



***JUBILANT***  
***LIFESCIENCES***

# **Financial Results**

**Quarter Ended September 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 73.77 as on September 30, 2020 and Rs 70.88 as on September 30, 2019*

# Conference Call Details

**Date : November 04, 2020**

**Time : 05:00 pm IST**

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**Replay: November 04 to November 11, 2020**

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**Playback ID: 81609#**

# Chairmen's Message



## JUBILANT Q2'FY21 PERFORMANCE

**Q2'FY21 Revenue at Rs 2,375 Crore vs. Rs 2,266 Crore in Q2'FY20;**

**Q2'FY21 EBITDA at Rs 493 Crore vs. Rs 481 Crore in Q2'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:**

*"Q2'FY21 has witnessed a substantial improvement over the previous quarter despite continued adverse impact of the COVID-19 pandemic in at least the first half of Q2.*

*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 strong year-on-year growth in revenues led by healthy demand from customers.*

*Pharma business performance improved substantially QoQ led by growth in CMO and Generics. Radiopharma continued to have a temporary negative impact due to COVID-19 related restrictions on hospital visitations. With the gradual opening of the US healthcare markets, demand conditions have started improving and Allergy business is already at Pre-COVID level during Q2'FY21. We continue to see new business opportunities in CDMO, Generics and Specialty Pharma segments.*

*With the strong demand recovery and new business sign-ups, we expect strong performance in our Pharma, LSI and DDDS businesses in the H2'FY21.*

*During H1'FY21, the Company reduced net debt on a constant currency basis by Rs 193 Crore."*

# 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

# Q2'FY21 Results Analysis

# JLL – Q2'FY21 Financial Highlights

Particulars <sup>1</sup>	Q2'FY20	Q2'FY21	YoY (%)
<b>Revenue</b>			
Pharmaceuticals	1,452	1,516	4%
Life Science Ingredients	753	784	4%
Drug Discovery & Development Solutions	61	75	23%
Proprietary Novel Drugs	-	-	
<b>Total Revenue from Operations</b>	<b>2,266</b>	<b>2,375</b>	<b>5%</b>
<b>EBITDA</b>			
Pharmaceuticals <sup>2</sup>	386	343	(11%)
Life Science Ingredients	91	139	52%
Drug Discovery & Development Solutions	19	21	11%
Proprietary Novel Drugs	(6)	1	-
Unallocated Corporate Expenses	(9)	(10)	-
<b>Reported EBITDA</b>	<b>481</b>	<b>493</b>	<b>3%</b>
<b>Adjusted EBITDA</b>	<b>504</b>	<b>493</b>	<b>(2%)</b>
PAT	249	224	(10%)
EPS	15.7	14.1	(10%)
<b>EBITDA Margins</b>			
Pharmaceuticals	26.6%	22.6%	
Life Science Ingredients	12.1%	17.7%	
Drug Discovery & Development Solutions	30.5%	27.4%	
<b>Reported EBITDA</b>	<b>21.2%</b>	<b>20.8%</b>	
<b>Adjusted EBITDA</b>	<b>22.2%</b>	<b>20.8%</b>	

## Geography Wise Revenue<sup>1</sup>

Particulars <sup>1</sup>	Q2'FY20	Q2'FY21	YoY (%)
India	520	602	16%
North America	1,283	1,251	(2%)
Europe and Japan	264	291	10%
RoW	200	231	16%
<b>Total</b>	<b>2,266</b>	<b>2,375</b>	<b>5%</b>

