

24th January, 2020

To,
**Department of Corporate Services
BSE Ltd.**
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001.

Ref.: Scrip Code No. : 540701

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. : (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 31st December, 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
**Shrma Dave
Company Secretary**



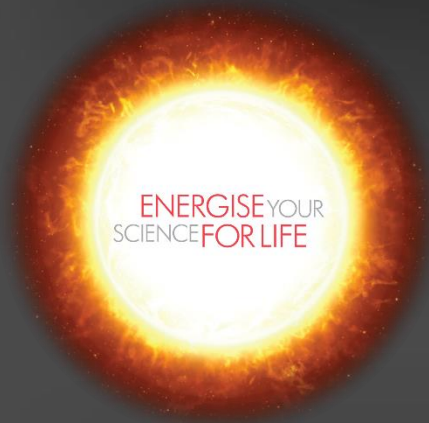
Encl.: As above

Dishman Carbogen Amcis Limited

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Phone : +91 (0) 2717 420102 / 2717 420124

E-mail : dcal@dishmangroup.com
Website : www.dishmangroup.com

Government Recognised Export House
CIN No. : L74900GJ2007PLC051338



DISHMAN CARBOGEN AMCIS LIMITED

Q3 & 9M FY20 RESULTS UPDATE
JANUARY 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.

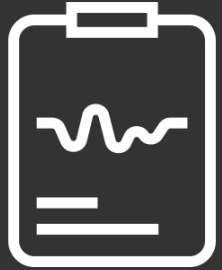
In particular, such statements should not be regarded as a projection of future performance of Dishman. It should be noted that the actual performance or achievements of Dishman may vary significantly from such statements.

