



**Q2 FY22**  
**Investor Presentation**  
**Glenmark Life Sciences Ltd**

# 01

---

## Financial Performance Review

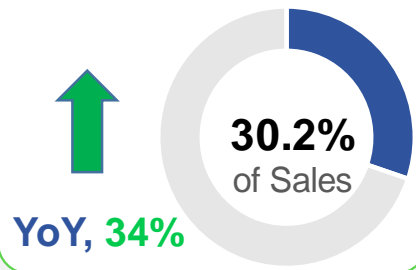


# Q2 FY22 – Highlights

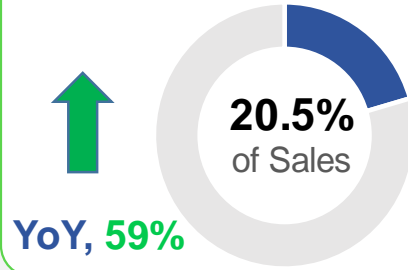
**Revenue**  
INR **5,618 mn**



**EBITDA**  
INR **1,694 mn**



**PAT**  
INR **1,152 mn**



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

At Glenmark Life Sciences, both our generic API business and CDMO business have delivered growth for the quarter ended September 30, 2021, fuelled by demand in key regulated markets. We are delighted that the CDMO business has picked up pace this quarter. We will continue to remain focused on our growth levers for sustainable long term growth.”

- YoY Revenue grew at 7.9% in Q2 and 18.4% in H1
- CDMO business rebound growing at 85.1% in Q2 and 25.2% in H1
- Continue to witness strong growth momentum in LATAM, North America and Japan regions
- Substantiated healthy EBITDA margins at 30.2%, growing at 34% in Q2 overcoming headwinds from higher input prices and logistics costs
- PAT margins improved following debt repayment
- Completed acquisition of 40 acre land for planned greenfield facility in Solapur, Maharashtra

# P&L Highlights – Q2 FY22

Amounts in INR Millions	Q2 FY22	Q1 FY22	QoQ	Q2 FY21	YoY	H1 FY22	H1 FY21	YoY
<b>Revenue from Operations</b>	<b>5,617.6</b>	<b>5,249.0</b>	<b>7.0%</b>	<b>5,208.1</b>	<b>7.9%</b>	<b>10,866.6</b>	<b>9,177.7</b>	<b>18.4%</b>
Gross Profit	2,905.4	2,655.2	9.4%	2,268.3	28.1%	5,560.7	4,483.6	24.0%
Gross Profit (%)	51.7%	50.6%		43.6%		51.2%	48.9%	
Other Income	20.9	39.9		0.1		60.8	1.0	
Employee Benefits Expense	485.7	369.4	31.5%	424.8	14.3%	855.1	740.0	15.5%
Other Expenses	746.4	681.3	9.5%	574.3	30.0%	1,427.7	1,080.0	32.2%
<b>EBITDA</b>	<b>1,694.3</b>	<b>1,644.4</b>	<b>3.0%</b>	<b>1,269.3</b>	<b>33.5%</b>	<b>3,338.6</b>	<b>2,664.6</b>	<b>25.3%</b>
<b>EBITDA Margin (%)</b>	<b>30.2%</b>	<b>31.3%</b>		<b>24.4%</b>		<b>30.7%</b>	<b>29.0%</b>	
Depreciation and Amortisation Expense	96.7	89.2	8.4%	83.5	15.8%	185.8	166.1	11.9%
Finance Costs	72.3	205.5		219.0		277.8	447.2	
PBT	1,525.4	1,349.7	13.0%	966.8	57.8%	2,875.0	2,051.3	40.2%
PBT Margin (%)	27.2%	25.7%		18.6%		26.5%	22.4%	
<b>PAT</b>	<b>1,152.0</b>	<b>1,009.1</b>	<b>14.2%</b>	<b>724.7</b>	<b>59.0%</b>	<b>2,161.1</b>	<b>1,535.4</b>	<b>40.8%</b>
<b>Net Margin (%)</b>	<b>20.5%</b>	<b>19.2%</b>		<b>13.9%</b>		<b>19.9%</b>	<b>16.7%</b>	

# Key Balance Sheet Items and Cash flow

## Key Balance Sheet Items

Amounts in INR Millions	As at 30th Sep'21	As at 31st Mar'21
Equity	19,780.0	7,527.5
Total Debt	-	9,328.7
Inventory	5,050.2	5,134.2
Trade Receivables	6,854.1	6,195.0
Trade Payables	2,491.1	2,213.1
Net Tangible Assets	5,993.8	5,789.9
Cash and Cash Equivalent*	4,263.3	1,184.0

