Sequent
Proven Ability In Life Sciences

July 30, 2020

**BSE Limited**
Corporate Relationship Department
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001.

Scrip code: 512529

**National Stock Exchange of India Limited**
Listing Department
Exchange Plaza, Bandra-Kurla Complex,
Bandra (East),
Mumbai – 400 051.

Symbol: SEQUENT

Dear Sir/ Madam,

**Sub: Outcome of Board Meeting held on July 30, 2020 along with Unaudited Consolidated & Standalone Financial Results and Press Release for the quarter ended June 30, 2020**

Pursuant to Regulation 30 (read with Part A of Schedule III) and Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that the Board of Directors at its Meeting held today, *inter-alia*, considered and approved the Unaudited Consolidated and Standalone Financial Results for the quarter ended June 30, 2020. In this regard, kindly find enclosed the following:

1. Unaudited Consolidated Financial Results along with Independent Auditor's Review Report issued by the Statutory Auditors of the Company for the quarter ended June 30, 2020.
2. Unaudited Standalone Financial Results along with Independent Auditor's Review Report issued by the Statutory Auditors of the Company for the quarter ended June 30, 2020.
3. A copy of Press Release and Investors Presentation on Unaudited Standalone and Consolidated Financial Results for the quarter ended June 30, 2020.

Further, we would like to inform you that the Board has also approved amendment in Article 158 of the Articles of Association of the Company, subject to approval by the Members at the forthcoming Annual General Meeting of the Company.

The Board Meeting commenced at 11:00 a.m. and concluded at 1:10 p.m.

Thanking you,

Yours faithfully,
For **Sequent Scientific Limited**

**Krunal Shah**
**Company Secretary & Compliance Officer**
Encl.: A/a

S R B C & CO LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel: +91 22 6819 8000

**Independent Auditor's Review Report on the Quarterly Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**Review Report to**
**The Board of Directors**
**SeQuent Scientific Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of SeQuent Scientific Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") for the quarter ended June 30, 2020 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the entities mentioned in Annexure I to the Statement.

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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6. The accompanying Statement includes the unaudited interim financial results and other financial information, in respect of:
   - Twelve subsidiaries, whose unaudited interim financial results include total revenues of Rs 19,633 lakhs, total net profit after tax of Rs. 498 lakhs, total comprehensive income of Rs. 435 lakhs for the quarter ended June 30, 2020, as considered in the Statement which have been reviewed by their respective independent auditors.

   The independent auditor's reports on interim financial results of these entities have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries, is based solely on the report of such auditors and procedures performed by us as stated in paragraph 3 above.

7. The accompanying Statement includes unaudited interim financial results and other unaudited financial information in respect of:
   - Seven subsidiaries, whose interim financial results and other financial information reflect total revenues of Rs 105 lakhs, total net loss after tax of Rs. 391 lakhs, total comprehensive loss of Rs. 481 lakhs for the quarter ended June 30, 2020.

   These unaudited interim financial results and other unaudited financial information have been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the affairs of these subsidiaries, is based solely on such unaudited interim financial results and other unaudited financial information. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

   Our conclusion on the Statement in respect of matters stated in para 6 and 7 above is not modified with respect to our reliance on the work done and the reports of the other auditors and the financial results certified by the Management.

8. The comparative financial information of the Group for the corresponding quarter ended June 30, 2019, included in these consolidated financial results, were reviewed by the predecessor auditor who expressed an unmodified conclusion on that consolidated financial information on July 31, 2019.

**For S R B C & CO LLP**
Chartered Accountants
**ICAI Firm registration number:** 324982E/E300003

**per Vikas Kumar Pansari**
Partner
Membership No.: 093649
UDIN: 20093649AAAABX6433
Place: Mumbai
Date: July 30, 2020

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**Annexure I to Auditor's Review Report**

| | Name of the Entity | |
|---|---|---|
| 1. | SeQuent Research Limited | Wholly Owned Subsidiary |
| 2. | Elysian Life Sciences Private Limited | Wholly Owned Subsidiary |
| 3. | Alivira Animal Health Limited, India | Wholly Owned Subsidiary |
| | Including it's following subsidiary: | |
| 4. | Alivira Animal Health Limited, Ireland | |
| | Including its following subsidiaries and sub subsidiaries: | |
| 5. | Alivira Animal Health Australia Pty Limited | |
| 6. | Alivira Animal Health UK Limited | |
| 7. | Alivira Animal Health USA LLC | |
| 8. | Alivira France | |
| 9. | Alivira Italia SRL | |
| 10. | Aliviria Saude Animal Brasil Participacoes Ltda | |
| 11. | Bremer Pharma GmbH | |
| 12. | Comercial Vila Veterinaria De Lleida S.L. | |
| 13. | Evance Saude Animal Ltda | |
| 14. | Fendigo BV | |
| 15. | Fendigo SA | |
| 16. | Interchange Veterinária Indústria E Comércio Ltda. | |
| 17. | Laboratorios Karizoo, S.A. | |
| 18. | Laboratorios Karizoo, S.A. DE C.V. (Mexico) | |
| 19. | N-Vet AB | |
| 20. | Phytotherapic Solutions S.L. | |
| 21. | Provet Veteriner Ürünleri San. Ve Tic. A. Ş. | |
| 22. | Topkim Topkapi Ilaç premiks Sanayi Ve Ticaret A.Ş. | |
| 23. | Vila Viña Participacions S.L. | |

