

# **RANBAXY**

**Trusted medicines. Healthier lives**

## **Ranbaxy Laboratories Limited**



**FINANCIAL RESULTS:  
July – September 2013 (Q3)  
YTD September 30, 2013 (YTD Sep)**

**ARUN SAWHNEY  
CEO & MD**

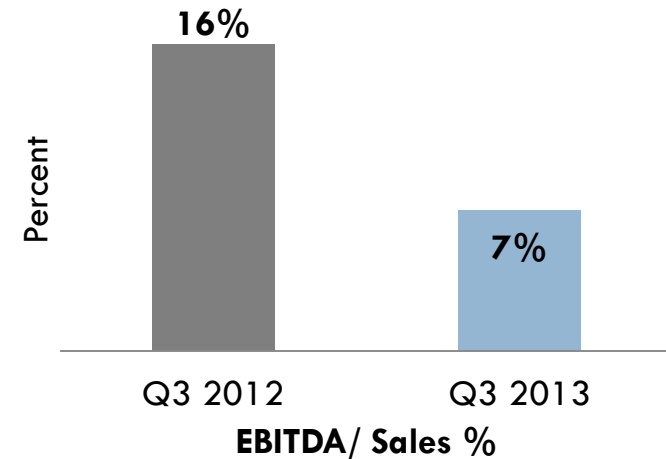
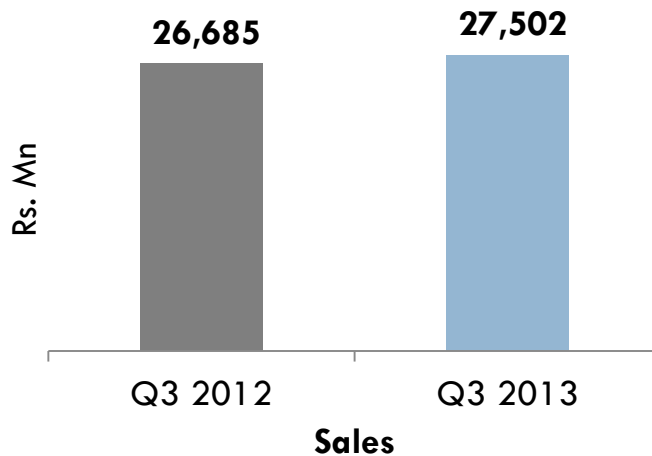
# Safe Harbor

Except for the historical information contained herein, statements in this presentation and the subsequent discussions, which include words or phrases such as “will”, “aim”, “will likely result”, “would”, “believe”, “may”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “likely”, “project”, “should”, “potential”, “will pursue” and similar expressions or variations of such expressions may constitute “forward-looking statements”. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, obtain regulatory approvals, our provisioning policies, technological changes, investment and business income, cash flow projections, our exposure to market risks as well as other risks. Ranbaxy does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

# Key Achievements for Quarter 3, 2013

## Financial

- Base business sales continued to grow over the corresponding quarter as continued focus on branded business



# Highlights: Quarter 3, 2013

## Business

Received approval to market Synriam™  
(Plasmodium Vivax) from CDSCO

- Branded category sales Rs.14,678 Mn
  - 53% of sales for the Quarter
- Generic including API sales Rs.12,824 Mn

### □ India:

- Pricing policy and trade related challenges impacted performance
- EMs business grew
  - Robust growth in East Europe + CIS and APAC

### □ USA:

- Strong prescription growth in Absorica™

# Functional Performance

## Manufacturing and Regulatory

- Mohali SEZ unit received an import alert and was subsequently included under certain provisions of the Consent Decree by the US FDA
  - Made further improvements since the last inspection
  - Stringent steps taken to ensure compliance
- Ohm plant received Establishment Inspection Report (EIR)
- Dewas and Paonta Sahib Consent Decree progress is per plan

# Other Areas

## Research & Development

- Regulatory Filings and approvals
  - DF filings: 43; DF approvals: 40
  - 3 ANDA filed in USA; YTD Sep 2013: 7 ANDA filings

