

SeQuent delivers another year of mid-teen revenue growth & 200+ bps margin expansion

FY20 - EBITDA at Rs. 1,758 Million up by 32.5%,

Q4FY20 - EBITDA at Rs. 511 Million up 27.0%,

Mumbai, May 12, 2020

SeQuent Scientific Limited (SeQuent), which has businesses across Animal Health (Alivira) & Analytical Services today announced its financial results for the quarter ended March 31, 2020.

Consolidated Financial Highlights

	Rs. in millions					
	Q4 FY20	Q4 FY19	Growth (%)	FY20	FY19	Growth (%)
Revenues	3,006	2,819	6.6%	11,792	10,393	13.5%
EBITDA	511	402	27.0%	1,758	1,327	32.5%
EBITDA %	17.0%	14.3%	270bps	14.9%	12.8%	210bps
PAT	169	171	(1.6%)	699	487	43.7%

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

Commenting on the Company's performance, **Manish Gupta, Managing Director** stated "We are pleased with our performance in FY 20 despite the global headwinds, which reflects our unique business model and strong execution skills. This marks another year of mid-teen revenue growth and 210 bps EBITDA margin expansion, in line with our stated aspirations. Particularly noteworthy is our Q4 performance wherein the entire organization excelled in a very challenging environment and delivered our best quarter in terms of EBITDA and EBITDA margin.

We have now delivered 12 quarters of consistent performance with improvement across all financial parameters since becoming a pure-play animal health company in 2018.

The Carlyle Group's offer to acquire upto 74% of stake in Sequent marks a new beginning for us. We look forward to leverage Carlyle's global network and resources to further accelerate our quest to be amongst leaders in the Global animal health space. We at SeQuent, wish to thank our current promoters – Arun Kumar and K R Ravishankar for their unflinching support and confidence, which got us to the position we are in today."

Earnings Call with Investors

The Company will conduct an Earnings call at **3:00 PM IST on May 12, 2020** 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

Q4 & FY20

May 12, 2020



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.



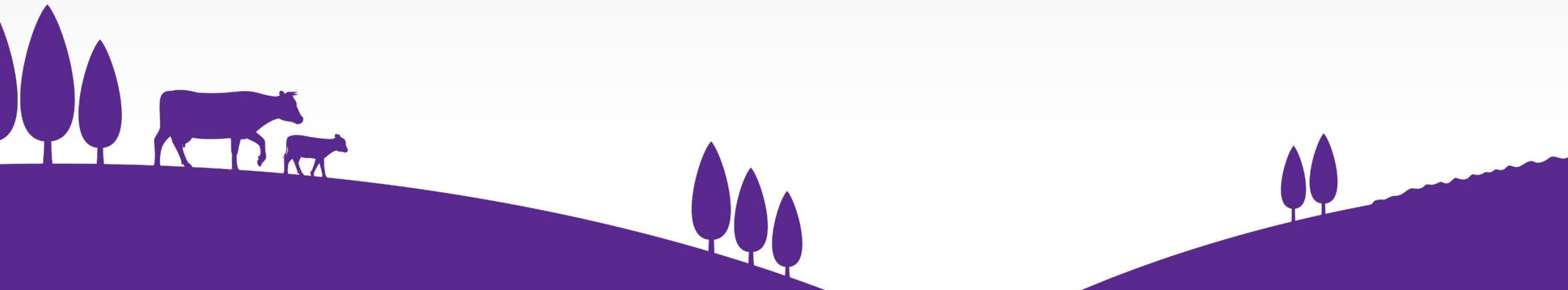
**Managing Director,
Manish Gupta**

“We are pleased with our performance in FY 20 despite the global headwinds, which reflects our unique business model and strong execution skills. This marks another year of mid-teen revenue growth and 210 bps EBITDA margin expansion, in line with our stated aspirations. Particularly noteworthy is our Q4 performance wherein the entire organization excelled in a very challenging environment and delivered our best quarter in terms of EBITDA and EBITDA margin.

