



JUBILANT
LIFESCIENCES

Financial Results

Quarter and Full Year Ended March 31, 2019

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 audited 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. 65.17 as on Mar 31'18 & Rs. 69.16 as on Mar 31'19*

Conference Call Details

Date : May, 17, 2019

Time : 05:00 pm IST

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Replay from : May 17 to May 24, 2019

Dial in No.: +91 22 7194 5757

Playback ID: 05308#

Q4/12M'FY19 Results Analysis

Chairmen's Message

JUBILANT REPORTS RECORD PERFORMANCE IN FY19

Revenue up 21% YoY to Rs. 9,111 Crore; EBITDA at Rs 1,775 Crores

Normalised PAT at Rs 855 Crore with EPS of Rs. 54 per share

Q4'FY19 Revenue at Rs. 2,386 Crore up 6% YoY; Normalised PAT at Rs 135 Crore

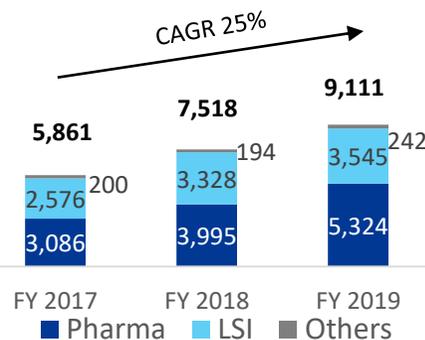
Commenting on the Company's performance, Mr. Shyam S Bhartia, Chairman and Mr. Hari S Bhartia, Co-Chairman & Managing Director, Jubilant Life Sciences Ltd. said:

“The Company reported record performance in revenue and profitability in FY 19 led by robust growth in our Pharmaceuticals segment. Our strategic focus on de-risked business model and being closer to customer with leadership position in key products has driven this growth. Our global competitive edge due to low cost, vertical integration and capacity additions with commitment to ensure high level of compliance will further strengthen our businesses. We witnessed healthy performance during the quarter, which was offset by certain one-time charges. We continue to remain focused on generating operating cash to invest to support our growth and reduce the debt for a strong balance sheet.”

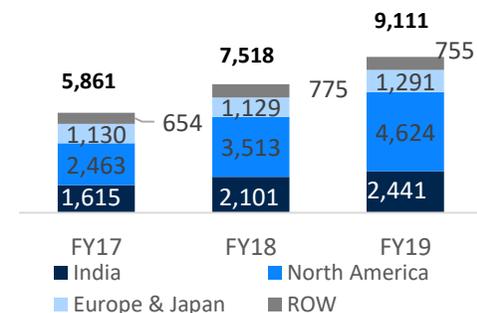
JLL – FY19 Snapshot

Highlights	FY18	FY19	YoY Change (%)
Revenue			
Pharmaceuticals	3,995	5,324	33%
Life Science Ingredients	3,328	3,545	7%
Others	194	242	24%
Total Revenue	7,518	9,111	21%
EBITDA			
Pharmaceuticals	1,004	1,386	38%
Life Science Ingredients	632	445	(30%)
Others	(9)	4	-
Unallocated Corporate Expenses	(69)	(60)	-
Reported EBITDA	1,558	1,775	14%
Exceptional Items	(91)	(280)	
PAT	643	574	(11%)
EPS	41.2	36.9	(11%)
Normalised PAT	714	855	20%
Normalised EPS	45.9	53.7	17%
EBITDA Margins			
Pharmaceuticals	25.1%	26.0%	
Life Science Ingredients	19.0%	12.6%	
Others	(4.7%)	1.8%	
Reported EBITDA	20.7%	19.5%	

