torrent PHARMA

11th February, 2018

The Dy. General Manager (Listing Dept.)
BSE Limited
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P. J. Towers, Dalal Street, Fort,
Mumbai - 400 001
(BSE Scrip Code: 500420)

The Manager – Listing Dept.,
National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor,
Plot No. C/1, G. Block,
Bandra - Kurla Complex, Bandra (E),
Mumbai – 400 051
(NSE Scrip Code: TORNTPHARM)

Dear Sir,

Sub.: Investors Presentation

Please find attached herewith the updated Investors' presentation for your ready reference. The presentation is also being uploaded on the website of the Company.

Kindly take note of the above.

Thanking you,

Yours Sincerely,
For TORRENT PHARMACEUTICALS LIMITED

MAHESH AGRAWAL
VP (LEGAL) & COMPANY SECRETARY

Encl: As above

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Presentation

February 2018

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Torrent Pharma at a Glance

One of the leading pharma companies in India with a global presence

- Incorporated in 1971, with its headquarters in Ahmedabad, India
- 8th largest Pharma company in India[4]
- 15,000+ employees
- Amongst the leaders in Cardiovascular, CNS, VMN and GI therapeutic segments in IPM[3]
- 18 brands in the Top 500 IPM brands[4]

Presence across key Pharma Markets

- Developed markets like USA, Germany & UK
- High-growth emerging markets such as India, Brazil & Mexico
- Operates through 25+ sales and marketing divisions in India, structured on key therapeutic areas- with a field force of 6,500+

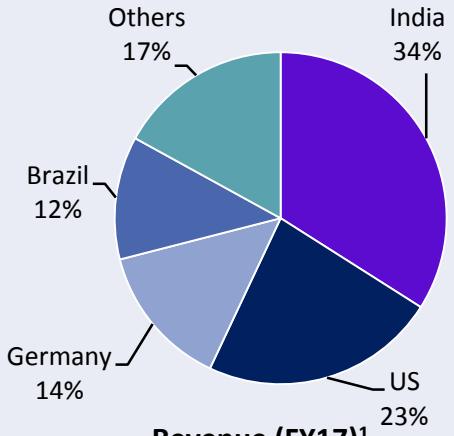
Vertical integration assuring quality & supply

- Developing and Manufacturing APIs and Formulations
- Product development for multiple dosage forms
- In-house BE studies
- Facilities are approved by key developed market regulators like USFDA, WHO, MHRA, TGA & other global regulatory bodies

Track record of value creation from acquisitions

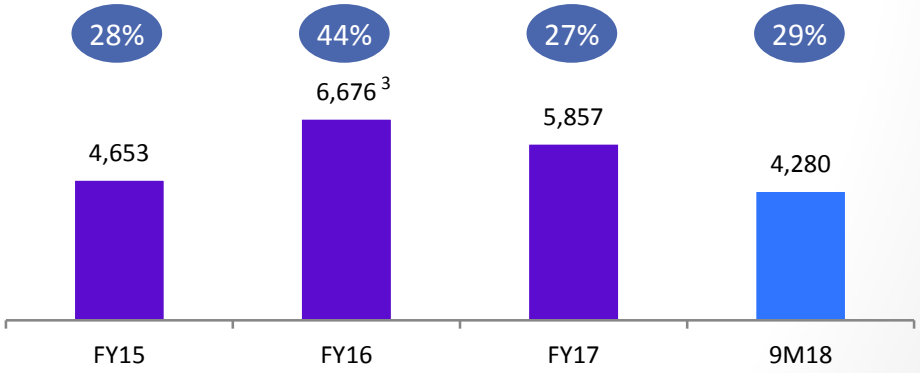
- Unichem Labs' Branded business in India & Nepal, with over 120 brands
- Elder Pharma's domestic formulations business with 30 brands

Revenue split by geographical segment



Revenue (FY17)[1]

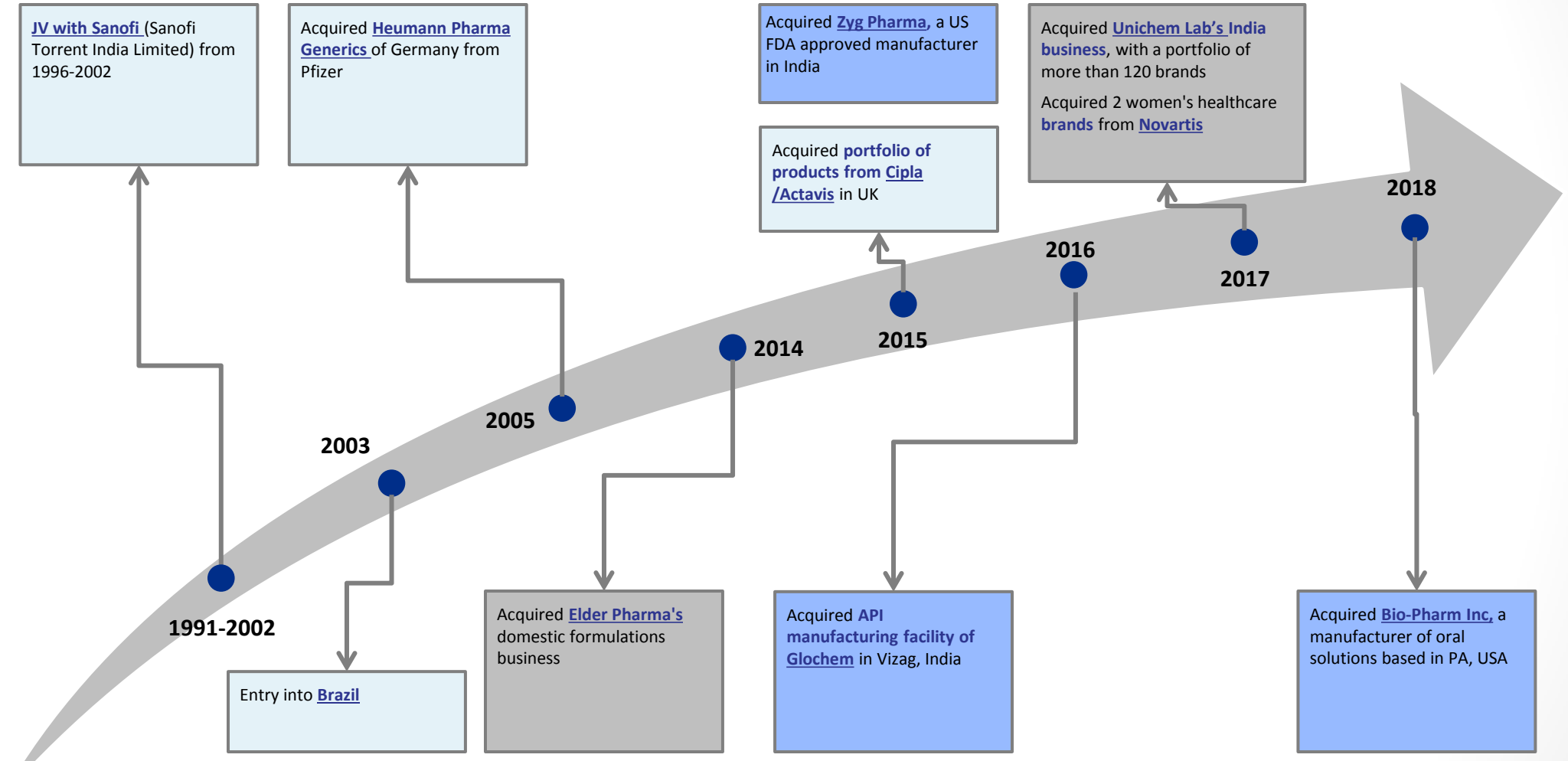
Revenue[1] (INRcr) and EBITDA margin[2] %



