

PRESS RELEASE

Noida, Monday, Oct 22, 2018

JUBILANT LIFE SCIENCES – Q2 & H1'FY19 RESULTS

JUBILANT REPORTS STRONG PERFORMANCE IN Q2'FY19

**Revenue at Rs. 2,269 Crore, up 38% YoY; EBITDA at Rs. 454 Crore, up 45% YoY
PAT at Rs. 210 Crore, up 64% YoY with EPS of Rs. 13.5 per share**

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 September 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 are happy to report another quarter of strong results. The record performance in our Pharmaceuticals segment has been led by continued growth in Specialty Pharmaceuticals and smart recovery in our Generics & API businesses. Demand in our Life Science Ingredients segment remains strong. The company is confident of delivering better results and is focused on continued strengthening of its balance sheet, going forward. We are confident that with our differentiated business model, unique pipeline of products and strategic investment in manufacturing capacities, we are well positioned for sustainable growth in the current year and future".

Q2'FY19 Highlights

Revenue Analysis

- Consolidated revenue at Rs. 2,269 Crore, up 38% YoY
 - Pharmaceuticals revenue at Rs. 1,326 Crore, contributing 58% to revenue, up 55% YoY
 - Life Science Ingredients revenue at Rs. 887 Crore, contributing 39% to revenue, up 20% YoY
 - Others segment revenue at Rs. 57 Crore, contributing 3% to revenue, up 15% YoY
 - International revenues at Rs. 1,618 Crore, contributing 71% to revenue; growing 37% YoY

Profitability / Margin Analysis

- EBITDA from Operations up 38% YoY to Rs. 478 Crore with EBITDA margin of 21%
 - Pharmaceuticals EBITDA at Rs. 364 Crore, up 67% YoY with margin of 27.5%, contributing 76% to the EBITDA from operations
 - Life Science Ingredients EBITDA at Rs. 109 Crore with margin at 12.3%
 - Others segment EBITDA at Rs. 4 Crore with a margin of 7.4%
- Reported EBITDA up 45% YoY to Rs. 454 Crore with EBITDA margin of 20.0%, up from 19.1% achieved last year
- Depreciation and amortization at Rs. 89 Crores, up by 13% YoY



- Finance costs lower by 5% YoY at Rs. 63 Crore. Finance costs include borrowing costs of Rs. 54 Crore and non-cash Stock Settlement charge of Rs. 9 Crore
- PAT at Rs. 210 Crore, growth of 64% YoY, with Net margin at 9.3% and EPS of Rs. 13.5 for Re. 1 FV

Balance Sheet Items

- **Capital Expenditure** of Rs. 130 Crore
- **Gross Debt** at Rs. 3,953 crore and **Net debt** at Rs. 3,430 Crore including mandatory convertible loan of US\$62.67 Mn (Rs. 454 Crore) with the conversion option at IPO of Jubilant Pharma
 - Net debt at Rs. 3,164 Crore on a constant currency basis, with debt reduction of Rs. 83 Crore during the quarter
 - **Average blended interest rate** for Q2'FY19 at 6.15% pa – Re loans @ 8.42%, \$ loans @ 4.83%

H1'FY19 Highlights

Revenue Analysis

- Consolidated revenue at Rs. 4,348 Crore, up 36% YoY
 - Pharmaceuticals revenue at Rs. 2,507 Crore, contributing 58% to revenue, up 51% YoY
 - Life Science Ingredients revenue at Rs. 1,734 Crore, contributing 40% to revenue, up 21% YoY
 - Others segment revenue at Rs. 107 Crore, contributing 2% to revenue, up 14% YoY
 - International revenues at Rs. 3,125 Crore, contributing 72% to revenue; growing 35% YoY

