



# Investor Presentation

Q4 FY 2013-14



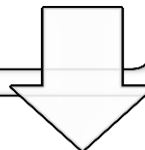
## Caveat

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.

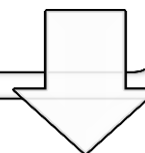


# **AGENDA**

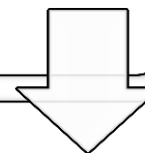
***Performance over Period***



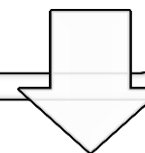
***Financial Highlights***



***Segmental Highlights***



***Shareholding Pattern***



***Facilities***





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## Performance Over Period



# Torrent Pharma: Assets Across the Value Chain

## Research and Development

- Value-added generics development with 650 scientist 467 registrations in pipeline

## Manufacturing

- API + formulation facilities having International approvals
- Manufacturing contract with Novo Nordisk for Insulin dedicated plant for it.
- Upcoming facility in Dahej to nearly double existing production facilities.

## Domestic Sales and Marketing

- Broad and differentiated product portfolio across all major therapeutic areas with 14 sales and marketing divisions
- Strong position in branded generics with 250+ brands in India
- Presence in all fast growing chronic therapies and acute-chronic therapies

## International Operations

- Reach to over 70 countries with 16 operating subsidiaries
- Majority of revenues coming from International Markets contributed by US, Brazil & Germany.

## Acquisition

- Proposed acquisition of Domestic Branded formulation business of Elder Pharma for Rs. 2004 crores

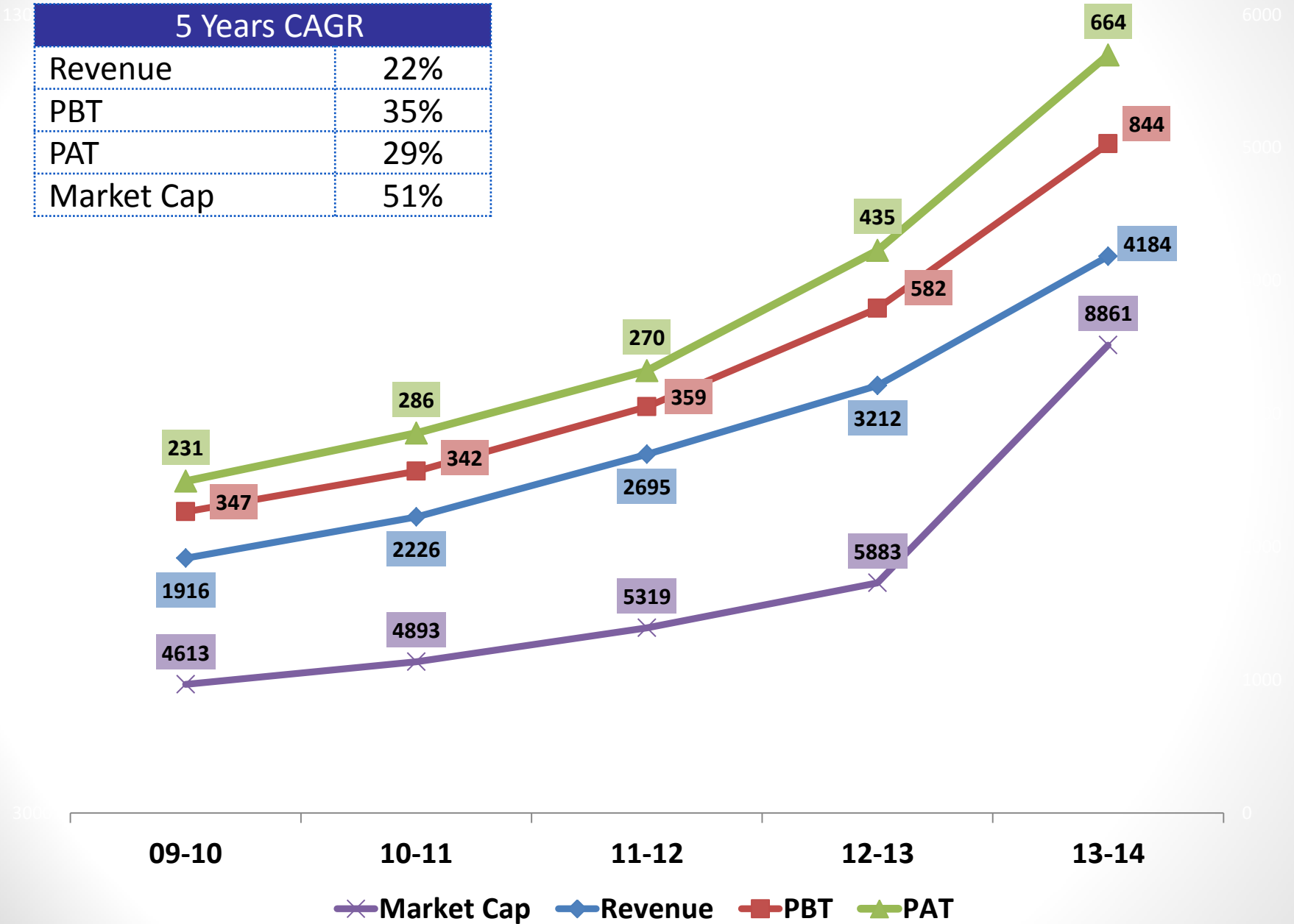
***Torrent has established a platform across key assets of the value chain***



