

May 16, 2019

To  
B S E Limited  
Phiroze Jeejeebhoy Towers,  
25<sup>th</sup> Floor, Dalal Street,  
Mumbai - 400 001

**Scrip Code: 524558**

To  
The National Stock Exchange of India Limited  
Exchange Plaza,  
Bandra Kurla Complex  
Bandra (E)  
Mumbai - 400 001

**Scrip Code: NEULANLAB**  
**Series: EQ**

Dear Sirs,

**Sub: Press Release**

Please find attached a copy of the Press Release being issued by the Company and the same is being uploaded on the website of the Company.

This is for your information and records.

Thanking you,

Yours faithfully,

**For Neuland Laboratories Limited**



**Sarada Bhamidipati**  
**Company Secretary**

Encl : as above



## FY19 Revenue grows 25.6%; EBITDA improves Q-o-Q

Hyderabad, India, May 16, 2019 - Neuland Laboratories Limited (NLL) (NSE: NEULANLAB; BSE-Scrip Code:524558), a pharmaceutical manufacturer providing active pharmaceutical ingredients (APIs), complex intermediates and custom manufacturing solutions services to customers located in around 80 countries, today announced financial results for the fourth quarter (Q4FY19) ended March 31, 2019.

### Financial Highlights

#### Standalone Q4FY19 (Y-o-Y)

- Total Revenue was Rs. 1,740.0 mn for Q4 FY19 as compared to Rs. 1,605.2 mn for Q4 FY18, reflecting an increase of 8.4%
- EBITDA stood at Rs. 197.3 mn as compared to Rs. 190.8 mn
- EBITDA Margin at 11.3% for Q4FY19 as against 11.9%
- Net profit stood at Rs. 67.3 mn for Q4FY19 as compared to Rs. 80.5 mn
- Basic EPS stood at Rs. 5.25 as against Rs. 7.22

#### Standalone Q4FY19 (Q-o-Q)

- Total Revenue was Rs. 1,740.0 mn as compared to Rs. 1,718.7 mn for Q3 FY19
- EBITDA stood at Rs. 197.3 mn as compared to Rs. 162.5 mn
- EBITDA Margin at 11.3% for Q4FY19 as against 9.5%
- Net profit stood at Rs. 67.6 mn for Q4 FY19 as compared to Rs. 46.0 mn
- Basic EPS stood at Rs. 5.25 as against Rs. 3.59

#### Standalone FY19 (Y-o-Y)

- Total income was Rs. 6,703.2 mn as compared to Rs. 5,337.0 mn, an increase of 25.6%
- EBITDA stood at Rs. 613.6 mn as compared to Rs. 545.7 mn, up by 12.4%
- EBITDA Margin at 9.2% for FY19 as against 10.2%
- Net profit stood at Rs. 161.4 mn for FY19 as compared to Rs. 118.1 mn, an increase of 36.7%
- Basic EPS stood at Rs. 12.83 as against Rs. 10.59, an increase of 21.2%

**Commenting on the performance Mr. Sucheth Davuluri, Vice-Chairman and Chief Executive Officer of the Company said** *“We continue to see a strong growth in topline, fuelled by the GDS Business including both Prime and Niche/Specialty APIs. The growth would have been better reflected in the profitability but for spikes in raw material prices. The raw material prices have now stabilised but are unpredictable. The process of backward integration at Unit 3 is moving well, we have started production of intermediate of a large API from April 2019 onwards. We have been focussing on optimizing fixed costs and have been successful in keeping overhead expenses under control.”*

In addition, **Mr. Saharsh Davuluri, Joint Managing Director, Neuland Labs added** *“The growth in the Prime segment is in accordance with our stated strategy to dominate certain products. In the Niche/Specialty segment, we have seen good growth, our order book looks strong and we are confident of sustaining this momentum. In our CMS business, we look to build on the momentum gathered during the second half of FY19 and see a push in FY20 with focus on improving profitability.”*

## Business Performance

### Operational Highlights

- Continued momentum in new CMS business with new projects being added this quarter
- GDS Prime segment growth driven by Levetiracetam and Levofloxacin along with other APIs
- Niche/Specialty APIs (part of GDS segment) has seen good growth driven by Dorzolamide, Deferasirox and Donepezil

