

January 23, 2024

**To,  
Dy. General Manager  
Department of Corporate Services,  
BSE Ltd.,  
P. J. Towers, Dalal Street,  
Fort, Mumbai – 400 001**

**To,  
The Manager – Listing,  
National Stock Exchange of India Ltd.,  
Plot No. C/1, G Block,  
Bandra Kurla Complex,  
Bandra (E), Mumbai – 400 051**

**Ref: Scrip Code: 543322**

**Ref: Scrip Name: GLS**

Dear Sirs,

**Sub: Investor Presentation**

Pursuant to regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements), 2015, we are enclosing herewith the Investor Presentation – Q3 FY 23-24.

You are requested to take the same on record.

Thanking You.

Yours faithfully,  
**For Glenmark Life Sciences Limited**

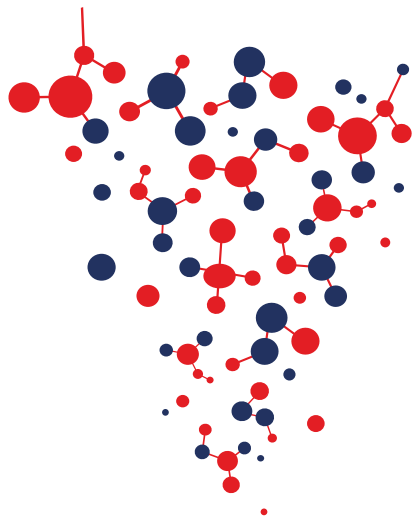
**Rudalf Corriea  
Company Secretary & Compliance Officer  
Encl: As above**

# Glenmark Life Sciences Ltd.

Investor Presentation

Q3 FY24





# Financial Performance Review



**Dr. Yasir Rawjee**  
Managing Director &  
Chief Executive Officer

*“Our Q3 FY24 numbers reflect our commitment to quality growth, with revenue from operations rising by 5.9%. This was fuelled by the robust performance of the US, LATAM, RoW and India (ex-GPL) markets. Our external business continued its upward trajectory, balancing the subdued performance of the GPL business.*

*I am happy to inform you that we signed a multi-year definitive agreement to supply APIs for an innovator’s product, which is expected to commercialize in FY25.*

*Looking ahead, a strong orderbook for external business coupled with improved visibility of CDMO business gives me confidence of delivering steady growth in FY24 and in the coming years.”*

REVENUE  
(IN ₹ MILLIONS) **5,728** 5.9% YoY (3.8%) QoQ

EBITDA  
(IN ₹ MILLIONS) **1,742** 14.6% YoY 1.0% QoQ

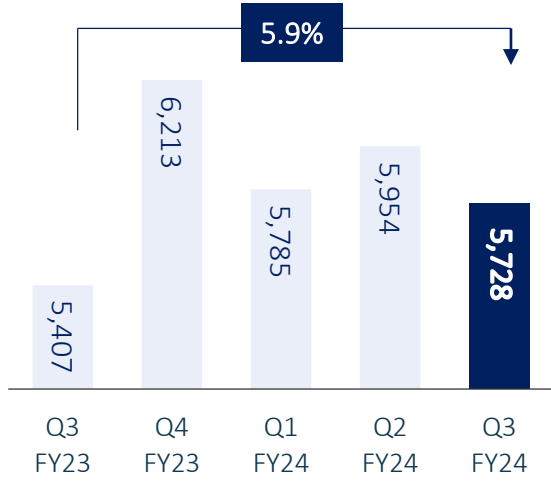
PAT  
(IN ₹ MILLIONS) **1,188** 13.1% YoY 0.0% QoQ

- GLS registered a revenue from operations of ₹ 5,728 Mn for Q3FY24, recording a growth of 5.9% YoY and de-growth of 3.8% QoQ
- Gross Margins improved in Q3FY24 trending at 57.7%, up 670 bps YoY and up 360 bps QoQ, driven by better product mix and lower input cost; EBITDA margins for the quarter were at 30.4% up 230 bps YoY and up 140 bps QoQ; driven by better gross margin
- External business grew by 9.8% YoY to ₹ 4,187 Mn whereas CDMO business witnessed strong recovery growing 27% YoY to ₹ 355 Mn; GPL business was subdued during the quarter at ₹ 1,541 Mn
- During 9MFY24, company generated strong free cash flow of ₹ 2,214 Mn leading to Cash and Cash Equivalents of ₹ 2,359 Mn as of 31<sup>st</sup> December 2023. (Post payment of Interim dividend of ₹ 2,757 Mn.)

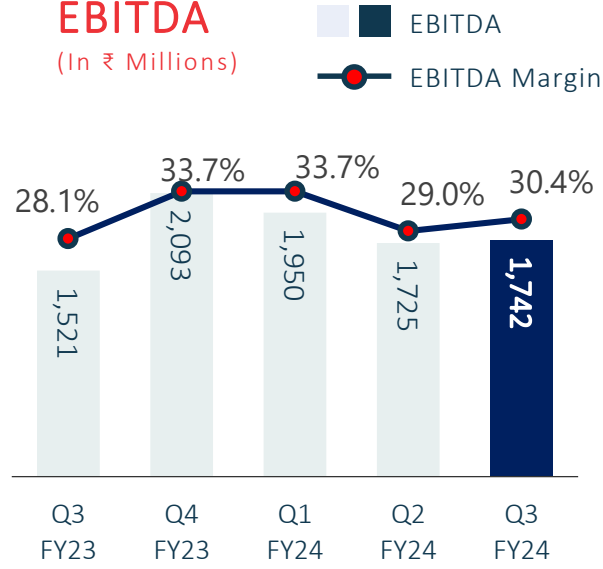
# Q3 & 9M FY24 Performance

Strong growth with stable margins

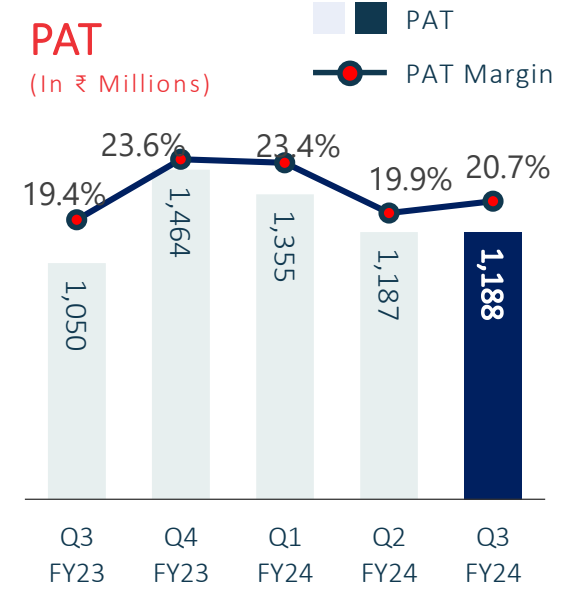
## Revenue (In ₹ Millions)



