



MOREPEN

Date: 16/05/2018

To,

National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai- 400 051
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Symbol: **MOREPENLAB**

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Scrip Code: 500288

Subject: Investor Presentation – May, 2018

Dear Sir,

Please find enclosed the Investor Presentation – May, 2018, based on the financial performance of the Company for the quarter and year ended 31st March, 2018.

Kindly acknowledge the receipt and take it on your record.

Thanking you.

Yours faithfully,

For Morepen Laboratories Limited

(Thomas P. Joshua)
Company Secretary

Encl.: *As Above*

Morepen Laboratories Limited

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CIN NO. L24231 HP1984PLC006028

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MOREPEN
The Joy Of Growing Together

INVESTORS PRESENTATION MAY 2018

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Highlights of FY18 Performance

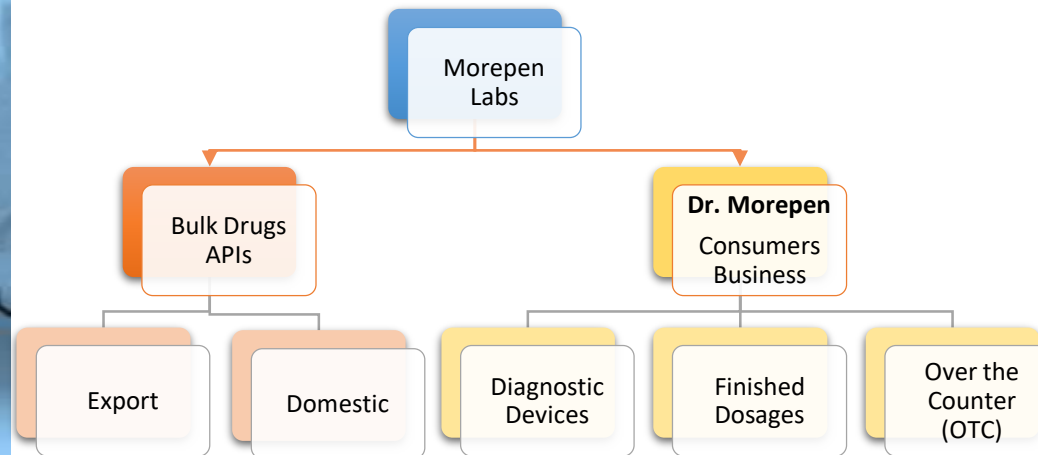
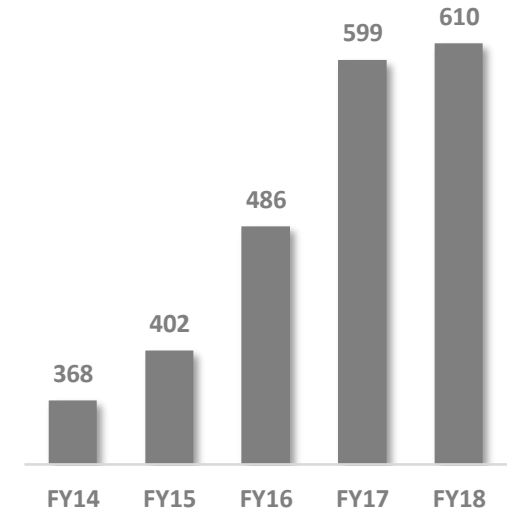
₹ crores

- **Net profit** rises by 25% at Rs. 29.59 Crore.
- **Net Sales Revenue** up by 1.9% at Rs. 598 crore.
- **Domestic sales** up by 21.3% at Rs. 414 crore.
- The overall **Home Diagnostic category** grows by 34% at Rs. 103.35 crore.
- **Blood Pressure Monitors** and **Blood Glucose Monitors** records highest growth on annual basis at 78% and 39% respectively.
- Annual **interest cost** fell by 43% at Rs. 4.36 crore.
- The company's aim to become a **Zero Debt company** by June-July, 2018.
- **USFDA** clears company's anti-asthma bulk drug **Montelukast Sodium** for sale in the US market.
- Company also gets a fresh patent for **Loratadine** Process
- Improved **Home Diagnostics' sales revenue**, better **Cost Control**, Higher **EBIDTA**, higher **Cash profit** and lower **Interest cost** aids in strengthening bottom line further in yet another consecutive financial year.

Segments wise growth

- Overall business has grown at the CAGR of 14% for last five years including API business which contributes 57% of the pie.
- Home Diagnostic Devices business which contributes 17% of the topline has registered an exponential growth with CAGR of 24% and 34% jump in FY18.
- Finished dosage business has also recorded a CAGR of 10% and has grown by 44% in FY18'Q4.
- OTC Business also had a jump of 21% in FY18'Q4.

