



J. B. CHEMICALS & PHARMACEUTICALS LIMITED

November 11, 2021

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G-Block, Bandra Kurla Complex,
Bandra (E), Mumbai – 400051.

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 September 30, 2021.

Thanking you,

Yours faithfully,

For J.B. Chemicals & Pharmaceuticals Limited

Sandeep Phadnis
Vice President – Secretarial
& Company Secretary

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

📍 **Corporate Office:**
Cnergy 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



J.B. CHEMICALS & PHARMACEUTICALS LTD.

Q2 & H1 FY22 FINANCIAL RESULTS

November 2021



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 there from. This presentation is confidential and may not be copied or disseminated, in whole or in part, and in any manner.



Index

Company Overview

4

Q2 & H1 FY22 Financial Performance

12

JBCPL – One Year Journey

22

Way Forward

33



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

Company Overview



Corporate Snapshot

45

Years of operations with consistent track record across multiple businesses

40+

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

21%

Growth in chronic therapies* in the domestic formulations business

7

Multi-dosage formulation plants with key global approvals/compliances

5

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

Top 5

Global manufacturer of medicated/herbal lozenges representing a substantial opportunity

#2,100+

Strong India field force with therapy-focused segmentation

**42%

ROCE with strong cash position and consistent cash flow generation

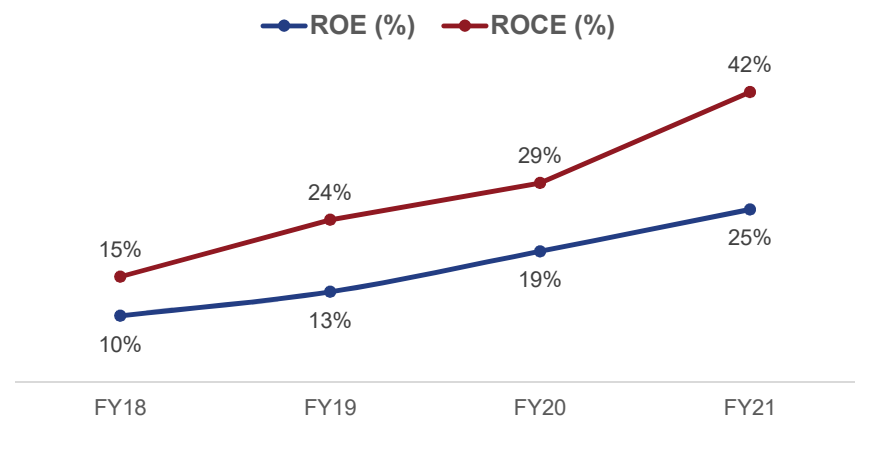
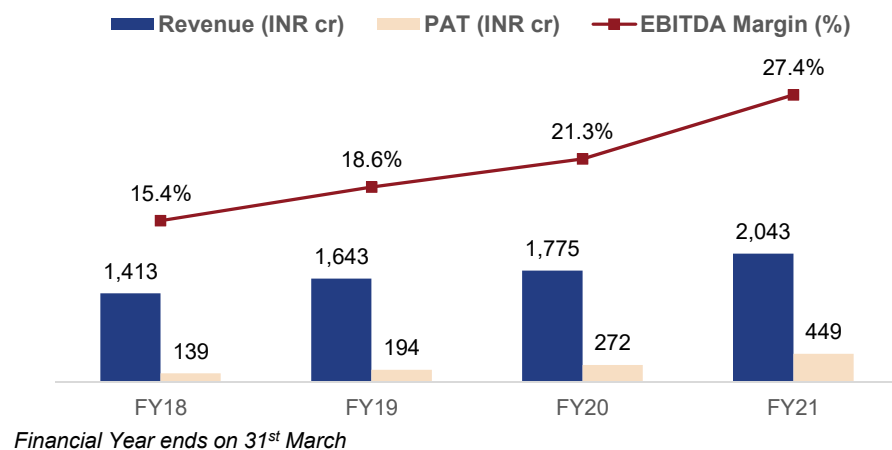


* CAGR over FY17-FY21

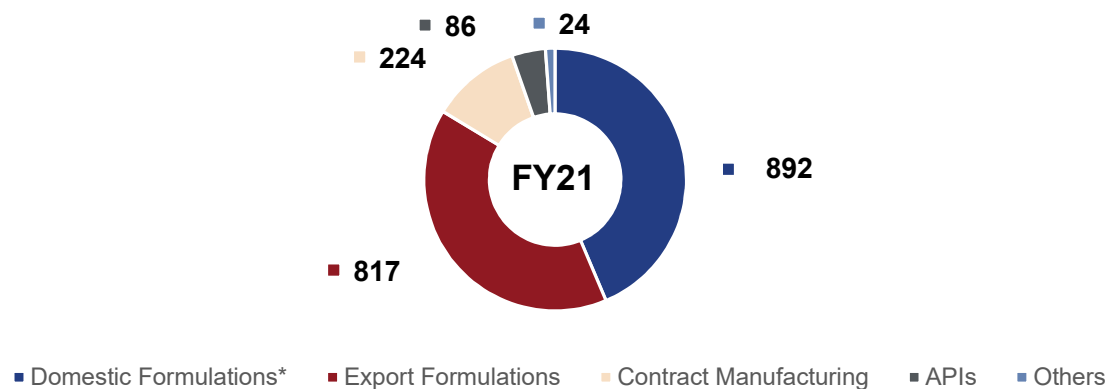
Includes MR and Supervisors

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

Corporate Snapshot – Financial Overview



Business-wise Revenue (INR cr)



* Includes Contrast Media

KKR: Committed to JBCPL's Transformational Initiatives

- Kohlberg Kravis Roberts & Co. L.P. (“KKR”) is a leading global investment firm with industry-leading investment experience, in-depth industry knowledge, sophisticated processes for growing and improving businesses, and a strong culture committed to teamwork
- 45-year track record of quality private equity investing having completed transactions with over ~\$655 billion⁽¹⁾ of total enterprise value in ~20 industries; current assets under management of ~\$459 billion
- Long track record of supporting companies in the pharmaceutical and healthcare sectors - invested ~\$17bn globally in healthcare since 2004
- Experienced team of 1,800+ executives⁽¹⁾ around the globe and a network of consultants at KKR Capstone⁽²⁾

KKR

Recent Transactions in
Pharmaceuticals/Healthcare



J.B. CHEMICALS &
PHARMACEUTICALS LTD.



