



GOOD PEOPLE
for GOOD HEALTH

JB Pharma – Q3 and 9M FY24

Investor Presentation

February 6, 2024



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GOOD PEOPLE
for GOOD HEALTH

JB PHARMA

Dosage forms

OROS

OROS

Synergistic acquisitions

Peak productivity

Domestic outperformer

GI leader

Consistency of delivery

Strong FCF

ESG benchmarked

Cardiac leader

ESG benchmarked

Global regulatory approvals

Medicated/Herbal lozenges

Leadership

Key therapies

Pillar Brands

Specialty probiotics leader

State of the art facilities

Leadership

Pillar Brands

OROS

Market-beating

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Realigned GTM

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Focused markets
RU, CIS, & SA

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47

Years of operations with consistent track record across multiple businesses

5

Brands among top 300 brands (IQVIA MAT Dec'23 data), contributing over 50% of domestic formulations revenues

40+

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

Top 5

Global manufacturer of medicated/herbal lozenges representing a substantial opportunity

26%

Growth in chronic therapies* in the domestic formulations business

2500+

Strong India field force# with therapy-focused segmentation

8

Multi-dosage formulation plants with key global approvals/compliances

21%

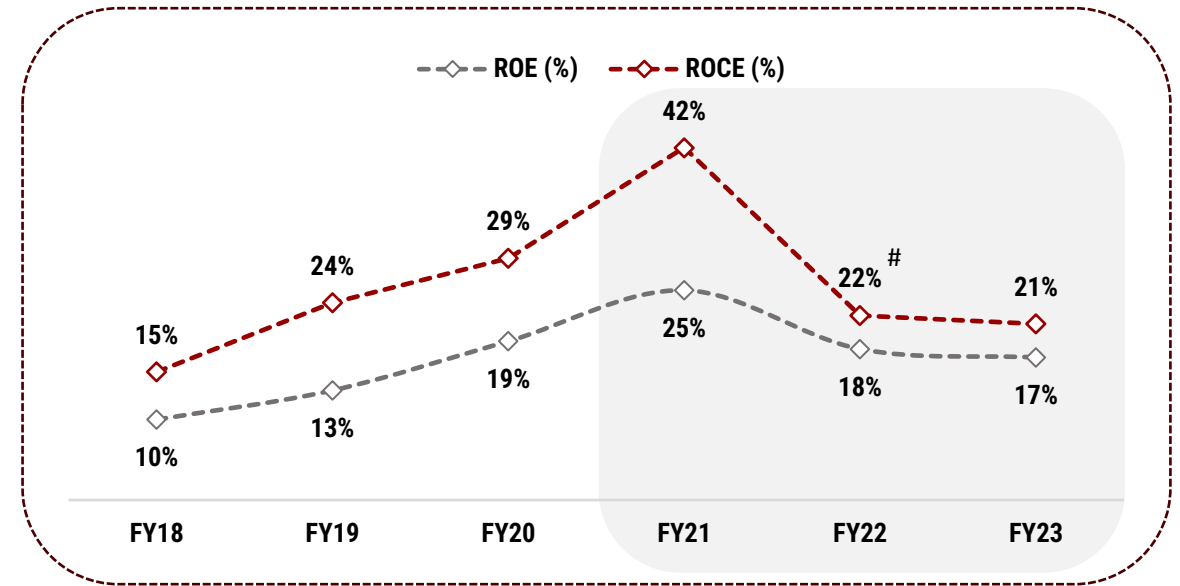
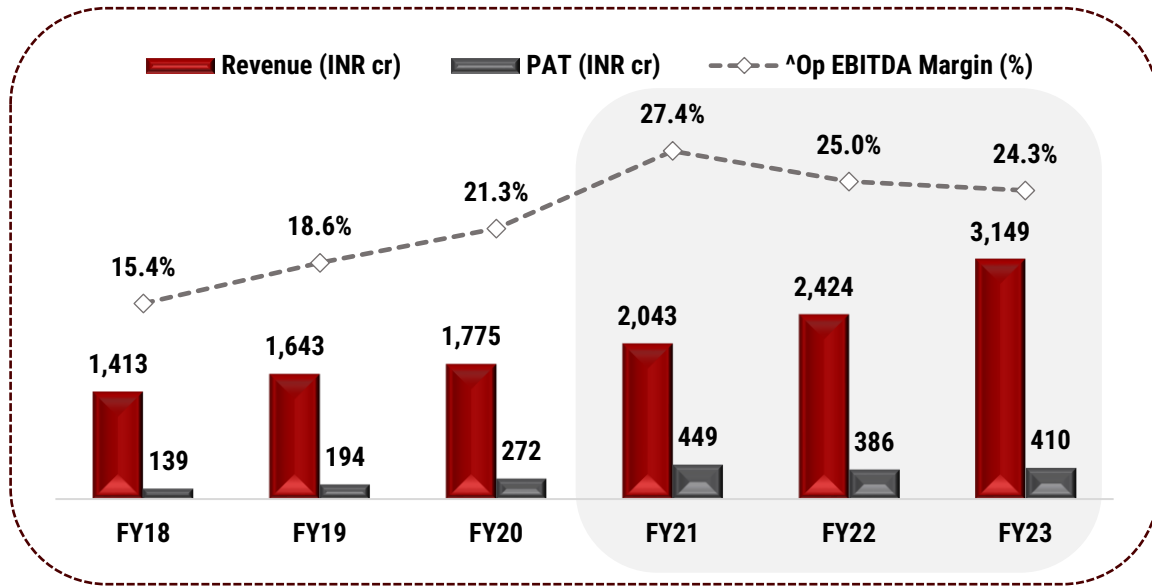
Strong ROCE** with consistent cash flow generation

