



Mangalam Drugs & Organics Ltd.

**Earnings Presentation
Q3– FY16**

Executive Summary

Overview

- Mangalam Drugs & Organics Ltd. (Mangalam) was incorporated in 1972 and is one of the largest suppliers and manufacturers of Anti-Malarial Active Pharmaceutical Ingredients (**API**) in the world.
- The company's headquarter is in Mumbai, with two manufacturing facilities at Vapi, Gujarat.
- Mangalam was incorporated by Mr. G. M. Dhoot, who has been the visionary behind the success and diversification of the company from a chemical company to become a global API supplier.

Business Mix

- **Anti Malarial API's** like Arthemether, Lumefrantine, Artesunate , Amodiaquine Hydrochloride, Dihydroartemisinin, Piperaquine phosphate, Chloroquine Phosphate, Hydroxychloroquine Sulphate, Pyronaridine tetraphosphate
- **Anti Retroviral API's** – The company has recently forayed into Anti Retroviral API's and has received approval and is manufacturing Tenofovir Disoproxil Fumarate, 2 other products are at validation stage and 5 more in R&D phase.
- **Others** - Uricosuric Agent : Allopurinol, Analgesic: Nimesulide and Anti Hypertensive: Bisoprolol Fumerate

Clients

- **Domestic Clients:** Ajanta Pharma, CIPLA, IPCA, Sun Pharma, Dr. Reddy's.
- **International Clients:** Sanofi, Guilin, Mylan, MERCK

FY2015 Financials

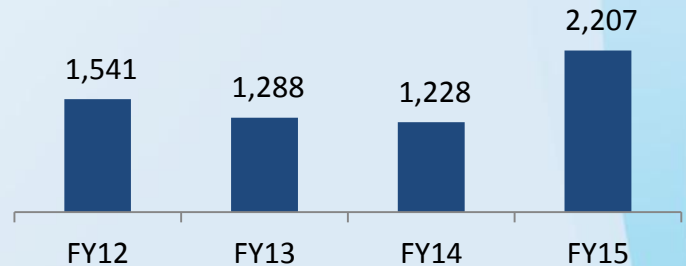
- **Revenue** at INR 2,207mn; 3 year CAGR of 12.8%
- **EBITDA** at INR 204 mn; 3 year CAGR of 11.6%
- **Net Profit** at 61mn; 3 year CAGR of 113.2%



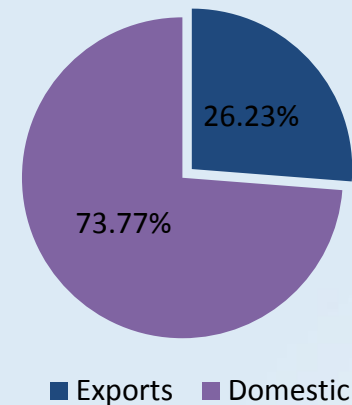
Company Overview

- Mangalam Drugs & Organics Limited was incorporated in 1972, commenced operations in 1977, and was listed on the BSE in 2006. The Company has a market capitalization of around Rs. 2,570 Mn (as of 31st December 2015)
- Well established player in an Industry with strong entry barriers .
- The company is one of the largest and most preferred API supplier for Anti-Malaria drug manufacturing companies in the regulatory market across the world.
- The company's APIs have received certifications from World Health Organization(**WHO**), European Directorate for Quality of Medicines (**EDQM**) and European Medicines Agency(**EMA**).
- Mangalam is one of the 5 companies globally to qualify under the Bill Clinton Foundation for supply of Anti-Malarial drugs worldwide.
- The company has diversified its product range over the last few years from Intermediates and Specialty Chemicals to API's like Anti Malarial, Anti Retroviral, Uricosuric Agent, Analgesic and Anti Hypertensive.

Revenue Growth (INR Mn)



FY15 Segmental Revenue Break-up



Q3 FY16 HIGHLIGHTS

❑ Q3-FY16 performance:

- a. Total Income: INR 824 mn; YoY growth of 31%; QoQ Growth of 13%;
- b. EBITDA: INR 89 mn; YoY growth of 78%; QoQ Growth of 11%;
- c. EBITDA Margin: 10.8%
- d. PAT: INR 38 mn; YoY growth of 348%; QoQ Growth of 5%;
- e. Diluted EPS: INR 2.40 / equity share

❑ 9M FY16 performance:

- a. Total Income: INR 2,245 mn; YoY growth of 55%;
- b. EBITDA: INR 233 mn; YoY growth of 62%;
- c. EBITDA Margin: 10.4%
- d. PAT: INR 105 mn; YoY growth of 297%;
- e. Diluted EPS: INR 6.63 / equity share



