



**glenmark**  
LIFE SCIENCES

# Investor Presentation Q2 FY25

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# Financial Performance Review

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# Q2 FY25 | Highlights



**Dr. Yasir Rawjee**  
Managing Director &  
Chief Executive Officer

*“The temporary closure of Ankleshwar facility has resulted in delayed servicing of orders, impacting the quarter revenue across geographies. However, the loss of production has substantially been recovered and we expect H2FY25 to be better than the earlier estimates.*

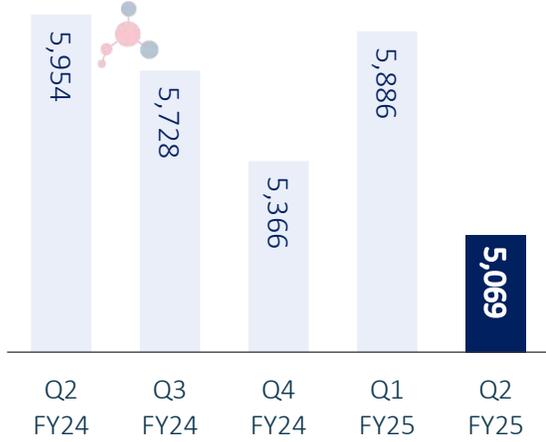
*A key highlight is that our product mix has led to better gross margins i.e. above 55%. Looking ahead, we expect a strong second half of the fiscal year, supported by our solid order book. While overall growth for FY25 is projected to be in high single digits, we are confident in maintaining stable margins throughout the year.”*

REVENUE (IN ₹ MILLIONS)	<b>5,069</b>	(13.9%) QoQ	(14.9%) YoY
EBITDA (IN ₹ MILLIONS)	<b>1,429</b>	(13.4%) QoQ	(17.2%) YoY
PAT (IN ₹ MILLIONS)	<b>953</b>	(14.5%) QoQ	(19.7%) YoY

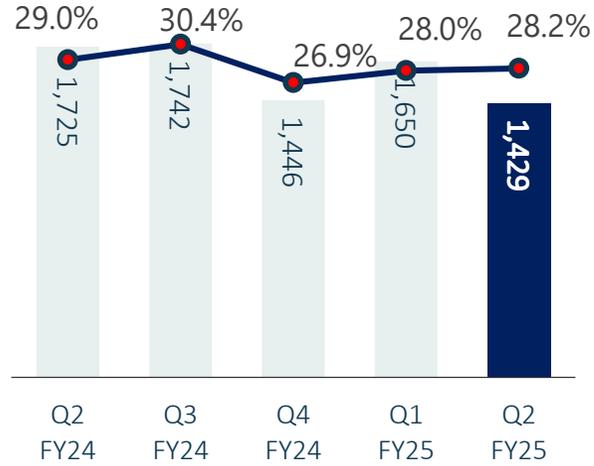
- GLS registered a revenue from operations of ₹ 5,069 Mn for Q2FY25, recording a de-growth of 13.9% QoQ and 14.9% YoY.
- Gross Margins improved in Q2FY25 trending at 55.6%, up 150 bps YoY and 450 bps QoQ.
- EBITDA margins for the quarter were at 28.2% up 20 bps QoQ, driven by better gross margins.
- During H1FY25, company generated strong free cash flow of ₹ 1,340 Mn leading to Cash and Cash Equivalents of ₹ 4,461 Mn as of 30 Sep 2024.

# Q2 & H1 FY25 Performance

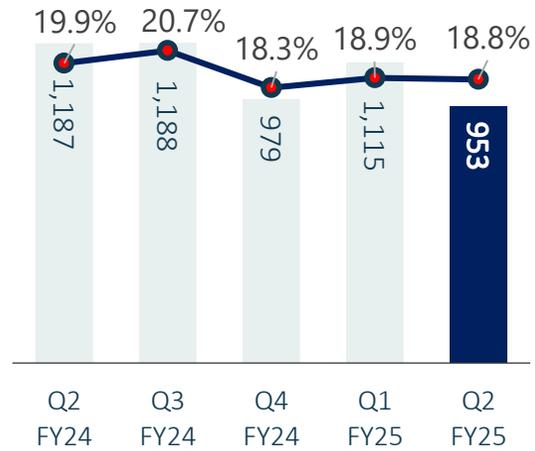
**Revenue**  
(In ₹ Millions)



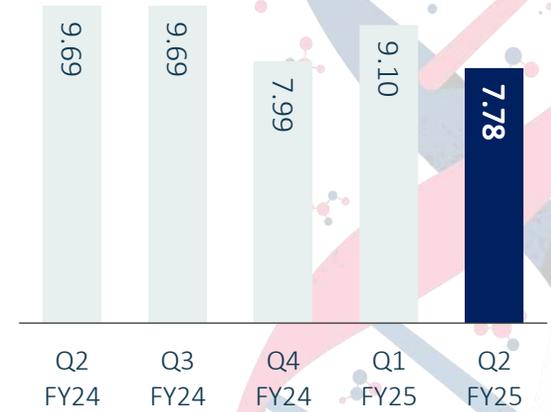
**EBITDA**  
(In ₹ Millions)



