

SeQuent Scientific Announces Q2 FY20 Financial Results

Q2 FY20 - EBITDA up 18% with 40% growth in PAT

H1 FY20 - EBITDA up 34% with 77% growth in PAT

Mumbai, November 13, 2019

SeQuent Scientific Limited (SeQuent), which has businesses across Animal Health (Alivira) & Analytical Services today announced its financial results for the quarter ended September 30, 2019.

Consolidated Financial Highlights

	Rs. in millions					
	Q2 FY20	Q2 FY19	Growth (%)	H1 FY20	H1 FY19	Growth (%)
Revenues	2,842	2,517	12.9%	5,622	4,869	15.5%
EBITDA	378	320	18.2%	763	570	34.0%
EBITDA %	13.3%	12.7%	60bps	13.6%	11.7%	190bps
PAT	213	152	39.7%	328	185	76.9%

Detailed presentation on the performance forms part of this press release.

Commenting on the Company's performance, **Manish Gupta, Managing Director** stated *"The second quarter of FY20 was significant in our strategic journey as we continue to focus and invest significant resources in developing a regulated market pipeline and strengthening the global leadership team. To this end, our new, state-of-art R&D facility is now functional at Ambarnath in Mumbai. On the leadership side, we hired a US business head to drive commercialization strategy in the region while the German injectable operations team has a new manufacturing head capable of leading and executing the planned 4x increase in capacity.*

Operationally, we delivered steady performance in a challenging economic environment. We remain on target to meet our full year aspirations."

Earnings Call with Investors

The Company will conduct an Earnings call at **3:00 PM IST on November 13, 2019** where the Management will discuss the Company's performance and answer questions from participants. To participate in this conference call, please dial the numbers provided below ten minutes ahead of the scheduled start time. The dial-in numbers for this call are **+91 22 6280 1263 or +91 22 7115 8213**.

About SeQuent Scientific Limited

SeQuent Scientific Limited (BSE-512529, NSE-SEQUENT) headquartered in Mumbai, India with a global footprint, operates in the domains of Animal Health (Alivira) and Analytical Services. SeQuent has eight manufacturing facilities based in India, Spain, Germany, Brazil and Turkey with approvals from global regulatory bodies including USFDA, EUGMP, WHO, TGA among others. Its Vizag facility is India's first and only USFDA approved facility for veterinary APIs.

For details, feel free to contact:

Tushar Mistry

Chief Financial Officer

Tel: +91 22 4111 4717

tushar.m@sequent.in

Diwakar Pingle

Christensen Investor Relations

Tel : +91 22 4215 0210

dpingle@christensenir.com

Registered Office

301/A, 'Dosti Pinnacle', Plot No. E7, Road No. 22,
Wagle Industrial Area, Thane (W), Maharashtra, India

CIN: L99999MH1985PLC036685

BSE Code:512529 | NSE: SEQUENT

ISIN: INE807F01027 | REUTERS: EQU.BO

Websites: www.sequent.in

Abhishek Singhal

Investor Relations Consultants

abhishek.s@sequent.in

Certain statements in this document that are not historical facts are forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local, political or economic developments, technological risks, and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. SeQuent Scientific Ltd. will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