Source: AIOCD; Note: Financial data in the presentation is derived from the financial statements of the company prepared under Ind AS for FY17 and 9M18 and Indian GAAP for FY15 and FY16; [1] Revenue from operations (net)
[2] EBITDA = Profit before tax and exception items + Finance costs + Depreciation, amortisation and impairment expense – Interest income and EBITDA margin = EBITDA / total revenue;[3] Exceptional revenue/ gain in FY16 on account of limited competition in one molecule in US; [4] For MAT Dec'17 as per AIOCD

Torrent Pharmaceuticals: The journey so far…

Track-record of successful acquisitions: Well thought strategic acquisitions to deepen focused therapies and expand to lucrative geographies

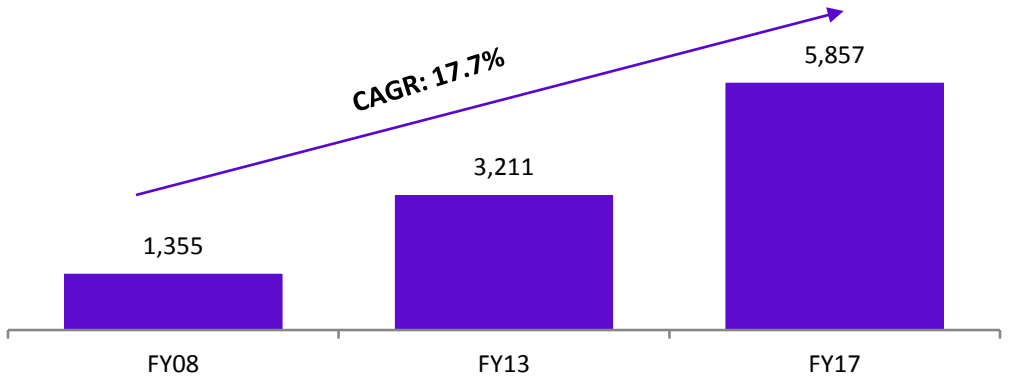


Carve-out

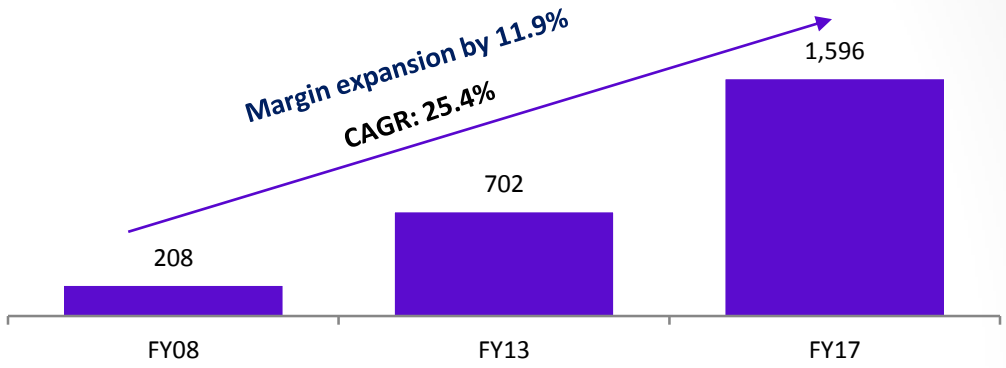
Industrial acquisition

Track-record of shareholder value creation

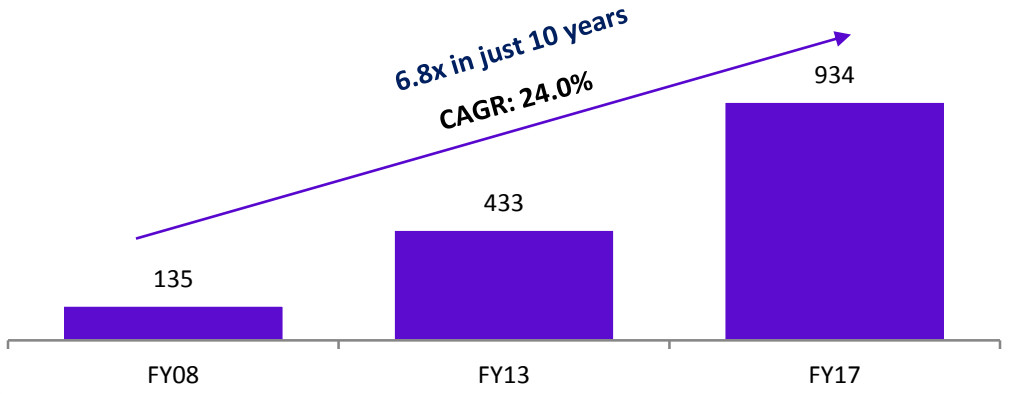
Revenue (INRcr)



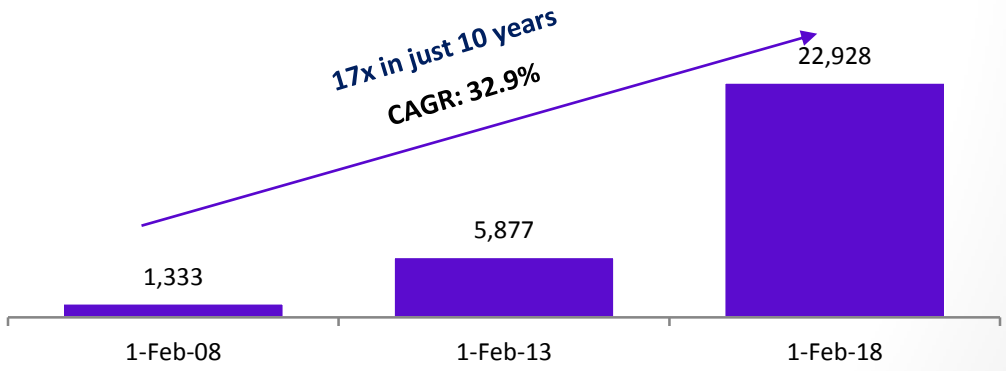
EBITDA[1] (INRcr): Phenomenal margin expansion



Net income (INRcr)



Market cap. (INRcr)



Source: Company filings, NSE

Note: Financial data in the presentation is derived from the financial statements of the company prepared under Ind AS for FY17 and 9M18 and Indian GAAP for all prior years

