

October 21, 2022

**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) Regulations, 2015, we are enclosing the investor presentation.

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**



Q2 FY23
Investor Presentation
Glenmark Life Sciences Ltd

01

Financial Performance Review



Q2 FY23 – Highlights

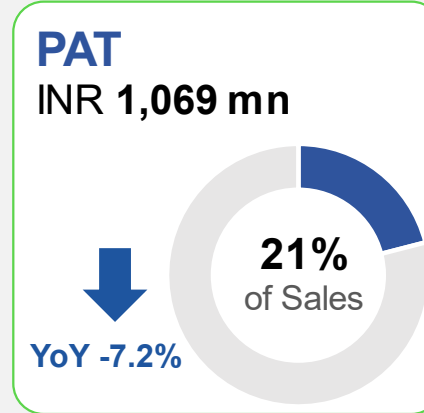
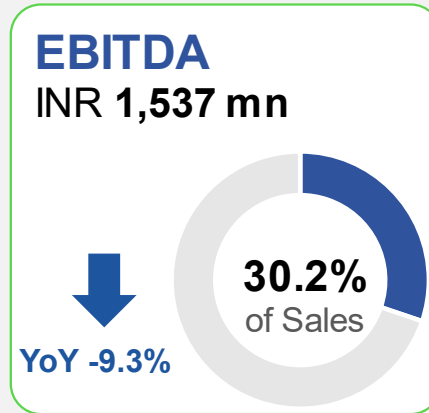
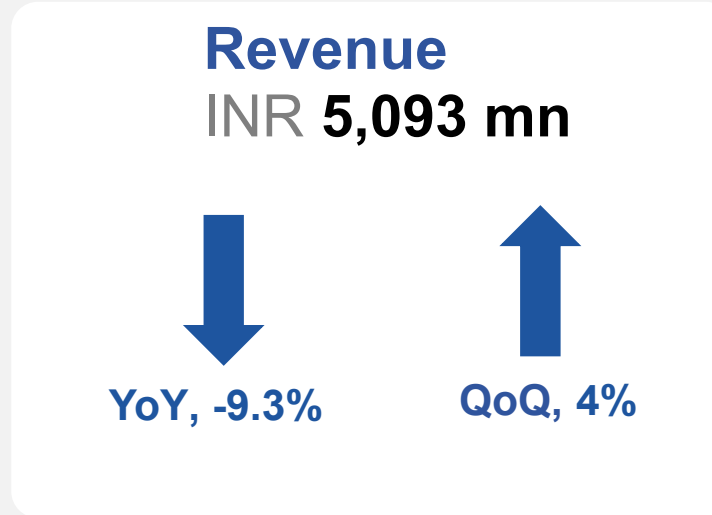


Dr. Yasir Rawjee
Managing Director &
Chief Executive
Officer

“I am pleased to share that despite global uncertainties, the Company exhibited growth on a sequential basis. External businesses (ex-GPL) was the key driver for this quarter, growing 13% YoY basis and 16% QoQ. India, LATAM, and Japan drove the growth during the quarter. The CDMO business picked up during the quarter, posting 27% growth QoQ.

I am happy to announce that we have completed the Dahej Capex and commenced commercial production from Q3FY23. The new capacity will help us achieve the next leg of growth in the coming years.

We remain confident of growing steadily in coming quarters with our differentiated products and wide geographical reach.”



- Revenue grew by 4% on a QoQ and decreased 4% over a higher base of Q2FY22 (ex-covid)
- Gross Margins are at 52.9%, up 120 bps YoY driven by a better product mix and PLI scheme benefit
- EBITDA margins remain steady at 30.2% in Q2, with a slight sequential decline due to higher utility and employee cost
- Generic API capex at Dahej is completed with 240KL capacity coming online from Q3 FY23, increasing the total capacity by 30%.
- The brownfield expansion at Dahej for Oncology plant is completed. Product trials / exhibit batches have already started for some of the products.

P&L Highlights – Q2 FY23

Amounts in INR Millions	Q2 FY23	Q1 FY23	QoQ	Q2 FY22	YoY	H1 FY23	H1 FY22	YoY
Revenue from Operations	5,093.0	4,898.7	4.0%	5,617.6	-9.3%	9,991.7	10,866.6	-8.1%
Gross Profit	2,693.1	2,609.7	3.2%	2,905.4	-7.3%	5,302.8	5,560.7	-4.6%
Gross Profit (%)	52.9%	53.3%		51.7%		53.1%	51.2%	
Other Income	100.2	94.9	5.6%	20.9	379.7%	195.1	60.8	221.2%
Employee Benefits Expense	473.7	404.6	17.1%	485.7	-2.5%	878.2	855.1	2.7%
Other Expenses	783.1	737.5	6.2%	746.4	4.9%	1,520.6	1,427.7	6.5%
EBITDA	1,536.5	1,562.6	-1.7%	1,694.3	-9.3%	3,099.1	3,338.6	-7.2%
EBITDA Margin (%)	30.2%	31.9%		30.2%		31.0%	30.7%	
Depreciation and Amortisation Expense	99.4	98.8	0.6%	96.7	2.8%	198.1	185.8	6.6%
Finance Costs	1.3	1.4	-1.4%	72.3	-98.2%	2.7	277.8	-99.0%
PBT	1,435.8	1,462.5	-1.8%	1,525.4	-5.9%	2,898.3	2,875.0	0.8%
PBT Margin (%)	28.2%	29.9%		27.2%		29.0%	26.5%	
PAT	1,068.8	1,087.3	-1.7%	1,152.0	-7.2%	2,156.1	2,161.1	-0.2%
Net Margin (%)	21.0%	22.2%		20.5%		21.6%	19.9%	

Key Balance Sheet Items and Cash flow

Key Balance Sheet Items

Amounts in INR Millions	As at 30th Sep'22	As at 31st Mar'22
Equity	21,426.9	20,543.1
Inventory	6,365.6	5,162.4
Trade Receivables	7,256.1	6,734.9
Trade Payables	3,949.1	3,077.2
Net Tangible Assets	7,750.8	6,763.4
Cash and Cash Equivalent*	3,645.6	5,122.7

