

PRESS RELEASE

Noida, Wednesday, Jan 17, 2018

JUBILANT LIFE SCIENCES – Q3/9M FY2018 RESULTS

**JUBILANT REPORTS RECORD PERFORMANCE IN Q3 FY2018; HIGHEST EVER REVENUES AND PROFITS
REVENUE AT Rs. 2,068 CRORE, UP 42% YOY AND EBITDA AT Rs. 431 CRORE, UP 28% YOY
PAT AT Rs. 213 CRORE, UP 78% YOY WITH EPS OF Rs. 13.64**

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 nine months ended December 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 happy to report record growth in both revenues and profits. The company has reported highest ever revenue and profitability driven by our Specialty Pharma – Injectables business and our Life Science Ingredients segment. We continue to reduce debt levels through internal cash generation for a strong balance sheet. Our strategic initiatives across the businesses are delivering outstanding results and we are hopeful of continuing this robust growth, going forward."

Q3'FY18 Highlights

- Consolidated revenue at Rs. 2,068 Crore, up 42% YoY and 26% QoQ
 - Pharmaceuticals revenue at Rs. 1,101 Crore, contributing 53% to the revenues, up 41% YoY and 28% QoQ
 - Life Science Ingredients revenue at Rs. 922 Crore, contributing 45% to the revenues, up 46% YoY and 25% QoQ
 - Drug Discovery Solutions revenue at Rs. 45 Crore, contributing 2% to the revenues, up 2% YoY and 2% QoQ
 - International revenues at Rs. 1,482 Crore, contributing 72% to the revenues; growing 40% YoY
- EBITDA from Operations of Rs. 431 Crore after giving effect to one-off acquisition related costs of Rs. 11 Crore, up 28% YoY and 30% QoQ with margins of 20.8%
 - Pharmaceuticals EBITDA of Rs. 245 Crore with margins of 22.2%
 - Life Science Ingredients EBITDA at Rs. 206 Crore; growth of 109% YoY and 57% QoQ; record margins at 22.3%
 - Drug Discovery Solutions EBITDA at Rs. 3 Crore, margins at 7.0%
- Finance costs lower 22% YoY at Rs. 77 Crore from Rs. 98 Crore in Q3'FY17 and higher 17% QoQ from Rs. 66 Crore in Q2'FY18. Finance costs include borrowing costs of Rs. 57 Crore as against Rs.



89 Crore in Q3'FY17 and Rs. 56 Crore in Q2'FY18 and charge on Stock Settlement Instrument of Rs. 20 Crore as against Rs. 10 Crore each in Q3'FY17 and Q2'FY18.

- Highest-ever PAT at Rs. 213 Crore, up 78% YoY and 66% QoQ, with Net Margins at 10.3% and EPS of Rs. 13.64 for Re. 1 FV; Normalized PAT after adjusting for one-time expenses stood at Rs. 221 Crore with EPS of Rs. 14.20
- Net Debt reduction of Rs. 159 Crore after incurring capex of Rs. 70 Crore

9M'FY18 Highlights

- Consolidated revenue at Rs. 5,266 Crore, up 24% YoY
 - Pharmaceuticals revenue at Rs. 2,776 Crore, up 21% YoY, contributing 53% to the revenues
 - LSI revenue at Rs. 2,361 Crore, up 29% YoY, contributing 45% to the revenues
 - Drug Discovery Solutions revenue at Rs. 130 Crore, contributing 2% to the revenues
 - International revenues at Rs. 3,794 Crore, contributing 72% to the revenues; growing 23% YoY
- EBITDA from Operations of Rs. 1,107 Crore with margins of 21.0% after giving effect to one-off acquisition related costs of Rs. 30 Crore
 - Pharmaceuticals EBITDA of Rs. 708 Crore with margins of 25.5%
 - Life Science Ingredients EBITDA at Rs. 445 Crore, up 40% YoY as compared to Rs. 318 Crore in 9M'FY17; margins at 18.9%, up from 17.4% in 9M'FY17
 - Drug Discovery Solutions segment EBITDA at Rs. 8 Crore
- Finance costs lower 19% YoY at Rs. 212 Crore from Rs. 261 Crore in 9M'FY17. Finance costs include borrowing costs of Rs. 168 Crore as against Rs. 233 Crore in 9M'FY17 and charge on Stock Settlement Instrument of Rs. 44 Crore as against Rs. 28 Crore in 9M'FY17
- PAT at Rs. 488 Crore, growth of 15% YoY with Net Margins at 9.3% and EPS of Rs. 31.31 for Re. 1 FV; Normalized PAT after adjusting for one-time expenses stood at Rs. 510 Crore with EPS of Rs. 32.77
- Net Debt reduction of Rs. 143 Crore after Capital Expenditure of Rs. 256 Crore and Triad acquisition

