

Management Discussion & Analysis for the First Quarter of FY23

FINANCIAL PERFORMANCE

(₹ in Million)	Q1 FY23	Q4 FY22	Q1 FY22	QoQ %	YoY %
Revenue from Operations	4,898.7	5,140.6	5,249.0	(4.7%)	(6.7%)
EBITDA	1,562.6	1,473.1	1,644.4	6.1%	(5.0%)
EBITDA Margins	31.9%	28.7%	31.3%	320bps	60bps
PAT	1,087.3	989.0	1,009.1	9.9%	7.7%

Highlights for Q1 FY23

- Revenue from Operations declined by 6.7% YoY to ₹ 4,898.7 Mn (+6.5% YoY excluding COVID products)
- Gross margins improved to 53.3% mainly driven by booking of PLI scheme incentive. Gross Margins excluding PLI scheme incentive were stable at 52.0 % driven by better product mix and cost optimization efforts.
- EBITDA was at ₹ 1,562.6 Mn, margins stood at 31.9%
- R&D expenditure was at ₹ 153.5 Mn, 3.1% of sales
- Capital expenditure was at ₹ 412.0 Mn
- Working capital at 168 days on sales
- PAT was at ₹ 1,087.3 Mn, margins stood at 22.2%
- ROICE (adjusted for Cash and CWIP) was 37.0% and Fixed assets turnover ratio at 3x

BUSINESS PERFORMANCE & COMMENTARY

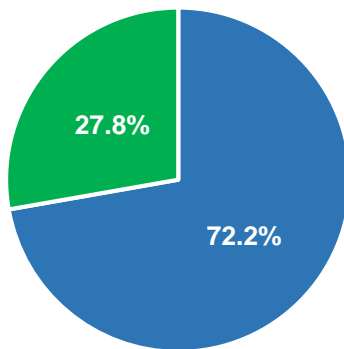
A. Segment Performance (Q1 FY23):

(₹ in Million)	Q1 FY23	Q4 FY22	Q1 FY22	QoQ %	YoY %
Generic API	4,448.2	4,589.6	4,803.4	(3.1%)	(7.4%)
CDMO	242.7	435.1	388.9	(44.2%)	(37.6%)
Other Operating Revenue	207.8	115.9	56.7	79.3%	266.5%
Revenue from Operations	4,898.7	5,140.6	5,249.0	(4.7%)	(6.7%)

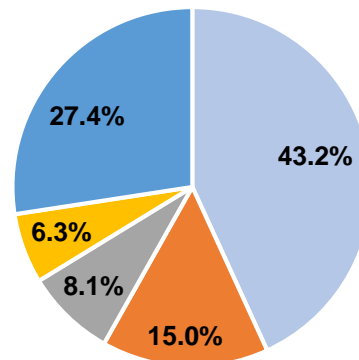
- Generic API revenues decreased by 7.4% YoY (+7.1% YoY excluding COVID products)
- CDMO revenues witnessed decline of 37.6% YoY in Q1 FY23 due to inventory rationalisation at customers' end

B. Market and Therapeutic Area Mix (Q1 FY23)

Market Mix



Therapy Mix



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

- Regulated markets contribution remains stable at ~72% with flattish growth YOY
- Emerging markets witnessed growth of 23.7% YOY (excluding COVID products)
- CVS and CNS portfolio led the growth in Q1FY23. Our key focused area of chronic therapies contributed 72.6% of the net sales

OTHER BUSINESS HIGHLIGHTS

A. Product Pipeline

- The Company filed 3 DMF/CEPs during the quarter. With this our cumulative filing stands at 436 DMF/CEPs across major markets (i.e. United States, Europe, Japan, Russia, Brazil, South Korea, Taiwan, Canada, China and Australia)
- Generic API Segment
 - Regulatory filing completed for 1 iron compound and other 2 complex iron compounds in our development stage with cumulative global market size of more than USD 1.8 billion (Source: IQVIA MAT Mar'22)
 - We also have 7 products in the oncology space with global market size of more than USD 15 billion (Source: IQVIA MAT Mar'22). 3 products in advanced stage of development out of 7 products and remaining in development stage.
- CDMO Segment
 - Multiple discussions ongoing with companies globally for additional business opportunities

B. Capex update

- The brownfield expansion for generics API products at our Dahej facility is well underway for manufacturing of large to medium-scale APIs. We have already started few validations in one module in Q1 FY23 and expect to commission the modules by Q2 FY23. With this expansion, Dahej plant will add another 240 KL of capacity.
- Project work is ongoing to build plant #7 for Oncology products at Dahej that will have 2 independent modules for medium scale manufacturing. We expect to commission this plant during Q2 FY23.
- Intermediate manufacturing block at Ankleshwar Site with manufacturing capacity of 400 KL shall be operational by Q3 FY23.
- The Company has received Environmental Clearance for installation of 1000 KL capacity for planned greenfield site at Chincholi Industrial Area, Solapur and construction work will begin in the current financial year.

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.

For any further queries please contact:

Email: complianceofficer@glenmarklifesciences.com

Website: www.glenmarklifesciences.com

Ernst & Young LLP – Investor Relations

Diwakar Pingle

Email: Diwakar.Pingle@in.ey.com

Rahul Thakur

Email: rahul.thakur@in.ey.com

Mobile: +91 98333 19957