

Fermenta Biotech Limited (formerly known as DIL Limited)

CIN: L99999MH1951PLC008485

Regd. Office: A - 1501, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (W) - 400 610, Maharashtra, India.

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Email : info@fermentabiotech.com, Website. : www.fermentabiotech.com



Ref: F.No.:49

February 15, 2022

Corporate Relations

**BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001**

Dear Sir,

**Sub.: Intimation of Earnings Presentation for 9 Months / Quarter 3 – Financial Year 2021-2022
[9M/Q3 – FY22]**

Ref: Scrip Code: 506414

Further to our intimation dated February 14, 2022, regarding approval of un-audited Financial Results (Standalone and Consolidated) by the Board of Directors for the quarter and nine months ended December 31, 2021, we hereby enclose a copy of Earnings Presentation for 9 Months / Quarter 3 – Financial Year 2021-2022.

The said Earnings Presentation will thereafter be uploaded on Company's website at www.fermentabiotech.com

Kindly take the same on record.

Thanking you,

Yours faithfully,

for **Fermenta Biotech Limited**
[Formerly known as DIL LIMITED]

A handwritten signature in blue ink, appearing to read 'Srikant N Sharma', is written over a light blue horizontal line.

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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Email: info@fermentabiotech.com
Website: www.fermentabiotech.com

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Taluka - Vagara, Dist: Bharuch - 392 130,
Gujarat, India.
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FERMENTA BIOTECH LIMITED

Earnings Presentation | 9M/Q3-FY22



Only manufacturer of
Vitamin D3 in India



Amongst top 3 manufacturers
of Vitamin D3 globally



Global Presence in
60+ countries



Proprietary technology to
manufacture Vitamin D3



55 Years of Vitamin D3
manufacturing experience



2 Manufacturing Plants
registered with US-FDA (FFRN)



DSIR approved
R&D facility



12 new patents filed



Big 4 statutory auditor:
Deloitte



350+ clients across
the globe



Backward integrated



High Return Ratios

Company Overview

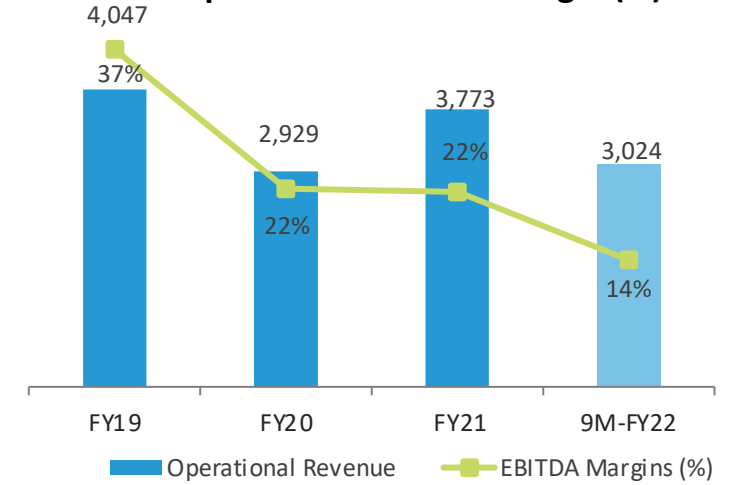


- Fermenta Biotech Limited (FBL) (Erstwhile DIL Ltd.) incorporated in 1951 by Dr. DVK Raju, is engaged in development and manufacturing of pharmaceuticals, biotechnology and environmental solutions used across various industries.
- On September 26, 2019, NCLT approved amalgamation of DIL & FBL which consolidated FBL's leadership capabilities backed by DIL's large asset base.
- With a rich history of seven decades FBL has evolved as a key global player in manufacturing of Vitamin D3 in all its formats and has a non-China dependent supply chain.
- FBL manufactures a range of Vitamin D3 variants having an optimal mix between human and animal feed products which have applications across multiple sectors like:

