



# Investor Presentation

November 2023



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# Agenda



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**Q2 & H1 FY24 Financials**

**Company at a Glance**

**Contrast Media Intermediates**

**High Intensity Sweeteners**

**Pharma Intermediates & API**

**Chemistry and Manufacturing Capabilities**

**Growth Strategy**

**Management and Board of Directors**

**Investment Rationale**



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# 1. Q2 & H1 FY24 Financials



# H1 FY24 & Q2 Earnings Highlights



## Financial Highlights

### H1FY24

- ✓ Revenue from operations for H1FY24 grew by 7.8% YoY to Rs. 3,609 mn
- ✓ EBITDA for H1 came at Rs. 1,216 mn up 25.3% YoY compared to Rs. 970 mn in H1FY23. EBITDA margin for H1 was at 33.7% as compared to 29.0% in H1FY23.
- ✓ PAT for H1 was at Rs. 920 mn up 28.1% YoY as compared to H1FY23 . PAT margin was at 25.5% as compared to 21.5% in H1FY23

### Q2FY24

- ✓ Revenue from operations for Q2FY24 de-grew by 4.7% YoY to Rs. 1,814 mn
- ✓ EBITDA for the quarter came at Rs. 626 mn up 6.7% YoY compared to Rs. 587 mn in Q2FY23. EBITDA margin for the quarter was at 34.5% as compared to 30.9% in Q2FY23.
- ✓ PAT for the quarter was at Rs. 479 mn up 8.9% YoY as compared to Q2FY23. PAT margin for the quarter was at 26.4% as compared to 23.1% in Q2FY23



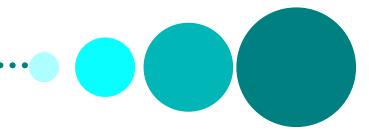
## Q2 & H1 FY24 Business Highlights

### Business Highlights

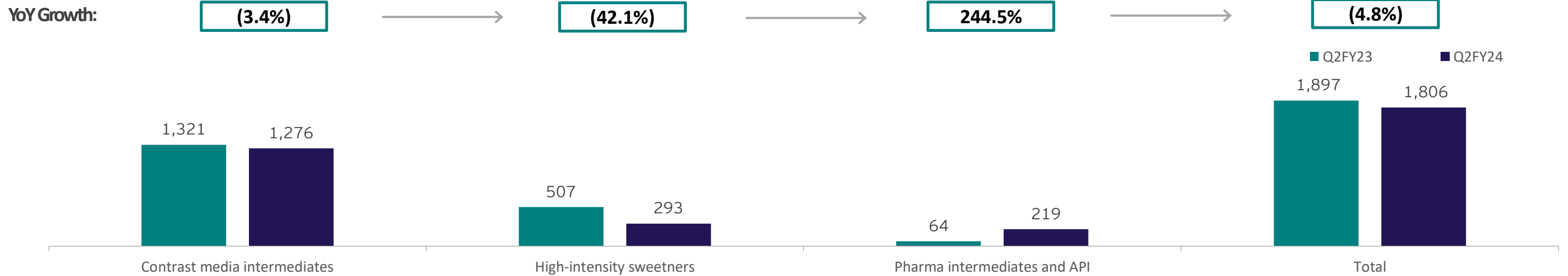
- ✓ **Launched one more product in PI /API segment** during Q2FY24,.
- ✓ Plant Validation batches completed for one **Contrast Media Advanced intermediate**.
- ✓ **Successfully commission 7 MW solar power plant** project in **September 2023**. This will lead to considerable saving in energy expense in coming quarters.
- ✓ **Fire Incident Update:**
  - On November 3, 2023, fire took place in one of the unit of the company at K-4/1, Mahad Industrial area, Maharashtra.
  - Company is in the process of ascertaining the extent of assessing the extent of damage and the delays that the incident may have on the ongoing projects



# Q2FY24 Financial Performance – Key Metrics



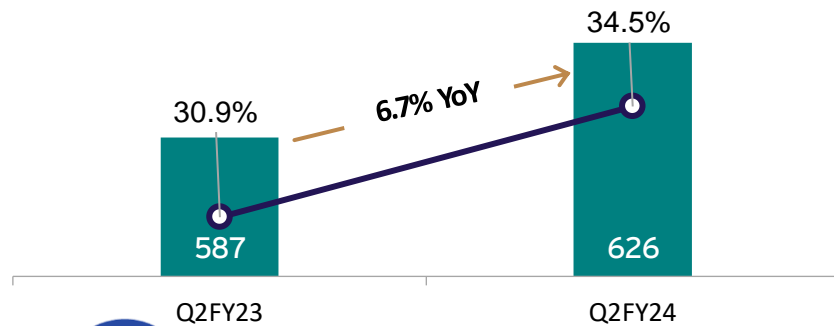
## Revenue from Operations – Growth Trends (Rs Mn)



Note: Total Revenue from Operations includes "sale of other products too".

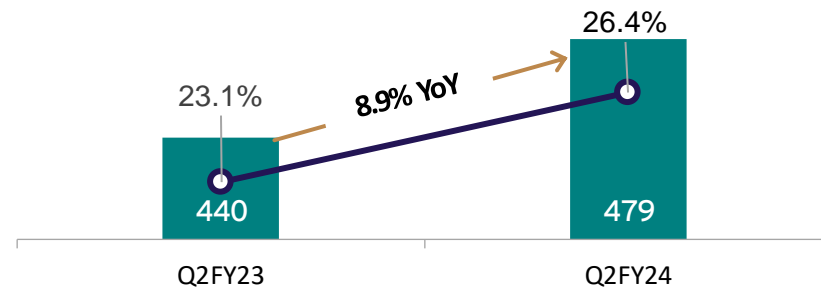
## EBITDA & EBITDA Margin (Rs Mn)

■ EBITDA ● EBITDA Margin



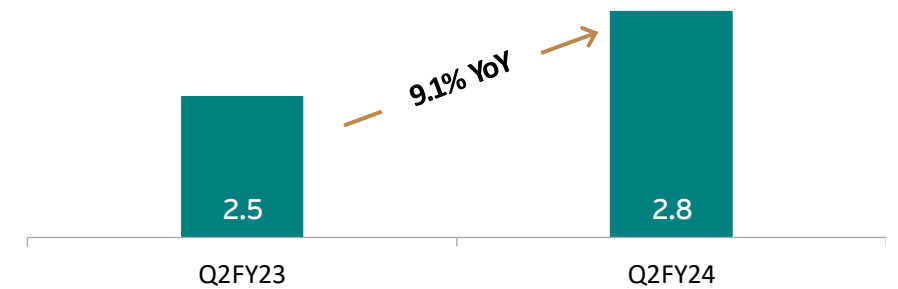
## PAT (Rs Mn)

■ PAT ● PAT Margin



## EPS

■ EPS



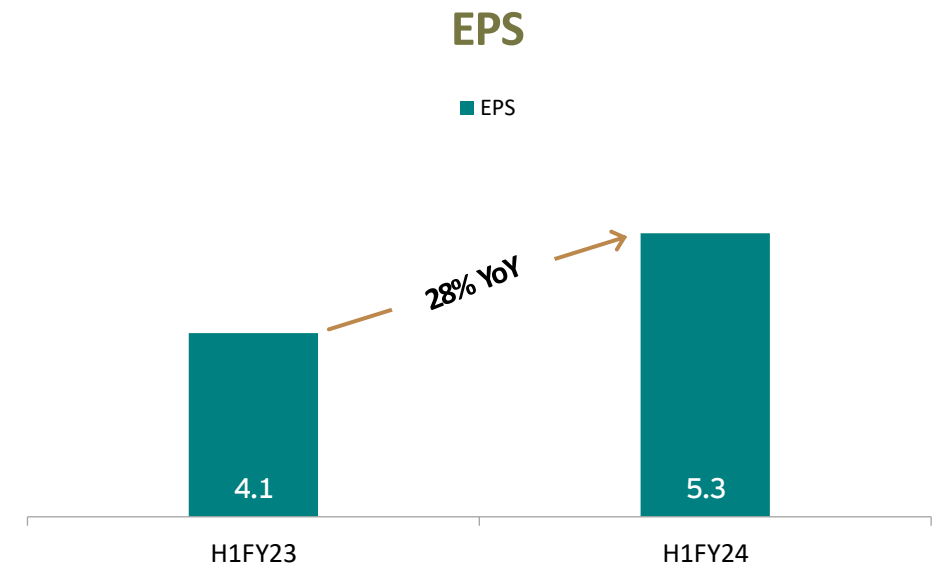
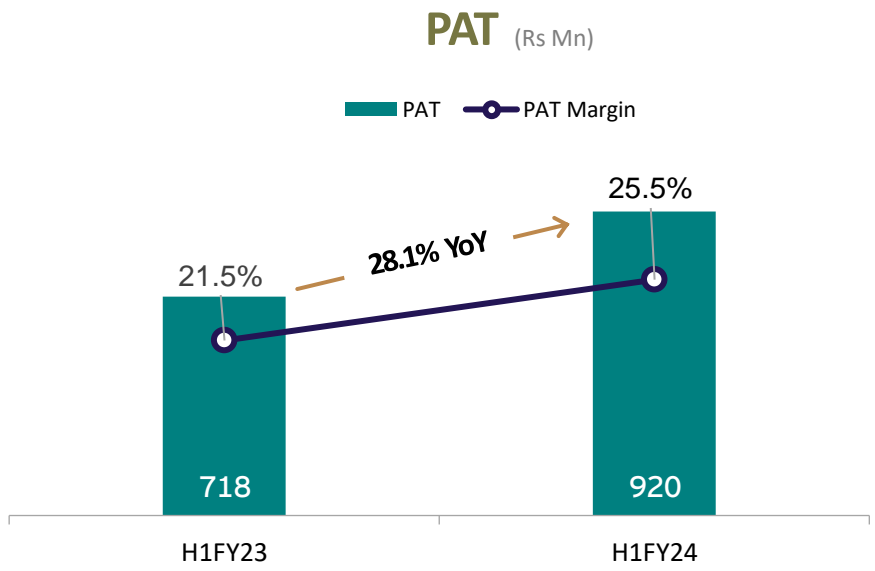
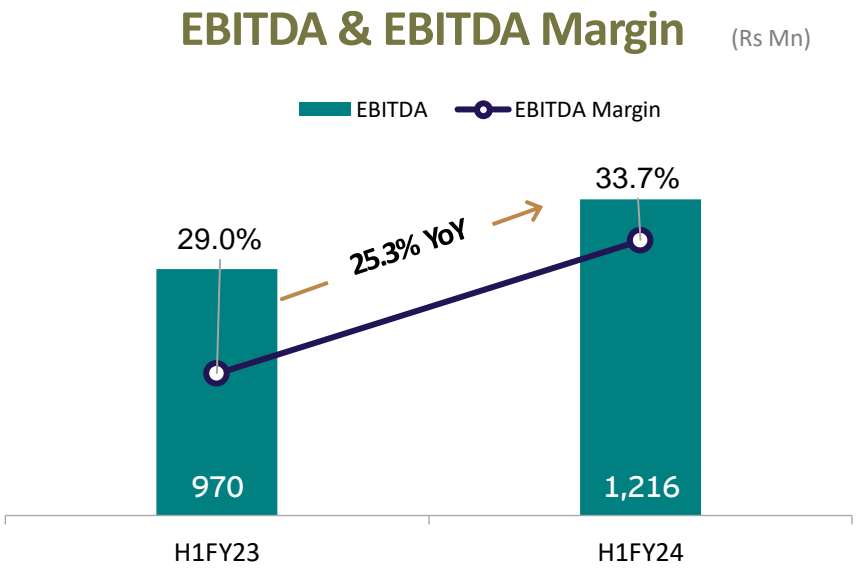
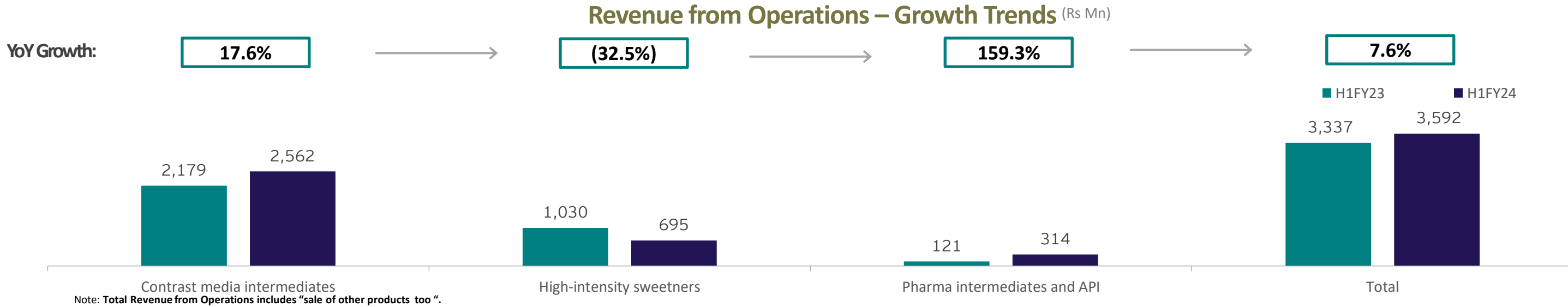
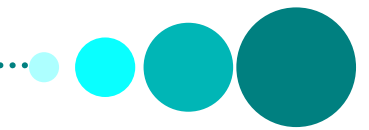
# Profit and Loss Statement

