



Investor Presentation

JULY 2015

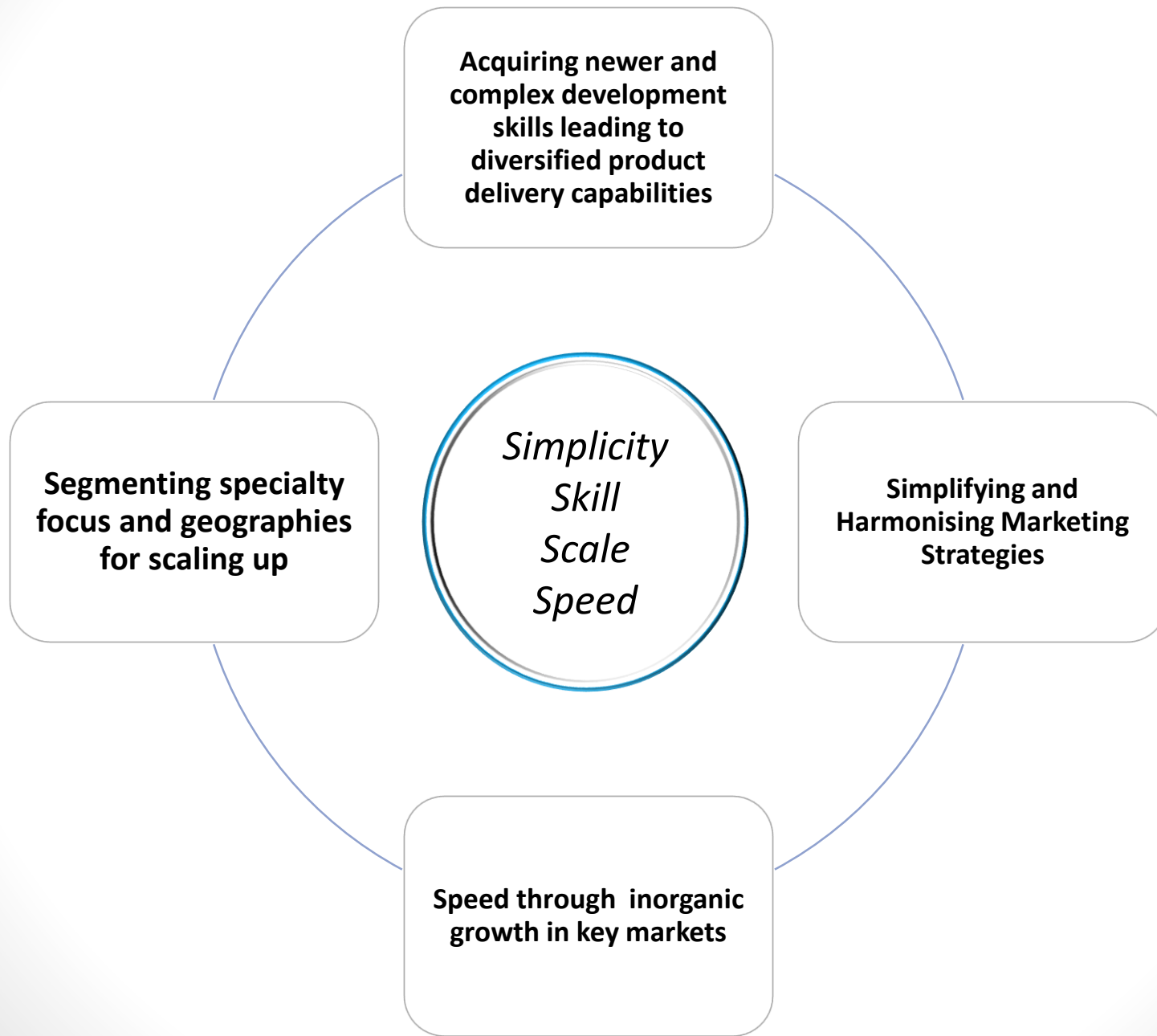




Simplifying Strategy, Diversifying capabilities



4 levers: Simplifying Strategy, Diversifying capabilities



Organizational Transformation - A balanced, integrated program

USA

Then: Oral Solids only

Future: Complex capabilities, New therapies, dosage forms

Why? Preparing for the future, Better margins

India

Then: Chronic driven business

Now: Acute the growth driver

Why? Scale & Access post Elder acquisition – A new balance

Other Emerging markets

Then: Lack of Harmonization

Future: Harmonized efforts in marketing, New launches & Practices

Why? Sustainability & Predictability

Europe

Then: Driven by Germany & Oral Solids

Future: Germany, UK, OTC

Why? Margins, Lucrative segment



Torrent – Current standing & Long term strategy

India (1608 Crs)

Among Top 15 cos., Strong presence in CV/CNS/VMN/GI market

Strategy: Strengthening access in Dermatology, Gynaecology, Oncology, Nephrology, Pain

Continuous focus on FF Productivity (10 lacs+), Specialties & Scientific model

Revival of “**Turrant**” NI Pipeline – 180 products in the next 5 years

USA (827 Crs)

Late entrant, Duloxetine, Aripiprazole among Early entry players

Strategy: Strengthening ANDA pipeline, Entry into Differentiated products, In-licensing

TPL

Emerging markets (954 Crs)

No. 1 Indian company in Brazil, Philippines

Strategy: Brand building & Specialty focus in CV/CNS/Gastro.