AMBITION



EXECUTION

Earnings Presentation

Q2 & H1 FY20

November 13, 2019

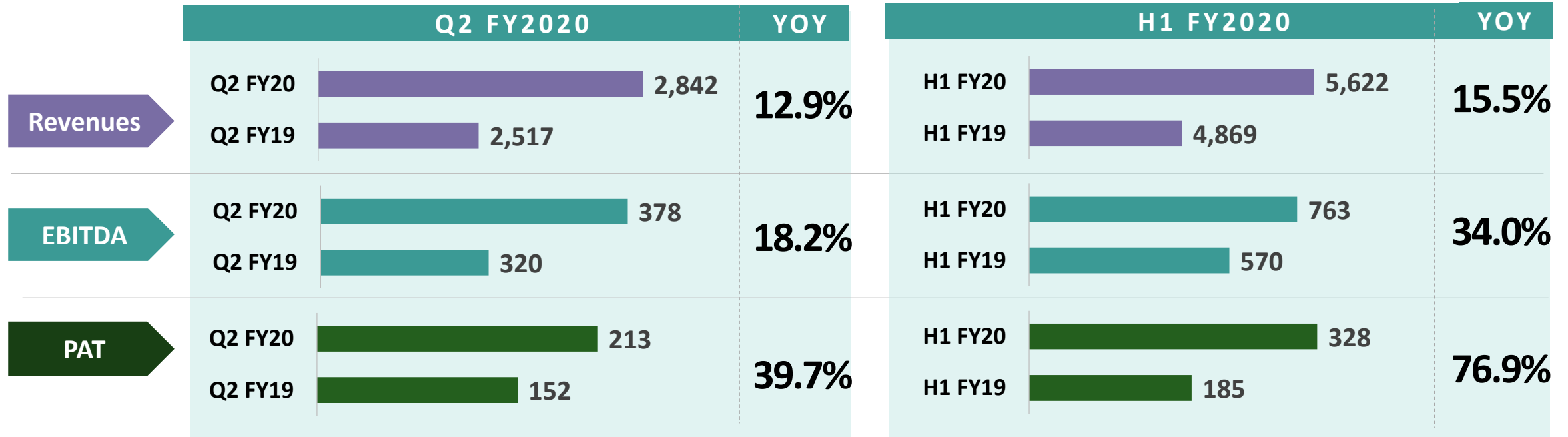


Except for the historical information contained herein, statements in this presentation and the subsequent discussions, which include words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", seek to", "future", "objective", "goal", "likely", "project", "should", "potential", "will pursue", and similar expressions of such expressions may constitute "forward-looking statements". These forward looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, obtain regulatory approvals, our provisioning policies, technological changes, investment and business income, cash flow projections, our exposure to market risks as well as other risks. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

Q2 & H1 FY20 Performance Review



Steady performance



“ The second quarter of FY20 was significant in our strategic journey as we continue to focus and invest significant resources in developing a regulated market pipeline and strengthening the global leadership team. To this end, our new, state-of-art R&D facility is now functional at Ambernath in Mumbai. On the leadership side, we hired a US business head to drive commercialization strategy in the region while the German injectable operations team has a new manufacturing head capable of leading and executing the planned 4x increase in capacity.

Operationally, we delivered steady performance in a challenging economic environment. We remain on target to meet our full year aspirations.”

Manish Gupta, Managing Director

Steady performance across businesses

All values in ₹ Mn

Revenue Distribution	Q2 FY20	Q2 FY19	YoY%	YoY% (Constant currency)	H1 FY20	H1 FY19	YoY%	YoY% (Constant currency)
Formulations	1,869	1,777	5.2%	7.7%	3,743	3,526	6.2%	11.1%
Europe	844	902	(6.4%)	(2.5%)	1,726	1,829	(5.6%)	(2.6%)
Turkey	325	224	45.1%	46.9%	668	470	42.2%	63.5%
Emerging Markets	429	402	6.7%	8.5%	837	771	8.5%	9.7%
LATAM	271	249	8.6%	8.4%	512	456	12.3%	14.8%
APIs	973	740	31.6%	30.8%	1,880	1,343	40.0%	36.9%
Global Sales	2842	2,517	12.9%	14.5%	5,622	4,869	15.5%	18.2%

Key Highlights

- Global sales grew 18% during H1 FY20 on constant currency (cc)
 - As guided, API continues to outpace formulation growth in near term registering growth of 37% (cc)
 - Formulation grew 11% (cc) in H1, growth impacted by decline in EU sales (owing to supply chain challenges, now resolved)