₹ crores



Segments	FY'17	FY'18	CAGR 5 years	Y-o-Y Growth	Q-o-Q Growth
APIs	340.17	337.39	14%	-1%	-1%
Diagnostics	76.99	103.35	24%	34%	29%
Formulations	110.21	110.36	10%	-	44%
OTC	49.24	48.89	10%	-1%	21%

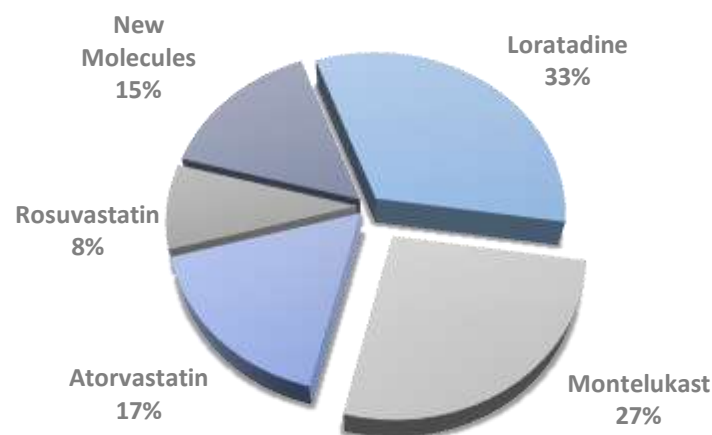
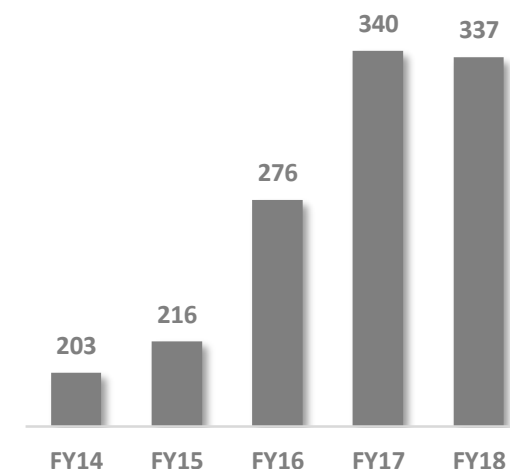
API Business

Production Units
P1-P10 in Baddi (HP)

APIs: Product wise growth

- Montelukast has registered an exponential growth with CAGR of 16% and 38% jump in FY18'Q4 as compared to FY17'Q4.
- Atorvastatin with robust CAGR of 25% has recorded a growth of 12% in FY18 fiscal year.
- Rosuvastatin clearly emerged a growth leader in the whole pack with CAGR of 53% and 17% growth in FY18.
- Loratadine though grew by 6% in quantity had big price erosion in the international market.

₹ crores

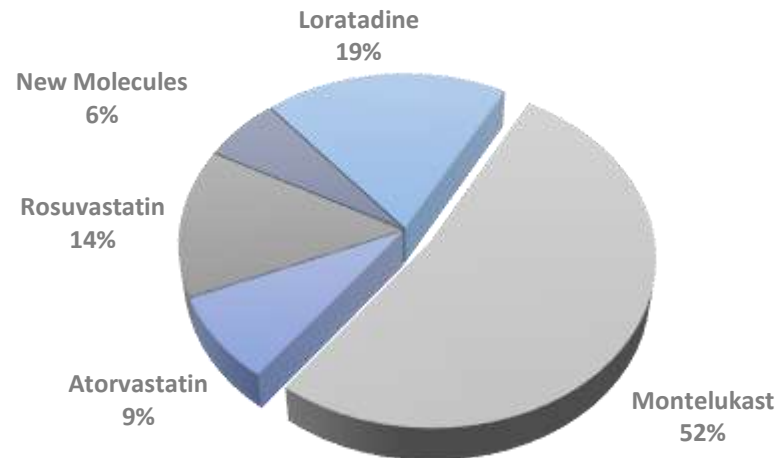
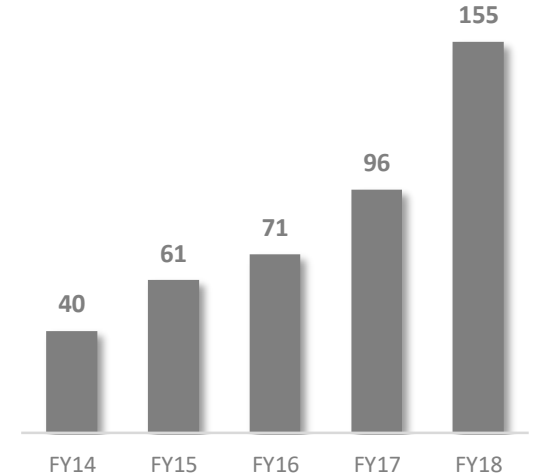


Main Products	FY'17	FY'18	CAGR 5 years	Y-o-Y Growth	Q-o-Q Growth
Loratadine	113.20	112.29	1%	-1%	-5%
Montelukast	98.84	90.76	16%	-8%	38%
Atorvastatin	51.41	57.76	25%	12%	-16%
Rosuvastatin	24.60	28.86	53%	17%	11%

