



MOREPEN



Press Release

Morepen records stellar 189% jump in Net Profits and 39% growth in the Revenue in FY21

Company to setup world class R&D Centre at Baddi (HP)

Consolidated Quarterly performance at a glance

Particulars	(Rs. in Crores)					
	Q4 FY 2020-21	Q4 FY 2019-20	Quarterly Growth	Annual FY 20-21	Annual FY 19-20	Annual Growth
Net Revenue	290.76	208.39	40%	1200.13	862.55	39%
EBIDTA	34.56	20.61	68%	130.58	78.00	67%
Net Profit Before Tax	27.63	11.36	143%	98.51	39.11	152%
Net Profit After Tax	26.76	11.02	143%	97.09	33.58	189%

HIGHLIGHTS (FY 2020-21 and Q4 FY 2020-21)-Consolidated

- **Net Revenue in FY'21 grows by 39%** at Rs. 1200.13 crore as against Rs. 862.55 crore in FY'20
- **Net Profit After Tax recorded the highest ever growth of 189 %** in its Annual Profits and has more than doubled at Rs. 97.09 Crores.
- **Earnings per Share (EPS) for the year has spiked by 189%** to Rs.2.16 per from Rs.0.75 in FY20.
- **Net Revenue for Q4 FY 2020-21 is up by 40%** at Rs. 290.76 crore. Q4FY'21 PAT registered a **growth of 143%** at Rs. 26.76 Crores is also more than double from corresponding quarter last year,
- **EBIDTA for FY21 went up by 67%** at Rs.130.58 crore and **Cash profit** at Rs. 128.79 crore went up by 69%.
- **Net Profit before Tax for FY21 was up by 152%** at Rs. 98.51 crore and that for **Q4'FY21** by 143% at Rs. 27.63 crore.
- **Export Sales Revenue for FY21 increased by 39%** at Rs. 476.64 crore due to continuous focus on API business.
- **Domestic Sales Revenue for FY21 went up by 39%** at Rs. 723.48 crore
- **API Sales Revenue for FY21 grew by 44 %** at Rs. 682.99 crore.
- **Home Diagnostics Sales Revenue grew by 71%** at Rs. 287.37 crore.
- **OTC Business Sales Revenue shown a healthy growth of 32%** at Rs. 85.55 crore
- **Company allotted 7.00 crores warrants to the Promoters group** in Q4'21 to be subscribed in 18 months.
- Board of Directors approved on 28th April 2021 the allotment of **5.00 crore Equity shares to Promoters and 5.85 cr shares to Corinth Group** Switzerland on preferential basis subject to regulatory and shareholders' approval.

New Delhi, May 4, 2021: Morepen Laboratories Ltd (www.morepen.com) has reported a 189 per cent rise in its **Net Profit** (Consolidated) at Rs. 97.09 crore. **Net Consolidated Revenue** during the year rose by 39 per cent at Rs. 1200.13 crore. In the previous fiscal, the company recorded a net profit of Rs. 33.58 crore with annual revenue of Rs. 862.55 crore.



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The **EBIDTA** for FY 2020-21 grew up by 67 per cent at Rs. 130.58 crore and the **Cash Profit** by 69 per cent at Rs. 128.67 crore. **Profit before Tax (PBT)** is exceptionally up by 151 per cent at Rs. 98.51 crore, up from Rs. 39.11 crore in the previous fiscal.

Export Revenue shares soared to 40 percent of the total Revenue in FY21 and exports grew by 39 per cent to Rs. 476.64 crore. Major exports revenue comes from API business which has 69 percent export sales to regulated markets as the company maintained the supplies to all the customers worldwide despite lockdown and cargo restrictions. **Domestic Revenue** also recorded an excellent growth of 39 per cent in FY21 at Rs. 723.48 crore in middle of lockdowns and Covid-19 constraints.

During the year, API share in total revenue has gone up from 60.8 percent to 62 percent a jump of 120 bps and also Medical Devices also had an outstanding gain of 450 bps from 21.6 percent to 26.1 percent while formulation business lost 570 bps in the total revenue.

Mr. Sushil Suri, Chairman and Managing Director, Morepen Laboratories Limited (NSE: MOREPENLAB, BSE 50288) said commenting on the API business, "**We are seeing big shift in API strategy as fifteen blockbuster drugs are losing patent in the coming five years and a market of \$42 Billion is opening for generic players** like us and we are all geared to launch the products on patent expiry. Our market is likely to expand fifteen to twenty times."

"**We are setting up a world class R&D Centre** as the company is increasing its thrust on basic research looking at the need of the hour in the time of this crisis and also to strengthen the company's effort to become the manufacturing hub for global players. R&D Centre will be housed in Baddi and will cater to all business divisions in addition to expansion plans for all its verticals including APIs, Formulations and Medical Devices." added Mr. Suri.

