



MOREPEN



Date: 09/11/2020

To,

National Stock Exchange of India Ltd.

Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai- 400 051

Tel No: (022) 26598100 - 8114

Fax No: (022) 26598120

Symbol: MOREPENLAB

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400 001

Phones: 91-22-22721233/4

Fax: 91-22-2272 3121

Scrip Code: 500288

Subject: Press Release – ‘Morepen Labs’ performance catches pace in Q2’FY 2020-21 with a six-fold rise in its Net Profit led by strong API business

Dear Sir,



Please find enclosed the press release on the financial performance of the Company for the Quarter and half year ended 30th September,2020 with the title – ‘Morepen Labs’ performance catches pace in Q2’FY 2020-21 with a six-fold rise in its Net Profit led by strong API business’

Kindly acknowledge the receipt and take it on your record.

Thanking you.

Yours faithfully,

For Morepen Laboratories Limited

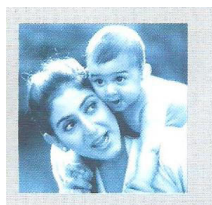


(Vipul Kumar Srivastava)
Company Secretary

Encl.: As Above

Morepen Laboratories Limited

Corp. Off.: 4th Floor, Antriksh Bhawan, 22 K.G.Marg, New Delhi- 110 001, INDIA
Tel.: +91-11-23324443, 23712025, E-mail: corporate@morepen.com, Website: www.morepen.com
CIN NO. L24231 HP1984PLC006028

Plant & Regd. Off.: Morepen Village, Malkumajra, Nalagarh Road, Baddi, Distt. Solan (H.P.) -173205
Tel.: +91-1795-266401-03, 244590, Fax: +91-1795-244591, E-mail: plants@morepen.com



MOREPEN



Press Release

Morepen Labs’ performance catches pace in Q2’FY 2020-21 with a six-fold rise in its Net Profit led by strong API business

Quarterly performance at a glance

Particulars	<i>(Rs. in Crores)</i>		
	Q2’FY 2020-21	Q2’FY 2019-20	% Growth
Net Revenue	340.13	216.24	57%
EBIDTA	35.49	17.87	99%
Net Profit Before Tax (PBT)	27.52	9.24	198%
Net Profit After Tax (PAT)	27.17	4.08	566%

HIGHLIGHTS: Q2’FY 2020-21(CONSOLIDATED)

- **Net Profit After Tax** for Q2’FY2020-21 has grown sharply by **566 per cent** at Rs. 27.17 crore while **Net Profit Before Tax** jumped up by **198 per cent** on account of better margin realization during the quarter.
- **Net Revenue** for Q2’FY2020-21 stood at Rs.340.13 crore as against Rs. 216.24 crore for Q2’FY2019-20, registering a rise of **57 per cent**. This rise was mainly on account of a consistent growth in sales of Bulk Drugs (APIs), Diagnostic Devices and OTC products during the quarter.
- **API Business** remained the lead growth driver in Q2 FY 2020-21 with a **60 per cent** growth at Rs. 185.69 crore, thus contributing 56 percent to the company’s top line during the quarter.
- **EBIDTA and Cash profit** for Q2’FY2020-21 went up by **99 per cent** and **101 per cent** at Rs.35.49 crore and Rs. 35.20 crore, respectively.
- **Profit before Tax** for Q2’FY 2020-21 was up by **198 per cent** at Rs. 27.52 crore.
- **Export Sales Revenue** for Q2’FY2020-21 jumped up by **38 per cent** at Rs. 128.21 crore. **Domestic Sales Revenue** grew by **73 per cent** at Rs.211.92 crores during the quarter.
- **Home Diagnostics Sales Revenue** grew by **98 per cent** at Rs. 90.35 crore in Q2’FY2020-21. Thermometers’ sales (including non-contact infrared thermometers) increased by **311 per cent** and that of Blood Pressure Monitors by **185 per cent** during the quarter.
- **OTC Business Sales Revenue** grew by **53 per cent** at Rs. 23.07 crore on account of a wide range of products launched by the company during the quarter to fight Covid-19 pandemic.

