



14th August, 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 ended 30th June, 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

S.D. Dave
Shrima Dave
Company Secretary



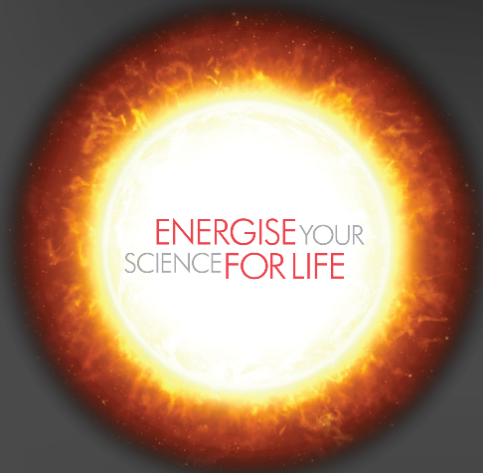
Encl.: As above

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

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Government Recognised Export House
CIN No. : L74900GJ2007PLC051338



DISHMAN CARBOGEN AMCIS LIMITED

Q1 FY20 RESULTS UPDATE
AUGUST 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

- ❖ Q1 FY20 RESULTS UPDATE
- ❖ INDUSTRY OVERVIEW
- ❖ COMPANY OVERVIEW



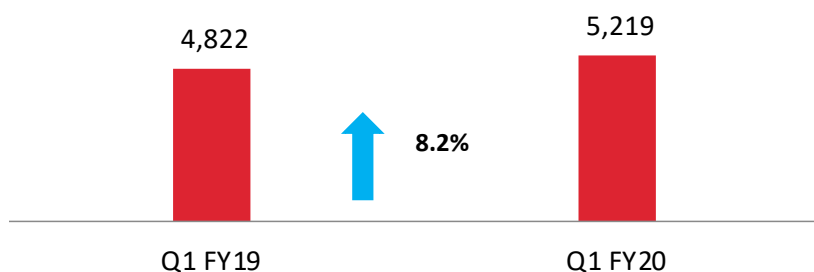
Q1 FY20 RESULTS UPDATE



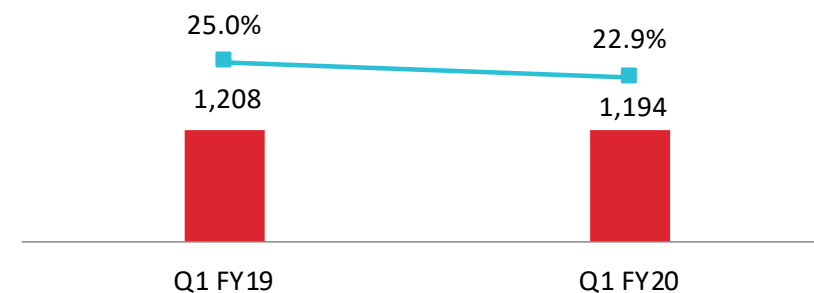
Q1 FY20 RESULT HIGHLIGHTS

In Rs Mn

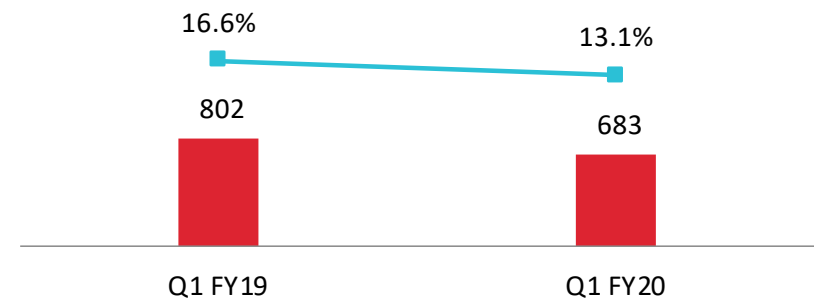
REVENUES



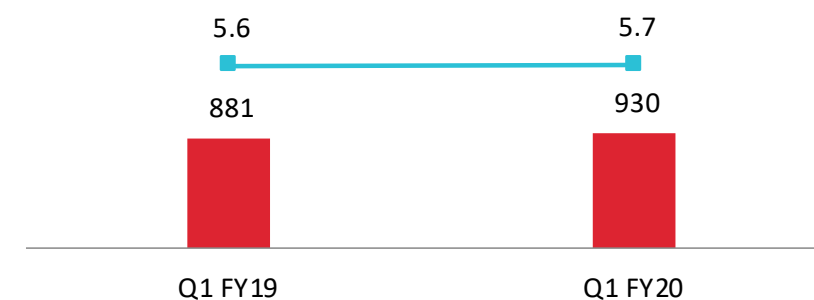
EBITDA & EBITDA MARGIN *



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%

CONSOLIDATED P&L STATEMENT

Particulars (In Rs. Mn.)	Q1 FY20	Q1 FY19	YoY %	Q4 FY19	QoQ %	FY19
Revenue from Operations	5,012.9	4,487.3	11.7%	6,114.2	-18.0%	19,199.4
Other Operating Income	206.1	335.1	-38.5%	383.0	-46.2%	1,386.6
Total Revenues	5,219.0	4,822.4	8.2%	6,497.2	-19.7%	20,586.0
COGS	1,302.6	1,102.2	18.2%	1,525.1	-14.6%	4,037.8
