



Mangalam Drugs & Organics Ltd.

**Q4/ FY16
Earnings Presentation**

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 Pharmaceuticals 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 Disoproxyl 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

FY2016 Financials

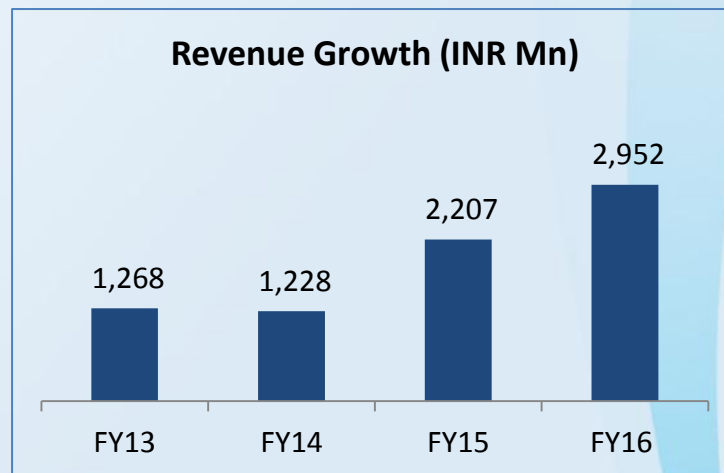
- **Revenue** at INR 2,952 mn
- **EBITDA** at INR 377 mn
- **Net Profit** at INR 160 mn



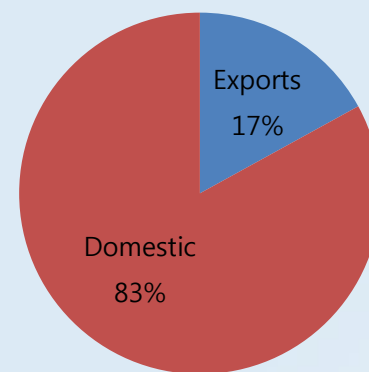
Company Overview

- 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. 3,648 Mn (as of 31st March 2016)
- 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)



FY16 Segmental Revenue Break up



Q4 FY16 HIGHLIGHTS

❑ Q4-FY16 performance:

- a. Total Income: INR 706 mn; YoY growth of (7)%; QoQ Growth of (14)%;
- b. EBITDA: INR 143 mn; YoY growth of 138%; QoQ Growth of 61%;
- c. EBITDA Margin: 20.3%
- d. PAT: INR 55 mn; YoY growth of 57%; QoQ Growth of 45%;
- e. Diluted EPS: INR 3.5 / equity share

❑ FY16 performance:

- a. Total Income: INR 2,952 mn; YoY growth of 34%;
- b. EBITDA: INR 377 mn; YoY growth of 84%;
- c. EBITDA Margin: 12.8%
- d. PAT: INR 160 mn; YoY growth of 162 %;
- e. Diluted EPS: INR 10.13 / equity share



Q4 FY16 - INCOME STATEMENT

Income Statement (INR Mn)	Q4-FY16	Q3-FY16	Q-o-Q	Q4-FY15	Y-o-Y
Total Income	706	824	(14)%	756	(7)%
Expenses	563	735	(23)%	696	(19)%
EBITDA	143	89	61%	60	138%
<i>EBITDA Margin</i>	<i>20.3%</i>	<i>10.8%</i>	950 bps	<i>7.9%</i>	1240 bps
Depreciation	11	11	NA	11	NA
Finance Cost	28	20	40%	21	33%
Other Income	(7)	0	NA	0	NA
PBT	97	58	67%	28	246%
Tax	42	20	110%	(7)	(700)%
PAT	55	38	45%	35	57%
<i>PAT%</i>	<i>7.8%</i>	<i>4.6%</i>	320 bps	<i>4.6%</i>	320 bps
Diluted EPS	3.50	2.40	46%	2.65	32%

