

Fermenta Biotech Limited

COMPANY BACKGROUND.....

- 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 six decades FBL has evolved as a key global player in manufacturing of Vitamin D3 in all its formats.
- The company is also involved in manufacturing of Active Pharmaceutical Ingredients (APIs) for muscle relaxant and anti-flatulent applications.
- FBL delivers innovative enzymes used in manufacturing of antibiotics and is involved in environmental solutions used for waste water treatment and management.

BUSINESS MIX (FY22).....

- **Vitamin D3 (59%):** FBL is a leader in manufacturing Vitamin D3, and has the distinction of being the only organization in India to manufacture Vitamin D3. The company has a Non-China dependent supply chain.
- **Other APIs (14%):** FBL is a trusted and reliable source of Phenylramidol HCl (muscle relaxant) & Silicon Powder (anti-flatulent) APIs. In addition, the company produces immobilising enzymes that are used in the production of antibiotics, as well as enzymes for water treatment and management.
- **Fish Oil Cholesterol (9%):** As an extension to its product portfolio, FBL has started manufacturing cholesterol from fish oil for applications in the aquaculture market (specifically the shrimp feed segment), which was commercialised in FY21
- **Real Estate (18%):** The company holds properties in Worli, Thane and Pune

KEY STRENGTHS.....

- The only manufacturer of Vitamin D3 in India with 50 years of manufacturing experience
- Among the top 3 manufacturer 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 (FFRM)
- DSIR approved R&D facility
- Big 4 Statutory Auditor with Deloitte
- 350+ clients across the globe
- Backward integrated
- High Return Ratios

FINANCIAL HIGHLIGHTS (CONSOLIDATED).....

(INR Mn)	Operational Income	EBITDA	EBITDA%	PAT	PAT%	EPS
FY20	2,929	652	22.26%	595	20.31%	20.53
FY21	3,773	817	21.65%	455	12.06%	15.69
FY22	3,958	614	15.41%	154	3.74%	5.33
FY23	3,499	179	5.12%	(515)	NA	(17.85)

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

Key Data

BSE Code	506414
NSE Code	NA
Reuters	FERM.BO
Bloomberg	FERMENTA:IN

Market Data (INR) as on 31th March, 2022

Face Value	1.00
CMP	173.70
52 Week H/L	320.00/171.00
MCAP (Mn)	5112.16
Shares O/S (Mn)	29.4
1 Yr Avg. Vol. ('000)	15.58

Performance as on 31th March, 2022

	3M	6M	12M
FBL	(38.4)%	(49.1)%	(47.8)%
SENSEX	-3.1%	2.8%	0.8%
BSE SMALLCAP	(7.0)%	(5.2)%	(4.8)%

Shareholding Pattern as on 31th March, 2022

Promoters	59.58%
Public	38.47%
Non-Promoter - Non-Public	1.95%

BUSINESS SEGMENTS

Vitamin D3

- FBL is a leader in manufacturing Vitamin D3, and has the distinction of being the only organization in India to manufacture Vitamin D3.
- The company has a Non-China dependent supply chain.
- It manufactures Vitamin D3 for various applications (human and veterinary healthcare, animal feed).
- Superior quality and cost effectiveness from backward integrated manufacturing operations
- Products and manufacturing facilities certified by various global health regulatory like US-FDA (FFRM), American Vegetarian Association, FAMI-QS, WHO-GMP etc.
- One of three CEP-certified companies worldwide
- Use of proprietary technology to manufacture Vitamin D3 API
- 55+ years of experience and the proficiency in manufacturing Vitamin D3 with a base of over 350+ customers

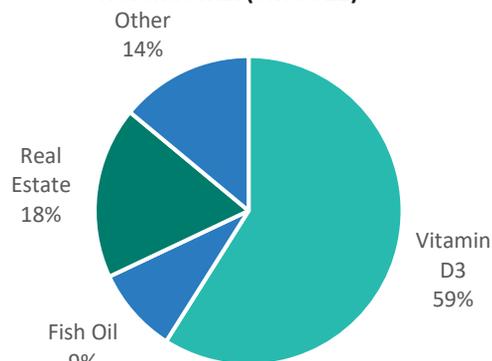
Other APIs

- **APIs** – For over 25 years, the Company is a trusted and reliable source of Phenyramidol HCl (muscle relaxant) & Silicon Powder (anti-flatulent) APIs.
- **Biotechnology** – FBL is a pioneering developer of immobilized enzyme catalysts which has transformed the way the antibiotics are manufactured.
- **Environmental Solutions** – FBL's Environmental Solutions provide unique advantages in waste water treatment and management through integrated biotechnology.