* CAGR over FY21-FY23 (IQVIA MAT March Nos)

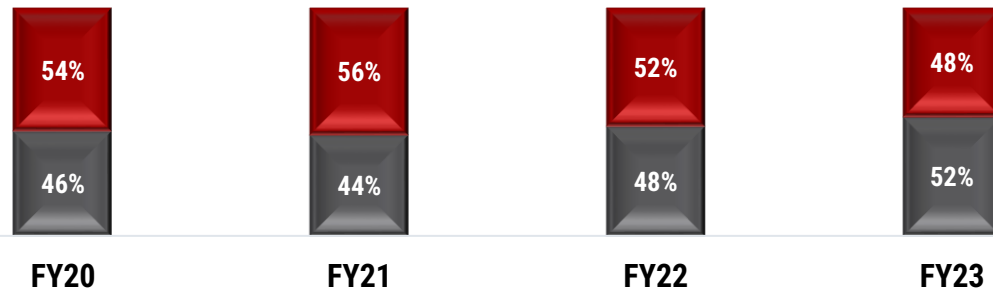
#Includes MR and Supervisors

** ROCE for FY23 - $ROCE = \frac{EBIT}{(Net\ Worth + Net\ Debt - Mutual\ Fund\ Investments)}$

Corporate Snapshot – Financial Overview

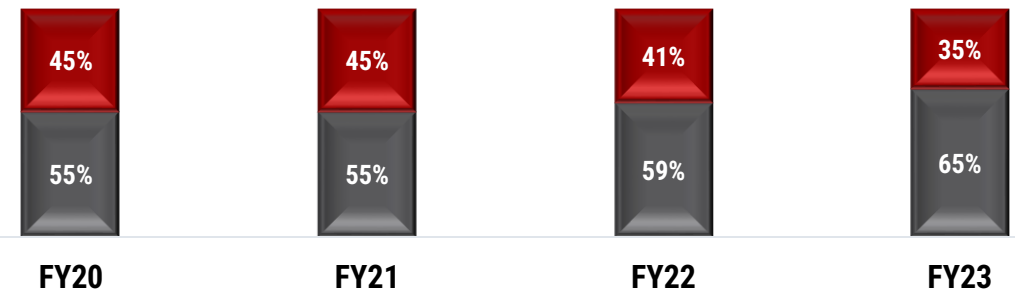


Increasing Share of the Domestic Revenue



■ Domestic Formulations ■ International Business*

Increasing Share of the Domestic Formulations + CDMO** in the total business



■ Domestic Formulations + CDMO ■ International Business*

*International business = International Formulations + CDMO + API

^Operating EBITDA is after excluding non-cash ESOP Charge

ROCE impacted due to investments in acquisition

** CDMO=Contract Development and Manufacturing operations

World Class Manufacturing Facilities



8

State of the Art
manufacturing
facilities

40+

Global
Regulatory
Accreditations

10

Dosage forms
produced



Tablets



Capsules



Liquids



IV Infusions



Ampules



Vials



Ointments



Cold Rubs



Lozenges



Sips





Q3 and 9M FY24 Business Performance



Nikhil Chopra,
CEO & Whole Time Director

Views on Q3 and 9M FY24
business performance

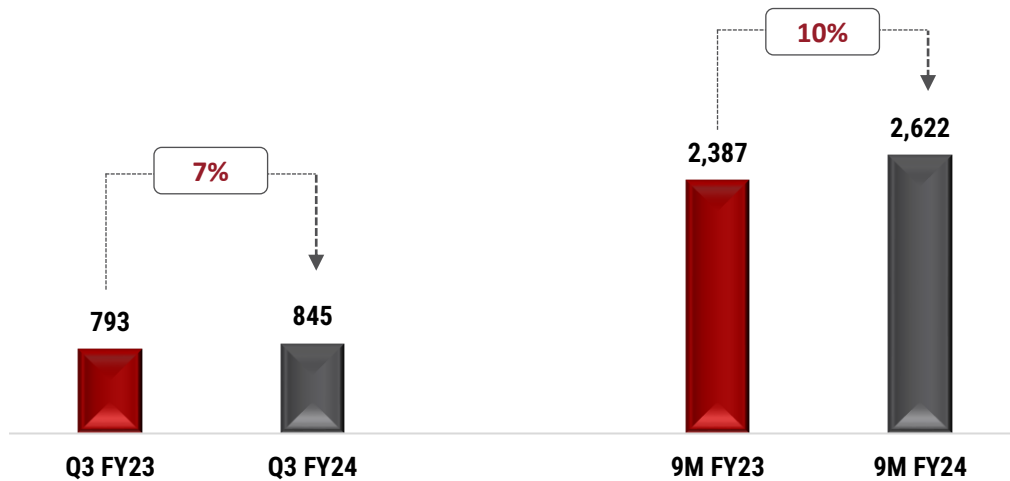
Our focus on growing the domestic business ahead of the market continues, as reflected in the Q3 performance. The business once again stands out in this quarter. For CY 2023, we are the fastest growing company within IPM amongst the top 25 pharma companies. We are excited about our recent Ophthalmology foray which has brought some of the biggest brands in that area into the JB family. The ophthalmology segment holds great promise as we expect this market to grow in mid-teens and consistently outperform IPM growth.

