

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: Outcome of the Board Meeting

Dear Sir/Madam,

With reference to the above subject, we wish to inform you that the Board of Directors at their meeting held on 2nd August, 2022, inter alia considered and approved the Unaudited Standalone and Consolidated Financial Results of the Company for the 1st quarter ended 30th June, 2022 and the Limited Review Reports thereon.

In this regard, please find enclosed herewith:

1. The said financial results along with the Limited Review Reports as **Annexure 1**.
2. Investor Presentation for Q1 FY 2022-23 as **Annexure 2**.
3. Press Release titled "Balaxi Pharmaceuticals reports continued solid growth in Q1 FY23" as **Annexure 3**.

The Board Meeting commenced at 11:45 AM and concluded at 2:00 PM.

The above information is available at the website of the Company at www.balaxipharma.in

This is for your information and record.

Thanking You

Yours Faithfully,
For Balaxi Pharmaceuticals Limited


Chinta Shalini
Company Secretary



Registered Office:

2nd 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 | Website: www.balaxipharma.in

Balaxi Pharmaceuticals Limited

2nd Floor, MAPS Towers, Plot no. 409, Road no. 81, Jubilee Hills, Phase III, Hyderabad-500096, Telangana
CIN:L25191TG1942PLC121598

Un-audited Consolidated Financial Results for the quarter ended 30th June, 2022

Particulars	Quarter Ended			(Rs. in Lakhs)
	30.06.2022	31.03.2022	30.06.2021	Year Ended
	(Unaudited)	(Audited)	(Unaudited)	31.03.2022
				(Audited)
Income				
Revenue from operations	8,278.49	8,909.94	5,833.53	27,938.79
Other income	328.42	406.64	117.29	497.19
Total Income	8,606.91	9,316.57	5,950.82	28,435.98
Expenses				
Cost of materials consumed	4,826.29	6,099.12	4,154.21	19,559.64
Employee benefit expense	708.03	522.67	238.02	1,246.59
Finance cost	19.64	10.15	0.25	14.16
Depreciation and amortisation expense	18.85	17.28	6.54	51.22
Administrative Expenses	1,369.25	1,165.28	302.68	2,112.11
Total Expenses	6,942.06	7,814.51	4,701.70	22,983.73
Profit/(loss) before tax and other comprehensive income	1,664.85	1,502.06	1,249.11	5,452.26
Tax expenses				
Current tax	250.55	230.30	177.82	683.29
Deferred tax	(0.36)	0.70	(0.07)	3.18
Net Profit/(loss) for the period	1,414.66	1,271.06	1,071.37	4,765.79
Other comprehensive income				
A (i) Items that will not be reclassified to profit or loss in subsequent period	-	-	-	-
Exchange differences on translation of foreign operations	240.59	(45.25)	83.26	52.65
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
B (i) Items that will be reclassified to profit or loss	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Total comprehensive income for the period	1,655.25	1,225.81	1,154.63	4,818.44
Paid up equity share capital - Face value of Rs.10 each	1,000.00	1,000.00	1,000.00	1,000.00
Other Equity				10,316.42
Earnings Per Share (EPS)				
(EPS for the quarter is not annualised)				
-Basic (Amount in Rs.)	14.15	12.71	10.71	47.66
-Diluted (Amount in Rs.)	14.15	12.71	10.71	47.66

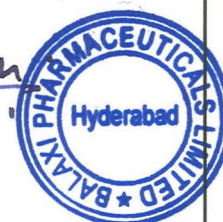
Notes:

- The un-audited Consolidated Financial Results for the quarter ended 30th June, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on 2nd August, 2022. The Consolidated Financial Results are prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013.
- Previous period figures have been regrouped, re-arranged and re-classified wherever necessary to conform to current period's classification.
- The operating segment of the Group is identified as "Specialized Wholesale" as the Management reviews business performance at an overall level as one segment. Therefore, the disclosure as per Regulation 33 (1)(e) read with Clause L of Schedule IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company.
- Financial Results for Quarter ended 30.06.2022 are not strictly comparable with Financial Results for the Quarter ended 30.06.2021 due to the consolidation of Balaxi Healthcare LDA Angola (BHA) which became a wholly owned subsidiary of Balaxi Global DMCC with effect

For and on behalf of Board of Directors,

Place: Hyderabad
Date: 2nd August, 2022

Ashish Maheshwari
Managing Director
DIN: 01575984





P. MURALI & CO.,
CHARTERED ACCOUNTANTS
6-3-655/2/3, SOMAJIGUDA,
HYDERABAD - 500 082. INDIA

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Website : www.pmurali.com

Independent Auditor's Review Report on the Quarterly Unaudited Consolidated Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, as amended

Review report to
The Board of Directors
Balaxi Pharmaceuticals Limited

We have reviewed the accompanying statement of unaudited consolidated financial results of **BALAXI PHARMACUTICALS LIMITED** (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), for the quarter ended June 30, 2022 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting, ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.





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We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

The Statement includes the results of the following entities:

- i. M/s. Balaxi Global DMCC, Dubai (Wholly owned subsidiary) which includes following wholly owned Subsidiaries:
 - 1 Balaxi Healthcare Guatemala, S.A, Dominican Republic(wholly owned subsidiary of Balaxi Global DMCC, Dubai)
 - 2 Balaxi Healthcare Dominican, S.R.L, Dominican Republic(wholly owned subsidiary of Balaxi Global DMCC, Dubai)
 - 3 Balaxi Healthcare, Honduras, S DE RL DE CV(wholly owned subsidiary of Balaxi Global DMCC, Dubai)
 - 4 Balaxi Healthcare Centrafrique, SARL(wholly owned subsidiary of Balaxi Global DMCC, Dubai)
 - 5 Balaxi Healthcare El Salvador SA DE (wholly owned subsidiary of Balaxi Global DMCC, Dubai)
 - 6 Balaxi Healthcare Angola(wholly owned subsidiary of Balaxi Global DMCC, Dubai)

Based on our review conducted and procedures performed as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.