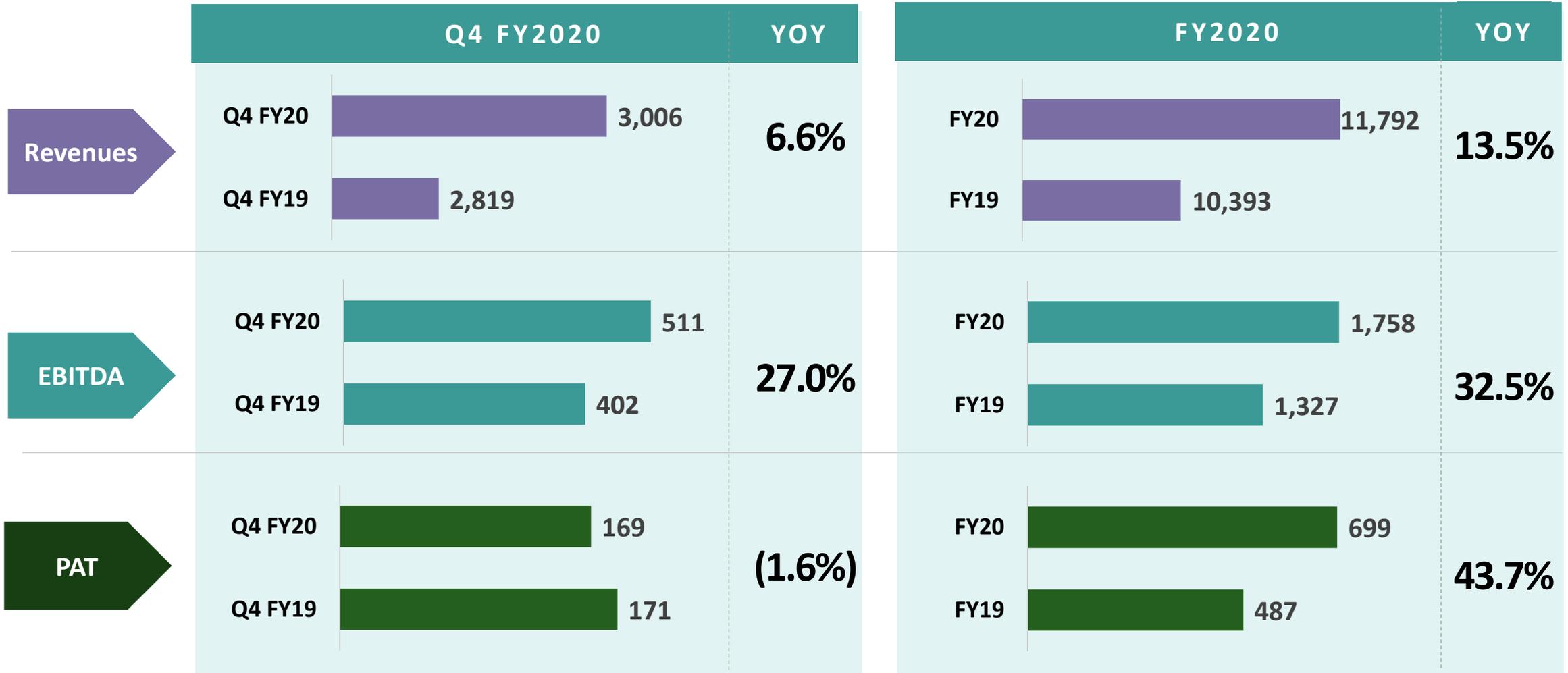
We have now delivered 12 quarters of consistent performance with improvement across all financial parameters since becoming a pure-play animal health company in 2018.

The Carlyle Group’s offer to acquire upto 74% of stake in Sequent marks a new beginning for us. We look forward to leverage Carlyle’s global network and resources to further accelerate our quest to be amongst leaders in the Global animal health space. We at SeQuent, wish to thank our current promoters – Arun Kumar and K R Ravishankar for their unflinching support and confidence, which got us to the position we are in today.”