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**SEQUENT SCIENTIFIC LIMITED**

CIN: L99999MH1985PLC036685

## STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2020

*(₹ in Lakhs)*

| | Particulars | 3 months ended 30-Jun-2020 | Preceding 3 months ended 31-Mar-2020 | Corresponding 3 months ended in the previous year 30-Jun-2019 | Previous year ended 31-Mar-2020 |
|---|---|---|---|---|---|
| | | Unaudited | Audited (Refer Note 4) | Unaudited | Audited |
| I | Revenue from operations | 31,026.50 | 30,058.30 | 27,801.70 | 1,17,924.40 |
| II | Other income | 154.70 | 182.50 | 131.20 | 1,008.90 |
| III | **Total income (I+II)** | **31,181.20** | **30,240.80** | **27,932.90** | **1,18,933.30** |
| IV | **Expenses** | | | | |
| | (a) Cost of materials consumed | 14,266.50 | 13,394.30 | 12,002.70 | 50,869.20 |
| | (b) Purchases of stock-in-trade | 3,234.20 | 1,965.20 | 2,227.40 | 8,889.00 |
| | (c) Changes in inventories of finished goods, stock-in-trade and work-in-progress | (1,557.40) | (418.60) | 81.20 | 746.90 |
| | (d) Employee benefits expense | 4,414.30 | 4,174.50 | 3,971.40 | 16,505.90 |
| | (e) Finance costs | 764.50 | 933.00 | 894.50 | 3,571.40 |
| | (f) Depreciation and amortisation expenses | 1,302.70 | 1,309.20 | 1,201.20 | 5,062.20 |
| | (g) Other expenses | 5,567.30 | 6,469.30 | 5,674.80 | 23,881.20 |
| | **Total expenses** | **27,992.10** | **27,826.90** | **26,053.20** | **1,09,525.80** |
| V | **Profit before tax (III-IV)** | **3,189.10** | **2,413.90** | **1,879.70** | **9,407.50** |
| VI | **Tax expense / (credits)** | | | | |
| | (a) Current tax | 856.30 | 821.80 | 391.10 | 2,274.40 |
| | (b) Deferred tax | (114.20) | (231.10) | (41.30) | (1,048.30) |
| | (c) Current tax of prior period reversed | - | 0.60 | 0.30 | (23.20) |
| | **Total tax expenses** | **742.10** | **591.30** | **350.10** | **1,202.90** |
| VII | **Profit after tax (V-VI)** | **2,447.00** | **1,822.60** | **1,529.60** | **8,204.60** |
| VIII | **Other comprehensive income / (expenses)** | | | | |
| | **Items that will not be reclassified to profit or loss** | | | | |
| | (a) Re-measurement gain / (loss) on defined benefits plans | (10.50) | (68.10) | (0.40) | (71.00) |
| | (b) Fair value gain / (loss) from investment in equity instruments | 4,100.60 | (1,265.30) | (2,281.20) | (4,836.80) |
| | (c) Income tax relating to items that will not be reclassified to profit or loss | 3.20 | 11.00 | - | 12.60 |
| | **Items that may be reclassified to profit or loss** | | | | |
| | (a) Exchange differences on translation of foreign operations | 222.40 | 2,037.90 | (257.00) | 2,739.60 |
| | (b) Exchange differences on net investment in foreign operations | (357.40) | (993.70) | (62.10) | (1,023.00) |
| | (c) Income tax relating to items that may be reclassified to profit or loss | - | - | - | - |
| | **Total other comprehensive income / (expenses) (net of tax)** | **3,958.30** | **(278.20)** | **(2,600.70)** | **(3,178.60)** |
| IX | **Total comprehensive income / (expenses), net of tax (VII+VIII)** | **6,405.30** | **1,544.40** | **(1,071.10)** | **5,026.00** |
| | **Profit attributable to:** | | | | |
| | - Owners of the Company | 2,091.80 | 1,685.50 | 1,145.70 | 6,990.50 |
| | - Non-controlling interest | 355.20 | 137.10 | 383.90 | 1,214.10 |
| | **Other comprehensive income / (expenses) attributable to:** | | | | |
| | - Owners of the Company | 3,968.60 | (293.20) | (2,575.20) | (3,197.50) |
| | - Non-controlling interest | (10.30) | 15.00 | (25.50) | 18.90 |
| | **Total comprehensive income / (expenses) attributable to:** | | | | |
| | - Owners of the Company | 6,060.40 | 1,392.30 | (1,429.50) | 3,793.00 |
| | - Non-controlling interest | 344.90 | 152.10 | 358.40 | 1,233.00 |
| X | Equity share capital (face value of ₹ 2 each) | 4,967.40 | 4,967.40 | 4,937.40 | 4,967.40 |
| XI | Other equity | | | | 69,308.60 |
| XII | **Earnings per equity share:** | | | | |
| | **(face value of ₹ 2 each) (not annualised)** | | | | |
| | (1) Basic (in ₹) | 0.85 | 0.69 | 0.47 | 2.87 |
| | (2) Diluted (in ₹) | 0.85 | 0.69 | 0.47 | 2.85 |

