



MOREPEN



Date: 17/02/2020

To,

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

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Scrip Code: 500288

Subject: Press Release – ‘Morepen Labs’ net profit rises by 21% in Q3 FY 2019-20 led by a stable performance in all business segments’

Dear Sir,

Please find enclosed the press release on the financial performance of the Company for the Quarter and Nine Months ended 31st December, 2019 with the title – ‘Morepen Labs’ net profit rises by 21% in Q3 FY 2019-20 led by a stable performance in all business segments’

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' net profit rises by 21% in Q3 FY 2019-20 led by a stable performance in all business segments

Highlights of Q3 FY 2019-20 (Consolidated)

- The **Net Profit after Tax** during the period stood at Rs. 10.81 crore, up by 21.3 per cent from Rs. 8.91 crore net profit registered in the corresponding period of FY'2018-19.
- **Net Sales Revenue recorded a growth** of 8.9 per cent at Rs. 226.91 crore in Q3'FY 2019-20 as compared to Rs. 208.46 crore in the corresponding quarter of the previous fiscal.
- **EBIDTA** was up by 3.3 per cent in Q3' FY 2019-20 at Rs. 19.90 crores (Rs. 19.27 crores) and **Cash profit** during the same period was up by around 2.8 per cent at Rs. 19.36 crores (Rs. 18.84 crores).
- **Net Profit before tax** went up by 19.7 per cent in Q3' FY 2019-20 at Rs. 10.82 crore (Rs. 9.04 crore). **Domestic sales** were up by 22.2 percent at Rs. 136.76 crore in Q3'FY2019-20 as compared to Rs. 111.90 crore in the corresponding quarter of the previous fiscal.
- **Overall API sales** were up by 9.8 percent at Rs. 131.96 crores in Q3 FY 2019-20, constituting 58 per cent of the total turnover. **API sales in the domestic market registered an impressive growth of 76 percent at Rs. 42.56 crore.**
- **Domestic sales** in Q3'FY 2019-20 for **Atorvastatin Calcium rose by 146 percent and Montelukast by 70 percent** vis-a-vis the corresponding quarter of the previous fiscal.
- **In Export market, Rosuvastatin** registered growth of 171 per cent and **Loratadine** of 25 percent in Q3'FY 2019-20 vis-a-vis Q3 of the previous fiscal.
- **Nebulisers sales** jump up by 89 percent in Q3'FY 2019-20 as compared to Q3 of previous fiscal.
- The company has sold around **110 million Blood Glucose testing strips** in first nine months of FY 2019-20 registering a growth of 24 percent as against the corresponding period of the previous fiscal and has achieved a milestone of **400 million glucose testing strips** till date.



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- **Branded Formulations'** sales have recorded a good growth of **35** percent in Q3 FY'2019-20 vis-a-vis Q3 of the previous fiscal.
- **Over the Counter (OTC)** business has recorded growth of 22% in its sales revenue during the Q3'FY 2019-20, however, **Isabgol and other small base brands** grew by 50 per cent and 61 per cent respectively in the same period. This Business has been strengthened further with many new products in the nutritional and preventive healthcare segments.
- **Internal accruals** stream continued to get stronger, be it on operating profit front or cash profit front.

New Delhi, February 14, 2020: Morepen Laboratories Ltd. has reported a 21.3 per cent rise in its **Net Profit after Tax** (Consolidated) in Q3 FY2019-20 at Rs. 10.81 crore as compared to Rs. 8.91 crore net profit registered in the corresponding quarter of the previous fiscal. **Net sales Revenue** (Consolidated) during Q3 FY 2019-20 stood at Rs. 226.91 crore, registering a growth of 8.9 per cent as compared to the Net Sales Revenue of Rs. 208.46 crore in the corresponding quarter of the previous fiscal.

Total Revenue (Consolidated) in Q3 FY2019-20 rose to Rs. 234.65 crore (Rs. 214.59 crore) registering a jump of 9.4 per cent. **EBIDTA** was up by 3.3 per cent in Q3' FY 2019-20 at Rs. 19.90 crores (Rs. 19.27 crores) and **Cash profit** during the same period was up by around 2.8 per cent at Rs. 19.36 crores (Rs. 18.84 crores). The **Net Profit Before Tax** (Consolidated) posted a growth of **19.7 per cent** in Q3 FY2019-20 at Rs. 10.82 crore compared to Rs. 9.04 crore in Q3 of previous fiscal.

The **bulk drugs (API) segment** contributed around 58 per cent to the company's total turnover in Q3 FY 2019-20. The company's expanding domestic reach assisted in achieving a higher topline in Q3 FY2019-20. **API sales in the domestic market** registered a growth of 76 per cent at Rs. 42.56 crore in Q3 FY2019-20. **Domestic sales for Atorvastatin Calcium rose by 146 percent** at Rs. 3.38 crore and **Montelukast by 70 percent** at Rs. 16.78 crore in Q3 FY2019-20 vis-a-vis the corresponding quarter of the previous fiscal. **API's Export sales** registered a decline of 7 per cent at Rs. 89.39 crore in Q3 FY2019-20. **Export sales for Rosuvastatin rose by 171 percent** at Rs. 10.83 crore and Loratadine by 25 percent at Rs. 39.24 crore in Q3 FY2019-20 vis-a-vis the corresponding quarter of the previous fiscal.

