



Date: 12th August, 2022.

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001 Script Code : 539872	National Stock Exchange of India Limited 5 th Floor, Exchange Plaza, Bandra Kurla Complex Bandra (East) Mumbai-400051 Script Code : BAJAJHCARE
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Dear Sir/Madam,

Sub : Earning Updates for the Quarter Ended 30th June, 2022.

In terms of regulation 30 of SEBI (LODR) Regulations, 2015, please find attached herewith Earning Updates for the Quarter ended 30th June, 2022.

Kindly take the same on record.

Thanking you,

For and on behalf of Board of Directors of
Bajaj Healthcare Limited


Aakash Keshari
Company Secretary



BAJAJ HEALTHCARE LIMITED

Registered Office : 602-606, Bhoomi Velocity Infotech Park, Plot No. B-39, B-39/A, B-39 A/1, Road No. 23, Wagle Ind. Estate, Thane(West), Thane-400 604.

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CIN No.: L99999MH1993PLC072892



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Rd No.23, Wagle Ind. Estate Thane West, Mumbai – 400604.

Q1 FY23 – Earnings Updates

Revenue from Operations reported at Rs. 1,720.69 Mn in Q1 FY23

EBITDA stands at Rs. 258.44 Mn in Q1 FY23

PAT at Rs. 120.19 Mn in Q1 FY23

Thane, 12th August 2022: Bajaj Healthcare Limited (BHL) one of the India's leading manufacturers of APIs, Intermediates and Formulations, in its board meeting held on 12th August 2022 has inter-alia considered and approved the unaudited Financial Results of the Company for the First Quarter of financial year 2022-23, ended on 30th June, 2022, as one of its agenda:

Financial Statement Highlights for Q1 FY23 v/s Q1 FY22 v/s Q4 FY22:

Particulars (INR MN)	Q1 FY23	Q1 FY22	YoY%	Q4 FY22	QoQ%
Revenue from Operations	1,720.69	1,856.89	-7.33%	1,757.14	-2.07%
Other Income	6.70	6.80		4.48	
Total Revenue	1,727.39	1,863.68	-7.31%	1,761.62	-1.94%
Total Expenses excluding Depreciation, Amortization & Finance Cost	1,462.51	1,521.91		1,505.07	
EBITDA	258.44	334.98	-22.85%	252.07	2.53%
EBITDA Margin (%)	15.02%	18.04%	-302bps	14.35%	67bps
Depreciation & Amortization	65.33	41.31		42.40	
Finance Cost	38.25	27.93		44.86	
PBT before Exceptional Item	161.56	272.53	-40.72%	169.29	-4.57%
Exceptional Items	-	-		-	-
PBT	161.56	272.53	-40.72%	169.29	-4.57%
Tax	41.37	80.36		(5.43)	
PAT	120.19	192.17	-37.46%	174.72	-31.21%
Other comprehensive profit / loss	-	-		0.69	
Net PAT	120.19	192.17	-37.46%	175.42	-31.48%
PAT Margin %	6.98%	10.35%	-337bps	9.94%	-296bps
Diluted EPS	4.35	6.96		6.33	

Quarterly Financial Performance Comparison:

- Revenue from Operations has marginally degrown by 7.32% from Rs.1,856.89 Mn in Q1 FY22 to Rs.1720.69 Mn in Q1 FY23 mainly due to contraction of Covid-19 led opportunities.
- EBITDA has degrown by 22.85% from Rs.334.98 Mn in Q1 FY22 to Rs.258.44 Mn in Q1 FY23. There was de-growth in EBITDA Margins from 18.04% in Q1 FY22 to 15.02% in Q1 FY23 on a YoY basis. The degrowth in EBITDA margins was mainly on account of weakening of Indian Rupee, thereby leading to an increase in imported raw material cost. **The EBITDA margins strengthened on a sequential quarter basis by 67bps.**
- **Net profit** has decline by 37.46% from Rs.192.18 Mn in Q1 FY22 to Rs. 120.19 Mn in Q1 FY23. The **Net Profit Margins** were at 6.98% in Q1 FY23 from 10.35% in Q1 FY22 owing to a decline in EBITDA margins as explained above.

Business Updates:

- **Restoration of Operations at the Panoli Unit, Gujarat post a fire incident**

On July 11, 2021 a fire accident occurred at the company's API unit located at Panoli. (Address: Plot no. 1717/1718, GIDC Panoli, Tal: Ankleshwar, District: Bharuch, Gujarat 394116.) During the last one year, The plant has undergone repairs and upgradation and has commenced production of **Citicoline Sodium** in its facility in Q1FY23. This plant now has an **upgraded capacity of almost 2X** of its previous installed capacity, both in terms of the API manufacturing as well as production of its corresponding intermediate as well. The company plans to take advantage of this opportunity to expand its production in this segment and realize the better margins.