**See accompanying notes to the unaudited consolidated financial results**

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**Notes:**

1. The above unaudited consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 30 July 2020. The statutory auditors have carried out the limited review of the above results.

2. The Group has only one reportable segment viz. Pharmaceuticals. Accordingly, no separate disclosure of segment information has been made.

**3. Information on Standalone Results:** *(₹ in Lakhs)*

| Particulars | 3 months ended 30-Jun-2020 | Preceding 3 months ended 31-Mar-2020 | Corresponding 3 months ended in the previous year 30-Jun-2019 | Previous year ended 31-Mar-2020 |
|---|---|---|---|---|
| | Unaudited | Audited (Refer Note 4) | Unaudited | Audited |
| Revenue from operations | 5,924.40 | 6,229.40 | 5,172.00 | 22,733.30 |
| Profit before tax | 879.70 | 1,005.60 | 142.30 | 2,281.30 |
| Profit after tax | 691.20 | 681.60 | 142.30 | 2,134.14 |
| Total comprehensive income / (expenses) | 4,786.50 | (607.50) | (2,137.80) | (2,724.06) |

4. The above results includes the results for the quarter ended 31 March 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the previous financial year.

5. Following outbreak of COVID-19 pandemic globally and in India, the Group has adopted measures to curb the spread of infections in order to protect health of its employees and business continuity with minimal disruption. Considering that the Group is in business of Animal Health Care which is considered to be an essential service in all the countries, the Group has presence, the Group's operations have not been significantly impacted and all its plants are operating. The impact of the global health pandemic may be different from that estimated as at the date of approval of these consolidated financial results and the management will continue to closely monitor any material changes to future economic conditions.

6. The Group has incorporated two wholly owned subsidiaries i.e. Alivira Animal Health UK Limited and Alivira Animal Health USA LLC on 29 April 2020 and 25 March 2020 respectively.

7. As announced on May 8, 2020, CA Harbor Investments (The Carlyle Group entity), (the Acquirer) entered into a binding agreement to acquire majority stake in the Company. Proposed transaction also triggered mandatory open offer by the Acquirer and CAP V Mauritius Limited (Person acting in concert with the Acquirer) for the purchase of up to 26% equity shares of the Company from public. It has received necessary consents & approvals including from Competition Commission of India as well as Turkish Regulatory Authority. The Acquirer is discussing with SEBI with respect to SEBI's queries on the draft letter of offer, and with the Government of India for its application pursuant to Rule 6(a) of the Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

8. The previous period figures have been regrouped wherever necessary to conform to current period's presentation.

**For SeQuent Scientific Limited**

Manish

**Manish Gupta**
**Managing Director**

SEQUENT SCIENTIFIC LIMITED

Place : Thane
Date : 30 July 2020

S R B C & CO LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel: +91 22 6819 8000

**Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**Review Report to**
**The Board of Directors**
**SeQuent Scientific Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of SeQuent Scientific Limited (the "Company") for the quarter ended June 30, 2020 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. The comparative financial information of the Company for the corresponding quarter ended June 30, 2019, included in these standalone financial results, were reviewed by the predecessor auditor who expressed an unmodified conclusion on that financial information on July 31, 2019.

