Cipla

7th August, 2019

(1) BSE Limited
Listing Department,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

Scrip Code: 500087

(2) National Stock Exchange of India Limited
Listing Department
Exchange Plaza, 5th floor,
Plot no. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051

Scrip Code: CIPLA EQ

(3) SOCIETE DE LA BOURSE DE LUXEMBOURG
Societe Anonyme
35A Boulevard Joseph II,
L-1840 Luxembourg

Sub: Press Release

Dear Sir/ Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Press Release dated 7th August, 2019.

This is for your information and record.

Thanking you,

Yours faithfully,
For **Cipla Limited**

Rajendra Chopra
Company Secretary

Encl: as above

Prepared by: Mandar Kurghode

Cipla announces Q1 FY20 results

EBITDA growth of 25% and continued healthy cash generation

	Income from Operations	EBITDA		PAT
Q1:	INR 3989 Cr	INR 905 Cr	~23% to Sales	INR 478 Cr

Mumbai, August 07, 2019: Cipla Limited (BSE: 500087, NSE: CIPLA) today announced its unaudited consolidated financial results for quarter ended June 30, 2019.

Key highlights of the quarter

- **Profitability:** Despite significant global volatility and revenue deferrals for the quarter, profitability maintained
- **India** continues strong secondary performance across key therapies and outpacing the market in Respiratory and Cardiology
- **South Africa private business** continues to outpace the market; grew over 2 times the market at 7.3%
- **US business – 61%** growth year on year (in US $ terms) for the quarter; base business grows year on year
- **Quality Focus:**
  - Received EIR for Kurkumbh plant for the inspection by the United States Food and Drug Administration (USFDA) from 11th March 2019 to 20th March 2019

"We witnessed a muted first quarter in FY'20 owing to a combination of external volatility and some conscious business decisions taken with the long-term sustainability in mind. Our secondary growth in our flagship therapies in India and in the South Africa private market remained impressive, and our base business in the U.S. saw y-o-y growth with increased revenue from recent high-value launches. Our business fundamentals remain strong, and our overall base business profitability was maintained at healthy levels despite the volatility. Our growth drivers remain on track with sustained expansion of our basket of biosimilars in emerging markets, entry into new markets such as China to set up our respiratory franchise, and further depth in our U.S. specialty pipeline with ZEMDRI™"

Umang Vohra
MD and Global CEO, Cipla Ltd

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India

- Continued to maintain leadership position (#1 IPM Rank) across Respiratory and Urology
- As per IQVIA Q1-FY20, Chronic therapies continue to drive a significant share of growth and grew 14% vs 12% market growth
- Respiratory growth at 14% vs market growth of 9% and Cardiology grew by 18% vs market growth of 12%
- Conscious decision on realignment of distributors in the trade generics; on expected lines and as per guidance in the last quarter

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

- As per IQVIA (IMS) MAT Jun'19, South Africa business grew at more than two times the market at 7.3% in the private market
- Acquired portfolio of Mirren in the OTC space delivered over 10% growth
- Tender business to rebase in-line with new tender supplies in Q2

NORTH AMERICA

- Base business (normalized for Cinacalcet) grew year on year
- Approvals received for Ambrisentan and Pregabalin
- Gross margin expansion of over 10 percentage points led by contribution from limited competition assets

Pipeline Update:

- Progressing well on our trials for Respiratory products
- Of the total 253 ANDAs, 63 are under-approval and 21 are tentatively approved

EUROPE & EMERGING MARKETS

- **Biosimilars franchise in the EM:** Partnership with Alvotech on adalimumab biosimilar for select emerging markets
- Quarter impacted by deferral of despatches to the first week of July and the continuing challenges in the middle eastern markets
- Europe:
    - Market share of FPSM in over 14% across Europe, as per IQVIA MAT Mar'19; UK share over 10% now

Cipla Health Limited (CHL)

