



GLAND PHARMA LIMITED

May 18, 2023

BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers
25th floor, Dalal Street
Mumbai - 400 001
Scrip Code: 543245

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, 5th floor
Plot no. C-1, Block G, Bandra Kurla Complex
Bandra (East), Mumbai - 400 051
Symbol: GLAND (ISIN: INE068V01023)

Dear Sir/Madam,

Sub: Press Release on Q4FY23 Financial Results

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; please find enclosed the Press Release on Q4FY23 Financial Results.

This is for your information and records.

Yours truly,
For Gland Pharma Limited

P Sampath Kumar
Company Secretary and Compliance Officer



Press Release

Gland Pharma's FY23 Revenue stood at ₹ 36,246 Mn with Gross margin of 54%

Hyderabad, May 18, 2023: Gland Pharma Limited (BSE: 543245 | NSE: GLAND), a generic injectable focused pharmaceutical company, today announced its financial results for the fourth quarter and financial year ended March 31, 2023.

Commenting on the results, Mr. Srinivas Sadu, MD & CEO of Gland Pharma said "We have formally closed the acquisition of Cenexi and welcome it to be a part of the Gland-Fosun family. This is our first overseas acquisition and our move into the next phase of growth and expansion. We made progress on our path to building a Bio-CDMO and signed our first contract for Plasma Protein at our Shamirpet facility. Our full year FY23 revenue stood at ₹ 36,246 Mn, and our full year FY23 PAT stood at ₹ 7,810 Mn in the midst of challenging business environment. As an important milestone we received our first China approval and have also initiated launch of our first product. Our progress on the complex portfolio is in-line with plan and this year we filed a total of 3 complex products during the year. Our priority for the next year shall be seamless integration of Cenexi along with a focus on driving sustainable business growth".

❖ Financial summary:

(₹ in million)

Particulars	Q4FY23	Q4FY22	Y-o-Y	Q3FY23	Q-o-Q	FY23	FY22	Y-o-Y
Revenue from operations	7,850	11,030	(29%)	9,383	(16%)	36,246	44,007	(18%)
EBITDA ⁽¹⁾	1,684	3,484	(52%)	2,896	(42%)	10,248	15,102	(32%)
EBITDA Margin (%)	21%	32%		31%		28%	34%	
Exceptional Item ⁽²⁾	565	-		-		565	-	
PBT	1,112	3,805	(71%)	3,109	(64%)	10,546	16,186	(35%)
PBT Margin (%)	14%	34%		33%		29%	37%	
PAT	787	2,859	(72%)	2,319	(66%)	7,810	12,117	(36%)
PAT Margin (%)	10%	26%		25%		22%	28%	

⁽¹⁾ EBITDA = Profit before tax plus exceptional items plus finance expense plus depreciation and amortisation expense minus other income.

⁽²⁾ Subsequent to the balance sheet date, a customer of the Company has filed voluntary proceedings under Chapter 11 of the United States Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of Texas. Based on the information available as on date, on a prudent basis, the outstanding balance of ₹564.61 Mn. has been recorded as a provision for credit impaired financial assets during the quarter ended March 31, 2023. This, being a one-off instance in the company's historical collection trend of financial assets, has been disclosed as an exceptional item.

- Revenue from operations for the fiscal 2023, declined by 18% as compared to the previous year due to:
 - Inventory rationalization across customers in the US market
 - High price pressure with increased competition impacting revenue and margins.
 - Higher base of last year due to COVID related products sale.



- Revenue from operations during the quarter has declined by 29% as compared to corresponding quarter of the previous year due to (Q4FY23 vs Q4FY22):
 - Production line shut down in Q4FY23 in Pashamylaram Penems facility due to line upgradation.
 - Reduced business from domestic B2C division during the year as compared to previous year.
- Revenue from operations during the quarter has declined by 16% as compared to previous quarter of current year due to (Q4FY23 vs Q3FY23):
 - Softer off-take in ROW market due to tender seasonality.
 - Penem production line shut down as part of capacity expansion plan.
- Gross Margin of the Company remained stable during the quarter as compared to same quarter previous year. Gross Margin has improved for the year as compared to the previous financial year largely due to favourable Geography mix.

