

Torrent Pharma announces Q2 FY21 results

EBITDA grows by 12% driven by recovery in India and productivity gains

Revenues & profitability:

- Revenues at Rs. 2,017 crores were up by 1%
- Gross margins were at 73% and EBITDA margins were at 32%
- EBITDA at Rs. 641 crores was up 12%
- Net profit at Rs. 310 crores was up 27%

Performance summary:

Results	Q2 FY21		Q2 FY20		YoY%	H1 FY21		H1 FY20		YoY%
	Rs cr	%	Rs cr	%		Rs cr	%	Rs cr	%	
Revenues	2,017		2,005		1%	4,073		4,027		1%
Gross profit	1,463	73%	1,467	73%	0%	2,984	73%	2,930	73%	2%
EBITDA	641	32%	573	29%	12%	1,304	32%	1,131	28%	15%
PAT	310	15%	244	12%	27%	631	15%	460	11%	37%
R&D spend	119	6%	130	6%	-8%	227	6%	266	7%	-15%

India:

- India revenues at Rs 963 crores grew by 7% versus the IPM growth of 1% for the quarter as per AIOCD
- Sub-chronic and acute segments witnessed gradual recovery during the quarter while chronic momentum continued
- Field Force productivity (PCPM) for the quarter was Rs 8 lakhs with an MR strength of 4,000.
- For H1 FY21, revenues were Rs 1,888 crores, up by 5%.

United States:

- US revenues at Rs 327 crores were down by 14%.
- Constant currency sales were \$43 million. Sales continued to be impacted by price erosion on base portfolio and absence of new launches.
- As on September 30, 2020, 47ANDAs were pending approval and 6 tentative approvals were received. 1 ANDA was filed during the quarter.
- For H1 FY21, revenues were Rs 700 crores, down by 8% (Constant currency sales: \$90 million).

Brazil:

- Brazil revenues at Rs 129 crores were down by 18%.
- Constant currency sales at R\$ 91 million up by 5%. Adjusted for base impact of tender business (reduced focus), the growth is 10%.
- As per IQVIA, Jun-Aug'20 branded generics market growth was 6% versus Torrent growth of 7.8%.
- With unlocking of the economy, Brazil pharma market also witnessed gradual recovery during the quarter. Torrent's performance was aided by its chronic portfolio and market share gain.
- For H1 FY21, revenues were Rs 268 crores, down by 19% (Constant currency sales: R\$ 187 million, up by 3%).

Germany:

- Germany revenues at Rs 261 crores were up by 4%
- Constant currency sales were Euro 30 million
- Torrent has largely completed upgradation of its quality management systems
- For H1 FY21, revenues were Rs 507 crores, down by 1% (Constant currency sales: Euro 59 million).

About Torrent Pharmaceuticals Ltd:

Torrent Pharma, with annual revenues of more than Rs 7,900 crores, is the flagship Company of the Torrent Group, with group revenues of Rs 21,500 crores. Torrent Pharma is 6th largest pharma company in India in terms of Enterprise Value. It is ranked 8th in the Indian Pharmaceuticals Market and is amongst the Top 5 in the therapeutics segments of Cardiovascular (CV), Central Nervous System (CNS), Gastro-intestinal (GI), and Vitamins Minerals Nutritional (VMN).

It is a specialty-focused company with 75% of its revenue in India from chronic & sub-chronic therapies. It has presence in 40 countries and is ranked No. 1 amongst the Indian pharma Companies in Brazil, Germany and Philippines. Torrent has 8 manufacturing facilities (7 in India & 1 in US), of which 5 are USFDA approved. With R&D as the backbone for its growth in domestic & overseas market, it has invested significantly in R&D capabilities with state-of-the-art R&D infrastructure employing around 700+ scientists.