NEULAND
WHERE OPPORTUNITY BECOMES REALITY

Neuland Laboratories Limited
Sanali Info Park, 'A' Block,
Ground Floor, 8-2-120/113
Road No. 2, Banjara Hills
Hyderabad - 500 034.
Telangana, India.

Tel: 040 67611600 / 67611700
Email: neuland@neulandlabs.com
www.neulandlabs.com

February 2, 2021

To
BSE Limited
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai - 400 001

Scrip Code: 524558

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

Scrip Code: NEULANDLAB; Series: EQ

Dear Sirs,

Sub: Outcome of Board Meeting- Un-audited Standalone & Consolidated Financial Results for the quarter ended December 31, 2020

Pursuant to Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 we wish to inform you that the Board of Directors at their meeting held on even date, i.e. February 2, 2021, has inter alia, approved the Unaudited Financial Results (standalone & consolidated) of the Company for the quarter ended December 31, 2020.

Please find enclosed the financial results for the quarter ended December 31, 2020, along with a copy of the limited review reports (standalone & consolidated) by the Statutory auditors of the Company and a copy of the Press Release along with presentation to the Investors/ Analysts, on the Unaudited Financial Results of the Company for the quarter ended December 31, 2020.

The above information will also be available on the website of the Company at www.neulandlabs.com.

The meeting of the Board of Directors of the Company commenced at 12:15 pm and concluded at 03:15 pm.

This is for your information and records.

Yours faithfully,
For **Neuland Laboratories Limited**

NEULAND LABORATORIES LTD. HYDERABAD

Sarada Bhamidipati
Company Secretary

Encl: As above

MSKA
& Associates
Chartered Accountants

1101/B, Manjeera Trinity Corporate
JNTU-Hitech City Road, Kukatpally
Telangana State, Hyderabad 500072, INDIA
Tel: +91 40 6814 2999

Independent Auditor's Review Report on the quarterly unaudited standalone financial results of Neuland Laboratories Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors
Neuland Laboratories Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of **Neuland Laboratories Limited** ('the Company') for the quarter ended December 31, 2020 and the year to-date results for the period April 01, 2020 to December 31, 2020 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation').
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether financial results are free of material misstatements. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone financial results prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No.105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Amit Kumar Agarwal
Partner
Membership No. 214198

UDIN: 21214198AAAAAR6625
Place: Hyderabad, INDIA
Date: February 02, 2021

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NEULAND LABORATORIES LIMITED

Sanali Info Park, 'A' Block, Ground Floor, 8-2-120/113,
Road No. 2, Banjara Hills, Hyderabad - 500034

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2020

(Amount in lakhs of ₹, unless otherwise stated)

Sl. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2020 (Unaudited)	30.09.2020 (Unaudited)	31.12.2019 (Unaudited)	31.12.2020 (Unaudited)	31.12.2019 (Unaudited)	31.03.2020 (Audited)
1	Revenue						
	(a) Revenue from operations	24,539.18	24,139.28	20,361.97	69,220.84	57,084.49	76,271.08
	(b) Other income	19.53	60.57	102.24	149.84	210.97	388.57
	Total income	24,558.71	24,199.85	20,464.21	69,370.68	57,295.46	76,659.65
2	Expenses						
	(a) Cost of materials consumed	11,009.31	10,829.98	10,545.00	32,047.07	30,237.01	39,135.59
	(b) Changes in inventories of finished goods and work-in-progress	212.68	769.74	(183.01)	915.78	(825.03)	(1,115.75)
	(c) Employee benefits expense	3,621.74	3,245.02	2,971.97	10,173.78	8,666.60	11,848.19
	(d) Finance costs	443.92	351.19	569.23	1,331.98	1,450.25	2,157.14
	(e) Depreciation and amortisation expense	1,040.74	926.86	781.72	2,853.74	2,365.12	3,127.63
	(f) Manufacturing expenses	3,043.71	3,190.21	2,597.91	8,549.55	6,925.00	9,759.63
	(g) Other expenses	2,000.79	2,028.45	1,623.93	5,434.16	4,934.61	6,497.64
	Total expenses	21,372.89	21,341.45	18,906.75	61,306.06	53,753.56	71,410.07
3	Profit before tax (1-2)	3,185.82	2,858.40	1,557.46	8,064.62	3,541.90	5,249.58
4	Tax expense						
	(a) Current tax	430.31	347.92	313.07	778.23	839.93	-
	(b) Deferred tax	88.34	376.64	140.13	979.70	178.96	3,661.57
5	Profit for the period / year (3-4)	2,667.17	2,133.84	1,104.26	6,306.69	2,523.01	1,588.01
6	Other comprehensive income (net of taxes)						
	(a) Items that will not be reclassified to profit or loss						
	Re-measurement gains/(losses) on defined benefit plans	(3.50)	17.88	(46.03)	(10.56)	(138.09)	(99.76)
	Equity instruments through other comprehensive income	3.00	0.77	0.66	6.28	0.49	(4.09)
	Tax on items that will not be reclassified to profit or loss	0.88	(4.50)	16.08	2.66	48.25	25.11
	Total comprehensive income	2,667.55	2,147.99	1,074.97	6,305.07	2,433.66	1,509.27
7	Paid-up Equity Share Capital (Face value - ₹10 each)	1,290.05	1,290.05	1,290.05	1,290.05	1,290.05	1,290.05
8	Other equity (excluding revaluation reserve)						69,180.58
9	Earnings Per Share (of ₹10 each) (In absolute ₹ terms)						
	(a) Basic (refer note 5)	20.79	16.63	8.61	49.16	19.67	12.38
	(b) Diluted (refer note 5)	20.79	16.63	8.61	49.16	19.67	12.38

See accompanying notes to the financial results

MSKA & ASSOCIATES Hyderabad Chartered Accountants

NEULAND LABORATORIES LTD. HYDERABAD

NEULAND

NOTES:

1 The financial results for the quarter and nine months ended 31 December 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 2 February 2021.

2 The financial results have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3 The operations of the Company are predominantly related to the manufacture and sale of active pharmaceutical ingredients and allied services. As such there is only one primary reportable segment as per Ind AS 108 "Operating Segments".

4 The Company continues to evaluate the impact of the pandemic on all aspects of its business, including impact on customers, employees, vendors and business partners. The Company has taken several business continuity measures including transport for factory employees, work from home, following the social distancing norms.The Company has exercised due care, in concluding on significant accounting judgements and estimates, inter-alia, recoverability of receivables, assessment for impairment of goodwill, investments, inventory, based on the information available to date, both internal and external, while preparing the its financial results for the quarter ended 31 December 2020. Based on the assessment done by the management of the Company, there is no significant/material impact of COVID-19 on the results for the quarter ended 31 December 2020. The Company has been closely monitoring any material changes to future economic conditions.

5 The EPS for the quarters has not been annualised.

6 The previous period figures have been regrouped/rearranged wherever necessary to make it comparable with the current period.

For Neuland Laboratories Limited

NEULAND LABORATORIES LTD HYDERABAD

Dr. D R Rao
Executive Chairman
(DIN 00107737)

Place: Hyderabad
Date: 2 February 2021

MSKA & ASSOCIATES Hyderabad Chartered Accountants

MSKA
& Associates
Chartered Accountants

1101/B, Manjeera Trinity Corporate
JNTU-Hitech City Road, Kukatpally
Telangana State, Hyderabad 500072, INDIA
Tel: +91 40 6814 2999

Independent Auditor's Review Report on the quarterly unaudited consolidated financial results of Neuland Laboratories Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors
Neuland Laboratories Limited

1. We have reviewed the accompanying statement of consolidated unaudited financial results of **Neuland Laboratories Limited** ('the Holding Company'), its subsidiaries, (the Holding Company and its subsidiaries together referred to as the 'Group') for the quarter ended December 31, 2020 and the year to-date results for the period from April 01, 2020 to December 31, 2020 ('the Statement'), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation').

2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

5. The Statement includes the results of the following entities:

Sr. No.	Name of the Company	Relationship with the Holding Company
1	Neuland Laboratories K.K., Japan	Wholly Owned Subsidiary
2	Neuland Laboratories Inc., USA	Wholly Owned Subsidiary

6. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.

MSKA
& Associates
Chartered Accountants

1101/B, Manjeera Trinity Corporate
JNTU-Hitech City Road, Kukatpally
Telangana State, Hyderabad 500072, INDIA
Tel: +91 40 6814 2999

7. The consolidated unaudited financial results includes the interim financial information of two subsidiaries (mentioned in paragraph 5 above) which have not been reviewed or audited by their auditors, whose interim financial information reflect total revenue (before consolidation adjustments) of Rs. 187.52 lakhs and total profit after tax (before consolidation adjustments) of Rs. 6.32 lakhs for the quarter ended December 31, 2020, respectively, as considered in the statement. According to the information and explanations given to us by the Management, these interim financial information are not material to the Group.

