

## Caplin Point Laboratories Limited announces Q1FY21 results, Consolidated Revenue up 25%, Gross Margin at 55%

Chennai, Aug 10<sup>th</sup>, 2020: Caplin Point Laboratories Limited (CPL) (BSE: CAPPL (524742), NSE: CAPLIPOINT) today reported Q1FY21 financial results for the Quarter ended June 30<sup>th</sup>, 2020

### Consolidated Results Highlights:

- ✓ Cash Flow From Operations (CFO) crosses Rs. 100 Cr in Q1FY21
- ✓ Free Cash Flow stood at Rs. 86.49 Cr for Q1FY21
- ✓ Cash and Cash Surplus at Rs. 375 Cr as on date, with over Rs. 127 Cr increase in parent company, since Mar 31<sup>st</sup>, 2020
- ✓ Receivables maintained at 93 days in Q1FY21
- ✓ Inventory stood at Rs. 189.71 Cr for Q1FY21 as against Rs. 238.23 Cr in Q4FY20
- ✓ Net Worth crosses Rs. 1,000 Cr in Q1FY21

### Consolidated Financial Results – Q1FY21

Particulars (Rs in Crs)	Q1FY21	Q1FY20	Growth %	Q4FY20
Total Revenue	246.57	197.02	25.1%	234.86
Gross Profit	131.28	107.37	22.3%	103.81
Gross Profit %	54.7%	55.8%		48.2%
EBITDA	78.09	71.85	8.7%	73.44
EBITDA %	31.7%	36.5%		31.3%
PBT	68.62	64.45	6.5%	64.87
PBT %	27.8%	32.7%		27.6%
PAT	54.55	50.06	9.0%	48.86
PAT %	22.1%	25.4%		20.8%

*Note: As the company had acquired channel partners in Nicaragua (in Q1), Honduras (in Q2), Ecuador and Guatemala (in Q4) in FY 19-20, the current quarter results are not comparable with the previous periods.*

*EBITDA %, PBT % and PAT% for Q1FY21 are lower than Q1FY20 mainly due to manpower cost of acquired subsidiaries. However, this talent pool (450+) acquisition will enable the company to achieve the next level of growth by way of expansion into larger geographies in Latin America.*

## **Key Performance Highlights:**

### **Financial (Consolidated) for Q1FY21:**

- ✓ **Top line growth of 25.1% at Rs. 246.57 Cr in Q1FY21 against Rs. 197.02 Cr in Q1FY20**
- ✓ **Gross Margins returns to 55%, from 48 % in Q4 19-20 and 52% in FY 19-20 as a whole year**
- ✓ **Cash Flow From Operations (CFO) shows significant increase over previous years, at Rs. 100.32 Cr in Q1, due to efficient working capital management**
- ✓ **With major Channel Partners acquisition completed, Opex is likely to stabilise at current levels**
- ✓ **With USD remaining stable throughout the quarter, exchange gain moderated to Rs. 1.75 Cr as against Rs. 16.91 Cr in Q4FY20**
- ✓ **PAT up ~ 9 % to Rs. 54.55 Cr in Q1FY21 against Rs. 50.06 Cr in Q1FY20**
- ✓ **Basic EPS grew by 9% from Rs. 6.64 in Q1FY20 to Rs. 7.21 in Q1FY21 (Not Annualized)**

### **Business Highlights**

#### **Emerging Markets**

- ✓ **Continued focus on Cash Flow and Collections has resulted in Rs.127 Cr being added to the Cash Reserves as on date, post Mar 31<sup>st</sup> 2020, in the parent company.**
- ✓ **Manufacturing of own API started in CMO at Vizag, for Latin American markets, targeting reduction in costs of 10-15% against current procurement costs, for Top 10 products. Also targeting self-sufficiency/import substitution for 5 critically important APIs in the next 2-3 Qtrs, for Latin American markets.**
- ✓ **Company's e-commerce platform 'QuetenX', part of 10X Healthcare portal, continues to show strong traction, reaching unique B2B customers (pharmacies) in Latin America.**
- ✓ **Company is building up a war chest of Cash Surplus, in preparation for potential acquisition or greenfield opportunities in current markets.**
- ✓ **Company embarking on development of 150 new formulations specifically targeting 3 therapeutic areas – viz. Injectables used in Hospitals, Psychiatric and Neuropsychiatric products for Brand Marketing and Anti-Cancer products.**

#### **US & Regulated Markets**

- ✓ **Company received 2 ANDA approvals in Q1. Currently 10 ANDAs are pending approval from US FDA, company expects 6 of those to be approved before Mar 2021.**
- ✓ **Company working with partners on expedited approvals for 2 products currently being used for Covid-19 treatment in hospitals in US.**
- ✓ **Targets filing 4 more ANDAs within Mar 2021. Filing target for FY22 – 15 ANDAs.**
- ✓ **Launched 5 products as on date in US, with another 4 to be launched shortly. Market share occupied by the launched products at 8 ~ 12%.**

- ✓ **Signed distribution deal with Xellia Pharmaceuticals Inc to launch 5 more products in US in the short to medium term.**
- ✓ Company in advanced discussions with partners for extending US products to Canada and Australia. Targets filing 9 products in Canada and 3 in Australia within next 12 months.
- ✓ **API facility's land (near Chennai) procurement and design drawing completed. Construction to start shortly and expected to be completed within 12-15 months. This facility is targeted towards US market and will be for captive consumption.**
- ✓ DMF compilation work under progress for API, for both alternate source and primary source for own ANDA filings.
- ✓ **Front-end presence in the US to be fast-tracked. Likely to be completed before end 2022.**
- ✓ **Addressable market size of Company's overall pipeline of ANDAs under development – over \$2 Billion.**

#### **About Caplin Point Laboratories Limited:**

Caplin Point Laboratories Limited is a fast-growing pharmaceutical company with a unique end to end business model, catering predominantly to emerging markets of Latin America and Africa. Caplin Point Laboratories Limited has state of the art manufacturing facilities that cater to a complete range of finished dosage forms. The Company has also entered regulated markets such as US through its Subsidiary Caplin Steriles Limited.

Caplin Point has been selected on Forbes Asia's "200 Best Under a Billion" list for three consecutive years (2014, 2015 & 2016), and was recently awarded "The Emerging Company of 2018" by Economic Times Family Business Awards.

#### **CAUTIONARY STATEMENT:**

*This press release contains certain forward-looking statements. Any forward-looking statement applies only on the date of this press release. By their nature, forward-looking statements are subject to a number of known and unknown risks and uncertainties that may or may not occur in the future and as a result of which the actual results and performance may differ substantially from the expected future results or performance expressed or implied in the forward-looking statements. No warranties or representations are made as to the accuracy, achievement or reasonableness of such statements, estimates or projections, and Caplin Point has no obligation to update any such information or to correct any inaccuracies herein or omission here from which may become apparent.*

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