



June 28, 2016

**BSE Limited**

Corporate Service Department  
1<sup>st</sup> Floor, New Trading Ring  
Rotunda Building, P.J. Tower  
Dalal Street, Fort  
Mumbai - 400 001

**The National Stock Exchange of India Ltd.**

Exchange Plaza  
Bandra Kurla Complex  
Bandra (E)  
Mumbai - 400 051

Dear Sirs,

**Sub.: Intimation of Schedule of Investor/Analyst meetings on June 29 and 30, 2016**

Pursuant to the provisions of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose the details of investor/analyst meetings scheduled on June 29 and 30, 2016 in Mumbai.

The schedule may undergo change due to exigencies on the part of Investors/Analysts/ Company.

We also enclose the presentation to be used during the meetings.

This is for your kind information and record.

Thanking you,

Yours faithfully,  
For Jubilant Life Sciences Limited

Rajiv Shah  
Company Secretary

Encl.: as above

**A Jubilant Bhartia Company**

OUR VALUES



**Jubilant Life Sciences Limited**

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CIN : L24116UP1978PLC004624

**Investor/Analyst meetings scheduled on 29<sup>th</sup> and 30<sup>th</sup> June, 2016**

| <b>S. No.</b> | <b>Meeting Date</b>         | <b>Type of Meeting</b> | <b>Name of Fund/Firm</b>  | <b>Location</b> |
|---------------|-----------------------------|------------------------|---|-----------------|
| 1             | 29 <sup>th</sup> June, 2016 | One on One             | 1. Max Life Insurance<br>2. Tata AIA Life Insurance Co.<br>3. HDFC Standard life Insurance<br>4. HSBC Asset Management<br>5. HDFC Asset Management<br>6. Macquarie Securities           | Mumbai          |
| 2.            | 30 <sup>th</sup> June, 2016 | One on One             | 1. Goldman Sachs Asset Management<br>2. Principal PNB Asset Management<br>3. Mirae Asset GI<br>4. Reliance Capital<br>5. Macquarie Securities<br>6. Nirmal Bang<br>7. SBICAP Securities | Mumbai          |



# Jubilant Life Sciences

June 2016

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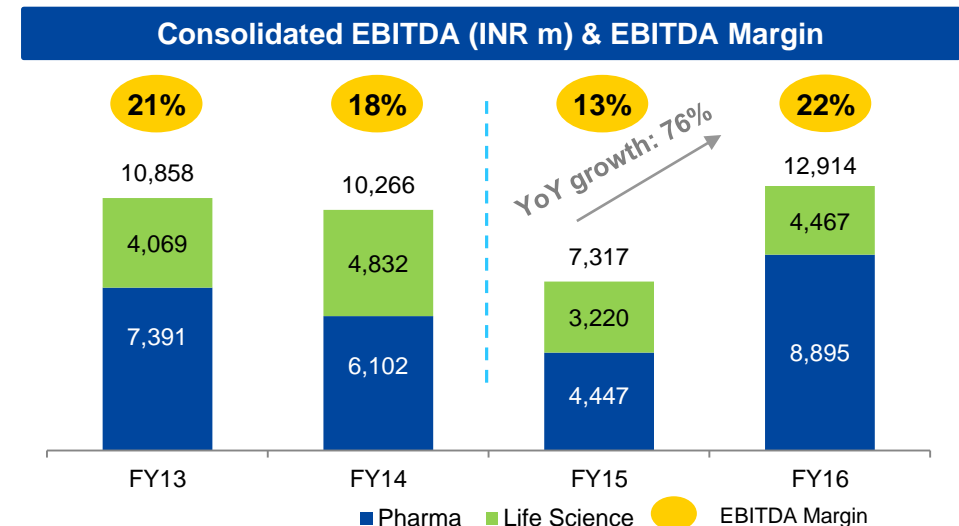
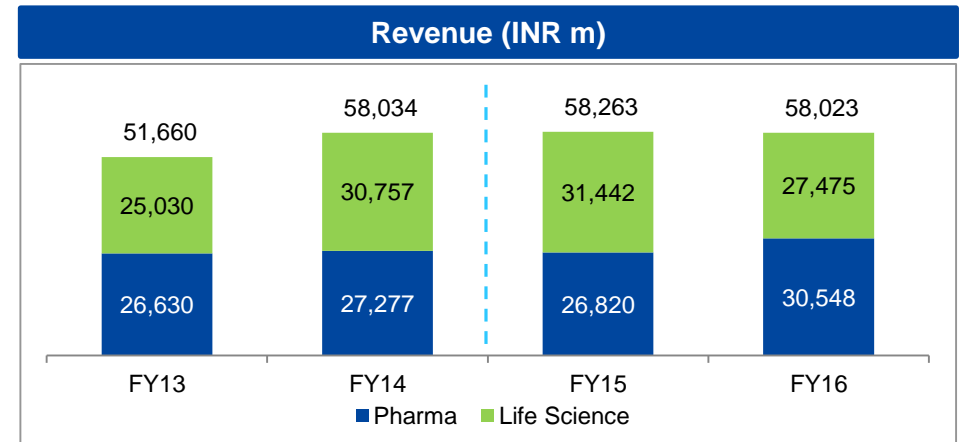
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## NOTES

1. The numbers for the quarter have been reclassified and regrouped wherever necessary
2. Closing Exchange Rate for USD 1 at Rs. 62.50 as on March 31 '15 & Rs. 66.25 as on March 31 '16
3. The Exchange fluctuation on long term forex loans in Indian books have been amortized over the tenure of the loan period as recommended under Indian Accounting Standards

# Jubilant Life Sciences At a Glance

- ▶ **Global integrated pharma and life sciences solutions provider** with a track record of 38 years
- ▶ **Caters to 19 of top 20 pharmaceutical companies** and 7 of top 10 leading global agrochemical companies
- ▶ Strategic presence in **Injectables with USFDA approved Manufacturing facilities** in North America
- ▶ **Strong positions** in products across niche businesses such as **Radiopharmaceuticals/Allergy Therapy Products**
- ▶ **Expertise in Chemistry** and manufacturing spans across over three decades of experience
- ▶ Strong international presence with 73% of sales coming from over 100 countries, about **50% of asset base in North America** and **41% of total revenue contribution from North America**
- ▶ **4 USFDA approved manufacturing facilities** in North America and 2 USFDA approved manufacturing facilities in India
- ▶ **5 state-of-the-art Life Sciences Ingredients manufacturing facilities** in India
- ▶ Employs over 6,000 people globally, **including about 1,300 in North America** and **about 1000 dedicated to R&D**



# Jubilant Life Sciences Overview

## Pharmaceuticals

### Generics

- ✓ Active Pharmaceutical Ingredients
- ✓ Solid Dosage Formulations
- ✓ India Branded Pharmaceuticals

### Specialty Pharmaceuticals (Sterile Products)

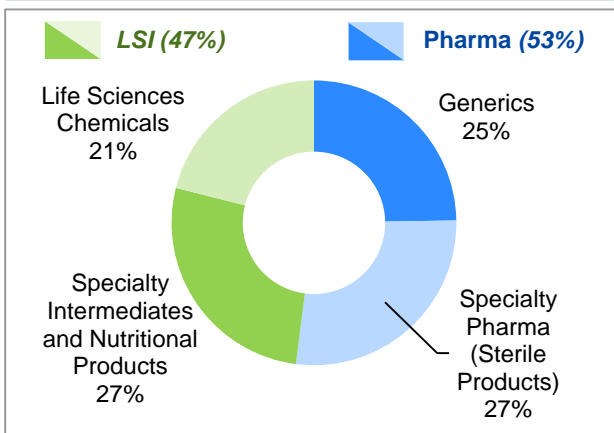
- ✓ CMO of Sterile Injectables
- ✓ Radiopharmaceuticals
- ✓ Allergy Therapy Products
- ✓ Drug Discovery Solutions

## Life Sciences Ingredients

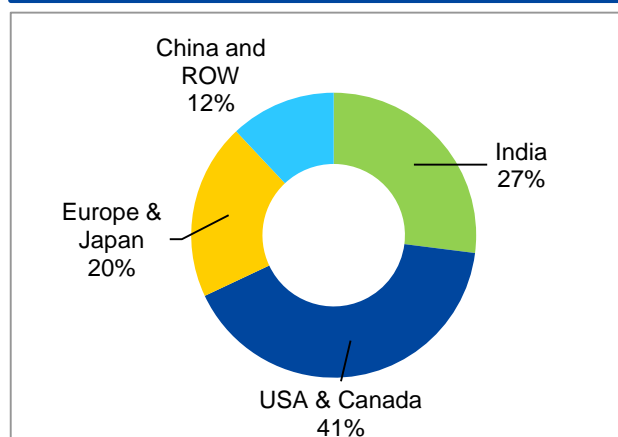
### Specialty Intermediates and Nutritional Products

