

Fermenta Biotech Limited (formerly known as DIL Limited)

CIN: L99999MH1951PLC008485

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Ref: F.No.:49

February 19, 2020

Corporate Relations
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001

Dear Sir,

Sub.: Intimation of Investor Relations Presentation

Ref: Scrip Code: 506414

Pursuant to the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, we hereby enclose a copy of Investor Relations Presentation for February 2020 for your information.

The said Investor Presentation is also available on Company's website at www.dil.net

Kindly take the same on records.

Thanking you,

Yours faithfully,

for **FERMENTA BIOTECH LIMITED**
[Formerly known as DIL LIMITED]

Srikant N Sharma

Company Secretary

CS Membership No: F3617

A-1501, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (W) 400610

Encl: As above

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Fermenta Biotech Ltd

Fermenting for Better Future

February 2020



Safe Harbour

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Contents



- Conglomerate to Concentrated



- The heart of the company – Vitamin D3



- Innovation at the core – R&D, accreditations and patents



- Vitamin D3 – enjoying sunshine



- Transforming into a nutraceuticals company



- Portfolio progression



- Unlocking the value of real estate



- Financials



- Experienced board of directors

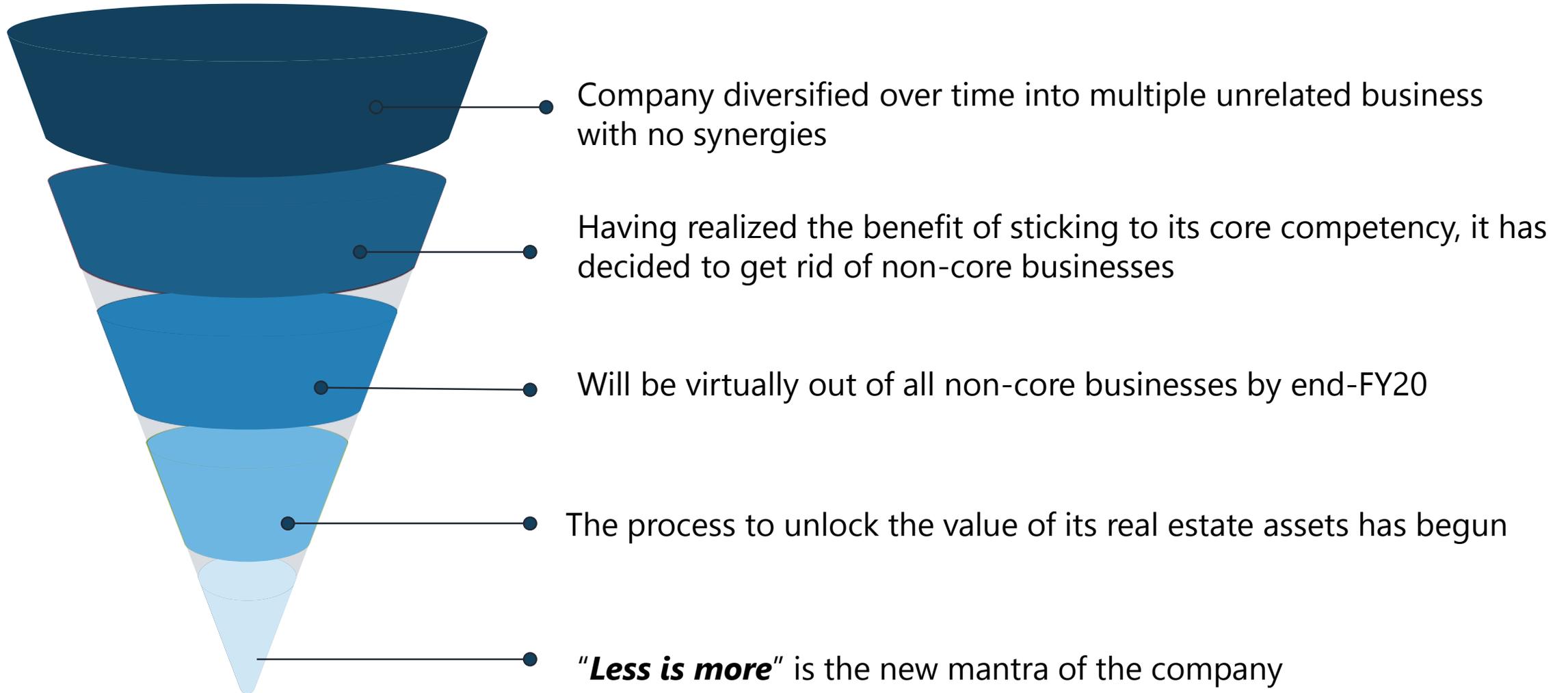


- Vision



- CSR – A way of life

Conglomerate to Concentrated



Vitamin D3 – The Heart of the Company

- Fermenta Biotech is India's only Vitamin D3 manufacturer and amongst top 3 globally in just 15 years
- With breakthrough technology, the Company expects to double its capacity without any meaningful capex, subject to regulatory approvals



- Complex technology process of D3 manufacture and obtaining CEP certification for facilities are key barriers to entry, resulting in oligopoly globally
- Optimal product mix between human and animal feed to balance sustainability and profitability

Applications of Vitamin D3



Pharmaceuticals



Dietary & Nutritional
Supplements



Food



Feed



Animal Nutrition



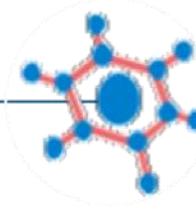
Rodenticides

Proprietary Technology



Knowledge Capital

Over 50 years of manufacturing experience



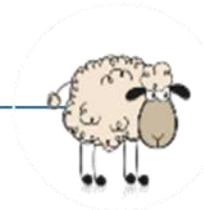
Scale

Among the top three producers of Vitamin D3 API in the world



Pioneering

Use of proprietary technology



Natural

Cholesterol (Raw material) used, obtained from sheep wool from TSE/BSE risk free countries



Unique

One of three CEP-certified companies worldwide; products and manufacturing facilities have been certified by various international regulatory bodies

