



# FREDUN PHARMACEUTICALS LIMITED

PRESS RELEASE

## Fredun Pharmaceuticals announced Q4 & FY2023 results

*FY23 Revenues stood at Rs. 276 Cr, up by 22.29% YoY; Q4FY23 Revenues were up by 11.08% YoY to Rs 79.80 Cr.*

*FY23 EBITDA grew to Rs. 29.58 Cr, an increase of 92% YoY; Q4FY23 EBITDA was higher by 127.50% YoY to Rs 12.24 Cr.*

Mumbai, India | May 24, 2023

**Fredun Pharmaceuticals Limited (BSE: 539730)**, a diversified healthcare and pharmaceuticals company, announced its financial results for the **Fourth quarter and Full year ended March 31, 2023**.

### Key Highlights of Q4 & FY23

- Q4FY23 revenues were up by 11.08% YoY to Rs 79.80 crores and EBITDA grew by 127.50% YoY to Rs 12.24 crores.
- EBITDA margins improved by 785 bps to 15.33% during the quarter as compared to 7.48% in Q4FY22.
- Q4FY23 PAT was Rs 3.89 crores, up by 69.86% YoY.
- FY23 revenue stood at Rs 276.49 crores, a growth of 22.29% YoY and EBITDA grew by 92.07% YoY to Rs 29.58 crores.
- FY23 PAT stood at Rs 10.80 crores, an increase of 70.61% YoY.
- Our strategy revolves around sharing our economies of scale with our customers as we grow. This is a powerful approach to building trust and increasing business with them, ultimately helping us grow our business both vertically and horizontally. In the process, we are also spawning into new markets enabling us to build a compounding P&L.

**Commenting on the performance, Mr. Fredun Medhora, Managing Director of Fredun Pharmaceuticals said,** *“FY23 has turned out to be yet another important year as we delivered a robust performance and reported record revenues of Rs. 276 Cr.*

*As we approach the end of our fiscal year 2023, we would like to share our long-term strategy with you, our shareowners. Our commitment to price give-back to our customers goes hand-in-hand with our long-term focus. By offering best prices to our customers, we can achieve economies of scale and improve our long term free cashflow per share. In order to continue growing and innovating, we plan to expand our core business by entering new markets and creating new product lines. We will also invest in infrastructure and technology that will allow us to reduce variable costs and convert them into fixed costs or capital expenditures. This approach may require upfront investments, but in the long run, it will create a larger free cash flow per outstanding share and lead to sustainable growth.*



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*Our goal is to build a compounding P&L that will generate value for years to come and we will achieve it by focusing on our long-term strategy – sharing our economies of scale with our customers and continuing to spawn into new markets globally.”*

## Consolidated Financial Highlights

Particulars (In Rs Crores)	Q4 FY23	Q4 FY22	YoY (%)	FY23	FY22	YoY (%)
Revenue from Operations	79.80	71.84	11.08%	276.49	226.08	22.29%
EBITDA	12.24	5.38	127.50%	29.58	15.40	92.07%
EBITDA Margin %	15.33%	7.48%		10.69%	6.81%	
PAT	3.89	2.29	69.86%	10.80	6.33	70.61%
PAT Margin %	4.81%	3.18%		3.90%	2.79%	

## Segmental Performance Updates

- **Generics**

- **Exports**

- Secured over 185 registrations across countries. We expect 220 registrations in FY24.
- Government Supply/Institutional sales grew by ~75% QoQ in Q4FY23; expect 100% QoQ growth in Q2FY24.
- During the quarter, we signed a one-year contract worth Rs. 65 crores with a Southeast Asian country. Revenues from this contract have commenced and the order is expected to be fully executed by Q2FY24.
- The contract signed with three African countries will be fully executed by Q3 in the next 6 months; we expect annual revenues of US\$ 3-5 Mn
- Exports are expected to grow at 18% YoY on the back of our registrations and our potential to win further orders from current markets.
- We are witnessing robust growth and plan to launch 39 new OEM products in Food Supplements, Nutraceuticals, Cosmetics, and Personal Hygiene categories.

- **Fredun Gx Brand**

- Launched 100+ products in India under Fredun Gx brand in FY23; expected to add another 70 products by Q2FY24.
- We expect this segment to grow 4-5% MoM

- **Pet Care (Freossi)**

- Launched 14 products under our Pet Pharma range in FY 23. Plan to add another 23 products by Q2FY24.
- Launched 16 products under our Pet Treat and Feed Supplement range in FY 23
- Currently the business is clocking a growth of 4% MoM, and we expect to reach sizable sales with additional products coming in.



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- Company has launched the affordable Pet Grooming range at a large scale in Q4FY23 with 43 products; revenue from this range to start kicking from the beginning of FY24
- Our Ultra-Niche Pet Care Cosmetic Products are set for launch in Q3FY24.

- **Nutraceuticals**

- **Exports**

- Exports have witnessed a robust growth; expect to see a constant growth of 15% QoQ over the next two years.
    - Partially executed the contract signed with GCC region for Nutraceuticals and Human Feed supplements; to be fully executed by end of FY23. Revenue from Nutraceuticals and Human Feed Supplements will cross USD 2 million in FY 24

- **Fredun Nutrition Brand**

- 23 products are under development and will be launched by Q2FY24.
    - Plan to launch 16 additional New-Age Nutraceuticals by Q3FY24. Initially, these molecules will be sold only in Maharashtra before we plan to sell it across India.

- **Cosmeceuticals**

- **Exports**

- Added 19 new products under OEM division

- **Bird and Beauty (BnB) Brand**

- Plan to launch 3 more products and have a full range by Q2FY24
    - Commenced production in our recently set up State-of-the-art Lotion manufacturing unit at Palghar in December with a trial order; unit to be fully commercialized by end of FY24.
    - Our Balm unit is doing well with total orders for 9 Mn units that will be executed by Q2FY24.

## Outlook

- Q1FY24 revenue to be in-line with Q1FY23
- The state-of-the-art plant for Bone Graft in Palghar will begin validation trials by Q1FY24. Profitability and revenues from the graft business will start showing in the performance numbers by Q2-Q3 of FY24
- This year the company is consolidating its OEM business in the African continent.
- We are starting Research and Formulation Development centers for Veterinary Products by Q3 FY 24
- The company plans on launching a first of its kind Nutraceutical range of products for Pet Healthcare. The company also plans to further expand its FWA business with addition of new-age human products.

For further details, please feel free to contact:

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## **About Fredun Pharmaceuticals**

Fredun Pharmaceuticals Limited, healthcare and pharmaceuticals company offer a range of products, including antihypertensives, antidiabetic, antiretroviral drugs (ARVs) and narcotics. It is also engaged in the manufacturing of dietary/herbal supplements, nutraceuticals, cosmeceuticals and other healthcare products along with animal healthcare products. With such a diverse range of products, the Company's objective is to be a holistic healthcare provider. The Company primarily exports its products to Africa, Southeast Asia, Commonwealth of Independent States (CIS) countries and Latin America.

## **Disclaimer:**

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