

## **Gland Pharma reports a strong Q4FY24 and FY24 financial performance; the Board of Directors have recommended a first-ever post-listing dividend equivalent to INR 20 per equity share to shareholders.**

**Hyderabad, May 22nd, 2024:** Gland Pharma Limited (BSE: 543245 | NSE: GLAND), a generic injectable-focused pharmaceutical company, today announced its financial results for the fourth quarter (Q4FY24) and full year (FY24) ended on Mar 31st, 2024.

### **Financial Highlights**

#### **Q4 FY24 (January 2024 to March 2024)**

- Consolidated revenue surged 96% YoY to INR 15,375 million.
- Consolidated EBITDA soared 113% YoY to INR 3,587 million.
- Consolidated EBITDA margin was at 23% versus 21% in Q4FY23.
- Base business (ex-Cenexi) revenue grew 50% YoY to INR 11,737 million.
- Base business (ex-Cenexi) EBITDA jumped 156% YoY to INR 4,306 million.
- Base business (ex-Cenexi) EBITDA margin expanded to 37% in Q4FY24 from 21% in Q4FY23.

#### **FY24 (April 2023 to March 2024)**

- Consolidated revenue climbed 56% YoY to INR 56,647 million.
- Consolidated EBITDA rose 30% YoY to INR 13,331 million.
- Consolidated EBITDA margin stood at 24%, a decline of ~400 basis points due to Cenexi integration.
- Base business (ex-Cenexi) revenue increased 15% YoY to INR 41,769 million.
- Base business (ex-Cenexi) EBITDA jumped 38% YoY to INR 14,142 million.
- Base business (ex-Cenexi) EBITDA margin stood at 34% against 28% in FY23.

#### **Dividend Announcement:**

- The Board of Gland Pharma is pleased to recommend its first-ever post-listing dividend to shareholders.
- The Board recommends a final dividend of INR 20 per equity share for the fiscal year ending March 31st, 2024, subject to the approval of our shareholders.

Commenting on the results, **Mr. Srinivas Sadu, MD & CEO of Gland Pharma**, said, *“We are delighted to close out the last quarter and FY24 with positive results. This year marked a significant rebound for our base business, and we began an exciting new chapter as we completed our first international acquisition, Cenexi, in Europe. Despite the dynamic business landscape, we’ve shown resilience and delivered a performance that positions us well for continued growth and success. We see continued momentum in this segment and are optimistic about its future opportunities. The strategic rationale behind Cenexi’s acquisition remains intact, and we expect it to deliver significant value as we move forward.”*

## Consolidated Financial Performance

Particulars <sup>1</sup>	INR Mn							
	Q4 FY24	Q4 FY23	Y-o-Y	Q3 FY24	Q-o-Q	FY24	FY23	Y-o-Y
Revenue from operations	15,375	7,850	96%	15,452	(0.5%)	56,647	36,246	56%
Gross Profit	9,381	4,202	123%	9,459	(1%)	34,916	19,392	80%
Gross Profit Margin	61%	54%		61%		62%	54%	
EBITDA <sup>(2)</sup>	3,587	1,684	113%	3,557	1%	13,331	10,248	30%
EBITDA Margin (%)	23%	21%		23%		24%	28%	
Exceptional Item <sup>(3)</sup>	-	(565)	-	-	-	-	(565)	-
PBT	2,982	1,112	168%	2,832	5%	11,325	10,546	7%
PBT Margin (%)	19%	14%		18%		20%	29%	
PAT	1,924	787	145%	1,919	0.3%	7,725	7,810	(1%)
PAT Margin (%)	13%	10%		12%		14%	22%	

## Base Business (Ex-Cenexi) Financial Performance

Particulars <sup>1</sup>	INR Mn							
	Q4 FY24	Q4 FY23	Y-o-Y	Q3 FY24	Q-o-Q	FY24	FY23	Y-o-Y
Revenue from operations	11,737	7,850	50%	11,013	7%	41,769	36,246	15%
Gross Profit	6,571	4,202	56%	6,128	7%	23,567	19,392	22%
Gross Profit Margin	56%	54%		56%		56%	54%	
EBITDA <sup>(2)</sup>	4,306	1,684	156%	3,727	16%	14,142	10,248	38%
EBITDA Margin (%)	37%	21%		34%		34%	28%	
Exceptional Item <sup>(3)</sup>	-	(565)	-	-	-	-	(565)	-
PBT	4,268	1,112	284%	3,794	12%	14,109	10,546	34%
PBT Margin (%)	36%	14%		34%		34%	29%	
PAT	3,161	787	302%	2,808	13%	10,456	7,810	34%
PAT Margin (%)	27%	10%		25%		25%	22%	

## Cenexi Financial Performance

Particulars <sup>1</sup>	INR Mn			
	Q4 FY24	Q4 FY23	Y-o-Y	11M FY24
Revenue from operations	3,637	4,439	(18%)	14,878
Gross Profit	2,809	3,331	(16%)	11,349
Gross Profit Margin	77%	75%		76%
EBITDA <sup>(2)</sup>	(720)	(170)		(812)
EBITDA Margin (%)	(20%)	(4%)		(5%)

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

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.

