



***JUBILANT***  
***LIFESCIENCES***

## **Financial Results**

**Quarter Ended September 30, 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. 61.75 as on September 30'14 & Rs. 65.59 as on September 30'15*
- 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, October 29, 2015

**Time :** 5:00 pm IST

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**Replay from :** 29 Oct, 2015 to 05 Nov, 2015

**Dial in No.:** +91 22 3065 2322

**Playback ID:** 74506#

# Q2'16 Results Analysis

# Income Statement – Q2'FY16

Particulars	Q2'FY15	Q1'FY16	Q2'FY16	YoY Growth	QoQ Growth
	(Rs Crs)			(%)	
<b>Total Income from Operations</b>	<b>1,371</b>	<b>1,459</b>	<b>1,463</b>	<b>7%</b>	<b>0%</b>
Total Expenditure	1,260	1,129	1,142		
Other Income	26	4	4		
<b>EBITDA including Other Income</b>	<b>137</b>	<b>333</b>	<b>325</b>	<b>137%</b>	<b>-2%</b>
Depreciation	69	70	75		
Finance Cost	96	96	97		
<b>Profit after Interest but before Exceptional Items</b>	<b>(28)</b>	<b>167</b>	<b>153</b>		
Exceptional Item - Gain/(Loss)	5	2	2		
Tax Expenses (Net)	65	40	39		
Minority Interest	6	0	0		
<b>Net Profit After Tax and Minority Interest</b>	<b>(94)</b>	<b>128</b>	<b>116</b>		
Paid-up share capital (Face value per share Re.1)	15.93	15.93	15.93		
<b>Earnings Per Share - Basic (Rs.)</b>	<b>(5.91)</b>	<b>8.04</b>	<b>7.27</b>		
Promoters and promoter group shareholding	54%	54%	54%		
	(%)			(bps)	
EBITDA Margins	10.0%	22.8%	22.2%	1220	-63
Net Margins	-6.9%	8.8%	7.9%	1478	-86

# Financial Highlights – Q2'FY16



- **Income from Operations at Rs. 1,463 Crore, up 7% YoY**
  - Growth in Pharmaceuticals segment revenues led by strong performance in Specialty Pharmaceuticals; growth in Life Science Ingredients led by Specialty Intermediates and Nutritional Products
  - Geographical growth is driven by growth in North America
- **EBITDA at Rs. 325 Crore**
  - EBITDA grows 137% YoY; Margins at 22.2% up from 10.0% in Q2 FY 15
  - Pharmaceuticals segment's EBITDA at Rs. 215 Crore, growth of 211% with margins of 28.8% as compared to 11.3% in Q2 FY 2016
  - Life Science Ingredients segment's EBITDA at Rs. 118 Crore, growth of 92% with margins of 16.5% as compared to 8.2% in Q2 FY 2016
- **Profit After Tax at Rs. 116 Crore, compared to Rs. (94) Crore in Q2 FY 15**
  - Earnings Per Share for Re. 1 FV equity share at Rs. 7.27 up from Rs. (5.91) in Q2 FY 15

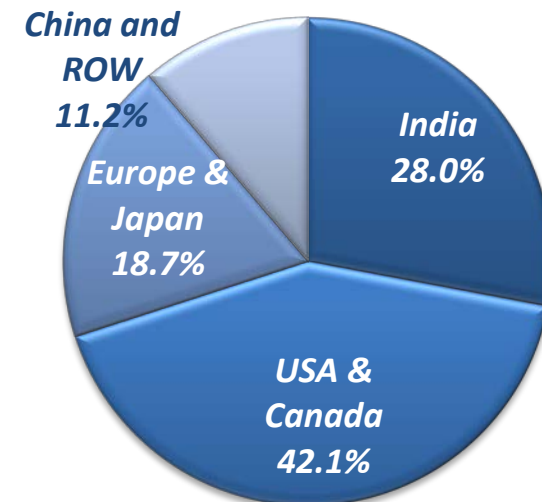
# Segmental Revenue Analysis – Q2'FY16

Segmental Revenue Analysis	Revenue (Rs. Crs.)			Revenue Mix (%)	YoY Growth %	QoQ Growth %
	Q2'FY15	Q1'FY16	Q2'FY16			
Pharmaceuticals	614	741	747	51%	22%	1%
Life Science Ingredients	757	718	716	49%	-5%	0%
<b>Income from Operations</b>	<b>1,371</b>	<b>1,459</b>	<b>1,463</b>	<b>100%</b>	<b>7%</b>	<b>0%</b>

