



JUBILANT
LIFESCIENCES

Financial Results

Quarter Ended June 30, 2017

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 the limited reviewed 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. 67.52 as on June 30'16 & Rs. 64.58 as on June 30'17*
- 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, July 18, 2017

Time : 05:00 pm IST

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Q1'FY18 Results Analysis

Income Statement – Q1'FY18

Particulars	Q1'FY17	Q4'FY17	Q1'FY18	YoY Growth
	(Rs Crs)			(%)
Total Revenue from Operations	1,454	1,641	1,596	10%
Pharmaceuticals	755	808	818	8%
Life Science Ingredients	650	782	737	13%
Drug Discovery Solutions	50	51	41	-17%
Total Expenditure	1,086	1,336	1,258	16%
Other Income	4	11	7	59%
EBITDA including Other Income	372	316	344	-8%
Pharmaceuticals	256	216	252	-1%
Life Science Ingredients	117	116	108	-8%
Drug Discovery Solutions	16	6	0.4	-97%
Depreciation and Amortization	72	75	72	
Finance Cost	83	80	69	-17%
Profit before Tax	218	160	203	-7%
Tax Expenses (Net)	54	11	60	10%
Minority Interest	2	(1)	(3)	
Net Profit After Tax and Minority Interest	162	150	147	-9%
Earnings Per Share - Face Value Re. 1 (Rs.)	10.38	9.63	9.44	
	(%)			(bps)
EBITDA Margins - Company	25.6%	19.2%	21.6%	(404)
Pharmaceuticals	33.9%	26.7%	30.8%	(304)
Life Science Ingredients	18.0%	14.8%	14.7%	(337)
Drug Discovery Solutions	32.2%	10.9%	1.0%	(3122)
Net Margins	11.1%	9.1%	9.2%	(189)

Financial Highlights – Q1'FY18

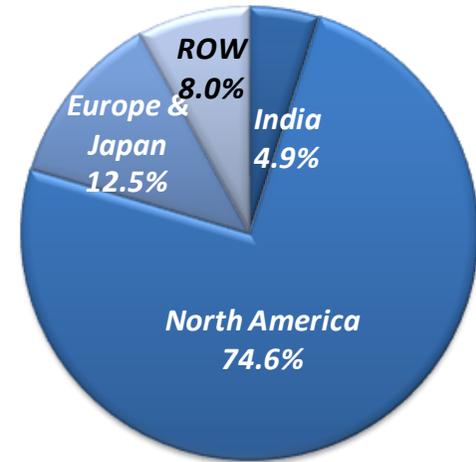
- **Consolidated revenue at Rs. 1,596 Crore; up 10% YoY**
 - Pharmaceuticals revenue at record Rs. 818 Crore, contributing 51% to the revenues, up 8% YoY
 - Life Science Ingredients revenue at Rs. 737 Crore, contributing 46% to the revenues, up 13% YoY
 - Drug Discovery Solutions revenue at Rs. 41 Crore, contributing 3% to the revenues
 - International revenues at Rs. 1,131 Crore, contributing 71% to the revenues; growing 8% YoY
- **EBITDA at Rs. 344 Crore, EBITDA margins at 21.6%**
 - Pharmaceuticals EBITDA at Rs. 252 Crore, with margins of 30.8%; Contributes 70% to the company's EBITDA as against 66% in Q1'FY17
 - Life Science Ingredients EBITDA at Rs. 108 Crore; margins at 14.7%, Contributes 30% to the company's EBITDA
 - Drug Discovery Solutions segment breaks even at EBITDA level
- **Finance costs lower 17% YoY at Rs. 69 Crore from Rs. 83 Crore in Q1'FY17. This includes Rs. 14 Crore for charge on stock settlement instrument (Q1'FY17 – Rs. 9 Crore)**
- **PAT at Rs. 147 Crore, with Net Margins at 9.2% and EPS of Rs. 9.44 for Re. 1 FV**
- **Capital Expenditure of Rs. 98 Crore**
- **Net Debt reduction of Rs. 113 Crore**

Pharmaceuticals Segment Highlights – Q1'FY18

- **Highest-ever Revenues of Rs. 818 Crore, up 8% YoY**
 - Specialty Pharmaceuticals - Injectables revenues of Rs. 469 Crore reported robust growth of 16% YoY and 7% QoQ; contributing 57% to Pharma segment sales and 29% to Company revenue
 - Generics revenues at Rs. 349 crore, contributing 43% to segment sales, showing flat growth YoY
 - Ramp up of CMO business underway with strong order book of US\$ 630 Million and addition of three new clients
- **EBITDA of Rs. 252 Crore, with margins at 30.8%; aided by improvement in Specialty Pharmaceuticals - Injectables**
- **R&D spent during the quarter of Rs. 51 Crore – 6% to segment sales. R&D charged to P&L is Rs. 27 Crore – 3% to segment sales**

