



JUBILANT
LIFESCIENCES

Financial Results
Quarter Ended Sep 30, 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 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. 70.88 as on Sep 30'19, Rs 69.16 as on Mar 31'19 and Rs.72.49 as on Sep 30'18*

Conference Call Details

Date : October 25, 2019

Time : 05:00 pm IST

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Replay from : October 25 to November 2, 2019

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JUBILANT Q2'FY20 PERFORMANCE

**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**

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:

“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.

Rationale of Demerger

- ❖ Create focused, distinct and separate entities for Pharmaceuticals and LSI business undertakings leading to greater operational efficiencies with dedicated management structure.
- ❖ These distinct business undertakings will enable strategic growth with optimal capital structure and deployment of cash flows for investments, capital expenditure and dividends.
- ❖ Unlock shareholder value with direct ownership and attract focused investors in each of the business entities.

Rationale of Amalgamation

- ❖ Currently, a significant portion of the Promoters' shareholding in Jubilant Life Sciences is held through a multi-tier structure. The proposed Amalgamations will result in a simplified structure directly identifiable with the Promoters.
- ❖ The current regulatory requirements discourage multi-tier structures and hence, this simplification of promoter's shareholding would facilitate ease of regulatory compliance.
- ❖ The shareholders of merging promoter entities shall be issued same number of shares of JLL as held on the effective date pursuant to the Amalgamations. Hence, no change in aggregate promoters shareholding.
- ❖ All costs, charges, expenses and taxes/duties arising out of or in connection with the Amalgamations shall be borne by the Promoters.
- ❖ The merging entities shall have no liabilities on the effective date. The Promoters shall fully indemnify JLL for any and every liability, claim, demand of the merging entities of present, past and future which may devolve on JLL on account of the Amalgamations.

Q2'FY20 Results Analysis

JLL – Q2'FY20 Financial Highlights



Particulars ¹	Q2'FY19	Q2'FY20	YoY Change (%)
Revenue			
Pharmaceuticals ²	1,332	1,452	9%
Life Science Ingredients	887	753	(15%)
Drug Discovery & Development Solutions ³	50	61	20%
Total Revenue from Operations	2,269	2,266	(0%)
EBITDA			
Pharmaceuticals ²	360	386	7%
Life Science Ingredients	109	91	(16%)
Drug Discovery & Development Solutions	8	13	56%
Unallocated Corporate Expenses	(24)	(9)	
Reported EBITDA	454	481	6%
Adjusted EBITDA	462	504	9%
PAT	210	249	19%
EPS	13.5	15.7	16%
EBITDA Margins			
Pharmaceuticals	27.0%	26.6%	
Life Science Ingredients	12.3%	12.1%	
Drug Discovery & Development Solutions	16.6%	21.5%	
Reported EBITDA	20.0%	21.2%	
Adjusted EBITDA	20.4%	22.2%	

Geography Wise Revenue¹



1. All figures are in Rs Crore unless otherwise stated

2. Pharmaceuticals segment includes India Branded Pharmaceuticals business under the Generics segment

3. Drug Discovery & Development Solutions include the Drug Discovery Services (Jubilant Biosys & Jubilant Chemsys) business and Proprietary Drug Discovery business (Jubilant Therapeutics)