In the international division, the formulations business is stable. Our order book for the CDMO business is looking good for forthcoming quarters. Our approach to developing progressive portfolios is on track, resulting in a positive impact for the exports branded generics business.”

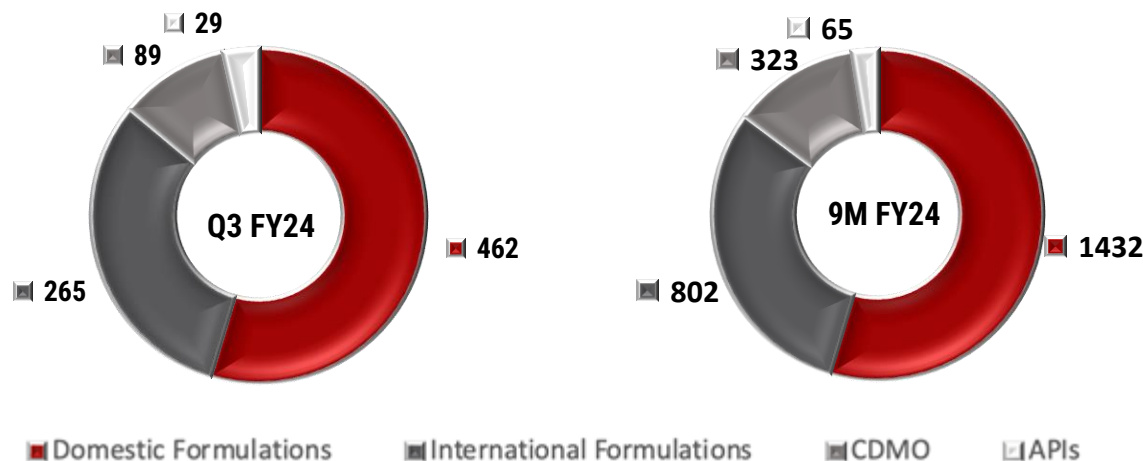
Results Overview: Q3 and 9M FY24



Revenues (INR crores)



- JB Pharma registered revenue of INR 845 crores in Q3 FY24 (YoY growth of 7%) and INR 2622 crores in 9M FY24 (YoY growth of 10%)
 - Overall revenue growth impacted by strategic choices made in international business especially South Africa
 - Excluding South Africa business, revenue grew by 10% in Q3 FY24 and 14% in 9M FY24
- Domestic formulations business continued its momentum recording growth of 14% in Q3 FY24 as well as in 9M FY24
 - Our chronic portfolio continues to outpace market growth led by key brands
- In Q3 FY24, International business revenue declined by 1% to INR 383 crores due to the South Africa business
 - In 9M FY24, International business revenue was at INR 1190 crores (YoY growth of 6%)
 - Excluding South Africa business, International business revenue registered YoY growth of 4% in Q3 FY24 and 13% in 9M FY24



