



MOREPEN



Date: 13/11/2019

To,

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Scrip Code: 500288

Subject: Investors Presentation (Q2'FY20), November, 2019

Dear Sir,

Please find enclosed the **Investors Presentation (Q2'FY20), November, 2019**, based on the financial performance of the Company for the Quarter and Half-year ended 30th September, 2019.

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

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MOREPEN
The Joy Of Growing Together

INVESTORS PRESENTATION (Q2'FY20) NOVEMBER 2019

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Highlights of H1'FY20 Performance

₹ crores

- **Net Sales Revenue** in H1'FY20 up by **24.2%** at Rs. 383.30 crore as compared to H1'FY19 .
- **Net Profit before tax** up by **87.5%** at Rs. 18.10 crore against Rs.9.65 crores in H1'FY19 .
- **Cash Profits** up by 32.4% at Rs. 36.63 crore against Rs.27.67 crores in H1'FY19.
- **API sales** up by 37% with an impressive growth of 46% in Exports .
- **Montelukast export jumps 156 % and Atorvastatin Export spurs 43%** in H1'FY20 Vs H1FY19
- **Blood Glucose Monitors'** half yearly sales jump up by **33%** and **Nebulisers'** by **60%**.
- **Branded Formulations** half yearly sales have recorded a growth of 15% .
- **Profit after tax** up 34% to Rs. 12.95 crores as compared to Rs. 9.65 H1'FY19 after **one time adjustment of Rs.5.15 crores**
- **Company has launched three new APIs-** Vildagliptin, Rivaroxaban and UDCA.
- **OTC Portfolio expanded** with new nutritional and preventive healthcare products.

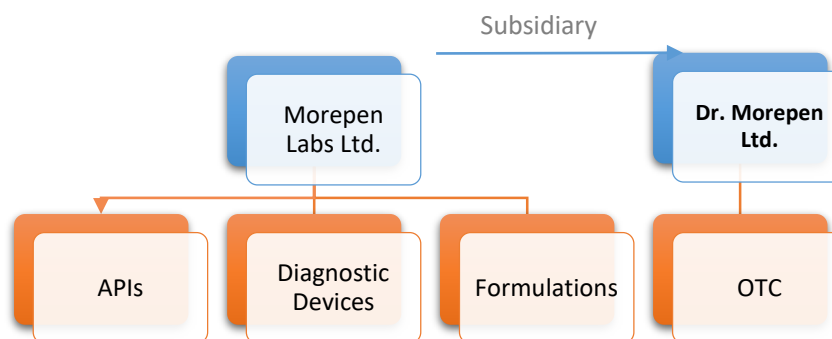
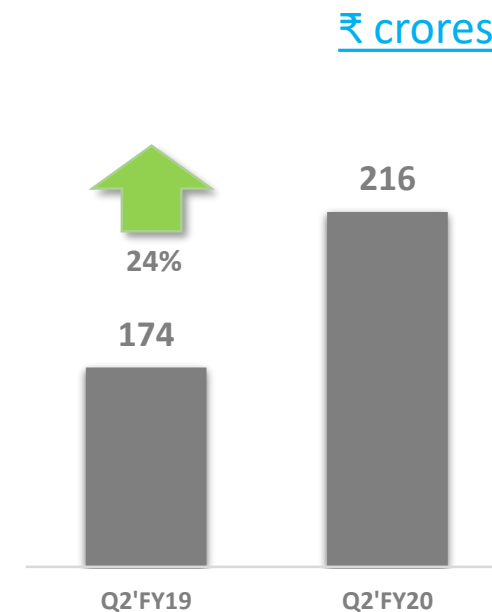
Highlights of Q2'FY20 Performance