\* Includes bank deposit

## Free Cash Flow

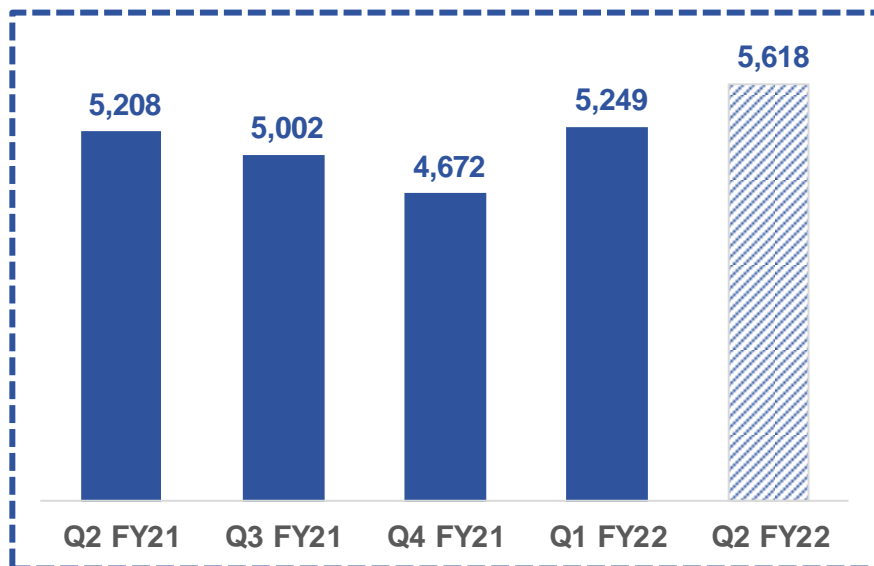
Amounts in INR Millions	H1 FY22	H1 FY21	FY21
<b>Profit Before Tax</b>	<b>2,875.0</b>	<b>2,051.3</b>	<b>4,709.4</b>
Adjustment for Non Operating Items*	510.1	680.6	1,333.1
Changes in Working Capital	218.3	(838.1)	(1,075.8)
<b>Cash generated from Operations</b>	<b>3,603.3</b>	<b>1,893.9</b>	<b>4,966.8</b>
Taxes paid (Net of refunds)	(730.1)	(430.4)	(1,085.6)
<b>Net cash generated from Operating Activities</b>	<b>2,873.3</b>	<b>1,463.5</b>	<b>3,881.1</b>
Capex	(467.3)	(299.7)	(679.9)
<b>Free Cash Flow</b>	<b>2,405.9</b>	<b>1,163.8</b>	<b>3,201.2</b>

\*Includes Finance Costs, Depreciation, Interest Income and Unrealised Exchange gain/loss.

