Q1’FY25 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 are expected to double over the 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 the patented saline push feature and multiple safety features.

Our Ruby-fill® franchise has been witnessing strong growth. We have witnessed strong growth momentum in Q1'FY25. 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 the uptake of new products – Mertiatide and sulphur colloid?

Answer: Mertiatide is used for the 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 of our new products in Q1'FY25. We expect the new products to reach their normalised market share within a couple of years.

Q3. What is the timeline of the 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 of Neuroblastoma in the US market is estimated at 800 new cases per year and the relapse / refractory cases are estimated at 400 per year.

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

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

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

Q5. Can you explain Q1'FY25 Radiopharmaceutical results?

Answer: Radiopharmaceuticals revenue grew by 28% to Rs. 262 Cr. and EBITDA grew by 35% to Rs. 126 Cr. Revenue grew YoY on the back of new product sales and growth in Ruby-Fill®. EBITDA grew 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 an increase in demand for 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 the development of new PET imaging and theranostic products.

Q7. What are the growth levers in this business, particularly, can you talk about USD 50 million investment that you plan to make in this business?

Answer: The PET Imaging market is growing rapidly on the back of new products so there is a need to position the company in this growing PET imaging market. This investment shall help us to expand our PET radiopharmacy network to nine (9) sites and therefore enable us to secure long term contracts with the leading PET radiopharmaceutical manufacturers. These new PET radiopharmacies shall be fully operational in FY28 and shall start to contribute significantly to the top line and bottom line. We expect a RoCE in excess of 20% on our investment.

Q8. Can you explain Q1'FY25 Radiopharmacy results?

Answer: Radiopharmacy Q1'FY25 revenue grew by 17 % YoY to Rs. 570 Cr. and EBITDA grew by 617 % YoY to Rs. 13 Cr. On the revenue side, new products & volume increase is generating incremental gross profits. On the cost side, our operating costs are 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 a few products. Q4'FY24 EBITDA margins were higher due to seasonality in the business.

Allergy Immunotherapy

Q9. What are the growth levers in this business?

Answer: We have three growth levers in place.

1. US Venom: As you are aware, we are the sole player in this segment in the US, so we are doing targeted marketing campaigns to increase 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 Q1'FY25 Allergy immunotherapy results?

Answer: Q1'FY25 revenue grew by 11% to Rs. 168 Cr and EBITDA grew by 26% to Rs. 63 Cr. Revenue grew YoY on the back of volume & price increase. EBITDA margin increased YoY due to an increase in revenue and improvement in operational efficiencies.

CDMO Sterile Injectable

Q11. Can you talk about the overall demand scenario in the sterile fill and finish market?

Answer: The global CDMO Sterile fill and finish market is expected to grow from USD 13 billion in 2023 to USD 20 billion by 2027 at a CAGR of 11%. The demand drivers include an increasing number of injectables in the development pipeline driven by biologics and an increase in loss of exclusivities.

As big pharma is focused on internalising only select capabilities, this increase in demand is being outsourced to specialised CDMO Sterile fill and finish companies.

The drug shortages in the injectables in the US are signalling that the demand still runs higher than the supply of the capacity and therefore there is a need of significant new capacity.

Q12. What is the project status of the 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 an effort to fill up the new capacity much faster than the industry average timeline. Also, we expect to clock higher than normalised EBITDA margins on the incremental revenue from Line 3 and Line 4 on the back of improved pricing due to newer technology and lower incremental overheads.

Q13. What is the revenue contribution from the Montreal facility? Also, Post the US FDA audit at the Montreal facility, are you implementing corrective and preventive actions?

Answer: In terms of impact on P&L of CDMO business, Montreal facility revenue contribution is less than 10% in FY24 CDMO Sterile Injectable segment revenues.

Pursuant to the USFDA audit observations and in light of recently issued new and stringent cGMP guidelines for sterile fill and finish manufacturing facilities, we are implementing corrective and preventive actions (CAPA's) in our manufacturing set up at the Montreal facility.

The Montreal facility is expected to remain shut down as we implement the CAPA.

Q14. Can you explain Q1'FY25 CDMO Sterile Injectables results?