❖ **Marketwise Revenue:**

(₹ in million)

Particulars	Q4FY23	Q4FY22	Y-o-Y	Q3FY23	Q-o-Q	FY23	FY22	Y-o-Y
USA, Europe, Canada, Australia, and New Zealand (<i>Core Markets</i>)	5,498	7,110	(23%)	6,632	(17%)	26,851	29,248	(8%)
India	647	2,018	(68%)	809	(20%)	2,501	6,278	(60%)
Rest of the world	1,705	1,902	(10%)	1,942	(12%)	6,894	8,481	(19%)
TOTAL	7,850	11,030	(29%)	9,383	(16%)	36,246	44,007	(18%)

Note: - Sales made to Indian customers for the US market has been considered in the US sales.

- Core markets of US, Europe, Canada, Australia, and New Zealand accounted for 70% of revenue during Q4FY23.
- Sale to US market is comprising of products sold to both US customers and Indian customers for US markets. For Q4FY23 direct sale to US customers ₹ 4,233 million and to Indian customers for US markets was ₹ 578 million, totalling ₹ 4,808 million.
- During the quarter the Company has Launched 10 product SKUs.
- Rest of the World markets, accounted for 22% of Q4FY23 revenue for the quarter.
- India market accounts for 8% in Q4FY23 revenue. It witnessed decline in business due to higher base of COVID related sales in previous year and less Insulin business.

❖ **EBITDA and EBITDA Margin:**

- The Company have reported an EBITDA of ₹ 10,248 million in FY23, as compared to ₹ 15,102 million for the previous financial year, a decrease of 32%.
- Energy cost increased by 31% as compared to previous year due to higher fuel and electricity prices.
- Employee cost has increased by 19% as compared to previous year largely due to additional headcount to support the new production lines in Pashamylaram plant and the Bio CDMO facility in Shamirpet.
- Other Expenses increased by 11% as compared to previous year due to various professional fees paid for M&A related activities.

❖ **Research and Development:**

- The total R&D expense for Q4FY23 was ₹ 678 million which is 8.6% of revenue. During the year financial year, the Company has incurred ₹ 2,014 million in R&D which is 5.6% of revenue.
- During Q4FY23, the Company has filed 9 ANDAs, and received 7 ANDA approvals.
- As on March 31, 2023, we along with our partners has 334 ANDA filings in the United States, of which 263 were approved and 71 pending approvals.

❖ **Capex:**

- Total Capex incurred during the quarter was ₹ 977 million and was ₹ 2,230 million during financial year.
- The Company is adding new capabilities of Combi-line for Microsphere, additional Bag line and lyos for the Penem block in Pashamylaram facility in Hyderabad.
- The Company will be earmarking capital for further building on its Bio-CDMO business.



Earnings Call details:

- The Company will conduct an Earnings call at 6.30 PM (IST) on May 18th, 2023, to discuss the business performance and answer questions from participants. To participate in this conference call, please dial the numbers provided below ten minutes ahead of the scheduled start time.

Universal Access	+91 22 6280 1516 / +91 22 7115 8875
Diamond pass link	Click here to register
National Toll Free	1 800 120 1221
International Toll-Free Number	USA – 18667462133 UK – 08081011573 Singapore – 8001012045 Hong Kong – 800964448

About Gland Pharma Limited (BSE: 543245, NSE: GLAND)

Gland Pharma was established in 1978 in Hyderabad, has grown over the years from a contract manufacturer of small volume liquid parenteral products, to become one of the largest and fastest growing injectable-focused companies, with a global footprint across 60 countries, including the United States, Europe, Canada, Australia, India, and other markets. It operates primarily under a business to business (B2B) model and have an excellent track record in the development, manufacturing, and marketing of sterile injectables. It has a wide range of injectables, including vials, ampoules, pre-filled syringes, lyophilized vials, dry powders, infusions, oncology, and ophthalmic solutions and also enjoys the distinction of having pioneered Heparin technology in India. For more information, log on to: www.glandpharma.com

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This press release may include statements of future expectations and other forward-looking statements based on management's current expectations and beliefs. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive, technological and/or regulatory factors. Gland Pharma Limited, its directors and any of the affiliates or employee is under no obligation to, and expressly assume any obligation to update any particular forward-looking statement contained in this release.