As of September 30, 2021 unless otherwise stated.

1) As of June 30, 2021.

2) Includes certain KKR executives working in legal, compliance, IT, IR, financial, tax and accounting functions. Excludes KKR Capstone.

3) References to “KKR Capstone” or “Capstone” are to all or any of KKR Capstone Americas LLC, KKR Capstone EMEA LLP, KKR Capstone EMEA (International) LLP, KKR Capstone Asia Limited and their Capstone-branded subsidiaries, which employ operating professionals dedicated to supporting KKR deal teams and portfolio companies. KKR acquired KKR Capstone effective January 1, 2020. References to operating executives, operating experts, or operating consultants are to such employees of KKR Capstone. In this presentation, views and other statements regarding the impact of initiatives in which KKR Capstone has been involved are based on KKR Capstone’s internal analysis and information provided by the applicable portfolio company. Such views and statements are based on estimates regarding the impact of such initiatives that have not been verified by a third party and are not based on any established standards or protocols. They can also reflect the influence of external factors, such as macroeconomic or industry trends, that are unrelated to the initiative presented.

KKR has invested ~\$14 bn Globally in Healthcare since 2004

Biopharmaceuticals



Medical Devices



Providers



Other Services

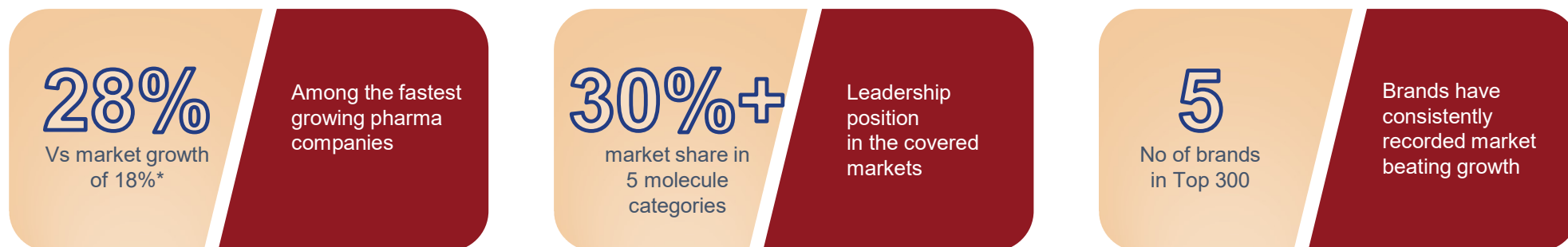


Life Sciences Tools/Diagnostics



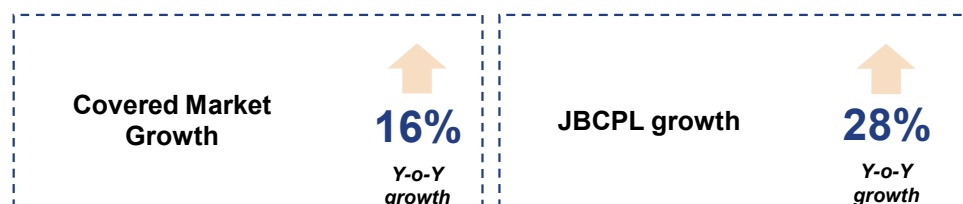
Includes investments made by KKR's Private Equity, Growth Equity, and Core Investment Strategies, as well as the KKR Balance Sheet and KKR Managed SMAs. The specific investments identified are not representative of all of the investments purchased, sold or recommended for KKR or KKR investment funds, vehicles or accounts, and it should not be assumed that the investments identified were or will be profitable or the investment performance would be representative of the investment performance of investments that would be made by the Fund. There can be no assurance that investors in any KKR fund, vehicle or account will receive a return of capital. Past performance of these and any other investment is no guarantee of future results. See below for important disclosure regarding the calculation of Gross IRRs, Net IRRs, Gross Multiples and Net Multiples and the valuation of unrealized and partially unrealized investments.

