



GOOD PEOPLE  
*for* GOOD HEALTH

# JB Pharma - Q1 FY23 Financial Results

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# Corporate Overview

# Corporate Snapshot



**46**

Years of operations with consistent track record across multiple businesses

**40+**

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

**24%**

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 60% of domestic formulations revenues

**Top 5**

Global manufacturer of medicated/herbal lozenges representing a substantial opportunity

**#2500**

Strong India field force with therapy-focused segmentation

**\*\*22%**

ROCE with consistent cash flow generation generating good returns



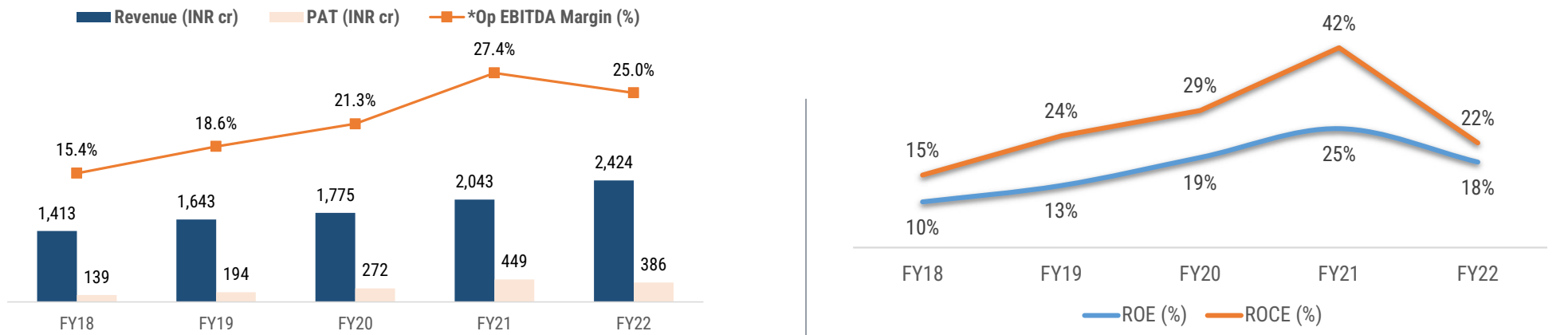
\* CAGR over FY20-FY22 (IQVIA MAT March data)

# Includes MR and Supervisors

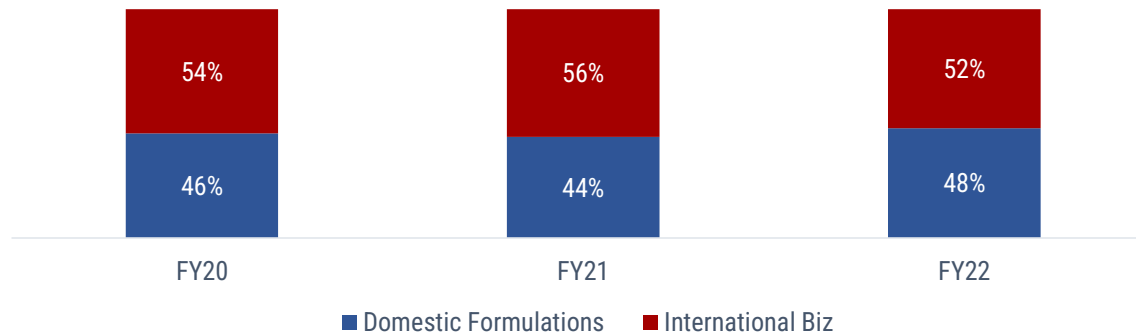
\*\* ROCE for FY22  $ROCE = EBIT / (Net\ Worth + Debt - Mutual\ Fund\ Investments)$