DISCUSSION SUMMARY

- ❖ Q3 FY20 RESULTS UPDATE
- ❖ INDUSTRY OVERVIEW
- ❖ COMPANY OVERVIEW



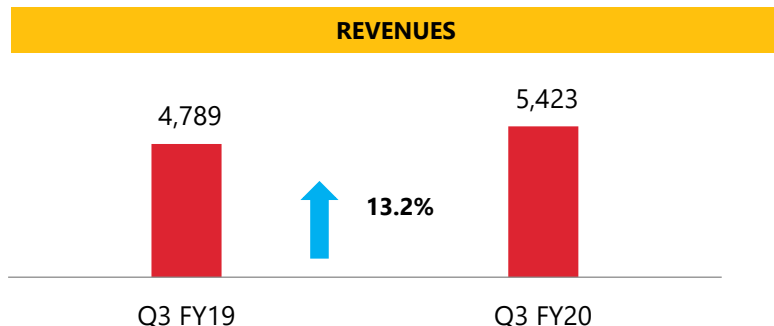
Q3 & 9M FY20 RESULTS UPDATE



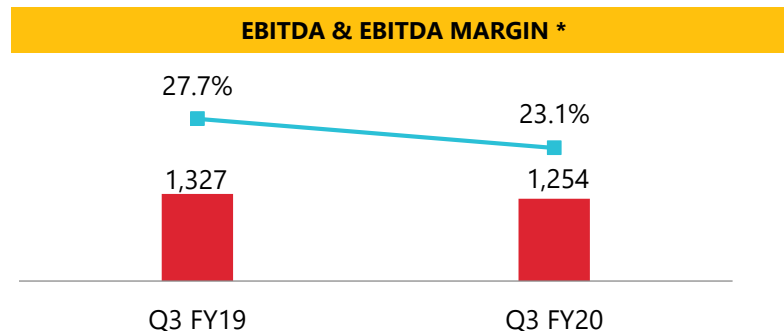
Q3 FY20 RESULT HIGHLIGHTS

In Rs Mn

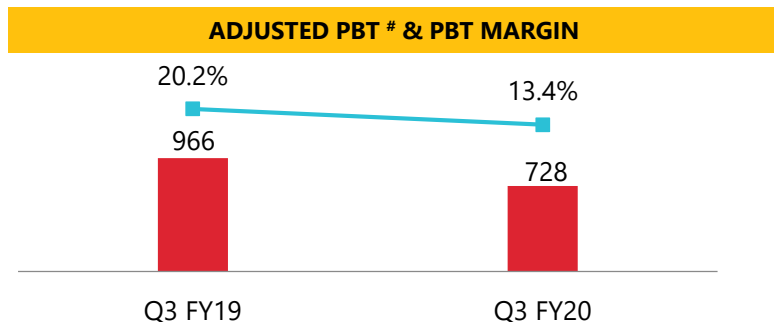
REVENUES



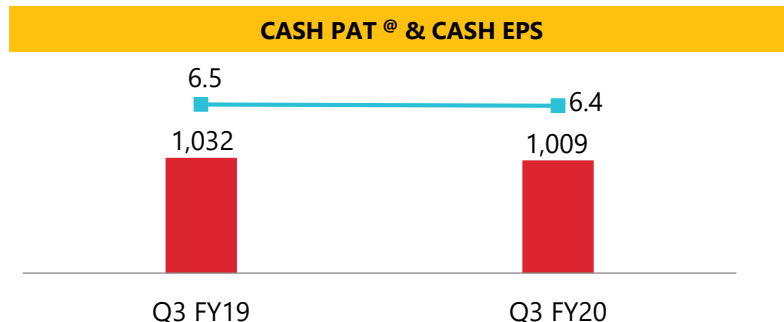
EBITDA & EBITDA MARGIN *



ADJUSTED PBT # & PBT MARGIN



CASH PAT ® & CASH EPS



* EBITDA excluding other income

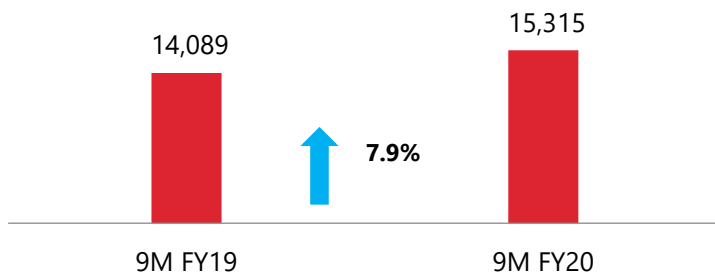
PBT is adjusted to include the additional goodwill amortization of Rs. 221.1 mn

® Cash PAT = Adjusted PAT + (Depreciation – additional goodwill amortization), adjusted for merger impact
Adjusted PAT = Adjusted PBT – Normalized tax rate of 30%

