



UNICHEM
LABORATORIES LTD.

UNICHEM LABORATORIES LIMITED

Quarter 3 & 9M, FY 2013-14 – Financial Performance

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Financial Highlights

AWACS Ranking



Financial Highlights:

Quarter 3, FY 2014:

REVENUE

- The Company's standalone revenue from operations stood at Rs. 264.9 crs for the quarter ended December 31, 2013 against Rs. 232.6 crs recorded during the corresponding quarter of the previous year, depicting a healthy growth of 13.9%.
- Revenues from Domestic Branded Formulations stood at Rs. 166.4 crs as against Rs.152.5 crs in same the quarter last year, showing a growth of 9.1%.
- Revenues from International Formulation Business stood at Rs. 61.1 crs compared to Rs. 59 crs in the corresponding quarter of the previous year, reflecting a growth of 3.6%.
- Revenues from API business came in at Rs. 35.4 crs for the quarter ended December 31, 2013 compared to Rs. 19.6 crs recorded during the corresponding quarter of the previous year reflecting a robust growth of 80.6%.

EBIDTA

- The Company's EBITDA margins for the quarter ended December 31, 2013 stood at 18.2% (as against on 17.3% Y-o-Y & 18.6 % on Q-o-Q basis) due to lower notified prices on NLEM products, higher spending on R & D, marketing expenses, power & fuel and international freight.

PBT & PAT

- Profit before tax for the quarter ended December 31, 2013 stood at Rs. 89.9 crs (corresponding quarter previous year: Rs. 35.9 crs), which includes exceptional items (Gain/-Loss of Rs. 49.2 crs) and consequently the net profit for the quarter stood at Rs. 74.2 crs (corresponding quarter previous year: Rs. 30.3 crs). Net Profit margins stood at 28% as against 13% recorded during the corresponding quarter of the previous year.

Net profit excluding exceptional items (Gain/-Loss) stood at Rs. 32.1 crs.

- The EPS-Diluted for the current quarter excluding exceptional items (Gain/-Loss) stood at Rs. 3.54 (corresponding quarter previous year: Rs. 3.35).

Sale of Indore SEZ plant to Mylan Laboratories Limited

- During the quarter the Company received the full proceeds from sale of Indore SEZ plant to Mylan Laboratories Limited amounting to INR 160.5 crs.

Dividend

- The company has approved plans and projects relating to API, Biotech (R & D) and Formulations at different stages of implementation to enhance capacities for future growth. The capital expenditure requirements are being met through internal accruals and proceeds from sale of Indore SEZ plant to Mylan Laboratories Limited. At the same time, the company wishes to reward its shareholders with regular dividends. Accordingly, the Board has recommended interim dividend of 200 % i.e, Rs 4 per equity share of FV Rs. 2 each



Financial Highlights:

Nine Months ended December 31, FY 2014:

REVENUE

- The Company's standalone income from operations stood at Rs. 800.1 crs for nine months ending December 31, 2013 as against Rs. 761.7 crs recorded in the same period of previous year, reflecting a growth of 5.0%.
- Domestic Branded Formulations business clocked revenues of Rs. 516.0 crs as against Rs. 493.1 crs reflecting a growth of 4.6% compared to the corresponding period of the previous year.
- Revenues from International Formulation Business stood at Rs. 180.8 crs as against Rs. 182.8 crs in corresponding period of the previous year reflecting a de-growth of 1.1%.
- Revenues from API business came in at Rs. 94.7 crs as against Rs. 79.7 crs recorded during the corresponding period of the previous year, depicting a healthy growth of 18.9%.

EBIDTA

- Company's EBITDA margins for nine months ending December 31, 2013 stood at 18.6 % as against 18.8% in the same period last year.

PBT & PAT

- Profit before tax for the nine months ended December 31, 2013 stood at Rs. 183.3 crs (*corresponding nine months of the previous year: Rs. 127.7 crs*), which includes exceptional items (Gain/-Loss of Rs. 49.2 crs) and consequently the net profit for the nine months stood at Rs. 146.5 crs (*corresponding nine months of the previous year: Rs. 98.6 crs*). Net Profit margins stood at 18.3 % as against 12.9 % recorded during the corresponding nine months of the previous year.

Net profit excluding exceptional items (Gain/-Loss) stood at Rs. 104.5 crs.

- The EPS-Diluted excluding exceptional items (Gain/-Loss) for the nine months ended December 31, 2013 stood at Rs. 11.51 (*corresponding nine months of the previous year: Rs.10.86*).



