



Bal Pharma Limited

To,
The Manager-Listing
National Stock exchange of India Ltd
Mumbai.

12.08.2022

BSE Limited
Mumbai.

Dear Sir,

Sub : Press Release.

Ref : Regulation of 30 of SEBI(LODR) Regulations.2015.

We are circulating the enclosed press release on the standalone and consolidated financial results of the Company for the quarter ended 30.06.2022, announced by us on 11.08.2022.

Please take the same on record.

Thanking You

For Bal Pharma Ltd




Authorised Signatory



Bal Pharma Limited

NEWS RELEASE:

BAL Pharma Limited announces Q1FY23 results

- Formulation Business witnesses robust growth of 50% YoY
- Export Formulation grows by 69.43% YoY to ₹307.71 million in Q1FY23

August 12, 2022, Bengaluru: BAL Pharma Limited, a fully integrated pharmaceuticals Company specialising in Bulk Drugs, Prescription Drugs, Generics, and pharma intermediates has announced its results for the Quarter ended 30th June 2022.

Financial Highlights (Standalone) – Q1FY23

Particulars (₹ Mn)	Q1FY23	Q1FY22	YoY	FY22
Revenue	700.71	711.38	-1.50%	2,868.56
EBITDA	60.05	76.23	-21.23%	296.92
PBT	18.06	29.59	-38.97%	120.56
PAT	14.07	21.48	-34.50%	85.73
EPS	0.95	1.45	-34.48%	5.67

Financial Highlights

- **Revenue** – The Company reported revenue of ₹ 700.71 million for Q1FY23 as compared to ₹ 711.38 million for Q1FY22. Revenue was impacted by macro and uncontrolled factors led by geopolitical concerns, external market turmoil and certain other unavoidable market factors. Such scenario led to tighter inventory management and unavoidable price disruption which company resisted to certain extent by focussing on other markets and also focussed on other formulations as well
- **EBITDA** – EBITDA for Q1FY23 stood at ₹ 60.05 million for Q1FY23 as compared to ₹ 76.23 million for Q1FY22. Margins were impacted by lower Price realisations from API products, along with severe raw material prices increase. Global commodity inflation led to increase in various intermediate prices which impacted raw material costs. The Company has been attempting to lower the impact by adapting various raw material procurement strategies. The company has been strategizing alternate sources for its raw material procurement. This shall not only stabilize the cost but also create a long-term sustainable approach in its overall strategy
- **PAT**: PAT for Q1FY23 stood at ₹14.07 million for Q1FY23 as compared to ₹21.48 million for Q1FY22.

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- **Formulation Business:** The formulation business remained the revenue growth driver and witnessed robust growth of 50% whereas export formulation grew by 69.43% and stood at ₹307.71 million for Q1FY23 as compared to ₹181.62 million for Q1FY22. Domestic formulation grew by 2.96% and stood at ₹77.66 million for Q1FY23 as compared to ₹75.43 million for Q1FY22.
- **API Business:** API business revenue stood at ₹303.49 million for Q1FY23 as compared to ₹446.1 million for Q1FY22.

Formulations Business(FDF) - the revenue growth driver

- Formulations segment revenue stood at ₹385.37 million in Q1FY23 as compared to ₹257.05 million in Q1FY22.
- Exports to Domestic was at 71:29 in Q1FY23 versus 80:20 in Q1FY22.
- The share of formulations in total revenue increased to 56% in Q1FY23 from 37% in Q1FY22. Formulation exports witnessed a robust growth of 69.43% YoY for Q1FY23.
- Company has setup A phytoceutical division for its herbal line products which caters to the niche category of consumers who prefers a natural and herbal products for their lifestyle
- The order book for formulation stands at ₹270 million as on Q1FY23.