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The accompanying Statement includes unaudited interim financial results and other unaudited financial information in respect of:

subsidiary, whose interim financial results and other financial information reflect total revenues of Rs. 8349.72Lakhs, total net profit after tax of Rs. 1512.50Lakhs and comprehensive income of Rs. 1399.60Lakhs for the quarter ended June 30,2022, as considered in the Statement whose interim financial results and other financial information have not been reviewed by their auditors;


These unaudited interim financial results and other unaudited financial information have been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the affairs of this subsidiary is based solely on such unaudited interim financial results and other unaudited financial information.

Our conclusion on the Statement in respect of matters stated above is not modified with respect to our reliance on the financial results certified by the Management

For P. Murali & Co.

Chartered Accountants

FRN: 0072573


A. Krishna Rao

Partner

M.No. 020085

UDIN: 22020085AOAVPO2164



Place: Hyderabad

Date: 02-08-2022.

Balaxi Pharmaceuticals Limited

2nd Floor, MAPS Towers, Plot no. 409, Road no. 81, Jubilee Hills, Phase III, Hyderabad-500096, Telangana
CIN:L25191TG1942PLC121598

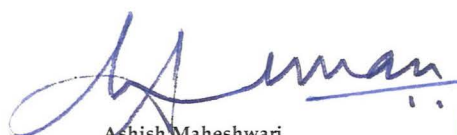
Un-audited Standalone Financial Results for the quarter ended 30th June, 2022

Particulars	Quarter Ended			(Rs. in Lakhs)
	30.06.2022	31.03.2022	30.06.2021	Year ended 31.03.2022
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Income				
Revenue from operations	2,645.36	2,064.69	2,918.04	10,129.19
Other income	257.19	107.10	99.19	274.81
Total Income	2,902.55	2,171.79	3,017.23	10,404.00
Expenses				
Cost of materials consumed	1,995.58	1,486.91	2,267.55	7,691.92
Employee benefit expense	111.50	77.98	60.31	289.88
Finance cost	19.64	2.12	0.25	6.12
Depreciation and amortisation expense	7.96	7.80	2.63	25.03
Administrative expenses	114.59	109.32	93.08	421.18
Total Expenses	2,249.27	1,684.13	2,423.82	8,434.13
Profit/(loss) before tax and other comprehensive income	653.28	487.66	593.41	1,969.87
Tax expenses				
Current tax	120.12	134.32	150.23	499.95
Deferred tax	(0.36)	0.70	(0.07)	3.18
Net Profit/(loss) for the period	533.52	352.64	443.25	1,466.74
Other comprehensive income				
A (i) Items that will not be reclassified to profit or loss in subsequent period	-	-	-	-
Re-measured gains on defined benefit plans	-	-	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
B (i) Items that will be reclassified to profit or loss	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Total comprehensive income for the period	533.52	352.64	443.25	1,466.74
Paid up equity share capital - Face value of Rs.10 each	1,000.00	1,000.00	1,000.00	1,000.00
Other Equity				4,791.30
Earnings Per Share (EPS)				
(EPS for the quarter is not annualised)				
-Basic (Amount in Rs.)	5.34	3.53	4.43	14.67
-Diluted (Amount in Rs.)	5.34	3.53	4.43	14.67

Notes :

- The un-audited Standalone Financial Results for the quarter 30th June, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on 2nd August, 2022. The Standalone Financial Results are prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013.
- Previous period figures have been regrouped, re-arranged and re-classified wherever necessary to conform to current period's classification.
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For and on behalf of Board of Directors



Ashish Maheshwari
Managing Director
DIN: 01575984

Place: Hyderabad
Date: 2nd August, 2022





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Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Ind AS 34 prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For P. Murali & Co.
Chartered Accountants
FRN: 007257S



A. Krishna
Partner
M.No. 020085
UDIN: 22020085AOAVIE7902

Place: Hyderabad
Date: 02-08-2022.

Balaxi

Pharmaceuticals Limited



Branded IPR-driven Pharma Player in Frontier Markets

Q1FY23 Financial Results

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.