**PAT**  
(In ₹ Millions)



**EPS**  
(In ₹)



11,738

10,955

H1 FY24

H1 FY25

31.3%

3,675

28.1%

3,079

H1 FY24

H1 FY25

21.7%

2,542

18.9%

2,068

H1 FY24

H1 FY25

20.70

16.88

H1 FY24

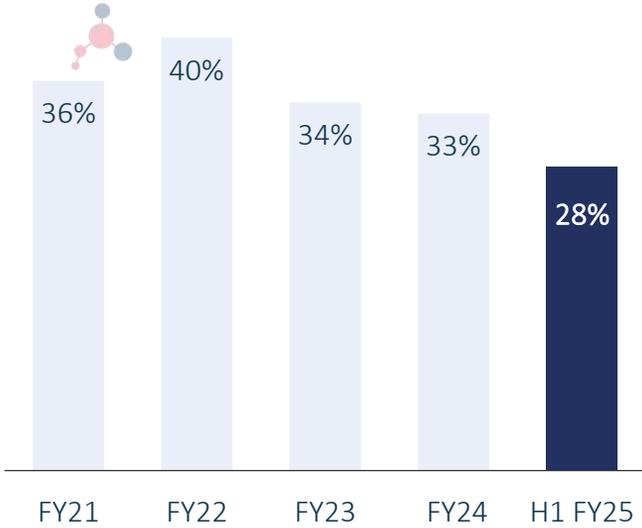
H1 FY25

# P&L Highlights Q2 & H1 FY25

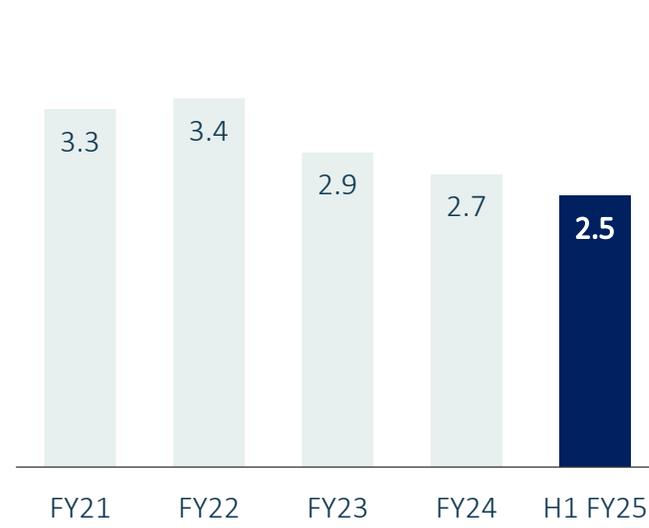
Particulars (In ₹ Millions)	Q2 FY25	Q1 FY25	QoQ	Q2 FY24	YoY	H1 FY25	H1 FY24	YoY	FY24
Revenue from Operations	5,069	5,886	-13.9%	5,954	-14.9%	10,955	11,738	-6.7%	22,832
Gross Profit	2,817	3,008	-6.3%	3,223	-12.6%	5,825	6,527	-10.8%	12,812
Gross Profit (%)	55.6%	51.1%		54.1%		53.2%	55.6%		56.1%
Other Income	85	55	54.5%	54	57.4%	140	72	94.4%	120
Employee Benefits Expense	624	568	9.9%	667	-6.4%	1,192	1,148	3.9%	2,581
Other Expenses	849	845	0.5%	885	-4.1%	1,694	1,776	-4.6%	3,488
<b>EBITDA</b>	<b>1,429</b>	<b>1,650</b>	<b>-13.4%</b>	<b>1,725</b>	<b>-17.2%</b>	<b>3,079</b>	<b>3,675</b>	<b>-16.2%</b>	<b>6,863</b>
<b>EBITDA Margin (%)</b>	<b>28.2%</b>	<b>28.0%</b>		<b>29.0%</b>		<b>28.1%</b>	<b>31.3%</b>		<b>30.1%</b>
Depreciation and Amortisation Expense	151	144	4.9%	131	15.3%	295	257	14.8%	535
Finance Costs	3	4	-25.0%	4	-25.0%	7	8	-12.5%	15
PBT	1,275	1,502	-15.1%	1,589	-19.8%	2,777	3,409	-18.6%	6,313
PBT Margin (%)	25.2%	25.5%		26.7%		25.3%	29.0%		27.7%
<b>PAT</b>	<b>953</b>	<b>1,115</b>	<b>-14.5%</b>	<b>1,187</b>	<b>-19.7%</b>	<b>2,068</b>	<b>2,542</b>	<b>-18.7%</b>	<b>4,709</b>
<b>Net Margin (%)</b>	<b>18.8%</b>	<b>18.9%</b>		<b>19.9%</b>		<b>18.9%</b>	<b>21.7%</b>		<b>20.6%</b>

# Healthy Return Indicators

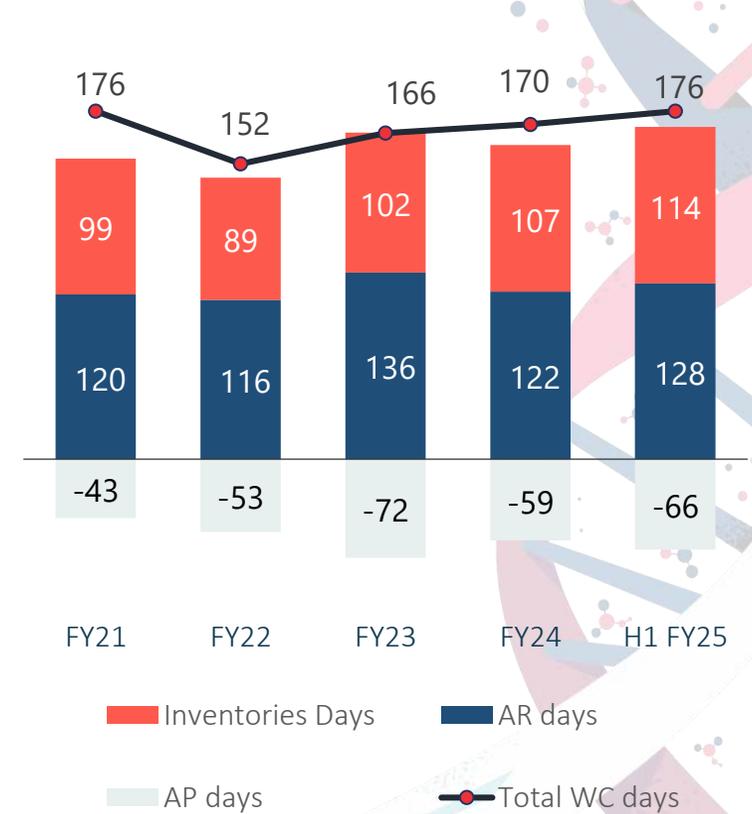
## ROICE (%)



