



Press Release

Gland Pharma's Q3FY24 Revenue stood at ₹ 15,452 Million, a y-o-y growth of 65%, EBITDA of ₹ 3,557 Million with a PAT of ₹ 1,919 Million.

Hyderabad, February 14, 2024: Gland Pharma Limited (BSE: 543245 | NSE: GLAND), a generic injectable-focused pharmaceutical company, today announced its financial results for the third quarter and nine months that ended December 31, 2023.

Commenting on the results, Mr. Srinivas Sadu, MD & CEO of Gland Pharma, said, "With strong results in the third quarter, we continued our positive momentum for the fiscal year. Our consolidated Q3 FY24 reported sales of INR 15,452 million, reflecting a quarter-on-quarter increase of 13% and a year-on-year increase of 65%. We achieved a consolidated EBITDA of INR 3,557 million and a consolidated net profit of INR 1,919 million. In the ex-Cenexi base business, we are happy to keep up with the growth aspirations, and the performance has been encouraging with the introduction of new products and improved volumes of the current basket.

In the Cenexi business, we reported a negative EBITDA of INR 170 million, largely due to one-off expenses, which, if adjusted, would have resulted in a break-even at the operational level. Our post-merger integration review is now mostly complete, and we have identified areas where Cenexi would need investments and significant improvements. Our partner order book is healthy, and we have significant opportunities through the signed contracts to play out long-term growth. However, in the near term, we continue to face issues with operational performance, leading us to rebalance our capacity and shift certain products to different lines, which will take time due to regulatory processes. We target realizing our acquisition thesis over the next 12–15 months.

Overall, we are confident that we will end FY24 on a high note and continue to be excited about the opportunities ahead of us."

❖ Consolidated Financial summary:

(₹ in million)

Particulars	Q3FY24	Q3FY23	Y-o-Y	Q2FY24	Q-o-Q	9MFY24	9MFY23	Y-o-Y
Revenue from operations	15,452	9,383	65%	13,734	13%	41,273	28,396	45%
Gross Profit	9,459	5,112	85%	8,519	11%	25,536	15,190	68%
Gross Profit Margin	61%	54%		62%		62%	53%	
EBITDA ⁽¹⁾	3,557	2,896	23%	3,205	11%	9,744	8,563	14%
EBITDA Margin (%)	23%	31%		23%		24%	30%	
PBT	2,832	3,109	-9%	2,899	-2%	8,343	9,434	-12%
PBT Margin (%)	18%	33%		21%		20%	33%	
PAT	1,919	2,319	-17%	1,941	-1%	5,800	7,024	-17%
PAT Margin (%)	12%	25%		14%		14%	25%	

Note - Results for the quarter and Nine Months FY24 are not comparable to the earlier periods of the previous year due to the inclusion of Cenexi results.

⁽¹⁾ EBITDA = Profit before tax plus exceptional items plus finance expense plus depreciation and amortization expense excluding other income and foreign exchange loss or gain.



❖ Gland Pharma (excluding Cenexi) Financial summary:

(₹ in million)

Particulars	Q3FY24	Q3FY23	Y-o-Y	Q2FY24	Q-o-Q	9MFY24	9MFY23	Y-o-Y
Revenue from operations	11,013	9,383	17%	10,146	9%	30,032	28,396	6%
Gross Profit	6,128	5,112	20%	5,746	7%	16,996	15,190	12%
Gross Profit Margin	56%	54%		57%		57%	53%	
EBITDA ⁽¹⁾	3,727	2,896	29%	3,473	7%	9,836	8,563	15%
EBITDA Margin (%)	34%	31%		34%		33%	30%	
PBT	3,794	3,109	22%	3,510	8%	9,842	9,434	4%
PBT Margin (%)	34%	33%		35%		33%	33%	
PAT	2,808	2,319	21%	2,615	-	7,296	7,024	4%
PAT Margin (%)	25%	25%		26%		24%	25%	

⁽¹⁾ EBITDA = Profit before tax plus exceptional items plus finance expense plus depreciation and amortization expense excluding other income and foreign exchange loss or gain.

❖ Consolidated break-up of Revenue as per Market:

(₹ in million)

Particulars	Q3FY24	Q3FY23	Y-o-Y	Q2FY24	Q-o-Q	9M FY24	9M FY23	Y-o-Y
USA	8,216	5,829	41%	7,354	12%	21,591	18,953	14%
Europe	3,251	608	435%	2,488	31%	7,963	1,546	415%
Canada, Australia and New Zealand (Other Core Markets)	382	190	101%	356	7%	998	659	51%
India	761	814	-7%	876	-13%	2,283	2,050	11%
Rest of the world	2,842	1,943	46%	2,660	7%	8,437	5,188	63%
TOTAL	15,452	9,383	65%	13,734	13%	41,273	28,396	45%

Note: - Sales made to Indian customers for the US market have been considered in the US sales.

