

# INVESTORS PRESENTATION

Q4 FY 21-22 &  
FY 21-22

27<sup>th</sup> May 2022



## Disclaimer

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# Corporate Overview

Glenmark operates its businesses through three separate entities



Each of these three entities operate independently with separate Management Teams and Board of Directors.

**Glenmark  
Pharmaceuticals  
Ltd. (GPL)**

GPL is primarily focused on building a global Generics, Specialty and OTC business in the therapy areas of Dermatology, Respiratory and Oncology.

[www.glenmarkpharma.com](http://www.glenmarkpharma.com)

**Glenmark  
Lifesciences Ltd.  
(GLS)  
(82.84% API  
Subsidiary)**

GLS primarily includes manufacturing and marketing of Active Pharmaceutical Ingredient (API) products across all major markets globally including captive sales.

[www.glenmarklifesciences.com](http://www.glenmarklifesciences.com)

**Ichnos Sciences  
(100% US based  
innovations  
Subsidiary)**

Ichnos Sciences Inc. is Glenmark's US-based innovation biologics business that is focused on development of oncology and autoimmune medicines

[www.ichnossciences.com](http://www.ichnossciences.com)

## Q4 FY2022 Snapshot

Revenues from operations up 5.6% YoY to Rs. 30,191 Mn  
Adjusted EBITDA<sup>2</sup> of Rs. 5,022 Mn with Margin of 16.6%  
Adjusted PAT<sup>3,4</sup> of Rs. 2,939 Mn; growth of 25.7%

*“We delivered consistent performance throughout the year and achieved our key objectives, despite challenging global macro environment. We were able to successfully list Glenmark Lifesciences on the Indian Bourses. The out-licensing deal for ISB 880 with Almirall and US FDA approval for Ryaltris™, further established us as the leading innovation-driven pharma company in the country.”* said Glenn Saldanha, Chairman and Managing Director, Glenmark Pharmaceuticals. He added, *“We are confident of growing our business with continuous emphasis on innovation, sustainability, and prioritizing free cash generation for additional debt reduction.”*

- **Consolidated sales** of Rs. 30,191 Mn ; **5.6%** increase YoY
  - **RoW<sup>1</sup>** business grew by 18.1% YoY
  - **Europe** business grew by **17.6%** YoY
- **Reported EBITDA** of Rs. 4,634Mn; with **EBITDA Margin** of 15.3%
  - **Adjusted EBITDA<sup>2</sup>** of Rs. 5,022 with **EBITDA Margin** of 16.6%
- **R&D expenses** of Rs. 3,230 Mn (10.7% of sales) as compared to Rs. 3,040 Mn (10.6% of sales) last year
  - Ichnos spend of USD 21.9 Mn (5.4% of sales)
- **Reported PAT** of Rs. 1,726 Mn as against Rs. 2,339 Mn in Q4 FY21; EPS<sup>4</sup> of Rs. 5.5 vs Rs. 8.3 last year
  - **Adjusted PAT<sup>3</sup>** of Rs. 2,939 as against Rs. 2,339 Mn in Q4 FY21; growth of 25.7% YoY
- **CapEx** of Rs. 2,915 Mn in Q4 FY22 vs Rs. 2,390 Mn last year

1. Asia, MEA, RCIS and LATAM 2. Adjusted for one time CoVid related inventory provision of Rs.388 Mn in Q4 FY22

3. Adjusted for one time CoVid related inventory provision and exceptional items related to recall and associated remediation cost in the US 4. After Minorities interest

## FY 2022 Snapshot

Revenues from operations up 12.4% YoY to Rs. 123,049 Mn  
Adjusted EBITDA<sup>2</sup> of Rs. 23,591 Mn with Margin of 19.2%  
PAT of Rs. 9,936 Mn; growth of 2.4%

- **Consolidated sales** of Rs. 123,049 Mn ; **12.4%** increase YoY
  - **RoW<sup>1</sup>** business grew by 38.4% YoY
  - **India Formulation** business recorded growth of **15.5%** YoY
  - **Europe** business grew by **14.3%** YoY
- **Reported EBITDA** of Rs. 23,203 Mn; 11.3% increase YoY with **EBITDA Margin** of 18.9%
  - **Adjusted EBITDA<sup>2</sup>** of Rs. 23,591 with **EBITDA Margin** of 19.2%
- **R&D expenses** of Rs. 12,387 Mn (10.1% of sales) as compared to Rs. 12,210 Mn (11.2% of sales) last year
  - Ichnos spend of USD 89 Mn (5.4% of sales)
- **Reported PAT** of Rs. 9,936 Mn as against Rs. 9,701 Mn in FY21; EPS<sup>3</sup> of Rs. 33.4 vs Rs. 34.4 last year
- **CapEx** of Rs. 7,895 Mn in FY22 vs Rs. 7,670 Mn last year
- **Net debt** of Rs. 22.6 Bn, lower by Rs. 12.9 Bn as compared to end FY21

