

Fermenta Biotech Limited (formerly known as DIL Limited)

CIN: L99999MH1951PLC008485

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

December 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 for December 2019 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

December 2019




Safe Harbour

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Contents



- Conglomerate to Concentrated




- The heart of the business




- Innovation at the core




- Patents published



- Vitamin D3 – enjoying sunshine




- Single-vitamin to multi-vitamins



- Transforming into a nutraceuticals company



- Unlocking the value of real estate



- Financials – strong growth



- Financial Updates – H1FY20

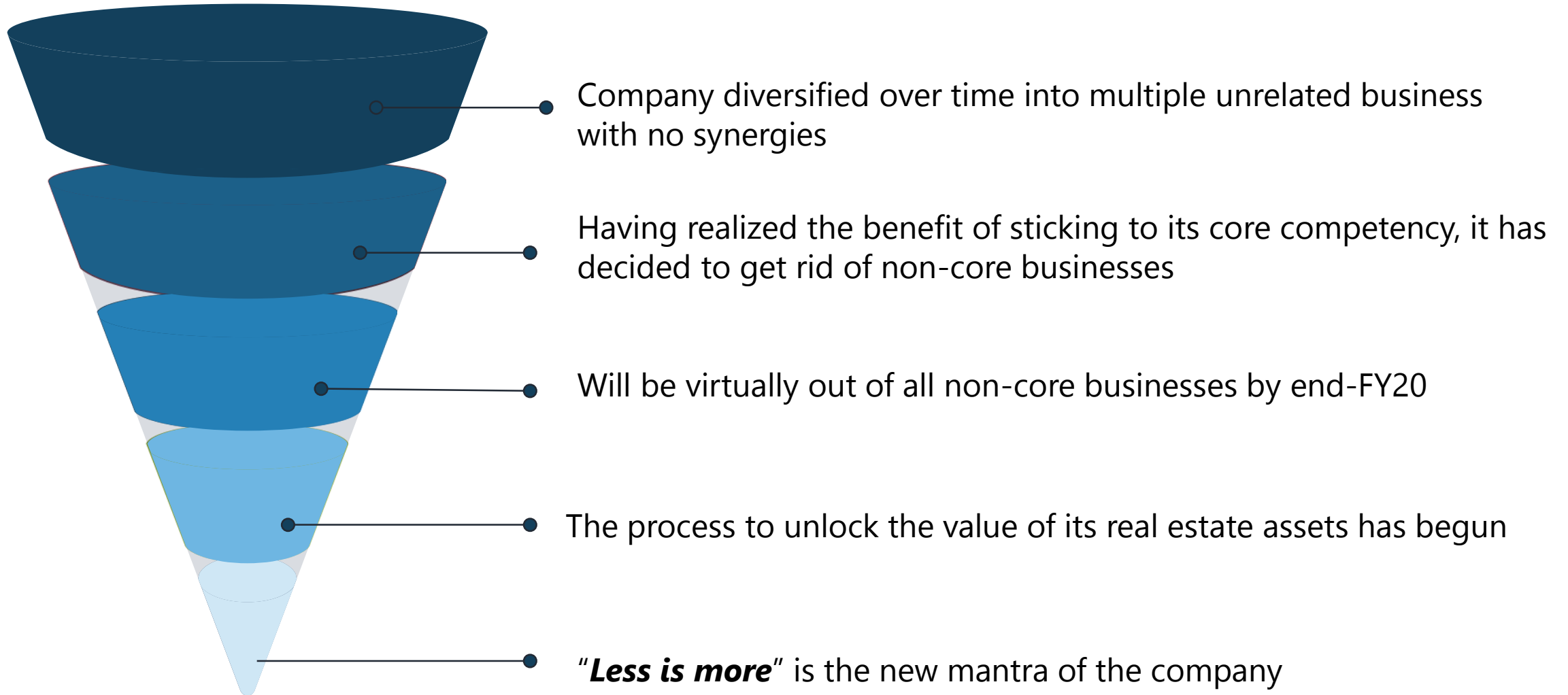


- Key risks



- Vision

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



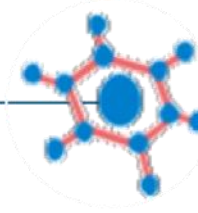
Rodenticides

Proprietary Technology



Knowledge Capital

Over 50 years of manufacturing experience



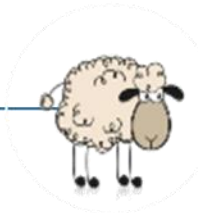
Scale

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 "**Day 1**" and challenges virtual status quo in the Vitamin D3 research globally for decades

