

#### **Ranbaxy Laboratories Limited**



26 Feb 2013

FINANCIAL RESULTS: October – December 2012 (Q4 2012) Full Year 2012 (CY 2012)

> Arun Sawhney ceo & md

Post Results Conference Call

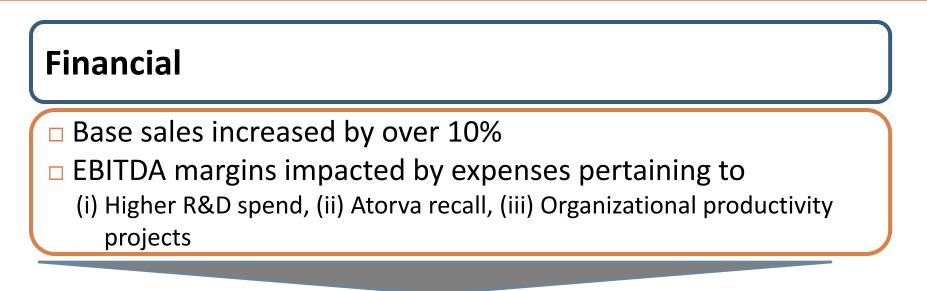
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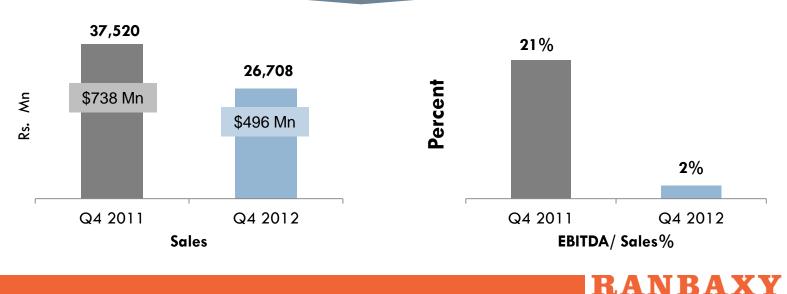
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### Key Achievements for Quarter 4, 2012

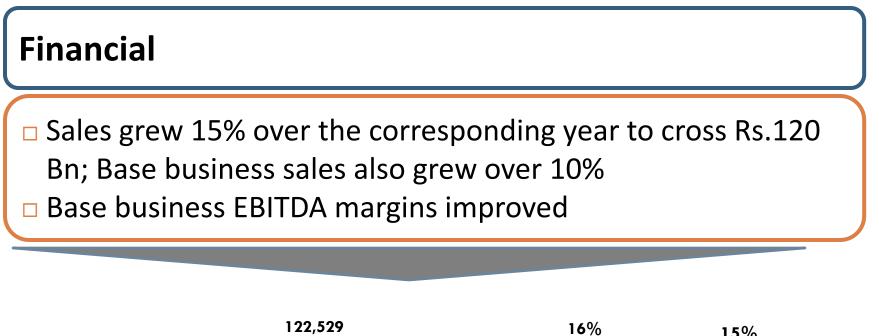


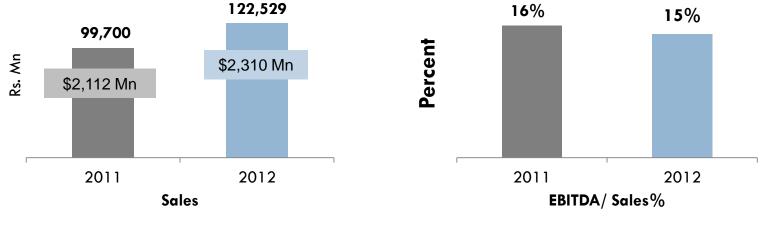


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### Key Achievements for CY 2012

