

**PRESS RELEASE**

**Noida, Wednesday, May 09, 2018**

## **JUBILANT LIFE SCIENCES – Q4/ FY2018 RESULTS**

**JUBILANT REPORTS STRONG PERFORMANCE IN Q4'FY18**  
**Revenue at Rs. 2,252 CRORE, UP 41% YOY; EBITDA AT Rs. 481 CRORE, UP 52% YOY**  
**PAT AT Rs 155 CRORE**

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, 2018.

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

“The company has reported a record year in terms of sales and profitability, led by strong performance in Specialty Injectables and Life Science Ingredients businesses. We have a well-defined strategy of being closer to our customers with an integrated value chain, to have a de-risked business model with a diversified portfolio and strong manufacturing capabilities from fully compliant sites. We are focussed on driving business growth in Specialty Injectables and better utilization of our assets in all our businesses.”

### **Q4'FY18 Highlights**

- Consolidated revenue at Rs. 2,252 Crore, up 41% YoY and 9% QoQ
  - Pharmaceuticals revenue at Rs. 1,238 Crore, contributing 55% to revenue, up 54% YoY and 12% QoQ
  - Life Science Ingredients revenue at Rs. 968 Crore, contributing 43% to revenue, up 30% YoY and 5% QoQ
  - Drug Discovery Solutions revenue at Rs. 47 Crore, contributing 2% to revenue, 5% QoQ
  - International revenues at Rs. 1,623 Crore, contributing 72% to revenue; growing 41% YoY
- EBITDA from Operations of Rs. 481 Crore, up 52% YoY and 12% QoQ with margins of 21.3%
  - Pharmaceuticals EBITDA of Rs. 298 Crore, up 38% YoY and 22% QoQ with margins of 24.1%
  - Life Science Ingredients EBITDA at Rs. 187 Crore; growth of 62% YoY and margins at 19.3%
  - Drug Discovery Solutions EBITDA at Rs. 10 Crore, growth of 85% YoY and 230% QoQ; margins at 22%
- Depreciation and amortization of Rs. 182 Crore, including Rs. 91 Crore one-time charge of product development expenses due to rationalization of product portfolio to reflect the current market conditions prevailing in the global generic markets, US in particular. As a matter of



prudence, the company has chosen to take a charge in the P&L consistent with IND-AS which has no cash impact during the quarter

- Finance costs lower 10% YoY and 6% QoQ at Rs. 72 Crore. Finance costs include borrowing costs of Rs. 51 Crore and non-cash charge on Stock Settlement Instrument of Rs. 21 Crore
- Reported PAT at Rs. 155 Crore, with Net Margins at 6.9% and EPS of Rs. 9.94 for Re. 1 FV; Normalized PAT after adjusting for one-time charge stood at Rs. 226 Crore, up 51% YoY, with Normalized EPS of Rs. 14.53
- Net Debt reduction of Rs. 263 Crore after incurring capital Expenditure of Rs. 141 Crore

## **FY18 Highlights**

- Consolidated revenue at Rs. 7,518 Crore, up 28% YoY
  - Pharmaceuticals revenue at Rs. 4,013 Crore, up 29% YoY, contributing 53% to the revenues
  - LSI revenue at Rs. 3,328 Crore, up 29% YoY, contributing 44% to the revenues
  - Drug Discovery Solutions revenue at Rs. 176 Crore, contributing 2% to the revenues
  - International revenues at Rs. 5,417 Crore, contributing 72% to the revenues; growing 28% YoY
- EBITDA from Operations of Rs. 1,588 Crore, up 16% with margins of 21.1%
  - Pharmaceuticals EBITDA of Rs. 1,006 Crore, up 3% YoY with margins of 25.1%
  - Highest-ever Life Science Ingredients EBITDA at Rs. 632 Crore, up 46% YoY as compared to Rs. 434 Crore in FY17; margins at 19%, up from 16.8% in FY17
  - Drug Discovery Solutions segment EBITDA at Rs. 19 Crore
- Depreciation and amortization of Rs. 415 Crore, including Rs. 91 Crore one-time charge of product development expenses due to rationalization of product portfolio to reflect the current market conditions prevailing in the global generic markets, US in particular. As a matter of prudence, the company has chosen to take a charge in the P&L consistent with IND-AS which has no cash impact during the year
- Finance costs lower 17% YoY at Rs. 284 Crore. Finance costs include borrowing costs of Rs. 220 Crore and non-cash charge on Stock Settlement Instrument of Rs. 64 Crore
- Reported PAT at Rs. 643 Crore, growth of 12% YoY with Net Margins at 8.6% and EPS of Rs. 41.25 for Re. 1 FV; Normalized PAT after adjusting for one-time charge on account of product rationalization and acquisition costs at Rs. 744 Crore, up 29% YoY; Normalized EPS of Rs. 47.77
- Net Debt reduction of Rs. 406 Crore after Capital Expenditure of Rs. 397 Crore and Triad acquisition