# 5 Years Performance Snapshot

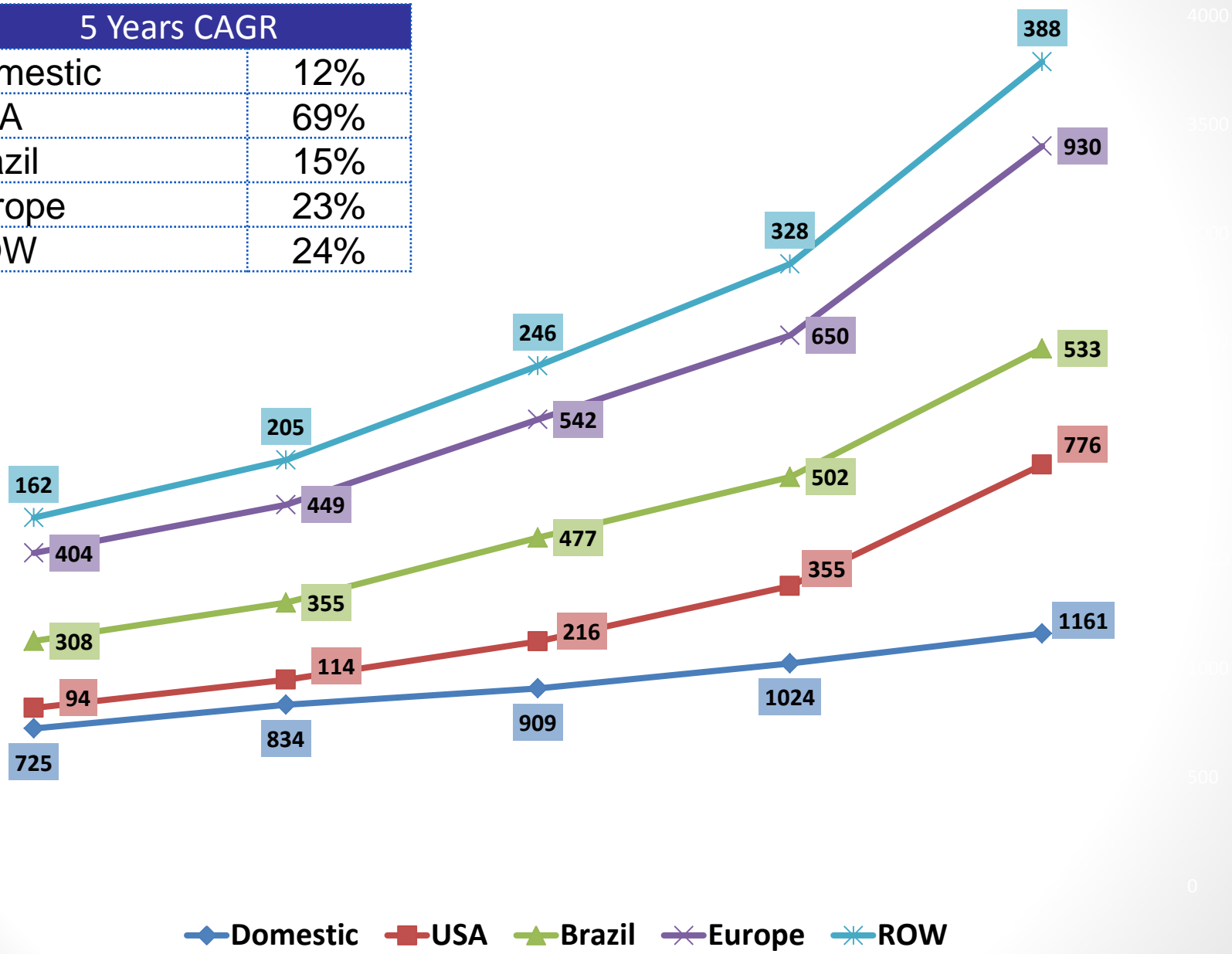
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5 Years CAGR	
Revenue	22%
PBT	35%
PAT	29%
Market Cap	51%

