



24th October, 2019

To, Department of Corporate Services BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.	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.: Scrip Code No. : 540701	Ref. : (i) Symbol – DCAL (ii) Series – EQ

**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 30th September, 2019 to be made to Analyst and Investors.

The aforesaid presentation is also being hosted on the website of the Company, www.dishmangroup.com in accordance with the Regulation 46 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

Kindly take the same on your record.

Thanking You,

Yours faithfully,

For, Dishman Carbogen Amcis Limited


Shrima Dave
Company Secretary



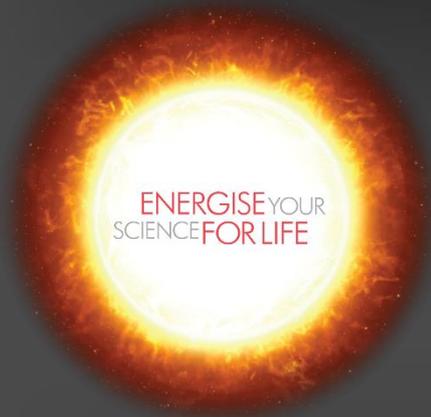
Encl.: As above

Dishman Carbogen Amcis Limited
(Formerly Carbogen Amcis (I) Ltd)

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Government Recognised Export House
CIN No. : L74900GJ2007PLC051338



DISHMAN CARBOGEN AMCIS LIMITED

**Q2 FY20 RESULTS UPDATE
OCTOBER 2019**

SAFE HARBOR STATEMENT

This presentation and the following discussion may contain “forward looking statements” by Dishman Carbogen Amcis Limited (‘Dishman’ or the ‘Company’) 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.

DISCUSSION SUMMARY

- ❖ Q2 FY20 RESULTS UPDATE
- ❖ INDUSTRY OVERVIEW
- ❖ COMPANY OVERVIEW



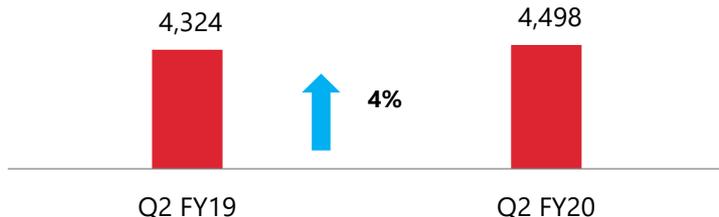
Q2 & H1 FY20 RESULTS UPDATE



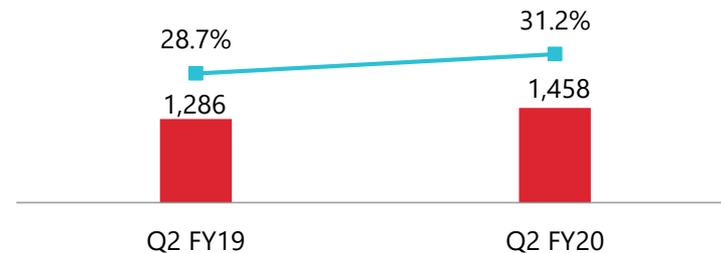
Q2 FY20 RESULT HIGHLIGHTS

In Rs Mn

REVENUES



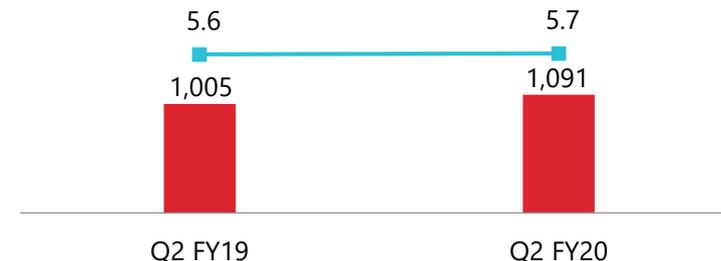
EBITDA & EBITDA MARGIN *



ADJUSTED PBT # & PBT MARGIN



CASH PAT ® & CASH EPS



* EBITDA excluding other income

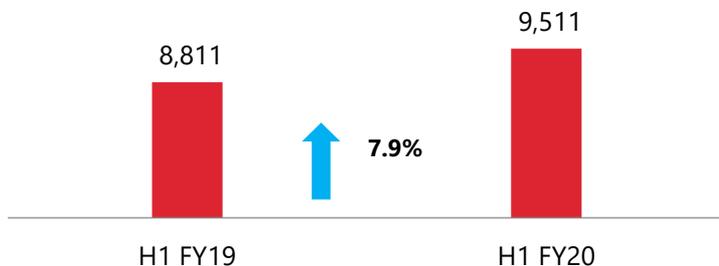
PBT is adjusted to include the additional goodwill amortization of Rs. 221.1 mn in Q1 FY18 and Q1 FY19.

