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PRESS RELEASE

Noida, Tuesday, May 23, 2017

JUBILANT LIFE SCIENCES – Q4/FY2017 RESULTS

JUBILANT REPORTS RECORD FY2017 PAT OF Rs. 576 CRORE, UP 47% YOY
EBITDA OF Rs. 1,370 CRORE AND MARGINS OF 22.8%
DECLARES DIVIDEND OF Rs. 3 PER EQUITY SHARE

The Board of Jubilant Life Sciences Limited, an integrated global pharmaceutical and life sciences company met today to approve financial results for the quarter and year ended March 31, 2017.

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 are pleased to announce that the company has reported highest ever revenue and profits in FY17. The differentiated business model focussing on Specialty Pharmaceuticals has enabled us to deliver exceptional results and build a strong base for growth in our Pharma business. The company has generated strong operating cash flow which enabled reduction of debt and is expected to deliver better results going forward. Our focus is to strengthen the Balance Sheet, invest in strategic opportunities without increasing debt levels and build strong pipeline of products across Specialty, Generics and LSI businesses."

Corporate Announcement:

- **Acquisition of Radiopharmacy business of Triad Isotopes:** Jubilant Pharma Limited (JPL), Singapore, a material wholly owned subsidiary of the Company, through one of its wholly owned subsidiaries, has signed an Asset Purchase Agreement with Triad Isotopes Inc. and its parent, Isotope Holdings, Inc. ("Triad") to acquire substantially all of the assets which comprise the radiopharmacy business of Triad. The closing of the transaction is subject to customary closing conditions, including contract, regulatory and other approvals. The acquisition will be funded through JPL's internal accruals and is likely to be earnings accretive. Triad recorded revenues in excess of US$ 225 Million in CY2016 with positive EBITDA and operates the second largest radiopharmacy network in the US.
- **JPL IPO:** Jubilant Pharma Limited, Singapore, in its board meeting has resolved that it will evaluate the option of fund raising through an IPO by listing in an international stock exchange, including Singapore, in the current financial year, in order to strengthen the balance sheet of JPL with a dilution of not more than 15% of equity.
- **Appointment of Additional Directors**: In order to strengthen the Board, Mr. Vivek Mehra, Mr. S.K. Roongta, Mr. Priyavrat Bhartia and Mr. Arjun Bhartia have been appointed as Additional Directors to the Board
- **Dividend:** Dividend declared of Rs 3 per Equity share of Rs 1 FV

Q4 FY17 Highlights

- Consolidated revenue at Rs. 1,641 Crore; up 8% YoY
  - Pharmaceuticals revenue at Rs. 808 Crore, contributing 49% to the revenues, up 3% YoY
  - Life Science Ingredients revenue at Rs. 782 Crore, contributing 48% to the revenues, up 13% YoY
  - Drug Discovery Solutions revenue at Rs. 51 Crore, contributing 3% to the revenues, up 27% YoY
  - International revenues at Rs. 1,151 Crore, contributing 70% to the revenues; growing 3% YoY
- EBITDA at Rs. 316 Crore, up 7% YoY; EBITDA margins at 19.2%
  - Pharmaceuticals EBITDA at Rs. 216 Crore, with margins of 26.7%; Contributes 64% to the company's EBITDA
  - Life Science Ingredients EBITDA grew 12% at Rs. 116 Crore; margins at 14.8%, Contributes 34% to the company's EBITDA
  - Drug Discovery Solutions EBITDA at Rs. 6 Crore, up from 9.2% in Q4'FY16; EBITDA margins at 10.9%
- Finance costs stood at Rs. 80 Crore, lower 19% YoY. Finance costs include Charge on stock settlement instrument of Rs. 26 crore, being a non-cash debit to P&L, on account of convertible instrument issued to IFC of US$ 60 Million as a mandatory conversion option at IPO of JPL. Also, it includes Rs. 5 Crore one-time debit to P&L due to replacement of higher cost debt from issue of NCDs
- PAT at Rs. 150 Crore, growth of 1232% with Net Margins at 9.1% and EPS for Re. 1 FV of Rs. 9.63
- Capital Expenditure of Rs. 84 Crore
- Net Debt reduction of Rs. 54 Crore

