



## Jagsonpal Pharmaceuticals announces Q1 FY23 results

New Delhi, August 09, 2022: Jagsonpal Pharmaceuticals Limited (BSE: 507789, NSE: JAGSNPHARM) today announced the financial results for the quarter ended June 30<sup>th</sup>, 2022

A detailed presentation on the performance is included as part of this press release.

Particulars	Q1FY23	Q1FY22	Growth %
Revenues	6,059.7	5,405.5	12%
Operating EBITDA	1,062.3	999.7	6%
EBITDA %	17.5%	18.5%	(100 bps)

Commenting on the Company's performance, Mr. Manish Gupta, Managing Director stated "I am excited to take up the mantle to lead Jagsonpal, which I believe has a strong business model, a talented team, and a trusted name among the medical fraternity.

Building on the momentum of last year, Jagsonpal has delivered another quarter of strong 15% growth as per IQVIA. The company has improved its ranking in the Indian Pharmaceutical Industry by 9 positions to be the 80<sup>th</sup> ranked company based on its performance for MAT June'22. The Dydrogesterone franchise (Divatrone and ProRetro) continues to grow rapidly gaining a 4% market share in Q1 and Divatrone features among the 'Top 5' new launches in the last 12 months.

Financially, the company delivered a 12% growth in revenues, which stood at ₹ 60 Crores with an Operating EBITDA of ₹ 10.6 Crores, reflecting a 6% growth, due to post-covid normalization of costs. The quarter saw some exceptional and one-time costs based on certain strategic decisions.

We stay confident of maintaining the growth momentum for the rest of the year even as we initiate work on further growth strategies."

### **ABOUT JAGSONPAL PHARMACEUTICALS LIMITED**

Jagsonpal Pharmaceuticals Limited is a Delhi-based pharmaceutical company. Founded in 1978, the Company has a proven track record of 40+ years of catering to the Indian pharmaceutical market.

The Company has a robust portfolio of drugs focusing on the Gynecology and Orthopedic segments. Over the years, the Company has successfully built multiple brands that today hold market-leading position in respective segments. It has created a niche for itself in these value-accretive segments which resulted in mid-teens CAGR in revenues over the last four years reaching ₹ 2,176 Million in FY22. It has an extensive pan-India presence through its strong sales team of 900+ individuals.

Infinity Holdings acquired a majority stake in the company and is a joint promoter of the company. The company is listed on the National Stock Exchange Limited (NSE) and Bombay Stock Exchange Limited (BSE).

For more on the Company please visit. [www.jagsonpal.com](http://www.jagsonpal.com).

Mr. S.V. Subha Rao  
Chief Financial Officer

Contact: [svrao@jagsonpal.com](mailto:svrao@jagsonpal.com); 01146181100

Jagsonpal Pharmaceuticals Limited  
CIN: L74899DL1978PLC009181  
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# Jagsonpal Pharmaceuticals Limited

Q1 FY23 Earning Presentation

Except for the historical information contained herein, statements in this presentation and the subsequent discussions, which include words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "likely", "project", "should", "potential", "will pursue", and similar expressions of such expressions may constitute "forward-looking statements". These forward-looking statements involve a number of risks, uncertainties, and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, obtain regulatory approvals, our provisioning policies, technological changes, investment and business income, cash flow projections, our exposure to market risks as well as other risks. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

## Company Background

# Company Snapshot



## Proven Track Record

- Established in 1978, long track record of 40+ years

## Focus Segments

- Specialize in the development & commercialisation of Gynaecology & Orthopaedic focussed products

## Strong Brands

- 17 Brands are among the "Top 5" brands in respective molecule segments

## Extensive Coverage

- Comprehensive doctor coverage with field force of 900+ personnel across divisions



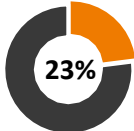

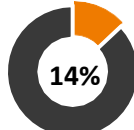
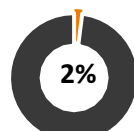
## Pan-India Distribution