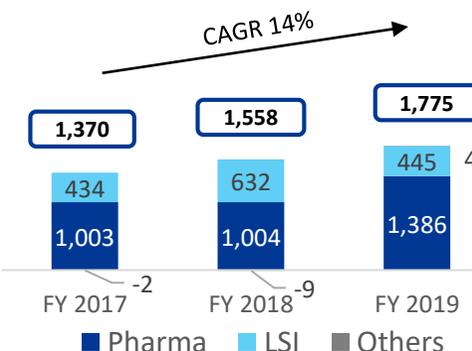
Revenue from Operations



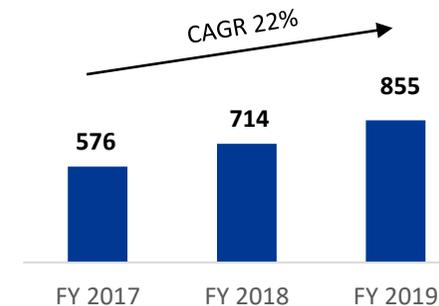
Revenue – Geographical Breakup



EBITDA



Normalised PAT



 Reported EBITDA

- All figures are in Rs Crore unless otherwise stated
- Exceptional items in FY18 include one time product development amortization charge and in FY19, stock settlement charge on IFC convertible loan due to one time settlement
- Others segment includes DDDS and IBP businesses

EBITDA after One-off Adjustments

Rs Crore

S. No.		Q4'FY18	Q4'FY19	% Change YoY	FY18	FY19	% Change YoY
1	Reported EBITDA	481	351	(27%)	1,558	1,775	14%
2	One-off Adjustments	18	103	485%	90	157	74%
3	Adjusted EBITDA	498	455	(9%)	1,649	1,932	17%
4	Reported EBITDA Margin	21.3%	14.7%		20.7%	19.5%	
5	Adjusted EBITDA Margin	22.1%	19.1%		21.9%	21.2%	

S. No.	Particulars	Q4'FY18	Q4'FY19	FY18	FY19
1	IPO Expense	1	13	2	22
2	Penalties on Non Supplies to customers	18	18	34	32
3	Litigation Expense	0	19	0	52
4	Restatement on Investments in DDDS	(6)	10	(8)	9
5	Exchange (gain)/loss on intercompany loans	(6)	6	(0)	(20)
6	Impact of High cost inventory consumption in LSI	0	37	0	40
7	Others	11	1	63	22
	Total One-Off Expenses	18	103	90	157

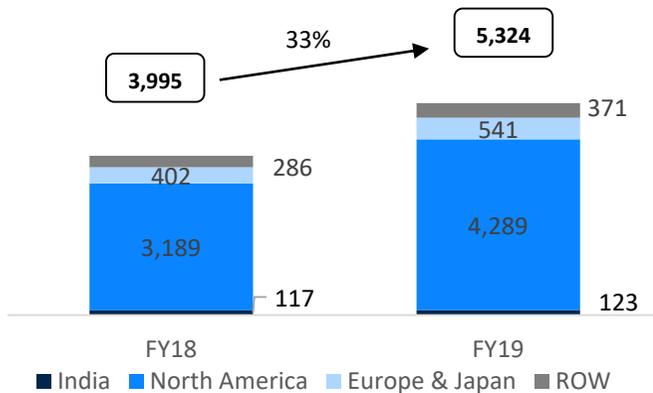
1. 'Other' expenditure includes Triad acquisition related expenses, one-time employee related expenses, market development of Ruby-Fill etc.

Pharmaceuticals Segment Highlights – FY19

Particulars	FY18	FY19	YoY Change (%)
Revenue			
Pharmaceuticals	3,995	5,324	33%
Specialty Pharma	1,990	2,830	42%
Radiopharma	1,709	2,468	44%
Allergy Therapy Products	281	362	29%
CDMO	1,202	1,470	22%
CMO	648	784	21%
API	553	685	24%
Generics	803	1,024	27%
EBITDA	1,004	1,386	38%
EBITDA Margin	25.1%	26.0%	