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



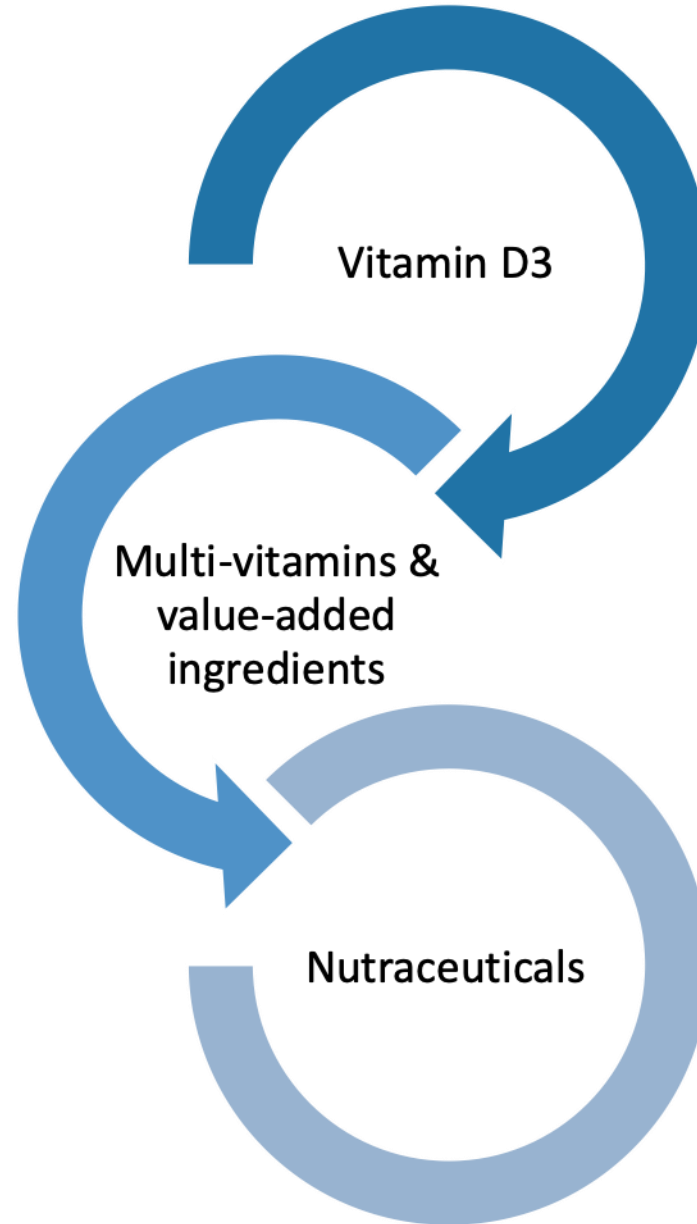
Vitamin D3 is enjoying great sunshine for the past few years

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.