® Cash PAT = Adjusted PAT + (Depreciation – additional goodwill amortization), adjusted for merger impact
Adjusted PAT = Adjusted PBT – Normalized tax rate of 30%

H1 FY20 RESULT HIGHLIGHTS

In Rs Mn

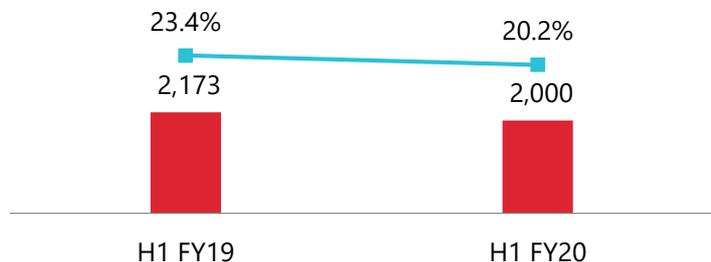
REVENUES



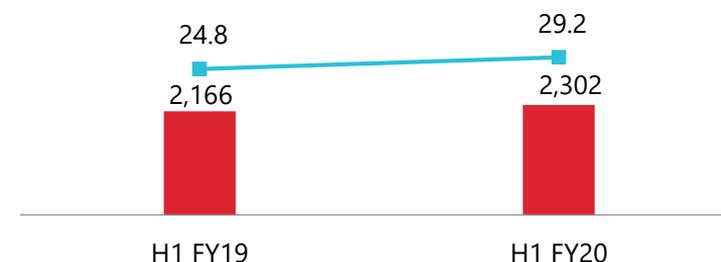
EBITDA & EBITDA MARGIN *



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CONSOLIDATED P&L STATEMENT

Particulars (In Rs. Mn.)	Q2 FY20	Q2 FY19	YoY %	H1 FY20	H1 FY19	YoY %
Revenue from Operations	4,497.9	4,324.1	4.0%	9,510.8	8,811.3	7.9%
Other Operating Income	175.2	153.0	14.5%	381.3	488.1	-21.9%
Total Revenues	4,673.1	4,477.1	4.4%	9,892.1	9,299.4	6.4%
COGS	626.7	690.9	-9.3%	1,929.3	1,793.2	7.6%
Employee Expenses	1,750.1	1,596.9	9.6%	3,685.8	3,318.0	11.1%
Other Expenses	838.5	903.4	-7.2%	1,625.1	1,690.4	-3.9%
EBITDA	1,457.8	1,285.9	13.4%	2,651.9	2,497.8	6.2%
EBITDA Margin %	31.2%	28.7%	247bps	26.8%	26.9%	-5bps
Other Income	66.0	149.9	-56.0%	144.3	206.5	-30.1%
Depreciation & Amortization	700.0	575.0	21.7%	1,372.6	1,116.0	23.0%
Finance Cost (Incl. Forex Impact)	169.9	152.4	11.5%	307.7	299.4	2.8%
PBT	653.9	708.4	-7.7%	1,115.9	1,288.9	-13.4%
Tax Expense	242.3	268.3	-9.7%	361.2	452.6	-20.2%
Current Tax	130.1	198.5	-34.5%	297.8	361.9	-17.7%
Deferred Tax	112.2	69.8	60.7%	63.4	90.7	-30.1%
% Tax Rate	37.1%	37.9%	-82bps	32.4%	35.1%	-275bps
PAT	411.6	440.1	-6.5%	754.7	836.3	-9.8%
PAT Margin %	8.8%	9.8%	-102bps	7.6%	9.0%	-136bps
EPS	2.6	2.7	-7%	4.7	5.2	-10%

CONSOLIDATED BALANCE SHEET

Particulars (Rs. Mn.)	Sep-19	Mar-19
Shareholder Funds		
Equity Share Capital	322.8	322.8
Other Equity	54,489.6	53,468.1
Total – Shareholder Funds	54,812.3	53,790.9
Non-Current Liabilities		
Long Term Borrowings	3,647.2	3,624.2
Lease Liabilities	1,303.0	-
Provisions	2,456.9	2,483.1
Deferred Tax Liabilities (Net)	1,472.9	1,403.5
Total – Non-Current Liabilities	8,880.0	7,510.7
Current Liabilities		
Short Term Borrowings	6,061.3	5,200.9
Lease liabilities	364.5	-
Trade Payables	2,076.4	1,945.7
Other Financial Liabilities	2,785.8	2,635.6
Other Current Liabilities	2,334.6	1,667.9
Short Term Provisions	56.8	193.1
Current Tax Liabilities (Net)	374.1	339.9
Total – Current Liabilities	14,053.6	11,983.0
TOTAL – EQUITIES & LIABILITIES	77,745.9	73,284.6

Particulars (Rs. Mn.)	Sep-19	Mar-19
Non-Current Assets		
Property, plant and equipment	16,092.6	15,330.3
Capital Work in Progress	1,938.5	1,433.3
Right to use Lease Assets	1,660.9	-
Investment property	55.6	52.0
Goodwill	34,640.7	34,702.9
Other Intangible Assets	874.0	890.5
Intangible Assets under development	319.3	319.2
Investments	1,305.5	1,474.1
Long Term Loans and Advances	385.8	376.4
Other Financial Assets	39.9	25.1
Deferred tax assets(net)	76.3	79.5
Current Tax Assets	894.3	984.0
Other Non-Current Assets	2,916.4	2,081.6
Total – Non-Current Assets	61,199.8	57,748.9
Current Assets		
Inventories	6,213.0	5,486.2
Investments	426.2	197.2
Trade Receivables	4,293.9	4,453.0
Cash and cash equivalents	959.7	763.2
Bank balances	202.1	193.5
Short Term Loans and Advances	150.7	41.7
Other Financial Assets	786.0	931.6
Other Current Assets	3,514.7	3,469.4
Total – Current Assets	16,546.2	15,535.7
TOTAL – ASSETS	77,745.9	73,284.6