### Life Sciences Chemicals

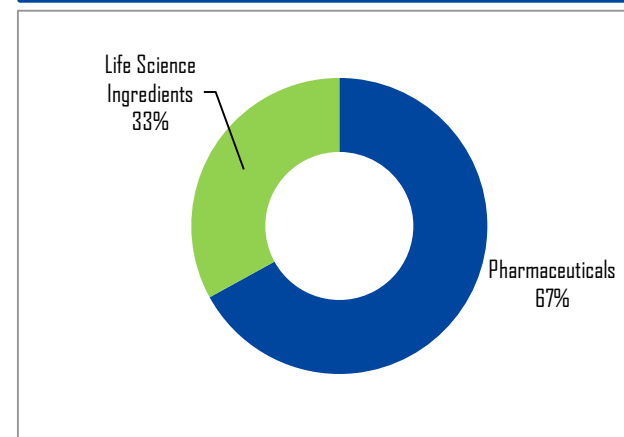
### FY16 Revenue Mix by Segment



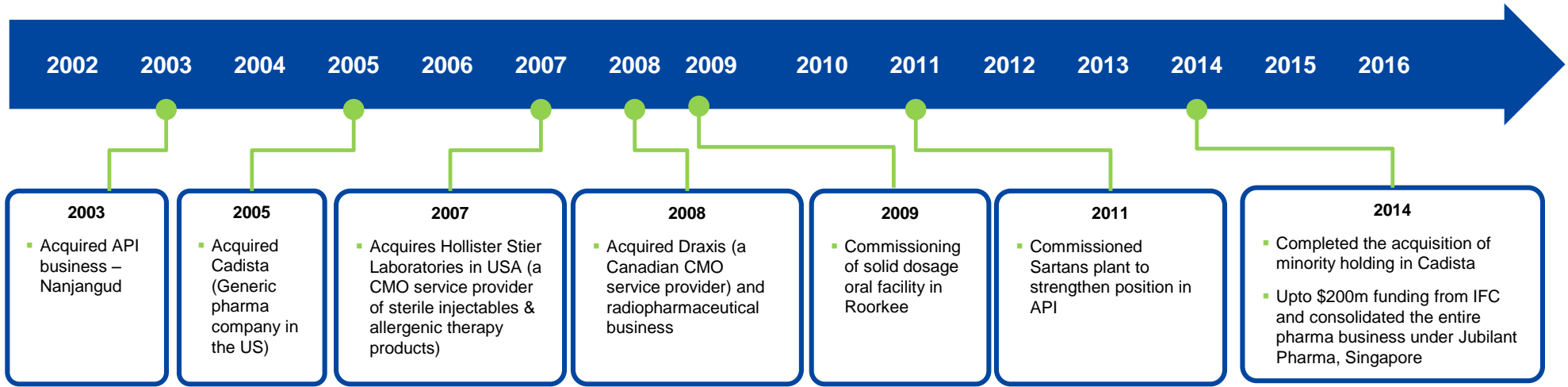
### FY16 Revenue Contribution by Region



### FY16 EBITDA Mix by Segment

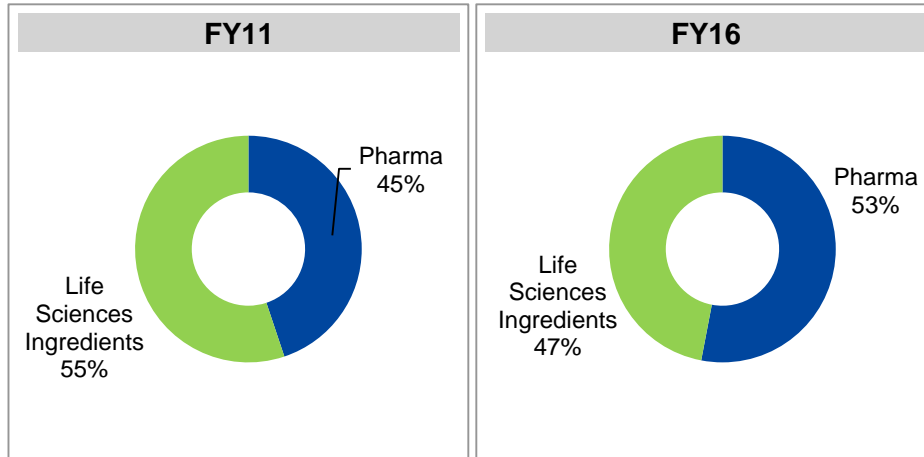


# Increasing Focus Towards Specialized Pharmaceutical Solutions

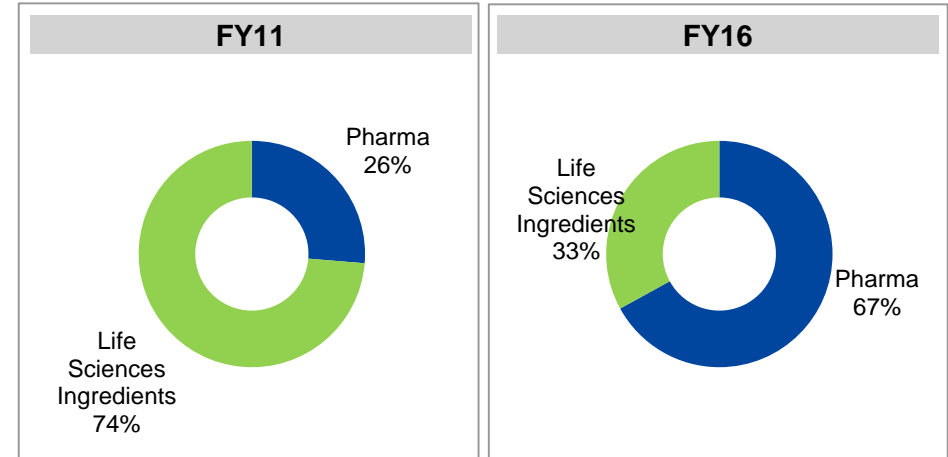


## Business Evolution

### Revenue



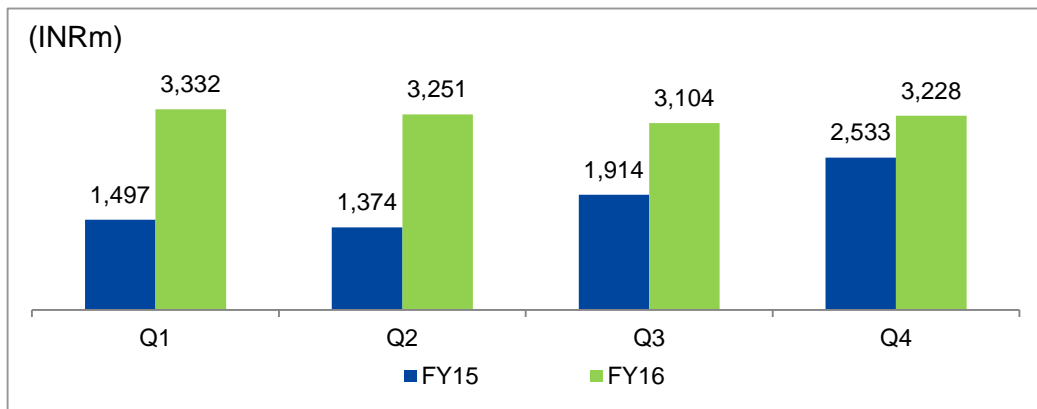
### EBITDA



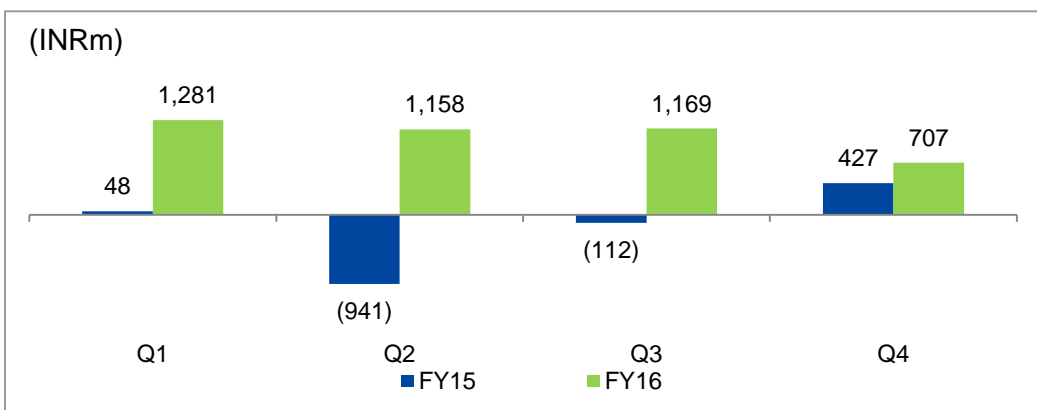


# Performance Back on Track With Business Related Concerns Resolved

## Strong Turnaround in Jubilant Life Sciences' EBITDA...



## ...and Normalized Net Income



## Successful Resolution of Warning Letters at Montreal and Spokane

### Montreal CMO Facility

- ▶ In Feb 2013, Jubilant's manufacturing facility Jubilant HollisterStier (JHS) located at Kirkland, Quebec, Canada received a Warning Letter from the FDA
- ▶ The facility engages in contract manufacturing of injectables for large pharma companies and also for the Radiopharma business
- ▶ It was re-inspected in Sep 2013 and all issues related to the facility were successfully resolved in Feb 2014 with the warning letter closed out in Sep 2014

### Spokane CMO Facility








- ▶ In Dec 2013, Jubilant's manufacturing facility JHS located at Spokane, Washington State, US received a Warning Letter from the FDA
- ▶ During H1 FY14, the contract manufacturing operations at Spokane contributed 7% to consolidated sales and 4% to consolidated EBITDA.
- ▶ The facility was re-inspected by FDA in Apr 2014 and Dec 2014
- ▶ In Jun 2015, Spokane facility was upgraded to the status of Voluntary Action Indicated (VAI) and ramp up of operations is underway
- ▶ Successful inspection of the facility by USFDA in July 2015
- ▶ Fast resolution of Warning Letters at CMO facilities within 12-15 months



# Pharmaceuticals Business Segment

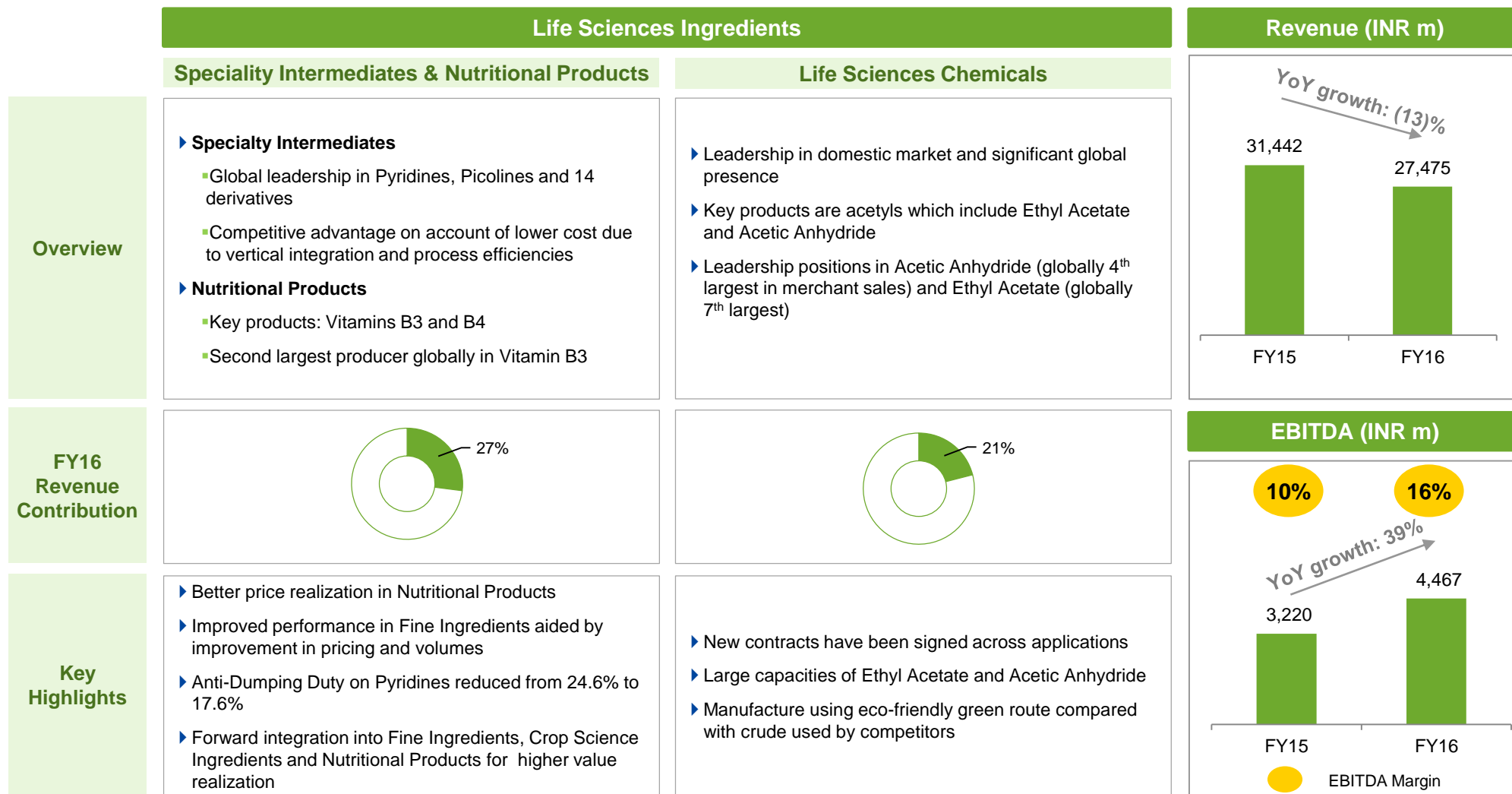
| Pharmaceuticals                  |  | Revenue (INR m)   |
|----------------------------------|--|---|
|                                  | Specialty Pharma (Sterile Products)  | Generics  |
| <b>Overview</b>                  | <ul style="list-style-type: none"> <li>▶ <b>Radiopharmaceuticals:</b> North America market leadership in nuclear imaging products</li> <li>▶ <b>Contract Manufacturing (CMO) of sterile injectables</b> for large pharmaceuticals and biotech companies</li> <li>▶ <b>Allergy Therapy Products:</b> Focus on diagnostic allergenic extracts with 53% US Allergy market penetration</li> <li>▶ <b>Drug Discovery Solutions:</b> Contract research services</li> </ul> | <ul style="list-style-type: none"> <li>▶ <b>APIs: Vertically integrated operations with API</b> manufacturing for captive consumption as well as external sales</li> <li>▶ <b>Solid Dosage Formulations:</b> Strong pipeline of 72 ANDAs filed and 28 ANDAs pending approvals</li> <li>▶ <b>Indian Branded Pharmaceuticals:</b> Recent foray with the launch of Cardiovascular and Diabetic division</li> </ul> |
| <b>FY16 Revenue Contribution</b> |  |   |
| <b>Key Highlights</b>            | <ul style="list-style-type: none"> <li>▶ Reported YoY growth of 26% for FY16</li> <li>▶ Expect to launch new differentiated products going forward</li> <li>▶ Healthy order book position in the CMO business</li> </ul>   | <ul style="list-style-type: none"> <li>▶ Deep relationships in Generics industry for APIs</li> <li>▶ Front-end presence in US via 100% subsidiary Cadista</li> <li>▶ Received 8 ANDA approvals in FY16</li> <li>▶ North America accounted for 81% of FY16 Solid Dosage Formulations revenue</li> </ul>  |
|                                  |  | <b>Revenue (INR m)</b><br>  |
|                                  |  | <b>EBITDA (INR m)</b><br>   |

# Update on Regulatory Status

| Regulatory Agency  | Cadista USA | RRK India | CMO Spokane USA | CMO Montreal   | JDI Montreal Canada | NNJ India |
|--|-------------|-----------|-----------------|----------------|---------------------|-----------|
| <br><b>FDA</b><br>(USA)               | Aug 2015    | Mar 2015  | Jul 2015        | Nov – Dec 2015 | Dec 2015            | Aug 2015  |
| <br>Health<br>Canada<br>(Canada)       |             |           |                 | Sep 2015       |                     |           |
| <br><b>Pmda</b><br>(Japan)            |             | Dec 2015  |                 |                |                     |           |
| <br>(India)                           |             | Sep 2015  |                 |                |                     |           |
| <br><b>ANVISA</b><br>(Brazil)         |             |           |                 |                |                     | Mar 2015  |
| <br>TC Sağlık Bakanlığı<br>(Turkey) |             |           | Mar 2015        |                |                     |           |
| <br><b>Cofepris</b><br>(Mexico)     |             |           |                 |                |                     | Aug 2015  |

- ▶ Sites inspected by multiple agencies
- ▶ All sites have been inspected by FDA in the last 1 year
- ▶ Fast resolution of Warning Letters at CMO facilities within 12-15 months
- ▶ Use the experience from multiple Agency inspections to enhance compliance status of all sites
- ▶ World class quality control practices
  - Global quality control function reporting to the Corporate Board

# Life Sciences Ingredients Business Segment



# Key Growth Drivers – Pharmaceuticals

|                 |   |   |
|-----------------|---|---|
| Pharmaceuticals | <b>Generics</b>                                     | <ul style="list-style-type: none"><li>▶ Portfolio of 72 ANDAs filed with 28 pending approvals<ul style="list-style-type: none"><li>▪ Received 8 ANDA approvals in FY16 – launch of approved ANDAs to drive near term growth</li></ul></li><li>▶ Geographic expansion across Europe, Japan and Emerging Markets – portfolio of 667 filings and 473 approvals ex US</li><li>▶ Deep relationships with customers</li><li>▶ 81 US DMFs filed with 33 DMFs reviewed/commercialized and 48 pending commercialization</li><li>▶ Expected filings of 8-10 products annually, including specialized segments like injectables and ophthalmics</li></ul>  |
|                 | <b>Specialty Pharmaceuticals (Sterile Products)</b> | <ul style="list-style-type: none"><li>▶ New launches including differentiated products such as Ruby-fill</li><li>▶ Strong order book in CMO business – expect good ramp up of operations and higher capacity utilization in the coming quarters</li><li>▶ Target deeper penetration in North America and accelerating growth to become a leading Allergy Therapy products Company in the US</li><li>▶ New targets, research opportunities and more collaborative programs in discovery services</li><li>▶ Strategic positioning in sterile injectables with limited competition</li><li>▶ Expected shortage of quality manufacturing sites for injectables in North America given increased compliance and regulatory focus</li></ul> |

# Key Growth Drivers – Life Sciences Ingredients

## Life Sciences Ingredients

### Specialty Intermediates and Nutritional Products

- ▶ Conversion of existing product specific plants to multi-purpose plants to meet enhanced customer demand requirements
- ▶ New Product launches in Specialty Intermediate plants
- ▶ Growth in Nutritional Products business driven by higher volume and improved pricing mix
- ▶ Increased uptick of Life Sciences intermediates for Pharma related applications
- ▶ Increased focus on new, non-traditional geographies for Pyridine
- ▶ Increased demand for higher value-added products in Fine Ingredients and Nutritional Products

### Life Sciences Chemicals

- ▶ Higher capacity utilization to aid growth for Acetic Anhydride
- ▶ Expanding geographic reach into Key Markets such as US and Europe
- ▶ Cost advantages:
  - Efficient process
  - Volume advantage in procurement
  - Multimodal transportation and reverse logistics to optimize costs