- Network of 1,600+ Stockists

# Demonstrated Ability to build Leading Brands: Gynae Portfolio



Gynaecology Portfolio

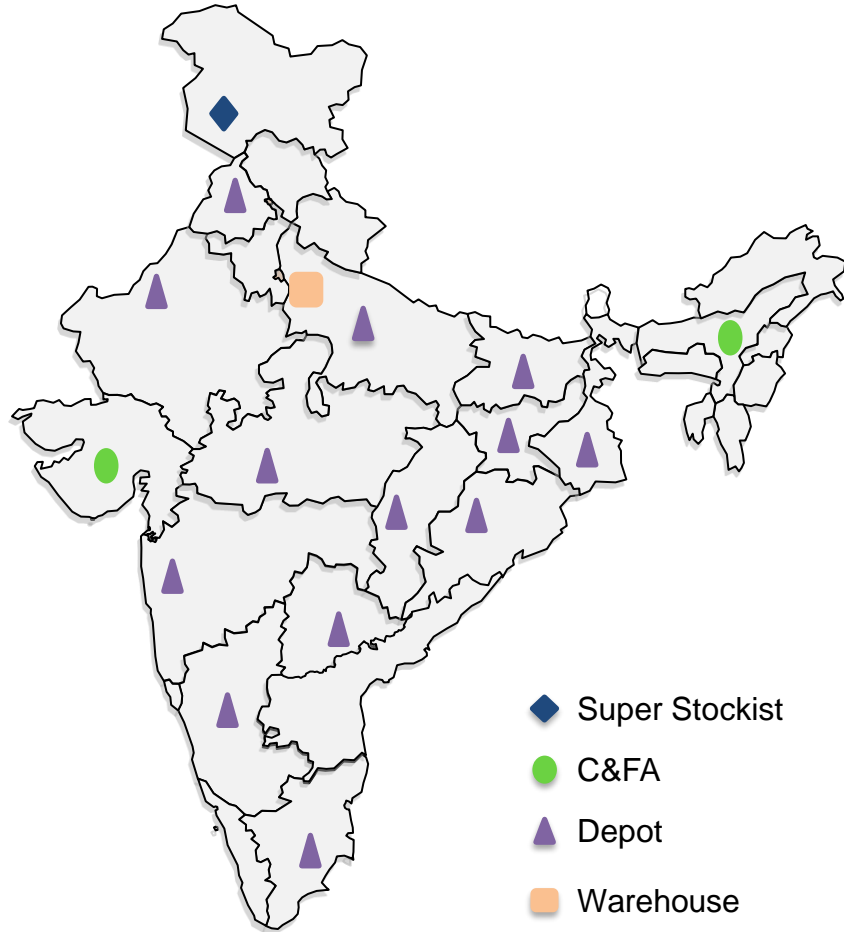
Molecule	Brand (% of Revenue)	Rank in CVM	MS%	Brand Value	2yr CAGR-Brand	2yr CAGR-CVM
Hydroxyprogesterone (₹ 140Cr)	Maintane Inj. (15%)	#2	 25%	₹ 35Cr	23%	21%
Allyeostrenol (₹ 33Cr)	Maintane Tabs. (6%)	#1	 52%	₹ 17Cr	13%	9%
For Female Infertility (₹ 41Cr)	Lycored (13%)	#1	 23%	₹ 31Cr	7%	10%
Dydrogesterone (₹ 722Cr)	Divatrone/ ProRetro (9%)	#6	 3%*	₹ 21Cr	<b>28% QoQ</b> <i>(Launched in Aug'21)</i>	35%
Dienogest (₹ 81Cr)	Endoreg (5%)	#2	 14%	₹ 11Cr	49%	22%
Norethisterone (₹ 249Cr)	Cycloreg (2%)	#6	 2%	₹ 6Cr	12%	13%

