



JUBILANT
LIFESCIENCES

Financial Results

Quarter Ended December 31, 2015

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential product characteristics and uses, product sales potential and target dates for product launch are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. Jubilant Life Sciences may, from time to time, make additional written and oral forward looking statements, including statements contained in the company's filings with the regulatory bodies and our reports to shareholders. The company assumes no obligation to update forward-looking statements to reflect actual results, changed assumptions or other factors.

NOTES:

- 1. All Financial Data in this presentation is derived from audited Financial Results of the Consolidated entity*
- 2. The numbers for the quarter have been reclassified and regrouped wherever necessary*
- 3. Closing Exchange Rate for USD 1 at Rs. 63.03 as on December 31 '14 & Rs. 66.16 as on December 31 '15*
- 4. The Exchange fluctuation on long term forex loans in Indian books have been amortized over the tenure of the loan period as recommended under Indian Accounting Standards*

Conference Call Details

Date : Tuesday, Feb 9, 2016

Time : 5:00 pm IST

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Q3'16 Results Analysis

Income Statement – Q3'FY16

Particulars	Q3'FY15	Q3'FY16	YoY Growth
	(Rs Crs)		(%)
Total Income from Operations	1,445	1,379	-5%
Total Expenditure	1,260	1,072	
Other Income	6	3	
EBITDA including Other Income	191	310	62%
Depreciation	80	75	
Finance Cost	96	93	
Profit after Interest but before Exceptional Items	16	143	
Exceptional Item - Gain/(Loss)	(0)	(3)	
Tax Expenses (Net)	20	23	
Minority Interest	7	0	
Net Profit After Tax and Minority Interest	(11)	117	
Paid-up share capital (Face value per share Re.1)	15.93	15.93	
Earnings Per Share - Basic (Rs.)	(0.70)	7.34	
Promoters and promoter group shareholding	54%	54%	
	(%)		(bps)
EBITDA Margins	13.2%	22.5%	926
Net Margins	-0.8%	8.5%	925

Financial Highlights – Q3'FY16



- **Income from Operations at Rs. 1,379 Crore, decline of 5% YoY**
 - 12% decline in Life Science Ingredients mainly due to lower input prices from declining crude prices resulting in lower prices of finished products
- **EBITDA at Rs. 310 Crore, compared to Rs. 191 Crore in Q3 FY 15**
 - EBITDA grows 62% YoY; Margins at 22.5%, up from 13.2% in Q3 FY 15
 - Pharmaceuticals segment's EBITDA at Rs. 219 Crore, growth of 57% YoY with margins of 30.1% as compared to 19.9% in Q3 FY 2015
 - Life Science Ingredients segment's EBITDA at Rs. 101 Crore, growth of 65% YoY with margins of 15.5% as compared to 8.2% in Q3 FY 2015
- **Profit After Tax at Rs. 117 Crore, compared to Rs. (11) Crore in Q3 FY 15**
 - Earnings Per Share for Re. 1 FV equity share at Rs. 7.34 up from Rs. (0.7) in Q3 FY 15

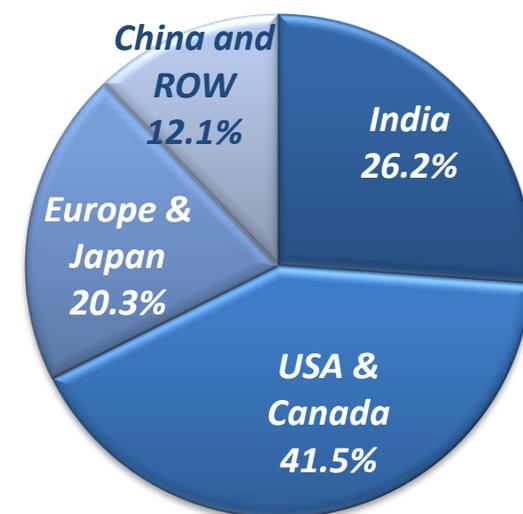
Segmental Revenue Analysis – Q3'FY16

Segmental Revenue Analysis	Revenue (Rs. Crs.)		Revenue Mix (%)	YoY Growth %
	Q3'FY15	Q3'FY16		
Pharmaceuticals	701	728	53%	4%
Life Science Ingredients	744	652	47%	-12%
Income from Operations	1,445	1,379	100%	-5%

