



JUBILANT
LIFESCIENCES

Financial Results

Quarter Ended June 30, 2020

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. 75.51 as on June 30, 2020 and Rs 69.02 as on June 30, 2019*

Conference Call Details

Date : September 04, 2020

Time : 05:00 pm IST

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Replay: September 04 to September 11, 2020

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JUBILANT Q1'FY21 PERFORMANCE

Q1'FY21 Revenue at Rs 1,893 Crore vs. Rs 2,182 Crore in Q1'FY20;

Q1'FY21 EBITDA at Rs 310 Crore vs. Rs 444 Crore in Q1'FY20

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

"During the quarter, we worked diligently towards employees' safety while continuing to serve our global customers by maintaining our operations.

The company's performance in the LSI business has been better in EBITDA as well as in margins both year-on-year as well as quarter-on-quarter due to good demand and improved pricing of select products. We maintained business continuity in all the manufacturing sites. DDDS segment witnessed year-on-year growth in revenues as well as EBITDA led by healthy demand from customers.

The Company's performance in the Pharma business had a temporary negative impact due to production suspension at our API plant. This facility has resumed operations from the month of June 2020 and since then it has been operating at a normal capacity. We are witnessing strong demand conditions and improved pricing environment. Our Radiopharma and Allergy business saw an interim decline in revenues due to postponement of elective procedures led by COVID-19 related restrictions on hospital visitations. Adverse impact in these businesses was mitigated by growth in CMO and Dosage businesses.

With the gradual opening of the US healthcare markets, demand conditions in our Radiopharma and Allergy business have started improving from second half of Q1'FY21 with substantial normalisation achieved June 2020 onwards. In our CMO business, we have entered into four separate clinical and commercial supply agreements for the GMP manufacture of novel COVID-19 treatment and vaccine candidates. Strong demand conditions in this business, along with our business development initiatives, promise upside to performance in the near term.

Overall, barring unforeseen circumstances, we expect strong performance in our Pharma, LSI and DDDS business in the remaining three quarters of FY21. During Q1'FY21, the Company reduced net debt on a constant currency basis by Rs 343 Crore."

In the first week of August 2020, the Company launched its remdesivir product in India and other countries under the brand name 'JUBI-R'. The Company has taken several measures to tide over the COVID-19 induced challenges. We are confident of delivering sustained growth in the medium term on back of our leadership position in various businesses and growth strategies.

Update on Reorganization Proposal

- Post the board approval on Oct 25, 2019 for reorganizing the businesses of the Company, in November 2019 the Company had filed with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) the Composite Scheme of Arrangement for amalgamation of certain Promoter Group entities into the Company and Demerger of the Life Science Ingredients business into the Resulting entity which shall be listed on both the stock exchanges with a mirror shareholding
- Upon receipt of no objection letters from BSE and NSE in January 2020, the Company had filed application for approval of the composite scheme of arrangement with National Company Law Tribunal, Allahabad Bench (“NCLT”)
- Pursuant to first motion order of NCLT received in June 2020, the Company on Aug 8, 2020 arranged NCLT convened meetings of Shareholders, Secured creditors and Unsecured creditors of the Company for voting on the Composite Scheme. During this meeting, the Shareholders, Secured creditors and Unsecured creditors of the Company approved the Composite Scheme of Arrangement with requisite majority and the same has been mentioned in the Scrutinizer report dated Aug 8, 2020, which has been filed with the stock exchanges
- Though COVID–19 related lockdown had delayed the NCLT hearings, it is now expected that matter of the composite scheme of arrangement would be heard by the NCLT in its normal course
- No impact has been considered in the financial results of the Company on account of the Composite Scheme

Q1'FY21 Results Analysis

JLL – Q1'FY21 Financial Highlights



Particulars ¹	Q1'FY20	Q1'FY21	YoY Change (%)
Revenue			
Pharmaceuticals ²	1,328	1,096	(18%)
Life Science Ingredients	805	737	(9%)
Drug Discovery & Development Solutions ³	48	60	26%
Total Revenue from Operations	2,182	1,893	(13%)
EBITDA			
Pharmaceuticals ²	330	179	(46%)
Life Science Ingredients	122	124	2%
Drug Discovery & Development Solutions	8	16	85%
Unallocated Corporate Expenses	(16)	(8)	
Reported EBITDA	444	310	(30%)
Adjusted EBITDA	478	318	(34%)
PAT	185	88	(52%)
EPS	11.61	5.53	(52%)
EBITDA Margins			
Pharmaceuticals	24.8%	16.3%	
Life Science Ingredients	15.1%	16.8%	
Drug Discovery & Development Solutions	17.7%	26.0%	
Reported EBITDA	20.4%	16.4%	
Adjusted EBITDA	21.9%	16.8%	

