

PRESS RELEASE

Noida, Saturday, Oct 28, 2017

JUBILANT LIFE SCIENCES – Q2/H1 FY2018 RESULTS

The Board of Jubilant Life Sciences Limited, an integrated global pharmaceutical and life sciences company met today to approve financial results for the quarter and half year ended September 30, 2017.

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 are happy to report another quarter of strong performance in our Specialty Pharmaceuticals - Injectables and our Life Science Ingredients businesses. The acquisition of Triad’s radiopharmacy business has been successfully completed, which will add to our niche Specialty Injectables portfolio. The Life Science Ingredients segment has delivered strong performance on higher demand and healthy price environment. The implementation of the new GST regime was smoothly implemented across the Company. We are confident of delivering significantly higher performance in H2’FY18 across all the businesses. We continue to focus on cash generation to aid debt reduction and further strengthen the balance sheet.”

Corporate Action:

Jubilant Pharma Limited (JPL), a material wholly owned subsidiary of the Company, through one of its wholly owned subsidiaries, successfully completed the acquisition of the US radiopharmacy business of Triad Isotopes, Inc. on September 1, 2017. Accordingly, the Q2/H1’FY18 revenues include Rs. 103 Crore pertaining to one-month revenue of the acquired entity.

Q2 FY18 Highlights

- Consolidated revenue at Rs. 1,642 Crore; up 19% YoY
 - Pharmaceuticals revenue at Rs. 860 Crore, contributing 52% to the revenues, up 12% YoY
 - Life Science Ingredients revenue at Rs. 738 Crore, contributing 45% to the revenues, up 27% YoY
 - Drug Discovery Solutions revenue at Rs. 44 Crore, contributing 3% to the revenues, up 16% YoY
 - International revenues at Rs. 1,181 Crore, contributing 72% to the revenues; growing 20% YoY
- EBITDA from Operations of Rs. 332 crore with margins of 20.2% after giving effect to one-off acquisition related costs of Rs. 19 Crores
 - Pharmaceuticals EBITDA of Rs. 211 crore with margins of 24.5%
 - Life Science Ingredients EBITDA at Rs. 131 Crore; growth of 28% YoY and 21% QoQ; margins at 17.7%

- Drug Discovery Solutions EBITDA at Rs. 5 Crore, margins at 10.7%
- Finance costs lower 17% YoY at Rs. 66 Crore from Rs. 80 Crore in Q2'FY17. This includes Rs. 10 Crore for charge on stock settlement instrument, being a non-cash debit to P&L, on account of convertible instrument issued to IFC of US\$ 60 Million as a mandatory conversion option at IPO of JPL
- PAT at Rs. 128 Crore, with Net Margins at 7.8% and EPS of Rs. 8.23 for Re. 1 FV; Normalized EPS of Rs. 9.03
- Capital Expenditure of Rs. 88 Crore in Q2'FY18

H1 FY18 Highlights

- Consolidated revenue at Rs. 3,198 Crore; up 14% YoY
 - Pharmaceuticals revenue at Rs. 1,675 Crore, up 10% YoY, contributing 52% to the revenues
 - LSI revenue at Rs. 1,438 Crore, up 20% YoY, contributing 45% to the revenues
 - Drug Discovery Solutions revenue at Rs. 85 Crore, contributing 3% to the revenues
 - International revenues at Rs. 2,312 Crore, contributing 72% to the revenues; growing 14% YoY
- EBITDA from Operations of Rs. 677 crore with margins of 21.2% after giving effect to one-off acquisition related costs of Rs. 19 Crores
 - Pharmaceuticals EBITDA of Rs. 463 crore with margins of 27.6%
 - Life Science Ingredients EBITDA at Rs. 239 Crore, up 9% YoY; margins at 16.6%, Contributes 36% to the company's EBITDA
 - Drug Discovery Solutions segment EBITDA at Rs. 5 Crore
- Finance costs lower 17% YoY at Rs. 135 Crore from Rs. 163 Crore in H1'FY17. This includes Rs. 24 Crore for charge on stock settlement instrument, being a non-cash debit to P&L, on account of convertible instrument issued to IFC of US\$ 60 Million as a mandatory conversion option at IPO of JPL
- PAT at Rs. 275 Crore, with Net Margins at 8.6% and EPS of Rs. 17.67 for Re. 1 FV; Normalized EPS of Rs. 18.48
- Capital Expenditure of Rs. 186 Crore in H1'FY18

