# INVESTORS PRESENTATION

## Q3 FY 21-22

11th February 2021

glenmark

A new way for a new world

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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

**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

**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

# Q3 FY2022 Snapshot

**Revenues from operations up 13.9% YoY to Rs. 31,734 Mn**
**EBITDA of Rs. 6,932 Mn; growth of 30.8% YoY**
**Net Profit of Rs. 2,219 Mn**

**"We had a landmark quarter with strong performance and the achievement of some key milestones. We closed our eighth out-licensing deal in our innovation pipeline, establishing us as one of the leading innovation-driven pharma company in the country. Our businesses have also maintained their good growth momentum." said Glenn Saldanha, Chairman & Managing Director, Glenmark Pharmaceuticals Ltd. He further added, "We are on track to achieve our key business objectives for the financial year."**

**Consolidated sales** of Rs. 31,734 Mn ; **13.9%** increase YoY

- **Europe** business grew by **21.5%** YoY
- **India Formulation** business recorded growth of **14.2%** YoY

**Reported EBITDA** of Rs. 6,932 Mn; 30.8% increase YoY with **EBITDA Margin** of 21.8%

**R&D expenses** of Rs. 3,030 Mn (9.6% of sales) as compared to Rs. 2,980 Mn (10.7% of sales) last year

- Ichnos spend of USD 20.5 Mn (4.8% of sales)

**Adj. PBT[1]** of Rs. 5,214 as against Rs. 3,480 Mn in Q3 FY21; growth of 55.8% YoY

**Reported PAT[2]** of Rs. 2,219 Mn as against Rs. 2,481 Mn in Q3 FY21; EPS[2] of Rs. 7.9 vs Rs. 8.8 last year

**CapEx** of Rs. 1,620 Mn in Q3 FY22 vs Rs. 1,380 Mn last year

**Net debt** of Rs. 21.5 Bn, lower by Rs. 14 Bn as compared to end FY21

- Investment of Rs. 400 Mn in ABCD Technologies in 1HFY22
- Payment of USD 7.5 Mn as premium on pre-payment of FCCB in 1HFY22
- Dividend payout of Rs. 700 Mn

1. Adjusted PBT for exceptional items
2. After Minorities interest

## Consolidated Revenues from Operations

| Rs Mn | Third quarter ended December 31 | | | Nine months ended December 31 | | |
|---|---|---|---|---|---|---|
| | FY 2021-22 | FY 2020-21 | YoY Growth (%) | FY 2021-22 | FY 2020-21 | YoY Growth (%) |
| *India* | 10,069 | 8,821 | 14.2% | 32,009 | 27,127 | 18.0% |
| *North America* | 7,567 | 7,804 | -3.0% | 22,988 | 22,752 | 1.0% |
| *Europe* | 3,807 | 3,133 | 21.5% | 10,250 | 9,053 | 13.2% |
| *Rest of the World (ROW)* | 4,178 | 3,360 | 24.3% | 13,390 | 9,286 | 44.2% |
| *Latam* | 1,170 | 1,286 | -9.0% | 2,804 | 2,927 | -4.2% |
| *API* | 3,032 | 3,201 | -5.3% | 9,426 | 8,762 | 7.6% |
| **Total** | **29,823** | **27,605** | **8.0%** | **90,865** | **79,908** | **13.7%** |
| *Other Revenue* | 1,911 | 263 | 627.9% | 1,992 | 932 | 113.8% |
| **Consolidated Revenue** | **31,734** | **27,868** | **13.9%** | **92,858** | **80,840** | **14.9%** |

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

Average conversion rate in 9M FY 2020-21 considered as INR 74.40/USD 1.00. USD figures are only indicative

