



Press Release

Gland Pharma's Q3FY23 Revenue stood at ₹ 9,383 Mn with Gross margin of 54%

Hyderabad, January 23, 2023: 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 ended December 31, 2022.

Commenting on the results, Mr. Srinivas Sadu, MD & CEO of Gland Pharma said "We closed this quarter Q3 FY23, with a revenue of ₹ 9,383 Mn and a PAT of ₹ 2,319 Mn. Challenging business environment, ongoing supply chain disruptions leading to production delays continue to impact our performance. We have received EIR from US FDA after the last audit at our Dundigal facility. Our continued focus on product quality and compliance differentiates us and provide confidence to our partners for long term association. We also completed signing the share purchase agreement for the proposed acquisition of Cenexi. This is our first acquisition overseas and it is in line with Gland's long-term growth objectives. It will enable Gland to increase its presence and to expand its product and service offering capability in Europe. Our new production lines in our sterile facility, in Pashamylaram, will support our product portfolio of complex and differentiated delivery formats. Amidst the tough business environment, we are taking all steps towards generating long-term stakeholder value."

❖ **Financial summary:**

(₹ in million)

Particulars	Q3FY23	Q3FY22	Y-o-Y	Q2FY23	Q-o-Q	9MFY23	9MFY22	Y-o-Y
Revenue from operations	9,383	10,633	(12%)	10,444	(10%)	28,396	32,977	(14%)
Total Income	9,998	11,090	(10%)	11,100	(10%)	30,411	34,564	(12%)
EBITDA ⁽¹⁾	3,511	3,946	(11%)	3,625	(3%)	10,579	13,205	(20%)
EBITDA Margin (%) ⁽²⁾	35%	36%		33%		35%	38%	
PBT	3,109	3,656	(15%)	3,241	(4%)	9,434	12,381	(24%)
PBT Margin (%)	31%	33%		29%		31%	36%	
PAT	2,319	2,730	(15%)	2,412	(4%)	7,024	9,258	(24%)
PAT Margin (%)	23%	25%		22%		23%	27%	

⁽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

- Revenue from operations for the nine months ended December 31, 2022, declined by 14% as compared to the corresponding period of previous year due to significant business impact in first quarter of current financial year because of non-availability and long lead times for several processing and primary materials, softer off-take of few of our key products in the US and higher base of last year due to COVID related products sale.
- Revenue from operations during the quarter has declined by 12% as compared to corresponding quarter of the previous year.
- Gross Margin of the Company improved during the quarter as compared to same quarter previous year and remained stable in nine months period of the year as compared to same period of previous financial year largely due to favourable Geography mix and Product mix.

**Marketwise Revenue:**

(₹ in million)

Particulars	Q3FY23	Q3FY22	Y-o-Y	Q2FY22	Q-o-Q	9MFY23	9MFY22	Y-o-Y
USA, Europe, Canada, Australia, and New Zealand (Core Markets)	6,626	7,406	(11%)	7,475	(11%)	21,158	22,138	(4%)
India	814	1,196	(32%)	726	12%	2,050	4,259	(52%)
Rest of the world	1,943	2,031	(4%)	2,243	(13%)	5,188	6,579	(21%)
TOTAL	9,383	10,633	(12%)	10,444	(10%)	28,396	32,977	(14%)

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

- Core markets of US, Europe, Canada, Australia, and New Zealand accounted for 70% of revenue during Q3FY23, maintaining similar level of revenue contribution as compared to Q3FY22.
- Sale to US market is comprising of products sold to both US customers and Indian customers for US markets. For Q3FY23 direct sale to US customers ₹ 5,179 million and to Indian customers for US markets was ₹ 650 million, totalling ₹ 5,829 million.
- During the quarter the Company has Launched 5 product SKUs.
- Rest of the World markets, accounted for 21% of Q3FY23 revenue for the quarter.
- India market accounts for 9% of Q3FY23 revenue and witnessed sequential recovery of business due to normalization of Insulin production line.

❖ Research and Development:

- The total R&D expense for Q3FY23 was ₹ 512 million which is 5.5% of revenue. During nine months period of current financial year, the Company has incurred ₹ 1,336 million in R&D which is 4.7% of revenue.
- During Q3FY23, the Company has filed 8 ANDAs, and received 4 ANDA approvals.
- As on December 31, 2022, we along with our partners has 325 ANDA filings in the United States, of which 257 were approved and 68 pending approvals.

❖ Capex:

- Total Capex incurred during the quarter was ₹ 427 million. During nine months, ended December 31, 2022, total Capex incurred was ₹ 1,253 million.
- The Company is adding new capabilities of Combi-line for Microsphere, additional Bag line and lyos for the Penem block in Pashamylaram facility in Hyderabad.
- The Company will be earmarking capital for further building on its Biosimilar CDMO facility.



Earnings Call details:

- The Company will conduct an Earnings call at 6.30 PM (IST) on January 23rd, 2023, 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, 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 have 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

Contacts:

Sampath Kumar Pallerlamudi
Company Secretary and Compliance Officer
investors@glandpharma.com

Sumanta Bajpayee
Vice President – Finance & Investor Relations
sumanta.bajpayee@glandpharma.com

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