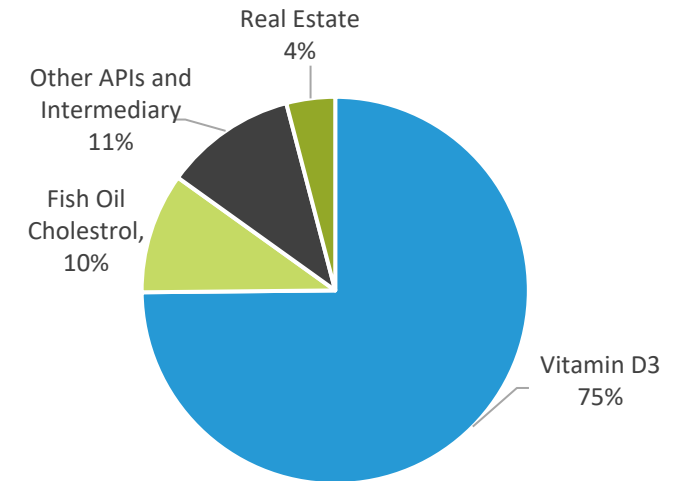
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| 1. Pharmaceuticals | 4. Animal feed |
| 2. Dietary and nutritional supplements | 5. Veterinary |
| 3. Food and beverage fortification | 6. Rodenticides |

- The company is also involved in manufacturing of APIs for muscle relaxant and anti-flatulent applications.
- FBL delivers innovative enzymes used in manufacturing of active pharmaceutical ingredients and is involved in environmental solutions used for waste water treatment and management.
- The company also has legacy properties at Thane and Worli in Mumbai for which it realizes significant rental income.

Operational Revenue (INR Mn) & Operational EBITDA Margin (%)



Revenue Mix % (9M-FY22)