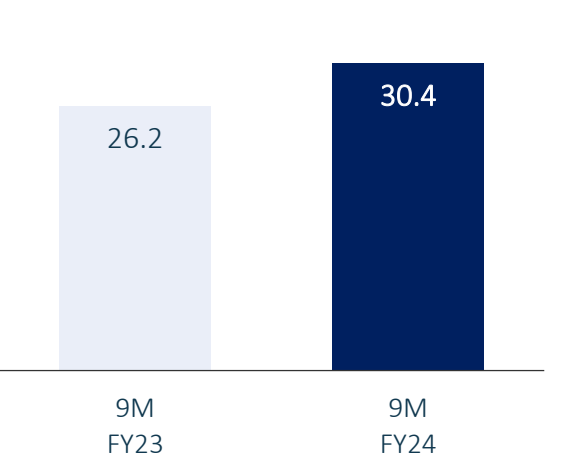
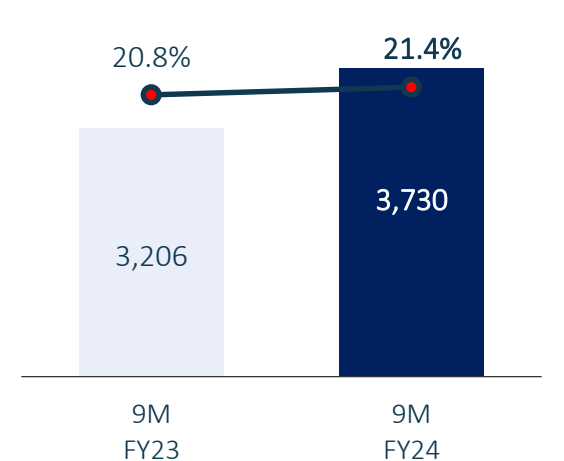
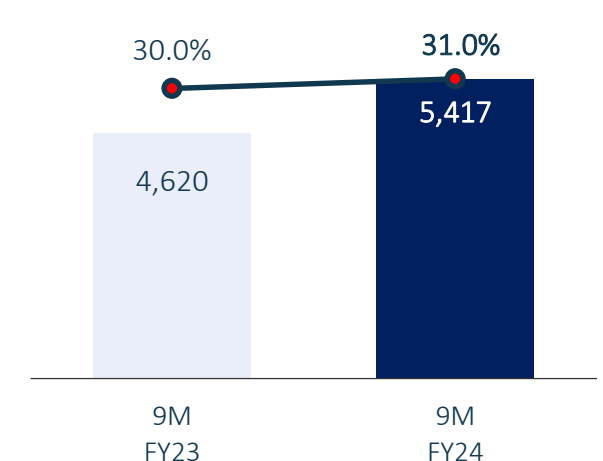
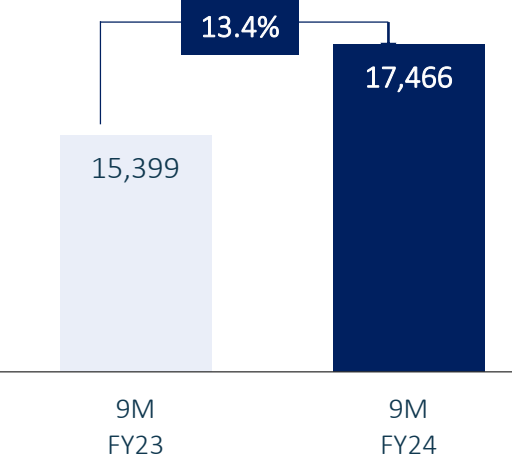
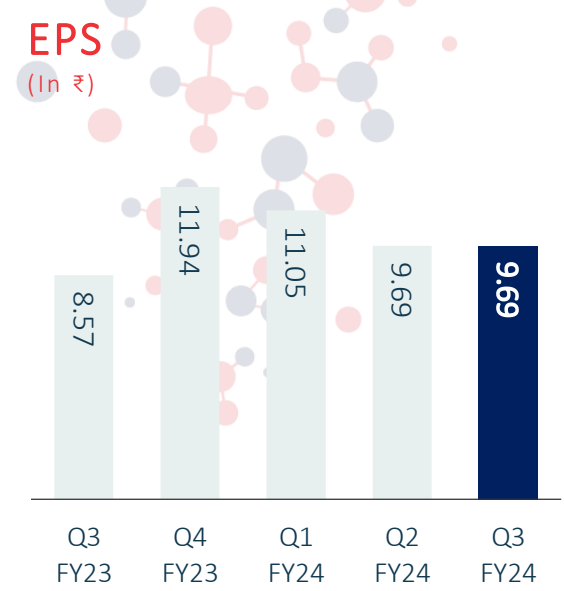
## EBITDA (In ₹ Millions)



