

J. B. Chemicals & Pharmaceuticals Limited

Investors' meet
September 20, 2019



Presentation Overview

- ❖ **Company Overview**
- ❖ **Key Financial indicators**
- ❖ **Business overview**

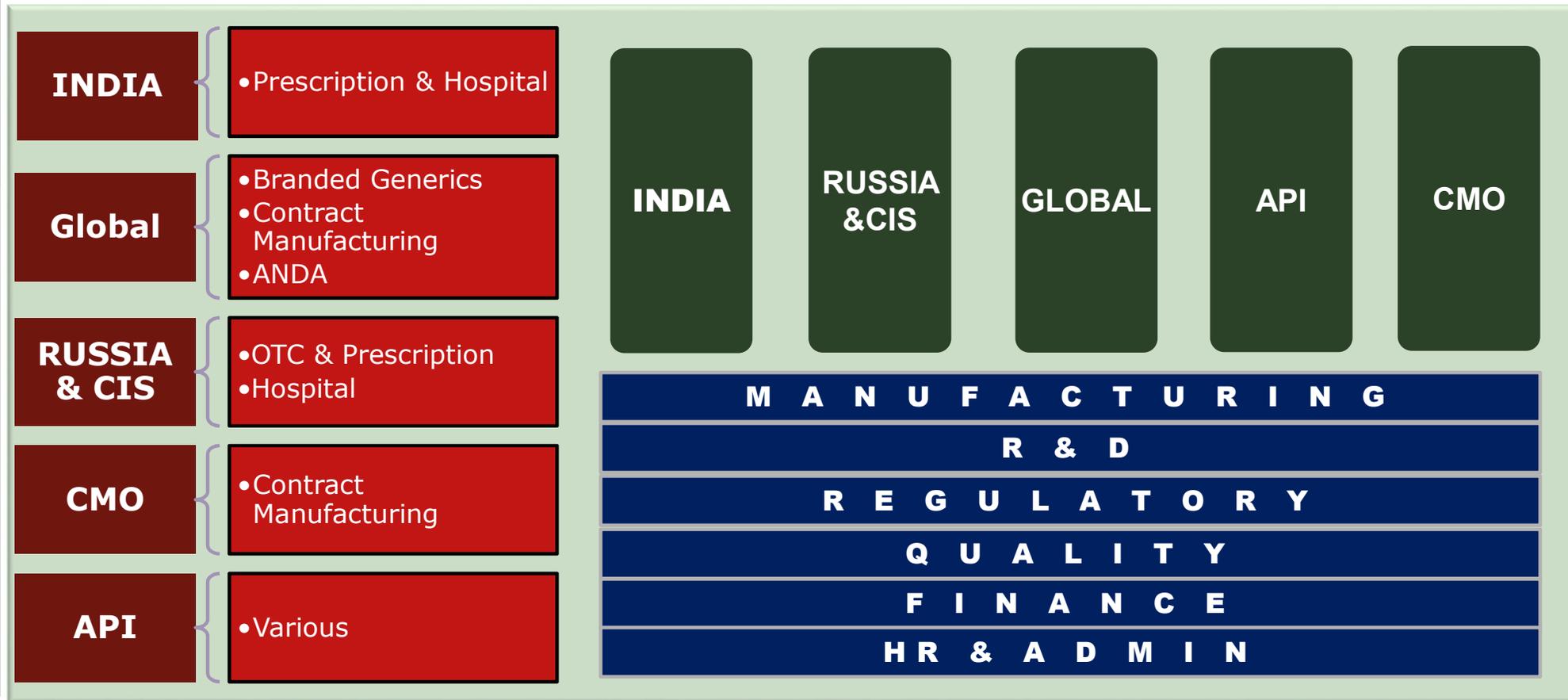


Company overview

- ❖ Incorporated in the year 1976 by Mody family under the Chairmanship of Shri J.B. Mody
- ❖ Promoters holding as on date is 56.02% of the share capital
- ❖ Well established brands in the domestic market.
- ❖ Wide geographic presence in the international market with focus on regulated and semi regulated markets
- ❖ Manufacturing facilities in Gujarat & Daman (U.T.) – FDA approved tablet and API plants
- ❖ Operating subsidiary in Russia and South Africa
- ❖ DSIR approved in house R & D facilities in the state of Maharashtra, Gujarat and Daman



Company overview - Strategic Business Units



Company overview - Manufacturing facilities

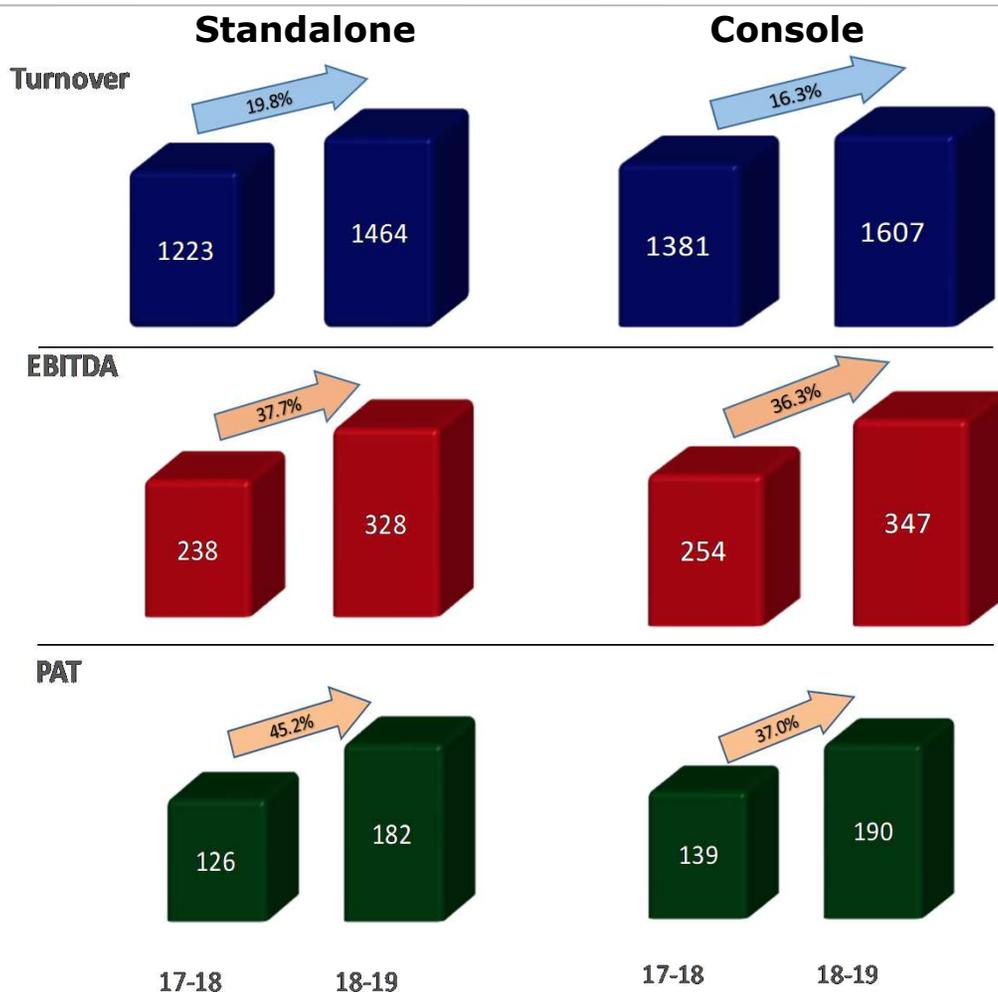
Sr. No.	Location	Dosages	Approved by
1	Panoli, G.I.D.C. Gujarat Plant TI – 10	Tablets – regular/Osmotic laser drill Capsules	USFDA TGA AUSTRALIA MCC South Africa MALTA (EU GMP) MOH – UKRAINE MOH – RUSSIA
2	Panoli, G.I.D.C. Gujarat Plant T20	Tablets Capsules	HUNGARY-EU US-FDA
3	Panoli, G.I.D.C. Gujarat Plant IV -14	Form Filled Sealed IV bottles Ointments, creams, gels	EU MALTA (for Ointment) INVIMA COLOMBIA (for Ointment) MOH – UKRAINE MOH - RUSSIA MCC-SOUTH AFRICA (for Ointment)

