

Fermenta Biotech Limited (formerly known as DIL Limited)

CIN: L99999MH1951PLC008485

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Ref: F.No.:49

June 30, 2020

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

Dear Sir,

Sub.: Intimation of Earnings Presentation for Quarter 4 – Financial Year 2019-2020 / Financial Year 2019-2020

Ref: Scrip Code: 506414

Further to our intimation regarding approval of Audited Financial Results (Standalone and Consolidated) by the Board of Directors for the quarter and financial year ended March 31, 2020, we hereby enclose a copy of Earnings Presentation for Quarter 4 – Financial Year 2019-2020 / Financial Year 2019-2020.

The said Earnings Presentation is also available on Company's website www.fermentabiotech.com

Kindly take the same on record.

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 LIMITED

Earnings Presentation | Q4-FY20 / FY20



Only manufacturer of
Vitamin D3 in India



Amongst top 3 manufacturers
of Vitamin D3 globally



Global Presence in
50+ countries



Proprietary technology to
manufacture Vitamin D3



50 Years of Vitamin D3
manufacturing experience



2 Manufacturing Plants
registered with US-FDA (FFRM)



DSIR approved
R&D facility



8 new patents filed



Big 4 Statutory Auditor with
Deloitte



300+ clients across
the globe



Backward integrated



High Return Ratios

Company Overview



- Fermenta Biotech Limited (FBL) (Erstwhile DIL Ltd.) incorporated in 1951 by Dr. DVK Raju, is engaged in development and manufacturing of pharmaceuticals, biotechnology and environmental solutions used across various industries.
- On September 26, 2019, NCLT approved amalgamation of DIL & FBL which consolidated FBL's leadership capabilities backed by DIL's large asset base.
- With a rich history of six decades FBL has evolved as a key global player in manufacturing of Vitamin D3 in all its formats.
- FBL manufactures a range of Vitamin D3 variants having an optimal mix between human and animal feed products which have applications across multiple sectors like:

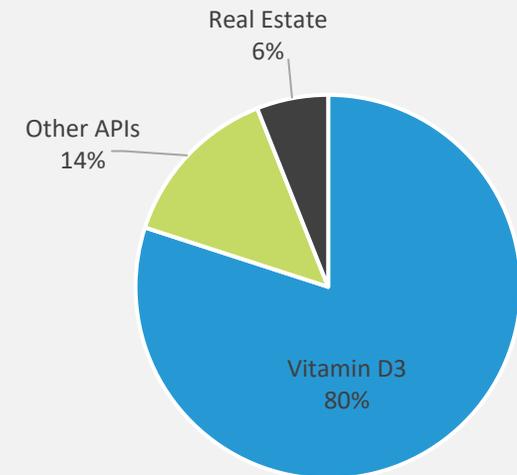
- | | |
|--|-----------------|
| 1. Pharmaceuticals | 4. Animal feed |
| 2. Dietary and nutritional supplements | 5. Veterinary |
| 3. Food and beverage fortification | 6. Rodenticides |

- The company is also involved in manufacturing of APIs for muscle relaxant and anti-flatulent applications.
- FBL delivers innovative enzymes used in manufacturing of antibiotics and involved in environmental solutions used for waste water treatment and management.
- The company also has legacy properties at Thane and Worli in Mumbai for which it realizes significant rental income.

Operational Revenue (INR Mn) & Operational EBITDA Margin (%)



Revenue Mix % (FY20)



AL GROWTH

Manufacturing advertising
Consumer products

22.10

24.78

Q4-FY20 / FY20

FINANCIAL OVERVIEW



Q4-FY20 Standalone Performance:

- **Operational Income:** INR 721 Mn
- **Operational EBITDA:** INR 135 Mn
- **Operational EBITDA Margin:** 18.72%
- **Net Profit:** INR 72 Mn
- **PAT Margin:** 9.99%
- **Diluted EPS:** INR 2.50 per share

FY20 Standalone Performance:

- **Operational Income:** INR 3,005 Mn
- **Operational EBITDA:** INR 694 Mn
- **Operational EBITDA Margin:** 23.09%
- **Net Profit:** INR 637 Mn
- **PAT Margin:** 21.20%
- **Diluted EPS:** INR 21.96 per share

Q4-FY20 Consolidated Performance:

