



Q3FY10 & 9MFY10 Results

Analyst Presentation
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Disclaimer



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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 Piramal Healthcare Limited’s ability to successfully implement its strategy, the Company’s growth and expansion plans, obtain regulatory approvals, provisioning policies, technological changes, investment and business income, cash flow projections, exposure to market risks as well as other risks.

Piramal Healthcare Limited does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

Financial highlights Q3FY2010

Profit & Loss Account – Consolidated

Q3 FY2010



Rs. million

Period ended - Consolidated	Q3 Ended			9 months Ended			Year Ended
	31-Dec-09	31-Dec-08	Gr %	31-Dec-09	31-Dec-08	Gr %	31-Mar-09
Net Sales	9,069.2	8,283.3	9.5%	27,165.3	24,168.9	12.4%	32,448.1
Other operating income	7.8	42.6	-81.8%	127.0	133.0	-4.5%	362.9
Total operating income	9,077.0	8,325.9	9.0%	27,292.3	24,301.9	12.3%	32,811.0
OPBIDTA	1,806.7	1,246.3	45.0%	5,197.5	3,860.1	34.6%	5,813.5
OPM %	19.9%	15.0%	-	19.0%	15.9%	-	17.7%
Non-operating other income	0.0	0.1	-	0.4	1.7	-	73.8
EBIDTA	1,806.7	1,246.4	45.0%	5,197.9	3,861.8	34.6%	5,887.3
Interest (Net)	216.5	261.1	-17.1%	724.2	551.7	31.3%	838.0
Depreciation	433.6	294.7	47.1%	1,193.8	852.6	40.0%	1,195.7
Operating Profit before tax	1,156.6	690.5	67.5%	3,279.5	2,455.8	33.5%	3,779.8
Profit before tax (before exceptional)	1,156.6	690.6	67.5%	3,279.9	2,457.5	33.5%	3,853.6
Exceptional items	-	-	-	3.6	136.1	-97.4%	446.1
Income tax	(204.3)	71.8	-	2.2	272.4	-	219.4
Minority interest	(1.2)	20.1	-	(1.7)	35.5	-	25.6
Profit after tax	1,362.1	598.7	127.5%	3,275.8	2,013.5	62.7%	3,162.5
EPS (Rs.)	6.5	2.9	128.0%	15.7	9.6	62.7%	15.1
EPS before exceptional items	6.5	2.9	128.0%	15.7	10.2	53.5%	17.3

Profit & Loss Account Ratios – Consolidated Q3 FY2010



No.	Particulars	Q3 Ended		9 months Ended		Year Ended
		Q3-Dec 09	Q3-Dec 08	31-Dec-09	31-Dec-08	31-Mar-09
1	Net Operating Income	100	100	100	100	100
2	Total Expenditure	80.1	85.0	81.0	84.1	82.3
	Material cost	37.9	39.5	38.4	37.7	37.6
	Staff cost	15.6	14.1	16.5	15.7	15.3
	Marketing & Selling expenses	13.5	13.5	12.9	12.9	12.8
	Process Development and Research	1.8	2.4	1.9	2.7	2.6
	Net Forex Expenditure	(0.4)	4.2	(0.3)	4.1	2.5
	Other expenditure (Net)	11.7	11.3	11.5	11.1	11.5
			-			
3	OPBIDT	19.9	15.0	19.0	15.9	17.7
			-			
4	Interest (Net)	2.4	3.1	2.7	2.3	2.6
5	Depreciation	4.8	3.5	4.4	3.5	3.6
			-			
6	Operating Profit before Tax & Exceptional Items	12.7	8.3	12.0	10.1	11.5
7	Profit before Tax and after Exceptional Items	12.7	8.3	12.0	9.6	10.4
8	PAT	15.0	7.2	12.0	8.3	9.6

Note: Material cost includes cost of all material. Staff cost includes cost of all staff including factory and marketing staff. Marketing & selling expenses include promotional expenses, but exclude marketing/selling staff cost.

Balance Sheet – Consolidated

Q3 FY2010



Rs. million

Period ended- Consolidated	As of	As of
	31-Dec-09	31-Mar-09
Equity capital	418.0	418.0
Reserves & Surplus	16,035.5	12,752.7
Networth	16,453.5	13,170.7
Minority interest	-2.6	74.5
Deferred tax liability (Net)	464.2	725.5
Loan funds	12,837.6	13,390.8
Total	29,752.7	27,361.5
Net fixed assets	19,763.6	20,390.9
Investments	325.6	278.3
Net current assets	9,663.5	6,692.3
Inventories	5,444.2	4,833.6
Sundry debtors	4,670.0	4,866.3
Other current assets	5,883.1	5,207.7
Current liabilities	6,333.8	8,215.3
Total	29,752.7	27,361.5

Balance Sheet – Ratios – Q3FY2010



Rs. million

Period ended- Consolidated	As of	As of
	31-Dec-09	31-Mar-09
Debt/equity ratio:	0.8	1.0
Networth	16,453.5	13,170.7
Total debt	12,837.6	13,390.8
Book value (Rs./share)	78.7	63.0
Net Sales/Net fixed assets ratio	1.8	1.6
Current assets ratios: +		
Net current assets	96	73
Inventories	54	53
Receivables	46	53
ROCE %	19.3%	19.0%
RONW %	26.5%	24.0%