FY16 - INCOME STATEMENT

Income Statement (INR Mn)	FY16	FY15	Y-o-Y
Total Income	2,952	2,207	34%
Expenses	2,575	2,002	29%
EBITDA	377	205	84%
<i>EBITDA Margin</i>	<i>12.8%</i>	<i>9.2%</i>	<i>360 bps</i>
Depreciation	44	42	5%
Finance Cost	93	103	-10%
Other Income	-	-	NA
PBT	240	60	300%
Tax	80	(1)	NA
PAT	160	61	162%
<i>PAT%</i>	<i>5.4%</i>	<i>2.8%</i>	<i>260 bps</i>
Diluted EPS	10.13	4.66	117%

Income Statement

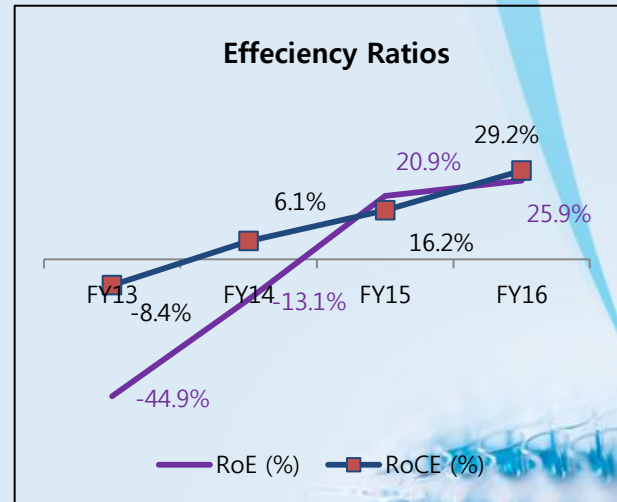
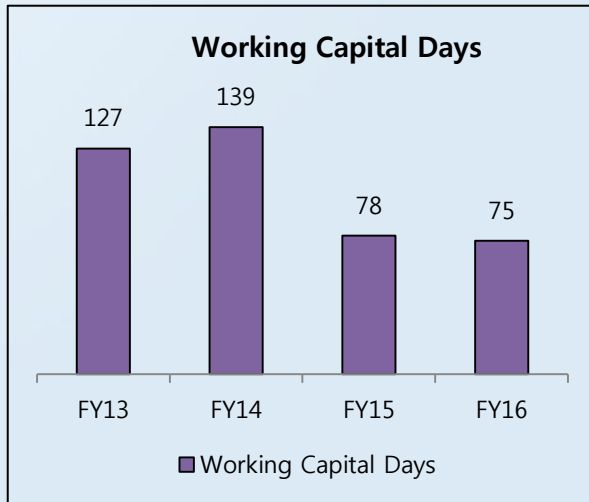
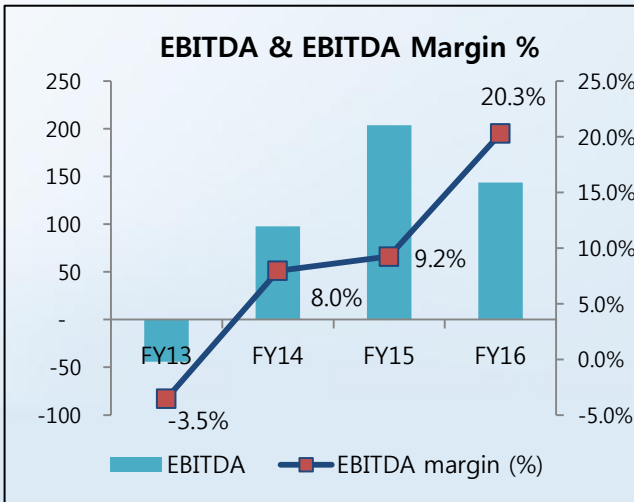
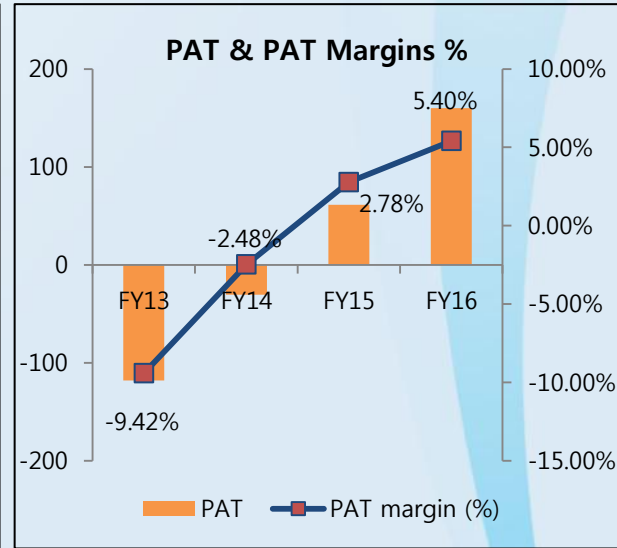