## **Pharmaceuticals Segment Highlights**

### Q4'FY18

- Revenues at Rs. 1,238 Crore, up 54% YoY and 12% QoQ
  - Specialty Injectables revenues of Rs. 850 Crore reported robust growth of 94% YoY and 8% QoQ, contributing 69% to Pharma segment sales, up from 55% last year
  - Witnessed recovery in Generics, which stood at Rs. 388 Crore, up 6% YoY and 25% QoQ
- Region-wise Revenue break-up
  - Revenues from North America at Rs. 992 Crore, contributing 80% to the revenues; up 71% YoY and 8% QoQ



- Revenues from Europe and Japan were at Rs. 129 Crore, contributing 10% to revenues
- Revenues from Rest of the World were at Rs. 82 Crore, contributing 7% to the revenues
- India revenues were at Rs. 35 Crore, Contributing 3% to the revenues
- EBITDA of Rs. 298 Crore, up 38% YoY and 22% QoQ with margins of 24.1% aided by improvement in Specialty Injectables business
- R&D spent during the quarter of Rs. 66 Crore – 5.3% to segment sales, which includes product development expenditure of Rs. 41 Crore. R&D debited to P&L is Rs. 134 Crore, including one-time charge of Rs. 91 Crore and Rs. 18 Crore of amortization

#### FY18

- Revenues of Rs. 4,013 Crore, higher by 29% YoY
  - Specialty Injectables reported revenues of Rs. 2,639 Crore; robust growth of 59% YoY; contributing 66% to Pharmaceuticals segment sales, higher from 53% in FY17
  - Generics revenues 5% YoY lower at Rs. 1,375 Crore, contributing 34% to segment sales
- Region-wise Revenue break-up
  - Revenues from North America at Rs. 3,189 Crore, contributing 79% to the revenues; up 48% YoY
  - Revenues from Europe and Japan were at Rs. 402 Crore, contributing 10% to revenues
  - Revenues from Rest of the World stood at Rs. 286 Crore, contributing 7% to the revenues
  - India revenues stood at Rs. 135 Crore, contributing 3% to the revenues
- EBITDA from Operations of Rs. 1,588 Crore, up 16% with margins of 21.1%; higher margins in Specialty Injectables offset by lower margins in US generics and losses in Triad
- R&D spent during the quarter of Rs. 217 Crore – 5.4% to segment sales, which includes product development expenditure of Rs. 122 Crore. R&D debited to P&L is Rs. 237 Crore, including one-time charge of Rs. 91 Crore and Rs. 60 Crore of amortization

#### Key Highlights

- Successful USFDA inspections of our CMO Spokane, Radiopharmaceuticals and APIs facilities
- Steady ramp-up of Rubyfill installations in the US market
- Received approval from Health Canada for Rubyfill Elution System
- Drax Exametazime approval received and product launched in the USA
- Received USFDA approval for new pulmonary indication in DraxImage DTPA
- Ramp up of CMO business underway with order book of US\$ 702 Million and addition of four new customers
- Signed long term contract for supply of animal health product

#### **Portfolio of R&D products – Filings and Approvals**

The Company has a total of 1,008 filings across geographies including 929 filings in Dosage (Orals) and 79 filings in sterile (injectables & ophthalmics). Of this, 680 Dosage (Orals) and 73 injectables have been approved while 255 filings (249 Dosage (Orals) and 6 sterile products) are pending approval.

