



JUBILANT
LIFESCIENCES

Financial Results

Quarter Ended December 31, 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 its reports to shareholders. The company assumes no obligation to update forward-looking statements to reflect actual results, changed assumptions or other factors. For detailed disclaimer in case of Jubilant Pharma Limited, please visit <http://www.jubilantpharma.com/fullpage.aspx?mpgid=1147&pgid=1147>

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. 63.88 as on Dec 31'17 & Rs. 69.78 as on Dec 31'18*

Conference Call Details

Date : Feb, 01, 2019

Time : 05:00 pm IST

| | |
|-----------------------------|--|
| Primary Number: | + 91 22 6280 1141 + 91 22 7115 8042 |
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Replay from : Feb 01 to 08, 2019

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Q3/9M'FY19 Results Analysis

Chairman's Message

JUBILANT REPORTS RECORD PERFORMANCE IN Q3'FY19

Revenue up 15% YoY to Rs. 2,377 Crore; EBITDA up 24% YoY to Rs 522 Crore

PAT up 23% YoY to Rs. 261 Crore with EPS of Rs. 16.7 per share

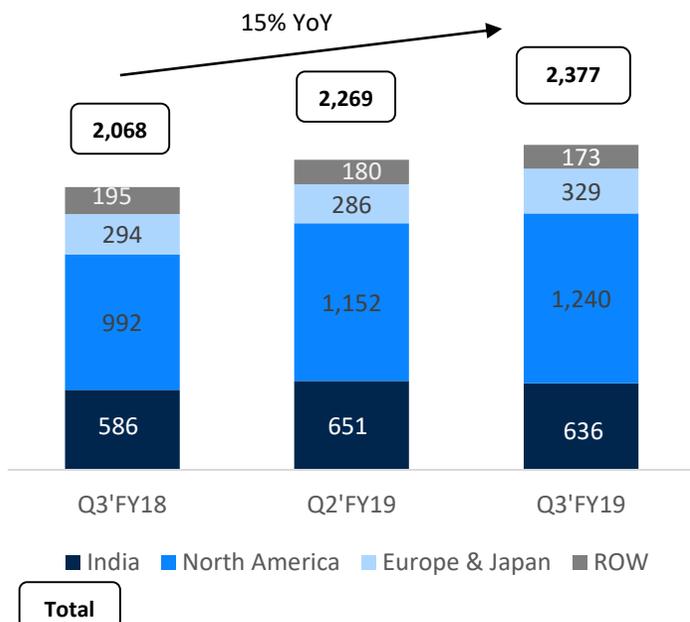
Commenting on the Company's performance, Mr. Shyam S Bhartia, Chairman and Mr. Hari S Bhartia, Co-Chairman & Managing Director, Jubilant Life Sciences Ltd. said:

"The continued record performance in revenues and profits is driven by robust results in all key businesses in the Pharmaceuticals segment, especially in our CDMO and US Generic businesses. We expect to continue healthy performance going forward in the Pharmaceuticals segment and steady performance in Life Science Ingredients segment and generate adequate cash to invest to support our growth and reduce the debt for a strong balance sheet."

Q3'FY19 Financial Highlights

| Particulars | Q3'FY18 | Q2'FY19 | Q3'FY19 | % Change (YoY) |
|--------------------------------|---------|---------|---------|----------------|
| Revenue from Operations | 2,068 | 2,269 | 2,377 | 15% ↑ |
| EBITDA | 420 | 454 | 522 | 24% ↑ |
| EBITDA Margin ¹ (%) | 20.3% | 20.0% | 22.0% | 166 ↑ |
| Net Profit | 213 | 210 | 261 | 23% ↑ |
| EPS (Rs / Share) | 13.6 | 13.5 | 16.7 | 23% ↑ |

Geography Wise Revenue



- Pharmaceuticals revenue at Rs 1,418 Crore, up 29% YoY, contributing 60% to revenues
- LSI revenue at Rs 899 Crore, accounting for 38% of revenues, down 3% YoY
- Pharmaceuticals EBITDA at Rs 393 Crore, up 63% YoY and 8 % QoQ
- LSI EBITDA at Rs 126 Crore, up 16% QoQ
- Finance costs at Rs 68 Crore vs. Rs 77 Crore in Q3'FY18, including Stock Settlement Charge of Rs 15 Crore as against Rs 20 Crore in Q3'FY18
- Capex in Q3'FY19 of Rs 134 Crore

Debt Profile

| | Mar 31, 2018 | Dec 31, 2018 | YTD Change |
|--|--------------|--------------|--------------|
| Foreign Currency Debt ² (\$ Mn) | 367 | 356 | (11) |
| Rupee Debt (Rs Crore) | 1,086 | 1,313 | 227 |
| Gross Debt (Rs Crore) | 3,480 | 3,800 | 321 |
| Cash & Equivalent (Rs Crore) | 249 | 519 | 270 |
| Net Debt (Constant Currency) (Rs Crore) | 3,231 | 3,118 | (113) |

- Average blended interest rate for 9M'FY19 @ 6.18% - Re loans @ 8.43%, \$ loans at 4.85%
- Stock settlement Instrument (IFC) of USD 56.4 Mn as a mandatory conversion option at IPO of Jubilant Pharma Ltd.