Q2 & H1 FY20 SEGMENT-WISE REVENUE ANALYSIS

In Rs Mn

Revenues – Segment wise Breakup	Q2 FY20	Q2 FY19	YoY%	H1 FY20	H1 FY19	YoY%
CRAMS (% of total)	76.8%	75.7%		76.0%	75.5%	
CRAMS – India	1,125.7	737.6	52.6%	1,893.1	1,335.8	41.7%
CRAMS – CAAG+RIOM*	2,086.8	2,253.1	-7.4%	4,718.6	4,896.6	-3.6%
CRAMS – UK	240.1	284.0	-15.4%	615.5	416.0	48.0%
CRAMS Total	3,452.7	3,274.7	5.4%	7,227.1	6,648.4	8.7%
Marketable Molecules (% of total)	23.2%	24.3%		24.0%	24.5%	
Carbogen Amcis BV**	545.8	558.7	-2.3%	1,272.2	1,227.8	3.6%
Others#	499.4	490.5	1.8%	1,011.5	935.0	8.2%
Marketable Molecules Total	1,045.2	1,049.2	-0.4%	2,283.7	2,162.8	5.6%
Grand Total	4,497.9	4,323.9	4.0%	9,510.8	8,811.3	7.9%

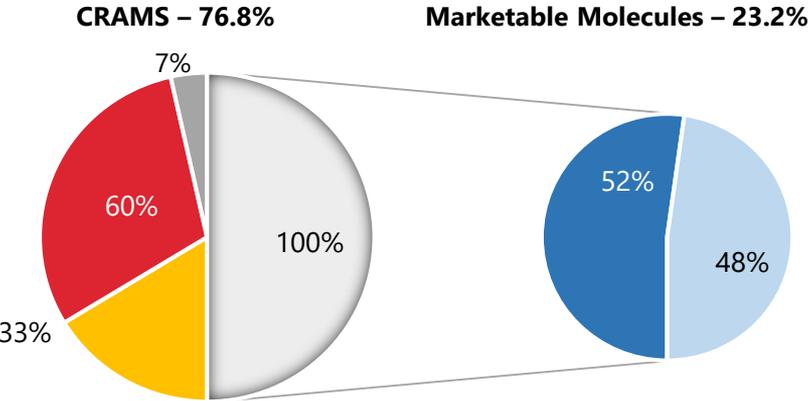
* CRAMS – CAAG+RIOM includes DCAL's Switzerland (Carbogen Amcis AG) and France (Riom) facilities

** Carbogen Amcis BV is Dishman Netherlands

Others includes Carbogen Amcis Shanghai

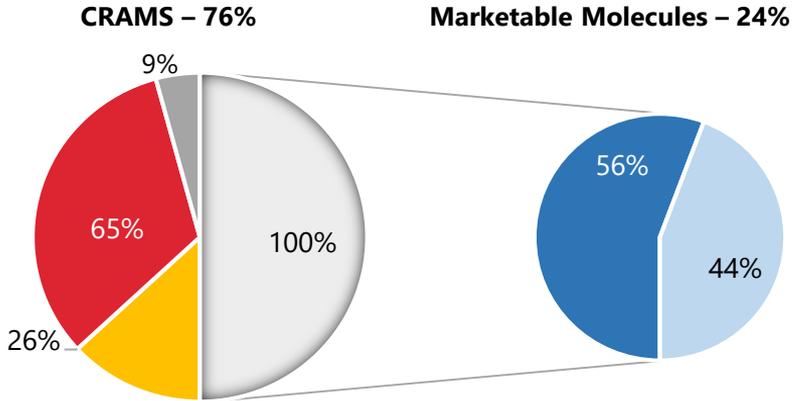
SEGMENT-WISE REVENUE BREAK-UP

Total Operating Revenue – Q2 FY20



- CRAMS - India
- CRAMS - CAAG+RIOM*
- CRAMS - UK
- Carbogen Amcis BV**
- Others#

Total Operating Revenue – H1 FY20



- CRAMS - India
- CRAMS - CAAG+RIOM*
- CRAMS - UK
- Carbogen Amcis BV**
- Others#

* CRAMS – CAAG+RIOM includes DCAL's Switzerland (Carbogen Amcis AG) and France (Riom) facilities

** Carbogen Amcis BV is Dishman Netherlands

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Q2 & H1 FY20 SEGMENT-WISE MARGIN ANALYSIS

EBITDA Margin % – Segment wise	Q2 FY20	Q2 FY19	H1 FY20	H1 FY19
CRAMS				
CRAMS – India	60.5%	59.0%	56.9%	57.5%
CRAMS – CAAG+RIOM*	21.1%	22.0%	19.5%	20.4%
CRAMS – UK	26.7%	26.8%	17.7%	23.1%
Marketable Molecules				
Carbogen Amcis BV**	40.3%	41.7%	35.0%	43.5%
Others#	11.3%	10.2%	10.5%	10.5%

* CRAMS – CAAG+RIOM includes DCAL's Switzerland (Carbogen Amcis AG) and France (Riom) facilities

** Carbogen Amcis BV is Dishman Netherlands

Others includes Carbogen Amcis Shanghai

Q2 & H1 FY20 RESULT HIGHLIGHTS

Financial Highlights:

❑ **Total Revenues increased by 4% YoY to Rs 4,497.9 mn in Q2 FY 2020.**

❖ CRAMS revenue grew by 5.4% YoY primarily due to increase in development and commercial orders.

