



MOREPEN



Date: 13/08/2019

To,

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BSE Limited

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Scrip Code: 500288

Subject: Press Release - 'Morepen Labs catches Pharma sector uptrend in Q1 FY 2019-20. Company's Net Profit rises by a whopping 256 percent led by a significant jump in its APIs exports.'

Dear Sir,


Please find enclosed the press release on the financial performance of the Company for the Quarter ended 30th June, 2019 with the title - 'Morepen Labs catches Pharma sector uptrend in Q1 FY 2019-20. Company's Net Profit rises by a whopping 256 percent led by a significant jump in its APIs exports.'

Kindly acknowledge the receipt and take it on your record.

Thanking you.

Yours faithfully,

For Morepen Laboratories Limited


(Vipul Kumar Srivastava)
Company Secretary

Encl.: As Above

Morepen Laboratories Limited

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Press Release

Morepen Labs catches Pharma sector uptrend in Q1 FY 2019-20. Company's Net Profit rises by a whopping 256 percent led by a significant jump in its APIs exports.

Highlights Q1 FY 2019-20 (Standalone):

- **Net Sales Revenue recorded a pure organic growth** of 25.4 per cent at Rs. 186.70 crore in Q1'FY 2019-20 as compared to Rs. 148.83 crore in the corresponding quarter of the previous fiscal.
- **Net Profit after tax** went up by a whopping 256 per cent in Q1 FY 2019-20 at Rs. 8.41 crore as against Rs. 2.36 crores in the corresponding quarter of the previous fiscal.
- **EBIDTA** was up by 67 per cent in Q1 FY 2019-20 at Rs. 19.73 crore (Rs. 11.81 crore) and **Cash profit** during the same period was up by around 69.6 per cent at Rs. 19.31 crore (Rs. 11.38 crores).
- **API sales** were up by 44 percent at Rs. 112.42 crores in Q1 FY 2019-20, constituting 60 per cent of the total turnover. Within the API segment, **Exports registered an impressive growth of 50 percent at Rs. 79.51 crore and domestic sales 33 percent at Rs. 32.91 crore.**
- Following a recent USFDA approval to its manufacturing facilities at Baddi and Masulkhana, the Company began exports of its bulk drug **Montelukast Sodium** to the US and other regulated markets of the world in Q1'FY 2019-20. Export sales in Q1'FY 2019-20 for **Montelukast Sodium rose by 210 percent** and that of **Atorvastatin Calcium by 57 percent** vis-a-vis the corresponding quarter of the previous fiscal.
- **In domestic market**, Atorvastatin and Rosuvastatin registered maximum growth of about 262 per cent each during the same period.
- **Blood Glucose Monitors'** quarterly sales grew by **30 percent** and Nebulisers' sales by **118 percent.**
- The company has sold around 36.7 million **Blood Glucose testing strips** in Q1 FY 2019-20 as against 27.4 million glucose strips sold in the corresponding quarter of the previous fiscal, thus registering a growth of 34 per cent. It has achieved a milestone of selling 325 million glucose testing strips till the end of the quarter under consideration in the current fiscal.
- **Branded Formulations'** quarterly sales have recorded a growth of **25 percent.**
- **Over the Counter (OTC)** business remained stable during the quarter, however, ORS and Pain-X brands grew by 88 per cent and 44 per cent respectively on a small base.
- **Internal accruals** stream gets even more stronger at all levels, be it operating profit or cash profit or the net profit level.

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- Morepen's tie up with **Vesale Pharma of Belgium** has begun its commercial operations during the quarter with the launch of a new generation probiotics (Brand: Intebact) in the domestic market.
- **Company gets accreditation for its in-house R&D Centre at Baddi (HP) from Department of Scientific & Industrial Research, Govt. of India, New Delhi.**

New Delhi, August 13, 2019: Morepen Laboratories Ltd. has reported a **256.35 per cent rise in its net profit** (standalone) at Rs. 8.41 crore in the first quarter (Q1) of FY 2019-20 as against Rs. 2.36 crore net profit registered in the corresponding quarter of the previous fiscal. The company's **net sales revenue** (standalone) in Q1'FY 2019-20 stood at Rs. 186.70 crore showing a growth of 25.4 per cent vis-a-vis net sales revenue of Rs. 148.83 crore in Q1 FY 2018-19. **EBIDTA** in Q1 FY 2019-20 increased by 67 per cent at Rs. 19.73 crore and **cash profit** increased by 69.6 per cent at Rs. 19.31 crore.

The company's expanding export reach assisted in achieving a higher topline in Q1 FY 2019-20. Overall **Export sales** registered a growth of 49 per cent in Q1 at Rs. 79.75 crore. Following a recent USFDA approval to its manufacturing facilities at Baddi and Masulkhana, the Company began exports of its bulk drug **Montelukast Sodium** to the US and other regulated markets of the world in Q1'FY 2019-20. Export sales in Q1'FY 2019-20 for **Montelukast Sodium rose by 210 percent** and that of **Atorvastatin Calcium by 57 percent** vis-a-vis the corresponding quarter of the previous fiscal.

