

RANBAXY

Trusted medicines. Healthier lives

Ranbaxy Laboratories Limited



FINANCIAL RESULTS:
July – September 2014 (Q2 FY15)
YTD September 2014 (H1 FY15)

ARUN SAWHNEY
CEO & MD

Q2 FY14 : Jul'13 to Sep'13
Q2 FY15 : Jul'14 to Sep'14

H1 FY14 : Apr'13 to Sep'13
H1 FY15 : Apr'14 to Sep'14

28 October 2014

Post Results Conference Call

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.

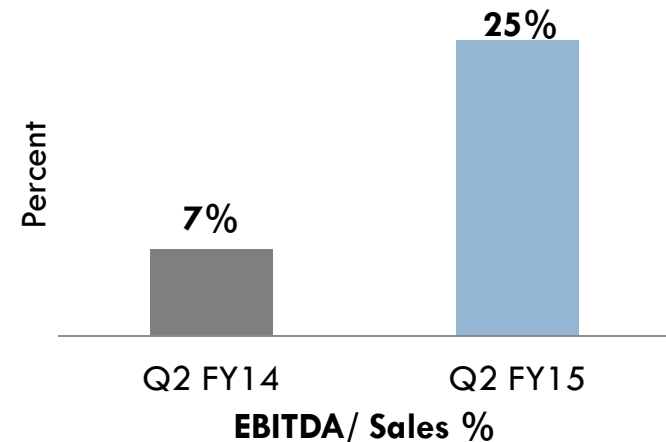
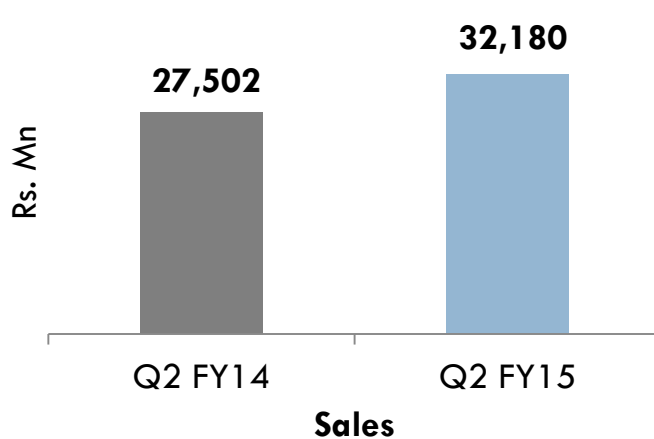
Ranbaxy and Sun Pharma Merger Update

- High Court of Punjab and Haryana convened a meeting of equity shareholders
- Shareholders approved the scheme of arrangement of merger with overwhelming majority

Key Achievements for Quarter 2, FY15

Financial

- Total Sales continued to grow over the corresponding quarter aided by sale of Valsartan in the US
- Ranbaxy continues to focus on creating brands and differentiated products



Other Areas

Research & Development and Regulatory

- DF filings: 68; DF approvals:38

Derivatives Position

- Exposure down to ~\$373 Mn as on 30 Sep 2014 from ~\$470 Mn on 30st Jun 2014. Maturity: ~\$32 Mn/month