# Corporate Snapshot – Financial Overview



## Increasing Share of the Domestic Revenue



\*Operating EBITDA is after excluding non-cash ESOP Charge

# World Class Manufacturing Facilities



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

Over 40 global regulatory accreditations

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

Producing a wide array of dosage forms





# Q1 FY23 Business Performance

# CEO's Message



**Nikhil Chopra,**  
**CEO & Whole Time Director**

*Views on Q1 FY23 business  
performance*

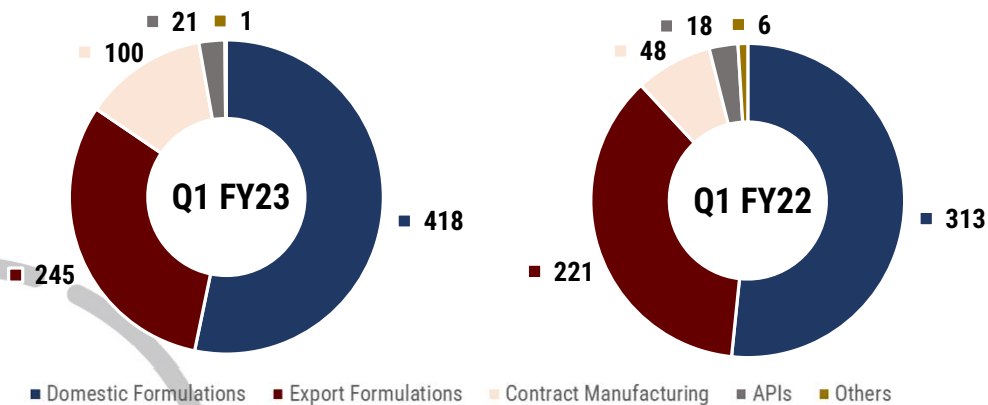
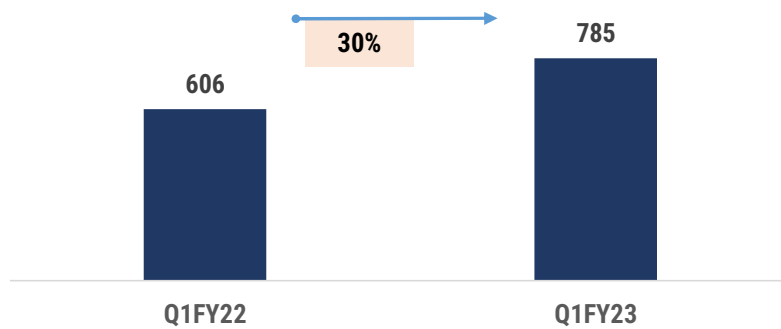
“Our operating performance in FY23 started on a strong note. We continued the momentum in our domestic business, registering market beating growth and achieving a new milestone in quarterly run-rate revenue of over INR 400 crore. Integration of Sanzyme's product range and Azmarda have progressed as per plan. We also completed the acquisition of a portfolio of paediatric brands which will enable us to offer a more comprehensive product basket to paediatricians, helping us to serve them better. International business also saw strong growth with a robust order pipeline and out-performance in the CMO segment. With this start, I believe we have built good momentum for the year ahead and together with our continued focus on productivity enhancement and cost optimisation, we are confident of delivering profitable growth.”



# Financial Overview Q1 FY23 vs Q1 FY22



Revenues (INR cr)



- JB recorded robust revenue growth at 30% despite a challenging operating environment
  - Organic revenue growth was around 20%
- Domestic Formulations business continued its strong performance growing at 34% to INR 418 cr
  - Organic revenue growth was around mid-teens
- International business revenue grew at 28% to INR 366 crores
  - All the three businesses viz. Exports formulations, CMO and API business performed well in the quarter

# EBITDA Analysis

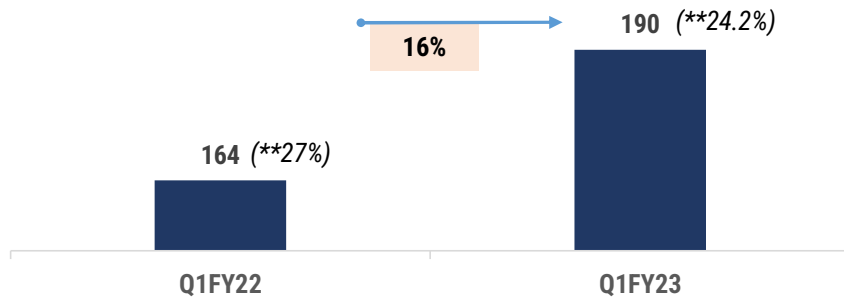


INR crore	Q1 FY23	Q1 FY22	FY22	
<b>Revenue</b>	<b>785</b>	<b>606</b>	<b>2424</b>	
<b>Reported EBITDA</b>	<b>173</b>	<b>164</b>	<b>543</b>	
Non Cash ESOP Cost	17	-	62	<b>Included in Employee Benefits expense</b>
Operating EBITDA (excluding ESOP Cost)	<b>190</b>	<b>164</b>	<b>605</b>	
<b>Operating EBITDA Margin</b>	<b>24.2%</b>	<b>27%</b>	<b>25%</b>	