## Fixed Assets Turnover (Times)



## Working Capital Days

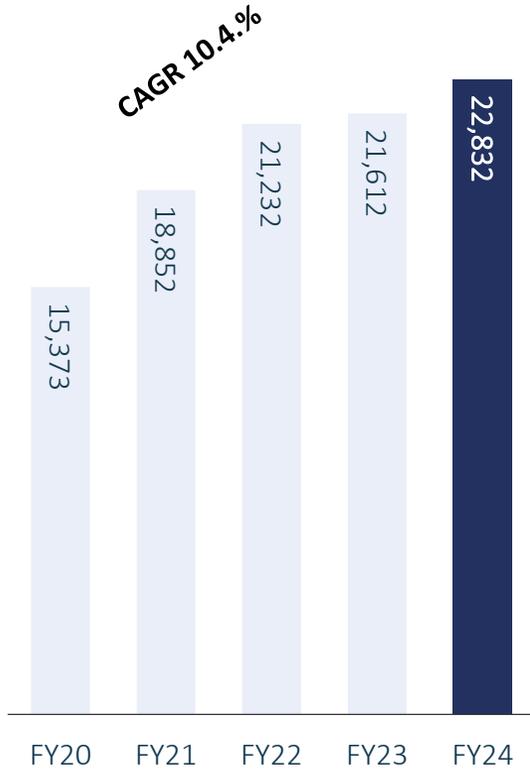


- **ROICE** is tracking at **~28%** – Capital employed driven by calibrated Capex strategy
- **FATR** is **2.5 times** – Asset turn trending slightly lower due to Capex cycle
- **WC** at **176 days** – Inventory temporarily higher, expected to normalize in the coming quarters
- **Strong Balance Sheet** – Strong free cash generation of ₹ 1,340 mn during H1FY25 lead to Cash & Cash Equivalents of ₹ 4,461 mn as on 30<sup>th</sup> Sept 2024

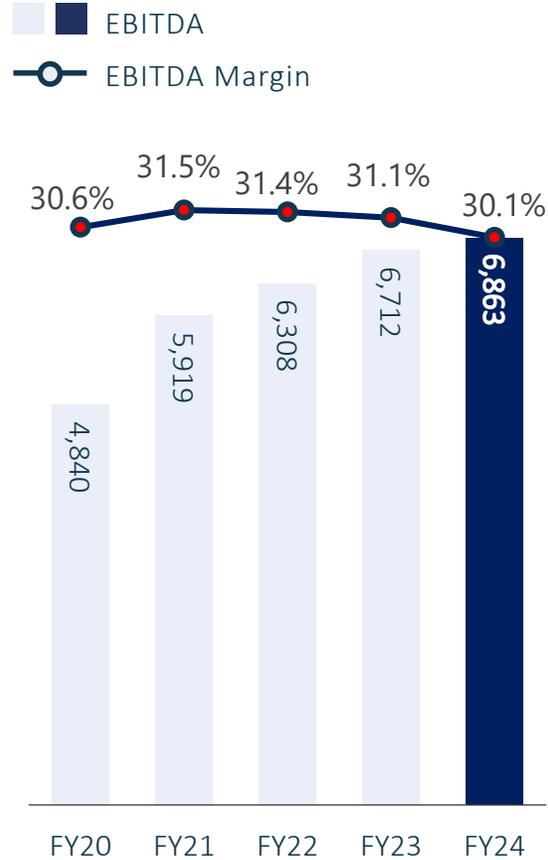
# Financial Performance Track Record

Robust growth and profitability indicators over the years

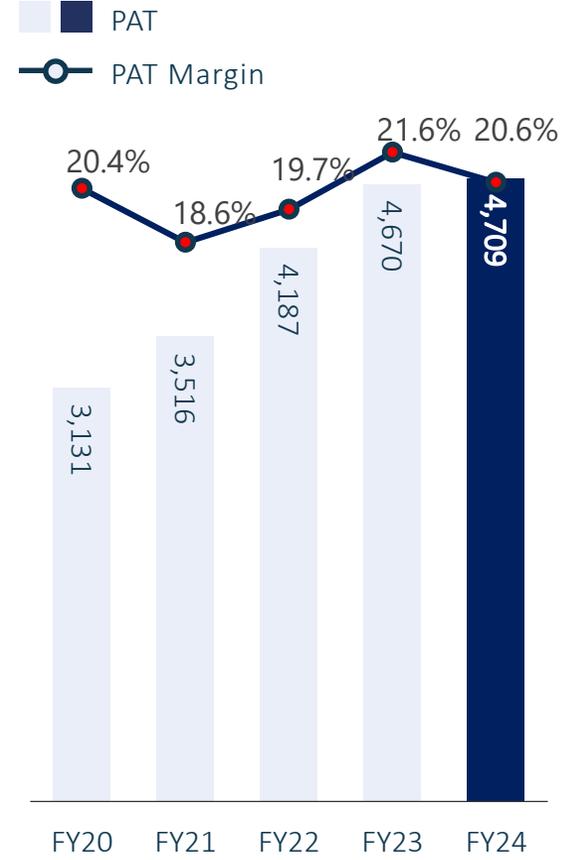
## Revenue (In ₹ Millions)