## PAT (In ₹ Millions)



## EPS (In ₹)

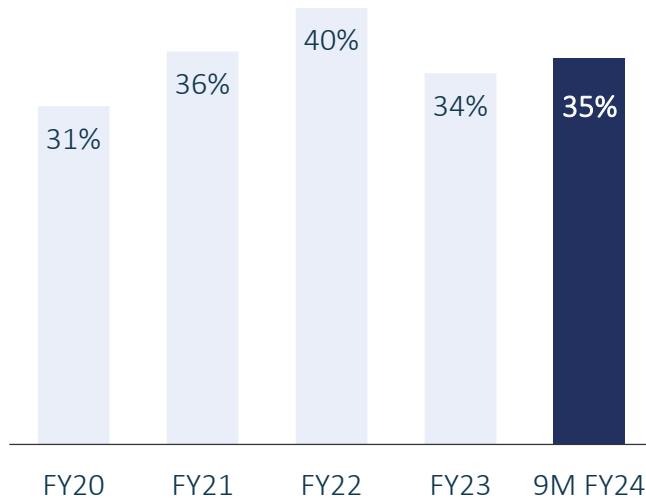


# P&L Highlights | Q3 & 9M FY24

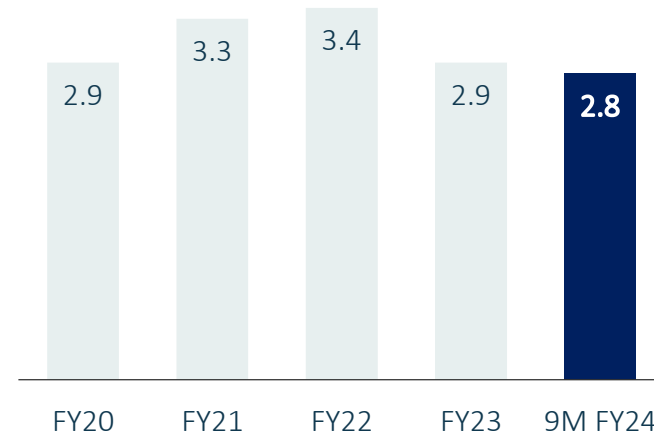
Particulars (In ₹ Millions)	Q3 FY24	Q2 FY24	QoQ	Q3 FY23	YoY	9M FY24	9M FY23	YoY
Revenue from Operations	5,728	5,954	-3.8%	5,407	5.9%	17,466	15,399	13.4%
Gross Profit	3,306	3,223	2.6%	2,759	19.8%	9,833	8,062	22.0%
Gross Profit (%)	57.7%	54.1%		51.0%		56.3%	52.4%	
Other Income	17	54	-68.5%	66	-74.4%	89	261	-65.9%
Employee Benefits Expense	711	667	6.5%	485	46.5%	1,859	1,364	36.3%
Other Expenses	870	885	-1.7%	819	6.2%	2,646	2,340	13.1%
<b>EBITDA</b>	<b>1,742</b>	<b>1,725</b>	<b>1.0%</b>	<b>1,521</b>	<b>14.6%</b>	<b>5,417</b>	<b>4,620</b>	<b>17.3%</b>
<b>EBITDA Margin (%)</b>	<b>30.4%</b>	<b>29.0%</b>		<b>28.1%</b>		<b>31.0%</b>	<b>30.0%</b>	
Depreciation and Amortisation Expense	132	131	0.4%	108	22.0%	389	306	27.2%
Finance Costs	4	4	-2.9%	2	93.6%	12	4	195.5%
PBT	1,607	1,589	1.1%	1,411	13.9%	5,016	4,310	16.4%
PBT Margin (%)	28.1%	26.7%		26.10%		28.7%	28.0%	
<b>PAT</b>	<b>1,188</b>	<b>1,187</b>	<b>0.0%</b>	<b>1,050</b>	<b>13.1%</b>	<b>3,730</b>	<b>3,206</b>	<b>16.3%</b>
<b>Net Margin (%)</b>	<b>20.7%</b>	<b>19.9%</b>		<b>19.4%</b>		<b>21.4%</b>	<b>20.8%</b>	

# Strong Returns Indicators

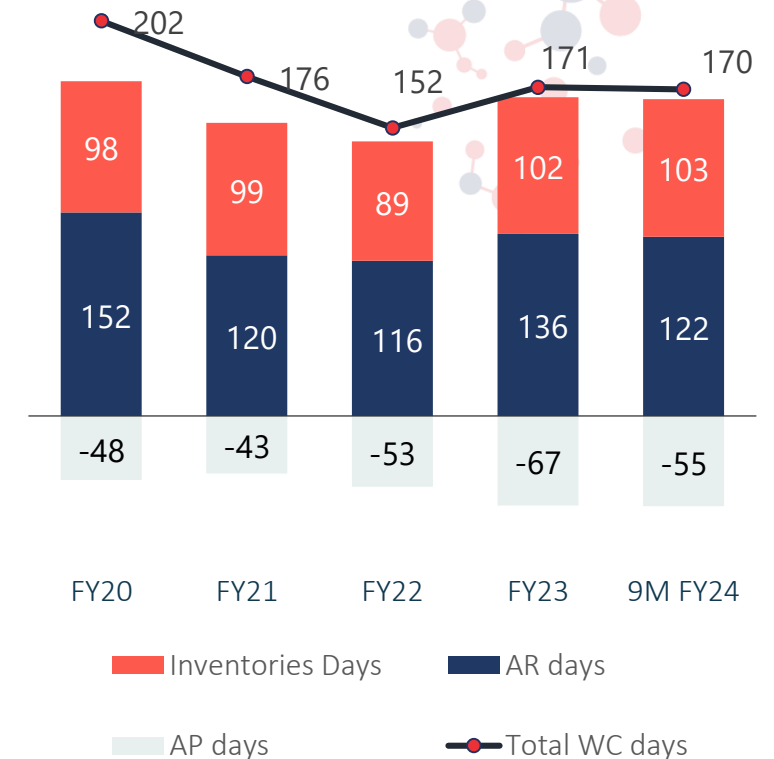
## ROICE



## Fixed Assets Turnover



## Working Capital Days



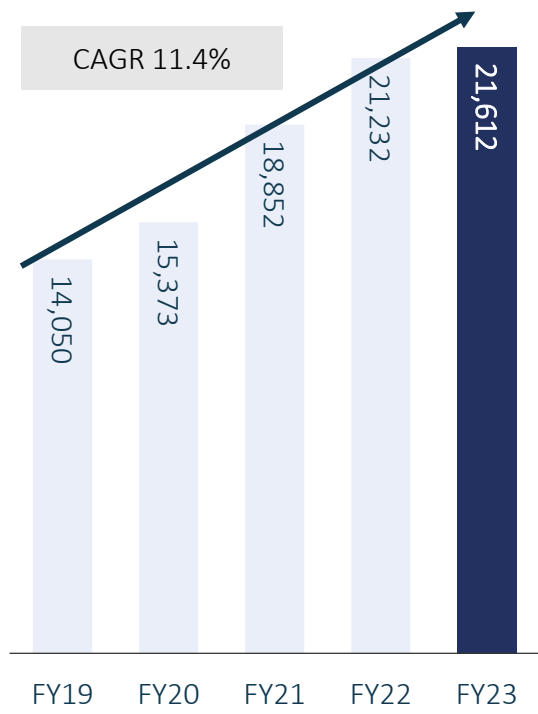
- ROICE is tracking at ~35% – Higher capital employed driven by calibrated Capex strategy
- FATR is 2.8 times – Asset turn trending slightly lower due to Capex cycle
- WC days remained stable at 170 days
- **Strong Balance Sheet** – strong free cash flow of ₹ 2,214 Mn leading to Cash and Cash Equivalents as of 31<sup>st</sup> December 2023 at ₹ 2,359 Mn (post payment of interim dividend of ₹ 2,757 Mn)