- Revenue flat at Rs 2,266 Crore vs. Q2'FY19
 - Pharmaceuticals revenue at Rs 1,452 Crore, up 9% YoY, contributing 64% to revenue
 - LSI revenue at Rs 753 Crore down 15% YoY, contributing 33% to revenue
 - Drug Discovery & Development Solutions (DDDS) revenue was at Rs 61 Crore up 20% YoY
- Reported EBITDA at Rs 481 Crore up 6% YoY. EBITDA margin at 21.2% up from 20% in Q2 last year
 - Pharmaceuticals EBITDA at Rs 386 Crore up 7% YoY with a margin of 26.6% as compared to 27% in Q2 last year
 - LSI EBITDA at Rs 91 Crore down from Rs 109 Crore in Q2'FY19; Q2'FY20 margin at 12.1% as compared to 12.3% in Q2 last year
 - DDDS EBITDA at Rs 13 Crore up from Rs 8 Crore in Q2 last year; Q2'FY20 margin at 21.5% up from 16.6% in Q2 last year
 - Drug Discovery Services EBITDA was at Rs 18 Crore up from Rs 8 Crore in Q2'FY19 with margins of 29.4%
 - Proprietary Drug Discovery is currently working on seven programs targeting small molecules with potential to fast track promising assets
- Adjusted EBITDA after one-off expenses at Rs 504 Crore vs. Rs 462 Crore in Q2 last year, growth of 9% YoY. Adjusted EBITDA margin for the quarter is 22.2% vs. 20.4% in Q2 last year
- Finance costs at Rs 72 Crore up 14% YoY and lower by 1% QoQ
- Net Profit at Rs 249 Crore up 19% YoY and 35% QoQ. EPS of Rs 15.7 vs. Rs 13.5 in Q2 last year
- Capex in Q2'FY20 of Rs 148 Crore
- Net debt lower by Rs 149 Crore during the quarter

Q2'FY20 Adjusted Earnings

Consol EBITDA

S. No.	Particulars	Q2'FY19	Q2'FY20	% Change YoY	Rs Crore
1	Reported EBITDA	454	481	6%	
2	One-off Adjustments	8	23		
3	Adjusted EBITDA	462	504	9%	
4	Reported EBITDA Margin	20.0%	21.2%		
5	Adjusted EBITDA Margin	20.4%	22.2%		

One-off Expenses

S. No.	Particulars	Q2'FY19	Q2'FY20
1	Site remediation and non-supply penalties due to Roorkee Warning Letter	0	17
2	Litigation Expense	8	6
	Total One-Off Expenses	8	23

Pharmaceuticals Segment Highlights – Q2'FY20 (1/2)



Particulars ¹	Q2'FY19	Q2'FY20	% Change
Revenue	1,332	1,452	9%
Specialty Pharma	712	743	4%
CDMO	372	411	10%
Generics	248	298	20%
Reported EBITDA	360	386	7%
Adjusted EBITDA	368	409	11%
Reported EBITDA Margin (%)	27.0%	26.6%	
Adjusted EBITDA Margin (%)	27.6%	28.1%	

- Pharmaceuticals revenue at Rs 1,452 Crore, up 9% both YoY and QoQ
 - Healthy growth in all key revenue segments led by 20% YoY growth in Generics and 10% growth in CDMO
 - Revenue from North America grew 11% YoY, while that from ROW was up 26% YoY.
- Pharmaceuticals EBITDA at Rs 386 Crore up 7% YoY with a margin of 26.6% as compared to 27% in Q2'FY19. Sequentially Pharma EBITDA was up 17% during the quarter with margin improvement by 173 bps
- Pharmaceuticals adjusted EBITDA at Rs 409 Crore up 11% YoY with a margin of 28.1% as compared to 27.6% in Q2 last year
 - One-off expenses of Rs 23 Crore related to related to site remediation and litigation expenses

Geography Wise Revenue¹



Specialty Pharmaceuticals² (51% of Pharma Revenues)

- Growth in Radiopharma business was driven by higher volumes in Ruby-Fill® and other products
- Revenue growth witnessed in Allergy business both YoY and sequentially due to higher volumes in venom

1. All figures are in Rs Crore unless otherwise stated

2. Specialty Pharmaceuticals comprises Radiopharma and Allergy Therapy Products businesses

Pharmaceuticals Segment Highlights – Q2'FY20 (2/2)



USFDA Inspection Details

Facility	Last Inspection
Montreal, CMO	May, 2018
Montreal, Radiopharma	Sep, 2017
Salisbury	May, 2018
Spokane	July, 2019
Roorkee	Aug, 2018
Nanjangud	Dec, 2018

Product Pipeline as on Sep 30, 2019

Dosage (Orals) (#)			
	Filings	Approved	Pending
US	96	61	35
Canada	23	23	0
Europe	36	33	3
ROW	41	36	5
Steriles (#)			
	Filings	Approved	Pending
US	15	13	2
Canada	17	16	1
Europe	4	4	0
ROW	9	9	0

