



# MOREPEN



**Date:** 31/08/2020

To,

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**BSE Limited**

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**Scrip Code: 500288**

**Subject: Press Release – ‘Morepen Labs’ Net Profit rises by 153 per cent led by strong API business in Q1’FY 2020-21’**

Dear Sir,

Please find enclosed the press release on the financial performance of the Company for the quarter ended 30<sup>th</sup> June, 2020 with the title – ‘**Morepen Labs’ Net Profit rises by 153 percent led by strong API business in Q1’FY 2020-21’**

Kindly acknowledge the receipt and take it on your record.

Thanking you.

Yours faithfully,

**For Morepen Laboratories Limited**

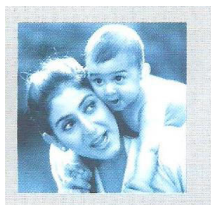
**(Vipul Kumar Srivastava)**  
**Company Secretary**

**Encl.: As Above**

**Morepen Laboratories Limited**

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**MOREPEN**



**Press Release**

**Morepen Labs’ Net Profit rises by 153 per cent led by strong API business in Q1’FY 2020-21**

*Company’s Board approves Rs. 178 crore plan to expand its APIs manufacturing capacity, aimed at becoming a global sourcing hub for several bulk drugs*

**HIGHLIGHTS: Q1’FY 2020-21 (CONSOLIDATED)**

<b>Performance at a Glance</b>		<i>(Rs. in Crores)</i>	
<b>Particulars</b>	<b>Q1’FY 2020-21</b>	<b>Q1’FY 2019-20</b>	<b>% Growth</b>
<b>Net Revenue</b>	<b>258.97</b>	203.26	27%
<b>EBIDTA</b>	<b>27.90</b>	19.61	42%
<b>Net Profit After Tax (PAT)</b>	<b>19.37</b>	7.66	<b>153%</b>

- **Net Profit After Tax** for Q1’FY2020-21 is sharply up by 153 per cent at Rs. 19.37 crore.
- **Net Revenue** for Q1’FY2020-21 stood at Rs.258.97 crore as against Rs. 203.26 crore for Q1’FY2019-20, registering a rise of 27 per cent. This growth was mainly on account of a consistent growth in sales of Bulk Drugs (APIs), Diagnostic Devices and OTC products during the quarter.
- **API Sales Revenue** remained the lead driver of the business contributing 64% to the top line and grew by 44 per cent at Rs. 162.06 crore during Q1’FY2020-21.
- **EBIDTA and Cash profit** for Q1’FY2020-21 also went up by 42 per cent and 44 per cent at Rs. 27.90 crore and Rs. 27.61 crore, respectively.
- **Profit before Tax** for Q1’FY 2020-21 was up by 155 per cent at Rs. 19.56 crore.
- **Expansion Plan:** Company’s Board has approved a mega expansion plan involving an outlay of Rs. 178 crore. This would see fresh addition of APIs manufacturing capacities by about 2000 MT p.a. and generate additional employment for about 700 people. New capacity additions will cover over 40 fresh and existing bulk drugs and are expected to commence commercial production over the next three years.
- **Export Sales Revenue** for Q1’FY2020-21 jumped up by 47 per cent at Rs. 117.32 crore. **Domestic Sales** grew by 15 per cent at Rs.141.65 crores.
- **Home Diagnostics Sales Revenue** grew by 16 per cent at Rs. 46.56 crore. Thermometers sales (including non-contact infrared thermometers) increased by around twenty times and that of Blood Pressure Monitors by 57 percent during Q1’FY2020-21. The company increased its manufacturing capacity of Oximeters as their sales increased sharply during the quarter. This apart, Morepen also launched Oxygen Concentrators especially for Covid patients’ use at home
- **OTC Business Sales Revenue** grew by 53 percent at Rs. 21.69 crore on account of a wide range of products launched by the company during the quarter to fight Covid-19 pandemic.

**New Delhi, August 31, 2020:** Morepen Laboratories Ltd., a leading API player in regulated markets, has reported a **sharp upsurge of 153 per cent in its Net Profit (Consolidated) at Rs. 19.37 crore** in the first Quarter (Q1) of FY 2020-21 ended June 30<sup>th</sup>, 2020. **Net Revenue (Consolidated)** during the quarter rose by **27 per cent at Rs. 258.97 crore**. The company’s net profit was Rs. 7.66 crore on a net revenue of Rs. 203.26 crore in the corresponding quarter of previous fiscal.

**EBIDTA** for Q1’FY2020-21 rose by 42 per cent at Rs. 27.90 crore and **Cash Profit** by 44 per cent at Rs. 27.61 crore. **Profit before Tax (PBT)** for Q1’FY2020-21 stood at Rs. 19.56 crore, recording an extraordinary growth of 155 per cent from Rs. 7.68 crore PBT earned in the corresponding quarter of the previous fiscal.

