



J. B. CHEMICALS & PHARMACEUTICALS LIMITED

September 20, 2019

National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex
Bandra (E) Mumbai 400 051

Stock Symbol: JBCHEPHARM

Dear Sir,

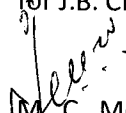
Subject: Meeting with institutional investors

We refer to letter dated September 12, 2019 on captioned subject. Enclosed please find presentation made to institutional investors at today's meet. The presentation is also being posted on the website of the Company for information.

Kindly take the same on record.

Thanking you,

Yours faithfully,
for J.B. Chemicals & Pharmaceuticals Limited


M. C. Mehta
Company Secretary and Vice President - Compliance

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Mumbai - 400 030

📍 **Corporate Office:**

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CIN: L24390MH1976PLC019380

J. B. Chemicals & Pharmaceuticals Limited

Investors' meet
September 20, 2019



J. B. Chemicals & Pharmaceuticals Ltd.

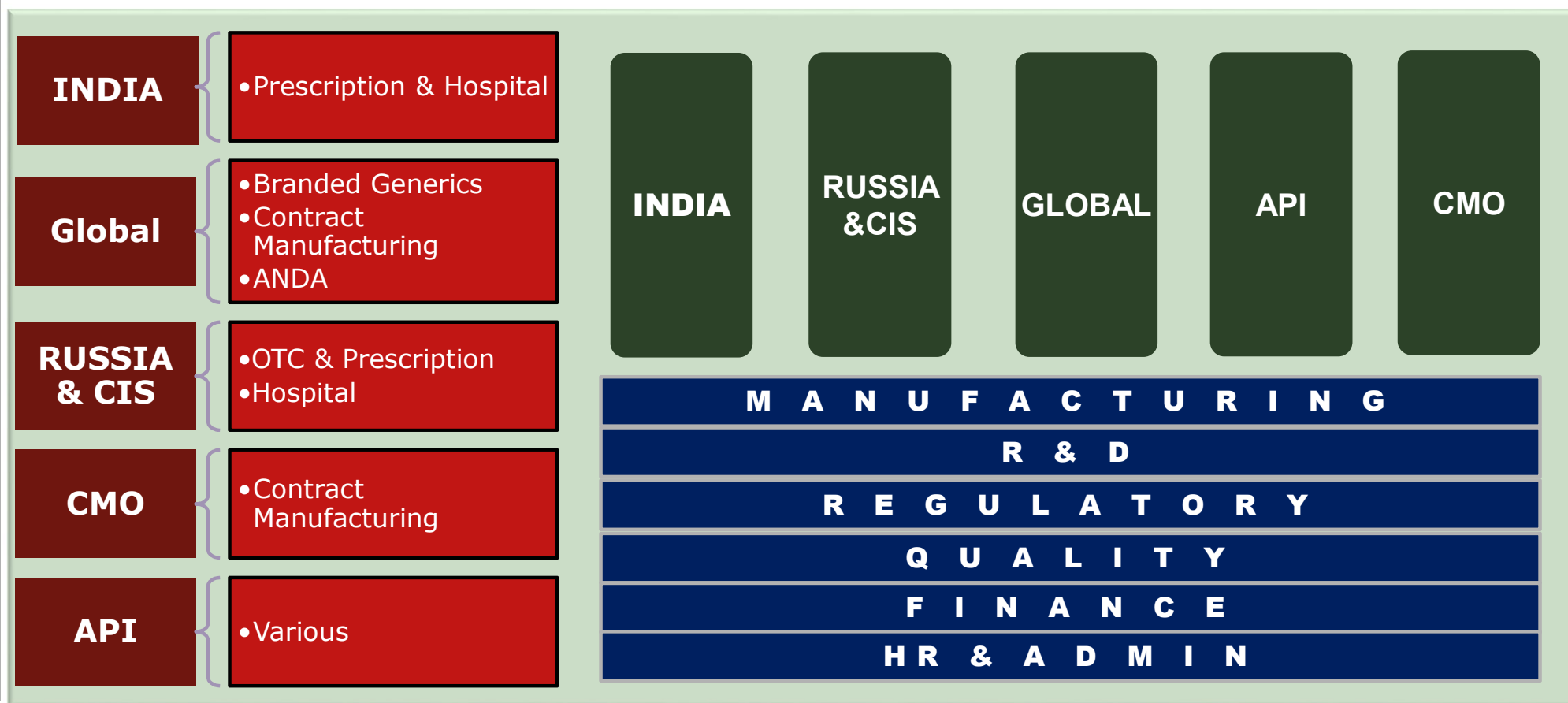
Presentation Overview

- ❖ **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 holding as on date is 56.02% 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
- ❖ Operating subsidiary in Russia and South Africa
- ❖ DSIR approved in house R & D facilities in the state of Maharashtra, Gujarat and Daman

Company overview - Strategic Business Units



Company overview - Manufacturing facilities

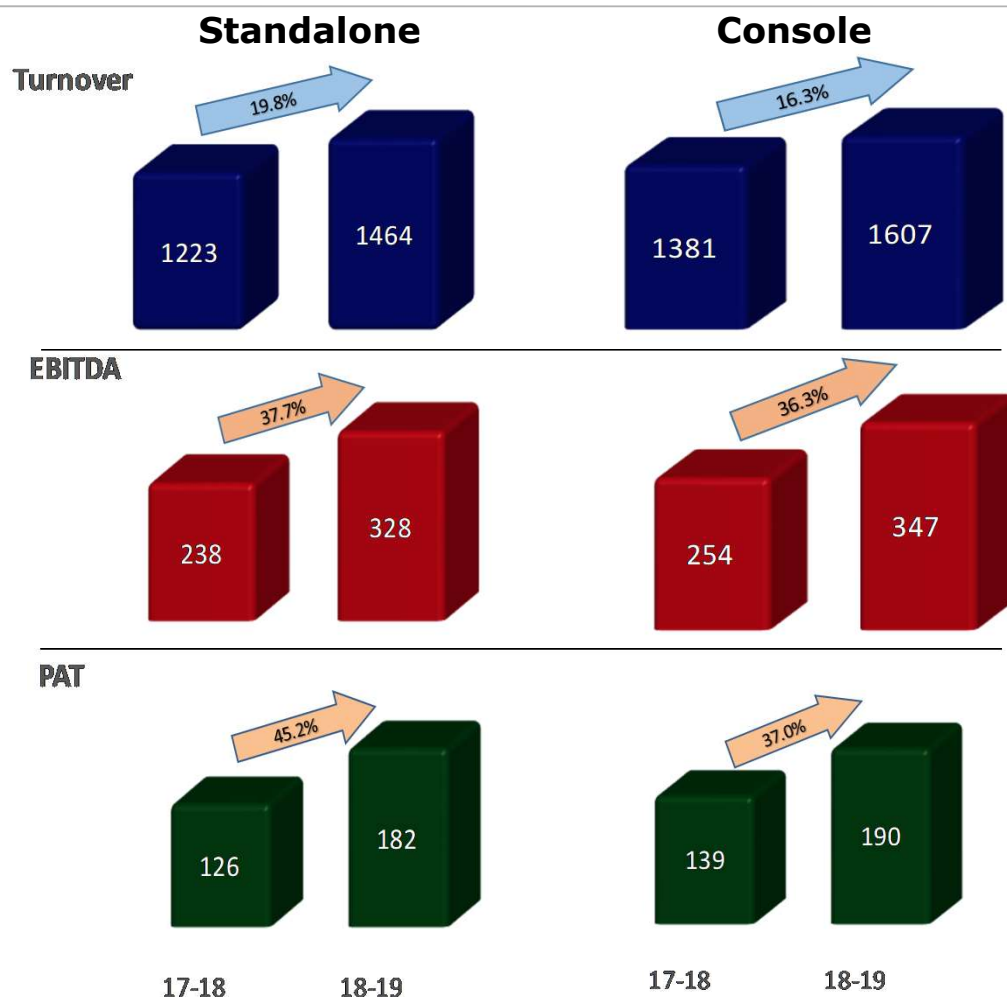
Sr. No.	Location	Dosages	Approved by
1	Panoli, G.I.D.C. Gujarat Plant TI – 10	Tablets – regular/Osmotic laser drill Capsules	USFDA TGA AUSTRALIA MCC South Africa MALTA (EU GMP) MOH – UKRAINE MOH – RUSSIA
2	Panoli, G.I.D.C. Gujarat Plant T20	Tablets Capsules	HUNGARY-EU US-FDA
3	Panoli, G.I.D.C. Gujarat Plant IV -14	Form Filled Sealed IV bottles Ointments, creams, gels	EU MALTA (for Ointment) INVIMA COLOMBIA (for Ointment) MOH – UKRAINE MOH - RUSSIA MCC-SOUTH AFRICA (for Ointment)