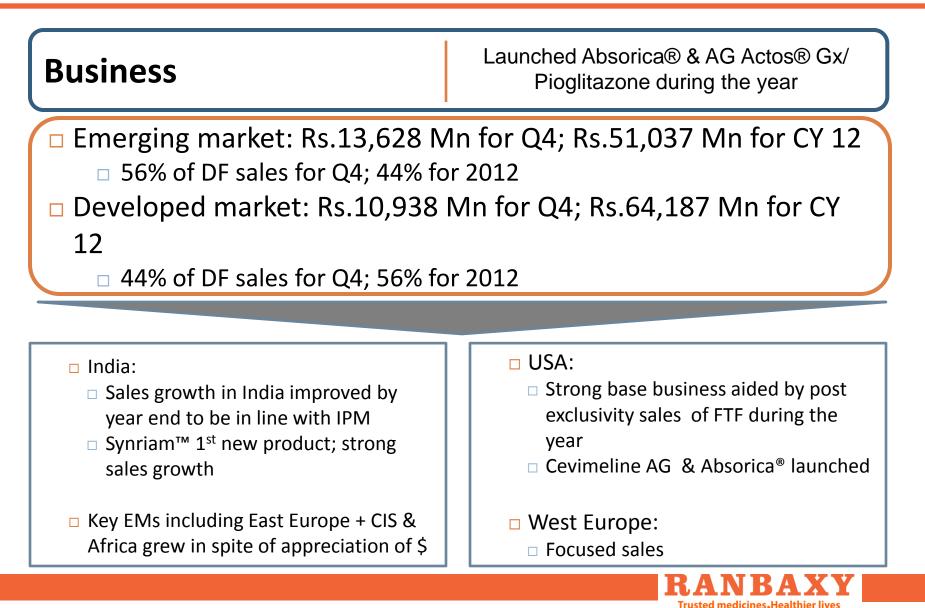






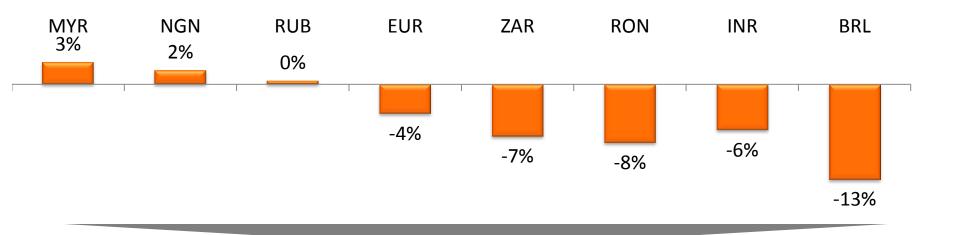
Growth calculated on Constant Forex

## Key Achievements for Quarter 4 & CY 2012



### \$ appreciated against most currencies Vs. previous year

Q4 2011 Vs. Q4 2012



- □ \$ appreciated against most currencies vs. previous year
- Performance in \$ terms seems weaker compared to actual business performance in local currency
- For like to like performance, growth calculated at Constant Forex (i.e. same as previous period Forex rate )



### **Functional Performance**



Received approval to set up a Greenfield manufacturing facility in Malaysia, during the year

Established manufacturing base in Morocco

**Research & Development** 

□ Filed 5 FTFs during 2012 (brand sales: \$4.3 Bn)

Investment focused on differentiated products and generics



### Synergy with Daiichi Sankyo

#### Front end:

- Ranbaxy and DS integrated their operations in Thailand to achieve potential synergies and optimize cost structure for both
- Ranbaxy launched Evoxac<sup>®</sup> AG in the US

#### Back end etc.:

- Synergy through collaborative supply chain in Europe
- Information technology savings through initiation of common procurement as far as plausible

#### Ongoing:

 R&D collaborations continue to address various markets and cost efficiencies



### **Other Areas**

### Regulatory

- Consent Decree: satisfactory progress
- Regulatory inspections by 15 country level authorities
- Voluntary recall of Atorvastatin from USA

#### **Derivatives Position**

Exposure down to ~\$1.07 Bn as on 31 Dec 2012 from ~1.27
Bn in Q3 2012. Maturity: ~\$40 Mn/Month

