



UNICHEM
LABORATORIES LIMITED

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Investor Release

Mumbai, Monday May 12, 2014

Quarter 4 & FY 2013-14 – Financial Performance

Unichem Laboratories Limited FY 14 Consolidated

Revenue – Rs. 1,133.4 crs, up 4.9% YoY

PBT Excluding Exceptional Items – Rs. 171.2 crs, up 17.2% YoY

PBT Margin – 15.1 % as against 13.5%, up 160BPS

PAT Excluding Exceptional Items – Rs. 128.2 crs, up 13.2 % YoY

Unichem Laboratories Limited FY 14 Standalone

Revenue – Rs. 1,044.2 crs, up 3.9% YoY

PBT Excluding Exceptional Items – Rs. 178.8 crs, up 10.1% YoY

PBT Margin – 17.1 % as against 16.2%, up 90BPS

PAT Excluding Exceptional Items – Rs. 135.8 crs, up 4.8 % YoY

Board has proposed Final Dividend of 200%, making it a total dividend of 400% for FY 14



Key Highlights of Q4 FY14

- Center of Excellence at Goa is fully functional & operational and filings of ANDAs & DMFs have resumed with 3 ANDAs & 3 DMFs filed during the quarter
- Cumulative filings of ANDAs stood at 31 of which 17 ANDAs are approved (Including 2 tentative approvals)
- Cumulative filings of DMFs stands at 35
- The Company has acquired an API facility in Maharashtra, the completion of balance statutory formalities and modification & upgradation are under progress
- During the quarter Domestic portfolio grew at 4.8% as against 6.6% of IPM
 - During the quarter Domestic Acute portfolio showed a robust growth of 20.9% as against 4.9% of IPM
 - During the quarter Domestic Chronic portfolio de-grew by -3.9% as against 10.6% of IPM
- Non NLEM Portfolio grew at 10.3% as against 8.8% of Represented Market
- NLEM portfolio de-grew by -17.5% as against -12.3% of Represented Market

Other Highlights

- Market share of Unienzyme (Therapy- Gastrointestinal) increased by ~2.6% from MAT March 13- MAT March 14
- Market share of Serta (Therapy- CNS) increased by ~3.5% from MAT March 13- MAT March 14
- Company's rank as on MAT March'14 stands at #25 as against #28 in MAT March' 13
- Debt/ Equity for the year ended March 31, 2014 stood at 0.03 (Excluding Cash & Cash Equivalents), the Company continues enjoy Debt Free status
- ROCE for the year ended March 31, 2014 stood at 25.3%
- ROE for the year ended March 31, 2014 stood at 15.8%



Financial Highlights: FY 2014

REVENUE

- The Company's standalone income from operations stood at Rs. 1,044.2 crs for year ending March 31, 2014 as against Rs. 1,005.2 crs recorded in the same period of previous year, reflecting a growth of 3.9 %.
- Domestic Formulations business clocked revenues of Rs. 655 crs as against Rs. 635.3 crs depicting a growth of 3.1 % compared to the corresponding period of the previous year.
- Revenues from International Formulation Business stood at Rs. 255.2 crs as against Rs. 252.7 crs in corresponding period of the previous year reflecting a growth of 1 %.
- Revenues from API business came in at Rs. 118.7 crs as against Rs. 108.9 crs recorded during the corresponding period of the previous year, depicting a healthy growth of 9%.

EBIDTA

- Company's EBITDA margins for the year ended March 31, 2014 came in at 17.4% despite the impact of NLEM, higher R&D spend as Center of Excellence at Goa is fully functional and operational, and higher expenditure with regard to realignment of domestic business divisions. EBITDA margins in the corresponding period last year stood at 18.5%.

PBT & PAT

- Profit Before Tax excluding Exceptional Items (Gain/-Loss) for the year ended March 31, 2014 stood at Rs. 178.8 crs as compared to Rs. 162.4 crs in the same period last year, and consequently the Net Profit excluding Exceptional Items (Gain/-Loss) for the year ended March 31, 2014 stood at Rs. 135.8 crs as against Rs. 129.6 crs in the same period last year. Net Profit margins excluding Exceptional Items (Gain/-Loss) stood at 13 % as against 12.9% of the previous year.