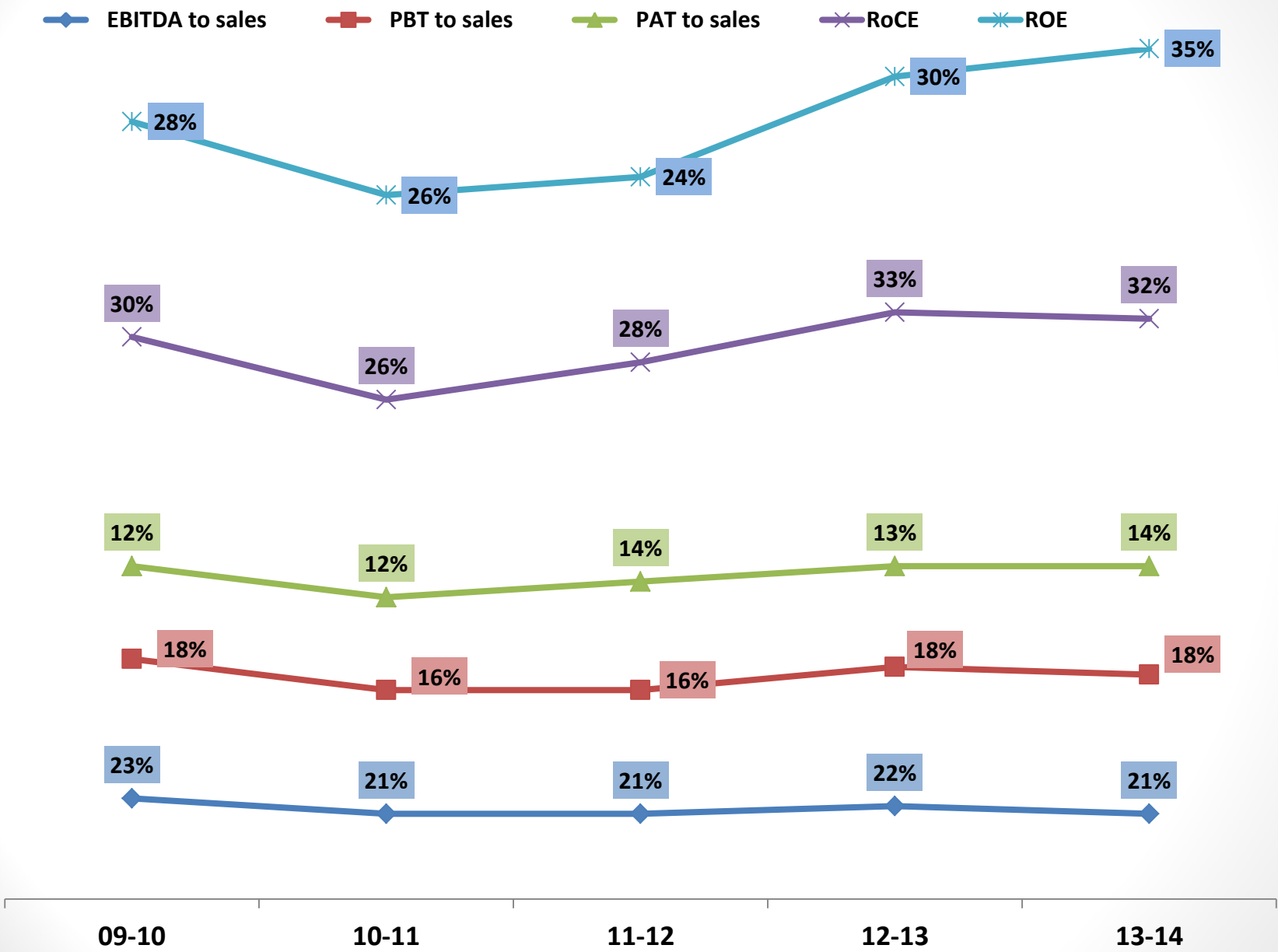


# Key Territories 5 Years Performance

5 Years CAGR	
Domestic	12%
USA	69%
Brazil	15%
Europe	23%
ROW	24%



# 5 Years Ratios







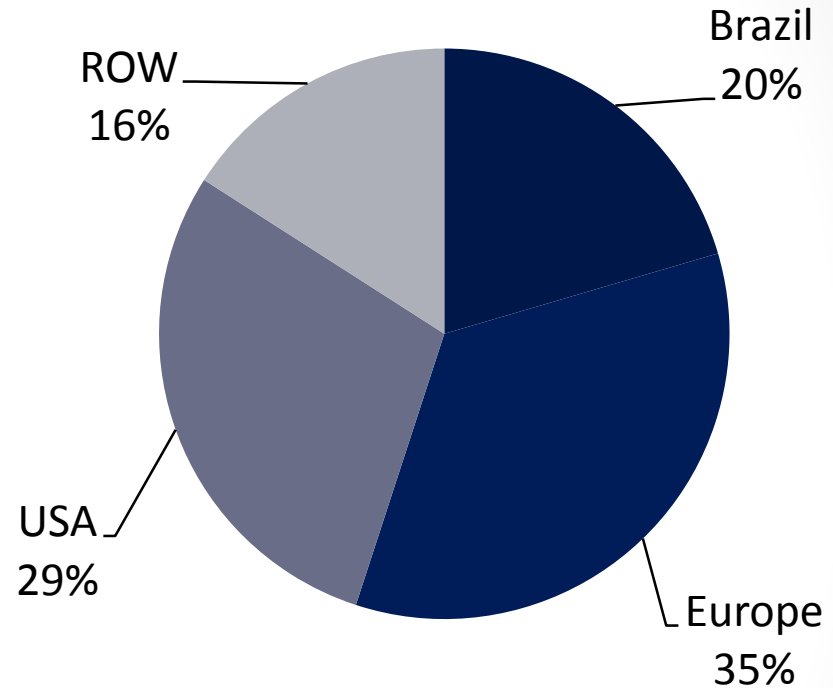
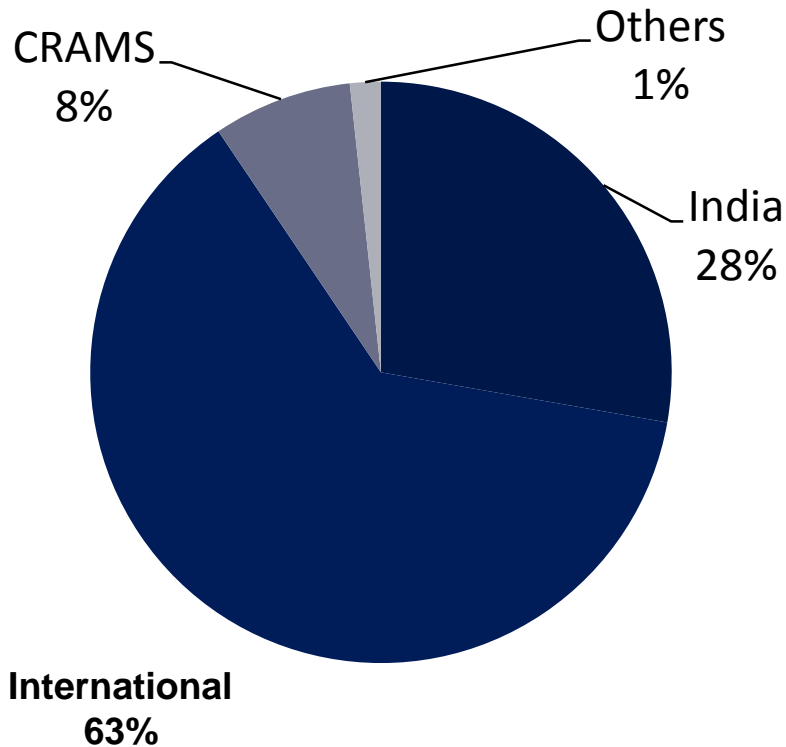
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## Financial Highlights



