



4<sup>th</sup> June, 2020

<b>To,</b> <b>Department of Corporate Services</b> <b>BSE Ltd.</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.  <b>Ref.: Scrip Code No. : 540701</b>	<b>To,</b> <b>The Manager,</b> <b>Listing Department,</b> <b>National Stock Exchange of India Ltd.</b> “Exchange Plaza”, C-1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.  <b>Ref. : (i) Symbol – DCAL</b> <b>(ii) Series – EQ</b>
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**SUB: INVESTORS PRESENTATION ON AUDITED 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 year ended 31<sup>st</sup> March, 2020 to be made to Analyst and Investors.

The aforesaid presentation is also being hosted on the website of the Company, [www.dishmangroup.com](http://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**

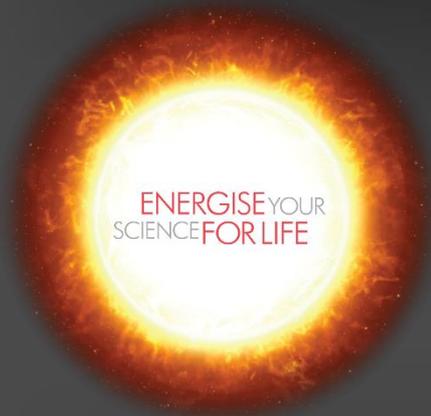
Encl.: As above

**Dishman Carbogen Amcis Limited**

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Government Recognised Export House  
CIN No. : L74900GJ2007PLC051338



# **DISHMAN CARBOGEN AMCIS LIMITED**

**Q4 & FY20 RESULTS UPDATE  
JUNE 2020**

# 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.

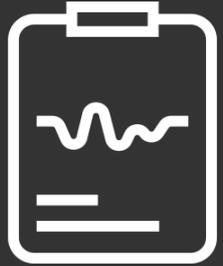
In particular, such statements should not be regarded as a projection of future performance of Dishman. It should be noted that the actual performance or achievements of Dishman may vary significantly from such statements.