**For S R B C & CO LLP**
Chartered Accountants
**ICAI Firm registration number:** 324982E/E300003

**per Vikas Kumar Pansari**
Partner
Membership No.: 093649
UDIN: 20093649AAAABY3209
Place: Mumbai
Date: July 30, 2020

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

**Sequent**

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**SEQUENT SCIENTIFIC LIMITED**

CIN: L99999MH1985PLC036685

**STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2020**

*(₹ in Lakhs)*

| | Particulars | 3 months ended 30-Jun-2020 | Preceding 3 months ended 31-Mar-2020 | Corresponding 3 months ended in previous period 30-Jun-2019 | Previous year ended 31-Mar-2020 |
|---|---|---|---|---|---|
| | | UNAUDITED | AUDITED (Refer note 3) | UNAUDITED | AUDITED |
| I | Revenue from operations | 5,924.40 | 6,229.40 | 5,172.00 | 22,733.30 |
| II | Other income | 227.50 | 305.30 | 203.10 | 1,456.10 |
| **III** | **Total income (I+II)** | **6,151.90** | **6,534.70** | **5,375.10** | **24,189.40** |
| **IV** | **Expenses** | | | | |
| | (a) Cost of materials consumed | 2,482.50 | 3,009.10 | 2,553.04 | 10,869.10 |
| | (b) Purchases of stock-in-trade | 80.20 | 98.10 | 62.16 | 824.30 |
| | (c) Changes in inventories of finished goods and work-in-progress | 77.90 | (480.30) | 203.40 | (389.20) |
| | (d) Conversion and processing charges | 912.70 | 1,126.10 | 894.00 | 4,050.40 |
| | (e) Employee benefits expense | 525.70 | 437.60 | 343.00 | 1,709.70 |
| | (f) Finance costs | 110.10 | 122.90 | 142.00 | 503.50 |
| | (g) Depreciation and amortisation expenses | 216.40 | 230.60 | 222.60 | 895.00 |
| | (h) Other expenses | 866.70 | 985.00 | 812.60 | 3,445.30 |
| | **Total expenses** | **5,272.20** | **5,529.10** | **5,232.80** | **21,908.10** |
| **V** | **Profit before tax (III-IV)** | **879.70** | **1,005.60** | **142.30** | **2,281.30** |
| **VI** | **Tax expense / (credits)** | | | | |
| | (a) Current tax | 201.10 | 193.20 | 29.29 | 318.27 |
| | (b) Deferred tax | (12.60) | 130.80 | (29.29) | (171.11) |
| | **Total tax expenses** | **188.50** | **324.00** | **-** | **147.16** |
| **VII** | **Profit after tax (V-VI)** | **691.20** | **681.60** | **142.30** | **2,134.14** |
| **VIII** | **Other comprehensive income / (expenses)** | | | | |
| | **Items that will not be reclassified to profit or loss** | | | | |
| | (a) Re-measurements gain / (loss) on defined benefits plans | (7.40) | (33.00) | 1.10 | (29.70) |
| | (b) Fair value gain / (loss) from investment in equity instruments | 4,100.60 | (1,265.30) | (2,281.20) | (4,836.80) |
| | (c) Income tax relating to items that will not be reclassified to profit or loss | 2.10 | 9.20 | - | 8.30 |
| | **Total other comprehensive income/ (expenses) (net of tax)** | **4,095.30** | **(1,289.10)** | **(2,280.10)** | **(4,858.20)** |
| **IX** | **Total comprehensive income / (expenses), net of tax (VII+VIII)** | **4,786.50** | **(607.50)** | **(2,137.80)** | **(2,724.06)** |
| **X** | Equity share capital (face value of ₹ 2 each) | 4,967.40 | 4,967.40 | 4,937.40 | 4,967.40 |
| **XI** | Other equity | | | | 83,654.34 |
| **XII** | **Earnings per equity share: (face value of ₹ 2 each) (not annualised)** | | | | |
| | (1) Basic (in ₹) | 0.28 | 0.28 | 0.06 | 0.88 |
| | (2) Diluted (in ₹) | 0.28 | 0.28 | 0.06 | 0.87 |
| | **See accompanying notes to unaudited standalone financial results** | | | | |

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**SEQUENT SCIENTIFIC LIMITED**

**Notes:**

1 The above unaudited standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 30 July 2020.The statutory auditors have carried out limited review of the above results.

2 The Company has only one reportable segment viz. Pharmaceuticals. Accordingly, no separate disclosure of segment information has been made.

3 The above results includes the results for the quarter ended 31 March 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the previous financial year.

4 Following outbreak of COVID-19 pandemic globally and in India, the Company has adopted measures to curb the spread of infections in order to protect health of its employees and business continuity with minimal disruption. Considering that the Company is in business of Animal Health Care which is considered to be an essential service, the Company's operations have not been significantly impacted and its plants are operating.The impact of the global health pandemic may be different from that estimated as at the date of approval of these standalone financial results and the management will continue to closely monitor any material changes to future economic conditions.