This was disclosed by **Mr. Sushil Suri, Chairman and Managing Director, Morepen Laboratories Ltd.**, after the Q1 (FY19-20) results board meeting here on Tuesday. "With a focus on new molecules, new patented processes and accreditation of our in-house R&D Centre at Baddi (Himachal Pradesh) from Department of Scientific & Industrial Research, New Delhi, we now look forward towards investing more in our R&D Infrastructure for future growth of the company," Mr. Suri said.

Synopsis of Q1 FY 2019- 20-Performance (Standalone):

Rs. in Crores

Particulars	Q1		
	FY 2018-19	FY 2019-20	% Growth
Sales Revenue	148.83	186.70	25.4%
Total Revenue	150.91	189.75	25.7%
Expenditure	139.10	170.02	22.2%
EBIDTA	11.81	19.73	67%
Interest	0.43	0.42	(2.3%)
Cash Surplus	11.38	19.31	69.6%
Net Profit before tax	2.55	8.41	229.7%
Net Profit after tax	2.36	8.41	256.35%

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The **bulk drugs (API) segment** contributed marginally over 60 per cent to the company's total turnover in Q1 FY 2019-20. API Exports grew by 50 percent with Montelukast registering 210 percent growth at Rs. 25.22 crore, Atorvastatin 57 percent growth at Rs.16.29 crore and New Molecules registering 346 percent growth at Rs. 5.96 crore. Major API exports in the quarter were done to APAC (Asia Pacific) markets accounting for around 58 per cent of the total API exports, followed by the US and European markets (around 36 per cent) and other semi-regulated markets (around 6 per cent). While APAC business grew by 79 per cent, USA business registered a growth of 37 per cent, European business (4 Per cent) and business from other semi-regulated markets (2 per cent).

Morepen labs did quite well in the **domestic market** also in Q1 FY 2019-20. Domestic API business grew by 33 per cent in the quarter at Rs. 32.91 crore with Rosuvastatin and Atorvastatin registering a growth of 262 percent each, followed by Loratadine (28 percent).

The overall Home Diagnostic Segment recorded total quarterly sales at Rs. 40.03 crore in Q1 FY 2019-20, registering a rise of 16 per cent vis-a-vis corresponding quarter of the previous fiscal. **Blood Glucose Monitors** and **Nebulisers** recorded highest growth in the quarter @ 30 percent and 118 percent, respectively. The combined sales revenue of **Blood Glucose Monitors** and **Blood Pressure Monitors** in the quarter increased to Rs. 37.45 crore as compared to Rs. 31.51 crore in the corresponding quarter of previous fiscal, registering a growth of 19 per cent. Looking at increasing incidence of diabetic cases in India, the **Blood Glucose Monitors** and **Blood Pressure Monitors** segment offers great opportunity for growth in the coming years. In all, around **325 million Glucometer strips** have been sold by the company till date and Blood Glucose Monitors installations have crossed 3 million target .

Overall Finished dosages business did not perform well in this quarter due to general slowdown and competitive pressures. This business declined by around 6 percent in Q1'FY2019-20. Sales from Branded Prescription (Rx) products in the quarter went up by 25 per cent with major contribution coming from main brands like Saltum, Rhythmix, Acifix, Klarim and Cefopen. **Branded Generics** has de-grown by 15 percent during the quarter due to general slowdown in the industry coupled with increased competitive pressure

Morepen Labs' pharma division also **commenced commercial sales of its Probiotics in India** during the quarter under consideration. The company has launched new generation probiotics (Brand: Intebact) in the domestic market which has, so far, received very good response from target customers. It may be recalled that Morepen recently tied up with Vesale Pharma of Belgium to launch latter's complete range of probiotics in the Indian market.

Accreditation for in-house R&D Centre at Baddi

Morepen Labs has got accreditation for its in-house R&D Centre at Baddi (Himachal Pradesh) from the Department of Scientific & Industrial Research(DSIR), Govt. of

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India New Delhi. This is a big achievement for the company as the company has plans to invest in the areas of advance research related to new API molecules, patented technologies and new polymorphic form of the existing products. This will also give a big boost to the fresh R&D initiatives of the company for investing in future. This certification entitles the company to various benefits/incentives in both Direct Taxes and Indirect taxes pertaining to R&D Capital expenditure, R&D revenue expenditure and import of R&D equipment and consumables.

About Morepen Laboratories Ltd.

Morepen Laboratories Ltd. is a 35 year old, around Rs. 800 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. Desloratadine and the new blockbuster drug Montelukast is also manufactured at this FDA approved site. The large and spread out manufacturing facility at Baddi has EU GMP & WHO GMP Standards and manufactures latest and much in demand APIs like Atorvastatin, Rosuvastatin, Fexofenadine and others for regulated markets of Europe, 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. 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 promoted under its wholly owned subsidiary Dr. Morepen Limited. Dr. Morepen's famous OTC product line, including Burnol, Lemolate, Sat-Isabgol, Pain-X and others, has a significant presence in the domestic market.

For Further Details, Please contact:

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