# DISCUSSION SUMMARY

- ❖ Q4 & FY20 RESULTS UPDATE
- ❖ INDUSTRY OVERVIEW
- ❖ COMPANY OVERVIEW



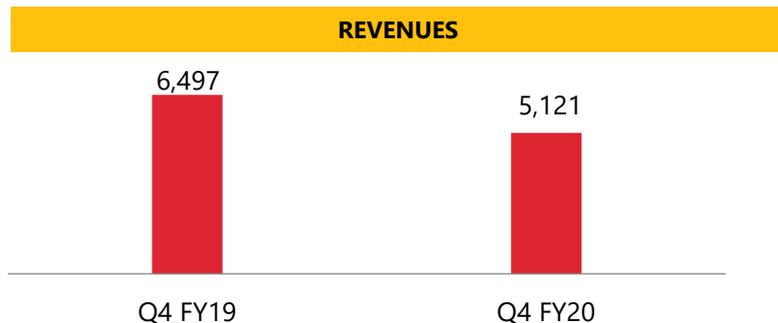
# Q4 & FY20 RESULTS UPDATE



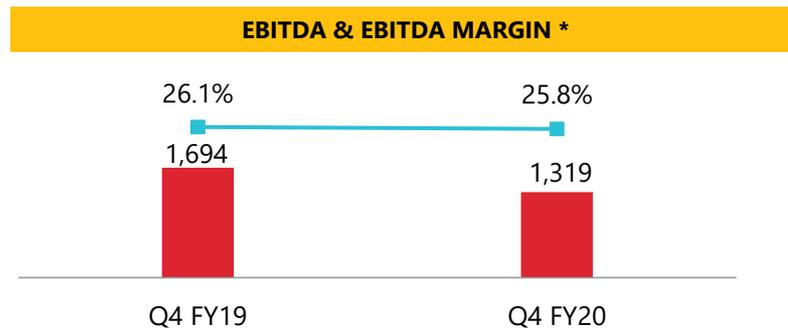
# Q4 FY20 RESULT HIGHLIGHTS

In Rs Mn

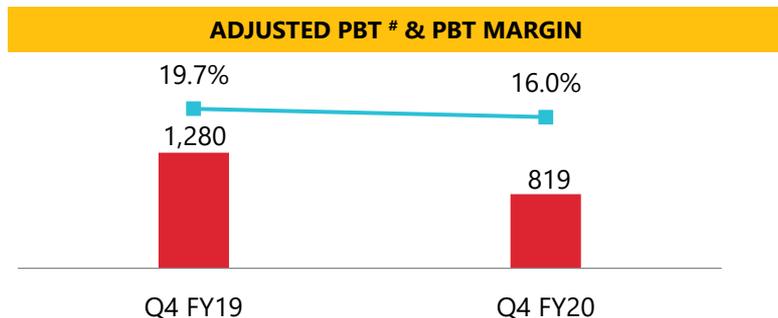
## REVENUES



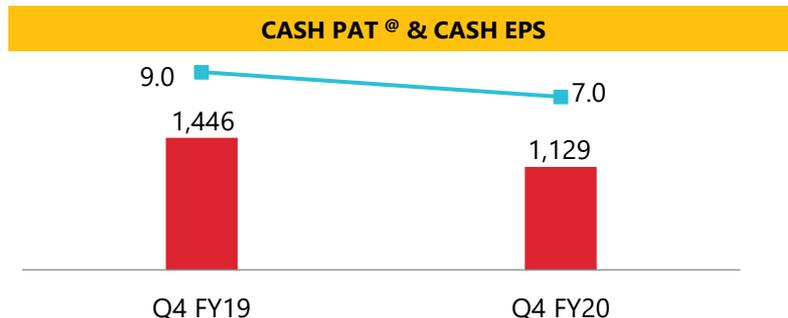
## EBITDA & EBITDA MARGIN \*



## 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

® Cash PAT = Adjusted PAT + (Depreciation – additional goodwill amortization),  
adjusted for merger impact  
Adjusted PAT = Adjusted PBT – Normalized tax rate of 25%

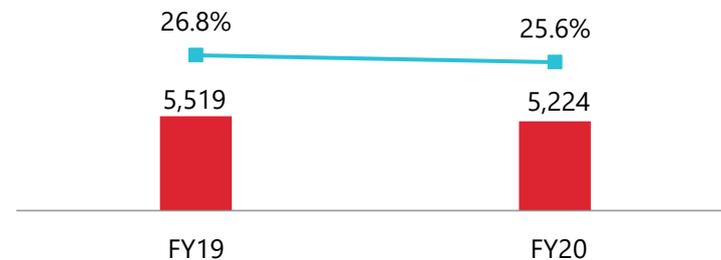
# FY20 RESULT HIGHLIGHTS

In Rs Mn

## REVENUES



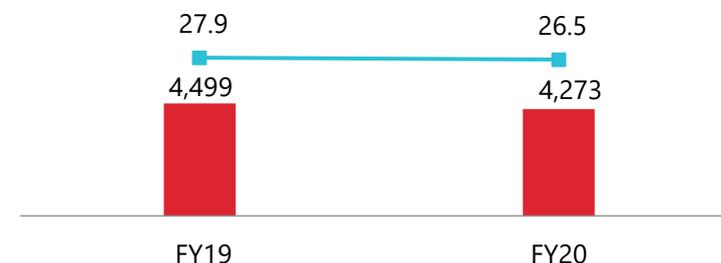
## EBITDA & EBITDA MARGIN \*



## ADJUSTED PBT # & PBT MARGIN



## CASH PAT ® & CASH EPS



\* EBITDA excluding other income

# PBT is adjusted to include the additional goodwill amortization of Rs. 884.4 mn

® Cash PAT = Adjusted PAT + (Depreciation – additional goodwill amortization),  
adjusted for merger impact  
Adjusted PAT = Adjusted PBT – Normalized tax rate of 25%

