
Torrent Pharmaceuticals Ltd

Investor Presentation

Q4 FY 2012

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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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Q4 FY12 Highlights

- Revenues at ` 6,743 Mn vs. ` 5,112 Mn.
 - Revenue growth of 32% on the back of robust growth from International operations.
 - International sales boosted by noticeable performance in US and Brazil operations.
- PAT adjusted for exceptional item grows by 22% to ` 522 Mn vs. ` 428 Mn.
 - Margin pressure in Indian formulations business on account of investments made in field force expansion & entry into new therapeutic areas of Gynecology & Oncology.
 - Improved performance in US business improving margins of international business partially offset by forex losses.

Financials

Revenue Progression

Mn

Particulars	Q 4 11 - 12	Q 4 10 - 11	11 - 12	10 - 11
India	1986	1795	9091	8344
Gwth %	11%		9%	
International	3,920	2,671	14,783	11,219
Gwth %	47%		32%	
Brazil	1251	791	4769	3551
Mexico	45	19	158	61
Germany (Heumann)	848	818	3490	3016
USA	630	152	2162	1143
Europe (excl Heumann)	475	333	1931	1476
Rest of World	458	384	1571	1353
Russia & CIS	216	174	702	620
Contract Manufacturing	799	642	2959	2380
Gwth %	25%		24%	
Other	38	4	128	28
Total Revenues	6,743	5,112	26,961	21,971
Gwth %	32%		23%	

P&L

₹ Mn

Particulars	Q 4 11 - 12	Q 4 10 - 11	11 - 12	10 - 11
Revenues	6,743	5,112	26,959	21,978
Cogs	2,228	1,722	8,631	6,965
% Revenues	33%	34%	32%	32%
SG&A Spend	2,222	1,728	7,984	6,730
% Revenues	33%	34%	30%	31%
Employee Cost	1,442	1,131	5,337	4,404
% Revenues	21%	22%	20%	20%
EBITDA	850	531	5,007	3,878
% Revenues	13%	10%	19%	18%
PBT (before exceptional item)	668	462	4,240	3,423
% Revenues	10%	9%	16%	16%
Exceptional Item	654	-	654	-
% Revenues	10%	0%	2%	0%
PBT (after exceptional item)	14	462	3,586	3,423
% Revenues	0%	9%	13%	16%
Tax	24	34	723	722
% PBT	169%	7%	20%	21%
PAT (after minority Int & exceptional items)	(17)	428	2,840	2,702
% Revenues	0%	8%	11%	12%

- Change in accounting method for estimating sales returns leads to one time provision of ₹ 654 Mn.

Balance Sheet

₹ Mn

Particulars	31-Mar-11	%	31-Mar-12	%	Δ
EQUITY AND LIABILITIES					
Shareholders' Funds	10,224	71 %	12,184	70 %	1,960
Non-current liabilities	4,113	29 %	5,133	30 %	1,020
Minority Interest	16	0 %	35	0 %	19
TOTAL	14,353	100 %	17,352	100 %	2,999
ASSETS					
Net Fixed Assets	8,154	57 %	9,156	53 %	1,002
Long Term Investments	200	1 %	375	2 %	175
Other non-current assets	601	4 %	719	4 %	118
WORKING CAPITAL:					
Inventories	5,048	35 %	5,316	31 %	267
Sundry Debtors	3,404	24 %	5,228	30 %	1,824
Other Current Assets	951	7 %	1,155	7 %	204
Loans & Advances	1,088	8 %	1,178	7 %	90
Less: Current Liab. & Prov.	11,141	78 %	13,383	77 %	2,242
NET CURRENT ASSETS	(650)	-5 %	(507)	-3 %	143
Cash, Bank & Current Investments	6,048	42 %	7,608	44 %	1,560
TOTAL	14,353	96 %	17,352	96 %	2,999

Business Segments

India

Highlights & Growth Drivers

₹ Mn

India	Q4 11 - 12	Q4 10 - 11	11-12	10-11
Revenues	1986	1795	9091	8344
% Growth	11 %		9 %	

• Q4 FY 12 Highlights

- Mat Mar '12 covered market growing at 18% vs. Torrent growth of 15%
- IPM growth 13%, Covered market growth 17%, Torrent growth 13%
- Growth Gap mainly from Acute Therapy → CM: 14%, Torrent 9%.