Company overview - Manufacturing facilities

Sr. No.	Location	Dosages	Approved by
4	Panoli, G.I.D.C. Gujarat Plant L-6	herbal/allopathic liquids	EU MALTA TGA AUSTRALIA MOH UKRAINE MOH RUSSIA
5	Panoli, G.I.D.C. Gujarat Plant IV 17	Vials Ampoules Form Filled seals IV bottles	MCC South Africa ANVISA BRAZIL MOH – UKRAINE MOH - RUSSIA
6	Panoli, G.I.D.C. Gujarat	API : Nifedipine Diclofenac	US FDA EUGMP ROMANIA CANADIAN AUTHORITY
7	Ankleshwar, G.I.D.C. Gujarat	Tablets, Capsules, Liquid	SEMI REGULATED MARKETS
8	Daman (U.T.), India	Lozenges tablets hot sips	Lozenges approved by: UK MHRA TGA Australia MCC South Africa MOH - Ukraine MOH – RUSSIA

Key Financial indicators - F. Y. 2018-19

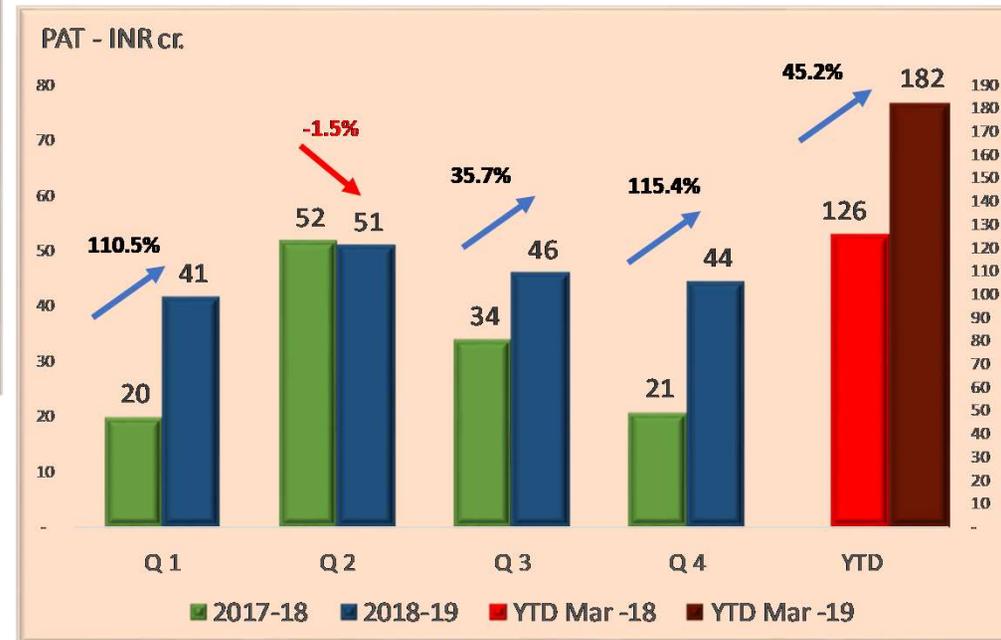
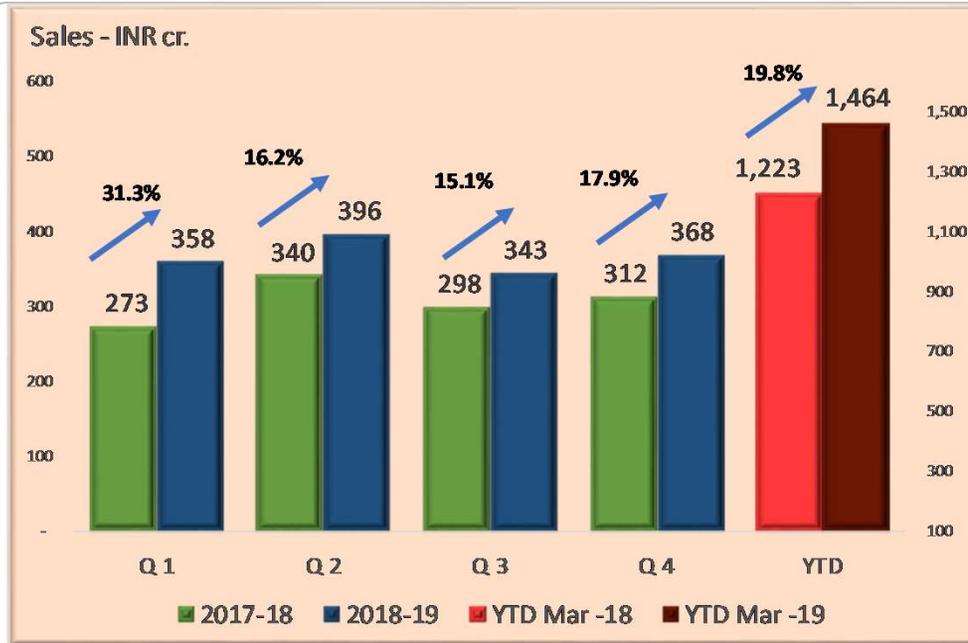
INR in cr.



- Domestic & Export business grew consistently QoQ during the F. Y.
- South Africa & Russia sub also reported turnover growth of 21% and 10% respectively.
- Better gross margin across all SBUs. Resulting in improved EBITDA
- Weak INR against USD helped improved realization and margin.
- Improved cash flow.

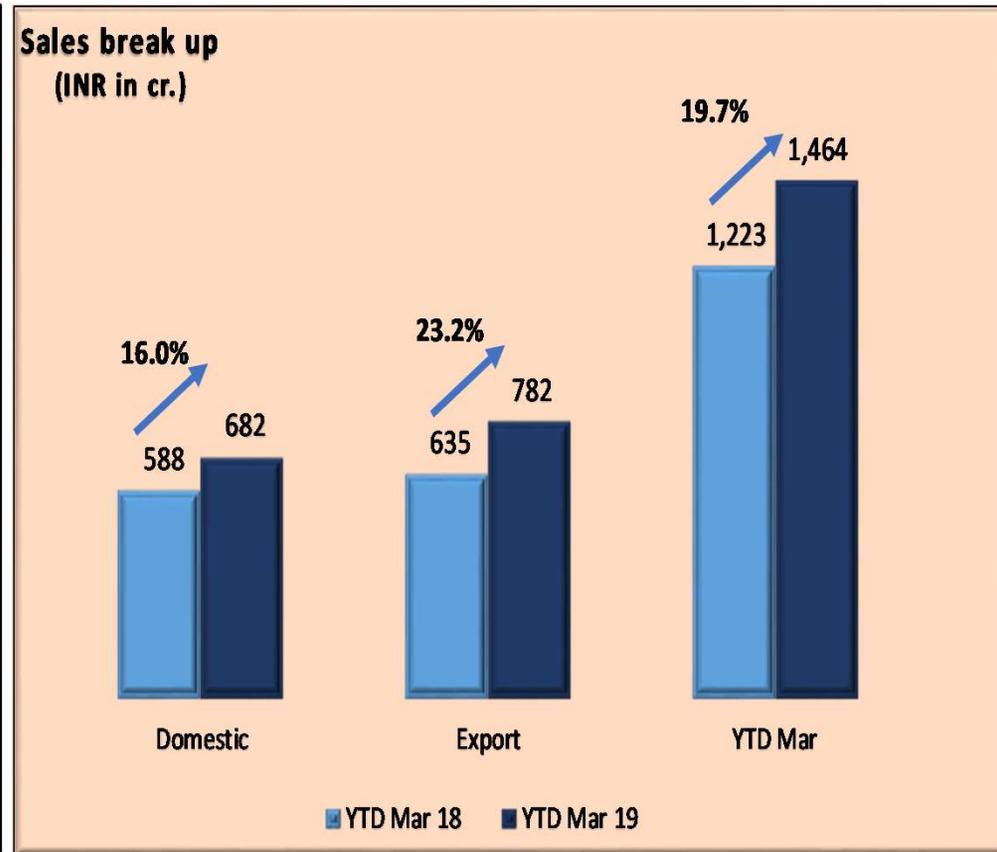
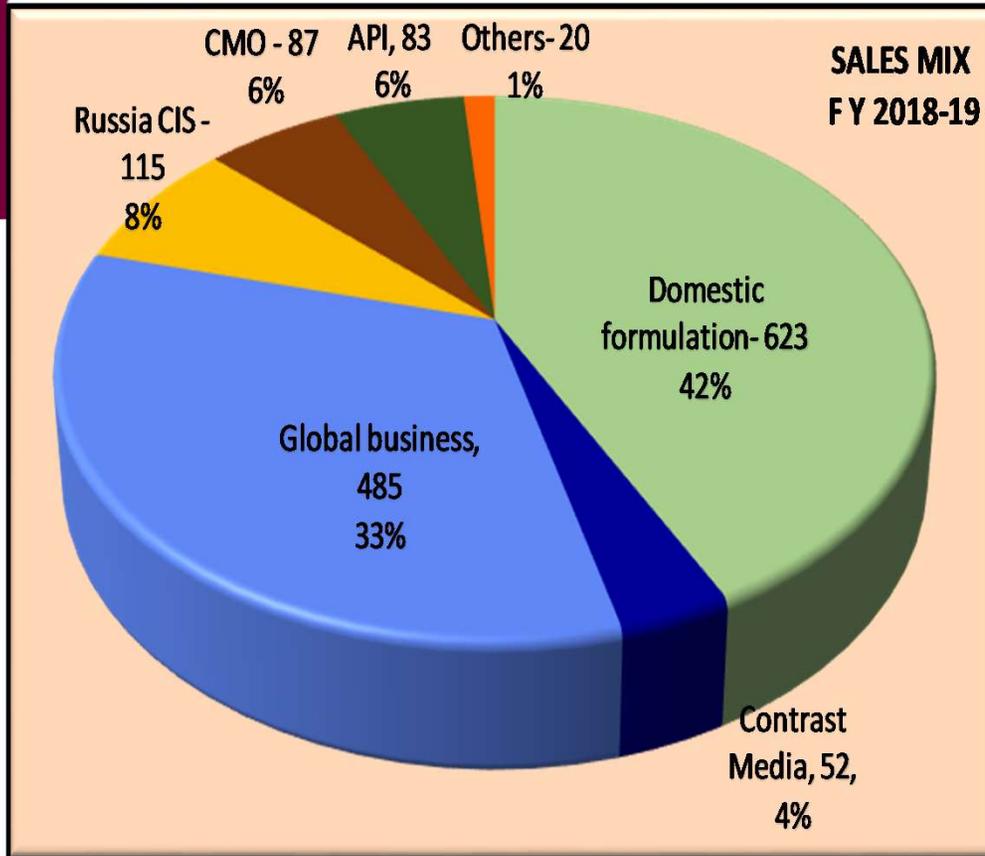
Key Financial indicators - F. Y. 2018-19