# Demonstrated Ability to build Leading Brands: Other Specialty Portfolio



	Molecule	Brand (% of Revenue)	Rank in CVM	MS%	Brand Value	2yr CAGR-Brand	2yr CAGR-CVM
Orthopaedic	Indomethacin Solid (Rs 35 Cr)	Indocap SR (13%)	#1		Rs 29Cr	11%	9%
	Nandrolone (Rs 145Cr)	Metadec (14%)	#2		Rs 31Cr	13%	5%
Anti- Infectives	Doxycycline + Lactob (Rs 212 Cr)	Doxypal DR-L (6%)	#3		₹ 14Cr	23%	27%
*V/M/N	CONV. IRON LIQUID (Rs 956Cr)	J.P Tone Syrup (5%)	#10		₹ 12 Cr	4%	8%
Gastro Intestinal	Chlordiazepox.+ Clind. (Rs 95Cr)	Equirex (6%)	#2		Rs 15Cr	16%	17%





## Sales Team Overview

Field force of 900+ with specialized product experience, improving productivity

Network of 18 pan-India stocking points and 1,600+ stockists

Products available in 1,25,000+ pharmacies across India

## Recent Developments



Infinity Holdings acquired 43.73% stake from the Kochhar family, becoming the largest shareholder

Infinity Holdings and Kochhar family are joint promoters of the company

Established new Board along with induction of eminent Independent Directors

Appointed Mr. Manish Gupta as the Managing Director

Board has appointed M/s. Walter Chandiok Co LLP as the new Statutory Auditors, subject to shareholders' approval

## Reconstituted Board with the induction of industry leaders... (1/2)



**Mr. Harsha Raghavan**

*Non-Executive Director*

- Invested & successfully managed businesses across industries
- Established track record of value creation via engagement with portfolio companies



**Mr. Debasis Nandy**

*Independent Director*

- Experience across domains such as M&A, Investor Relations Accounts, Tax, Treasury, Budgeting, Planning and Business Finance



**Ms. Radhika Dudhat**

*Independent Director*

- Extensive experience in transactional, regulatory and legal risk management advisory for transactional, corporate governance and regulatory issues

## ... with successful track record of leading business (2/2)



**Ms. Pallavi Gupta**

*Independent Director*

- Worked with MNCs, NGOs, listed & privately held companies
- Advised on areas including valuation, corporate and tax laws



**Mr. Prithipal S Kochhar**

*Non-Executive Director*

- Founder of Naari, a company focused on Woman Health
- Operations in South-East Asia, Europe, CIS & Africa with two manufacturing plants in India



**Mr. Manish Gupta**

*Managing Director*

- Well-established track record of successfully leading and managing businesses globally
- Instrumental in creating "Top-20" global animal health company from India

## Q1 Performance

*I am excited to take up the mantle to lead Jagsonpal, which I believe has a strong business model, a talented team, and a trusted name among the medical fraternity.*

*Building on the momentum of last year, Jagsonpal has delivered another quarter of a strong 15% growth as per IQVIA. The company has improved its ranking in the Indian Pharmaceutical Industry by 9 positions to be the 80<sup>th</sup> ranked company based on its performance for MAT June'22. The Dydrogesterone franchise (Divatrone and ProRetro) continues to grow rapidly gaining a 4% market share in Q1 and Divatrone features among the 'Top 5' new launches in the last 12 months.*

*Financially, the company delivered a 12% growth in revenues, which stood at ₹ 60 Crores with an Operating EBITDA of ₹ 10.6 Crores, reflecting a 6% growth, due to post-covid normalization of costs. The quarter saw some exceptional and one-time costs based on certain strategic decisions.*

*We stay confident of maintaining the growth momentum for the rest of the year even as we initiate work on further growth strategies.*

**Mr. Manish Gupta, Managing Director**

## Business

- Significant outperformance as compared to the industry (Source: IQVIA / AWACS)
  - Growth of 15% vis-à-vis industry growth of 7%
  - Improved industry ranking by 9 positions as per MAT June - 89<sup>th</sup> to 80<sup>th</sup>
  - Strong performance by Dydrogesterone franchise (Divatrone and ProRetro) – Achieves 4% market share
  - Divatrone ranked 5<sup>th</sup> among new launches across the Industry