Increasing Domestic API topline

₹ crores

- Domestic API business has got a jump of 110% during the FY18'Q4 and 61% jump in FY18 with a CAGR of 40%.
- Domestic Sale of Rs. 46 crore export is through Merchant Exporters
- Loratadine sales has almost trebled with growth of 196% in FY18 and 322% swing in Q-to-Q sales against CAGR of 47%
- Montelukast has secured a growth of 87% during the quarter with 13% CAGR
- Atorvastatin has strong CAGR of 72% and 102 growth in FY18 and 68% FY18'Q4
- Rosuvastatin CAGR of 51% shows consistency during the fiscal with growth of 32%



Main Products	FY'17	FY'18	CAGR 5 years	Y-o-Y Growth	Q-o-Q Growth
Loratadine	16.62	49.17	47%	196%	322%
Montelukast	55.68	55.96	13%	6%	87%
Atorvastatin	6.59	13.33	72%	102%	68%
Rosuvastatin	13.62	17.92	51%	32%	8%



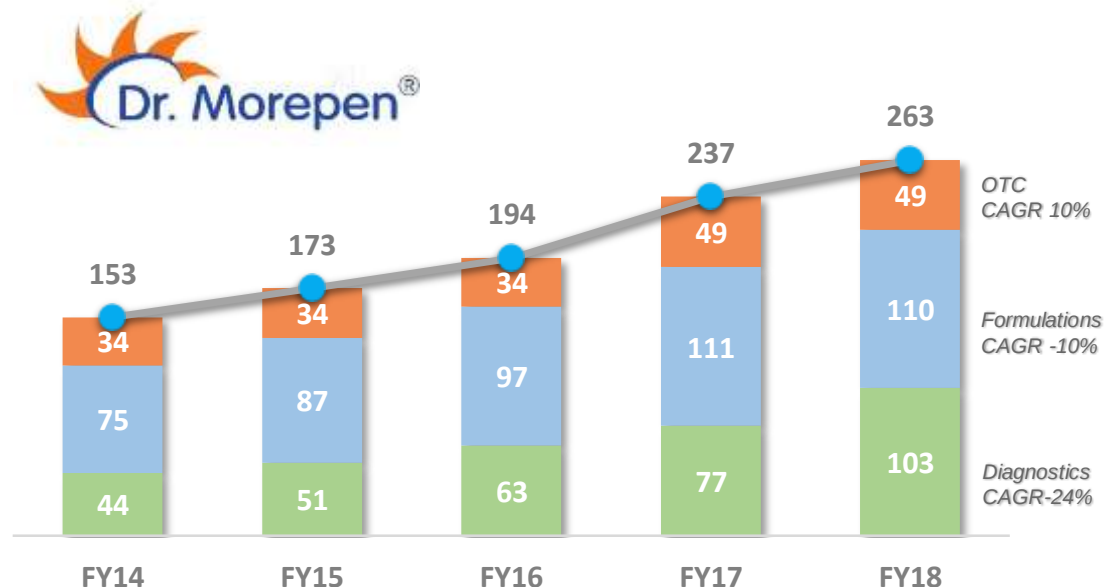
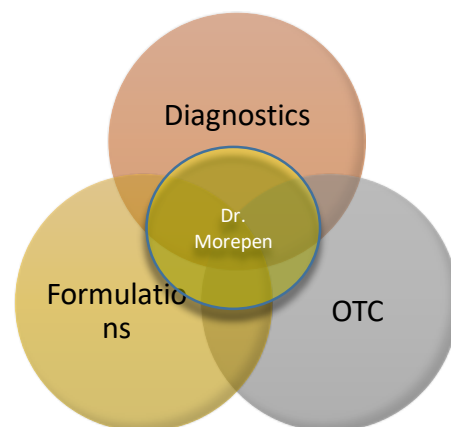
Branded Portfolio



Branded Portfolio

₹ crores

- Dr. Morepen brand basket has grown from Rs.153 crores to Rs. 263 crores in a period of five years with a CAGR of 15% and has registered an upside of 35% in FY18'Q4
- Within the basket, Diagnostic Devices business has shown maximum traction and has registered a CAGR of 24% while Finished Dosages and OTC business has recorded a CAGR of 10%
- All the products have a common branding and compliment to each others sales and market presence in the market and online shopping