Standalone



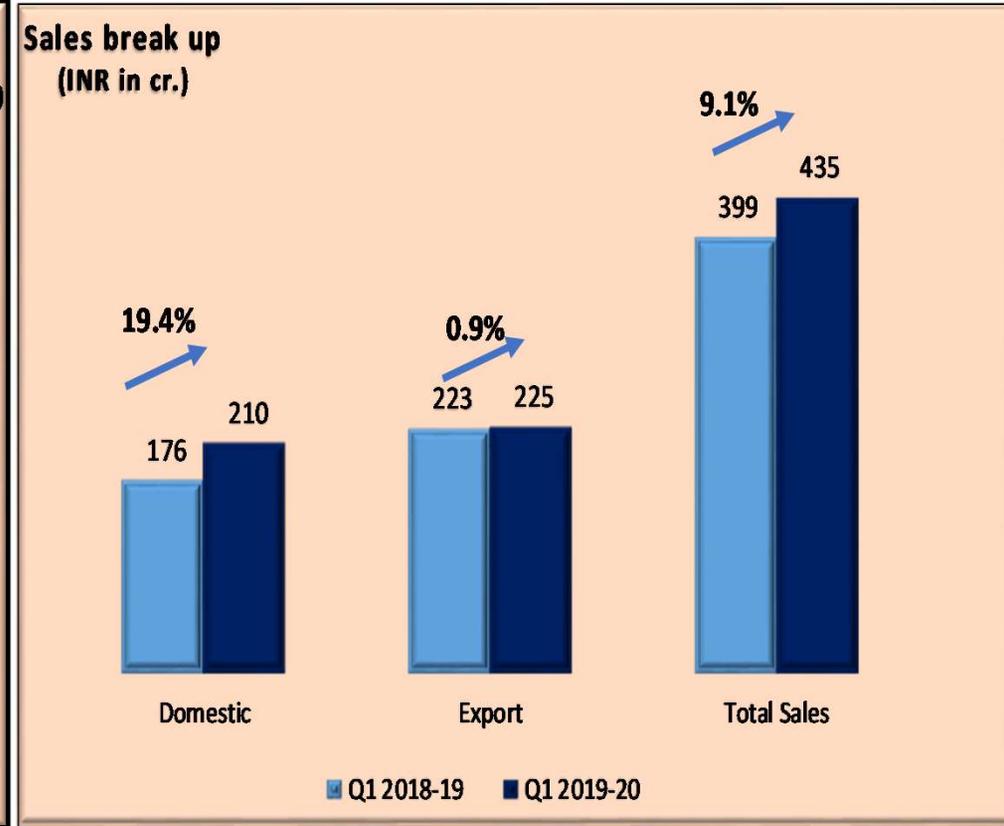
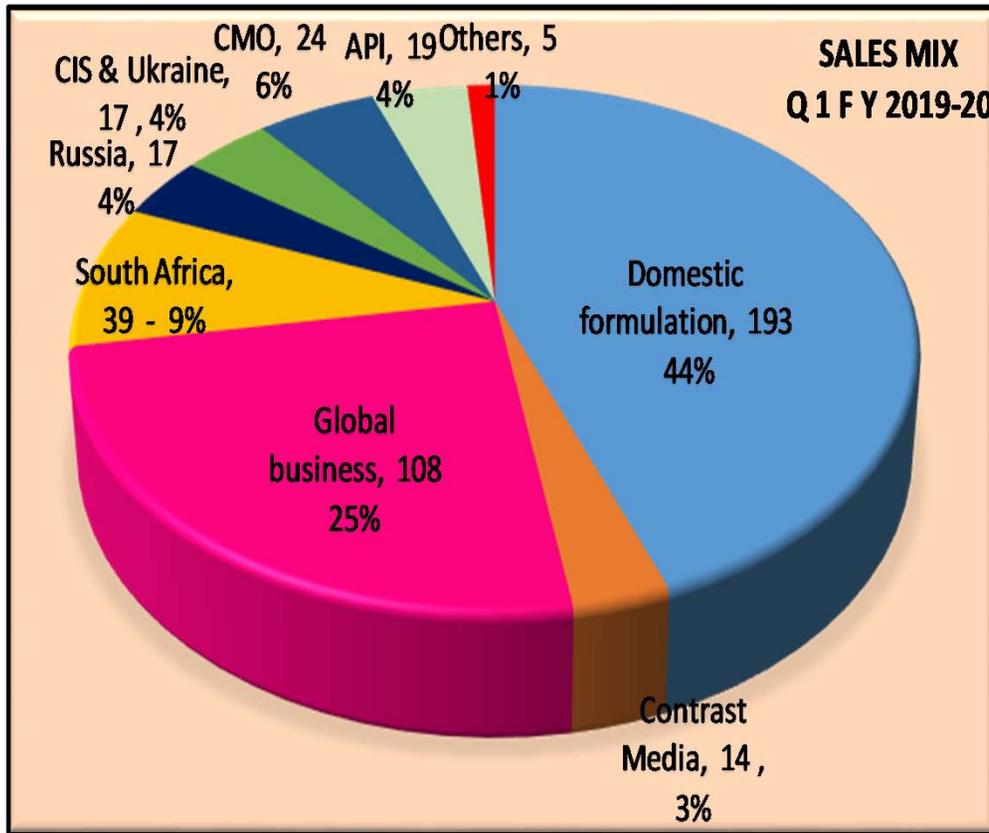
Key Financial indicators - F. Y. 2018-19

Standalone
INR in cr.



Key Financial indicators - Q1 F. Y. 2019-20

Consolidated
INR in cr.



Key Financial indicators

Key Ratios		Standalone	Console
Sales growth	- 5 year CAGR	9.4%	9.93%
PAT growth	- 5 year CAGR	21.62%	25.83%
ROCE	- F Y 2018-19	18.14%	19.35%
Inventory days	- As on 31-03-2019	141	
Receivable days	- As on 31-03-2019	101	
Book value per share	- As on 31-03-2019	185	

Standalone Income Statement – F. Y. 2018-19

INR in cr.