Continuous focus on FF Productivity

EU, Distributor driven Models (926 Crs)

Among top players in Germany

Strategy: Out-licensing, Entry into differentiated products, In-licensing



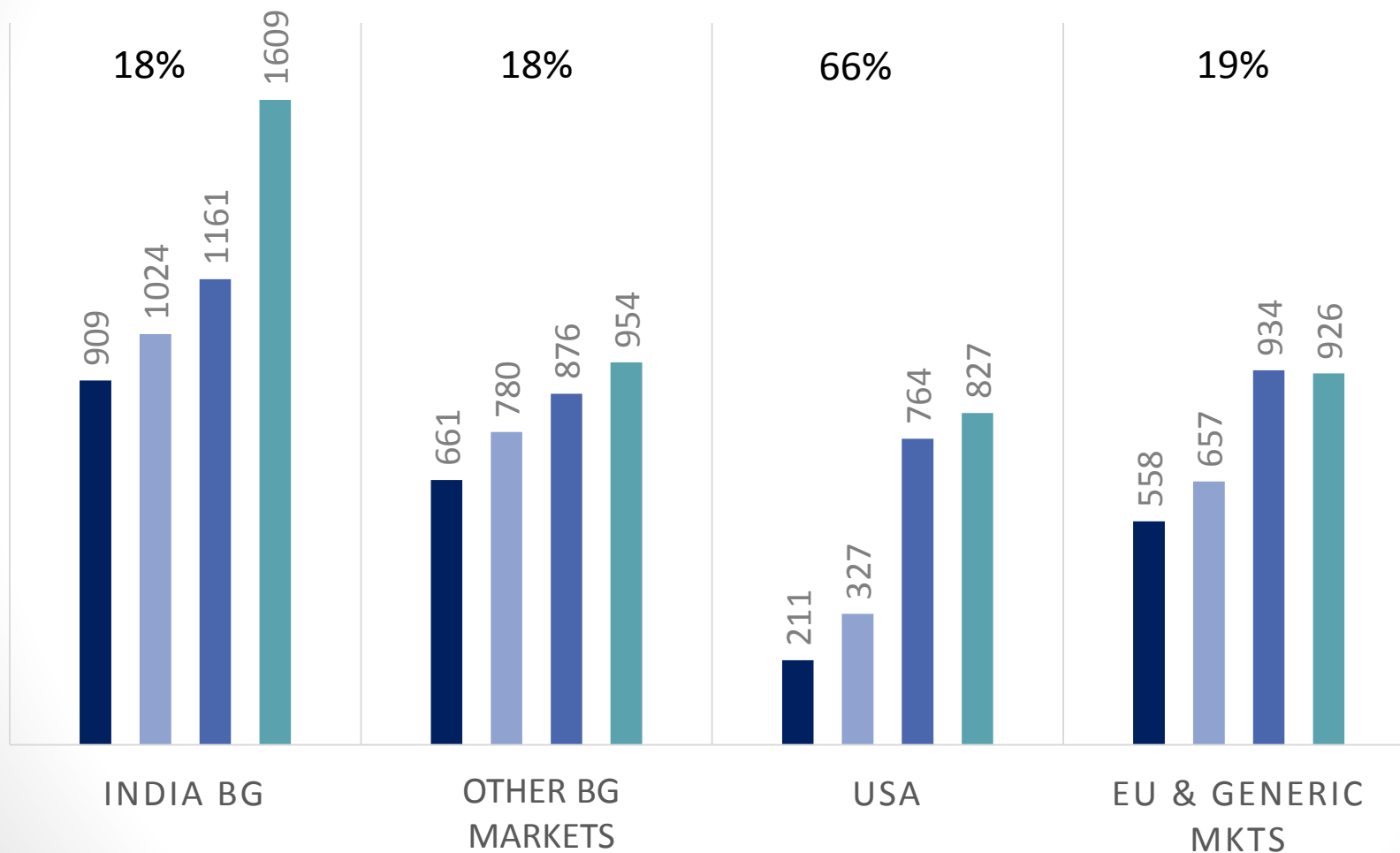


Performance snapshot



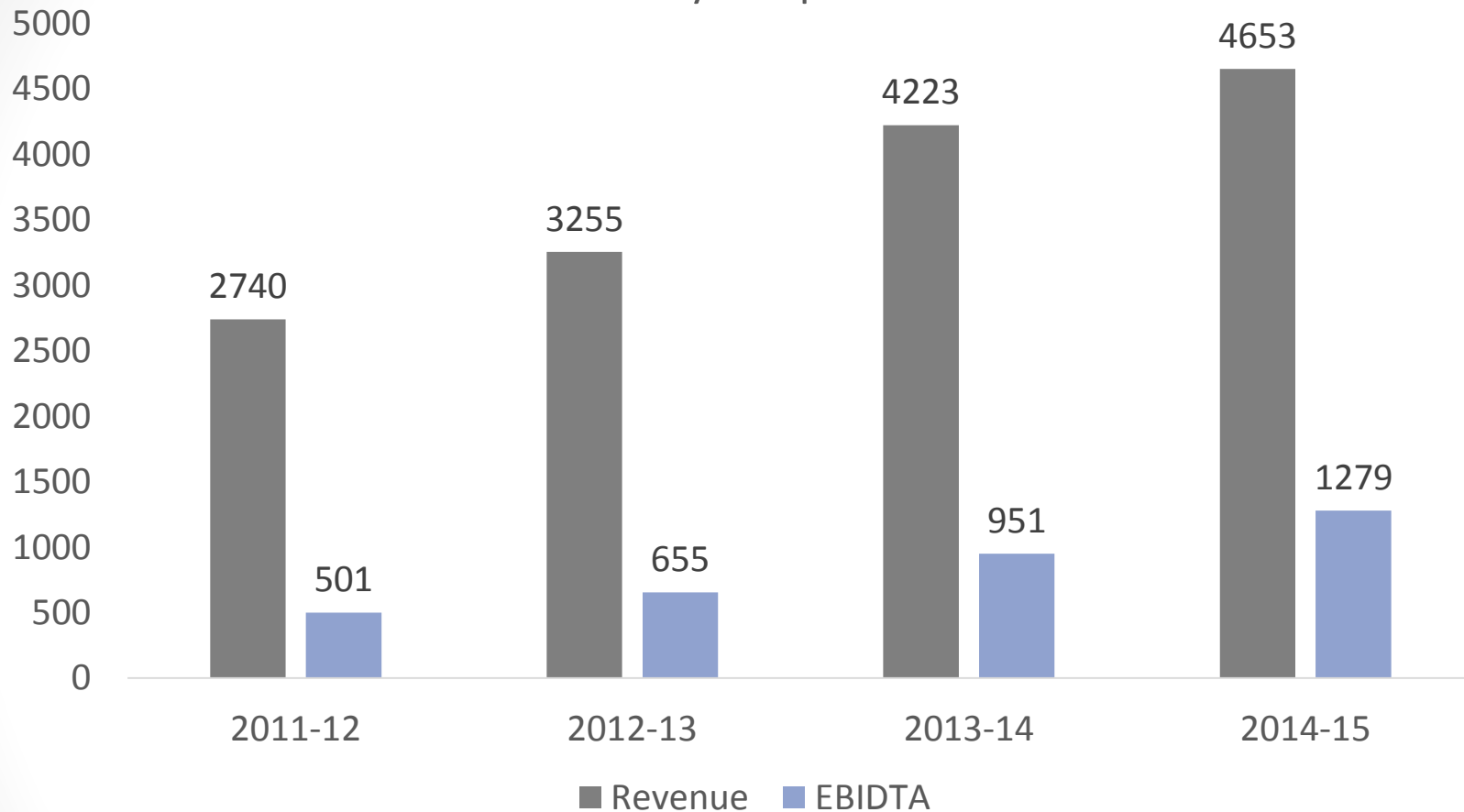
PERFORMANCE TREND (CRS.)

