



Q1 FY23
Investor Presentation
Glenmark Life Sciences Ltd

01

Financial Performance Review

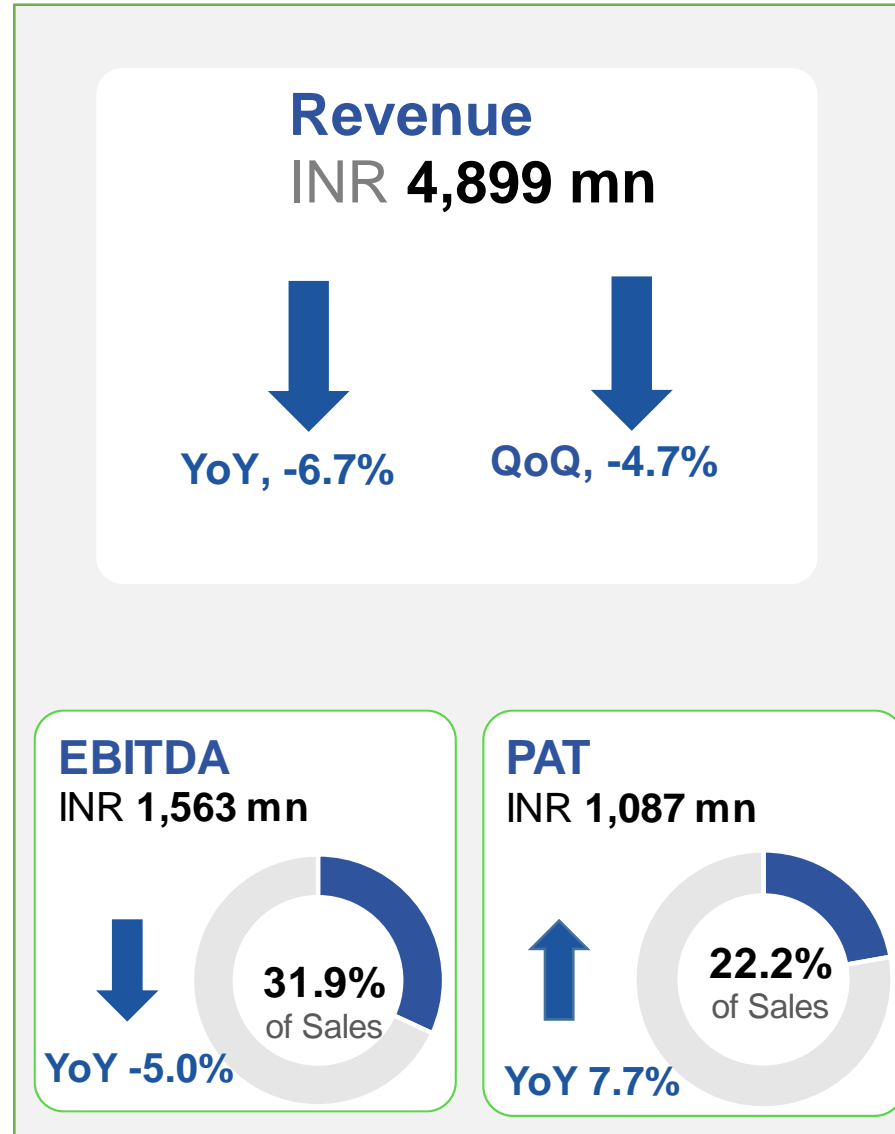


Q1 FY23 – Highlights



Dr. Yasir Rawjee
Managing Director &
Chief Executive Officer

“We are pleased with our performance in this quarter with the overall business growing steadily, ex-covid products. India and LATAM continue to lead our growth with Europe being soft due to supply chain issues. Generic API business saw a healthy growth of 7.1% YoY ex-covid products, whereas CDMO business witnessed an impact due to inventory rationalisation at customers’ end. We are witnessing improvement in demand for APIs across geographies, and I am optimistic about continuing the growth momentum in coming quarters.”



- Revenue decreased by 6.7% YoY. However, excluding COVID products, growth at 6.5% YoY.
- Gross margin improved to 53.3% driven by booking of PLI scheme incentive. Gross Margins excluding PLI scheme incentive were stable at 52.0%.
- Improvement in EBITDA margin by 60bps YoY and 320bps QoQ
- Emerging market grew by 24% on YoY basis ex-covid products
- R&D expenditure at 3.1% during the quarter
- Capital expenditure at INR 412 mn during the quarter.
- Dahej commercialization delayed by a quarter due to supply chain challenges.

