

July 21, 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 First Quarter ended June 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 maintains strong growth momentum, reports robust 25% EBITDA growth in Q1FY24

Mumbai, July 21, 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 June 30, 2023.

In Q1FY24, GLS registered strong revenue from operations of Rs. 5,785 Mn, recording a robust growth of 18.1% YoY.

EBITDA at Rs. 1,950 Mn grew 24.8% YoY and for the quarter was at 33.7% of Revenue, up 180 bps YoY.

PAT for the quarter was at Rs. 1,355 Mn, registering a strong growth of 24.6% YoY.

During the quarter, GLS recorded strong free cash generation of Rs. 982 Mn leading to Cash & Cash Equivalents of Rs. 3,820 Mn as on 30th June 2023.

Commenting on the company's performance Dr. Yasir Rawjee, MD & CEO, Glenmark Life Sciences Limited said, *"Our performance in the quarter was driven by Generic API and the CDMO businesses. Geographically, US, Europe, ROW and India markets spearheaded this growth.*

We remain focused on our strategic priorities of building capacities as well as strengthening our product pipeline. This coupled with an improved demand environment and supply situation will act as catalyst for growth in the coming quarters."

Tushar Mistry, CFO, Glenmark Life Sciences Limited said, *"I am delighted to report continued growth momentum in Q1 with improved gross margins on the back of rationalisation in input cost and improved product mix. EBITDA and PAT margins improved due to better gross margins.*

GLS generated strong free cash flow of Rs. 98 cr. during the quarter further strengthening the debt-free balance sheet."

Additional Highlights:

- Generic API revenues in Q1FY24 increased by 13.3% YoY to Rs. 5,042 Mn, driven by strong growth in regulated markets of US and Europe coupled with strong performance in the India market driven by Ex-GPL business. GPL business in Q1FY24 increased by 18.6% YoY to Rs. 1,964 Mn.
- CDMO revenues at Rs. 464 Mn, grew 91% YoY driven by healthy recovery in demand.
- DMF / CEPs filing continue across major markets in Q1FY24, taking the total cumulative filings to 476 as on June 30, 2023.
- 1 New iron complex added 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 March 23).
- 2 New high potent / oncology molecules added to the current grid of 9 products, with a total addressable market of ~\$19 Bn (Source: IQVIA, MAT March 23). 4 products validated and 5 are under advanced stages of development.
- 208KL of Intermediate block at the Ankleshwar site is under completion 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.
- The Company has received Environmental Clearance and CTE (Consent to Establish) for the installation of 1000 MT capacity for the planned greenfield site at Chincholi Industrial Area. Plan finalized for the construction of 200KL in phase 1.

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 139 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 Q1 FY24

FINANCIAL PERFORMANCE

A. Profit and loss statement:

(₹ in Million)	Q1 FY24	Q4 FY23	Q1 FY23	QoQ %	YoY %
Revenue from Operations	5,785	6,213	4899	-6.9%	18.1%
EBITDA	1,950	2,093	1,563	-6.8%	24.8%
EBITDA Margins	33.7%	33.7%	31.9%		
PAT	1,355	1,464	1,087	-7.5%	24.6%

Highlights for Q1 FY24

- GLS registered a revenue from operations of ₹ 5,785 Mn for Q1 FY24, recording a strong growth of 18.1% YoY and a decline of 6.9% compared to high base of Q4 FY23
- Gross Margins improved strongly in Q1 FY24 trending at 57.1%, up 220 bps QoQ and 380 bps YoY; driven by lower input costs and better product mix.
- Earnings Before Interest, Tax, Depreciation, and Amortization (EBITDA) for Q1 FY24 was at ₹ 1,950 Mn up 24.8% YoY. EBITDA margins were at 33.7%, up 180 bps YoY driven by higher gross margin and offset by higher operating cost
- Profit After Tax (PAT) for the quarter was at ₹ 1,355 Mn in Q1 FY24, registering a growth of 24.6% YoY. PAT Margin for the quarter was at 23.4%, up 120 bps YoY.
- R&D expenditure for Q1 FY24 was at ₹ 174 Mn, 3% of sales.
- Capital expenditure for Q1 FY24 was at ₹ 354 Mn.
- ROICE (adjusted for Cash and CWIP) was 35% for Q1FY24 and the Fixed assets turnover ratio at 2.7x.
- Strong free cash generation of INR 982 Mn during the quarter leading to Cash & Cash Equivalents of ₹ 3,820 Mn as on 30th June 2023.

