



Jubilant Pharmova Limited
46th Annual General Meeting – August 30, 2024

Chairman's Speech

Dear Shareholders,

Your Company, Jubilant Pharmova Limited is an innovative pharmaceutical company run passionately by a strong team of approx. 5,500 multicultural people across the globe. Your Company is involved in six businesses, namely Radiopharma, Allergy Immunotherapy, CDMO Sterile Injectables, Contract Research Development and Manufacturing organisation (CRDMO), Generics and Proprietary Novel drugs and has a unique & differentiated position in each of the business units. The Company operates 6 world-class manufacturing facilities, 2 state-of-the-art research centers and 46 radiopharmacies that cater to all regulated markets, including USA, Europe and other geographies. Customers from 85 countries rely on the products and solutions that come from the Company, and for many large pharmaceutical companies in the world, your Company is the 'partner of choice'.

Through my remarks today, I shall cover key aspects on the financial and strategic progress made in FY24, future Industry prospects and the growth outlook of the Company.

Financial & Strategic progress in FY24

In FY24, Consolidated revenue from operations grew by 7% to Rs. 67 billion on the back of growth in revenue from Radiopharma and Allergy immunotherapy. EBITDA increased by 20% to Rs. 9.9 billion. EBITDA margins expanded by 160 bps to 14.7% led by improved margins in Radiopharma, Allergy immunotherapy, Generics and API business. Normalised PAT in FY24 increased by 63% to Rs. 1.95 billion on the back of improved operating performance.

Net Debt/EBITDA reduced from 2.93 at Mar 2023 to 2.48 at Mar 2024. Net cash generated from operations increased from Rs. 6.6 billion in FY23 to Rs. 9.7 billion in FY24.

Coming to segments, in 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 FY24.

In the Radiopharmacy business, we delivered 22% revenue growth, achieved full-year EBITDA breakeven and reached 7% EBITDA margin by Q4'FY24.



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Subsequent to the announcement of Sofie Biosciences Inc. merger with Trilantic Capital Partners, North America, the Company's subsidiary Jubilant Pharma Limited has sold its entire 25.8% equity stake in Sofie for an aggregate value of US \$142.9 million. The return generated by this investment validates our confidence in the radiopharmacy business.

In the Allergy Immunotherapy business, we sustained the growth momentum in the US and continued to make inroads in the markets outside the US.

In the CDMO Sterile Injectable business, we completed the installation of line 3, a high-speed injectable fill and finish line, fitted with the latest isolator technology. We expect commercial production to start in FY26.

In the Drug discovery business, we made a breakthrough by onboarding 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 got "VAI" status following the US FDA audit. With this, the plant is no longer under import alert. We also achieved the highest-ever sales in non-US international markets in FY24.

In the Proprietary Novel Drug business, we are excited to move into 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.

Your Company has embarked on a renewable energy implementation journey across its facilities in India to enable a reduction in both cost and carbon footprint. In January & May this year, the Company approved investment to access renewable power through captive arrangement for its facilities in Karnataka, Noida and Greater Noida, India.

Economic and Industry Outlook

The global economy grew by 3.2% in 2023. Going forward, as per the IMF, the global economy is expected to grow by 3.2% in 2024 and 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.



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The global medicine market is expected to grow by 5 to 8% from 2023 to 2028, bringing global spending on medicines to US \$2.3 trillion at the list prices. The largest driver of this medicine spending growth through the next five years is expected to be the availability and use of innovative therapeutics in developed markets.

Specific to our businesses, The Radiopharmaceuticals market is expected to grow multifold 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 the launch of novel and differentiated products. In the CDMO Sterile Injectables, we are seeing significant shortages in the US market, signalling the need for significant on-shoring. In the drug discovery business, the proposed Biosecure Act is expected to shift a lot of businesses to companies in “friend sourcing” locations such as India.

Future Business Outlook

Now, let me talk about the Company's future strategic direction and growth outlook across its six business units.

In the Radiopharma business, we have a strong pipeline of products across SPECT, PET and Therapeutics, which will drive revenue in the medium term. Ruby-Fill® market share is expected to increase. The clinical trials for MIBG are progressing well and we expect to launch MIBFG in the calendar year 2026.

In the radiopharmacy business, we have decided to invest US \$50 million to expand PET radiopharmacy network by adding 6 radiopharmacies in strategic locations throughout the United States, which shall drive future growth of this business.

In the Allergy Immunotherapy business, a gain in share in US Allergenic extracts and revenue growth outside of the US market shall drive growth.

In the CDMO Sterile Injectables business, Line 3 and Line 4 are expected to start commercial production in FY26 and FY28, respectively, which shall drive growth and profitability.



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In the Generics business, we are committed to reaching EBITDA breakeven with in FY25 and gradually increasing profitability in the medium term. We are growing profitably in the non-US international markets. For the US market, our strategy is to focus on profitable products. Following the status change of the Roorkee facility by the US FDA to VAI, we expect the exports from the Roorkee facility to the US market to increase meaningfully and gradually.

We are very bullish on the prospects of the drug discovery business over the medium term. We are well prepared to scale up Infrastructure and scientific talent to take advantage of increased CRO demand. In the CDMO API business, we are focused on driving profitability. We aspire to move towards custom generics API's and CDMO.

In the Proprietary Novel Drugs business, We shall look to complete the phase 2 trial for our lead asset, which has the potential for significant value inflection.

Q1 FY25 Results

Now, I would like to briefly touch upon our performance for the first quarter of FY25 as well.

In Q1 FY25, Total income grew by 9% on a YoY basis to Rs. 17.5 billion, EBITDA grew by 50% YoY basis to Rs. 2.7 billion due to improved performance across all businesses, Normalised PAT increased by 1,055% to Rs. 0.7 billion. Net debt to EBITDA improved from 2.5x to 1.7x, post repayment of Rs. 6.3 billion in debt. Overall, we are performing in line with our expectations.

Dividend

The Board has proposed a dividend of Rs. 5 per equity share of Re. 1 for the year ended March 31, 2024.

Conclusion

I would like to conclude by a vote of appreciation to all of our valued shareholders who have joined us today and the larger investor community for supporting us in our business endeavours. I also wish to extend our gratitude to our stakeholders, including our customers, vendors and lenders for the confidence that they have reposed in us.

Thank you