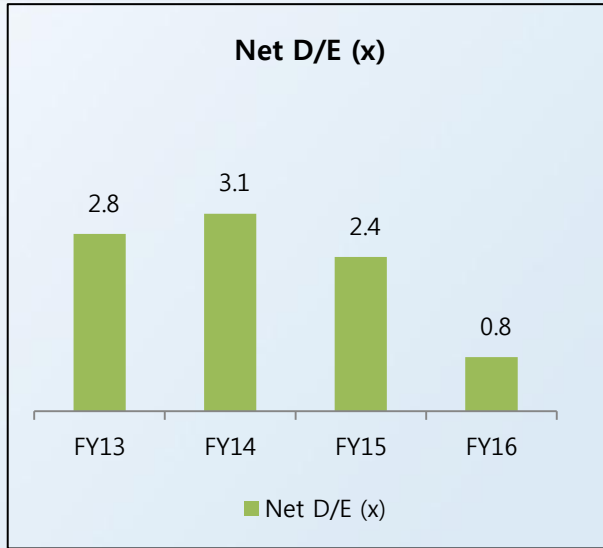
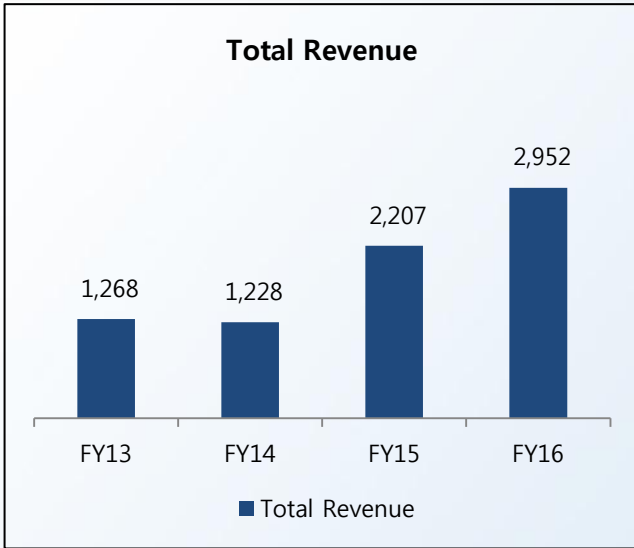
Income Statement (INR Mn)	FY12	FY13	FY14	FY15	FY16
Total Income	1,532	1,252	1,227	2,207	2,952
Expenses	1,391	1,297	1,129	2,003	2,575
EBITDA	141	(45)	98	204	377
<i>EBITDA Margin</i>	<i>9.2%</i>	<i>(3.5%)</i>	<i>8.0%</i>	<i>9.2%</i>	<i>12.8%</i>
Depreciation	37	39	40	42	44
Finance Cost	102	100	97	103	93
Other Income	9	16	1	1	0
PBT	11	(168)	(39)	60	240
Tax	5	(50)	(9)	(1)	80
PAT	6	(118)	(30)	61	160
<i>PAT%</i>	<i>0.4%</i>	<i>(9.4%)</i>	<i>(2.4%)</i>	<i>2.8%</i>	<i>5.4%</i>
Diluted EPS	0.48	(8.95)	(2.31)	4.66	10.13

