

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: Press Release and Management Discussion & Analysis

Pursuant to regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements), 2015, we are enclosing herewith the Press Release and Management Discussion & Analysis of the Company for the Second Quarter ended September 30, 2023

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 Strong Growth Momentum Continues, Revenue Surges 17% YoY to Rs. 5,954 Mn in Q2FY24

Mumbai, Oct 20, 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 and half year ended Sep 30, 2023.

In Q2FY24, GLS registered revenue from operations of Rs. 5,954 Mn, recording a robust growth of 16.9% YoY.

EBITDA at Rs. 1,725 Mn grew 12.2% YoY and EBITDA Margins for the quarter were at 29.0%.

PAT for the quarter was at Rs. 1,187 Mn, registering a strong growth of 11.1% YoY.

During the first half of FY24, GLS recorded strong free cash generation of Rs. 1,535 Mn leading to Cash & Cash Equivalents of Rs. 4,430 Mn as on 30th Sep 2023.

Commenting on the company's performance Dr. Yasir Rawjee, MD & CEO, Glenmark Life Sciences Limited said, *"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"

Tushar Mistry, CFO, Glenmark Life Sciences Limited said, *"Q2 FY24 is marked by continued growth momentum, complemented by steady margins. While EBITDA and PAT margin witnessed some pressure due to higher operational expenses, these are only transitory in nature.*

Our balance sheet continues to remain strong and debt free on the back of robust free cashflow generation during H1FY24."

Additional Highlights:

- Generic API revenues in Q2 FY24 increased by 19.7% YoY to Rs. 5,428 Mn, driven by strong growth in regulated markets with regions like US, LATAM and Europe contributing to the growth momentum
- CDMO revenues at Rs. 253 Mn witnessed a de-growth of 18.1% on YoY basis driven by temporary low demand for one of the CDMO products
- DMF / CEPs filing continue across major markets in Q2FY24, taking the total cumulative filings to 489 as on Sep 30, 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
- 208KL of Intermediate block at the Ankleshwar site is under construction out of total manufacturing capacity of 400 KL and will be operational in second half of FY24
- 50KL pharma capacity will be added this year in Dahej
- In Solapur, detailed engineering work has started for the construction of 200KL in phase 1, total capacity of ~500KL will be operational by FY26

PRESS RELEASE

For Immediate dissemination



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 142 molecules & 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 1198 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/>

For any further queries please contact:

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Management Discussion & Analysis for Q2 FY24 & H1 FY24

FINANCIAL PERFORMANCE

A. Profit and loss statement:

(₹ in Million)	Q2 FY24	Q1 FY24	Q2 FY23	QoQ %	YoY %	H1 FY24	H1 FY23	YoY%
Revenue from Operations	5,954	5,785	5093	2.9 %	16.9%	11,738	9,992	17.5%
EBITDA	1,725	1,950	1,537	-11.5%	12.2%	3,675	3,099	18.6%
EBITDA Margins	29.0%	33.7%	30.2%			31.3%	31.0%	
PAT	1,187	1,355	1,069	-12.3%	11.1%	2,542	2,156	17.9%

B. Balance sheet:

Key Balance Sheet Items (₹ in Million)	September-23	March-23
Equity	23,917	21,382
Inventory	6,695	6,042
Trade Receivables	8,075	8,068
Net Tangible Assets	8,438	8,242
Cash and Cash Equivalent*	4,430	2,838

* Includes bank deposits

Highlights for Q2 FY24 and H1 FY24

- GLS registered a revenue from operations of ₹ 5,954 Mn for Q2 FY24, recording a strong growth of 16.9% YoY and 2.9% QoQ
- Gross Margins improved in Q2 FY24 trending at 54.1%, up 120 bps YoY
- Earnings Before Interest, Tax, Depreciation, and Amortization (EBITDA) for Q2 FY24 was at ₹ 1,725 Mn up 12.2% YoY. EBITDA margins were at 29.0%, down 120 bps YoY, driven by better gross margin and higher employee expenses
- Profit After Tax (PAT) for the quarter was at ₹ 1,187 Mn in Q2 FY24, registering a growth of 11.1% YoY. PAT Margin for the quarter was at 19.9%
- R&D expenditure for H1 FY24 was at ₹ 367 Mn, 3.1% of sales
- Capital expenditure for H1 FY24 was at ₹ 627 Mn
- ROICE (adjusted for Cash and CWIP) was 35.6% for H1 FY24 and the Fixed assets turnover ratio at 2.8x
- Strong free cash generation of INR 1,535 Mn during H1 FY24 leading to Cash & Cash Equivalents of ₹ 4,430 Mn as on 30th Sep 2023

