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PRESS RELEASE

Noida, Friday, May 27, 2022

JUBILANT PHARMOVA – Q4' & FY22 RESULTS

Particulars ^{1,2}	Q4'FY21	Q4'FY22	FY21	FY22
Total Revenue from Operations	1,580	1,528	6,099	6,130
Reported EBITDA	381	244	1,414	1,168
Reported EBITDA margin (%)	24.1%	16.0%	23.2%	19.0%
Profit After Tax	173	59	574	413
PAT margin (%)	10.9%	3.9%	9.4%	6.7%
EPS (Rs)	10.86	3.74	36.05	26.00

The Board of Jubilant Pharmova Limited met today to approve financial results for the quarter ended March 31, 2022.

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

"In FY 2022, the Company reported stable revenues, despite COVID-19 challenges, due to the diverse range of our businesses. Improved performance in Specialty Pharma business and strong growth in the Contract Research business was offset by lower revenues in the CMO, API and Generics businesses.

In Q4'FY22, the Company witnessed healthy improvement in operating performance sequentially due to growth in both Pharmaceuticals and Contract Research businesses, however on a YoY basis performance stood lower due to weaker performance in the Pharmaceuticals segment.

The Pharmaceuticals segment sequentially witnessed healthy improvement in revenues in all businesses. On a YoY basis, we witnessed growth in Radiopharma and Allergy Immunotherapy businesses and lower performance in CMO business due to tapering of COVID related revenues, lower volumes in Generics business due to import alert and lower volumes in API business.

The Contract Research and Development Services business, continued to witness strong growth both on a YoY and sequential basis driven by robust demand from our customers for our Drug Discovery Services.

In the Proprietary Novel Drugs business, our lead program – LSD1/HDAC6 inhibitor has successfully started Phase I/ II trials. Additional IND filings with FDA for pipeline programs are expected to follow in FY 23

We are glad to share that the API demerger is progressing as per plan and is expected to be effective from July 2022 onwards with April 1, 2022 as the appointed date. This demerger will enable to create Synergies between CRO & CDMO businesses and 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.

We are also glad to share that the Board has recommended a final dividend of 500% i.e. Rs 5 per equity share of face value of Re 1 each for the FY'22

We would like to mention that over the medium term, we have strong growth levers in all our businesses. To drive growth in these businesses, Company will continue to invest accordingly."

1. All figures are in Rs Crore unless otherwise stated
2. Q4'FY21 and FY21 financials include only continuing business



Q4'FY22 Highlights

A. Consolidated financials

- Revenue was at Rs 1,528 Crore versus Rs 1,580 Crore in Q4'FY21
- Reported EBITDA at Rs 244 Crore versus Rs 381 Crore in Q4'FY21
- Finance costs at Rs 40 Crore vs. Rs 43 Crore in Q4'FY21
- PAT was at Rs 59 Crore as compared with Rs 173 Crore in Q4'FY21
- EPS is Rs 3.74 versus Rs 10.86 in Q4'FY21
- Capital expenditure for the quarter was Rs 87 Crore

Segment Wise Analysis

B. Pharmaceuticals Segment

Particulars ^{1,2}	Q4'FY21	Q4'FY22	YoY (%)
Revenue	1,486	1,380	-7%
Specialty Pharma	602	695	15%
CDMO	574	466	(19%)
Generics	309	219	(29%)
Reported EBITDA	366	223	(39%)
Reported EBITDA Margin (%)	24.6%	16.2%	

