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**MOREPEN**  
*The Joy Of Growing Together*

INVESTORS PRESENTATION (Q2) SEPTEMBER 2018

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# Synopsis of Q2'FY19 Performance

₹ crores

	<b>Consolidated Q2'FY19</b>	<i>Consolidated Q2'FY18</i>	<i>Y-o-Y Growth</i>
<i>Net Revenue</i>	<b>173.93</b>	150.54	15.5%
<i>Expenditure</i>	<b>159.03</b>	130.42	20.4%
<b>EBIDTA</b>	<b>16.90</b>	20.12	(16.%)
<i>Interest</i>	<b>0.32</b>	1.31	(75.9%)
<i>Cash Surplus</i>	<b>16.58</b>	18.81	(11.9%)
<i>Dep. &amp; Amortization</i>	<b>9.79</b>	7.73	26.7%
<i>Income Tax</i>	<b>(0.19)</b>	0.90	
<b>Net Profit</b>	<b>6.97</b>	11.07	(37.%)

# Highlights of Q2'FY19 Performance

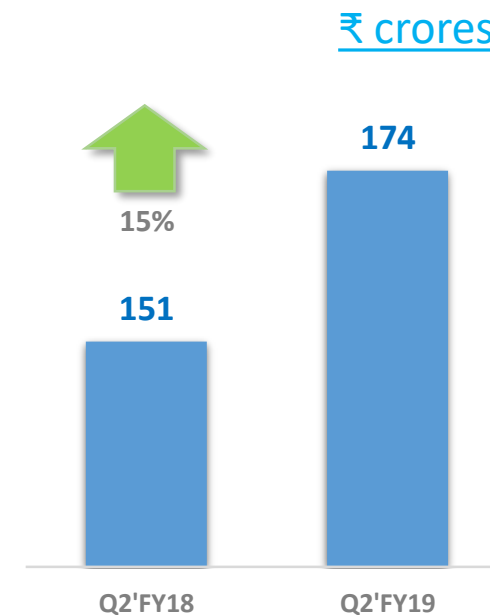
₹ crores

- **Net Revenue** up by **15%** at Rs. 173.93 crore backed by improved sales revenue from Home Diagnostics and Formulations. **Export sales** up by **38 %** at Rs. 65.05 crore
- **Loratadine** records remarkable growth amongst bulk drugs in the quarter @**29%**: 31% growth in the export on Y-o-Y basis. **Atorvastatin** sales have grown by **40%**; **Export** turnover jumps by **46%**
- **Blood Glucose Monitors'** quarterly sales increased by **38%** & **Nebulisers'** by **131%**. Overall **Diagnostic Devices** sales grew by **25%** in Q2'FY19.
- **Dr. Morepen Basket** quarterly sales have recorded a growth of **33%** in the **branded OTC** category.
- **Interest Cost** falls further by **76%** from 1.31 crore in Q1 FY 2017-18 to Rs. 0.32 crore only in Q2'FY19.
- **Net Profit after tax** down by **37 %** at Rs. 6.97 crore as compared to Rs. 11.07 crore in Q2'FY18
- **During the quarter**, there was a major shortage and increase in prices of raw materials being imported from China due to some serious environmental issues there. This has **adversely effected** the profitability of the company for the quarter.



# Segments wise growth

- **Overall business** for the Quarter (Q2'FY19) has grown at **15%** as compared to Q2'FY18
- **API Export** has shown extremely good results having grown at **38%** for the Q2'FY19. Total API business contributed 52% to the quarterly sales.
- **Home Diagnostic Devices** business which contributes 20% of the topline has registered good growth of **25%** in Q2'FY19
- **Finished dosage** business having 20% contribution in the quarterly sales has also registered a record growth of **57%** for Q2'FY19 as compared to Q2'FY18.
- While **Dr. Morepen branded portfolio** has grown up by 33%, **OTC Business** had a jump of 7% in Q2'FY19.