Debt

- Debt \$1,078 Mn; Cash & Bank \$339 Mn → Net Debt \$739 Mn

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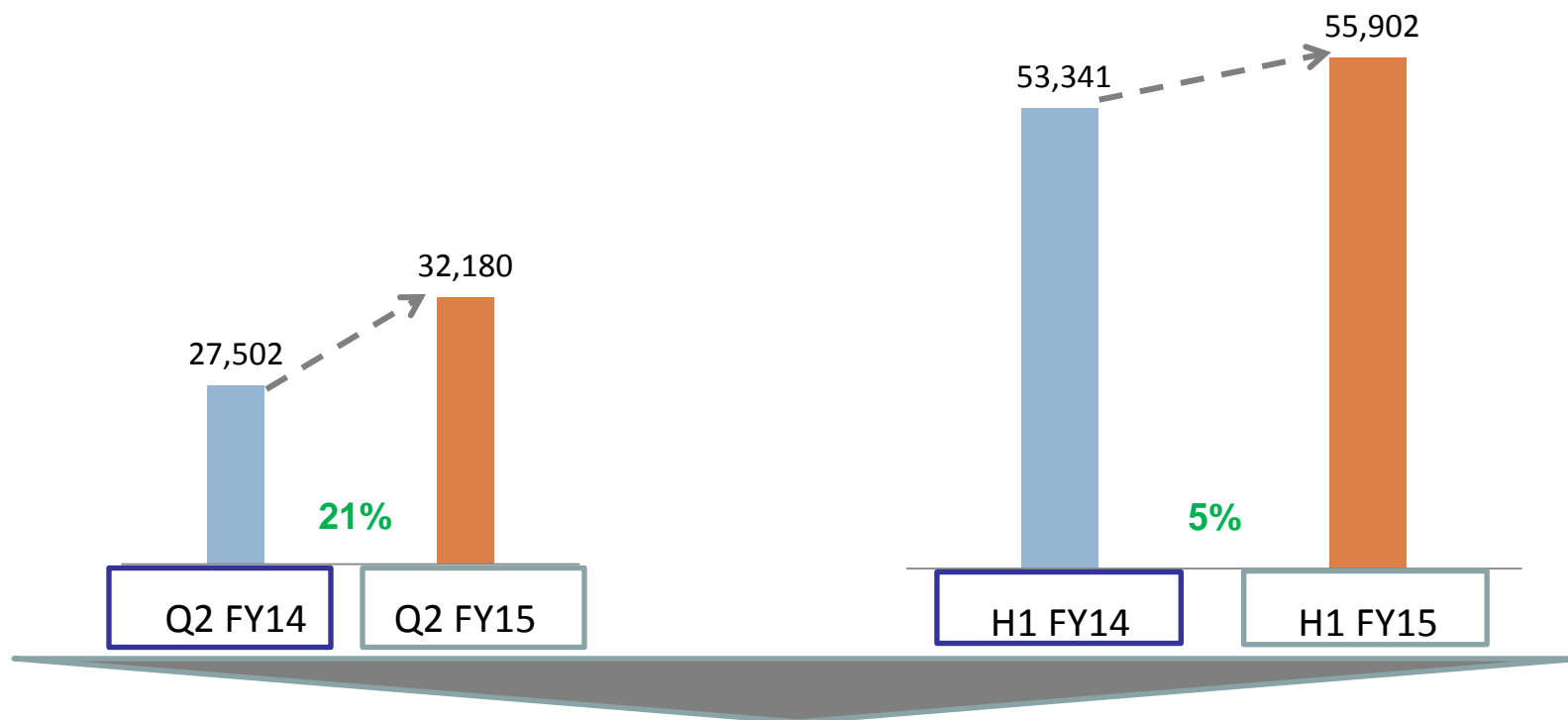
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Consolidated Sales Performance