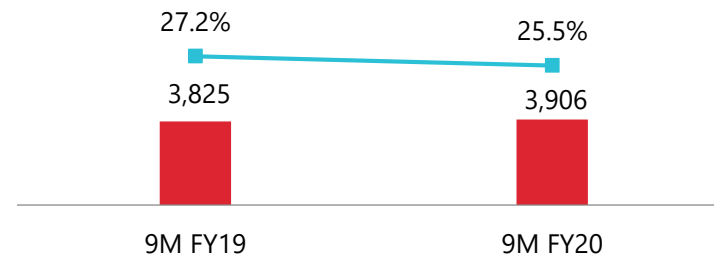
9M FY20 RESULT HIGHLIGHTS

In Rs Mn

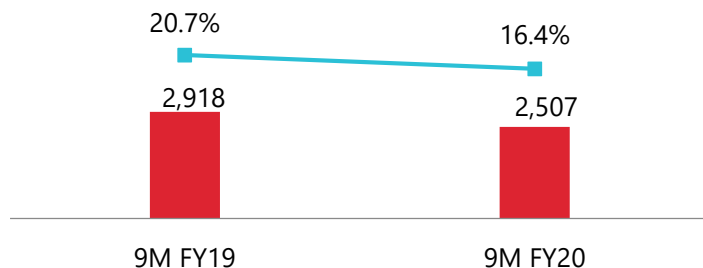
REVENUES



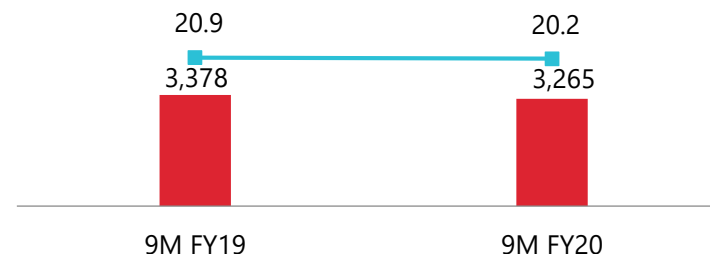
EBITDA & EBITDA MARGIN *



ADJUSTED PBT # & PBT MARGIN



CASH PAT ® & CASH EPS



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CONSOLIDATED P&L STATEMENT

Particulars (In Rs. Mn.)	Q3 FY20	Q3 FY19	YoY %	9M FY20	9M FY19	YoY %
Revenue from Operations	5,193.6	4,273.9	21.5%	14,704.4	13,085.2	12.4%
Other Operating Income	229.2	515.5	-55.5%	610.5	1,003.6	-39.2%
Total Revenues	5,422.8	4,789.4	13.2%	15,314.9	14,088.8	8.7%
COGS	1,296.2	719.6	80.1%	3,225.5	2,512.8	28.4%
Employee Expenses	1,926.0	1,783.9	8.0%	5,611.8	5,101.9	10.0%
Other Expenses	947.0	958.5	-1.2%	2,572.1	2,648.9	-2.9%
EBITDA	1,253.6	1,327.4	-5.6%	3,905.5	3,825.2	2.1%
EBITDA Margin %	23.1%	27.7%	-460bps	25.5%	27.2%	-165bps
Other Income	88.4	133.7	-33.9%	232.7	340.2	-31.6%
Depreciation & Amortization	720.8	576.9	24.9%	2,093.4	1,692.9	23.7%
Finance Cost (Incl. Forex Impact)	114.4	139.6	-18.1%	422.1	439.0	-3.8%
PBT	506.8	744.6	-31.9%	1,622.7	2,033.5	-20.2%
Tax Expense	178.3	230.9	-22.8%	539.5	683.6	-21.1%
Current Tax	90.5	152.0	-40.5%	388.3	514.0	-24.5%
Deferred Tax	87.8	78.9	11.3%	151.2	169.6	-10.8%
% Tax Rate	35.2%	31.0%	417bps	33.2%	33.6%	-37bps
PAT	328.5	513.7	-36.1%	1,083.2	1,349.9	-19.8%
PAT Margin %	6.1%	10.7%	-467bps	7.1%	9.6%	-251bps
EPS	2.0	3.2	-36%	6.7	8.4	-20%

Q3 & 9M FY20 SEGMENT-WISE REVENUE ANALYSIS

In Rs Mn

Revenues – Segment wise Breakup	Q3 FY20	Q3 FY19	YoY%	9M FY20	9M FY19	YoY%
CRAMS (% of total)	77.5%	78.1%		76.5%	76.3%	
CRAMS – India	513.8	765.0	-32.8%	2,406.9	2,100.8	14.6%
CRAMS – CAAG+RIOM*	3313.5	2,368.4	39.9%	8,032.1	7,265.0	10.6%
CRAMS – UK	196.8	206.5	-4.7%	812.3	622.5	30.5%
CRAMS Total	4,024.1	3,339.9	20.5%	11,251.2	9,988.3	12.6%
Marketable Molecules (% of total)	22.5%	21.9%		23.5%	23.7%	
Carbogen Amcis BV**	577.1	671.4	-14.1%	1,849.2	1,899.2	-2.6%
Others#	592.5	262.6	125.6%	1,604.0	1,197.6	33.9%
Marketable Molecules Total	1,169.6	934.0	3.0%	3,453.3	3,096.8	11.5%
Grand Total	5,193.7	4,273.9	21.5%	14,704.5	13,085.1	12.4%