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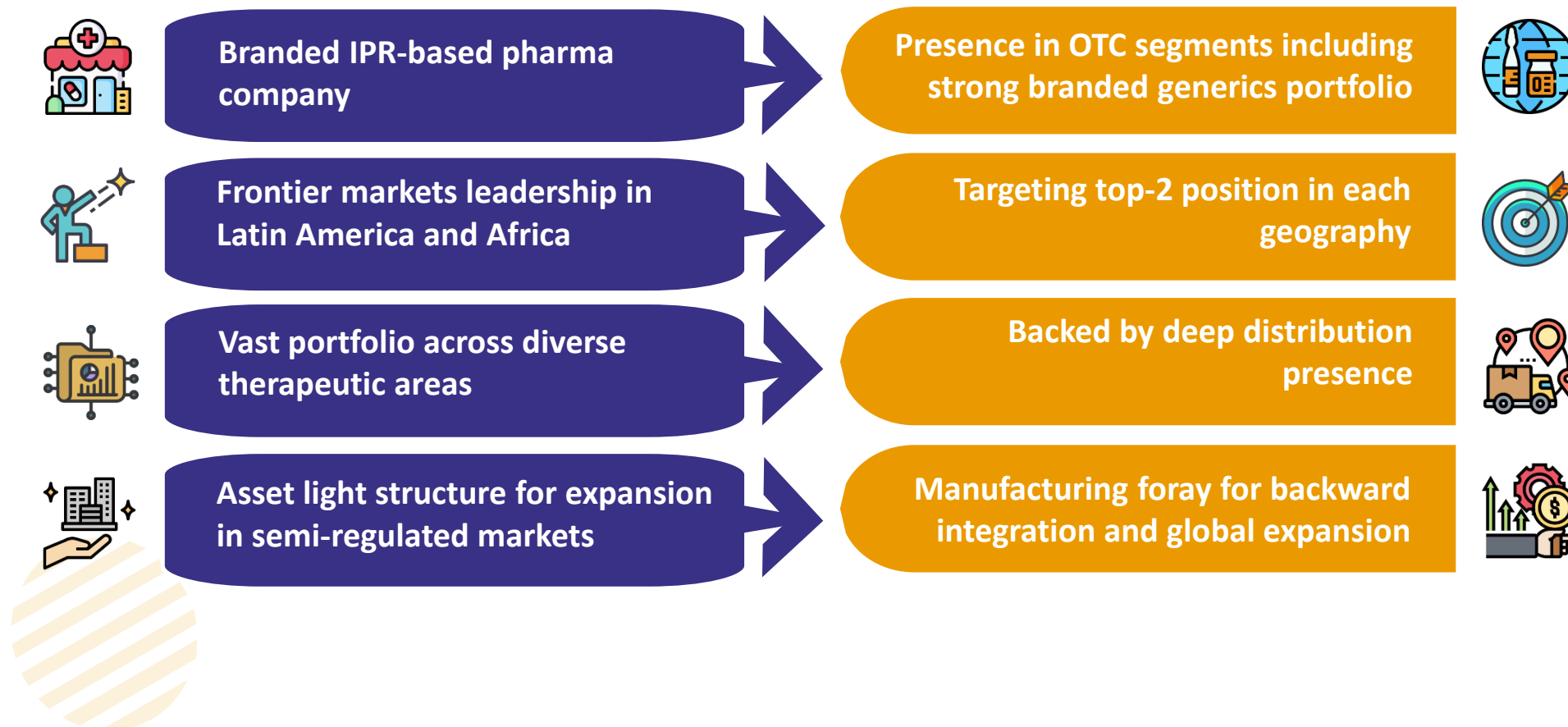
04 Corporate Snapshot

15 Financial Highlights

21 Strategic Roadmap



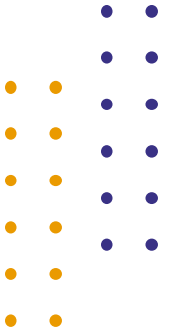
Bridging the Supply Gap in Frontier Markets



Successful Produce, Stock, Sell Business Model

Markets	Established operations: Guatemala (Latin America), Dominican Republic (Caribbean) and Angola (Africa) New operations: Honduras (Latin America)	Expansion initiated: El Salvador, Nicaragua, Ecuador, Chile (Latin America) Central African Republic, Zambia (Africa)
Products	Vast range of essential OTC medicines – with healthy mix of generics and branded generics	649 product registrations in five countries 625 registrations submitted or in the pipeline
Supply Chain	Outsourced production from WHO GMP certified plants in India, China and Portugal	Establishing EU GMP compliant facilities in Hyderabad
Distribution	Deep presence through 37 warehouses and on-ground fleet support	Successful process being replicated in other frontier markets; expansion plans in other global markets over near to medium term
Transformation	New initiatives strengthening functionality in supply chain, regulatory affairs and customer service	Centralized digital procurement, regulatory management and customized CRM tools

Key Success Factors



Market Selection Methodology

- Focus on countries with high-potential economic growth framework
- Identify non-English speaking countries with similar characteristics
- Low competitive intensity and potential to establish top-2 position
- On-ground feedback mechanism allows deep understanding of demand dynamics
- As population crosses prosperity thresholds, healthcare spends expand exponentially

Human Capital Management

- Established unique ecosystem of 100+ Indian expatriates in operating geographies
- Financial security ecosystem for key personnel, creating a highly motivated leadership team
- Local language training and support from local staff improves on-ground effectiveness
- Home grown management systems have already proven successful in several countries
- Homogeneous target markets allow cross-movement of people and resources

Regulatory Affairs Systems

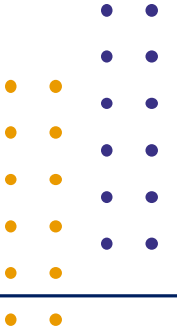
- Appreciation and full compliance of local regulatory framework
- Comprehensive, in-house capabilities backed by cross-functional coordination with business/tech teams
- Digitization of regulatory operations with end-to-end management and data security
- Typical 12-18 month regulatory process is monitored at every stage – supports corporate planning and creates strong local IP

Transition from “Asset Light” to “Asset Right”



As a part of its corporate evolution, Balaxi is moving its business model from ‘Asset Light’ to ‘Asset Right’. The company is setting up an EU GMP compliant pharmaceutical manufacturing unit for which it has acquired land in a Pharma SEZ located at Jadcherla, Hyderabad.

Investment in Manufacturing Facilities



Setting up EU GMP compliant pharma manufacturing unit

General Oral Solid Dosage (OSD) and Liquid Injection formulations

Targeting demand for high quality products in Latin American markets

Allows full backward integration of supply chain

Production from Pharma SEZ unit near Hyderabad by March 2024

Historically, Balaxi has successfully executed on its “produce, stock and sell” model. The company has built a large and diversified portfolio of products and a leading position by bridging the supply gap in several countries, first in low-regulation markets in Africa and more recently in semi-regulated markets in Latin America. This outreach has been backed by outsourced, WHO GMP compliant, diversified supply chains developed by the company. As a part of its corporate evolution, Balaxi is now setting up an EU GMP compliant pharmaceutical manufacturing unit to cater to the demand for high quality products in existing as well as targeted markets.