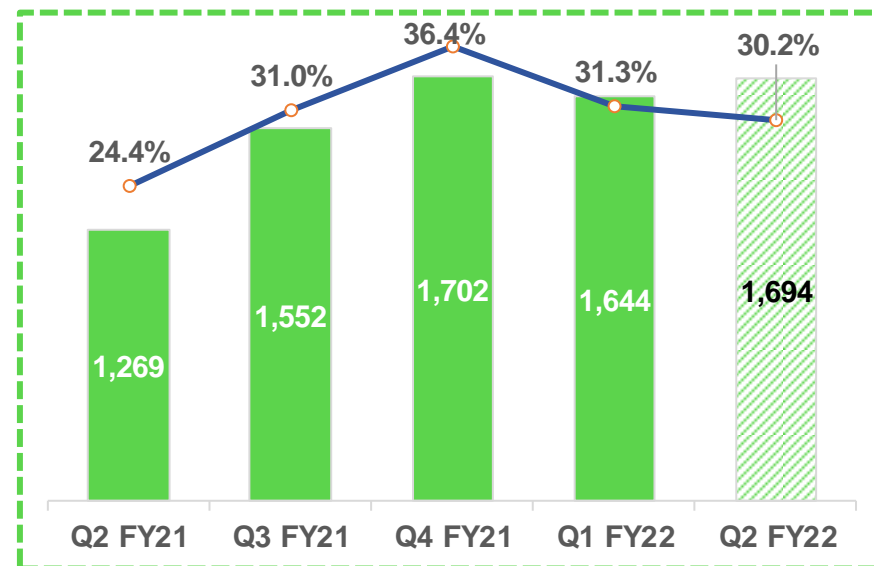
# Quarter on Quarter Performance

Sustained growth momentum and improving PAT margins after debt pay-down

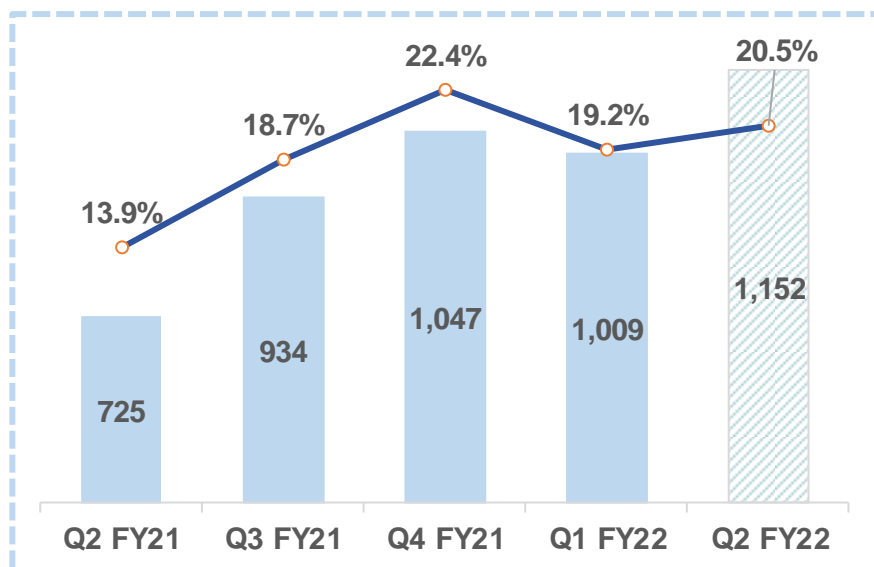
Revenue



EBITDA



PAT



EPS

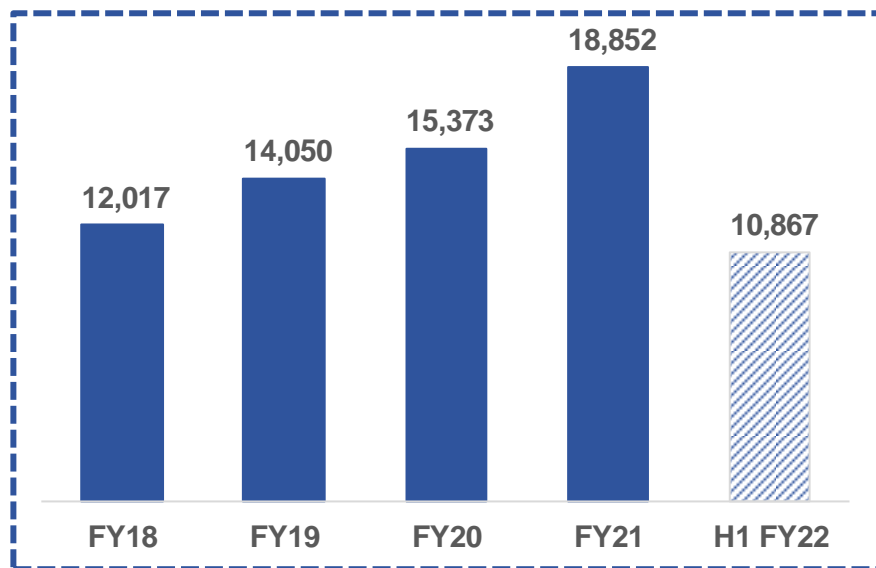


Amounts in INR Millions except EPS

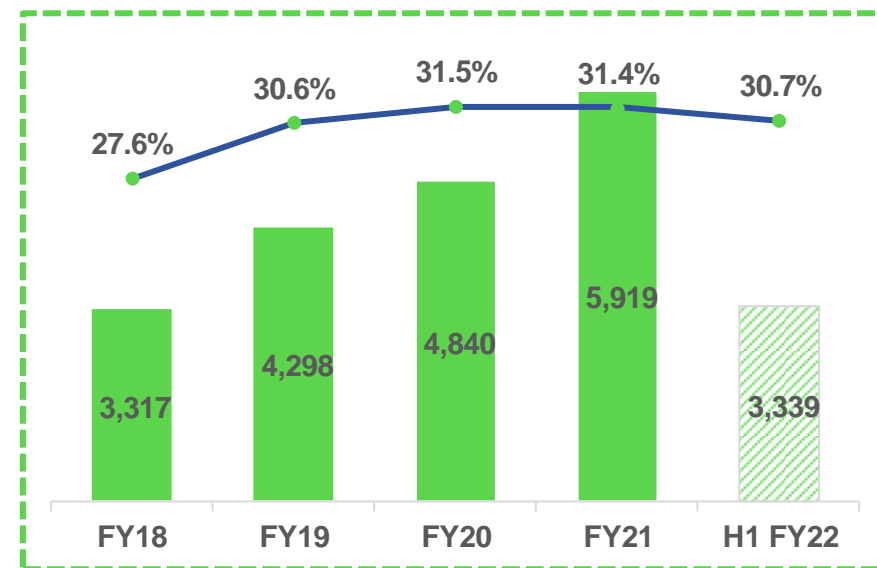
# Financial Performance Track Record

Robust growth trajectory with healthy profitability indicators

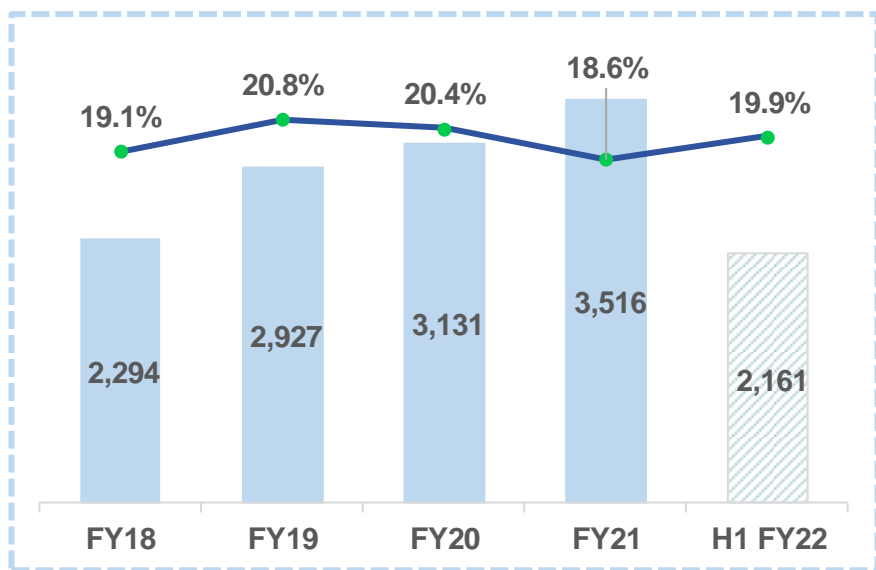
Revenue



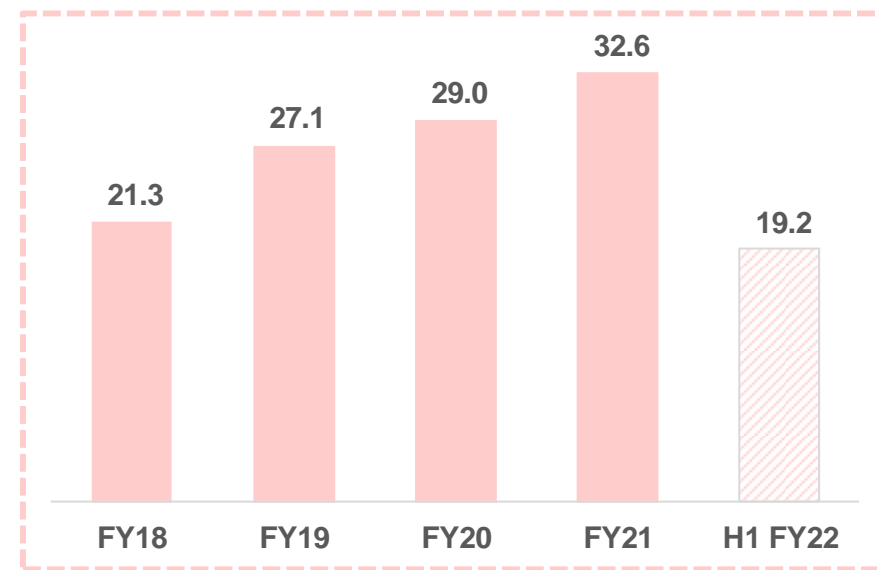
