



Neuland FY17 operating income at ₹5,727 mn; PAT at ₹324.3 mn, up 23%

Hyderabad, India, May 12, 2017 - Neuland Laboratories Limited(NLL) (NSE: NEULANDLAB; 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 fourth quarter(Q4FY17) and full year ended (FY17) ended March 31st, 2017.

Financial Highlights

Standalone FY17 (Y/Y%)

- Total Operating income was ₹5,727.4 mn for FY17 as compared to ₹5,099.7 mn in the FY16, an increase of 12%
- EBITDA stood at ₹883.9 mn as compared to ₹814.9 mn during the same period in the previous year (FY16), up by 8%
- EBITDA Margin at 15.4% for FY17 as against 15.9% in FY16
- Net profit stood at ₹324.3 mn for FY17 as compared to ₹264.1 mn in FY16, an increase of 23%
- Basic EPS stood at ₹36.5 as against ₹29.7 in FY16, an increase of 23%

Standalone Q4FY17 (Y/Y%)

- Total Operating income was ₹1,409.5 mn for Q4FY17 as compared to ₹1,350.4 mn in the corresponding period of the previous year reflecting an increase of 4%
- EBITDA stood at ₹226.7 mn as compared to ₹209.2 mn during the corresponding period of previous year, an increase of 8%
- EBITDA Margin at 16.1% for Q4FY17 as against 15.4% in Q4FY16
- Net profit stood at ₹85.1 mn for Q4FY17 as compared to ₹66.3 mn in the corresponding period of the previous year, a growth of 28%
- Basic EPS stood at ₹9.6 as against ₹7.5 in the corresponding quarter of last fiscal, up by 28%

Commenting on the performance Mr. Sucheth Davuluri, Vice-Chairman and CEO of the Company said *“FY17 has overall been a satisfying year for the Company. While our business growth remained robust on multiple counts, we also made significant progress in bolstering system integration and manufacturing infrastructure for the future. As we chart our course for fiscal 2018, we firmly believe that we are well setup for the opportunities that we have worked upon over these years”*

In addition, Mr. Saharsh Davuluri, Joint Managing Director, Neuland Labs added *“We are happy to have made good progress in new areas that we are embarking on. The CMS and Niche molecule business continue to increase their contribution to the overall business and we see this traction continuing as we move forward. We remain confident of our business performance as the strategy we have set for ourselves plays out.”*

Business Performance

Operational Highlights

- Scaled-up **Rotigotine**, a dopamine agonist indicated for the treatment of Parkinson's disease and restless legs and **Lacosamide** which is used for the treatment of partial-onset seizures and diabetic neuropathic pain.
- Two new CMS products scaled up at the plant scale
- The Company's credit ratings from CARE have been upgraded from CARE BBB to CARE BBB+ for the long-term bank facilities. CARE reaffirmed CARE A3+ for our short-term facilities.

Business Saliency

- The total operating revenues for the Q4FY17 account for 44% (51% for Q4FY16 and 56% for Q3FY17) from prime products, 27% (25% for Q4FY16 and 19% for Q3FY17) from niche APIs and the remaining 29% (24% for Q4FY16 and 25% from Q3FY17) from CMS business.
- From a project perspective, the Company derived CMS revenues from 12 projects (9 in Q4FY16 and 12 in Q3FY17) of which 8 are in commercial stage and remaining 4 being in the clinical stage.

Update on Merger Scheme

A meeting of the Equity Shareholders of Neuland Laboratories Limited is scheduled on May 30th to approve the amalgamation process as per the directions of Hon'ble National Company Law Tribunal, Hyderabad. In addition to this, public shareholders' approval is sought by way of postal ballot and e-voting under SEBI Listing Regulations. Greater details and notices are available on our website.

Q4FY17 Earnings Call

The company will conduct a one hour Earnings call at **04:30 PM IST** today where the management will discuss the company's performance and answer questions from participants. To participate in this conference call, please dial the numbers provided below ten minutes ahead of the scheduled start time. The dial-in number for this call is **+91 22 3960 0644**. Other numbers are listed in the conference call invite which is posted on our website. Please note that the transcript of the conference call will be uploaded on the company website in due course.

About Neuland Laboratories Limited

For over 33 years, Neuland Labs has been at the forefront of manufacturing APIs through its cGMP manufacturing facilities, working with customers in close to 80 countries. Neuland Labs has developed more than 300 processes and 75 APIs, and it has filed around 51 U.S. drug master files (DMFs) and a total of around 650 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), SFDA, Health Canada, 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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