* Includes bank deposit

Free Cash Flow

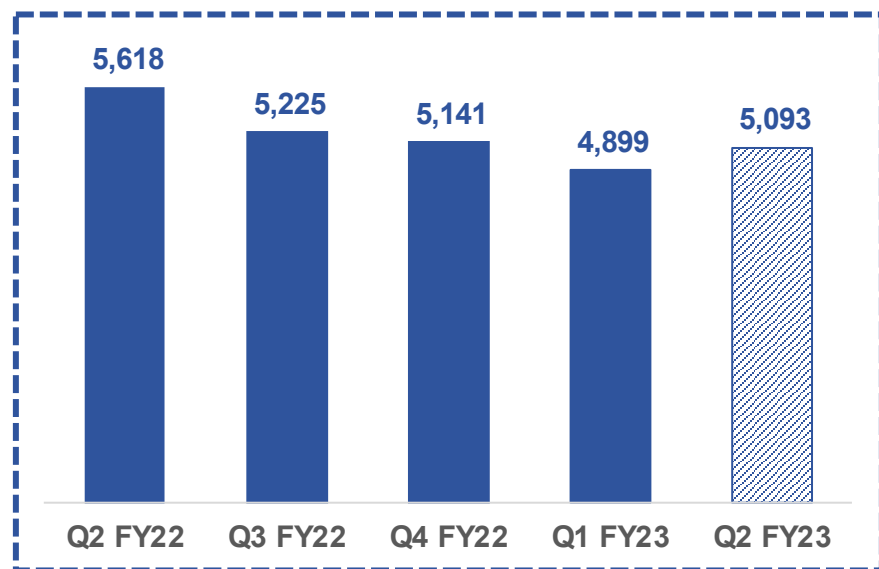
Amounts in INR Millions	H1 FY23	H1 FY22
Profit Before Tax	2,898.4	2,875.0
Adjustment for Non Operating Items*	107.9	510.1
Changes in Working Capital	(1,645.7)	218.3
Cash generated from Operations	1,360.5	3,603.3
Taxes paid (Net of refunds)	(607.3)	(730.1)
Net cash generated from Operating Activities	753.2	2,873.3
Capex	(1,010.6)	(467.3)
Free Cash Flow	-257.4	2,405.9

*Includes Finance Costs, Depreciation, Interest Income and Unrealised Exchange gain/loss.