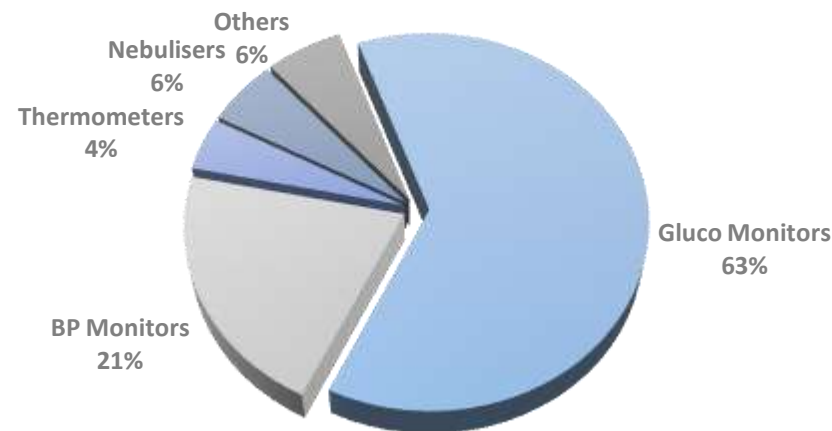
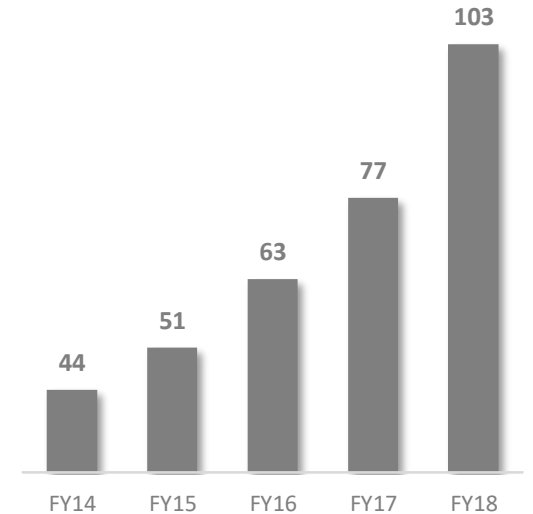
Diagnostics Business



Devices Business - Growth Driver

₹ crores

- Home Devices portfolio has been growing with fast pace and has recorded a CAGR of 24%.
- Blood Gluco Monitors have marked a growth of 38% in FY18 with 39% CAGR.
- Total Gluco monitors installed during FY18 were 56% more than FY17 and have completed 2 million target.
- Number of Glucose Testing Strips sold has crossed 68 million during FY18 registering a jump of 43%
- BP Monitors with a CAGR of 35% have grown exponentially by 75% during the year and had a big jump of 57% in Q4.
- Nebulisers also shown a robust growth of 34% in this fiscal and exponential jump of 835% in FY18'Q4



Main Products	FY'17	FY'18	CAGR 5 years	Y-o-Y Growth	Q-o-Q Growth
Gluco Monitors	46.85	64.81	39%	38%	26%
BP Monitors	12.41	21.76	35%	75%	57%
Nebulisers	4.37	5.84	16%	34%	835%
Thermometers	4.14	4.65	5%	12%	11%

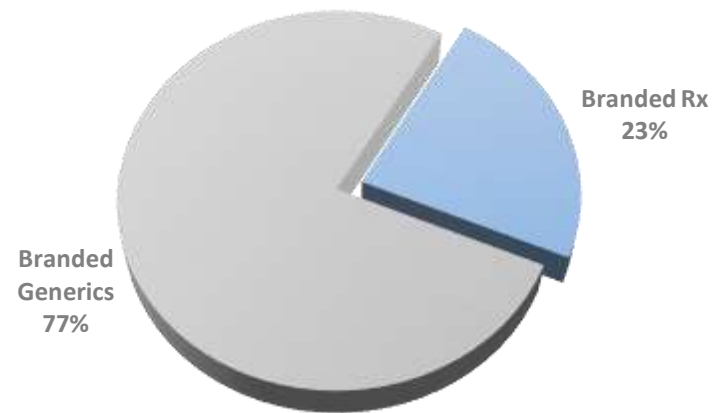
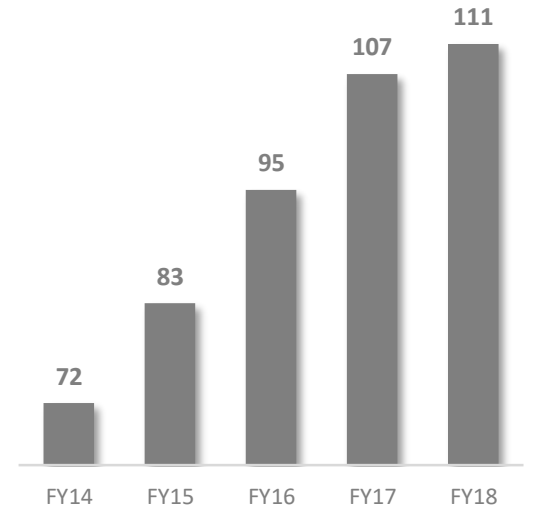


