



JUBILANT
LIFESCIENCES

Financial Results

Quarter Ended June 30, 2019

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. 68.47 as on June 30'18 & Rs. 69.02 as on June 30'19*

Conference Call Details

Date : July 26, 2019

Time : 05:00 pm IST

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Replay from : July 26 to August 2, 2019

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Q1'FY20 Results Analysis

JUBILANT Q1'FY20 PERFORMANCE

**Revenue at Rs. 2,182 Crore up 5% YoY; EBITDA at Rs 444 Crores down 1% YoY
PAT at Rs 185 Crore down 9% YoY with EPS of Rs. 11.6 per share vs Rs 13.0 per share last year**

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

“We have had a steady performance during the quarter. Pharmaceutical segment revenues have been higher by 12% YoY led by growth in CMO, Radiopharma and Allergy Therapy Products businesses. Pharma segment EBITDA was 3% lower YoY with higher profitability in CMO, Allergy and Generic businesses offset by lower API volumes and one-off expenses related to penalties for non-supplies and site remediation costs for Roorkee, litigation expenses and forex impact on deposits. Adjusted for the one-off expenses, Pharma EBITDA was 7% higher YoY with margin of 28.1%.

In Lifescience Ingredients segment, revenues have been 5% YoY lower mainly due to decline in input prices that affected selling prices in the Lifescience Chemical business. Adjusted EBITDA grew 19% YoY with margins 320 bps higher at 16.2%, due to volume and price growth in Specialty Intermediates and Nutritional Product businesses.

Demand conditions for our businesses remain robust in key segments and we expect to deliver sustainable growth, going forward.”

Evaluation of options to create focused entities for JLL businesses

The board of directors of the Company (“Board”) considered the option of reorganizing its businesses with the following objectives:

- (a) create separate and focused entities for Pharmaceuticals and Life Science Ingredients businesses to manage different risks, rewards and regulatory requirements;
- (b) enable strategic growth for these businesses with optimal capital structure;
- (c) potentially unlock shareholder value with direct ownership in each of the business entities.

The Board has constituted a Committee to evaluate various options including reorganisation / demerger of business undertakings on a going concern basis and provide its recommendations. Any decision in this regard will be after due evaluation and consideration by the Board and be subject to all necessary consents and approvals.

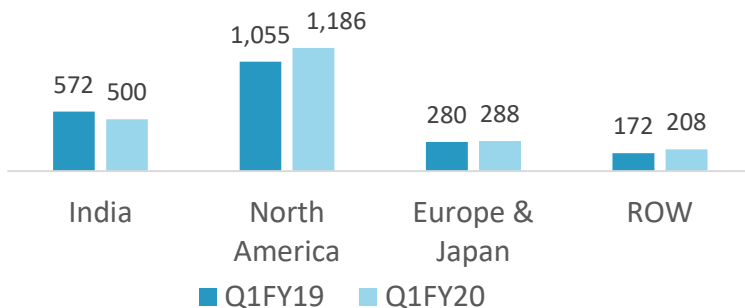
The Company will take necessary steps to comply with all applicable laws and regulations including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

JLL – Q1'FY20 Financial Highlights



Highlights	Q1FY19	Q1FY20	YoY Change (%)
Revenue			
Pharmaceuticals	1,181	1,321	12%
Life Science Ingredients	847	805	(5%)
Others	51	56	10%
Total Revenue	2,079	2,182	5%
EBITDA			
Pharmaceuticals	342	331	(3%)
Life Science Ingredients	109	122	11%
Others	3	7	171%
Unallocated Corporate Expenses	(7)	(16)	135%
Reported EBITDA	447	444	(1%)
Adjusted EBITDA	452	493	9%
PAT	203	185	(9%)
EPS	13.0	11.6	(11%)
EBITDA Margins			
Pharmaceuticals	28.9%	25.1%	
Life Science Ingredients	12.9%	15.1%	
Others	5.1%	12.5%	
Reported EBITDA	21.5%	20.4%	
Adjusted EBITDA	21.8%	22.6%	