Standalone Financials

UNICHEM LABORATORIES LTD						
Analysis of standalone results for Quarter / Nine Months ended 31st December, 2013						Figures in Rs. Lakhs
Particulars	For three months ended Dec 31, 2013	For three months ended Dec 31, 2012	% Growth	For nine months ended Dec 31, 2013	For nine months ended Dec 31, 2012	% Growth
Sales Income from Operations:						
Domestic Operations						
Formulations	16,642.84	15,253.67	9.1%	51,596.84	49,313.21	4.6%
API	923.92	415.61	122.3%	1,980.70	1,629.67	21.5%
International Operations				-		
Formulations	6,114.89	5,904.85	3.6%	18,079.23	18,277.42	-1.1%
API	2,622.23	1,542.20	70.0%	7,486.32	6,342.55	18.0%
Other Operating Income	187.11	141.58	32.2%	862.90	605.84	42.4%
Total Income	26,490.99	23,257.91	13.9%	80,005.99	76,168.69	5.0%
Expenditure:						
Material Consumption	9,106.66	8,338.38	9.2%	28,122.51	28,310.49	-0.7%
% Sales Income	34.4%	35.9%		35.2%	37.2%	
Staff Cost	3,996.70	3,672.47	8.8%	12,273.42	10,644.67	15.3%
Other Expenditure	8,577.27	7,211.84	18.9%	24,692.81	22,894.98	7.9%
EBITDA	4,810.36	4,035.22	19.2%	14,917.25	14,318.55	4.2%
% Total Income	18.2%	17.3%		18.6%	18.8%	
Interest	58.04	54.35	6.8%	184.59	206.50	-10.6%
Depreciation	1,010.76	854.02	18.4%	3,176.91	2,502.50	26.9%
Total Expenditure	22,749.43	20,131.06	13.0%	68,450.24	64,559.14	6.0%
% Total Income	85.9%	86.6%		85.6%	84.8%	
Operating Income	3,741.56	3,126.85	19.7%	11,555.75	11,609.55	-0.5%
% Total Income	14.1%	13.4%		14.4%	15.2%	
Other Income	328.95	464.85	-29.2%	1,860.36	1,158.66	60.6%
Exceptional Items (Gain/-Loss)*	4,916.55	-		4,916.55	-	
Profit before Tax	8,987.06	3,591.70	150.2%	18,332.66	12,768.21	43.6%
% Total Income	33.9%	15.4%		22.9%	16.8%	
Prior period expenses / (income)	-	-		-	-	
Income Tax	1,569.06	557.00	181.7%	3,684.06	2,912.00	26.5%
Excess / (short) provision for tax of earlier year	-	-		-	-	
Net Profit	7,418.00	3,034.70	144.4%	14,648.60	9,856.21	48.6%
% Total Income	28.0%	13.0%		18.3%	12.9%	
Earning Per Share- Basic (in Rs)	8.19	3.36		16.18	10.90	
Earning Per Share- Diluted (in Rs)	8.18	3.35		16.15	10.86	

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

* represent profit on sale of company's manufacturing unit at SEZ, Indore and amortization of intangible assets due to change in their estimated useful life.



Key Ratios			
	Quarter Ended Dec 31, 2013	Quarter Ended Dec 31, 2012	Year Ended March 31, 2013
Debt / Equity Ratio	0.03	0.03	0.04
Net worth (Rs. Crs)	960.3	829.6	813.0
Total Debt (Rs. Crs)	29.7	27.0	31.0
Book Value (Rs./Share)	106.00	91.73	89.87
Net Sales / Fixed Assets Ratio	0.57	0.42	1.78
Current Ratio	1.95	2.04	1.87
Net Current Assets (Rs. Crs)	494.7	411.6	461.6
Current Liability (Rs. Crs)	235.5	201.6	246.3
ROCE % (PBDIT Basis)	22.0	21.2	23.7
RONW%	14.2	14.8	15.9

Subsidiaries:

Niche Generics Limited, the 100% UK Subsidiary recorded net sales of **GBP 7.82 Million** for the nine month period (*corresponding nine months of the previous year: GBP 6.66 Million*) reflecting a healthy growth of 17.4% and Net Profit of **GBP 0.18 Million** (*corresponding nine months of the previous year: Net Loss GBP 0.49 Million*) for nine months ended December 31, 2013.

Unichem Pharmaceuticals USA Inc., the 100% US Subsidiary clocked net sales of **USD 8.42 Million** for the nine month period (*corresponding nine months of the previous year: USD 6.13 Million*) showcasing a strong growth of 37.4% and reducing its Net Loss to **USD 0.30 million** (*corresponding nine months of the previous year: USD 0.41 Million*) for nine months ended December 31, 2013.