# P&L Highlights - Consolidated

| Rs Mn | 3Q FY22 | 3Q FY21 | %YoY | 9M FY22 | 9M FY21 | %YoY |
|---|---|---|---|---|---|---|
| **Revenues from Operations** | 31,734 | 27,868 | 13.9% | 92,858 | 80,840 | 14.9% |
| **EBITDA** | 6,932 | 5,301 | 30.8% | 18,569 | 15,610 | 19.0% |
| ***EBITDA margin (%)*** | *21.8%* | *19.0%* | | *20.0%* | *19.3%* | |
| **Other Income (exp)** | 139 | 151 | | 595 | 417 | |
| **Exceptional gain (loss)** | (1,784) | 134 | | (1,784) | 445 | |
| **Profit Before Tax(PBT)** | 3,430 | 3,480 | (1.4)% | 11,716 | 10,450 | 12.1% |
| ***PBT Margin (%)*** | *10.8%* | *12.5%* | | *12.6%* | *12.9%* | |
| **Tax** | 1,033 | 998 | | 3,505 | 3,087 | |
| ***Tax rate (%)*** | *30.1%* | *28.7%* | | *29.9%* | *29.5%* | |
| **Profit After Tax (PAT)[1]** | 2,219 | 2,481 | (10.6)% | 7,861 | 7,360 | 6.8% |
| **EPS (Rs)[1]** | 7.9 | 8.8 | (10.6)% | 27.9 | 26.1 | 6.8% |
| **R&D** | 3,030 | 2,980 | 1.7% | 9,157 | 9,170 | (0.1)% |
| ***R&D (% to sales)*** | *9.6%* | *10.7%* | | *9.9%* | *11.3%* | |
| **Capex** | 1,620 | 1,380 | 17.4% | 4,980 | 5,280 | (5.7)% |

1. After Minorities interest

# Key Highlights


**Launched Nitric Oxide Nasal Spray (FabiSpray®) in India for the Treatment of Adult Patients**

- *Proven Anti-Microbial properties with a direct virucidal effect on SARS-CoV-2*
- *Phase 3 trial in India met the key endpoints and demonstrated reduction of viral load of 94% in 24 hours and 99% in 48 hours*
- *Safe and well tolerated in COVID-19 patients*

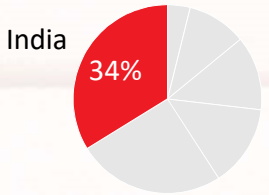
**Listed in prestigious Dow Jones Sustainability Emerging Markets Index for the fourth consecutive year**

- *One of 4 Indian Pharmaceutical companies to be listed*
- *Validates commitment to sustainability and reiterates consistent performance across all sustainability indicators*

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

*One of 11 companies under group A and is well placed to meet the objectives and guidelines of the scheme*

# India formulations




Rank 2nd in Dermatology, 4th in Respiratory and 5th in Cardio Vascular [1]

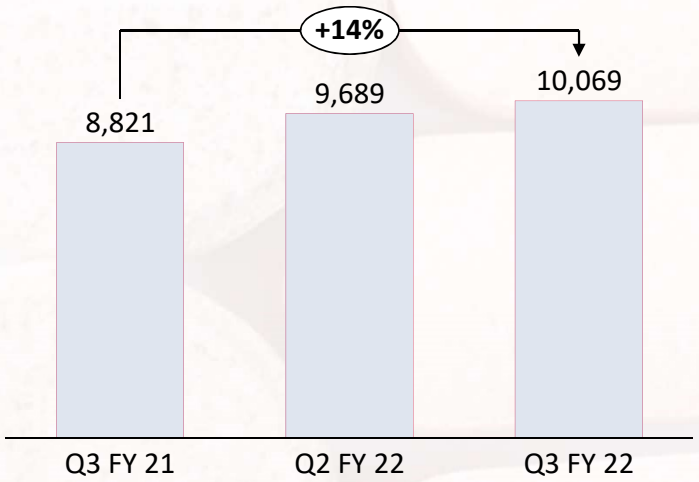
Non-COVID base portfolio grew 15.5 % as compared to the non-COVID IPM growth of 11.7% [1]

Launched 8 new products during the quarter

## Key Highlights

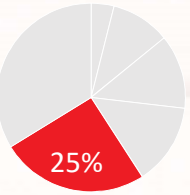
- Sales of Rs. 10,069 Mn recording growth of **14.2% YoY,** in the quarter; 4% growth QoQ
- **Improved rank to #13** in IPM with market share of 2.48% against 2.34% in Q3 last year[2].
  - Continuous strengthening of position in core therapy areas like respiratory with market share **increasing to 5.36%** as compared to 5.11%.[2]
  - Increased market share rank in Cardio Vascular to 5th from 6th earlier[1]
- Key launches include **first triple combination of Remogliflozin, Vildagliptin and Metformin** in diabetes segment **and Vilor-F**, only ultra Laba and ICS combination with once a day schedule for treatment of COPD.
- Telma became 2nd brand to achieve sales of Rs. 300 cr as per IQVIA
- **Launched FabiSpray®** for the treatment of adult patients with COVID-19
- GCC business recorded revenue of **Rs. 358 million** in the quarter with **Candid Cream** and **La Shield** delivering strong robust growth
  - LA Shield secondary sales grew by 89% YoY