Domestic Formulations: Outperformance Driven by Strong Brands



* MAT Sep 21 growth

Consistent Outperformance in Covered Markets

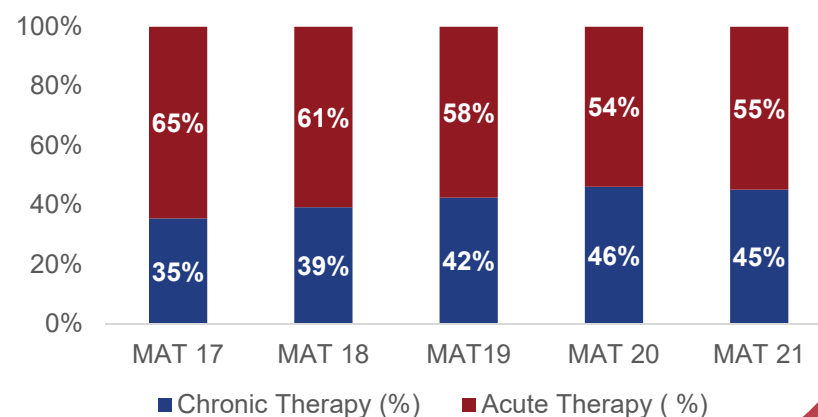


* MAT Sep 21 growth

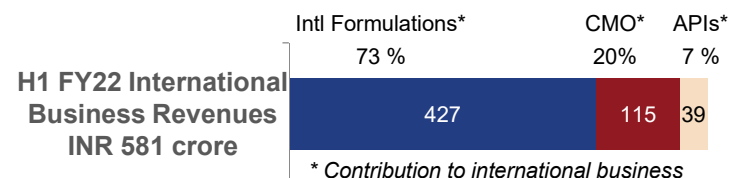
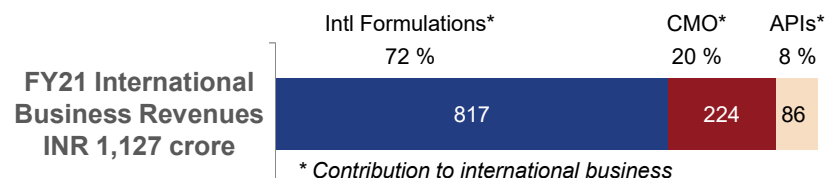
Source: IQVIA Data, Sep-21.

Covered market includes all JBCPL's molecule segments

Increasing Contribution from Chronic Therapies (MAT Sep data)



International Business: Clearly Defined Business Models Across Geographies



International Formulations



RUSSIA

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



SOUTH AFRICA

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



UNITED STATES

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



ROW

- Presence in ~40 Emerging Markets through leading distributors

APIs



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

CMO



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

World Class Manufacturing Facilities

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

Over 40 global regulatory accreditations

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

Producing a wide array of dosage forms





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

Q2 & H1 FY22 Financial Performance



CEO's Message



Nikhil Chopra,
CEO & Whole Time Director

***Views on Q2 FY22
business performance***

“Our strong operational performance has led to market beating growth in India and steady performance in international business despite pandemic-related issues and supply chain uncertainties.

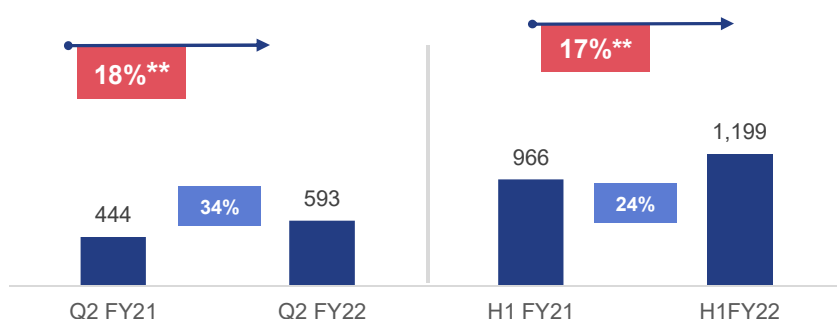
During the past one year, several initiatives, including the re-aligned Go-To-Market model, diversification into complimentary therapies and new launches, have helped us sustain our growth momentum in India leading to market share gains and rank improvement.

While international business is confronted with external market challenges, our key markets like South Africa and the US have done well and Russia is showing signs of steady revival. We are working aggressively on expanding our offerings in the international market by re-orienting our R&D and aggressively pursuing business development opportunities.

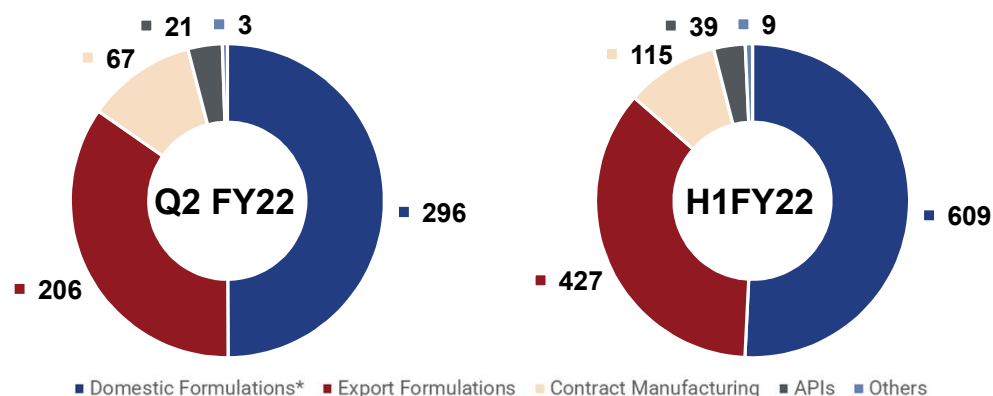
Going forward, our priority will be to further optimise our cost structure and continue to build on the revenue momentum in line with our strategic priorities.”

Financial Overview Q2 & H1 FY 22

Revenues (INR cr)



Revenue Split (INR cr)



* Includes Contrast Media

- Sustained revenue momentum continued in the second quarter even though the second COVID wave subsided.
 - ** After considering the revenue which got deferred to Q3 FY21 from Q2 FY21 in the previous financial year, the sales growth was strong at 18% for Q2 FY22 and 17% for H1 FY22
- Domestic Formulations business reported 38% growth in Q2 FY22 vs Q2 FY21
 - As per MAT IQVIA Sep 2021 data, Domestic Formulations business recorded growth of 28% vis-à-vis IPM growth of 18% and covered market growth of 16%
- International business revenue grew at 36% in Q2 FY22 vs Q2 FY21
 - Higher growth reflected in reported numbers due to lower base impact of Q2 FY21 where some revenue got deferred to Q3 FY21
 - Headwinds continue for international markets due to COVID uncertainties and logistics challenges