- **Pharmaceuticals segment revenue at Rs. 728 Crore, contributing 53% to the revenue mix**
 - Revenue growth of 4% YoY, driven by CMO of Sterile Injectables
 - Volume growth of 6% in the segment; led by strong volume growth witnessed in Solid Dosage Formulations
- **LSI segment revenue at Rs. 652 Crore, contributing 47% to the revenue mix**
 - Life Science Ingredients revenues impacted mainly due to lower input prices from declining crude prices resulting in lower prices of finished products
 - Strong volume and pricing growth witnessed in Fine Ingredients

Company Revenue – Geography wise – Q3'FY16

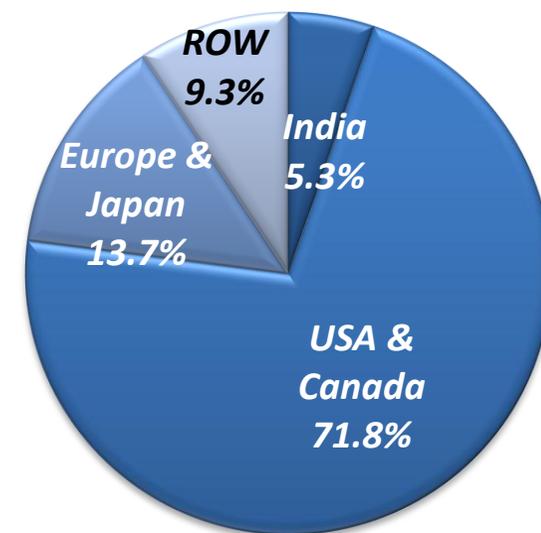
Geo-wise Revenue (Rs crs)	Q3'FY15	Q3'FY16	Mix %	YoY %
India	413	361	26%	-13%
International	1,032	1,019	74%	-1%
USA & Canada	566	572	41%	1%
Europe & Japan	283	280	20%	-1%
China and ROW	182	167	12%	-9%
Income from Operations	1,445	1,379	100%	-5%



- **74% of Income from International Markets, at Rs. 1,019 Crore**
 - Key developed markets share at 62% of revenue mix
 - Other international markets share stood at Rs. 167 Crore, 12% of the revenue mix
- **26% Income from India at Rs. 361 Crore in the quarter**

Pharma Revenue – Geography wise – Q3'FY16

Geo-wise Revenue (Rs crs)	Q3'FY15	Q3'FY16	Mix %	YoY %
India	39	38	5%	-1%
International	662	689	95%	4%
USA & Canada	509	522	72%	3%
Europe & Japan	96	99	14%	4%
ROW	57	68	9%	18%
Income from Operations	701	728	100%	4%



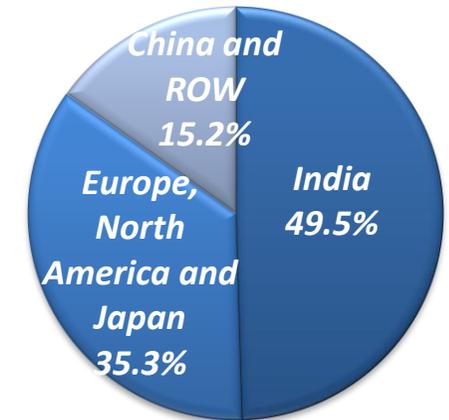
- **95% of Income from International Markets, at Rs. 689 Crore**
 - Key developed markets share at 85% of revenue mix
 - ROW markets grow 18% YoY
- **5% Income from India at Rs. 38 Crore in the quarter, mainly in Generics**

