



# J. B. CHEMICALS & PHARMACEUTICALS LIMITED

August 12, 2021

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 June 30, 2021.

Thanking you,

Yours faithfully,

**For J.B. Chemicals & Pharmaceuticals Limited**

**Sandeep Phadnis**  
**Company Secretary**

**Registered Office:**  
Neelam Centre, B Wing, 4th Floor  
Hind Cycle Road, Worli  
Mumbai - 400 030

**Corporate Office:**  
Energy IT Park  
Unit A2, 3rd Floor, Unit A, 8th Floor  
Appa Saheb Marathe Marg, Prabhadevi  
Mumbai - 400 025

☎ +91 22 2439 5200 / 2439 5500  
☎ +91 22 2431 5331 / 2431 5334  
@ info@jbcpl.com  
🌐 www.jbcpl.com  
CIN: L24390MH1976PLC019380

Q1 FY22 – FINANCIAL RESULTS

# JB CHEMICALS AND PHARMACEUTICALS LIMITED



J.B. CHEMICALS &  
PHARMACEUTICALS LTD.



# Disclaimer



No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Such information and opinions are in all events not current after the date of this presentation. Certain statements made in this presentation may not be based on historical information or facts and may be "forward looking statements" based on the currently held beliefs and assumptions of the management JB Chemicals & Pharmaceuticals Limited ("Company" or "JBCPL" or "JB Chemicals & Pharmaceuticals Limited"), which are expressed in good faith and in their opinion reasonable, including those relating to the Company's general business plans and strategy, its future financial condition and growth prospects and future developments in its industry and its competitive and regulatory environment.

Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance or achievements of the Company or industry results to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements, including future changes or developments in the Company's business, its competitive environment and political, economic, legal and social conditions. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements to reflect future events or developments.

This presentation is for general information purposes only, without regard to any specific objectives, financial situations or informational needs of any particular person. This presentation does not constitute an offer or invitation to purchase or subscribe for any securities in any jurisdiction, including the United States. No part of it should form the basis of or be relied upon in connection with any investment decision or any contract or commitment to purchase or subscribe for any securities. None of our securities may be offered or sold in the United States, without registration under the U.S. Securities Act of 1933, as amended, or pursuant to an exemption from registration therefrom. This presentation is confidential and may not be copied or disseminated, in whole or in part, and in any manner.



# Index

---



**Company Overview**

**Q1 FY22 Financial  
Performance**

**Historical Financial  
Performance**





J.B. CHEMICALS &  
PHARMACEUTICALS LTD.

# Company Overview





# Corporate Snapshot

**40+**

Years of operations with consistent track record across multiple businesses

**5**

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

**21%**

Growth in chronic therapies\* in the domestic formulations business

**#2,100+**

India field force expanded, significantly over FY17-FY20 with therapy-focused segmentation

**40+**

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

**Top 5**

Global manufacturer of medicated/herbal lozenges representing a substantial opportunity

**7**

Multi-location plants producing formulations and API's with key global approvals/compliances