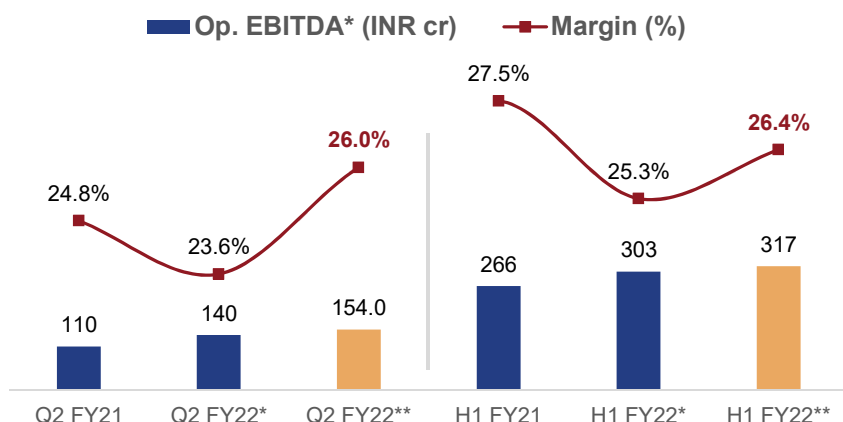
EBITDA Analysis



J.B. CHEMICALS &
PHARMACEUTICALS LTD.

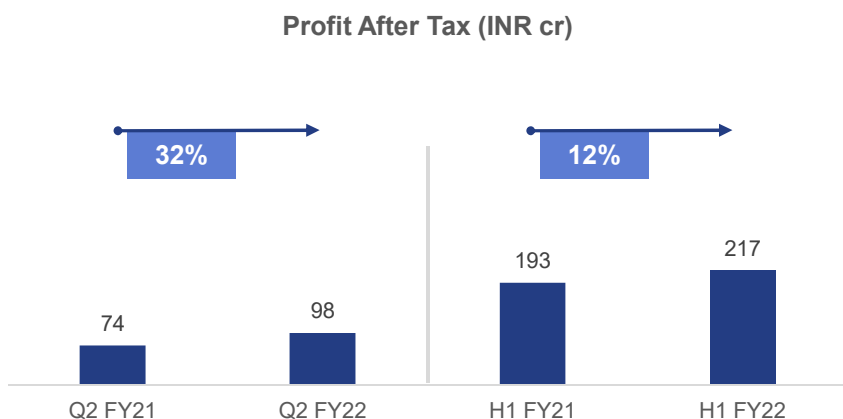
INR crore	Q2 FY22	H1 FY22	
Revenue	593	1199	
Reported EBITDA	127	290	
Non Cash ESOP Cost	13	13	Included in Employee Benefits expense
Operating EBITDA (excluding ESOP Cost)	140	303	
Operating EBITDA Margin	23.6%	25.3%	
One time consultancy/advisory services	14	14	Included in Other Expenditure
Adjusted EBITDA	154	317	
Adjusted EBITDA Margin	26.0%	26.4%	

Financial Overview Q2 & H1 FY22



* Operating EBITDA excluding non-cash ESOP Charge

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



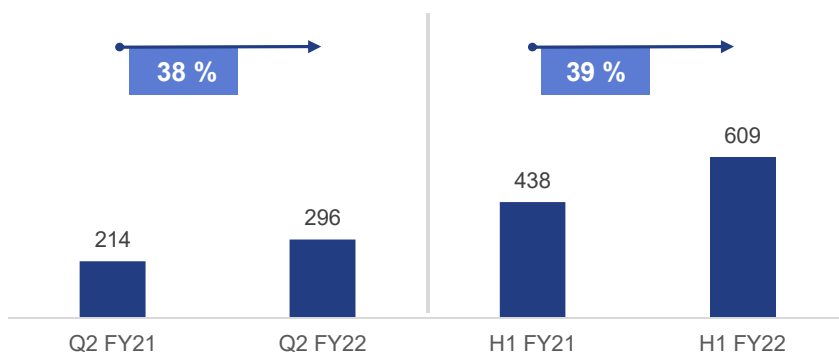
- Gross Margin profile continues to be healthy at 65% in Q2 FY22
 - Inflation witnessed in API prices, managed through cost optimization initiatives.
 - Headwinds in material costs are likely to continue in H2 FY22
- Operational expenses saw a sharp increase in Q2 led by
 - Operating Costs reverting to pre-COVID levels
 - Escalation in logistics/freight costs
 - Employee Cost includes Non-Cash ESOP charge of INR 13 cr
 - One-time expense towards consultancy/advisory services
- Other income in Q2 FY22 increases to INR 19.6 cr as compared to INR 8.4 crs in Q2 FY21 on account of yields from investment portfolio and mark-to-market gains
- Effective Tax Rate remains at ~25 %

Revenue Analysis – Domestic Business



J.B. CHEMICALS &
PHARMACEUTICALS LTD.

Domestic Formulations* (INR cr)

