



Jagsonpal Pharmaceuticals Limited

Q2 & H1FY24 Earnings Presentation

November 03, 2023

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Q2 & H1FY24 Performance

“We had a satisfactory outcome for the period, as the performance should be seen in the context of challenging external operating environment with slowing industry coupled with internal challenges in our flagship products - hyper competition with 75+ competitors in Divatrone® (Dydrogesterone) and availability of counterfeits products in Indocap SR® (Indomethacin).

Overall, we maintained our profitability for the quarter, with 100 bps improvement in operating margins, even as we reported a 4.5% decline in revenues. We maintained cash balance at ₹ 125 Crores despite dividend payout of ₹ 13.1 Crores during the quarter.

We introduced certain structural initiatives including strengthening anti-counterfeit packing for our key brands.

These, along with proposed new product launches gives us the confidence of returning to top-line growth from Q4FY24 onwards.”

Manish Gupta, Managing Director

Financial Performance

H1 FY24 Update

- Sales decline by 2.6% to ₹ 118.0 Crores
- Gross Margins improve by 430 bps to 63.4%
- Operational EBITDA improves by 17.6% to ₹ 25.4 Crores, margins at 21.5% - Improves by 360 bps
- PAT improves by 12.8% to ₹ 15.0 Crores

Q2 FY24 Update

- Sales decline by 4.5% to ₹ 57.8 Crores
- Gross Margins decline by 170 bps to 63.8%
- Operational EBITDA flat at ₹ 12.6 Crores, margins at 21.7% - Improves by 100 bps
- PAT decline by 27.9% to ₹ 7.5 Crores – Impacted by ESOP cost, ₹ 4.2 Crores (₹ 0.9 Crores in Q2 FY23)

Business Update

Strong performance in focus molecules (Source: IQVIA)

- Divatrone +24%, Indocap +20%, Endoreg +27%, Maintane +5%, Metadec +5%

Strategic moderation in Dydrogesterone

- Hypercompetition impacting internal growth, ProRetro discontinued

Counterfeit Indomethacin product availability

- Counterfeit product found in the market
- Unit sealed, appropriate actions initiated by various Regulatory Authorities

New product launches in Q3 – Leveraging equity of well-established brands

- Indocap Gel – First Indomethacin gel for faster pain relief
- Lycored M – Unique formulation for male infertility

Key Brands Progression (Source: IQVIA)

All values in ₹ Crores

Brand	Company			Market		
	MAT Sep'23	MAT Sep'22	Gr %	MAT Sep'23	MAT Sep'22	Gr %
Indocap/ SR	35.3	42.2	20%	48.9	55.9	14%
Maintane Injection	36.8	38.6	5%	146.7	154.0	5%
Divatrone/ ProRetro	30.1	37.4	24%	828.8	1,102.2	33%
Metadec	31.9	33.6	5%	139.3	140.3	1%
Lycored SG/ Syrup	30.0	29.3	-2%	446.5	472.7	6%
Maintane Tablet	17.6	16.0	-9%	33.6	31.7	-6%
Endoreg	12.2	15.5	27%	86.7	97.1	12%
Equirex	14.8	13.9	-6%	100.3	103.2	3%
Doxypal DRL	14.0	12.5	-11%	207.1	220.9	7%



Financial
Performance

Profit and Loss Statement

All values in ₹ Mn

Particulars	Q2 FY 24 (Unaudited)	Q1 FY 24 (Unaudited)	Q2 FY 23 (Unaudited)	H1 FY24 (Unaudited)	H1 FY23 (Unaudited)
Revenue From Operations	578	602	605	1,180	1,211
Material Consumption	-209	-223	-213	-432	-475
Gross Margin	369	379	393	748	737
%	63.8%	62.9%	64.9%	63.4%	60.8%
Employee Benefit Expenses	-117	-137	-141	-254	-290
Operating Expenses	-127	-113	-126	-240	-230
Operational EBITDA	126	129	126	254	216
%	21.7%	21.4%	20.7%	21.5%	17.9%
ESOP Cost	-42	-42	-9	-84	-9
Net Operational EBITDA	84	86	117	170	208
%	14.5%	14.4%	19.3%	14.4%	17.2%
FMV gain/ (losses) on investments	0	0	12	0	-7
Other Income	23	20	11	43	14
Finance Cost	-2	-2	0	-4	0
Depreciation	-5	-4	-2	-8	-4
Exceptional Items	0	0	0	0	-35
Earnings Before Tax	100	101	138	201	176
Taxes	-25	-26	-34	-51	-43
Earnings After Tax	75	75	104	150	133
%	12.9%	12.4%	17.2%	12.7%	11.0%

Key Balance sheet Items

All values in ₹ Mn

Particulars	As at 30 Sep 23	As at 30 Jun 23	Movements
Shareholders Funds	1694	1706	-11
*Tangible Assets	11	182	-171
*Assets Held for Sale	172	0	172
Cash & Cash Equivalents	1243	1245	-2
Investments	11	11	0
Other Non-Current Assets (Net)	16	13	3
Net Working Capital	262	273	-11

*In-line with IND AS 105, Company classified Faridabad facility under "Assets held for sale"

Thank You



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