

**PRESS RELEASE**

**Noida, Friday, July 27, 2018**

## **JUBILANT LIFE SCIENCES – Q1 FY2019 RESULTS**

**JUBILANT REPORTS STRONG PERFORMANCE IN Q1'FY19**  
**Revenue at Rs. 2,079 Crore, UP 34% YOY; EBITDA AT Rs. 447 Crore, UP 30% YOY**  
**PAT AT Rs. 203 Crore, UP 38% YOY**  
**International revenues at Rs. 1,507 Crore, 72% of sales**

The Board of Jubilant Life Sciences Limited, an integrated global pharmaceutical and life sciences company met today to approve financial results for the quarter ended June 30, 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:**

"We have started the year on a strong note, with Pharmaceuticals business reporting healthy growth and margins. We have witnessed recovery in US Solid Dosage Formulations and also continue to see robust growth in our Specialty Pharmaceuticals business. Revenue growth in Life Science Ingredients has been led by higher volumes. We have laid the foundation for improved utilization of assets and financial discipline, leading to strengthening our balance sheet."

### **Q1'FY19 Highlights**

- Consolidated revenue at Rs. 2,079 Crore, up 34% YoY
  - Pharmaceuticals revenue at Rs. 1,181 Crore, contributing 57% to revenue, up 46% YoY
  - Life Science Ingredients revenue at Rs. 847 Crore, contributing 41% to revenue, up 21% YoY
  - Others (incl. Drug Discovery Solutions and India Branded Pharmaceuticals) revenue at Rs. 51 Crore, contributing 2% to revenue
  - International revenues at Rs. 1,507 Crore, contributing 72% to revenue; growing 33% YoY
- EBITDA from Operations of Rs. 447 Crore, up 30% YoY with margins of 21.5%
  - Pharmaceuticals EBITDA of Rs. 343 Crore, up 31% YoY with margins of 29%
  - Life Science Ingredients EBITDA at Rs. 109 Crore; flat growth YoY and margins at 12.9%
  - Others (incl. Drug Discovery Solutions and India Branded Pharmaceuticals) EBITDA at Rs. 2 Crore
- Depreciation and amortization of Rs. 88 Crore
- Finance costs at Rs. 73 Crore. Finance costs include borrowing costs of Rs. 51 Crore and non-cash charge on Stock Settlement Instrument of Rs. 22 Crore
- Reported PAT at Rs. 203 Crore, growth of 38% YoY, with Net Margins at 9.7% and EPS of Rs. 13 for Re. 1 Face Value
- Net Debt reduction of Rs. 25 Crore
- Capital Expenditure of Rs. 138 Crore

## Pharmaceuticals Business Highlights

### Q1'FY19

- Pharmaceuticals revenue at Rs. 1,181 Crore, up 46% YoY, contributing 57% to the revenues
  - Specialty Pharmaceuticals reported revenues of Rs. 816 Crore (growth of 74% YoY and 11% YoY adjusted for acquired Radiopharmacy), contributing 69% to Pharma business sales as compared to 58% in Q1'FY18
  - Revenues in API & Generics stood at Rs. 365 Crore, contributing 31% to the business sales
- Region-wise Revenue break-up
  - Revenues from North America at Rs. 985 Crore, contributing 83% to the revenues; up 61% YoY
  - Revenues from Europe and Japan were at Rs. 93 Crore, contributing 8% to revenues
  - Revenues from Rest of the World stood at Rs. 82 Crore, contributing 7% to the revenues
  - India revenues stood at Rs. 28 Crore, Contributing 2% to the revenues
- EBITDA of Rs. 343 Crore, up 31% YoY with margins of 29%
  - Specialty Pharmaceuticals margins at 33.1% (Q1'FY18 numbers exclude Radiopharmacy acquisition of September 2017)
  - API & Generics margins at 19.8%; Witnessed revenue growth and margin expansion in US Dosage Formulations
- R&D spent during the quarter of Rs. 58 Crore – 4.9% to segment sales. R&D debited to P&L is Rs. 44 Crore – 3.7% to segment sales
- Successful USFDA inspection of Jubilant Cadista and CMO Montreal facilities; Establishment Inspection Report (EIR) received for CMO Montreal
- Started I-131 MIBG OPTIMUM Phase II Trials in July 2018 with two sites initiated
  - The information collected from this study to be submitted to the USFDA under the Orphan Drug Designation program for Jubilant's NDA filing
  - Eligible for accelerated approval if the clinical trials are successful
  - 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)
- Rubyfill installations in the US market progressing as per plan
- Capacity addition underway at Roorkee for Generics as per plan

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

The Company has a total of 976 filings across geographies including 898 filings in Dosage (Orals) and 78 filings in Sterile products including JDI. Of this, 655 Dosage (Orals) and 71 Sterile Products have been approved while 250 filings (243 Dosage (Orals) and 7 sterile products) are pending approval.