# Revenue Composition

FY 13-14 Revenues : ₹ 4184 crores



- Domestic: 5 Year CAGR : 12%
- International: 5 Year CAGR: 26%



# Revenue Progression

₹ Cr

Particulars	Q4 13 - 14	Q4 12 - 13	13-14	12-13
<b>India</b>	<b>256</b>	<b>218</b>	<b>1,161</b>	<b>1,024</b>
<i>Gwth %</i>	<i>17%</i>		<i>13%</i>	<i>13%</i>
<b>International</b>	<b>882</b>	<b>524</b>	<b>2,629</b>	<b>1,827</b>
<i>Gwth %</i>	<i>68%</i>		<i>44%</i>	<i>44%</i>
USA	400	92	776	355
Brazil	128	133	533	502
Europe	251	211	930	650
ROW *	103	88	390	321
<b>Contract Manufacturing</b>	<b>80</b>	<b>94</b>	<b>323</b>	<b>300</b>
<i>Gwth %</i>	<i>-15%</i>		<i>8%</i>	<i>1%</i>
<b>Other</b>	<b>8</b>	<b>36</b>	<b>70</b>	<b>61</b>
<b>Total Revenues</b>	<b>1,226</b>	<b>871</b>	<b>4,184</b>	<b>3,213</b>
<i>Gwth %</i>	<i>41%</i>		<i>30%</i>	<i>30%</i>

\* Includes Russia & CIS, Mexico & Canada.



# P&L

₹ Cr

Particulars	Q4 13 - 14	Q4 12 - 13	13-14	12-13
Revenues	1,225	871	4,184	3,212
COGS	320	243	1,243	926
<i>% Revenues</i>	<b>26%</b>	<b>28%</b>	<b>30%</b>	<b>29%</b>
SG&A Spend	347	244	1,248	970
<i>% Revenues</i>	<b>28%</b>	<b>28%</b>	<b>30%</b>	<b>30%</b>
Employee Cost	208	164	741	623
<i>% Revenues</i>	<b>17%</b>	<b>19%</b>	<b>18%</b>	<b>19%</b>
EBITDA	350	220	952	693
<i>% Revenues</i>	<b>29%</b>	<b>25%</b>	<b>23%</b>	<b>22%</b>
Depreciation	23	22	87	83
<i>% Revenues</i>	<b>2%</b>	<b>3%</b>	<b>2%</b>	<b>3%</b>
PBT (before Exceptional Items)	317	196	844	619
<i>% Revenues</i>	<b>26%</b>	<b>18%</b>	<b>20%</b>	<b>18%</b>
Tax	73	48	180	147
<i>% PBT</i>	<b>23%</b>	<b>24%</b>	<b>21%</b>	<b>24%</b>
PAT	244	111	664	433
<i>% Revenues</i>	<b>20%</b>	<b>13%</b>	<b>16%</b>	<b>13%</b>



# Balance Sheet

₹ Cr

Particulars	31-Mar-13	%	31-Mar-14	%	Δ
<b>EQUITY AND LIABILITIES</b>					
Shareholders funds	1,422	69%	2,001	67%	580
Minority Interest	0	0%	0	0%	0
Non-current liabilities	651	31%	992	33%	341
<b>TOTAL</b>	<b>2,073</b>	<b>100%</b>	<b>2,994</b>	<b>100%</b>	<b>921</b>
<b>ASSETS</b>					
Net Fixed Assets	1,105	53%	1,409	47%	304
Loans & Advances	63	3%	129	4%	67
Other Non-Current assets	55	3%	126	4%	71
Current Assets	1,873	90%	2,449	82%	576
Inventories	924	45%	1,006	34%	82
Trade receivables	688	33%	1,099	37%	412
Other Current Assets	262	13%	344	11%	82
Less: Current liabilities	1,711	83%	2,076	69%	365
Short-term borrowings	125	6%	210	7%	86
Trade payables	1,068	52%	1,429	48%	361
Other Current liabilities	518	25%	436	15%	(82)
Net Current Assets	163	8%	374	12%	211
Cash and cash equivalents	687	33%	955	32%	268
<b>TOTAL</b>	<b>2,073</b>	<b>100%</b>	<b>2,994</b>	<b>100%</b>	<b>921</b>

