



October 27, 2021

✓ **BSE Limited**

Department of Corporate Services,
P. J. Towers,
Dalal Street,
MUMBAI - 400 001.

National Stock Exchange of India Limited

Exchange Plaza,
Bandra Kurla Complex,
Bandra (East),
Mumbai - 400 051.

Dear Sir/Madam,

Sub: Information pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

Pursuant to Regulation 30(2) read with Schedule III Part A Para A(4)(h) of the Listing Regulations, enclosed is a Press Release, inter alia covering the unaudited financial results of the Company for the quarter and half-year ended September 30, 2021.

Kindly confirm having noted the above.

Thanking you,

Yours faithfully,
FOR LUPIN LIMITED

**R. V. SATAM
COMPANY SECRETARY
(ACS-1 1973)**



Encl.: a/a.

LUPIN LIMITED

Registered Office: 3rd Floor, Kalpataru Inspire, Off W. E. Highway, Santacruz (East), Mumbai - 400 055 India. Tel : (91-22) 6640 2323.

Corporate Identity Number: L24100MH1983PLC029442

www.lupin.com

Mumbai, October 27, 2021: Pharma major Lupin Limited [BSE: 500257 | NSE: LUPIN] reported its financial performance for the quarter ending September 30, 2021. These unaudited results were taken on record by the Board of Directors at a meeting held today.

Financial Highlights – Consolidated IND-AS

Amt in INR mn

Particulars	Quarter						
	Q2 FY2022	Q1 FY2022	QoQ Growth %	Q1 FY2022**	QoQ Growth %	Q2 FY2021	YoY Growth %
Sales	40,034	42,374	↓ 5.5%	38,640	↑ 3.6%	37,818	↑ 5.9%
EBITDA	6,285	9,926	↓ 36.7%	6,192	↑ 1.5%	6,061	↑ 3.7%
EBITDA Margin (%)	15.7%	23.4%	↓ 770 bps	16.0%	↓ 30 bps	16.0%	↓ 30 bps
Adjusted PBT*	3,825	7,503	↓ 49.0%	3,769	↑ 1.5%	3,598	↑ 6.3%

*adjusted for Impairment & Business Compensation Expenses in Q2 FY2022

**adjusted for NCE Licensing Income

Income Statement highlights – Q2 FY2022

- ❖ Gross Profit was INR 23,769 mn compared to INR 27,094 mn in Q1 FY2022, with margin of 59.4%.
- ❖ Personnel cost was 18.9% of sales at INR 7,586 mn compared to INR 7,837 mn in Q1 FY2022
- ❖ Manufacturing and other expenses were 28.5% of sales at INR 11,425 mn compared to INR 10,309 mn in Q1 FY2022
- ❖ Investment in R&D for the quarter was INR 3,300 mn (8.2% of sales)
- ❖ EBITDA for Q2 FY2022 includes an adverse impact of ~80bps for one-time costs related to US Specialty Restructuring
- ❖ During the quarter, the company booked a provision of INR 18,796 mn [including INR 387 mn towards litigation and settlement related expenses] under Glumetza class actions towards business compensation expense based on the agreement to settle the dispute with two plaintiff groups as well as Impairment expense of INR 7,077 mn for Solosec® IP

Balance Sheet highlights

- ❖ Operating working capital was INR 60,526 mn as on September 30, 2021
- ❖ Capital Expenditure for the quarter was INR 1,451 mn and was INR 2,508mn for H1 FY2022
- ❖ Net Debt as on September 30, 2021 stands at INR (-)715 mn
- ❖ Net Debt-Equity for the company as on September 30, 2021 stands at (-)0.01

Commenting on the results, Mr. Nilesh Gupta, Managing Director, Lupin Limited said, “Our sustained efforts to drive growth have helped us cross INR 4,000cr sales this quarter. We remain focused on ramping up our revenues in the U.S. while continuing our robust growth in India. With the restructuring in the U.S., we have significantly scaled down the Specialty burn. We remain committed to our journey of margin improvement through sustainable growth and cost optimization, while ensuring the safety of our people and the highest standards of compliance.”