   Our conclusion on the Statement is not modified in respect of our reliance on the interim financial information certified by the Management.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No.105047W

Amit Kumar Agarwal
Partner
Membership No. 214198

UDIN: 21214198AAAAAS1712
Place: Hyderabad, INDIA
Date: February 02, 2021

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NEULAND LABORATORIES LIMITED

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Road No. 2, Banjara Hills, Hyderabad - 500034

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2020

(Amount in lakhs of ₹, unless otherwise stated)

Sl. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2020 (Unaudited)	30.09.2020 (Unaudited)	31.12.2019 (Unaudited)	31.12.2020 (Unaudited)	31.12.2019 (Unaudited)	31.03.2020 (Audited)
1	**Revenue**						
	(a) Revenue from operations	24,539.18	24,139.28	20,384.37	69,220.84	57,106.89	76,271.08
	(b) Other income	19.53	60.59	102.24	149.86	210.97	388.59
	Total income	24,558.71	24,199.87	20,486.61	69,370.70	57,317.86	76,659.67
2	**Expenses**						
	(a) Cost of materials consumed	11,009.30	10,829.99	10,544.99	32,047.07	30,237.00	39,135.59
	(b) Changes in inventories of finished goods and work-in-progress	212.68	769.74	(183.01)	915.78	(825.03)	(1,115.75)
	(c) Employee benefits expense	3,790.19	3,377.92	3,102.83	10,631.26	9,055.57	12,355.52
	(d) Finance costs	443.93	351.23	569.25	1,332.04	1,450.40	2,157.35
	(e) Depreciation and amortisation expense	1,040.84	926.96	781.82	2,854.05	2,365.41	3,128.01
	(f) Manufacturing expenses	3,043.71	3,190.21	2,597.91	8,549.55	6,925.00	9,759.63
	(g) Other expenses	1,823.29	1,885.26	1,505.64	4,946.61	4,537.06	5,947.07
	Total expenses	21,363.94	21,331.31	18,919.43	61,276.36	53,745.41	71,367.42
3	**Profit before tax (1-2)**	3,194.77	2,868.56	1,567.18	8,094.34	3,572.45	5,292.25
4	Tax expense						
	(a) Current tax	432.91	347.92	316.01	780.83	842.87	9.63
	(b) Deferred tax	88.34	376.64	140.13	979.70	178.96	3,661.57
5	**Profit for the period / year (3-4)**	2,673.52	2,144.00	1,111.04	6,333.81	2,550.62	1,621.05
6	**Other comprehensive income (net of taxes)**						
	(a) Items that will not be reclassified to profit or loss						
	Re-measurement gains/ (losses) on defined benefit plans	(3.50)	17.88	(46.03)	(10.56)	(138.09)	(99.76)
	Equity instruments through other comprehensive income	3.00	0.77	0.32	6.28	0.49	(4.09)
	Tax on items that will not be reclassified to profit or loss	0.88	(4.50)	16.08	2.66	48.25	25.11
	(b) Items to be reclassified to profit or loss						
	Exchange differences in translating the financial statements of a foreign operations	12.19	(39.72)	3.86	(6.52)	10.88	35.34
	Total comprehensive income	2,686.09	2,118.43	1,085.27	6,325.67	2,472.15	1,577.65
7	Paid-up Equity Share Capital (Face value - ₹10 each)	1,290.05	1,290.05	1,290.05	1,290.05	1,290.05	1,290.05
8	Other equity (excluding revaluation reserve)						69,621.83
9	Earnings Per Share (of ₹10 each) (In absolute ₹ terms)						
	(a) Basic (refer note 6)	20.84	16.71	8.66	49.37	19.88	12.63
	(b) Diluted (refer note 6)	20.84	16.71	8.66	49.37	19.88	12.63
	See accompanying notes to the financial results						

MSKA & ASSOCIATES Hyderabad Chartered Accountants

NEULAND LABORATORIES LTD HYDERABAD

NEULAND

NOTES:

1. The financial results for the quarter and nine months ended 31 December 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 2 February 2021.
2. The financial results have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. The Consolidated Financial Results include results of the following wholly owned subsidiaries:
   (a) Neuland Laboratories Inc., USA;
   (b) Neuland Laboratories KK., Japan.
4. The operations of the Company and its subsidiaries are predominantly related to the manufacture and sale of active pharmaceutical ingredients and allied services. As such there is only one primary reportable segment as per Ind AS 108 "Operating Segments".
5. The Group continues to evaluate the impact of the pandemic on all aspects of its business, including impact on customers, employees, vendors and business partners. The Group has taken several business continuity measures including transport for factory employees, work from home, following the social distancing norms. The Group has exercised due care, in concluding on significant accounting judgements and estimates, inter-alia, recoverability of receivables, assessment for impairment of goodwill, investments, inventory, based on the information available to date, both internal and external, while preparing the its financial results for the quarter ended 31 December 2020. Based on the assessment done by the management, there is no significant/material impact of COVID-19 on the results for the quarter ended 31 December 2020. The Group has been closely monitoring any material changes to future economic conditions.
6. The EPS for quarters has not been annualised.
7. The previous period figures have been regrouped/rearranged wherever necessary to make it comparable with the current period.

For Neuland Laboratories Limited

NEULAND LABORATORIES LTD HYDERABAD

Dr. D R Rao
Executive Chairman
(DIN 00107737)

Place: Hyderabad
Date: 2 February 2021

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Neuland Q3 FY21 income at Rs.245.6 crore; up 20.0%

EBITDA margins improve by 480 bps

Hyderabad, India, February 2, 2021 - Neuland Laboratories Limited (NLL) (NSE: NEULANDLAB; BSE: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 third quarter (Q3FY21) ended December 31, 2020.

Commenting on the performance Mr. Sucheth Davuluri, Vice-Chairman and Chief Executive Officer of the Company said "We are pleased to announce another strong quarter of top line and bottom line performance. The revenue at Rs.245.6 crores was a 20% improvement over the corresponding quarter of the last fiscal while the margins have showed an upward trajectory and closed at 19.0%. This was driven by growth across the GDS and CMS verticals. We remain confident of our long-term growth aspirations as well as our margin resilience."

In addition, **Mr. Saharsh Davuluri, Vice Chairman and Managing Director, Neuland Labs added** "We are pleased with the momentum shown by the CMS business while the GDS also continues to play an important part in the growth. The driver of this quarter's CMS uptick has been the strong performance from the scaleup projects which have contributed to the revenues. Unit 3 has started commercial production and we are currently shipping out 2 API's from this facility. We expect Unit 3 to be a major driver of our growth going forward."

Financial Summary

Rs. crore

Particulars	Q3FY21	Q2FY21	QoQ Growth (%)	Q3FY20	YoY Growth (%)	9MFY21	9MFY20	YoY Growth (%)
Total Income	245.6	242.0	1.5%	204.6	20.0%	693.7	573.0	21.1%
EBITDA	46.7	41.4	12.9%	29.1	60.6%	122.5	73.6	66.5%
EBITDA margin (%)	19.0%	17.1%	190 bps	*14.2%*	480 bps	17.7%	12.8%	490 bps
PAT	26.7	21.3	25.0%	11.0	141.5%	63.1	25.2	150.0%
PAT margin (%)	10.9%	8.8%	210 bps	*5.4%*	550 bps	*9.1%*	*4.4%*	470 bps
EPS (Basic) Rs.	20.8	16.6	25.0%	8.6	141.5%	49.2	19.7	149.9%

Q3 FY21 Earnings Call

The company will conduct a one-hour Earnings call at **17:00 hrs. IST** on **Tuesday, February 2, 2021** 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 37 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 has filed over 898+ Regulatory filings in the US (57 active US DMFs), 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.

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

IR Department at Neuland
Tel: +91 40 6761 1600
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Diwakar Pingle, Christensen
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Earnings Presentation

Q3 FY 21

BSE CODE : 524558 | NSE SYMBOL : NEULANDLAB | BLOOMBERG: NLL:IN | REUTERS: NEUL.NS

Safe Harbour

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Except for the historical information contained herein, statements in this presentation and the subsequent discussions, which include words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", seek to", "future", "objective", "goal", "likely", "project", "should", "potential", "will pursue", and similar expressions of such expressions may constitute "forward-looking statements". These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, obtain regulatory approvals, our provisioning policies, technological changes, investment and business income, cash flow projections, our exposure to market risks as well as other risks. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

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Q3 & 9M FY 21 HIGHLIGHTS

Management Speak

SUCHETH DAVULURI

Vice-Chairman & Chief Executive Officer

"We are pleased to announce another strong quarter of top line and bottom-line performance. The revenue at Rs.245.6 crores was a 20% improvement over the corresponding quarter of the last fiscal while the margins have showed an upward trajectory and closed at 19.0%. This was driven by growth across the GDS and CMS verticals. We remain confident of our long-term growth aspirations as well as our margin resilience."

SAHARSH DAVULURI

Vice-Chairman & Managing Director

"We are pleased with the momentum shown by the CMS business while the GDS also continues to play an important part in the growth. The driver of this quarter's CMS uptick has been the strong performance from the scaleup projects which have contributed to the revenues. Unit 3 has started commercial production and we are currently shipping out 2 APIs from this facility. We expect Unit 3 to be a major driver of our growth going forward."