Q2 & H1 FY20 Business Review



APIs

Scaling the capability curve

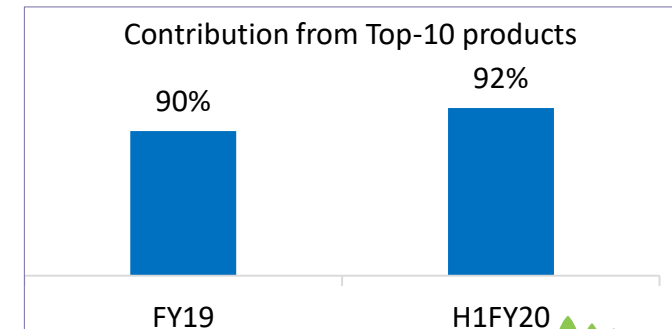
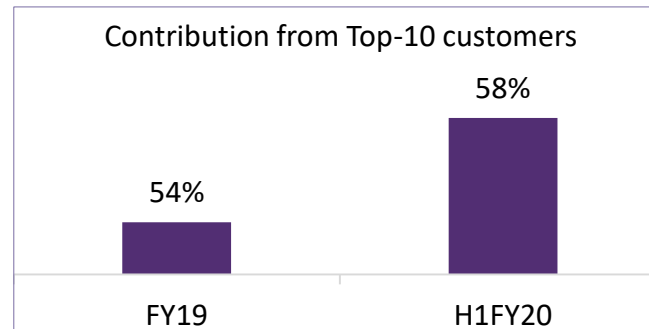
Revenues in ₹ Mn

H1 FY20	H1 FY19	YoY% (cc)
1,880	1,342	36.9%

26 Commercial APIs	18 US filings/ approvals*	11 CEP filings	14+ Pipeline
------------------------------	--	--------------------------	------------------------

Highlights

- ✓ Robenacoxib (NSAID) VMF filed with USFDA (1st VMF filer)
- ✓ Vizag facility received WHO – GENEVA approval
- ✓ Focus on regulated markets/customers and high value products continues to drive up fixed asset turn for the business, now exceeds 2.0x



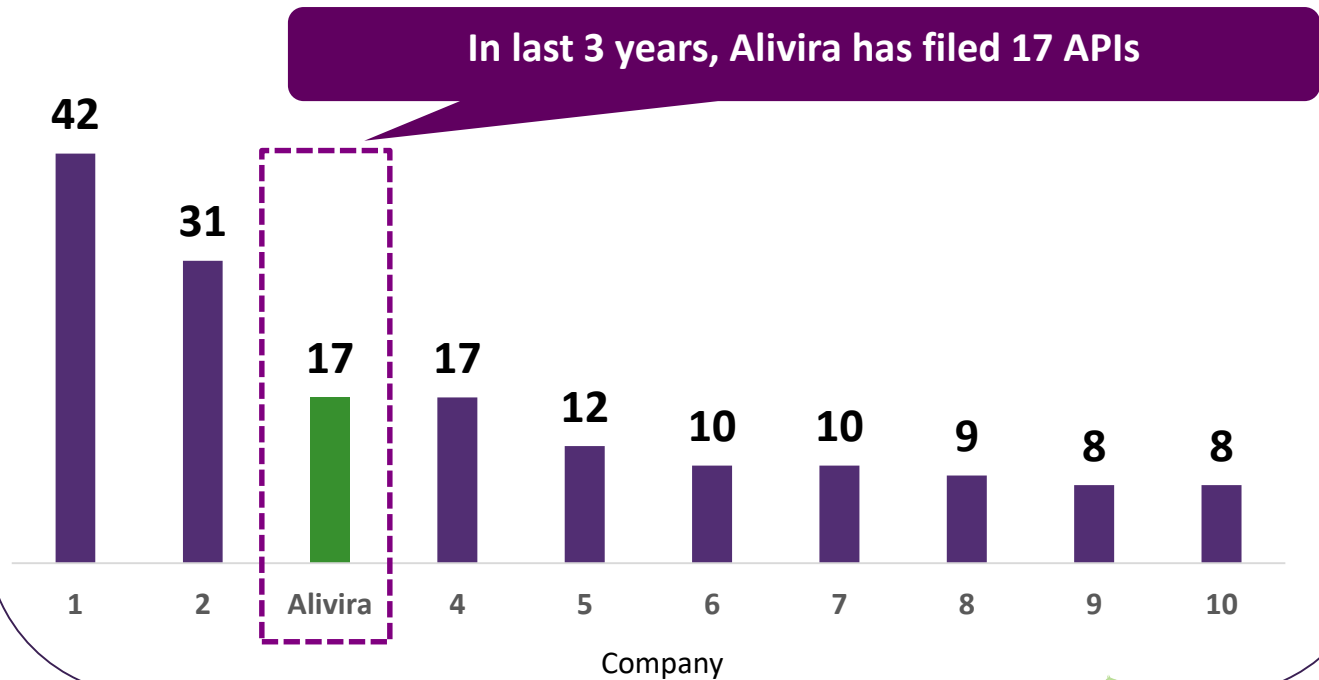
*Filed/Approved: 17 VMFs and 1 DMF in US

