

# Lupin Limited

Transformation into a  
Multinational Pharmaceutical company

**Investor Presentation**  
**Q3 2012-13**



Vision: To be an innovation led transnational company

driven

creative

global

transparent

enriching



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**LUPIN**

# Safe Harbor Statement



Materials and information provided during this presentation may contain 'forward-looking statements'. These statements are based on current expectations, forecasts and assumptions that are subject to risks and uncertainties which could cause actual outcomes and results to differ materially from these statements.

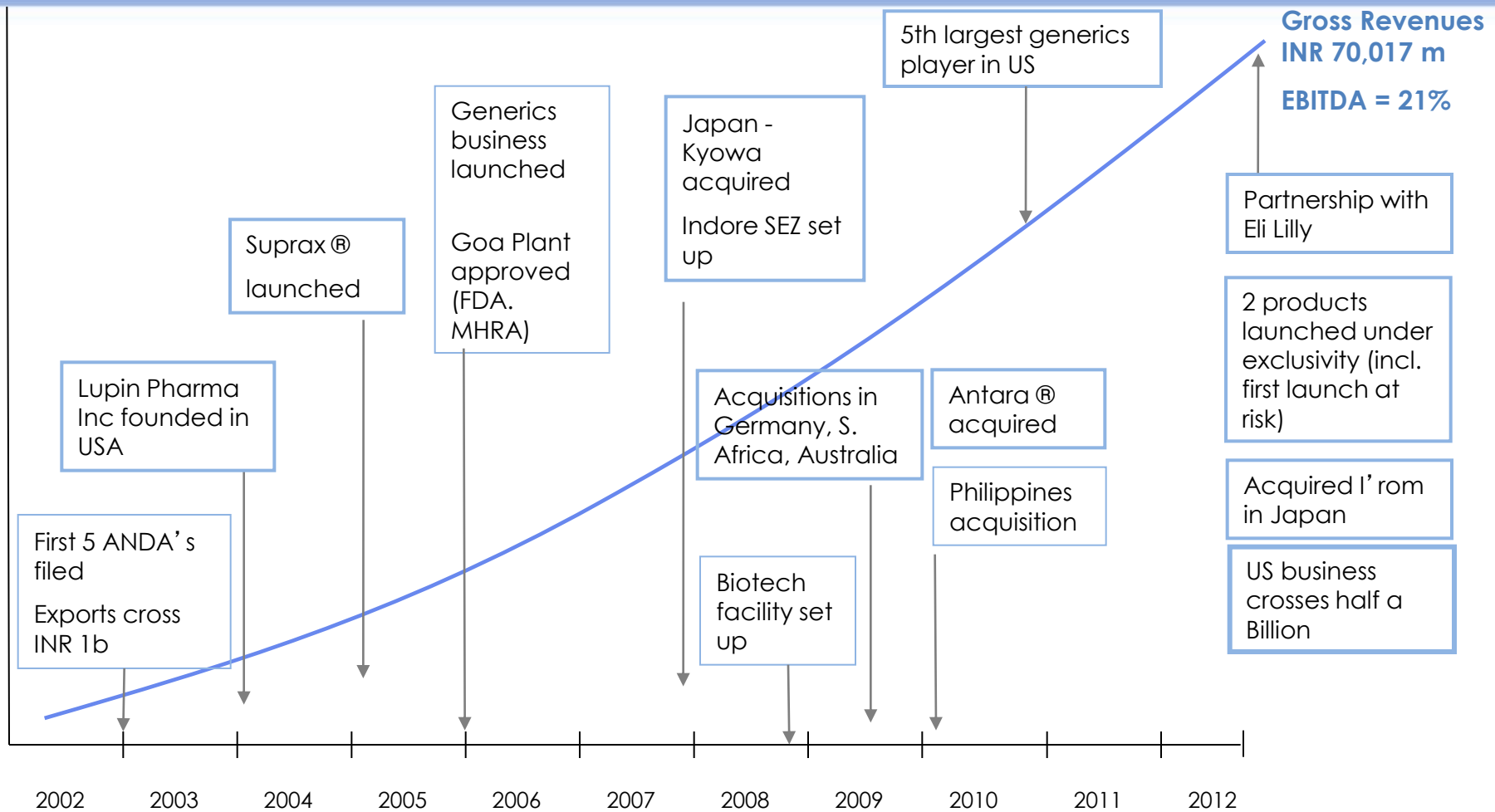
Risks and uncertainties include general industry and market conditions, and general domestic and international economic conditions such as interest rate and currency exchange fluctuations. Risks and uncertainties particularly apply with respect to product-related forward-looking statements. Product risks and uncertainties include, but are not limited, to technological advances and patents attained by competitors, challenges inherent in new product development, including completion of clinical trials; claims and concerns about product safety and efficacy; obtaining regulatory approvals; domestic and foreign healthcare reforms; trends toward managed care and healthcare cost containment, and governmental laws and regulations affecting domestic and foreign operations.

