

## **Torrent Pharma announces Q3 FY 2017-18 Results**

*February 8th, 2018*

Ahmedabad based Pharmaceuticals major, Torrent Pharmaceuticals Limited, today released its financial results for the Quarter ended 31st Dec 2017.

### **Quarterly Financials**

- For Q3 FY 2017-18 revenues were at Rs. 1,477 crores as against Rs. 1,443 crores during the same period last year, showing 2% growth.
- EBIDTA for Q3 FY 2017-18 was at Rs. 431 crores as against Rs. 365 crores during the same period last year, showing 18% growth.
- PAT for Q3 2017-18 was at Rs. 58 crores as against Rs. 229 crores during the same period last year. PAT de-growth, against PBT growth of 6% is due to increase in tax expenses by Rs 185 crores. Tax expenses comprises of :
  - Current tax is the tax paid by the company in accordance with the enacted tax rates in respective countries including MAT provisions in India.
  - Deferred tax is tax arising from timing differences and MAT credit entitlements, which are reversed/utilized in due course.
  - During the quarter :
    - o There is no significant movement in current tax.
    - o Acquisition of branded business of Unichem resulted in higher deferred tax liability of Rs. 99 crores.
    - o Significant inventory liquidation in the overseas subsidiaries led to reduction in MAT credit entitlement and reduction in deferred tax asset amounting to Rs. 70 crores.
    - o Re-measurement of deferred tax on account of change in corporate tax rate in US amounting to Rs 15 crores.
- Previous period include exceptional revenues and profits which was primarily on account of the launch of a new product in US market, which had limited competition.
- Research and development spend during the Q3 FY 2017-18 was Rs. 116 crores as against Rs. 95 crores during the same period last year.
- Company declared an interim dividend of 180 percent. (Rs. 9/- per share)  
Pursuant to the definitive binding agreement entered into between the Company and Unichem on 3rd November, 2017, the Company has completed the acquisition of branded formulation business of Unichem Laboratories Limited ("Unichem") for India and Nepal, including its Sikkim manufacturing facility, on a going concern basis by way of slump sale, on 14th Dec 2017.  
Torrent Pharma Inc., has on 18th Jan 2018 , completed the acquisition of Bio- Pharm Inc , along with its manufacturing facilities located in Philadelphia , US

### **Q3 PERFORMANCE HIGHLIGHTS**

#### **India Business**

- Domestic branded business recorded revenues of Rs. 586 crores for Q3 FY 2017-18 v/s Rs. 503 crores for the same period last year, showing 17% growth. Adjusted for lower realisation due to GST compared to previous period, growth for the quarter is 23%.

#### **Brazil Business**

- Brazilian business recorded revenues of Rs. 194 crores for Q3 FY 2017-18 v/s Rs. 159 crores for the same period last year, showing 22% growth.

#### **USA**

- US business recorded revenues of Rs. 266 crores for Q3 FY 2017-18 v/s Rs. 310 crores for the same period last year.
- Previous period includes exceptional revenues, primarily on account of the launch of a new product which had limited competition. During current period, revenues got impacted due to continued price erosion and customer consolidation.

- 3 ANDAs were filed during the quarter. 5 tentative approvals are received and 29 ANDAs are pending approval as on 31st Dec 17.

#### Germany

- German business recorded revenues of Rs. 241 crores for Q3 FY 2017-18 v/s Rs. 203 crores for the same period last year, showing 19% growth.

### YTD PERFORMANCE HIGHLIGHTS

#### India Business

- Domestic branded business recorded revenues of Rs. 1,658 crores for YTD FY 2017-18 v/s Rs. 1,509 crores for the same period last year, showing 10% growth. Adjusted for lower realisation due to GST compared to previous period, growth on YTD basis is 14%.

#### Brazil Business

- Brazilian business recorded revenues of Rs. 495 crores for YTD FY 2017-18 v/s Rs. 484 crores for the same period last year, showing 2% growth. During the period one time charge was taken for near expiry inventory and additional discounts to distributors.

#### USA

- US business recorded revenues of Rs. 793 crores for YTD FY 2017-18 v/s Rs. 1,065 crores for the same period last year.
- Previous period includes exceptional revenues, primarily on account of the launch of a new product which had limited competition. During current period, revenues got impacted due to continuous price erosion and customer consolidation.

#### Germany

- German business recorded revenues of Rs. 664 crores for YTD FY 2017-18 v/s Rs. 577 crores for the same period last year, showing 15% growth.

### About Torrent Pharma

Torrent Pharma, with annual revenues of more than Rs. 5800 crores is the flagship Company of the Rs. 18,300 crore Torrent Group.

Torrent Pharma continues to be at the forefront of the Indian pharmaceutical industry with many of its products ranking among the top 500 brands (AIOCD Dataset) in India. Its widespread international presence also includes several markets where Torrent is amongst the leading pharmaceutical companies in the respective countries.

Torrent has a fully equipped Research Center, employing almost 900 scientists, to support the Company's operations and product pipeline for both Domestic and Overseas markets. The Company's manufacturing plants located at Indrad, Baddi, Sikkim, Dahej, Pithampur and Vizag have facilities to produce Formulations and Bulk drugs. The plants are approved by authorities from various regulated and semi regulated markets like US, UK, Brazil, Germany, Australia and South Africa.

Financial Highlights	Q3 FY 17-18	Q3 FY 16-17	Growth	YTD FY 17-18	YTD FY 16-17	Growth
Revenues	1,477	1,443	2%	4,280	4,423	-3%
EBITDA	431	365	18%	1,237	1,198	3%
<b>% Revenues</b>	<b>29%</b>	<b>25%</b>		<b>29%</b>	<b>27%</b>	
PBT (after Exceptional Items)	259	245	6%	797	844	-6%
<b>% Revenues</b>	<b>18%</b>	<b>17%</b>		<b>19%</b>	<b>19%</b>	
PAT (after Exceptional Items)	58	229	-75%	458	728	-38%
<b>% Revenues</b>	<b>4%</b>	<b>16%</b>		<b>11%</b>	<b>16%</b>	
EPS	3.4	13.5	-75%	26.5	43.8	-38%

All amounts in ₹ crs except per share data