



J. B. CHEMICALS & PHARMACEUTICALS LIMITED

February 14, 2022

BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

BSE Scrip Code: 506943

Stock Symbol: JBCHEPHARM

Dear Sir,

Subject: Investor Presentation

Enclosed please find the presentation the Company proposes to make to investors/analysts on financial performance for the quarter ended on December 31, 2021.

Thanking you,

Yours faithfully,
For J.B. Chemicals & Pharmaceuticals Ltd.

Sandeep Phadnis
Vice President - Secretarial
& Company Secretary

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J.B. CHEMICALS & PHARMACEUTICALS LTD.

Q3 & 9M FY22 FINANCIAL RESULTS

February 14, 2022



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Q3 & 9M FY22 Financial Performance



J.B. CHEMICALS &
PHARMACEUTICALS LTD.



**J.B. CHEMICALS &
PHARMACEUTICALS LTD.**

Company Overview



Corporate Snapshot

45

Years of operations with consistent track record across multiple businesses

40+

Regulated/semi-regulated markets of presence through direct operations and distributors

21%

Growth in chronic therapies* in the domestic formulations business

7

Multi-dosage formulation plants with key global approvals/compliances

5

Brands among top 300 brands, contributing over 70% of domestic formulations revenues

Top 5

Global manufacturer of medicated/herbal lozenges representing a substantial opportunity

2100+

Strong India field force with therapy-focused segmentation

**42%

ROCE with strong cash position and consistent cash flow generation

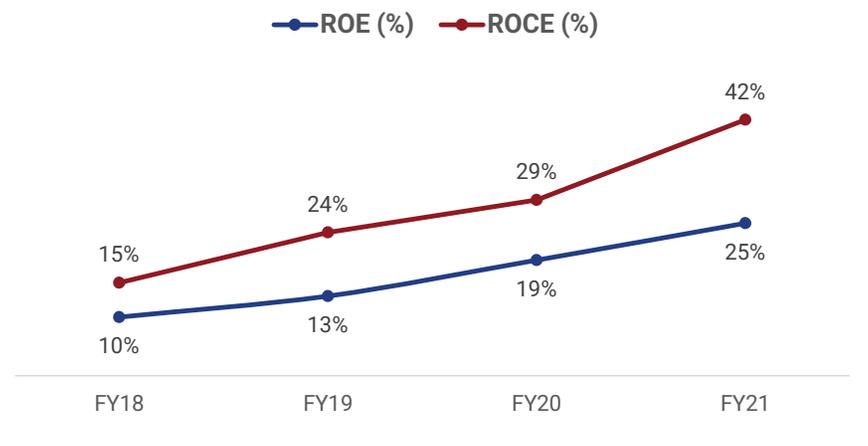
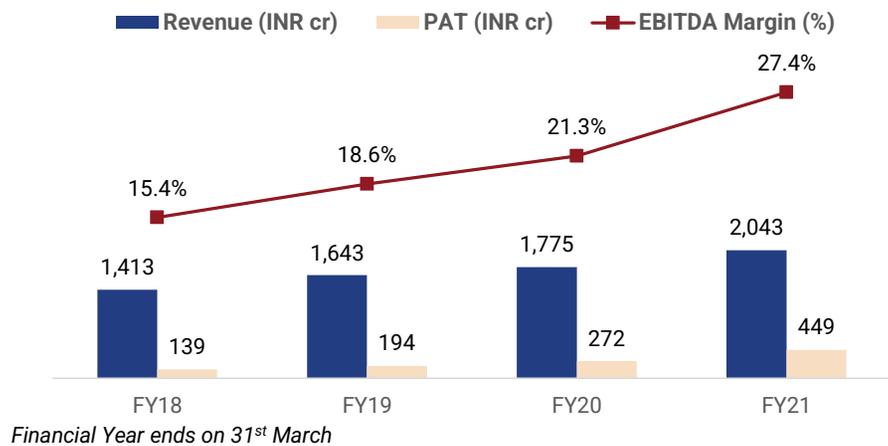


