Jubilant Life Sciences Ltd.
1A, Sector 16A, Noida – 201301, India
Tel.: +91 120 4361000
http://www.jubl.com

PRESS RELEASE

Noida, Tuesday, August 09, 2016

JUBILANT LIFE SCIENCES – Q1 FY2017 RESULTS

JUBILANT REPORTS STRONG PROFITABILITY IN Q1'17
RECORD EBITDA AT RS. 372 CRORE, UP 13%YOY
EBITDA MARGINS AT 26.2%, UP FROM 22.7% YOY; PAT AT RS. 162 CRORE, UP 22% YOY

The Board of Jubilant Life Sciences Limited, an integrated global pharmaceuticals and life sciences company met today to approve financial results for the quarter ended June 30, 2016.

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

"We have started the Year FY 2017 on a positive note delivering strong performance in Pharmaceuticals segment which contributed about 70% of the company's operating profit. We are glad to state that our company has built a robust long term sustainable business model with the growth engine of Pharmaceuticals and Drug Discovery Solutions segments. By creating focussed management teams for all the three segments of businesses, we are able to clearly define strategic initiatives with the right mix of capital allocation. We believe that the company will continue to deliver better performance going forward given the robust product pipeline in place."

Disclaimer: All financials as per IND-AS.

Q1 FY17 Highlights

- Consolidated revenue at Rs. 1,420 Crore
  - Pharmaceuticals revenue at Rs. 752 Crore, contributing 53% to the overall mix
  - LSI revenue at Rs. 618 Crore, contributing 44% to the overall mix
  - Drug Discovery Solutions revenue at Rs. 50 Crore, contributing 3% to the overall mix
  - International revenues at Rs. 1,050 Crore, contributing 74% to the overall mix
- EBITDA at Rs. 372 Crore, improving by 13% YoY with EBITDA margins at 26.2%, up from 22.7% in Q1'16
  - Pharmaceuticals segment contributes about 70% of the company's EBITDA; margins at 34%, up from 32.2% in Q1'16
  - Life Science Ingredients EBITDA margins at 19.0%, up from 17.2% in Q1 FY16
  - Drug Discovery Solutions EBITDA margins at 32.2%, up from -3.5% in Q1'16
- PAT at Rs. 162 Crore, up 22% YoY, with an EPS of Rs. 10.15 in the quarter
- Capital Expenditure of Rs. 41 Crore
- Net Debt reduction of Rs. 247 Crore

- Received payment of US$ 2 Million with contingent payment totalling up to US$ 180 Million for out-licensing of Novel BET Inhibitors in Drug Discovery Solutions

Pharmaceuticals Segment Highlights

- Revenues of Rs. 752 Crores, rising 7% YoY
    - Specialty Pharmaceuticals (Sterile Products) revenues grew 13% YoY, contributing 54% to total Pharmaceuticals segment sales
    - Generics revenues growth was flat during the quarter, with strong growth in our ROW business offsetting decline in our US formulation business
    - Addition of one new client during the quarter in CMO of sterile Injectibles; order book of US$ 534 Million
- Region-wise Revenue break-up
    - Revenues from North America were at Rs. 501 Crore, contributing 67% to the Pharmaceuticals segment revenues; lower by 6% YoY
    - Revenues from Europe and Japan were at Rs. 119 Crore, higher by 61% YoY and contributing 16% to Pharmaceuticals segment revenues
    - Revenues from Rest of the World stood at Rs. 84 Crore, up 39% YoY and contributing 11% to the Pharmaceuticals segment revenues
- EBITDA growth of 13% YoY with margins at 34%, up from 32.2% in Q1 FY16; aided by improvement in Specialty Pharmaceuticals (Sterile Products)
- Segment contributes about 70% of the company's EBITDA
- R&D spent during Q1 FY 17 is Rs. 54 Crore; 7% to segment sales. R&D charged to P&L is Rs. 30 Crore

Portfolio of R&D products – Filings and Approvals

We have a total of 850 filings across geographies including 770 filings in Oral Solids and 80 filings in Sterile products. Of this, 649 filings (578 Oral solids and 71 Sterile Products) have been approved while 201 filings (192 oral solids and 9 Sterile Products) are pending approval.

I. Portfolio of Radiopharmaceuticals Sterile Products – Filings and Approvals
    a. 77 filings in Sterile Products, of which 69 filings have been approved and 8 filings are pending approval across multiple geographies, including 8 filings in the US with 6 approvals
    b. Rubyfill – filing in Canada and Europe
        i. Rubidium generators approvals received in Germany, Switzerland and Canada; Expecting a CE-Marking for the infuser in H2 FY 17, post which, we will be in a position for launch in these markets.
    c. Rubyfill – 505 (b) (2) filing in US
        i. Used for Nuclear Cardiology diagnostic PET [positron emission tomography] procedures
        ii. Superior sensitivity, specificity and accuracy to currently performed products
        iii. Cardiac PET with Rb82Cl can also provide evaluation of cardiac function at peak stress
        iv. Provides quantitative measurements of CFR [coronary flow reserve]

v. Jubilant has filed a 505 (b) (2) and the USFDA is in active review; expected approval by H2FY17

d. Orphan Drug I-131 MIBG – NDA filing in US
   i. Jubilant has received Orphan drug status with eligibility for accelerated approval
   ii. Indicated for treatment of paediatric Neuroblastoma, accounting for 6% of cancers in children
   iii. Jubilant's MIBG has already been used for over a decade in USFDA approved expanded access trials and two academic consortiums – NANT (New Approaches to Neuroblastoma Therapy) and COG (Children Oncology Group)
   iv. Enrolment for a 65 patient pivotal phase II trial is expected to start by H2 FY17; Agreement with USFDA for fast track approval post these trials
   v. We expect approval in FY19

e. Exametazime (Generic Ceretec) – 505 (b) (2) filing in US
   i. Approved for brain imaging; Can be utilized for SPECT or Planar Imaging of Infection
   ii. Submission study report and analysis completed with extremely robust data
   iii. Filed under the 505(b)(2) regulatory pathway in July 2016; Expect approval in H2 FY18

f. Further, we are working on 6 other products for the US market, and we plan to file at least one product in FY 17 and balance in coming years. These are expected to be very niche and differentiated products including some 505 (b) (2) filings.