Citicoline Sodium is used to treat memory loss due to aging, to bring about improvement in vision in people with glaucoma, and it also helps with recovery in stroke patients. It is administered as an injection or taken orally.

- **Declaration of Dividend**

The Board of Directors have recommended a final dividend of 30% i.e. Rs.1.50/- per equity shares on face value of Rs.5/- each for the financial year ended 31st March, 2022, subject to approval of shareholders in the ensuing Annual General Meeting.

Management Comments:

Commenting on the Q1 FY23 results, Mr. Sajankumar Bajaj (Chairman) said:

"We are pleased to inform all our stakeholders that the company has reported an overall stable financial performance in Q1 FY23 despite witnessing inflationary headwinds for the major part of the quarter. Despite declining contribution from Covid related products, The company was able to retain its revenue achieved in Q1FY22 on account of covid related demand and post an improvement in quarterly EBITDA margins on a sequential basis.

On the Industry front, Indian Pharma companies have managed to clock an 8% rise in exports in the quarter ended June 2022 despite facing pressures of volatile exchange rates & tough competition in the global markets. Further the demand continues to improve on basis of easing of pricing pressures, rise in product approvals, strong growth prospects in domestic markets, and emerging opportunities in the API space. Considering the inflated revenues of Q1 FY 22 owing to the covid pandemic, most companies have managed to retain growth numbers by addition of new products to their portfolios and placing their products in new markets & channels.

*Our focus at BHL is on our business strategy of “Growth beyond the Pandemic”, which aims at building sustainable revenues on the back of Innovative products and value additions to existing pharma solutions available our customers. We continue to build our Non-Covid related portfolio, by introducing new products and expanding the market of products introduced in previous year. We expect the sales of the products launched in FY 22, to pick up momentum by the first half of FY 23. We have successfully launched **Magnesium L-Threonate** in the Nutraceutical segment & commenced production of “**Nimesulide API**” in the last year. The increased capacities of **Citicoline Sodium** combined with these newly launched products would contribute significantly to the top-line of the business in FY 23. We also plan to add 3 to 4 additional APIs through reverse engineering; to our current repertoire, which will be further supported by our strong in-house R&D team.*

*We are also extremely proud to have ventured into the new business vertical of **Opiate Processing for the Government of India** where we were recently awarded two tenders for manufacture of Alkaloids and APIs from processing of **Unlanced poppy capsules & Opium Gum**. Both these contracts are subject to strict government regulations as they belong to a highly regulated & monopolized government product category, where we are one of the few select private players in India to have been awarded such an opportunity. The receipt of this tender strongly advocates our core strength of API manufacturing expertise.*

On the supply front, we expect certain sourcing bottlenecks to continue, specially from China upto the next quarter for FY23 and thus we have reported slightly elevated levels of inventory. In order to mitigate this impact, we have a sound inventory stocking policy in place to guarantee that the operations continue at the expected levels. We also anticipate a normalization of the working capital cycle in the first half of FY 23, owing to full-scale commencement of the acquired assets & stronger cash management strategies.

The company's main growth drivers in FY 23 would be the scaling up of revenues from new products and business segments, usage of the capacities of acquired assets, API manufacturing competence, and increasing overseas markets. We are confident that our execution capabilities and business objectives are well matched, allowing us to achieve our estimates in terms of revenue and margins.”

Guidance for FY23:

- The management has provided guidance to post **growth of 18%-20% for FY23**, mainly driven by growth in the formulation business, addition of new capacities through acquired assets, and with the introduction of reverse engineering APIs launched in the last financial year.
- The management plans to increase its **exports to Rs.2,000 Mn for FY23**.
- The management expects that the EBITDA margins would grow from the existing 17.43% in FY22 to **18%-20% in FY23**.
- The dividend pay-out is expected to show a further positive growth rate, in line with healthy cash flows which company expects to generate in future.

About Bajaj Healthcare Limited

Bajaj Healthcare Limited a **leading Manufacturer of APIs, Intermediates and Formulations established in the year 1993**. It specializes in manufacturing of intermediates, API, formulations & Nutraceuticals. The Company has **state-of-art manufacturing facilities, of which 6 units are dedicated to APIs, 2 units to intermediates and 1 unit for formulations**. These facilities are designed to meet the requirements of both advanced as well as emerging market opportunities. BHL has a **strong presence globally in countries like Europe, USA, Australia, Middle East and South America**.

For further information on the Company, please visit www.bajajhealth.com

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