

Glenmark Pharma Q3 adjusted net profit up 32%

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MUMBAI

Glenmark Pharmaceuticals Ltd beat analysts' estimates with a net profit of ₹216.2 crore for the December quarter, reporting strong global sales of both its generic and specialty drugs.

Profit improved from ₹213 crore in the year ago, which included a one-time gain of ₹49 crore from a research outlicensing deal. Adjusting for that, net profit growth in the latest quarter was 32%. Sales grew 16% year-on-year to ₹1,601 crore.

"Despite challenges in the operating environment, we have registered good growth in both our specialty and generics businesses across the globe," chairman and managing director Glenn Saldanha said in a statement on Friday.

The results of **Torrent Pharmaceuticals Ltd**, **Biocon Ltd** and **Glenmark**—the first three local drug makers to announce their December-quarter earnings—point to a revival in the pharma sector after two stressed quarters.

A *Mint* poll of five analyst firms, published in the last week of December, had predicted a significant turnaround in the sector that was affected by the new drug price control order, trade disputes and a fall in the value of the rupee in the previous quarters. Analysts say Glenmark's profit, adjusted for licensing income, beat market expectation. "Adjusted net profit at ₹220 crore is about 1.6% up as against the expected ₹170 crore," **Emkay Global Financial Services Ltd** said in an analysis of the results. It said Glenmark also benefited from a lower tax rate of 18.1%, as against 28.5% in the year-earlier quarter.

Domestic sales of Glenmark's specialty formulation business grew 15.27% from a year ago to ₹381.2 crore in the fiscal third quarter. Revenue from Africa, Asia and the Commonwealth of Independent States region improved 14.89% and from its Latin American and Caribbean operations by 12.28%. Glenmark's generic business in the US and Europe increased 19% and 72%, respectively.

Company