R&D Capabilities

API

Process improvement

Yield enhancement initiatives

Pre-formulation

Development of new versions of nutraceutical ingredients

Development of value-added variants of existing pipeline

Biotech

Immobilization technology & microbiology screening

Molecular biology & genetic engineering



Our Accreditations

US FDA

CEP EDQM

WHO-GMP

FAMIL[®]QS



ISO 14001:2015

ISO 9001:2015

OHSAS 18001:2007



HACCP

HAZARD ANALYSIS CRITICAL
CONTROL POINT

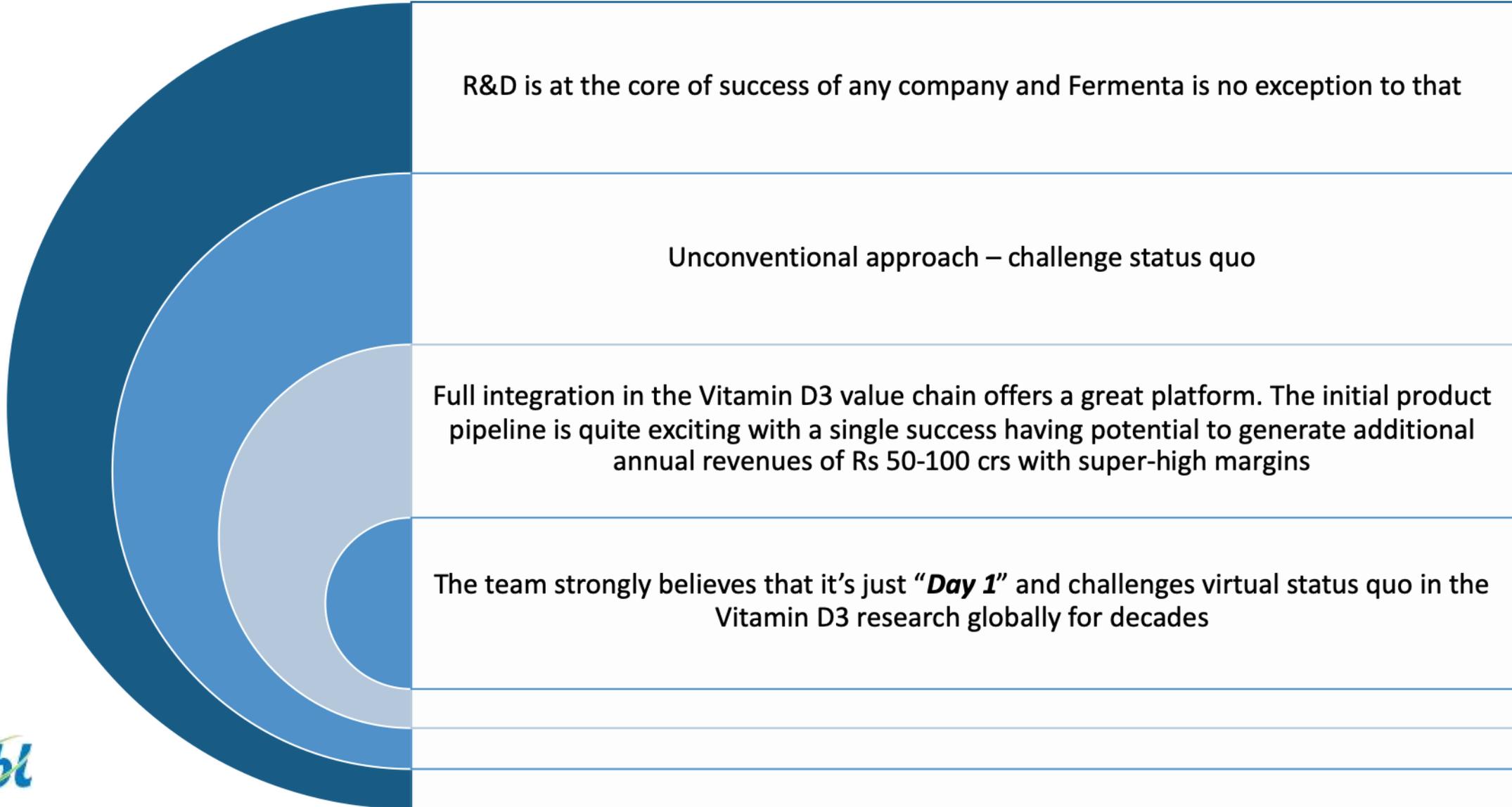


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Product-specific & Site-specific

Innovation at the Core



Patents Published

Sr.	Patent Title
1	Novel Method For Synthesizing 25-Oh Cholesterol/Calcifediol From Phytosterol
2	Irradiation Process Of Pro Vitamin D
3	Improved Photochemical Synthesis Of Vitamin D3 Using Sensitizer
4	An Improved Process To Synthesize 5-(3-Pyridyl)-2, 2'-Bithiophene (Sensitizer)
5	Synthesis of Cholesterol and Vitamin D3 From Phytosterols
6	Improved Cost Effective Process for Synthesis of Vitamin D3 and its Analogue Calcifediol from Ergosterol
7	An Efficient Method for Synthesis of 5-(3-pyridyl)-2,2'-Bithiophene (Sensitizer)
8	Synthesis of 5-(3-pyridyl)-2,2'-Bithiophene (Sensitizer)