## Derivatives Position

- Exposure down to ~\$763 Mn as on 30 Sep 2013 from ~860 Mn in Q2 2013. Maturity: ~\$33 Mn/month

## Debt

- Debt \$922 Mn; Cash & Bank \$180 Mn → Net Debt \$741 Mn

# Other Areas

## Annual Guidance: 2013

- Rs.130 Bn- Rs.135 Bn sales for the 15 month period ended 31 Mar 2014
- Sales contribution from exclusivities will be accounted for as they materialize

## Change in Accounting Year

- Adopted the Financial Year i.e. April to March for the closing of its accounts
- This would now align the accounting year to the tax reporting period
- Accordingly, the current reporting year would be for a period of 15 months extended by 3 months till 31 March 2014

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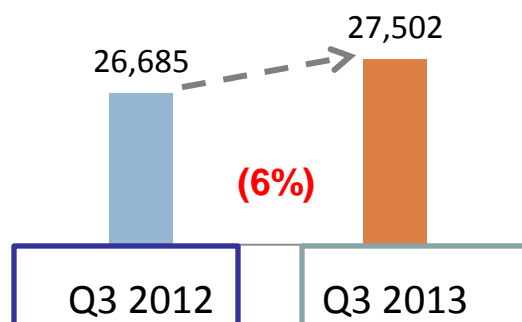
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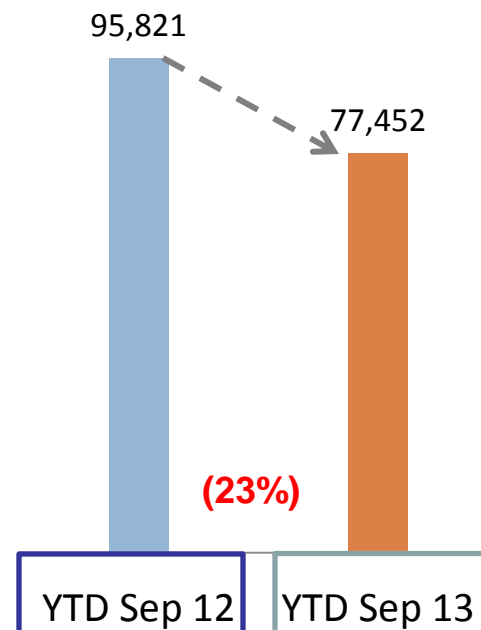
# Sales Performance

