
TORRENT PHARMACEUTICALS LTD.

Investor Presentation

Q1 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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Q1 FY14 Highlights

- Revenues at ₹ 972 Cr vs. ₹ 767 Cr, growing at 27%
 - During the quarter Company received one time Patent Assignment income of ₹ 42 Cr, adjusting which revenue growth stood at 21%
 - Domestic revenue growth of 12%
 - International operations growing at 28%
 - Europe & US markets key contributors to growth of international operations
- PBT at ₹ 187 Cr vs. ₹ 140 Cr in Q1 FY 14; with the growth of 33%
 - Adjusting for the provision for slow moving inventories & Patent Assignment Income, PBT grows by 19%.

Financials

Revenue Progression

₹ Cr

Particulars	Q1 13 - 14	Q1 12 - 13	12-13	11-12
India	312	278	1024	909
<i>Gwth %</i>	12%		13%	
International	539	422	1834	1482
<i>Gwth %</i>	28%		24%	
Brazil	133	136	502	477
Europe	196	131	650	542
USA	113	79	355	216
ROW (Incl. Russia & CIS)	85	70	297	227
Contract Manufacturing	67	65	300	296
<i>Gwth %</i>	3%		1%	
Other	53	2	54	9
Total Revenues	972	767	3,212	2,696
<i>Gwth %</i>	27%		19%	

P&L

₹ Cr

Particulars	Q1 13 - 14	Q1 12 - 13	12-13	11-12
Revenues	972	767	3,212	2,696
COGS	304	220	926	863
<i>% Revenues</i>	31%	29%	29%	32%
SG&A Spend	275	214	965	778
<i>% Revenues</i>	28%	28%	30%	29%
Employee Cost	172	152	623	534
<i>% Revenues</i>	18%	20%	19%	20%
EBITDA	221	181	698	522
<i>% Revenues</i>	23%	24%	22%	19%
Forex Gain / (Loss)	(13)	(25)	(5)	(21)
<i>% Revenues</i>	-1%	-3%	0%	-1%
Depreciation	21	20	83	82
<i>% Revenues</i>	2%	3%	3%	3%
PBT	187	140	619	424
<i>% Revenues</i>	19%	18%	18%	13%
Tax	38	37	147	72
<i>% PBT</i>	20%	26%	24%	17%
PAT	149	102	433	284
<i>% Revenues</i>	15%	13%	13%	11%

Balance Sheet

₹ Cr

Particulars	31-Mar-13	%	30-Jun-13	%	Δ
EQUITY AND LIABILITIES					
Shareholders' Funds	1,422	69%	1,448	69%	26
Minority Interest	0	0%	0	0%	0
Non-current liabilities	651	31%	638	31%	(13)
TOTAL	2,073	100%	2,086	100%	13
ASSETS					
Net Fixed Assets	1,105	53%	1,167	56%	62
Loans & Advances	63	3%	74	4%	11
Other Non-Current assets	55	3%	99	5%	44
Current Assets	1,872	90%	1,991	95%	118
Inventories	924	45%	933	45%	9
Trade receivables	688	33%	785	38%	98
Other Current Assets	261	13%	272	13%	11
Less: Current liabilities	1,710	82%	2,077	100%	367
Short-term borrowings	125	6%	155	7%	30
Trade payables	1,067	51%	1,245	60%	178
Other Current liabilities	518	25%	677	32%	159
Net Current Assets	163	8%	(86)	-4%	(249)
Cash and cash equivalents	687	33%	831	40%	144
TOTAL	2,073	100%	2,086	100%	13

Business Segments

India

Highlights & Growth Drivers

₹ Cr

India	Q1 13 - 14	Q1 12 - 13	12-13	11 - 12
Revenues	312	278	1024	909
% Growth	12%		13%	9%

• Q1 FY 14 Highlights

- New DPCO 2013 policy notified. Price notification issued for 293 out of 348 drugs under NLEM in 5 phases
- Covered market growth 8%, Torrent growth 9%, Internal growth: 12%
- Market growth continues to be subdued due to uncertainty prevailing on the price notification and implementation time under DPCO 2013

• 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	Q1 13 - 14	Q1 12 - 13	12-13	11-12
Revenues	133	136	502	477
% Growth	-2%		5%	34%

• Q1 FY 14 Highlights

- Covered Market growth : 6%, Torrent growth : 6%, Internal growth: 7%,
- Reai degrowth – 2% during the quarter mainly coming out of price reductions taken during the quarter

• Growth Drivers

- Existing Products & Introduction of new products

Highlights & Growth Drivers

USA	Q1 13 - 14	Q1 12 - 13	12-13	11-12
Revenues	113	79	355	216
% Growth	43%		64%	89%

- Q1 FY 14 Highlights

- Revenue growth of 38% on constant currency basis
- Adjusting for the one time outlicensing income received in last year
Growth – 53%; Constant Currency 48%
- 43 ANDA approvals (including 7 tentative approvals) and pipeline consists of 24 pending approvals and 34 products under development

- Growth Drivers

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

Highlights & Growth Drivers

Europe

₹ Cr

Europe	Q1 13 - 14	Q1 12 - 13	12-13	11-12
Revenues	196	131	650	542
% Growth	49%		20%	16%

• Q1 FY 14 Highlights

- Euro revenue growth of 43%
- Heumann and Europe (Dossier business) major 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.

Highlights & Growth Drivers

₹ Cr

ROW+RCIS	Q1 13 - 14	Q1 12 - 13	12-13	11-12
Revenues	85	70	297	227
% Growth	23%		85%	16%

• Q1 FY14 Highlights

- Revenue growth of 15% 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