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PRESS RELEASE

Noida, Tuesday, Aug 02, 2022

JUBILANT PHARMOVA – Q1'FY23 RESULTS

Particulars[1]	Q1'FY22	Q4'FY22	Q1'FY23
Total Revenue from Operations	**1,635**	**1,528**	**1,452**
Reported EBITDA	**379**	**244**	**204**
Reported EBITDA margin (%)	23.2%	16.0%	14.0%
Profit After Tax	**161**	**59**	**47**
PAT margin (%)	9.8%	3.9%	3.2%
EPS (Rs)	**10.1**	**3.7**	**2.9**

The Board of Jubilant Pharmova Limited met today to approve financial results for the quarter ended June 30, 2022.

Commenting on Company's performance, Mr. Shyam S Bhartia, Chairman and Mr. Hari S Bhartia, Co-Chairman & Managing Director, Jubilant Pharmova Limited said:

"During the quarter, the Company reported YoY improvement in sales in Specialty Pharmaceuticals and CRDMO, which was offset by CDMO Sterile Injectables and Generics segments.

In Specialty Pharmaceuticals, the Radiopharmaceuticals segment reported higher sales and profitability on account of recovery from COVID-19 impact, while Radiopharmacies business witnessed higher sales on account of recovery from pandemic and launch of new products. Our Allergy Business continues to perform strongly and witnessed healthy growth YoY. In the CDMO sterile injectables segment, revenue stood lower YoY as in Q1'FY22 the business realized higher revenue from COVID-19 related contracts as compared to this quarter. Generics segment's performance was impacted by pricing pressure in the US market and Import Alert related challenges, which resulted in lower performance as compared to Q1'FY22.

In CRDMO, while our Drug Discovery Services segment continued to report robust growth led by higher volumes and stable pricing, the CDMO-API segment reported lower revenue as the Nanjangud plant is undergoing asset replacement and plant upgradation, which contributed to lower volumes.

We are glad to share that the API demerger has become effective with April 1, 2022 as the appointed date. This demerger will enable to create synergies between CRO & CDMO businesses and help in supporting our customers for their needs from early stage of research to commercialization of active ingredients, and will provide competitive edge to this business.

We would like to inform that for better understanding of performance and outlook of our various businesses, the Company has reorganized the reporting segments from Q1'FY23 onwards and the details are covered in this quarter's investor materials."

1. *All figures are in Rs Crore unless otherwise stated*

Q1’FY23 Highlights

Consolidated financials

Particulars[1]	Q1'FY22	Q4'FY22	Q1'FY23
Total Revenue from Operations	**1,635**	**1,528**	**1,452**
Reported EBITDA	**379**	**244**	**204**
Depreciation and Amortisation	88	101	95
EBIT	**291**	**144**	**109**
Finance Cost	35	40	40
Profit Before Tax	**247**	**106**	**69**
Tax	86	47	22
Profit After Tax	**161**	**59**	**47**
EPS	10.09	3.74	2.96
Margin			
EBITDA	23.2%	16.0%	14.0%
Profit After Tax	9.8%	3.9%	3.2%

- Revenue was at Rs 1,452 Crore vs. Rs 1,635 Crore in Q1'FY22 and Rs 1,528 Crore in Q4’FY22
- Reported EBITDA at Rs 204 Crore versus Rs 379 Crore in Q1'FY22 and Rs 244 Crore in Q4’FY22
    - In Q1’FY23, we witnessed COVID related deals of Rs 70 Crore vs. Rs 220 Crore in Q1’FY22 and Rs 11 Crore in Q4’FY22
    - In Q1’FY23, we witnessed nil sales of Remdesivir vs Rs 133 Crore in Q1’FY22 and Rs 4 Crore in Q4’FY22
- Finance costs at Rs 40 Crore vs. Rs 35 Crore in Q1'FY22 and Rs 40 Crore in Q4’FY22 . Higher finance cost vs. Q1’FY22 was due to increase in interest rates
- PAT was at Rs 47 Crore as compared with Rs 161 Crore in Q1'FY22 and Rs 59 Crore in Q4’FY22
- EPS is Rs 2.96 versus Rs 10.09 in Q1'FY22 and Rs 3.74 in Q4’FY22
- Capital expenditure for the quarter was Rs 98 Crore

