



28<sup>th</sup> October, 2016

<b>To,</b> <b>The Manager,</b> <b>Listing Department,</b> <b>National Stock Exchange of India Ltd.</b> "Exchange Plaza", C-1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.  <b>Ref. : (i) Symbol – DISHMAN</b> <b>(ii) Series – EQ</b>	<b>To,</b> <b>Department of Corporate Services</b> <b>Bombay Stock Exchange Ltd.</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.  <b>Ref.: Scrip Code No. : 532526</b>
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**SUB: INVESTORS PRESENTATION ON UNAUDITED FINANCIAL RESULT –  
REGULATION: 30**

Dear Sir,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, kindly find enclosed herewith Presentation on financial result for the quarter and half year ended 30<sup>th</sup> September, 2016 made to Analyst and Investors.

Kindly take the same on your record.

Thanking You,

Yours faithfully,  
**For, Dishman Pharmaceuticals and Chemicals Limited**

*S.O. Dave*  
**Shrima Dave**  
**Company Secretary**



Encl.: As Above

**Dishman Pharmaceuticals and Chemicals Limited**

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**Government Recognised Export House**

CIN NO L24230GJ1983PLC006329



**DISHMAN PHARMACEUTICALS & CHEMICALS LIMITED**  
**Q2 & H1FY17 RESULTS UPDATE**  
**October 2016**



## DISCUSSION SUMMARY

- Q2 & H1FY17 Results Highlights
- Consolidated Financials
- Business Strategy & Outlook



This presentation and the following discussion may contain “forward looking statements” by Dishman Pharmaceuticals and Chemicals Limited (Dishman) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives, are based on the current beliefs, assumptions, expectations, estimates, and projections of the management of Dishman about the business, industry and markets in which Dishman operates.

These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond Dishman’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not, and should not be construed, as a representation as to future performance or achievements of Dishman.

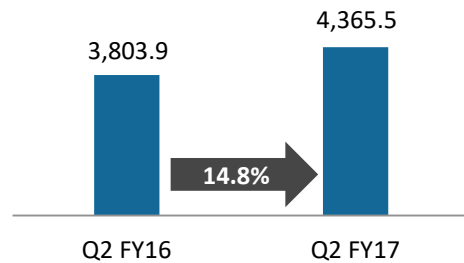
In particular, such statements should not be regarded as a projection of future performance of Dishman. It should be noted that the actual performance or achievements of Dishman may vary significantly from such statements.