# Financial Performance Track Record

Robust growth and profitability indicators over the years

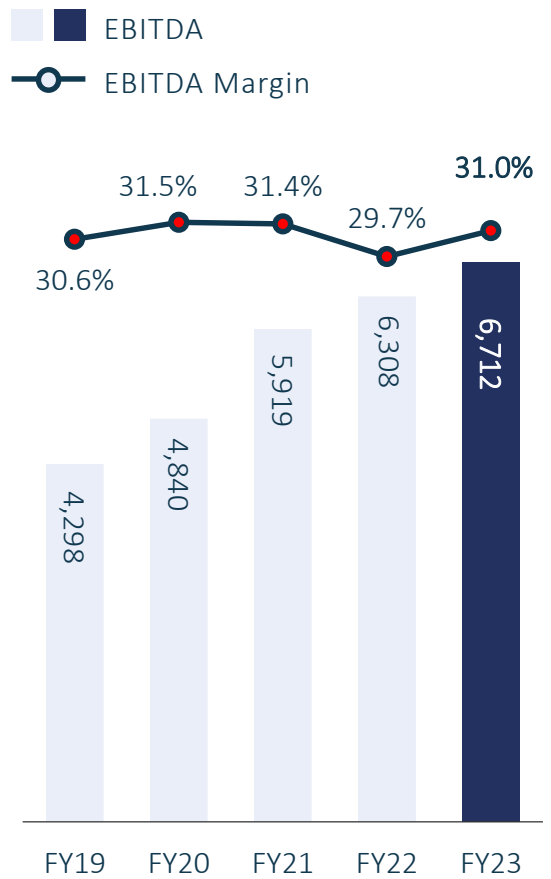
## Revenue

(In ₹ Millions)



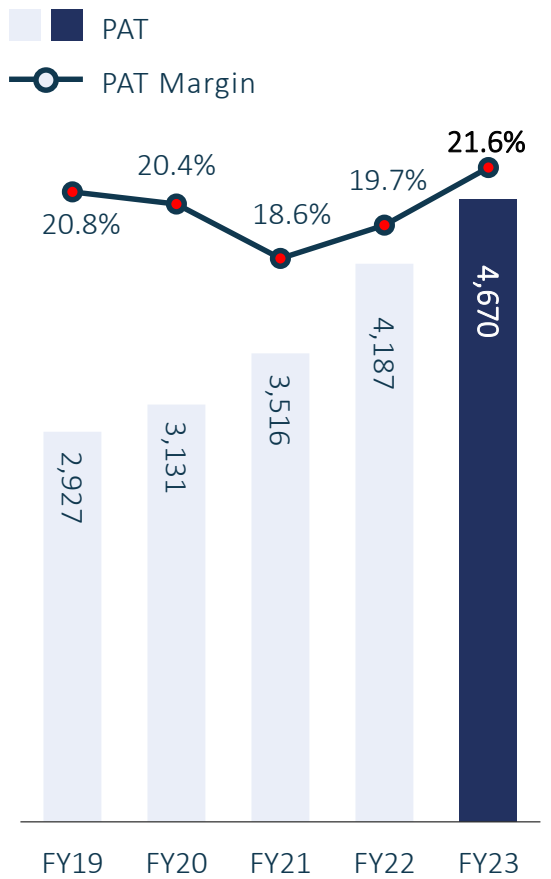
## EBITDA

(In ₹ Millions)



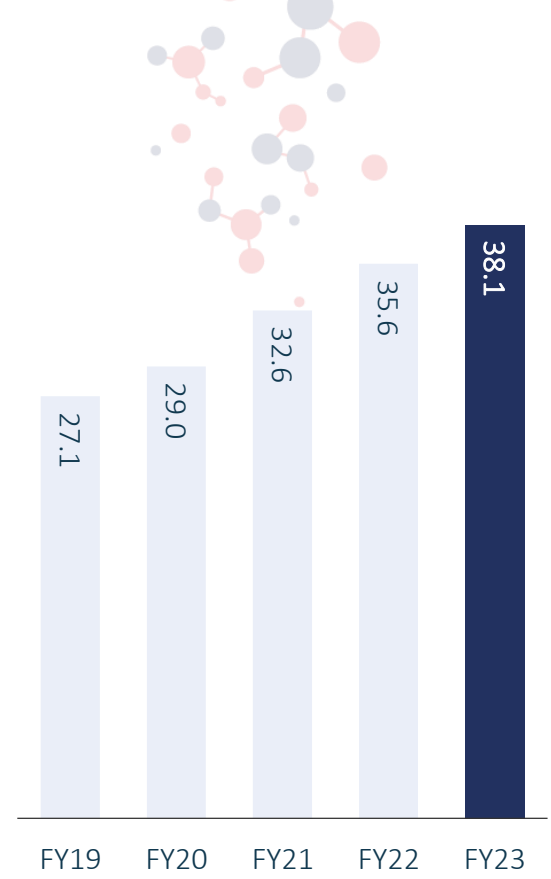
## PAT

(In ₹ Millions)



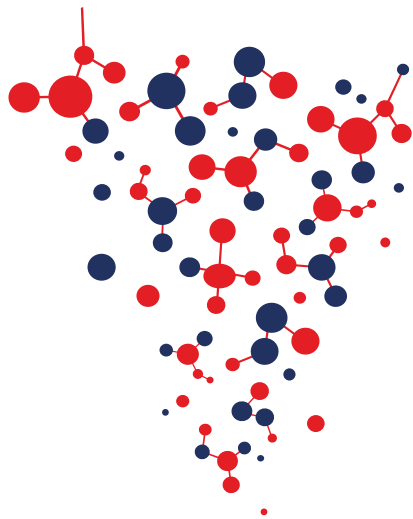
## EPS

(In ₹)



Note: Numbers of FY19 are based on Proforma Financials.

