

PRESS RELEASE

Noida, Monday, Oct 25, 2019

JUBILANT LIFE SCIENCES – Q2 & H1'FY20 RESULTS

- Revenue flat at Rs. 2,266 Crore vs. Q2'FY19; EBITDA at Rs 481 Crore up 6% YoY and 8% QoQ
- PAT at Rs 249 Crore up 19% YoY and 35% QoQ with EPS of Rs. 15.7 per share vs. Rs 13.5 per share last year

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, 2019.

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 witnessed steady performance in revenue and improvement in operating profits in Q2'FY20 both on a YoY basis and sequentially.

Pharmaceutical segment revenues grew 9% both in YoY and QoQ, led by growth in all key businesses. EBITDA growth of 7% YoY and 17% QoQ with margin at 26.6%. Adjusted EBITDA of Pharmaceutical segment was 11% higher YoY with a margin of 28.1% after adjusting for one-off expenses of Rs 23 Crore related to site remediation and litigation expenses.

In the Life Science Ingredients (LSI) segment while we witnessed good growth in Specialty Intermediates and Nutritional Products businesses, the overall revenue was down 15% YoY due to lower input prices of acetic acid and higher molasses prices in the Life Sciences Chemical business.

The Drug Discovery Services business grew 20%. In view of the strong demand being witnessed, we are making significant investments in this business to double capacities over the next 2-3 years.

Our Proprietary Drug Discovery business under Jubilant Therapeutics is a semi virtual biopharma business. We are currently working on seven programs targeting small molecule therapies in the area of oncology and auto-immune disorders with potential to fast track promising assets from discovery to clinical stage.

Demand conditions for our businesses remain robust in key segments and we expect to deliver sustainable growth, going forward.”



Corporate Announcement

Jubilant Life Sciences Limited (JLL), an integrated global Pharmaceuticals and Life Sciences company has announced that the Committee constituted on 26th July, 2019 to consider the option of reorganizing the businesses of the company has recommended the following:

- i. Demerger of the Life Science Ingredients (LSI) business with an objective to create separate and focused entities for Pharmaceuticals & Life Science Ingredients businesses respectively to unlock shareholder value;
- ii. Amalgamation of Promoter shareholding companies into JLL with an objective to simplify the holding structure of the promoters with no change in ownership percentage and number of shares of the promoters in JLL.

The Board, after due evaluation and consideration, has approved the recommendations of the Committee. The composite scheme of arrangement will be filed with the National Company Law Tribunal (NCLT) for its approval. Post the scheme becoming effective, the Life Science Ingredients business will stand demerged into the resulting entity, which will be listed on NSE and BSE with a mirror shareholding of JLL.

Commenting on the development, Mr Shyam S Bhartia, Chairman and Mr Hari S Bhartia, Co-Chairman & Managing Director of JLL said:

“We believe that the proposed demerger will ensure depth and focus to adopt strategies necessary for growth, unlock shareholder value with direct ownership and attract focused investors in each of the business entities. Also the proposed Amalgamations will simplify the promoter shareholding structure of JLL.”

Structure post demerger

1. The Pharmaceutical entity will have three businesses viz.-
 - Pharma business through Jubilant Pharma Limited Singapore (JPL) is engaged in manufacturing and supply of Radiopharmaceuticals with a network of over 50 radio-pharmacies in the US, Allergy Therapy Products, Contract Manufacturing of Sterile Injectibles & Non-sterile products, APIs and Solid Dosage Formulations through six USFDA approved manufacturing facilities in the US, Canada and India,
 - Drug Discovery Services (DDS) business through Jubilant Biosys Limited & Jubilant Chemsys Limited provides innovation and collaborative research through two world class research centers in India, and
 - Proprietary Drug Discovery business through Jubilant Therapeutics, a semi-virtual biopharma company, with a business model of targeting small molecule therapies in the area of oncology and auto-immune disorders

The consolidated Pharmaceutical entity had revenue of Rs 5,567 crore with EBITDA of Rs 1,353 crore in FY19.

2. The demerged LSI business along with its subsidiaries into the resulting entity will engage in Specialty Intermediates, Nutritional Products and Life Science Chemicals through five manufacturing facilities in India.

The consolidated revenue of LSI business was Rs 3,553 crore with EBITDA of Rs 422 crore in FY19.



Q2'FY20 Highlights

Consolidated

- Consolidated revenue flat at Rs 2,266 Crore as compared with Q2'FY19
- EBITDA at Rs 481 Crore up by 6% YoY with margin of 21.2%.
- Adjusted EBITDA, after adjusting for one-off expenses of Rs 23 Crore, at Rs 504 Crore up 9% YoY with margin of 22.2%
- Finance costs at Rs. 72 Crore up from Rs 63 Crore in Q2 last year and lower 1% QoQ
- PAT at Rs. 249 Crore up 19% YoY with EPS at Rs. 15.7 for Re. 1 FV vs. Rs 13.5 for Re. 1 FV in Q2 last year
- Capital Expenditure of Rs. 148 Crore
- Gross Debt at Rs. 4,594 Crore and Net debt at Rs. 3,231 Crore
 - Net debt at Rs. 3,145 Crore on a constant currency basis
 - Average blended interest rate for H1'FY20 @ 6.08%; INR loans @ 8.28% and USD loans @ 5.33%

Segment Wise Analysis

A. Pharmaceuticals Segment

- Pharmaceuticals segment's revenue up 9% YoY in Q2'FY20 to Rs. 1,452 Crore contributing 64% to the company's revenue as compared to 59% in Q2'FY19
- EBITDA of Rs. 386 Crore up 7% YoY and 17% QoQ with margin of 26.6% vs. 27% in Q2'FY19
- Adjusted EBITDA, after adjusting for one-off expenses of Rs 23 Crore, at Rs 409 Crore up 11% YoY with margin of 28.1%
- R&D spent during the quarter of Rs. 57 Crore – 3.9% to segment sales. R&D debited to P&L is Rs. 53 Crore – 3.7% to segment sales