Geography Wise Revenue¹

Particulars ¹	Q1'FY20	Q1'FY21	% Change
India	500	419	(16%)
North America	1,186	1,041	(12%)
Europe and Japan	288	262	(9%)
RoW	208	170	(18%)
Total	2,182	1,893	(13%)

- Revenue at Rs 1,893 Crore, as compared with Rs 2,182 Crore in Q1'FY20
 - Pharmaceuticals revenue at Rs 1,096 Crore as compared to Rs 1,328 Crore in Q1'FY20
 - LSI revenue at Rs 737 Crore vs. Rs 805 Crore in Q1'FY20
 - Drug Discovery & Development Solutions (DDDS) revenue at Rs 60 Crore as against Rs 48 Crore in Q1'FY20
- Reported EBITDA at Rs 310 Crore as compared with Rs 444 Crore in Q1'FY20. EBITDA margin at 16.4% vs. 20.4% in Q1'FY20
 - Pharmaceuticals EBITDA at Rs 179 Crore as against Rs 330 Crore in Q1'FY21 with margin of 16.3% as compared to 24.8% in Q1'FY20
 - LSI EBITDA at Rs 124 Crore vs. Rs 122 Crore in Q1'FY20; Q1'FY21 margin at 16.8% vs. 15.1% in Q1'FY20
 - DDDS EBITDA at Rs 15.7 Crore as compared to Rs 8.5 Crore in Q1'FY20; Q1'FY21 margin at 26.0% vs. 17.7% in Q1'FY20
- Adjusted EBITDA after one-off expenses at Rs 318 Crore as compared with Rs 478 Crore in Q1'FY20. Adjusted EBITDA margin for the quarter was 16.8% vs. 21.9% in Q1'FY20
- Finance costs at Rs 76 Crore vs. Rs 73 Crore in Q1'FY20
- Net Profit at Rs 88 Crore as compared with Rs 185 Crore in Q1'FY20. EPS of Rs 5.53 vs. Rs 11.61 in Q1'FY20
- Capital expenditure for the quarter was Rs 71 Crore
- Net debt on a constant currency basis reduced by Rs 343 Crore during Q1'FY21

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) business and Proprietary Drug Discovery business (Jubilant Therapeutics)

Adjusted Earnings

Rs Crore

S. No.	Particulars	Q1'FY20	Q1'FY21	% Change YoY
1	Reported EBITDA	444	310	(30%)
2	One-off Adjustments	34	8	
3	Adjusted EBITDA	478	318	(34%)
4	Reported EBITDA Margin	20.4%	16.4%	
5	Adjusted EBITDA Margin	21.9%	16.8%	

One-off Expenses

S. No.	Particulars	Q1'FY20	Q1'FY21
1	Site Remediation	9	1
2	Non-supply penalties due to Roorkee Warning Letter	4	0
3	Litigation Expense	13	3
4	Donation	9	4
	Total One-Off Expenses	34	8

Pharmaceuticals Segment Highlights – Q1'FY21 (1/2)



Particulars ¹	Q1'FY20	Q1'FY21	% Change
Revenue	1,328	1,096	(18%)
Specialty Pharma	725	534	(26%)
CDMO	345	279	(19%)
Generics	259	282	9%
Reported EBITDA	330	179	(46%)
Adjusted EBITDA	355	184	(48%)
Reported EBITDA Margin (%)	24.8%	16.3%	
Adjusted EBITDA Margin (%)	26.8%	16.8%	

Geography Wise Revenue¹

Particulars ¹	Q1'FY20	Q1'FY21	% Change
India	24	15	(38%)
North America	1,109	964	(13%)
Europe and Japan	102	78	(24%)
RoW	93	39	(58%)
Total	1,328	1,096	(17%)

- Pharmaceuticals revenue was at Rs 1,096 Crore vs. Rs 1,328 Crore in Q1'FY20

Specialty Pharmaceuticals²

- Radiopharma business revenue was impacted by decline in elective procedures due to COVID-19. Radiopharma sales have normalized to around 90% of pre-COVID levels
 - Ruby-Fill commercial launch in Europe planned in FY21
- Allergy business volumes were affected by decline in patient visits due to COVID-19. Volumes have normalized to 100% of pre-COVID levels

