



# MOREPEN



Date: 13/11/2019

To,

**National Stock Exchange of India Ltd.**  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai- 400 051  
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**BSE Limited**  
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Scrip Code: 500288

**Subject: Press Release - 'Morepen Labs reports 24 % rise in its net sales and 34% rise in net profit in first half of FY 2019-20 led by a significant jump in Bulk Drugs and Home Diagnostics businesses.'**

Dear Sir,


Please find enclosed the press release on the financial performance of the Company for the Quarter and Half-year ended 30<sup>th</sup> September, 2019 with the title - '**Morepen Labs reports 24 % rise in its net sales and 34% rise in net profit in first half of FY 2019-20 led by a significant jump in Bulk Drugs and Home Diagnostics businesses.'**

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**

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Press Release

**Morepen Labs reports 24 % rise in its net sales and 34% rise in net profit in first half of FY 2019-20 led by a significant jump in Bulk Drugs and Home Diagnostics businesses**

Highlights of First Half (H1) FY 2019-20 (Standalone):

- **Net Sales Revenue** recorded a growth of 24.2 per cent at Rs. 383.30 crore in H1'FY 2019-20 as compared to Rs. 308.56 crore in the corresponding first half of the previous fiscal.
- **EBIDTA** was up by 31.8 per cent in H1' FY 2019-20 at Rs. 37.44 crores (Rs. 28.40 crores) and **Cash profit** during the same period was up by around 32.4 per cent at Rs. 36.63 crores (Rs. 27.67 crores).
- **Net Profit before tax** went up by 87.5 per cent in H1' FY 2019-20 at Rs. 18.10 crore (Rs. 9.65 crore). The **Net Profit after Tax** during the period stood at Rs. 12.95 crore, up by 34.1 per cent from Rs. 9.65 crore net profit registered in the corresponding period of FY'2018-19.
- **API sales** were up by 37 percent at Rs. 228.79 crores in H1 FY 2019-20, constituting 60 per cent of the total turnover. Within the API segment, **Exports registered an impressive growth of 46 percent at Rs. 172 crore.**
- Export sales in H1'FY 2019-20 for **Montelukast Sodium rose by 156 percent** and that of **Atorvastatin Calcium by 43 percent** vis-a-vis the corresponding first half of the previous fiscal. **In domestic market**, Atorvastatin registered growth of about 172 per cent during the same period.
- **Blood Glucose Monitors and Nebulisers** half yearly sales grew by **33 percent** and **60 percent** respectively.
- The company has sold around 74.42 million **Blood Glucose testing strips** in H1 FY 2019-20 as against 54.45 million glucose strips sold in the corresponding period of the previous fiscal, thus registering a growth of 37 per cent. It has achieved a milestone of selling 360 million glucose testing strips till September 30<sup>th</sup>, 2019.
- **Branded Formulations'** half yearly sales have recorded a growth of **15 percent.**
- **Over the Counter (OTC)** business has recorded growth of 11% in its sales revenue during the first half, however, Isabgol and other small base brands grew by 36 per cent and 105 per cent respectively in the same period. This Business has

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- been strengthened further with many new products in the nutritional and preventive healthcare segments.
- **Internal accruals** stream continued to get even more stronger, be it on operating profit front or cash profit front.
  - **Company has recently launched three new APIs- Rivaroxaban, Vildagliptin, and Ursodeoxycholic Acid in Cardiac, Diabetes and Liver segments, respectively.**
  - Morepen's tie up with **Vesale Pharma of Belgium** began its commercial operations during the first quarter (Q1) of FY 2019-20 with the launch of a new generation probiotics (Brand: Intebact) in the domestic market. The tie-up has made a steady progress during the second quarter (Q2).