Specialty Pharmaceuticals

Particulars[1,2]	Q1'FY22	Q4'FY22	Q1'FY23
Total Revenue	**632**	**695**	**722**
a) Radiopharma	518	566	592
i) Radiopharmaceuticals	189	224	196
ii) Radiopharmacies	328	342	396
b) Allergy Immunotherapy	114	129	130
Reported EBITDA	**75**	**149**	**117**
a) Radiopharma	36	113	73
i) Radiopharmaceuticals	60	139	94
ii) Radiopharmacies	(25)	(26)	(20)
b) Allergy Immunotherapy	39	36	44
Reported EBITDA Margin (%)	**11.9%**	**21.5%**	**16.2%**
a) Radiopharma	6.9%	20.0%	12.4%
i) Radiopharmaceuticals	32.0%	62.1%	47.9%
ii) Radiopharmacies	(7.5%)	(7.6%)	(5.2%)
b) Allergy Immunotherapy	34.3%	27.8%	33.7%

- Revenue at Rs 722 Crore vs. Rs 632 Crore in Q1'FY22 and Rs 695 Crore in Q4'FY22. Over 90% of the revenues are from the North America region
- EBITDA at Rs 117 Crore vs. Rs 75 Crore in Q1'FY22 and Rs 149 Crore in Q4'FY22 with a margin of 16.2% vs. 11.9% in Q1'FY22 and 21.5% in Q4'FY22

a) Radiopharma

- Radiopharma revenue at 592 Crore vs. 518 Crore in Q1'FY22 and Rs 566 Crore in Q4'FY22
    - Radiopharmaceuticals business witnessed improvement in sales driven by recovery from easing of COVID-19 pandemic. Sequentially sales lower due to some customer order scheduling in previous quarter
        - Ruby-Fill installations shows encouraging trend, sales increased both on a YoY and sequential basis in Q1'FY23
    - Radiopharmacies business witnessed growth YoY and sequentially due to higher volumes led by recovery from COVID-19 and launch of new products. Turnaround plan is working well reflected by volumes at pre-COVID levels and lower losses

b) Allergy Immunotherapy

- Allergy immunotherapy revenue at 130 Crore vs. 114 Crore in Q1'FY22
    - Allergy Immunotherapy reported healthy revenue growth YoY. Business continues to operate at volumes higher than pre-COVID levels.

CDMO Sterile Injectables

Particulars[1,2]	Q1'FY22	Q4'FY22	Q1'FY23
Revenue	373	288	263
EBITDA	216	78	132
Reported EBITDA Margin (%)	58%	27%	50%

- CDMO Sterile Injectables' revenue at Rs 263 Crore vs. Rs 373 Crore in Q1'FY22 and Rs 288 Crore in Q4'FY22. Over 85% of the sales come from North America with balance from Europe and Japan
    - Revenue and profitability lower vs. Q1'FY22 as business witnessed higher COVID related business during the previous quarter.
    - In Q1'FY23, we witnessed COVID related deals of Rs 70 Crore vs. Rs 220 Crore in Q1'FY22 and Rs 11 Crore in Q4'FY22
    - Sequentially revenue lower due to shutdown in Q4'FY22 and some stabilization issues in Q1'FY23 that led to lower volumes during the quarter
- Segment's EBITDA at Rs 132 Crore vs. Rs 216 Crore in Q1'FY22

CRDMO

Particulars[1,2]	Q1'FY22	Q4'FY22	Q1'FY23
Total Revenue	**193**	**318**	**280**
a) Drug Discovery Services	88	142	118
b) CDMO - API	105	176	162
Reported EBITDA	**53**	**73**	**46**
a) Drug Discovery Services	34	53	39
b) CDMO - API	19	20	6
Reported EBITDA Margin (%)	**27.7%**	**23.0%**	**16.3%**
a) Drug Discovery Services	38.9%	37.6%	33.3%
b) CDMO - API	18.3%	11.2%	4.0%

