



Marksans Pharma Ltd.

Q1FY23 Financial Results

Marking strong start to the year

Mumbai, August 11th, 2022– Marksans Pharma Ltd. (NSE: MARKSANS; BSE Code: 524404) reported the financial results today for the first quarter ended June 30, 2022.

Mark Saldanha, Managing Director of the Company said *"We had a strong start to the year, achieving good growth across all our regions. Our existing business, new product approvals, and launches continue to drive the momentum. We have emerged as a prime manufacturer and marketer of private-label store brands of consumer healthcare products in the USA, UK and Australia. This is driven by our commitment to invest in product innovation, newer capacities, and increasing penetration. Looking ahead, we see growing demand in our OTC segment across the regions, and we are well-positioned to take advantage of these opportunities."*

Key highlights of the quarter

- Operating revenue was Rs. 433.8 cr., growing by +24.3% driven by a strong volume growth in existing products and new launches in the US & UK.
 - US business grew by +25.7%. Pricing erosion in the US continued in the high single digit during the quarter impacting Generic Rx business.
 - UK and Europe grew by +13.7%
- Gross profit was Rs 218.9 cr, growing by +17.3% YoY with Gross margin at 50.5%.
- EBITDA was ₹72.9 cr., declining by 5.8% with EBITDA margin at 16.8%, on account of increase in costs of material, freight costs, and pricing pressure in the US.
- R&D spend was at 2% of sales
- Healthy cash balance of Rs. 339 cr.
- Outlook: During the quarter, the input cost pressures continued to build up, adversely impacting our margins. However, we expect the inflationary pressures to moderate and remain confident in our ability to navigate the challenges. We have started passing on the price increase to our customers.

Business Highlights

US Market

- US & North America Formulation business reported growth of 26% YoY to Rs. 173.9 Cr.in Q1FY23.
- 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. 181 cr. from UK and Europe Formulation business in Q1FY23 as compared to Rs. 159.2 cr. during last year, registering growth of 14%.

- Planned 34 new filings over the next three years, of which 7 are planned in FY23. In addition, 16 products are already filed and awaiting approval.

Australia and New Zealand Market

- Australia and New Zealand business reported growth of 38% YoY to Rs. 52.6 Cr.in Q1FY23.
- 10 products are in the pipeline and expected to be launched over the next two years.

RoW Market

- RoW business doubled to Rs. 26.3 Cr. in Q1FY23.

Business Performance

Consolidated profit and loss statement:

	Q1FY23	Q1FY22	YoY Growth	FY22	FY21	YoY Growth
Operating Revenue	433.8	349.0	+24.3%	1490.8	1,376.2	+8.3%
Gross Profit	218.9	186.7	+17.3%	774.0	781.1	(0.9)%
<i>Gross margin</i>	<i>50.5%</i>	<i>53.5%</i>	<i>(302)bps</i>	<i>51.9%</i>	<i>56.8%</i>	<i>(484)bps</i>
EBITDA	72.9	77.3	(5.8)%	258.9	339.6	(23.8)%
<i>EBITDA Margin%</i>	<i>16.8%</i>	<i>22.2%</i>	<i>(536)bps</i>	<i>17.4%</i>	<i>24.7%</i>	<i>(731)bps</i>
PAT	60.2	62.6	(3.9)%	186.8	238.5	(21.7)%
<i>PAT Margin%</i>	<i>13.4%</i>	<i>17.6%</i>	<i>(428)bps</i>	<i>12.2%</i>	<i>17.2%</i>	<i>(506)bps</i>
EPS	1.46	1.51	(3.4)%	4.5	5.8	(22.4)%

Business wise performance:

in Rs. Cr.	Q1FY23	Q1FY22	YoY Growth	Mix
US & North America	173.9	138.8	25.7%	40.1%
UK and Europe	181.0	159.2	13.7%	41.7%
Australia & NZ	52.6	38.2	37.8%	12.1%
Rest of World (ROW)	26.3	13.2	99.0%	6.1%
Consolidated Revenue from operations	433.8	349.4	24.3%	100.0%

Earnings Conference Call:

There will be an Earnings conference call at 17:30hrs. IST on August 16, 2022, 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	August 16, 2020 at 17:30hrs IST
Dial-in Numbers	+044 7126 1302, +044 4563 4952
Diamond pass link	Register here

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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