- Revenue at Rs 2,375 Crore, as compared with Rs 2,266 Crore in Q2'FY20
  - Pharmaceuticals revenue at Rs 1,516 Crore as compared to Rs 1,452 Crore in Q2'FY20
  - LSI revenue at Rs 784 Crore vs. Rs 753 Crore in Q2'FY20
  - Drug Discovery Services (DDS) revenue at Rs 75 Crore as against Rs 61 Crore in Q2'FY20
- Reported EBITDA at Rs 493 Crore as compared with Rs 481 Crore in Q2'FY20. EBITDA margin at 20.8% vs. 21.2% in Q2'FY20
  - Pharmaceuticals EBITDA at Rs 343 Crore as against Rs 386 Crore in Q2'FY21 with margin of 22.6% as compared to 26.6% in Q2'FY20
  - LSI EBITDA at Rs 139 Crore vs. Rs 91 Crore in Q2'FY20; Q2'FY21 margin at 17.7% vs. 12.1% in Q2'FY20
  - DDS EBITDA at Rs 21 Crore as compared to Rs 19 Crore in Q2'FY20; Q2'FY21 margin at 27.4% vs. 30.5% in Q2'FY20
- Finance costs at Rs 64 Crore vs. Rs 72 Crore in Q2'FY20
- Q2'FY20 had lower tax incidence due to deferred tax liability reversal of Rs 50 Crore. Reported PAT during the quarter was at Rs 224 Crore as compared with Rs 249 Crore in Q2'FY20. However, adjusting for the tax reversal, PAT is up 12% YoY.
- EPS for Q2'FY21 is Rs 14.1 versus Rs 15.7 in Q2'FY20.
- Capital expenditure for the quarter was Rs 110 Crore

# Adjusted Earnings

## Consol EBITDA

S. No.	Particulars	Q2'FY20	Q2'FY21	YoY (%)
1	Reported EBITDA	481	493	3%
2	One-off Adjustments	23	(0)	
3	Adjusted EBITDA	504	493	(2%)
4	Reported EBITDA Margin	21.2%	20.8%	
5	Adjusted EBITDA Margin	22.2%	20.8%	

## One-off Expenses

S. No.	Particulars	Q2'FY20	Q2'FY21
1	Site Remediation	4	0
2	Non-supply penalties due to Roorkee Warning Letter	13	0
3	Litigation Expense	6	(0)
4	Donation	0	0
	<b>Total One-Off Expenses</b>	<b>23</b>	<b>(0)</b>



# Pharmaceuticals Segment Highlights – Q2'FY21 (1/2)



Particulars <sup>1</sup>	Q2'FY20	Q2'FY21	YoY (%)
Revenue	1,452	1,516	4%
Specialty Pharma	743	585	(21%)
CDMO	411	506	23%
Generics	298	425	43%
Reported EBITDA	386	343	(11%)
Adjusted EBITDA	409	342	(16%)
Reported EBITDA Margin (%)	26.6%	22.6%	
Adjusted EBITDA Margin (%)	28.1%	22.6%	

## Geography Wise Revenue<sup>1</sup>

Particulars <sup>1</sup>	Q2'FY20	Q2'FY21	YoY (%)
India	42	98	131%
North America	1,189	1,154	(3%)
Europe and Japan	119	144	21%
RoW	102	121	19%
<b>Total</b>	<b>1,452</b>	<b>1,516</b>	<b>4%</b>

- Pharmaceuticals revenue was at Rs 1,516 Crore vs. Rs 1,452 Crore in Q2'FY20

## Specialty Pharmaceuticals<sup>2</sup>

- Radiopharma business revenue was impacted due to elective diagnosis still at about 90% of pre-COVID level and extra cautious approach for lung procedures to avoid risk to medical staff
  - Ruby-Fill commercial launch in Europe planned in FY21
  - Strategic partnership with SOFIE Biosciences, an innovation leader in molecular theranostics. Jubilant, with 25% equity holding, will be the largest shareholder of SOFIE. SOFIE's business lines are highly synergistic to Jubilant Radiopharma
- Allergy business volumes had normalized to 100% of pre-COVID levels during Q2'FY21. Efforts on growing volumes in non-US markets

## CDMO<sup>3</sup>

- CMO business' revenue grew based on strong demand from customers as well as new deals
- Initiatives taken to increase capacity and capabilities - Added new Lyo equipment during Q1'FY21
- Entered into an additional deal in Q2, apart four separate clinical and commercial supply agreements for COVID-19 treatment and vaccine candidates in Q1. Remdesivir of Gilead approved by the US FDA has started to contribute to CMO revenue growth
- Strong outlook due to robust order book and new business sign-ups
- In API, revenues picked up with resumption of operations at Nanjangud facility. Strong order book to allow for growth over the coming quarters
- Remdesivir API supplies started from Nanjangud

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 – Q2'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 September 30, 2020

