

J. B. Chemicals & Pharmaceuticals Limited

Business update – Investor meet February 23, 2018

J. B. Chemicals & Pharmaceuticals Ltd.



Presentation Overview

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



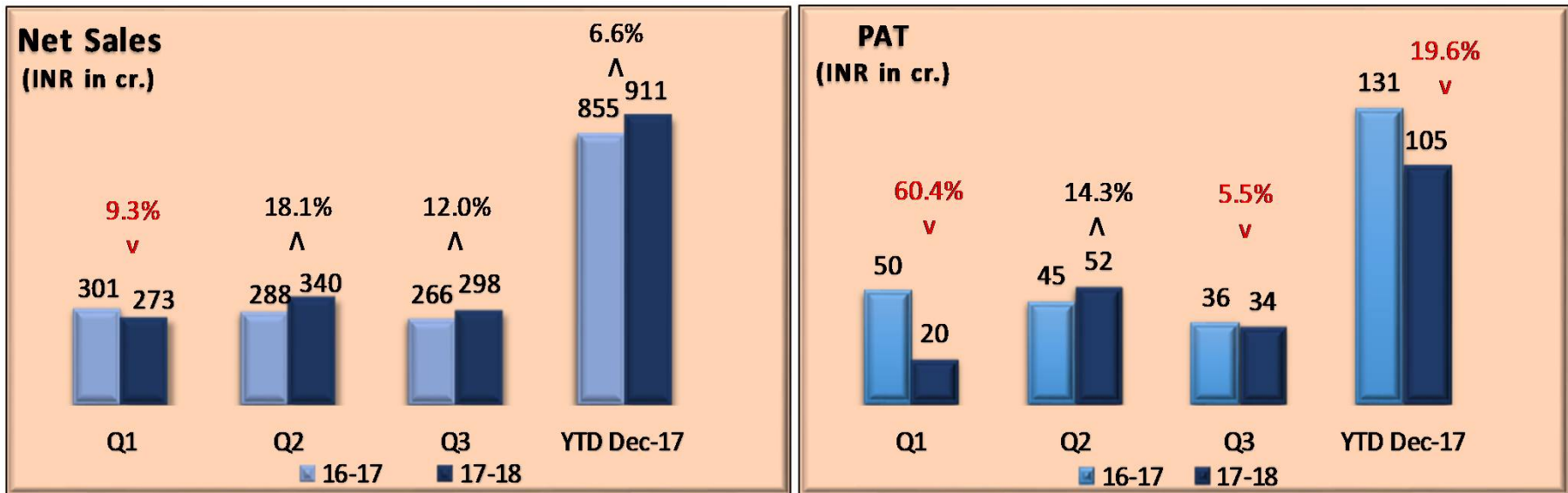
Company overview

- ❖ Incorporated in the year 1976 by Mody family under the Chairmanship of Shri J.B. Mody
- ❖ Promoters' (Mody family) holds 55.8% 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
- ❖ Subsidiaries in Russia, South Africa and Dubai
- ❖ DSIR approved in house R & D facilities the state of Maharashtra, Gujarat and Daman
- ❖ Strong financials - Standalone revenue Rs.1198.69 cr. and; PAT Rs. 170.26 cr. For F Y 16-17.