EBITDA Analysis



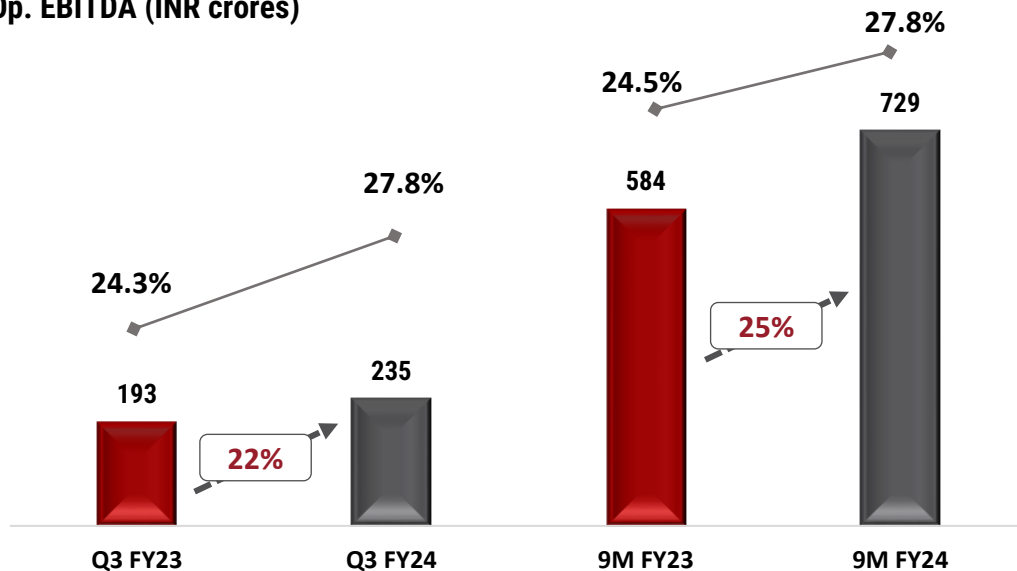
| INR crores | Q3 FY24 | Q3 FY23 | 9M FY24 | 9M FY23 | |
|--|--------------|--------------|--------------|--------------|---------------------------------------|
| Revenue | 845 | 793 | 2622 | 2387 | |
| Reported EBITDA | 223 | 175 | 699 | 532 | |
| Non Cash ESOP Charge | 12 | 18 | 30 | 52 | Included in Employee Benefits expense |
| ^Operating EBITDA (excluding ESOP charge) | 235 | 193 | 729 | 584 | |
| Operating EBITDA margins | 27.8% | 24.3% | 27.8% | 24.5% | |

[^]Operating EBITDA is after excluding non-cash ESOP Charge

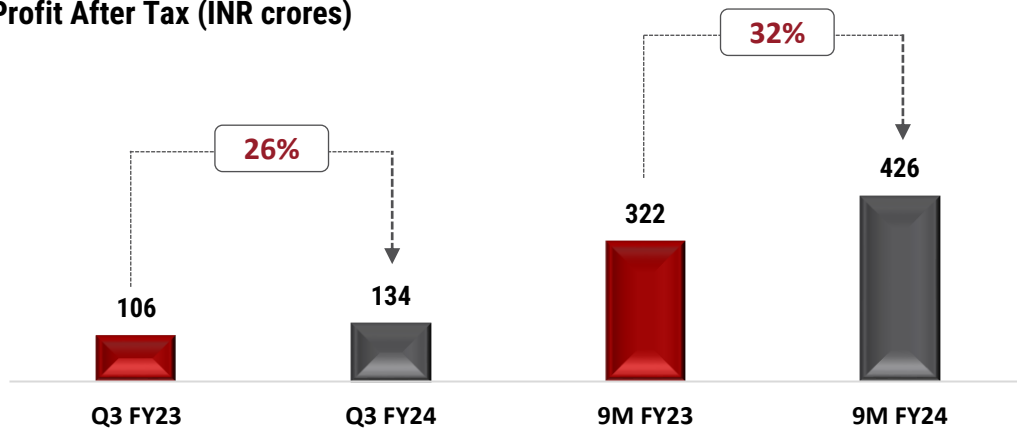
Financial Overview Q3 and 9M FY24



Op. EBITDA (INR crores)



Profit After Tax (INR crores)