EBITDA



PAT



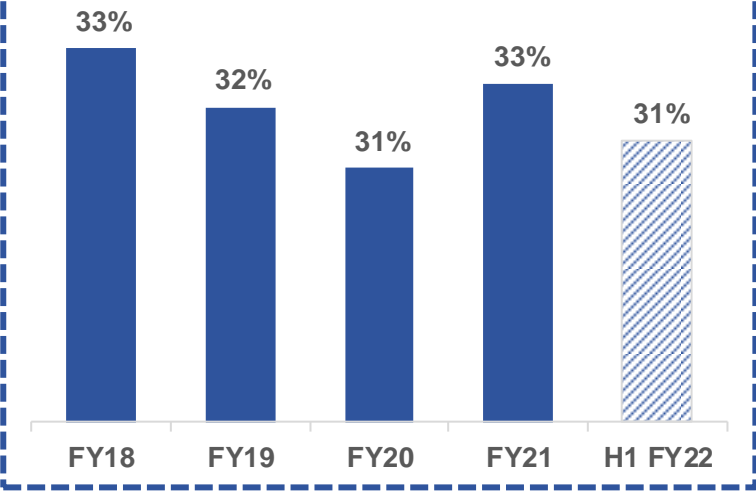
EPS



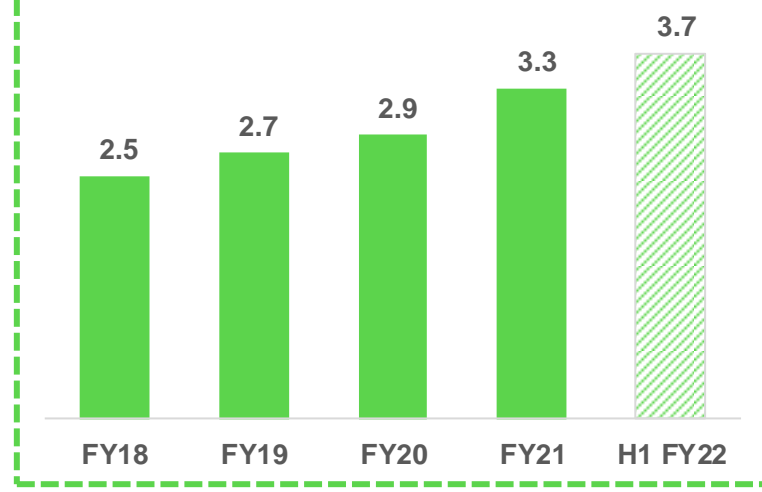
Note: Numbers of FY18 and FY19 are based on Proforma Financials. Amounts in INR Millions except EPS

# Strong Returns Indicators

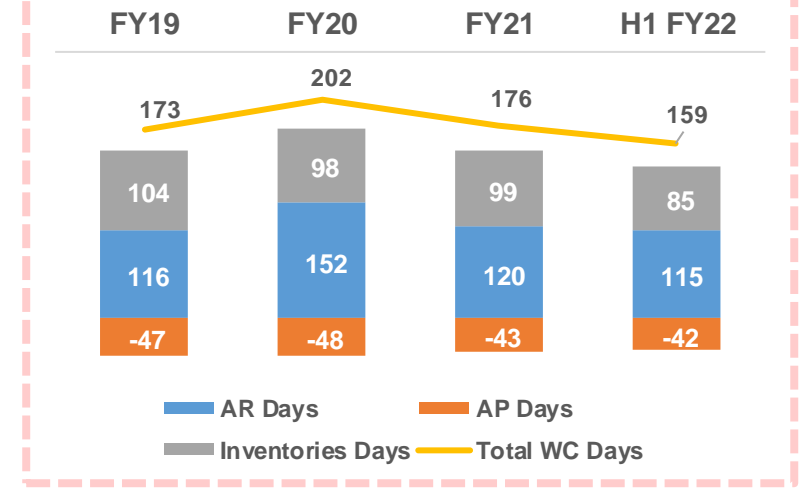
## ROCE



## Fixed Assets Turnover



## Working Capital Days



- FY22 ROCE was 31% for H1 FY22 post IPO.
- FATR was 3.7 times for H1 FY22.
- Continuous improvement in WC days and on track to achieve 145 days to 150 days in the near term.