Key Financial indicators

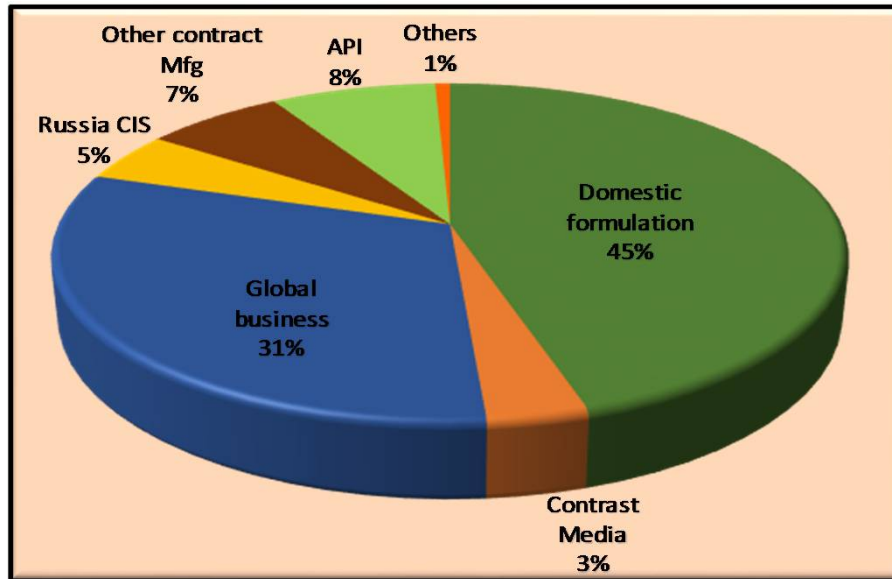
Standalone
YTD Dec-17



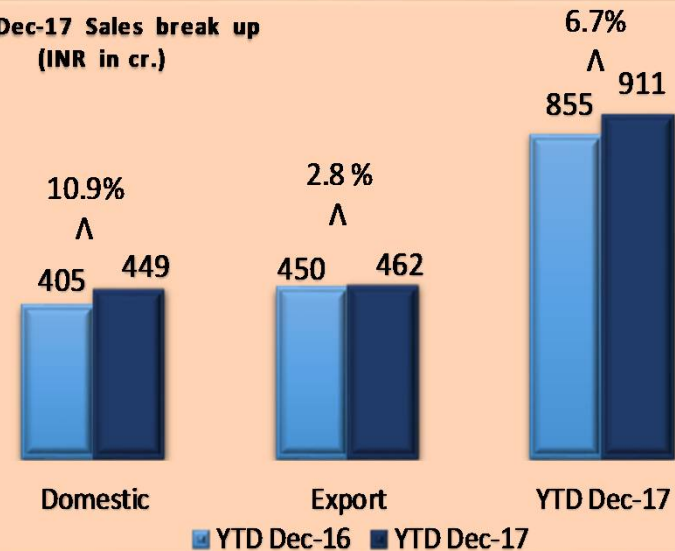
- ❖ Post GST, sales growth back in double digit
- ❖ Profitability during the year under pressure mainly due to :-
 - Higher staff costs in view of strategic new hiring of field force
 - Lower margin due to strong INR and post GST impact on price
 - Higher depreciation due to project capitalization during 2016-17
 - Lower other income from investment

Key Financial indicators

Standalone YTD
Dec-17 – INR cr.



YTD Dec-17 Sales break up
(INR in cr.)



❖ CAGR Sales growth	-	10.83%	(2012-13 to 2016-17)
❖ CAGR PAT growth	-	19.46%	(2012-13 to 2016-17)
❖ Operating ROCE	-	17.41%	(as on 31-03-2017)
❖ Book Value per share	-	Rs.171.45	(as on 31-12-2017)

Key Financial indicators

Standalone YTD
Dec-17 – INR cr.

SBU wise sales break up

INR in cr.

SBU break of revenue	YTD Dec-17	YTD Dec-16	Inc/(Dec) %
Domestic formulation	411.41	369.83	11.2%
Contrast Media	32.64	32.54	0.3%
Global business	284.38	278.93	2.0%
Russia CIS	42.83	43.58	-1.7%
Other Exports	61.11	58.66	4.2%
API	72.21	61.87	16.7%
Others	6.43	9.18	-30.0%
Total	911.01	854.59	6.6%



Key Financial indicators - Q3 Stand alone

INR in cr.

PARTICULARS	Actual 2017-18	% to Sales	Actual 2016-17	% to Sales	Growth %
Sales including Excise Duty	298.0	100.0	270.1	101.7	10.3%
Less : Excise Duty	-	-	4.5	1.7	-100.0%
Net Sales	298.0	100.0	265.6	100.0	12.2%
Operating Income	6.7	2.3	6.4	2.4	5.5%
Total Income	304.7	102.3	272.0	102.4	12.0%
Cost Of Materials	106.8	35.9	102.7	38.7	4.0%
Gross Profit	197.9	66.4	169.3	63.7	16.9%
Employees Benefits Expenses	53.1	17.8	47.0	17.7	12.9%
Other Expenses	83.4	28.0	77.8	29.3	7.2%
Exch. Fluc. (Gain) / Loss	2.8	0.9	(1.3)	(0.5)	-312.0%
EBITDA	58.6	19.7	45.7	17.2	28.2%
Finance Costs	0.6	0.2	2.4	0.9	-74.9%
Depreciation	14.3	4.8	11.4	4.3	25.4%
Profit Before Tax (Operating)	43.8	14.7	31.9	12.0	37.0%
Other Income	5.3	1.8	7.7	2.9	-30.8%
Profit Before Tax	49.1	16.5	39.6	14.9	23.8%
Prov -taxation (Net)	15.2	5.1	3.9	1.5	292.7%
Profit After Taxation	33.9	11.4	35.8	13.5	-5.3%
Other Comprehensive Income	(0.1)	(0.0)	(0.1)	(0.0)	62.1%
Total Comprehensive Income After Tax	33.7	11.3	35.7	13.4	-5.5%

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YTD Dec 17

Key Financial indicators

Stand alone

INR in cr.