Employee Expenses	1,935.8	1,721.2	12.5%	2,044.5	-5.3%	7,146.4
Other Expenses	786.4	791.4	-0.6%	1,233.7	-36.3%	3,882.8
EBITDA	1,194.2	1,207.6	-1.1%	1,693.9	-29.5%	5,519.0
EBITDA Margin %	22.9%	25.0%	-216bps	26.1%	-319bps	26.8%
Other Income	78.3	61.1	28.2%	198.1	-60.5%	538.2
Depreciation & Amortization	672.6	541.1	24.3%	706.5	-4.8%	2,403.8
Finance Cost (Incl. Forex Impact)	137.9	147.0	-6.2%	126.5	9.0%	565.5
Profit Before Tax	462.0	580.6	-20.4%	1,059.0	-56.4%	3,087.9
Current Tax	118.9	184.2	-35.5%	301.1	-60.5%	984.6
Deferred Tax	167.7	163.4	2.6%	376.7	-55.5%	890.6
Tax Expense	-48.8	20.8	-334.6%	-75.6	-35.4%	94.0
% Tax Rate	25.7%	31.7%	-599bps	28.4%	-270bps	31.9%
Profit After Tax	343.1	396.4	-13.4%	757.9	-54.7%	2,103.3
PAT Margin %	6.6%	8.2%	-165bps	11.7%	-509bps	10.2%

Q1 FY20 SEGMENT-WISE REVENUE ANALYSIS

In Rs Mn

Revenues – Segment wise Breakup	Q1 FY20	Q1 FY19	YoY%	FY19
CRAMS				
CRAMS – India	767.3	598.2	28.3%	3,405.8
CRAMS – CAAG+RIOM*	2,631.7	2,643.5	-0.4%	10,396.2
CRAMS – UK	375.3	132.0	184.3%	905.5
CRAMS Total	3,774.4	3,373.7	11.9%	14,707.6
Marketable Molecules				
Carbogen Amcis BV**	726.4	669.1	8.6%	2,717.6
Others#	512.1	444.5	15.2%	1,774.2
Marketable Molecules Total	1,238.5	1,113.6	11.2%	4,491.8
Grand Total	5,012.9	4,487.3	11.7%	19,199.3