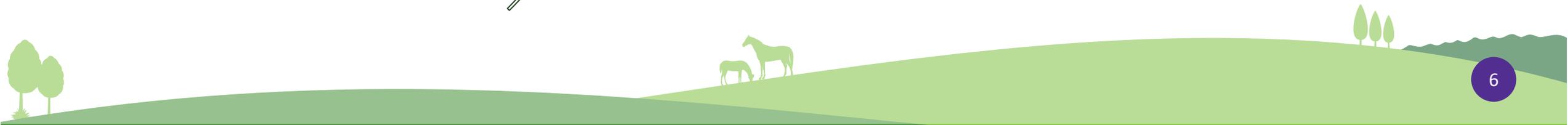
Q4 & FY20 Performance Review



Industry leading growth during the year



Alivira Wins at the IHS Animal Pharm 2019 Awards



Covid Impact & Our Response

- ✓ Animal health industry classified as an essential sector and so our business was largely unimpacted due to the Covid crisis
- ✓ Non-manufacturing and management staff worked from home; a robust Business Continuity Plan ensured business was smooth with minimal interruptions
- ✓ Plants across key geographies of Brazil, Spain and Turkey functioned to 90% capacity
- ✓ All plants operating under heightened care
 - ✓ Longer shifts, medical care and attention for each shift
 - ✓ Personalised attention to ensure attendance – transportation, food, family counselling etc.
- ✓ Supply chain team support ensured availability of materials despite logistical challenges
- ✓ Only sales worth Rs. 8.3 crores could not be recognized due to transportation related challenges in the initial period of lockdown
- ✓ India field operations streamlined for safety, field visits replaced by phone calls to customers
- ✓ International business and operations also continue with limited impact

Strong performance across businesses

All values in ₹ Mn

Revenue Distribution	FY20	FY19	YoY%	YoY% (Constant currency)	Q4 FY20	Q4 FY19	YoY%	YoY% (Constant currency)
Formulations	7,789	7,145	9.0%	14.1%	1,934	1,807	7.0%	12.1%
Europe	3,645	3,664	(0.5%)	2.2%	945	890	6.2%	6.5%
Turkey	1,435	962	49.3%	66.9%	389	333	16.9%	29.2%
Emerging Markets	1,608	1,583	1.6%	3.0%	298	349	(14.6%)	(13.4%)
LATAM	1,101	937	17.6%	25.7%	302	236	27.9%	46.6%
APIs	4,004	3,248	23.3%	21.2%	1,072	1,012	6.0%	2.2%
Global Sales	11,792	10,393	13.5%	16.4%	3,006	2,819	6.6%	8.5%

Key Highlights

- Global sales grew 16.4% for FY20
 - Constant currency formulations growth was 14.1%, led by strong growth across key markets of Turkey and LATAM
 - Supported by recovery in Europe in second half
 - APIs had another strong year with constant currency growth of 21.2%
 - Covid related shipping delays impact Rs. 8 crores sales in Q4

