



## Press Release

### Strides Arcolab announces Q1 FY16 Results

**Q1 FY16 Pharma Revenues up 6% YoY at INR 2,761 Mn**

**Pharma EBITDA up 5% YoY at INR 572 Mn**

**EBITDA Margin at 21%**

**Mumbai, July 30, 2015: Strides Arcolab** (BSE: 532531, NSE: STAR) today announced its financial results for the quarter ending June 30, 2015 (FY16)

#### Consolidated Financial & Performance Highlights (Pharma & Biotech)

	Q1 FY15	Q1 FY16	INR Mn <i>Growth vs. Q1 FY15</i>
Revenues	2,596	<b>2,761</b>	6%
EBITDA	523	<b>533</b>	2%
<i>EBITDA %</i>	20%	<b>19%</b>	
PAT	190	<b>419</b>	120%
<i>EPS</i>	3.19	<b>7.02</b>	120%

Commenting on the results, Arun Kumar, Founder and Group CEO, stated “In version 2 of Strides, we focus on achieving key strategic and operational goalposts. Quarterly performance is not a guidance of near term financial results. We continue to ramp up R&D initiatives with the focus on building a disruptive model. Having stated that, Q1 FY16 was a challenging quarter for the business mainly led by a subdued performance in our emerging market operations in Africa.”

## Performance Highlights – Q1 FY16

### Global Pharma

	INR Mn		
	Q1 FY15	Q1 FY16	<i>Growth vs. Q1 FY15</i>
Revenues	2,596	2,761	6%
EBITDA	543	572	5%
<i>EBITDA %</i>	21%	21%	

- Q1 FY16 revenues at INR 2,761 Mn, growth of 6% YoY
- EBITDA for the quarter at INR 572 Mn, growth of 5% YoY. EBITDA margins consistent at 21%

### Pharma R&D and Regulatory Update

- R&D spend for Q1 FY16 at INR 86 Mn, against INR 56 Mn in Q1 FY15
- 34 cumulative ANDA filings (non-PEPFAR) with USFDA , 1 ANDA filing made during the quarter
- 17 ANDA filings pending approval from USFDA, 2 product approvals received during the quarter
- 18 cumulative PEPFAR filings with 17 tentative approvals

### Biotech

- R&D spend during the quarter at INR 40 Mn, against INR 20 Mn in Q1 FY15
- The two products that reached animal toxicity stage in last fiscal are on track to move into the next phase of development
- The bio-pharmaceutical manufacturing facility is now being constructed in India instead of Malaysia. The Karnataka State Government has allocated land for the purpose in Doddaballapur, Bangalore

## Revenue Composition by Business - Global Pharma

	Q1 FY15	Q1 FY16	YoY %	INR Mn Composition
Regulated Markets	884	899	2%	33%
Institutional Business	787	986	25%	35%
Emerging Markets	925	877	-5%	32%
<b>Total Revenues</b>	<b>2,596</b>	<b>2,761</b>	<b>6%</b>	<b>100%</b>

### Regulated Markets

- Revenues at INR 899 Mn in Q1 FY16, representing 33% of total revenues
- Revenues grew 2% YoY to INR 899 Mn against INR 884 Mn in Q1 FY15
- North America front end operations delivered a strong quarter. Growth during the quarter impacted by lower revenues in Europe
- Received 2 product approvals during the quarter. Cumulative market size of approved products at US\$ 140 Mn

### Institutional Business

- Revenues at INR 986 Mn in Q1 FY16, representing 35% of total revenues
- Revenues grew 25% YoY to INR 986 Mn against INR 787 Mn in Q1 FY15
- Signed a sub-licensing agreement with the Medicines Patent Pool (MPP) to develop Dolutegravir (DTG) for treatment of HIV in developing countries

### Emerging Markets

- Revenues at INR 877 Mn in Q1 FY16, representing 32% of total revenues
- Revenues declined 5% YoY to INR 877 Mn in Q1 FY16 against INR 925 Mn in Q1 FY15
- Exchange rate volatility impacted demand for products during the quarter
- Initiated actions to improve ROE's for our channel partners by matching primary and secondary sales in our branded business

### Corporate Updates

#### Acquisition of generic pharmaceutical business in Australian business from Aspen

- Received no objection letter from Foreign Investment Review Board, Australia and Australian Competition & Consumer Commission
- Transaction expected to close in Q2 FY16



#### **Merger with Shasun Pharmaceuticals Ltd**

- Received approvals from Hon'ble High Court of Madras
- Awaiting approvals from FIPB and Hon'ble High Court of Bombay
- Transaction expected to close in Q2/Q3 FY16

#### **About Strides Arcolab**

Strides Arcolab, listed on the Bombay Stock Exchange Limited (532531) and National Stock Exchange of India Limited (STAR), is a global pharmaceutical company headquartered in Bangalore, India that develops and manufactures a wide range of IP-led niche pharmaceutical products. The Company has 8 manufacturing facilities and presence in more than 85 countries in developed and emerging markets. Additional information is available at the Company's website at [www.stridesarco.com](http://www.stridesarco.com).

#### **For further information, please contact:**

<p><b><u>Strides</u></b></p> <p>Badree Komandur, CFO +91 80 6784 0747</p> <p><b><u>Investors:</u></b></p> <p>Kannan. N: +91 98450 54745 Vikesh Kumar: +91 80 6784 0827 Sandeep Baid : +91 80 6784 0791</p>	<p><b><u>PR Consultancy</u></b></p> <p><b>Fortuna PR</b> K Srinivas Reddy: +91 9000527213 srinivas@fortunapr.in</p> <p>K Priya: +91 9535425418 priya@fortunapr.in</p>
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