## Q2 & H1FY17 Results Highlights

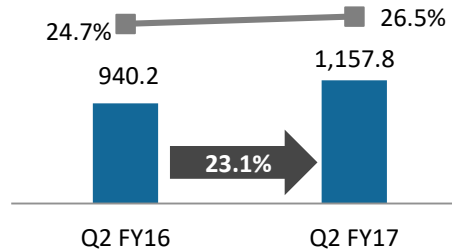


## Q2 FY17 YoY ANALYSIS

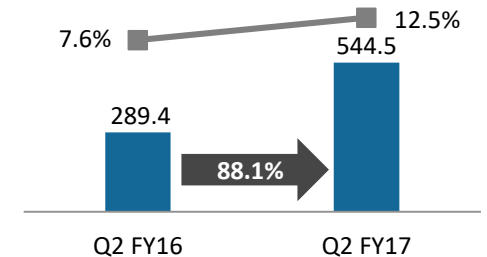
### REVENUES



### EBITDA & EBITDA MARGIN

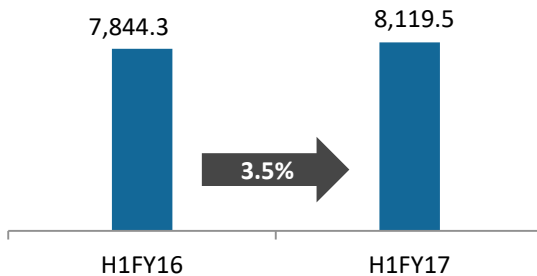


### PAT & PAT MARGIN

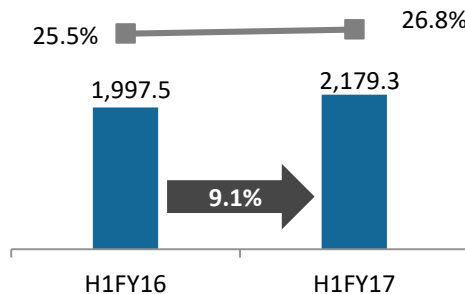


## H1 Y17 YoY ANALYSIS

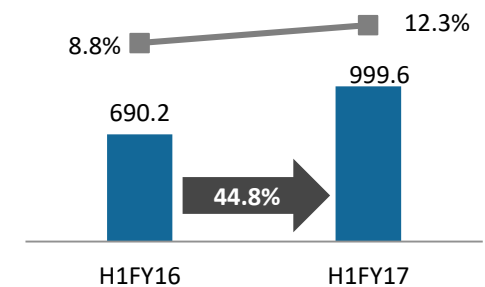
### REVENUES



### EBITDA & EBITDA MARGIN



### PAT & PAT MARGIN



In Rs Mn.



**Financial Highlights:**

- Q2 FY17 revenues increased by 14.8% YoY.
  - CRAMS – India: Revenues increased 33.9% YoY on account of increased momentum in commercial orders. Currently both the operational cells at HiPo facility are completely occupied and the process for activating the 3<sup>rd</sup> cell has started.
  - CRAMS – Carbogen Amcis: Revenues were higher 26.7% due to higher share of development orders.
  - Dishman Netherlands: Revenues increased 14.8% YoY on account of higher sales of Vitamin D analogues and cholesterol.
- **EBITDA margins improved from 24.7% in Q2 FY16 to 26.5% in Q2 FY17.**
  - CRAMS – Carbogen Amcis: Operating Margins declined by ~60 bps due to higher revenue contribution from development orders as compared to commercial orders.
  - CRAMS – India: Operating Margins increased ~520bps due to execution of high margin commercial and development orders, process improvement and better Product mix.
  - Dishman Netherlands: Focus on high value products like certain Vitamin D analogues and direct selling of cholesterol to end customers.
- Depreciation declined 8% yoy on account of restatement of accounts as per Ind AS which led to higher recognition of depreciation in the corresponding quarter last year.
- Interest expense declined by -27.5% YoY in Q2 FY17 driven by lower debt, conversion of rupee debt into foreign debt and conversion of higher cost foreign currency loans into lower cost foreign currency loans. **Net Debt reduced by ~Rs. 500 mn in the first half of 2017.**
- **Q2 FY17 PAT increased by 88.1% YoY driven by significant improvement in operational profitability and operational efficiency across global operations. PAT margin improved from 7.6% in Q2 FY16 to 12.5% in Q2 FY17.**

Revenues – Segment wise Breakup	Q2 FY17	Q2 FY16	YoY%	H1FY17	H1FY16	YoY%
<b>CRAMS (% of Total)</b>	<b>75.9%</b>	<b>72.3%</b>	-	<b>73.4%</b>	<b>67.5%</b>	-
CRAMS – India	763.1	570.0	33.9%	1,184.2	1,238.2	-4.4%
CRAMS – Carbogen Amcis	2,386.8	1,884.0	26.7%	4,407.1	3,651.6	20.7%
CRAMS – UK	90.0	242.7	-62.9%	224.8	325.7	-31.0%
<b>Marketable Molecules (% of Total)</b>	<b>24.1%</b>	<b>27.7%</b>	-	<b>26.6%</b>	<b>32.5%</b>	-
Vitamin D	608.9	530.6	14.8%	1,234.6	1,404.9	-12.1%
Others	420.6	501.6	-16.2%	877.5	1,109.0	-20.9%
<b>Total</b>	<b>4,269.4</b>	<b>3,728.9</b>	<b>14.5%</b>	<b>7,928.2</b>	<b>7,729.3</b>	<b>2.6%</b>

In Rs Mn



EBITDA Margin % – Segment wise	Q2 FY17	Q2 FY16	H1FY17	H1FY16
<b>CRAMS</b>				
CRAMS – India	56.0%	50.8%	56.2%	50.4%
CRAMS – Carbogen Amcis	18.1%	18.7%	18.9%	18.0%
CRAMS – UK	14.8%	24.2%	20.4%	22.3%
<b>Marketable Molecules</b>				
Vitamin D	30.7%	29.0%	32.4%	29.9%
Others	23.4%	17.1%	26.8%	20.1%