❖ CRAMS India revenue grew by 52.6% YoY mainly due to increase in sales of certain commercial molecules

❖ CRAMS UK – revenue decreased by 15.4% due to lower intermediate supplies & starting materials

❖ CRAMS Carbogen Amcis AG revenue decreased by 2.3%, affected by lower sales of commercial molecules, which will be shipped in upcoming quarter

❑ **EBITDA Margin at 31.2% in Q1 FY 2019, affected by**

❑ Increase in commercial product sales from India

❑ Increased Vitamin D analogues sales from Netherlands

❑ Increase in Phase III development revenue from Switzerland

❑ **Q2 FY20 Reported PBT at Rs 654 mn, while the Adjusted PBT stands at Rs 875 mn**

❑ **Q2 FY20 Reported PAT at Rs 411.6 mn, while the Adjusted PAT stands at Rs 612.5 mn**

❑ **Depreciation and interest expense increased due to implementation of Ind AS-116 related to Lease Accounting from April 1, 2019**

Q2 & H1 FY20 RESULT HIGHLIGHTS

- ❑ Net debt as on September 30, 2019 was USD 113.5 mn vs. USD 120 mn as on March 31, 2019.
- ❑ Finished goods inventory maintained at a higher level in Switzerland to fulfil the commercial product sales in upcoming quarters
- ❑ Other Current Liabilities were at an elevated level due to increase in customer advances (as on September 30, 2019) for the development projects
- ❑ The fixed assets showed an increase in the first six months mainly due to accounting of future right of acquisition of an asset at discounted NPV in Carbogen Amcis AG of CHF 10.5 mn. The corresponding impact was on the borrowings of CHF 10.5 mn
- ❑ Cash outflows on capital expenditure were approx. INR 1550 mn in the first six months due to growth capex in Switzerland and India, as well as ON maintenance capex across the subsidiaries.
- ❑ Lease assets & liabilities stand at ~INR 1660 mn as on September 30, 2019 ,due to implementation of IndAS 116 from April 1, 2019.
- ❑ Return Ratios YoY: *ROCE of 14.2% in FY19, ROE of 16.0% in FY19

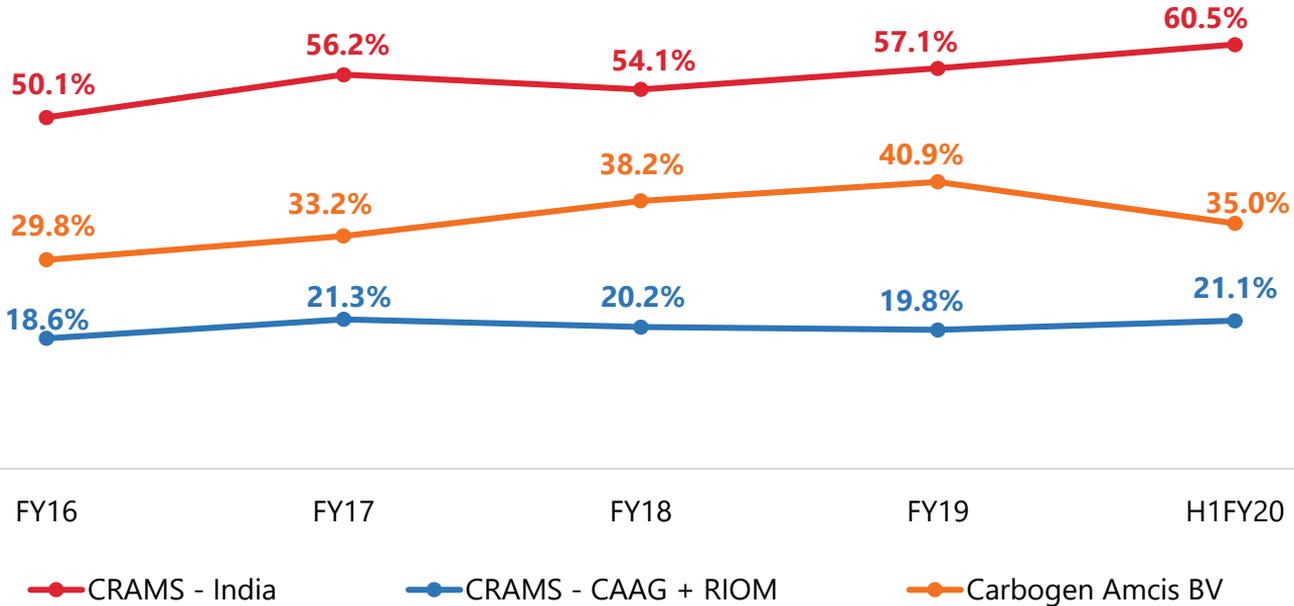
*Note:

FY19 ROE = Adj. PAT / Average (Equity – Goodwill)

FY19 ROCE = Adj. EBIT / Average (Equity – Goodwill + Debt), Adj. EBIT = EBIT + Rs 884.6 Mn of additional goodwill amortization on account of merger

IMPROVING MARGIN PROFILE ACROSS KEY SEGMENTS

Segment-Wise EBITDA Margin Trend





COMPANY OVERVIEW

BRIEF PROFILE



BUSINESS OVERVIEW

- Integrated CRAMS company with strong capabilities right from process research & development to late stage clinical and commercial manufacturing.
- Global presence with manufacturing sites in Switzerland, UK, France, Netherlands, India and China.
- Comprehensive product offerings – APIs, High Potent APIs, Intermediates, Phase Transfer Catalysts, Vitamin D Analogues, Cholesterol, Lanolin-related products, Antiseptic and Disinfectant formulations.