##### **I. Portfolio of Generics – Filings and Approvals**

###### **a. Dosage (Orals)**

###### **i. Filed 94 ANDAs in the US**

- 59 ANDAs have been approved and 35 ANDAs are pending approval

- Filed 10 ANDAs in FY18 (in-house) + 1 Inlicensed product
- ii. Made 835 filings in ROW (ex-US) markets including Canada, Europe and Japan
  - 621 filings have been approved and 214 filings are pending approval
- iii. In-licensing of two products in the US market, 1 is approved
- b. Injectables and Others
  - i. Total 4 ANDAs filed and approvals for 2 have been received
    - 1 ANDA for injectable was filed in FY18

## II. Portfolio of Radiopharmaceuticals Injectables – Filings and Approvals

- a. Filing status as on March 31, 2018:
  - i. 8 approved registrations in the US
  - ii. 13 registrations in Canada which are all approved
  - iii. 10 registrations in Europe of which are all approved
  - iv. In ROW, we have a total of 44 registrations/licenses, of which 4 are pending for approval

## Life Science Ingredients Segment Review

### Q4'FY18

- Revenues at Rs. 968 Crore; Contributes 43% to total company revenues; up 30% YoY and 5% QoQ
  - Revenues from Key Developed Markets stood at Rs. 250 Crore, up 10% YoY and 3% QoQ; contributing 26% to segment revenues
  - ROW business stood at Rs. 124 Crore, up 15% YoY and contributing 13% to segment revenues
  - India business was at Rs. 593 Crore, up 45% YoY and 8% QoQ; contributing 61% to segment revenues
- EBITDA at Rs. 187 Crore; up 62% YoY with margins at 19.3%, up from 15.6% last year

### FY18

- Revenues at Rs. 3,328 Crore, up 29% YoY, contributing 44% to the revenues
  - Revenues from Key Developed Markets stood at Rs. 884 Crore, up 10% YoY and contributing 27% to segment revenues
  - Revenues from ROW stood at Rs. 482 Crore, higher by 41% YoY; contributing 14% to segment revenues
  - India business was at Rs. 1,962 Crore, up 37% YoY; contributing 59% to segment revenues
- Highest-ever EBITDA of Rs. 632 Crore, up 46% YoY with margins of 19.0%, up from Rs. 434 Crore and 16.8% margins in FY17

### Key Highlights

- **Specialty Intermediates:**
  - Revenues at Rs. 970 Crore, up 7% YoY
  - Launched 7 products during the year and 6 more to be launched in FY19
  - Commissioned cGMP Plant in Bharuch for supplies to pharma and agro-intermediates
  - Some De-bottlenecking initiatives completed and underway to meet additional demand
- **Life Science Chemicals:**
  - Revenues at Rs. 1,793 Crore, up 48% YoY



- The capacity enhancement project of Acetic Anhydride is progressing as per plan to achieve target completion in FY19. This will provide additional revenue of Rs. 300 Crore at full capacity
- 4th largest ethanol supplier in the government blending program. Won a contract to generate revenues of Rs. 300 Crore from Dec'17 to Nov'18
- Higher availability of molasses with lower prices due to good sugar production
- **Nutritional Products:** Revenues at Rs. 565 Crore, up 23% YoY

## **Drug Discovery Solutions Segment Review**

### Q4'FY18

- Revenue at Rs. 47 Crore, contributing 2% to the revenues, up 5% QoQ

### FY18

- Revenues at Rs. 176 Crore, contributing 2% to the revenues

### Key Highlights

- Existing customers interested in expanding the collaboration
- Pipeline of Integrated Drug Discovery Projects, functional projects & FTE business continues to be strong
- Increased effort & focus on in-house proprietary research for out-licensing molecules or onboarding new projects
- Received phased milestone payments of US\$ 0.14 Million in Q4'FY18 in one of its investments

## **Outlook**

We see a clear roadmap for growth in our businesses both in revenues and profitability in FY19, with H2'FY19 expected to be better than H1'FY19. The growth drivers for each of the business are as follows:

- Specialty Injectables:
  - Growth from new products and execution of existing contracts in Radiopharma
  - Full year impact of Triad business in our operations with break-even profitability
  - Healthy order book and new customer additions, supported by higher production and new capacities, to deliver better results in CMO
  - Higher sales of existing products and new capacities in Allergy Therapy Products
- Generics: Higher volumes from new product launches and new markets
- Life Science Ingredients: Better demand for existing products, new capacities from ongoing investments and de-bottlenecking initiatives, and launch of new products to augment growth

To meet the increased demand in our businesses, we plan to invest about Rs. 550 Crore in capital expenditure in FY19. In addition, we plan to invest Rs. 300 Crore in R&D during the year, including Rs. 150 Crore in Product Development expenditure. We will continue our efforts to strengthen balance sheet by reducing debt and improving 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](http://www.jubl.com).

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