5 As announced on May 8, 2020, CA Harbor Investments (The Carlyle Group entity), (the Acquirer) entered into a binding agreement to acquire majority stake in the Company. Proposed transaction also triggered mandatory open offer by the Acquirer and CAP V Mauritius Limited (Person acting in concert with the Acquirer) for the purchase of up to 26% equity shares of the Company from public. It has received necessary consents & approvals including from Competition Commission of India as well as Turkish Regulatory Authority. The Acquirer is discussing with SEBI with respect to SEBI's queries on the draft letter of offer, and with the Government of India for its application pursuant to Rule 6(a) of the Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

6 The previous period figures have been regrouped wherever necessary to confirm to current period's presentation.

**For SeQuent Scientific Limited**

SEQUENT SCIENTIFIC LIMITED

**Manish Gupta**
**Managing Director**

**Place : Thane**
**Date: 30 July 2020**

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ALIVIRA

# Another quarter of consistent performance

## Q1 FY21 - Revenues at Rs. 3,103 Million up by 11.6%, EBITDA at Rs. 521 Million up 35.4%,

**Mumbai, July 30, 2020**

SeQuent Scientific Limited (SeQuent), which has businesses across Animal Health (Alivira) & Analytical Services today announced its financial results for the quarter ended June 30, 2020.

**Consolidated Financial Highlights**

**Rs. in millions**

| | Q1 FY21 | Q1 FY20 | *Growth (%)* |
|---|---|---|---|
| **Revenues** | 3,103 | 2,780 | *11.6%* |
| **EBITDA** | 521 | 385 | *35.4%* |
| ***EBITDA Margin %*** | *16.8%* | *13.9%* | *290bps* |
| **PAT** | 209 | 115 | *82.6%* |
| ***PAT Margin %*** | *6.7%* | *4.1%* | *260bps* |

**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 to kick start the year with a strong performance despite the challenging external environment driven by the global pandemic. Europe, Turkey and LATAM contributed to the growth in Formulations while APIs clocked another quarter of consistent performance.

Our focus during the pandemic has been to keep the business functioning while empathizing with all our stakeholders. With employee safety and welfare as the paramount focus, we also ensured timely payments of our financial obligations, including to our vendors and suppliers.

We look forward to the rest of the year with greater optimism and confidence for continued value creation under the new ownership."

**Earnings Call with Investors**

The Company will conduct an Earnings call at **8:30 AM IST** on **July 31, 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:**


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**Diwakar Pingle**

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# Earnings Presentation

Q1 FY21

July 30, 2020

# Disclaimer

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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.

# Operational excellence despite challenging times

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## Revenues

**₹3,103**
Million

**11.6%**
YoY

## EBITDA margin

**16.8%**

**290bps**
YoY

## PAT

**₹209**
Million

**82.6%**
YoY

## Cash from operations

**₹409**
Million

**4.8x**
YoY

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# Q1 FY21

# Performance Review

# Challenging environment brings out best in SeQuent

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*All values in ₹ Mn*

| | Q1 FY2021 | | YOY |
|---|---|---|---|
| Revenues | Q1 FY21 | 3,103 | 11.6% |
| | Q1 FY20 | 2,780 | |
| EBITDA | Q1 FY21 | 521 | 35.4% |
| | Q1 FY20 | 385 | |
| PAT | Q1 FY21 | 209 | 82.6% |
| | Q1 FY20 | 115 | |

"We are pleased to kick start the year with a strong performance despite the challenging external environment driven by the global pandemic. Europe, Turkey and LATAM contributed to the growth in Formulations while APIs clocked another quarter of consistent performance.

Our focus during the pandemic has been to keep the business functioning while empathizing with all our stakeholders. With employee safety and welfare as the paramount focus, we also ensured timely payments of our financial obligations, including to our vendors and suppliers.

We look forward to the rest of the year with greater optimism and confidence for continued value creation under the new ownership."

*Managing Director*
***Manish Gupta***

# Covid-19

## Unprecedented crisis brings out the best in SeQuent Team

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- Collaborative efforts to maintain eco-system and manage stakeholders with larger interest in mind
  - Complete support to vendors & employees, timely payments to all including banks
  - More than doubled medical insurance coverage for employees and families
- Operations continue across all sites in India and overseas under heightened care
- Supply chain team ensure material availability despite logistical challenges, custom issues
- Field operations streamlined for safety, field visits replaced by phone calls to customers
- International business and operations also continue with limited impact
- Extra-ordinary co-ordination between Business, Operations, Finance and HR ensure near execution of the Q1 plan
- As Covid-19 cases spread in interiors of India, expect some localized disruptions at sites – cases reported at Mahad site recently, currently expect no impact on Q2 plan