Pharma Business Highlights – Q3'FY16

- Successful inspections of API facility in Nanjangud and CMO and Radiopharmaceuticals facilities in Montreal by the USFDA
- Received 5 ANDA approvals during the quarter (Indomethacin ER Capsule 75mg, Rizatriptan Benzoate Orally Disintegrating Tablets, 5 mg and 10 mg, Paroxetine Tablets USP, 10 mg, 20 mg, 30 mg and 40 mg, Citalopram Hydrobromide Tablets, 10 mg, 20 mg, and 40 mg and Olmesartan Medoxomil (Tentative approval), 5 mg, 20 mg, and 40 mg)
- Launched 2 products in the US (Irbesartan Tablets & Montelukast Chewable Tablet) and 2 in other markets (Losartan in Taiwan; Esomeprazole in UAE)
- Witnessed strong order book in CMO business – expect good ramp up of operations in the coming quarters
- Radiopharmaceuticals business continues to deliver strong performance and we expect to launch new products going forward
- Price pressure in some of the key products in US market due to supply chain consolidation led to muted growth in Generics business

LSI Revenue – Geography wise – Q3'FY16

Geo-wise Revenue (Rs crs)	Q3'FY15	Q3'FY16	Mix %	YoY %
India	374	322	49%	-14%
International	370	329	51%	-11%
Europe, North America and Japan	245	230	35%	-6%
China and ROW	125	99	15%	-21%
Income from Operations	744	652	100%	-12%



- **Decline in revenues mainly due to lower input prices from declining crude prices resulting in lower prices of finished products**
- **51% of Income from International Markets, at Rs. 329 Crore**
 - Europe, North America and Japan markets share at 35% of revenue mix
 - Other international markets share stood at Rs. 99 Crore, 15% of the revenue mix
- **49% Income from India at Rs. 322 Crore in the quarter**

LSI Business Highlights – Q3'FY16

- Strategic initiatives underway for converting some of existing product specific plants to multi-purpose plants to meet enhanced customer demand requirement
 - Developing new products in Specialty Intermediate plants to increase capacity utilization
 - Retrofitting the plant producing Symtet to expand capacity of existing commercialized products to meet additional customer demand
- MOFCOM has reduced the Anti-Dumping Duty on Pyridines to 17.6% from 24.6%
 - Demand in China continues to remain uncertain due to ban on Paraquat
- Signed new contracts across applications in Nutritional Products and also in Life Science Chemicals

Operating Expenditure Analysis – Q3'FY16

Expenses (Rs Crs)	Q3 FY15	% of Sales	Q3 FY16	% of Sales	YoY Growth %
Material Cost	623	43%	482	35%	-23%
Power & Fuel Cost	99	7%	87	6%	-12%
Employee Cost	272	19%	283	21%	4%
Other Expenses	267	18%	220	16%	-17%
Total Expenses	1260	87%	1072	78%	-15%

- **Material Costs** as percentage of sales lower due to better operational efficiencies, price realizations, lower input prices and sales mix
- **Power & Fuel** as percentage of sales lower due to operational efficiency and lower energy costs
- **Employee costs** increase marginally
- **Other Expenses** as percentage of sales lower
- One off Expenses of 51 crores in Q3 FY15

EBITDA Analysis – Q3'FY16

EBITDA (Rs. Crs)			
Business Segments	Q3'FY15	Q3'FY16	YoY Growth %
Pharmaceuticals	140	219	57%
Life Science Ingredients	61	101	65%
Less: Corp Expenses	-10	-10	
Reported EBITDA	191	310	62%
Margins (%)			
			YoY Variance (Bps)
Pharmaceuticals	19.9%	30.1%	1020
Life Science Ingredients	8.2%	15.5%	728
Reported EBITDA	13.2%	22.5%	926

- EBITDA of Rs. 310 Crore in the quarter, growing 62% YoY; Overall EBITDA Margins of 22.5%
- Pharmaceuticals segment EBITDA growth of 57% YoY with margins at 30.1%, up from 19.9% in Q3 FY15; aided by ongoing ramp-up in our CMO business
- Life Science Ingredients EBITDA growth of 65% YoY with margins at 15.5%, up from 8.2% in Q3 FY15; improvement in margins led by Specialty Intermediates and Nutritional Products