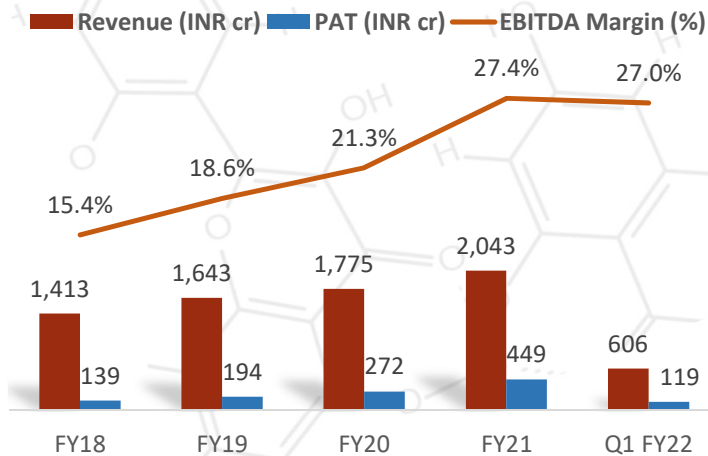
**\*\*42%**

ROCE with strong cash position and consistent cash flow generation

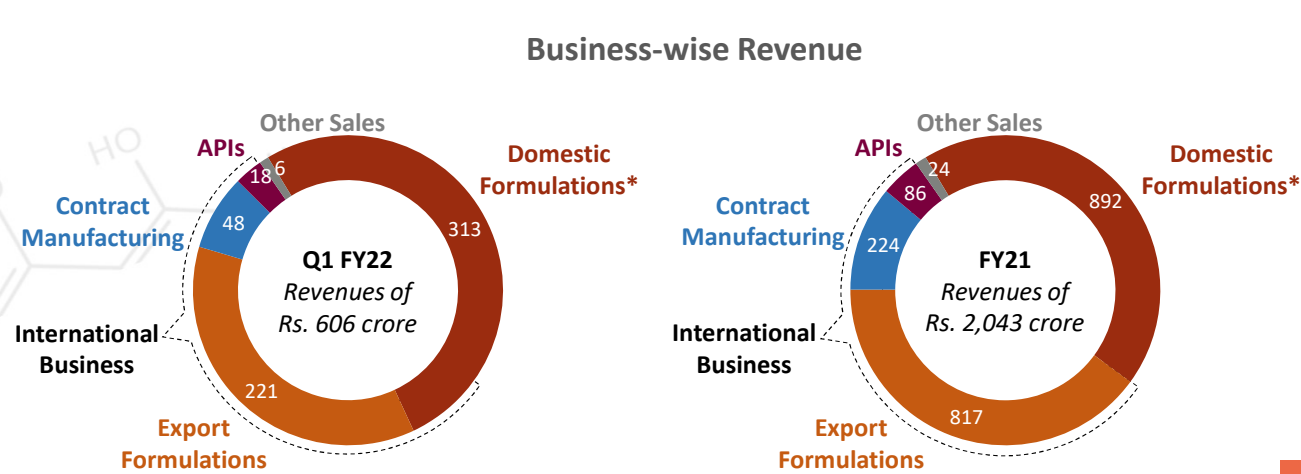
\* CAGR over FY17-FY21

# Includes MR and Supervisors

\*\* ROCE for FY 21  $ROCE = EBIT / (Net\ Worth + Debt - Mutual\ Fund\ Investments)$



Financial Year ends on 31<sup>st</sup> March



\* Includes Contrast Media



# Domestic Formulations: Outperformance Driven by Strong Brands

JBCPL is among the fastest growing pharma companies

**24%** Vs market growth of 19%\*\*

Leadership position in the covered markets

**35%** + share in 5 molecule categories

Position in IPM

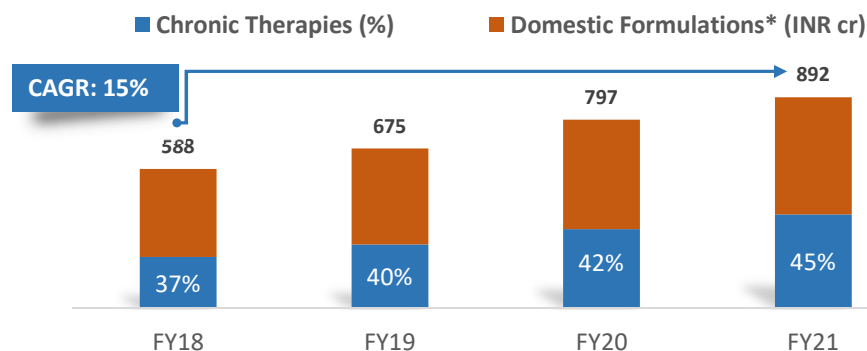
**28** Rank in IPM

No of brands in Top 300

**5** Brands with average growth registered @ 20+%

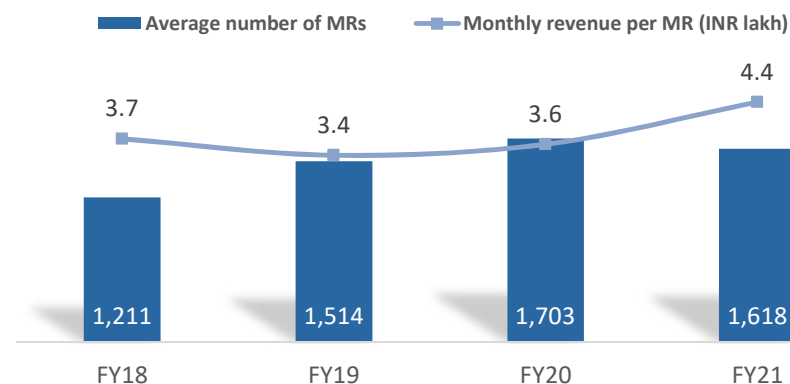
\*\*MAT Growth June '21 – IQVIA published

## Strong performance in chronic therapies



\*Includes Contrast Media

## Potential to further leverage investments made in distribution



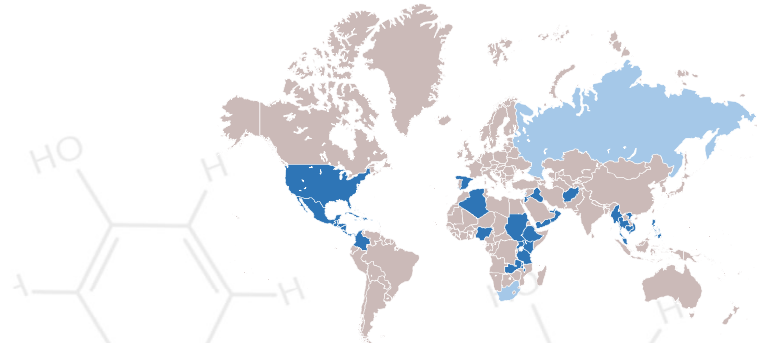


# International Business: Clearly Defined Businesses Across Geographies

## International Formulations

Direct presence in Russia and South Africa      Distributor relationships in the US, Asia, Africa and LatAm

