

January 27, 2023

Cipla

Current Price: ₹ 1034.4

STOCK DATA

BSE Code	500087
NSE Symbol	CIPLA
Reuters	CIPL.BO
Bloomberg	CIPLA IN

VALUE PARAMETERS

52 W H/L(Rs)	1185.20/880.00
Mkt. Cap.(Rs Cr)	83490.97
Latest Equity(Subscribed)	161.43
Latest Reserve (cons.)	21722.88
Latest EPS (cons.) -Unit Curr.	33.03
Latest P/E Ratio -cons	31.32
Latest Bookvalue (cons.) -Unit Curr.	271.13
Latest P/BV - cons	3.82
Dividend Yield -%	0.48
Face Value	2

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/12/2022
Foreign	29.70
Institutions	21.00
Non Promoter Corp. Hold.	0.53
Promoters	33.41
Public & Others	15.36

Financial Result

Particulars	In Cr.		
	Qtr Ending Dec. 22	Qtr Ending Dec. 21	Var. (%)
Net Sales (including other operating income)	5,810.09	5,478.86	6
OPM (%)	24.23	22.47	176 bps
OP	1,407.55	1,230.97	14
Other Inc.	114.44	91.29	25
PBIDT	1,521.99	1,322.26	15
Interest	31.82	20.68	54
PBDT	1,490.17	1,301.58	14
Depreciation	272.11	247.47	10
PBT	1,218.06	1,054.11	16
Share of Profit/(Loss) from Associates	-0.22	-2.07	89
PBT before EO	1217.84	1052.04	16
Taxation	410.01	295.16	39
PAT	807.83	756.88	7
Minority Interest (MI)	6.87	28.28	-76
Net profit	800.96	728.6	10
EPS (Rs)*	9.92	9.03	

Cipla Q3 Results, Profit rises 9.93% YoY to Rs 801 crore, in line with estimates

For the quarter ending Dec 2022, consolidated Net sales (including other operating income) of Cipla has increased 6.05% to Rs 5810.09 crore compared to quarter ended Dec 2021. Sales of Pharmaceuticals segment has gone up 3.93% to Rs 5,588.87 crore (accounting for 94.71% of total sales). Sales of New Ventures segment has gone up 145.70% to Rs 312.26 crore (accounting for 5.29% of total sales). Inter-segment sales rose Rs 25.51 crore to Rs 91.04 crore.

Profit before interest, tax and other unallocable items (PBIT) has jumped 16.29% to Rs 1,249.88 crore. PBIT of Pharmaceuticals segment rose 14.56% to Rs 1,258.04 crore (accounting for 100.65% of total PBIT). PBIT of New Ventures segment rose 65.02% to Rs -8.16 crore (accounting for -0.65% of total PBIT). PBIT margin of Pharmaceuticals segment rose from 20.42% to 22.51%. PBIT margin of New Ventures segment rose from negative 18.36% to negative 2.61%. Overall PBIT margin rose from 19.53% to 21.18%. Operating profit margin has jumped from 22.47% to 24.23%, leading to 14.34% rise in operating profit to Rs 1,407.55 crore. Raw material cost as a % of total sales (net of stock adjustments) decreased from 27.34% to 22.33%. Purchase of finished goods cost fell from 12.85% to 12.23%. Employee cost increased from 15.64% to 16.31%. Other expenses rose from 22.09% to 24.92%.

Other income rose 25.36% to Rs 114.44 crore. PBIDT rose 15.11% to Rs 1521.99 crore. Provision for interest rose 53.87% to Rs 31.82 crore. PBDT rose 14.49% to Rs 1490.17 crore. Provision for depreciation rose 9.96% to Rs 272.11 crore. Profit before tax grew 15.55% to Rs 1,218.06 crore. Share of profit/loss was 89.37% higher at Rs -0.22 crore. Provision for tax was expense of Rs 410.01 crore, compared to Rs 295.16 crore. Effective tax rate was 33.67% compared to 28.06%. Minority interest decreased 75.71% to Rs 6.87 crore. Net profit attributable to owners of the company increased 9.93% to Rs 800.96 crore.

Consolidated Segment Results: Quarter ended

In Cr.

	Qtr Ending Dec 22	Qtr Ending Dec 21	Var.(%)	% of (Total)
Sales				
Pharmaceuticals	5,588.87	5,377.28	4	95
New Ventures	312.26	127.09	146	5
Total Reported Sales	5,901.13	5,504.37	7	100
Less: Inter segment revenues	91.04	25.51	257	
Net Sales	5,810.09	5,478.86	6	100
PBIT				
Pharmaceuticals	1,258.04	1,098.12	15	101
New Ventures	-8.16	-23.33	65	-1
Total PBIT	1,249.88	1,074.79	16	100
Less : Interest	31.82	20.68	54	
Add: Other un-allocable	0.00	0.00	-	
PBIT Margin(%)				
Pharmaceuticals	22.51	20.42		
New Ventures	-2.61	-18.36		
PBT	1,218.06	1,054.11		100

Other Highlights

- In Q3 FY23, India business grew by 1.8% YoY and USA business grew 30% on YoY basis.
- In Q3 FY23, SAGA (South Africa and Global Access) fell 23.8% YoY.
- In Q3 FY23, India contributed 44% of total revenue, North America 28%, SAGA 12%, International markets 13%, API 3%, Others 1%.
- R&D investments during the quarter stands at Rs 363 crore representing 6.2 % of sales; Higher by 39% YoY driven by ongoing clinical trials on a respiratory asset and other developmental efforts.

Management Comments :

Umang Vohra MD and Global CEO, Cipla said "Our Q3FY23 performance reflects sustained momentum in core One-India and US businesses driving our overall revenue growth of 6% reported and 11% on a covid basis. Our One India franchise delivered strong performance across therapies and segments with double digit market beating growth in prescription on a covid adjusted base. We achieved the highest ever quarterly revenue for the North America region of \$195 Mn driven by the contribution of differentiated products and market share expansion in flagship respiratory and peptide franchises. Our reported operating profitability of 24.2% reflects our focused efforts on navigating external headwinds and continued higher R&D spends stemming from ongoing respiratory trials and initiation of biosimilar programs."

E-mail: smc.care@smcindiaonline.com



Corporate Office:
11/6B, Shanti Chamber,
Pusa Road, New Delhi - 110005
Tel: +91-11-30111000
www.smcindiaonline.com

Mumbai Office:
Lotus Corporate Park, A Wing 401 / 402, 4th Floor,
Graham Firth Steel Compound, Off Western
Express Highway, Jay Coach Signal, Goreagon
(East) Mumbai - 400063
Tel: 91-22-67341600, Fax: 91-22-67341697

Kolkata Office:
18, Rabindra Sarani, Poddar Court, Gate No-4,
5th Floor, Kolkata - 700001
Tel.: 033 6612 7000/033 4058 7000
Fax: 033 6612 7004/033 4058 7004

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