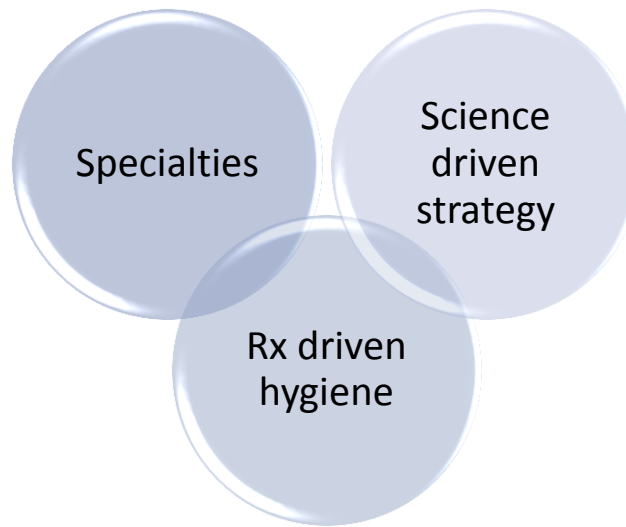




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## Segmental Highlights



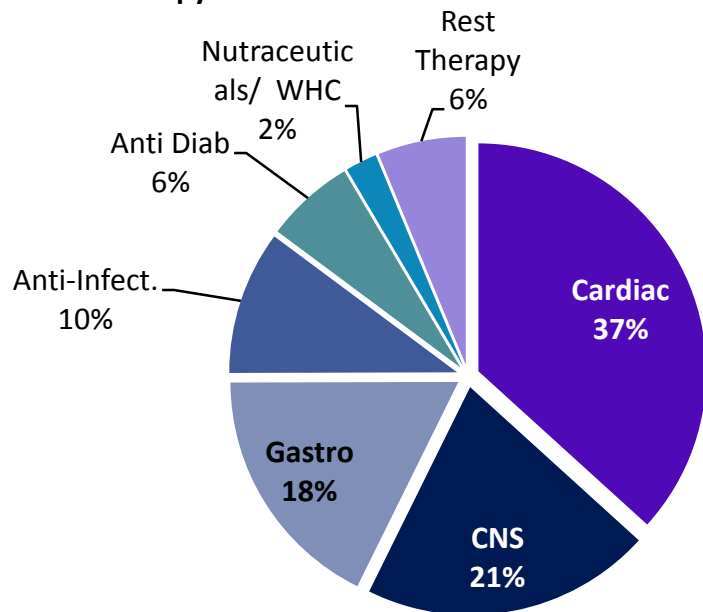


## Business Segment : India



# Torrent Therapy Performance

## Torrent Therapy salience



- Among **the top cos. In Cardiac, CNS, GI**
- Cardiac, Diabetes, CNS, GI and Derma markets – **Higher than CM Growth**
- Realignment of divisions with increased focus on specialty, paying dividend
- **Rank gain** in Cardiac, Gyn, GI segments

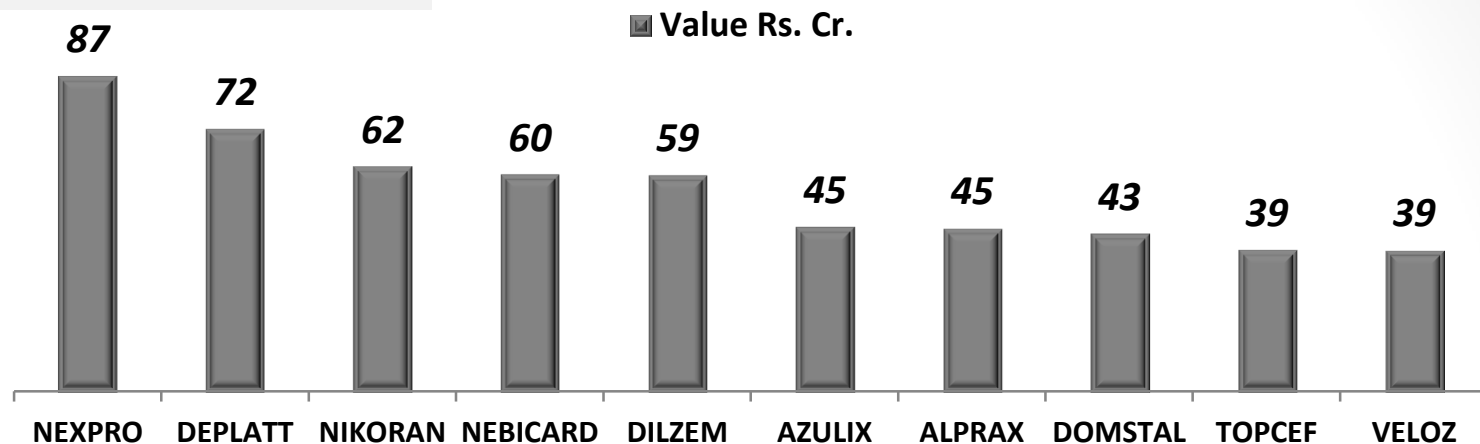
THERAPY	Value Rs Cr			Value Growth			Ranking	
	IPM	Torrent CM	Torrent	IPM	Torrent CM	Torrent	In IPM	In CM
CARDIAC	9396	6733	495	9	9	17	4	2
CNS	4732	2933	277	8	8	13	4	3
GASTRO INTESTINAL	8518	3635	238	6	8	16	10	4
ANTI-INFECTIVES	12584	3968	138	1	-1	4	19	11
ANTI DIABETIC	5327	2928	85	15	10	25	18	12
NUTRACEUTICALS/WHC	6793	2492	30	6	5	-4	43	24
DERMA	4200	881	30	11	18	85	28	7
PAIN	5544	974	29	4	-1	-3	39	8
GYNAECOLOGICAL	4703	1296	22	1	-1	24	43	15