Note: All growth % are in constant currency

Operational excellence delivering growth in FY20

Revenues



₹11,792

Million

13.5%
YoY

EBITDA margin



14.9%

210bps
YoY

PAT



₹699

Million

43.7%
YoY

Cash from operations

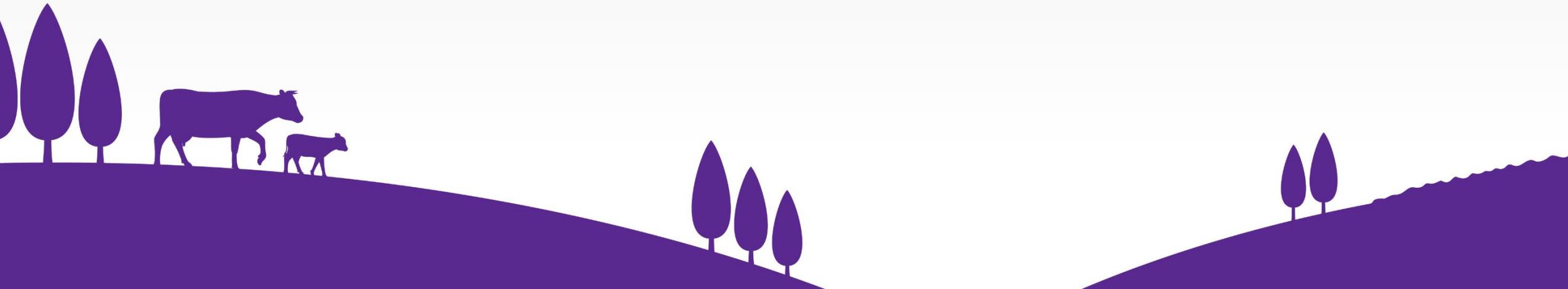


₹1,273

Million

10.3%
YoY

FY20 Business Review



APIs

Scaling the capability curve

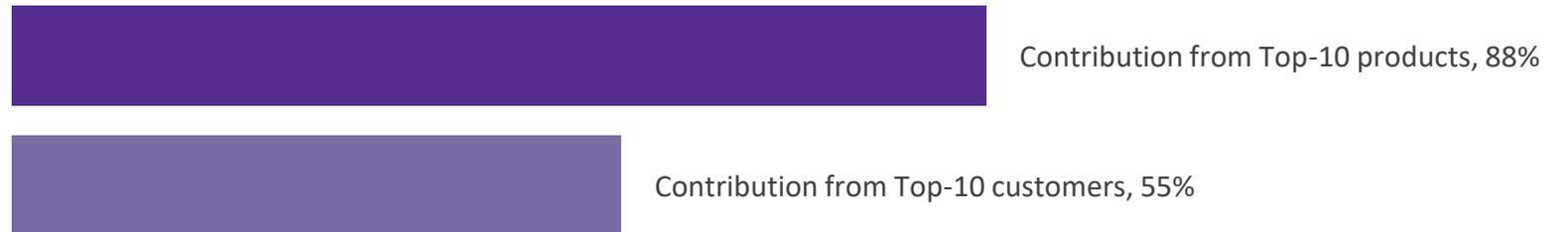
Revenues in ₹ Mn

FY20	FY19	YoY% (cc)
4,004	3,248	21.2%



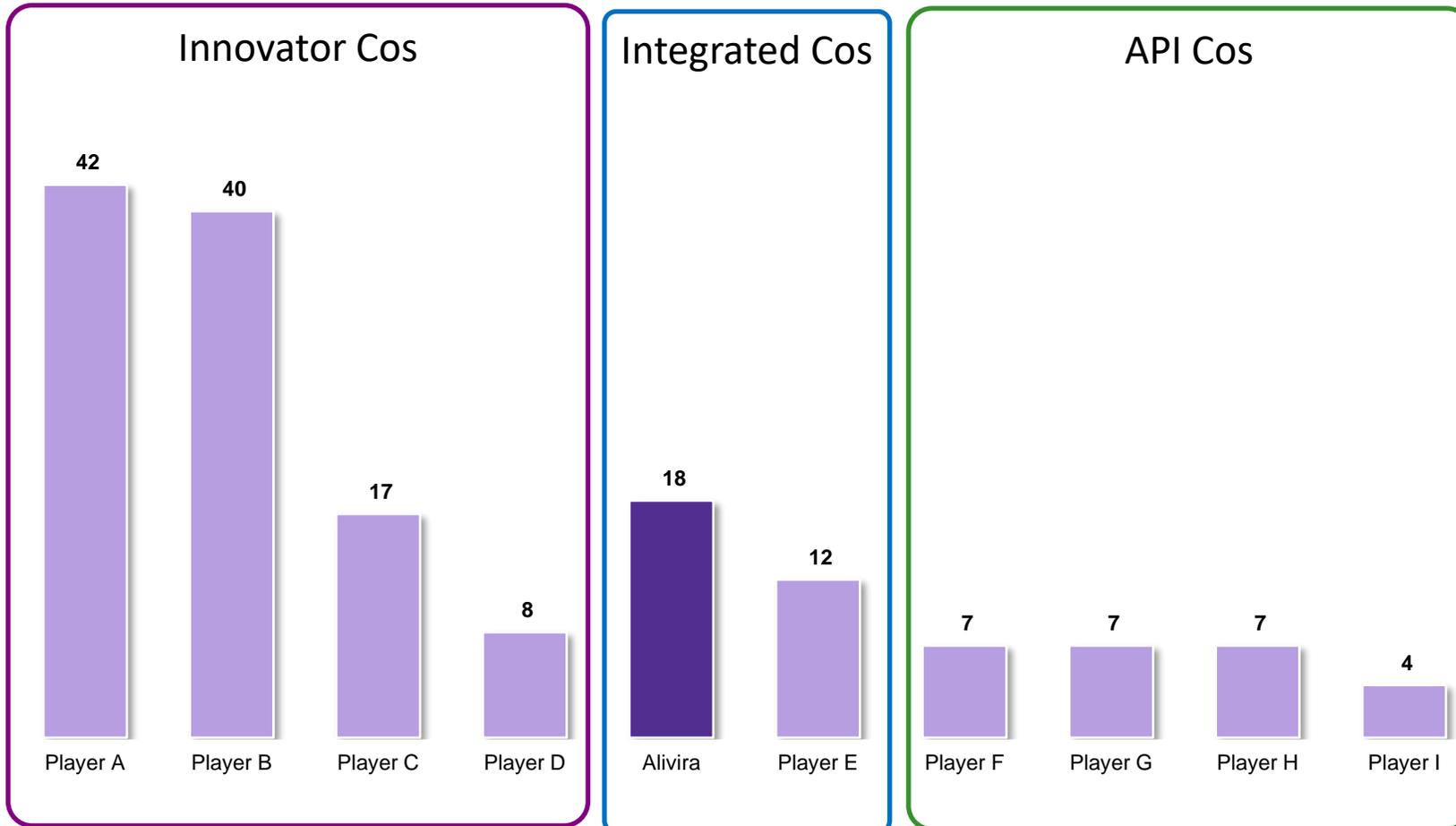
Highlights

- ✓ Focus on regulated markets/customers and high value products continues to drive up fixed asset turn for the business, now 2.5x for Q4 20 (annualised) and 2.4x for FY 20
- ✓ Alivira is the # 1 Generic Animal Health USVMF Filer and # 3 Global Animal Health USVMF filer



Alivira amongst 'Top 3' US FDA VMF Filers

US Veterinary Master File



Strategic product selection

API Filings	Competition
6	Alivira only
6	< 3 competitors
6	5+ competitors

Formulations

Value creation

Revenues in ₹ Mn

FY20	FY19	YoY% (cc)
7,789	7,145	14.1%

35+

Products Under Development

80+

Countries with marketing presence

1,000+

FDFs

50+%

Sales to regulated markets

Highlights