Profitability / Margin Analysis

- EBITDA from Operations up 32% YoY to Rs. 931 Crore with EBITDA margin of 21.4%
 - Pharmaceuticals EBITDA of Rs. 707 Crore, up 47% YoY with margins of 28.2%, contributing 76% to the EBITDA from Operations
 - Life Science Ingredients EBITDA at Rs. 218 Crore with margins at 12.6%
 - Others segment EBITDA at Rs. 6 Crore, with margin of 5.6%
- Reported EBITDA up 37% YoY to Rs. 901 Crore with EBITDA margin of 20.7%
- Depreciation and amortization at Rs. 177 Crores, up 17% YoY
- Finance costs at Rs. 135 Crore, similar to H1'FY18. Finance costs include borrowing costs of Rs. 105 Crore and non-cash Stock Settlement charge of Rs. 30 Crore
- PAT at Rs. 413 Crore, growth of 50% YoY, with Net Margins at 9.5% and EPS of Rs. 26.5 for Re. 1 FV

Balance Sheet

- **Capital Expenditure** of Rs. 268 Crore
- **Net debt** reduction of Rs. 108 Crore during H1'FY19 on constant currency basis

Pharmaceuticals Segment Highlights

Q2'FY19

- Pharmaceuticals revenue at Rs. 1,326 Crore, up 55% YoY, contributing 58% to the company's revenues

- Specialty Pharmaceuticals revenues grow 71% YoY to Rs. 908 Crore (68% of Pharma revenue mix) driven by growth in demand in radiopharmaceuticals, CMO and Allergy Therapy Products and also addition of acquired Radiopharmacy business.
- Generics & API revenues growth of 29% YoY led by better market conditions in API and US solid dosage formulations
- Region-wise Revenue break-up
 - International revenues at Rs. 1,306 Crore, up 57% YoY and contributing 98% to the total revenues
 - Revenues from North America at Rs. 1,076 Crore, contributing 81% to the revenues, up 60%YoY
 - Revenues from Europe and Japan were at Rs. 149 Crore, contributing 11% to revenues
 - Revenues from Rest of the World stood at Rs. 81 Crore, contributing 6% to the revenues
 - India revenues stood at Rs. 20 Crore, contributing 2% to the revenues
- Pharmaceutical segment's EBITDA at Rs. 364 Crore, up 67% YoY with margins of 27.5%
 - Specialty Pharmaceuticals EBITDA at Rs. 238 Crores, growth of 33% YoY with margins at 26.2% (including Radiopharmacy distribution business)
 - Generics & API EBITDA of Rs. 126, growth of 225% YoY with margins at 30.2% versus 12.0% in Q2'FY18 and 19.8% in Q1'FY19
- R&D spent during the quarter of Rs. 55 Crore – 4.1% to segment sales. R&D debited to P&L is Rs. 43 Crore – 3.2% to segment sales
- EIR received for Cadista facility; USFDA inspection of Roorkee facility in August 2018
- I-131 MIBG OPTIMUM Phase II Trials progressing satisfactorily
 - 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
- Roorkee capacity expansion as per schedule to meet additional demand and new product launches for next year
- Increasing capacities in CMO
 - Capacity addition by operating plant 24 by 7 will be effective from Q3 FY19
 - New Lyo line under installation. Commercial operations expected from FY20.

H1'FY19

- Pharmaceuticals segment's revenue up 51% YoY in H1'FY19 to Rs. 2,507 Crores contributing 58% to the company's revenue as compared to 52% in H1'FY18
 - Specialty Pharmaceuticals reported revenues of Rs. 1,724 Crore, growth of 72% YoY, contributing 69% to Pharmaceuticals segment's sales, driven by demand in Radiopharmaceutical, CMO and Allergy Therapy Products and also addition of acquired Radiopharmacy business.
 - Generics & API revenue grew by 18% YoY to Rs. 783 Crore, contributing 31% to the Pharmaceuticals segment's sales led by better realizations from improved market conditions