PARTICULARS	Actual 2017-18	% to Sales	Actual 2016-17	% to Sales	Growth %
Sales including Excise Duty	916.0	100.5	869.1	101.7	5.4%
Less : Excise Duty	5.0	0.5	14.5	1.7	-65.5%
Net Sales	911.0	100.0	854.6	100.0	6.6%
Operating Income	22.5	2.5	23.4	2.7	-3.7%
Total Income	933.5	102.5	878.0	102.7	6.3%
Cost Of Materials	356.3	39.1	332.0	38.9	7.3%
Gross Profit	577.2	63.4	545.9	63.9	5.7%
Employees Benefits Expenses	161.9	17.8	138.0	16.1	17.4%
Other Expenses	249.5	27.4	233.1	27.3	7.0%
Exch. Fluc. (Gain) / Loss	(0.23)	(0.0)	(0.38)	(0.0)	-37.9%
EBITDA	166.1	18.2	175.3	20.5	-5.3%
Finance Costs	2.46	0.3	5.24	0.6	-53.0%
Depreciation	42.9	4.7	33.9	4.0	26.7%
Profit Before Tax (Operating)	120.7	13.2	136.2	15.9	-11.4%
Other Income	21.6	2.4	33.1	3.9	-34.9%
Profit Before Tax	142.2	15.6	169.3	19.8	-16.0%
Prov -taxation (Net)	36.3	4.0	38.5	4.5	-5.7%
Profit After Taxation	105.9	11.6	130.8	15.3	-19.0%
Other Comprehensive Income	(0.9)	(0.1)	(0.2)	(0.0)	287.2%
Total Comprehensive Income After Tax	105.0	11.5	130.6	15.3	-19.6%