### Business Saliency

- The operating revenues for the Q4FY19 account for 51% (52.5% for Q4FY18 and 47% for Q3FY19) from Prime products, 23% (21% for Q4FY18 and 32% for Q3FY19) from Specialty/Niche APIs, 18% (22% for Q4FY18 and 16% for Q3FY19) from CMS business and 8% (5% for Q4FY18 and 5% for Q3FY19) Others which consists of Export Incentives and RM Sales
- The operating revenues for Fy19 account for 54% (54% for FY18) from Prime products, 25% (20% for FY18) from Specialty/Niche, 14% (20% for FY18) from CMS business and 7% (6% for FY18) Others which consists of Export Incentives and RM Sales
- From a project perspective, the Company derived CMS revenues from 12 projects (13 for Q4FY18 and Q3FY19) of which 4 are in commercial stage and remaining 8 being in the clinical stage.

### CMS Pipeline Details

Q4 FY19	Pre-Clinical	P-1	P-2	P-3	Development	Commercial	Grand Total
API	10	4	2	4	5	5	30
Intermediate	0	2	0	6	8	10	26
<b>Grand Total</b>	<b>10</b>	<b>6</b>	<b>2</b>	<b>10</b>	<b>13</b>	<b>15</b>	<b>56</b>

Q3 FY19	Pre-Clinical	P-1	P-2	P-3	Development	Commercial	Grand Total
API	9	4	2	4	5	5	29
Intermediate	0	2	0	6	7	10	25
<b>Grand Total</b>	<b>9</b>	<b>6</b>	<b>2</b>	<b>10</b>	<b>12</b>	<b>15</b>	<b>54</b>

Q4 FY18	Pre-Clinical	P-1	P-2	P-3	Development	Commercial	Grand Total
API	7	2	3	4	5	5	26
Intermediate	1	1		7		5	14
<b>Grand Total</b>	<b>8</b>	<b>3</b>	<b>3</b>	<b>11</b>	<b>5</b>	<b>10</b>	<b>40</b>

### Q4 FY19 Earnings Call

The company will conduct a one-hour Earnings call at **11:00 AM IST on Friday, May 17th, 2019** where the management will discuss the Company's performance and answer questions from participants. To participate in this conference call, please dial the numbers provided below ten minutes ahead of the scheduled start time. The dial-in numbers for this call are **+91 22 6280 1107 / +91 22 7115 8008**. Other numbers are listed in the conference call invite which is posted on our website. Please note that the transcript of the conference call will be uploaded on the company website in due course.

## About Neuland Laboratories Limited

For over 35 years, Neuland Labs has been at the forefront of manufacturing APIs through its cGMP manufacturing facilities, working with customers in close to 80 countries. Neuland Labs has developed more than 300 processes and 75 APIs, and it has filed around 57 U.S. drug master files (USDMFs) and over 673 Regulatory filings in the European Union (EU) and other geographies. Its manufacturing facilities are inspected and approved by the U.S. FDA and other leading regulatory agencies. Its record of quality manufacturing and reliability is highlighted by cGMP certifications that include the U.S. FDA, TGA (Australia), EDQM (EU), German Health Authority, ANVISA (Brazil), EMA (EU), Cofepris (Mexico), KFDA (Korea), PMDA (Japan), CFDA (China), FSI “SID &GP” Russia, Health Canada, ISO 9001, ISO14001, OHSAS18001 and ISO 27001. For more information, visit [www.NeulandLabs.com](http://www.NeulandLabs.com).

**If you have any questions or require further information, please feel free to contact**

***IR Department at Neuland***

***Tel: +91 40 3021 1600, Email: [ir@neulandlabs.com](mailto:ir@neulandlabs.com)***

***Jenna Palmieri, Neuland Laboratories Inc., USA***

***Email: [jenna@neulandlabs.com](mailto:jenna@neulandlabs.com)***

***Diwakar Pingle, Christensen IR***

***Email: [dpingle@christensenir.com](mailto:dpingle@christensenir.com)***