



MOREPEN

Date: 22/06/2020

To,

National Stock Exchange of India Ltd.
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Bandra (East), Mumbai- 400 051
Tel No: (022) 26598100 - 8114
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Phones: 91-22-22721233/4
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Scrip Code: 500288

Subject: Press Release – ‘Morepen Labs clocks double digit growth in its sales and net profit in FY 2019-20’

Dear Sir,


Please find enclosed the press release on the financial performance of the Company for the Quarter and Financial Year ended 31st March, 2020 with the title – ‘Morepen Labs clocks double digit growth in its sales and net profit in FY 2019-20’

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

Corp. Off.: 4th Floor, Antriksh Bhawan, 22 K.G.Marg, New Delhi- 110 001, INDIA
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Press Release

Morepen Labs clocks double digit growth in its sales and net profit in FY 2019-20

Q4 FY 2019-20 numbers remain stable despite lock down in last two weeks of the financial year

Company expands its portfolio with a wide range of new and promising products in personal hygiene and protection segments

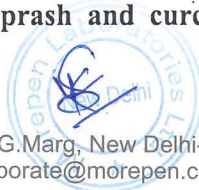
HIGHLIGHTS (FY 2019-20 and Q4 FY 2019-20)

- **Net Profit After Tax** (Consolidated) for FY 2019-20 was up by 16.43 per cent at Rs. 33.58 crore and that for Q4 FY 2019-20 by 5.1 per cent at Rs. 11.02 crore.
- **Net Revenue** (Consolidated) for FY 2019-20 stood at Rs. 862.55 crore as against Rs. 772.21 crore in FY 2018-19, registering a rise of 11.7 per cent. This growth was mainly on account of a consistent growth in sales of Bulk Drugs (APIs), Diagnostic Devices and OTC products during the financial year.
- Net Revenue (Consolidated) for Q4 FY 2019-20 was marginally down by 5.2 per cent at Rs. 208.39 crore.
- **EBIDTA and Cash profit**(Consolidated) for FY 2019-20 also went up by around 9.6 per cent and 10 per cent at Rs.78 crore and Rs. 76.02 crore, respectively.
- **Net Profit before Tax** (Consolidated) for FY 2019-20 was up by 34.04 per cent at Rs. 39.11 crore and that for Q4 FY 2019-20 by 6.17 per cent at Rs. 11.36 crore.
- **Export Sales Revenue** for FY 2019-20 increased by 10 per cent at Rs. 343.24 crore due to high impetus on API business. In the export market, Rosuvastatin exports have shown good growth of 30 per cent.
- **Domestic Sales Revenue** for FY 2019-20 went up by 11.75 per cent at Rs. 496.36 crore. In the domestic market, best performance came from Atorvastatin with 94 per cent growth.
- **API Sales Revenue** for FY 2019-20 grew by 14.74 per cent at Rs. 473.95 crore.
- **Home Diagnostics Sales Revenue** grew by 20.46 per cent at Rs. 168.35 crore. Blood Glucose Monitors' sales jump up by 29 percent and Nebulisers' by 44 percent.
- **Branded Formulation Sales Revenue** jumped by 18.62 per cent for FY 2019-20 at Rs. 40.64 crore.
- **OTC Business Sales Revenue** shown a good growth of 18.84 percent at Rs. 64.63 crore with Grooming business recording a growth of 58 percent.
- **The Company launched a wide range of non-contact infrared thermometers, oximeters, hand sanitisers, hand rubs, hand wash, anti-bacterial spray, anti-bacterial soap, disinfectant solutions, face masks, gloves, Vitamin- C gummies for kids, Multivitamins, Chyawanprash and curcumin tablets to fight Covid-19 at ground level.**

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- The Company also got **ISO-13485 Certification** for its Medical Devices Manufacturing Facility at Baddi (H.P.) from BSI (British Standards Institution, U.K.).
- The Company has recently got the license to manufacture **Hydroxychloroquine (HCQ)**. The drug, being prescribed for treatment of Covid 19 patients in India and abroad, is currently undergoing commercial trials.

New Delhi, June 22, 2020: Morepen Laboratories Ltd. has reported a 16.43 per cent rise in its **Net Profit** (Consolidated) at Rs. 33.58 crore. **Net Consolidated Revenue** during the year rose by 11.7 per cent at Rs. 862.55 crore. The company's net profit was Rs. 28.84 crore on a net revenue of Rs. 772.21 crore in the previous fiscal. ...

The **EBIDTA** (Consolidated) for FY 2019-20 rose by 9.6 per cent at Rs. 78 crore and the **Cash Profit** (Consolidated) by 10 per cent at Rs. 76.02 crore **Consolidated Profit before Tax (PBT)** recorded extraordinary growth by 34 per cent at Rs. 39.11 crore, up from Rs. 29.18 crore in the previous fiscal.