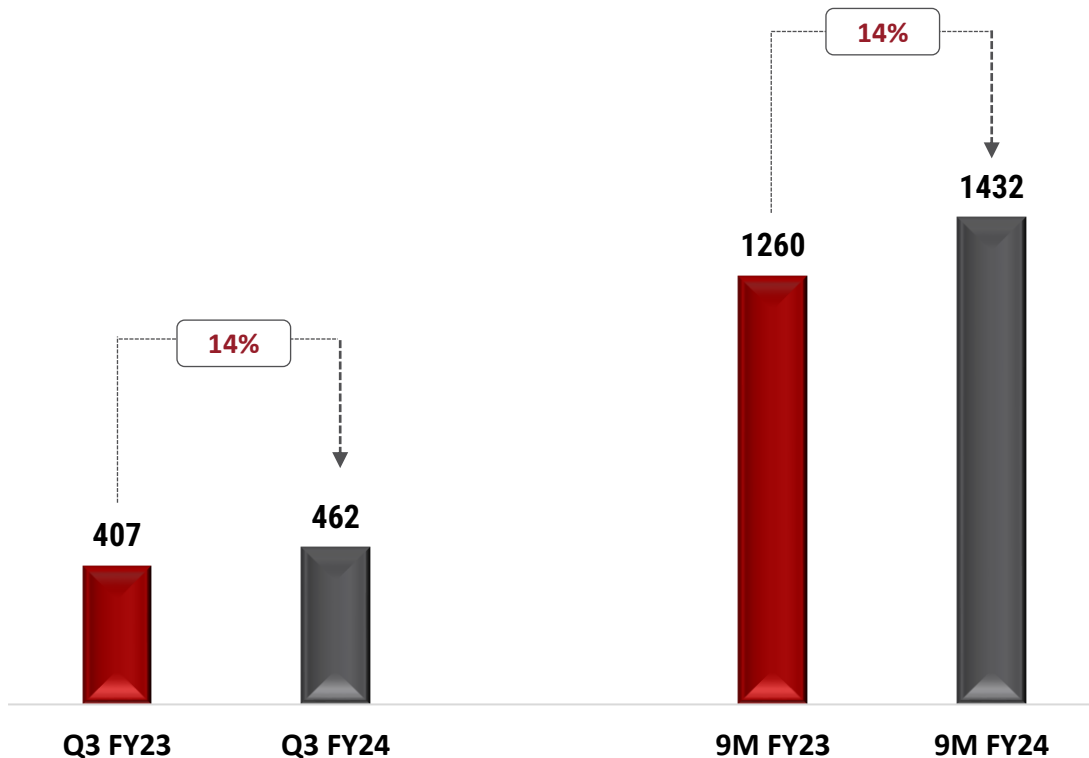


- Operating EBITDA was INR 235 crores in Q3 FY24 (YoY growth of 22%) and INR 729 crores in 9M FY24 (YoY growth of 25%)
 - Operating EBITDA margin was 27.8% in Q3 FY24 (YoY improvement of 350 bps) and 27.8% in 9M FY24 (YoY improvement of 330 bps)
- Gross Margin was 67.6% in Q3 FY24 (YoY improvement of 530 bps) and 66.4% in 9M FY24 (YoY improvement of 380 bps)
 - Improvement in gross margins is primarily due to cost optimization and favorable product mix
- Depreciation increased by 21% to INR 34 crores in Q3 FY24 on account of acquired brands
- ESOP expenses were INR 12 crores in Q3 FY24 as compared to INR 7 crores in Q2 FY24
- Other expenses increased by 8% in Q3 FY24 to INR 196 crores due to higher freight costs on account of geopolitical issues
- Net Profit improved by 26% in Q3 FY24 and 32% in 9M FY24

Domestic Business Q3 and 9M FY24



Domestic Formulations (INR crores)



- Domestic business revenue was INR 462 crores (YoY growth of 14%) in Q3 FY24 and INR 1432 crores in 9M FY24 (YoY growth of 14%)
- Chronic business continued to perform well while the acute business witnessed recovery despite muted season
 - Increasing share of chronic mix has enabled better margins for the domestic business
- New launches in acute and probiotic business have also seen strong performance
- JB Pharma continues to be the fastest growing company amongst Top 25 in IPM (IQVIA MAT Dec'23 data)
 - In Q3 FY24, JB Pharma grew at 13% vs IPM growth of 8% (IQVIA Q3 FY24 data)
 - JB Pharma registered YoY growth of 16% vs CVM growth of 12% (IQVIA MAT Dec'23 data)

JB continues as one of the fastest growing companies, maintaining a market beating performance



Fastest growing company among the **Top 25** in the IPM as per IQVIA MAT Dec'23 data



Outperformed the IPM growing at **16%** vs **10%** as per IQVIA MAT Dec'23 data



JB registered growth of **13%** vs **8%** IPM growth for Q3 FY24 (IQVIA) vs Q3 FY23 (IQVIA)



JB registered YoY growth of **16%** as per IQVIA MAT Dec'23 data as compared to the CVM* growth of **12%**