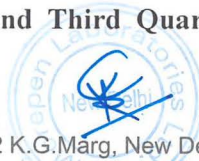
This was disclosed by **Mr. Sushil Suri, Chairman and Managing Director, Morepen Laboratories Ltd.**, after the financial results board meeting for Q3 and nine months ended December 31st, 2019 here on Friday. "Our investment in the manufacturing of medical devices in India has already started showing results. Company is all geared up for increasing its focus on backward integration and capacity enhancement in order to reduce its dependency on imports from across the globe, particularly China, in the coming years," **Mr. Suri said.**

Synopsis of Nine months (9M) and Third Quarter (Q3) FY 2019- 20-Performance (Consolidated):

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Rs. in Crores

Particulars	Q3			9M		
	FY 2018-19	FY 2019-20	% Growth	FY 2018-19	FY 2019-20	% Growth
Net Sales Revenue	208.46	226.91	8.9%	541.59	637.26	17.7%
Total Revenue	214.59	234.65	9.4%	552.47	654.15	18.4%
Expenditure	195.32	214.75	9.9%	504.05	596.77	18.4%
EBIDTA	19.27	19.90	3.3%	48.41	57.38	18.5%
Interest	0.43	0.54	27%	1.18	1.36	15.1%
Cash Surplus	18.84	19.36	2.8%	47.23	56.02	18.6%
Net Profit before tax	9.04	10.82	19.7%	18.47	27.74	50.2%
Net Profit after tax	8.91	10.81	21.3%	18.35	22.55	22.9%

The **Branded formulations** registered a good growth of 35 percent in Q3 FY 2019-20 at Rs. 11.53 crore vis-a-vis the corresponding quarter of the previous fiscal. Sale of Gastro category increased by 66 percent and Antibiotics by 18 percent in Q3'FY2019-20 vis-a-vis the corresponding quarter of the previous fiscal. **The Branded generics** maintained almost the same pace at Rs. 23.99 crore in Q3'FY2019-20 vis-a-vis the corresponding quarter of the previous fiscal

The growth in overall **Home Diagnostic Segment** remained consistent at Rs. 42.87 crore in Q3'FY2019-20 vis-a-vis the corresponding quarter of the previous fiscal. **Nebulisers and other range products** recorded highest growth in the quarter @ 89 percent and 28 percent respectively.

The **OTC business** grew by 22 per cent in Q3 FY 2019-20 at Rs. 17.65 crore vis-a-vis the corresponding quarter of the previous fiscal. Isabgol and other new small brands grew by 50 per cent and 61 per cent, respectively. OTC Business witnessed launch of many new products to its Health basket including Active Smile, Dr. Morepen Daily, MTP Kit, Vcalci tablet, Vcalci D3 shot, Clean & Pure, Liv Healthy, Head-X, Dr. Morepen Aid, Dr. Morepen Buds, COLD-EX, Paachan-Arishta, Adult Nasal Spray, Burnol antiseptic cream, Burnol antiseptic solution, Burnol plus, Quickchek advance midstream test, Pain-X spas, Pain-X combi suspension, Pain-X max gel, Pain-X ortho oil, Exygra spray, Quit & Out and Nourish skin cream in various new product categories. New products are expected to add significantly to the company's topline in the coming quarters.

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In the nine months ended December 31, 2019, Morepen Laboratories. has reported a **net sales revenue** (consolidated) of Rs. 637.26 crore, registering a growth of 17.7 per cent vis-a-vis net sales revenue of Rs. 541.59 crore in the corresponding quarter of the previous fiscal. The company's **EBIDTA** in 9M' FY 2019-20 increased by 18.5 per cent at Rs. 57.38 crore and **cash profit** increased by 18.6 per cent at Rs. 56.02 crore as against Rs. 48.41 crore and Rs. 47.23 crore, respectively, in the corresponding nine-month period of the previous fiscal.

The **Net Profit Before Tax** (consolidated) for 9M FY 2019-20 stood at Rs. 27.74 crore, registering a rise of 50.2 per cent. The **Net profit after tax** (PAT) increased by 22.9 per cent at Rs. 22.55 crore compared to Rs. 18.35 Crore in the corresponding period of the previous fiscal. This is **despite a one-time hit of Rs. 5.15 crore taken by the company by writing off MAT credit entitlement in line with the new Taxation Laws (Amendment) Ordinance 2019 in Q2 FY 2019-20.**

API sales in domestic market registered a growth of 35 per cent at Rs. 99.37 crore and 22 percent in export market at Rs. 261.38 crores sales in the nine months ended December 31st, 2019. **The overall Home Diagnostic Segment** recorded total sales of Rs. 128.42 crore in the nine months ended December 31st, 2019, registering a rise of 15 per cent vis-a-vis corresponding period of the previous fiscal. Morepen Labs' **branded formulations** business have recorded a growth of 21% in the nine months ended December 31st, 2019 by achieving a sales revenue of Rs. 32.73 crore compared to the same period previous fiscal. Branded Generics have reported a decline of 6 percent. **OTC Business** has recorded growth of 15% in its sales revenue in the nine months ended December 31st, 2019.

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

Morepen Laboratories Ltd. is a 35-year-old, around Rs. 800 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 is 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.



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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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