Domestic Sales Revenue in FY 2019-20 was up by 11.75 per cent at Rs. 496.36 crore and **Export Sales Revenue** up by 10 per cent at Rs. 343.24 crore. In the domestic market, best performance came from Atorvastatin with 94 per cent growth in FY 2019-20. In the exports market, Rosuvastatin registered a good growth of 30 per cent and Loratadine 18 percent in FY 2019-20. **API Sales Revenue** during the year grew by 14.74 per cent at Rs. 473.95 crore with an impressive growth of 28 percent in Domestic and 10 percent in Exports. **Home Diagnostics Sales Revenue** grew by 20.46 per cent at Rs. 168.35 crore with Blood Glucose Monitors' sales up by 29 percent and Nebulisers' by 44 percent. **OTC Sales Revenue** grew by 18.84 percent at Rs. 64.63 crore with Grooming Business showing extraordinary growth of 58 per cent. **Branded Formulation Sales Revenue** grew by 18.62 per cent at Rs. 40.64 crore. Generic Formulation was down by 18.49 percent at Rs. 96.93 crore in FY 2019-20.

The **bulk drugs (API) segment** contributed around 56 per cent to the company's total sales turnover in FY19-20. Within the API segment, **Finished APIs** have registered a growth of 14 per cent at Rs. 414.39 Crores, **Intermediates'** grew by 24 per cent at Rs. 31.50 Crores whereas **New Molecules'** have added Rs. 28.06 Crores to the company's top line.

Company's consolidated **Net Revenue in Q-4 FY 2019-20** was marginally down by 5.2 per cent at Rs. 208.39 crore due to Covid-19 lock down effect in last two weeks of March 2020. **Consolidated Net Profit** in Q4 FY 2019-20 was up by 5.1 per cent at Rs. 11.02 crore. **Consolidated Profit Before Tax (PBT)** recorded growth of 6.2 per cent at Rs. 11.36 crore, up from Rs. 10.70 crore in the corresponding quarter of previous fiscal.

This was disclosed by **Mr. Sushil Suri, Chairman and Managing Director, Morepen Laboratories Ltd.**, after the Q4 and 'annual FY 2019-20 results' board meeting here on Monday. "The Company has achieved good growth and smoothly sailed through the difficult business challenges posed by the Novel Corona Virus Disease globally. Impact of COVID-19 and the subsequent lockdown in the entire

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country has been mitigated by the company to a large extent by its timely launch of various new products in the personal hygiene and protection segment.”

The company’s OTC products division has launched a wide range of personal hygiene and Covid protection products like non-contact infrared thermometers, oximeters, hand sanitizers (both in gel and rub form), anti-bacterial hand wash, anti-bacterial spray, anti-bacterial soap, disinfectant solutions, N-95 and 3-ply face masks, Nitrile gloves, Vitamin-C gummies for kids, multivitamins, chyawanprash and curcumin tablets to fight Covid-19 at ground level and empower its customers to stay safe. Morepen has launched its hand sanitizers as per WHO formula in various pack sizes starting from 100 ML and goes upto 5 Litres bulk pack. Company’s anti-bacterial disinfectant solutions and sprays are aimed at washing, cleaning and disinfecting any type of small and large surfaces, Mr. Suri stated.

The Board today has also approved incorporation of two wholly owned subsidiaries to focus on Finished Dosages business and its new initiatives of online business in the Health & Beauty Segment. In the last Board meeting held on 14.02.20, the Board had approved formation of a similar wholly owned subsidiary (WOS) for its Diagnostic business also.

Synopsis of Annual and Quarterly Performance:

(Rs. In Crores)

Particulars	Consolidated Annual Results			Consolidated Fourth Quarter Results		
	FY 2019-20	FY 2018-19	% Growth	Q4 FY 2019-20	Q4 FY 2018-19	% Growth
Net Revenue	862.55	772.21	11.7%	208.39	219.74	(5.17%)
Expenditure	784.55	701.02	11.92%	187.78	196.97	(4.67%)
EBIDTA	78	71.19	9.56%	20.61	22.78	(9.5%)
Interest	1.98	2.11	(6.16%)	0.62	0.93	(33.33%)
Cash Surplus	76.02	69.08	10.04%	19.99	21.85	(8.51%)
Profit before Tax	39.11	29.18	34.04%	11.36	10.70	6.17%
Net Profit after Tax (PAT)	33.58	28.84	16.43%	11.02	10.49	5.05%

The Consolidated domestic Sales Revenue in Q4 FY19-20 was up by 3.43 per cent at Rs. 122.55 crore and Export Sales Revenue was down by 16.35 per cent at Rs. 80.64 crore. API business exports got a hit in last two weeks of March due to Covid-19 lock down situation which was compensated by excellent sales performance in April and May 2020. API business was down by 9.79 percent in Q4 FY 19-20 compared to corresponding quarter of the last fiscal. Home diagnostics business was not impacted by lock down in March and registered exemplary growth of 43.79 percent with Blood Glucose Monitors’ sale recording a jump of 78 percent in this tough situation in Q-4 FY 19-20. The Company launched Non-Contact Infrared Thermometers in the month of April 2020. Branded formulation also registered growth of 9.48

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percent in Q-4 FY 19-20 vis-à-vis corresponding quarter of the previous fiscal. OTC Business also launched Burnol Antiseptic Solution and Antiseptic Spray, Anti-bacterial solutions and sprays, this segment achieved extraordinary growth of 30.97 percent in Q4 FY 19-20 with Branded OTC recording a whopping growth of 72 percent. Generics formulation witnessed a major shortfall of 40.24 percent in Q4 FY 19-20.

About Morepen Laboratories Ltd.

Morepen Laboratories Ltd. is a 36-year old, around Rs. 900 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 are 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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