

# Jubilant Life Sciences

 BSE SENSEX  
 37,337

 S&P CNX  
 11,278

**CMP: INR794**
**TP: INR1,020 (+28%)**
**Buy**

Motilal Oswal values your support in the Asiamoney Brokers Poll 2018 for India Research, Sales and Trading team. We [request your ballot](#).



Bloomberg	JUBILANT IN
Equity Shares (m)	159
M.Cap.(INRb)/(USDb)	123.1 / 1.8
52-Week Range (INR)	1039 / 600
1, 6, 12 Rel. Per (%)	-2/25/-8
Avg Val, INRm	544.0
Free float (%)	46.0

### Financials & Valuations (INR b)

Y/E Mar	FY18	FY19E	FY20E
Net Sales	75.6	85.8	95.9
EBITDA	15.2	18.7	21.0
PAT	7.1	9.8	11.3
EPS (INR)	45.6	63	73.3
Gr. (%)	23.3	38.1	16.3
BV/Sh (INR)	262.3	319.7	387.2
RoE (%)	18.9	21.6	20.7
RoCE (%)	12.1	14.5	14.9
P/E (x)	17.4	12.6	10.9
P/BV (x)	3.0	2.5	2.1

 Estimate change ↔

 TP change ↓

 Rating change ↔

## Specialty Pharma injects some cheer into earnings

- In-line performance:** JLS' revenue grew 30% YoY to INR20.8b (est. of INR20.9b). Adjusting for the Triad business (which was added in 2QFY18, and thus, had no contribution in base quarter 1QFY18), revenue growth stands at 10% YoY, led by 15% YoY growth in Life Science Ingredient segment (LSI; 41% of sales). Ex-Triad Pharma segment (40% of sales) revenue rose 5% YoY.
- Improved margin in Specialty Pharma drives profitability:** Ex-Triad Specialty Pharma (47% of Pharma business) EBITDA margin expanded strongly by 300bp YoY to 49%. API/Generics segment (31% of Pharma sales) exhibited 630bp EBITDA margin improvement. However, LSI EBITDA margin shrank 200bp YoY. Overall EBITDA margin, thus, came in at 21.1% (est. of 21.3%) in 1QFY19. Assuming Triad has nominal EBITDA margin, JLS' ex-Triad EBITDA margin stands at 25% (+400bp YoY). Improved EBITDA margin led to 36% YoY growth in PAT to INR2b in the quarter.
- Debt reduces marginally:** JLS's net debt reduced to INR32b v/s INR32.3b in FY18. Average blended interest rate cost increased marginally at 6.03% p.a. in 1QFY19 v/s 5.9% in FY18.
- Valuation view:** We maintain our EPS estimate of INR63 for FY19 and INR73 for FY20. We trim multiple for pharma business to 11x EV/EBITDA (from 12x earlier) to factor pricing headwinds in US market and slower growth in pharma business. Accordingly, we value JLS at 11x EV/EBITDA for Pharma and 6x EV/EBITDA for LSI to arrive at a price target of INR1,020. We continue to remain positive on JLS on the back of better traction in Triad, increased off-take/better pricing in Life Science Chemicals business and healthy momentum in Nutritional products. We maintain **Buy** on the stock.