Company overview - Manufacturing facilities

Sr. No.	Location	Dosages	Approved by
4	Panoli, G.I.D.C. Gujarat Plant L-6	herbal/allopathic liquids	EU MALTA TGA AUSTRALIA MOH UKRAINE MOH RUSSIA
5	Panoli, G.I.D.C. Gujarat Plant IV 17	Vials Ampoules Form Filled seals IV bottles	MCC South Africa ANVISA BRAZIL MOH – UKRAINE MOH - RUSSIA
6	Panoli, G.I.D.C. Gujarat	API : Nifedipine Diclofenac	US FDA EUGMP ROMANIA CANADIAN AUTHORITY
7	Ankleshwar, G.I.D.C. Gujarat	Tablets, Capsules, Liquid	SEMI REGULATED MARKETS
8	Daman (U.T.), India	Lozenges tablets hot sips	Lozenges approved by: UK MHRA TGA Australia MCC South Africa MOH - Ukraine MOH – RUSSIA

Key Financial indicators - F. Y. 2018-19

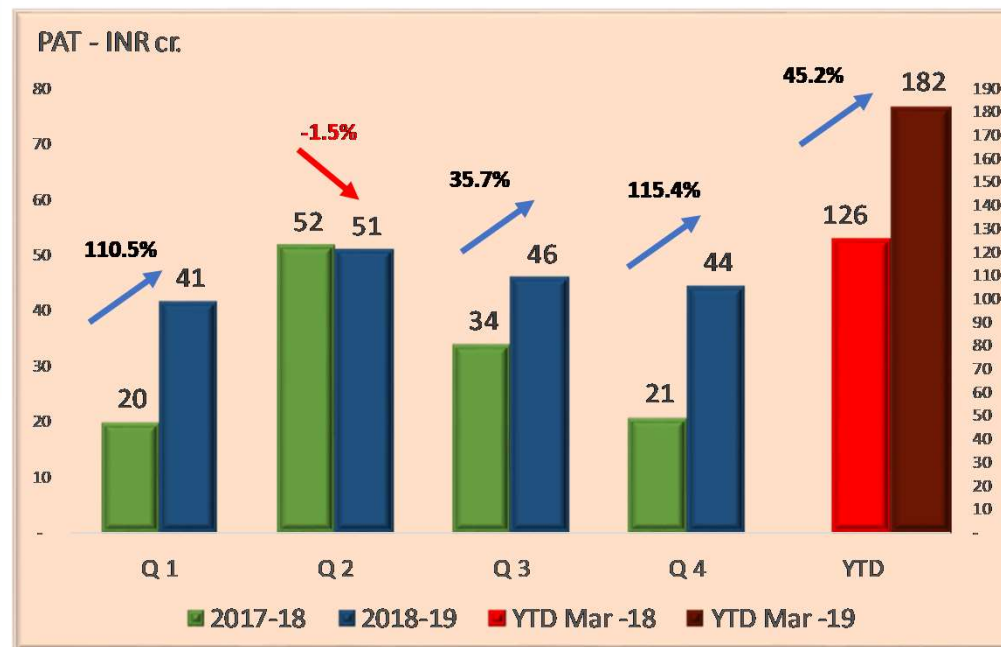
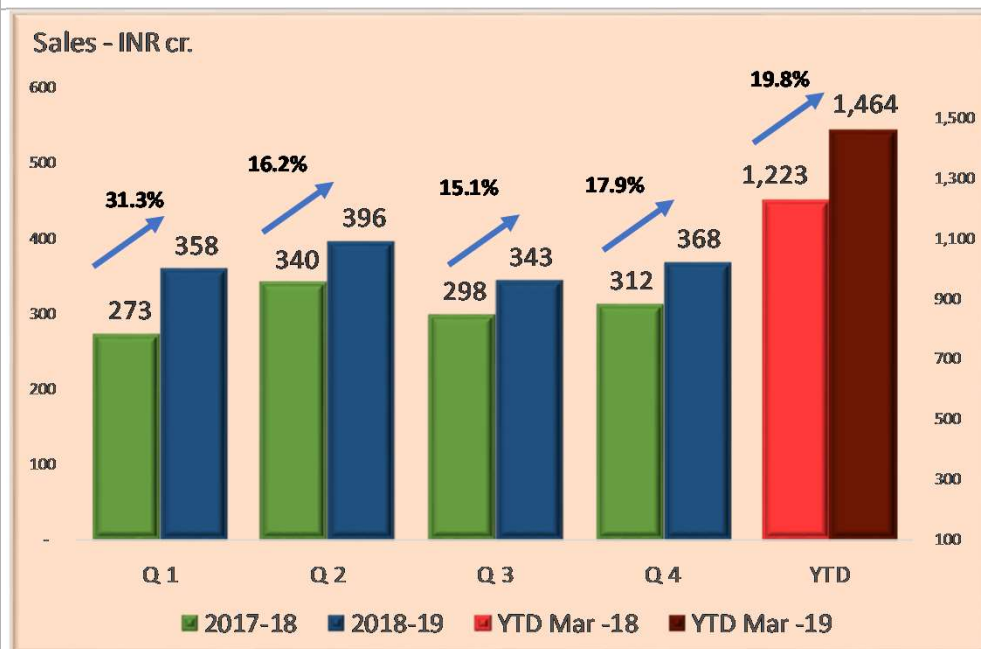
INR in cr.



- Domestic & Export business grew consistently QoQ during the F. Y.
- South Africa & Russia sub also reported turnover growth of 21% and 10% respectively.
- Better gross margin across all SBUs. Resulting in improved EBITDA
- Weak INR against USD helped improved realization and margin.
- Improved cash flow.