Direct front-end presence      Distributor-led model



## CMO

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

## APIs

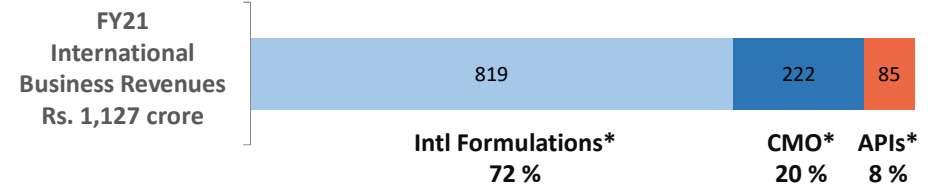
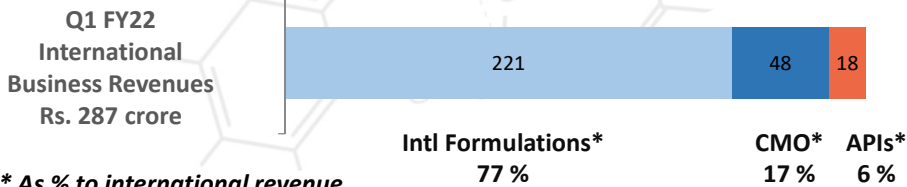
Leading capabilities with deep customer relationships      Substantial available capacities to drive growth

## Manufacturing Capabilities

Tablets, Capsules, Sachets, Liquids, Topicals, Vials, Lozenges, IV Infusions, Bulk Drugs,

## Compliance Approvals

USFDA, UK, EU, Australia, Canada, Russia, Ukraine, South Africa, Brazil, MOH Japan, MOH Korea, Semi-regulated Markets



\* As % to international revenue





J.B. CHEMICALS &  
PHARMACEUTICALS LTD.

# Q1 FY22 Financial Performance

### Nikhil Chopra, CEO, JBCPL on the Q1 FY 22 business performance :

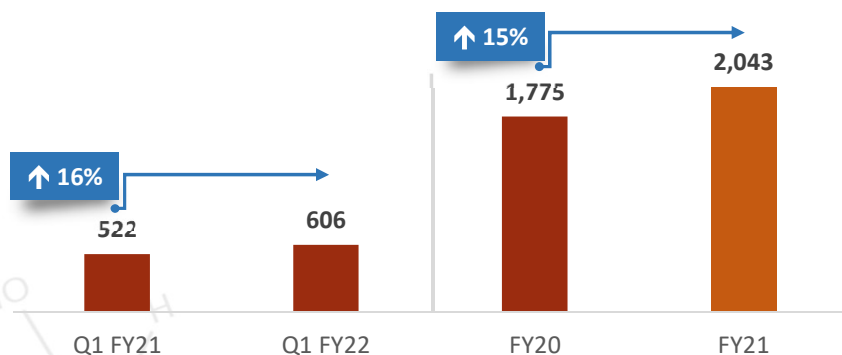


“The organization continues its strong performance well in the first quarter of the financial year. On the domestic front, we are one of the fastest growing companies in the industry. Our new Go-To-Market(GTM) model has been implemented and early signs are encouraging, which is reflected in the strong performance of flagship brands and new launches. While demand trends in international business continue to be volatile (given the COVID situation); our key markets like US, South Africa have outperformed and even Russia/ CIS are seeing gradual signs of revival. We expect the performance to improve in select pockets of our international business. Going forward, our priority continues to build on cost efficiency measures while maintaining the same growth momentum”

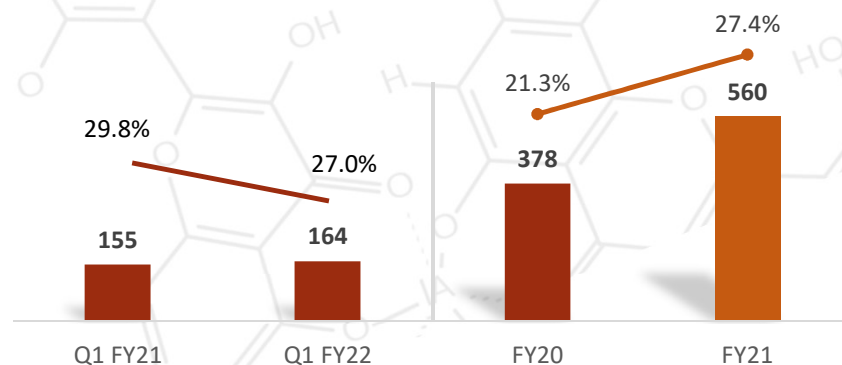
# Financial Overview Q1 FY 22



Revenues (INR cr)



EBITDA (INR cr) Margin (%)