- ✓ EU grew 2.2% cc during the year, in line with the industry
 - ✓ H2 20 reported strong recovery with a 7% cc growth driven by nutrition business from Spain
 - ✓ Expect FY21 to be robust driven by launch of new injectable approval
- ✓ Regulatory headwinds completely behind in Turkey; revenue grew 66.9% cc in FY 20, steady growth expected in FY21
- ✓ LATAM grew 25.7% cc with both Brazil and Mexico robust growth, momentum to continue in FY21
- ✓ Emerging markets grew 3.0 % cc in FY 20
 - ✓ Performance dragged by weak macro environment, especially India
 - ✓ Maintain cautious approach in FY21 owing to uncertainty over collection



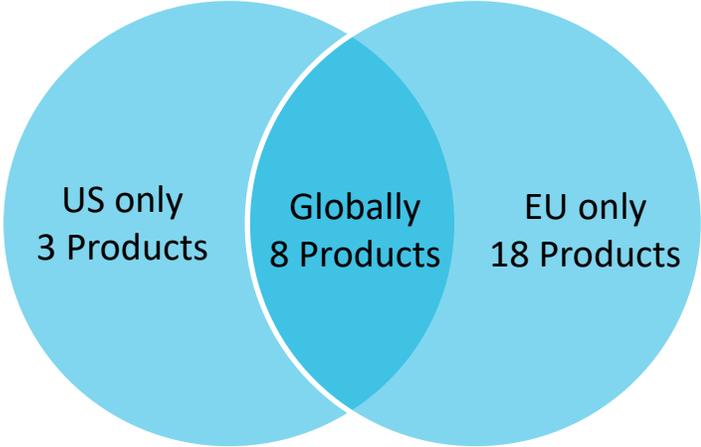
Scaling value curve

API

Pipeline	US filed / approved	EU-CEP approvals
14+	19	10

- ✓ Filed 2 Cox-2 inhibitor API in US making Alivira the only VMF filer

Formulations



- ✓ New multi-dosage R&D facility established in Mumbai to build regulated market pipeline
- ✓ 10 new filings in US in next 3 years
- ✓ First time capabilities established to execute Ecotoxicity and Bio Equivalence studies in India
- ✓ First US injectable filed in Q4 FY20 for world's largest animal health injectable product