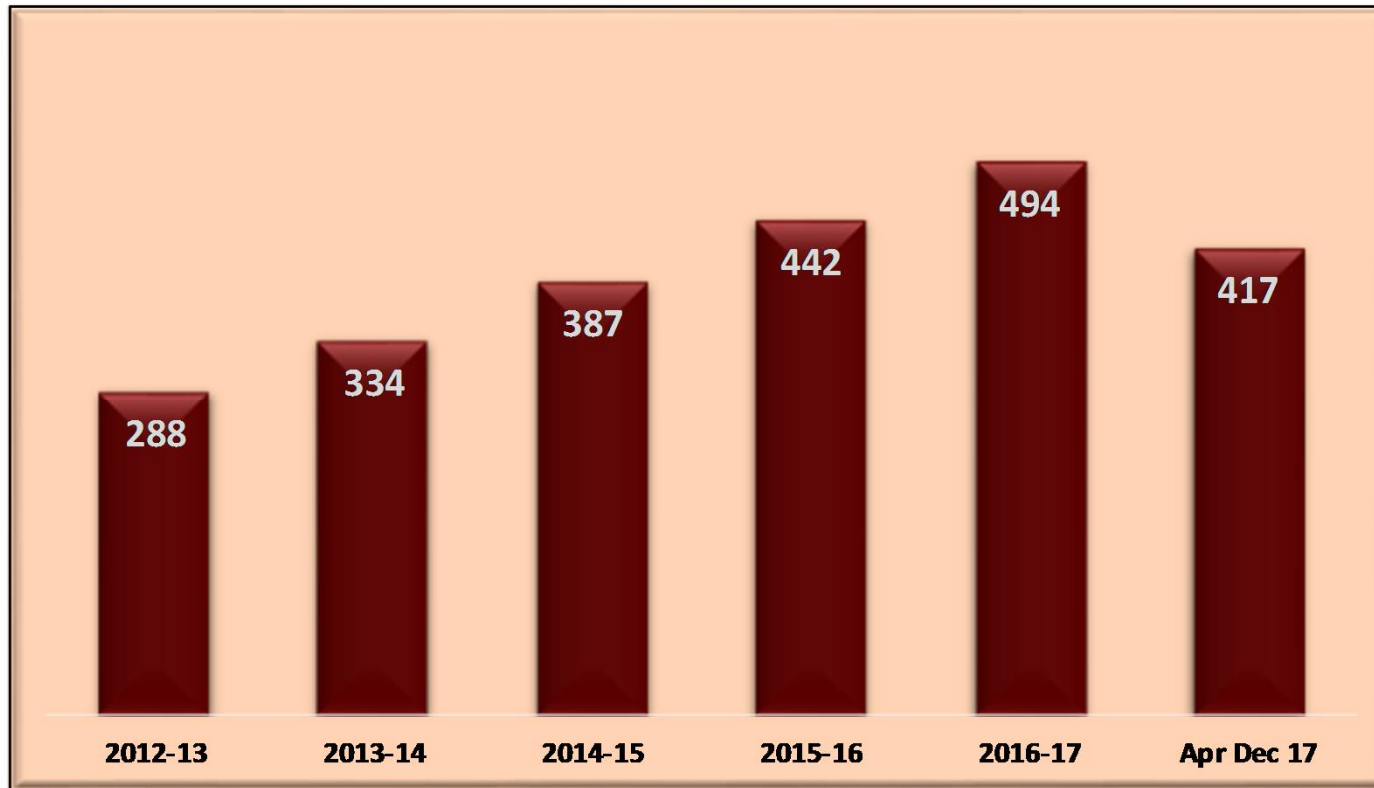
Business Overview - Domestic

- ❖ Strong brand positioning with good mix of Chronic and Acute products
- ❖ Strategic focus on strengthening therapeutic segment by increasing field force.
- ❖ Cilacar brand growing rapidly.
- ❖ 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.
- ❖ In Tier II states, GST glitches still continue to impact primary sales in acute portfolio. - Gradually sales is picking up but pace is slow.
- ❖ Contrast media is mainly focused on tender based business – Company believes it to be strategic space for its domestic as well as International business.



Business Overview - Domestic formulation

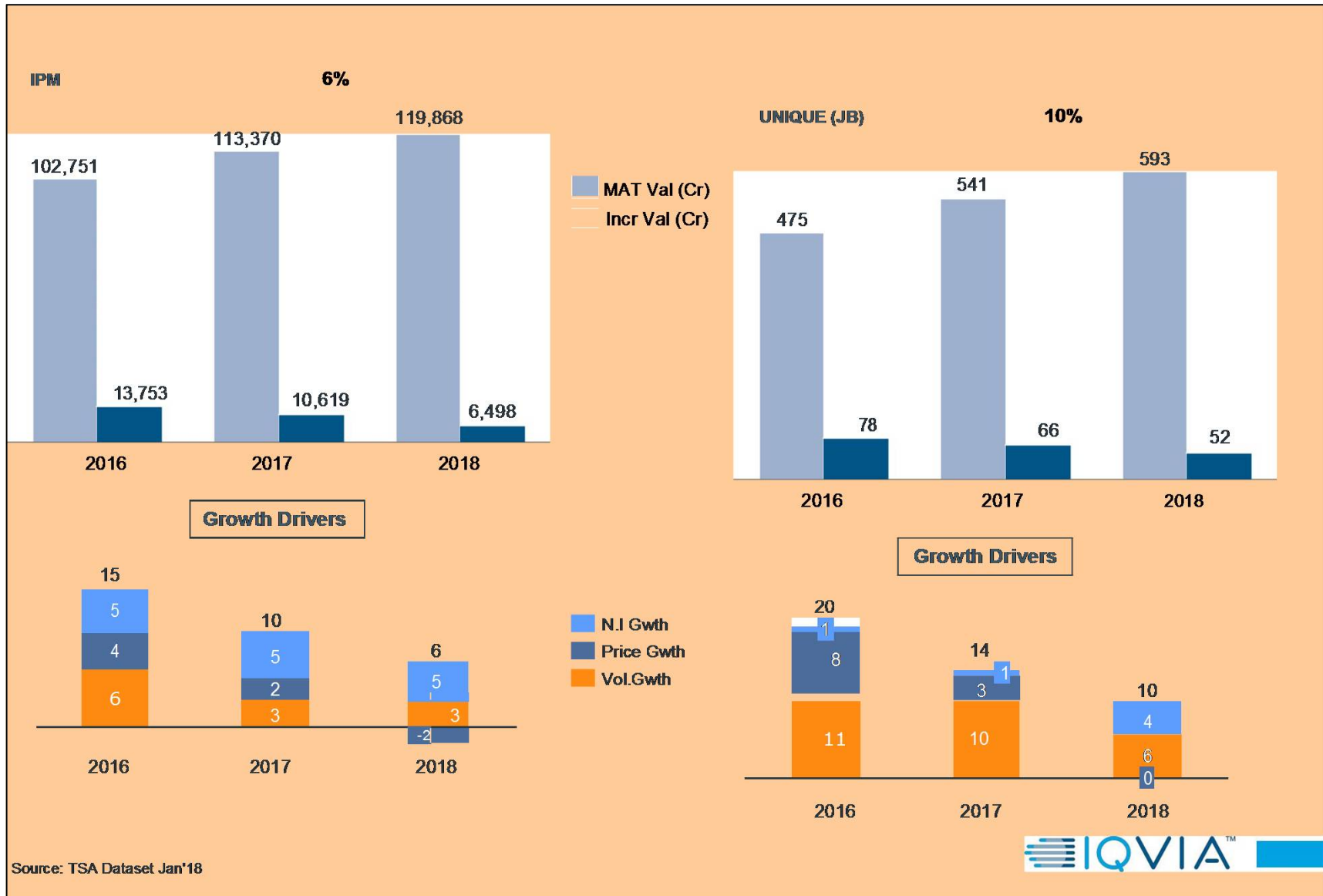
INR in Cr.