Rs. Mn

### Consolidated Sales Q3 2013



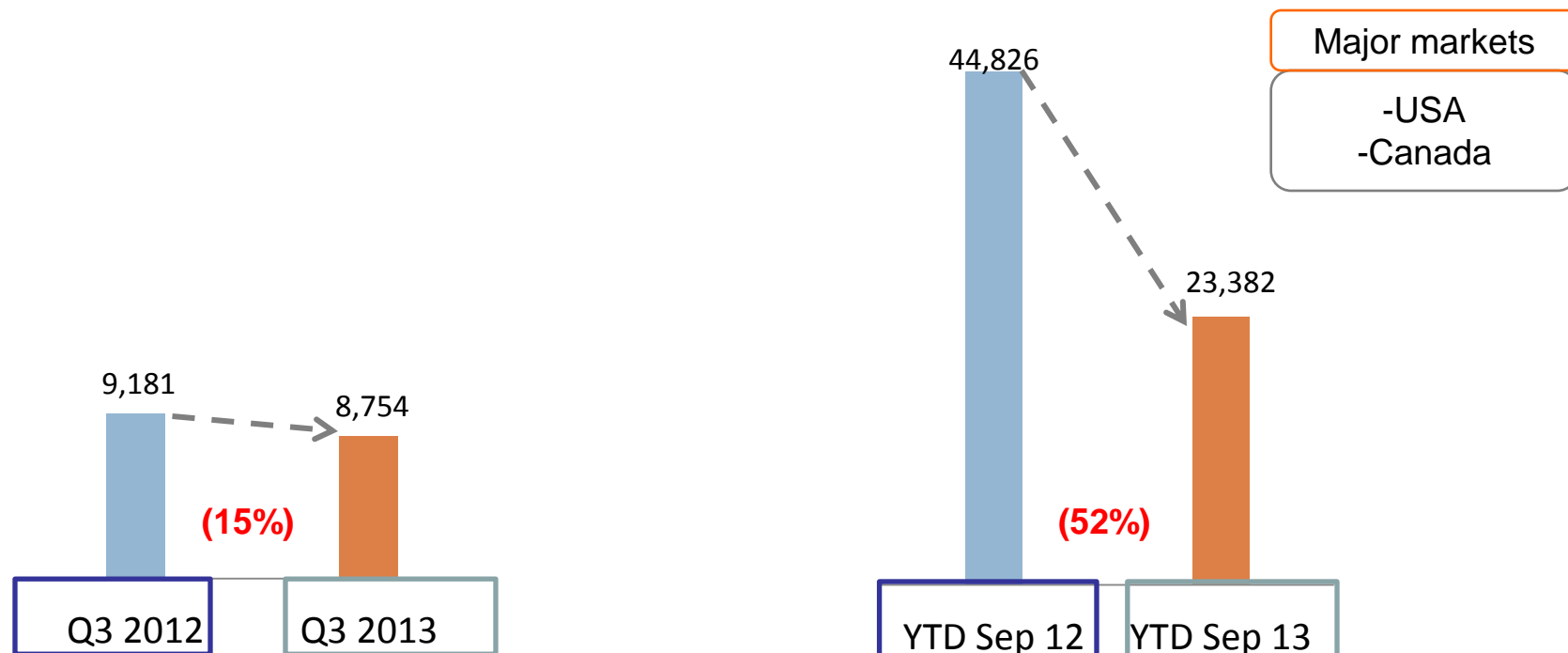
### Consolidated Sales YTD Sep 2013



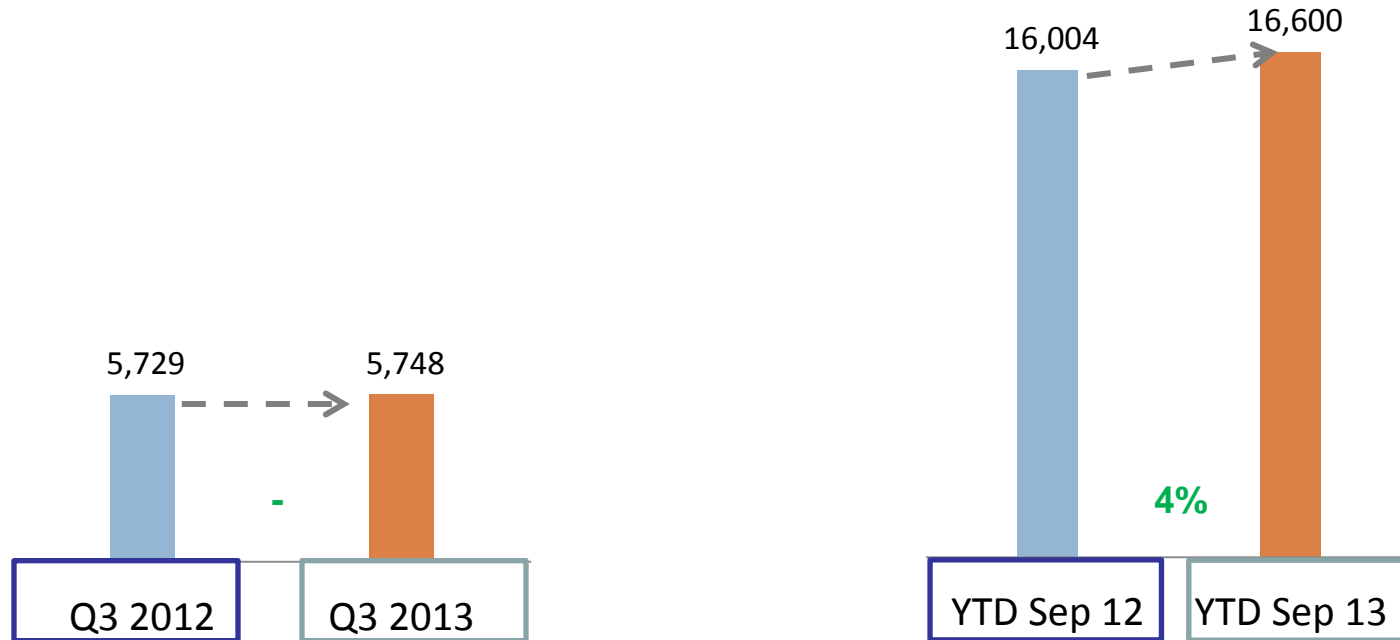
- Sales growth seems lower due to pricing policy, trade concerns in India and absence of large post exclusivity sales of Atorvastatin

