

**Fermenta Biotech Limited** (formerly known as DIL Limited)

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Ref: DIL:DIL/BSE/2019-20/F.No.:49

November 6, 2019

**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 dated November 6, 2019 for your information.

The said Investor Presentation is also available on Company's website at [www.dil.net](http://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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# Project Heart (*DIL*)

Fermenting for Better Future

**FERMENTA BIOTECH LIMITED**

6<sup>th</sup> November 2019



# Safe Harbour

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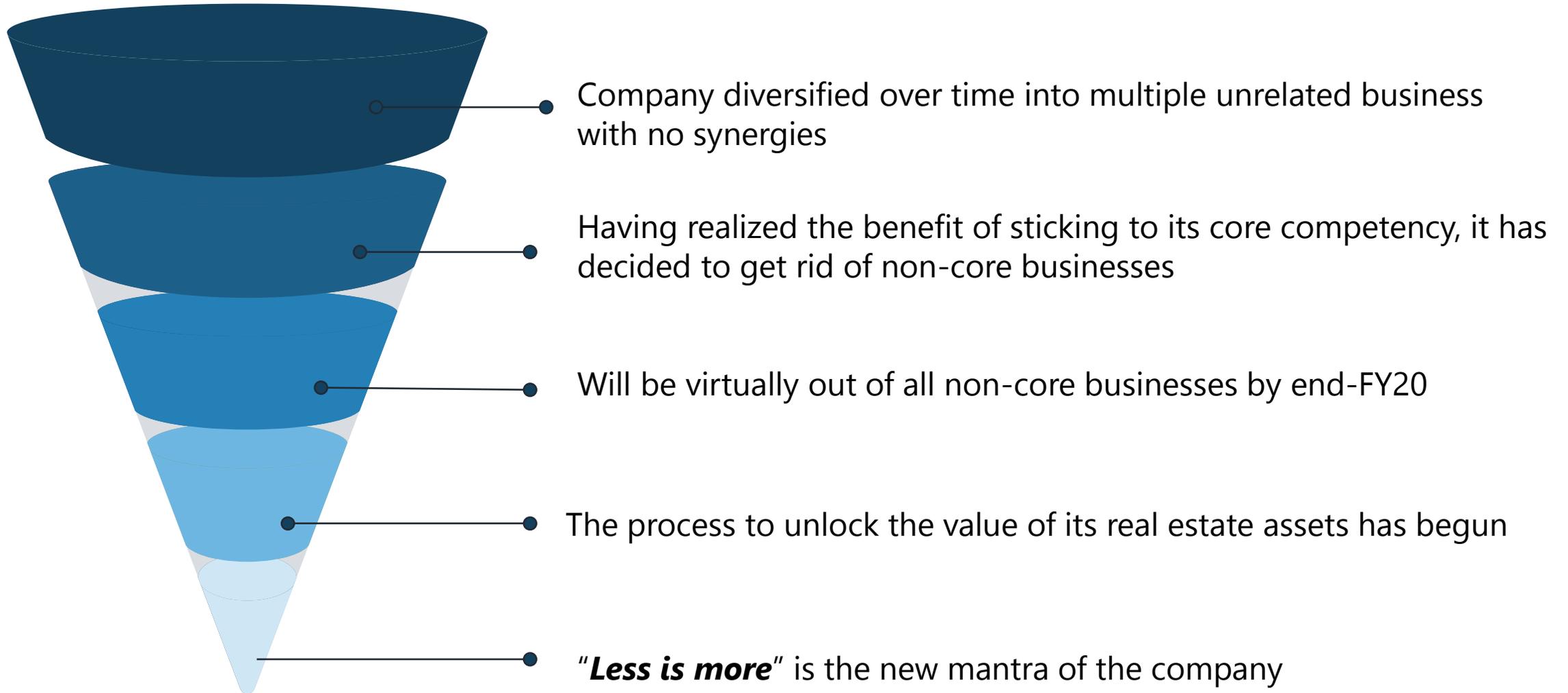
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# Conglomerate to Concentrated