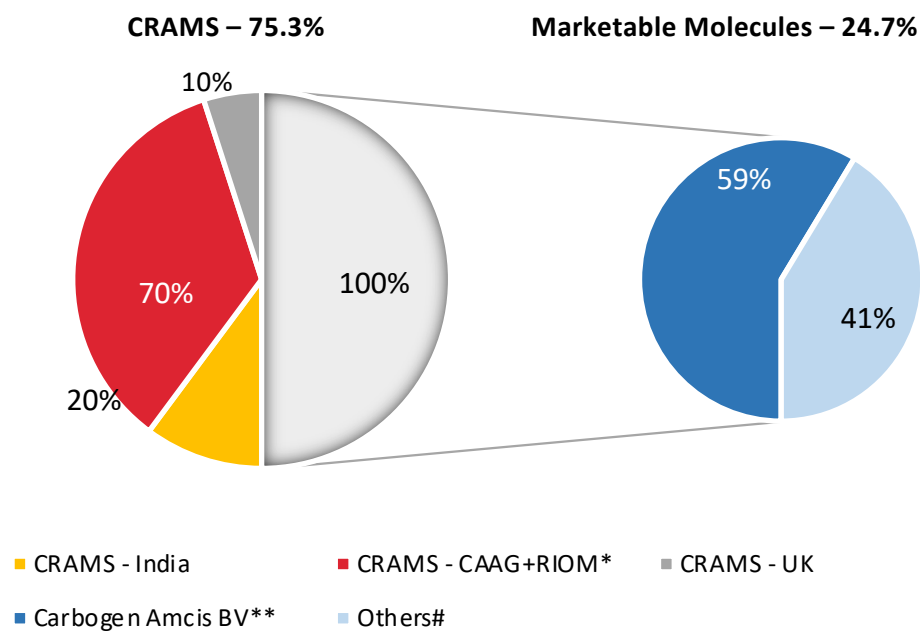
* CRAMS – CAAG+RIOM includes DCAL's Switzerland (Carbogen Amcis AG) and France (Riom) facilities

** Carbogen Amcis BV is Dishman Netherlands

Others includes Carbogen Amcis Shanghai

Q1 FY20 SEGMENT-WISE REVENUE BREAK-UP

Total Operating Revenue – Q1 FY20



* 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

Q1 FY20 SEGMENT-WISE MARGIN ANALYSIS

EBITDA Margin % – Segment wise	Q1 FY20	Q1 FY19	FY19
CRAMS			
CRAMS – India	51.6%	55.6%	57.1%
CRAMS – CAAG+RIOM*	18.2%	19.1%	19.8%
CRAMS – UK	11.9%	15.1%	24.1%
Marketable Molecules			
Carbogen Amcis BV**	30.4%	44.9%	40.9%
Others#	9.8%	10.8%	11.5%

* 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

Q1 FY20 RESULT HIGHLIGHTS

Financial Highlights:

❑ **Total Revenues increased by 8.2% YoY to Rs 5,219.0 mn in Q1 FY 2020.**

❖ CRAMS revenue grew by 11.9% YoY primarily due to increase in development and commercial orders.

❖ CRAMS India revenue grew by 28.3% YoY mainly due to increase in sales of certain commercial molecules

❖ CRAMS UK – revenue grew by 184.3% due to increased execution Non-GMP orders

❖ CRAMS Carbogen Amcis AG revenue was flat YoY

❖ Carbogen Amcis BV sales grew 8.6% due to change in revenue mix with a higher proportion of cholesterol molecules sales

❑ **EBITDA Margin at 22.9% in Q1 FY 2019, affected by**

❑ Other operating income included INR 278.4 mil foreign exchange gain on hedging in Q1 FY19 vs INR 70.9 mil gain in Q1FY20.

❑ Translation of costs in Q1FY 2020 was at a higher exchange rate by 5% as compared to Q1 FY2019

❑ Share of development revenue was higher than the commercial in total CGAM revenue

❑ CABV sales had a higher proportion of cholesterol molecules , which has lower margins

❑ **Q1 FY20 Reported PBT at Rs 462 mn, while the Adjusted PBT stands at Rs 683.1 mn**

❑ **Q1 FY20 Reported PAT at Rs 343.1 mn, while the Adjusted PAT stands at Rs 478.2 mn**