# North America

Rs. Mn



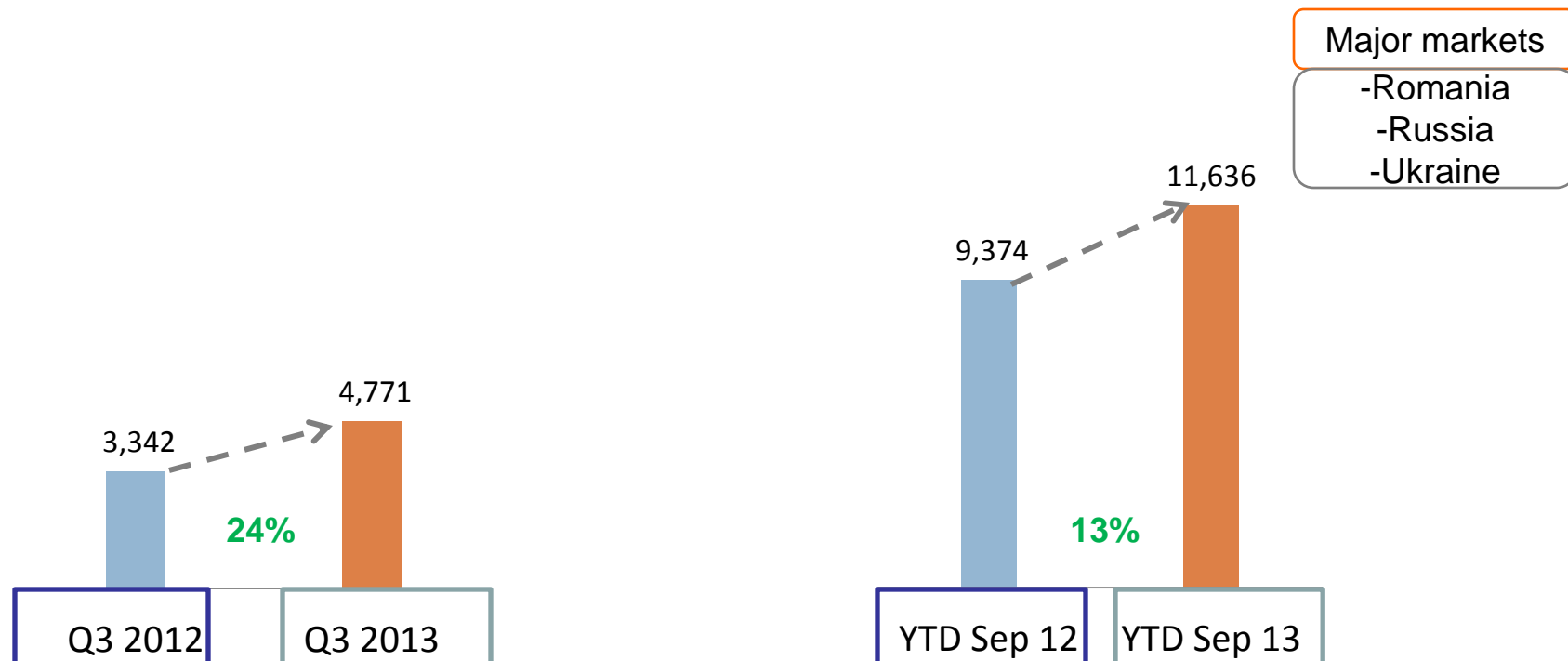
- Strong prescription growth in Absorica™ continued
- Corresponding period sales higher aided by continued contribution from exclusivities