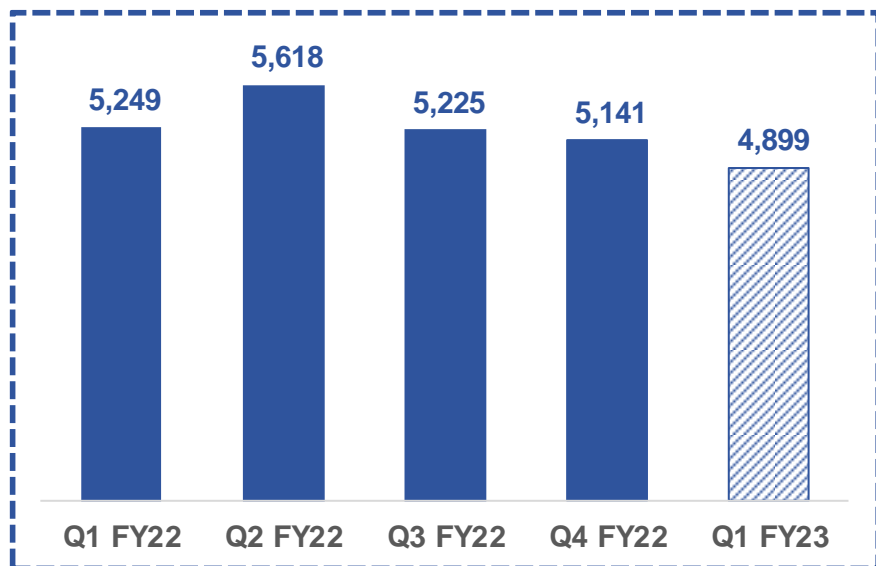
P&L Highlights – Q1 FY23

Amounts in INR Millions	Q1 FY23	Q4 FY22	QoQ	Q1 FY22	YoY	FY22
Revenue from Operations	4,898.7	5,140.6	-4.7%	5,249.0	-6.7%	21,232.1
Gross Profit	2,609.7	2,589.3	0.8%	2,655.2	-1.7%	10,803.3
Gross Profit (%)	53.3%	50.4%		50.6%		50.9%
Other Income	94.9	50.9		39.9		147.0
Employee Benefits Expense	404.6	390.8	3.5%	369.4	9.5%	1,687.2
Other Expenses	737.5	776.4	-5.0%	681.3	8.2%	2,955.4
EBITDA	1,562.6	1,473.1	6.1%	1,644.4	-5.0%	6,307.6
EBITDA Margin (%)	31.9%	28.7%		31.3%		29.7%
Depreciation and Amortisation Expense	98.8	95.5	3.4%	89.2	10.8%	378.8
Finance Costs	1.3	1.3		205.5		279.6
PBT	1,462.5	1,376.3	6.3%	1,349.8	8.4%	5,649.2
PBT Margin (%)	29.9%	26.8%		25.7%		26.6%
PAT	1,087.3	989.0	9.9%	1,009.1	7.7%	4,187.2
Net Margin (%)	22.2%	19.2%		19.2%		19.7%

