



Marksans Pharma Ltd.

Q2 and H1FY24 Financial Results

Marksans Q2FY24 Revenue at Rs 531 cr. up by 17.4% YoY, EBITDA and PAT grew by 40% YoY

Mumbai, November 9, 2023 – Marksans Pharma Ltd. (NSE: MARKSANS; BSE Code: 524404) reported the financial results today for the quarter and half year ending September 30, 2023.

Mark Saldanha, Managing Director of the Company said "Building on the momentum, we have another strong quarter both in terms of revenue and operating margins. Revenue grew by 17% YoY in Q2 led by increased demand and market share gains across our key regions. We continue to remain focused on strengthening our OTC portfolio and growing our share with existing customers. Operating margins expanded compared to the prior year and sequentially led by reduced raw material pricing and freight cost, along with operational efficiencies.

Our strategic initiatives are aimed at growth, and we will strive to maintain and build upon this upward trajectory in the upcoming quarters."

Q2FY24 Financial Highlights

- Operating revenue was Rs. 531.2 cr., up by 17.4% YoY driven by market share gains in the existing products and markets.
- Gross profit was Rs. 278.5 cr., up by +21.4% YoY with a Gross margin of 52.4%.
- EBITDA was Rs. 113.9 cr., grew by 41.9% with an EBITDA margin of 21.4%
- EPS grew by 21.2% YoY to Rs. 1.8

H1FY24 Financial Highlights

- Operating revenue was Rs. 1,031.3 cr., up by 16.3% YoY driven by new product launches and share gains with existing customers, markets and products.
 - US business grew by +14.1% YoY
 - UK and Europe grew by +22.6% YoY
- Gross profit was Rs. 535.8 cr., up by +19.5% YoY with a Gross margin of 52.0%.
- EBITDA was Rs. 215.9 cr., grew by 41.0% with an EBITDA margin of 20.9%
- EPS grew by 12.3% YoY to Rs. 3.4

Business Highlights

US Market

- US & North America Formulation business reported growth of 14.1% YoY to Rs. 415.6 cr.in H1FY24, on account of market share gains, new product launches, and also due to an increase in the share of existing customers

- 32 products are in the pipeline, of which 20 are oral solids and 12 are ointments and creams. Within oral solids, 4 are Softgels

UK and Europe Market

- Revenue of Rs. 459.2 cr. from the UK and Europe Formulation business in H1FY24 as compared to Rs. 374.5 cr. during last year, registering a growth of 22.6%.
- Planned 34 new filings over three years. In addition, 16 products are already filed and awaiting approval

Australia and New Zealand Market

- Australia and New Zealand business reported Rs. 107.0 cr. in H1FY24, which grew by 10.9% YoY, due to incremental market share.
- 10 products are in the pipeline and expected to be launched over two years.

RoW Market

- RoW business reported Rs. 49.5 cr. in H1FY24

Other Highlights

- In H1FY24, the capex incurred was Rs 119.9 cr. Capex investment is in-line with our plan for scaling the acquired manufacturing unit from Teva Pharma in Goa
- Cash Balance at the end of 30th September 2023 is at Rs 661 cr.
- In H1FY24, Cash from Operations is at Rs 90.6 cr. and Free Cash Flow is at -29.3 cr. on account of high capex in the quarter.

Business Performance

Consolidated profit and loss statement:

	Q2FY24	Q2FY23	YoY Growth	H1FY24	H1FY23	YoY Growth
Operating Revenue	531.2	452.6	17.37%	1,031.3	886.3	16.36%
Gross Profit	278.5	229.4	21.41%	535.8	448.3	19.52%
Gross margin	52.4%	50.7%	174 bps	52.0%	50.6%	137 bps
EBITDA	113.9	80.3	41.90%	215.9	153.1	41.03%
EBITDA Margin%	21.4%	17.7%	371 bps	20.9%	17.3%	366 bps
PAT	83.9	60.1	39.52%	154.3	120.3	28.25%
Net profit Margin%	15.2%	12.9%	236 bps	14.6%	13.1%	143 bps
EPS	1.8	1.5	21.25%	3.4	3.0	12.31%

Business-wise performance:

in Rs. Cr.	Q2FY24	Q2FY23	YoY Growth	H1FY24	H1FY23	YoY Growth	Mix
US & North America	222.3	190.3	16.81%	415.6	364.2	14.13%	40.3%
UK and Europe	233.3	193.5	20.56%	459.2	374.5	22.60%	44.5%
Australia & NZ	48.4	43.9	10.26%	107.0	96.5	10.88%	10.4%
Rest of World (ROW)	27.3	24.9	9.58%	49.5	51.1	-3.25%	4.8%
Consolidated Revenue from operations	531.2	452.6	17.37%	1,031.3	886.3	16.36%	100.0%

Earnings Conference Call:

There will be an Earnings conference call at 5.30 pm IST on November 9, 2023, during which the leadership team will discuss the financial performance and take questions. A transcript of the conference call will be available at www.marksanspharma.com.

Date and Time	November 9, 2023, at 5.30 pm IST
Diamond pass link	Link
Primary Access Numbers	+91 22 6280 1146, +91 22 7115 8047
International Toll-Free Numbers	Singapore: 800 101 2045, Hong Kong: 800 964 448 USA: 1 866 746 2133, UK: 0 808 101 1573

About Marksans Pharma Ltd

Marksans Pharma Limited (www.marksanspharma.com) headquartered at Mumbai, India is engaged in Research, Manufacturing & Marketing of generic pharmaceutical formulation in the global markets. The company's manufacturing facilities are approved by several leading regulatory agencies including USFDA, UKMHRA and Australian TGA. The company's robust product portfolio spreads over major therapeutic segments of CVS, CNS, Antidiabetic, Pain Management, Gastroenterological and Anti-allergies. The company is marketing these products globally.

Disclaimer

Certain statements in this press release concerning our future growth prospects may be forward looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The company's results may be affected by factors including, but not limited to, the risks and uncertainties in pharmaceutical research and development; competitive developments; regulatory actions; the extent and duration of the effects of the COVID-19 pandemic; litigation and investigations; business development transactions; economic conditions; and changes in laws and regulations, including health care reform. The company undertakes no duty to update forward-looking statements except as required by applicable law.

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