



Neuland H1FY16 income at INR 2,497.3 mn, up by 11% PAT at INR 135.0 mn, up by 65%

Highlights of the Quarter

- Higher than anticipated sales from Salmeterol
- 4 process patents granted for three of our key molecules
- USFDA inspection in UNIT II of our Company

Q1 FY16 Recap

- Scale up of two new APIs - Lurasidone(anti-psychotic) and Rivaroxaban(anti-coagulant)
- Significant progress in one of the CMS products with NDA being filed in the US market

Neuland Business Positioning

- 31+ years of experience
- APIs for Generics, Niche and Specialty and Custom Manufacturing
- 75+ APIs with 400+ regulatory filings
- Presence in over 80 countries
- Over 75% Direct exports

Key Molecules

Ciprofloxacin, Salmeterol, Mirtazapine, Enalapril Maleate, Sotalol Hcl, Levetiracetam, Entacapone, Levofloxacin and several NCE molecules

Regulatory Accreditations

USFDA, EDQM (Europe), EMA (Europe), PMDA (Japan), TGA (Australia), BfArM (Germany), AFSSAPS (France), ANVISA (Brazil), COFEPRIS (Mexico) and KFDA (South Korea)

Hyderabad, India - October 29, 2015 - Neuland Laboratories Ltd., (NSE: NEULANLAB; BSE-Scrip Code:524558), a pharmaceutical manufacturer providing active pharmaceutical ingredients (APIs), complex intermediates and custom manufacturing solutions services to customers located in around 80 countries, today announced financial results for the second quarter(Q2FY16) and half year (H1FY16) ended September 30th, 2015.

Standalone Q2FY16 review (Y-o-Y)

- Total Operating income was Rs 1,271.0 mn for Q2FY16 as compared to Rs 1,213.1 mn in the corresponding period of the previous year reflecting an increase of 5% in rupee terms.
- EBITDA stood at Rs 195.0 mn as compared to Rs 177.1 mn during the corresponding period of previous year, an increase of 10%
- EBITDA Margin at 15.3% for Q2FY16 as against 14.6% in Q2FY15
- Net profit stood at Rs 62.0 mn for Q2FY16 as compared to Rs 51.5 mn in the corresponding period of the previous year, an increase of 21%
- Basic EPS stood at Rs 6.98 as against Rs. 6.21 in the corresponding quarter of last fiscal

Standalone H1FY16 review (Y-o-Y)

- Total Operating income was Rs 2,497.3 mn for H1FY16 as compared to Rs 2,239.9 mn in the H1FY15
- EBITDA stood at Rs 411.3 mn as compared to Rs 320.4 mn during the Same period in the previous year(H1FY15)
- EBITDA Margin at 16.5% for H1FY16 as against 14.3% in H1FY15
- Net profit stood at Rs 135.0 mn for H1FY16 as compared to Rs 81.7 mn in H1FY15
- Basic EPS stood at Rs 15.20 as against Rs. 9.76 in H1FY15

H1 Result Highlights(Y-o-Y)

- EBITDA margins have improved by 216 bps
- Net profit margins increased by 176 bps
- Cost of material consumed at 52.6 %, improved by 221 bps from the H1FY15
- Interest cost to net sales at 5.1%, down by 21 bps YoY

Management Comments

“We saw another quarter of steady profitable growth. The strategy of the Company to focus on complex molecule APIs and increased penetration in the CMS space is definitely gaining momentum and we see this trend to continue in the foreseeable future. Our performance in the second half of this fiscal will continue to build on the traction that we have witnessed in the first half”

Sucheth Davuluri,
CEO, Neuland Labs

“Quality has been a cornerstone of Neuland’s approach to business right from the day we started. A USFDA inspection at one of our facilities and grant of process patents for three molecules in the US and Europe in the last quarter is a testimony to the exacting standards we lay emphasis on”

