

**KWALITY PHARMACEUTICALS LIMITED**

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Kwalita Pharma's total consolidated revenues from operations for Q2FY23 decreased by 20.5% to Rs 55.81 cr as compared to the previous quarter while EBITDA came at Rs 16.68 cr. EBITDA margins expanded by 370 basis points due to increased sale of high margin complex injectables. The decline in revenues was due to lower production caused by regulatory inspections. These inspections are likely to continue for the next couple of months. The company's net profit is Rs 9.16 cr while net margin stood at 16.4%.

The company is focused on expanding its global footprint and is working towards getting regulatory approvals for end markets like Europe, Brazil and Mexico. Some of these inspections are due in third quarter of this fiscal. The company has already established presence in over sixty-two countries through successful product registrations.

Kwalita has built strong capabilities in developing complex long-acting injectables using microsphere technology. The company also has Liposomal, Lyophilized and Protein based injectables in its portfolio. It continues to invest in Research & Development which has allowed the company to build a healthy pipeline of complex molecules which are going off-patent in the next few years.

The company is also investing in building long term commercial partnerships both locally and globally.

Quarter End (Crs)	Q2FY23	Q1FY23	QoQ Growth %
Revenue from Operations	55.81	70.22	-20.5%
EBITDA	16.68	18.38	-9.25%
EBITDA Margin	29.89%	26.18%	-
PAT	9.39	10.52	-10.74%

Outlook for FY 23

The company is lowering its revenue guidance to Rs 260 cr while it expects the EBITDA margins will increase to be in the range of 26% to 28%. It expects its R&D driven complex injectable portfolio, new partnerships & product registrations and expansion into new geographies will drive growth in the coming years.

Kwalita Pharma is research driven leading exporter of generic formulations with focus on complex injectable products. It has five state of the art manufacturing facilities. The company has presence in sixty-two countries with over 600+ products registered. It has over 1500 employees.


