
TORRENT PHARMACEUTICALS LTD.

Investor Presentation

Q2 FY 2013

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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Q2 FY13 Highlights

- Revenues at ` 7,772 Mn vs. ` 6,849 Mn.
 - Revenue growth of 13%, lower on account of Brazil & Contract manufacturing operations.
 - Brazil operations impacted because of
 - strike by regulatory authority (ANVISA) affecting clearance of goods from port
 - lower market growth.
- PBT grows by 14% to ` 1394 Mn vs. ` 1219 Mn.
 - PBT margins stable on account of:
 - Improved performance in US operations partially offset by
 - Field force expansion in Brazilian operations

Financials

Revenue Progression

Mn

Particulars	Q2 12 - 13	Q2 11 - 12	11 - 12	10 - 11
India	2710	2362	9091	8344
<i>Gwth %</i>	15%		9%	
International	4,362	3,843	14,783	11,219
<i>Gwth %</i>	14%		32%	
Brazil	1161	1242	4769	3551
Mexico	64	38	158	61
Germany (Heumann)	905	938	3490	3016
USA	924	542	2162	1143
Europe (excl Heumann)	619	507	1931	1476
Rest of World	508	408	1571	1353
Russia & CIS	180	167	702	620
Contract Manufacturing	663	656	2959	2380
<i>Gwth %</i>	1%		24%	
Other	37	-12	128	28
Total Revenues	7,772	6,849	26,961	21,971
<i>Gwth %</i>	13%		23%	

P&L

Mn

Particulars	Q 2 1 2 - 1 3	Q 2 1 1 - 1 2	1 1 - 1 2	1 0 - 1 1
Revenues	7,772	6,849	26,959	21,978
Cogs	2,169	2,221	8,631	6,965
% Revenues	28%	32%	32%	32%
SG&A Spend	2,353	1,866	7,775	6,730
% Revenues	30%	27%	29%	31%
Employee Cost	1,555	1,298	5,337	4,404
% Revenues	20%	19%	20%	20%
EBITDA	1,694	1,464	5,216	3,878
% Revenues	22%	21%	19%	18%
Forex Gain / (Loss)	(141)	(28)	(209)	216
% Revenues	-2%	0%	-1%	1%
Depreciation	203	201	817	626
% Revenues	3%	3%	3%	3%
PBT	1,394	1,219	4,240	3,423
% Revenues	18%	18%	13%	16%
Tax	309	212	723	722
% PBT	22%	17%	17%	21%
PAT	1,073	1,000	2,840	2,702
% Revenues	14%	15%	11%	12%

Balance Sheet

₹ Mn

Particulars	31-Mar-12	%	30-Sep-12	%	Δ
EQUITY AND LIABILITIES					
Shareholders' Funds	11,938	65%	14,434	74%	2,495
Non-current liabilities	1,913	10%	1,880	10%	(34)
Loan Funds	4,602	25%	3,047	16%	(1,555)
Minority Interest	35	0%	56	0%	21
TOTAL	18,488	100%	19,416	100%	928
ASSETS					
Net Fixed Assets	9,156	50%	10,215	53%	1,058
Long Term Investments	375	2%	375	2%	-
Other non-current assets	1,333	7%	819	4%	(513)
WORKING CAPITAL:					
Inventories	5,316	29%	7,350	38%	2,035
Trade receivables	5,228	28%	5,609	29%	381
Other Current Assets	1,155	6%	1,342	7%	187
Loans & Advances	565	3%	660	3%	96
Less: Current Liab. & Prov.	12,247	66%	11,580	60%	(667)
NET CURRENT ASSETS	16	0%	3,381	17%	3,365
Cash, Bank & Current Investments	7,608	41%	4,626	24%	(2,982)
TOTAL	18,488	100%	19,416	100%	928

Business Segments

India

Highlights & Growth Drivers

India	Q2 12 - 13	Q2 11 - 12	11 - 12	10 - 11
Revenues	2710	2362	9091	8344
% Growth	15%		9%	