1. Margin change is mentioned in basis points
2. All foreign currency debt is in subsidiaries

Pharmaceuticals Segment Highlights

| Particulars | Q3'FY18 | Q2'FY19 | Q3'FY19 | % Change (YoY) |
|--------------------------------|---------|---------|---------|----------------|
| Revenue | 1,096 | 1,326 | 1,418 | 29% ↑ |
| EBITDA | 241 | 364 | 393 | 63% ↑ |
| EBITDA Margin (%) ² | 22.0% | 27.5% | 27.7% | 574 ↑ |

Specialty Pharma

- Higher volumes & realisations in Radiopharmaceuticals
- Plan in progress to gain new/lost customers in Radiopharmacies, including upgradation of new sites
- Venom sales normalizing post unloading of inventory by competitor in H1'CY18

CDMO

- Increasing capacities in CMO
 - Capacity addition by operating one line 24X7 effected in Spokane during Q3FY19
 - New Lyo line to increase capacity by 25% to be commercialized by H1'FY20
- Growth in API business revenue and profitability on account of better performance in few key products. Planning on filing at least 2 DMFs during Q4FY19; 1 DMF filed in Q3'FY19

Generics

- Significant portfolio work ongoing to enhance product pipeline in US generics
- New capacity at Roorkee under commissioning for commercial production
- Submitted reply to US FDA's OAI on Roorkee plant; awaiting response

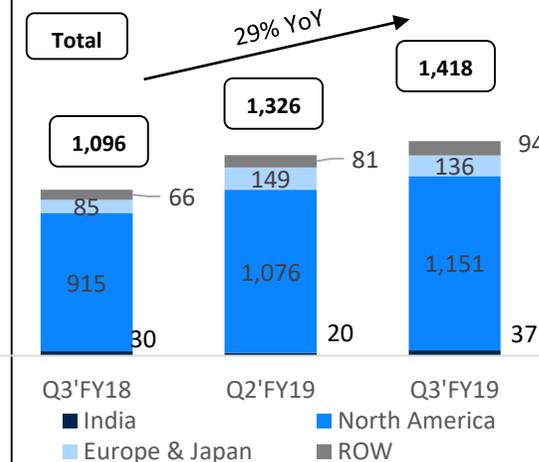
R&D spent during the quarter of Rs. 64 Crore – 4.5% to segment sales. R&D debited to P&L is Rs. 52 Crore – 3.7% to segment sales

Product pipeline as on Dec 31, 2018 (#)

| Region | Dosage (Orals) | | | Steriles | | |
|--------|----------------|----------|---------|---------------|----------|---------|
| | Total Filings | Approval | Pending | Total Filings | Approval | Pending |
| US | 96 | 61 | 35 | 15 | 13 | 2 |
| Canada | 23 | 22 | 1 | 16 | 16 | 0 |
| Europe | 34 | 32 | 2 | 4 | 3 | 1 |
| ROW | 42 | 35 | 7 | 9 | 9 | 0 |

| | Particulars | Q3'FY18 | Q2'FY19 | Q3'FY19 | % Change (YoY) |
|-------------------------------|-------------------|---------|---------|---------|----------------|
| Specialty Pharma ¹ | Revenue | 612 | 712 | 757 | 24% ↑ |
| | EBITDA | 177 | 192 | 213 | 20% ↑ |
| | EBITDA Margin (%) | 28.9% | 27.0% | 28.1% | (83) ↓ |
| CDMO ¹ | Revenue | 298 | 372 | 377 | 27% ↑ |
| | EBITDA | 65 | 120 | 124 | 92% ↑ |
| | EBITDA Margin (%) | 21.7% | 32.2% | 33.0% | 1,128 ↑ |
| Generics ¹ | Revenue | 187 | 242 | 284 | 52% ↑ |
| | EBITDA | (1) | 52 | 56 | - |
| | EBITDA Margin (%) | (0.4%) | 21.6% | 19.6% | 2,007 ↑ |

