

GLAND PHARMA LIMITED

Gland Pharma Limited

Gencitat

Financial Results Q2'FY24

06th November 2023

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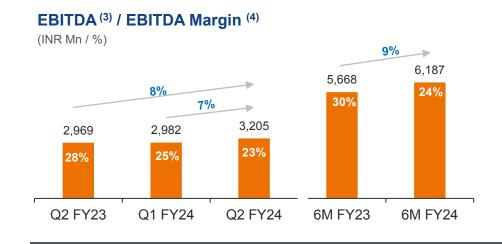
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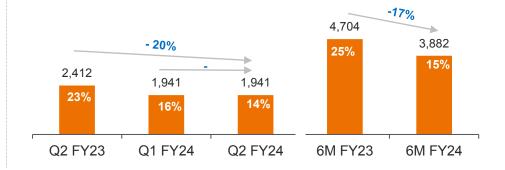
(INR Mn / %) 60% 16.077 62% 62% 13% 10,078 8,519 7,558 53% 5,249 62% 63% 50% Q2 FY23 Q1 FY24 Q2 FY24 6M FY23 6M FY24

Gross Profit ⁽¹⁾ / Gross Profit Margin ⁽²⁾



PAT / PAT Margin (5)

(INR Mn / %)



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

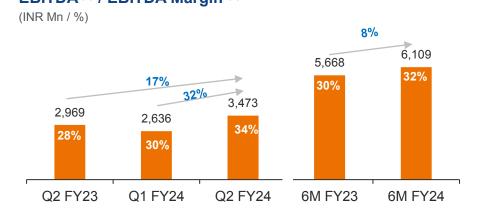
Note: (1) Gross Profit = Revenue from Operations – Materials consumed (2) Gross Profit Margin = Gross profit /Revenue from operations (3) EBITDA = Profit before tax plus exceptional items plus finance expense plus depreciation and amortization expense excluding other income and foreign exchange loss or gain. (4) EBITDA margin = EBITDA / Revenue from operations; (5) PAT margin = Profit for the period / Revenue from operations.



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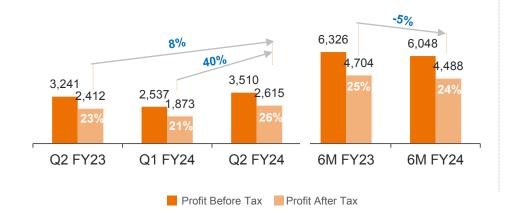


EBITDA⁽¹⁾ / EBITDA Margin⁽²⁾



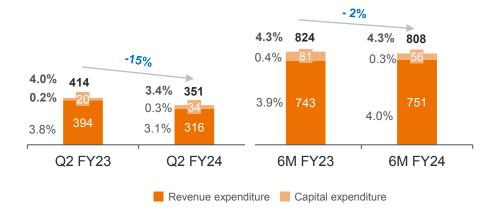
PBT / PAT / PAT Margin ⁽³⁾

(INR Mn / %)



R&D Expenses / (R&D % of Revenue)

(INR Mn / %)

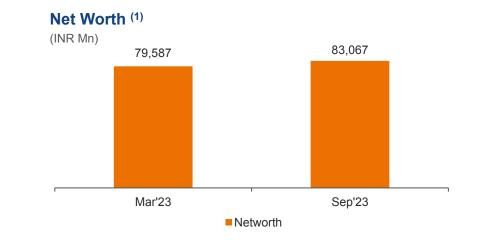


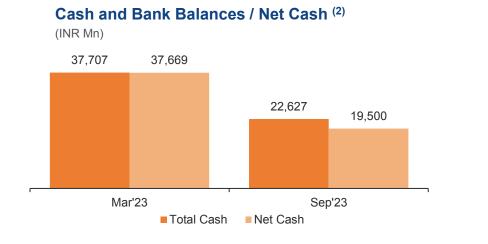
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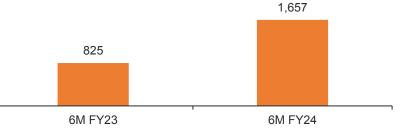
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Group Financial Highlights (3/4)





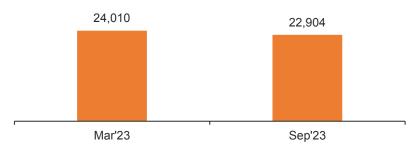
Capital Expenditure (INR Mn)



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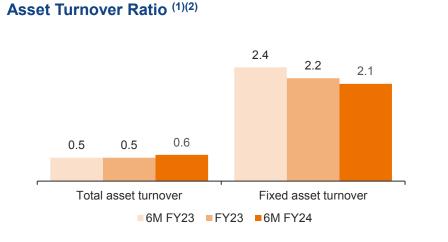
Note: (1) Net Worth refers to sum of equity share capital and other equity. (2) Net Cash refers to Cash, Investments in Debt Mutual Funds, Deposits with Financial Institutions and Bank Balances less Non-current borrowings (including current maturities). (3) Net Working Capital refers to Current assets (excluding cash and bank balances) less Current liabilities.

