

Q1 Revenue up 26% YoY, PAT up 31% YoY

Cash Reserves at Rs. 522 Cr

Chennai, Aug 5th, 2021: Caplin Point Laboratories Limited (CPL) (BSE: CAPPL (524742), NSE: CAPLIPOINT) today reported Q1FY22 financial results for the Quarter ended June 30th, 2021

Key Results Highlights (Consolidated):

- ✓ Q1 revenue matches full year revenue of FY 2015/16
- ✓ Cash and Cash Surplus at Rs. 522 Cr for Q1FY22 - increase of Rs 52 Cr over March 2021 balance.
- ✓ Cash flow from Operations (CFO) stood at Rs. 75 Cr in Q1FY22
- ✓ Receivables stable at around 95 days in Q1FY22
- ✓ Inventory stood at Rs. 193 Cr for Q1FY22 as against Rs. 179 Cr in Q4FY21.

Key Business highlights:

- ✓ Foraying into Indian market with selected niche injectable products.
- ✓ Caplin Steriles extending its US products into other emerging market with first orders received from Mexico and Saudi Arabia.
- ✓ Company's CRO wing Amaris Clinical received confirmation of virtual US FDA audit.

Consolidated Financial Results – Q1FY22

Particulars (Rs in Crs)	Q1FY22	Q1FY21	YoY Growth %	Q4FY21	QoQ Growth %
Total Revenue	309.65	246.57	25.6%	288.17	7.5%
Gross Margin	164.48	131.28	25.3%	160.03	2.8%
<i>Gross Margin %</i>	<i>54.7%</i>	<i>54.7%</i>		<i>57.4%</i>	
EBITDA	101.82	78.09	30.4%	95.15	7.0%
<i>EBITDA %</i>	<i>32.9%</i>	<i>31.7%</i>		<i>33.0%</i>	
PBT	89.52	68.62	30.4%	84.97	5.3%
<i>PBT%</i>	<i>28.9%</i>	<i>27.8%</i>		<i>29.5%</i>	
PAT	71.53	54.55	31.1%	67.92	5.3%
<i>PAT%</i>	<i>23.1%</i>	<i>22.1%</i>		<i>23.6%</i>	

Performance Highlights:

- ✓ Total Revenue of Rs 309.65 Cr for Q1FY22, registered a growth of 25.6% over Q1FY21
Total Revenue of Rs 246.57 Cr
- ✓ Gross Margins stable at ~ 55% in Q1FY22
- ✓ PAT increased by 31.1% to Rs. 71.53 Cr in Q1FY22 against Rs. 54.55 Cr in Q1FY21
- ✓ Basic EPS grew by 30% to Rs. 9.37 in Q1FY22 against Rs. 7.21 in Q1FY21 (Not Annualized)

- ✓ With depreciation of INR against USD, exchange gain in Q1FY22 is at Rs.3.58 Cr as against Rs. 1.75 Cr in Q1FY21
- ✓ **Geographical breakup of sales: LATAM & ROW - 91%, US - 9%**

Business Highlights

Emerging Markets

- ✓ Company continues strong growth momentum across top line and bottom line in core Latin American business.
- ✓ **Transit times for sea shipments increased considerably over last few months, resulting in high volume of containers in transit leading to slightly higher inventory levels. Company expects this inventory to be converted into continued strong sales and cashflow by second half of current financial year.**
- ✓ **Prior to entering organic business in key target markets of Mexico and Brazil, Company has started supplying speciality injectable products on emergency procurement basis to these markets.**
- ✓ Continued focus on Cashflow and Collections has resulted in Rs.52 Cr being added to the Cash Reserves for during the first quarter of the current financial year.
- ✓ Current breakup of sales: Private Market sales to Distributors – 60%; Sales to Pharmacies/Retail – 20%; Institutional Sales – 20%.
- ✓ Higher institutional sales are on account of emergency tenders for COVID related products.
- ✓ Monthly sales through company's e-commerce platform 'QuetenX', part of 10X Healthcare portal, increase 39% YoY. Currently catering to around 1,000+ unique customers across Guatemala, Nicaragua, Honduras and Ecuador.
- ✓ **Company's CRO wing Amaris Clinical received confirmation of virtual US FDA audit.**
- ✓ **Company has started manufacturing of Covid-related products such as Liposomal Amphotericin and Enoxaparin for domestic market supply. Company targets completion of enhanced in-vitro characterisation as per global standards and Bio equivalency studies for Liposomal Amphotericin and would be one of the very few companies to launch the product in the domestic market with our own bioequivalence data.**
- ✓ **Projects Update:**
 - **Oncology Facility – Process equipment ordering completed. Design drawing and detail engineering completed. First batches targeted within next 9 months.**
 - **API Facility – Design Drawing and Detail Engineering completed. Process equipment orders to commence shortly.**
 - **Capacity Expansion at CP-1 (ROW facility) – Order placed for additional Lyophilizer in view of increased demand in niche Lyophilized products in current markets.**
 - **Expansion plans under evaluation for Softgel section.**

