

## Strides Arcolab reports Q3 FY 2014-15 results

30 November -0001 | News | By BioSpectrum Bureau

### Strides Arcolab reports Q3 FY 2014-15 results



Commenting on the results, Mr Arun Kumar, founder and group CEO of Arcolab's stated "We had a steady quarter across our businesses with strong US filings of our niche products. We are particularly delighted with the ramp-up of Anti-Malarial business and our recent partnerships with Gilead."

#### Corporate Updates

- Scheme of Amalgamation with Shasun Pharmaceuticals Ltd.

- o Received No Objection from NSE and BSE

- o CCI and FIPB approvals awaited

- o Application filed with the Hon'ble High Courts of Bombay and Madras seeking directions to convene a Shareholders' meeting

- Singapore's Economic Development Board grants International Headquarter Status to Strides Pharma Global Pte. Ltd., Singapore

#### Performance Highlights

- Adjusting for one time revenues in Oct-Dec FY13-14, Q3 FY15 Revenues grew by 19%

- Revenue growth driven by:

- o First full quarter of Raricap in our Brands India business

- o Commencement of Anti-Malarial supplies

- Q3 FY15 EBITDA grew by 10% to INR 664 Mn against INR 605 Mn in Oct-Dec FY13-14

- o Increase in R&D spend with 4 US filings during the quarter

- o Significantly lower Profit Share recognized on Vancomycin, pending reconciliation of chargebacks and other costs with the partner

- YTD Dec FY15 Revenues grew by 10% and EBITDA grew by 32%

#### Pharma R&D and Regulatory Update

- Continued US FDA approval status for Oral Dosage Facility at Bangalore
- 4 Product Filings with USFDA during Q3 FY15
- Received USFDA Product approval for Calcitriol Softgel Capsules (Market Value ~USD 50 Mn)
- Continued niche product approvals in Europe
- Net R&D spend at INR 109 Mn during Q3 FY15, against INR 57 Mn in Q2 FY15
- Net R&D spend at INR 204 Mn during YTD Dec FY15, against INR 120 Mn in Apr-Dec FY13-14

## **Biotech**

- Net R&D Spend for Q3 FY15 at INR 10 Mn and at INR 53 Mn during YTD Dec FY15
- Commenced construction of Multi Product Biologics facility at Bioxcell Biotechnology Park, Johor, Malaysia
- Revenue Composition by Business - Global Pharma

## **Regulated Markets**

- Revenues at INR 966 Mn in Q3 FY15, representing 30% of the total revenues
- Revenues decreased to INR 966 Mn against INR 1,093 Mn in Q2 FY15, on account of lower profit share recognized during the quarter
- Successfully launched 2 new products in the US - Buspirone Hydrochloride Tablets and Tacrolimus Capsules

## **Institutional Business**

- Revenues at INR 1,284 Mn in Q3 FY15, representing 39% of the total revenues
- Revenues increased by 58% to INR 1,284 Mn against INR 813 Mn in Q2 FY15, driven by Anti-Malarial supplies in the quarter
- Collaboration with Medicines for Malaria Venture (MMV) for the development of rectal artesunate for pre-referral treatment of children with severe malaria
- Partnership with Gilead Sciences Inc. to manufacture and distribute Tenofovir Alafenamide (TAF) based HIV treatments in 112 developing countries
- Licensing Agreement of Hepatitis C with Gilead expanded to include Investigational Pan-Genotypic Agent

## **Emerging Markets**

- Revenues at INR 1,011 Mn in Q3 FY15, representing 31% of the total revenues
- Revenues steady at INR 1,011 Mn against INR 1,022 Mn in Q2 FY15
- Successful integration of the Raricap business enabling pan India presence