[1] EBITDA = Profit before tax and exception items + Finance costs + Depreciation, amortisation and impairment expense – Interest income and EBITDA margin = EBITDA / total revenue

Key highlights

1. Strong position in India
2. Proven ability to build market leading brands
3. Track-record of successful integration of acquisitions
4. Balance mix with well entrenched position in developed and emerging markets
5. Strategic advantage via vertical integration with in-house API and formulations manufacturing capabilities
6. Strong research and development capabilities
7. Experienced founders and professional management team with strong track-record

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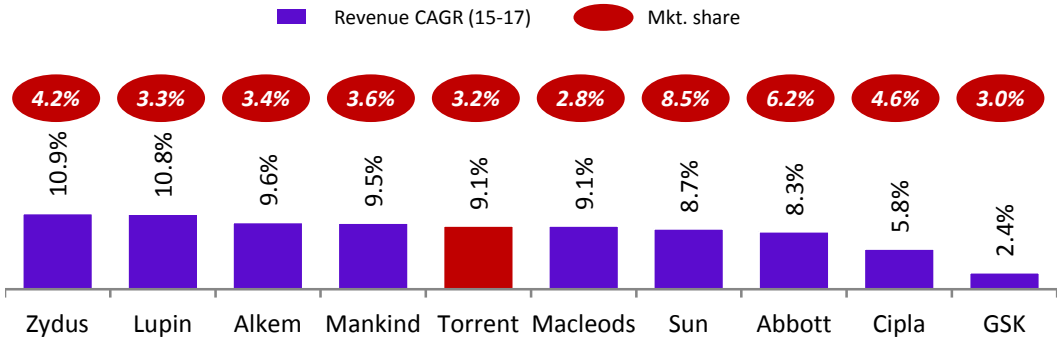
1 Strong position in India ...

Market leadership

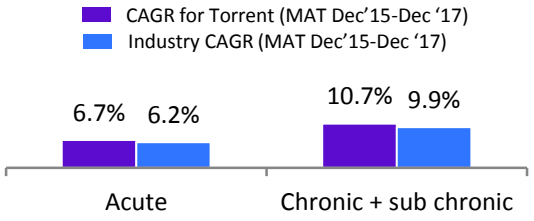
- #8 company in domestic formulations market
- Domestic market share of 3.2% with a sizeable MAT of INR3,710cr (Dec'17)
- Increasing exposure to the India market through Elder and Unichem acquisition

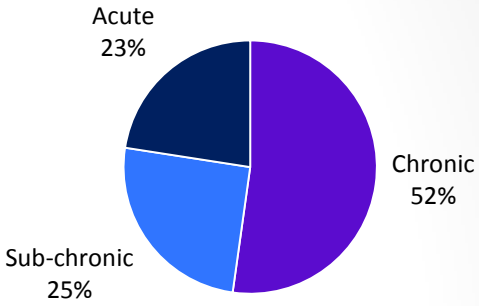
MAT growth (Dec'15-Dec'17)



Majority contribution from high growth chronic business

- Continued focus on chronic business
  - Comparatively higher growth
  - More sustainable
  - Higher stickiness
- Highest exposure to chronic segment among all the top 10 companies in India
- Torrent chronic and sub-chronic share of 77% v/s IPM of 52%

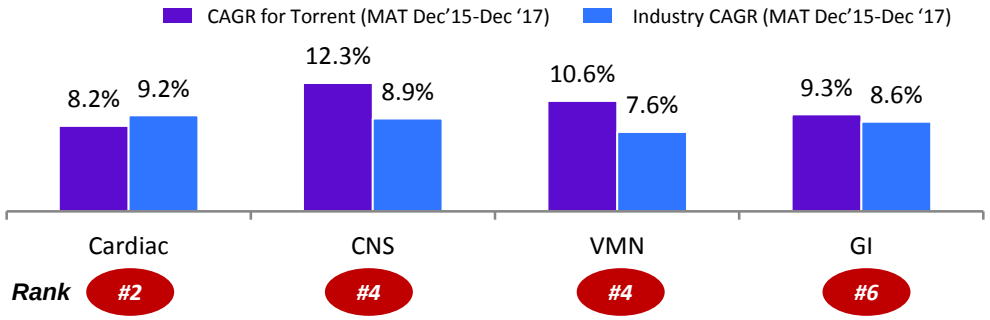




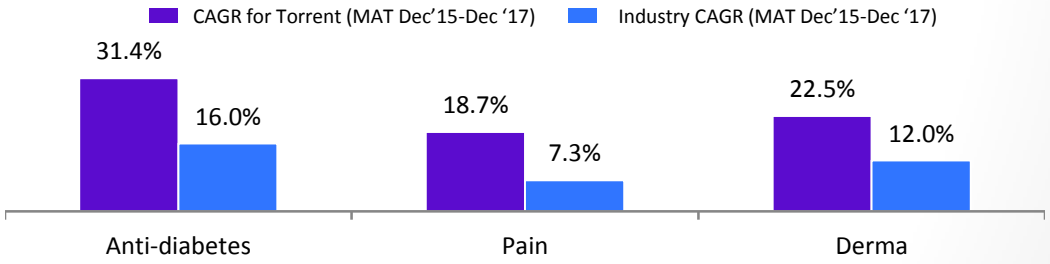
MAT Dec'17 value: INR2,727cr[1]

Strong positioning in micro-markets

Leadership therapeutic areas



Emerging therapeutic areas



Source: AIOCD
Note: [1] Excludes Unichem contribution

1 ... with an extensive sales and distribution network

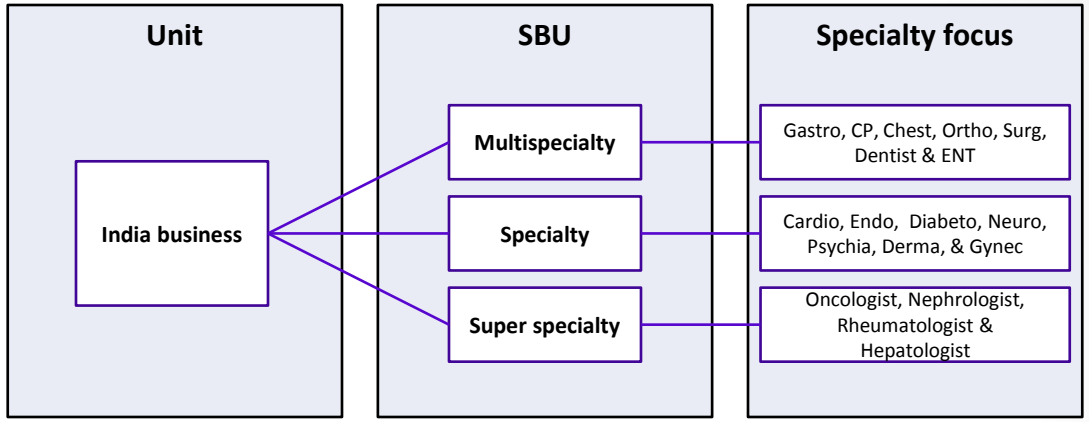
Extensive sales, marketing and distribution network in India