Vitamin D3: Enjoying Sunshine



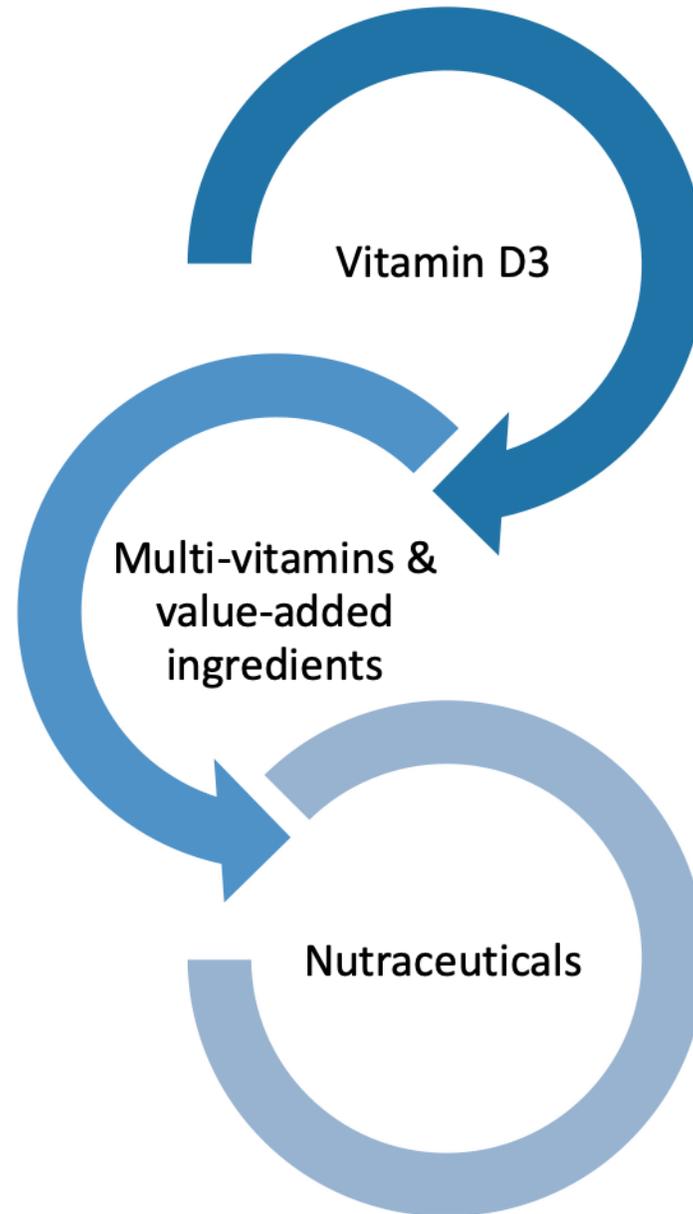
Vitamin D3 is enjoying great sunshine for the past few years

Boost to Vitamin D3 human nutrition demand is driven by awareness and research on its great preventive and curative benefits beyond fortifying bones; it's a versatile vitamin!

Vitamin D3 API demand for human is fairly stable and prices as well. However, it's demand for animal feed is volatile causing its prices to go up substantially in the past couple of years

With Chinese cost of production and compliance rising across the sectors including Vitamin D3, its prices for animal feed are unlikely to revert to earlier bottom

Transformation Journey



Single-vitamin to Multi-vitamins

Aim to broaden vitamin product bouquet to be more palatable to customers

Developed Vitamin D2; it's market size smaller than D3 but more lucrative

Evaluating a couple of more vitamins to add to its repertoire

Developed stabilized platform technologies for vitamins and premixes that would help the Company to get into value-added ingredients

The presence in value-added ingredients will provide a platform to move up the value chain to food additives and premixes, a space that is dominated by global giants

The move will provide greater stability, scalability and better margins

Transforming into a Nutraceuticals Company

Functional foods and nutritional supplements is the first stage of journey



Core nutraceuticals is the second stage wherein the Company aims to tackle common health problems



Medical nutraceuticals would be the next frontier that encompasses special nutritional needs such as infant feeding, chronic ailments etc.



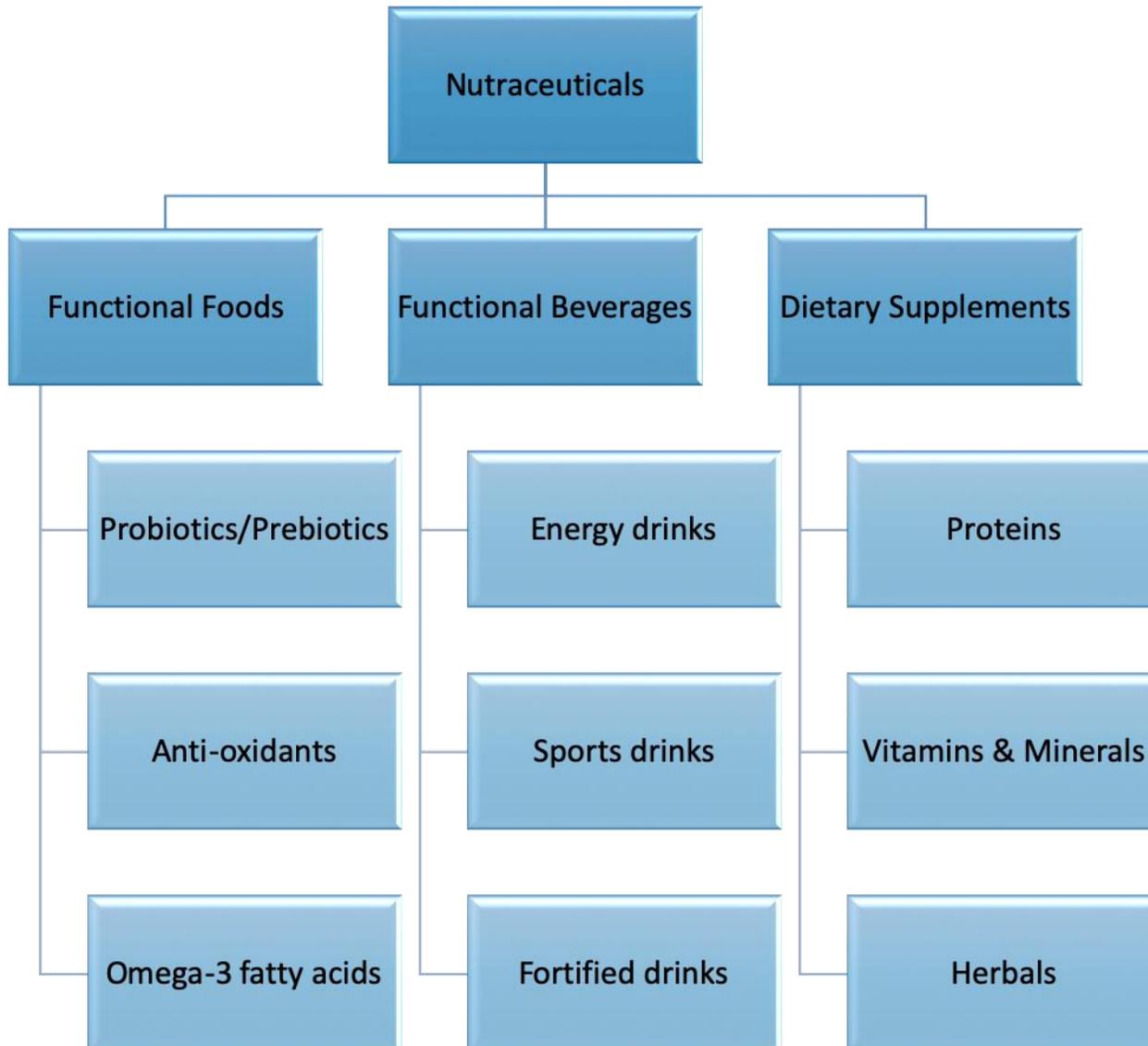
“Illness to Wellness” is a new mantra that world needs today