# Vitamin D3 – The Heart of the Company

- Fermenta Biotech is India's only Vitamin D3 manufacturer and among 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



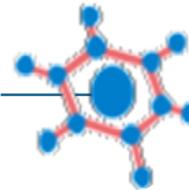
Rodenticides

# Proprietary Technology



## Knowledge Capital

Over 50 years of manufacturing experience



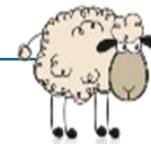
## Scale

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



## Pioneering

Use of proprietary technology



## Natural

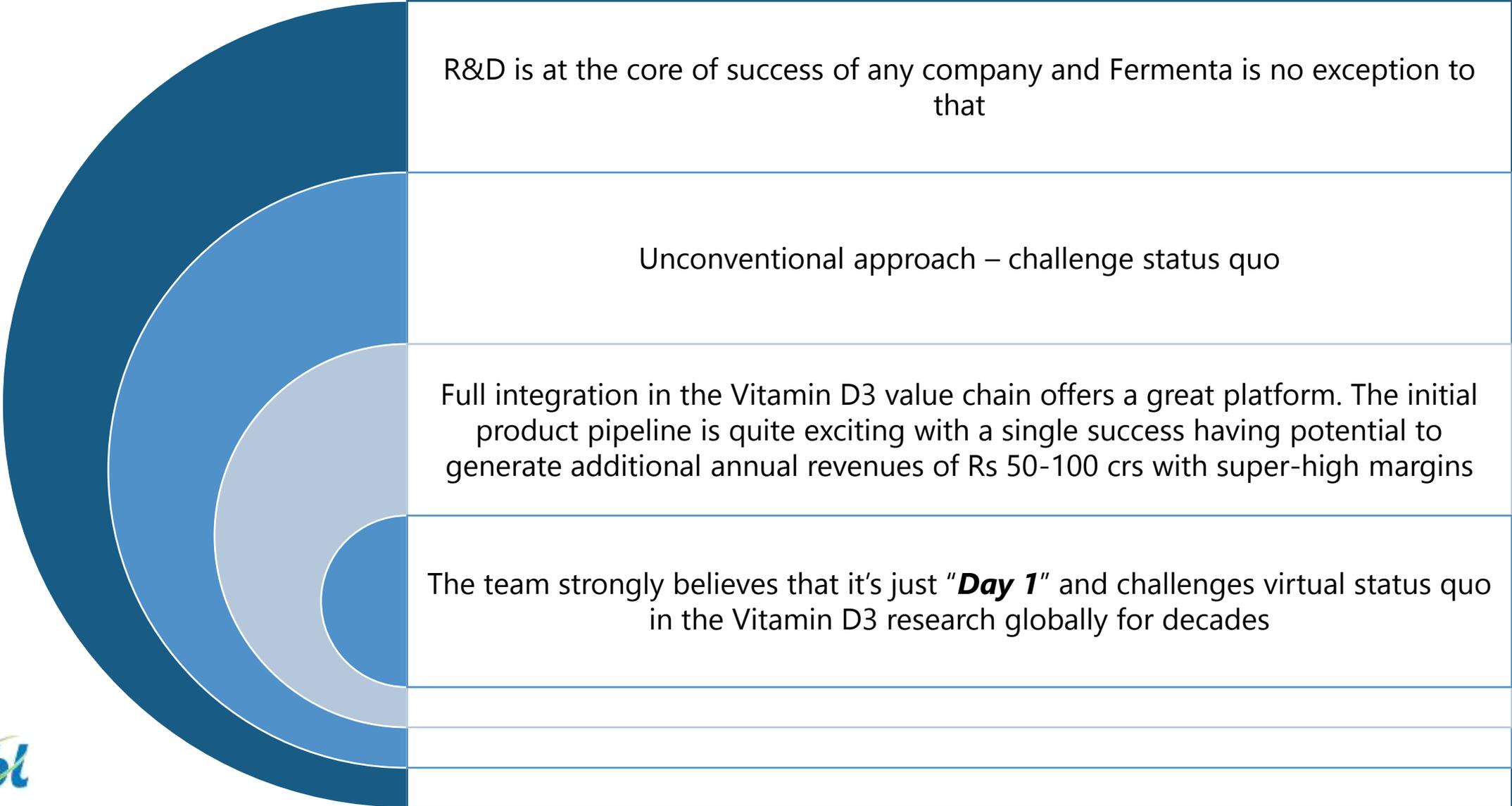
Cholesterol (Raw material) used, obtained from sheep wool from TSE/BSE risk free countries