Dosage (Orals) (#)			
	Filings	Approved	Pending
US	98	62	36
Canada	24	23	1
Europe	39	33	6
ROW	41	39	2
Steriles (#)			
	Filings	Approved	Pending
US	16	13	3
Canada	17	17	0
Europe	4	4	0
ROW	10	10	0

## Generics<sup>1</sup>

- Revenue growth during the quarter was led by strong performance in key products in the US market and by launch of remdesivir in various countries including India
- Roorkee site capacity expansion completed in FY20. Salisbury site expansion is underway translating to 85% increase in capacity by Feb 2021
- 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

- Pharmaceuticals EBITDA recorded at Rs 343 Crore as compared with Rs 386 Crore in Q2'FY20 with a margin of 22.6% as compared to 26.6% in Q2'FY20

**R&D** spent during the quarter of Rs 51 Crore – 3.3% to segment sales. R&D debited to P&L is Rs 40 Crore – 2.6% 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
- Remdesivir production capacity increased from 2 lakh vials to 4.8 lakh vials per month

# LSI Segment Highlights – Q2'FY21

Particulars <sup>1</sup>	Q2'FY20	Q2'FY21	YoY (%)
Revenue	753	784	4%
Specialty Intermediates	259	255	(2%)
Nutritional Products	113	125	11%
Life Science Chemicals	380	403	6%
Reported EBITDA	91	139	52%
Adjusted EBITDA	91	139	52%
Reported EBITDA Margin (%)	12.1%	17.7%	
Adjusted EBITDA Margin (%)	12.1%	17.7%	

## Geography Wise Revenue<sup>1</sup>

Particulars <sup>1</sup>	Q2'FY20	Q2'FY21	YoY (%)
India	477	503	6%
North America	50	39	(21%)
Europe and Japan	130	135	3%
RoW	96	106	10%
<b>Total</b>	<b>753</b>	<b>784</b>	<b>4%</b>

## Revenue Breakup by End-Use Industries

Particulars <sup>1</sup>	Q2'FY20	Q1'FY21	Q2'FY21
Pharma	33%	33%	37%
Nutrition	20%	24%	20%
Agro	17%	20%	15%
Consumer	2%	4%	3%
Industrial	28%	20%	24%

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

- LSI revenue was at Rs 784 Crore against Rs 753 Crore in Q2'FY20. Strong growth witnessed in Nutritional Products and Life Science Chemicals business driven by improved pricing in Nutritional segment and higher demand in Life Sciences Chemical

### Specialty Intermediates

- Revenue during the quarter was down 2% YoY. Pharmaceutical segment witnessed significant improvement in demand though Agrochemical segment witnessed lower demand driven by extreme weather conditions in certain geographies like Cold weather in North-West Europe and excessive rain in North America

### Nutritional Products

- Revenue increased by 11% YoY led by better prices of Vitamin B3. After a strong start to the quarter, customers started to destock especially in geographies where lockdowns began to ease, partly levelling out the strong demand acceleration in Q1

### Life Science Chemicals

- Revenue increased by 6% YoY led by strong demand of all the products including Acetic Anhydride in domestic and export market driven by good demand in Pharma segment

**EBITDA** at Rs 139 Crore increased by 52% YoY with margin of 17.7% as compared to 12.1% in Q2'FY20

Strong improvement in profitability is driven by improvement in prices of Specialty Intermediates, Nutritional Products and higher demand of Life sciences chemicals

# Drug Discovery & Development Solutions – Q2'FY21

Particulars <sup>1</sup>	Q2'FY20	Q2'FY21	YoY (%)
Revenue	61	75	23%
Reported EBITDA	19	21	11%
Adjusted EBITDA	19	21	11%
Reported EBITDA Margin (%)	30.5%	27.4%	
Adjusted EBITDA Margin (%)	30.5%	27.4%	

## Geography Wise Revenue<sup>1</sup>

Particulars <sup>1</sup>	Q2'FY20	Q2'FY21	YoY (%)
India	1	1	19%
North America	44	58	33%
Europe and Japan	15	12	(16%)
RoW	2	4	129%
<b>Total</b>	<b>61</b>	<b>75</b>	<b>23%</b>

