



# Piramal Healthcare

knowledge action care

## Analyst Presentation FY2009 – Q3 & 9MResults

22 January 2009

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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.

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# Financial highlights

## Q3 FY2009

# Profit & Loss Account – Consolidated Q3-FY2009

Rs. million

Period ended - Consolidated	Q3 Ended			9 Months Ended			Previous Year 31-Mar-08
	31-Dec-08	31-Dec-07	% Growth	31-Dec-08	31-Dec-07	% Growth	
Total operating income	8,325.9	7,248.8	14.9%	24,301.9	20,892.8	16.3%	28,674.8
OPBIDTA	1,246.3	1,211.8	2.8%	3,860.1	3,381.4	14.2%	5,416.9
OPM % (w/o FX impact)	19.2%	15.7%		20.0%	15.4%		18.7%
OPM %	15.0%	16.7%		15.9%	16.2%		18.9%
Non-operating other income	0	40.2		1.7	60.4		60.7
EBIDTA	1,246.4	1,252.0	-0.4%	3,861.8	3,441.8	12.2%	5,477.6
Interest (Net)	261.1	121.5	114.9%	551.7	343.9	60.4%	463.1
Depreciation	294.7	269.2	9.5%	852.6	781.4	9.1%	947.3
Operating Profit before tax	690.5	821.1	-15.9%	2,455.8	2,256.1	8.9%	4,006.5
Profit before tax (before exceptional)	690.6	861.3	-19.8%	2,457.5	2,316.5	6.1%	4,067.2
Exceptional items	0.0	56.0		136.1	86.3		339.3
Income tax	71.8	78.9	-9.0%	272.4	221.7	22.9%	376.6
Profit after tax (after Minority Interest)	598.7	727.6	-17.7%	2,013.5	2,009.6	0.2%	3,337.8
Minority interest	20.1	-1.2		35.5	-1.1		13.5
Preference dividend (Rs.)	0.0	5.6		0.0	16.8		15.7
EPS (Rs.)	2.9	3.5	-17.1%	9.6	9.5	1.0%	15.9
EPS before exp. items and Forex (Rs)	4.4	3.4	30.3%	14.5	9.2	56.4%	17.1

**Operating Profit Margin for Q3FY09 excluding the effect of  
forex loss of Rs.351.5 million is 19.2%**

# Profit & Loss Account – Consolidated Q3-FY2009

Ratios

No.	Particulars	Q3 Ended		9 Months Ended		Previous year
		31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07	31-Mar-08
1	Net Operating Income	100	100	100	100	100.0
2	Total Expenditure	85.0	83.3	84.1	83.8	81.1
	Material cost	39.5	39.6	37.7	38.2	38.1
	Staff cost	14.1	15.2	15.7	16.9	16.4
	Marketing & selling expenses	13.5	11.6	13.5	10.8	10.8
	Process Development and Reserch	2.4	5.9	2.7	5.8	2.8
	Other expenditure (Net)	11.3	12.0	10.5	12.8	13.2
3	OPBIDTA (Without FOREX)	19.2	15.7	20.0	15.4	18.7
	Net Forex Expenditure	4.2	(1.0)	4.1	(0.8)	(0.2)
	OPBIDTA	15.0	16.7	15.9	16.2	18.9
4	Interest (Net)	3.1	1.7	2.3	1.6	1.6
5	Depreciation	3.5	3.7	3.5	3.7	3.3
6	Operating Profit before Tax & exp. items	8.3	11.3	10.1	10.8	14.0
7	Profit before Tax and after exp. items	8.3	11.1	9.6	10.7	13.0
8	PAT	7.2	10.0	8.3	9.6	11.6

Note: Marketing & selling expenses are excluding Staff cost. All manpower costs are grouped under the head "Staff Cost". Marketing and selling expenses include Promotion costs

# Balance Sheet – Consolidated Q3-FY2009

Rs. million

Period ended- Consolidated	As on	As on
	31-Dec-08	31-Mar-08
Equity capital	418.0	418.0
Reserves & Surplus	12,537.7	10,507.9
Networth	12,955.7	10,925.9
Minority interest	85.8	48.6
Deferred tax liability (Net)	1,009.3	896.7
Loan funds (Net)	12,679.5	7,163.3
<b>Total</b>	<b>26,730.3</b>	<b>19,034.5</b>
Net fixed assets	15,999.3	12,585.4
Investments	628.4	652.5
Net current assets	10,102.6	5,796.6
Inventories	4,742.8	4,032.0
Sundry debtors	5,186.7	4,457.2
Other current assets	5,162.2	3,205.1
Current liabilities	4,989.1	5,897.7
<b>Total</b>	<b>26,730.3</b>	<b>19,034.5</b>

# Balance Sheet – Consolidated Q3-FY2009

## Ratios

Rs. million

No.	Period ended- Consolidated	Period ended	Period ended
		31-Dec-08	31-Mar-08
1	Debt/equity ratio: *	1.0	0.7
	Networth	12,955.7	10,925.9
	Net Debt	12,679.5	7,163.3
2	Book value (Rs./share)	62.0	52.3
3	Net Sales/Net fixed assets ratio	2.0	2.3
4	Current assets ratios: +		
i	Net current assets	112	72
ii	Inventories	53	50
iii	Receivables	57	55
5	ROCE %	18.0	27.8
6	RONW %	22.5	33.2
7	ROCE % w/o forex & w/o exceptional	25.1	27.5
8	RONW % w/o forex & w/o exceptional	33.7	36.6