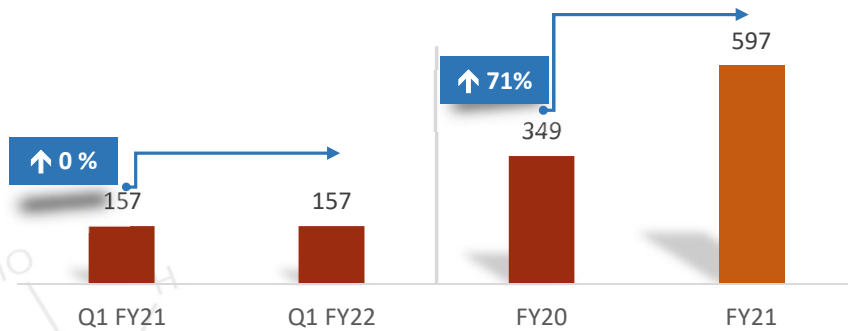
- The organization continues to perform well with revenue momentum continuing to remain strong
- Highest ever quarterly revenue recorded during the first quarter of FY21, despite lockdowns in key markets and supply chain challenges
- Domestic Formulations business records 39 % growth while the International business revenue was largely flat as compared to Q1 FY21
- As per MAT June 2021 IQVIA data, Domestic Formulations maintains secular outperformance compared to industry growth rate, driven by strength in chronic segments and expanding prescriber coverage
- Uncertainty in view of the second wave of COVID-19 impacted growth in certain geographies in the international market during the quarter

- Gross Margin profile continues to remain healthy at 64 % aided by good product mix
- EBITDA margin remains strong despite cost base returning to normalized level during Q1 FY 22
  - EBITDA margin has significantly improved Quarter on Quarter. (23.4 % in Q4 FY 22 as compared to 27.0 % in Q1 FY 22)
  - EBITDA margin decline YOY is primarily on account of sub-optimal cost base in Q1 FY 21 due to the COVID-19 lockdown

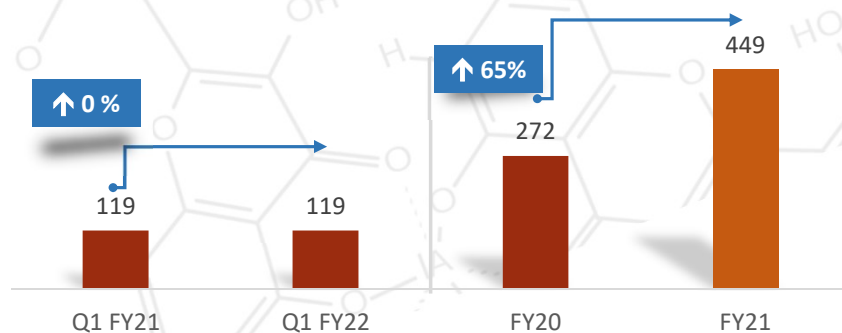
# Financial Overview Q1 FY 22



Profit Before Tax (INR cr)



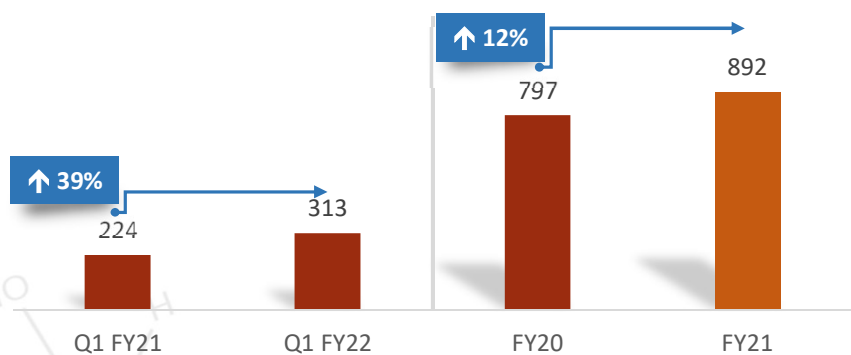
Profit After Tax (INR cr)



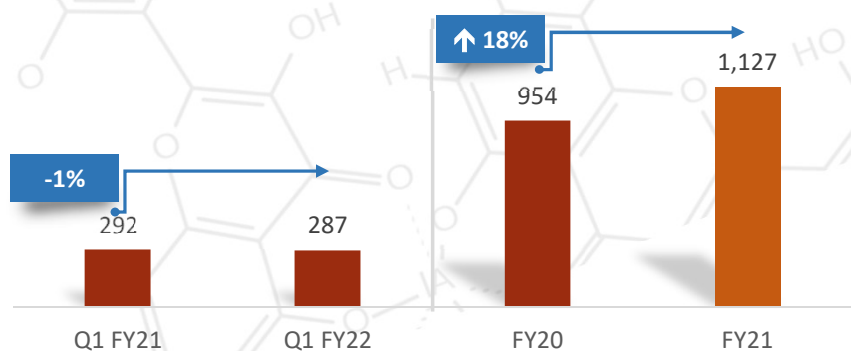
- Profitability continues to remain strong despite normalized cost base
- Other income in Q1 FY 22 is significantly lower by Rs. 9.7 cr on account of normalization of bond yields during Q1 FY 22 vis-à-vis Q1 FY 21
- Lower Other income in Q1 FY 22 has resulted in PBT and PAT remaining flat for the quarter
- Effective Tax Rate to remain at the current level of ~25 %