Particulars (Rs. Mn)	Q2FY24	Q2FY23	YoY	Q1FY24	QoQ	H1FY24	H1FY23	YoY
<b>Revenue from Operations</b>	1,814	1,902	<b>-4.8%</b>	1,795	<b>1.0%</b>	3,609	3,347	<b>7.6%</b>
COGS	783	912		792		1,576	1,596	
<b>Gross Profit</b>	1,030	990	<b>4.1%</b>	1,003	<b>2.7%</b>	2,033	1,751	<b>16.1%</b>
<i>Gross Margin</i>	56.8%	52.0%		55.9%		56.3%	52.3%	
Employee benefits expenses	133	103		127		260	195	
Other expenses	271	300		286		557	585	
<b>Total Expenses</b>	1,187	1,315		1,206		2,393	2,377	
<b>EBITDA</b>	626	587	<b>6.7%</b>	590	<b>6.2%</b>	1,216	970	<b>25.3%</b>
<i>EBITDA Margin</i>	34.5%	30.9%		32.8%		33.7%	29.0%	
Depreciation and amortization	65	62		61		125	121	
<b>PBIT</b>	644	594	<b>8.3%</b>	580	<b>11.0%</b>	1,223	962	<b>27.2%</b>
Finance costs	0	4		0		1	7	
Other Income	82	69		51		133	112	
<b>PBT</b>	643	591	<b>8.9%</b>	579	<b>11.1%</b>	1,222	955	<b>28.0%</b>
Tax Expense	165	151		138		303	237	
<b>PAT</b>	479	440	<b>8.9%</b>	441	<b>8.5%</b>	920	718	<b>28.1%</b>
<i>PAT Margin</i>	26.4%	23.1%		24.6%		25.5%	21.4%	



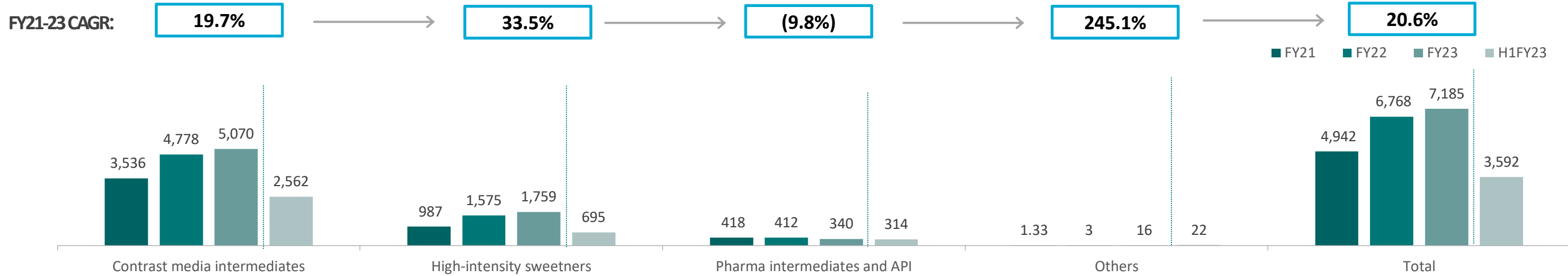


# H1FY24 Financial Performance – Key Metrics

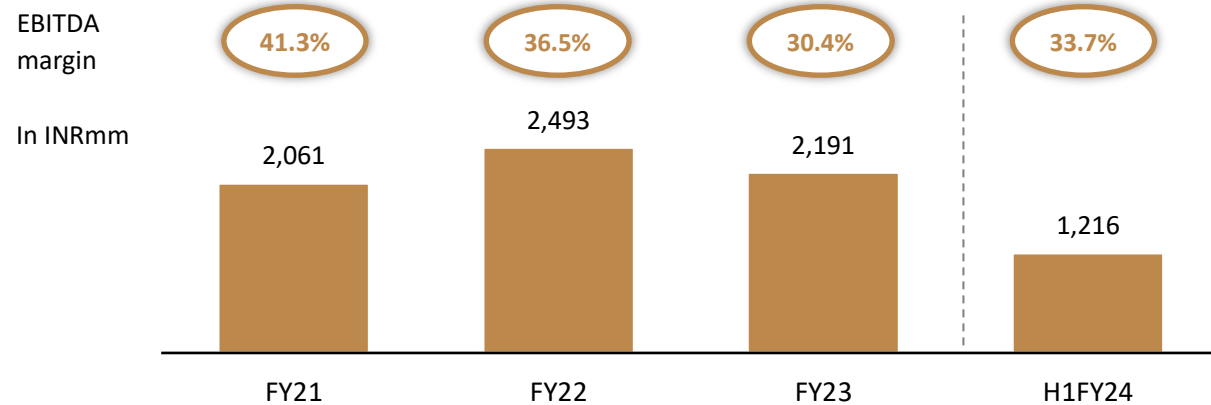


# Financial Performance over the years – Key Metrics

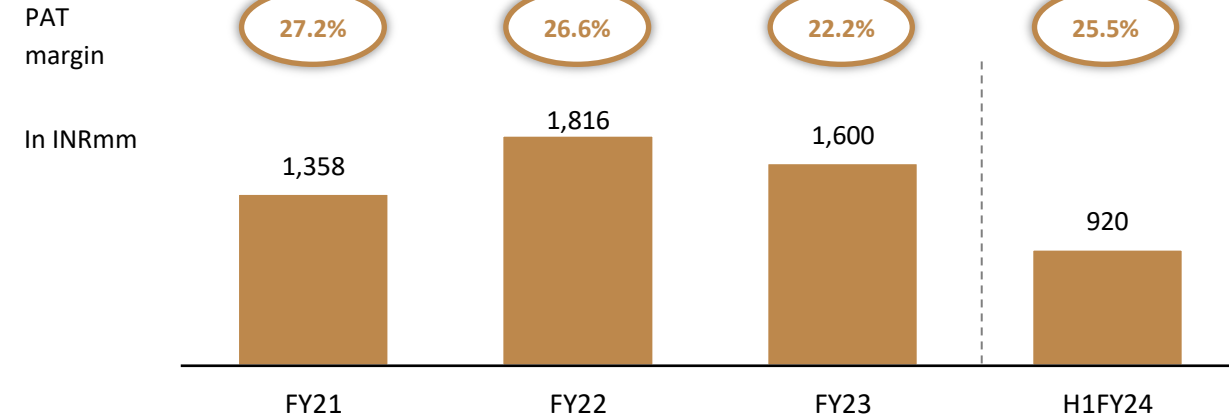
## Revenue from operations – Growth Trends (Rs Mn)



