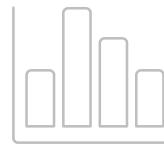




## Q2 FY16 – FINANCIAL UPDATE



## DISCLAIMER

Except for the historical information contained here in, statements in this presentation and the subsequent discussions, which include words or phrases such as “will”, “aim”, “will likely result”, “would”, “believe”, “may”, “expect”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “likely”, “project”, “should”, “potential”, “will pursue”, “will continue” and similar expressions or variations 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, performance or achievements, to differ materially from those projected 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.

Claris Lifesciences Limited can not guarantee that the mentioned assumptions and expectations are accurate or will be realized; and also does not undertake any obligation to update forward-looking statements for effect events or circumstances after the date thereof.

# SPECIALTY INJECTABLE BUSINESS – FINANCIAL UPDATE

(VALUES IN INR Cr.)

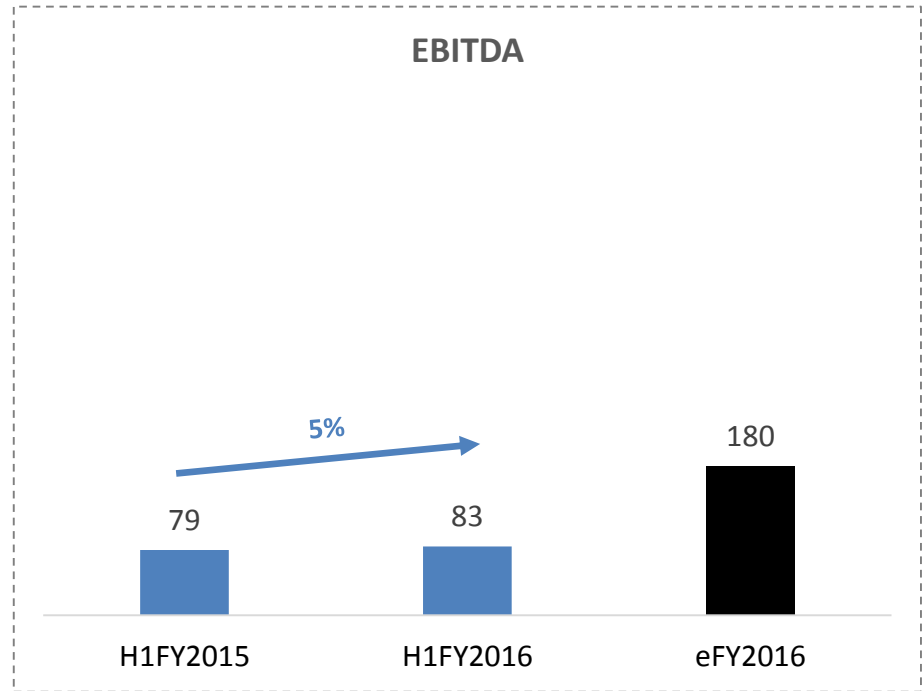
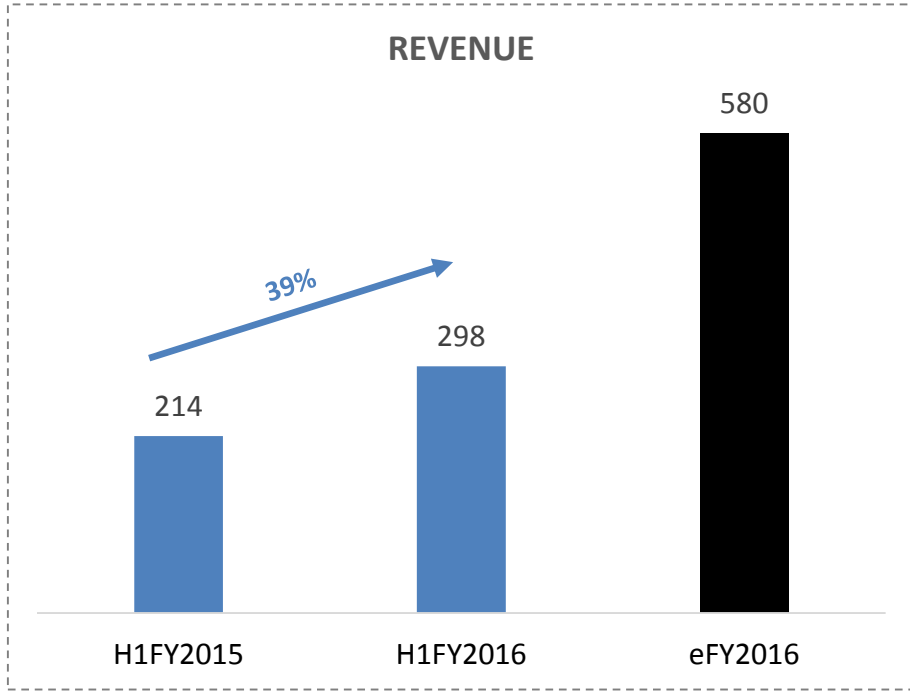
Particulars	Q2FY16	Q1FY16	QnQ Growth	Q4FY15	Q4FY15 v Q2FY16	Q2FY15	YoY Growth
Net Sales	152	146	4%	112	35%	116	31%
EBITDA	31*	52	(40%)	40	(22%)	43	(28%)
EBITDA Margin (%age)	20%	36%		35%		37%	
PAT	13*	20	(35%)	18	(28%)	20	(35%)
PAT Margin (%age)	8%	14%		16%		17%	