New Delhi, November 09, 2020: Morepen Laboratories Ltd., a leading API player in regulated markets, has reported a **sharp rise of 566 per cent in its Net Profit after Tax (Consolidated) at Rs. 27.17 crore** in the second Quarter ended September 30th, 2020. This significant improvement in bottom line has been achieved by the company on account of better margin realization and despite a onetime hit of Rs. 12.84 crore taken by it towards the dues of fixed deposit holders paid during the quarter.

Net Revenue (Consolidated) during the quarter rose by **57 per cent at Rs. 340.13 crore** mainly on account of a consistent growth in sales of Bulk Drugs (APIs), Diagnostic Devices and OTC products during the quarter. The company’s net profit was Rs. 4.08 crore on a net revenue of Rs. 216.24 crore in the corresponding quarter of previous fiscal.

EBIDTA for Q2’FY2020-21 rose by 99 per cent at Rs. 35.49 crore and **Cash Profit** by 101 per cent at Rs. 35.20 crore. **Profit before Tax (PBT)** for Q2’FY2020-21 stood at Rs. 27.52 crore, recording an extraordinary growth of 198 per cent from Rs. 9.24 crore PBT earned in the corresponding quarter of the previous fiscal.

During the current year, company has been granted three new patents for US and Indian markets in addition to six patent applications filed to strengthen the IPR (Intellectual Property Rights) basket of the company for

various New Products. Many new products in the anti- diabetes, anti-depressant, and anticoagulant segments have been developed by the company’s Research and Development (R&D) centre during the first half of the current fiscal. Morepen Labs has also filed one Drug Master File (DMF) in the United States and three Import Drug Licenses (IDLs) for Chinese Markets.

At an Extraordinary General Meeting of the company’s shareholders held last week, members have approved issuance of upto 16.85 crore Fully Convertible Warrants at a price of Rs. 25/- each aggregating Rs. 421.25 crore to persons from promoters’ group. These Warrants would be eligible for conversion into Equity shares in the ratio of 1:1 on or before the expiry of 18 months from the date of their allotment.

API business maintained its lead in the second quarter contributing 56 per cent to the company’s topline in Q2’FY 2020-21. API Sales Revenue during the quarter grew by 60 per cent at Rs. 185.69 crore. Within the API segment, four key products Loratadine, Montelukast, Atorvastatin and Rosuvastatin contributed Rs. 118.90 Crores to the company’s topline and registered a remarkable growth of 42% over corresponding quarter in the previous fiscal.

This was disclosed by **Mr. Sushil Suri, Chairman and Managing Director, Morepen Laboratories Ltd.**, after the Q2’FY 2020-21 results’ board meeting here on Monday. **“Company is investing heavily to build strong pipeline of products to be launched in three to four years. This investment would go both in R&D and in building new product blocks to create extra production capacities. The focus of the company continues to remain on the chronic and lifestyle diseases.”**

Synopsis of Quarterly and Half-Yearly Performance (Consolidated)

(Rs. in Crores)

Particulars	Quarterly (Q2)			Half Yearly (H1)			Annual
	FY 20-21	FY 19-20	% Growth	FY 20-21	FY 19-20	% Growth	FY 2019-20
Net Revenue	340.13	216.24	57%	599.10	419.50	43%	862.55
Expenditure	304.64	198.37	54%	535.71	382.02	40%	784.55
EBIDTA	35.49	17.87	99%	63.39	37.48	69%	78.00
Interest	0.29	0.39	(26%)	0.58	0.82	(29%)	1.98
Cash Surplus	35.20	17.48	101%	62.81	36.66	71%	76.02
Profit Before Tax	27.52	9.24	198%	47.07	16.92	178%	39.11
Profit After Tax (PAT)	27.17	4.08	566%	46.53	11.74	296%	33.58

API Exports recorded an impressive growth of 38 percent at Rs. 127.56 crore in Q2’FY 2020-21. Business from European markets soared by 10 percent and that from APAC region by 45 percent in Q2’FY2020-21. Offtake from the U.S. market remained slow while that from other semi-regulated markets grew by 207 percent during the quarter. **Domestic API** business recorded a growth of 143 percent at Rs. 58.13 crore with a remarkable improvement of 124 per cent in the sales of Montelukast.

