Glenmark Pharmaceuticals Ltd.

Investor Presentation – Q3 FY23

Glenmark
A new way for a new world

10 February 2023

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Glenmark's vision has guided its journey over the last two decades

Glenmark Group, today

Leading

Consolidated revenues in FY22: **₹ 123,049 mn**

14th largest[1] and amongst the **fastest growing** in the Indian market

15th largest[2] generic company by prescriptions filled in the USA

5th largest[3] Indian generic company in Europe

~10 million[4] COVID patients globally prescribed with FabiFlu® (favipiravir)

Integrated

End-to-end R&D capabilities: API, generic formulations (conventional & complex), specialty and NME

14 manufacturing facilities across formulations and API in 4 continents

4 R&D centers covering the entire value chain

Spin-off, IPO of API business → **Glenmark Life Sciences Ltd.**

Research-led

Initiated **NME research** in 2002; signed **~$300 mn** worth of out-licensing deals since

Spun-off biologics research in to US-based biotech → **Ichnos Sciences, Inc.**

6 innovative assets in clinical development across the group

Ryaltris®: first global specialty brand launched in multiple markets

Multiple **"first in the world"** and **"first in market"** launches across regions (e.g. remogliflozin, Ryaltris®)

Global

Global diversified formulations business built organically with commercial presence in 80+ countries

~55% contribution to revenue coming from branded markets[5]

Dermatology, Respiratory, Oncology: clear focus on three core therapeutic areas globally

Numerous ongoing **global partnerships** with leading companies such as Hikma, Almirall, etc.

IPO: Initial Public Offer
R&D: Research and Development

1. As per IQVIA MAT September 2022
2. As per IQVIA MAT September 2022; includes generics & branded generics, Rx only (excludes OTC)
3. As per IQVIA MAT June 2022
4. Company estimate
5. Includes revenue from India, Rest of World (ROW) and part of Europe, as of FY22

Strategic restructuring for sharper focus on our three businesses

Separate board of directors

Independent management team

Global presence & operations

Glenmark
A new way for a new world

Primarily focused on building a global formulation business with branded, generics, and OTC segments in therapy areas of Dermatology, Respiratory and Oncology

Glenmark LIFE SCIENCES

(82.84% subsidiary)

Focused on manufacturing and marketing of API products across all major markets globally

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(US based; 100% subsidiary)

Innovation biotech company focused on development of novel biological molecules as potential treatment options for Oncology

OTC: Over The Counter

Committed to Sustainability across all our operations globally

Environmental

*Become carbon neutral by 2030**

*Achieve water neutral operations by the year 2025***

Zero waste to landfill at all our plant locations by the year 2027

Social

16 global safety programs by 2023

Aspire to impact 3 million lives by 2025

Deepen global presence and deliver quality affordable in new markets

Continue focus on gender equality and diversification

Governance

Maintain an ethical business culture to drive robust governance practices beyond compliance

Continue maintaining high quality products and product transparency

Dow Jones Sustainability Indexes

4th Consecutive Year

1 of 4 Indian Pharma

1 of 15 Indian Companies

Top 10 % ile Continuous score improvement

* Covers Scope 1 and Scope 2 emissions only
** for GPL only (excluding GLS)

Q3 and 9M FY23 Snapshot

- **Q3 FY23 Revenues from Operations at Rs. 34,639 Mn with a growth of 9.2% YoY**
- **Q3 FY23 EBITDA of Rs. 6,202 Mn with EBITDA margin of 17.9%**
- **Q3 FY23 Reported PAT of Rs. 2,908 Mn**

"We had yet another quarter with a strong performance led by robust growth across all our markets despite the challenging macroeconomic conditions. Our India business continued to record a healthy increase in secondary sales. The US business recovered well as the year progressed. The RoW and EU businesses also reflected formidable growth during the quarter. Our global respiratory portfolio gained momentum with the impressive performance of our novel drug Ryaltris® across all markets where it was launched."

Glenn Saldanha
Chairman and Managing Director
Glenmark Pharmaceuticals Ltd.

Q3 FY23

- **Consolidated Revenue** of Rs. 34,369 Mn; increase of 9.2% YoY
- **EBITDA** of Rs. 6,202 Mn; with **EBITDA Margin** of 17.9%
- **R&D expenses** of Rs. 2,760 Mn (8% of sales); Ichnos spend of USD 18.5 Mn
- **Reported PAT** of Rs. 2,908 Mn as against Rs. 2,398 Mn in Q3 FY22
- **EPS** of Rs. 9.66 vs Rs. 7.86 last year

9M FY23

- **Consolidated Revenue** of Rs. 96,164 Mn; increase of 3.6% YoY
- **EBITDA** of Rs. 16,734 Mn; with **EBITDA Margin** of 17.4%
- **R&D expenses** of Rs. 9,039 Mn (9.4% of sales); Ichnos spend of USD 61.3 Mn
- **Reported PAT** of Rs. 7,805 Mn as against Rs. 8,211 Mn in Q3 FY22
- **EPS** of Rs. 25.71 vs Rs. 27.86 last year