API Business – an integrated business model

- API segment revenue stood at ₹303.49 million in Q1FY23 as compared to ₹446.1 million in Q1FY22.
- The share of API in total revenue is 44% in Q1FY23 as compared to 63% in Q1FY22.
- Exports: Domestic mix was 70:30 in Q1FY22 versus 58:42 in Q1FY23.
- The total Order book for APIs remains strong at ₹370 million as on Q1FY23. APIs such as Alfuzosin for prostate enlargement, and Dabigatran for cardiac care are under scale-up. Along with these APIs Total of 8 products are under development and scale-up.

Operational Highlights

Expanding into new Geographies- We are expanding our footprints into new geographies in both segments. In API we have expanded our presence in Uzbekistan, Guatemala, and Malta. This geographical expansion will add more value to our business and ultimately enhance profitability in the coming years.

New Customers- Backed by the strong medical representative and marketing team, we are constantly adding new customers from various geography and enhancing the customer base. We have added 9 customers in the API segment and 2 customer in the exports formulations segment. We are constantly strengthening our customer base which is an indication of our efforts and commitment to our business. The customer base assures the business sustainability & profitability and provides a positive long-term outlook about the business.

Enriched product pipeline- The Company has a strong product pipeline and robust order book in both API and Product segments. Backed by a strong pipeline Company's overall business outlook looks positive and promising. Company product pipeline in API is ₹370 million and Formulations is ₹270 million.

Future Readiness- There is tremendous growth opportunity in the pharmaceuticals industry. The Government is extending enormous support to pharmaceutical companies by launching the PLI scheme. Bal Pharma is a beneficiary of this PLI scheme. The Company expects an average annual turnover of INR 1,250 million p.a from the eligible products in next 5 to 6 years. We are strengthening and preparing ourselves under all the parameters to cater to the maximum market opportunity and market share. We have more than 2 decades of experience, 5 manufacturing facilities, 200+ finished products, 80+ presence across the countries, 370 tonnes API capacity, 22+ API molecules and 1000+ employee strength. Additionally, we have hired seasoned professionals, are strengthening the marketing team, and deploying the required CAPEX in offices and units. All these long and short-term initiatives will collectively contribute and enable us to cater to the maximum available market opportunity.

Commenting on financial results, **Mr. Shailesh Siroya, Managing Director, BAL Pharma** said, *"Despite several challenges in the marketplace - both on the demand and the supply side, we turned out a resilient set of numbers for Q1FY23. We had to navigate through volatile market, inflated raw material procurement costs, and steep fuel and freight charges. We also made investments in hiring highly qualified professionals to support our ambitions. I expect them to take our operational excellence to a different level and bolster our journey towards quality growth. On the positive side, the Company has a robust product pipeline, and is strategically improving its presence in both domestic and international markets. In particular, our formulations business is gaining solid momentum by growing 50% YoY – which should help improve our margins profile continually. Recently, we have expanded into three new geographies and added strategic new customers that will bode well for us in the long term. Government support in the form of PLI scheme further boost in our overall growth strategy. Going forward, we foresee strong demand growth for our various products, and we are placing concerted efforts for improving our profitability in the coming quarters."*

About BAL Pharma Ltd (BPL)

Bal Pharma Limited (BSE: 524824; NSE: BALPHARMA) is a fully integrated pharmaceuticals Company specialising in Bulk Actives, Prescription Drugs, Generics and pharma intermediates. Bal Pharma's focused therapeutic areas are Anti-diabetes, Anti-histamine, Anti-inflammatory, Acne Treatment, Gastroenterology, Cardiology, and dermatology. The Company is one of the largest producers and exporters of Gliclazide, a medicine to treat type-2 diabetes. Bal Pharma's niche APIs and FDFs are produced at world-class manufacturing facilities located in Karnataka, Maharashtra, Rajasthan and Uttarakhand. The Company exports APIs to Europe, Australia, Japan, the Far East, Canada, Latin America, Africa, the Middle East and other World markets. Its FDFs are exported to a Semi-regulated market, besides having a domestic presence. Backed by strength in Research and Development, and strong infrastructure, Bal Pharma is poised to become a significant Company in the pharmaceutical industry.

Forward-Looking Statement:

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. BAL Pharma Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances

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