
TORRENT PHARMACEUTICALS LTD.

Investor Presentation

Q3 FY 2013

Caveat

This information may contain certain forward-looking statements/ details in the current scenario, which is extremely dynamic and increasingly fraught with risks and uncertainties. Actual results, performances, achievements or sequence of events may be materially different from the views expressed herein. Investors/shareholders/public are hence cautioned not to place undue reliance on these statements/ details, and are advised to conduct their own investigation and analysis of the information contained or referred to in this section before taking any action with regard to their own specific objectives. Further, the discussion following herein reflects the perceptions on major issues as on date and the opinions expressed here are subject to change without notice. The Company undertakes no obligation to publicly update or revise any of the opinions or forward-looking statements expressed in this section, consequent to new information, future events or otherwise.

Contents

1. Performance Highlights
2. Financials
3. Business Segments
 - India
 - International
4. Facilities – Expansion Plan

Q3 FY13 Highlights

- Revenues at ` 798 Cr vs. ` 695 Cr, growing at 15%
 - Domestic revenue growth of 13%
 - International operations growing at 17%
 - US & ROW markets key contributors to growth of international operations
 - Brazil revenue degrowth of 3% on account of:
 - Currency movements; adjusting for which revenue growing at 4%
- PBT grows by 38% to ` 143 Cr vs. ` 104 Cr.
- Company declares interim dividend of 120%, rs. 6 per share

Financials

Revenue Progression

Cr

Particulars	Q3 12 - 13	Q3 11 - 12	YTD 12 - 13	YTD 11 - 12	11-12	10-11
India	258	229	807	711	909	834
<i>Gwth %</i>	<i>13%</i>		<i>14%</i>		<i>9%</i>	
International	449	393	1,306	1,092	1,478	1,122
<i>Gwth %</i>	<i>14%</i>		<i>20%</i>		<i>32%</i>	
Brazil	117	120	368	352	477	355
Europe (incl Heumann)	156	144	440	410	542	449
USA	92	64	263	159	216	114
ROW + ROIS	78	60	217	160	227	197
Contract Manufacturing	75	71	204	216	296	238
<i>Gwth %</i>	<i>6%</i>		<i>-5%</i>		<i>24%</i>	
Other	16	2	25	3	13	3
Total Revenues	798	694	2,342	2,022	2,696	2,197
<i>Gwth %</i>	<i>15%</i>		<i>16%</i>		<i>23%</i>	

P&L

Cr

Particulars	Q3 12 - 13	Q3 11 - 12	YTD 12 - 13	YTD 11 - 12	11-12	10-11
Revenues	798	695	2,342	2,022	2,696	2,198
Cogs	247	222	684	640	863	697
% Revenues	31%	32%	29%	32%	32%	32%
SG&A Spend	247	199	695	558	778	673
% Revenues	31%	29%	30%	28%	29%	31%
Employee Cost	154	134	462	389	534	440
% Revenues	19%	19%	20%	19%	20%	20%
EBITDA	150	140	500	434	522	388
% Revenues	19%	20%	21%	21%	19%	18%
Forex Gain / (Loss)	11	(18)	(28)	(18)	(21)	22
% Revenues	1%	-3%	-1%	-1%	-1%	1%
Depreciation	20	20	61	60	82	63
% Revenues	3%	3%	3%	3%	3%	3%
PBT	143	104	423	357	424	342
% Revenues	18%	15%	18%	18%	13%	16%
Tax	31	20	99	70	72	72
% PBT	22%	19%	23%	20%	17%	21%
PAT	112	83	321	286	284	270
% Revenues	14%	12%	14%	14%	11%	12%

Balance Sheet

Cr

Particulars	31-Mar-12	%	31-Dec-12	%	Δ
EQUITY AND LIABILITIES					
Shareholders' Funds	1,194	70%	1,529	74%	335
Minority Interest	4	0%	0	0%	(3)
Non-current liabilities	513	30%	543	26%	30
TOTAL	1,711	100%	2,072	100%	362
ASSETS					
Net Fixed Assets	916	54%	1,059	51%	143
Investments	124	7%	89	4%	(35)
Loans & Advances	118	7%	120	6%	2
Other Non-Current assets	72	4%	40	2%	(32)
Current Assets	1,170	68%	1,589	77%	419
Inventories	532	31%	829	40%	297
Trade receivables	523	31%	625	30%	102
Other Current Assets	115	7%	135	7%	20
Less: Current liabilities	1,363	80%	1,403	68%	41
Short-term borrowings	138	8%	51	2%	(87)
Trade payables	863	50%	973	47%	110
Other Current liabilities	361	21%	379	18%	18
Net Current Assets	(193)	-11%	186	9%	379
Cash and cash equivalents	674	39%	578	28%	(96)
TOTAL	1,711	100%	2,072	100%	362

