Financial Results

Quarter Ended June 30, 2021

Disclaimer

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 Pharmova 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 74.33 as on June 30, 2021 and Rs 75.51 as on June 30, 2021*
4. *Q1'FY21 financials include only continuing business*

Conference Call Details

Date : July 23, 2021
Time : 05:00 pm IST

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Chairmen's Message

Jubilant Pharmova Q1'FY22

Particulars (Rs Crore)	Q1'FY21	Q1'FY22
Total Revenue from Operations	**1,156**	**1,635**
EBITDA	**183**	**379**
EBITDA margin (%)	*15.8%*	*23.2%*
Profit After Tax	**35**	**160**
PAT margin (%)	*3.1%*	*9.8%*
EPS (Rs)	**2.2**	**10.1**

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

"During this quarter, in addition to YoY increase, we also reported sequential improvement in the Specialty Pharma segment with gradual recovery across radiopharmaceuticals, radiopharmacy and Allergy business. In radiopharmaceuticals, we have enhanced efforts to promote existing products as well as expand our product pipeline with strategic partnerships. With a gradual recovery in nuclear medicine procedures, the turnaround plan of radiopharmacy business is on track. CMO business continued to benefit from COVID related deals.

Contract Research and Development Services business witnessed strong YoY growth in revenues led by healthy demand from customers. We have doubled our chemistry research capacity and the facility is operational now.

Despite COVID-19 related lockdowns, we have been able to ensure continuity in most of our manufacturing operations across all business segments while at the same time ensuring safety of our employees. I take this opportunity to thank all our employees who have worked tirelessly across all our plants and offices to ensure continuity in company's operations, while continuing to serve our global customers."

1. *All figures are in Rs Crore unless otherwise stated*
2. *Q1'FY21 financials include only continuing business*

Q1'FY22 Results Analysis

Q1'FY22 Financial Highlights[2]

Particulars[1]	Q1'FY21	Q1'FY22	YoY (%)
Revenue			
Pharmaceuticals	**1,096**	**1,541**	**41%**
Contract Research and Development Services	**57**	**88**	**55%**
Proprietary Novel Drugs	**4**	**0**	
Unallocable Corporate Income	0	5	
Total Revenue from Operations	**1,156**	**1,635**	**41%**
EBITDA			
Pharmaceuticals	**179**	**362**	**102%**
Contract Research and Development Services	**18**	**34**	**90%**
Proprietary Novel Drugs	**(2)**	**-8**	**-**
Total EBITDA	**195**	**388**	**100%**
Unallocated Corporate Expenses	(11)	-9	-
Reported EBITDA	**183**	**379**	**107%**
Profit before Tax	**54**	**247**	**360%**
Tax Expenses (Net)	18	86	
PAT	**35**	**160**	**353%**
EPS (Rs)	**2.2**	**10.1**	**352%**
EBITDA Margins			
Pharmaceuticals	**16.3%**	**23.5%**	
Contract Research and Development Services	**31.7%**	**38.8%**	
Reported EBITDA	**15.8%**	**23.2%**	
Net Margin	**3.1%**	**9.8%**	

Particulars[1]	Q1'FY21	Q1'FY22	YoY (%)
India	17	165	886%
North America	1,006	1,286	28%
Europe and Japan	92	110	19%
RoW	41	74	83%
Total	**1,156**	**1,635**	**41%**

