

January 25, 2024

Cipla

Current Price: ₹ 1417.70

STOCK DATA

| | |
|------------|-----------|
| BSE Code | 500087.00 |
| NSE Symbol | CIPLA |
| Reuters | CIPL.BO |
| Bloomberg | CIPLA IN |

VALUE PARAMETERS

| | |
|--------------------------------------|----------------|
| 52 W H/L(Rs) | 1424.65/852.00 |
| Mkt. Cap.(Rs Cr) | 114459.09 |
| Latest Equity(Subscribed) | 161.47 |
| Latest Reserve (cons.) | 24663.93 |
| Latest EPS (cons.) -Unit Curr. | 48.98 |
| Latest P/E Ratio -cons | 28.94 |
| Latest Bookvalue (cons.) -Unit Curr. | 307.49 |
| Latest P/BV - cons | 4.61 |
| Dividend Yield -% | 0.60 |
| Face Value | 2.00 |

SHARE HOLDING PATTERN (%)

| Description as on | % of Holding 31/12/2023 |
|--------------------------|----------------------------|
| Foreign | 26.56 |
| Institutions | 24.28 |
| Non Promoter Corp. Hold. | 0.54 |
| Promoters | 33.4 |
| Public & Others | 15.22 |

Consolidated Financial Result

In Cr.

| Particulars | Qtr Ending Dec. 23 | Qtr Ending Dec. 22 | Var. (%) |
|--|-----------------------|-----------------------|----------|
| Net Sales (including other operating income) | 6,603.81 | 5,810.09 | 14 |
| OPM (%) | 26.46 | 24.23 | 224 bps |
| OP | 1,747.53 | 1,407.55 | 24 |
| Other Inc. | 184.63 | 114.44 | 61 |
| PBIDT | 1,932.16 | 1,521.99 | 27 |
| Interest | 30.10 | 31.82 | -5 |
| PBDT | 1,902.06 | 1,490.17 | 28 |
| Depreciation | 233.43 | 272.11 | -14 |
| PBT | 1,668.63 | 1,218.06 | 37 |
| Share of Profit/(Loss) from Associates | -0.10 | -0.22 | 55 |
| PBT before EO | 1,668.53 | 1,217.84 | 37 |
| EO Income | -194.82 | 0.00 | - |
| PBT after EO | 1,473.71 | 1,217.84 | 21 |
| Taxation | 405.30 | 410.01 | -1 |
| PAT | 1,068.41 | 807.83 | 32 |
| Minority Interest (MI) | 12.51 | 6.87 | 82 |
| Net profit | 1,055.90 | 800.96 | 32 |
| EPS | 14.83 | 9.92 | |

Cipla Q3FY24 Results, 32% PAT YoY to Rs 1,056 cr, in line with estimates

For the quarter ending Dec 2023, consolidated Net sales (including other operating income) of Cipla has increased 13.66% to Rs 6603.81 crore compared to quarter ended Dec 2022. Sales of Pharmaceuticals segment has gone up 13.89% to Rs 6,365.06 crore (accounting for 95.78% of total sales). Sales of New Ventures segment has gone down 10.17% to Rs 280.51 crore (accounting for 4.22% of total sales). Inter-segment sales came down from Rs 91.04 crore to Rs 41.76 crore.

Profit before interest, tax and other unallocable items (PBIT) has jumped 35.91% to Rs 1,698.73 crore. PBIT of Pharmaceuticals segment rose 35.58% to Rs 1,705.59 crore (accounting for 100.40% of total PBIT). PBIT of New Ventures segment rose 15.93% to Rs -6.86 crore (accounting for -0.40% of total PBIT).

PBIT margin of Pharmaceuticals segment rose from 22.51% to 26.80%. PBIT margin of New Ventures segment rose from negative 2.61% to negative 2.45%. Overall PBIT margin rose from 21.18% to 25.56%.