- Revenue at Rs 280 Crore vs. Rs 193 Crore in Q1'FY22 and Rs 318 Crore in Q4'FY22
- EBITDA at Rs 46 Crore vs. Rs 53 Crore in Q1'FY22 and Rs 73 Crore in Q4'FY22 with a margin of 16.3% vs. 27.7% in Q1'FY22 and 23% in Q4'FY22
- Drug Discovery Services revenue at 118 Crore vs. 88 Crore in Q1'FY22 as robust volume growth drove YoY revenue increase.
    - Higher demand from Biotech companies for integrated services, functional chemistry and DMPK.
    - Chemistry Volume increase supported by the Greater Noida facility that was commissioned in Sep 2021.
    - Sequentially revenue lower in-line with historical trends of Q4 being a stronger quarter
    - Strong capex plan underway in view of robust demand conditions in the Integrated , Chemistry and DMPK business

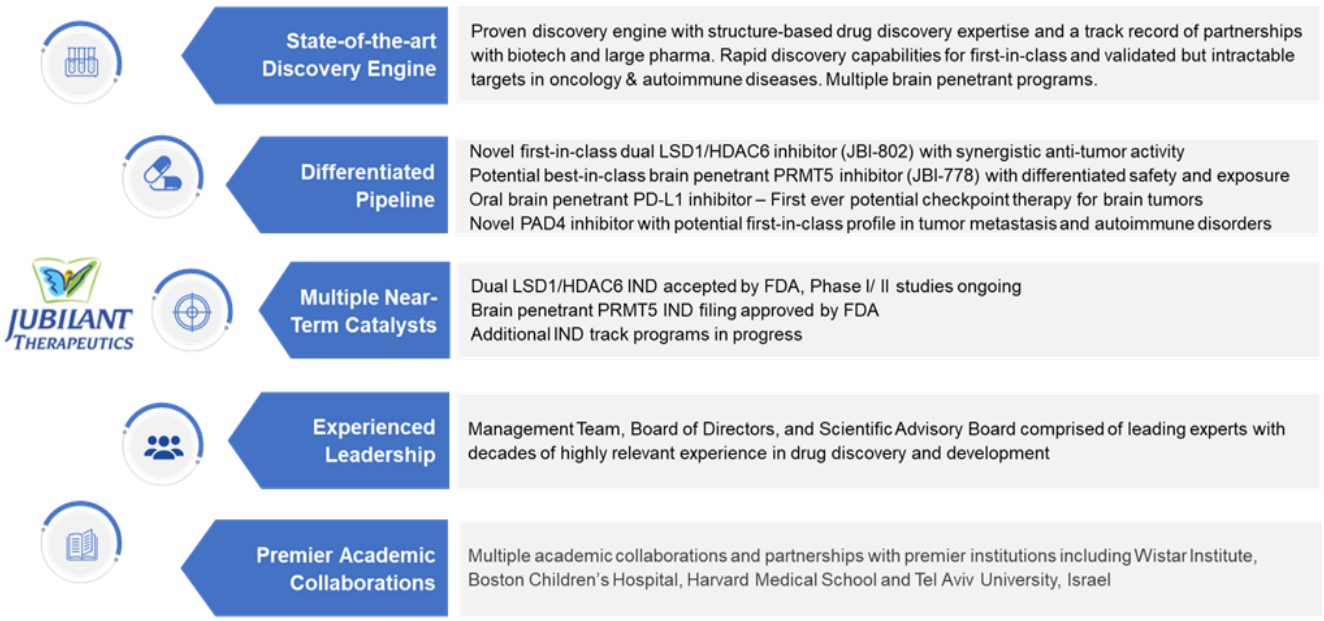
- CDMO – API revenue at Rs 162 Crore vs. Rs 102 Crore in Q1'FY22 due to higher volumes. Sequentially revenue lower as there was a shutdown in one of the plants at the facility as part of the ongoing asset replacement programs for plant upgradation.