Geography Wise Revenue



- Revenue at Rs 2,182 Crore up by 5% YoY
 - Pharmaceuticals revenue at Rs 1,321 Crore, up 12% YoY, contributing 61% to revenues
 - LSI revenue at Rs 805 Crore down 5% YoY. LSI accounted for 37% of Company's Q1 revenues
 - Others Revenue was Rs 56 Crore up 10% YoY
- North America revenue at Rs 1,186 Crore up 12% YoY. India revenue at Rs 500 Crore down 13% YoY
- Reported EBITDA of Rs 444 Crore with margin of 20.4%.
 - Pharmaceuticals EBITDA at Rs 331 Crore down 3% YoY with a margin of 25.1% as compared to 28.9% in Q1 last year
 - LSI EBITDA at Rs 122 Crore up from 109 Crore in Q1'FY19; Q1'FY20 margin at 15.1% up from 12.9% in Q1 last year
 - Others EBITDA higher at Rs 7 Crore vs Rs 3 Crore in Q1 last year; Q1'FY20 margin at 12.5% up from 5.1% in Q1 last year
- Adjusted EBITDA after one-off expenses at Rs 493 Crore vs. Rs 452 Crore in Q1 last year growth of 9% YoY. Adjusted EBITDA margin this quarter is 22.6% vs. 21.8% in Q1 last year
- Finance costs at Rs 73 Crore in line with Q1 last year. Last year finance cost included stock settlement charge of Rs 22 Crore
- Net Profit at Rs 185 Crore vs. Rs 203 Crore in Q1'FY19. EPS of Rs 11.6 vs. Rs 13.0 in Q1 last year
- Capex in Q1'FY20 of Rs 169 Crore
- Net debt reduction of Rs 196 Crore during the quarter

Rs Crore

Consol EBITDA

S. No.		Q1FY19	Q1FY20	% Change YoY
1	Reported EBITDA	447	444	(1%)
2	One-off Adjustments	5	48	
3	Adjusted EBITDA	452	493	9%
4	Reported EBITDA Margin	21.5%	20.4%	
5	Adjusted EBITDA Margin	21.8%	22.6%	

One-off Expenses

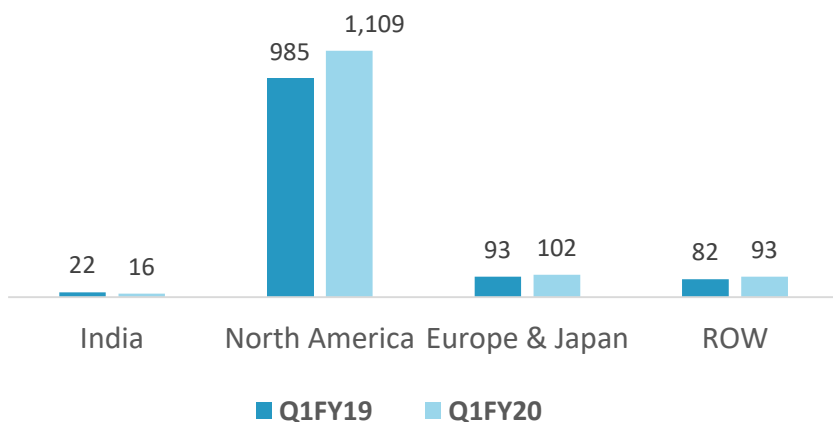
S. No.	Particulars	Q1FY19	Q1FY20
1	Site remediation and non-supply penalties due to Roorkee Warning Letter	0	13
2	Litigation Expense	5	13
3	Donation	0	9
4	Exchange fluctuation on restatement of deposits	0	14
	Total One-Off Expenses	5	48

Pharmaceuticals Segment Highlights – Q1'FY20 (1/2)

Particulars	Q1FY19	Q1FY20	% Change
Revenue	1,181	1,321	12%
Specialty Pharma	666	725	9%
CDMO	277	345	24%
Generics	239	251	5%
Reported EBITDA	342	331	(3%)
Adjusted EBITDA	347	371	7%
Reported EBITDA Margin (%)	28.9%	25.1%	
Adjusted EBITDA Margin (%)	29.4%	28.1%	