Favorable ROI on Capital Expenditure

Immediate demand for new production from established markets

Higher efficacy, greater acceptance, enhanced profit margins

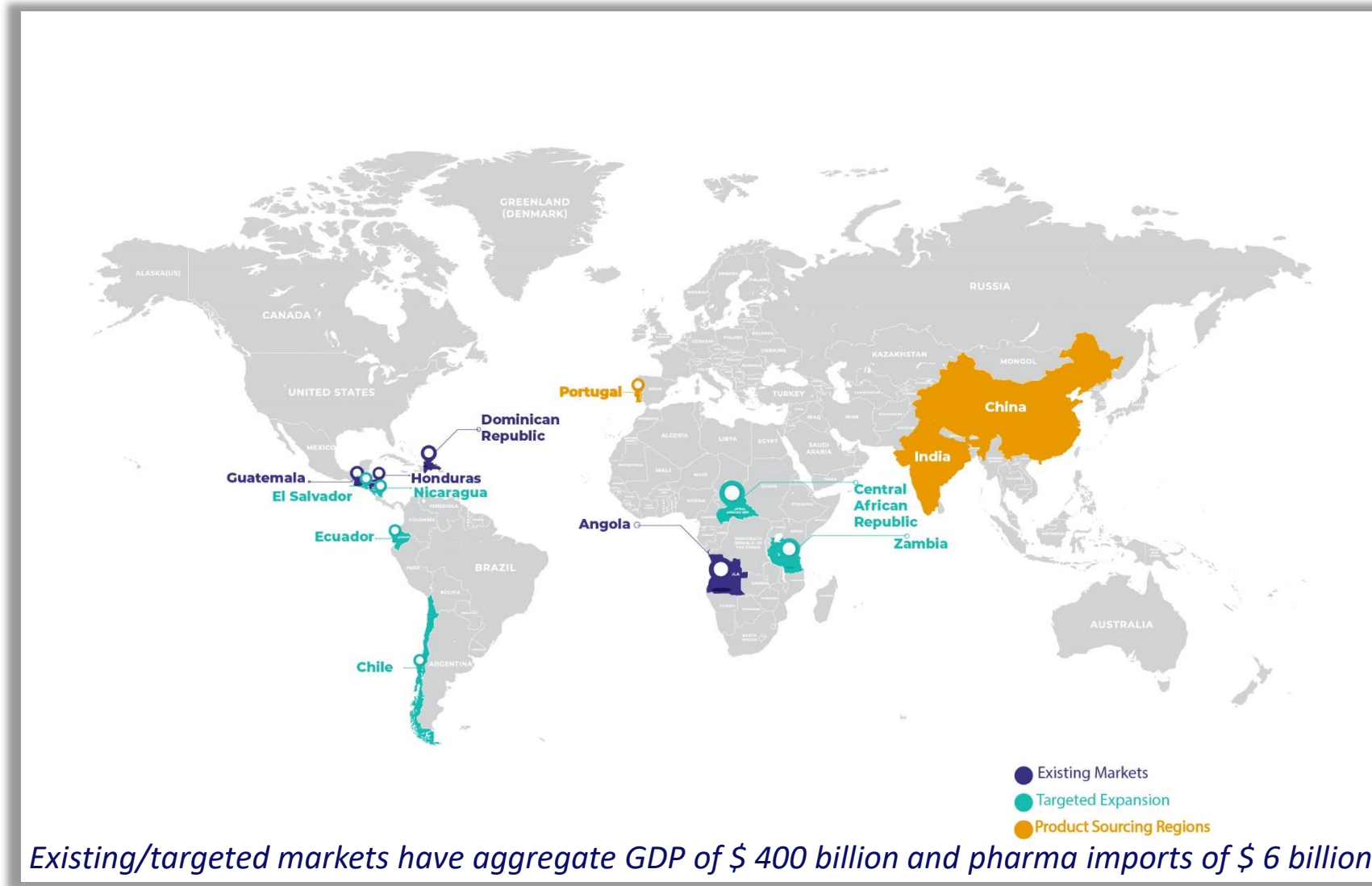
Strong control over manufacturing ecosystem

