
Bloomberg Code	CIPLA IN
No of share O/S (in Cr)	80.72
Market Cap (in Rs Cr)	95,016
Face Value (in Rs)	2.0
Dividend Yield (%)	0.72
<u>52 Wk High/Low (in Rs)</u>	<u>1,219/852</u>

Shareholding (%)	
Promoters	33.46
Institutional	49.57
Government	0.21
Public	16.76
<u>Total</u>	<u>100.0</u>

Key result highlights:

- Revenue grew 18% YoY at INR 6,329 Cr in Q1FY24.
- EBITDA stood at INR 1,494 crores in Q1FY24 and grew at 30.7% as compared to the same period last year.
- EBITDA Margin stood at 23.6% with a growth of 233 bps YoY and 31% growth YoY.
- The company posted a 45.1% rise in its consolidated net profit in Q1FY24 at ₹995.7 crore as compared to ₹696.4 crore in the corresponding quarter of the last year.
- PAT Margins of 15.7% showed a growth of 296 bps YoY.
- R&D Investment was 5.5% of overall revenue and showed 27% YoY growth.
- The company's US business reported the highest ever revenue of \$222 million, registering a growth of 43% YoY growth driven by robust momentum in differentiated portfolios.

Updates apart from financials

- 3 differentiated products undergoing clinical trails, with filings targeted in FY24 & FY25
- 4-5 peptides expected to be launched and couple of products expected to be filed in next 18 months
- Cipla ranked 1st amongst the most sustainable companies in Pharma and Healthcare Sector.
- Cipla ranked 5th amongst the Top 50 India most sustainable Companies 2022-23.

VERTICAL PERFORMANCE

- One India - One India business grew 12% YoY across branded prescription, trade generics and consumer health.
 - i. Branded prescription business: Business grew at 11 and sustained momentum in the chronic therapies to increase the company's share in the category.
 - ii. Trade generic business: Trade generic business maintains its market leadership, with YoY growth of 8%, supported by traction in big brands. The company continued with its launch momentum by adding 23 products in the portfolio.
 - iii. Consumer health: Grew by 16% with margins reaching closer to mid-teens for the quarter. Big brands of Cipla Health scaled further by posting double digit growth in revenues.
- South Africa - South Africa Private Market grew at 13% YoY in ZAR powered by uptick in focused therapies in prescription business as well as high double-digit growth of 16% in OTC portfolio. Cipla now is the second largest player in prescription market by market share. Cipla grew at a 4 Year CAGR of 8.6%, in the market, which is growing at 3.6%. Strong momentum continues in base business and new launches.
- North America - Robust momentum continues in differentiated portfolio leading to unprecedented growth in US market. The business yet again achieved its highest sales in a quarter by realizing a revenue of \$ 222 Mn, growing by strong 43% over last year. The pipeline and execution have been a substantial driver to this growth. Key asset of Lanreotide has improved its market share to 18%. Focus continues on limited competition launches.
- International Markets (Emerging Markets & Europe) - International markets reported revenue growth by 9% (Ex-Covid) in INR terms, while the Europe business has achieved a YoY growth of ~30% in INR terms in challenging macroeconomic environment. Strong performance across markets along with continued double-digit secondary growth in focused DTMs.

Concall Highlights:

- Revenue grew at 18% driven by performance in India, US & South Africa.
- Core profitability expanded by 230 bps with EBITDA growth of 31%.
- One-India: Robust growth across branded prescription, trade generics and consumer health over last year, resulting in growth in One-India Franchise by 12% YoY.
- US business: Reported highest ever revenue of \$ 222 Mn and 43% YoY growth driven by robust momentum in differentiated portfolio.
- South Africa: South Africa Private Market business grew at 13% YoY in local currency terms backed by double digit growth in both prescription and OTC business. In the private market, the business now ranks # 2 in terms of market share.
- R&D investments stands at INR 349 crores or 5.5 % of sales; Higher by 27% YoY driven by continued progress of clinical trials on key pipeline assets and other developmental efforts.
- Cipla raised its EBITDA margin guidance for FY24 to 23% from 22% earlier. The management raised its North America (NA) base business quarterly run-rate guidance to \$210-215 million from \$195 million earlier.

Financial Summary

Figures in Cr	Q1FY24	Q1FY23	YoY (%)	Q4FY23	QoQ (%)	FY23	FY22	YoY(%)
Net Sales	6,328.89	5,375.19	17.7	5,739.30	10.3	22,753.12	21,763.34	4.5
Raw material cost	2,237	2,024	10.5	2,063	8.4	8,252	8,495.6	
<i>Raw Material To Sales (%)</i>	<i>35.3</i>	<i>37.7</i>		<i>36.0</i>		<i>36.3</i>	<i>39.0</i>	
Employee Cost	1,066.58	955.74	11.6	964.84	10.5	3,830.08	3,529.91	8.5
<i>Employee Cost To Sales (%)</i>	<i>16.9</i>	<i>17.8</i>		<i>16.8</i>		<i>16.8</i>	<i>16.2</i>	
Other Expenses	1,531.57	1,251.67	22.4	1,537.35	22.4	5,643.79	5,185.05	8.8
<i>Other Expenses To Sales (%)</i>	<i>24.2</i>	<i>23.3</i>		<i>26.8</i>		<i>24.8</i>	<i>23.8</i>	
EBITDA	1,494	1,143	30.7	991	50.7	4,845	4,371	10.8
<i>EBITDA Margin (%)</i>	<i>23.6</i>	<i>21.3</i>		<i>17.3</i>		<i>21.3</i>	<i>20.1</i>	
Depreciation	239.21	254.41	-6.0	346.22	-30.9	1,172.11	1,051.95	11.4
<i>Depreciation To Sales (%)</i>	<i>3.8</i>	<i>4.4</i>		<i>6.4</i>		<i>5.2</i>	<i>29.8</i>	
EBIT	1,255	889	41.1	645	94.5	3,672	3,319	10.7
<i>EBIT Margin (%)</i>	<i>19.8</i>	<i>16.5</i>		<i>11.2</i>		<i>16.1</i>	<i>94.0</i>	
Other Income	136.29	103.43	31.8	134.63	1.2	475.45	280.91	69.3
Interest	16.39	17.81	-8.0	34.36	-52.3	109.54	106.35	3.0
Interest Coverage Ratio (X)	77	50		19		34	31	7.4
<i>Interest Cost to Sales (%)</i>	<i>0.3</i>	<i>0.3</i>		<i>0.6</i>		<i>0.5</i>	<i>0.5</i>	
Profit Before Tax	1,374.60	974.56	41.0	745.37	84.4	4,038.35	3,493.27	15.6
<i>PBT Margin (%)</i>	<i>21.7</i>	<i>18.1</i>		<i>13.0</i>		<i>17.7</i>	<i>16.1</i>	
Tax	378.02	268	41.1	222.25	70.1	1,202.86	933.8	28.8
<i>Tax Rate (%)</i>	<i>27.5</i>	<i>27.5</i>		<i>29.8</i>		<i>29.8</i>	<i>25.6</i>	
Profit After Tax	996.58	706.56	41.0	523.12	90.5	2,835.49	2,559.47	10.8
<i>PAT Margin (%)</i>	<i>15.7</i>	<i>13.1</i>		<i>9.1</i>		<i>12.5</i>	<i>11.8</i>	
Adjusted EPS	12.3	8.5	45.0	6.5	89.6	34.7	31.2	11.3

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