

Research Report

CIPLA LIMITED



Prepared By-

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About

Cipla Limited, founded in 1935, is a global pharmaceutical leader headquartered in Mumbai, India. Known for its affordable and innovative medicines, Cipla operates in over 100 countries with a strong presence in respiratory, oncology, HIV/AIDS, and chronic care treatments. The company is committed to improving healthcare access and sustainability, making life-saving therapies available worldwide.

Product Mix

- India - Nicotex, Cofsils, Cipladine, ORS, Omnigel
- South Africa - Cipla Actin, Broncol, Flomist, Asthavent, coryx.

Synopsis of Financials

- Reported quarterly revenue of ₹7,073 crores, reflecting an 8% year-on-year growth.
- EBITDA margin stood at 28%, an increase of 184 basis points YoY and 138 basis points QoQ.
- Profit after tax for the quarter was ₹1,571 crores, approximately 22% of sales, with an effective tax rate of 25.5%.
- Free cash flow generation and operating efficiencies have resulted in a healthy net cash position of ₹8,947 crores.

Stock data (as 28th January 2025)

Nifty Price	: 23,170.15
52 week High (in Rs.)	: 1,702
52 week Low (in Rs.)	: 1,312
Market Cap. (in Crore)	: 1,14,847
NSE Code	: CIPLA

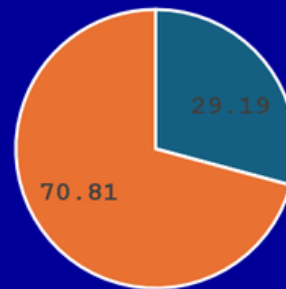
Stock data



-NIFTY50

-Cipla Limited

Shareholding Pattern (December 2024)



-PUBLIC GROUP

-PROMOTER GROUP

Financial Summary

Particulars	March 2022	March 2023	March 2024
Sales	21,763	22,753	25,774
Sales Growth %	13.59%	4.55%	13.28%
Expenses	17,211	17,726	19,483
Operating Profit	4,553	5,027	6,291
OPM %	21%	22%	24%
Net Profit	2,547	2,833	4,154
EPS in Rs	31.19	34.71	51.05

Quarterly Results

Particular	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Sales	6,329	6,678	6,604	6,163	6,694	7,051	7,073
Expenses	4,835	4,944	4,856	4,847	4,978	5,165	5,084
Operating Profit	1,494	1,734	1,748	1,316	1,716	1,886	1,989
OPM %	24%	26%	26%	21%	26%	27%	28%
Other Income	136	176	-10	249	160	191	222
Interest	16	26	30	18	18	15	15
Depreciation	239	290	233	288	247	272	280
Profit before tax	1,375	1,594	1,474	1,259	1,611	1,789	1,916
Tax %	28%	28%	28%	26%	27%	27%	17%
Net Profit	998	1,155	1,068	932	1,175	1,305	1,575

Source: Screener

Key Ratios

Sr. No.	Name of entity	Numerator	Denominator	As at 31st March 2024	As at 31st March 2023	% Variance
				Current Period	Previous Period	
1	Current ratio (in times)	Current assets	Current liabilities	5.19	4.95	4.85%
2	Debt-equity ratio (in times)	Total debt ⁽¹⁾	Shareholder's equity	0.002	0.002	(20.00%)
3	Debt service coverage ratio (in times)*	Earning available for Debt Service ⁽²⁾	Debt service ⁽³⁾	206.68	146.63	40.95%
4	Return on equity ratio (in %)	Net Profits after taxes	Average Shareholder's Equity	15.50%	10.66%	45.40%
5	Inventory turnover ratio (in times)	Cost of goods sold	Average inventory	1.79	1.70	5.06%

Source: Annual Report

Yearly Results

Particulars	March 2022	March 2023	March2024
Equity Capital	161	161	161
Reserves	20,680	23,246	26,545
Borrowings	1,056	803	559
Other Liabilities	4,960	5,089	5,267
Total Liabilities	26,857	29,300	32,533
Fixed Assets	9,683	9,160	9,607
CWIP	766	1,093	1,153
Investments	2,551	3,662	5,449
Other Assets	13,857	15,384	16,323
Total Assets	26,857	29,300	32,533