- **Operational Income:** INR 645 Mn
- **Operational EBITDA:** INR 95 Mn
- **Operational EBITDA Margin:** 14.73%
- **Net Profit:** INR 31 Mn
- **PAT Margin:** 4.81%
- **Diluted EPS:** INR 1.09 per share

FY20 Consolidated Performance:

- **Operational Income:** INR 2,929 Mn
- **Operational EBITDA:** INR 652 Mn
- **Operational EBITDA Margin:** 22.26%
- **Net Profit:** INR 595 Mn
- **PAT Margin:** 20.31%
- **Diluted EPS:** INR 20.53 per share

- COVID 19 update –
 - In Compliance with the directions issued by the Government of India, the Company had suspended operations at all of its manufacturing locations in Dahej, Gujarat and Kullu, Himachal Pradesh with effect from 25th March 2020 to ensure the safety of its employees and their families and to contain the spread of COVID-19.
 - The Company was granted permission by the District Magistrate, to partially run both of its plants, for manufacturing of Essential Commodities. In view of the same, the Company resumed partial operations at Kullu plant from 3rd April 2020 and Dahej plant from 4th April 2020.
 - As per the current assessment of the situation based on the internal and external information the Company believes that the Impact of Covid-19 on its business would be limited and there is no indication of any material Impact on the financials.
- The prices of Vitamin D3 Animal Feed saw some strengthening in Q1-FY21 after being under pressure for the earlier 6 months.
- The Company has embarked on a capex of around INR 300 Mn at its Dahej plant to be 80% financed through foreign currency term loan for construction of multi-synthesis plant, with the balance 20% to be financed through internal accruals.
- The company also completed successful production of cholesterol from fish oil through third party contract manufacturing in Q4-FY20. The export sales of the same has also already commenced.
- The company has a non-China dependent supply chain.
- Lastly, the Company opened a wholly owned USA subsidiary on May 27, 2020 in the name of Fermenta Biotech USA LLC to facilitate exports and enhance Company's business in North America.

Q4-FY20 – Standalone Income Statement (Ind-AS)



PARTICULARS (INR Mn)	Q4-FY20	Q4-FY19	Y-o-Y	Q3-FY20	Q-o-Q
Operational Revenue	721	916	(21.3)%	665	8.4%
Total Expenses	586	606	(3.3)%	525	11.6%
Operational EBITDA	135	310	(56.5)%	140	(3.6)%
Operational EBITDA Margin (%)	18.72%	33.84%	NA	21.05%	(233) Bps
Other Income	26	12	NA	34	(23.5)%
Depreciation	39	31	25.8%	38	2.6%
Finance Cost	40	59	(32.2)%	54	(25.9)%
PBT	82	232	(64.7)%	82	NA
Tax	10	(151)	NA	(16)	NA
PAT	72	383	(81.2)%	98	(26.5)%
PAT Margins (%)	9.99%	41.81%	NA	14.74%	(475) Bps
Other Comprehensive Income	17	(15)	NA	-	NA
Total Comprehensive Income	89	368	(75.8)%	98	(9.2)%
Diluted EPS (INR)	2.50	13.29	(81.2)%	3.38	(26.0)%

FY20 Standalone Income Statement



PARTICULARS (INR Mn)	FY20	FY19	Y-o-Y
Operational Revenue	3,005	4,047	(25.7)%
Total Expenses	2,311	2,634	(12.3)%
Operational EBITDA	694	1,413	(50.9)%
Operational EBITDA Margin (%)	23.09%	34.91%	NA
Other Income	123	123	NA
Depreciation	149	119	25.2%
Finance Cost	193	206	(6.3)%
PBT	475	1,211	(60.8)%
Tax	(162)	107	NA
PAT	637	1,104	(42.3)%
PAT Margins (%)	21.20%	27.28%	(608) Bps
Other Comprehensive Income	18	(15)	NA
Total Comprehensive Income	655	1,089	(39.9)%
Diluted EPS (INR)	21.96	38.24*	(42.6)%

*Adjusted EPS post bonus issue in the proportion of 2:1

Q4-FY20 – Consolidated Income Statement (Ind-AS)