■ 2011-12 ■ 2012-13 ■ 2013-14 ■ 2014-15



The driving factors

4 years performance



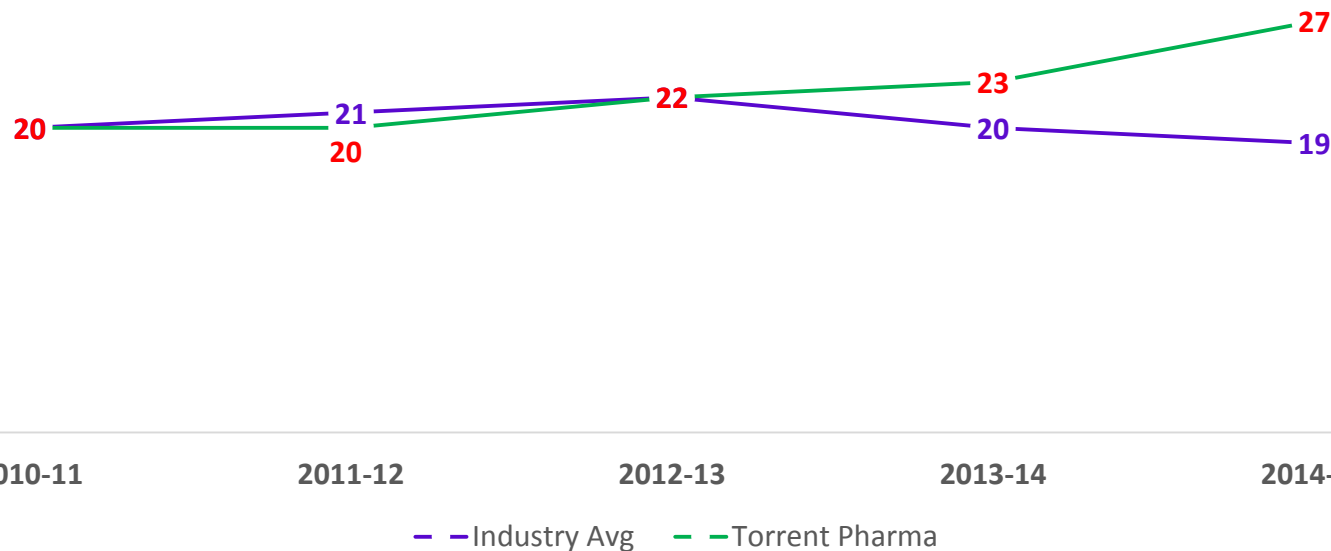
Topline CAGR % : 20%
Bottomline CAGR: 35%