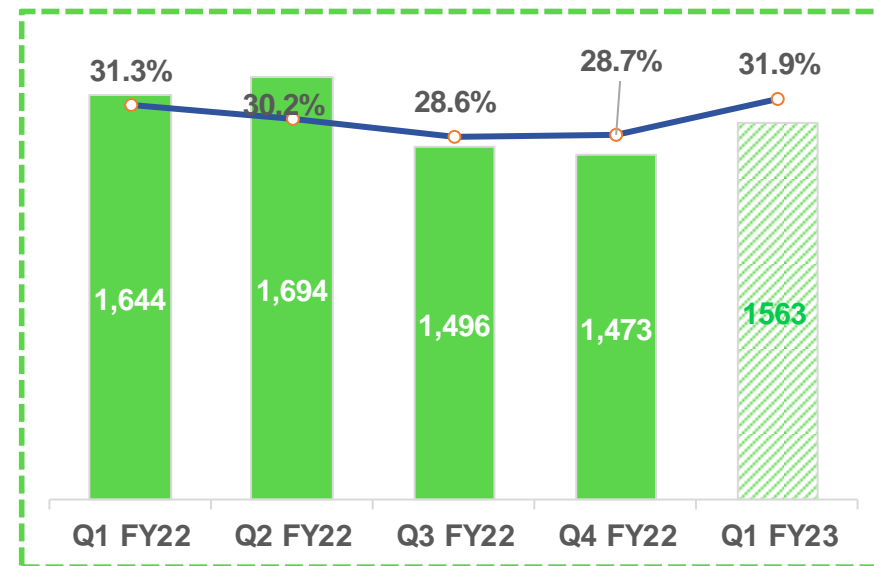
Quarter on Quarter Performance

Sustaining a profitable growth trajectory despite cost & supply chain headwinds

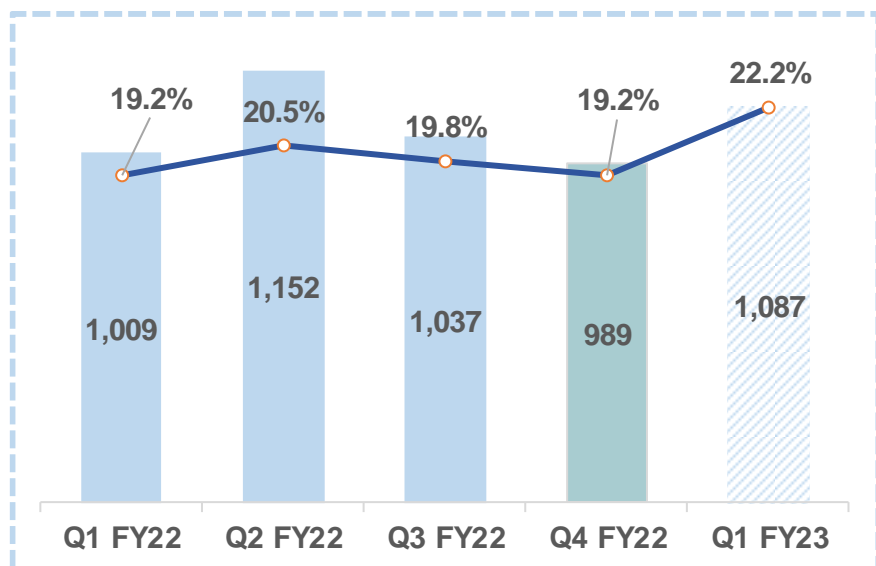
Revenue



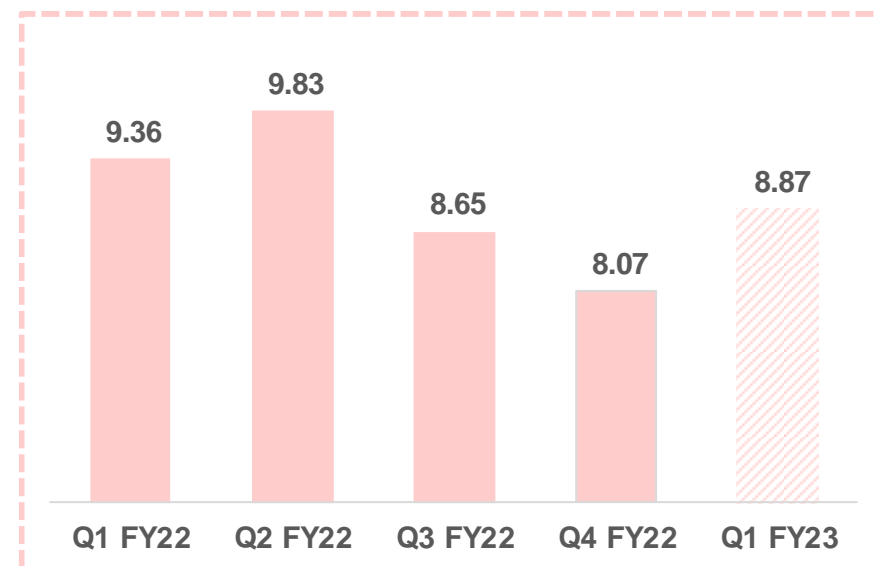
EBITDA



PAT



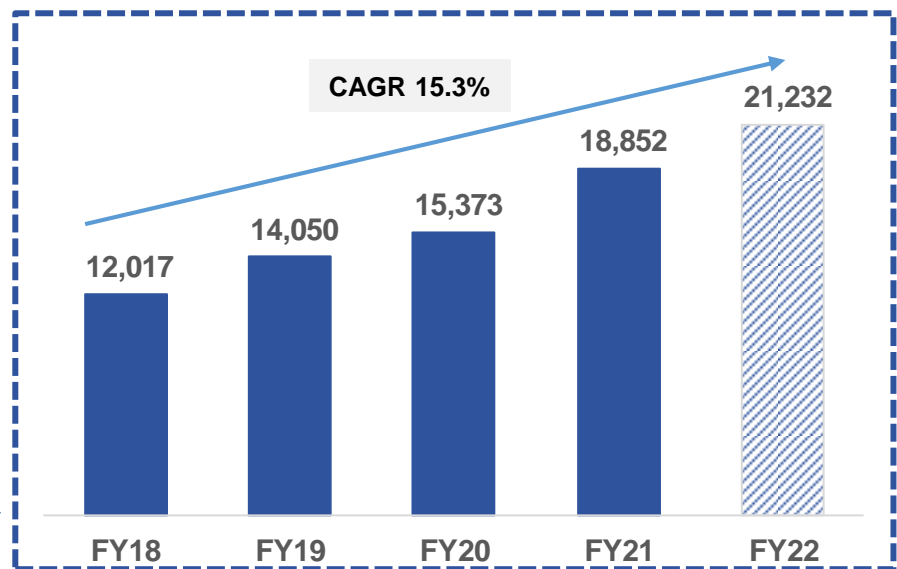
EPS



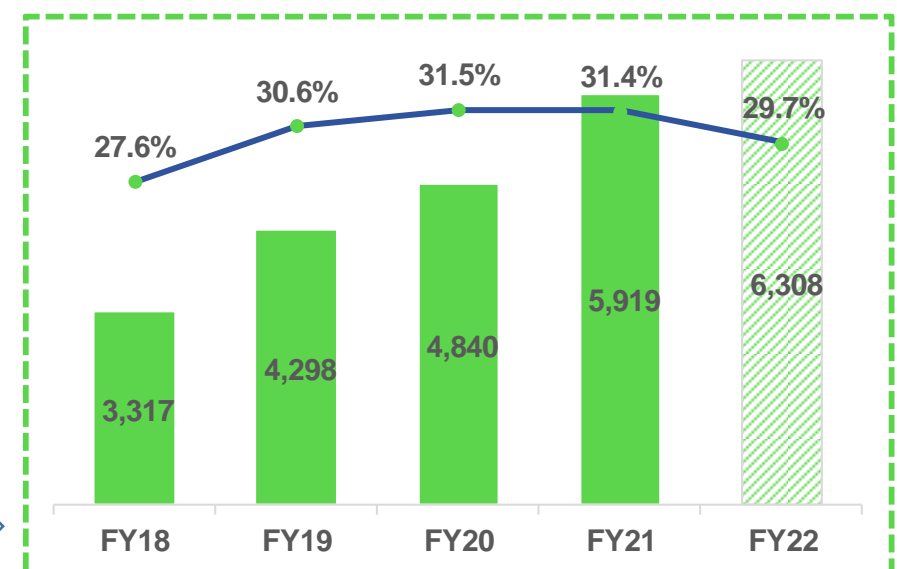