23
C&F

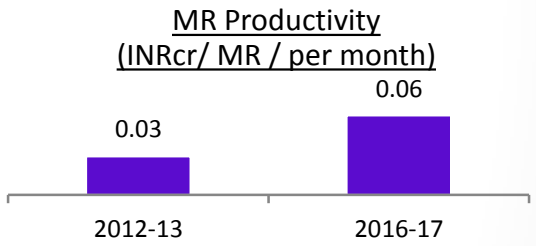
5,000+
Stockists

6,500+
Field force

Strategic business units for focused sales



- Wide distribution reach across India through 5,000+ stockists
- Focus on business hygiene for improved business predictability
- Sustained brand building approach
- Specialty driven business model with focus on improving productivity
- One of the leading player in IPM amongst specialties- Cardiologist, diabetologist, psychiatrist, gastro, nephro & neuro



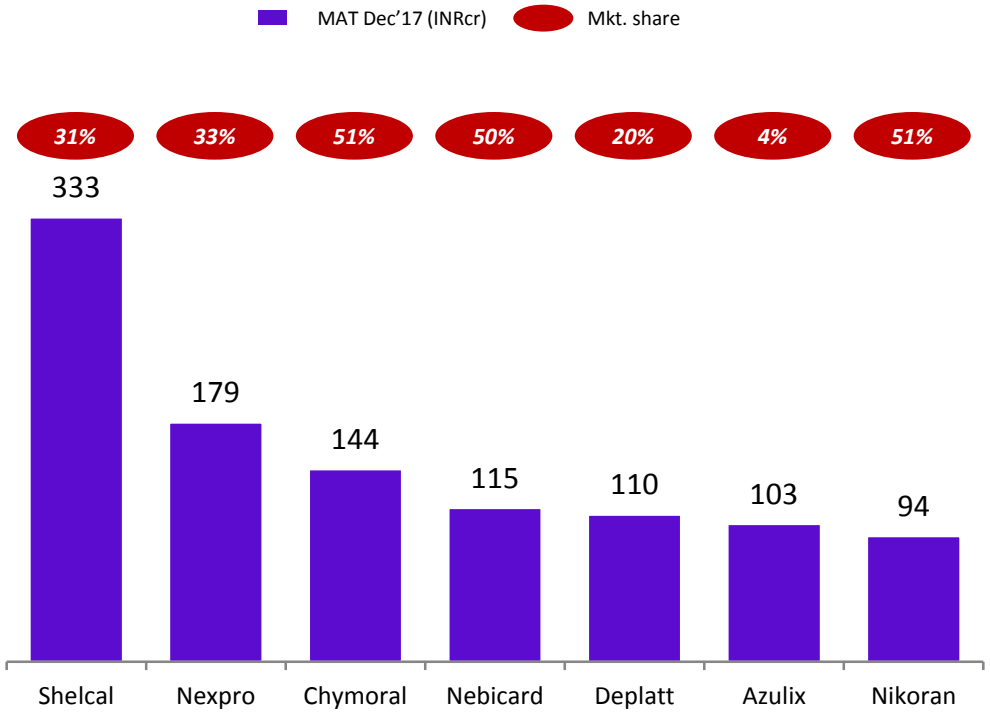
Transformation driving productivity

2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
▪ Identifying areas for process improvements	▪ Portfolio re-alignment ▪ Specialty approach ▪ Business development initiatives	▪ Team stability ▪ Field force rationalization ▪ NI pipeline ▪ Acquisition of Elder	▪ Business Hygiene ▪ Continuing specialty approach ▪ Entry into MABs	▪ Focus on Rx generation ▪ Enhancing productivity from specialties	▪ Acquisition of Unichem

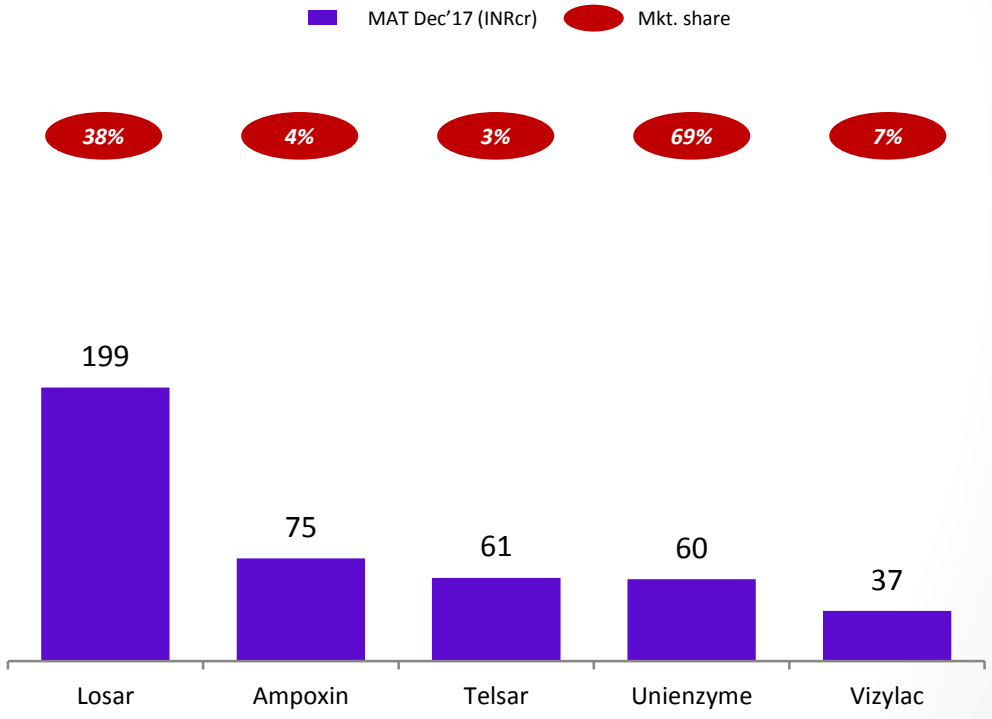
2 Proven ability to build market leading brands - *Reputable brands across the therapeutic areas*

- ✓ Strong ability to build reputable brands
- ✓ 18 brands among top 500 brands
- ✓ 15 brands over INR50cr including 7 brands over INR100cr

Leading brands



Leading brands acquired as part of Unichem transaction



Source: AIOCD MAT Dec 17

3 Track-record of successful integration of acquisitions

- ✓ Track record of successfully closing and integrating acquisitions into existing business
- ✓ Acquired business with large field-force successfully absorbed
- ✓ Acquisitions driven by long term strategic intent and turnaround strategy which demonstrates right capital allocation

December 2013 — **Acquired brands from Elder**

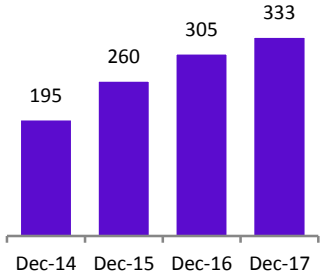
May 2017 — **Acquired brands from Novartis**