- Drug Discovery & Development Solutions (DDDS) comprises
  - Drug Discovery Services business through Jubilant Biosys Limited provides innovation and collaborative research services from world class research centers in two locations i.e. at Noida and Bangalore in India
- DDDS revenue at Rs 75 Crore increased by 23% 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
  - Continue to witness strong demand conditions in this business
- Reported EBITDA at Rs 21 Crore vs. Rs 19 Crore in Q2'FY20 with a margin of 27.4% vs. 30.5% in Q2'FY20
- 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 Novel Drugs (Jubilant Therapeutics)



- Jubilant Therapeutics is a patient-focused biopharmaceutical company working to address unmet medical needs in oncology and autoimmune diseases, with the two lead preclinical first-in-class programs transitioning to clinic over the next 12-18 months. [www.jubilantTx.com](http://www.jubilantTx.com)

## Status of Proprietary Programs

Programs	Indication	Pathway	Current status	Stage/remarks
<b>Current pipeline</b>				
<b>LSD1/HDAC6 –Dual Inhibitor</b>	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 tumours. IND Enabling studies ongoing. The program is expected to start Phase I clinical trial in H2'FY22
<b>PDL-1</b>	Multiple cancers, HBV	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
<b>PAD4</b>	Rheumatoid arthritis, select inflammatory orphan indications	Epigenetics	Pre-clinical	First-in-class PAD4 inhibitor with potential to address unmet needs in multiple autoimmune disorders like rheumatoid arthritis subsets, select inflammatory orphan indications and Covid-19 related inflammatory pathologies. Demonstrated efficacy in various animal models. CMC initiated for IND enabling studies with IND filing expected in H2'FY22
<b>PRMT5</b>	Lymphoma, GBM	Epigenetics	Lead optimisation	Lead candidate selection and pharmacology studies underway for further development in FY22
<b>Partnered programs</b>				
<b>Undisclosed target</b>	Oncology	Undisclosed	Lead optimization	Partnered with Frazier Healthcare Partners in FY20
<b>BRD4</b>	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 for intractable targets in oncology (undisclosed)

# H1'FY21 Results Analysis

# JLL – H1'FY21 Financial Highlights

Particulars <sup>1</sup>	H1'FY20	H1'FY21	YoY (%)
<b>Revenue</b>			
Pharmaceuticals	2,781	2,612	(6%)
Life Science Ingredients	1,559	1,520	(2%)
Drug Discovery & Development Solutions	109	132	21%
Proprietary Novel Drugs	-	4	
<b>Total Revenue from Operations</b>	<b>4,448</b>	<b>4,268</b>	<b>(4%)</b>
<b>EBITDA</b>			
Pharmaceuticals <sup>2</sup>	716	521	(27%)
Life Science Ingredients	213	263	23%
Drug Discovery & Development Solutions	30	38	28%
Proprietary Novel Drugs	(9)	(1)	-
Unallocated Corporate Expenses	(25)	(18)	-
<b>Reported EBITDA</b>	<b>925</b>	<b>804</b>	<b>(13%)</b>
<b>Adjusted EBITDA</b>	<b>982</b>	<b>812</b>	<b>(17%)</b>
<b>PAT</b>	<b>434</b>	<b>312</b>	<b>(28%)</b>
<b>EPS</b>	<b>27.3</b>	<b>19.6</b>	<b>(28%)</b>
<b>EBITDA Margins</b>			
Pharmaceuticals	25.7%	20.0%	
Life Science Ingredients	13.7%	17.3%	
Drug Discovery & Development Solutions	27.7%	29.2%	
<b>Reported EBITDA</b>	<b>20.8%</b>	<b>18.8%</b>	
<b>Adjusted EBITDA</b>	<b>22.1%</b>	<b>19.0%</b>	

## Geography Wise Revenue<sup>1</sup>

Particulars <sup>1</sup>	H1'FY20	H1'FY21	YoY (%)
India	1,020	1,021	0%
North America	2,469	2,292	(7%)
Europe and Japan	552	553	0%
RoW	408	401	(2%)
<b>Total</b>	<b>4,448</b>	<b>4,268</b>	<b>(4%)</b>

