



GLAND PHARMA LIMITED

Gland Pharma Limited

Financial Results
Q1'FY23

20th July 2022



Safe Harbor Statement

The Presentation is to provide the general background information about the Company's activities as at the date of the Presentation. The information contained herein is for general information purposes only and based on estimates and should not be considered as a recommendation that any investor should subscribe / purchase the company shares.

This presentation may include certain "forward looking statements". 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. Important factors that could cause actual results to differ materially from our expectations include, amongst others general economic and business conditions in India and any other country, ability to successfully implement our strategy, our research and development efforts, our growth and expansion plans and technological changes, changes in the value of the Rupee and other currencies, changes in the Indian and international interest rates, change in laws and regulations that apply to the Indian and global pharmaceuticals industries, increasing competition, changes in political conditions in India or any other country and changes in the foreign exchange control regulations in India. Neither the company, nor its directors and any of the affiliates or employee have any obligation to update or otherwise revise any forward-looking statements. The readers may use their own judgment and are advised to make their own calculations before deciding on any matter based on the information given herein.

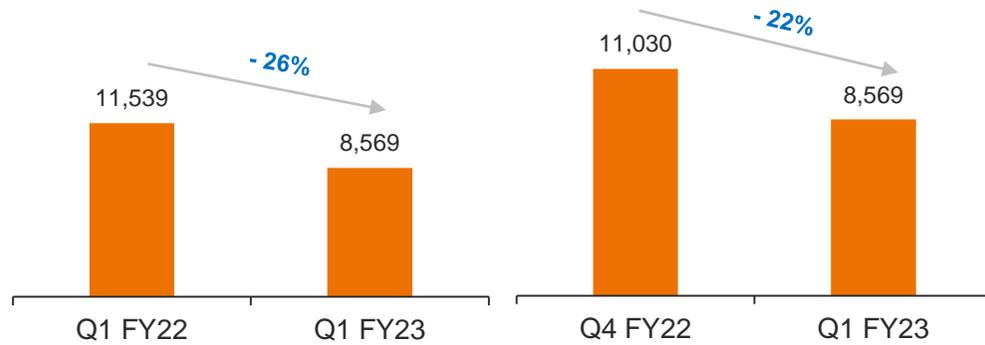
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Financial Highlights (1/3)

Maintain profitability despite supply chain disruption

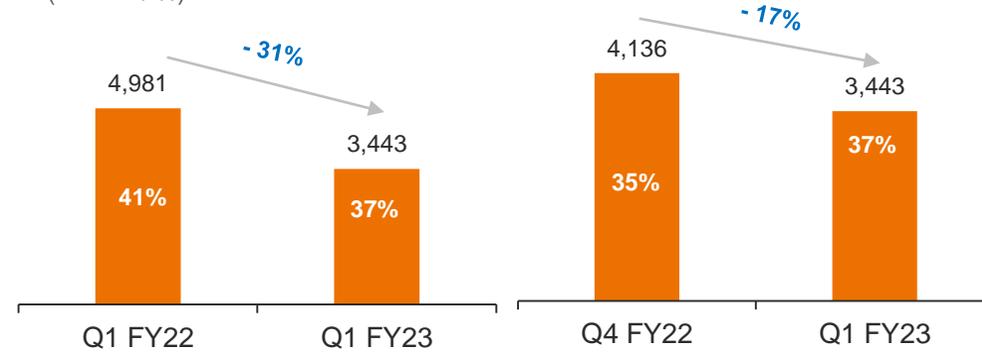
Revenue from Operations

(INR Mn)