# Revenue Analysis

**Domestic Formulations\* (INR cr)**



**International Business\*\* (INR cr)**



- As per MAT June 21 IQVIA data, Domestic Formulations business continues to outpace industry growth rate
- As per IQVIA, JBCPL recorded growth of 22.1 % in Q1 FY 22 as compared to Q1 FY 21
- Big brands continue to support growth momentum with market beating growth in covered market
  - As per IQVIA Mat June 2021 data, JBCPL big brands recorded good growth - Rantac (37.3 %), Cilacar (15.8 %), Cilacar-T (26.5 %), Metrogyl (49.6 %) and Nicardia (15.4 %)
- The new Go-To-Market model has been implemented and is functioning well providing a solid base for the organisation
- Launched a new dedicated division RENOVA to cater to the needs of Chronic Kidney Disease patients in the country
- Also launched the NOVA division, which will focus on pediatric and respiratory segment in India

- USA and South Africa business continues to show strong momentum with growth in excess of 20 % respectively for the first quarter
- Uncertainty surrounding second wave of COVID-19 & shipment challenges impacted revenue growth for select pockets in the International business & CMO business
- Despite muted cough and cold season Russia CIS has seen gradual growth revival in the quarter

\*includes Contrast Media

\*\*consists of Export Formulations, Contract Manufacturing and APIs

## Q1 FY22 – Financial Performance

Particulars (Rs. Crore)	Q1 FY22	Q1 FY21	YoY Growth	FY21	FY20	YoY Growth
<b>Revenue from Operations</b>	<b>606.0</b>	<b>522.3</b>	<b>16%</b>	<b>2,042.5</b>	<b>1,774.7</b>	<b>15%</b>
Cost of Goods Sold	216.5	186.3	16%	701.5	630.8	11%
Employee Benefit Expenses	98.1	88.7	11%	340.6	322.9	5%
Other Expenses	127.6	91.9	39%	440.0	443.4	-1%
<b>EBITDA</b>	<b>163.7</b>	<b>155.4</b>	<b>5%</b>	<b>560.4</b>	<b>377.6</b>	<b>48%</b>
<b>EBITDA Margin</b>	<b>27.0%</b>	<b>29.8%</b>		<b>27.4%</b>	<b>21.3%</b>	
Depreciation	17.9	17.3	3%	68.7	66.3	4%
Finance Costs	0.9	3.7	-75%	7.2	3.0	139%
Other Income	13.0	22.7	-43%	112.4	50.7	122%
<b>Profit Before Exceptional Items and Tax</b>	<b>157.9</b>	<b>157.1</b>	<b>1%</b>	<b>596.9</b>	<b>358.9</b>	<b>66%</b>
Exceptional Items	-	-		-	10.0	
Profit Before Tax	<b>157.9</b>	<b>157.1</b>	<b>1%</b>	<b>596.9</b>	<b>348.9</b>	<b>71%</b>
Tax Expenses	38.8	37.6	3%	148.4	76.5	94%
<b>Net Profit After Tax</b>	<b>119.1</b>	<b>119.5</b>	<b>0%</b>	<b>448.5</b>	<b>272.4</b>	<b>65%</b>
Non controlling interest	0.2	0.1		0.6	0.3	
<b>PAT attributable to owners</b>	<b>118.9</b>	<b>119.4</b>	<b>0%</b>	<b>448.0</b>	<b>272.0</b>	<b>65%</b>
Paid-up Equity Share Capital	1,545.6	1,545.6		1,545.6	1,545.6	
<b>Diluted EPS (Rs.)</b>	<b>15.4</b>	<b>15.5</b>	<b>0%</b>	<b>58.0</b>	<b>34.2</b>	<b>69%</b>





J.B. CHEMICALS &  
PHARMACEUTICALS LTD.

# Historical Financial Performance



# Strong revenue growth

Domestic Formulations\* (INR cr)

