

Gland Pharma reports a healthy Q1FY25 financial performance with 16% revenue growth

Hyderabad, August 6th, 2024: Gland Pharma Limited (BSE: 543245 | NSE: GLAND), a generic injectable-focused pharmaceutical company, today announced its financial results for the first quarter (Q1FY25) ended on June 30th, 2024.

Financial Highlights

Q1 FY25 (April 2024 to June 2024)

- Consolidated revenue surged 16% YoY to INR 14,017 million.
- Consolidated EBITDA decreased 11% YoY to INR 2,654 million.
- Consolidated EBITDA margin was at 19% versus 25% in Q1FY24.
- Base business (ex-Cenexi) revenue grew 14% YoY to INR 10,134 million.
- Base business (ex-Cenexi) EBITDA jumped 12% YoY to INR 2,941 million.
- Base business (ex-Cenexi) EBITDA margin was at 29% versus 30% in Q1FY24.

Commenting on the results, **Mr. Srinivas Sadu, Executive Chairman and CEO of Gland Pharma**, said, “We reached INR 14,017 million in total revenue, a 16% increase from Q1FY24. This growth aligns with our projections and is primarily driven by the US market, which saw a 27% revenue increase led by existing and certain new products. Our base business EBITDA margins were at 29%, and consolidated EBITDA margins for the quarter were 19%, mainly affected by Cenexi. We're confident in our ability to meet our fiscal year goals and are excited about the growing opportunities and even stronger results expected in the coming quarters.”

Consolidated Financial Performance

Particulars ⁽¹⁾	INR Mn				
	Q1 FY25	Q1 FY24	YoY	Q4 FY24	QoQ
Revenue from operations	14,017	12,087	16%	15,375	(9%)
Gross Profit	8,375	7,558	11%	9,381	(11%)
Gross Profit Margin	60%	63%		61%	
EBITDA ⁽²⁾	2,654	2,982	(11%)	3,587	(26%)
EBITDA Margin (%)	19%	25%		23%	
PBT	2,182	2,613	(16%)	2,982	(27%)
PBT Margin (%)	16%	22%		19%	
PAT	1,438	1,941	(26%)	1,924	(25%)
PAT Margin (%)	10%	16%		13%	

Base Business (Ex-Cenexi) Financial Performance

Particulars	INR Mn				
	Q1 FY25	Q1 FY24	YoY	Q4 FY24	QoQ
Revenue from operations	10,134	8,873	14%	11,737	(14%)
Gross Profit	5,348	5,122	4%	6,571	(19%)
Gross Profit Margin	53%	58%		56%	
EBITDA ⁽²⁾	2,941	2,636	12%	4,306	(32%)
EBITDA Margin (%)	29%	30%		37%	
PBT	3,006	2,537	18%	4,268	(30%)
PBT Margin (%)	30%	29%		36%	
PAT	2,248	1,873	20%	3,161	(29%)
PAT Margin (%)	22%	21%		27%	

Cenexi Financial Performance

Particulars	INR Mn				
	Q1 FY25	Q1 FY24	YoY	Q4 FY24	QoQ
Revenue from operations	3,883	3,214	21%	3,637	7%
Gross Profit	3,026	2,436	24%	2,810	8%
Gross Profit Margin	78%	76%		77%	
EBITDA ⁽²⁾	(286)	347		(719)	
EBITDA Margin (%)	(7%)	11%		(20%)	

1) Figures for Q1FY24 have two months performance of Cenexi.

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

Business Highlights (Gland)

Key Highlights:

- **R&D expenses:** INR 489 million (5% of revenue).
- **Regulatory filings:** 8 ANDAs filed, 7 ANDAs approved in Q1FY25.
- **Total filings:** 356 ANDAs in the U.S. (295 approved, 61 pending). Global product registrations: 1,708.
- **Capex:** Total Capex incurred during the quarter ended June 30th, 2024, was INR 637 million.
- **US Market:** Eight molecules, including Eribulin mesylate, Plerixafor, Nelarabine, and Edaravone, were launched in the market.
- **China Market:** Nine products have been filed to date, of which three have been approved and one has been commercialized.
- **Complex Injectables:** Six approvals have been received out of 19 molecules under development to date. To accelerate growth, we are exploring acquisitions, in-licensing, and co-development opportunities.
- **Biologics:** Our biologics facility in Genome Valley is attracting advanced-stage interest from multiple players for contract manufacturing of monoclonal antibodies and novel plasma-based proteins. In addition, we are in discussions with a leading biologics company for a potential strategic collaboration. This collaboration could involve large-scale contract manufacturing of key biosimilars, with a possible in-licensing opportunity for Gland in specific markets of interest. Although this discussion is in the early stages, it represents promising avenues for Gland to maximize its value in both CDMO and complex portfolio expansion. We will continue to update you on our progress.
- **Quality & Operations:** The USFDA made two surprise inspections of our manufacturing sites in Hyderabad. The inspections concluded with two and three form 483 observations at Dundigal and Pashamylaram, respectively. As previously communicated, these observations are procedural and do not affect our compliance status.

Market Wise Performance (Consolidated)

INR Mn

Particulars ⁽³⁾	Q1 FY25	Q1 FY24	YoY	Q4 FY24	QoQ
USA	7,628	6,021	27%	8,784	(13%)
Europe	2,566	2,224	15%	2,685	(4%)
Canada, Australia and New Zealand <i>(Other Core Markets)</i>	447	260	72%	578	(23%)
India	527	647	(19%)	526	0.2%
Rest of the world	2,849	2,935	(3%)	2,802	2%
TOTAL	14,017	12,087	16%	15,375	(9%)

Market Wise Performance (Ex-Cenexi)

INR Mn

Particulars ⁽³⁾	Q1 FY25	Q1 FY24	YoY	Q4 FY24	QoQ
USA	7,524	5,905	27%	8,727	(14%)
Europe	407	504	(19%)	477	(15%)
Canada, Australia and New Zealand <i>(Other Core Markets)</i>	194	193	1%	417	(53%)
India	527	647	(19%)	526	0.2%
Rest of the world	1,481	1,623	(9%)	1,590	(7%)
TOTAL	10,134	8,873	14%	11,737	(14%)

3) Sales made to Indian customers for the US market have been considered in the US sales.

Business Highlights (Cenexi)

Key Highlights:

Fontenay Site (Paris, France):

- It is a significant revenue contributor and is showing improved operational performance due to efficiency enhancements, additional shifts, organizational changes, optimized production planning, and maintenance reorganization.
- A new ampoule line will be commissioned in August, with commercial production starting in early 2025. This line is expected to increase capacity, improve customer service, and generate approximately €10 million in revenue in 2025.

Hérouville Site (Normandy, France):

- Poised for future growth with new business from technology transfer projects.
- New aseptic ophthalmic gel line to begin commercial production for a key customer before the end of the year.

Belgium and Osny Sites (France):

- On track with business plan expectations

Outlook:

- **Q2FY25 Impact:** Lower activity levels are expected due to the European holiday season and planned summer maintenance shutdowns. The Fontenay plant will have an extended 3-week shutdown for new ampoule line installation.
- **Reaffirmed Outlook:** We expect positive EBITDA for Q4 of this fiscal year and a positive EBITDA for the next fiscal year, driven by increased revenue exceeding the €200 million threshold.



Earnings Call Details

The Company will conduct an Earnings call at 6.30 PM (IST) on August 6th, 2024, to discuss the business performance and answer participants' questions. To participate in this conference call, please dial the numbers provided below ten minutes before 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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