CDMO¹

- Revenue up by 10% YoY and 19% QoQ to Rs 411 Crore

CMO

- Growth in CMO business led by higher volumes from existing customers
- Initiatives taken to increase total capacity by over 30% with annual potential revenues of around USD 30 million
 - Increased shifts to 24x7 on Line 2 from Q3'FY19. Plan to increase shifts to 24x7 on line 1 from Q3'FY20 onwards
 - New Lyo equipment installed at line 2 at the Spokane facility with validations underway, commercialisation expected during H2'FY20

API

- Revenue growth witnessed on account of higher sales of existing products and better pricing, which was partly offset by lower volumes of valsartan
 - Lower volumes were due to additional quality checks on all input raw materials to meet enhanced regulatory requirements
- Company working diligently with the US FDA and Health Canada, regarding the resolution of the Official Action Indicated (OAI) in Nanjangud

Generics²

- Revenue growth of 20% YoY and 15% QoQ driven by both higher volumes and better prices
- Roorkee WL – Remediation process progressing well in consultation with 3rd party consultants to address US FDA observations.

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

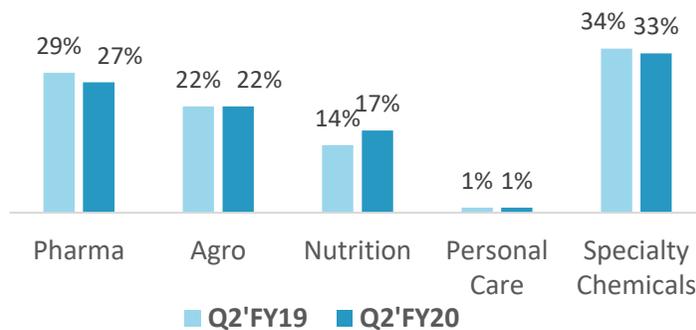
1. Contract Development and Manufacturing (CDMO) business comprises CMO and API businesses

2. Generics business refers to the company's solid dosage formulations business and the India Branded Pharmaceuticals business

LSI Segment Highlights – Q2'FY20

Particulars ¹	Q2'FY19	Q2'FY20	% Change
Revenue	887	753	(15%)
Specialty Intermediates	196	259	32%
Nutritional Products	107	113	6%
Life Science Chemicals	584	380	(35%)
Reported EBITDA	109	91	(16%)
Reported EBITDA Margin (%)	12.3%	12.1%	

Revenue Breakup by End-Use Industries



Geography Wise Revenue¹



- LSI revenue at Rs 753 Crore, down 15% YoY and 7% QoQ mainly due to
 - Strong growth in Specialty Intermediates and Nutritional Products
 - Lower revenues in Life Science Chemicals (LSC) from lower input prices
- EBITDA at Rs 91 Crore down 16% YoY and 25% QoQ with margin of 12.1% as compared to 12.3% in Q2'FY19
 - Strong growth in profitability in Specialty Intermediates and Nutritional Products businesses
 - LSC profitability impacted due to higher molasses prices and lower contribution in acetyl business due to supply demand normalization

Specialty Intermediates

- Revenue up 32% YoY led by strong demand and better prices in key products such as Pyridine, Beta and Pyridine derivatives
- Positive traction for new pyridine derivatives launched in last one year

Nutritional Products

- Revenue up 6% YoY led by better prices of Vitamin B3
- Demand scenario expected to pick up in H2'FY20

Life Science Chemicals

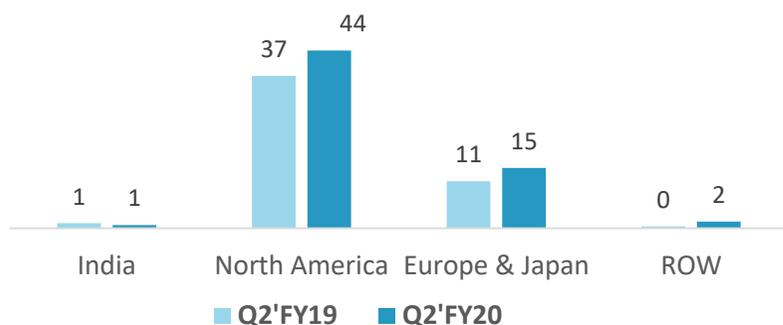
- Revenue down 35% YoY due to significant drop in Acetic acid price by \$280/MT over Q2'FY19, which led to price correction of Life sciences chemicals products.
- Demand for acetic anhydride remained subdued during the quarter