## Glenmark delivered on the objectives set for FY22

### What we said.....

- 1 Revenue growth of 10-15% during the year
- 2 Sustain EBITDA margin performance at similar levels of FY21
- 3 Reduce debt by at least Rs. 16 Bn through a combination of IPO proceeds and free cash generation during the year
- 4 Post FY22, strategic priority to enhance free cash generation for further debt reduction; prioritizing over R&D investments and capital expenditure
- 5 Close 1-2 out-licensing agreements at Ichnos



### ....What we delivered

- Revenue growth of 12.4% during the year
- EBITDA<sup>1</sup> margin of 18.9% as compared to 19.0% in FY21
- Debt reduced by Rs. 12.9 Bn in FY22
- We continue to prioritize free cash generation
- Deal signed with Almirall for ISB-880

## Other Key Highlights for the year

Listed wholly owned API subsidiary, Glenmark Lifesciences Ltd on the Indian exchanges



Selected for the PLI scheme aimed at improving India's manufacturing capabilities and enhancing exports.



As per IQVIA, In April '21, Fabiflu became the highest selling drug in the Indian Pharma market amongst all therapies



Ichnos entered into an exclusive licensing agreement with Almirall SA for the IL-1RAP antagonist ISB 880 for an upfront payment of Eur 20.8 Mn



Listed in prestigious Dow Jones Sustainability Emerging Markets Index for the fourth consecutive year



First domestic pharma company to raise sustainability linked loans (SLL), by raising USD 228 mn in SLLs during the year



Europe business achieved significant milestone of USD 200 mn annual revenues for the first time



Glenmark had several successes in its core respiratory franchise; Received USFDA approval for Ryaltris and marketing approval in all 17 markets across EU and UK.

## Consolidated Revenues from Operations

Rs Mn	Fourth quarter ended March 31 '22			Year ending Mar 31 '22		
	FY 2021-22	FY 2020-21	YoY Growth (%)	FY 2021-22	FY 2020-21	YoY Growth (%)
<i>India</i>	8,847	8,238	7.4%	40,855	35,365	15.5%
<i>North America</i>	7,378	8,012	-7.9%	30,366	30,764	-1.3%
<i>Europe</i>	4,968	4,223	17.6%	15,218	13,276	14.6%
<i>Rest of the World (ROW)<sup>1</sup></i>	5,479	4,641	18.1%	21,672	16,855	28.6%
<i>API</i>	3,283	3,311	-0.9%	12,709	12,074	5.3%
<b>Total</b>	<b>29,955</b>	<b>28,425</b>	<b>5.4%</b>	<b>1,20,820</b>	<b>1,08,334</b>	<b>11.5%</b>
<i>Other Revenue</i>	237	174	36.5%	2,229	1,106	101.6%
<b>Consolidated Revenue</b>	<b>30,191</b>	<b>28,599</b>	<b>5.6%</b>	<b>1,23,049</b>	<b>1,09,439</b>	<b>12.4%</b>

