



MOREPEN



Date: 16/05/2018

To,

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Bandra (East), Mumbai- 400 051
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Scrip Code: 500288

Subject: Press Release – 'Morepen Labs reports growth-filled fourth quarter to close FY 2017-18 with a 25 per cent rise in its net profit'

Dear Sir,


Please find enclosed the press release on the financial performance of the Company for the Quarter and Year ended 31st March, 2018 with the title – 'Morepen Labs reports growth-filled fourth quarter to close FY 2017-18 with a 25 per cent rise in its net profit'.

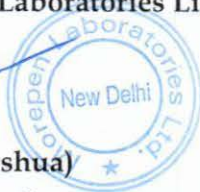
Kindly acknowledge the receipt and take it on your record.

Thanking you.

Yours faithfully,

For Morepen Laboratories Limited


(Thomas P. Joshua)
Company Secretary



Encl.: As Above

Morepen Laboratories Limited

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MOREPEN



Press Release

Morepen Labs reports growth-filled fourth quarter to close FY 2017-18 with a 25 per cent rise in its net profit.

Highlights 12M FY 2017-18 (Consolidated):

- Net profit rises by 25 per cent at Rs. 29.59 Crore.
- Net Sales Revenue up by 1.9 per cent at Rs. 598 crore.
- Domestic sales up by 21.3 per cent at Rs. 414 crore.
- The overall Home Diagnostic category grows by 34 per cent at Rs. 103.35 crore.
- Blood Pressure Monitors and Blood Glucose Monitors records highest growth on annual basis @ 75 percent and 38 percent respectively.
- Annual interest cost fell by 43 per cent at Rs. 4.36 crore. The company's aim to become a Zero Debt company by June-July, 2018.
- USFDA clears Morepen's anti-asthma bulk drug Montelukast Sodium for sale in the US market.
- The company entered into a tie-up with Vésale Pharma International of Belgium to strengthen its position in the Rs. 1000 crore probiotics market in India.
- Improved Home Diagnostics' sales revenue, better Cost Control, Higher EBIDTA, higher Cash profit and lower Interest cost aids in strengthening bottom line further in yet another consecutive financial year.

Highlights Q4 FY 2017-18 (Consolidated):

- Net Sales Revenue up by 10.7 per cent at Rs. 169 crore backed by improved sales revenue from Home Diagnostics, Formulations and OTC Businesses.
 - Domestic sales up by 52 per cent at Rs. 122 crore.
 - EBIDTA rises by 24 per cent at Rs. 18.13 crore.
 - Net Profit after tax marginally down by 4 per cent at Rs. 6.75 crore.
- Montelukast records highest growth amongst bulk drugs in the quarter @ 38 per cent followed by Rosuvastatin @ 11 per cent.
- Blood Pressure Monitors' quarterly sales jump up by a whopping 57 per cent & Blood Glucose Monitors by 26 per cent.
- Interest cost for the quarter falls further by 35 per cent @ Rs. 81 lakhs only.

New Delhi, May 16, 2018: Morepen Laboratories Ltd. has reported a 25 per cent rise in its consolidated net profit at Rs. 29.59 crore for the financial year 2017-18. The net profit in the previous financial year i.e. FY 2016-17 stood at Rs. 23.63 crore. The consolidated net sales revenue for the whole year stood at Rs. 598 crore registering a marginal increase of 1.9 per cent over previous year's sales of Rs. 586.41 crore.

Morepen Laboratories Limited

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During FY 2017-18, domestic sales were up by 21.3 per cent at Rs. 414 crore and export sales were down by 25 per cent at Rs. 183.66 crore. EBIDTA in FY 2017-18 increased by around 5 per cent at Rs. 68.45 crore, annual **interest cost** fell by 43 per cent at Rs. 4.36 crore and cash profit increased by around 11 per cent at Rs. 64.09 crore. **The company aims to become a zero debt company by June-July' 2018. Blood Pressure Monitors and Blood Glucose Monitors** recorded highest growth on annual basis @ 75 percent and 38 percent respectively The combined sales revenue of **Blood Glucose Monitors and Blood Pressure Monitors** in FY 2017-18 increased to Rs. 86.57 crore as compared to Rs. 59.26 crore in the previous fiscal, registering a growth of 46 per cent. The company has touched a base of two million installations of Glucometers in FY 2017-18 and sold 68 million strips during the year against 48 Millions of last year.

This was disclosed by **Mr. Sushil Suri, Chairman and Managing Director, Morepen Laboratories Ltd.**, after the Q4 and FY 2017-18 results board meeting here on Wednesday.

Synopsis of FY 2017- 18-Q4 & 12M Performance (Consolidated):

Particulars	Q4			12M		
	FY 2016-17	FY 2017-18	% Growth	FY 2016-17	FY 2017-18	% Growth
Net Sales Revenue	153.01	169.31	10.7%	586.41	597.75	1.9%
Total Revenue	158.03	171.58	8.6%	599.19	610.23	1.8%
Expenditure	141.36	153.45	8.5%	534.01	541.78	1.5%
EBIDTA	16.67	18.13	24%	65.18	68.45	5%
Interest	1.25	0.81	(35.4%)	7.65	4.36	(43%)
Cash Surplus	15.42	17.32	12.3%	57.53	64.09	11.4%
Net Profit	7.00	6.75	(4%)	23.63	29.59	25%

In the **Fourth quarter (Q4) of FY 2017-18**, consolidated net profit was lower by 4 per cent at Rs. 6.75 crore as compared to Rs. 7 crore profit in the corresponding quarter of previous fiscal. However, EBIDTA in Q4 FY 2017-18 increased significantly by 24 per cent at Rs. 18.13 crore and interest cost fell further by 35 per cent at Rs. 81 lakhs only. The consolidated Net Sales Revenue for Q4 FY 2017-18 increased by 10.7 per cent at Rs. 169 crore backed by improved sales revenue from home diagnostics, formulations and OTC businesses. The company's expanding domestic reach assisted in achieving a higher topline in Q4 FY 2017-18. **Domestic sales** registered a growth of 52 per cent in Q4 at Rs. 122 crore. Exports sales, however, registered a decline of 35 per cent at Rs. 47 crore.

The **bulk drugs (API) segment** contributed around 60 per cent to the company's total turnover in Q4 FY 2017-18. Morepen Lab's bulk drug Montelukast Sodium has once again emerged as a growth accelerator for the company in Q4 FY 2017-18, followed by



Rosuvastatin. Sales from Montelukast Sodium increased by 38 per cent in Q4 at Rs. 28.33 crore and sales from Rosuvastatin increased by 11 percent .

The **Dr. Morepen basket**, representing Home-Diagnostics category, did well during the quarter. In this category, Blood Pressure Monitors registered a maximum growth of 57 per cent in Q4 FY 2017-18 sales followed by Blood Glucose Monitors which recorded a growth of 26 percent. 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. Total quarterly sales from this division stood at Rs. 24.71 crore in Q4 FY 2017-18, registering a rise of 29 per cent vis-a-vis corresponding quarter of the previous fiscal. The entire **“Dr. Morepen” brand portfolio** has recorded sales revenue of Rs. 77.01 crore in the quarter under consideration as against revenue of Rs. 57.25 crore in the corresponding quarter of the previous fiscal, recording a growth of 35 per cent. Sales from **OTC (Over the Counter) products**, comprising Burnol & Lemolate, went up by 21 per cent and from Formulations business by 44% in Q4 FY 2017-18.

About Morepen Laboratories Ltd.

Morepen Laboratories Ltd. is a 34-year old, Rs. 600 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.

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.

