



MOREPEN

Date: 01/11/2018

To,

National Stock Exchange of India Ltd.

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Scrip Code: 500288

Subject: Investor Presentation - Q2 September, 2018

Dear Sir,

Please find enclosed the **Investor Presentation - Q2 September, 2018**, based on the financial performance of the Company for the Quarter and Half-year ended 30th September, 2018.

Kindly acknowledge the receipt and take it on your record.

Thanking you.

Yours faithfully,

For Morepen Laboratories Limited

(Ajay Sharma)

Chief Financial Officer and Compliance Officer

Encl.: As Above

Morepen Laboratories Limited

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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

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

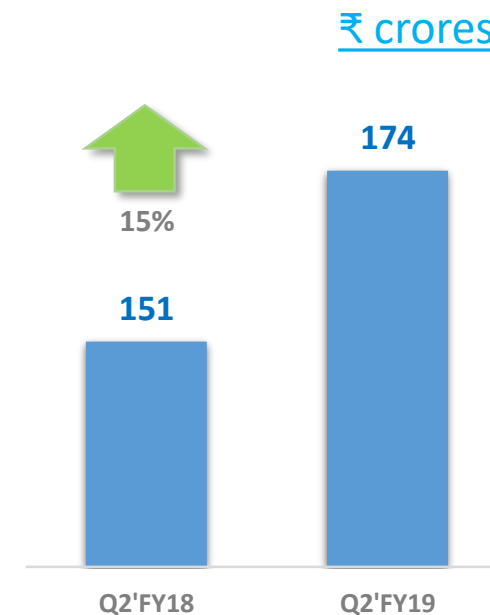
Highlights of Q2'FY19 Performance

₹ 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%
Total for quarter	173.93	150.54	15%

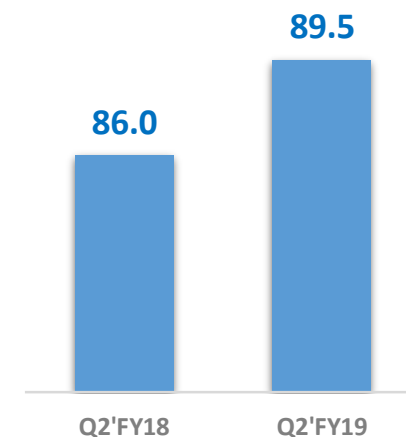


API: Increasing Export Business

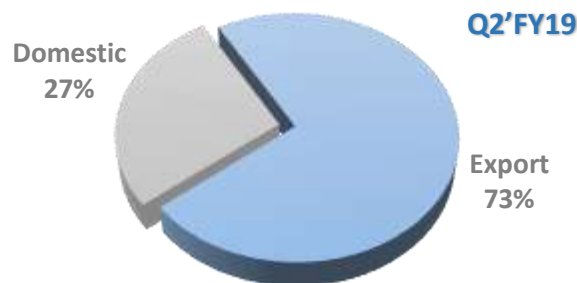
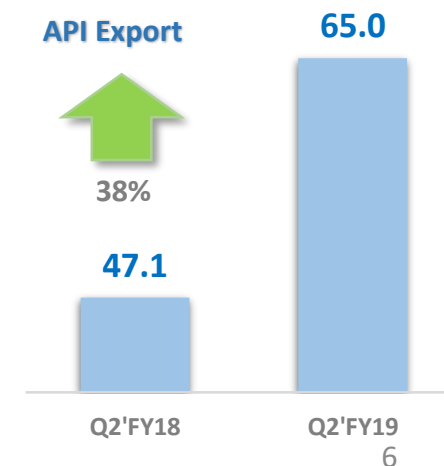
- **API Export** has got a jump of **38%** during the Q2'FY19 as compared to Q2'FY18 while total API business has grown by 4%
- **Loratadine** sales has grown by **29%** in Q2'FY19 on Y-to-Y basis. Export of Loratadine has gone up by **31%** this quarter Q2'FY19
- **Montelukast** export has registered 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