- Pharmaceutical segment's revenue increased by 33% YoY to Rs 5,324 Crore. Share in overall revenue at 58% up from 53% last year. Ex-Triad revenue grew by 23% YoY
- North America revenue grew 34% YoY, accounting for over 80% of the Pharmaceutical segment's revenue. Revenue from Europe & Japan and ROW grew by 35% YoY and 30% YoY, respectively
- 42% YoY growth in Specialty Pharma revenues; Specialty Pharma constitutes 53% of total Pharma revenues.
 - 44% YoY growth in Radiopharma - growth led by Triad acquisition and volume and pricing gains in Radiopharmaceuticals business
 - I-131 MIBG clinical trials - Targeted filing by end FY22. Patient recruitment delay.
 - Allergy business grew 29% YoY led by growth in venom and extracts
- CDMO segment witnessed 22% YoY revenue growth
 - CMO growth of 21% YoY due to better volumes and pricing
 - API grew 24% YoY due to better market conditions in certain products
- Generics revenue increased 27% YoY to Rs 1,024 Crore led by strong recovery in US business
- Pharmaceutical segment's EBITDA grew 38% YoY to RS 1,386 Crore with margin of 26%
- R&D spent during FY19 at Rs.244 Crore – 4.6% to segment sales. R&D debited to P&L is Rs. 190 Crore – 3.6% to segment sales

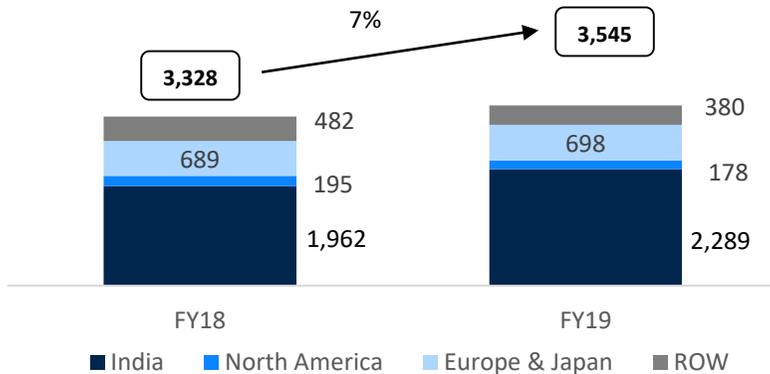
Revenue – Geographical Breakup



LSI Segment Highlights – FY19

Particulars	FY18	FY19	YoY Change (%)
Revenue			
Life Science Ingredients	3,328	3,545	7%
Specialty Intermediates & Nutritional Products	1,536	1,422	(7%)
Specialty Intermediates	970	1,011	4%
Nutritional Products	566	410	(27%)
Life Science Chemicals	1,792	2,123	18%
EBITDA	632	445	(30%)
EBITDA Margin	19.0%	12.6%	

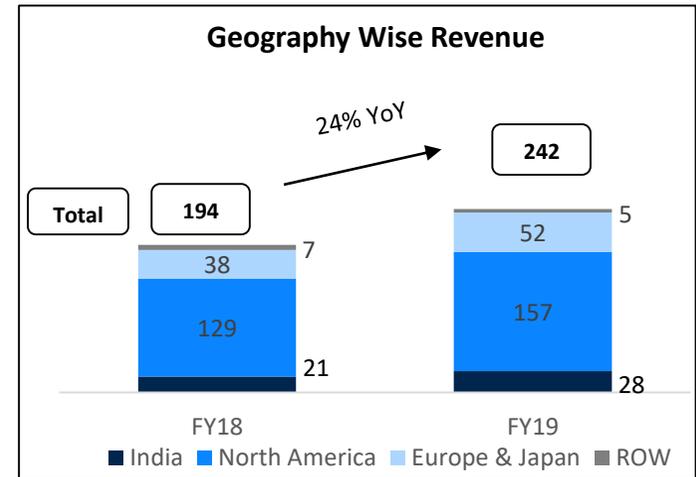
Revenue – Geographical Breakup



- LSI segment's revenue up 7% YoY to Rs 3,545 Crore
 - Revenue growth was led by better price realisation in Life Science Chemicals and Specialty Intermediates businesses
 - Better performance in the Ethanol business due to higher prices and volume
 - Pricing and demand pressure in Nutrition business due to weak market conditions in H1'FY19. Witnessed increasing price trend Q4'FY19
- India revenue grew 17% YoY, accounting for 65% of the overall segment revenue
- Launched 7 new products during the year. Plan to launch 5 products in FY20
- LSI EBITDA at Rs 445 Crore vs. Rs. 632 Crore last year with margin of 12.6% vs. 19% last year.
- Acetyls Business
 - High base due to one-time upside in FY18 on account of some capacity shutdown in Europe
 - Higher cost inventory amid sharp decline in prices in Q4'FY19 impacted profitability during FY19.
- Lower profitability in nutrition business on account of lower prices and volumes
- Bagged new annual contract starting from December 2018 with higher volumes and prices in the Ethanol Blending Program of the Govt. of India