- Revenue at Rs 4,268 Crore vs. Rs 4,448 Crore in H1'FY20
  - Pharmaceuticals revenue at Rs 2,612 Crore vs. Rs 2,781 Crore in H1'FY21, contributing 61% to revenue
  - LSI revenue at Rs 1,520 Crore vs. Rs 1,559 Crore, contributing 36% to revenue
  - DDDS revenue at Rs 132 Crore up 21% YoY
- Reported EBITDA at Rs 804 Crore versus Rs 925 Crore. EBITDA margin at 18.8% vs. 20.8% in H1'FY20
  - Pharmaceuticals EBITDA at Rs 521 Crore vs. Rs 716 Crore. EBITDA margin of 20.0% as compared to 25.7% in H1 last year
  - LSI EBITDA at Rs 263 Crore as compared to Rs 213 Crore in H1'FY20; H1'FY21 margin at 17.3% as compared to 13.7% in H1 last year
  - DDDS EBITDA at Rs 42 Crore up from Rs 29 Crore in H1 last year; EBITDA margin at 29.2% as compared to 27.1% in H1 last year
- Finance costs at Rs 140 Crore down 3% YoY
- Net Profit at Rs 312 Crore vs. Rs 434 Crore in H1'FY20. EPS of Rs 19.6 vs. Rs 27.3 in H1'FY20.
- Q2'FY20 had lower tax incidence due to deferred tax liability reversal of Rs 50 Crore. Adjusted PAT at Rs 312 Crore vs. Rs 384 Crore in H1'FY20
- Capex in H1'FY21 of Rs 181 Crore
- Net debt lower by Rs 193 Crore during H1'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)

# H1'FY21 Adjusted Earnings

## Consol EBITDA

S. No.	Particulars	H1'FY20	H1'FY21	YoY (%)
1	Reported EBITDA	925	804	(13%)
2	One-off Adjustments	57	8	
3	Adjusted EBITDA	982	812	(17%)
4	Reported EBITDA Margin	20.8%	18.8%	
5	Adjusted EBITDA Margin	22.1%	19.0%	

## One-off Expenses

S. No.	Particulars	H1'FY20	H1'FY21
1	Site Remediation	12	1
2	Non-supply penalties due to Roorkee Warning Letter	17	0
3	Litigation Expense	19	3
4	Donation	9	4
	<b>Total One-Off Expenses</b>	<b>57</b>	<b>8</b>



# Pharmaceuticals Segment Highlights – H1'FY21

Particulars <sup>1</sup>	H1'FY20	H1'FY21	YoY (%)
Revenue	2,781	2,612	(6%)
Specialty Pharma	1,468	1,119	(24%)
CDMO	756	786	4%
Generics	557	707	27%
Reported EBITDA	716	521	(27%)
Adjusted EBITDA	764	526	(31%)
Reported EBITDA Margin (%)	25.7%	20.0%	
Adjusted EBITDA Margin (%)	27.5%	20.2%	

## Geography Wise Revenue<sup>1</sup>

Particulars <sup>1</sup>	H1'FY20	H1'FY21	YoY (%)
India	66	113	70%
North America	2,299	2,118	(8%)
Europe and Japan	221	222	0%
RoW	195	160	(18%)
<b>Total</b>	<b>2,781</b>	<b>2,612</b>	<b>(6%)</b>

- Pharmaceuticals revenue at Rs 2,612 Crore vs. Rs 2,781 Crore in H1'FY21
  - Growth in CDMO and Generics. CDMO saw some impact due to temporary shutdown at Nanjangud API facility. Production has resumed from June 2020
  - Specialty pharma growth temporarily impacted by COVID-19 in H1'FY21
- Pharmaceuticals EBITDA at Rs 521 Crore vs. Rs 716 Crore in H1'FY20. EBITDA margin of 20.0% as compared to 25.7% in H1'FY20.