Nine Month Results Analysis

Income Statement – 9M'FY16

Particulars	9M'FY15	9M'FY16	YoY Growth
	(Rs Crs)		(%)
Total Income from Operations	4,290	4,301	0%
Total Expenditure	3,848	3,344	
Other Income	37	11	
EBITDA including Other Income	478	969	102%
Depreciation	222	220	
Finance Cost	270	286	
Profit after Interest but before Exceptional Items	-13	462	
Exceptional Item - Gain/(Loss)	(14)	1	
Tax Expenses (Net)	55	103	
Minority Interest	18	0	
Net Profit After Tax and Minority Interest	-100	361	
Paid-up share capital (Face value per share Re.1)	15.93	15.93	
Earnings Per Share - Basic (Rs.)	-6.31	22.65	
	(%)		(bps)
EBITDA Margins	11.2%	22.5%	1137
Net Margins	-2.0%	8.4%	1040

Financial Highlights – 9M'FY16

- **Income from Operations at Rs. 4,301 crs**
 - 12% decline in Life Science Ingredients due to lower input prices from declining crude prices resulting in lower prices of finished products
- **EBITDA at Rs. 969 crs, compared to Rs. 478 Crore in 9M FY 15**
 - EBITDA grows 102% YoY; Margins at 22.5% up from 11.2% in 9M FY15
 - Pharmaceuticals segment's EBITDA at Rs. 660 Crore, growth of 170% YoY with margins of 29.8% as compared to 12.7% in 9M FY15
 - Life Science Ingredients segment's EBITDA at Rs. 341 Crore, growth of 33% with margins of 16.3% as compared to 10.8% in 9M FY15
- **Profit After Tax at Rs. 361 Crore, compared to Rs. (100) Crore in 9M FY15**
 - Earnings Per Share for Re. 1 FV equity share at Rs. 22.65 up from Rs. (6.31) in 9M FY15

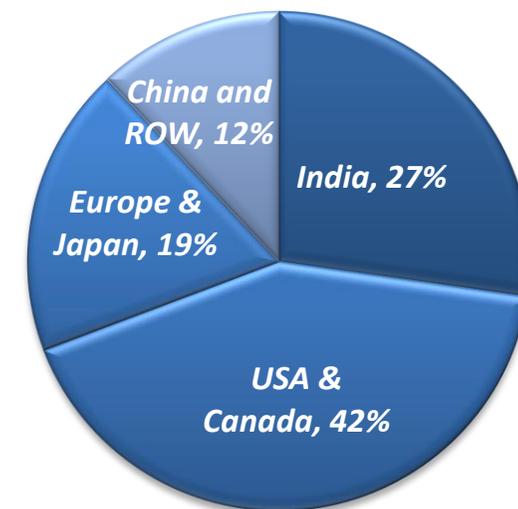
Segmental Revenue Analysis – 9M'FY16

Segmental Revenue Analysis	Revenue (Rs. Crs.)		Revenue Mix (%)	YoY Growth %
	9M'FY15	9M'FY16		
Pharmaceuticals	1,919	2,215	52%	15%
Life Science Ingredients	2,370	2,086	48%	-12%
Income from Operations	4,290	4,301	100%	0%

- **Income from Operations at Rs. 4,301 crs,**
 - International revenues at Rs. 3,129 crs, contributing 73% to the overall mix
- **Pharmaceuticals segment reports revenue of Rs 2,215 crs, 15% YoY growth**
 - **Contributes 52% to revenue mix**
 - Good growth driven by sustained momentum in Speciality Pharmaceuticals
- **LSI segment posts income of Rs 2,086 crs, contributes 48% to the revenue mix**