Others Segment Highlights – FY19

Particulars	FY18	FY19	YoY Change (%)
Revenue			
Others	194	242	24%
Drug Discovery Solutions	176	217	23%
India Branded Pharmaceuticals	18	25	38%
EBITDA	(9)	4	-
EBITDA Margin	(4.7%)	1.8%	



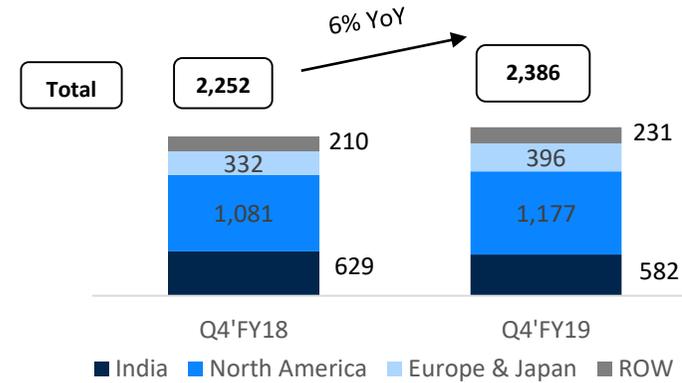
- Others segment's revenue up by 24% YoY to Rs 242 Crore led by 23% growth in the Drug Discovery Solutions business
 - Revenue from North America market increased by 22% YoY to Rs 157 Crore
 - Revenue from Europe & Japan up 37% YoY to Rs 52 Crore
 - IBP business grew 38% YoY during the year
- Others segment's EBITDA improved to Rs 4 Crore from Rs (9) Crore last year

1. All figures are in Rs Crore unless otherwise stated
 2. Others segment comprises the company's Drug Discovery Solutions and India Branded Pharmaceuticals businesses

JLL – Q4'FY19 Financial Highlights

Highlights	Q4FY18	Q4FY19	YoY Change (%)
Revenue			
Pharmaceuticals	1,233	1,399	13%
Life Science Ingredients	968	912	(6%)
Others	51	74	45%
Total Revenue	2,252	2,386	6%
EBITDA			
Pharmaceuticals	304	287	(5%)
Life Science Ingredients	187	101	(46%)
Others	5	(3)	-
Unallocated Corporate Expenses	(15)	(34)	125%
Reported EBITDA	481	351	(27%)
Exceptional Items	(91)	(235)	
PAT	155	(99)	-
EPS	9.9	(6.4)	-
Normalised PAT	226	135	(40%)
Normalised EPS	14.5	8.5	(41%)
EBITDA Margins			
Pharmaceuticals	24.6%	20.5%	
Life Science Ingredients	19.3%	11.0%	
Others	9.4%	(3.5%)	
Reported EBITDA	21.3%	14.7%	