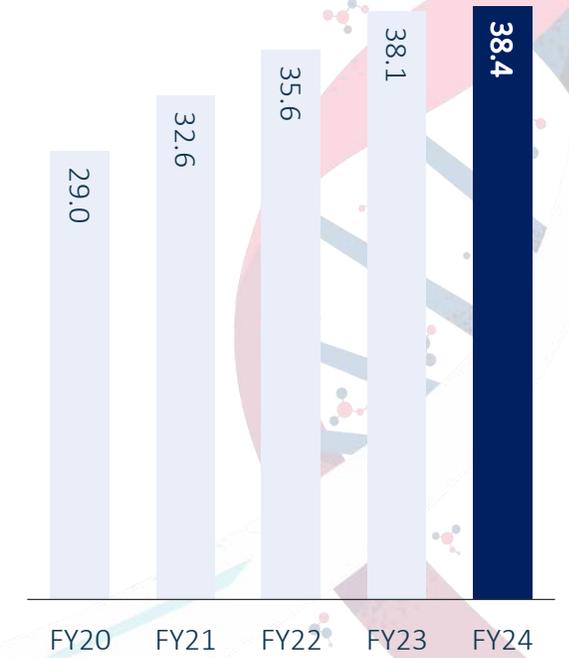
## EBITDA (In ₹ Millions)



## PAT (In ₹ Millions)



## EPS (In ₹)

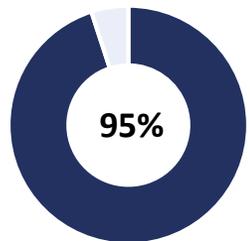
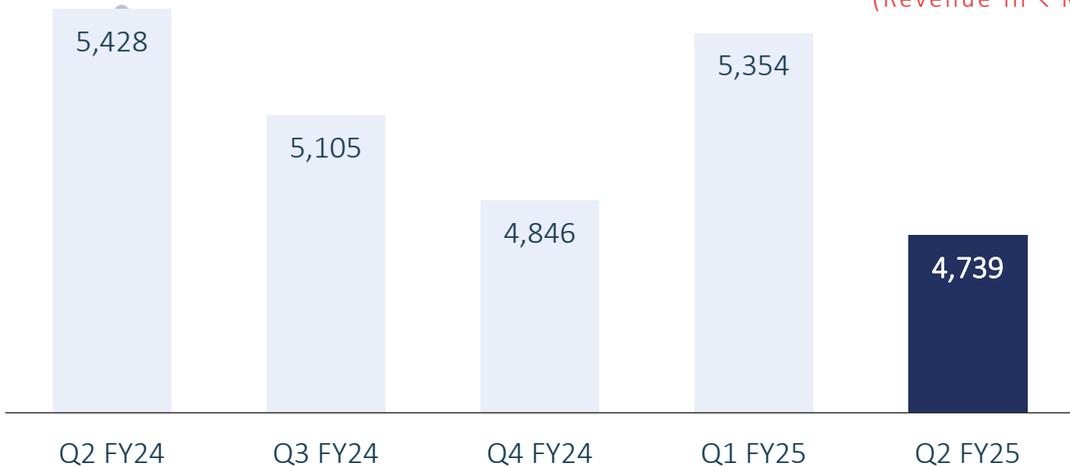


# Business Performance Review

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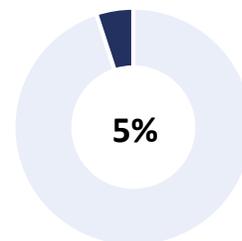
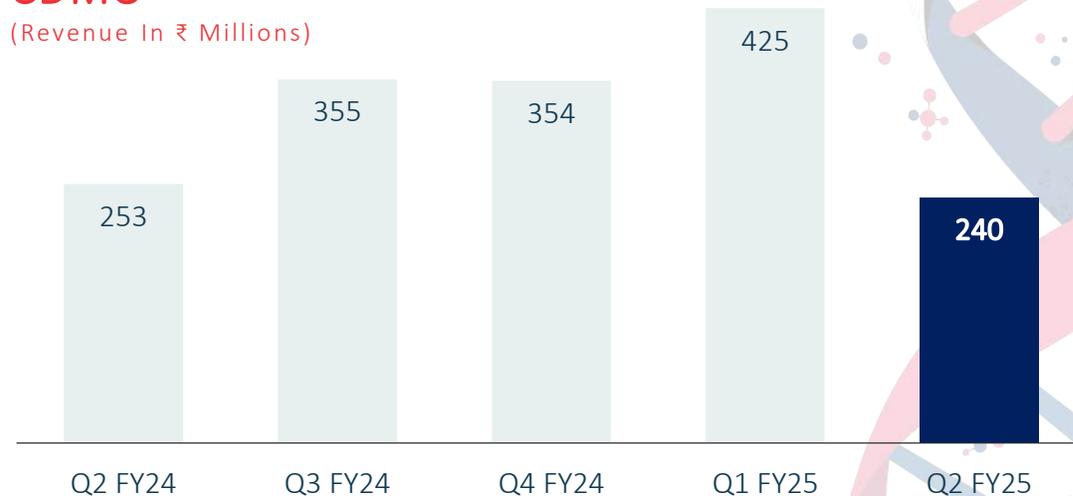
# Segment Performance | Generic & CDMO Business