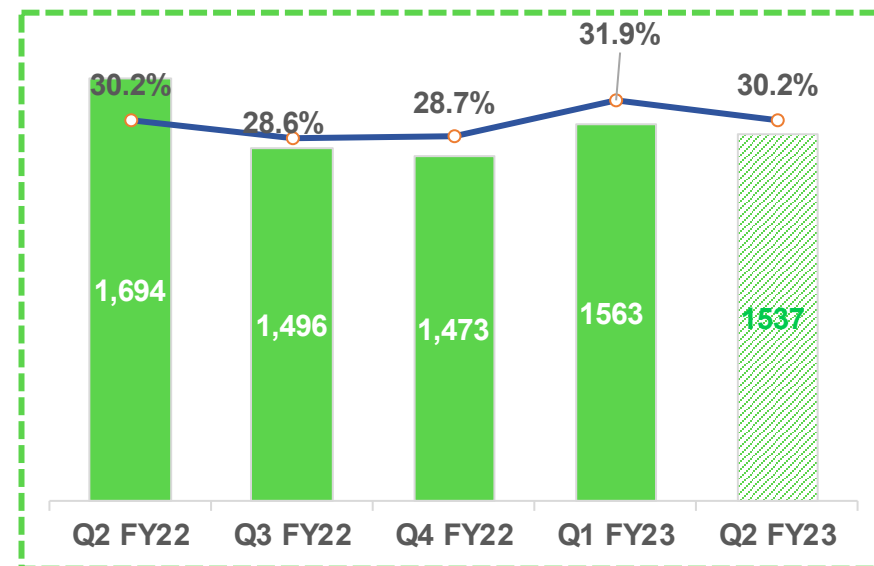
Quarter on Quarter Performance

Sustaining a profitable growth trajectory despite cost & supply chain headwinds

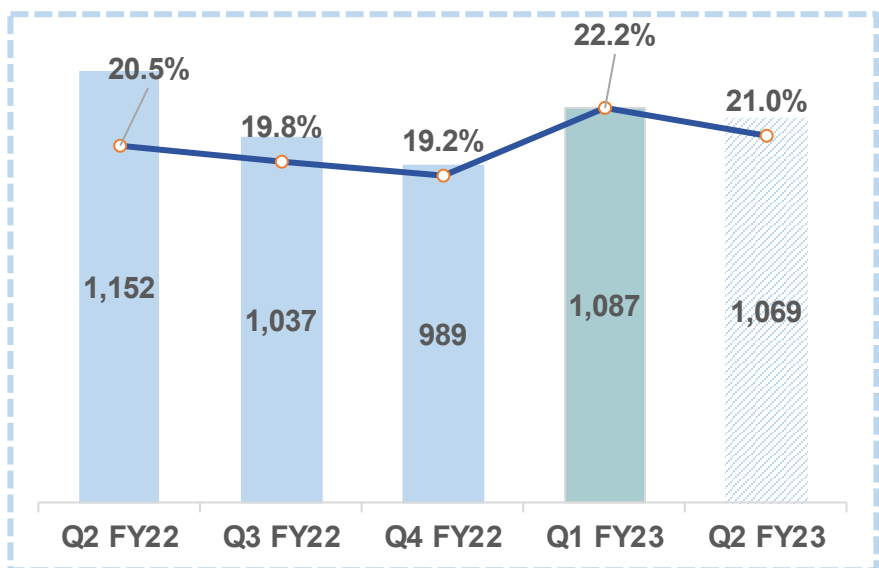
Revenue



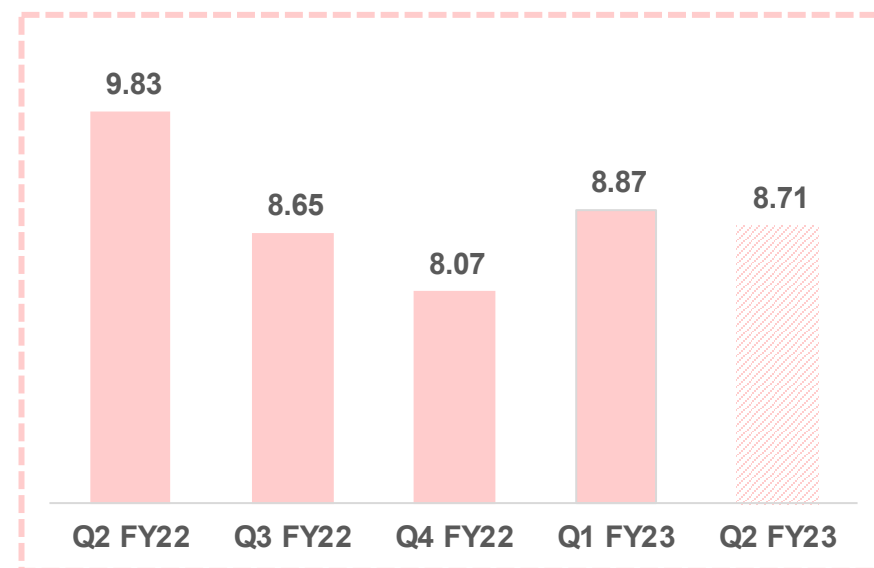
EBITDA



PAT



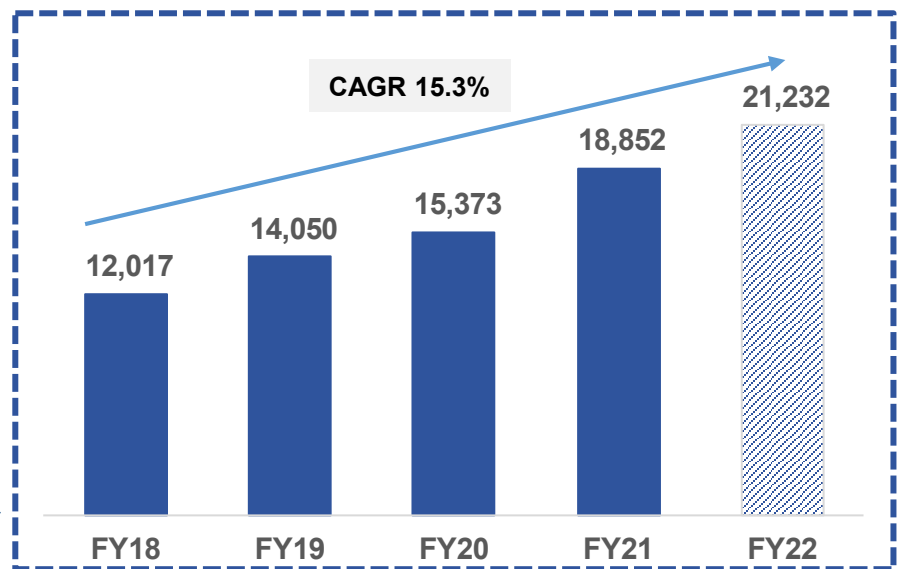
EPS



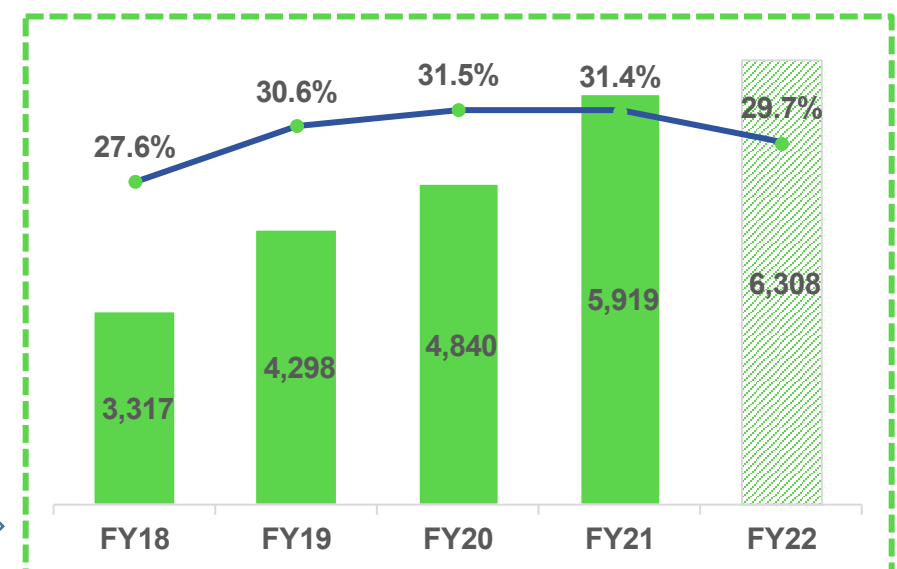
Financial Performance Track Record

