



14th February, 2017

To, The Manager, Listing Department, National Stock Exchange of India Ltd. "Exchange Plaza", C-1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051. Ref. : (i) Symbol – DISHMAN (ii) Series – EQ	To, Department of Corporate Services Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. Ref.: Scrip Code No. : 532526
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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 nine months ended 31st December, 2016 to be made to Analyst and Investors.

Kindly take the same on your record.

Thanking You,

Yours faithfully,
For, Dishman Pharmaceuticals and Chemicals Limited

S. a. 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
Q3 & 9M FY17 RESULTS UPDATE
February 2017

DISCUSSION SUMMARY

- Q3 & 9M FY17 Results Highlights
- Company Overview
- 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.

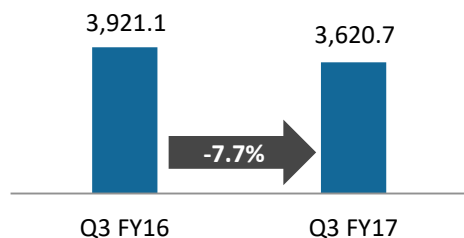
Q3 & 9M FY17 Results Highlights



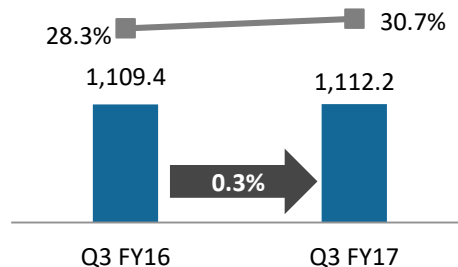
Q3 & 9M FY17 RESULTS HIGHLIGHTS (Consolidated)

Q3 FY17 YoY ANALYSIS

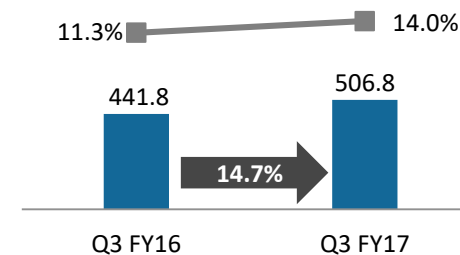
REVENUES



EBITDA & EBITDA MARGIN*

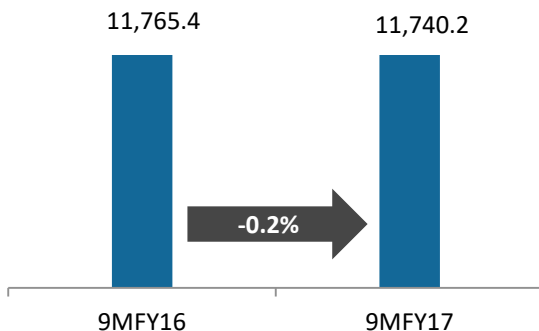


PAT & PAT MARGIN

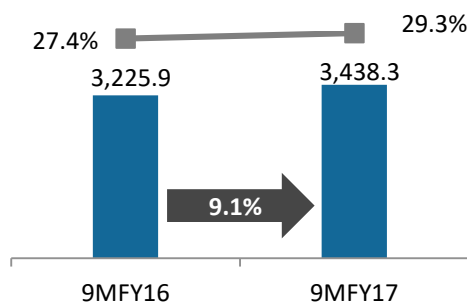


Q3 & 9M FY17 YoY ANALYSIS

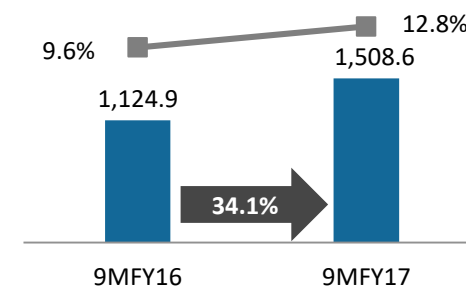
REVENUES



EBITDA & EBITDA MARGIN*



PAT & PAT MARGIN



In Rs Mn.