Operating profit margin has jumped from 24.23% to 26.46%, leading to 24.15% rise in operating profit to Rs 1,747.53 crore. Raw material cost as a % of total sales (net of stock adjustments) decreased from 22.33% to 18.38%. Purchase of finished goods cost rose from 12.23% to 14.25%. Employee cost increased from 16.31% to 16.41%. Other expenses fell from 24.92% to 24.10%.

Other income rose 61.33% to Rs 184.63 crore. PBIDT rose 26.95% to Rs 1932.16 crore. Provision for interest fell 5.41% to Rs 30.1 crore. PBDT rose 27.64% to Rs 1902.06 crore. Provision for depreciation fell 14.21% to Rs 233.43 crore.

Cipla : Consolidated Segment Results

In Cr.

| | Qtr Ending Dec.23 | Qtr Ending Dec.22 | Var.(%) | % of Total |
|------------------------------|-------------------|-------------------|---------|------------|
| Sales | | | | |
| Pharmaceuticals | 6,365.06 | 5,588.87 | 14 | 96 |
| New Ventures | 280.51 | 312.26 | -10 | 4 |
| Total Reported Sales | 6,645.57 | 5,901.13 | 13 | 100 |
| Less: Inter segment revenues | 41.76 | 91.04 | -54 | |
| Net Sales | 6,603.81 | 5,810.09 | 14 | 100 |
| PBIT | | | | |
| Pharmaceuticals | 1,705.59 | 1,258.04 | 36 | 100 |
| New Ventures | -6.86 | -8.16 | 16 | 0 |
| Total PBIT | 1,698.73 | 1,249.88 | 36 | 100 |
| Less : Interest | 30.1 | 31.82 | -5 | |
| PBIT Margin(%)** | | | | |
| Pharmaceuticals | 26.8 | 22.51 | 429 | |
| New Ventures | -2.45 | -2.61 | 17 | |
| PBT | 1,668.63 | 1,218.06 | 37 | |

**PBT margins are in bps basis

Profit before tax grew 36.99% to Rs 1,668.63 crore. Share of profit/loss was 54.55% higher at Rs -0.1 crore. Provision for tax was expense of Rs 405.3 crore, compared to Rs 410.01 crore. **Effective tax rate** was 27.50% compared to 33.67%. Minority interest increased 82.10% to Rs 12.51 crore. Net profit attributable to owners of the company increased 31.83% to Rs 1,055.90 crore.

Other Highlights

- In Q3 FY24, India business grew by 12% YoY supported by growth across Branded Prescription, Trade Generics and Consumer Health. North America business up 18% YoY supported by continuing momentum in key assets and robust demand in base business along with some year-end buying. South Africa business grew 15% YoY in local currency terms. This performance was supported by positive traction in prescription, OTC and tender. South Africa and Global Access (SAGA) grew 35% YoY in USD terms.
- In Q3 FY24, India contributed 44% of total revenue, North America 29%, SAGA 12%, International markets 11%, API 2%, Others 2%.
- R&D investments during the quarter stands at Rs 400 crore representing 6.1 % of sales.

Management Comments :

Umang Vohra MD and Global CEO, Cipla said "I am happy to announce results for yet another quarter which further established our strengths of our core business in India, North America, and South Africa. Our topline growth for the quarter was at impressive 14% YoY with strong EBITDA margins at 26.3%. One India business grew at a healthy 12% YoY backed by strong performance across Branded Prescription, Trade Generics and Consumer Health. In North America, we continue to scale newer peaks by posting highest ever quarterly revenue yet again at \$ 230 Mn, supported by positive traction in key assets and base business. Our South Africa business further extended its momentum from last quarter by growing at 15% in local currency terms driven by strong execution across prescription, OTC and tender. Our focus

continues on expansion in chronic therapies, growing big brands, global wellness as well as developing our R&D pipeline in respiratory and peptides. We will continue to focus on driving profitable growth across businesses”.

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