- **Pharmaceuticals segment revenue at Rs. 747 Crore, contributing 51% to the revenue mix**
  - Revenue growth of 22% YoY, driven by Specialty Pharmaceuticals
  - Healthy growth also witnessed in APIs
- **LSI segment revenue at Rs. 716 Crore, contributing 49% to the revenue mix**
  - Growth recorded in Specialty Intermediates and Nutritional Products, however there is a decline in revenues of Life Science Chemicals due to lower Raw Material prices

# Company Revenue – Geography wise – Q2'FY16

Geo-wise Revenue (Rs crs)	Q2'FY15	Q1'FY16	Q2'FY16	Mix %	YoY %
India	421	402	409	28%	-3%
International	950	1,056	1,054	72%	11%
USA & Canada	513	618	615	42%	20%
Europe & Japan	272	254	274	19%	1%
China and ROW	164	184	164	11%	0%
<b>Income from Operations</b>	<b>1,371</b>	<b>1,459</b>	<b>1,463</b>	<b>100%</b>	<b>7%</b>

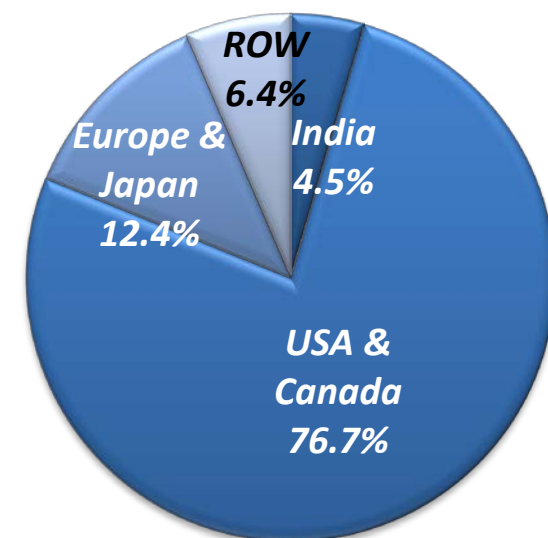


- **72% of Income from International Markets, at Rs. 1,054 Crore**
  - Key developed markets share at 61% of revenue mix
  - Other international markets share stood at Rs. 164 Crore, 11% of the revenue mix
- **28% Income from India at Rs. 409 Crore in the quarter**



# Pharma Revenue – Geography wise – Q2'FY16

Geo-wise Revenue (Rs crs)	Q2'FY15	Q1'FY16	Q2'FY16	Mix %	YoY %
India	31	39	34	4%	9%
International	584	702	713	96%	22%
USA & Canada	453	568	573	77%	26%
Europe & Japan	81	72	93	12%	14%
ROW	49	61	48	6%	-2%
Income from Operations	614	741	747	100%	22%



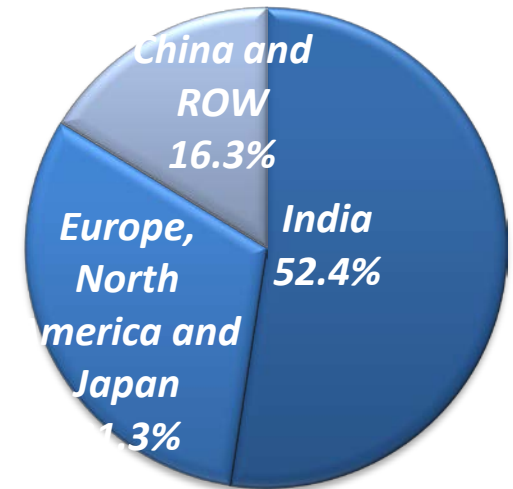
- **96% of Income from International Markets, at Rs. 713 Crore**
  - Key developed markets share at 89% of revenue mix
  - Other international markets share stood at Rs. 48 Crore, 6% of the revenue mix
- **4% Income from India at Rs. 34 Crore in the quarter, mainly in Generics**