Company Revenue – Geography wise- 9M'FY16

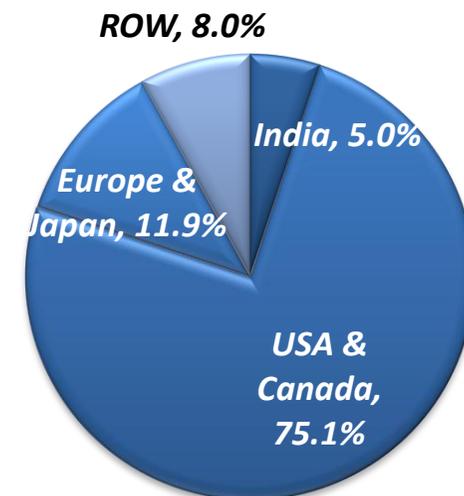
Geo-wise Revenue (Rs crs)	9M'FY15	9M'FY16	Mix %	YoY %
India	1,264	1,172	27%	-7%
International	3,026	3,129	73%	3%
USA & Canada	1,570	1,805	42%	15%
Europe & Japan	883	809	19%	-8%
China and ROW	573	515	12%	-10%
Income from Operations	4,290	4,301	100%	0%



- **73% of Income from International Markets, at Rs. 3,129 crs, grew 3% YoY**
 - Regulated Markets - USA, Canada, Europe & Japan contribute 61% to revenue mix
 - Growth of 15% in USA and Canada primarily driven by Specialty Pharmaceuticals
- **27% Income from India at Rs. 1,172 crs**

Pharma Revenue – Geography wise- 9M'FY16

Geo-wise Revenue (Rs crs)	9M'FY15	9M'FY16	Mix %	YoY %
India	97	111	5%	14%
International	1,822	2,104	95%	15%
USA & Canada	1,385	1,663	75%	20%
Europe & Japan	282	264	12%	-6%
ROW	155	177	8%	14%
Income from Operations	1,919	2,215	100%	15%



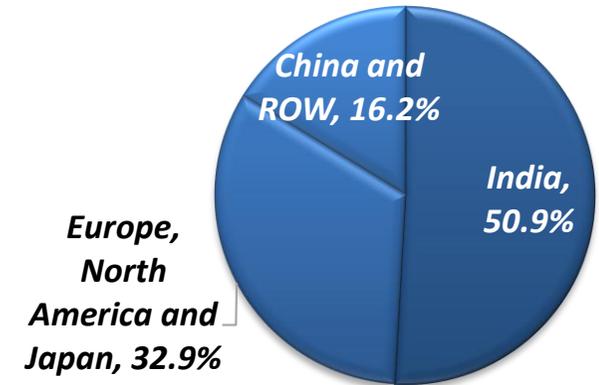
- **95% of Income from International Markets, at Rs. 2,104 crs, grew 15% YoY**
 - Regulated Markets - USA, Canada, Europe & Japan contribute 87% to revenue mix
 - Growth of 20% in USA and Canada primarily driven by Specialty Pharmaceuticals
- **5% Income from India at Rs. 111 crs, up 14% YoY**

Pharma Business Highlights – 9M'FY16

- All facilities have been inspected successfully by the USFDA during the year
- 38 commercial APIs, including 24 in North America, 23 in Europe and 28 in ROW
- 51 commercial Solid Dosage Formulations products, including 31 in North America, 29 in Europe and 27 in ROW
- Total 71 ANDAs filed till December 31, 2015, of which 27 are pending approval

LSI Revenue – Geography wise- 9M'FY16

Geo-wise Revenue (Rs crs)	9M'FY15	9M'FY16	Mix %	YoY %
India	1,167	1,061	51%	-9%
International	1,204	1,025	49%	-15%
Europe, North America and Japan	785	687	33%	-13%
China and ROW	418	338	16%	-19%
Income from Operations	2,370	2,086	100%	-12%



- **49% of Income from International Markets, at Rs. 1,025 crs**
 - Europe, North America and Japan markets share at 33% of revenue mix
 - Other international markets share stood at Rs. 338 Crore, 16% of the revenue mix
- **51% Income from India at Rs. 1,061 crs in the period**