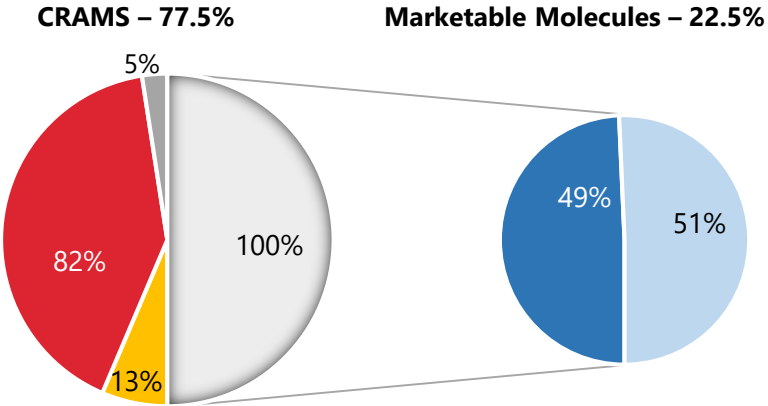
* CRAMS – CAAG+RIOM includes DCAL's Switzerland (Carbogen Amcis AG) and France (Riom) facilities

** Carbogen Amcis BV is Dishman Netherlands

Others includes Carbogen Amcis Shanghai

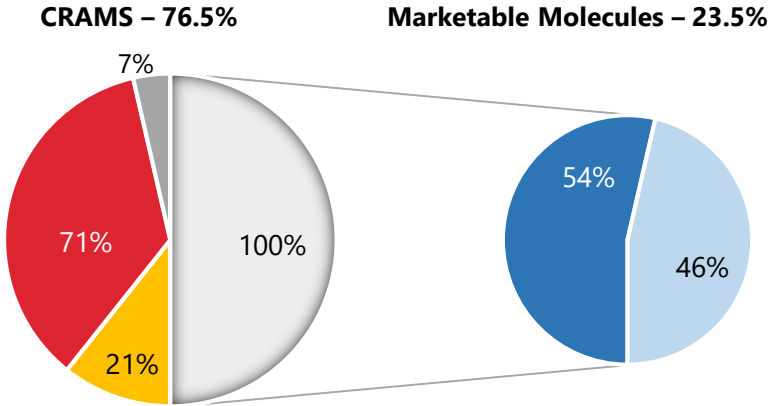
SEGMENT-WISE REVENUE BREAK-UP

Total Operating Revenue – Q3 FY20



- CRAMS - India
- CRAMS - CAAG+RIOM*
- CRAMS - UK
- Carbogen Amcis BV**
- Others#

Total Operating Revenue – 9M FY20



- CRAMS - India
- CRAMS - CAAG+RIOM*
- CRAMS - UK
- Carbogen Amcis BV**
- Others#

* 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

Q3 & 9M FY20 SEGMENT-WISE MARGIN ANALYSIS

EBITDA Margin % – Segment wise	Q3 FY20	Q3 FY19	9M FY20	9M FY19
CRAMS				
CRAMS – India	54.0%	59.6%	56.3%	58.3%
CRAMS – CAAG+RIOM*	21.5%	20.3%	20.3%	20.4%
CRAMS – UK	13.9%	32.0%	16.8%	26.1%
Marketable Molecules				
Carbogen Amcis BV**	31.1%	41.4%	33.8%	42.7%
Others#	9.2%	17.8%	10.1%	21.1%

* 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

Q3 & 9M FY20 RESULT HIGHLIGHTS

Financial Highlights:

- ❑ **Total Revenues increased by 13.2% YoY to Rs 5,422.8 mn in Q3 FY 2020.**
- ❖ CRAMS revenue grew by 20.5% YoY primarily due to :
 - ❖ CRAMS Carbogen Amcis AG revenue increased by 39.9 %, attributable to scheduled delivery of orders built up in Q2
 - ❖ CRAMS India revenue decreased by 32.8% YoY , higher supplies are expected to be delivered in Q4
 - ❖ CRAMS UK – revenue decreased by 4.7%
- ❑ **EBITDA Margin at 23.1% in Q3 FY 2019, affected by:**
 - ❑ Other operating income included INR 416.5 mil foreign exchange gain on hedging in Q3 FY19 vs INR 130.1 mil gain in Q3 FY20.
 - ❑ Lower sales in CRAMS India, CRAMS UK & Carbogen Amcis BV had an impact on margin
 - ❑ Higher contribution of cholesterol segment, which typically have lower margin vs Vitamin D analogues
- ❑ **Q3 FY20 Reported PBT at INR 506.8 mil, while the Adjusted PBT stands at Rs 727.9 mil**
- ❑ **Q3 FY20 Reported PAT at INR 328.5 mil, while the Adjusted PAT stands at Rs 509.5 mil**
- ❑ **Net debt currently stands at USD 108 mil vs USD 120 mil**
- ❑ **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