Q3 FY16 - INCOME STATEMENT

Income Statement (INR Mn)	Q3-FY16	Q2-FY16	Q-o-Q	Q3-FY15	Y-o-Y
Total Income	824	726	13%	629	31%
Expenses	735	646	14%	579	27%
EBITDA	89	80	11%	50	78%
<i>EBITDA Margin</i>	<i>10.8%</i>	<i>11.0%</i>	(20) bps	<i>7.9%</i>	290 bps
Depreciation	11	11	0%	10	10%
Finance Cost	20	22	(9)%	27	(26)%
Other Income	0.1	0.2	(50)%	0.0	NA
PBT	58	47	23%	13	347%
Tax	20	11	82%	4.5	344%
PAT	38	36	5%	8.5	348%
<i>PAT%</i>	<i>4.6%</i>	<i>5.0%</i>	(40) Bps	<i>1.4%</i>	320 bps
Diluted EPS	2.40	2.30	(5)%	0.64	313%

9M- FY16 - INCOME STATEMENT

Income Statement (INR Mn)	9M-FY16	9M-FY15	Y-o-Y
Total Income	2,245	1,451	55%
Expenses	2,012	1,307	54%
EBITDA	233	144	62%
<i>EBITDA Margin</i>	<i>10.4%</i>	<i>9.9%</i>	50 bps
Depreciation	33	30	10%
Finance Cost	65	82	(21)%
Other Income	7	0.4	1750%
PBT	142	32	340%
Tax	38	6	525%
PAT	105	26	297%
<i>PAT%</i>	<i>4.7%</i>	<i>1.8%</i>	290 bps
Diluted EPS	6.63	2.01	263%

Income Statement

Income Statement (INR Mn)	FY12	FY13	FY14	FY15	9M FY16
Total Income	1,538	1,253	1,227	2,207	2,245
Expenses	1,391	1,297	1,129	2,003	2,012
EBITDA	147	(44)	98	204	233
<i>EBITDA Margin</i>	<i>9.6%</i>	<i>(3.5%)</i>	<i>8.0%</i>	<i>9.2%</i>	<i>10.4%</i>
Depreciation	37	39	40	42	33
Finance Cost	102	100	97	103	65
Other Income	3	16	1	1	7
PBT	11	(168)	(39)	60	142
Tax	5	(50)	(9)	-1	38
PAT	6	(118)	(30)	61	105
<i>PAT%</i>	<i>0.4%</i>	<i>(9.4%)</i>	<i>(2.5%)</i>	<i>2.8%</i>	<i>4.7%</i>
Diluted EPS	0.48	(8.95)	(2.31)	4.66	6.63



Balance Sheet

Equity and Liabilities (INR Mn.)

Shareholders Fund

Share Capital	132	132	132
Reserves and Surplus	100	162	227
Money Received	-	-	155
Net worth	232	294	514

Non Current Liabilities

Long Term borrowings	402	394	236
Deferred tax liabilities	6	17	34
Total non current liabilities	408	411	270

Current Liabilities

Short Term Borrowings	314	318	346
Trades payables	209	548	337
Other Current Liabilities	92	128	113
Total current liabilities	615	994	796

Grand Total 1,255 1,699 1,580

Assets (INR Mn.)