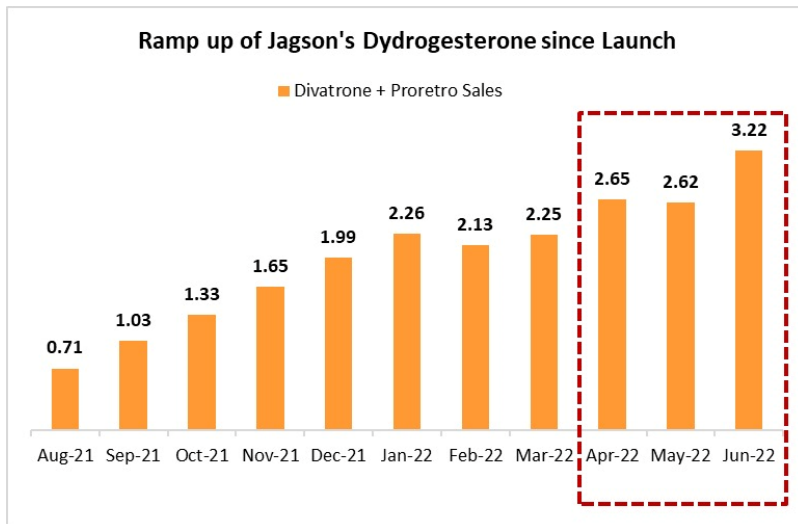
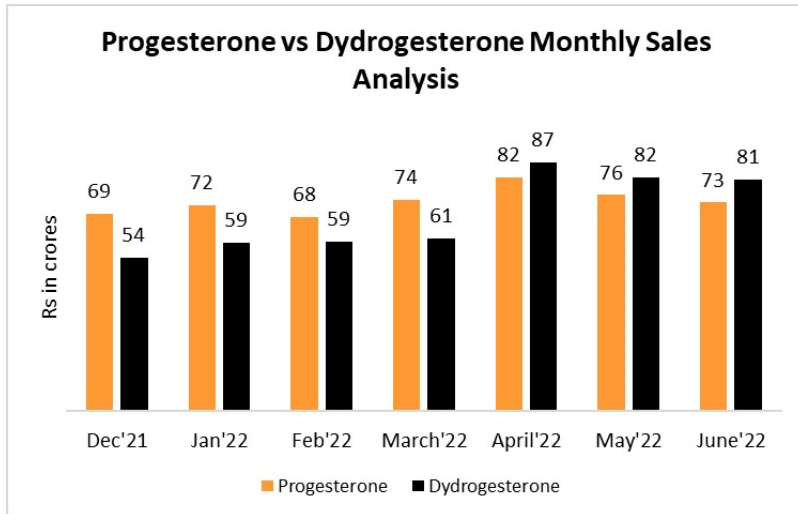
## Financial

- Sales grew by 12% to ₹ 60 crores in spite of the base effect of Covid sales in Q1 FY22
- Operational EBITDA improves 6% to ₹ 10.6 crores, EBITDA margin of 17.5%
- Strong cash flow generation continues – Net cash position improves to ₹ 70 crores

## Operational

- Transitioning to C&F model from own depots for costs and efficiencies
- New office location finalised at Gurgaon – To be operational from Q3

# Dydrogesterone – A New Horizon for Jagsonpal



- Launch of Dydrogesterone products(DGT) at a competitive price has helped expand the market, replacing the progesterone (NMP) market
  - DGT market has grown 59% as against 12% for NMP (MAT June 22)
  - DGT sales have overtaken NMP since April'22
- Jagsonpal launched DGT brands: **Divatrone & ProRetro** in August '22
  - **Superior product:** India's first micronized DGT brand with 36-month shelf-life
  - **Complete control over the supply chain:** Exclusivity for Indian markets
- DGT franchise has consistently delivered strong performance with continuous improvement in the market share - 4% in June'22
- Divatrone: Ranked 5<sup>th</sup> best launch across all segments<sup>^</sup>
- Divatrone has been nominated as the new introduction of the year in the Chronic therapy category as per AWACS