Geography Wise Revenue



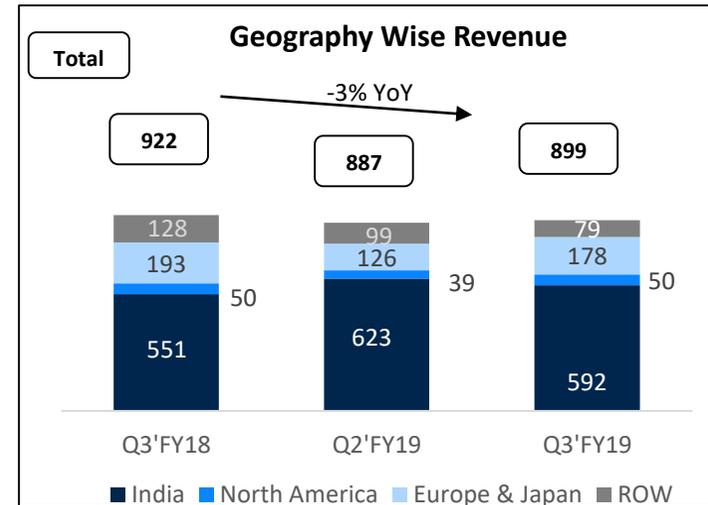
USFDA Inspection Details

| Facility | Last Inspection |
|---------------|-----------------|
| Montreal, CMO | May, 2018 |
| Montreal, JDI | Sep, 2017 |
| Salisbury | May, 2018 |
| Spokane | Oct, 2018 |
| Roorkee | Aug, 2018 |
| Nanjangud | Dec, 2018 |

- Specialty Pharma segment comprises Radiopharma and Allergy Therapy Products businesses, CDMO segment comprises CMO and API businesses and Generics segment includes the Solid Dosage Formulations business
- Margin change is mentioned in basis points

Life Science Ingredients Segment Highlights

| Particulars | Q3'FY18 | Q2'FY19 | Q3'FY19 | % Change (YoY) |
|--------------------------------|---------|---------|---------|----------------|
| Revenue | 922 | 887 | 899 | (3%) ↓ |
| EBITDA | 206 | 109 | 126 | (39%) ↓ |
| EBITDA Margin ¹ (%) | 22.3% | 12.3% | 14.0% | (831) ↓ |



Nutritional Products

- Commenced Vitamins-B3 business in Indian market
- Demand scenario in Nutritional products business expected to normalize in coming quarters

Specialty Intermediates

- Launched 4 products in 9M'FY19 (3 products in Q3'FY19) with annual revenues of Rs 50-60 Crore. Plan to launch another 2 products in Q4'FY19
- Higher volumes led by strong demand expected to drive better performance going forward

Life Science Chemicals

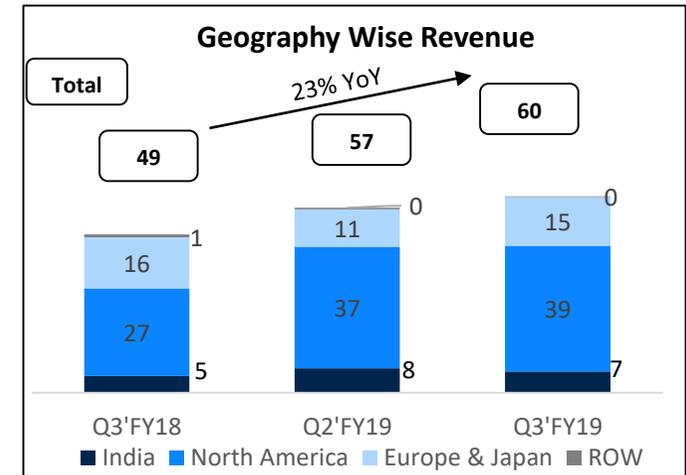
- Stable demand for Acetic Anhydride and Ethyl Acetate in domestic market
- Plan on track to commission new Acetic Anhydride plant in Q4'FY19, with annual revenues of over Rs 400 Crore
- Lower acetic acid prices witnessed during end of Q3'FY19
- Bagged new annual contract with higher volumes and prices in the Ethanol Blending Program of the Govt. of India

Product Pipeline / New Launches

| # | Till March 31, 2018 | New Launches 9M FY19 | Total |
|-------------------------|---------------------|----------------------|-----------|
| Specialty Intermediates | 55 | 4 | 59 |
| Nutritional Products | 22 | 1 | 23 |
| Life Science Chemicals | 7 | 0 | 7 |
| Total | 84 | 5 | 89 |