₹ crores

- **Net Sales Revenue** in Q2'FY20 up by **23.1%** at Rs. 196.60 crore as compared to Q2'FY19 .
- **Net Profit before tax** up by **36%** at **Rs. 9.69** crore against Rs.7.10 crores in Q2'FY19 .
- **Cash Profits** up by **6.4%** at Rs. 17.32 crore against Rs.16.28 crores last year same quarter .
- **API sales** up by **30%** with an impressive growth of **43% in Exports** .
- **Montelukast export jumps 112 %** and **Atorvastatin Export spurs 33%** in Q2'FY20 Vs Q2FY19
- **Blood Glucose Monitors'** quarterly sales jump up by **37%** and **BP Monitors'** by **37%**.
- **Branded Formulations** quarterly sales have recorded a growth of **6%**.
- **One time tax adjustment** of Rs. 5.15 crore in this Quarter due to recent tax changes by Govt.
- **Net profit after one time adjustment - Rs. 4.54 crores** as compared to Rs. 7.29 for Q2'FY19
- **Company has launched three new APIs-** Vildagliptin, Rivaroxaban and UDCA in Diabetic, Cardiac and Liver segments

Segments wise growth:

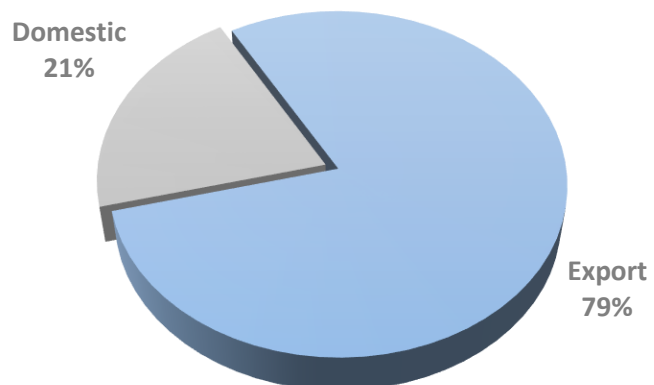
- **Overall business** for the Quarter (Q2'FY20) has grown at **24%** as compared to Q2'FY19
- **API Business** has shown extremely good results having grown at **30%** for the Q2'FY20 and still contributes **55%** to the consolidated sales revenue and **59%** to the standalone revenue including its exports.
- **Home Diagnostic Devices** business which contributes **23%** to the topline has registered a growth of **30%** in Q2'FY20.
- **Finished dosage** business has registered a decline of **2%** for Q2'FY20 as compared to Q2'FY19. While the **Branded Formulations** among the category registered a growth of **6%**.
- **OTC Business** has shown good recovery by **15%** in Q2'FY20.



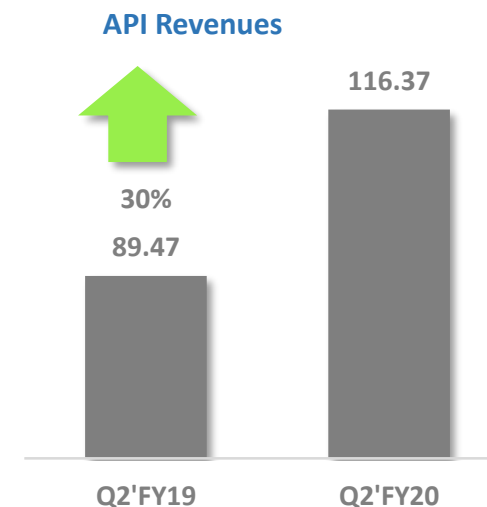
Segments	Q2'FY20	Q2'FY19	Y-o-Y Growth
APIs	116.37	89.47	30%
Diagnostics	45.52	35.01	30%
Formulations	34.71	35.26	(2%)
OTC	15.04	13.08	15%

API: Export leads the way

- **API business** retains its lion's share of **55%** and has **grown at 30%** on quarter on quarter basis.
- **API Export business** has got a jump of **43%** with
 - **Montelukast** -112%
 - **Loratadine** - 30%
 - **Atorvastatin** - 33%
 - **New Molecules** - 63% growth
- In the **Domestic market**, **Atorvastatin** has registered **117% growth** during the Q2'FY20 as compared to Q2'FY19 while the total domestic sales has decline by 3%
- **Overall, APIs molecules** have grown by **27%** at Rs. 103.09 crore from Rs. 81.38 crore of last year .
- **Intermediates and New Molecules** have shown remarkable growth of **66%** and **61%** respectively in Q2'FY20