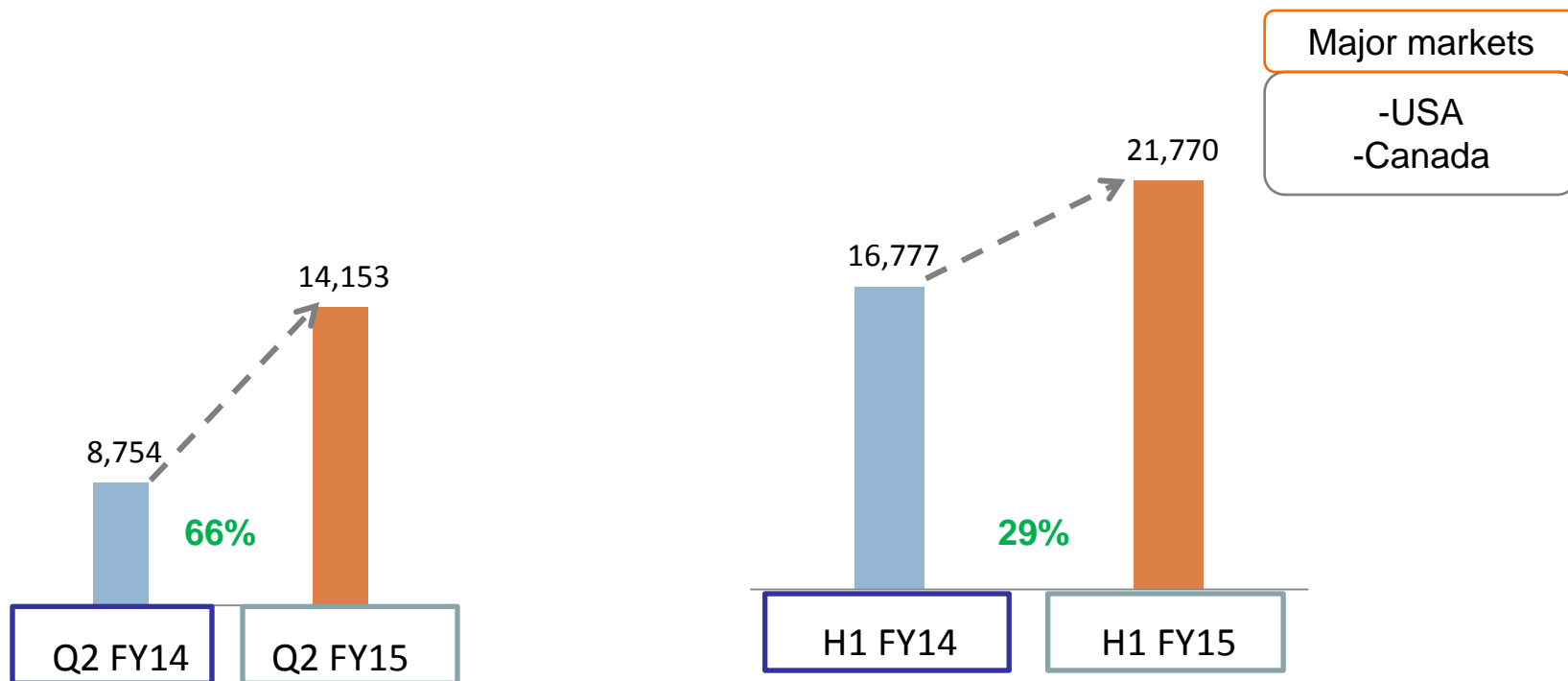
Rs. Mn



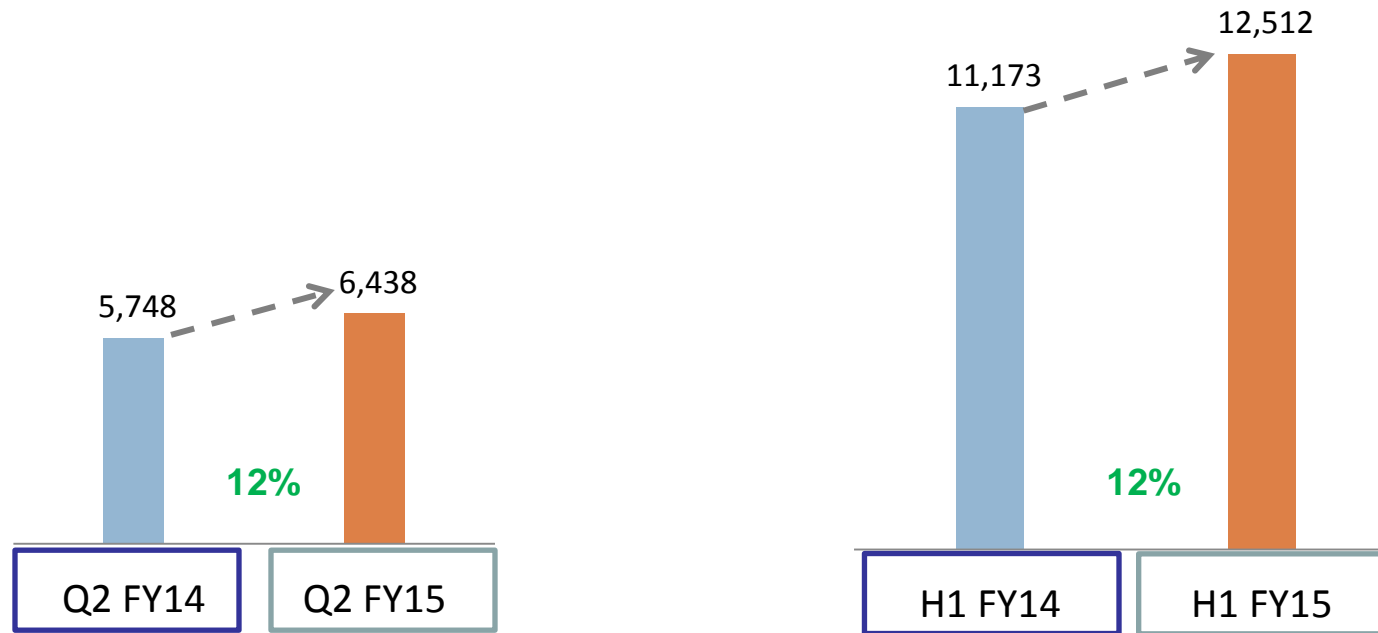
- Total sales grew by 21% aided by sales of Valsartan in US, Sales in Western Europe and India

