



# Chairmen's Message

## Dear Fellow Shareholders,

We are happy to report that in FY24, we have made significant progress towards our strategic goals and have also delivered improved financial performance to create sustainable shareholder value.

Total income grew by 7% to INR 6,772 Cr. on the back of increase in revenue from operations and other income in FY2024. EBITDA increased by 20% to INR 994 Cr. in FY2024. EBITDA margins expanded by 160 bps to 14.7% on the back of improved operating performance. Normalised PAT increased by 63% to INR 195 Cr. Net Debt / EBITDA reduced from 2.93x at Mar'23 to 2.48x at Mar'24. Net cash generated from operations increased from INR 661 Cr. in FY23 to 971 Cr. in FY24.

Starting with the Radiopharmaceutical business, we launched new products, Mertiatide and Technetium Sulfur colloid injection post ANDA approval, gained market share in Ruby-Fill® and delivered 50% EBITDA margin for the full year FY2024. In the Radiopharmacy business, we delivered 22% revenue growth, achieved full year EBITDA breakeven and reached 7% EBITDA margin by Q4'FY24.

Subsequent to announcement of Sofie Biosciences Inc. merger with Trilantic Capital Partners, North America, the company's subsidiary Jubilant Pharma limited plans to sell its entire 25.8% equity stake in Sofie for an aggregate value of USD 143.27 million. The proceeds shall be used partially in debt reduction and partially to fund the capex and other corporate purposes. The value created by this investment in the last four years validates our investment thesis in the radiopharmacy business.

We sustained the growth momentum in the Allergy Immunotherapy business in the US and continued to make inroads in the markets outside of the US.

We celebrated the opening of line 3 in our CDMO sterile Injectables business, which is high speed injectable fill and finish line, fitted with latest isolator technology. We expect the commercial production to start from FY26.

In the Drug discovery business, we made a breakthrough by on boarding 2 large pharma companies as our customers and in the API business, we doubled our profitability.

In the Generics business, our Solid dosage plant at Roorkee has successfully completed USFDA Audit in addition to EU Audit and PMDA (Japan) Audit. With this, the plant is no longer under import alert. Following the status change, we plan to increase the exports from Roorkee facility to the US market in a meaningful and gradual manner. We also achieved highest sales in Non- US International markets in FY 2024.

In the Proprietary Novel Drug business, we are very excited to move in to phase 2 clinical trials to treat ET and MPN patients with thrombocytosis for our lead program JBI-802, CoREST Inhibitor, after its phase 1 data suggested therapeutic potential.

We have further strengthened the quality governance at the Board level in our efforts to implement best in class quality and compliance standards across our various operating facilities.

In line with our commitment towards ESG initiatives, we have partnered with O2 Power to invest in captive power plant of renewable energy, which will enable 92% power greening in the JPM entities in Karnataka.

## Economic Outlook

The global economy grew by 3.2% in 2023. The year was marked by significant global events like U.S. hitting its debt ceiling in January, huge bank failures such as collapse of Silicon Valley bank in March and ongoing Israel Hamas war. The global economic recovery from covid-19 pandemic, Russia Ukraine war and cost-of-living crisis is proving surprisingly resilient. Inflation is falling faster than expected from its 2022 peak, with a smaller than expected toll on employment and activity. The tightening by central banks has kept the inflation expectations anchored.



Going forward, as per IMF, the global economy is expected to grow by 3.2% in 2024 and 2025. The positive upsides could stem from structural reforms to bolster productivity, while commodity price spikes from geopolitical shocks including continued attacks in red sea could prolong tight monetary conditions. Global headline inflation is expected to fall from 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025.

The Indian economy grew at 7.8% in 2023 and going forward, economic growth is projected to remain strong at 6.8% in 2024 and 6.5% in 2025. Throughout 2023, the manufacturing PMI remained above 50, signaling an expanding output. RBI has projected inflation to average at 5.4% in 2024. The outlook for India's external sector is promising with stable currency.

### **Industry Outlook**

The global medicine market is expected to grow by 5-8% from 2023 to 2028, bringing global spending on medicines to USD 2.3 trillion (at the list prices). The largest driver of medicine spending growth through the next five years is expected to be the availability and use of innovative therapeutics in the developed markets, offset by losses due to exclusivity and the lower costs of generics and biosimilars.

