Q4 and Full Year FY24 Q&A

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Radiopharmaceuticals

Q1. Can you talk about growth in Ruby-Fill®?

Answer: Coronary Artery disease is the most common type heart of disease in the US. Cardiac PET procedures in the US is expected to double over next 5 years.

Ruby-fill is a best in class Positron Emission Tomography (PET) radiopharmaceutical product used for Cardiac imaging through a non-invasive procedure of the myocardium, to evaluate regional myocardial perfusion in adult patients with suspected or existing coronary artery disease. Our product is superior due to longer shelf life leading to more scans per generator, better and consistent image quality due to patented saline push feature and multiple safety features.

Our Ruby-fill franchise has been witnessing strong growth. We have witnessed strong growth momentum in FY24. We are also installing Ruby on mobile vans, which is very unique.

Overall, we expect to continue to gain market share in the US cardiac PET market.

Q2. Can you talk about uptake of new products – Mertiatide and sulphur colloid?

Answer: Mertiatide is used for renal scan. Sulphur Colloid is used in the localization of metastatic lymph nodes in patients with breast cancer and melanoma, imaging of areas of the liver, spleen and bone marrow, and studies of esophageal transit, gastroesophageal reflux, and detection of pulmonary aspiration of gastric contents. We are happy with the offtake in the first year for both the products and we shall continue to gain share for the next 3 to 4 years.

Q3. What is the timeline of MIBG Launch? What is the patient recruitment status & expected date of result?

Answer: MIBG is targeting paediatric patients with high-risk Neuroblastoma. Neuroblastoma is a type of cancer that forms in certain types of nerve tissues. The incidence on Neuroblastoma in the US market is estimated at 800 new cases per year and for the relapse / refractory cases is estimated at 400 per year.

MIBG clinical trials are progressing well. We have completed the dosing of Phase 2 trials. Launch timelines are subject to regulatory approvals and we expect launch of MIBG to happen in CY 2026 for relapse / refractory cases, post US FDA approval of phase 2 clinical trials.

Q4. Can you give us some more colour on product pipeline?

Answer: We have a very strong pipeline of products in SPECT (Addressable Market at approx. USD 50 Mn) & PET (Addressable Market at approx. 500 Mn.) categories in the medium term. On top of it, in the therapeutic, we are working on MIBG.

Q5. Can you explain FY24 Radiopharmaceutical results?

Answer: Radiopharmaceuticals FY24 revenue grew by 9% to Rs. 952 Cr. and EBITDA grew by 3% to Rs. 477 Cr. FY24 revenue grew YoY on the back of new products sales in Mertiatide, Sulfur colloid and growth in Ruby-Fill®. FY24 EBITDA increased YoY on the back of increase in revenue.

Radiopharmacy

Q6. Can you give us some colour on the Industry demand?

Answer: First, we are seeing increase in demand of novel PET diagnostics products. E.g. generator based Ga PSMA. In addition Cyclotron based pharmacies are seeing increased demand for F-18 PSMA, Alzheimer's products. Also, emerging radioisotopes landscape such as Rb-Sr, Ga-68, Cu-64, Lu-177, Ac-225 are leading to development of new PET imaging and theranostic products.

Q7. Can you explain FY24 Radiopharmacy results?

Answer: For the Radiopharmacies, FY24 is the breakthrough year as the revenue grew by 22% to Rs. 2,050 Cr. and EBITDA turned positive to Rs. 56 Cr. In Q4'FY24, EBITDA margin reached 7%, which in line with our expectations.

On the revenue side, new products & volume increase is generating incremental gross profits. On the cost side, our operating costs is continuously improving e.g. we have reached to best in class operating yield in some of the products. In addition to that we are seeing RMC reduction due to generics entry in few products.

Q8. When is the Sofie transaction expected to close?

Answer: In line with earlier disclosures, we expect the transaction to close by June'24. The estimated aggregate proceeds are about USD 143.27 million (including preferred returns). Of this, USD 117.4 million (subject to certain customary adjustments at closing) is expected to be received upon completion of the merger while receipt of

balance sum of up to USD 25.8 million is contingent upon achievement of certain future milestones.

Allergy Immunotherapy

Q9. What are the growth levers in this business?

Answer: We have 3 growth levers in place.

1. US Venom: As you are aware that, we are the sole player in this segment in the US, so we are doing targeted marketing campaigns to increase the customer awareness and expand the segment.
2. US Allergenic Extracts: We are leveraging our position in the venom segment to gain customer wallet share in Allergenic Extracts.
3. Outside US market penetration: our strategy is to enter new markets in Europe, Australia and APAC through strategic partnerships and building local presence.

Q10. Can you explain FY24 Allergy immunotherapy results?

Answer: FY24 revenue grew by 13% to Rs. 679 Cr and EBITDA grew by 33% to Rs. 273 Cr. FY24 revenue grew YoY on the back of volume & price increase. FY24 EBITDA margin increased YoY due to increase in revenue and improvement in operational efficiencies.

