



UNICHEM
LABORATORIES LIMITED

UNICHEM LABORATORIES LIMITED

Quarter 2 & H1, FY 2013-14 – Financial Performance

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Financial Highlights

AWACS Ranking



Financial Highlights:

Quarter 2, FY 2014:

REVENUE

- The Company's standalone revenue from operations came in at Rs. 269.57 crs for the quarter ended September 30, 2013 against Rs. 264.25 crs recorded during the corresponding quarter of the previous year, reflecting a growth of 2.0%. On sequential quarter revenues grew by 1.5%.
- Revenues from Domestic Branded Formulations stood at Rs. 173.9 crs showing a growth of 1.1% compared to the corresponding quarter of the previous year, while on sequential quarter revenue declined by 0.9 %.
- Revenues from International Formulation Business stood at Rs. 63.35 crs compared to Rs. 58.10 crs in the corresponding quarter of the previous year, reflecting a growth of 9.0%. On sequential quarter revenue grew by 12.5%.
- Revenues from API business stood at Rs. 28.90 crs for the quarter ended September 30, 2013 compared to Rs. 30.95 crs recorded during the corresponding quarter of the previous year reflecting a de-growth of 6.6%.

EBIDTA

- The Company's EBITDA margins for the quarter ending September 30, 2013 stood at 18.6% (*as against 19.1 % in the sequential quarter*) due to impact of implementation of lower notified prices on NLEM products, higher spending on continuing medical education (*American Society of Hypertension*), power and fuel and international freight.

PBT & PAT

- Profit before tax for the quarter ended September 30, 2013 stood at Rs. 46.3 crs (*corresponding quarter previous year: Rs. 46.2 crs*) and consequently the net profit for the quarter stood at Rs. 36.2 crs (*corresponding quarter previous year: Rs.35.1 crs*). Net Profit margins stood at 13.4% as against 13.3% recorded during the corresponding quarter of the previous year.
- The EPS-Diluted for the current quarter stood at Rs. 3.99 (*corresponding quarter previous year: Rs. 3.87*).



Financial Highlights:

Half Year ended September 30, FY 2014:

REVENUE

- The Company's standalone income from operations stood at Rs. 535.2 crs for six months ending September 30, 2013 as against Rs. 529.1 crs recorded during the corresponding quarter of the previous year, reflecting a growth of 1.1%.
- Revenues from Domestic Branded Formulations stood at Rs. 349.5 crs as against Rs. 340.6 crs reflecting a growth of 2.6% compared to the corresponding period of the previous year.
- Revenues from International Formulation Business stood at Rs. 119.6 crs as against Rs. 123.7 crs in corresponding period of the previous year reflecting a decline of 3.3%.
- API business reported revenues of Rs. 59.2 crs as against Rs. 60.1 crs recorded during the corresponding period of the previous year.

EBIDTA

- Company's EBITDA margins for six months ending September 30, 2013 stood at 18.9% as against 19.4 % in the corresponding period of previous year.

PBT & PAT

- Profit before tax for the six months ended September 30, 2013 stood at Rs. 93.5 crs (*corresponding six months of the previous year: Rs. 91.8 crs*) and consequently the net profit for the six months stood at Rs. 72.3 crs (*corresponding six months of the previous year: Rs.68.2 crs*).
- The EPS-Diluted for the six months ended September 30, 2013 stood at Rs.7.97 (*corresponding six months of the previous year: Rs.7.52*).



Standalone Financials

UNICHEM LABORATORIES LTD						
Analysis of Quarterly / Half yearly unaudited Financial Results for the period ended 30th Sept, 2013						
						Rs. Lakhs
Particulars	For three months ended Sept 30, 2013 (Unaudited)	For three months ended Sept 30, 2012 (Unaudited)	% Growth	For six months ended Sep 30, 2013 (Unaudited)	For six months ended Sep 30, 2012 (Unaudited)	% Growth
Sales Income from Operations:						
Domestic Operations						
Formulations	17,393.83	17,210.69	1.1%	34,954.01	34,059.54	2.6%
API	656.06	451.51	45.3%	1,056.78	1,214.06	-13.0%
International Operations						
Formulations	6,334.95	5,810.61	9.0%	11,964.34	12,372.57	-3.3%
API	2,233.90	2,643.76	-15.5%	4,864.08	4,800.35	1.3%
Other Operating Income	338.37	308.11	9.8%	675.79	464.26	45.6%
Total Income	26,957.11	26,424.68	2.0%	53,515.00	52,910.78	1.1%
Expenditure:						
Material Consumption	9,420.32	9,686.45	-2.7%	19,015.85	19,972.11	-4.8%
% Sales Income	34.9%	36.7%		35.5%	37.7%	
Staff Cost	4,144.90	3,593.61	15.3%	8,276.71	6,972.20	18.7%
Other Expenditure	8,370.72	7,851.71	6.6%	16,115.54	15,683.14	2.8%
EBITDA	5,021.17	5,292.91	-5.1%	10,106.90	10,283.33	-1.7%
% Total Income	18.6%	20.0%		18.9%	19.4%	
Interest	64.88	66.39	-2.3%	126.55	152.15	-16.8%
Depreciation	1,097.97	820.87	33.8%	2,166.15	1,648.48	31.4%
Total Expenditure	23,098.79	22,019.03	4.9%	45,700.80	44,428.08	2.9%
% Total Income	85.7%	83.3%		85.4%	84.0%	
Operating Income	3,858.32	4,405.65	-12.4%	7,814.20	8,482.70	-7.9%
% Total Income	14.3%	16.7%		14.6%	16.0%	
Other Income	770.41	218.64	252.4%	1,531.40	693.81	120.7%
Exceptional Items (Gain/-Loss)						
Profit before Tax	4,628.73	4,624.29	0.1%	9,345.60	9,176.51	1.8%
% Total Income	17.2%	17.5%		17.5%	17.3%	
Prior period expenses / (income)	-	-		-	-	
Income Tax	1,008.00	1,117.00	-9.8%	2,115.00	2,355.00	-10.2%
Excess / (short) provision for tax of earlier year	-	-		-	-	
Net Profit	3,620.73	3,507.29	3.2%	7,230.60	6,821.51	6.0%
% Total Income	13.4%	13.3%		13.5%	12.9%	
Earning Per Share- Basic	4.00	3.88		7.99	7.55	
Earning Per Share- Diluted	3.99	3.87		7.97	7.52	