Drug Discovery & Development Solutions – Q2'FY20



Particulars ¹	Q2'FY19	Q2'FY20	% Change
Revenue	50	61	20%
Drug Discovery Services	50	61	20%
Proprietary Drug Discovery	0	0	-
Reported EBITDA	8	13	56%
Drug Discovery Services	8	18	113%
Proprietary Drug Discovery	0	(5)	-
Reported EBITDA Margin (%)	16.6%	21.5%	
Drug Discovery Services	16.6%	29.4%	

Geography Wise Revenue¹



- Drug Discovery & Development Solutions (DDDS) comprises
 - Drug Discovery Services business through Jubilant Biosys Limited & Jubilant Chemsys Limited which provides innovation and collaborative research through two world class research centers in India
 - 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
- DDDS revenue up 20% YoY to Rs 61 Crore led by growth in Drug Discovery Services business
 - Drug Discovery Services business grew by 20% driven by higher demand from Biotech companies for Integrated Services, DMPK, Biology, Chemistry & Scale-up
 - In our Proprietary Drug Discovery business we have seven programs at different stages with potential to partner and/or fast track from discovery to clinical stage
 - Revenue from North America up 17% YoY, while that from Europe & Japan was higher by 28% YoY
- EBITDA at Rs 13 Crore up 56% YoY with margin of 21.5%
 - Drug Discovery Services EBITDA increased to Rs 18 Crore from Rs 8 Crore last year, growth of 113% YoY. Margin improvement to 29.4% from 16.6% last year

1. All figures are in Rs Crore unless otherwise stated

Proprietary Drug Discovery (Jubilant Therapeutics)



- Jubilant Therapeutics, a subsidiary of Jubilant Life Sciences for proprietary innovation, is a capital efficient, semi-virtual biopharma with agile business model and asset specific subsidiaries for creative partnerships.
- The company's core strategy is to develop novel and targeted small molecule therapies to address patients' unmet medical need in the area of Oncology and Auto-Immune disorders.

Status of Proprietary Programs

Programs	Indication	Pathway	Current status	Stage/remarks
BRD4	Liquid and solid tumours	Epigenetics	Preclinical	Partnered with Checkpoint Therapeutics in 2016 at lead stage with potential milestones. Successfully completed toxicology studies with expected Phase I initiation in FY21.
LSD1/HDAC6 –Dual Inhibitor	MDS/AML, selected solid tumors	Epigenetics	Pre-clinical	Novel dual first in class epigenetic inhibitors of LSD1/HDAC6 to address unmet needs in liquid cancers like acute myeloid leukaemia (AML). Pre-IND studies including CMC initiated to enable Phase I clinical trial in FY21.
mEGFR	NSCLC	Kinase	Lead optimization	Addresses unmet need of patients developing resistance to kinase inhibitors. Lead optimization in FY20 and ready for partnering.
PDL-1	Broad spectrum of Cancer	Immuno-oncology	Lead optimisation	Small molecule therapy with comparable efficacy to large molecules with potentially better safety profiles in initial studies. Further optimization and characterization of lead molecule expected to be completed in FY20.
PAD4	Inflammation and auto immune disorder	Epigenetics	Lead optimisation	Potential to address unmet needs in multiple auto-immune disorders like rheumatoid arthritis, psoriasis and atopic dermatitis. Demonstrated efficacy in various auto immune-disorders in animal models. Preclinical candidate selection expected in FY20.
PRMT5	Lymphoma	Epigenetics	Lead identification	Completion of lead identification and characterization expected in FY 20.
Undisclosed target	AML, prostate cancer	Epigenetics	Lead identification	Addresses patients who are refractive to current line of therapy. Expected completion of lead identification in FY20.