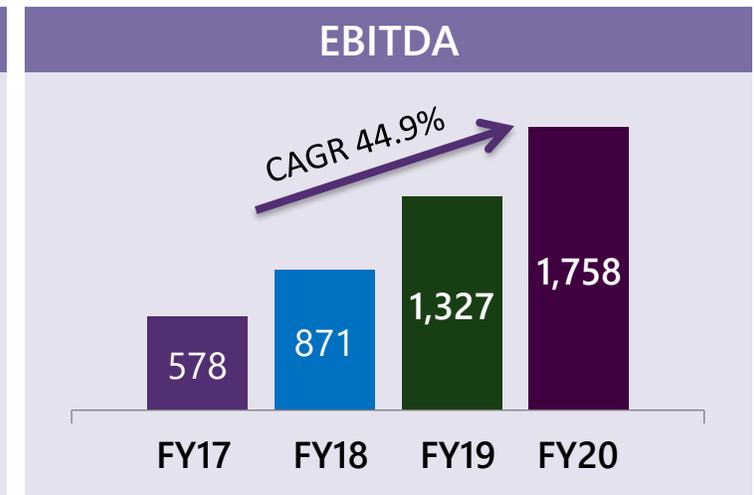
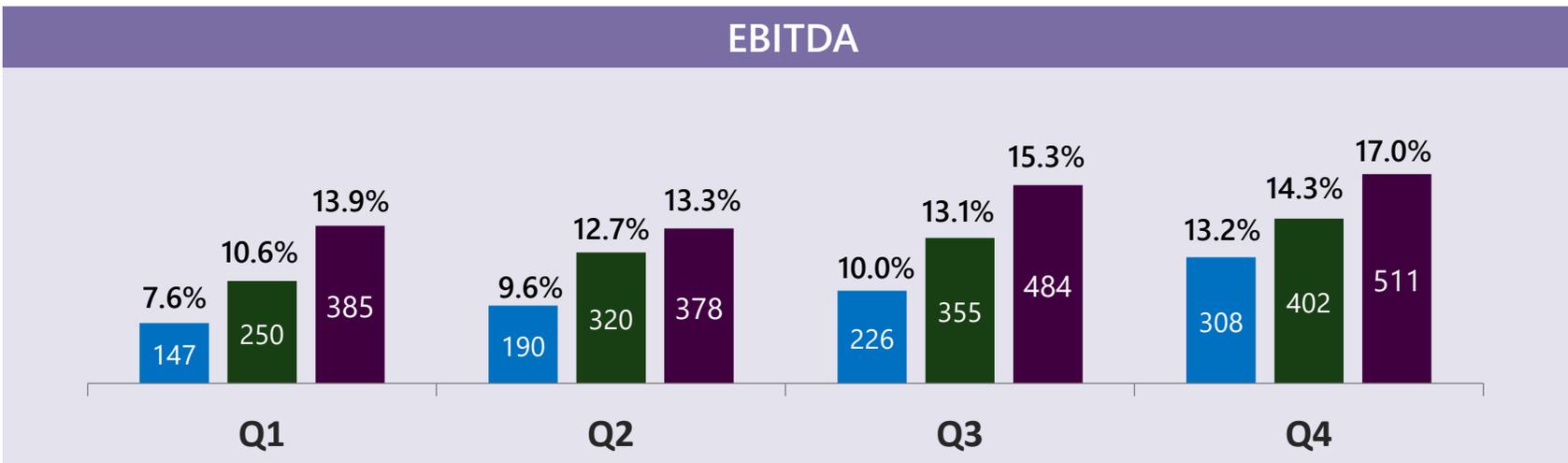
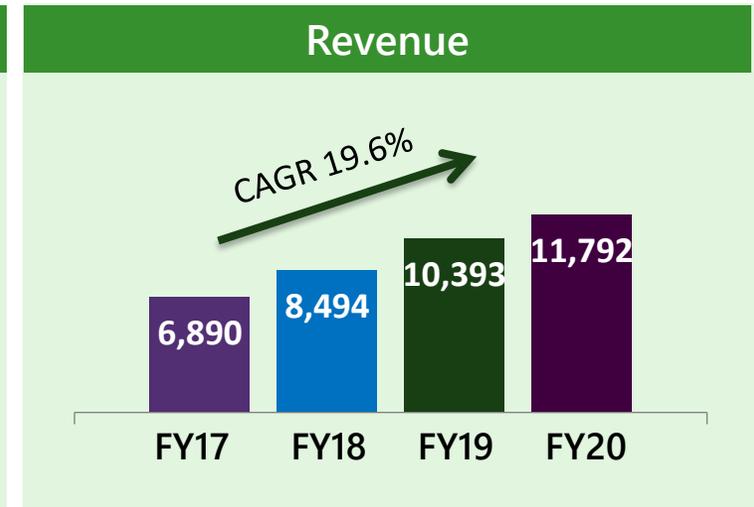
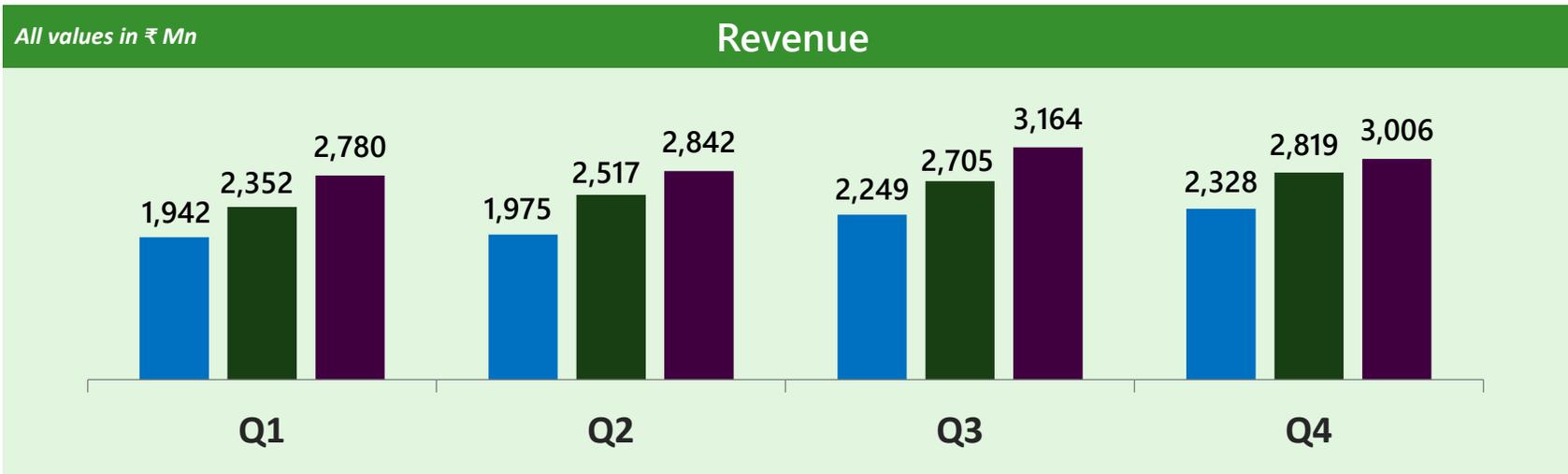
Filed world's largest animal injectable product in EU and US with an addressable global market of ~USD 350mn