- Pharmaceuticals revenue at Rs 1,321 Crore, up 12% YoY, contributing 61% to revenues
 - Revenue growth was led by 24% YoY growth in CDMO and 9% increase in Specialty Pharma segments; Generic revenue growth at 5% YoY
- Pharmaceuticals Adjusted EBITDA at Rs 371 Crore up 7% YoY with a margin of 28.1% as compared to 29.4% in Q1 last year
 - Better performance in CMO, Allergy and Generic businesses was offset by lower volumes in the API
 - One-off expenses of RS 40 Crore related to exchange fluctuation on restatement of deposits, litigation, penalty for non supplies and site remediation costs

Geography Wise Revenue



Specialty Pharma

- Revenue up 9% YoY to Rs 725 Crore led by
 - Growth in Radiopharma business led by volume and value increases in key products such as MAA, DTPA, I-131 and Ruby-Fill®
 - Received CE certificate allowing Ruby-Fill® to be introduced in the EU market
 - In Radiopharmacies, efforts towards increase in market share and operational efficiencies continues as per plan
 - Allergy business growth led by strong volume increase witnessed in in both venom and allergenic extracts

Pharmaceuticals Segment Highlights – Q1'FY20 (2/2)



USFDA Inspection Details

Facility	Last Inspection
Montreal, CMO	May, 2018
Montreal, Radiopharma	Sep, 2017
Salisbury	May, 2018
Spokane	June, 2019
Roorkee	Aug, 2018
Nanjangud	Dec, 2018

Product Pipeline as on June 30, 2019

Dosage (Orals)			
	Filings	Approved	Pending
US	96	61	35
Canada	23	23	0
Europe	36	33	3
ROW	42	35	7
Steriles			
	Filings	Approved	Pending
US	15	13	2
Canada	17	16	1
Europe	4	4	0
ROW	9	9	0

CDMO

CMO

- Strong growth in CMO business led by higher capacities, better on-time delivery compliance and operational efficiencies
- Initiatives taken to increase total capacity by over 30% with annual potential revenues of around USD 30 million
 - Increased shifts to 24x7 on Line 2 from Q3'FY19. Plan to increase shifts to 24x7 on line 1 from Q3'FY20 onwards
 - New Lyo equipment installed at line 2 at the Spokane facility with validations underway, commercialisation expected by H2'FY20

API

- Pricing of key products in API remains strong. Production in sartans was lower due to additional quality checks on all input raw materials to meet enhanced regulatory requirements
- Company working diligently with the Regulatory Agencies, FDA and Health Canada, regarding the resolution of the Official Action Indicated (OAI) in Nanjangud

Generics

- Revenue growth in Generics business was moderated due to lower volumes in certain products, which is expected to normalize going forward
- Completed capacity expansion in Roorkee to meet increasing demand
- Roorkee WL - Comprehensive response submitted to the US FDA. Appointed 3rd party consultants to help in remediation process.

R&D spent during the quarter of Rs. 57 Crore – 4.3% to segment sales. R&D debited to P&L is Rs. 48 Crore – 3.7% to segment sales

LSI Segment Highlights – Q1'FY20

Particulars	Q1FY19	Q1FY20	% Change
Revenue	847	805	(5%)
Specialty Intermediates	235	279	19%
Nutritional Products	89	136	54%
Life Science Chemicals	524	390	(26%)
Reported EBITDA	109	122	11%
Adjusted EBITDA	109	130	19%
Reported EBITDA Margin (%)	12.9%	15.1%	
Adjusted EBITDA Margin (%)	12.9%	16.2%	

- LSI revenue at Rs 805 Crore, down 5% YoY, contributing 37% to revenues
- LSI Adjusted EBITDA at Rs 130 Crore up 19% YoY with a margin of 16.2% as compared to 12.9% in Q1 last year

Specialty Intermediates

- Revenue up 19% YoY driven by robust volume and value increase in Advance intermediates and Specialty Ingredients
- GMP multiproduct facility at Bharuch successfully commissioned to manufacture Specialty Ingredients products
- Positive traction for new products launched in last one year in both Advance Intermediates and Specialty Ingredients businesses.