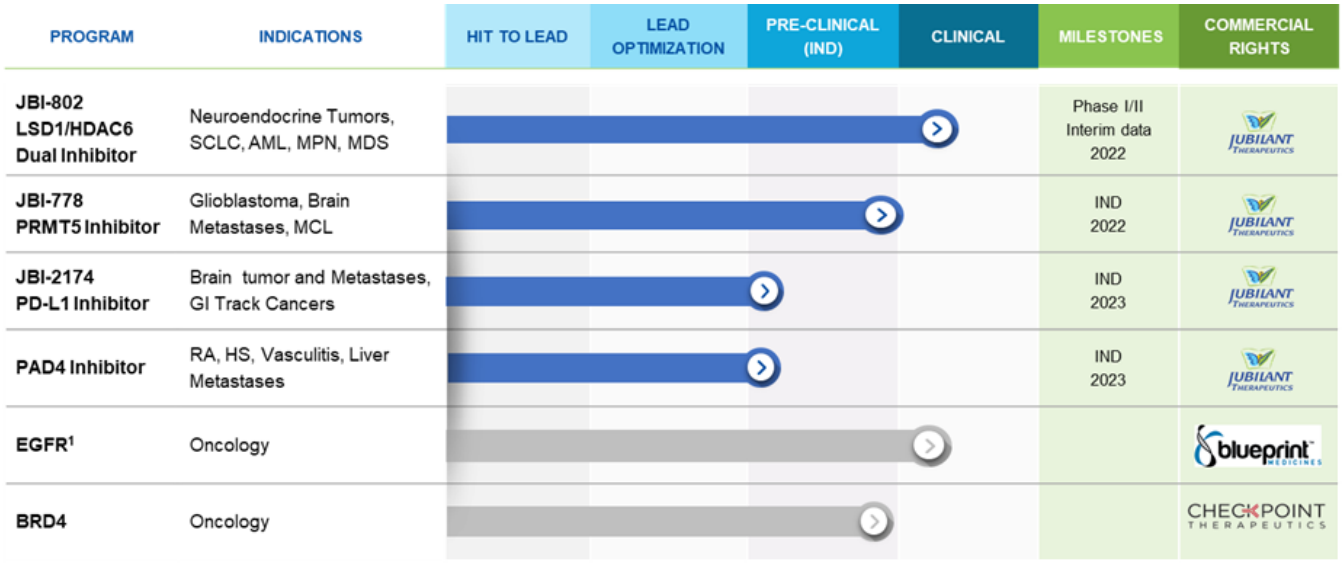
Generics

Particulars[1]	Q1'FY22	Q4'FY22	Q1'FY23
Revenue	432	221	178
Reported EBITDA	53	(24)	(74)
Reported EBITDA Margin	12%	(11%)	(41%)

- Generics revenue at Rs 178 Crore vs. Rs 432 Crore in Q1'FY22 and Rs 221 Crore in Q4'FY22
- Revenue and profitability lower vs. Q1'FY22 due to:
  - Pricing pressure in the US market. During the quarter the business witnessed sharp fall in sartan prices that impacted performance
  - Lower volumes due to import alert at Roorkee plant
  - Lower Remdesivir sales due to fewer hospitalisations. In Q1'FY23, we witnessed nil sales of Remdesivir vs Rs 133 Crore in Q1'FY22 and Rs 4 Crore in Q4'FY22
- US FDA audited the Roorkee facility and has issued six observations. Company will submit action plan on same and will engage with US FDA
- Health Canada inspected Roorkee site in early June and gave compliance rating.
- In July 2022, the USFDA announced removal of Olanzapine, Spironolactone, and Valsartan from the list of excepted products w.r.t the Roorkee Import Alert post its review of the product supply situation and company's compliance status
- Generics EBITDA at –ve Rs 74 Crore vs. Rs 53 Crore in Q1'FY22 and -ve Rs 24 Crore in Q4'FY22

Proprietary Novel Drugs





Multiple difficult-to-target precision therapeutics oncology programs in discovery stage