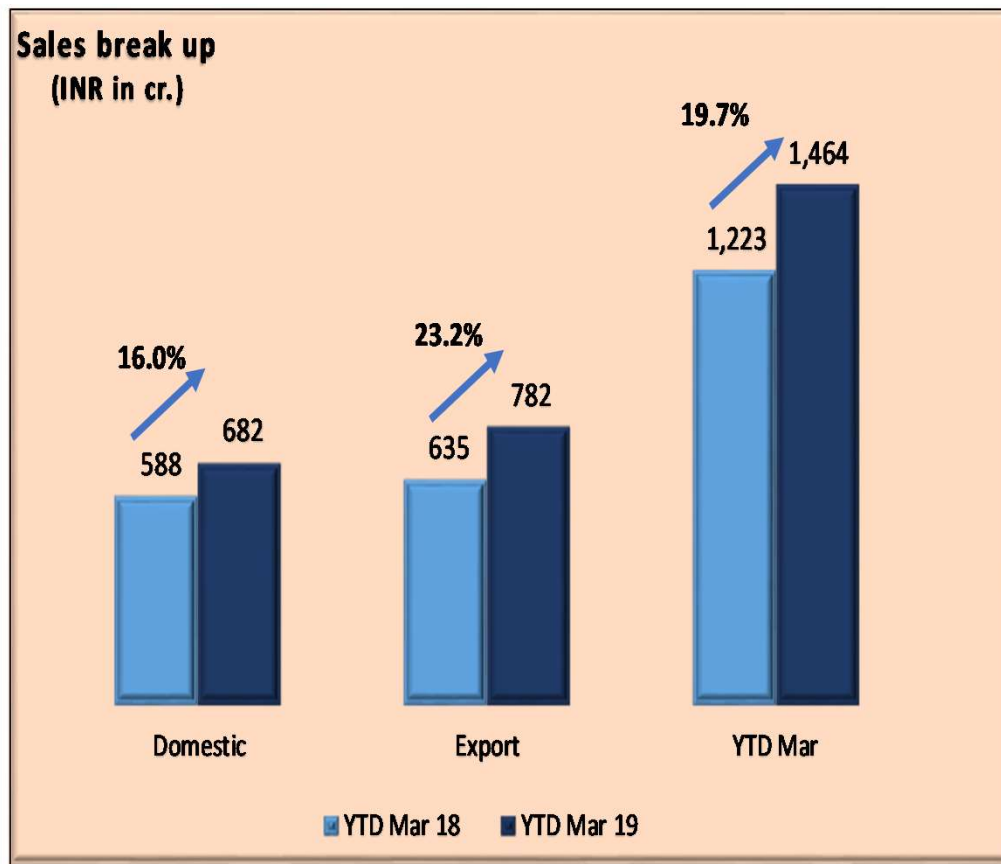
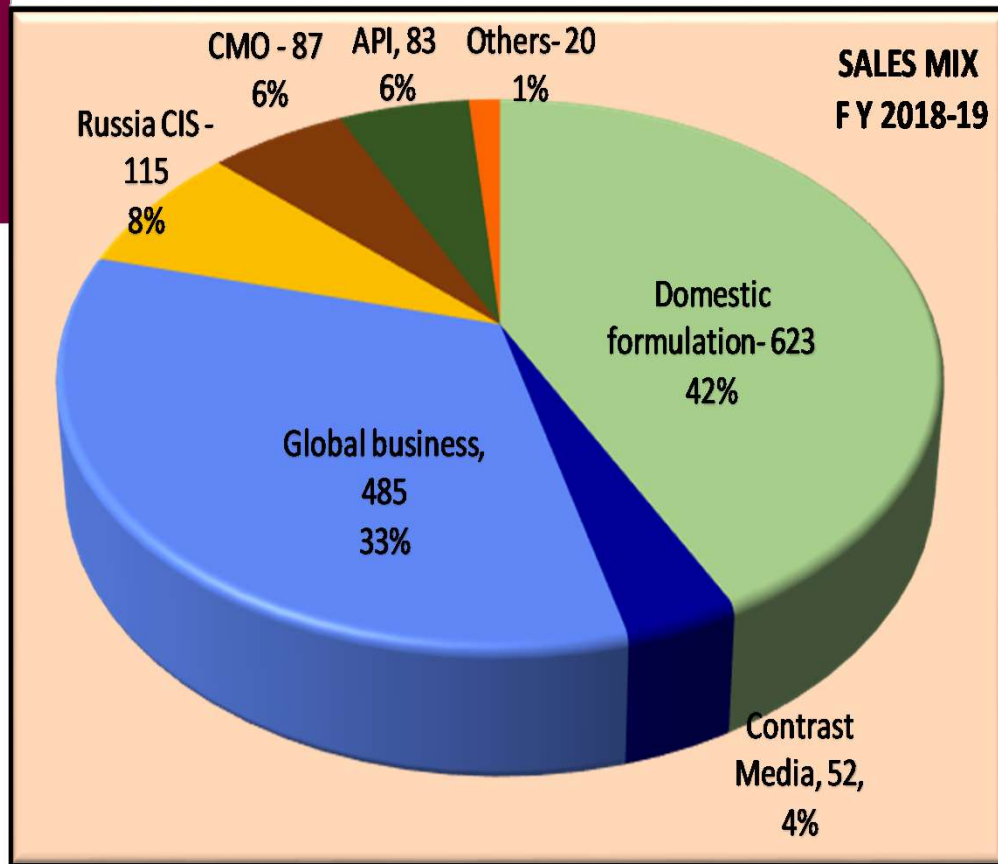
Key Financial indicators - F. Y. 2018-19

Standalone



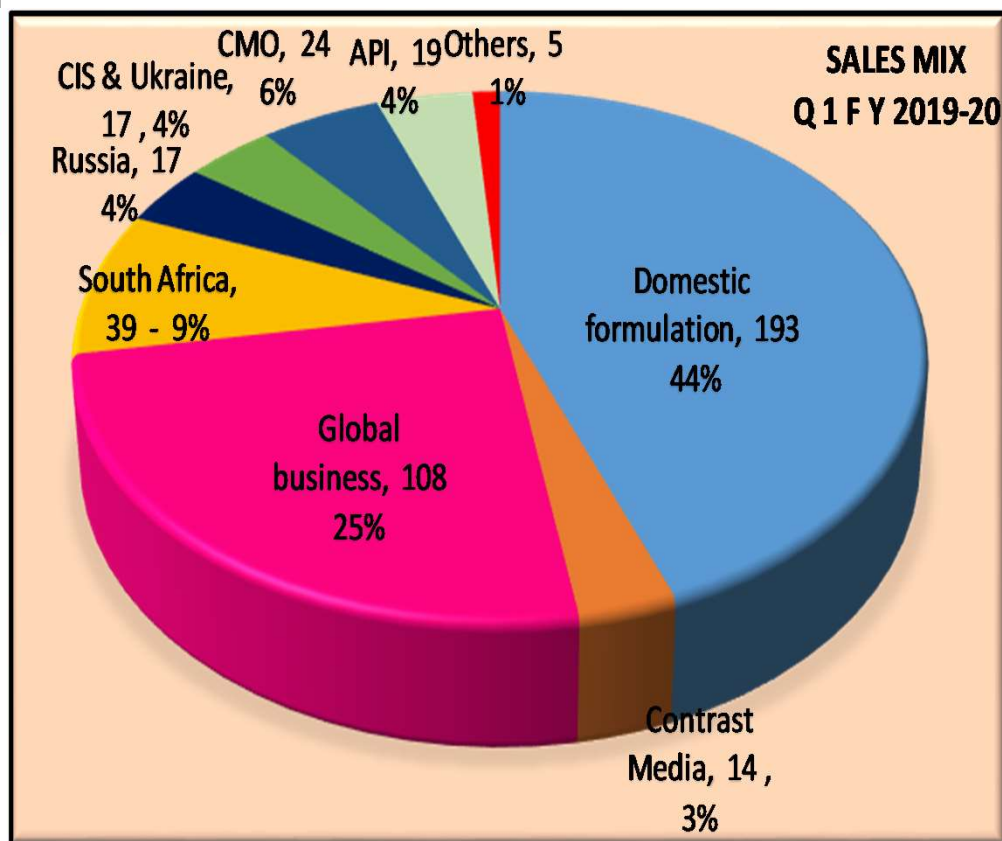
Key Financial indicators - F. Y. 2018-19

Standalone
INR in cr.

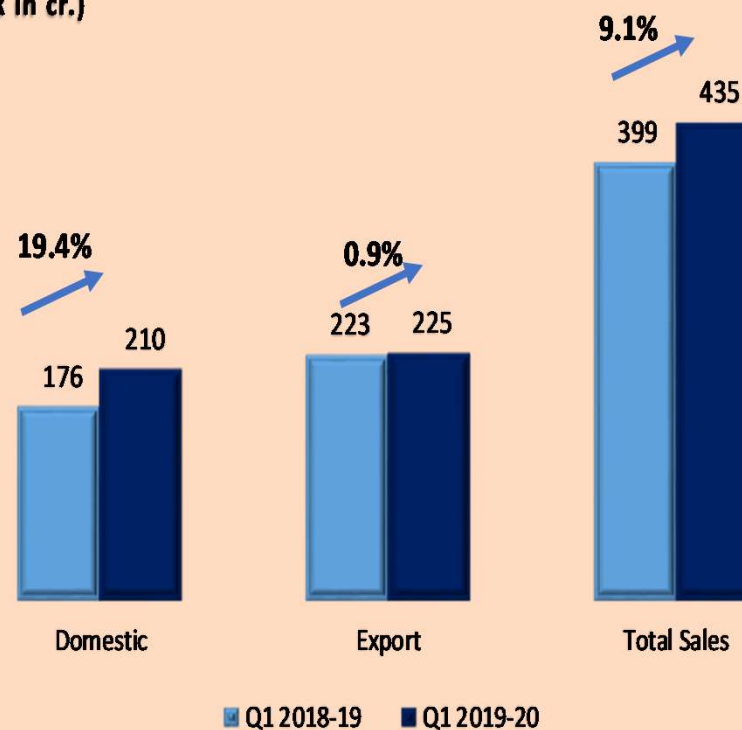


Key Financial indicators - Q1 F. Y. 2019-20

Consolidated
INR in cr.



