



## 44<sup>th</sup> Annual General Meeting

September 27, 2022

### Chairman's Speech

Dear Shareholders,

Good afternoon and thank you for joining us today. On behalf of the Board of Directors, I welcome all of you to the 44<sup>th</sup> Annual General Meeting of Glenmark Pharmaceuticals Limited.

FY 22 marked yet another year of our resilient performance through challenging times. Ensuring sustained focus on business continuity and innovation is what enabled us to deliver on our commitments. We are grateful to our dedicated teams, who have relentlessly focused on catering to diverse patient needs under demanding circumstances.

### A STRONG PERFORMANCE

Glenmark's collective response to COVID-19, in the last financial year, was resolute and exemplary; putting us at a par with other globally acclaimed pharmaceutical companies. Our anti-viral COVID-19 drug, **Favipiravir (FabiFlu®)**, **continued to remain one among the highest selling drugs in the Indian pharma market (IPM)** among all other therapies aimed at treating symptoms of COVID-19. It has assisted over 6.5 million patients and their families to date; making it one of the most successful introductions of its time.

Despite challenges in the operating environment, our financial performance demonstrated our collective will to deliver and grow. Our consolidated revenue increased by 12.4% reaching Rs. 123,409 million in FY 22, compared to Rs. 109,439 million in the previous year. We maintained our EBITDA margins at ~19%, and our overall PAT registering Rs. 9,936 million this year. We reduced debt by an impressive Rs. 12.9 billion, thereby mitigating the additional financing cost, arising from elevated interest rates.

## OUR INDIA BUSINESS

During the year, our India business continued to outperform by surpassing industry growth rates, in line with the trend that has been in place for some years. As per IQVIA statistics, we were **one of the fastest growing organizations in the Indian pharmaceutical market among the top 20 players for MAT March 2022.**

Our India formulations business achieved several important milestones during the year.

- Our market share climbed to 2.34% over the previous year; effectively moving us up a spot to rank 13th.
- During this year, we further strengthened our position in our core therapeutic areas, and were **ranked second in Dermatology, fourth in Respiratory and sixth in Cardiology segments.**
- We also had **32 product launches** (including our Consumer Care business) during the year.

Our Consumer Care business recorded robust growth during the year led by new product launches, and resident stalwarts like Candid<sup>®</sup> cream and LaShield<sup>®</sup> sunscreen. Candid<sup>®</sup> Powder continues to maintain its dominant status with market share of 63% in FY 22. It's a matter of great pride to let you know that **Candid<sup>®</sup> Powder became the first brand in the consumer care business to enter the Rs. 100 Cr (USD 15 million) Club!**

## ON A GLOBAL SCALE

It has been an excellent year for our global businesses with strong financial results, with the international markets contributing to 64% of our turnover, and successful new launches across all our key markets.

- Our Europe business achieved the milestone of USD 200 million in revenues and it continues to be a major contributor to our overall growth story.
- We filed 19 ANDAs with the US FDA, and had 10 product launches in the North American business last year.
- Other markets in the Rest of the World (RoW) region such as Asia, Middle East, Africa, and Latin America witnessed signs of recovery despite the impact of lockdown due to the pandemic.
- Despite the upheaval in the region, our Russia/CIS business registered robust revenues.

## RESPIRATORY PORTFOLIO

Last year, we focused on building and strengthening our global Respiratory portfolio. We launched **Tiotropium Bromide Dry Powder Inhaler (DPI)**, that is used to treat chronic obstructive pulmonary disease (COPD), under the brand name, **Tiogiva**<sup>®</sup> in UK. Our Colombian subsidiary entered into an exclusive licensing agreement with AstraZeneca Colombia S.A.S. for the commercialization of AstraZeneca's drug for asthma, **Pulmicort Respules**<sup>®</sup>, in the Colombian market.

We also made great progress in launching **Ryaltris**<sup>®</sup>, our first global branded specialty product for treatment of allergic rhinitis, across the world. During the fiscal, we received US FDA's NDA approval for Ryaltris<sup>®</sup> in addition to marketing authorization in 16 markets across the European Union and the United Kingdom. Since its launch, this nasal spray is being marketed in 13 countries.

In India, we had two key launches with the introduction of **Ryaltris**<sup>®</sup>-AZ and **Vilor-F**<sup>™</sup>. **Glenmark became the first company in the world to launch Ryaltris**<sup>®</sup>-AZ (a customized formulation nasal spray of Ryaltris<sup>®</sup>) for the treatment of allergic rhinitis. Vilor-F<sup>™</sup> is recommended for the management of asthma and COPD.

## GLENMARK LIFE SCIENCES

This was arguably, one of the biggest highlights of the year for Glenmark – the listing of our wholly owned API subsidiary, Glenmark Life Sciences Ltd. on the Indian exchanges. **The IPO, which consisted of a fresh issue of Rs. 10.6 billion, and an offer for sale of up to Rs. 4.5 billion by the company, was oversubscribed 44 times.** We are confident that this has been a positive step in unlocking value for the organization and getting us closer to our ambition to become a leading API and Contract Development and Manufacturing Organization (CDMO) in India.