November 2017 — **Acquired branded business of Unichem in India and Nepal**

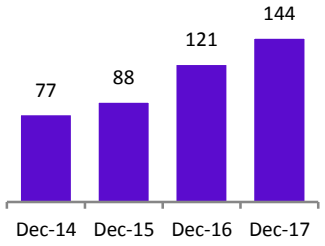
January 2018 — **Acquired Bio-Pharm**

MAT (INRcr)

Shelcal



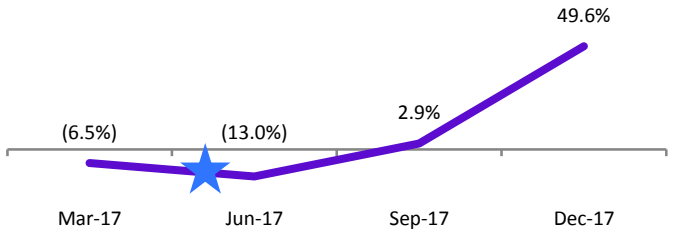
Chymoral



- Acquired domestic formulation business consisting 30 brands from Elder including women's healthcare, pain management, wound-care and nutraceuticals in FY14-15
- Top brands included Shelcal and Chymoral

Regestrone

Y-o-Y growth for each quarter



- Turnaround of sales of Regestrone since acquisition

- Unichem:
  - 120 brands and manufacturing plant at Sikkim
  - Strengthening presence in Cardiology, Diebetology, GI and CNS

Source: AIOCD MAT Dec'17, Newsrun

4 Balance mix with well entrenched position in developed and emerging markets – *4 important markets for Torrent*

Overview

India

- 8th largest player in the Indian Pharma Market with a market share of 3.4% (Post Unichem acquisition)
- Strong Portfolio of brands with leading position in key therapeutic areas (2nd in Cardiology, 4th in Neuro and VMN respectively, 6th in Gastrointestinal)
- Strong focus on Chronic & sub-chronic segments

US

- The company has built a healthy pipeline of 93 filed ANDAs of which 29 ANDAs are pending for final approvals
- Launched limited competition products: gAbilify and gCymbalta

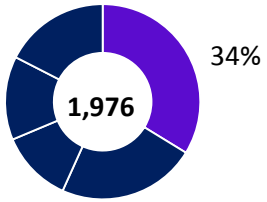
Brazil

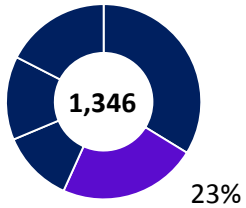
- Largest Indian pharma company in Brazil
- Torrent ranked 15th amongst all pharma companies (Rx ranking)
- 37 molecules with 11 major brands

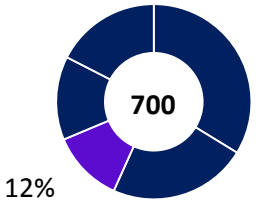
Germany

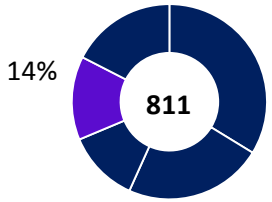
- **Germany**
  - 4th largest generic company in the retail segment
  - 120+ molecules encompassing oral solids, patches, liquids, opioids, oncology products
  - OTC contributes to 10% of the business

FY17 Revenue Contribution[1] (INRcr)









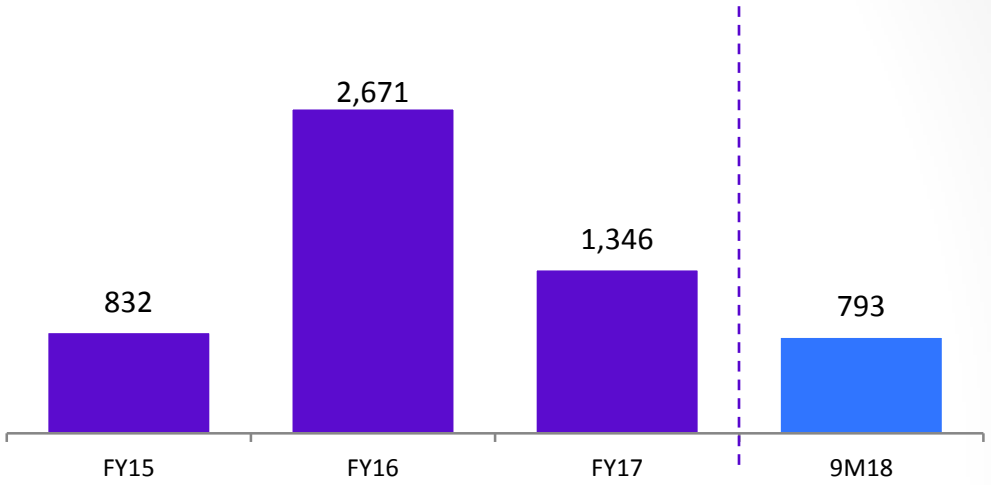
Source: Close-up dataset, AIOCD, Insight health – NVI – KTPLUS
Note: Financial data in the presentation is derived from the financial statements of the company prepared under Ind AS for FY17
[1] Denotes % contribution to revenues from external customers which also includes revenue from other countries, CRAM and other revenues

4 Balance mix with well entrenched position in developed and emerging markets - *Focused US market approach: Targeting niche opportunities and well thought molecule expansion strategy*

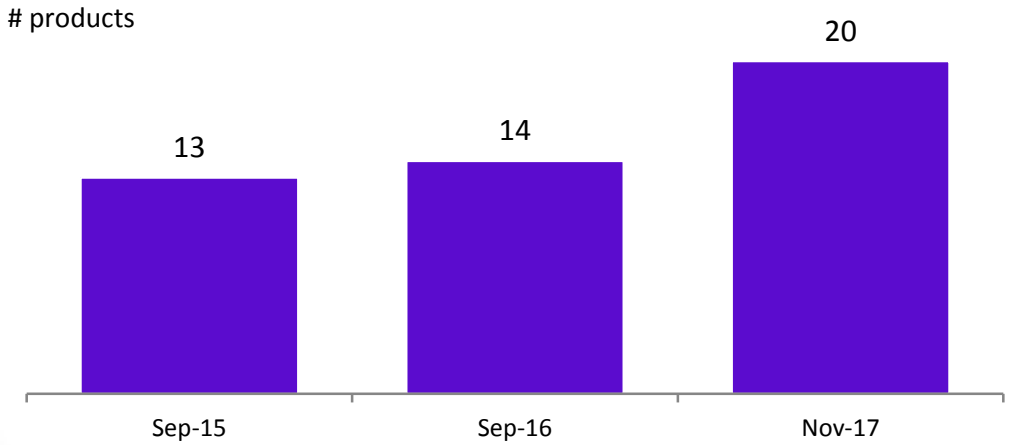
Overview

- Exceptional gain in FY16 on account of limited competition in Aripriprazole in the US
- Pipeline includes products like ointments and specialty oral solids (oncology) including external collaborators for the development of products for the US market
- Total products under development: 77