II. Portfolio of Generics – Filings and Approvals

a. Oral Solids
   i. Filed 70 ANDAs in the US
      1. 44 ANDAs have been approved and 26 ANDAs are pending approval
      2. We plan to file 10 ANDAs in FY 17
   ii. Made 700 filings in ROW markets including Canada, Europe and Japan
      1. 534 filings have been approved and 166 filings are pending approval
      2. Made 16 filings during Q1FY17

b. Injectables
   i. Filed 2 products, and approvals for both have been received

Life Science Ingredients Segment Review

- Revenues at Rs. 618 Crore, declined 14% YoY, contributing 44% to total revenues
  - International markets share stood at 48% of total Life Science Ingredients segment revenues
  - Revenues from Key Developed Markets stood at Rs. 209 Crore, contributing 34% to Life Science Ingredients revenues; India business was at Rs. 322 Crore
- Revenues decline mainly due to lower input prices from lower crude prices resulting in decrease in prices of finished products and focus on some profitable markets
- Witnessed robust growth in Fine Ingredients business

- EBITDA margins at 19.0%, up from 17.2% in Q1 FY16; improvement in margins due to focus on profitable sales, cost-optimization initiatives and process efficiencies

Drug Discovery Solutions Segment Review

- Revenues at Rs. 50 Crore, grew 102% YoY, contributing 3% to total revenues
- EBITDA stood at Rs. 16 Crore, including out-licensing income of US$ 2 Million (Rs. 13 Crore), up from Rs. (1) Crore in Q1'16
- EBITDA margins at 32.2%, up from -3.5% in Q1'16
- Proprietary Drug Discovery
    - Out-licensing of family of patents covering compounds that inhibit BRD4, a member of the BET (Bromodomain and Extra Terminal) for cancer treatment
        - We have entered into exclusive out-licensing agreement with Checkpoint Therapeutics for Novel BET Inhibitors.
        - This includes upfront payment of US$ 2 Million and Contingent pre-clinical, clinical and regulatory payments including commercial milestones totaling up to US$ 180 Million.
        - Jubilant will receive research funding and royalty payments on successful commercialization of the compounds.
- The pipeline of novel products is very strong. We continue to evaluate further licensing opportunities of some of our existing pipeline.
- Strategic investments in Drug Discovery ventures
    - Received upfront payment of US$ 4.6 Million in Q4'16 and contingent payment up to US$ 18 Million based on the achievement of certain pre-determined clinical and regulatory milestones from 10% interest as a limited partner in one of the venture funds specialized in seeding and investing in early stage drug discovery firms. These payments are on account of an acquisition by a large pharma company of one of their investee companies having assets in early stage clinical development.

Outlook

In FY2017, we are confident of maintaining the momentum going forward led by key initiatives in our key segments. Revenue and profitability growth in Pharmaceuticals segment is expected to be led by new product launches in Generics with robust growth in ROW business, expected launch of Ruby-fill and strong pipeline in Radiopharmaceuticals and ramp-up of operations in Sterile Injectables with new customer acquisitions and strong order book. In Life Science Ingredients segment, focus is on generating operating cash by strategic initiatives of retrofitting plants for better capacity utilization with new product introductions and improved margins by cost optimization and better product mix. Our endeavours to reduce debt through operating cash flow will continue and focus will be on improving key financial ratios. We have achieved Net Debt reduction of Rs. 247 Crore in Q1 FY 17 and Rs. 368 Crore in FY 16.

About Jubilant Life Sciences Limited

Jubilant Life Sciences Limited is an integrated global Pharmaceutical and Life Sciences Company engaged in manufacture and supply of APIs, Solid Dosage Formulations, Radiopharmaceuticals, Allergy Therapy Products and Life Science Ingredients. It also provides services in Contract Manufacturing of Sterile Injectables and Drug Discovery Solutions. The Company's strength lies in its unique offerings of Pharmaceuticals and Life Sciences products and services across the value chain. With 11 world-class manufacturing facilities in India, US and Canada and a team of around 6500 multicultural people across the globe, the Company is committed to deliver value to its customers spread across over 100 countries. The Company is well recognized as a 'Partner of Choice' by leading pharmaceuticals and life sciences companies globally. For more info: www.jubl.com

For more information, please contact:

For Investors

Ravi Agrawal
Jubilant Life Sciences Limited
Ph: +91-120 436 1002
E-mail: ravi_agrawal@jubl.com

Siddharth Rangnekar
CDR India
Ph: +91 22 6645 1209
E-mail: siddharth@cdr-india.com

For Media

Sudhakar Safaya
Jubilant Life Sciences Limited
Ph: +91-120 436 1034
E-mail: sudhakar_safaya@jubl.com

Siddhartha Bhatnagar
Perfect Relations
Ph: +91 9873198502
E-mail: sbhatnagar@perfectrelations.com

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 its reports to shareholders. The company assumes no obligation to update forward-looking statements to reflect actual results, changed assumptions or other factors.