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% #

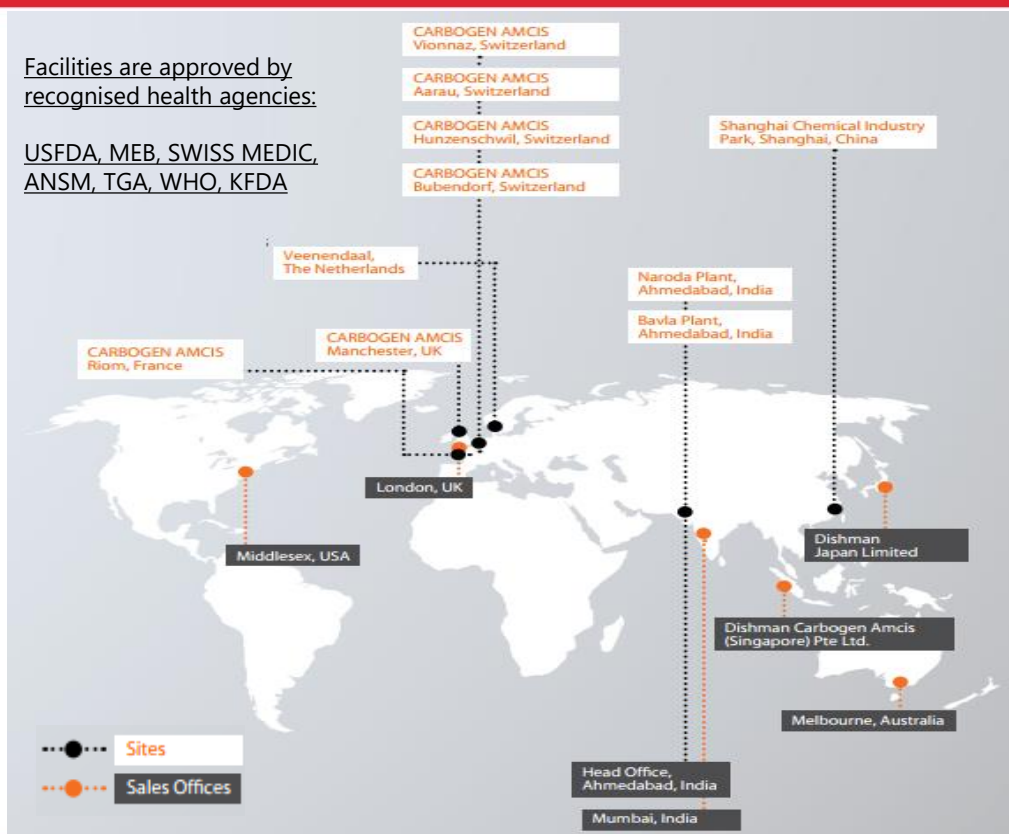
FY19 ROE = Adj. PAT / Average (Equity – Goodwill), Adj. PAT = Rs 2,781 Mn (adjusted to exclude merger impact)

* 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

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 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