AL GROWTH

Manufacturing advertising
since 1980

22.10

24.78

9M/Q3-FY22

FINANCIAL OVERVIEW



9M/Q3-FY22 Financial Highlights



Q3-FY22 Standalone Performance

INR 854 Mn
Operational Income

INR 123 Mn
Operational EBITDA

14.40 %
Operational EBITDA Margin

INR 18 Mn
Net Profit

2.11 %
PAT Margin

INR 0.63 /share
Diluted EPS

9M-FY22 Standalone Performance

INR 2,933 Mn
Operational Income

INR 574 Mn
Operational EBITDA

19.57 %
Operational EBITDA Margin

INR 212 Mn
Net Profit

7.23 %
PAT Margin

INR 7.31 /share
Diluted EPS

Q3-FY22 Consolidated Performance

INR 929 Mn
Operational Income

INR 22 Mn
Operational EBITDA

2.36 %
Operational EBITDA Margin

INR (80) Mn
Net Profit

(8.61) %
PAT Margin

INR (2.79) /share
Diluted EPS

9M-FY22 Consolidated Performance

INR 3,024 Mn
Operational Income

INR 437 Mn
Operational EBITDA

14.45 %
Operational EBITDA Margin

INR 78 Mn
Net Profit

2.58 %
PAT Margin

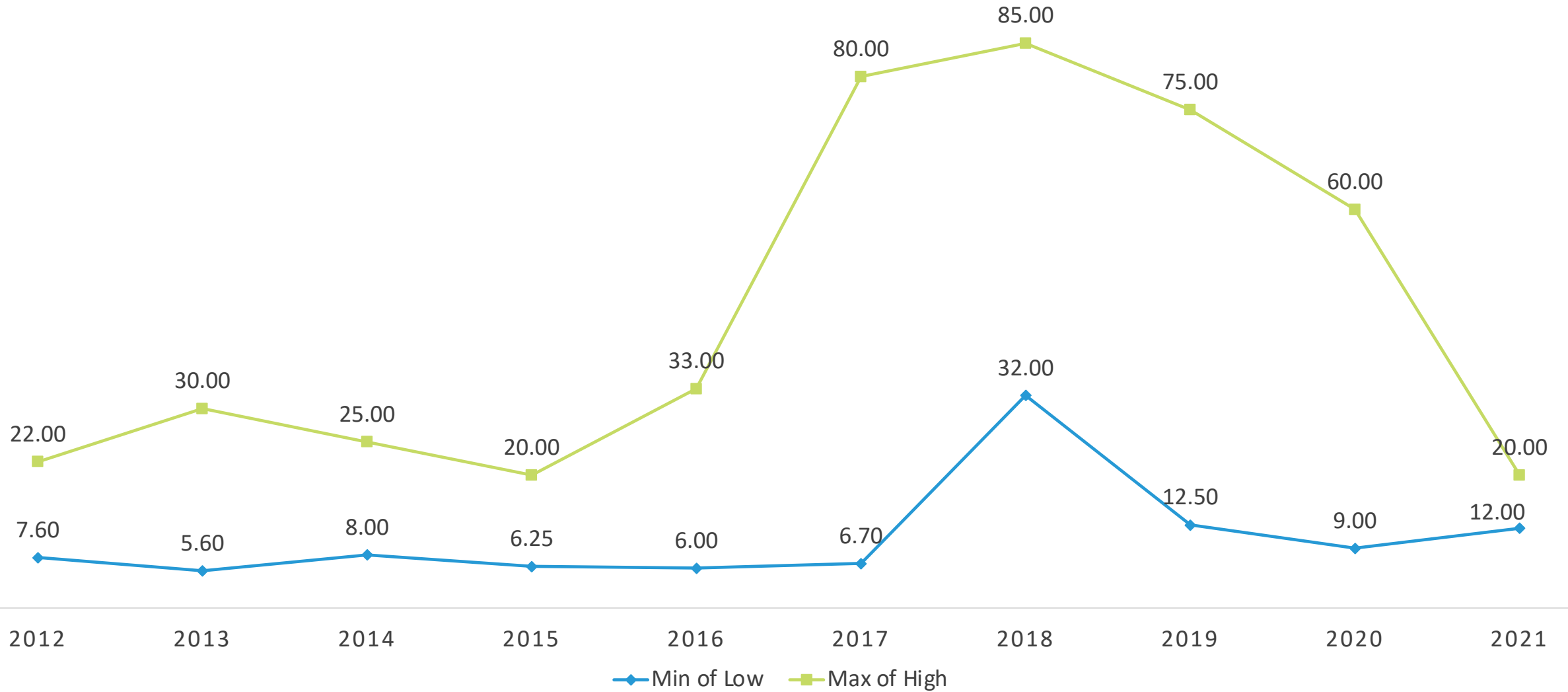
INR 2.68 /share
Diluted EPS

9M/Q3-FY22 Operational Highlights



- Volumes of Human Vitamin D3 in Q3-FY22 are lower by 31% over Q2-FY22 due to lower offtake of Human Vitamin D3, however they are higher by 19% in 9M-FY22 over 9M-FY21.
- Volumes of Animal Feed in Q3-FY22 are higher by 145% over Q2-FY22, however they are lower by 33% in 9M-FY22 over 9M-FY21. The prices are also lower by 22% in 9MFY22 over 9MFY21.
- Fish Oil Cholesterol revenue was down by 55% in Q3-FY22, however it was higher by 80% for the 9 month period.
- Q3-FY22 gross margins are better by 3.6% over Q2-FY22. However due to lower sales and under absorption of cost the EBDITA margins have dropped approximately by 3%.
- The benefit of Sec 10 (AA) under the Income Tax Act for SEZ unit ceases to exist w.e.f. FY 22 hence PAT for the quarter / 9 months is not comparable against the previous year same period.
- German Subsidiary was incorporated fairly recently on 14th June, 2019 and there has been considerable delay in obtaining the required approvals to execute sales, for procedural reasons in view of the global pandemic 'Covid-19'. It has obtained the required approvals in Q3-FY22 and has clocked sales of INR 6.1 Cr. However, being the first sales most of the initial trial cost, campaign cost and inventory carrying cost for the last two and half years was loaded on the initial products manufactured. This has resulted in higher manufacturing cost and revaluation of the inventory resulting in loss of INR 8.6 Cr in Q3-FY22.
- USA Subsidiary incurred loss of INR 0.8 Cr for the quarter and INR 1.4 Cr for the 9 months mainly on account of lower offtake of Animal Vitamin D3 volumes due to ongoing 'Covid-19' pandemic.