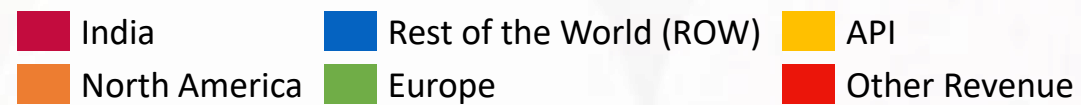
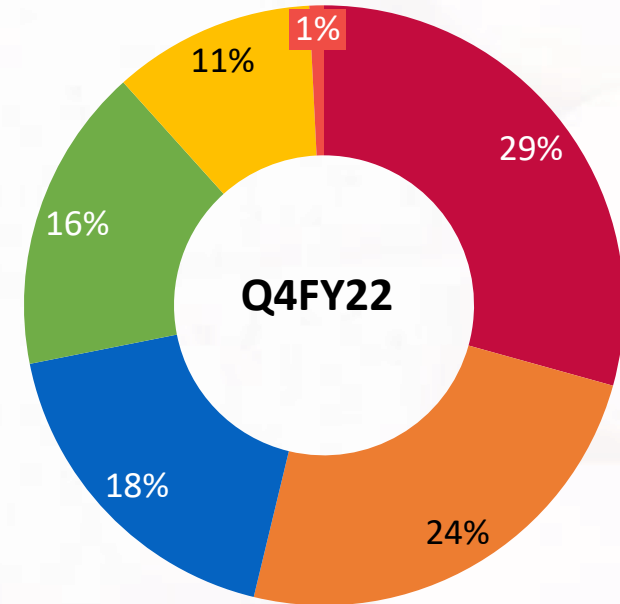
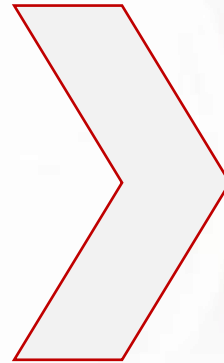
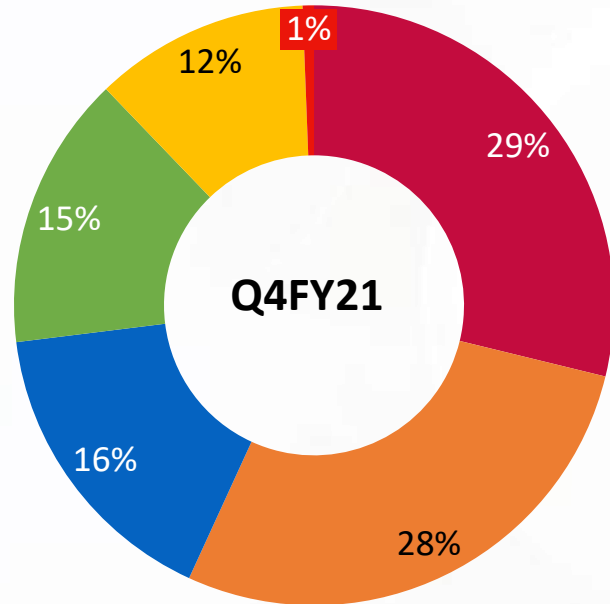
Average conversion rate in 12M FY 2021-22 considered as INR 74.38/USD 1.00

Average conversion rate in 12M FY 2020-21 considered as INR 74.02/USD 1.00 USD

USD figures are only indicative



## Revenue distribution by key geographies



## P&L Highlights - Consolidated

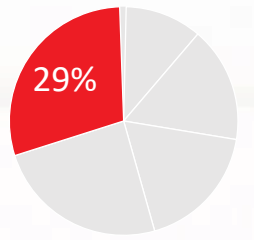
Rs Mn	4Q FY22	4Q FY21	%YoY	FY22	FY21	%YoY
Revenues from Operations	30,191	28,599	5.6%	123,409	109,439	12.4%
EBITDA	4,634	5,234	(11.5)%	23,203	20,844	11.3%
<i>EBITDA margin (%)</i>	15.3%	18.3%		18.9%	19.0%	
Other Income (exp)	1,072	85		1,667	502	
Exceptional <sup>1</sup> gain (loss)	(825)	0		(2,609)	445	
Profit Before Tax(PBT)	2,697	3,375	(20.1)%	14,412	13,825	4.3%
<i>PBT Margin (%)</i>	8.9%	11.8%		11.7%	12.6%	
Tax	971	1,036		4,476	4,124	
<i>Tax rate (%)</i>	36.0%	30.7%		31.1%	29.8%	
Profit After Tax (PAT)	1,726	2,340	(26.2)%	9,936	9,701	2.4%
EPS (Rs) <sup>2</sup>	5.5	8.3	(33.5)%	33.4	34.4	(2.9)%
R&D	3,230	3,040	6.3%	12,387	12,210	1.4%
<i>R&amp;D (% to sales)</i>	10.7%	10.6%		10.1%	11.2%	
Capex	2,915	2,390	22.0%	7,895	7,670	2.9%

1. Exceptional items related to recall and related remediation cost in US and impairment of certain intangible assets in FY22; gain from sale of certain assets in FY21

2. After Minorities interest

## Key Balance Sheet Items

Rs Mn	Mar '22	Mar '21
Trade Receivables	31,011	25,721
Inventory	24,998	22,768
Gross Debt	36,703	46,874
Cash & Equivalents	14,105	11,381
Net Debt	22,598	35,490
Equity	90,866	70,646