Financial Performance Track Record

Robust growth and profitability indicators over the years

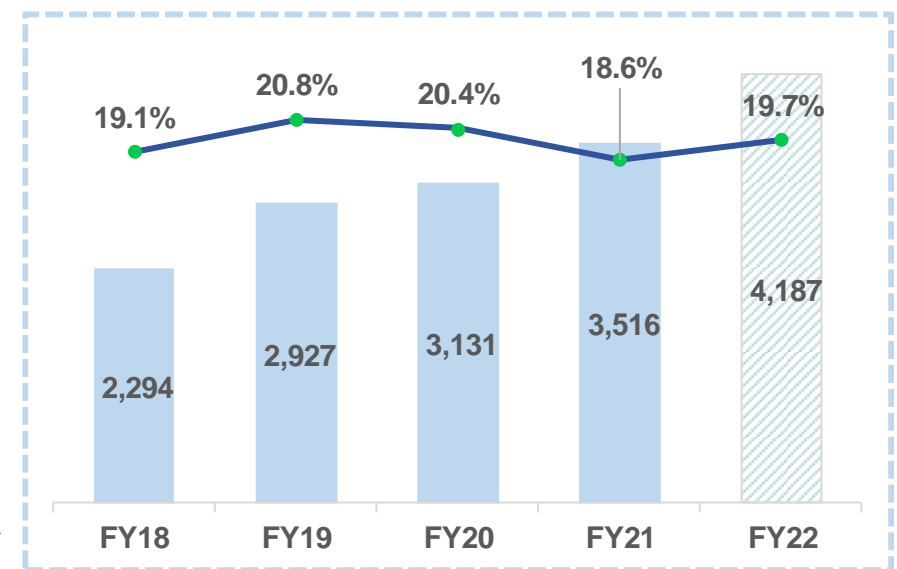
Revenue



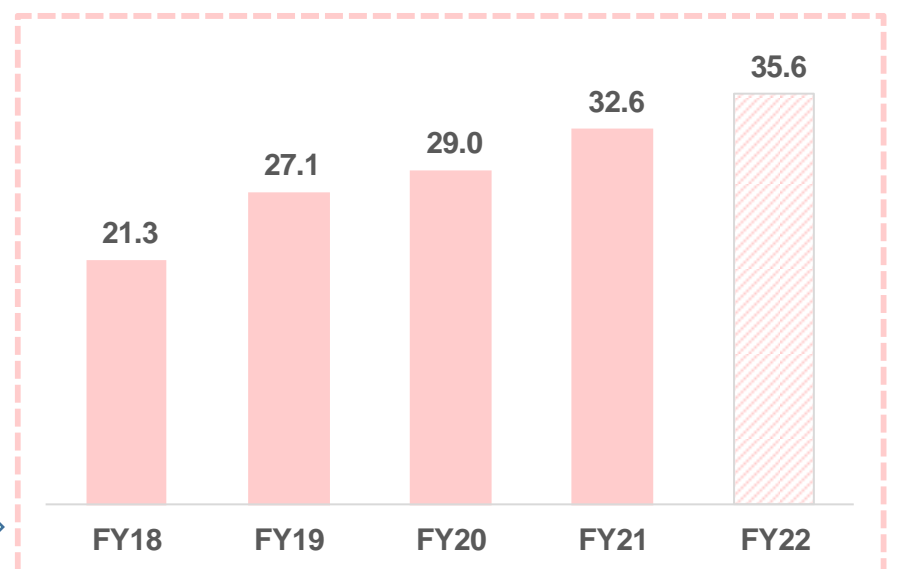
EBITDA



PAT

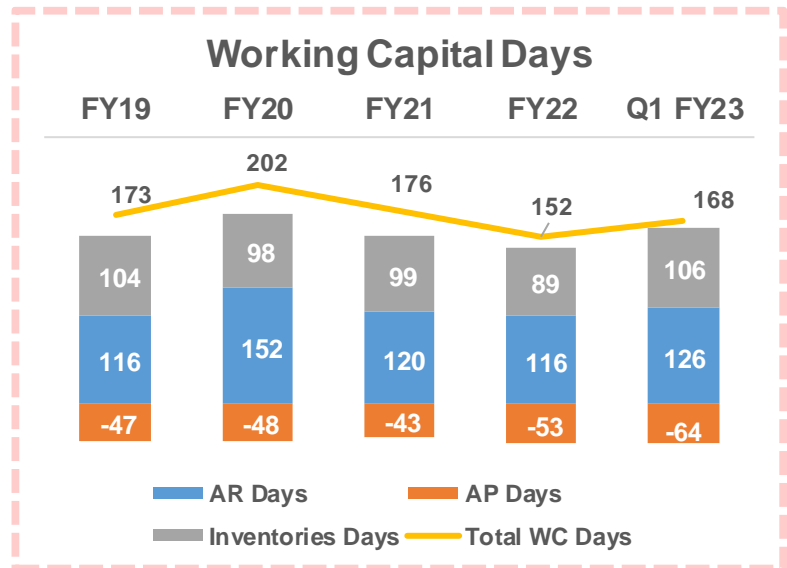
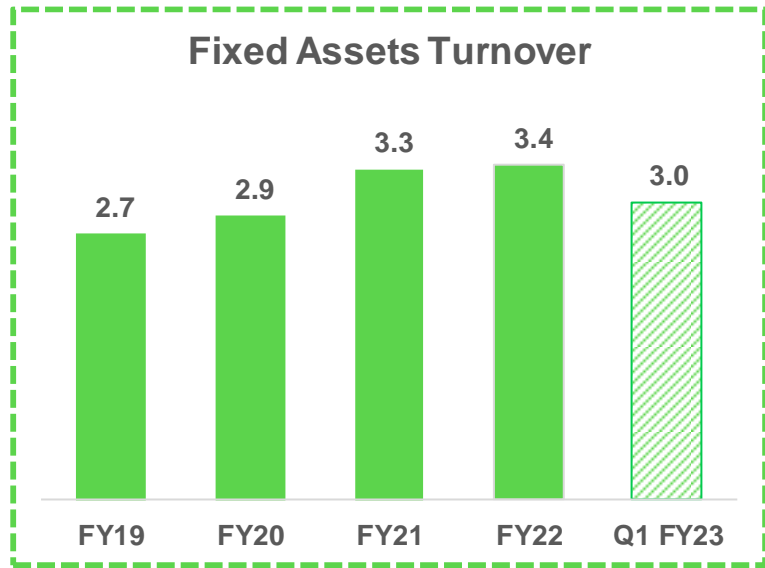
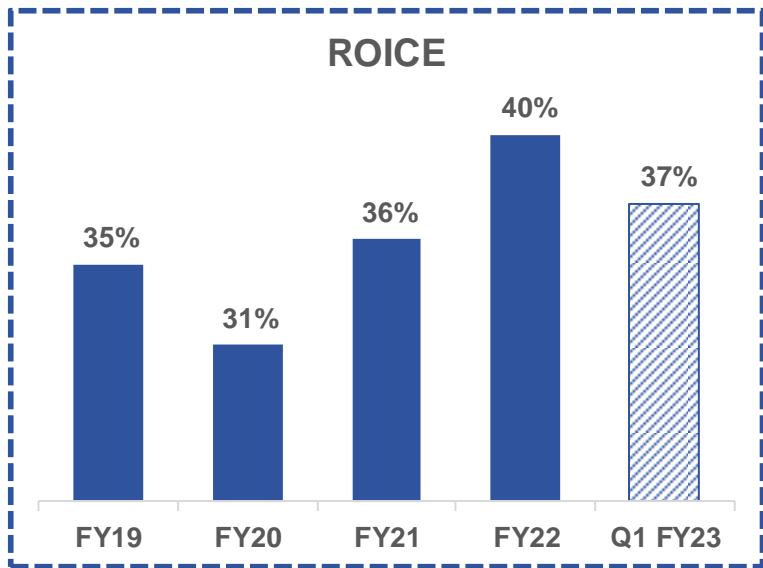