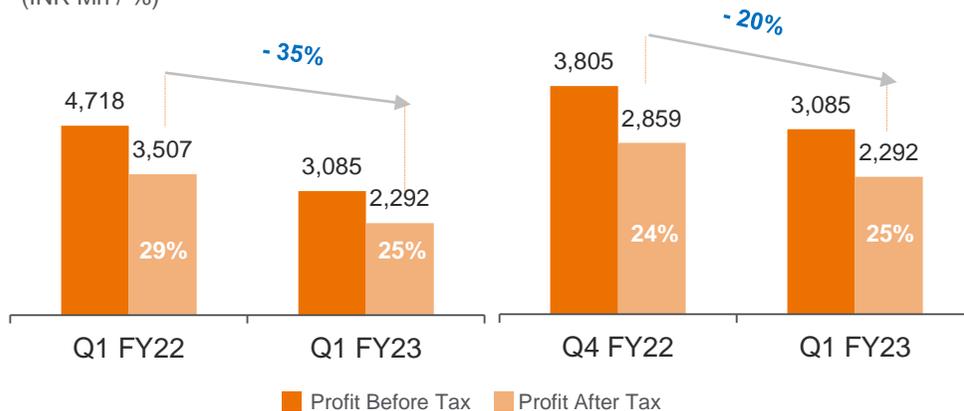
EBITDA ⁽¹⁾ / EBITDA Margin ⁽²⁾

(INR Mn / %)



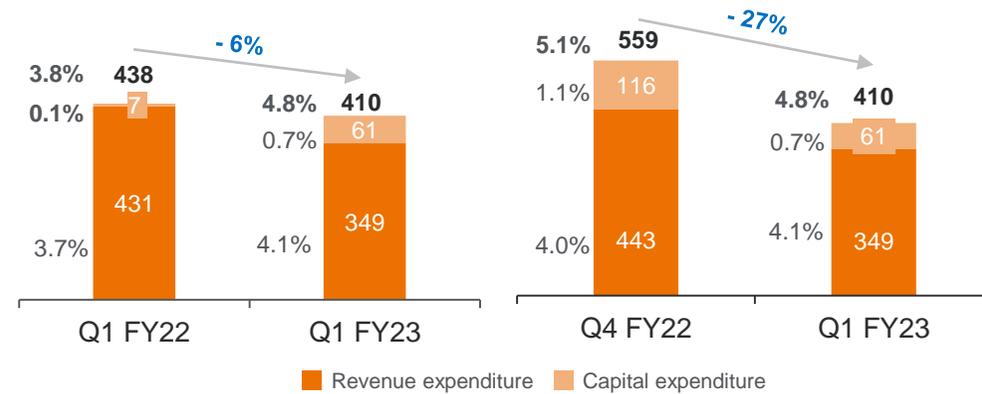
PBT / PAT / PAT Margin ⁽³⁾

(INR Mn / %)



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

(INR Mn / %)



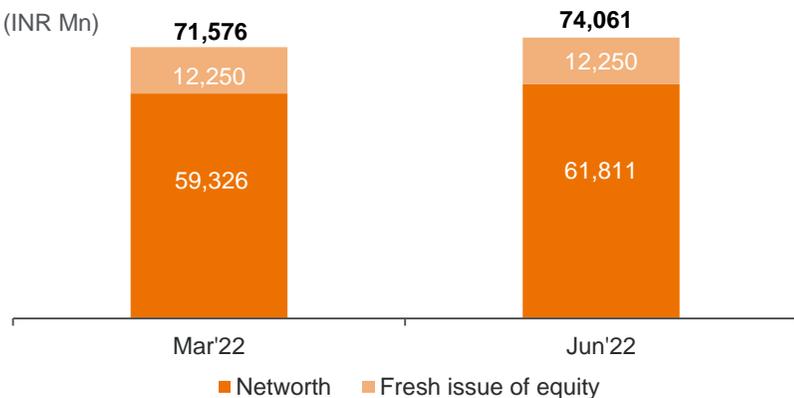
Note: (1) EBITDA stands for earnings before interest, taxes, depreciation and amortisation which has been arrived at by adding finance expense, depreciation expense and total tax expense to the profit for the period. (2) EBITDA margin = EBITDA / Total Income; (3) PAT margin = Profit for the period / Total Income

Financial Highlights (2/3)