### Quarterly Performance

Y/E March	(INR million)											
	FY18				FY19E				FY18	FY19E	FY19	vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			1QE	(%)
<b>Net Sales</b>	<b>15,961</b>	<b>16,420</b>	<b>20,678</b>	<b>22,520</b>	<b>20,787</b>	<b>21,660</b>	<b>22,165</b>	<b>23,320</b>	<b>75,578</b>	<b>87,931</b>	<b>20,971</b>	<b>-0.9</b>
YoY Change (%)	9.8	15.7	38.6	37.2	30.2	31.9	7.2	3.6	25.8	16.3		
Total Expenditure	12,584	13,359	16,509	17,941	16,411	17,154	17,377	18,282	60,394	69,224	16,714	-1.8
<b>EBITDA</b>	<b>3,376</b>	<b>3,061</b>	<b>4,168</b>	<b>4,579</b>	<b>4,376</b>	<b>4,505</b>	<b>4,788</b>	<b>5,038</b>	<b>15,188</b>	<b>18,706</b>	<b>4,257</b>	<b>2.8</b>
Margins (%)	21.2	18.6	20.2	20.3	21.1	20.8	21.6	21.6	20.1	21.3		
Depreciation	725	790	818	907	880	900	910	926	3,240	3,616	890	-1.1
Interest	687	660	771	725	727	650	500	465	2,843	2,342	710	2.4
Other Income	68	71	32	229	95	30	40	50	400	215	30	215.7
<b>PBT before EO expense</b>	<b>2,032</b>	<b>1,682</b>	<b>2,612</b>	<b>3,176</b>	<b>2,864</b>	<b>2,985</b>	<b>3,418</b>	<b>3,696</b>	<b>9,505</b>	<b>12,961</b>	<b>2,687</b>	<b>6.6</b>
Extra-Ord expense	0	0	0	910	0	0	0	0	910	0		
<b>PBT</b>	<b>2,032</b>	<b>1,682</b>	<b>2,612</b>	<b>2,266</b>	<b>2,864</b>	<b>2,985</b>	<b>3,418</b>	<b>3,696</b>	<b>8,595</b>	<b>12,961</b>	<b>2,687</b>	<b>6.6</b>
Tax	595	427	483	742	860	747	819	815	2,247	3,241	699	23.1
Rate (%)	29.3	25.4	18.5	32.7	30.0	25.0	24.0	22.0	26.1	25.0		
Minority Interest & P/L of Asso. Cos.	-34	-27	3	-25	0	-22	-22	-44	-83	-88		
<b>Reported PAT</b>	<b>1,471</b>	<b>1,282</b>	<b>2,125</b>	<b>1,549</b>	<b>2,004</b>	<b>2,260</b>	<b>2,621</b>	<b>2,925</b>	<b>6,428</b>	<b>9,809</b>	<b>2,011</b>	<b>-0.3</b>
<b>Adj PAT</b>	<b>1,471</b>	<b>1,282</b>	<b>2,125</b>	<b>2,222</b>	<b>2,004</b>	<b>2,260</b>	<b>2,621</b>	<b>2,925</b>	<b>7,100</b>	<b>9,809</b>	<b>2,011</b>	<b>-0.3</b>
YoY Change (%)	-9.0	-11.4	80.0	90.8	36.2	76.3	23.3	2.9	23.3	38.2		
Margins (%)	9.2	7.8	10.3	12.6	9.6	10.4	11.8	12.5	9.4	11.2		

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**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

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### Healthy growth in Pharma/LSI and addition of Triad drive revenue

JLS' revenue grew 30.2% YoY to INR20.7b, led by strong growth in Pharmaceutical segment post Triad acquisition. With incremental revenue from Triad (acquired in 2QFY18), the Pharma segment grew at 44% YoY. Ex-Triad, Pharmaceutical revenue increased 5% YoY. The LSI segment growth came in at 15%, though it declined 13% on a sequential basis.

**Exhibit 1: Segment Performance**

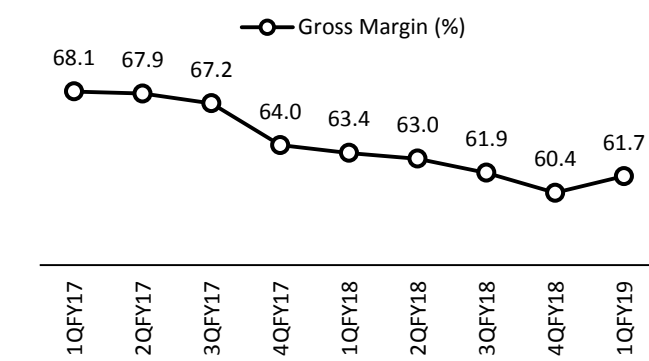
(INR b)	FY17				FY18				FY19
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Pharma(ex-Triad)	7.6	7.7	7.9	8.1	8.2	7.4	7.8	8.0	8.6
YoY (%)	7.2	8.3	14.8	3.0	8.3	11.9	-1.2	-1.5	5.4
Triad sales						1.2	3.3	4.4	3.2
LSI	6.5	6.1	6.6	7.8	7.4	7.4	9.3	9.7	8.5
YoY (%)	-9.5	-14.4	1.7	13.2	13.4	20.5	39.6	24.0	14.9
DDS	0.5	0.4	0.4	0.5	0.4	0.4	0.4	0.5	0.5
YoY (%)	100.0	39.0	29.4	27.5	-18.0	16.5	1.9	-8.0	13.2
<b>Total</b>	<b>14.6</b>	<b>14.2</b>	<b>14.9</b>	<b>16.4</b>	<b>16.0</b>	<b>16.4</b>	<b>20.7</b>	<b>22.5</b>	<b>20.8</b>
YoY (%)	-0.1	-0.4	11.7	8.3	12.4	15.7	38.8	37.4	30.3

