

January 27, 2023

To,
Dy. General Manager
Department of Corporate Services,
BSE Ltd.,
P. J. Towers, Dalal Street,
Fort, Mumbai – 400 001

To,
The Manager – Listing,
National Stock Exchange of India Ltd.,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Ref: Scrip Code: 543322

Ref: Scrip Name: GLS

Dear Sirs,

Sub: Unaudited Financial Results for the Third Quarter and Nine Months ended December 31, 2022

Pursuant to Regulations 30 and 33 of the SEBI LODR, 2015, we wish to inform you that the Board at its meeting held today approved the Unaudited Financial Results for the Third Quarter and Nine Months ended December 31, 2022.

The said meeting of the Board commenced at 11.00 a.m. and concluded at 12.30 p.m.

The copy of the said results together with Management Discussion & Analysis, Press Release and Limited Review Report of the Auditors is enclosed herewith.

These are also being made available on the website of the Company at www.glenmarklifesciences.com

You are requested to take the same on record.

Thanking You.

Yours faithfully,
For Glenmark Life Sciences Limited



Rudolf Corriea
Company Secretary & Compliance Officer

Encl: As above



Glenmark Life Sciences announces Q3 FY23 Results

Revenue growth of 6% QoQ Strong growth in India, Europe and LATAM with recovery in US business

Mumbai, January 27, 2023: Glenmark Life Sciences Limited (GLS), a leading developer and manufacturer of select, high-value, non-commoditized, Active Pharmaceutical Ingredients (APIs) in chronic therapeutic areas, today announced its result for the quarter ended December 31, 2022.

Financial Highlights:

- GLS registered a revenue of ₹ 5,407 Mn for Q3 FY23 from operations, recording a growth of 6.2% QoQ and growth of 3.5% YoY.
- Gross Margins for the quarter were at 51.0%, up 20 bps YoY driven by product mix and PLI scheme benefit
- Earnings Before Interest, Tax, Depreciation, and Amortization (EBITDA) was at ₹ 1,520.6 Mn for Q3 FY23. EBITDA margins at 28.1% remain steady on YoY basis, with a slight sequential decline mainly due lower gross margins
- Profit After Tax (PAT) for the quarter was at ₹ 1,049.9 Mn in Q3 FY23, registering a growth of 1.2% YoY. PAT Margin for the quarter was at 19.4%.

Commenting on the company's performance, Dr. Yasir Rawjee, MD & CEO, Glenmark Life Sciences Limited said, *"I am pleased to report that the Company has continued its upward trajectory to witness steady growth both on sequential as well as YoY basis on the back of a robust performance of our external business. India, Europe and LATAM were the main catalysts for growth whereas US witnessed healthy recovery. The GPL business saw strong recovery in the current quarter while the CDMO business was sluggish, and we expect it to pick up strongly from Q4 onwards."*

Dr. Rawjee further added, *"During 9MFY23, we launched 5 new products, and we continue to cross sell our wide product basket to existing customers across different geographies. Overall, as the three levers of the business (External business, GPL and CDMO) are on track to perform well, I am confident of delivering steady growth with stable margins in the coming quarters."*

Tushar Mistry, CFO, Glenmark Life Sciences Limited said, *"The company continues to grow steadily with revenue from operations growing 3.5% on YoY basis and 6.2% sequentially. EBITDA for the quarter at 28.1% was steady on YoY basis. Our proactive cost control measures have helped us maintain our EBITDA margins for the nine-months at 30%. We are also witnessing increased capacity as Dahej block comes online. That said, we are strategically commissioning the Dahej block module-wise to keep expenses under control which will ensure steady margins in the coming quarters. Our prudent working capital management during the quarter has led to healthy cash flow generation from the operations. Reviving demand in the regulated markets and GPL business supported by excess capacity availability will propel growth in coming quarters."*

PRESS RELEASE

For Immediate dissemination



Business Highlights:

- Generic API revenues in Q3 FY23 increased 5.9% QoQ and increased 1.8% YoY.
- Regulated markets business continues the strong growth momentum.
- India, Europe and LATAM delivered strong performance while US witnessed healthy recovery
- CDMO revenues in Q3 FY23 decreased by 9.6% QoQ. Demand is expected to be picked up from Q4 FY23
- GPL business saw strong recovery of 19% on sequential basis
- DMF/CEPs filling continues across major markets in Q3 FY23, taking the total cumulative filings to 456 as on Dec 31, 2022.
- The brownfield expansion for Generic API products at Dahej facility is complete with 240 KL capacity.
- The brownfield expansion at Dahej for the Oncology plant is completed. Out of the 2 independent modules, one module is 100% commissioned.
- Intermediate manufacturing block at the Ankleshwar site with a manufacturing capacity of 400 KL is expected to be completed in Q4 FY23. Module wise commissioning of the plant is planned with 1st module to be commissioned in Q4 FY23.