Among top 25, JB is the fastest growing pharma company in the IPM

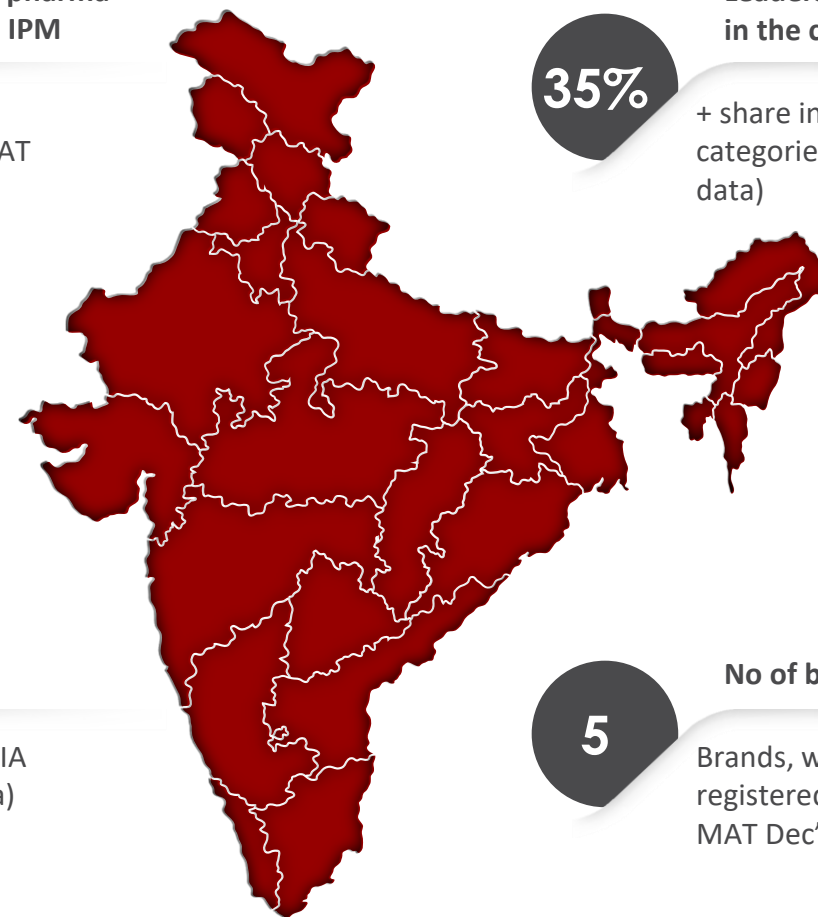
16%

Vs IPM growth of 10% (IQVIA MAT Dec'23 data)

Leadership position in the covered markets

35%

+ share in 5 molecule categories (IQVIA MAT Dec'23 data)



Position in IPM

24th

Rank in IPM (IQVIA MAT Dec'23 data)

No of brands in Top 300

5

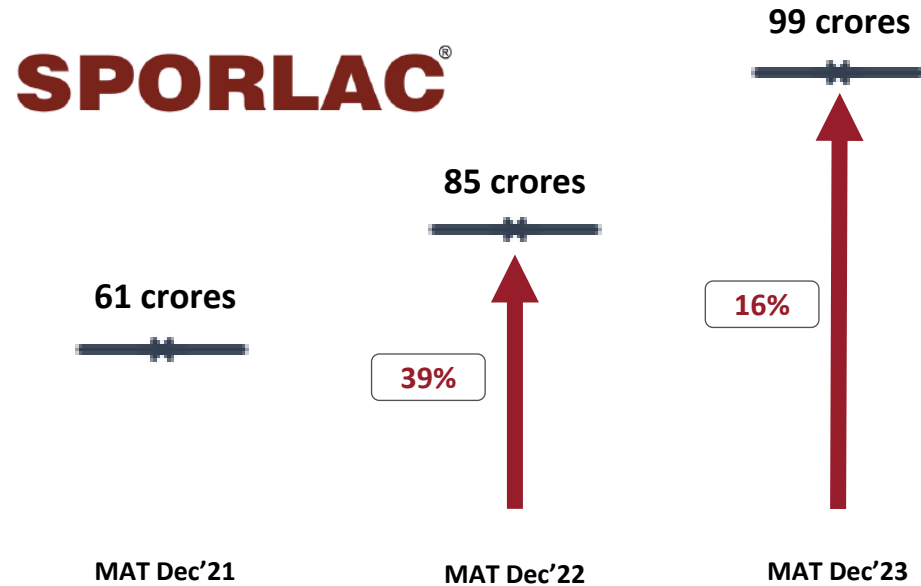
Brands, with average growth registered @ 20+% (IQVIA MAT Dec'23 data)

Rank Improvement in the top brands



| | MAT Dec'22 Value Sales* | MAT Dec'23 Value Sales* | MAT Dec'22 Rank | MAT Dec'23 Rank |
|------------------|-------------------------|-------------------------|-----------------|-----------------|
| CILACAR | 305 | 371 | #46 | #34 |
| RANTAC | 333 | 365 | #37 | #37 |
| METROGYL | 158 | 204 | #145 | #108 |
| NICARDIA | 132 | 167 | #197 | #154 |
| CILACAR-T | 129 | 161 | #203 | #163 |

Sporlac: Inching towards INR 100 crores



Sporlac brand is INR 99 crores (IQVIA MAT Dec'23 data) registering strong YoY growth of 16%

Sporlac now ranks #331 (IQVIA MAT Dec'23 data) gaining 30 ranks in one year

Sporlac Franchise

INR 65 crs
IQVIA MAT Dec'21



INR 121 crs
IQVIA MAT Dec'23

SPORLAC

SPORLAC GG

SPORLAC PLUS

SPORLAC EVA

● ● ● JB Pharma enters the fast-growing Ophthalmology market – Deal Contours



- JB Chemicals & Pharmaceuticals Ltd (JB Pharma) at its Board meeting held on Dec 19, 2023 approved the execution of a Trade-Mark License Agreement with Novartis Innovative Therapies AG, Switzerland **which is perpetual in nature**, for a portfolio of ophthalmology brands for the India market which will be effective from January 2027 for a consideration of USD 116 mn payable on or before 31st December 2026.
- The Board also approved the promotion & distribution agreement with Novartis Healthcare Private Limited for the above-mentioned ophthalmology portfolio for a period of three years starting December 2023. JB Pharma will pay INR 125 crores for this exclusive promotion and distribution agreement.
- JB Pharma shall offer employment to the impacted associates working on this portfolio
- As per IQVIA, MAT October 2023 data, sales for these brands was at INR 207 crores.