Source: MOSL, Company

### Pharma segment drives margins for the quarter

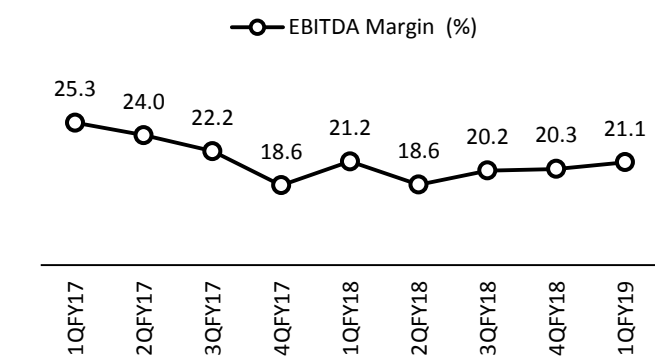
Gross margin for the quarter shrank by 170bp YoY due to inclusion of relatively low-margin Triad business. Adjusting for Triad business, EBITDA margin improved 400bp YoY to 25% for the quarter. The considerable improvement in EBITDA margin is due to superior product mix and better traction in Pharmaceutical segment. EBITDA margin in LSI segment contracted 200bp YoY, dragging overall EBITDA margin to some extent for the quarter. EBITDA growth came in at 29.6% YoY. PAT grew at a higher rate of 36% YoY to INR2b.

**Exhibit 2: Though gross margin remained on downtrend...**



Source: Company, MOSL

**Exhibit 3: ...EBITDA margin is seeing gradual improvement**



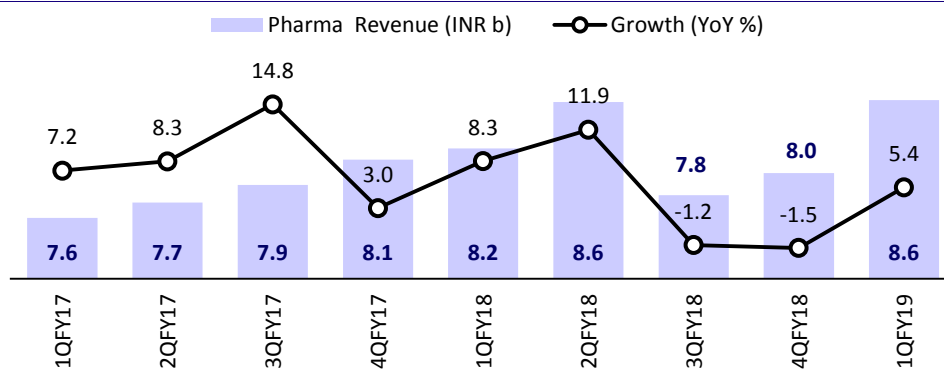
Source: Company, MOSL

### Specialty Pharmaceuticals leads growth for Pharma segment

Ex-Triad, Pharma sales grew at 5% YoY to INR8.6b for the quarter. This was mainly on account of increased traction in specialty pharmaceuticals. Specifically, Radiopharma business saw increased installations in US. JLS witnessed increased traction in terms of newer products and volumes in Allergy therapy due to supply issues with its competitor. There has been addition of new customers and more orders from existing customers driving growth in CMO business.

The API and generic business (31% of Pharma sales) continue to face headwinds on account of pricing pressure in the US. Revenues from this segment stood at INR3.6b growing at 7% YoY.