## Specialty Pharma (43% of Pharma revenue)

- Radiopharma business revenue was impacted due to elective diagnosis still at about 90% of pre-COVID level and extra cautious approach for lung procedures to avoid risk to medical staff
- Allergy business volumes had normalized to 100% of pre-COVID levels during Q2'FY21. Efforts on growing volumes in non-US markets

## CDMO

- Revenue up 4% YoY to Rs 786 Crore
- Growth in CMO business led by strong demand witnessed from key customers
- API revenue picked up with resumption of operations at Nanjangud facility. Strong order book to allow for growth over the coming quarters

## Generics

- Revenue growth of 27% YoY aided by launch of remdesivir in India and other licensed countries and strong market position in select products in the US market

# LSI Segment Highlights – H1'FY21

Particulars <sup>1</sup>	H1'FY20	H1'FY21	YoY (%)
Revenue	1,559	1,520	(2%)
Specialty Intermediates	539	515	(4%)
Nutritional Products	250	274	10%
Life Science Chemicals	770	732	(5%)
Reported EBITDA	213	263	23%
Adjusted EBITDA	221	265	20%
Reported EBITDA Margin (%)	13.7%	17.3%	
Adjusted EBITDA Margin (%)	14.2%	17.4%	

## Geography Wise Revenue<sup>1</sup>

Particulars <sup>1</sup>	H1'FY20	H1'FY21	YoY (%)
India	952	906	(5%)
North America	91	74	(18%)
Europe and Japan	305	304	(0%)
RoW	210	236	12%
<b>Total</b>	<b>1,559</b>	<b>1,520</b>	<b>(2%)</b>

## Revenue Breakup by End-Use Industries

Particulars <sup>1</sup>	H1'FY20	H1'FY21
Pharma	30%	35%
Nutrition	20%	22%
Agro	18%	18%
Consumer	3%	3%
Industrial	29%	22%

- LSI revenue at Rs 1,520 Crore vs Rs 1,559 Crore in H1'FY21
- EBITDA at Rs 263 Crore up 23% YoY with margin of 17.3% as compared to 13.7% in H1'FY20.
  - Strong growth in profitability in Specialty Intermediates and Nutritional Products businesses driven by higher price versus last year
  - LSC profitability higher driven by higher demand in Q2 in domestic as well as export market

## **Specialty Intermediates**

- Revenue lower by 4% YoY led by lower demand in Agrichemical segment due to dry weather in North-West Europe and cold weather and excessive rain in North America

## **Nutritional Products**

- Revenue up 10% YoY led by better prices of Vitamin B3 and strong demand

## **Life Science Chemicals**

- Revenue down 5% YoY due to drop in Acetic acid price by 22% YoY though demand remained strong

Particulars <sup>1</sup>	H1'FY20	H1'FY21	YoY (%)
Revenue	109	132	21%
Reported EBITDA	30	38	28%
Adjusted EBITDA	30	38	28%
Reported EBITDA Margin (%)	27.7%	29.2%	
Adjusted EBITDA Margin (%)	27.7%	29.2%	

- DDDS segment revenue up 21% YoY to Rs 132 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 22% YoY
- EBITDA at Rs 38 Crore is up 28% YoY
- EBITDA margin improved to 29.2% vs. 27.7% in H1 last year

## Geography Wise Revenue<sup>1</sup>

Particulars <sup>1</sup>	H1'FY20	H1'FY21	YoY (%)
India	1	2	164%
North America	79	96	22%
Europe and Japan	26	27	5%
RoW	3	6	126%
<b>Total</b>	<b>109</b>	<b>132</b>	<b>21%</b>

# Debt Profile

Particulars	31-Mar-20	30-Jun-20	30-Sep-20
<b>Foreign Currency Loans</b>	(US\$ m)	(US\$ m)	(US\$ m)
Subsidiaries	431	435	435
<b>Total</b>	<b>431</b>	<b>435</b>	<b>435</b>
<b>Rupee Loans</b>	(Rs Crore)	(Rs Crore)	(Rs Crore)
Standalone	1,295	985	820
Subsidiaries	100	160	125
<b>Total</b>	<b>1,395</b>	<b>1,145</b>	<b>945</b>
<b>Gross Debt</b>	<b>(Rs Crore)</b>	<b>(Rs Crore)</b>	<b>(Rs Crore)</b>
Standalone	1,295	985	820
Subsidiaries	3,361	3,444	3,334
<b>Total</b>	<b>4,656</b>	<b>4,429</b>	<b>4,154</b>
Cash & Equivalent	1,400	1,523	1,173
<b>Net Debt</b>	<b>3,256</b>	<b>2,906</b>	<b>2,981</b>
Change in debt on account of exchange rate difference from 31 March 2020		7	82
<b>Net Debt (on constant currency basis)</b>	<b>3,256</b>	<b>2,913</b>	<b>3,063</b>
QoQ change		<b>(343)</b>	<b>150</b>
Cumulative change		<b>(343)</b>	<b>(193)</b>
Closing exhcane rate (US\$/ Rs)	75.67	75.51	73.77