# Key Investment Highlights

# What Makes Jubilant a Unique Investment Case?



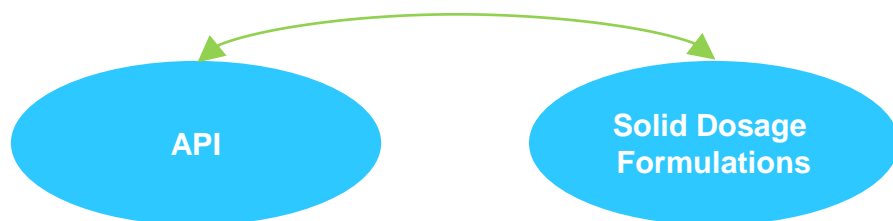


# 1 Global Competitive Edge Due to Low Cost and Vertical Integration

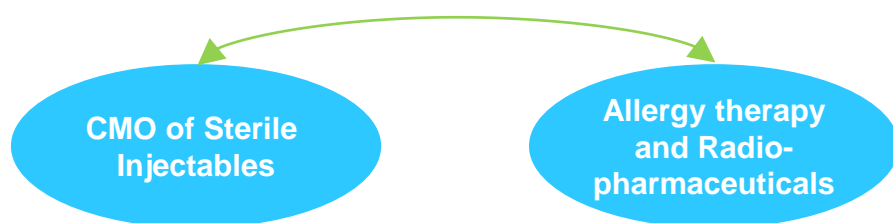
Vertical integration across the value chain enables cost competitive advantage resulting in higher margins

## Pharmaceuticals

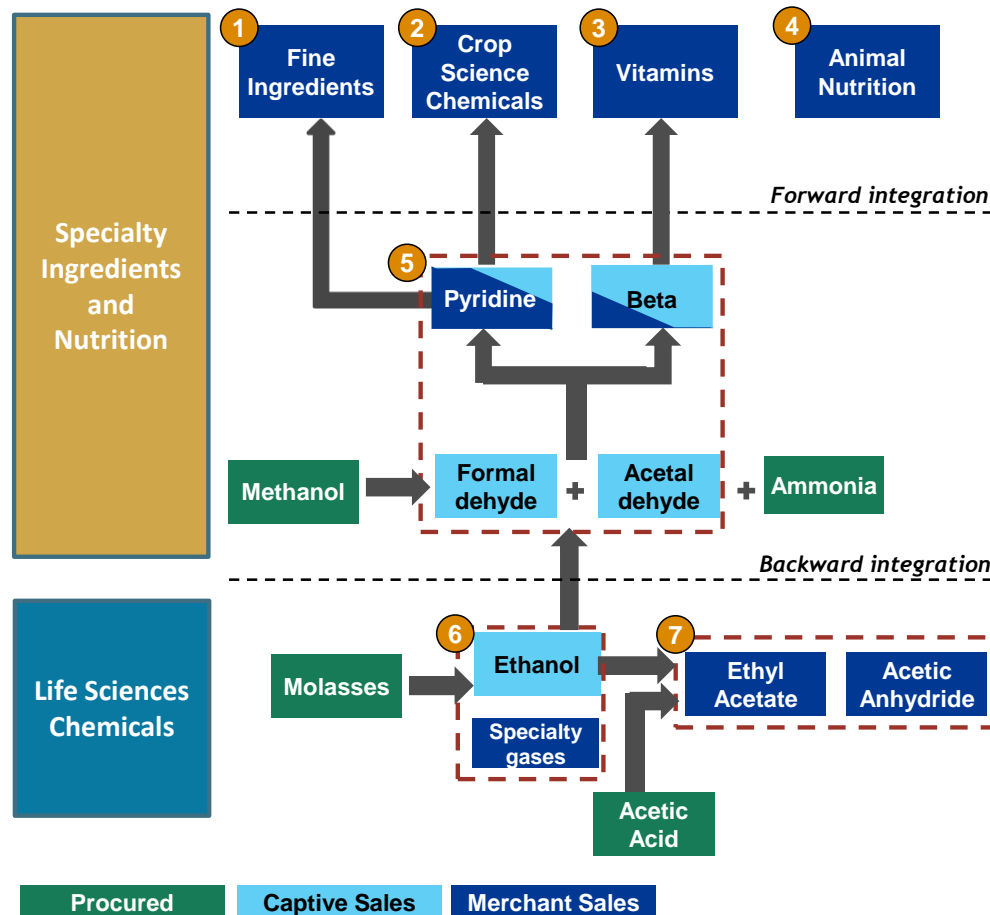
- ▶ Presence across the spectrum offering products/services and delivering innovative solutions for customers
- ▶ APIs from the manufacturing facilities are used for dosage formulations under generic business



- ▶ Majority of commercial solid dosage formulations are based on in-house APIs
- ▶ Specialty Pharmaceuticals (Sterile Products)



## Life Sciences Ingredients



## 2 Leadership Position in Key Products...

### Pharmaceuticals

|                                |   |
|--------------------------------|---|
| <p><b>Generics</b></p>         | <ul style="list-style-type: none"> <li>▶ <b>Global leadership positions</b> in certain key <b>API products</b> in CVS (Valsartan, Irbesartan) and CNS (Oxcarbazepine, Carbamazepine, Tramadol, Donepezil)</li> <li>▶ <b>US leadership positions</b> in certain <b>Solid Dosage Formulations</b> products in CVS (Terazosin), CNS (Prochlorperazine) and Methylprednisolone</li> </ul> |
| <p><b>Specialty Pharma</b></p> | <ul style="list-style-type: none"> <li>▶ Ranked in <b>top 5</b> Contract Manufacturers in North America for sterile injectables</li> <li>▶ Leader in Radiopharmaceutical products such as MAA, DTPA and I-131</li> <li>▶ Leading supplier in North America for Allergy Therapy Products</li> </ul>  |

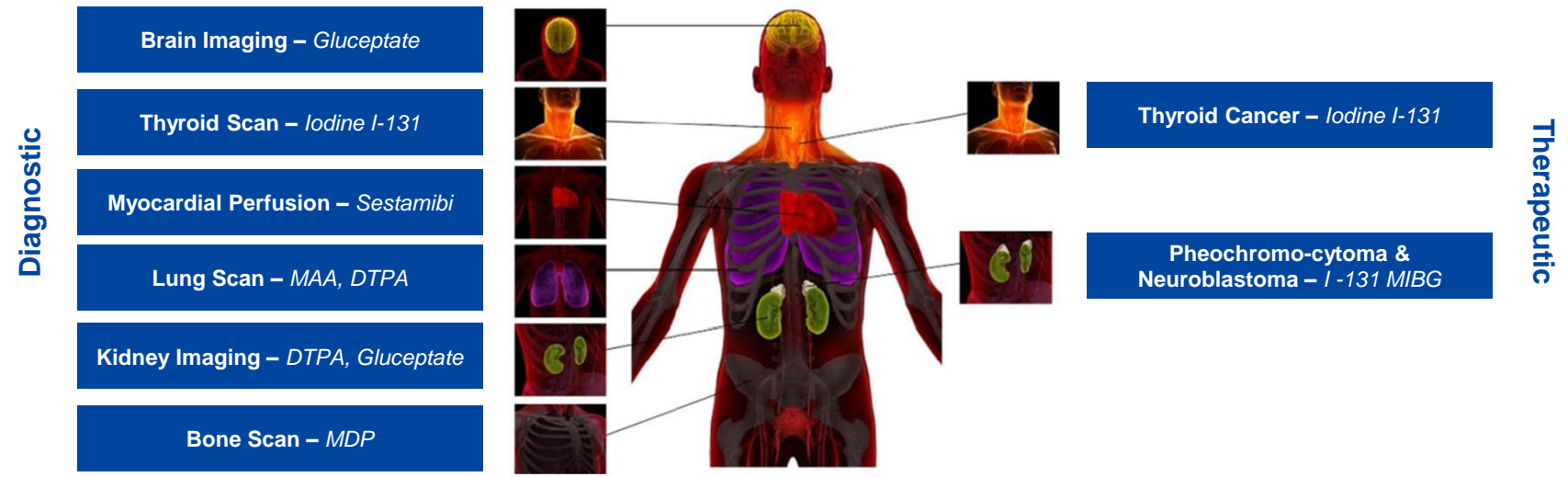
### Life Sciences Ingredients

|   |   |
|---|---|
| <p><b>Speciality Intermediates and Nutritional Products</b></p> | <ul style="list-style-type: none"> <li>▶ <b>Global leadership position</b> in Pyridines &amp; 14 Pyridine derivatives</li> <li>▶ <b>Second largest</b> producer globally in Vitamin B3</li> </ul> |
| <p><b>Life Sciences Chemicals</b></p>                           | <ul style="list-style-type: none"> <li>▶ <b>Globally #4</b> in Acetic Anhydride (Merchant Sales)</li> <li>▶ <b>Globally #7</b> in Ethyl Acetate</li> </ul>  |

# 2 ...With Strong Position in Radiopharma & Allergy Therapy Products Business

## Radiopharmaceuticals

- ▶ Wide array of therapeutic and diagnostic products, with market leadership and limited competition across key products in North America
- ▶ Demonstrated strong growth in Radiopharmaceuticals business (3-year Revenue CAGR of 51%)
  - Future growth to be driven by a strong product pipeline
  - Ruby-fill, an infuser device used for heart imaging, currently under active FDA review, is expected to be launched in FY17



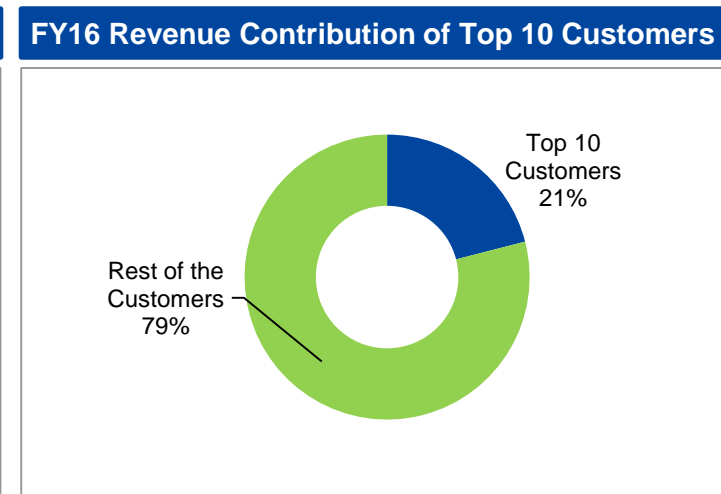
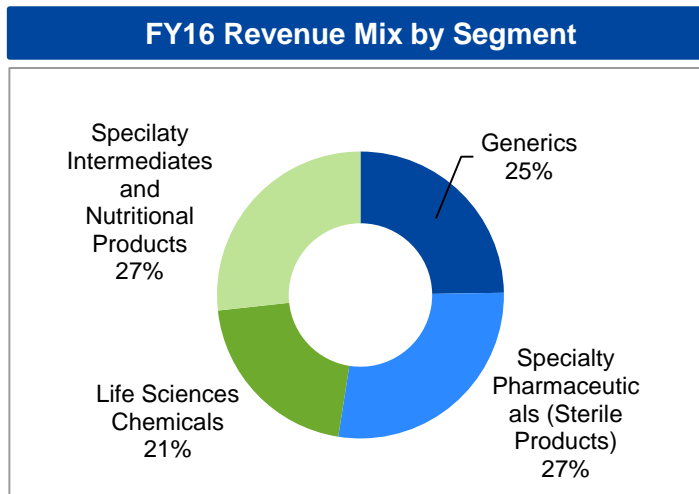
## Allergy Therapy Products

- ▶ Strong market position in Allergy Therapy Products in North America
  - Among top 3 in the US for allergy immunotherapy with dominant market penetration
- ▶ US Market leader for manufacture of Stinging Insect Venom Immunotherapy Products

# 3 De-risked Business Model With Diverse Sources of Revenue

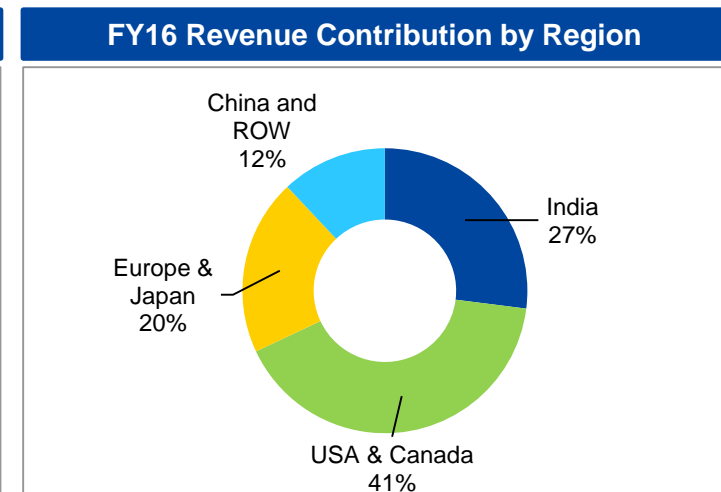
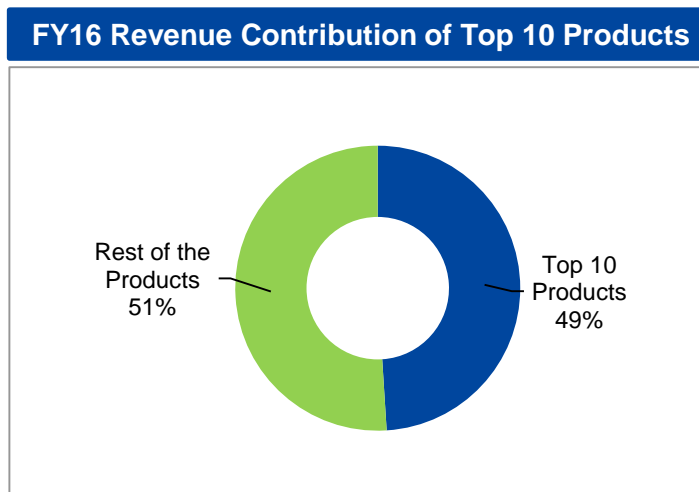
## De-risked business model

- ▶ Presence in niche Specialty businesses that have high barriers to entry
- ▶ Forward integration in Pyridine related derivatives to ensure higher utilization and profitability
- ▶ Diverse end-use industry segmentation in Life Sciences Ingredients with focus on Pharmaceutical and Agrochemical industries



## No Concentration Risk

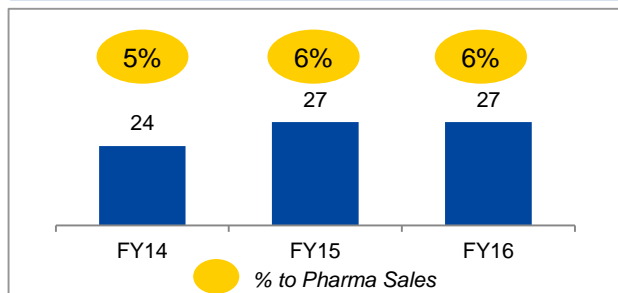
- ▶ **Business:** Specialty Intermediates and Nutritional Products is the largest segment and accounts for 27% of FY16 Revenue
- ▶ **Customers:** Top 10 customers account for 21% of FY16 Revenue
- ▶ **Products:** Top 10 products account for 49% of FY16 Revenue
- ▶ **Geography:** 73% of FY16 Revenue from international markets with products & services reaching over 100 countries