## DRIVING VALUE THROUGH INNOVATION

Innovation is at the heart of what we do and is deeply embedded in our culture and value creation approach.

I'm proud to share that Glenmark won the 'Indian Pharma Innovation of the Year' award for the second year in a row! The prestigious award was conferred by the Government of India (Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers) and recognizes Glenmark's multiple patents and commercialized innovations over the last three years.

We have been persistent in pursuing our aim to discover first-in-class therapies in oncology, immuno-oncology, respiratory, and pain management. Our total research and development expenditure for the year stood at Rs. 12,787 million which comprises 10.4 % of total revenue from operations.

We are committed to continuing our R&D efforts to address patient needs globally. We have seven programs at various stages of clinical development concurrently running between Glenmark Pharmaceuticals and Ichnos Sciences. Four of these programs are likely to achieve Human Proof of Concept in FY 2023.

## **ICHNOS SCIENCES**

Ichnos, Glenmark's fully owned clinical stage biotechnology company, is at the forefront of innovation in oncology. Its pipeline of bi/multispecific antibody therapeutics for oncology continues to progress, and is now comprised of five programs.

Ichnos has a proprietary BEAT<sup>®</sup> engineering platform, which helped develop its first trispecific antibody, ISB 2001. This product entered IND-enabling studies in H2 of FY 22. Additionally, two discovery stage assets are advancing and are poised to enable Ichnos to broaden from hematologic tumors to solid tumors. Ichnos' pipeline also includes two monoclonal antibodies for autoimmune diseases.

Ichnos signed its first out-licensing deal (Glenmark's eight) for ISB 880 in December 2021 with Almirall S.A. (a global biopharmaceutical company headquartered in Barcelona). It has commenced with the Phase 1 trials. Under the agreement, Almirall has been granted global rights to develop and commercialize the monoclonal antibody for autoimmune diseases. In addition to the upfront payment of EUR 20.8 million; we will also receive additional development and commercial milestone payments and tiered royalties based upon future global sales.

## **A PURPOSEFUL BRAND; A SUSTAINABLE AND RESPONSIBLE ENTERPRISE**

Glenmark has a dedicated ESG Committee, governed by the Board, to supervise our progress against ESG priorities. We are aiming to reduce our environmental impact, particularly in three areas, namely, **hazardous waste disposal** (our target is Zero-Waste-to-Landfill by 2027), **water** (our target being Neutrality by 2025), and **carbon emissions** (getting Neutral on Scope 1 and 2 Emissions by 2030).

I am happy to share that **Glenmark was listed on the prestigious Dow Jones Sustainability Index for the fourth consecutive year**. We rank among only 15 companies from India to be listed on the DJSI Emerging Markets Index in FY 22. Moreover, **Glenmark was the first domestic pharma company to raise sustainability linked loans by raising USD 228 million in SLLs during the year**.

Our social responsibilities form an integral part of our business operations. Our societal initiatives are undertaken under the umbrella of 'Joy of Giving'. During the year we positively impacted several lives across 31 countries participating this annual program. We have also touched 2.6 million lives till date, which brings us closer to **our goal of impacting 3 million lives by FY 25**.

In line with our commitment to bring positive changes, we continued achieving success with several corporate social responsibility (CSR) projects carried out through the year. We could touch more than 1,25,000 lives through our Child Health intervention programs. Additionally, we served over 25,000 pregnant and lactating women through our various interventions.

I'm delighted to share that Glenmark was awarded the Gold Award under the 'CSR Health Impact Awards COVID Indigenous Response Project', and the Silver Award under the 'CSR Health Impact Awards Food For All Initiative'. We also secured a Runners-up position for the 'India Pharma CSR of the Year Award'.

## **LEADING FROM THE FRONT**

Looking forward, our strategic priority for FY 23 will be to further our innovative product pipeline, successfully launch our branded new products (especially, Ryaltris®), sustain our EBITDA margins, and continue enhancing free cash generation. We will also be maintaining our primary focus on optimizing our research and development and capital expenditure; while continuing to focus on profitable growth.

Glenmark was selected for the Production Linked Incentive (PLI) scheme aimed at improving India's manufacturing capabilities and enhancing exports. Glenmark was one of the 11 companies under Group A, and I believe that we are well placed to meet the objectives and guidelines of the scheme.

We believe in leading from the front, bringing breakthrough and affordable pharmaceuticals to our patients, while also paving the road for a more sustainable tomorrow. At which point, I am reminded of our team's tenacity and the unwavering encouragement from our stakeholders. I would want to take this opportunity to thank all of my colleagues and team members for their efforts and diligence in bringing value to our stakeholders and contributing to our collective success.

I also thank you all, for your patience and guidance thus far, and look forward to your continued support.

**GLENN SALDANHA**

**Chairman & Managing Director  
Glenmark Pharmaceuticals**