



JUBILANT
LIFESCIENCES

Financial Results

Quarter Ended June 30, 2018

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. 64.58 as on June 30'18 & Rs. 68.47 as on June 30'18*

Conference Call Details

Date : July, 27, 2018

Time : 05:00 pm IST

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Replay from : July 27 to August 02, 2018

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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.

Q1'FY19 Results Analysis

Income Statement – Q1'FY19

Particulars	Q1'FY18	Q1'FY19	YoY Growth
		(Rs Crs)	(%)
Total Revenue from Operations (Net of Excise)	1,556	2,079	34%
Pharmaceuticals	811	1,181	46%
Life Science Ingredients	700	847	21%
Others (incl. Drug Disc. and India Branded Pharma)	45	51	11%
Total Expenditure	1,219	1,641	35%
Other Income	7	9	39%
EBITDA from Operations			
Pharmaceuticals	261	343	31%
Life Science Ingredients	108	109	1%
Others (incl. Drug Disc. and India Branded Pharma)	(9)	2	
Corporate (Expenses)/Income	(16)	(7)	
Total	344	447	30%
Depreciation and Amortization	72	88	21%
Finance Cost	69	73	6%
Profit before Tax	203	286	41%
Tax Expenses (Net)	60	86	45%
Minority Interest	(3)	(2)	
Net Profit After Tax and Minority Interest	147	203	38%
Earnings Per Share - Face Value Re. 1 (Rs.)	9.44	13.00	
		(%)	(bps)
EBITDA Margins from Operations	22.1%	21.5%	(62)
Pharmaceuticals	32.3%	29.0%	(326)
Life Science Ingredients	15.4%	12.9%	(252)
Others (incl. Drug Disc. and India Branded Pharma)	-19.2%	3.5%	2,277
Net Margins	9.5%	9.7%	29

Financial Highlights – Q1'FY19



- **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 FV**
- **Net Debt reduction of Rs. 25 Crore**
- **Capital Expenditure of Rs. 138 Crore**

Pharmaceuticals Business Highlights

Revenue Analysis	Revenue (Rs. Crs.)		YoY Growth %	Revenue Mix (%)
	Q1'FY18	Q1'FY19		
Specialty Pharmaceuticals	469	816	74%	69%
API & Generics	341	365	7%	31%
Total	811	1,181	46%	100%
EBITDA Analysis	EBITDA (Rs. Crs.)		YoY Growth %	EBITDA Mix (%)
	Q1'FY18	Q1'FY19		
Specialty Pharmaceuticals	215	270	25%	79%
API & Generics	46	72	57%	21%
Total	261	343	31%	100%
EBITDA Margin Analysis	EBITDA Margins (%)		YoY Variance (Bps)	
	Q1'FY18	Q1'FY19		
Specialty Pharmaceuticals	45.9%	33.1%	-1282	
API & Generics	13.5%	19.8%	632	
Total	32.3%	29.0%	-326	

Pharmaceuticals revenue at Rs. 1,181 Crore, up 46% YoY, contributing 57% to the revenues

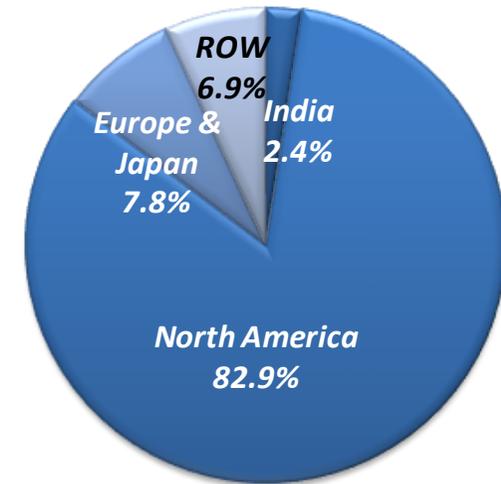
- Specialty Pharmaceuticals reported revenues of Rs. 816 Crore (growth of 74% YoY and 11% YoY adjusted for acquired Radiopharmacy), contributing 69% to Pharma business sales as compared to 58% in Q1'FY18
- Revenues in API & Generics stood at Rs. 365 Crore, contributing 31% to the business sales