**Sales break up
(INR in cr.)**



Key Financial indicators

Key Ratios		Standalone	Console
Sales growth	- 5 year CAGR	9.4%	9.93%
PAT growth	- 5 year CAGR	21.62%	25.83%
ROCE	- F Y 2018-19	18.14%	19.35%
Inventory days	- As on 31-03-2019	141	
Receivable days	- As on 31-03-2019	101	
Book value per share	- As on 31-03-2019	185	

Standalone Income Statement – F. Y. 2018-19

INR in cr.

PARTICULARS	Actual 2018-19	% to Sales	Actual 2017-18	% to Sales	Growth %
Sales including Excise Duty	1,464.45	100.0	1,227.81	100.4	19.3%
Less : Excise Duty		-	4.99	0.4	-100.0%
Net Sales	1,464.45	100.0	1,222.82	100.0	19.8%
Operating Income	36.74	2.5	26.40	2.2	39.2%
Total Income	1,501.19	102.5	1,249.21	102.2	20.2%
Cost Of Materials	536.36	36.6	479.67	39.2	11.8%
Gross Profit	964.83	65.9	769.54	62.9	25.4%
Employees Benefits Expenses	257.98	17.6	217.31	17.8	18.7%
Other Expenses	415.17	28.3	353.07	28.9	17.6%
Exch. Fluc. (Gain) / Loss	3.69	0.3	-3.46	(0.3)	206.7%
EBITDA (Operating)	287.99	19.7	202.62	16.6	42.1%
Finance Costs	4.12	0.3	3.41	0.3	20.6%
Depreciation	54.82	3.7	55.95	4.6	-2.0%
Profit Before Tax (Operating)	229.05	15.6	143.26	11.7	59.9%
Other Income	40.23	2.7	35.79	2.9	12.4%
Profit Before Tax	269.28	18.4	179.04	14.6	50.4%
Prov -taxation (Net)	87.22	6.0	51.04	4.2	70.9%
Profit After Taxation	182.06	12.4	128.00	10.5	42.2%
Other Comprehensive Income	0.29	0.0	-2.42	(0.2)	112.1%
Total Comprehensive Income After Tax	182.35	12.5	125.59	10.3	45.2%

J. B. Chemicals & Pharmaceuticals Ltd.



Console Income Statement – F. Y. 2018-19

INR in cr.

PARTICULARS	Actual 2018-19	% to Sales	Actual 2017-18	% to Sales	Growth %
Sales including Excise Duty	1,606.75	100.0	1,386.0	100.4	15.9%
Less : Excise Duty	-	-	5.0	0.4	-100.0%
Net Sales	1,606.8	100.0	1,381.0	100.0	16.3%
Operating Income	36.4	2.3	27.0	2.0	35.0%
Total Income	1,643.2	102.3	1,408.0	102.0	16.7%
Cost Of Materials	596.5	37.1	537.8	38.9	10.9%
Gross Profit	1,046.7	65.1	870.2	63.0	20.3%
Employees Benefits Expenses	288.2	17.9	251.1	18.2	14.8%
Other Expenses	444.5	27.7	403.0	29.2	10.3%
Exch. Fluc. (Gain) / Loss	8.7	0.5	(1.2)	(0.1)	812.0%
EBITDA (Operating)	305.4	19.0	217.3	15.7	40.5%
Finance Costs	4.2	0.3	3.5	0.3	20.2%
Depreciation	55.6	3.5	57.0	4.1	-2.3%
Profit Before Tax (Operating)	245.6	15.3	156.8	11.4	56.6%
Other Income	41.4	2.6	37.1	2.7	11.7%
Profit Before Tax	287.0	17.9	194.0	14.0	48.0%
Prov -taxation (Net)	93.0	5.8	55.2	4.0	68.4%
Profit After Taxation	194.0	12.1	138.7	10.0	39.8%
Other Comprehensive Income	(4.2)	(0.3)	(0.2)	(0.0)	2221.1%
Total Comprehensive Income After Tax	189.8	11.8	138.5	10.0	37.0%

J. B. Chemicals & Pharmaceuticals Ltd.



Consolidated Income Statement – Qtr. 1 - F. Y. 2019-20

INR in cr.

PARTICULARS	Actual 2019-20	% to Sales	Actual 2018-19	% to Sales	Growth %
Net Sales	435.1	100.0	398.8	100.0	9.1%
Operating Income	11.0	2.5	8.2	2.0	35.0%
Total Income	446.1	102.5	406.9	102.0	9.6%
Cost Of Materials	166.7	38.3	146.6	36.8	13.8%
Gross Profit	279.4	64.2	260.3	65.3	7.3%
Employees Benefits Expenses	78.1	17.9	67.5	16.9	15.7%
Other Expenses	105.4	24.2	108.9	27.3	-3.3%
Exch. Fluc. (Gain) / Loss	(0.1)	(0.0)	3.1	0.8	102.2%
EBITDA (Operating)	96.0	22.1	80.8	20.3	18.8%
Finance Costs	0.8	0.2	1.3	0.3	-37.2%
Depreciation	15.8	3.6	14.7	3.7	7.5%
Profit Before Tax (Operating)	79.4	18.2	64.9	16.3	22.4%
Other Income	12.6	2.9	1.4	0.4	790.3%
Profit Before Tax	92.0	21.1	66.3	16.6	38.8%
Prov -taxation (Net)	29.9	6.9	20.5	5.1	45.6%
Profit After Taxation	62.1	14.3	45.8	11.5	35.7%
Other Comprehensive Income	1.9	0.4	(2.7)	(0.7)	-170.7%
Total Comprehensive Income After Tax	64.0	14.7	43.0	10.8	48.7%