Robust growth and profitability indicators over the years

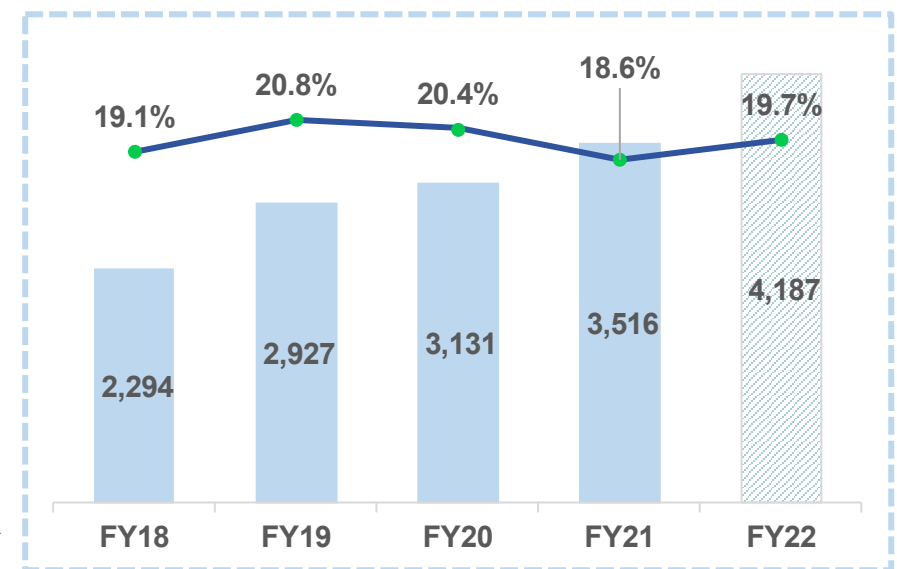
Revenue



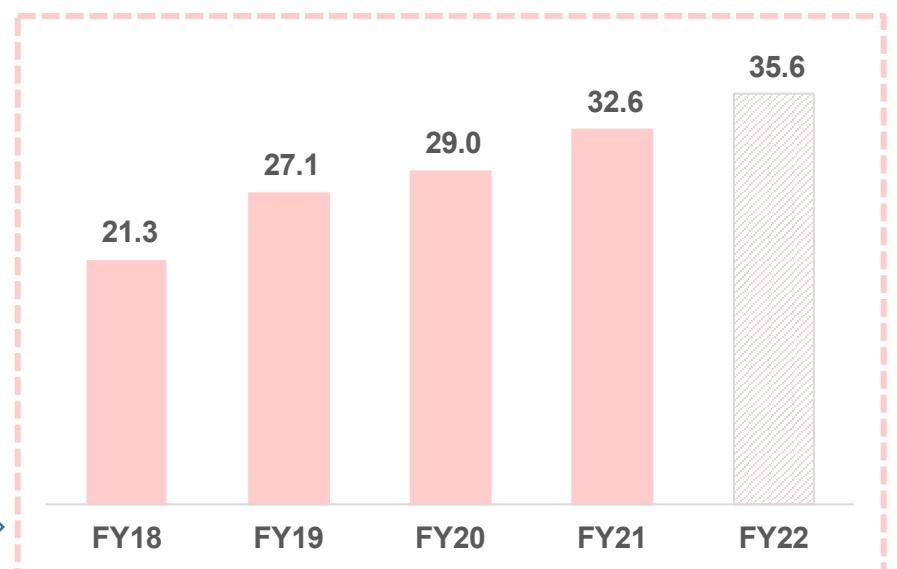
EBITDA



PAT



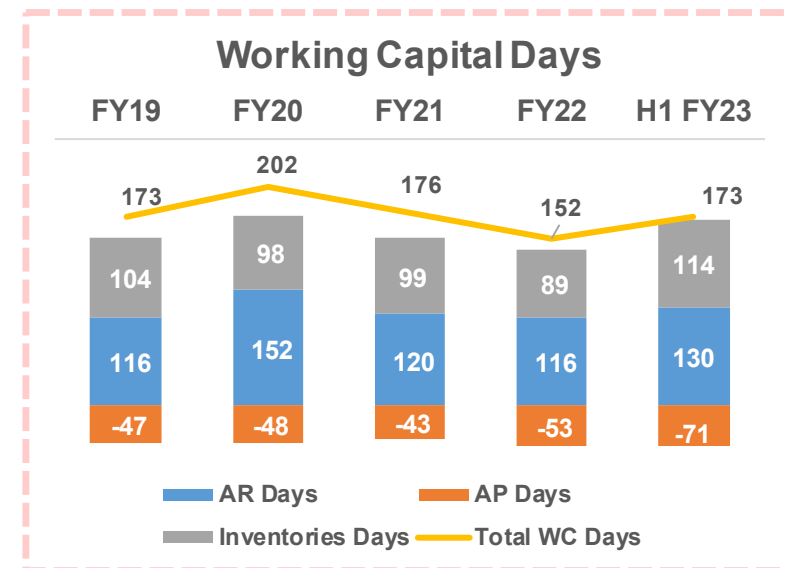
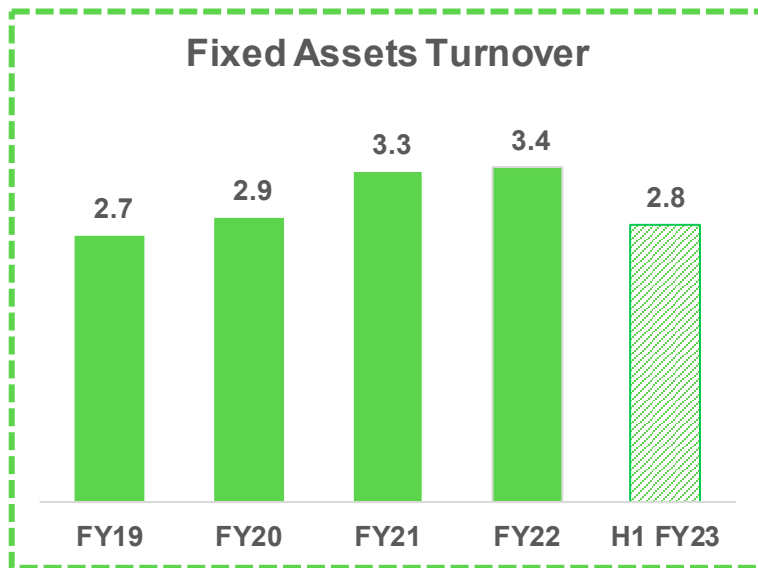
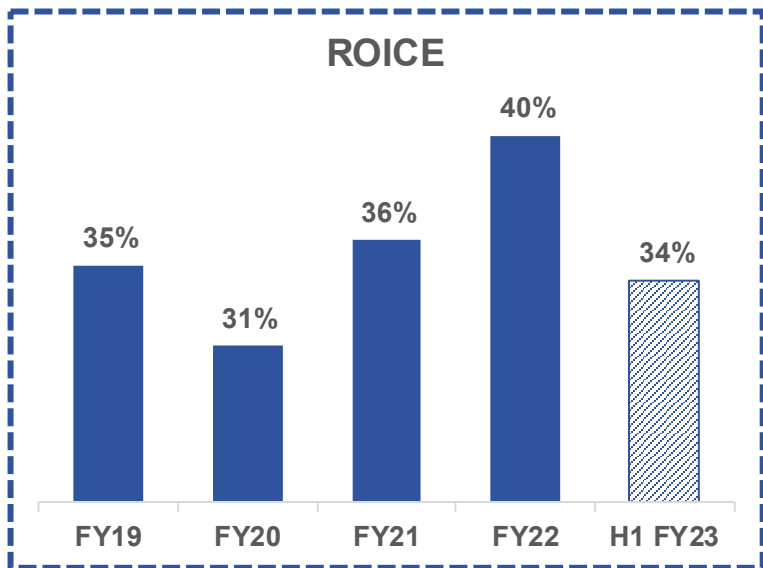
EPS



Note: Numbers of FY18 and FY19 are based on Proforma Financials.