# CONSOLIDATED P&L STATEMENT

Particulars (In Rs. Mn.)	Q4 FY20	Q4 FY19	YoY %	FY20	FY19	YoY %
Revenue from Operations	5,028.3	6,114.2	-17.8%	19,732.6	19,199.4	2.8%
Other Operating Income	92.9	383.0	-75.7%	703.4	1,386.6	-49.3%
<b>Total Revenues</b>	<b>5,121.2</b>	<b>6,497.2</b>	<b>-21.2%</b>	<b>20,436.0</b>	<b>20,586.0</b>	<b>-0.7%</b>
COGS	1,113.1	1,525.1	-27.0%	4,338.4	4,037.8	7.4%
Employee Expenses	2,011.0	2,044.5	-1.6%	7,622.7	7,146.4	6.7%
Other Expenses	678.2	1,233.7	-45.0%	3,250.5	3,882.8	-16.3%
<b>EBITDA</b>	<b>1,318.9</b>	<b>1,693.9</b>	<b>-22.1%</b>	<b>5,224.4</b>	<b>5,519.0</b>	<b>-5.3%</b>
<b>EBITDA Margin %</b>	<b>25.8%</b>	<b>26.1%</b>	<b>-32bps</b>	<b>25.6%</b>	<b>26.8%</b>	<b>-124bps</b>
Other Income	211.9	198.1	7.0%	444.6	538.2	-17.4%
Depreciation & Amortization	735.2	706.5	4.1%	2,828.7	2,403.8	17.7%
Finance Cost (Incl. Forex Impact)	197.4	126.5	56.0%	619.5	565.5	9.5%
<b>PBT</b>	<b>598.2</b>	<b>1,059.0</b>	<b>-43.5%</b>	<b>2,220.8</b>	<b>3,087.9</b>	<b>-28.1%</b>
Tax Expense	-121.70	301.10	-	417.80	984.60	-57.6%
Current Tax	-118.7	376.7	-	269.6	890.6	-69.7%
Deferred Tax	-3.0	-75.6	-	148.2	94.0	57.7%
% Tax Rate	-	28.4%	-	18.8%	31.9%	-1307bps
<b>PAT</b>	<b>719.9</b>	<b>757.9</b>	<b>-5.0%</b>	<b>1,803.0</b>	<b>2,103.3</b>	<b>-14.3%</b>
<b>PAT Margin %</b>	<b>14.1%</b>	<b>11.7%</b>	<b>239bps</b>	<b>8.8%</b>	<b>10.2%</b>	<b>-139bps</b>
EPS	4.5	4.7	-5%	11.2	13.0	-14%

# CONSOLIDATED BALANCE SHEET

Particulars (Rs. Mn.)	Mar-20	Mar-19
<b>Shareholder Funds</b>		
Equity Share Capital	313.8	322.8
Other Equity	57,063.0	53,468.1
<b>Total – Shareholder Funds</b>	<b>57,376.8</b>	<b>53,790.9</b>
<b>Non-Current Liabilities</b>		
Long Term Borrowings	2,413.0	3,624.2
Lease Liabilities	2,359.6	-
Provisions	2,940.8	2,483.1
Deferred Tax Liabilities (Net)	1,444.6	1,403.5
<b>Total – Non-Current Liabilities</b>	<b>9,158.0</b>	<b>7,510.7</b>
<b>Current Liabilities</b>		
Short Term Borrowings	6,882.3	5,200.9
Lease liabilities	653.2	-
Trade Payables	2,835.2	1,945.7
Other Financial Liabilities	2,971.7	2,635.6
Other Current Liabilities	2,163.4	1,667.9
Short Term Provisions	159.9	193.1
Current Tax Liabilities (Net)	23.6	339.9
<b>Total – Current Liabilities</b>	<b>15,689.3</b>	<b>11,983.0</b>
<b>TOTAL – EQUITIES &amp; LIABILITIES</b>	<b>82,224.3</b>	<b>73,284.6</b>

Particulars (Rs. Mn.)	Mar-20	Mar-19
<b>Non-Current Assets</b>		
Property, plant and equipment	17,118.5	15,330.3
Capital Work in Progress	2,023.4	1,433.3
Right to use Lease Assets	1,787.7	-
Investment property	50.7	52.0
Goodwill	36,847.1	34,702.9
Other Intangible Assets	975.2	890.5
Intangible Assets under development	318.3	319.2
Investments	840.2	1,474.1
Long Term Loans and Advances	397.8	376.4
Other Financial Assets	74.7	25.1
Deferred tax assets( net)	30.2	79.5
Current Tax Assets	1,077.1	984.0
Other Non-Current Assets	2,633.7	2,081.6
<b>Total – Non-Current Assets</b>	<b>64,174.6</b>	<b>57,748.9</b>
<b>Current Assets</b>		
Inventories	6,068.7	5,486.2
Investments	1,066.1	197.2
Trade Receivables	5,774.3	4,453.0
Cash and cash equivalents	1,219.4	763.2
Bank balances	390.4	193.5
Short Term Loans and Advances	62.7	41.7
Other Financial Assets	509.1	931.6
Other Current Assets	2,959.0	3,469.4
<b>Total – Current Assets</b>	<b>18,049.7</b>	<b>15,535.7</b>
<b>TOTAL – ASSETS</b>	<b>82,224.3</b>	<b>73,284.6</b>