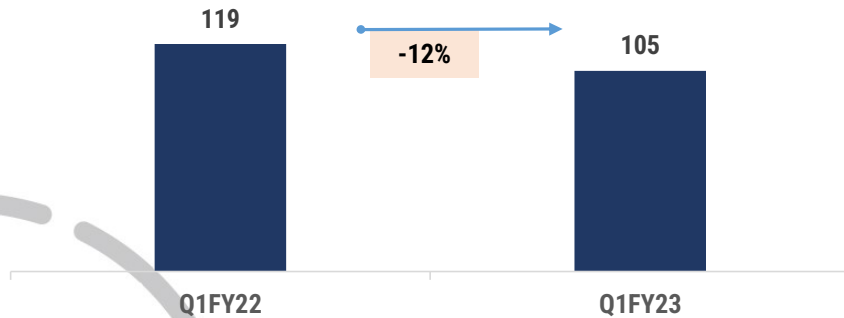


# Financial Overview Q1 FY23 vs Q1 FY22

## Op. EBITDA\* (INR cr)



## Profit After Tax (INR cr)



\*\* Op EBITDA as a % to Sales

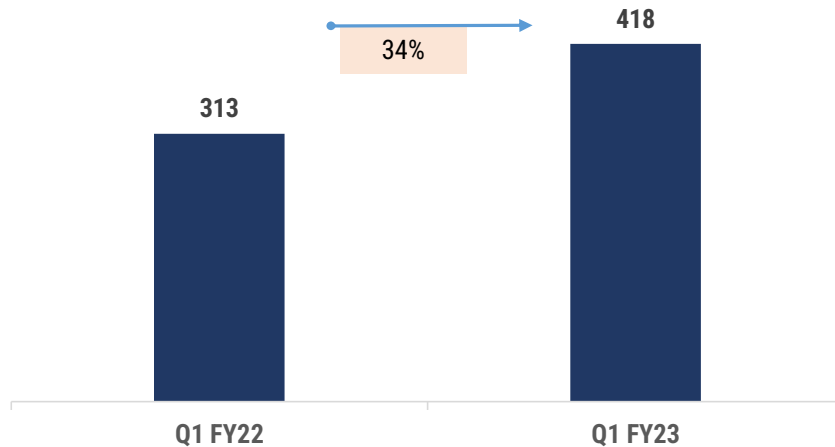
\* Operating EBITDA excluding non-cash ESOP Charge

- Operating EBITDA\* grew by 16% to INR 190 crores
- Gross margins were at 62.7% v/s 64.2%
  - Excluding Azmarda, gross margins for the business were relatively flat YoY
  - Overall material cost continues to remain challenging whilst softening was seen in certain packing material
- Excluding non-cash ESOP cost, employee cost increased by 19% due to increments and manpower cost for acquired brands
  - Non-cash ESOP cost as a percentage to reported EBITDA was at 10% as compared to 20% of reported EBITDA in Q4 FY22
- Other expenses increased on account of
  - Normalization of marketing expense as compared to Q1 FY22
  - Significant increase in fuel costs, freight expenses and logistics costs for the exports business on a YOY basis, whilst sequentially some softening was seen in international freight
- Depreciation increased by 44% to INR 26 crores on account of amortization of the acquired brands
- PAT declined by 12% to INR 105 crores on account of higher treasury income in Q1 FY22, non-cash ESOP cost, depreciation on account of acquired brands and finance costs in Q1 FY23

# Domestic Business Q1 FY23 vs Q1 FY22



## Domestic Formulations (INR cr)



- Domestic Business records highest ever sales in a quarter of INR 418 crore registering growth of 34%
- Organic revenue from the domestic business grew around mid-teens out-pacing industry growth rate
- JB continues to remain the fastest growing company among the top 25 as per IQVIA MAT June 22 data
- As per MAT June 22 data, JB ranks 23<sup>rd</sup> as compared to 25<sup>th</sup> in Q4 FY22
- The acquired brands from Sanzyme performed well with Sporlac gaining market share during the quarter
- Successful transition of the acquired brand Azmarda; good revenue traction achieved
- As compared to IQVIA MAT June 22 vs MAT June 21 data
  - Metrogl has gained 27 ranks to #165
  - Cilacar-T has gained 95 ranks to #190
  - Nicardia has gained 13 ranks to # 220
  - Cilacar was at #49 and Rantac was at #41