## Unique

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

# Innovation at the Core



R&D is at the core of success of any company and Fermenta is no exception to that
Unconventional approach – challenge status quo
Full integration in the Vitamin D3 value chain offers a great platform. The initial product pipeline is quite exciting with a single success having potential to generate additional annual revenues of Rs 50-100 crs with super-high margins
The team strongly believes that it's just " <b>Day 1</b> " and challenges virtual status quo in the Vitamin D3 research globally for decades

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# Vitamin D3: Enjoying Sunshine



Vitamin D3 is enjoying great sunshine for the past few years

Spike in feed prices due to the following trifecta

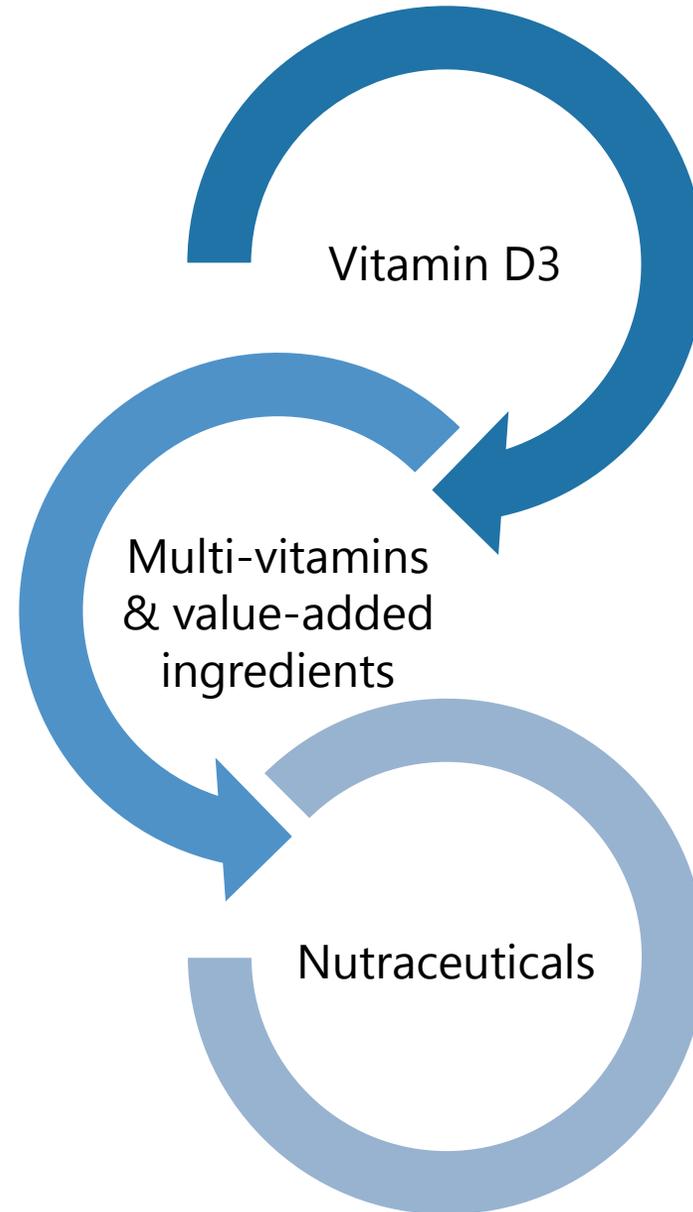
1. Rising demand
2. No major new capacity additions
3. Plant shutdowns in China due to stricter environment policies

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.