Strong brands with good growth prospective – Chronic portfolio



| Brand | Molecule | Brand Size (INR crores) | Market Size (IQVIA) | CVM Growth* | Brand Rank in CVM |
|-----------|--------------------------------|-------------------------|---------------------|-------------|-------------------|
| Simbrinza | BRIMONIDINE+ BRINZOLAMIDE | 19 | 63 | 22% | #1 |
| Travatan | TRAVOPROSTT | 33 | 76 | 9% | #1 |
| Travacom | TIMOLOL + TRAVOPROST | 16 | 29 | 9% | #1 |
| Azopt | BRINZOLAMIDE | 16 | 41 | 10% | #2 |
| Azarga | BRINZOLAMIDE + TIMOLOL MALEATE | 2 | 18 | 24% | #3 |

All figures as per IQVIA Oct'23 data

*3 years CAGR – IQVIA MAT Oct'23 vs MAT Oct'21 figures

Strong brands with good growth prospective – Acute portfolio



| Brand | Molecule | Brand Size (INR crores) | Market Size (IQVIA) | CVM Growth* | Brand Rank in CVM |
|----------|---------------------------|-------------------------|---------------------|-------------|-------------------|
| Vigamox | MOXIFLOXACIN | 62 | 275 | 22% | #1 |
| Nevanac | NEPAFENAC | 33 | 159 | 11% | #1 |
| Ilevro | NEPAFENAC | 6 | 159 | 11% | #8 |
| Vigadexa | DEXAMETASONE +MOXIFLOXCIN | 10 | 92 | 20% | #2 |
| Pataday | OLOPATADINE | 9 | 72 | 19% | #3 |

All figures as per IQVIA Oct'23 data

*3 years CAGR – IQVIA MAT Oct'23 vs MAT Oct'21 figures

Significant value accretion for JB Pharma



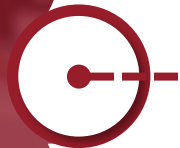
Leadership position in the Ophthalmology segment aligned with our overall philosophy of **operating in leading brand categories**



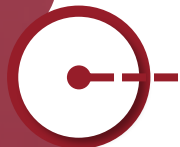
Access to therapeutic segment which is **growing at a faster rate than IPM**



PCPM* of the portfolio expected to be upward of **INR 12 lakh**



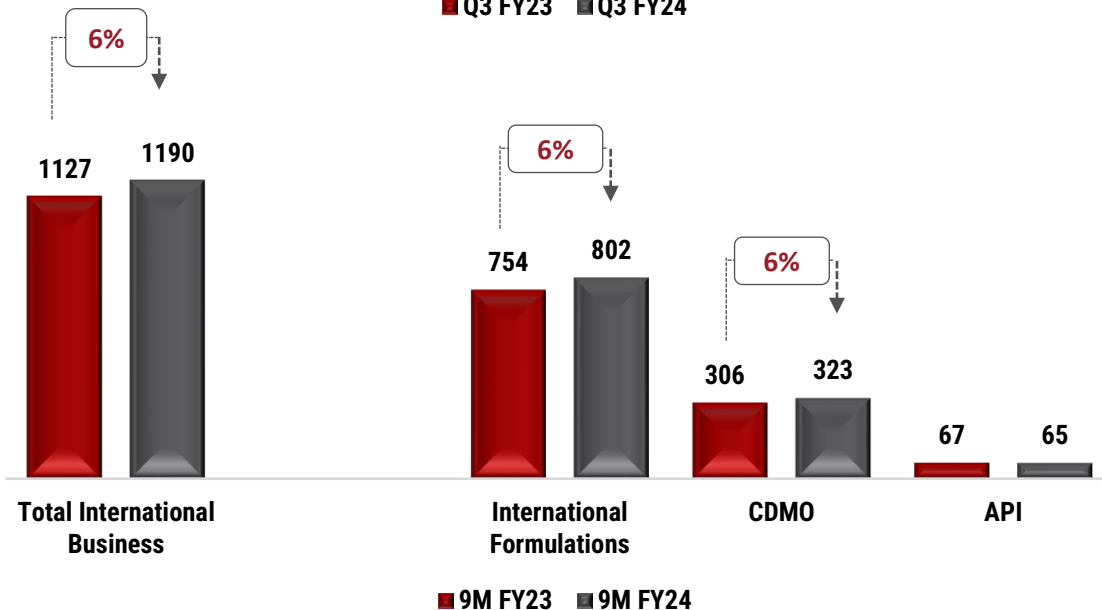
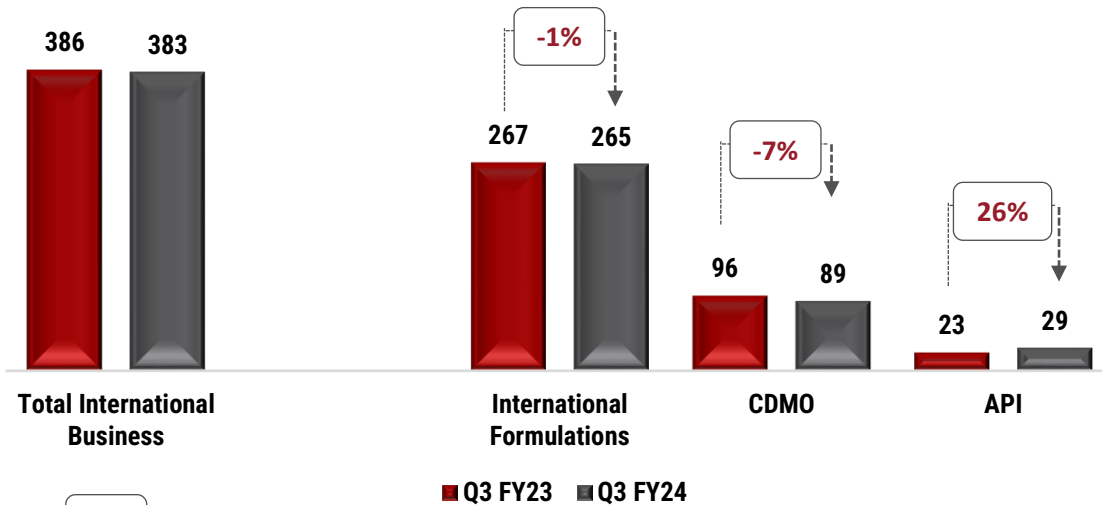
Post grant of perpetual license, complete flexibility in sourcing which will be **gross margin accretive for JB Pharma**