North America

Rs. Mn



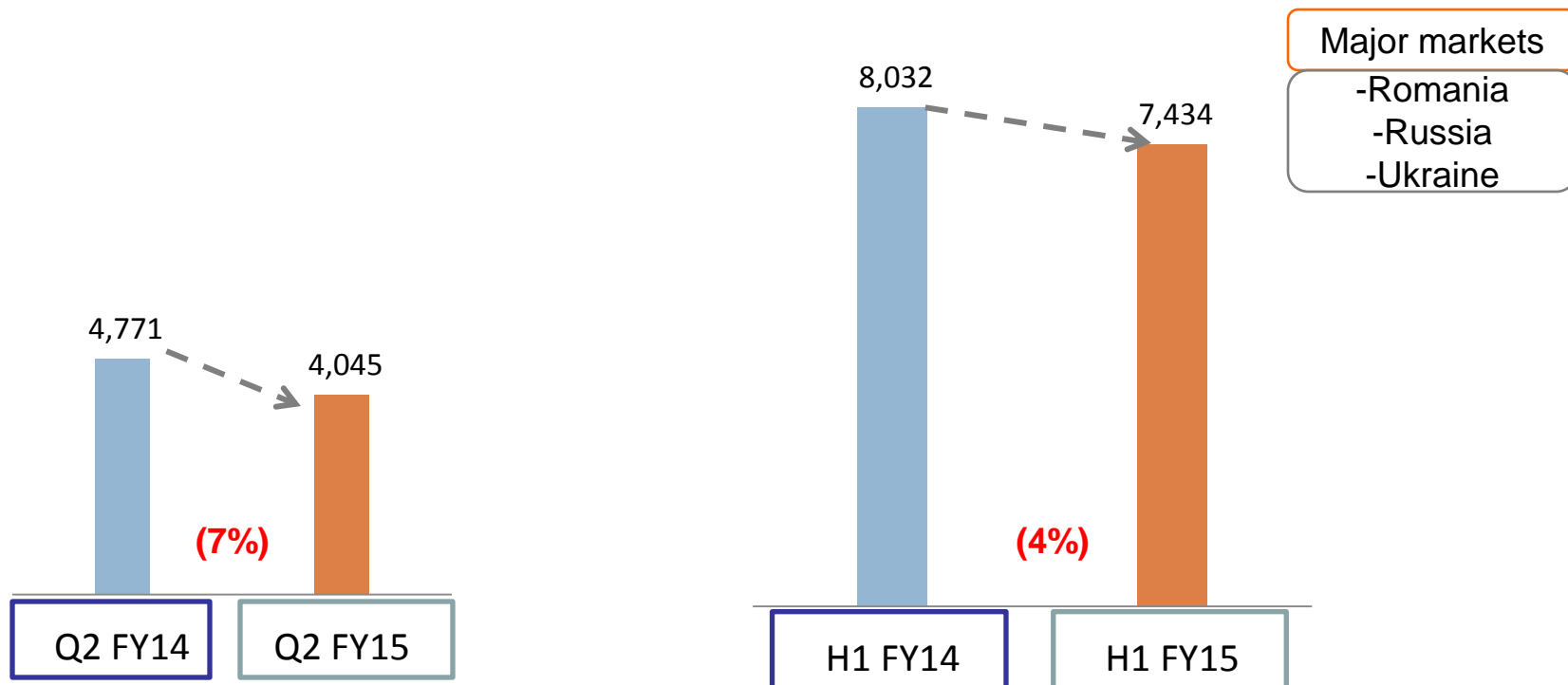
- Successfully monetized our FTF exclusivity of Valsartan
- Strong sales growth in Absorica™ continued