Rank 2<sup>nd</sup> in Dermatology,  
4<sup>th</sup> in Respiratory and 6<sup>th</sup> in  
Cardio Vascular <sup>1</sup>

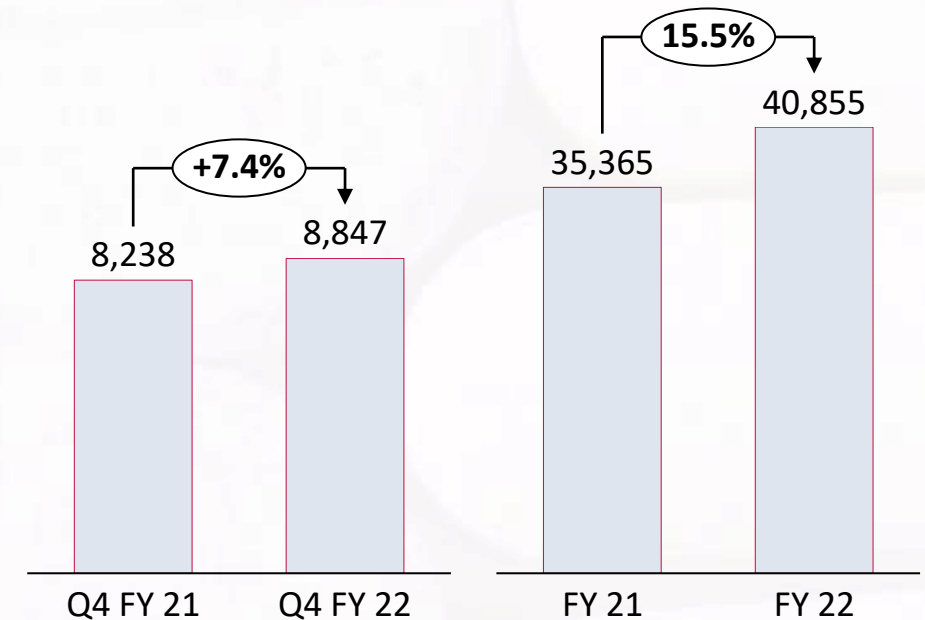
Non-COVID base portfolio  
grew 15.5 % as compared  
to the non-COVID IPM  
growth of 10.6% <sup>2</sup>

Launched 31 new products  
during the year

## Key Highlights

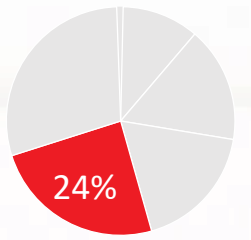
- Sales of Rs. 8,847 Mn recording growth of **7.4% YoY** in the quarter
- **Improved rank to #13** in IPM with market share of 2.47% against 2.34% last year<sup>1</sup>.
  - Growth of 23.8% as compared to IPM growth of 17.4%
  - Continuous strengthening of position in core therapy areas like respiratory with market share **increasing to 5.43%** as compared to 4.96%.<sup>1</sup>
  - Increased market share in Cardio Vascular to 4.96% from 4.76% last year<sup>1</sup>
- 10 brands in the top IPM 300 brands in the country up from 6 brands last year
- Ascoril D Plus became the 10th brand of Glenmark to enter the IPM 300 brand league
- GCC business recorded revenue of **Rs. 619 million** in the quarter with secondary sales growth of 23.4% with
  - Growth led by new products, especially Candid Cream where secondary sales grew 30% YoY
  - LA Shield secondary sales grew by 95% YoY