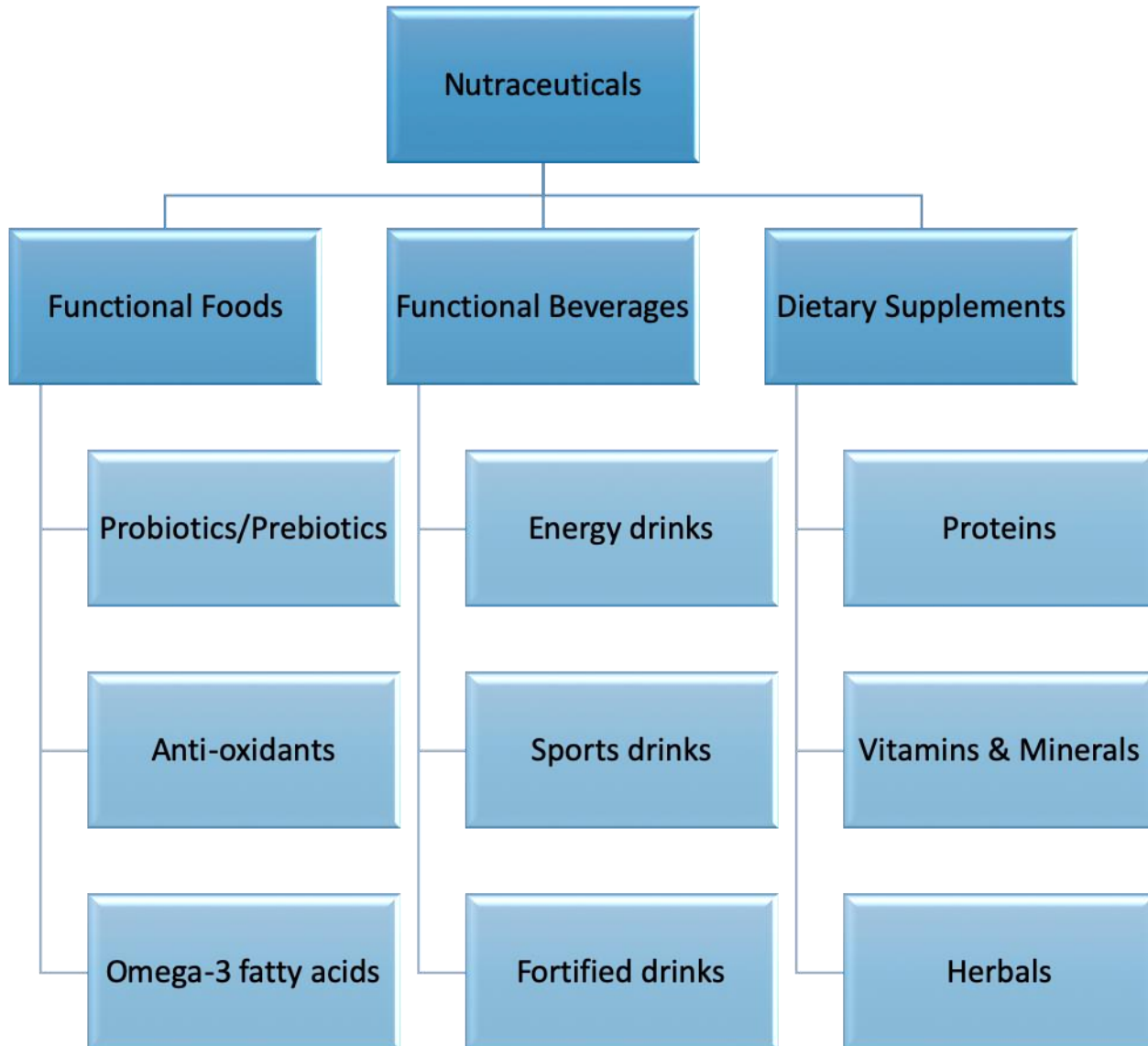
“Illness to Wellness” is a new mantra that world needs today

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

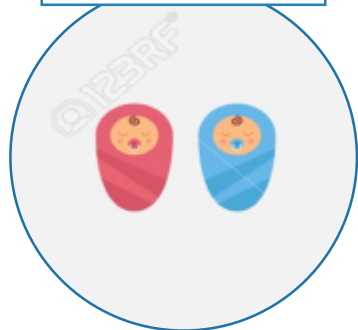
Key Applications

Pharma & DNS:

Food Fortification:

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

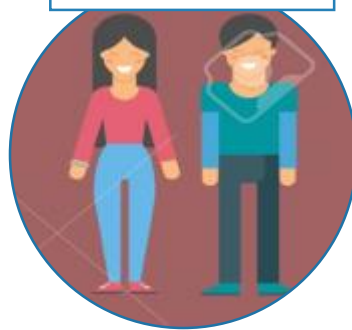
Infants



Childhood



Adolescence



Adulthood

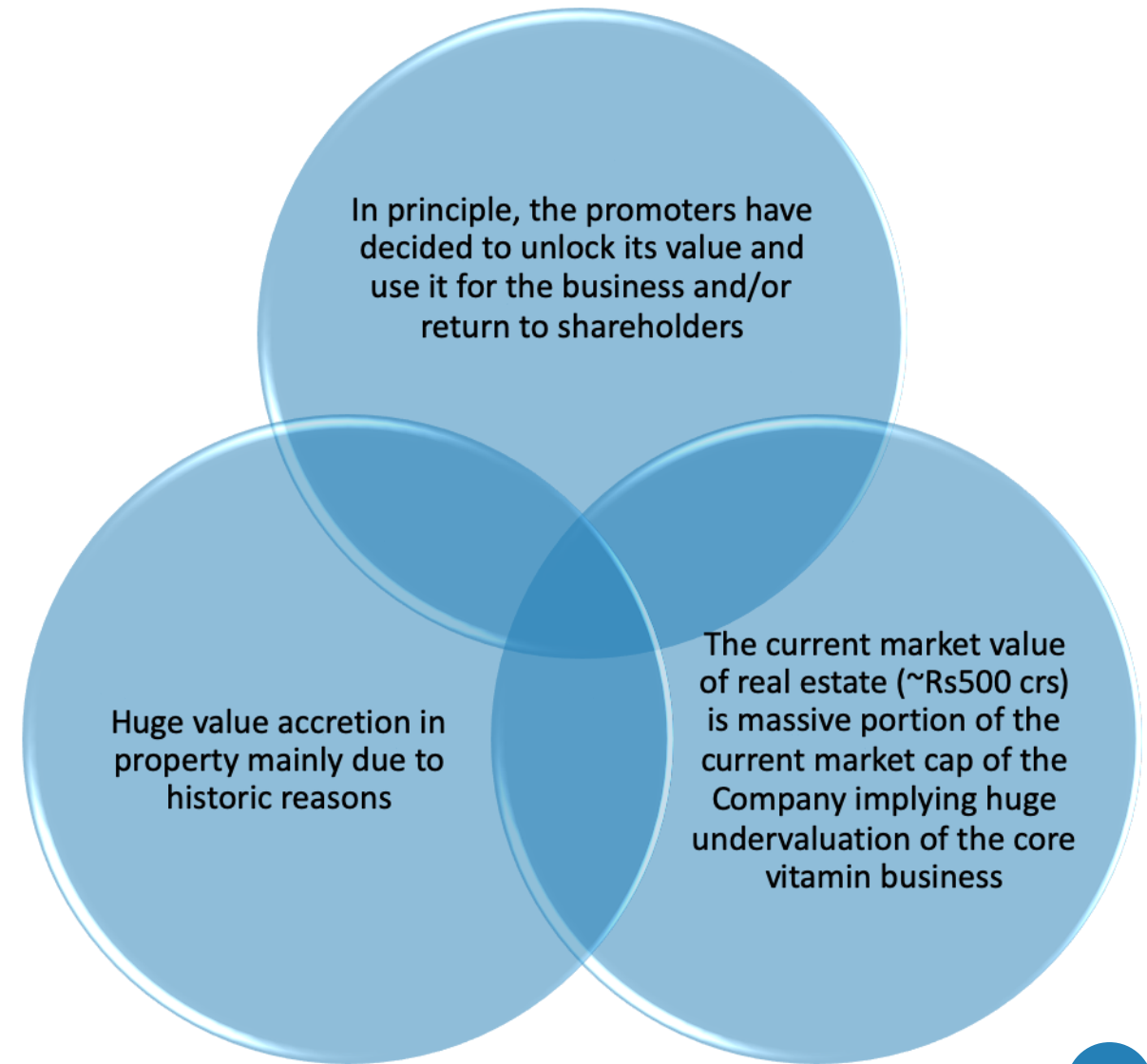
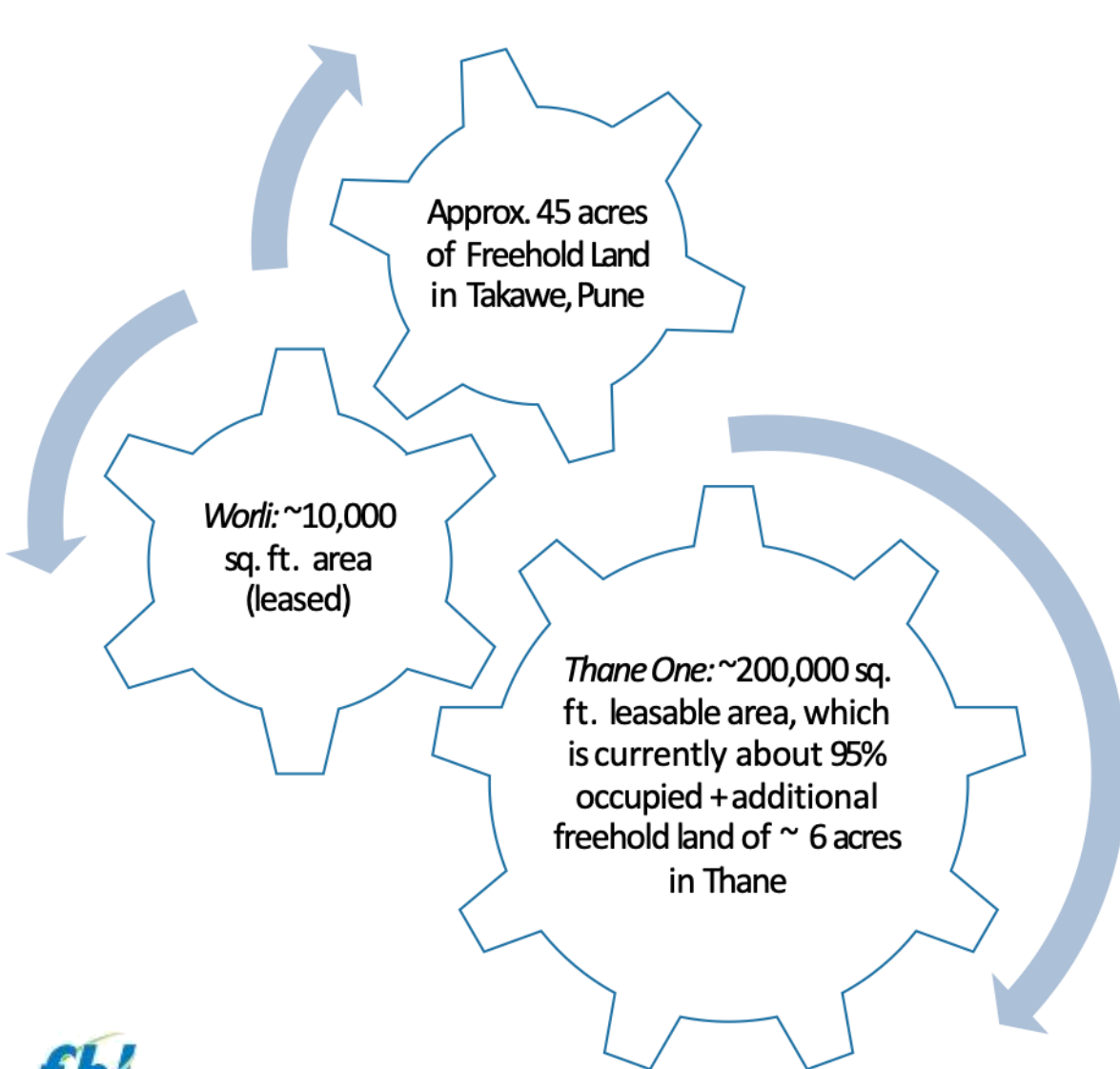