- Pharmaceuticals revenue at Rs 1,380 Crore vs. Rs 1,486 Crore in Q4'FY21
- Radiopharma business witnessed improvement in sales both YoY and sequentially, driven by recovery from easing of COVID-19 pandemic and some customer order scheduling
 - Ruby-Fill installations shows encouraging trend, increased strongly during Q4'FY22 vs. Q3'FY22
 - Radiopharmacy business witnessed growth YoY due to higher volumes. Turnaround plan is working well reflected by higher volumes and lower losses
- Allergy Immunotherapy continued to report robust performance reflected by growth in volumes both YoY and sequentially. Business continues to operate at volumes higher than pre-COVID levels. In addition to robust growth in the US market, business witnessing healthy growth in Non-US markets as well
- CMO business is operating at normal pre-pandemic levels now, COVID related one-off deals tapered off as indicated earlier
- API business witnessed better performance sequentially however on YoY basis performance was lower due to decline in volumes resulting from stabilization issues after shutdown in Q3'FY22
- Generics Business performance was driven by
 - Lower volumes due to import alert at Roorkee plant
 - Pricing pressure in the US market
 - Lower Remdesivir sales due to fewer hospitalisations
- Business has relaunched impurity free Losartan HCTZ in the market and gaining market share. We have also recently launched impurity free Losartan and expect to gain market share in Q1'FY23
- With regards to Roorkee import alert, our remediation activities are ongoing as per plan and we expect to complete the same by mid of CY 2022
- EBITDA was recorded at Rs 223 Crore as compared with Rs 366 Crore in Q4'FY21. EBITDA margin of 16.2% as compared to 24.6% in Q4'FY21



- In Q4'FY22, on YoY basis while Radiopharma business' profitability increased due to recovery from Covid-19, overall profitability in Pharmaceuticals segment was lower due to the impact of Import alert, lower volumes in API business, tapering of COVID related one-off deals in CMO business and pricing pressure in the US generics market

C. Contract Research and Development Services Segment

Particulars ^{1,2}	Q4'FY21	Q4'FY22	YoY (%)
Revenue	94	142	51%
Reported EBITDA	41	53	30%
Reported EBITDA Margin (%)	43.7%	37.6%	

- Revenue at Rs 142 Crore increased by 51% YoY led by robust volume growth
 - Higher demand from biotech companies for integrated services, functional chemistry and DMPK, Discovery Biology and Clinical trial data management support through Trial stat, Canada.
 - Volumes increase supported by the recently commissioned facility at Greater Noida
 - Strong capex plan underway in view of robust demand conditions in this business
- Reported EBITDA at Rs 53 Crore vs. Rs 41 Crore in Q4'FY21 with a margin of 37.6% vs. 43.7% in Q4'FY21

FY22 Highlights

A. Consolidated financials

- Revenue was Rs 6,130 Crore versus Rs 6,099 Crore in FY21
 - Reported EBITDA at Rs 1,168 Crore versus Rs 1,414 Crore in FY21
 - Finance costs at Rs 145 Crore vs. Rs 184 Crore in FY21
 - Average blended interest rate for FY22 improved to 4.56% from 5.07% in FY21
 - Effective Tax Rate of 34.5% vs. 34.1% in FY21.
 - PAT was at Rs 413 Crore as compared with Rs 574 Crore in FY21
 - EPS is Rs 26.0 versus Rs 36.05 in FY21
 - Capital expenditure for the year was Rs 437 Crore
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Segment Wise Analysis

B. Pharmaceuticals Segment

Particulars ^{1,2}	FY21	FY22	YoY (%)
Revenue	5,790	5,651	-2%
Specialty Pharma	2,303	2,611	13%
CDMO	2,010	1,875	(7%)
Generics	1,476	1,164	(21%)
Reported EBITDA	1,386	1,087	(22%)
Reported EBITDA Margin (%)	23.9%	19.2%	