₹ crores



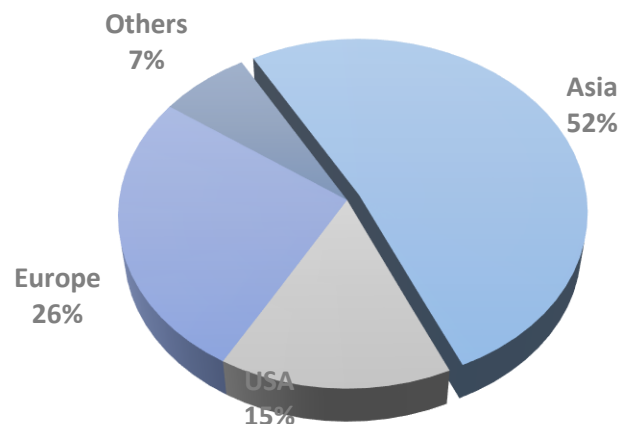
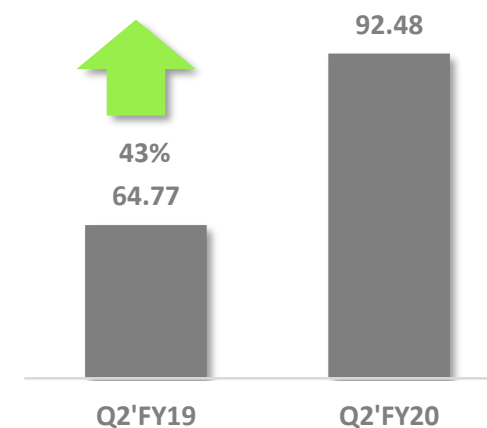
Main Products	Q2'FY20	Q2'FY19	Growth
APIs	103.09	81.38	27%
Intermediates	8.99	5.42	66%
New Molecules	4.29	2.66	61%

APAC Region outperforms

₹ crores

- **Asia Pacific Export business** has got 52% share in the export business for the quarter and a jump of **44%** as compared to Q2'FY19, with major growth registered from following markets:
 - Bangladesh
 - China
 - Sri Lanka
 - Israel
 - Egypt
 - Korea
- **Europe Market** has **grown by good 46%**, while **USA Business** has shown an increase of **29%**
- **Other semi-regulated markets** have come up with an excellent upside of **54%**

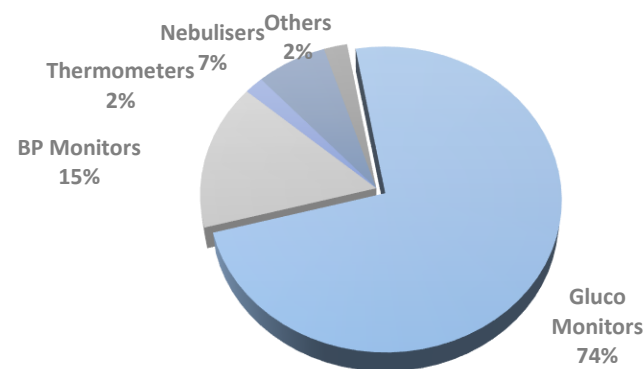
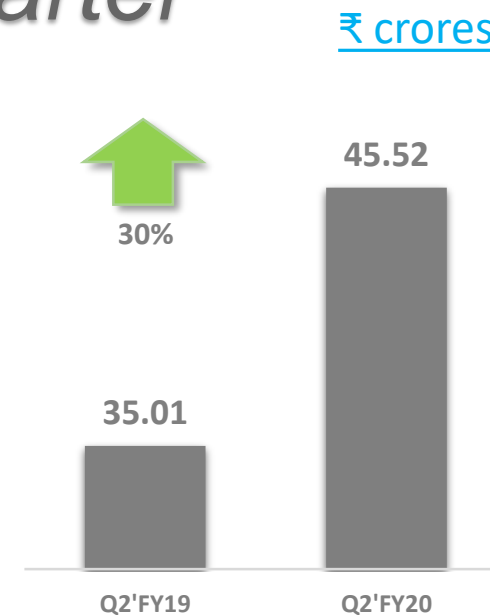
API Export