H1'FY20 Results Analysis

JLL – H1'FY20 Financial Highlights



Particulars ¹	H1'FY19	H1'FY20	YoY Change (%)
Revenue			
Pharmaceuticals ²	2,519	2,781	10%
Life Science Ingredients	1,734	1,559	(10%)
Drug Discovery & Development Solutions ³	95	109	14%
Total Revenue from Operations	4,348	4,448	2%
EBITDA			
Pharmaceuticals ²	699	716	2%
Life Science Ingredients	218	213	(3%)
Drug Discovery & Development Solutions	14	21	54%
Unallocated Corporate Expenses	(30)	(25)	-
Reported EBITDA	901	925	3%
Adjusted EBITDA	914	996	9%
PAT	413	434	5%
EPS	26.5	27.3	3%
EBITDA Margins			
Pharmaceuticals	27.7%	25.7%	
Life Science Ingredients	12.6%	13.7%	
Drug Discovery & Development Solutions	14.7%	19.8%	
Reported EBITDA	20.7%	20.8%	
Adjusted EBITDA	21.0%	22.4%	

Geography Wise Revenue¹



- Revenue at Rs 4,448 Crore up 2% from Rs 4,348 Crore in H1'FY19
 - Pharmaceuticals revenue at Rs 2,781 Crore, up 10% YoY, contributing 63% to revenue
 - LSI revenue at Rs 1,559 Crore down 10% YoY, contributing 35% to revenue
 - Drug Discovery & Development Solutions (DDDS) revenue at Rs 109 Crore up 14% YoY
- Reported EBITDA at Rs 925 Crore up 3% YoY. EBITDA margin at 20.8% similar to H1 last year
 - Pharmaceuticals EBITDA at Rs 716 Crore up 2% YoY with a margin of 25.7% as compared to 27.7% in H1 last year
 - LSI EBITDA at Rs 213 Crore as compared to Rs 218 Crore in H1'FY19; H1'FY20 margin at 13.7% as compared to 12.6% in H1 last year
 - DDDS EBITDA at Rs 21 Crore up from Rs 14 Crore in H1 last year; H1'FY20 margin at 19.8% as compared with 14.7% in H1 last year
- Adjusted EBITDA after one-off expenses at Rs 996 Crore vs. Rs 914 Crore in H1 last year, growth of 9% YoY. Adjusted EBITDA margin in H1 was 22.4% vs. 21% in H1 last year
- Finance costs at Rs 144 Crore up 6% YoY
- Net Profit at Rs 434 Crore up 5% YoY. EPS of Rs 27.3 vs. Rs 26.5 in H1'FY19
- Capex in H1'FY20 of Rs 317 Crore
- Net debt lower by Rs 345 Crore during H1'FY20

1. All figures are in Rs Crore unless otherwise stated

2. Pharmaceuticals segment includes India Branded Pharmaceuticals business under the Generics segment

3. Drug Discovery & Development Solutions include the Drug Discovery Services (Biosys & Chemsys) business and Proprietary Drug Discovery business (Jubilant Therapeutics)

H1'FY20 Adjusted Earnings

Consol EBITDA

S. No.	Particulars	H1'FY19	H1'FY20	% Change YoY	Rs Crore
1	Reported EBITDA	901	925	3%	
2	One-off Adjustments	13	71		
3	Adjusted EBITDA	914	996	9%	
4	Reported EBITDA Margin	20.7%	20.8%		
5	Adjusted EBITDA Margin	21.0%	22.4%		