# Torrent Top Brands

Top 10 Torrent Brands\* – Value Rs Cr



Brand	Brand		Molecule
	MS%	Gr%	Gr%
NEXPRO	35%	29	19
DEPLATT	19%	24	6
NIKORAN	52%	29	15
NEBICARD	44%	26	15
DILZEM	70%	18	6
AZULIX	3%	31	14
ALPRAX	29%	-1	-5
DOMSTAL	17%	-1	8
TOPCEF	3%	7	-4
VELOZ	5%	10	10

- Key brands for Torrent hold a dominant position within the respective covered markets
- Domstal, Alprax, Topcef affected with NLEM price cuts



India	Q4 13 - 14	Q4 12 - 13	13-14	12-13
Revenues	256	218	1161	1024
% Growth	17%		13%	

## Q4 FY 14 Highlights

- IPM growth: 7%, Covered Market growth: 6%, Torrent growth: 16%
- Torrent 9<sup>th</sup> largest contributor to IPM's incremental value
- Productivity growth 2013-14: around 18% to 20%

## Growth drivers

- Brand Building by focusing on the Brands through Divisionalisation
- New Product Introductions including filling of Portfolio Gaps



# Business Segment : International



# USA Presence

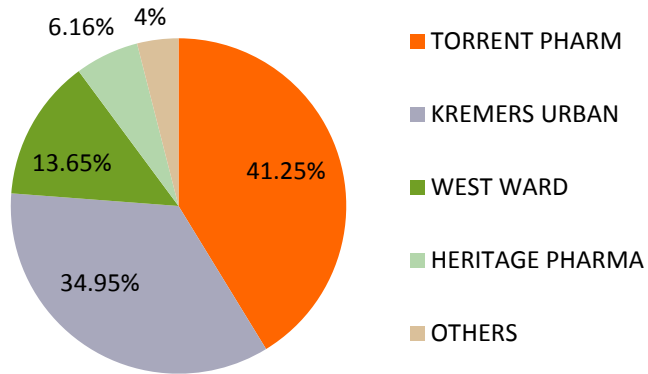
## ANDAs approved

2007	2008	2009	2010	2011	2012	2013	Till Mar'14
Metformin	Amlodipine	Levetiracetam	Cetirizine	Pantoprazole DR Tabs	Quetiapine IR	Pioglitazone	Telmisartan + Hctz
Sertraline	Risperidone	Lamotrigine	Losartan + Hctz	Donepezil	Levetiracetam XR	Pio. + Met.	Telmi. + Amlo.
Citalopram		Topiramate	Losartan	Venlafaxine ER	Olanzapine IR	Duloxetine DR Caps	
Zolpidem		Metformin ER (x2)	Pramipexole	ISMN ER (x2)	Clopidogrel	Rabeprazole DR	
				Levofloxacin	Montelukast Chew	Trazodone	
				Alfuzosin ER	Escitalopram	Lamotrigine ER	
				Olanzapine ODT	Sildenafil 20mg (Revatio)		
				Felodipine ER (x2)	Montelukast IR		
6	8	13	17	27	35	41	43

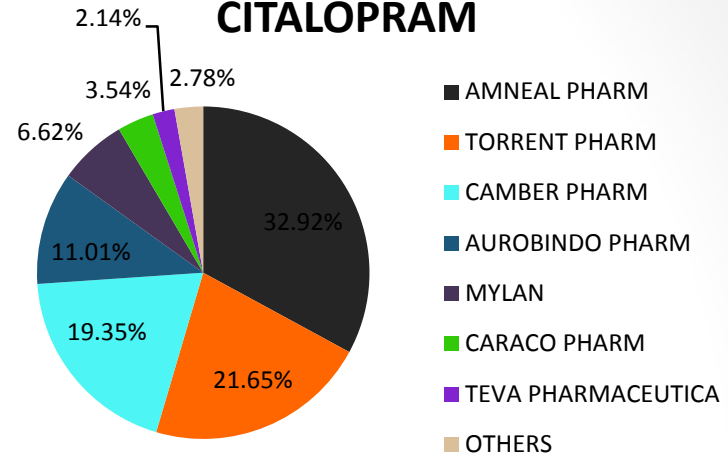
**48 ANDA approved, Annual sales \$122M**