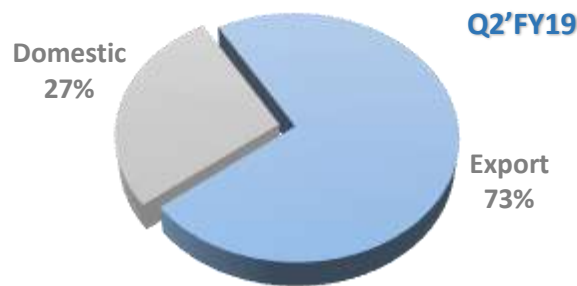


Segments	Q2'FY19	Q2'FY18	Y-o-Y Growth
APIs	89.47	86.03	4%
Diagnostics	35.01	28.00	25%
Formulations	35.26	22.40	57%
OTC	13.08	12.18	7%
<b>Total for quarter</b>	<b>173.93</b>	<b>150.54</b>	<b>15%</b>



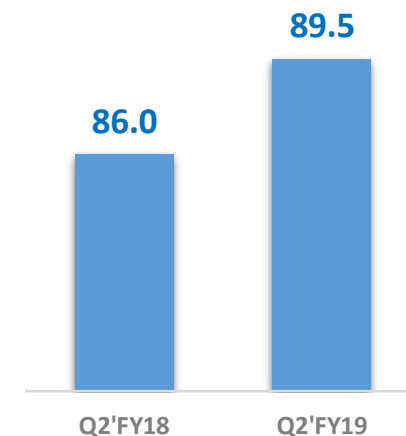
# API: Increasing Export Business

- **API Export** has got a jump of **38%** during the Q2'FY19 as compared to Q2'FY18 while total API business has grown by 4%
- **Loratadine** sales has grown by **29%** in Q2'FY19 on Y-to-Y basis. Export of Loratadine has gone up by **31%** this quarter Q2'FY19
- **Montelukast** export has registered an jump of **35%** in Q2'FY19 as compared to Q2'FY18. Trial shipments to US markets have started post USFDA approval of the plant in April this year. in the domestic market.
- **Atorvastatin** export has gone up by **46%** during the quarter while total sales of Atorvastatin is up by 40%. Company has got **USFDA has got approval of the Baddi plant for export of Atorvastatin** last quarter, and the Atorvastatin business is going to get big boost in the coming years.
- **Rosuvastatin** export has also grown by **156%** during the Q2'FY19.
- **During the quarter**, there was a major shortage and increase in prices of raw materials being imported from China due to some serious environmental issues there. This has **adversely effected** the profitability of the company for the quarter.

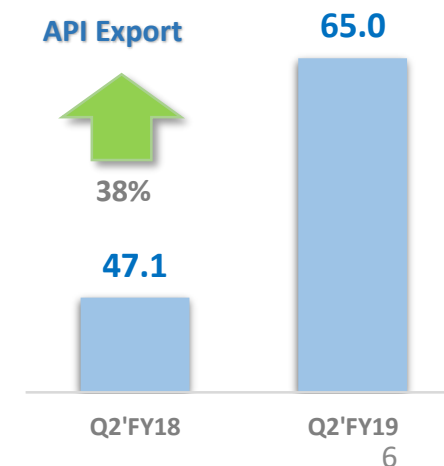


₹ crores

API Sales



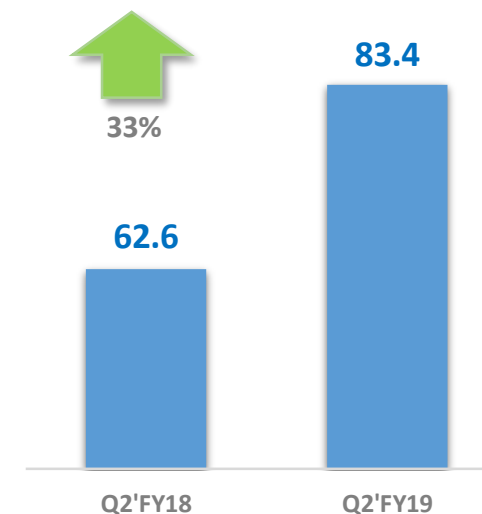
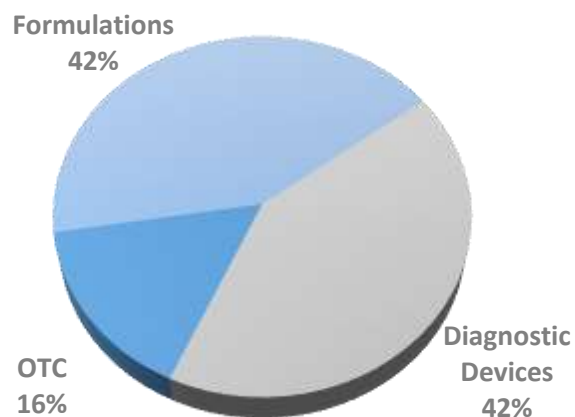
API Export



