

Cipla announces Q3 FY22 results

Robust momentum across key markets. Strong traction in One-India and US business. Delivery continues to be ahead of internal targets. Sequentially higher EBITDA margin

Income from Operations	EBITDA	PAT
INR 5,479 Cr	INR 1,243 Cr	INR 729 Cr
↑ 6% YoY	22.7%¹	13.3%¹

1. as a % of revenue

Mumbai, January 25, 2022: Cipla Limited (BSE: 500087, NSE: CIPLA) today announced its unaudited consolidated financial results for quarter ended December 31st, 2021.

Key highlights of the quarter

- **One India:** Overall business grew by 13% YoY led by sustained momentum across core therapies and traction in flagship brands; modest contribution from covid portfolio
- **SAGA:** South Africa private business grew 16% YoY growth in ZAR terms; maintains market beating trajectory in secondary terms
- **US business: Reported USD 150Mn revenue;** Robust momentum in core formulation business; strong traction in respiratory portfolio
- **New approval:** Lanreotide injection 505 (b)(2); expands peptide portfolio
- **R&D investments** stand at INR 262 crore; Priority development projects spend on track
- Growth in operating profitability and prudent working capital management drives continued healthy **net cash positive** position at December-21

I am pleased to see the strong launch and commercial momentum across our core markets during the quarter. Our portfolio execution in branded markets of India & South Africa and strong respiratory traction driving our US generic franchise to a multi-quarter high quarter were key drivers. The unlocking of our first 505(b)(2) peptide asset, lanreotide injection is an important step in strengthening our complex generics engine, inching up our US footprint. Our EBITDA margins for the quarter came in at 22.7% and given the YTD traction, we are well placed to close the year in-line with our guidance of 22%. We continue our efforts to improve patient access for therapies including covid products and ensuring adequate supply across all our markets.

Umang Vohra
MD and Global CEO, Cipla Ltd

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ONE-INDIA

- ❖ Overall business grew by 13% YoY in INR terms
- ❖ The **branded prescription business** continued the market beating growth for the 3rd consecutive quarter in FY22 driven by sustained traction across therapies in core portfolio; modest contribution from covid portfolio
- ❖ **Trade generics business** witnessed strong demand across regions leading to high traction across flagship brands and key therapeutic categories
- ❖ **Consumer health business** witnessed robust traction in anchor brands & transitioned brands

Therapy	Market rank	Market share
Overall Chronic	2	7.9%
Respiratory	1	22.6%
Urology	1	14.4%
Cardiac	5	5.3%

Source: IQVIA MAT December 2021

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

- ❖ **South Africa private business** grew 16% YoY in ZAR terms and maintains market beating trajectory in secondary terms; tender business performed in-line with expectations
- ❖ **SSA:** Healthy order flow across regions; fastest growing company in Kenya as per IQVIA MAT November 2021
- ❖ **CGA:** Performance in-line with expectations; strong demand traction continues for TLD

Market segment	Market rank	Market share	Cipla growth	Market growth
South Africa private	3	7.2%	9.1%	8.2%
South Africa OTC	3	6.9%	10.1%	10.9%

Source: IQVIA MAT November 2021

NORTH AMERICA

- ❖ Robust momentum in core formulation business with YoY growth of 7% in USD terms; strong traction in respiratory portfolio with YoY growth of 36%¹ in USD terms
- ❖ In Albuterol, Cipla's TRx market share stood at 15.9% of the overall market as per IQVIA week ending 21st December 2021
- ❖ In Arformoterol, Cipla's TRx market stood at 26.8% of the overall market as per IQVIA week ending 21st December 2021
- ❖ **New approval:** Lanreotide injection 505 (b)(2); expands peptide portfolio

1. Excludes B2B revenue for the US market

INTERNATIONAL MARKETS (EMERGING MARKETS & EUROPE) & API

- ❖ **International markets**
 - Maintained scale supported by strong DTM growth across geographies, steady double digit growth in secondary terms during the quarter
 - 2 respiratory products filed in Europe
- ❖ **API**
 - Performance attributed to momentary slowdown in orders from developed markets
 - Traction in orders from emerging markets; medium-term orderbook robust
 - Continued traction with global seedings & lock-ins

CONSOLIDATED PROFIT & LOSS STATEMENT

In INR Cr	Q3FY22	Q3FY21	Y-o-Y Growth	Q2FY22	Q-o-Q Growth
Total Revenue from Operations	5,479	5,169	6%	5,520	-0.7%
EBITDA	1,243	1,281¹	-3%	1,226	1.4%
% of Income from Operations	22.7%	24.8%	-210bps	22.2%	48bps
PAT	729	748	-2.6%	711	2.4%
% of Income from Operations	13.3%	14.5%	-118bps	12.9%	41bps

1. Includes one-time income from a litigation settlement

BUSINESS-WISE SALES PERFORMANCE[§]

Business (In INR Cr.)	Q3FY22	Q3FY21	Y-o-Y Growth	Q2FY22	Q-o-Q Growth
India (Rx + Gx + CHL)	2,518	2,231	13%	2,416	4%
North America	1,124	1,033	9%	1,060	6%
SAGA[#]	892	913	-2%	994	-10%
<i>South Africa[^]</i>	<i>623</i>	<i>578</i>	<i>8%</i>	<i>710</i>	<i>-12%</i>
International Markets[*]	738	741	-0.3%	821	-10%
API	150	201	-26%	172	-13%
Others	56	50	13%	56	0.3%
Total	5,479	5,169	6%	5,520	-0.7%

[§] 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.)	December-21	September-21
Equity	20,364	19,673
Total Debt	880	1,100
Inventory	5,462	5,550
Cash and Cash Equivalents[*]	4,148	3,802
Trade Receivables	3,442	3,505
Net Tangible Assets	5,560	5,623
Goodwill & Intangibles	4,674	4,779

^{*} Cash & cash equivalents includes current investments and fixed deposits with remaining maturity of less than 12 months and excluding unclaimed dividend balances

EARNINGS CONFERENCE CALL

The Company will host an earnings conference call at 1900 hrs IST (2130 hrs SST/HKT, 1330 hrs BST, 0830 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 25, 2022 at 1900 – 2000 hrs IST 2130 – 2230 hrs SST/HKT 1330 – 1430 hrs BST 0830 – 0930 hrs US ET
Dial-in Numbers	
Universal Access	Primary Access: (+91 22 6280 1562) (+91 22 7115 8387)
Diamond pass link	Click here to register
Toll-free Number	USA: +1 3233868721 UK: +44 2034785524 Hong Kong: +852 30186877 Singapore: +65 31575746

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 2021), 3rd largest in the pharma private market in South Africa (IQVIA MAT November 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.