Vitamin D3 500 Animal Feed Price Trend



Source: feedinfo.com

*As per calendar year



Monetization of Thane land: Development deal structure



Property

- As part of its legacy property, Fermenta owns ~6.5 acres of freehold land in Thane
- This is partly developed by constructing Thane One, an IT/ITES Building

Project

- Fermenta has signed Binding Term Sheet with Mextech and granted development rights for construction of residential-cum-commercial buildings in the balance portion of land
- Project completion is expected within 6 years of signing the Definitive Agreement
- Revenues expected to be generated in a staggered manner post launch of the Project

Development partners and their role

- Development partners: Mextech Property Developers LLP, incorporated by the promoters of Nandivardhan Constructions Private Limited and RRC Ventures Private Limited
- Development partners are solely responsible for obtaining approvals, permissions, construction, OC and sales
- They will solely bear all the costs of approvals, permissions, premiums and construction in the Project

Ownership

- Fermenta to receive 120,000 sq. ft. carpet area (as per RERA) of residential construction along with amenities as its share of premises in the Project, and the balance area to be owned by development partners
- Development partners not to mortgage the land or Fermenta's premises for obtaining funding from banks/financial institutions for the Project
- Fermenta continues to solely own the already constructed Thane One building

Standalone Quarterly Financial Performance



PARTICULARS (INR Mn)	Q3-FY22	Q3-FY21	Y-o-Y	Q2-FY22	Q-o-Q
Operational Revenue	854	877	(2.6)%	990	(13.7)%
Total Expenses	731	645	13.3%	815	(10.3)%
Operational EBITDA	123	232	(47.0)%	175	(29.7)%
Operational EBITDA Margin (%)	14.40%	26.45%	NA	17.68%	(328)Bps
Other Income	11	7	57.1%	24	(54.2)%
Depreciation	62	47	31.9%	60	3.3%
Finance Cost	41	40	2.5%	44	(6.8)%
PBT	31	152	(79.6)%	95	(67.4)%
Tax	13	41	(68.3)%	29	(55.2)%
PAT	18	111	(83.8)%	66	(72.7)%
PAT Margins (%)	2.11%	12.66%	NA	6.67%	(456)Bps
Other Comprehensive Income	-	-	NA	-	NA
Total Comprehensive Income	18	111	(83.8)%	66	(72.7)%
Diluted EPS (INR)	0.63	3.83	(83.6)%	2.27	(72.2)%

Standalone YTD Financial Performance



PARTICULARS (INR Mn)	9M-FY22	9M-FY21	Y-o-Y
Operational Revenue	2,933	2,819	4.0%
Total Expenses	2,359	2,062	14.4%
Operational EBITDA	574	757	(24.2)%
Operational EBITDA Margin (%)	19.57%	26.85%	(728)Bps
Other Income	45	29	55.2%
Depreciation	176	131	34.4%
Finance Cost	127	131	(3.1)%
PBT	316	524	(39.7)%
Tax	104	101	3.0%
PAT	212	423	(49.9)%
PAT Margins (%)	7.23%	15.01%	(778)Bps
Other Comprehensive Income	0	0	NA
Total Comprehensive Income	212	423	(49.9)%
Diluted EPS (INR)	7.31	14.60	(49.9)%