Strong Balance Sheet to support future growth plans

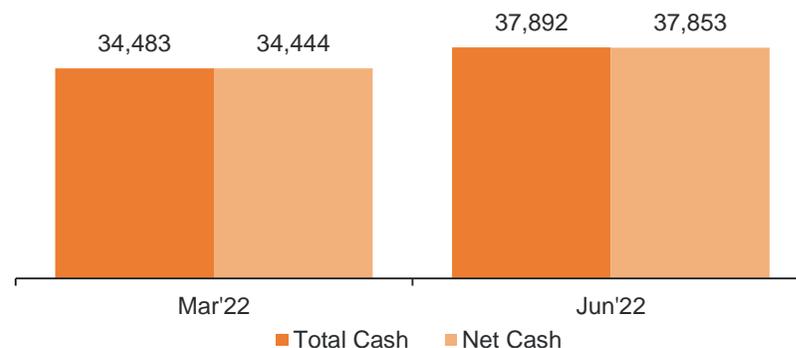
Net Worth ⁽¹⁾

(INR Mn)



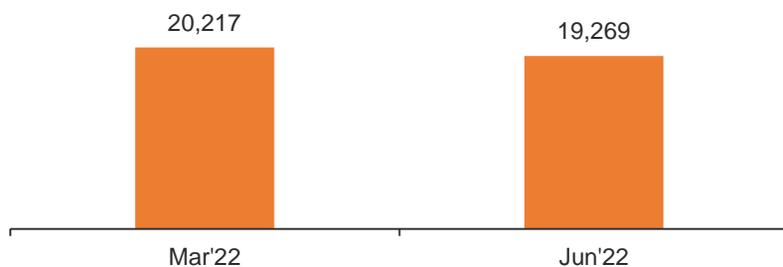
Cash and Bank Balances / Net Cash ⁽²⁾

(INR Mn)



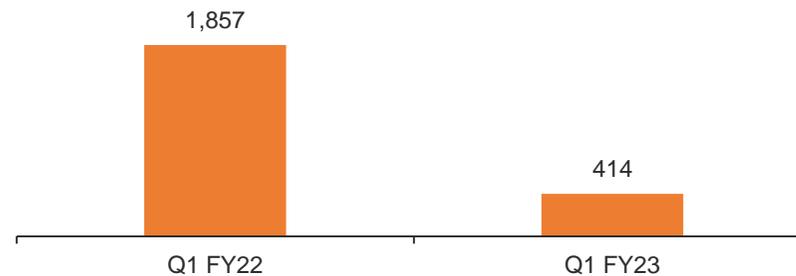
Net Working Capital ⁽³⁾

(INR Mn)



Capital Expenditure

(INR Mn)

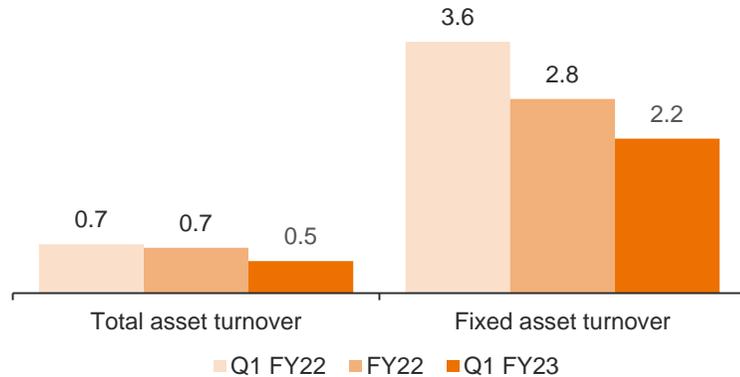


Note: (1) Net Worth refers to sum of equity share capital and other equity. (2) Net Cash refers to Cash, Investments in Debt Mutual Funds, Deposits with Financial Institutions and Bank Balances less Non-current borrowings (including current maturities). (3) Net Working Capital refers to Current assets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

Financial Highlights (3/3)

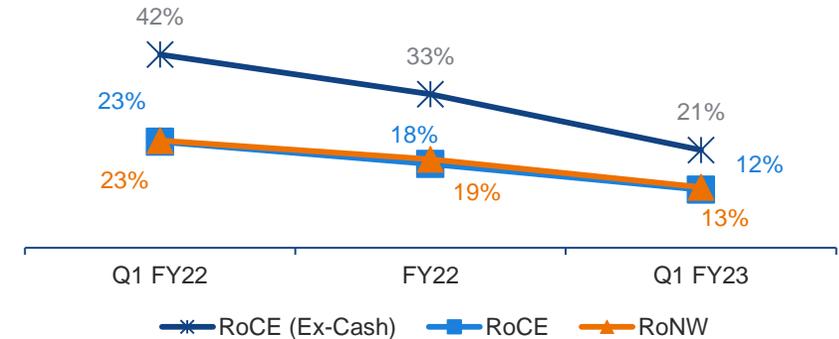
Focus on capital efficiency and ramping-up new capacities