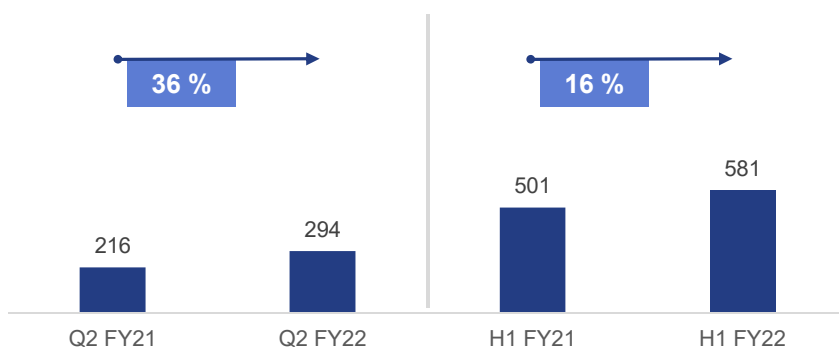


*includes Contrast Media

- As per IQVIA, Domestic Formulations business recorded YoY growth of 32 % in Q2 FY22 and 33% H1 FY22
- As per MAT Sep 21 IQVIA data, Domestic Formulations business continued to outpace industry growth, witnessing strong growth across big brands
 - Rantac: 25% (Rank: #45) (Molecule growth: 15%)
 - Cilacar: 16% (Rank: #54) (Molecule growth: 11%)
 - Metrogyl: 43% (Rank: #166) (Molecule growth: 36%)
 - Nocardia: 20% (Rank: #245) (Molecule growth: 17%)
 - Cilacar-T: 34% (Rank: #288) (Molecule growth: 26%)
- Our prescription rank improved by 2 positions to #16 for MAT Sep 21
- New Products contributed 4% to Domestic sales in H1 FY22
 - Significant improvement in New Product contribution to domestic sales as compared to negligible contribution in H1 FY21
 - During Q2 FY22, Domestic Formulation business launched three new products – JBTOR/JBTOR plus, Dapacose M and Metrogyl-O

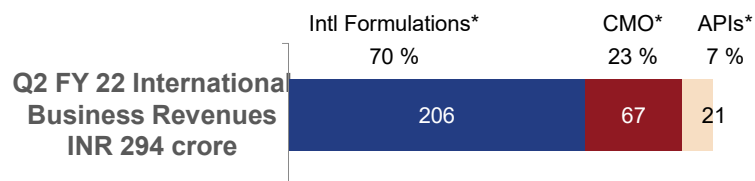
Revenue Analysis – International Business

International Business** (INR cr)

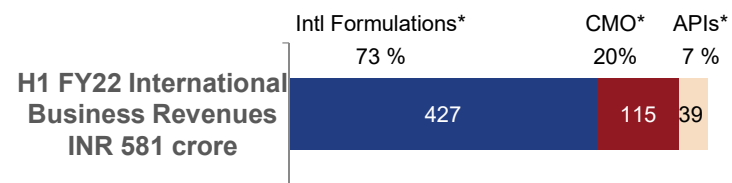


**consists of Export Formulations, Contract Manufacturing and APIs

- South Africa recorded strong growth in both public and private markets
 - JBCPL's South Africa subsidiary is now ranked #15 in the overall industry, moving up 10 ranks within a year
- Russia/CIS region rebounded well in the second quarter, gaining good traction
- US business continues to perform well
- RoW Branded Generics markets impacted due to COVID-related lockdowns in certain regions (e.g., S E Asia)
- While we have added one new marquee client in the CMO business, the subdued cough and cold season has led to muted growth for the business in Russia
- Supply chain disruptions and higher freight costs remained challenging throughout the quarter



* Contribution to international business



* Contribution to international business



Q2 & H1 FY22 – Financial Performance (Consolidated)

Particulars (In INR Cr.)	Q2 FY22	Q2 FY21	YoY Growth	H1 FY22	H1 FY21	YoY Growth
Sales (Net)	589.2	437.0	35%	1189.5	952.1	25%
Operating Income	3.8	6.6	-42%	9.5	13.7	-30%
Revenue from Operations	593.0	443.6	34%	1199.0	965.8	24%
Cost of Goods Sold	207.5	133.8	55%	424.1	320.1	32%
Gross Profit	385.5	309.7	24%	774.9	645.8	20%
Gross Profit Margins	65.0%	69.8%		64.6%	66.9%	
Employee Benefit Expenses	105.4	81.1	30%	203.5	169.7	20%
Other Expenses	153.3	118.6	29%	281.0	210.5	33%
EBITDA	126.7	110.1	15%	290.4	265.5	9%
EBITDA Margins	21.4%	24.8%		24.2%	27.5%	
Finance Costs	1.2	1.7	-29%	2.2	5.5	-60%
Depreciation	15.7	17.4	-10%	33.6	34.7	-3%
Profit before Tax (Operating)	109.8	90.9	21%	254.7	225.3	13%
Other Income	19.6	8.4	134%	32.6	31.1	5%
Profit before Tax	129.4	99.3	30%	287.3	256.4	12%
Tax Expenses	31.5	25.4	24%	70.3	63.0	12%
Profit after Tax	97.9	73.9	32%	216.9	193.4	12%

Abridged Balance Sheet as on Sep 30, 2021

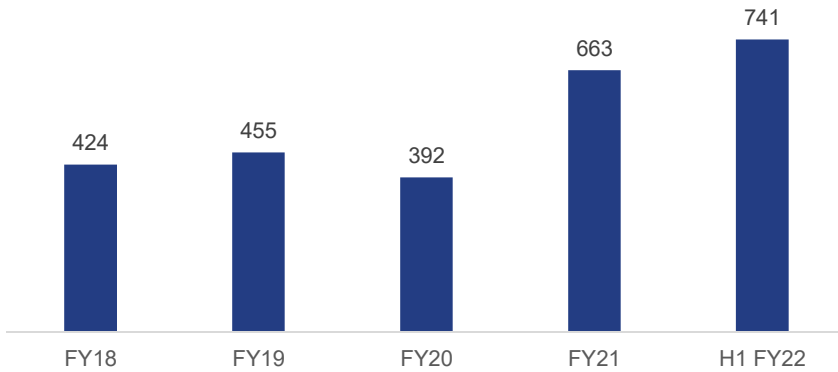
Balance Sheet (INR Cr)	Sep-21	Mar-21
Net Worth	1,983	1,813
Other Liabilities	217	206
Total Liabilities	2,200	2,019
Non-Current Assets	698	686
Net Working Capital (Receivables + Inventories - Payables)	644	550
Net Cash Position (Cash and Cash Equivalents - Total Debt)	741	663
Other Current Assets	117	120
Total Assets	2,200	2,019