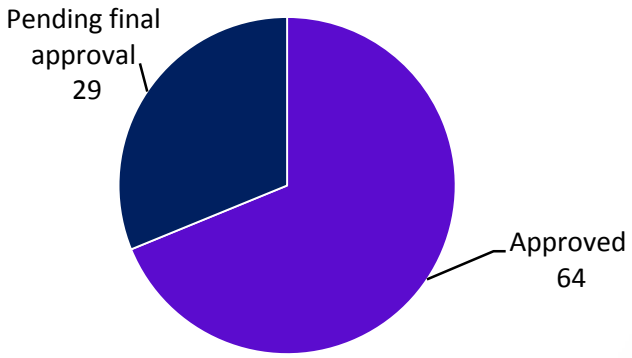
Revenue evolution (INRcr)



Increasing products in the top 3 of respective segment



ANDA overview



Source: IMS

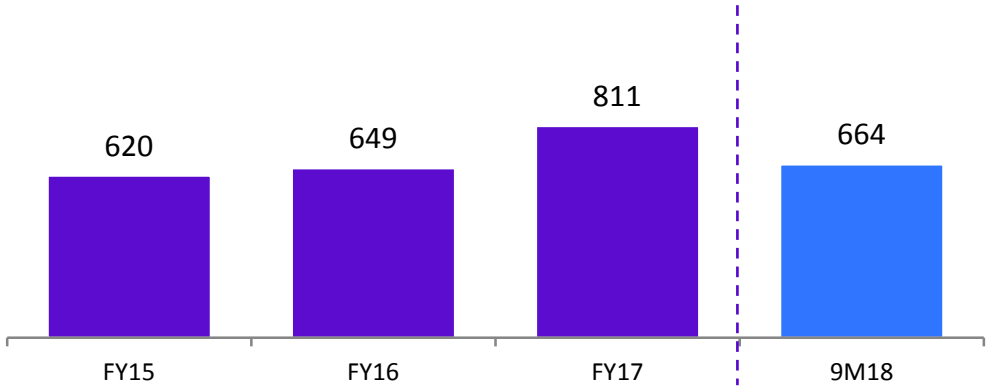
Note: Financial data in the presentation is derived from the financial statements of the company prepared under Ind AS for FY17 and 9M18 and Indian GAAP for FY15 and FY16

4 Balance mix with well entrenched position in developed and emerging markets – *Europe market strategy and position*

Overview

- Germany:
  - 4th largest pharma company despite entry in 2005 through acquisition of Heumann Pharma
  - Several new product launches each year in the last 3 years
  - Focus on products with low volumes and high value

Germany revenue evolution (INRcr)



- UK
  - Acquired portfolio of products from Cipla /Actavis in 2014
  - 34 molecules are marketed in the country, with 108 licenses
- Licensing business
  - Follows a licensing model in many of the European countries
  - More than 40 products registered with 35+ partners across Europe

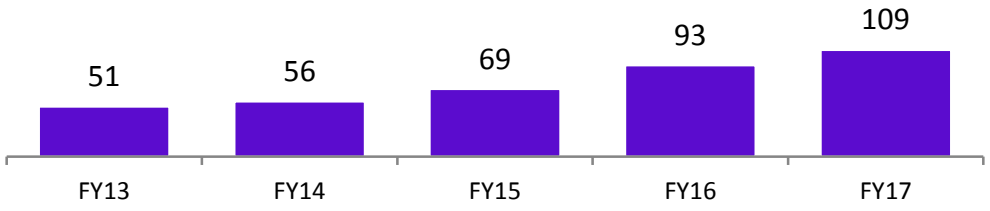
Source: Insight health – NVI – KTPLUS
Note: Financial data in the presentation is derived from the financial statements of the company prepared under Ind AS for FY17 and 9M18 and Indian GAAP for FY15 and FY16

4 Balance mix with well entrenched position in developed and emerging markets - *Brazil*

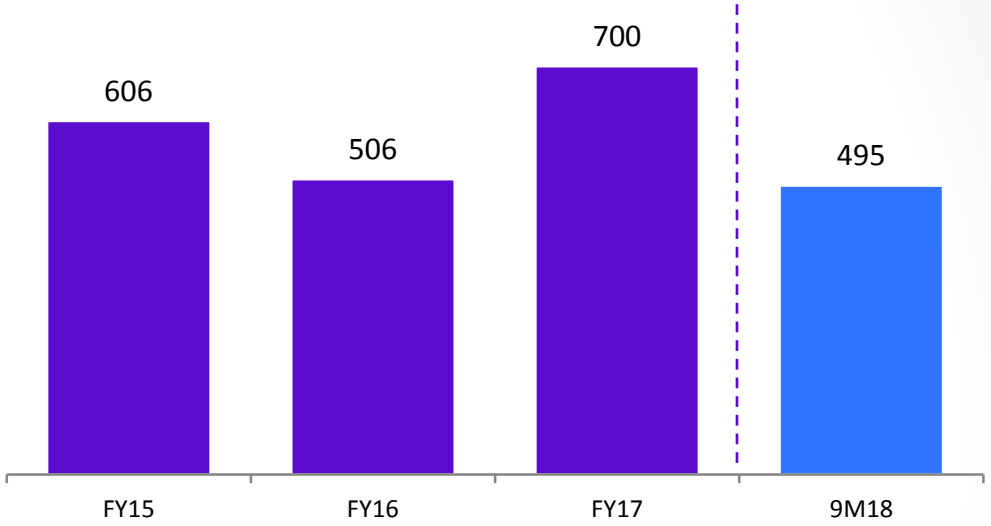
Overview

- Ranks #1 in terms of market share, among Indian Companies
- 7 brands over INR50cr including 3 brands over INR100cr

PCPM overview ('000s)



Brazil revenue evolution (INRcr)