Pharmaceuticals Segment Highlights

Q2 FY18

- Revenues at Rs. 860 Crore, up 12% YoY
 - Specialty Pharmaceuticals - Injectables revenues of Rs. 531 Crore reported robust growth of 42% YoY and 13% QoQ; contributing 62% to Pharma segment sales and 32% to Company revenue
 - Generics revenues at Rs. 329 crore, contributing 38% to segment sales and 20% to Company revenue
- Region-wise Revenue break-up
 - Revenues from North America at Rs. 672 Crore, contributing 78% to the revenues; up 27% YoY and 10% QoQ
 - Revenues from Europe and Japan were at Rs. 86 Crore, contributing 10% to revenues
 - Revenues from Rest of the World stood at Rs. 72 Crore, contributing 8% to the revenues

- India revenues stood at Rs. 30 Crore, Contributing 3% to the revenues
- EBITDA of Rs. 211 crore with margins of 24.5% aided by improvement in Specialty Pharmaceuticals – Injectables business
- R&D spent during the quarter of Rs. 49 Crore – 5.6% to segment sales. R&D charged to P&L is Rs. 31 Crore – 3.6% to segment sales
- USFDA inspection for Spokane facility and Radiopharmaceutical facility at Montreal successfully completed
- Received 505 (b) (2) approval from USFDA for Drax Exametazime, a product used in SPECT scan in identifying of White Blood Cells in intra-abdominal infection
- Received approval from Health Canada for Rubyfill Elution System

H1 FY18

- Revenues of Rs. 1,675 Crore, up 10% YoY
 - Specialty Pharmaceuticals - Injectables reported revenues of Rs. 1,000 Crore; robust growth of 28% YoY; contributing 60% to Pharma segment sales and 31% to Company revenue
 - Generics revenues at Rs. 675 crore, contributing 40% to segment sales and 21% to Company revenues
 - Ramp up of CMO business underway with strong order book of US\$ 630 Million and addition of three new clients
- Region-wise Revenue break-up
 - Revenues from North America at Rs. 1,283 Crore, contributing 77% to the revenues; up 23% YoY
 - Revenues from Europe and Japan were at Rs. 188 Crore, contributing 11% to revenues
 - Revenues from Rest of the World stood at Rs. 137 Crore, contributing 8% to the revenues
 - India revenues stood at Rs. 67 Crore, Contributing 4% to the revenues
- EBITDA of Rs. 463 crore with margins of 27.6% %; higher margins in Specialty injectables offset by lower margins in US generics
- R&D spent during the first half of Rs. 100 Crore – 5.9% to segment sales. R&D charged to P&L is Rs. 58 Crore – 3.4% to segment sales

Portfolio of R&D products – Filings and Approvals

The Company has a total of 973 filings across geographies including 895 filings in Dosage (Orals) and 78 filings in Injectables. Of this, 754 filings (681 Dosage (Orals) and 73 injectables) have been approved while 219 filings (214 Dosage (Orals) and 5 injectables) are pending approval.

I. Portfolio of Generics – Filings and Approvals

a. Dosage (Orals)

- i. Filed 85 ANDAs in the US
 1. 56 ANDAs have been approved and 29 ANDAs are pending approval
 2. Filed 2 ANDAs in H1'FY18
- ii. Made 810 filings in ROW markets including Canada, Europe and Japan
 1. 625 filings have been approved and 185 filings are pending approval
- iii. In-licensing of two products in the US market

- b. Injectables and Others
 - i. Total 3 ANDAs filed and approvals for 2 have been received