EPS



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

Strong Returns Indicators



- ROICE is tracking at 37%
- FATR is 3 times
- WC days at 168 days

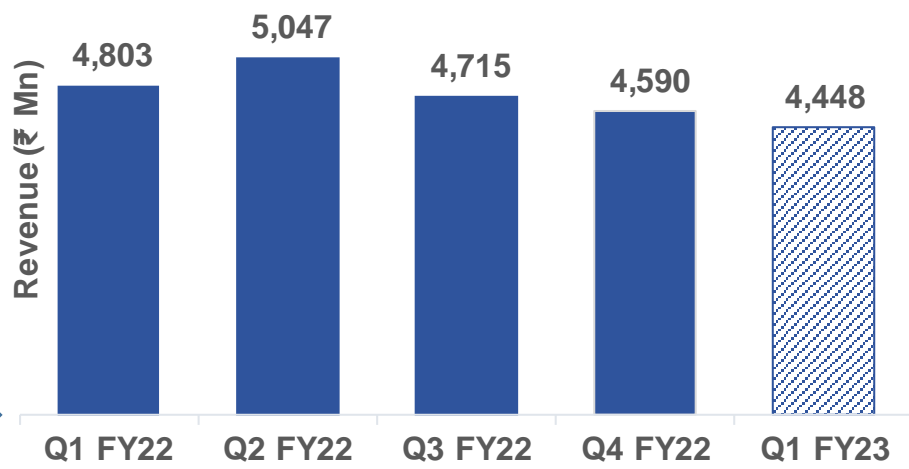
Note: Numbers of FY19 are based on Proforma Financials. ROICE is calculated as EBIT excluding interest income/ Closing Capital Employed excluding CWIP and Cash

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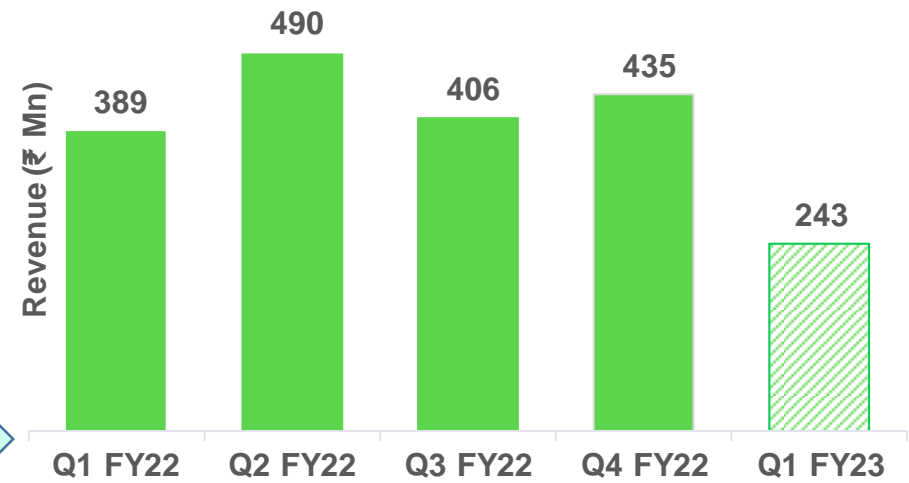
Business Performance Review



