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# Morepen Laboratories reports net profit of Rs. 2.46 Cr

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**Company reports 93 percent rise in its consolidated net profit and 26 percent rise in its consolidated net sales revenue in Q1 of FY 2018-19**



Morepen Laboratories Ltd. has reported a 93 percent rise in its consolidated net profit at Rs. 2.46 crore, on consolidated net sales revenue of Rs. 161.81 crore in the first quarter (Q1) of FY 2018-19. The consolidated net sales revenue has grown up by 26 percent in Q1 FY 2018-19 from Rs. 128.41 crore in Q1 FY 2017-18 backed by improved sales revenue from home diagnostics, formulations and OTC businesses. The company's consolidated net profit before tax in Q1 FY 2018-19 grew up by 108 percent at Rs. 2.65 crore from Rs. 1.27 crore in the corresponding quarter of the previous fiscal.

The company's expanding domestic reach assisted in achieving a higher topline in Q1 FY 2018-19. Domestic sales registered a growth of 71 percent in Q1 at Rs. 108.20 crore. EBIDTA in Q1 FY 2018-19 increased by 10.4 percent at Rs. 12.25 crore, Interest Cost fell by 67 percent at Rs. 44 Lakhs only and cash profit increased by 21 percent at Rs. 11.81 crore. With only one lender remaining to be paid, the company aims to become a zero debt company in the second quarter of FY 2018-19.

This was disclosed by Mr. Sushil Suri, Chairman and Managing Director, Morepen Laboratories Ltd., after the Q1 (FY18-19) results board meeting here on Monday. "Having serviced its debt obligation successfully, the company now aims to utilise its available resources to invest in R&D infrastructure, capacity enhancement & process improvements to fuel the future growth." Mr. Suri said.

The bulk drugs (API) segment contributed around 48 percent to the company's total turnover in Q1 FY 2018-19. Morepen Lab's bulk drug Montelukast Sodium has once again emerged as a growth accelerator for the company in Q1 FY 2018-19, followed by Rosuvastatin. Sales from Montelukast Sodium increased by 55 percent in Q1 at Rs. 23.67 crore and sales from Rosuvastatin increased by 10 percent. Montelukast's trial shipments to USA market has already started in the quarter under consideration.

The entire "Dr. Morepen" brand portfolio did well during Q1 FY 2018-19 and recorded sales revenue of Rs. 83.54 crore as against revenue of Rs. 48.53 crore in the corresponding quarter of the previous fiscal, registering a growth of 72 percent.

Sales from Formulations business in Q1 FY 2018-19 went up by 101 percent and that from Brand sharing by 102 percent. Total sales revenue from both the businesses jumped significantly to Rs. 36.34 crore in Q1 FY 2018-19 as compared to Rs. 18.06 crore in the corresponding quarter of the previous fiscal.

The overall Home Diagnostic Segment recorded total quarterly sales at Rs. 34.58 crore in Q1 FY 2018-19, registering a rise of 51 percent vis-a-vis corresponding quarter of the previous fiscal. Blood Glucose Monitors and Blood Pressure Monitors recorded highest growth in the quarter @ 78 percent and 28 percent respectively. The combined sales revenue of Blood Glucose Monitors and Blood Pressure Monitors in the quarter increased to Rs. 31.48 crore as compared to Rs. 19.06 crore in the corresponding quarter of previous fiscal, registering a growth of 65 percent. Looking at increasing incidence of diabetic cases in India, the Blood Glucose Monitors and Blood Pressure Monitors segment offers great opportunity for growth in the coming years. In all, 200 million Glucometer strips have been sold by the company till date.

The overall branded OTC category grew up by 69 percent. Sales of Lemolate went up by 94 percent and that of Burnol by 35 percent. Isabgol and Grooming range grew by 65 percent and 47 percent respectively.

Morepen Laboratories Ltd. has received US FDA (United States Food and Drug Administration) approvals for both its bulk drugs manufacturing facilities situated in Himachal Pradesh. While the Baddi facility has got US FDA approval for the manufacture of bulk drug "Atorvastatin Calcium", a Cholesterol reducing drug, the Masulkhana facility has recently got the nod for manufacturing an anti-asthma bulk drug "Montelukast Sodium" for export to the US market. It is significant to note here that the US market size for these two bulk drugs is Rs. 7,000 crore approximately.

**Highlights Q1 FY 2018-19 (Consolidated) are:**

- Net Sales Revenue up by 26 percent at Rs. 161.81 crore backed by improved sales revenue from Home Diagnostics, Formulations and OTC Businesses.
- Domestic sales up by 71 percent at Rs. 108.20 crore. EBIDTA rises by 10.4 percent at Rs. 12.25 crore.
- Net Profit before tax up by 108 percent at Rs. 2.65 crore.
- Net Profit after tax up by 93 percent at Rs. 2.46 crore.
- Montelukast records highest growth amongst bulk drugs in the quarter @ 55 percent.
- Blood Glucose Monitors' quarterly sales jump up by a whopping 78 percent & Blood Pressure Monitors' by 28 percent. Overall Diagnostic Products segment grew by 51 percent in Q1 FY 2018-19.
- Antibiotics quarterly sales jump up by a huge 133 percent followed by Vitamins & Gastro by 117 percent & 64 percent respectively.
- In the branded OTC category, Sales of Lemolate went up by 94 percent and that of Burnol by 35 percent.
- Morepen Basket quarterly sales have recorded a growth of 72 percent.

- Interest cost falls further by 67 percent from 1.33 crore in Q1 FY 2017-18 to Rs. 44 lakhs only in Q1 FY 2018-19.
- Company gets USFDA approval for its two plants at Baddi and Masulkhana in Himachal Pradesh for bulk drugs Atorvastatin Calcium and Montelukast Sodium.