*Adjusted EPS post bonus issue in the proportion of 2:1

Consolidated Quarterly Financial Performance



PARTICULARS (INR Mn)	Q3-FY22	Q3-FY21	Y-o-Y	Q2-FY22	Q-o-Q
Operational Revenue	929	900	3.2%	998	(6.9)%
Total Expenses	907	679	33.6%	841	7.8%
Operational EBITDA	22	221	(90.0)%	157	(86.0)%
Operational EBITDA Margin (%)	2.36%	24.56%	NA	15.77%	NA
Other Income	12	7	71.4%	23	(47.8)%
Depreciation	67	50	34.0%	64	4.7%
Finance Cost	41	38	7.9%	44	(6.8)%
PBT	(74)	140	NA	71	NA
Tax	9	42	(78.6)%	30	(70.0)%
PAT before Associates & Joint Venture	(83)	98	NA	41	NA
Non-controlling interests	3	-	NA	4	(25.0)%
PAT	(80)	98	NA	45	NA
PAT Margins (%)	(8.61)%	10.89%	NA	4.51%	NA
Other Comprehensive Income	4	(2)	NA	2	NA
Total Comprehensive Income	(80)	96	NA	43	NA
Diluted EPS (INR)	(2.79)	3.39	NA	1.56	NA

Consolidated YTD Financial Performance



PARTICULARS (INR Mn)	9M-FY22	9M-FY21	Y-o-Y
Operational Revenue	3,024	2,778	8.9%
Total Expenses	2,587	2,063	25.4%
Operational EBITDA	437	715	(38.9)%
Operational EBITDA Margin (%)	14.45%	25.74%	NA
Other Income	53	36	47.2%
Depreciation	191	139	37.4%
Finance Cost	127	130	(2.3)%
PBT	172	482	(64.3)%
Tax	99	101	(2.0)%
PAT before Associates & Joint Venture	73	381	(80.8)%
Non-controlling interests	5	0	NA
PAT	78	381	(79.5)%
PAT Margins (%)	2.58%	13.71%	NA
Other Comprehensive Income	7	(3)	NA
Total Comprehensive Income	80	378	(78.8)%
Diluted EPS (INR)	2.68	13.16	(79.6)%

*Adjusted EPS post bonus issue in the proportion of 2:1

Historical Standalone Income Statement



PARTICULARS (INR Mn)	9M-FY22	FY21	FY20	FY19
Operational Revenue	2,933	3,728	3,005	4,047
Total Expenses	2,359	2,791	2,311	2,634
Operational EBITDA	574	937	694	1,413
Operational EBITDA Margin (%)	19.57%	25.13%	23.09%	34.91%
Other Income	45	66	123	123
Depreciation	176	190	149	119
Finance Cost	127	181	193	206
PBT	316	632	475	1,211
Tax	104	112	(162)	107
PAT	212	520	637	1,104
PAT Margins (%)	7.23%	13.95%	21.20%	27.28%
Other Comprehensive Income	0	(0.4)	18	(15)
Total Comprehensive Income	212	519	655	1,089
Diluted EPS (INR)	7.31	17.92	21.96	38.24*

*Adjusted EPS post bonus issue in the proportion of 2:1

Historical Standalone Balance Sheet



PARTICULARS (INR Mn)	H1-FY22	FY21	FY20
Equity	3,857	3,704	3,126
a) Equity share capital	144	144	144
b) Other equity	3,713	3,560	2,982
Liabilities			
Non-current liabilities	1,128	1,192	1,115
a) Financial liabilities	-		
i) Borrowings	1,031	1,104	1,018
ii) Lease liabilities	43	35	45
iii) Other financial liabilities	5	5	6
b) Provisions	47	45	41
d) Other non-current liabilities	2	3	5
Current Liabilities	1,891	1,929	1,855
a) Financial liabilities	-		
i) Borrowings	1,171	1,188	1,043
ii) Lease liabilities	11	12	11
ii) Trade payables	516	457	472
iii) Other financial liabilities	134	184	297
b) Provisions	6	8	6
c) Other current liabilities	50	76	23
d) Current tax liabilities (Net)	3	3	3
TOTAL EQUITY AND LIABILITIES	6,876	6,825	6,096

