

SeQuent Scientific Announces FY17 Financial Results

Q4FY17 marks return to profitability

FY17 Revenues at Rs. 9,151 mn up 47%, EBITDA at Rs. 881mn, up 60%

Mumbai, May 23, 2017 SeQuent Scientific Limited (SeQuent), a leading Integrated Pharmaceutical Company with business across Animal Health (Alivira), Niche Human APIs & Analytical Services today announced its financial results for the fourth quarter (Q4FY17) and full year ended March 31, 2017 (FY17)

Highlights

- Alivira emerges as India's **Largest** animal health company within 3 years of operations
- Alivira houses **1st US FDA** approved Animal Health API facility in India
- Q4FY17 marks return to **profitability**

Q4FY17 vs Q4FY16*

- Revenue at Rs. **2,544 mn** as against **Rs. 1,570 mn** in Q4FY16, up by **62%**
- EBITDA at **Rs. 368 mn**, as against **Rs. 83 mn**, up by **343%**
- EBITDA margin at **14.5%** in Q4FY17, an increase of **920 bps**
- **Net Profit** from continuing operations at **Rs. 167 mn**, as against **Net Loss** of **Rs. 162 mn** in Q4FY16

**excluding Women Health (NAARI)*

FY17 vs FY16*

- Revenue at **Rs. 9,151mn** as against **Rs. 6,214 mn** in FY16, up by **47%**.
- EBITDA at **Rs. 881 mn** as against **Rs. 552 mn** in FY16, up by **60%**
- EBITDA margin at **9.6%** as against **8.9%** in FY16, improvement of **70 bps**
- EBITDA impacted by **Rs. 137 mn** due to depreciation of Turkish Lira against USD
- **Net Profit** from continuing operations at **Rs. 11 mn** as against a **Net loss** of **Rs. 180 mn** in FY16

**excluding Women Health (NAARI)*

*Commenting on the Company's performance, **Manish Gupta, Managing Director** said "The year marks an inflexion point in our quest towards establishing us as the first Global Integrated Animal Health Company from India. We believe that the promising Q4 FY 17 numbers, a quarter in which the Company returned to profitability, is beginning to reflect the impact of the strategic shift that we embarked upon a couple of years back.*

FY17 performance in which we reported over 60% growth with 70 basis point improvement in EBITDA margin, backed with our recent decision to become a pure-play animal health company and the USFDA approval for our Vizag plant gives us the confidence to deliver value to our stakeholders in the coming years."

Key Business Highlights

Alivira

- Vizag facility becomes India's **1st USFDA** approved Animal Health API facility
- Forayed into vaccines with IDT Biologika, Germany for marketing vaccines in India
- Successfully integrated operations of acquired businesses in Brazil (Evance), Spain & Mexico (Karizoo) and India (Lyka)
- Transitioned business in Turkey to new GMP regime

- Forayed into Ukraine and initiated product trials under the majority owned Joint Venture
- Expanded to 5 new countries taking the total footprint to 95+ countries
- Launched 3 new formulations in Europe & 28 products across other key markets

Regulatory Filings and approvals

- Filed 2 CEPs and 6 US VMFs for key APIs
- Received 20 product registrations in EU countries & 41 in emerging markets
- Filed 52 products in emerging markets

Human Health

- Successful EDQM inspection at our facility in Mahad
- Filings - 7 CEPs, 3 USDMFs, 1 WHO

Corporate Actions

During the quarter ended March 31, 2017, the Board of Directors of the Company approved the demerger of Human API Business and divestment of Women Healthcare business (NAARI) to focus on Alivira (Integrated Animal Healthcare business) for disproportionate value creation.

- Through a Composite Scheme of arrangement for De-merger of Human API business, the Commodity API business of Strides Shasun Limited (Strides) and Human API business of SeQuent will be demerged to Solara Active Pharma Sciences Limited (Solara) (previously known as SSL Pharma Sciences Limited) and the equity shares of Solara will be listed in the BSE Limited and the National Stock Exchange of India Limited. The Scheme envisages issue of 1(one) equity shares of Rs. 10/- each of Solara for every 25 (twenty-five) equity shares of Rs. 2/- each held by them in SeQuent. The Scheme is subject to statutory approvals including from the shareholders and creditors of SeQuent and Strides, Stock Exchanges where the shares of Strides and SeQuent are listed, the Securities and Exchange Board of India, National Company Law Tribunal and the Competition Commission of India.
- On the Divestment of NAARI business, the Company has sought and obtained shareholders' approval through postal ballot. The Company has entered into definitive agreements with the Buyer and the transaction is expected to close shortly.

About SeQuent Scientific Limited

SeQuent Scientific Limited (BSE-512529, NSE-SEQUENT) is an integrated pharmaceutical company with a global footprint, operating in the domains of Animal Health (Alivira), Human Health (API) and Analytical Services. Headquartered in Mumbai, India, SeQuent has nine manufacturing facilities based in India, Spain, Brazil and Turkey with approvals from global regulatory bodies including USFDA, EUGMP, WHO, TGA among others. For details, feel free to contact:

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