Margin driven by USA and India



EBIDTA – Outperforming Industry Average

EBIDTA MARGINS %



Higher than Industry avg EBIDTA Margins

- Driven by Brands, Niche products, Field Force productivity

Margin Expansion further to be driven by

- Elder Acquired portfolio, USA Focus



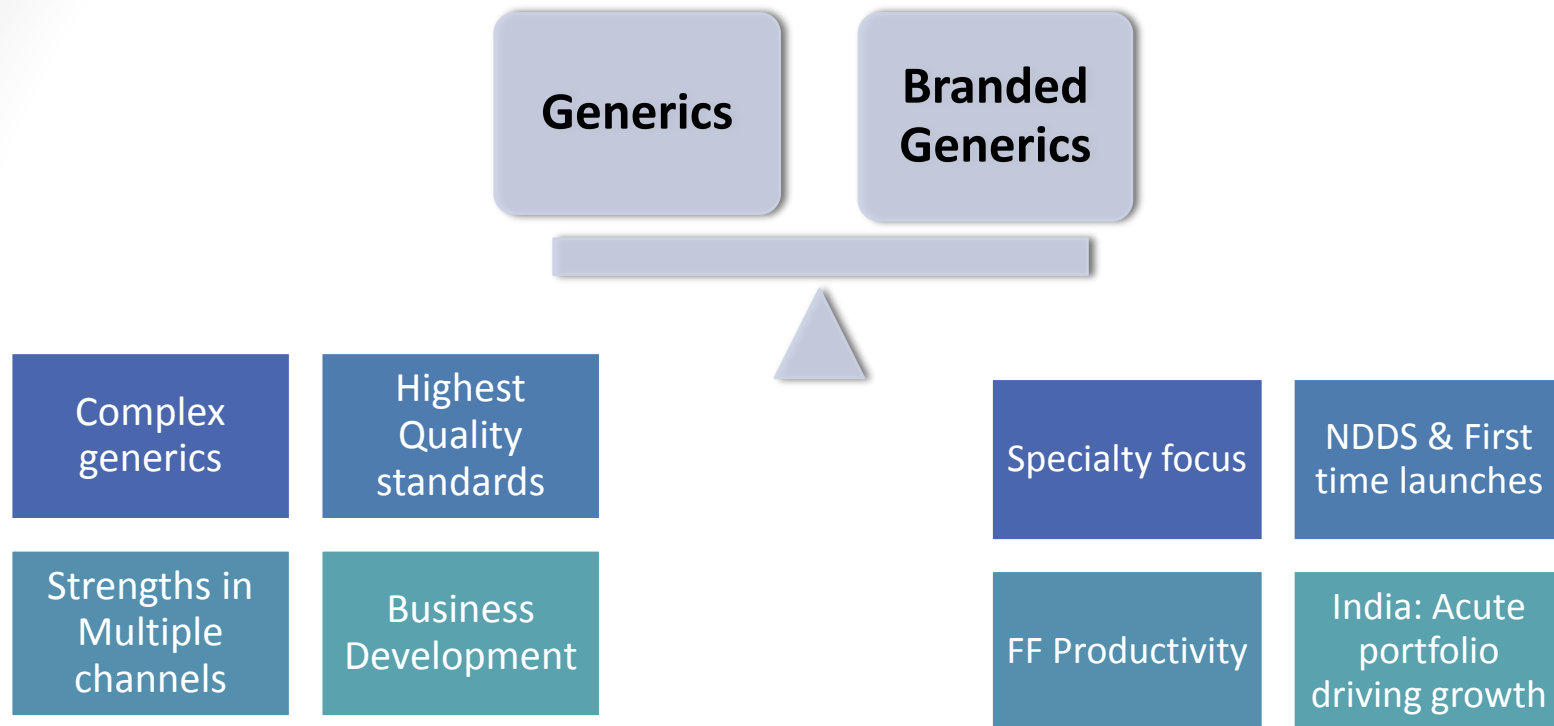


Future Outlook

The factors for sustainability



The Priorities

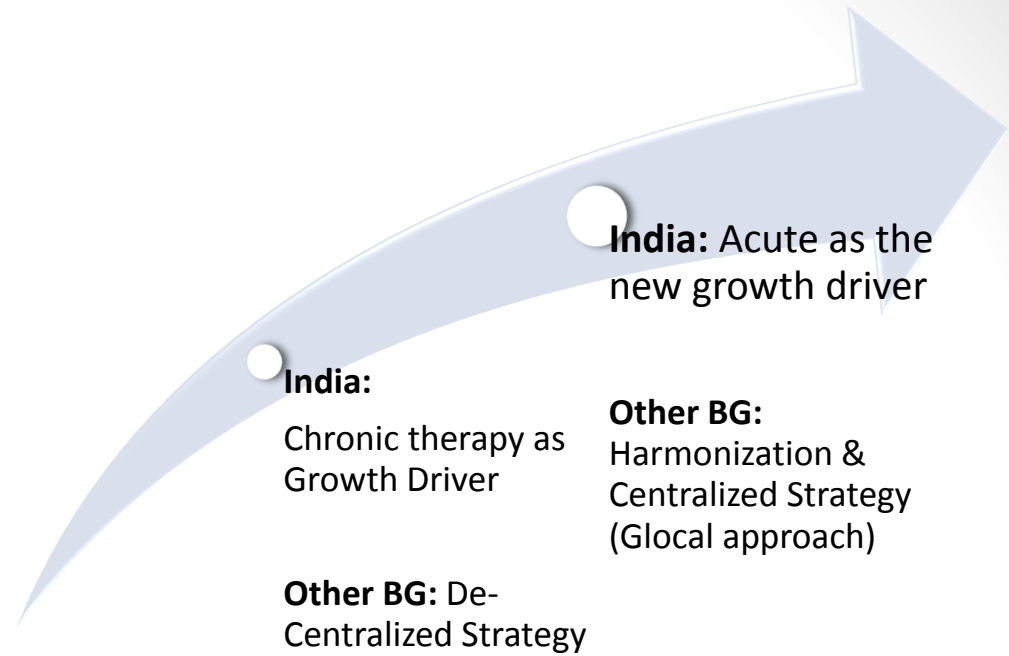


Priority markets – **1. India,**

2. USA,

3. Other markets BG & Europe GG





India:

Chronic therapy as
Growth Driver

Other BG: De-
Centralized Strategy

India: Acute as the
new growth driver

Other BG:
Harmonization &
Centralized Strategy
(Glocal approach)