3) Subsequent to the balance sheet date, a customer of the Company has filed voluntary proceedings under Chapter 11 of the United States Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of Texas. Based on the information available as on date, on a prudent basis, the outstanding balance of ₹564.61 Mn. has been recorded as a provision for credit impaired financial assets during the quarter ended March 31, 2023. This, being a one-off instance in the company's historical collection trend of financial assets, has been disclosed as an exceptional item.

## Business Highlights (Gland)

### Key Highlights:

- **R&D expenses:** INR 436 million for Q4FY24 and INR 1,773 million for FY24 (vs. INR 2,014 million in FY23).
- **Regulatory filings:** 4 ANDAs filed, 6 ANDAs approved in Q4FY24, 19 ANDAs filed, 24 ANDAs approved in FY24.
- **Total filings:** 349 ANDAs in the U.S. (286 approved, 63 pending). Global product registrations: 1,667.
- **Capex:** Total Capex incurred during the quarter ended Mar 31st, 2024, was INR 1,507 million, and Full year FY24 was INR 3,975 million. This includes Capex incurred at Cenexi INR 1607 million for FY 24.
- **China Market Update:** Progress is slower than expected. Nine products were filed, and three were approved. One product is commercialized with a limited contribution.
- **Complex Injectables:** 6 approvals received out of 19 submissions. Eribulin was launched as the first major complex product in May 2024. The next two years are important for meaningful results. Exploring acquisitions, co-development, and partnership opportunities to accelerate growth.
- **Biologics:** represent a long-term play, and the immediate priority is to obtain regulatory approvals for the facility through existing business and potential near-term wins. Overall, biologics remain a key driver for our future growth.
- **Quality & Operations:** ~40 successfully completed audits, including regulatory and partner audits. All sites are operating smoothly and have received the EIR.

### Market Wise Performance (Consolidated) :

Particulars <sup>4</sup>	INR Mn							
	Q4FY24	Q4FY23	Y-o-Y	Q3FY24	Q-o-Q	FY24	FY23	Y-o-Y
<b>USA</b>	8,784	4,808	83%	8,216	7%	30,375	23,956	27%
<b>Europe</b>	2,685	324	727%	3,251	(17%)	10,648	1,870	469%
<b>Canada, Australia and New Zealand (Other Core Markets)</b>	578	366	58%	382	51%	1,575	1,025	54%
<b>India</b>	526	647	(19%)	761	(31%)	2,810	2,501	12%
<b>Rest of the world</b>	2,802	1,705	64%	2,842	(1%)	11,239	6,894	63%
<b>TOTAL</b>	<b>15,375</b>	<b>7,850</b>	<b>96%</b>	<b>15,452</b>	<b>(0.5%)</b>	<b>56,647</b>	<b>36,246</b>	<b>56%</b>

### Market Wise Performance (Ex-Cenexi):

Particulars <sup>4</sup>	INR Mn							
	Q4FY24	Q4FY23	Y-o-Y	Q3FY24	Q-o-Q	FY24	FY23	Y-o-Y
<b>USA</b>	8,727	4,808	82%	8,065	8%	29,780	23,956	24%
<b>Europe</b>	477	324	47%	323	48%	1,555	1,870	(17%)
<b>Canada, Australia and New Zealand (Other Core Markets)</b>	417	366	14%	292	43%	1,100	1,025	7%
<b>India</b>	526	647	(19%)	761	(31%)	2,810	2,501	12%
<b>Rest of the world</b>	1,590	1,705	(7%)	1,573	1%	6,524	6,894	(5%)
<b>TOTAL</b>	<b>11,737</b>	<b>7,850</b>	<b>50%</b>	<b>11,013</b>	<b>7%</b>	<b>41,769</b>	<b>36,246</b>	<b>15%</b>

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



## Business Highlights (Cenexi)

- Q4 revenue declined primarily due to operational disruptions and breakdowns which caused high order backlogs.
- Delayed tech transfer further impacted Q4 revenue, as new business was intended to replace phasing-out business.

### Turnaround plan:

- Cenexi is currently in a transitional phase, facing short-term operational challenges impacting performance. The Company facing frequent breakdowns, and a high proportion of low-margin products.
- Gland initiated a comprehensive transformation plan to address operational challenges, with short-term, medium-term, and long-term solutions.
- Active investments are being made in asset upgrades, capacity rebalancing, and future-ready capabilities.
- Strong order book, established customer base, ongoing tech transfer projects, and promising growth opportunities.

### Outlook:

- Confident in Cenexi's medium- to long-term potential despite delays in realizing the acquisition's full potential.
- The immediate goal is to increase Cenexi's profitability and deliver high-teen margins in the medium to long term.

## Earnings Call Details

The Company will conduct an Earnings call at 6.00 PM (IST) on May 22nd, 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.

<b>Universal Access</b>	+91 22 6280 1516 / +91 22 7115 8875
<b>Diamond pass link</b>	Click <a href="#">here</a> to register
<b>National Toll-Free</b>	1 800 120 1221
<b>International Toll-Free Number</b>	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](http://www.glandpharma.com)

## Investor Contacts

**Sampath Kumar Pallerlamudi**  
Company Secretary and Compliance Officer  
[investors@glandpharma.com](mailto:investors@glandpharma.com)

**Ankit Gupta**  
Vice President – Strategy & Investments  
[ankit.gupta@glandpharma.com](mailto:ankit.gupta@glandpharma.com)

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