Windlas Biotech Limited

Reg. Off.: 40/1, Mohabewala Industrial Area
Dehradun, Uttarakhand 248 110, India
Tel.:+91-135-6608000-30, Fax:+91-135-6608199

Corp. Off.: 705-706, Vatika Professional Point, Sector-66,
Golf Course Ext. Road, Gurgaon, Haryana 122 001, India
Tel.:+91-124-2821030

CIN-L74899UR2001PLC033407

Ref No. WBL/SE/2022-2023

November 8, 2022

To
Listing / Compliance Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001

**BSE CODE: 543329**

To
Listing / Compliance Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex
Bandra (E), Mumbai – 400 051

**NSE SYMBOL: WINDLAS**

Dear Sir/ Madam.

**Sub: Press Release**

Please find attached herewith press release on un-audited Standalone and Consolidated Financial Results for the Quarter ended September 30, 2022.

Kindly take the same on record.

Thanking you,

Yours faithfully,

**For Windlas Biotech Limited**

ANANTA NARAYAN PANDA
Digitally signed by ANANTA NARAYAN PANDA
Date: 2022.11.08 15:53:01 +05'30'

Ananta Narayan Panda
**Company Secretary & Compliance Officer**

Encl: as above

**Press Release**

# *Windlas Biotech Limited Reports its Q2FY23 Financial Results*

- ✓ **CDMO revenue grew 17% YoY for Q2FY23**
- ✓ **Trade Generics revenue grew 37% YoY for Q2FY23**
- ✓ **Profit after tax (PAT) grew 47% YoY for Q2FY23**
- ✓ **Announces a share buyback of Rs. 25.0 crores**

**Tuesday, 08th November 2022, Gurugram:** Windlas Biotech Limited, one of the top five players in the domestic pharmaceutical formulations contract development and manufacturing organization ("CDMO") industry in India, reported its audited financials for the quarter ended September 30, 2022.

**Consolidated Highlights –**

**Q2FY23 Highlights:**

- Revenue from operations stood at Rs. 132.7 crores as against Rs. 115.3 crores, a growth of 15.2% YoY.
- **EBITDA** stood at Rs. 16.1 crores as against Rs. 13.2 crores YoY, a growth of 22% YoY. **EBITDA Margin (%)** came in at 12.1%.
- **PAT** stood at Rs. 12.2 crores as against Rs. 8.3 crores, a growth of 46.9% YoY. PAT Margin (%) came in at 9.2%.

**H1FY23 Highlights:**

- Revenue from operations stood at Rs. 252.7 crores as against Rs.226.2 crores, a growth of 11.7% YoY.
- **EBITDA** stood at Rs. 29.8 crores as against Rs. 25.5 crores YoY, a growth of 16.8% YoY. **EBITDA Margin (%)** came in at 11.8%.
- **PAT** stood at Rs. 22.0 crores as against Rs. 15.0 crores, a growth of 46.8% YoY. PAT Margin (%) came in at 8.7%.

**Vertical Performance Update**

| Particulars (In Rs. Crores) | Q2 FY23 | Q2 FY22 | YoY | H1FY23 | H1FY22 | YoY |
|---|---|---|---|---|---|---|
| CDMO | 106.6 | 91.2 | 17.0% | 202.1 | 186.9 | 8.1% |
| Trade Generics | 23.1 | 16.9 | 36.8% | 44.5 | 29.2 | 52.2% |
| Exports | 2.5 | 5.5 | (54.1)% | 4.5 | 7.7 | (42.3)% |

**CDMO Vertical Highlights**

- Q2 and H1FY23 revenue for the CDMO vertical stood at Rs. 106.6 crores and Rs. 202.1 crores, up 17.0% and 8.1% YoY respectively.
- CDMO vertical contributed approximately 80% and 80% for Q2 and H1FY23 respectively to the consolidated revenue.

**Trade Generics Vertical Highlights**

- Q2 and H1FY23 revenue for the Trade Generics vertical stood at Rs. 23.1 crores and Rs. 44.5 crores, up 36.8% and 52.2% YoY respectively.
- Trade Generics vertical contributed approximately 17% and 18% for Q2 and H1FY23 respectively to the consolidated revenue.

**Exports Vertical Highlights**

- Q2 and H1FY23 revenue for the Exports vertical stood at Rs. 2.5 crores and Rs. 4.5 crores, down 54.1% and 42.3% YoY respectively.
- Exports vertical contributed approximately 2% and 2% for Q2 and H1FY23 respectively to the consolidated revenue.