LSI Business Highlights – 9M'FY16



- Volume reduction in Pyridine due to lower demand from global agrochemical customers
- Better price realization in Nutritional Products
- Lower revenue in Life Science Chemicals due to lower demand from global agrochemical customers
- Better performance in Fine Ingredients aided by improvement in pricing and volumes

Operating Expenditure Analysis – 9M'FY16

Expenses (Rs Crs)	9M'FY15	% of Sales	9M'FY16	% of Sales	YoY Growth %
Material Cost	1948	45%	1549	36%	-20%
Power & Fuel Cost	298	7%	288	7%	-3%
Employee Cost	815	19%	843	20%	3%
Other Expenses	787	18%	664	15%	-16%
Total Expenses	3848	90%	3344	78%	-13%

- **Material Costs** as percentage of sales lower due to better operational efficiencies, price realizations, lower input prices and sales mix
- **Power & Fuel** as percentage of sales lower due to operational efficiency and lower energy costs
- **Employee costs** increase marginally
- **Other Expenses** as percentage of sales lower
- **One-off expenses** of Rs. 123 Crores in 9M FY 2015

EBITDA Analysis 9M'FY16

EBITDA (Rs. Crs)			
Business Segments	9M'FY15	9M'FY16	YoY Growth %
Pharmaceuticals	245	660	170%
Life Science Ingredients	256	341	33%
Less: Corp Expenses	-22	-32	
Reported EBITDA	478	969	102%
EBITDA Margins (%)			
			YoY Variance (Bps)
Pharmaceuticals	12.7%	29.8%	1704
Life Science Ingredients	10.8%	16.3%	552
Reported EBITDA	11.2%	22.5%	1,137

- EBITDA of Rs. 969 Crore in 9M FY 16, growing 102% YoY; Overall EBITDA Margins of 22.5%
- Pharmaceuticals segment EBITDA growth of 170% YoY with margins at 29.8%, up from 12.7% in 9M FY15; aided by improvement in performance of Specialty Pharmaceuticals
- Life Science Ingredients EBITDA growth of 33% YoY with margins at 16.3%, up from 10.8% in 9M FY15; aided by Nutritional Products

Debt Profile

Particulars	31-Mar-15	30-Sep-15	31-Dec-15
Foreign Currency Loans	(\$ Mn)	(\$ Mn)	(\$ Mn)
Standalone	105	80	65
Subsidiaries	338	338	347
Total	443	417	412
Rupee Loans	(Rs. Crs)	(Rs. Crs)	(Rs. Crs)
Standalone	1,513	1,421	1,263
Subsidiaries	509	552	542
Total	2,022	1,973	1,805
Gross Debt	4,790	4,710	4,530
Cash & Equivalent	394	374	205
Net Debt	4,396	4,336	4,324
Change in debt on account of exchange rate difference from 31-March, 2015		-129	-151
Net Debt - Adjusted for foreign exchange difference	4,396	4,207	4,173
Working Capital Debt	1,231	1,085	1,085
Net Long Term debt	3,165	3,252	3,239
Closing Exchange Rate (Rs./USD)	62.50	65.59	66.16

- **Net debt** at Rs. 4,173 Crore compared to Rs. 4,396 Crore in March'15 on constant currency basis
 - Net debt reduction of Rs. 223 Crore in 9M FY 16
- **Blended interest rate** for the borrowings at 7.6% pa – Re loans @ 11.3% pa, \$ loans @ 4.9%

- **Going forward, expect to continue the growth momentum of the company**
 - Revenue growth in Pharmaceuticals segment expected to be driven by:
 - New product launches in Generics and Radiopharmaceuticals
 - Increased utilization in CMO of Sterile Injectables
 - Life Science Ingredients to deliver higher growth and better margins led by:
 - Growth in Specialty Intermediates driven by strategic initiatives underway for converting some of existing product specific plants to multi-purpose plants
 - Improved operational efficiency and revenue growth in Nutritional Products
- **Endeavours to strengthen Balance Sheet to continue**
 - Net debt reduction of Rs. 223 Crore in 9M FY 16

For Investors:

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