
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 30211600 / 23551081
Fax: 040 30211602
Email: neuland@neulandlabs.com
www.neulandlabs.com

August 10, 2018

To
B S E Limited
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai - 400 001

Scrip Code: 524558

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

Scrip Code: NEULANLAB
Series: EQ

Dear Sirs,

Sub: Press Release


Please find attached a copy of the Press Release being issued by the Company and the same is being uploaded on the website of the Company.

This is for your information and records.

Thanking you,

Yours faithfully,

For Neuland Laboratories Limited


f Sarada Bhamidipati
Company Secretary

Encl : as above



Neuland Q1 FY19 income at Rs.1,550.7 mn, PAT at Rs. 4.1 mn

Hyderabad, India, August 10, 2018 - Neuland Laboratories Limited (NLL) (NSE: NEULANDLAB; BSE-Scrip Code: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 first quarter (Q1FY19) ended June 30, 2018.

Financial Highlights

Standalone Q1FY19 (Y/Y%)

- Total Revenue was Rs. 1,550.7 mn for Q1FY19 as compared to Rs. 1,197.2 mn in the corresponding period of the previous year reflecting an increase of 30 %
- EBITDA stood at Rs. 100.9 mn as compared to Rs. 106.3 mn during the same period of previous year
- EBITDA Margin at 6.5 % for Q1FY19 as against 8.9% in Q1FY18
- Net profit stood at Rs. 4.1 mn for Q1FY19 as compared to Rs. 6.5 mn in the corresponding period of the previous year
- Basic EPS stood at Rs. 0.35 as against Rs. 0.58 in the corresponding quarter of last fiscal

Standalone Q1FY19 (Q/Q%)

- Total Revenue was Rs. 1,550.7 mn for Q1FY19 as compared to Rs. 1,605.2 mn during the previous reflecting a decrease of 3 %
- EBITDA stood at Rs. 100.9 mn as compared to Rs. 190.8 mn on a Q-o-Q basis
- EBITDA Margin at 6.5 % for Q1FY19 as against 11.9% in Q4FY18
- Net profit stood at Rs. 4.1 mn for Q1FY19 as compared to Rs. 80.5 mn during the previous quarter
- Basic EPS stood at Rs. 0.35 as against Rs. 7.22 in Q4FY18

Commenting on the performance Mr. Sucheth Davuluri, Vice-Chairman and Chief Executive Officer of the Company said *“We are encouraged by the continued momentum in Revenue growth and have overcome the issues which hampered us in the last financial year including capacity constraints. However, our margins this quarter have been affected by the increase in Raw Material prices and low contribution of the CMS business”*

He also added, *“To tackle the issues around raw materials cost and supply consistency, we are undertaking Backward Integration for key Intermediates, the development of local vendors, diversifying the vendor profile for key products while also working with customers on the pricing of affected APIs.”*

In addition, **Mr. Saharsh Davuluri, Joint Managing Director, Neuland Labs added** *“We recognize the profitability has been affected by the low contribution of the CMS business this quarter, however the CMS pipeline is continuously gaining traction. We have a few later-stage clinical projects initiated and being initiated which will be key to medium-term growth. On the GDS front, apart from the growth of existing products, we have some high-potential products which we expect to scale-up over the next few quarter.”*

Business Performance

Operational Highlights

- Good growth in Prime products like Levofloxacin, Mirtazapine, Sotalol and Levetiracetam
- Filed 1 USDMF - Posaconazole. Plan to file an additional 5 - 7 DMFs during the current financial
- Have completed the trial and validation of two intermediates in Unit-3, and the process is under progress for a third intermediate

Business Saliency

- The total operating revenues for the Q1FY19 account for 67.3% (61% for Q1FY18 and 53% for Q4FY18) from prime products, 20.4% (19% for Q1FY18 and 23% for Q4FY18) from niche APIs and the remaining 12.3% (20% for Q1FY18 and 24% for Q4FY18) from CMS business.
- From a project perspective, the Company derived CMS revenues from 9 projects (11 for Q1FY18 and 13 for Q4FY18) of which 4 are in commercial stage and remaining 5 being in the clinical stage.

CMS Pipeline Details

Q1 FY19	Pre-Clinical	P-1	P-2	P-3	Development	Commercial	Grand Total
API	7	2	2	4	6	5	26
Intermediate	1	1		7	2	7	18
Grand Total	8	3	2	11	8	12	44

Q1 FY18	Pre-Clinical	P-1	P-2	P-3	Development	Commercial	Grand Total
API	3	2	4	2	4	5	20
Intermediate				7		5	12
Grand Total	3	2	4	9	4	10	32

Q4 FY18	Pre-Clinical	P-1	P-2	P-3	Development	Commercial	Grand Total
API	7	2	3	4	5	5	26
Intermediate	1	1		7		5	14
Grand Total	8	3	3	11	5	10	40

Q1FY19 Earnings Call

The company will conduct a one-hour Earnings call at **05:00 PM IST on Friday, August 10th, 2018** 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 1109 / +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

Neuland Labs is a leading pharmaceutical company engaged in the manufacturing of APIs through its cGMP manufacturing facilities, working with customers in over 80 countries. Neuland Labs has filed around 55 U.S. drug master files (USDMFs) and a total of around 675 Regulatory filings in the European Union (EU) and other jurisdictions. 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), Health Canada, CFDA (China), 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 3021 1600, Email: ir@neulandlabs.com

Jenna Palmieri, Neuland Laboratories Inc., USA

Email: jenna@neulandlabs.com