
TORRENT PHARMACEUTICALS LTD

Investor Presentation

Q1 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.

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Q1 FY13 Highlights

- Revenues at ` 7,669 Mn vs. ` 6,422 Mn.
 - Revenue growth of 19% on the back of robust growth from International operations
 - International sales boosted by US and Brazil operations.
- PBT grows by 7% to ` 1404 Mn vs. ` 1313 Mn.
 - Adjusted for cut off sales in Brazil in corresponding quarter last year
PBT grows by 26%
 - Improved performance in US and Domestic operations improving margins.

Financials

Revenue Progression

Mn

Particulars	Q1 12 - 13	Q1 11 - 12	11 - 12	10 - 11
India	2778	2448	9091	8344
<i>Gwth %</i>	13%		9%	
International	4,212	3,160	14,783	11,219
<i>Gwth %</i>	33%		32%	
Brazil	1355	1074	4769	3551
Mexico	48	28	158	61
Germany (Heumann)	783	834	3490	3016
USA	789	419	2162	1143
Europe (excl Heumann)	532	383	1931	1476
Rest of World	492	309	1571	1353
Russia & CIS	213	113	702	620
Contract Manufacturing	639	794	2959	2380
<i>Gwth %</i>	-20%		24%	
Other	40	19	128	28
Total Revenues	7,669	6,422	26,961	21,971
<i>Gwth %</i>	19%		23%	

P&L

Mn

Particulars	Q 1 1 2 - 1 3	Q 1 1 1 - 1 2	1 1 - 1 2	1 0 - 1 1
Revenues	7,669	6,422	26,959	21,978
Cogs	2,200	1,959	8,631	6,965
% Revenues	29%	31%	32%	32%
SG&A Spend	2,132	1,702	7,775	6,730
% Revenues	28%	26%	29%	31%
Employee Cost	1,531	1,259	5,337	4,404
% Revenues	20%	20%	20%	20%
EBITDA	1,807	1,503	5,216	3,878
% Revenues	24%	23%	19%	18%
Forex Gain / (Loss)	(247)	30	(209)	216
% Revenues	-3%	0%	-1%	1%
Depreciation	201	202	817	626
% Revenues	3%	3%	3%	3%
PBT	1,404	1,313	4,240	3,423
% Revenues	18%	20%	13%	16%
Tax	374	287	723	722
% PBT	27%	22%	17%	21%
PAT	1,019	1,025	2,840	2,702
% Revenues	13%	16%	11%	12%

Balance Sheet

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Particulars	31-Mar-12	%	30-Jun-12	%	Δ
EQUITY AND LIABILITIES					
Shareholders' Funds	11,938	65%	12,533	65%	595
Non-current liabilities	1,913	10%	1,945	10%	32
Loan Funds	4,602	25%	4,905	25%	304
Minority Interest	35	0%	46	0%	11
TOTAL	18,488	100%	19,430	100%	942
ASSETS					
Net Fixed Assets	9,156	50%	9,446	49%	290
Long Term Investments	375	2%	375	2%	-
Other non-current assets	1,333	7%	1,249	6%	(83)
WORKING CAPITAL:					
Inventories	5,316	29%	6,255	32%	940
Trade receivables	5,228	28%	5,425	28%	197
Other Current Assets	1,155	6%	1,704	9%	549
Loans & Advances	565	3%	735	4%	170
Less: Current Liab. & Prov.	12,247	66%	14,695	76%	2,447
NET CURRENT ASSETS	16	0%	(575)	-3%	(591)
Cash, Bank & Current Investments	7,608	41%	8,935	46%	1,327
TOTAL	18,488	100%	19,430	100%	942

Business Segments

India

Highlights & Growth Drivers

India	Q1 12 - 13	Q1 11 - 12	11 - 12	10 - 11
Revenues	2778	2448	9091	8344
% Growth	13%		9%	

• Q1 FY 13 Highlights

- IPM growth 11.8% Covered market growth 15.3%, Torrent growth 13.5%
 - Growth Gap mainly from Acute Therapy (CM: 13.9%, Torrent 11.9%, Internal 8%)

• Growth drivers

- Consolidate entry into newer geographies and therapeutic areas
- Brand building thru increased specialty coverage & creeping expansion in Customer Base
- New Product Introductions including filling of Portfolio Gaps

Business Segments

International Operations

Highlights & Growth Drivers

International	Q1 12 - 13	Q1 11 - 12	11-12	10-11
Revenues	4,212	3,160	14,783	11,219
% Growth	33%		32%	

- Q1 FY 13 Highlights

- Adjusting for cut off sales of Brazil in previous year, International revenue grows by 45%
- US and Brazilian business major contributors of growth during the quarter

- Growth drivers

- New product introductions in key geographies of Brazil, Europe, Heumann & US
- Increasing global foot print by entering into newer geographies viz: Thailand, UK, Romania, Malaysia.