Specific to our businesses, in the Radiopharmaceuticals, the market is expected to grow multifold on the on the back of superior imaging and Therapeutic profiles, new emerging isotopes and increasing use-cases for unmet needs. Particularly, PET diagnostics and advance therapeutics segment is witnessing launch of new and differentiated products. Increased M&A activity in this segment also shows growing interest of large pharmaceutical companies to make entry in the Radiopharmaceuticals business. In the CDMO Sterile Injectable, we are seeing significant shortages in the US market, signaling the need for significant on-shoring. In the Generics business, we have started to see inflation coming back in the US market, signaling a structural shift after years of consolidation in the Industry. In the drug discovery business, the proposed Biosecure act is expected to shift a lot of business to companies in "friend sourcing" locations such as India.

### **Business Outlook**

Your company has several growth levers across its various businesses, which shall drive sustainable growth for the company.

In the Radiopharma business, we have a strong pipeline of products across SPECT, PET and Therapeutics, which will drive the revenue in the medium term. The business continues to maintain leadership in stable, high margin SPECT imaging product portfolio. Ruby-Fill® installations are accelerating. New products Mertiatide and Sulfur Colloid are getting traction. The clinical trials for MIBG is progressing well. In line with the management's expectations, the radiopharmacy business has pivoted to profitability on the back of increasing sales in new products and improvement in operational efficiencies. We are laying emphasis on accelerating sales of new products, e.g., Ga-PSMA. We are also evaluating the opportunity to expand our radiopharmacy network.

In the Allergy Immunotherapy business, as a sole supplier of Venom in the US, we are expanding the market by increasing the customer awareness. In the US Allergenic extracts, the business continues to gain market share. The business is also making inroads outside of the US market.

In the CDMO Sterile Injectables business, 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 total investment of USD 285 million is funded through a mix of internal accruals, Cooperative agreement with US Government for USD 150 million.

In the Generics business, we are growing profitably in the Non US international markets. We are also investing to develop 3 to 4 therapeutic areas in Indian branded generics market. For the US market, our strategy is to focus on profitable products. Following the status change of Roorkee facility by USFDA to VAI, the company expects the exports from the Roorkee facility to the US market to increase in a meaningful and gradual manner.

In the Drug discovery business, Medium term outlook continues to be positive. In the short term, the business is trying to diversify its customer base and for the medium term, it is adding 'development' capabilities in addition to research and manufacturing. In the CDMO API business, we are focused on driving higher capacity utilisation by fortifying sales with existing customers.



In Proprietary Novel Drugs business, the most advanced program JBI-802, coREST Inhibitor, phase 1 data suggested therapeutic potential. We shall look to complete phase 2 trial for our lead asset that has a significant value inflection potential.

We continue to stay focused on our strategy to strengthen our position in each of our businesses to create shareholder value.

### **FY24 Financial Performance Review**

Total income grew by 7% in FY2024 to INR 6,772 Cr. on the back of growth in Ruby-Fill® and new product sales in radiopharmaceuticals, volume growth in radiopharmacies, continued growth momentum in Allergy Immunotherapy business and growth in other income.

Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) grew by 20% on YoY basis to INR 994 Cr. due to improved performance led by Radiopharma, Allergy Immunotherapy and Generics. In line with the management's guidance, Radiopharmacy business has pivoted to profitability in FY24. The generics business is also moving towards profitability. EBITDA margins increased by 160 basis points to 14.7%.

Normalised PAT increased by 63% to INR 195 Cr. Net Debt / EBITDA went down from 2.93x as on Mar'23 to 2.48x as on Mar'24.

### **Dividend**

The Board has proposed a dividend of 500%, i.e. Rs. 5 per equity share, for the year.

### **Conclusion**

We would like to thank all our valued stakeholders, including our customers, vendors, lenders and shareholders for continuing their support and upholding their confidence and trust in us. We remain deeply grateful to all our employees globally for their contribution and commitment to the Company.

Warm Regards

Shyam S. Bhartia  
Chairman

Hari S. Bhartia  
Co-Chairman