



# GLAND PHARMA LIMITED

October 26, 2022

BSE Limited  
Corporate Relationship Department  
Phiroze Jeejeebhoy Towers  
25<sup>th</sup> 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: Investor Presentation on Q2FY23 (Quarter and Half Year ended September 30, 2022) Financial Results**

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; please find enclosed the Investor Presentation on Q2FY23 Financial Results.

This is for your information and records.

Yours truly,

**For Gland Pharma Limited**

**P Sampath Kumar**  
**Company Secretary and Compliance Officer**

**Regd. Office:**

Survey No. 143-148, 150 & 151, Near Gandimaisamma 'X' Roads  
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Tel: +91-40-30510999 Fax: +91-40-30510800

**Corporate Office:**

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Pashamylaram (V), Patancheru (M), Sangareddy District  
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Tel: +91-8455-699999



GLAND PHARMA LIMITED

# Gland Pharma Limited

Financial Results  
Q2'FY23

26<sup>th</sup> October 2022



# Safe Harbor Statement

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The Presentation is to provide the general background information about the Company's activities as at the date of the Presentation. The information contained herein is for general information purposes only and based on estimates and should not be considered as a recommendation that any investor should subscribe / purchase the company shares.

This presentation may include certain "forward looking statements". These statements are based on current expectations, forecasts and assumptions that are subject to risks and uncertainties which could cause actual outcomes and results to differ materially from these statements. Important factors that could cause actual results to differ materially from our expectations include, amongst others general economic and business conditions in India and any other country, ability to successfully implement our strategy, our research and development efforts, our growth and expansion plans and technological changes, changes in the value of the Rupee and other currencies, changes in the Indian and international interest rates, change in laws and regulations that apply to the Indian and global pharmaceuticals industries, increasing competition, changes in political conditions in India or any other country and changes in the foreign exchange control regulations in India. Neither the company, nor its directors and any of the affiliates or employee have any obligation to update or otherwise revise any forward-looking statements. The readers may use their own judgment and are advised to make their own calculations before deciding on any matter based on the information given herein.

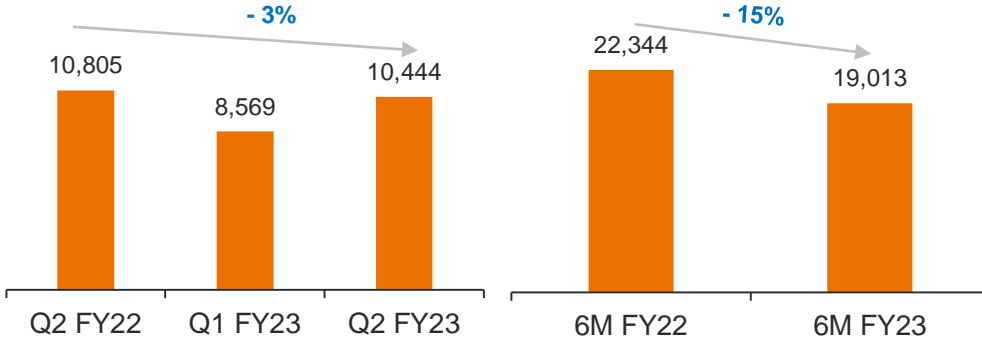
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# Financial Highlights (1/3)

Revenue seen recovering after being impacted by supply chain disruption

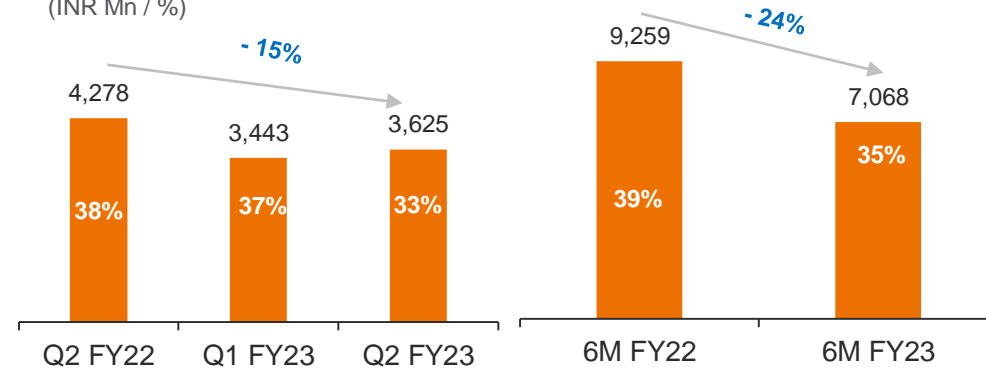
## Revenue from Operations

(INR Mn)