**Exhibit 4: Excluding Triad revenues, pharmaceuticals saw 5% YoY increase in sales**

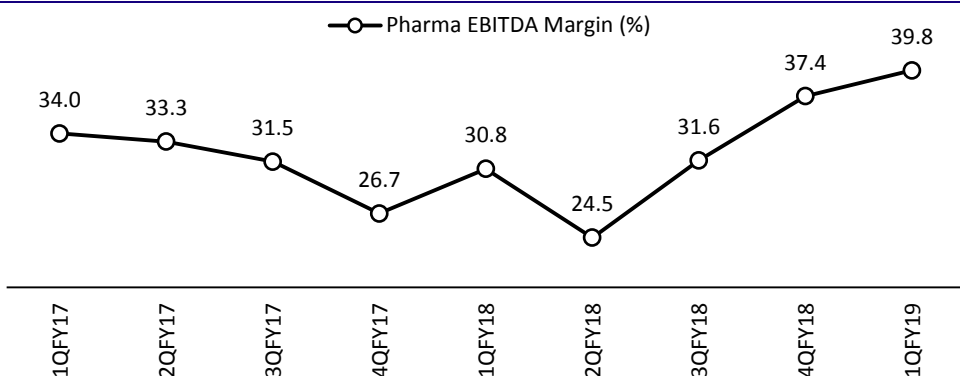


Source: MOSL, Company

### Strong improvement in Specialty Pharma business margin

Adjusting for Triad business, Pharma EBITDA margin would be 39.8% for the quarter which has increased by 900bps YoY. Adjusting for Triad business of ~INR3.3b, Specialty business would be ~5.5b (47% of Pharma business). EBITDA for this business was INR2.7b (assuming nominal EBITDA from Triad business). This implies EBITDA margin of 49% in this segment, up 300bp YoY. API/generics business had EBITDA margin of 19.8% for the quarter, up 630bp YoY.

**Exhibit 5: Specialty pharma drives EBITDA margin of overall Pharma business to 39.8%**



Note: EBITDA margin is adjusted for Triad business for like-to-like comparison; Source: MOSL, Company

**JLS continues to build healthy product pipeline for better growth**

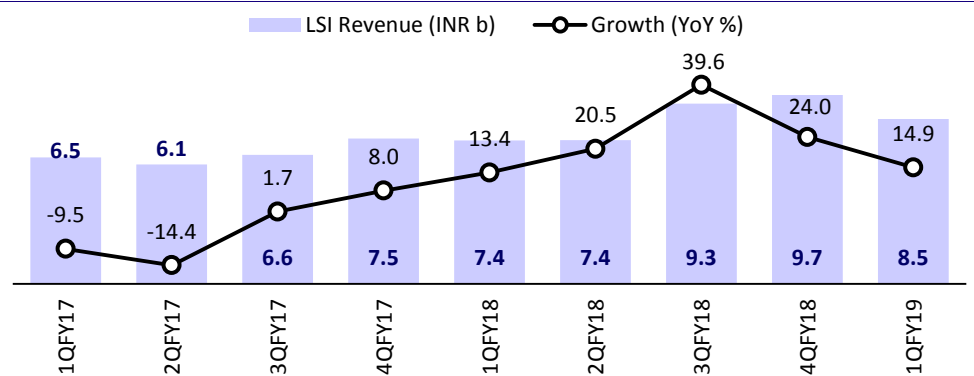
During the quarter, JLS spent INR580m toward R&D which was 4.9% of total sales. Of this INR440m was charged to P&L. Cumulative ANDA filings at end 1QFY19 stand at 95, with 35 ANDAs pending for approval. Till date, JLS made 976 filings across all geographies (Europe, Canada, Japan & US) including oral dosages (898) and injectables (78). Out of this 655 oral dosages and 71 injectables are approved. JLS file for 2 ANDAs during the quarter and has maintained guidance for 10 filings annually.

The company has guided for increased traction in Specialty pharmaceuticals with more number of Rubyfill installations in second half of the year and new products in radiopharmaceuticals. The company is also new capacity to meet increased demand from its CMOP business. The company has also guided for increased sales in Allergy Therapy for existing products like venom while also because of addition of capacity.

**YoY growth in LSI segment continues to moderate**

LSI segment revenue grew 14% YoY to INR8.5b for the quarter after witnessing high growth in the previous three quarters. This was largely due to pressure on nutritional products on account of non-Availability of Vitamin A and Vitamin E which led to lower demand of Vitamin B in feeds leading to increased inventory and lower prices.