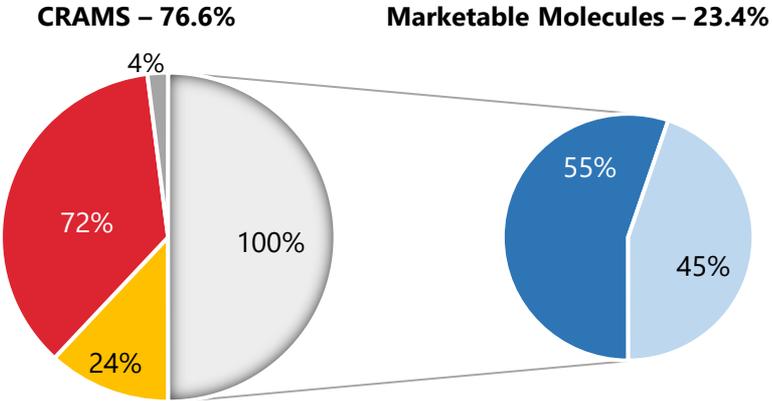
# Q4 & FY20 SEGMENT-WISE REVENUE ANALYSIS

In Rs Mn

Revenues – Segment wise Breakup	Q4 FY20	Q4 FY19	YoY%	FY20	FY19	YoY%
<b>CRAMS (% of total)</b>						
CRAMS – India	916.7	1,305.0	-29.8%	3,323.5	3,405.8	-2.4%
CRAMS – Switzerland & France	2,783.2	3,131.2	-11.1%	10,815.3	10,396.2	4.0%
CRAMS – UK	152.2	283.0	-46.2%	964.5	905.5	6.5%
<b>CRAMS Total</b>	<b>3,852.1</b>	<b>4,719.2</b>	<b>-18.4%</b>	<b>15,103.3</b>	<b>14,707.6</b>	<b>2.7%</b>
<b>Marketable Molecules (% of total)</b>						
Carbogen Amcis BV	649.6	818.4	-20.6%	2,498.8	2,717.6	-8.1%
Others	526.4	576.5	-8.7%	2,130.4	1,774.2	20.1%
<b>Marketable Molecules Total</b>	<b>1,175.9</b>	<b>1,394.9</b>	<b>-15.7%</b>	<b>4,629.2</b>	<b>4,491.8</b>	<b>3.1%</b>
<b>Grand Total</b>	<b>5,028.0</b>	<b>6,114.2</b>	<b>-17.8%</b>	<b>19,732.6</b>	<b>19,199.4</b>	<b>2.8%</b>

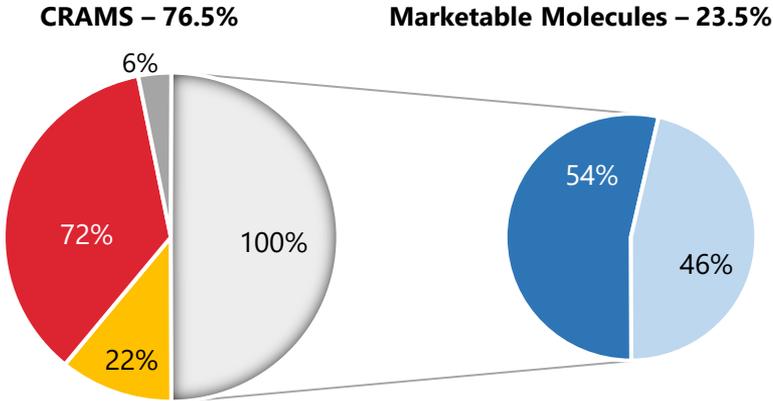
# SEGMENT-WISE REVENUE BREAK-UP

Total Operating Revenue – Q4 FY20



- CRAMS - India
- CRAMS - UK
- Others
- CRAMS - Switzerland & France
- Carbogen Amcis BV

Total Operating Revenue – FY20



- CRAMS - India
- CRAMS - UK
- Others
- CRAMS - Switzerland & France
- Carbogen Amcis BV

## Q4 & FY20 SEGMENT-WISE MARGIN ANALYSIS

EBITDA Margin % – Segment wise	Q4 FY20	Q4 FY19	FY20	FY19
<b>CRAMS</b>				
CRAMS – India	53.4%	53.0%	55.5%	57.1%
CRAMS – Switzerland & France	20.8%	21.0%	20.4%	19.8%
CRAMS – UK	14.4%	14.0%	16.4%	24.1%
<b>Marketable Molecules</b>				
Carbogen Amcis BV	26.9%	27.0%	32.0%	40.9%
Others	10.2%	10.0%	10.1%	11.5%