US & Regulated Markets

- ✓ **Company has launched 4 products from recently approved ANDAs in the last few months. Launch pending for 4 more ANDAs, which is targeted before Dec 2021.**
- ✓ **Market share for already launched products is in the range of 7-12%.**
- ✓ **Company targets to file 8 ANDAs within next three quarters which will have equal mix of Injectable and Ophthalmic products.**
- ✓ **First orders received from Mexico and Saudi Arabia for Caplin Steriles, approvals for these products fast-tracked due to products being commercialized in US.**
- ✓ **First 3 product filings in Canada (ANDS) targeted for Q3, these are approved ANDAs in US. On track to file 2 products in Australia by Q3FY22.**
- ✓ **Company targets US front end presence in 2023, by which time 30+ ANDAs are likely to be approved/under review.**
- ✓ **Capacity expansion in Phase 2 update:**
 - **2 Vial filling lines from Syntegon (Bosch) ordered, expecting delivery within 12 months.**
 - **Pre-Filled Syringe line from Steriline ordered, expecting delivery within 10-12 months.**
 - **Lyophilizer from Tofflon ordered, expecting delivery within 9-12 months.**
 - **Expecting Phase 2 expansion to be completed within 15 months.**
- ✓ **Overall development pipeline remains robust, with 45+ ANDAs under development with addressable market in US at ~ \$3 Billion.**

COVID-19:

The outbreak of Coronavirus (COVID -19) pandemic globally and in India caused significant disturbance and slowdown of economic activity. The Company has assessed the impact of pandemic on its financial results/position based on the principle of prudence in applying judgements, estimates and assumptions including sensitivity analysis and has concluded that there is no major impact of COVID 19 on the recoverability of carrying values of assets and expects to recover the carrying value of its assets. Considering that it is a dynamic and evolving situation, the management will continue to closely monitor and evaluate the impact of any material change in macro-economic and other related factors, which may have a bearing on the Company's operations.

About Caplin Point Laboratories Limited:

Caplin Point Laboratories Limited is a fast-growing pharmaceutical company with a unique business model catering predominantly to emerging markets of Latin America and Africa. Caplin Point is one of the few companies to show consistent high-quality growth in Revenues, Profits and Cash flow over the last 15 years. The Company has state of the art manufacturing facilities that cater to a complete range of finished dosage forms. The Company has also entered regulated markets such as US through its Subsidiary Caplin Steriles Limited.

Caplin Point has been selected on Forbes Asia's "200 Best Under a Billion" list for three consecutive years (2014, 2015 & 2016), and was recently awarded "The Emerging Company of 2018" by Economic Times Family Business Awards.

CAUTIONARY STATEMENT:

This press release contains certain forward-looking statements. Any forward-looking statement applies only on the date of this press release. By their nature, forward-looking statements are subject to a number of known and unknown risks and uncertainties that may or may not occur in the future and as a result of which the actual results and performance may differ substantially from the expected future results or performance expressed or implied in the forward-looking statements. No warranties or representations are made as to the accuracy, achievement or reasonableness of such statements, estimates or projections, and Caplin Point has no obligation to update any such information or to correct any inaccuracies herein or omission here from which may become apparent.

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