# Growing Branded Portfolio:

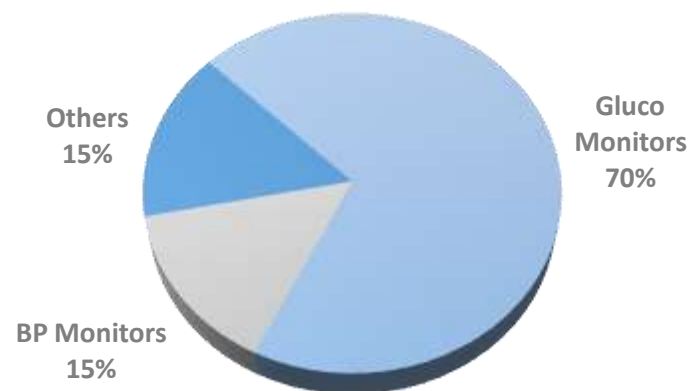
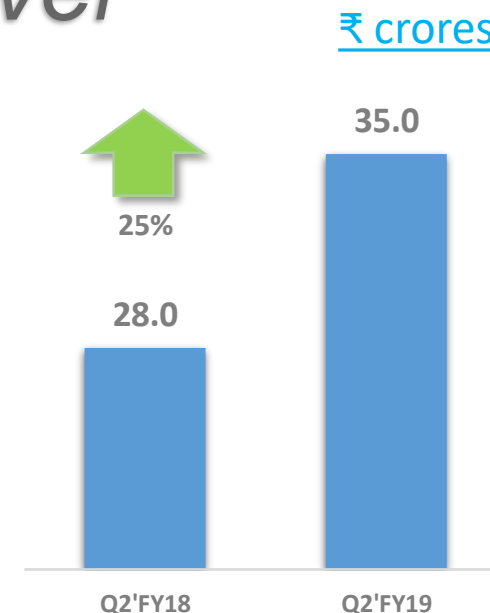
₹ crores

- **Dr. Morepen brand basket** has grown from Rs.62.58 crores to Rs. 83.35 crores for the Q2'FY19 and has registered an upside of **33%** as compared Q2'FY18
- Within the basket, **Diagnostic Devices** business has shown has registered a growth of **25%** while **Finished Dosages** has registered a record jump of **57%**.
- Dr. Morepen Over the counter (**OTC**) products have also shown significant growth of **7%** in Q2'FY19



# Devices Business - Growth Driver

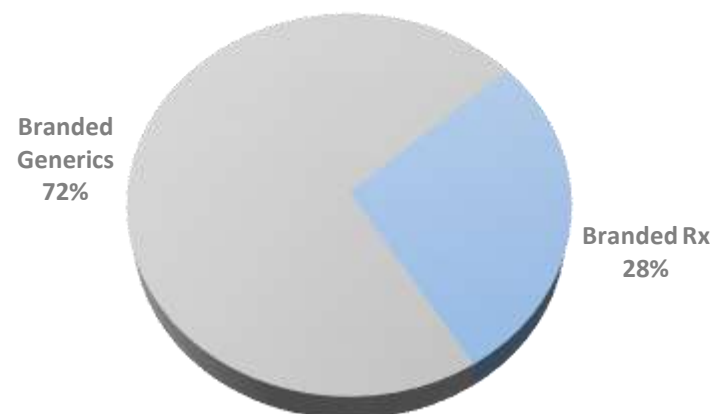
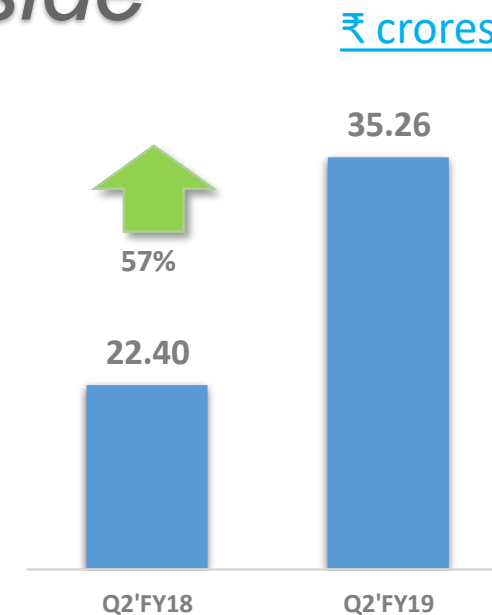
- **Home Devices portfolio** has been growing with fast pace and has recorded a growth of **25%** during the quarter.
- **Blood Glucose Monitors** have marked a growth of **38%** in Q2'FY19 as against Q2'FY18. Total Gluco monitors installed during Q2'FY19 were 16% more than Q2'FY18 and have crossed 2 million target.
- The company has achieved a milestone of having **sold 250 million glucose testing strips (tests)**. No. of strips sold during the Q2'FY19 were **39%** more than Q2'FY18.
- **Nebuliser's** sales have grown by **131%** during the Quarter as compared to Q2'FY18





