



Jubilant Life Sciences Ltd.

1A, Sector 16A, Noida – 201301, India

Tel.: +91 120 4361000

<http://www.jubl.com>

PRESS RELEASE

Noida, Friday, Jan 31, 2020

JUBILANT LIFE SCIENCES – Q3 & 9M'FY20 RESULTS

Revenue at Rs. 2,315 Crore lower by 3% YoY; EBITDA at Rs 513 Crore lower by 2% YoY and higher by 7% QoQ

The Board of Jubilant Life Sciences Limited, an integrated global pharmaceutical and life sciences company met today to approve financial results for the quarter ended December 31, 2019.

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

“We reported stable performance YoY and growth in EBITDA with better margins sequentially and PAT was lower due to certain exceptional charges. Demand conditions across all Pharma businesses, Specialty Intermediates and Nutritional Products are strong. Overall we are confident of delivering strong performance going forward.

Pharmaceutical segment reported steady revenue growth during the quarter. We witnessed healthy growth in Allergy Therapy Products and API businesses with stable performance in Radiopharma, CMO and Generics. EBITDA at Rs 411 Crore was up 6% YoY and 7% QoQ with margin of 28.4%, an improvement of 112 bps YoY and 180 bps QoQ. Adjusted EBITDA of Pharmaceutical segment at Rs 414 Crore was 8% higher YoY with a margin of 28.6%.

LSI segment revenue at Rs 797 Crore was lower 11% YoY but up 6% QoQ led by growth in Specialty Intermediates and Nutritional Products. Life Science Chemicals business' revenue at Rs 381 Crore was down 30% YoY due to lower input prices of Acetic Acid. LSI EBITDA at Rs 100 Crore was down 21% YoY but up 10% sequentially with margins of 12.6%.

The Drug Discovery Services business reported robust growth of 26% YoY in revenue and a ~2.7x increase in EBITDA with margin of 25% during the quarter. In view of the strong demand, we are making significant investments in this business to double capacities over the next 2-3 years.

In our Proprietary Drug Discovery business we are working on more than six 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.”



Q3'FY20 Highlights

Consolidated

- Revenue at Rs 2,315 Crore, a decrease of 3% YoY and an increase of 2% QoQ
- EBITDA at Rs 513 Crore decreased 2% YoY but increased 7% sequentially. EBITDA margin at 22.2% vs. 22% in Q3'FY19 and 21.2% in Q2'FY20
- Adjusted EBITDA after one-off expenses at Rs 516 Crore vs. Rs 518 Crore in Q3'FY19. Adjusted EBITDA margin for the quarter is 22.3% vs. 21.8% in Q3'FY19
- Finance costs at Rs 72 Crore vs. Rs 53 Crore in Q3'FY19 and Rs 72 Crore in Q2'FY20
- Exceptional charge of Rs 23 Crore related to prepayment of high yield bonds and NCDs and Rs 11 Crore related to write-off of fixed assets not in use. Q3'FY19 charge of 15 Crore is related to IFC Stock settlement charge
- PAT at Rs 203 Crore down 22% YoY and 18% QoQ. EPS of Rs 12.8 for Re 1 FV
- Capital Expenditure of Rs. 111 Crore
- Gross Debt at Rs. 4,048 Crore and Net debt at Rs. 3,362 Crore
 - Net debt at Rs. 3,273 Crore on a constant currency basis
 - Average blended interest rate for 9M'FY20 @ 6.08%; INR loans @ 8.21% and USD loans @ 5.34%

Segment Wise Analysis

A. Pharmaceuticals Segment

- Pharmaceuticals revenue at Rs 1,450 Crore, an increase of 2% YoY, contributing 63% to the company's revenue as compared to 60% in Q3'FY19
- EBITDA at Rs 411 Crore increased by 6% YoY and 7% QoQ with a margin of 28.4% as compared to 27.2% in Q3'FY19 and 26.6% in Q2'FY20.
- Adjusted EBITDA at Rs 414 Crore increased by 8% YoY with a margin of 28.6% as compared to 26.9% in Q3'FY19
- R&D spent during the quarter of Rs. 72 Crore – 5% of segment's sales. R&D debited to P&L is Rs. 55 Crore – 3.8% of segment's sales

