

October 20, 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: Investor Presentation

Pursuant to regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements), 2015, we are enclosing herewith the Investor Presentation – Q2 FY 23-24.

You are requested to take the same on record.

Thanking You.

Yours faithfully,
For Glenmark Life Sciences Limited

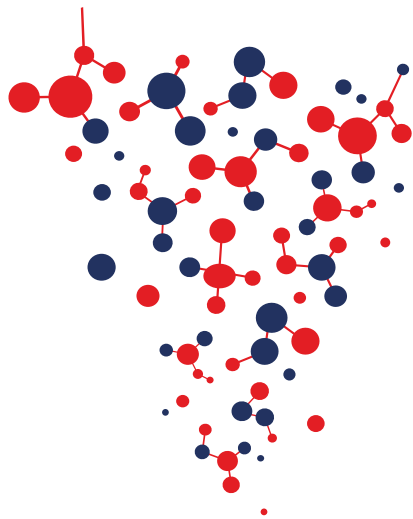
Rudalf Corriea
Company Secretary & Compliance Officer
Encl: As above

Glenmark Life Sciences Ltd.

Investor Presentation

Q2 FY24





Financial Performance Review



Dr. Yasir Rawjee
Managing Director &
Chief Executive Officer

"I am pleased to share that we continue to deliver remarkable growth, propelled by a robust GPL business and steady external API business. Geographically, regulated markets including the US, Europe, LATAM and India continue to spearhead our growth. In light of the announced change in ownership, I see this development as a pivotal opportunity to augment our standing in the API industry and continue the trajectory characterised by growth and healthy margins.

Looking ahead, enhanced visibility towards the H2FY24 demand for our generic API and CDMO business bolsters our confidence of delivering growth in FY24"

REVENUE
(IN ₹ MILLIONS) **5,954** 16.9% YoY 2.9% QoQ

EBITDA
(IN ₹ MILLIONS) **1,725** 12.2% YoY (11.5%) QoQ

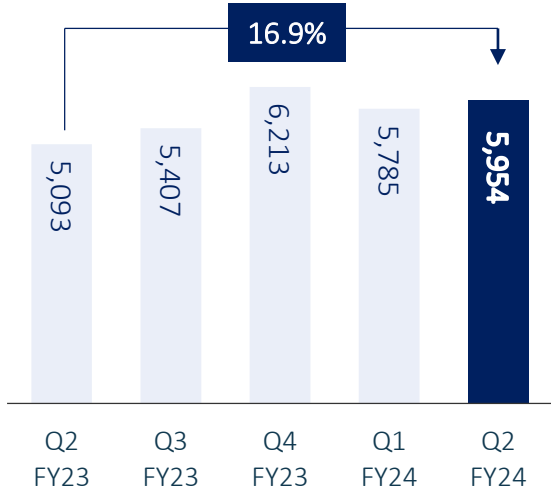
PAT
(IN ₹ MILLIONS) **1,187** 11.1% YoY (12.3%) QoQ

- GLS registered a revenue from operations of ₹ 5,954 Mn for Q2FY24, recording a strong growth of 16.9% YoY and 2.9% QoQ
- Gross Margins improved in Q2FY24 trending at 54.1%, up 120 bps YoY; EBITDA margins at 29.0% down 120 bps YoY; driven by better gross margin and higher employee expense
- Revenue from Generic API business was Rs. 5,428 Mn, up 19.7% YoY whereas CDMO business revenue was Rs. 253 Mn, down 18.1% YoY
- Generated strong free cash flow of Rs. 1,535 Mn leading to Cash and Cash Equivalents as of 30th September 2023 at Rs. 4,430 Mn

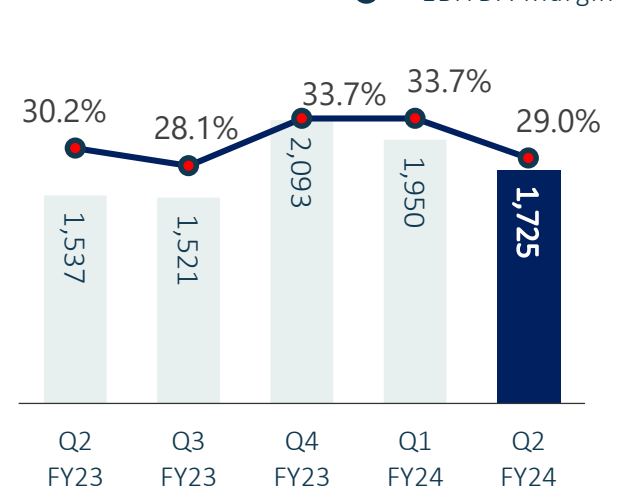
Q2 & H1 FY24 Performance

Strong growth with stable margins

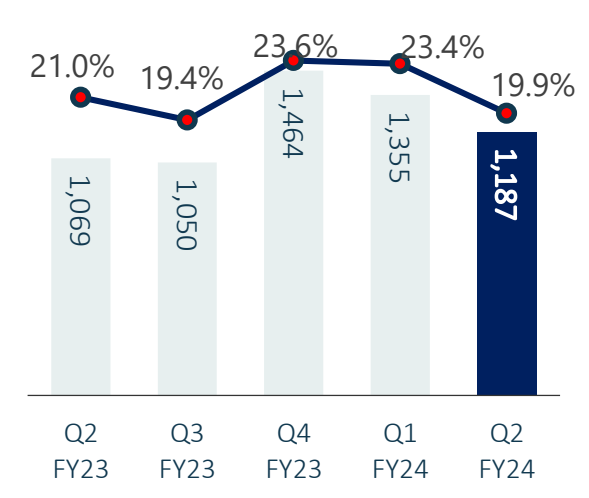
Revenue (In ₹ Millions)



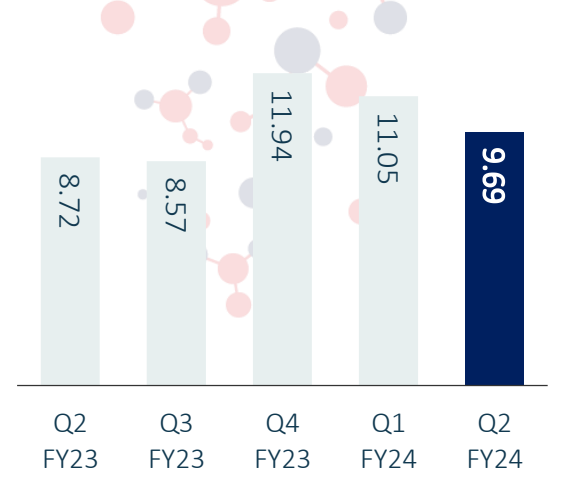
EBITDA (In ₹ Millions)