- Sales for the quarter impacted by pricing policy and trade related supply disruptions:
  - Post the implementation of the new DPCO, trade bodies have demanded for higher margins as per the old structure
  - Trade bodies restricting off-take from companies including Ranbaxy that have not accepted assertive trade demand

# East Europe & CIS

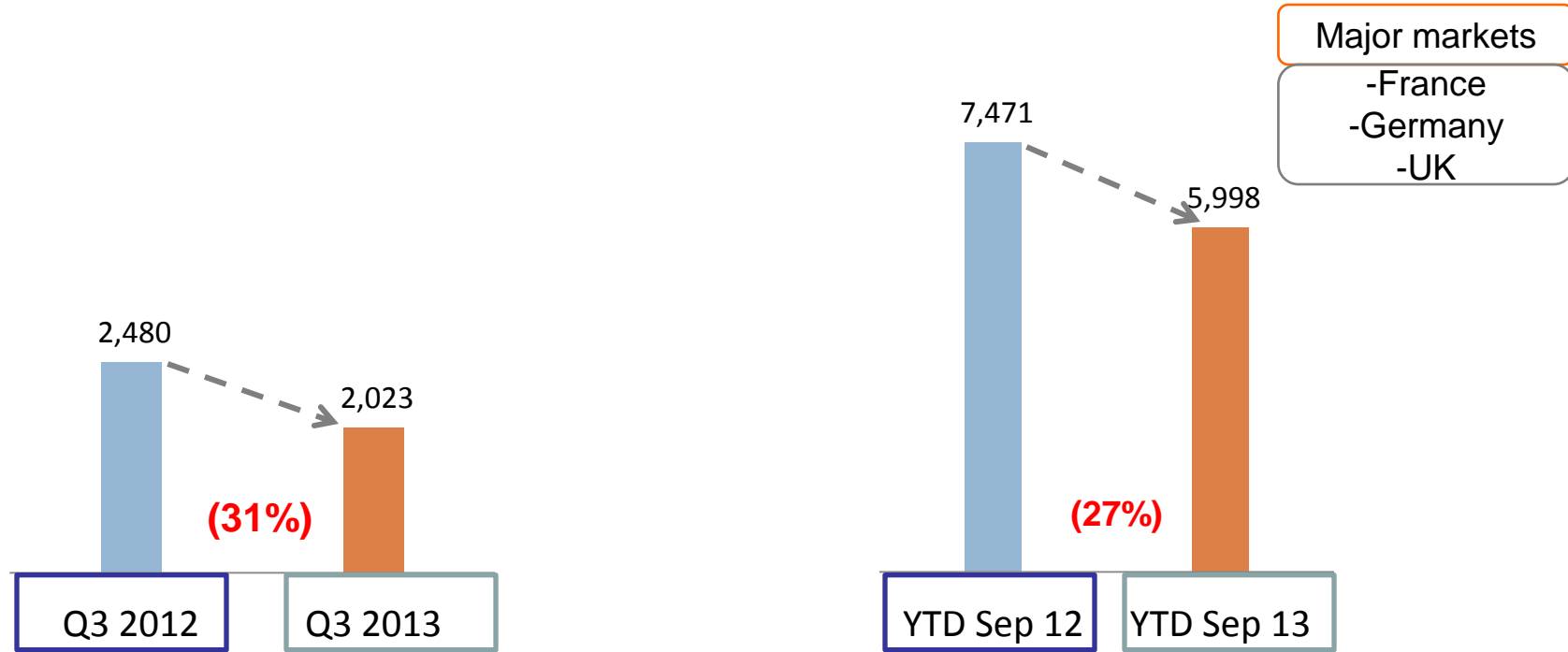
Rs. Mn



- Improvement in East Europe aided by New product launches and volume growth of existing portfolio
- Overall growth in CIS including strong OTC performance