PARTICULARS	Actual 2018-19	% to Sales	Actual 2017-18	% to Sales	Growth %
Sales including Excise Duty	1,464.45	100.0	1,227.81	100.4	19.3%
Less : Excise Duty		-	4.99	0.4	-100.0%
Net Sales	1,464.45	100.0	1,222.82	100.0	19.8%
Operating Income	36.74	2.5	26.40	2.2	39.2%
Total Income	1,501.19	102.5	1,249.21	102.2	20.2%
Cost Of Materials	536.36	36.6	479.67	39.2	11.8%
Gross Profit	964.83	65.9	769.54	62.9	25.4%
Employees Benefits Expenses	257.98	17.6	217.31	17.8	18.7%
Other Expenses	415.17	28.3	353.07	28.9	17.6%
Exch. Fluc. (Gain) / Loss	3.69	0.3	-3.46	(0.3)	206.7%
EBITDA (Operating)	287.99	19.7	202.62	16.6	42.1%
Finance Costs	4.12	0.3	3.41	0.3	20.6%
Depreciation	54.82	3.7	55.95	4.6	-2.0%
Profit Before Tax (Operating)	229.05	15.6	143.26	11.7	59.9%
Other Income	40.23	2.7	35.79	2.9	12.4%
Profit Before Tax	269.28	18.4	179.04	14.6	50.4%
Prov -taxation (Net)	87.22	6.0	51.04	4.2	70.9%
Profit After Taxation	182.06	12.4	128.00	10.5	42.2%
Other Comprehensive Income	0.29	0.0	-2.42	(0.2)	112.1%
Total Comprehensive Income After Tax	182.35	12.5	125.59	10.3	45.2%

J. B. Chemicals & Pharmaceuticals Ltd.



Console Income Statement – F. Y. 2018-19

INR in cr.

PARTICULARS	Actual 2018-19	% to Sales	Actual 2017-18	% to Sales	Growth %
Sales including Excise Duty	1,606.75	100.0	1,386.0	100.4	15.9%
Less : Excise Duty	-	-	5.0	0.4	-100.0%
Net Sales	1,606.8	100.0	1,381.0	100.0	16.3%
Operating Income	36.4	2.3	27.0	2.0	35.0%
Total Income	1,643.2	102.3	1,408.0	102.0	16.7%
Cost Of Materials	596.5	37.1	537.8	38.9	10.9%
Gross Profit	1,046.7	65.1	870.2	63.0	20.3%
Employees Benefits Expenses	288.2	17.9	251.1	18.2	14.8%
Other Expenses	444.5	27.7	403.0	29.2	10.3%
Exch. Fluc. (Gain) / Loss	8.7	0.5	(1.2)	(0.1)	812.0%
EBITDA (Operating)	305.4	19.0	217.3	15.7	40.5%
Finance Costs	4.2	0.3	3.5	0.3	20.2%
Depreciation	55.6	3.5	57.0	4.1	-2.3%
Profit Before Tax (Operating)	245.6	15.3	156.8	11.4	56.6%
Other Income	41.4	2.6	37.1	2.7	11.7%
Profit Before Tax	287.0	17.9	194.0	14.0	48.0%
Prov -taxation (Net)	93.0	5.8	55.2	4.0	68.4%
Profit After Taxation	194.0	12.1	138.7	10.0	39.8%
Other Comprehensive Income	(4.2)	(0.3)	(0.2)	(0.0)	2221.1%
Total Comprehensive Income After Tax	189.8	11.8	138.5	10.0	37.0%

J. B. Chemicals & Pharmaceuticals Ltd.



Consolidated Income Statement – Qtr. 1 - F. Y. 2019-20

INR in cr.

PARTICULARS	Actual 2019-20	% to Sales	Actual 2018-19	% to Sales	Growth %
Net Sales	435.1	100.0	398.8	100.0	9.1%
Operating Income	11.0	2.5	8.2	2.0	35.0%
Total Income	446.1	102.5	406.9	102.0	9.6%
Cost Of Materials	166.7	38.3	146.6	36.8	13.8%
Gross Profit	279.4	64.2	260.3	65.3	7.3%
Employees Benefits Expenses	78.1	17.9	67.5	16.9	15.7%
Other Expenses	105.4	24.2	108.9	27.3	-3.3%
Exch. Fluc. (Gain) / Loss	(0.1)	(0.0)	3.1	0.8	102.2%
EBITDA (Operating)	96.0	22.1	80.8	20.3	18.8%
Finance Costs	0.8	0.2	1.3	0.3	-37.2%
Depreciation	15.8	3.6	14.7	3.7	7.5%
Profit Before Tax (Operating)	79.4	18.2	64.9	16.3	22.4%
Other Income	12.6	2.9	1.4	0.4	790.3%
Profit Before Tax	92.0	21.1	66.3	16.6	38.8%
Prov -taxation (Net)	29.9	6.9	20.5	5.1	45.6%
Profit After Taxation	62.1	14.3	45.8	11.5	35.7%
Other Comprehensive Income	1.9	0.4	(2.7)	(0.7)	-170.7%
Total Comprehensive Income After Tax	64.0	14.7	43.0	10.8	48.7%



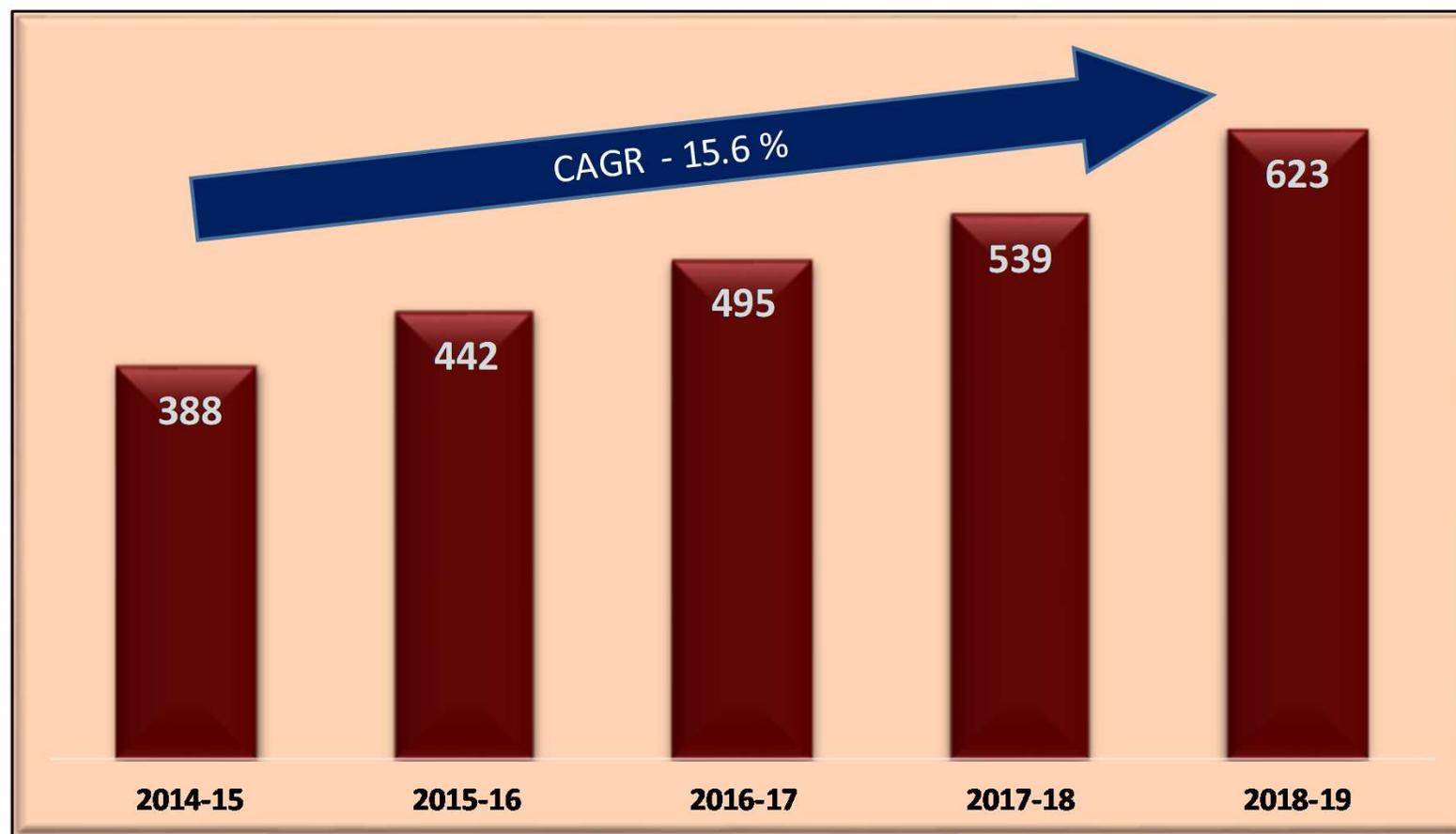
Business Overview

Domestic formulation



Business Overview - Domestic formulation

INR in Cr.