**Operational outlook for Q2 is stable with near normal operations both in India and ex-India**

# Covid-19

## Overcoming operational challenges responsibly

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### Operating challenges

- Intermittent lockdowns
- Manpower availability
- Material supply constraints
- Logistical disruption
- Customs hold-up
- Delivery cycle impact
- Project execution delays

### Counter measures and Strategic actions

- Longer shifts, attendance incentives, safety measures, enhanced term & medical insurance, free medical care
- Accelerated supply chain security program for key molecules
- Dedicated logistics companies
- Welfare measures for plant staff

# Steady performance across businesses

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*All values in ₹ Mn*

| Revenue Distribution | Q1 FY21 | Q1 FY20 | YoY% | YoY% (Constant currency) |
|---|---|---|---|---|
| **Formulations** | **2,001** | **1,874** | ***6.8%*** | ***8.5%*** |
| *Europe* | 1,072 | 882 | *21.6%* | *13.6%* |
| *Turkey* | 354 | 342 | *3.5%* | *11.1%* |
| *Emerging Markets* | 240 | 408 | *(41.2%)* | *(43.3%)* |
| *LATAM* | 334 | 241 | *38.6%* | *74.1%* |
| **APIs** | **1,102** | **907** | ***21.5%*** | ***13.4%*** |
| **Global Sales** | **3,103** | **2,780** | ***11.6%*** | ***10.1%*** |

## Key Highlights

- Global sales grew 10.1% on constant currency basis, 11.6% on reported basis
  - API drives growth with increase of 13.4% on constant currency basis, +21.5% on reported basis
  - Formulations business keeps pace with a constant currency growth of 8.5%
    - Led by growth across key markets of Europe, Turkey and LATAM
    - Cautious approach in Emerging markets lead to 43% decline, expect recovery in Q2

*Note: All growth % are in constant currency*

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# Q1 FY21

# Business Review

# APIs

## Scaling the capability curve

*Revenues in ₹ Mn*

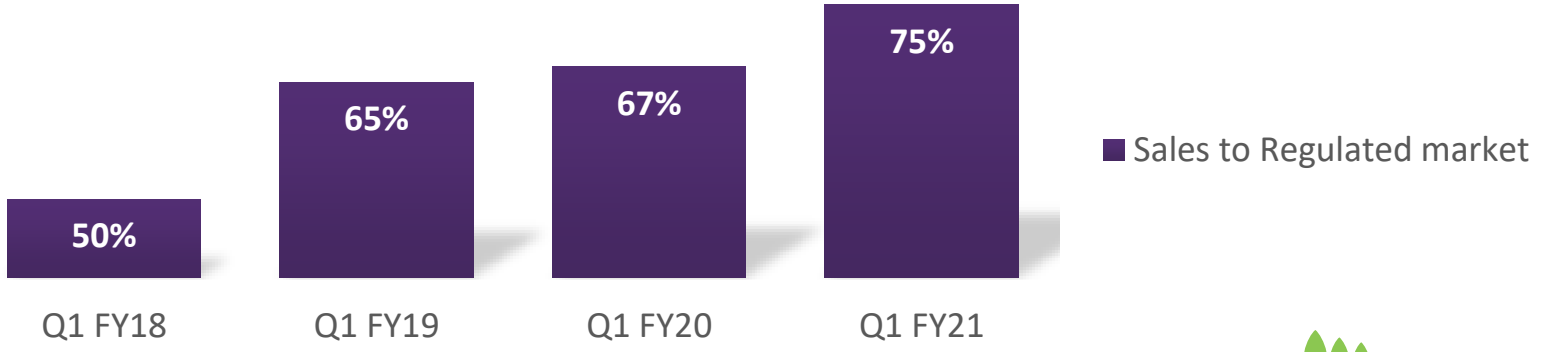
| Q1 FY21 | Q1 FY20 | YoY% (cc) |
|---|---|---|
| 1,102 | 907 | *13.4%* |

*Alivira API facility*

| 27 | 3 | 75% | 2.5x |
|---|---|---|---|
| Commercial APIs | Manufacturing facilities | Sales to regulated markets | Asset turnover ratio |

## Highlights

- Continue to expand margins through emphasis on high value products and focus on regulated markets
- Initiated Vizag expansion project for FY22 requirements, delay of 3 months
- Alivira is the # 1 Generic Animal Health USVMF Filer and # 3 Global Animal Health USVMF filer including 6 products where we are sole VMF holders