## EBITDA Profile



## PAT Profile



# Financials for the last three years

## Summary Statement of Profit and Loss

Particulars (Rs. Mn)	FY21	FY22	FY23	H1FY24
<b>Revenue from Operations</b>	4,989	6,835	7,210	<b>3,609</b>
Other Income	89	194	240	133
<b>Total Revenue</b>	<b>5,078</b>	<b>7,029</b>	<b>7,449</b>	<b>3,742</b>
Cost of Materials consumed	1,695	2,875	3,360	1,576
Employee benefits expenses	290	330	419	260
Finance costs	53	33	14	1
Depreciation and amortization	197	221	251	125
Other expenses	945	1,137	1,240	557
<b>Total Expenses</b>	<b>3,178</b>	<b>4,597</b>	<b>5,283</b>	<b>2,519</b>
Exceptional Items	(53)	-	-	-
<b>PBT</b>	<b>1,847</b>	<b>2,432</b>	<b>2,166</b>	<b>1,222</b>
Tax Expense	489	616	566	303
<b>PAT</b>	<b>1,358</b>	<b>1,816</b>	<b>1,600</b>	<b>920</b>

## Summary Statement of Assets and Liabilities

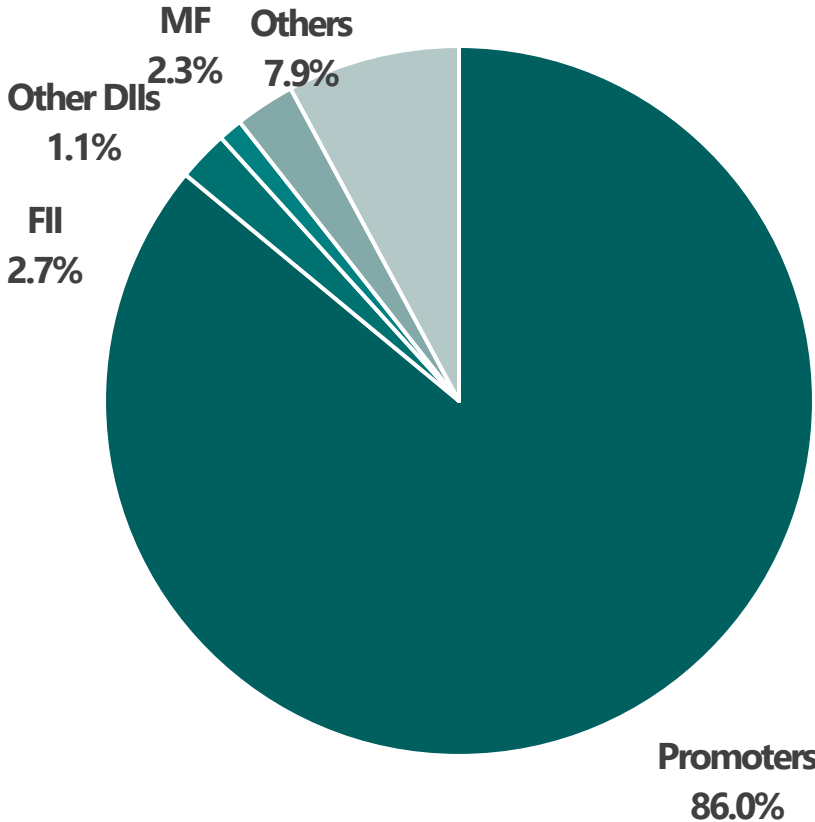
Particulars (Rs. Mn)	FY21	FY22	FY23	H1FY24
<b>I. Assets</b>				
Property, plant and equipment	1188	1185	1282	1,613
Other non-current assets	275	466	688	1,057
<b>Total non-current assets</b>	<b>1,463</b>	<b>1,651</b>	<b>1,970</b>	<b>2,670</b>
Inventories	1177	1050	1257	1,477
Trade receivables	1440	2274	2394	2,057
Cash and cash equivalents	611	754	654	554
Other current assets	672	1405	2346	2,877
<b>Total current assets</b>	<b>3,900</b>	<b>5,483</b>	<b>6,651</b>	<b>6,965</b>
<b>Total assets</b>	<b>5,363</b>	<b>7,134</b>	<b>8,621</b>	<b>9,635</b>
<b>II. Equity and liabilities</b>				
<b>Total equity</b>	<b>3,398</b>	<b>5,215</b>	<b>6,815</b>	<b>7,736</b>
Borrowings	287	-	-	0
Other non-current liabilities	47	173	67	67
<b>Total non-current liabilities</b>	<b>334</b>	<b>173</b>	<b>67</b>	<b>67</b>
Current borrowings	229	-	-	0
Trade payables	595	565	538	566
Other current liabilities	807	1,180	1,201	1,266
<b>Total current liabilities</b>	<b>1,631</b>	<b>1,745</b>	<b>1,739</b>	<b>1,832</b>
<b>Total liabilities</b>	<b>1,965</b>	<b>1,918</b>	<b>1,806</b>	<b>1,899</b>
<b>Total equity and liabilities</b>	<b>5,363</b>	<b>7,134</b>	<b>8,621</b>	<b>9,635</b>



# Shareholder Information



Shareholding as on 30<sup>th</sup> October 2023



## Share Information as on 30<sup>th</sup> October 2023

NSE Ticker	<b>BLUEJET</b>
BSE Ticker	<b>544009</b>
Shares Outstanding	<b>17,34,65,425</b>
Industry	<b>Pharmaceuticals</b>

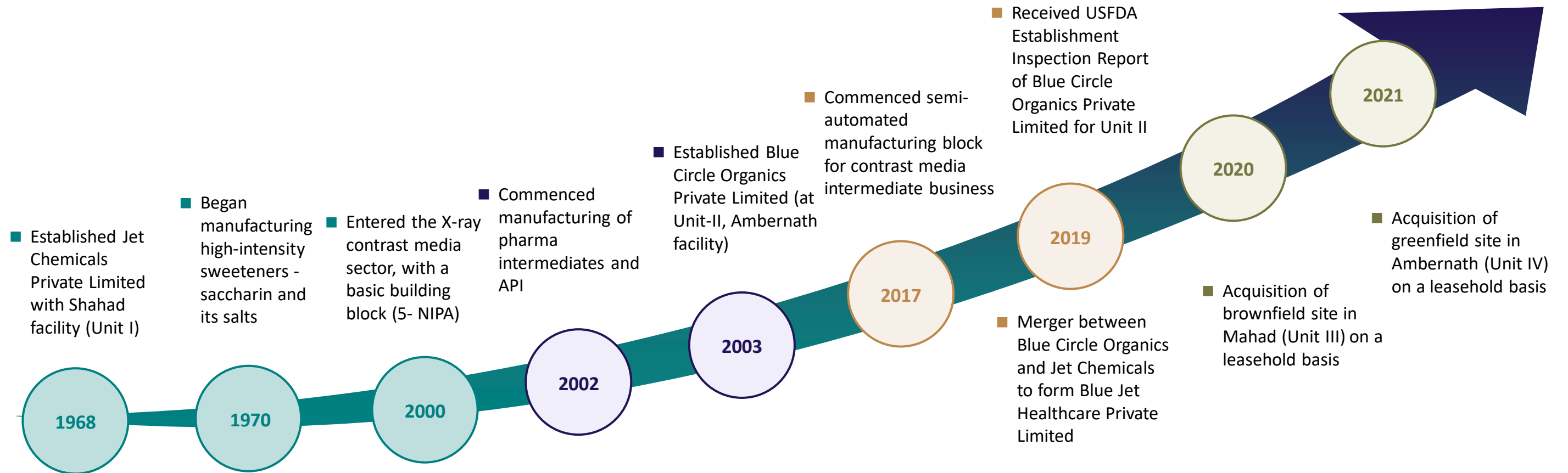


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## 2. Company at a Glance



# Our Journey



# Who we are

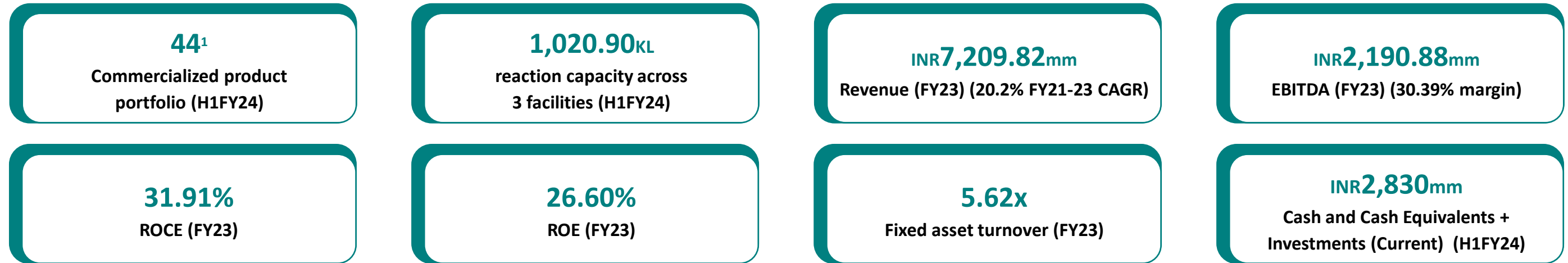


A specialty pharmaceutical and healthcare ingredient and intermediate company, offering niche products with an approach of “Collaboration, Development, Manufacturing” to CDMO business