Business Overview - Domestic formulations

- ❖ Strong brand positioning with good mix of Chronic and Acute products
- ❖ Strategic focus on strengthening therapeutic segment by increasing field force.
- ❖ Cilacar brand showing strong growth
- ❖ Expanding product basket with launch of new products and line extensions with eye on profitability to increase share of focused products in the overall sales.
- ❖ Good strength and presence in AI/GI/Cardio/NSAIDs
- ❖ 4 brands in top 300 IPM product list + Segment leadership



Business Overview - Domestic formulations

Domestic Divisions

FIELD FORCE	714	595	278	600
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Cardio,
Nephro,
Ortho, Pedia,
Surg, Gyn, CP
etc



Cardio,
Nephro, CP
etc



Cardio,
Nephro, CP
etc



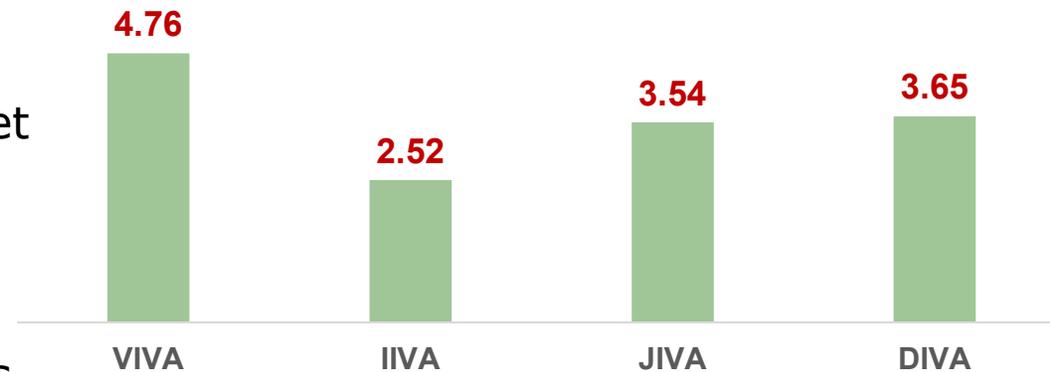
Surg, CP,
Derma, GP,
etc

Business Overview - Domestic formulations

Our strengths in India business

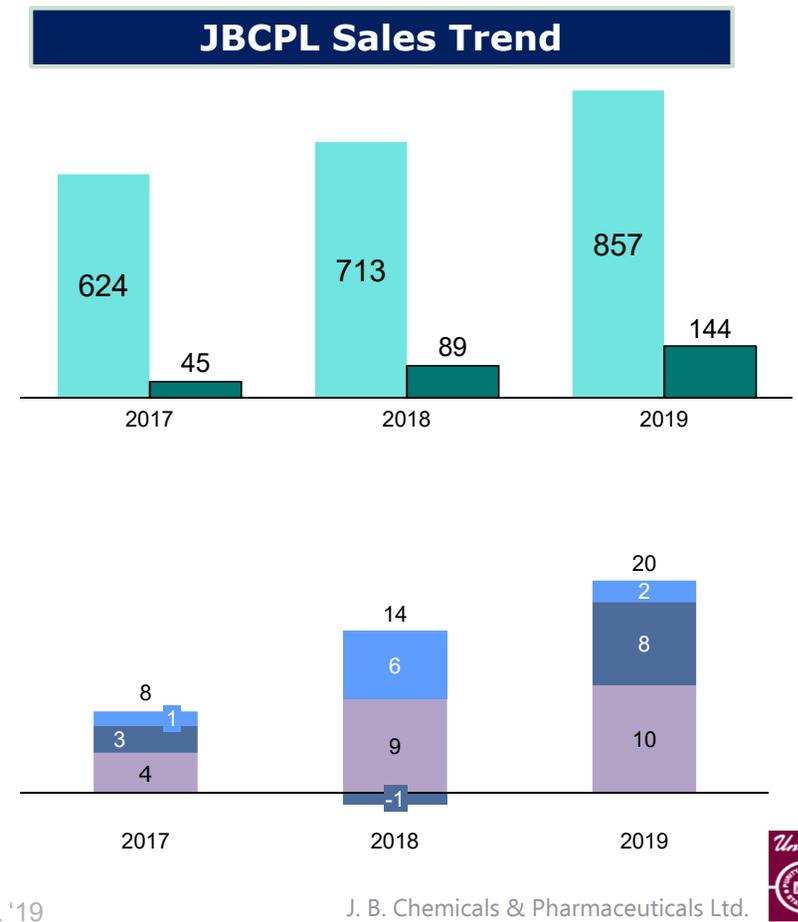
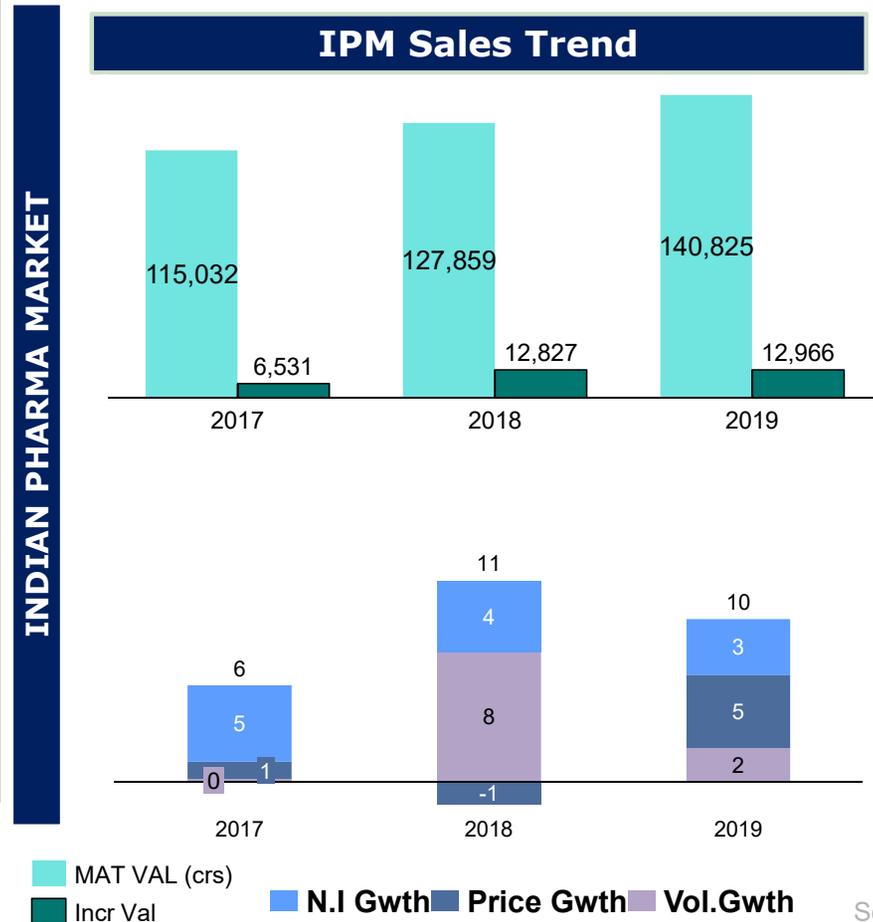
- ❖ #34 (IQVIA) & #19 in Rxns
- ❖ 20% + growth registered in IPM data set
- ❖ 4 brands in to 300 IPM brands
- ❖ Rantac #10th largest IPM brand by Units
- ❖ #17th in cardiac, #15th in GI & #1st in Anti-parasitic markets

All India Avg pdvt - 3.76 Lakh
(Internal sales)



Business Overview - Domestic formulations

Industry and JBCPL: JBCPL Moved to Rs 857 Crs MAT from Rs 624 in 2017 with 20% growth (10% volume growth)