KEY STRENGTHS

- Preferred global outsourcing partner with capabilities across the entire CRAMS value chain.
- Strong chemistry skills.
- Upfront investment of more than Rs 10,000 Mn in large scale multi-purpose manufacturing capacities.
- The HIPO facility at Bavla, India is the largest HIPO facility in Asia. Dishman is at forefront to gain from the high margin HIPO opportunity in the Oncology space.



FINANCIAL OVERVIEW

- Consolidated Revenues, EBITDA and Adj. PAT of Rs 20,586 Mn, Rs 5,519 Mn and Rs 2,781 Mn in FY19.
- Strong balance sheet with D:E ratio of 0.19x as on Mar-19.
- Improving profitability and return ratios over FY13 to FY19
 - EBITDA margin – 22.8% to 26.8%
 - Adj. PAT margin – 7.9% to 13.5%
 - ROCE – 11.1% to 14.2% *
 - ROE – 10.2% to 16.0% #

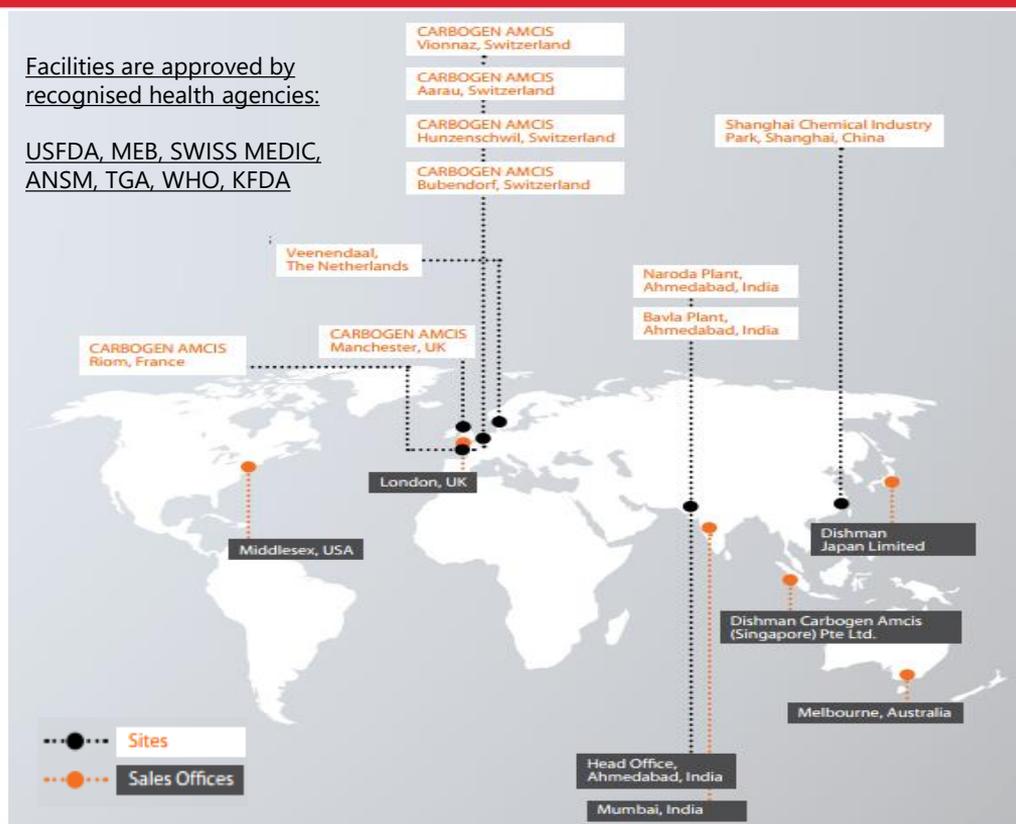
FY19 ROE = Adj. PAT / Average (Equity – Goodwill), Adj. PAT = Rs 2,781 Mn (adjusted to exclude merger impact)

* FY19 ROCE = Adj. EBIT / Average (Equity – Goodwill + Debt), Adj. EBIT = EBIT + Rs 884.6 Mn of additional goodwill amortization on account of merger

MANUFACTURING FACILITIES – ROBUST R&D CAPABILITIES

Facilities are approved by recognised health agencies:

USFDA, MEB, SWISS MEDIC, ANSM, TGA, WHO, KFDA



Superior Chemistry Skills & Capabilities

- 28 dedicated R&D labs with multiple-shift R&D operations, including HIPO labs
- 25 multi-purpose facilities at Bavla, Naroda, Manchester, Switzerland, Netherlands and Shanghai
- 1 dedicated production facility for APIs and Intermediates at Bavla
- 7,500 m² floor space of R&D at Switzerland, Manchester and Bavla
- Asia's largest HIPO facility at Bavla, India
- 750 m³ of reactor capacity at Bavla, 230 m³ at Naroda and 63 m³ at Shanghai

PREFERRED GLOBAL OUTSOURCING PARTNER

**INTEGRATED
ACROSS THE VALUE
CHAIN**

**STRONG
CHEMISTRY
CAPABILITIES**

**CLOSE PROXIMITY
TO CLIENTS WITH
GLOBAL PRESENCE**

**LARGE SCALE
MANUFACTURING
CAPACITIES**

Integrated CRAMS Player present along the entire value chain from building blocks to commercialization and product launch stage

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 ~550 scientists, with 50+ doctorates as senior scientists.