## Revenue (INR Mn)



1. As per IQVIA MAT MAR '21

2. As per IQVIA Jan-Mar'22



19 ANDAs filed with USFDA in FY22

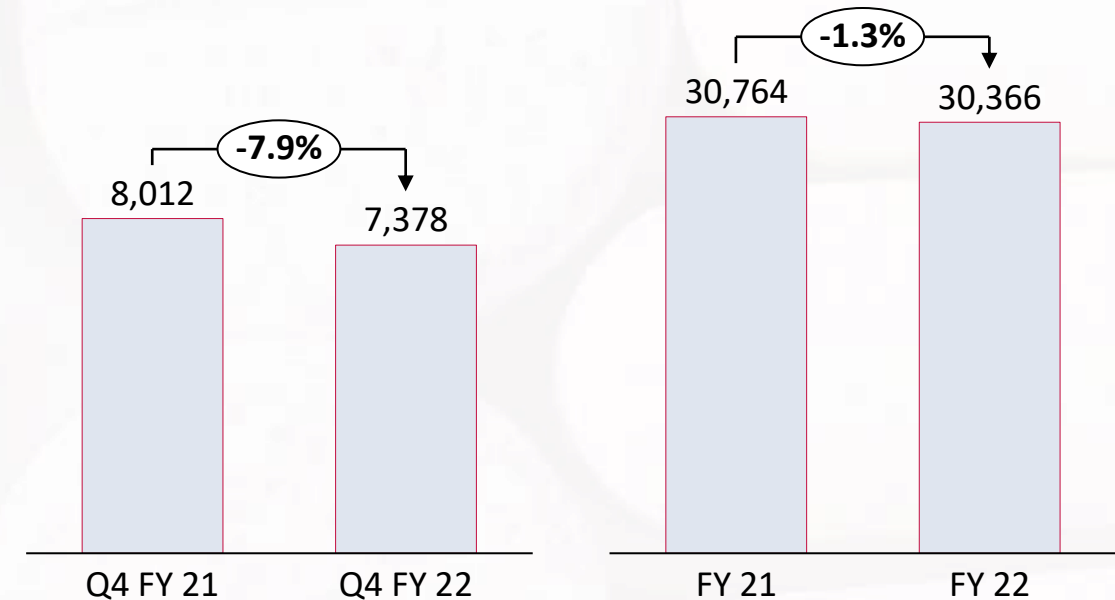
Clindamycin Phosphate Foam, Theophylline ER tab approved

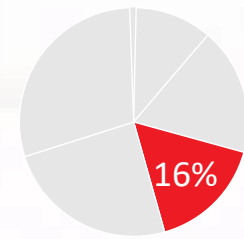
Launched 10 new products during the year

## Key Highlights

- Sales of Rs. 7,378 Mn (USD 98 Mn) as compared to Rs. 8,012 Mn (USD 110 Mn) in Q4 FY21 recording decline of (7.9)% YoY and de-growth of (2.5)% QoQ
- Filed **19 ANDAs in FY22 including 4 filings from Monroe.**
- Marketing portfolio consists of **174 generic products** authorized for distribution
  - **Top 3 player in ~85 %** of marketed products
- **In January '22**, received USFDA approval for first NDA product Ryaltris in the US; Ryaltris will be marketed in the US through partner Hikma
- One of the first to launch generics available for Lacosamide and Rufinamide tablets
- 46 applications pending approval with the US FDA, of which 20 are Paragraph IV applications.

## Revenue (INR Mn)





Ryaltris™ marketing approval received in all EU markets

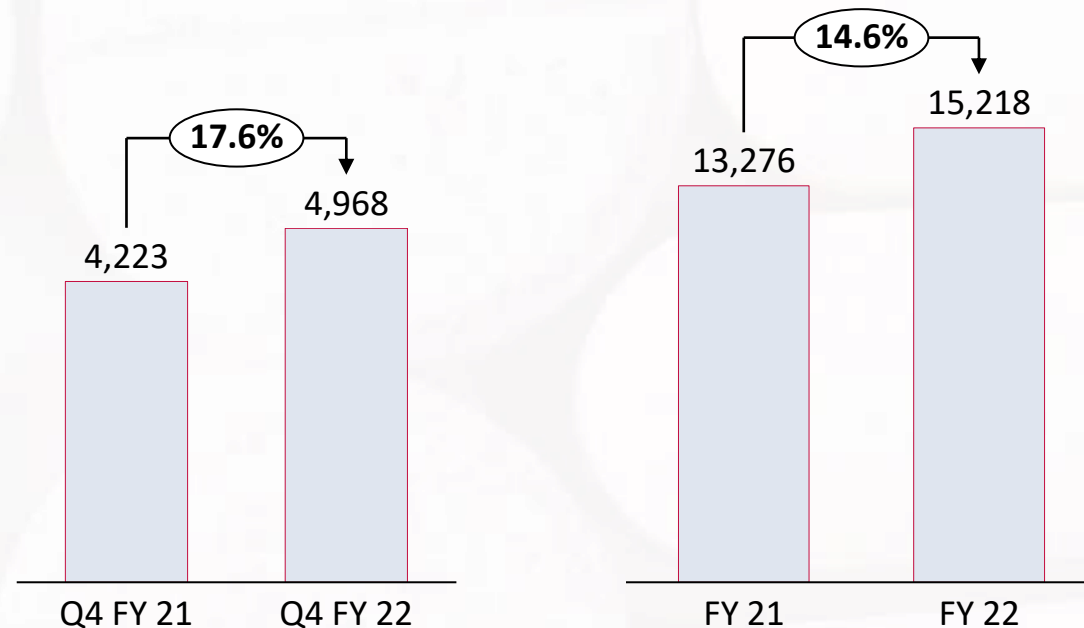
Launched Ryaltris™ in UK, Czech, Poland and Italy during the year