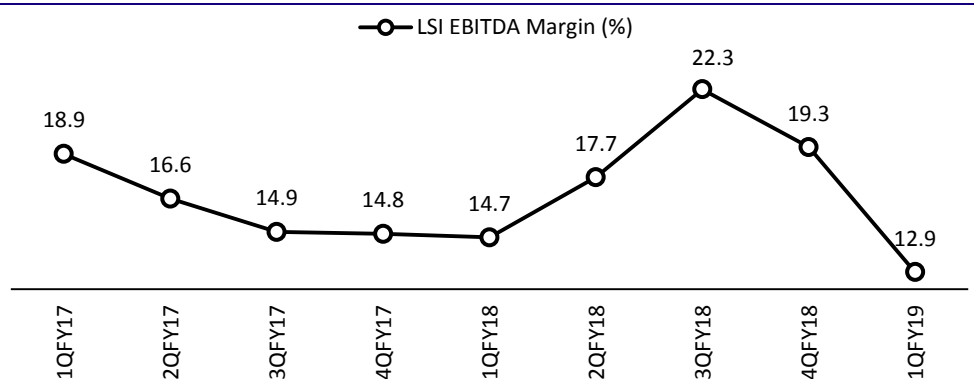
**Exhibit 6: Decrease in vitamin business led to fall in growth in LSI**



Source: MOSL, Company

The LSI segment margin contracted 150bps YoY and 910bps sequentially, largely on account of lower business from Vitamin segment. The company has guided for the demand for Vitamins to come to normal levels in two-three month time frame.

**Exhibit 7: LSI EBITDA margin saw a 180bps dip YoY and 640bps dip sequentially**



Source: MOSL, Company

### LSI segment outlook remains positive

JLS plans to launch 6 products for FY19. The company has already commercialized one product and plans to launch the rest in the current quarter. The new Acetic Anhydride plant is also progressing well and JLS aims to commission this plant by the end of 3QFY19. At full capacity this facility is expected to provide incremental revenues of INR3b. JLS is also the 4<sup>th</sup> largest supplier of Ethanol in the government blending program and will benefit from rising price of ethanol for government's blending program by ~INR2.9/litre for supply starting Dec'18. The company also commissioned its multipurpose chlorinated pyridine plant in 1QFY19.

### JLS continues reducing net debt

JLS's net debt reduced to INR32b v/s INR32.3b in FY18. Average blended interest rate cost went up slightly at 6.03% pa in 1QFY19 compared to 5.9% in FY18.

#### Exhibit 8: Debt profile

Particulars (INR m)	FY18	1QFY19
Foreign Currency Loans	23,940	25,150
Rupee Loans	10,860	11,420
Gross Debt	34,800	36,570
Cash & Cash Equivalent	2,490	3,290
Net Debt	32,310	32,060

Source: MOSL, Company

### Capex update

JLS spent ~INR1.3b toward capex in 1QFY19, and has maintained guidance for overall capex of INR5.5b in FY19. The capex will be split almost equally between pharmaceutical and life science ingredients business. The company would continue de-bottlenecking initiatives to meet additional demand from specialty intermediates while also do some capacity enhancement for Acetic Anhydride.

### Valuation

- We maintain our EPS estimate of INR63 for FY19 and INR73 for FY20. We trim multiple for pharma business to 11x EV/EBITDA (from 12x earlier) to factor pricing headwinds in US market and slower growth in pharma business. We value JLS at 11x EV/EBITDA for Pharma and 6x EV/EBITDA for LSI to arrive at a price target of INR1,020. We remain positive on JLS the back of better traction in Triad, increased off-take/better pricing in Life Science Chemicals business and healthy momentum in Nutritional products. We maintain **Buy** on the stock.

#### Exhibit 9: SOTP-based price target of INR1,020 per share

Valuation	12M forward
<b>EBITDA of Pharma business (INR m)</b>	<b>13,933</b>
EV/EBITDA multiple for JOL	11
EV of Pharma (INR m)	153,263
<b>EBITDA of LSI business (INR m)</b>	<b>6,350</b>
EV/EBITDA multiple for JOL	6
EV of LSI (INR m)	38,099
Total EV (INR m)	191,302
Net Debt	32,060
<b>Market Cap (INR m)</b>	<b>159,242</b>
Target Price (INR per share)	1,020
CMP	795
<b>Potential upside (%)</b>	<b>28.4</b>