Close Proximity to Clients

- Local representation, local support in all major markets.
- Front end via CA with access to more than 200 established customer relationships of CA.
- Trust & Confidence of customers for entire drug life-cycle engagement.

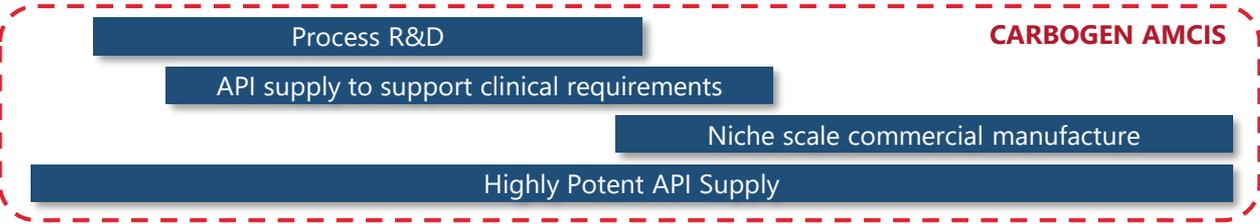
Large Scale Mfg. Capacity

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

INTEGRATED CRAMS PLAYER

Integrated CRAMS Player – Strong Capabilities across the Value Chain

EARLY STAGE Process research and API supply to support early phase clinical trials	LATE STAGE Process development and cGMP manufacture	COMMERCIAL SUPPLY Secure, value-for-money supply
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Pre-clinical Phase I Phase II Phase III Market



**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.

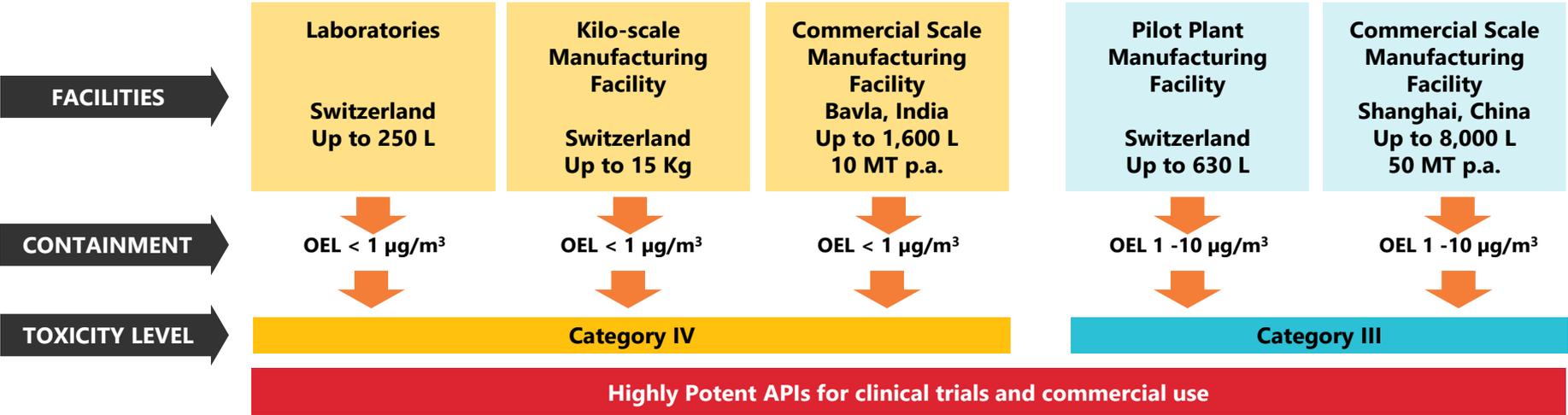
**Dishman India
Strong Manufacturing Capabilities**

- 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)

CUTTING-EDGE HIPO CAPABILITIES

World Class HIPO capabilities

- Facilities range from laboratory scale for process research and development to large scale manufacturing on **8,000 L** scale, with an ability to handle the highest category IV compounds (high toxicity levels).
- State-of-the-art containment services, with all cGMP compliant facilities with an ability to operate for preclinical testing, clinical trials and commercial use.
- The HIPO facility at Bavla, India, is one of the kind facility in the world and the largest facility in Asia.** The facility has a sound mix of Kilo-lab and full scale manufacturing units to cater to both small volume and large volume orders



CORPORATE RESTRUCTURING

SCHEME OF ARRANGEMENT & AMALGAMATION

- The Board Of Directors approved the Scheme of Arrangement and Amalgamation on 24th February 2016, which involves merger of Dishman Pharmaceuticals and Chemicals Limited ('DPCL') and Dishman Care Limited ('DCL') with Carbogen Amcis (India) Limited ('CAIL').
- Post the merger, DPCL will now be known as Dishman Carbogen Amcis (India) Limited ('DCAL').

IMPACT OF MERGER

- The amalgamation has been accounted under the "Purchase Method" as per AS14.
- Accordingly the assets and liabilities of DPCL and DCL have been recorded at fair value as on Appointed Date of 1st January 2015.
- The purchase consideration of Rs. 48.1 Bn has resulted in goodwill of Rs. 13.3 Bn which represents the excess consideration payable over the net assets.
- This goodwill will be amortized over the period of 15 years starting from the Appointed Date of 1st January 2015.