# Consolidated Financials



Particulars (Rs Mn)	Q2 FY17	Q2 FY16	YoY %	Q1 FY17	QoQ %	H1 FY17	H1 FY16	YoY %
<b>Revenue from Operations</b>	4,269.4	3,728.9	14.5%	3,658.9	16.7%	7,928.3	7,729.3	2.6%
Other Operating Income	96.1	75.0	28.1%	95.1	1.1%	191.2	115.0	66.3%
<b>Total Revenues</b>	4,365.5	3,803.9	14.8%	3,754.0	16.3%	8,119.5	7,844.3	3.5%
COGS	918.4	898.9	2.2%	541.9	69.5%	1,460.4	1,759.5	-17.0%
Employee Expenses	1,429.7	1,230.1	16.2%	1,450.5	-1.4%	2,880.2	2,470.8	16.6%
Other Expenses	859.6	734.7	17.0%	740.0	16.2%	1,599.6	1,616.5	-1.0%
<b>EBITDA</b>	1,157.8	940.2	23.1%	1,021.6	13.3%	2,179.3	1,997.5	9.1%
<b>EBITDA Margin %</b>	<b>26.5%</b>	<b>24.7%</b>	<b>180 bps</b>	<b>27.2%</b>	<b>-69 bps</b>	<b>26.8%</b>	<b>25.5%</b>	<b>138 bps</b>
Other Income	76.5	79.8	-4.1%	70.1	9.1%	146.7	119.2	23.1%
<b>EBITDA with Other Income</b>	1,234.3	1,020.0	21.0%	1,091.7	13.1%	2,326.0	2,116.7	9.9%
<b>EBITDA Margin % (with OI)</b>	<b>28.3%</b>	<b>26.8%</b>	<b>146 bps</b>	<b>29.1%</b>	<b>-81 bps</b>	<b>28.6%</b>	<b>27.0%</b>	<b>166 bps</b>
Depreciation	308.9	335.6	-8.0%	284.8	8.5%	593.6	596.9	-0.6%
Finance Cost (Incl. Forex Impact)	189.0	260.6	-27.5%	224.6	-15.9%	413.6	578.6	-28.5%
<b>PBT</b>	736.4	423.8	73.8%	582.3	26.5%	1,318.8	941.2	40.1%
Tax Expense	189.7	143.8	31.9%	127.4	48.9%	317.0	261.0	21.5%
<b>% Tax Rate</b>	<b>25.8%</b>	<b>33.9%</b>	<b>-817 bps</b>	<b>21.9%</b>	<b>388 bps</b>	<b>24.0%</b>	<b>27.7%</b>	<b>-369 bps</b>
<b>PAT</b>	546.7	280.0	95.3%	454.9	20.2%	1,001.8	680.2	47.3%
Income from Associates	-	-	-	-	-	-	-	-
Minority Interest	-	-2.9	-100.0%	-	-	-	-2.9	-100.0%
Other Comprehensive Income	-2.2	6.5	-133.8%	-	-	-2.2	12.9	-117.1%
<b>PAT after Minority Interest and Share of profit/(loss) of Associates</b>	544.5	289.4	88.1%	454.9	19.7%	999.6	690.2	44.8%
<b>PAT Margin %</b>	<b>12.5%</b>	<b>7.6%</b>	<b>486 bps</b>	<b>12.1%</b>	<b>36 bps</b>	<b>12.3%</b>	<b>8.8%</b>	<b>351 bps</b>



Particulars (Rs mn)	H1FY17
<b>EQUITIES &amp; LIABILITIES</b>	
<b>Shareholder Funds</b>	
(A) Equity Share Capital	322.8
(C) Reserves & Surplus	16,452.4
<b>Total - Shareholder Funds</b>	<b>16,775.2</b>
<b>Minority Interest</b>	-
<b>Non Current Liabilities</b>	
(A) Long Term Borrowings	3,251
(B) Deferred Tax Liabilities (Net)	668.5
(C) Other Long Term Liabilities	-
(D) Long Term Provisions	785.3
<b>Total - Non – Current Liabilities</b>	
<b>Current Liabilities</b>	
(A) Short term Borrowings	4,464.5
(B) Trade Payables	881.5
(C) Other Financial Liabilities	1,913.2
(C) Other Current Liabilities**	1,530.2
(D) Short Term Provisions	592.3
<b>Total – Current Liabilities</b>	<b>9,381.7</b>
<b>GRAND TOTAL – EQUITIES &amp; LIABILITIES</b>	<b>30,861.7</b>

\*\* Current portion of long term maturities – Rs. 1,065.3 mn.