Fixed assets

Total Fixed Assets 534 530 525

Non Current Assets

Long Term Loan & Advances 6 9 10

Current Assets

Inventories 365 573 645

Investments 2 2 2

Trades Receivables 297 443 236

Short term Loan & Advances 50 135 156

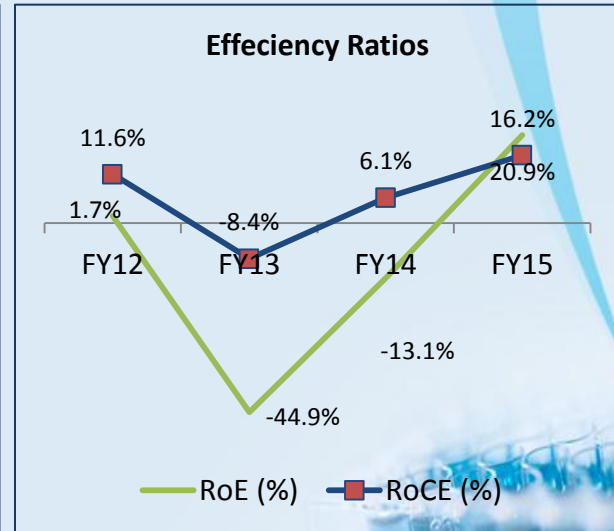
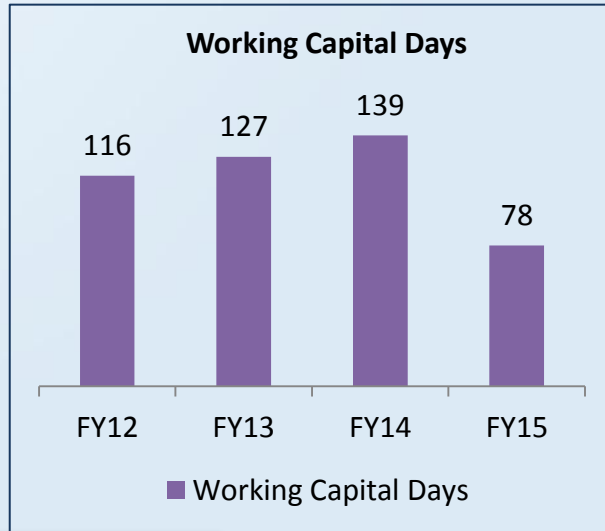
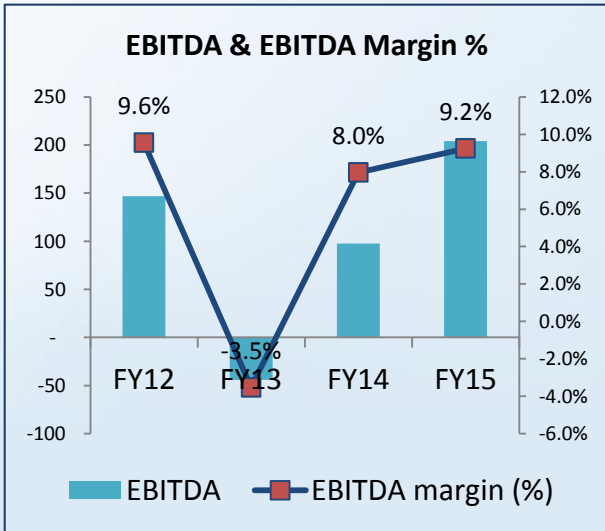
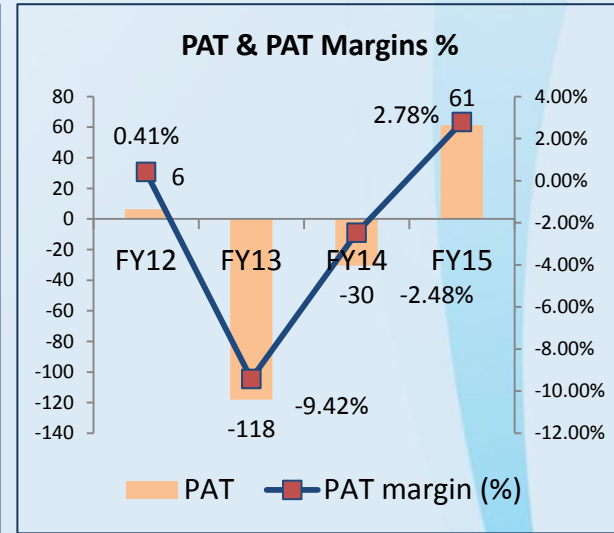
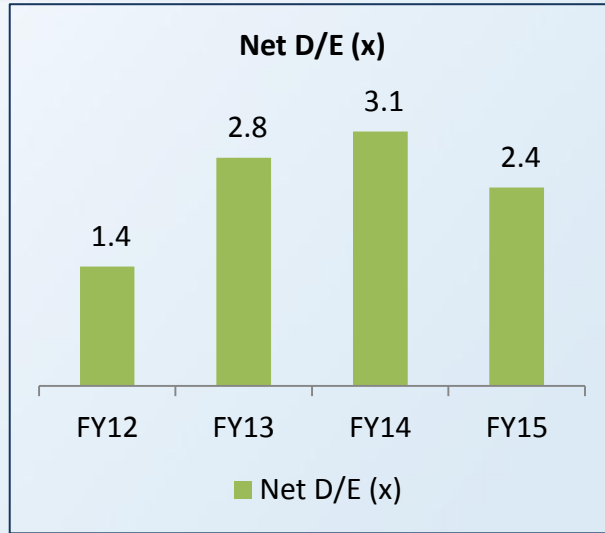
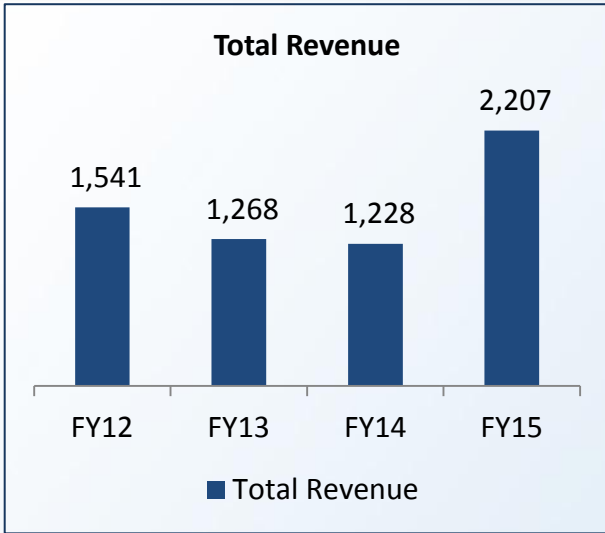
Cash and Cash Equivalents 1 7 6