Others Segment Highlights

| Particulars | Q3'FY18 | Q2'FY19 | Q3'FY19 | % Change (YoY) |
|-------------------|---------|---------|---------|----------------|
| Revenue | 49 | 57 | 60 | 23% ↑ |
| EBITDA | (4) | 5 | (0.2) | - ↑ |
| EBITDA Margin (%) | (7.5%) | 8.0% | (0.3%) | 726 ↑ |



- Q3 Revenue up 23% YoY to Rs 60 Crore
 - Revenue from North America up 43% YoY to Rs 39 Crore
 - India revenue up to Rs 7 Crore from Rs 5 Crore in Q3'FY18
- Q3 EBITDA at Rs (0.2) Crore as compared with Rs (4) Crore last year.

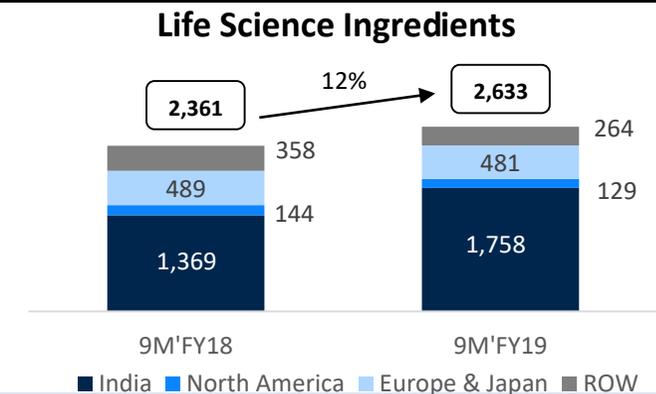
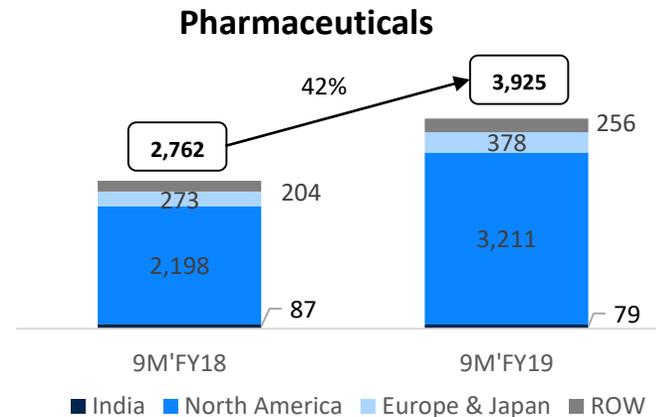
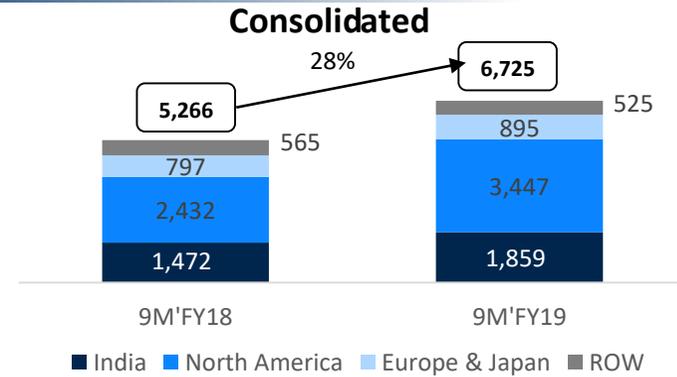
1. Others segment comprises the company's Drug Discovery Solutions and India Branded Pharmaceuticals businesses
 2. Margin change is mentioned in basis points

Jubilant Life Sciences – 9M'FY19 Snapshot

| Particulars | 9M'FY18 | 9M'FY19 | YoY Change (%) |
|---------------------------------|--------------|--------------|----------------|
| Revenue | | | |
| Pharmaceuticals | 2,762 | 3,925 | 42% |
| Specialty Pharma | 1,352 | 2,134 | 58% |
| CDMO | 838 | 1,026 | 22% |
| Generics | 573 | 765 | 34% |
| Life Science Ingredients | 2,361 | 2,633 | 12% |
| Others | 143 | 168 | 17% |
| Total Revenue | 5,266 | 6,725 | 28% |
| EBITDA | | | |
| Pharmaceuticals | 700 | 1,099 | 57% |
| Specialty Pharma | 535 | 619 | 16% |
| CDMO | 179 | 333 | 86% |
| Generics | (13) | 147 | - |
| Life Science Ingredients | 445 | 344 | (23%) |
| Others | (14) | 7 | - |
| EBITDA | 1,078 | 1,423 | 32% |
| Net Profit | 488 | 674 | 38% |
| EPS (Rs / Share) | 31.3 | 43.2 | 38% |

