Management Discussion & Analysis
for the First Quarter of FY 2024-25

Revenue Figures for Glenmark Pharmaceuticals Ltd.

(In INR Million)

	For the first quarter ended June 30		
	FY 2024-25	**FY 2023-24**	**Growth (%)**
India	11,962	10,693	11.9%
North America	7,808	8,183	-4.6%
Europe	6,957	5,732	21.4%
Rest of the World[1]	5,708	5,528	3.3%
Total	**32,435**	**30,136**	**7.6%**
Other Revenue	7	225	-96.9%
Consolidated Revenue	**32,442**	**30,361**	**6.9%**

1. Russia + CIS (RCIS), Latin America (LATAM), Middle East and Africa (MEA), Asia-Pacific (APAC)

Average conversion rate in 3M FY 2024-25 considered as INR 83.42 / USD 1.00

Average conversion rate in 3M FY 2023-24 considered as INR 82.15 / USD 1.00

USD figures are only indicative

Review of Operations for the Quarter ended June 30, 2024

For the first quarter of FY25, Glenmark's consolidated revenue from operations was at Rs. 32,442 Mn (USD 388.9 Mn) as against Rs. 30,361 Mn (USD 369.6 Mn) in the corresponding quarter last year, recording overall year-on-year (YoY) growth of 6.9%.

FORMULATION BUSINESS

Glenmark's global formulation business is spread across Branded, Generics, and OTC segments in the therapy areas of Dermatology, Respiratory and Oncology, along with strong regional/country-specific presence in other therapeutic areas like Cardiac, Diabetes and Oral Contraceptives.

INDIA

Sales from the formulation business in India for Q1 FY25 was at Rs. 11,962 Mn (USD 143.4 Mn) as against Rs. 10,693 Mn (USD 130.2 Mn) in the corresponding quarter last year, recording a growth of 11.9%. India business contributed 36.9% to the consolidated revenue from operations in Q1 FY25.

In terms of secondary sales, Glenmark's India business continued to outperform the overall industry in terms of growth. As per IQVIA June 2024 data, Glenmark's India formulation business recorded growth of 16.9% in the first quarter, and 11.3% as of MAT June 2024. In comparison, the Indian Pharmaceutical Market (IPM) grew at 8.7% in the first quarter and 7.5% as of MAT June 2024. Glenmark continues to outperform the market in the key therapy areas of Cardiac, Dermatology and Respiratory as shown in the table below:

	IPM		GLENMARK	
SUPERGROUP	VALUE GROWTH % (MAT JUNE'24)	VALUE GROWTH % (APR'24-JUNE'24)	VALUE GROWTH % (MAT JUNE'24)	VALUE GROWTH % (APR'24-JUNE'24)
CARDIAC	11.5	13.3	25.4	28.3
DERMATOLOGY	6.7	9.8	10.9	18.1
RESPIRATORY	1.4	1.9	2.4	1.0
DIABETES	7.1	8.3	-13.9	-2.9

Glenmark's India business continues to be ranked 14th with a market share of 2.19% (IQVIA MAT June 2024). The Company continues to have 9 brands in the IPM Top 300 Brands in the country on the basis of IQVIA MAT June 2024. Glenmark has improved its market share in the key therapy areas on the back of higher growth compared to the overall industry, as noted in the table below:

	GLENMARK	
SUPERGROUP	MARKET SHARE % MAT JUNE'23	MARKET SHARE % MAT JUNE'24
CARDIAC	5.19	5.84
DERMATOLOGY	7.40	7.69
RESPIRATORY	5.66	5.72
DIABETES	1.66	1.34

In May 2024, Glenmark and BeiGene entered into an agreement for marketing and distribution of Tislelizumab and Zanubrutinib in India. Under this strategic collaboration, Glenmark will be responsible for locally required development, registration and distribution providing access to BeiGene's innovative oncology medicines for cancer patients across India. This is Glenmark's second differentiated launch in the Oncology segment after Akynzeo® IV. Glenmark has also successfully launched differentiated products in other key therapeutic areas over the last 6 months and has seen good market traction for these launches.

INDIA – GLENMARK CONSUMER CARE (GCC)

Primary sales for GCC in Q1 FY25 was Rs. 870 Mn with a YoY growth of 11.3%. The Company's flagship brand, Candid Powder™ delivered revenue growth of 22.1% for Q1 FY25. Candid Powder recorded its highest monthly market share of 58.8% in the first quarter. La Shield™ portfolio delivered YoY secondary sales growth of 12.1% for Q1 FY25, while Scalpe™ portfolio witnessed strong uptake particularly for Scalpe PRO.