Net debt of Rs. 26,150 Mn as of December 2022

Capex of Rs. 4,423 Mn as of 9M FY23

Consolidated revenues from operations

Rs Mn	Third Quarter ended December 31			Second Quarter ended September 30	
	FY 2022-23	FY 2021-22	YoY Growth (%)	FY 2022-23	QoQ Growth (%)
India	*10,745*	*10,069*	*6.7%*	*10,916*	*-1.6%*
North America	*8,373*	*7,567*	*10.6%*	*7,533*	*11.1%*
Europe	*4,932*	*3,807*	*29.5%*	*3,785*	*30.3%*
Rest of the World [1]	*6,541*	*5,348*	*22.3%*	*6,154*	*6.3%*
API	*3,756*	*3,032*	*23.9%*	*3,744*	*0.3%*
Total	**34,347**	**29,823**	**15.2%**	**32,132**	**6.9%**
Other Revenue	*291*	*1,911*	*-84.7%*	*1,620*	-82.0%
Consolidated Revenue	**34,639**	**31,734**	**9.2%**	**33,752**	**2.6%**

1. Asia, Middle East and Africa, Russia + CIS, and Latin America

Average conversion rate in 9M FY 2022-23 considered as INR 79.58 / USD 1.00

Average conversion rate in 9M FY 2021-22 considered as INR 74.15 / USD 1.00

USD figures are only indicative

Consolidated revenues from operations

Rs Mn	Nine Months ended December 31		
	FY 2022-23	**FY 2021-22**	**YoY Growth (%)**
India	*32,014*	*32,008*	*0.0%*
North America	*22,534*	*22,988*	*-2.0%*
Europe	*12,016*	*10,249*	*17.2%*
Rest of the World [1]	*16,921*	*16,194*	*4.5%*
API	*10,751*	*9,426*	*14.1%*
Total	**94,236**	**90,865**	**3.7%**
Other Revenue	*1,928*	*1,993*	*-3.3%*
Consolidated Revenue	**96,164**	**92,858**	**3.6%**

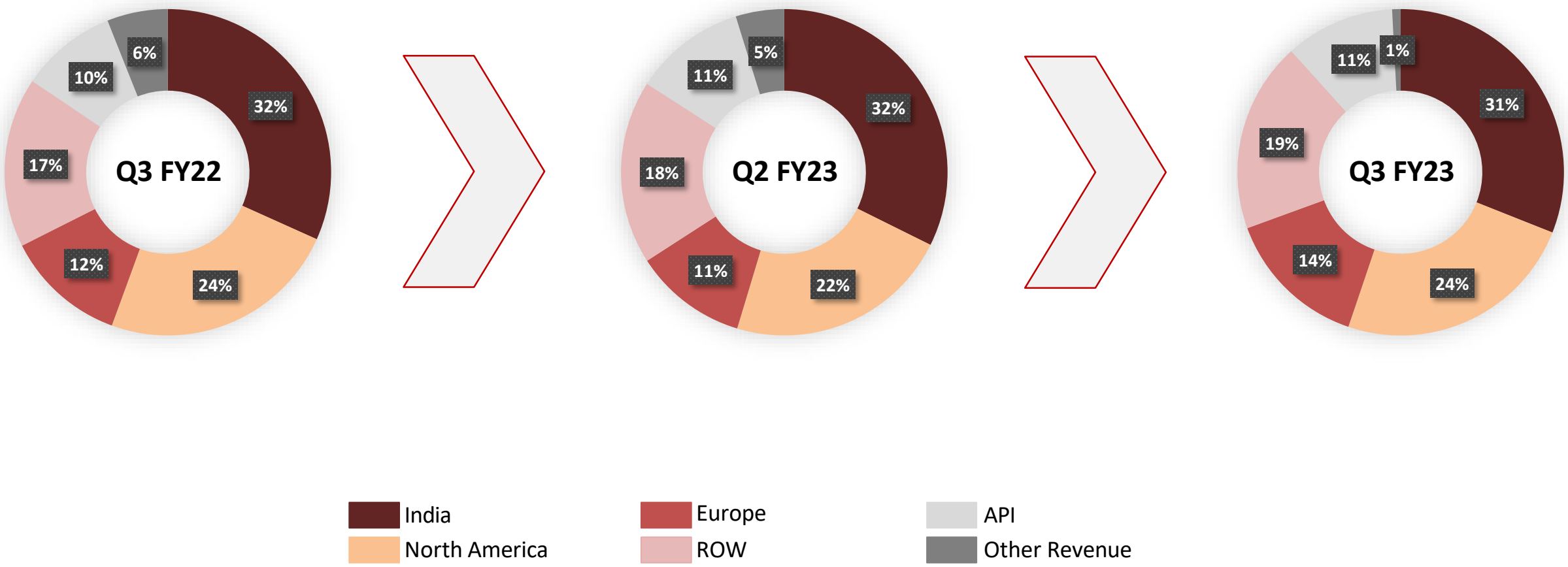
1. Asia, Middle East and Africa, Russia + CIS, and Latin America