- Primary sales grew over the corresponding quarter
- India region witnessed resurgence in its prime segments within the branded business

East Europe & CIS

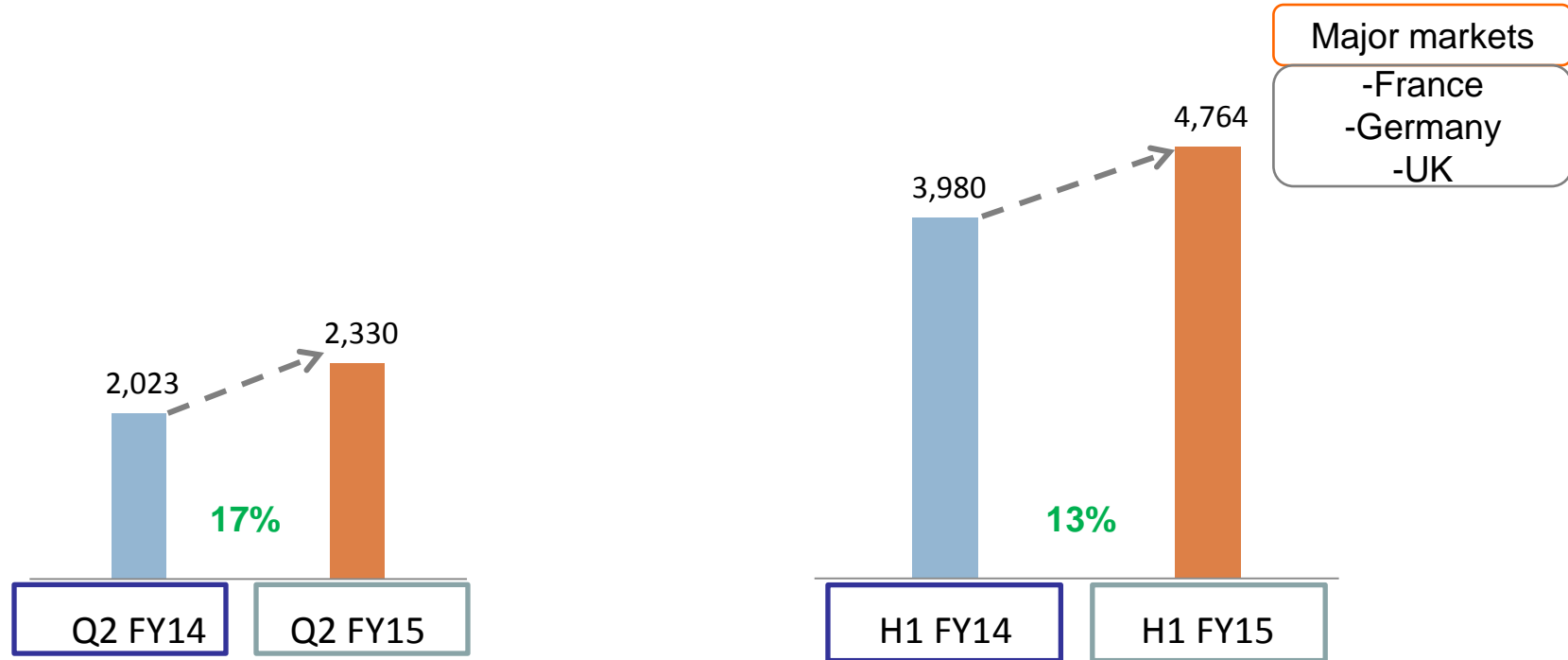
Rs. Mn



