



**MOREPEN**



## Press Release

### Morepen Labs Annual FY22 Revenue up by 30% with Profit before Tax (PBT) growth of 29 %

### API Export registered growth of 17%

#### HIGHLIGHTS: CONSOLIDATED

- Annual revenues for FY22 at Rs. 1557.13 crores is up by 30 percent while EBITDA for FY22 at Rs. 146.98 cr. up 13 percent.
- Annual FY22 profit before tax (PBT) is up by 29 per cent at Rs. 126.70 crore and profit after tax (PAT) at Rs. 101.68 cr. up by 5 percent.
- Quarterly Revenue (Q4'FY22) grows up to Rs. 371.46 cr. up 28 percent on quarterly basis with a EBITDA of Rs.21.85 cr. and PBT of Rs. 14.18 cr. and PAT of Rs. 12.32 cr.
- Revenue growth for the current year was led by Devices Business, which grew by 46 per cent followed by API business which grew by 25 percent.
- Got USFDA approval of the anti-allergy product Fexofenadine last quarter, for which shipments have started in USA market this quarter.
- Annual Export Revenues for FY22 at Rs. 557.48 cr. are up by 17 per cent y-o-y basis
- Formulation and OTC revenues grew up by 28 percent and 24 percent respectively.
- Promoters holding increased from 34.54 percent to 38.38 percent post conversion of 2.80 crore Warrants out of 7.00 crores warrants allotted last year
- Got shareholders' approval for conversion of Optionally Convertible Preference Shares (OCPS) of Rs. 114.65 crores issued the Banks to Equity shares; regulatory approvals awaited.

**New Delhi, May 5, 2022:** Morepen Laboratories Limited (NSE: MOREPENLAB, BSE:500288), a reputed name for quality pharma products, has reported impressive performance by recording 30 per cent growth in its FY'22 annual revenues at Rs. 1557.13 cr. Consolidated profit before tax (PBT) at Rs. 126.70 crore has risen by 29 percent in FY22 and profit after Tax (PAT) at Rs. 101.68 crore is up by 5 percent on y-o-y basis in FY22,

Q4'FY22 revenues at Rs. 371.46 cr. have registered a growth of 28 percent and marginally lower than the Q3'FY22 which stood at Rs. 399.19 cr.

**The Revenue growth** in the Q4 was backed by substantial jump of 37 percent in the API business at Rs. 234.55 crore, followed by Formulation and OTC business at Rs. 38.57 Crore and Rs. 27.00 crore, which grew by 34 percent & 20 percent respectively. Q4'FY22, Diagnostic Devices revenues at Rs. 68.21 crore grew by 9 per cent on quarterly basis, whereas a huge revenue growth of 56 percent was recorded for nine months period ending December 31, 2021, at Rs. 350.71 crore.

**Overall EBITDA growth** of 13 percent at Rs.146.98 cr. for FY'22 is lower as compared to first three quarters of the year (9M'FY22). Because of increased input costs and higher spend on marketing and sales activities, EBITDA margins in Q4'FY22 have degrown to 5.88 percent against 11.89 percent in corresponding quarter last year.

**Annual FY22 profit before tax (PBT)** at Rs.126.70 cr. is up by 29 percent on yearly basis, whereas with Q4'FY22 PBT of Rs. 14.18 cr., which is 49 percent lower as compared to same quarter last year.

**Annual FY22 Profit after Tax (PAT)** at Rs. 101.68 cr. is up by 5 percent on y-o-y basis, whereas Q4'FY22 PAT at Rs. 12.32 crore is down up by 54 percent on quarterly basis. Annual FY'22 profit after tax margin (PAT) is down at 6.53 percent against 8.09 percent recorded in preceding financial year FY21.

Annual FY22 Revenues (Consolidated), are up by 30 per cent at Rs. 1557.13 cr. Net profit after tax (PAT) for the aforesaid period is up by 5 percent at RS. 101.68 cr. from Rs. 97.09 cr. in FY21.