Improved regulatory processes, reduced time-to-market for new launches

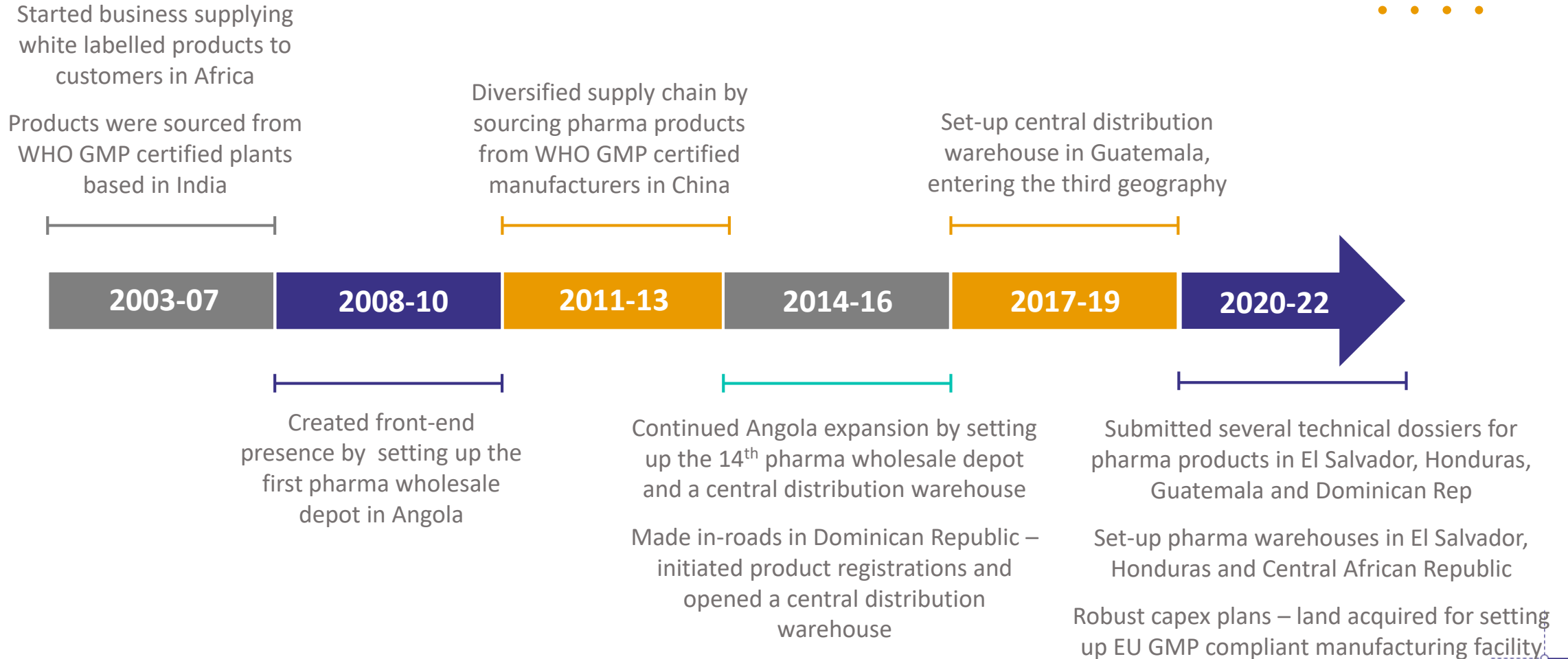
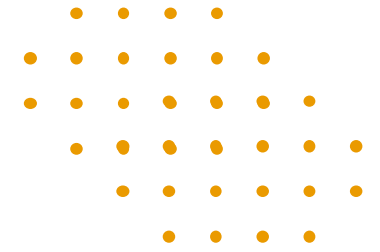
Opens up several new market opportunities globally

Production from the unit, located at a Pharma SEZ near Hyderabad, will commence by March 2024, focusing on General Oral Solid Dosage (OSD) and Liquid Injection formulations markets in Latin America. This will drive backward integration of the supply chain to these countries, currently outsourced through contract manufacturing relationships. This facility will produce higher efficacy products that enjoy greater acceptance and enhanced profit margins. From the operations standpoint, Balaxi will establish a manufacturing ecosystem that affords better control, improves regulatory processes and reduces time to market for new product launches. Over the medium term, Balaxi sees several new market opportunities opening up for its product lines.

