



Neuland FY20 income at Rs.7,666 mn; up 14.4%

EBITDA margins improve by 450 bps

Hyderabad, India, May 22, 2020 - Neuland Laboratories Limited (NLL) (NSE: NEULANDLAB; BSE: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 (Q4FY20) and full year ended March 31, 2020.

Financial Highlights

Standalone FY20 (Y-o-Y)

- Total income was Rs.7,666.0 mn as compared to Rs.6,703.2 mn, an increase of 14.4%
- EBITDA stood at Rs.1,053.4 mn as compared to Rs.613.6 mn, up by 71.7%
- EBITDA Margin at 13.7% for FY20 as against 9.2%
- PAT stood at Rs.158.8 mn for FY20 as compared to Rs.161.4 mn, decrease of 1.6%. This was after a one-time tax charge of Rs. 232.5 mn in this quarter that the Company chose to exercise under Section 115BAA of the IT act.
- Consequently, basic EPS stood at Rs.12.38 as against Rs.12.83, decrease of 3.5%

Standalone Q4FY20 (Y-o-Y)

- Total Revenue was Rs.1,936.4 mn as compared to Rs.1,740.0 mn, reflecting an increase of 11.3%
- EBITDA stood at Rs.317.7 mn as compared to Rs.197.3 mn
- EBITDA Margin at 16.4% for Q4FY20 as against 11.3%
- PAT reported loss of Rs.93.5 mn for Q4FY20 as compared to profit of Rs.67.3 mn
- Basic EPS stood at Rs.-7.29 as against Rs.5.25

Standalone Q4FY20 (Q-o-Q)

- Total Revenue was Rs.1,936.4 mn as compared to Rs.2,046.4 mn
- EBITDA stood at Rs.317.7 mn as compared to Rs.290.8 mn
- EBITDA Margin at 16.4% for Q4FY20 as against 14.2%
- PAT reported loss of Rs.93.5 mn for Q4 FY20 as compared to profit of Rs.110.4 mn
- Basic EPS stood at Rs. -7.29 as against Rs. 8.61

Commenting on the performance Mr. Sucheth Davuluri, Vice-Chairman and Chief Executive Officer of the Company said *“I am happy with the consistent performance of the Company in FY 20 despite the headwinds in the last quarter from the pandemic. The revenues have increased by over 14% while EBITDA has grown by ~ 72% driven primarily by the portfolio mix as well as the organic growth. The outlook for FY 21 looks positive and should be aided by contribution from Unit 3 which is in state of readiness now.”*

In addition, Mr. Saharsh Davuluri, Joint Managing Director, Neuland Labs added *“We are pleased with the order pipeline of our CMS business segment which is one of the key growth drivers of the company. There is addition of both quality as well as quantity of projects to our CMS portfolio and I believe we are on track to reach our stated aspirations for the CMS business.”*

Business Performance

Operational Highlights

- CMS business displayed another good quarter of growth with revenue coming in from 25 projects
- Among GDS products, Mirtazapine, Escitalopram & Dorzolamide performed well during the quarter
- Successful completion of USFDA Audit at Unit-2

COVID19 Impact & Our Response

- Put in place a Business Continuity Plan and all non-manufacturing staff were working from home
- Plants were operational, though, we had issues around outbound logistics and supply chain
- We believe the supply chain issues would continue to persist for this quarter
- All employees have been asked to adopt safe practices including strict social distancing norms and all guidelines are being enforced in our premises
- We are closely monitoring the situation and taking precautionary measures, however as the situation is dynamic there is a level of uncertainty in the system which has to be taken into consideration

Business Saliency

Segment	Q4FY19	Q3FY20	Q4FY20	FY19	FY20
Prime	51.3%	51.2%	42.0%	55.1%	46.3%
Niche/Speciality	23.3%	17.8%	24.6%	24.8%	22.6%
CMS	18.3%	25.2%	27.7%	13.8%	24.7%
Others	7.1%	5.8%	5.6%	6.4%	6.4%

CMS Projects Contributing to Revenue in the Quarter			
Status	Q4FY19	Q3FY20	Q4FY20
Commercial	4	4	3
Clinical/Development	8	19	22
Total	12	23	25

CMS Pipeline Details

Q4 FY20	Pre-Clinical	P-1	P-2	P-3	Development	Commercial	Grand Total
API	12	4	5	5	9	6	41
Intermediate	7	4	2	5	8	9	35
Grand Total	19	8	7	10	17	15	76

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

Q4 FY19	Pre-Clinical	P-1	P-2	P-3	Development	Commercial	Grand Total
API	10	4	2	4	5	5	30
Intermediate	0	2	0	6	8	10	26
Grand Total	10	6	2	10	13	15	56



Q4 FY20 Earnings Call

The company will conduct a one-hour Earnings call at **16:00 hrs. IST on Friday, May 22nd, 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 leading 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

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