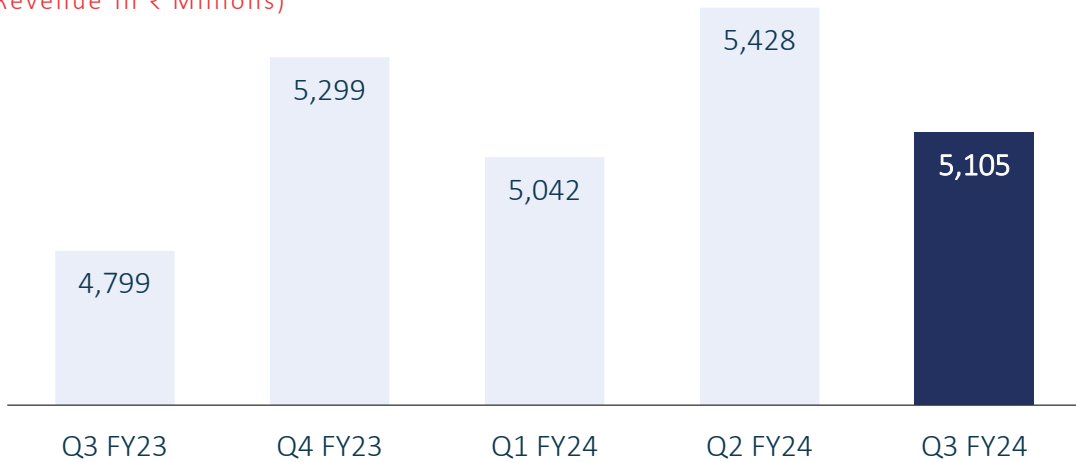




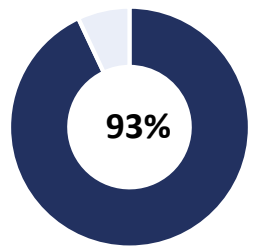
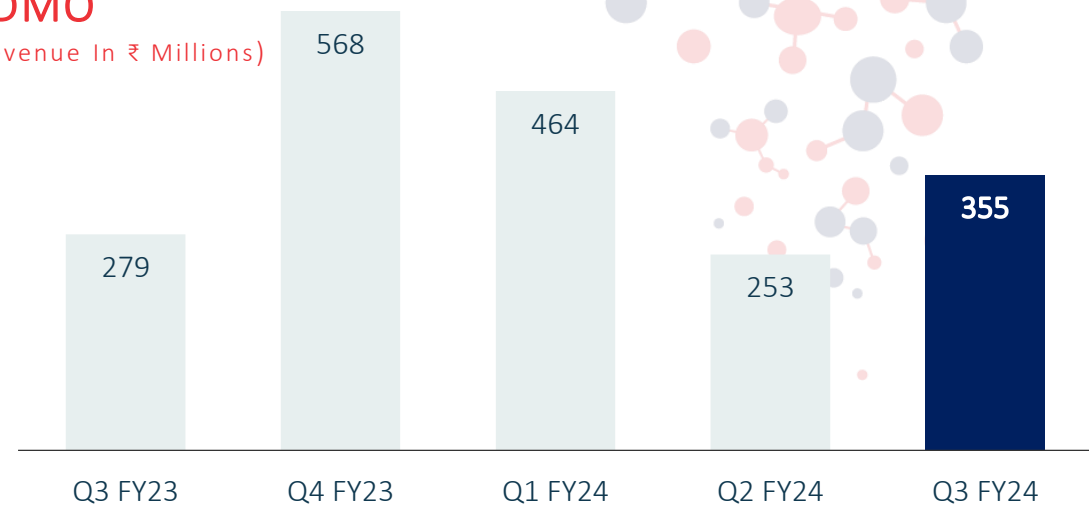
# Business Performance Review

# Segment Performance | Generic & CDMO business

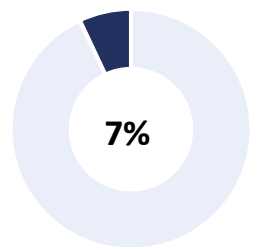
## Generic API (Revenue In ₹ Millions)



## CDMO (Revenue In ₹ Millions)

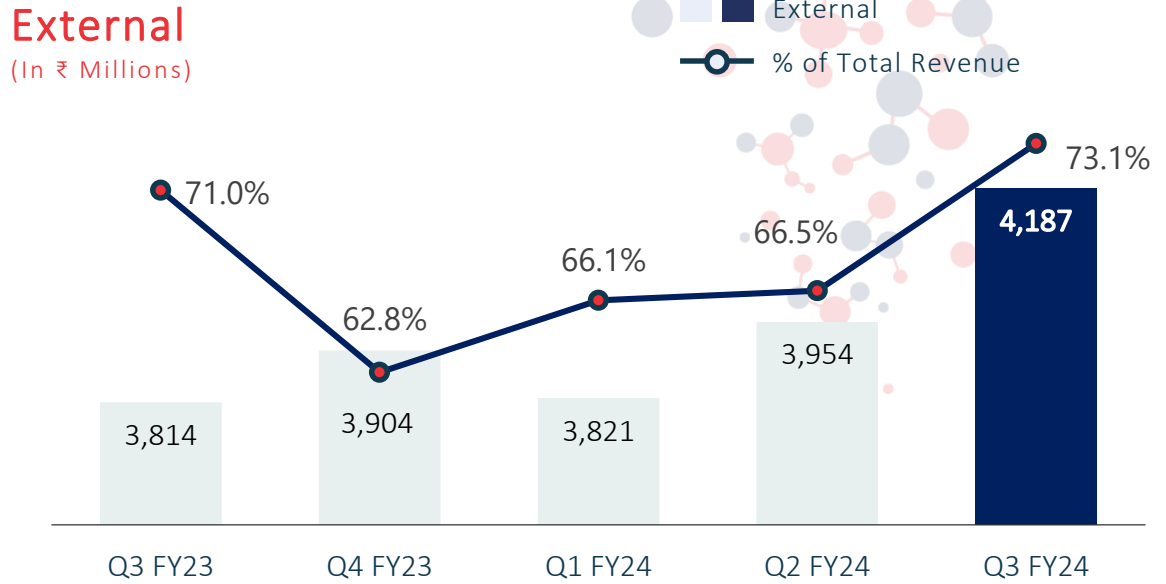
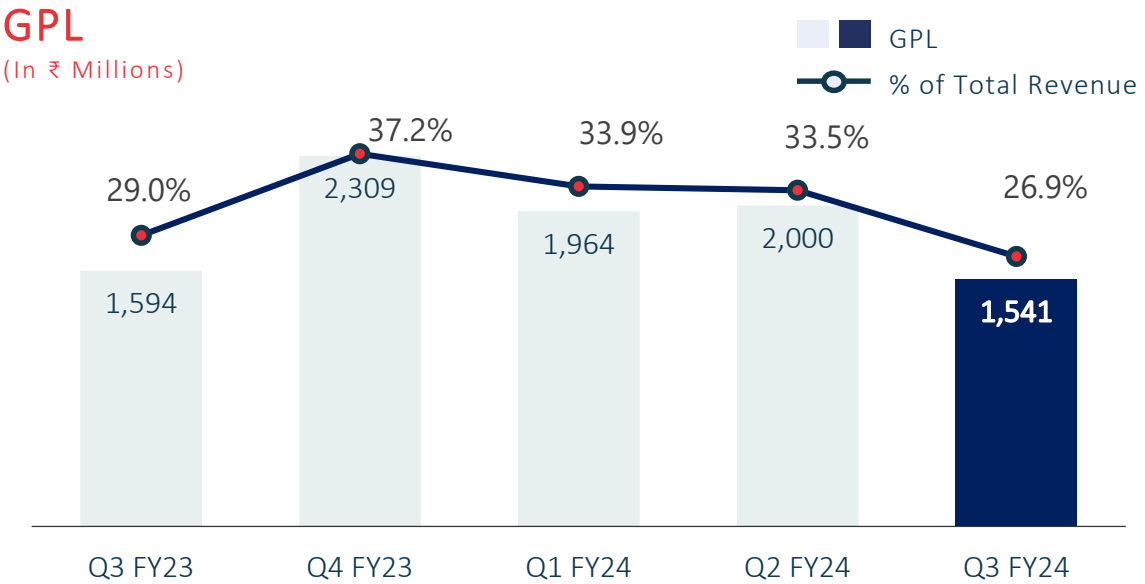