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

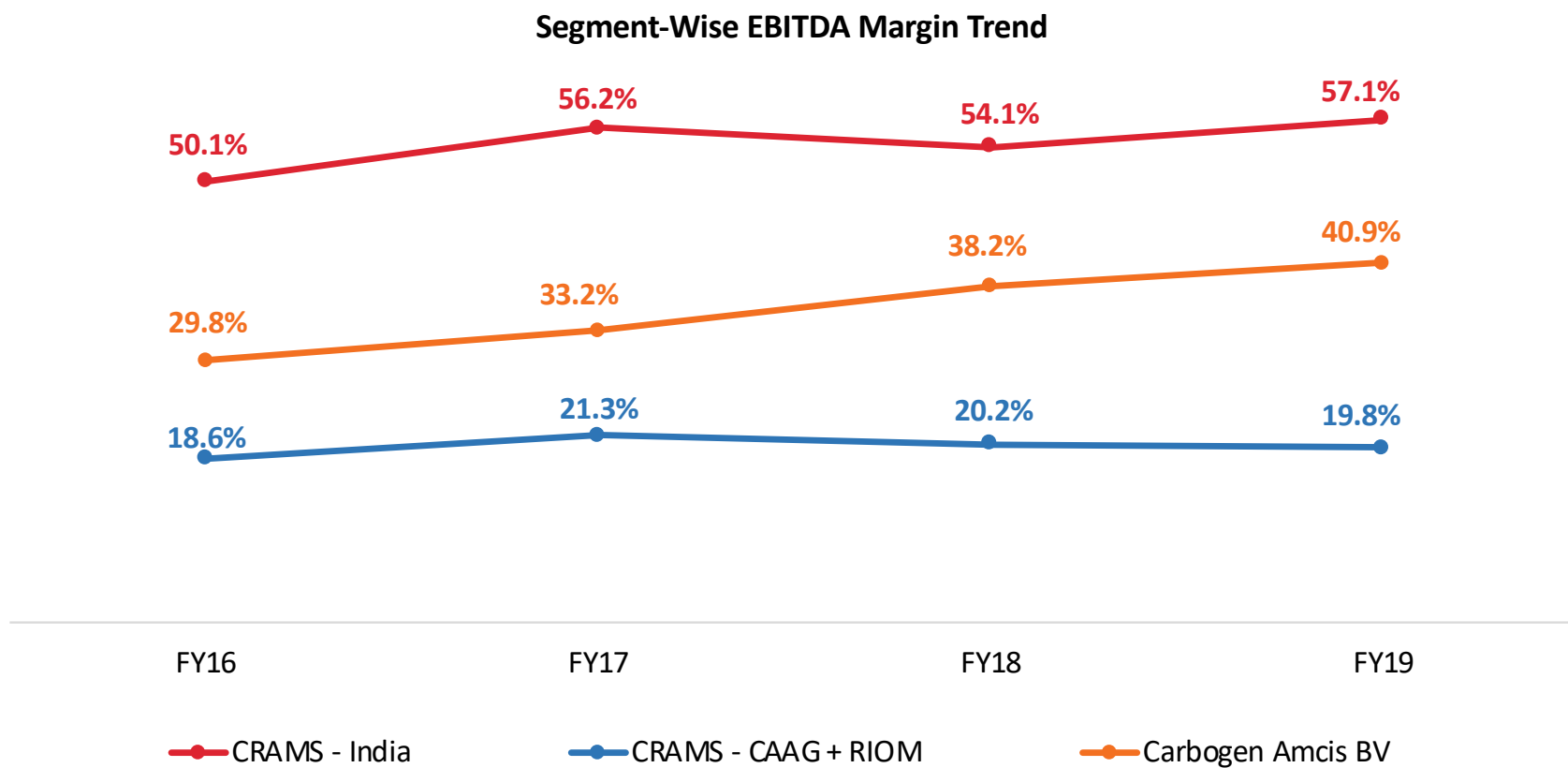
❑ **Return Ratios YoY: *ROCE of 14.2% in FY19, ROE of 16.0% in FY19**

*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





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.