- Sales were mainly impacted by weak ARV sales in Russia

West Europe

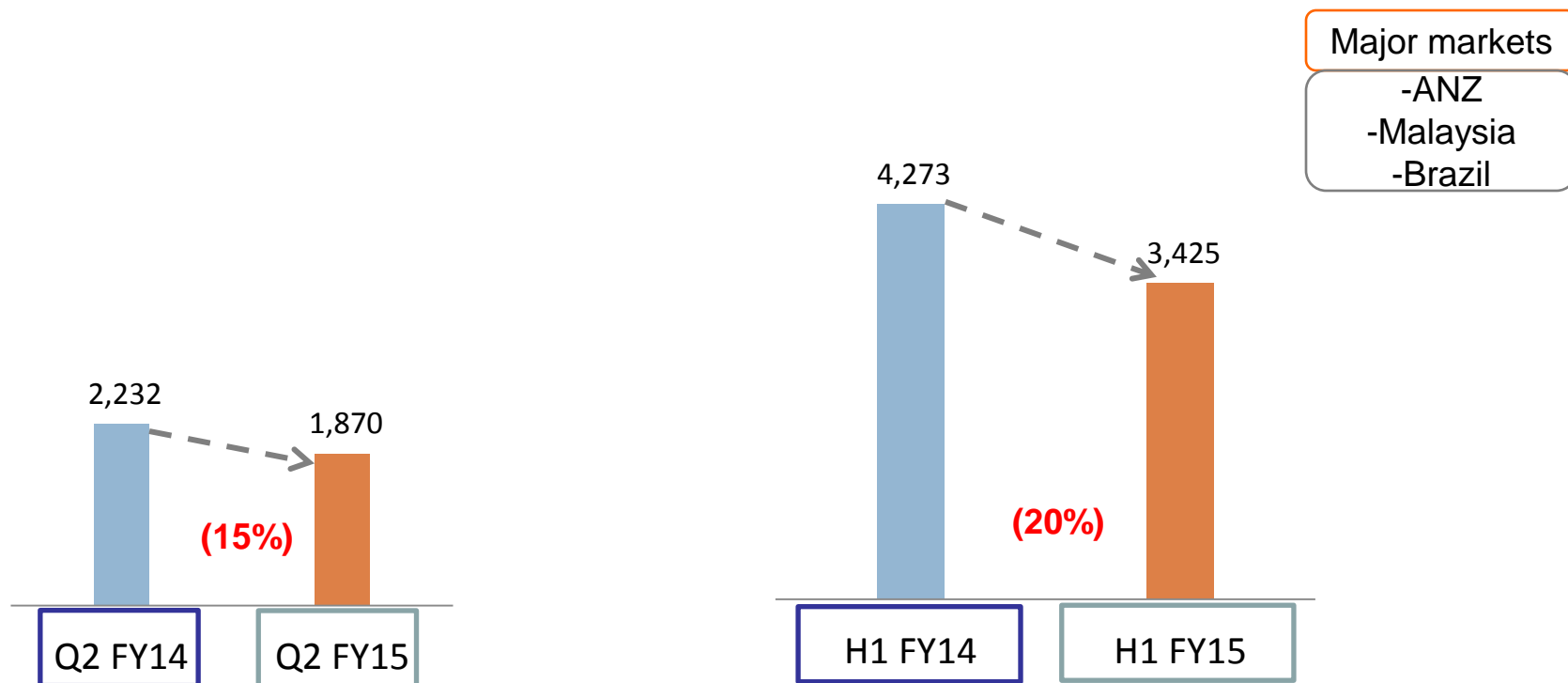
Rs. Mn



- Regional focus on profitability continued
- Growth was driven by strong performance in UK, Germany, Spain and NEA regions