## Generic API (Revenue In ₹ Millions)



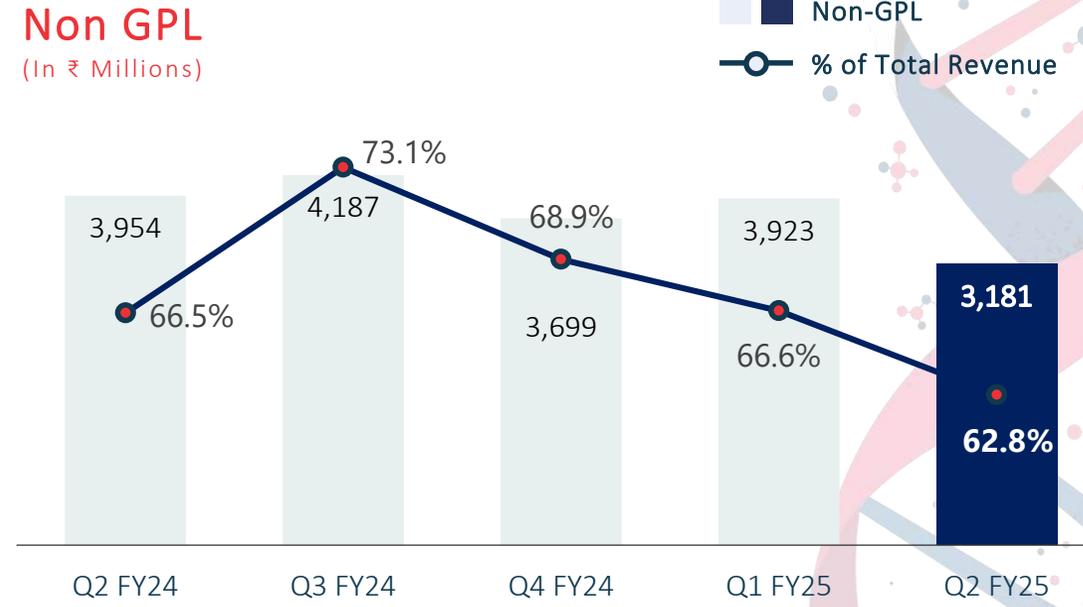
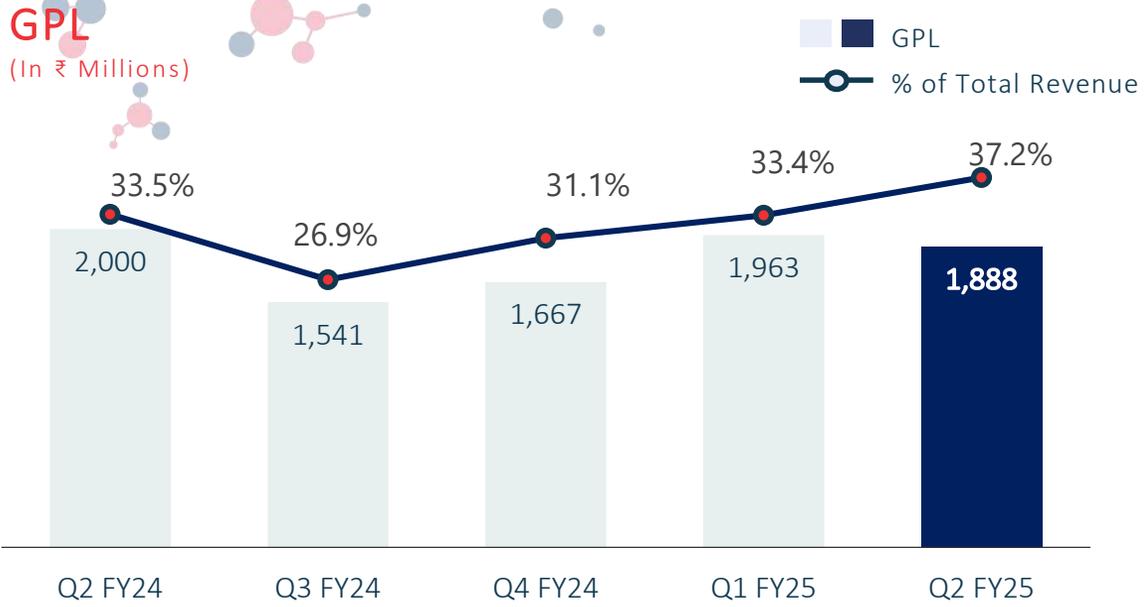
- Generic API revenues in Q2FY25 decreased by 11.5% QoQ and 12.7% YoY.
- Regions like North America and India (ex-GPL) contributed in revenue growth of 16.7% YoY and 19.2% YoY respectively.