Synopsis Quater Results

Concall Notes - Jan-2025: Key Highlights

Business Segment Performance:

- One India business grew by 10% YoY despite seasonal headwinds.
- EMEU and One Africa businesses collectively contributed over 25% of total revenue, growing 15% YoY in INR terms.
- North America recorded a revenue rate of \$226 million, with an enhanced market share of 21% in Albuterol.
- Consumer health business showed strong traction, with anchor brands like Nicotex, Omnigel, and Cipladine maintaining leadership positions.

Regulatory Updates:

- Goa facility received a VAI classification from the US FDA.
- Inspections at Virgonagar and Medispray facilities resulted in eight and one 483 observations, respectively, with official classifications pending.

Product Pipeline and Launches:

- Key assets in the pipeline include generic Advair, generic Abraxane, and partnered inhalation assets, with expected launches in FY'26.
- Launched CipAir, an AI-powered mobile application for asthma screening in India.
- Anticipating launches of additional respiratory assets over the next 15-24 months.

Market Dynamics:

- The US market pricing remains stable with moderate price erosion observed.
- Cipla's strategy focuses on derisking its product portfolio and enhancing manufacturing capabilities in the US.
- The company plans to address supply issues related to Lanreotide, aiming for normalized supply levels by the end of Q4 FY'25.

Challenges and Headwinds:

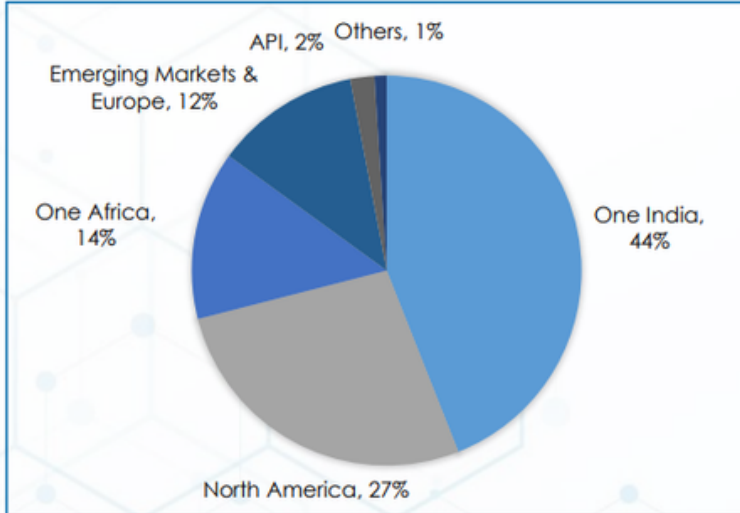
- Delays in key product launches due to regulatory clearances and supply chain issues.
- The management acknowledges the impact of competitive pressures and pricing erosion in the US market but remains optimistic about future growth.

Highlights

Revenues

INR 7,073 Cr

Revenue² Break-up



EBITDA

INR 1,989 Cr

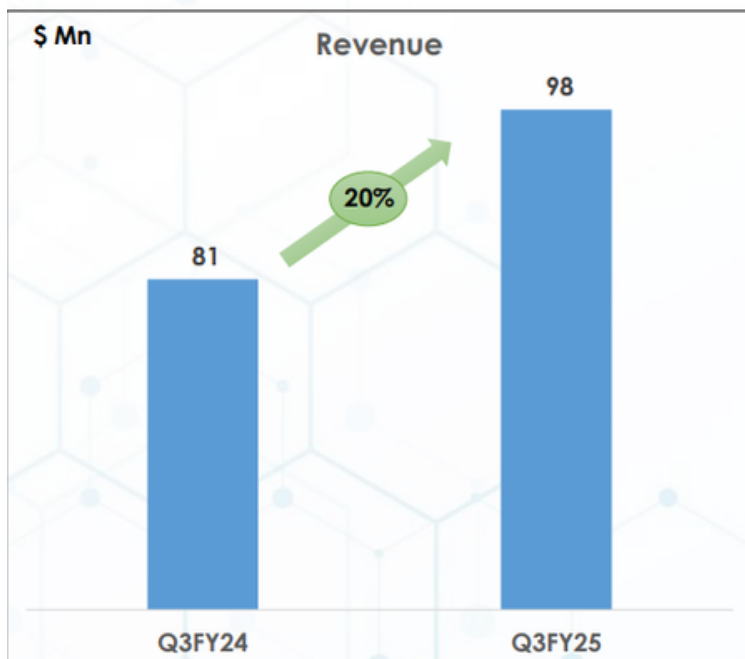
Q3FY25 (Consolidated)