The Priorities

Key BG Markets

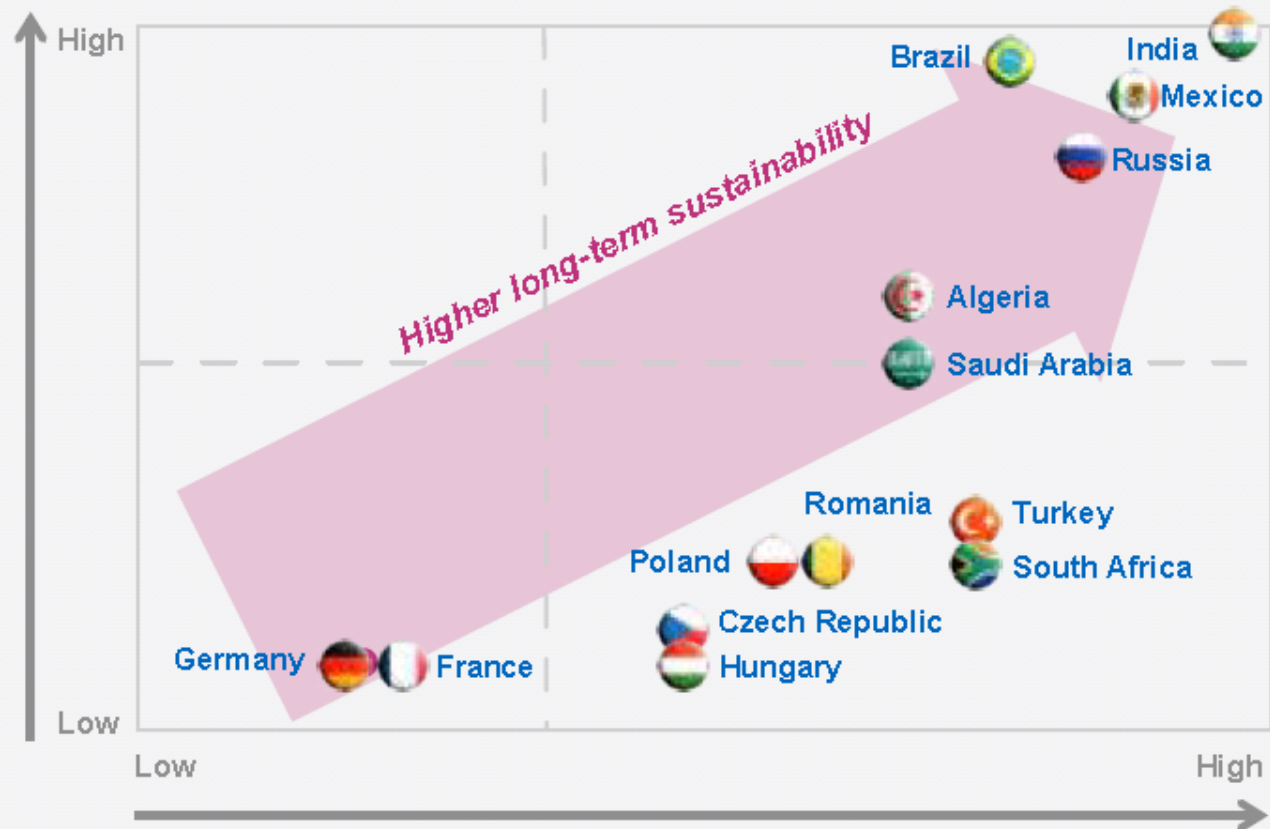


Branded Generics Markets – Long term sustainability

What is the likelihood of the market escaping price intervention by payers?

Assessed through:

- Limited pressure to reduce healthcare spend
- Strong desire to support local pharma companies



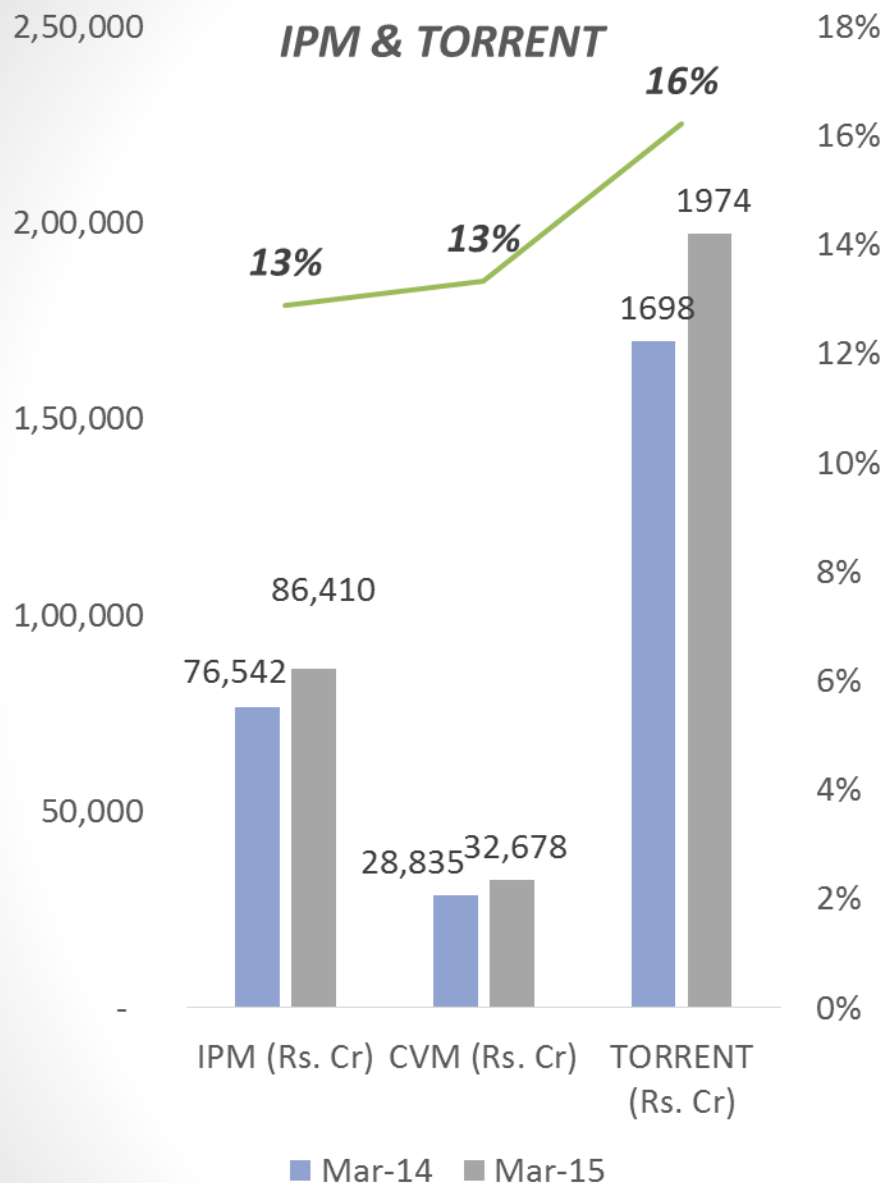
How strong is the preference for brands?