Geography Wise Revenue



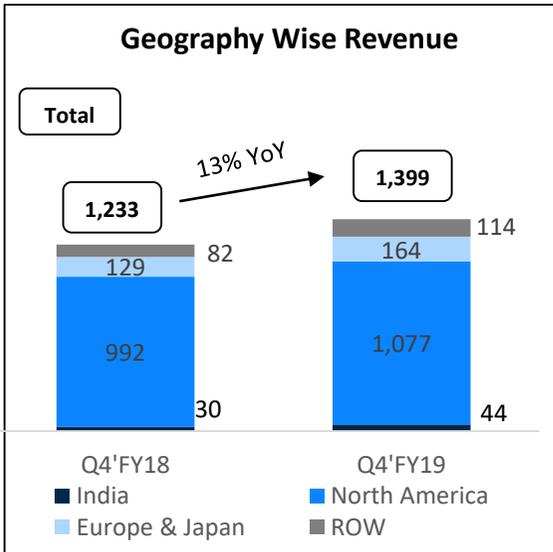
- Revenue up by 6% YoY to Rs 2,386 Crore
 - Pharmaceuticals revenue at Rs 1,399 Crore, up 13% YoY, contributing 59% to revenues
 - LSI revenue at Rs 912 Crore, accounting for 38% of revenues, decline of 6% YoY
 - Others Revenue at Rs 74 Crore, up 45% YoY
 - North America revenue up by 9% YoY to Rs 1,177 Crore
- Reported EBITDA of Rs 351 Crore with margin of 15%.
 - Pharmaceuticals EBITDA at Rs 287 Crore, margin of 21%
 - LSI EBITDA at Rs 101 Crore, margin of 11%
- Adjusted EBITDA after one time expense at Rs 455 Crore vs. Rs 498 Crore last year
- Finance costs at Rs 62 Crore vs. Rs 72 Crore in Q4'FY18.
- Normalised Net Profit at Rs 135 Crore with EPS of Rs 8.5
- Capex in Q4'FY19 of Rs 165 Crore

1. All figures are in Rs Crore unless otherwise stated

2. Exceptional items in Q4'FY18 include one time product development amortization charge and in Q4'FY19, stock settlement charge on IFC convertible loan due to one time settlement

Pharmaceuticals Segment Highlights – Q4'FY19

Particulars	Q4'FY18	Q4'FY19	% Change
Revenue	1,233	1,399	13%
Specialty Pharma	638	696	9%
CDMO	364	446	23%
Generics	231	257	11%
EBITDA	304	287	(5%)
EBITDA Margin (%)	24.6%	20.5%	



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

Product pipeline as on Mar 31, 2019 (#)

Region	Dosage (Orals)			Steriles		
	Total Filings	Approval	Pending	Total Filings	Approval	Pending
US	96	61	35	15	13	2
Canada	23	23	0	16	16	0
Europe	36	33	3	4	3	1
ROW	42	35	7	9	9	0

Specialty Pharma

- 9% YoY revenue growth led by Allergy and Radiopharma businesses
- Submissions filed to register venom SCIT for use in animals during the quarter
- Upgradation of new sites in progress in radiopharmacies. Efforts also underway to improve operational efficiencies

CDMO

- New Lyo equipment installed at Spokane facility with validations underway, commercialisation expected by H2'FY20
- Growth in API business' revenue and profitability on account of better performance in certain products
- Nanjangud OAI - Engaging with US FDA to resolve this issue. Appointed 3rd party consultants to help with responses to the US FDA and in remediation activity

Generics

- Healthy performance on account of better market conditions in key products
- Roorkee Expansion – Partial commercialization with completion expected by end of Q1'FY20
- Roorkee WL - Comprehensive response submitted to the US FDA. Appointed 3rd party consultants to help in remediation process.

R&D spent during the quarter of Rs. 68 Crore – 4.8% to segment sales. R&D debited to P&L is Rs. 51 Crore – 3.7% to segment sales

LSI Segment Highlights – Q4'FY19

Particulars	Q4'FY18	Q4'FY19	% Change
Revenue	968	912	(6%)
EBITDA	187	101	(46%)
EBITDA Margin (%)	19.3%	11.0%	