Note: +Current asset ratios are Days of Gross Sales which now includes other operating income also. Previous year numbers accordingly have been restated

Operational highlights Q3FY2010

Business Mix – Consolidated Q3 FY2010



Rs. million

No.	Net Sales break-up	% Sales	Quarter III ended			9 Months ended			Year ended
			31-Dec-09	31-Dec-08	Gr %	31-Dec-09	31-Dec-08	Gr %	31-Mar-09
1	Healthcare Solutions	55.0%	4,993.5	4,109.0	21.5%	14,608.7	12,099.9	20.7%	16,048.9
2	Pharma Solutions	23.0%	2,090.6	2,561.4	-18.4%	6,690.1	7,585.1	-11.8%	10,606.5
	From Assets in India	12.6%	1,146.0	805.5	42.3%	2,941.2	2,306.6	27.5%	3,925.1
	From Assets O/S India	10.4%	944.6	1,755.9	-46.2%	3,748.9	5,278.5	-29.0%	6,681.3
3	Piramal Critical Care (PCC)	8.6%	778.5	295.6	163.3%	2,392.6	752.5	217.9%	1,316.0
4	Diagnostics	5.5%	502.7	425.2	18.2%	1,535.0	1,283.7	19.6%	1,689.6
5	Others	7.8%	711.7	934.7	-23.9%	2,065.9	2,580.7	-19.9%	3,150.1
	Total	100.0%	9,077.0	8,326.0	9.0%	27,292.3	24,301.9	12.3%	32,811.0

Pharma Solutions sales (excluding Huddersfield) for 9MFY10 is up 5.0%

Note: 1. Pharma Solutions excludes MMBB

2. Others include MMBB (Vitamin A, and APIs), Diagnostic Devices and Other Operating Income.

Healthcare Solutions – growth across TAs



- TA-wise sales break-up:

Rs. million

No.	Therapeutic area PHL Consolidated	PHL Consolidated Quarter III Ended				PHL Consolidated 9 Months ended				Market growth
		Saliency	31-Dec-09	31-Dec-08	Growth	Saliency	31-Dec-09	31-Dec-08	Growth	MAT Nov 09
		%	Rs. million	Rs. million	%	%	Rs. million	Rs. million	%	%
1	Respiratory	19.7%	982.6	928.9	5.8%	16.7%	2,433.8	2,084.9	16.7%	14.9%
2	Anti-Infective	16.0%	799.3	623.5	28.2%	16.6%	2,419.2	1,791.7	35.0%	12.0%
3	CVS	13.9%	692.6	602.8	14.9%	13.1%	1,916.6	1,656.1	15.7%	17.5%
4	CNS	8.5%	424.4	359.1	18.2%	9.6%	1,404.0	1,219.9	15.1%	19.1%
5	Nutritionals	6.2%	307.2	210.9	45.7%	6.5%	945.1	759.2	24.5%	15.7%
6	Biotek	1.4%	69.2	70.6	-2.0%	1.5%	218.9	208.3	5.1%	-
7	Anti-Diabetic	4.4%	217.4	181.6	19.7%	5.6%	824.1	668.6	23.3%	19.8%
8	Gastro-intestinal	3.7%	183.8	171.3	7.3%	4.9%	710.5	612.8	15.9%	16.9%
9	Dermatology	5.8%	290.8	239.9	21.2%	4.5%	658.8	538.1	22.4%	20.4%
10	NSAIDs	5.8%	290.6	197.6	47.0%	5.2%	761.2	617.0	23.4%	15.7%
11	OTC	6.2%	309.4	195.0	58.7%	5.8%	844.5	575.9	46.6%	-
12	Others	6.3%	312.7	221.3	41.3%	7.4%	1,080.5	1,005.6	7.5%	-
13	Ophthalmology	2.3%	113.7	106.4	6.8%	2.7%	391.4	361.8	8.2%	15.3%
	Healthcare Solutions	100%	4,993.5	4,109.0	21.5%	100%	14,608.7	12,099.9	20.7%	15.7%

- Formulations portfolio details (on a consolidated basis):

- Top-10 Brands : 26.7% of 9MFY10 Sales
 - Lifestyle products : 29.9% of 9MFY10 Sales
 - New products (launched during last 24 months) : 8.3% of 9MFY10 Sales
 - New products launched during the nine months : 26

FY2010 Guidance Review

FY2010: Guidance and Performance



■ Revised Guidance:

- Continuing business growth 13 – 15%
- Healthcare Solutions growth 18 - 20%
- Pharma Solutions to be Rs. 9.5 billion
- PCC to contribute Rs. 3.3 billion
- EBITDA Margin to be 20%
- EPS for the year to be Rs. 23.5-24.0
- Capex: Rs. 1.3 billion

■ Performance: 9M FY2010

- Continuing business grew by 12.3%
- Healthcare Solutions Sales grew by 20.7%
- Pharma Solutions sales was Rs. 6.7 billion
- PCC contributed Rs. 2.4 billion
- EBITDA Margin was 19%
- EPS was Rs. 15.7
- Capex was Rs. 995.3 million

Thank you