Pharmaceuticals Segment Highlights

Q3'FY18

- Revenues at Rs. 1,101 Crore, up 41% YoY and 28% QoQ
 - Highest-ever Specialty Pharmaceuticals - Injectables revenues of Rs. 789 Crore (~USD 120 Million) reported robust growth of 81% YoY and 49% QoQ; contributing 72% to Pharma segment sales, up from 56% last year
 - Generics revenues lower 10% YoY at Rs. 312 Crore, contributing 28% to segment sales mainly due to continued pricing pressure in the US market
- Region-wise Revenue break-up
 - Revenues from North America at Rs. 915 Crore, contributing 83% to the revenues; up 73% YoY and 36% QoQ
 - Revenues from Europe and Japan were at Rs. 85 Crore, contributing 8% to revenues
 - Revenues from Rest of the World stood at Rs. 66 Crore, contributing 6% to the revenues
 - India revenues stood at Rs. 34 Crore, Contributing 3% to the revenues



- EBITDA of Rs. 245 Crore with margins of 22.2% aided by improvement in Specialty Pharmaceuticals – Injectables business
- R&D spent during the quarter of Rs. 51 Crore – 4.6% to segment sales. R&D charged to P&L is Rs. 38 Crore – 3.4% to segment sales

9M'FY18

- Revenues of Rs. 2,776 Crore, up 21% YoY
 - Specialty Pharmaceuticals - Injectables reported revenues of Rs. 1,789 Crore; robust growth of 47% YoY; contributing 64% to Pharmaceuticals segment sales, up from 53% in 9M'FY17
 - Generics revenues 9% YoY lower at Rs. 986 Crore, contributing 36% to segment sales
- Region-wise Revenue break-up
 - Revenues from North America at Rs. 2,198 Crore, contributing 79% to the revenues; up 40% YoY
 - Revenues from Europe and Japan were at Rs. 273 Crore, contributing 10% to revenues
 - Revenues from Rest of the World stood at Rs. 204 Crore, contributing 7% to the revenues
 - India revenues stood at Rs. 101 Crore, Contributing 4% to the revenues
- EBITDA of Rs. 708 Crore with margins of 25.5%; higher margins in Specialty injectables offset by lower margins in US generics
- R&D spent during the nine months of Rs. 150 Crore – 5.4% to segment sales. R&D charged to P&L is Rs. 103 Crore – 3.7% to segment sales

Key Highlights

- Rubyfill installation completed in three sites in the USA during Q3'FY18
- Received approval for Drax Exametazime during the year; Expect to launch in FY19
- Received USFDA approval for new pulmonary indication in Draximage DTPA in Q3'FY18
- Ramp up of CMO business underway with strong order book of US\$ 693 Million and addition of three new clients during the year
- Increasing Lyophilization capacities due to increased demand in both CMO and Allergy Therapy Products businesses
- Joint inspection of the API facility was completed by USFDA and Health Canada during the quarter. Received a compliant rating from Health Canada
- Completed capacity addition in the API plant to meet higher demand going forward
- Increasing capacity in Solid Dosage Formulations to be completed in FY19 to meet increasing requirements in EU, ROW and US markets

Portfolio of R&D products – Filings and Approvals

The Company has a total of 974 filings across geographies including 895 filings in Dosage (Orals) and 79 filings in Injectables. Of this, 736 filings (663 Dosage (Orals) and 73 injectables) have been approved while 238 filings (232 Dosage (Orals) and 6 injectables) are pending approval.