Unichem Pharmaceuticals Do Brasil Ltda, the 100% Brazilian Subsidiary recorded net sales of **Brazilian Reals 1.59 Million** for the nine month period (*corresponding nine months of the previous year: Brazilian Reals 1.29 Million*) and Net Loss of **Brazilian Reals of 2.33 Million** (*corresponding nine months of the previous year: Brazilian Reals 2.27 Million*) for the nine months ended December 31, 2013. Unichem Laboratories Limited.



Standalone Financials:

UNICHEM LABORATORIES LTD			
<i>Analysis of Sequential Quarters Unaudited Financial Results for Quarter ended 31st December, 2013</i>			
STAND ALONE FINANCIALS		Figures in Rs. Lakhs	
Particulars	For three months ended Dec 31, 2013	For three months ended Sept 30, 2013	% Growth
Sales Income from Operations:			
<i>Domestic Operations</i>			
Formulations	16,642.84	17,393.83	-4.3%
API	923.92	656.06	40.8%
<i>International Operations</i>			
Formulations	6,114.89	6,334.95	-3.5%
API	2,622.23	2,233.90	17.4%
Other Operating Income	187.11	338.37	-44.7%
Total Income	26,490.99	26,957.11	-1.7%
Expenditure:			
Material Consumption	9,106.66	9,420.32	-3.3%
% Sales Income	34.4%	34.9%	
Staff Cost	3,996.70	4,144.90	-3.6%
Other Expenditure	8,577.27	8,370.72	2.5%
EBITDA	4,810.36	5,021.17	-4.2%
% Total Income	18.2%	18.6%	
Interest	58.04	64.88	-10.5%
Depreciation	1,010.76	1,097.97	-7.9%
Total Expenditure	22,749.43	23,098.79	-1.5%
% Total Income	85.9%	85.7%	
Operating Income	3,741.56	3,858.32	-3.0%
% Total Income	14.1%	14.3%	
Other Income	328.95	770.41	-57.3%
Exceptional Items (Gain/-Loss)*	4,916.55	-	
Profit before Tax	8,987.06	4,628.73	94.2%
% Total Income	33.9%	17.2%	
Prior period expenses / (income)	-	-	
Income Tax	1,569.06	1,008.00	55.7%
Excess /(short) provision for tax of earlier year		-	
Net Profit	7,418.00	3,620.73	104.9%
% Total Income	28.0%	13.4%	
Net Profit excluding exceptional Items	3,214.5	3,620.7	
% Total Income	12.1%	13.4%	
Earning Per Share- Basic (in Rs)	3.55	4.00	
Earning Per Share- Diluted (in Rs)	3.54	3.99	
Notes: The previous period figures have been regrouped wherever necessary.			
* represent profit on sale of company's manufacturing unit at SEZ, Indore and amortization of intangible assets due to change in their estimated useful life.			



India Formulation Business

Key Highlights

AWACS

Domestic Formulation market on MAT December, 2013 is estimated at Rs. 73,893 crores {with bonus units at full value} by AWACS, reflecting a growth of 6 % over MAT December, 2013.

Further, for the quarter ended December 31, 2013 {October to December} the Domestic Formulation Market stood at Rs. 19,028 crores reflecting a growth of 4.9% over quarter ended September 30, 2013.

Unichem Laboratories revenue is estimated at Rs. 756 crores (AWACS MAT December, 2013) and growing at 6.5% with a market share of 1.02% (in covered market 2.1%). For the quarter ended December 31, 2013 {October to December} revenue is estimated at Rs. 203.4 crores and growing at 12.4 %.

The revenue growth numbers reflected for Unichem Laboratories by AWACS in their monthly reports for the months of September, October and November has been revalidated / re-projected due to certain data inaccuracies (coverage of Stockists) and hence the updated monthly revised numbers of AWACS are provided below:

SV@PTR (Value in INR Lakhs)	Sept-12	Oct-12	Nov-12	Sept-13	Oct-13	Nov-13	% Gr AWACS		
AWACS Current Tool	6,301	6,123	5,965	5,874	6,215	6,018	(6.8)	1.5	0.9
Re-Projected	6,301	6,123	5,965	6,572	6,991	6,680	4.3	14.2	12.0
IPM	646,494	645,156	590,316	638,498	640,455	636,750	(1.2)	(0.7)	7.9

The division-wise break-up is as follows:

	MAT Dec'13		Apr-Dec'13	
	Value (Rs. Crs)	% Growth	Value (Rs. Crs)	% Growth
Total Domestic Market	73893	6.0	56810	5.4
Total Unichem Laboratories	756	6.5	575	5.9
CV Division	243	4.7	179	0.8
CD Division	102	2.3	76	2.4
Integra Division	62	15.6	48	18.3
Lifecare Division	1	78.0	1	157.3
Neu-Foreva Division	60	11.9	46	13.6
Unikare Division	16	6.5	12	4.5
Vector Division	46	10.2	36	10.9
Vitus Division	52	8.8	40	7.1
UVA Division	166	10.4	131	11.7
Others	7	(49.9)	5	(49.5)
Total Unichem Formulations Business	756	7.7	575	7.0

Source: AWACS MAT Dec'13



Brand Position

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

1. Losar-H – Rs. 80 crs. (Rank 90th)
2. Losar Rs. 65 crs. (Rank 119th)
3. Ampoxin Rs. 57 crs. (Rank 152nd)
4. Unienzyme Rs. 50 crs. (Rank 193rd)

Brand Group Scenario

BRAND	MAT Dec'13 (Val in Crs)	% Gr	% MS	% Contr to Revenue
Unichem Laboratories Ltd	756	6.5	1.0	100.0
LOSAR GROUP	166	0.6	33.1	22
AMPOXIN GROUP	61	-2.0	26.7	8
UNIENZYME	50	20.5	16.2	7
TELSAR GROUP	45	13.1	4.6	6
TRIKA GROUP	34	-4.2	21.3	4
OLSAR GROUP	30	12.9	6.8	4
VIZYLAC	24	9.8	13.2	3
METRIDE GROUP	19	3.6	1.3	2
LINOX	17	11.8	11.9	2
UNISTAR	16	99.4	70.3	2

Source: AWACS MAT Dec'13

Unichem Laboratories Represented / Covered Market

MAT Dec'13	REPRESENTED MARKET		UNICHEM LABORATORIES		
	Size (Rs.Crs)	% GR	Size (Rs.Crs)	% SHARE	% GR
Therapy Market Segment					
Cardiac Care	5884	8.9	353	6.0	6.1
Anti-Infectives	9423	0.6	120	1.3	8.6
Neuro-Psychiatry	2483	8.6	93	3.7	5.4
Gastroenterologicals	4558	4.1	85	1.9	11.3
Musculosketals	3217	5.3	27	0.8	13.8
Anti Diabetic	2465	13.9	26	1.1	8.9
Respiratory	1242	8.3	20	1.6	-9.8
Nutraceuticals	3645	3.7	15	0.4	-4.0
Dermatologicals	1553	11.4	10	0.7	-17.0
Gynaecological	1764	5.5	5	0.3	74.2
Total	36234	5.4	756	2.1	6.5

Source: AWACS MAT Dec'13



MAT DEC'13	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	4451	12.7	1434	-1.6	264	5.9	10.5	88	6.1	-5.2
Anti-Infectives	7764	1.1	1659	-1.7	113	1.5	8.1	8	0.5	15.9
Neuro-Psychiatry	2321	9.3	162	-0.5	64	2.7	11.6	29	18.2	-5.9
Gastroenterologicals	4558	4.1			85	1.9	11.3			
Musculosketals	3182	5.3	35	4.9	26	0.8	15.5	1	4.0	-10.5
Anti Diabetic	2279	14.4	185	7.8	26	1.2	9.0	0	0.1	-13.6
Respiratory	1111	11.4	130	-12.6	15	1.4	-7.4	5	3.5	-17.1
Nutraceuticals	3645	3.7			15	0.4	-4.0			
Dermatologicals	1553	11.4			10	0.7	-17.0			
Gynaecological	1764	5.5			5	0.3	74.2			
TOTAL	32629	6.2	3606	-1.5	624	1.9	9.2	131	3.6	-4.9

Source: AWACS MAT Dec'13

QTR Oct-Dec'13	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	1172	13.4	343	-7.4	70	6.0	14.4	21	6.0	-11.0
Anti-Infectives	1985	-4.0	424	-6.7	32	1.6	10.6	3	0.6	44.3
Neuro-Psychiatry	596	6.1	38	-6.5	19	3.1	26.3	7	19.2	-7.9
Gastroenterologicals	1099	4.6			22	2.0	25.3			
Musculosketals	824	4.1	8	-0.4	8	1.0	27.1	0	4.6	4.8
Anti Diabetic	615	16.7	48	1.7	7	1.2	19.8	0	0.1	3.6
Respiratory	332	11.0	30	-28.4	4	1.3	-8.0	1	4.2	-17.3
Nutraceuticals	910	3.3			4	0.5	24.2			
Dermatologicals	413	11.1			3	0.7	2.8			
Gynaecological	432	5.3			1	0.3	52.2			
TOTAL	8378	4.8	892	-7.4	171	2.0	16.4	32	3.6	-7.5

Source: AWACS Dec'13



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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