# Blue Jet Healthcare at a glance

## Key metrics



## Business overview

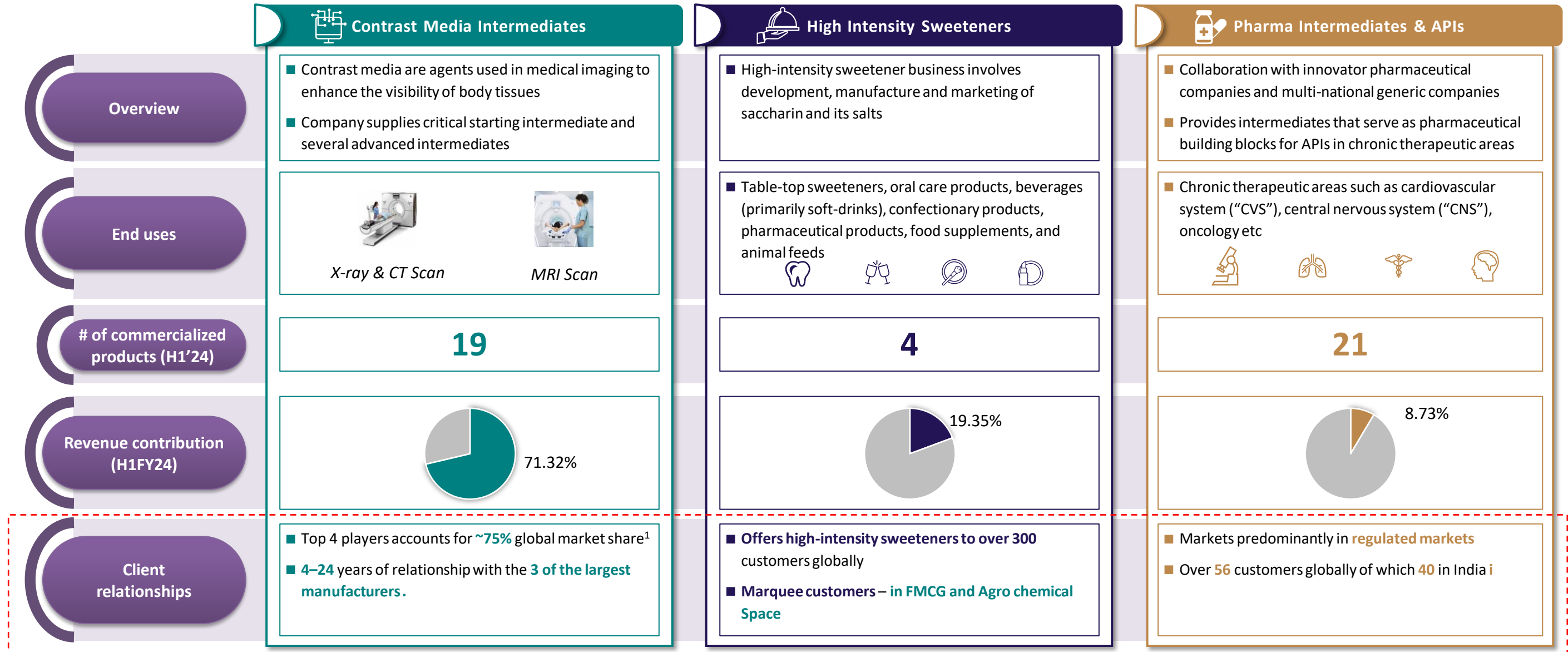


Sources: Company information

Note: <sup>1</sup>Includes 19, 4, and 21 commercialized products for contrast media, high intensity sweeteners, and pharma intermediates and APIs respectively



# Overview of our Business Segments



Sources: Company information, IQVIA report dated October 9, 2023 ("Industry Report")  
 Note: <sup>1</sup> In each of MAT June 2019, 2020, 2021, 2022 and 2023

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### 3. Contrast Media Intermediates



# Overview of Contrast Media and its growth drivers

## What is contrast media?

- Chemical agents that **enhances the contrast of an imaging modality** in diagnostic imaging, thereby **aiding diagnosis of diseases**
- Once inside the human body, selectively and temporarily taken up by different body tissues
- **Enhance the images, leading to better visualizations of the tissues and organs**

## Types of contrast media

- **X-ray / Computed Tomography (CT) contrast agents:** iodine-based contrast media agents
- **Magnetic Resonance Imaging (MRI) contrast agents:** gadolinium-based agents
- **Ultrasound (USG) agents:** Stabilized microbubble-based contrast media agents

## Growth drivers for contrast media



**Growing population and changing demographics**  
(65 yrs.+) estimated to increase from 6.9% of the total world population in 2000 to 10.4% by 2025<sup>1</sup>



**Growing prevalence of lifestyle diseases**  
such as diabetes, physical inactivity, obesity, etc.



**Increased convenience**  
through online booking and reporting



**Rising healthcare expenditure**  
Global health expenditure grew at 3.9% CAGR from 2000–17



**Focus on early diagnostics**  
driven by advancement in diagnostic technologies and growing public awareness



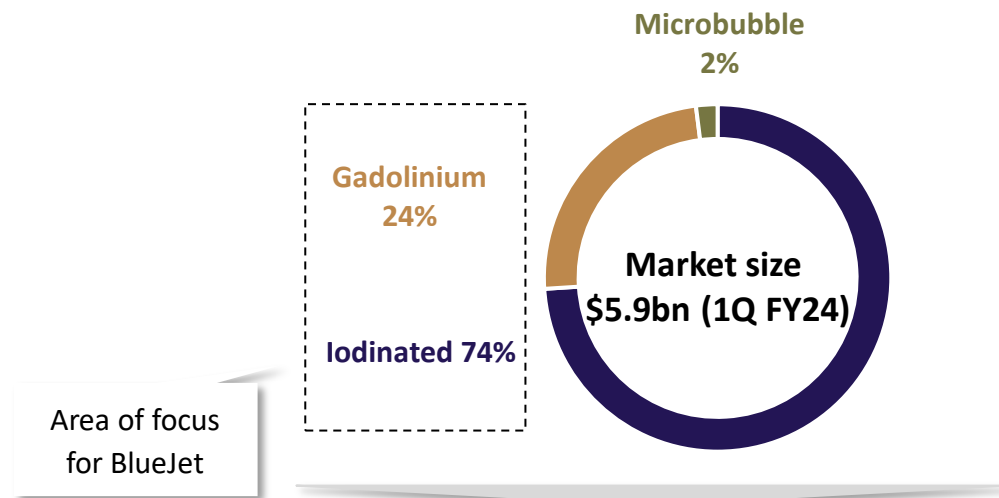
**Increasing demand for preventive healthcare**  
driven by increased awareness and rising curative costs



Source: Industry report  
Note: <sup>1</sup> World Bank national account data

# Overview of Contrast Media and its growth drivers (cont'd)

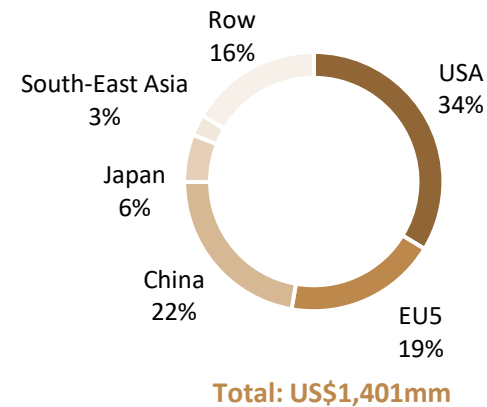
## Segmental breakdown of Contrast Media



### Iodinated market for MAT 2023

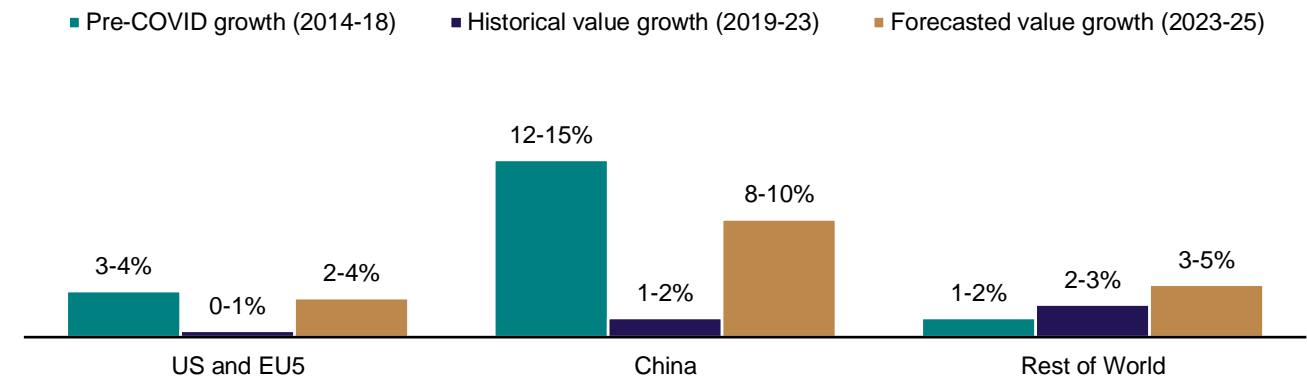
Total: US\$4,328mm

### Gadolinium-based market for MAT 2023

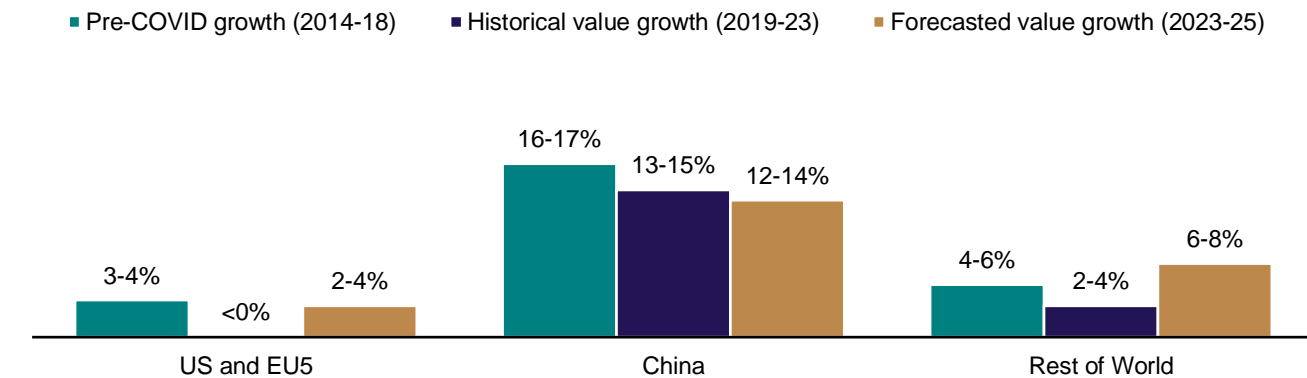


## Growth Forecasts for Contrast Media

### Iodine based contrast media



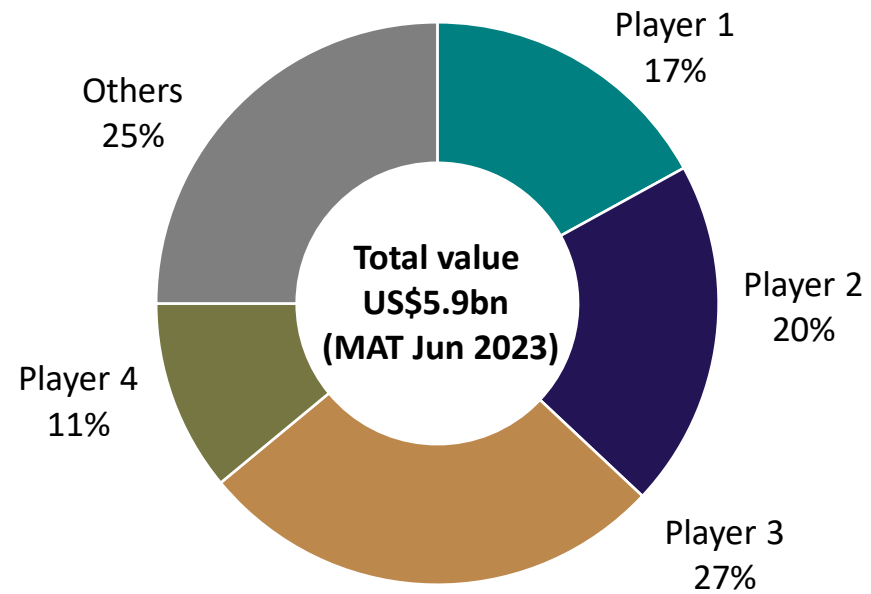
### Gadolinium based contrast media



Source: Industry report

# The global Contrast Media industry is highly concentrated

## Global Contrast Media competitive landscape



**Top 4 accounts for ~75% share in 1Q FY24**



Highly concentrated and dominated by multi-national corporations,



Collectively hold ~75% of the global sales of contrast media formulations<sup>1</sup>