* CAGR over FY17-FY21

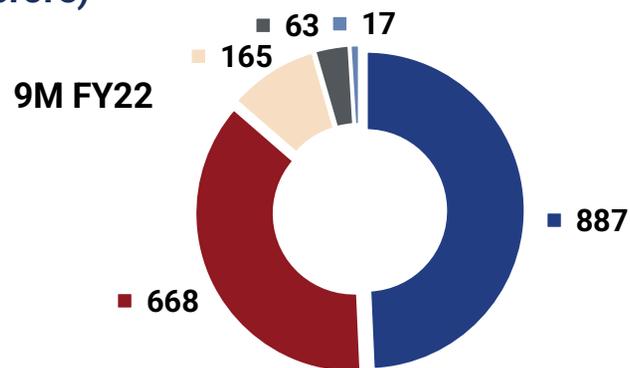
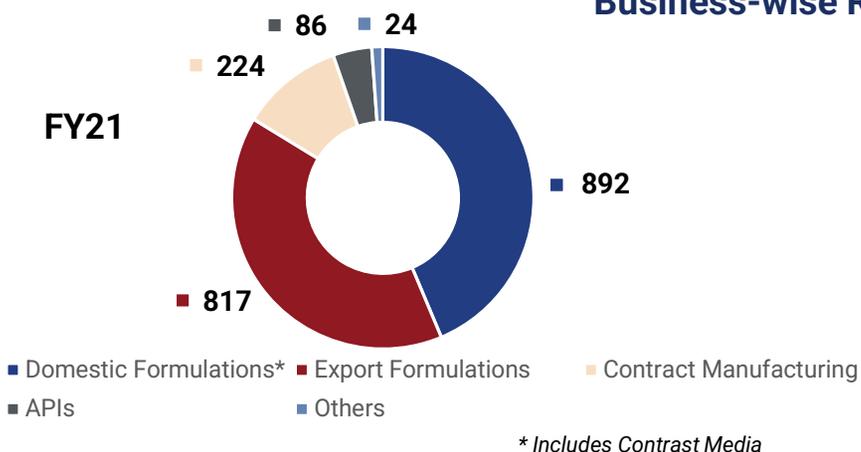
Includes MR and Supervisors

** ROCE for FY21 $ROCE = EBIT / (Net\ Worth + Debt - Mutual\ Fund\ Investments)$

Corporate Snapshot – Financial Overview



Business-wise Revenue (INR crore)





Domestic Formulations: Outperformance Driven by Strong Brands

27%

Vs market growth
of 18 %*

Among the fastest
growing pharma
companies

30%+

market share in
5 molecule
categories

Leadership
position
in the covered
markets

5

No of brands
in Top 300

Brands have
consistently
recorded market
beating growth

* MAT Dec 21 growth

Consistent Outperformance in Covered Markets

Covered Market Growth

19%

Y-o-Y growth

JBCPL growth

27%

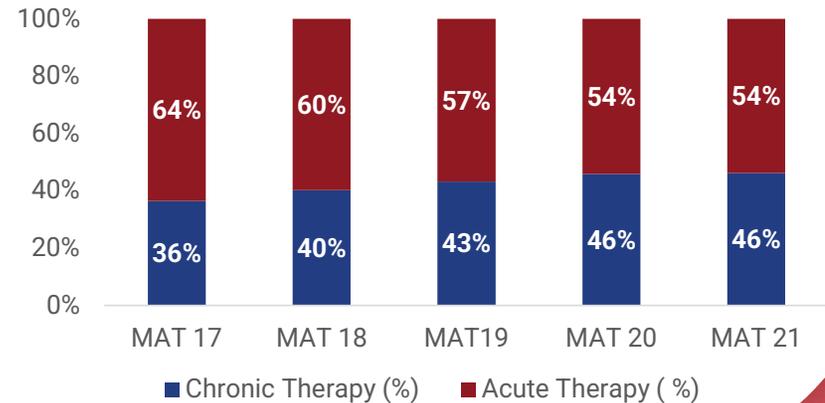
Y-o-Y growth

* MAT Dec 21 growth

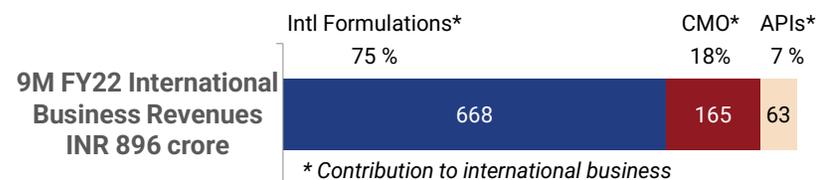
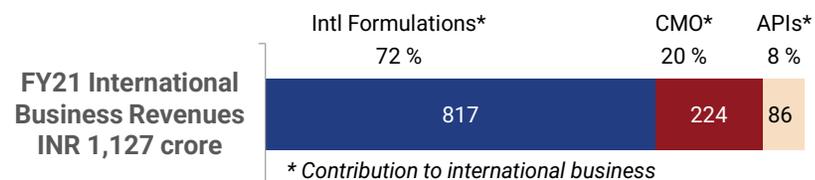
Source: IQVIA Data, Dec-21.