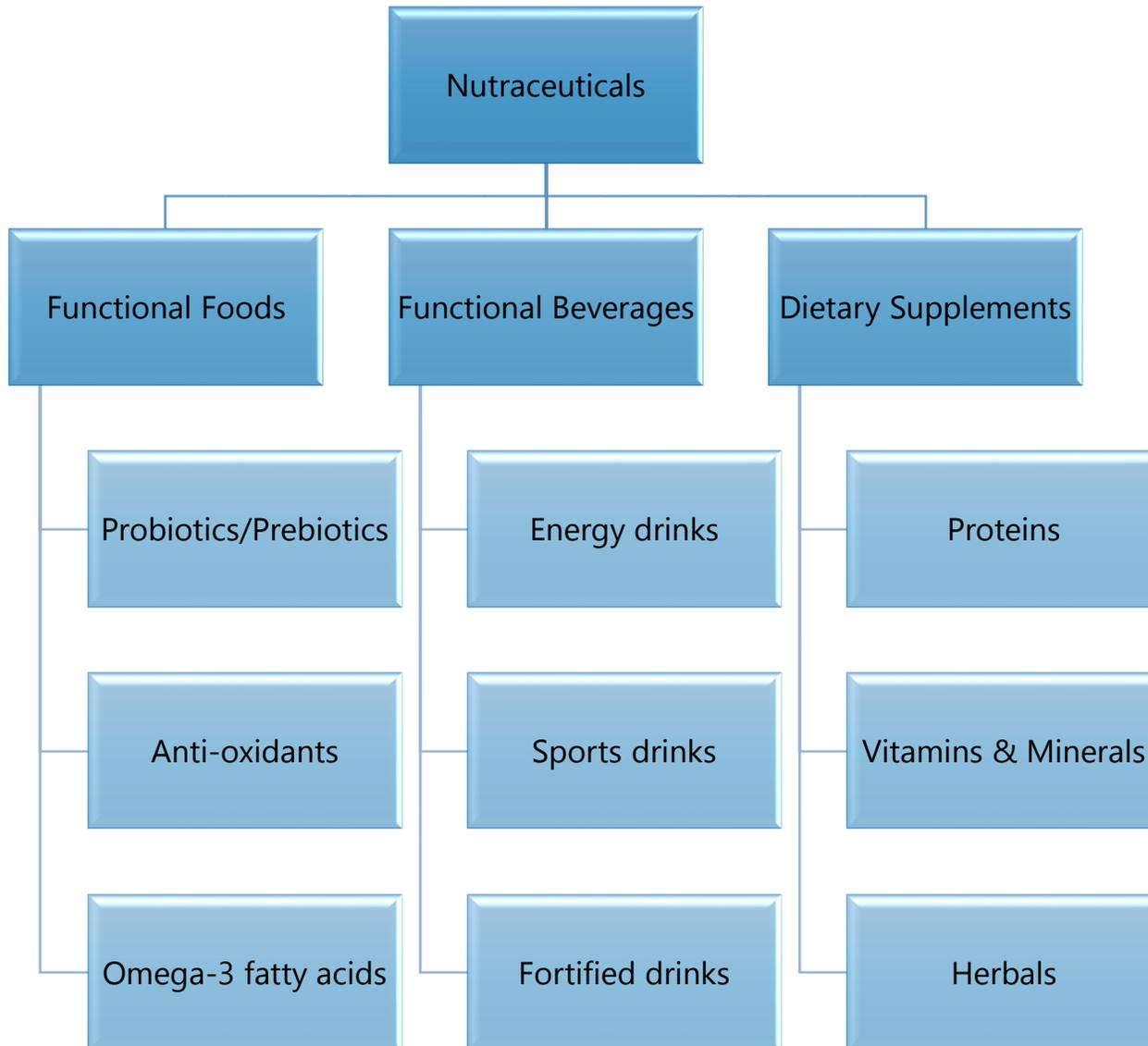
"Illness to Wellness" is a new mantra that world needs today