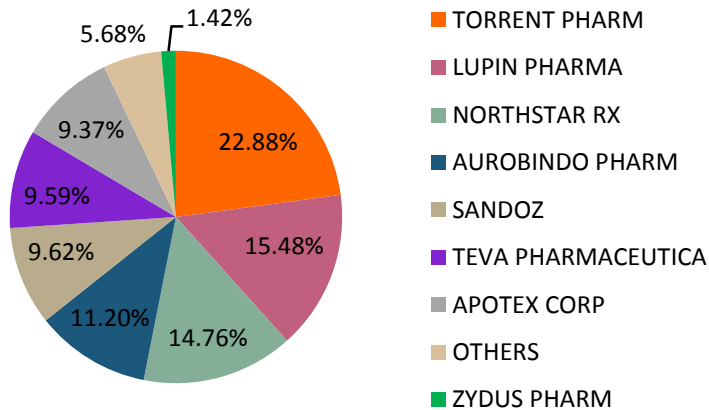
## ISMN ER



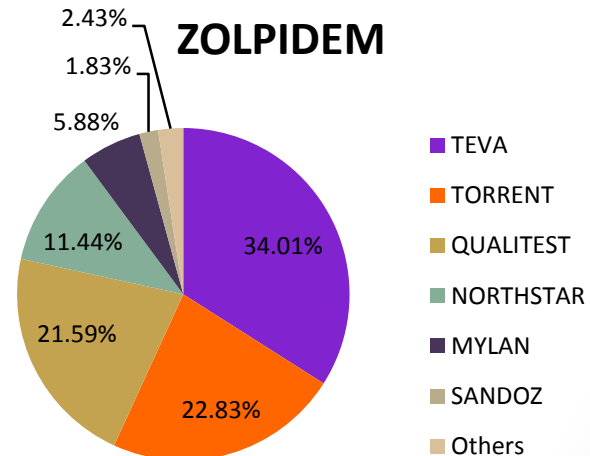
## CITALOPRAM



## LOSARTAN HCTZ



## ZOLPIDEM



IMS Mar'14 Volume MS

**Torrent as one of the top players on several products and is able to effectively compete against much larger players**



USA	Q4 13 - 14	Q4 12 - 13	13-14	12-13
Revenues	400	92	776	355
% Growth	337%		119%	

## Q4 FY 14 Highlights

- Constant Currency Growth 284%, driven by Duloxetine
- Duloxetine (Cymbalta) launched as FTF has market share of 8.9% (IMS Mar'14)

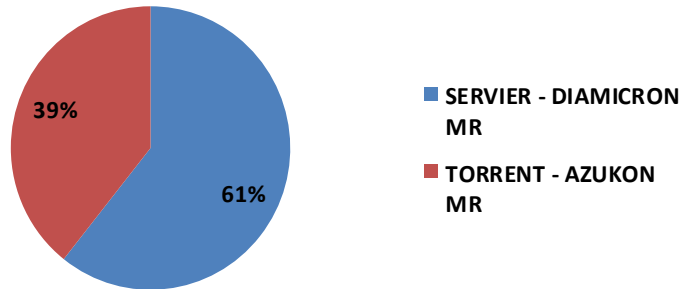
## Growth drivers

- As of Mar-14 the Company has 48 ANDA approvals (including 5 tentative approvals) and its pipeline consists of 19 pending approvals and 46 products under development.
- 8 to 10 products expected to be launched in FY 15

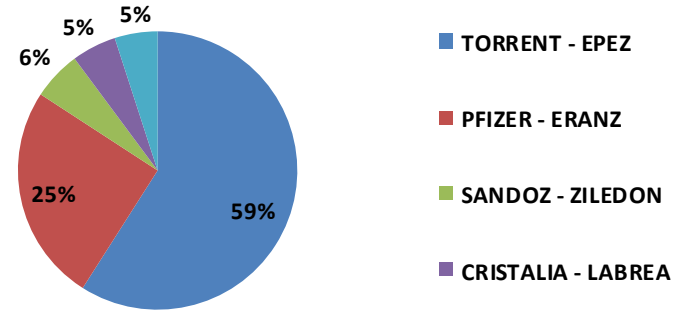


# Brazil

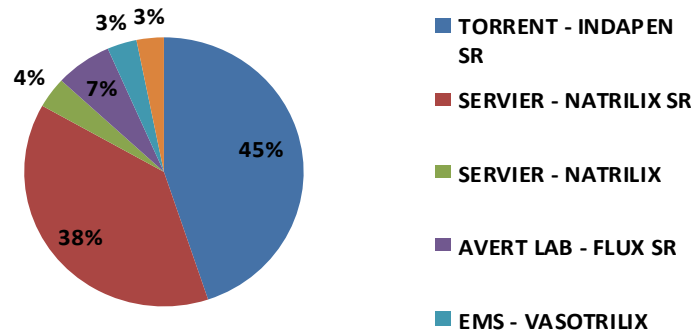
## Gliclazide



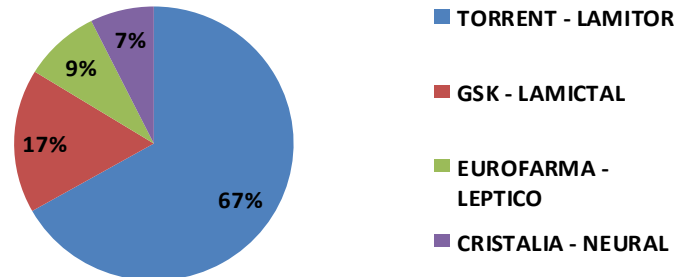
## Donepezil



## Indapamide SR



## Lamotrigine



\*Market shares as per IMS Mar-14; only brand market

- **Torrent is the largest Indian Player in Brazil**
- **Torrent has leadership position in branded space on multiple molecules**