Financials

Sequent
Proven Ability In Life Sciences



Delivering Consistently over 12 quarters



■ FY18 ■ FY19 ■ FY20

Consolidated Financials

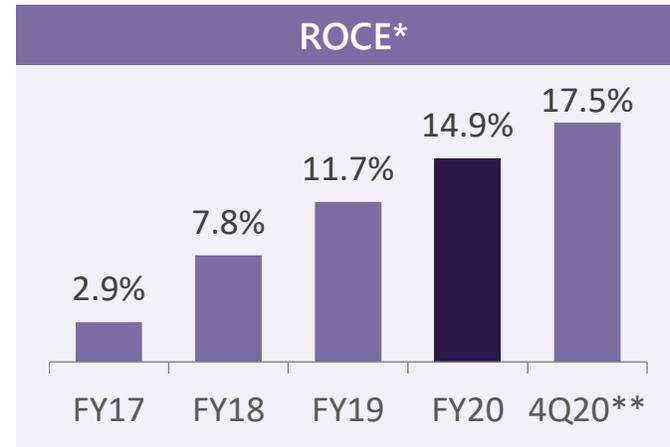
PARTICULARS	Q4 FY20 Audited	Q3 FY20 Unaudited	Q4 FY19 Audited	FY20 Audited	FY19 Audited
Revenue from Operations	3,006	3,164	2,819	11,792	10,393
Material Consumption	(1,494)	(1,617)	(1,442)	(6,050)	(5,430)
Gross Margin	1,512	1,547	1,377	5,742	4,963
%	50.3%	48.9%	48.9%	48.7%	47.8%
Operating Expenses	(1,001)	(1,063)	(974)	(3,984)	(3,635)
EBITDA	511	484	402	1,758	1,327
%	17.0%	15.3%	14.3%	14.9%	12.8%
Exchange Gain / (Loss)	(64)	16	(12)	(55)	(77)
Other Income	18	10	24	101	87
Finance Cost	(93)	(96)	(89)	(357)	(328)
Depreciation	(131)	(131)	(109)	(506)	(419)
Earnings Before Tax	241	283	216	941	589
Taxes	(59)	(42)	(3)	(120)	(20)
Earnings After Tax	182	241	213	821	569
Minority Interest	14	38	42	121	82
Earnings after Minority Interest	169	203	171	699	487