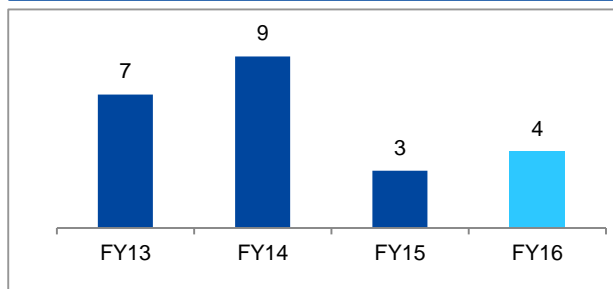
# 4 Strong Pipeline of Products With Deep R&D Capabilities

- ▶ Strong R&D capabilities demonstrated by complex and niche product filings in formulations and API segments
- ▶ Strong R&D support with a dedicated workforce of 988 scientists
- ▶ Cumulative R&D spend of USD 78m over FY14 to FY16

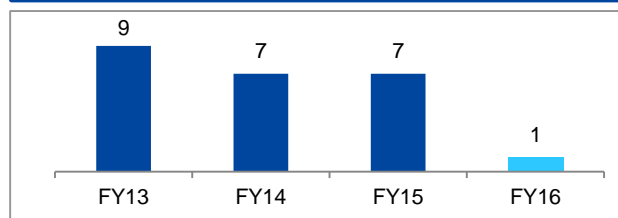
## Product Development (USD m)



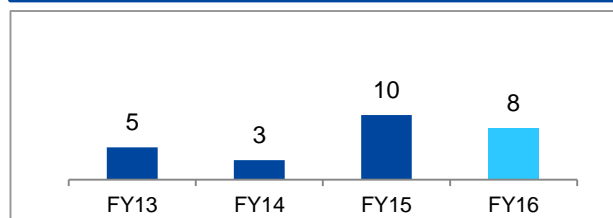
## DMF Filings



## ANDA Filings



## ANDA Approvals



## Dosage Formulation Filings

| Region       | Filings    | Approvals  | Pending Approval |
|--------------|------------|------------|------------------|
| USA          | 72         | 44         | 28               |
| Canada       | 22         | 18         | 4                |
| EU           | 46         | 46         | 0                |
| Japan        | 2          | 1          | 1                |
| Australia    | 3          | 3          | 0                |
| ROW          | 594        | 405        | 189              |
| <b>Total</b> | <b>739</b> | <b>517</b> | <b>222</b>       |

Note: As of 31 March 2016

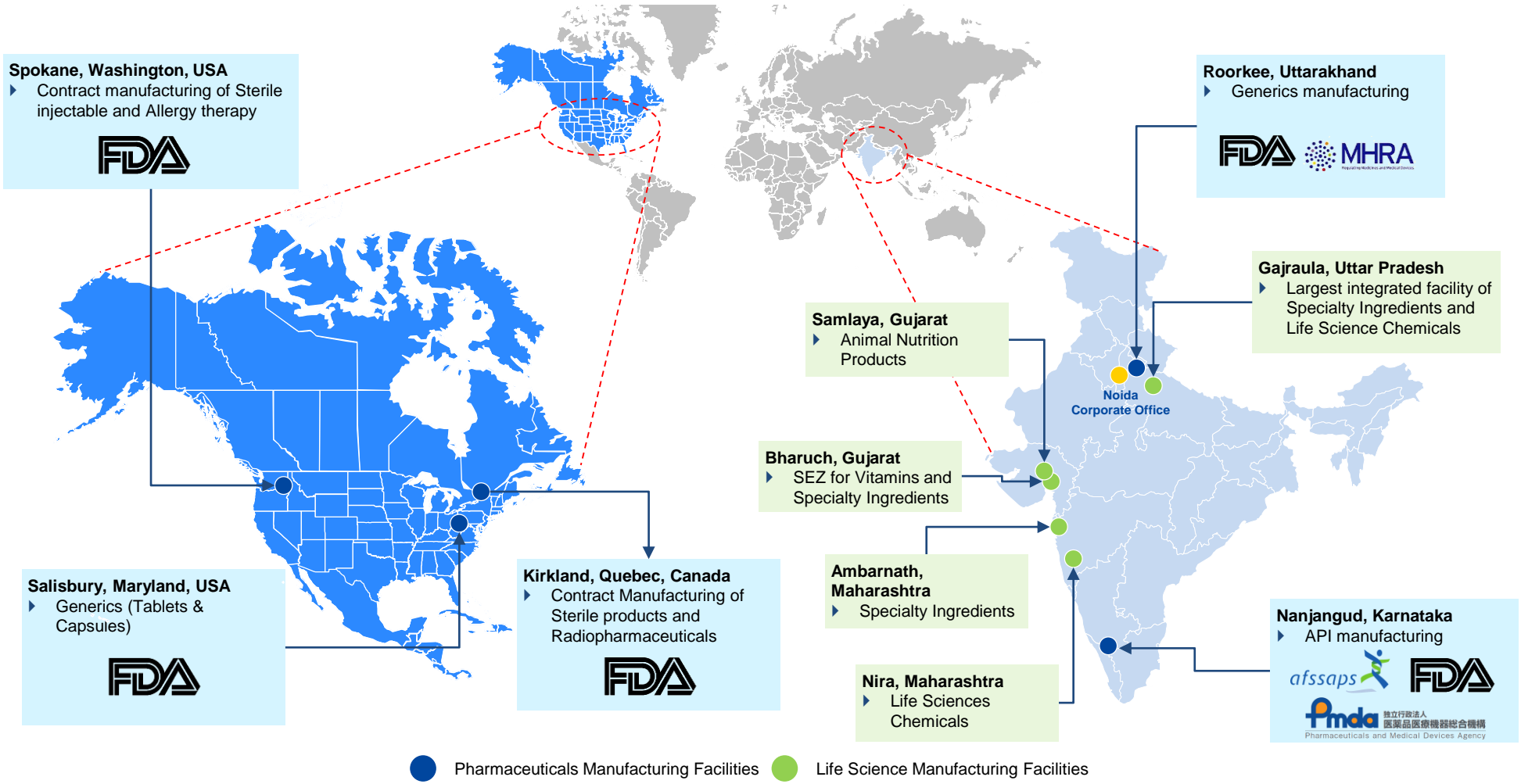
**72 ANDAs filed**  
**44 ANDAs approved**  
**28 ANDAs pending approvals**

**81 US DMFs filed**  
**33 DMFs Reviewed**

**38 commercial APIs, including**  
**24 in US, 9 in Canada, 23 in**  
**Europe and 28 in ROW**

**51 commercial Solid Dosage**  
**Formulations products,**  
**including 25 in US, 9 in**  
**Canada, 29 in Europe and 27 in**  
**ROW**

# 5 High-Quality, World-Class, Low Cost Manufacturing Footprint



**4 USFDA approved manufacturing facilities in North America and 2 USFDA approved manufacturing facilities in India  
 5 state-of-the-art Life Sciences Ingredients manufacturing facilities in India**

# 6 Experienced Management Team



**Shyam S Bhartia**  
Chairman  
37 industry years in pharma, specialty chemicals, foods, oil and gas, aerospace and IT



**Hari S Bhartia**  
Co-Chairman & Managing Director  
32 industry years in pharma, specialty chemicals, foods, oil and gas, aerospace and IT



**R Sankaraiah**  
Executive Director – Finance  
31 years of Industry Experience



**Shyamsundar Bang**  
Executive Director -  
Manufacturing & Supply Chain  
42 years of Industry Experience



**Dr. Ashutosh Agarwal**  
Chief Scientific Officer  
34 years of Industry Experience

## Pharmaceuticals



**G. P. Singh, CEO - Jubilant Pharma**  
23 years of Industry Experience

## Life Sciences Ingredients



**Pramod Yadav, Co-CEO – Life Sciences Ingredients**  
28 years of Industry Experience



**Rajesh Srivastava, Co-CEO – Life Sciences Ingredients**  
28 years of Industry Experience

## Drug Discovery Solutions



**Steven Hutchins, President - Drug Discovery Solutions**  
27 years of Industry Experience

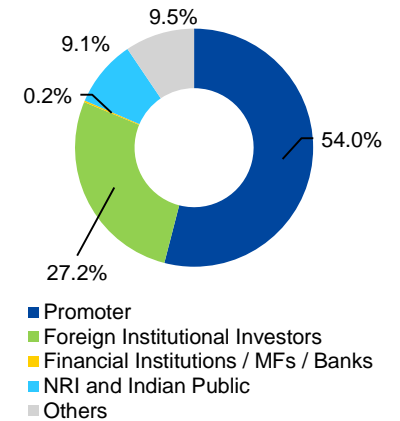
### Businesses

- ✓ API
- ✓ Solid Dosage Formulations
- ✓ Radiopharmaceuticals
- ✓ CMO of Sterile Injectables
- ✓ Allergy Therapy Products
- ✓ India Branded Pharmaceuticals

- ✓ Advanced Intermediates
- ✓ Nutritional Products
- ✓ Animal Nutrition
- ✓ Ethanol

- ✓ Fine Ingredients
- ✓ Crop Science Ingredients
- ✓ Life Science Chemicals
- ✓ External Manufacturing

## Shareholding Structure



As of 30 April, 2016

### Corporate Functions

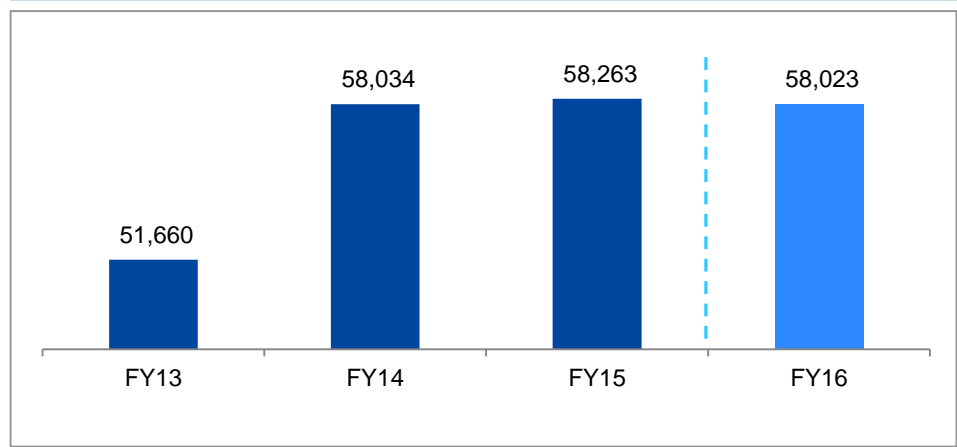
- ✓ Finance
- ✓ Operations
- ✓ Quality
- ✓ IT
- ✓ HR
- ✓ Regulatory

- ✓ Finance
- ✓ Operations
- ✓ Quality
- ✓ IT
- ✓ HR
- ✓ EHS

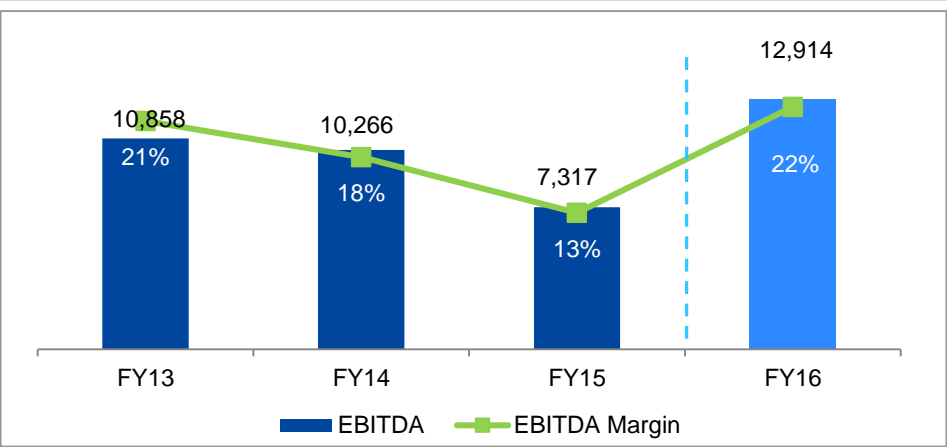


# 7 Strong Financial Track Record

**Consolidated Revenue (INR m)**



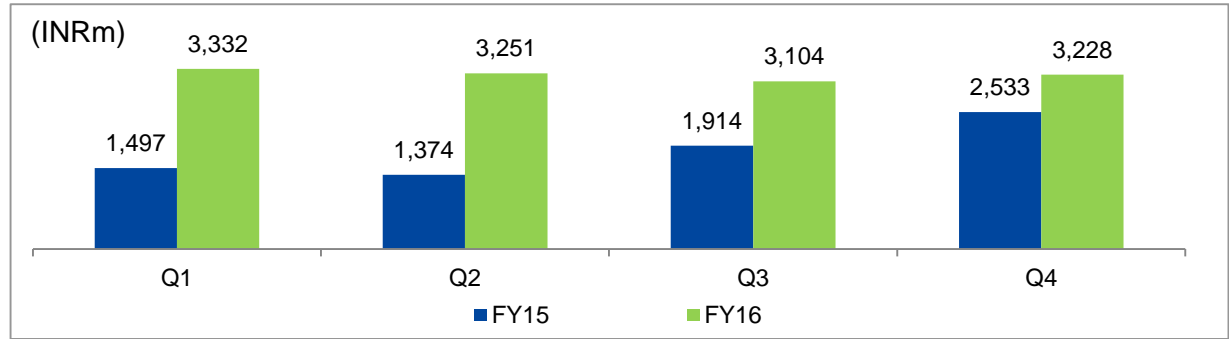
**Consolidated EBITDA (INR m) and Margin (%)**



**Recent Turnaround in Business**

- ▶ Warning Letters issued by the USFDA at both the Spokane and Montreal facilities have now been resolved.
- ▶ Witnessed strong performance with significant margin improvement in Radiopharma business and price increase in Niacinamide