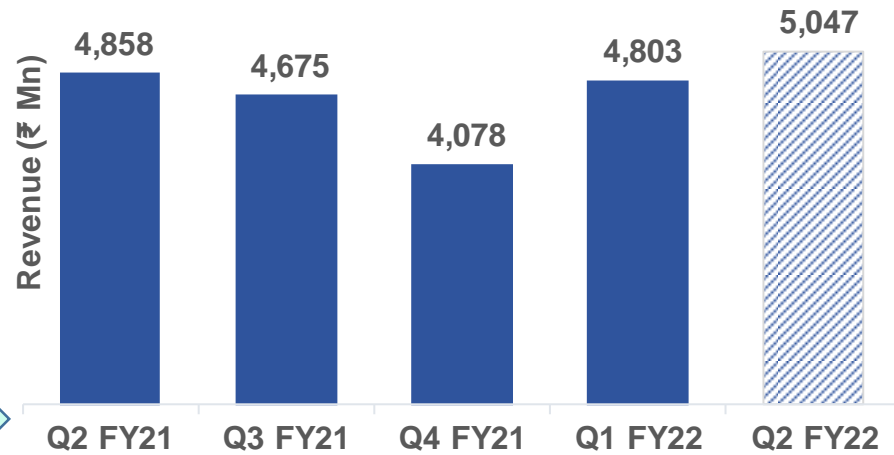
# 02

## Business Performance Review



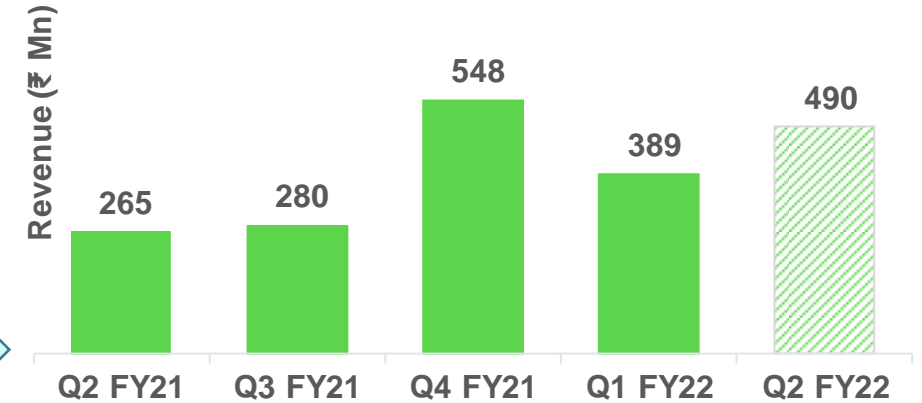
# Segment Performance

▲ 3.9% YoY  
▲ 5.1% QoQ

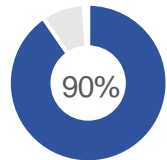


## Generic API

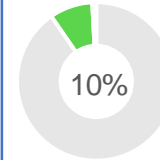
▲ 85.1% YoY  
▲ 26.1% QoQ



## CDMO



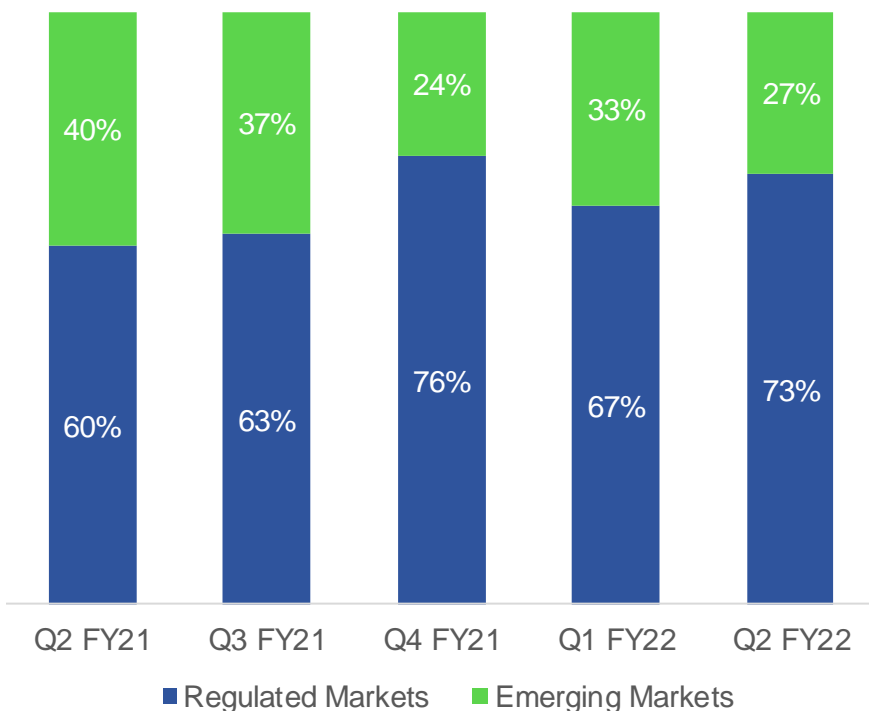
- Generic API revenues in Q2FY22 increased 3.9% YoY on higher base of COVID products in the PY
- Revenues grew 18.2% YoY in H1 FY22
- Continued to witness strong growth momentum in LATAM, North America and Japan



- CDMO revenues registered strong growth of 85.1% in Q2 FY22 and 25.2% in H1FY22
- 3 commercial projects with multinational and specialty pharmaceutical companies
- 4<sup>th</sup> project to be commercial by Q4 FY22
- Multiple discussions ongoing with companies globally for additional business opportunities