Either forward integrated (have equipment manufacturing) or long-standing relationships with manufacturers



# High entry barriers for key intermediates' vendors

## Characteristics of the Contrast Media market



Strict internal standards for product impurity / features profile



Stickiness of relationship



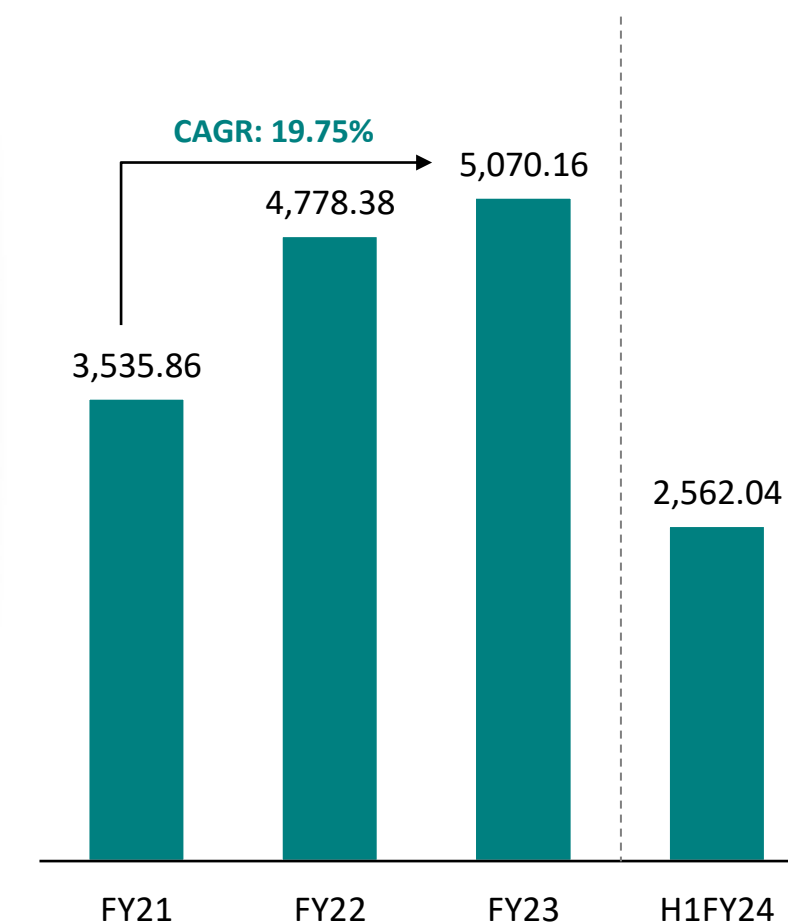
Long-term supply contracts

## Blue Jet's positioning

- ✓ More than **two decades of experience**
  - ✓ **75%+ of exports** of a selected contrast media intermediate (**5-Amino-N,N'-bis (2,3-dihydroxypropyl) isophthalamide**) from India<sup>1</sup>
  - ✓ Strategically **focused on complex chemistry** categories
- 
- ✓ Regularly supplying **key starting intermediate** as the building block
  - ✓ Several **functionally critical advanced intermediates**
  - ✓ **4 to 24** years with 3 of the largest contrast media manufacturers in the world, directly
- 
- ✓ **Medium to long term supply contracts** with customers
  - ✓ **70%** of total sales backed by **contracted** sales volumes<sup>2</sup>
  - ✓ **Products qualified, approved and Validated**

## Contrast Media Intermediate segment performance

In INRmm



Source: Company information

Source: Industry report

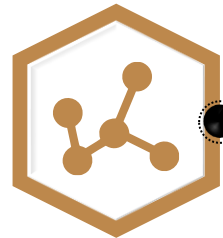
Note: <sup>1</sup> In each of the Financial Years 2020, 2021 and 2022; <sup>2</sup> For Financial Years 2021, 2022, 2023 and three months ended 1Q 2023



# Continue to forward integrate into more advanced intermediates for Contrast Media



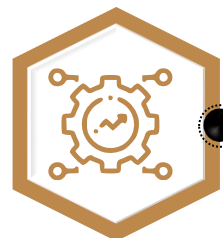
- **Strong product development** and process optimization capabilities underpinned by **in-house R&D capabilities**



- Focus on molecules with **customer interest** and **strategy** in either **outsourcing or alternate sourcing** the next stage of advanced intermediates



- **Key starting intermediate** as building block in 2000 to **18 additional advanced intermediates** as of H1 FY24



- Further **improving chemistry** capabilities in close **synergy** with our customers (**4 to 24 years** with 3 of top 4 players directly)

## Key benefits

- ✓ Capture **larger wallet share** with existing customers



- ✓ **Higher realization and profitability** per unit



- ✓ Potential of **moving up the value chain**



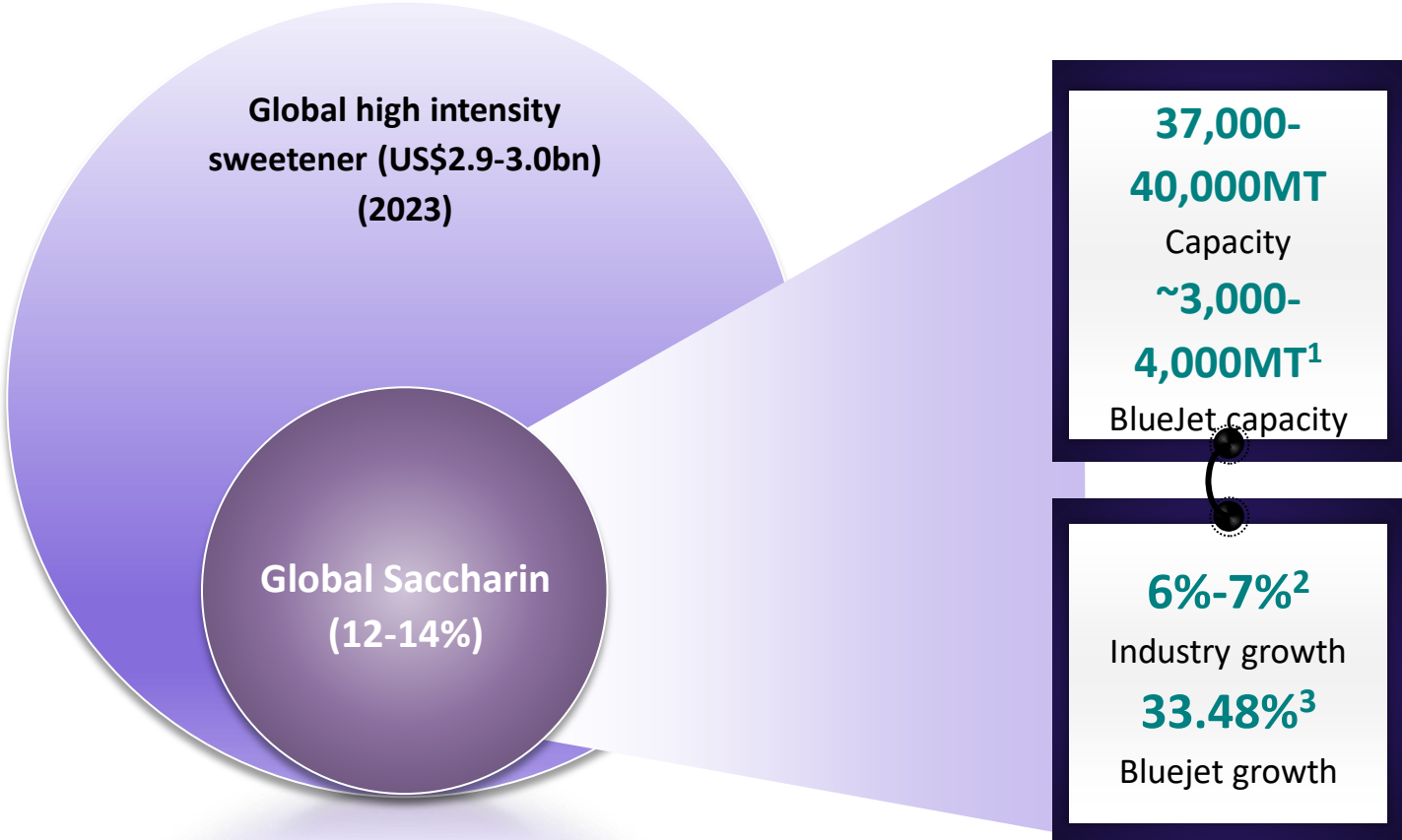
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## 4. High Intensity Sweeteners





# Blue Jet contributes ~3,000-4,000MT<sup>1</sup> to the Global Saccharin Market by capacity



## Varied uses cases of Saccharin

	Oral care 5-6%
	Non-alcoholic beverages 6-8%
	Bakery and Confectionery 5-6%
	Vitamins & Dietary Supplements 4-6%
	Pharma excipient 4-6%
	Agrochemicals 3-4%