CDMO³

- CMO business' revenue grew based on strong demand from 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 and on line 1 from Q3'FY20 onwards
 - Commissioning of the new Lyo equipment completed during Q1'FY21
- Business development initiatives underway to drive growth in CMO business. Business recently entered into four separate clinical and commercial supply agreements for COVID-19 treatment and vaccine candidates. Strong outlook due to robust order book and new business sign-ups
- In API, revenue decreased due to the two month temporary suspension of operations at Nanjangud plant due to COVID-19. Plant resumed production in June 2020 and business is witnessing strong demand with improved pricing for certain products, which will mitigate some lost volumes in the business

1. All figures are in Rs Crore unless otherwise stated

2. Specialty Pharmaceuticals comprises Radiopharma and Allergy Therapy Products businesses

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

Pharmaceuticals Segment Highlights – Q1'FY21 (2/2)



USFDA Inspection Details

Facility	Last Inspection
Montreal, CMO	May, 2018
Montreal, Radiopharma	Sep, 2017
Salisbury	Feb, 2020
Spokane	July, 2019
Roorkee	Nov, 2019
Nanjangud	Dec, 2018

Product Pipeline as on June 30, 2020

Dosage (Orals) (#)			
	Filings	Approved	Pending
US	97	62	35
Canada	24	23	1
Europe	39	33	6
ROW	41	38	3
Steriles (#)			
	Filings	Approved	Pending
US	16	13	3
Canada	17	17	0
Europe	4	4	0
ROW	10	10	0

Generics¹

- Revenue growth during the quarter was led by strong performance in the US market driven by certain key products
- With regard to regulatory compliance status of our Roorkee (Dosage Form) and Nanjangud (API) manufacturing facilities, the two sites have completed remediation measures w.r.t the Warning Letter and Official Action Indicated (OAI) issued by the US FDA

EBITDA

- Given the temporary disruptions due to COVID-19, Pharmaceuticals EBITDA recorded at Rs 179 Crore as compared with Rs 330 Crore in Q1'FY20 with a margin of 16.3% as compared to 24.8% in Q1'FY20
- Pharmaceuticals adjusted EBITDA at Rs 184 Crore vs. Rs 355 Crore in Q1'FY20 with a margin of 16.8% as compared to 26.8% in Q1'FY20

R&D spent during the quarter of Rs 57 Crore – 5.2% to segment sales. R&D debited to P&L is Rs 43 Crore – 3.9% to segment sales

Remdesivir launch

- The Company launched its remdesivir product under the brand name 'JUBI-R' in India in the first week of August 2020
- Further, the Company has launched its remdesivir product in multiple countries and filed dossiers in several others

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

LSI Segment Highlights – Q1'FY21

Particulars ¹	Q1'FY20	Q1'FY21	% Change
Revenue	805	737	(8%)
Specialty Intermediates	279	260	(7%)
Nutritional Products	136	149	9%
Life Science Chemicals	390	329	(16%)
Reported EBITDA	122	124	2%
Adjusted EBITDA	130	126	
Reported EBITDA Margin (%)	15.1%	16.8%	
Adjusted EBITDA Margin (%)	16.2%	17.1%	

Geography Wise Revenue¹

Particulars ¹	Q1'FY20	Q1'FY21	% Change
India	475	402	(15%)
North America	41	35	(15%)
Europe and Japan	175	170	(3%)
RoW	114	130	14%
Total	805	737	(9%)

Revenue Breakup by End-Use Industries

Particulars	Q1 FY'20	Q4 FY'20	Q1 FY'21
Pharma	29%	32%	32%
Nutrition	19%	24%	22%
Personal Care	4%	3%	4%
Agro	20%	18%	23%
Other Industry Usage#	28%	23%	20%
Total	100%	100%	100%

Other Industry Usage includes Packaging , Ink, Paints & Coating, Biofuel and Oil field Industry usage

- LSI revenue was at Rs 737 Crore against Rs 805 Crore in Q1'FY20. Strong growth witnessed in Nutritional Products business though Specialty Intermediates and Life Science Chemicals businesses faced headwinds due to temporary impact on demand during beginning of Q1 due to COVID-19

Specialty Intermediates

- Revenue during the quarter was lower 7% YoY, due to minor impact on demand in domestic market in the beginning of Q1 due to COVID-19. Demand improved at later part of the quarter

Nutritional Products

- Revenue increased by 9% YoY led by better prices of Vitamin B3. Prices continue to be strong though demand is temporarily subdued