The work in R&D on many of these products is underway at different stages

From single Vitamin D3 to multi-vitamin, the company aims to be a nutraceuticals ingredients provider over the next 5-7 years

In this journey, the company would be open to acquiring right-fit and value accretive businesses

Types of Nutraceuticals



Portfolio Progression

Current Portfolio

Vitamin D3 and its various formats for:

- Pharmaceuticals
- Dietary & Nutritional Supplements
- Food
- Feed
- Veterinary Science
- Rodenticide

Future Target Space

Pre-formulations:

- Other fat soluble vitamins and their value added variants
- Smart Minerals
- Novel Anti-oxidants
- Pre and Pro - Biotics
- Customized Premixes

Key Markets

- Phase -1 : Domestic
- Phase -2 : Global

Key Applications

Pharma & DNS:

Food Fortification:

Flour/ Bakery/ Breakfast
Cereals/ Dairy/ Oils/
Beverages

Infants

Childhood & Adolescence

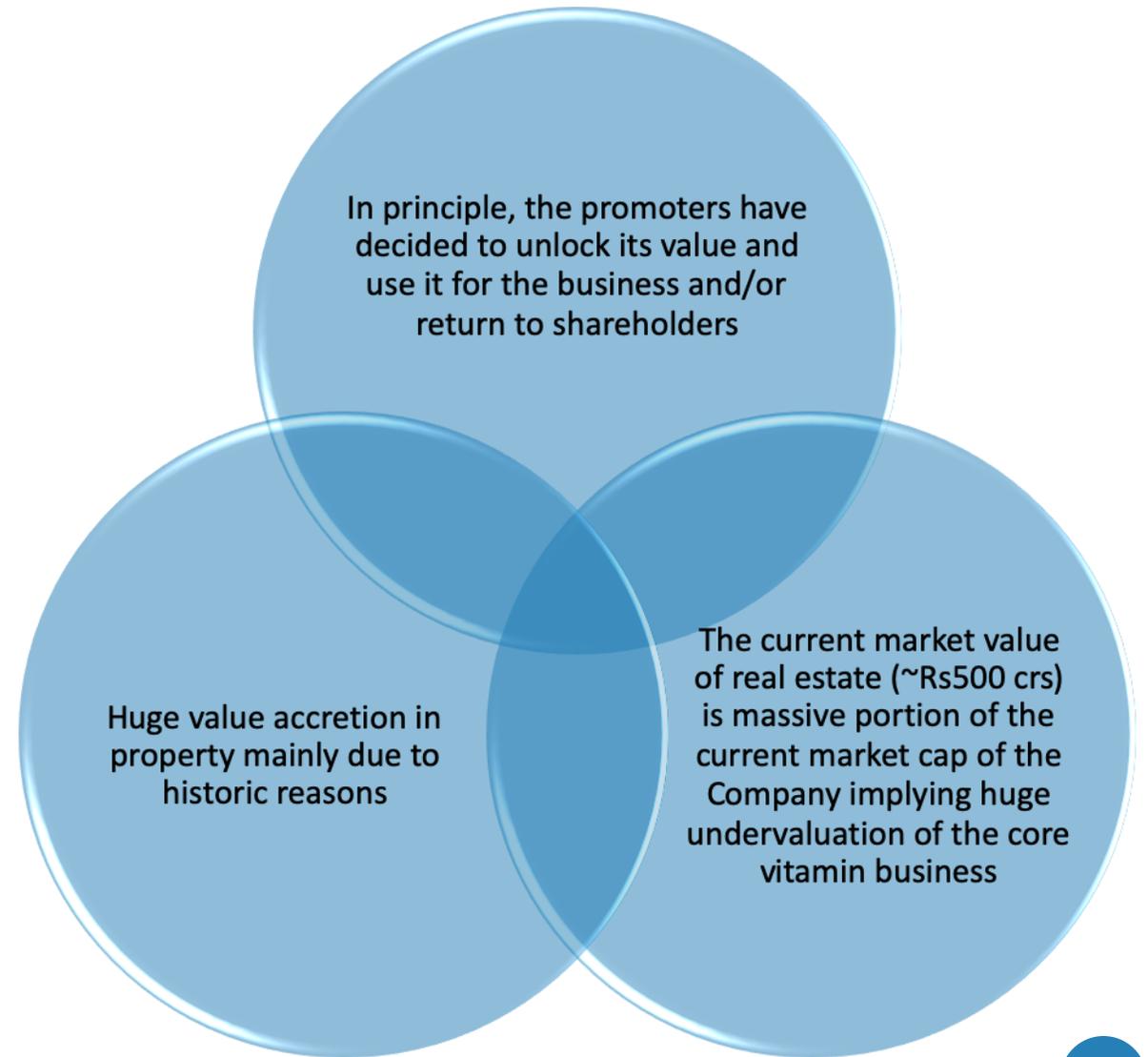
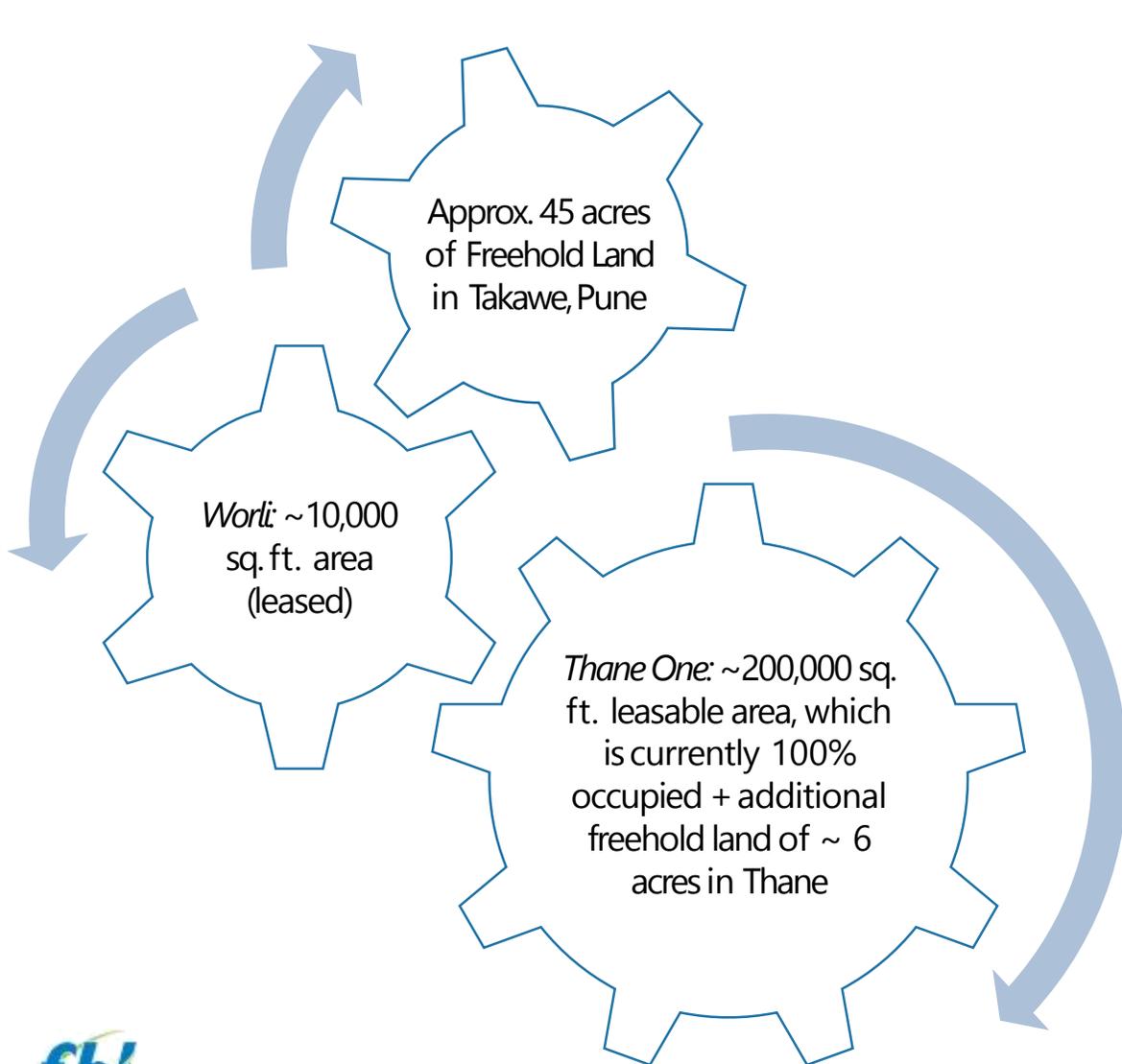
Adulthood