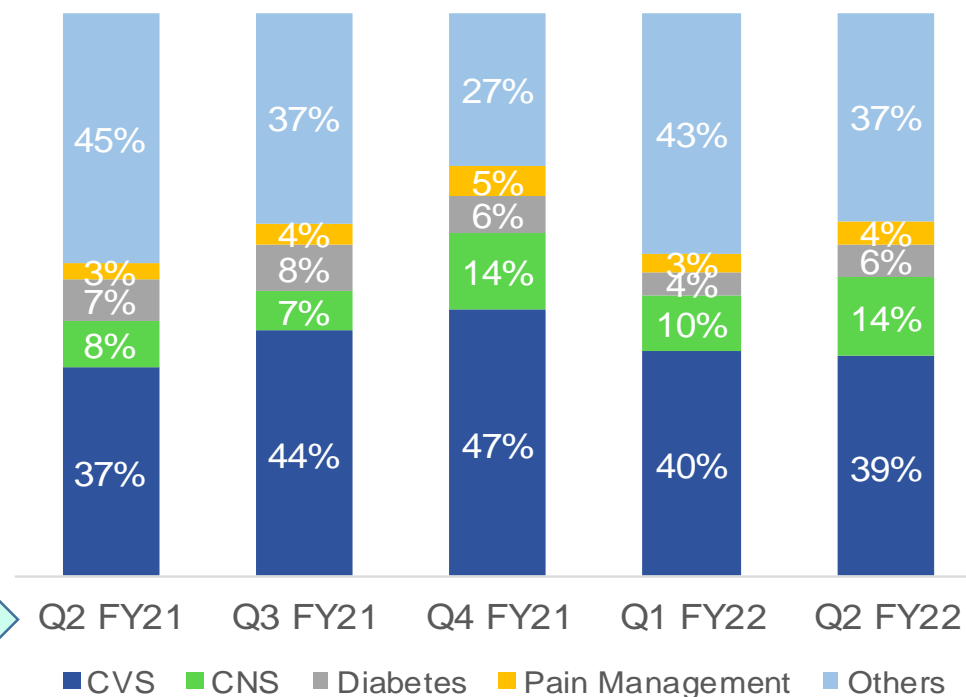
# Market and Therapeutic Area Mix

## Market Mix



- Regulated markets account for ~70% of Net Sales in H1 FY22, growing at 30.1% YoY
- Emerging markets account for 30% of Net Sales in H1 FY22, declining at 1.3% YoY

## Therapeutic Area Mix



- Products from key Chronic Therapeutic Areas (viz CVS, CNS, Diabetes, Pain management) account for 60.2% of Net Sales in H1 FY22, growing at 24.7% YoY.
- Others are mainly acute segment with wide range of therapies