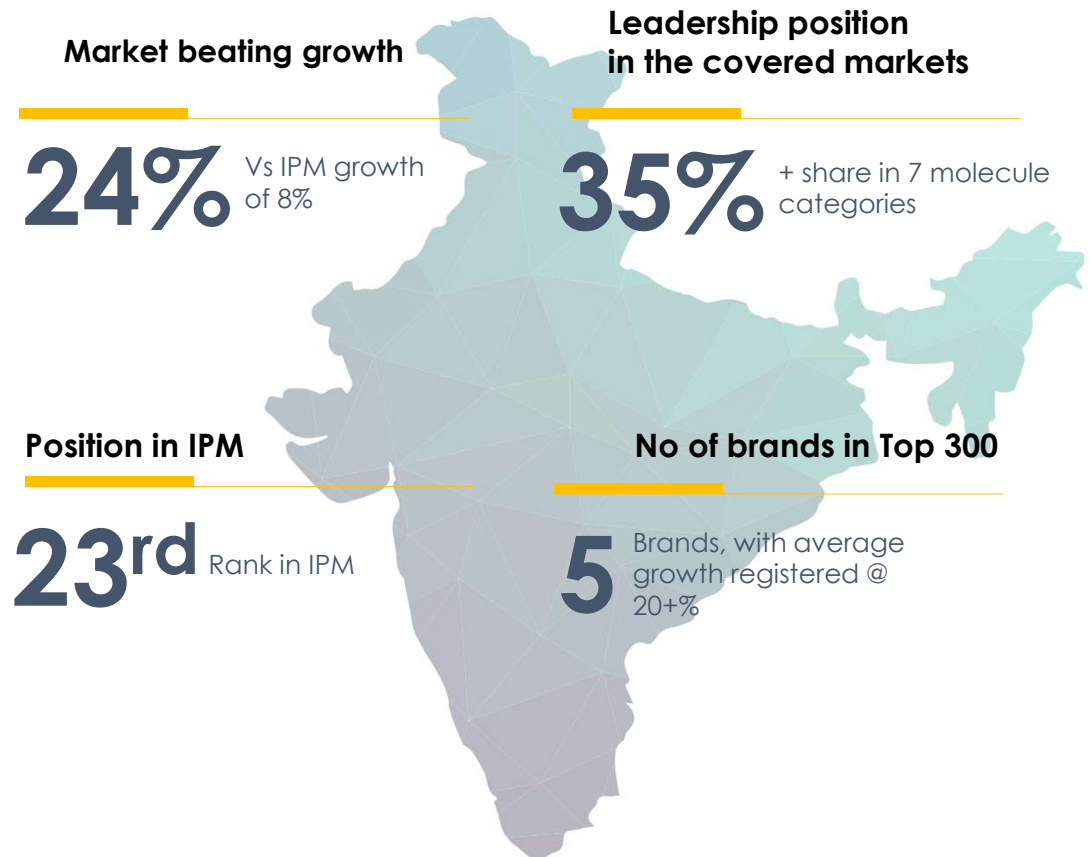
# JB continues to be the fastest growing company in IPM, maintaining market beating performance