FY17 Highlights

- Recorded highest ever consolidated revenue of Rs. 6,006 Crore
  - Pharmaceuticals revenue at Rs. 3,117 Crore, up 8% YoY, contributing 52% to the revenues led by 11% growth in Specialty Pharmaceuticals business
  - LSI revenue at Rs. 2,708 Crore, contributing 45% to the revenues, decline of 6% YoY
  - Drug Discovery Solutions revenue at Rs. 182 Crore, up 45% YoY, contributing 3% to the revenues
  - International revenues at Rs. 4,247 Crore and contributing 71% to the revenues
- Recorded highest-ever EBITDA at Rs. 1,370 Crore, higher 9% YoY with margins at 22.8%, up from 21.4% in FY 2016
  - Pharmaceuticals segment EBITDA grew 9% YoY to Rs. 975 Crore with margins at 31.3%, segment contributes 68% to total EBITDA
  - Life Science Ingredients EBITDA at Rs. 434 Crore; margins at 16%, up from 15% in FY16
  - Drug Discovery Solutions EBITDA at Rs. 26 Crore; margins at 14.2%
- Finance costs stood at Rs. 341 Crore, lower 8% YoY. Finance costs include Charge on stock settlement instrument of Rs. 54 crore, being a non-cash debit to P&L, on account of convertible instrument issued to IFC of US$ 60 Million as a mandatory conversion option at IPO of JPL. Also, it includes Rs. 32 Crore one-time debit to P&L due to replacement of higher cost debt from issue of high-yield Bonds and NCDs
- PAT at Rs. 576 Crore, up 47% YoY from Rs. 392 Crore in FY16; EPS of Rs. 36.93

- Normalized PAT at Rs. 608 Crore, up 55% YoY with Normalized EPS of Rs. 39.05
- Capital Expenditure of Rs. 290 Crore
- Net Debt reduction of Rs. 506 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

Q4 FY17

- Revenues of Rs. 808 Crore, up 3% YoY
    - Specialty Pharmaceuticals (Sterile Products) revenues reported robust growth of 13% YoY; contributing 54% to segment sales
    - Generics revenues at Rs 370 crore, contributing 46% to segment sales
- Region-wise Revenue break-up
    - Revenues from North America at Rs. 580 Crore, contributing 72% to the revenues; up 14% YoY and 10% QoQ
    - Revenues from Europe and Japan were at Rs. 130 Crore, contributing 16% to revenues
    - Revenues from Rest of the World stood at Rs. 57 Crore, contributing 7% to the revenues
    - India revenues stood at Rs. 42 Crore, up 43% YoY and 6% QoQ; Contributing 5% to the revenues
- EBITDA of Rs. 216 Crore, with margins at 26.7%; aided by improvement in Specialty Pharmaceuticals (Sterile Products)
- R&D spent during the quarter of Rs. 70 Crore – 8.7% to segment sales. R&D charged to P&L is Rs. 27 Crore – 3.4% to segment sales
- USFDA inspection at Roorkee and Cadista facilities successfully completed with zero 483 observations
- Successfully completed the first installation of Rubyfill at Florida, US; On track for commercial launch in FY18