# Q4 & FY20 RESULT HIGHLIGHTS

## Financial Highlights:

❑ **Total Revenues at Rs 5,121.2 mn in Q4 FY 2020 down by 21.2% YoY**

❖ CRAMS revenue decreased 18.4% YoY primarily due to :

- ❖ CRAMS Carbogen Amcis AG revenue decreased by 11 %, attributable to higher revenues in the preceding quarters and certain commercial orders expected to be shipped in Q1 FY 2021
- ❖ CRAMS India revenue decreased by 29.8% YoY , due to Q4 FY2019 being an exceptional quarter due to exceptionally large commercial orders in that quarter. Most of the orders in FY2020 were evenly spread out throughout the year.
- ❖ CRAMS UK – revenue decreased by 46.2% as its business is driven by demand of intermediates and starting materials of non-GMP products by customers, which would be very unevenly spread depending upon the requirement in that particular quarter. For the full year, CRAMS-UK revenue was in line with last year.

❑ **EBITDA Margin at 25.8% in Q4 FY20, affected by:**

- ❑ Higher cost of material incurred in CRAMS India business due to increased cost of procurement from China, also took a one-time provision of certain inventory and forex movement.
- ❑ Higher contribution of cholesterol segment, which typically have lower margin vs Vitamin D analogues
- ❑ Other operating income included INR 80.3 mil foreign exchange gain on hedging in Q4 FY20 vs INR 290.8 mil gain in Q4 FY19

❑ **Adjusted PBT stands at Rs 819.3 mil & adjusted PAT stands at Rs 614.5 mil**

## Q4 & FY20 RESULT HIGHLIGHTS

- ❑ Net debt as on March 31, 2020 stands at USD 100 mil vs USD 120 mil March 31, 2019
- ❑ Finished goods inventory maintained at a higher level in Carbogen Amcis AG to fulfil the commercial product sales in upcoming quarters
- ❑ Capital expenditure for FY 2020 was approximately USD 42mn, which includes both growth and maintenance capex
- ❑ Foreign exchange gains in FY 2020 were Rs. 431.4 mn recorded as part of other operating income versus FX gains of Rs. 1,126.9 mn in FY 2019
- ❑ In March 2020, two New Chemical Entities (NCEs) of our customers got approval from the regulatory agencies. Carbogen Amcis AG, was the development partner for the APIs
- ❑ We have seen four NCEs getting various regulatory approvals in the last 12 months, where we were the development partner
- ❑ We continue to have a strong basket of about 20 APIs in Phase III development



# 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

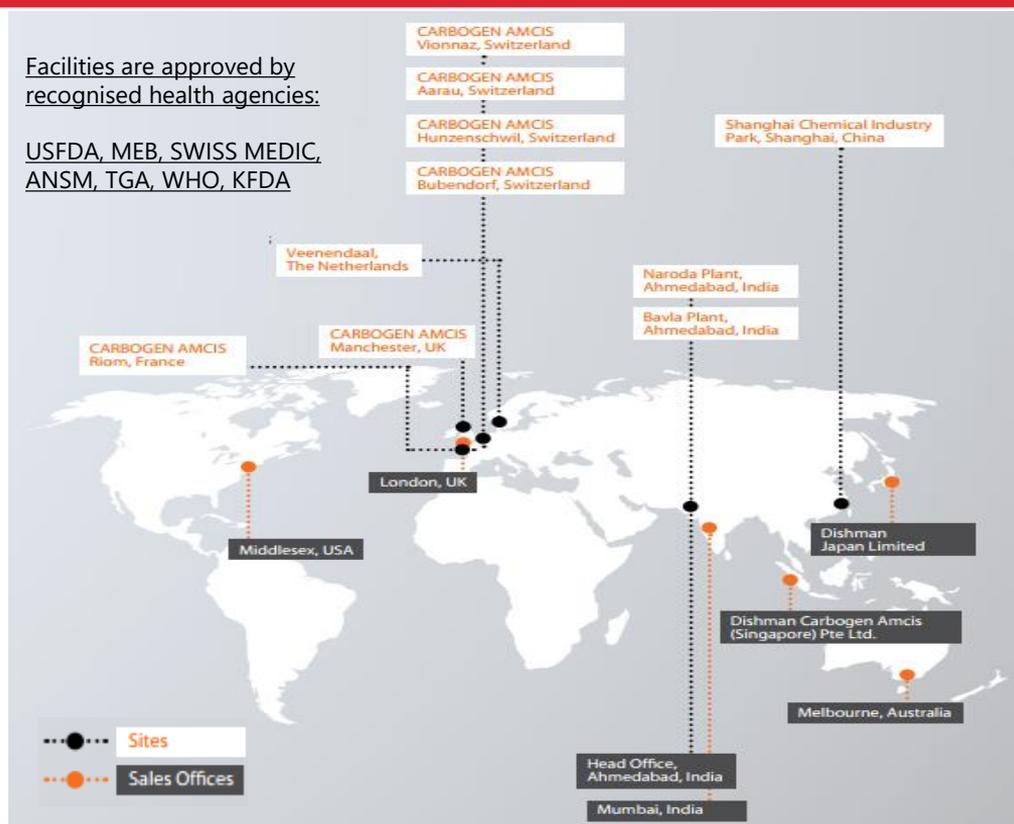
- Consolidated Revenues, EBITDA and Adj. PAT of Rs 20,436 Mn, Rs 5,224 Mn and Rs 2,328 Mn in FY20.
- Strong balance sheet with D:E ratio of 0.16x as on Mar-20.
- Improving profitability and return ratios over FY13 to FY20
  - EBITDA margin – 22.8% to 25.6%
  - Adj. PAT margin – 7.9% to 11.8%
  - FY20 ROCE – 10.7% \*
  - FY20 ROE – 11.8% #