# Formulations

## Value creation

*Revenues in ₹ Mn*

| Q1 FY21 | Q1 FY20 | YoY% (cc) |
|---|---|---|
| 2,001 | 1,874 | 8.5% |

*Alivira Formulations facility*

| 1,000+ | 5 | 65% | 80+ |
|---|---|---|---|
| FDFs | Manufacturing facilities | Sales to regulated markets | Countries with marketing presence |

### Highlights

- EU grew 13.6% cc during the year, ahead of industry
  - Growth driven by Benelux region and nutrition business from Spain
  - Bremer expansion plan deferred: execution challenges due to Covid-19
- Turkey grows steadily at 11.1% cc
- LATAM delivers robust growth of 74.1% cc with both Brazil and Mexico performing well
- Emerging markets decline 43.3% cc, impacted by weak macro environment and collection concerns. To be back on track from Q2, led by India
  - Multi-year agreement with Zoetis to market & distribute their ruminant portfolio in India – commercialised from 1st July
  - Portfolio of 13 brands (19 SKUs) covering the therapeutic areas of Antibiotics, Parasiticides, Hormones and Vaccines

# R&D

## Diverse Initiatives

*Alivira R&D facility*

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### Formulations

| 35+ | 4 | 38% | 10 |
|---|---|---|---|
| Products Under Development | R&D Centres | Injectables | New filings in US in next 3 years |

### API

| 14+ | 1 | 19 | 10 |
|---|---|---|---|
| Molecules in pipeline | R&D Centre | US Filings | CEP Filings |

# Carlyle transaction update

- As announced on May 8, 2020, CA Harbor Investments (The Carlyle Group entity) entered in Binding Agreement to acquire majority stake in SeQuent Scientific Limited
- Proposed transaction also triggered mandatory open offer by CA Harbor Investments and CAP V Mauritius Limited for the purchase of up to 26% equity shares of SeQuent from public
- The transaction was planned to close in Q2 FY21, subject to customary closing conditions and regulatory approvals

## Current Status

- Proposed transaction has received necessary consents & approvals including from Competition Commission of India as well as Turkish Regulatory Authority
- We understand that the Acquirer is liaising with SEBI with respect to SEBI's queries on the draft letter of offer, and with the Government of India for its application pursuant to Rule 6(a) of the Foreign Exchange Management (Non-Debt Instrument) Rules, 2019

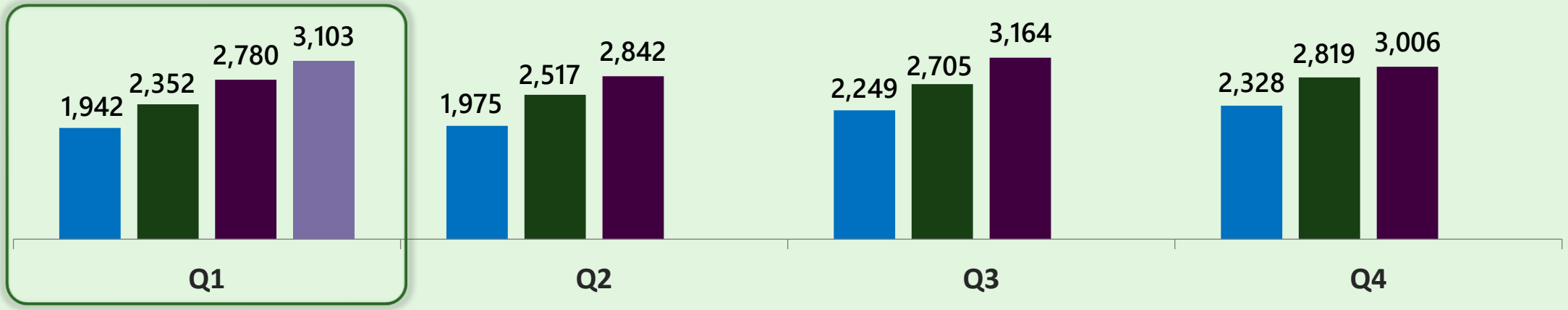
**Transaction on track to conclude in Q2 FY21 (current quarter)**