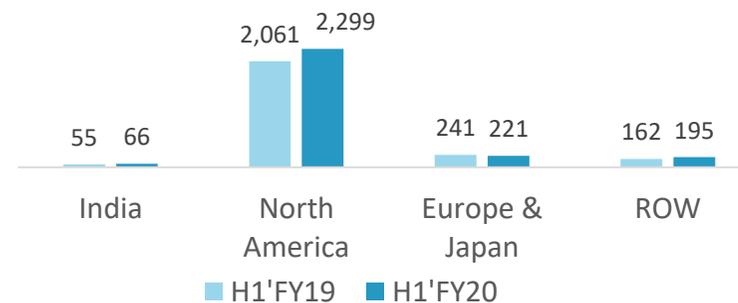
One-off Expenses

S. No.	Particulars	H1'FY19	H1'FY20
1	Site remediation and non-supply penalties due to Roorkee Warning Letter	0	30
2	Litigation Expense	13	19
3	Exchange fluctuation on restatement of deposits	0	14
4	Donation	0	9
	Total One-Off Expenses	13	71

Pharmaceuticals Segment Highlights – H1'FY20

Particulars ¹	H1'FY19	H1'FY20	% Change
Revenue	2,519	2,781	10%
Specialty Pharma	1,377	1,468	7%
CDMO	649	756	16%
Generics	493	557	13%
Reported EBITDA	699	716	2%
Adjusted EBITDA	712	778	9%
Reported EBITDA Margin (%)	27.7%	25.7%	
Adjusted EBITDA Margin (%)	28.3%	28.0%	

Geography Wise Revenue¹



- Pharmaceuticals revenue at Rs 2,781 Crore, up 10% YoY
 - Growth in all key revenue segments led by 16% YoY growth in CDMO and 13% growth in Generics
 - Revenue from North America grew 12% YoY, while that from ROW was up 20% YoY
- Pharmaceuticals EBITDA at Rs 716 Crore up 2% YoY with a margin of 25.7% as compared to 27.7% in H1'FY19.
- Pharmaceuticals Adjusted EBITDA at Rs 778 Crore up 9% YoY with a margin of 28% down from 28.3% in H1 last year
 - One-off expenses of Rs 63 Crore related to related to site remediation, litigation expenses and foreign exchange

Specialty Pharma (53% of Pharma revenue)

- Radiopharma revenue was up due to higher volumes in-Ruby-Fill® and other key products and better prices
- Revenue growth witnessed in Allergy business due to higher volumes in venom and better prices

CDMO

- Revenue up 16% to Rs 756 Crore
- Growth in CMO business led by strong demand witnessed from key customers, which was reflected by higher volumes as compared to last year
- API Revenue was flat amid better prices and lower volumes, mainly in Valsartan
 - Lower volumes were due to additional quality checks on all input raw materials to meet enhanced regulatory requirements

Generics

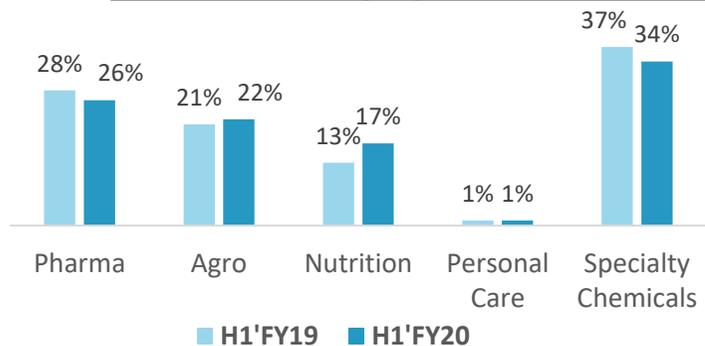
- Revenue growth of 13% YoY due to better prices in some products which was offset by lower volumes

LSI Segment Highlights – H1'FY20

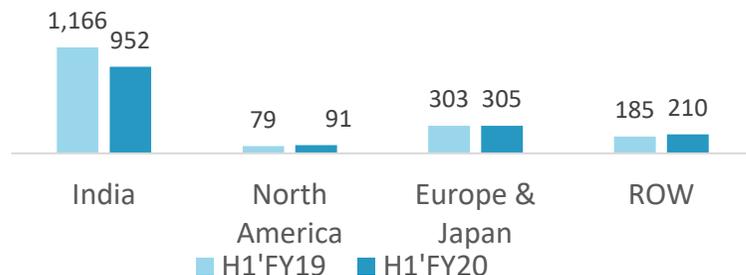
Life Science Chemicals Segment

Particulars ¹	H1'FY19	H1'FY20	% Change
Revenue	1,734	1,559	(10%)
Specialty Intermediates	431	539	25%
Nutritional Products	196	250	28%
Life Science Chemicals	1,107	770	(30%)
Reported EBITDA	218	213	(3%)
Adjusted EBITDA	218	221	1%
Reported EBITDA Margin (%)	12.6%	13.7%	
Adjusted EBITDA Margin (%)	12.6%	14.2%	