Net Working Capital ⁽³⁾ (INR Mn)





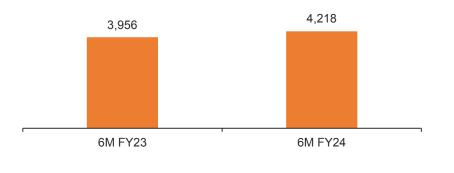
Group Financial Highlights (4/4)



ROCE ⁽³⁾ / RONW ⁽⁴⁾ (%) 13% 11% 10%10%

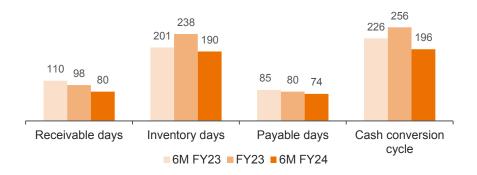
Cash Flow from Operations

(INR Mn)



Cash Conversion Cycle (CCC) ⁽⁵⁾⁽⁶⁾

(# of Days)



Results for the half year FY24 are not comparable to the earlier periods of the previous year due to the inclusion of Cenexi results.

Note: (1) Asset Turnover is calculated as Total Income for the period divided by average total assets for the period divided by average total fixed assets for the period divided by average total assets for the period divided by average total fixed assets for the period (Property, plant and equipment + Right-of-use assets + Capital work in progress); (3) Return on Capital Employed (ROCE) = (EBIT - Taxes)' Average Capital Employed for the period. Capital Employed represents Total Assets – Current Liabilities; (4) Return on Net Worth (RONW) = Profit for the period / Average Net Worth for the period. Net Worth represents sum of equity share capital and other equity; (5) COGS mean cost of goods soil includes cost of materials consumed, purchases of traded goods, change in inventories of finished goods, traded goods and work-in-progress and manufacturing overheads; (6) Receivable days calculated as average trade receivables for the period divided by COGS* over 183/365 days (as applicable), Inventory days - Payable days - Inventory days - Payable days + Inventory days - Payable days;



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P&L Highlights

Group P&L

							()	NR Mn)
Particulars	Q2 FY24	Q2 FY23	YoY	6M FY24	6M FY23	YoY	Q1 FY24	QoQ
Revenue from operations	13,734	10,444	32%	25,821	19,013	36%	12,087	14%
Other Income	532	656	-19%	907	1,400	-35%	375	42%
Total Income	14,266	11,100	29%	26,728	20,413	31%	12,462	14%
Gross Margin ⁽¹⁾	8,519	5,249	62%	16,077	10,078	60%	7,558	13%
% margin	62%	50%		62%	53%		63%	
EBITDA ⁽²⁾	3,205	2,969	8%	6,187	5,668	9%	2,982	7%
% margin ⁽³⁾	23%	28%		24%	30%		25%	
РВТ	2,899	3,241	-11%	5,512	6,326	-13%	2,613	11%
% margin	21%	31%		21%	33%		22%	
PAT	1,941	2,412	-20%	3,882	4,704	-17%	1,941	-
% margin ⁽⁴⁾	14%	23%		15%	25%		16%	

Cenexi P&L

Cenexi P&L		(INR Mn)		
Particulars	Q2 FY24	Q1 FY24(May-June)		
Revenue from operations	3,588	3,214		
Gross Margin ⁽¹⁾	2,773	2,436		
% margin	77%	76%		
EBITDA ⁽²⁾	-268	347		
% margin ⁽³⁾	-7%	11%		

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

Note: (1) Gross Margin = Revenue from Operations – Materials consumed; (2)) EBITDA = Profit before tax plus exceptional items plus finance expense plus depreciation and amortisation expense excluding other income and foreign exchange loss or gain. (3) EBITDA margin = EBITDA / Revenue from operations; (4) PAT margin = PAT / Revenue from operations

Q2 FY24 key highlights

Gland (Ex-Cenexi)

- Pricing and market share trends have shown encouraging indicators of normalization in our key products, notably in the United States, contributing to our revenue growth.
- Business stability is reinstating confidence in base products, and the outlook for future growth is positive, propelled by upcoming product launches, broadening of portfolios, and market penetration through a partner-led approach.
- Concluded a successful audit by EU authorities at the Pashamylaram site.
- Total R&D expenses for Q2 FY24 were INR 351 million, or 3% of operating revenue.
- Filed 1 ANDA during the quarter and received approval for 5 ANDAs. As of September 30, 2023, Gland and its partners filed 336 ANDAs in the United States, 275 of which were approved and 61 unresolved.