Branded Formulations

Finished Dosages: Established Base

₹ crores

- Finished Dosages has been growing steadily with a CAGR of 10% and has substantial increase of 44% in FY18'Q4
- Branded Prescription (Rx) products has grown by 33% during the Q4 with new brand launches
- Vitamins and Nutraceuticals have grown by 76% on Q-to-Q basis have secured a CAGR of 23%
- Antibiotics have grown by 43% during Q4
- Branded generics business which suffered during GST implementation period has also bounced back with quarterly growth of 47%



Main Products	FY'17	FY'18	CAGR 5 years	Y-o-Y Growth	Q-o-Q Growth
Branded Rx	25.51	25.62	5%		33%
Branded Generics	84.70	84.74	12%	-1%	47%

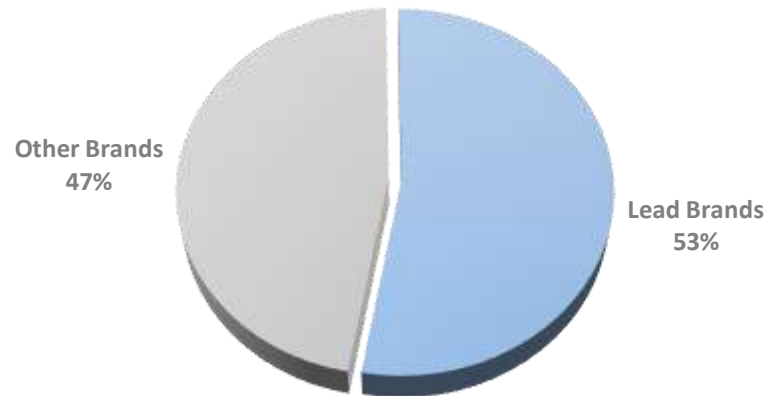
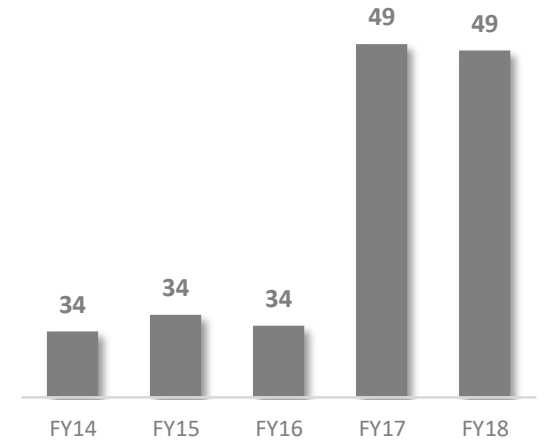


OVER THE COUNTER –OTC

OTC Business: Bouncing Back

₹ crores

- Lead Brands like Burnol (Burn Cream), Lemolate (Cough & Cold) and Fiber-X (Sat Isabgol) have bounced back in Q4 after bit slow down in last two quarters due to GST disturbance and have registered a growth of 22%
- Lemolate Sales have gone up by 37% in FY18'Q4 and Fiber-X has grown by 248% in Q4 and 36% in the FY18
- Other small brands which are distribution and reach based have also got a CAGR of 14% and 21% increase in the sales in the FY18'Q4



Main Products	FY'17	FY'18	CAGR 5 years	Y-o-Y Growth	Q-o-Q Growth
Lead Brands	24.52	25.97	7%	6%	22%
Other Brands	24.72	22.93	14%	-7%	21%



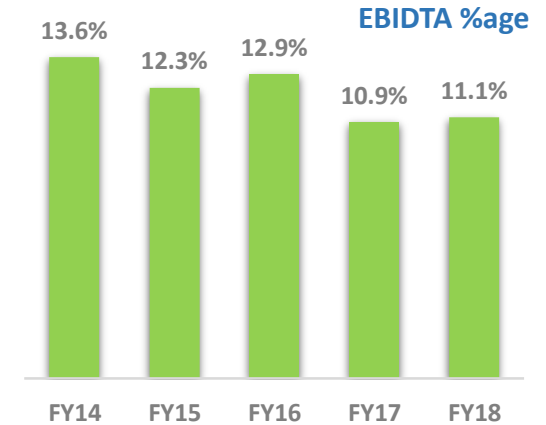
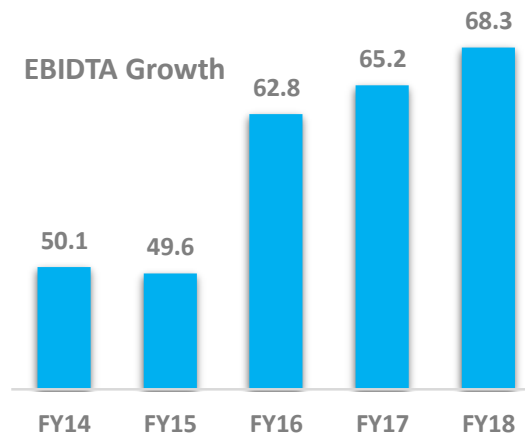
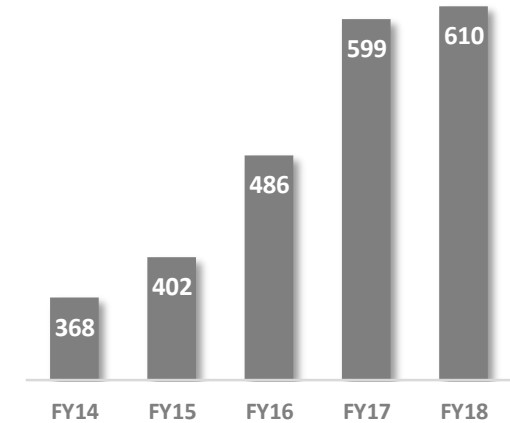
FINANCIALS