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Consolidated Financial Results – Q2 FY2022

Amt in INR mn

Particulars	Q2 FY2022	% of sales	Q1 FY2022	% of sales	QoQ Gr%	Q2 FY2021	% of sales	YoY Gr%
Sales	40,034	100.0%	42,374	100.0%	-5.5%*	37,818	100.0%	5.9%
Other operating income	879	2.2%	328	0.8%	168.0%	532	1.4%	65.2%
Total Revenue from operations	40,913	102.2%	42,702	100.8%	-4.2%	38,350	101.4%	6.7%
Material cost	16,265	40.6%	15,280	36.1%	6.4%	13,817	36.5%	17.7%
Gross Profit (Excl. Other op. income)¹	23,769	59.4%	27,094	63.9%*	-12.3%	24,001	63.5%	-1.0%
Employee cost ²	7,586	18.9%	7,837	18.5%	-3.2%	6,854	18.1%	10.7%
Manufacturing & Other expenses ^{1/2}	11,425	28.5%	10,309	24.3%	10.8%	11,325	29.9%	0.9%
Other Income	728	1.8%	278	0.7%	161.9%	250	0.7%	191.2%
Forex Loss / (Gain)	80	0.2%	(372)	-0.9%	-121.5%	543	1.4%	-85.3%
EBITDA	6,285	15.7%	9,926	23.4%*	-36.7%*	6,061	16.0%	3.7%
Depreciation, Amortization & Impairment Expense	2,116	5.3%	2,088	4.9%	1.3%	2,127	5.6%	-0.5%
EBIT	4,169	10.4%	7,838	18.5%	-46.8%	3,934	10.4%	6.0%
Finance cost	344	0.9%	335	0.8%	2.7%	336	0.9%	2.4%
Adjusted Profit Before Tax (PBT)	3,825	9.6%	7,503	17.7%*	-49.0%*	3,598	9.5%	6.3%
Business Compensation Expense ³	18,796	47.0%	-	0.0%	-	-	0.0%	-
Impairment Expense ⁴	7,077	17.7%	-	0.0%	-	-	0.0%	-
Profit Before Tax (PBT)	(22,048)	-55.1%	7,503	17.7%*		3,598	9.5%	
Tax	(1,099)	-2.7%	2,023	4.8%		1,467	3.9%	
Profit After Tax (PAT)	(20,949)	-52.3%	5,480	12.9%		2,131	5.6%	
(+) Share of Profit from JV	0	0.0%	2	0.0%		4	0.0%	
(-) Non-Controlling Interest	31	0.1%	57	0.1%		25	0.1%	
Profit/(Loss) for the period	(20,980)	-52.4%	5,425	12.8%		2,110	5.6%	

*Adjusted for NCE Licensing income of INR 3,734 mn in Q1, Gross Margin in Q1 FY2022 would be 60.5% to sales, EBITDA Margin would be 16.0% to sales and PBT Margin would be 9.8% to sales. Further, on an adjusted basis, sales growth in Q2 FY2022 is 3.6% and EBITDA as well as Adjusted PBT Growth is 1.5%

- Royalty/Profit Share Expenses on certain in-licensed/partnered products have been reclassified to Material Costs from Manufacturing and Other expenses starting Q1 FY2022. On a comparable basis, the Gross Margin adjusted for such change would be 62.7% of sales in Q2 FY2021. Manufacturing & Other Expenses adjusted for this change related to Royalty/Profit Share Expenses would be 29.1% of sales in Q2 FY2021.
- Includes one-time costs related to US Specialty Restructuring of INR 326 mn
- Includes Provision of INR 18,796 mn [including INR 387 mn towards litigation and settlement related expenses] under Glumetza class actions towards business compensation expense based on the agreement to settle the dispute with two plaintiff groups
- Impairment Expense of INR 7,077 mn for impairment of Solosec® IP

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Consolidated Financial Results – H1 FY2022