The onset of Covid-19 in mid-Mar 2020 saw significant impact of almost 25% on two currencies - Brazilian Real and Mexican Peso's. While both countries operate on a dollar price list, the impact of which is prospective. However, such a change has an immediate impact on outstanding creditors related liability & most of the exchange impact mn is on that account

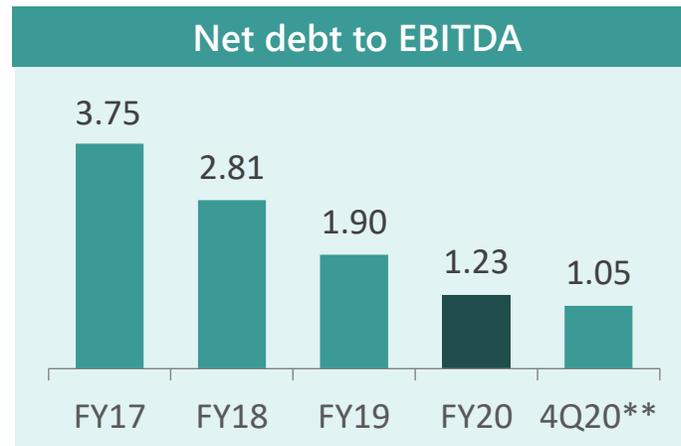
Key Balance Sheet items

All values in ₹ Mn

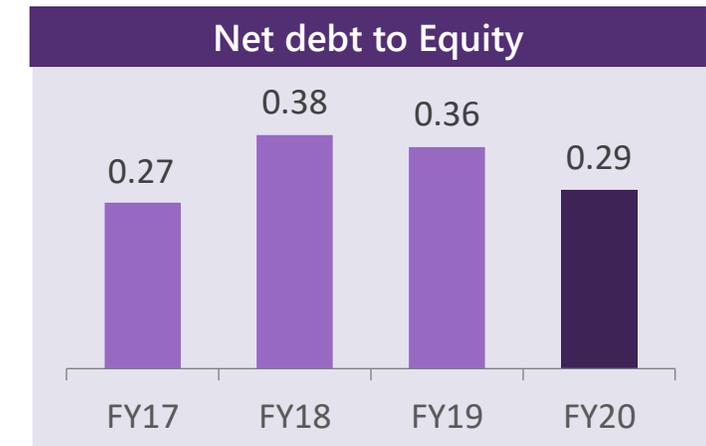
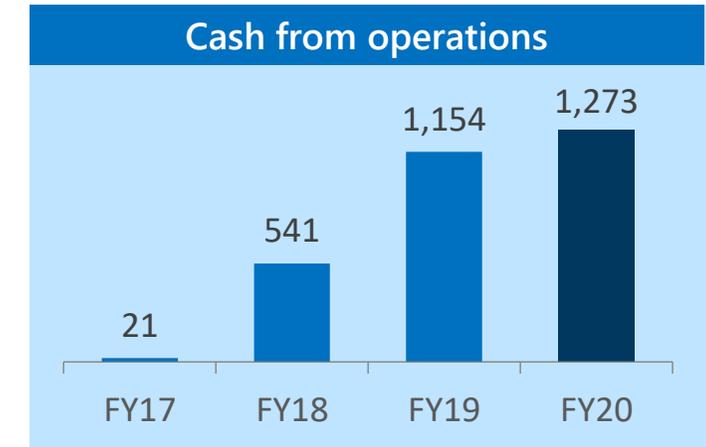
Particulars	Mar-20	Dec-19	Mar-19	Mar-18
Shareholders' funds	7,428	7,342	7,067	6,476
Minority Interest	447	428	403	370
Net Debt	2,155	2,340	2,532	2,451
Investments	1,313	1,440	1,797	2,217
Tangible Assets [#]	3,560	3,576	2,442	2,269
Intangible Assets	2,897	2,833	2,765	2,671
Working Capital	3,000	3,004	2,711	2,486



*Adjusted for investments



** Quarter Annualised



[#] Lease assets under Ind (AS) shown as Tangible assets

FY20 Delivering Outcome



FY20 Delivering on guidance



FY20 Outlook

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



FY20 status

- 13.5% revenue growth (16.4% cc)
- 210 bps margin expansion



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.