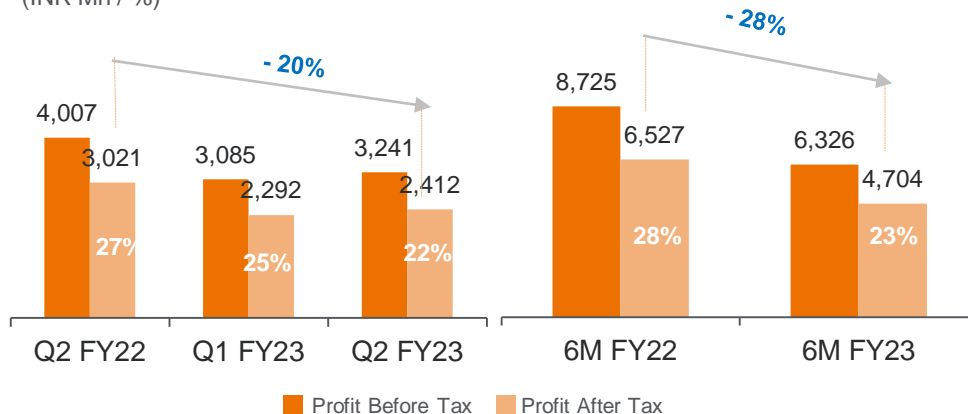
## EBITDA <sup>(1)</sup> / EBITDA Margin <sup>(2)</sup>

(INR Mn / %)



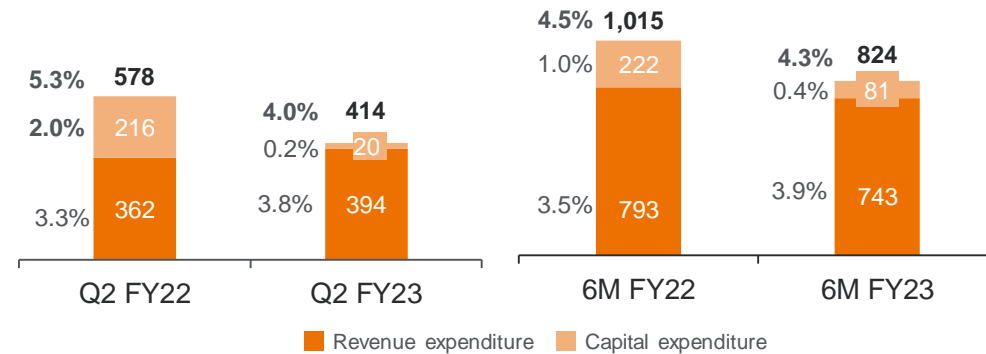
## PBT / PAT / PAT Margin <sup>(3)</sup>

(INR Mn / %)



## R&D Expenses / (R&D % of Revenue)

(INR Mn / %)



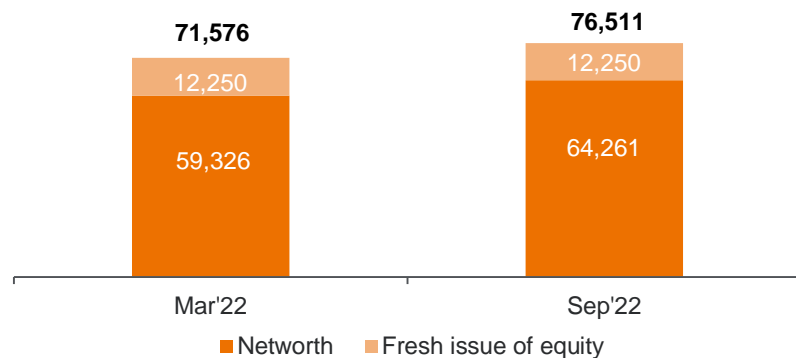
Note: (1) EBITDA stands for earnings before interest, taxes, depreciation and amortisation which has been arrived at by adding finance expense, depreciation expense and total tax expense to the profit for the period. (2) EBITDA margin = EBITDA / Total Income; (3) PAT margin = Profit for the period / Total Income