Average conversion rate in 9M FY 2022-23 considered as INR 79.58 / USD 1.00

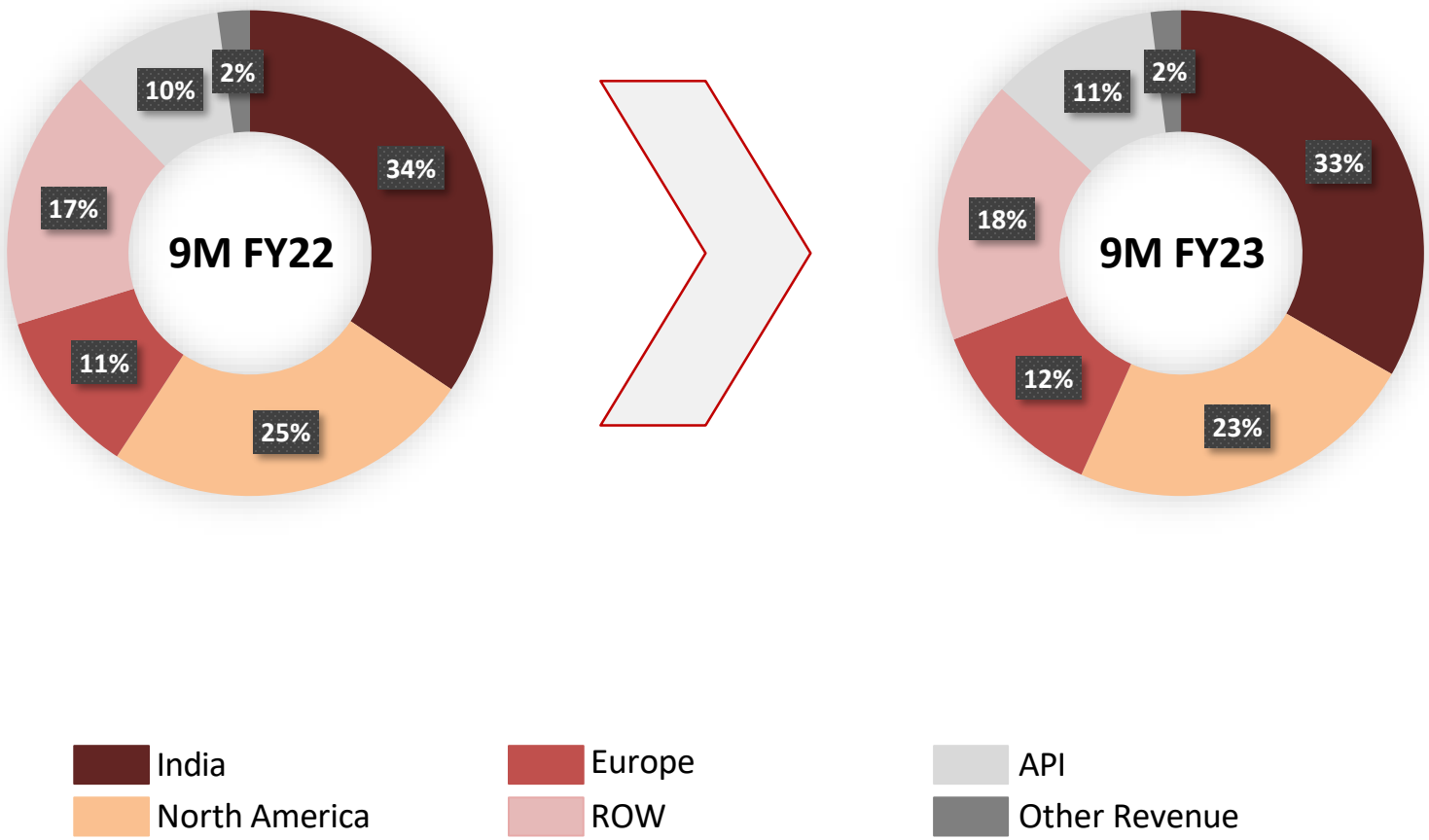
Average conversion rate in 9M FY 2021-22 considered as INR 74.15 / USD 1.00

USD figures are only indicative

Revenue distribution by key geographies



Revenue distribution by key geographies

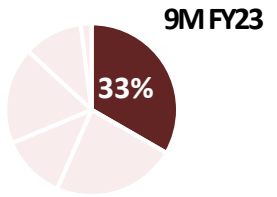


P&L highlights

Rs. Mn	Q3 FY23	Q3 FY22	%YoY	Q2 FY23	%QoQ
Revenues from Operations	34,639	31,734	9.2%	33,752	2.6%
EBITDA	6,202	6,932	-10.5%	6,216	-0.2%
EBITDA margin (%)	*17.9%*	*21.8%*		*18.4%*	
Other Income (exp)	764	139		974	
Exceptional gain (loss)	339	-1,784		0	
Profit Before Tax (PBT)	4,710	3,430	37.3%	4,802	-1.9%
PBT Margin (%)	*13.6%*	*10.8%*		*14.2%*	
Tax	1,802	1,033		2,015	
Tax rate (%)	*38.3%*	*30.1%*		*42.0%*	
Profit After Tax (PAT)	2,908	2,398	21.3%	2,787	4.3%
EPS (Rs)	9.66	7.86		9.23	
R&D	2,760	3,030	-8.9%	3,300	-16.4%
R&D (% to sales)	*8.0%*	*9.5%*		*9.8%*	