- Company continues to generate healthy cash flows ; Net Cash Position is INR 741 crs as on Sep 30, 2021
- Net Working capital sustained in number of days, marginal increase in inventory to ensure supply security
- Capex spend continues to remain low

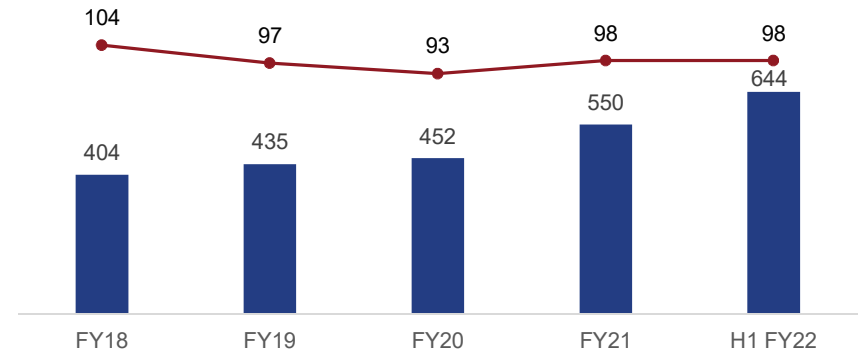


Consistent Improvement in Cash Generation

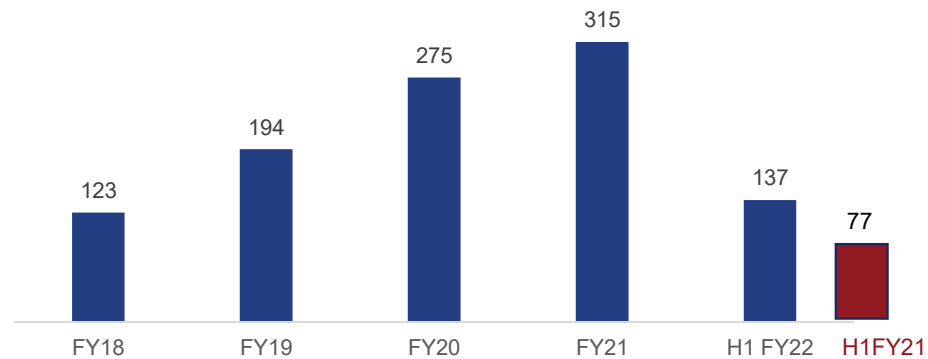
Net Cash Position (INR cr)



Working Capital (INR cr) Working Capital (# days)



Operating Cash Flow (INR cr)



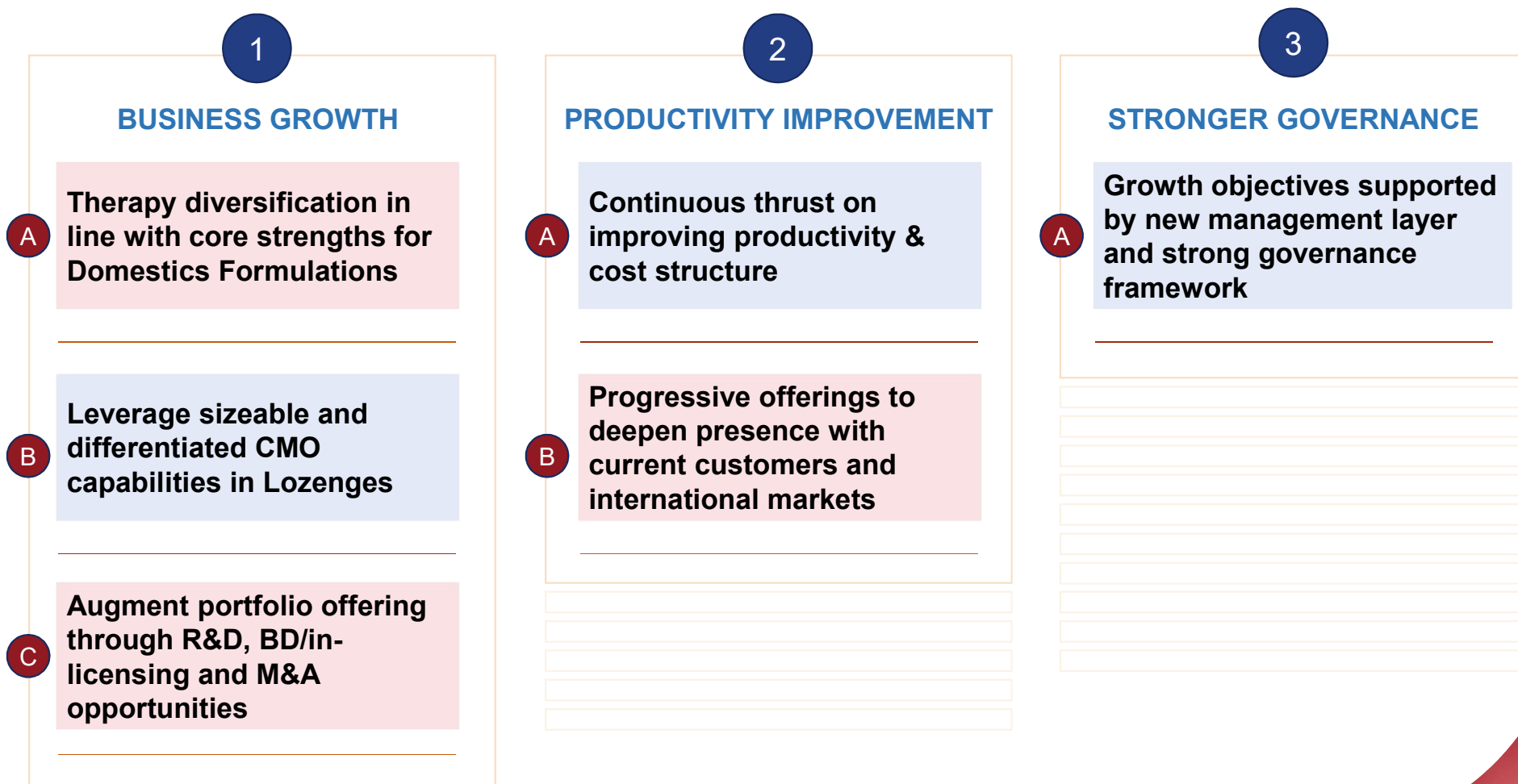


**J.B. CHEMICALS &
PHARMACEUTICALS LTD.**

JBCPL 1-year Journey...