Elderly



Customer Segments

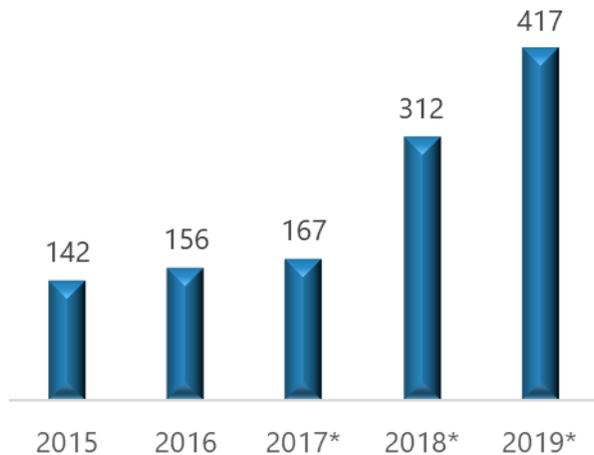
Unlocking the Value of Real Estate



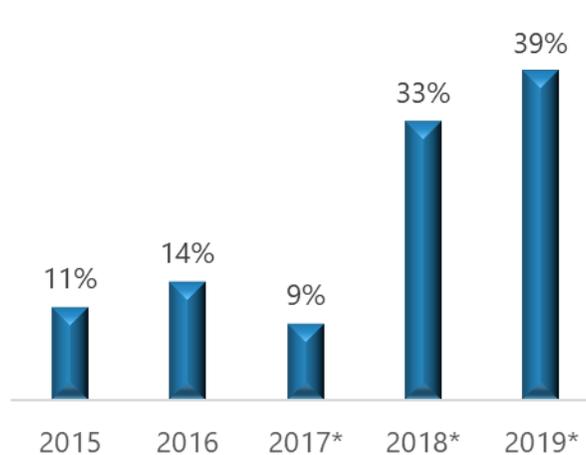
Financials – Strong Growth

- Well-timed capacity expansion combined with rising prices boosted growth; core business FCF generating and debt-free
- Massive jump in revenues and PAT during FY15-19 due to capacity expansion, rising demand and soaring prices of Vitamin D3
- During the same period, EBITDA margin tripled and ROE jumped to ~47% in FY19; both of these shall normalize to 25-30% and 20%-25% respectively

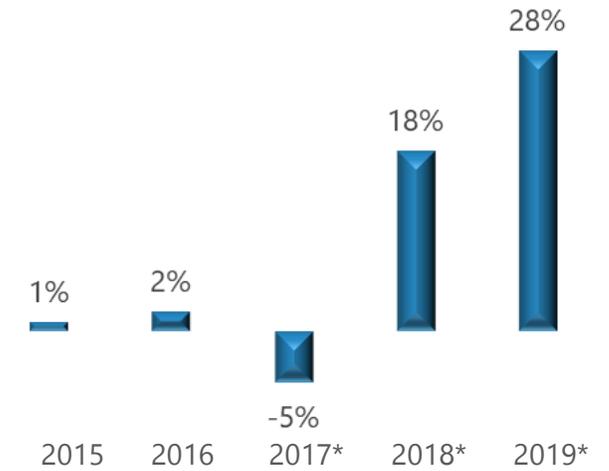
Revenue (Rs. Crs)