PARTICULARS (INR Mn)	H1-FY22	FY21	FY20
Assets			
Non-current Assets	3,806	3,745	3,272
a) Property, plant and equipment	1,901	1,538	1,040
b) Capital work-in-progress	226	527	671
c) Right of use assets	166	147	162
d) Investment property	683	682	707
e) Goodwill	41	41	41
f) Other intangible assets	78	88	18
g) Intangible assets under development	41	42	37
h) Investments	-		
i) Investments in subsidiaries	127	127	8
i) Financial assets	-		
i) Investments	3	2	3
ii) Loans	-	-	2
iii) Others financial assets	34	22	41
j) Deferred tax assets (Net)	340	381	381
k) Non-current tax assets (Net)	127	113	91
l) Other non-current assets	39	35	70
Current Assets	3,070	3,080	2,824
a) Inventories	1,271	1,328	1,135
b) Financial assets	-		
i) Trade receivables	1,054	961	774
ii) Cash and cash equivalents	112	136	68
iii) Bank balances other than (iii) above	231	277	256
iv) Loans	-	48	213
v) Other financial assets	50	80	129
c) Other current assets	352	250	249
TOTAL ASSETS	6,876	6,825	6,096

Historical Consolidated Income Statement



PARTICULARS (INR Mn)	9M-FY22	FY21	FY20	FY19
Operational Revenue	3,024	3,773	2,929	4,047
Total Expenses	2,587	2,956	2,277	2,558
Operational EBITDA	437	817	652	1,489
Operational EBITDA Margin (%)	14.45%	21.65%	22.26%	36.79%
Other Income	53	82	123	124
Depreciation	191	203	150	119
Finance Cost	127	180	191	207
PBT	172	516	434	1,287
Tax	99	91	(161)	108
PAT before Associates & Joint Venture	73	425	595	1,179
Share of Loss of Associates & Joint Venture	-	-	-	(4)
Non-controlling interests	5	30	-	-
PAT	78	455	595	1,175
PAT Margins (%)	2.58%	12.06%	20.31%	29.03%
Other Comprehensive Income	7	(2)	17	(15)
Total Comprehensive Income	80	423	612	1,160
Diluted EPS (INR)	2.68	15.69	20.53	40.70*