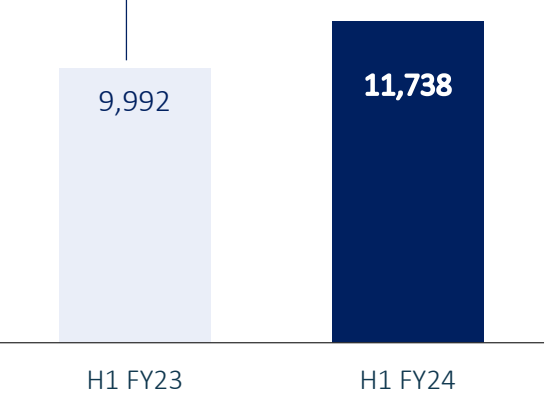
PAT (In ₹ Millions)



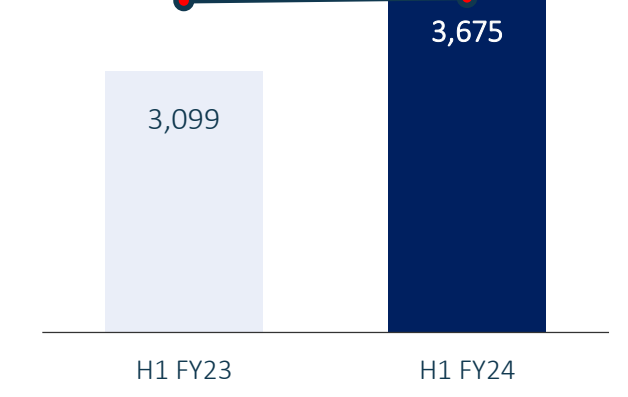
EPS (In ₹)



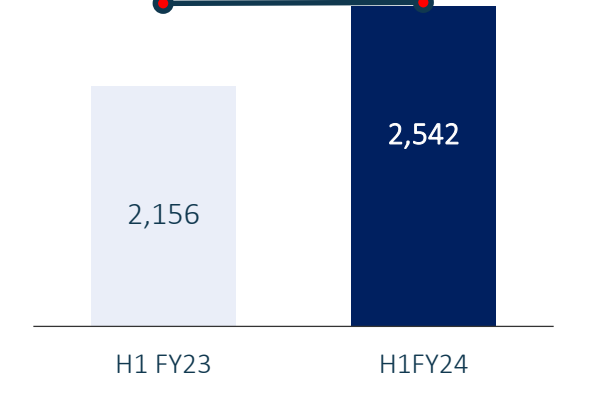
17.5%



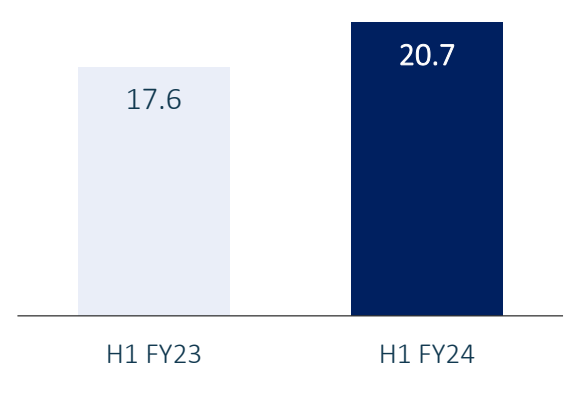
31.0%



21.6%



21.7%

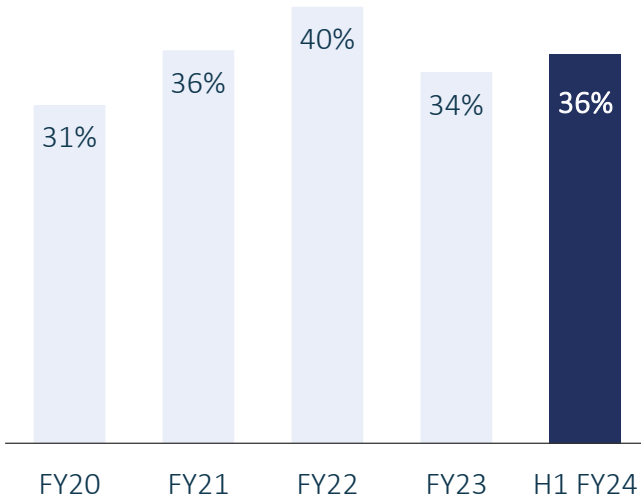


P&L Highlights | Q2 & H1 FY24

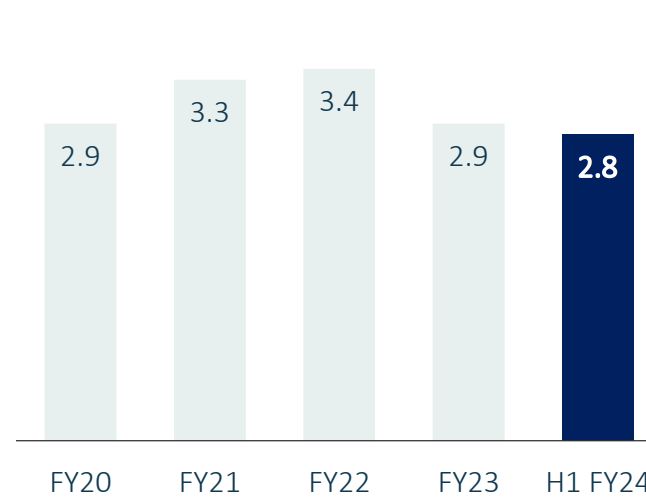
| Particulars (In ₹ Millions) | Q2 FY24 | Q1 FY24 | QoQ | Q2 FY23 | YoY | H1 FY24 | H1 FY23 | YoY |
|---------------------------------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|
| Revenue from Operations | 5,954 | 5,785 | 2.9% | 5,093 | 16.9% | 11,738 | 9,992 | 17.5% |
| Gross Profit | 3,223 | 3,304 | -2.5% | 2,693 | 19.7% | 6,527 | 5,303 | 23.1% |
| Gross Profit (%) | 54.1% | 57.1% | | 52.9% | | 55.6% | 53.1% | |
| Other Income | 54 | 18 | 198.2% | 100 | -46.3% | 72 | 195 | -63.0% |
| Employee Benefits Expense | 667 | 481 | 38.6% | 474 | 40.7% | 1,148 | 878 | 30.8% |
| Other Expenses | 885 | 891 | -0.7% | 783 | 13.0% | 1,776 | 1,521 | 16.8% |
| EBITDA | 1,725 | 1,950 | -11.5% | 1,536 | 12.2% | 3,675 | 3,099 | 18.6% |
| EBITDA Margin (%) | 29.0% | 33.7% | | 30.2% | | 31.3% | 31.0% | |
| Depreciation and Amortisation Expense | 131 | 126 | 4.1% | 99 | 32.9% | 257 | 198 | 30.0% |
| Finance Costs | 4 | 4 | 0.6% | 1 | 195.3% | 8 | 3 | 164.9% |
| PBT | 1,589 | 1,820 | -12.7% | 1,436 | 10.7% | 3,409 | 2,898 | 17.6% |
| PBT Margin (%) | 26.7% | 31.5% | | 28.2% | | 29.0% | 29.0% | |
| PAT | 1,187 | 1,355 | -12.3% | 1,069 | 11.1% | 2,542 | 2,156 | 17.9% |
| Net Margin (%) | 19.9% | 23.4% | | 21.0% | | 21.7% | 21.6% | |