Amounts in INR Millions except EPS

Strong Returns Indicators



- ROICE is tracking at 34% – Higher capital employed driven by Capex
- FATR is ~3 times – Asset turn trending slightly lower due to Capex cycle
- WC days at 173 days – Strategic decision to hold higher inventory to ride out the global uncertainty

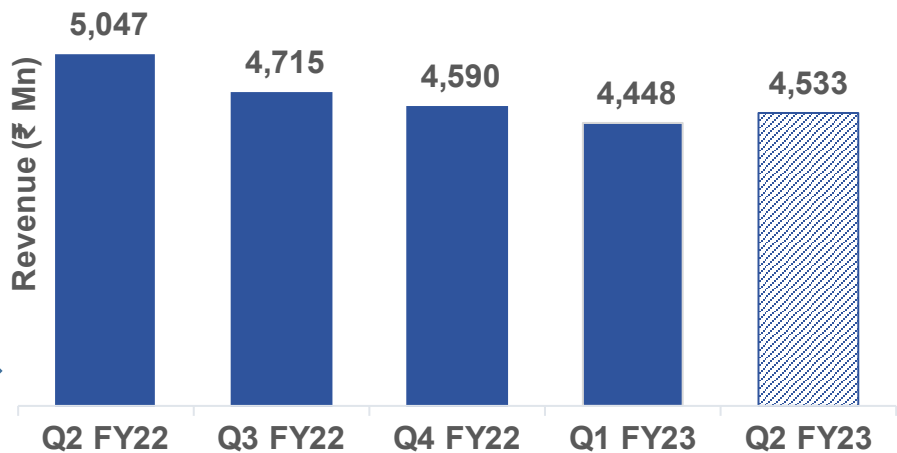
Note: Numbers of FY19 are based on Proforma Financials. ROICE is calculated as EBIT excluding interest income/ Closing Capital Employed excluding CWIP and Cash

02

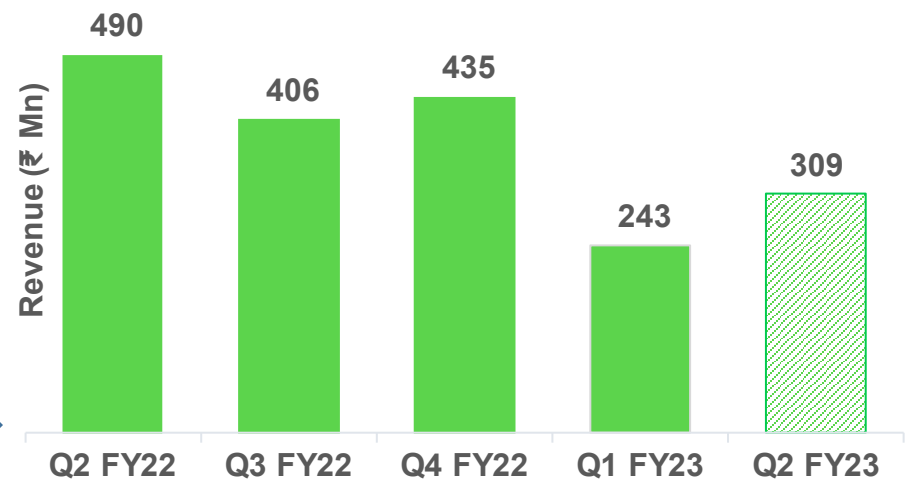
Business Performance Review



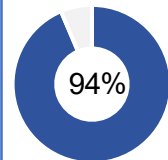
Segment Performance – Generic and CDMO business



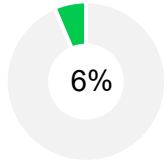
Generic API



CDMO

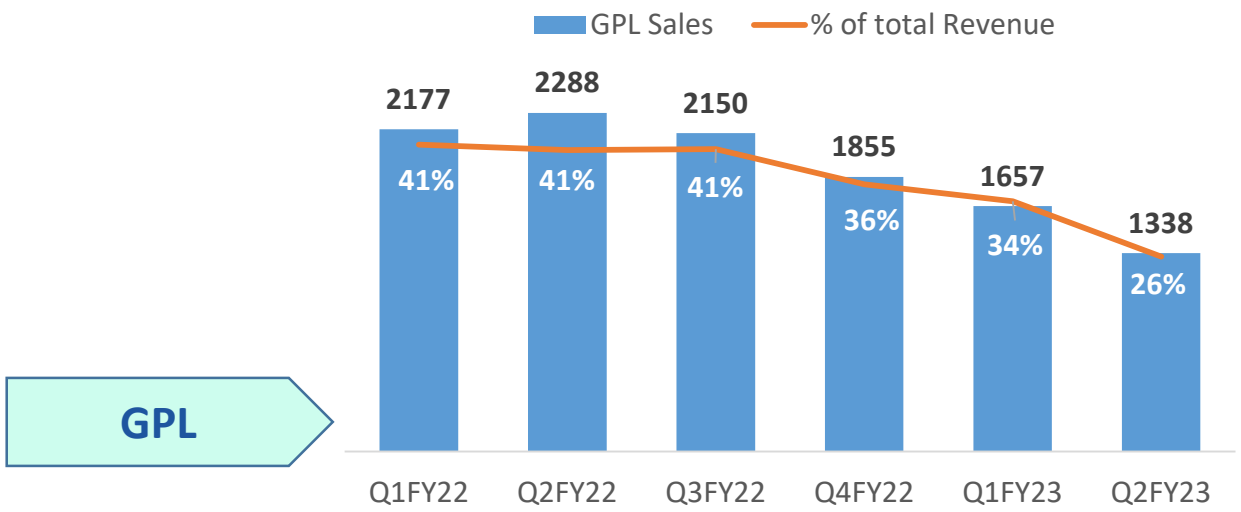


- Generic API revenues in Q2FY23 increased 1.9% QoQ and decreased 4.5% YoY (ex covid)
- LATAM, Japan, and India business (ex-GPL) continue the strong growth momentum
- Europe business picked up in Q2 whereas US business witnessed muted demand