Asset Turnover Ratio ⁽¹⁾⁽²⁾



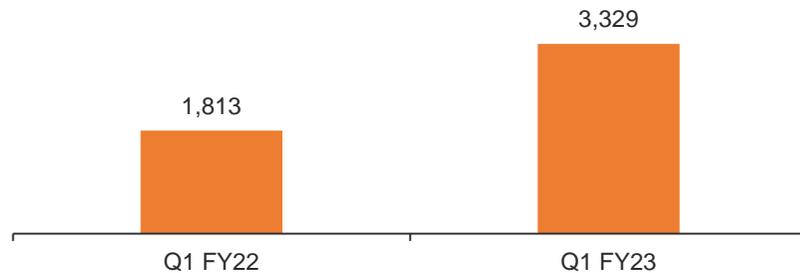
ROCE (ex-cash)⁽³⁾ / ROCE ⁽⁴⁾ / RONW ⁽⁵⁾

(%)



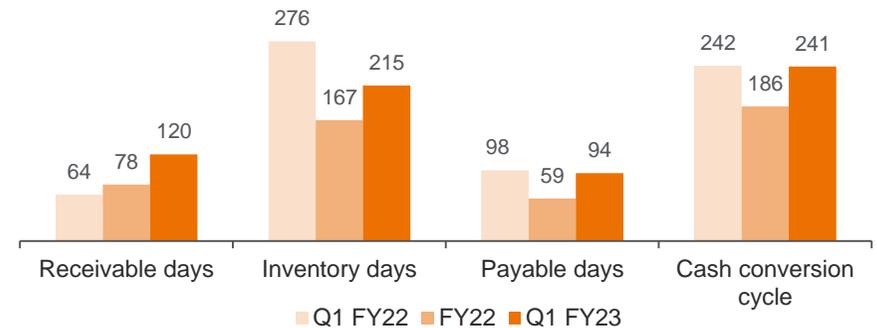
Cash Flow from Operations

(INR Mn)



Cash Conversion Cycle (CCC) ⁽⁶⁾⁽⁷⁾

(# of Days)



Note: (1) Asset Turnover is calculated as Total Income for the period divided by average total assets for the period; (2) Fixed Asset Turnover is calculated as Total Income 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) ROCE (ex cash) = (EBIT - Taxes - Interest Income (net of taxes)) / Average Capital Employed for the period. Capital Employed represents Total Assets (excluding Cash and Bank balances) - Current Liabilities (4) Return on Capital Employed (ROCE) = (EBIT - Taxes) / Average Capital Employed for the period. Capital Employed represents Total Assets - Current Liabilities; (5) 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; (6) COGS mean cost of goods sold includes cost of materials consumed, purchases of traded goods, change in inventories of finished goods, traded goods and work-in-progress and manufacturing overheads; (7) Receivable days calculated as average trade receivables for the period divided by revenue from operations * over 90/365 days (as applicable), Inventory days calculated as average inventory for the period divided by COGS* over 90/365 days (as applicable), & Payable days calculated as average trade payable for the period divided by COGS* over 90/365 days (as applicable). CCC calculated as Receivable days + Inventory days - Payable days;

P&L Highlights

(INR Mn)

Particulars	Q1 FY23	Q1 FY22	YoY change	Q1 FY23	Q4 FY22	QoQ change	FY22
Revenue from operations	8,569	11,539	-26%	8,569	11,030	-22%	44,007
Other Income (excluding Forex gain)	402	341	18%	402	380	6%	1,447
Forex gain (net)	342	277	24%	342	272	26%	792
Total Income	9,313	12,157	-23%	9,313	11,682	-20%	46,246
Gross Margin⁽¹⁾	4,828	6,174	-22%	4,828	5,577	-13%	22,915
<i>% margin</i>	56%	54%		56%	51%		52%
EBITDA⁽²⁾	3,443	4,981	-31%	3,443	4,136	-17%	17,341
<i>% margin⁽³⁾</i>	37%	41%		37%	35%		37%
PBT	3,085	4,718	-35%	3,085	3,805	-19%	16,186
<i>% margin</i>	33%	39%		33%	33%		35%
PAT	2,292	3,507	-35%	2,292	2,859	-20%	12,117
<i>% margin⁽⁴⁾</i>	25%	29%		25%	24%		26%