Strong Returns Indicators

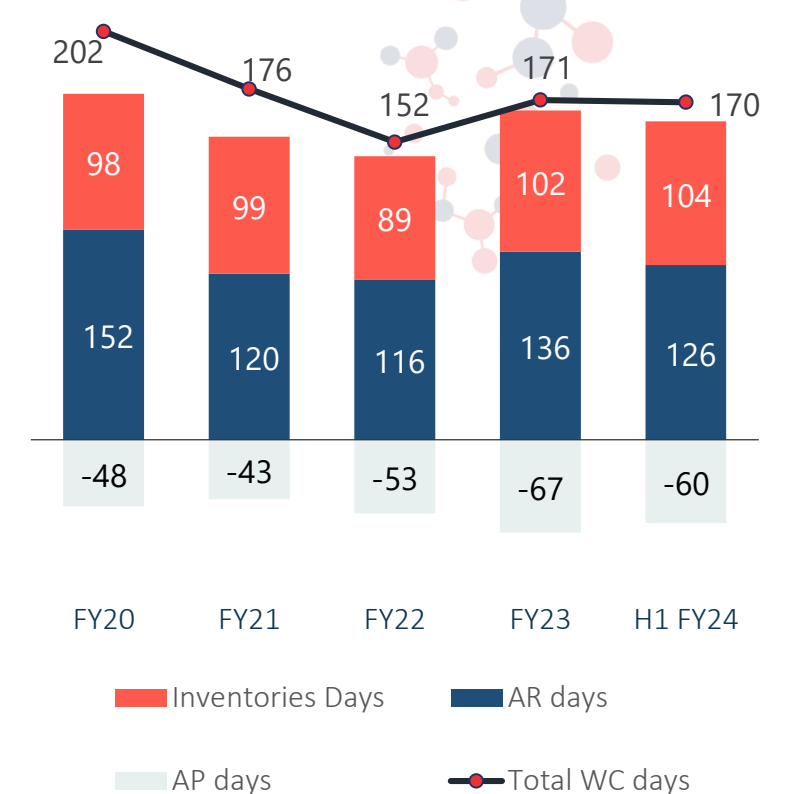
ROICE



Fixed Assets Turnover



Working Capital Days

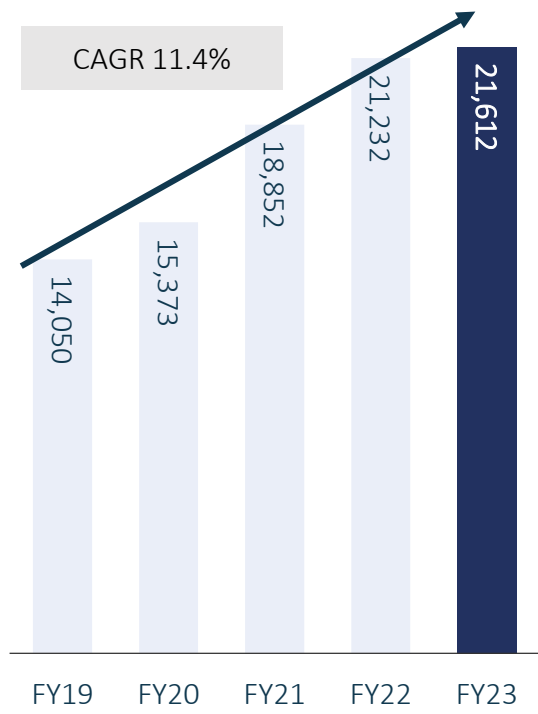


- **ROICE** is tracking at ~36% – Higher capital employed driven by calibrated Capex strategy
- **FATR** is 2.8 times – Asset turn trending slightly lower due to Capex cycle
- **WC days** at 170 days – Improved working capital due to better Debtor offset by higher inventory days and lower Payable days
- **Strong Balance Sheet** – Strong free cash generation of ₹ 1,535 mn during the quarter leading to Cash & Cash Equivalents of ₹ 4,430 mn as on 30th Sept 2023