Particulars (Rs. Mn)	H1FY17
<b>ASSETS</b>	
<b>Non Current Assets</b>	
(A) Property, plant and equipment	13,761.7
(B) Capital work in progress	1,270.6
(C) Goodwill	2,531.8
(D) Other Intangible assets	160.9
(E) Financial Assets	
i) Investments	252.6
ii) Loans	393.2
iii) Others	21.6
(F) Other Non-Current Assets	1,840.7
<b>Total - Non – Current Assets</b>	<b>20,233.1</b>
<b>Current Assets</b>	
(A) Inventories	4,947.6
(B) Financial Assets	
i) Investments	-
ii) Trade Receivables	1,524.1
iii) Cash and cash equivalents	191.0
iv) Bank Balances other than (iii) above	96.6
v) Loans	81.8
vi) Others	3,316.1
(C) Current Tax Assets	0.0
(D) Other Current Assets	471.4
<b>Total – Current Assets</b>	<b>10,628.6</b>
<b>GRAND TOTAL – ASSETS</b>	<b>30,861.7</b>

# Business Strategy & Outlook



**Strategy - Higher Asset Turnover with efficient capacity utilization**

- Improved capacity utilization through focus on large number of small & midsize companies.
- Diversify across Geographies - Target new geographies with increased penetration in US market and Leverage Cross Selling Opportunities.
- Efficient utilization of HIPO facility, India and China facility.

**Strategy – Focus on Improvement in Margins**

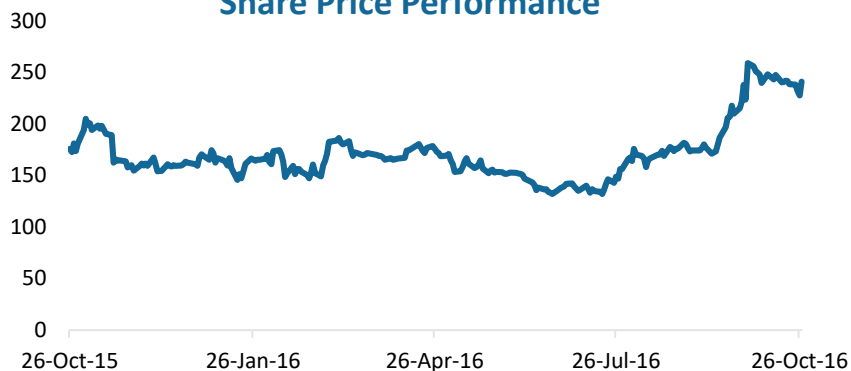
- Better churning of existing capacities with focus on Low Volume High Value Orders resulting into better margins
- Incremental Revenues from HIPO business where Margins are higher in the range of 40-50%. EBIDTA Level.
- Margin improvement from value added order execution from renovated Vitamin D facility in Netherlands.

**Strategy - Reduction in Leverage & Improvement in Return Ratios**

- No major capex planned for next two years.
- Incremental operating cash flows to be utilized for retirement of long term debt resulting to Robust Balance Sheet and Improved Return Ratios.

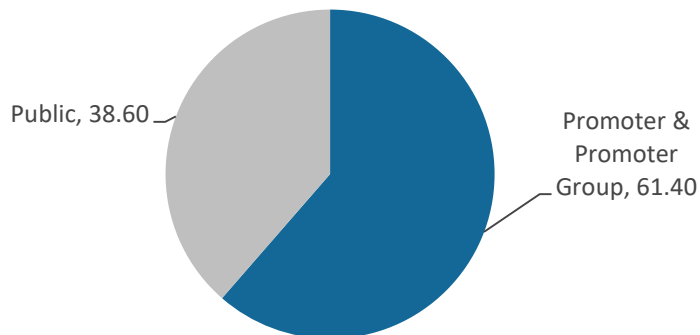


## Share Price Performance



Source: BSE

## % Shareholding – September 2016



Source: BSE

## Market Data

As on 27.10.16 (BSE)

Market capitalization (Rs Mn)	38,920.2
Price (Rs.)	241.2
No. of shares outstanding (Mn)	161.4
Face Value (Rs.)	2
52 week High-Low (Rs.)	267.9 – 127.6

## Key Institutional Investors as at September - 16

% Holding

Birla Sun Life Trustee Co. Pvt. Ltd A/C Birla Sun Life Eqty Fund	2.51%
L&T Mutual Fund	1.87%
Morgan Stanley Mauritius Co. Ltd.	1.49%
LSV Emerging Markets Equity Fund Lp	1.45%
Tata Balanced Fund	1.18%

Source: BSE

FOR ANY FURTHER QUERIES :



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**Thank you!**

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