About Glenmark Life Sciences Ltd (GLS)

Glenmark Life Sciences Limited (BSE: 543322, NSE: GLS), is a leading developer and manufacturer of select, high-value, non-commoditized, active pharmaceutical ingredients (APIs) in chronic therapeutic areas such as cardiovascular disease, central nervous system disease, pain management and diabetes. The company is increasingly providing CDMO services to a range of multinational and speciality pharmaceutical companies.

It has a diversified portfolio of 137 molecules and supplies its products to customers in India, Europe, North America, Latin America, Japan and the rest of the world (ROW). The company's 4 manufacturing facilities are located in Ankleshwar, Dahej, Mohol and Kurkumbh with a total installed capacity of 1005 KL, which are regularly inspected by global regulators such as USFDA, PMDA (Japan) and EDQM (Europe).

GLS is a subsidiary of Glenmark Pharmaceuticals Limited and is listed on BSE/NSE.

Learn more about Glenmark Life Sciences Limited on [www. https://www.glenmarklifesciences.com/](https://www.glenmarklifesciences.com/)

For any further queries please contact:

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Management Discussion & Analysis for Q3 & 9M FY23

FINANCIAL PERFORMANCE

A. Profit and loss statement:

(₹ in Million)	Q3 FY23	Q2 FY23	Q3 FY22	QoQ %	YoY %	9M FY23	9M FY22	YoY%
Revenue from Operations	5,407.3	5,093.0	5,225.0	6.2%	3.5%	15,399.0	16,091.6	-4.3%
EBITDA	1,520.6	1536.5	1,496.0	-1.0%	1.6%	4,619.8	4,834.6	-4.5%
EBITDA Margins	28.1%	30.2%	28.6%			30.0%	30.0%	
PAT	1,049.9	1068.8	1,037.1	-1.8%	1.2%	3,206.0	3,198.3	0.2%

Highlights for Q3 FY23

- GLS registered a revenue of ₹ 5,407 Mn for Q3 FY23 from operations, recording a growth of 6.2% QoQ and growth of 3.5% YoY.
- Gross Margins for the quarter were at 51.0%, up 20 bps YoY driven by product mix and PLI scheme benefit.
- Earnings Before Interest, Tax, Depreciation, and Amortization (EBITDA) was at ₹ 1,520.6 Mn for Q3 FY23. EBITDA margins at 28.1% remain steady on YoY basis, with a slight sequential decline mainly due lower gross margins.
- Profit After Tax (PAT) for the quarter was at ₹ 1,049.9 Mn in Q3 FY23, registering a growth of 1.2% YoY. PAT Margin for the quarter was at 19.4%.
- R&D expenditure was at ₹ 167.6 Mn, 3.1% of sales.
- Capital expenditure was at ₹ 324 Mn.
- ROICE (adjusted for Cash and CWIP) was 32.2% for 9M FY23 and the Fixed assets turnover ratio at ~3x.

BUSINESS PERFORMANCE & COMMENTARY

A. Segment Performance:

(₹ in Million)	Q3 FY23	Q2 FY23	Q3 FY22	QoQ %	YoY %	9M FY23	9M FY22	YoY%
Generic API	4,798.9	4,533.9	4,714.6	5.9%	1.8%	13,780.0	14,564.7	-5.4%
CDMO	279.4	309.1	405.7	-9.6%	-31.1%	831.3	1,285.0	-35.3%
Other Operating Revenue	329.0	251.0	104.7	31.1%	214.4%	787.7	241.9	225.6%
Revenue from Operations	5,407.3	5,093.0	5,225.0			15,399.0	16,091.6	

Generic API:

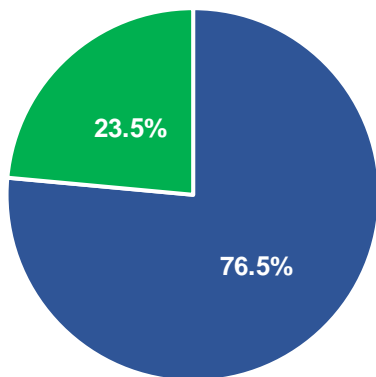
- Generic API revenues in Q3 FY23 increased 5.9% QoQ and increased 1.8% YoY.
- Regulated markets business continues the strong growth momentum.
- India, Europe and LATAM delivered strong performance while US witnessed healthy recovery
- GPL business saw strong recovery of 19% on sequential basis

