



JUBILANT
LIFESCIENCES

Financial Results

Quarter Ended June 30, 2016

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 Financials as per IND-AS*
- 2. All Financial Data in this presentation is derived from the limited reviewed Financial Results of the Consolidated entity*
- 3. The numbers for the quarter have been reclassified and regrouped wherever necessary*
- 4. Closing Exchange Rate for USD 1 at Rs. 63.64 as on June 30'15 & Rs. 67.52 as on June 30'16*
- 5. 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, August 09, 2016

Time : 05:00 pm IST

Primary Number:	+91 22 3938 1071
Secondary Number:	+91 22 6746 8354
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Q1'17 Results Analysis

Income Statement – Q1'FY17

Particulars	Q1'FY16	Q1'FY17	YoY Growth
	(Rs Crs)		(%)
Total Income from Operations	1,446	1,420	-2%
Pharmaceuticals	704	752	7%
Life Science Ingredients	718	618	-14%
Drug Discovery Solutions	25	50	102%
Total Expenditure	1,121	1,051	
Other Income	4	4	
EBITDA including Other Income	329	372	13%
Pharmaceuticals	226	256	
Life Science Ingredients	123	117	
Drug Discovery Solutions	(1)	16	
Depreciation and Amortization	70	72	
Finance Cost	91	83	
Profit before Tax	168	218	30%
Tax Expenses (Net)	38	54	
Minority Interest	(2)	2	
Net Profit After Tax and Minority Interest	132	162	22%
Earnings Per Share - Face Value Re. 1 (Rs.)	8.28	10.15	
	(%)		(bps)
EBITDA Margins - Company	22.7%	26.2%	349
Pharmaceuticals	32.2%	34.0%	185
Life Science Ingredients	17.2%	19.0%	181
Drug Discovery Solutions	-3.5%	32.2%	3571
Net Margins	9.1%	11.4%	226

Reconciliation between Ind-AS and I-GAAP

Particulars (Rs. Crore)	Quarter Ended			Year Ended
	30th June	31 March	30th June	31 March
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	2016	2016	2015	2016
Net profit as reported earlier under erstwhile IGAAP	159	71	128	431
i) Fair valuation of investments, classified as fair value through profit or loss	-	(32)	-	(31)
ii) Mark-to-market gain recognition on forward contracts	-	-	(8)	(9)
iii) Incremental capitalization of borrowing cost	6	4	5	19
iv) Others	-	(4)	2	-
v) Tax adjustments, net	(2)	9	3	15
vi) Minority Interest	(2)	-	2	5
Net profit now reported under Ind-AS	162	48	132	430

No Major difference in Net Profits other than timing difference on sale of investments. For details, please refer to notes of accounts

Financial Highlights – Q1'FY17



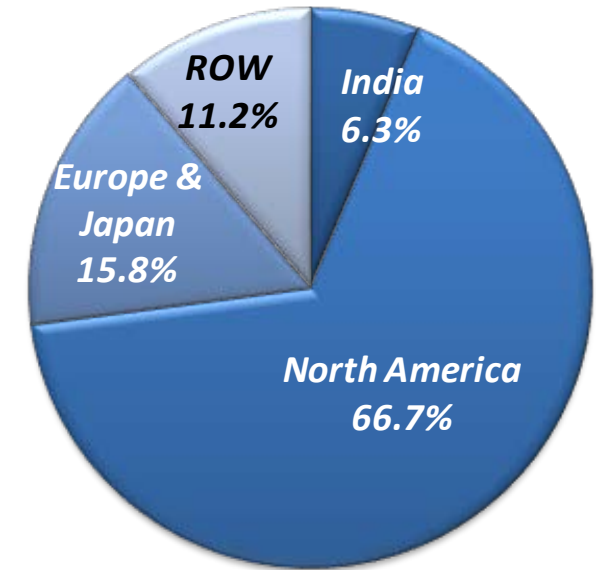
- Consolidated revenue at Rs. 1,420 Crore
 - Pharmaceutical revenue at Rs. 752 Crore, contributing 53% to the overall mix
 - LSI revenue at Rs. 618 Crore, contributing 44% to the overall mix
 - Drug Discovery Solutions revenue at Rs. 50 Crore, contributing 3% to the overall mix
 - International revenues 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 totaling up to US\$ 180 Million for out-licensing of Novel BET Inhibitors in Drug Discovery Solutions

Pharma Business Highlights – Q1'FY17

- Revenues of Rs. 752 Crores, rising 7% YoY
 - Specialty Pharmaceuticals (Sterile Products) revenues grow 13% YoY; contribute 54% to total Pharmaceuticals segment sales
 - Generics revenues growth was flat during the quarter, with strong growth in our ROW business
 - New customer acquisition during the quarter in CMO of Sterile Injectables with strong order book of US\$ 534 Million
- 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 the quarter of Rs. 54 Crore - 7% to segment sales. R&D charged to P&L is Rs. 30 Crore

Pharma Business Highlights – Q1'FY17

Region-wise Revenue (Rs crs)	Q1'FY16	Q1'FY17	Mix %	YoY %
International	665	705	94%	6%
North America	530	501	67%	-6%
Europe & Japan	74	119	16%	61%
ROW	61	84	11%	39%
India	38	47	6%	23%
Income from Operations	704	752	100%	7%