Business Segments

India

Highlights & Growth Drivers

India	Q3 12 - 13	Q3 11 - 12	YTD 12 - 13	YTD 11 - 12	11 - 12	10 - 11
Revenues	258	229	807	711	909	834
%Growth	13%		14%		9%	

• Q3 FY 13 Highlights

- MAT Nov 12 ~ IPM growth 12%; Covered market growth 15%; Torrent growth; 14%.

- Acute therapy growth (IPM: 11%;CM: 16%; Torrent 16%)

• Growth drivers

- Consolidate entry into newer geographies and therapeutic areas
- Brand Building by focusing on the Brands through Divisionalisation
- New Product Introductions including filling of Portfolio Gaps

Business Segments

International Operations

Highlights & Growth Drivers

Brazil	Q3 12 - 13	Q3 11 - 12	YTD 12 - 13	YTD 11 - 12	11-12	10-11
Revenues	117	120	368	352	477	355
%Growth	-3%		5%		34%	

• Q3 FY 13 Highlights

- Reai growth 4%; volume growth 3%; New Introductions 1%.
- IMS QTR (Sep- Nov) ; Torrent growing at 7% vs. Covered Market growth of 21%.
 - Excluding Losartan & Metformin which are part of Government program covered market growing at 6%.
- IMS MAT NOV'12 ; Torrent growing at 11% vs. Covered Market growth of 28%.
 - Excluding Losartan & Metformin which are part of Government program covered market growing at 11%.

• Growth Drivers

- Existing Products & Introduction of new products

Highlights & Growth Drivers

USA	Q3 12 - 13	Q3 11 - 12	YTD 12 - 13	YTD 11 - 12	11-12	10-11
Revenues	92	64	263	159	216	114
% Growth	44%		65%		89%	

- Q3 FY 13 Highlights

- Revenue growth of 35% on constant currency basis
- 2 ANDAs approved & 1 ANDA filled during the quarter.
- 41 ANDAs & 24 DMFs approved till date (28 actively marketed, 7 under patent & 6 under cost improvement), 24 ANDAs pending approval
- 18 ANDA's / 8 DMF's under development
- Received out licensing fees of USD 1 million during the quarter

- Growth Drivers

- New product introductions to drive growth.
- 3 to 4 launches expected in Q4

Highlights & Growth Drivers

Europe + Heumann	Q3 12 - 13	Q3 11 - 12	YTD 12 - 13	YTD 11 - 12	11-12	10-11
Revenues	156	144	440	410	542	449
%Growth	8%		7%		16%	

Q3 FY 13 Highlights

- Euro sales growth of 6%
- UK & Romania progressing as per expectations

Growth Drivers

- Heumann successful in winning tenders continuously
- New Products going off patent and Therapy coverage expansion in Heumann
- Growing product pipelines through Product Development & New product

launches for dossier out licensing business.

Highlights & Growth Drivers

ROW/RCIS	Q3 12-13	Q3 11-12	YTD 12-13	YTD 11-12	11-12	10-11
Revenues	78	60	217	160	227	197
%Growth	30%		36%		16%	

- Q3 FY13 Highlights

- Revenue growth of 22% on constant currency basis.

- Growth Drivers

- Middle East/ Africa Region Delivering the growth being an upcoming market
- Continuous registration of new products from the Middle East & South East Asia and other ROW markets

Facilities – Expansion Plan

Facilities – Expansion Plan

Dahej SEZ

- **Nature:** Formulation & API Capacity Enhancement
- **Project Cost:** ` 1000 crores
- **Planned capacities:** 80 TPA plus 14,000 million tablets / capsules p.a.
- **Timelines for completion:**
 - **Phase I:** Project cost of ` 600 crores, First Regulatory Approval: Q1'14-15
 - **Phase II:** Project cost of ` 400 crores, Completion : Q1'16-17
- **Justification:**
 - With growing volumes in US / EU, API + Formulation capacity constraint is anticipated in 2-3 years.

Thank You