**New Delhi, November 13, 2019:** Morepen Laboratories Ltd. has reported a **Net sales Revenue** (Standalone) of Rs. 383.30 crore in the half year ended September 30<sup>th</sup>, 2019, registering a growth of 24.2 per cent as compared to the Net Sales Revenue of Rs. 308.56 crore in the corresponding first half of the previous fiscal. **Total Revenue** (Standalone) in first half stood at Rs. 392.44 crore (Rs. 313.06 crore) registering a jump of 25.4 per cent. **EBIDTA** was up by 31.8 per cent in H1' FY 2019-20 at Rs. 37.44 crores (Rs. 28.40 crores) and **Cash profit** during the same period was up by around 32.4 per cent at Rs. 36.63 crores (Rs. 27.67 crores).

The **Net Profit Before Tax** (Standalone) almost doubled in the first half at Rs. 18.10 crore compared to Rs. 9.65 crore in the corresponding first half of previous fiscal. The **Net Profit after Tax** (Standalone) during the period stood at Rs. 12.95 crore, up by 34.1 per cent from Rs. 9.65 crore net profit registered in the corresponding period of FY'2018-19. **The half yearly net profit has increased by a good 34 per cent 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.**

The **bulk drugs (API) segment** contributed around 60 per cent to the company's total turnover in H1 FY 2019-20. The company's expanding export reach assisted in achieving a higher topline in first half of FY 2019-20. **API's Export sales** registered a growth of 46 per cent at Rs. 172 crore in the first half under consideration. Export sales for **Montelukast Sodium rose by 156 percent** at Rs. 46.30 crore and that of **Atorvastatin Calcium by 43 percent** at Rs. 36.25 crore in H1 FY 2019-20 vis-a-vis the corresponding period of the previous fiscal. New Molecules registered 159 percent growth at Rs. 10.20 crore.

This was disclosed by **Mr. Sushil Suri, Chairman and Managing Director, Morepen Laboratories Ltd.**, after the Q2 and First Half results board meeting here on Wednesday. "All our focus is currently on the growth strategy for next five years. In line with this objective, the company is expanding its reach further into export markets and has also widened its offered portfolio of APIs by adding three new APIs in Cardiac, Diabetes and Liver segments to it. All these new APIs have been developed by the company's in-house

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R&D team. This apart, the domestic OTC health basket is being strengthened further with many new products in the nutritional and preventive healthcare segments,” Mr. Suri said.

## Synopsis of First Half (H1) and Second Quarter (Q2) FY 2019- 20-Performance (Standalone):

Rs. in Crores

Particulars	Q2			H1		
	FY 2018-19	FY 2019-20	% Growth	FY 2018-19	FY 2019-20	% Growth
Sales Revenue	159.73	<b>196.60</b>	23.1%	308.56	<b>383.30</b>	24.2%
Total Revenue	162.14	<b>202.70</b>	25%	313.06	<b>392.44</b>	25.4%
Expenditure	145.56	<b>184.99</b>	27.1%	284.65	<b>355.01</b>	24.7%
EBIDTA	16.59	<b>17.71</b>	6.8%	28.40	<b>37.44</b>	31.8%
Interest	0.31	<b>0.39</b>	26%	0.74	<b>0.81</b>	9.5%
Cash Surplus	16.28	<b>17.32</b>	6.4%	27.67	<b>36.63</b>	32.4%
Net Profit before tax	7.10	<b>9.69</b>	36.4%	9.65	<b>18.10</b>	87.5%
Net Profit after tax(one time adjustment of Rs. 5.15 Cr.)	7.29	<b>4.54</b>	(37.7%)	9.65	<b>12.95</b>	34.1%

Major API exports in the first half were done to APAC (Asia Pacific) markets accounting for around 54 per cent of the total API exports, followed by the US and European markets (around 39 per cent) and other semi-regulated markets (around 7 per cent). While APAC business grew by 59 per cent, USA business registered a growth of 33 per cent, European business (27 Per cent) and business from other semi-regulated markets (52 per cent).

Company has launched three new APIs- **Vildagliptin (Diabetes segment)**, **Rivaroxaban (Cardic Segment)** and **Ursodeoxycholic Acid (for Liver ailments)**. The three drugs will currently be sold in India and patent-free markets worldwide. The Drug Master File for regulatory markets will be filed within the next 12 months’ time frame.