Financial Highlights

Q3 FY21

- Total income increased by **20.0%** in Q3FY21 on account of secular growth in GDS and CMS
  - Prime segment continues growth led by Levetiracetam and Mirtazapine
  - Speciality business had a stable quarter led by Deferasirox and Dorzolamide
  - CMS business witnessed growth in scale up projects and higher projects coming up for validation
  - Two APIs shipped from Unit III
  - Filed DMF for Donepezil Base with USFDA
- EBITDA margin increased by 480 bps from 14.2% to **19.0%** in Q3FY21
- Increase in PBT margins by 540 bps and PAT margins by 550 bps

9M FY21

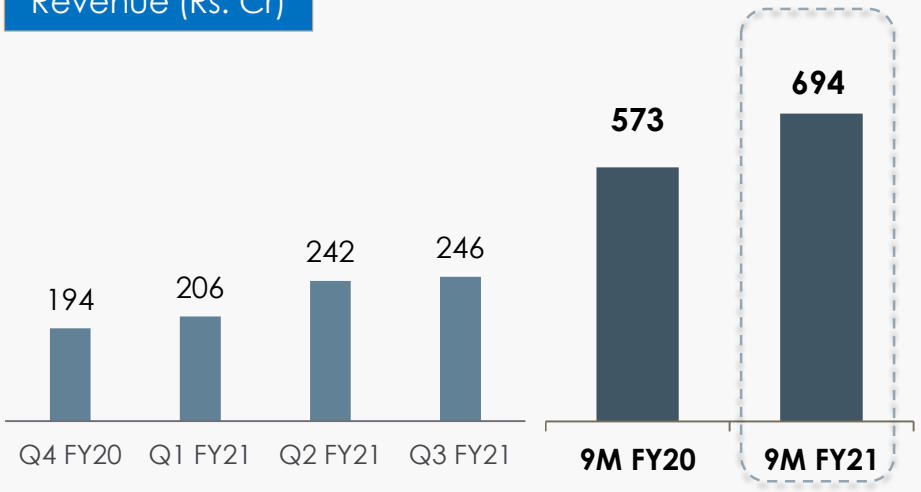
- Total income increased by **21.1%**
- EBITDA margins increased by 490 bps from 12.8% to **17.7%**
- PBT margins increased by 540 bps and PAT margins increased by 470 bps

Profit & Loss Snapshot (Standalone)

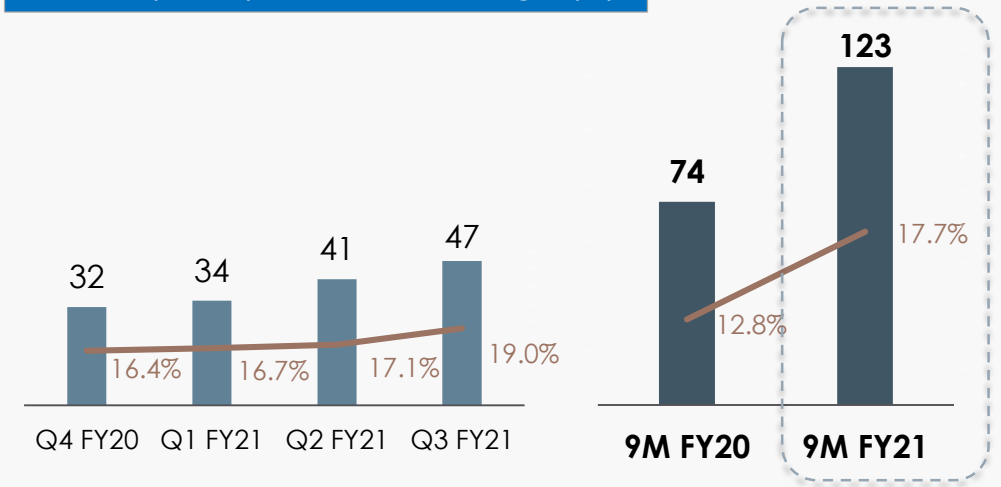
Particulars (Rs. Cr)	Q3FY21	Q2FY21	QoQ (%)	Q3FY20	YoY (%)	9MFY21	9MFY20	YoY (%)
Total Income	**245.6**	242.0	*1.5%*	204.6	20.0%	**693.7**	*573.0*	21.1%
EBITDA	**46.7**	41.4	*12.9%*	29.1	60.6%	**122.5**	*73.6*	66.5%
EBITDA Margin	**19.0%**	17.1%	*190 bps*	14.2%	*480 bps*	**17.7%**	12.8%	*490 bps*
Profit Before Tax	**31.9**	28.6	*11.5%*	15.6	*104.5%*	**80.6**	35.4	*127.7%*
Profit Before Tax Margin	**13.0%**	11.8%	*120 bps*	*7.6%*	*540 bps*	**11.6%**	*6.2%*	*540 bps*
Profit After Tax	**26.7**	21.3	*25.0%*	11.0	*141.5%*	**63.1**	25.2	*150.0%*
Profit After Tax Margin	**10.9%**	8.8%	*210 bps*	5.4%	*550 bps*	**9.1%**	4.4%	*470 bps*
Earnings Per Share (Rs.)	**20.8**	16.6	*25.0%*	8.6	*141.5%*	**49.2**	19.7	*149.9%*

Financials (Standalone)

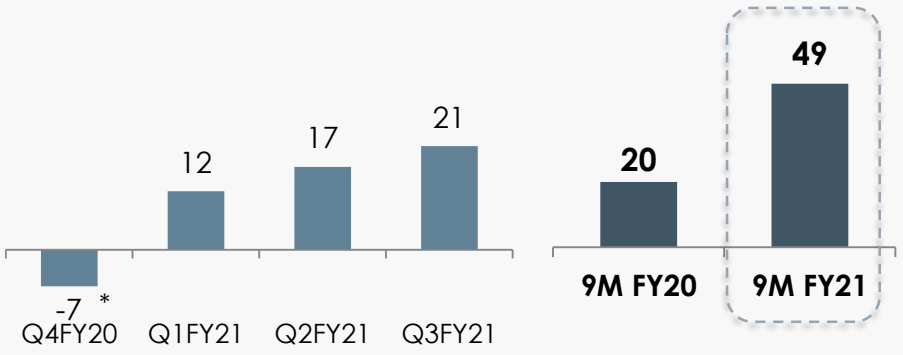
Revenue (Rs. Cr)



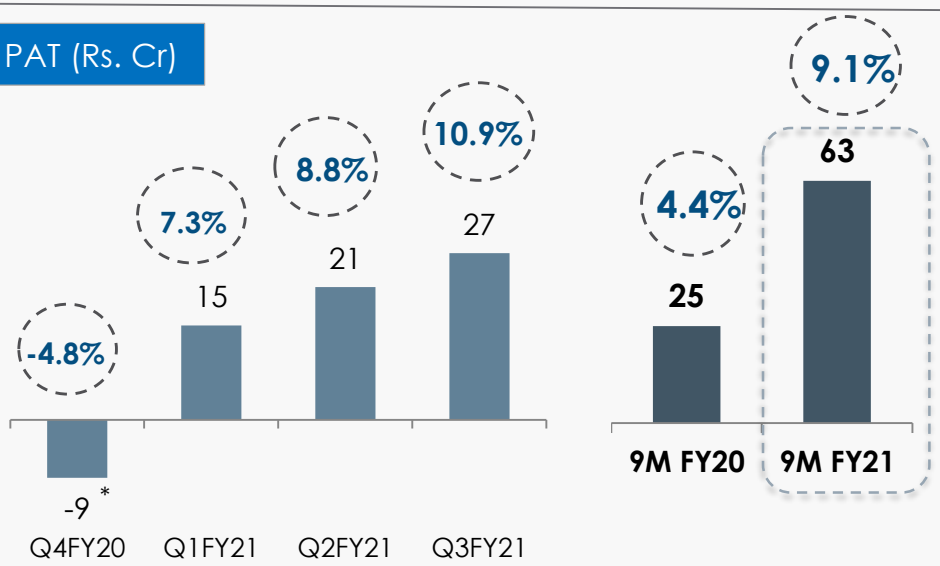
EBITDA (Rs. Cr) and EBITDA Margin (%)



EPS (Rs)



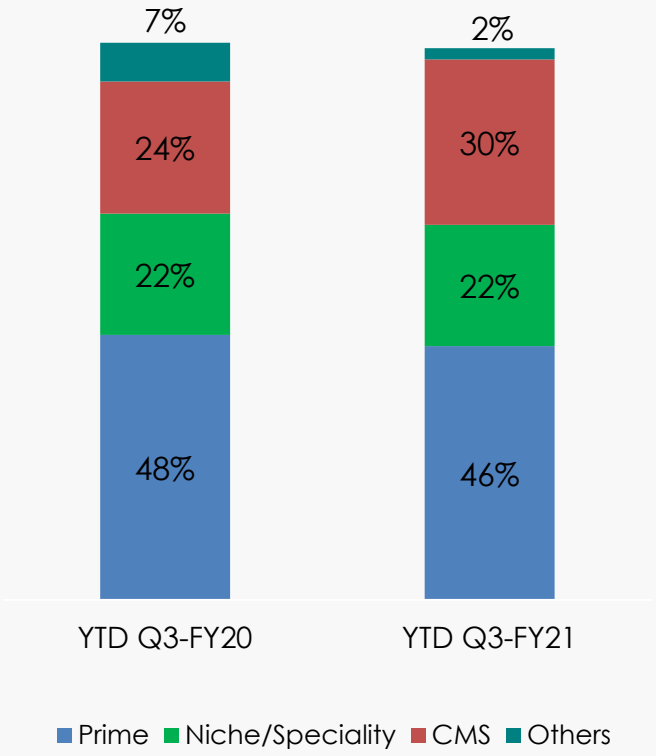
PAT (Rs. Cr)