- Revenue was Rs 1,635 Crore versus Rs 1,156 Crore in Q1'FY21
  - Pharmaceuticals revenue at Rs 1,541 Crore as compared to Rs 1,096 Crore in Q1'FY21
  - Contract Research and Development Services witnessed strong growth with revenue at Rs 88 Crore as against Rs 57 Crore in Q1'FY21
- Reported EBITDA at Rs 379 Crore versus Rs 183 Crore in Q1'FY21
  - Pharmaceuticals EBITDA at Rs 362 Crore as against Rs 179 Crore in Q1'FY21 with margin of 23.5% as compared to 16.3% in Q1'FY21
  - Contract Research and Development Services EBITDA at Rs 34 Crore as compared to Rs 18 Crore in Q1'FY21; Q1'FY22 margin at 38.8% vs. 31.7% in Q1'FY21
- Finance costs at Rs 35 Crore vs. Rs 48 Crore in Q1'FY21
- Average blended interest rate for Q1'FY22 stood at 4.64% as against 5.26% in Q1'FY21.
- PAT was at Rs 160 Crore as compared with Rs 35 Crore in Q1'FY21
- EPS is Rs 10.1 versus Rs 2.2 in Q1'FY21
- Capital expenditure for the quarter was Rs 106 Crore

1. *All figures are in Rs Crore unless otherwise stated*
2. *Q1'FY21 financials include only continuing business*

Pharmaceuticals Segment Highlights – Q1'FY22 (1/2)

Pharmaceuticals Segment

Particulars[1]	Q1'FY21	Q1'FY22	YoY (%)
Revenue	1,096	1,541	41%
Specialty Pharma	534	632	18%
CDMO	279	474	70%
Generics	282	435	54%
Reported EBITDA	179	362	102%
Reported EBITDA Margin (%)	16.3%	23.5%	

Geography Wise Revenue

Particulars[1]	Q1'FY21	Q1'FY22	YoY (%)
India	15	159	944%
North America	964	1,219	26%
Europe and Japan	78	93	20%
RoW	39	71	83%
Total	**1,096**	**1,541**	**41%**

- Pharmaceuticals revenue was at Rs 1,541 Crore vs. Rs 1,096 Crore in Q1'FY21

Specialty Pharmaceuticals[2]

- Radiopharma business saw a gradual improvement sequentially
  - Ventilation lung procedures continue to be impacted due to COVID-19
  - We continue to maintain majority market share and have long term contracts in place
  - Ruby-Fill installs are picking up and we expect to gain momentum in the US, if the COVID-19 situation continues to improve. Ruby-Fill commercially launched in Europe in Q3'FY21. Expanding distribution network for Ruby-Fill in EU
  - Radiopharmacy business came close to pre-COVID levels with pick up in nuclear medicine procedures and our turnaround plan is on track
- Allergy Immunotherapy volumes have normalized to pre-COVID levels in Q1'FY22 with COVID related restrictions easing

1. *All figures are in Rs Crore unless otherwise stated*
2. *Q1'FY21 financials include only continuing business*
3. *Specialty Pharmaceuticals comprises Radiopharma and Allergy Immunotherapy (AIT) Products*

Pharmaceuticals Segment Highlights – Q1'FY22 (2/2)

USFDA Inspection Details

Facility	Last Inspection
Montreal, Radiopharma	Sep, 2017
Montreal, CMO	May, 2018
Nanjangud	Dec, 2018
Salisbury	Feb, 2020
Spokane	Mar, 2021
Roorkee	Mar, 2021

Product Pipeline as on June 30, 2021

Dosage (Orals) (#)			
	Filings	Approved	Pending
US	98	61	37
Canada	24	23	1
Europe	39	33	6
ROW	42	40	2
Steriles (#)			
	Filings	Approved	Pending
US	17	13	4
Canada	18	17	1
Europe	2	2	0
ROW	11	10	1

CDMO[1]

- CMO business revenue grew YoY based on strong demand from customers as well as COVID related deals
- API business continued to witness higher demand including for remdesivir though saw QoQ decline due to pricing pressure in Sartans

Generics[2]

- Growth was led by higher volumes including remdesivir though the business witnessed higher pricing erosion in the US
- Roorkee formulations facility was placed under import alert by the US FDA. The agency has exempted a few products from the import alert. For rest of the products, revenue impact for the Company is less than 3% of total revenues. We are engaging with the agency and are taking help of consultants and hope to resolve the issue soon