CDMO Sterile Injectable

Q11. What is the project status of expansion project in Spokane? What is the maximum revenue potential for Line 3 & 4 and how much time it shall take to fill up the lines?

Answer: The capacity expansion program in Spokane, Washington, USA is on track with respect to time and cost. Line 3 and Line 4 are expected to start commercial production in FY26 and FY28 respectively.

The revenue potential for Line 3 and Line 4 combined is estimated at USD 160 to 180 million. Typically, as seen in the Industry, it takes three to four years to reach optimal capacity utilisation post commercialisation. As we are seeing shortages in the US Injectables market, we are making effort to fill up the new capacity much faster than the industry average timeline.

Q12. Can you explain FY24 CDMO Sterile Injectables results?

Answer: FY24 revenue stood at Rs. 1,117 Cr with EBITDA margins at 17%. Adjusting for Covid related business, revenues grew marginally in FY24 however, EBITDA decreased due to planned extended shut down for maintenance and proactive remediation in FY24.

CRDMO – Drug Discovery

Q13. Can you talk about Biosecure Act? Can we see increase in demand specifically for our company?

Answer: Biosecure Act is proposing to prohibit US Govt. and US life sciences companies, (who are receiving federal grant money) to work with biotechnology service providers that are connected to foreign adversaries.

We are very bullish on the prospects of CRO industry in India due to talent availability & gradual shifting of demand due to preference of friend "sourcing" locations.

At Jubilant, we are well prepared to scale up Infrastructure and scientific talent to take advantage of increase CRO demand. As a testament, we have on boarded 2 large pharmaceutical companies as our clients in FY24.

Q14. Can you explain FY24 CRDMO Drug Discovery results?

Answer: FY24 revenue stands at Rs. 449 Cr. with 24% EBITDA margins. FY24 revenue decreased YoY. Industry headwinds in Biotech Industry is on account of lower funding for early stage drug discovery projects. FY24 EBITDA decreased YoY on account of reduced revenue.

CRDMO – API

Q15. Can you explain FY24 CRDMO API results?

Answer: FY24 revenue stands at Rs. 645 Cr. with 10% EBITDA margins. Revenue decreased marginally due to pricing pressure in certain products. Despite pricing pressure, EBITDA margins doubled due to cost optimization particularly in raw materials, achieved through alternate vendor development and yield improvement.

Generics

Q16. Given the Roorkee facility has got VAI status and also you have closed manufacturing operations at solid dosage formulations facility in the US. When can we reach to EBITDA breakeven in the business?

Answer: In the Generics business, we have been able to improve EBITDA considerably on the back of cost optimisation and change in revenue mix towards profitable Non-US international market. While we are confident to reach EBITDA breakeven by Q1'FY26, we are making an effort to reach sooner, by Q4'FY25.

Q17. What is our plan for new product launches?

Answer: We plan to launch 6 to 8 products per annum in our Non-US International markets and also the US market.

Prop Novel Drugs

Q18. Can you comment on the development path of JBI-802?

Answer: For JBI-802, Phase 1 clinical data established safe dosage and showed anti-tumour response in 2 lung cancer patients at the low dose of 10mg without platelet reductions. One patient with Non-small cell lung Cancer, having STK11 mutations showed significant response on JBI-802, while not responding to previously administered doublet IO therapy. Generally, the survival rate is very low in such cases, however the patient has responded well to JBI-802. Further, dose dependent platelet effect was seen in clinic at higher doses, establishing application in Essential Thrombocythemia (ET) and other Myeloproliferative Neoplasms (MPN). In light of these, we are starting Phase II clinical trial to treat ET and MPN patients with thrombocytosis in H1 2024. Along with that, investigator led clinical trials in NSCLC and post MPN AML are being discussed with multiple institutions.

Consolidated Financials

Q19. What has the interest cost up so much despite the net debt remaining constant?

Answer: Average blended Interest rate has gone up from 5.4% in FY2023 to 7.3% in FY2024 due to increase in benchmark rates.

Q20. Can you comment on exceptional items, particularly impairment?

Answer: To improve the profitability, particularly in the US Generics business, we decided to close the manufacturing operations of solid dosage formulation facility at Salisbury, Maryland, USA and outsource the manufacturing to contract manufacturers. This action will improve gross margins of the business by reducing the manufacturing, quality management and overhead costs. Pursuant to this decision we have taken a

non-cash charge of Rs. 220 Cr. in Q4'FY24 related to impairment of PPE and other intangible assets.

Q21. What is the FY25 outlook for revenue, EBITDA and Net Debt?

Answer: Over the next year, i.e. FY25, we are looking at 3 financial priorities, which is to continue the revenue growth momentum along with EBITDA margin expansion. We also expect Net debt / EBITDA to improve further

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