Recorded sales in excess of USD 200 Mn for the first time

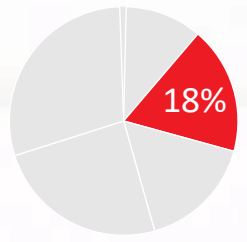
## Key Highlights

- Recorded annual sales of USD 205 Mn for the first time in the region
- Sales of Rs. 4,968 Mn as against Rs. 4,223 Mn in Q4 last year; recording **growth of 17.6% YoY**
  - Growth in Western Europe was strong, led by double digit growth in key markets like Netherlands, Spain and the Nordic countries
  - Central Eastern European region maintained its strong growth trajectory especially in markets like Poland
- Amongst the key launches in Q4, the company launched four products in Germany, three in UK and two products launched in Czech Republic respectively

## Revenue (INR Mn)



## RoW (Asia, MEA, RCIS and LATAM)



Secondary sales in Asia grew 53% YoY during the quarter

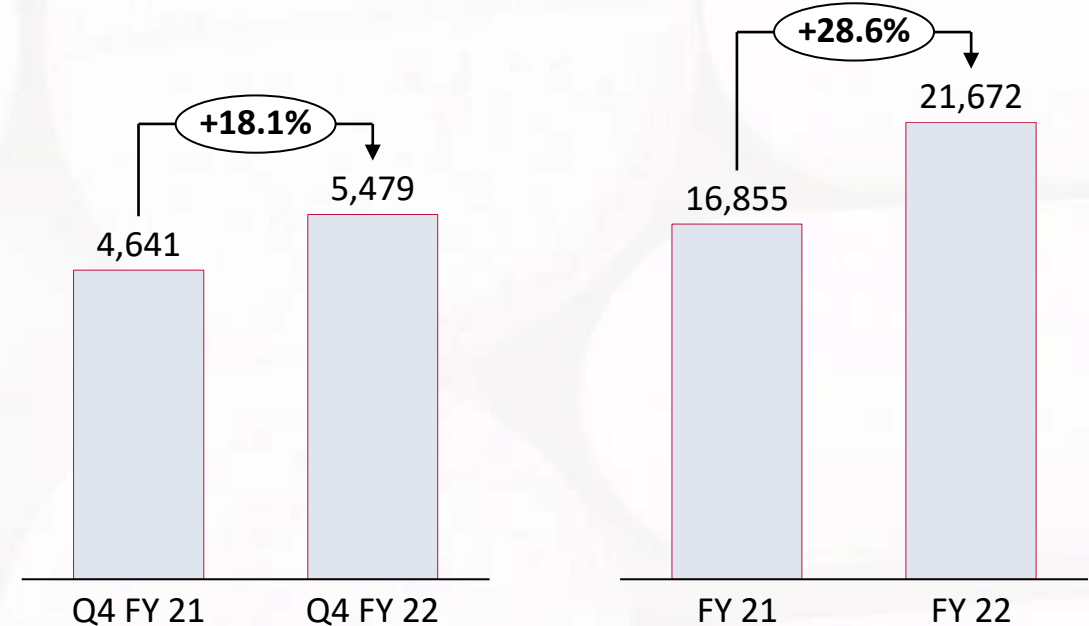
Secondary sales in Russia grew by 31% YoY during the quarter

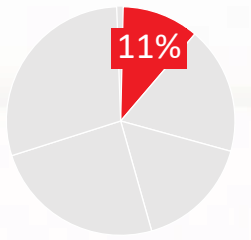
Primary sales in MEA recorded growth of 13% YoY during the quarter