Covered market includes all JBCPL's molecule segments

Increasing Contribution from Chronic Therapies (MAT Dec data)



International Business: Clearly Defined Business Models Across Geographies



International Formulations



RUSSIA

- Prescription branded generics business built over three decades
- Well established brand equity, 80-strong sales force, pharmacy relationships



SOUTH AFRICA

- Well-entrenched in public and private markets
- 30-strong sales force, retail pharmacy relationships, access to in-house/third-party products



UNITED STATES

- Generics business in niche products, delayed release OSD(Oral Solid Dosage) formulations
- Cost plus, asset-light model



ROW

- Presence in ~40 Emerging Markets through leading distributors

APIs



- Regulated markets focus
- Backward integration with formulations exports
- Leading position in Diclofenac (NSAID) market

CMO



- Leading global position in \$ 4.6 bn lozenges market opportunity
- Marquee global clients in pharma and consumer sectors

World Class Manufacturing Facilities

Seven state-of-the-art manufacturing facilities in Western India

Over 40 global regulatory accreditations

US FDA	EU – GMP
HEALTH – Canada	SAHPRA – South Africa
MHRA – UK	TGA – Australia
MOH – Russia	

Producing a wide array of dosage forms



TABLETS



CAPSULES



LIQUIDS



IV INFUSIONS



AMPOULES



VIALS



OINTMENTS



COLD RUBS



LOZENGES



SIPS





**J.B. CHEMICALS &
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Q3 & 9M FY22 Financial Performance



CEO's Message



Nikhil Chopra,
CEO & Whole Time Director

***Views on Q3 FY22
business performance***

“Our performance in the third quarter reflects a strong business momentum in a macroeconomic environment that has continued to be challenging. Revenue growth in India saw positive traction from our renewed Go-To-Market model and product introductions resulting in JB maintaining its position as the fastest growing company among the Top-30 in the industry. Further, major parts of our international business including CMO witnessed gradual demand revival. Our margins reflect the significant increase in raw materials costs and persistent supply chain-related challenges. Going forward, we will maintain focus on driving topline growth, cost optimization and organizational efficiencies.*

We see multiple levers for outperformance – leveraging our existing Go-To-Market model strength; maximizing new introductions & lifecycle management opportunities and strengthening our international markets through portfolio augmentation. The acquisition of the brand portfolio from Sanzyme will further strengthen our domestic business and improve our market position. All these initiatives should translate into enhanced long-term value for all our stakeholders.”

*IQVIA MAT Dec'21 data

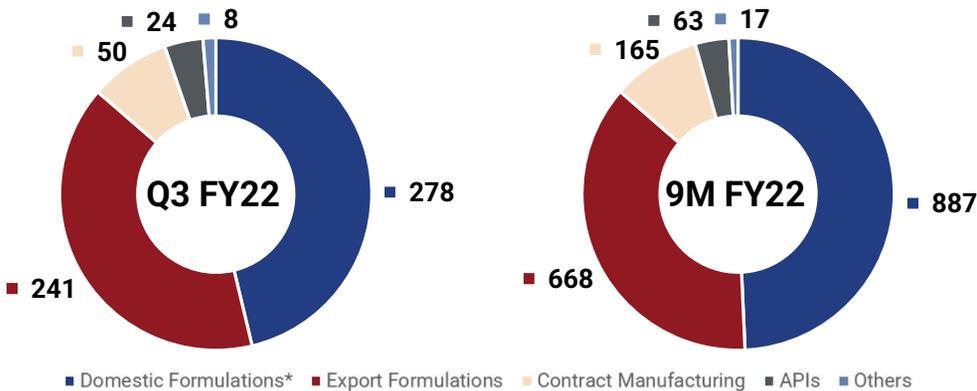


Financial Overview Q3 & 9M FY 22

Revenues (INR cr)



Revenue Split (INR cr)