Exceptional Items post tax stood at Rs. 41.1 crs

- The EPS-Diluted excluding exceptional items (Gain/-Loss) for the year ended March 31, 2014 stood at Rs. 14.94 (corresponding period in the previous year stood at Rs. 14.29)



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Dividend

- The board has recommended final dividend of 200% i.e, Rs 4 per equity share of FV Rs. 2 each. In addition, the Company had paid an Interim dividend of 200% i.e, Rs 4 per equity share of FV Rs. 2 each in January' 14, making it total dividend of 400% i.e Rs. 8 for the year ended 31st March 2014. Previous year dividend was Rs. 4.50/- equity share of FV Rs. 2 i.e 225%.



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Financial Highlights: Quarter IV, FY 2014

REVENUE

- The Company's standalone revenue from operations stood at Rs. 244.1 crs for the quarter ended March 31, 2014 against Rs. 243.5 crs recorded during the corresponding quarter of the previous year.
- Revenues from Domestic Formulations stood at Rs. 139.1 crs as against Rs. 142.2 crs in the same period last year.
- Revenues from International Formulation Business came in at Rs. 74.4 crs compared to Rs. 69.9 crs in the corresponding quarter of the previous year.
- Revenues from API business came in at Rs. 24 crs for the quarter ended March 31, 2014 compared to Rs. 29.2 crs recorded during the same quarter of the previous year.

EBIDTA

- The Company's EBITDA for the quarter stood at Rs. 31.7 crs

PBT & PAT

- Profit Before Tax Excluding Exceptional Item (Gain/-Loss) for the quarter ended March 31, 2014 stood at Rs. 44.5 crs as compared to Rs. 34.8 crs in same quarter of previous year. The Net Profit Excluding Exceptional Items (Gain/-Loss) for the quarter came in at Rs. 31.4 crs as against Rs. 31 crs in same quarter of previous year. Net Profit margins stood at 12.9% as against 12.7% recorded same quarter of the previous year.
- The EPS-Diluted for the current quarter stood at Rs. 3.45 (*corresponding quarter previous year: Rs. 3.42*).



Standalone Financials

UNICHEM LABORATORIES LTD						
Analysis of Standalone results for Quarter ended and Year ended 31st March, 2014.						
Figures in INR Lakhs						
Particulars	STAND ALONE FINANCIALS					
	For three months ended Mar 31, 2014	For three months ended Mar 31, 2013	% Growth	Year ended Mar 31, 2014	Year ended Mar 31, 2013	% Growth
Sales Income from Operations:						
<i>Domestic Operations</i>						
Formulations	13905.20	14215.49	-2.2%	65502.04	63528.70	3.1%
API	718.10	462.25	55.3%	2698.81	2091.92	29.0%
<i>International Operations</i>						
Formulations	7440.46	6989.81	6.4%	25519.69	25267.23	1.0%
API	1685.23	2455.55	-31.4%	9171.54	8798.10	4.2%
Other Operating Income	662.52	229.90	188.2%	1525.42	835.74	82.5%
Total Income	24411.51	24353.00	0.2%	104417.50	100521.69	3.9%
Expenditure:						
Material Consumption	8981.61	9609.17	-6.5%	37104.12	37919.66	-2.2%
% Sales Income	36.8%	39.5%		35.5%	37.7%	
Staff Cost	3935.45	3470.06	13.4%	16208.87	14114.73	14.8%
Other Expenditure	8324.44	7091.69	17.4%	32991.30	29919.56	10.3%
EBITDA	3170.01	4182.08	-24.2%	18113.21	18567.74	-2.4%
% Total Income	13.0%	17.2%		17.3%	18.5%	
Finance Costs	63.57	41.66	52.6%	248.16	248.16	0.0%
Depreciation	1089.67	979.15	11.3%	4266.58	3481.65	22.5%
Total Expenditure	22394.74	21191.73	5.7%	90819.03	85683.76	6.0%
% Total Income	91.7%	87.0%		87.0%	85.2%	
Operating Income	2016.77	3161.27	-36.2%	13598.47	14837.93	-8.4%
% Total Income	8.3%	13.0%		13.0%	14.8%	
Other Income	2449.50	315.15	677.2%	4283.91	1406.70	204.5%
Exceptional Items (Gain/-Loss)	-16.00	0.00		4900.55	0.00	
Profit before Tax	4450.27	3476.42	28.0%	22782.93	16244.63	40.2%
% Total Income	18.2%	14.3%		21.8%	16.2%	
Income Tax	1408.94	383.00	267.9%	5093.00	3295.00	54.6%
Excess /(short) provision for tax of earlier year	6.89	9.97	-30.9%	6.89	9.97	-30.9%
Net Profit including exceptional items	3048.22	3103.40	-1.8%	17696.83	12959.60	36.6%
% Total Income	12.5%	12.7%		16.9%	12.9%	
Net Profit excluding exceptional items	3137.16	3103.39	1.1%	13582.27	12959.60	4.8%
Earning Per Share including exceptional items						
a) Basic -Rs.	3.37	3.43		19.54	14.33	
b) Diluted -Rs.	3.35	3.42		19.47	14.29	
Earning Per Share excluding exceptional items						
a) Basic -Rs.	3.46	3.43		15.00	14.33	
b) Diluted -Rs.	3.45	3.42		14.94	14.29	