# Financial Highlights (2/3)

## Strong Balance Sheet to support future growth plans

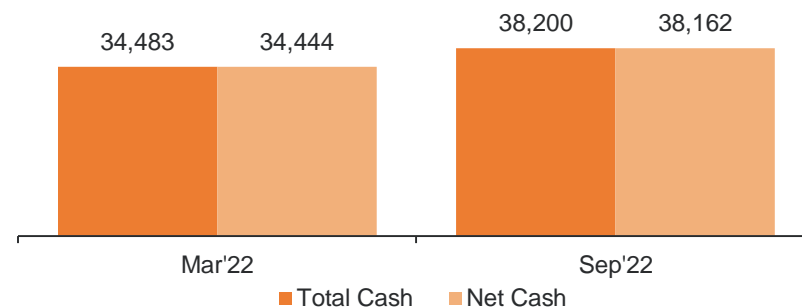
### Net Worth <sup>(1)</sup>

(INR Mn)



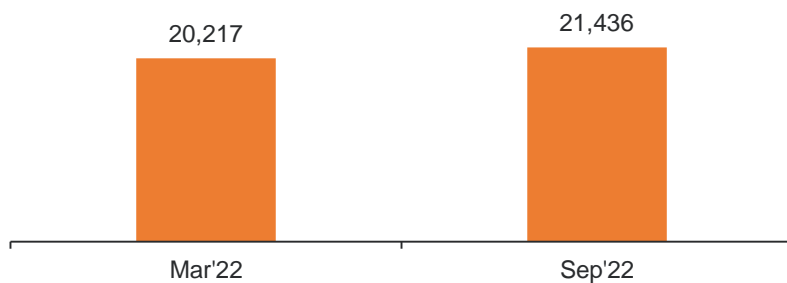
### Cash and Bank Balances / Net Cash <sup>(2)</sup>

(INR Mn)



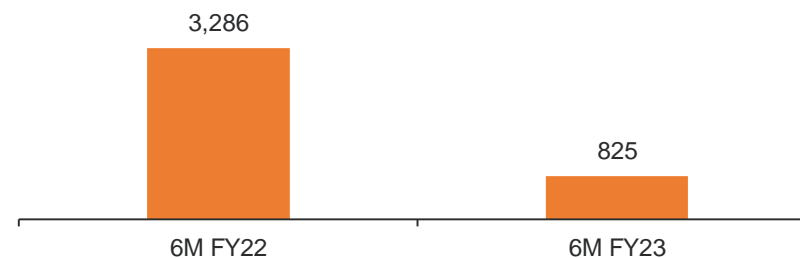
### Net Working Capital <sup>(3)</sup>

(INR Mn)



### Capital Expenditure

(INR Mn)

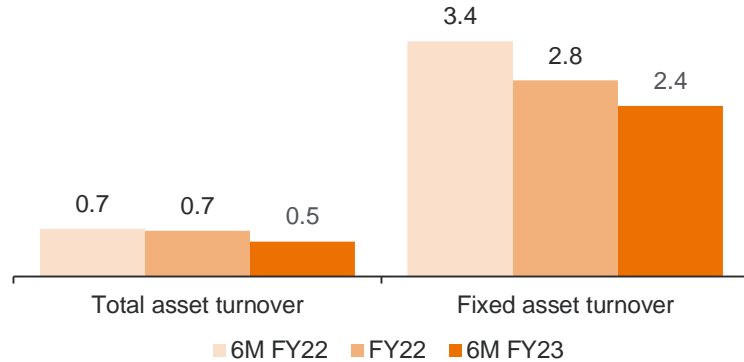


Note: (1) Net Worth refers to sum of equity share capital and other equity. (2) Net Cash refers to Cash, Investments in Debt Mutual Funds, Deposits with Financial Institutions and Bank Balances less Non-current borrowings (including current maturities). (3) Net Working Capital refers to Current assets (excluding cash and bank balances) less Current liabilities.