EBITDA Margins

| Particulars | 9M'FY18 | 9M'FY19 | YoY Change (bps) |
|---------------------------------|---------------|--------------|------------------|
| Pharmaceuticals | 25.4% | 28.0% | 264 |
| Specialty Pharma | 39.6% | 29.0% | (1,059) |
| CDMO | 21.3% | 32.4% | 1,112 |
| Generics | (2.3%) | 19.2% | 2,155 |
| Life Science Ingredients | 18.9% | 13.1% | (577) |
| Others | (9.8%) | 4.1% | 1,393 |
| Total | 20.5% | 21.2% | 70 |



Jubilant Life Science – Key Strengths



- Maintain guidance of better performance in H2'FY19 as compared to H1'FY19 in both Pharmaceuticals and LSI segments driven by growth in existing products and capacity expansions for new product launches.
- Strategic levers in place for growth in revenues and profitability in the medium term
- We continue to work towards strengthening of the balance sheet by reducing debt and thereby improving financial ratios.

Appendix

Income Statement – Q3' FY19 & 9M' FY19

| Particulars | Q3 FY 18 | Q3 FY19 | YoY Growth | 9M FY18 | 9M FY 19 | YoY Growth |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| | (Rs Crs) | | (%) | (Rs Crs) | | (%) |
| Total Revenue from Operations (Net of Excise) | 2068 | 2377 | 15% | 5266 | 6725 | 28% |
| Pharmaceuticals | 1096 | 1418 | 29% | 2762 | 3925 | 42% |
| Specialty Pharmaceuticals | 612 | 757 | 24% | 1352 | 2134 | 58% |
| CDMO | 298 | 377 | 27% | 838 | 1026 | 22% |
| Generics | 187 | 284 | 52% | 573 | 765 | 34% |
| Life Science Ingredients | 922 | 899 | (3%) | 2361 | 2633 | 12% |
| Others (incl. Drug Disc. and India Branded Pharma) | 49 | 60 | 23% | 143 | 168 | 17% |
| Total Expenditure | 1651 | 1884 | 14% | 4245 | 5344 | 26% |
| Other Income | 3 | 29 | 801% | 17 | 42 | 147% |
| Segment EBITDA | 443 | 519 | 17% | 1131 | 1450 | 28% |
| Pharmaceuticals | 241 | 393 | 63% | 700 | 1099 | 57% |
| Specialty Pharmaceuticals | 177 | 213 | 20% | 535 | 619 | 16% |
| CDMO | 65 | 124 | 92% | 179 | 333 | 86% |
| Generics | (1) | 56 | - | (13) | 147 | - |
| Life Science Ingredients | 206 | 126 | (39%) | 445 | 344 | (23%) |
| Others (incl. Drug Disc. and India Branded Pharma) | (4) | (0) | - | (14) | 7 | - |
| Corporate (Expenses)/Income | (23) | 4 | - | (54) | (27) | - |
| EBITDA | 420 | 522 | 24% | 1078 | 1423 | 32% |
| Depreciation and Amortization | 82 | 98 | 20% | 233 | 276 | 18% |
| Finance Cost | 77 | 68 | (11%) | 212 | 204 | (4%) |
| Profit before Tax | 261 | 356 | 36% | 633 | 944 | 49% |
| Tax Expenses (Net) | 48 | 88 | 82% | 151 | 266 | 77% |
| Minority Interest | 0 | 7 | - | (6) | 4 | - |
| Net Profit After Tax and Minority Interest | 213 | 261 | 23% | 488 | 674 | 38% |
| Earnings Per Share - Face Value Re. 1 (Rs.) | 13.6 | 16.7 | 23% | 31.3 | 43.2 | 38% |
| Segment EBITDA Margins | 21.4% | 21.8% | 39 | 21.5% | 21.6% | 8 |
| Pharmaceuticals | 22.0% | 27.7% | 574 | 25.4% | 28.0% | 264 |
| Life Science Ingredients | 22.3% | 14.0% | (831) | 18.9% | 13.1% | (577) |
| Others (incl. Drug Disc. and India Branded Pharma) | -7.5% | -0.3% | 726 | -9.8% | 4.1% | 1,393 |
| EBITDA Margin | 20.3% | 22.0% | 166 | 20.5% | 21.2% | 70 |
| Net Margins | 10.3% | 11.0% | 69 | 9.3% | 10.0% | 75 |

Note: Other income in Q3' FY19 includes forex gain of Rs 25 Crore on account of loan restatement

For Investors:

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