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



# Financial Summary Q3-FY09 – Consolidated Financials

## ■ Sales:

- Total Operating Income : Rs. 8.3 billion, 14.9↑ %

## ■ Profit Margins:

- GC : 60.5%, (Q3FY08 60.4%)
- OPM\* : 19.2%, (Q3FY08 15.7%)
- PAT : 7.2%, (Q3FY08 10.0%)

## ■ Debt Position:

- Debt/Equity : 1.0 from 0.7 in Q3 FY 2008

## ■ Working capital:

- NCA Level : 112 from 72 in Q3 FY 2008

\* Excluding FOREX impact

# Operational highlights

## Q3 FY2009

# Business mix – Consolidated Q3-FY2009

Rs. million

No.	Net Sales break-up	% sales	Quarter III ended			9 Months ended			Year Ended
			31-Dec-08	31-Dec-07	% Growth	31-Dec-08	31-Dec-07	% Growth	31-Mar-08
1	Healthcare Solutions	49.4%	4,109.0	3,371.5	21.9%	12,099.9	9,821.5	23.2%	12,913.5
2	Pharma Solutions	30.8%	2,561.4	2,471.3	3.6%	7,585.1	6,998.9	8.4%	10,080.7
	From Assets in India	9.7%	805.5	554.1	45.4%	2,306.6	1,522.2	51.5%	2,258.6
	From Assets o/s India	21.1%	1,755.9	1,917.2	-8.4%	5,278.5	5,476.7	-3.6%	7,822.1
3	Pathlabs	5.1%	425.2	314.7	35.1%	1,283.7	878.3	46.2%	1,194.0
4	Others	14.8%	1,230.2	1,091.3	12.7%	3,333.2	3,194.1	4.4%	4,486.7
	<b>Total</b>	<b>100.0%</b>	<b>8,325.9</b>	<b>7,248.8</b>	<b>14.9%</b>	<b>24,301.9</b>	<b>20,892.8</b>	<b>16.3%</b>	<b>28,674.8</b>

Note: 1. Others include MMBB (Inhalation Anaesthetics, Vitamin A, and APIs), Diagnostic Devices and Other Operating Income

2. Pharma Solutions excludes MMBB.

# Branded Formulations – Consolidated Q3-FY2009

## TA-wise sales break-up:

Rs. million

No.	Therapeutic area PHL Consolidated	PHL Consolidated Quarter III Ended				PHL Consolidated 9 months ended				ORG-IMS
		Saliency	31-Dec-08	31-Dec-07	Growth	Saliency	31-Dec-08	31-Dec-07	Growth	Market growth
			Rs. million	Rs. million			Rs. million	Rs. million		MAT Nov 08 %
1	Respiratory	22.6%	928.9	666.5	39.4%	17.2%	2,084.9	1,596.9	30.6%	9.0%
2	Anti-Infective	15.2%	623.5	488.0	27.8%	14.8%	1,791.7	1,447.8	23.8%	13.0%
3	CVS	14.7%	602.8	440.6	36.8%	13.7%	1,656.1	1,300.5	27.3%	15.0%
4	CNS	8.7%	359.1	337.8	6.3%	10.1%	1,219.9	1,092.1	11.7%	9.6%
5	Nutritionals	5.1%	210.9	206.2	2.3%	6.3%	759.2	815.2	-6.9%	6.3%
6	Biotek	1.7%	70.6	58.6	20.4%	1.7%	208.3	172.7	20.6%	
7	Anti-Diabetic	4.4%	181.6	154.9	17.3%	5.5%	668.6	571.4	17.0%	17.9%
8	Gastro-intestinal	4.2%	171.3	145.6	17.6%	5.1%	612.8	445.6	37.5%	7.7%
9	Dermatology	5.8%	239.9	185.4	29.4%	4.4%	538.1	440.0	22.3%	7.0%
10	NSAIDs	4.8%	197.6	176.0	12.3%	5.1%	617.0	559.3	10.3%	7.4%
11	OTC	4.7%	195.0	173.4	12.4%	4.8%	575.9	505.2	14.0%	
12	Others	5.8%	237.7	229.0	3.8%	8.1%	985.6	539.5	82.7%	
13	Ophthalmology	2.2%	90.1	109.4	-17.6%	3.2%	381.8	335.3	13.9%	1.0%
	<b>Healthcare Solution</b>	<b>100%</b>	<b>4,109.0</b>	<b>3,371.5</b>	<b>21.9%</b>	<b>100%</b>	<b>12,099.9</b>	<b>9,821.6</b>	<b>23.2%</b>	<b>10.3%</b>

## Formulations portfolio details:

- Top-10 Brands : 25.1% of Q3FY09 sales
- Lifestyle products : 29.5% of Q3FY09 Sales
- New products : 5.9% of Q3FY09 Sales
- New products launched during the quarter : 3

# FY2009 Guidance Review

# 9MFY2009: guidance and performance

## ■ Guidance:

- Continuing business growth 16%
- Pharma Solutions sales from Indian assets: Rs. 4 billion
- OPBDITA Margin to be 20.5%
- EPS (w/o exceptional items) to be Rs. 21.0
- Capex: Rs. 1.5 billion

## ■ Performance: 9MFY09

- Continuing business grew 16.3%
- Pharma Solutions sales from Indian assets: Rs. 2.3 billion
- OPBDITA Margin\* was 20.0%
- EPS (not annualized) was Rs. 14.5
- Capex was Rs. 1.3 billion, Acquisition related spent was Rs. 3.0 billion

\* Excluding FOREX and exceptional items

Thank you

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