J. B. Chemicals & Pharmaceuticals Ltd.

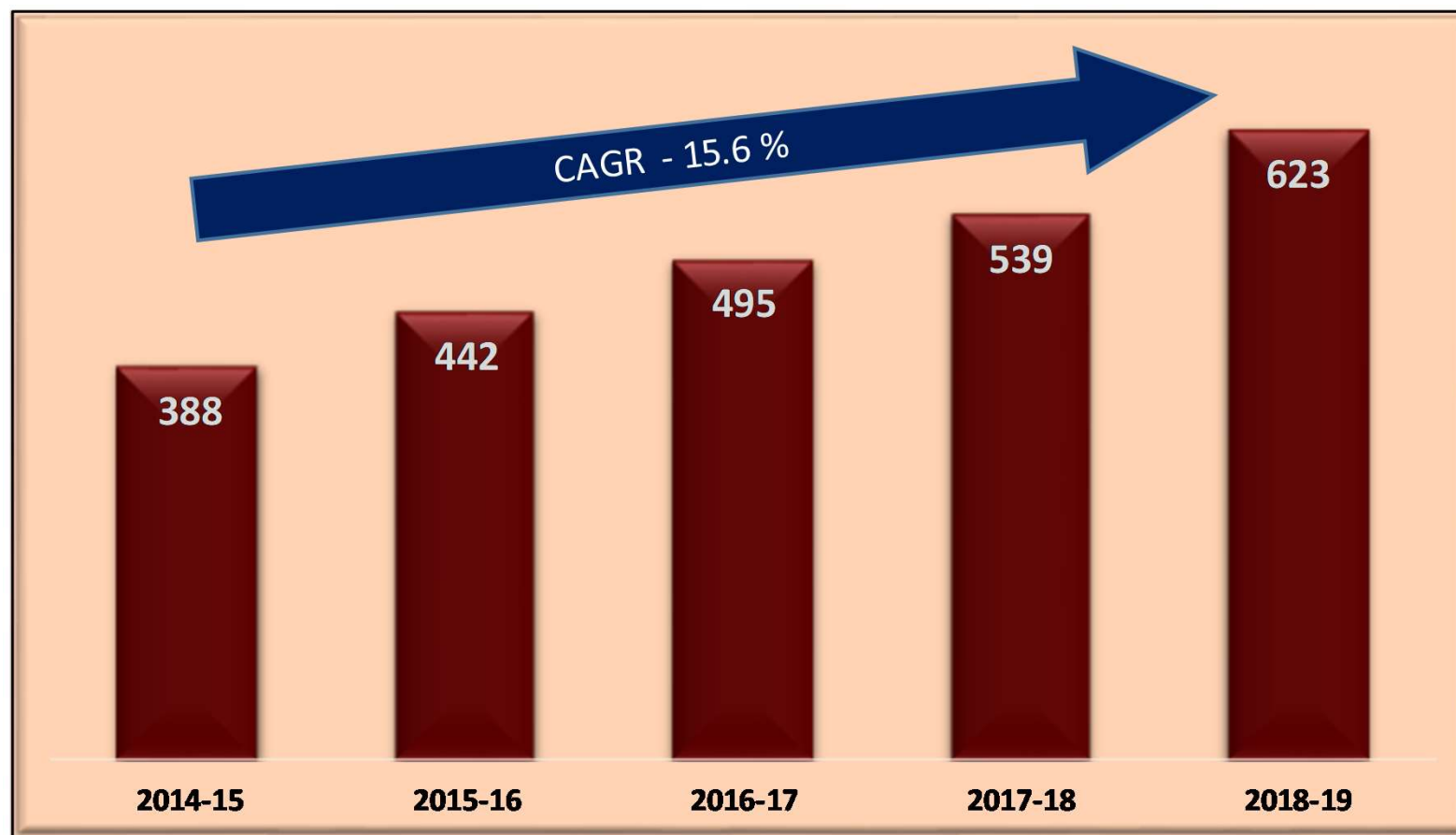


Business Overview

Domestic formulation

Business Overview - Domestic formulation

INR in Cr.



J. B. Chemicals & Pharmaceuticals Ltd.



Business Overview - Domestic formulations

- ❖ Strong brand positioning with good mix of Chronic and Acute products
- ❖ Strategic focus on strengthening therapeutic segment by increasing field force.
- ❖ Cilacar brand showing strong growth
- ❖ 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.
- ❖ Good strength and presence in AI/GI/Cardio/NSAIDs
- ❖ 4 brands in top 300 IPM product list + Segment leadership

Business Overview - Domestic formulations

Domestic Divisions

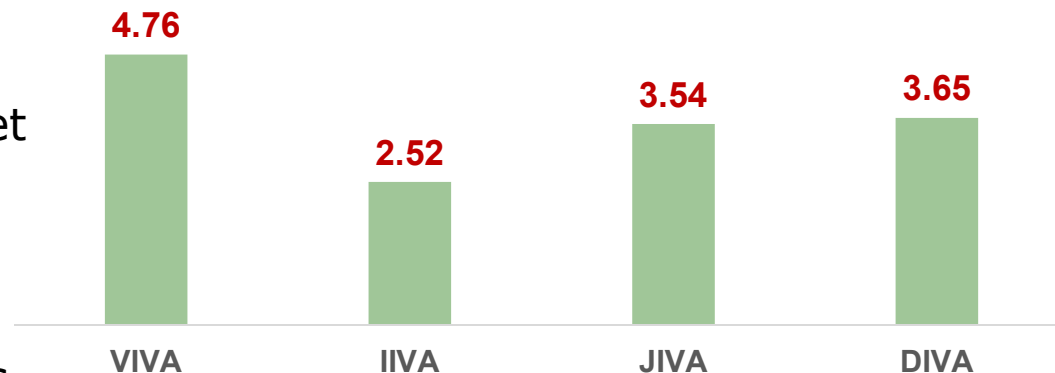
FIELD FORCE	714	595	278	600
				
	Cardio, Nephro, Ortho, Pedia, Surg, Gyn, CP etc	Cardio, Nephro, CP etc	Cardio, Nephro, CP etc	Surg, CP, Derma, GP, etc

Business Overview - Domestic formulations

Our strengths in India business

- ❖ #34 (IQVIA) & #19 in Rxns
- ❖ 20% + growth registered in IPM data set
- ❖ 4 brands in to 300 IPM brands
- ❖ Rantac #10th largest IPM brand by Units
- ❖ #17th in cardiac, #15th in GI & #1st in Anti-parasitic markets

**All India Avg pdvt - 3.76 Lakh
(Internal sales)**

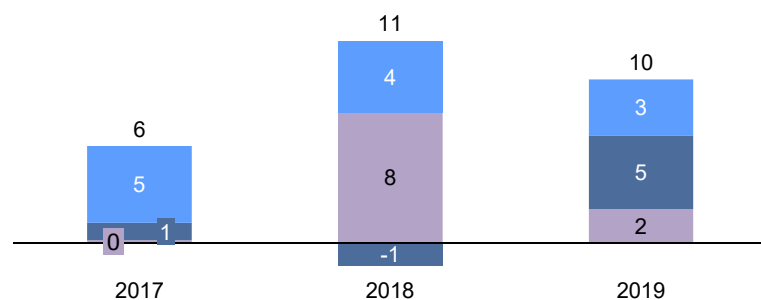
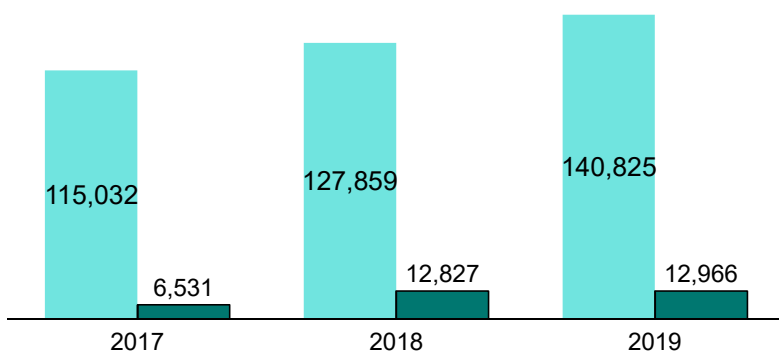


Business Overview - Domestic formulations

Industry and JBCPL: JBCPL Moved to Rs 857 Crs MAT from Rs 624 in 2017 with 20% growth (10% volume growth)

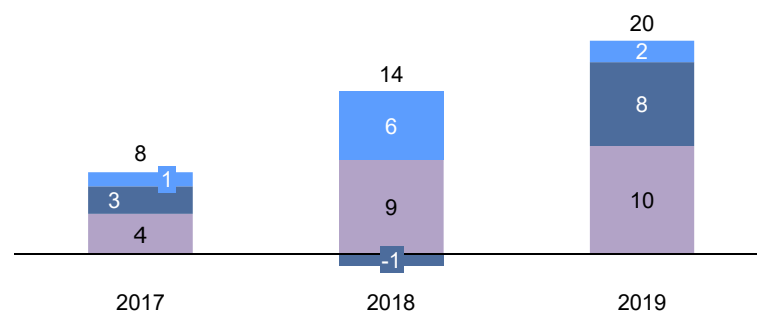
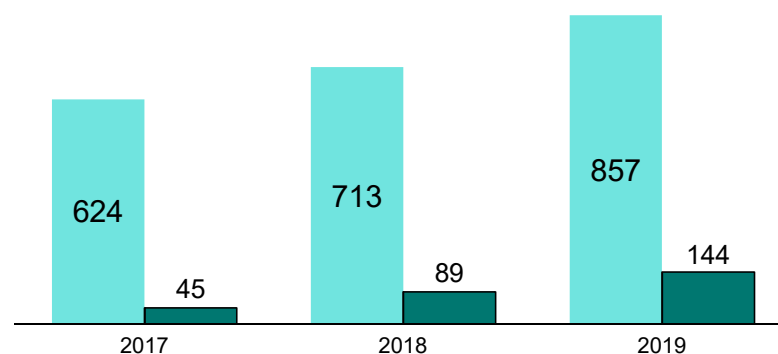
INDIAN PHARMA MARKET