Notes:
1. The exceptional item in consolidated result is net gain of Rs 338.78 Mn arising from the sale cardiac brand Razel (India and Nepal business), net of expenses, trade receivables, inventory write off, other reimbursable expenses and remediation cost of Monroe manufacturing site (USA).

India Formulations



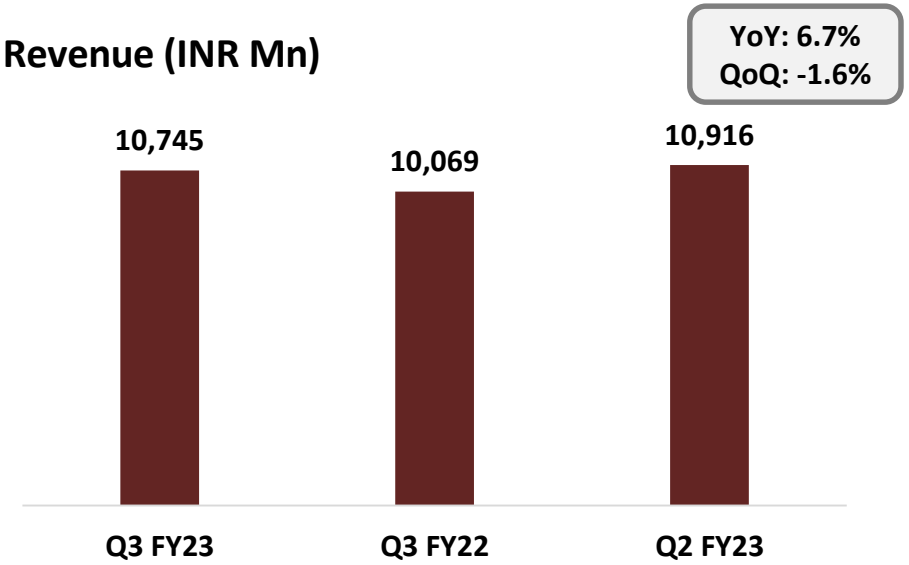
Q3 FY23 growth of 11% as per IQVIA data

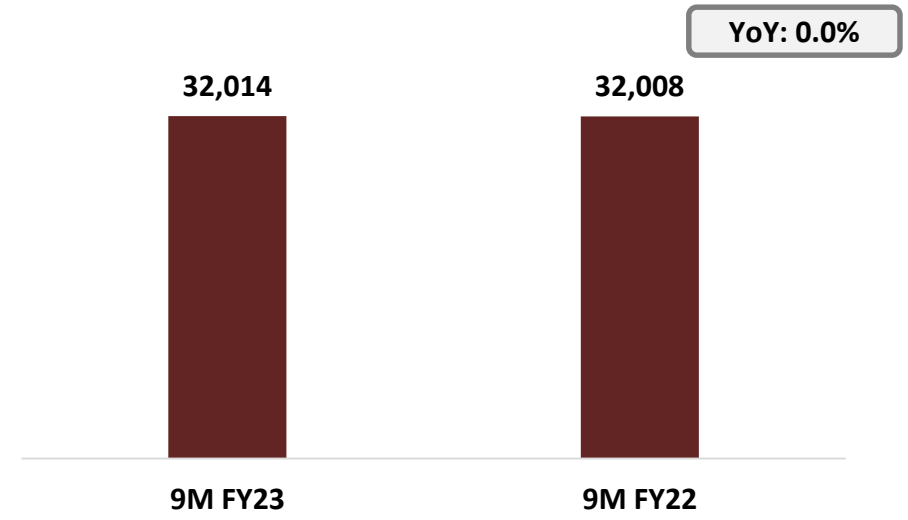
Ranked 2nd in Respiratory for Q3 FY23

Key Highlights

- Glenmark's India business is ranked 14th[1] with a market share of 2.19%
- Cardiac segment market share increased to 5.37% from 4.85% last year and the Dermatology segment market share increased to 8.15% from 8.05% last year
- Launched Fixed-Dose Combination (FDC) of Teneligliptin (20 mg) + Pioglitazone (15 mg) + Metformin (500mg/1000mg) SR under the brand name Zita®-PioMet
- Recently launched Sacubitril + Valsartan under the brand name, Sacu V™ for the treatment of heart failure
- GCC growth continues across all brands; expanded La Shield™ portfolio through launch of moisturizer

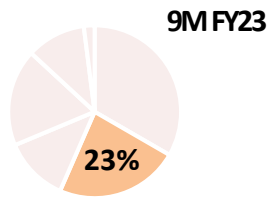
Revenue (INR Mn)