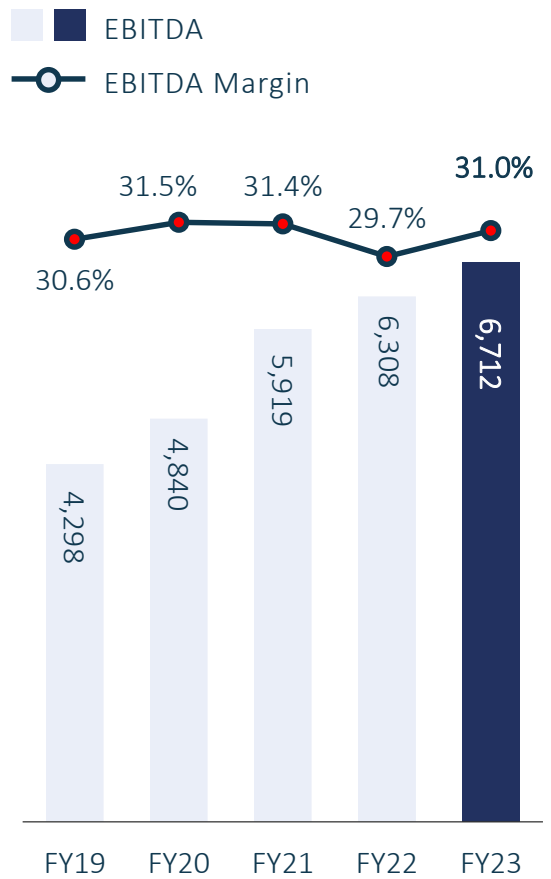
Financial Performance Track Record

Robust growth and profitability indicators over the years

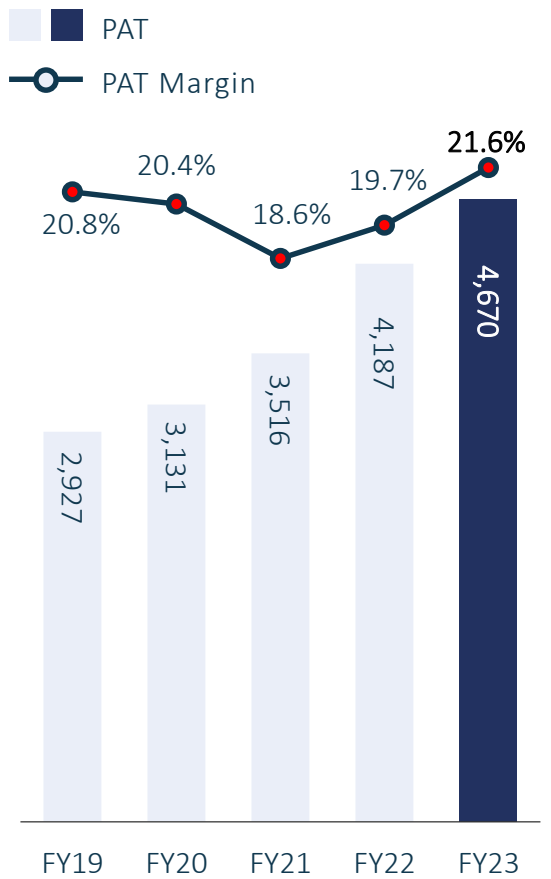
Revenue (In ₹ Millions)



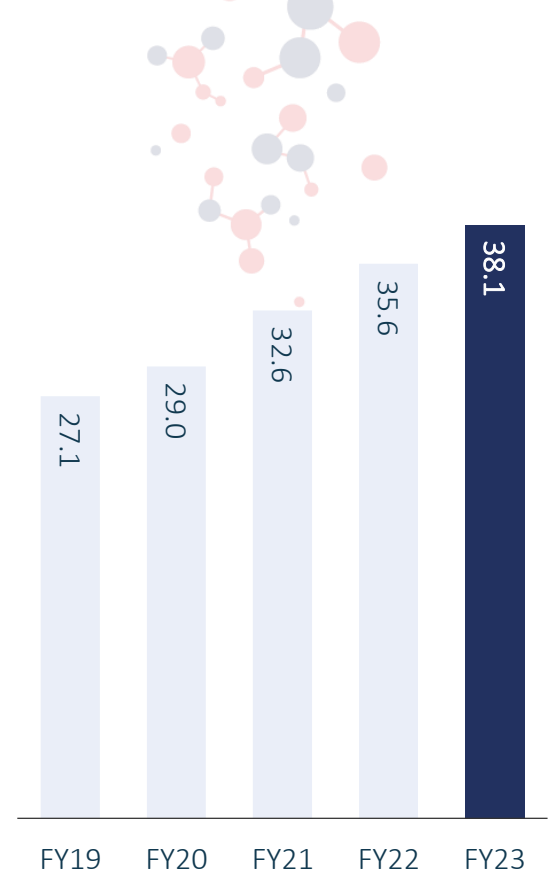
EBITDA (In ₹ Millions)



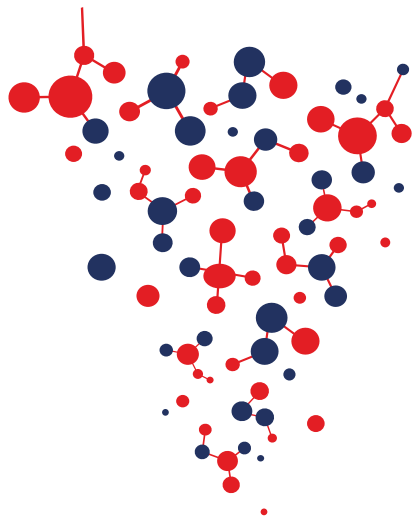
PAT (In ₹ Millions)



EPS (In ₹)



Note: Numbers of FY19 are based on Proforma Financials.