IPM Sales Trend



JB CHEMICALS

JBCPL Sales Trend



■ MAT VAL (crs)
 ■ Incr Val
 ■ N.I Gwth
 ■ Price Gwth
 ■ Vol.Gwth

Source: IQVIA TSA JUL '19

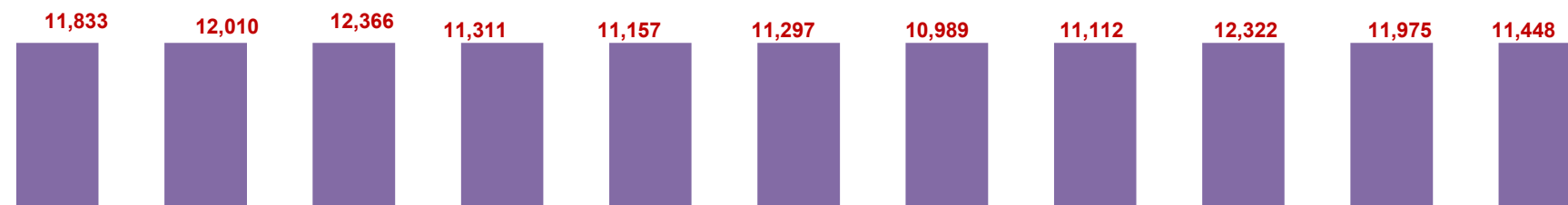
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Business Overview - Domestic formulations

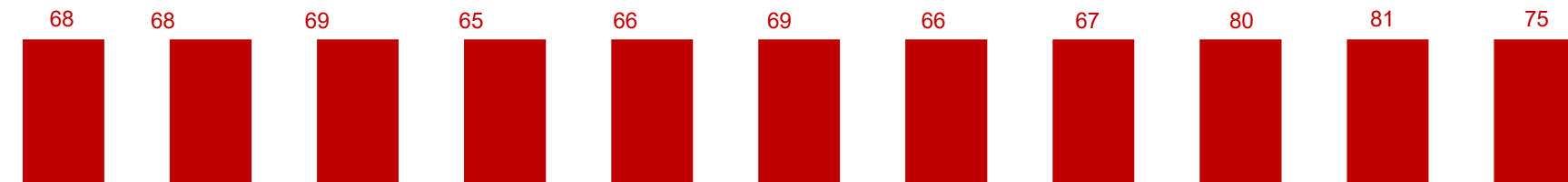
Month on Month – IPM trend in relation to JBCPL

IPM Value – Month on Month trend



AUG'18	SEP'18	OCT'18	NOV'18	DEC'18	JAN'19	FEB'19	MAR'19	APR'19	MAY'19	JUN'19
7%	12%	15%	6%	9%	8%	9%	7%	14%	9%	9%

JB CHEM Value – Month on Month trend

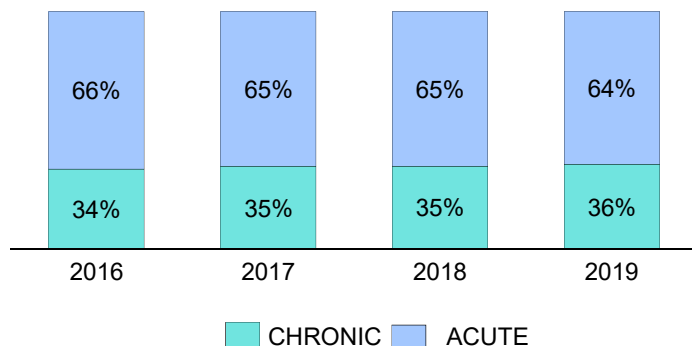


AUG'18	SEP'18	OCT'18	NOV'18	DEC'18	JAN'19	FEB'19	MAR'19	APR'19	MAY'19	JUN'19
9%	17%	24%	19%	21%	18%	17%	16%	27%	25%	21%

Business Overview - Domestic formulations

Increase in chronic therapy basket was by design strategy to enhance the presence in Anti Hypertensive market

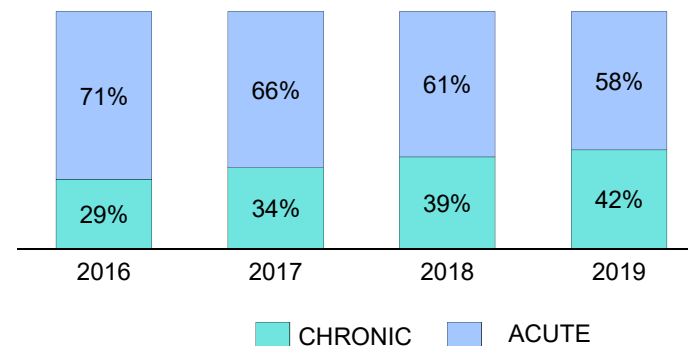
% Sales Contribution of Chronic to Total IPM



IPM CHRONIC - ACUTE THERAPY SPLIT

	CHRONIC		ACUTE	
	VAL	GR	VAL	GR
MAT JUL'17	39927.8	9.3	75104.0	4.3
MAT JUL'18	44580.5	11.7	83278.2	10.9
MAT JUL'19	50064.0	12.3	90760.5	9.0

% Sales Contribution of Chronic to JB CHEM



JB CHEM CHRONIC - ACUTE THERAPY SPLIT

	CHRONIC		ACUTE	
	VAL	GR	VAL	GR
MAT JUL'17	213.4	26.2	410.6	0.1
MAT JUL'18	276.0	29.3	437.2	6.5
MAT JUL'19	357.6	29.6	499.5	14.3

J. B. Chemicals & Pharmaceuticals Ltd.



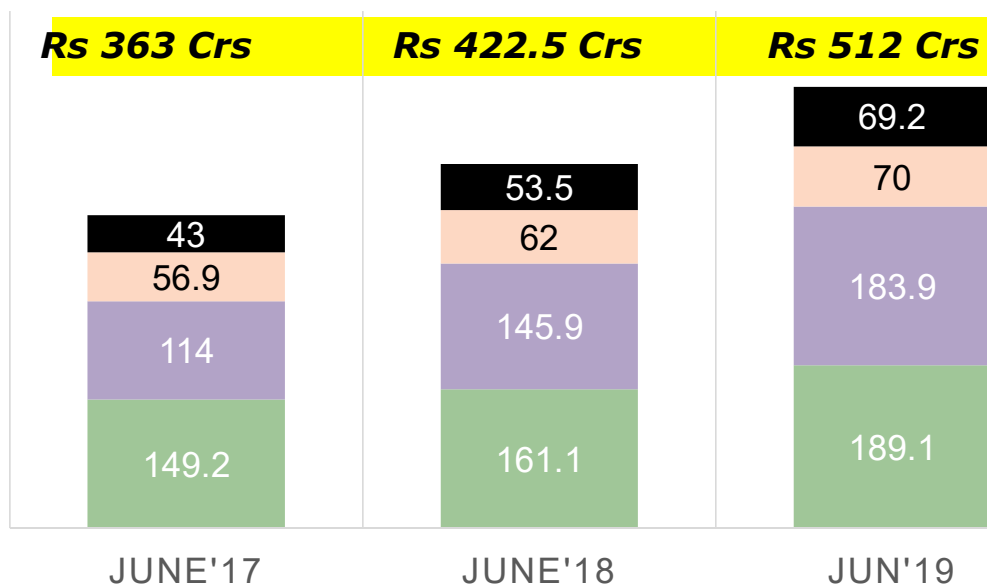
Business Overview - Domestic formulations

IQVIA Highlights

PILLAR BRANDS'

CONTRIBUTION TREND - 3 MAT PERIOD
IQVIA - CRORES (JUNE MAT)

■ Rantac ■ Cilacar ■ Metrogyl ■ Nicardia



IPM - RANKS	
Rank	BRAND
56	RANTAC
59	CILACAR
241	METROGYL
293	NICARDIA



Business Overview

Export Business



Business Overview - Global markets

❖ USA :

- ❑ 14 ANDA approved – Major selling products Glipizide, Oxybutynin, Cetirizine, Diclofenac Sodium, Ciprofloxacin
- ❑ Pending approval 4
- ❑ Submit 2- 3 ANDA per year.