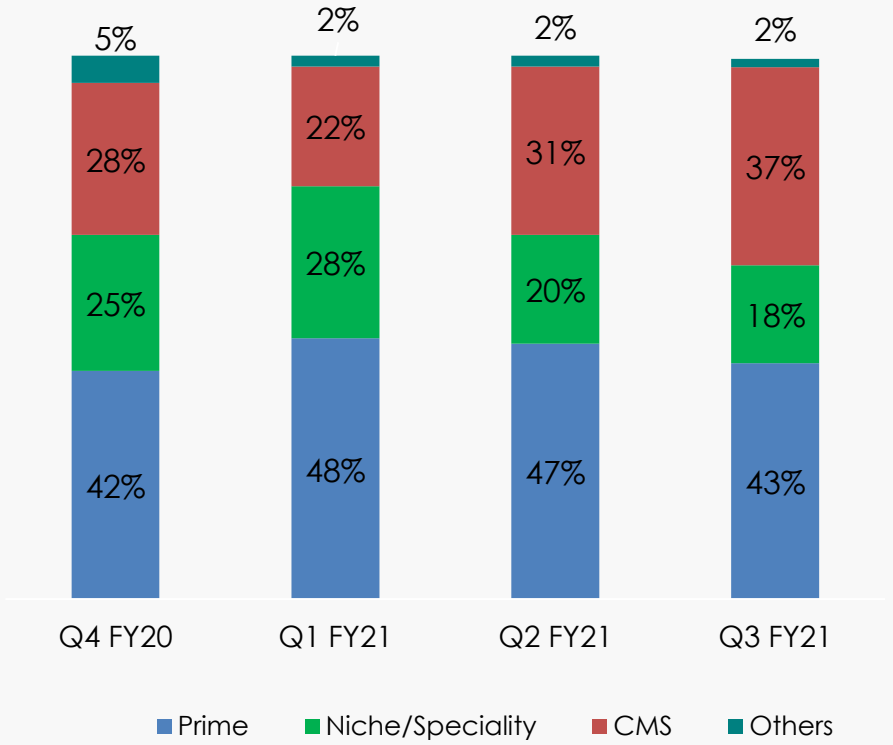
* This was after a one-time tax charge of Rs. 23.2 Cr in Q4FY20 that the Company chose to exercise under Section 115BAA of the IT act

Key Operating Metrics

YoY Analysis



Quarter on Quarter Movement



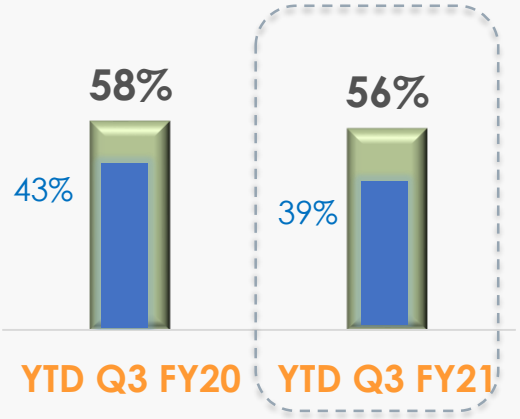
*Q1FY21 figures adjusted for rollback of government Export incentives and change in accounting policy
*YTD Q3-FY20 and YTD Q3-FY21 figures are unadjusted

Business Salience (Overall Company)

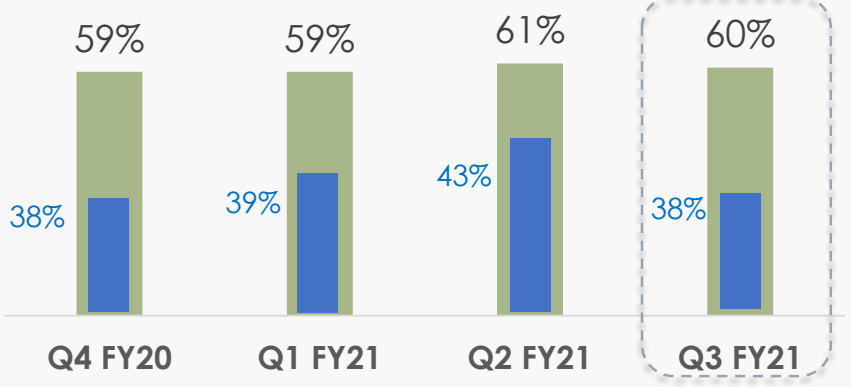
NEULAND
WHERE OPPORTUNITY BECOMES REALITY

PRODUCT

YoY Analysis



QoQ Movement



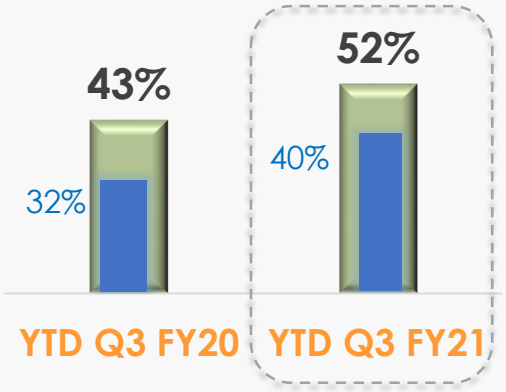
TOP 10

TOP 5

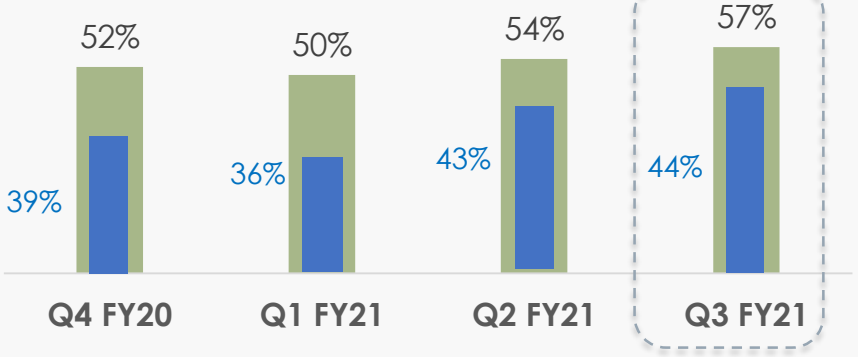
% of Total revenue

CUSTOMER

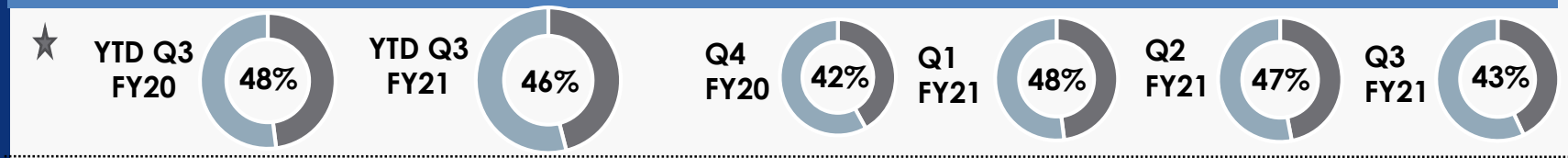
YoY Analysis



QoQ Movement



Business Salience (Prime)

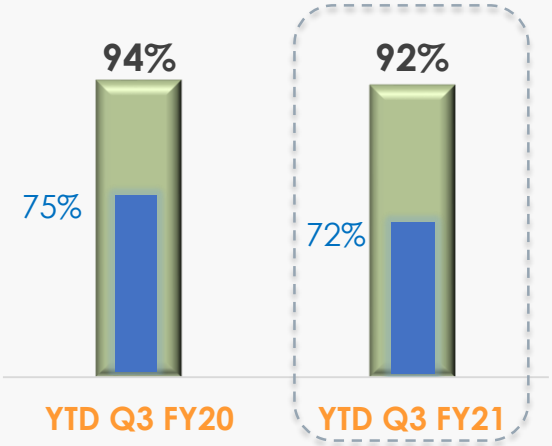


NEULAND
WHERE OPPORTUNITY BECOMES REALITY

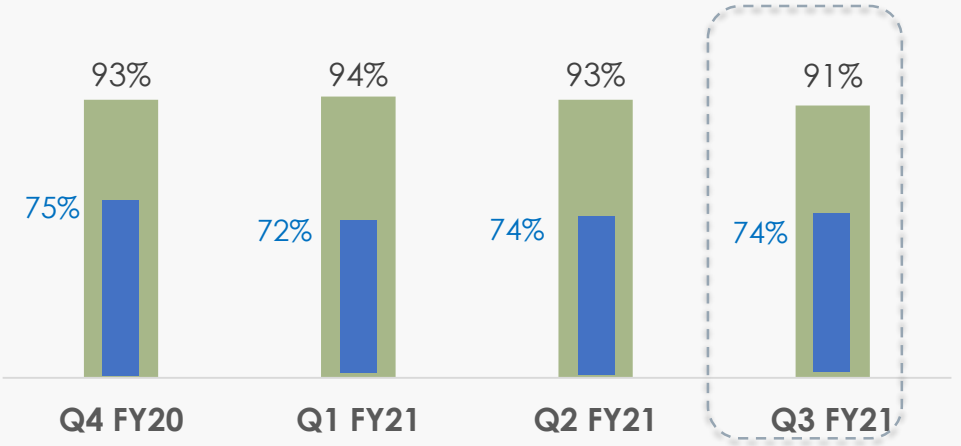
TOP 10
TOP 5
(of Prime revenue)