Source: IQVIA TSA JUL '19

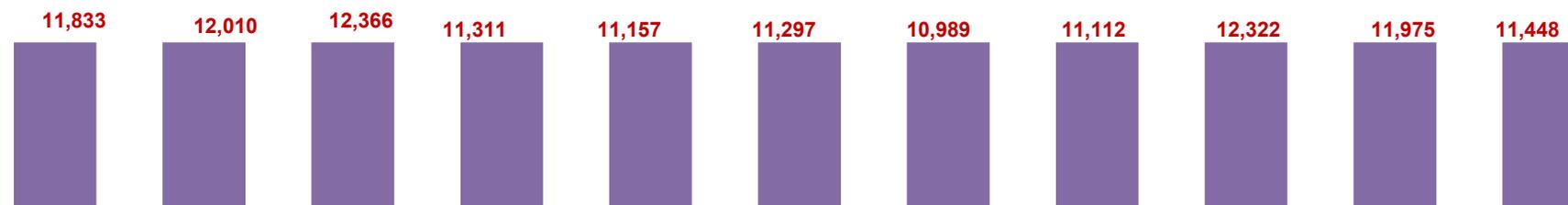
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Business Overview - Domestic formulations

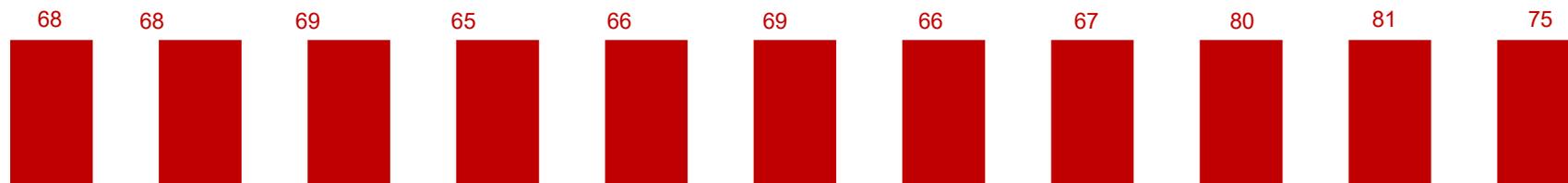
Month on Month – IPM trend in relation to JBCPL

IPM Value – Month on Month trend



Month	Month on Month trend
AUG'18	7%
SEP'18	12%
OCT'18	15%
NOV'18	6%
DEC'18	9%
JAN'19	8%
FEB'19	9%
MAR'19	7%
APR'19	14%
MAY'19	9%
JUN'19	9%

JB CHEM Value – Month on Month trend



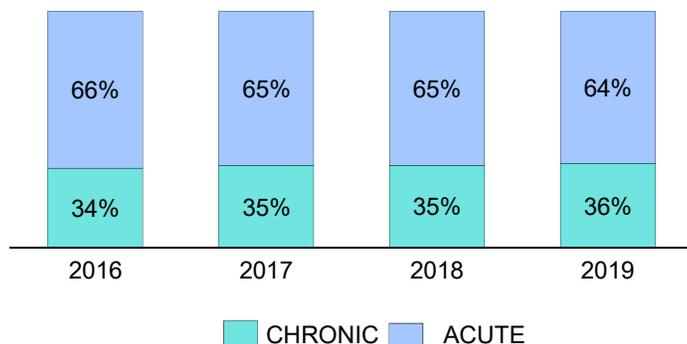
Month	Month on Month trend
AUG'18	9%
SEP'18	17%
OCT'18	24%
NOV'18	19%
DEC'18	21%
JAN'19	18%
FEB'19	17%
MAR'19	16%
APR'19	27%
MAY'19	25%
JUN'19	21%



Business Overview - Domestic formulations

Increase in chronic therapy basket was by design strategy to enhance the presence in Anti Hypertensive market

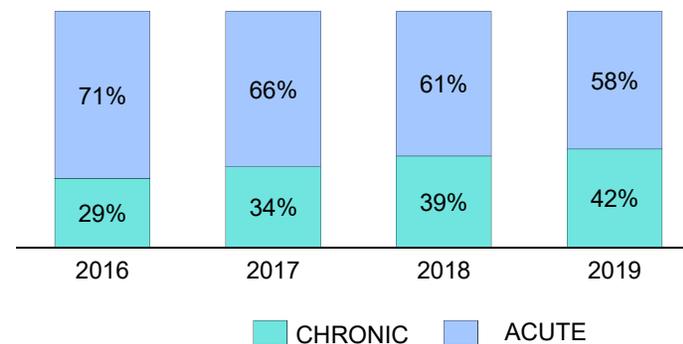
% Sales Contribution of Chronic to Total IPM



IPM CHRONIC - ACUTE THERAPY SPLIT

	CHRONIC		ACUTE	
	VAL	GR	VAL	GR
MAT JUL'17	39927.8	9.3	75104.0	4.3
MAT JUL'18	44580.5	11.7	83278.2	10.9
MAT JUL'19	50064.0	12.3	90760.5	9.0

% Sales Contribution of Chronic to JB CHEM



JB CHEM CHRONIC - ACUTE THERAPY SPLIT

	CHRONIC		ACUTE	
	VAL	GR	VAL	GR
MAT JUL'17	213.4	26.2	410.6	0.1
MAT JUL'18	276.0	29.3	437.2	6.5
MAT JUL'19	357.6	29.6	499.5	14.3



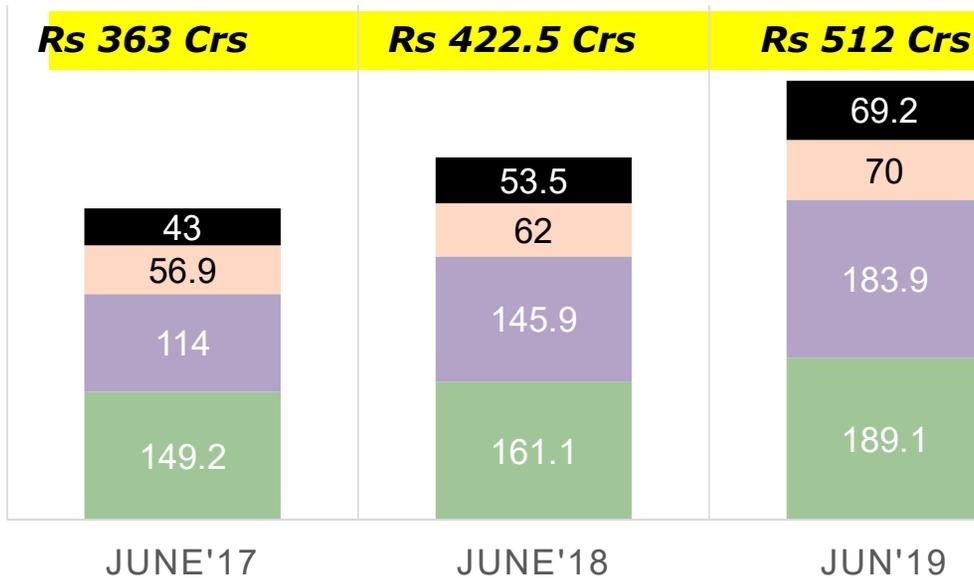
Business Overview - Domestic formulations

IQVIA Highlights

PILLAR BRANDS'

CONTRIBUTION TREND - 3 MAT PERIOD
IQVIA - CRORES (JUNE MAT)

■ Rantac ■ Cilacar ■ Metrogyl ■ Nicardia



IPM - RANKS	
Rank	BRAND
56	RANTAC
59	CILACAR
241	METROGYL
293	NICARDIA



Business Overview

Export Business



Business Overview - Global markets

❖ USA :

- ❑ 14 ANDA approved – Major selling products Glipizide, Oxybutynin, Cetirizine, Diclofenac Sodium, Ciprofloxacin
- ❑ Pending approval 4
- ❑ Submit 2- 3 ANDA per year.