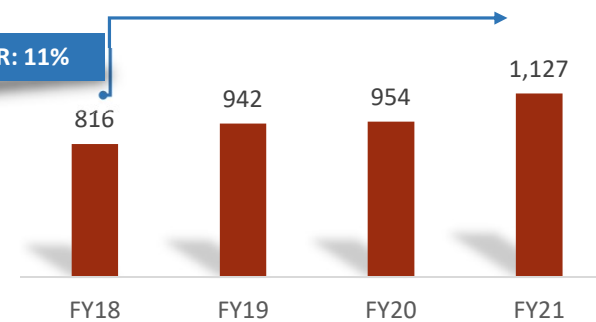
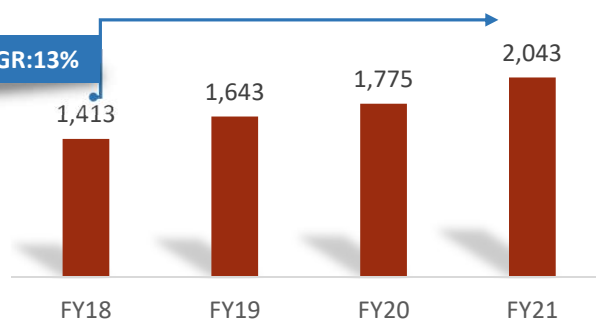
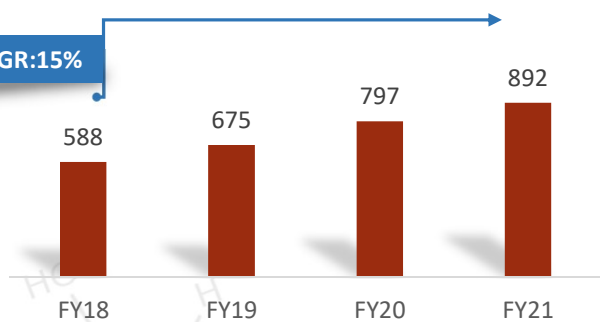
Revenues (INR cr)

International Business\*\* (INR cr)

CAGR:15%

CAGR:13%

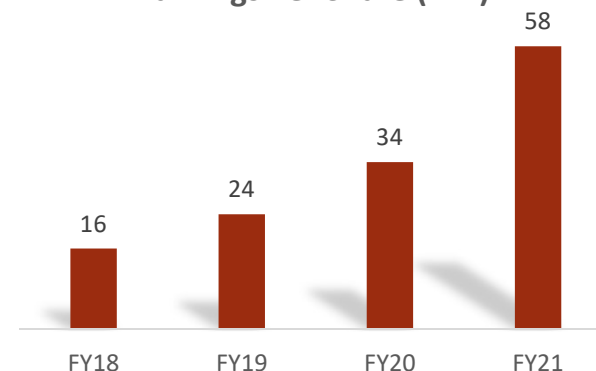
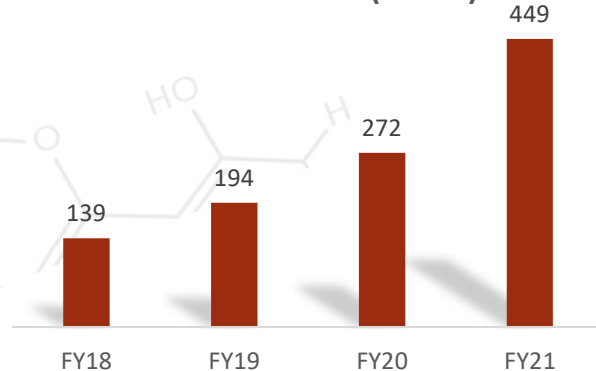
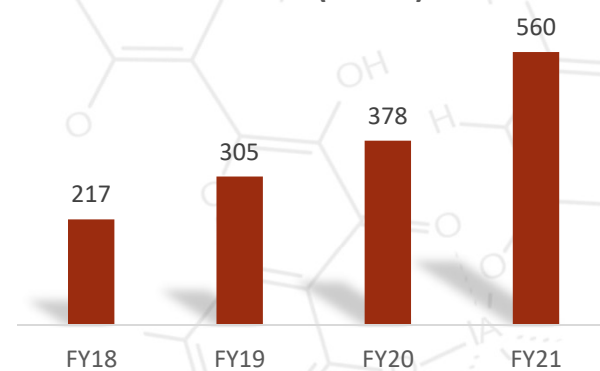
CAGR: 11%



EBITDA (INR cr)

Profit After Tax (INR cr)

Earnings Per Share (INR)