PRODUCT

YoY Analysis

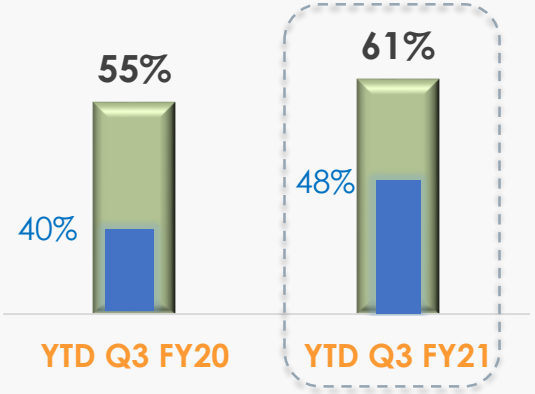


QoQ Movement

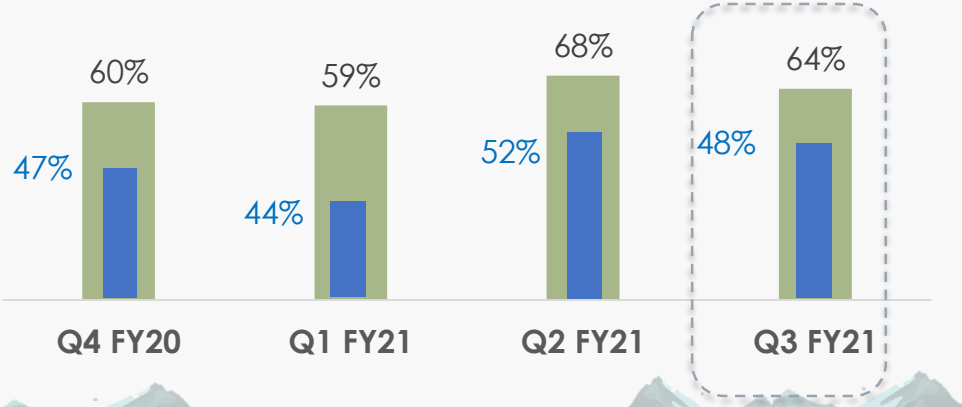


CUSTOMER

YoY Analysis

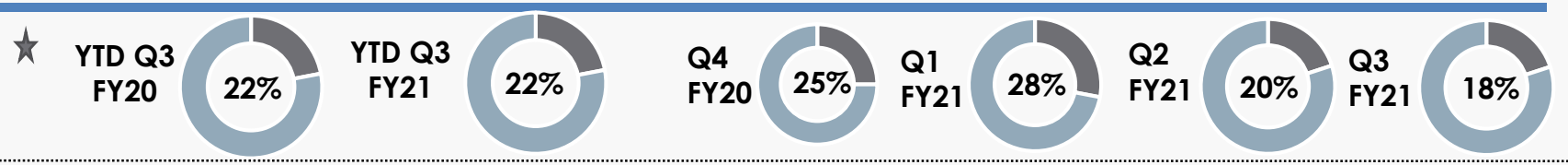


QoQ Movement



★ % represents Prime % from Overall revenue for respective Quarter / YTD

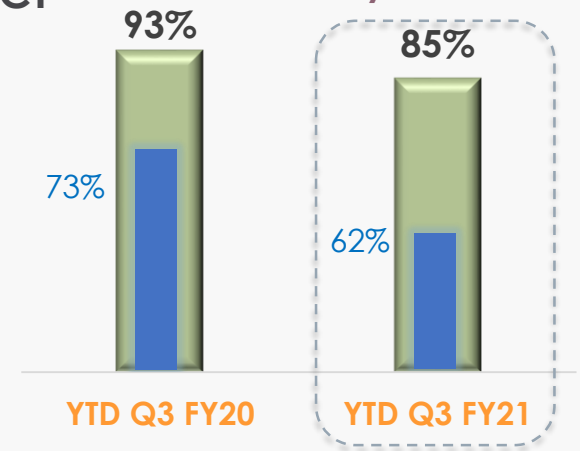
Business Salience (Niche/Speciality)



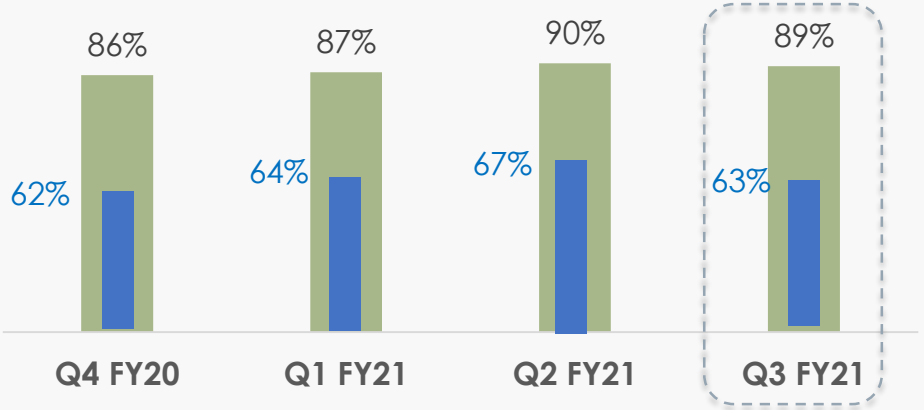
NEULAND
WHERE OPPORTUNITY BECOMES REALITY

PRODUCT

YoY Analysis



QoQ Movement



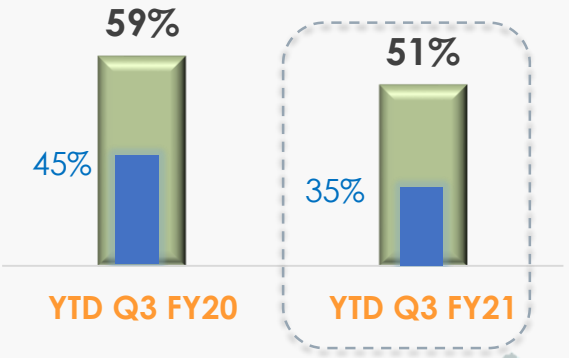
TOP 10

TOP 5

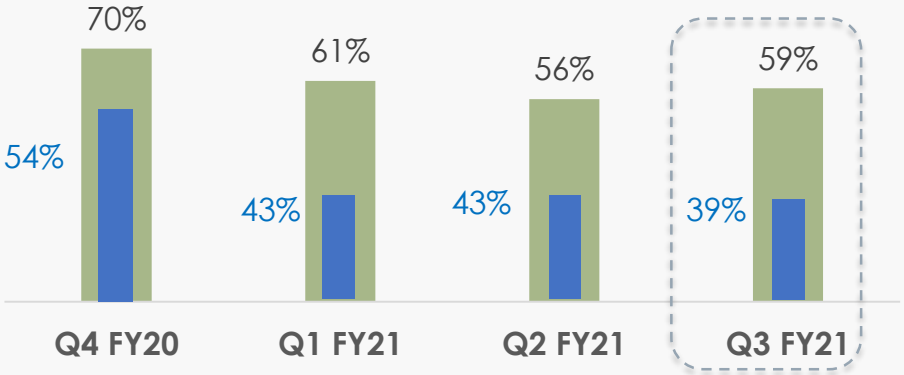
(of Niche/Speciality Revenue)

CUSTOMER

YoY Analysis



QoQ Movement



★ % represents Niche / Speciality % from Overall revenue for respective Quarter / YTD

Business Salience (CMS)

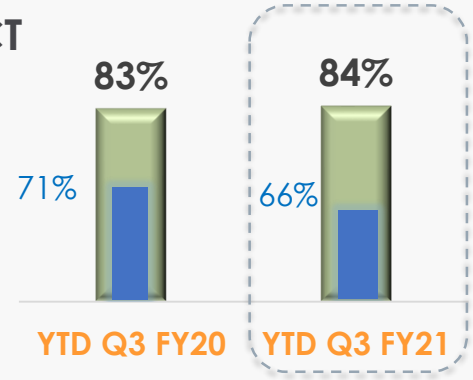
NEULAND
WHERE OPPORTUNITY BECOMES REALITY

★ YTD Q3 FY20 **24%** | YTD Q3 FY21 **30%** | Q4 FY20 **28%** | Q1 FY21 **22%** | Q2 FY21 **31%** | Q3 FY21 **37%**

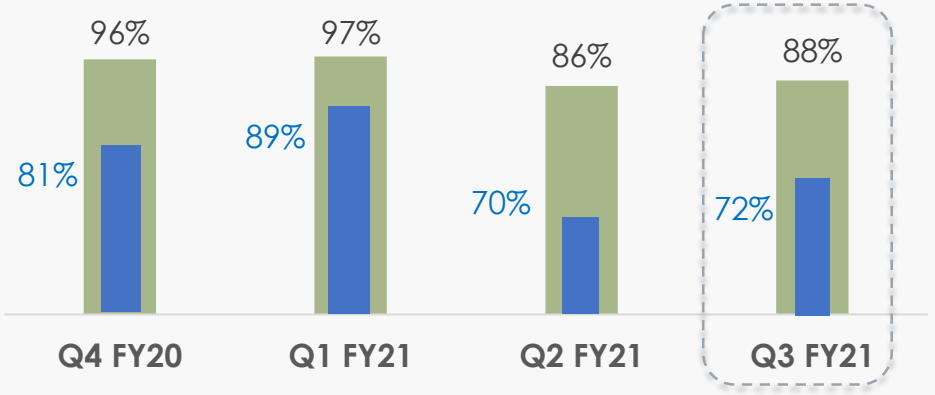
TOP 10
TOP 5
(of CMS revenue)