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Subsidiaries:

Niche Generics Limited, the 100% UK Subsidiary recorded net sales of **GBP 10.5 Million** for the year ended March 31, 2014 *(corresponding period of the previous year: GBP 10.77 Million)* and Net Profit of **GBP 0.3 Million** for year ended March 31, 2014 *(corresponding period of the previous year: Net Profit of GBP 0.10 Million)*

Unichem Pharmaceuticals USA Inc., the 100% US Subsidiary clocked net sales of **USD 12.3 Million** for the year ended March 31, 2014 *(corresponding period of the previous year: USD 8.45 Million)* showcasing a strong growth of 45.6% and reducing its Net Loss to **USD 0.3 Million** for year ended March 31, 2014 *(corresponding period of the previous year: Net Loss of USD 0.62 Million)*

Unichem Pharmaceuticals Do Brasil Ltda, the 100% Brazilian Subsidiary recorded net sales of **Brazilian Real 1.74 Million** for the year ended March 31, 2014 *(corresponding period of the previous year: Brazilian Real 1.54 Million)* and Net Loss of **Brazilian Real of 2.9 Million** for the year ended March 31, 2014 *(corresponding period of the previous year: Net Loss of Brazilian Real 2.96 Million)*



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India Formulation Business

Key Highlights

AWACS

Domestic Formulation market on MAT March, 2014 is estimated at Rs. 75,757 crs *{with bonus units at full value}* by AWACS, reflecting a growth of 6.2 % over MAT March, 2013.

Further, for the quarter ended March 31, 2014 the Domestic Formulation Market stood at Rs. 18,260 crs reflecting a growth of 6.6 % over quarter ended March 31, 2013.

Unichem Laboratories Ltd's revenue is estimated at Rs. 771 crs *(AWACS MAT March, 2014)* and growing at 6.4 % with a market share of 1% *(in covered market 2%)*. For the quarter ended March 31, 2014 revenue is estimated at Rs. 190 crs and growing at 4.8%.

Brand Position

Four Unichem brands feature among the top 300 Indian pharmaceutical brands.

- | | |
|--------------|---------------------------------------|
| 1. Losar-H – | Rs. 81 crs. (Rank 93 rd) |
| 2. Losar | Rs. 61 crs. (Rank 150 th) |
| 3. Ampoxin | Rs. 60 crs. (Rank 154 th) |
| 4. Unienzyme | Rs. 53 crs. (Rank 195 th) |



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Brand Group Scenario

BRAND	MAT Mar'14 (Val in Crs)	% Gr	% MS	% Contribution to Revenue
Unichem Laboratories Ltd	771	6.4	1.0	100.0
LOSAR GROUP	162	-4.6	33.3	21.0
AMPOXIN GROUP	64	4.4	44.5	8.3
UNIENZYME	53	21.5	16.8	6.8
TELSAR GROUP	45	9.6	4.2	5.8
TRIKA GROUP	32	-11.8	20.9	4.1
OLSAR GROUP	31	14.6	6.7	4.0
VIZYLAC	25	13.1	13.4	3.2
METRIDE GROUP	19	2.2	1.2	2.4
LINOX	18	7.9	12.3	2.3
SERTA	17	34.7	29.8	2.2