**Consolidated EBITDA (INR m)**

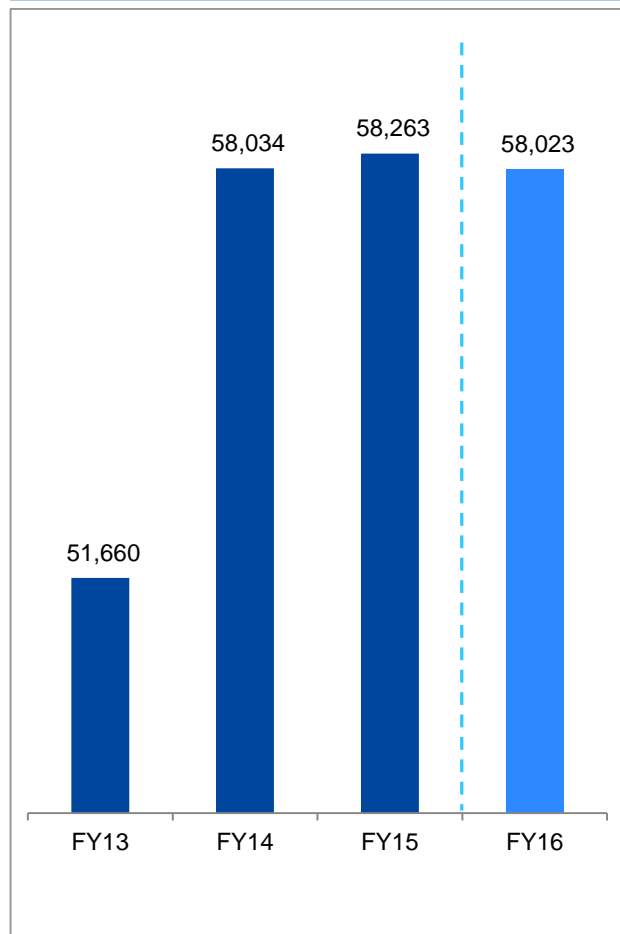




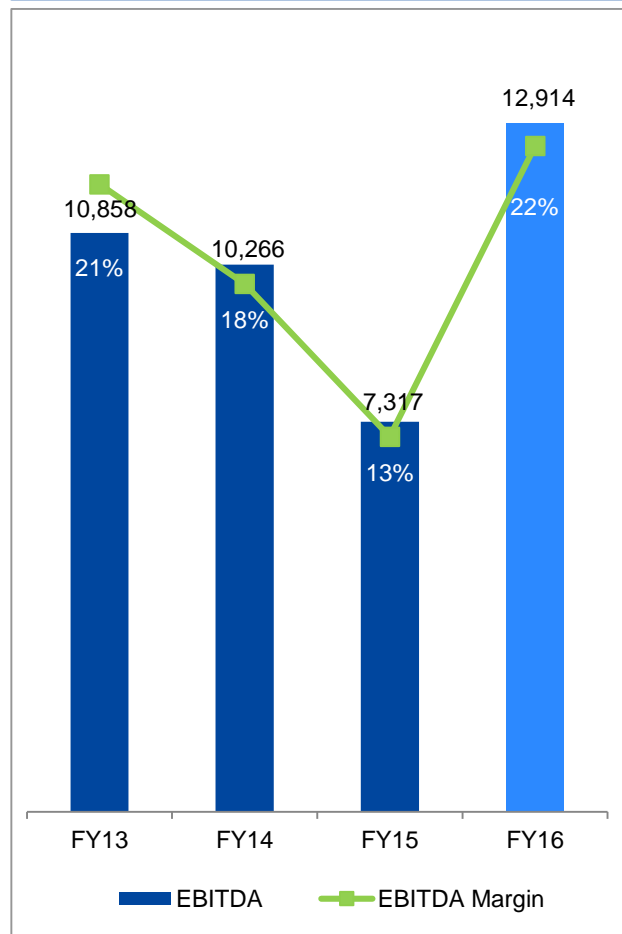
# Financial Overview

# Financial Overview

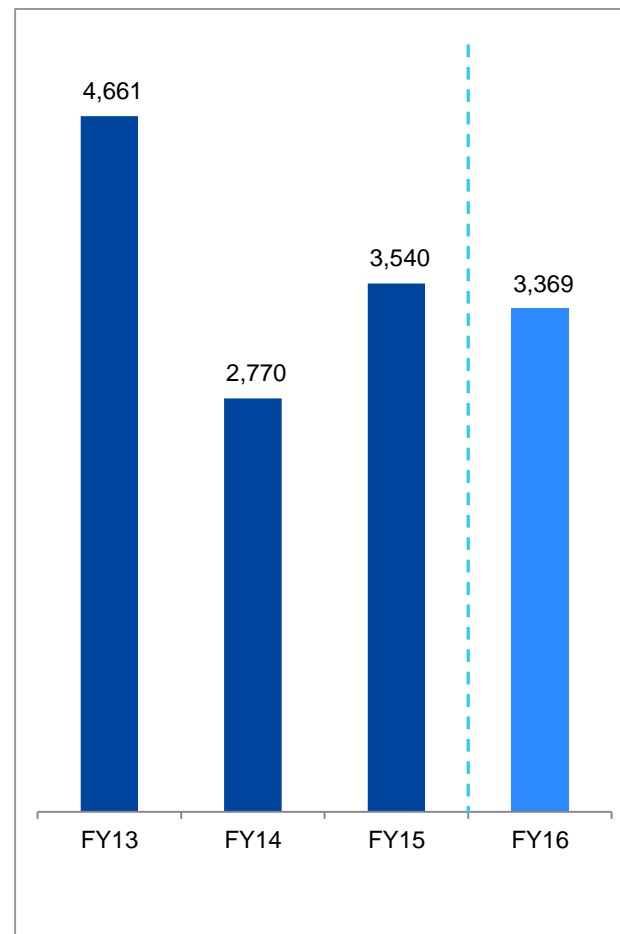
Consolidated Revenue (INR m)



Consolidated EBITDA (INR m) & EBITDA Margin

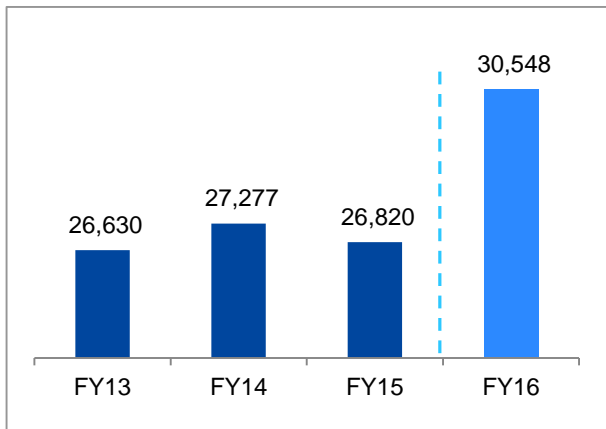


Consolidated Capex (INR m)

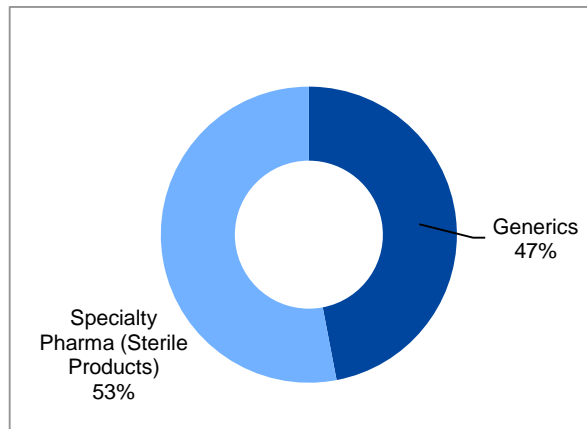


# Pharma Business: Overview

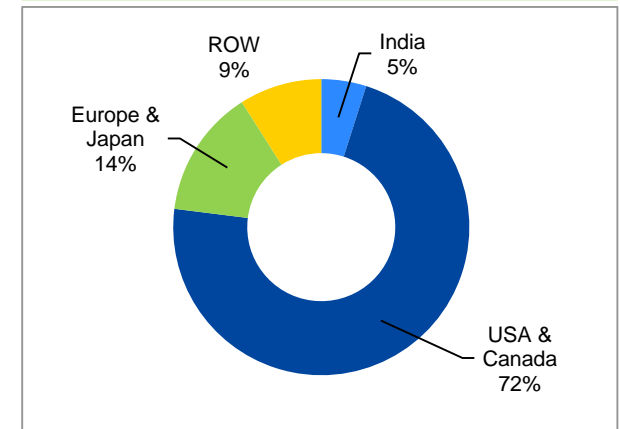
Revenue (INR m)



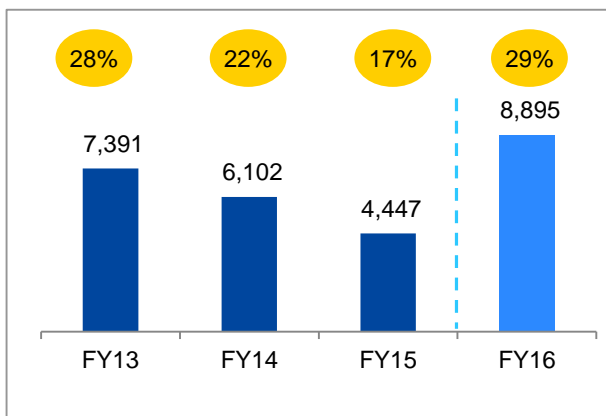
Revenue by Segment (FY16)



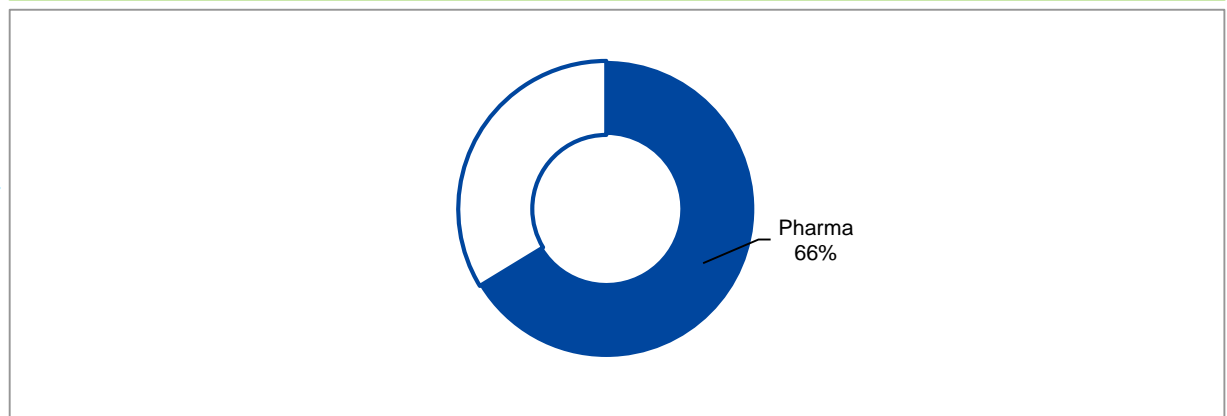
Revenue by Geography (FY16)



EBITDA (INR m)

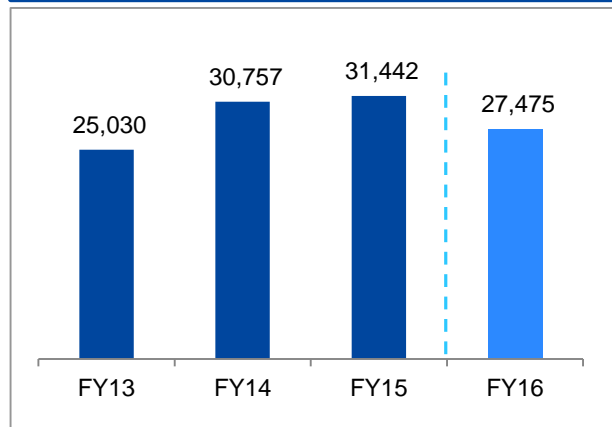


% of Total EBITDA (FY16)

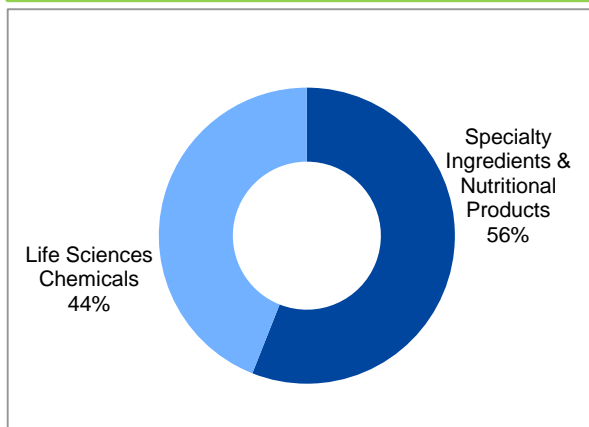


# Life Sciences Ingredients: Overview

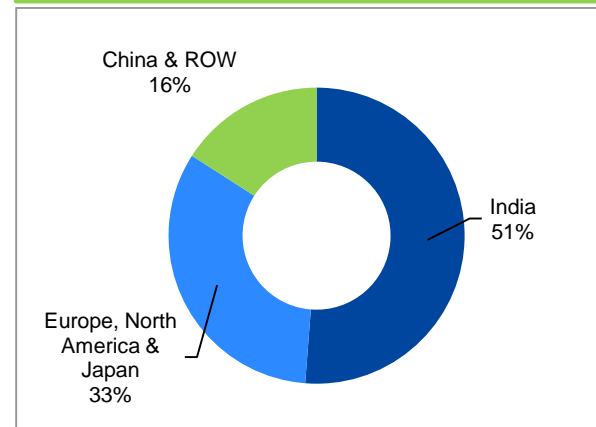
Revenue (INR m)



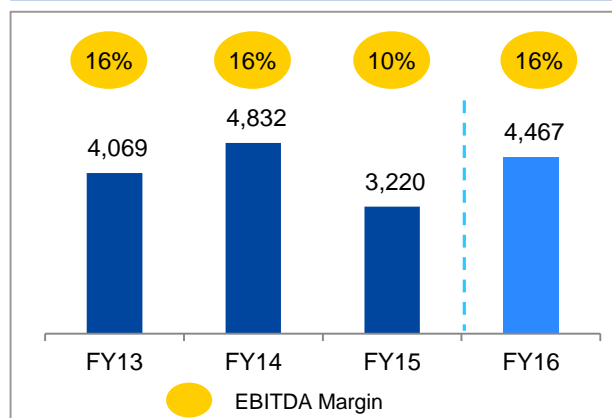
Revenue by Segment (FY16)