#### Debt

□ Total Debt \$885 Mn; Cash & Bank Bal \$840 Mn → Net Debt \$45 Mn (vs. CY 2011 Net Debt \$267 Mn)





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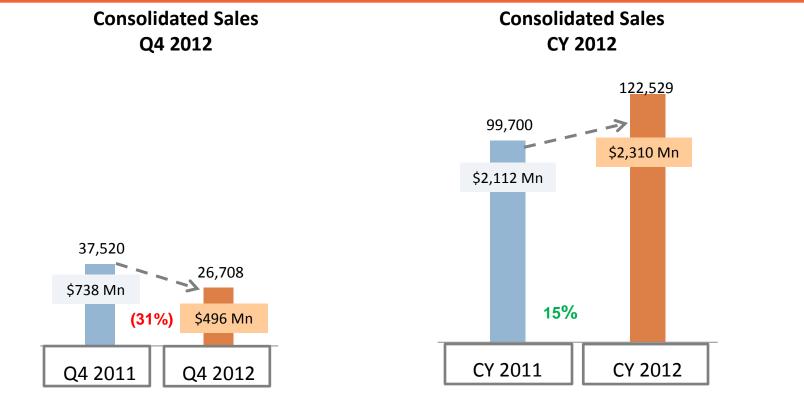
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## **Sales Performance**

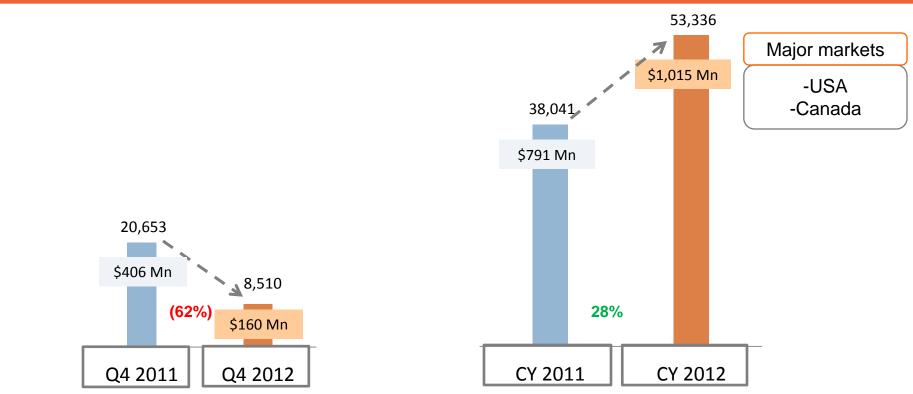


- Base business sales grew by >10% over the corresponding period
  - Sales grew across key emerging markets during the quarter and year
  - FTF opportunities and post exclusivity sales supported growth during the year



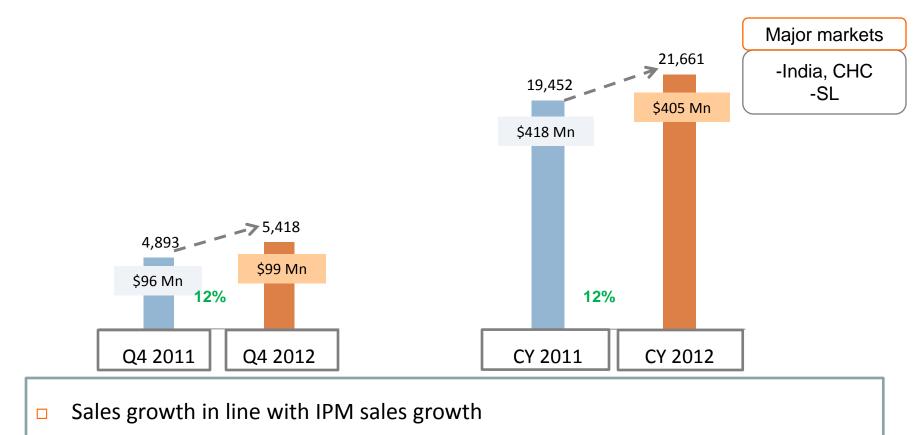
## North America





- Sales in USA impacted due to absence of large exclusivity sales compared to the corresponding quarter
  - Continued to maintain strong market share in post exclusivity products
- □ Pioglitazone AG, maintain >30% market share in a competitive market
- Launched Absorica<sup>®</sup>, differentiated derma product end Nov 2012