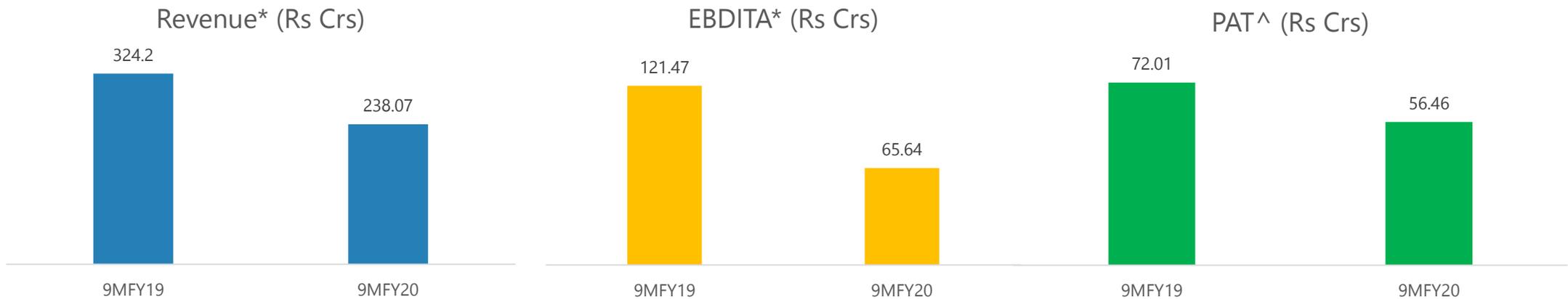
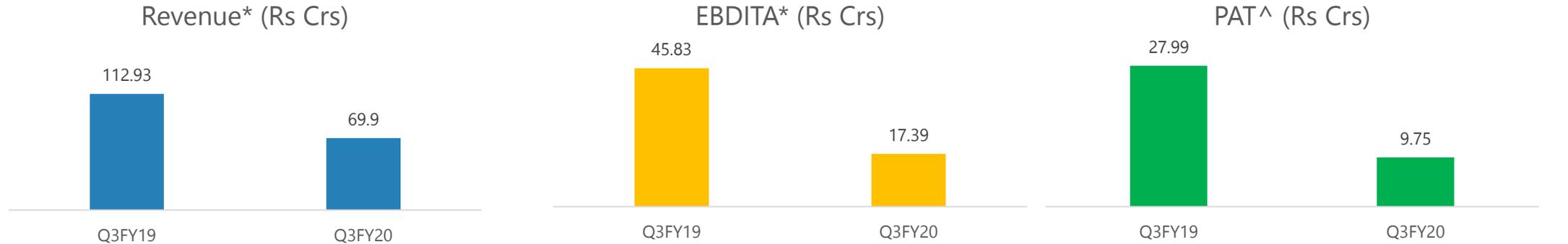
EBITDA (%)



PAT (%)



Financial Updates – 9MFY20



Standalone Financials have been restated post the merger of FBL with DIL

*Includes Other Income

^ PAT before share of profit / loss from associates & JV's and Minority Interest



Financial Updates – 9MFY20

Particulars (Rs Crs)	9M FY20	9M FY19	Y-o-Y
Revenue	228.41	313.09	-27%
Other Income	9.67	11.11	
Total Revenue	238.08	324.20	-27%
Raw Materials	57.66	73.28	
Employee Expenses	39.05	38.03	
Other Expenses	75.73	91.42	
EBDITA	65.64	121.47	-46%
EBDITA Margin %	28%	37%	
Depreciation	11.01	8.77	
EBIT	54.63	112.70	-52%
EBIT Margin %	23%	35%	
Finance Cost	15.28	14.77	
PBT	39.34	97.94	-60%
Tax	(17.12)	25.93	
PAT	56.46	72.01	-22%
PAT Margin %	24%	22%	

- Revenue from VitaminD3 for Human use contributed 35% to overall revenue as compared to 30% in 9MFY19
- Revenue from VitaminD3 for Animal Feed use contributed 48% to overall revenue as compared to 52% in 9MFY19

Business Update – 9MFY20

- Outbreak of African Swine Fever in several Asian countries effected consumption and led to reduction in Vitamin D3 animal feed prices
- Technical issue faced by one of our largest Vitamin D3 customer at their production facility, continues to impact revenue
- Reduction in long term high interest-bearing debt by Rs 57 crores in FY20
- Recognition of Deferred Tax Asset of Rs 19 crores
- Recovery of Rs 6.08 crores from Noble Explochem.
- Backward integration to produce Cholesterol (key raw material) from wool grease - Trial run successfully completed.
- Opening of wholly owned subsidiary in Germany to be closer to our customers – Manufacturing & Sales started.
- Interim dividend of 100% [Rs 5/- per share] which is 4x FY19 (Ex date 22nd Nov 2019).
- Bonus shares issued – 2 new equity shares for every 1 shares (Ex date 13th Feb 2020).
- Coronavirus outbreak – No negative impact on the operations.