Region	Q2'FY20	Q2'FY19	Growth
APAC	47.71	33.10	44%
USA	13.95	10.78	29%
Europe	24.38	16.72	46%
Others	6.44	4.17	54%

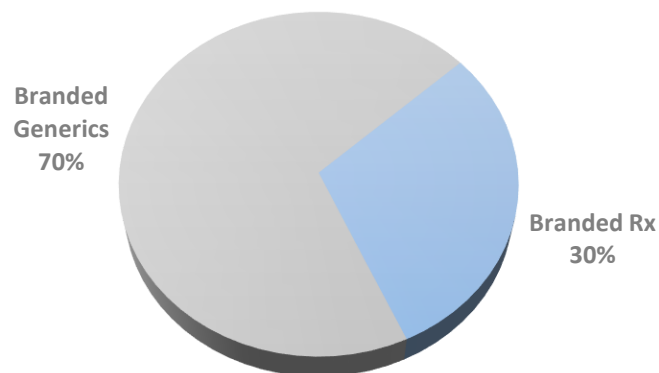
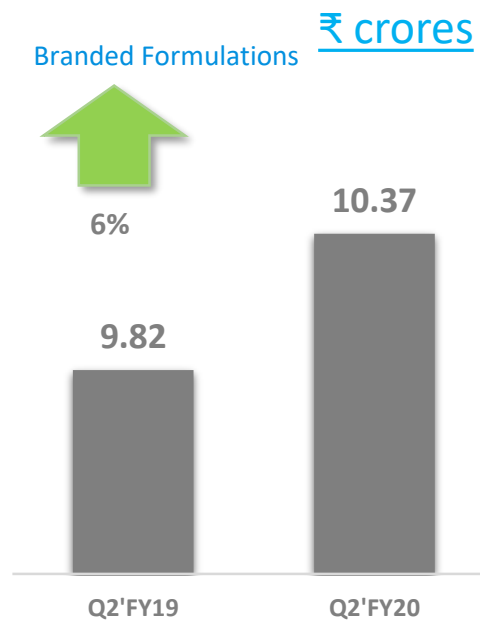
Devices Business – Strong Quarter

- **Home Devices portfolio** has been growing with fast pace and has recorded a growth of **30%** during the quarter.
- **Blood Gluco Monitors sales** have marked a growth of **37%** in Q2'FY20 as against Q2'FY19. Total Gluco monitors installed have crossed 3.20 million target.
- The company has achieved a milestone of having **sold around 360 million glucose testing strips (tests)**. No. of strips sold during the Q2'FY20 were **39%** more than Q2'FY19.
- **B.P. Monitors sales** have grown by **37%** during the Quarter as compared to Q2'FY19 which is very encouraging for the company.