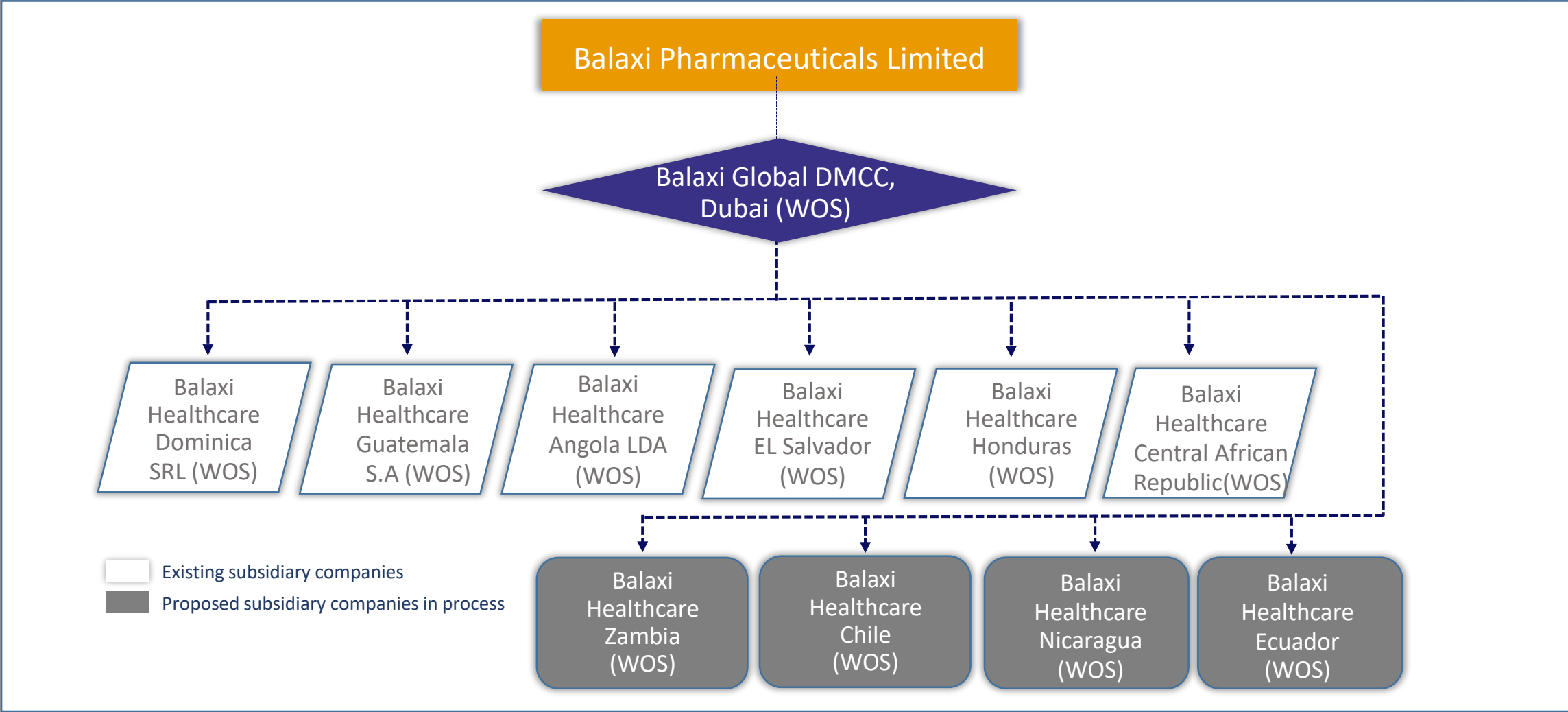
Global Footprint



Key Milestones



Corporate Structure



Experienced Board of Directors



Ashish Maheshwari

Chairman & Managing Director
Founder of the company, first generation entrepreneur, qualified Chartered Accountant



Minoshi Maheshwari

Non-Executive Director
Co-founder, 20 years of rich experience with Balaxi



Kunal Bhakta

Independent Director
Chartered Accountant with 15 years' experience, manages First Water Capital, a SEBI registered listed markets AIF



Gandhi Gamji

Independent Director
MBA and Bachelors in Engineering, heads successful niche specialty paints and ink chemicals business in Africa/GCC



M.S. Rao

Independent Director
MBA from Asian Inst of Mgt, Manila; PGD from IIM-A, Cornell, Kansas State University
Ex-CEO, Cereals System Initiative for S Asia promoted by Bill & Melinda Gates Foundation



Purnima Kamble

Independent Director
LLB from Univ of Lucknow, Heads Hyderabad practice of Fox Mandal, Solicitors & Advocates; 23 years' experience in corporate and commercial law

Strong Leadership Team



Ashish Maheshwari

Chairman & Managing Director

Founder of the company, first generation entrepreneur, qualified Chartered Accountant
Commenced business by supplying white labelled pharmaceuticals formulations to various importers
Established Balaxi Group as a conglomerate spanning four continents
Recognizes and appreciates knowledge, discipline, transparency and accountability



Amol Mantri

CFO

Qualified Chartered Accountant and Certified Public Accountant from USA
Associated with Balaxi Group since 2012
Inherent talent in designing and implementing systemic processes, checks and balances in all operations of the company
Clear understanding of the company's businesses spread across four continents and seven countries



Pranav Maheshwari

Head – Latin America

BBA and Economics Graduate from Emory University, Atlanta
Keen observer, quick learner, leads from the front
Oversees the company's vision for Latin America



Paridhi Maheshwari

Head – Alternate Channels

Currently pursuing MBA at London Business School
BBA Graduate from University of Southern California, Los Angeles
Stickler for well-defined systems and processes
Initiated and leads the consumer products business

Regional Teams



Ram Chawla
Country Head – Angola



Jignesh Dinesh Kumar Shah
Financial Controller – Angola



Laksh Shewakramani
Compliance Head – Angola



Pankaj Singh
Head of Operations – Guatemala



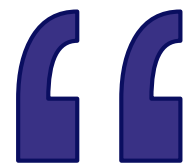
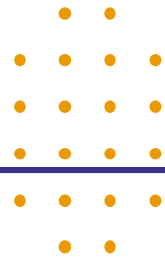
Manish Jumnani
Sales Head – Guatemala



Karan Kapoor
Head of Operations –
Dominican Republic



Bharat Jawarani
Sales Head –
Dominican Republic



FINANCIAL HIGHLIGHTS





Management's Comments

“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. In these markets, product margins are intrinsically higher and 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. 85 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.”



Ashish Maheshwari
Chairman & Managing Director

 **42%**
Revenues

 **106%**
Gross Profit

 **21%**
EBITDA

 **32%**
Profit After Tax

50%
Return on Equity

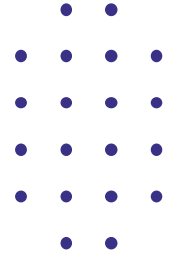
Debt Free

Quarterly Financial Performance

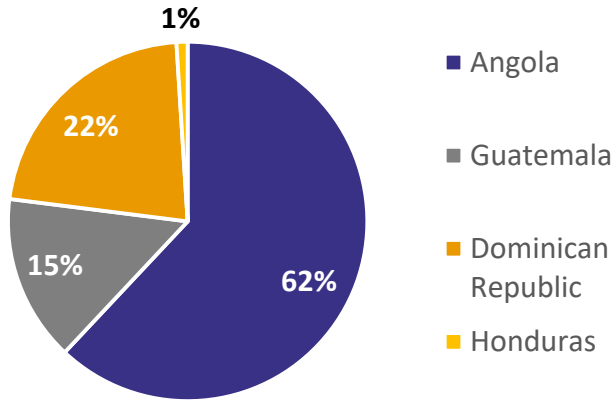
Particulars <i>(INR Crore)</i>	Q1FY23	Q1FY22	YoY
Revenue	82.78	58.34	+41.9%
Gross Profit	34.52	16.8	+105.5%
<i>Gross Margin %</i>	<i>41.7%</i>	<i>28.8%</i>	<i>1,290 bps</i>
EBITDA	17.03	12.55	+35.6%
<i>EBITDA Margin %</i>	<i>20.6%</i>	<i>21.5%</i>	<i>(95) Bps</i>
Profit After Tax	14.15	10.71	+32.1%
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