## Key financial highlights of the Specialty Injectable Business:

- Net Sales for Q2FY15 stood at Rs. 152 Cr, at a growth of 4% QoQ and 31% YoY.
- R&D has been fully expensed in the P&L, Rs. 13 Cr were expensed out during the quarter, going ahead, the R&D run rate is expected to be around Rs. 6 Cr per quarter.
- EBITDA has reduced by Rs. 21 Cr, out of which Rs. 13 Cr is on account of R&D and Rs. 8 Cr due to tender supplies in EM and ORM which were not scheduled for this quarter.
- The reported EBITDA for the Quarter stood at Rs. 31 Cr, the normalized EBITDA to compare with previous quarters would have been around Rs. 44 Cr, after adding back Rs. 13 Cr of R&D.
- Going forward the company expects the quarterly EBITDA run rate after R&D expenses to be around Rs. 40-45 Cr.
- PAT reduced by Rs. 7 Cr due to the effects of R&D expensing.

# SPECIALTY INJECTABLE BUSINESS – FINANCIAL UPDATE

(VALUES IN INR Cr.)



### Key financial highlights of the Specialty Injectable Business:

- H1FY16 revenue has grown at a rate of 39% and EBITDA has grown at 5%; due to effects of R&D expenditure; as compared to H1FY15. Normalized EBITDA would have a growth of 20%.
- Company continues to provide a guidance for FY16 revenues of Rs. 580 Cr with around 30% of EBITDA margin.

# SPECIALTY INJECTABLE BUSINESS – Net Sales Breakup

(VALUES IN INR Cr.)

Region	Q2FY16	Q1FY16	Growth	Q4FY15	Growth	Q2FY15	Growth
USA	83	53	57%	50	66%	30	177%
Other Regulated (Ex US) – ORM	26	35	(26%)	25	8%	29	(10%)
Emerging Markets – EM	44	58	(26%)	37	19%	56	(21%)
<b>TOTAL</b>	<b>152</b>	<b>146</b>	<b>4%</b>	<b>112</b>	<b>36%</b>	<b>115</b>	<b>32%</b>

- During the quarter the US sales has grown by 57% as compared to the previous quarter and by 177% year on year.
- ORM and EM tend to have cyclical quarters, as evidenced above, in certain quarters the revenue shoots up when there is shortage issues or a demand from distributors and then in other months it again rationalizes to around 40-45 Cr in EM and 25 Cr in ORM.
- In the previous quarter both ORM and EM had grown by about 40% and 58% respectively as compared Q4FY15, some of these sales were at higher margin due to certain onetime tenders/sales in the EMs. During this quarter the ORM and EM sales returned to a normal numbers of 26 Cr and 44 Cr respective.

# CLL CONSOLIDATED – FINANCIAL UPDATE

(VALUES IN INR Cr.)

Particulars	Q2FY16	Q1FY16	Growth	Q2FY15	Growth
Net Income	197	192	3%	166	19%
EBITDA	47	58	(19%)	51	(8%)
EBITDA%	24%	30%		31%	
Business PAT	27	20	35%	20	35%
Business PAT%	14%	11%		12%	
PAT post Exception Item	(13)	20	(165%)	20	(165%)
PAT%	(6%)	11%		12%	

## REVENUE

- The Net Income for the quarter stood at Rs. 197 Cr and it grew by 3% QoQ and by 19% YoY.
- During the quarter, pass through sales of COL accounted for Rs. 42 Cr this stood at 21% of the overall net income for the quarter.

## EBITDA

- EBITDA de-growth is due to the R&D expensing out as discussed before.
- PAT loss for this quarter is due to one time exceptional items expenses for exploring various strategic and management initiatives for growth of Rs. 35 cr. These expenses are primarily lawyers, travel, consultants, etc.

Thank You

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*Claris*

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