Source: MOSL

## Financials and Valuations

Income Statement							(INR Million)	
Y/E Mar	2013	2014	2015	2016	2017	2018	2019E	2020E
<b>Net Sales</b>	<b>51,660</b>	<b>58,034</b>	<b>58,263</b>	<b>57,491</b>	<b>58,614</b>	<b>75,578</b>	<b>85,809</b>	<b>95,938</b>
Change (%)	20.1	12.3	0.4	-1.3	2.0	28.9	13.5	11.8
<b>EBITDA</b>	<b>10,559</b>	<b>10,076</b>	<b>6,893</b>	<b>12,470</b>	<b>13,453</b>	<b>15,184</b>	<b>18,706</b>	<b>21,010</b>
EBITDA Margin (%)	20.4	17.4	11.8	21.7	23.0	20.1	21.8	21.9
Depreciation	2,538	2,812	2,880	3,467	2,914	3,241	3,616	4,095
<b>EBIT</b>	<b>8,021</b>	<b>7,264</b>	<b>4,013</b>	<b>9,002</b>	<b>10,539</b>	<b>11,943</b>	<b>15,090</b>	<b>16,915</b>
Interest	2,987	3,237	3,553	3,714	3,411	2,843	2,342	2,107
Other Income	299	191	425	134	249	400	215	288
Extraordinary items	-1,922	-2,145	-481	0	0	-910	0	0
<b>PBT</b>	<b>3,411</b>	<b>2,073</b>	<b>403</b>	<b>5,422</b>	<b>7,376</b>	<b>8,591</b>	<b>12,962</b>	<b>15,096</b>
Tax	1,524	696	805	1,554	1,630	2,247	3,241	3,774
Tax Rate (%)	44.7	33.6	199.6	28.7	22.1	26.2	25.0	25.0
Min. Int. & Assoc. Share	361	286	176	-50	-10	-84	-88	-92
<b>Reported PAT</b>	<b>1,527</b>	<b>1,090</b>	<b>-578</b>	<b>3,918</b>	<b>5,757</b>	<b>6,428</b>	<b>9,810</b>	<b>11,414</b>
<b>Adjusted PAT</b>	<b>2,591</b>	<b>2,515</b>	<b>-1,057</b>	<b>3,918</b>	<b>5,757</b>	<b>7,100</b>	<b>9,810</b>	<b>11,414</b>
Change (%)	68.0	-2.9	-142.0	-470.8	46.9	23.3	38.2	16.4

Balance Sheet							(INR Million)	
Y/E Mar	2013	2014	2015	2016	2017	2018	2019E	2020E
Share Capital	159	155	159	155	156	156	156	156
Reserves	24,602	26,111	24,376	29,507	34,205	40,710	49,705	60,172
<b>Net Worth</b>	<b>24,761</b>	<b>26,265</b>	<b>24,535</b>	<b>29,663</b>	<b>34,361</b>	<b>40,865</b>	<b>49,861</b>	<b>60,328</b>
Debt	42,452	43,953	47,931	44,933	40,453	35,449	32,449	30,449
Deferred Tax	2,922	2,371	2,380	1,146	445	26	26	26
<b>Total Capital Employed</b>	<b>71,251</b>	<b>74,168</b>	<b>74,847</b>	<b>75,360</b>	<b>74,865</b>	<b>75,825</b>	<b>81,820</b>	<b>90,287</b>
Gross Fixed Assets	50,244	53,614	54,245	35,597	39,102	44,936	52,804	57,877
Less: Acc Depreciation	19,027	22,319	24,508	2,864	5,657	9,807	13,423	17,519
<b>Net Fixed Assets</b>	<b>31,217</b>	<b>31,295</b>	<b>29,737</b>	<b>32,733</b>	<b>33,445</b>	<b>35,129</b>	<b>39,380</b>	<b>40,359</b>
Capital WIP	4,369	4,724	5,966	6,113	6,838	6,710	3,842	2,768
Investments	256	340	395	854	1,027	1,235	1,235	1,235
<b>Current Assets</b>	<b>29,409</b>	<b>32,587</b>	<b>30,714</b>	<b>29,385</b>	<b>30,055</b>	<b>32,621</b>	<b>39,333</b>	<b>50,340</b>
Inventory	11,162	13,414	12,353	12,031	12,204	13,914	18,133	20,248
Debtors	7,086	8,059	8,193	9,505	10,053	11,308	14,717	16,455
Cash & Bank	3,561	4,795	3,944	3,446	4,596	2,488	1,795	8,397
Loans & Adv, Others	7,601	6,318	6,225	4,403	3,202	4,912	4,687	5,241
<b>Curr Liabs &amp; Provns</b>	<b>12,458</b>	<b>14,471</b>	<b>11,342</b>	<b>12,038</b>	<b>14,122</b>	<b>18,747</b>	<b>20,848</b>	<b>23,292</b>
Curr. Liabilities	9,060	9,702	9,697	9,815	12,334	17,259	18,229	20,364
Provisions	3,398	4,768	1,645	2,222	1,788	1,488	2,618	2,927
<b>Net Current Assets</b>	<b>16,951</b>	<b>18,116</b>	<b>19,372</b>	<b>17,348</b>	<b>15,933</b>	<b>13,874</b>	<b>18,486</b>	<b>27,048</b>
<b>Total Assets</b>	<b>71,251</b>	<b>74,168</b>	<b>74,847</b>	<b>75,360</b>	<b>74,865</b>	<b>75,825</b>	<b>81,820</b>	<b>90,287</b>