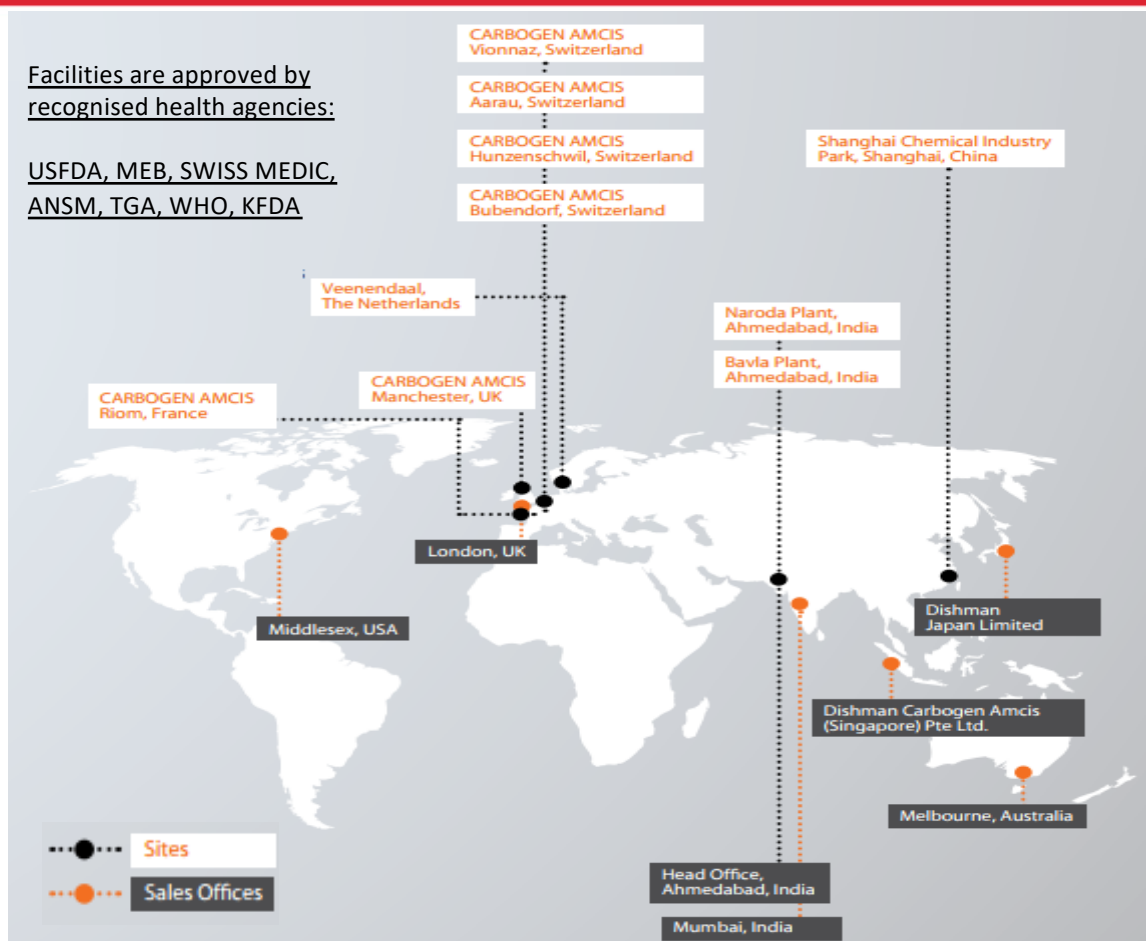
FINANCIAL OVERVIEW

- 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



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.