- US market accounted for 53% of Q3FY24 revenue as against 62% in Q3FY23.
- The growth in the Europe and ROW market due to the acquisition of Cenexi.
- Rest of the World market accounted for 18% of Q3FY24 revenue as against 21% in Q3FY23.
- India market accounts for 5% of Q3FY24 revenue as compared to 9% in Q3FY23.

❖ Gland Pharma (excluding Cenexi) break-up of Revenue as per Market:

(₹ in million)

Particulars	Q3FY24	Q3FY23	Y-o-Y	Q2FY24	Q-o-Q	9M FY24	9M FY23	Y-o-Y
USA	8,065	5,829	38%	7,082	14%	21,053	18,953	11%
Europe	323	608	-47%	252	28%	1,079	1,546	-30%
Canada, Australia and New Zealand (Other Core Markets)	292	190	54%	198	47%	683	659	4%
India	761	814	-7%	876	-13%	2,283	2,050	11%
Rest of the world	1,573	1,943	-19%	1,738	-10%	4,934	5,188	-5%
TOTAL	11,013	9,383	17%	10,146	9%	30,032	28,396	6%

Note: - Sales made to Indian customers for the US market have been considered in the US sales.

❖ Gland Standalone performance highlights for Q3FY24:

- Quarter-over-quarter growth propelled by consistent performance, increased volumes shipped in a stable pricing environment, and the introduction of new products.
- Manufacturing sites remain operational with efficiency, and the company is committed to delivering high-quality products at scale with competitive costs and all-time compliance. We are conducting a facility upgrade activity on one of the lyophilization lines at our Dundigal flagship facility in Hyderabad. Consequently, this lyophilization line will remain non-operational for two weeks in March. There will be a temporary supply disruption from this line; however, all the facility's other lines will remain operational.
- Total R&D expenses for Q3 FY24 were INR 530 million, or 5% of operating revenue.
- Filed 10 ANDA during the quarter and received approval for 3 ANDAs. As of December 31, 2023, Gland and its partners filed 346 ANDAs in the United States, 279 of which were approved and 67 pending approval.
- Capex: Total Capex incurred during the quarter ended December 31, 2023, was ₹ 810 million

❖ Cenexi's performance highlights for Q3FY24:

- For Q3 FY24, Cenexi reported a revenue of INR 4,439 million with a gross contribution of 75% and a negative EBITDA of INR 170 million.
- The business achieved EBITDA break-even on an adjusted basis, excluding some one-time expenses. An organizational restructuring exercise and changes to the pension provisions resulted in an effect of around two million euros in the quarter ended Dec 2023.
- Our post-merger integration review is now mostly complete, and we identified areas where Cenexi would need investments and significant improvements in operational efficiencies.
- Reasonable confidence in Cenexi's current clientele and the partners' commitment for the long term. As for expansion, we have a solid order book of new programs that have been signed and are currently in various stages of tech transfer and approval.



Earnings Call details:

The Company will conduct an Earnings call at 6.30 PM (IST) on February 14th, 2024, to discuss the business performance and answer questions from participants. To participate in this conference call, please dial the numbers provided below ten minutes ahead of the scheduled start time.

Universal Access	+91 22 6280 1516 / +91 22 7115 8875
Diamond pass link	Click here to register
National Toll-Free	1 800 120 1221
International Toll-Free Number	USA – 18667462133 UK – 08081011573 Singapore – 8001012045 Hong Kong – 800964448

About Gland Pharma Limited (BSE: 543245, NSE: GLAND)

Gland Pharma was established in 1978 in Hyderabad and has grown over the years from a contract manufacturer of small-volume liquid parenteral products to become one of the largest and fastest growing injectable-focused companies, with a global footprint across 60 countries, including the United States, Europe, Canada, Australia, India, and other markets. It operates primarily under a business-to-business (B2B) model and has an excellent track record in the development, manufacturing, and marketing of sterile injectables. It has a wide range of injectables, including vials, ampoules, pre-filled syringes, lyophilized vials, dry powders, infusions, oncology, and ophthalmic solutions, and also enjoys the distinction of having pioneered Heparin technology in India. For more information, log on to: www.glandpharma.com

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