Cenexi

- As indicated in the previous quarter, the performance at Cenexi was impacted due to the annual summer shutdown in France. The business was inoperative for a month, and as a result, only a portion of its revenue was recorded despite incurring expenses for the entire quarter, resulting in a negative EBITDA margin. Adjusting for the fixed cost by operational period, the margin closely matches its past performance.
- While we see great traction for new Business opportunities, the focus is to streamline deliveries and Operational efficiencies to cater to the current demand to improve OTIF and fasten completion of the Technology transfer projects on hand.
- Some of the present low-margin businesses will be phased out to make way for newly secured businesses. The lag will primarily be due to technology transfer activity before the commercial batches are shipped out. Until then, we will have modest growth in revenues.
- ★ To improve capacity and operational efficiencies, we will invest approximately €60 million in CAPEX and working capital over the next 12 to 18 months. In the medium term, we anticipate Cenexi to begin churning results consistent with the acquisition thesis.



US Market

Revenue:

Launched 14 molecules in the market, including Calcitriol, Fluphenazine, and Desmopressin.

Increase in volume for some of the key products, such as Ketorolac Tromethamine, Rocuronium, Fluorouracil and Esmolol.

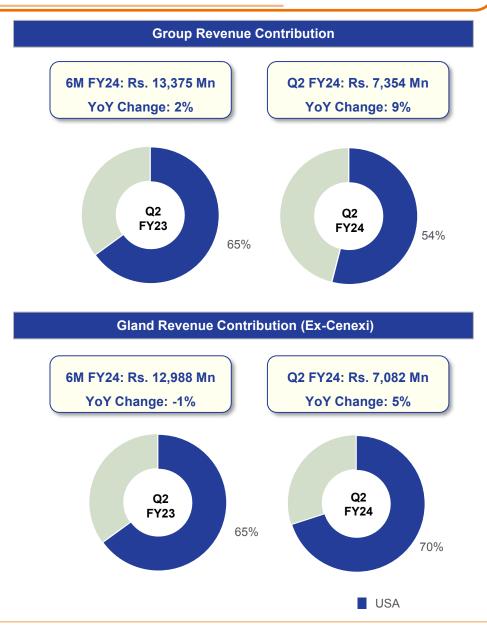
New launches⁽¹⁾:

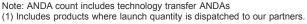
Q2 FY24: 34 Product SKUs

• US filings update:

As of September 30, 2023, we along with our partners had 336 ANDA filings in the United States, of which 275 were approved and 61 pending approval.

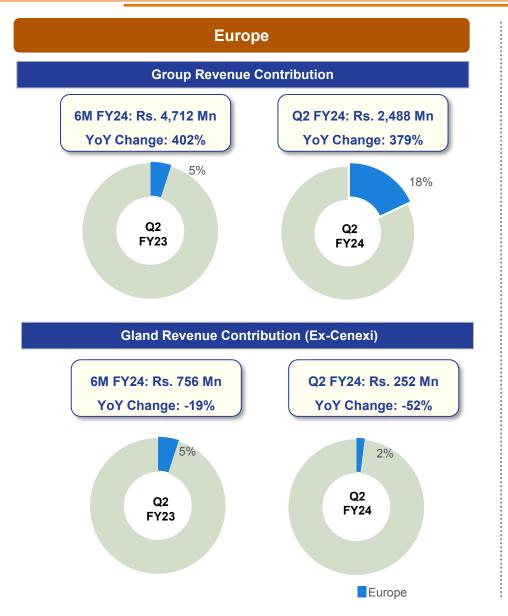
Q2 FY24
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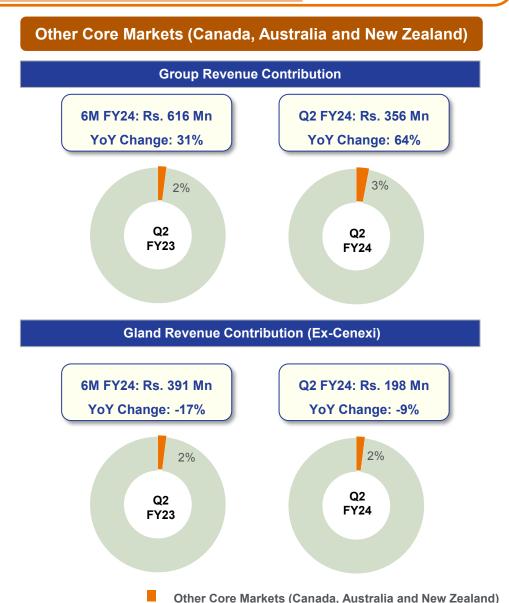