Notes: The previous period figures have been regrouped wherever necessary.



Key Ratios				
	Six Months Ended Sept 30, 2013	Six Months Ended Sept 30, 2012	Year Ended March 31, 2013	Year Ended March 31, 2012
Debt / Equity Ratio	0.04	0.03	0.04	0.06
Net worth (Rs. Crs)	886.0	799.1	813.0	761.6
Total Debt (Rs. Crs)	39.7	25.2	31.0	48.4
Book Value (Rs./Share)	97.80	88.35	89.87	84.32
Net Sales / Fixed Assets Ratio	0.92	0.97	1.78	1.54
Current Ratio	2.38	2.12	1.87	2.32
Net Current Assets (Rs. Crs)	482.5	447.2	461.6	412.2
Current Liability (Rs. Crs)	202.6	211.5	246.3	178.0
ROCE % (PBDIT Basis)	25.4	27.0	23.7	17.8
RONW%	16.6	17.7	15.9	11.5

Subsidiaries:

Niche Generics Limited, the 100% UK Subsidiary clocked net sales of **GBP 5.39 Million** (corresponding six months of the previous year: *GBP 4.63 Million*) and Net Profit of **GBP 0.22 Million** (corresponding six months of the previous year: *Net Loss GBP 0.30 Million*) for six months ended September 30, 2013.

Unichem Pharmaceuticals USA Inc., the 100% US Subsidiary recorded net sales of **USD 5.16 Million** (corresponding six months of the previous year: *USD 3.89 Million*) and Net Loss of **USD 0.35 million** (corresponding six months of the previous year: *USD 0.33 Million*) for six months ended September, 30, 2013.

Unichem Pharmaceuticals Do Brasil Ltda, the 100% Brazilian Subsidiary recorded sales of **Brazilian Reals 1.22 Million** (corresponding six months of the previous year: *Brazilian Reals 0.85 Million*) and Net Loss of **Brazilian Reals of 1.55 Million** (corresponding six months of the previous year: *Brazilian Reals 1.44 Million*) for the six months ended September 30, 2013.



UNICHEM LABORATORIES LIMITED

Standalone Financials:

UNICHEM LABORATORIES LTD			
<i>Analysis of Sequential Quarters Unaudited Financial Results for Quarter ended 30th Sept, 2013</i>			
STAND ALONE FINANCIALS		Rs. Lakhs	
Particulars	For three months ended Sept 30, 2013	For three months ended June 30, 2013	% Growth
Sales Income from Operations:			
<i>Domestic Operations</i>			
Formulations	17,393.83	17,560.18	-0.9%
API	656.06	400.72	63.7%
<i>International Operations</i>			
Formulations	6,334.95	5,629.38	12.5%
API	2,233.90	2,630.18	-15.1%
Other Operating Income	338.37	337.42	0.3%
Total Income	26,957.11	26,557.88	1.5%
Expenditure:			
Material Consumption	9,420.32	9,595.53	-1.8%
% Sales Income	34.9%	36.1%	
Staff Cost	4,144.90	4,131.81	0.3%
Other Expenditure	8,370.72	7,744.81	8.1%
EBITDA	5,021.17	5,085.73	-1.3%
% Total Income	18.6%	19.1%	
Interest	64.88	61.67	5.2%
Depreciation	1,097.97	1,068.18	2.8%
Total Expenditure	23,098.79	22,602.00	2.2%
% Total Income	85.7%	85.1%	
Operating Income	3,858.32	3,955.88	-2.5%
% Total Income	14.3%	14.9%	
Other Income	770.41	760.99	1.2%
Exceptional Items (Gain/-Loss)			
Profit before Tax	4,628.73	4,716.87	-1.9%
% Total Income	17.2%	17.8%	
Prior period expenses / (income)	-	-	
Income Tax	1,008.00	1,107.00	-8.9%
Excess / (short) provision for tax of earlier year	-	-	
Net Profit	3,620.73	3,609.87	0.3%
% Total Income	13.4%	13.6%	
Earning Per Share- Basic	4.00	3.99	
Earning Per Share- Diluted	3.99	3.98	

Notes: The previous period figures have been regrouped wherever necessary.