EBITDA

- Pharmaceuticals EBITDA was recorded at Rs 362 Crore as compared with Rs 179 Crore in Q1'FY21. EBITDA margin of 23.5% as compared to 16.3% in Q1'FY21

R&D

- R&D for the quarter is Rs 45.6 Crore – 3% of segment sales

1. *Contract Development and Manufacturing (CDMO) business comprises CMO and API businesses*
2. *Q1'FY21 financials include only continuing business*
3. *Generics business refers to the company's solid dosage formulations business and the India Branded Pharmaceuticals business*

Contract Research and Development Services – Q1'FY22

Contract Research and Development Services

Particulars[1]	Q1'FY21	Q1'FY22	YoY (%)
Revenue	57	88	55%
Reported EBITDA	18	34	90%
Reported EBITDA Margin (%)	31.7%	38.8%	

Geography Wise Revenue

Particulars[1]	Q1'FY21	Q1'FY22	YoY (%)
India	1	0	(81%)
North America	38	68	76%
Europe and Japan	15	17	12%
RoW	2	3	73%
Total	**57**	**88**	**55%**

- Contract Research and Development Services comprises
  - Through Jubilant Biosys Limited provides innovative and collaborative research and development services from world class research centers in two locations i.e. at Noida and Bangalore in India
- Revenue at Rs 88 Crore increased by 55% YoY led by volume growth
  - Higher demand from biotech companies for integrated services, functional chemistry and DMPK, Discovery Biology and Clinical trial data management support trough Trial stat, Canada.
  - Continue to witness strong demand conditions in this business
- Reported EBITDA at Rs 34 Crore vs. Rs 18 Crore in Q1'FY21 with a margin of 38.8% vs. 31.7% in Q1'FY21

1. *All figures are in Rs Crore unless otherwise stated*
2. *Q1'FY21 financials include only continuing business*

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 first-in-class and best-in-class programs transitioning to clinic over the next 12-18 months. www.jubilantTx.com

Status of Proprietary Programs

Programs	Indication	Pathway	Stage/remarks
Current pipeline			
LSD1/HDAC6 –Dual Inhibitor	Solid tumors and Hematological malignancies	Epigenetics	First-in-class dual inhibitor of LSD1/HDAC6 to address unmet needs in haematological tumors like acute myeloid leukaemia (AML) and select solid tumours. IND Enabling studies ongoing. The program is expected to start Phase I clinical trial in 2022
PRMT5	Lymphoma, GBM, Brain metastasis	Epigenetics	Best in class lead molecule with good plasma and sustained brain exposure with strong anti-tumor activity in both xenografts and orthotopic glioblastoma models so that it can address tumors like GBM and brain metastasis. IND submission planned in 2022
PAD4	Rheumatoid arthritis, Acute indications	Epigenetics	First-in-class PAD4 inhibitor with potential to address unmet needs in auto-immune disorders like rheumatoid arthritis and acute indications like oncology. Demonstrated efficacy in multiple animal models. IND submission planned in 2022
PDL-1	Multiple cancers	Immuno-oncology	Small molecule therapy with comparable efficacy to large molecules with potentially better safety profiles in initial studies. IND submission planned in 2022
Partnered programs			
Undisclosed target	Oncology	Undisclosed	Partnered with Frazier Healthcare Partners in 2020
BRD4	Oncology	Epigenetics	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)*

Debt Profile

Particulars	31-Mar-21	30-Jun-21
Foreign Currency Loans	(US$ m)	(US$ m)
Subsidiaries	350	350
Total	**350**	**350**
Foreign Currency Loans (Rs Crore)	**2,559**	**2,602**
Rupee Loans	(Rs Crore)	(Rs Crore)
Standalone	0	0
Subsidiaries	41	29
Total	41	29
Gross Debt	(Rs Crore)	(Rs Crore)
Standalone	0	0
Subsidiaries	2,600	2,630
Total	**2,600**	**2,630**
Cash & Equivalent	671	937
Net Debt	**1,928**	**1,694**
Change in debt on account of exchange rate difference from 31 March 2021		-43
Net Debt (on constant currency basis)	**1,928**	**1,651**
QoQ change		**-277**
Closing exchange rate (US$/ Rs)	73.11	74.33