## CDMO (Revenue In ₹ Millions)



- CDMO business witnessed a decrease in revenue during Q2FY25 by 43% QoQ and 5% YoY due to temporary low demand for one of the product .
- Signed multi-year definitive agreement with an innovator for supply of API. Expect the contract to commercialise in Q4FY25.
- One more project to be commercialized by Q3FY25.
- Multiple discussions ongoing

# Segment Performance | GPL vs Non GPL

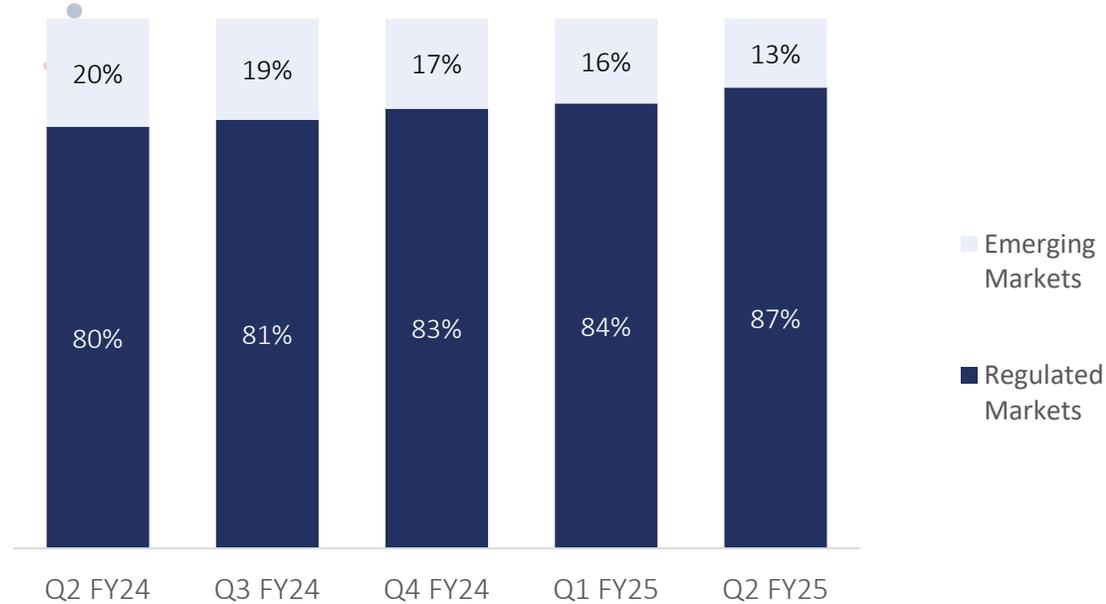


- GPL business witnessed a de-growth in Q2FY25, by 3.8% QoQ and 5.6% YoY
- GPL business contributes 37% of the total revenue from operations

- Non-GPL business saw a de-growth of 18.9% QoQ and 19.5% YoY on account of delayed servicing.
- In Q2FY25, India external business grew at 19.2% YoY and 7.8% QoQ.

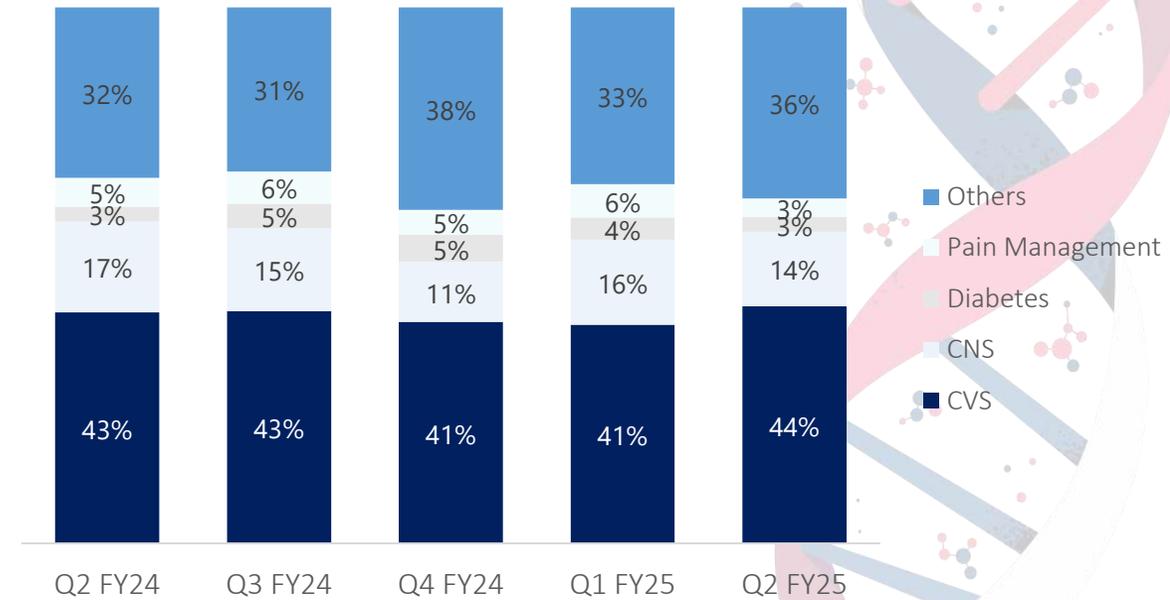
# Market and Therapeutic Area Mix

## Market Mix



- Regulated markets contributed 87% in Q2FY25 vs 80% in Q2FY24
- Regulated markets this quarter were primarily driven by growth in North America