Europe, Other Core Markets (Canada, Australia and New Zealand)



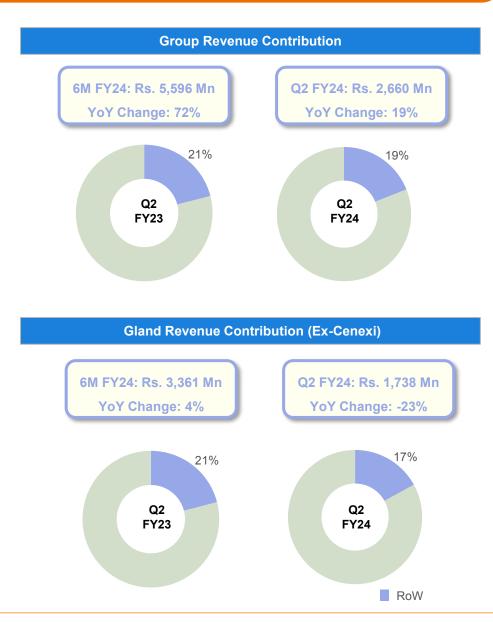


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Rest of the World Markets

Rest of the World Markets (Ex-Cenexi)

- Our Rest of the World markets contributed 17% of our revenue in Q2 FY24, compared to 21% in Q2 FY23.
- We expect the RoW demand to remain stable as we align strengths to expand our market reach and establish new partnerships.
- We registered Azacitidine, Rocuronium Bromide, Enoxaparin Sodium, Foscarnet sodium and Micafungin Sodium in new geographies during the Q2 FY24.

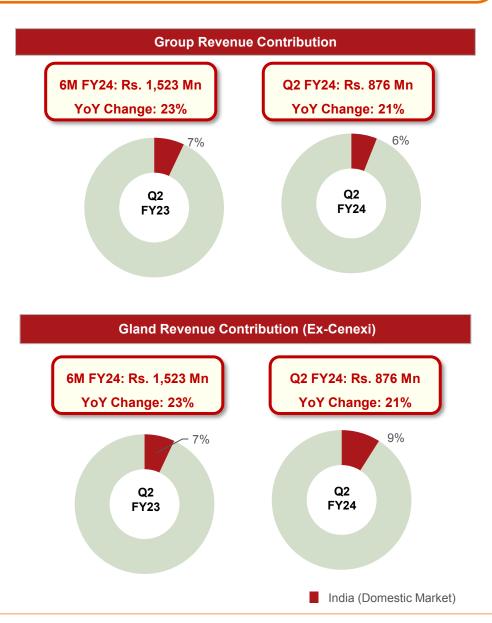




India (Domestic Market)

India - Domestic Market (Ex-Cenexi)

- The India market accounts for 9% of our Q2FY24 revenue and has seen growth of 21% as compared to the same quarter last year.
- We continue to operate within the realm of opportunities in which the portfolio holds the potential to improve the overall health of patients significantly.





Geographic Expansion

- China remains a key geographic focus, having received and launched one product this year.
- Enhanced geographical footprint in Europe through acquisition and integration of Cenexi for CDMO operations and new B2B partnerships in other markets through portfolio maximization of US-approved ANDA portfolio
- Expanding our penetration in the rest of the world markets by leveraging our approved portfolio and development capabilities.

Portfolio Development

- First-to-file (FTF) for one product filed in H1FY24 with a US market size of around \$ 170 million
- Make progress with the complex portfolio, and in the next 5-6 months, at least two products are ready for submission.

Establishing biosimilar CDMO

- Plasma protein portfolio expanded in Shamirpet facility.
- Evaluating several biologics CDMO opportunities





Registered Office

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