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Strides full-year net rises 12%; posts 3-fold rise in licensing income

Our Bureau

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Strides Arcolab recorded a nearly three-fold increase year-on-year in licensing income during 2010, touching Rs 362 crore (Rs 101 crore).

For the 2011 fiscal, the income from licensing its products to MNCs (Pfizer and GSK) would be around Rs 250-270 crore as the company moved to late-stage licensing model, Strides said.

Group net profit for 2010 rose 12 per cent to Rs 123 crore after minority interest; net sales grew 26 per cent to Rs 1,695.8 crore (Rs 1,347 crore).

The board declared dividend of Rs 1.50 a share (15 per cent) for the year ended December 31, 2010.

SPECIALITY BIZ

The results, which factor in the separation of the specialties business into new subsidiary, Agila, surpassed the revised upward guidance of March 18, 2010, the company said. Pharma business grew 61 per cent y-o-y and specialties 39 per cent.

The performance was driven by good sales growth from all divisions, in particular the specialty business — which was hived off into a subsidiary, Agila, in 2009. "The year 2010 was a game changing year for us as we saw the fructification of many of our plans in our goal to become a global sterile powerhouse," said Mr Arun Kumar, Vice-Chairman and Group CEO.

"Our partnerships with Pfizer and entry into the biologics space have strengthened and consolidated our position in the specialty segment. Ray of Life, the critical care offering for the domestic market, has also made significant progress with a wide range of high quality oncology products at an affordable price for Indian consumers."

REVENUE GUIDANCE AT 25%

For fiscal 2011, the company has projected consolidated revenue growth to grow 25 per cent to Rs 2,200 crore with EBITDA of Rs 440-480 crore or 20-22 per cent. Specialties business is tipped to grow 45 per cent to Rs 1,000 crore.

This was based on commercial supplies of steriles to the US market due to begin from H2 of this year. Pharma business was set to grow 12 per cent to Rs 1,200 crore.

On Thursday, the company

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