* With Other Income

Financial Highlights:

- Q3 FY17 revenues decreased by 7.7% YoY.
 - CRAMS – India: Revenues decreased 31.7% YoY as some of the orders got deferred to the next quarter resulting in higher inventory. Currently both the operational cells at HiPo facility are completely occupied and 3rd and 4th cell are expected to be activated soon.
 - CRAMS – Carbogen Amcis: Revenues were lower 7.3% on YoY basis due to deferral of sales to next quarter which led to higher inventory. Expected to supply higher development quantities in the next quarter.
 - Dishman Netherlands: Revenues increased 86.8% YoY on account of higher sales of Vitamin D analogues and cholesterol.
- **EBITDA margins* increased from 28.3% in Q3 FY16 to 30.7% in Q3 FY17.**
 - CRAMS – Carbogen Amcis: Operating Margins were in line on YoY basis with strong emphasis on process efficiencies.
 - CRAMS – India: Operating Margins were in line on YoY basis due to continued 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.
 - CRAMS UK and other marketable molecules saw a decline in EBITDA margins which had an impact on overall margin profile.
 - Other Income for the quarter was Rs. 155.3 million majorly due to the foreign currency gains.
- Interest expense declined by -23.8% YoY in Q3 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.
- **Q3 FY17 PAT improved by 14.7% YoY. PAT margin improved from 11.3% in Q3 FY16 to 14.0% in Q3 FY17. The company continues to focus on improvement in operational profitability and efficiency across global operations.**

* With Other Income

Q3 & 9M FY17 RESULTS SEGMENTWISE ANALYSIS

Revenues – Segment wise Breakup	Q3 FY17	Q3 FY16	YoY%	9M FY17	9M FY16	YoY%
CRAMS (% of Total)	69.2%	76.5%		72.2%	70.5%	
CRAMS – India	545.9	799.8	-31.7%	1,740.0	2,038.0	-14.6%
CRAMS – Carbogen Amcis	1,763.6	1,901.9	-7.3%	6,170.7	5,553.5	11.1%
CRAMS – UK	157.5	252.5	-37.6%	382.2	578.2	-33.9%
Marketable Molecules (% of Total)	30.8%	23.5%		27.8%	29.5%	
Vitamin D	601.4	321.9	86.8%	1,826.1	1,726.8	5.8%
Others	496.3	583.6	-15.0%	1,373.8	1,692.6	-18.8%
Total	3,564.7	3,859.8	-7.6%	11,492.9	11,589.1	-0.8%

In Rs Mn

EBITDA Margin % – Segment wise	Q3 FY17	Q3 FY16	9M FY17	9M FY16
CRAMS				
CRAMS – India	55.6%	55.7%	55.7%	52.5%
CRAMS – Carbogen Amcis	18.9%	19.2%	18.9%	18.4%
CRAMS – UK	20.1%	32.1%	20.3%	26.6%
Marketable Molecules				
Vitamin D	29.7%	28.8%	31.7%	29.7%
Others	22.0%	23.5%	25.1%	21.3%

Particulars (Rs Mn)	Q3 FY17	Q3 FY16	YoY %	Q2 FY17	QoQ %	9M FY17	9M FY16	YoY %
Revenue from Operations	3,564.7	3,859.8	-7.6%	4,269.4	-16.5%	11,493.0	11,589.1	-0.8%
Other Operating Income	56.0	61.3	-8.6%	96.1	-41.7%	247.2	176.3	40.2%
Total Revenues	3,620.7	3,921.1	-7.7%	4,365.5	-17.1%	11,740.2	11,765.4	-0.2%
COGS	684.1	878.8	-22.2%	918.4	-25.5%	2,144.4	2,638.3	-18.7%
Employee Expenses	1,308.8	1,300.9	0.6%	1,429.7	-8.5%	4,189.0	3,771.7	11.1%
Other Expenses	670.9	619.4	8.3%	859.6	-22.0%	2,270.5	2,236.1	1.5%
EBITDA	956.9	1,122.0	-14.7%	1,157.8	-17.4%	3,136.3	3,119.3	0.5%
EBITDA Margin %	26.4%	28.6%	-219 bps	26.5%	-9 bps	26.7%	26.5%	20 bps
Other Income	155.3	-12.6	-	76.5	103.0%	302.0	106.6	183.3%
EBITDA with Other Income	1,112.2	1,109.4	0.3%	1,234.3	-9.9%	3,438.3	3,225.9	6.6%
EBITDA Margin % (with OI)	30.7%	28.3%	242 bps	28.3%	244 bps	29.3%	27.4%	187 bps
Depreciation	292.5	308.8	-5.3%	308.9	-5.3%	886.1	905.7	-2.2%
Finance Cost (Incl. Forex Impact)	133.9	175.7	-23.8%	189.0	-29.2%	547.5	754.3	-27.4%
PBT	685.8	624.9	9.7%	736.4	-6.9%	2,004.7	1,565.9	28.0%
Tax Expense	175.3	171.7	2.1%	189.6	-7.5%	492.4	432.5	13.8%
% Tax Rate	25.6%	27.5%	-192 bps	25.7%	-19 bps	24.6%	27.6%	-306 bps
PAT	510.5	453.2	12.6%	546.8	-6.6%	1,512.3	1,133.4	33.4%
Income from Associates	-3.7	-8.5	56.5%	-	-	-3.7	-8.5	56.5%
Minority Interest	-	2.9	-100.0%	-	-	-	-	-
PAT after Minority Interest and Share of profit/(loss) of Associates	506.8	441.8	14.7%	546.8	-7.3%	1,508.6	1,124.9	34.1%
PAT Margin %	14.0%	11.3%	273 bps	12.5%	147 bps	12.8%	9.6%	329 bps