Pharmaceuticals Segment Highlights – Q1'FY18

Region-wise Revenue (Rs crs)	Q1'FY17	Q4'FY17	Q1'FY18	Mix %	YoY %	QoQ %
International	705	767	778	95%	10%	1%
North America	514	580	610	75%	19%	5%
Europe & Japan	106	130	102	12%	-4%	-21%
ROW	85	57	65	8%	-24%	14%
India	50	42	40	5%	-19%	-3%
Income from Operations	755	808	818	100%	8%	1%



- International revenues at Rs. 778 Crore, contributing 95% to the total revenues
 - Revenues from North America at Rs. 610 Crore, contributing 75% to the revenues; up 19% YoY and 5% QoQ
- Ex-North America, international sales at Rs. 168 Crore
 - Revenues from Europe and Japan were at Rs. 102 Crore, contributing 12% to revenues
 - Revenues from Rest of the World stood at Rs. 65 Crore, contributing 8% to the revenues
- India revenues stood at Rs. 40 Crore, Contributing 5% to the revenues

Portfolio of R&D products – Filings and Approvals

Product pipeline as on June 30, 2017						
Region	Dosage (Orals)			Injectables		
	Total Filings	Approval	Pending	Total Filings	Approval	Pending
US	84	53	31	12	9	3
Canada	22	21	1	13	13	0
Europe	101	94	7	10	10	0
ROW	650	474	176	44	40	4
Total	857	642	215	79	72	7

We have a total of 936 filings across geographies

- 857 filings in Dosage (Orals) of which 642 have been approved
- 79 filings in Injectables of which 72 have been approved
- 222 filings (215 Dosage (Orals) and 7 Injectables) are pending approval

Filings and Approvals

Dosage (Orals)

- **Filed 84 ANDAs in the US**
 - i. 53 ANDAs have been approved and 31 ANDAs are pending approval
 - ii. Filed 2 ANDAs in FY 18
- **Made 773 filings in ROW markets including Canada, Europe and Japan**
 - i. 589 filings have been approved and 184 filings are pending approval
- **In-licensing of two products in the US market**

Injectable and Others

- Total 3 ANDAs filed and approvals for 2 have been received

Radiopharmaceuticals

- **Filing status as on June 30, 2017:**
 - 7 approved registrations and 2 pending approvals in the US
 - 13 registrations in Canada which are all approved
 - 10 registrations in Europe of which are all approved
 - In ROW, we have a total of 44 registrations/licenses, of which 4 are pending for approval
- 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

Regulatory Status

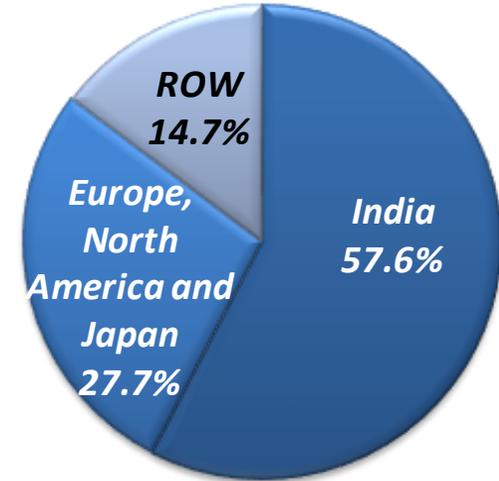


Regulatory Agency	Cadista USA	Roorkee India	CMO / Allergy Spokane	CMO Montreal	JDI Montreal Canada	Nanjangud India
 (USA)	Mar 2017	Mar 2017	Nov 2016	Dec 2016	Dec 2016	Oct 2015
 (Canada)				Sep 2015	Apr 2016	
 (Japan)		Dec 2015	Feb 2017			May 2016
 (India SLA / CDSCO)		Sep 2015				Sep 2016
 (Brazil)				May – June 2016		Mar 2015
 (Turkey)			Mar 2015			
 (Mexico)						Aug 2015

- All sites successfully inspected and fully compliant with USFDA regulations
- Use the experience from multiple Agency inspections to enhance compliance status of all sites
- World class quality control practices
- Global quality control function reporting to the Corporate Board
- Fast resolution of Warning Letters at CMO facilities within 12-15 months

LSI Segment Highlights – Q1'FY18

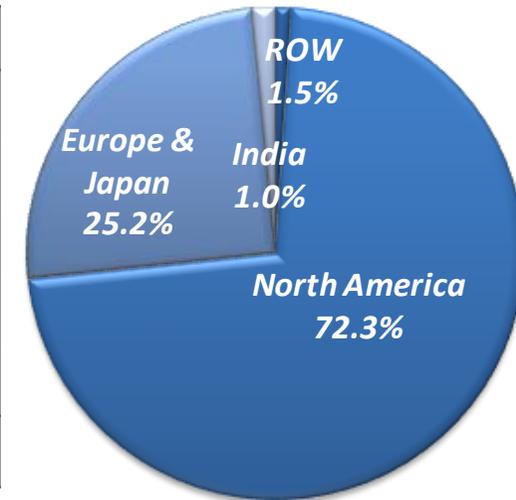
Region-wise Revenue (Rs crs)	Q1'FY17	Q4'FY17	Q1'FY18	Mix %	YoY %	QoQ %
International	296	335	312	42%	6%	-7%
Europe, North America and Japan	209	227	204	28%	-3%	-10%
ROW	87	108	108	15%	25%	0%
India	354	447	425	58%	20%	-5%
Income from Operations	650	782	737	100%	13%	-6%