B. Life Science Ingredients Segment

- LSI revenue at Rs. 753 Crore, down 15% YoY, contributing 33% to the company's revenues
- EBITDA at Rs 91 Crore down 16% YoY with a margin of 12.1% vs. 12.3% in Q2'FY19

C. Drug Discovery & Development Solutions Segment

- Revenues at Rs. 61 Crore up 20% YoY
- EBITDA was at Rs. 13 Crore up from Rs 8 Crore in Q2'FY19

H1'FY20 Highlights

Consolidated

- Consolidated revenue at Rs 4,448 Crore up 2% YoY
- EBITDA at Rs 925 Crore up 3% YoY with margin of 20.8% as compared with 20.7% last year
- Adjusted EBITDA, after adjusting for one-off expenses of Rs 71 Crore, at Rs 996 Crore up 9% YoY with margin of 22.4%
- Finance costs at Rs. 144 Crore up from Rs 135 Crore in H1'FY19
- PAT at Rs. 434 Crore up 5% YoY with EPS at Rs. 27.3 vs. Rs 26.5 in H1 last year
- Capital Expenditure of Rs. 317 Crore

Segment Wise Analysis

D. Pharmaceuticals Segment

- Pharmaceuticals segment's revenue up 10% YoY in H1'FY20 to Rs. 2,781 Crore
- EBITDA of Rs. 716 Crore vs. Rs 699 Crore in H1'FY19 with margin of 25.7% vs 27.7% in H1'FY19
- Adjusted EBITDA, after adjusting for one-off expenses of Rs 63 Crore, at Rs 778 Crore up 9% YoY with margin of 28% vs. 28.3% last year
- R&D spent during H1 at Rs. 113 Crore – 4.1% to segment sales. R&D debited to P&L is Rs. 102 Crore – 3.7% to segment sales

E. Life Science Ingredients Segment

- LSI revenue at Rs. 1,559 Crore, down 10% YoY
- EBITDA at Rs 213 Crore down 3% YoY with a margin of 13.7% vs. 12.6% in H1'FY19
- Adjusted EBITDA, after adjusting for one-off expenses of Rs 9 Crore, at Rs 221 Crore up 1% YoY with margin of 14.2% vs 12.6% last year

F. Drug Discovery & Development Solutions Segment

- Revenues at Rs. 109 Crore up 14% YoY
- EBITDA was at Rs. 21 Crore up from Rs. 14 Crore in H1'FY19.

Particulars ¹	Q2'FY19	Q2'FY20	YoY Growth	H1'FY19	H1'FY20	YoY Growth
Total Revenue from Operations	2,269	2,266	(0%)	4,348	4,448	2%
Pharmaceuticals	1,332	1,452	9%	2,519	2,781	10%
Life Science Ingredients	887	753	(15%)	1,734	1,559	(10%)
Drug Discovery & Development Solutions	50	61	20%	95	109	14%
Total Expenditure	1,819	1,797	(1%)	3,460	3,545	2%
Other Income	4	12	220%	13	22	65%
Segment EBITDA	478	490	3%	931	950	2%
Pharmaceuticals	360	386	7%	699	716	2%
Life Science Ingredients	109	91	(16%)	218	213	(3%)
Drug Discovery & Development Solutions	8	13	56%	14	21	54%
Corporate (Expenses)/Income	(24)	(9)		(30)	(25)	
Reported EBITDA	454	481	6%	901	925	3%
Depreciation and Amortization	89	117	31%	177	220	24%
Finance Cost	63	72	14%	135	144	6%
Profit before Tax	302	292	(3%)	588	561	(5%)
Tax Expenses (Net)	92	43	(53%)	178	127	(29%)
Minority Interest	(1)	0	-	(3)	0	-
PAT	210	249	19%	413	434	5%
Earnings Per Share - Face Value Re. 1 (Rs.)	13.5	15.7	16%	26.5	27.3	3%
Segment EBITDA Margins	21.0%	21.6%		21.4%	21.4%	
Pharmaceuticals	27.0%	26.6%		27.7%	25.7%	
Life Science Ingredients	12.3%	12.1%		12.6%	13.7%	
Drug Discovery & Development Solutions	16.6%	21.5%		14.7%	19.8%	
Reported EBITDA Margin	20.0%	21.2%		20.7%	20.8%	
Net Margin	9.3%	11.0%		9.5%	9.8%	

Earnings Call details

The company will host earnings call at 5.00 PM IST on October 25, 2019, 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:

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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 Drug Discovery & Development Solutions businesses. Pharma business through Jubilant Pharma Limited Singapore (JPL) is engaged in manufacturing and supply of Radiopharmaceuticals with a network of over 50 radio-pharmacies in the US, Allergy Therapy Products, Contract Manufacturing of Sterile Injectibles & Non-sterile products, APIs and Solid Dosage Formulations through six USFDA approved manufacturing facilities in the US, Canada and India. The Life Science Ingredients segment, is engaged in Specialty Intermediates, Nutritional Products and Life Science Chemicals through five manufacturing facilities in India. Drug Discovery & Development Solutions comprises Drug Discovery Services (DDS) business through Jubilant Biosys Limited & Jubilant Chemsys Limited and Proprietary Drug Discovery business through Jubilant Therapeutics. DDS provides innovation and collaborative research through two world class research centers in India and Proprietary Drug Discovery is an innovative biopharmaceutical company developing breakthrough therapies in the area of oncology and auto-immune disorders. Jubilant Life Sciences Limited has a team of around 7,700 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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