Net Debt Position – as at 31st December 2019

Nature of Debt	Amount (Rs Cr.)	Rate of Interest range
Term Loan - Pharma	28.56	3% to 4% p.a.
LRD/LAP - Real Estate	72.98	9.5% to 10.5% p.a.
Working Capital - Pharma	100.00	3% to 4% p.a.
Total Debt	201.54	
Bank Fixed Deposits	32.36	
Net Debt	169.18	

Key Risks



01

Failure of R&D projects

02

Substantial decline in Vitamin D3 feed prices

03

Foreign currency risks

Experienced Board



Mr. Sanjay Buch

Chairman (Independent Director)
Partner at Crawford Bayley & Company



Ms. Rajeshwari Datla

Non-Executive Director



Dr. Gopakumar Nair

Independent Director
Past President - IDMA



Mr. Vinayak Hajare

Independent Director
Founder & Director -
InterGest South Asia Pvt Ltd



Mr. Krishna Datla

Managing Director



Ms. Anupama Datla Desai

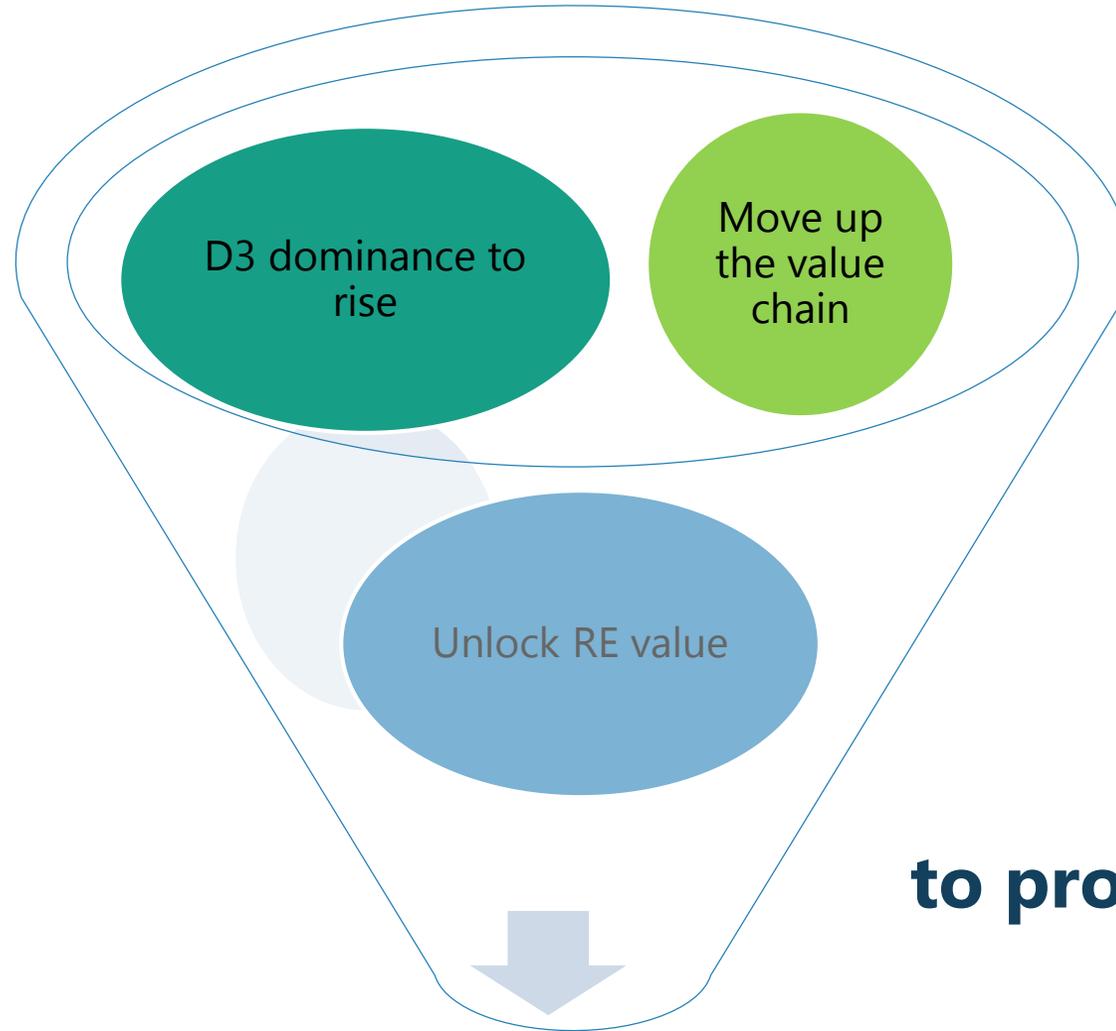
Executive Director



Mr. Satish Varma

Executive Director

Vision



DAY 1

LESS IS MORE

to propel us to next orbit

Pure Pharma company with Rs 800 crs to Rs 1,000 crs revenues with at least 25% EBITDA margin and 20% ROE in 5 to 7 years

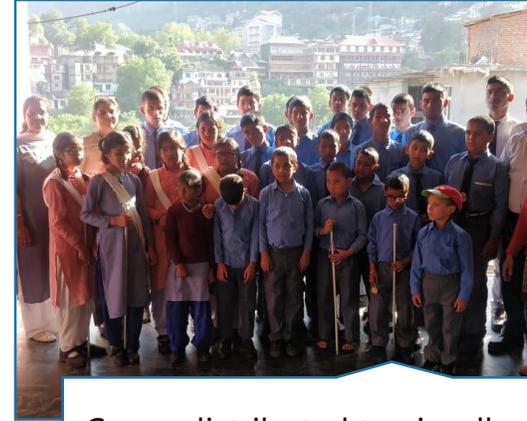
CSR Activities near manufacturing facilities



Contribution towards E-learning resources



TB Mukht Abhiyaan



Canes distributed to visually impaired students



Computers donated to school for visually impaired



Contributed generator for local hall at Bharuch



Reflective safety vests distributed



Road safety awareness initiatives at Kullu Dussehra



Demonstration of MargDarshak App

CSR Activities in Maharashtra

NATIONAL ASSOCIATION FOR THE BLIND (INDIA)

ॐ नमो भगवते वासुदेवाय

Empowering people with vision loss in India



Tripartite MoU for pediatric cardiac surgeries with Rotary Club of Thane, Premium and Jupiter Hospital