# Pharma Business Highlights – Q2'FY 16

- 38 commercial APIs, including 24 in North America, 23 in Europe and 28 in ROW
- Launched Azithromycin Monohydrate (Oral) and Rabeprazole APIs in US
- 49 commercial Solid Dosage Formulations products, including 27 in North America, 29 in Europe and 27 in ROW
- Received Zolmitriptan approval in US for Solid Dosage Formulations
- Launched Zolmitriptan in US and Citalopram in Canada in Solid Dosage Formulations
- Total 71 ANDAs filed, of which 32 are pending approval
- Signed term sheet with Cyclopharm Limited for exclusive license to market and distribute Technegas (imaging agent for Pulmonary Embolism) in the United States
- Ramp up of operations in CMO facility in Spokane underway

# LSI Revenue – Geography wise – Q2'FY16

Geo-wise Revenue (Rs crs)	Q2'FY15	Q1'FY16	Q2'FY16	Mix %	YoY %
<b>India</b>	<b>391</b>	<b>363</b>	<b>375</b>	<b>52%</b>	<b>-4%</b>
<b>International</b>	<b>366</b>	<b>355</b>	<b>341</b>	<b>48%</b>	<b>-7%</b>
Europe, North America and Japan	251	232	224	31%	-11%
China and ROW	115	123	116	16%	1%
<b>Income from Operations</b>	<b>757</b>	<b>718</b>	<b>716</b>	<b>100%</b>	<b>-5%</b>



- **48% of Income from International Markets, at Rs. 341 Crore**
  - Europe and North America markets share at 31% of revenue mix
  - Other international markets share stood at Rs. 116 Crore, 16% of the revenue mix
- **52% Income from India at Rs. 375 Crore in the quarter**
  - De-growth on account of Life Science Chemicals due to lower Raw Material prices

# LSI Business Highlights – Q2'FY 16

- New contracts received for Nutritional Products; Robust pricing witnessed during the quarter
- New contracts signed after successful completion of key customer audits in Specialty Intermediates
- Pyridine performance stable on Q-o-Q basis; Pricing pressures in China continue
- MOFCOM has reviewed the Anti Dumping duty on Pyridine during the quarter and we await the outcome
- Entered USA and South America for Ethyl Acetate
- Commercial supply of Acetic Anhydride started in Vietnam
- New orders received across Europe, Africa, Middle East and Asia in Life Science Chemicals

# Operating Expenditure Analysis – Q2'FY16

Expenses (Rs Crs)	Q2 FY15	% of Sales	Q1 FY16	% of Sales	Q2 FY16	% of Sales	YoY Growth %	QoQ Growth %
Material Cost	606	44%	537	37%	530	36%	-13%	-1%
Power & Fuel Cost	100	7%	102	7%	99	7%	-1%	-3%
Employee Cost	271	20%	274	19%	285	19%	5%	4%
Other Expenses	283	21%	216	15%	228	16%	-19%	6%
<b>Total Expenses</b>	<b>1260</b>	<b>92%</b>	<b>1129</b>	<b>77%</b>	<b>1142</b>	<b>78%</b>	<b>-9%</b>	<b>1%</b>

- **Material Costs** as percentage of sales lower due to better operational efficiencies and price realizations
- **Power & Fuel** as percentage of sales stable
- **Employee costs** increase marginally
- **Other Expenses** as percentage of sales lower due to one-off expenses in Q2 FY'15

# EBITDA Analysis – Q2'FY16

EBITDA (Rs. Crs)					
Business Segments	Q2'FY15	Q1'FY16	Q2'FY16	YoY Growth %	QoQ Growth %
Pharmaceuticals	69	225	215	211%	-5%
Life Science Ingredients	62	121	118	92%	-2%
Less: Corp Expenses	6	-13	-9		
<b>Reported EBITDA</b>	<b>137</b>	<b>333</b>	<b>325</b>	<b>137%</b>	<b>-2%</b>
Margins (%)					
				YoY Variance (Bps)	QoQ Variance (Bps)
Pharmaceuticals	11.3%	30.4%	28.8%	1755	-160
Life Science Ingredients	8.2%	16.9%	16.5%	839	-34
<b>Reported EBITDA</b>	<b>10.0%</b>	<b>22.8%</b>	<b>22.2%</b>	<b>1,220</b>	<b>-63</b>