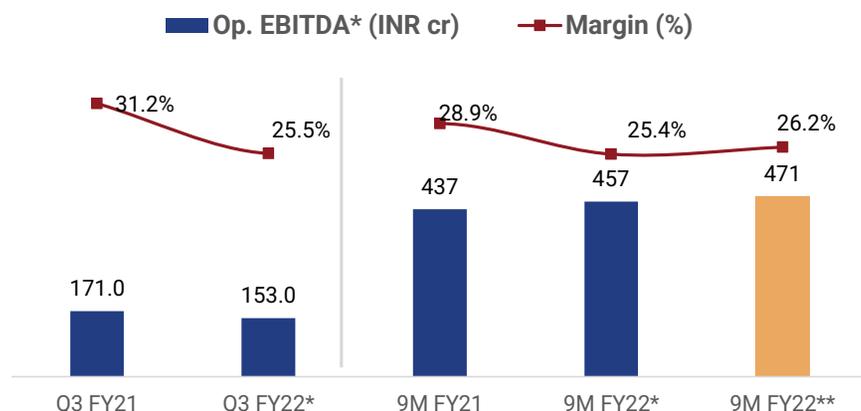
* Includes Contrast Media

- Despite the challenging operating environment, revenue momentum remained strong in the third quarter
 - ****** Excluding the revenue which got deferred to Q3 FY21 from Q2 FY21 in the previous financial year, the sales growth for Q3 FY22 was 23%
- Domestic Formulations business continues its good performance growing at 20% in Q3 FY22 vs Q3 FY21
 - As per IQVIA MAT Dec 21 data, Domestic Formulations business recorded growth of 27% vis-à-vis IPM growth of 18%
- International business revenue grew at 3% in Q3 FY22 vs Q3 FY21
 - Sequential improvement in international business
 - Underlying growth for Q3 FY22 is higher than the reported number due to deferment of revenues from Q2 FY21 to Q3 FY21

EBITDA Analysis

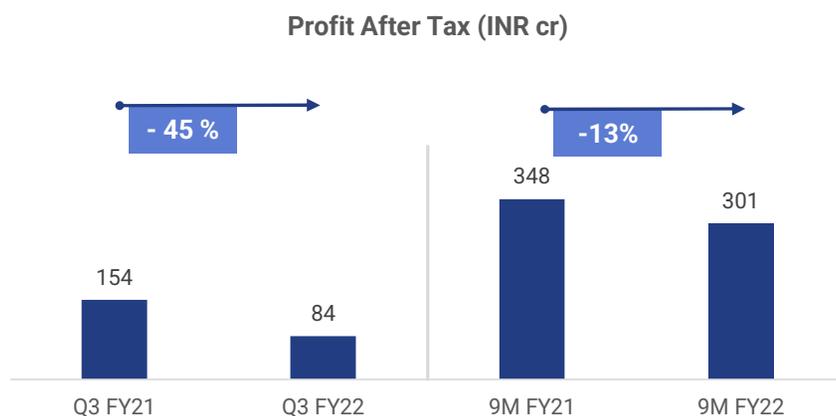
INR crore	Q3 FY22	9M FY22	
Revenue	601	1800	
Reported EBITDA	128	419	
Non Cash ESOP Cost	25	38	Included in Employee Benefits expense
Operating EBITDA (excluding ESOP Cost)	153	457	
Operating EBITDA Margin	25.5%	25.4%	
One time consultancy/advisory services	-	14	One-off expenditure recorded in Q2 FY22
Adjusted EBITDA	153	471	
Adjusted EBITDA Margin	25.5%	26.2%	

Financial Overview Q3 & 9M FY22



* Operating EBITDA excluding non-cash ESOP Charge

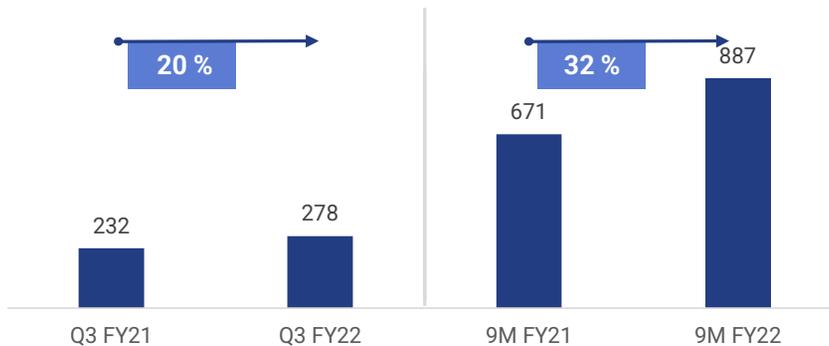
** Adjusted EBITDA excluding non-cash ESOP Charge and one-time non-recurring expense



