

November 14, 2019

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

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

Scrip Code: 524558

Scrip Code: NEULANDLAB; 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



Neuland Q2 FY20 income at Rs. 1,867.9 mn, PAT at Rs. 85.7 mn

Hyderabad, India, November 14, 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 second quarter (Q2FY20) ended September 30, 2019.

Financial Highlights

Standalone Q2FY20 (Y-o-Y)

- Total Revenue was Rs. 1,867.9 mn as compared to Rs. 1,693.8 mn, reflecting an increase of 10.3%
- EBITDA stood at Rs. 254.0 mn as compared to Rs. 152.9 mn
- EBITDA Margin at 13.6% for Q2FY20 as against 9.03%
- Net profit stood at Rs. 85.7 mn for Q2FY20 as compared to Rs. 44.0 mn
- Basic EPS stood at Rs. 6.68 as against Rs. 3.43

Standalone Q2FY20 (Q-o-Q)

- Total Revenue was Rs. 1,867.9 mn as compared to Rs. 1,815.3 mn, reflecting an increase of 2.9%
- EBITDA stood at Rs. 254.0 mn as compared to Rs. 190.9 mn
- EBITDA Margin at 13.6% for Q2FY20 as against 10.5%
- Net profit stood at Rs. 85.7 mn for Q2FY20 as compared to Rs. 56.1 mn
- Basic EPS stood at Rs. 6.68 as against Rs. 4.38

Standalone H1FY20 (Y-o-Y)

- Total income was Rs. 3,683.1 mn as compared to Rs. 3,244.5 mn, an increase of 13.5%
- EBITDA stood at Rs. 444.9 mn as compared to Rs.253.8 mn, up by 75.3%
- EBITDA Margin at 12.1% for H1FY20 as against 7.8%
- Net profit stood at Rs. 141.9 mn for H1FY20 as compared to Rs. 48.1 mn, an increase of 194.7%
- Basic EPS stood at Rs. 11.06 as against Rs. 3.90, an increase of 183.5%

Commenting on the performance Mr. Sucheth Davuluri, Vice-Chairman and Chief Executive Officer of the Company said *“We turned in another quarter of good revenue growth driven primarily by CMS and the speciality products segments. Even as margins have improved with better product mix and cost structures, we are seeing challenges in the Prime business on this front. We are continuing our efforts to enhance our margins in this fiscal. While we continue to see growth in key products, there is a dampening in the outlook for Fluoroquinolones in the Regulated markets.”*

In addition, **Mr. Saharsh Davuluri, Joint Managing Director, Neuland Labs added** *“CMS Business is witnessing consistent growth and the pipeline is strong, which bodes well for future as well. Even as the number of projects continues to increase, we are focussing our efforts on ensuring we meet our customers’ expectations on quality and timelines. We are also allocating R&D investments towards the development of specialty products like peptides, for creating future GDS pipeline.”*

Business Performance

Operational Highlights

- Consistent traction in generation of new CMS business as we added 2 Phase-3 API projects in the quarter
- Good growth and potential shown by existing commercial CMS products
- Specialty segment (GDS) growth driven by good performance of Dorzolamide, Deferasirox and Ezetimibe
- Filed USDMF for Sugammadex

Business Saliency

- The operating revenues for the Q2FY20 account for 41.9% (62.4% for Q2FY19 and 49.6% for Q1FY20) from Prime products, 25.5% (23.4% for Q2FY19 and 23.0% for Q1FY20) from Specialty/Niche APIs, 26.2% (8.2% for Q2FY19 and 19.1% for Q1FY20) from CMS business and 6.4% (6.2% for Q2FY19 and 7.6% for Q1FY20) Others which consists of Export Incentives and RM Sales
- From a project perspective, the Company derived CMS revenues from 20 projects (9 for Q2FY19 and 21 for Q1FY20) of which 7 are in commercial stage and remaining 13 being in the clinical/development stage

CMS Pipeline Details

Q2 FY20	Pre-Clinical	P-1	P-2	P-3	Development	Commercial	Grand Total
API	11	4	6	6	4	6	37
Intermediate	1	3	1	5	11	10	31
Grand Total	12	7	7	11	15	16	68

Q1 FY20	Pre-Clinical	P-1	P-2	P-3	Development	Commercial	Grand Total
API	10	4	5	4	5	6	34
Intermediate	1	3	1	5	9	10	29
Grand Total	11	7	6	9	14	16	63

Q2 FY19	Pre-Clinical	P-1	P-2	P-3	Development	Commercial	Grand Total
API	7	2	1	4	6	5	25
Intermediate	1	2		8	3	7	21
Grand Total	8	4	1	12	9	12	46

Q2 FY20 Earnings Call

The company will conduct a one-hour Earnings call at **05:30 PM IST on Thursday, November 14th, 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 6680 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

Neuland Labs is a leading pharmaceutical company engaged in the manufacturing of APIs through its cGMP manufacturing facilities, working with customers in over 80 countries. Neuland Labs has filed around 55 U.S. drug master files (USDMFs) and a total of around 675 Regulatory filings in the European Union (EU) and other jurisdictions. 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), Health Canada, CFDA (China), ISO 9001, ISO14001, OHSAS18001 and ISO 27001. For more information, visit www.NeulandLabs.com.

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

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