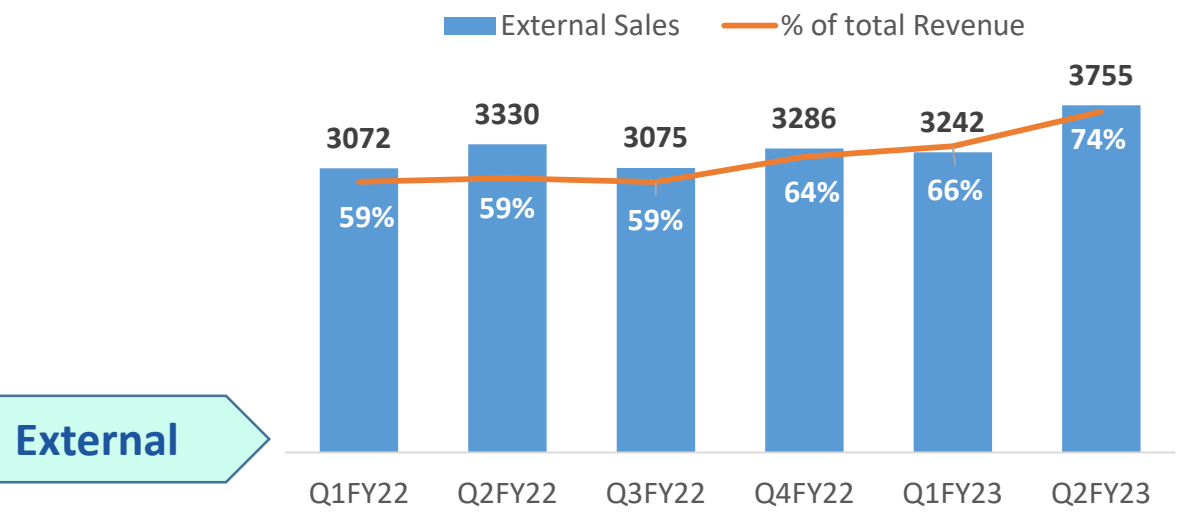


- CDMO revenues in Q2FY23 increased by 27.16% QoQ
- Inventory rationalization impact fading away with demand coming back to normalcy
- 4th CDMO project is stalled due to regulatory delays at the customer's end
- Multiple discussions ongoing with companies globally for additional business opportunities

Segment Performance – GPL vs. External



GPL



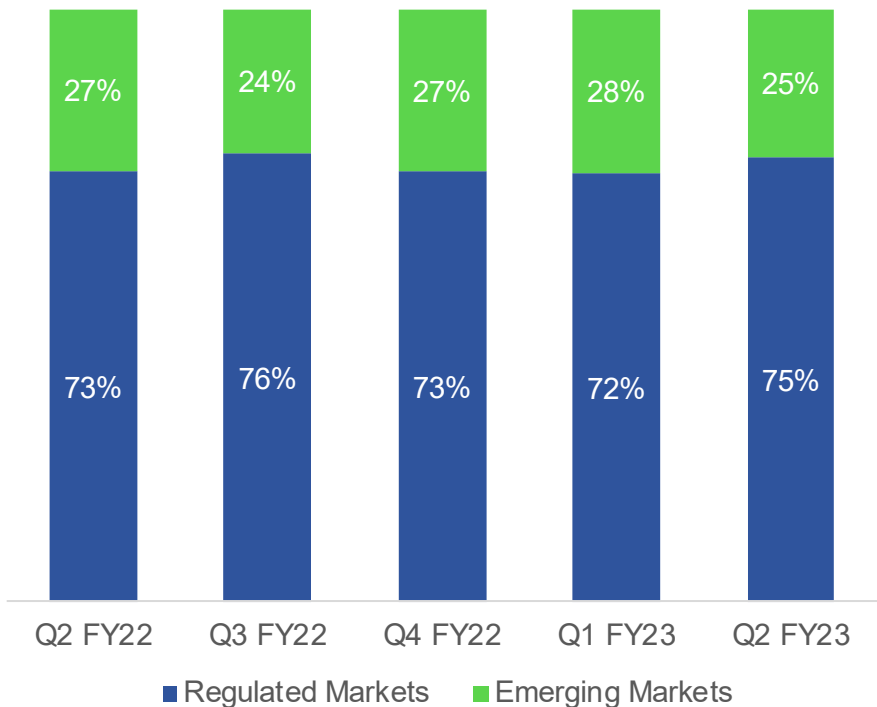
External

- GPL business in Q2 FY23 decreased 19% QoQ and 33% YoY
- Decline partly driven by high base of covid products in FY22

- External business grew strongly by 16% QoQ and 13% YoY
- External business was driven by healthy growth in regulated markets and a strong uptick in CDMO business

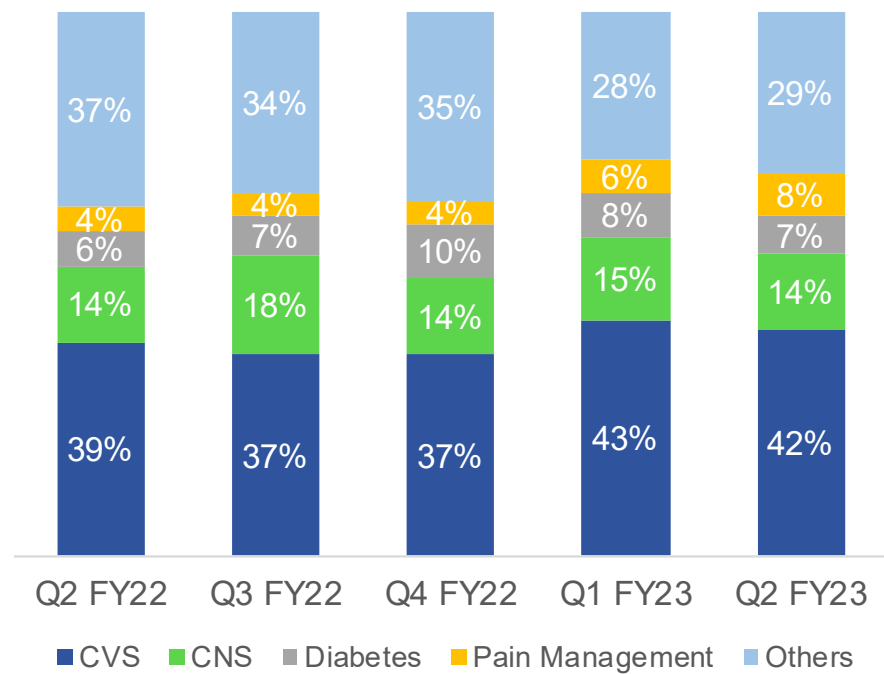
Market and Therapeutic Area Mix

Market Mix



- Regulated markets contribution has increased to ~75% of the total portfolio.
- Regulated market witnessed a growth of 7.1% QoQ
- Emerging markets has remained stable YOY (ex COVID)

Therapeutic Area Mix



- CVS and CNS portfolios continue the steady growth on YoY Basis
- Our key focused area of chronic therapies contributed 71% of the net sales
- Others include mainly acute segment with wide range of therapies