Company Overview



Key Facts

- Established in 1983 and as quats manufacturer and later transformed itself into a full fledged CRAMS partner for global pharma innovators.
- Global presence with manufacturing sites in Europe, India, China, and Saudi Arabia. All manufacturing facilities are approved by recognised health authorities.

Product & Services Portfolio

Services

- End-to-end Integrated high-value low-cost CRAMS offerings right from process research & development to late stage clinical and commercial manufacturing.

Products:

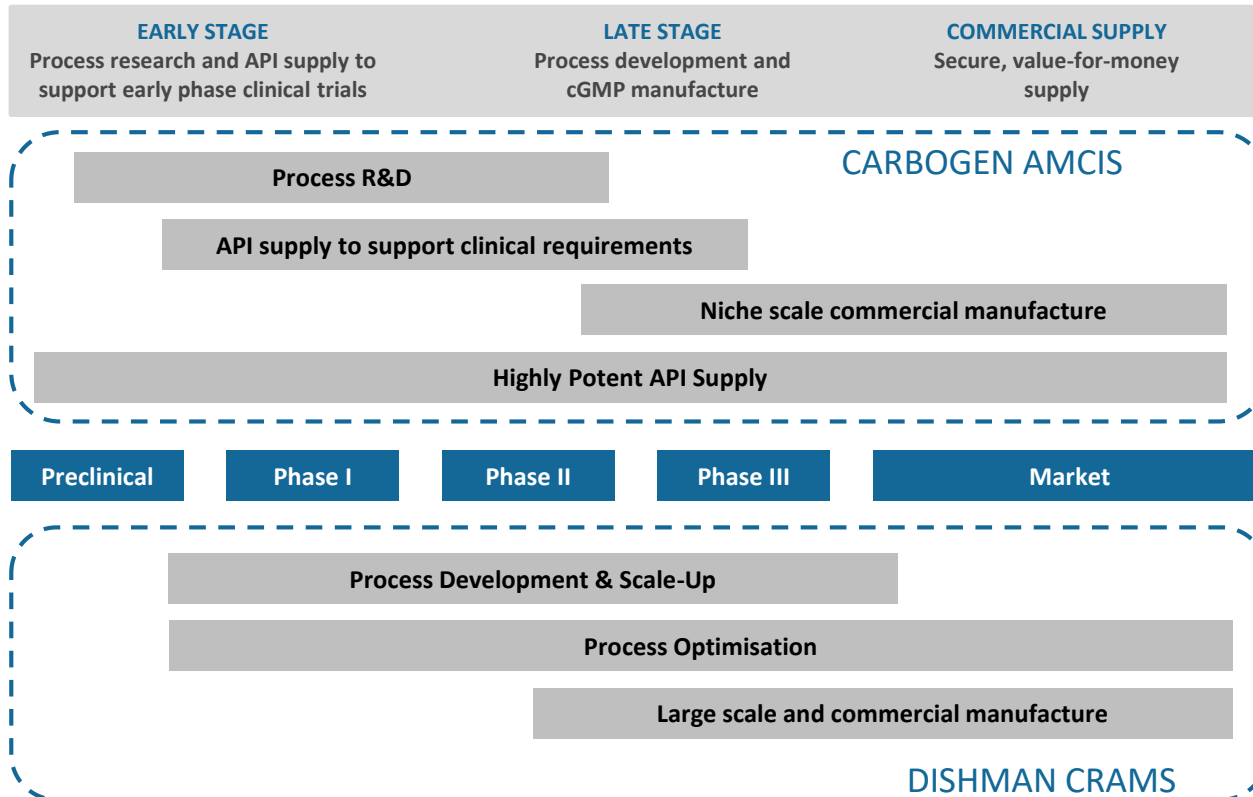
- Phase transfer catalysts, Vitamin D, Vitamin D analogues, cholesterol, laolin related products, antiseptic and disinfectant formulations for pharmaceutical, cosmetic and related markets.
- High quality supply of generic APIs and intermediates for pharmaceutical industry.