**Commenting on the results Mr. Hitesh Windlass, Managing Director – Windlas Biotech said,** *"The company delivered a healthy growth amid various macro-economic uncertainties. The Q2 FY'23 top line grew by 15.2% YoY and H1 FY'23 grew by 11.7%. This was mainly on account of robust growth of 17% in Q2 for CDMO vertical and 47% in Q2 for Trade Generics verticals. The bottom line grew at an even faster pace registering a growth of 47%, both in Q2 and H1 FY23. The company increased its presence of chronic and sub-chronic medicines and complex generic products, since these continue to offer a large growth opportunity for both top and bottom line. Due to the cost-plus model in CDMO and higher gross margins of Trade Generics vertical the company has been able to demonstrate stable profitability despite a highly variable input costs environment linked to global supply chain volatilities. EBITDA margins expanded by around 70 bps YoY, indicating an improvement in margins despite inflationary and volatile business environment.*

*The company is using its competence to strengthen its role as a partner to its customers as opposed to just being a vendor. These efforts have ensured that the company remains a valued the first preference for various pharma companies in the diabetes, cardiological and gastro space. Our new product launches have enabled our CDMO customers in gaining a early-mover advantage in many of their core chronic therapies. We continue to enhance this value proposition by investing in new product development and enhanced just-in-time delivery.*

*Company's varied activities for the CDMO vertical include fresh patent expiry launches, gaining wallet share from current customers, attracting new clients, and introducing distinctive products underpinned by top-notch R&D and ongoing capex for injectables. The government's thrust on quality will further facilitate consolidation and benefit large players like Windlas Biotech.*

*Windlas is experiencing excellent growth in the Domestic Trade Generics segment, which is being supported by a rapidly expanding distributor network. The trade generics space is largely underpenetrated and poses various avenues for growth.*

*The primary external tailwinds for the forthcoming growth phase of the Domestic Trade Generics vertical are predicted to be rising consumer demand for high-quality generics and government measures that will enhance generic adoption and reliance across India. Branding, channel expansion, new product release, and regional expansion are additional internal growth factors.*

*While the company has been filing numerous dossiers and making sustained efforts in the exports space, this growth is largely fag-ended and we are yet to reap the benefits of most of the work done there. Moreover, with the recent completion of the SAPHRA and EU-GMP audits which have permitted access into the newer and regulated markets, the exports vertical is primed to flourish.*

*The board of directors of the company have approved a share buyback program under which the company may repurchase up to Rs. 25 crores of the outstanding shares. There will be no participation from promoters in this buyback program. We at Windlas Biotech, maintain a disciplined and judicious capital allocation approach and are committed to deploy the capital thoughtfully where we believe we can create the greatest value for our shareholders while at the same time growing our business and keeping the strategic reserve for the potential inorganic growth opportunities."*

**Adding further, Ms. Komal Gupta, CFO - Windlas Biotech said** *"Despite ongoing disruptions and geopolitical difficulties in the business environment, the company's financial performance has remained sound. The company's expertise and operational fortitude were clearly on display in the quarter gone by.*

*For Q2 FY23, consolidated revenue, EBITDA and PAT grew by 15.2%, 22.0% and 46.9% to Rs. 132.7 crores, Rs. 16.1 crores, Rs. 12.2 crores, respectively. For H1 FY23 the same grew by 11.7%, 16.8% and 46.8% to Rs. 252.7 crores, Rs. 29.8 crores, Rs. 22.0 crores, respectively. This strong growth demonstrates both the established client connections and the operational effectiveness of our business.*

*The company incurred Rs. 1.7 crores R&D expenses during Q2 FY23. It was able to improve its margin profile, with gross margins for Q2 coming in 154 bps higher YoY and corresponding EBITDA margins closing 67 bps higher. For Q2 FY23, EBITDA margins stood at 12.1% as against 11.4% YoY.*

*The company has spent Rs. 100.0 crores, or approximately 65%, of the Rs. 153.1 crores raised during the IPO on the various items listed in the Prospectus. Additionally, the business has begun using the funds for the upcoming injectables project in terms of ordering machinery and getting to mechanical completion. The business's net cash position is still robust, and as previously indicated, the company wants to play a significant role in market consolidation, so it has a substantial reserve for prospective inorganic growth opportunities."*

## About Windlas Biotech Limited

The company (Windlas) is amongst the top five players in the domestic pharmaceutical formulations contract development and manufacturing organization ("CDMO") industry in India in terms of revenue. With over two decades of experience in manufacturing both solid and liquid pharmaceutical dosage forms and significant experience in providing specialized capabilities, including, high potency, controlled substances and low solubility, the Company provides a comprehensive range of CDMO services ranging from product discovery, product development, licensing and commercial manufacturing of generic products, including complex generics, in compliance with current Good Manufacturing Practices ("GMP") with a focus on improved safety, efficacy and cost.

## Safe Harbor

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project-related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

**For more information please contact:**


| windlas | SGA Strategic Growth Advisors |
|---|---|
| **Windlas Biotech Limited**<br>CIN: U74899UR2001PLC033407<br><br>Ms. Komal Gupta<br>Email: Komal@windlasbiotech.com<br><br>Contact no.: +91 124 2821034 | **Strategic Growth Advisors Pvt. Ltd.**<br>CIN: U74140MH2010PTC204285<br><br>Mr. Jigar Kavaiya / Mr. Chinmay Madgulkar<br>Email: jigar.kavaiya@sgapl.net / chinmay.m@sgapl.net<br><br>Contact no.: +91 9920602034 / +91 9860088296 |