Life Science Chemicals

- Revenue impacted due to significant drop in key raw material price (Acetic Acid) which is 20% lower YoY and about 10% lower on QoQ
- Additionally, demand for Ethyl Acetate was negatively impacted specially in certain customer segments viz. Automotive (Paints), Consumer durables (Packaging) and Electronics sectors during the quarter due to lower activities during COVID-19
- Acetic Acid price has stabilized during end of quarter and continues to be stable. Demand has also improved

EBITDA at Rs 124 Crore increased by 2% YoY with margin of 16.8% as compared to 15.1% in Q1'FY20. Adjusted EBITDA at Rs 126 Crore as compared with Rs 130 Crore in Q1'FY20, with a margin of 17.1% vs. 16.2% in Q1'FY20

Strong improvement in profitability is driven by improvement of prices in Nutritional Products and Specialty Intermediates

Particulars ¹	Q1'FY20	Q1'FY21	% Change
Revenue	48	60	26%
Drug Discovery Services	48	60	26%
Proprietary Drug Discovery	0	0	-
Reported EBITDA	8	16	85%
Drug Discovery Services	11	21	94%
Proprietary Drug Discovery	(2)	(6)	-
Adjusted EBITDA	8	16	92%
Drug Discovery Services	11	22	100%
Proprietary Drug Discovery	(2)	(6)	-
Reported EBITDA Margin (%)	17.7%	26.0%	
Drug Discovery Services	22.8%	35.2%	
Adjusted EBITDA Margin (%)	17.7%	27.0%	
Drug Discovery Services	22.8%	36.2%	

Geography Wise Revenue¹

Particulars ¹	Q1'FY20	Q1'FY21	% Change
India	0	1	1,031%
North America	36	42	18%
Europe and Japan	11	15	33%
RoW	1	2	120%
Total	48	60	26%

1. All figures are in Rs Crore unless otherwise stated

- Drug Discovery & Development Solutions (DDDS) comprises
 - Drug Discovery Services business through Jubilant Biosys Limited provides innovation and collaborative research through two world class research centers in Noida and Bangalore in India
 - Proprietary Drug Discovery business through Jubilant Therapeutics, a semi-virtual biopharma company, with a business model of targeting small molecule therapies in oncology and auto-immune disorders
- DDDS revenue at Rs 60 Crore increased by 26% YoY led by growth in Drug Discovery Services business
 - Drug Discovery Services business grew due to higher demand from Biotech companies for Integrated Services, and functional Chemistry
 - Proprietary Drug Discovery business currently has more than six programs at different stages with potential to partner and/or fast track from discovery to clinical stage
 - Continue to witness strong demand conditions in this business
- Reported EBITDA at Rs 15.7 Crore vs. Rs 8.5 Crore in Q1'FY20 with a margin of 26.0% vs. 17.7% in Q1'FY20. Adjusted EBITDA at Rs 16.3 Crore vs. Rs 8.5 Crore in Q1'FY20 with a margin of 27.0% vs. 17.7% in Q1 last year
 - Drug Discovery Services EBITDA increased by 94% YoY to Rs 21 Crore
- In July 2020, the company announced completion of the merger of Jubilant Chemsys Limited with Jubilant Biosys Limited. The combined entity will operate as Jubilant Biosys Limited. The merger will simplify operations and provide customers with a single brand access for a wide range of discovery, IND and PR&D and GMP development services

Proprietary Drug Discovery (Jubilant Therapeutics)



- Jubilant Therapeutics is a patient-focused biopharmaceutical company working to address unmet medical needs in oncology and autoimmune diseases. Our advanced discovery engine integrates structure-based design and computational architecture to discover and develop novel, precision therapeutics against both first-in-class and validated but intractable targets in genetically defined patient populations. We strive for speed and efficiency by employing a business model that leverages the proven and synergistic capabilities of Jubilant Life Sciences' value chain and shared services. Jubilant Therapeutics is headquartered in the U.S. and comprises of a team of passionate and pioneering scientists. www.jubilantTx.com