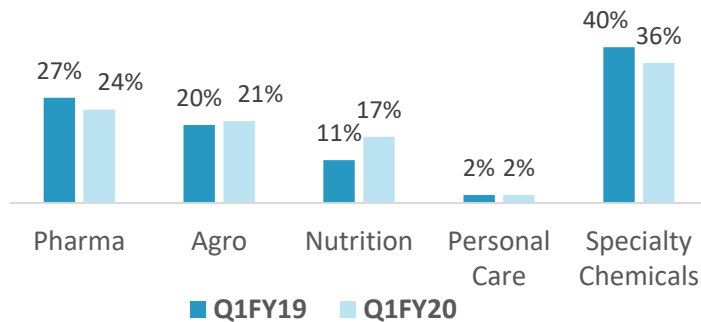
Nutritional Products

- Revenue up 54% YoY led by a mix of higher volumes and better prices.
- Vitamin B3 has shown positive trend in pricing mainly on account of tighter availability of key raw material i.e. Beta Picoline. Jubilant being backward integrated will ensure consistent supply and volume availability to its customers
- Overall pricing and demand scenario for Nutritional Products business is promising

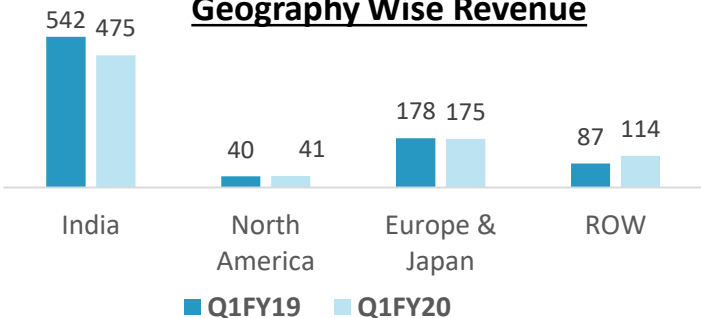
Life Science Chemicals

- Revenue down 26% YoY due to lower selling prices which was on account of decline in acetic acid prices
- Acetic acid prices declined by 37% YoY and 21% QoQ
- Molasses prices continue to remain at elevated levels due to constrained market supplies, leading to lower volumes
- Subdued demand of acetic anhydride is expected to improve in second half of FY20
- New Acetic Anhydride plant commissioning to get completed in Q2'FY20. Annual revenue contribution from new capacity expected to be over Rs.300 Crore per year

Revenue Breakup by End-Use Industries



Geography Wise Revenue

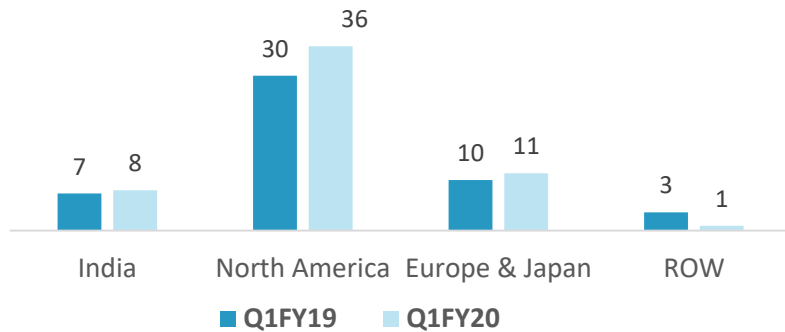


Others Segment Highlights – Q1'FY20

Particulars	Q1FY19	Q1FY20	% Change
Revenue	51	56	10%
DDDS	45	48	8%
IBP	6	8	28%
Reported EBITDA	3	7	171%
Reported EBITDA Margin (%)	5.1%	12.5%	

- Others segment revenue up 10% YoY to Rs 56 Crore led by growth in Drug Discovery and Development Solutions (DDDS) business
 - DDDS revenue grew by 8% driven by gain in new customer accounts in Biosys and new projects from existing customers
 - In DDDS business, focus is on increasing pharma / biotech customers for integrated projects
- EBITDA improved to Rs 7 Crore from Rs 3 Crore in Q1 last year due to operational efficiencies

