

SeQuent Scientific announces Q2FY16 Financial Results

Q2FY16 revenues at Rs 1586 million up by 47%, EBITDA at Rs.204 Million

Visakhapatnam, October 29, 2015: SeQuent Scientific Limited, a leading Integrated Pharmaceutical Company with business across Animal Health, Niche Human APIs & Analytical Services today announced its financial results for the second quarter and Half year ended 30th September 2015.

Financial Highlights

Q2FY16 (Quarter ended September 30, 2015)

- Operating revenue was **Rs.1586 million** as compared to **Rs.1078 million** in Q2FY15, up by **47%**
- EBITDA at **Rs.204 million** as compared to negative EBITDA of **Rs.70 million** in Q2FY15
- EBITDA Margin at **13%** for Q2FY16
- Net profit of **Rs. 23 million**

H1FY16 (Half year ended September 30, 2015)

- Operating revenue was **Rs.3070 million** as compared to **Rs.2206 million** in H1FY15, up by **39%**
- EBITDA at **Rs.393 million** as compared to **Rs.4 million** in H1FY15
- EBITDA Margin at **12.6%** as against **0.2%** in H1FY15

Commenting on the Company's performance for Q2/H1FY16, Manish Gupta, Managing Director said, "We are pleased to report that the strategic direction undertaken since last two years have now started reflecting in the operational and financial performance. The acquisition of Lyka's animal health business will add significant business value to our growing cattle business presence in India. We remain buoyant about our business going forward".

Business Review & Strategy

- Successful inspection and approval of Provet's manufacturing facility from Turkish authorities under new EU- GMP guidelines
- Robust performance in cattle business in India with 43% growth during the period under review
- Fully operationalized Vizag facility (Veterinary APIs)
- Filed 3 additional DMFs
- Opened a new GLP (Good Laboratory Practices) compliant Analytical Services Centre at Bengaluru to enable company's offer a wider range of therapies including Beta Lactam and Hormones.

Corporate Actions

- Alivira Animal Health Limited (Alivira), a subsidiary of SeQuent acquired the Animal Health Business of Lyka Exports Limited on a 'going concern basis'. In FY15, Lyka's animal health business registered a topline close to INR 235 million with EBITDA margins in the range of 12%. The business is growing by over 30% in the ongoing financial year (FY16). The acquired business will strengthen the Company's portfolio in cattle and dairy segment and will complement the existing India formulations business.

- During the previous Quarter, the Board approved buyout of entire minority interest in Alivira, a subsidiary of the Company. Post such acquisition; Alivira will become a wholly owned subsidiary of the Company, which will enable consolidation of 100% of the animal health business. Towards the same, the Company has completed the buy-out of shares held by Devicam Capital LLP in Alivira during the quarter. The acquisition of shares from Unit Trust of India Investment Advisory Services Limited A/c Ascent India Fund III is pending for FIPB approval.

Stock Split

The Board of Directors approved the sub-division (split) of one equity share of the Company having a face value of Rs. 10/- each into five equity shares of face value of Rs. 2/- each. The sub-division of shares will be subject to approval by the shareholders of the Company and any other statutory and regulatory approvals.

Upgrade in Credit rating

During the quarter, ICRA Ratings has upgraded the Company's credit rating by four notch, as under:

- The long-term rating has been upgraded from [ICRA] BB (pronounced ICRA double B) to [ICRA] BBB+ (pronounced ICRA triple B plus), The outlook on the long-term rating is stable.
- The short-term rating has been upgraded from [ICRA] A4+ (pronounced as ICRA A four plus) to [ICRA] A2+ (pronounced as ICRA A two plus).

About SeQuent Scientific Limited

SeQuent Scientific Limited (BSE-SEQUENT/512529) is an integrated pharmaceutical company with a global footprint, operating in the domains of Animal Health (API and formulation), Human Health (API) and Analytical Services. Headquartered in Mumbai, India, SeQuent has seven manufacturing facilities based in India and Turkey with approvals from global regulatory bodies including USFDA, EUGMP, WHO, TGA among others. SeQuent 's Animal Health business is operated through its subsidiary Alivira Animal Health Ltd and SeQuent is poised to emerge as a global powerhouse in animal health business, built on a platform of superior quality and compliance.

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