations	22.2%	23.4%	-114bps	24.5%	-224bps
PAT	711	665	7%	715[^]	-0.5%
% of Income from Operations	12.9%	13.2%	-32bps	13.0%	-10bps

[^] Includes impact of impairment

BUSINESS-WISE SALES PERFORMANCE[§]

Business (In INR Cr.)	Q2FY22	Q2FY21	Y-o-Y Growth	Q1FY22	Q-o-Q Growth
India (Rx + Gx + CHL)	2,416	2,090	16%	2,710	-11%
North America	1,055	1,035	2%	1,038	2%
SAGA[#]	994	923	8%	837	19%
<i>South Africa[^]</i>	<i>710</i>	<i>568</i>	<i>25%</i>	<i>634</i>	<i>12%</i>
International Markets[*]	821	722	14%	582	41%
API	172	189	-9%	302	-43%
Others	62	81	-23%	36	72%
Total	5,520	5,038	10%	5,504	0.3%

[§] 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.)	September-21	June-21
Equity	19,673	19,462
Total Debt	1,100	1,931
Inventory	5,550	5,532
Cash and Cash Equivalents[*]	3,557	4,895
Trade Receivables	3,505	3,416
Net Tangible Assets	5,623	5,721
Goodwill & Intangibles	4,779	4,941

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

EARNINGS CONFERENCE CALL

The Company will host an Earnings conference call at 1900 hrs IST (2130 hrs SST/HKT, 1430 hrs BST, 0930 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 26, 2021 at 1900 – 2000 hrs IST 2130 – 2230 hrs SST/HKT 1430 – 1530 hrs BST 0930 – 1030 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#	October 26, 2021 to November 2, 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 September 2021), 3rd largest in the pharma private market in South Africa (IQVIA MAT August 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.