Solid Foundation – Accelerating our Growth Journey



1 A India Business – New GTM – Year 1 Highlights

Implemented revised GTM structure across 2,100+ sales force; focused on sales force productivity (PCPM) improvement

Entered new therapy areas (Diabetes, Nephrology, Respiratory and Allergy) and launched three new divisions

Launched over 15 new products in the last one year

Prescription* rank improved from #18 to #16

Company* rank improved from #32 to #29



* MAT Sep 21 IQVIA data



J.B. CHEMICALS &
PHARMACEUTICALS LTD.

1 A Accelerated Momentum of New Launches

Launched 15 new products in the past one year

Nintabid Respiratory



DAPACOSE - M Diabetes



JBTOR Diuretics(CKD/CHF*)



Metrogyl-O Antibiotic



Viscojoy Respiratory



Key product launches...

* CKD – Chronic Kidney Disease / CHF - Congestive Heart Failure

1 A Domestic Formulations – Other Initiatives



Thrust on sales force automation – full coverage iPad roll out



Increased in-clinic effectiveness through Closed Loop Marketing initiatives driven by data and insights



Numerous Knowledge sharing initiatives for patients, HCPs and paramedics



Increased focus on medical-based evidence studies to increase patient connect



Established more sales force headquarters to reach deeper and untapped pockets in the country through new GTM model

JBCPL is Among the Fastest Growing Companies in its Relevant Market

IPM : Market Size INR 1.76 Tn

18%



Among top 30,
JBCPL is the fastest
growing pharma company

Leadership position
in the covered markets

28% Vs market
growth of 18%

30%+ share in
5 molecule categories

Position in IPM

29 Rank in IPM;
improved 2 ranks vs
FY20

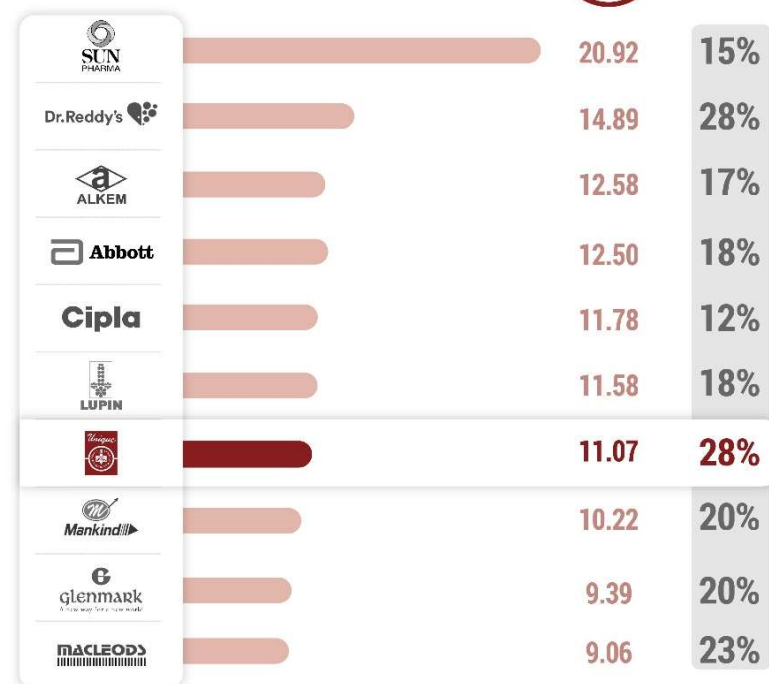
No of brands in Top 300

5 Brands with average
growth registered @ 20+% MAT

JBCPL is the fastest growing company in the top 30 in IPM;
MAT growth of 28% vs CVM growth of 16% and IPM growth of
18%

Covered Market INR 263 Bn

16%



■ MAT SEP-21 REVENUES (INR Bn)

■ Y-o-Y growth (IMS MAT Sep'20-IMS MAT Sep'21)

*CVM – covered market (as per IQVIA definition); MAT – moving annual total; IPM – Indian Pharmaceutical Market

1 B

Leveraging Leading Position in Lozenges for Future Growth

Contract Manufacturing



Top 5 manufacturer of medical/herbal lozenges with significant market opportunity



Projects also focused on syrups, tablets, ointments and creams



Experience in working with marquee global pharma/consumer client base



Approvals from US, UK, EU, Australia, South Africa, Russia/CIS and Japan



Manufacturing, regulatory, development support mechanisms in place – capacities can support growth objectives

Growth Levers

Deeper penetration with existing customers: explore new opportunities in more geographies