- EBITDA of Rs. 325 Crore in the quarter, growing 137% YoY; Overall EBITDA Margins of 22.2%
- Pharmaceuticals segment EBITDA growth of 211% YoY with margins at 28.8%, up from 11.3% in Q2 FY15; aided by sustained improvement in performance of Specialty Pharmaceuticals businesses and increased capacity utilization in our CMO business
- Life Science Ingredients EBITDA growth of 92% YoY with margins at 16.5%, up from 8.2% in Q2 FY15; improvement in margins led by Nutritional Products

# Half Yearly Results Analysis

# Income Statement – H1'FY16

Particulars	H1'FY15	H1'FY16	YoY Growth
	(Rs Crs)		(%)
<b>Total Income from Operations</b>	<b>2,844</b>	<b>2,922</b>	<b>3%</b>
Total Expenditure	2,588	2,272	
Other Income	31	8	
<b>EBITDA including Other Income</b>	<b>287</b>	<b>658</b>	<b>129%</b>
Depreciation	142	145	
Finance Cost	174	194	
<b>Profit after Interest but before Exceptional Items</b>	<b>-29</b>	<b>319</b>	
Exceptional Item - Gain/(Loss)	(14)	4	
Tax Expenses (Net)	35	80	
Minority Interest	11	0	
<b>Net Profit After Tax and Minority Interest</b>	<b>-89</b>	<b>244</b>	
Paid-up share capital (Face value per share Re.1)	15.93	15.93	
Earnings Per Share - Basic (Rs.)	-5.61	15.31	
	(%)		(bps)
EBITDA Margins	10.1%	22.5%	1244
Net Margins	-2.6%	8.3%	1099



- **Income from Operations at Rs. 2922 crs, grew 3% YoY**
  - Growth in Pharmaceuticals segment revenues led by strong performance in Specialty Pharmaceuticals
  - Revenue from International markets grow 6% YoY with North America sales growing 23% YoY
- **EBITDA at Rs. 658 crs**
  - EBITDA grows 129% YoY; Margins at 22.5% up from 10.1% in H1 FY 15
  - Pharmaceuticals segment's EBITDA at Rs. 441 Crore, growth of 320% YoY with margins of 29.6% as compared to 8.6% in H1 FY 2015
  - Life Science Ingredients segment's EBITDA at Rs. 240 Crore, growth of 23% with margins of 16.7% as compared to 12% in H1 FY 2015
- **Profit After Tax at Rs. 244 Crore, compared to Rs. (89) Crore in H1 FY 15**
  - Earnings Per Share for Re. 1 FV equity share at Rs. 15.31 up from Rs. (5.61) in H1 FY 15

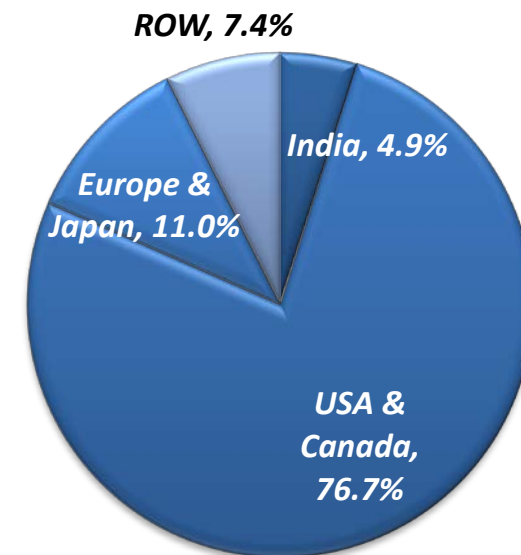
# Segmental Revenue Analysis – H1'FY 16

Segmental Revenue Analysis	Revenue (Rs. Crs.)		Revenue Mix (%)	YoY Growth %
	H1'FY15	H1'FY16		
Pharmaceuticals	1,218	1,488	51%	22%
Life Science Ingredients	1,626	1,434	49%	-12%
<b>Income from Operations</b>	<b>2,844</b>	<b>2,922</b>	<b>100%</b>	<b>3%</b>

- **Income from Operations at Rs. 2,922 crs, grows 3% YoY**
  - International revenues at Rs. 2,110 crs, contributing 72% to the overall mix
- **Pharmaceuticals segment reports revenue of Rs 1,488 crs, 22% YoY growth**
  - Contributes 51% to revenue mix
  - Good growth driven by sustained momentum in Speciality Pharmaceuticals
- **LSI segment posts income of Rs 1,434 crs, contributes 49% to the revenue mix**
  - De-growth due to reduction in selling price from lower Raw Material prices