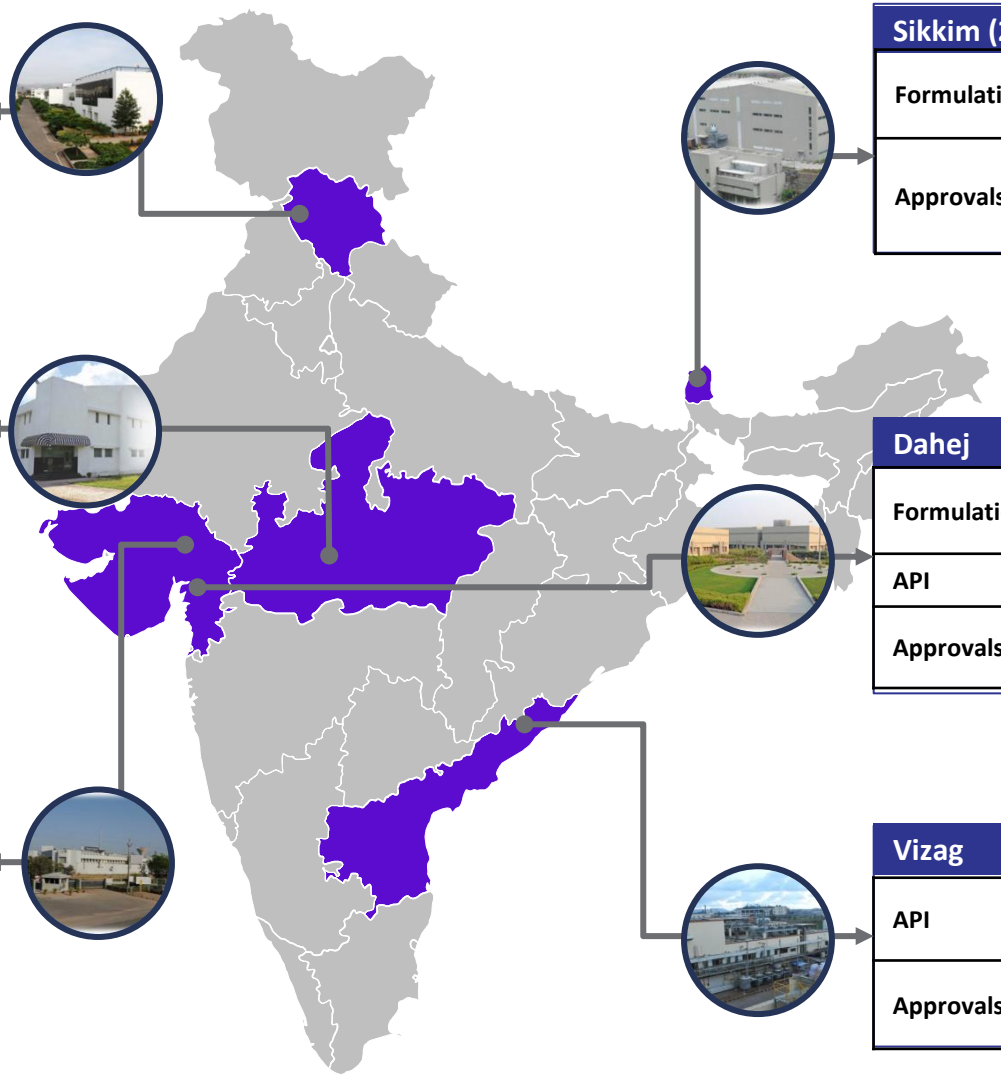


Evolution of Brazil Business

2013-14	2015-16	2016-17	2017-18 1H
▪ Nebivolol launch ▪ Competitive Pricing Strategy for key brands	▪ Brand Building Focus ▪ TA Based Divisions ▪ Field Force Rationalization ▪ Pipeline Development	▪ Defocus on Govt. Business ▪ Launch of Olmecor and Trazodone	▪ Implementation of Controls and SOPs for Sales' Channel Management

Source: Close-up dataset
Note: Financial data in the presentation is derived from the financial statements of the company prepared under Ind AS for FY17 and 9M18 and Indian GAAP for FY15 and FY16

5 Strategic advantage via vertical integration with in-house API and formulations manufacturing capabilities



Baddi	
Formulations	▪ 4.4 billion tablets/capsules
Approvals	▪ EU GMP

Pithampur	
Formulations	▪ 160 million tubes
Approvals	FDA

Indrad	
Formulations	▪ 5.5 billion tablets/capsules
API	▪ 45 million tons API
Insulin	▪ 30 million vials
Approvals	FDA ; EU GMP

Sikkim (2 Plants)	
Formulations	▪ 8.5 billion tablets/capsules
Approvals	▪ Approved for India business

Dahej	
Formulations	▪ 7.5 billion tablets/capsules
API	▪ 25 million tons API
Approvals	FDA ; EU GMP

Vizag	
API	▪ 25 million tons API
Approvals	FDA ; EU GMP

Also operates a US based facility acquired as part of the Bio-Pharm acquisition in January 2018

Only domestic pharma company among top 10 to not have received any warning by USFDA, exhibiting superior technical capabilities

5 FDA Inspection track record since 2006

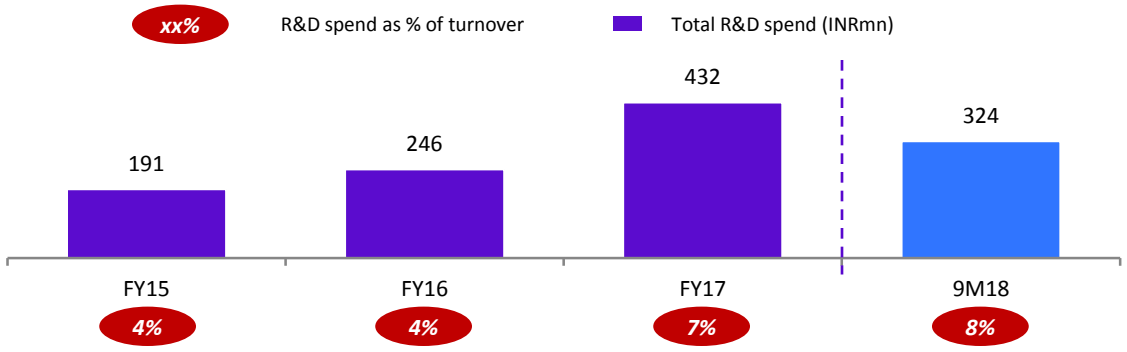
Site	Inspection End date	Status
Indrad	April, 2006	Significant 483, Resolved
	April, 2008	Insignificant 483, Resolved
	Mar, 2011	No 483, Compliant
	July, 2013	No 483, Compliant
	Mar, 2015	Insignificant 483, Resolved
	May, 2016	Insignificant 483, Resolved
	Apr, 2017	Insignificant 483, Resolved
Dahej	Apr, 2015	Insignificant 483, Resolved
	Jun, 2017	Insignificant 483, Resolved
Indore	Sep, 2011	Insignificant 483, Resolved
	May, 2014	Insignificant 483, Resolved
	Apr 2016	Insignificant 483, Resolved
Vizag	Apr 2009	Insignificant 483, Resolved
	Jan 2013	Insignificant 483, Resolved
	Dec 2015	Insignificant 483, Resolved
BE Centre	Sep, 2009	Insignificant 483, Resolved
	Mar, 2013	Insignificant 483, Resolved
	Mar, 2015	Insignificant 483, Resolved
US-Office (PV activity)	Aug, 2011	No 483, Compliant
	Dec, 2014	No 483, Compliant

6 Strong research and development capabilities

KEY R&D capabilities

Infrastructure	▪ Built-up Area - 441,000 sq. ft. — Laboratories - 280,000 sq. ft. — Support Services - 161,000 sq. ft. ▪ 56 bedded hospital ▪ Approved by: US-FDA, ANVISA (Brazil), EU-AFFSAPS (France)
Scientists	▪ 900+

Significant investment in R&D (INRcr)



