
Avendus Capital advises the Promoters of J.B. Chemicals & Pharmaceuticals on the sale of a controlling stake to KKR

Mumbai, July 02, 2020

Global investment firm KKR today announced that it has entered into a definitive agreement to purchase a controlling stake in J.B. Chemicals & Pharmaceuticals Ltd. (NSE: JBCHEPHARM) (“J.B. Chemicals” or “the Company” or “JBCPL”), one of the leading Indian pharmaceutical companies specializing in branded formulations. As part of the agreement, KKR will acquire stake from the founding Mody family at a purchase price of INR 745 per share and make an open offer for an additional 26% of the Company. Details of the open offer will be disclosed at the appropriate time.

Avendus Capital is acting as the exclusive financial advisor to the Promoters of J.B. Chemicals (The Mody family) on this transaction.

J.B. Chemicals is one of the leading pharmaceutical companies in India, supplying affordable, high-quality products in the cardiac, gastrointestinal and anti-infective therapeutic areas across the branded formulations market. The Company’s portfolio includes four flagship brands in India, Cilacar, Metrogyl, Nocardia and Rantac. The Company currently exports its branded formulations to more than 40 countries around the world. J.B. Chemicals’ contract manufacturing capabilities allow it to partner with large, international brands to develop a diverse range of innovative specialty products, including tablets, injectables, creams and ointments, lozenges, herbal liquids and capsules.

J.B. Mody, Founder, Chairman and Managing Director of J.B. Chemicals, said, “For more than four decades, J.B. Chemicals’ mission has been to deliver affordable, high-quality pharmaceutical products that improve the lives of individuals living in India and around the world. We are thrilled that KKR – with its deep knowledge of the pharmaceutical industry and experience in investing in the sector, as well as its extensive investments in India – will take our mission forward and build on the foundation of core values that our family has instilled in this company. This will also create growth opportunities for our people to progress.”

Sanjay Nayar, Partner and CEO of KKR India, said, “We are pleased that the promoters of J.B. Chemicals have selected us to take over their rich legacy and to help the company continue its expansion, which is clearly driven by its diversified product portfolio and state-of-the-art manufacturing capabilities. We believe J.B. Chemicals

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has an opportunity to accelerate its growth and leverage its strengths to enter new therapeutic areas. We look forward to working with the management team to build on the company's strong foundation and believe this investment underscores KKR's ongoing commitment to India's long-term economic prospects and the potential of its companies."

Chintan Kothari, Head, Healthcare Investment Banking at Avendus Capital, said, "We are delighted to partner with the Mody family and help them transition a 40 plus-year legacy to a global blue-chip investor like KKR. The transition comes at a time when the pharmaceuticals ecosystem is rapidly evolving, seeing significant competitive and regulatory shifts across segments and markets."

About Avendus

Avendus Group is a leading financial services firm with presence in the areas of Investment Banking, Wealth Management, Credit Solutions and Asset Management. Established in 1999 in Mumbai, India, Avendus is today present in 10 cities across India, US, UK and Singapore. Avendus partners with the Indian entrepreneur ecosystem to provide differentiated solutions that enable clients to meet their strategic aspirations

Avendus Capital, the investment banking arm, is consistently ranked among the top investment banks in the country. Avendus' wide range of clients is testimony to its ability to serve its corporates throughout their life cycle – from growth stage funding to large-sized transactions, and M&A advisory.

Avendus Capital Inc located in New York is an Avendus Group entity offering M&A and Private Equity syndication services to clients in the US.

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