Alivira amongst 'Top 3' US FDA VMF Filers

Alivira is the # 1 Generic Animal Health USVMF Filer and # 3 Global Animal Health USVMF filer

US Veterinary Master File

USFDA 2019, 3rd Quarter update



Strategic product selection

API Filings	Competition
5	Alivira only
7	< 3 competitors
5	5+ competitors

Formulations

Value creation

Revenues in ₹ Mn

H1 FY20	H1 FY19	YoY% (cc)
3,743	3,526	11.1%

35+

Products Under Development

80+

Countries with marketing presence

1000+

FDFs

50+%

Sales to regulated markets

Highlights

- ✓ Turkey back on track; grew 63.5% in 1H on cc – Lira volatility impacted reported growth
- ✓ EU performed below expectations with a decline of 2.6% in 1H on cc
 - ✓ Impacted by supply chain challenges (now resolved) and uncertainty over Brexit
- ✓ Filed world's largest animal injectable product in EU from our facility in Germany
- ✓ LATAM grew mid-teens with both Brazil and Mexico witnessing steady growth
- ✓ Emerging markets grew by 9.7% in 1H on cc
 - ✓ India dragged performance in EM, due to overall slowdown
 - ✓ EM ex-India reported healthy double-digit growth

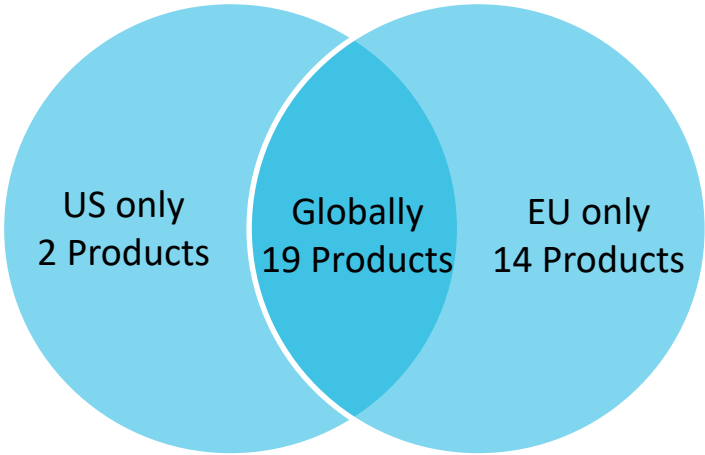
Scaling value curve

API

Pipeline	US filed / approved	EU-CEP approvals
14+	18	10

- ✓ Filed Robenacoxib API during the quarter, making Alivira the only VMF filer

Formulations



- ✓ R&D facility is now functional in Mumbai (Ambarnath) to build regulated market pipeline
- ✓ 10 new filings in US in next 3 years
- ✓ Developed capabilities to execute ecotoxicity studies and Bio Equivalence studies in India - 30%+ cost reductions
- ✓ On-track for first US injectable filing in Q4 FY20

