

# Balaxi Pharmaceuticals Limited

To

29<sup>th</sup> October, 2021

Listing Department,  
National Stock Exchange of India Limited  
Exchange Plaza, Plot No C/1, G Block, BKC,  
Bandra (E), Mumbai-400051

**Stock Code: BALAXI**

**Sub: Press Release**

Dear Sir/Madam,

We hereby attach a copy of the Press Release titled “**Balaxi Pharmaceuticals reports 19% PAT growth YoY for Q2FY22, lays down strategy of backward integration to have a sustainable growth in frontier markets**” issued by the Company. This is for your information and dissemination on your website.

The said information is also being made available on the website of the Company at [www.balaxipharma.in](http://www.balaxipharma.in)

Yours Faithfully,

For **Balaxi Pharmaceuticals Limited**



**Chinta Shalini**

**Company Secretary**



**Registered Office:**

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(Formerly known as Balaxi Ventures Limited)

29th October, 2021

## Balaxi Pharmaceuticals reports 19% PAT growth YoY for Q2FY22, lays down strategy of backward integration to have a sustainable growth in frontier markets

Hyderabad, October 29, 2021: Balaxi Pharmaceuticals Limited (Balaxi), a branded IPR-based pharmaceutical company headquartered in Hyderabad, reported its results for the second quarter and half year ended 30<sup>th</sup> September, 2021.

### Financial Highlights – Q2 FY22:

Particulars (INR mn)	Q2FY22	Q2FY21	YoY
Revenue	702	603	16%
Gross Profit	192	148	30%
EBITDA	142	107	32%
EBITDA Margin %	20.2%	17.8%	240 bps
PAT	121	101	19%
PAT Margin %	17.2%	16.7%	42 bps

- The Company recorded a revenue of INR 702 million in Q2 FY22, registering a 16% growth year-on-year, led by Pharma and Branded consumer goods segments.
- Higher contribution from geographies such as Dominican Republic and Guatemala led Pharma segment to grow by 10% YoY
- Backed by new launches and increasing customer acceptance, branded consumer segment Revenue increased by 319% YoY
- EBITDA of INR 142 million for Q2 FY22; EBITDA margin stood at 20.2% higher by 240 bps due to favourable product mix. Higher Branded products in overall mix led to margin improvement in Q2FY22
- Reported PAT of INR 121 million for Q2FY22, higher by 19% YoY

### Revenue Mix:

Segment	Q2FY22	Q2FY21	FY21
Pharmaceuticals	60%	64%	59%
Ancillary	15%	29%	30%
Branded Consumer Products	25%	7%	11%

### Gross Profit Breakup

Segment	Q2FY22	Q2FY21	FY21
Pharmaceuticals	75%	76%	73%
Ancillary	11%	20%	18%
Branded Consumer Products	14%	4%	9%

- For Q2FY22, Pharmaceutical business segment contributed 60% of the consolidated revenues and 75% of the total gross profit.
- Ancillary business contributed 15% to the revenue in Q2FY22
- Share of **YAP** branded consumer products revenue grew significantly, from 4% in Q2FY21 to 25% in Q2FY22. Biscuits continues to dominate this segment, contributing close to 87% of Revenue from this segment. The Company has launched various new products such as tooth paste, ketchup, candy, mayonnaise to its existing portfolio which has been showing good traction.

#### Update on Pharmaceutical Product Registrations/Import Permits:

Particulars	Angola	Guatemala	Dominican Republic	Honduras	El Salvador	Central African Republic	Nicaragua	Total
Existing Product Registrations	283	80	139	32	30	-		564
Submitted to MOH		57	24	37				118
Product Registrations in Pipeline	-	53	19	36	76	133	90	407

**Commenting on the performance, Mr. Ashish Maheshwari, Chairman and Managing Director said,** “Balaxi sets its footprints into the newer geography steadily, with registration pipeline of 400+ products reflecting the company’s ‘Land and Expand’ strategy. As on date, Balaxi has 564 pharmaceutical product registrations/import permits, spanning across 5 countries, and has a robust pipeline of product registrations including those submitted to MOH spanning across 8 countries.

Balaxi has strategized to further strengthen its value chain by establishing in-house capabilities for researching, developing and manufacturing differentiated formulations for frontier markets especially LATAM. In the past one year the company faced covid related supply disruptions which further strengthen its case of investing in these facilities. The Company has planned to acquire 3-5 acres of land to establish its first manufacturing location near Hyderabad, in the Pharma SEZ, Jadcherla, Telangana. It intends to establish a greenfield WHO-GMP/PICS certified manufacturing facility.

Balaxi saw an increase in the share of pharmaceutical business from Guatemala, Dominican Republic and newly contributing Honduras, showcasing that the newer geographies have started contributing to overall pharmaceutical segment. The Company continues with its endeavour of remaining debt free and maximise stakeholders value. The company remains confident about achieving its long-term growth aspiration and looks forward to expanding in additional geographies. Balaxi aims to expand in 20 frontier markets over the next 5 years.”

### **Pharmaceutical Business Overview:**

- The Company generated 55% of the pharmaceutical revenue from Angola followed Dominican Republic and Guatemala in Q2FY22.
- The share of Guatemala and Dominican Republic increased during the quarter, which would help the company in further strengthening its geographical mix.
- The product split between Branded & Generics is at 28:72 in Q2FY22. Product mix at Angola remains highly attractive at 49:51.

### **Branded Consumer Business overview:**

- Branded consumer business saw strong revenue growth of 219% YoY and Operating profits growth of 335% YoY.
- Increasing recognition of YAP brand across region has helped company to gain higher revenue during Q2FY22. New product launches has also helped company to gain more traction.

### **About Balaxi Pharmaceuticals Limited:**

Balaxi Pharmaceuticals Ltd is a branded IPR-based pharmaceutical player focusing on frontier markets, with a vast and growing portfolio of prescription and OTC drugs, across multiple therapeutic segments. The Company is engaged in supplying branded and generic medicines through its well-built distribution network across Angola, Guatemala and Dominican Republic. These products are procured from WHO GMP certified contract manufacturers based in India, China and Portugal. Balaxi is present in Ancillary business and building a Branded Consumer Products business which complements pharmaceutical business and provides operating leverage on the back of well-established on-ground infrastructure and channel relationships.

### **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. Balaxi Pharmaceuticals Limited 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

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