Highlights & Growth Drivers

Brazil	Q1 12 - 13	Q1 11 - 12	11-12	10-11
Revenues	1355	1074	4769	3551
% Growth	26%		34%	

• Q1 FY 13 Highlights

- Real growth of 28 % with volumes growing 17%, New Introductions 9%, Price growth 2%.
- QTR (Mar- May) ~ Torrent growing at 12% vs. Covered Market growth of 28%

• Growth Drivers

- Existing Products & Introduction of new products (25-30 new launches by 2014-15)

Highlights & Growth Drivers

USA	Q1 12 - 13	Q1 11 - 12	11-12	10-11
Revenues	789	419	2162	1143
% Growth	88%		89%	

- Q1 FY 13 Highlights

- 38 ANDA's & 23 DMF's approved till date (19 actively marketed, 8 under patent & 6 under cost improvement), 26 ANDAs (pending for approval)
- 18 ANDA's / 8 DMF's under development
- US business showing profits during the quarter

- Growth Drivers

- 16 ANDA's & 8 DMF's under development

Highlights & Growth Drivers

Germany (Heumann)	Q 1 1 2 - 1 3	Q 1 1 1 - 1 2	1 1 - 1 2	1 0 - 1 1
Revenues	7 8 3	8 3 4	3 4 9 0	3 0 1 6
% Growth	- 6 %		1 6 %	

- Q1 FY 13 Highlights

- Euro sales de growth of 9%

- Growth Drivers

- Heumann successful in winning tenders
- New Products going off patent and Therapy coverage expansion
- Shift of manufacturing base to India to boost competitiveness in bidding

Highlights & Growth Drivers

Mn

Europe (inc UK & Romania)	Q1 12 - 13	Q1 11 - 12	11-12	10-11
Revenues	532	383	1931	1476
% Growth	39%		31%	

- Q1 FY 13 Highlights

- Dossier business revenue growth of 11%, Euro sales growth of 8%

- Growth Drivers

- New Product Pipeline – 30 products till 2014-15

- Increasing geographical through direct field force presence in Romania and UK in the immediate term.

ROW

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Highlights & Growth Drivers

ROW	Q1 12 - 13	Q1 11 - 12	11-12	10-11
Revenues	492	309	1571	1353
% Growth	59%		16%	

- Q1 FY13 Highlights

- Adjusted for currency movements top line grew by 33%

- Growth Drivers

- Entry into semi-regulated markets like Thailand (Market Size of over USD 2 bio)
- Increased focus on existing territories with direct field force presence viz Philippines
- Scale up of operations in regulated markets like Australia & semi-regulated markets like South Africa.

Highlights & Growth Drivers

Mexico	Q1 12 - 13	Q1 11 - 12	11-12	10-11
Revenues	48	28	158	61
% Growth	72%		158%	

• Q1 FY 13 Highlights

- Growth in Mexican Peso 66%
- Actively marketing 5 molecules in CNS
- Field force of 35 people covering 70% of Mexican covered market.

• Growth Drivers

- Portfolio to grow to 30 products in 4 years with field force of 200 people

Facilities – Expansion Plan

Facilities – Expansion Plan

Dahej SEZ

- **Nature:** Formulation & API Capacity Enhancement
- **Project Cost:** ` 800 crores
- **Planned capacities:** 50 TPA plus 11,000 million tablets / capsules p.a.
- **Timelines for completion:**
 - **Phase I:** Project cost of ` 500 crores, commissioning in July 2014
 - **Phase II:** Project cost of ` 300 crores, commissioning in FY 2016-17
- **Justification:**
 - With growing volumes in US / EU, API + Formulation capacity constraint is anticipated in 2-3 years.

Thank You