❖ Contract Manufacturing :

Presently doing business with 5-6 MNC clients in Tablet and Lozenges

❖ Branded Generics :

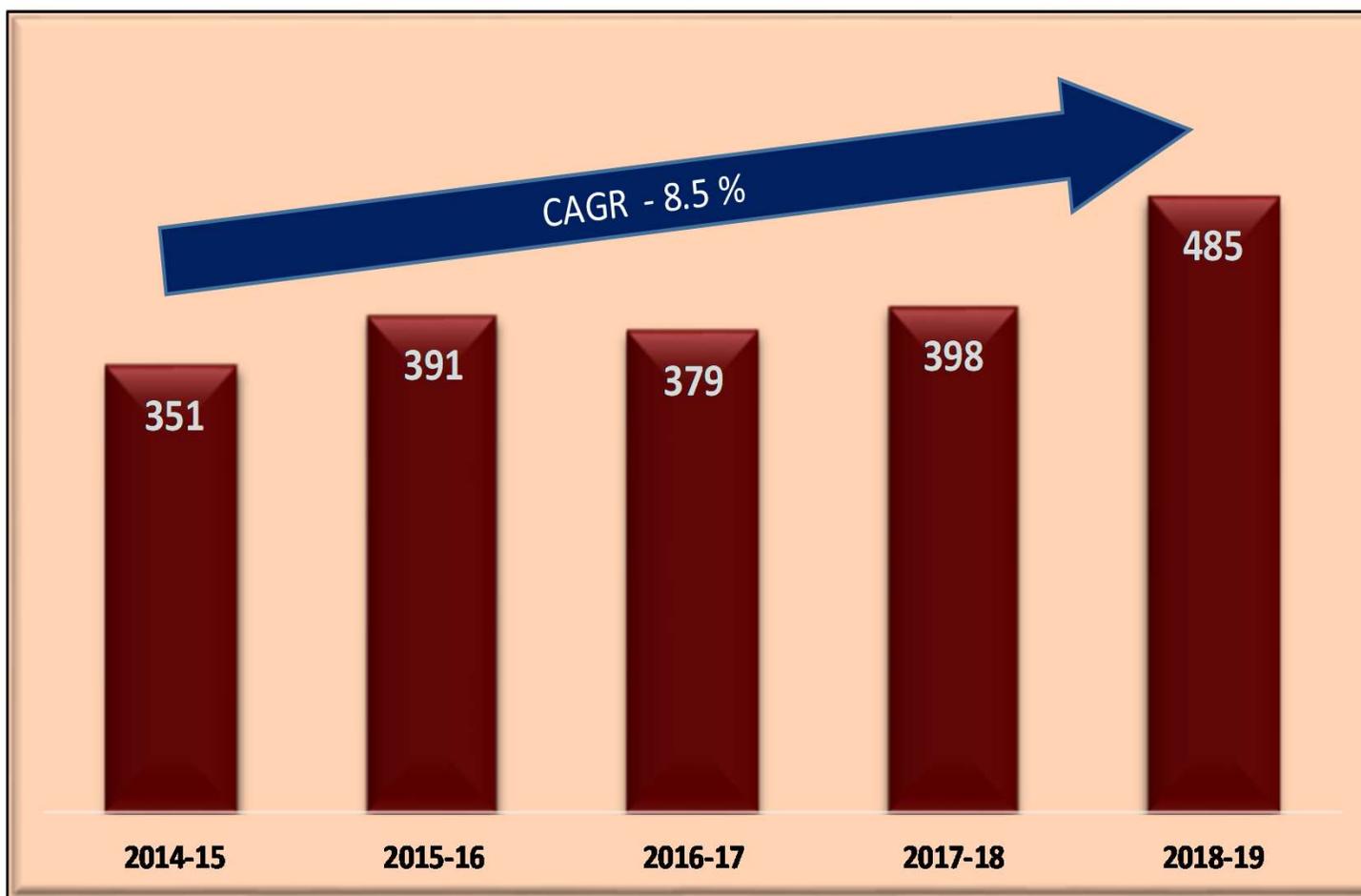
Focus on S E Asia, Africa, ME Gulf and Latin America markets.

Key brands established in branded generic business are Zecuf, Metrogyl, Dicloran, Nicardia and contrast media.



Business Overview - Global markets

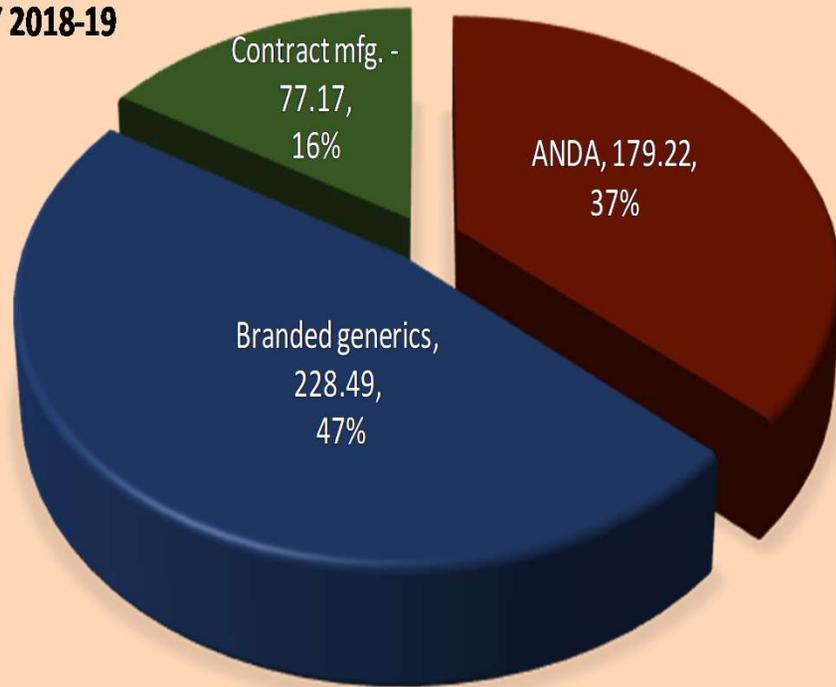
Standalone
INR in Cr.



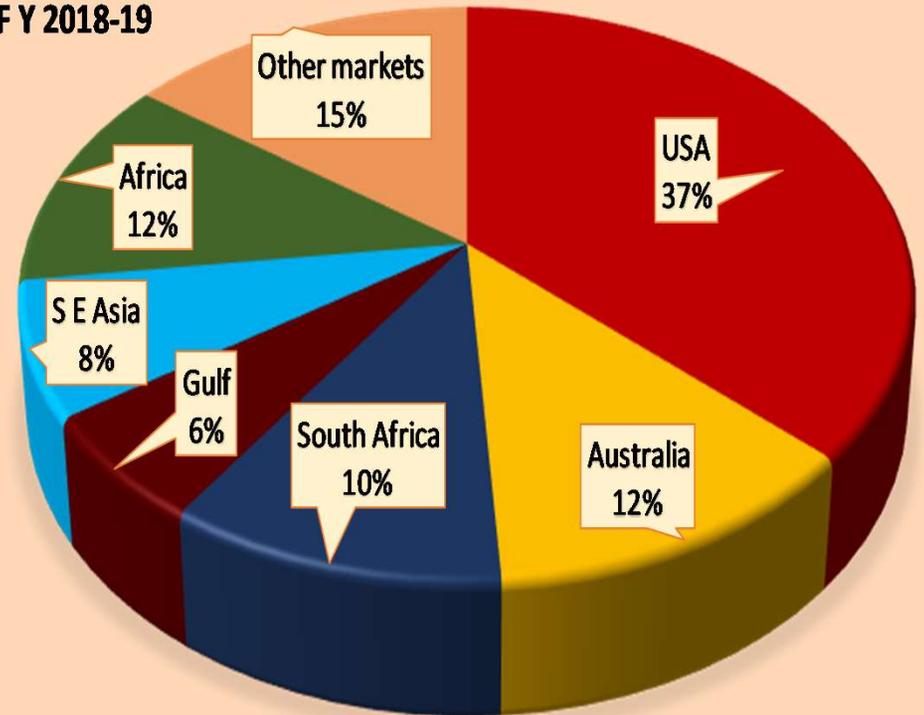
Business Overview - Global markets

Stand alone
INR in cr.