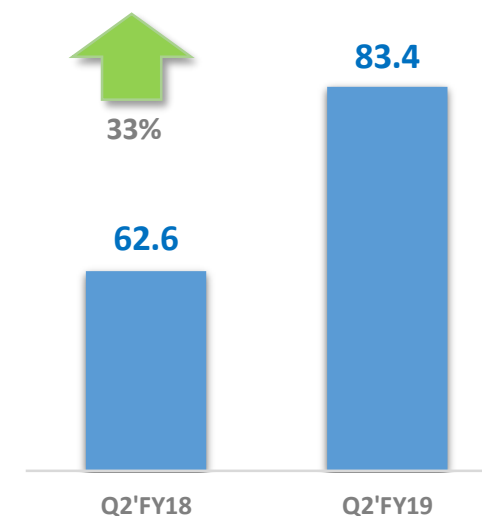
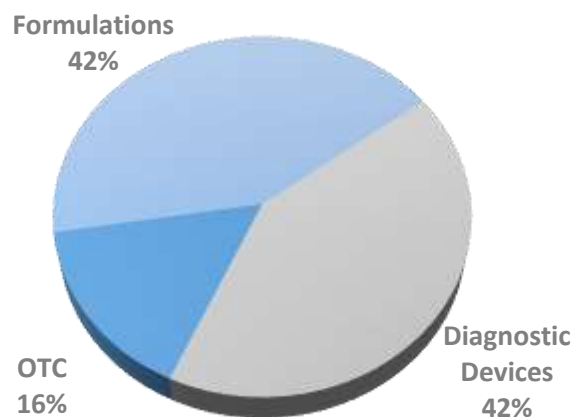
API Export



Growing Branded Portfolio:

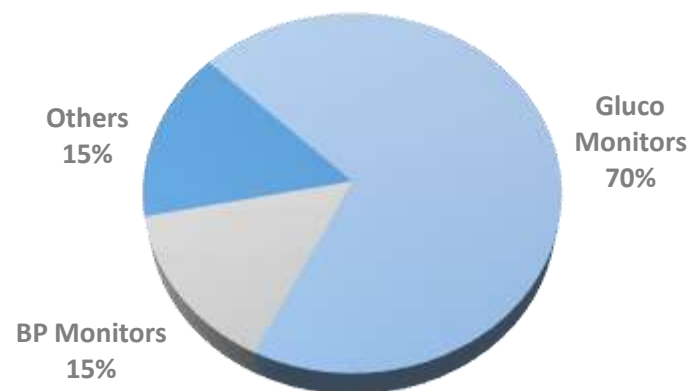
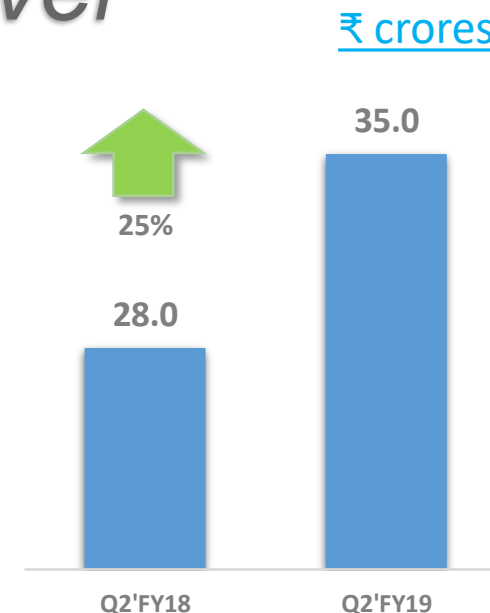
₹ crores