Answer: Q1'FY25 revenue grew by 27% YoY to Rs. 324 Cr. and EBITDA grew by 40% YoY to Rs. 57 Cr. Revenue and EBITDA increased YoY due to the increase in sales volumes.

CRDMO – Drug Discovery

Q15. Can you talk about the Biosecure Act? Can we see an increase in demand specifically for our company?

Answer: The Biosecure Act is a proposed federal legislation in the US. It proposes to prohibit the US Govt. and US life sciences companies, (that are receiving federal grant

money) from working with biotechnology service providers that are connected to foreign adversaries.

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

At Jubilant Pharmova, we are well prepared to scale up Infrastructure and scientific talent to take advantage of increased CRO demand. As a testament, we on boarded two large pharmaceutical companies as our clients in FY24. We expect the revenue to increase from these two clients from H2'FY25 onwards.

Q16. Can you explain Q1'FY25 CRDMO Drug Discovery results?

Answer: Q1'FY25 revenue increased by 10% to Rs. 113 Cr with EBITDA margins at 19%. The Biotech Industry headwind continues with most biotech companies focusing on late stage projects. Revenue from two new large pharma clients is expected to start from H2'FY25 onwards.

CRDMO – API

Q17. Can you explain Q1'FY25 CRDMO API results?

Answer: Q1'FY25 revenue stands at Rs. 130 Cr. with EBITDA margins at 12%. Revenue decreased due to change in the product mix. Despite lower revenue, Q1'FY25 EBITDA margin increased YoY due to the cost optimisation program. We continue to do efforts in raw material cost reduction through alternate vendor development and yield improvement. Going forward, we expect to continue to improve EBITDA margins on a full year basis.

Generics

Q18. Given the Roorkee facility acquired VAI status and also you have closed manufacturing operations at the solid dosage formulations facility in the US, when can we reach EBITDA breakeven in the business?

Answer: In the Generics business, as announced earlier, the closure of manufacturing operations at the solid dosage formulation facility at Salisbury, Maryland, US has been completed in Q1'FY25. We are building a network of CMOs that shall support us in manufacturing select profitable products.

Also, following the status change of solid dosage formulation facility at Roorkee, the exports to the US market are expected to increase in a meaningful and gradual manner. The business plans to launch six to eight new products per annum in the US and other international markets. In our last update, we had communicated that business would reach breakeven by Q1'FY26, though we will try and achieve this sooner by Q4'FY25, we now estimate that we should reach breakeven within FY25.

Q19. What is our plan for new product launches?

Answer: We plan to launch six to eight products per annum in our non-US international markets and also the US market. We also plan to start the supply of approved products from Roorkee facility to the US market in H2'FY25.

In addition to that, there are ANDAs in the approval pipeline for the US. There is a significant revenue potential that shall be further unlocked, once we get this approval.

Prop Novel Drugs

Q20. Can you comment on the development path of JBI-802?

Answer: For JBI-802, Phase 1 clinical data established safe dosage and further, dose dependent platelet effect was seen in the clinic at higher doses, establishing application in Essential Thrombocythemia (ET) and other Myeloproliferative Neoplasms (MPNs). In light of these, we are starting a phase II clinical trial to treat ET and MPN patients with thrombocytosis. The phase I trial also showed anti-tumour response in two 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. Additional investigator led clinical trials in NSCLC and post MPN AML are being discussed with multiple institutions to obtain a larger patient data.

Consolidated Financials

Q21. How much interest cost shall go down from Q2'FY25 post reduction of debt?

Answer: In line with reduction in gross debt, our interest expense is expected to go down by 14 to 16%.

Q22. What is the outlook for revenue and EBITDA for Q2 and full year FY25?

Answer: In Q1'FY25, Total income grew by 9% on a YoY basis to Rs. 1,746 Cr., EBITDA grew by 50% YoY basis to Rs. 266 Cr. due to improved performance across all businesses and net debt to EBITDA improved from 2.5x to 1.7x.

Over the next quarter and in FY25, we shall continue to work on these three financial priorities, which is to continue the revenue growth momentum, to expand EBITDA margins and reduce net debt / EBITDA.

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