Assessed through:

- Intrinsic local preference for brands
- Patients' willingness to pay price premium
- Lack of confidence in ability of regulatory system to safeguard drug quality



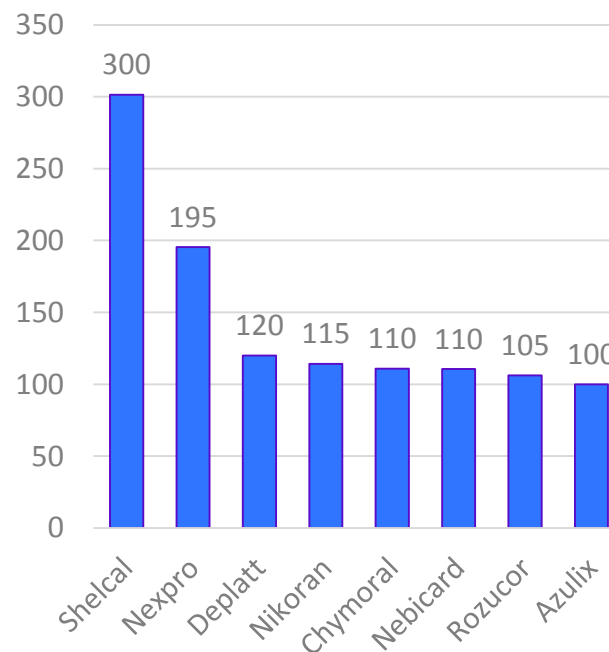
India Business



IPM – Indian Pharma market, CVM – Covered market

- Focus on brand building and productivity improvement to continue. (8 brands 100 crs + by 18-19, currently 2 brands)
- Rationalization :: Field Force (500 over 3 years)
- Portfolio realignment to bring in better Synergies

2018-19 Brand Value Estimate



Torrent to enter top 10 cos. In IPM with this brand building approach



Granularity of Growth – India Business

Company	CAGR% (3Y) (2013/14/15)
IPM	10
MACLEODS	19
GLENMARK	17
USV	16
SUN	16
TORRENT	16
INTAS	16
LUPIN	14
ALKEM	14
CIPLA	11
DRL	9
ZYDUS	8

Key Performance Parameters (Last 3 years)

- Highest PCPM growth in IPM top 20 : 24% (rationalized 848 cumulative last 3 years)
- Among the lowest top 2 cos. On quarterly Standard deviation in Growths reflective of consistency
- Highest among Top 20 IPM Cos. For 10 Cr+ brands increase in contribution (20% Increase) in line with **2012-2017 5 year plan**
- Half of Industry average in Bonus to sales ratio (Industry avg – 3.7%, Torrent – 1.9%)
- Among fastest growing company in Q1 as per AIOCD/IMS/CMARC/SMSRC



Branded Generics Market – Harmonizing with the GLOCAL Approach

- Initiatives for 2015-16
 - Harmonization of
 - Marketing practices
 - Product pipeline
 - NDDS innovation & Investments

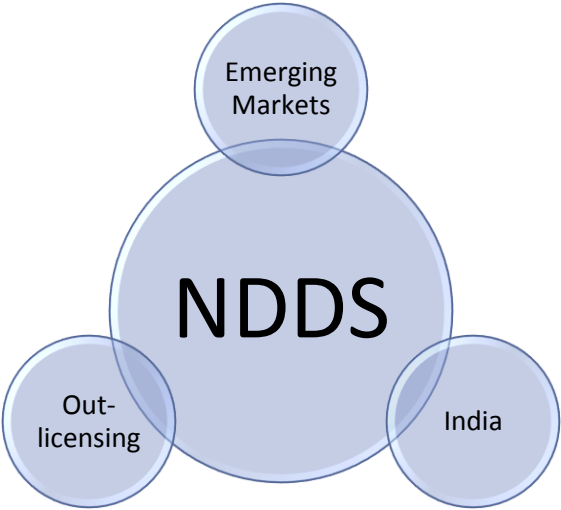
Key Priorities in Other BG Markets

- Brazil
- Philippines



Launch prioritization for Other BG Markets

Other BG Markets	Launch Priority
CNS	1 or 2
CVD	1 or 2
Gastro	3 or 4
Derma	3 or 4