CDMO:

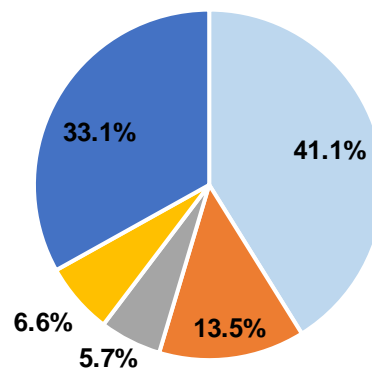
- CDMO revenues in Q3 FY23 decreased by 9.6% QoQ
- Demand is expected to be picked up from Q4FY23
- 4th CDMO project is stalled due to regulatory delays at the customer’s end
- Multiple discussions ongoing with companies globally for additional business opportunities

B. Market and Therapeutic Area Mix (9M FY23)

Market Mix



Therapy Mix



■ Regulated markets ■ Emerging markets

■ CVS ■ CNS ■ Diabetes ■ Pain management ■ Others

- Regulated markets contribution increased to 76.5%
- Regulated markets growth was driven by steady growth in external business along with robust recovery in GPL business
- Our key focused area of chronic therapies contributed 67% of the net sales

OTHER BUSINESS HIGHLIGHTS

A. Product Pipeline

- DMF/CEPs filling continues across major markets (i.e. United States, Europe, Japan, Russia, Brazil, South Korea, Taiwan, Canada, China and Australia) in Q3 FY23, taking the total cumulative filings to 456 as on Dec 31, 2022.
- Generic API Segment
 - 3 Iron compounds in Portfolio of which - Regulatory filing completed for 1 iron compound, other iron compounds at advanced stage and initial stage of development with cumulative global market size of more than USD 1.8 billion (Source: IQVIA MAT Sep’22)
 - There are currently 8 high potent API in the portfolio with global market size of more than USD 18 billion (Source: IQVIA MAT Sep’22). 4 products are in an advanced stage of development out of the 8 products and remaining in the development stage.
- CDMO Segment
 - Multiple discussions ongoing with companies globally for additional business opportunities

B. Capex update

- The brownfield expansion for the Generic API products at Dahej facility is complete with 240 KL capacity.

- The brownfield expansion at Dahej for the Oncology plant is completed. Out of the 2 independent modules, one module is 100% commissioned.
- Intermediate manufacturing block at the Ankleshwar site with a manufacturing capacity of 400 KL is expected to be completed in Q4 FY23. Module wise commissioning of the plant is planned with 1st module to be commissioned in Q4 FY23.
- The Company has received Environmental Clearance for the installation of 1000 KL capacity for the planned greenfield site at Chincholi Industrial Area, Solapur and construction work will begin in the next financial year.

Disclaimer

Some of the information in the document, especially information with respect to our plans and strategies, may contain certain forward-looking statements that involve risks and uncertainties. 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 depending upon economic conditions, government policies and other incidental factors. Such statements should not be regarded by recipients as a substitute for the exercise of their own judgment. The company undertakes no obligation to update or revise any forward-looking statement whether as a result of new information, future events or otherwise. Our actual results may differ materially from those expressed in, or implied by, these forward-looking statements.

For any further queries please contact:

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UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER, 2022

(₹ in Millions, unless otherwise stated)