Integrated CRAMS Player – Strong Capabilities across the Value Chain

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

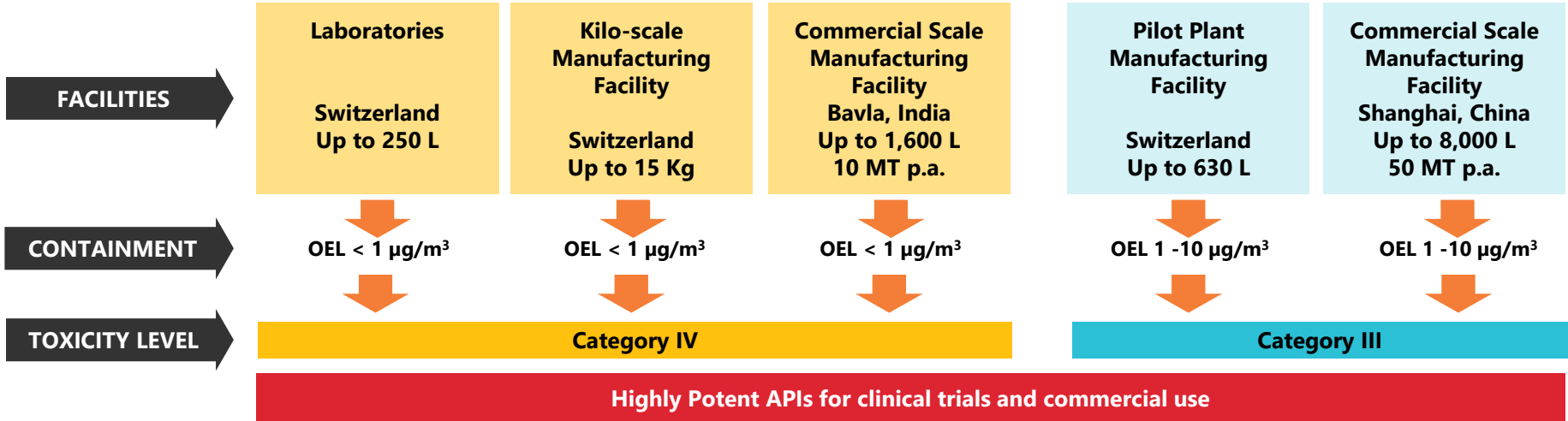
**Dishman India
Strong Manufacturing Capabilities**

- 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



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 net assets.
- This goodwill will be amortized over the period of 15 years starting from the Appointed Date of 1st January 2015.

Goodwill acquired on amalgamation represents values attributable to intangible assets such as developed technology, licenses and certifications, customer relationships, assembled workforce, global management team, etc. This amounted to Rs. 1327 crores as on Jan 1, 2015, valued by external valuer, which is the goodwill appearing on both standalone and consolidated financial statements. The rest of the goodwill on consolidated balance sheet is on account of revaluation of investments in the subsidiaries and resultant consolidation of these subsidiaries.

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



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%

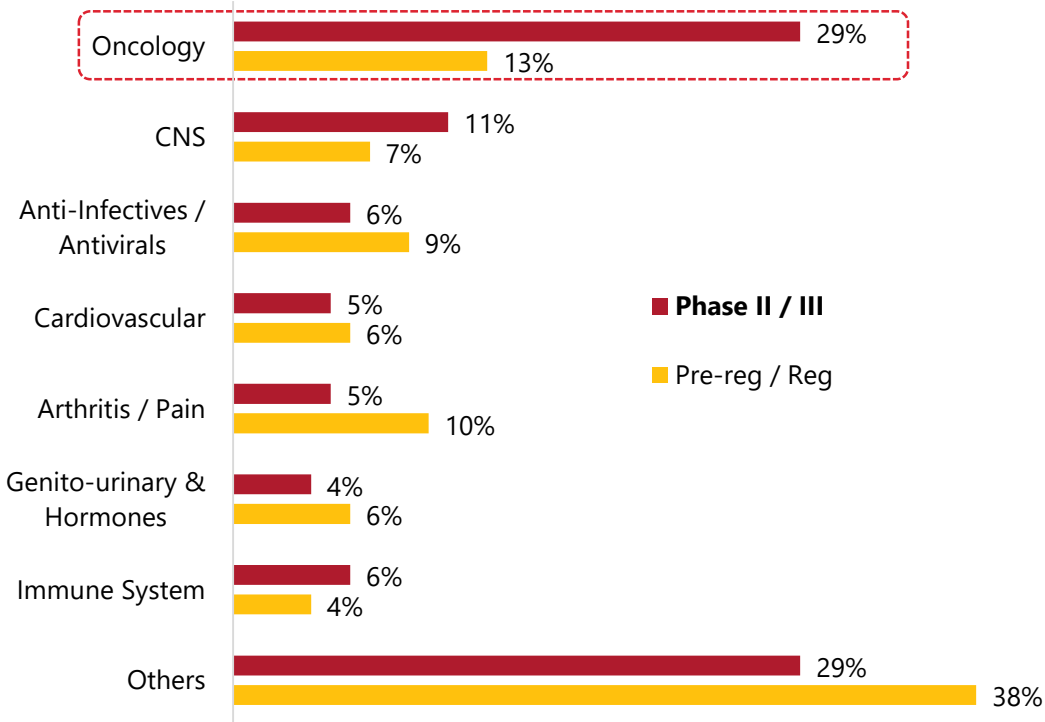
- Oncology is expected to be the most critical therapeutic segment driving the global spend on medicine in future.
- Growth in Oncology is led by a constant upsurge of the immune-oncology treatment which drastically improves outcomes and resistance for patients.
- Global Spend on Medicine by Developed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