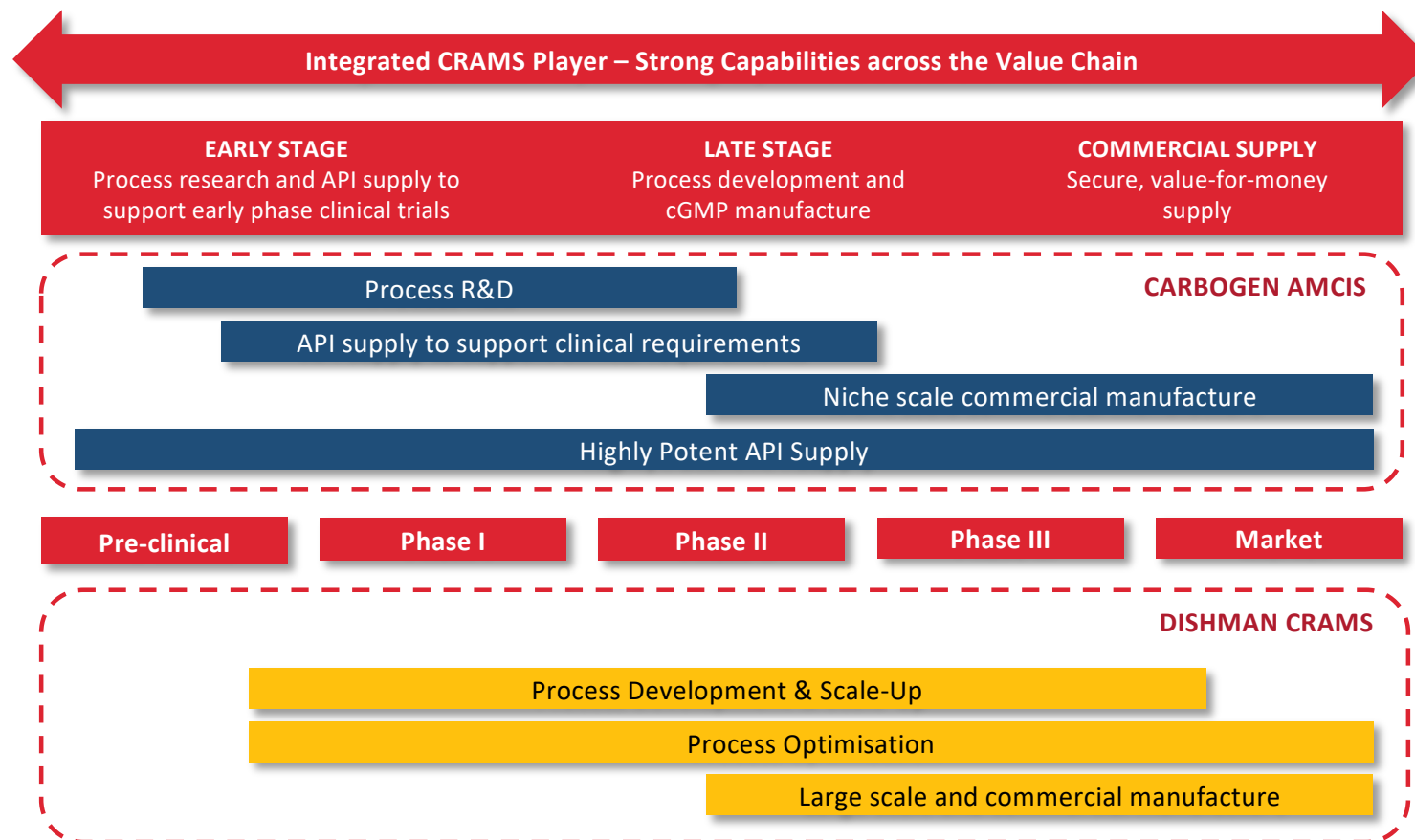
Close Proximity to Clients

- 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



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.

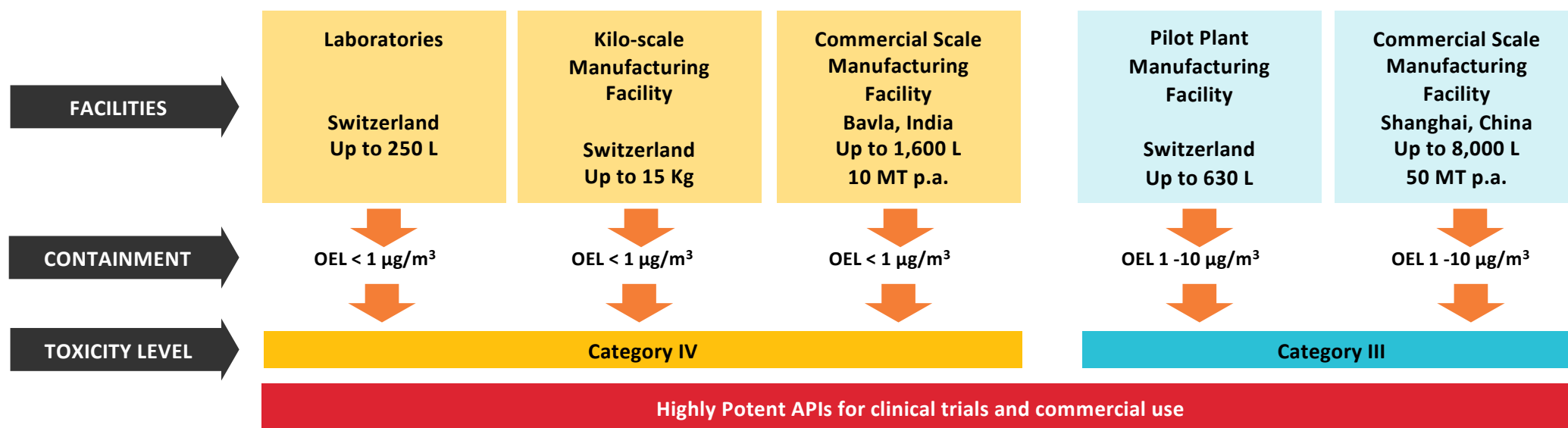
Dishman India Strong Manufacturing Capabilities