Also, for products that are approved, there are manufacturing and marketing risks and uncertainties, which include, but are not limited, to inability to build production capacity to meet demand, unavailability of raw materials, and failure to gain market acceptance.

The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.



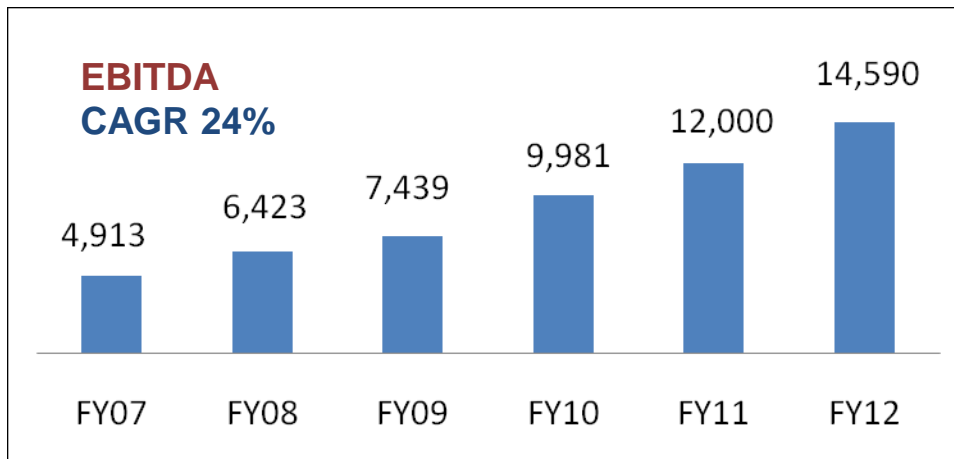
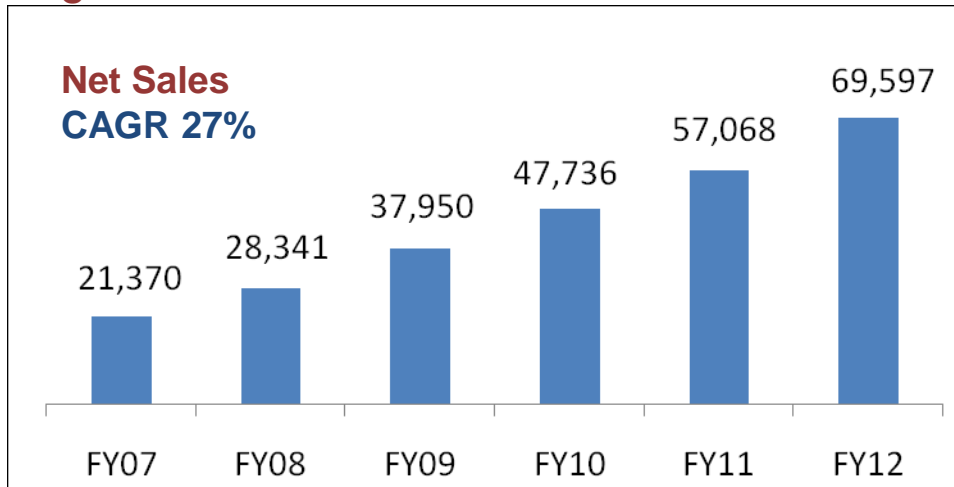
# Journey over the last decade