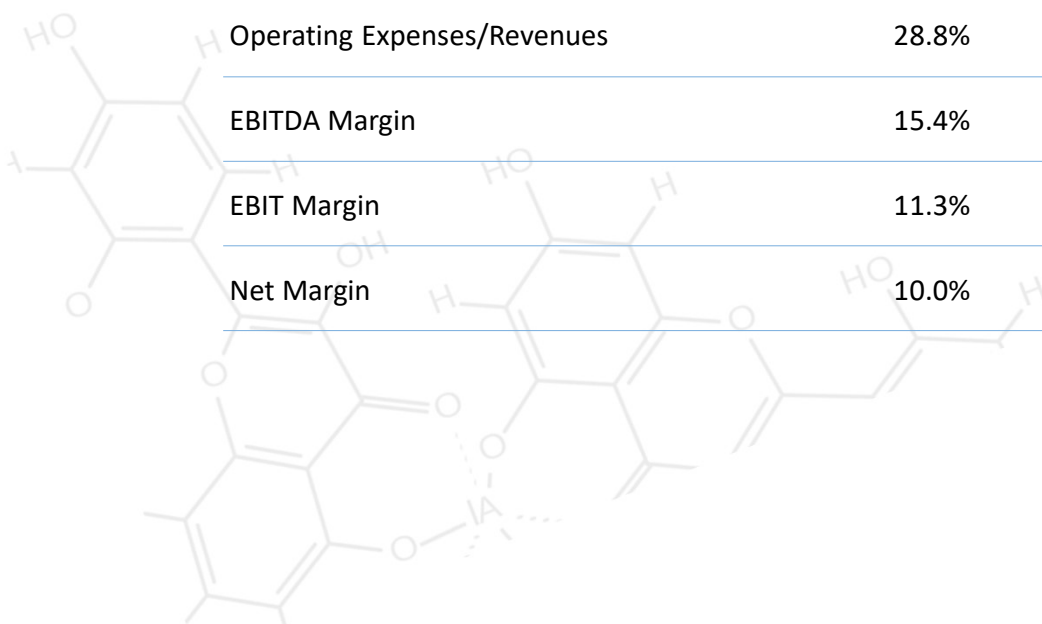


\*includes Contrast Media

\*\*consists of Export Formulations, Contract Manufacturing and APIs

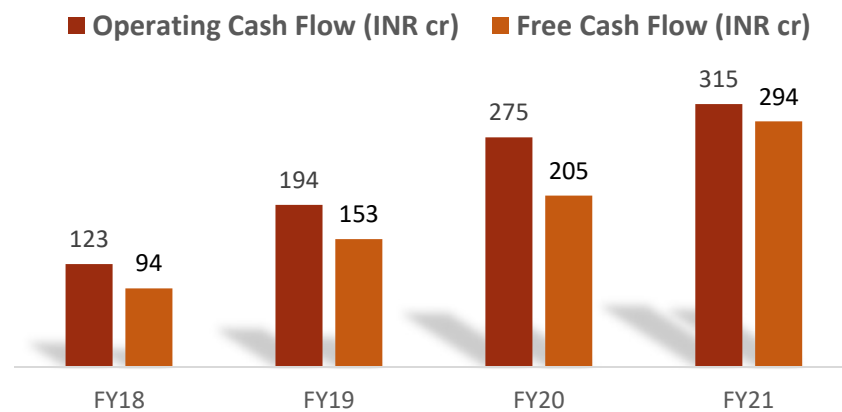
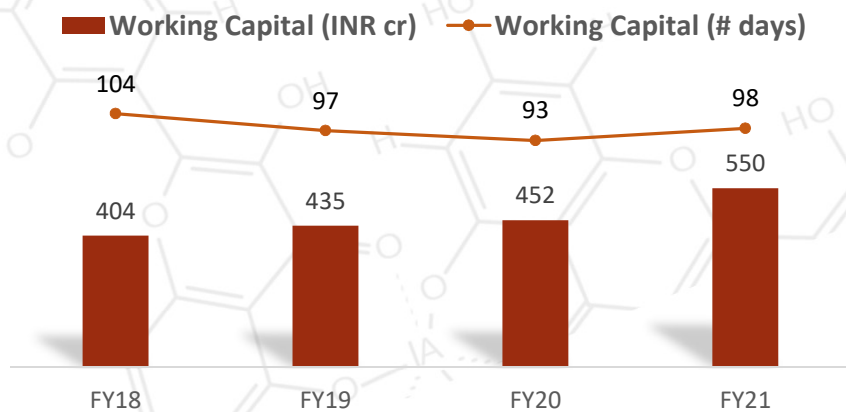
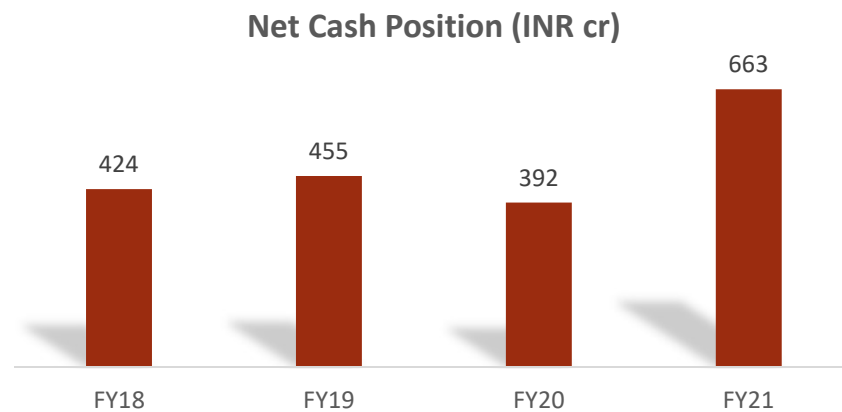
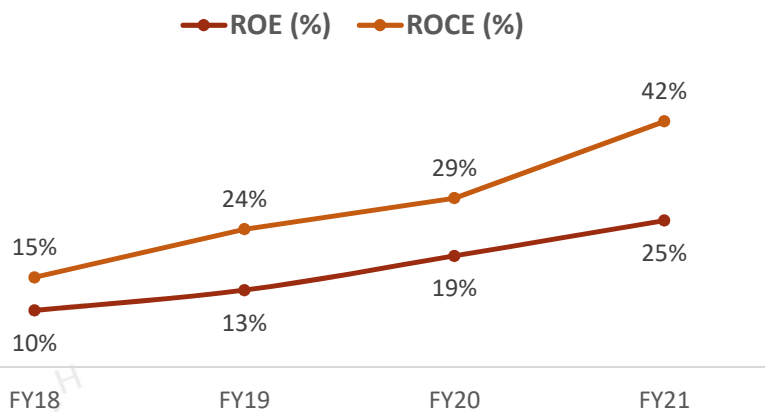
# Financial Performance Analysis

