



MOREPEN



Date: 11/11/2021

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 records 70 percent increase in Profit before tax in Q2 Consolidated Revenue grows by 17%’

Dear Sir,


Please find enclosed the press release on the financial performance of the Company for the quarter and half year ended 30th September 2021, with the title – **‘Morepen records 70 percent increase in Profit before tax in Q2 Consolidated Revenue grows by 17%’**.

Kindly acknowledge the receipt and take it on your record.

Thanking you.

Yours faithfully,

For Morepen Laboratories Limited


(Vipul Kumar Srivastava)
Company Secretary



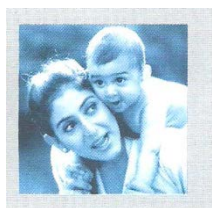
Encl.: As Above

Morepen Laboratories Limited

CIN NO : L24231HP1984PLC006028

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PRESS RELEASE

Morepen records 70 percent increase in Profit before tax in Q2

Consolidated Revenue grows by 17%

Consolidated Quarterly performance at a glance

Particulars	(Rs. in crores)		
	Q2' FY 2021-22	Q2' FY 2020-21	Y-o-Y Growth
Net Revenue	398.17	340.13	17%
EBITDA	44.88	35.49	26%
Profit Before Tax	46.86	27.52	70%
Net Profit After Tax	37.36	27.17	38%

HIGHLIGHTS -Consolidated

- Q2'FY22 Revenue at Rs. 398 crores jump by 17% against Q2'FY21 revenues of Rs. 340 crores
- Profit Before Tax at Rs. 46.86 crores UP by 70%
- Net Profit After Tax at Rs. 37.36 crores UP by 38%
- Earnings per Share (EPS) - Basic for Q2 at Rs. 0.83 UP by 38%
- Domestic Revenues at Rs. 276.40 crores are UP by 30%.
- API Business made largest Revenue contribution of Rs. 201 crores to Q2 Revenues.
- Medical Devices Revenues for Q2 at Rs. 122.59 crores grew by 36% Quarter on Quarter basis
- Medical Devices Business is being placed in a separate wholly owned subsidiary.

New Delhi, November 11, 2021: Morepen Laboratories Limited (NSE: MOREPENLABS, BSE: 500288) has reported another quarterly earnings with a stellar performance in Q2'FY22 with a growth of 70 per cent in its consolidated Profits (before tax) at Rs. 46.86 crores. Profit after tax (PAT) for the quarter has jumped 38 percent at Rs. 37.36 crores. The Quarterly revenues of the company at Rs. 398.17 crores have recorded an impressive growth of 17 percent during the current quarter as compared to quarterly revenues of Rs. 340.13 crores in Q2'FY21 where in it had registered a growth of 57 percent. This is sixth quarter in a row that the company continues on the fast growth trajectory with remarkable gains in the bottom line.

EBITDA for Q2'FY22 at Rs. 44.88 crores is up by 26 per cent Y-o-Y basis whereas Cash Profit (Before Tax) at Rs. 54.00 crores is up by 53 percent in the same period. EBITDA margin of the company has scaled up 302 bps from 8.26 percent to 11.28 percent in last 2 years with increased focus on high value products and incredible growth of revenue.

With consistent effort on scale and cost reduction and backward integration, profit margin before tax has leaped by 368 bps from 8.09 percent to 11.77 percent in Q2'FY22 as against Q2'FY21 with 70 percent increase in the Profit before tax for the quarter. In last two years profit margins have gone up by almost three folds from 4.27 percent to 11.77 percent in the current quarter of Q2'FY22. Accordingly, in last two years, quarterly profit has improved almost five folds from Rs.9.23 crores in Q2'FY20 to Rs.44.58 crores in Q2'FY'22.

API business registered a revenue growth of 9 per cent in the Q2'FY22 on strength of increase in sales revenues of Montelukast and Atorvastatin and new molecules. Atorvastatin and Fexofenadine exports for the quarter grew by 33 percent and 88 percent respectively. Montelukast domestic revenues has doubled during the current quarter, recording an increase of 109 percent in its Q2 revenues.

Mr. Sushil Suri, Chairman and Managing Director stated, "With massive increase in API demand globally and more particularly with frequent supply disruptions from China, we are putting our expansion plans for API on fast track.

We have planned to treble the API capacity from present 310 KL to 1000KL in the coming 24 months at the same site in Baddi (HP) within the same plant and at the additional land adjoining the site for which all approvals are in place. We are very bullish on this expansion to capture this large spurt in demand APIs globally. The new capacities are also required to serve the new generic market opening up in the next 5-7 years”

Domestic Business of the company recorded an impressive growth of 30 per cent in its Q2 FY'22 revenues at Rs. 276.40 crores brought about by tremendous growth in Diagnostics Devices, followed by Formulation's business, OTC business and API business of the company.

The Shareholders of the company approved the proposal of the company to hive off the Medical Devices business into a separate wholly owned subsidiary company in their last Annual General Meeting held on 28th September 2021. The company is taking the necessary steps to carry out the Medical Devices business into a separate company at the earliest subject to receipt of necessary approvals. I the meanwhile, the company is setting up additional facilities to expand the capacities of medical devices business to cater to growing needs of the devices business.

Point of Care (POC) Medical Devices business has registered a growth of 36 percent in Q2 against corresponding Quarter last year. During this quarter, the share of medical devices business on standalone basis has gone up by 14.4 percent i.e., 31.2 percent in current quarter vis-a-vis 27.3 percent of corresponding quarter of last year. Medical devices market is growing at tremendous pace and is offering incredible opportunities to grow.

