

# Balaxi Pharmaceuticals Limited

To

10<sup>th</sup> February, 2022

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 continued solid growth in Q3FY22**" 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:**

2<sup>nd</sup> Floor, Maps Towers, Plot No.409, Road No. 81, Jubilee Hills, Phase-III, Hyderabad, Telangana, India - 500096.

CIN: L25191TG1942PLC121598

Phone: +91 40 23555300 | Email: [info@balaxi.in](mailto:info@balaxi.in) | Website: [www.balaxipharma.in](http://www.balaxipharma.in)

## Balaxi Pharmaceuticals reports continued solid growth in Q3FY22

- PAT improves by 18% YoY for Q9MFY22
- Revenue for the Pharmaceuticals grows by 31% in Q3FY22, with strong expansion in Gross Margins

Hyderabad, February 10, 2022: Balaxi Pharmaceuticals Limited (Balaxi), a branded IPR-based pharmaceutical company headquartered in Hyderabad, reported its results for the third quarter and nine-month ended 31<sup>st</sup> December 2021.

### Financial Highlights – Q3 FY22 & 9MFY22

Particulars (INR mn)	Q3FY22	Q3FY21	YoY	9MFY22	9MFY21	YoY
Revenue	617	660	-6.5%	1903	1784	6.7%
Gross Profit	197	165	20%	557	441	26.4%
EBITDA	132	119	11%	399	321	24.3%
EBITDA Margin %	21%	18%	330 bps	21%	18%	300 bps
PAT	122	110	11%	350	297	17.5%
PAT Margin %	19.7%	16.6%	313 bps	18.4%	16.7%	170 bps

- **Revenue:** The Company reported strong growth in its Pharmaceuticals segment, with Revenue from this segment increasing by 31% YoY in Q3FY22. Overall Pharmaceuticals Revenue growth was witnessed across all geographies, led by Dominican Republic (46%), Guatemala (41%) and Angola (22%). The LATAM market demonstrated healthy growth traction in Q3FY22, with revenue share of 41% in Q3FY22 against c.35% in Q3FY21 in its Pharmaceutical segment.
- **Gross Profit:** After experiencing raw material supply chain bottlenecks in H1FY22, the Company witnessed easing of such pressure in Q3FY22. Furthermore, with improving raw material prices and better product mix, the Company expects to expand its gross margin profile. It recorded a Gross Profit of INR 197 million in Q3 FY22, registering a 19.3% growth year-on-year.
- **PAT:** On the back of strong performance of Pharmaceuticals segment and higher gross margins, improving economies of scale helped the Company to report an increase in PAT of 11% YoY in Q3FY22.

### Revenue Mix:

Segment	Q3FY22	Q3FY21	9MFY22	9MFY21	FY21
Pharmaceuticals	74%	53%	65%	59%	59%
Ancillary	22%	34%	17%	30%	30%
Branded Consumer Products	3%	13%	18%	11%	11%

### Gross Profit Breakup

Segment	Q3FY22	Q3FY21	9MFY22	9MFY21	FY21
Pharmaceuticals	86%	68%	79%	73%	73%
Ancillary	13%	23%	11%	20%	18%
Branded Consumer Products	1%	10%	10%	7%	9%

- For Q3FY22, the Pharmaceuticals business segment contributed 74% of the consolidated revenues and 86% of the total gross profit.
- The share of business conducted in Guatemala and The Dominican Republic increased during the quarter, which helped the Company in further strengthening its geographical spread.
- The product split between Branded & Generics remained stable at 28:72 in Q3FY22 indicating good growth potential for the Company's branded products across all geographies. With newer registration across different geographies would further strengthen the product mix towards branded products.

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

Particulars	Angola	Guatemala	Dominican Republic	Honduras	El Salvador	Central African Republic	Nicaragua	Ecuador	Total
Existing Product Registrations	283	86	142	34	40	-	-	-	585
Submitted to MOH		67	21	64	16				168
Product Registrations in Pipeline	-	59	19	19	54	133	88	41	413

#### Other Highlights

- i) **Consolidation:** The Company further consolidated and strengthened its operations by consolidating Balaxi Healthcare (SU) LDA, Angola(BHA) by acquiring the balance 51% of the equity leading to a complete ownership and management control of BHA with Balaxi.
- ii) **Vertical integration & Geographic expansion:** Already making steady forays into the LATAM markets, the Company is preparing a roadmap for entering into regulated markets of Europe and North America via inhouse manufacturing of key products in the Pharmaceuticals segment. The Company recently completed the acquisition of land for its greenfield manufacturing facilities.

#### Commenting on the performance, Mr. Ashish Maheshwari, Chairman and Managing Director said,

“Despite a challenging macro environment in terms of raw material prices and availability, higher freight costs led by supply chain bottlenecks, I am pleased to report solid quarterly and nine months ended results. We strategically balanced the growth both in terms of volume and price hikes, generally led by passing on the higher costs. The Pharmaceuticals business remains our core strength and our results demonstrates it to be our major growth driver, with increasing revenue share coming in from recently entered geographies. Our Branded Consumer products segment, which inherits our strong customer reach and Brand visibility from our Pharma business, has been performing satisfactory during 9MFY22. With minor hiccups in that segment during Q3, we expect a rebound going ahead as well.

We were recently allotted 3.41 acres of land in the Pharma SEZ in Hyderabad, our first step in our plans for having our inhouse manufacturing facilities for catering to advanced regulated markets. We have appointed a reputed firm for complete consultancy for this project. They have already submitted their initial CBD report. We intend to establish a facility in compliance with EU norms.

Looking at specific markets, I am pleased to report good response from geographies such as the Dominican Republic and Guatemala, further contributing to our revenue growth. We continue to remain debt free and are focused on maximising stakeholder value. At Balaxi, we are confident about

achieving our long-term growth aspirations and look forward to expanding into many other territories in the coming years.”

**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 also present in an ancillary business and is 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**

Shalini Chinta  
Company Secretary  
Email: [secretarial@balaxi.in](mailto:secretarial@balaxi.in)

- Sonam Raghuvanshi – Contact: +91 8591190903  
- Chintan Mehta – Contact: +91 9892183389  
Dickenson World (Investor Relations Consultants)  
[balaxi@dickensonworld.com](mailto:balaxi@dickensonworld.com)