Notes:
1. As per IQVIA MAT December 2022

North America Formulations



QoQ growth of 11%

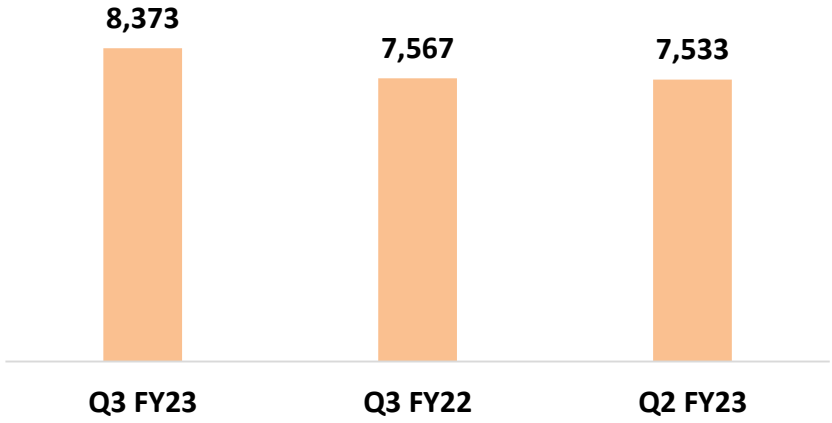
Launched 3 new products in Q3

Key Highlights

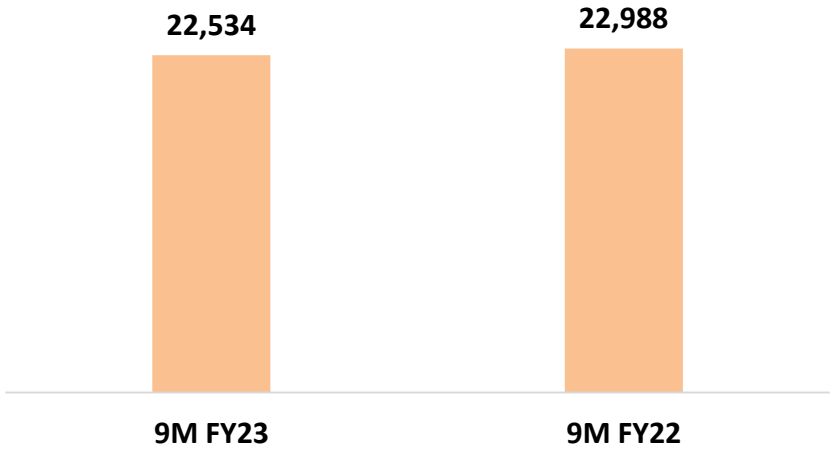
- Received final approval for Nicardipine Hydrochloride Capsules, final approval and launch of Sodium Phenylbutyrate Tablets USP, 500 mg
- Also launched Fingolimod Capsules, 0.5 mg and a new pack size for Olmesartan Medoxomil Tablets USP [5 mg, 90's].
- Filed one ANDA in Q3; plans to file six-eight applications in the forthcoming quarter
- Reached a settlement agreement with Pfizer for Axitinib Tablets, 1mg and 5mg (generic version of Inlyta®); market size of USD 657 Mn[1]

Revenue (INR Mn)

YoY: 10.6%
QoQ: 11.1%



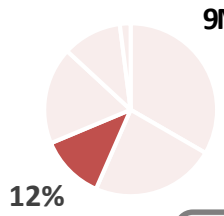
YoY: -2%



Notes:
1. IQVIA™ sales data for the 12-month period ending December 2022

Glenmark

Europe



Strong YoY and QoQ growth in region

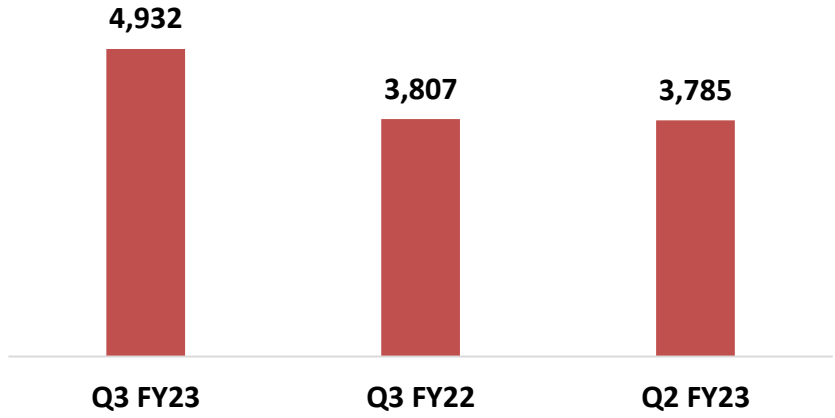
Ryaltris® and Salmex® / Asthmex® gain market share across CEE