# West Europe

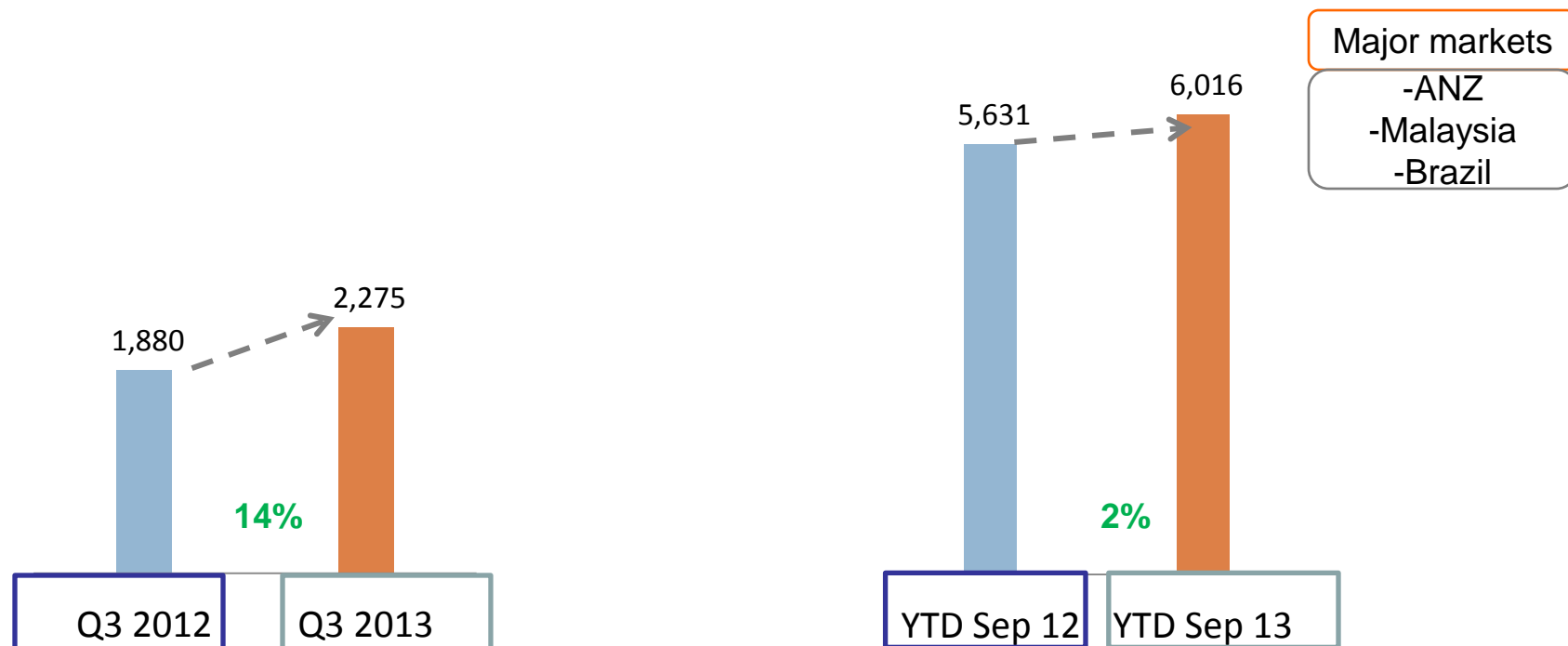
Rs. Mn



- Regional focus on profitability

# Asia Pacific & Latin America

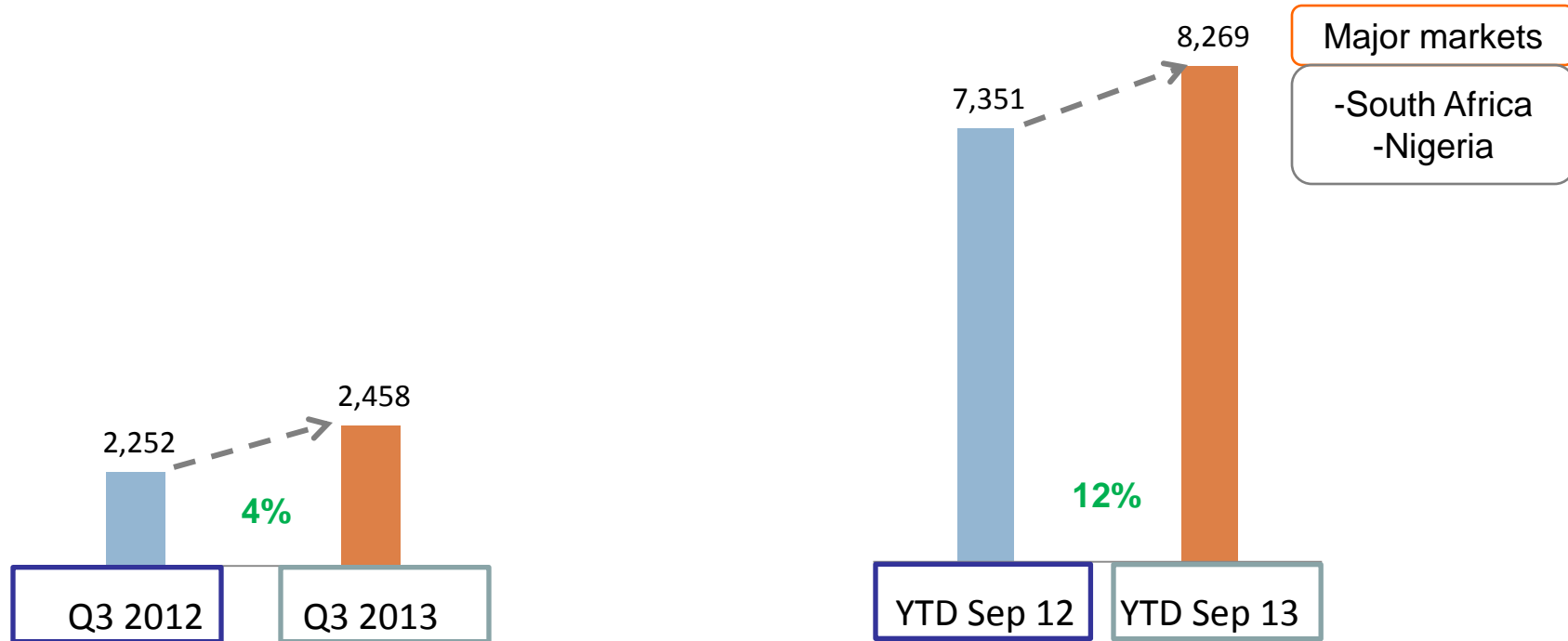
Rs. Mn



- Strong performance across Australia, Brazil, Philippines and Myanmar
- Robust growth in Australia, the largest market in the APAC region (ex Japan)