FY17

- Revenues of Rs. 3,117 Crores, up 8% YoY
    - Specialty Pharmaceuticals (Sterile Products) revenues grew 11% YoY led by growth in all key businesses; contributed 53% to segment sales as against 52% in FY16
    - Generics revenues grew 4% YoY, led by strong growth in APIs business
- Region-wise Revenue break-up
    - Revenues from North America were at Rs. 2,150 Crore, contributing 69% to the revenues, up 4% YoY
    - Revenues from Europe and Japan were at Rs. 466 Crore, contributing 15% to the revenues, up 16% YoY
    - Revenues from Rest of the World stood at Rs. 307 Crore, contributing 10% to the revenues, up 9% YoY
    - India Revenues grew 34% YoY to Rs. 194 Crore, contributing 6% to the revenues
- EBITDA of Rs. 975 Crore; growth of 9% YoY with margins at 31.3%, aided by improvement in Specialty Pharma (Sterile Products); Segment contributes to 68% of the company's EBITDA

- R&D spend during FY17 is Rs. 260 Crore – 8.4% to segment sales. R&D charged to P&L is Rs. 123 Crore – 3.9% to segment sales
- USFDA inspections of Roorkee, Cadista, Radiopharmaceuticals, CMO Montreal and Spokane facilities successfully completed

Portfolio of R&D products – Filings and Approvals

The Company has a total of 922 filings across geographies including 843 filings in Dosage (Orals) and 79 filings in Sterile Products including Jubilant Draximage. Of this, 710 filings (638 Dosage (Orals) and 72 Sterile Products) have been approved while 212 filings (205 Dosage (Orals) and 7 Sterile Products) are pending approval.

I. Portfolio of Generics – Filings and Approvals

a. Dosage (Orals)
   i. Filed 81 ANDAs in the US
      1. 51 ANDAs have been approved and 30 ANDAs are pending approval
      2. Filed 9 ANDAs in FY 17; In FY18, expect around 10 filings and 10 product launches in the US market
   ii. Made 762 filings in ROW markets including Canada, Europe and Japan
      1. 587 filings have been approved and 175 filings are pending approval
   iii. In-licensing of two products in the US market

b. Injectables and Others
   i. Total 3 ANDAs filed and approvals for 2 have been received

II. Portfolio of Radiopharmaceuticals Sterile Products – Filings and Approvals

a. Filing status as on March 31, 2017:
   i. 7 approved registrations and 2 pending approvals in the US, including 1 505 b (2) filing
   ii. 13 registrations in Canada which are all approved
   iii. 10 registrations in Europe of which are all approved
   iv. In ROW countries, we have a total of 44 registrations/licenses, of which 4 are pending for approval

b. Orphan Drug I-131 MIBG – potential NDA filing in US
   i. Jubilant has received Orphan drug status with eligibility for accelerated approval, no regulatory filing fees and 7 years exclusivity
   ii. Indicated for paediatric Neuroblastoma, accounting for 6-10% of cancers in children
   iii. Jubilant's MIBG has already been used for over a decade in USFDA approved expanded access trials and two Pediatric Oncology academic consortiums – NANT (New Approaches to Neuroblastoma Therapy) and COG (Children's Oncology Group)
   iv. Enrolment for pivotal phase II trial is expected to start by Q3FY18; Agreement with USFDA for fast track approval post this trial

c. There are 10 products under development, of which 2 are under review by the USFDA. We plan to file 2 products in FY18 and the remaining over the next 3 years

Life Science Ingredients Segment Review

Q4 FY17

- Revenues at Rs. 782 Crore; Contributes 48% to total revenues; up 13% YoY and 18% QoQ
    - International markets share stood at Rs. 335 Crore, 43% of segment revenues, up 4% YoY and 23% QoQ
    - Revenues from Key Developed Markets stood at Rs. 227 Crore, contributing 29% to segment revenues, up 19% QoQ; India business was at Rs. 447 Crore, up 21% YoY and 14% QoQ
- Revenue growth was led by Advanced Intermediates, Vitamins and Life Science Chemicals
- Commercial production of two Specialty Ingredients products was successfully completed
- Retrofitting, capacity expansion and launches in Specialty Intermediates as per schedule
- EBITDA margins at 14.8%; Stable EBITDA margins due to Pricing improvement in certain key businesses offset by increase in raw material input costs