# Finished Dosages: Healthy upside

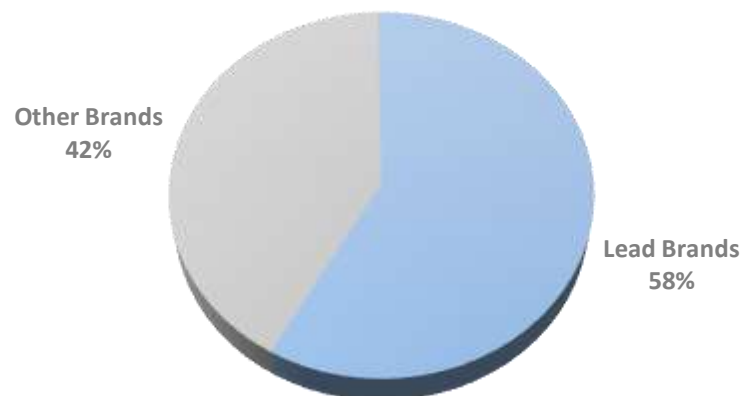
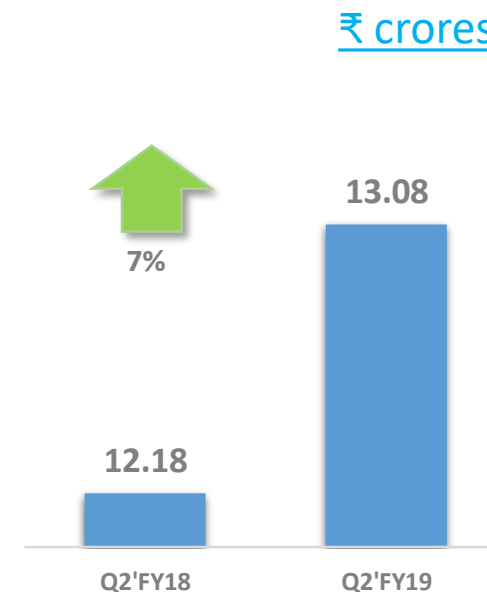
- **Finished Dosages** has bounced back strongly with an increase of **57%** in Q2FY'19 as compared to last year same quarter.
- **Branded Prescription (Rx)** products has grown by **24%** during the Q2'FY'19
- Good growth is seen in Gastrointestinal (**20%**) products and Antibiotics (**24%**)
- **Branded Generics** business which suffered during GST implementation period has also bounced back with quarterly growth of **75%**



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# Strong OTC Business:

- **Total OTC category** has registered a growth of **7.35%** during the quarter.
- **Burnol Sales** have gone up strongly by **10%** during the Q2'FY19 on Y-to-Y basis
- Other **small brands** which are distribution and reach based have also got a substantial gain of **22%** in the sales in the Q2'FY19
- The company has **launched a new product "Forever Young"** packed with 21 powerful herbs and minerals, in sexual wellness category this month which is expected to give good boost to Dr. Morepen presence in the category.





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*Thank You*

