

Management Discussion & Analysis for the First Quarter of FY 2021-22

FINANCIAL PERFORMANCE

(₹ in Million)	Q1 FY22	Q4 FY21	Q1 FY21	QoQ %	YoY %
Revenue from Operations	5,249.0	4,671.6	3,969.7	12.4%	32.2%
EBITDA	1,644.4	1,702.3	1,395.3	(3.4%)	17.9%
EBITDA Margins	31.3%	36.4%	35.1%	(510 bps)	(380 bps)
PAT	1,009.1	1,046.8	810.7	(3.6%)	24.5%

- Revenue from Operations grew by 32.2% to ₹ 5249.0 Mn
- EBITDA at ₹ 1,644.4 Mn with margins of 31.3%
- PAT at ₹ 1,009.1 Mn growing at 24.5%
- Gross Debt comprising of Outstanding Purchase Consideration payable to the Parent Company was ₹ 8,008.3 Mn as on 9th July, 2021. The company has repaid the whole of this outstanding amount pursuant to funds raised through the IPO
- Working capital as on 30 June, 2021 is ₹ 9,089.4 Mn, at 158 days on sales.
- ROCE was 35.5% and Fixed assets turnover ratio was 3.6 times for the quarter (on an annualized basis)

BUSINESS PERFORMANCE & COMMENTARY

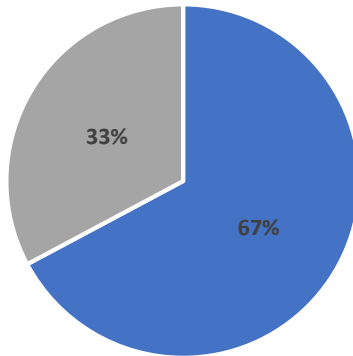
A. Segment Performance:

(₹ in Million)	Q1 FY22	Q4 FY21	Q1 FY21	QoQ %	YoY %
Generic API	4,803.4	4,078.0	3,473.5	17.8%	38.3%
CDMO	388.9	548.0	437.2	(29.0%)	(11.0%)
Other Operating Revenue	56.7	45.6	59.0	24.3%	(3.9%)
Revenue from Operations	5,249.0	4,671.6	3,969.7	12.4%	32.2%

- Generic API revenues increased 38.3% YoY driven by growth across all geographies. Key markets contributing to the growth - LATAM at 94.4%, North America at 45.1% and Rest of the World at 52.6%
- CDMO revenues registered a de-growth mainly due to phasing of orders by customers, in line with our expectations. We expect a stronger sales trajectory from next quarter.

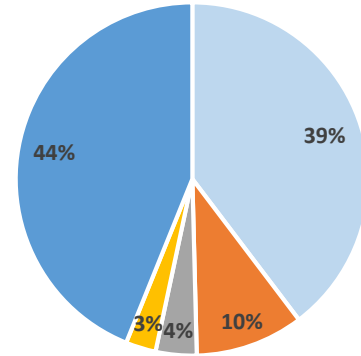
B. Market and Therapeutic Area Mix

Market Mix - Q1 FY22



■ Regulated markets ■ Emerging markets

Therapeutic Area Mix - Q1 FY22



■ CVS ■ CNS ■ Diabetes ■ Pain management ■ Others

- Regulated markets account for 67% of Net Sales in Q1 FY22, growing at 30.5% YoY
- Emerging markets account for 33% of Net Sales in Q1 FY22, growing at 37.6% YoY
- Products from key Chronic Therapeutic Areas (viz CVS, CNS, Diabetes, Pain management) account for 56.1% of Net Sales in Q1 FY22, growing at 24.3% YoY

OTHER OPERATIONAL HIGHLIGHTS

- We filed 9 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 407 as on 30th June, 2021.
- Capacity expansion plans: During quarter, the company spent ₹ 185.4 Mn towards capital expenditure. In our Dahej facility, the brownfield expansion is well underway, with major civil works ongoing currently to build Plant #6 that will have 4 independent modules for manufacture of large to medium-scale APIs. In Ankleshwar, 2 new pharma modules have become fully operational in Plant #17 and work is ongoing to complete a third module in Q2 FY22.
- Generic API Segment
 - During the quarter, the company continued development of its complex portfolio with strong progression of 4 iron complex molecules and 4 oncology molecules.
 - The overall end-market opportunity for these 8 molecules is more than USD 15 billion (Source: IQVIA, MIDAS Database, MAT March 2021)
- CDMO Segment
 - 3 commercial projects with multinational and specialty pharmaceutical companies
 - 4th project to be commercial by Q4 FY22
 - Multiple discussions ongoing with companies globally for additional business opportunities

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.