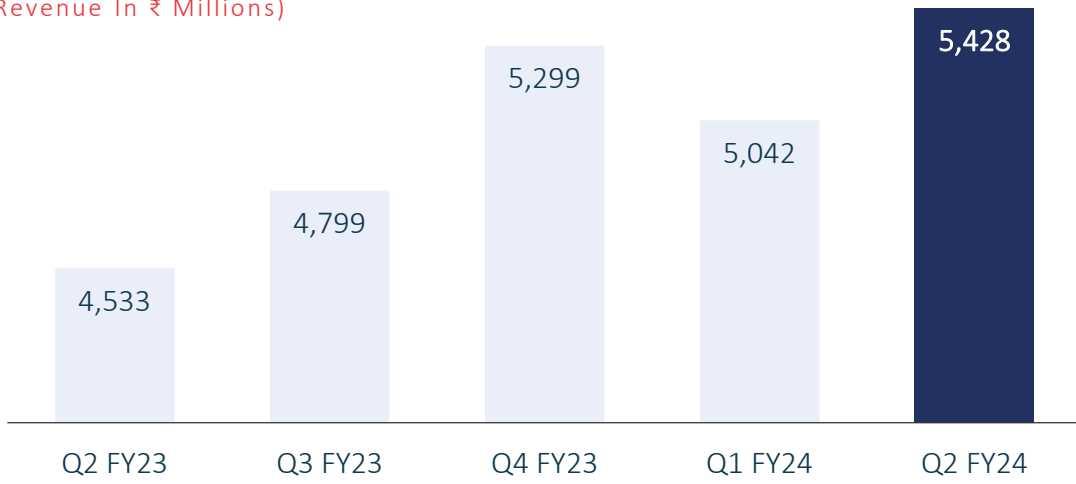


Business Performance Review

Segment Performance | Generic & CDMO business

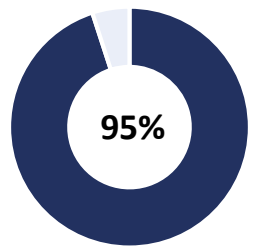
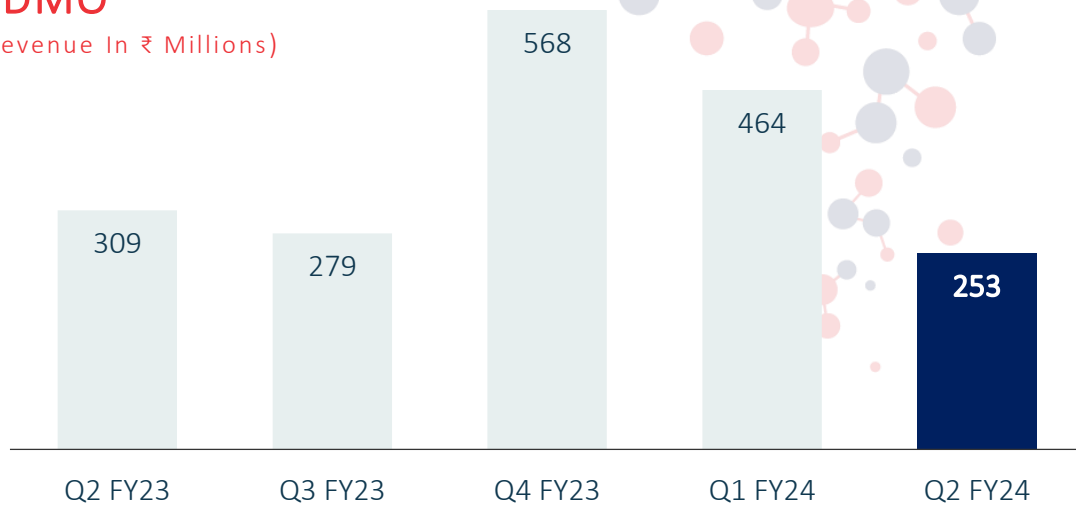
Generic API

(Revenue In ₹ Millions)

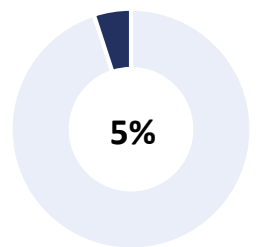


CDMO

(Revenue In ₹ Millions)



- Generic API revenues in Q2FY24 increased by 19.7% YoY and by 7.7% QoQ
- Generic API business was driven by robust growth in regulated markets
- Regions like US, LATAM and Europe contributed to strong growth momentum

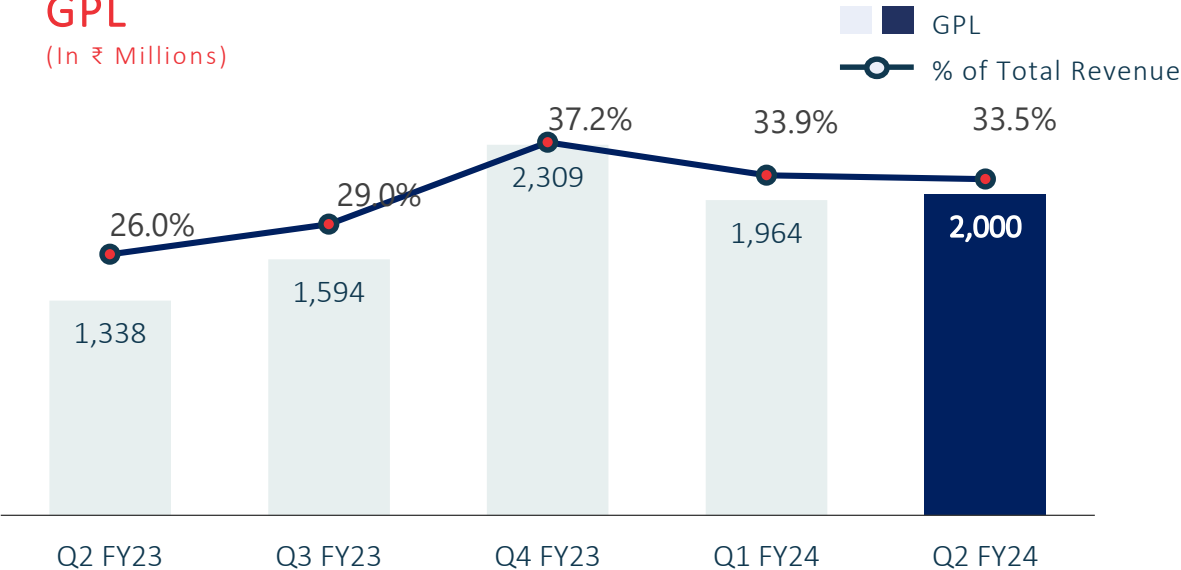


- CDMO business witnessed a de-growth of 18.1% on YoY basis driven by temporary low demand for one of the CDMO products
- Multiple discussions ongoing with companies globally for additional business opportunities

Segment Performance | GPL vs. External

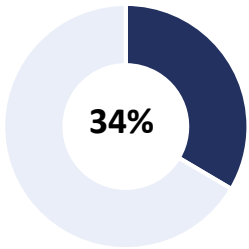
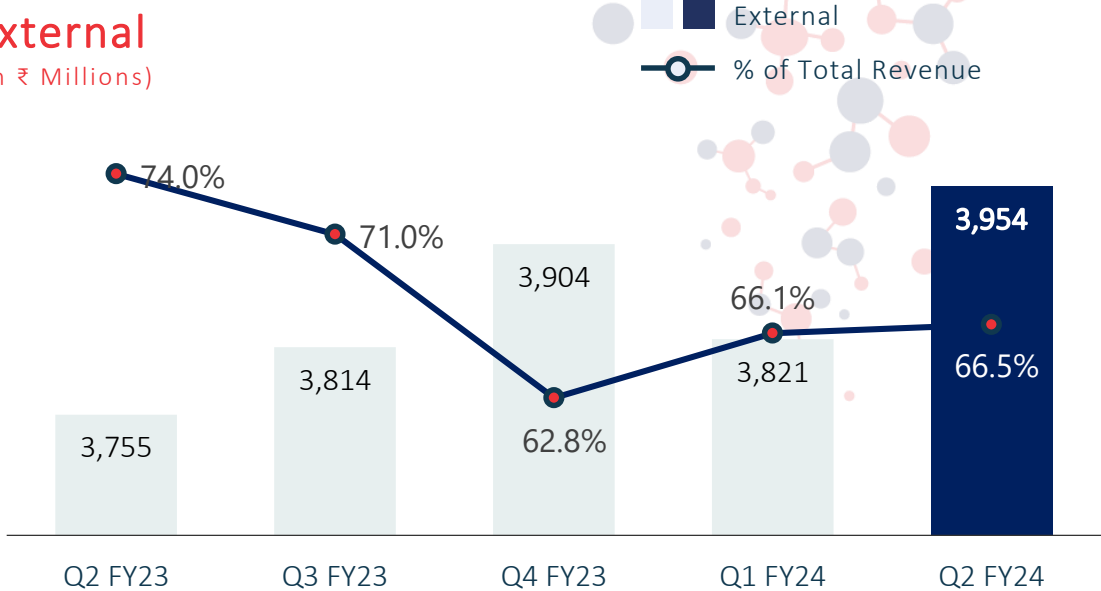
GPL