II. Portfolio of Radiopharmaceuticals Injectables – Filings and Approvals

- a. Filing status as on September 30, 2017:
 - i. 8 approved registrations in the US
 - ii. 13 registrations in Canada which are all approved
 - iii. 10 registrations in Europe of which are all approved
 - iv. In ROW, we have a total of 44 registrations/licenses, of which 4 are pending for approval
- b. We have 6 products under development and plan to complete development of these 6 products and submit all of these product dossiers to the US FDA over the next 3 years

Life Science Ingredients Segment Review

Q2 FY18

- Revenues at Rs. 738 Crore; Contributes 45% to total company revenues; up 27% YoY
 - International markets share stood at Rs. 308 Crore, 42% of segment revenues, up 28% YoY
 - Revenues from Key Developed Markets stood at Rs. 186 Crore, up 7% YoY; contributing 25% to segment revenues
 - ROW business stood at Rs. 122 Crore, up 82% YoY; contributing 16% to segment revenues
 - India business was at Rs. 430 Crore, up 26% YoY; contributing 58% to segment revenues
- Pricing environment for Nutritional Products remains robust
- EBITDA at Rs. 131 Crore; up 28% YoY and 21% QoQ with margins at 17.7%

H1 FY18

- Revenues at Rs. 1,438 Crore, up 20% YoY, contributing 45% to the revenues
 - International markets share stood at Rs. 620 Crore, 43% of segment revenues, up 15% YoY
 - Revenues from Key Developed Markets stood at Rs. 390 Crore, contributing 27% to segment revenues
 - Revenues from ROW stood at Rs. 230 Crore, up 50% YoY; contributing 16% to segment revenues
 - India business was at Rs. 818 Crore, up 23% YoY
- Price increase of up to 15% for Nutritional Products announced in Q1'FY18
- EBITDA of Rs 239 crore, up 9% YoY with margins of 16.6%

Drug Discovery Solutions Segment Review

Q2 FY18

- Drug Discovery Solutions revenue at Rs. 44 Crore, contributing 3% to the revenues, up 16% YoY
 - Revenues from North America stood at Rs. 33 Crore, contributing 76% to segment revenues
 - Europe and Japan business was at Rs. 8 Crore, contributing 19% to segment revenues



- Increased effort & focus on in-house proprietary research for out-licensing molecules and onboarding new projects

H1 FY18

- Revenues at Rs. 85 Crore, Contributes 3% to total revenues
 - Revenues from North America stood at Rs. 63 Crore, contributing 74% to segment revenues
 - Europe and Japan business was at Rs. 19 Crore, contributing 22% to segment revenues
- Increased effort & focus on in-house proprietary research for out-licensing molecules and onboarding new projects

Outlook

Due to strong business performance in Specialty Pharmaceuticals – Injectables and better demand and pricing environment in LSI segment, we are confident of delivering significantly higher earnings in H2'FY18 as compared to H1'FY18 on account of the following:

- Specialty Pharmaceuticals – Injectables:
 - Higher revenues in H2'FY18 in CMO business due to higher production to meet the order backlog
 - Continued better performance in Radiopharmaceuticals and Allergy Therapy Products
 - Revenues from Triad acquisition in H2'FY18
- Generics: Addition of new customer approvals and execution of deferred sales orders in API business
- Life Science Ingredients: Better demand, favorable price environment, new capacities/product additions

We continue our efforts to strengthen balance sheet by reducing debt and improving financial ratios.

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 Solutions. The Pharmaceuticals segment, through its wholly owned subsidiary Jubilant Pharma Limited, is engaged in manufacture and supply of APIs, Solid Dosage Formulations, Radiopharmaceuticals, Allergy Therapy Products and Contract Manufacturing of Sterile and Non-sterile products through 6 USFDA approved manufacturing facilities in India, USA and Canada. The Life Science Ingredients segment, is engaged in Specialty Intermediates, Nutritional Products and Life Science Chemicals through 5 manufacturing facilities in India. The Drug Discovery Solutions segment, provides proprietary in-house innovation & collaborative research and partnership for out-licensing through 3 world class research centres in India and USA. Jubilant Life Sciences Limited has a team of around 7,600 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:

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