Brazil	Q4 13 - 14	Q4 12 - 13	13-14	12-13
Revenues	128	133	533	502
% Growth	-4%		6%	

## Q4 FY 14 Highlights

- Flat on constant currency basis
- Covered Market Growth (excluding Government reimbursement programme) is 10%, Torrent growth 9% as per IMS in units term.

## Growth drivers

- Pipeline : 13 products for Branded Segment , 8 Products for Generics.
- Generic Division launched during the current year





Europe	Q4 13 - 14	Q4 12 - 13	13-14	12-13
Revenues	251	211	930	650
% Growth	19%		43%	

## Q4 FY 14 Highlights

- Flat on constant currency basis
- Europe (Dossier Business) & Romania key contributors to growth

## Growth drivers

- 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.



<b>ROW</b>	<b>Q4 13 - 14</b>	<b>Q4 12 - 13</b>	<b>13-14</b>	<b>12-13</b>
<b>Revenues</b>	<b>108</b>	<b>90</b>	<b>388</b>	<b>328</b>
<b>% Growth</b>	<b>19%</b>		<b>19%</b>	

### Q4 FY 14 Highlights

- Revenue growth of 9% 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





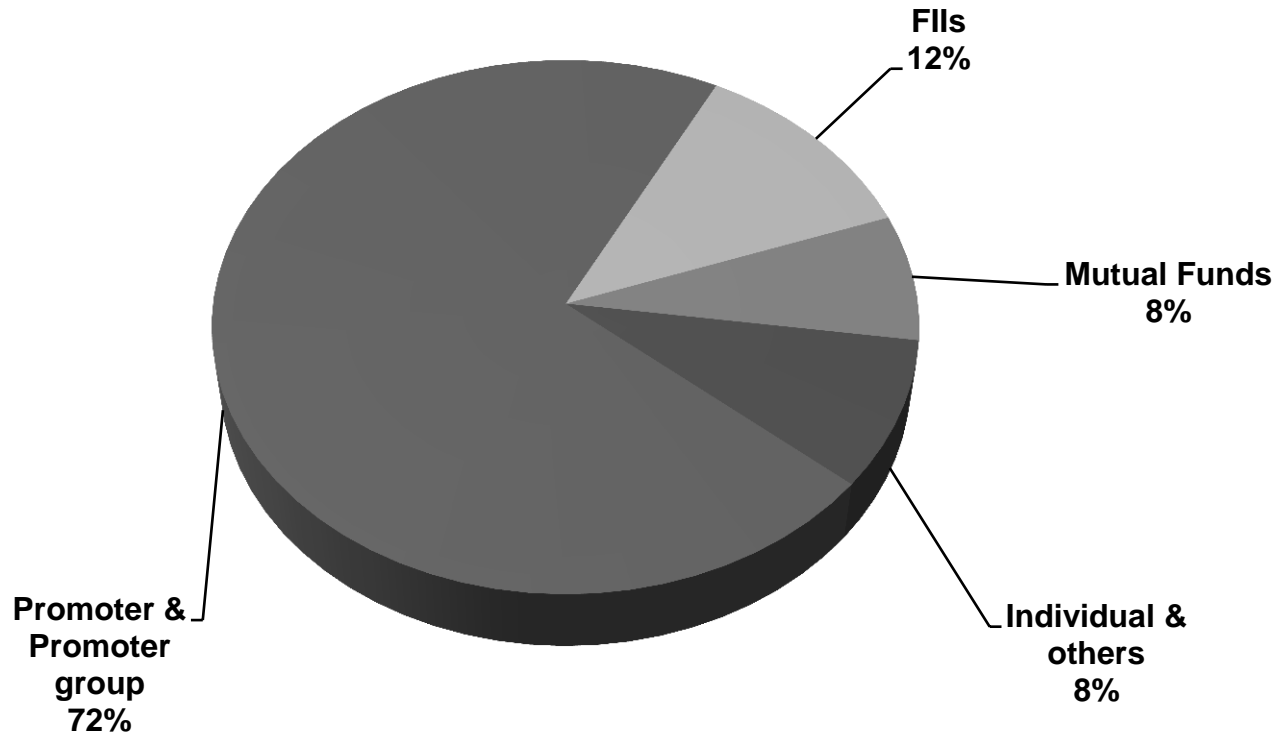
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## Shareholding Pattern



# Shareholding Pattern; as on March 31, 2014

- Total shares outstanding : 16.92 crores
- Free Float (shares) : 4.82 crores



**CAGR Return of more than 20% since IPO**





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## 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: Q2'14-15
  - **Phase II:** Project cost of ₹ 350 crores, Completion : Q2'16-17
- **Justification:**
  - With growing volumes in US / EU, API + Formulation capacity constraint is anticipated in 2-3 years.



**Thank You**