# Consistent track record of growth



Figures in Rs. m



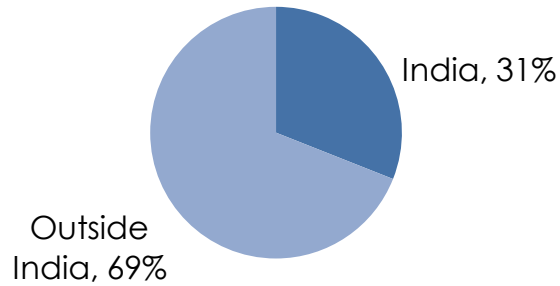
- **Evolved into a multinational company with ~70 % of turnover from outside India**
  - ▶ 5th largest and fastest growing generic player in the US by prescriptions
  - ▶ 4<sup>th</sup> largest pharmaceutical company in India
  - ▶ 7<sup>th</sup> largest and the fastest growing generic player in Japan
  - ▶ Growing presence in South Africa, Europe and Australia
- **Strong track record of organic growth**
- **Smart acquisitions**



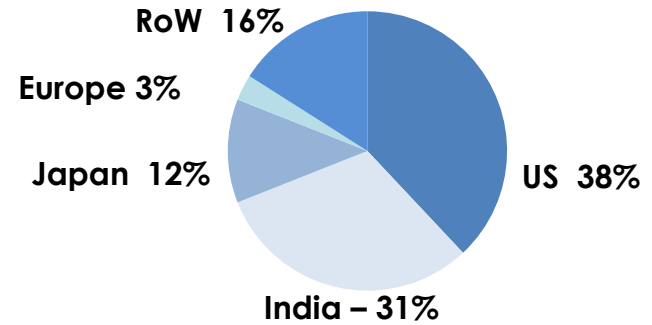
# Business Mix - 2012



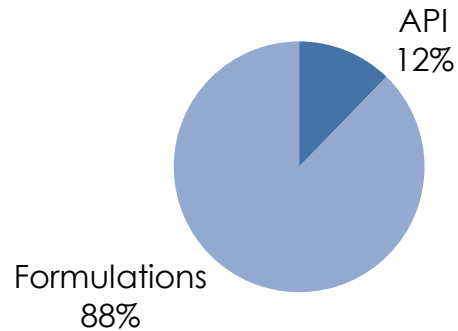
## Geographical breakup



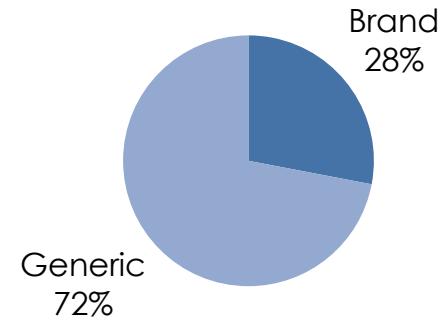
## Major markets



## Sales break up



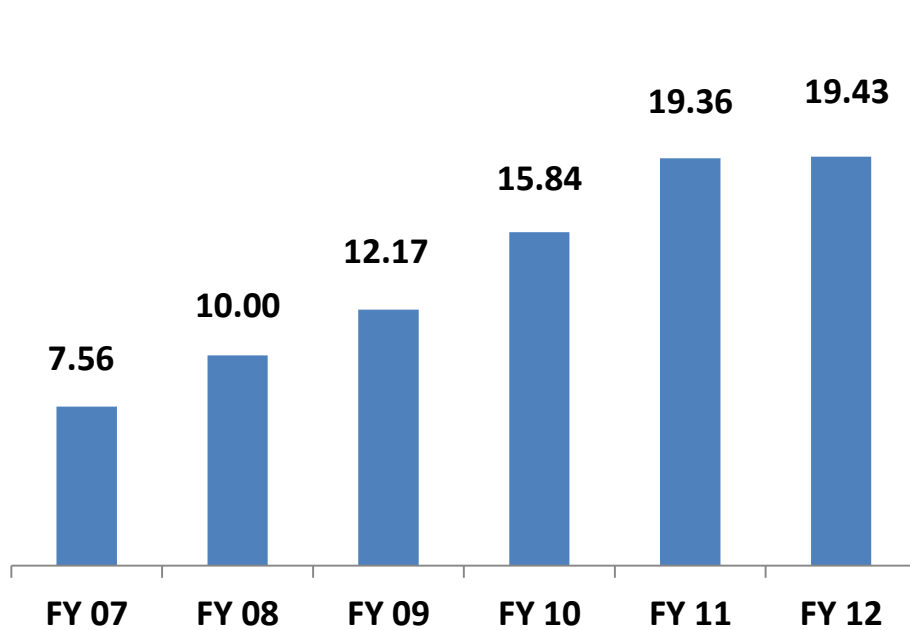
## US sales split



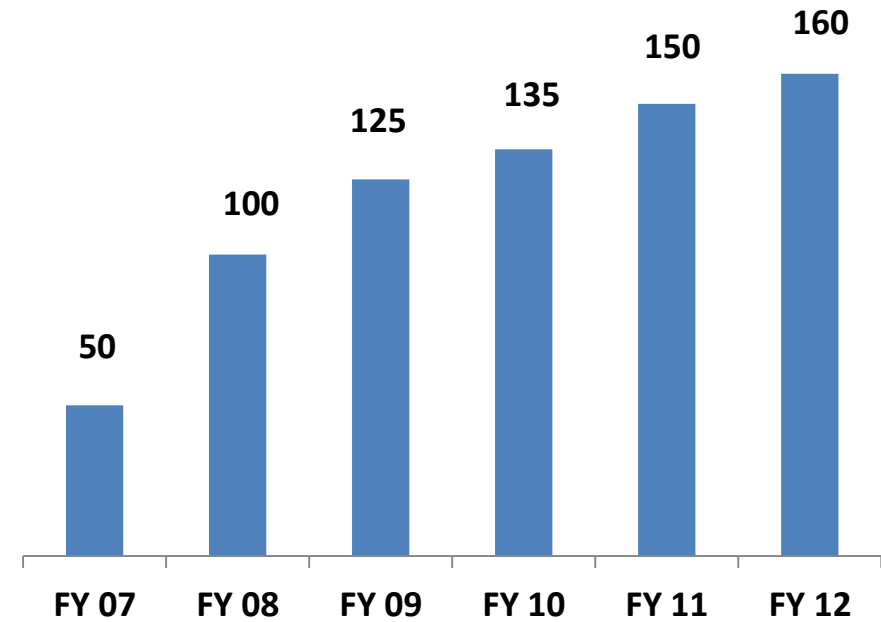
# Shareholder returns



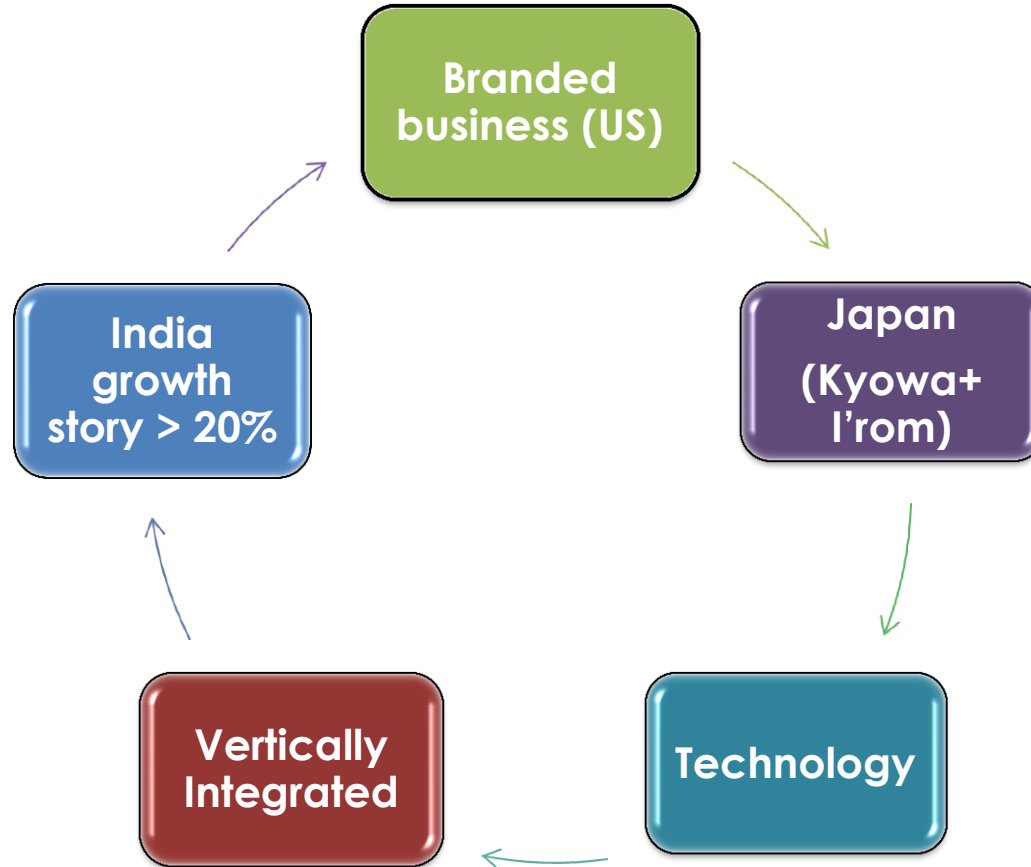
### Basic EPS (Rs.)



