



JUBILANT
LIFESCIENCES

Financial Results

Quarter Ended June 30, 2015

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 audited 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. 60.18 as on June 30'14 & Rs. 63.64 as on June 30'15*
- 4. The Exchange fluctuation on long term forex loans in Indian books have been amortized over the tenure of the loan period as recommended under Indian Accounting Standards*

Conference Call Details

Date : Tuesday, August 11, 2015

Time : 5:00 pm IST

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Q1'16 Results Analysis

Key Business Segments – Q1'FY16

Jubilant Life Sciences

Pharmaceuticals (51%)

▪ Generics

- Active Pharmaceutical Ingredients
- Solid Dosage Formulations

▪ Specialty Pharmaceuticals (Sterile Products)

- Radiopharmaceuticals
- Allergy Therapy Products
- CMO of Sterile Injectables

- Drug Discovery Solutions
- Indian Branded Pharmaceuticals

Life Science Ingredients (49%)

Advanced Intermediates
and Specialty Ingredients

Nutritional Products

Life Science Chemicals

Income Statement – Q1'FY16

Particulars	Q1'FY15	Q4'FY15	Q1'FY16	YoY Growth	QoQ Growth
	(Rs Crs)			(%)	
Total Income from Operations	1,473	1,537	1,459	-1%	-5%
Total Expenditure	1,328	1,289	1,129		
Other Income	4	6	4		
EBITDA including Other Income	150	253	333	123%	32%
Depreciation	73	66	70		
Finance Cost	63	80	93		
Forex Differential and Interest Swap Cost	14	6	4		
Profit after Interest but before Exceptional Items	(1)	102	167		
Exceptional Item - Gain/(Loss)	(19)	(34)	2		
Tax Expenses (Net)	(29)	25	40		
Minority Interest	5	0	0		
Reported Net Profit After Tax and Minority Interest	5	43	128	2579%	200%
Paid-up share capital (Face value per share Re.1)	15.93	15.93	15.93		
Earnings Per Share - Basic (Rs.)	0.30	2.68	8.04		
Promoters and promoter group shareholding	54%	54%	54%		
	(%)			(bps)	
EBITDA Margins	10.2%	16.5%	22.8%	1269	636
Net Margins	0.3%	2.8%	8.8%	846	600

- **Income from Operations at Rs. 1,459 Crore**

- 23% YoY Growth in Pharmaceuticals segment revenues led by strong performance in APIs, Radiopharmaceuticals and CMO of Sterile Injectables
- Specialty Ingredients and Nutritional Products drive performance in Life Science Ingredients
- Geographical growth in North America and ROW offset by lower sales in China and Japan

- **EBITDA at Rs. 333 Crore**

- EBITDA contribution from Pharmaceuticals segment at Rs. 225 Crore and LSI at Rs. 121 Crore
- Pharmaceuticals segment margins at 30.4%, up from 5.9% in Q1 FY 15 and 26.2% in Q4 FY 15
- LSI margins at 16.9%, up from 15.3% in Q1 FY 15 and 8.5% in Q4 FY 15

- **Profit After Tax at Rs. 128 Crore**

- Earnings Per Share for Re. 1 FV equity share at Rs. 8.04, up from Rs. 0.30 in Q1 FY 15 and Rs. 2.68 in Q4 FY 15

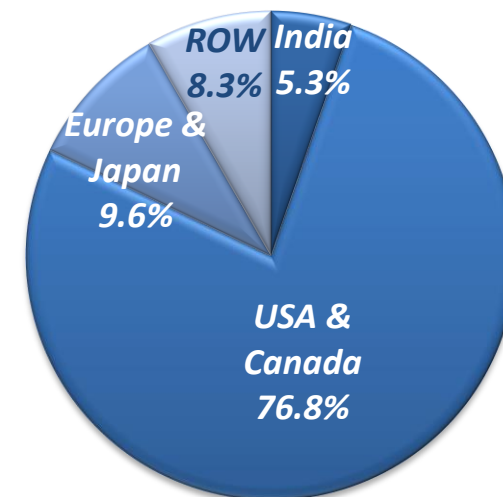
Segmental Revenue Analysis – Q1'FY16

Segmental Revenue Analysis	Revenue (Rs. Crs.)			Revenue Mix (%)	YoY Growth %	QoQ Growth %
	Q1'FY15	Q4'FY15	Q1'FY16			
Pharmaceuticals	604	763	741	51%	23%	-3%
Life Science Ingredients	869	774	718	49%	-17%	-7%
Income from Operations	1,473	1,537	1,459	100%	-1%	-5%
Inter Divisional Sales (IDTs)	139	119	118		-15%	-1%
IDT as a % of Income	9%	8%	8%			