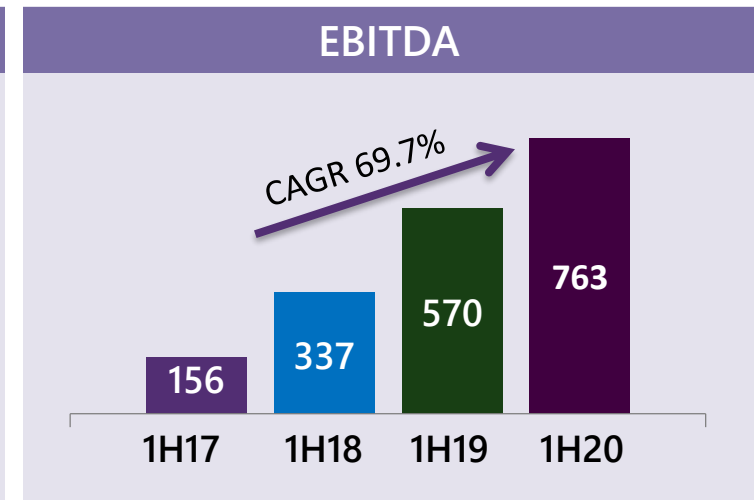
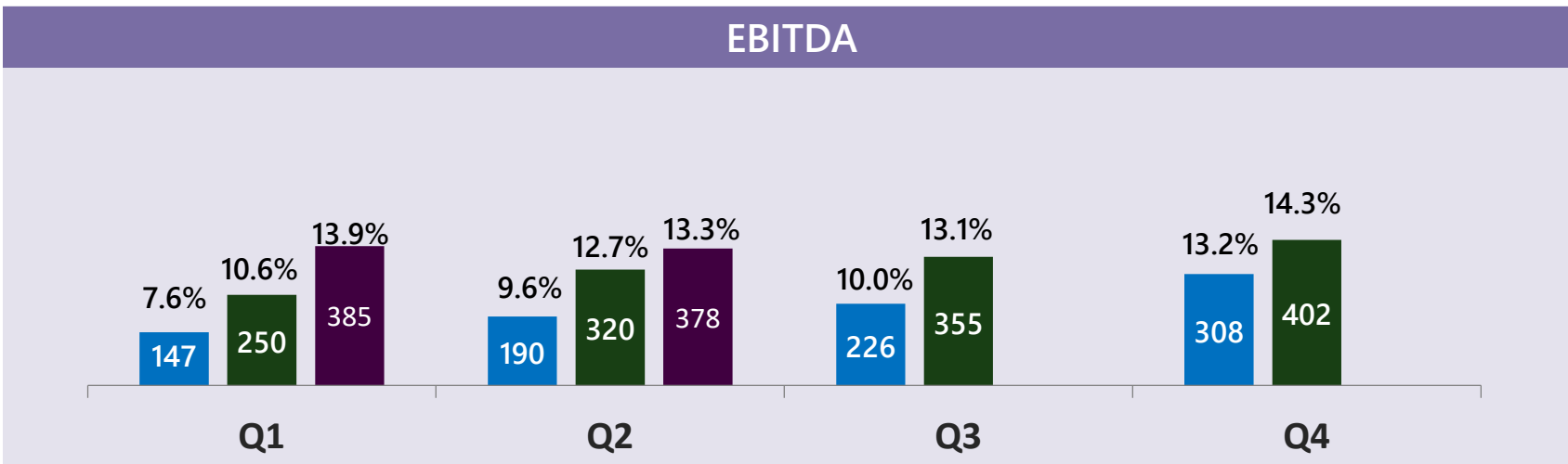
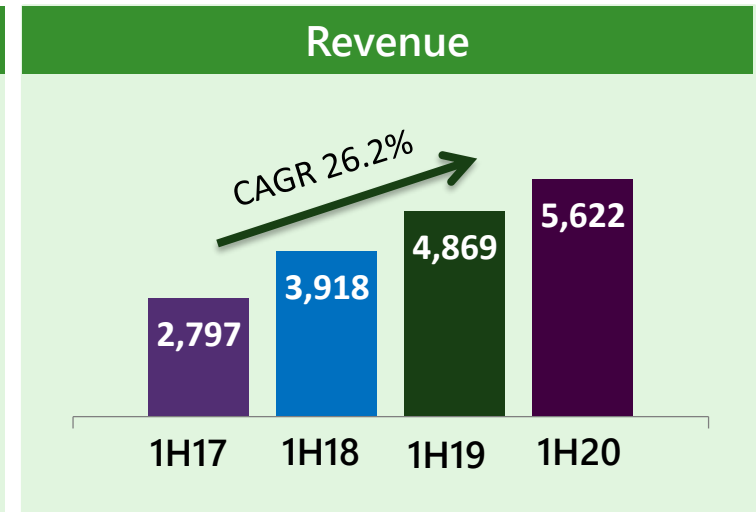