❖ Contract Manufacturing :

Presently doing business with 5-6 MNC clients in Tablet and Lozenges

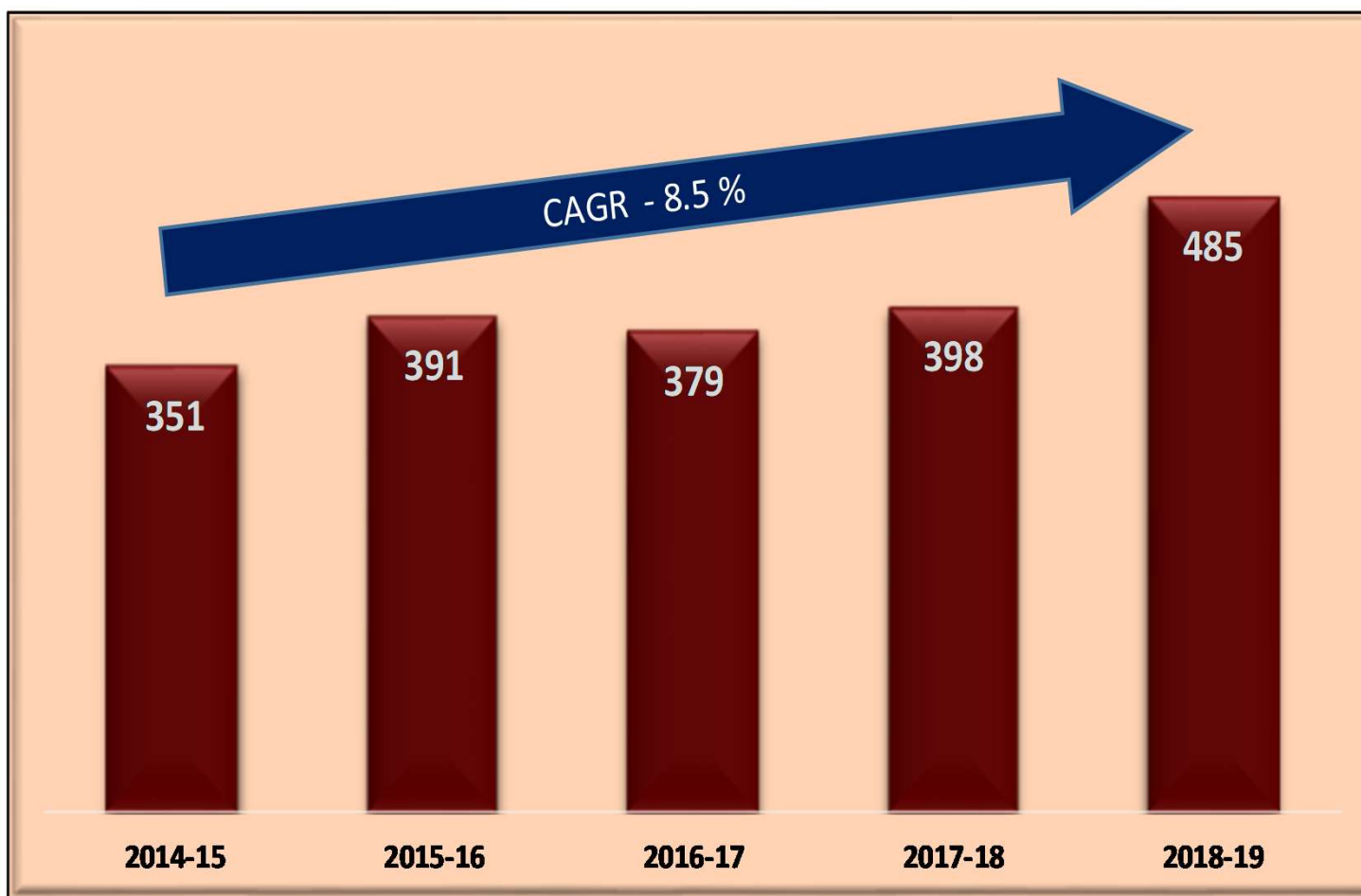
❖ Branded Generics :

Focus on S E Asia, Africa, ME Gulf and Latin America markets.

Key brands established in branded generic business are Zecuf, Metrogyl, Dicloran, Nicardia and contrast media.

Business Overview - Global markets

Standalone
INR in Cr.



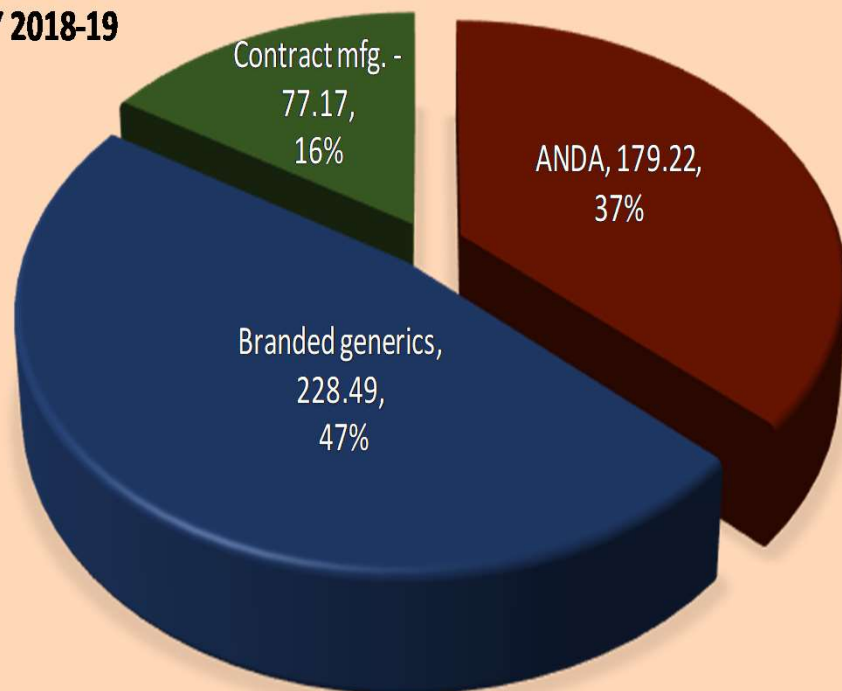
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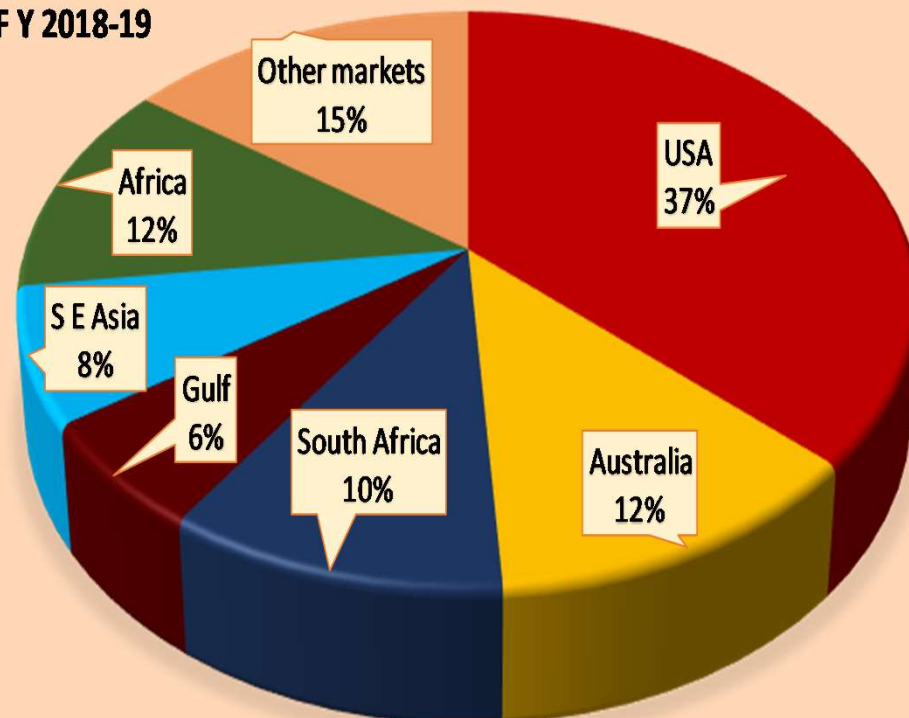
Business Overview - Global markets

Stand alone
INR in cr.