(In ₹ Millions)

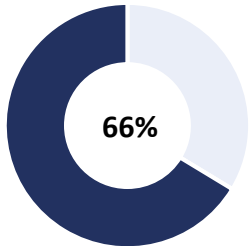


External

(In ₹ Millions)



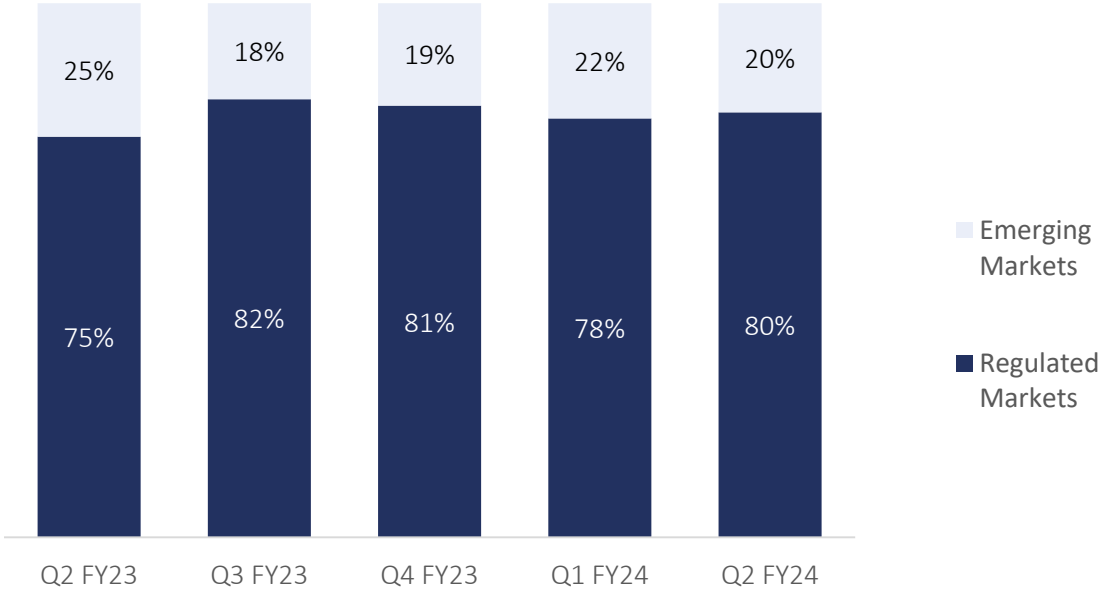
- GPL business in Q2FY24 increased 49.5% YoY and by 1.8% QoQ
- GPL business contributes 33.5% of the total revenue from operations



- External business grew by 5.3% YoY and 3.5% QoQ
- Slower growth in external business was due to subdued growth in CDMO business whereas external generic API business grew strongly in regulated markets

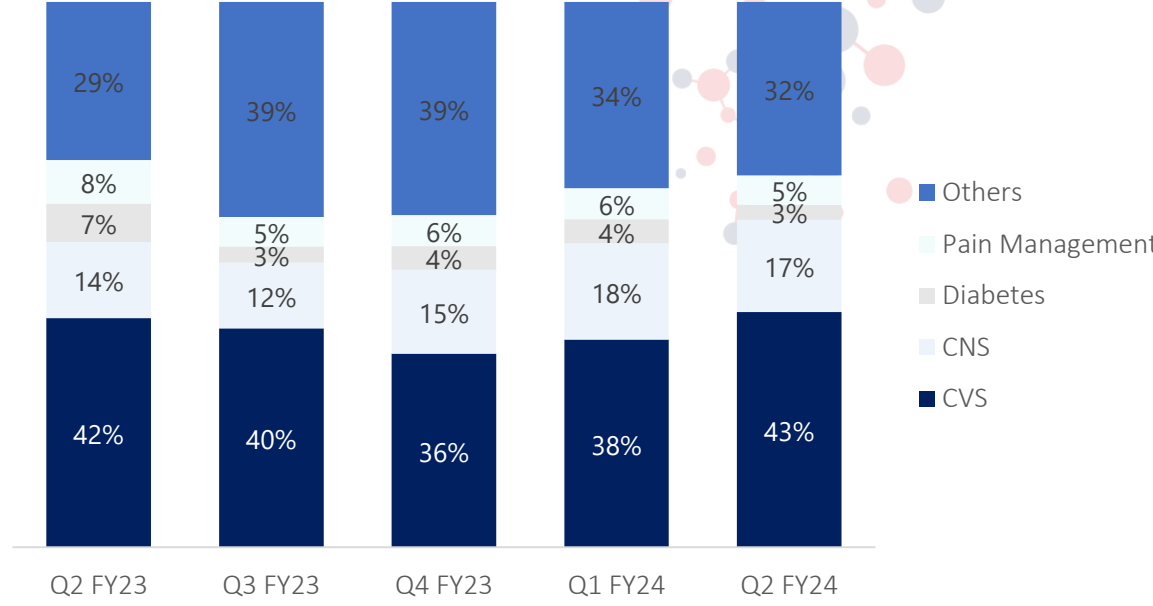
Market and Therapeutic Area Mix

Market Mix

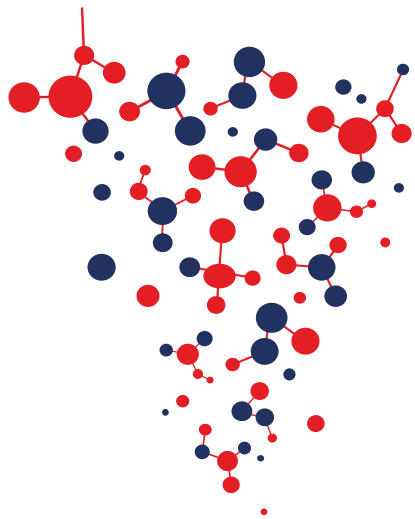


- Regulated markets contribution is at 80% in Q2FY24 driven by growth in US, LATAM, Europe and India
- During Q2FY24, regulated market contributed 80% of the total portfolio compared to 75% in Q2FY23