## Therapeutic Area Mix



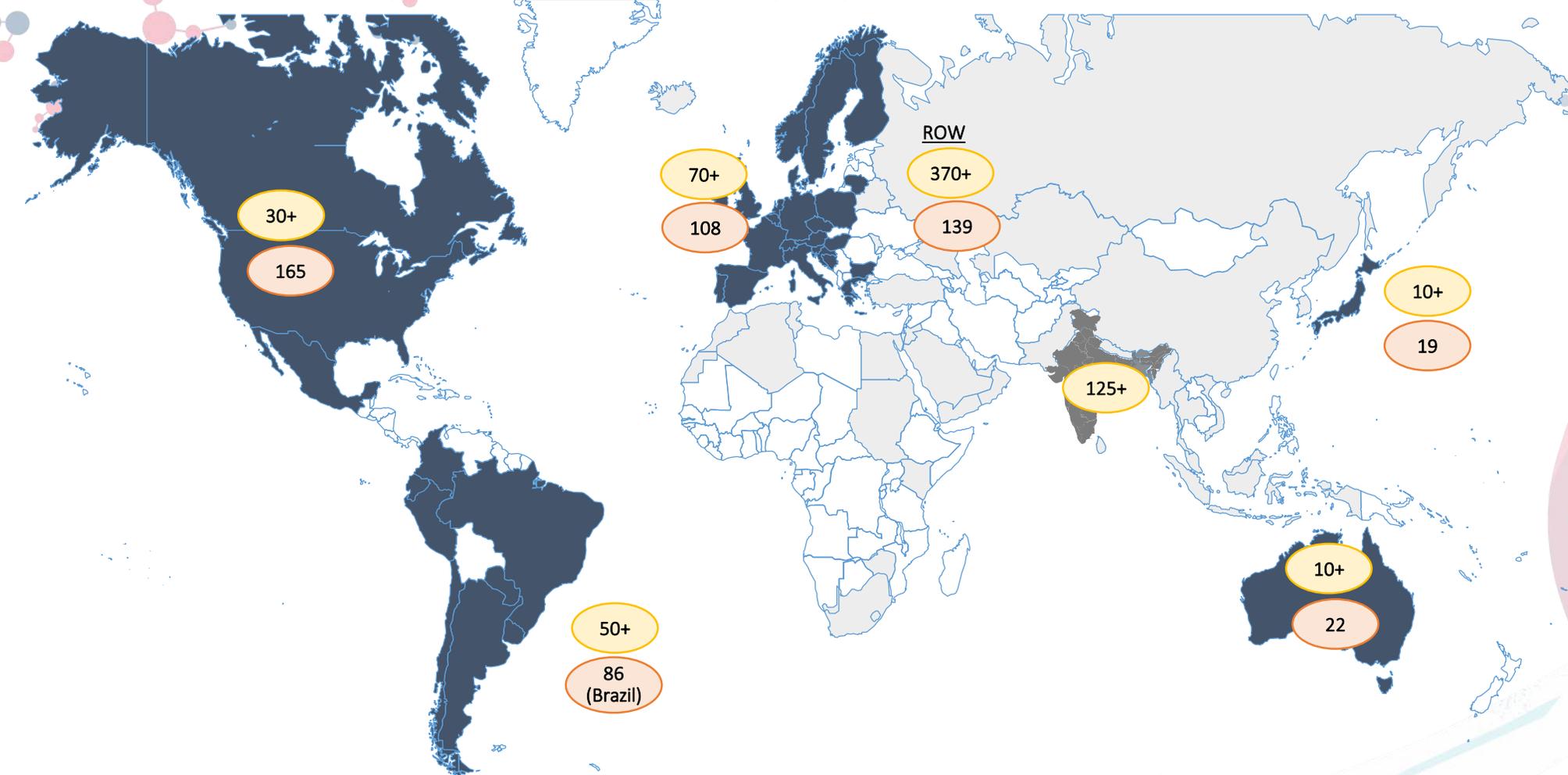
- CVS and CNS portfolio continued to deliver a strong growth
- Our key focused area of chronic therapies contributed 64% of the revenue in Q2FY25

# Company Overview

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# Global Footprint

- Filed 539 DMFs and CEPs across major markets; United States, Europe, Japan, Russia, Brazil, South Korea, Taiwan, Canada, China and Australia



■ Regulated Markets ■ Emerging Markets

■ India – Mix of Regulated and Emerging

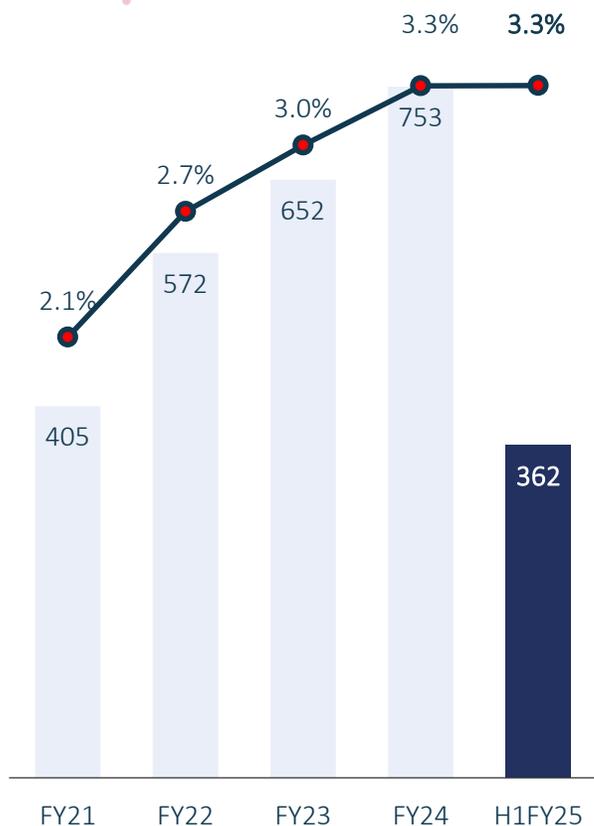
○ Number of DMF/CEP filings

○ Number of customers serviced in FY24

As of September 30, 2024

# R&D Capabilities

R&D Spend  
(In ₹ Millions)



