



Bal Pharma Limited

To,

The Manager-Listing

31.05.2022

National Stock exchange of India Ltd
Mumbai.

BSE Limited

Mumbai.

Dear Sir,

Sub : Press Release.

Ref : Regulation of 30 of SEBI(LODR) Regulations.2015.

We are circulating the enclosed press release on the standalone and consolidated financial results of the Company for the quarter and financial year ended 31.03.2022, announced by us on 30.05.2022.

Please take the same on record.

Thanking You

For Bal Pharma Ltd

Authorised Signatory



PRESS RELEASE

BAL Pharma Limited reports Q4 & FY22 results.

FY22 Revenue at ₹ 2,868.56 million up by 13.83% YoY

Profit Before Tax at ₹ 120.56 million up by 23.07% YoY

May 31, 2022, Bengaluru, Bal Pharma Ltd is a fully integrated pharmaceutical company specialized in Bulk Actives, Prescription Drugs, Generics, pharma intermediates has announced its results for the Quarter and year ended 31st March 2022.

Financial Highlights (Standalone) – Q4FY22 & FY22

Particulars (₹ Mn)	Q4FY22	Q4FY21	YoY	FY22	FY21	YoY
Revenue	777.03	714.57	8.74%	2,868.56	2520.01	13.83%
EBITDA	74.28	81.30	-8.36%	296.92	290.11	2.35%
PBT	28.67	26.82	6.92%	120.56	97.96	23.07%
PAT	27.71	44.67	-37.97%	85.73	91.85	-6.67%
EPS	1.83	3.08	-40.52%	5.67	6.41	-11.55%

Financial Highlights

- **Revenue** – The company reported a 13% YoY growth in Revenue for FY22. API segment remained the forefront driver of company's revenue growth. Formulations business remained steady YoY with Domestic formulation fortifying its underlying strength. Various API's like Gliclazide, Ebastine and Benzydamine has been witnessing strong growth momentum. **Export and Domestic mix for FY22 stood at 70:30 versus 65:35** in FY21. Expanding existing API products coupled with entry into into newer geographies of South America, Africa and Europe helped in achieving a strong Revenue growth for the company.
- **EBITDA** FY22 has been a challenging year on raw material front. Global inflation in commodity prices, led by supply disruption impacted overall raw materials costs. EBITDA margins stood at 10%, The Company was able to partly mitigate these costs inflation via optimal mix of inputs and is partly expected to pass on the costs gradually over the period of time.
- **PBT** increased by 23.07% YoY to INR 120.56 mn in FY22 as compared to INR 97.96 mn in FY21.
- **PAT** for the year FY22 stood at INR 85.74 mn as versus to INR 91.85 mn in FY21

API Business: API business retains the forefront contributor.

- **API segment revenue reported an increase of 22% YoY to INR 1,598.55 mn in FY22** as compared to FY21. 1,308.7
- **Share of API in total revenue increase to 57% in FY22 from 53% in FY21.** API exports witnessed a robust growth of 46% YoY for FY22.
- The Company exports its API across various regions with Ireland, Spain, Slovenia, Indonesia, Japan, Mexico, Turkey, Bangladesh being the top destinations.
- **Exports: Domestic mix was 67:33 in FY22** versus 69:31 in FY21.

- Gliclazide being an API used for treating Diabetes has been an important contributor in the company's earnings. Ebastine and Benzydamine has also been started contributing meaningfully to the overall API's Revenue.
- Top 5 API's contributed nearly 94% of API's revenue in FY22. Total Order book for API's remains strong at INR 300 mn as on FY22, API's such as Alfuzosin for prostate enlargement, and Dabigatran for cardiac care under scale up. Along with this API's Total 8 products are under development and scale up.

Formulations Business(FDF): Formulations firming up

- Formulations segment revenue stood at INR 1,189.94 mn in FY22 as compared to INR 1170.73 mn in FY21.
- Domestic Formulations have been witnessing positive momentum and has reported 11% growth YoY.
- On the domestic front, the company has launched Dapagliflozin under the brand name Dapaten which is an anti-diabetic drug. With this, Bal Pharma further consolidates its market share in Diabetes as a Therapeutic segment.
- Domestic to exports was at 28:72 in FY22 versus 25:75 in FY21.
- Order book for FDF stands at INR 400 mn as on FY22. With the new launches and strengthening medical representative team in domestic market would continue the positive trajectory.