B. Life Science Ingredients Segment

- LSI revenue at Rs 797 Crore, decreased by 11% YoY and increased by 6% QoQ, contributing 34% to the company's revenues
- EBITDA at Rs 100 Crore decreased by 21% YoY and increased by 10% QoQ with margin of 12.6% as compared to 14% in Q3'FY19

C. Drug Discovery & Development Solutions¹ Segment

- Revenue increased by 26% YoY to Rs 68 Crore led by growth in Drug Discovery Services business
- EBITDA at Rs 17 Crore with margin of 25.4%
 - Drug Discovery Services EBITDA increased to Rs 21 Crore from Rs 5 Crore in Q3'FY19. Margin improvement to 31.1% from 8.6% in Q3'FY19





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

9M'FY20 Highlights

Consolidated

- Revenue at Rs 6,763 Crore, increase of 1% from Rs 6,725 Crore in 9M'FY19
- EBITDA flat at Rs 1,438 Crore as compared to Rs 1,423 Crore in 9M'FY19. EBITDA margin at 21.3% against 21.2% in 9M'FY19
- Adjusted EBITDA after one-off expenses at Rs 1,512 Crore vs. Rs 1,432 Crore in 9M'FY19, growth of 6% YoY. Adjusted EBITDA margin in 9M was 22.4% vs. 21.3% in 9M'FY19
- Finance costs at Rs 216 Crore as compared to Rs 158 Crore in 9M'FY19.
- Exceptional charge of Rs 23 Crore related to prepayment of high yield bonds and NCDs and Rs 11 Crore related to write-off of fixed assets not in use. 9M'FY19 charge of 45 Crore is related to IFC Stock settlement charge
- Net Profit at Rs 638 Crore down 5% YoY. EPS of Rs 40.0 for Re 1 FV
- Capital Expenditure of Rs. 428 Crore

Segment Wise Analysis

D. Pharmaceuticals Segment

- Revenue at Rs 4,231 Crore, increased 7% YoY
- EBITDA at Rs 1,127 Crore up 4% YoY with a margin of 26.6% as compared to 27.6% in 9M'FY19
- Adjusted EBITDA at Rs 1,192 Crore increased 9% YoY with a margin of 28.2% as compared to 27.8% in 9M'FY19. One-off expenses of Rs 65 Crore related to related to site remediation, litigation expenses and penalties on non-supply
- R&D spent during 9M at Rs. 186 Crore – 4.4% to segment sales. R&D debited to P&L is Rs. 157 Crore – 3.7% to segment sales

E. Life Science Ingredients Segment

- LSI revenue at Rs 2,356 Crore, decrease of 11% YoY
- EBITDA at Rs 313 Crore decreased by 9% YoY with margin of 13.3% as compared to 13.1% in 9M'FY19.
- Adjusted EBITDA at Rs 321 Crore, with a margin of 13.6% as compared to 13.1% in 9M'FY19

F. Drug Discovery & Development Solutions Segment

- Revenue increased 18% YoY to Rs 176 Crore
- EBITDA at Rs 39 Crore a YoY increase of 108%
 - Drug Discovery Services EBITDA increased to Rs 50 Crore up 168% YoY. Margin improvement to 28.3% from 12.5% in 9M'FY19