## Cumulative Filing Status

Therapy	North America	Europe	Japan	Brazil	Australia	ROW	Total
CVS	38	36	4	21	10	37	146
CNS	38	25	8	16	2	19	108
Diabetes	10	5	-	9	-	14	38
Pain Management	1	2	-	4	1	9	17
Others	78	40	7	36	9	60	230
<b>Total</b>	<b>165</b>	<b>108</b>	<b>19</b>	<b>86</b>	<b>22</b>	<b>139</b>	<b>539</b>

- DMF/CEPs filing continue across major markets in Q2FY25, taking the total cumulative filings to 539 as on 30 Sep 2024.
- 4 new products to the development grid, of which 1 product is High potent API (HP API)/ Oncology class of drugs and 3 are synthetic small molecules
- The HP API portfolio now extends to 21 products with an addressable market of \$ 43 bn (Source: IQVIA, MAT Jun'24); 6 products are validated, and 5 products are in advanced stages of development.
- Development progressing for iron complexes in the grid. Filing completed for 1 iron complex with 2 others in advanced stages of development. Total addressable market of \$2.5bn (Source: IQVIA, MAT Dec'23)

# Quality- focused, compliant manufacturing & R&D infrastructure

## Manufacturing Infrastructure

Location	Annual Installed Capacity	Last USFDA Inspection Date	Approvals
Ankleshwar, Gujarat	950.2 KL*	July 2019	USFDA, MHRA (UK), FIMEA (Finland), Romania (Europe) PMDA (Japan), COFEPRIS (Mexico), Health Canada, KFDA (South Korea), Gujarat FDCA, ANVISA (Brazil)
Dahej, Gujarat	399.9 KL**	Oct 2018	USFDA, EDQM (Europe), PMDA (Japan), KFDA (South Korea), ANVISA (Brazil)
Mohol, Maharashtra	49.1 KL	March 2018	USFDA, Maharashtra FDA
Kurkumbh, Maharashtra	24.6 KL	-NA-	Maharashtra FDA

\* Capacity of 208 KL became operational in Q2FY25 at Ankleshwar, Gujarat

\*\* Capacity of 18 KL of pharma capacity became operational in Q2FY25 at Dahej, Gujarat

## R&D Infrastructure

### Mahape, Navi Mumbai

- R&D for new product development and complex molecules
- High-end analytical equipment for characterization

### Ankleshwar, Gujarat

- Cost improvement programs and process improvements

### Dahej, Gujarat

- Oncology R&D
- Cost improvement programs and process improvements

# Strategy Going Forward

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# Strategy Growth Levers

## New Growth levers

2

- ✓ CDMO Ramp up
- ✓ Expand into complex API platforms
- ✓ Iron compounds
- ✓ Oncology & HP API

## Operational efficiencies

4

- ✓ Debottlenecking
- ✓ 2nd/3rd generation process adoption
- ✓ Backward integration
- ✓ Reduce carbon footprint
- ✓ Adoption of flow chemistry in manufacturing
- ✓ Pursue AVD opportunities

## 1 Gx API Business

- ✓ New product launches
- ✓ Geographical expansion
- ✓ Focus on new markets becoming more regulated
- ✓ Pursue 2nd source opportunities with top generic players

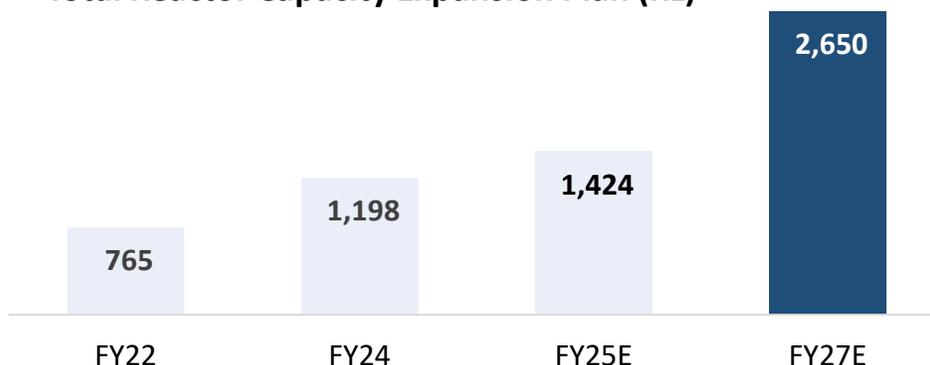
## 3 Capacity

- ✓ Greenfield – Solapur, 1000MT (CTE Received and Phase 1 construction of 200 KL started)
- ✓ Second Phase Dahej expansion
- ✓ Ankleshwar Pharma blocks expansion
- ✓ Build standalone R&D infrastructure for expansion into new growth levers

# Future Capacity Expansion

Expansion Type	Division	Location	Status & Planned Capacity	Operational Timelines
Brownfield	API / Intermediate	Ankleshwar	Planned addition of 60KL Pharma Capacity	FY26
Brownfield	API	Dahej	Planned addition of 160KL	FY26
Greenfield	API	Solapur	Phase 1 – 200 KL (Construction started) Phase 1 – 400 KL (Backward Integration) Phase 2 - Planned addition of 400 KL	FY26 FY26 FY27/FY28

**Total Reactor Capacity Expansion Plan (KL)**



- ✓ **Ankleshwar - 208 KL construction got operational in Q2FY25**
- ✓ **Construction work started at Solapur Plant of 200 KL (Phase 1)**
- ✓ **Solapur's further capacity expansion will be calibrated as per the volume demand**

Capacity Progress by Year



# Thank You

## FOR FURTHER INFORMATION CONTACT

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