- Region-wise Revenue break-up
 - International revenues at Rs. 2,464 Crore, up 53% YoY contributing 98% to the total Pharmaceuticals revenues
 - Revenues from North America at Rs. 2,061 Crore, contributing 82% to the revenues, up 61%YoY
 - Revenues from Europe and Japan were at Rs. 241 Crore, contributing 10% to revenues
 - Revenues from Rest of the World stood at Rs. 162 Crore, contributing 6% to the revenues
 - India revenues stood at Rs. 43 Crore, contributing 2% to the revenues
- EBITDA of Rs. 707 Crore, up 47% YoY with margins of 28.2%
 - Specialty Pharmaceuticals EBITDA at Rs. 508 Crores, growth of 29% YoY with margins at 29.5% (including Radiopharmacy distribution business)
 - Generics & API EBITDA of Rs. 198 Crore, growth of 134% YoY with margins of 25.3%
- R&D spent during H1'FY19 of Rs. 113 Crore – 4.5% to segment sales. R&D debited to P&L is Rs. 86 Crore – 3.4% to segment sales

R&D Product Filings and Approvals

- **USA**
 - Dosage (Orals) – Filed 96 ANDAs of which 35 are pending approval. Filed 3 ANDAs in H1' FY19
 - Sterile: 11 radiopharma registrations, all of which have been approved and 4 injectable ANDA filings, of which 2 are pending approvals.
- **Canada**
 - Dosage (Orals): 23 filings made, of which 22 approvals received
 - Sterile: 16 filings made, all of which are approved
- **Europe**
 - Dosage (Orals): 33 product filings made, of which 2 product approvals are pending
 - Sterile: 4 product filings made, of which 3 are approved
- **ROW**
 - Dosage (Orals): 40 product filings made, of which 5 approvals are pending
 - Sterile: 9 product filings made, all of which are approved

Life Science Ingredients Segment Highlights

Q2'FY19

- LSI revenue of Rs. 887 Crore, up 20% YoY contributing 39% of the company's revenues led by higher revenues in Lifescience Chemicals offset by lower sales volumes and prices in Nutritional Products
- India revenue higher by 45% YoY at Rs. 623 Crore accounting for 70% of the segment's revenue
- International markets share at Rs. 264 Crore, 30% of segment's revenues, including revenues from key developed markets of Rs. 165 Crore contributing 19% to segment revenues
- LSI segment's EBITDA at Rs. 109 Crore, a decline of 17% YoY and in line QoQ, with margins of 12.3%
- Plan to launch 6 products in Specialty Intermediates in FY19



- Healthy demand and pricing witnessed for key products in Life Science Chemicals; New acetic anhydride plant progressing as per plan to be commissioned in H2FY19, which will provide additional revenues of upto Rs. 400 Crore per annum at full capacity
- Demand for Vitamin B improved and expected to normalize by end of year

H1'FY19

- LSI revenue at Rs. 1,734 Crore, up 21% YoY, contributing 40% to the company's revenues, down from 45% in H1'FY18, led by higher revenues in Life Science Chemicals offset by lower volumes and prices in Nutritional Products.
- India revenues increased by 43% YoY to Rs. 1,166 Crore, contributing 67% to segment revenues
- International markets share at Rs. 568 Crore, 33% of segment's revenues, including revenues from Key Developed markets of Rs. 383 Crore, contributing 22% to segment revenues

Others (Drug Discovery Solutions & India Branded Pharma) Segment Review

Q2'FY19

- Revenues at Rs. 57 Crore, growing 15% YoY and contributing 3% to company's total revenues
 - DDS business revenue at Rs. 50 Crore, up 14% YoY
 - IBP business revenue at Rs. 6 Crore, as compared to Rs. 5 Crore last year
- Segment's EBITDA improved to Rs. 4 Crore from Rs. (3) Crores in Q2'FY18, with margin of 7.4%

H1'FY19

- Revenues at Rs. 107 Crore, up 14% and contributing 2% to total revenues
 - DDS business' revenue at Rs. 95 Crore, up 11% YoY
 - IBP Business revenue of Rs. 12 Crore, up 35% YoY
- EBITDA was at Rs. 6 Crore as compared to Rs. (12) Crore in H1'FY18, with margin of 5.6%

Outlook

We expect better performance in H2FY19 as compared to H1'FY19 in both Pharmaceuticals and LSI segments driven by growth in existing products and capacity expansions for new product launches. We will continue our efforts to strengthen balance sheet by reducing debt and improving financial ratios.