Segment Performance



Generic API



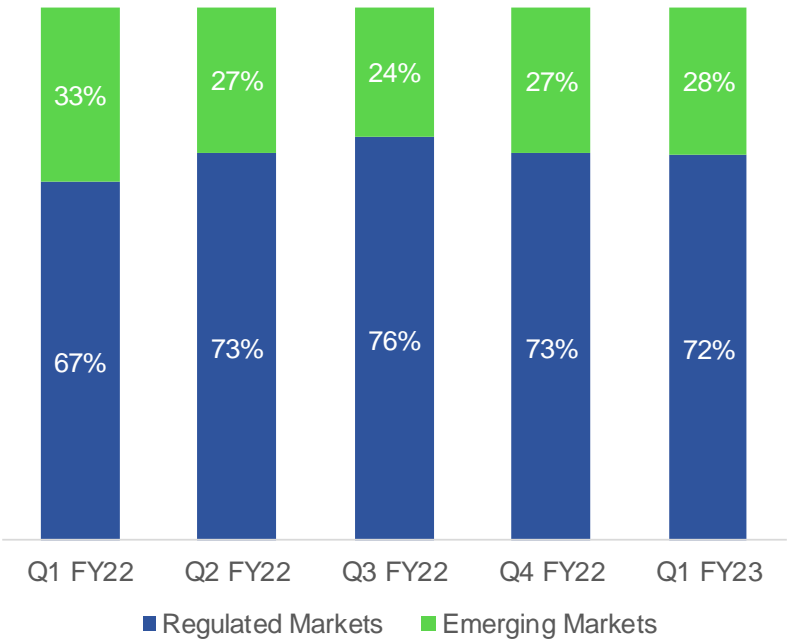
CDMO

- Generic API revenues in Q1FY23 decreased 7.4% YoY
- Revenues grew 7.1% YoY in Q1FY23 excluding COVID products
- Robust growth in ROW, India and LATAM
- Europe was muted during the quarter due to supply chain challenges

- CDMO revenues decreased by 37.6% in Q1FY23
- Impacted due inventory rationalisation at Customers' end.
- Multiple discussions ongoing with companies globally for additional business opportunities

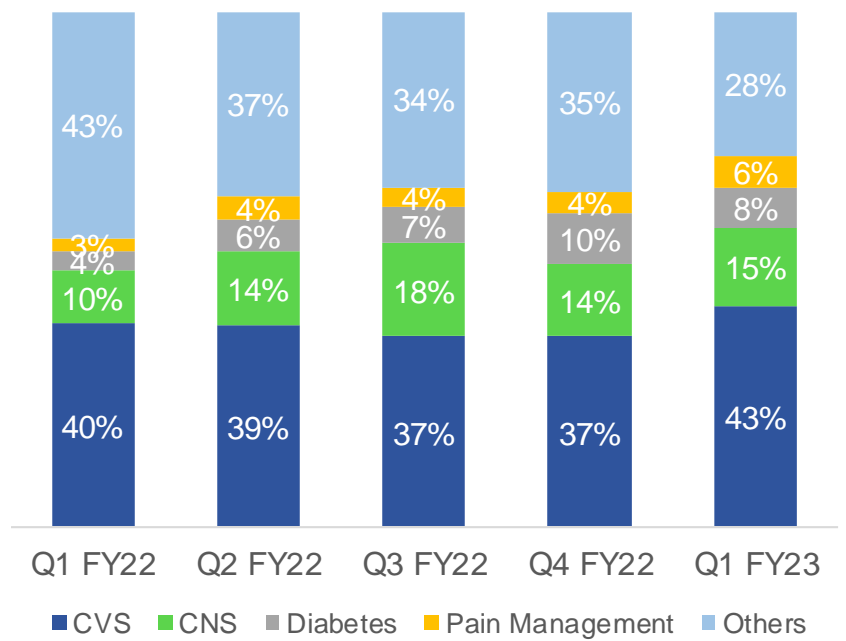
Market and Therapeutic Area Mix

Market Mix



- Regulated markets contribution remains stable at ~72% with flattish growth
- Emerging markets witnessed growth of 23.7% YOY (excluding COVID products)

Therapeutic Area Mix



- CVS and CNS portfolio led the growth in Q1FY23
- Our key focused area of chronic therapies contributed 72.6% of the net sales
- Others include mainly acute segment with wide range of therapies