# Africa & Middle East

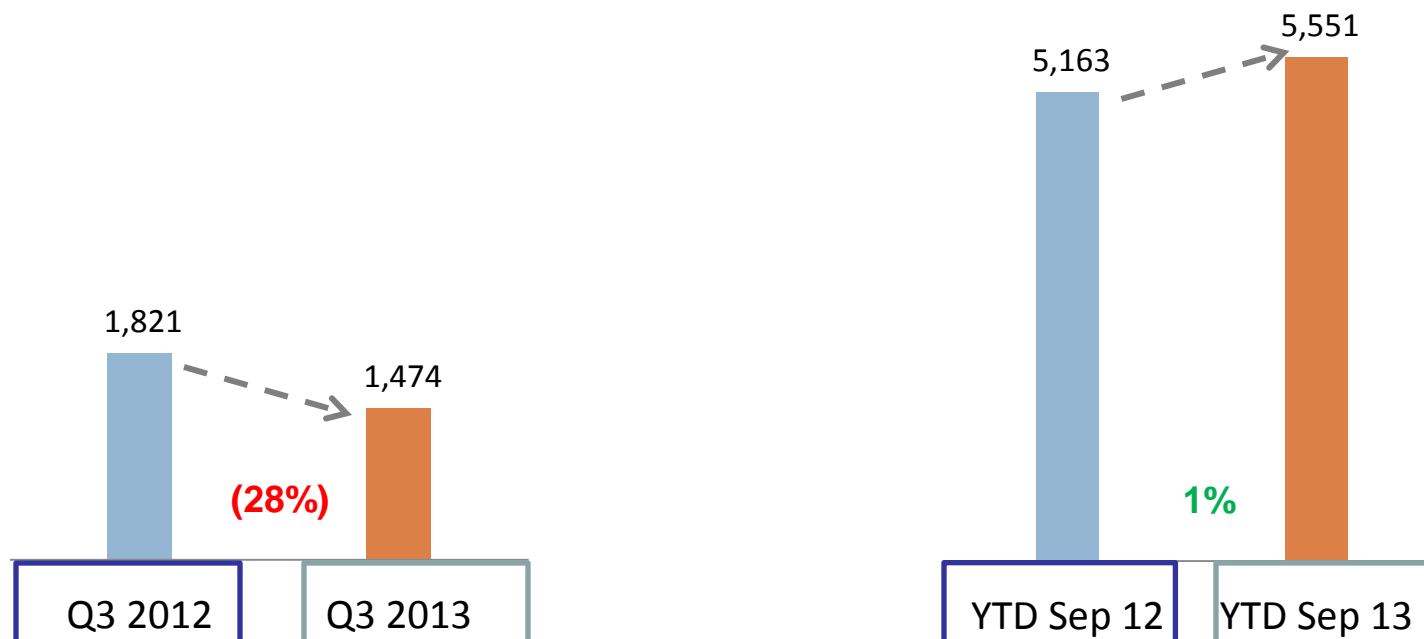
Rs. Mn



- Sales impacted by reduced tender quantity

# API & Others

Rs. Mn



- Impacted by change in regulations and lower demand



# Financials Q3 2013: INR

Q3 '12	YTD Sep '12	Particulars	Q3' 13	YTD Sep '13
5,881	16,532	- Within India	5,911	17,083
20,804	79,289	- Outside India	21,591	60,369
<b>26,685</b>	<b>95,821</b>	<b>Sales</b>	<b>27,502</b>	<b>77,452</b>
397	1,664	Other operating income	515	1,624
<b>27,082</b>	<b>97,485</b>	<b>Total Operating Income</b>	<b>28,016</b>	<b>79,077</b>
10,374	29,056	Total Material Consumption	10,275	28,575
4,733	14,351	Employee cost	5,316	15,310
155	11,249	Claims and contractual payments	332	518
8,325	24,260	Other Operating expenses	10,155	28,206
(684)	870	Exchange loss/ (gain) others, net	(54)	931
<b>22,903</b>	<b>79,786</b>	<b>Total expenditure</b>	<b>26,025</b>	<b>73,540</b>
<b>4,179</b>	<b>17,699</b>	<b>EBITDA</b>	<b>1,992</b>	<b>5,537</b>
16%	18%	% Sales	7%	7%
816	2,398	Depreciation, amortization and Impairment	1,334	2,894
3,363	15,302	Profit/(loss) from operations before other income and interest	657	2,643
13%	16%	% Sales	2%	3%
661	1,965	Interest and other income	261	1,239
4,023	17,267	Profit/ (loss) from ordinary activities before finance cost and exceptional items	918	3,882
399	1,259	Interest expense	503	1,503
(555)	420	Foreign exchange (gain)/ loss on loans	612	1,728
4,179	15,587	Profit/(loss) from ordinary activities before tax	(196)	651
		Goodwill Impairment		(1,192)
		Settlement Provision	(695)	(695)
3,933	1,387	Foreign exchange (loss)/gain on foreign currency option derivatives	(3,022)	(5,875)
<b>8,112</b>	<b>16,974</b>	<b>Profit/(loss) after exceptional items before tax</b>	<b>(3,914)</b>	<b>(7,111)</b>
542	2,599	Tax expense/ (benefit) -current period	570	1,234
7,571	14,375	Net profit/ (loss) from ordinary activities after tax	(4,483)	(8,345)
	161	- Share in loss/ (profit) of associates, net	42	112
29	62	- Minority interest	16	69
<b>7,542</b>	<b>14,152</b>	<b>Net profit/ (loss) from ordinary activities after tax and minority interest &amp; Share in (loss)/ profit of associates</b>	<b>(4,542)</b>	<b>(8,527)</b>

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## Questions & Answers

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