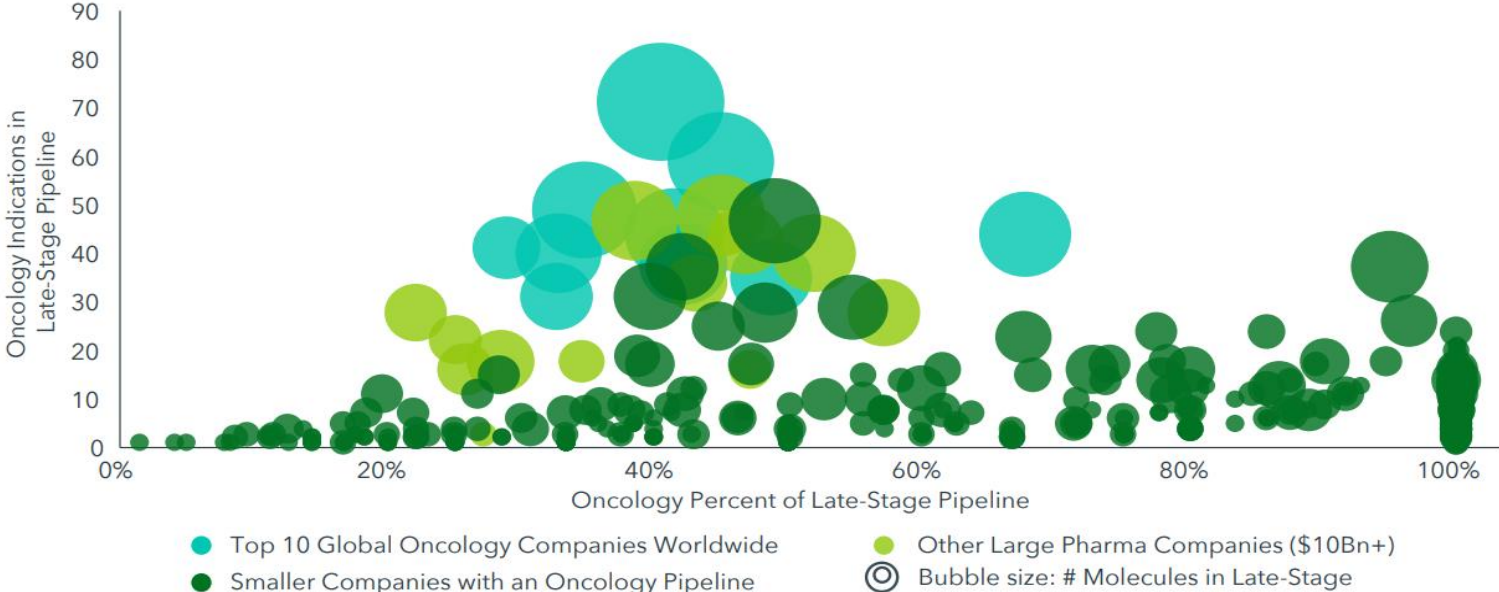


- Oncology has become one of the major focus areas for pharmaceutical and biotechnology companies.
- Around 29% of the Phase II / III clinical trials are in the Oncology segment.
- Oncology (cancer treatment) requires highly potent drugs which are highly effective at much smaller dosages and have the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



ENERGISE YOUR
SCIENCE FOR LIFE

FOR FURTHER QUERIES:



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