- **Net Debt (constant currency) reduction of Rs 193 Crore in H1'FY21. This is in addition to Rs 514 crore reduction in net debt during FY20**
- Average blended interest rate for Q2'FY21 @ 5.72%; INR loans @ 7.48% and USD loans @ 5.07%

- We continue to see improvement in demand in most of our business segments 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 second half of FY21
- For Pharmaceutical business, we expect Q3 and Q4 performance to further improve over Q2
- 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 – Q2 & H1'FY21

Particulars <sup>1</sup>	Q2'FY20	Q2'FY21	YoY (%)	H1'FY20	H1'FY21	YoY (%)
<b>Total Revenue from Operations</b>	<b>2,266</b>	<b>2,375</b>	<b>5%</b>	<b>4,448</b>	<b>4,268</b>	<b>(4%)</b>
Pharmaceuticals	1,452	1,516	4%	2,781	2,612	(6%)
Life Science Ingredients	753	784	4%	1,559	1,520	(2%)
Drug Discovery & Development Solutions	61	75	23%	109	132	21%
Proprietary Novel Drugs	-	-		-	4	
<b>Total Expenditure</b>	<b>1,797</b>	<b>1,889</b>	<b>5%</b>	<b>3,545</b>	<b>3,479</b>	<b>(2%)</b>
Other Income	12	7		22	15	
<b>Segment EBITDA</b>	<b>490</b>	<b>503</b>	<b>3%</b>	<b>950</b>	<b>822</b>	<b>(14%)</b>
Pharmaceuticals	386	343	(11%)	716	521	(27%)
Life Science Ingredients	91	139	52%	213	263	23%
Drug Discovery & Development Solutions	19	21	11%	30	38	28%
Proprietary Novel Drugs	(6)	1	-	(9)	(1)	-
Unallocated Corporate (Expenses)/Income	(9)	(10)	-	(25)	(18)	-
<b>Reported EBITDA</b>	<b>481</b>	<b>493</b>	<b>3%</b>	<b>925</b>	<b>804</b>	<b>(13%)</b>
Depreciation and Amortization	117	116	(1%)	220	228	4%
Finance Cost	72	64	(11%)	144	140	(3%)
<b>Profit before Tax</b>	<b>292</b>	<b>314</b>	<b>7%</b>	<b>561</b>	<b>436</b>	<b>(22%)</b>
<b>Profit before Tax (After Exceptional Items)</b>	<b>292</b>	<b>314</b>	<b>7%</b>	<b>561</b>	<b>436</b>	<b>(22%)</b>
Tax Expenses (Net)	43	90	109%	127	124	(3%)
<b>PAT</b>	<b>249</b>	<b>224</b>	<b>(10%)</b>	<b>434</b>	<b>312</b>	<b>(28%)</b>
<b>EPS - Face Value Re. 1 (Rs.)</b>	<b>15.7</b>	<b>14.1</b>		<b>27.3</b>	<b>19.6</b>	<b>(28%)</b>
<b>Segment EBITDA Margins</b>	<b>21.6%</b>	<b>21.2%</b>		<b>21.4%</b>	<b>19.2%</b>	
Pharmaceuticals	26.6%	22.6%		25.7%	20.0%	
Life Science Ingredients	12.1%	17.7%		13.7%	17.3%	
Drug Discovery & Development Solutions	30.5%	27.4%		27.7%	29.2%	
<b>Reported EBITDA Margin</b>	<b>21.2%</b>	<b>20.8%</b>		<b>20.8%</b>	<b>18.8%</b>	
<b>Net Margin</b>	<b>11.0%</b>	<b>9.4%</b>		<b>9.8%</b>	<b>7.3%</b>	

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