Elderly



Customer Segments

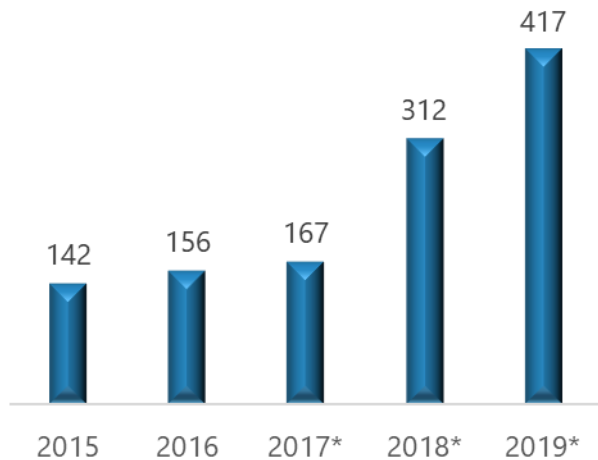
Unlocking the Value of Real Estate



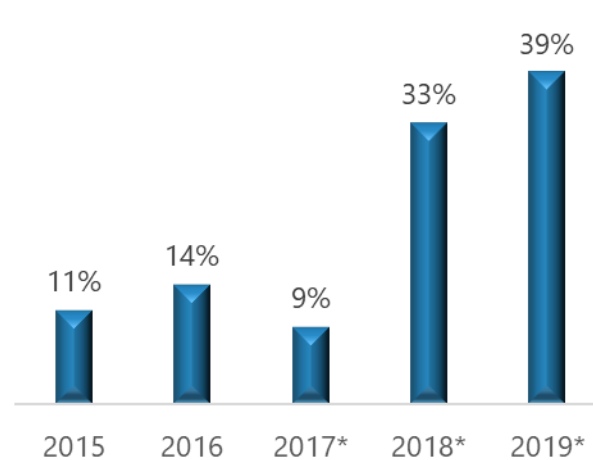
Financials – Strong Growth

- 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

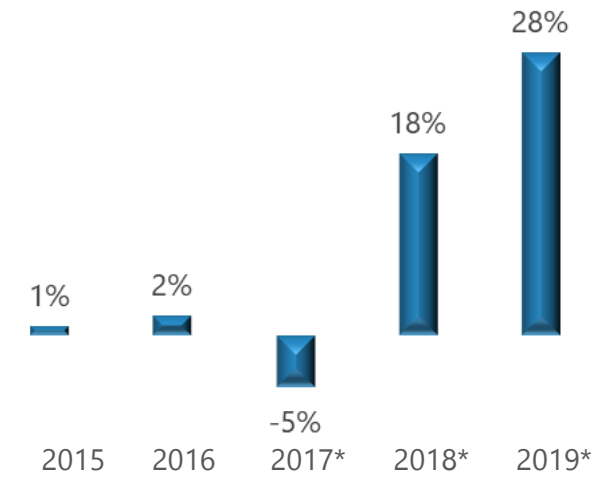
Revenue (Rs. Crs)



EBITDA (%)



PAT (%)



Financial Updates – H1FY20



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 – H1FY20

Particulars (Rs Crs)	H1 FY20	H1 FY19	Y-o-Y
Revenue	161.96	201.39	-20%
Other Income	8.12	12.62	
Total Revenue	170.08	214.01	-21%
Raw Materials	40.68	51.53	
Employee Expenses	26.57	24.87	
Other Expenses	54.58	61.98	
EBDITA	48.26	75.64	-36%
EBDITA Margin %	28%	35%	
Depreciation	7.21	5.75	
EBIT	41.04	69.89	-41%
EBIT Margin %	24%	33%	
Finance Cost	9.89	9.14	
PBT	31.15	60.75	-49%
Tax	(15.56)	16.73	
PAT	46.71	44.02	6%
PAT Margin %	27%	21%	

- Revenue from VitaminD3 for Human use contributed 37% to overall revenue as compared to 32% in H1FY19
- Revenue from VitaminD3 for Animal Feed use contributed 51% to overall revenue as compared to 52% in H1FY19

Business Update – H1FY20

- 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, continuous to impact revenue
- Reduction in long term high interest-bearing debt by Rs 57 crores
- Recognition of Deferred Tax Asset of Rs 16 crores
- Backward integration to produce Cholesterol (key raw material) from wool grease in Q4FY20 from Dahej facility
- Opening of wholly owned subsidiary in Germany to be closer to our customers and manufacture without any additional CAPEX value added products through third parties.
- Interim dividend of 100% [Rs 5/- per share] which is 4x FY19

