

## Management Discussion & Analysis for the Fourth Quarter of FY22

### FINANCIAL PERFORMANCE

#### A. Profit and loss statement:

(₹ in Million)	Q4 FY22	Q3 FY22	Q4 FY21	QoQ %	YoY %	FY22	FY21	YoY %
Revenue from Operations	5,140.6	5,225.0	4,671.6	-1.6%	10.0%	21,232.1	18,851.7	12.6%
EBITDA	1,473.1	1,496.0	1,702.3	-1.5%	-13.5%	6,307.6	5,918.8	6.6%
EBITDA Margins	28.7%	28.6%	36.4%	10 bps	(770 bps)	29.7%	31.4%	(170 bps)
PAT	989.0	1,037.1	1,046.8	-4.6%	-5.5%	4,187.2	3,515.8	19.1%

#### B. Balance sheet:

Key Balance Sheet Items (₹ in Million)	March-22	March-21
Equity	20,543.1	7,527.5
Total Debt	-	9,328.7
Inventory	5,162.4	5,134.2
Trade Receivables	6,734.9	6,195.0
Net Tangible Assets	6,763.4	5,789.9
Cash and Cash Equivalent*	5,122.7	1,184.0

\* Includes bank deposits

#### Highlights for Q4-FY22

- Revenue from Operations grew by 10.0% YoY during the quarter to ₹ 5,140.6 Mn
- EBITDA for quarter was at ₹ 1,473.1 Mn, margins stood at 28.7%
- R&D expenditure for the quarter was at ₹ 143.1 Mn, 2.8% of sales
- Capital expenditure for the quarter was ₹ 664.6 Mn
- Working capital as on 31 March, 2022 is ₹ 8,820.1 Mn, at 152 days on sales
- PAT for quarter was at ₹ 989.0 Mn, margins stood at 19.2%
- ROCE was 28.6% and Fixed assets turnover ratio was 3.4 times for FY22

## BUSINESS PERFORMANCE & COMMENTARY

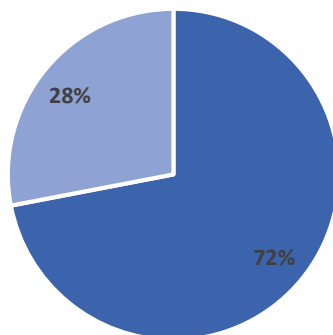
### A. Segment Performance:

(₹ in Million)	Q4 FY22	Q3 FY22	Q4 FY21	QoQ %	YoY %	FY22	FY21	YoY %
Generic API	4,589.6	4,714.6	4,078.0	-2.7%	12.5%	19,154.3	17,084.2	12.1%
CDMO	435.1	405.7	548.0	7.2%	-20.6%	1,720.1	1,529.7	12.4%
Other Operating Revenue	115.9	104.7	45.6	10.7%	153.2%	357.7	237.7	50.5%
<b>Revenue from Operations</b>	<b>5,140.6</b>	<b>5,225.0</b>	<b>4,671.6</b>	<b>-1.6%</b>	<b>10.0%</b>	<b>21,232.1</b>	<b>18,851.6</b>	<b>12.6%</b>

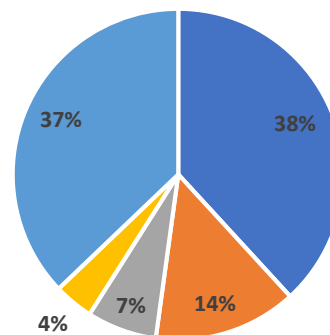
- Generic API revenues during the quarter increased by 12.5% YoY and by 12.1% in FY22
- CDMO revenues registered growth of 7.2% QoQ in Q4 FY22 and 12.4% in FY22

### B. Market and Therapeutic Area Mix (FY22)

Market Mix



Therapy Mix



■ Regulated markets ■ Emerging markets ■ CVS ■ CNS ■ Diabetes ■ Pain management ■ Others

- Regulated markets account for 72.0% of Net Sales in FY22, growing at 21.4% YoY
- Emerging markets account for 28% of Net Sales in FY22, declining at 6.3% YoY due to high base of COVID products last year
- Products from key Chronic Therapeutic Areas (viz CVS, CNS, Diabetes, Pain management) account for 62.9% of Net Sales in FY22, growing at 12.7% for the year

## OTHER BUSINESS HIGHLIGHTS

- We filed 15 DMF/CEPs across major markets ((i.e. United States, Europe, Japan, Russia, Brazil, South Korea, Taiwan, Canada, China and Australia) during the quarter and cumulative filing stand at 433 as on 31<sup>st</sup> March, 2022
- Capacity expansion plans: Capital Expenditure during FY 22 was ₹ 1451.5 Mn.
  - At our Ankleshwar facility, 3 new pharma modules became fully operational in Plant #17 during the year

- The brownfield expansion for generics API products at our Dahej facility is well underway. Civil construction work is ongoing to build Plant #6 that will have 4 independent modules for manufacture of large to medium-scale APIs. We expect to commission these modules in two phases during Q1 FY23 and Q3 of FY23. With this expansion, Dahej plant capacity will become 2.4x of the existing capacity
- Project work is ongoing to build plant #7 for potent products at Dahej that will have 2 independent modules for medium scale manufacturing. We expect to commission this plant during Q1 of FY23
- We plan to commence construction work at our newly acquired land for the planned greenfield site at Chincholi Industrial Area, Solapur in the next financial year
- Generic API Segment
  - Regulatory filing completed for 1 iron compound and development to progress for other 3 complex iron compounds in our development pipeline with cumulative global market size of more than USD 2.3 billion (Source: IQVIA MAT Dec'21)
  - We also have 7 products in the oncology space with global market size of more than USD 14 billion (Source: IQVIA MAT Dec'21)
- CDMO Segment
  - 3 commercial projects with multinational and specialty pharmaceutical companies
  - 4<sup>th</sup> project to be commercial by Q3 FY23

#### **Disclaimer**

*Some of the information in the document, especially information with respect to our plans and strategies, may contain certain forward-looking statements that involve risks and uncertainties. These statements are based on current expectations, forecasts and assumptions that are subject to risks and uncertainties which could cause actual outcomes and results to differ materially from these statements depending upon economic conditions, government policies and other incidental factors. Such statements should not be regarded by recipients as a substitute for the exercise of their own judgment. The company undertakes no obligation to update or revise any forward-looking statement whether as a result of new information, future events or otherwise. Our actual results may differ materially from those expressed in, or implied by, these forward-looking statements.*