



MOREPEN

Date: 10/11/2017

To,

National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai- 400 051
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Symbol: MOREPENLAB

BSE Limited
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Dalal Street, Mumbai- 400 001
Phones: 91-22-22721233/4
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Scrip Code: 500288

Subject: Press Release

Dear Sir,

Please find enclosed the press release on the financial performance of the Company for the Quarter and Half-year ended 30th September, 2017.

Kindly acknowledge the receipt and take it on your record.

Thanking you.

Yours faithfully,

For **Morepen Laboratories Limited**

(Thomas P. Joshua)
Company Secretary

Encl.: As Above

Morepen Laboratories Limited

Corp. Off.: 4th Floor, Antriksh Bhawan, 22 K.G. Marg, New Delhi -110 001, INDIA
Tel.: +91-11-23324443, E-mail: corporate@morepen.com Website: www.morepen.com
CIN NO. L24231HP1984PLC006028

Plant & Regd. Off.: Morepen Village, Malkumajra, Nalagarh Road, Baddi, Distt. Solan (H P) 173 205
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Press Release

Morepen Labs reports 24 per cent jump in its Q2 net profit backed by lower interest cost and improved Home Diagnostics' sales.

Highlights Q2 FY 2017-18:

- Net profit rises by 24 per cent at Rs. 10.37 Crore.
- Net Sales Revenue declines marginally by 3 per cent at Rs. 136.43 crore.
 - Domestic Sales are up by 34.4 per cent at Rs. 101.91 crore.
 - Exports turnover stood at Rs. 34.52 crore.
 - Interest burden drops further down by 38 per cent at Rs. 1.29 crore.
- Rosuvastatin records highest growth amongst bulk drugs in Q2 @ 64 per cent.
- Blood Glucose Pressure Monitors' and Blood Monitors' quarterly sales jump up by a whopping 41 per cent and 93 per cent respectively.
- Significantly lower interest cost strengthens company's aim to become Debt Free within a period of next nine months.
- Company ties up with Vésale Pharma of Belgium to strengthen its position in the Rs. 1000 crore probiotics market in India.

Highlights H1 FY 2017-18:

- Net profit rises by 9 per cent at Rs. 12.34 Crore.
- Net Sales Revenue declines marginally by 1 per cent at Rs. 257 crore.
 - Domestic sales up by 11 per cent at Rs. 157.46 crore.
 - Exports turnover stood at Rs. 99.54 crore.
 - Blood Glucose Pressure Monitors' and Blood Monitors' half-yearly sales jump up significantly by 37 per cent and 78 per cent respectively.
- The overall Home Diagnostic category grows by 27 per cent at Rs. 50.87 crore.
- Dr. Morepen setting up chain of healthcare centres in India for ECP Therapy.

New Delhi, November 10, 2017: Morepen Laboratories Ltd. has reported a stable set of numbers in the second quarter (Q2) of fiscal 2017-18. The company has registered a 24 per cent jump in its Q2 net profit at Rs. 10.37 crore despite a three per cent decline in its net sales revenue at Rs. 136.43 crore vis-a-vis corresponding quarter of the previous fiscal. The Q2 results were taken on record at a meeting of the company's board of directors here on Friday.



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Though **domestic sales** were significantly up by over 34.4 per cent at Rs. 101.91 crore in Q2 FY 2017-18, exports were sluggish at Rs. 34.52 crore. EBIDTA in Q2 FY 2017-18 is also marginally up at Rs. 19.30 crore. The company did well in controlling its interest and depreciation cost in the quarter. The **interest cost** in Q2 FY 2017-18 amounted to just Rs. 1.29 crore, registering a fall of 38 per cent compared to corresponding quarter of the previous fiscal. The overall **depreciation and amortisation expense** was also lower by nine per cent at Rs. 7.63 crore in the same period.

In the bulk drugs category, **Rosuvastatin** outshined all other bulk drugs by registering a growth of 64 per cent in Q2 sales in FY 2017-18 vis-a-vis corresponding quarter in the previous fiscal. The overall API business registered a shortfall of 3% in Q2 FY 2017-18 over Q2 last year, The **Home Diagnostic category** did extremely well with an overall growth of 29 per cent in Q2 sales in FY 2017-18 at Rs. 28 crore. Within the Home Diagnostic category, **Blood Glucose Monitors** sales went up by 41 per cent and that of **Blood Pressure Monitors** by 93 per cent in Q2 FY 2017-18. The **Formulations** segment registered a growth of seven per cent in Q2 FY 2017-18 compared to corresponding quarter in the previous fiscal.