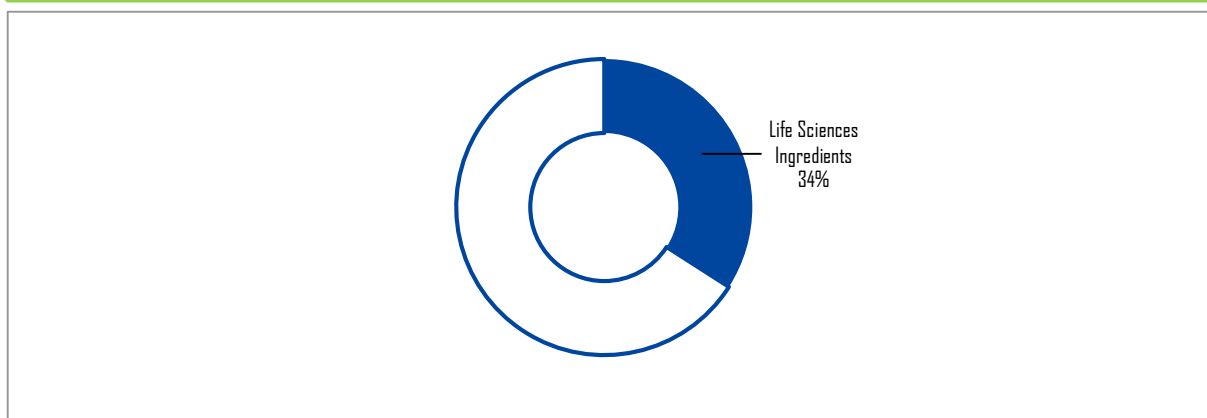
Revenue by Geography (FY16)



EBITDA (INR m)

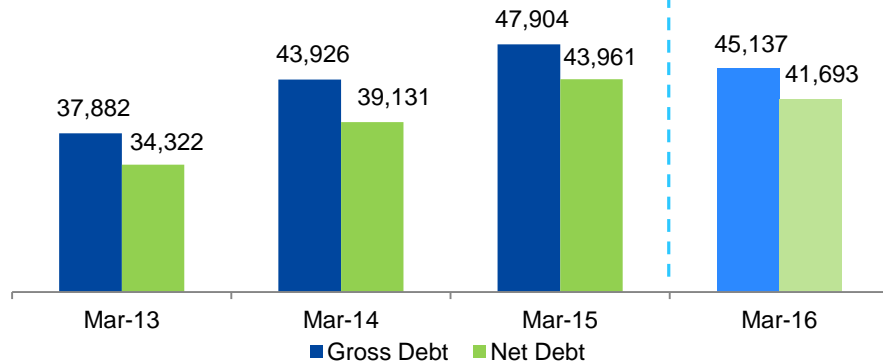


% of Total EBITDA (FY16)



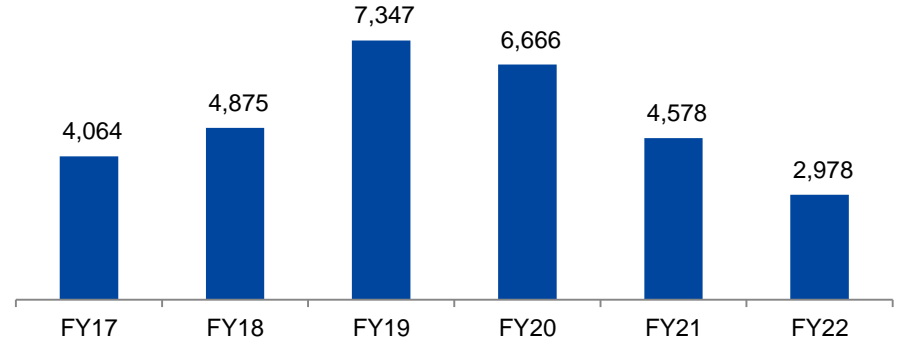
# Strong Balance Sheet

## Debt Overview (INR m)

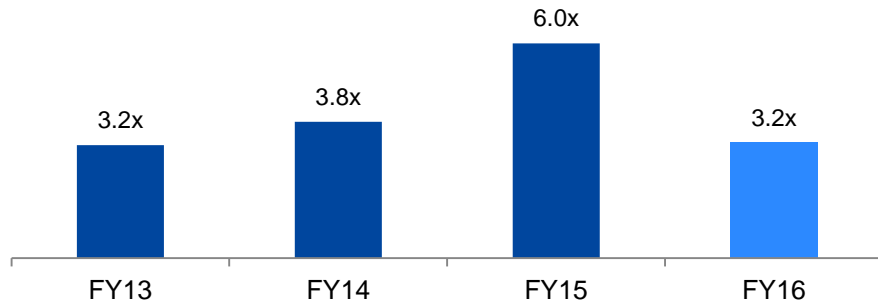


Net debt reduction of INR 3,676 million in FY16 on constant currency basis

## Debt Maturity Profile (INR m)

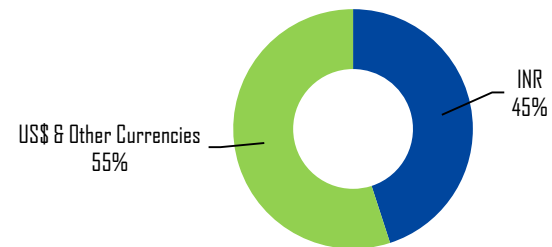


## Net Debt / EBITDA



Target Net Debt / EBITDA of less than 2.5x

## Debt Breakdown by Currency



Reorganized debt portfolio in such a way that free cash flows would be adequate for scheduled loan repayments  
Prepaid all rupee loans scheduled for repayment during next two years

# Historical Financials – Profit and Loss Account

| INR m  | FY13          | FY14          | FY15          | FY16          |
|--|---------------|---------------|---------------|---------------|
| <b>Total Income from Operations</b>                        | <b>51,660</b> | <b>58,034</b> | <b>58,262</b> | <b>58,023</b> |
| <i>Material Cost</i>                                       | 20,609        | 24,421        | 26,617        | 21,175        |
| <i>Power and Fuel Cost</i>                                 | 3,567         | 3,897         | 3,930         | 3,667         |
| <i>Employee Cost</i>                                       | 9,626         | 11,052        | 10,903        | 11,267        |
| <i>Other Expenses</i>                                      | 7,299         | 8,588         | 9,920         | 9,136         |
| <b>Total Expenses</b>                                      | <b>41,101</b> | <b>47,958</b> | <b>51,370</b> | <b>45,245</b> |
| Other Income   | 299           | 190           | 425           | 136           |
| <b>Pharmaceuticals EBITDA</b>                              | <b>7,391</b>  | <b>6,102</b>  | <b>4,447</b>  | <b>8,895</b>  |
| <b>Life Sciences Ingredients EBITDA</b>                    | <b>4,069</b>  | <b>4,832</b>  | <b>3,220</b>  | <b>4,467</b>  |
| <i>Less: Corporate Expenses</i>                            | -602          | -668          | -350          | -447          |
| <b>EBITDA including other income</b>                       | <b>10,858</b> | <b>10,266</b> | <b>7,317</b>  | <b>12,914</b> |
| <i>% Margin</i>  | <i>21%</i>    | <i>18%</i>    | <i>13%</i>    | <i>22%</i>    |
| <i>Depreciation</i>  | 2,538         | 2,812         | 2,880         | 3,460         |
| <i>Finance Cost</i>  | 2,987         | 3,237         | 3,553         | 3,786         |
| <b>Profit after Interest but before Exceptional Items</b>  | <b>5,333</b>  | <b>4,217</b>  | <b>884</b>    | <b>5,669</b>  |
| <i>Exceptional Item - Gain / (Loss)</i>                    | -1,922        | -2,145        | -481          | 175           |
| <i>Tax</i>   | 1,524         | 696           | 805           | 1,529         |
| <i>Minority Interest</i>                                   | 361           | 286           | 176           | -             |
| <b>Reported Net Profit After Tax and Minority Interest</b> | <b>1,527</b>  | <b>1,090</b>  | <b>-578</b>   | <b>4,315</b>  |
| <b>Normalized Net Profit after tax</b>                     | <b>3,449</b>  | <b>3,235</b>  | <b>-97</b>    | <b>4,140</b>  |



# Historical Financials – Balance Sheet

| INR m                                 | Mar-13        | Mar-14        | Mar-15        | Mar-16        | INR m                                | Mar-13        | Mar-14        | Mar-15        | Mar-16        |
|---------------------------------------|---------------|---------------|---------------|---------------|--------------------------------------|---------------|---------------|---------------|---------------|
| <b>EQUITY AND LIABILITIES</b>         |               |               |               |               | <b>ASSETS</b>                        |               |               |               |               |
| <b>Shareholders Funds</b>             | <b>24,761</b> | <b>26,265</b> | <b>24,535</b> | <b>29,096</b> | <b>Non Current Assets</b>            | <b>58,098</b> | <b>59,358</b> | <b>59,043</b> | <b>60,457</b> |
| <i>Share Capital</i>                  | 159           | 155           | 159           | 159           | <i>Fixed Assets</i>                  | 37,278        | 37,932        | 37,755        | 38,539        |
| <i>Reserves and Surplus</i>           | 24,602        | 26,111        | 24,376        | 28,936        | <i>Goodwill</i>                      | 16,766        | 17,780        | 17,325        | 18,311        |
| Minority Interest                     | 1,115         | 1,579         | -             | -             | <i>Non Current Investments</i>       | 256           | 340           | 395           | 361           |
|                                       |               |               |               |               | <i>Long-term loans and advances</i>  | 3,790         | 3,300         | 3,563         | 3,246         |
|                                       |               |               |               |               | <i>Other Non-Current Assets</i>      | 9             | 6             | 6             | 1             |
| <b>Non Current Liabilities</b>        | <b>30,049</b> | <b>21,850</b> | <b>40,362</b> | <b>35,230</b> | <b>Current Assets</b>                | <b>25611</b>  | <b>29280</b>  | <b>27145</b>  | <b>29013</b>  |
| <i>Long Term Borrowings</i>           | 24,688        | 17,169        | 36,913        | 30,440        | <i>Inventories</i>                   | 11162         | 13414         | 12353         | 12161         |
| <i>Deferred Tax Liabilities</i>       | 2,922         | 2,371         | 2,380         | 3,269         | <i>Trade Receivables</i>             | 7085          | 8059          | 8193          | 9297          |
| <i>Other Long Term Liabilities</i>    | 59            | 115           | 398           | 816           | <i>Cash and Bank Balances</i>        | 3561          | 4795          | 3943          | 3445          |
| <i>Long Term Provisions</i>           | 2,380         | 2,195         | 670           | 705           | <i>Short-Term Loans and Advances</i> | 2565          | 2145          | 2143          | 3626          |
|                                       |               |               |               |               | <i>Other Current Assets</i>          | 1238          | 868           | 513           | 485           |
| <b>Current Liabilities</b>            | <b>27,784</b> | <b>38,944</b> | <b>21,292</b> | <b>25,145</b> | <b>TOTAL ASSETS</b>                  | <b>83,709</b> | <b>88,638</b> | <b>86,188</b> | <b>89,470</b> |
| <i>Short Term Borrowings</i>          | 11,314        | 11,878        | 5,172         | 7,282         |                                      |               |               |               |               |
| <i>Trade Payables</i>                 | 6,471         | 7,181         | 7,212         | 5,996         |                                      |               |               |               |               |
| <i>Other Current Liabilities</i>      | 8,980         | 17,312        | 7,933         | 9,772         |                                      |               |               |               |               |
| <i>Short-Term Provisions</i>          | 1,018         | 2,572         | 975           | 2094          |                                      |               |               |               |               |
| <b>TOTAL EQUITY &amp; LIABILITIES</b> | <b>83,709</b> | <b>88,638</b> | <b>86,189</b> | <b>89,470</b> |                                      |               |               |               |               |

# Debt Profile

| Particulars   | 31-Mar-15       | 31-Dec-15       | 31-Mar-16       |
|---|-----------------|-----------------|-----------------|
| <b>Foreign Currency Loans</b>   | <b>(\$ Mn)</b>  | <b>(\$ Mn)</b>  | <b>(\$ Mn)</b>  |
| Standalone  | 105             | 65              | 55              |
| Subsidiaries  | 338             | 347             | 320             |
| <b>Total</b>  | <b>443</b>      | <b>412</b>      | <b>375</b>      |
| <b>Rupee Loans</b>  | <b>(INR Mn)</b> | <b>(INR Mn)</b> | <b>(INR Mn)</b> |
| Standalone  | 15,133          | 12,630          | 14,009          |
| Subsidiaries  | 5,091           | 5,421           | 6,255           |
| <b>Total</b>  | <b>20,224</b>   | <b>18,051</b>   | <b>20,265</b>   |
| Gross Debt  | 47,904          | 45,294          | 45,137          |
| Cash & Equivalent   | 3,943           | 2,053           | 3,444           |
| Net Debt  | 43,961          | 43,241          | 41,693          |
| Change in debt on account of exchange rate difference from 31-March, 2015 |                 | (1,507)         | (1,408)         |
| Net Debt - Adjusted for foreign exchange difference                       | 43,961          | 41,734          | 40,285          |
| Net Debt in US\$  | 7,034           | 6,536           | 6,293           |
| Working Capital Debt  | 12,307          | 10,849          | 10,658          |
| Net Long Term debt  | 31,654          | 32,393          | 31,035          |
|   |                 |                 |                 |
| Closing Exchange Rate (Rs./USD)   | 62.50           | 66.16           | 66.25           |

- ▶ **Net debt** at INR 40,285 million on 31<sup>st</sup> Mar 2016 compared to INR 43,961 million on 31<sup>st</sup> Mar 2015 on constant currency basis
  - Net debt reduction of INR 3,676 million in FY16
- ▶ **Blended interest rate** for the borrowings at 7.6% p.a. – Re loans @ 11.6% p.a., \$ loans @ 4.9% p.a.