Source: AWACS MAT Mar'14

Unichem Laboratories Represented / Covered Market

MAT Mar'14	REPRESENTED		UNICHEM LABORATORIES		
Therapy Market Segment	Size (Rs.Crs)	% GR	Size (Rs.Crs)	% SHARE	% GR
Cardiac Care	6055	8.5	351	5.8	2.7
Anti-Infectives	9390	-0.3	129	1.4	15.5
Neuro-Psychiatry	2526	7.4	95	3.7	5.2
Gastroenterologicals	4617	3.5	89	1.9	12.7
Musculosketals	3277	3.8	29	0.9	16.7
Anti Diabetic	2580	14.0	27	1.0	9.1
Respiratory	1283	7.9	20	1.5	-11.0
Nutraceuticals	3725	3.7	15	0.4	0.2
Dermatologicals	1637	11.9	11	0.7	-9.4
Gynaecological	1804	4.2	6	0.3	54.1
Others	946	6.7	0	0.0	229.1
Total	37838	4.8	771	2.0	6.4

Source: AWACS MAT Mar'14



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Unichem Laboratories Non NLEM & NLEM Represented / Covered Market

MAT MAR'14	REPRESENTED MARKET				UNICHEM LABORATORIES					
	Non-NLEM		NLEM		Non-NLEM			NLEM		
Therapy Market Segment	Size (Rs.Crs)	% GR	Size (Rs.Crs)	% GR	Size (Rs.Crs)	% SHARE	% GR	Size (Rs.Crs)	% SHARE	% GR
Cardiac Care	4534	14.6	1521	-6.4	268	5.9	8.5	83	5.5	-12.3
Anti-Infectives	6299	2.8	3090	-6.1	120	1.9	14.2	10	0.3	34.1
Neuro-Psychiatry	2354	8.6	172	-7.0	67	2.9	15.9	27	15.9	-14.2
Gastroenterologicals	3932	6.0	685	-8.7	88	2.3	12.9	0	0.0	-28.7
Musculosketals	3000	6.3	276	-16.9	28	0.9	18.1	2	0.6	-2.6
Anti Diabetic	2376	15.0	204	4.0	27	1.1	9.1	0	0.1	-7.2
Respiratory	1180	11.6	103	-22.1	15	1.3	-7.5	4	4.1	-21.7
Nutraceuticals	3716	3.7	9	-23.6	15	0.4	0.2	-	0.0	-
Dermatologicals	1489	16.7	148	-20.9	11	0.7	-9.3	0	0.0	-47.3
Gynaecological	1674	5.2	130	-6.7	5	0.3	53.2	0	0.1	100.1
Others	908	7.7	37	-12.6	0	0.0	616.4	0	0.0	-98.2
Total	31463	7.7	6375	-7.5	645	2.0	10.6	127	2.0	-10.6

Source: AWACS MAT Mar' 14

MAT MAR'14	NLEM (WITHOUT LOSAR)				
	REPRESENTED MARKET		UNICHEM LABORATORIES		
	Size (Rs.Crs)	% GR	Size (Rs.Crs)	% SHARE	% GR
Cardiac Care	1352	-5.3	22.4	1.7	-5.3
Anti-Infectives	3090	-6.1	9.8	0.3	34.1
Neuro-Psychiatry	172	-7.0	27.3	15.9	-14.2
Gastroenterologicals	685	-8.7	0.2	0.0	-28.7
Musculosketals	276	-16.9	1.6	0.6	-2.6
Anti Diabetic	204	4.0	0.1	0.1	-7.2
Respiratory	103	-22.1	4.3	4.1	-21.7
Nutraceuticals	9	-23.6	-	0.0	-
Dermatologicals	148	-20.9	0.0	0.0	-47.3
Gynaecological	130	-6.7	0.1	0.1	100.1
Others	37	-12.6	0.0	0.0	-98.2
Total	6206	-7.3	65.8	1.1	-6.5

Source: AWCAS MAT Mar'14



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About Unichem Laboratories Limited

Unichem Laboratories Limited is an international, integrated, specialty pharmaceutical company. It manufactures and markets a large basket of pharmaceutical formulations as branded generics as well as generics in India and several other markets across the world. In India, the company is a leader in niche therapy areas of cardiology, neurology, orthopedics and anti-infectives. The company has strong skills in product development, process chemistry and manufacturing of complex API as well as dosage forms. More information about the company can be found at www.unichemlabs.com

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