Expand focus on high-potential lozenges segment

Coverage into semi-regulated/other RoW markets

Volume scale-up on existing capacity

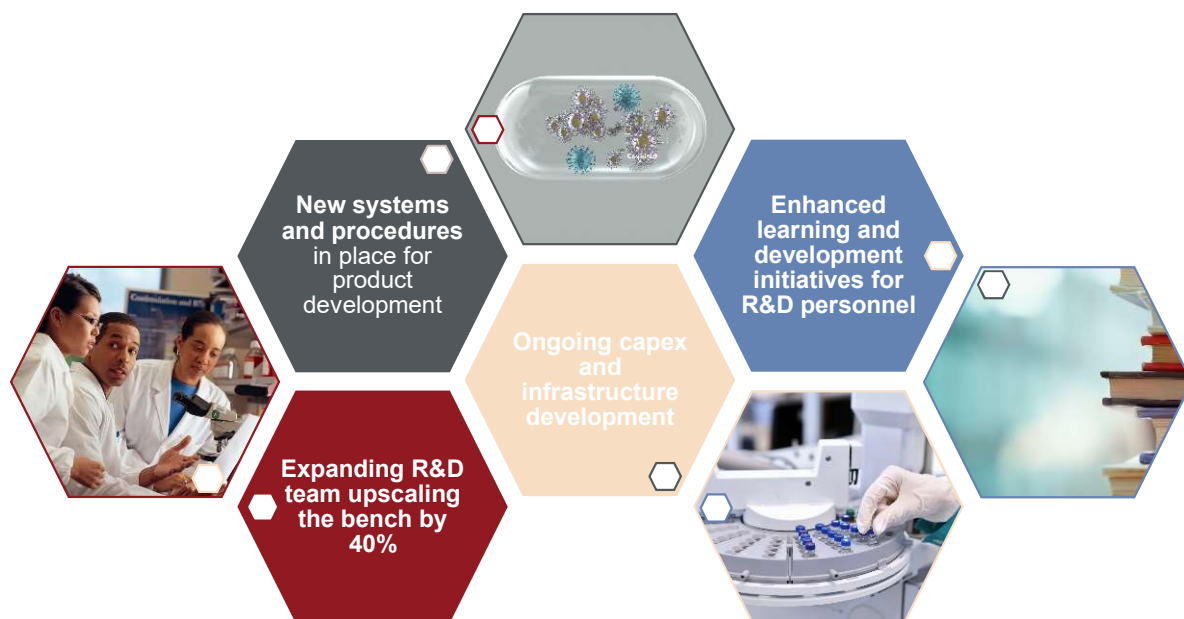
Leverage capabilities to manufacture wide variety of dosage forms

Besides the Cough & Cold segment, JBCPL has started developing lozenges in new areas like wellness and immunity



J.B. CHEMICALS &
PHARMACEUTICALS LTD.

1c Augmenting Portfolio – Scaling up R&D



Life cycle management and incremental innovations for India Business i.e. Nicardia XL

Building progressive product portfolio for ROW markets (25+ products identified)

Expediting ANDA filings for the US market

Innovation in CMO (8-10 new themes identified for lozenges)

Cost Optimization Activities



J.B. CHEMICALS &
PHARMACEUTICALS LTD.

Structured organizational programs aimed at improving cost-efficiency while maintaining supply and service levels

Cost rationalization exercise with primary focus on direct cost reduction

Introduced progressive programs in manufacturing and sales to increase productivity



International Business - Progressive Offerings to Deepen Presence

Russia



- Launched two new products in Russia
- Expanded OTC presence – Cough & Cold, Respiratory, Gastro
- Accelerated filings and in-licensing opportunities

South Africa



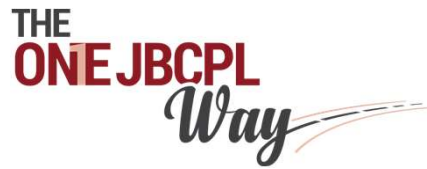
- Stronger visibility in private markets
- Expanded Gx presence via portfolio augmentation
- Focus on site variations for better cost efficiencies

United States



- 3-4 ANDA filings annually
- Monograph products
- Backward integration into APIs

Growth objectives supported by a stronger Organisation framework



BUILDING CAPABILITY AND A HIGH-PERFORMANCE CULTURE AT JBCPL

New performance management system

- KRAs aligned with overall strategy. Inculcated culture of shared goals and responsibility

Performance driven culture

- Creating an atmosphere where employees are focused on objectives and continuous improvement

Employee safety, wellbeing and engagement

- Multiple initiatives to drive employee engagement and belonging

Leadership Coaching

- Exclusive intervention for senior leadership to drive high performance culture

Talent Management

- Internal job posting to nurture home grown talent for challenging roles and higher responsibilities

Learning & Development

- Comprehensive learning and development roadmap for employees across the hierarchy



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

Way Forward





Our Medium Term Objectives for India Business

	CURRENT POSITION	MEDIUM-TERM OBJECTIVE
IPM Position	Ranked in IPM Top 30 companies	Ranked in IPM Top 20 companies
Contribution from Chronic Therapies	~45% of Domestic sales	~60% of Domestic sales
Portfolio of Top Brands	5 brands in Top 300 across 3 therapies	At least 1 to 2 new brands in Top 300 across 5 therapies
New Launches	1-2	6-8
Prescriber Relationships	Physician relationships	Specialist relationships e.g. Cardiologist / Nephrologist
Field Force Productivity	Lower than industry metrics	Annual growth of ~12-14% from current levels

Summarising Our Priorities



J.B. CHEMICALS &
PHARMACEUTICALS LTD.



Domestic: nurture big brands; drive 8-10 progressive new launches every year; sales force productivity enhancement



International: growth driven by portfolio augmentation (commercialization of R&D pipeline and dossier acquisitions)



Achieve scale in Lozenges through new introductions and addition of marquee clients across geographies



Continued thrust on **cost optimization**



Growth through **value-accretive acquisitions** in fast growing therapies in India



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.



J.B. CHEMICALS &
PHARMACEUTICALS LTD.

For further information, please contact:

Lakshay Kataria, Chief Financial Officer
J B Chemicals and Pharmaceuticals Limited
Tel: +91 22 2439 5200 / 2439 5500
Email: lakshay.kataria@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

Shiv Muttoo/Shruti Joshi
CDR India
Tel: +91 983 355 7572/ +91 750 656 7349
Email: shiv@cdr-india.com / shruti@cdr-india.com