### Dividend %



# Lupin's core strengths



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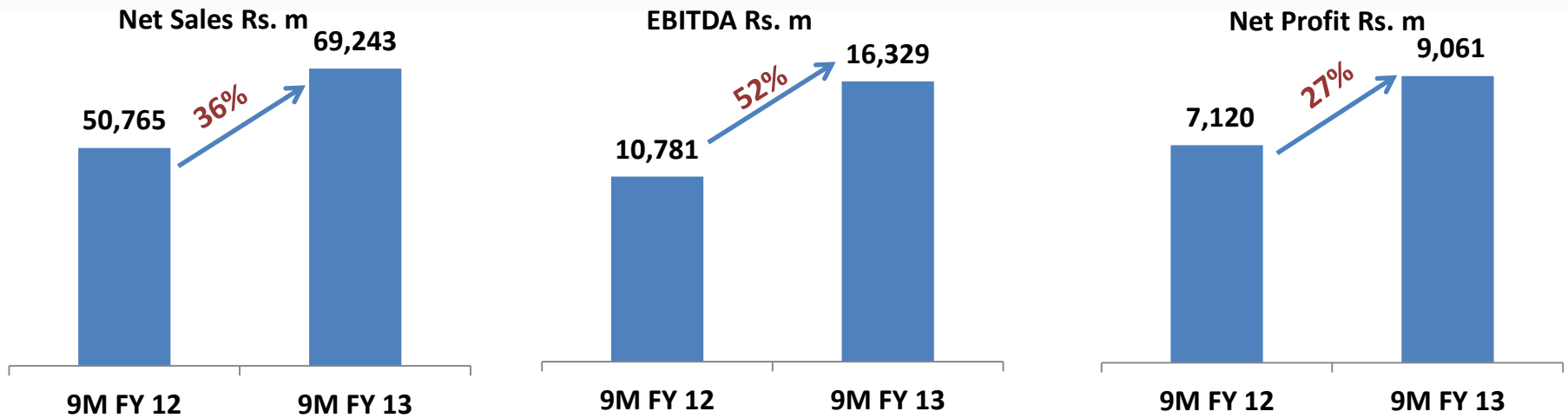
# Financial update



# 9MFY13 performance



# Corporate Highlights 9MFY13



## Consistent performance

- ▶ Net sales grew by 36% to Rs. 69,243 m during 9MFY13
- ▶ PBT grew by 56% to Rs. 14,020 m during 9MFY13

## Growth across all geographies (9MFY13)

- ▶ US business (including IP) grew by 49%
- ▶ India Region Formulation sales continued to grow at 19%
- ▶ Japan grew by 74%
- ▶ South Africa grew by 25%

## Continued investment for growth

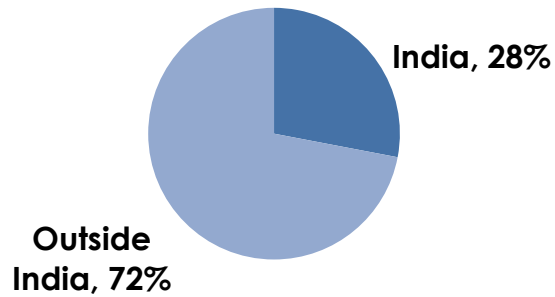
- ▶ Capital expenditure at Rs. 3,568 m.
- ▶ Revenue expenditure on R&D 7.3% of net sales at Rs. 5,099 m
- ▶ Filed 13 ANDAs



