

Glenmark Life Sciences announces Q3 FY23 Results

Revenue growth of 6% QoQ Strong growth in India, Europe and LATAM with recovery in US business

Mumbai, January 27, 2023: Glenmark Life Sciences Limited (GLS), a leading developer and manufacturer of select, high-value, non-commoditized, Active Pharmaceutical Ingredients (APIs) in chronic therapeutic areas, today announced its result for the quarter ended December 31, 2022.

Financial Highlights:

- GLS registered a revenue of ₹ 5,407 Mn for Q3 FY23 from operations, recording a growth of 6.2% QoQ and growth of 3.5% YoY.
- Gross Margins for the quarter were at 51.0%, up 20 bps YoY driven by product mix and PLI scheme benefit
- Earnings Before Interest, Tax, Depreciation, and Amortization (EBITDA) was at ₹ 1,520.6 Mn for Q3 FY23. EBITDA margins at 28.1% remain steady on YoY basis, with a slight sequential decline mainly due lower gross margins
- Profit After Tax (PAT) for the quarter was at ₹ 1,049.9 Mn in Q3 FY23, registering a growth of 1.2% YoY. PAT Margin for the quarter was at 19.4%.

Commenting on the company's performance, Dr. Yasir Rawjee, MD & CEO, Glenmark Life Sciences Limited said, *"I am pleased to report that the Company has continued its upward trajectory to witness steady growth both on sequential as well as YoY basis on the back of a robust performance of our external business. India, Europe and LATAM were the main catalysts for growth whereas US witnessed healthy recovery. The GPL business saw strong recovery in the current quarter while the CDMO business was sluggish, and we expect it to pick up strongly from Q4 onwards."*

Dr. Rawjee further added, *"During 9MFY23, we launched 5 new products, and we continue to cross sell our wide product basket to existing customers across different geographies. Overall, as the three levers of the business (External business, GPL and CDMO) are on track to perform well, I am confident of delivering steady growth with stable margins in the coming quarters."*

Tushar Mistry, CFO, Glenmark Life Sciences Limited said, *"The company continues to grow steadily with revenue from operations growing 3.5% on YoY basis and 6.2% sequentially. EBITDA for the quarter at 28.1% was steady on YoY basis. Our proactive cost control measures have helped us maintain our EBITDA margins for the nine-months at 30%. We are also witnessing increased capacity as Dahej block comes online. That said, we are strategically commissioning the Dahej block module-wise to keep expenses under control which will ensure steady margins in the coming quarters. Our prudent working capital management during the quarter has led to healthy cash flow generation from the operations. Reviving demand in the regulated markets and GPL business supported by excess capacity availability will propel growth in coming quarters."*

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Business Highlights:

- Generic API revenues in Q3 FY23 increased 5.9% QoQ and increased 1.8% YoY.
- Regulated markets business continues the strong growth momentum.
- India, Europe and LATAM delivered strong performance while US witnessed healthy recovery
- CDMO revenues in Q3 FY23 decreased by 9.6% QoQ. Demand is expected to be picked up from Q4 FY23
- GPL business saw strong recovery of 19% on sequential basis
- DMF/CEPs filling continues across major markets in Q3 FY23, taking the total cumulative filings to 456 as on Dec 31, 2022.
- The brownfield expansion for Generic API products at Dahej facility is complete with 240 KL capacity.
- The brownfield expansion at Dahej for the Oncology plant is completed. Out of the 2 independent modules, one module is 100% commissioned.
- Intermediate manufacturing block at the Ankleshwar site with a manufacturing capacity of 400 KL is expected to be completed in Q4 FY23. Module wise commissioning of the plant is planned with 1st module to be commissioned in Q4 FY23.

About Glenmark Life Sciences Ltd (GLS)

Glenmark Life Sciences Limited (BSE: 543322, NSE: GLS), is a leading developer and manufacturer of select, high-value, non-commoditized, active pharmaceutical ingredients (APIs) in chronic therapeutic areas such as cardiovascular disease, central nervous system disease, pain management and diabetes. The company is increasingly providing CDMO services to a range of multinational and speciality pharmaceutical companies.

It has a diversified portfolio of 137 molecules and supplies its products to customers in India, Europe, North America, Latin America, Japan and the rest of the world (ROW). The company's 4 manufacturing facilities are located in Ankleshwar, Dahej, Mohol and Kurkumbh with a total installed capacity of 1005 KL, which are regularly inspected by global regulators such as USFDA, PMDA (Japan) and EDQM (Europe).

GLS is a subsidiary of Glenmark Pharmaceuticals Limited and is listed on BSE/NSE.

Learn more about Glenmark Life Sciences Limited on [www. https://www.glenmarklifesciences.com/](https://www.glenmarklifesciences.com/)

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