



Neuland Q3 FY20 Total Revenue at Rs. 2,046.4 mn, up 19% YoY

EBITDA margin at 14.2%; 470 bps increase YoY

Hyderabad, India, February 11, 2020 - 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 third quarter (Q3FY20) ended December 31, 2019.

Financial Highlights

Standalone Q3FY20 (Y-o-Y)

- Total Revenue was Rs. 2,046.4 mn as compared to Rs. 1,718.7 mn, reflecting an increase of 19.1%
- EBITDA stood at Rs. 290.8 mn as compared to Rs. 162.5 mn
- EBITDA Margin at 14.2% for Q3FY20 as against 9.5%
- Net profit stood at Rs. 110.4 mn for Q3FY20 as compared to Rs. 46.0 mn
- Basic EPS stood at Rs. 8.61 as against Rs. 3.59

Standalone Q3FY20 (Q-o-Q)

- Total Revenue was Rs. 2,046.4 mn as compared to Rs. 1,867.9 mn
- EBITDA stood at Rs. 290.8 mn as compared to Rs. 254.0 mn
- EBITDA Margin at 14.2% for Q3FY20 as against 13.6%
- Net profit stood at Rs. 110.4 mn for Q3 FY20 as compared to Rs. 85.7 mn
- Basic EPS stood at Rs. 8.61 as against Rs. 6.68

Standalone 9MFY20 (Y-o-Y)

- Total income was Rs. 5,729.5 mn as compared to Rs. 4,963.3 mn, an increase of 15.4%
- EBITDA stood at Rs. 735.7 mn as compared to Rs. 416.3 mn, up by 76.7%
- EBITDA Margin at 12.8% for 9MFY20 as against 8.4%
- Net profit stood at Rs. 252.3 mn for 9MFY20 as compared to Rs. 94.1 mn, an increase of 168.0%
- Basic EPS stood at Rs. 19.67 as against Rs. 7.53, an increase of 161.2%

Commenting on the performance Mr. Sucheth Davuluri, Vice-Chairman and Chief Executive Officer said “ The Company has demonstrated continous improvement in its operating parameters over the last few quarters. This is reflected in reasonable growth of its topline as well as bottomline, along with margins. The business segment mix is also moving in line with our strategy. We continue to be focussed on life cycle management of our products along with optimisation of costs and working capital ”

In addition, **Mr. Saharsh Davuluri, Joint Managing Director, Neuland Labs added “We are excited by the prospects of all our businesses, as we see evolution of the product mix even within segments. Our efforts on the CMS front are also being borne out by the growth in revenues as well as the quantity and quality of new projects that are being added. Even as we see traction in earlier stages of the clinical pipeline, our focus has been to add to projects which are closer to commercialisation. Over the last few quarters, we have added 3 APIs in the P-3/Development stages which could contribute significantly in the medium term.”**

Business Performance

Operational Highlights

- Good performance from key commercial CMS projects
- We are continuing to add new projects, while also deriving significant revenue from Clinical/development projects
- Prime segment performance driven by Levetiracetam & Labetalol
- Filed DMF for Indacaterol

Business Saliency

Segment	Q3 FY19	Q2 FY20	Q3 FY20	CMS Projects Contributing to Revenue in the Quarter			
				Status	Q3 FY19	Q2 FY20	Q3 FY20
Prime	46.2%	41.9%	51.2%	Commercial	4	7	4
Niche/Specialty	32.4%	25.4%	17.8%	Clinical/Development	9	13	19
CMS	15.9%	26.2%	25.2%	Total	13	20	23
Others	5.5%	6.5%	5.8%				

CMS Pipeline Details

Q3 FY20	Pre-Clinical	P-1	P-2	P-3	Development	Commercial	Grand Total
API	12	4	4	5	9	6	40
Intermediate	7	3	2	5	8	9	34
Grand Total	19	7	6	10	17	15	74

Q2 FY20	Pre-Clinical	P-1	P-2	P-3	Development	Commercial	Grand Total
API	11	4	6	6	4	6	37
Intermediate	1	3	1	5	11	10	31
Grand Total	12	7	7	11	15	16	68

Q3 FY19	Pre-Clinical	P-1	P-2	P-3	Development	Commercial	Grand Total
API	9	4	2	4	5	5	29
Intermediate	0	2	0	6	7	10	25
Grand Total	9	6	2	10	12	15	54

Q3 FY20 Earnings Call

The company will conduct a one-hour Earnings call at **17:00 hrs IST on Tuesday, February 11th, 2020** 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 numbers for this call are **+91 22 6280 1107 / +91 22 7115 8008**. 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

Neuland Labs is a pharmaceutical company engaged in the manufacturing of APIs through its cGMP manufacturing facilities, working with customers in over 80 countries. Neuland Labs has filed around 54 U.S. drug master files (USDMFs) and a total of around 755 Regulatory filings in the European Union (EU) and other jurisdictions. 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), Health Canada, CFDA (China), 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

IR Department at Neuland

Tel: +91 40 3021 1600, Email: ir@neulandlabs.com

Jenna Palmieri, Neuland Laboratories Inc., USA

Email: jenna@neulandlabs.com