- Revenues at Rs. 737 Crore; Contributes 46% to total company revenues; up 13% YoY
- International markets share stood at Rs. 312 Crore, 42% of segment revenues, up 6% YoY
 - Revenues from Key Developed Markets stood at Rs. 204 Crore, contributing 28% to segment revenues
 - India business was at Rs. 425 Crore, up 20% YoY
- Revenue growth was led by Vitamins and Advance Intermediates
- Price increase of up to 15% announced for Vitamin B3
- EBITDA margins at 14.7%; EBITDA margins impacted due to increase in raw material input costs and changes in product mix offset by better pricing in Vitamins

Drug Discovery Solutions Segment Highlights – Q1'FY18

Region-wise Revenue (Rs crs)	Q1'FY17	Q4'FY17	Q1'FY18	Mix %	YoY %	QoQ %
International	49	49	41	99%	-17%	-16%
North America	37	37	30	72%	-20%	-20%
Europe & Japan	11	11	10	25%	-8%	-4%
ROW	1	1	1	1%	-18%	19%
India	0	2	0	1%	20%	-83%
Income from Operations	50	51	41	100%	-17%	-19%



- Revenues at Rs. 41 Crore, Contributes 3% to total revenues
- International markets share stood at Rs. 41 Crore, 99% of segment revenues
 - Revenues from North America stood at Rs. 30 Crore, contributing 72% to segment revenues
 - Europe and Japan business was at Rs. 10 Crore, contributing 25% to segment revenues
- Pipeline of Integrated Drug Discovery Projects, functional projects & FTE business continues to be strong

Expenditure Analysis – Q1'FY18

Expenses (Rs Crs)	Q1'FY17	% of Sales	Q1'FY18	% of Sales	YoY Growth %
Material Cost	464	32%	584	37%	26%
Excise Duty on Sales	34	2%	40	2%	16%
Power & Fuel Expense	81	6%	90	6%	12%
Employee Benefits Expense	296	20%	310	19%	5%
Other Expenses	211	14%	234	15%	11%
Total Expenses	1,086	75%	1,258	79%	16%

- **Material Costs** as percentage of sales higher due to growth in LSI business
- **Excise Duty on sales** and **Power & Fuel** as percentage of sales stable
- **Employee benefits expense** stable
- **Other Expenses** increase in line with sales growth

Debt Profile

Particulars	31-Mar-17	30-Jun-17
Foreign Currency Loans	(\$ Mn)	(\$ Mn)
Standalone	19	19
Subsidiaries	407	387
Total	426	405
Rupee Loans	(Rs. Crs)	(Rs. Crs)
Standalone	1,241	1,161
Subsidiaries	82	127
Total	1,323	1,288
Gross Debt	4,084	3,904
Cash & Equivalent	460	403
Net Debt	3,625	3,501
Change in debt on account of exchange rate difference from 31-March, 2017		11
Net Debt - Adjusted for foreign exchange difference	3,625	3,512
Net Debt Reduction quarter wise		113
Closing Exchange Rate (Rs./USD)	64.85	64.58

- **Net debt** at Rs. 3,512 Crore compared to Rs. 3,625 Crore on 31-Mar-17 on constant currency basis
 - Net debt reduction of Rs. 113 Crore in Q1'18
- **Average blended interest rate** at 5.9% pa – Re loans @ 8.4%, \$ loans @ 4.6%
- Stock Settlement Instrument (IFC) of US\$ 60 Million at 10% per annum discount to Jubilant Pharma Limited IPO price

- **We expect continued robust growth going forward, led by momentum in our Specialty Pharmaceuticals - Injectables and Life Science Ingredient business**
- **In FY2018, improvement in revenues and profitability is expected**
 - Specialty Pharmaceuticals - Injectables:
 - Existing business: Growth from existing product portfolio, new product launches, and ramp up of operations in CMO of Sterile Injectables and Allergy Therapy Products
 - Strategic acquisition: The integration of Triad acquisition is expected to give benefit of a niche Specialty injectable portfolio with additional revenues of about US\$ 200 mn
 - Generics: New product launches combined with benefit from capacity expansions
 - Life Science Ingredients: Better demand, strong price environment, capacity expansion and launch of new products
 - Drug Discovery Solutions: Addition of new customers and milestone revenues from existing and new out-licensing opportunities
- **Our endeavors to reduce debt and improve financial ratios will continue**

For Investors:

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