Sr. No.	Particulars	Quarter ended			Nine Months Ended		Year ended
		31 Dec'22	30 Sep'22	31 Dec'21	31 Dec'22	31 Dec'21	31 Mar'22
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Income						
	Revenue from Operations	5,407.31	5,092.99	5,224.99	15,399.00	16,091.57	21,232.14
	Other Income	66.08	100.20	35.34	261.21	96.09	147.04
	Total Income	5,473.39	5,193.19	5,260.33	15,660.21	16,187.66	21,379.18
II	Expenses						
	Cost of Materials Consumed	2,693.25	2,682.07	2,386.36	7,987.82	7,402.91	10,015.63
	Changes in Inventories of Finished Goods and Work-in-Progress	(44.92)	(282.30)	185.36	(650.72)	474.71	413.24
	Employee Benefits Expense	485.41	473.69	441.31	1,363.66	1,296.40	1,687.23
	Finance Costs	1.60	1.33	0.61	4.28	278.37	279.62
	Depreciation and Amortisation Expense	107.63	99.35	97.39	305.77	283.23	378.77
	Other Expenses	819.01	783.14	751.32	2,339.61	2,179.06	2,955.44
	Total Expenses	4,061.98	3,757.28	3,862.35	11,350.42	11,914.68	15,729.93
III	Profit Before Tax (I-II)	1,411.41	1,435.91	1,397.98	4,309.79	4,272.98	5,649.25
IV	Tax Expenses						
	Current Tax	331.78	338.93	319.36	1,033.00	1,007.22	1,376.27
	Deferred Tax	29.70	28.20	41.49	70.75	67.49	85.74
	Total Tax Expenses	361.48	367.13	360.85	1,103.75	1,074.71	1,462.01
V	Profit for the Period / Year (III-IV)	1,049.93	1,068.78	1,037.13	3,206.04	3,198.27	4,187.24
VI	Other Comprehensive Income (OCI) Items that will not be reclassified to profit or loss						
	(a) Re-measurement of the post-employment benefit obligation	(2.96)	(6.31)	0.94	(8.88)	(2.63)	1.30
	(b) Income tax relating to the above	0.74	1.59	(0.24)	2.23	0.66	(0.33)
	Total Other Comprehensive Income / (Loss)	(2.22)	(4.72)	0.70	(6.65)	(1.97)	0.97
VII	Total Comprehensive Income for the Period / Year (V+VI)	1,047.71	1,064.06	1,037.83	3,199.39	3,196.30	4,188.21
VIII	Earnings per equity share (Face Value of ₹ 2/- each) (Not Annualised except for the year ended 31st March)						
	(a) Basic (in ₹)	8.57	8.72	8.65	26.16	27.60	35.63
	(b) Diluted (in ₹)	8.57	8.72	8.65	26.16	27.60	35.63
IX	Paid up Equity Share Capital, Equity Shares of ₹ 2/- each	245.05	245.05	245.05	245.05	245.05	245.05
X	Other Equity excluding Revaluation Reserve						20,298.07

See accompanying notes to the Financial Results



Glenmark Life Sciences Limited

Corporate Office: 4th Floor, OIA House, 470, Cardinal Gracious Road, Andheri (E), Mumbai, 400 099, India. Registered

Office: Plot No. 170-172, Chandramouli Industrial Estate, Mohol Bazarpeth, Solapur - 413 213, India.

T: 91 22 68297979 CIN: L74900PN2011PLC139963 E: complianceofficer@glenmarklifesciences.com

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Notes:

1. The Financial Results have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).
2. The above Financial Results were reviewed by Audit Committee and thereafter approved and taken on record by the Board of Directors at their meeting held on January 27, 2023. These results have been subjected to limited review by statutory auditor who have issued an unmodified conclusion on the said results.
3. Details of Utilisation of IPO Proceeds is as under:

(₹ in millions)

Particulars	Estimated net proceeds as per Prospectus	Revised Net Proceeds	Utilised up to 31 Dec'22	Unutilised as on 31 Dec'22
Payment of outstanding purchase consideration to the Promoter for the spin-off of the API business from the Promoter into our Company pursuant to the Business Purchase Agreement dated October 9, 2018	8,000.00	8,000.00	8,000.00	-
Funding the capital expenditure requirements	1,527.64	1,527.64	1,083.12	444.52
General corporate purposes	576.75	494.40	494.40	-
Total	10,104.39	10,022.04	9,577.52	444.52

Unutilised amount as at December 31, 2022 were held in monitoring agency account and in deposits with scheduled commercial bank.

4. The Company has identified only one segment i.e. Active Pharmaceutical Ingredient (API) as reporting segment based on the information reviewed by Chief Operating Decision Maker (CODM).
5. As at December 31, 2022, pursuant to Employee Stock Option Plan 2021, 8,88,885 options were outstanding, which upon exercise are convertible into equivalent number of equity share.

For Glenmark Life Sciences Limited



Yasir Rawjee
Managing Director & CEO

Mumbai, January 27, 2023



Glenmark Life Sciences Limited

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Independent Auditor's Review Report on Unaudited Quarterly Financial Results and Year to Date Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Glenmark Life Sciences Limited

1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of **Glenmark Life Sciences Limited** ('the Company') for the quarter ended 31 December 2022 and the year to date results for the period 01 April 2022 to 31 December 2022, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. The Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Walker ChandioK & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013



Ashish Gupta
Partner
Membership No. 504662
UDIN: 23504662BGWGCA3130
Place: New Delhi
Date: 27 January 2023



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Chartered Accountants

Walker ChandioK & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India