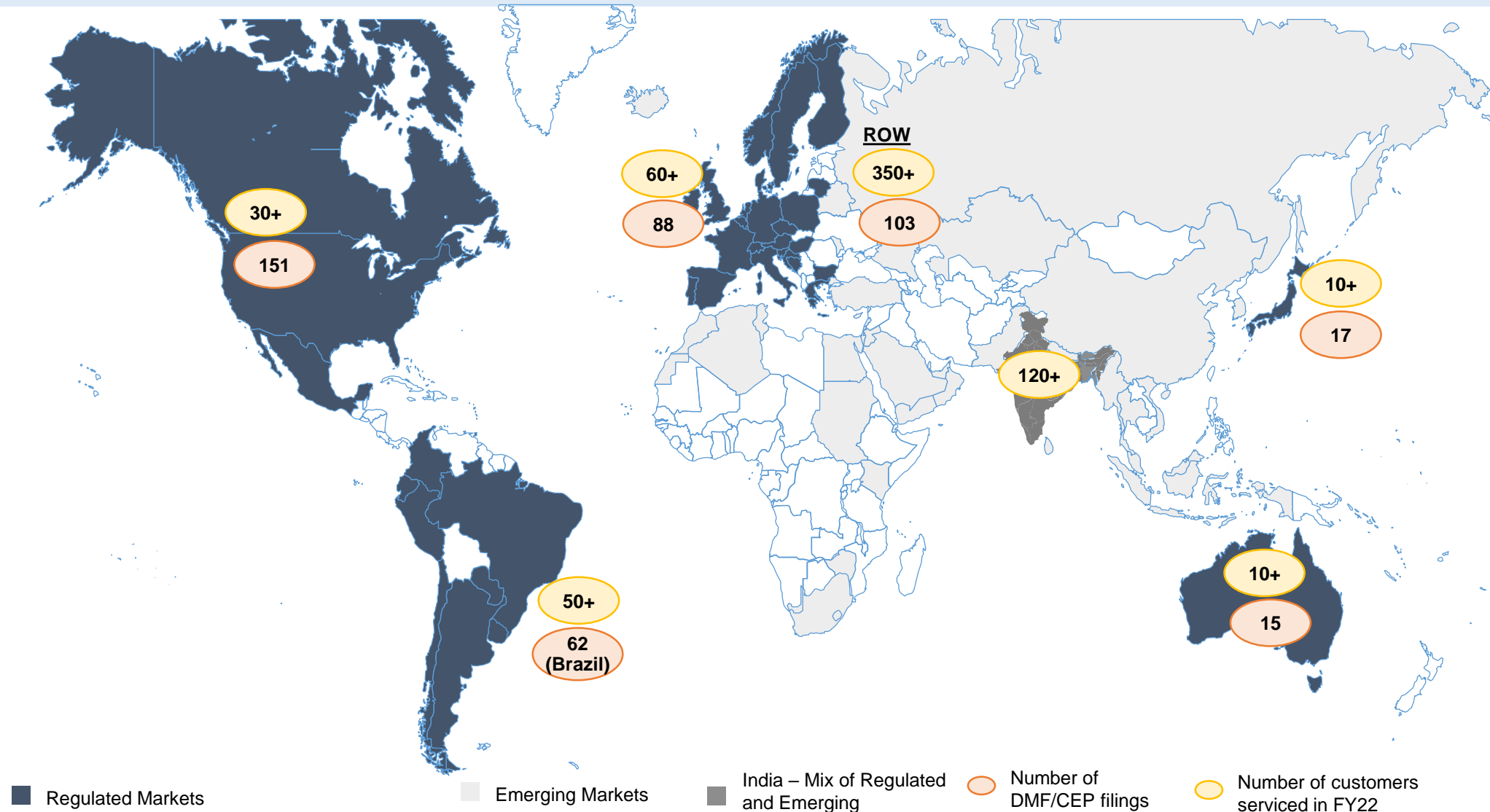
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Company Overview



Global Footprint

Filed 436 DMFs and CEPs across major markets; United States, Europe, Japan, Russia, Brazil, South Korea, Taiwan, Canada, China and Australia



As of June 30, 2022

Quality-focused, compliant manufacturing & R&D infrastructure

Manufacturing Infrastructure

	Annual Installed Capacity (Jun-22)	Last USFDA Inspection Date	Approvals
Ankleshwar, Gujarat	550.2 KL	July 2019	USFDA, MHRA (UK), FIMEA (Finland), Romania (Europe) PMDA (Japan), COFEPRIS (Mexico), Health Canada, KFDA (South Korea), Gujarat FDCA
Dahej, Gujarat	141.9 KL	Oct 2018	USFDA, EDQM (Europe), PMDA (Japan), KFDA (South Korea)
Mohol, Maharashtra	49.1 KL	March 2018	USFDA, Maharashtra FDA
Kurkumbh, Maharashtra	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

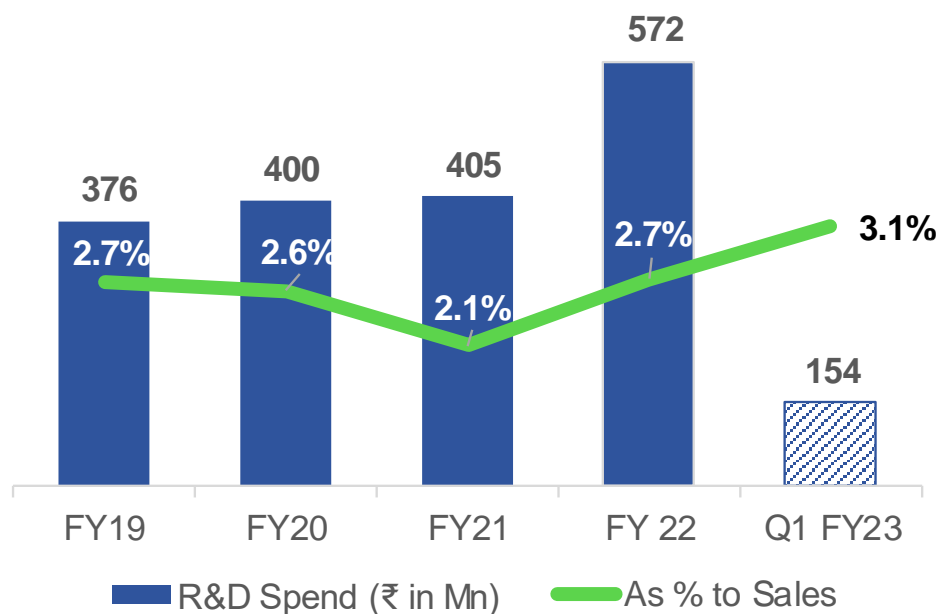
Ankleshwar, Gujarat

- 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	Australia	ROW	Total
CVS	36	30	4	16	9	26	121
CNS	35	19	7	12	1	11	85
Diabetes	9	3	-	7	-	11	30
Pain Management	1	2	-	3	1	8	15
Others	70	34	6	24	4	47	185
Total	151	88	17	62	15	103	436