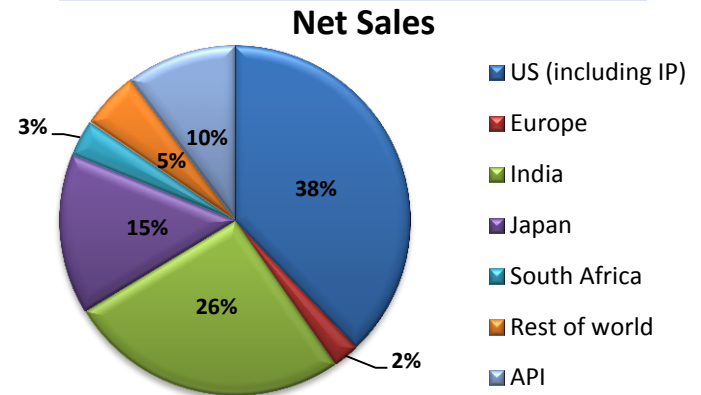
# Business Mix – 9MFY13



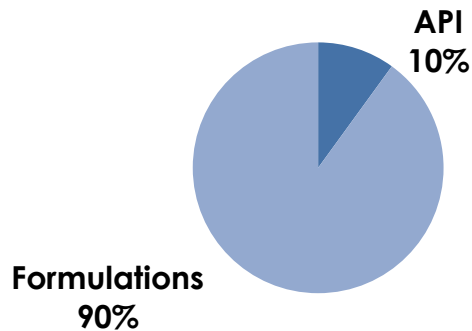
## Geographical breakup



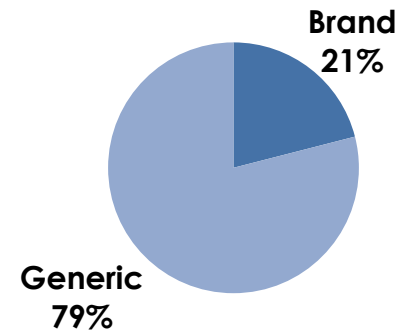
## Major markets



## Sales break up



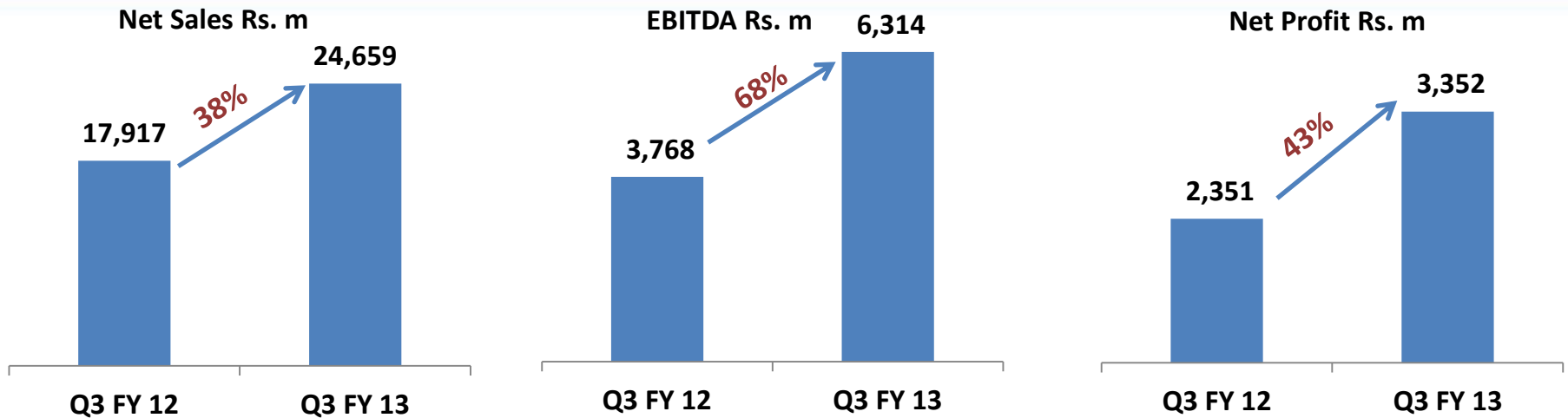
## US sales split



# Q3FY13 performance



# Corporate Highlights Q3FY13



- Consistent performance
  - Net sales grew by 38% to Rs. 24,659 m during Q3FY13
  - PBT grew by 79% to Rs. 5,550 m during Q3FY13
- Growth across all geographies (Q3FY13)
  - US business (including IP) grew by 68%
  - India Region Formulation sales continued to grow at 14%
  - Japan grew by 48%
  - South Africa grew by 43%