**API business** maintained its lead contributing 64 per cent to the company’s topline in Q1’FY 2020-21. API Sales Revenue during the quarter grew by 44 per cent at Rs. 162.06 crore. Within the API segment, **Finished**

APIs registered a growth of 43 per cent at Rs. 142.88 Crores and **API Intermediates**’ grew by 91 per cent at Rs. 11.67 Crores. **New API Molecules**’ added Rs. 7.51 Crores to the company’s top line.

This was disclosed by **Mr. Sushil Suri, Chairman and Managing Director, Morepen Laboratories Ltd.**, after the Q1’FY 2020-21 results’ board meeting here on Monday. **“API business of the company is doing exceedingly well and is gaining greater traction in the international markets, thanks to highest standards of quality maintained by the company for latest innovative products. Encouraged by the unfulfilled demand of existing products and keeping in mind the strong pipeline of APIs under development which are going generic over the next 5-6 years, the company has envisioned a mega expansion plan for existing and new products at its Baddi plant.”**

Company’s Board has approved a **mega expansion plan** involving an outlay of Rs. 178 crore. The expansion plan has already been cleared by Himachal State Government under single window clearance scheme. It would add 2000 MT p.a. of APIs manufacturing capacity in addition to 3000 MT p.a. capacity already installed, and also generate additional employment for about 700 people. The company is awaiting environmental clearance by State Level Approval Committee for this expansion project. Additional capacities will facilitate production of over 40 new and existing bulk drugs covering various therapeutic categories including anti-diabetic, anti-hypertensives, anti-allergic, anti-asthmatic, cholesterol reducers, anti-viral, anti-coagulants, anti-psychotic and anti-depressants. The expanded capacity is likely to commence commercial production over the next three years. The company proposes to fund the expansion primarily through internal accruals.

### **Synopsis of Quarterly Performance (Consolidated)**

**(Rs. in Crores)**

Particulars	First Quarter (Q1)			Annual
	Q1’FY 2020-21	Q1’FY 2019-20	% Growth	FY 2019-20
<b>Net Revenue</b>	<b>258.97</b>	203.26	27%	862.55
Expenditure	<b>231.07</b>	183.65	26%	784.55
EBIDTA	<b>27.90</b>	19.61	42%	78.00
Interest	<b>0.29</b>	0.43	(33%)	1.98
Cash Surplus	<b>27.61</b>	19.18	44%	76.02
<b>Profit Before Tax</b>	<b>19.56</b>	7.68	<b>155%</b>	39.11
<b>Net Profit After Tax (PAT)</b>	<b>19.37</b>	7.66	<b>153%</b>	33.58

**“Expansion plan of API manufacturing facility is well in sync with present global trend where all major companies are shifting their outsourcing from China. As a result of this, Indian API industry is rightly placed to become the global outsourcing hub for foreign pharmaceutical giants, with best international quality standards supported by complete documentation and FDA Approvals in place. Govt. of India has also come forward in a very aggressive manner to support this mission and make India self-reliant in APIs,”** Mr. Suri added.

**API Exports** recorded an impressive growth of 47 percent at Rs. 117.32 crore in Q1’FY2020-21. Business from European markets soared by 127 percent and that from APAC region by 45 percent in Q1’FY2020-21. Offtake from the U.S. market remained slow while that from other semi-regulated markets grew by 38 percent during the quarter. **Domestic API** business recorded a growth of 36 percent at Rs. 44.92 crore with a remarkable improvement of 74 per cent in the sales of Loratadine.

**Home Diagnostics Sales Revenue** grew by 16 per cent in Q1’FY2020-21 at Rs. 46.56 crore with Thermometers’ sales growing around twenty folds (mainly due to non-contact infrared thermometers) and Blood Pressure Monitors by 57 percent. The company has now launched Oxygen Concentrators especially for Covid patients’ use at home. **OTC Sales Revenue** grew by 53 percent at Rs. 21.69 crore on account of more than 20 different products launched by the company during the quarter to fight Covid-19 pandemic.

#### **About Morepen Laboratories Ltd. ( [www.morepen.com](http://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 as well as the National Stock Exchange.

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 located in 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. The company was the first one to manufacture home diagnostic devices in India to address the growing menace of diabetes and cardiac problem in the country. With two decades of innovation and cost control efforts, the company has been able to offer affordable medical devices to Indian consumers and has grabbed majority share of medical devices market in India under its brand **Dr. Morepen**. 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 450 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 was the front runner in country's fight against Covid-19 by timely making available various products like Non-Contact Infrared Thermometers and Oximeters in the Indian market under Dr. Morepen brand. It has recently launched Oxygen concentrators for home use of patients with respiratory difficulties.

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:

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