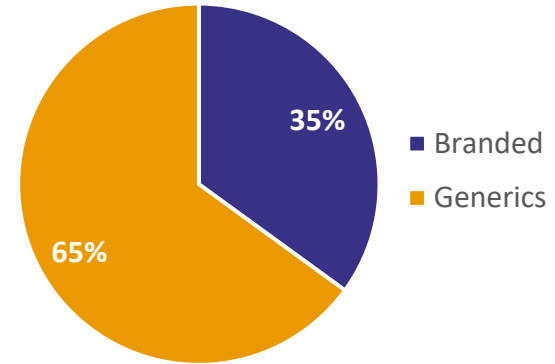
Pharma Product Mix – Q1 FY23



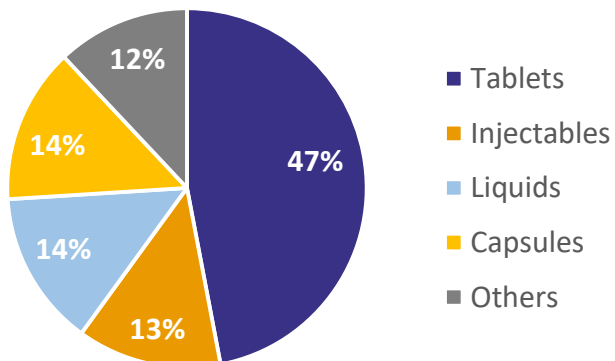
Geographies



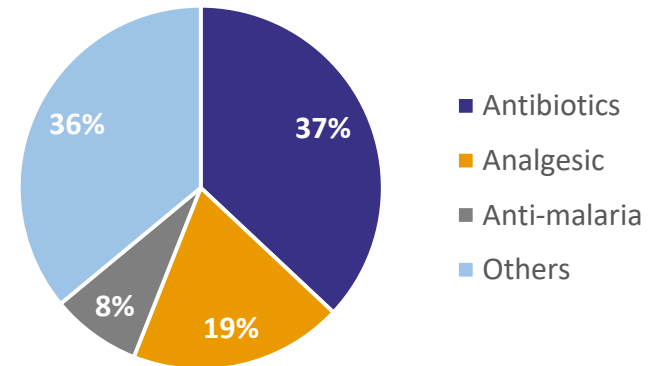
Products



Dosage Forms



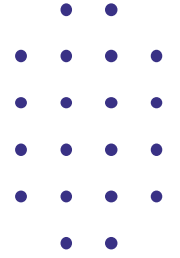
Therapeutic Areas



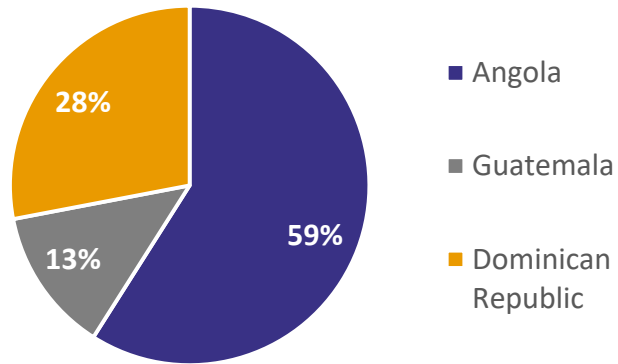
Historical Financial Performance

Particulars <i>(INR Crore)</i>	FY22	FY21	YoY
Revenue	279.39	231.33	+20.8%
Gross Profit	83.79	59.19	+41.6%
<i>Gross Margin %</i>	30.0%	25.6%	+440 bps
EBITDA	55.18	44.64	+23.6%
<i>EBITDA Margin %</i>	19.7%	19.3%	+45 bps
Profit After Tax	47.66	38.14	+25.0%
<i>PAT Margin %</i>	17.1%	16.5%	+60 bps
Earnings Per Share (INR)	47.66	38.14	+25.0%

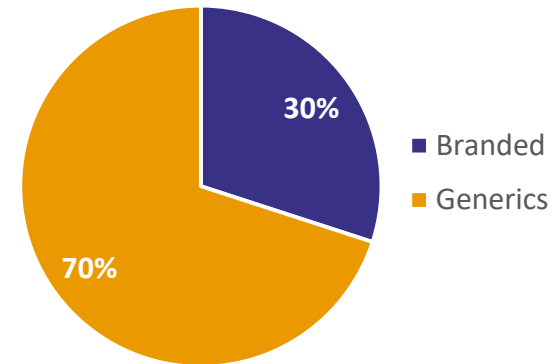
Pharma Product Mix – FY22



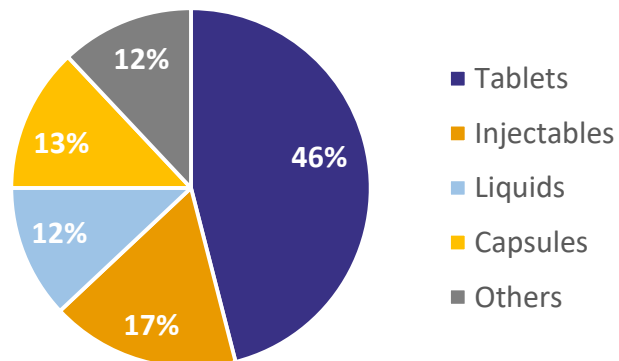
Geographies



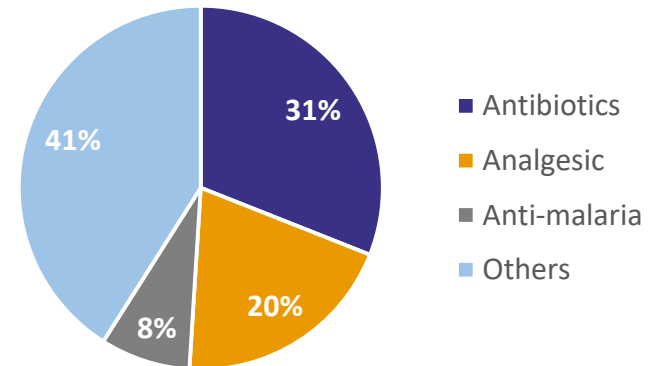
Products



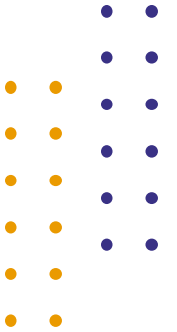
Dosage Forms



Therapeutic Areas



Core Strategy: Enter, Expand & Excel



Balaxi in 2020: Business Consolidation

- Presence across Angola, Guatemala and Dominican Republic
- Effective and efficient supply chain model consisting of 38 warehouses and a fleet of owned vehicles