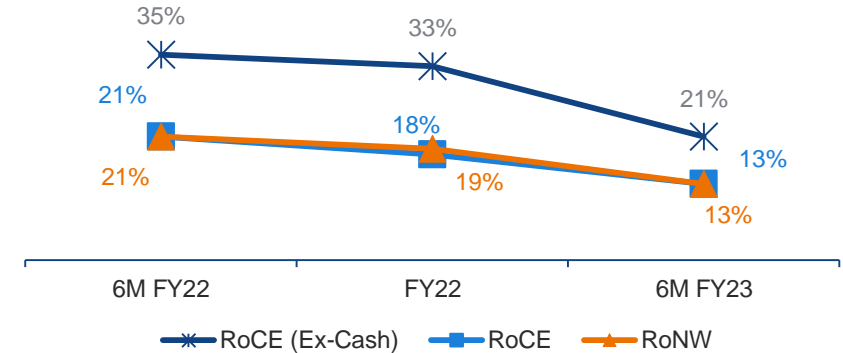
# Financial Highlights (3/3)

## Focus on capital efficiency and ramping-up new capacities

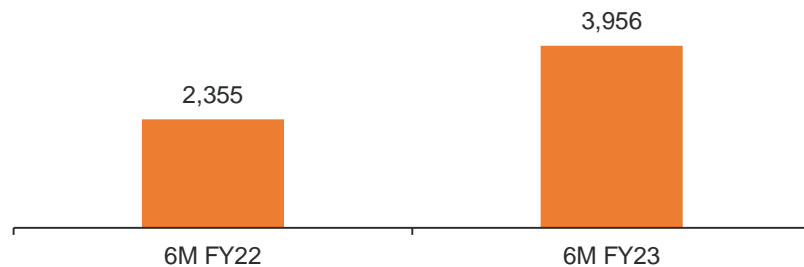
### Asset Turnover Ratio <sup>(1)(2)</sup>



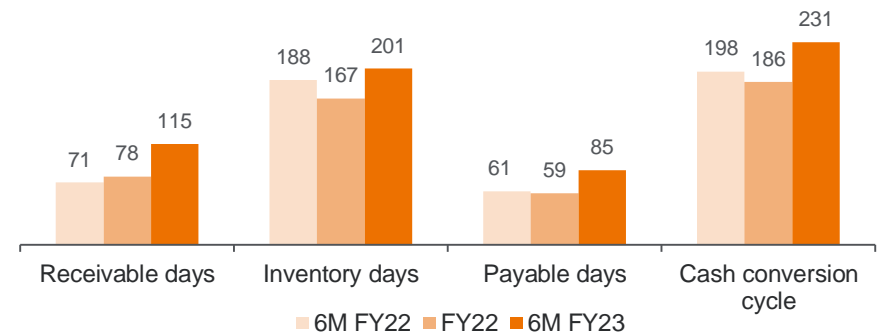
### ROCE (ex-cash)<sup>(3)</sup> / ROCE <sup>(4)</sup> / RONW <sup>(5)</sup> (%)



### Cash Flow from Operations (INR Mn)



### Cash Conversion Cycle (CCC) <sup>(6)(7)</sup> (# of Days)



Note: (1) Asset Turnover is calculated as Total Income for the period divided by average total assets for the period; (2) Fixed Asset Turnover is calculated as Total Income for the period divided by average total fixed assets for the period (Property, plant and equipment + Right-of-use assets + Capital work in progress); (3) ROCE (ex cash) = (EBIT - Taxes - Interest Income (net of taxes)) / Average Capital Employed for the period. Capital Employed represents Total Assets (excluding Cash and Bank balances) - Current Liabilities (4) Return on Capital Employed (ROCE) = (EBIT - Taxes) / Average Capital Employed for the period. Capital Employed represents Total Assets - Current Liabilities; (5) Return on Net Worth (RONW) = Profit for the period / Average Net Worth for the period. Net Worth represents sum of equity share capital and other equity; (6) COGS mean cost of goods sold includes cost of materials consumed, purchases of traded goods, change in inventories of finished goods, traded goods and work-in-progress and manufacturing overheads; (7) Receivable days calculated as average trade receivables for the period divided by revenue from operations \* over 183/365 days (as applicable), Inventory days calculated as average inventory for the period divided by COGS\* over 183/365 days (as applicable), & Payable days calculated as average trade payable for the period divided by COGS\* over 183/365 days (as applicable). CCC calculated as Receivable days + Inventory days - Payable days;