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

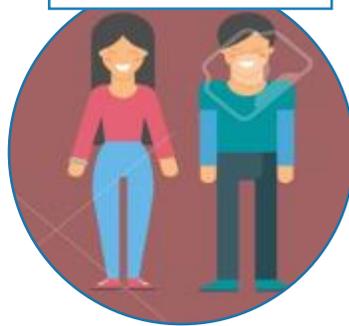
Infants



Childhood



Adolescence



Adulthood

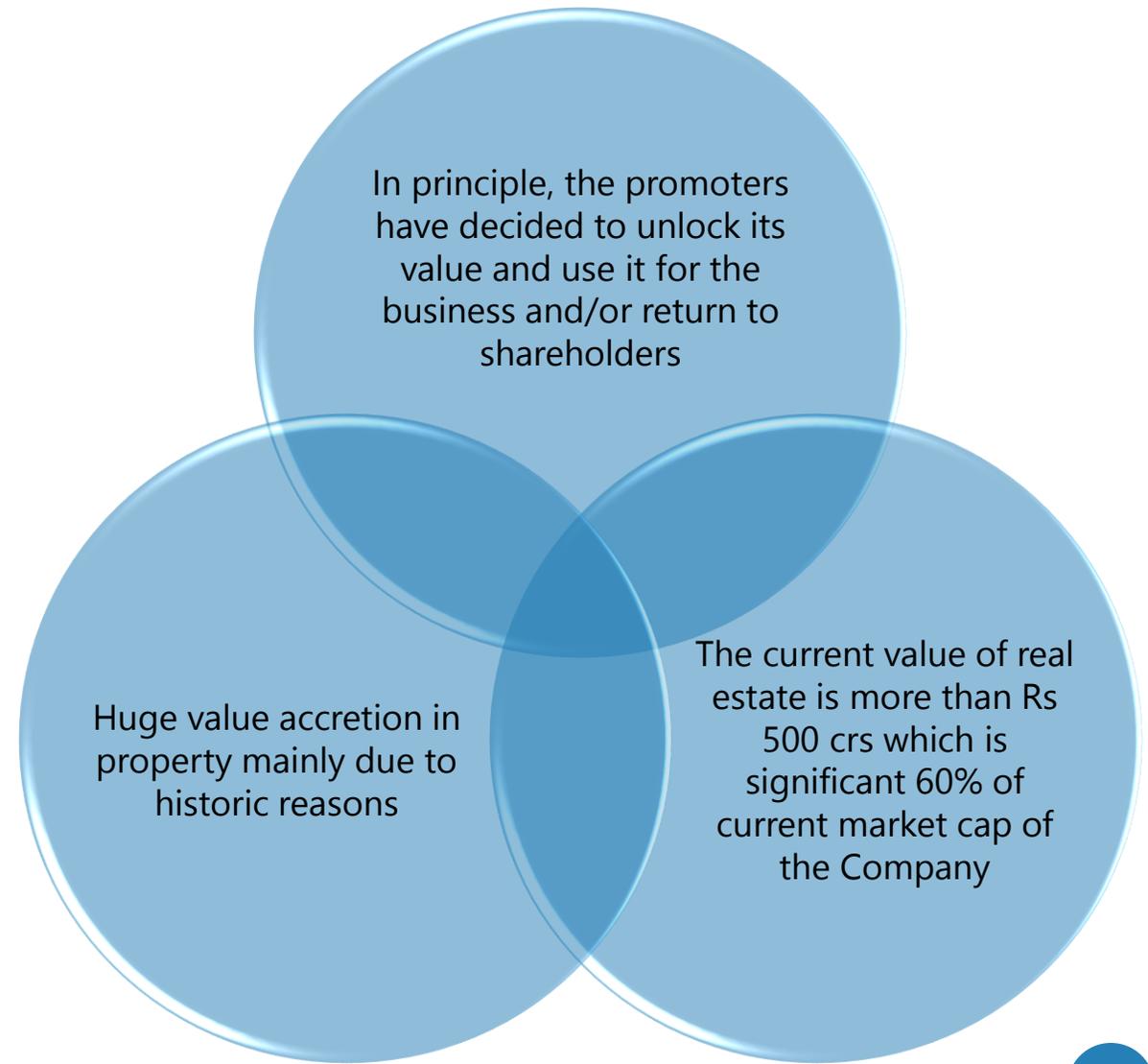
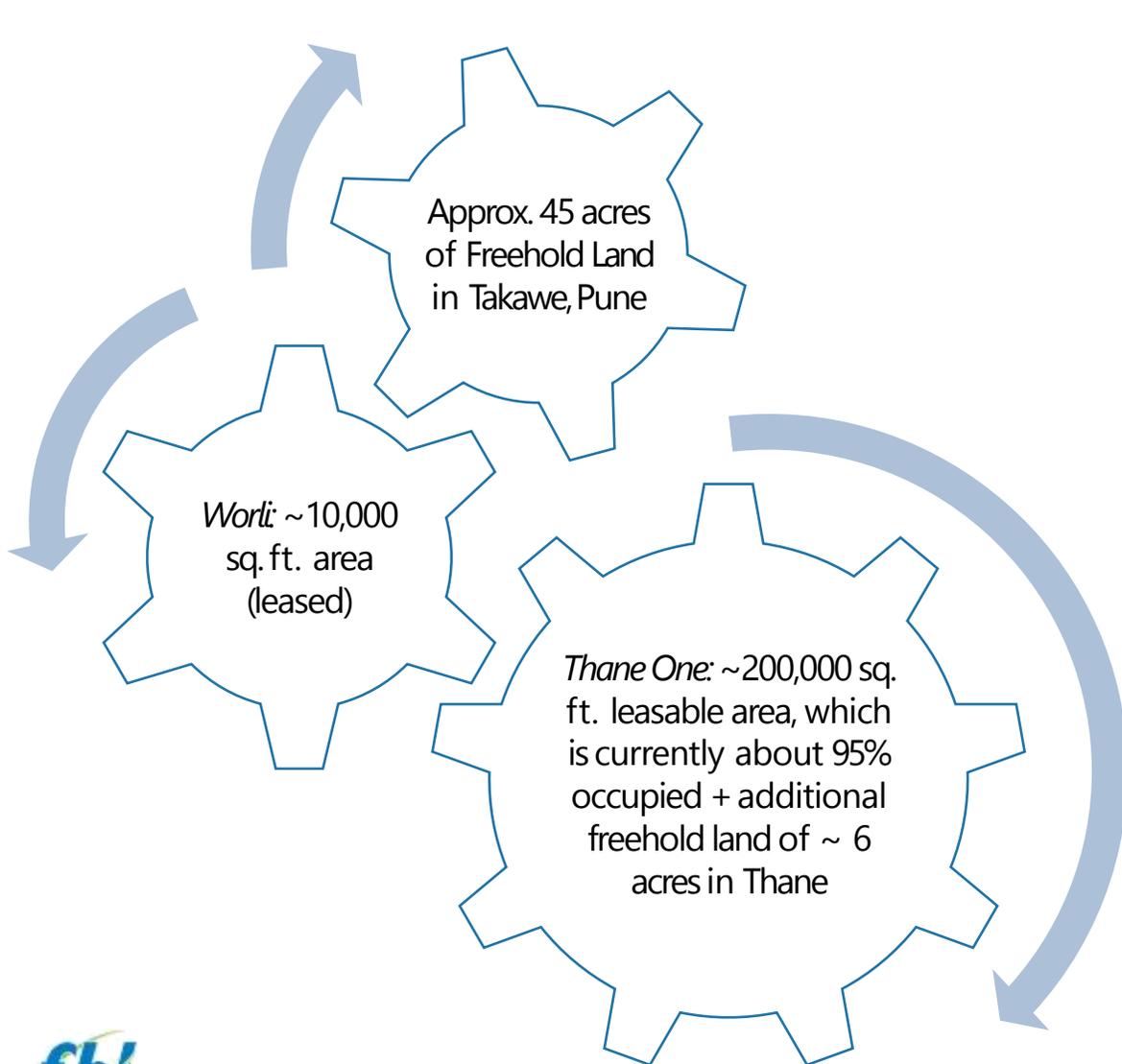