PARTICULARS (INR Mn)	Q4-FY20	Q4-FY19	Y-o-Y	Q3-FY20	Q-o-Q
Operational Revenue	645	916	(29.6)%	665	(3.0)%
Total Expenses	550	605	(9.1)%	527	4.4%
Operational EBITDA	95	311	(69.5)%	138	(31.2)%
Operational EBITDA Margin (%)	14.73%	33.95%	NA	20.75%	(602) Bps
Other Income	26	12	NA	35	(25.7)%
Depreciation	40	31	29.0%	38	5.3%
Finance Cost	40	59	(32.2)%	54	(25.9)%
PBT	41	233	(82.4)%	81	(49.4)%
Tax	10	(152)	NA	(16)	NA
PAT before Associates & Joint Venture	31	385	(91.9)%	97	(68.0)%
Share of Loss of Associates & Joint Venture	-	-	NA	-	NA
PAT	31	385	(91.9)%	97	(68.0)%
PAT Margins (%)	4.81%	42.03%	NA	14.59%	(978) Bps
Other Comprehensive Income	18	(15)	NA	-	NA
Total Comprehensive Income	49	370	(86.8)%	97	(49.5)%
Diluted EPS (INR)	1.09	13.32	(91.8)%	3.34	(67.4)%

FY20 Consolidated Income Statement



PARTICULARS (INR Mn)	FY20	FY19	Y-o-Y
Operational Revenue	2,929	4,047	(27.6)%
Total Expenses	2,277	2,558	(11.0)%
Operational EBITDA	652	1,489	(56.2)%
Operational EBITDA Margin (%)	22.26%	36.79%	NA
Other Income	123	124	(0.8)%
Depreciation	150	119	(26.1)%
Finance Cost	191	207	(7.7)%
PBT	434	1,287	(66.3)%
Tax	(161)	108	NA
PAT before Associates & Joint Venture	595	1,179	(49.5)%
Share of Loss of Associates & Joint Venture	0	(4)	NA
PAT	595	1,175	(49.4)%
PAT Margins (%)	20.31%	29.03%	(872) Bps
Other Comprehensive Income	19	(15)	NA
Total Comprehensive Income	614	1,160	(47.1)%
Diluted EPS (INR)	20.53	40.70*	(49.6)%

*Adjusted EPS post bonus issue in the proportion of 2:1

Standalone Balance Sheet (Ind-AS)



PARTICULARS (INR Mn)	FY20	FY19	PARTICULARS6069 (INR Mn)	FY20	FY19
Equity	3,126	2,495	Assets		
a) Equity share capital	144	46	Non-current Assets	3,272	2,557
b) Share Pending issuance	-	2	a) Property, plant and equipment	1,040	972
c) Other equity	2,982	2,447	b) Capital work-in-progress	671	207
d) Non-controlling interests	-	-	c) Right of use assets	162	-
			d) Investment property	707	733
Liabilities			e) Goodwill	41	41
Non-current liabilities	1,115	1,447	f) Other intangible assets	18	23
a) Financial liabilities			g) Intangible assets under development	37	9
i) Borrowings	1,018	1,352	h) Investments		
ii) Lease liabilities	45	-	i) Investments in subsidiaries	8	7
iii) Other financial liabilities	6	19	ii) Investments in associates	-	-
b) Provisions	41	63	i) Financial assets		
c) Deferred tax liabilities (Net)	-	-	i) Investments	3	6
d) Other non-current liabilities	5	13	ii) Share application money	-	60
			iii) Loans	2	3
Current Liabilities	1,855	1,568	iv) Others financial assets	41	46
a) Financial liabilities			j) Deferred tax assets (Net)	381	193
i) Borrowings	1,043	602	k) Non-current tax assets (Net)	91	33
ii) Lease liabilities	11	-	l) Other non-current assets	70	224
ii) Trade payables	472	435	Current Assets	2,824	2,953
iii) Other financial liabilities	297	425	a) Inventories	1,135	877
b) Provisions	6	6	b) Financial assets		
c) Other current liabilities	23	49	i) Investments	-	11
d) Current tax liabilities (Net)	3	51	ii) Trade receivables	774	656
			iii) Cash and cash equivalents	68	404
			iv) Bank balances other than (iii) above	256	504
			v) Loans	213	118
			vi) Other financial assets	129	26
			c) Other current assets	249	357
TOTAL EQUITY AND LIABILITIES	6,096	5,510	TOTAL ASSETS	6,096	5,510