### Key Highlights

- Sales of Rs. 5,479 Mn as against Rs. 4,641 Mn in Q4 last year; recording **growth of 18% YoY**; healthy growth in base business across all its key geographical segments
- Asia - Successfully launched FabiSpray® in Singapore and Hong Kong under brand name VirX® and plans to launch in multiple markets going forward
- Russia - received approval for Ambroxol Solution and response to Ryaltris and Ryaltris Mono has been very encouraging in the market
- MEA - Positive growth across major markets like Kenya, South Africa and Saudi Arabia; momentum expected to continue in FY23 with signs of recovery from Covid
- LATAM - Recorded positive growth momentum in some markets including Peru, Ecuador and Columbia during the quarter

### Revenue (INR Mn)





Total revenue (incl. Captive sales) of Rs. 5,140 Mn in Q4 FY22; grew 10% YoY

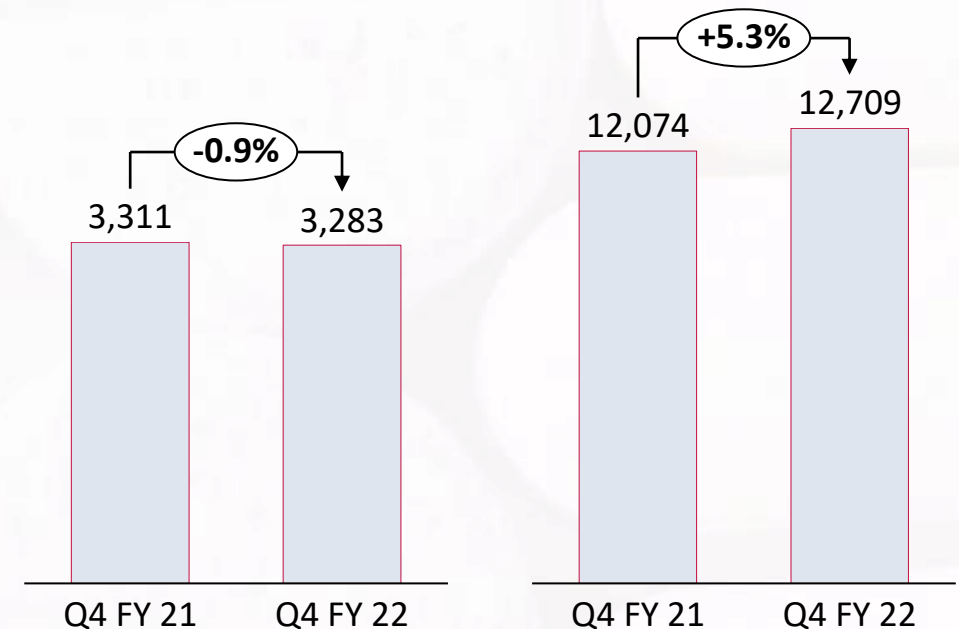
Consolidated EBITDA of Rs. 1,473 Mn with margin of 28.7% for the quarter

Regulated markets witnessed a healthy growth of 21.4% YoY in FY22

## Key Highlights

- External sales of **Rs. 3,283 Mn** as against sales of Rs. 3,311 Mn corresponding quarter last year
- Total annual revenue (incl. captive sales) of Rs. 21,232; growth of 12.6%
  - CDMO revenues registered growth of 12.4% YoY in FY22
  - 3 commercial projects with multinational and specialty pharmaceutical companies
- Currently in process of executing brownfield and greenfield capacity expansion projects to support strategic growth levers
- Products from key Chronic Therapeutic Areas (viz CVS, CNS, Diabetes, Pain management) account for 62.9% of Net Sales in FY22, growing at 12.7% for the year

## External Revenue (INR Mn)





## Respiratory Strategy – Creating Global Scale



- Ryaltris™ (olopatadine hydrochloride and mometasone furoate) Nasal Spray, **received FDA approval in the United States** for the treatment of symptoms of Seasonal Allergic Rhinitis in adults and pediatric patients 12 years of age and older.
- Marketing approval received in all EU markets; launched in UK, the Czech Republic, Poland, Italy; plan to launch in several markets in FY23 including Belgium, Ireland and Nordic countries
- ROW – Launched in Australia, Russia, South Africa, Ukraine, Uzbekistan, Philippines, Peru & Ecuador. Awaiting regulatory approval in several markets including Brazil, Malaysia, South Korea, Cambodia etc in FY23
- Grand Pharmaceutical (China) Co. Ltd., initiated Phase 3 study in China in Q4 2022

