

Investor Presentation

Q3 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.



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Q3 FY14 Highlights

- Revenues at ₹ 1015 Cr vs. ₹ 797 Cr, growing at 27%;
 - India formulation market growing at 15% &
 - International operations growing at 41%; Constant currency growth of 25%
 - USA & European markets key contributors to growth
- PBT at ₹ 188 Cr vs. ₹ 143 Cr in Q3 FY 14; showing growth of 31%;
 - Adjusting for below PBT growing at 58%
 - Forex loss of ₹ 20 Cr in Q3 FY14 compared to gain of ₹ 11 Cr in Q3 FY13
- During the quarter Company entered into an Agreement with Elder to purchase its Indian Branded Formulation Business for ₹ 2,004 Cr



Financials



Revenue Progression

Cr

Particulars	Q3 13 - 14	Q3 12 - 13	12-13	11-12
India	296	258	1,024	909
<i>Gwth %</i>	<i>15%</i>		<i>13%</i>	
International	637	450	1,834	1,482
<i>Gwth %</i>	<i>42%</i>		<i>24%</i>	
Brazil	147	117	502	477
Europe (Includes Heumann)	248	156	650	542
USA	148	92	355	216
ROW*	95	86	327	247
Contract Manufacturing	76	75	300	296
<i>Gwth %</i>	<i>1%</i>		<i>1%</i>	
Other	5	15	54	9
Total Revenues	1,015	797	3,212	2,696
<i>Gwth %</i>	<i>27%</i>		<i>19%</i>	

* Includes Russia & CIS, Mexico & Canada.



P&L

Cr

Particulars	Q3 13 - 14	Q3 12 - 13	12-13	11-12
Revenues	1,015	797	3,212	2,696
COGS	318	246	926	863
% Revenues	31%	31%	29%	32%
SG&A Spend	283	248	965	778
% Revenues	28%	31%	30%	29%
Employee Cost	179	152	623	534
% Revenues	18%	19%	19%	20%
EBITDA	235	151	698	522
% Revenues	23%	19%	22%	19%
Forex Gain / (Loss)	(20)	11	(5)	(21)
% Revenues	-2%	1%	0%	-1%
Depreciation	21	21	83	82
% Revenues	2%	3%	3%	3%
PBT	188	143	619	424
% Revenues	19%	18%	18%	13%
Tax	30	31	147	72
% PBT	16%	22%	24%	17%
PAT	158	112	433	284
% Revenues	16%	14%	13%	11%



Balance Sheet

Cr

Particulars	31-Mar-13	%	31-Dec-13	%	Δ
EQUITY AND LIABILITIES					
Shareholders funds	1,422	69%	1,732	69%	310
Minority Interest	0	0%	0	0%	0
Non-current liabilities	651	31%	796	31%	145
TOTAL	2,073	100%	2,528	100%	455
ASSETS					
Net Fixed Assets	1,105	53%	1,362	54%	257
Loans & Advances	63	3%	101	4%	38
Other Non-Current assets	55	3%	113	4%	58
Current Assets	1,872	90%	2,260	89%	387
Inventories	924	45%	998	39%	74
Trade receivables	688	33%	954	38%	266
Other Current Assets	261	13%	308	12%	48
Less: Current liabilities	1,710	82%	2,138	85%	428
Short-term borrowings	125	6%	227	9%	103
Trade payables	1,067	51%	1,411	56%	344
Other Current liabilities	518	25%	500	20%	(18)
Net Current Assets	163	8%	122	5%	(41)
Cash and cash equivalents	687	33%	832	33%	144
TOTAL	2,073	100%	2,528	100%	455



Business Segment : India



India

₹ Cr

India	Q3 13 - 14	Q3 12 - 13	12-13	11-12
Revenues	296	258	1024	909
% Growth	15%		13%	9%

- Q3 FY 14 Highlights

- IPM growth: 5%, Covered Market growth: 5%, Torrent growth: 12%

- Torrent 9th largest contributor to IPM's incremental value

- Growth drivers

- Brand Building by focusing on the Brands through Divisionalisation

- New Product Introductions including filling of Portfolio Gaps



Business Segment : International



Brazil

Cr

Brazil	Q3 13 - 14	Q3 12 - 13	12-13	11-12
Revenues	147	117	502	477
% Growth	26%		5%	34%

- Q3 FY 14 Highlights

- Constant currency growth at 22%.
 - Branded Generics ~ 17%; Generic Generic ~ 5%
- Covered Market Growth (excluding Government reimbursement programme) is 10%, Torrent growth 9% as per IMS in units term.

- Growth Drivers

- Existing Products & Introduction of new products



USA

Cr

USA	Q3 13 - 14	Q3 12 - 13	12-13	11-12
Revenues	148	92	355	216
% Growth	61%		64%	89%

- Q3 FY 14 Highlights

- Constant currency growth 41%
- Duloxetine (Cymbalta) launched in the Quarter under FTF status having a market share of around 7% to 8%.
- 46 ANDA approved (inc. 6 tentative approvals) and pipeline consists of 22 pending approvals and 30 products under development

- Growth Drivers

- New product introductions to drive growth.
- 8 to 10 products expected to be launched in FY 15



Europe

Cr

Europe	Q3 13 - 14	Q3 12 - 13	12-13	11-12
Revenues	248	156	650	542
% Growth	59%		20%	16%

- Q3 FY 14 Highlights

- Euro revenue growth – 32%

- Heumann & 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.



ROW

Cr

ROW	Q3 13 - 14	Q3 12 - 13	12-13	11-12
Revenues	95	86	327	247
% Growth	10%		91%	16%

- Q3 FY14 Highlights

- Revenue de growth of 1% 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: 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