KEY FINANCIALS
EXCLUDING
MERGER IMPACT

Particulars (Rs Mn)	FY18	FY19	YoY %
Total Revenues	16,947.9	20,586.0	21.5%
Adjusted PBT #	3,192.5	3,972.5	24.4%
Tax Expense	957.7	1,191.8	24.4%
Adjusted PAT after MI, share of associates	2,234.8	2,780.8	24.4%

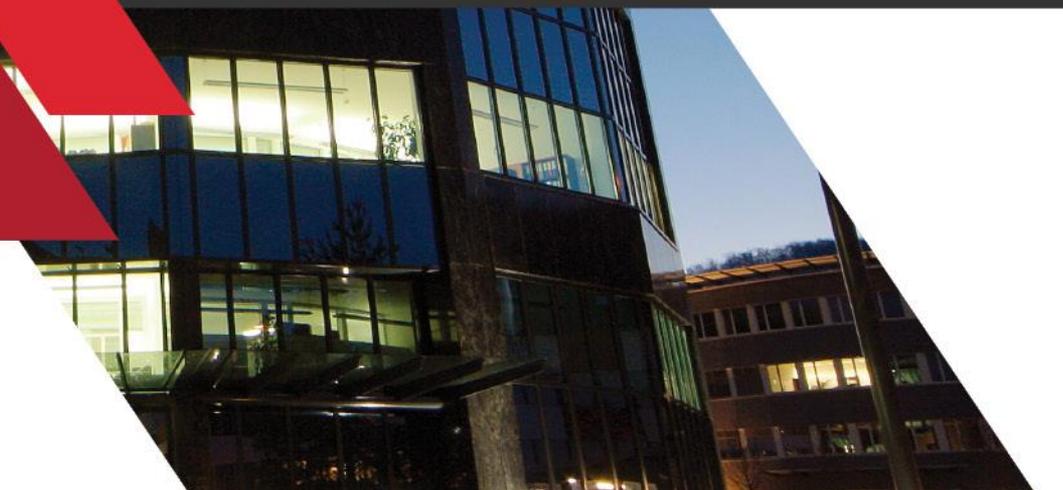
Key Benefits:

- Strengthened Balance Sheet and Consolidation of operating entities for improved operational control.
- Amortisation of goodwill may lead to significant tax savings over coming 15 years

PBT is adjusted to exclude the additional goodwill amortization of Rs. 884.6 mn in FY19 and FY18 on account of merger



INDUSTRY OVERVIEW



GLOBAL SPENDING ON MEDICINE

As per BRC Report, Contract Research Outsourcing (CRO) Market to reach \$44.4bn by 2021

Outlook of Leading Therapy Areas Spending and Growth, Constant US \$ Bn

Therapy Areas	Spending 2017	2012-17 CAGR	Spending 2022	2017-22 CAGR
Oncology	133.0	11.8%	180-200	10-13%
Cardiovascular	40.6	-1.8%	36-44	(-2%) – 1%
Pain	76.1	5.7%	80-95	2-5%
Diabetes	72.2	16.9%	105-115	8-11%
Respiratory	38.5	4.8%	40-50	2-5%
Antibiotics and Vaccines	38.3	3.2%	40-48	1-4%
Autoimmune	47.5	16.8%	65-75	7-10%
Mental Health	36.1	-2.6%	32-38	(-2%) – 1%
Antivirals EX – HIV	23.8	25.0%	16-20	(-7%) – (-4%)
HIV	26.7	11.5%	32-40	5-8%
All Others	368.3	5.1%	445-460	3-6%

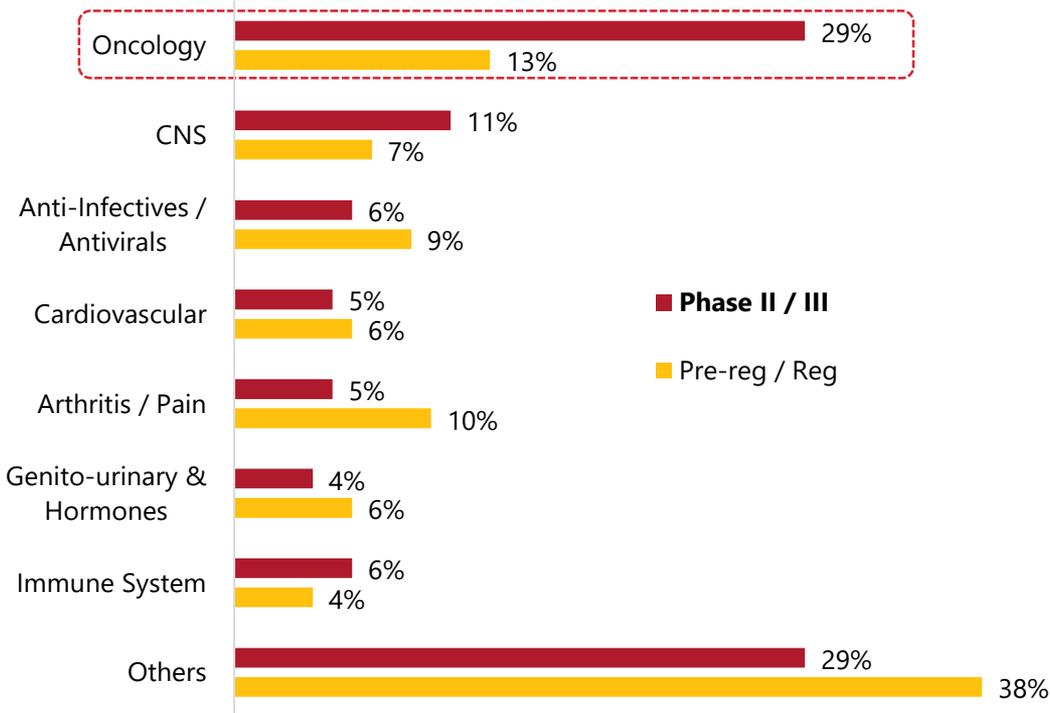
- Oncology is expected to be the most critical therapeutic segment driving the global spend on medicine in future.
- Growth in Oncology is led by a constant upsurge of the immune-oncology treatment which drastically improves outcomes and resistance for patients.
- Global Spend on Medicine by Developed Markets is estimated to be \$915-945bn by 2022, growing at 2-5% CAGR. The 2022 estimate for Pharmerging Markets is \$345-375bn, growing at 6-9% CAGR.