### Europe

- Leverage existing branded portfolio of Soprobac® (Beclomethasone MDI), Salmex (Salmeterol/Fluticasone DPI), Tiogiva®/Tavulus® (Tiotropium DPI) and Ryaltris™
- Plan to file at least 1-2 filings in FY23

### US

- Completed pivotal biostudy on Flovent pMDI & initiated clinical trial with 2,634 patients; Expect to file in CY23
- Plan to file at least one more respiratory pMDI in CY23
- Plan to continue the momentum and file more respiratory products beyond FY24

### RoW and India

- Top 5 player in respiratory segment in India as per IQVIA MAT '22
- Ranked #3 in the expectorant market in Russia (IQVIA MAT '22)
- Currently marketing 4 respiratory products in Brazil (Levolukast tablets, Salbutamol pMDI, Beclomethasone pMDI, Mometasone Nasal spray) on our own or through our partners; we have filed 3 more products that are awaiting approval

## R&D update - Specialty

### GBR 310

- Successful Phase 1 results for GBR 310 that suggest similarity in pharmacokinetic, pharmacodynamic, safety and immunogenicity profiles between GBR 310, and the reference product, Omalizumab, marketed in the U.S. under the brand name Xolair®
- Glenmark continue to look for partners to out-license the product.

### GRC 39815 (RORyt inhibitor)

- NCE being evaluated as an inhaled compound for the possible treatment of Chronic Obstructive Pulmonary Disorder (COPD)
- Currently under Phase 1 clinical development in the US with Phase 1 multiple ascending dose study planned in H1FY23

### GRC 17536

- Company's pain pipeline asset being developed as an orally administered treatment for pain in patients with painful diabetic peripheral neuropathy.
- Phase 2b study was initiated in Q2 FY22 and is currently ongoing in India with 238 patients randomized out of total 472 patients till date; interim data for futility analyses is expected by Q2 FY23
- Plan to file NDA in FY23 post FDA's feedback

### GRC 54276 (HPK1 Inhibitor)

- Being developed as an orally administered IO-adjuvant treatment for patients with solid tumors.
- Pre-clinical in-vitro and in-vivo profiling was completed in Q1 FY22 and Pre-clinical DMPK, non-GLP and GLP toxicology studies were completed in Q4FY22
- Received approval from DGCI for initiation of Phase 1 study and the first patient visits are planned from Q1FY23

# 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 2 clinical-stage assets: a T cell engager in multiple myeloma (ISB 1342) in Phase 1 dose-escalation, and a myeloid cell modulator (ISB 1442) with a first-in-human dosing planned in mid-2022.
- Beyond oncology, pipeline of potential therapeutics addressing autoimmune diseases, one out-licensed and the other in out-licensing discussions

## Novel BEAT<sup>®</sup> Platform

- Proprietary BEAT<sup>®</sup> 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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# 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

Candidate	Target	Preclinical	Clinical Development	Status
ISB 1342	CD38 x CD3 BEAT® 1.0 bispecific antibody	Relapsed/Refractory Multiple Myeloma (RR MM); considering T-ALL		Phase 1
ISB 1442	CD38 x CD47 BEAT® 2.0 bispecific antibody	RR MM; considering AML and T-ALL		IND Cleared
ISB 2001	BCMA x CD38 x CD3 TREAT™ trispecific antibody	RR MM		IND-Enabling Studies
ISB 2004	BEAT® 2.0 bispecific antibody	Hematologic Malignancies/Solid Tumors		Discovery
ISB 2005	TREAT™ trispecific antibody	Solid Tumors		Discovery

## Ichnos Out-Licensing Assets in Autoimmune (AI) Disease

Molecule Mechanism/Class	Potential Indications	Phase	Status
ISB 830 Telazolimab OX40 Antagonist Antibody	Atopic Dermatitis	Phase 2b	Successfully completed a Phase 2b study in atopic dermatitis. Out licensing discussions ongoing.
	Other AI diseases, including RA		US IND for Rheumatoid Arthritis (RA) and other AI indications is active.
ISB 880 IL-1RAP Antagonist Monoclonal Antibody	Autoimmune Diseases	Pre-clinical	Licensed to Almirall S.A. in December 2021. Almirall's U.S. IND filing and Phase 1 study start are planned for first half of calendar year 2022.

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

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## Key Objectives for Financial Year (FY 22-23)

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- 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 Close 1-2 out-licensing agreements in our innovation pipeline

# Thank You



[www.glenmarkpharma.com](http://www.glenmarkpharma.com)