Consolidated Balance Sheet (Ind-AS)



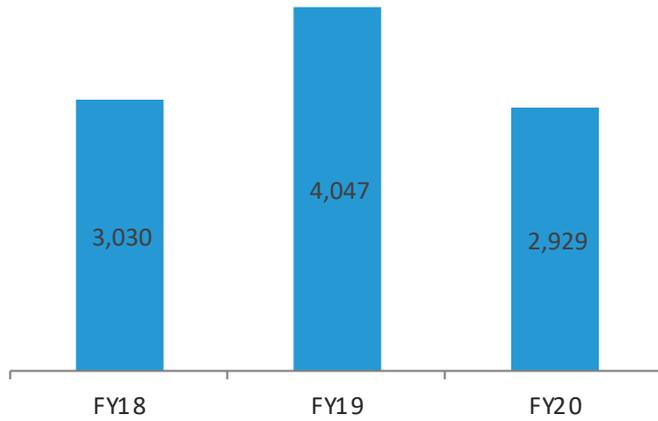
PARTICULARS (INR Mn)	FY20	FY19	PARTICULARS (INR Mn)	FY20	FY19
Equity	3,094	2,506	Assets		
a) Equity share capital	144	46	Non-current Assets	3,297	2,556
b) Share Pending issuance		2	a) Property, plant and equipment	1,040	973
c) Other equity	2,950	2,458	b) Capital work-in-progress	671	207
d) Non-controlling interests	0.1	0.1	c) Right of use assets	143	-
			d) Investment property	713	738
Liabilities			e) Goodwill	41	41
Non-current liabilities	1,097	1,447	f) Other intangible assets	65	23
a) Financial liabilities			g) Intangible assets under development	37	9
i) Borrowings	1,018	1,352	h) Investments		
ii) Lease liabilities	27	-	i) Investments in subsidiaries	-	-
iii) Other financial liabilities	6	19	ii) Investments in associates	-	-
b) Provisions	41	63	i) Financial assets		
c) Deferred tax liabilities (Net)	-	-	i) Investments	3	6
d) Other non-current liabilities	5	13	ii) Share application money	-	60
			iii) Loans	2	3
Current Liabilities	1,946	1,559	iv) Others financial assets	40	46
a) Financial liabilities			j) Deferred tax assets (Net)	381	193
i) Borrowings	1,043	602	k) Non-current tax assets (Net)	91	33
ii) Lease liabilities	11	-	l) Other non-current assets	70	224
ii) Trade payables	564	427	Current Assets	2,840	2,956
iii) Other financial liabilities	297	425	a) Inventories	1,286	877
b) Provisions	5	5	b) Financial assets		
c) Other current liabilities	23	49	i) Investments	-	11
d) Current tax liabilities (Net)	3	51	ii) Trade receivables	698	655
			iii) Cash and cash equivalents	75	408
			iv) Bank balances other than (iii) above	256	504
			v) Loans	213	118
			vi) Other financial assets	63	26
			c) Other current assets	249	357
TOTAL EQUITY AND LIABILITIES	6,137	5,512	TOTAL ASSETS	6,137	5,512



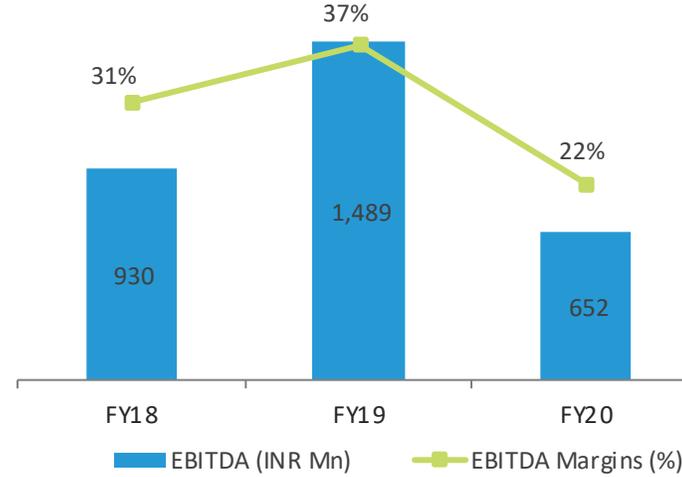
Historical Consolidated Financial Performance