Note: (1) Gross Margin = Revenue from Operations – Materials consumed; (2) EBITDA stands for earnings before interest, taxes, depreciation and amortisation which has been arrived at by adding finance expense, depreciation expense and total tax expense to the profit for the period; (3) EBITDA margin = EBITDA / Total Income; (4) PAT margin = PAT / Total Income

USA, Europe, Canada and Australia (Core Markets)

Revenue:

Ensured timely new product launches and commercialized key products such as Bortezomib, Pemetrexed, Pantoprazole and Cyanocobalamin in the US market. Received 180 days CGT exclusivity for Zinc Sulfate injection in the US market.

New launches⁽²⁾:

Q1 FY23: 14 Product SKUs (7 molecules)

US filings update:

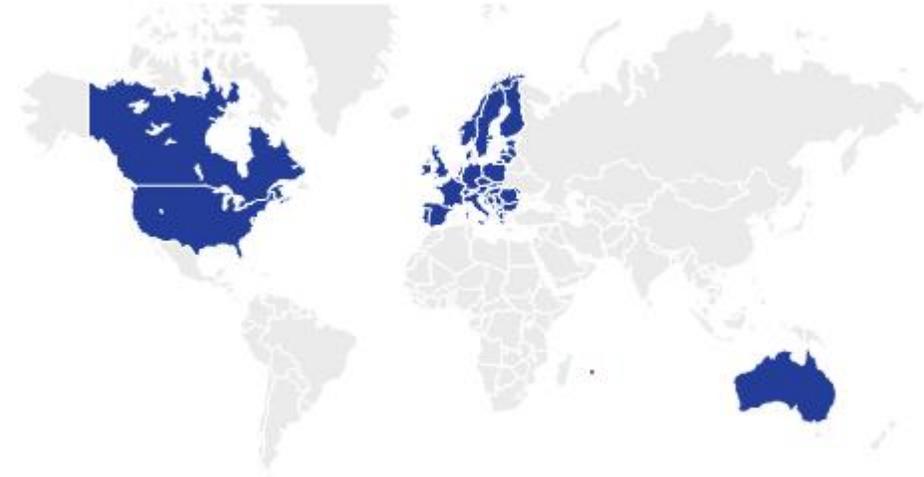
As of Jun 30, 2022, we along with our partners had 316 ANDA filings in the United States, of which 255 were approved and 61 pending approval.

	Q1 FY23 ⁽³⁾
ANDA Filed	6
ANDA Approved ⁽³⁾	11
DMFs Filed	-

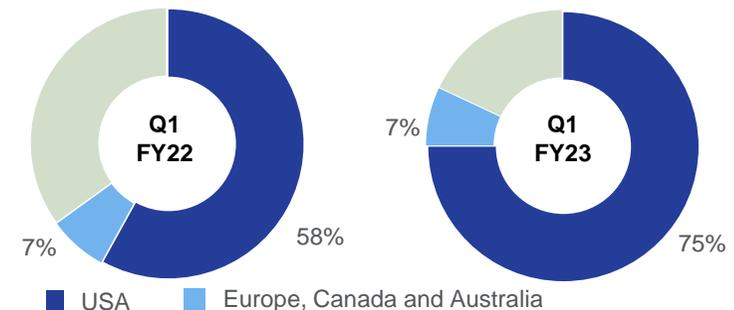
Q1 FY23: Rs. 7,056 Mn

YoY Change: -6%

Core Markets⁽¹⁾



Revenue Contribution



Note: ANDA count includes technology transfer ANDAs

(1) Core markets includes USA, Europe, Canada and Australia; (2) Includes products where launch quantity is dispatched to our partners; (3) Includes final approval received for 7 ANDAs