Elderly



Customer Segments

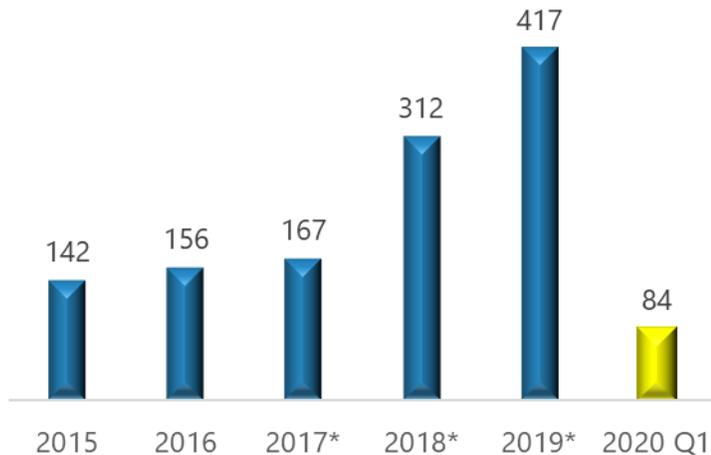
# Unlocking the Value of Real Estate



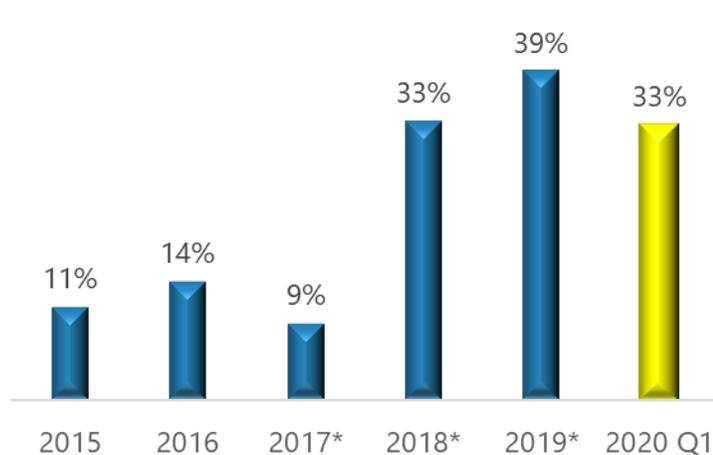
# Financials – Robust Growth Ahead

- Well-timed capacity expansion combined with rising prices boosted growth; core business FCF generating and debt-free
- Revenues and PAT are up ~3x/14x during FY15-19 due to capacity expansion, rising demand and soaring prices of Vitamin D3
- During the same period, EBITDA margin more than doubled to ~40% and ROE jumped to ~47% in FY19; both of these shall normalize to 25-30% and 20%-25% respectively