Key Highlights

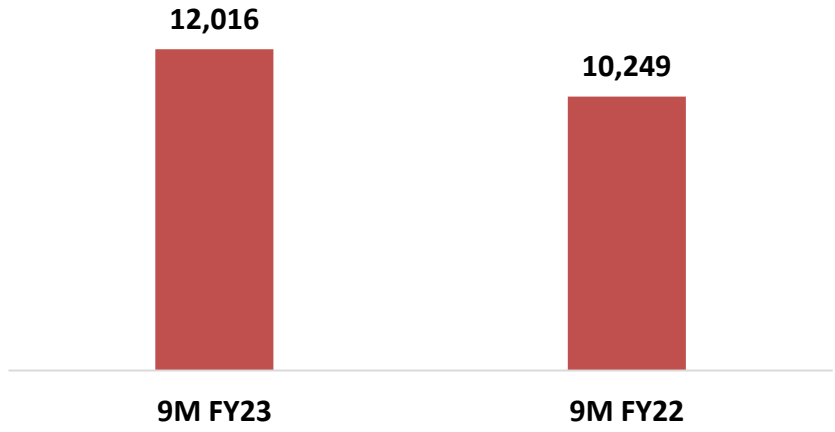
- Growth driven by markets in both regions of Western Europe (WEU) and Central & Eastern Europe (CEE)
- The Czech and Poland recorded strong secondary sales double digit growth
- Western European business clocked high double digit growth for Q3
- Company gained additional share in some products in the UK
- 10 new product launches across all European markets
- Tiogiva® also continues to grow in the WEU markets

Revenue (INR Mn)

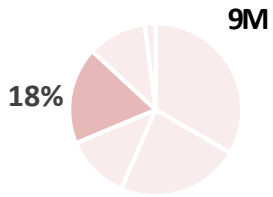
YoY: 29.5%
QoQ: 30.3%



YoY: 17.2%



ROW (Asia, MEA, LATAM and RCIS regions)



22% growth YoY

Ryaltris key growth driver across major markets

Key Highlights

RCIS

- Secondary sales growth of 26% in value and 3% in units in Q3 FY23 (vs same period last year)
- Ryaltris gaining share and has been included into the Guidelines of Russian Rhinology Society

Asia

- Key markets continue to record double-digit secondary growth
- Ryaltris continues to hold ~15% market share in Australia and received positive response upon launch by partner, Yuhan, in South Korea

MEA

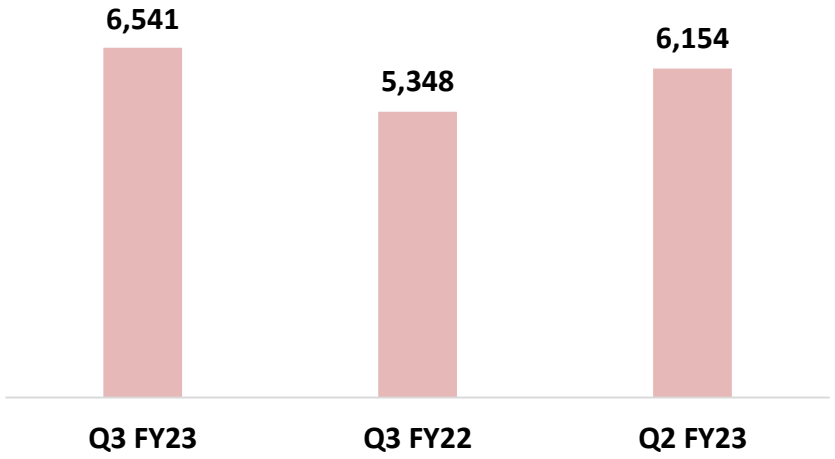
- Recorded ~30% growth in secondary sales; South Africa and Saudi Arabia key markets
- Continues to gain scale in other markets of the region

LATAM

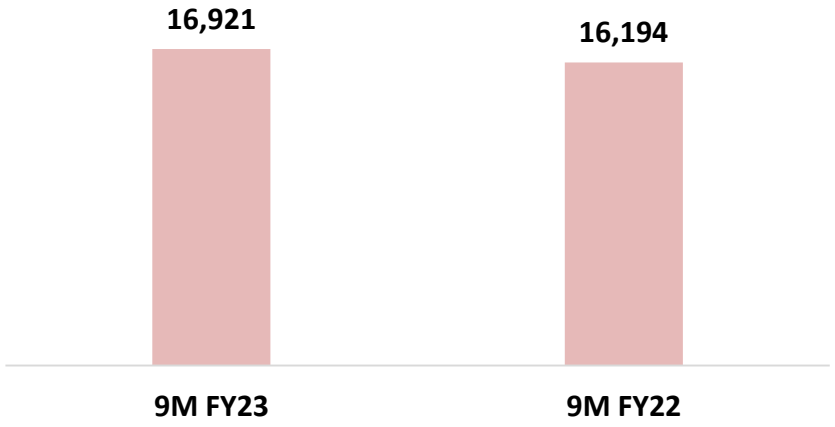
- With high single-digit market share, Company is ranked 5th in Brazil[1] in the covered market of the chronic respiratory segment
- Strong secondary sales growth of 15% in Mexico[1]

