



MOREPEN



Date: 11/11/2024

To,

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

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400 001
Scrip Code: 500288

Subject: Press Release – ‘Morepen Laboratories: Records 64% Jump in Net Profit in Q2’FY25’

Dear Sir/ Madam,

Please find enclosed press release with the title ‘**Morepen Laboratories: Records 64% Jump in Net Profit in Q2’FY25’**.

This is for your information and dissemination on your website.

Thanking you,

Yours faithfully,

For Morepen Laboratories Limited

Vipul Kumar Srivastava
Company Secretary
F-12148

Encl.: a/a

Morepen Laboratories Limited

CIN NO. L24231 HP1984PLC006028

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PRESS RELEASE

Morepen Laboratories: Records 64% Jump in Net Profit in Q2'FY25

Targeting Rs. 5000 Crore Revenue by 2030

Gurugram (Haryana), November 11, 2024 - Morepen Laboratories Limited (NSE: MOREPENLAB, BSE: 500288), a leading name in the pharmaceutical and medical devices sectors, has announced an impressive 64% rise in net profit for Q2'FY25, showcasing the company's strong financial performance and strategic growth initiatives. With a debt-free balance sheet, steady revenue growth, and expanded margins, Morepen is well-positioned to achieve its ambitious Rs. 5000 crore revenue goal by 2030.

Financial Highlights:

(Rs. in Crores)

Particulars	Q2'FY24	Q2'FY25	H1'FY25	Q2-Growth
Net Revenue	425.00	442.71	901.35	+4%
EBITDA	36.83	49.06	104.10	+33%
Profit Before Tax (PBT)	28.68	46.02	94.18	+60%
Profit After Tax (PAT)	21.26	34.85	71.01	+64%
EBITDA Margin	8.66%	11.08%	11.55%	+242 bps
PAT Margin	5.00%	7.87%	7.88%	+287 bps
Earnings Per Share (EPS)- Rs.	0.42	0.65	1.36	+55%

Key Highlights:

- **Profitability and Margin Growth:** Morepen's focus on high-value products and export markets drove a 33% increase in EBITDA and a 64% rise in PAT for Q2'FY25 compared to Q2'FY24. PAT for H1'FY25 reached Rs. 71 crore, nearly doubling year-on-year.
- **Record EBITDA Margins:** Morepen is on the trail by achieving its highest EBITDA margins in H1'FY25. EBITDA 11.55% margin for H1'FY25 and 12.25% in H2 FY24 demonstrates the company's dedication to optimizing profitability.
- **API Leadership in Exports:** Key APIs, including Loratadine, Desloratadine, Montelukast, and Fexofenadine, maintained the top positions in export markets, underscoring Morepen's reputation for quality and customer service.
- **Strategic Expansion Plan:** Morepen's vision to reach Rs. 5000 crore revenue by 2030 includes a focus on high-margin, consumer-facing segments like medical devices, consumer health, and prescription therapies, with an eye on innovating products.

Mr. Sushil Suri, Chairman and Managing Director, Morepen Laboratories, stated, “At Morepen, we are all supercharged to execute our strategic mission, ‘Morepen 2.0,’ as we target Rs. 5000 crore (5K) in revenue by 2030. We are dedicated to building on our strengths across both domestic and global markets. As we pivot our forthcoming investments towards Medical Devices and Consumer Health, we remain committed to innovation and research in our core API business. We will continue to invest in technology and improve our operational efficiencies. The company continues to remain debt free and we will leverage our cash position to improve our product pipeline.”

Mr. Suri further added. “We are extremely confident of our growth strategies for achieving our long-term strategic goals. Our Focus remains on developing innovative products, tap newer markets including exports and improve profitability further. With our recent fundraise via the QIP route placing us at the forefront of marquee investors, we are actively evaluating various options to fund our growth plans on our journey to the 5K milestone.”

Rs. 200 crore fund raise: The recent fund raise is accelerating capacity expansions across multiple segments, with plans underway to double glucometer production and advance API capacity. Significant investments are directed towards new machinery and infrastructure at both API and medical devices facilities, setting the groundwork for future growth.

Medical Devices Segment: The medical devices segment reported a 9.35% YoY revenue increase, totalling Rs. 133 crore. With over 13 million glucometers installed and 1.75 billion test strips sold, Morepen is scaling production capacity and diversifying its product line to reinforce its market presence. In addition, Morepen has launched in-house production of nebulizers and Ortho Support systems at its Baddi facility. Notably, the medical devices segment recently got Class-1 medical devices registered for export to the USFDA and Health Canada, opening doors for export to the regulated markets. Morepen appreciates the Government’s recent Rs. 500 crore scheme announcement, which provides a significant boost to the MedTech sector.

The company is working on moving its Medical Devices business a separate entity and is exploring various fund-raising options to support this transition.

Pharmaceuticals and API: Pharma revenue grew by 9%, while high-value exports recorded a growth of 21%. Key APIs, including Loratadine, Desloratadine, Montelukast, and Fexofenadine, continue to top the export charts, significantly increasing the company’s share in global markets. Growth is consistent across all continents, with the European market showing a remarkable 60% increase this quarter. In the first half of the year, the company has added 80 new customers, expanding its footprint in regulated markets worldwide. As part of its long-term strategy, Morepen is reducing its exposure to the lower-margin domestic API market, shifting focus to higher-margin Western markets.

In the first six months, the share of new molecules has risen from 10% to 14%, with many products approaching patent expiry in the coming years.

Business growth is supported by facility expansions, aiming to increase API capacity by 200 KL by FY26, with 50 KL already added at the site. The regulatory team has filed 14 new Drug Master Files (DMFs) in the first six months of this fiscal year, and the company has introduced three new products in the chronic segment: Resmetirom, Bempedoic Acid, and Bilastine.

Renewed Investments in Finished Dosages: As a strategic move to enhance value addition and establish direct-to-consumer reach, Morepen has fast-tracked the development of a finished dosage production facility to meet international standards at its Baddi location. A new plant has recently been commissioned, with a capacity to produce 1.02 billion dosage forms annually. Filings from this facility are expected to begin in the next two quarters, initiating regulatory inspections, after which high value

exports from this facility can commence. The company will cater to the US, Europe, and Latin American markets, in addition to Rest of the World (ROW) markets, with core products that use APIs manufactured in-house.

About Morepen Laboratories Ltd.

Founded in 1984, Morepen Laboratories Ltd. (www.morepen.com) stands as a leader in the pharmaceutical and medical devices industry. The company excels in the production of high-quality APIs and innovative medical devices, with a significant global presence and an extensive distribution network across India. Morepen is dedicated to delivering reliable healthcare solutions, driving growth through continuous innovation and strategic market expansions.

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Disclaimer: This press release contains forward-looking statements based on current expectations and assumptions. These statements are subject to risks and uncertainties that could cause actual results to differ materially.