



# Bal Pharma Limited

To,

The Manager-Listing

16.11.2022

National Stock exchange of India Ltd

Mumbai.

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 30.09.2022, announced by us on 14.11.2022.

Please take the same on record.

Thanking You

For Bal Pharma Ltd

Authorised Signatory

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NEWS RELEASE:

## BAL Pharma Limited announces resilient revenue growth for Q2 & H1FY23 results, against price volatility and intense API competition

- Export Formulation witnesses robust growth of 41.47% in H1FY23 and 17.14% in Q1FY23
- Revenue grows by 11.08% YoY to ₹754.36 million in Q2FY23

November 16, 2022, Bengaluru: BAL Pharma Limited, a fully integrated pharmaceuticals Company specialising in Bulk Drugs, Prescription Drugs, Generics, and pharma intermediates, has announced its results for the Quarter that ended September 30, 2022.

### Financial Highlights (Standalone) – Q2 & H1FY23

Particulars (₹ Mn)	Q2FY23	Q2FY22	YoY	H1FY23	H1FY22	YoY
Revenue	754.36	679.14	11.08%	1,455.07	1,390.52	4.64%
EBITDA	60.14	64.04	-6.09%	114.57	136.13	-15.84%
PBT	16.02	30.25	-47.04%	34.08	60.46	-43.63%
PAT	11.28	30.55	-63.08%	25.35	45.85	-44.71%
EPS	0.72	2.06	-65.05%	1.63	3.09	-47.25%

### Financial Highlights

- Revenue – The Company reported revenue of ₹ 754.36 million for Q2FY23 as compared to ₹ 679.14 million for Q2FY22 and registered growth of 11.08%. Revenue for H1FY23 stood at ₹ 1,455.07 million for Q2FY23 as compared to ₹ 1,390.52 million for Q2FY22.
- EBITDA – EBITDA for Q2FY23 stood at ₹ 60.14 million for Q2FY23, marginally lower compared to ₹64.04 million for Q2FY22. Raw materials price fluctuations, inflation, tight inventory control, and API price competition impacted the margins for the current period
- PAT – PAT for Q2FY23 stood at ₹11.28 million for Q2FY23, well below ₹30.55 million for Q2FY22
- EPS – EPS for Q2FY23 stood at Rs. 0.72

### Formulations Business(FDF) – Revenue Driver

- Formulations segment revenue registered a growth of 24.40%, and revenue stood at ₹374.34 million in Q2FY23 compared to ₹ 300.91 million in Q2FY22
- Revenue for H1FY23 stood at ₹ 759.71 million in H1FY23 as compared to ₹ 557.92 million in H1FY22, registering a growth of 36.16%
- Exports to Domestic were at 65:35 in Q2FY23 versus 69:31 in Q2FY22
- Domestic formulation registered robust growth of 40.85%, while export Formulation witnessed an increase of 17.14% YoY for Q2FY23

- The share of formulations in total revenue is 50.17% in Q2FY23 compared to 45.11% in Q2FY22
- In H1FY23 domestic formulations stood at ₹ 207.48 million in H1FY23 compared to ₹ 167.59 million in H1FY22, registering a growth of 23.80%. Export formulations stood at ₹ 552.24 million in H1FY23 compared to ₹ 390.37 million in H1FY22 and reported an increase of 41.47%
- The order book for formulation stands at ₹265 million as of Q2FY23.

## API Business – an integrated business model

- API segment revenue stood at ₹371.84 million in Q2FY23 compared to ₹366.09 million in Q2FY22 and registered an increase of 1.57%.
- The share of API in total revenue is 49.83% in Q2FY23 compared to 54.89% in Q2FY22.
- Exports: Domestic mix was 69:31 in Q2FY23 versus 63:37 in Q2FY22.
- API export stood at ₹258.16 million in Q2FY23 compared to ₹231.22 million in Q2FY22 and registered an increase of 11.65%.
- The total Order book for APIs remains strong at ₹450 million as of Q2FY23.

## Operational Highlights

1. **New Product Launch in Glyduz division** - Bal Pharma has launched Sitagliptin (a DPP-4 Inhibitor) in the plain form, and as a combination with Metformin under the brand names SITABEND & SITABEND-M, respectively, which recently became off patented. This launch aims to transform diabetes management, in line with its ambition to strengthen its position as the diabetes market leader in India
2. **Expanding with new products and new customers**- Under our expansion plan company added 3 new customers and 16 new products into formulation segments. This expansion will add more value to our business and ultimately enhance profitability in the coming years.

Commenting on financial results, **Mr. Shailesh Siroya, Managing Director, BAL Pharma**, said,

*"The financial performance of Q2FY23 is encouraging, and the formulation business performed decently well in this Quarter. The performance on the export front is exciting, registering a growth of 14.25% in Q2FY23. There is also a surge in domestic business, and it grew by 7.25% in Q2FY23. So, the Company registered significant improvement in all the sections in the previous year. The Company is strategically improving and expanding its footprints in various geographies. The Company has solid and diversified products in its portfolio and constantly working toward improving the portfolio to address a larger market. The temporary reduction in the profitability will be improved in the coming quarters with the stability in inputs costs and better inventory management strategies*

*The opportunities in the market are tremendous, and the Company is trying to cater to the maximum market share. The Company is opting for and undertaking various cost-efficiency measures, ultimately leading to profitability and delivering improved value to the stakeholders. At the same time, we are geared to expand and nurture our product portfolio in each category. Furthermore, we plan to diversify our product portfolio to reach a broader consumer base.*

*Looking ahead, we have a strong order book position at ₹ 715 million, affording us confident revenue visibility for the rest of FY23.*

## **About BAL Pharma Ltd (BPL)**

**Bal Pharma Limited (BSE: 524824; NSE: BALPHARMA)** is a fully integrated pharmaceuticals Company specialising in Bulk Actives, Prescription Drugs, Generics and pharma intermediates. Bal Pharma's focused therapeutic areas are Anti-diabetes, Anti-histamine, Anti-inflammatory, Acne Treatment, Gastroenterology, Cardiology, and dermatology. The Company is one of Gliclazide's largest producers and exporters, a medicine to treat type-2 diabetes. Bal Pharma's niche APIs and FDFs are produced at world-class manufacturing facilities in Karnataka, Maharashtra, Rajasthan and Uttarakhand. The Company exports APIs to Europe, Australia, Japan, the Far East, Canada, Latin America, Africa, the Middle East and other World markets. Its FDFs are exported to a Semi-regulated market, besides having a domestic presence. Backed by strength in Research and Development and robust 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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