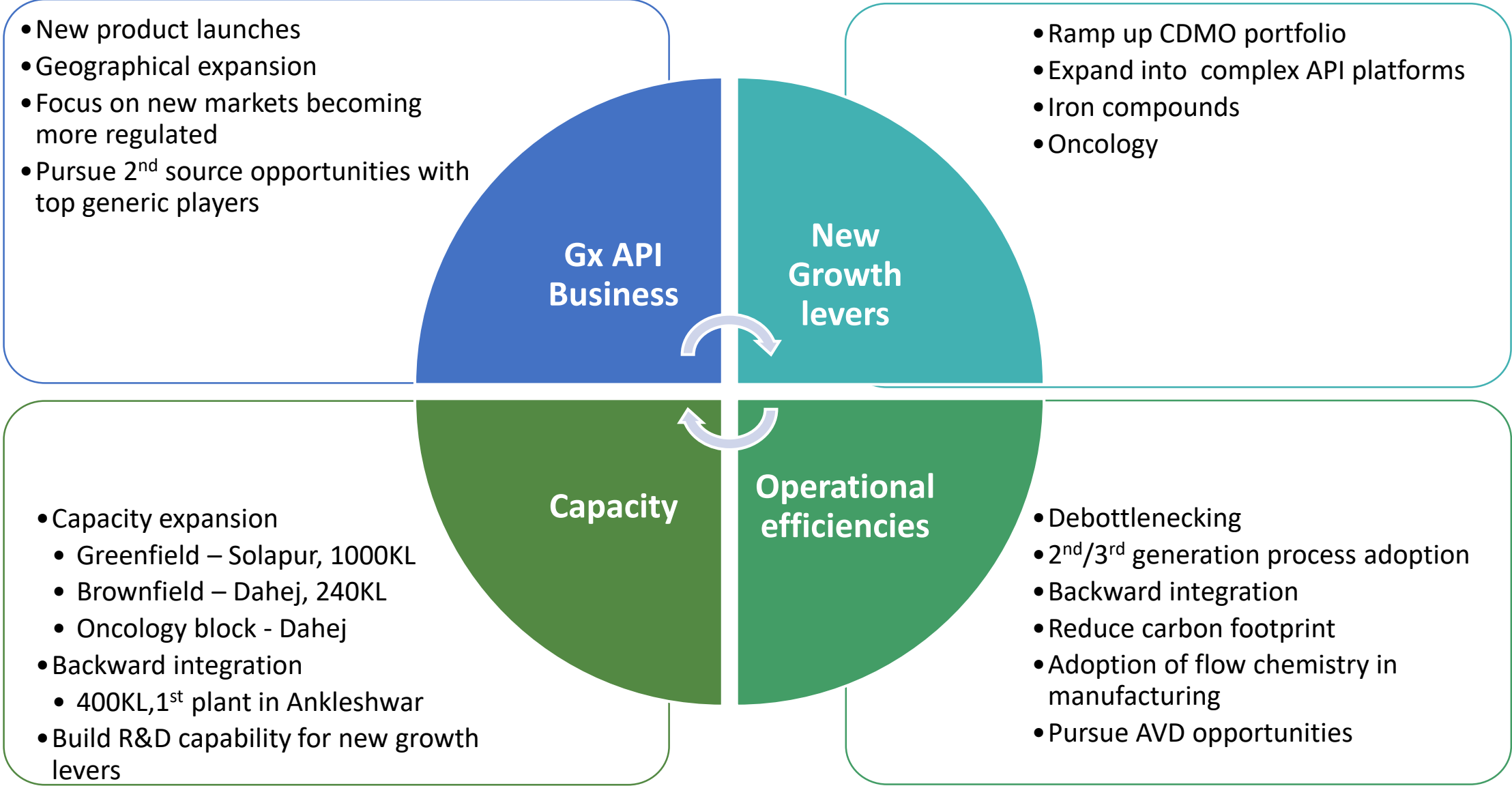
- 3 DMF/CEPs were filled across major markets in Q1 FY23 which take cumulative filings to 436 as on June 30, 2022
- ~128 Unique molecules in the portfolio across the globe as of June 30, 2022.
- 26 products in development pipeline including 2 Iron complex and 7 Oncology products

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Strategy Going Forward



Strategic Growth Levers

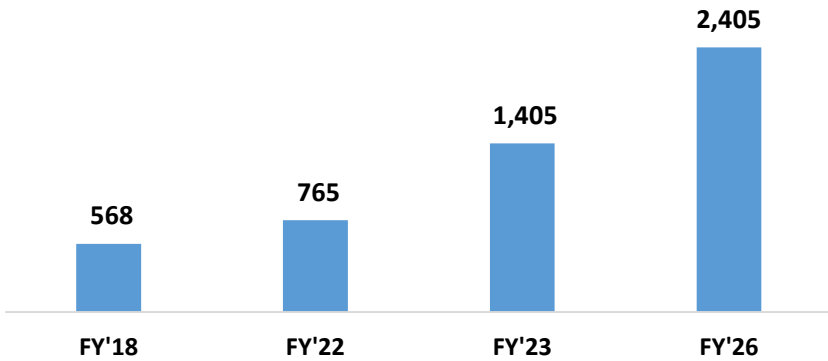


Future Capacity Expansion Plan

Expansion Type	Division	Location	Current Capacity	Status & Planned Capacity	Operational Timelines
Brownfield	API	Dahej	141.9 KL	Under Construction 4 Modules -240 KL	Q2 FY23
Brownfield	Intermediate	Ankleshwar	550.2 KL	Under Construction 400 KL	Q3 FY23
Brownfield	Oncology	Dahej	-	Under Construction 2 Modules	Q2 FY23
Greenfield	API	Solapur	-	EC Received 1000 KL	FY24 – FY26

Total Reactor Capacity, KL

Capacity Progress by Year



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

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