Jubiliant Life Sciences reports Q3 FY19 results

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LSI revenue at Rs. 2,633 Crore, up 12% YoY, contributing 39% to the company's revenues

The Board of Jubilant Life Sciences Limited, an integrated global pharmaceutical and life sciences company met to approve financial results for the quarter ended December 31, 2018.

Commenting on the Company's performance, Mr. Shyam S Bhartia, Chairman and Mr. Hari S Bhartia, Co-Chairman & Managing Director, Jubilant Life Sciences said "The continued record performance in revenues and profits is driven by robust results in all key businesses in the Pharmaceuticals segment, especially in our CDMO and US Generic businesses. We expect to continue healthy performance going forward in the Pharmaceuticals segment and steady performance in Life Science Ingredients segment and generate adequate cash to invest to support our growth and reduce the debt for a strong balance sheet."

Q3'FY19 Highlights

Consolidated

- Consolidated revenue at Rs. 2,377 Crore, up 15% YoY
- EBITDA up 24% YoY to Rs. 522 Crore, with EBITDA margin of 22%
- Finance costs at Rs 68 Crore as compared with Rs 77 Crore last year. Finance costs include borrowing costs of Rs. 53 Crore and non-cash Stock Settlement charge of Rs. 15 Crore
- PAT at Rs. 261 Crore up 23% YoY with Net margin at 11.0% and EPS of Rs. 16.7 for Re. 1 FV
- Capital Expenditure of Rs. 134 Crore
- Net debt reduction of Rs 46 Crore during the quarter
  Segment Wise Analysis
  A. Pharmaceuticals Segment
- Pharmaceuticals revenue at Rs. 1,418 Crore, up 29% YoY, contributing 60% to the company's revenues
- Segment EBITDA at Rs 393 Crore, up 63% YoY

- EBITDA margin stood at 27.7%, up from 22% last year
- R&D spent during the quarter of Rs. 64 Crore – 4.5% to segment sales. R&D debited to P&L is Rs. 52 Crore – 3.7% to segment sales

B. Life Science Ingredients Segment

- LSI revenue of Rs. 899 Crore, down 3% YoY contributing 38% of the company's revenues
- LSI segment's EBITDA at Rs. 126 Crore vs. Rs 206 Crore last year
- EBITDA margin was recorded at 14% in Q3'FY19 vs 22.3% in Q3 last year

C. Others Segment

- Revenues at Rs. 60 Crore, growing 23% YoY and contributing 3% to company's total revenues
- Segment's EBITDA at Rs. (0.2) Crore as compared to Rs. (4) Crore in Q3'FY18

9M'FY19 Highlights

Consolidated

- Consolidated revenue at Rs. 6,725 Crore, up 28% YoY
- EBITDA up 32% YoY to Rs. 1,423 Crore with EBITDA margin of 21.2%
- Finance costs at Rs. 204 Crore, lower by 4% YoY. Finance costs include borrowing costs of Rs. 158 Crore and non-cash Stock Settlement charge of Rs. 46 Crore
- PAT at Rs. 674 Crore up 38% YoY, with Net Margins at 10% and EPS of Rs. 43.2 for Re. 1 FV
- Capital Expenditure of Rs. 402 Crore
- Gross Debt at Rs. 3,800 crore and Net debt at Rs. 3,282 Crore including mandatory convertible loan of US$56.4 Mn with the conversion option at IPO of Jubilant Pharma

o Net debt at Rs. 3,118 Crore on a constant currency basis, with debt reduction of Rs. 113 Crore during 9M'FY19
o Average blended interest rate for 9M'FY19 at 6.18% pa – Re loans @ 8.43%, $ loans @ 4.85%

Segment Wise Analysis

A. Pharmaceuticals Segment

- Pharmaceuticals segment's revenue up 42% YoY in 9M' FY19 to Rs. 3,925 Crore contributing 58% to the company's revenue as compared to 52% in 9M'FY18
- EBITDA of Rs. 1,099 Crore, up 57% YoY with margins of 28%
- R&D of Rs. 177 Crore – 4.5% to segment sales. R&D debited to P&L is Rs. 138 Crore – 3.5% to segment sales

B. Life Science Ingredients Segment

- LSI revenue at Rs. 2,633 Crore, up 12% YoY, contributing 39% to the company's revenues
- Segment's EBITDA was recorded at Rs 344 Crore as compared to Rs 445 Crore last year
? EBITDA margin stood at 13.1%

C. Others Segment

- Revenues at Rs. 168 Crore, up 17% and contributing 2% to total revenues
- EBITDA was at Rs. 7 Crore as compared to Rs. (14) Crore

<u>Outlook</u>

The company has maintained guidance of better performance in H2'FY19 as compared to H1'FY19 in both Pharmaceuticals and LSI segments driven by growth in existing products and capacity expansions for new product launches. The company has in place strategic levers for growth in revenues and profitability over the medium term. It continues to work towards strengthening of the balance sheet by reducing debt and thereby improving financial ratios.