- **Pharmaceuticals segment revenue at Rs. 741 Crore, contributing 51% to the revenue mix**
 - Revenue growth of 23% YoY, driven by strategic initiatives taken in Radiopharmaceuticals
 - Healthy growth also witnessed in CMO and API businesses
- **LSI segment revenue at Rs. 718 Crore, contributing 49% to the revenue mix**
 - Specialty Ingredients and Nutritional Products record healthy growth

Pharma Revenue – Geography wise – Q1'FY16

Geo-wise Revenue (Rs crs)	Q1'FY15	Q4'FY15	Q1'FY16	Mix %	YoY %
India	28	25	39	5%	41%
International	576	738	702	95%	22%
USA & Canada	423	574	569	77%	35%
Europe & Japan	105	104	71	10%	-32%
ROW (incl China)	49	60	61	8%	26%
Income from Operations	604	763	741	100%	23%



- **95% of Income from International Markets, at Rs. 702 Crore**
 - Key developed markets share at 87% of revenue mix
 - Other international markets share stood at Rs. 61 Crore, 8% of the revenue mix
- **5% Income from India at Rs. 39 Crore in the quarter, mainly in APIs**

Pharma Business Highlights – Q1'FY 16

Generics

Active Pharmaceutical Ingredients

- Revenue growth backed by improvement in both pricing and volumes
- Higher margins due to continuous cost reduction through processes and yield improvement
- 39 commercial APIs, including 21 in North America, 24 in Europe and 26 in ROW.

Solid Dosage Formulations

- 48 commercial products, including 20+ in North America, 29 in Europe and 26 in ROW
- New Launches: Bupropion in US, Amlodipine and Losartan HCTZ in Canada and many others in Emerging markets
- 6 approvals across regions including 2 in NA (Canada (Oxcarba) and US (Levofloxacin)) and 4 in Europe

Pharma Business Highlights – Q1'FY 16

Specialty Pharmaceuticals (Sterile Products)

Radiopharmaceuticals

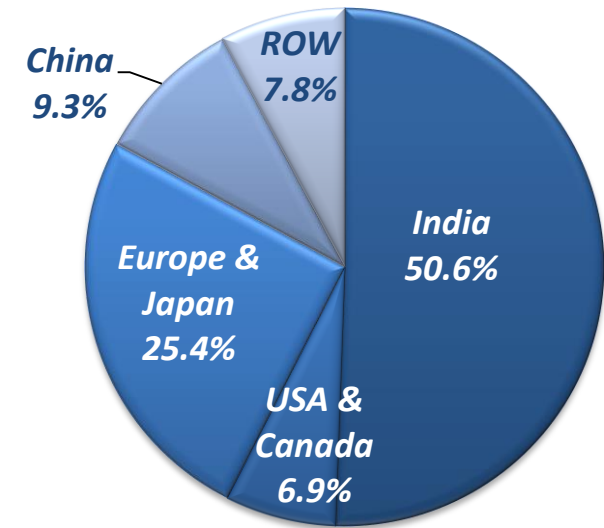
- Sustained strong performance with significant improvement in margins
- Strategic initiatives help improvement in business performance
- Strong pipeline to sustain momentum going forward

CMO of Sterile Injectables

- Spokane facility upgraded to the status of Voluntary Action Indicated (VAI)
- Normalization of operations at Spokane underway
- Focus on improving efficiencies and cost-rationalization to improve margins

LSI Revenue – Geography wise – Q1'FY16

Geo-wise Revenue (Rs crs)	Q1'FY15	Q4'FY15	Q1'FY16	Mix %	YoY %
India	402	401	363	51%	-10%
International	467	373	355	49%	-24%
USA & Canada	67	51	50	7%	-26%
Europe & Japan	222	179	183	25%	-18%
China	140	74	67	9%	-53%
ROW	38	70	56	8%	48%
Income from Operations	869	774	718	100%	-17%



- **49% of Income from International Markets, at Rs. 355 Crore**
 - Key developed markets share at 32% of revenue mix
 - Other international markets share stood at Rs. 123 Crore, 17% of the revenue mix
- **51% Income from India at Rs. 363 Crore in the quarter**
 - Growth in Specialty Ingredients and Nutritional Products offset by decline in Life Science Chemicals