Home Diagnostics Sales Revenue grew by 98 per cent in Q2’FY2020-21 at Rs. 90.35 crore with Thermometers’ sales growing by around 311% (mainly due to non-contact infrared thermometers) and Blood Pressure Monitors by 185 percent.

OTC Sales Revenue grew by 53 per cent at Rs. 23.07 crore on account of more than 20 different products launched by the company during the quarter to fight Covid-19 pandemic.

Revenues (Consolidated) for six months ending 30 September 2020, rose by **43 per cent at Rs. 599.10 crore**. Net profit after tax (PAT) for the aforesaid period stood at Rs. 46.53 crore, registering a rise of 296% against the corresponding period of the previous financial year.

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

Morepen Laboratories Ltd. is a 36-year old, around Rs. 900 Cr. pharmaceutical and healthcare products company. The company went public in the year 1992 and is currently listed at both the Bombay Stock Exchange (BSE) as well as the National Stock Exchange (NSE).

Morepen is a leading manufacturer of high-quality APIs, Home Diagnostics, Formulations and OTC products in north India. All the manufacturing facilities of the company are in the state of Himachal Pradesh and meet the latest international standards. Company’s both API facilities at Masulkhana and Baddi are approved by USFDA and other regulatory bodies of Europe, Asia, and Australia. The

company's state-of-the-art manufacturing facility at Baddi comprises a scientifically integrated complex of 10 plants, each with a specific product profile.

Amongst several APIs manufactured by Morepen, the company is the largest manufacturer of Loratadine and Montelukast (anti-allergy and anti-asthmatic drugs). It also enjoys a significant share for Atorvastatin and Rosuvastatin (Cholesterol reducing drugs) in the international market. Besides, the company has established an extensive footprint for its API products on the strength of quality, documentation and consistency in regulatory compliances, both in the domestic as well as global markets. Morepen has achieved to its credit the enduring confidence of a strong (over 1250) customer base spanning over 80 countries for its leading API products.

In line with its vision of keeping pace with the changing landscape, Morepen continues to invest in its Research and Development (R&D) infrastructure aimed at developing new molecules to deliver the latest drugs at competitive prices in the global markets. The company's strong dedicated R&D team has successfully developed 22 products in last three years out of which 12 products have already been commercialized. The company has also started supplying these new products to customers with complete documentation like DMF, tech packs and other regulatory compliances.

Morepen's R&D Centre meets all the global regulatory requirements and was recently approved by Department of Scientific & Industrial Research, Govt of India, New Delhi. Morepen R&D and QA team, known for its impeccable service, has filed 125 Patents, 60 DMFs and 8 CEPs for USA and Europe, Japan, China, Taiwan and Australian markets.

Morepen is also an established name in home diagnostics sector which remained untapped for a long time in India. Dr. Morepen has gained No.1 position in manufacturing and marketing of Blood Glucose Monitors in India, displacing some established multinational players. With a stable base of more than four million installations of Blood Glucose Monitors, the company has sold more than 500 million glucometer strips (single tests) till date. Dr. Morepen also has a formidable presence and is the leader in the Blood Pressure Monitors and Nebulizers segments in the domestic market.

Brand Dr. Morepen, which was launched way back in 2001, has created a niche for itself in over the counter (OTC) and Self-Health segment products as well. Dr. Morepen has reached all over the country with over 50 products including famous brands like 'Burnol' and 'Lemolate'.

For Further Details, please contact:

Propel Communications,

Email: propelpr.com@gmail.com