# Company Revenue – Geography wise- H1'FY16

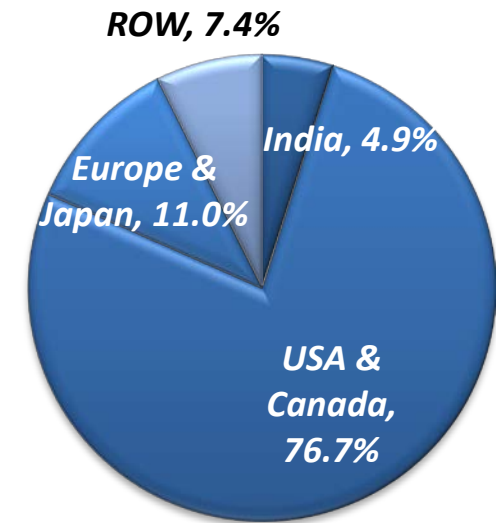
Geo-wise Revenue (Rs crs)	H1'FY15	H1'FY16	Mix %	YoY %
<b>India</b>	<b>851</b>	<b>811</b>	<b>28%</b>	<b>-5%</b>
<b>International</b>	<b>1,994</b>	<b>2,110</b>	<b>72%</b>	<b>6%</b>
USA & Canada	1,003	1,233	42%	23%
Europe & Japan	599	529	18%	-12%
China and ROW	391	349	12%	-11%
<b>Income from Operations</b>	<b>2,844</b>	<b>2,922</b>	<b>100%</b>	<b>3%</b>



- **74% of Income from International Markets, at Rs. 2,110 crs, grew 6% YoY**
  - Regulated Markets - USA, Canada, Europe & Japan contribute 60% to revenue mix
  - Growth of 23% in USA and Canada primarily driven by Specialty Pharmaceuticals
- **28% Income from India at Rs. 811 crs in the six months**

# Pharma Revenue – Geography wise- H1'FY16

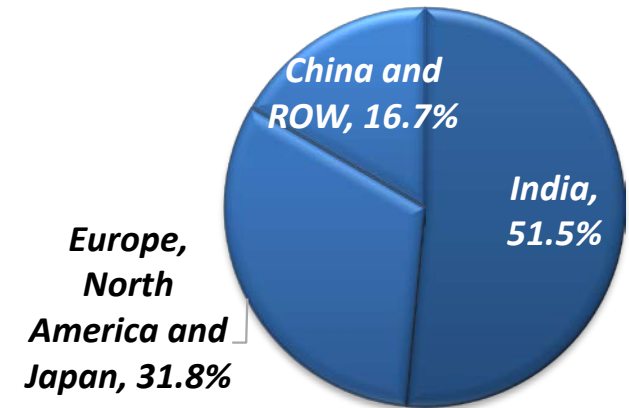
Geo-wise Revenue (Rs crs)	H1'FY15	H1'FY16	Mix %	YoY %
<b>India</b>	<b>59</b>	<b>73</b>	<b>5%</b>	<b>24%</b>
<b>International</b>	<b>1,160</b>	<b>1,415</b>	<b>95%</b>	<b>22%</b>
USA & Canada	876	1,141	77%	30%
Europe & Japan	186	164	11%	-12%
ROW	98	109	7%	12%
<b>Income from Operations</b>	<b>1,218</b>	<b>1,488</b>	<b>100%</b>	<b>22%</b>



- **95% of Income from International Markets, at Rs. 1,415 crs, grew 22% YoY**
  - Regulated Markets - USA, Canada, Europe & Japan contribute 88% to revenue mix
  - Growth of 30% in USA and Canada primarily driven by Specialty Pharmaceuticals
- **5% Income from India at Rs. 73 crs in the six months, up 24% YoY**

# LSI Revenue – Geography wise- H1'FY16

Geo-wise Revenue (Rs crs)	H1'FY15	H1'FY16	Mix %	YoY %
<b>India</b>	<b>792</b>	<b>738</b>	<b>51%</b>	<b>-7%</b>
<b>International</b>	<b>834</b>	<b>696</b>	<b>49%</b>	<b>-17%</b>
Europe, North America and Japan	540	456	32%	-16%
China and ROW	293	239	17%	-18%
<b>Income from Operations</b>	<b>1,626</b>	<b>1,434</b>	<b>100%</b>	<b>-12%</b>