NORTH AMERICA

The North America business registered revenue of Rs. 7,808 Mn (USD 93.6 Mn) for the first quarter of FY25 as against revenue of Rs. 7,557 Mn (USD 91.0 Mn) for the fourth quarter of FY24. This translates in to a quarter-on-quarter (QoQ) growth of 3.3%. The North America region contributed 24.1% to the consolidated revenue from operations in Q1 FY25.

In the first quarter of FY25, Glenmark received approval for and launched Acetaminophen and Ibuprofen Tablets, 250 mg/125 mg [OTC] and Brimonidine Tartrate and Timolol Maleate Ophthalmic Solution, 0.2%|0.5%. In addition, the company added two pack sizes to existing markets: the 56 UD continuation box for Varenicline Tablets and the 60 mg/2 mL (30 mg/mL) pack of 25 vials for Ketorolac Tromethamine Injection USP. Glenmark filed one ANDA in Q1 FY25 and plans to file two ANDAs in the upcoming quarter.

Glenmark has also leveraged its strong development capabilities in the Respiratory therapeutic area to build a portfolio for the US market. The Company has filed two ANDAs for generic nasal sprays and is awaiting approval for the same. In addition, the Company has filed the ANDA for gFlovent® 44mcg pMDI in May 2024. Glenmark is also working on the ANDA filings of the other two strengths of gFlovent® pMDI.

Glenmark's marketing portfolio through June 30, 2024 consists of 196 generic products authorized for distribution in the U.S. market. The Company currently has 50 applications pending in various stages of the approval process with the US FDA, of which 21 are Paragraph IV applications.

EUROPE

Glenmark Europe operations' revenue for the first quarter of FY25 was at Rs. 6,957 Mn (USD 83.4 Mn) as against Rs. 5,732 Mn (USD 69.8 Mn) in Q1 FY24, recording a YoY growth of 21.4%. Contribution of the Europe region to the consolidated revenue from operations was 21.4% in Q1 FY25.

Glenmark's European operations continued to remain strong in terms of overall business performance. All the key countries for Glenmark in the EU region recorded healthy double-digit growth in the first quarter. The key markets in the CEE region, including the Czech and Poland, recorded 20%+ growth in Q1 FY25, aided by strong performance across all key segments. The branded respiratory portfolio, including RYALTRIS®, continues to outperform in the CEE region. Growth was also aided by three new product launches in various markets during the quarter. The WEU markets also performed well, and the generic / tender business returned to growth during the first quarter. Glenmark continues to be amongst the top-15 companies in the generic market of Germany. The Company continues to focus on sustaining the increasing contribution from the branded markets / portfolio in Europe. It is awaiting approval of four respiratory products which were filed in Q4 FY23. The Company is also planning to launch WINLEVI® in select markets of Europe in FY26.

ROW REGION (RCIS, LATAM, MEA & APAC)

For the first quarter of FY25, revenue from the ROW region was Rs. 5,708 Mn (USD 68.4 Mn) as against Rs. 5,528 Mn (USD 67.3 Mn) for the corresponding quarter last year, recording a YoY growth of 3.3%. The ROW region contributed 17.6% to the consolidated revenue from operations for Q1 FY25.

As per IQVIA data, Glenmark Russia secondary sales recorded growth of 15.7% and 16.9% in Q1 FY25 and MAT June 2024. In terms of key therapeutic areas, Glenmark recorded growth of 21% in value in the Dermatology segment versus the overall market growth of 12.1% as per IQVIA MAT June 2024. Glenmark continues to rank 9th amongst the Dermatology companies, and continues to be ranked 2nd in the Respiratory expectorants market in Russia as per IQVIA MAT June 2024.

LATAM region for Glenmark continued to witness strong growth in Q1 FY25 with the Respiratory portfolio being the key contributor. Glenmark maintained its rank in the top-10 amongst the top companies in the covered market of the chronic respiratory segment in Brazil as per IQVIA MAT June 2024. Glenmark launched the first generic Salmeterol + Fluticasone MDI in the Brazilian market. Secondary sales growth continued to be strong in Mexico with 20%+ growth for Glenmark as per IQVIA MAT June 2024 data. RYALTRIS® has been approved in Mexico and will be launched soon along with other respiratory products.

In the Middle East and Africa region, the Company continued to achieve secondary sales growth in key markets such as Kenya, South Africa, Saudi Arabia and the UAE. Glenmark continues to be ranked 3rd in the overall pharmaceutical market in Kenya. RYALTRIS® continues to be the leading nasal spray for Allergic Rhinitis in South Africa, and the product was launched in key markets such as Kenya and Saudi Arabia in the last two quarters.