- Gross Margin profile remains steady at 66% in Q3 FY22
 - Significant inflation witnessed in API prices, managed through cost optimization initiatives and price increases
- Operating costs are now at normalized levels
- Excluding ESOP charge, employee benefit expense increased by 11%
- Other expenditure witnessed sharp increase in Q3 FY22 led by
 - Significant escalation in logistics/freight costs
 - Substantial increase in Power & Fuel costs
- PBT and PAT was impacted primarily on account of high other income recorded in Q3 FY21 due to sale of trademark and treasury income
 - Trademark sale income in Q3 FY21 was ~ INR 34 crs
- Effective Tax Rate remains at ~25 %

Revenue Analysis – Domestic Business

Domestic Formulations* (INR cr)

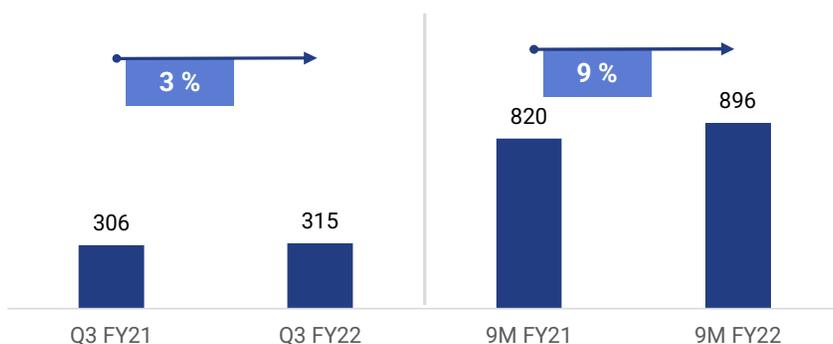


*includes Contrast Media

- As per IQVIA, JB was the fastest growing company among the top 30 companies for CY 2021
 - MAT Dec 2021: JB grew at 27% vs market growth of 18%
 - Oct - Dec 2021: JB grew at 27% vs market growth of 10%
- Re-aligned Go-To-Market model continues to deliver positive results w.r.t. productivity improvement and new introductions
- JB was ranked #16 in Prescription for MAT Dec 21, recording growth of 23% vs IPM growth of 12%
- New Products contributed 4.2% to Domestic sales in Q3 FY22 and 4% for 9M FY22
 - During Q3 FY22, Domestic Formulations business launched 12 new products including Molnupiravir, Cilacar TM, Azovas-T and Pirfenidone
- Cost pressure persists on raw material and packing material, this is expected to continue in the medium-term

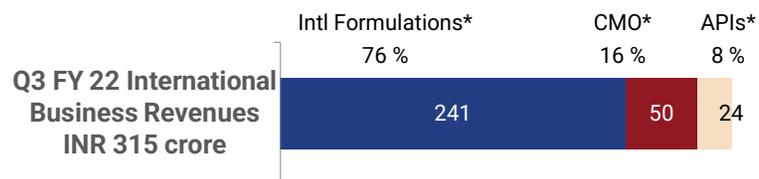
Revenue Analysis – International Business

International Business** (INR cr)

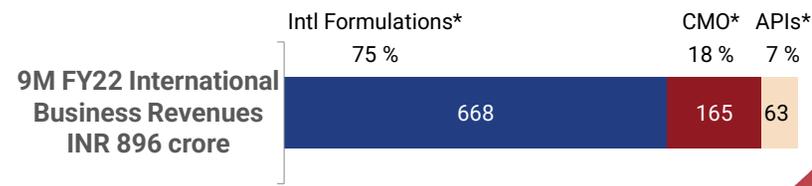


**consists of Export Formulations, Contract Manufacturing and APIs

- International business witnessed steady revival except for the US business
 - South Africa continues to record growth in both public and private markets.
 - Russia/CIS region delivered strong growth for Q3 FY 22
 - CMO business performed well due to demand revival in key markets
- Supply chain disruptions and higher freight costs remains a challenge
 - Freight costs increased significantly for all key markets