Therapeutic Area Mix



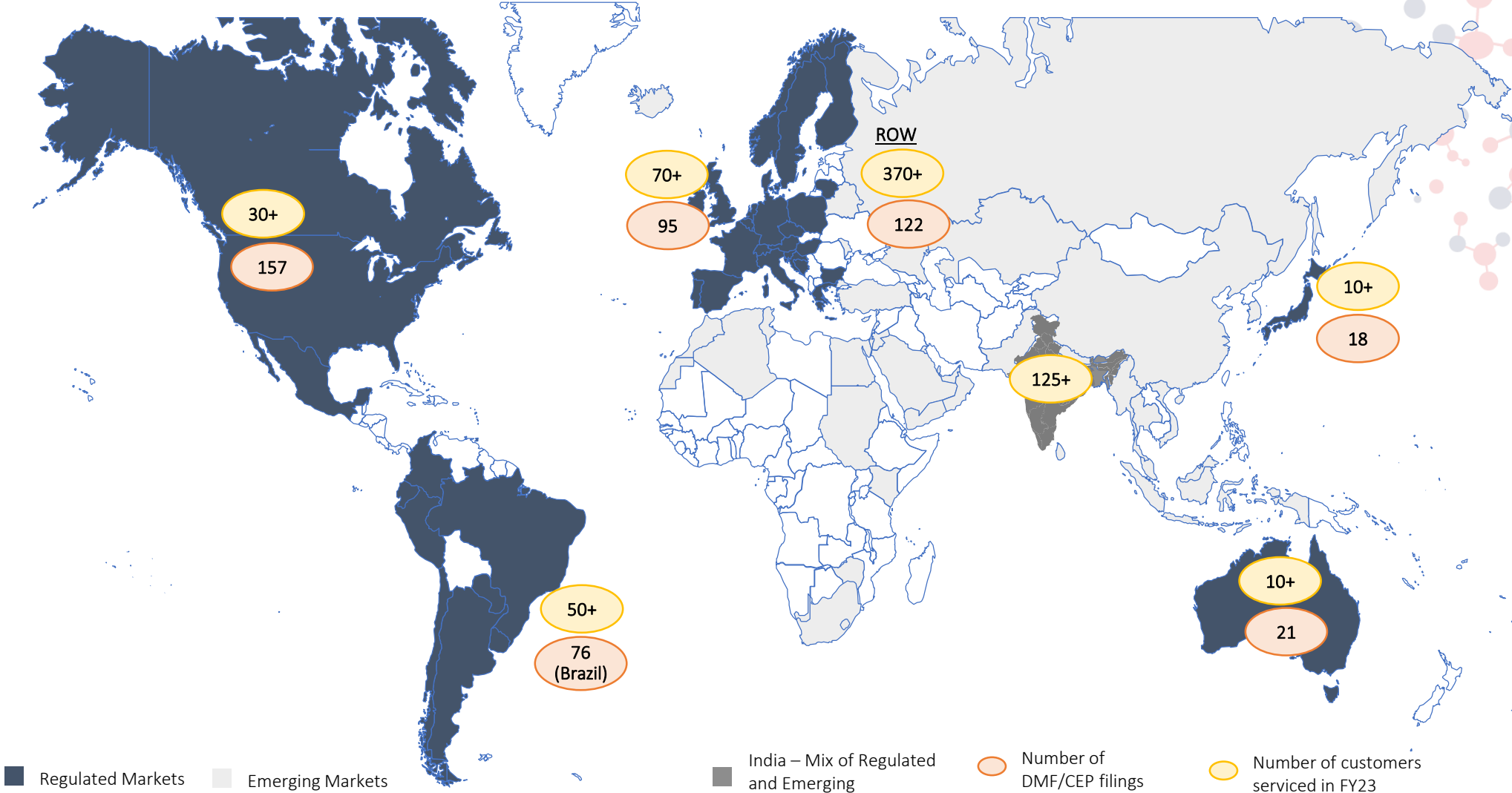
- CVS and CNS portfolio continued to deliver a strong growth
- Our key focused area of chronic therapies contributed 68% of the revenue in Q2FY24



Company Overview

Global Footprint

- Filed 489 DMFs and CEPs across major markets; United States, Europe, Japan, Russia, Brazil, South Korea, Taiwan, Canada, China and Australia



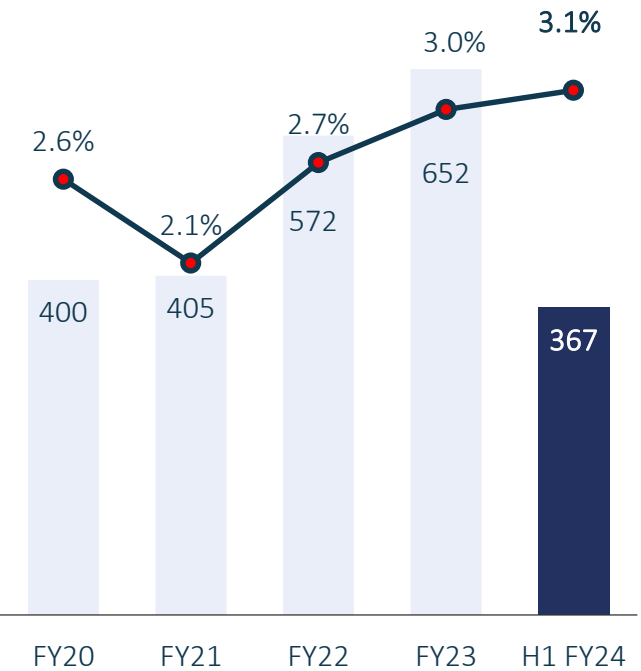
As of Sep 30, 2023

R&D Capabilities

R&D Spend

(In ₹ Millions)

■ R&D Spend
● As % to Sales



Cumulative Filing Status

| Therapy | North America | Europe | Japan | Brazil | Australia | ROW | Total |
|-----------------|---------------|-----------|-----------|-----------|-----------|------------|------------|
| CVS | 37 | 31 | 4 | 21 | 10 | 33 | 136 |
| CNS | 36 | 22 | 8 | 13 | 2 | 14 | 95 |
| Diabetes | 9 | 5 | - | 8 | - | 12 | 34 |
| Pain Management | 1 | 2 | - | 4 | 1 | 8 | 16 |
| Others | 74 | 35 | 6 | 30 | 8 | 55 | 208 |
| Total | 157 | 95 | 18 | 76 | 21 | 122 | 489 |

- DMF/CEPs filing continues across major markets in Q2FY24, taking the total cumulative filings to 489 as on 30 Sep, 2023.
- 3 new products added to the grid of which 1 is High potent API (HP API) / oncology molecule and 2 are synthetic small molecules.
- The HP API portfolio now extends to 12 products with an addressable market of \$21bn (Source: IQVIA, MAT June 23). 3 products are validated and 3 products are in advanced stage of development.
- Development progressing well for new iron complex added last quarter to the existing grid of 3 molecules, each backed by customer interest. Filing completed for 1 iron complex with 2 others in advanced stages of development. Total addressable market of \$1.8 bn (Source: IQVIA, MAT June 23).