- **49% of Income from International Markets, at Rs. 696 crs**
  - Europe and North America markets share at 32% of revenue mix
  - Other international markets share stood at Rs. 239 Crore, 17% of the revenue mix
- **51% Income from India at Rs. 738 crs in the six months**

# Operating Expenditure Analysis – H1'FY16

Expenses (Rs Crs)	H1'FY15	% of Sales	H1'FY16	% of Sales	YoY Growth %
Material Cost	1326	47%	1067	37%	-19%
Power & Fuel Cost	199	7%	201	7%	1%
Employee Cost	543	19%	559	19%	3%
Other Expenses	520	18%	444	15%	-15%
<b>Total Expenses</b>	<b>2588</b>	<b>91%</b>	<b>2272</b>	<b>78%</b>	<b>-12%</b>

- **Material Costs** to Sales lower
- **Power & Fuel Costs and Staff Costs** to sales stable
- **Other expenses** lower as percentage to sales due to one-offs in H1 FY 2015

# EBITDA Analysis H1'FY16

EBITDA (Rs. Crs)			
Business Segments	H1'FY15	H1'FY16	YoY Growth %
Pharmaceuticals	105	441	320%
Life Science Ingredients	195	240	23%
Less: Corp Expenses	-13	-22	
<b>Reported EBITDA</b>	<b>287</b>	<b>658</b>	<b>129%</b>
EBITDA Margins (%)			
			YoY Variance (Bps)
Pharmaceuticals	8.6%	29.6%	2101
Life Science Ingredients	12.0%	16.7%	471
<b>Reported EBITDA</b>	<b>10.1%</b>	<b>22.5%</b>	<b>1,244</b>

- EBITDA of Rs. 658 Crore in H1 FY 16, growing 129% YoY; Overall EBITDA Margins of 22.5%
- Pharmaceuticals segment EBITDA growth of 320% YoY with margins at 29.6%, up from 8.6% in H1 FY15; aided by sustained improvement in performance of Specialty Pharmaceuticals businesses and increased capacity utilization in our CMO business
- Life Science Ingredients EBITDA growth of 23% YoY with margins at 16.7%, up from 12% in H1 FY15; aided by Nutritional Products

# Debt Profile

Particulars	31-Mar-15	30-Jun-15	30-Sep-15
<b>Foreign Currency Loans</b>	<b>(\$ Mn)</b>	<b>(\$ Mn)</b>	<b>(\$ Mn)</b>
Standalone	105	90	80
Subsidiaries	338	356	338
<b>Total</b>	<b>443</b>	<b>445</b>	<b>417</b>
<b>Rupee Loans</b>	<b>(Rs. Crs)</b>	<b>(Rs. Crs)</b>	<b>(Rs. Crs)</b>
Standalone	1,513	1,466	1,421
Subsidiaries	509	485	552
<b>Total</b>	<b>2,022</b>	<b>1,951</b>	<b>1,973</b>
Gross Debt	4,790	4,785	4,710
Cash & Equivalent	394	394	374
Net Debt	4,396	4,391	4,336
Change in debt on account of exchange rate difference from 31-March, 2015		-51	-129
Net Debt - Adjusted for foreign exchange difference	4,396	4,341	4,207
Working Capital Debt	1,231	1,236	1,176
Net Long Term debt	3,165	3,156	3,161
Closing Exchange Rate (Rs./USD)	62.50	63.64	65.59

- **Net debt** at Rs. 4,207 Crore compared to Rs. 4,396 Crore in March'15 on constant currency basis
  - Net debt reduction of Rs. 189 Crore in H1 FY 16
- **Blended interest rate** for the borrowings at 7.7% pa – Re loans @ 11.7% pa, \$ loans @ 4.8%



- **In FY 2016, Pharmaceuticals segment to drive revenue growth**
  - Pharmaceuticals segment expected to drive growth on account of:
    - Growth in North America in the Specialty Pharmaceuticals business
    - Ramp up of operations at Spokane
  - Life Science Ingredients to deliver better margins compared to FY 15 led by:
    - Improved operational efficiency and growth in Specialty Intermediates and Nutritional Products
- **We expect to sustain the momentum during the year**
- **Endeavours to strengthen Balance Sheet to continue**

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