Revenue (INR Mn)

YoY: 22.3%
QoQ: 6.3%

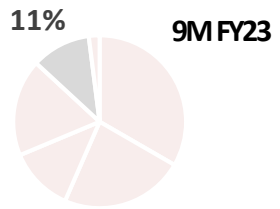


YoY: 4.5%



Notes:
1. As per IQVIA MAT December 2022

API business (Glenmark Life Sciences)



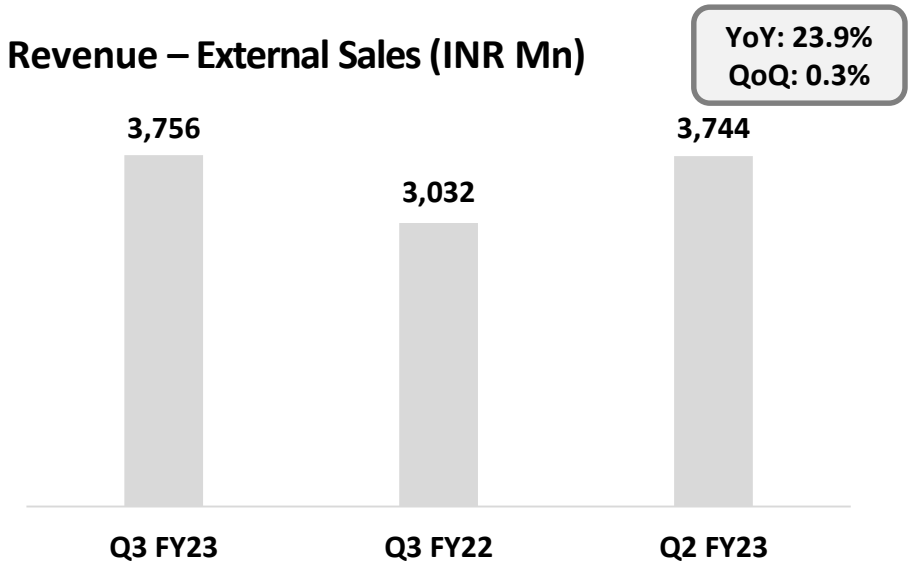
76.5% contribution from regulated markets

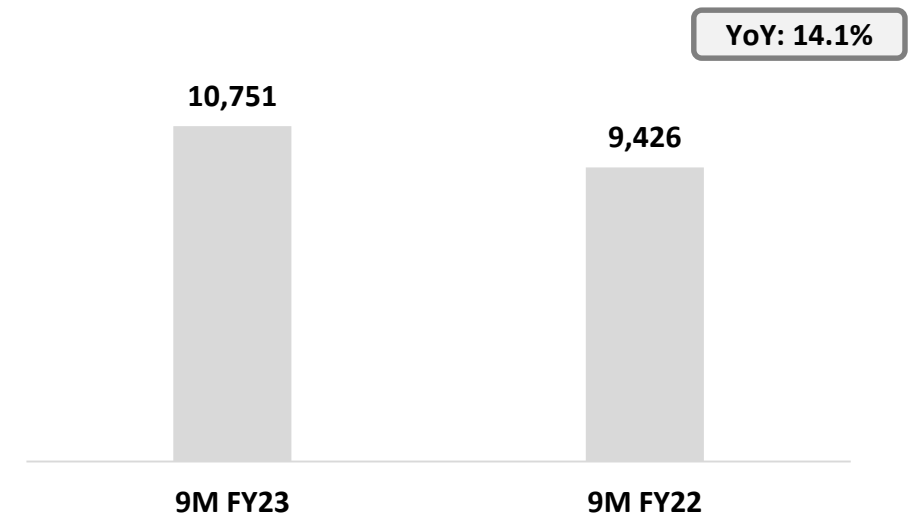
Multiple projects completed / ongoing for capacity expansion

Key Highlights

- Consolidated sales of Rs. 5,407 Mn as against Rs. 5,225 Mn, recording a YoY growth of 3.5%
- Generic API revenues in Q3 FY23 increased 5.9% QoQ and increased 1.8% YoY
- CDMO revenues in Q3 FY23 decreased by 9.6% QoQ; demand is expected to pick up from Q4 FY23 onwards
- DMF/CEPs filing continued across major markets in Q3 FY23, taking the total cumulative filings to 456 as on Dec 31, 2022

Revenue – External Sales (INR Mn)