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

Region-wise Revenue - Pharmaceuticals Business

Geo-wise Revenue (Rs crs)	Q1'FY18	Q1'FY19	Mix %	YoY %
International	778	1,159	98%	49%
North America	610	985	83%	61%
Europe & Japan	102	93	8%	-9%
ROW	65	82	7%	25%
India	33	28	2%	-13%
Income from Operations	811	1,187	100%	46%



- International revenues at Rs. 1,159 Crore, contributing 98% to the total revenues
 - 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

Pharmaceuticals Business Highlights

- 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

Regulatory Status



Regulatory Agency	Cadista USA	Roorkee India	CMO / Allergy Spokane	CMO Montreal	JDI Montreal Canada	Nanjangud India
(USA)	Apr – May 2018	Mar 2017	Sep 2017	May 2018	Sep 2017	Oct 2017
(Canada)				Apr 2018	Apr 2018	Oct 2017
(Japan)		Dec 2015	Feb 2017			May 2016
(India SLA / CDSCO)		Sep 2015				Sep 2016
(Brazil)			Apr 2018	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

Portfolio of R&D products – Filings and Approvals

Product pipeline as on June 30, 2018						
Region	Dosage (Orals)			Sterile including JDI		
	Total Filings	Approval	Pending	Total Filings	Approval	Pending
US	95	60	35	12	10	2
Canada	23	22	1	14	14	0
Europe	103	95	8	8	7	1
ROW	677	478	199	44	40	4
Total	898	655	243	78	71	7

We have a total of 976 filings across geographies

- 898 filings in Dosage (Orals)
- 78 filings in Sterile products including JDI
- Of 976 filings, 655 Oral Dosage and 71 Sterile Products have been approved
- 250 filings (243 Dosage (Orals) and 7 Sterile Products) are pending approval

Portfolio of R&D products – Filings and Approvals

Dosage (Orals)

- **Filed 95 ANDAs in the US**
 - i. 60 ANDAs have been approved and 35 ANDAs are pending approval
 - ii. Filed 2 ANDAs in Q1'FY19; expect to file around 10 ANDAs during the year
- **Made 803 filings in ROW markets including Canada, Europe and Japan**
 - i. 595 filings in ROW have been approved and 208 filings are pending approval

Injectable and Others

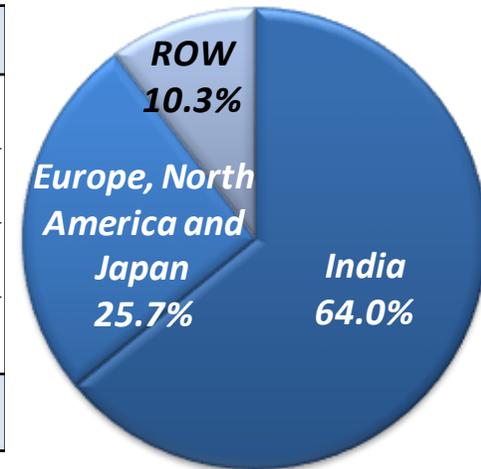
- **Total 4 ANDAs filed and approvals for 2 have been received**

Radiopharmaceuticals

- **Filing status as on June 30, 2018:**
 - 8 approved registrations in the US
 - 14 registrations in Canada which all are approved
 - 8 registrations in Europe of which 7 are approved
 - In ROW, we have a total of 44 registrations/licenses, of which 4 are pending for approval

Region-wise Revenue – LSI Business

Geo-wise Revenue (Rs crs)	Q1'FY18	Q1'FY19	Mix %	YoY %
International	312	305	36%	-3%
Europe, North America and Japan	204	218	26%	7%
ROW	108	87	10%	-20%
India	388	542	64%	40%
Income from Operations	700	847	100%	21%



- Revenues at Rs. 847 Crore; Contributes 41% to total company revenues; up 21% YoY
- International markets share stood at Rs. 305 Crore, 36% of Business revenues
 - 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:

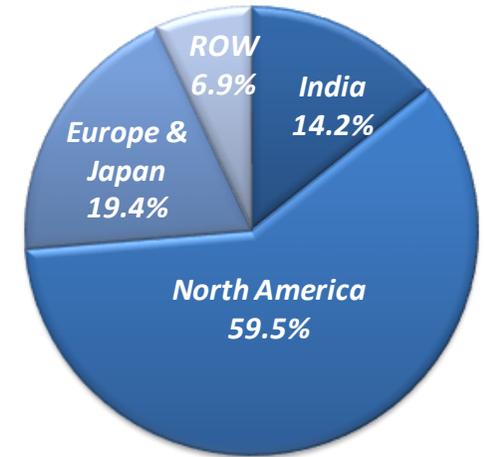
- New Acetic Anhydride plant is progressing as per plan to be commissioned by end Q3'FY19. This will provide additional revenues of Rs. 300 Crore per annum at full capacity
- Favorable prices maintained during the quarter as compared to Q1'FY18
- 4th largest Ethanol supplier in the government blending 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

Region-wise revenue - Others

Geo-wise Revenue (Rs crs)	Q1'FY18	Q1'FY19	Mix %	YoY %
International	41	43	86%	6%
North America	30	30	59%	1%
Europe & Japan	10	10	19%	-5%
ROW	1	3	7%	472%
India	5	7	14%	57%
Income from Operations	45	51	100%	11%



- **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**

Expenditure Analysis – Q1'FY19

Expenses (Rs Crs)	Q1'FY18	% of Sales	Q1'FY19	% of Sales	YoY Growth %
Material Cost and Change in Inventory	545	35%	737	35%	35%
Purchases of stock-in-trade	38	2%	59	3%	55%
Employee benefits expense	310	20%	452	22%	46%
Power and fuel expense	90	6%	100	5%	10%
Others	234	15%	294	14%	25%
Total Expenses (Excluding Excise Duty)	1,219	78%	1,641	79%	35%
Depreciation and Amortization	72	5%	88	4%	21%
Total Finance Costs	69	4%	73	3%	6%
Borrowing costs	55	4%	51	2%	-7%
Stock Settlement Instrument Charge	14	1%	22	1%	56%

- **Material Costs** and **Power and Fuel** as percentage of sales stable
- **Employee benefits expenses** and **Other Expenses** higher on account of acquisition of Radiopharmacy
- **Total Finance costs** higher 6% YoY. Borrowing costs lower by 7% YoY. Stock settlement instrument is a non-cash debit to P&L, on account of convertible instrument issued to IFC of US\$ 58.2 Million as a mandatory conversion option at IPO of JPL

Debt Profile

Particulars	31/03/18	30/06/18
Foreign Currency Loans	(\$ Mn)	(\$ Mn)
Standalone	9	9
Subsidiaries	358	358
Total	367	367
Rupee Loans	(Rs. Crs)	(Rs. Crs)
Standalone	1,007	1,081
Subsidiaries	79	62
Total	1,086	1,142
Gross Debt	(Rs. Crs)	(Rs. Crs)
Standalone	1,066	1,142
Subsidiaries	2,414	2,514
Total	3,480	3,657
Cash & Equivalent	249	329
Net Debt	3,231	3,327
Change in debt on account of exchange rate difference from 31-March, 2018		-121
Net Debt - Adjusted for foreign exchange difference	3,231	3,206
Reduction in Net Debt from March,2018 Adjusted for Exchange Diff.		-25
Closing Exchange Rate (Rs./USD)	65.17	68.47

- **Net debt** at Rs. 3,206 Crore compared to Rs. 3,231 Crore on 31-Mar-18 on constant currency basis
 - Debt reduction of Rs. 25 Crore during the quarter
- **Average blended interest rate** for for Q1'FY19 at 6.03% pa – Re loans @ 8.37%, \$ loans @ 4.75%
- Stock Settlement Instrument (IFC) of US\$ 58.2 Million as a mandatory conversion option at IPO of Jubilant Pharma Limited

- **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

For Investors:

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