<sup>^</sup>MAT June as per IQVIA



## Financial Performance

# Profit and Loss Statement

All values in ₹ lakhs



Particulars	Q1 FY 23 Unaudited	Q1 FY 22 Unaudited	Q4 FY 22 Unaudited	FY 22 Audited	Remarks
Revenue From Operations	6,059.7	5,405.5	5,122.7	21,758.4	Strong growth in spite of base effect of Covid product sales in the previous year
Material Consumption	-2,507.8	-2,062.6	-2,306.3	-8,727.2	
<b>Gross Margin</b>	<b>3,551.9</b>	<b>3,342.9</b>	<b>2,816.3</b>	<b>13,031.2</b>	
<b>GC %</b>	<b>58.6%</b>	<b>61.8%</b>	<b>55.0%</b>	<b>59.9%</b>	Product-mix impact along with increase in input costs, Correction from Q2 onwards
Employee Benefit Expenses	-1,488.2	-1,432.4	-1,321.0	-5,646.3	
Operating Expenses	-1,001.5	-910.7	-1,069.3	-4,140.3	Normalization of operating costs post-Covid
<b>Operational EBITDA</b>	<b>1,062.3</b>	<b>999.7</b>	<b>426.0</b>	<b>3,244.6</b>	
<b>Operational EBITDA %</b>	<b>17.5%</b>	<b>18.5%</b>	<b>8.3%</b>	<b>14.9%</b>	
Exchange Gain/ (Loss)	1.4	0.0	0.1	0.1	
FMV gain/ (loss) on investments	-191.1	9.8	-109.2	104.1	MTM impact of mutual fund investments
Other Income	29.9	72.4	136.7	229.4	
Finance Cost	-1.4	-10.5	-5.8	-28.5	
Depreciation	-19.3	-28.3	-64.5	-152.6	
Exceptional / One-time Exp.	-809.8	-72.2	-363.3	-665.2	Details in following slide
<b>Earnings Before Tax</b>	<b>72.0</b>	<b>970.8</b>	<b>20.0</b>	<b>2,731.9</b>	
Taxes	-35.1	-285.9	-17.5	-773.2	Under the new tax regime
<b>Earning After Tax</b>	<b>36.9</b>	<b>684.8</b>	<b>2.5</b>	<b>1,958.7</b>	

## Exceptional/ One-time Expenses

All values in ₹ lakhs



Expenses Break-up		Q1 FY23	Q1 FY22	Q4 FY22	FY 22
<b>Impairment losses</b>					
- Faridabad Factory	89.5				
- Delhi Office	168.4				
- Product Development & related Costs	254.5				
		512.4			
Restructuring Costs (Retirement / Redundancy)		68.0			
<b>Total Exceptional Costs Reported P&amp;L (A)</b>		<b>580.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Non-Recurring Expenses</b>					
One-off Management Consultancy		19.1	66.0	276.8	544.0
Retirement / Layoff			6.2	86.5	121.2
Inventory write-off (Discontinued products)		44.8			
Provisions for Write-off		16.5			
New product launch Expenses		148.9			
<b>Non-Recurring Expenses (B)</b>		<b>229.3</b>	<b>72.2</b>	<b>363.3</b>	<b>665.2</b>
<b>Total Exceptional / One-time Expenses (A+B)</b>		<b>809.8</b>	<b>72.2</b>	<b>363.3</b>	<b>665.2</b>

## Key Balance Sheet Items

All values in ₹ lakhs



Particulars	As on 30 <sup>th</sup> June	As on 31 <sup>st</sup> March	Change	Remarks
Shareholders Funds	13,123	13,086	37	
Tangible Assets	1,964	2,237	-273	Impairment of assets pertaining to Faridabad factory & Delhi head office, product development charges written off
Intangible Assets	3	238	-235	
Cash & Liquid Investments	7,036	6,875	161	
Other Non-Current Assets (Net)	1,227	891	336	
Net Working Capital	5,034	5,448	-414	Expedited vendor payments



**Thank You**