*Adjusted EPS post bonus issue in the proportion of 2:1

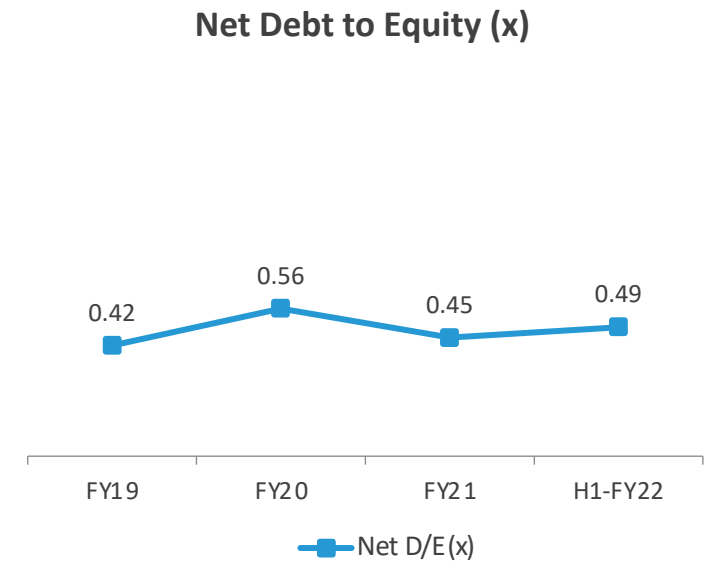
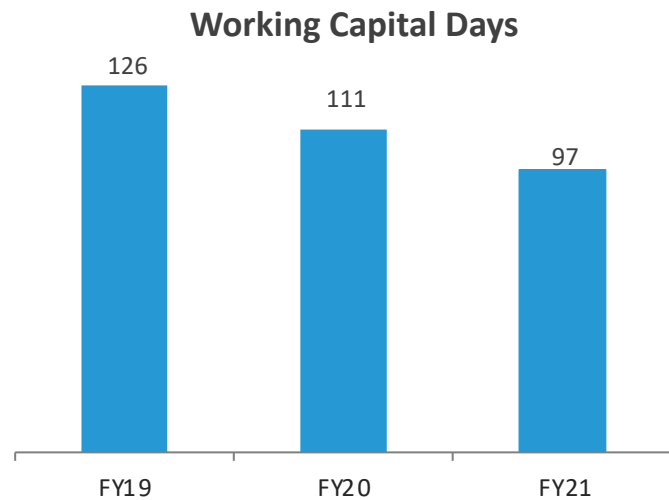
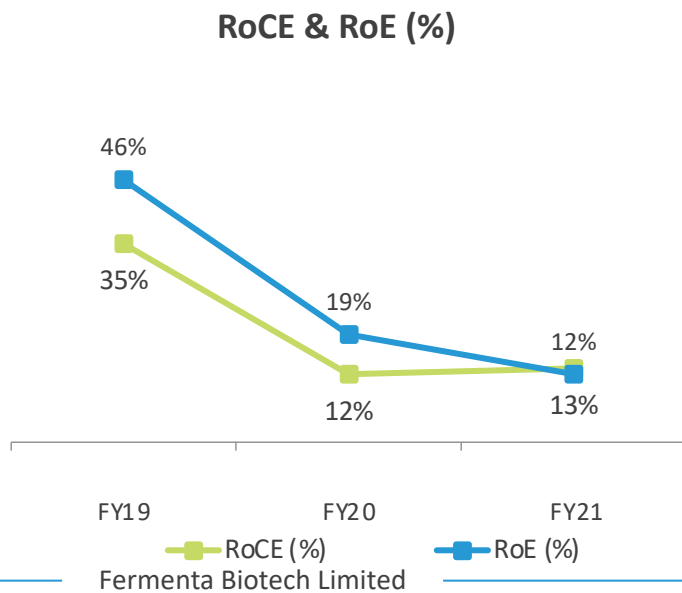
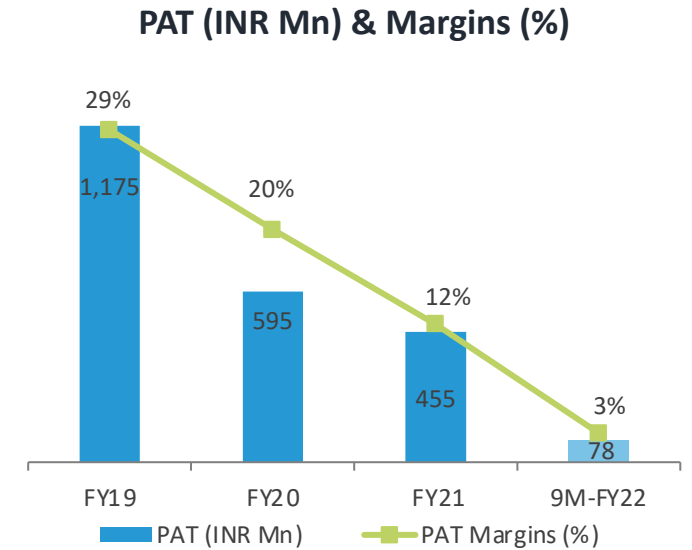
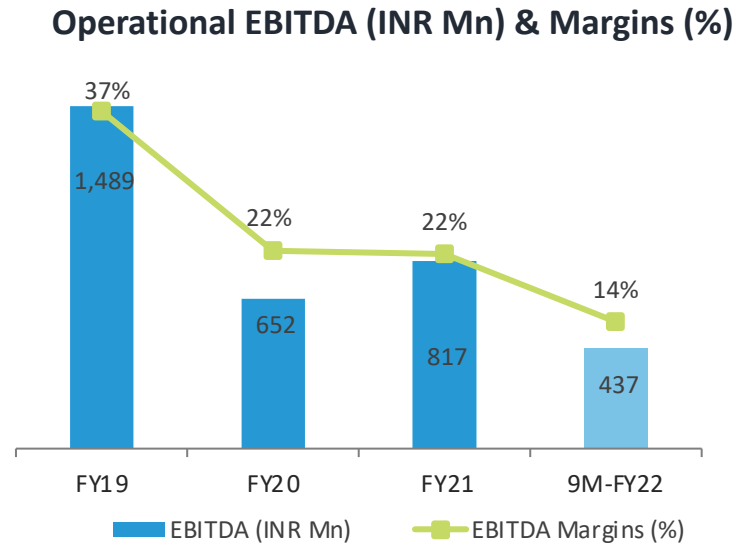
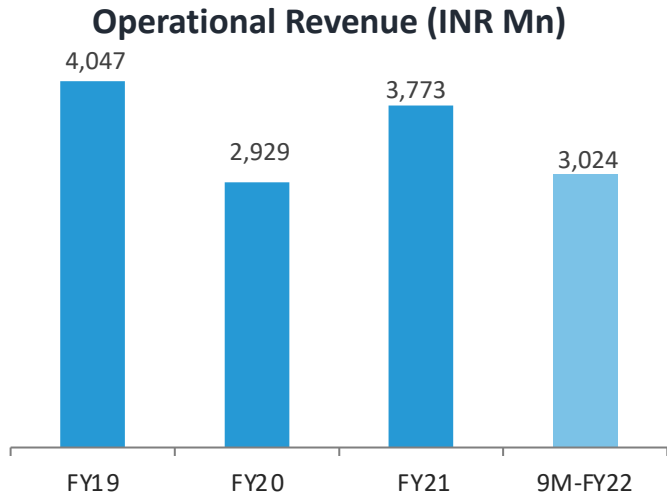
Historical Consolidated Balance Sheet