LSI Business Highlights – Q1'FY 16

Advanced Intermediates, Specialty Ingredients and Nutritional Products

- Price increase of 10% for Niacinamide taken during the quarter
- Strong volumes and pricing witnessed in Fine Ingredients
- Pyridine performance stable on quarter-on-quarter basis; pricing pressures in China continue
- Efforts to stabilize the Symtet plant continue

Life Sciences Chemicals

- Enhanced sales volume witnessed in Acetic Anhydride compared to last year
- Entered USA and South America for Ethyl Acetate
- Maintained leadership positions for key products in the Indian market

Operating Expenditure Analysis – Q1'FY16

Expenses (Rs Crs)	Q1 FY15	% of Sales	Q4 FY15	% of Sales	Q1 FY16	% of Sales	YoY Growth %	QoQ Growth %
Material Cost	719	49%	714	46%	546	37%	-24%	-24%
Power & Fuel Cost	99	7%	95	6%	102	7%	3%	7%
Employee Cost	272	18%	275	18%	274	19%	1%	0%
Other Expenses	237	16%	205	13%	207	14%	-13%	1%
Total Expenses	1328	90%	1289	84%	1129	77%	-15%	-12%

- **Material Costs** as percentage of sales lower due to better operational efficiencies and price realizations
- **Power & Fuel** as percentage of sales and **employee costs** stable
- **Other Expenses** as percentage of sales lower
- **One-off expense** of Rs. 10 Crore compared to Rs. 10 Crore in Q1'15 and Rs. 11 Crore in Q4'15

EBITDA Analysis – Q1'FY16

EBITDA (Rs. Crs)					
Business Segments	Q1'FY15	Q4'FY15	Q1'FY16	YoY Growth %	QoQ Growth %
Pharmaceuticals	36	200	225	532%	13%
Life Science Ingredients	133	66	121	-9%	84%
Less: Corp Expenses	-19	-13	-13		
Reported EBITDA	150	253	333	123%	32%
Margins (%)					
				YoY Variance (Bps)	QoQ Variance (Bps)
Pharmaceuticals	5.9%	26.2%	30.4%	2452	418
Life Science Ingredients	15.3%	8.5%	16.9%	154	838
Reported EBITDA	10.2%	16.5%	22.8%	1,269	636

- EBITDA of Rs. 333 Crore in the quarter, Overall EBITDA Margins of 22.8%
- Pharmaceuticals segment EBITDA margins at 30.4%, up from 5.9% in Q1 FY15 and 26.2% in Q4 FY15; aided by improvement in performance of Radiopharmaceuticals and API businesses and normalization of operations in Spokane
- Life Science Ingredients EBITDA margins at 16.9%, up from 15.3% in Q1 FY15 and 8.5% in Q4 FY15; most key businesses demonstrate improvement in margins

Debt Profile

Particulars	30-Jun-14	31-Mar-15	30-Jun-15
Foreign Currency Loans	(\$ Mn)	(\$ Mn)	(\$ Mn)
Standalone	264	105	90
Swapped loan in Standalone	189	0	0
Subsidiaries	253	338	356
Total	706	443	445
Rupee Loans	(Rs. Crs)	(Rs. Crs)	(Rs. Crs)
Standalone	160	1,513	1,466
Subsidiaries	50	509	485
Total	210	2,022	1,951
Gross Debt	4,712	4,790	4,785
Cash & Equivalent	755	394	394
Net Debt	3,957	4,396	4,391
Change in debt on account of exchange rate difference from 30-June, 2014		-115	-154
Net Debt - Adjusted for foreign exchange difference	3,957	4,281	4,237
Working Capital Debt	1,722	1,231	1,236
Net Long Term debt	2,235	3,165	3,156
Closing Exchange Rate (Rs./USD)	60.18	62.50	63.64

- **Net debt** at Rs. 4,391 Crore compared to Rs. 4,396 Crore in Mar'15
- **Blended interest rate** for the borrowings at 8% pa – Re loans @ 12% pa, \$ loans @ 5%
- Substituted all swapped loans and substantial part of forex debt into Rupee Debt in Standalone

In FY 2016, Pharmaceuticals segment to drive revenue growth with improvement in profitability across key businesses

- Pharmaceuticals segment expected to drive growth on account of:
 - Growth in Radiopharmaceuticals
 - Normalization of CMO business
 - Growth in Generics through new products
- Life Science Ingredients to deliver better results compared to FY 15 led by:
 - Improved operational efficiency and growth in Nutritional Products and Specialty Ingredients
- Endeavours to strengthen Balance Sheet to continue

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