# Financials

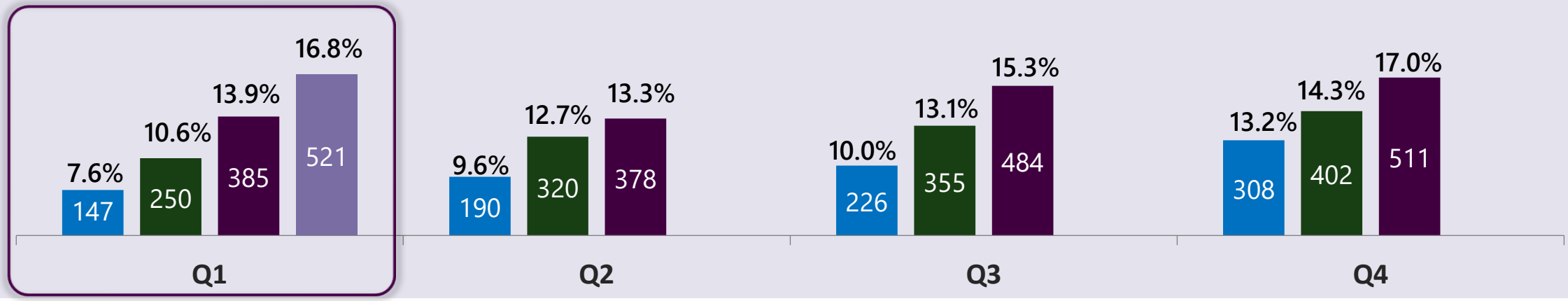
# Delivering Consistently over 3 years

*All values in ₹ Mn*

## Revenue




## EBITDA




FY18 FY19 FY20 FY21

# Consolidated Financials

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*All values in ₹ Mn*

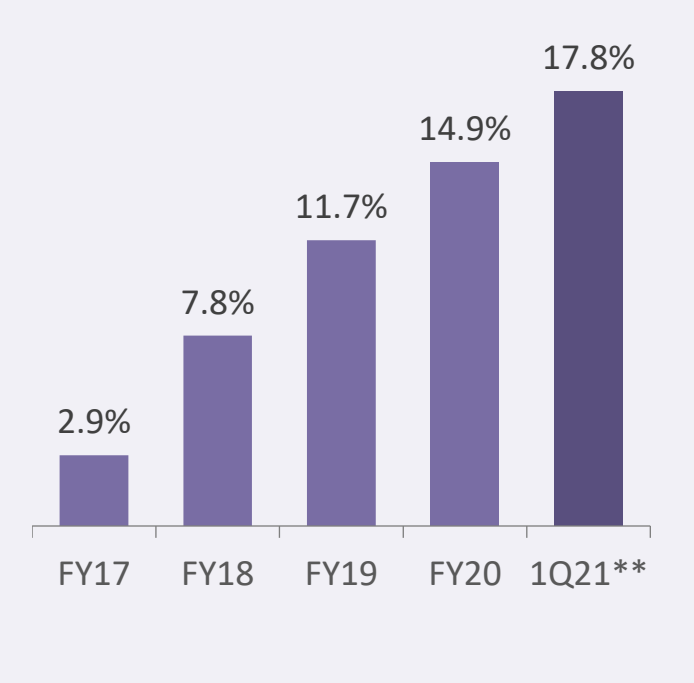
| PARTICULARS | Q1 FY21 Unaudited | Q4 FY20 Audited | Q1 FY20 Unaudited | FY20 Audited |
|---|---|---|---|---|
| Revenue from Operations | 3,103 | 3,006 | 2,780 | 11,792 |
| Material Consumption | (1,594) | (1,494) | (1,431) | (6,050) |
| **Gross Margin** | **1,508** | **1,512** | **1,349** | **5,742** |
| *%* | *48.6%* | *50.3%* | *48.5%* | *48.7%* |
| Operating Expenses | (987) | (1,001) | (964) | (3,984) |
| **EBITDA** | **521** | **511** | **385** | **1,758** |
| *%* | *16.8%* | *17.0%* | *13.9%* | *14.9%* |
| Exchange Gain / (Loss) | (11) | (64) | (1) | (55) |
| Other Income | 15 | 18 | 13 | 101 |
| Finance Cost | (76) | (93) | (89) | (357) |
| Depreciation | (130) | (131) | (120) | (506) |
| **Earnings Before Tax** | **319** | **241** | **188** | **941** |
| Taxes | (74) | (59) | (35) | (120) |
| **Earnings After Tax** | **245** | **182** | **153** | **821** |
| Minority Interest | 36 | 14 | 38 | 121 |
| **Earnings after Minority Interest** | **209** | **169** | **115** | **699** |

# Key Balance Sheet items

*All values in ₹ Mn*

| Particulars | Jun-20 | Mar-20 |
|---|---|---|
| Shareholders' funds | 8,070 | 7,428 |
| Minority Interest | 478 | 447 |
| Net Debt | 1,903 | 2,155 |
| Investments | 1,723 | 1,313 |
| Tangible Assets | 3,522 | 3,560 |
| Intangible Assets | 2,862 | 2,897 |
| Working Capital | 3,026 | 3,000 |

ROCE*




Net debt to EBITDA

**Adjusted for investments ** Quarter Annualised*

**Cash generated from operations is ₹409 Mn**

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# Thank You

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