- **Net Debt (constant currency) reduced by Rs 277 Crore in Q1'FY22. Net Debt to EBITDA stood at 1.03x at end of Q1'FY22**
- **Average blended interest rate for Q1'FY22 was at 4.64%, as against 5.26% in Q1'FY21**

Business outlook

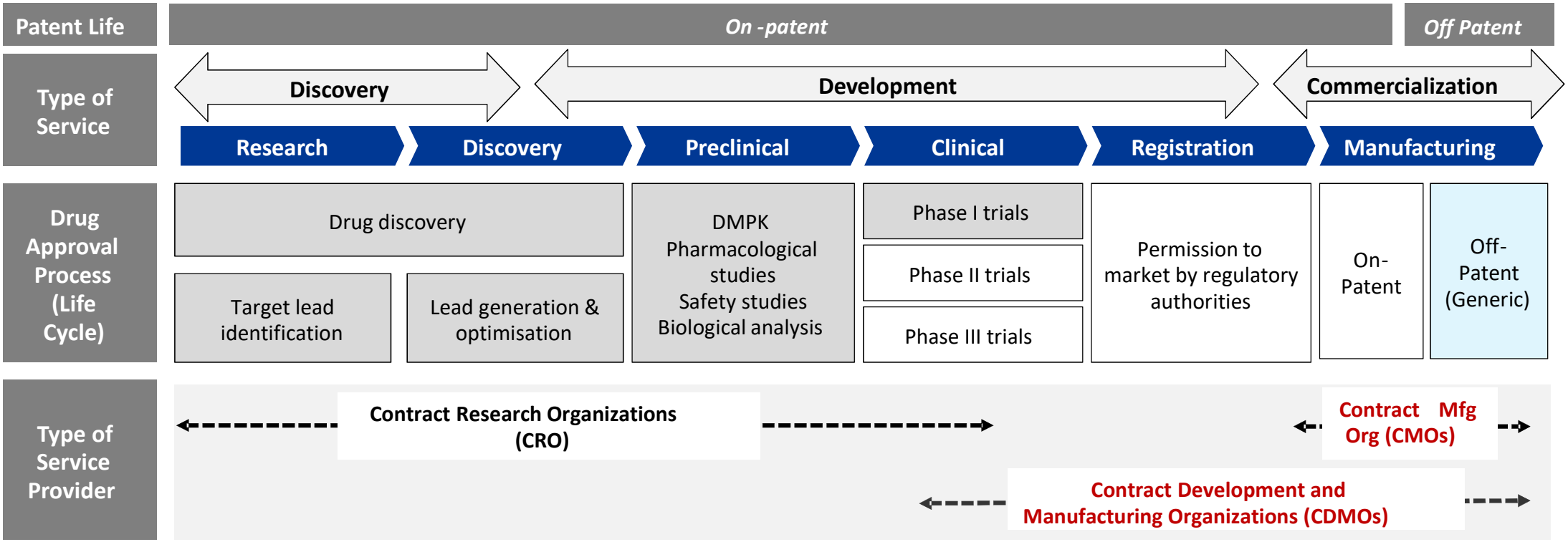
- **Pharma:** In radiopharma, we continue to build a long term pipeline of radiopharmaceuticals and are executing a turnaround plan of radiopharmacies. In CMO, we have a strong visible order book. We are expanding Spokane capacity by 50% that will come into commercial operations by end CY24. The capacity expansion is on track. We expect performance of Generics to be impacted to some extent due to the import alert
- **Contract Research and Development Services (CRDS):** The business will continue to grow especially with the commissioning of additional capacity
- **Proprietary Novel Drugs**: We plan to take one drug candidate to Phase I clinical trials in H2'FY22
- **Capex:** We expect to incur capex of Rs 700-800 Crore in FY22 that includes expansion at Spokane site and of the CRDS capacity
- **Consolidated effective tax rate:** ETR of Jubilant Pharmova Limited for Q1'FY22 is 34.9%. The company's cash tax outflow is estimated to be at approximately 24% for the next three years. After exhaustion of the MAT credit, the Company's effective tax rate is expected to come down to around 25% in three years' timeframe