# 03

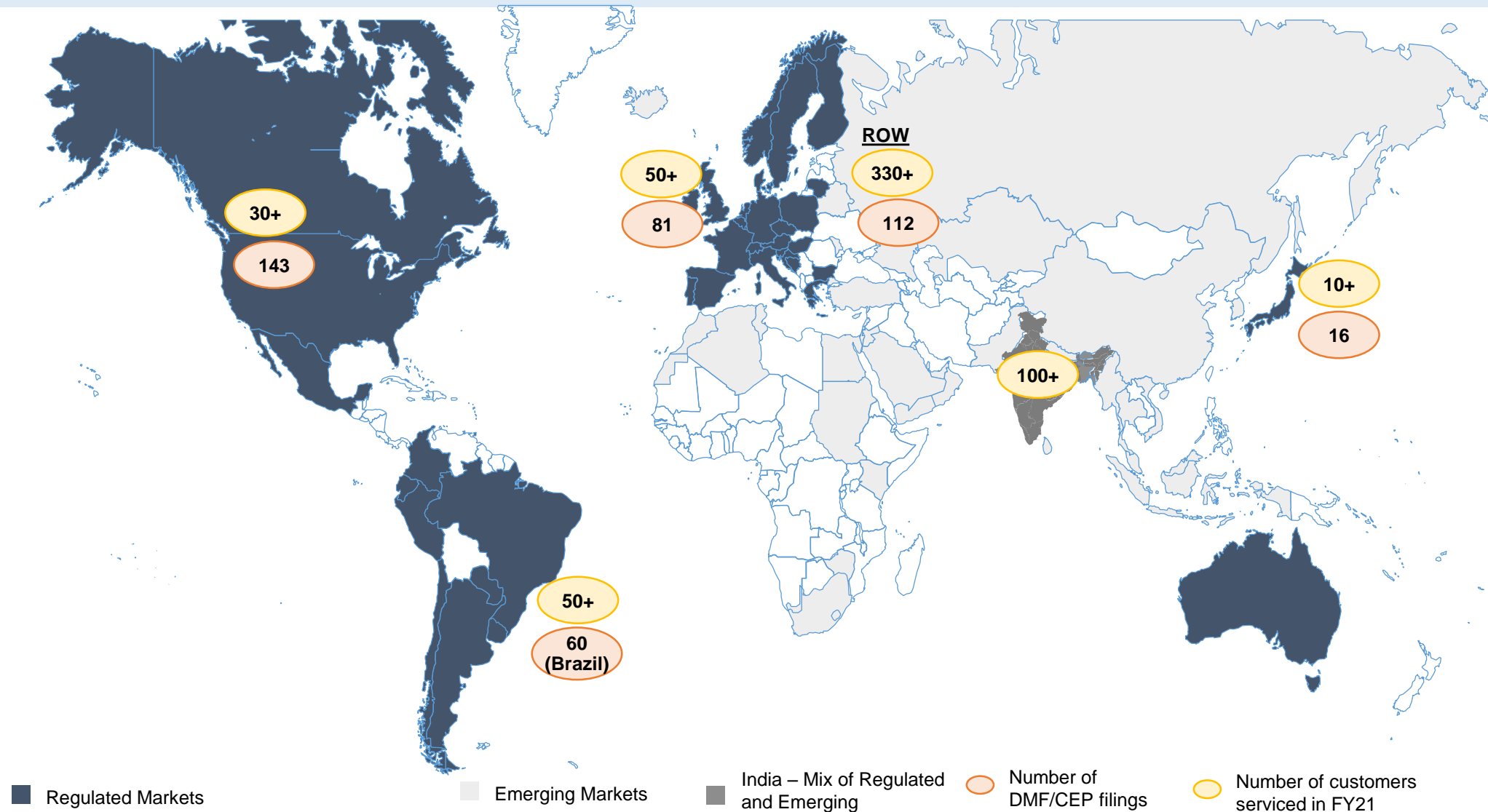
---

## Company Overview



# Global Footprint

Filed 412 DMFs and CEPs across major markets; United States, Europe, Japan, Russia, Brazil, South Korea, Taiwan, Canada, China and Australia



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

Manufacturing Infrastructure			
	Annual Installed Capacity (Mar-21)	Last USFDA Inspection Date	Approvals
<b>Ankleshwar, Gujarat</b>	550.2 KL	July 2019	USFDA, MHRA (UK), FIMEA (Finland), Romania (Europe) PMDA (Japan), COFEPRIS (Mexico), Health Canada, KFDA (South Korea), Gujarat FDCA
<b>Dahej, Gujarat</b>	141.9 KL	Oct 2018	USFDA, EDQM (Europe), PMDA (Japan), KFDA (South Korea)
<b>Mohol, Maharashtra</b>	49.1 KL	March 2018	USFDA, Maharashtra FDA
<b>Kurkumbh, Maharashtra</b>	24.6 KL	-NA-	Maharashtra FDA

## R&D Infrastructure

**Mahape, Navi Mumbai**

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

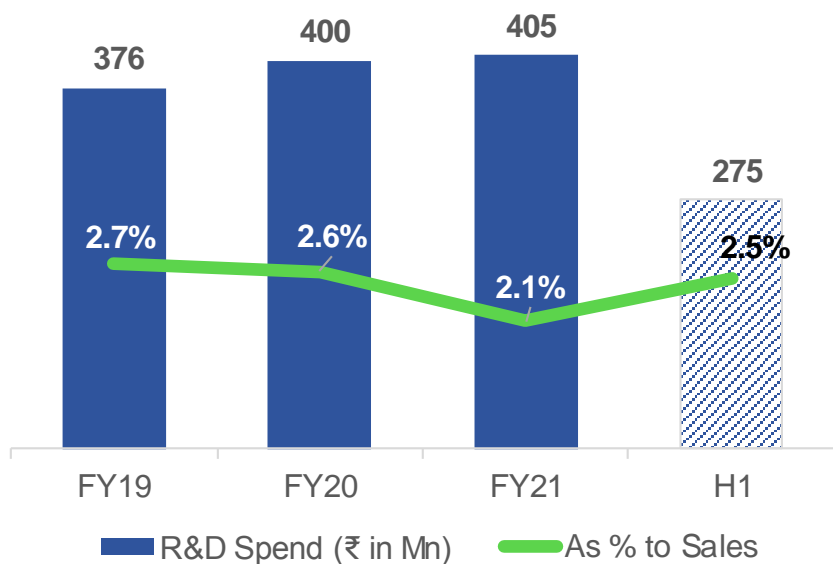
**Ankleshwar, Gujarat**

- Cost improvement programs and process improvements

**Dahej, Gujarat**

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

# R&D Capabilities



## Cumulative Filing Status

Therapy	North America	Europe	Japan	Brazil	ROW	Total
CVS	34	27	4	15	34	114
CNS	34	16	7	12	11	80
Diabetes	9	3	-	7	9	28
Pain Management	-	2	-	3	9	14
Others	66	33	5	23	49	176
<b>Total</b>	<b>143</b>	<b>81</b>	<b>16</b>	<b>60</b>	<b>112</b>	<b>412</b>

- 5 DMF/CEPs were filled across major markets in Q2 FY22 which take cumulative filings to 412 as on 30<sup>th</sup> Sep'21.
- ~120 Unique molecules in the portfolio across the globe as of 30<sup>th</sup> Sep'21.
- 26 products in development pipeline including 4 Iron complex and 7 Oncology products.
- R&D facilities have 213 personnel constituting 13.86% of total permanent employee strength as of 30<sup>th</sup> Sep'21.