Amt in INR mn

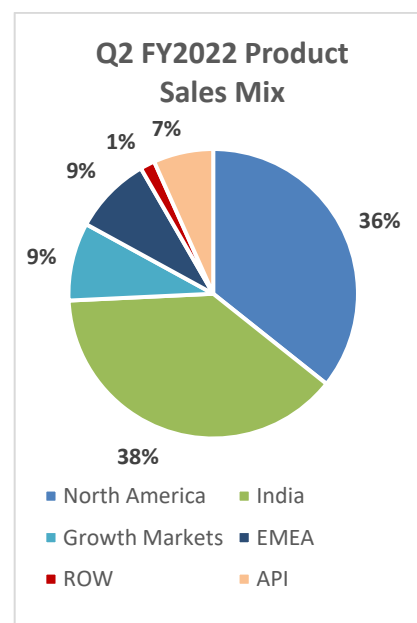
Particulars	H1 FY2022	% of sales	H1 FY2021	% of sales	YoY Gr%
Sales	82,408	100.0%	72,504	100.0%	13.7%
Other operating income	1,207	1.5%	1,125	1.6%	7.3%
Total Revenue from operations	83,615	101.5%	73,629	101.6%	13.6%
Material cost	31,545	38.3%	26,696	36.8%	18.2%
Gross Profit (Excl. Other op. income)¹	50,863	61.7%	45,808	63.2%	11.0%
Employee cost ²	15,423	18.7%	14,790	20.4%	4.3%
Manufacturing & Other expenses ^{1/2}	21,691	26.3%	20,728	28.6%	4.6%
Other Income	963	1.2%	683	0.9%	41.0%
Forex Loss / (Gain)	(292)	-0.4%	723	1.0%	-140.4%
EBITDA	16,211	19.7%	11,375	15.7%	42.5%
Depreciation, Amortization & Impairment Expense	4,204	5.1%	4,273	5.9%	-1.6%
EBIT	12,007	14.6%	7,102	9.8%	69.1%
Finance cost	679	0.8%	779	1.1%	-12.8%
Adjusted Profit Before Tax (PBT)	11,328	13.7%	6,323	8.7%	79.2%
Business Compensation Expense ³	18,796	22.8%	-	0.0%	
Impairment Expense ⁴	7,077	8.6%	-	0.0%	
Profit Before Tax (PBT)	(14,545)	-17.6%	6,323	8.7%	
Tax	924	1.1%	3,110	4.3%	
Profit After Tax (PAT)	(15,469)	-18.8%	3,213	4.4%	
(+) Share of Profit from JV	2	0.0%	9	0.0%	
(-) Non-Controlling Interest	89	0.1%	43	0.1%	
Profit/(Loss) for the period	(15,556)	-18.9%	3,179	4.4%	

- Royalty/Profit Share Expenses on certain in-licensed/partnered products have been reclassified to Material Costs from Manufacturing and Other expenses starting Q1 FY2022. On a comparable basis, the Gross Margin adjusted for such change would be 62.7% of sales in H1 FY2021. Manufacturing & Other Expenses adjusted for this change related to Royalty/Profit Share Expenses would be 28.1% of sales in H1 FY2021.
- Includes one-time costs related to US Specialty Restructuring of INR 326 mn
- Includes Provision of INR 18,796 mn [including INR 387 mn towards litigation and settlement related expenses] under Glumetza class actions towards business compensation expense based on the agreement to settle the dispute with two plaintiff groups
- Impairment Expense of INR 7,077 mn for impairment of Solosec® IP

Sales Mix

Amt in INR mn

Particulars	Q2 FY22	Q1 FY22	Growth QoQ	Q2 FY21	Growth YoY
North America	14,291	13,330	7.2%	13,984	2.2%
India	15,435	16,362	-5.7%	13,323	15.9%
Growth Markets	3,490	3,328	4.9%	2,918	19.6%
EMEA	3,484	2,613	33.3%	3,259	6.9%
ROW	656	548	19.7%	595	10.3%
Total Formulations	37,356	36,181	3.2%	34,079	9.6%
API	2,678	2,459	8.9%	3,739	-28.4%
Total Sales	40,034	38,640	3.6%	37,818	5.9%
NCE licensing income	-	3,734		-	
Consolidated Sales	40,034	42,374	-5.5%	37,818	5.9%



Operational Highlights

North America

Lupin's North America sales for Q2 FY2022 were INR 14,291 mn, up 7.2% compared to INR 13,330 mn in Q1 FY2022, up 2.2% as compared to INR 13,984 mn in Q2 FY2021; accounting for 36% of Lupin's global sales. Q2 FY2022 sales were USD 184 mn compared to USD 172 mn in Q1 FY2022 and USD 180 mn in Q2 FY2021

The Company filed 4 ANDAs in the quarter, received 1 ANDA approval from the U.S. FDA, and launched 3 products in the quarter in the U.S. market. The Company now has 165 products in the U.S. generics market.

Lupin continues to be the 3rd largest pharmaceutical player in both U.S. generic market and US total market by prescriptions (IQVIA MAT September 2021). Lupin is the market leader in 55 products in the U.S. generics market and amongst the Top 3 in 120 of its marketed products (market share by extended units, IQVIA June 2021)

During the quarter, we scaled down the US Specialty operations and have reduced the burn going forward and booked one-time costs of INR 326 mn related to US Specialty business.