PRODUCT

YoY Analysis

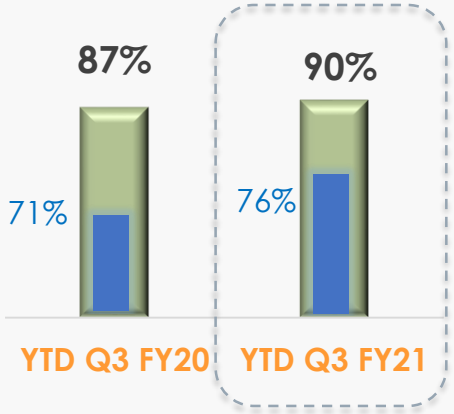


QoQ Movement

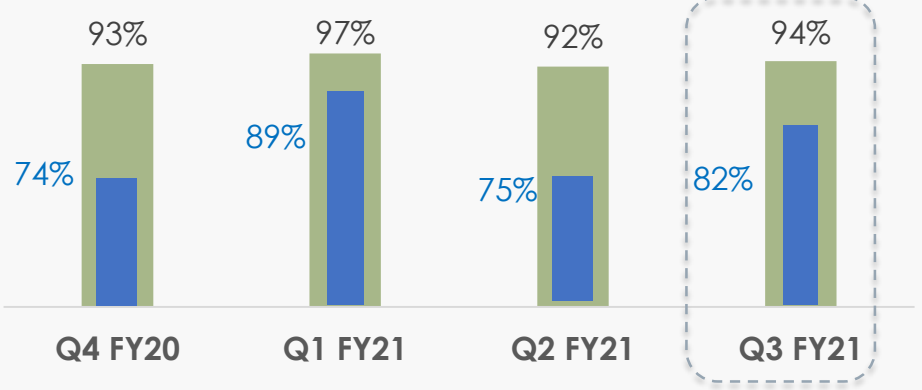


CUSTOMER

YoY Analysis



QoQ Movement

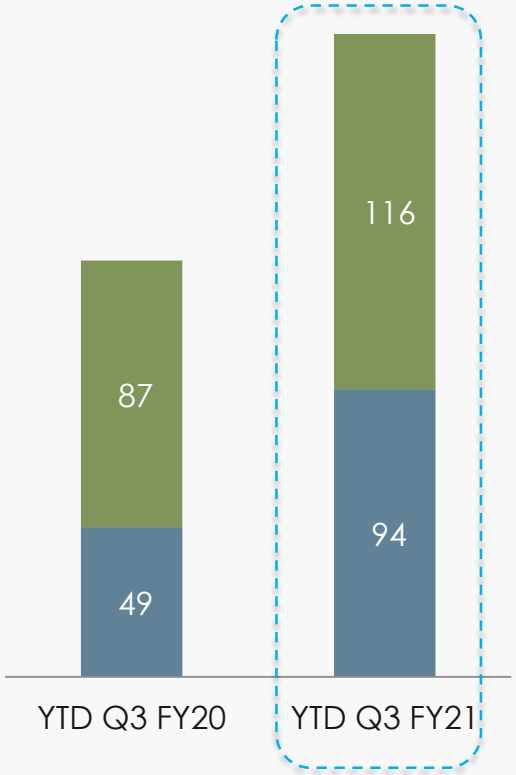


★ % represents CMS % from Overall revenue for respective Quarter / YTD

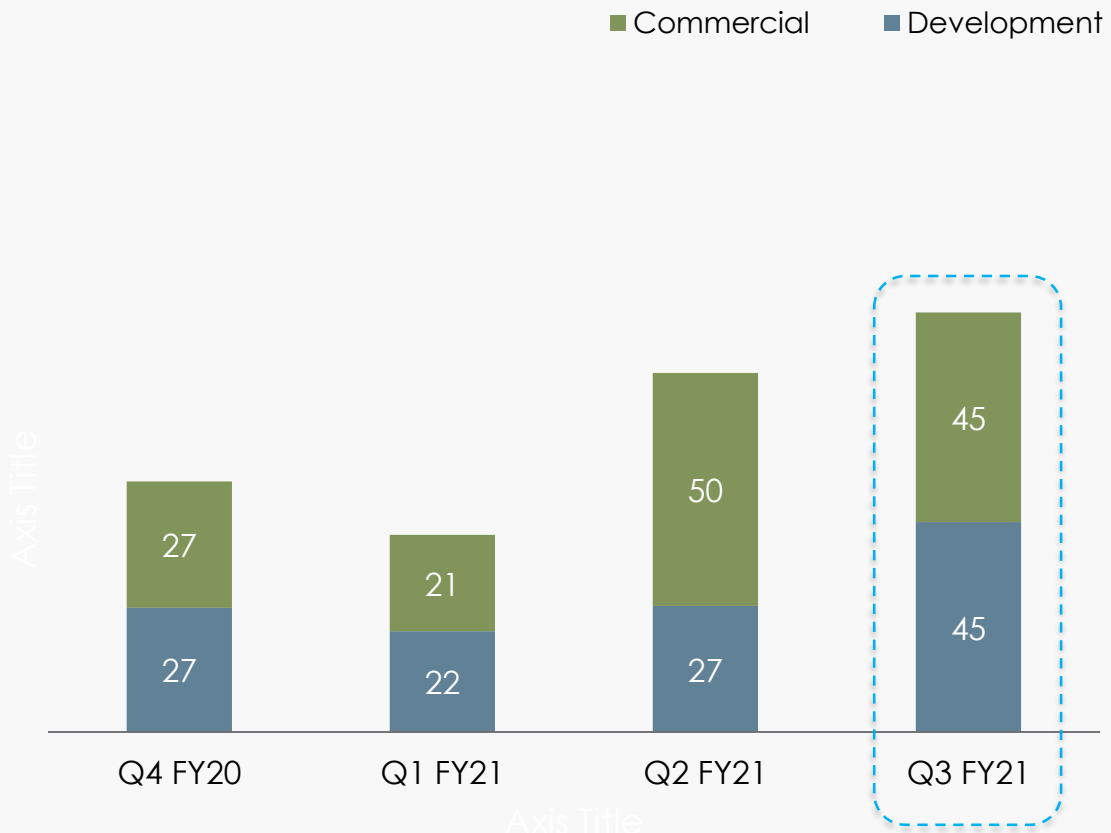
Key Operating Metrics – CMS Revenue Split

Rs. In Cr

YoY Analysis



Quarter on Quarter Movement



Number of Active CMS Projects

NEULAND
WHERE OPPORTUNITY BECOMES REALITY

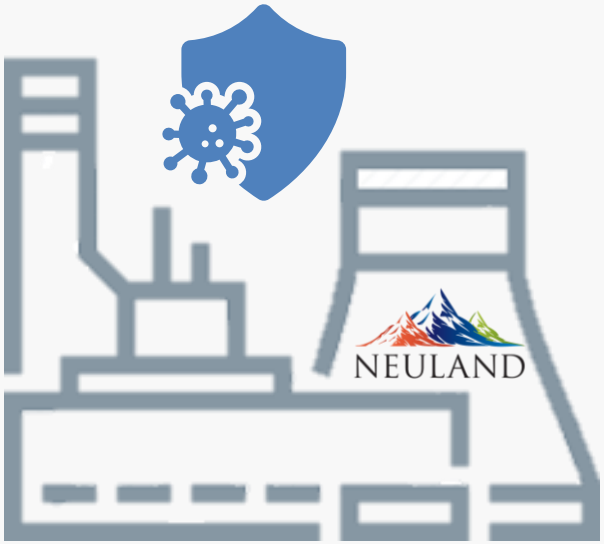
Q3 FY21	Pre-Clinical	P-1	P-2	P-3	Development	Commercial	Grand Total
API	14	4	6	3	10	6	43
Intermediate	7	4	2	3	8	9	33
Grand Total	**21**	**8**	**8**	**6**	**18**	**15**	**76**

Q3 FY20	Pre-Clinical	P-1	P-2	P-3	Development	Commercial	Grand Total
API	12	4	4	5	9	6	40
Intermediate	7	3	2	5	8	9	34
Grand Total	**19**	**7**	**6**	**10**	**17**	**15**	**74**

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
Grand Total	**9**	**6**	**2**	**10**	**12**	**15**	**54**

Q3 FY18	Pre-Clinical	P-1	P-2	P-3	Development	Commercial	Grand Total
API	7	2	4	4	6	5	28
Intermediate	1	1		7		5	14
Grand Total	**8**	**3**	**4**	**11**	**6**	**10**	**42**

Well Placed for a Post- Covid World



- Shortening the supply chain and de-risking the vendor base
- Investing in capabilities and infrastructure in R&D
- Placed reserve manpower in Manufacturing and Quality functions to meet customer requirements
- Ready to meet changing regulatory requirements via online audits
- Continued focus on Business Development and engagement with customers
- Effective team communication using technology for operational effectiveness as well as engagement