Asia Pacific & Latin America

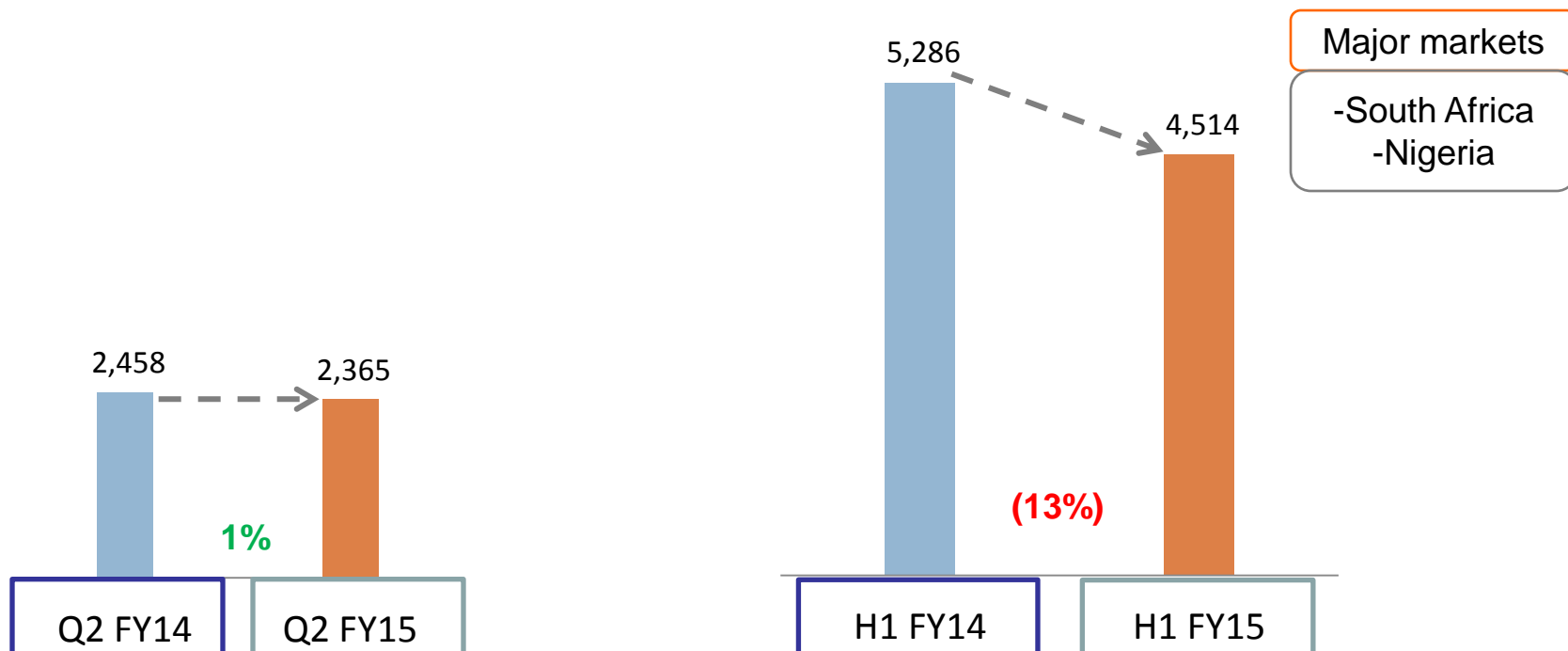
Rs. Mn



- Negatively impacted by change in business model in Thailand and sales return in Malaysia
- Sales grew in Australia, the largest market in the APAC region (ex Japan)