- 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%

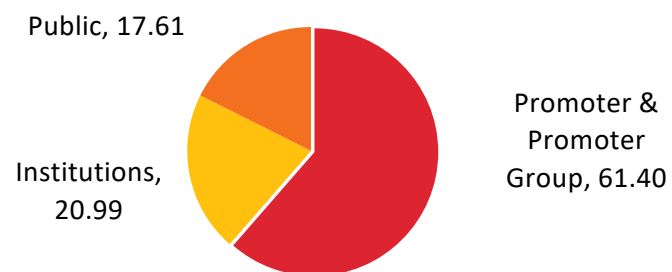
Key Benefits:

- 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

SHAREHOLDING STRUCTURE

% Shareholding – June 2019



Key Institutional Investors as at June - 19	% Holding
TATA MF	3.16%
IDFC MF	2.85%
ICICI Prudential MF	2.75%
Aditya Birla SunLife MF	1.38%
Government Pension Fund Global	1.40%

Source: BSE

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%

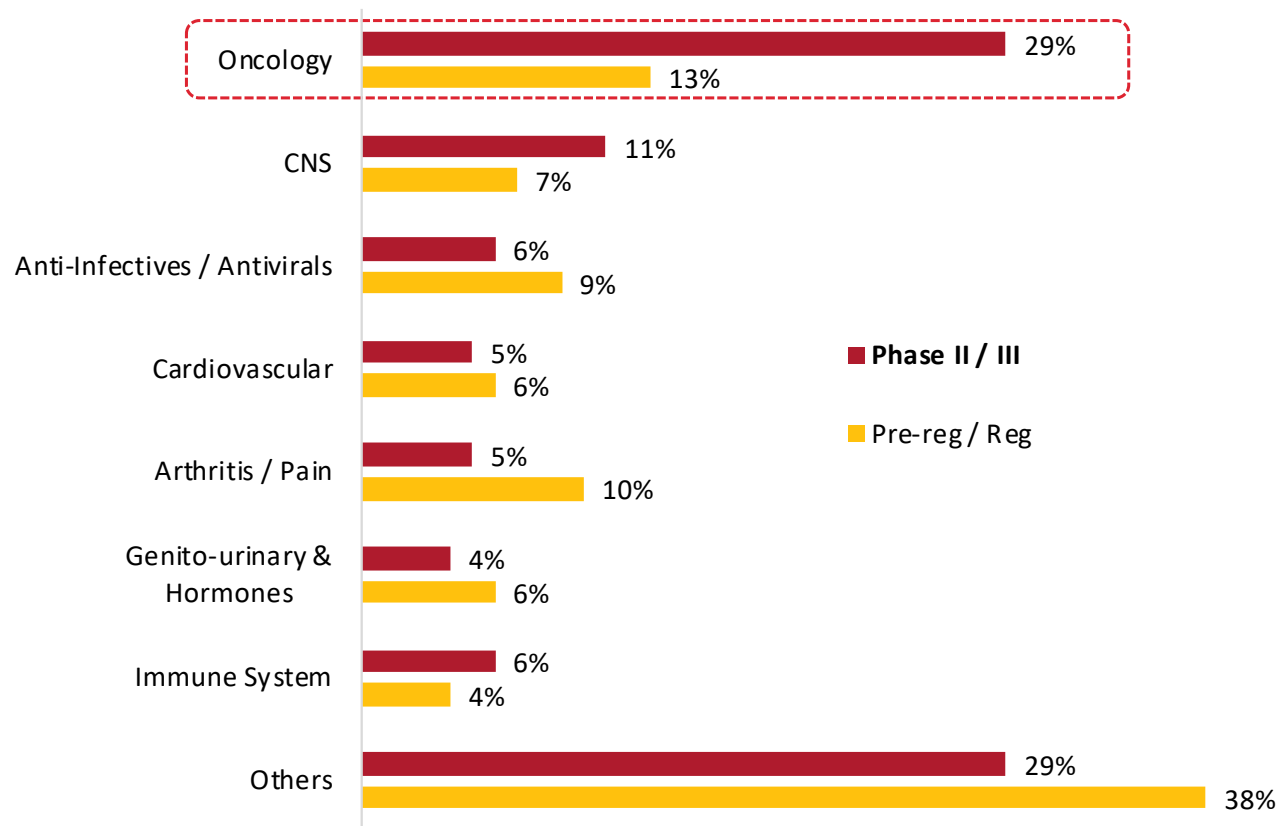
- Oncology is expected to be the most critical therapeutic segment driving the global spend on medicine in future.
- Growth in Oncology is led by a constant upsurge of the immune-oncology treatment which drastically improves outcomes and resistance for patients.
- Global Spend on Medicine by Developed 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