SALES MIX
F Y 2018-19



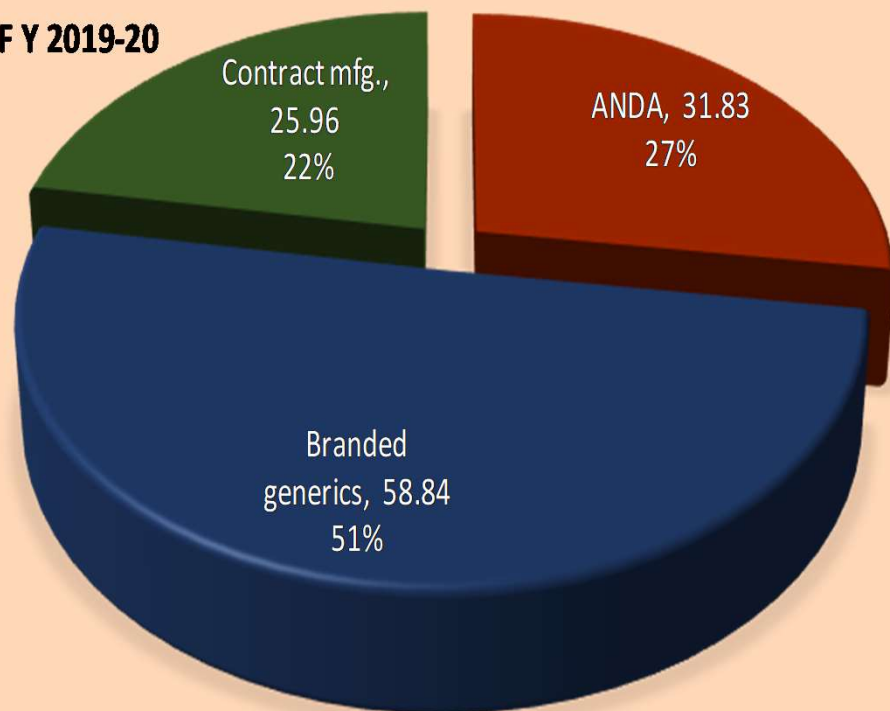
COUNTRY MIX
F Y 2018-19



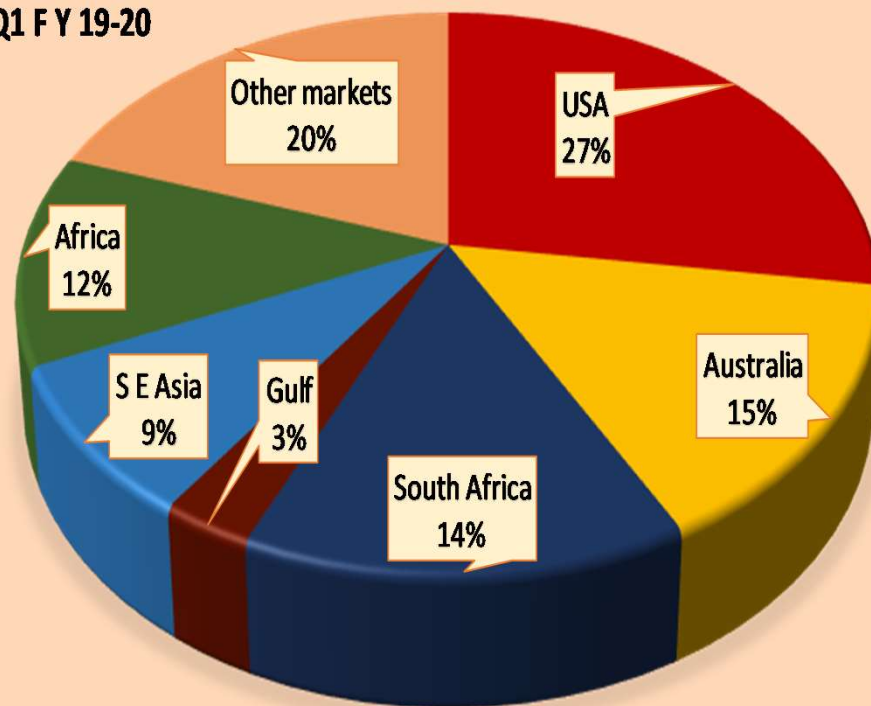
Business Overview - Global markets

Stand alone
INR in cr.

SALES MIX
Q1 F Y 2019-20



COUNTRY MIX
Q1 F Y 19-20



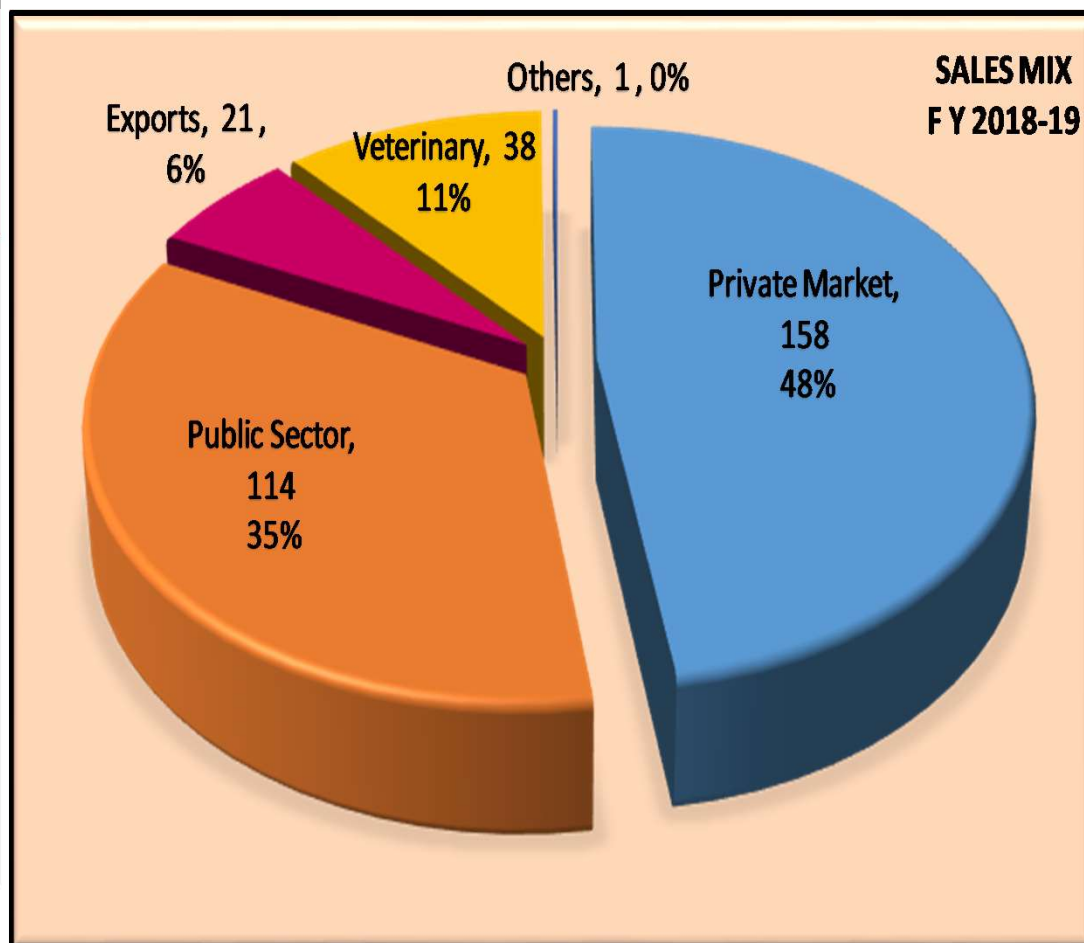
Business Overview - South Africa

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 SADC 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 - South Africa

South Africa Sub. - Standalone
Amount in in ZAR in Mili.



Markets	FY 18-19	FY 17-18	Growth %
Private Market	158	116	36%
Public Sector	114	100	15%
Exports	21	20	3%
Veterinary	38	38	0%
Others	1	1	-33%
Total ZAR	332	275	21%

Business Overview - Russia & CIS market

Market	Currency	2018-19	2017-18	Growth %
Russia - Local	RUB	626.47	566.21	10.6%
CIS Ukraine	USD	8.88	6.22	42.7%

- ❖ 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.
five products are under registration and plan to submit 2 - 3 products in coming F.Y.
- ❖ Major focus on key therapeutic segments are Derma, Cough & Cold, Gastro & Contrast (Imaging)

Business Overview - API

API:

- ❖ API business mainly focused on exports to few big global customers.
- ❖ Sales remained subdued in past two years due to pending regulatory registration process at customer end in view of restructuring of their business - Expects to get the process completion by end of F Y 20.
- ❖ Act as a strategic backward integration for certain formulation exports of global market business.

Thank You