# FY20 ROE = Adj. PAT / Average (Equity – Goodwill), Adj. PAT = Rs 2,329 Mn (adjusted to exclude merger impact)  
\* FY19 ROCE = Adj. EBIT / Average (Equity – Goodwill + Debt), Adj. EBIT = EBIT + Rs 884.4 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 m<sup>2</sup> floor space of R&D at Switzerland, Manchester and Bavla
- Asia's largest HIPO facility at Bavla, India
- 750 m<sup>3</sup> of reactor capacity at Bavla, 230 m<sup>3</sup> at Naroda and 63 m<sup>3</sup> 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.

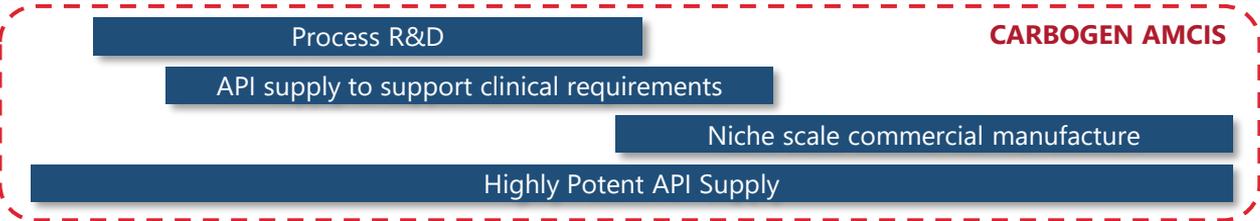
## **Large Scale Mfg. Capacity**

- 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**

<b>EARLY STAGE</b> Process research and API supply to support early phase clinical trials	<b>LATE STAGE</b> Process development and cGMP manufacture	<b>COMMERCIAL SUPPLY</b> 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.

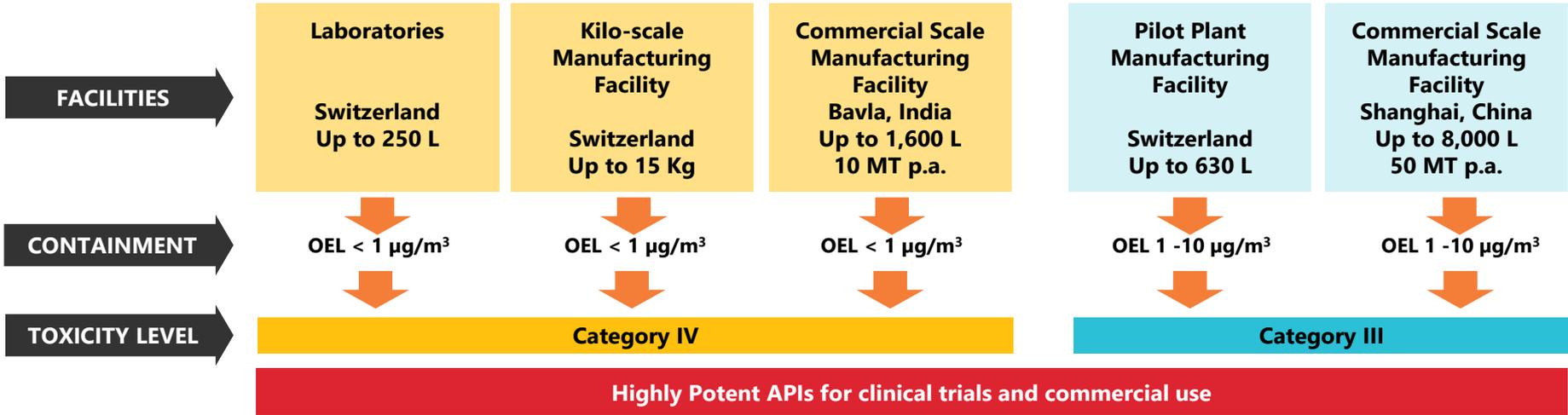
**Dishman India  
Strong Manufacturing Capabilities**