# P&L Highlights

(INR Mn)

Particulars	Q2 FY23	Q2 FY22	YoY change	6M FY23	6M FY22	YoY change	Q1 FY23
<b>Revenue from operations</b>	<b>10,444</b>	<b>10,805</b>	-3%	<b>19,013</b>	<b>22,344</b>	-15%	<b>8,569</b>
Other Income (excluding Forex gain)	475	354	34%	877	696	26%	402
Forex gain (net)	181	158	15%	523	434	20%	342
<b>Total Income</b>	<b>11,100</b>	<b>11,317</b>	-2%	<b>20,413</b>	<b>23,474</b>	-13%	<b>9,313</b>
<b>Gross Margin<sup>(1)</sup></b>	<b>5,249</b>	<b>5,565</b>	-6%	<b>10,078</b>	<b>11,739</b>	-14%	<b>4,828</b>
<i>% margin</i>	50%	52%		53%	53%		56%
<b>EBITDA<sup>(2)</sup></b>	<b>3,625</b>	<b>4,278</b>	-15%	<b>7,068</b>	<b>9,259</b>	-24%	<b>3,443</b>
<i>% margin<sup>(3)</sup></i>	33%	38%		35%	39%		37%
<b>PBT</b>	<b>3,241</b>	<b>4,007</b>	-19%	<b>6,326</b>	<b>8,725</b>	-27%	<b>3,085</b>
<i>% margin</i>	29%	35%		31%	37%		33%
<b>PAT</b>	<b>2,412</b>	<b>3,021</b>	-20%	<b>4,704</b>	<b>6,527</b>	-28%	<b>2,292</b>
<i>% margin<sup>(4)</sup></i>	22%	27%		23%	28%		25%

Note: (1) Gross Margin = Revenue from Operations – Materials consumed; (2) EBITDA stands for earnings before interest, taxes, depreciation and amortisation which has been arrived at by adding finance expense, depreciation expense and total tax expense to the profit for the period; (3) EBITDA margin = EBITDA / Total Income; (4) PAT margin = PAT / Total Income

# USA, Europe, Canada and Australia (Core Markets)

## Revenue:

We delivered a growth of 3% y-o-y in our core markets and a growth of 5% y-o-y in the USA market. Our key launch in the US market during the quarter was Bumetanide.

## New launches<sup>(2)</sup>:

Q2 FY23: 6 Product SKUs (2 molecules)

## US filings update:

As of Sep 30, 2022, we along with our partners had 322 ANDA filings in the United States, of which 259 were approved and 63 pending approval.

	Q2 FY23 <sup>(3)</sup>
ANDA Filed	6
ANDA Approved <sup>(3)</sup>	6
DMFs Filed	3

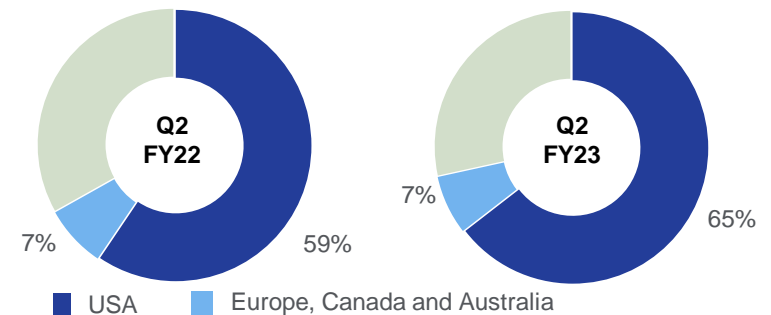
6M FY23: Rs. 14,531 Mn  
YoY Change: -1%