* Contribution to international business



* Contribution to international business

Q3 & 9M FY22 – Financial Performance (Consolidated)

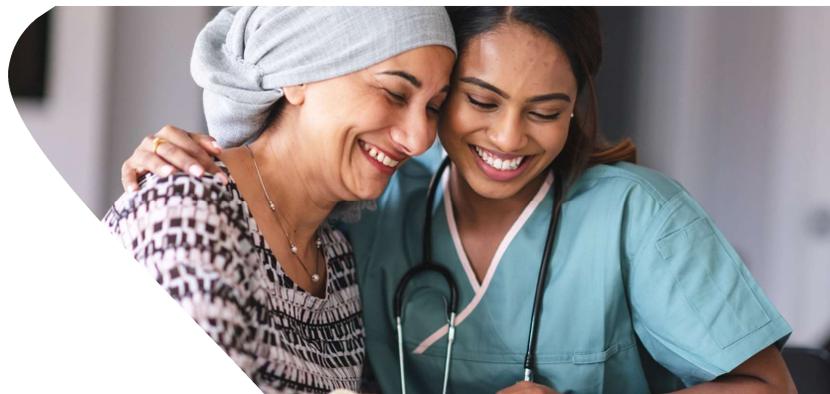


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Particulars (In INR Cr.)	Q3 FY22	Q3 FY21	YoY Growth	9M FY22	9M FY21	YoY Growth
Sales (Net)	593	539	10%	1782	1491	20%
Other Operating Income	8	9	-11%	18	23	-22%
Revenue from Operations	601	548	10%	1800	1514	19%
Cost of Goods Sold	206	187	10%	630	507	24%
Gross Profit	395	361	9%	1170	1007	16%
Gross Profit Margins	65.7%	65.9%		65%	66.5%	
Employee Benefit Expenses	119	85	41%	323	254	27%
Other Expenses	147	106	39%	428	316	35%
EBITDA*	128	171	-25%	419	437	-4%
EBITDA Margins	21.3%	31.2%		23.3%	28.8%	
Finance Costs	1	1		4	7	-47%
Depreciation	17	17		51	52	-3%
Profit before Tax (Operating)	110	153	-28%	364	378	-4%
Other Income	5	56	-92%	37	87	-57%
Profit before Tax	114	208	-45%	402	465	-14%
Tax Expenses	30	54	-44%	101	117	-14%
Profit after Tax	84	154	-45%	301	348	-13%

*Please refer to Slide 13 for EBITDA analysis

Highlights Q3 FY22



JB is the Fastest Growing Company for CY 2021*
(among Top 30 Pharma Companies)

Companies (MAT Dec'21 data)	MAT Dec'21 Value (Cr)	%MS	%Growth
IPM	181634	100	18.1
J B Chemicals	1269.0	0.7	27.4
Alkem	7027.5	3.9	26.6
Aristo Pharma	5328.8	2.9	26.3
Emcure	3898.5	2.2	25.7
Glenmark Pharma	4372.3	2.4	25.2
Dr Reddy's Labs	5243.2	2.9	23.1
Macleods Pharma	5730.5	3.2	22.4
Mankind	7732.1	4.3	20.7
Ajanta Pharma	1251.0	0.7	19.8
Micro Labs	2826.5	1.6	19.1

* IQVIA MAT Dec 21 data



**J.B. CHEMICALS &
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Acquisition of Brands & Related Assets from Sanzyme Private Limited



Driving further growth for India Business – Sanzyme

Transaction Overview	<ul style="list-style-type: none"> • Acquisition of brands and related assets from Sanzyme Private Limited in the probiotics, therapeutic nutraceuticals and reproductive health market
Brands Overview	<ul style="list-style-type: none"> • Sanzyme is a leading player in the probiotics and hormones segments • Flagship brand “SPORLAC” is one of the leading probiotic brands in the country – launched in 1973, even today it remains one of the most trusted brands within the segment • “LOBUN” is another multi-strain probiotics blend which is used to delay progression of CKD (Chronic Kidney Disease) – it is one of the most trusted formulations prescribed by leading nephrologists across the country • Sanzyme also has a comprehensive range of products across all phases of the female reproductive health cycle and the most common male reproductive issues
Distribution Network	<ul style="list-style-type: none"> • HCPs, Hospitals & Pharmacy Networks: covering GPs, CPs, Pediatricians, Nephrologists, Urologists, Gynecologists, IVF centers • Pan-India network which caters to 300,000 pharmacists and reaches 100,000 doctors
Financial Snapshot	<ul style="list-style-type: none"> • FY22 Estimated Revenue: INR 135 crore • Gross Margin: 70%+ • Sustainable EBITDA: INR 45 to 50 crore