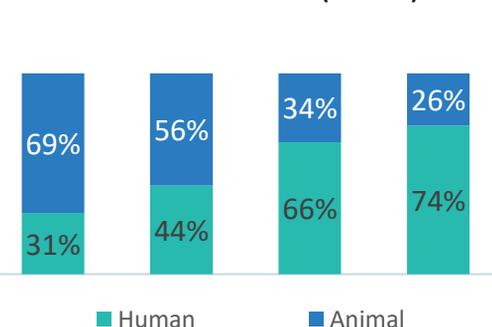
Real Estate

- ~10,000 sq. ft. leased area at Worli, Mumbai
- 6 Acres of freehold land at Thane One
- Approximate market value of real estate is ~INR 500 Cr
- Real estate lease rentals help sufficiently service the real estate debt

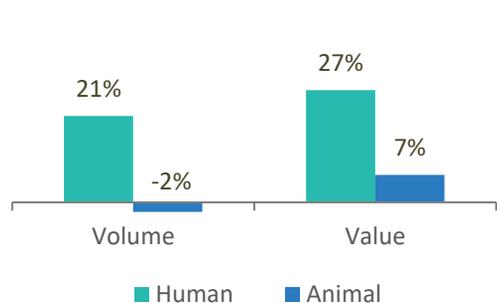
Revenue Mix (9M-FY22)



Vitamin D3 Revenue (INR Mn)



CAGR Growth FY15 to FY22



GROWTH DRIVERS.....

- Strong manufacturing capabilities with enhanced capacity utilizations to meet Y-o-Y production targets
- Enhancing control and reduced dependence by backward integration
- Sales footprint in 60+ countries spread across the globe
- Expanding into value added formats of vitamins like A, E, D2, manufacturing Vitamin K and further focus on development of smart minerals, novel anti-oxidants, pre and pro-biotics, customized premixes etc.
- Setting up plant at Sayakha, Gujarat for enhancing nutraceutical portfolio.
- Increased prescription market for Vitamin D3 formulations

PEER COMPARISON (TRAILING 12 MONTHS) INR MN.....

Company (INR Mn)	Operational Income	EBITDA	EBITDA%	PAT	PAT%	Market Cap
Fermenta Biotech	3500	181	5.2%	(515)	NA	3,148
Dishman	24129.5	3322	13.8%	(298)	NA	19,550
Advanced Enzyme	5406.12	1563.9	28.9%	1039	19.2%	25,904
Zydus Life Science	174751	38599	22.1%	19603	11.2%	4,97,498
Camlin	16815	1954	11.6%	399	2.4%	77,211

INCOME STATEMENT (CONSOLIDATED)

PARTICULARS (INR Mn)	9M-FY23	FY20	FY21	FY22
Operational Revenue	3,499	2,929	3,773	3,985
Total Expenses	3,320	2,277	2,956	3,371
Operational EBITDA	179	652	817	614
Operational EBITDA Margin (%)	5.12%	22.26%	21.65%	15.41%
Other Income	77	123	82	81
Depreciation	282	150	203	255
Finance Cost	208	191	180	171
Profit/ Loss Before Tax and Exceptional Items	(234)	434	516	269
Exceptional Items	(285)	-	-	-
Tax	17	(161)	91	119
Non-controlling interests	21	-	30	3
PAT	(515)	595	455	154
PAT Margins (%)	NA	20.31%	12.06%	3.74%
Other Comprehensive Income	(15)	17	(2)	6
Total Comprehensive Income	(530)	612	423	157
Diluted EPS (INR)	(17.85)	20.53	15.69	5.33

BALANCE SHEET (CONSOLIDATED)

PARTICULARS (INR Mn)	FY23	FY22	FY21	PARTICULARS (INR Mn)	FY23	FY22	FY21
Equity	3,119	3,714	3,603	Assets			
a) Equity share capital	144	144	144	Non-current Assets	3,828	3,928	3,775
b) Other equity	3,002	3,577	3,462	a) Property, plant and equipment	2,048	1,935	1,539
c) Non-controlling interests	(27)	(7)	(3)	b) Capital work-in-progress	419	299	527
Liabilities				c) Right of use assets	117	139	129
Non-current liabilities	1,152	1,283	1,175	d) Investment property	287	673	687
a) Financial liabilities				e) Goodwill	115	109	107
i) Borrowings	836	1,147	1,105	f) Other intangible assets	102	129	168
ii) Lease liabilities	20	20	17	g) Intangible assets under development	31	47	42
iii) Other financial liabilities	11	7	5	h) Financial assets			
b) Provisions	46	56	45	i) Investments	3	3	3
c) Other non-current liabilities	239	52	3	ii) Loans	2	-	-
Current Liabilities	2,087	2,071	2,093	iii) Others financial assets	210	67	22
a) Financial liabilities				i) Deferred tax assets (Net)	333	360	403
i) Borrowings	1,333	1,214	1,188	j) Non-current tax assets (Net)	97	132	113
ii) Lease liabilities	7	11	12	k) Other non-current assets	64	35	35
ii) Trade payables	458	646	621	Current Assets	2,530	3,140	3,096
iii) Other financial liabilities	91	128	184	a) Inventories	1,302	1,595	1,623
b) Provisions	26	10	7	b) Financial assets			
c) Other current liabilities	168	59	77	i) Trade receivables	417	871	680
d) Current tax liabilities (Net)	3	3	3	ii) Cash and cash equivalents	353	130	168
e) Contract Liability	1	-	-	iii) Bank balances other than (iii) above	230	206	277
TOTAL EQUITY AND LIABILITIES	6,358	7,068	6,871	iv) Investments	28	-	-
				v) Loans	10	-	48
				vi) Other financial assets	3	3	35
				c) Other current assets	155	335	265
				d) Contract Assets	32	-	-
				TOTAL ASSETS	6,358	7,068	6,871

INVESTOR RELATIONS TEAM AT VALOREM ADVISORS

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