SALES MIX
F Y 2018-19



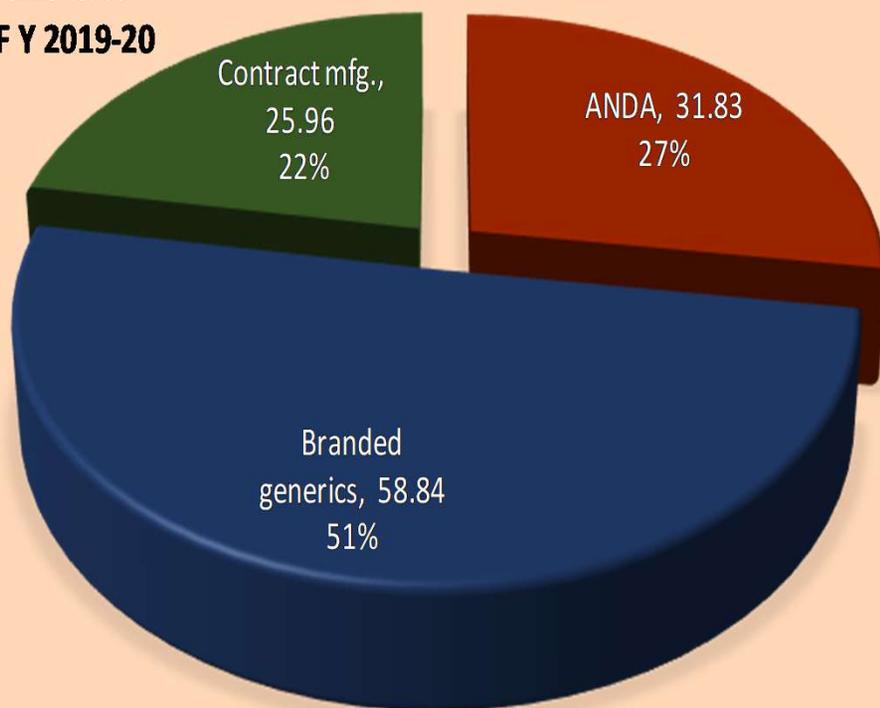
COUNTRY MIX
F Y 2018-19



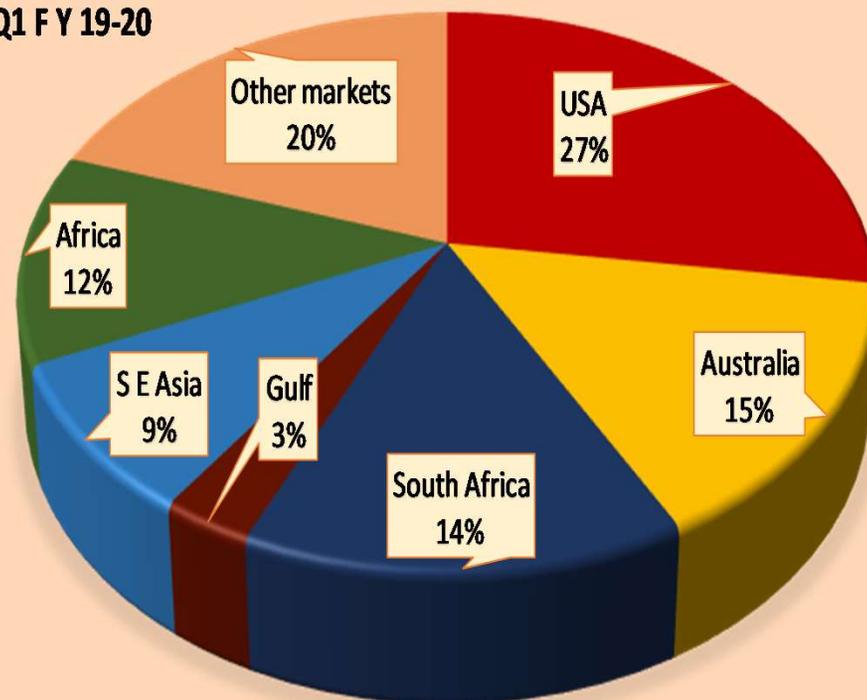
Business Overview - Global markets

Stand alone
INR in cr.

SALES MIX
Q1 F Y 2019-20



COUNTRY MIX
Q1 F Y 19-20



Business Overview - South Africa

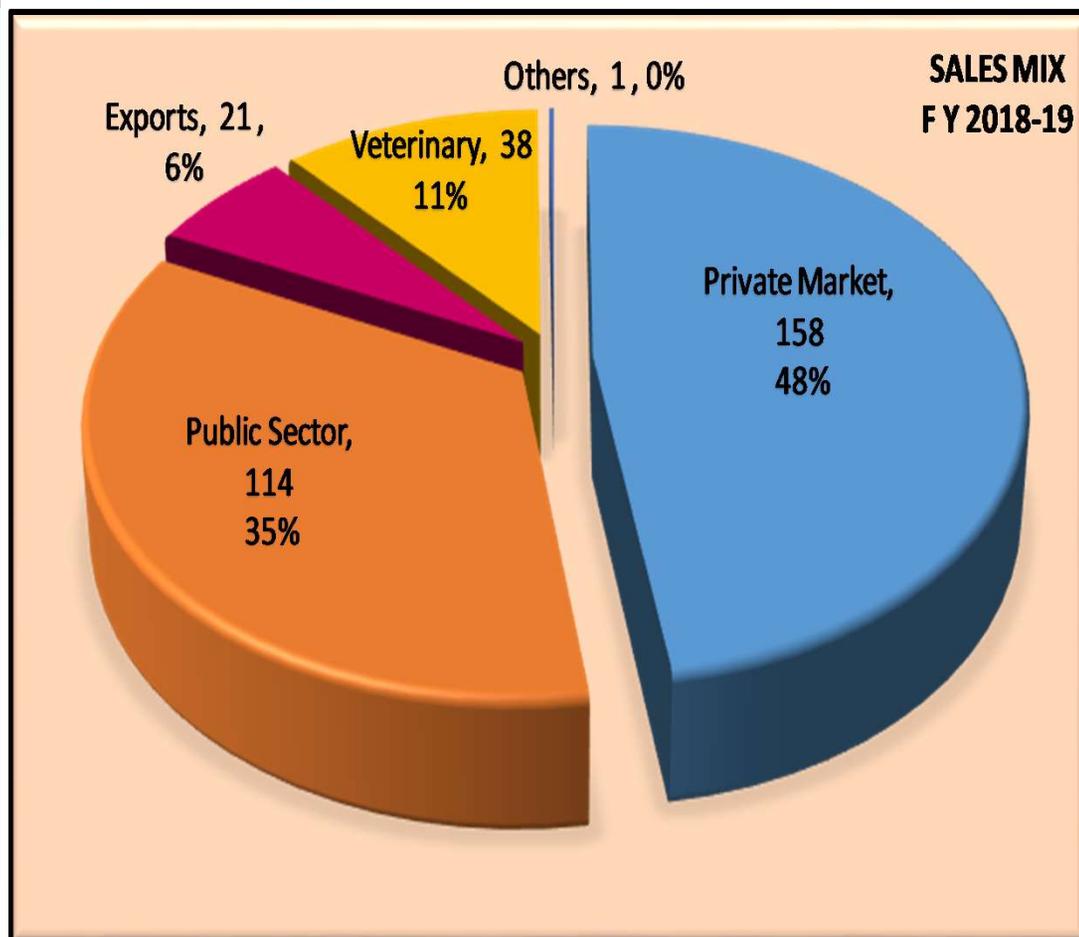
Overseas Subsidiary : South Africa

- ❖ Company holds 95% stake in its South African Subsidiary – Biotech Laboratory Limited (Biotech).
- ❖ Biotech mainly focused on marketing of registered pharmaceutical products in South African and neighboring SADC markets.
- ❖ Biotech is a BEE company
- ❖ Biotech caters to the private, public, veterinary, hospitals and export markets
- ❖ Product range is across segments like cardio vascular, gastro, CNS, respiratory, derma and anti-microbials



Business Overview - South Africa

South Africa Sub. - Standalone
Amount in in ZAR in Mili.



Markets	FY 18-19	FY 17-18	Growth %
Private Market	158	116	36%
Public Sector	114	100	15%
Exports	21	20	3%
Veterinary	38	38	0%
Others	1	1	-33%
Total ZAR	332	275	21%

Business Overview - Russia & CIS market

Market	Currency	2018-19	2017-18	Growth %
Russia - Local	RUB	626.47	566.21	10.6%
CIS Ukraine	USD	8.88	6.22	42.7%

- ❖ Post sale of OTC business, the Company markets its prescription products in Russia through its subsidiary and through distributor in CIS markets.
- ❖ Expediting registration of products in Russia, CIS markets to increase sales and profitability.
five products are under registration and plan to submit 2 - 3 products in coming F.Y.
- ❖ Major focus on key therapeutic segments are Derma, Cough & Cold, Gastro & Contrast (Imaging)

Business Overview - API

API:

- ❖ API business mainly focused on exports to few big global customers.
- ❖ Sales remained subdued in past two years due to pending regulatory registration process at customer end in view of restructuring of their business - Expects to get the process completion by end of F Y 20.
- ❖ Act as a strategic backward integration for certain formulation exports of global market business.



Thank You