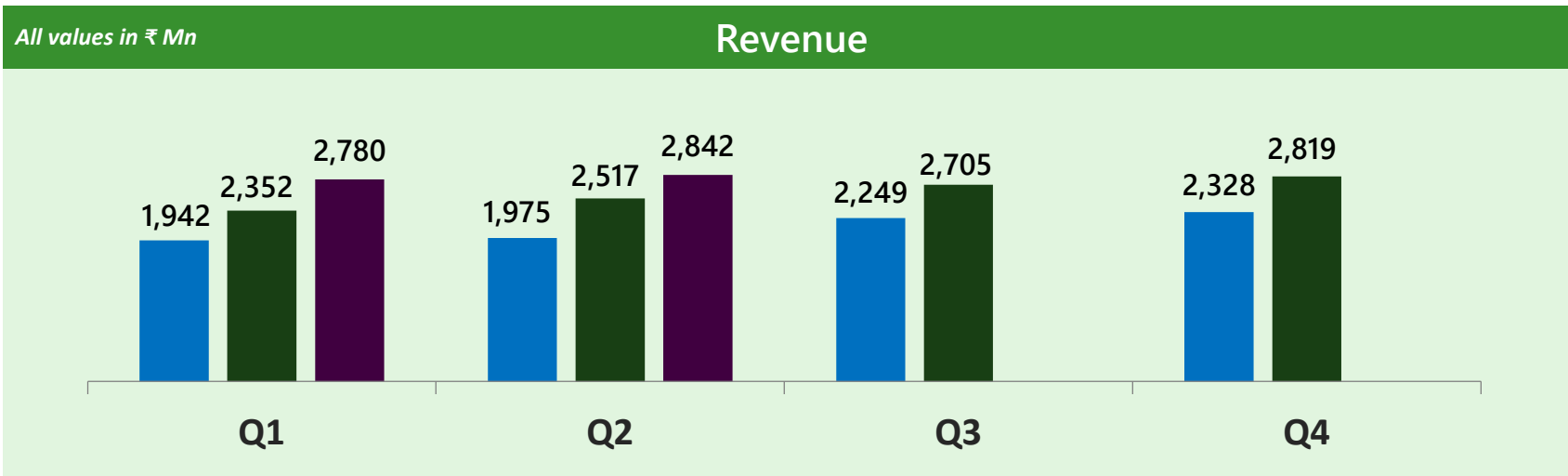
Filed world's largest animal injectable product in EU with an addressable global market of ~USD 300mn