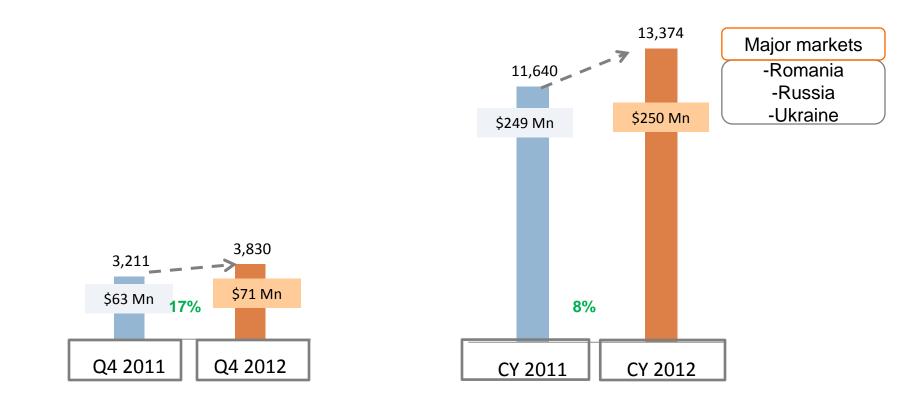




- Strong OTC sales performance continued
- □ Launched Synriam<sup>™</sup>, 1<sup>st</sup> NCE from India; # 6 amongst new product launches



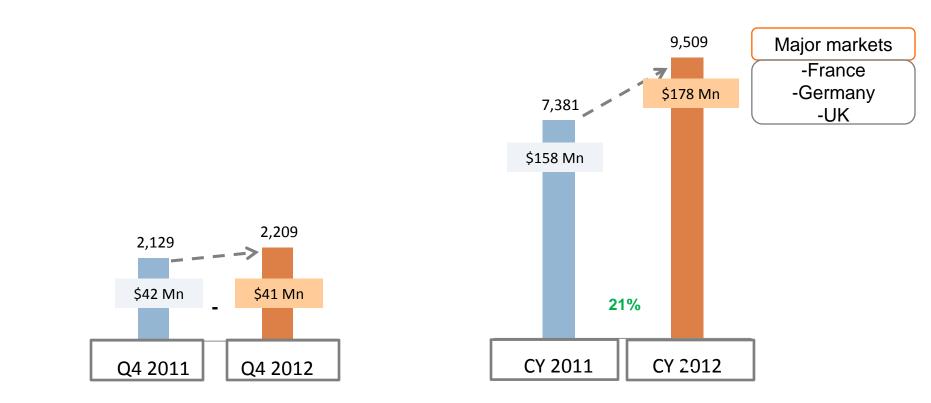
## East Europe & CIS



- Sales improved over the corresponding period
  - Business was affected by regulatory changes including 'claw-back', more stringent reregistration norms and restrictions on advertising
- Continued leadership in represented markets of Romania and Russia