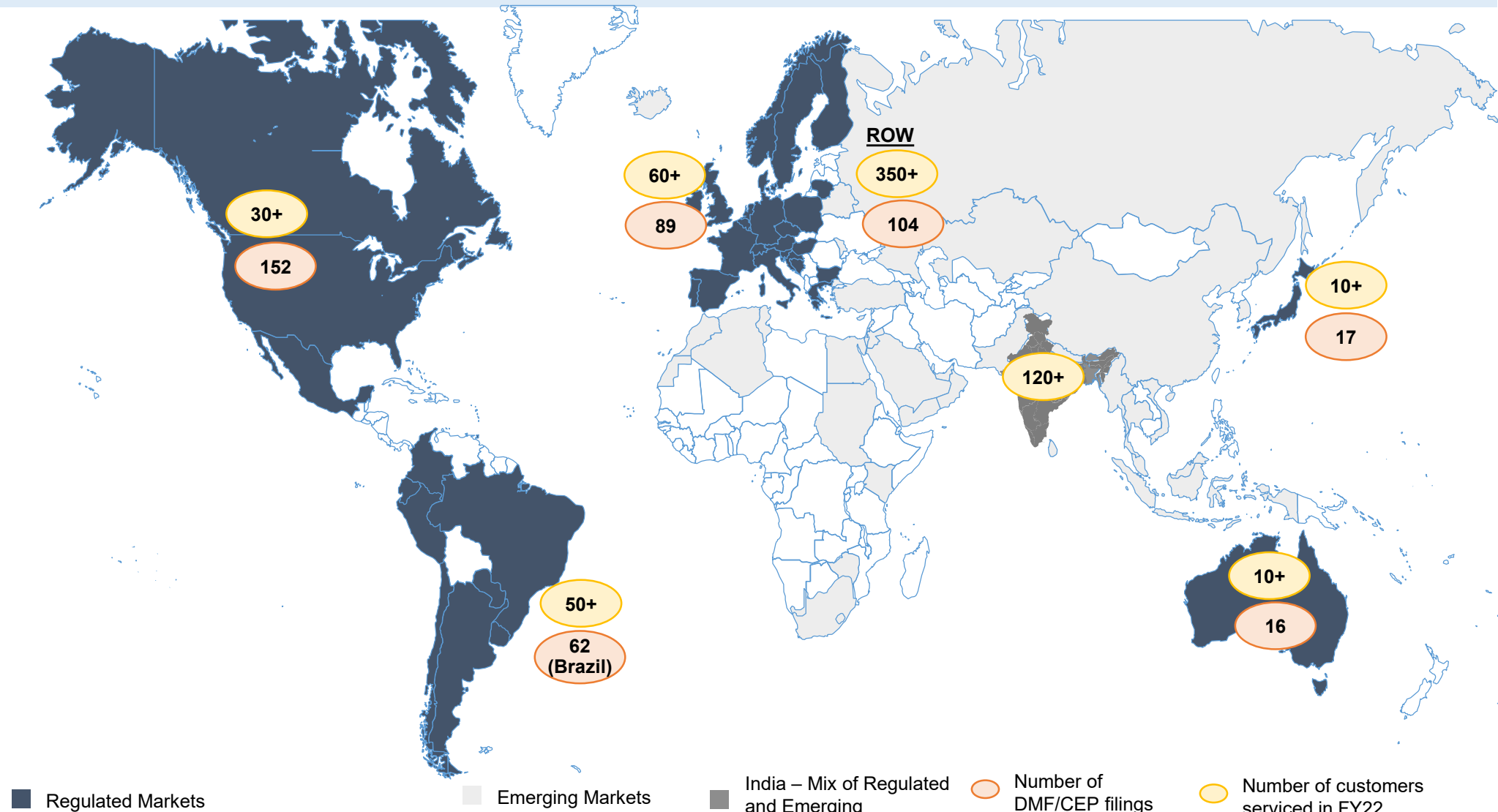
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Company Overview



Global Footprint

Filed 440 DMFs and CEPs across major markets; United States, Europe, Japan, Russia, Brazil, South Korea, Taiwan, Canada, China and Australia



■ Regulated Markets

■ Emerging Markets

■ India – Mix of Regulated and Emerging

○ Number of DMF/CEP filings

○ Number of customers serviced in FY22

As of June 30, 2022

Quality-focused, compliant manufacturing & R&D infrastructure

Manufacturing Infrastructure

	Annual Installed Capacity (Sept-22)	Last USFDA Inspection Date	Approvals
Ankleshwar, Gujarat	550.2 KL	July 2019	USFDA, MHRA (UK), FIMEA (Finland), Romania (Europe) PMDA (Japan), COFEPRIS (Mexico), Health Canada, KFDA (South Korea), Gujarat FDCA
Dahej, Gujarat	141.9 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 240 KL capacity added / commercialized in Oct 2022

R&D Infrastructure

Mahape, Navi Mumbai

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

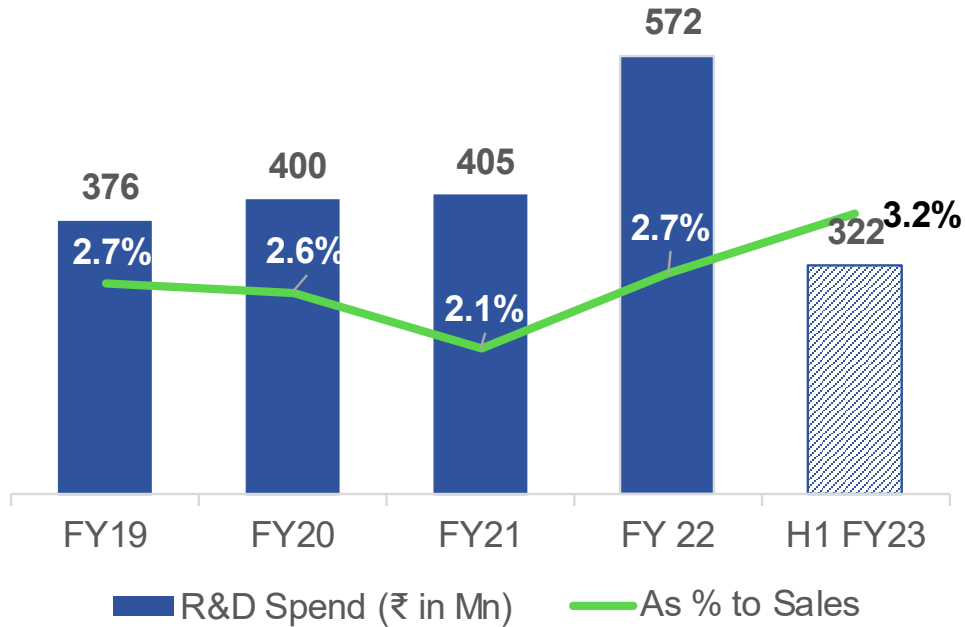
Ankleshwar, Gujarat

- Cost improvement programs and process improvements

Dahej, Gujarat

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

R&D Capabilities



Cumulative Filing Status

Therapy	North America	Europe	Japan	Brazil	Australia	ROW	Total
CVS	36	31	4	16	10	26	123
CNS	35	19	7	12	1	12	86
Diabetes	9	3	-	7	-	11	30
Pain Management	1	2	-	3	1	8	15
Others	71	34	6	24	4	47	186
Total	152	89	17	62	16	104	440