Post grant of perpetual license, standalone **operating margin** from this portfolio will be **significantly higher** than the current domestic margin profile of JB Pharma

*PCPM: Per person productivity per month

International Business Q3 and 9M FY24



- International business recorded revenue of INR 383 crores in Q3 FY24 and INR 1190 crores in 9M FY24
 - Excluding South Africa, the business registered YoY growth of 4% in Q3 FY24 and 13% in 9M FY24
- International formulations business recorded revenue of INR 265 crores in Q3 FY24 and INR 802 crores in 9M FY24
 - South Africa tender business declined due to deliberate strategy of improving mix and margin profile
 - RoW exports business recorded mid-teens growth in Q3 FY24
 - Despite currency volatility, Russia business has maintained steady performance due to volume growth
- CDMO business witnessed muted performance in Q3 FY24. However, our order book for the forthcoming quarters looks healthy
- API business revenue was at INR 29 crores in Q3 FY 24 (YoY growth of 26%)

Q3 and 9M FY24 Financial Performance (Consolidated)



| Particulars | Q3 FY24 | Q3 FY23 | YoY Growth | 9M FY24 | 9M FY23 | YoY Growth |
|--------------------------------------|--------------|--------------|------------|--------------|--------------|------------|
| Revenue from Operations | 845 | 793 | 7% | 2622 | 2387 | 10% |
| Cost of Goods Sold | 273 | 299 | -9% | 882 | 893 | -1% |
| Gross Profit | 571 | 494 | 16% | 1741 | 1494 | 17% |
| Gross Profit Margins | 67.6% | 62.3% | | 66.4% | 62.6% | |
| Employee Benefit Expenses | 152 | 138 | 10% | 449 | 408 | 10% |
| Other Expenses | 196 | 181 | 8% | 593 | 554 | 7% |
| EBITDA | 223 | 175 | 27% | 699 | 532 | 31% |
| EBITDA Margins | 26.4% | 22.0% | | 26.7% | 22.3% | |
| Finance Costs | 12 | 8 | 50% | 35 | 22 | 59% |
| Depreciation | 34 | 28 | 21% | 98 | 83 | 18% |
| Profit before Tax (Operating) | 177 | 138 | 28% | 566 | 427 | 33% |
| Other Income | 7 | 3 | | 21 | 5 | |
| Profit before Tax | 184 | 141 | 31% | 587 | 433 | 36% |
| Tax Expenses | 50 | 35 | 43% | 160 | 110 | 45% |
| Profit after Tax | 134 | 106 | 26% | 426 | 322 | 32% |

All figures in INR crores

Growth objectives supported by lean organization structure and strong governance framework

Domestic business to consistently outperform market growth driven by

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

Continuous thrust on cost optimization initiatives

- Deliver operating margins in the range of 25% - 27%, despite inflationary pressure & external market uncertainties
- Cost savings continue to be area of focus; raw material & power/fuel still seeing sharp inflation

India and CDMO business should constitute around 75% - 80% of total revenue in the near-term. Both businesses generate high ROCE and Operating margins

Continued growth momentum in International business

- Strong delivery in CDMO business aided by new launches
- Demand revival in specific ROW markets and continuous thrust on improving productivity & cost structure
- Focus on building progressive portfolio for the long term

Continue building culture of governance & higher compliance

- Increased focus on business sustainability by strengthening ESG, governance and compliance
- Continue to build upon One JB Way culture and the new corporate identity

India business should continue to deliver market-beating growth; Focus on increasing chronic share to 60% in the mid-term



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 amongst the top 5 manufacturers globally in medicated and herbal lozenges. It has eight 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.



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Thank you



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