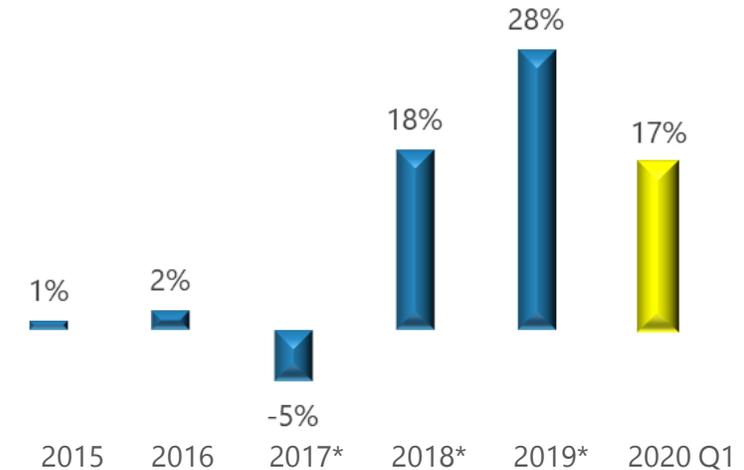
**Revenue (Rs. Crs)**



**EBITDA (%)**



**PAT (%)**



# Key Risks



01

Roughly 47% of revenue of FY 19 is from Feed portfolio

02

Substantial decline in Vitamin D3 feed prices

03

Failure of R&D projects

04

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**

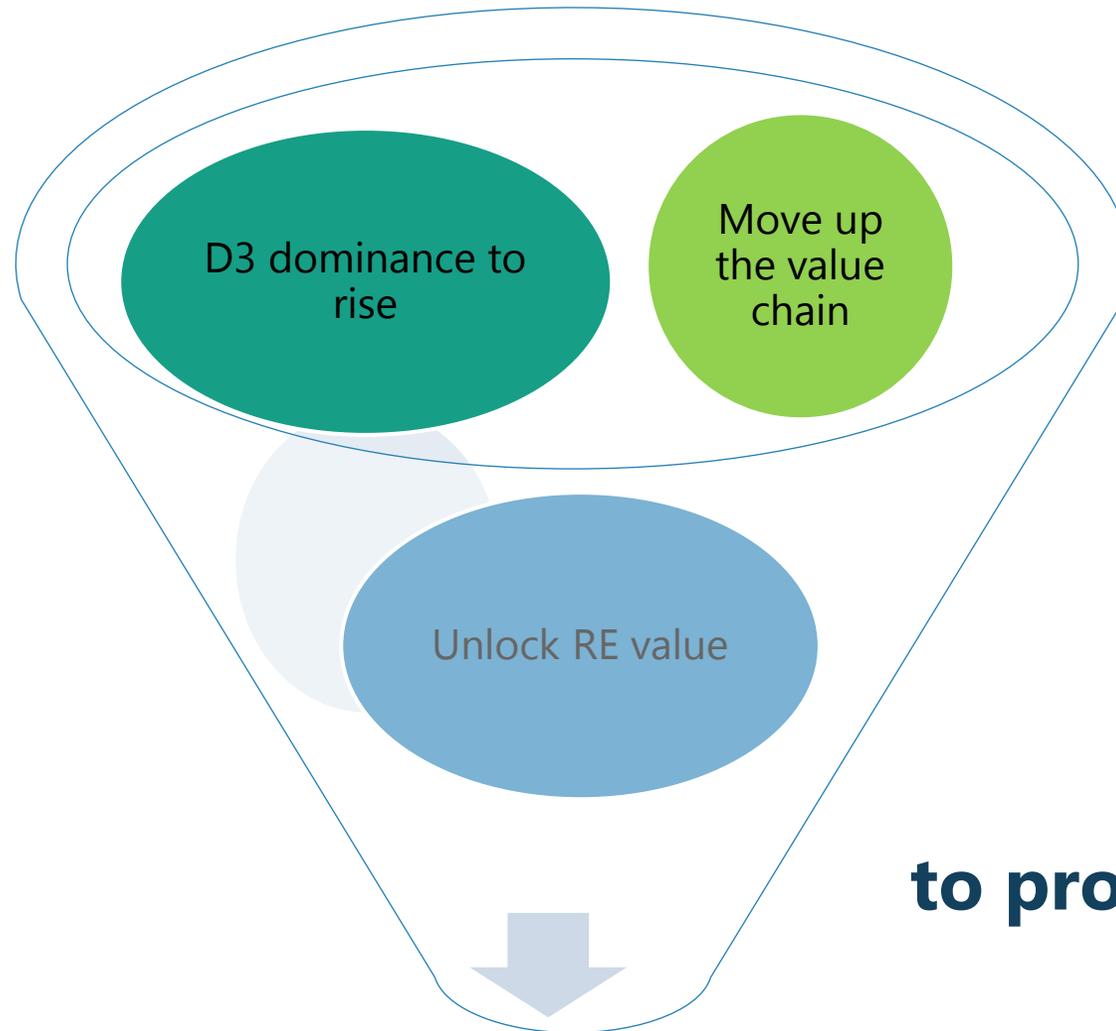
Executive Director



**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



## Contact Us

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