BUSINESS PERFORMANCE & COMMENTARY

A. Segment Performance:

(₹ in Million)	Q2 FY24	Q1 FY24	Q2 FY23	QoQ %	YoY %	H1 FY24	H1 FY23	YoY%
Generic API	5,428	5,042	4533	7.7%	19.7%	10,470	8,981	16.6%
CDMO	253	464	309	-45.5%	-18.1%	717	552	30.0%
Other Operating Revenue	273	279	251	-2.1%	8.7%	551	459	20.2%
Revenue from Operations	5,954	5,785	5,093	2.9%	16.9%	11,738	9,992	17.5%

Generic API:

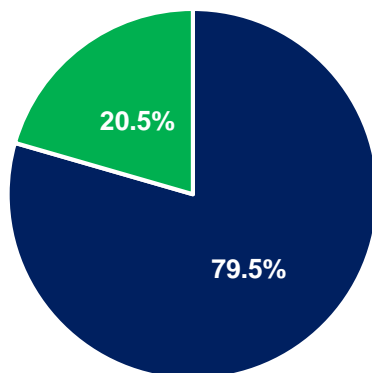
- Generic API revenues in Q2 FY24 increased by 19.7% YoY and 7.7% QoQ
- Generic API business was driven by strong growth in regulated markets with regions like US, LATAM and Europe contributing to the growth momentum

CDMO:

- CDMO revenues at Rs. 253 Mn, 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

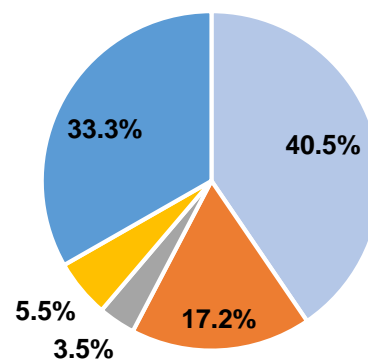
B. Market and Therapeutic Area Mix H1 FY24

Market Mix



■ Regulated markets ■ Emerging markets

Therapy Mix



■ CVS ■ CNS ■ Diabetes ■ Pain management ■ Others

- Regulated markets contribution remains stable at 79.5%
- Regulated markets growth for the quarter was driven by growth in US, Europe, India and LATAM business
- Our key focused area of chronic therapies contributed 68% of the revenue in Q2 FY24
- Therapy wise CVS and CNS portfolio continued to deliver a strong growth

OTHER BUSINESS HIGHLIGHTS

A. Product Pipeline

- DMF/CEPs filing continues across major markets (i.e. United States, Europe, Japan, Russia, Brazil, South Korea, Taiwan, Canada, China and Australia) in Q2 FY24, taking the total cumulative filings to 489 as on Sep 30, 2023
- Generic API Segment
 - 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).

B. Capex update

- Ankleshwar:
 - Remaining 208KL of Intermediate block at the Ankleshwar site is under construction out of total manufacturing capacity of 400 KL, which will be operational in second half of FY24
 - Further, additional brownfield capacity expansion in the range of 280KL – 300KL is planned to be completed by FY25-FY26
- Dahej:
 - Additional brownfield capacity expansion of 220KL – 240KL is planned to be completed by FY25-FY26
- Solapur:
 - The Company has received Environmental Clearance and CTE (Consent to Establish) for the installation of 1,000MT capacity for the planned greenfield site at Chincholi Industrial Area
 - Detailed engineering work has started for the construction of 200KL in phase 1, total capacity of ~500KL will be operational by FY26
 - Solapur's further capacity expansion will be calibrated as per the volume demand

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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