# Q4'16 Results Analysis

# Income Statement – Q4'FY16

| Particulars   | Q4'FY15      | Q4'FY16      | YoY Growth |
|---|--------------|--------------|------------|
|   | (Rs Crs)     |              | (%)        |
| <b>Total Income from Operations</b>                       | <b>1,537</b> | <b>1,501</b> | <b>-2%</b> |
| Total Expenditure   | 1,289        | 1,181        |            |
| Other Income  | 6            | 3            |            |
| <b>EBITDA including Other Income</b>                      | <b>253</b>   | <b>323</b>   | <b>27%</b> |
| Depreciation and Amortization                             | 66           | 126          |            |
| Finance Cost  | 85           | 92           |            |
| <b>Profit after Interest but before Exceptional Items</b> | <b>102</b>   | <b>105</b>   | <b>3%</b>  |
| Exceptional Item - Gain/(Loss)                            | (34)         | 16           |            |
| Tax Expenses (Net)  | 25           | 50           |            |
| <b>Net Profit After Tax and Minority Interest</b>         | <b>43</b>    | <b>71</b>    | <b>65%</b> |
| Paid-up share capital (Face value per share Re.1)         | 15.93        | 15.93        |            |
| <b>Earnings Per Share - Basic (Rs.)</b>                   | <b>2.68</b>  | <b>4.44</b>  |            |
| Promoters and promoter group shareholding                 | 54%          | 54%          |            |
|   | (%)          |              | (bps)      |
| EBITDA Margins  | 16.5%        | 21.5%        | 502        |
| Net Margins   | 2.8%         | 4.7%         | 193        |

- **Income from Operations at Rs. 1,501 Crore, decline of 2% YoY**
  - Pharmaceuticals reports highest ever revenues of Rs. 839 Crores, growing 10% YoY and 15% QoQ; Contributes 56% to total revenues
  - 14% decline in Life Science Ingredients (2% growth QoQ) mainly due to lower input prices from lower crude prices resulting in decrease in prices of finished products
- **EBITDA at Rs. 323 Crore, compared to Rs. 253 Crore in Q4 FY 15**
  - EBITDA grows 27% YoY; Margins at 21.5%, up from 16.5% in Q4 FY15
  - Highest ever EBITDA in Pharmaceuticals segment at Rs. 230 Crore, growing 15% YoY with margins of 27.4%; EBITDA contribution of 68% to the total EBITDA
  - Life Science Ingredients segment's EBITDA at Rs. 106 Crore, up 61% YoY with margins of 16% as compared to 8.5% in Q4 FY15
- **Profit After Tax at Rs. 71 Crore, compared to Rs. 43 Crore in Q4 FY 15**
  - Earnings Per Share for Re. 1 FV equity share at Rs. 4.44, up from Rs. 2.68 in Q4 FY15

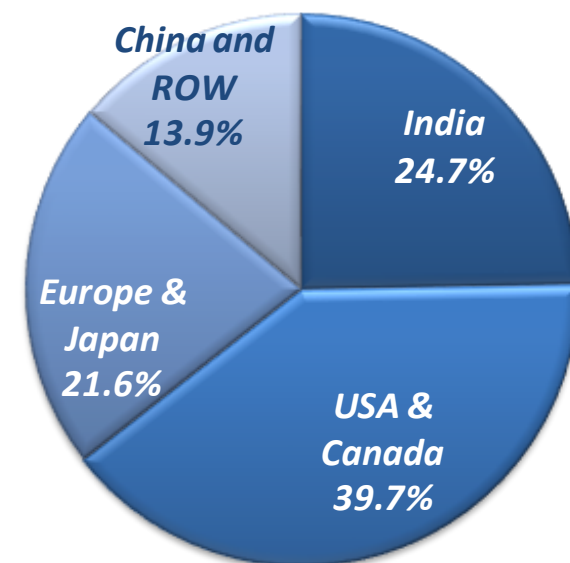
# Segmental Revenue Analysis – Q4'FY16

| Segmental Revenue Analysis    | Revenue (Rs. Crs.) |              | Revenue Mix (%) | YoY Growth % |
|-------------------------------|--------------------|--------------|-----------------|--------------|
|                               | Q4'FY15            | Q4'FY16      |                 |              |
| Pharmaceuticals               | 763                | 839          | 56%             | 10%          |
| Life Science Ingredients      | 774                | 662          | 44%             | -14%         |
| <b>Income from Operations</b> | <b>1,537</b>       | <b>1,501</b> | <b>100%</b>     | <b>-2%</b>   |

- **Pharmaceuticals segment revenue at Rs. 839 Crore, contributing 56% to the total revenue**
  - Revenue growth of 10% YoY, led by 11% growth in volumes; growth witnessed in both key businesses of Generics and Specialty Pharmaceuticals (Sterile Products)
  - Specialty Pharmaceuticals (Sterile Products) contributes 51% to total Pharmaceuticals segment sales
- **Life Science Ingredients segment revenue at Rs. 662 Crore, contributing 44% to the total revenue**
  - LSI revenues impacted mainly due to lower input prices from lower crude prices resulting in decrease in prices of finished products
  - Pricing growth witnessed in Specialty Intermediates and Nutritional Products

# Company Revenue – Geography wise – Q4'FY16

| Geo-wise Revenue (Rs crs)     | Q4'FY15      | Q4'FY16      | Mix %       | YoY %       |
|-------------------------------|--------------|--------------|-------------|-------------|
| <b>International</b>          | <b>1,111</b> | <b>1,130</b> | <b>75%</b>  | <b>2%</b>   |
| USA & Canada                  | 630          | 597          | 40%         | -5%         |
| Europe & Japan                | 283          | 325          | 22%         | 15%         |
| China and ROW                 | 199          | 209          | 14%         | 5%          |
| <b>India</b>                  | <b>425</b>   | <b>371</b>   | <b>25%</b>  | <b>-13%</b> |
| <b>Income from Operations</b> | <b>1,537</b> | <b>1,501</b> | <b>100%</b> | <b>-2%</b>  |

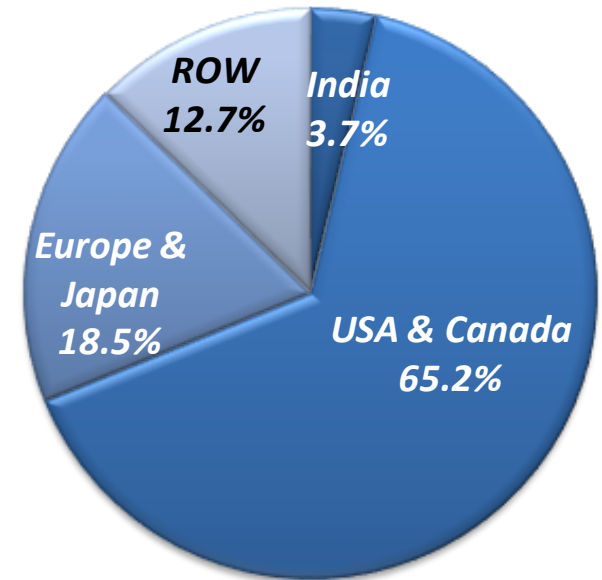


- **75% of Income from International Markets, at Rs. 1,130 Crore**
  - Key developed markets share at 61% of revenue
  - Other international markets share stood at Rs. 209 Crore, 14% of the revenues, growing 5% YoY
- **25% Income from India at Rs. 371 Crore in the quarter**



# Pharma Revenue – Geography wise – Q4'FY16

| Geo-wise Revenue (Rs crs)     | Q4'FY15    | Q4'FY16    | Mix %       | YoY %      |
|-------------------------------|------------|------------|-------------|------------|
| <b>International</b>          | <b>738</b> | <b>808</b> | <b>96%</b>  | <b>10%</b> |
| USA & Canada                  | 579        | 547        | 65%         | -5%        |
| Europe & Japan                | 104        | 155        | 18%         | 49%        |
| ROW                           | 55         | 106        | 13%         | 93%        |
| <b>India</b>                  | <b>25</b>  | <b>31</b>  | <b>4%</b>   | <b>26%</b> |
| <b>Income from Operations</b> | <b>763</b> | <b>839</b> | <b>100%</b> | <b>10%</b> |



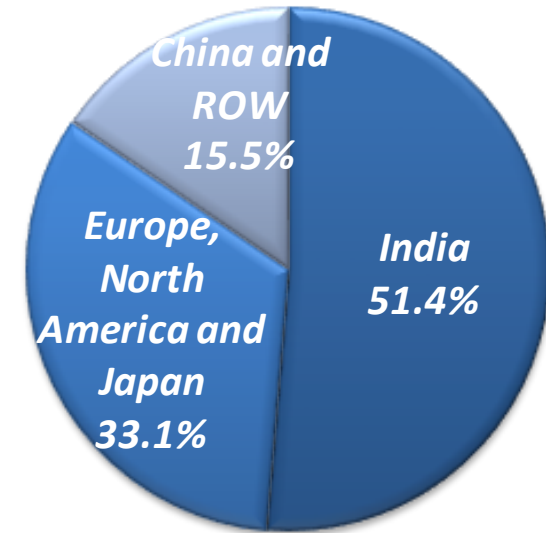
- **96% of Income from International Markets, at Rs. 808 Crore**
  - Key developed markets share at 84% of revenue, growing 3% YoY
  - ROW markets contribute 13% to revenue, up 93% YoY
- **4% Income from India at Rs. 31 Crore in the quarter, mainly in Generics**

# Pharma Business Highlights – Q4'FY16

- 8 API filings, including 2 in US (Febuxostat and Olanzapine) and CEP (Solifenacin)
- Launched Eslicarbazepine API for ROW market
- 4 Solid Dosage Formulations filings, including Niacin in US, Escitalopram in Canada and Olmesartan in Japan; 12 approvals received including Olanzapine in Japan
- Finalized commercial Agreements with key customers for Solid Dosage Formulations in Ethiopia, South Africa, and UK
- Ramp up of operations in CMO of Sterile Injectables in line with expectations
- Radiopharmaceuticals business continues to deliver strong performance and we expect to launch new products going forward
- Received US\$ 7.5 Million against sale of investments with a profit of US\$ 5.7 Million

# LSI Revenue – Geography wise – Q4’FY16

| Geo-wise Revenue (Rs crs)       | Q4’FY15    | Q4’FY16    | Mix %       | YoY %       |
|---------------------------------|------------|------------|-------------|-------------|
| <b>International</b>            | <b>373</b> | <b>322</b> | <b>49%</b>  | <b>-14%</b> |
| Europe, North America and Japan | 230        | 219        | 33%         | -4%         |
| China and ROW                   | 144        | 103        | 15%         | -29%        |
| <b>India</b>                    | <b>401</b> | <b>340</b> | <b>51%</b>  | <b>-15%</b> |
| <b>Income from Operations</b>   | <b>774</b> | <b>662</b> | <b>100%</b> | <b>-14%</b> |



- **Decline in revenues mainly due to lower input prices from lower crude prices resulting in decrease in prices of finished products**
- **49% of Income from International Markets, at Rs. 322 Crore**
  - Europe, North America and Japan markets share at 33% of revenue
  - Other international markets share stood at Rs. 103 Crore, 15% of revenue
- **51% Income from India at Rs. 340 Crore in the quarter**

# LSI Business Highlights – Q4'FY16

- Strategic initiatives of retrofitting the plants to increase the capacity utilization is well in progress
  - Started supplies of a Pharma intermediate
  - Commercial supplies to start in Q4 FY17 for two products for Agro-intermediates
  - These are all developed with existing processes to meet enhanced customer requirements
- Key customer audits completed for Specialty Intermediates
- Signed new contracts across Europe, Korea, Middle East, China and a few other markets in Nutritional Products
- New contracts signed across Brazil, Europe, USA and Asia for key Life Science Chemicals products

# Expenditure Analysis – Q4'FY16

| Expenses (Rs Crs)             | Q4 FY15     | % of Sales | Q4 FY16     | % of Sales | YoY Growth % |
|-------------------------------|-------------|------------|-------------|------------|--------------|
| Material Cost                 | 714         | 46%        | 568         | 38%        | -20%         |
| Power & Fuel Expense          | 79          | 5%         | 79          | 5%         | 0%           |
| Employee Benefits Expense     | 275         | 18%        | 284         | 19%        | 3%           |
| Other Expenses                | 205         | 13%        | 250         | 17%        | 22%          |
| <b>Total Expenses</b>         | <b>1273</b> | <b>83%</b> | <b>1181</b> | <b>79%</b> | <b>-7%</b>   |
| Exceptional Items             | (34)        |            | 16          |            |              |
| Depreciation and Amortization | 66          |            | 126         |            | 90%          |

- **Material Costs** as percentage of sales lower due to better operational efficiencies, price realizations, lower input prices and sales mix
- **Power & Fuel** as stable due to operational efficiency and lower energy costs
- **Employee benefits expense** increase marginally
- **Other Expenses** as percentage of sales increase due to packing material costs, repairs and promotion costs
- **Exceptional items** of Rs. 16 Crore includes profit of Rs. 41 Crore on account of sale of investments and Forex loss of Rs. (23) Crore
- **Depreciation and Amortization** includes depreciation of Rs. 73 Crores and amortization of product development expenditure of Rs. 53 Crores on account of impairment of intangibles

# EBITDA Analysis – Q4'FY16

| EBITDA (Rs. Crs)         |              |              |                    |
|--------------------------|--------------|--------------|--------------------|
| Business Segments        | Q4'FY15      | Q4'FY16      | YoY Growth %       |
| Pharmaceuticals          | 200          | 230          | 15%                |
| Life Science Ingredients | 66           | 106          | 61%                |
| Less: Corp Expenses      | (13)         | (13)         |                    |
| <b>Reported EBITDA</b>   | <b>253</b>   | <b>323</b>   | <b>27%</b>         |
| Margins (%)              |              |              |                    |
|                          |              |              | YoY Variance (Bps) |
| Pharmaceuticals          | 26.2%        | 27.4%        | 112                |
| Life Science Ingredients | 8.5%         | 16.0%        | 752                |
| <b>Reported EBITDA</b>   | <b>16.5%</b> | <b>21.5%</b> | <b>502</b>         |

- EBITDA of Rs. 323 Crore in the quarter, growing 27% YoY; Overall EBITDA Margins of 21.5%
- Pharmaceuticals segment EBITDA growth of 15% YoY with margins at 27.4%, up from 26.2% in Q4 FY15; aided by APIs and ramp-up in Roorkee and CMO Spokane facilities
- Life Science Ingredients EBITDA growth of 61% YoY with margins at 16%, up from 8.5% in Q4 FY15; improvement in margins due to various cost-control initiatives and process efficiencies