Revenue Breakup by End-Use Industries



Geography Wise Revenue¹



- LSI revenue at Rs 1,559 Crore, down 10% YoY
- EBITDA at Rs 213 Crore down 3% YoY with margin of 13.7% as compared to 12.6% in H1'FY19. Adjusted EBITDA up 1% YoY to Rs 221 Crore in H1'FY20
 - Strong growth in profitability in Specialty Intermediates and Nutritional Products businesses
 - LSC profitability impacted due to higher molasses prices and lower contribution in acetyl business due to supply demand normalization

Specialty Intermediates

- Revenue up 25% YoY led by strong demand and better prices in key products such as Pyridine, Beta and Pyridine derivatives
- Positive traction for new pyridine derivatives launched in last one year

Nutritional Products

- Revenue up 28% YoY led by better prices of Vitamin B3
- Demand scenario expected to pick up in H2'FY20

Life Science Chemicals

- Revenue down 30% YoY due to significant drop in Acetic acid price by \$268/MT over H1'FY19, which led to price correction of Life sciences chemicals products.

Drug Discovery & Development Solutions – H1'FY20

Particulars ¹	H1'FY19	H1'FY20	% Change
Revenue	95	109	14%
Drug Discovery Services	95	109	14%
Proprietary Drug Discovery	0	0	-
Reported EBITDA	14	21	54%
Drug Discovery Services	14	29	106%
Proprietary Drug Discovery	0	(7)	-
Reported EBITDA Margin (%)	14.7%	19.8%	
Drug Discovery Services	14.7%	26.5%	

- DDDS segment revenue up 14% YoY to Rs 109 Crore led by growth in Drug Discovery Services business which was driven by higher demand from Biotech companies for Integrated Services, DMPK, Biology, Chemistry & Scale-up.
 - Revenue from North America up 18% YoY
- EBITDA at Rs 21 Crore higher up 54% YoY
 - Drug Discovery Services EBITDA increased to Rs 29 Crore up 106% YoY. Margin improvement to 26.5% from 14.6% last year

Geography Wise Revenue¹



Debt Profile

Particulars	31/03/19	30/06/19	30/09/19
Foreign Currency Loans	(\$ Mn)	(\$ Mn)	(\$ Mn)
Subsidiaries	500	500	500
Total	500	500	500
Rupee Loans	(Rs. Crs)	(Rs. Crs)	(Rs. Crs)
Standalone	1,341	1,056	1,029
Subsidiaries	61	95	21
Total	1,402	1,151	1,050
Gross Debt	(Rs. Crs)	(Rs. Crs)	(Rs. Crs)
Standalone	1,341	1,056	1,029
Subsidiaries	3,519	3,546	3,565
Total	4,860	4,602	4,594
QoQ Change		(258)	(8)
Cumulative Change		(258)	(266)
Cash & Equivalent	1,370	1,316	1,363
Net Debt	3,490	3,286	3,231
Change in debt on account of exchange rate difference from March 31, 2019		7	(86)
Net Debt (On a Constant Currency Basis)	3,490	3,293	3,145
QoQ Change		(196)	(149)
Cumulative Change		(196)	(345)
Closing Exchange Rate (USD/Rs.)	69.16	69.02	70.88

- Net Debt reduction of Rs 149 Crore in Q2'FY20 and Rs 345 Crore in H1'FY20 as compared to March 31, 2019
- Average blended interest rate for H1'FY20 @ 6.08%; INR loans @ 8.28% and USD loans @ 5.33%

Appendix

Income Statement – Q2 & H1'FY20

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%	

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