Particulars ¹	Q3'FY19	Q3'FY20	YoY Growth	9M'FY19	9M'FY20	YoY Growth
Total Revenue from Operations	2,377	2,315	(3%)	6725	6,763	1%
Pharmaceuticals	1,424	1,450	2%	3943	4,231	7%
Life Science Ingredients	899	797	(11%)	2633	2,356	(11%)
Drug Discovery & Development Solutions	54	68	26%	149	176	18%
Total Expenditure	1,884	1,819	(3%)	5344	5,364	0%
Other Income	29	6		42	28	
Segment EBITDA	519	528	2%	1450	1,478	2%
Pharmaceuticals	388	411	6%	1087	1,127	4%
Life Science Ingredients	126	100	(21%)	344	313	(9%)
Drug Discovery & Development Solutions	5	17	270%	19	39	108%
Corporate (Expenses)/Income	4	(15)		(27)	(40)	
Reported EBITDA	522	513	(2%)	1423	1,438	1%
Depreciation and Amortization	98	113	15%	276	333	21%
Finance Cost	53	72	36%	158	216	37%
Profit before Tax	371	328	(12%)	989	889	(10%)
Exceptional Items	15	35		45	35	
Profit before Tax (After Exceptional Items)	356	293	(18%)	944	855	(9%)
Tax Expenses (Net)	88	90	2%	266	217	(19%)
Minority Interest	7	0	-	4	0	-
PAT	261	203	(22%)	674	638	(5%)
Earnings Per Share - Face Value Re. 1 (Rs.)	16.7	12.8		43	40.0	
Segment EBITDA Margins	21.8%	22.8%		21.6%	21.9%	
Pharmaceuticals	27.2%	28.4%		27.6%	26.6%	
Life Science Ingredients	14.0%	12.6%		13.1%	13.3%	
Drug Discovery & Development Solutions	8.6%	25.4%		12.5%	22.0%	
Reported EBITDA Margin	22.0%	22.2%		21.2%	21.3%	
Net Margin	11.0%	8.8%		10.0%	9.4%	

- In Q3'FY20 and 9M'FY20 Exceptional charge of Rs 23.3 Crore was related to prepayment of high yield bonds and NCDs and Rs 11.3 Crore related to asset write-off. Q3'FY19 and 9M'FY19 charge of 15 Crore and Rs 45 Crore, respectively, was due to IFC Stock settlement charge

Earnings Call details

The company will host earnings call at 5.00 PM IST on January 31, 2020, to discuss the performance and answer questions from participants.

Participants can dial-in on the numbers below

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

Local Access Number: +91-7045671221 (Available all over India)

Toll Free Numbers:

USA: 1 866 746 2133

UK: 0 808 101 1573

Singapore: 800 101 2045

Hong Kong: 800 964 448

About Jubilant Life Sciences Limited

Jubilant Life Sciences Limited is an integrated global pharmaceutical and life sciences company engaged in Pharmaceuticals, Life Science Ingredients and Drug Discovery & Development Solutions businesses. 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. The Life Science Ingredients segment, is engaged in Specialty Intermediates, Nutritional Products and Life Science Chemicals through five manufacturing facilities in India. Drug Discovery & Development Solutions comprises Drug Discovery Services (DDS) business through Jubilant Biosys Limited & Jubilant Chemsys Limited and Proprietary Drug Discovery business through Jubilant Therapeutics. DDS provides innovation and collaborative research through two world class research centers in Bangalore and Noida in India and Proprietary Drug Discovery is an innovative biopharmaceutical company developing breakthrough therapies in the area of oncology and auto-immune disorders. Jubilant Life Sciences Limited has a team of around 7,700 multicultural people across the globe and is committed to deliver value to its customers across over 100 countries. The Company is well recognized as a 'Partner of Choice' by leading pharmaceuticals and life sciences companies globally. For more info: www.jubl.com.

For more information, please contact:

For Investors

Ravi Agrawal / Vineet Mayer
Jubilant Life Sciences Limited
Ph: +91-120 436 1002 / 1021
E-mail: ravi.agrawal@jubl.com
vineet.mayer@jubl.com

Siddharth Rangnekar
CDR India
Ph: +91 22 6645 1209
E-mail: siddharth@cdr-india.com

For Media

Sudhakar Safaya
Jubilant Life Sciences Limited
Ph: +91-120 436 1034
E-mail: sudhakar.safaya@jubl.com

Gaurav Kashyap
Perfect Relations
Ph: +91 9871298413
E-mail: gaurav.kashyap@perfectrelations.com

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 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 its reports to shareholders. The company assumes no obligation to update forward-looking statements to reflect actual results, changed assumptions or other factors.