- 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

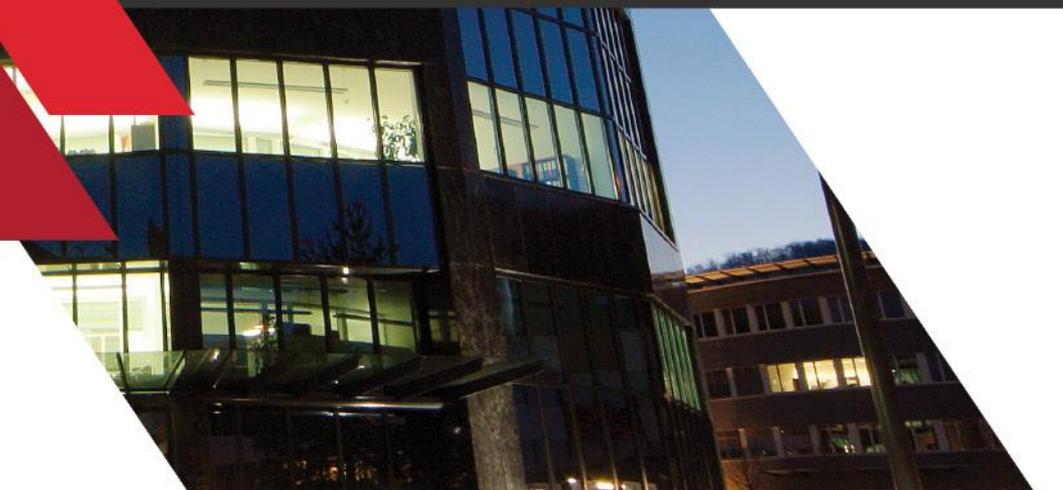
## World Class HIPO capabilities

- 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





# 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
<b>Oncology</b>	<b>133.0</b>	<b>11.8%</b>	<b>180-200</b>	<b>10-13%</b>
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%

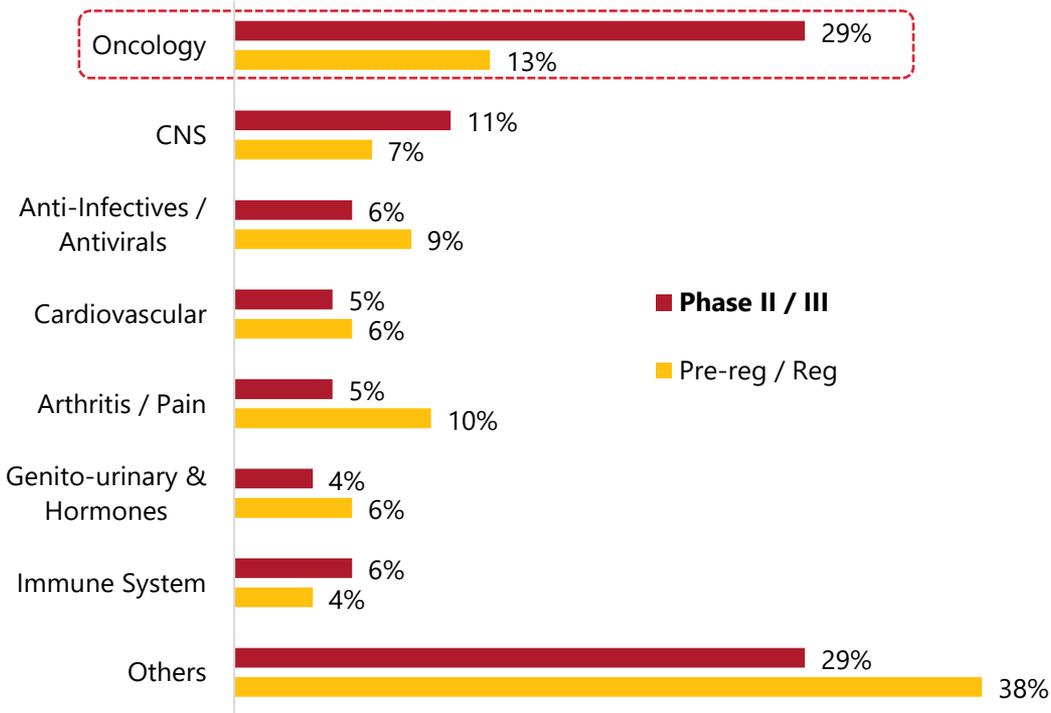
- Oncology is expected to be the most critical therapeutic segment driving the global spend on medicine in future.
- Growth in Oncology is led by a constant upsurge of the immune-oncology treatment which drastically improves outcomes and resistance for patients.
- Global Spend on Medicine by Developed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