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

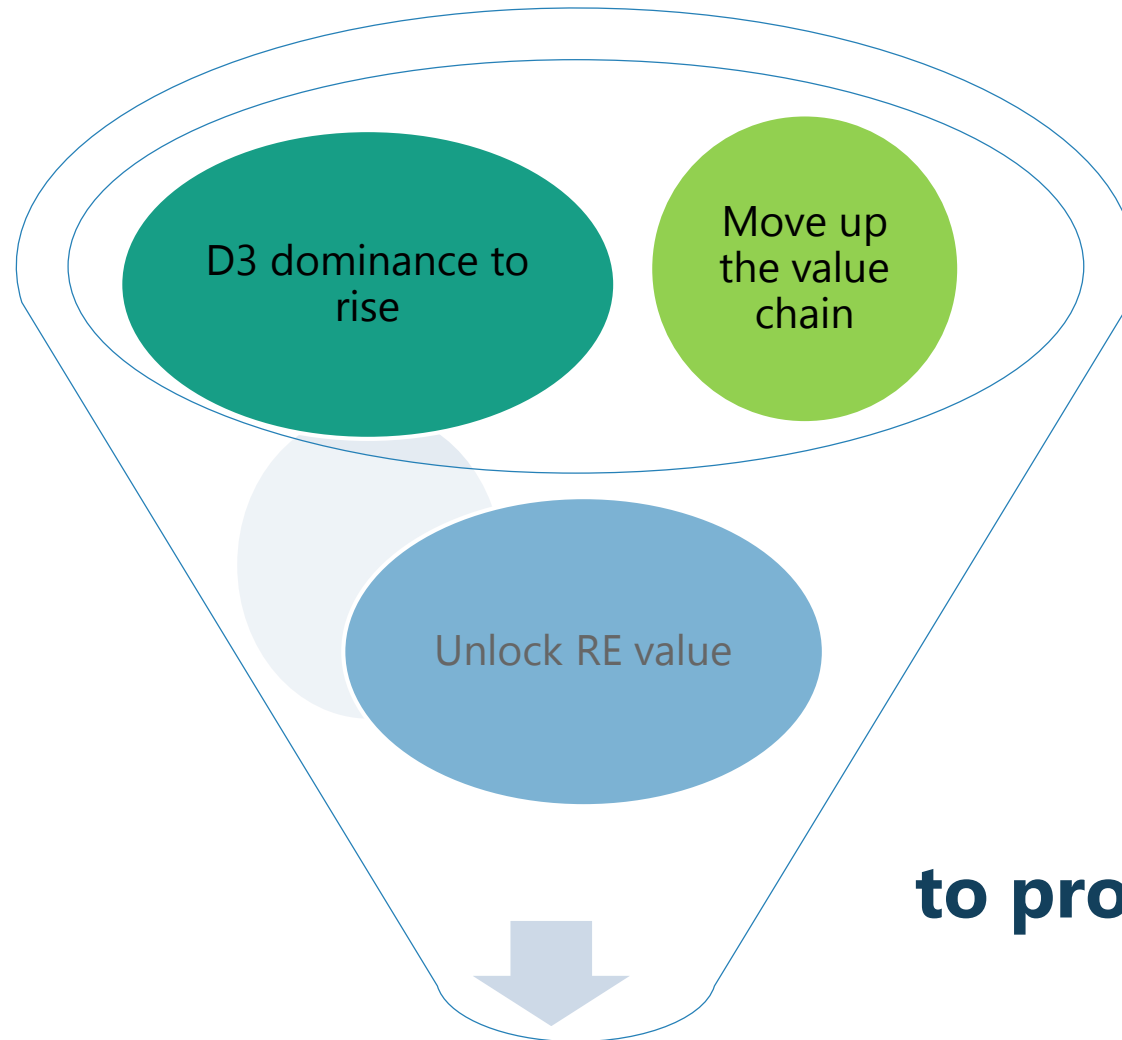
Executive Director



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



Contact Us

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