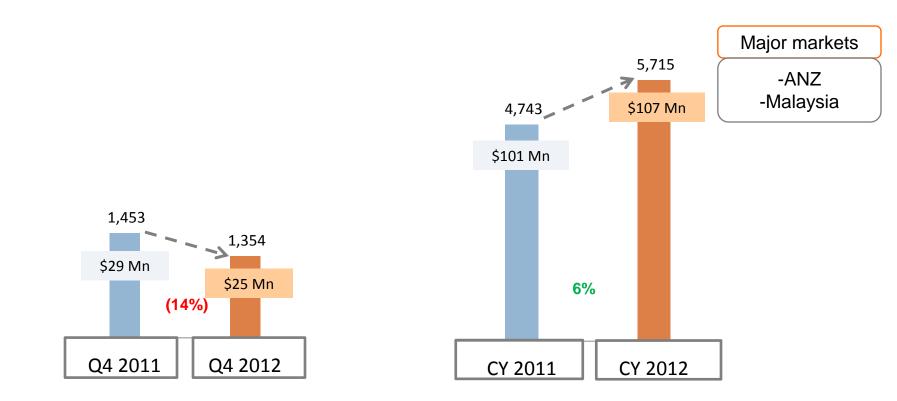
## West Europe



- Atorvastatin launches in West Europe helped sales growth in the year
  - Sales in Spain and Italy businesses stronger
- Concerns on Macro-economic indicators continue: business opportunity as budget conscious governments promote generics

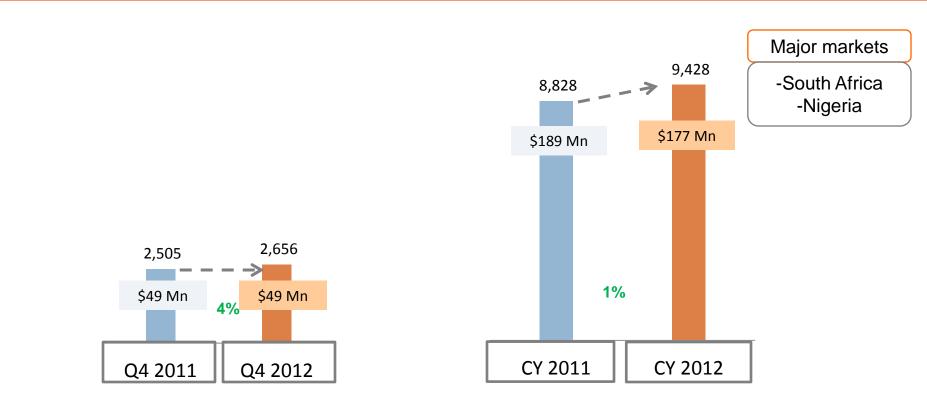


### Asia Pacific & Middle East



- Received permission for a greenfield manufacturing facility from the government of Malaysia
- Pursuant to Hybrid strategy work together with DS in Thailand



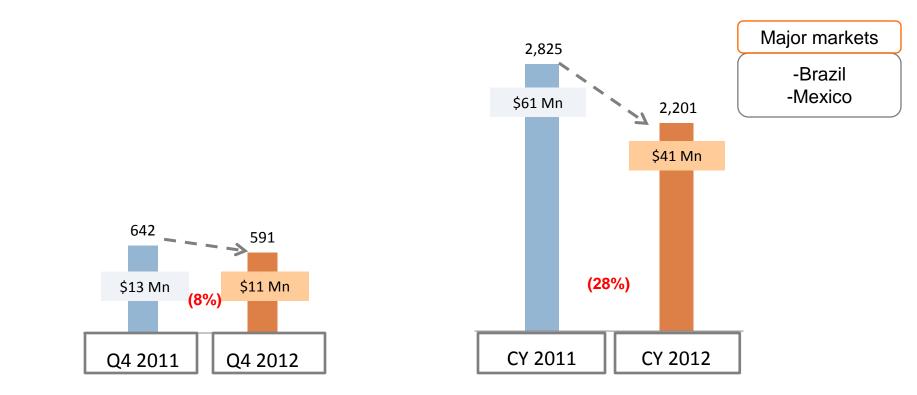


- Sales in the region impacted by adverse exchange rate movement
- North Africa (Morocco) business growth in line with plans; established new manufacturing base paving the way for a direct business presence in the region



### Latin America





 LATAM sales lower due to product supply disruption in the region and adverse currency movement