# Annual Results Analysis

# Income Statement – FY16

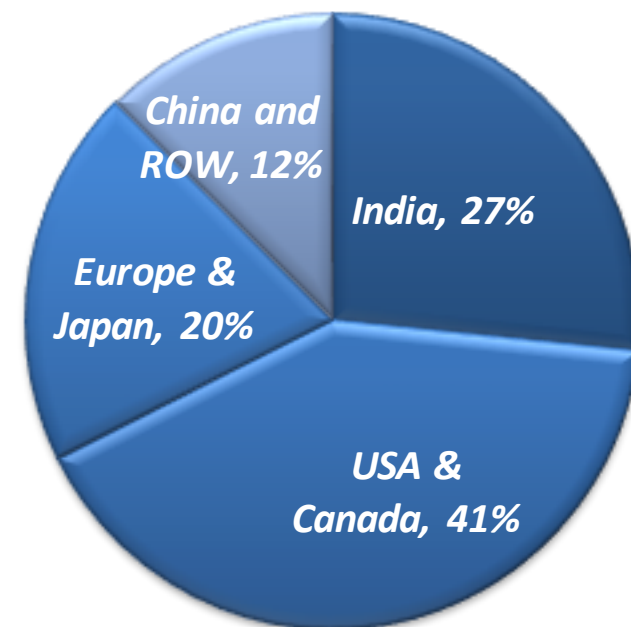
| Particulars   | FY15         | FY16         | YoY Growth  |
|---|--------------|--------------|-------------|
|   | (Rs Crs)     |              | (%)         |
| <b>Total Income from Operations</b>                       | <b>5,826</b> | <b>5,802</b> | <b>0%</b>   |
| Total Expenditure   | 5,137        | 4,525        |             |
| Other Income  | 42           | 14           |             |
| <b>EBITDA including Other Income</b>                      | <b>732</b>   | <b>1,291</b> | <b>76%</b>  |
| Depreciation and Amortization                             | 288          | 346          |             |
| Finance Cost  | 355          | 379          |             |
| <b>Profit after Interest but before Exceptional Items</b> | <b>88</b>    | <b>567</b>   | <b>541%</b> |
| Exceptional Item - Gain/(Loss)                            | (48)         | 17           |             |
| Tax Expenses (Net)  | 80           | 153          |             |
| Minority Interest   | 18           | 0            |             |
| <b>Net Profit After Tax and Minority Interest</b>         | <b>(58)</b>  | <b>431</b>   |             |
| Paid-up share capital (Face value per share Re.1)         | 15.93        | 15.93        |             |
| Earnings Per Share - Basic (Rs.)                          | (3.63)       | 27.09        |             |
|   | (%)          |              | (bps)       |
| EBITDA Margins  | 12.6%        | 22.3%        | 970         |
| Net Margins   | -1.0%        | 7.4%         | 843         |



- **Income from Operations at Rs. 5,802 crs**
  - 14% increase in Pharmaceuticals revenues driven by CMO, Radiopharmaceuticals and APIs
  - 13% decline in Life Science Ingredients mainly due to competition from crude-derived substitutes and Chinese competition
- **EBITDA at Rs. 1,291 crs, compared to Rs. 732 Crore in FY 15**
  - EBITDA grows 76% YoY; Margins at 22.3%, up from 12.6% in FY15
  - Pharmaceuticals segment's EBITDA at Rs. 889 Crore, growth of 100% YoY with margins of 29.1% as compared to 16.6% in FY15; EBITDA contribution of 67% to the total EBITDA, compared to 58% in FY15
  - Life Science Ingredients segment's EBITDA at Rs. 447 Crore, growth of 39% with margins of 16.3% as compared to 10.2% in FY15; EBITDA contribution of 33% to the total EBITDA
- **Profit After Tax at Rs. 431 Crore, compared to Rs. (58) Crore in FY15**
  - Earnings Per Share for Re. 1 FV equity share at Rs. 27.09 up from Rs. (3.63) in FY15

# Company Revenue – Geography wise - FY16

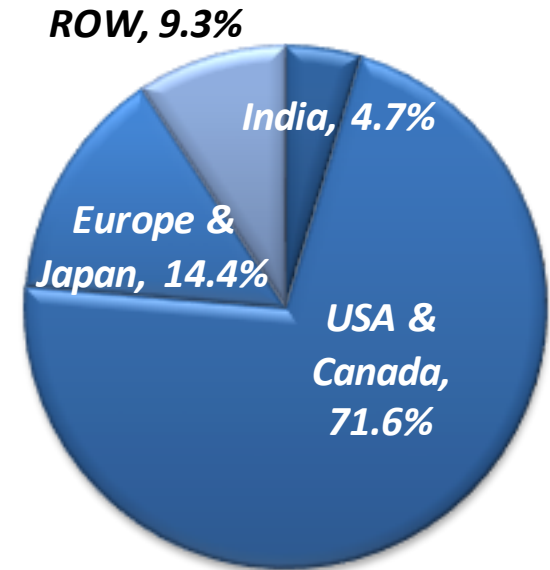
| Geo-wise Revenue (Rs crs)     | FY15         | FY16         | Mix %       | YoY %      |
|-------------------------------|--------------|--------------|-------------|------------|
| <b>International</b>          | <b>4,137</b> | <b>4,260</b> | <b>73%</b>  | <b>3%</b>  |
| USA & Canada                  | 2,199        | 2,380        | 41%         | 8%         |
| Europe & Japan                | 1,166        | 1,155        | 20%         | -1%        |
| China and ROW                 | 772          | 724          | 12%         | -6%        |
| <b>India</b>                  | <b>1,690</b> | <b>1,543</b> | <b>27%</b>  | <b>-9%</b> |
| <b>Income from Operations</b> | <b>5,826</b> | <b>5,802</b> | <b>100%</b> | <b>0%</b>  |



- **73% of Income from International Markets, at Rs. 4,260 crs, grew 3% YoY**
  - Regulated Markets - USA, Canada, Europe & Japan contribute 61% to revenue
  - Growth of 8% in USA and Canada primarily driven by Specialty Pharmaceuticals
- **27% Income from India at Rs. 1,543 crs**

# Pharma Revenue – Geography wise - FY16

| Geo-wise Revenue (Rs crs)     | FY15         | FY16         | Mix %       | YoY %      |
|-------------------------------|--------------|--------------|-------------|------------|
| <b>International</b>          | <b>2,560</b> | <b>2,913</b> | <b>95%</b>  | <b>14%</b> |
| USA & Canada                  | 1,964        | 2,189        | 72%         | 11%        |
| Europe & Japan                | 386          | 440          | 14%         | 14%        |
| ROW                           | 210          | 284          | 9%          | 35%        |
| <b>India</b>                  | <b>122</b>   | <b>142</b>   | <b>5%</b>   | <b>16%</b> |
| <b>Income from Operations</b> | <b>2,682</b> | <b>3,055</b> | <b>100%</b> | <b>14%</b> |



- **95% of Income from International Markets, at Rs. 2,913 crs, grew 14% YoY**
  - Regulated Markets - USA, Canada, Europe & Japan contribute 86% to revenue
  - Growth of 11% in USA and Canada primarily driven by Specialty Pharmaceuticals
  - ROW markets grow 35% YoY
- **5% Income from India at Rs. 142 crs, up 16% YoY**

## ➤ North America Strategy

### • Generics

- Pipeline includes total 72 ANDA filings (including 44 approved) in US and 22 filings (including 18 approved) in Canada till 31<sup>st</sup> March 2016
- 1 filing and 8 approvals in US and 4 filings and 2 approvals in Canada in FY 16
- Leverage strength in sterile manufacturing to file differentiated products in Injectables (two) and Ophthalmics (one)

### • Radiopharmaceuticals

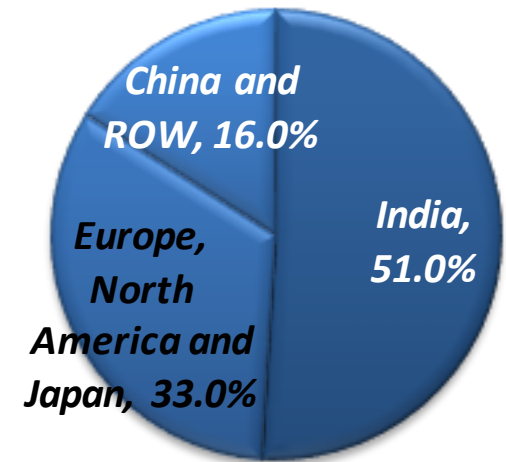
- To build a unique and differentiated pipeline of products leveraging our core competency in Radiopharmaceuticals and Lyophilized Kits
- Rubyfill is a 505(b)(2) filing for diagnosis of coronary heart disease through PET procedures. Under active review by FDA with an expected launch by Q4FY2017

## ➤ Increased geographical diversification

- Leveraging product filings through partnership and distribution agreements for ROW
  - 599 filings and 409 approvals in ROW till 31<sup>st</sup> March, 2016 including 38 filings in FY 16
  - Pursuing product specific partnership with players in Japan – already filed two products
  - Focus on Australia, South Africa and Brazil

# LSI Revenue – Geography wise - FY16

| Geo-wise Revenue (Rs crs)       | FY15         | FY16         | Mix %       | YoY %       |
|---------------------------------|--------------|--------------|-------------|-------------|
| <b>International</b>            | <b>1,577</b> | <b>1,347</b> | <b>49%</b>  | <b>-15%</b> |
| Europe, North America and Japan | 1,015        | 906          | 33%         | -11%        |
| China and ROW                   | 562          | 441          | 16%         | -22%        |
| <b>India</b>                    | <b>1,567</b> | <b>1,401</b> | <b>51%</b>  | <b>-11%</b> |
| <b>Income from Operations</b>   | <b>3,144</b> | <b>2,748</b> | <b>100%</b> | <b>-13%</b> |



- **49% of Income from International Markets, at Rs. 1,347 crs**
  - Europe, North America and Japan markets share at 33% of revenue
  - Other international markets share stood at Rs. 441 Crore, 16% of revenue
- **51% Income from India at Rs. 1,401 crs in the period**

# LSI Business Highlights – FY16

- Better price realization in Specialty Intermediates and Nutritional Products
- Volume reduction in Advanced Intermediates due to lower demand of agrochemicals and increased competition in China
- Lower revenue in Life Science Chemicals due to increased price led competition from crude derived substitutes and lower demand
- Better performance in Fine Ingredients aided by improvement in pricing and volumes

# Expenditure Analysis – FY16

| Expenses (Rs Crs)             | FY15         | % of Sales | FY16         | % of Sales | YoY Growth % |
|-------------------------------|--------------|------------|--------------|------------|--------------|
| Material Cost                 | 2,662        | 46%        | 2,117        | 36%        | -20%         |
| Power & Fuel Expense          | 393          | 7%         | 367          | 6%         | -7%          |
| Employee Benefits Expense     | 1,090        | 19%        | 1,127        | 19%        | 3%           |
| Other Expenses                | 992          | 17%        | 914          | 16%        | -8%          |
| <b>Total Expenses</b>         | <b>5,137</b> | <b>88%</b> | <b>4,525</b> | <b>78%</b> | <b>-12%</b>  |
| Exceptional Items             | (48)         | -1%        | 17           | 0%         |              |
| Depreciation and Amortization | 288          | 5%         | 346          | 6%         | 20%          |

- **Material Costs** as percentage of sales lower due to better operational efficiencies, price realizations, lower input prices and sales mix
- **Power & Fuel** as percentage of sales lower due to operational efficiency and lower energy costs; **Employee benefits expense** increase marginally
- **Other Expenses** as percentage of sales lower due to lower legal & consultancy, and freight & forwarding charges
- **Exceptional items** of Rs. 17 Crore includes profit of Rs. 41 Crore on account of sale of investments and FCMITDA loss of Rs. (25) Crore
- **Depreciation and Amortization** includes depreciation of Rs. 287 Crores and amortization of product development expenditure of Rs. 59 Crores

# EBITDA Analysis – FY16

| EBITDA (Rs. Crs)         |              |              |                    |
|--------------------------|--------------|--------------|--------------------|
| Business Segments        | FY15         | FY16         | YoY Growth %       |
| Pharmaceuticals          | 445          | 889          | 100%               |
| Life Science Ingredients | 322          | 447          | 39%                |
| Less: Corp Expenses      | (35)         | (45)         |                    |
| <b>Reported EBITDA</b>   | <b>732</b>   | <b>1,291</b> | <b>76%</b>         |
| EBITDA Margins (%)       |              |              |                    |
|                          |              |              | YoY Variance (Bps) |
| Pharmaceuticals          | 16.6%        | 29.1%        | 1254               |
| Life Science Ingredients | 10.2%        | 16.3%        | 602                |
| <b>Reported EBITDA</b>   | <b>12.6%</b> | <b>22.3%</b> | <b>970</b>         |

- EBITDA of Rs. 1,291 Crore in FY 16, growing 76% YoY; Overall EBITDA Margins of 22.3%
- Pharmaceuticals segment EBITDA growth of 100% YoY with margins at 29.1%, up from 16.6% in FY15; aided by improvement in performance of Specialty Pharmaceuticals (Sterile Products)
- Pharmaceuticals segment EBITDA contributes 67% to total EBITDA; up from 58% in FY 15
- Life Science Ingredients EBITDA growth of 39% YoY with margins at 16.3%, up from 10.2% in FY15; improvement in margins due to various cost-control initiatives and process efficiencies



- **In FY 2017, expect to continue the growth momentum of the company**
  - Revenue growth in Pharmaceuticals segment expected to be driven by:
    - New product launches in Generics and Radiopharmaceuticals
    - Growth in ROW business
    - Ramp up of Operations in CMO of Sterile Injectables and Oral-Solid facilities
  - Life Science Ingredients margins segment performance expected to improve, due to:
    - Strategic initiatives by retrofitting the existing plants to improve product mix
    - Reduced cost and improved efficiency by process improvements and capacity optimization
    - Revenue growth in Nutritional Products and Fine Ingredients
- **Endeavours to strengthen Balance Sheet will continue**
  - Net debt reduction of Rs. 368 Crore in FY 16
  - Focus on generating free cash flow from business to reduce debt

# Our Vision & Promise

## OUR VISION

- To acquire and maintain global leadership position in chosen areas of businesses
- To continuously create new opportunities for growth in our strategic businesses
  - To be among the top 10 most admired companies to work for
  - To continuously achieve a return on invested capital of at least 10 points higher than the cost of capital

## OUR PROMISE

*Caring, Sharing, Growing*

We will, with utmost care for the environment and society, continue to enhance value for our customers by providing innovative products and economically efficient solutions; and for our stakeholders through growth, cost effectiveness and wise investment of resources

Visit Us:

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