BUSINESS PERFORMANCE & COMMENTARY

A. Segment Performance:

(₹ in Million)	Q1 FY24	Q4 FY23	Q1 FY23	QoQ %	YoY %
Generic API	5,042	5,299	4448	-4.9%	13.3%
CDMO	464	568	243	-18.2%	91.3%
Other Operating Revenue	279	346	208	-19.5%	34.1%
Revenue from Operations	5,785	6,213	4,899	-6.9%	18.1%

Generic API:

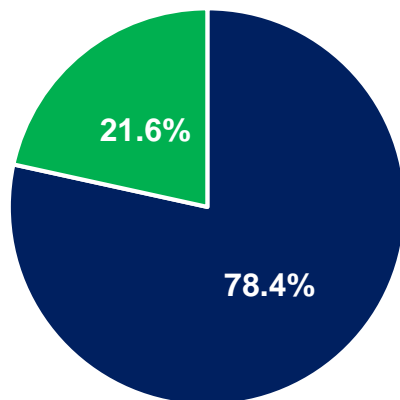
- Generic API revenues in Q1 FY24 increased by 13.3% YoY and decreased by 4.9% QoQ
- Generic API business was driven by strong growth in regulated markets and supported by steady growth in emerging market.
- Regulated markets were driven by sustained growth momentum in US and Europe market coupled with strong performance in the India market driven by Ex-GPL business

CDMO:

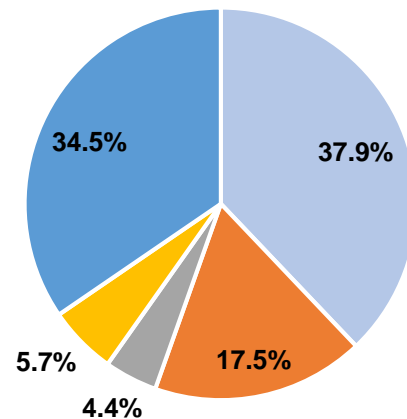
- CDMO revenues at Rs. 464 Mn, continued the strong growth momentum growing 91% YoY driven by healthy recovery in demand
- Multiple discussions ongoing with companies globally for additional business opportunities

B. Market and Therapeutic Area Mix Q1 FY24

Market Mix



Therapeutic Mix



■ Regulated markets ■ Emerging markets ■ CVS ■ CNS ■ Diabetes ■ Pain management ■ Others

- Regulated markets contribution remains stable at 78.4%
- Regulated markets growth for the quarter was driven by growth in US, Europe, India and CDMO business.
- Our key focused area of chronic therapies contributed 66% of the revenue in Q1 FY24
- Therapy wise CVS, CNS and Pain management continued to deliver a strong growth in Q1 FY24

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 Q1 FY24, taking the total cumulative filings to 476 as on June 30, 2023.

- Generic API Segment
 - 1 New Complex molecule added to the portfolio backed by customer interests, summing up an addressable market for the basket of complex products to \$676 Mn (Source: IQVIA, MAT March 23). The basket is seeded with 6+ customers. One molecule filed and rest are under development.
 - 1 New iron complex added 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 March 23).
 - 2 New high potent / oncology molecules added to the current grid of 9 products, with a total addressable market of ~\$19 Bn (Source: IQVIA, MAT March 23) and 10+ customer tie-ups. 4 products validated and 5 are under advanced stages of development.

B. Capex update

- Ankleshwar:
 - Remaining 208KL of Intermediate block at the Ankleshwar site is under construction out of total manufacturing capacity of 400 KL, will be operational in second half of FY24.
 - Further, additional brownfield capacity in the range of 280KL – 300KL will be operational between FY25 and FY26
- Dahej:
 - Additional brownfield capacity of 220KL – 240KL will be operational between FY24 to FY26
- Solapur:
 - The Company has received Environmental Clearance and CTE (Consent to Establish) for the installation of 1000MT 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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