The overall Home Diagnostic Segment recorded total sales of Rs. 85.55 crore in H1 FY 2019-20, registering a rise of 23 per cent vis-a-vis corresponding period of the previous fiscal. **Blood Glucose Monitors** and **Nebulisers** recorded highest growth in the half year @ 33 percent and 60 percent, respectively . The combined sales revenue of **Blood Glucose Monitors and Blood Pressure Monitors** in the half year increased to Rs. 78.01 crore as compared to Rs. 61.19 crore in the corresponding period of previous fiscal, registering a growth of 27 per cent. Looking at increasing incidence of diabetic cases in India, the **Blood Glucose Monitors and Blood Pressure Monitors** segment offers great opportunity for growth in the coming years. In all, around **360 million Glucometer strips** have been sold by the company till date and Blood Glucose Monitors installations have crossed 3.2 million target.

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Morepen Labs' pharma division **commenced commercial sales of its Probiotics in India** during Q1 FY 2019-20. The company has made steady progress in this business during Q2 FY 2019-20 in the domestic market. It may be recalled that Morepen recently tied up with **Vesale Pharma of Belgium** to launch latter's complete range of probiotics in the Indian market.

OTC Business has recorded growth of 11% in its sales revenue in H1 FY 2019-20. Isabgol and other small base brands grew by 36 per cent and 105 per cent respectively. **OTC Business witnessed launch of** many new products to its Health basket including Active Smile, Dr. Morepen Daily, MTP Kit, VCALCI, Clean & Pure, Liv Healthy, Head-X, Dr. Morepen Aid, Dr. Morepen Buds, COLD-EX, Paachan-Arishta and Adult Nasal Spray in various new product categories. New products are expected to add significantly to the company's topline in the coming quarters.

Morepen Laboratories Ltd. has reported a **net sales revenue** (standalone) of Rs. 196.60 crore in Q2'FY 2019-20, registering a growth of 23 per cent vis-a-vis net sales revenue of Rs. 159.73 crore in Q2 FY 2018-19. The company's **EBIDTA** in Q2 FY 2019-20 increased by 7 per cent at Rs. 17.71 crore and **cash profit** increased by 6.4 per cent at Rs. 17.32 crore as against Rs. 16.59 crore and Rs. 16.28 crore, respectively, in the corresponding quarter of the previous fiscal.

The **Net Profit Before Tax** (standalone) for Q2 FY 2019-20 stood at Rs. 9.69 crore, registering a rise of 36.4 per cent. However, as aforesaid, on account of the one-time hit of Rs. 5.15 Crores taken by the company during the quarter by writing off its MAT credit entitlement, the **Net profit after tax (PAT)** decreased by 38 per cent at Rs. 4.54 crore compared to Rs. 7.29 Crore in the corresponding quarter of the previous fiscal.

API Exports grew by 43 percent at Rs. 92.48 crore in Q2 FY 2019-20 with Montelukast registering 112 percent growth at Rs. 21.08 crore, Atorvastatin 33 percent growth at Rs.19.96 crore and New Molecules registering 63 percent growth at Rs. 4.24 crore vis-a-vis the corresponding quarter of the previous fiscal. The

overall Home Diagnostic Segment grew by 30 per cent at Rs. 45.52 crore and OTC business by 15 per cent in Q2 FY 2019-20. **Blood Glucose Monitors** and **B.P.Monitors** recorded highest growth in the quarter @ 37 percent each. Isabgol and Lemolate brands grew by 41 per cent and 12 per cent, respectively

Consolidated Total Revenue in H1 FY 2019-20 has grown by 24 percent at Rs. 419.50 Crore. **Consolidated PBT** in the period H1 FY 2019-20 has grown by 79 per cent at Rs. 16.92 crore and **Consolidated net profit** has registered growth of 24 per cent at Rs. 11.74 crore compared to that of FY 2018-19.

### **About Morepen Laboratories Ltd. ([www.morepen.com](http://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.

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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.

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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