

Jagsonpal Pharmaceuticals announces Q1 FY22 Results

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Revenue growth of 87%, PAT growth of 172% Launched two Dydrogesterone formulations under the brand names Divatrone and Proretro

New Delhi, Aug 16, 2021: Jagsonpal Pharmaceuticals Ltd., a Delhi based leading pharmaceutical company, announced Q1FY22 results on Aug 13, 2021.

Management Comment:

Speaking about the performance, Mr. R.P.S. Kochhar, Chairman & Managing Director, Jagsonpal Pharmaceuticals said, *“We are happy to announce that our efforts on product rationalization, focus on high margin products, cost control, and improvement in operational matrix with better supply chain management have started producing results. We have delivered strong revenue growth and profitability led by our continuous efforts on brand building and demand growth post easing of lockdown restrictions.”*

He also added, “We are delighted to announce the launch of two Dydrogesterone formulations under the brand name Divatrone and Pro-Retro which completes our product basket for the Progestin therapy. This gives us a strong foothold into an area that has a potential market size of ~Rs. 450 cr. with limited competition. We are continuously working to strengthen our sales network by improving network of empaneled doctors, connecting with them digitally, organizing regional, state and specialty focused webinars, onboarding experienced sales professionals, and training our workforce to transform to a digital culture. These digital initiative have shown resounding participation and encouraging results.”

Key Financial highlights of the Quarter:

(Figures in INR-Millions)

Financial Summary	Q1FY22	Q1FY21	YoY%	Q4FY21	QoQ%	FY21
Total Income	608.2	324.4	87.5%	455.0	33.7%	1,923.4
EBITDA	101.0	34.3	194.3%	77.8	29.8%	234.7
EBITDA Margin	16.6%	10.6%	602 bps	17.1%	-50 bps	12.2%
Profit after Tax	68	25	171.7%	51	34.3%	171

Q1FY22 Summary:

- Total income of ₹608 mn, registering a growth of 87.5% YoY
- EBITDA of ₹ 101 mn, up 194.3% YoY translating to an EBITDA Margin of 16.6%. This was an increase in margin of almost 600 bps.
- EBITDA margin improved due to:
 - Increase in sale of high margin products.
 - Improvement in the ratio of manufacturing cost overheads as percentage of sale.
 - Better financial control and monitoring of other administrative expenses.
- Profit after Tax of ₹ 68 mn, registering a growth of 171.7% YoY.
- EPS was ₹2.61 as compared to ₹ 0.96; a growth of 172%.

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Product Launch

Jagsonpal Pharmaceuticals is one of the fastest growing companies in India, with a strong drug portfolio, focusing on the fields of women's health and gynecology. Progesterone is the second largest subgroup in the Gynae market, with a market size of approximately Rs.17.5 billion.

The company has a variety of progesterone treatment products. To improve the progesterone treatment product portfolio, **the company has launched two Dydrogesterone formulations under the brand names Divatrone and Proretro.**

Dydrogesterone belongs to the molecular group of progesterone and is mainly used for indications of pregnancy, menstrual support, and infertility. The total market size of Dydrogesterone is ~Rs 4.5 billion (MAT June 21), and its market share in the entire progesterone molecule is approximately 25%. Dydrogesterone has exhibited ~14% growth in last year and faces limited competition in the market (2 main players and 1 small player)).

We expect that this product will contribute ~8% to consolidated revenues of the company in FY2021-22 and we are hopeful of capturing 15% market share in next 2 years.

Other operational highlights:

FY 2021-22 has begun on a positive note with record quarterly revenue and EBITDA margins under the backdrop of the second wave of Covid.

During second wave of COVID, we created a focused task force across our business units and location to support our employees and their families. The efforts of taskforce resulted in significant mitigation of COVID hardship for our employees and their families including those who unfortunately succumbed in line of duty.

The Company's key focus was on brand promotions during this quarter. We focused on key contributors, identified doctors and prescribers across specific brands during the quarter. This focused brand promotion along with favorable market conditions lead to strong demand for some of our brands. This was also ably supported by our Procurement & Distribution teams that have managed the supply chain exceedingly well to ensure that products were available at the shortest time interval. At the field & customer level connect front, we were able to constantly connect with our field force, our key customers as well as Doctors through virtual / video conferencing mode to ensure the right communication and availability of brands.

Business Outlook

We expect strong business performance during this fiscal and expect significant momentum in this fiscal on the back of new launches and better product mix. On a consolidated basis, **we expect a revenue growth of 28-30% in FY 22 over FY 21 and aspire to be in the 22 to 24% EBITDA margins range, barring unforeseen circumstances.**

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About Jagsonpal Pharmaceuticals

Established in 1964, Jagsonpal pharmaceuticals, specializes in developing and manufacturing bulk drugs and pharmaceutical formulations (Pharmaceuticals, generic drugs, API). Company has major presence in the field of Gynecology, IVF specialization, Orthopedics, General Physician.

Jagsonpal's strength lies in marketing and distributing of its pharmaceutical products in India. The firm has an extraordinary distribution network with +1600 authorized stockiest / super stockiest and +125,000 pharmacies.

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