Business Strengths

- Preferred global outsourcing partner with capabilities across the entire CRAMS value chain, strong chemistry skills , large scale multi-purpose manufacturing capacities .
- Upfront investment of more that Rs 10,000 mn in capacity expansion , making Dishman highly leveraged to gain from the revival in global CRAMS industry.
- The HIPO facility at Bavla, India - largest HIPO facility in Asia , placing Dishman at forefront to gain from the high margin HIPO opportunity in the Oncology space.

INTEGRATED CRAMS PLAYER

Integrated CRAM Player – Strong Capabilities across the Value Chain



Carbogen Amcis (CA) Strong Research Capabilities

- Focus is on supporting the development process from bench to market.
- Process research and development to the supply of APIs for preclinical studies, clinical trials and commercial use.

Dishman India Strong Manufacturing Capabilities

- Large dedicated R&D center with multiple shift R&D operations (India)
- Multi-purpose and dedicated production facilities for APIs, intermediates (India, Europe and China)
- Dedicated API manufacturing capacities (India, China)

**INTEGRATED
ACROSS THE
VALUE CHAIN**

**STRONG
CHEMISTRY
CAPABILITIES**

**CLOSE PROXIMITY
TO CLIENTS WITH
GLOBAL
PRESENCE**

**LARGE SCALE LOW
COST
MANUFACTURING
CAPACITIES**

**Integrated CRAMS Player present along the entire value chain from building blocks to commercialization & launch stage.
Ability to retain client services through the complete development of a drug.
Broad based skill set & global footprint.**

Drug Lifecycle Management

- Preclinical to commercial manufacturing capabilities.
- Ensures seamless process & technology transfer from lab to plant.
- Single partner for R&D, process development and commercial production.

Strong R&D Capabilities

- Globally, Dishman group has more than 550 scientists, more than 50 doctorates as senior scientists and 200 scientists working under them in India.

Close Proximity to Clients

- Local representation, local support in all major markets.
- Front end via CA with access to more than 150 established customer relationships of CA.
- Trust & Confidence of customers for entire drug life-cycle engagement.