Fastest growing company among the Top 25 in the IPM

Outperformed the CVM growing at 24% vs 9% CVM growth

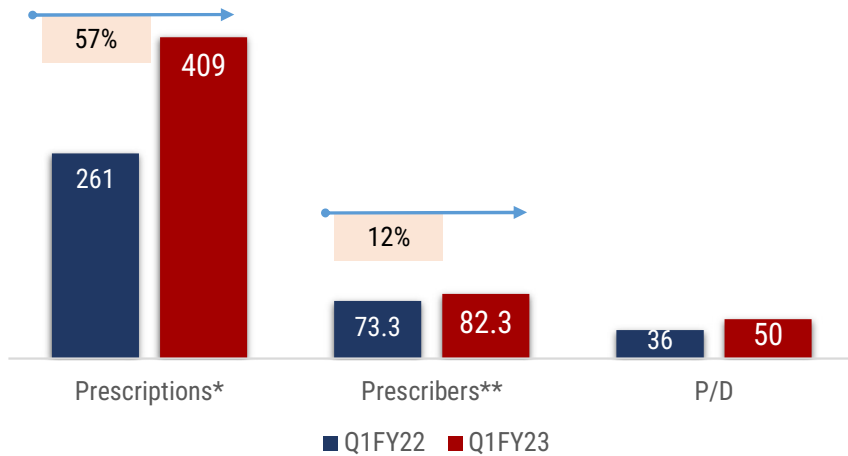
Organic business grew at 23%



Growth rates and Ranking as per IQVIA MAT June'22 Numbers



# Prescription wise JB now Ranks #15



\* Nos in Lakhs  
\*\* Nos in '0000

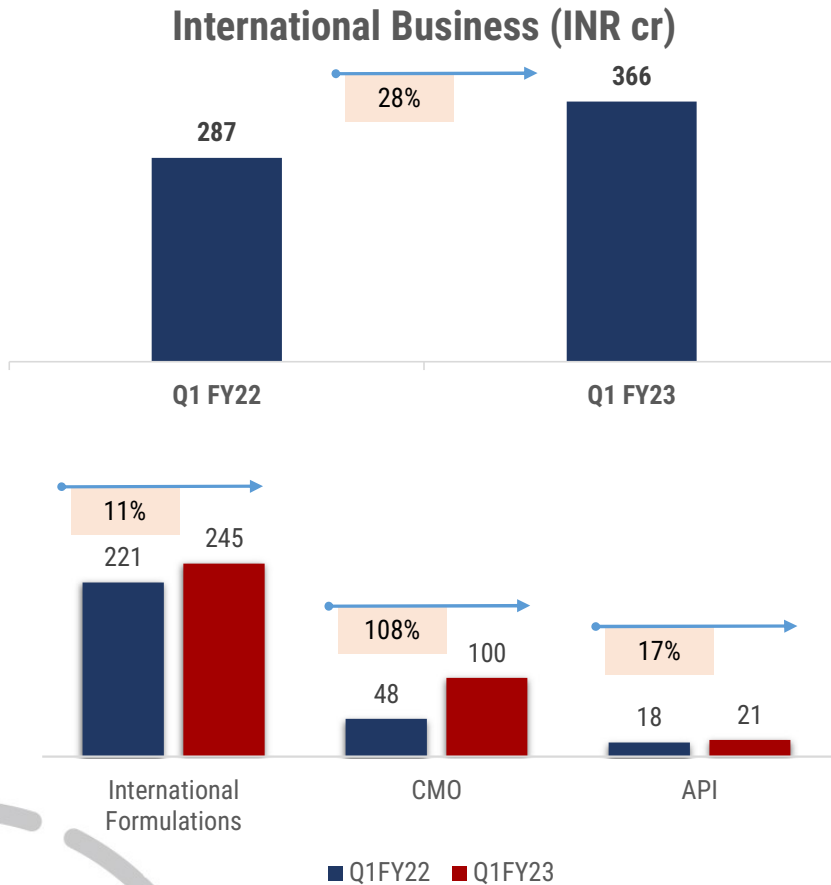
## #15 Prescription Ranking

- JB now ranks #15 in IPM as per IQVIA prescription data gaining one rank (IQVIA MAT June'22 vs MAT June'21)
- JB's prescription base increased from 2.61 cr prescriptions in Q1 FY22 to 4.09 cr in Q1 FY23, growing at 57%
- This was aided by increased prescriptions from existing prescribers as well as significant addition in the number of prescribers
- The P/D ratio also improved sharply from 36 to 50 YoY

All Data as per IQVIA



# International Business Q1 FY23 vs Q1 FY22



- International business recorded robust revenue growth of 28% to INR 366 crores
  - Exports formulations, CMO and API business recorded growth of 11%, 108% and 17% respectively
- South Africa unit registered growth in both public & private markets; robust tender demand; new launches in private market
- Russia local sales remained steady; Receivables looking positive from the region
- CMO revenue crossed INR 100 crores for the first time in a quarter due to strong surge on account of demand in lozenges and liquids from key partners
  - Order book continues to remain robust