## Revenue (INR Mn)




1. As per IQVIA Oct – Dec '21
2. As per IQVIA, MAT Dec '21

# North America




13 ANDAs filed with USFDA in 9M FY22

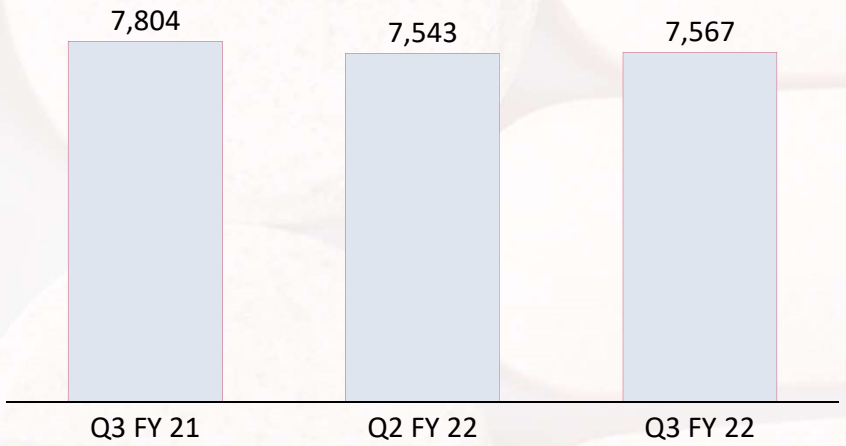
Received USFDA approval for first NDA product Ryaltris in the US

Launched Abiraterone Acetate Tablets 250 mg, Clindamycin and Benzoyl Peroxide Gel

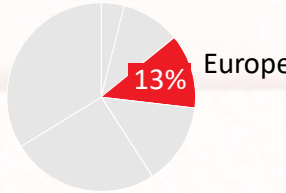
## Key Highlights

- Sales of Rs. 7,567 Mn (USD 101 Mn) as compared to Rs. 7,804 Mn (USD 106 Mn) in Q3 FY21 recording decline of (3.0)% YoY and **growth of 1% QoQ**
- On track to file **18-20 ANDAs in FY22 including 4-5 filings from Monroe.**
- **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
- 47 applications pending approval with the US FDA, of which 20 are Paragraph IV applications.
- Marketing portfolio as of Q3 FY22 consists of **172 generic products** authorized for distribution in the U.S. market

## Revenue (INR Mn)



# Europe




Launched Tiotropium DPI in Germany, Denmark and Sweden

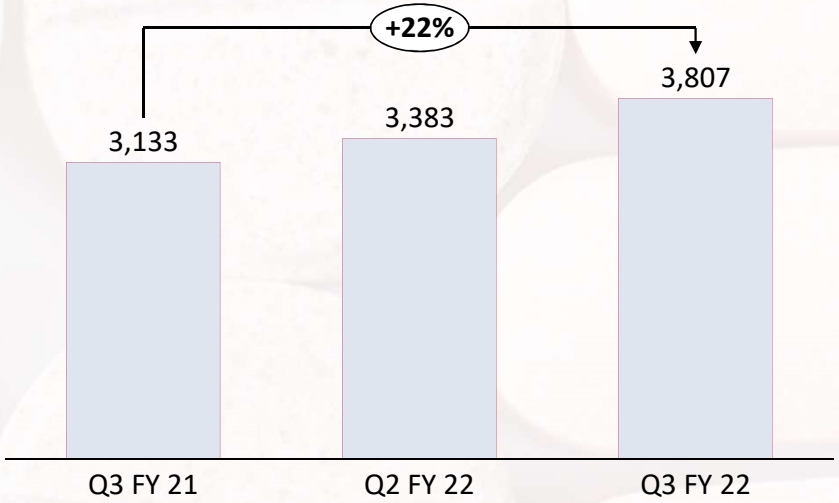
Ryaltris™ launched in UK, Poland and Czech Republic

9 in-licensing deals signed

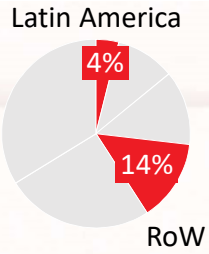
## Key Highlights

- Sales of Rs. 3,807 Mn as against Rs. 3,133 Mn in Q3 last year; recording **growth of 21.5% YoY**
- **Witnessed healthy growth** in both key markets of Western Europe (WEU) and Central Eastern Europe.
  - Double digit growth in markets like UK and Netherlands in WEU
  - Launched Tiotropium DPI in Germany, Denmark and Sweden during the quarter – launched in total of 7 markets so far
- Menarini, Glenmark's partner in select EU markets, is targeting Ryaltris launch in key markets starting Q4 FY22
- Signed **9 contracts** for in-licensing products in the region in 9M FY22.
- Amongst the key launches, launched two products in Germany and one product each in United Kingdom and Spain during the quarter