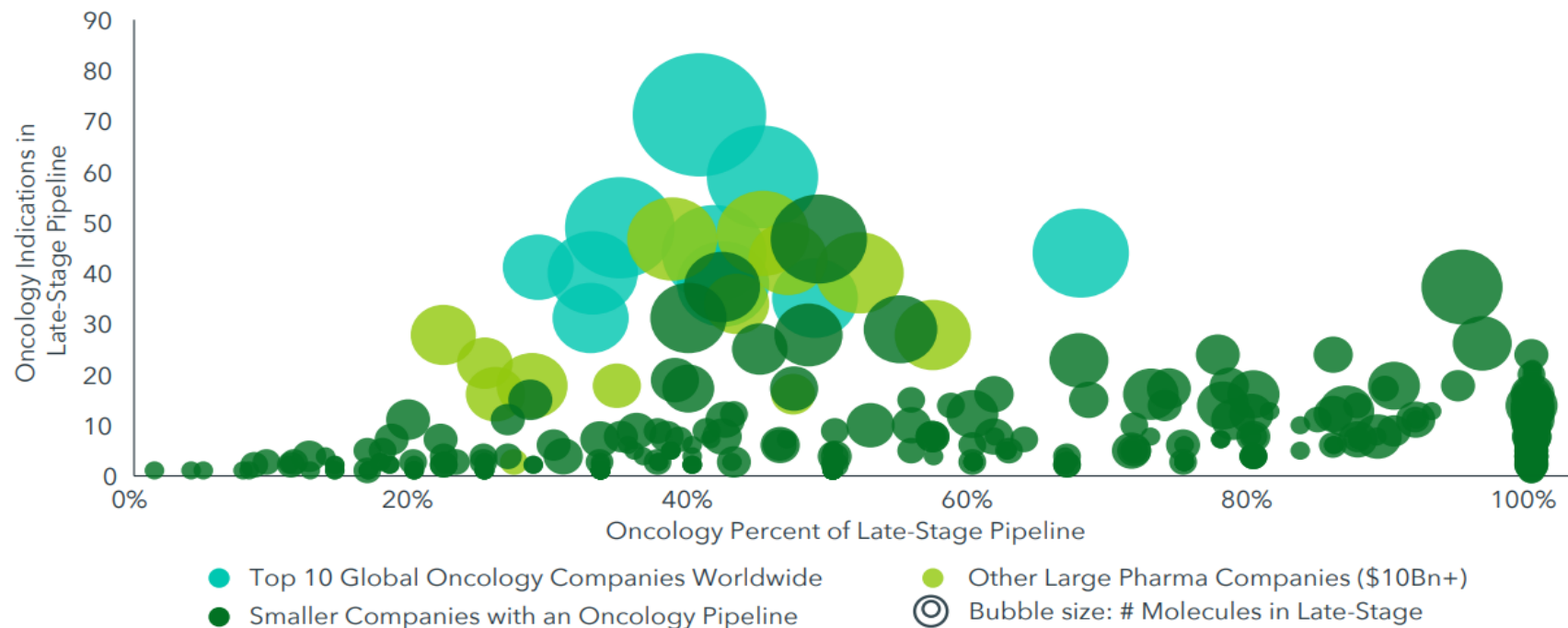


Source: IQVIA Market Prognosis, Sep 2017; IQVIA Institute, Oct 2017

- 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.**

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



ENERGISE YOUR
SCIENCE FOR LIFE

FOR FURTHER QUERIES:



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