# Financial Performance (Consolidated)



Particulars	Q1 FY23	Q1 FY22	YoY Growth	FY22	FY21	Growth
<b>Revenue from Operations</b>	<b>785</b>	<b>606</b>	<b>30%</b>	<b>2424</b>	<b>2043</b>	<b>19%</b>
Cost of Goods Sold	293	217	35%	843	701	20%
<b>Gross Profit</b>	<b>492</b>	<b>389</b>	<b>26%</b>	<b>1581</b>	<b>1341</b>	<b>18%</b>
<b>Gross Profit Margins</b>	<b>62.7%</b>	<b>64.3%</b>		<b>65.2%</b>	<b>65.7%</b>	
Employee Benefit Expenses	134	98	37%	439	341	29%
Other Expenses	185	128	45%	599	440	36%
<b>EBITDA</b>	<b>173</b>	<b>164</b>	<b>6%</b>	<b>543</b>	<b>560</b>	<b>-3%</b>
Finance Costs	6	1		5	7	-29%
Depreciation	26	18	44%	73	69	6%
<b>Profit before Tax (Operating)</b>	<b>141</b>	<b>145</b>	<b>-3%</b>	<b>466</b>	<b>485</b>	<b>-4%</b>
Other Income	1	13		39	112	-65%
<b>Profit before Tax</b>	<b>142</b>	<b>158</b>	<b>-10%</b>	<b>505</b>	<b>597</b>	<b>-15%</b>
Tax Expenses	37	39	-5%	119	148	-20%
<b>Profit after Tax</b>	<b>105</b>	<b>119</b>	<b>-12%</b>	<b>386</b>	<b>449</b>	<b>-14%</b>





## **Further Expanding Our Product Range -Acquisition of the Paediatric Portfolio**

# Acquisition of Paediatric Brands: Leveraging on Existing Capabilities



## Business Overview

- JB acquired 4 Paediatric brands from Dr Reddy's
- Internal sales of INR 33 cr in FY22
- 3 out of 4 brands are among the top 3 players in respective molecules with Z&D and Pedicloryl being market dominators.
- These brands were not the primary focus brands in the seller's large divisions
- Complements JB's Paedia division with minimal additional manpower and marketing spends.

Key Brands	Market	Market Share*	FY22 sales*
<b>Pedicloryl</b>	<b>Triclofos</b> Hypnotic agent used in Paediatric Insomnia/Idiopathic Pain	MS 76%	9 Crs
<b>Z&amp;D</b>	<b>Zinc nutritional supplements</b> Used as a supplement for children aids in absorption of minerals such as calcium and Zinc	MS 59%	18 Crs
<b>Ezinapi</b>	<b>Emollient</b> blend of Cetyl myristoleate, Zinc oxide, D-panthenol used as an emollient for diaper rash.	MS 12%	4 Crs
<b>Pecef</b>	<b>Anti-biotic</b> Cefpodoxime & combinations used in infections of lung, eyes, ears, nose, throat and GI	MS 1-2%	16.1 Crs