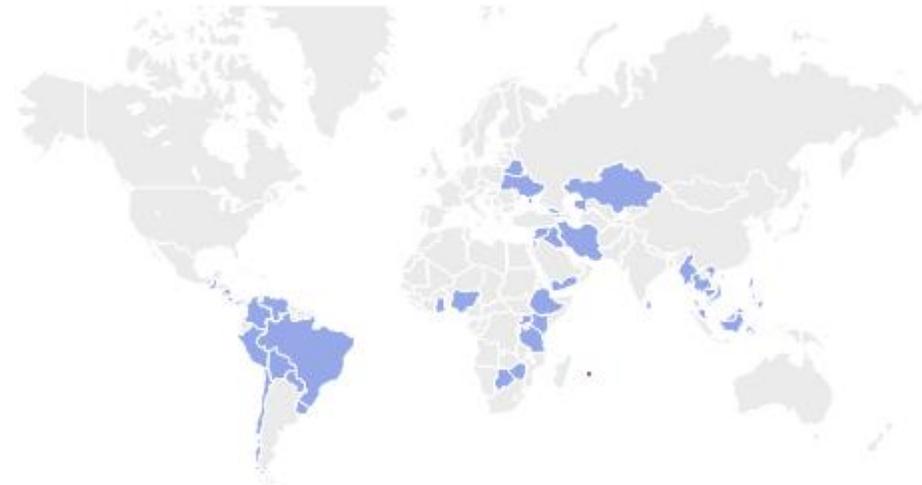
Rest of the World Markets

- Delay in material supplies impacted our ability to take up orders with low delivery times.
- Demand remains strong and we are working to build inventory to meet the growing demand.
- Our key markets contributing to the growth continue to remain MENA, LatAm and APAC.
- We registered Ethacrynate Sodium, Ganciclovir, Foscarnet sodium and Labetalol Hydrochloride in new geographies during the Q1 FY23.

Q1 FY23: Rs. 1,002 Mn

YoY Change: -55%

Rest of the World Markets



Revenue Contribution



India (Domestic Market)

- India market sales accounted for 6% of our total sales during Q1 FY23.
- Shutdown of dedicated insulin line taken for increasing the line productivity impacted quarterly sales. Shortfall in Insulin production to be compensated by improved line productivity for the rest of the year.
- Higher input costs due to supply side challenges for our core portfolio also impacted sales conversion.
- India sales were lower as compared to Q1 FY22 because of higher base due to Covid products like Remdesivir and Enoxaparin Injection in that quarter.

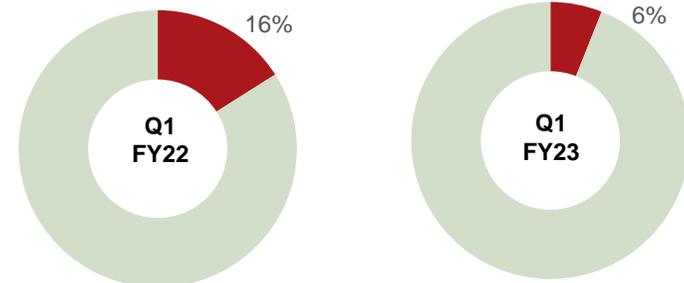
Q1 FY23: Rs. 510 Mn

YoY Change: -72%

India (Domestic Market)



Revenue Contribution



Growth Drivers

1

Geographic Expansion

- **China remains a key geographic focus** and we expect to start receiving approvals for at least a couple of products during the current year as the inspection has been waived off
- We have also **finalized next set of product filings for China with an addressable market size of ~ \$ 1 billion**
- We are expanding our penetration in the rest of the world markets such as **South Africa** and **Kazakhstan**

2

Portfolio Development

- **Received first-to-file (FTF) for two filed products** during Q1 FY23 with a US market size of ~ \$ 145 million
- Investing in new manufacturing lines for technologies involving **microspheres and combi-vials** to support our complex development portfolio

3

Establishing bio-similar CDMO

- Significant progress in **building internal capabilities** in terms of resources and infrastructure
- **Exploring opportunities for external partnerships** with keen interest from existing partners
- **Site visits were conducted for 4 customers** at our biotech facility during the quarter Q1 FY23



Registered Office

Gland Pharma Limited

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