Q2 FY23: Rs. 7,475 Mn  
YoY Change: 3%

## Core Markets<sup>(1)</sup>



## Revenue Contribution



Note: ANDA count includes technology transfer ANDAs

(1) Core markets includes USA, Europe, Canada and Australia; (2) Includes products where launch quantity is dispatched to our partners; (3) Includes final approval received for 2 ANDAs



# Rest of the World Markets

- The material supply issues are starting to improve and we are ensuring we build sufficient inventory along with qualifying alternate suppliers.
- We saw a de-growth of 3% over the last year, the contribution of rest of the world markets to over-all revenue remains at 21%
- Our key rest of the world markets continue to remain MENA, LatAm and APAC.
- We registered Esomeprazole Sodium, Melphalan Hydrochloride and Labetalol Hydrochloride in new geographies during the Q2 FY23.

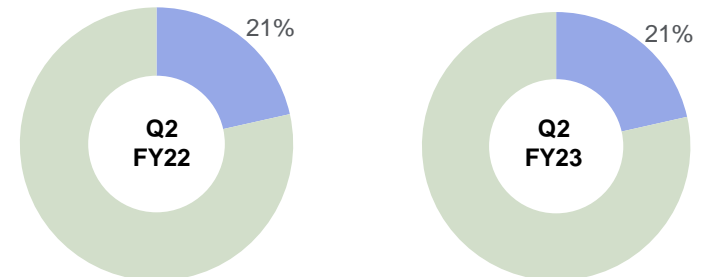
6M FY23: Rs. 3,246 Mn  
YoY Change: -29%

Q2 FY23: Rs. 2,243 Mn  
YoY Change: -3%

## Rest of the World Markets



## Revenue Contribution



# India (Domestic Market)

- India market sales accounted for 7% of our total sales during Q2 FY23.
- We completed the Insulin line modifications and it was available for commercial production during this quarter. We made product dispatches during the second half of the quarter.
- Input costs continued to remain high due to supply side challenges for our core portfolio impacting sales.
- India sales were lower as compared to Q2 FY22 because of higher base due to COVID products in that quarter.

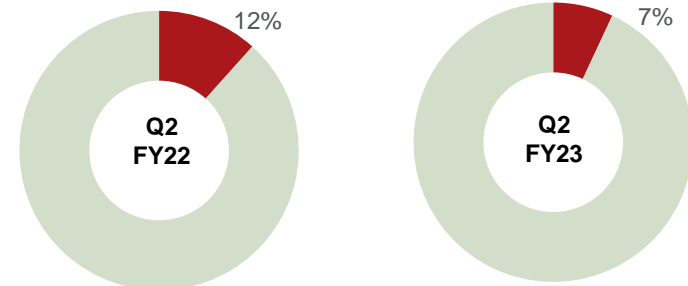
**6M FY23: Rs. 1,236 Mn**  
**YoY Change: -60%**

**Q2 FY23: Rs. 726 Mn**  
**YoY Change: -42%**

## India (Domestic Market)



## Revenue Contribution



# Growth Drivers

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1

## Geographic Expansion

- **China remains a key geographic focus** and we expect to start receiving approvals for products during the current year as the inspection has been waived off
- We are expanding our penetration in the rest of the world markets such as **South Africa** and **Kazakhstan**

2

## Portfolio Development

- **Received first-to-file (FTF) for two filed products** during H1 FY23 with a US market size of ~ \$ 145 million
- Investing in new manufacturing lines for technologies involving **microspheres and combi-vials** to support our complex development portfolio
- Capability to manufacture hormonal/suspension products established at Pashamylaram

3

## Establishing bio-similar CDMO

- Significant progress in **building internal capabilities** in terms of resources and infrastructure
- **Exploring opportunities for external partnerships** with keen interest from existing partners
- We have completed several customer visits during H1 FY23 and few of those have moved to the stage of commercial negotiations



### Registered Office

#### **Gland Pharma Limited**

Survey No. 143-148, 150 & 151  
Near Gandimaisamma 'X' Roads  
D.P. Pally, Dundigal Gandimaisamma Mandal  
Medchal-Malkajgiri District  
Hyderabad 500043, Telangana, India

### Corporate Office:

#### **Gland Pharma Limited**

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Hyderabad 502307, Telangana, India

**BSE** 543245

**NSE** GLAND

**Bloomberg** GLAND:IN