
TORRENT PHARMACEUTICALS LTD.

Investor Presentation

Q4 FY 2012-13

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**

Q4 FY13 Highlights

- Revenues at ` 871 Cr vs. ` 674 Cr, growing at 29%
 - Domestic revenue growth of 9%
 - International operations growing at 34%
 - Europe & US markets key contributors to growth of international operations
- PBT at ` 159 Cr vs. ` 1 Cr in Q4 FY12 in lieu of exceptional items; adjusted for which PBT grew by 196%
 - Exceptional items in the current quarter of Rs. 37 crores relates to impairment provision in the value of long term investment in GPC Cayman Investor I Limited.
 - Better product mix and higher currency realizations aided growth

Financials

Revenue Progression

Cr

Particulars	Q4 12 - 13	Q4 11 - 12	12-13	11-12
India	218	200	1024	909
<i>Gwth %</i>	9%		13%	
International	526	394	1834	1482
<i>Gwth %</i>	34%		24%	
Brazil	133	125	502	477
Europe (Incl. Germany)	211	132	650	542
USA	92	64	355	216
ROW (Incl. Russia & CIS)	82	67	297	227
Contract Manufacturing	94	80	300	296
<i>Gwth %</i>	18%		1%	
Other	33	0	54	9
Total Revenues	871	674	3,212	2,696

P&L

Cr

Particulars	Q4 12 - 13	Q4 11 - 12	12 - 13	11 - 12
Revenues	871	674	3,212	2,696
Cogs	243	222	926	863
<i>% Revenues</i>	28%	33%	29%	32%
SG&A Spend	267	220	965	778
<i>% Revenues</i>	31%	33%	30%	29%
Employee Cost	164	144	623	534
<i>% Revenues</i>	19%	21%	19%	20%
EBITDA	197	88	698	522
<i>% Revenues</i>	23%	13%	22%	19%
Forex Gain / (Loss)	23	(3)	(5)	(21)
<i>% Revenues</i>	3%	0%	0%	-1%
Depreciation	22	22	83	82
<i>% Revenues</i>	3%	3%	3%	3%
PBT	196	66	619	424
<i>% Revenues</i>	23%	10%	19%	16%
Exceptional Item	37	65	37	65
<i>% Revenues</i>	4%	10%	1%	2%
PBT (after exceptional item)	159	1	582	359
<i>% Revenues</i>	18%	0%	18%	13%
Tax	48	2	147	72
<i>% PBT</i>	24%	3%	24%	17%
PAT	111	(2)	433	284
<i>% Revenues</i>	13%	0%	13%	11%

Balance Sheet

Cr

Particulars	31-Mar-12	%	31-Mar-13	%	Δ
EQUITY AND LIABILITIES					
Shareholders' Funds	1,194	70%	1,590	71%	396
Minority Interest	4	0%	0	0%	(3)
Non-current liabilities	500	29%	651	29%	151
TOTAL	1,697	100%	2,242	100%	545
ASSETS					
Net Fixed Assets	916	54%	1,105	49%	189
Investments	38	2%	0	0%	(37)
Loans & Advances	61	4%	63	3%	1
Other Non-Current assets	46	3%	24	1%	(22)
Current Assets	1,238	73%	1,904	85%	665
Inventories	532	31%	924	41%	392
Trade receivables	523	31%	688	31%	165
Other Current Assets	184	11%	292	13%	108
Less: Current liabilities	1,363	80%	1,541	69%	178
Short-term borrowings	138	8%	125	6%	(14)
Trade payables	863	51%	1,067	48%	203
Other Current liabilities	361	21%	350	16%	(11)
Net Current Assets	(125)	-7%	362	16%	487
Cash and cash equivalents	761	45%	687	31%	(73)
TOTAL	1,697	100%	2,242	100%	545

Business Segments

India

Highlights & Growth Drivers

India	Q4 12 - 13	Q4 11 - 12	12-13	11 - 12
Revenues	218	200	1024	909
% Growth	9%		13%	9%

• Q4 FY 13 Highlights

- New DPCO 2013 policy notified. Price notification on NLEM drugs expected anytime.
 - Impact of new policy on not expected to be significant
- QTR MAR 13 ~ IPM growth 7.8%; Covered market growth 8.1%; Internal growth; 9%.
 - Acute therapy Gwth (CM: 8%; Torrent 4%)
- Low Growth due to overall slowdown in the industry

• 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	Q4 12 - 13	Q4 11 - 12	12-13	11-12
Revenues	133	125	502	477
% Growth	7%		5%	34%

• Q4 FY 13 Highlights

- Covered Market growth : 4%, Torrent growth : 6%, Internal growth: 7%,
- Reai growth – 11% during the quarter
- Overall Market slow down
 - 2012-13 CM Gwth : 7% v/s 2011-12 CM Gwth : 14%

• Growth Drivers

- Existing Products & Introduction of new products

Highlights & Growth Drivers

USA	Q4 12 - 13	Q4 11 - 12	12-13	11-12
Revenues	92	64	355	216
% Growth	43%		64%	89%

- Q4 FY 13 Highlights

- Revenue growth of 33% on constant currency basis
- Received 6 ANDA approvals during the year
- 43 ANDA approvals (including 7 tentative approvals) and pipeline consists of 24 pending approvals and 33 products under development

- Growth Drivers

- New product introductions to drive growth.
- 5 to 6 launches expected in next year

Highlights & Growth Drivers

Europe + Heumann	Q4 12 - 13	Q4 11 - 12	12-13	11-12
Revenues	211	132	650	542
% Growth	59%		20%	16%

• Q4 FY 13 Highlights

- Euro sales growth of 48%.
- Europe and Greenfield major contributors to growth.

• 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	Q4 12 - 13	Q4 11 - 12	12-13	11-12
Revenues	82	67	297	227
% Growth	23%		85%	16%

- Q4 FY13 Highlights

- Revenue growth of 14% 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:** ` 1100 crores
- **Planned capacities:** 80 TPA plus 14,000 million tablets / capsules p.a.
- **Timelines for completion:**
 - **Phase I:** Project cost of ` 750 crores, First Regulatory Approval: Q1'14-15
 - **Phase II:** Project cost of ` 350 crores, Completion : Q1'16-17
- **Justification:**
 - With growing volumes in US / EU, API + Formulation capacity constraint is anticipated in 2-3 years.

Thank You