

# Balaxi Pharmaceuticals Limited

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

2nd August, 2022

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 Q1 FY23" 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)

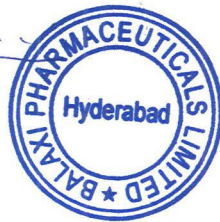
Yours Faithfully,

For Balaxi Pharmaceuticals Limited



Shalini Chinta

Company Secretary



**Registered Office:**

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**Press Release****For Immediate Release****Balaxi Pharmaceuticals reports  
continued solid growth in Q1 FY23****Revenue grows 42% in Q1FY23****Pharma Revenue in Latin America up 39%****Profit After Tax up 32% YoY**

**Hyderabad, August 2, 2022:** Balaxi Pharmaceuticals Limited (Balaxi), a branded IPR-based pharmaceutical company headquartered in Hyderabad, reported its results for the first quarter of financial year 2023 ended June 30, 2022.

**Financial Highlights:**

Particulars (INR Crore)	Q1FY23	Q1FY22	YoY
Revenue	82.78	58.34	+41.9%
Gross Profit	34.52	16.8	+105.5%
Gross Margin %	41.7%	28.8%	1,290 bps
EBITDA	17.03	12.55	+35.6%
EBITDA Margin %	20.6%	21.5%	(95) Bps
Profit After Tax	14.15	10.71	+32.1%
PAT Margin %	17.1%	18.4%	(127) Bps
Earnings Per Share (INR)	14.15	10.71	+32.1%

Quarterly Financial Results for Quarter ending 30.6.22 are not strictly comparable with Quarter ending 30.6.21 due to the consolidation of Balaxi Healthcare LDA Angola (BHA) which became a wholly owned subsidiary of Balaxi Global DMCC with effect from 1st January 2022.

- **Revenue:** The strong growth in revenue of 41.9% YoY in Q1FY23 was driven by the Pharmaceuticals business, with the LATAM share increasing to 38%.
- **EBITDA:** EBITDA of INR 17.03 Cr. was recorded in Q1 FY23, registering 35.6% growth YoY, as the Company, despite the cost structures in new geographies incurred ahead of commercial launches in these countries.
- **Profit After Tax:** On the back of strong performance of revenue and higher margins, the company reported an increase in Profit After Tax by 32.1% YoY in Q1FY23.

**Commenting on the results, Mr. Ashish Maheshwari, Chairman and Managing Director said,** *Our revenue growth of 42% during Q1 is driven by strong volume contribution from Latin American markets. We have also derived translation benefits from a strong currency in Angola. Gross margin expanded significantly, once again based on the strength of the growing Latin American business and increased contribution from branded products at 35% in Q1. In Latin America, product margins are intrinsically higher, especially for value-added, branded portfolios, a clear area of focus for Balaxi.*

*The company's operating cost structure – both people and organizational costs – has increased substantially with the entry into several new markets. This includes establishment and product registration expenses in countries that are not contributing to sales at present. Going forward, as business scales up, we expect a positive contribution to revenue growth as well as geographical diversification.*

*As indicated previously, we are making good progress on the planned EU GMP-compliant manufacturing facility near Hyderabad. Production is expected to commence by March 2024, focusing on General Oral Solid Dosage (OSD) and Liquid Injection formulations in Latin American markets where we are rapidly gaining visibility. The estimated project investment of Rs. 90 crore will be financed partly from internal accruals and a judicious mix of additional capital. With the seamless transition from outsourcing to manufacturing in existing geographies, we see a strong payback apart from several strategic benefits for the business from this investment."*

**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 on ground infrastructure across Angola, Guatemala and Dominican Republic. These products are procured from WHO GMP certified contract manufacturers based in India, China and Portugal.

**Disclaimer:**

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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