Particulars	FY18	FY19	FY20	FY21
Gross Margin	61.9%	63.7%	64.5%	65.7%
Employee Cost/Revenues	17.8%	17.5%	18.2%	16.7%
Operating Expenses/Revenues	28.8%	27.5%	25.0%	21.5%
EBITDA Margin	15.4%	18.6%	21.3%	27.4%
EBIT Margin	11.3%	15.2%	17.5%	24.1%
Net Margin	10.0%	11.8%	15.3%	22.0%





# Substantial improvements in shareholder returns and consistent cash generation



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

# 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](http://www.jbcpl.com).*

## For further information, please contact:

**Vijay Bhatt, Chief Financial Officer**

**J B Chemicals and Pharmaceuticals Limited,**

Tel: +91 22 2439 5200 / 2439 5500

Email: [Vijay.Bhatt@jbcpl.com](mailto:Vijay.Bhatt@jbcpl.com)

**Jason D'Souza, Vice President – Investor Relations**

**J B Chemicals and Pharmaceuticals Limited,**

Tel: +91 982 021 5005

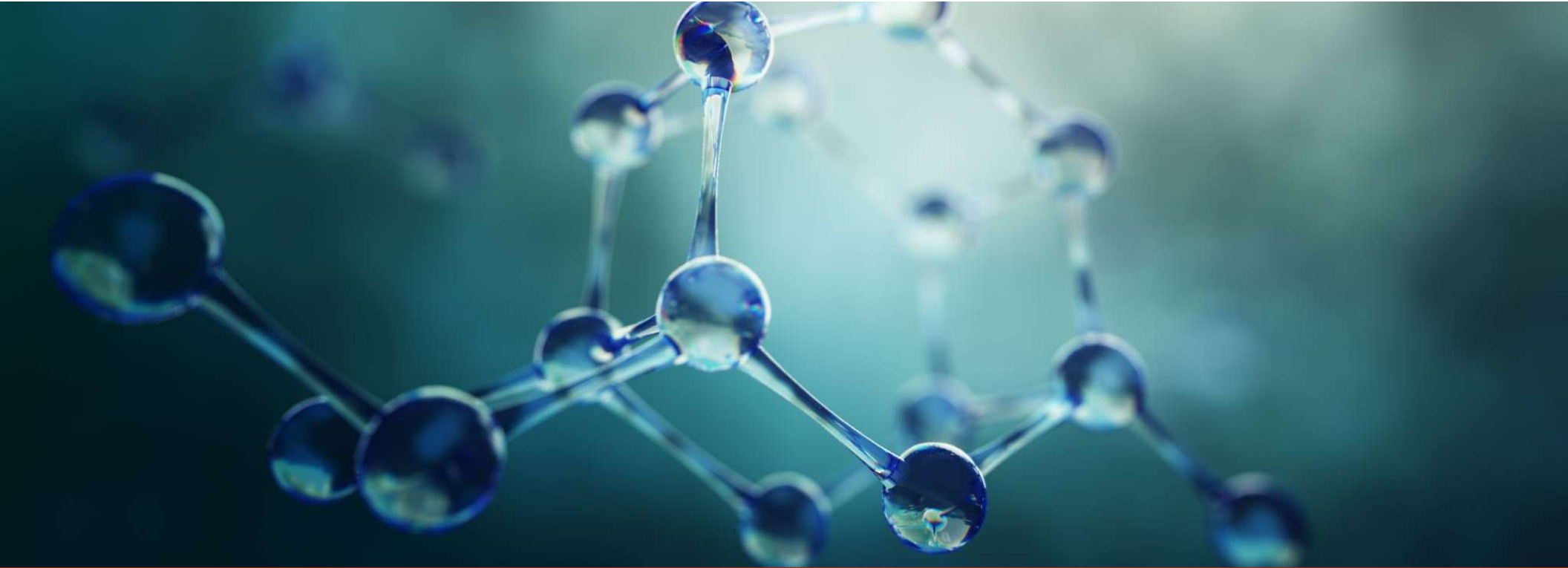
Email: [Jason.Dsouza@jbcpl.com](mailto:Jason.Dsouza@jbcpl.com)

**Shiv Muttoo / Shruti Joshi**

**CDR India**

Tel: +91 983 355 7572/ +91 750 656 7349

Email: [shiv@cdr-india.com](mailto:shiv@cdr-india.com) / [shruti@cdr-india.com](mailto:shruti@cdr-india.com)



J.B. CHEMICALS &  
PHARMACEUTICALS LTD.

**Thank You**