Dr. D.R. Rao,
Chairman and Managing
Director, Neuland Labs



Income Statement for Q2/H1 FY16

Profit and Loss account for Q2/H1FY16								
Particulars (INR Mn)	Q2FY16	Q2FY15	YOY%	Q1FY16	QOQ%	H1FY16	H1FY15	QOQ%
Income from Operations								
Net Sales/ Income from Operations	1,195.9	1,196.8		1,151.5		2,347.4	2,195.2	
Other Operating Income	75.0	16.4		74.8		149.8	44.6	
Total Income from Operations (Net)	1,271.0	1,213.1	5%	1,226.3	4%	2,497.3	2,239.9	11%
Expenses								
(a) Cost of Material Consumed	669.7	692.9		670.0		1,339.8	1,329.7	
(b) Changes in inventories/WIP	10.9	(10.3)		(37.5)		(26.7)	(102.5)	
(c) Employee Benefit Expense	122.8	122.8		130.9		253.7	228.2	
(d) Depreciation & Amortization	39.0	39.0		38.0		77.0	78.0	
(e) Manufacturing Expenses	140.3	160.0		144.4		284.7	284.2	
(f) Other Expenditure	142.9	93.9		118.3		261.3	210.4	
Total Expenses	1,125.6	1,098.2		1,064.2		2,189.8	2,027.9	
EBIT Before Other Income / Exceptional Items	145.4	114.9	27%	162.2	-10%	307.5	212.0	45%
Other Income	10.6	23.2		16.2		26.8	30.5	
EBIT Before Exceptional Items	156.0	138.1	13%	178.3	-13%	334.3	242.5	38%
Finance Costs	62.8	63.0		65.4		128.2	119.8	
PBT Before Exceptional Items	93.2	75.1	24%	112.9	-17%	206.1	122.7	68%
Exceptional Item	-	-		-		-	-	
PBT	93.2	75.1	24%	112.9	-17%	206.1	122.7	68%
Tax Expense	31.2	23.6		39.9		71.1	41.0	
PAT	62.0	51.5	21%	73.0	-15%	135.0	81.7	65%
Paid-up Equity Share Capital	89.5	77.3		89.5		89.5	77.3	
Earnings Per Share								
Basic EPS (Not annualized)	6.98	6.21	12%	8.22	-15%	15.20	9.76	56%
Diluted EPS (Not annualized)	6.98	6.21	12%	8.22	-15%	15.20	9.76	56%

Statement of Assets and Liabilities as on Sept 30,2015



Statement of Assets and Liabilities		
Particulars (Rs. Mn)	H1FY16	FY15
Equity and Liability		
(1) Shareholders' Funds		
(a) Share Capital	89.5	89.5
(b) Reserves and Surplus	1,643.4	1,508.7
	1,732.9	1,598.3
(2) Share Application Pending Allotment		
(3) Non - Current Liabilities		
(a) Long-term borrowings	298.9	332.2
(b) Deferred Tax Liabilities	105.0	122.5
(c) Other Long term liabilities	27.3	27.3
(d) Long-term provisions	69.7	63.8
	500.9	545.8
(4) Current liabilities		
(a) Short-term borrowings	1,367.4	1,458.0
(b) Trade payables	1,234.3	1,139.7
(c) Other current liabilities	274.8	309.5
(d) Short-term provisions	85.0	60.4
	2,961.5	2,967.6
TOTAL	5,195.4	5,111.7
Assets		
(1) Non-current assets		
(a) Fixed assets	1,668.6	1,645.4
(b) Non-current investments	76.7	76.7
(c) Long-term loans and advances	204.9	238.3
	1,950.2	1,960.4
(2) Current assets		
(a) Inventories	1,221.0	1,134.0
(b) Trade receivables	1,273.7	1,288.5
(c) Cash and Bank Balances	120.5	64.9
(d) Short-term loans and advances	460.6	488.7
(e) Other current assets	169.4	175.2
	3,245.2	3,151.3
Total	5,195.4	5,111.7



About Neuland Laboratories Limited

For 31+ years, Neuland Labs has been at the forefront of manufacturing APIs through its cGMP manufacturing facilities, working with customers in around 80 countries. Neuland Labs has developed more than 300 processes and 75 APIs, and it has filed around 48 U.S. drug master files (DMFs) and a total of around 400 DMFs in the European Union (EU) and other countries. Its manufacturing facilities are inspected and approved by the U.S. FDA and other leading regulatory agencies. Its record of quality manufacturing and reliability is highlighted by cGMP certifications that include the U.S. FDA, TGA (Australia), EDQM (EU), German Health Authority, Anvisa (Brazil), EMA (EU), Cofepris (Mexico), KFDA (Korea), PMDA (Japan), ISO 9001, ISO14001, OHSAS18001 and ISO 27001. For more information, visit www.NeulandLabs.com.

If you have any questions or require further information, please feel free to contact

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