With increased demand and better reach company is also expanding market reach and focusing on the brand awareness campaigns. The Company has roped in senior Bollywood star Mr. Boman Irani to promote its Gluco Meters and BP Monitors and is the most appropriate personality for the company range of products showcasing authority and a connect with the common households. Company is also increasing production capacity of pregnancy kits at its Baddi plant in HP and has retained Ms. Kareena Kapoor for this category of products in the trade.

Blood Glucose Meters had huge growth of 45 percent growth at Rs. 83.68 crores. BP Monitors Sales have jumped 44 percent at Rs. 28.62 crores. The company has now an installed base of 6.15 million Gluco meters and has sold over 785 million strips out which 90 million strips are sold during this quarter.

Finished dosage business has also registered a massive revenue growth of 28 percent during the Quarter by recording revenues of Rs. 44.98 crores in Q2 as against Rs. 35.17 crores achieved in same quarter last year.

Dr. Morepen OTC and Grooming range of products are continuously recording strong progress, with Q2 revenues at Rs. 28.18 crores, a growth of 22 percent on Y-o-Y basis. OTC products with Q2 revenues of Rs. 16.13 crores has recorded a growth of 40 percent during the Q2'FY22. The Grooming business with its Q2 revenue of Rs. 6.11 crores has registered a growth of 64 percent in same quarter. During the quarter the company launched more than 30 products exclusively for online markets which has received tremendous response and the overall online sales have gone up by 243 percent in Q2'FY22 as compared to same quarter last year.

Synopsis of Quarterly and Half-Yearly Performance (Consolidated)

(Rs. in crores)

Particulars	Quarterly (Q2)			Half Yearly (H1)			Annual
	FY 21-22	FY 20-21	% Growth	FY 21-22	FY 20-21	%Growth	FY 20-21
Net Revenue	398.17	340.13	17.1%	786.48	599.10	31.3%	1200.12
Expenditure	353.29	304.64	16.0%	696.17	535.71	30.0%	1069.54
EBIDTA	44.88	35.49	26.5%	90.31	63.39	42.5%	130.58
Interest	(9.12)	0.29	-	(8.91)	0.58	-	1.79
Cash Surplus (Before Tax)	54.00	35.20	53.4%	99.22	62.81	58.0%	128.79
Profit Before Tax	46.86	27.52	70.3%	85.39	47.07	81.4%	98.51
Profit After Tax (PAT)	37.36	27.17	37.5%	67.84	46.53	45.8%	97.09

Revenues (Consolidated) for six months ending 30 September 2021, at Rs. 786.48 crores grew up by 31 per cent. Net profit before Tax (PBT) for six Months ending September 30, 2021, at Rs. 85.39 crores grew up by 81 percent whereas profit after tax (PAT) for the aforesaid period at Rs. 67.84 crores registered an increase of 46 percent over corresponding period last year.

About Morepen Laboratories Ltd. (www.morepen.com)

Morepen Laboratories Ltd. is a 36-year-old, around Rs. 1200 Cr. pharmaceutical and healthcare products company. The company went public in the year 1992 and is currently listed at both the Bombay Stock Exchange (BSE) as well as the National Stock Exchange (NSE).

Morepen is a leading manufacturer of high-quality APIs, Home Diagnostics, Formulations and OTC products in north India. All the manufacturing facilities of the company are in the state of Himachal Pradesh and meet the latest international standards. Company's both API facilities at Masukhana and Baddi are approved by USFDA and other regulatory bodies of Europe, Asia, and Australia. The company's state-of-the-art manufacturing facility at Baddi comprises a scientifically integrated complex of 10 plants, each with a specific product profile.

Amongst several APIs manufactured by Morepen, the company is the largest manufacturer of Loratadine and Montelukast (anti-allergy and anti-asthmatic drugs). It also enjoys a significant share for Atorvastatin and Rosuvastatin (Cholesterol reducing drugs) in the international market. Besides, the company has established an extensive footprint for its API products on the strength of quality, documentation and consistency in regulatory compliances, both in the domestic as well as global markets. Morepen has achieved to its credit the enduring confidence of a strong (over 1250) customer base spanning over 80 countries for its leading API products.

In line with its vision of keeping pace with the changing landscape, Morepen continues to invest in its Research and Development (R&D) infrastructure aimed at developing new molecules to deliver the latest drugs at competitive prices in the global markets. The company's strong dedicated R&D team has successfully developed 22 products in last three years out of which 12 products have already been commercialized. The company has also started supplying these new products to customers with complete documentation like DMF, tech packs and other regulatory compliances.

Morepen's R&D Centre meets all the global regulatory requirements and was recently approved by Department of Scientific & Industrial Research, Govt of India, New Delhi. Morepen R&D and QA team, known for its impeccable service, has filed 125 Patents, 60 DMFs and 8 CEPs for USA and Europe, Japan, China, Taiwan and Australian markets.

Morepen is also an established name in home diagnostics sector which remained untapped for a long time in India. Dr. Morepen has gained No.1 position in manufacturing and marketing of Blood Glucose Monitors in India, displacing some established multinational players. With a stable base of more than four million installations of Blood Glucose Monitors, the company has sold more than 785 million glucometer strips (single tests) till date. Dr. Morepen also has a formidable presence and is the leader in the Blood Pressure Monitors.

Brand Dr. Morepen (www.drmorepen.com), which was launched way back in 2001, has created a niche for itself in over the counter (OTC) and Self-Health segment products as well. Dr. Morepen has reached all over the country with over 50 products including famous brands like 'Burnol' and 'Lemolate'.

For more information on GUBB, please visit www.gubbworld.com

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