Operational Performance

- Robust performance year after year with CAGR of 14% for last five years speaks high of acceptance of company's product quality and reach.
- EBIDTA %age has been stabilized over the years between 11-12% and is as expected to go up as sales of the US export market pick during FY19 and FY20
- EBIDTA would also show further improvement as volumes go up for branded sales. Margins will shoot up as manufacturing base increases for diagnostics devices in India.

₹ crores

Gross Revenues

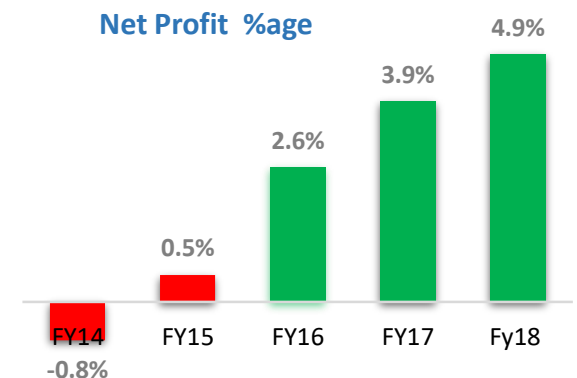
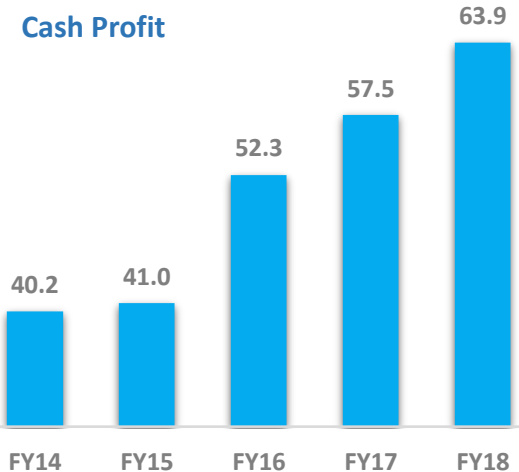
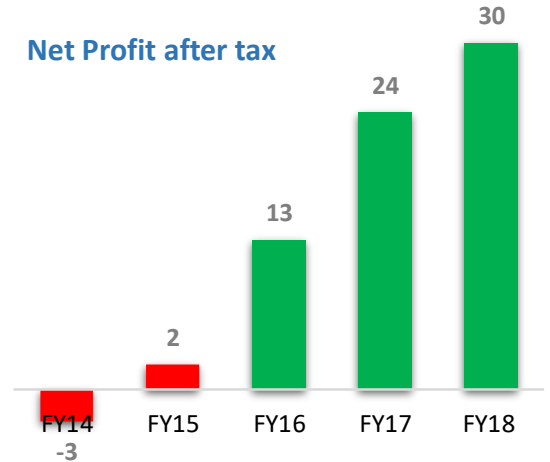


Manufacturing line of Blood Gluco Monitors at Baddi

Increasing Cash Surplus

- Sustained growth in EBIDTA has given quantum jump in Cash Profits of the company. During the FY18 the cash surplus has increased from Rs. 57.54 crores to Rs.63.91 crores
- Net profit margins are going up fast pace and FY18 has recorded a PAT of Rs. 29.59 crores as against Rs.23.63 crores last fiscal
- The company had accumulated losses to the tune of Rs. 442 crores on standalone basis which have reduced to Rs.80 crores now.

₹ crores



Becoming Debt Free by June'18

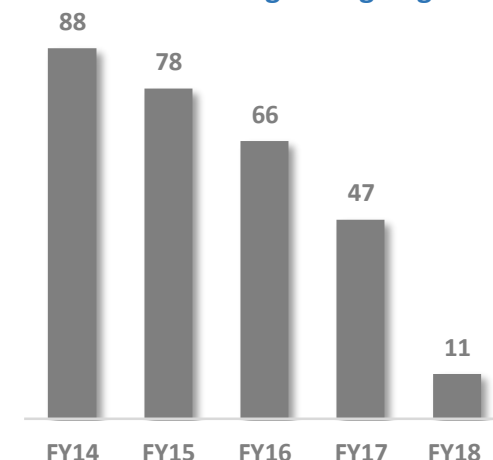
- The company had peak outstanding debt of Rs.750 crores with 43 banks in FY'05 which was restructured through CDR Scheme of RBI in July 2005. with an upfront payment of OTS amount of Rs.150 crores.
- The residual debt of Rs.147 crores has been serviced regularly and company will become debt free in this quarter.
- All the repayments of residual debt have done through internal cash accruals without any borrowings from outside.
- Total Debt in the books of the company is Rs.10.52 crores which is expected to be paid off by the within 2/3 months.