## Financials and Valuations

### Ratios

Y/E Mar	2013	2014	2015	2016	2017	2018	2019E	2020E
<b>Basic (INR)</b>								
EPS	16.6	16.1	-6.8	25.1	36.9	45.6	63.0	73.3
Cash EPS	32.9	34.2	11.7	47.4	55.7	66.4	86.2	99.5
Book Value	158.9	168.6	157.5	190.4	220.5	262.3	320.0	387.2
DPS	3.1	3.0	3.1	3.1	3.1	3.4	5.2	6.1
Payout (incl. Div. Tax.)	36.6	49.9	-99.6	12.2	8.3	8.3	8.3	8.3
<b>Valuation(x)</b>								
P/E				31.6	21.5	17.4	12.6	10.9
Price / Book Value				4.2	3.6	3.0	2.5	2.1
EV/Sales				2.9	2.7	2.1	1.8	1.5
EV/EBITDA				13.3	11.9	10.3	8.3	6.9
Dividend Yield (%)				0.4	0.4	0.4	0.7	0.8
<b>Profitability Ratios (%)</b>								
RoE	10.9	9.9	-4.2	14.5	18.0	18.9	21.6	20.7
RoCE	7.2	7.2	-6.2	8.9	11.2	12.1	14.5	14.9
RoIC	7.6	7.6	-6.2	9.9	12.9	13.8	16.1	16.6
<b>Turnover Ratios (%)</b>								
Asset Turnover (x)	0.7	0.8	0.8	0.8	0.8	1.0	1.0	1.1
Debtors (No. of Days)	50	51	51	60	63	55	63	63
Inventory (No. of Days)	79	84	77	76	76	67	77	77
Creditors (No. of Days)	49	47	48	40	49	55	50	50
<b>Leverage Ratios (%)</b>								
Net Debt/Equity (x)	1.6	1.5	1.8	1.4	1.0	0.8	0.6	0.3

### Cash Flow Statement

Y/E Mar	2013	2014	2015	2016	2017	2018	2019E	2020E
<b>(INR Million)</b>								
Adjusted EBITDA	10,559	10,076	6,893	12,470	13,453	15,184	18,706	21,010
Non cash opr. exp (inc)	-1,736	-2,007	-119	106	161	0	0	0
(Inc)/Dec in Wkg. Cap.	-40	-1,107	964	-1,332	369	-50	-5,304	-1,961
Tax Paid	-1,196	-809	-793	-481	-1,439	-2,247	-3,241	-3,774
Other operating activities	2,112	1,569	888	225	142	0	0	0
<b>CF from Op. Activity</b>	<b>9,699</b>	<b>7,723</b>	<b>7,833</b>	<b>10,989</b>	<b>12,685</b>	<b>12,888</b>	<b>10,162</b>	<b>15,275</b>
(Inc)/Dec in FA & CWIP	-4,378	-2,438	-3,491	-3,392	-4,623	-6,961	-5,000	-4,000
<b>Free cash flows</b>	<b>5,321</b>	<b>5,285</b>	<b>4,341</b>	<b>7,597</b>	<b>8,062</b>	<b>5,927</b>	<b>5,162</b>	<b>11,275</b>
(Pur)/Sale of Invt	-54	-63	-42	257	74	-208	0	0
Others	123	156	-125	76	-126	400	215	288
<b>CF from Inv. Activity</b>	<b>-4,309</b>	<b>-2,344</b>	<b>-3,658</b>	<b>-3,059</b>	<b>-4,676</b>	<b>-6,769</b>	<b>-4,785</b>	<b>-3,712</b>
Inc/(Dec) in Net Worth	0	0	0	197	77	0	0	0
Inc / (Dec) in Debt	-992	-247	-1,136	-4,558	-4,086	-5,004	-3,000	-2,000
Interest Paid	-2,957	-3,345	-3,353	-3,511	-2,291	-2,843	-2,342	-2,107
Divd Paid (incl Tax) & Others	-548	-552	-538	-556	-559	-381	-726	-855
<b>CF from Fin. Activity</b>	<b>-4,498</b>	<b>-4,144</b>	<b>-5,027</b>	<b>-8,427</b>	<b>-6,859</b>	<b>-8,228</b>	<b>-6,069</b>	<b>-4,962</b>
<b>Inc/(Dec) in Cash</b>	<b>892</b>	<b>1,235</b>	<b>-852</b>	<b>-498</b>	<b>1,150</b>	<b>-2,109</b>	<b>-692</b>	<b>6,601</b>
Add: Opening Balance	2,668	3,561	4,795	3,944	3,446	4,596	2,488	1,795
<b>Closing Balance</b>	<b>3,561</b>	<b>4,795</b>	<b>3,944</b>	<b>3,446</b>	<b>4,596</b>	<b>2,488</b>	<b>1,795</b>	<b>8,397</b>