Quality-focused, compliant manufacturing & R&D infrastructure



Manufacturing Infrastructure

| Location | Annual Installed Capacity (Jun-23) | Last USFDA Inspection Date | Approvals |
|-----------------------|------------------------------------|----------------------------|--|
| Ankleshwar, Gujarat | 742.2 KL* | July 2019 | USFDA, MHRA (UK), FIMEA (Finland), Romania (Europe) PMDA (Japan), COFEPRIS (Mexico), Health Canada, KFDA (South Korea), Gujarat FDCA |
| Dahej, Gujarat | 381.9 KL | Oct 2018 | USFDA, EDQM (Europe), PMDA (Japan), KFDA (South Korea) |
| Mohol, Maharashtra | 49.1 KL | March 2018 | USFDA, Maharashtra FDA |
| Kurkumbh, Maharashtra | 24.6 KL | -NA- | Maharashtra FDA |

* Additional 208KL will be further added to the capacity in FY24 at Ankleshwar, Gujarat.

R&D Infrastructure

Mahape, Navi Mumbai

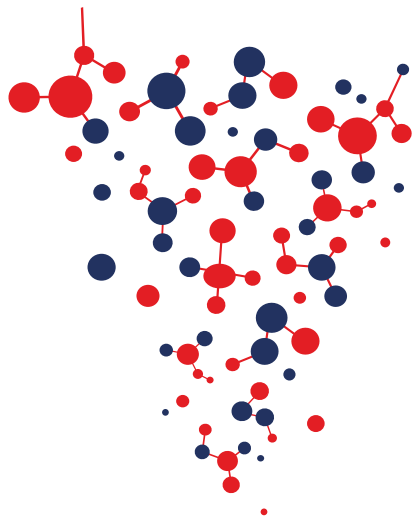
- R&D for new product development and complex molecules
- High-end analytical equipment for characterization

Ankleshwar, Gujarat

- Cost improvement programs and process improvements

Dahej, Gujarat

- Oncology R&D
- Cost improvement programs and process improvements



Strategy Going Forward

Strategic Growth Levers

New Growth levers

2

- ✓ Ramp up CDMO portfolio
- ✓ Expand into complex API platforms
- ✓ Iron compounds
- ✓ Oncology

Operational efficiencies

4

- ✓ Debottlenecking
- ✓ 2nd/3rd generation process adoption
- ✓ Backward integration
- ✓ Reduce carbon footprint
- ✓ Adoption of flow chemistry in manufacturing
- ✓ Pursue AVD opportunities

1 Gx API Business

- ✓ New product launches
- ✓ Geographical expansion
- ✓ Focus on new markets becoming more regulated
- ✓ Pursue 2nd source opportunities with top generic players

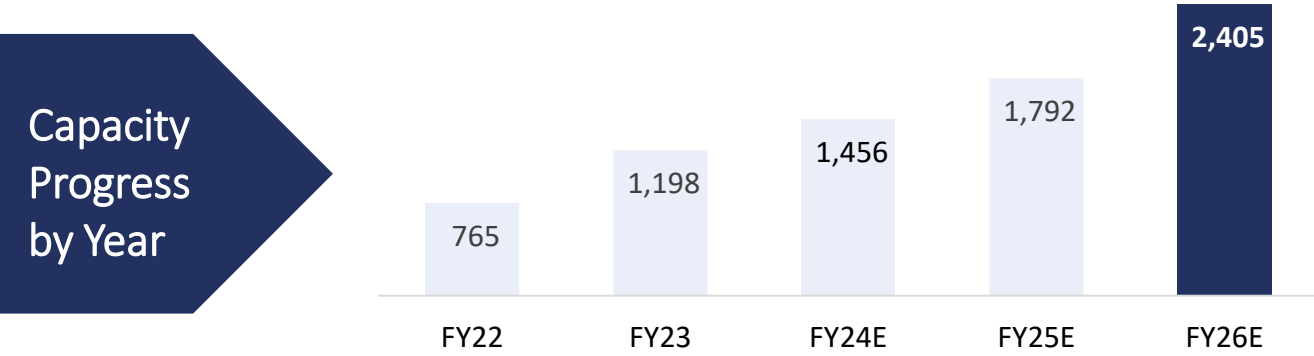
3 Capacity

- ✓ Greenfield – Solapur, 1000MT (CTE Received)
- ✓ Brownfield – Dahej, 240KL (Completed)
- ✓ Oncology block – Dahej (Completed)
- ✓ Backward integration – Ankleshwar (400 KL of which 192 KL is completed)
- ✓ Build R&D capability for new growth levers

Future Capacity Expansion Plan

| Expansion Type | Division | Location | Status & Planned Capacity | Operational Timelines |
|----------------|--------------------|------------|--|-----------------------|
| Brownfield | API / Intermediate | Ankleshwar | 208 KL (Under Construction) | FY24 |
| | | | Planned addition of 280KL-300KL | FY25-FY26 |
| Brownfield | API | Dahej | Planned addition of 220KL-240KL | FY24-FY26 |
| Greenfield | API | Solapur | CTE received for 1,000MT ~500 KL capacity will be operational by FY26 | FY26 |

Total Reactor Capacity Expansion Plan (KL)



- ✓ **Backward Integration plant at Ankleshwar of 208KL is under construction.**
- ✓ **Engineering work started for construction at Solapur Plant of 200KL (Phase 1).**
- ✓ **Solapur's further capacity expansion will be calibrated as per the volume demand**

Thank You

FOR FURTHER INFORMATION CONTACT

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ERNST & YOUNG LLP – INVESTOR RELATIONS

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CIN: U74900PN2011PLC139963

Website: www.glenmarklifesciences.com