- Generic API revenues in Q3FY24 increased by 6.4% YoY and de-grew by 5.9% QoQ
- Generic API business was driven by steady growth in external business which was offset by de-growth in GPL business.
- Emerging markets lead the growth whereas regulated markets delivered stable growth



- CDMO business witnessed a strong growth of 40.4% on QoQ and 27.2% YoY basis driven by recovery in demand
- Signed multi-year definitive agreement with an innovator for supply of API. Expect the contract to commercialise in FY25.
- Multiple discussions ongoing with companies globally for additional business opportunities

# Segment Performance | GPL vs. External

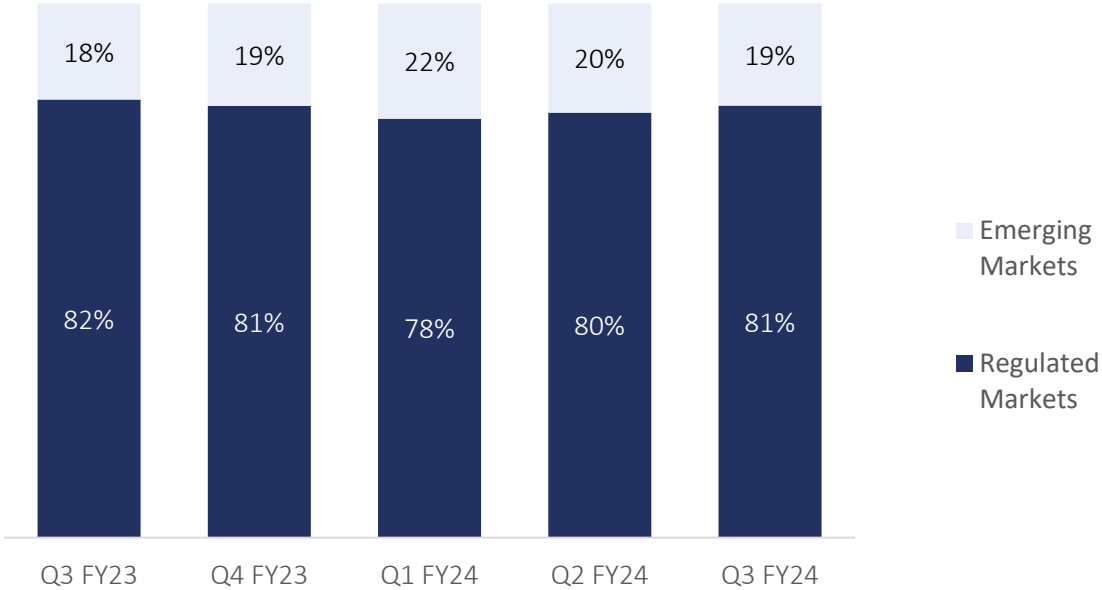


- GPL business in Q3FY24 decreased 3.3% YoY and by 23% QoQ
- GPL business contributes 27% of the total revenue from operations

- External business grew by 9.8% YoY and 5.9% QoQ
- External business was driven by strong growth in US, LATAM, RoW and India (ex-GPL) business

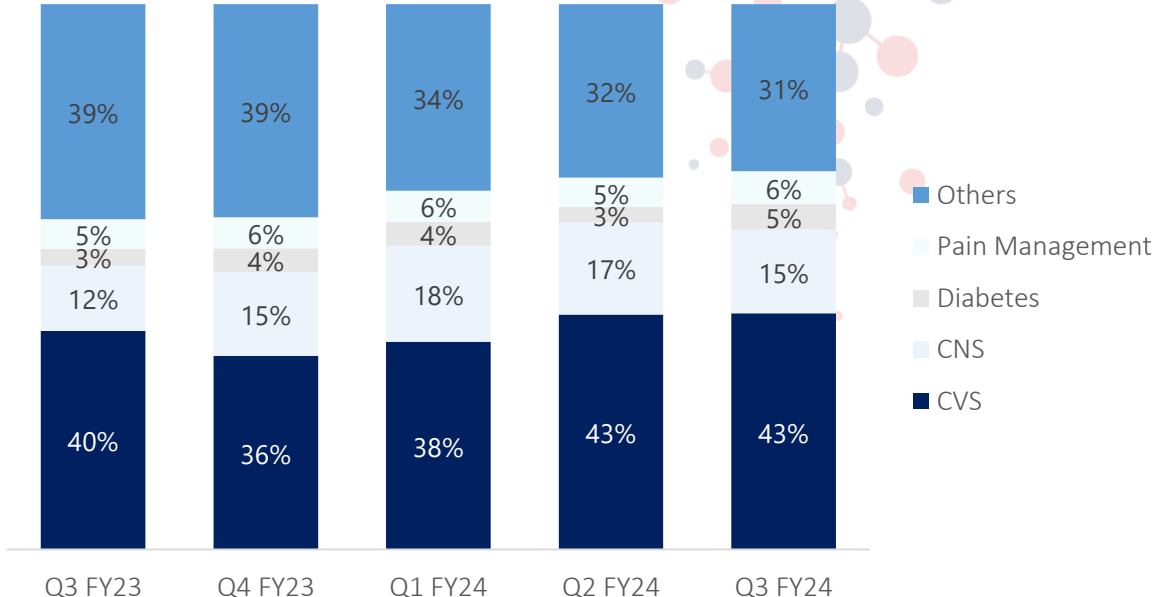
# Market and Therapeutic Area Mix

## Market Mix

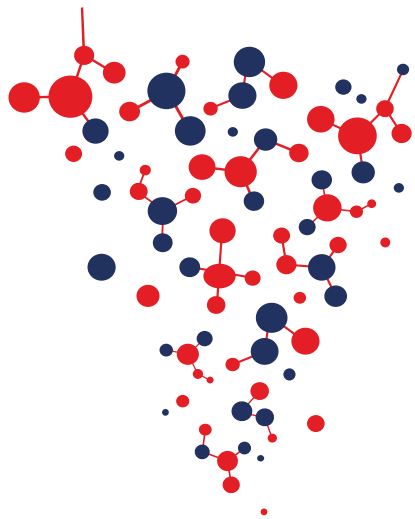


- Regulated markets contribution is at 81% in Q3FY24
- Regulated market growth was driven by growth in external business along with growth in CDMO business