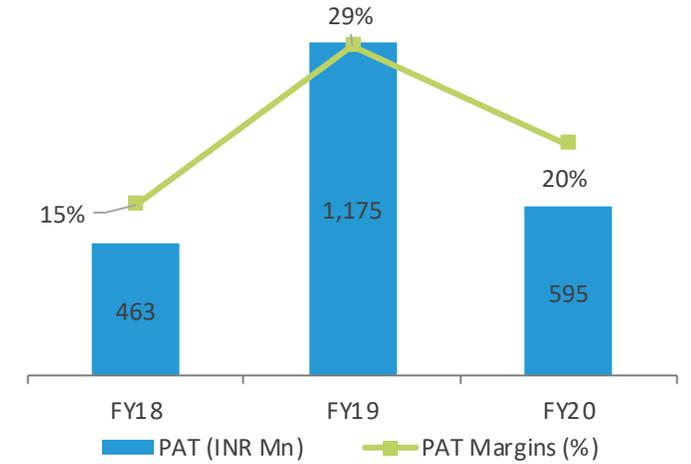
Operational Revenue (INR Mn)



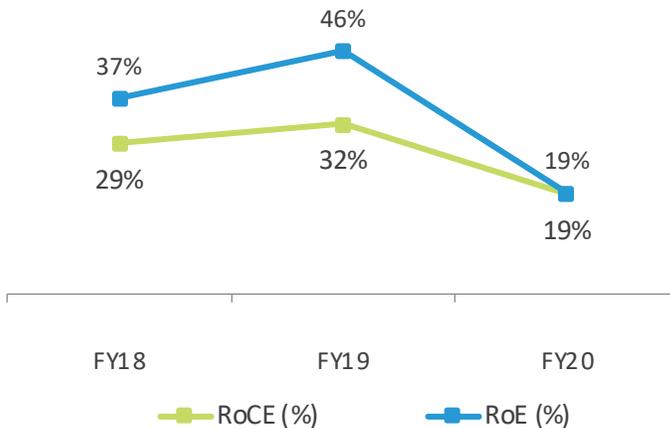
Operational EBITDA (INR Mn) & Operational EBITDA Margins (%)



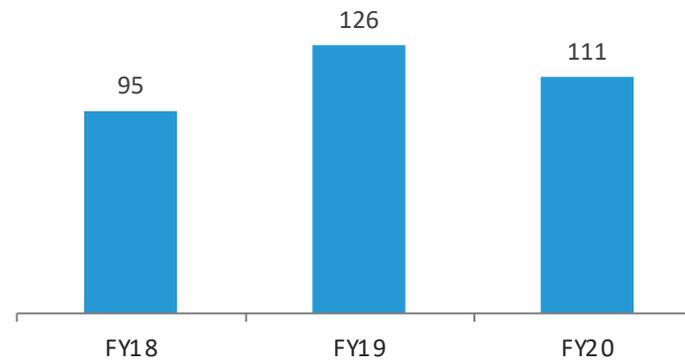
PAT (INR Mn) & PAT Margins (%)



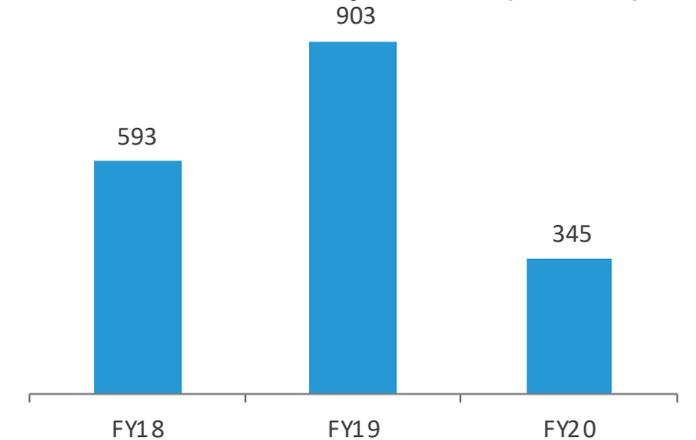
RoCE & RoE (%)



Working Capital Days



Cash Flow from Operations (INR Mn)



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