**Mr. Sushil Suri, Chairman and Managing Director** stated, *"The company has been able to expand its market share and grown in all business segments and expects to increase its profitability parameters in the next few quarters once the supply disruptions are normalized, which have resulted in increased input costs. The company continues to invest in developing new markets and launch new products to reach to more and more customers"*. **Mr. Suri further added**, *"We have got shareholder's approval for the conversion of Bank's Preference shares into equity capital, which is underway, while we wait for the regulatory approvals. It will be a big milestone for the company, once the process is completed"*

### **API BUSINESS**

**Annual FY'22 API** business at Rs. 858.46 cr. has grown up by 26 percent on the strength of solid growth of 45 percent in domestic API business. Q4'FY22 revenues at Rs. 234.55 cr. are up by 37 percent. The share of export business in Q4'FY22 sales revenues, is at 70 percent whereas on annual FY22 basis it is at 64 percent.

The company has leadership position in the two products Loratadine and Montelukast and has 68% and 49% share in export out of India for these two products respectively. **USFDA approval** for its anti-allergy drug Fexofenadine HCl during the current quarter, has opened the gates for regulatory markets for the product and has started shipments in the USA market.

During the year company has added more than 200 new customers globally and has also filed 5 new international patents.

The company has recently signed a strategic partnership with **Azelis, Germany** ([www.azelis.com](http://www.azelis.com)) for exclusive marketing of its API portfolio in select European countries. Azelis is leading global specialty pharma major present in over 60 countries with revenues of Euro 2.80 billion in in FY21.

### **POINT OF CARE DEVICES**

Point of Care (POC) Medical Devices business at Rs. 418.92 crore for FY22 has registered a growth of 46 percent. On strength of 10 percent growth in Blood Gluco business, Q4'FY22 revenues at Rs. 68.21 cr. has registered a growth of 9 percent. With annual FY22 Blood Gluco business at Rs. 278.64 crore and BP monitor revenue at Rs. 84.01 cr., substantial revenue growth of 54 percent and 33 percent have been recorded during the year on y-o-y basis.

Blood Glucose Monitor business registered have recorded a CAGR of 44 percent in last 4 years, while BP monitor grew by 47 percent. On the strength of its leadership position Blood Glucose Meter and Blood Pressure Meter market, the company is aggressively increasing its reach to the tier-2 and tier-3 cities. The company has slowly started investing in various marketing channels including advertisement in the electronic media for promotion and market expansion of blood Gluco monitors and blood pressure monitors.

With new installation of 2.16 million Glucometers during FY'22 the company has installed 7.20 million glucometers till date. During FY'22, 300 million blood Gluco strips have been sold, making total Gluco measuring strips supply of 900 million strips till date. In the BP Monitors also, company had landmark installation of 1.20 million meters in year which is highest ever in any year.

### **OTC & NUTRITION**

OTC and nutrition business promoted under umbrella brand Dr. Morepen has registered an annual growth of 24 percent on y-o-y basis, with Q4'FY22 revenue growing at 20 percent. OTC range of products with annual revenues of Rs. 52.43 crore have recorded 13 percent growth on y-o-y basis. Annual FY'22 Online revenues, at Rs. 16.53 crore are up by 273 percent. The share of online sales, in FY22 revenues, have gone up to 15 percent from 5 percent in corresponding period last year.

**Synopsis of Quarterly and Annual Performance (Consolidated)**

**(Rs. in Crore)**

Particulars	Q4		Annual		
	FY'22	FY'21	FY'22	FY'21	Growth
<b>Net Revenue</b>	371.46	290.76	<b>1557.13</b>	1200.12	<b>30%</b>
<b>Expenditure</b>	349.61	256.20	<b>1410.15</b>	1069.54	<b>32%</b>
<b>EBIDTA</b>	21.85	34.56	<b>146.98</b>	130.58	<b>13%</b>
<b>Interest</b>	0.79	(0.06)	<b>(7.37)</b>	1.79	-
<b>Cash Surplus (Before Tax)</b>	21.06	34.62	<b>154.35</b>	128.79	<b>20%</b>
<b>Profit Before Tax</b>	14.18	27.63	<b>126.70</b>	98.51	<b>29%</b>
<b>Profit After Tax (PAT)</b>	12.32	26.76	<b>101.68</b>	97.09	<b>5%</b>

**About Morepen Laboratories Ltd. ( [www.morepen.com](http://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.

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 850 million glucometer strips (single tests) till date. Dr. Morepen also has a formidable presence and is the leader in the Blood Pressure Monitors.

Brand Dr. Morepen ([www.drmorepen.com](http://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 50 products including famous brands like 'Burnol' and 'Lemolate'.

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