Brazil & Other Key BG Markets

BRAZIL – Streamlining for growth

Portfolio Re-alignments - BRAZIL

- Higher Specialty focus & Investments
- 2 Teams aligned as per Specialty

Strategy Shapes structure

- Dedicated teams for CNS & CND

Cost efficiencies in NI & Field Force Deployment

- 100 FF rationalisation in process

Consolidation – Other BG markets

Scaling up investments through new therapies & Portfolio in promising markets

TPL Key BG markets

BG Market

India

Brazil

Philippines

Sri Lanka

Malaysia

Russia

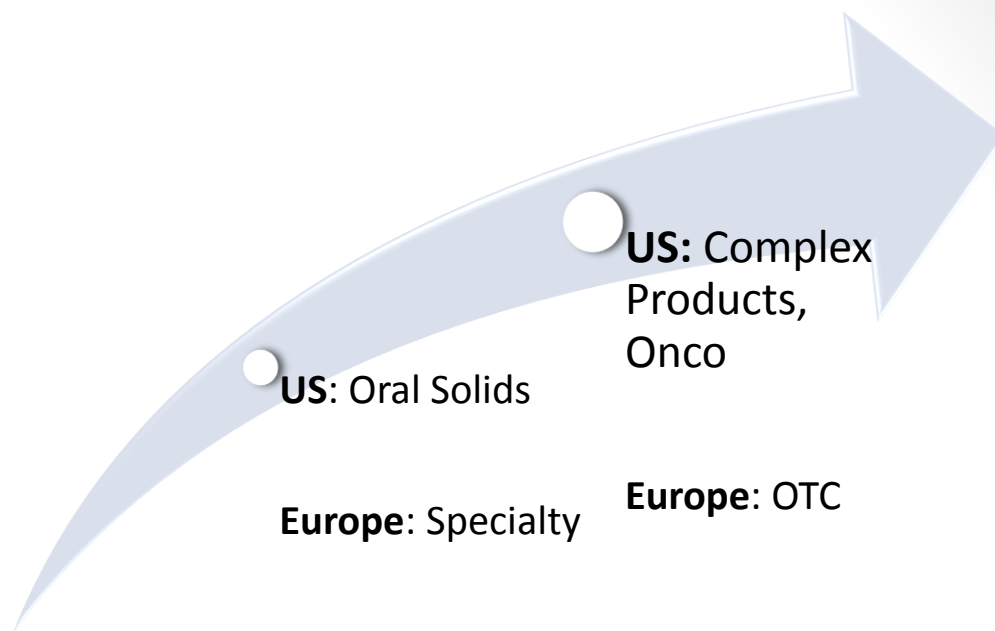
Romania

Mexico

Sharper Focus

By Exiting from 20 countries from current 40+ countries presence





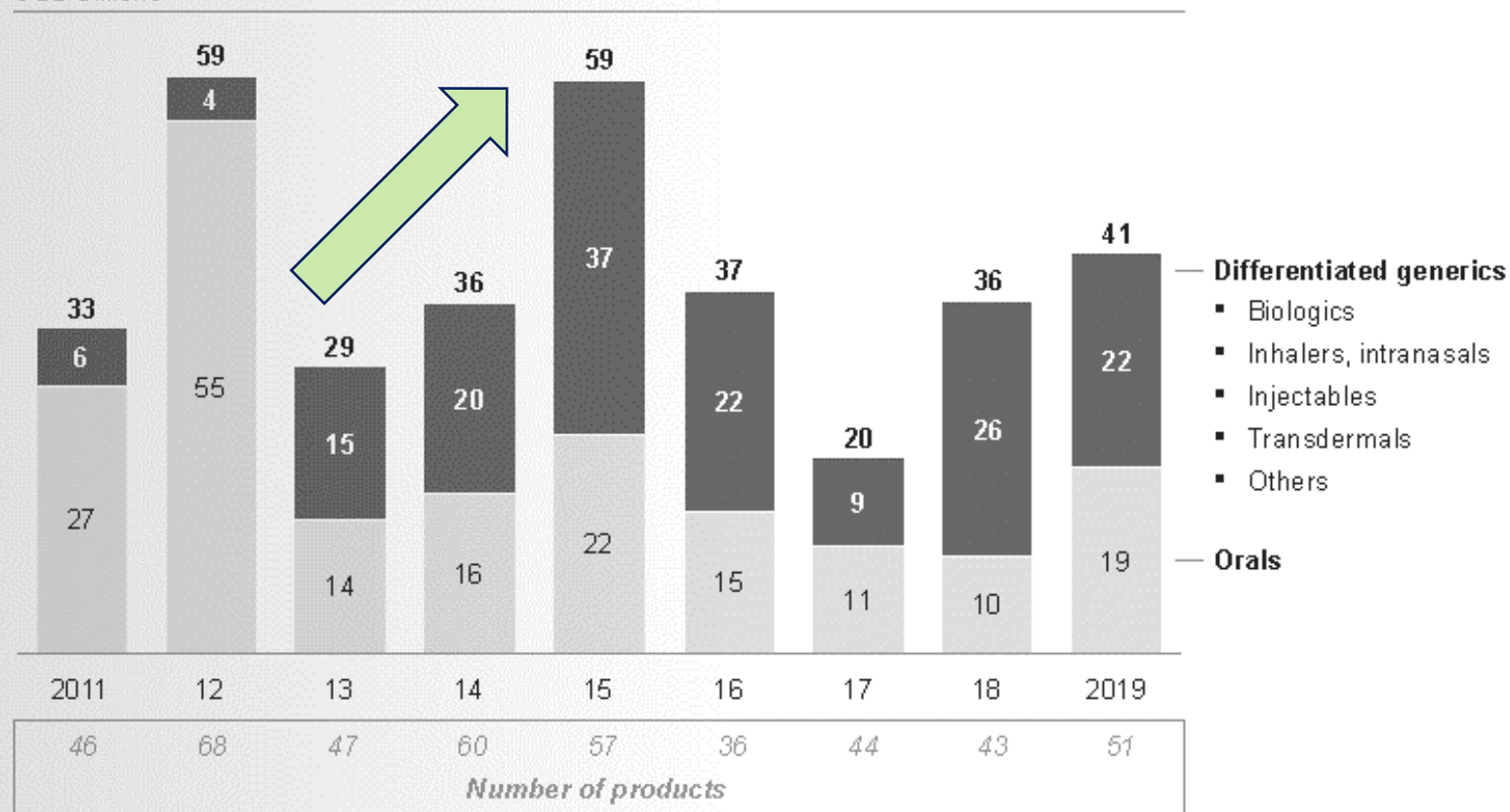
Generics



The opportunities - USA

Upcoming LOE opportunities will be dominated by differentiated generics products

Estimated worldwide sales of all products losing US patent protection in the year before patent expiry
USD billions



Pipeline being augmented with

- Intranasal, Derma ointments/creams, Injectables & Specialty Oral Solids (Oncology)



USA – Moving up the value chain....

Strengthening Presence with customers & operational improvements

Among top 3 players in 14 molecules
11 products with sales > 5 million USD in 15-16

Strengths in multiple channels with anchor customers
Improve operational excellence internalize warehousing

Growth drivers – pipeline size and diversification

Increasing # of projects - 53 ANDA approvals + 19 pending + 44 Products under development.
Adding 18-20 products per year (earlier 10-12 per year)

Increase presence in New segments – Dermatology, Oncology & Ophthalmology.
Complex Generics
First to file projects

Growth drivers – Business Development

Augment pipeline with external partners

M&A



Europe

Germany

Standing

- 74% of the generic market into tenders
- Torrent Generic Market Coverage 62%
- Market share in Tender business : 6.2%
- Ranked 6th amongst generic companies
- 20% CAGR (last 5 years)

Growth Drivers

- Untapped High volume products in tenders
 - will be supported by Dahej capacity
- OTC
- Portfolio augmentation with entry into new segments