Geography Wise Revenue



Drug Discovery and Development Solutions (DDDS)

Status of Proprietary Products

- We have an asset light, capital efficient, semi-virtual biotech business model with core strategy of developing novel and targeted small molecule therapies primarily in the area of Oncology and Auto-Immune disorders.
- Plan to work on a portfolio of 4-5 lead programs and take them to clinical Proof-of-Concept

Lead Programs	Indication	Pathway	Current status	Stage/remarks
BRD4	Liquid and solid tumors	Epigenetics	Preclinical	Partnered with Checkpoint Therapeutics in 2016 at lead stage with potential milestones of \$180m. Successfully completed toxicology studies with expected progress to Phase I clinical trials in late FY 20.
LSD1/HDAC6 –Dual Inhibitor	MDS/AML	Epigenetics	Pre-clinical	Novel dual first in class epigenetic inhibitors of LSD1/HDAC6 to address unmet needs in liquid cancers like acute myeloid leukemia (AML). Currently in preclinical stage and expected progress to IND stage in FY 21
PDL-1	Broad spectrum of Cancer	Immuno-oncology	Lead optimisation	Small molecule therapy with comparable efficacy to large molecules with lower side effects. Complete lead optimisation in FY 20.
PAD4	Inflammation and auto immune disorder	Epigenetics	Lead optimisation	Potential to address unmet needs in multiple auto-immune disorders like rheumatoid arthritis, psoriasis etc. Pre-clinical candidate nomination by FY 20.
PRMT5	Lymphoma	Epigenetics	Lead identification	Complete lead identification in FY 20 and can be partnered.

Debt Profile

Particulars	31/03/19	30/06/19
Foreign Currency Loans	(\$ Mn)	(\$ Mn)
Standalone	0	0
Subsidiaries	500	500
Total	500	500
Rupee Loans	(Rs. Crs)	(Rs. Crs)
Standalone	1,341	1,056
Subsidiaries	61	95
Total	1,402	1,151
Gross Debt	(Rs. Crs)	(Rs. Crs)
Standalone	1,341	1,056
Subsidiaries	3,519	3,546
Total	4,860	4,602
QoQ Change		-258
Cumulative Change		-258
Cash & Equivalent	1,370	1,316
Net Debt	3,490	3,286
Change in debt on account of Fx rate difference from 31-March, 2019		7
Net Debt on Constant Currency Basis	3,490	3,293
QoQ Change		-196
Cumulative Change		-196
Closing Exchange Rate (USD/Rs.)	69.16	69.02

- Net Debt reduction of Rs 196 Crore as compared to March 31, 2019
- Average Blended interest rate for Q1FY20 @ 6.11% - Re loans @ 8.38%, \$ loans at 5.33%

Appendix

Income Statement – Q1'FY20

Particulars	Q1 FY 19	Q1 FY20	YoY Growth
	(Rs Crs)		(%)
Total Revenue from Operations (Net of Excise)	2,079	2,182	5%
Pharmaceuticals	1,181	1,321	12%
Life Science Ingredients	847	805	(5%)
Others	51	56	10%
Total Expenditure	1,641	1,747	6%
Other Income	9	10	2%
Segment EBITDA	454	460	1%
Pharmaceuticals	342	331	(3%)
Life Science Ingredients	109	122	11%
Others	3	7	171%
Corporate (Expenses)/Income	(7)	(16)	
Reported EBITDA	447	444	(1%)
Depreciation and Amortization (Incl. One Time Charge)	88	103	17%
Finance Cost	73	73	(0%)
Profit before Tax	286	269	(6%)
Tax Expenses (Net)	86	84	(2%)
Minority Interest	(2)	0	-
PAT	203	185	(9%)
Earnings Per Share - Face Value Re. 1 (Rs.)	13.0	11.6	(11%)
Segment EBITDA Margins	21.8%	21.1%	
Pharmaceuticals	28.9%	25.1%	
Life Science Ingredients	12.9%	15.1%	
Others	5.1%	12.5%	
Reported EBITDA Margin	21.5%	20.4%	
Net Margin	9.7%	8.5%	

For Investors:

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