



Marksans Pharma Ltd.

Q2FY23 and H1FY23 Financial Results

Revenue up 25.5% YoY; EBITDA growth at 33.6% YoY

Mumbai, November 14, 2022– Marksans Pharma Ltd. (NSE: MARKSANS; BSE Code: 524404) reported the financial results today for the quarter and half year ended September 30, 2022.

Mark Saldanha, Managing Director of the Company said *"We saw high double-digit growth with robust performance across all our regions, despite a tough operating environment, as we continued investing in our capabilities. Manufacturing and Innovation are our strategic pillars, and we believe the acquisition of capacity from Tevapharm India will provide further fillip to growth. We continue to navigate the challenging environment through our strong execution. Looking ahead, we continue to see growing demand in our OTC segment across the regions, and we are well-positioned to take advantage of these opportunities."*

Key highlights of Q2 FY23

- Operating revenue at Rs. 452.6 cr., increased 25.5% YoY, driven by a strong underlying volume growth in existing products as well as market share gains.
 - US growth was 13.7% YoY, despite the price erosion of high single digits, in the Generic Rx business
 - UK and Europe growth was 32.6% YoY led by volume growth and market share gains in existing portfolio
 - Australia and NZ grew by 39% YoY while Rest of World was up by 56.4% YoY
- Gross profit at Rs 229.4 cr, increased 23.4% YoY with Gross margin at 50.7%.
- EBITDA at ₹80.3 cr., increased 33.6% YoY, with EBITDA margin at 17.7%.
- R&D spend at ₹9.8 cr. was 2.2% of sales

Key highlights of H1 FY23

- Operating revenue at Rs. 886.3 cr., increased by 24.8% YoY
- Gross profit at Rs 448.3 cr, grew by +20.4% YoY with Gross margin at 50.6%
- EBITDA at ₹153.1 cr., increased 11.4% YoY with EBITDA margin at 17.3%
- Cash balance stood at healthy Rs. 335 cr. as on 30th September 2022

Business Highlights

US & North America Market

- Operating revenue stood at Rs. 190.3 Cr.in Q2FY23 and Rs. 364.2 Cr. in H1FY23.
- 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

- Operating revenue stood at Rs. 193.5 cr. in Q2FY23 as compared to Rs. 145.9 cr. Q2 FY22, registering growth of 32.6% YoY. Revenue in H1FY23 stood at Rs. 374.5 Cr., up 22.7% YoY.
- 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

- Operating revenue grew 39.0% YoY to Rs. 43.9 Cr.in Q2FY23. It reported Rs. 96.5 Cr. revenue in H1FY23, growth of 38.2%.
- 10 products are in the pipeline and expected to be launched over the next two years.

RoW Market

- Operating revenue reported at Rs. 24.9 Cr. in Q2FY23, +56.4% YoY and Rs. 51.1 Cr. in H1FY23.

Business Performance

Consolidated profit and loss statement:

INR cr	Q2FY23	Q2FY22	YoY	H1FY23	H1FY22	YoY
Operating Revenue	452.6	361.2	25.5%	886.3	710.2	24.8%
Gross Profit	229.4	185.8	23.4%	448.3	372.5	20.4%
Gross margin	50.7%	51.4%	-80bps	50.6%	52.5%	-190bps
EBITDA	80.3	60.1	33.6%	153.1	137.4	11.4%
EBITDA Margin%	17.7%	16.6%	110bps	17.3%	19.4%	-210bps
PAT	60.1	46.3	29.9%	120.3	108.9	10.5%
PAT Margin%	12.9%	12.5%	40bps	13.1%	15.0%	-190bps
EPS	1.52	1.11	36.3%	2.99	2.62	14.1%

Business wise performance:

in Rs. Cr.	Q2FY23	Q2FY22	YoY	H1FY23	H1FY22	YoY	Mix
US & North America	190.3	167.3	13.7%	364.2	306.1	19.0%	41.1%
UK and Europe	193.5	145.9	32.6%	374.5	305.1	22.7%	42.3%
Australia & NZ	43.9	31.6	39.0%	96.5	69.8	38.2%	10.9%
Rest of World (ROW)	24.9	16.9	56.4%	51.1	29.1	75.6%	5.8%
Revenue from operations	452.6	361.2	25.5%	886.3	710.2	24.8%	100.0%

Earnings Conference Call:

There will be an Earnings conference call at 18:00hrs. IST on November 16, 2022, during which the leadership team will discuss the financial performance and take questions. The transcript of the conference call will be available at www.marksanspharma.com.

Date and Time	November 16, 2022, at 18:00hrs IST
Dial-in Numbers	+044 7126 1302, +044 4563 4952
Participant PIN Number (only for International Participants)	8207723#
Register here	

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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