Total current Assets 715 1,160 1,045

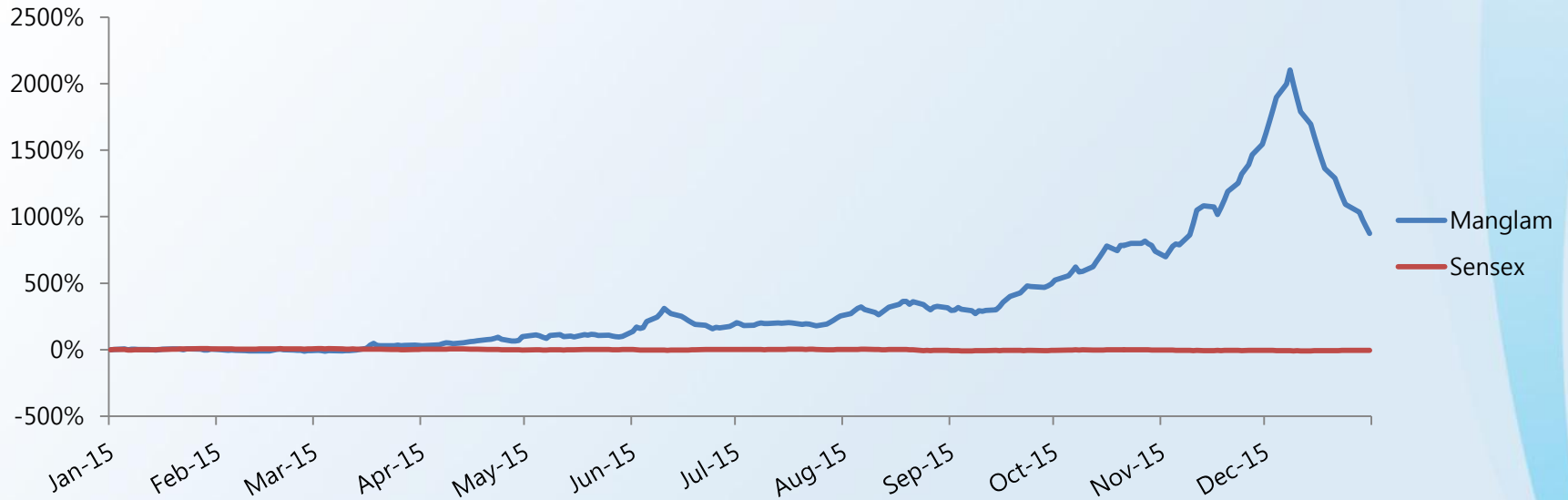
Grand Total 1,255 1,699 1580



Financial Charts: A Turnaround Story

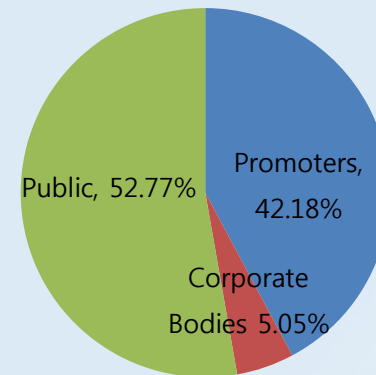


Capital Market



Price Data (As of 31 st December 2015)	INR
Face Value	10
Market Price	195
52 Week H/L	441.5/17.4
Market Cap (INR Mn)	2,570
Equity Shares Outstanding (Mn)	13.18
1 Year Avg. Trading Volume ('000)	139

Shareholding Structure (as on 30th Sep 2015)



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Mangalam Drugs and Organics Ltd

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