- Pharmaceuticals revenue at Rs 5,651 Crore vs. Rs 5,790 Crore in FY21
- Pharmaceuticals EBITDA at Rs 1,087 Crore vs. Rs 1,386 Crore in FY21. EBITDA margin of 19.2% as compared to 23.9% in FY21
- Radiopharmaceuticals business saw recovery in revenues during the year. Demand conditions yet to reach pre COVID levels
- Radiopharmacy business during FY22 close to pre-COVID levels and witnessed growth during the year. Turnaround plan is on track and is showing encouraging results
- Allergy Immunotherapy reported robust performance with strong recovery from COVID-19 backed by healthy growth in revenues resulting from volumes higher than pre COVID levels. In addition to robust growth in the US market, business witnessing healthy growth in Non-US markets as well
- CMO business reported marginally lower revenues due to decline in COVID-19 related revenue which tapered off in H2'FY22.
- API revenue was lower during the year, as performance was impacted due to lower volumes resulting from plant shutdown and pricing pressure in some key products
- Generics revenue during the period stood lower due to the impact of Import Alert, lower remdesivir sales in H2'FY22, one-time impact of voluntary withdrawal of some sartan products in Q2'FY22 and pricing pressure in the US market

C. Contract Research and Development Services Segment

Particulars ^{1,2}	FY21	FY22	YoY (%)
Revenue	305	457	50%
Reported EBITDA	109	169	56%
Reported EBITDA Margin (%)	35.6%	37.0%	

- Revenue at Rs 457 Crore increased by 50% YoY led by robust volume growth
 - Higher demand from biotech companies for integrated services, functional chemistry and DMPK, Discovery Biology and Clinical trial data management support through Trial stat, Canada.
 - Volumes increase supported by the recently commissioned facility at Greater Noida
 - Strong capex plan underway in view of robust demand conditions in this business
- Reported EBITDA at Rs 169 Crore vs. Rs 109 Crore in FY21 with a margin of 37.0% vs. 35.6% in FY21



Debt Profile

Particulars	31-03-21	30-09-21	31-12-21	31-03-22
Gross Debt	(Rs. Crs)	(Rs. Crs)	(Rs. Crs)	(Rs. Crs)
Long Term	2,580	2,635	2,825	2,874
Short Term	20	91	33	64
Total	2,600	2,726	2,859	2,938
Cash & Equivalent	671.3	862.9	1,022	984
Net Debt (On a Constant Currency Basis)	1,928	1,823	1,792	1,860

- Net Debt (constant currency) reduction of Rs 69 Crore in FY22
- Average blended interest rate for FY22 improved to 4.56% from 5.07% in FY21

Business Outlook

Pharma: In radiopharma, we continue to build a long term pipeline of diagnostic and therapeutic radiopharmaceuticals and are executing a turnaround plan of radiopharmacies, which is showing encouraging results. I131 MIBG clinical trials underway with launch expected in FY25. Medium-long term outlook remains robust. Allergy business well placed to grow strongly with healthy margins over the medium term. We expect the CMO business to operate at normal pre-COVID levels for next 2-3 years before new capacity comes upstream and drive volumes. Generics business' performance to improve going forward as the sartans impurity issue stands resolved and exempted products sales in the US has restarted, however pricing pressure in the US market is an overhang. Resolution of regulatory issues to further improve performance of this business.

Contract Research and Development Services (CRDS): The business will continue to grow especially with commissioning of the State of the art Greater Noida facility. DMPK expansion at the Greater Noida is underway. We are committing further investments towards capex in this business as we have high capacity utilizations amid strong demand climate. API business is planning asset replacement programs in H1'FY23 for plant upgradation and capacity expansion with volumes expected to normalize in H2'FY23

Investments and Growth: We are accelerating capacity expansions to create new capabilities in our businesses. We expect to incur capex of around Rs 700-750 Crore in FY23 primarily towards expansion in CMO business and enhancement of CRDS capabilities and capacities. In addition, we expect product development expenditure of Rs 250-300 Crore. In view of the strong demand from our customers, we have approved further expansion of the Greater Noida facility which will deliver both Chemistry and DMPK services

Proprietary Novel Drugs: Our lead program – Our lead program – LSD1/HDAC6 inhibitor has successfully started Phase I/ II trials in patients with solid tumors. Additional IND filings with FDA for pipeline programs are expected to follow in FY 23. We have transformed Jubilant Therapeutics to a clinical stage biotech with higher value creation opportunities driven by emerging data from first-in-human studies, including potential capital raise at portfolio level as well as individual asset partnering/ monetization.