Speaking on the Q2 results, **Mr. Sushil Suri, Chairman and Managing Director, Morepen Laboratories Ltd.** said, "The growth in Rosuvastatin and Fexofenadine business in Q2 FY 2017-18 has helped the API business to make up drop in sales revenues recorded by other products. We are working on consolidation of our product portfolio so as to remain focused on high value APIs and also expand Self Health brand Dr. Morepen which is consistently registering phenomenal growth across all the product segments."

In the **First Half (H1) of FY 2017-18**, ended September 30, 2017, Morepen Labs has reported a rise of 9 per cent in its net profit at Rs. 12.34 crore and a one per cent decline in its net sales at Rs. 257 crore. The net profit in H1 FY 2016-17 stood at Rs. 11.32 crore on net sales of Rs. 260 crore. Domestic sales in H1 FY 2017-18 grew by around 11 per cent at Rs. 157.46 crore, however, the exports turnover was lower at Rs. 99.54 crore. EBIDTA in the first half stood at Rs. 31 crore, Interest cost at Rs. 2.60 crore and Depreciation expense at Rs. 16 crore.

The overall bulk drugs sales recorded a growth of one per cent in the H1 FY 2017-18 at Rs. 166 crore, but the Home Diagnostic category's sales grew by 27 per cent at Rs. 50.87 crore. Within the home diagnostic category, sales of blood glucose monitors went up by 37 per cent at Rs. 31.84 crore and that of blood pressure monitors by 78 per cent at Rs. 11.13 crore.

Morepen Labs has also announced that it has entered into a **tie-up with Vésale Pharma International of Belgium** to strengthen its position in the Rs. 1000 crore Probiotics market in India. An agreement to this effect between the two pharma majors was signed this week itself.

The tie up will expand Morepen's formulations portfolio in the Indian market, especially in the gastroenterology segment. Initially it is an exclusive distribution and



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marketing tie up. However, the foreign counterpart may invest in future for setting up of a worldwide manufacturing and R&D facility in India with Morepen for its entire range of products. Four major Probiotics to be introduced by Vesale Pharma in the Indian market include **Bacilac Infantis, Bacilac ORS, Bacilac Forte and Cibalex**. Each of the products are unique and have patented technology of **Intelicaps**.

The four products together are likely to contribute **Rs. 100 crore** to Morepen Lab's top line in the next five years. Probiotics are about a 1000 Cr ethical prescription market in the country growing at 15% annually. Morepen will not only sell these products in the Indian market, but will also make them for other markets across the globe for Vesale in the future.

"We are delighted to bring Vesale products and technology to India. The range and technology gets very well with our focus on probiotics. India's lifestyle, eating habits, nutrition deficiencies are heavily compromised today in tier 1 and 2 cities. During infections and diseases also the intestinal health is compromised, so keeping both the issues in mind, Morepen has planned to put a very special focus on its Probiotics and will work on improving the much needed intestinal health of the people from kid's health to adults to even cancer patients with Vesale's Intelicaps products," Mr. Suri said.

About Morepen Laboratories Ltd.

Morepen Laboratories Ltd. is a 33-year old, Rs. 600 Cr pharmaceutical and healthcare products company. The company went public in the year 1993 and is currently listed at both the Bombay Stock Exchange as well as the National Stock Exchange.

Morepen is engaged in the manufacturing and sale of APIs/ Bulk Drugs, Home Diagnostics, Formulations and OTC products. The company's state-of-the-art manufacturing facility at Baddi (Himachal Pradesh) comprises a scientifically integrated complex of 10 plants, each with a specific product profile. The USFDA approved plant at Masulkhana is for manufacture of Loratadine, an anti-allergy drug – internationally known as Claritin. The new blockbuster drug Montelukast is also manufactured at this FDA approved site.

The large and spread out manufacturing facility at Baddi manufactures latest and much in demand products like Atorvastatin, Rosuvastatin, Sitagliptin and others for regulated markets of USA and also for non-regulated markets across the globe.

Morepen markets over 100 branded formulations under six major therapeutic segments in the domestic market. It has WHO GMP facilities for manufacturing of Formulations. The company's manufacturing facilities are backed by a strong dedicated team of research and development (R&D) professionals who ensure stringent quality standards. In Home - Diagnostics business, Morepen has a formidable presence in Blood Glucose Monitors and Blood Pressure Monitors, in the domestic markets. The company's OTC brands are being



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