Contribute negligible / limited calories

~300x to 500x sweeter than sugar

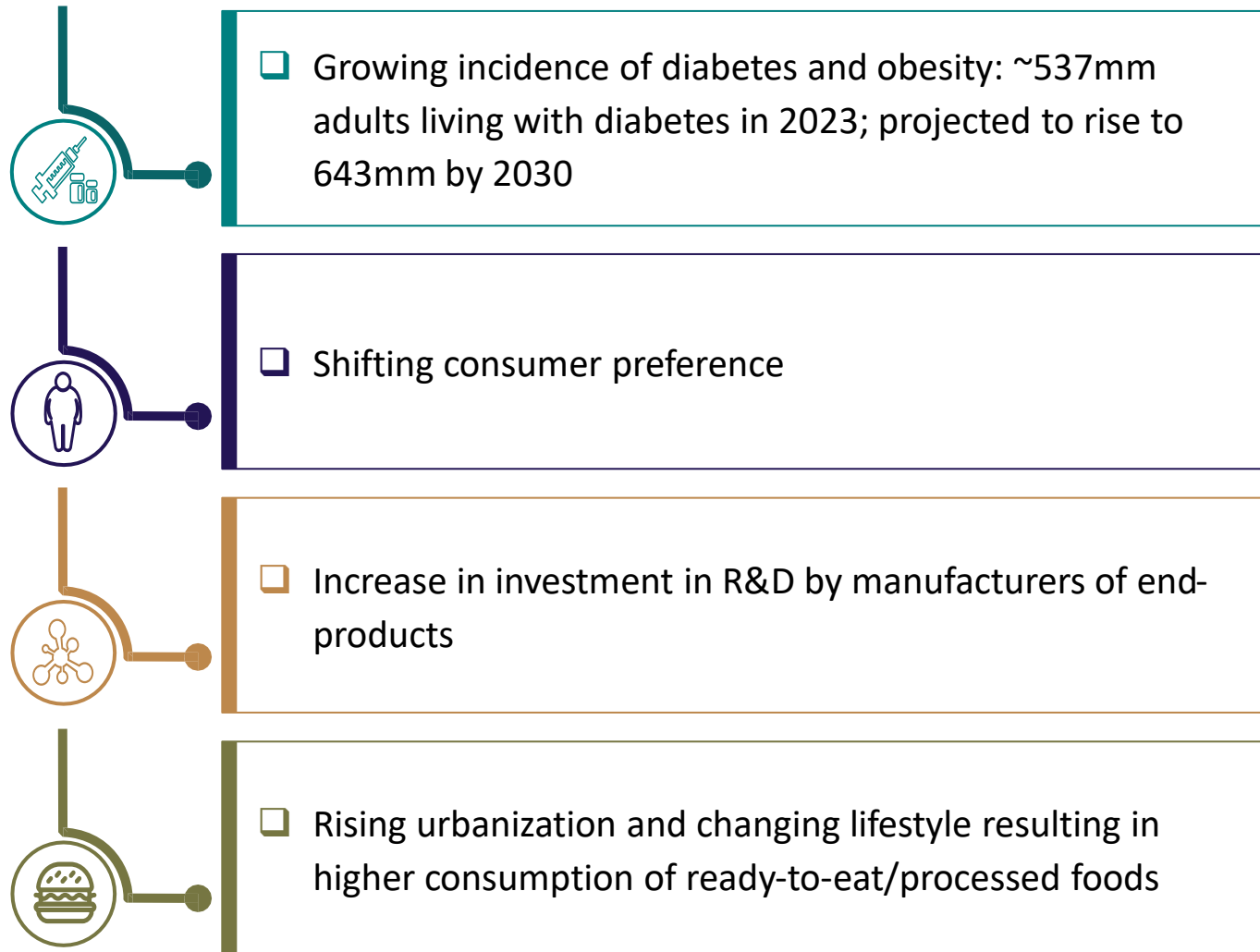
Not metabolised in body

Sources: Company information, industry report; Notes: <sup>1</sup> Blue Jet Capacity of 3,000-4,000MT and industry capacity of 37,000-40,000MT; <sup>2</sup> Growth between MAT2021 and 2026; <sup>3</sup> High Intensity Sweeteners segment growth for the year FY21-23



# Overview of High Intensity Sweetener market and its growth drivers

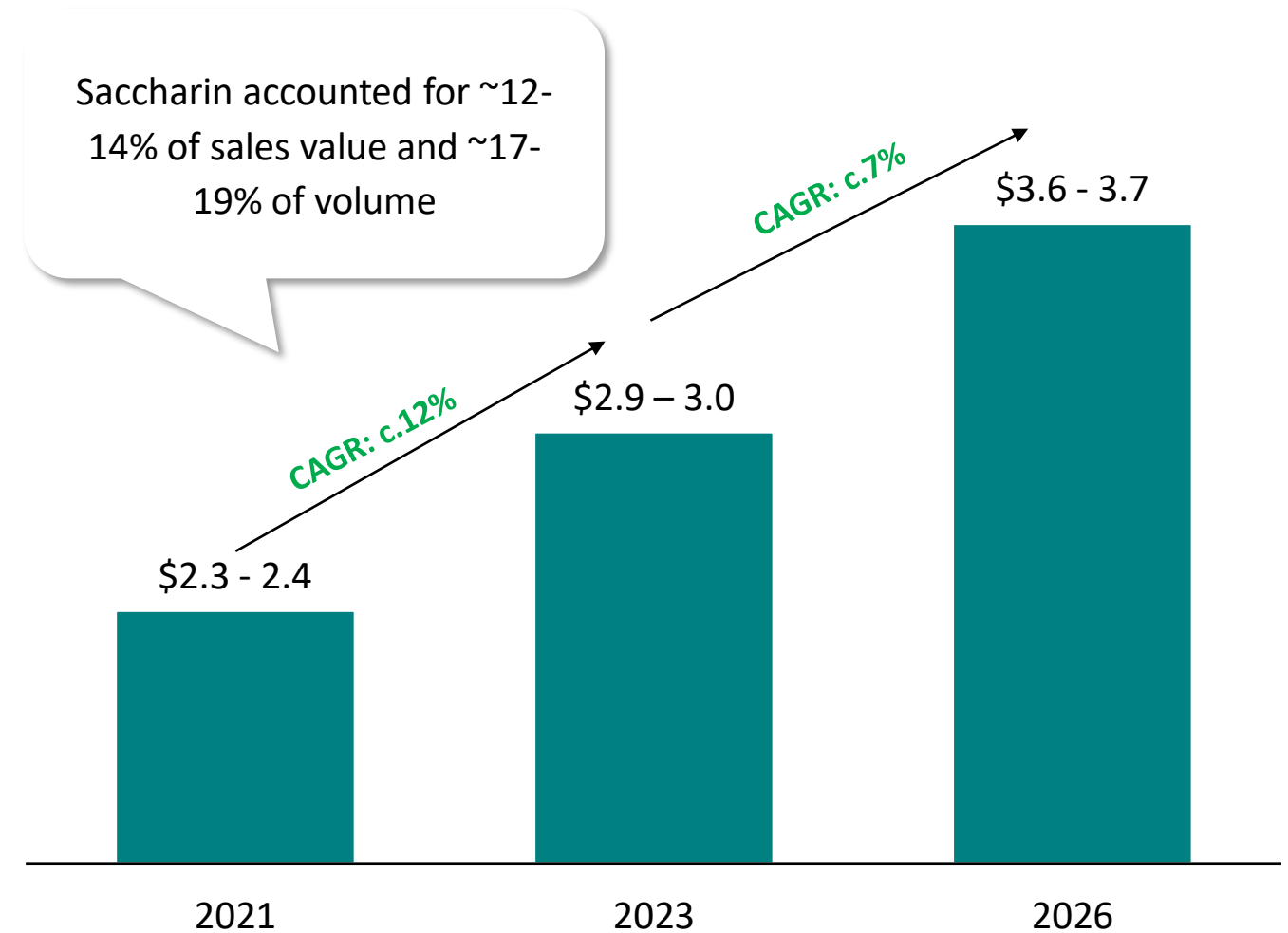
## Several drivers contributing to the demand...



Source: Industry report



## ...of high intensity sweetener market



# Blue Jet's positioning in High Intensity Sweetener segment

## Blue Jet's positioning

### Products



- Adherence to **strict internal standards** to ensure **consistency in quality, performance, taste, and impurity profile**
- **Multiple products and applications** enabling to cater a **diverse customer base**

### Compliance, GMP, supply chain reliability



- **Have received US-FDA inspection report**
- **Semi-automated manufacturing facility**
- **Strong product development and process optimization capabilities**