Corporate Announcement

Corporate Announcement

Board Approval for Reorganisation of API Business	The Board of Directors of Jubilant Pharmova Limited (**"JPM"**), at its meeting held on July 23, 2021, has approved the demerger of the Active Pharmaceutical Ingredients (API) undertaking of Jubilant Generics Limited ("JGL" - a wholly owned subsidiary of the Company) and vesting of the same with JPM, on a going concern basis (**"Proposed Demerger"**), to be implemented through a scheme of arrangement between JGL and JPM and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (**"Proposed Scheme"**).
Objectives / Rationale	▪ Creation of a small molecule discovery and chemistry focused vertical present across value chain of CRO & CDMO of Innovative and Generic API ▪ This will strengthen and sustain long-term growth, profitability, market share, customer service, risk management as it requires focused management attention, different skill sets and resources. ▪ Synergies between CRO & CDMO businesses can be realized more effectively in a Holding / Subsidiary Company structure as compared to fellow subsidiary structure. ▪ This would also help in supporting our customers for their needs from early stage of research to commercialization of active ingredients, and will provide competitive edge to this business

The reorganisation will ensure presence across the value chain



Jubilant Offerings

Biosys (CRO/CDMO)	JGL (CMO Generics API)	White space opportunity

The reorganisation will enable **common management** of CRO CDMO business of Innovative and Generic API

Global small molecule API CDMO / CMO market was estimated at USD 45 bn in 2020 The overall CDMO market is expected to grow at ~6-8% CAGR over the next 2-3 years.

Appendix

Income Statement – Q1'FY22[2]

Particulars[1]	Q1'FY21	Q1'FY22	YoY (%)
Total Revenue from Continuing Operations	**1,156**	**1,635**	**41%**
Pharmaceuticals	**1,096**	**1,541**	**41%**
Contract Research and Development Services	**57**	**88**	**55%**
Proprietary Novel Drugs	**4**	**0**	**-**
Unallocable Corporate Income	**0**	**5**	**NA**
EBITDA from Continuing Operations	**195**	**388**	**100%**
Pharmaceuticals	**179**	**362**	**102%**
Contract Research and Development Services	**18**	**34**	**90%**
Proprietary Novel Drugs	**-2**	**-8**	**-**
Unallocated Corporate (Expenses)/Income	-11	-9	**-**
Reported EBITDA	**183**	**379**	**107%**
Depreciation and Amortization	82	88	**8%**
Finance Cost	48	35	**(28%)**
Profit before Tax (Before share of profit in Associates / E	**54**	**256**	**-**
Profit / (Loss) from Associates	0	-10	
Profit before Tax	**54**	**247**	**360%**
Tax Expenses (Net)	18	86	
PAT	**35**	**160**	**353%**
EPS - Face Value Re. 1 (Rs.)	**2.2**	**10.1**	
Segment EBITDA Margins	**16.8%**	**23.8%**	
Pharmaceuticals	**16.3%**	**23.5%**	
Contract Research and Development Services	**31.7%**	**38.8%**	
Reported EBITDA Margin	**15.8%**	**23.2%**	
Net Margin	**3.1%**	**9.8%**	

1. *All figures are in Rs Crore unless otherwise stated*
2. *Q1'FY21 financials include only the continuing business*

For more information

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