Financials

Sequent
Proven Ability In Life Sciences



Relentless Execution



■ FY18
 ■ FY19
 ■ FY20

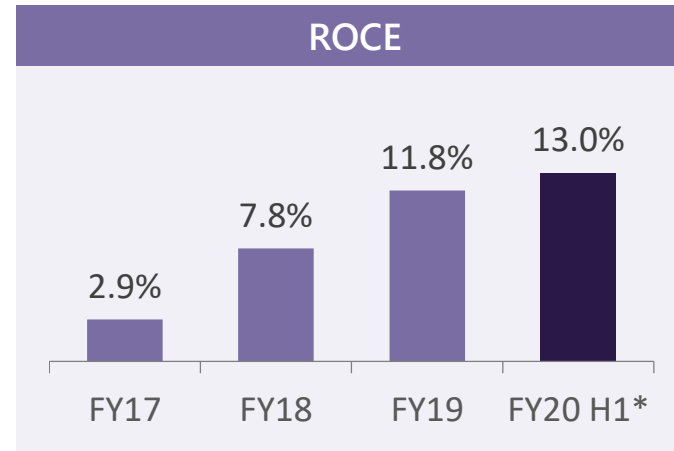
Consolidated Financials

PARTICULARS	Q2 FY20 Unaudited	Q1 FY20 Unaudited	Q2 FY19 Unaudited	H1 FY20 Unaudited	H1 FY19 Unaudited	FY19 Audited
Revenue from Operations	2,842	2,780	2,517	5,622	4869	10,393
Material Consumption	(1,508)	(1,431)	(1,311)	(2,939)	(2575)	(5,430)
Gross Margin	1,335	1,349	1,207	2,684	2293	4,963
%	47.0%	48.5%	47.9%	47.7%	47.1%	47.8%
Operating Expenses	(957)	(964)	(887)	(1,921)	(1723)	(3,635)
EBITDA	378	385	320	763	570	1,327
%	13.3%	13.9%	12.7%	13.6%	11.7%	12.8%
Exchange Gain / (Loss)	(6)	(1)	(42)	(7)	(67)	(77)
Other Income	60	13	24	73	43	87
Finance Cost	(78)	(90)	(78)	(168)	(156)	(328)
Depreciation	(125)	(120)	(102)	(245)	(198)	(419)
Earnings Before Tax	228	188	122	416	191	589
Taxes	16	(35)	33	(19)	9	(20)
Earnings After Tax	245	153	155	398	200	569
Minority Interest	32	38	3	70	15	82
Earnings after Minority Interest	213	115	152	328	185	487

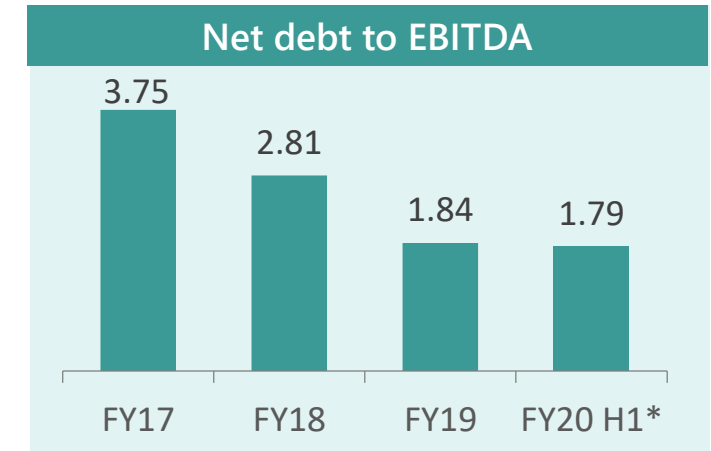
Key Balance Sheet items

All values in ₹ Mn

Particulars	Sep-19	Jun-19
Shareholders' funds	6,878	6,931
Minority Interest	401	406
Net Borrowings	2,736	2,571
Investments	1,226	1,569
Tangible Assets [#]	3,555	3,584
Intangible Assets [#]	2,777	2,745
Working Capital	3,208	2,843



*H1 Annualised



Highlights

- Operating leverage continues to drive ROCEs higher
- Net Debt to EBITDA continues to decline and now at 1.8
- Working Capital reflects improved performance in Brazil & Turkey and inventory built-up for enhanced H2 in key geographies

[#] Lease assets under Ind (AS) showed as Intangible assets in Jun-19 presentation has now been reclassified as Tangible assets

FY20 Outlook

Sequent
Proven Ability In Life Sciences



Remain confident on achieving FY20 outlook



FY20 Outlook

- High-teen revenue growth
- 200+ bps margin expansion



H1 FY20 status

- Revenue up 15.5%
- EBITDA expansion 190 bps YoY



Thank You

SeQuent Scientific Limited

CIN: L99999MH1985PLC036685

Registered Office: 301, 3rd Floor, Dosti Pinnacle, Plot No. E7, Road No. 22, Wagle Industrial Estate, Thane (W) - 400 604, Maharashtra
Tel No: +91 22 4111 4777 | Website: www.sequent.in | E-mail id: info@sequent.in



For details, feel free to contact:

Tushar Mistry

Chief Financial Officer

+91 22 4111 4717

✉ tushar.m@sequent.in

Diwakar Pingle

Christensen Investor Relations

+91 22 4215 0210

✉ dpingle@christensenir.com

Abhishek Singhal

Investor Relations Consultant

✉ abhishek.s@sequent.in

Registered Office: 301/A, 'Dosti Pinnacle', Plot No. E7, Road No. 22, Wagle Industrial Area, Thane (W), Maharashtra, India

Websites: www.sequent.in, www.alivira.co | CIN: L99999MH1985PLC036685 | BSE Code:512529 | NSE: SEQUENT | ISIN: INE807F01027

Certain statements in this document that are not historical facts are forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local, political or economic developments, technological risks, and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. SeQuent Scientific Ltd. will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