Rest of Europe

Licensing Business

- Forge partnerships with regional companies in north and south Europe

UK

- 15+ product launches in 2015-16; 40 products to be launched over the next 4 years
- Move business to larger accounts – retail chains & large wholesalers

Till 2015

Built good base in difficult to enter markets

Next 3 years

Portfolio diversification in non-infringing products, OTC, high-volume tender market



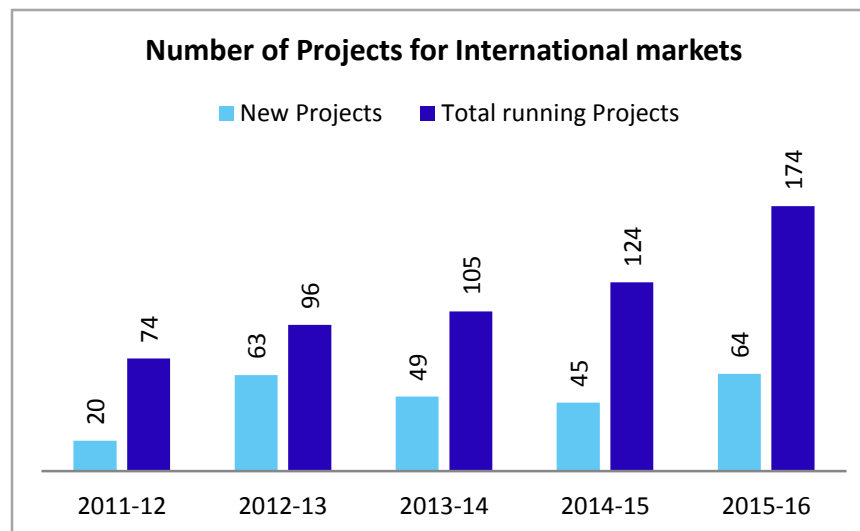


R & D / Manufacturing



R & D – Preparing for the future

- Consistently higher spend in the years ahead
 - Spend at over 6% planned
- **India Business**
 - 180 products added for next 5 years (Last 3 years: 30)
 - 100 NDDS & First time launches stepped up
- **International Operations**
 - 64 New projects (LY 45)
 - New projects in Oncology, Dermatology, Ophthalmology, Injectables
- **Manpower**
 - Increase of 400+ Scientists



Manpower

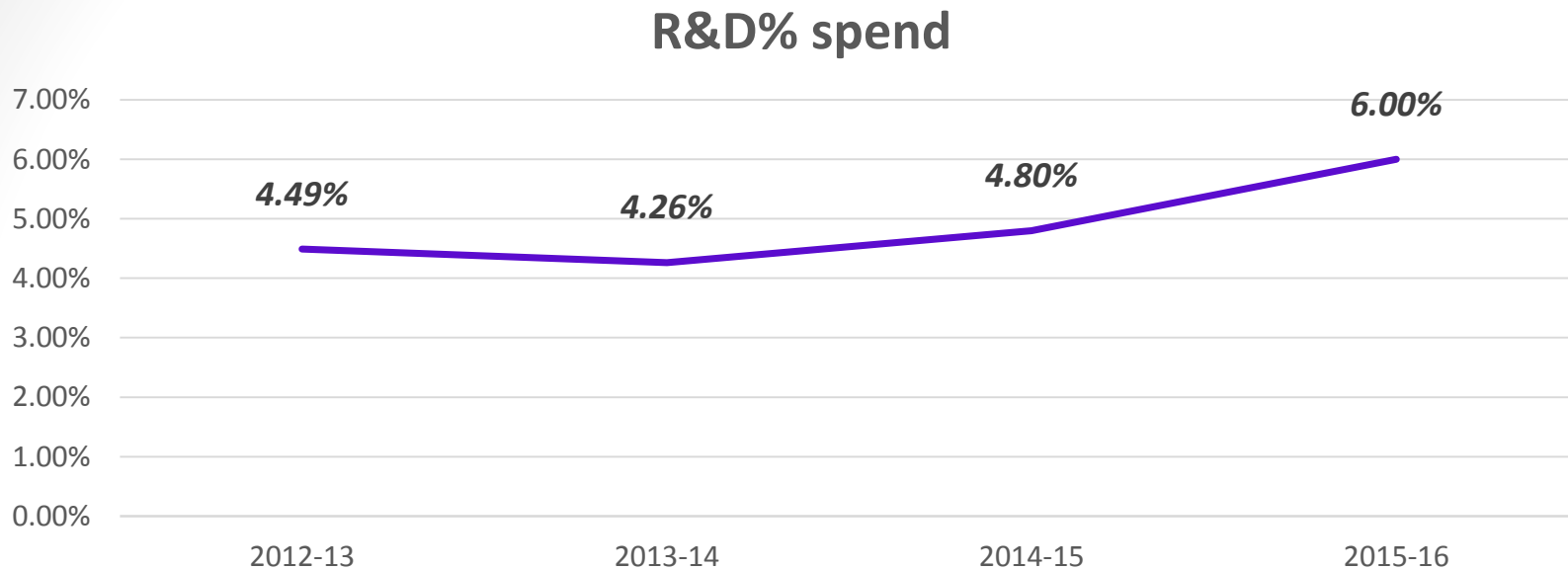
- Addition of around 400 scientists

Increase in specialty & complex projects

- Oncology (solid orals)
- Dermatology
- Ophthalmics
- FTFs
- NDDS for Brazil & BG Markets
- Orphan Drugs



R&D Spend – Going up to 6 to 8% in the years ahead



Higher R&D spend

- In line with industry standards from 2015-16

Improved Output

- Higher number of projects per year
- Global development
- Inhouse capabilities development



Manufacturing & Supply Sources

- ***Audits***

- US FDA audit completed successfully at Indrad & Dahej plant in April 2015

- ***Additional Capacity & Capex***

- Dahej : Commercial Mfg from Dec 2015
- New expansion Sikkim : Additional capacity coming up
- Manufacturing plant for Oncology products –Oral solids, injectables and API





Thank You

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