Focus areas

Complex Generics

- Oral (Sprinkles, Retard, Compact, Osmotic)
- Oncology
- Derma
- Ophthalmology
- Injectables

Value Added Generics

- NDDS, 505 B(2)
- Therapeutic areas: Dermatology, CNS – pain, VMS, Women's Health
- L.A. Injectable, Foams, Nasal Sprays

Discovery

- NCEs for emerging markets
- Two advanced projects in phase III

Note: Financial data in the presentation is derived from the financial statements of the company prepared under Ind AS for FY17 and 9M18 and Indian GAAP for FY15 and FY16

Strategy

Key strategies

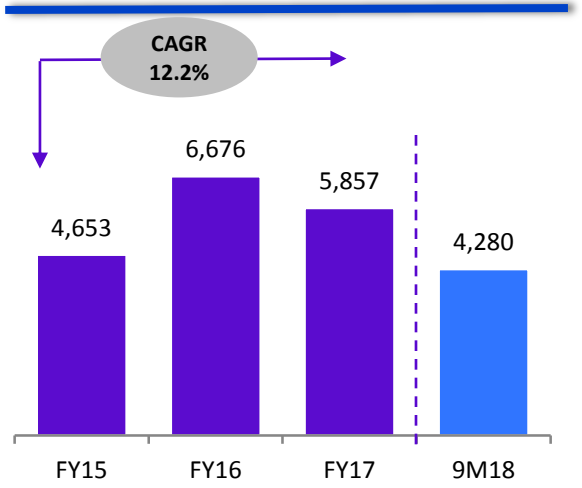
Increase market share in India	■ Maintain market leadership in specialist segments ■ Continue to build large brands in our core therapeutic areas ■ Focus on field force productivity
Pursue inorganic strategic opportunities	■ Pursue inorganic growth opportunities to gain access to platforms with capabilities, product portfolio and established brands which are complimentary ■ Focus on successful integration of acquired entities to generate significant synergies and create value for shareholders
Expansion in developed geographies such as US, UK and Europe	■ Continue to focus on the existing and new generic products and enhance product portfolio by accelerating ANDA filings in diversified dosage forms ■ Identify new potential opportunities in the generics space
Focus on research and development to enhance our product portfolio	■ Increase our initiatives in research and development in order to enhance our differentiated product portfolio in both the domestic market and international markets and to enhance ANDA filings in the United States ■ Continue to focus on formulation development and API research ■ Develop capabilities and expertise in niche areas with high entry barriers
Pursue growth in emerging markets	■ Consolidate market share in the existing geographies ■ Achieve growth by leveraging existing relationships with customers and expanding product portfolio with a focus on branded generic formulations in our leading therapeutic areas

Financials

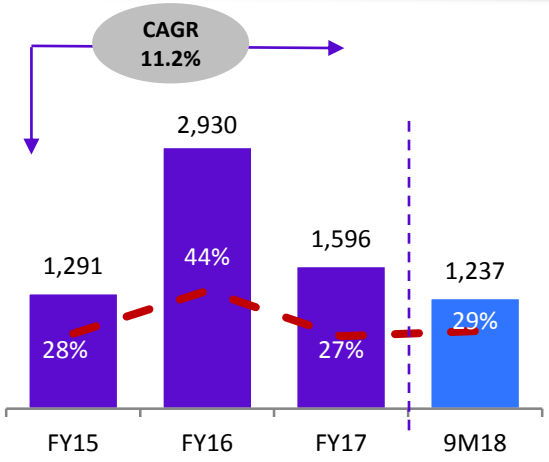
Financials

(All figures in INRcr)

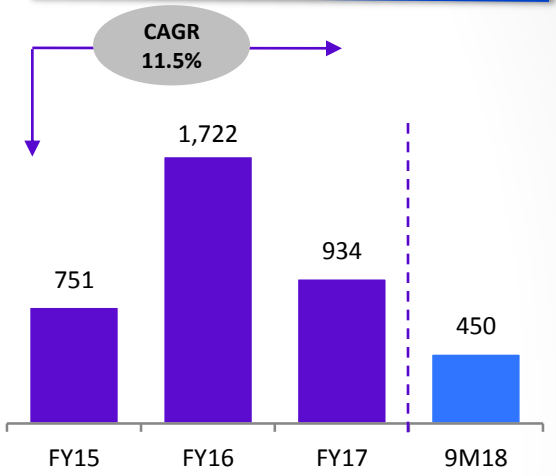
Total Revenue



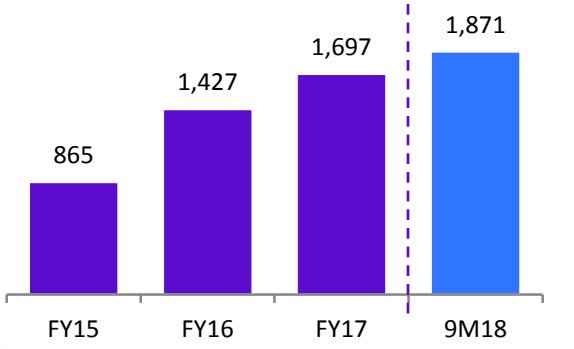
EBITDA[1] & EBITDA Margin[2]%



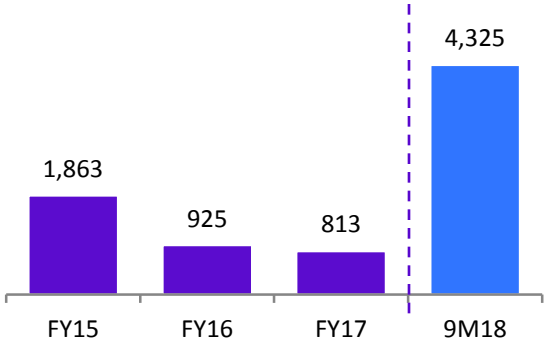
PAT



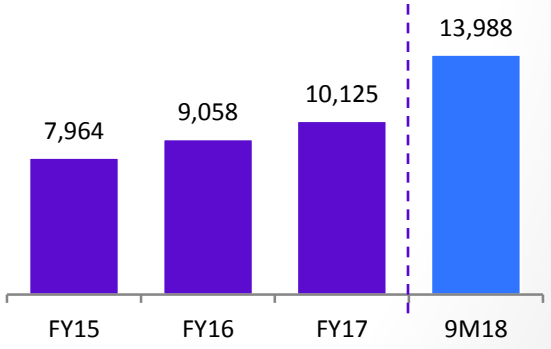
Cash & Cash Equivalent[3]



Net Debt[4]



Total Assets



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[1] EBITDA = Profit before tax and exception items + Finance costs + Depreciation, amortisation and impairment expense – Interest income; [2] EBITDA margin = EBITDA / total revenue

[3] Cash and Cash equivalents = Cash and Cash Equivalents + Current Investments + Bank deposits other than cash and cash equivalents

[4] Net Debt = Long-term borrowings + Short-term borrowings + Current maturity of Long term borrowing – (Cash and Cash Equivalents + Current Investments + Bank deposits other than cash and cash equivalents)

Thank You