Prescription drugs sales up

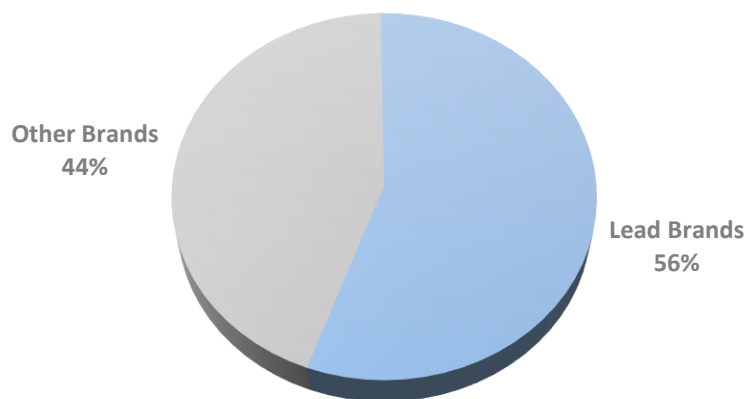
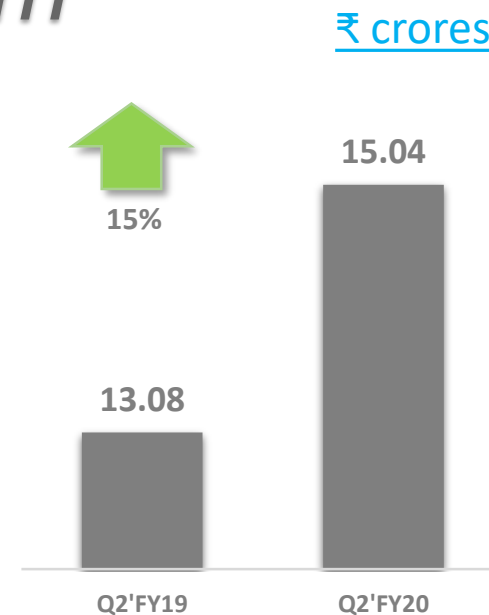
- **Branded Prescription (Rx)** products has grown by 6% during the Q2'FY'20 with major contribution coming from main brands like Rhythmix, Acifix, Klarim, Eradiclave, Bacikid, Metmore , Intebac and Cefopen.
- Overall Finished Dosages has declined by 2% in Q2'FY'20 as compared to last year same quarter
- Last quarter, Pharma Division has **launched new generation probiotics (Brand: Intebact)** with international technology tie from Vesale Pharma, Belgium and has received very good response form the market.
- **Branded Generics** business has de-grown by 4% during the quarter due to general slow down in the Industry and is es expected to pick up in the Q3'FY20



Segments	Q2'FY20	Q2'FY19	Y-o-Y Growth
Branded Rx	10.37	9.82	6%
Branded Generics	24.33	25.44	(4%)

OTC Business gains momentum

- **Total OTC** category has registered a growth of 15% during the quarter and has shown better recovery.
- **Isabgol** and **Lemolate** brands have grown by 41% and 12% respectively .
- **OTC Business** has launched many new products to its Health Basket in the nutritional and preventive healthcare segment.
- New products include **Active Smile**, **Dr. Morepen Daily**, **MTP Kit**, **VCALCI**, **Clean & Pure**, **Liv Healthy**, **Head-X**, **Dr. Morepen Aid**, **Dr. Morepen Buds**, **COLD-EX**, **Paachan-Arishta** and **Adult Nasal Spray**.



Segments	Q2'FY20	Q2'FY19	Y-o-Y Growth
Lead Brands	8.39	7.64	10%
Other Brands	6.64	5.43	22%

