

Balaxi Pharmaceuticals Limited

To

23rd May, 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 Q4 and FY22**” 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

Yours Faithfully,

For **Balaxi Pharmaceuticals Limited**


Chinta Shalini
Company Secretary



Registered Office:

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(Formerly known as Balaxi Ventures Limited)

Balaxi Pharmaceuticals reports **continued solid growth in Q4 and FY22**

- Revenue for the Pharmaceuticals grows by 29% in FY22, with strong expansion in Gross Margins
- PAT up 25% YoY

Hyderabad, May 23, 2022: Balaxi Pharmaceuticals Limited (Balaxi), a branded IPR-based pharmaceutical company headquartered in Hyderabad, reported its results for the quarter and full year ended March 31, 2022.

Financial Highlights:

Particulars (INR Crore)	FY22	FY21	YoY
Revenue	279.39	231.33	+20.8%
Gross Profit	83.79	59.19	+41.6%
Gross Margin %	30.0%	25.6%	
EBITDA	55.18	44.64	+23.6%
EBITDA Margin %	19.75%	19.3%	
Profit After Tax	47.66	38.14	+25.0%
PAT Margin %	17.1%	16.5%	
Earnings Per Share (INR)	47.66	38.14	

- **Revenue:** The strong growth in revenue of 20.8% YoY in FY22 was driven by Pharmaceuticals, with share of the LATAM market increasing to 41%. The LATAM demonstrated healthy growth with Guatemala (45%) and Dominican Republic (29%).
- **EBITDA:** EBITDA of INR 55.18 Cr. was recorded in FY22, registering 23.6% growth YoY, as the Company was able to pass on cost escalation on account of higher freight and other supply chain disruptions.
- **Profit After Tax:** On the back of strong performance of revenue and higher margins, the company was able to report an increase in Profit After Tax by 25% YoY in FY22.

Commenting on the results, Mr. Ashish Maheshwari, Chairman and Managing Director said, "In FY22, Balaxi has demonstrated solid execution and showcased the inherent strengths of its business model. We have achieved substantial scale-up in revenues, margin expansion and profit growth to deliver value in a tough operating environment marked by continuing impact of the global pandemic, geo-political upheavals, inflationary trends and supply chain bottlenecks.

While the Angola business continues to be a cash cow, we are now starting to see the results of our efforts in the LATAM markets. We will continue to pursue our strategy of targeting leadership in difficult-to-enter markets and have drawn out a roadmap to grow rapidly in other high-potential countries in Latin America over the next few years.

We are also taking forward our manufacturing initiative that will allow us to create strong backward integration in our supply chain, completely reliant on outsourcing at present. Production from our planned facility will find immediate traction from established demand in existing markets. This EU GMP-compliant unit is also expected to open up new markets for our products, resulting in shorter pay-back on the investment and strong return on capital.

We now look into the future with excitement and purpose, confident in our ability to drive continuing value for stakeholders by delivering on the strategic business plan.”

Financial consolidation of Angola operating entity

Effective 1st January 2022, Balaxi Global DMCC, Dubai, a wholly-owned subsidiary of Balaxi Pharmaceuticals Limited, which previously owned 49% of the outstanding equity share capital of Balaxi Healthcare Angola has acquired the remaining 51% for a cash consideration of USD 0.65 Million (book value of the acquired entity). The previous structure, initially created for local regulatory adherence, is now transitioned and Balaxi’s entire global business and all its operating entities are fully consolidated in financial reporting. Balaxi Healthcare Angola, recorded turnover of USD 31 million in the year ended March 31, 2022.

“Asset Light” to “Asset Right” strategy

As a part of its corporate evolution – from a player currently participating in semi-regulated markets to gradually entering advanced markets – Balaxi Pharmaceuticals Limited is moving its business model from ‘Asset Light’ to ‘Asset Right’. While continuing with organic growth in Africa and Latin America, Balaxi proposes to set up an EU GMP compliant pharmaceutical manufacturing unit to cater to the increasing demand in advanced regulated markets. Balaxi has acquired land in a Pharma SEZ located at Jadcherla, Hyderabad and the project is expected to be completed by March 2024, focusing on General Oral Solid Dosage (OSD) and Liquid Injection formulations and Penicillin OSD formulations. Production from the unit will enable entry into EU markets and will also catering to the existing Latin American markets.

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.

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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