DEBT FREE
SOON

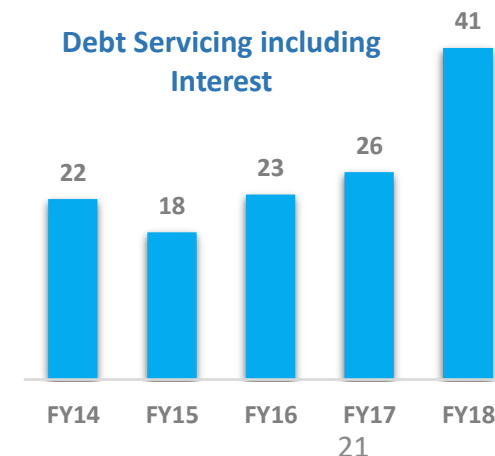


₹ crores

Outstanding Debt going down



Debt Servicing including Interest



Synopsis of FY18 Performance

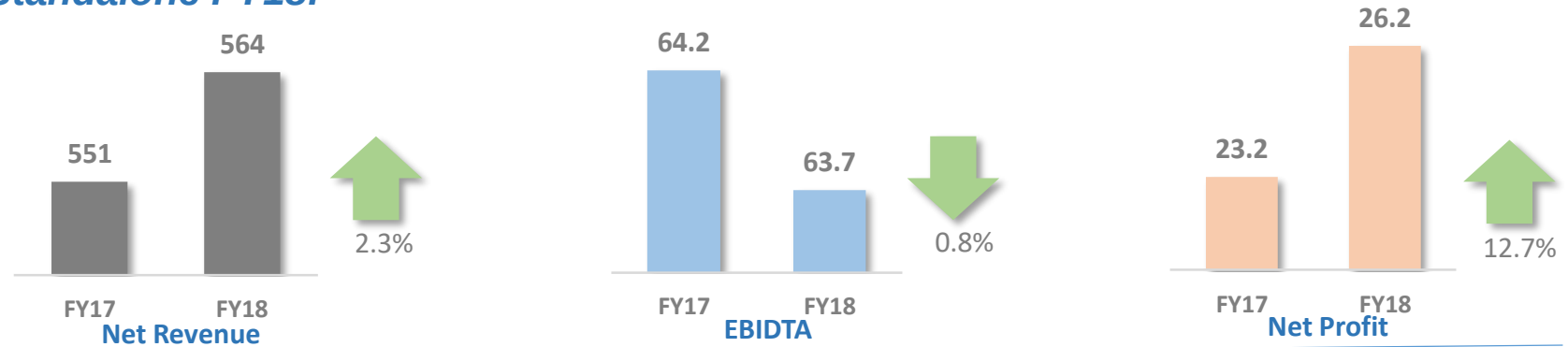
₹ crores

	Standalone (16-17)	Standalone (17-18)	Growth %age	Consolidated (16-17)	Consolidated (17-18)	Growth %age
Net Revenue	551.23	564.37	2.3%	599.19	610.23	1.8%
Expenditure	487.03	500.64	2.8%	534.01	541.78	1.4%
EBIDTA	64.20	63.73		65.18	68.45	5%
Interest	7.47	4.22	(43.5%)	7.65	4.36	(43%)
Cash Surplus	56.73	59.51	4.9%	57.53	64.09	11.4%
Dep. & Amortization	33.56	33.40		33.90	34.32	1.2%
Income Tax	-	-	-			
Net Profit	23.17	26.12	12.7%	23.63	29.59	25.2%