BUSINESS OVERVIEW

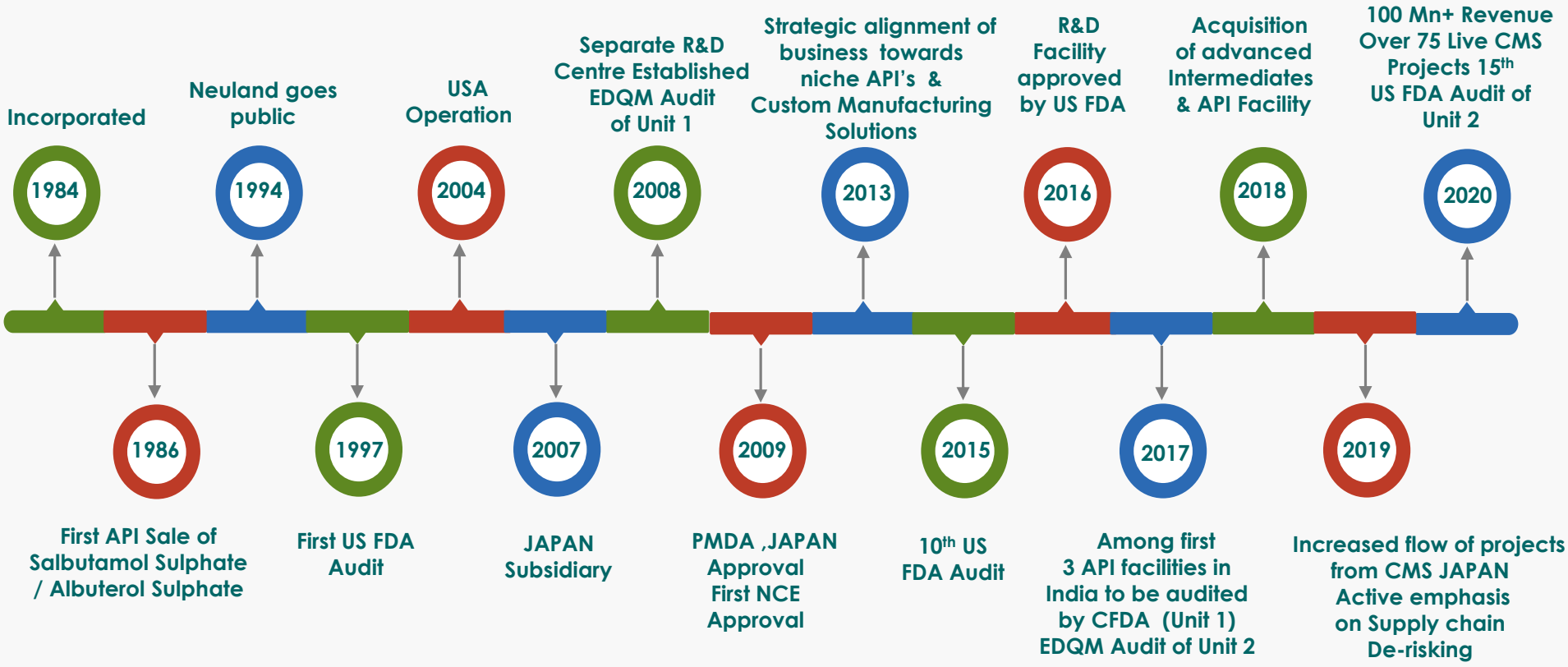
Our Journey – Key Milestones

NEULAND
WHERE OPPORTUNITY BECOMES REALITY

Laying Strong Foundation
1984 - 2003

Deepening our Capabilities
2004 - 2012

Increased Sustainable Growth
2013 -Today



Multiple audits passed with no failures

Generic Drug Substance (GDS)

NEULAND
WHERE OPPORTUNITY BECOMES REALITY

We started as a Prime API manufacturer…

Capability

- ✓ 3 US FDA and EU GMP compliant manufacturing facilities
- ✓ Collective capacity: ~731KL

Business Approach

- ✓ Work on molecules either with a business leadership approach or partnership with client on COGS
- ✓ Ensure uninterrupted supply with quality commitment

Strategy Forward

- ✓ Maintain leadership position in key molecule
- ✓ Work on process optimization to improve yields, productivity and thus margins

..Added Speciality molecules for complex products..

Capability

- ✓ High end complex chemistry capabilities
- ✓ Backend support by R&D department
- ✓ Experience of hurdle free scale up

Business Approach

- ✓ Work with leading companies and help them to meet their technical requirements while being competitive

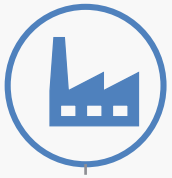
Strategy Forward

- ✓ Focus on niche APIs with complex chemistry
- ✓ File IP for non infringing processes

Robust manufacturing base placed on the foundation of quality and pureplay API commitment

On path to being a preferred partner in CMS..

NEULAND
WHERE OPPORTUNITY BECOMES REALITY



Services

- ✓ Manufacturing API to customer specifications
- ✓ Designing and developing manufacturing processes
- ✓ Process optimization for competitiveness
- ✓ Filing of DMF/CMC for the API
- ✓ Patent protection for processes

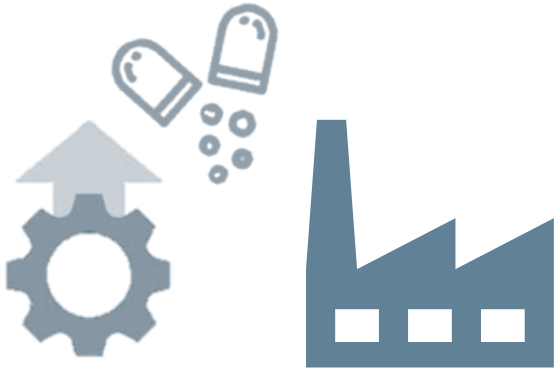
Business Approach

- ✓ Local presence in US and Japan with technical as well as commercial employees
- ✓ Consultative approach on customer relationships
- ✓ Business targeted on Neuland's technology capabilities and perceived customer needs leading to increased traction

Strategy Forward

- ✓ Add depth in technical capabilities
- ✓ Investment in QBD labs, process engineering and foray into new areas of customer solutions
- ✓ Work effectively on customer relationships and leverage on portfolio expansion
- ✓ Targeting molecules in the later stages of the clinical cycle

Create a sustainable CMS business that is driven by technology and strong customer relationships



CAPABILITIES

Scaled up Manufacturing Facilities over the years...

	UNIT 1 BONTHAPALLY	UNIT 2 PASHAMYLARAM	UNIT 3 GADDAPOTHARAM
	222.5 KL	310.2 KL	197 KL
Year of Establishment	**1986**	**1994**	**2017**
Key Products	Mirtazapine, Sotalol HCL, Levetiracetam, Levofloxacin, Salmeterol, Salbutamol, NCE APIs, Peptide APIs, Vitamin D2 analogues	Ciprofloxacin HCL, Entacapone, NCE APIs, Intermediates & RSMs	Products including Key Intermediates
Regulatory	USFDA, EDQM, CFDA, PMDA	USFDA, EDQM, PMDA, ANVISA	Inspected by USFDA in 2015

Adding capacities for business growth and strategic backward integration

..Backed up by sound R&D capabilities..

Neuland's R&D facility had been inspected by USDFA in February 2016 without any observations

Infrastructure

- 15 Development Labs with space for expansion
- 60 Fume hoods
- Analytical Labs
- Dedicated kilo Lab for Scale up
- Dedicated Labs for Peptides
- Separate facility for D2 analogues

Significant R&D Achievements

- Several NCE APIs added in NDA or commercial stage drugs
- Support for multiple APIs each year in Phase 2 and Phase 3 clinical candidates
- Generic API business -

✓ 898+ DMFs filed

✓ 300+ API processes developed

✓ 204+ patents filed. Received USPTO patent for improved process synthesis of Paliperidone Palmitate

..Regulatory Filings Across Geographies…

NEULAND
WHERE OPPORTUNITY BECOMES REALITY

57
DMFs with USFDA

Health Canada
30
Filings with Health Canada

pmda
10
Japanese DMF filed

NMPA 国家药品监督管理局 National Medical Products Administration
20
China DMF filed

FDA Korea Food & Drug Administration 식품의약품안전청
19
filings with KFDA Korea

Australian Government Department of Health Therapeutic Goods Administration
22
filings with TGA

220
ROW filings including Turkey, Mexico, Brazil etc

~495
EUDMF filings across Germany, France, Poland, Italy etc

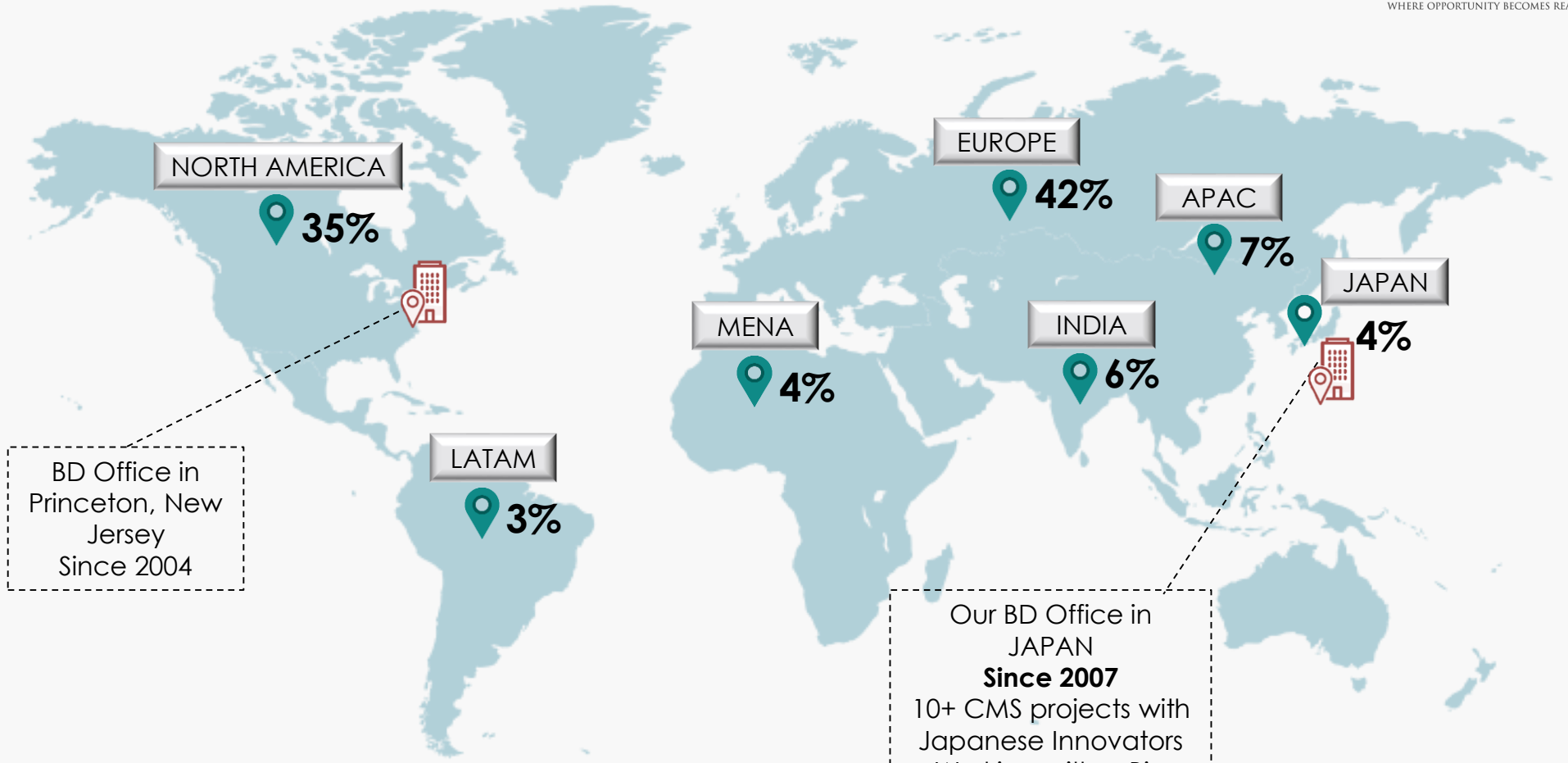
edqm
European Directorate for the Quality of Medicines & HealthCare | Direction européenne de la qualité du médicament & soins de santé