## Therapeutic Area Mix



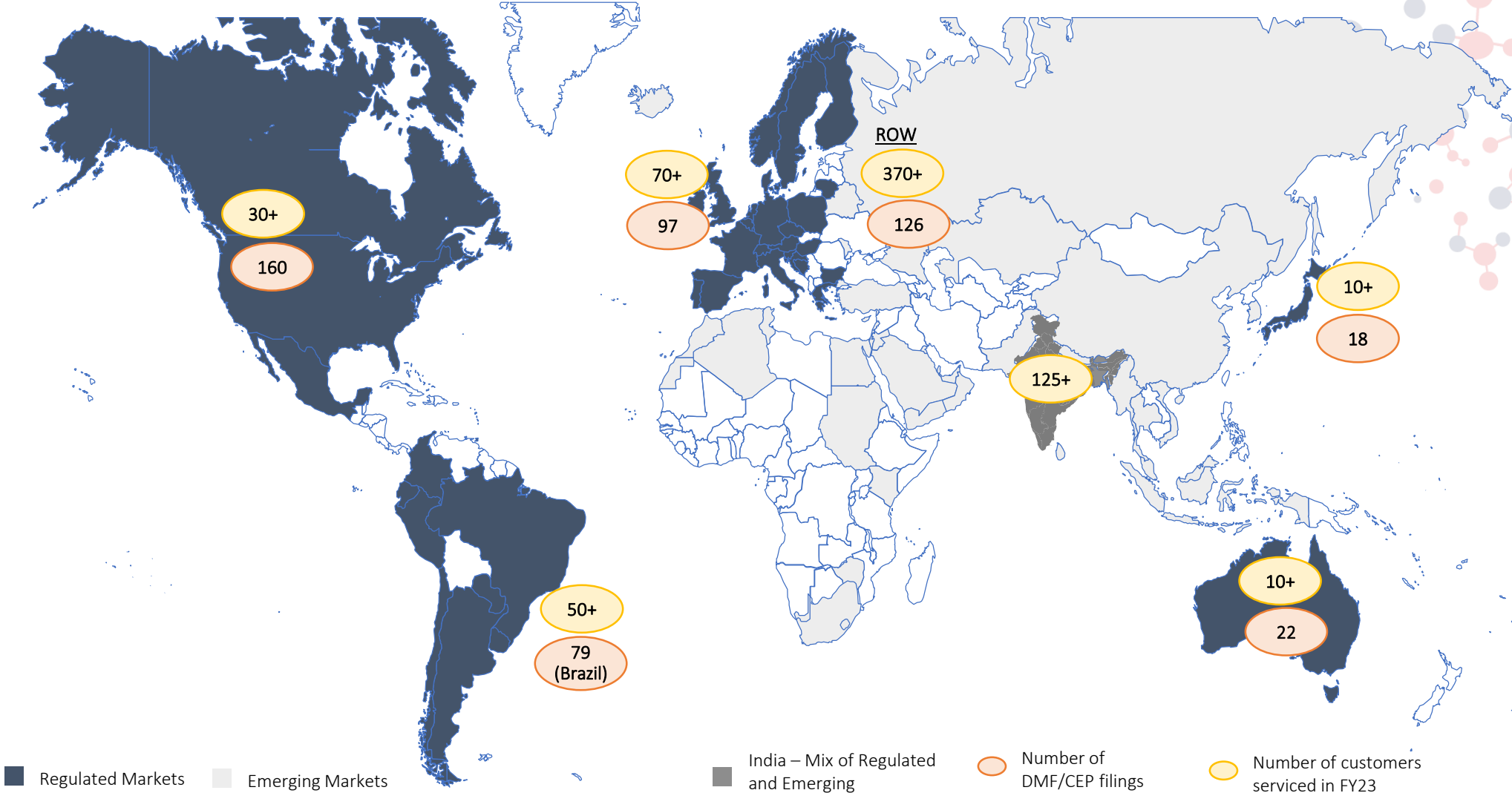
- CVS and CNS portfolio continue to lead the growth with Diabetes portfolio seeing good recovery
- Our key focused area of chronic therapies contributed 69% of the revenue in Q3FY24



# Company Overview

# Global Footprint

- Filed 502 DMFs and CEPs across major markets; United States, Europe, Japan, Russia, Brazil, South Korea, Taiwan, Canada, China and Australia



As of Dec 31, 2023

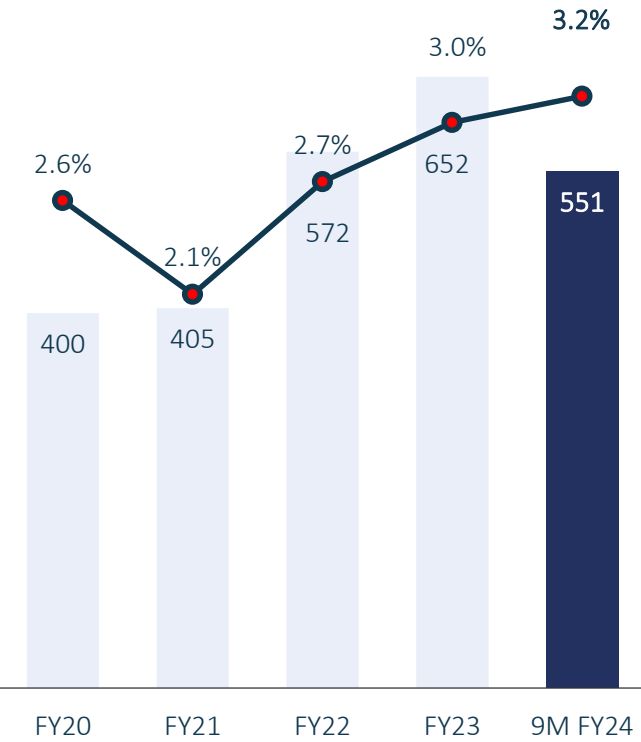
# R&D Capabilities

## Cumulative Filing Status

### R&D Spend

(In ₹ Millions)