PARTICULARS (INR Mn)	H1-FY22	FY21	FY20
Equity	3,721	3,603	3,094
a) Equity share capital	144	144	144
b) Other equity	3,581	3,462	2,950
c) Non-controlling interests	(4)	(3)	0.1
Liabilities			
Non-current liabilities	1,110	1,175	1,097
a) Financial liabilities	-		
i) Borrowings	1,031	1,105	1,018
ii) Lease liabilities	25	17	27
iii) Other financial liabilities	5	5	6
b) Provisions	47	45	41
c) Other non-current liabilities	2	3	5
Current Liabilities	2,069	2,093	1,946
a) Financial liabilities	-		
i) Borrowings	1,171	1,188	1,043
ii) Lease liabilities	11	12	11
ii) Trade payables	688	621	564
iii) Other financial liabilities	134	184	297
b) Provisions	9	7	5
c) Other current liabilities	53	77	23
d) Current tax liabilities (Net)	3	3	3
TOTAL EQUITY AND LIABILITIES	6,900	6,871	6,137

PARTICULARS (INR Mn)	H1-FY22	FY21	FY20
Assets			
Non-current Assets	3,830	3,775	3,297
a) Property, plant and equipment	1,901	1,539	1,040
b) Capital work-in-progress	226	527	671
c) Right of use assets	149	129	143
d) Investment property	688	687	713
e) Goodwill	108	107	41
f) Other intangible assets	150	168	65
g) Intangible assets under development	41	42	37
h) Financial assets	-		
i) Investments	3	3	3
ii) Loans	-	-	2
iii) Others financial assets	34	22	40
i) Deferred tax assets (Net)	364	403	381
j) Non-current tax assets (Net)	127	113	91
k) Other non-current assets	39	35	70
Current Assets	3,070	3,096	2,840
a) Inventories	1,624	1,623	1,286
b) Financial assets	-		
i) Trade receivables	703	680	698
ii) Cash and cash equivalents	143	168	75
iii) Bank balances other than (iii) above	231	277	256
iv) Loans	-	48	213
v) Other financial assets	3	35	63
c) Other current assets	366	265	249
TOTAL ASSETS	6,900	6,871	6,137

Historical Consolidated Financial Performance



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