## **API & Others**



**Focus on profitability** 

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# Financials Q4 and Full Year 2012 \$ Mn

Q4'11	CY'11	Particulars	Q4'12	CY'12
99	424	-Within India	101	412
639	1,688	- Outside India	395	1,899
738	2,112	Sales	496	2,310
15	56	Other operating income	7	39
752	2,168	Total Operating Income	503	2,349
206	711	Total Material Consumption	213	759
77	357	Employee cost	89	362
137	141	Claims and contractual payments	9	228
158	604	Other Operating expenses	174	627
18	19	Exchange loss/ (gain) others, net	5	20
595	1,832	Total expenditure	491	1,996
157	335	EBITDA	13	353
21%	16%	% Sales	3%	15%
33	83	Depreciation, amortization and Impairment	15	60
124	252	Profit/(loss) from operations before other income and interest	-2	293
17%	12%	% Sales	0%	13%
8	31	Interest and other income	14	51
132	283	Profit/ (loss) from ordinary activities before finance cost and exceptional items	12	345
7	17	Interest expense	10	34
11	49	Foreign exchange (gain)/ loss on loans	15	23
115	218	Profit/(loss) from ordinary activities before tax	-13	288
0	8	Exceptional Item		
-521	-521	Settlement provision		
		Product Recall	-34	-34
-165	-228	Foreign exchange (loss)/gain on foreign currency option derivatives	-33	-4
-571	-523	Profit/(loss) after exceptional items before tax	-81	249
15	42	Tax expense/ (benefit) -current period	6	56
-586	-564	Net profit/ (loss) from ordinary activities after tax	-87	193
0	1	- Share in loss/ (profit) of associates, net	0	4
1	2	- Minority interest	1	2
-586	-568	Net profit/ (loss) from ordinary activities after tax and minority interest & Share in (loss)/ profit of associates	-88	188



# Financials Q4 and Full Year 2012 INR Mn

Rs. Mn.

04'11	CY'11	Particulars	04'12	CY'12
5,037		-Within India	5,477	22,008
32,483	79,944	- Outside India	21,231	100,521
37,520	99,700	Sales	26,708	122,529
742		Other operating income	404	2,068
38,262		Total Operating Income	27,112	124,597
10,474		Total Material Consumption	11,545	40,601
3,904	16,595	Employee cost	4,818	19,293
6,968	7,147	Claims and contractual payments	506	11,795
8,027	28,217	Other Operating expenses	9,434	33,529
906	962	Exchange loss/ (gain) others, net	282	1,152
30,278	86,255	Total expenditure	26,584	106,370
7,984	16,040	EBITDA	528	18,227
21%	16%	% Sales	2%	15%
1,681		Depreciation, amortization and Impairment	805	3,202
6,302	12,100	Profit/(loss) from operations before other income and interest	-277	15,025
17%	12%	% Sales	-1%	12%
432	, ,	Interest and other income	767	2,732
6,734		Profit/ (loss) from ordinary activities before finance cost and exceptional items	490	17,757
331	795	Interest expense	537	1,796
578	2,269	Foreign exchange (gain)/ loss on loans	820	1,240
5,825	10,480	Profit/(loss) from ordinary activities before tax	-867	14,721
0		Exceptional Item	-	-
-26,480		Settlement provision	-	-
-8,379		Product recall Foreign exchange (loss)/gain on foreign currency option derivatives	-1,860 -1,799	-1,860 -412
-8,579 -29,034		Profet/(loss) after exceptional items before tax	-1,799	-412 12,449
747	1,969	Tax expense/ (benefit) -current period	340	2,939
	· · · · ·			
-29,781	-28,834	Net profit/ (loss) from ordinary activities after tax	-4,866	9,510
18	66	- Share in loss/ (profit) of associates, net	25	186
29	97	- Minority interest	34	96
-29,828	-28,998	Net profit/ (loss) from ordinary activities after tax and minority interest & Share in (loss)/ profit of associates	-4,924	9,228

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# Questions & Answers

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