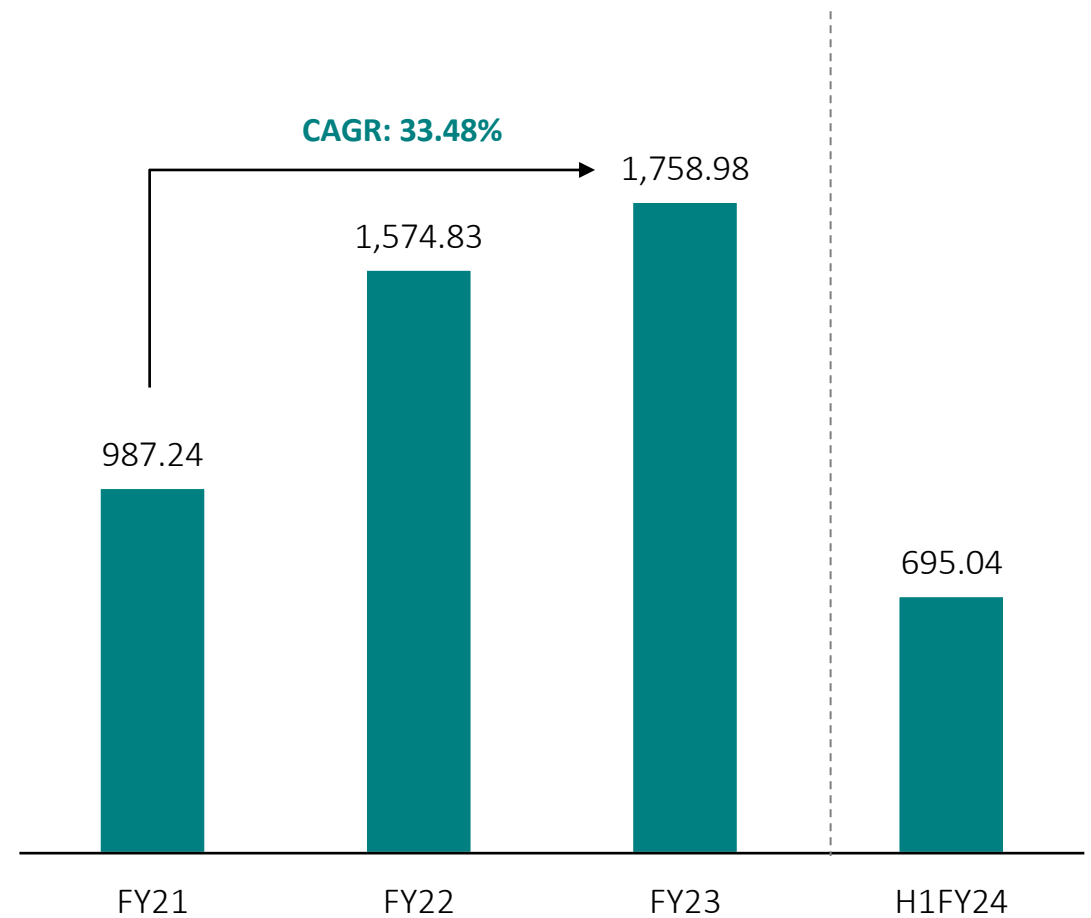
### Customers



- Offers high-intensity sweeteners to **over 300 customers globally**
- Focus on **marquee customers** across various sub-sectors
- **Table-top sweeteners, oral care products, beverages (primarily soft-drinks), confectionary products, pharmaceutical products, food supplements, and animal feeds**

## High Intensity Sweeteners segment performance

Revenue (INR mn)



Sources: Company information



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## 5. Pharma Intermediates & API



# Trends and features of the Pharma Intermediates and APIs segment

## Key trends in Pharma Intermediates and CDMO market



### Increased propensity to outsource manufacturing of intermediates & APIs

- Enables asset light model and ability to focus on development of novel products for venture capital backed start-ups
- Provides cost advantages and supply chain efficiencies



### De-risking dependence on China by global API and formulations players

- Concerns around specific APIs made in China, accentuated with Covid-19
- China implemented stricter regulations and witnessed rising wage costs



### Self sufficiency with import substitution

- Government initiatives such as PLI schemes and bulk drug parks
- Growth driven by proven skills, educational systems, supply chain reliability, and IP protection



### The growth in the global pharmaceuticals market

- Launch of novel therapies (including biologics and personalized therapies)
- Expansion of existing therapies in several geographies
- Growing demand for generic medicines

Source: Industry report



## Features of a typical arrangement to supply of intermediates to innovators of NCEs

### Revenue and capacity utilization predictability for the CDMO

- Customers prefer close partnerships with CDMO driven by
  - Confidentiality of the projects
  - Novelty of the underlying chemistry and need for custom-development

### Higher realizations per unit sold

- Key criteria for selection of CDMO include track record in the chemistry and similar therapy areas
- Competitive cost is not the most important consideration

# Overview of Blue Jet's Pharma Intermediates and APIs segment



## Salient features

- Commenced manufacturing pharma intermediates two decades ago, leveraging the customer relationships through high-intensity sweetener business
- Key focus areas include high-value pharma intermediates and APIs
  - In chronic therapeutic areas
  - Import substitution market
- Benefit from collaboration with innovator companies because typical technology transfer reduces the development risk



## Client profile

- Innovator pharmaceutical companies and multi-national generic pharmaceutical
- Over 40 customers in India, and 16 globally across Europe, North America, South America, and Asia

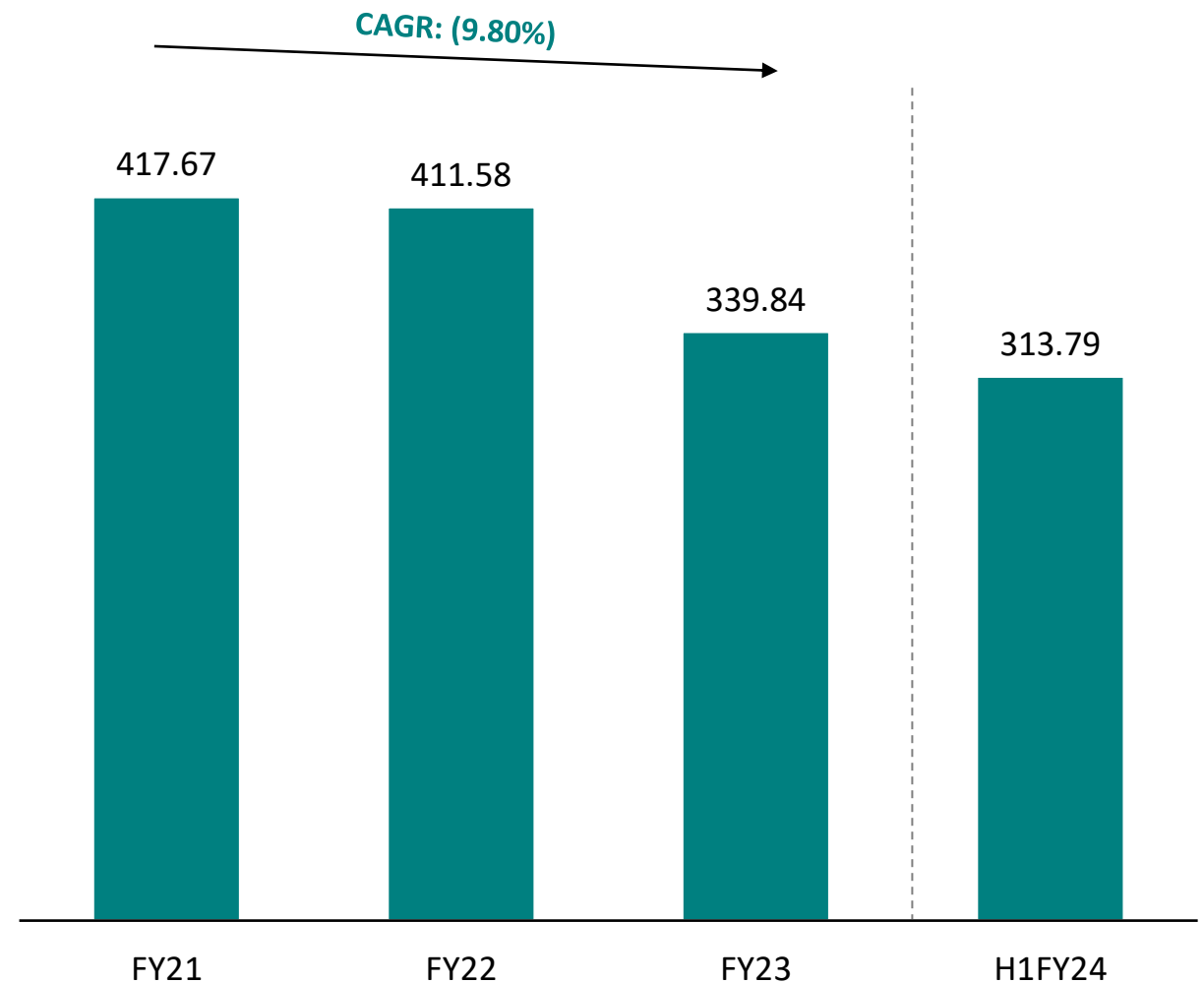


## Therapeutic areas

- Cardiovascular system ("CVS")
- Oncology
- Central nervous system ("CNS")

## Pharma Intermediate and APIs segment performance

In INR mn



# Leverage our long-standing customer relationships to continue entering adjacencies in the pharma intermediate and API category

## Focus on three niche areas in providing CDMO services

### Investigational new drugs and new chemical entities (NCEs)

- Develop advanced intermediates for NCEs under trials for US-FDA approvals

### Drugs that are still under patent and not genericized

- Offering advanced intermediates to innovators for four active pharmaceutical ingredients (APIs) which are still under patent
  - Including two APIs in the oncology sector, one API in the cardiovascular system category and one API in the central nervous system category

### Genericized drugs that are still niche

- Offering multiple advanced intermediates to a number of large generics companies for chronic illness therapies

## Blue Jet's positioning



- Leverage long-standing relationships with innovator companies



- Process research, analytical research and chemistry capabilities



- Continuous focus on product quality



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## 6. Manufacturing and R&D Capabilities





# Build additional production capacity to keep in step with the envisaged increase in customer demands

## Key features

■ Company consistently implementing GMPs across manufacturing facilities and focused on sustainability



■ Dedicated manufacturing blocks for specific product category with adequate levels of semi-automation