[1] Jubilant Therapeutics outlicensed its EGFR program to Lengo Therapeutics; Blueprint Medicines acquired Lengo Therapeutics (Frazier Healthcare entity) for $250M in cash plus $215M in milestone payments

Debt Profile

Particulars	31-03-22	30-06-22
Gross Debt	**(Rs. Crs)**	**(Rs. Crs)**
Long Term	2,874	2,986
Short Term	64	109
Total	**2,938**	**3,095**
Cash & Equivalent	984	1,027
Net Debt (On a Constant Currency Basis)	**1,954**	**1,951**

- Net Debt (constant currency) at Rs 1,951 Crore as on June 30, 2022 vs Rs 1,951 Crore as on March 31, 2022
- Average blended interest rate for Q1'FY23 at 4.84% from 4.56% in FY22

Key Business Priorities

Radiopharma	**Radiopharmaceuticals** ▪ Continued ramping up of Ruby-Fill installations ▪ New Product Development and Filings (atleast 2 New Products in FY-24) ▪ Timely execution of MIBG roadmap to enable FY-25 launch **Radiopharmacies** ▪ Focus on launch of new products to gain significant market share, expect >$10Mn revenue in FY23 ▪ Continued focus on operational efficiencies
Allergy Immunotherapy	▪ Focus on expanding non US markets (EU, South America & others) ▪ Enhance awareness in US market for Venom Immunotherapy
CDMO Sterile Injectables	▪ Spokane: Focus on capacity expansions to increase capacity by 100% (commercialization in FY-25 & FY-27) ▪ Montreal: Focus on expansion of Montreal with New Filler & Lyo to capture small volume demand (commercialization in FY 27) ▪ Maintain and further improve compliance standards
Generics	▪ Ensure Roorkee site to meet FDA compliance standards soonest enabling launch of new products post approvals of pending ANDA ▪ As risk mitigation strategy qualifying CMO's as alternate site, Revenue to start from Jan-23 ▪ Focus on complex generics and expansion in non-US market
Drug Discovery Services	▪ Fully ramp up the Greater Noida facility by Q4'FY23 and timely commissioning of the ongoing expansions in DMPK by Q3'FY23 and Chemistry by Q2'FY24
CDMO - API	▪ Explore opportunities in debottlenecking the capacity for higher volumes and cost optimization ▪ Resolution of the ongoing OAI status and the company has written to FDA for inspection and audit.
Proprietary Novel Drugs	▪ Planned execution of our best in class and first in class programs ▪ Funds raise through equity route or potential partnering for pipeline programs

Business Outlook

Speciality Pharmceuticals: In radiopharma, we continue to build a long term pipeline of diagnostic and therapeutic radiopharmaceuticals and are executing a turnaround plan of radiopharmacies, which is showing encouraging results. I131 MIBG clinical trials underway with launch expected in FY25. Medium-long term outlook remains robust. Allergy business well placed to grow strongly with healthy margins over the medium term

CDMO Sterile Injectables: We expect the business to operate at normal healthy pre-COVID levels for next 2-3 years before new capacity comes upstream and drive volumes

CRDMO: The Drug Discovery Services business will continue to grow especially with commissioning of the State of the art Greater Noida facility. DMPK expansion at the Greater Noida is underway. We are committing further investments towards capex in this business as we have high capacity utilizations amid strong demand climate. CDMO-API business is planning asset replacement programs in H1'FY23 for plant upgradation and capacity expansion with volumes expected to normalize in H2'FY23

Generics: Company hopeful of early resolution of the regulatory issue at the site and post that expect performance to improve led by new launches. In the meantime, emphasis is on shifting of production to CMOs and focus on Non-US strategic markets

Proprietary Novel Drugs: Phase I/II trial underway for our lead program – LSD1/HDAC6 inhibitor in patients with solid tumors. IND filing in Q2 FY23 for 2nd program – brain penetrant PRMT5 inhibitor – has been approved by FDA. Jubilant Therapeutics is now a clinical stage biotech with higher value creation opportunities driven by emerging data from first-in-human studies and additional IND filings.

