



Marksans Pharma Ltd.

Q3FY23 Financial Results

Strong revenue and EBITDA growth of 32% YoY in Q3

Mumbai, February 13th, 2023 – Marksans Pharma Ltd. (NSE: MARKSANS; BSE Code: 524404) reported the financial results today for the quarter and nine months ended December 31, 2022.

Mark Saldanha, Managing Director of the Company said *"We sustained our growth momentum and had another quarter of robust performance across all key geographies. We are confident to continue our trajectory through investment in capabilities. Following OrbiMed's warrant conversion, Marksans will benefit from their deep global healthcare experience. We remain committed to shareholder value creation and have recently completed the planned buyback.*

The outlook for the coming years is promising with a strong cash position, increasing the capacities, and wide opportunities in our OTC segment."

Q3FY23 Financial Highlights

- Operating revenue was Rs. 479.8 cr., up by +32.3% YoY driven by strong volume growth and market share gains in the existing products and markets
 - US business grew by +37.8%.
 - UK and Europe grew by +25.4%
- Gross profit was Rs. 240.3 cr., up by +23.2% YoY with Gross margin at 50.1%.
- EBITDA was Rs. 76.6 cr., grew by 32.6% with EBITDA margin at 16.0%
- EPS grew by 30% YoY to Rs. 1.56

9MFY23 Key Highlights

- Operating revenue at Rs. 1,366.2 cr., increased by 27.3% YoY
- Gross profit at Rs 688.6 cr., grew by +21.3% YoY with Gross margin at 50.4%
- EBITDA at ₹229.8 cr., increased 17.7% YoY with EBITDA margin at 16.8%
- Cash balance stood at healthy Rs.417 cr. as on 31st December 2022, excluding 75% warrant subscription amount of Rs 279 crore received in January 2023
- Free Cash Flow was Rs 145 cr

Business Highlights

US Market

- US & North America Formulation business reported growth of 37.8% YoY to Rs. 217.0 cr.in Q3FY23
- 32 products are in the pipeline, of which 20 are oral solids and 12 are ointments and creams. Within oral solids, 4 are softgels

UK and Europe Market

- Revenue of Rs. 186.8 cr. from UK and Europe Formulation business in Q3FY23 as compared to Rs. 149.0 cr. during last year, registering growth of 25.4%

- Planned 34 new filings over the next three years, of which 7 are planned in FY23. In addition, 16 products are already filed and awaiting approval

Australia and New Zealand Market

- Australia and New Zealand business reported growth of 27.6% YoY to Rs. 49.6 cr. in Q3FY23
- 10 products are in the pipeline and expected to be launched over the next two years

RoW Market

- RoW business grew more than double to Rs. 26.5 cr. in Q3FY23

Other Highlights

- Completed buyback of 64,74,276 equity shares for a total value of Rs 32 cr
- Raised total amount of Rs. 372.40 cr in equity in January, 2023 through warrant conversion by OrbiMed and the Promoter

Business Performance

Consolidated profit and loss statement:

	Q3FY23	Q3FY22	YoY Growth	9MFY23	9MFY22	YoY Growth
Operating Revenue	479.8	362.6	32.3%	1,366.2	1,072.8	27.3%
Gross Profit	240.3	195.1	23.2%	688.6	567.6	21.3%
Gross margin	50.1%	53.8%	-371bps	50.4%	52.9%	-250bps
EBITDA	76.6	57.8	32.6%	229.8	195.2	17.7%
EBITDA Margin%	16.0%	15.9%	3bps	16.8%	18.2%	-138bps
PAT	62.3	48.3	29.1%	182.6	157.2	16.2%
PAT Margin%	12.5%	12.9%	-36bps	12.9%	14.3%	-139bps
EPS	1.56	1.20	30.0%	4.54	3.82	18.7%

Business-wise performance:

in Rs. Cr.	Q3FY23	Q3FY22	YoY Growth	9MFY23	9MFY22	YoY Growth	Mix
US & North America	217.0	157.4	37.8%	581.1	454.1	28.0%	42.5%
UK and Europe	186.8	149.0	25.4%	561.3	463.5	21.1%	41.1%
Australia & NZ	49.6	38.9	27.6%	146.1	108.7	34.5%	10.7%
Rest of World (ROW)	26.5	17.4	52.0%	77.6	46.5	66.9%	5.7%
Consolidated Revenue from operations	479.8	362.6	32.3%	1366.2	1072.8	27.3%	100.0%

Earnings Conference Call:

There will be an Earnings conference call at 3.30 pm IST on February 14, 2023, during which the leadership team will discuss the financial performance and take questions. A transcript of the conference call will be available at www.marksanspharma.com.

Date and Time	February 14, 2023, at 3.30 pm IST
Join Zoom Meeting	Link
Diamond pass link	Meeting ID - 844 3635 6705 Passcode - 139708

About Marksans Pharma Ltd

Marksans Pharma Limited (www.marksanspharma.com) headquartered at Mumbai, India is engaged in Research, Manufacturing & Marketing of generic pharmaceutical formulation in the global markets. The company's manufacturing facilities are approved by several leading regulatory agencies including USFDA, UKMHRA and Australian TGA. The company's robust product portfolio spreads over major therapeutic segments of CVS, CNS, Antidiabetic, Pain Management, Gastroenterological and Anti-allergies. The company is marketing these products globally.

Disclaimer

Certain statements in this press release concerning our future growth prospects may be forward looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The company's results may be affected by factors including, but not limited to, the risks and uncertainties in pharmaceutical research and development; competitive developments; regulatory actions; the extent and duration of the effects of the COVID-19 pandemic; litigation and investigations; business development transactions; economic conditions; and changes in laws and regulations, including health care reform. The company undertakes no duty to update forward-looking statements except as required by applicable law.

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