Specialty Intermediates

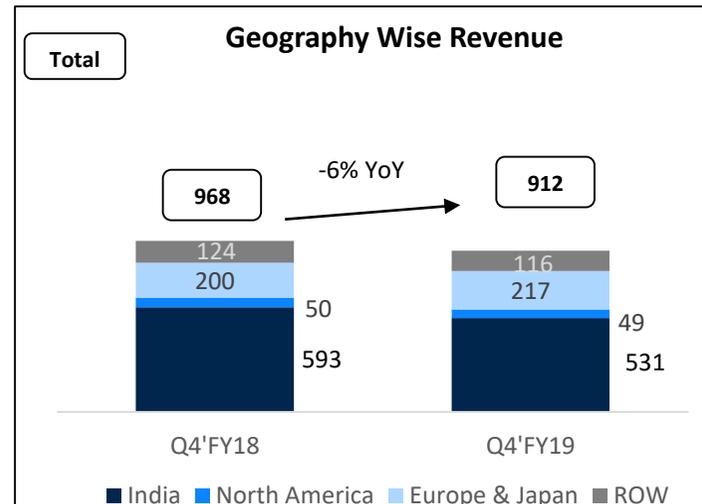
- Growth in business aided by higher offtake
- GMP certified multiproduct facility at Bharuch commissioned to manufacture growing exclusive synthesis products and GMP intermediates
- Launched 2 new products during the quarter with commercial supplies to customers

Nutritional Products

- Demand scenario in Nutritional Products business improving; reflected in sequential improvement in business performance in Q4'FY19
- The prices of Vitamin B3 have witnessed increasing pricing trends in Q4'FY19

Life Science Chemicals

- Lower acetic acid prices led to higher supplies in the market, which impacted profitability
- Commissioning of new Acetic Anhydride plant expected in Q1'FY20, with expected annual revenues of over Rs 300 Crore
- Molasses prices on an increasing trend due to tight market supplies

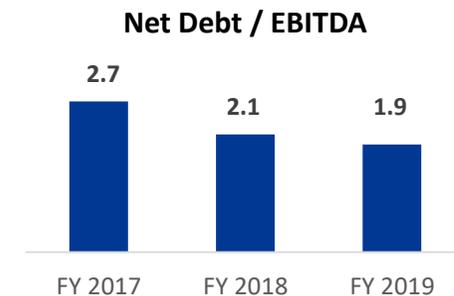
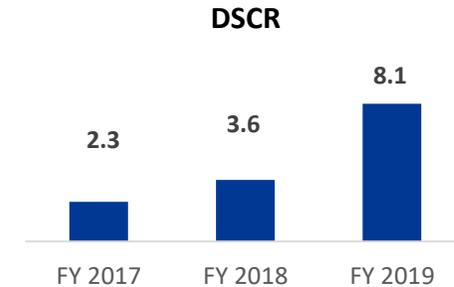


Product Pipeline / New Launches (#)

	Till March 31, 2018	New Launches FY19	Total
Specialty Intermediates	55	6	61
Nutritional Products	22	1	23
Life Science Chemicals	7	0	7
Total	84	7	91

Debt Profile

Particulars	31/03/18	31/03/19
Foreign Currency Loans	(\$ Mn)	(\$ Mn)
Standalone	9	0
Subsidiaries	358	500
Total	367	500
Rupee Loans	(Rs. Crs)	(Rs. Crs)
Standalone	1,007	1,341
Subsidiaries	79	61
Total	1,086	1,402
Gross Debt	(Rs. Crs)	(Rs. Crs)
Standalone	1,066	1,341
Subsidiaries	2,414	3,519
Total	3,480	4,860
Cash & Equivalent	249	1,370
Net Debt (before Fx Adjustment)	3,231	3,490
Change in debt on account of Fx rate difference from 31-March, 2018		-120
Net Debt (After Fx Adjustment)	3,231	3,370
Increase / (Decrease) in Debt		139
Closing Exchange Rate (USD/Rs.)	65.17	69.16



- Issued a 5 year rated unsecured bonds of USD 200 Mn in March 2019 with a coupon of 6% p.a.
- Fully redeemed the outstanding zero coupon convertible loan of IFC, Washington, on a one-time settlement of USD135 mn based on mutual agreement and exited from the loan conversion obligation
- Average blended interest rate for FY19 @ 6.18% - Re loans @ 8.40%, \$ loans at 4.91%
- Generated operating cash of Rs 848 Crore before Capex and product development expense of Rs 698 Crore

Corporate Actions

USD 200 Mn Bonds

- In March 2019, Company's wholly-owned subsidiary Jubilant Pharma Limited, Singapore, issued rated unsecured bonds of USD200 million. The Notes bearing interest at 6.00% per annum will mature in March 2024

IFC Loan Settlement

- In March 2019, the Company fully redeemed the outstanding zero coupon convertible loan of International Finance Corporation (IFC), Washington, on a one-time settlement of USD135 mn based on mutual agreement.
- With this all loans outstanding to IFC have been fully paid and the obligation to provide an exit to IFC by equity conversion of the convertible loan has been cancelled.
- This payment was made from the rated unsecured bonds of USD200 mn raised by JPL, Singapore.