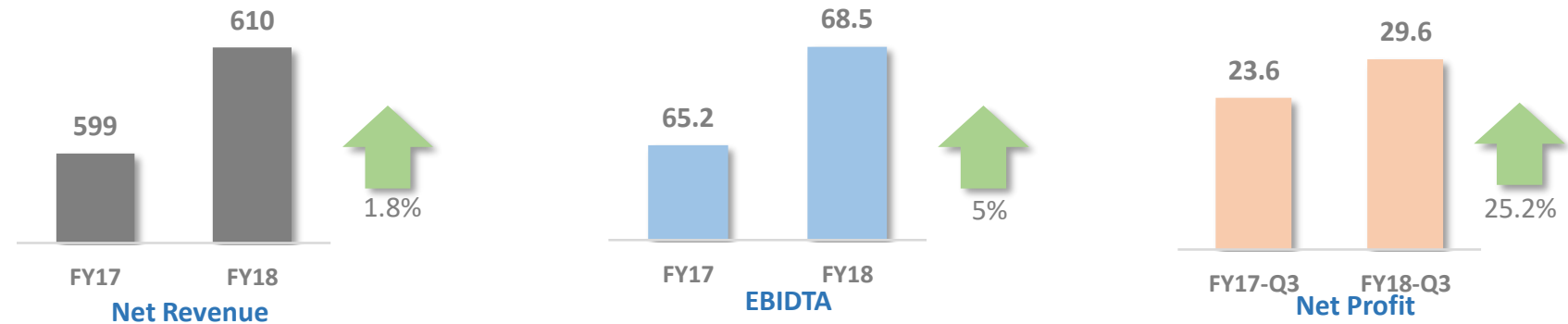
Major growth in EBIDTA & Net Profit

₹ crores

Standalone FY18:



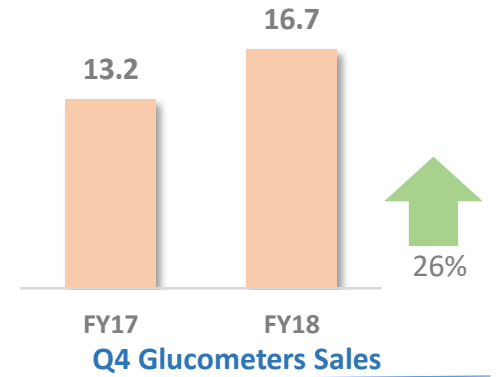
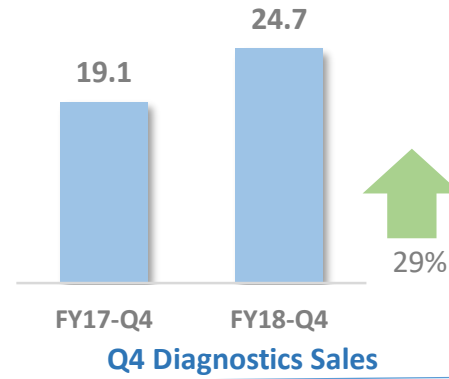
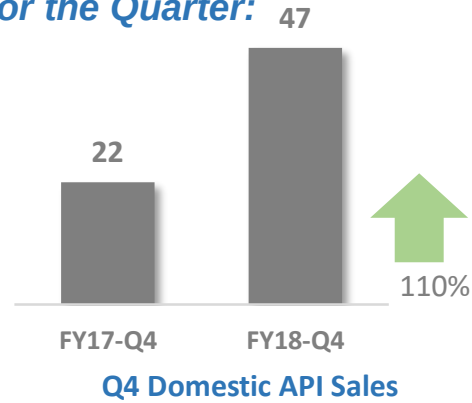
Consolidate FY18:



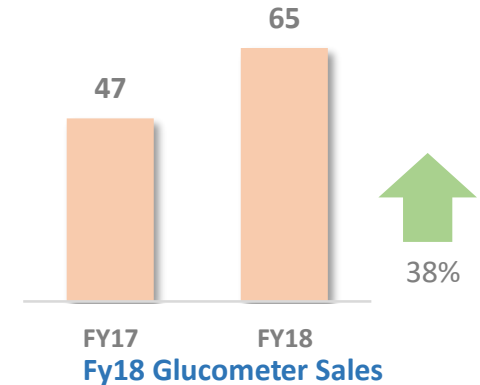
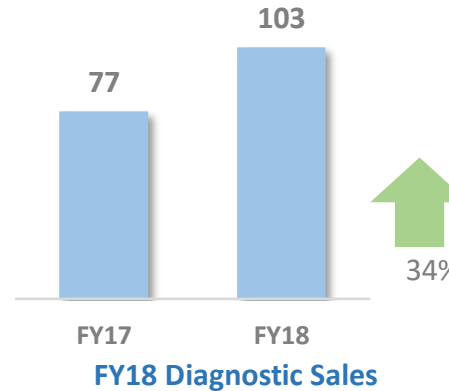
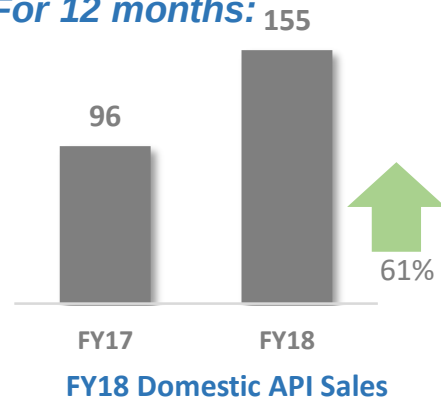
Domestic APIs & Diagnostics zoom

₹ crores

For the Quarter:



For 12 months:





I CHOOSE
JOY

Thank You