## Revenue (INR Mn)

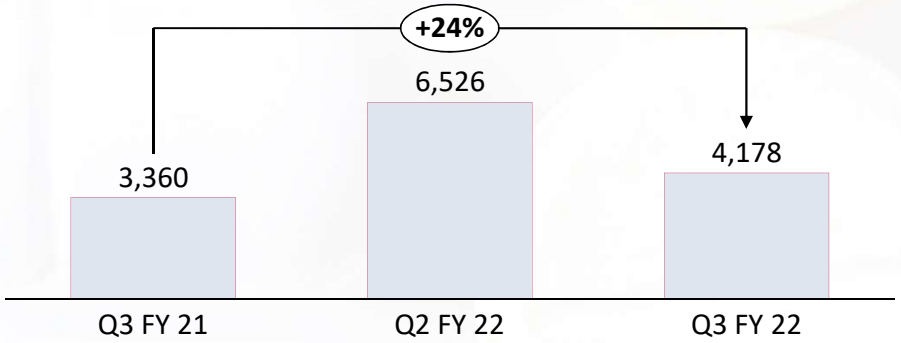


# ROW & LATAM



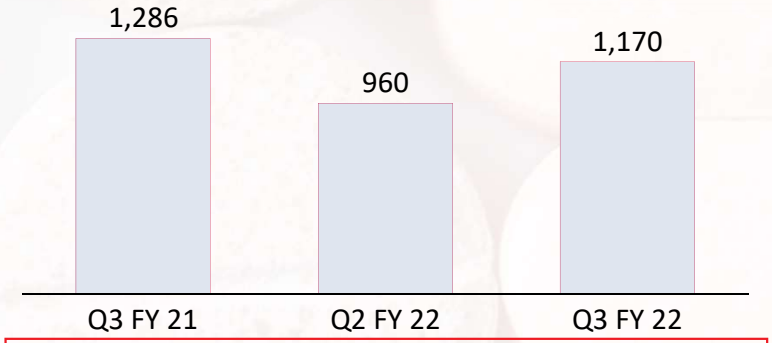

## ROW

### Revenue (INR Mn)



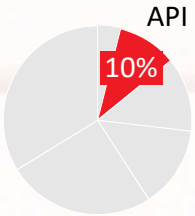

- Sales of **Rs. 4,178 Mn** recording **growth of 24.3% YoY**
- Witnessed healthy growth in base business in the region across all key geographical segments
- Growth momentum continues in Russia and across CIS markets.
  - Secondary sales grew **12% YoY and 66% YoY** in value terms in Russia and Ukraine respectively.
  - In Russia, as per IQVIA, **revenues grew 20.8%** for the quarter vis-à-vis 10.7% growth in the overall retail market
- In Asia, secondary sales **grew by 22% YoY** during the quarter led by positive momentum in key markets like **Vietnam, Malaysia and Philippines**
- Strong growth recorded across all the major MEA markets including Kenya, South Africa and Saudi Arabia with secondary sales growing by 24% YoY.

## LATAM




- Sales of Rs 1,170 Mn, recording **decline in revenue of (9.0)% YoY**
- Revenue growth was impacted by **Brazil business** where the market remained challenging due to the pandemic
- Recorded positive growth in some markets including Peru, Caribbean and Ecuador

# Glenmark Life Sciences (GLS)




Total revenue (incl. Captive sales) of Rs 5,225 Mn grew 4.5% YoY

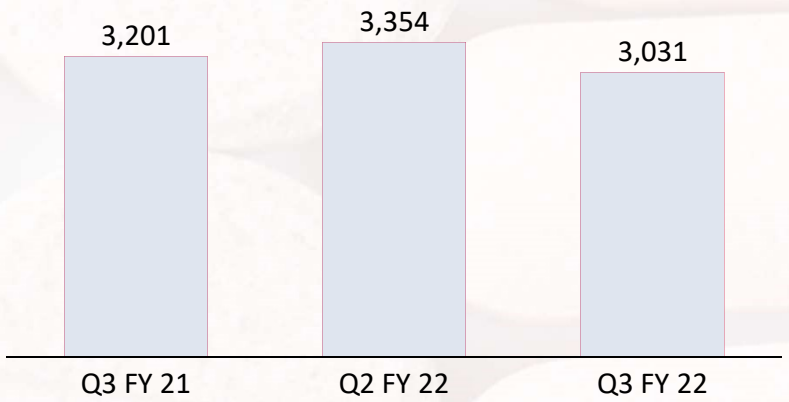
CDMO segment growth of 45.1% YoY in Q3 FY22