• 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	Q4 11 - 12	Q4 10 - 11	11-12	10-11
Revenues	3,920	2,671	14,783	11,219
% Growth	47 %		32 %	

• Q4 FY 12 Highlights

- Brazil growing at 58% (52% in reali) , adjusted for sales spill over in previous year growth stands at 20% (15% in reali).
- Adjusting for one time charge back provision in previous year US growth stands at 53%

• Growth drivers

- New product introductions in key geographies of Brazil, Europe, Heumann & US
- Increasing global foot print by entering into newer geographies viz: Mexico, Thailand, UK, Romania.

Highlights & Growth Drivers

Brazil	Q4 11 - 12	Q4 10 - 11	11-12	10-11
Revenues	1251	791	4769	3551
% Growth	58 %		34 %	

• Q4 FY 12 Highlights

- Real growth of ~ 52 % with volumes growing 32%, New Introductions 17%, Price de-growth 2%.
- QTR (Dec - Feb 2012) ~ Torrent growing at 11% vs. Covered Market growth of 27%

• Growth Drivers

- Existing Products & Introduction of new products (25-30 new launches by 2014-15)

Highlights & Growth Drivers

USA	Q 4 11 - 12	Q 4 10 - 11	11-12	10-11
Revenues	630	152	2162	1143
% Growth	313 %		89 %	

- Q4 FY 12 Highlights

- 37 ANDA's & 23 DMF's approved till date (22 actively marketed, 10 under patent & 6 under cost improvement)
- 1 ANDA filed during the Quarter taking the total filings to 27 ANDAs (pending for approval) and 14 DMF's

- Growth Drivers

- 16 ANDA's & 8 DMF's under development
- Break-even likely by 2012-13

Highlights & Growth Drivers

` Mn

Germany (Heumann)	Q 4 11 - 12	Q 4 10 - 11	11-12	10-11
Revenues	848	818	3490	3016
% Growth	4 %		16 %	

- Q4 FY 12 Highlights

- Euro sales growth of 8%; launched 5 new products during the quarter

- Growth Drivers

- Heumann successful in winning tenders
- New Products going off patent and Therapy coverage expansion
- Shift of manufacturing base to India to boost competitiveness in bidding

Highlights & Growth Drivers

Mexico	Q 4 11 - 12	Q 4 10 - 11	11 - 12	10 - 11
Revenues	45	19	158	61
% Growth	142 %		158 %	

• Q4 FY 12 Highlights

- Actively marketing 5 molecules in CNS
- Field force of 35 people covering 70% of Mexican market.

• Growth Drivers

- Planning to enter into CV segment from next year
- Portfolio to grow to 30 products in 4 years with field force of 200 people

Highlights & Growth Drivers

` Mn

Europe (inc UK & Romania)	Q4 11 - 12	Q4 10 - 11	11-12	10-11
Revenues	475	333	1931	1476
% Growth	42 %		31 %	

- Q4 FY 12 Highlights

- Excluding UK & Romania, dossier business sales growth at 29%
- Euro sales growth of 40%

- Growth Drivers

- New Product Pipeline – 30 products till 2014-15
- Increasing geographical through direct field force presence in Romania and UK in the immediate term.

Highlights & Growth Drivers

ROW

₹ Mn

ROW	Q4 11 - 12	Q4 10 - 11	11-12	10-11
Revenues	458	384	1571	1353
% Growth	19 %		16 %	

- Q4 FY12 Highlights

- Adjusted for currency movements top line grew by 8%

- Growth Drivers

- Entry into semi-regulated markets like Thailand (Market Size of over USD 2 bio)
- Increased focus on existing territories with direct field force presence viz Philippines, Sri Lanka, Vietnam & Myanmar
- Scale up of operations in regulated markets like Australia & semi-regulated markets like South Africa.
- Minimize development costs by leveraging on R&D costs incurred for developed markets

Facilities – Expansion Plan

Facilities – Expansion Plan

Dahej SEZ

- **Nature:** Formulation & API Capacity Enhancement
- **Project Cost:** ` 800 crores
- **Planned capacities:** 50 TPA plus 11,000 million tablets / capsules p.a.
- **Timelines for completion:**
 - **Phase I:** Project cost of ` 500 crores, commissioning in FY 2014-15
 - **Phase II:** Project cost of ` 300 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