- 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

Portfolio of R&D products – Filings and Approvals

Product pipeline as on June 30, 2016						
Region	Oral Solids			Sterile Products		
	Filings	Approved	Pending	Filings	Approved	Pending
US	70	44	26	11	8	3
Canada	22	18	4	14	14	0
Europe	104	101	3	12	10	2
ROW	574	415	159	43	39	4
Total	770	578	192	80	71	9

We have a total of 850 filings across geographies

- 770 filings in Oral Solids
- 80 filings in Sterile products
- Of this, 649 filings (578 Oral solids and 71 Sterile Products) have been approved
- 201 filings (192 oral solids and 9 Sterile Products) are pending approval

Portfolio of Radiopharmaceuticals Sterile Products – Filings and Approvals



- 77 filings 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

- 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

- **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

Portfolio of Radiopharmaceuticals Sterile Products – Filings and Approvals



- **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

Portfolio of Radiopharmaceuticals Sterile Products – Filings and Approvals



- **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

- 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.

Portfolio of Generics – Filings and Approvals

Oral Solids

- **Filed 70 ANDAs in the US**
 - i. 44 ANDAs have been approved and 26 ANDAs are pending approval
 - ii. We plan to file 10 ANDAs in FY 17

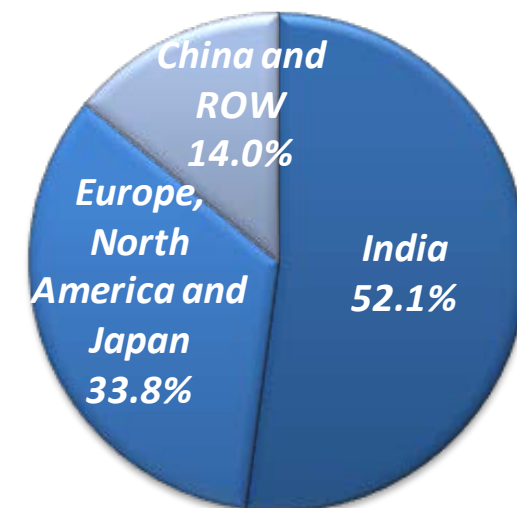
- **Made 700 filings in ROW markets including Canada, Europe and Japan**
 - i. 534 filings have been approved and 166 filings are pending approval
 - ii. Made 16 filings during Q1FY17

Injectables

- **Filed 2 products, and approvals for both have been received**

LSI Business Highlights – Q1'FY17

Region-wise Revenue (Rs crs)	Q1'FY16	Q1'FY17	Mix %	YoY %
International	355	296	48%	-17%
Europe, North America and Japan	232	209	34%	-10%
China and ROW	123	87	14%	-29%
India	363	322	52%	-11%
Income from Operations	718	618	100%	-14%



- Life Science Ingredients revenues at Rs. 618 Crore, decline 14% YoY; Contributes 44% to total revenues
 - International markets share stood at 48% of total segment revenues
 - Revenues from Key Developed Markets stood at Rs. 209 Crore, contributing 34% to 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 Business Highlights – Q1'FY17



- Revenues at Rs. 50 Crore, grow 102% YoY; Contributes 3% to total revenues
- EBITDA at Rs. 16 Crore, including out-licensing income of US\$ 2 Million, 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**
 - i. We have entered into exclusive out-licensing agreement with Checkpoint Therapeutics for Novel BET Inhibitors.
 - ii. 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.
 - iii. 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**
 - i. 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

Debt Profile

Particulars	30-Jun-15	31-Mar-16	30-Jun-16
Foreign Currency Loans	(\$ Mn)	(\$ Mn)	(\$ Mn)
Standalone	90	55	35
Subsidiaries	356	320	287
Total	445	375	322
Rupee Loans	(Rs. Crs)	(Rs. Crs)	(Rs. Crs)
Standalone	1,481	1,422	1,522
Subsidiaries	485	626	584
Total	1,966	2,047	2,105
Gross Debt	4,800	4,534	4,280
Cash & Equivalent	394	344	296
Net Debt	4,406	4,190	3,984
Change in debt on account of exchange rate difference from 31-March, 2016			-41
Net Debt - Adjusted for foreign exchange difference	4,406	4,190	3,943
Net Debt reduction for Q1'17			247
Closing Exchange Rate (Rs./USD)	63.64	66.25	67.52

- **Net debt** at Rs. 3,943 Crore compared to Rs. 4,190 Crore in March'16 on constant currency basis
 - Net debt reduction of Rs. 247 Crore in Q1'17, adjusted for exchange difference
 - Net Debt reduction of Rs. 368 crore in FY 16, adjusted for exchange difference
- **Blended interest rate** for the borrowings at 7.9% pa – Re loans @ 11.1% pa, \$ loans @ 5.2%

- **In FY 2017, maintain 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
 - Ramp-up of operations in Sterile Injectables with new customer acquisitions and strong order book
 - In Life Science Ingredients segment, focus on generating operating cash by:
 - Strategic initiatives of retrofitting plants for better capacity utilization with new product introductions
 - Improved margins by cost optimization and better product mix
- **Endeavours to reduce debt will continue**
 - Net debt reduction of Rs. 247 Crore in Q1 FY 17 (Rs. 368 Crore in FY 16)
 - Focus on generating free cash flow and improving key financial ratios

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