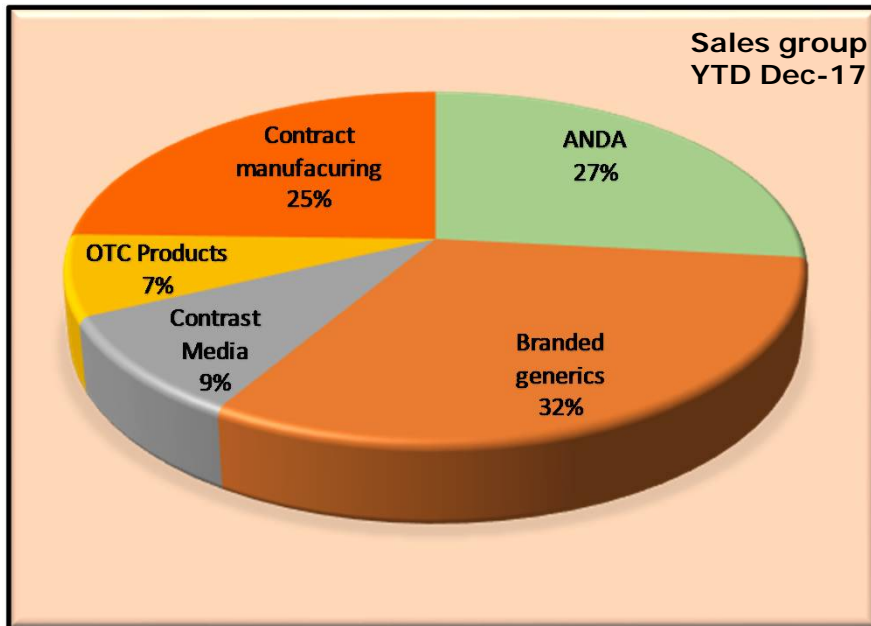
Year	2012-13	2013-14	2014-15	2015-16	2016-17	Apr Dec 17
Gross Sales	288	334	387	442	494	417
Growth %	16.2	16.0	15.9	14.2	11.8	