■ R&D Spend  
● As % to Sales



Therapy	North America	Europe	Japan	Brazil	Australia	ROW	Total
CVS	37	31	4	21	10	34	137
CNS	37	22	8	13	2	16	98
Diabetes	10	5	-	8	-	12	35
Pain Management	1	2	-	4	1	8	16
Others	75	37	6	33	9	56	216
<b>Total</b>	<b>160</b>	<b>97</b>	<b>18</b>	<b>79</b>	<b>22</b>	<b>126</b>	<b>502</b>

- DMF/CEPs filing continue across major markets in Q3FY24, taking the total cumulative filings to 502 as on 31 December 2023.
- 4 new products added to the grid of which 1 is High potent API (HP API) / oncology molecule and 3 are synthetic small molecules.
- The HP API portfolio now extends to 13 products with an addressable market of \$24bn (Source: IQVIA, MAT September 23). 3 products are validated, and 4 products are in advanced stage of development.
- Development progressing for iron complexes in the grid, each backed by customer interest. Filing completed for 1 iron complex with 2 others in advanced stages of development. Total addressable market of \$2.4bn (Source: IQVIA, MAT September 23).

# Quality-focused, compliant manufacturing & R&D infrastructure



## Manufacturing Infrastructure

Location	Annual Installed Capacity	Last USFDA Inspection Date	Approvals
Ankleshwar, Gujarat	742.2 KL*	July 2019	USFDA, MHRA (UK), FIMEA (Finland), Romania (Europe) PMDA (Japan), COFEPRIS (Mexico), Health Canada, KFDA (South Korea), Gujarat FDCA
Dahej, Gujarat	381.9 KL	Oct 2018	USFDA, EDQM (Europe), PMDA (Japan), KFDA (South Korea)
Mohol, Maharashtra	49.1 KL	March 2018	USFDA, Maharashtra FDA
Kurkumbh, Maharashtra	24.6 KL	-NA-	Maharashtra FDA

\* Additional 208KL will be further added to the capacity in FY24 at Ankleshwar, Gujarat.

## R&D Infrastructure

### Mahape, Navi Mumbai

- R&D for new product development and complex molecules
- High-end analytical equipment for characterization

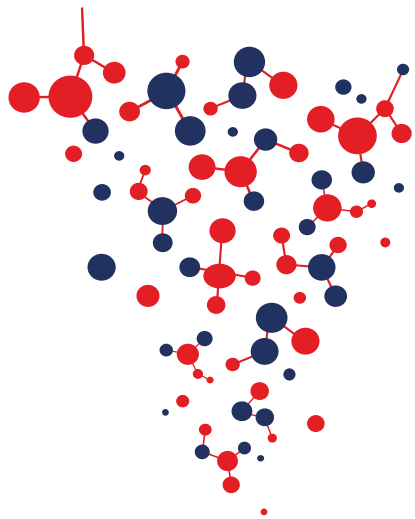
### Ankleshwar, Gujarat

- Cost improvement programs and process improvements

### Dahej, Gujarat

- Oncology R&D
- Cost improvement programs and process improvements





# Strategy Going Forward

# Strategic Growth Levers

## New Growth levers

2

- ✓ Ramp up CDMO portfolio
- ✓ Expand into complex API platforms
- ✓ Iron compounds
- ✓ Oncology

## Operational efficiencies

4

- ✓ Debottlenecking
- ✓ 2nd/3rd generation process adoption
- ✓ Backward integration
- ✓ Reduce carbon footprint
- ✓ Adoption of flow chemistry in manufacturing
- ✓ Pursue AVD opportunities

## 1 Gx API Business

- ✓ New product launches
- ✓ Geographical expansion
- ✓ Focus on new markets becoming more regulated
- ✓ Pursue 2nd source opportunities with top generic players

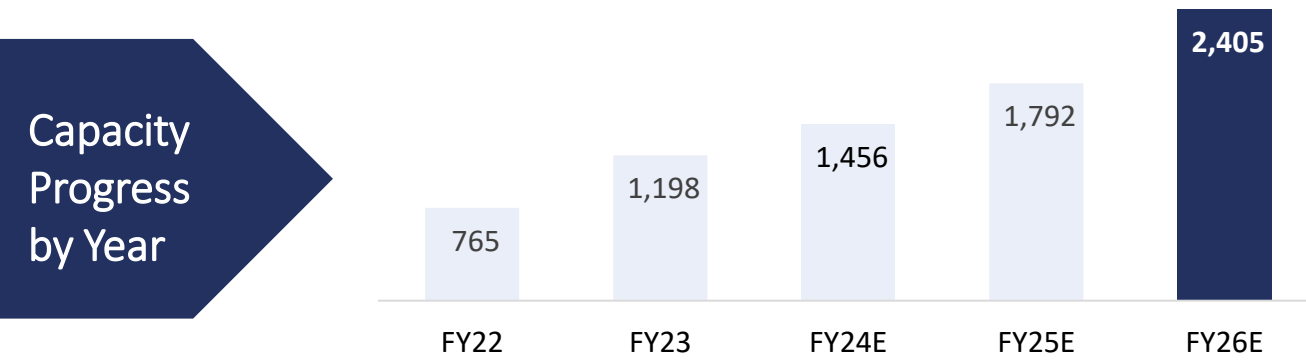
## 3 Capacity

- ✓ Greenfield – Solapur, 1000MT (CTE Received)
- ✓ Brownfield – Dahej, 240KL (Completed)
- ✓ Oncology block – Dahej (Completed)
- ✓ Backward integration – Ankleshwar (400 KL of which 192 KL is completed)
- ✓ Build R&D capability for new growth levers

# Future Capacity Expansion Plan

Expansion Type	Division	Location	Status & Planned Capacity	Operational Timelines
Brownfield	API / Intermediate	Ankleshwar	208 KL (Under Construction) Planned addition of 280KL-300KL	Q4 FY24 FY25-FY26
Brownfield	API	Dahej	Planned addition of 220KL-240KL	FY25-FY26
Greenfield	API	Solapur	CTE received for 1,000MT ~500 KL capacity will be operational by FY26	FY26

**Total Reactor Capacity Expansion Plan (KL)**



- ✓ **Backward Integration plant at Ankleshwar of 208KL is under construction.**
- ✓ **Engineering work started for construction at Solapur Plant of 200KL (Phase 1).**
- ✓ **Solapur's further capacity expansion will be calibrated as per the volume demand**

# Thank You

**FOR FURTHER INFORMATION CONTACT**

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**CIN:** L74900PN2011PLC139963

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