API business registered an impressive Revenue growth of 44 per cent in, for the current year, were on the strength of quality growth recorded both in Domestic business as well as Exports Business, with domestic API Revenues going up by 58 per cent and Export Revenues recording a growth of 39 per cent. The company added 104 new customers during the year in spite of restricted movements and zero travels. All the five markets America, South America, Europe, Africa, Asia and India have grown at incredible rate strengthening the company's position in the time of this pandemic.

Rs. 178 crore expansion plan of API has already been approved by the State Government and has also got Environmental clearance and work will start soon. This plant would start functioning in a period of three years and would add capacity of 2000 MT over 40 new products.

Home Diagnostics Devices business was working 24X7 to keep the supplies on in the difficult times Coiv-19 pandemic during the year and help the customers with home diagnostic devices to help them at home. During FY21 Devices sales grew exponentially up by 71 per cent at Rs. 287.37 crore with major contribution coming from Blood Glucose Monitors (up 51 percent) and Blood Pressure Monitors (up by 117 percent). During the year the company increased production of Oximeters and had also increased the supply of Oxygen Concentrators. Company is planning to ramp the production of Oximeters and Concentrators looking at the market conditions and growing Covid menace.

Mr. Suri added, "During last one year, **Home Diagnostics market has multiplied 20-30 times** due to fatal pandemic all around us and people are locked up at home and need to have POC devices for testing at home. Average household spend has gone up a few hundred rupees to Rs.5000-6000 per month and it is expected to increase further with more and home devices and tests coming up. As a company we are all fully prepared to address this growing needs and demand of the market and expanding diagnostic devices manufacturing facility at Baddi (HP)



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OTC Sales Revenue under the brand Dr. Morepen (www.drmorepen.com) grew by 32.37 percent at Rs. 85.55 crore and company has major expansion plans to grow the reach and product basket of Dr. Morepen and also invest in the backward integration of research of key products being sold both online and offline.

Speaking on the development **Mr. Suri added**, "We have also actively invested in India's 18 to 25years generation and millennials including Gubb (www.gubbworld.com) and our specialty skincare brand "Happier" where we bring simplified scientific skincare formulation expertise especially suited to Indian skin and weather. We are seeing exponential growth in online sales and are investing in frontend and backend platforms/technology across Diagnostics, OTC (including Gubb and Happier).

On the finished dosage side, the company has developed 13 ANDAs and is setting up a USFDA standard facility to feed the regulatory markets and it may take two years to get approvals and exports to start from that plant.

Mr. Suri spoke, "**We are very bullish on the ANDA pipeline** keeping in mind \$42 Billion worth of products going off patent in next five years and would like to go a step forward and have our own ANDAs with Morepen leadership in the API and strong credibility with our customers."

Company's consolidated **Net Revenue in Q-4 FY 2020-21** is also jumped up by 40 percent at **Rs. 290.76 crore. Net Profit** in Q4 FY 2020-21 at Rs. 26.76 crore is up by 143 per cent. **Profit Before Tax (PBT)** recorded growth of 143 per cent at Rs. 27.63 crore, up from Rs. 11.36 crore in the corresponding quarter of previous fiscal.

Synopsis of Annual and Quarterly Performance:

(Rs.in Crores)

Particulars	Consolidated Annual Results			Consolidated Fourth Quarter Results		
	FY 2020-21	FY 2019-20	% Growth	Q4 FY 2020-21	Q4 FY 2019-20	% Growth
Net Revenue	1200.13	862.55	39%	290.76	208.39	40%
Expenditure	1069.55	784.55	36%	256.20	187.78	36%
EBIDTA	130.58	78.00	67%	34.56	20.61	68%
Interest	1.79	1.98	(10%)	(0.06)	0.62	-
Cash Surplus	128.79	76.02	69%	34.62	19.99	73%
Profit before Tax	98.51	39.11	152%	27.63	11.36	143%
Net Profit after Tax (PAT)	97.09	33.58	189%	26.76	11.02	143%

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

Morepen Laboratories Ltd. is a 36-year-old, around Rs. 1200 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.



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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 30 new 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 130 Patents, 129 DMFs and 11 IDLs 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 5 million installations of Blood Glucose Monitors, the company has sold more than 600 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. The company is increasing its supply of Oximeters and Oxygen Concentrators keeping in view the growing pandemic.

Brand Dr. Morepen (www.drmorepen.com), 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 100 products including famous brands like 'Burnol' and 'Lemolate' both online and offline markets. To focus on the new millennials, the company is investing behind personal grooming brand Gubb and also planned launch of a specialty skincare brand Happier.

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