■ Facilities undergo stringent customer audits on a recurring basis



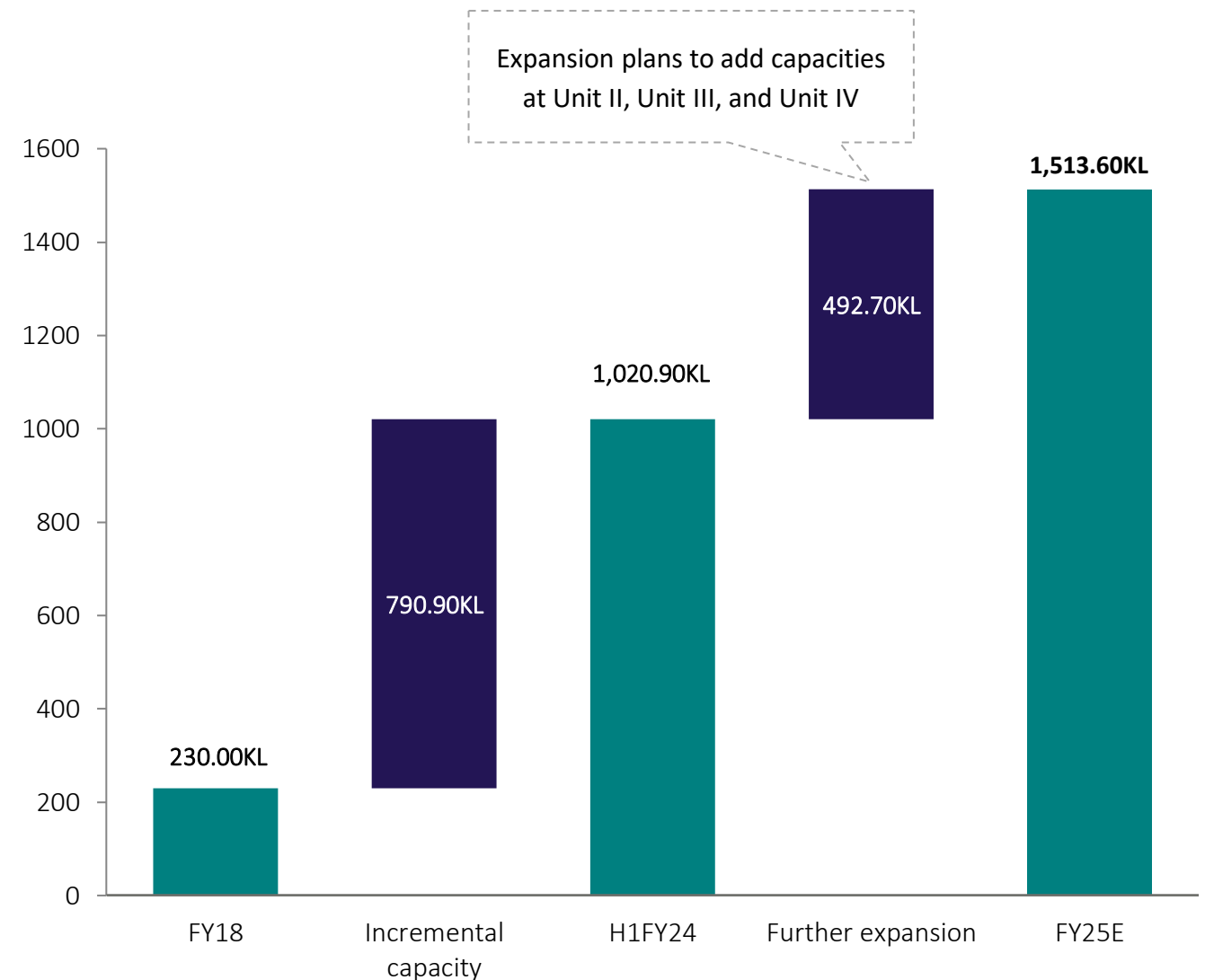
■ Capacity expansion from 230.00KL in FY18 to 1,020.90KL in 1Q FY24

■ Further expansion plans:

- Unit II (607.30KL in FY22 to 743.00KL by FY25)
- Unit III (213.00KL in FY22 to 499.00KL by FY25)
- Unit IV (Greenfield, expected to be 71.00KL)



## Capacity enhancement (KL)



Source: Company information, derivation from the RHP data



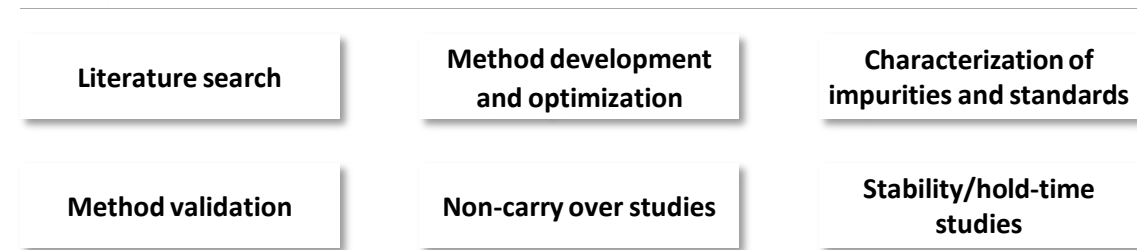
# Our R&D framework

## R&D capabilities across

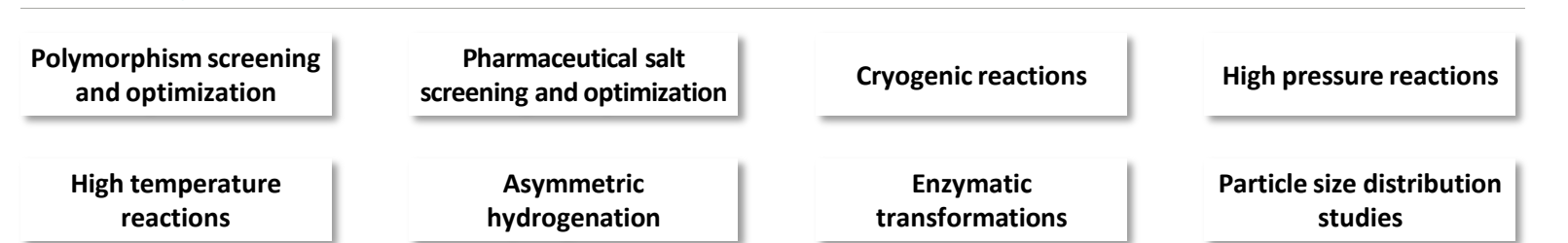
### Process research



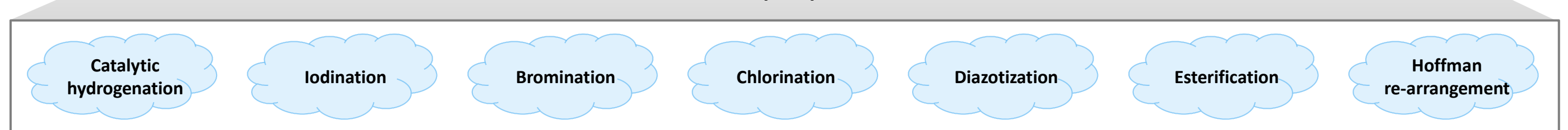
### Analytical research



### Chemistry research



### Innovative and complex processes



# Sustainability

Various initiatives on energy efficiency, renewable energy, and water conservation to reduce carbon footprint

Invested in windmills with installed capacity of 3.3MW

Created carbon sinks through tree plantations

Focus on enhancing energy efficiency

Effluent treatment plants with modern standards of flocculation, clarification and aeration

Minimizing solvents and using recycled solvents and water

Select environmental initiatives



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## 7. Growth Strategy



# Our strategies



Focus on operational efficiency and mitigation of supply chain risks



Continue to forward integrate into more advanced intermediates for Contrast Media



Continue to invest in R&D infrastructure and capabilities



Leverage our long-standing customer relationships to continue entering adjacencies in the pharma intermediate and API category



Build additional production capacity to keep in step with the envisaged increase in customer demands



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## 8. Management and Board of Directors



# Experienced and visionary management team backed by independent Board of Directors

## Management team



**Akshay Bansarilal Arora**  
*Executive Chairman*

- Has more than three decades of experience with the Company
- Holds bachelor's and master's degrees in science from University of Mumbai



**Naresh Suryakant Shah**  
*Executive Director, Head – Marketing*

- Has more than three decades of experience in marketing
- Currently also associated as a director of BC Bio Sciences
- Holds a diploma in Chemical Engineering from the Khopoli Polytechnic College, Raigad



**Vimalendu Kumar Singh (V.K. Singh)**  
*Chief Operating Officer*

- Previously worked with Strides Pharma, Emcure Pharmaceuticals, RPG Life Sciences, and Ranbaxy Laboratories
- Has a bachelor's degree in chemical engineering from IIT Kanpur and a master's programme from IIFT, New Delhi



**Shiven Akshay Arora**  
*Managing Director*

- Has more than six years of experience with the Company
- Holds a bachelor's degree in business from Bond University, Gold Coast, Australia



**Ganesh Karuppunnan**  
*Chief Financial Officer*

- Previously worked with Philips Electronics, Dr. Reddy's Laboratories, Granules as CFO
- Associate member of Institute of Chartered Accountants of India since 1988



**Chandrashekar Parenky**  
*President – Research and Development*

- Previously worked at Amoli Organics and Kores (India) as CEO
- Holds a doctorate of philosophy in science from the University of Bombay and a master's degree from Birla Institute of Technology & Science



# Experienced and visionary management team backed by independent Board of Directors (cont'd)

## Management team (cont'd)



**Archana Akshay Arora**  
*Head – Business Development*

- Has over 28 years of experience with the Company
- Bachelors in arts from Miranda House College, University of Delhi



**Sweta Poddar**  
*Company Secretary and Compliance Officer*

- Has experience of over a decade as a company secretary
- Associated with Chinar Chemicals Private Ltd. and Aarey Drugs and Pharmaceuticals Ltd.
- Holds a bachelors' degree in commerce from the University of Calcutta

## Independent board of directors



**Girish Paman Vanvari**  
*Independent Director*

- Founder and Partner of Transaction Square LLP and Valuation Square LLP
- Has experience in tax, regulatory, and business advisory functions
- Holds a bachelor's degree in commerce from Shri Narsee Monjee College of Commerce and Economics



**Preeti Gautam Mehta**  
*Independent Director*

- Practicing advocate & solicitor and a senior partner of Kanga & Co
- Over 30 years of experience in corporate laws, foreign investments, M&A & PE investments, banking, franchising, and hospitality



**Divya Sameer Momaya**  
*Independent Director*

- Holds a bachelor's degree in commerce from the University of Pune
- Partner of D. S. Momaya & Co. LLP and first director of MMB Advisors Private Limited
- Previously worked with BSE Limited and BSEL Infrastructure Realty Limited





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## 9. Investment Rationale



# Investment Rationale



**1. Large manufacturer of contrast media intermediates in India**



**2. Presence in niche categories with high barriers to entry**



**3. Long-standing relationships and multi-year contracts with multi-national customers**



**4. Strong product development and process optimization capabilities with a focus on sustainability**



**5. Manufacturing facilities with regulatory accreditations**



**6. Experienced management team with proven execution capabilities**



# Thank You

November 2023

## BLUEJET HEALTHCARE LIMITED

### Registered Office

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ISIN: INEOKBH01020

Website: [www.bluejethealthcare.com](http://www.bluejethealthcare.com)

## INVESTOR RELATIONS AT



### Bluejet Healthcare Limited

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[sanjay.sinha@bluejethealthcare.com](mailto:sanjay.sinha@bluejethealthcare.com)



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