



Bal Pharma Limited

To,
The Manager-Listing
National Stock exchange of India Ltd
Mumbai.

11.02.2022

BSE Limited
Mumbai.

Dear Sir,

Sub : Press Release.

Ref : Regulation of 30 of SEBI(LODR) Regulations.2015.

We are circulating the enclosed press release on the standalone and consolidated financial results of the Company for the quarter and half year ended 31.12.2021, announced by us on 10.02.2022.

Please take the same on record.

Thanking You

For Bal Pharma Ltd



Authorised Signatory

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Bal Pharma Limited

BAL Pharma maintains its strong growth momentum reports PAT growth of 23% YoY for 9MFY22.

PLI Scheme is shot in the arm for company's future growth

February 10th , 2022, Bengaluru: BAL Pharma, a fully integrated pharmaceutical company specialized in Bulk Actives ,Prescription Drugs, Generics and pharma intermediates, has announced its results for quarter and nine months ended 31st December 2021.

Financial Highlights – Q3 & 9MFY22.

Standalone Financials

INR Mn

Particulars (₹ Mn)	Q3FY22	Q3FY21	YoY	9MFY22	9MFY21	YoY
Revenue	701.0	633.4	10.7%	2,091.5	1,805.4	15.85%
EBITDA	72.1	68.7	5.0%	222.6	208.8	6.62%
PBT	31.4	23.5	33.8%	91.9	71.2	29.16%
PAT	12.2	15.5	-21.5%	58.0	47.2	22.97%
EPS	0.82	1.09	-24.9%	3.91	3.33	17.57%

The Company maintained its strong momentum and has delivered an all-round performance for 9MFY22 with Revenue registering a growth of 16% YoY, and PAT growing by 23% for 9MFY22. Companies API's business has been witnessing strong momentum which is driving overall growth. Company standalone business represent majority of its overall business

Financial Highlights- H1FY22

- **Revenue-** Strong contribution from API business led to Revenue growth of 16% YoY for 9MFY22. Such overall Revenue growth was on account of non-covid therapeutic segments and robust demand both in domestic and the international markets. Various API's like Gliclazide , Ebastine and Benzydamine have been witnessing strong growth momentum. Export : Domestic mix for 9MFY22 stood at 69:31 versus 64:36 in 9MFY21. Expanding existing API products into newer geographies of South America, Africa and Europe aided such Revenue growth.
- **EBITDA** increased by 7% YoY to INR 223 mn in 9M FY22. EBITDA margins remained stable at 10.6%, Although bottlenecks on supply chain logistics have been gradually reducing, higher freight rates and higher Raw material costs kept EBITDA margin under check. Company was able to partly mitigate these costs inflation and is expected to pass on the costs gradually over the period of time.

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- PAT increased by 23% YoY to INR 58 mn in 9MFY22. Better operating leverage and lower overheads led to overall increase in PAT. Company has efficiently managed their debt portfolio in 9MFY22 which resulted into lower interests costs – down by 10% YoY in 9MFY22 and by 18% YoY in Q3FY22.

API Business: API constitutes 59% of Total Revenue

- API segment revenue reported an increase of 35% YoY to INR 1219.8 mn in 9MFY22. Share of API in total revenue increase to 59% in 9MFY22 from 51% in 9MFY21.
- API exports witnessed a robust growth of 70% YoY for 9MFY22; The Company exports its API across various regions with Ireland, Spain, Slovenia, Indonesia, Japan , Mexico, Turkey, Bangladesh being the top destinations.
- Exports: Domestic mix was 68:32 in 9MFY22 versus 54:46 in 9MFY21.
- Gliclazide being an API used for treating Diabetes has been an important contributor in the company's earnings. Ebastine and Benzydamine has also been started contributing meaningfully to the overall API's Revenue .Top 5 API's contributed nearly 94% of API's revenue in 9MFY22.
- Total Order book for API's remains strong at INR 300 mn as on 9MFY22, API's such as Alfuzosin for prostate enlargement, and Dabigatran for cardiac care under scale up. Along with this API's Total 8 products are under development and scale up.

Formulations Business (FDF): Formulation constitutes 41% of Total Revenue

- Formulations segment remained marginally subdued at INR 837mn in 9MFY22. However, Domestic Formulations have been witnessing positive momentum and has reported 13% growth YoY.
- On the domestic front, the company has launched Dapagliflozin under the brand name Dapaten which is an anti-diabetic drug. With this, Bal Pharma further consolidates its market share in Diabetes as a Therapeutic segment
- Domestic to exports was at 30:70 in 9MFY22 versus 25:75 in 9MFY21.
- Order book for FDF stands at INR 340 mn as on 9MFY22. With the new launches and strengthening medical representative team in domestic market would continue the positive trajectory.

PLI Scheme:

Company is also a beneficiary of the Production Linked Incentive scheme 2.0. for the Pharmaceutical Sector under "Atmanirbhar Bharat". The company has been placed under 'Category C' of the said scheme where in company is eligible for incentives to the tune of INR 500 mn spread over 5 years. Company's various products in API and intermediates are eligible for 10% incentives on incremental turnover per annum and Formulations in Anti Diabetic and Cardiovascular diseases are eligible for 5%. Company targets average an incremental annual turnover of INR 1,250 mn p.a from these eligible products. This coincides with company's growth plan where in company was planning capex in these facilities. Thus with no additional capex (over and above capex planned), such incentives are expected to directly flow into the company's profits.

Commenting on financial results, Mr. Shailesh Siroya, Managing Director, BAL Pharma said, "The overall financial performance for 9MFY22 has been quite encouraging. On API front, export markets were quite buoyant and has witnessed significant improvement over previous year. The Company would keep focussing on key therapeutic areas affecting Lifestyle disorders, and Exports are expected to drive the growth momentum going head. Company has expanded its existing API products in various new territories of South America, Africa and Europe.

In view of Covid, It was tactically decided to restrict export of formulations and concentrate on domestic markets which has been witnessing encouraging momentum.

Further, company has introduced 15 new products in Asia and Africa which will further diverse our geographical presence. Company has laid out an outlay to improve market share in domestic formulations market by strengthening medical representative team and have new product launches over period of time

Along with these we believe PLI scheme introduced by the government will be an add-on to our growth targets and expected to enhance company's bottom line.

Our Strategy over medium to long-term remains to focus on API exports and Domestic formulations and simultaneously strengthening our balance sheet as well. Our product opportunities are encouraging and we expect demand to remain buoyant going ahead in the current fiscal year".

About BAL Pharma Ltd (BPL)

Bal Pharma Limited (BSE: 524824; NSE: BALPHARMA) is a fully integrated pharmaceutical company specialized in Bulk Actives, Prescription Drugs, Generics, and pharma intermediates. Bal Pharma's focused therapeutic areas are oncology, diabetes, gastroenterology, and dermatology. The Company is one of the largest producers and exporters of Gliclazide, a medicine to treat type-2 diabetes. Bal Pharma's niche APIs and FDFs are produced at world class manufacturing facilities located at Karnataka, Maharashtra, Rajasthan and Uttarakhand. The Company exports APIs to Europe, Australia, Japan, Far East, Canada, Latin America, Africa, Middle East and other World markets. Its FDFs are exported to Semi-regulated, Non-regulated market, and a select regulated market, besides having a robust domestic presence. Backed by strength in Research and Development, and strong infrastructure, Bal Pharma is poised to become a significant company in the pharmaceutical industry.

Forward-Looking Statement:

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. BAL Pharma Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

For more information, please contact

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