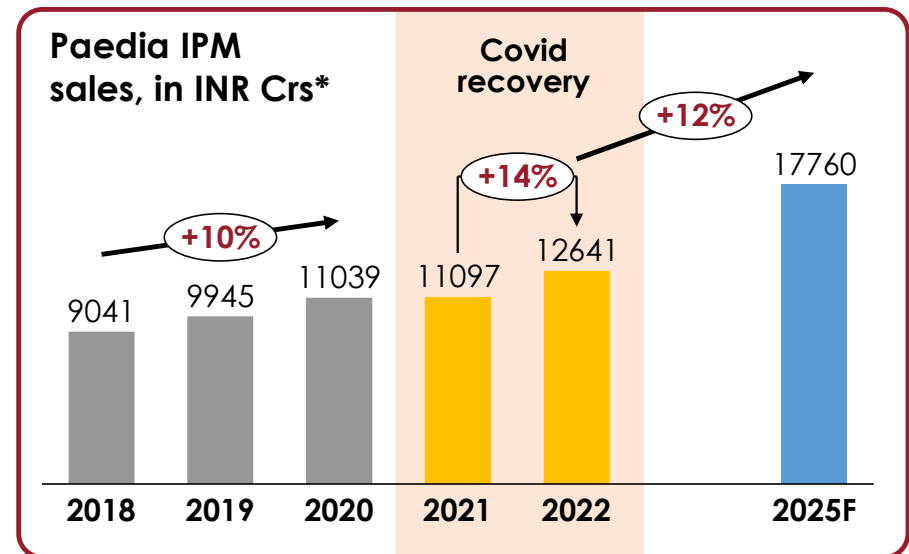
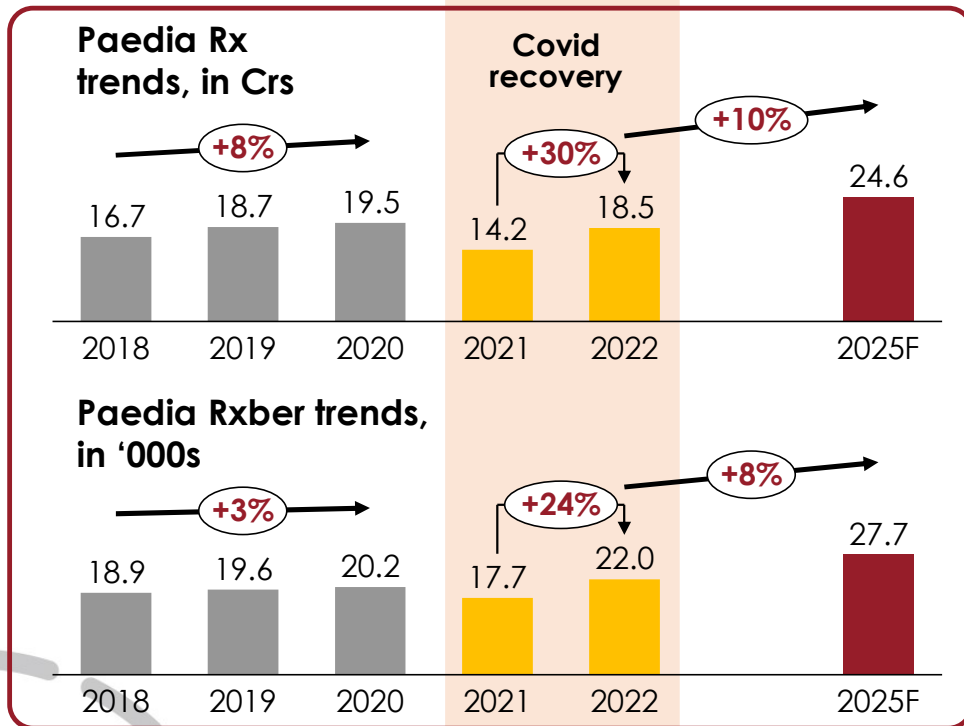
\*IQVIA MAT Mar'22 data



# Paediatric segment continues to be a promising segment driving IPM growth, expected to reach 18,000 Crs by 2025

After a significant Covid impact, Paedia market has bounced back strongly, with a 10% Rx growth...

...propelling sales that is expected to grow at 12% reaching 18,000 Crs in the next 3 years



Paedia contributes to ~7% of IPM. The market posted a strong recovery after a flat FY21.

Source: IQVIA Sales TSA MAT May'22, Rx audit Apr'22  
\*Estimated based on Rx contribution

# JB Strengthening its Presence Across all major Paediatric Therapeutic Areas



Covering all major Paediatric therapeutic areas



Anti-infectives	Gastro and Gut	Skin & Wound	Anti-parasitic	Idiopathic Pain/ Insomnia	Pro-biotics
✓	✓	✓	✓	✓	✓
Pecef/ Duo Ofm	Rantac Laxolite Z&D	Metrogyl P/ DG Ezinapi	Metrogyl range	Pedicloryl	Gutpro Sporlac

Existing JB portfolio DRL portfolio

## **JBs paediatric portfolio will enjoy better market reach & will be part of a dedicated paedia division**



### **ACQUISITION BENEFITS**

**Comprehensive Portfolio with well known brands to cater to paediatricians**

**Increased market coverage and will align with our Go To Market model**

**Productivity Leverage as existing manpower will be deployed to market these brands**

# JB Pharma – Looking ahead –FY 2023



## **Domestic business to consistently outperform market growth driven by:**

- ❑ Big brands becoming bigger
- ❑ Market share and prescription gains in acquired portfolio of probiotics, heart-failure & paediatric segment
- ❑ Life cycle management and new launches



## **Continued growth momentum in international business**

- ❑ Strong delivery in CMO business aided by new launches
- ❑ Healthy private/ public business mix in S Africa
- ❑ Demand revival in specific ROW markets



**Continuous thrust on cost optimization initiatives** to deliver EBITDA margins (excl ESOP cost) in mid-twenties, despite inflationary pressure and external market uncertainties



## About JB Pharma

*J.B. Pharma (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 IPM brands in the country. The company exports its finished formulations to over 40 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 lozenges. The manufacturing facilities are certified by leading regulators across the world.*

*For more details on J.B. Pharma, please visit [www.jbpharma.com](http://www.jbpharma.com).*



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**Thank you**



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