Consolidated effective tax rate: ETR of Jubilant Pharmova Limited for FY22 is 34.5%. The company's cash tax rate is estimated to be at approximately 25% for the next three years based on the current tax structure in key geographies.



Income Statement – Q4 & FY22^{1,2}

Particulars ^{1,2}	Q4'FY21	Q4'FY22	YoY (%)	FY21	FY22	YoY (%)
Total Revenue from Continuing Operations						
Pharmaceuticals	1,486	1,380	(7%)	5,790	5,651	(2%)
Contract Research and Development Services	94	142	51%	305	457	50%
Proprietary Novel Drugs	0	0	-	4	2	(50%)
Unallocable Corporate Income	0	6	-	0	20	-
Total Revenue	1,580	1,528	-3%	6,099	6,130	1%
EBITDA from Continuing Operations						
Pharmaceuticals	366	223	(39%)	1,386	1,087	(22%)
Contract Research and Development Services	41	53	30%	109	169	56%
Proprietary Novel Drugs	-5	-12	-	-13	-35	-
Unallocated Corporate (Expenses)/Income	-21	-20	-	-67	-54	-
Reported EBITDA	381	244	(36%)	1,414	1,168	(17%)
Depreciation and Amortization	86	101	17%	349	382	9%
Finance Cost	43	40	(9%)	184	145	(21%)
Profit / (Loss) from Associates	14	1	-	11	-10	-
Exceptional Items	10	0		21	0	
Profit before Tax	256	106	(59%)	871	630	(28%)
Tax Expenses (Net)	83	47	(44%)	297	217	(27%)
PAT	173	59	(66%)	574	413	(28%)
EPS	10.86	3.74	(66%)	36.05	26.00	(28%)
Margins						
Pharmaceuticals	24.6%	16.2%		23.9%	19.2%	
Contract Research and Development Services	43.7%	37.6%		35.6%	37.0%	
Reported EBITDA Margin	24.1%	16.0%		23.2%	19.0%	
Net Margin	10.9%	3.9%		9.4%	6.7%	

1. All figures are in Rs Crore unless otherwise stated
2. Q4'FY21 and FY21 financials include only the continuing business

Earnings Call details

The company will host earnings call at 5.00 PM IST on May 27, 2022

Participants can dial-in on the numbers below

Primary Number: + 91 22 6280 1141 / + 91 22 7115 8042

Toll Free Numbers:

USA: 1 866 746 2133

UK: 0 808 101 1573

Singapore: 800 101 2045

Hong Kong: 800 964 448

Replay: May 27 to June 03, 2022

Dial-in: +91 22 7194 5757/ +91 22 6663 5757

Playback ID: 75517#



About Jubilant Pharmova Limited

Jubilant Pharmova Limited (formerly Jubilant Life Sciences Limited) is a company engaged in Pharmaceuticals, Contract Research and Development Services and Proprietary Novel Drugs businesses. Pharmaceuticals business through Jubilant Pharma Limited Singapore (JPL) is engaged in manufacturing and supply of Radiopharmaceuticals with a network of 48 radio-pharmacies in the US, Allergy Immunotherapy, Contract Manufacturing of Sterile Injectables and Non-sterile products, APIs and Solid Dosage Formulations through six manufacturing facilities that cater to all the regulated market including USA, Europe and other geographies. Jubilant Biosys Limited provides contract research and development services through two world class research centers in Bangalore and Noida in India. Jubilant Therapeutics is involved in Proprietary Novel Drugs business and is an innovative biopharmaceutical company developing breakthrough therapies in the area of oncology and auto-immune disorders. Jubilant Pharmova Limited has a team of over 6,000 multicultural people across the globe. The Company is well recognized as a 'Partner of Choice' by leading pharmaceuticals companies globally. For more information, please visit: www.jubilantpharmova.com

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