India

Lupin's India formulation sales for Q2 FY2022 were INR 15,435 mn, down 5.7% as compared to INR 16,362 mn in Q1 FY2022, up 15.9% as compared to INR 13,323 mn in Q2 FY2021; accounting for 38% of Lupin's global sales.

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India Region Formulations sales grew by 16.0% in the quarter as compared to Q2 FY2021. Lupin is the 6th largest company in the Indian Pharmaceutical Market (IQVIA MAT September 2021).

Growth Markets (LATAM and APAC)

Lupin's Growth Markets registered sales of INR 3,490 mn for Q2 FY2022, up 4.9% compared to INR 3,328 mn in Q1 FY2022, up 19.6% as compared to INR 2,918 mn in Q2 FY2021; accounting for 9% of Lupin's global sales.

Lupin's Brazil sales were BRL 48 mn for Q2 FY2022 compared to BRL 63 mn for Q1 FY2022 and BRL 59 mn for Q2 FY2021.

Lupin's Mexico sales were MXN 172 mn for Q2 FY2022 compared to MXN 163 mn for Q1 FY2022 and MXN 155 mn for Q2 FY2021.

Lupin's Philippines sales were PHP 643 mn for Q2 FY2022 compared to PHP 362 mn for Q1 FY2022 and PHP 341 mn for Q2 FY2021.

Lupin's Australia sales were AUD 18.3 mn for Q2 FY2022 compared to AUD 17.1 mn for Q1 FY2022 and AUD 14.4 mn for Q2 FY2021.

Europe, Middle-East and Africa (EMEA)

Lupin's EMEA sales for Q2 FY2022 were INR 3,484 mn, up 33.3% compared to INR 2,613 mn in Q1 FY2022, up 6.9% compared to INR 3,259 mn in Q2 FY2021; accounting for 9% of Lupin's global sales.

Lupin's South Africa sales for Q2 FY2022 were ZAR 357 mn, compared to ZAR 273 mn in Q1 FY2022 and ZAR 304 mn in Q2 FY2021.

Lupin is the 6th largest player in South Africa in the total generics market (IQVIA August 2021).

Lupin's Germany sales for Q2 FY2022 were EUR 7.9 mn, compared to EUR 7.4 mn in Q1 FY2022 and EUR 8.1 mn in Q2 FY2021.

Global API

Lupin's Global API sales for Q2 FY2022 were INR 2,678 mn, up 8.9% compared to INR 2,459 mn in Q1 FY2022, down 28.4% as compared to INR 3,739 mn in Q2 FY2021; accounting for 7% of Lupin's global sales.

Research and Development

Investment in R&D amounted to INR 3,300 mn (8.2% of sales) for Q2 FY2022 as compared to INR 3,737 mn (8.8% of sales) for Q1 FY2022.

Lupin received approval for 1 ANDA from the U.S. FDA in the quarter. Cumulative ANDA filings with the U.S. FDA stand at 444 as of September 30, 2021, with the company having received 292 approvals to date.

The Company now has 51 First-to-File (FTF) filings including 20 exclusive FTF opportunities. Cumulative U.S. DMF filings stand at 202 as of September 30, 2021.

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About Lupin

Lupin is an innovation-led transnational pharmaceutical company headquartered in Mumbai, India. The Company develops and commercializes a wide range of branded and generic formulations, biotechnology products and APIs in over 100 markets in the U.S., India, South Africa and across Asia Pacific (APAC), Latin America (LATAM), Europe and Middle-East regions.

The Company enjoys leadership position in the cardiovascular, anti-diabetic, and respiratory segments and has significant presence in the anti-infective, gastro-intestinal (GI), central nervous system (CNS) and women's health areas. Lupin is the third largest pharmaceutical company in the U.S. by prescriptions. The company invested 9.6% of its revenue on research and development in FY21.

Lupin has 15 manufacturing sites, 7 research centres, more than 20,000 professionals working globally, and has been consistently recognized as a 'Great Place to Work' in the Biotechnology & Pharmaceuticals sector.

Please visit www.lupin.com for more information.

Follow us on Twitter: <https://twitter.com/LupinGlobal> | LinkedIn: <https://www.linkedin.com/company/lupin>

Facebook: <http://www.facebook.com/LupinWorld/>

For further information or queries please contact –

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