- **Oncology as a therapeutic segment is a key focus area for Dishman.**
- **Currently, around 50% of Dishman's annual revenues come from Oncology therapeutic segment.**

Source: IQVIA – 2018 and Beyond – Outlook and Turning Points, March 2018; Global Oncology Trends, May 2018

Note: Includes 8 developed and 6 pharmerging countries: U.S., France, Germany, Italy, Spain, UK, Japan, Canada, China, Brazil, Russia, India, Turkey, Mexico

GLOBAL MEDICINES IN LATE STAGE DEVELOPMENT

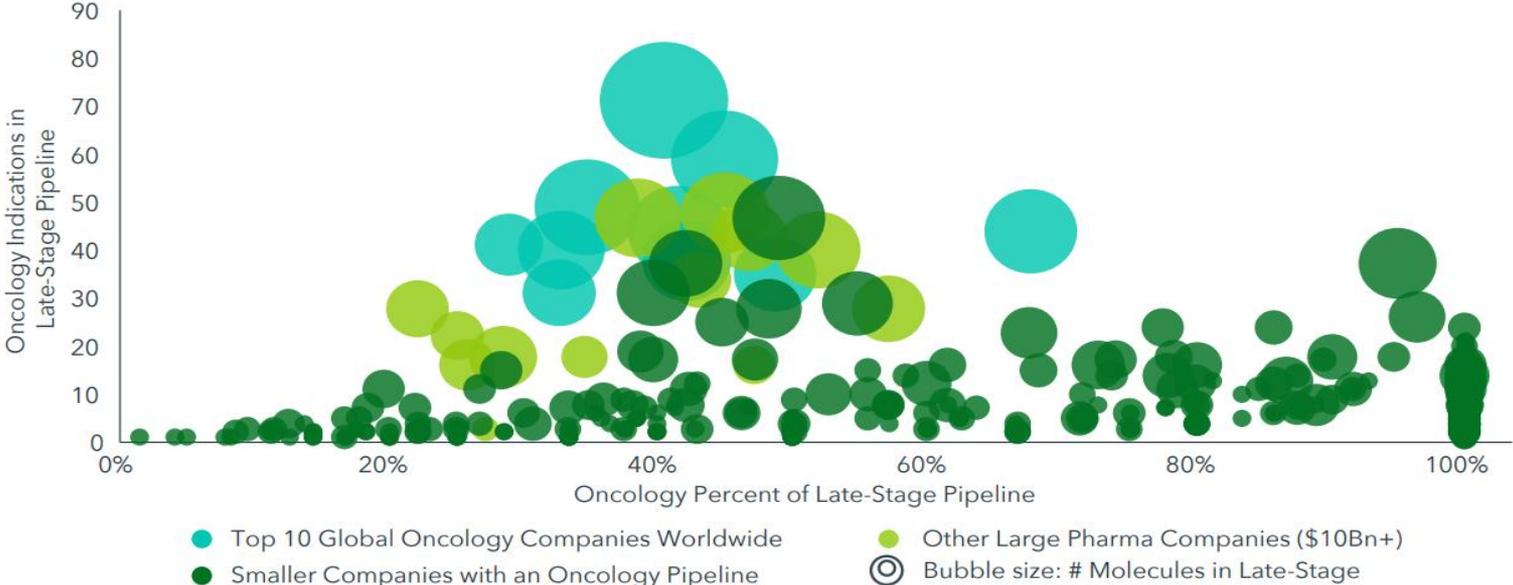


- Oncology has become one of the major focus areas for pharmaceutical and biotechnology companies.
- Around 29% of the Phase II / III clinical trials are in the Oncology segment.
- Oncology (cancer treatment) requires highly potent drugs which are highly effective at much smaller dosages and have the ability to target only the diseased cells.

- **Dishman’s High Potency API (HIPO) facility at Bavla, India is the largest facility in Asia and one of its kind facility in the World.**
- **Currently, Dishman has 25+ molecules in early phase III and 15-16 molecules in late phase III. Out of these, around 50% molecules are in Oncology segment.**

Source: IQVIA Market Prognosis, Sep 2017; IQVIA Institute, Oct 2017

GLOBAL ONCOLOGY MEDICINE PIPELINE



- 710 Molecules in late-stage development and 700+ companies with late-stage oncology drugs.
- Top companies with combined sales of \$10bn+ have ~40% of their product pipeline in oncology.
- 455 smaller companies with 90%+ product pipeline in oncology, are involved in 1,692 product indications which represent 45% of overall cancer pipeline.

Source: IQVIA R&D Intelligence, Dec 2017; Global Oncology Trends, May 2018



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