COUNCIL OF EUROPE
CONSEIL DE L'EUROPE

24
CEPs Received for different products

898+
Filings till date

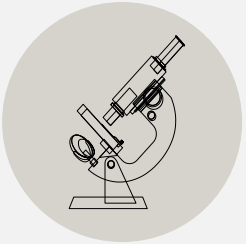
And marking its Global Presence..



% Refers to YTD Q3-FY21 Sales by End market

.. Neuland Today: Snapshot..

NEULAND
WHERE OPPORTUNITY BECOMES REALITY



Legacy

Expertise:
36+ years backed by robust quality systems, regulatory & compliance framework

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Generic Drugs Substance(GDS) & Custom Manufacturing Solutions(CMS)

Scale

Mfg. Facilities:
3 regulatory approved with 731 KL capacity

R&D: US FDA approved with best in class infrastructure

Capability

Product portfolio:
75+ across 10 therapeutic categories

Regulatory filings
898+

Team: 1200+ incl. ~282 scientists

Reach

Presence
80+ countries

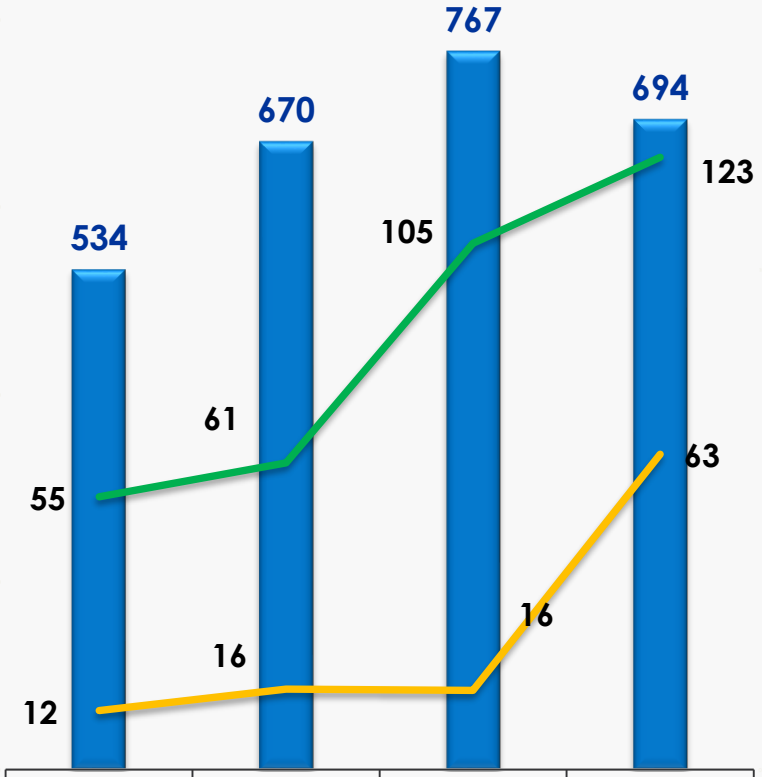
Export revenues
75%

Regulated markets revenue 93%

FINANCIALS

Fueling Growth…

Rs. In Cr



	FY18	FY19	FY20	9MFY21
Sales	534	670	767	694
EBITDA	55	61	105	123
Net Profit	12	16	16	63

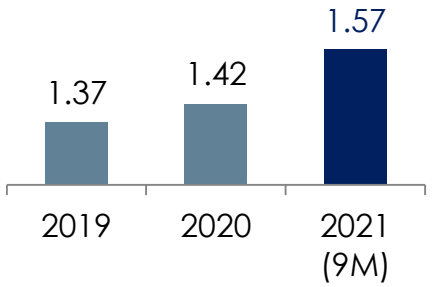
FINANCIAL PERFORMANCE HIGHLIGHTS

- Revenue CAGR of 19.8% for FY 18-20 led by growth in all 3 businesses
- EBITDA growth of 38.9% CAGR in FY 18-20 due to high margin CMS business and increase in GDS contribution
- Change in business mix with increasing amount of margins coming from CMS business and certain Specialty products and cost optimization measures helped improve profitability

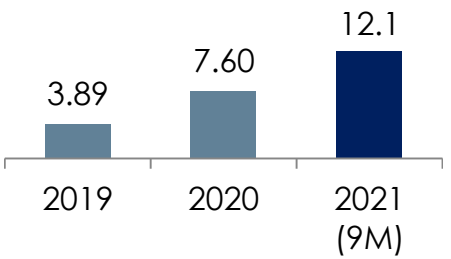
Stable Balance Sheet..

Particulars (Rs. Cr)	Mar-19	Mar-20	Dec-20
Shareholders' funds	696	706	766
Net Debt	194	214	167
Investments	8	8	8
Tangible Assets	367	391	434
Intangible Assets (Excluding Goodwill)	2	2	3
Working Capital	233	289	307

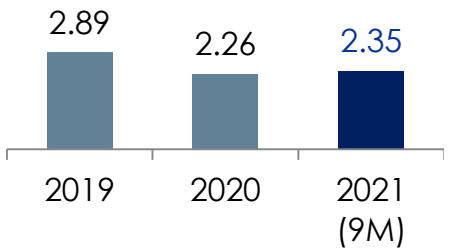
Current Ratio (x)



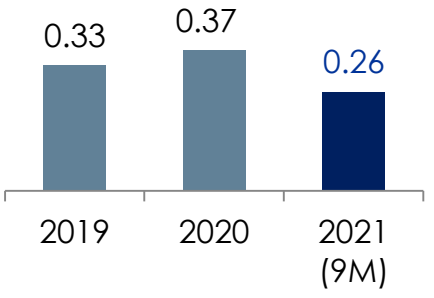
ROCE (%)



Fixed Asset Turnover (x)



Debt to Equity (x)



Macroeconomic factors influencing Neuland..

FACTORS	IMPACT	NEULAND RESPONSE
Government regulation: approvals, audits	▪ Consistent regulatory audits ▪ Increased scrutiny prior to drug approvals	▪ Successfully cleared consecutive USFDA audits since inception ▪ Consistent record of new drug approvals
Environmental considerations in drug manufacturing	Government and regulatory monitoring on environmental impact	Effective compliance to all environmental regulations
Crude oil prices	Solvent price volatility	Investing in green chemistry leading to efficient use of solvents
COVID 19 impact	Increased logistics costs	Tactical scheduling optimized channel mix
	IPA availability and pricing fluctuations	Qualifying new IPA manufacturers with increased capacity
China raw material dependence	Geopolitical issues	Alternate India suppliers in place
Human Capital	Competition for talent	• Capability building through a strong Learning & Development plan • Active development of Leadership Pipeline across levels

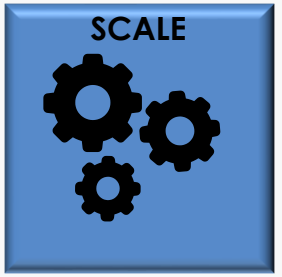
OUTLOOK

..Laying Foundation for our Growth Strategy

NEULAND
WHERE OPPORTUNITY BECOMES REALITY

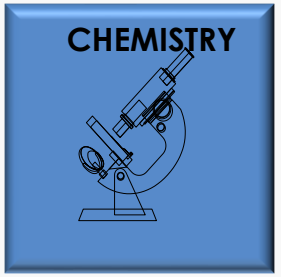
CREATE AN ORGANIZATION THAT RESULTS IN VALUE FOR ALL STAKEHOLDERS

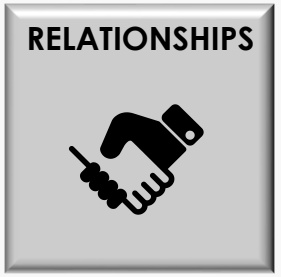
Extend capabilities to organically build a sustainable GDS and CMS business



Invest into capacity to augment sales and accelerate business growth

Deploy advanced chemistry skills to add differentiated products to its portfolio





Leverage on Long – standing relationships with leading generic and innovator companies

Develop techniques like QBD to stay ahead of the curve & set precedents for "no quality compromise"

Re-aligning revenue portfolio for a profitable growth

Contact Us

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For over 36 Years, Neuland Laboratories Ltd. (BSE:524558, NSE: NEULANDLAB) 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 has filed over 898+ Regulatory filings in the US (55 active US DMFs), 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.

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Thank You