Particulars	Q2 FY18	Q2 FY19	YoY Growth	H1 FY18	H1 FY19	YoY Growth
	(Rs Crs)	(Rs Crs)	(%)	(Rs Crs)	(Rs Crs)	(%)
Total Revenue from Operations (Net of Excise)	1,642	2,269	38%	3,198	4,348	36%
Pharmaceuticals	855	1,326	55%	1,665	2,507	51%
Specialty Pharmaceuticals	531	908	71%	1,000	1,724	72%
Generics & APIs	324	418	29%	665	783	18%
Life Science Ingredients	738	887	20%	1,438	1,734	21%
Others (incl. Drug Disc. and India Branded Pharma)	49	57	15%	94	107	14%
Total Expenditure	1,336	1,819	36%	2,594	3,460	33%
Other Income	7	4	-46%	14	13	-4%
EBITDA from Operations	346	478	38%	707	931	32%
Pharmaceuticals	218	364	67%	480	707	47%
Specialty Pharmaceuticals	180	238	33%	395	508	29%
Generics & APIs	39	126	225%	85	198	134%
Life Science Ingredients	131	109	-17%	239	218	-9%
Others (incl. Drug Disc. and India Branded Pharma)	-3	4	-	-12	6	-
Corporate (Expenses)/Income	-14	-24	-	-31	-30	-
Total	332	454	37%	677	901	33%
One time expenses	19	0	-100%	19	0	-100%
Reported EBITDA	313	454	45%	658	901	37%
Depreciation and Amortization	79	89	13%	151	177	17%
Finance Cost	66	63	-5%	135	135	1%
Profit before Tax	168	302	80%	371	588	58%
Tax Expenses (Net)	43	92	116%	102	178	74%
Minority Interest	-3	-1	-	-6	-3	-
Net Profit After Tax and Minority Interest	128	210	64%	275	413	50%
Earnings Per Share - Face Value Re. 1 (Rs.)	8.23	13.50	64%	17.67	26.50	50%
			(%)			(bps)
EBITDA Margins from Operations	21.1%	21.0%	(5)	22.1%	21.4%	(69)
Pharmaceuticals	25.5%	27.5%	195	28.8%	28.2%	-61
Life Science Ingredients	17.7%	12.3%	-545	16.6%	12.6%	-402
Others (incl. Drug Disc. and India Branded Pharma)	-6.0%	7.4%	1,338	-12.4%	5.6%	1,793
Reported EBITDA Margin	19.1%	20.0%	93	20.6%	20.7%	16
Net Margins	7.8%	9.3%	146	8.6%	9.5%	88



Earnings Call details

The company will host earnings call at 5.00 PM IST on October 22, 2018, to discuss the performance and answer questions from participants.

Participants can dial-in on the numbers below

Primary Number: + 91 22 6280 1141 / + 91 22 7115 8042

Local Access Number: +91-7045671221 (Available all over India)

Toll Free Numbers:

USA: 1 866 746 2133

UK: 0 808 101 1573

Singapore: 800 101 2045

Hong Kong: 800 964 448

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 and India Branded Pharmaceuticals. The Pharmaceuticals segment, through its wholly owned subsidiary Jubilant Pharma Limited, is engaged in manufacturing and supply of APIs, Solid Dosage Formulations, Radiopharmaceuticals, Allergy Therapy Products and Contract Manufacturing of Sterile Injectibles and Non-sterile products through 6 USFDA approved manufacturing facilities in the US, Canada and India 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 business, provides proprietary in-house innovation & collaborative research and partnership for out-licensing through 2 world class research centers in India. 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.



For more information, please contact:

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