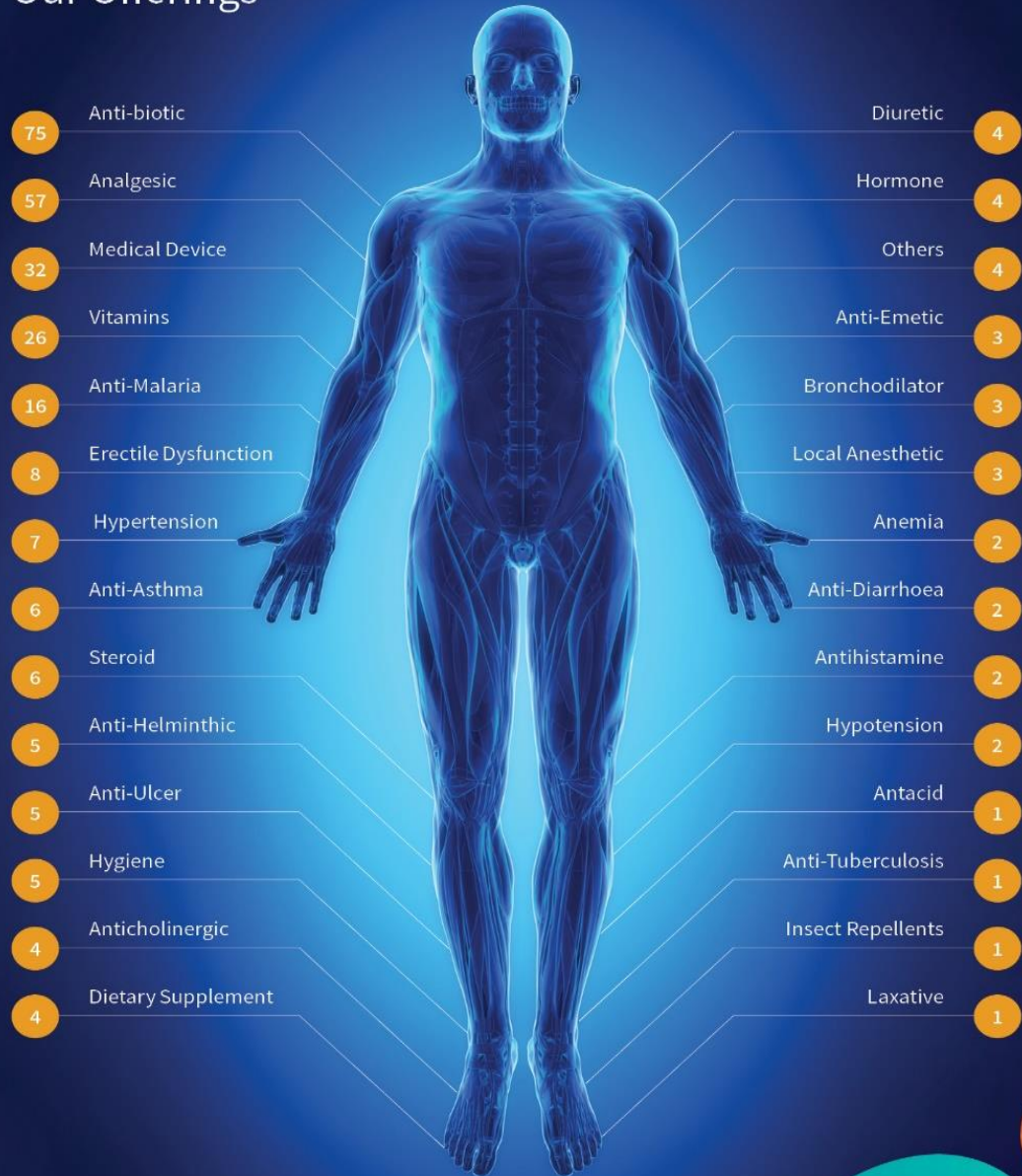
Balaxi in 2021-22: Expansion into New Geographies

- Aim to capture incremental market share in existing geographies by continuing to pursue various opportunities by leveraging physical assets
- Expanding presence in Honduras, El Salvador, Nicaragua, Zambia and Central African Republic
- Focus on offering a comprehensive product portfolio to fulfill consumer demand

Balaxi in 2023 & Beyond

- Foray into other Latin American countries and CIS markets, replicating the established and differentiated business model
- Plans to enter new global markets backed by a EU GMP compliant manufacturing set up
- Focus on ideal mix of branded and generic medicines, maximizing returns in key geographies
- Targeting strong global presence in top 20 frontier markets over the next five years

Our Offerings



Balaxi

Pharmaceuticals Limited



Plot No. 409, H.No. 8-2-293, 2nd Floor Maps Towers, Jubilee Hills, Road No:81,Hyderabad. Telangana

CIN: L25191TG1942PLC121598

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NSE BALAXI

Bloomberg BALAXI:IN

Thank You

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.

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