FY17

- Revenues at Rs. 2,708 Crore; Contribute 45% to total revenues
    - International markets share stood at 42% of total segment revenues at Rs. 1,146 Crore
    - Revenues from Key Developed Markets stood at Rs. 802 Crore, contributing 30% to revenues; India business was at Rs. 1,562 Crore
- Revenues decline mainly due to lower input prices and lower crude prices resulting in decrease in prices of finished products and focus on some profitable markets
- Alpha Gamma plant commissioned; Launched Alpha Picoline and Gamma Picoline; Commercial production of two Specialty Ingredients products was successfully completed
- Price increase of upto 15% for Beta Picoline, 3-Cyanopyridine and Vitamin B3 taken from Q4'17
- EBITDA margins at 16%, up from 15% in FY'16; improvement in margins due to our focus on profitable sales, cost-optimization initiatives and process efficiencies

Drug Discovery Solutions Segment Review

Q4 FY17

- Revenues at Rs. 51 Crore, grew 27% YoY; Contributes 3% to total revenues
- EBITDA at Rs. 6 Crore, EBITDA margins at 10.9%, up from 9.2% in Q4'FY16
- Successfully achieved Toxicology milestone for US$400k for one of our out licensed proprietary molecules
- Business contracts renewed with existing clients and several new clients on boarded across all regions
- Pipeline of Integrated Drug Discovery Projects and functional business gained traction and strong client interest was witnessed

FY17

- Revenues at Rs. 182 Crore, grew 45% YoY; Contributes 3% to total revenues
- EBITDA at Rs. 26 Crore, including out-licensing income of US$ 2 Million; Up from Rs. 2 Crore in FY 2016
- 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 totalling up to US$ 180 Million
- Jubilant will receive research funding and royalty payments on successful commercialization of the compounds
- IND enabling studies for BRD4 is progressing well at Biosys and Chemsys

- The pipeline of novel products is strong and the company is aggressively pursuing internal as well as external collaborations with academics to increase the portfolio of assets. We continue to evaluate further out licensing opportunities of some of our existing pipeline and one of the asset is under due diligence

Outlook

We expect robust growth to continue going forward, driven by our Specialty Pharma business. In FY2018, better revenues and profitability is expected, led by integration of strategic acquisition and new product launches from our strong pipeline.

- Specialty Pharmaceuticals (Sterile Products): Growth in existing portfolio of products, new product launches and strategic initiatives in Radiopharmaceuticals and ramp up of operations in CMO of Sterile Injectables
- Generics: New product launches and capacity expansions
- Life Science Ingredients: Capacity expansion due to retrofitting and launch of at least 7 new products in FY18
- Drug Discovery Solutions: Addition of new customers and potential outsourcing opportunities

We will continue with our endeavours to reduce debt and to improve key financial ratios.

About Jubilant Life Sciences Limited

Jubilant Life Sciences Limited is an integrated global pharmaceutical and life sciences company engaged in Pharmaceuticals, Life Science Ingredients and Drug Discovery Solutions. The Pharmaceuticals segment, through its wholly owned subsidiary Jubilant Pharma Limited, is engaged in manufacture and supply of APIs, Solid Dosage Formulations, Radiopharmaceuticals, Allergy Therapy Products and Contract Manufacturing of Sterile and Non-sterile products through 6 USFDA approved manufacturing facilities in India, USA and Canada. The Life Science Ingredients segment, is engaged in Specialty Intermediates, Nutritional Products and Life Science Chemicals through 5 manufacturing facilities in India. The Drug Discovery Solutions segment, provides proprietary in-house innovation & collaborative research and partnership for out-licensing through 3 world class research centres in India and USA. Jubilant Life Sciences Limited has a team of around 6,700 multicultural people across the globe and is committed to deliver value to its customers 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:

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