Balance Sheet

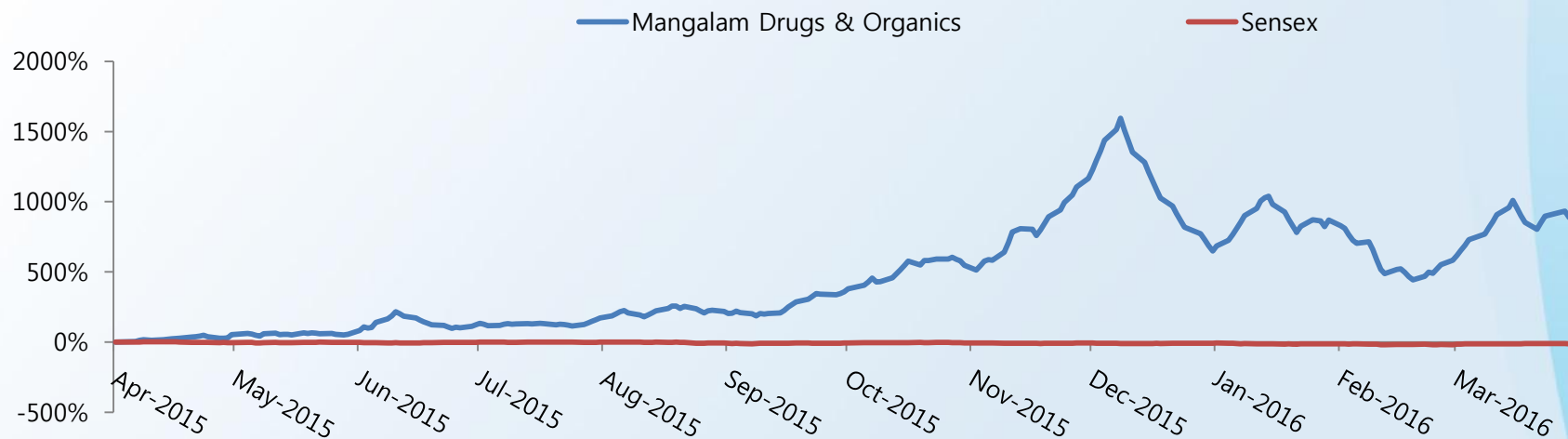
Equity and Liabilities (INR Mn.)	FY14	FY15	FY16	Assets (INR Mn.)	FY14	FY15	FY16
Shareholders Fund				Fixed assets			
Share Capital	132	132	144	Total Fixed Assets	534	530	591
Reserves and Surplus	100	162	390				
Money Received	-	-	84				
Net worth	232	294	618	Non Current Assets			
				Long Term Loan & Advances	6	9	10
Non Current Liabilities							
Long Term borrowings	402	394	169	Current Assets			
Deferred tax liabilities	6	17	85	Inventories	365	573	473
Total non current liabilities	408	411	254	Investments	2	2	3
				Trades Receivables	297	443	302
Current Liabilities				Short term Loan & Advances	49	135	214
Short Term Borrowings	313	318	354	Cash and Cash Equivalents	1	7	5
Trades payables	209	548	207	Total current Assets	714	1,160	997
Other Current Liabilities	92	128	165				
Total current liabilities	614	994	726				
				Grand Total	1,254	1,699	1,598
Grand Total	1,254	1,699	1,598				



Financial Charts: A Turnaround Story

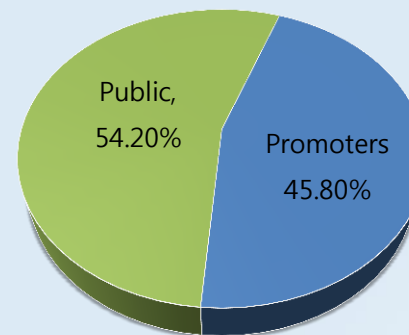


Capital Market



Price Data (As of 31 st March 2016)	INR
Face Value	10
Market Price	253.7
52 Week H/L	441.5/25.7
Market Cap (INR Mn)	3,647.7
Equity Shares Outstanding (Mn)	14.38
1 Year Avg. Trading Volume ('000)	299.6

Shareholding Structure (as on 31st Mar 2016)



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Mangalam Drugs and Organics Ltd

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