

**Cipla announces Q3 FY20 results**  
**Continued momentum across businesses drives revenue growth of 9%**

	Income from Operations	Adjusted EBITDA <sup>1</sup>	PAT
<b>Q3:</b>	<b>INR 4371 Cr</b>	<b>18.5% to Sales</b>	<b>INR 351 Cr</b>

*1. Adjusted for overhead charge on FG inventory movement in Q3 - ~120bps*

**Mumbai, February 05, 2020:** Cipla Limited (BSE: 500087, NSE: CIPLA) today announced its unaudited consolidated financial results for quarter ended December 31<sup>st</sup>, 2019.

**Key highlights of the quarter**

- **Growth and Profitability:** Growth across key business drives overall revenue growth of 9% on a year on year basis with adjusted EBITDA at 18.5% and reported EBITDA at 17.3%
- **India:** Strong growth across both prescription and trade generic businesses with overall business growing 13% year on year; prescription business grew 14% year on year while the trade generics business recorded growth of 7% over previous year
- **South Africa private business** continued the strong growth momentum to deliver growth of 20% on a year on year basis in local currency; continues to outpace the market significantly
- **US business** delivers \$133mn to grow at 13% on a year on year basis
- **R&D investments** stand at INR 308 crores or ~7% of sales
- Focus on cash generation drives continued improvement in balance sheet health

*"I am happy to report that we have had yet another good quarter:- India business continued its momentum with strong double digit growth in the prescription business; growth coming back in the trade generics business, South Africa's private market franchise continued to outperform the market significantly and the US generics business retained a healthy share in key assets despite multiple competitive entries. Under our One India vision, we have integrated our formidable prescription & trade generics franchise along with our progressive wellness portfolio of Cipla Health. We have already taken initial actions on portfolio and our leadership structure to leverage the synergies which in the coming quarters will evolve significantly"*

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

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## India

- The branded business grew 14% on a YoY basis driven by performance across both chronic and acute therapies
- Trade generics business delivered growth of 7% on a year on year basis
- Continued growth investments: Acquired Vysov and in-licensed Elores brands, Berok Zindagi 2 on-going
- Cipla continued to perform well across key therapeutic areas.
  - Chronic therapies continue to drive a significant share of growth for us and grew 13% as per IQVIA MAT Dec'19 vs 11% market growth
  - Amongst our key therapies, in Respiratory, Cipla grew by 13% vs market growth of 11%, in Cardiology, Cipla grew 14% vs market growth of 11%.
  - Continued to maintain leadership position across Respiratory and Urology.

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

- South Africa private business continued the growth momentum and reported 20% growth on a year on year basis in local currency
- Cipla continues to rank as the 3rd largest pharmaceutical corporation within the South African private market, in both volume and value
- Sub-Saharan Africa business grew by 12% on a year on year basis and the CGA business also delivered a growth of 7% over last year

## NORTH AMERICA

- Continue to retain share in key product categories despite multiple competitors entering the market; contribution from Cinacalcet in value terms largely normalized now
- During Q3, the gross margin expanded by over ~350bps vs the same quarter last year. On a YTD basis, the gross margin expansion is ~750bps.

### Pipeline Update:

- Progressing well on trials for Advair
- R&D spends to come off the peak as the Advair generic trial gets over; focused portfolio investments going forward

### US Specialty:

- As per plan, NDA for IV Tramadol NDA submitted in Dec via Avenue Therapeutics
- Investments focused towards Institutional business; out-licensing opportunities being explored for CNS assets

## EUROPE & EMERGING MARKETS

- **Strengthening portfolio offering in key markets:**
  - The quarter saw the commercialization of products in the market for our partnership with Novartis in Australia and Sri Lanka
  - Progress on the Biosimilar pipeline on target

## CONSOLIDATED PROFIT & LOSS STATEMENT

In INR Cr	Q3FY20	Q3FY19	Y-o-Y Growth	Q2FY20	Q-o-Q Growth
<b>Total Revenue from Operations</b>	<b>4,371</b>	<b>4,008</b>	9%	<b>4,396</b>	-1%
<b>EBITDA</b>	<b>758</b>	<b>720</b>	5%	<b>909</b>	-17%
% of Income from Operations	17.3%	18.0%		20.7%	
<b>PAT</b>	<b>351</b>	<b>332</b>	6%	<b>471</b>	-26%
% of Income from Operations	8.0%	8.3%		10.7%	

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

Business (In INR Cr.)	Q3FY20	Q3FY19	Y-o-Y Growth	Q2FY20	Q-o-Q Growth
<b>India (Rx + Gx)</b>	1,777	1,577	13%	1,730	3%
<b>North America</b>	946	849	11%	953	-1%
<b>SAGA<sup>#</sup></b>	831	782	6%	740	12%
<b>South Africa<sup>^</sup></b>	594	565	5%	546	9%
<b>Emerging Markets</b>	323	393	-18%	451	-28%
<b>Europe</b>	190	191	-1%	190	0%
<b>API</b>	165	155	6%	157	5%
<b>Others<sup>*</sup></b>	140	60	133%	174	-20%
<b>Total</b>	<b>4,371</b>	<b>4,008</b>	<b>9%</b>	<b>4,396</b>	<b>-1%</b>

<sup>§</sup> Financials are rounded-off

<sup>#</sup> Includes South Africa, Sub-Saharan and Cipla Global Access business, excludes SA Animal Health

<sup>^</sup> Excluding SA Animal Health

<sup>\*</sup> Includes CNV business, Vet (India and SA Animal Health) and other elements of Revenue

## BALANCE SHEET:

Key Balance Sheet Items (In INR Cr.)	Dec-19	Sept-19
<b>Equity</b>	16,467	15,910
<b>Total Debt</b>	3,552	3,557
<b>Inventory</b>	4,456	4,486
<b>Cash and Cash Equivalents<sup>*</sup></b>	2,957	2,217
<b>Trade Receivables</b>	3,775	3,920
<b>Net Tangible Assets</b>	5,753	5,668
<b>Goodwill &amp; Intangibles</b>	5,035	4,921

<sup>\*</sup> Includes current investment and excluding unclaimed dividend balances

## EARNINGS CONFERENCE CALL

The Company will host an Earnings conference call at 1700 hrs IST (1930 hrs SST/HKT, 1130 hrs BST, 0630 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>Earnings Conference Call Dial-in Information Date and Time</b>	<b>February 5, 2020 at</b> 1700 – 1800 hrs IST 1930 – 2030 hrs SST/HKT 1130 – 1230 hrs BST 0630 – 0730 hrs US ET
<b>Dial-in Numbers</b>	
Universal Access	Primary Access: (+91 22 6280 1214) (+91 22 7115 8115)
Local Access	Available all over India: <b>(+91 7045671221)</b>
Toll-free Number	USA: <b>1 866 746 2133</b> UK: <b>0 808 101 1573</b> Hong Kong: <b>800 964 448</b> Singapore: <b>800 101 2045</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 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 MAT Dec'19), 3rd largest in the pharma private market in South Africa (IQVIA MAT Dec'19), 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 document 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, cash flow projections, our exposure to market risks as well as other risks. Cipla Limited does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.