

SeQuent Scientific Announces Q3 FY18 Financial Results

Q3FY18 Revenues at ₹2,241mn up by 7.2%, EBITDA at ₹226mn up by 14.1%
YTD FY18 Revenues at ₹6,324mn up by 29.4%, EBITDA at ₹564mn, up by 59.3%

Mumbai, February 9, 2018

SeQuent Scientific Limited (SeQuent), which has continuing businesses across Animal Health (Alivira) & Analytical Services today announced its financial results for the third quarter ended December 31, 2017 (Q3FY18).

Financial Highlights*

YTD 9M FY18 vs YTD 9M FY17

- Revenue at **₹6,324mn**, as against **₹4,887mn**, up by **29.4%**
- Operating EBITDA at **₹564mn**, as against **₹354mn**, up by **59.3%**
- Operating EBITDA margin at **8.9%**, as against **7.2%**, up by **170** basis points
- Foreign exchange loss of **₹42mn** owing to depreciation against USD, mainly on account of Turkish Lira
- **Net Profit at ₹18mn**, as against net loss of **₹254mn**

Q3FY18 vs Q3FY17

- Revenue at **₹2,241mn**, as against **₹2,090mn**, up by **7.2%**
- Operating EBITDA at **₹226mn**, as against **₹198mn**, up by **14.1%**
- Operating EBITDA margin at **10.1%**, as against **9.5%**, up by **60** basis points
- Foreign exchange loss of **₹58mn** owing to depreciation against USD, mainly on account of Turkish Lira
- **Net Loss at ₹30mn**, as against net loss of **₹101mn**

*continuing operations

₹ in millions

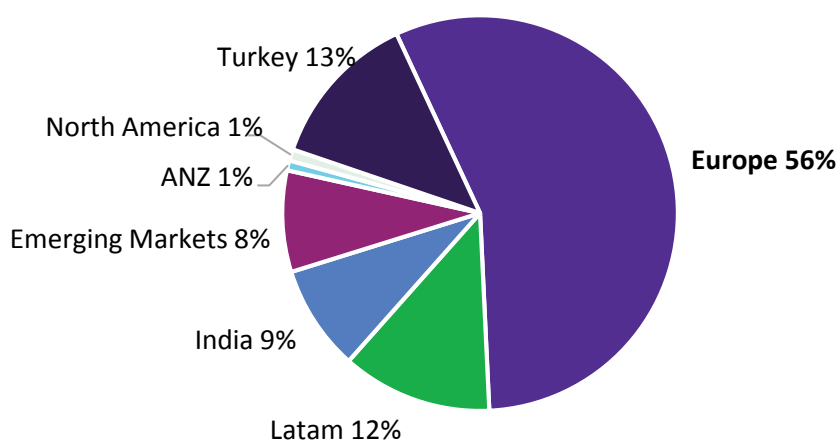
	Q3 Dec-17		Q3 Dec-16		YTD Dec-17		YTD Dec-16	
	Continuing	Discontinuing	Continuing	Discontinuing	Continuing	Discontinuing	Continuing	Discontinuing
Revenues	2,241	656	2,090	893	6,324	2,838	4,887	2,405
Operating EBITDA	226	42	198	89	564	327	354	254
EBITDA%	10.1%	6.4%	9.5%	9.9%	8.9%	11.5%	7.2%	10.6%

- Continuing business denotes the Animal Health Business under Alivira Animal Health Limited and Analytical business under Sequent Research Limited.
- Discontinuing business denotes the Human API business, operated out of plants at Mangalore, Mahad and Mysore, being demerged into Solara Active Pharma Sciences Limited through a Scheme of Arrangement between the Company, Strides Shasun Limited and Solara Active Pharma Sciences Limited, for which approval from the National Company Law Tribunal is awaited
 - The Discontinuing business had a net debt of ₹844 Mn as on the appointed date of October 01, 2017

Commenting on the Company's performance, **Manish Gupta, Managing Director** said 'Our Animal health business under Alivira, which is the continuing business, has gained further traction with a YTD growth of 29.4%. Our margins also continue to expand and we have achieved a 10.1% EBITDA margin during Q3. The growth during the quarter was primarily driven by acceleration that we achieved both in Spain and Brazil, two of our strategic markets, even as we continue to consolidate in other markets. We are confident that the initiatives undertaken to develop new Business and our R&D pipeline will further accelerate growth in sales and more importantly expansion in margins especially as our Vet API business scales in the key US market'.

'We believe that this demerger of the Human API Business into Solara Active Pharma Sciences Limited which will also house the Commodity API Business of Strides Shasun Limited, will help achieve critical scale & size and emerge as one of the largest API companies from India. This decision, to part with the business from SeQuent was taken considering the dynamic regulatory landscape in API industry along with the growing opportunities for a pure-play API player from India. The demerger awaits the final nod from the National Company Law Tribunal, Mumbai, and will be value accretive for our shareholders.' he further added.

Geography-wise sales (Q3) of Continuing Business



Key Business Highlights (Q3 FY18)

- Business grew significantly with Europe growing by 25% and Brazil by 38%
- Established Alivira presence in France, with the largest EU market size of over \$1.5Bn. First commercial sale expected in 1Q19
- Pet division launched in India
- First commercial API sales in US. This business shall drive growth in FY19
- Re-strategized the Emerging market business on account of forex availability issues in key African markets

Regulatory Filings and approvals

- Completed a total of 11 filings in US from Vizag USFDA plant
- Completed a total of 10 CEP filings, 5 approvals as on date
- Filed 4 products in EU and 14 products in emerging markets, resulting in 113 registrations in EU and 120 registrations in emerging markets

Corporate Action Updates:

- The equity shareholders of the Company at the National Company Law Tribunal (NCLT) meeting held on December 26, 2017 approved the Scheme of arrangement between Strides Shasun Limited, SeQuent Scientific Limited and Solara Active Pharma Sciences. The shareholders of Strides Shasun Limited and Solara Active Pharma Sciences also have approved the scheme of arrangement during the quarter
- Company has filed a petition with NCLT for their final orders on the Scheme. The petition was admitted by NCLT on February 2, 2018 and has fixed March 9, 2018 as the date of hearing of the petition filed by the Company
- The scheme of demerger has already been approved by Competition Commission of India, stock exchanges, SEBI and secured creditors.
- The appointed date for the demerger is 1st October 2017 as announced previously.
- The Company is reporting the Human API business as discontinuing business in the financial results for the reporting quarter.

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), Human Health (API) and Analytical Services. 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.

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