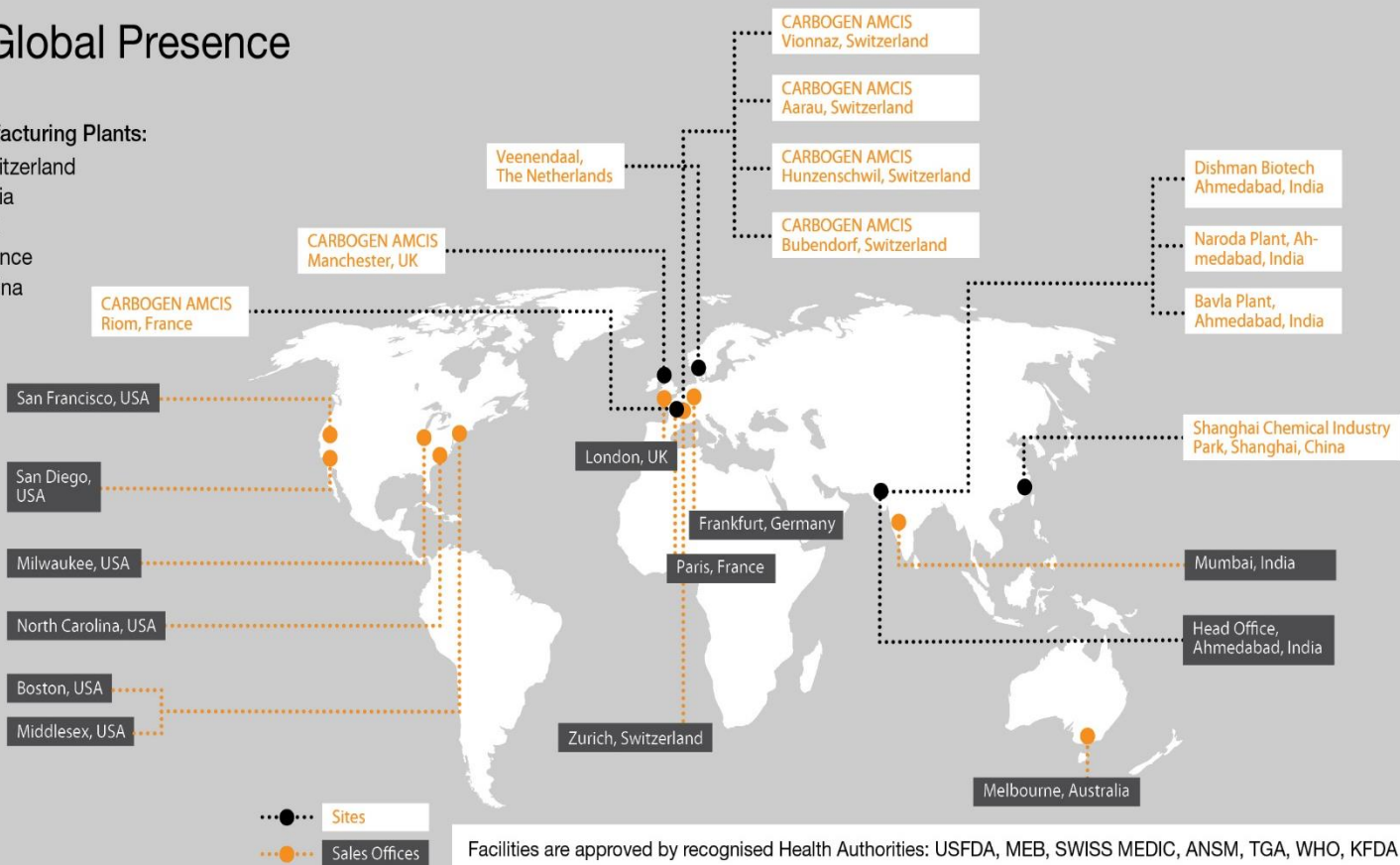
Large Scale Mfg Capacity

- Dedicated USFDA inspected production facilities.
- Asia's largest HIPO facility in Bavla.
- Large capacities provide competitive edge to win big long-term contracts

Our Global Presence

Our Manufacturing Plants:

- 4 in Switzerland
- 2 in India
- 1 in UK
- 1 in France
- 1 in China



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.

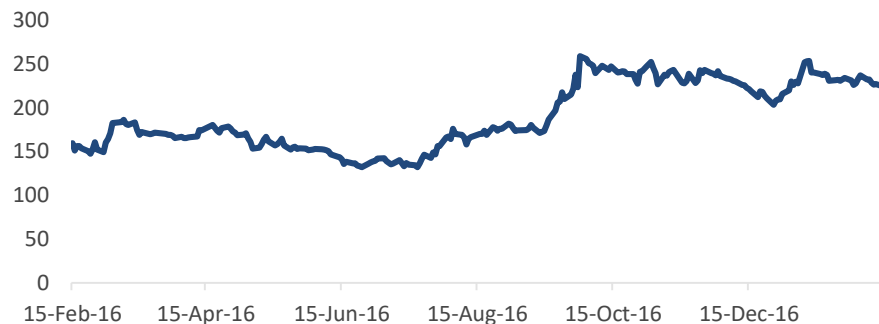
Strategy – Focus on Improvement in Margins

- 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

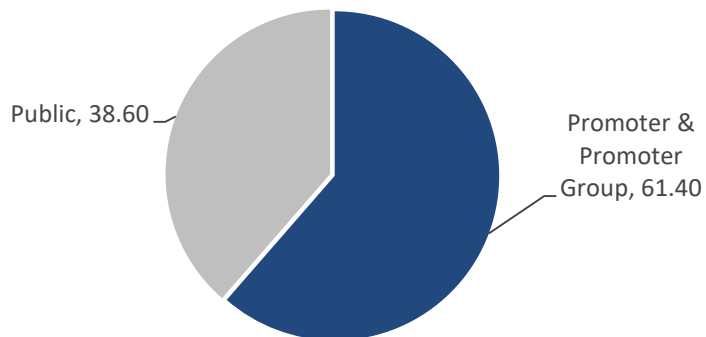
- No major capex planned for next two years.
- Incremental operating cash flows to be utilized for retirement of long term debt resulting to Robust Balance Sheet and Improved Return Ratios.

Share Price Performance



Source: BSE

% Shareholding – December 2016



Source: BSE

Market Data

As on 13.02.17 (BSE)

Market capitalization (Rs Mn)	36,372.1
Price (Rs.)	224.7
No. of shares outstanding (Mn)	161.4
Face Value (Rs.)	2
52 week High-Low (Rs.)	268.0 – 127.6

Key Institutional Investors as at December - 16

% Holding

L&T Mutual Fund	3.43%
Morgan Stanley Mauritius Co. Ltd.	2.41%
Birla Sun Life MF	2.25%
Abu Dhabi Investment Authority	1.63%
LSV Emerging Markets Equity Fund Lp	1.45%
Tata Balanced Fund	1.31%

Source: BSE

FOR ANY FURTHER QUERIES :



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Thank you!

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