Status of Proprietary Programs

Programs	Indication	Pathway	Current status	Stage/remarks
Current pipeline				
LSD1/HDAC6 –Dual Inhibitor	Hematological malignancies and solid tumors	Epigenetics	Pre-clinical	First-in-class dual inhibitor of LSD1/HDAC6 to address unmet needs in liquid cancers like acute myeloid leukaemia (AML) and select solid tumors. CMC is progressing well for IND filing by end of FY21. The program is expected to start Phase I clinical trial in H1'FY22.
PDL-1	Multiple cancers	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 FY21.
PAD4	Inflammation, auto immune disorder	Epigenetics	Lead optimisation	First-in-class PAD4 inhibitor with potential to address unmet needs in multiple autoimmune disorders like rheumatoid arthritis, psoriasis and atopic dermatitis. Demonstrated efficacy in various auto immune-disorders in animal models. CMC initiated to complete IND enabling studies by H1'FY22. Phase 1 clinical trial to begin in H2'FY22
PRMT5	Lymphoma, GBM	Epigenetics	Lead selection	Lead selection and pharmacology studies underway for further development in FY21
Partnered programs				
Undisclosed target *	Oncology	Kinase	Lead optimization	Partnered with Frazier Healthcare Partners in FY20
BRD4	Liquid and solid tumours	Epigenetics	Preclinical	Partnered with Checkpoint Therapeutics in 2016 at lead stage with milestones. Toxicology studies done. Pending partner decision for further studies towards clinic.

* Multiple early discovery stage programs (undisclosed)

Debt Profile

Particulars	31/03/20	30/06/20
Foreign Currency Loans	(\$ Mn)	(\$ Mn)
Subsidiaries	431	435
Total	431	435
Rupee Loans	(Rs. Crs)	(Rs. Crs)
Standalone	1,295	985
Subsidiaries	100	160
Total	1,395	1,145
Gross Debt	(Rs. Crs)	(Rs. Crs)
Standalone	1,295	985
Subsidiaries	3,361	3,444
Total	4,656	4,429
QoQ Change		(227)
Cumulative Change		(227)
Cash & Cash Equivalent	1,400	1,523
Net Debt (before Fx Adjustment)	3,256	2,906
QoQ Change		(350)
Change in debt on account of Fx rate difference from 31-March, 2020		7
Net Debt (On a Constant Currency Basis)	3,256	2,913
QoQ Change		(343)
Cumulative Change		(343)
Closing Exchange Rate (USD/Rs.)	75.67	75.51

- **Net Debt (constant currency) reduction of Rs 343 Crore in Q1'FY21 as compared to March 31, 2020. This is in addition to Rs 514 crore reduction in net debt during FY20**
- Average blended interest rate for Q1'FY21 @ 5.95%; INR loans @ 7.88% and USD loans @ 5.14%

- We have seen substantial improvement in demand in most of our business segments from June 2020 onwards be it Specialty Pharma, CMO, API or Specialty Intermediates
- Given the strong demand recovery and new business sign-ups, we believe COVID-19 is not likely to have a material impact on our overall performance during FY21, provided the pandemic situation does not materially deteriorate going forward
- Overall, we expect strong performance in our Pharma, LSI and DDDS business in the remaining three quarters of FY21
- For Pharmaceutical business, we expect substantially better performance in the remaining three quarters of FY21
- For LSI business, we expect to achieve close to double digit growth in revenues and significant growth in EBIDTA with higher margins and a very healthy cash generation in FY21

Appendix

Income Statement – Q1'FY21

Particulars ¹	Q1'FY20	Q1'FY21	YoY Growth
Total Revenue from Operations	2,182	1,893	(13%)
Pharmaceuticals	1,328	1,096	(18%)
Life Science Ingredients	805	737	(9%)
Drug Discovery & Development Solutions	48	60	26%
Total Expenditure	1,747	1,602	(8%)
Other Income	10	7	
Segment EBITDA	460	318	(31%)
Pharmaceuticals	330	179	(46%)
Life Science Ingredients	122	124	2%
Drug Discovery & Development Solutions	8	16	85%
Unallocated Corporate (Expenses)/Income	(16)	(8)	
Reported EBITDA	444	310	(30%)
Depreciation and Amortization	103	112	9%
Finance Cost	73	76	5%
Profit before Tax	269	122	(55%)
Profit before Tax (After Exceptional Items)	269	122	(55%)
Tax Expenses (Net)	84	34	(59%)
PAT	185	88	(52%)
EPS - Face Value Re. 1 (Rs.)	11.61	5.53	
Normalised PAT	185	88	(52%)
Normalised EPS - Face Value Re. 1 (Rs.)	11.61	5.53	(52%)
Segment EBITDA Margins	21.1%	16.8%	
Pharmaceuticals	24.8%	16.3%	
Life Science Ingredients	15.1%	16.8%	
Drug Discovery & Development Solutions	17.7%	26.0%	
Reported EBITDA Margin	20.4%	16.4%	
Net Margin	8.5%	4.6%	
Normalised Net Margin	8.5%	4.6%	

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