Africa & Middle East

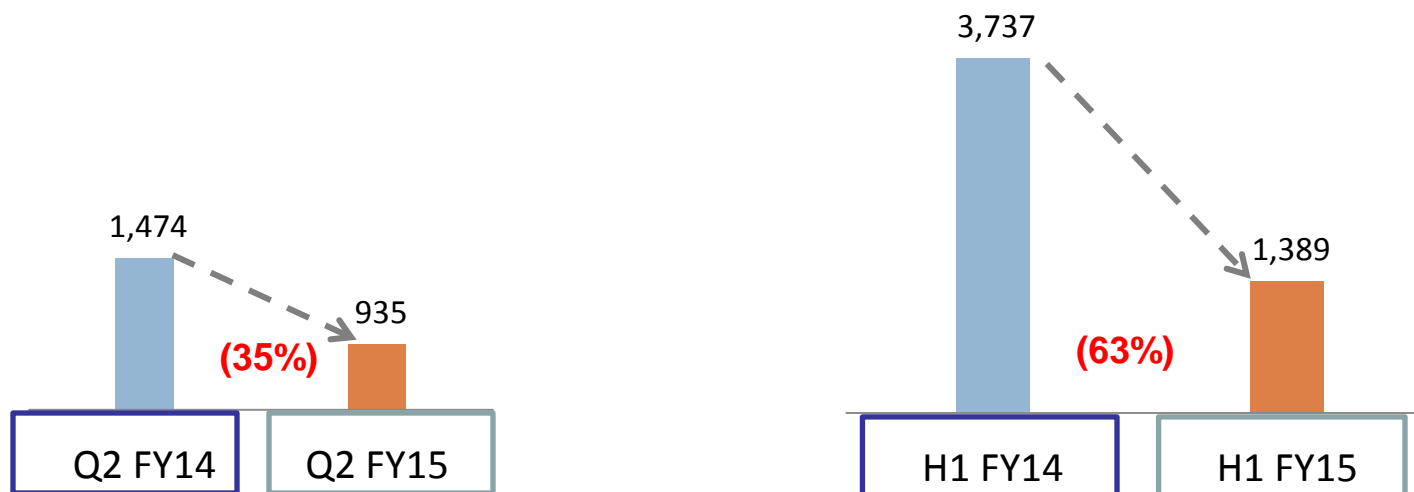
Rs. Mn



- Witnesses strong growth in our Core business
- Growth was muted due to lower ARV business over the corresponding quarter

API & Others

Rs. Mn



- Sales impacted by supply issues

Financials Q2 FY15: INR

| Q2 FY14 | YTD Sep FY14 | Particulars | Q2 FY15 | YTD Sep FY15 |
|----------------|----------------|---|---------------|---------------|
| 5,911 | 11,472 | -Within India | 6,813 | 13,029 |
| 21,591 | 41,869 | -Outside India | 25,367 | 42,874 |
| 27,502 | 53,341 | Sales | 32,180 | 55,902 |
| 515 | 1,017 | Other operating income | 425 | 863 |
| 28,016 | 54,358 | Total Operating Income | 32,605 | 56,765 |
| 5,921 | 11,559 | Total Material Consumption | 4,670 | 9,269 |
| 5,316 | 10,447 | Employee cost | 5,485 | 10,770 |
| 4,785 | 8,920 | Purchases of stock-in-trade | 4,409 | 8,493 |
| (432) | (882) | Changes in inventories of finished goods, work-in-progress and stock-in-trade | 991 | 1,012 |
| 10,487 | 19,753 | Other Operating expenses | 8,260 | 16,172 |
| (54) | 574 | Exchange loss/ (gain) others, net | 718 | 599 |
| 26,025 | 50,371 | Total expenditure | 24,534 | 46,315 |
| 1,992 | 3,988 | EBITDA | 8,071 | 10,450 |
| 7% | 7% | % Sales | 25% | 19% |
| 1,334 | 2,097 | Depreciation, amortization and Impairment | 1,019 | 2,093 |
| 657 | 1,891 | Profit/(loss) from operations before other income and interest | 7,052 | 8,357 |
| 2% | 4% | % Sales | 22% | 15% |
| 261 | 615 | Interest and other income | 174 | 428 |
| 918 | 2,506 | Profit/ (loss) from ordinary activities before finance cost and exceptional items | 7,226 | 8,785 |
| 503 | 990 | Interest expense | 726 | 1,478 |
| 612 | 1,716 | Foreign exchange (gain)/ loss on loans | 647 | 1,318 |
| (196) | (201) | Profit/(loss) from ordinary activities before tax | 5,853 | 5,989 |
| (695) | (1,887) | Goodwill Impairment/ Settlement/ Inventory provision/ Write offs etc. | - | (2,378) |
| 3,022 | 6,693 | Foreign exchange loss/(gain) on foreign currency option derivatives | 220 | (97) |
| (3,914) | (8,781) | Profit/(loss) after exceptional items before tax | 5,633 | 3,708 |
| 570 | 881 | Tax expense/ (benefit) -current period | 851 | 795 |
| (4,483) | (9,662) | Net profit/ (loss) from ordinary activities after tax | 4,782 | 2,913 |
| 42 | 95 | -Share in loss/ (profit) of associates, net | 8 | 29 |
| 16 | 28 | -Minority interest | (3) | (34) |
| (4,542) | (9,784) | Net profit/ (loss) | 4,778 | 2,918 |

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Questions & Answers