Business Overview - Domestic formulation



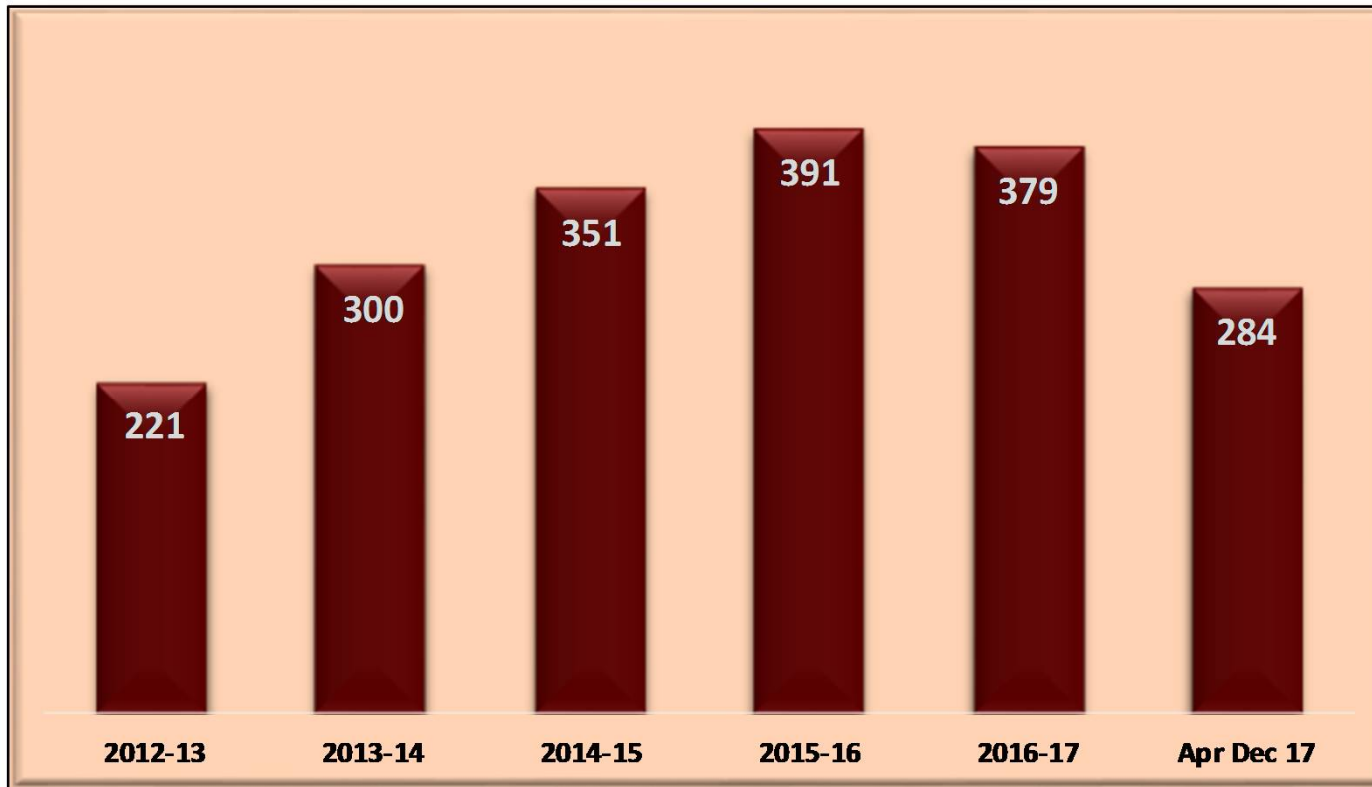
Business Overview - Global markets



- ❑ Strong INR impacted growth during FY 18
- ❑ Special focus on regulated markets to grow topline
- ❑ 11 ANDA approved, pending approval 5
- ❑ Branded generic business is price sensitive and is being marketed through distributor model in select markets
- ❑ Key brands established in branded generic business are Zecuf, Metrogyl, Dicloran, Nicardia and Panum

Business Overview - Global markets

INR in Cr.



Year	2012-13	2013-14	2014-15	2015-16	2016-17	Apr Dec 17
Gross Sales	221	300	351	391	379	284
Growth %	16.2	35.8	17.0	11.4	-3.1	



Business Overview - Global markets

- ❖ Focus on growing USA business with new ANDA filings
- ❖ Focus on contract manufacturing business by offering quality products as per global standard - work closely with reputed MNC clients.
- ❖ Good opportunity to increase business in semi regulated markets with focus on certain specific customers of high repute in the respective countries.
- ❖ Branded generics business is highly price sensitive space but is important business as management considers it a strategic space to optimize its capacity, add incremental profits and de risks overall global business.
- ❖ South Africa a strategic market for company with focus on branded generics and for certain contract manufacturing products.
- ❖ Continue to focus and follow strict adherence of GMP and ensuring proper regulatory compliance for site and products



Business Overview - Global markets

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 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 - Russia & CIS market

- ❖ Russia CIS is strategic long term focus market for the company
- ❖ 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.
Seven products are under registration and plan to submit 4- 5 products in coming FY.
- ❖ Major focus on key therapeutic segments are Derma, Cough & Cold, Gastro & Contrast (Imaging)



Business Overview – API

- ❖ API business mainly focused on exports to big global MNCs and is growing steadily year on year.
- ❖ Act as a strategic backward integration for certain formulation exports of global market business.
- ❖ Strategic business segment for company.



Thank You