Jubilant Life Science – Key Strengths

1

Strong Leadership in Key Products and Markets

2

Global Competitive Edge Due to Low Cost and Vertical Integration

3

De-risked Business Model With Diverse Sources of Revenue

4

Strong Pipeline of Products with Deep R&D Capabilities

5

High-Quality, World –Class, Low Cost Manufacturing Footprint

6

Experienced Management team with high standards of corporate governance

7

Demonstrated Financial Track Record with Strong Revenue Growth and Attractive Profitability Profile



- The Company continues to work on its strategic focus on being closer to customers and to further strengthen its leadership position in defined businesses.
- Expect stable performance at Company level in FY20
 - Pharmaceuticals - Expect steady revenues and range bound margins across businesses
 - LSI – Growth to be led by Nutrition and Specialty Intermediates businesses
- The company is focused on generating operating cash to invest in building a R&D led product pipeline particularly in Specialty Pharmaceuticals business
- We continue to work towards strengthening of the balance sheet by reducing debt and thereby improving financial ratios

Appendix

Income Statement – Q4 & 12M'FY19

Particulars	Q4 FY 18	Q4 FY19	YoY Growth	12M FY18	12M FY19	YoY Growth
	(Rs Crs)		(%)	(Rs Crs)		(%)
Total Revenue from Operations (Net of Excise)	2252	2386	6%	7518	9111	21%
Pharmaceuticals	1233	1399	13%	3995	5324	33%
Life Science Ingredients	968	912	(6%)	3328	3545	7%
Others	51	74	45%	194	242	24%
Total Expenditure	1794	2028	13%	5999	7372	23%
Other Income	23	(7)	-	40	36	(11%)
Segment EBITDA	496	385	(22%)	1627	1835	13%
Pharmaceuticals	304	287	(5%)	1004	1386	38%
Life Science Ingredients	187	101	(46%)	632	445	(30%)
Others	5	(3)	-	(9)	4	-
Corporate (Expenses)/Income	(15)	(34)	125%	(69)	(60)	(12%)
Reported EBITDA	481	351	(27%)	1558	1775	14%
Depreciation and Amortization (Incl. One Time Charge)	182	95	(48%)	415	371	(11%)
Finance Cost	72	62	(15%)	284	220	(23%)
Profit before Tax	227	195	(14%)	859	1184	38%
Exceptional Item	0	(235)	-	0	(280)	-
Profit before Tax (after Exceptional Items)	227	(40)	-	859	904	5%
Tax Expenses (Net)	74	61	(18%)	225	327	45%
Minority Interest	(2)	(1)	-	(8)	3	-
PAT	155	(99)	-	643	574	(11%)
Normalised PAT	226	135	(40%)	714	855	20%
Earnings Per Share - Face Value Re. 1 (Rs.)	9.9	(6.4)	-	41.2	36.9	(11%)
Normalised Earnings Per Share - Face Value Re. 1 (Rs.)	14.5	8.5	(41%)	45.9	53.7	17.0%
Segment EBITDA Margins	22.0%	16.1%		21.6%	20.1%	
Pharmaceuticals	24.6%	20.5%		25.1%	26.0%	
Life Science Ingredients	19.3%	11.0%		19.0%	12.6%	
Others	9.4%	(3.5%)		(4.7%)	1.8%	
Reported EBITDA Margin	21.3%	14.7%		20.7%	19.5%	
Normalised Net Margins	10.1%	5.7%		9.5%	9.4%	

Note - Pursuant to settlement of IFC convertible loan, during the quarter ended 31 March 2019, JPL has recognised current period charge under exceptional items of Rs 234.8 Crore and for the year ended of Rs 280.2 Crore.

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