### I. Portfolio of Dosage (Orals), Injectables and Others – Filings and Approvals

#### a. Dosage (Orals)

##### i. Filed 95 ANDAs in the US

- 60 ANDAs have been approved and 35 ANDAs are pending approval
- Filed 2 ANDAs in Q1'FY19; expect to file around 10 ANDAs during the year

##### ii. Made 803 filings in ROW markets including Canada, Europe and Japan

- 595 filings in ROW have been approved and 208 filings are pending approval
- b. Injectables and Others
  - i. Total 4 ANDAs filed and approvals for 2 have been received
- II. Portfolio of Radiopharmaceuticals – Filings and Approvals**
  - a. Filing status as on June 30, 2018:
    - i. 8 approved registrations in the US
    - ii. 14 registrations in Canada which all are approved
    - iii. 8 registrations in Europe of which 7 are approved
    - iv. In ROW, we have a total of 44 registrations/licenses, of which 4 are pending for approval

## Life Science Ingredients Business Review

### Q1'FY19

- Revenues at Rs. 847 Crore; Contributes 41% to total company revenues; up 21% YoY
  - Revenues from Key Developed Markets stood at Rs. 218 Crore, up 7% YoY; contributing 26% to Business revenues
  - ROW business stood at Rs. 87 Crore, contributing 10% to Business revenues
  - India business was at Rs. 542 Crore, up 40% YoY; contributing 64% to Business revenues
- EBITDA at Rs. 109 Crore; flat growth and margins at 12.9%
- **Specialty Intermediates:**
  - New multipurpose Chlorinated Pyridine plant got commissioned in Q1'FY19
  - On track for 6 new product launches in FY19; Commercialized one product and expect to commercialize the balance during the quarter
- **Life Science Chemicals:**
  - New Acetic Anhydride plant is progressing as per plan to be commissioned by end Q3'FY19. This will provide additional revenues of Rs. 300 Crore per annum at full capacity
  - Favorable prices maintained during the quarter as compared to Q1'FY18
  - 4th largest Ethanol supplier in the government blending program. Government of India has decided to raise the price of Ethanol for blending program by Rs. 2.85 per litre; applicable for supply starting from December 1, 2018
- **Nutritional Products:**
  - Non-availability of Vitamin A & Vitamin E led to commensurate lower demand of Vitamin B in Feed applications leading to higher inventory and lower prices

## Others Segment Review

### Q1'FY19

- Revenues at Rs. 51 Crore, Contributes 2% to total revenues
- International markets share stood at Rs. 43 Crore, 86% of Business revenues
  - Revenues from North America stood at Rs. 30 Crore, contributing 59% to Business revenues
  - Europe and Japan business was at Rs. 10 Crore, contributing 19% to Business revenues
- Expanding customer reach to out-license in-house proprietary molecules
- In India Branded Pharmaceuticals, steady growth witnessed in prescriptions
- EBITDA at Rs. 2 Crore



## Corporate Announcement

In our press release dated May 23, 2017, we had informed that Jubilant Pharma Limited (“JPL”), Singapore, a wholly-owned material subsidiary of the Company, in its board meeting had resolved that it will evaluate the option of fund raising by way of an Initial Public Offering (“IPO”) by listing of its equity shares on an international stock exchange, including the Singapore Exchange, in the financial year 2018 with a dilution of not more than 15% of the issued and paid-up equity share capital of JPL. We wish to now inform you that:

1. The board of directors of the Company has taken on record the resolution dated July 23, 2018 passed by the board of directors of JPL recording that the aforementioned evaluation process is on-going and that any fund raising which may be undertaken by JPL will be by way of an IPO and that the maximum dilution of the Company’s shareholding in JPL in the IPO (including any sale of shares of JPL by the Company) will be up to 20% of the fully diluted issued and paid-up equity share capital of JPL.
2. The board of directors of the Company approved that, should an opportunity be provided to the Company in any fund raising by JPL, the Company may offer up to 5% of the ordinary equity share capital of JPL for sale.

## Outlook

We expect to deliver higher revenues and operating profits in FY19. The growth drivers for each of the business are expected to be as follows:

- Specialty Pharmaceuticals:
  - New products and current contract execution in Radiopharmaceuticals is expected to drive growth
  - Addition of new capacities to meet existing strong demand is expected to drive growth in CMO
  - Allergy Therapy Products to witness higher sales due to existing products like Venom and new capacities
- API & Generics: Growth to be driven by higher volumes from new product launches and market expansions and also from initiatives to optimize costs from higher efficiencies
- Life Science Ingredients: Current momentum in revenue growth expected to continue backed by healthy demand; Growth in revenues from new product launches, new orders, new capacities coming on stream and debottlenecking of existing plants

As mentioned earlier, to meet the increased demand in our businesses, we plan to invest about Rs. 550 Crores in capital expenditure and Rs. 300 Crore in R&D during the year. 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 other businesses including Drug Discovery Solutions. The Pharmaceuticals business, 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 business, is engaged in Specialty Intermediates, Nutritional Products and Life Science Chemicals through 5 manufacturing facilities in India. The Drug Discovery Solutions business, 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).

## **For more information, please contact:**

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