- *CHL was created in FY'16 with the aim of making a difference to the everyday lives of consumers through simplified and innovative solutions in the consumer healthcare segment. CHL grew steadily since its inception through a strong spirit of partnership between Cipla Ltd, CHL and Eight Roads Investment Mauritius II limited (formerly known as FIL Capital Investments (Mauritius) II limited). Eight Roads held minority ownership in CHL through two rounds of investment in April 2016 and August 2018.*
- *In a mutually agreed and planned transition, Cipla Ltd and Eight Roads have today signed the definitive agreement for Cipla Ltd to acquire the minority stake of Eight Roads in CHL, thereby giving Cipla Ltd 100% ownership interest of CHL. The development comes in view of Cipla's growing focus on consumer-facing products, and the high potential for synergy between the CHL and Cipla in-house portfolios.*
- *In FY'18-19, CHL's flagship smoking cessation brand, Nicotex, remained the undisputed market leader in its category; its Cofsils franchise saw increased market share and brand extension across trade channels; its ActivKids ImmunoBoosters became the first Cipla product to be available in modern trade, e-commerce, high-end grocers and B2B channels; its probiotic brand, UnoBiotics, became the #1 player in the LRGG (Lactobacillus Rhamnosus GG) market within 15 months of launch.*

CONSOLIDATED PROFIT & LOSS STATEMENT

In INR Cr	Q1FY20	Q1FY19	Y-o-Y Growth	Q4FY19	Q-o-Q Growth
Total Revenue from Operations	**3,989**	**3,939**	*1.3%*	**4,404**	*-9%*
EBITDA	**905**	**726**	*25%*	**972**	*-7%*
% of Income from Operations	*22.7%*	*18.4%*		*22.1%*	
PAT	**478**	**451**	*6%*	**367**	*30%*
% of Income from Operations	*12.0%*	*11.5%*		*8.3%*	

BUSINESS-WISE SALES PERFORMANCE[$]

Business (In INR Cr.)	Q1FY20	Q1FY19	Y-o-Y Growth	Q4FY19	Q-o-Q Growth
India (Rx + Gx)	1,355	1,544	*-12%*	1,500	-10%
North America	1,119	670	*67%*	1,143	-2%
SAGA[#]	691	831	*-17%*	823	-16%
South Africa^	*532*	*575*	*-7%*	*513*	*4%*
Emerging Markets	279	469	*-41%*	406	-31%
Europe	201	134	*50%*	236	-15%
API	182	200	-9%	174	5%
Others*	160	91	*76%*	122	31%
Total	**3,989**	**3,939**	***1.3%***	**4,404**	**-9%**

$ Financials are rounded-off
 # Includes South Africa, Sub-Saharan and Cipla Global Access business, excludes SA Animal Health
^ Excluding SA Animal Health
** Includes CNV business, Vet (India and SA Animal Health) and other elements of Revenue*

BALANCE SHEET

Key Balance Sheet Items (In INR Cr.)	Jun-19	Mar-19
Equity	15,787	15,344
Total Debt	4,129	4,316
Inventory	4,443	3,965
Cash and Cash Equivalents*	3,250	2,735
Trade Receivables	3,760	4,151
Net Tangible Assets	5,778	5,507
Goodwill & Intangibles	4,915	4,777

** 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, 1230 hrs BST, 0730 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	**August 7, 2019** at 1700 – 1800 hrs IST 1930 – 2030 hrs SST/HKT 1230 – 1330 hrs BST 0730 – 0830 hrs US ET
Dial-in Numbers	
Universal Access	Primary Access**: (+91 22 6280 1214)** **(+91 22 7115 8115)**
Local Access	Available all over India: **(+91 7045671221)**
Toll-free Number	USA: **1 866 746 2133** UK: **0 808 101 1573** Hong Kong**: 800 964 448** Singapore: **800 101 2045**

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 June'19), 3rd largest in the pharma private market in South Africa (IQVIA MAT June'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, 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.