	Actuals (INR Cr)	vs Q3 FY24
Total Revenue from Operations	7,073	8.1%
EBITDA	1,989	15.7%
EBITDA %	28.1%	184 bps
PAT	1,571	49.7%
PAT %	22.2%	617 bps

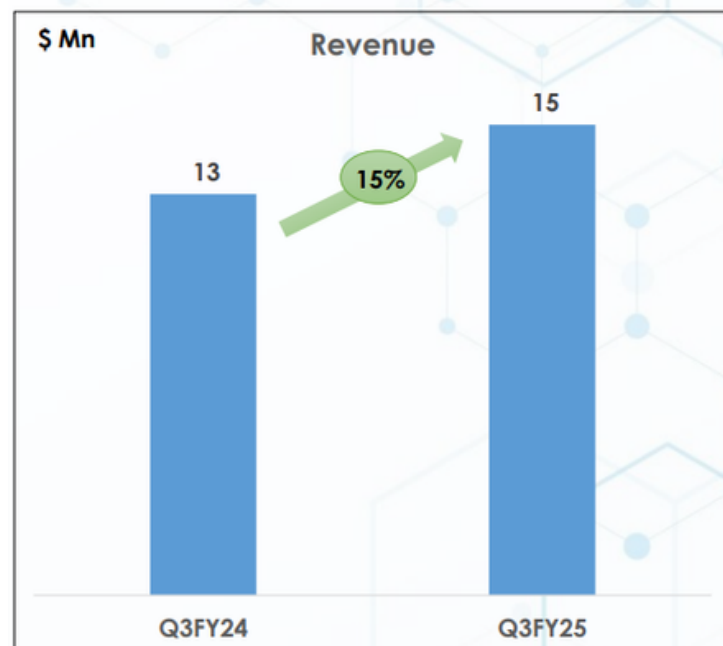
R&D³

INR 360 Cr
5.1% of revenue

Emerging Markets & Europe¹

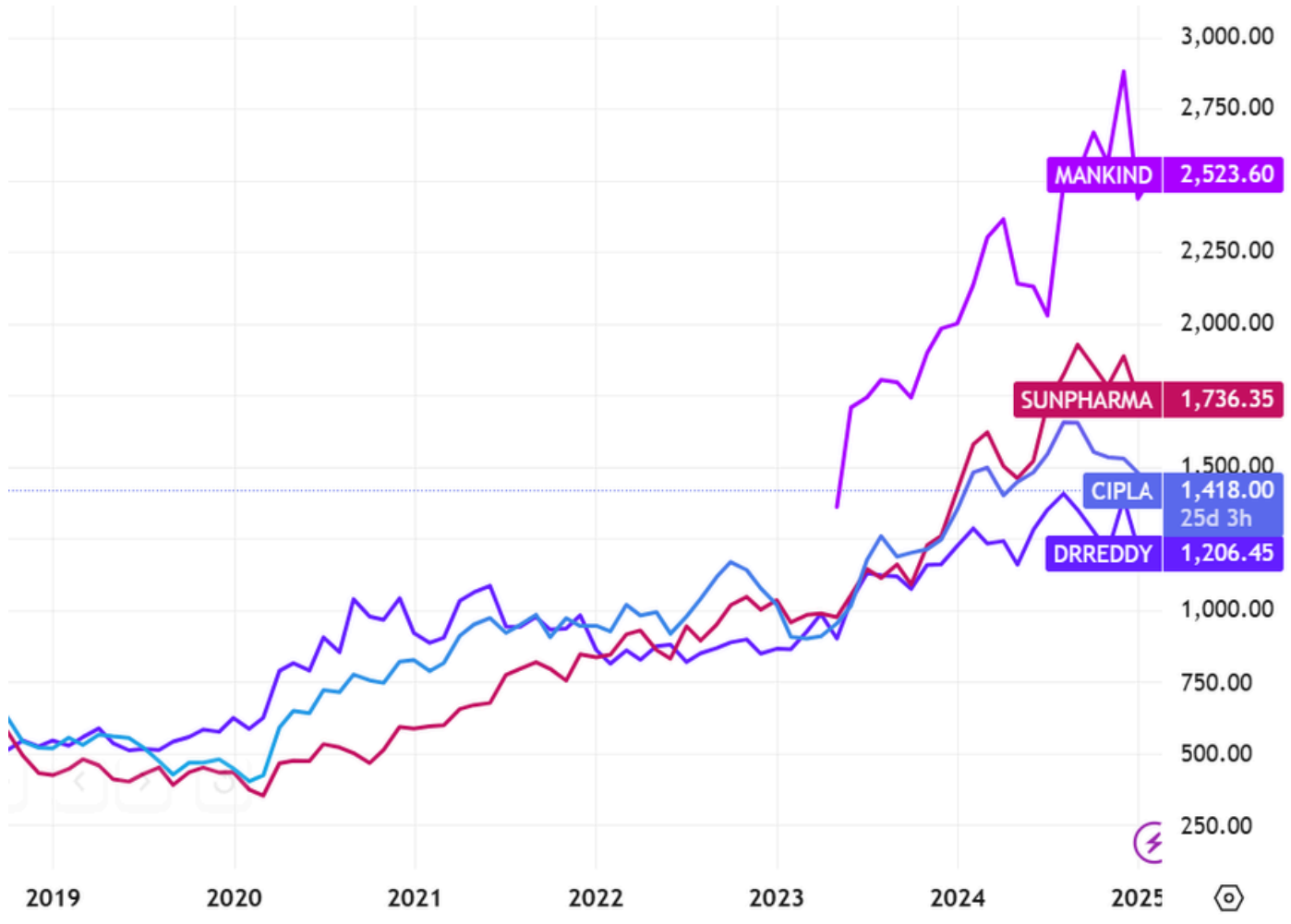


API



Peer Comparison

Peer Stock Performance (5Y) Indexed



Source: Trading View

Peer Financial Performance

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
1.	Sun Pharma.Inds.	1734.30	37.12	416116.73	0.80	3037.33	27.86	13291.39	9.01	17.32
2.	Cipla	1422.05	23.07	114846.74	0.94	1574.59	31.37	7072.97	7.10	22.80
3.	Mankind Pharma	2473.50	52.74	102048.39	0.00	416.38	-10.01	2396.57	8.48	24.57
4.	Dr Reddy's Labs	1180.30	18.35	98487.12	0.67	1404.20	1.69	8381.20	15.81	26.53
5.	Zydus Lifesci.	933.60	21.91	93941.96	0.33	920.20	13.62	5237.00	19.87	22.34

Source: Screener

Final Outlook



CIPLA: BUY | LTP: 1,422

CIPLA's profit for the financial year 2023-24 showed a remarkable increase of approximately 62.22% compared to the previous financial year (2022-23). “Better days ahead” for the pharmaceutical giant, expecting Cipla to benefit from a slew of U.S. launches lined up, adding that it also expects the company to witness a domestic recovery and healthy growth in South Asia, which would drive a 9.5% reported EPS CAGR for Cipla over FY24-27.

Revenue: ₹257 billion (+18% YoY).

Net Profit: ₹41 billion (+73.05% YoY).

EPS: ₹51.5 (up from ₹35.1 in FY 2022-23).

Cash Flow: Operating cash flow rose to ₹41,339 million.

Dividend: ₹13 per share declared.

Market Position: 3rd largest in the Indian prescription market, with strong US and India sales.

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