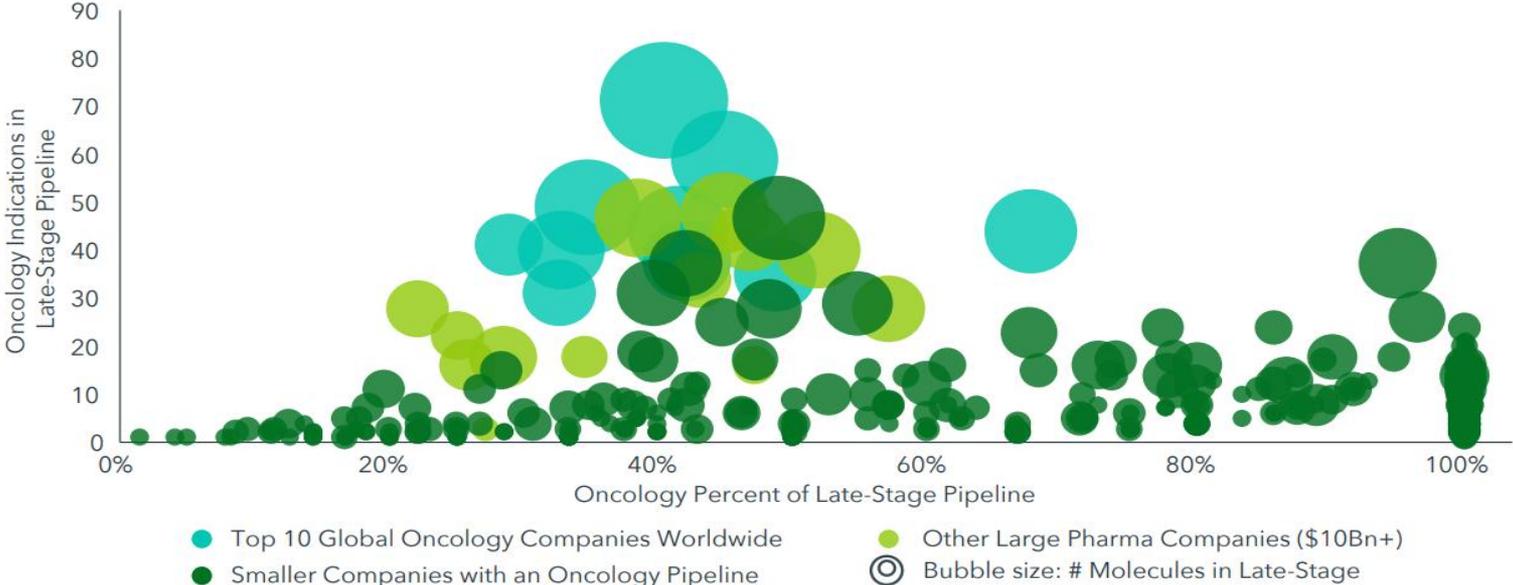


- Oncology has become one of the major focus areas for pharmaceutical and biotechnology companies.
- Around 29% of the Phase II / III clinical trials are in the Oncology segment.
- Oncology (cancer treatment) requires highly potent drugs which are highly effective at much smaller dosages and have the 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 approx 18 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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SCIENCE FOR LIFE

FOR FURTHER QUERIES:



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