The Asia-Pacific region for Glenmark recorded subdued growth in secondary sales across its key markets. Secondary sales growth across the key markets in the region for Glenmark, such as Malaysia, the Philippines, and Sri Lanka remained challenging during the first quarter. Glenmark received approvals for multiple new products in the region, mainly in the Dermatology and Respiratory segments. RYALTRIS® continues to do well across the Asia region.

CREATING GLOBAL BRANDS

RYALTRIS®

- As of June 2024, marketing applications for RYALTRIS® have been submitted in more than 90 countries across the world and the product has been commercialized in 40 markets. Further, it has received approval and will be launched in 10-11 additional markets over the next 4 quarters
- Glenmark's commercial partner in the USA, Hikma, recorded better performance on a YoY basis, backed by strong demand and increasing coverage across major pharmacy chains and online platforms as well as other awareness events.
- Menarini, Glenmark's partner in the EU, has witnessed steady increase in market share across all its licensed markets.
- Glenmark's partner in Mainland China, Grand Pharmaceutical (China) Co. Ltd., has received acceptance of the NDA in February 2024. The Company expects approval to be received in FY26.
- As per IQVIA March 2024 data across markets, RYALTRIS® has seen robust performance in terms of both value and unit market shares. The product has achieved high double-digit market share in

Australia, the Czech Republic, South Africa, Italy, Poland and Nordic countries. Further, RYALTRIS® continues to witness strong uptake in markets where the product was recently launched across Europe and ROW regions. (Market share data: Top 10 products within "R1A1 – Nasal Corticosteroids without Anti Infectives" category as per IQVIA + RYALTRIS® as of March 2024).

ENVAFOLIMAB

- In January 2024, Glenmark announced the signing of a license agreement with Jiangsu Alphamab Biopharmaceuticals Co., Ltd (Jiangsu Alphamab) and 3D Medicines (Beijing) Co., Ltd. (3DMed) for Envafolimab for India, Asia Pacific, Middle East and Africa, Russia, CIS, and Latin America.
- Envafolimab, under the brand name ENWEIDA®, has been approved in China by the National Medical Products Administration (Chinese NMPA) in November 2021 as the global-first subcutaneous injection PD-L1 inhibitor for the treatment of adult patients with previously treated microsatellite instability-high (MSI-H) or deficient MisMatch repair (dMMR) advanced solid tumor.
- Over 30,000 patients have greatly benefited from this innovative treatment in China where, in December 2023, it has been officially included in the "List of Breakthrough Therapies" by the NMPA.
- Up until November 2023, Envafolimab was recommended by 12 clinical guidelines in China and the US including 3 Chinese versions of the National Comprehensive Cancer Network (NCCN) guidelines for the treatment of multiple malignancies such as tumors of the GI tract, gynecological tumors, and immune checkpoint inhibitors. Envafolimab has the potential to provide an effective treatment for such population across India and Emerging Markets.
- Glenmark plans to file Envafolimab in more than 20 markets in FY25 and the first market launch is expected in FY26.

WINLEVI®

- In Q2 FY24, Cosmo Pharmaceuticals N.V. ("Cosmo") and Glenmark, announced the signing of distribution and license agreements for WINLEVI® (clascoterone cream 1%) in 15 European countries as well as the UK and South Africa.
- The Company is awaiting approval in its licensed markets and plans to launch WINLEVI® in FY26.

ICHNOS GLENMARK INNOVATION (IGI)

The Company and its global fully integrated, clinical-stage biotech subsidiary, Ichnos Sciences Inc. (Ichnos), recently announced the launch of their alliance – Ichnos Glenmark Innovation – to accelerate new drug discovery in cancer treatment. This alliance combines Glenmark's research and development

proficiencies in small molecules with those of Ichnos in novel biologics to continue developing cutting edge therapy solutions that treat hematological malignancies and solid tumors. The newly formed IGI features a robust pipeline of three innovative oncology molecules targeting multiple myeloma, acute myeloid leukemia and solid tumors currently undergoing clinical trials. Two of these molecules have received orphan drug designation from the U.S. FDA. Additionally, IGI has two autoimmune disease assets that have been out licensed to leading companies. Going forward, all of Glenmark group's investments on innovative assets will be channelized through the IGI alliance. For further updates on IGI, including the pipeline assets, please log on to https://www.iginnovate.com/.

KEY OBJECTIVES FOR FY25

- **Consolidated Revenue: INR 1,35,000 – 1,40,000 million**
- **R&D Investment: 7-7.25% of total sales**
- **EBITDA Margin: ~19%**
- **Consolidated CAPEX: INR 7,000 million**
- **Target double-digit PAT margin**

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