India Formulation Business

Key Highlights

AWACS

Domestic Formulation market on MAT September, 2013 is estimated at Rs. 72,343 crores {with bonus units at full value} by AWACS, reflecting a growth of 6.8% over MAT September, 2012.

Further, for the quarter ended September 30, 2013 {July to September} the Domestic Formulation Market stood at Rs. 19,140 crores reflecting a growth of 2.8% over quarter ended June 30, 2013.

Unichem Laboratories revenue is estimated at Rs. 725 crores (AWACS MAT September, 2013) and growing at 4.5% with a market share of 1.0% (in covered market 2.0%). For the quarter ended September 30, 2013 {July to September} revenue is estimated at Rs. 181 crores and growing at -2.6%

The division-wise break-up is as follows:

	MAT Sep'13		Apr-Sep'13	
	Value (Rs. Crs)	% Growth	Value (Rs. Crs)	% Growth
Total Domestic Market	72,343	6.8	37,278	5.2
Total Unichem Laboratories	725	4.5	364	1.5
CV Division	237	6.4	116	-0.2
CD Division	99	-0.4	49	-1.3
Integra Division	57	7.5	29	9.9
Lifecare Division	0	-42.8	0	-9.6
Neu-Foreva Division	55	4.3	27	2.6
Unikare Division	16	4.5	7	0.4
Vector Division	44	7.7	22	4.5
Vitus Division	50	10.7	25	2.1
UVA Division	157	8.5	85	6.4
Others	9	-48.9	4	-49.6
Total Unichem Formulations Business	725	4.5	364	1.5

Source: AWACS MAT Sep'13



Brand Position

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

1. Losar-H – Rs. 79 crs. (Rank 93rd)
2. Losar Rs. 65 crs. (Rank 115th)
3. Ampoxin Rs. 59 crs. (Rank 139th)
4. Unienzyme Rs. 46 crs. (Rank 223rd)

Unichem Laboratories Represented / Covered Market

MAT Sep'13 Therapy Market Segment	REPRESENTED MARKET		UNICHEM LABORATORIES		
	Size (Rs.Crs)	% GR	Size (Rs.Crs)	% SHARE	% GR
Cardiac Care	5,766	10.2	342	5.9	5.1
Anti-Infectives	9,477	3.8	117	1.2	9.3
Neuro - Psychiatry	2,390	10.3	86	3.6	1.9
Gastroenterologicals	4,571	4.9	79	1.7	6.9
Pain / Analgesics	3,058	5.4	25	0.8	13.5
Anti Diabetic	2,354	13.5	25	1.1	2.4
Respiratory	1,221	8.0	20	1.7	-6.9
Nutraceuticals	3,583	4.3	16	0.5	-14.4
Dermatologicals	1,485	9.9	10	0.7	-23.8
Gynaecological	1,737	6.1	5	0.3	73.6
Total	35,643	6.7	725	2.0	4.5

Source: AWACS MAT Sep'13

Brand Group Scenario

BRAND	MAT Sep'13 (Val in Crs)	% Growth	% Market Share	% Contribution to Revenue
Unichem Laboratories Ltd	725	4.5	1.0	100.0
Losar Group	164	2.4	32.4	22.6
Ampoxin Group	62	2.8	29.8	8.6
Unienzyme	46	15.5	15.1	6.3
Telsar Group	44	12.8	4.6	6.0
Trika Group	34	-2.5	21.7	4.7
Olsar Group	28	6.9	6.7	3.9
Vizylac	22	2.8	12.8	3.0
Metride Group	18	-0.6	1.4	2.4
Linix	17	17.6	12.1	2.3
Tg-Tor Group	15	-13.5	1.7	2.1
Unistar	14	139.4	76.7	2.0

Source: AWACS MAT Sep'13



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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

For more information please contact:

Mr.M Gundu Rao / Mr. K Subharaman

Ph: +91-22-66888 380

Ph: +91-22-66888 404

E-mail: gundurao@unichemlabs.com

subharamank@unichemlabs.com

Mr. Rakesh Parikh/ Mr. Monish Shah

Ph: +91-22-66888 414

Tel: +91-22-66888 509

E-mail: rparikh@unichemlabs.com

monish.shah@unichemlabs.com

Disclaimer:

This press release includes forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially. Such factors include, but are not limited to, changes in local and global economic conditions, our ability to successfully implement our strategy, the market acceptance of and demand for our products, our growth and expansion, technological change and our exposure to market risks. By their nature, these expectations and projections are only estimates and could be materially different from actual results in the future.