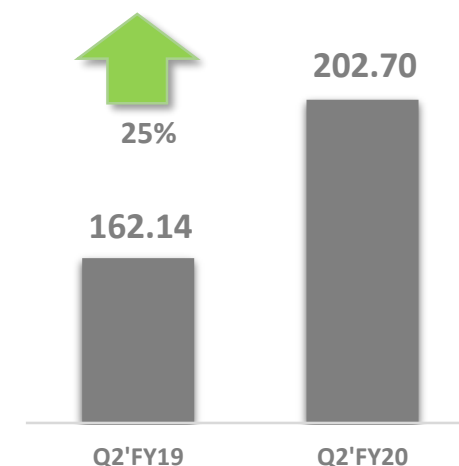


Net Profit before tax rises

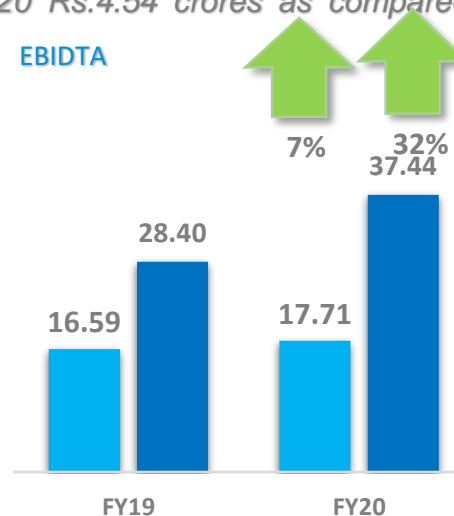
- **EBIDTA** number has grown up by **32%** during the H1'FY20 and as compared to corresponding H2'FY19
- Cash Profits during H1'FY20 and Cash surplus has increased by **32.4%** as compared to H1'FY19.
- **Net profit before tax** has risen to Rs. 18.10 crores as against Rs.9.65 crores in H1'FY19, an increase of 87% and for the Q2'FY20 it has gone up by 36%
- There is one time adjustment of Rs. 5.15 crore in Q2'FY20 on account of reversal and writing off of MAT credit entitlement due to recent changes in tax rates.
- Net profit after tax for the Q2'FY20 Rs.4.54 crores as compared to Rs.7.29 in Q2'FY19

₹ crores

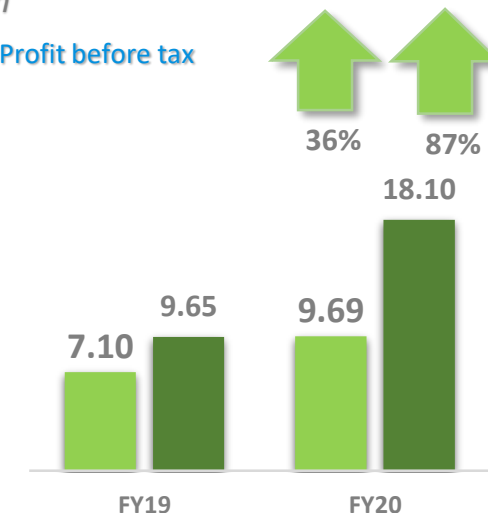
Net Standalone Revenue



EBIDTA



Net Profit before tax



Q2'FY20 Performance - Standalone

₹ crores

	Q2'FY20	Q2'FY19	Y-o-Y Growth	H1'FY20	H1'FY19	Y-o-Y Growth
Net Revenue	202.70	162.14	25.0%	392.44	313.06	25.4%
Expenditure	184.99	145.56	27.1%	355.01	284.65	24.7%
EBIDTA	17.71	16.59	6.8%	37.44	28.40	31.8%
Interest	0.39	0.31	26%	0.81	0.74	9.5%
Cash Surplus	17.32	16.28	6.4%	36.63	27.67	32.4%
Dep. & Amortization	7.63	9.18	(16.8%)	18.53	18.01	2.9%
Profit before Tax	9.69	7.10	36.4%	18.10	9.65	87.5%
One time Income Tax Adjustment	5.15	(0.19)	-	5.15	-	-
Net Profit	4.54	7.29	(37.7%)	12.95	9.65	34.1%

Q2'FY20 Performance - Consolidated

₹ crores

	Q2'FY20	Q2'FY19	Y-o-Y Growth	H1'FY20	H1'FY19	Y-o-Y Growth
Net Revenue	216.24	174.07	24.2%	419.50	337.88	24.2%
Expenditure	198.37	157.18	26.2%	382.02	308.73	23.7%
EBIDTA	17.87	16.90	5.8%	37.48	29.15	28.6%
Interest	0.39	0.32	23.9%	0.82	0.76	8%
Cash Surplus	17.48	16.58	5.4%	36.66	28.39	29.1%
Dep. & Amortization	8.24	9.79	(15.9%)	19.74	18.95	4.2%
Profit before Tax	9.24	6.79	36.1%	16.92	9.44	79.3%
One time Income Tax Adjustment	5.16	(0.19)	-	5.18	-	-
Net Profit	4.08	6.97	(41.5%)	11.74	9.44	24.4%



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Thank You



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