I. Portfolio of Generics – Filings and Approvals

- a. Dosage (Orals)
 - i. Filed 86 ANDAs in the US



- 56 ANDAs have been approved and 30 ANDAs are pending approval
- Filed 3 ANDAs in 9M'FY18
- ii. Made 809 filings in ROW markets including Canada, Europe and Japan
 - 607 filings have been approved and 202 filings are pending approval
- iii. In-licensing of two products in the US market
- b. Injectables and Others
 - i. Total 4 ANDAs filed and approvals for 2 have been received

II. Portfolio of Radiopharmaceuticals Injectables – Filings and Approvals

- a. Filing status as on December 31, 2017:
 - i. 8 approved registrations in the US
 - ii. 13 registrations in Canada which are all approved
 - iii. 10 registrations in Europe which are all approved
 - iv. In ROW, we have a total of 44 registrations/licenses, of which 4 are pending for approval
- b. Plan to launch 5 products in next three to four years' time

Life Science Ingredients Segment Review

Q3'FY18

- Revenues at Rs. 922 Crore; Contributes 45% to total company revenues; up 46% YoY and 25% QoQ
 - Revenues from Key Developed Markets stood at Rs. 242 Crore, up 27% YoY and 30% QoQ; contributing 26% to segment revenues
 - ROW business stood at Rs. 129 Crore, up 58% YoY and 7% QoQ; contributing 14% to segment revenues
 - India business was at Rs. 551 Crore, up 53% YoY; contributing 60% to segment revenues
- EBITDA at Rs. 206 Crore; up 109% YoY and 57% QoQ with margins at 22.3%, up from 15.6% last year

9M'FY18

- Revenues at Rs. 2,361 Crore, up 29% YoY, contributing 45% to the revenues
 - Revenues from Key Developed Markets stood at Rs. 633 Crore, contributing 27% to segment revenues
 - Revenues from ROW stood at Rs. 358 Crore, up 52% YoY; contributing 15% to segment revenues
 - India business was at Rs. 1,369 Crore, up 34% YoY
- Price increase of up to 15% for Nutritional Products announced in Q1'FY18
- EBITDA of Rs. 445 Crore, up 40% YoY with margins of 18.9%, up from Rs. 318 Crore and 17.4% margins in 9M'FY17

Key Highlights

- **Nutritional Products:** Received WHO GMP compliance certification for Vitamins which will help us increase our footprint in the premium food and multi-vitamin business, with better realizations; Prices maintained at healthy levels for the quarter



- **Life Science Chemicals:** Better demand for acetyl products with favorable price environment during the quarter; At SEZ Bharuch, capacity enhancement underway for acetic anhydride, with target completion in FY19. Expected revenue at full capacity utilization about Rs. 300 crores
- **Ethanol:** 4th largest ethanol supplier in the government blending program. Won a new contract to generate revenues of Rs. 300 Crore from Dec'17 to Nov'18; Greater availability of molasses with better pricing
- **Fine Ingredients:** Launch 6 new products during the year and 4 more to be launched in next one year; Some De-bottlenecking initiatives completed and underway to meet additional demand; Commissioned an Agrochemical intermediate facility which has a total annual revenue potential of around Rs. 50 Crore

Drug Discovery Solutions Segment Review

Q3'FY18

- Revenue at Rs. 45 Crore, contributing 2% to the revenues, up 2% YoY

9M'FY18

- Revenues at Rs. 130 Crore, flat on YoY basis, with margins at 6.3%

Key Highlights

- Successfully achieved an early stage milestone related to a collaborative program with Sanofi during the quarter
- Increased effort & focus on in-house proprietary research for out-licensing the molecule and onboarding of new projects

Outlook

Very robust business performance driven by Specialty Pharmaceuticals – Injectables and LSI segment. We are confident of delivering outstanding performance going forward in Q4'FY18 and FY19:

- Specialty Pharmaceuticals – Injectables:
 - Continue to deliver exceptional performance in Radiopharmaceuticals and Allergy Therapy Products
 - The strategic acquisition of Triad will help to sustain revenue growth in Specialty Injectables
 - Healthy order book and new customer addition, supported by higher production, will deliver better results in CMO
- Generics: Muted growth outlook due to sustained pricing pressure in US formulations
- Life Science Ingredients:
 - Current momentum in revenue growth expected to continue backed by healthy demand and favorable pricing environment
 - Growth in revenues from new product launches, new orders, new capacities coming on stream and debottlenecking of existing plants
- Drug Discovery Solutions: Focus on integrated programs and in-house proprietary research for out licensing of new molecules

We continue our efforts to generate higher operating cash flows and utilize the same for marginal expansion and reduction of debt to further strengthen the balance sheet with improved 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 and a network of over 50 radio-pharmacies in the US. 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 7,600 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.

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