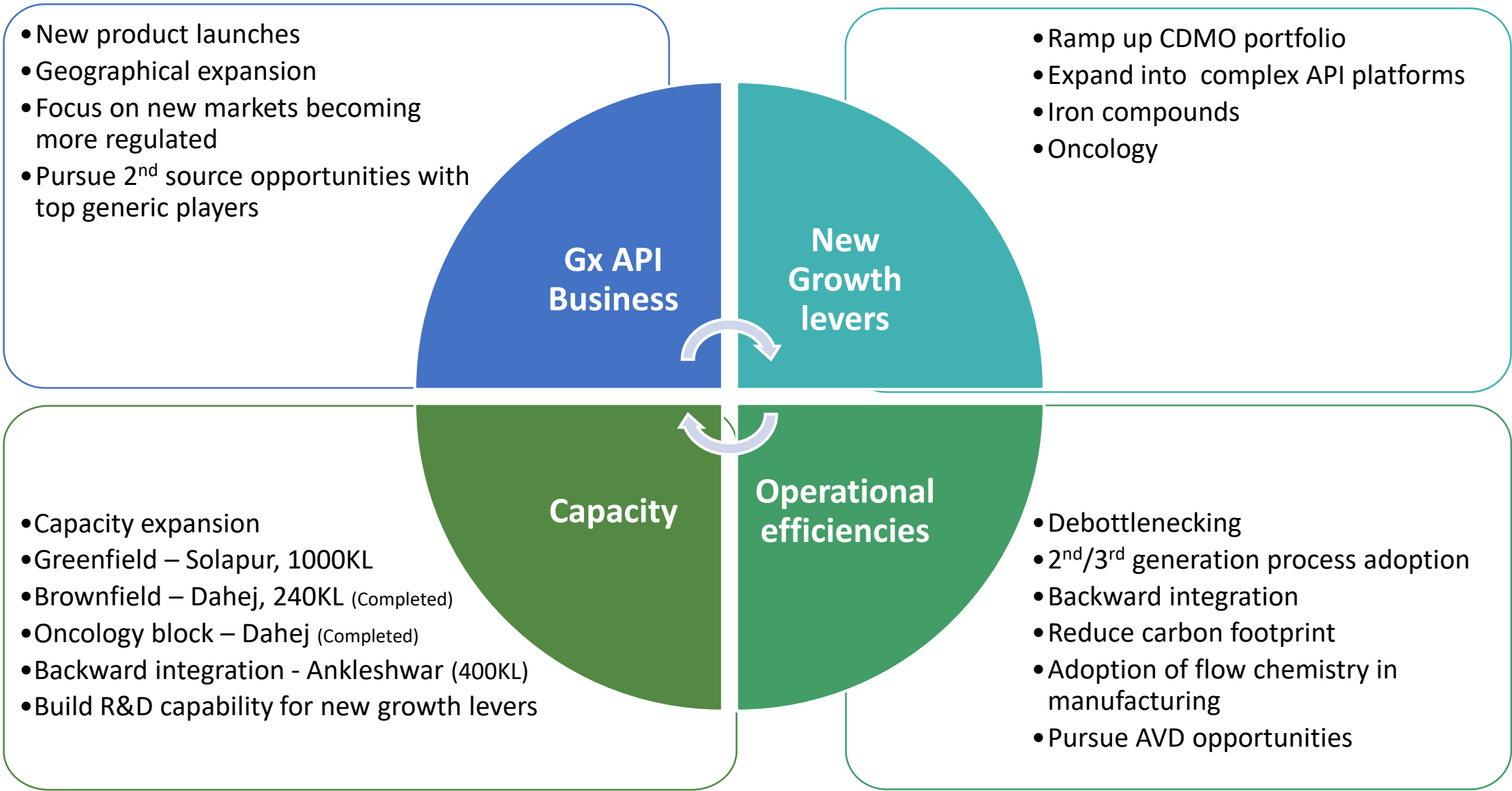
- 4 DMF/CEPs were filed across major markets in Q2 FY23 which take cumulative filings to 440 as on Sept 30, 2022
- 137 Unique molecules in the portfolio across the globe as of Sept 30, 2022.
- 26 products in development pipeline including 2 Iron complex and 7 Oncology products

04

Strategy Going Forward



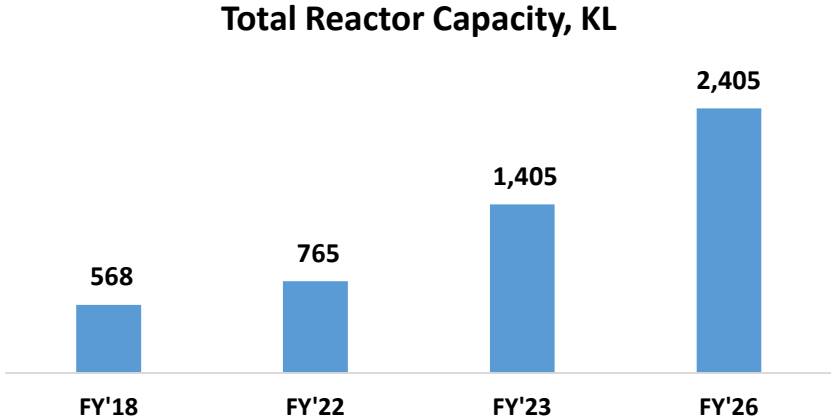
Strategic Growth Levers



Future Capacity Expansion Plan

Expansion Type	Division	Location	Current Capacity	Status & Planned Capacity	Operational Timelines
Brownfield	API	Dahej	141.9 KL	240 KL capacity added in Oct 2022	-
Brownfield	Intermediate	Ankleshwar	550.2 KL	Under Construction 400 KL	Q3 FY23
Brownfield	Oncology	Dahej	-	Completed	-
Greenfield	API	Solapur	-	EC Received 1000 KL	FY24 – FY26

Capacity Progress by Year



- ✓ API capacity expansion of 240 KL and Oncology facility at Dahej has been completed
- ✓ Backward Integration plant at Ankleshwar is under construction

For further information contact

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