• Q2 FY 13 Highlights

- IPM growth 7% Covered market growth 11%, Torrent growth 12%
 - Acute Therapy growth (CM: 9%, Torrent 11%, Internal 13%)

• Growth drivers

- Consolidate entry into newer geographies and therapeutic areas
- Brand building thru increased specialty coverage & creeping expansion
in Customer Base
- New Product Introductions including filling of Portfolio Gaps

Business Segments

International Operations

Highlights & Growth Drivers

International	Q2 12 - 13	Q2 11 - 12	11-12	10-11
Revenues	4,362	3,843	14,783	11,219
% Growth	14%		32%	

- Q2 FY 13 Highlights

- US major contributor of growth during the quarter

- Growth drivers

- New product introductions in key geographies of US, Brazil & European markets

Highlights & Growth Drivers

Brazil	Q2 12 - 13	Q2 11 - 12	11-12	10-11
Revenues	1161	1242	4769	3551
% Growth	-7%		34%	

• Q2 FY 13 Highlights

- Reai de-growth of 3 % with volumes de-growth 10%, New Introductions 7%
- QTR (Jun- Aug) ~ Torrent growing at 6% vs. Covered Market growth of 26%. (Covered Market growth of 7% excluding Losartan & Metformin which were part of Government program)

• Growth Drivers

- Existing Products & Introduction of new products (20-25 new launches)

Highlights & Growth Drivers

USA	Q2 12 - 13	Q2 11 - 12	11-12	10-11
Revenues	924	542	2162	1143
% Growth	71%		89%	

- Q2 FY 13 Highlights

- USD revenue growth of 50%
- 39 ANDAs & 24 DMFs approved till date (27 actively marketed, 6 under patent & 6 under cost improvement), 25 ANDAs pending approval
- 18 ANDA's / 8 DMF's under development

- Growth Drivers

- New product introductions to drive growth.
- 7 to 8 launches expected in H2

Highlights & Growth Drivers

Germany (Heumann)	Q2 12 - 13	Q2 11 - 12	11-12	10 - 11
Revenues	905	938	3490	3016
% Growth	-3%		16%	

• Q2 FY 13 Highlights

- Euro revenue de growth of 4%

• Growth Drivers

- Heumann successful in winning tenders continuously
- New Products going off patent and Therapy coverage expansion

Highlights & Growth Drivers

Mn

Europe (inc UK & Romania)	Q2 12 - 13	Q2 11 - 12	11-12	10-11
Revenues	619	507	1931	1476
% Growth	22%		31%	

Q2 FY 13 Highlights

- UK & Romania major contributors of growth for the quarter

Growth Drivers

- Growing product pipelines through Product Development & New product launches.
- Increasing geographical through direct field force presence in Romania & UK.

Highlights & Growth Drivers

ROW	Q2 12 - 13	Q2 11 - 12	11-12	10-11
Revenues	508	408	1571	1353
% Growth	24%		16%	

- Q2 FY13 Highlights

- Adjusted for currency movements revenue grew by 8%

- 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

Highlights & Growth Drivers

Mexico	Q2 12 - 13	Q2 11 - 12	11-12	10-11
Revenues	64	38	158	61
% Growth	69%		158%	

• Q2 FY 13 Highlights

- Revenue growth in Mexican Peso 29%
- Actively marketing 6 molecules in CNS
- Field force of 35 people covering 70% of Mexican covered market.

• Growth Drivers

- Expecting Launch of the CVS Products in the Mexican Market

Facilities – Expansion Plan

Facilities – Expansion Plan

Dahej SEZ

- **Nature:** Formulation & API Capacity Enhancement
- **Project Cost:** ` 1000 crores
- **Planned capacities:** 80 TPA plus 14,000 million tablets / capsules p.a.
- **Timelines for completion:**
 - **Phase I:** Project cost of ` 600 crores, commissioning in July 2014
 - **Phase II:** Project cost of ` 400 crores, commissioning in FY 2016-17
- **Justification:**
 - With growing volumes in US / EU, API + Formulation capacity constraint is anticipated in 2-3 years.

Thank You