Respiratory Strategy – Creating Global Scale

Ryaltris

- As of the end of Q3, marketing applications submitted in 58 countries across the world and commercialized in 23 markets, including major markets like the US, Europe (UK and 10 other markets across the EU), Australia, Russia, South Korea and South Africa.
- Glenmark's partner in the EU, Menarini, initiated the commercial launch in the Nordic countries (Denmark, Finland, Sweden, Norway) and Germany in the third quarter, and intends to launch the product in additional European markets in Q4.
- Our partner in the US, Hikma has launched the product and Ryaltris is now stocked at all major wholesalers. Discussions are ongoing with insurance companies to further increase coverage.
- During the third quarter, Glenmark submitted marketing authorization applications for Ryaltris in Hong Kong and Morocco.
- Glenmark received MA grant for Ryaltris in Tanzania in December 2022 and is awaiting approval in key markets like Brazil, Mexico, Vietnam, etc.
- Glenmark's partner in Mainland China, Grand Pharmaceutical (China) Co. Ltd., aims to complete enrollment of the on-going Phase 3 study in China and submit the marketing authorization application by end of 2023.
- Glenmark intends to soon launch Ryaltris in Canada via its partner Bausch Health

Other key products

- Clinical trial ongoing for generic Flovent® pMDI; Expect to file in CY23
- Plan to file at least one more generic respiratory pMDI in the US in CY23 and continue filing momentum beyond FY24

Innovative R&D Pipeline

GRC 54276

HPK1 Inhibitor

- Oncology pipeline asset being developed as an orally administered IO-adjuvant treatment for patients with solid tumors. A Phase 1 dose escalation study is ongoing in India.
- Successful recruitment of patients in Cohort 3 was completed in Q3 FY23. No dose limiting toxicities have been observed till date.
- IND submission and DCGI submission planned in Q4 FY23 to initiate the part 2, combination study of GRC 54276 with pembrolizumab and atezolizumab in the US and India.

GRC 39815

RORγt Inhibitor

- Currently being evaluated as an inhaled compound for the possible treatment of Chronic Obstructive Pulmonary Disorder (COPD)
- Currently under Phase 1 clinical development study in the US

Ichnos Sciences is a Clinical-Stage Biotechnology Company at the Forefront of Innovation in Oncology

Fully Integrated Biotech

- Global footprint: U.S. and Switzerland
- Fully owned by Glenmark, with plans to expand the investor base in the future
- Accomplished management team with proven track record
- Core capabilities in biologics (discovery, antibody engineering, CMC, clinical development and regulatory affairs)

Deep and Broad Pipeline

- Focus on immune cell engagers/modulators
- Disease-centric
- Broad first-wave multispecific oncology pipeline with five programs, including clinical-stage programs: T cell engager in multiple myeloma (ISB 1342) and a myeloid cell modulator (ISB 1442)
- Beyond oncology, pipeline of potential first-in-class therapeutics addressing autoimmune diseases available to out-license

Novel BEAT®* Platform

- Proprietary BEAT® antibody engineering platform* represents the discovery engine to sustain innovation and drive long-term growth:

  + Next-generation multispecific immune cell engager/modulator antibodies that can engage multiple targets simultaneously

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**BEAT®: Bispecific Engagement by Antibodies based on the TCR*

Ichnos is Advancing a Differentiated Pipeline with Potential First – and Best-in-Class Assets

Ichnos Oncology Pipeline - First Wave Focuses on T-Cell Engagers and Macrophage Modulators

Molecule Mechanism/Class	Phase/Status	Lead Indication
ISB 1342 CD38 x CD3 BEAT® 1.0 bispecific antibody	Phase 1	Relapsed/Refractory Multiple Myeloma; T-ALL is also under consideration
ISB 1442 CD38 x CD47 BEAT® 2.0 bispecific antibody	Phase 1	Relapsed / Refractory Multiple Myeloma; AML is planned by early 2024
ISB 2001 BCMA x CD38 x CD3 TREAT™ trispecific antibody	IND-Enabling Studies	Relapsed / Refractory Multiple Myeloma
ISB 2004 BEAT® 2.0 bispecific antibody	Discovery	Hematological Malignancies / Solid Tumours
NK-cell engaging multispecific platform (formerly ISB 2005)	Discovery	Solid Tumours

T-ALL: T-cell Acute Lymphoblastic Leukemia
AML: Acute Myeloid Leukemia

Ichnos to Out-License Assets in Autoimmune (AI) Disease

Molecule Mechanism/Class	Potential Indications	Phase	Status
ISB 880 (ALM 27134) IL-1RAP Antagonist Monoclonal Antibody	Autoimmune Diseases	Phase 1	Licensed to Almirall S.A. in December 2021. Dosing of participants in the Phase 1 study was announced by Almirall in September 2022
ISB 830 Telazorlimab OX40 Antagonist Antibody	Atopic Dermatitis	Phase 2b	Successfully completed a Phase 2b study in Atopic Dermatitis. Exploring partnership(s)
	Other AI diseases, including RA	U.S. IND for Rheumatoid Arthritis and other autoimmune indications is active	

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**TREAT™: Trispecific Engagement by Antibodies based on the TCR*

Key Objectives of Financial Year 2023

1. Revenue growth of 6-8% during the year
2. Sustain EBITDA margin performance at similar levels of FY22
3. Strategic priority to enhance free cash generation for further debt reduction
4. Capex of Rs. 7-8 Bn
5. Continue discussions with potential partners for out-licensing of innovative assets

Thank You

https://glenmarkpharma.com/