Transaction Overview

- JB paid a consideration of ~INR 628 crore* upon successful closing of the transaction
 - The transaction was closed in the first week of Feb 2022
- JB funded the acquisition through internal accruals
 - As of September 30, 2021 JBCPL had ~INR 741 crore of cash on its Balance Sheet
- The acquisition will mark JBCPL's entry into the fast-growing probiotics segment, which is growing at 12-14% annually
 - >50% of the acquired brands revenue comes from the probiotics segment
- The acquisition will help JBCPL become a top-five probiotics player and create synergies with its strong prescriber base in the gastroenterology and nephrology segments. It will also mark JBCPL's entry into the IVF segment.
- Going forward, JBCPL will rely on both third-party manufacturers and Sanzyme Private Limited for its supply needs

*Excluding taxes, stamp duty and working capital

Sanzyme Portfolio Overview

Overview

- Sanzyme is engaged in the manufacturing of speciality probiotics formulations and infertility management products
- **Operates through three divisions:** Sporlac, Nephro & Urology (NU) and Mother & Child
- **Key Brand Portfolio:**
 - **Probiotics:** Sporlac, Lobun
 - **Reproductive Health:** Gynogen, Pubergen, Nano Leo

IQVIA Data MAT Dec'21 (INR crore)

Sporlac	Lobun	Gynogen	Pubergen	Nano Leo	Total
61	22	13	18	10	160

Brands Portfolio

Sporlac Division



- 3rd largest probiotics brand in India today³
- Wide range of indications like diarrhea, IBS/IBD², immunity building, dental caries etc.

NU division



Lobun
(Probiotics)

- Multi-strain probiotics blend
- Used to delay progression of CKD⁴ with no alternate drug therapy



Oxalo
(Probiotics)

- Multi-strain probiotics blend
- Alternate risk-free therapy to decalcify kidney stones



Nano Leo
(Sexology)

- Nutra product targeting erectile dysfunction

Mother & Child Division

Human Chorionic Gonadotropin



Complete range of infertility products

- Follicle development
- Ovulation
- Early pregnancy
- Later stage of pregnancy

Cetrorelix & HCG



Natural Progesterone



FSH¹ & HMG²



Sanzyme - Investment Thesis

High growth market

- Focused on high growth probiotics and reproductive health market

Attractive set of brands

- Leadership position in operating categories
- Highly scalable and go to brands portfolio with opportunities for lifecycle management
- Synergies with JBCPL's existing Go-To-Market model
- Potential to integrate with JBCPL's best-in-class in-clinic and medico-marketing practices

Margin accretive

- Robust operational metrics: secondary sales, receivables
- Strong profitability

Headroom to further expand on pan-India presence

- Strong distribution network and sound business hygiene practices
- Leverage coverage and reach In JBCPL's pockets of strength e.g. in states like West Bengal, UP, Bihar and Kerala

Multiple levers available with JBCPL to accelerate next phase of growth



Lifecycle management of existing brands, leverage on existing brand equity



Similar prescriber base to expand presence



Synergies with existing therapy areas – Gastro, Nephrology



OTX potential



About J.B. Chemicals & Pharmaceuticals Limited

J.B. Chemicals and Pharmaceuticals Limited (JBCPL) (BSE: 506943 | NSE: JBCHEPHARM | ISIN: INE572A01028), established in 1976, is one of the fastest growing pharmaceutical companies in India and a leading player in the hypertension segment. Besides its strong India presence, which accounts for majority of its revenue, its other two home markets are Russia and South Africa. In India, the company has five brands among the top 300 brands in the country. The company exports its finished formulations to over 30 countries including the USA. Besides supplying branded generic formulations to several countries, it is also a leader in the manufacturing of medicated lozenges. The company ranks among the top 5 manufacturers globally in medicated and herbal lozenges. It has seven state of the art manufacturing facilities in India including a dedicated manufacturing facility for medicated lozenges. The manufacturing facilities are certified by leading regulators across the world.

For more details on J.B. Chemicals and Pharmaceuticals Limited, please visit www.jbcpl.com.



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