

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 (FY23).....

- **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
FY21	3,773	817	21.65%	455	12.06%	15.69
FY22	3,985	614	15.41%	154	3.86%	5.33
FY23	3,499	179	5.12%	(515)	NA	(17.85)
9M-FY24	2,383	222	9.32%	(169)	NA	(5.59)

Key Data

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

Market Data (INR) as on 31 Dec, 2023

Face Value	5.00
CMP	161.6
52 Week H/L	216.00/103.30
MCAP (Mn)	4756.00
Shares O/S (Mn)	29.4
1 Yr Avg. Vol. ('000)	10.46

Performance as on 31 Dec, 2023

	3M	6M	12M
FBL	2.92%	16.25%	(6.96)%
SENSEX	9.7%	11.4%	18.6%
BSE SMALLCAP	13.2%	30.5%	47.2%

Shareholding Pattern as on 31 Dec, 2023

Promoters	62.06%
Public	36.05%
Non-Promoter - Non-Public	1.89%

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 Phenylamidol 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

- 45 Acres of freehold land at Takawe, Pune
- ~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

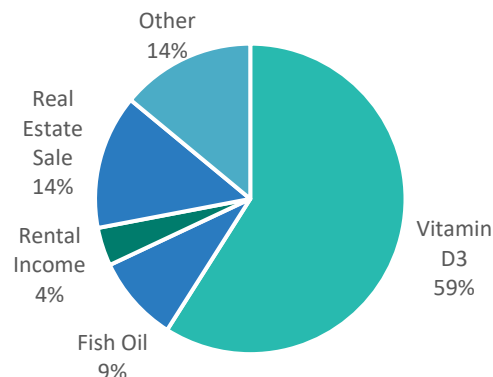
GROWTH DRIVERS.....

- 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

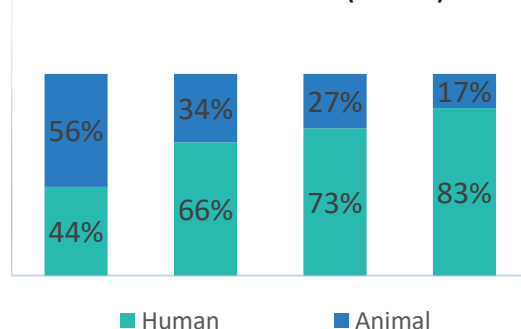
PEER COMPARISON (TRAILING 12 MONTHS) INR MN.....

Company (INR Mn)	Operational Income	EBITDA	EBITDA%	PAT	PAT%	Market Cap
Fermenta Biotech	2,995	64	2.0%	(675)	NA	4,756
Dishman	25,796	2,768	10.7%	(1,609)	NA	26,779
Advanced Enzyme	6,047	1,810.9	29.9%	1,392	23.0%	41,962
Zyudus Life Science	1,89,140	48,992	25.9%	30,000	15.8%	6,97,460
Camlin	16,379	1,309	8.0%	(196)	NA	22,749

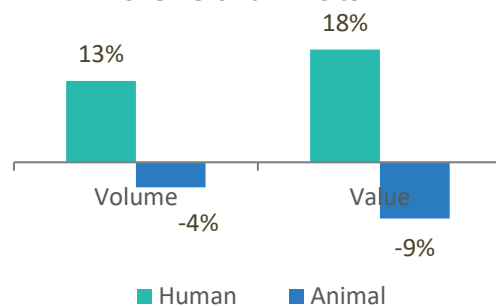
Revenue Mix (FY23)



Vitamin D3 Revenue (INR Mn)



CAGR Growth FY15 to FY22



INCOME STATEMENT (CONSOLIDATED)

PARTICULARS (INR Mn)	9M-FY24	FY23	FY22	FY21
Operational Revenue	2,383	3,499	3,985	3,773
Total Expenses	2,161	3,320	3,371	2,956
Operational EBITDA	222	179	614	817
Operational EBITDA Margin (%)	9.32%	5.12%	15.41%	21.65%
Other Income	64	77	81	82
Depreciation	183	282	255	203
Finance Cost	137	208	171	180
Profit/ Loss Before Tax and Exceptional Items	(34)	(234)	269	516
Exceptional Items	(74)	(285)	-	-
Tax	61	17	118	91
PAT	(169)	(515)	154	455
PAT Margins (%)	NA	NA	3.86%	12.06%
Other Comprehensive Income	(11)	(15)	7	(2)
Total Comprehensive Income	(180)	(530)	161	423
Diluted EPS (INR)	(5.59)	(17.85)	5.33	15.69

BALANCE SHEET (CONSOLIDATED)

PARTICULARS (INR Mn)	H1-FY24	FY23	FY22	PARTICULARS (INR Mn)	H1-FY24	FY23	FY22
Equity	2,830	3,119	3,714	Assets			
a) Equity share capital	144	144	144	Non-current Assets	3,561	3,828	3,928
b) Other equity	2,722	3,002	3,577	a) Property, plant and equipment	1,976	2,048	1,935
c) Non-controlling interests	(36)	(27)	(7)	b) Capital work-in-progress	488	419	299
Liabilities				c) Right of use assets	111	117	139
Non-current liabilities	872	1,152	1,283	d) Investment property	139	287	673
a) Financial liabilities				e) Goodwill	41	115	109
i) Borrowings	534	836	1,147	f) Other intangible assets	81	102	129
ii) Lease liabilities	17	20	20	g) Intangible assets under development	31	31	47
iii) Other financial liabilities	13	11	7	h) Financial assets			
b) Provisions	47	46	56	i) Investments	4	3	3
c) Other non-current liabilities	261	239	52	ii) Loans	3	2	-
Current Liabilities	2,244	2,087	2,071	iii) Others financial assets	216	210	67
a) Financial liabilities				i) Deferred tax assets (Net)	333	333	360
i) Borrowings	1,163	1,333	1,214	j) Non-current tax assets (Net)	120	97	132
ii) Lease liabilities	2	7	11	k) Other non-current assets	18	64	35
ii) Trade payables	732	458	646	Current Assets	2,385	2,530	3,140
iii) Other financial liabilities	118	91	128	a) Inventories	1,083	1,302	1,595
b) Provisions	9	26	10	b) Financial assets			
c) Other current liabilities	217	168	59	i) Trade receivables	484	417	871
d) Current tax liabilities (Net)	3	-	3	ii) Cash and cash equivalents	94	353	130
e) Contract Liability	0	-	-	iii) Bank balances other than (iii) above	456	230	206
TOTAL EQUITY AND LIABILITIES	5,946	7,068	6,871	iv) Investments	-	28	-
				v) Loans	47	10	-
				vi) Other financial assets	12	3	3
				c) Other current assets	194	155	335
				d) Contract Assets	15	32	-
				TOTAL ASSETS	5,946	6,358	7,068

INVESTOR RELATIONS TEAM AT VALOREM ADVISORS

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