Operational Highlights

1. **PLI Scheme** - Bal Pharma is beneficiary of the Production Linked Incentive (PLI) scheme for the Pharmaceutical Sector under "Atmanirbhar Bharat" through which the company is expected to improve its risk profile. The company has been placed under 'Category C' of the said scheme wherein the company is eligible for incentives that will spread INR 500 mn spread over a period of 6 years. The incentives under this scheme are expected to directly flow through the Company's cash flow. Company's various products in API and intermediates are eligible for 10% incentives per annum and other drugs like Anti Diabetic, Anti-infective and Cardiovascular diseases are eligible for 5%. Company expects average annual turnover of INR 1,250 mn p.a from these eligible products.
2. **Credit rating up-gradation-** Followed by the strong and improved business of the company the credit rating improved from BB+(ICRA) to BBB-. The company is maintaining positive momentum in all the business segments. The rating upgrade by the Acuite rating and research is an indication of the companys improved performance. The upgraded rating reflects that the company has sound performance currently and has a good capacity to strongly outperform in the future.
3. **Strong product portfolio-** The company is constantly working toward improving all-around business performance. The product portfolio in both API and Formulations business is strengthened. The group has a diversified product profile that includes 200 generic formulations in 20 different therapeutic segments and 22+ APIs. The Company is expanding existing formulations and API both in the newer geographies. The Company's diversified product profile, strong global presence, and fully regulated and approved manufacturing facility will support to improve the overall performance of Bal Pharma in the coming years
4. **Medical Representative (MR) strengthening** - To improve operational excellence and better market reach, Company is constantly strengthening the medical representative base for the

domestic formulation business. Currently, the company have 400+ medical representative and the prime focus is on strengthening productivity per MR through various strategies. With these initiatives company plans to increase its market share in the Domestic FDF along with its new launches

5. **Enriched product pipeline-** The company has a strong product pipeline and robust order book in both API and Product segments. Backed by a strong pipeline company overall business outlook looks positive and promising
6. **Ayurvedic Product division-** Ayurvedic product division is getting good traction and improved business and the company is planning to expand its footprint of the Ayurvedic product division in the domestic market. To gain more momentum and better market penetration a separate team is formed to focus on the Ayurvedic product division

Commenting on financial results, **Mr. Shailesh Siroya, Managing Director, BAL Pharma** said, The financial performance of the company is quite satisfactory. The incremental growth showcases company's inherent strength built over time. Our API exports and Domestic Formulations both have been going strength to strength over every passing year. The company has a robust product pipeline, and it is strategically improving its footsteps in both domestic and international markets. Our Ratings upgrade is a testimony to company's improved financial strength whose benefits will start reaping from FY23 onwards.

Overall, medium to long-term growth opportunities look promising, and the various cost efficiency initiatives instituted over the last year place us well to deliver enhanced value for all our stakeholders." The Company is undertaking all efforts to cater to the maximum market share catering to multiple markets with its strong portfolio. We are positive that our short-term and long-term goals efforts would lead to enhanced profitability and good returns to the investors.

About BAL Pharma Ltd (BPL)

Bal Pharma Limited (BSE: 524824; NSE: BALPHARMA) is a fully integrated pharmaceutical company specialized in Prescription Drugs, Generics, pharma intermediates and Bulk Actives. Bal Pharma's focused therapeutic areas are oncology, diabetes, gastroenterology, and dermatology, The Company is one of the largest producers and exporters of Gliclazide, a medicine to treat type-2 diabetes. Bal Pharma's niche APIs and FDFs are produced at world class manufacturing facilities located at Karnataka, Maharashtra, Rajasthan and Uttarakhand. The Company exports APIs to Europe, Australia, Japan, Far East, Canada, Latin America, Africa, Middle East and other World markets. Its FDFs are exported to Semi-regulated, Non-regulated market, and a select regulated market, besides having a robust domestic presence. Backed by strength in Research and Development, and strong infrastructure, Bal Pharma is poised to become a significant company in the pharmaceutical industry.

Forward-Looking Statement:

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. BAL Pharma Ltd will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances

For more information, please contact

Bharath Bhushan D V

080 41379500/ +91 9886841120

Bal Pharma Limited

Email: bharathbhushan@balpharma.com

Sonam Raghuvanshi – 8591190903

Dickensonworld

bal.pharma@dickensonworld.com