- **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



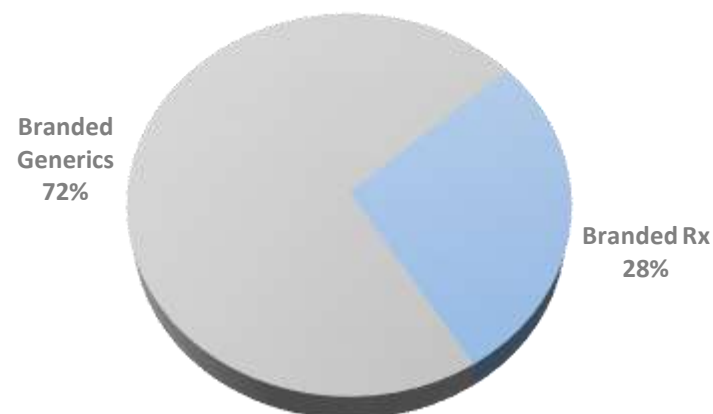
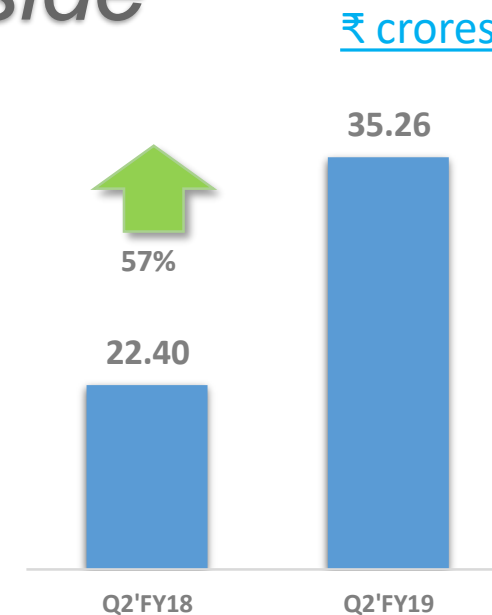
Devices Business - Growth Driver

- **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

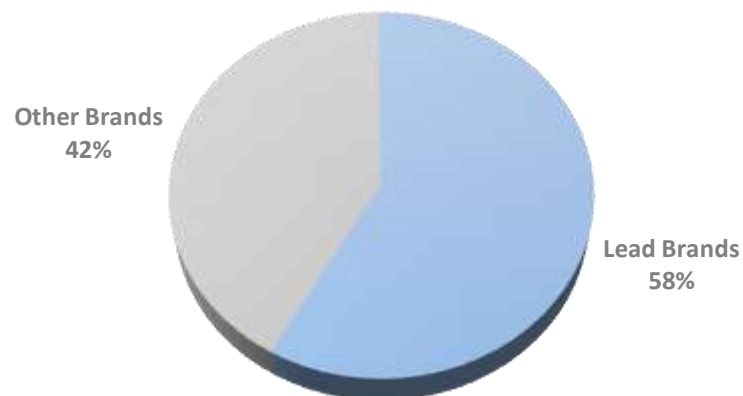
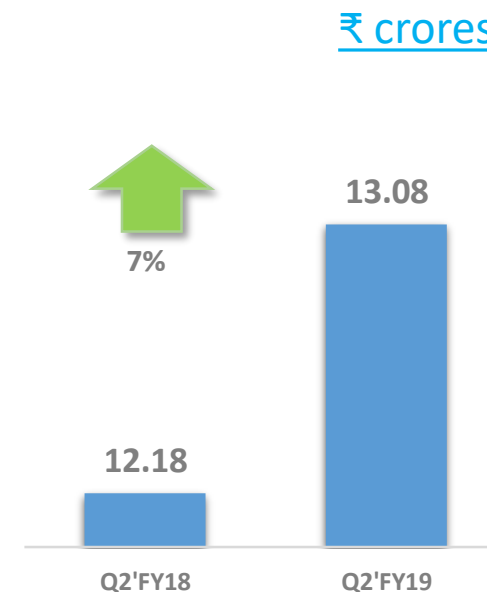
- **Finished Dosages** has bounced back strongly with an increase of **57%** in Q2FY'19 as compared to last year same quarter.
- **Branded Prescription (Rx)** products has grown by **24%** during the Q2'FY'19
- Good growth is seen in Gastrointestinal (**20%**) products and Antibiotics (**24%**)
- **Branded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