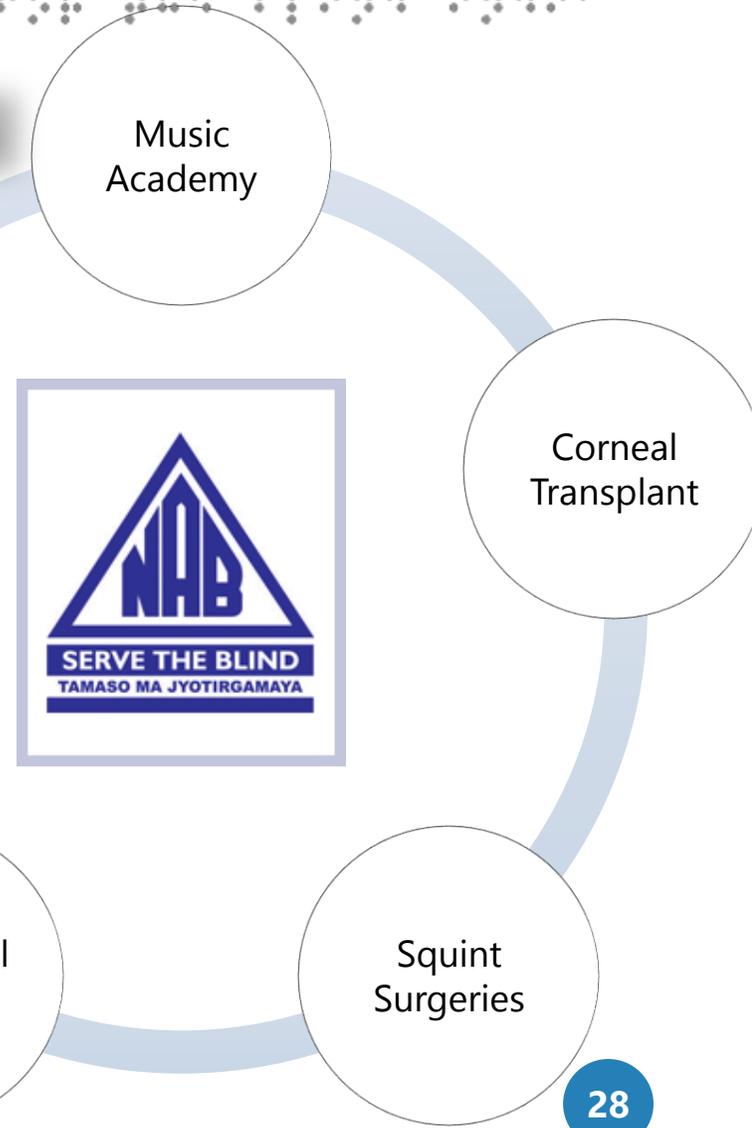
Inauguration of NAB-DVK Music Academy



Wheelchairs for veterans at Paraplegic Rehab Centre, Pune.



Celebrating Diwali with students of NAB



Proud Partner of Vitamin Angels



PROUD SUPPORTER



A non-profit organization providing life changing vitamins to populations in need—specifically pregnant women, new mothers, and children under five.

Vitamin Angels works to reach underserved communities in partnership with over **700 NGOs** in more than **74 countries** around the world. It reaches over **61 million** women and children for delivering vitamin solutions.

Last year, our support allowed Vitamin Angels to reach **40,000 additional mothers and children.**

Vitamin D Guru: Our Public Awareness Initiative



- An innovative public awareness portal dedicated to spreading awareness about Vitamin D, its sources and benefits.
- Aims to build a community of Vitamin D conscious health users who can share their experiences with others

Great Place To Work®

Certified APR 2019-MAR 2020 INDIA

Team FBL: Awards & Recognition

MIEDA MOST RECOMMENDED PHARMA & LIFE SCIENCES SOLUTION PROVIDERS IN 2019

National Best Employer Brand 2018



India Pharma Awards 2018



PRIDE OF MAHARASHTRA AWARD 2018
for **BEST CEO OF THE YEAR (Manufacturing - Pharmaceuticals)**
to **Mr. Prashant Nagre**
CEO, Fermenta Biotech Ltd., Thane

fbl
Fermenta Biotech Limited

SME CHAMBER OF INDIA MAHARASHTRA INDUSTRIAL AND ECONOMIC DEVELOPMENT ASSOCIATION

MAHARASHTRA ECONOMIC SUMMIT

Award presented on the Occasion of 25th Foundation Day of MIEDA and 5th Edition MAHARASHTRA ECONOMIC SUMMIT 21st February 2019 | Mumbai

Initiated by MAHARASHTRA INDUSTRIAL AND ECONOMIC DEVELOPMENT ASSOCIATION Supported by Government of Maharashtra Supported by PRIDE OF INDIA FOUNDATION Supported by SME CHAMBER OF INDIA

Registered & Head Office: 6, Ground Floor, Samruddhi Venture Park, SEEPZ-MIDC Central Road, Andheri (E) Mumbai - 400 093. Tel: 022 - 6150 9800 / 6667 4444 | Fax: 022 - 2825 0414 | Email: mieda@vsnl.net www.mieda.in | www.prideofmaharashtra.com



Excellence in CSR



Excellence in Export Promotion



Pharma International Excellence



FBL features in the media

TUESDAY, AUGUST 20, 2019

Forbes^{INDIA}

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Fermenta Biotech: Lucre in sheep's clothing

By Naini Thaker | Aug 22, 2019

While extracting Vitamin D3 from wool has been its mainstay, the firm is looking to move beyond its niche and expand into biotechnology



Prashant Nagre, CEO, Fermenta Biotech.



Prashant Nagre,
CEO, Fermenta
Biotech

Managing in a **VUCA World**

Creating shared value in a VUCA world
ensures business continuity

In a world wrought with the VUCA parameters, here is how to create shared value and ensure business continuity:

Volatility: In a state of dynamic instability such as price fluctuations, it is imperative to make the following investments that match the risk of rapid changes:

- Devote time and resources to preparedness – stockpile inventory
- Use data analytics to minimize the unpredictability

Uncertainty: A lack of clarity for the future, like a potential competitor's entry into the market, can be

- dealt in the ways below:
- Maintain flexibility in your strategy
 - Invest in information such as primary research and market reports

Complexity: Making sense of the multitude of variables, such as a new geography with unfamiliar regulatory norms, can be done by acquiring know-how through internal and external sources:

- Bring in specialists in your human capital
- Collaborate with partners who know the environment

Ambiguity: In cases when precedents are unknown or inexistent, like when launching a new product outside your core competency in emerging markets, navigate through the fog by:

- Setting incremental and clear goals for employees
- Being open to new and divergent ideas

Whatever the state your business is in, maintaining clear communication with all stakeholders is the key to sustainable growth.



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