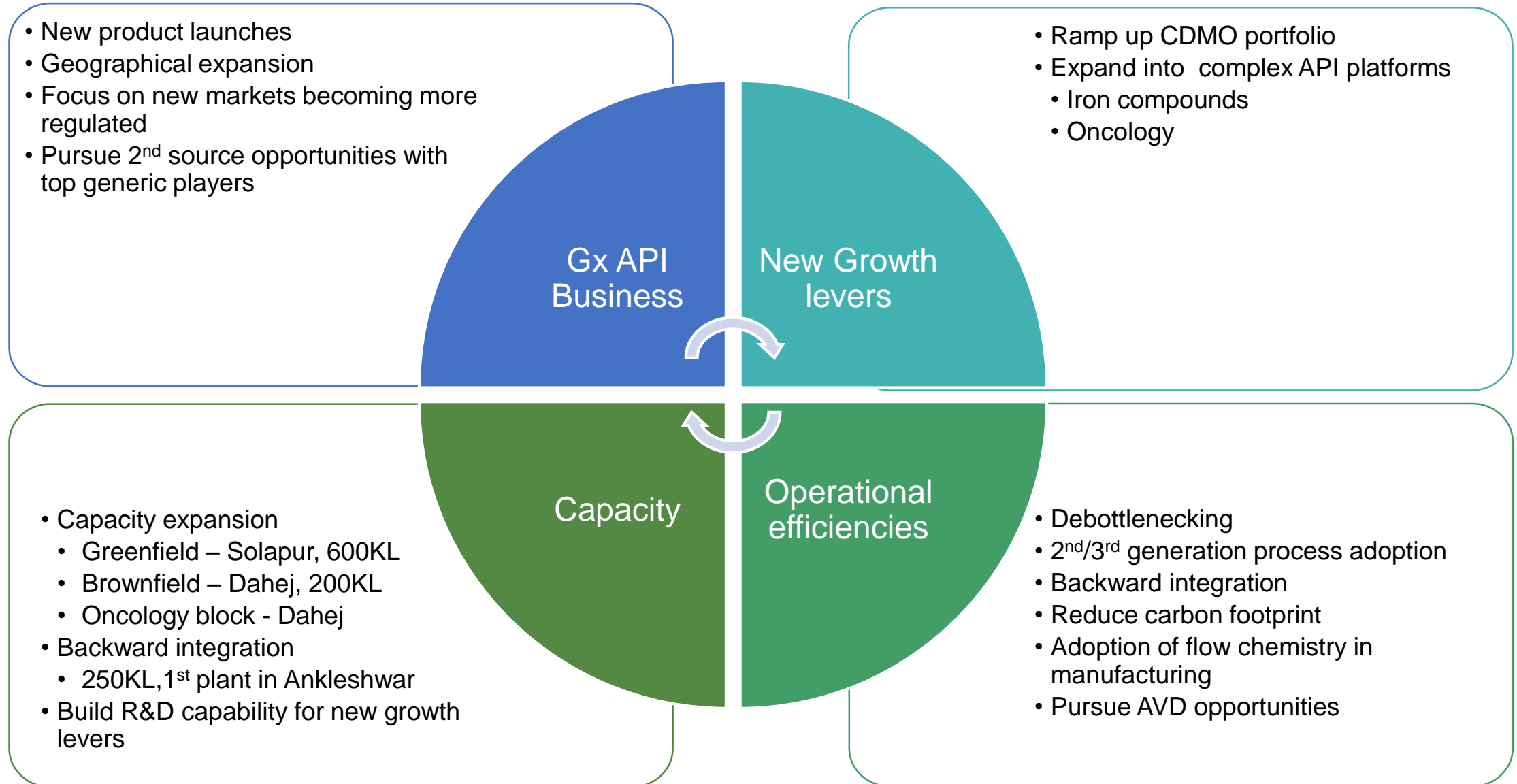
# 04

## Strategy Going Forward





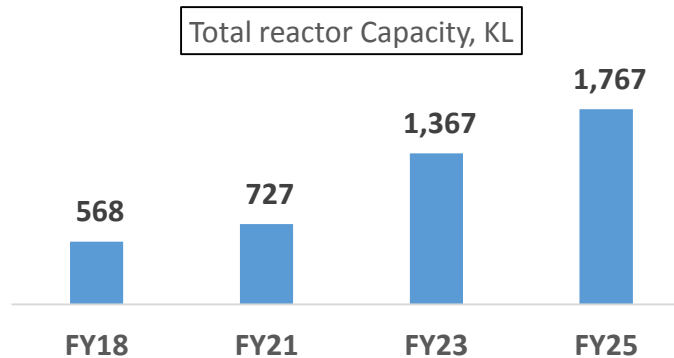
# Strategic Growth Levers



# Future Capacity Expansion Plan

Expansion Type	Division	Location	Current Capacity	Status & Planned Capacity	Operational Timelines
Brownfield	API	Dahej	141.9 KL	Under Construction 4 Modules -240 KL	Phase I – Q4FY22 Phase II – Q2 FY23
Brownfield	Intermediate	Ankleshwar	550.2 KL	New plant 400 KL	Q2 FY23
Brownfield	Oncology	Dahej	-	3 Modules Under Construction	Q1 FY23
Greenfield	API	Solapur	-	Land acquired 800 KL	FY24 – FY26

Capacity Progress by Year



- ✓ **Backward Integration plant at Ankleshwar is planned**
- ✓ **Oncology facility under construction at Dahej**

# Thank You

## **Glenmark Life Sciences Limited**

Corporate Office: 4th Floor, OIA House, 470, Cardinal Gracious Road, Andheri (E), Mumbai, 400 099, India. Registered Office: Plot No. 170-172, Chandramouli Industrial Estate, Mohol Bazarpeth, Solapur - 413 213, India.

T: 91 22 68297979 CIN: U74900PN2011PLC139963

Email: [complianceofficer@glenmarklifesciences.com](mailto:complianceofficer@glenmarklifesciences.com)

Website: [www.glenmarklifesciences.com](http://www.glenmarklifesciences.com)