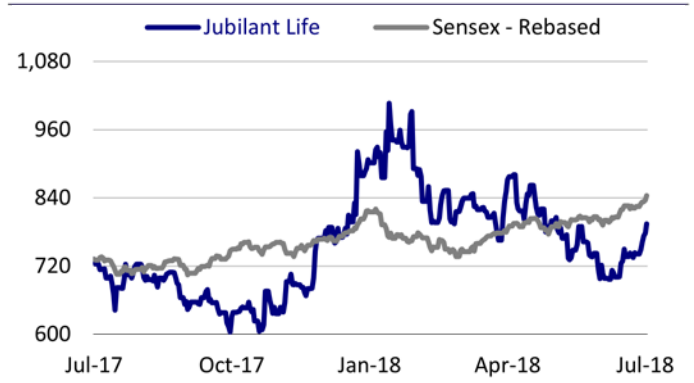


## Corporate profile

### Company description

Jubilant Life Sciences (JLS), one of the three flagship companies of Jubilant Bhartia Group, is an integrated pharmaceuticals and life sciences company. It is engaged in the manufacturing of radiopharmaceuticals, allergy products, advanced intermediates, nutritional products and life science chemicals. The company also provides services in contract manufacturing and drug discovery solutions. JLS' operations are spread across the world, including India, the US, Canada, Europe and other countries.

### Exhibit 1: Sensex rebased



Source: MOSL/Bloomberg

### Exhibit 2: Shareholding pattern (%)

	Jun-18	Mar-18	Jun-17
Promoter	50.7	50.7	54.0
DII	5.1	6.0	4.5
FII	26.4	25.2	21.9
Others	17.8	18.1	19.7

Note: FII Includes depository receipts

Source: Capitaline

### Exhibit 3: Top holders

Holder Name	% Holding
East Bridge Capital Master Fund Limited	4.6
Motilal Oswal Mutual Funds	3.9
Government Pension Fund Global	1.6
Rakesh Radheshyam Jhunjhunwala	1.3
Morgan Stanley Asia (Singapore) PTE.	1.2

Source: Capitaline

### Exhibit 4: Top management

Name	Designation
Shyam S Bhartia	Chairman
Rajiv Shah	Company Secretary
Hari S Bhartia	Co-Chairman & Managing Director

Source: Capitaline

### Exhibit 5: Directors

Name	Name
Arjun Shanker Bhartia	Ashok Misra
Priyavrat Bhartia	S Sridhar
Sudha Pillai	Sushil Kumar Roongta
Vivek Mehra	Pramod Yadav

\*Independent

### Exhibit 6: Auditors

Name	Type
B S R & Co LLP	Statutory
Ernst & Young LLP	Internal
J K Kabra & Co	Cost Auditor
Sanjay Grover & Associates	Secretarial Audit

Source: Capitaline

### Exhibit 7: MOSL forecast v/s consensus

EPS (INR)	MOSL forecast	Consensus forecast	Variation (%)
FY19	63.0	60.4	4.4
FY20	73.3	74.0	-1.0

Source: Bloomberg



## NOTES

Explanation of Investment Rating	Expected return (over 12-month)
Investment Rating	
BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10% to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

\*In case the recommendation given by the Research Analyst becomes inconsistent with the investment rating legend, the Research Analyst shall within 28 days of the inconsistency, take appropriate measures to make the recommendation consistent with the investment rating legend.

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Jubilant Life Sciences

Analyst ownership of the stock

No

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