Generic API - Robust growth in LATAM, North America and Japan

## Key Highlights

- External sales of **Rs. 3,031 Mn** as against sales of Rs. 3,201 Mn corresponding quarter last year**,** recording de-growth of **(5.3)% YoY**
  - Growth was impacted due to higher base of CoVid products in the previous year.
- Revenues from regulated markets witnessed healthy growth
- Currently in process of executing brownfield and greenfield capacity expansion projects to support strategic growth levers
- CDMO revenues registered strong growth of 45.1% YoY in Q3 FY22 and 30.9% in 9M FY22
  - 3 commercial projects with multinational and specialty pharmaceutical companies

## External Revenue (INR Mn)



# Ryaltris™ (Olapatadine Hydrochloride + Mometasome Nasal Spray)


- In Jan 2022, 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.
- In Europe, launched Rylatris in UK, Poland and the Czech Republic during the quarter; Menarini, Glenmark's partner in select EU markets, is targeting launch in key markets in Q4 FY22
- Sales continue to progress well in **Australia, Russia, South Africa, Ukraine, and Uzbekistan**.
- Initiated the commercial launch in **Philippines** in Q3 FY22 and plan to launch in **Peru and Ecuador** in Q4.
- Received approvals in **Myanmar and Kenya** in Q3 FY22. The company is awaiting regulatory approvals for its filings in Canada, Brazil, Malaysia, and several other emerging markets.
- Working with Yuhan Corporation, partner in South Korea, **to enable commercial launch shortly**
- Partner in Mainland China, Grand Pharmaceutical (China) Co. Ltd., received CDE approval for the Ryaltris IND in October 2021 and plans to initiate a Phase 3 study in the fourth quarter.
- Partner in Australia, Seqirus Pty Ltd. expects TGA approval for pediatric (6-11 yrs) indication expansion to be granted in the next few quarters.

# 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® |
| **GRC 39815 (RORγt inhibitor)** | • NCE being evaluated as an inhaled compound for the possible treatment of Chronic Obstructive Pulmonary Disorder (COPD)<br>• Currently under Phase 1 clinical development with a single ascending dose study in the US. |
| **GRC 17536** | • GRC 17536 (TRPA1 antagonist) is the company's pain pipeline asset being developed as an orally administered treatment for pain in patients with painful diabetic peripheral neuropathy.<br>• Phase 2b study was initiated in Q2 FY22 and is currently ongoing in India with 128 patients randomized till date.<br>• GLP toxicology studies for metabolite qualification were completed in Q3 FY22 |
| **GRC 54276 (HPK1 Inhibitor)** | • GRC 54276 is being developed as an orally administered IO-adjuvant treatment for patients with solid tumors.<br>• 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<br>• IND enabling studies initiated in Q3 FY22 with Phase I IND submission planned in Q4 FY22. |

# 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 a clinical-stage T cell engager in multiple myeloma (ISB 1342) and a myeloid cell modulator (ISB 1442) that is in IND-enabling studies
- Beyond oncology, pipeline of potential therapeutics addressing autoimmune diseases, one out-licensed and the other in advanced out-licensing discussions

**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®: **B**ispecific **E**ngagement by **A**ntibodies 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***

| Candidate | Target | Preclinical | Clinical Development | Status |
|---|---|---|---|---|
| ISB 1342 | CD38 x CD3 BEAT® 1.0 bispecific antibody | Relapsed/Refractory Multiple Myeloma (MM) | | Phase 1 |
| ISB 1442 | CD38 x CD47 BEAT® 2.0 bispecific antibody | MM and select other hematologic malignancies | | IND-Enabling Studies |
| ISB 2001 | TREAT™ trispecific antibody | Hematologic Malignancies | | Discovery |
| ISB 2004 | BEAT® 2.0 bispecific antibody | Hematologic Malignancies/ Solid Tumors | | Discovery |
| ISB 2005 | TREAT™ trispecific antibody | Hematologic Malignancies | | Discovery |

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

| Molecule Mechanism/Class | Potential Indications | Phase | Status |
|---|---|---|---|
| ISB 830 Telazorlimab OX40 Antagonist Antibody | Atopic Dermatitis | Phase 2b | Successfully completed a Phase 2b study in atopic dermatitis. Out licensing discussions in advanced stages. |
| | 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 is planned for first half of calendar year 2022. |

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## Key Objectives of current Financial Year (FY 21-22)

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

# Thank You


www.glenmarkpharma.com