Investments and Growth: We are accelerating capacity expansions to create new capabilities in our businesses. We expect to incur capex of around Rs 700-750 Crore in FY23 primarily towards expansion in CMO business and enhancement of CRDS capabilities and capacities. In addition, we expect product development expenditure of Rs 250-300 Crore. In view of the strong demand from our customers, we have approved further expansion of the Greater Noida facility, which will deliver both Chemistry and DMPK services

Earnings Call details

The company will host earnings call at 5.00 PM IST on Aug 02, 2022

Participants can dial-in on the numbers below
Primary Number: + 91 22 6280 1141 / + 91 22 7115 8042
Toll Free Numbers:
USA: 1 866 746 2133
UK: 0 808 101 1573
Singapore: 800 101 2045
Hong Kong: 800 964 448

Replay: Aug 02 to Aug 09, 2022
Dial-in: +91 22 7194 5757 / +91 22 6663 5757
Playback ID: 65703

Income Statement – Q1 FY23

Particulars[1]	Q1'FY22	Q4'FY22	Q1'FY23
Revenue from Operations			
Specialty Pharmaceuticals	**632**	**695**	**722**
CDMO Sterile Injectables	**373**	**288**	**263**
Generics	**432**	**221**	**178**
Contract Research Development and Manufacturing Organisation	**193**	**318**	**280**
Proprietary Novel Drugs	**0**	**0**	**4**
Unallocable Corporate Income	**5**	**6**	**5**
Total Revenue	**1,635**	**1,528**	**1,452**
EBITDA			
Specialty Pharma	**75**	**149**	**117**
CDMO of Sterile Injectables	**216**	**78**	**132**
Generics	**53**	**(24)**	**(74)**
Contract Research Development and Manufacturing Organisation	**53**	**73**	**46**
Proprietary Novel Drugs	**(8)**	**(12)**	**(7)**
Unallocated Corporate (Expenses)/Income	(9)	(20)	(11)
Reported EBITDA	**379**	**244**	**204**
Depreciation and Amortization	88	101	95
Finance Cost	35	40	40
Profit / (Loss) from Associates	(10)	1	(0)
Profit before Tax	**247**	**106**	**69**
Tax Expenses (Net)	86	47	22
PAT	**161**	**59**	**47**
EPS	**10.09**	**3.74**	**2.96**
Margins			
Specialty Pharma	**11.9%**	**21.5%**	**16.2%**
CDMO of Sterile Injectables	**57.9%**	**27.3%**	**50.2%**
Generics	**12.2%**	**(11.1%)**	**(41.4%)**
Contract Research Development and Manufacturing Organisation	**27.7%**	**23.0%**	**16.3%**
Reported EBITDA Margin	**23.2%**	**16.0%**	**14.0%**
Net Margin	**9.8%**	**3.9%**	**3.2%**

About Jubilant Pharmova Limited

Jubilant Pharmova Limited (formerly Jubilant Life Sciences Limited) is a company engaged in Pharmaceuticals, Contract Research and Development Services and Proprietary Novel Drugs businesses. Pharmaceuticals business through Jubilant Pharma Limited Singapore (JPL) is engaged in manufacturing and supply of Radiopharmaceuticals with a network of 48 radio-pharmacies in the US, Allergy Immunotherapy, Contract Manufacturing of Sterile Injectables and Non-sterile products and Solid Dosage Formulations through five manufacturing facilities that cater to all the regulated market including USA, Europe and other geographies. Jubilant Biosys Limited provides contract research and development services through two world class research centers in Bangalore and Noida in India. Jubilant Therapeutics is involved in Proprietary Novel Drugs business and is an innovative biopharmaceutical company developing breakthrough therapies in the area of oncology and auto-immune disorders. The company is also involved in the manufacturing of Active Pharmaceutical Products through a US FDA approved facility in Nanjangud, Karnataka. Jubilant Pharmova Limited has a team of over 6,000 multicultural people across the globe. The Company is well recognized as a 'Partner of Choice' by leading pharmaceuticals companies globally. For more information, please visit: www.jubilantpharmova.com

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