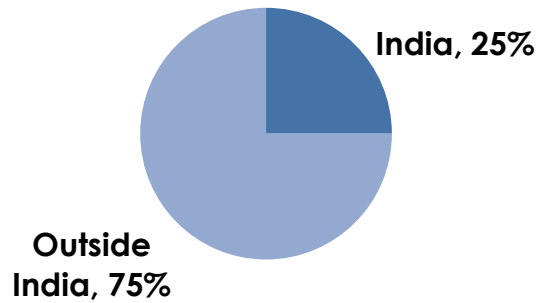
- Continued investment for growth
  - Capital expenditure at Rs. 970 m.
  - Revenue expenditure on R&D 9.6% of net sales at Rs. 2,382 m
  - Filed 8 ANDAs



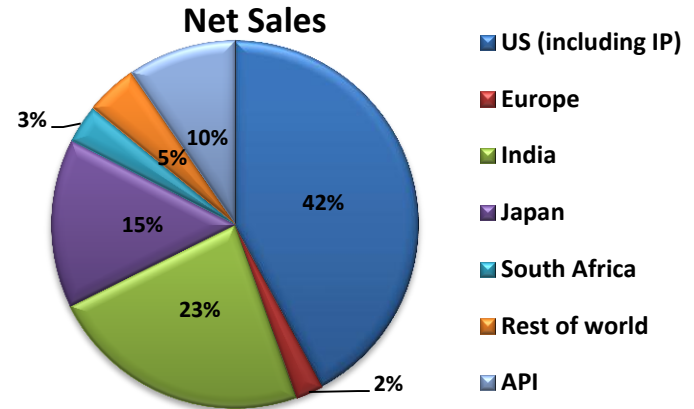
# Business Mix – Q3FY13



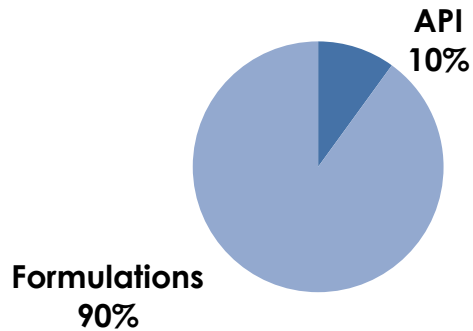
## Geographical breakup



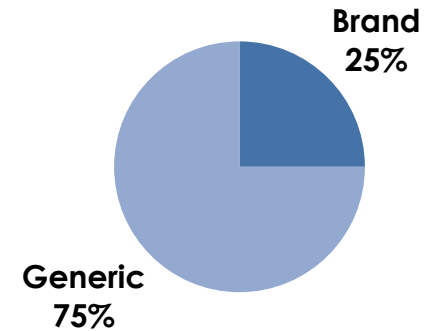
## Major markets



## Sales break up



## US sales split

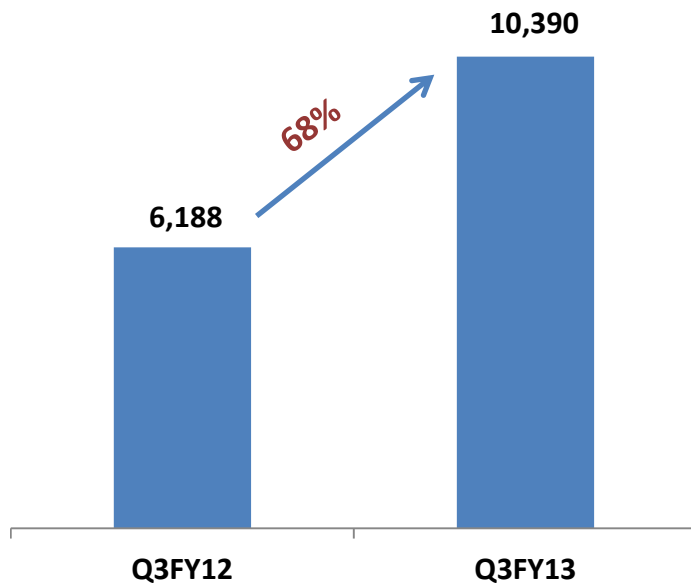


# Business update





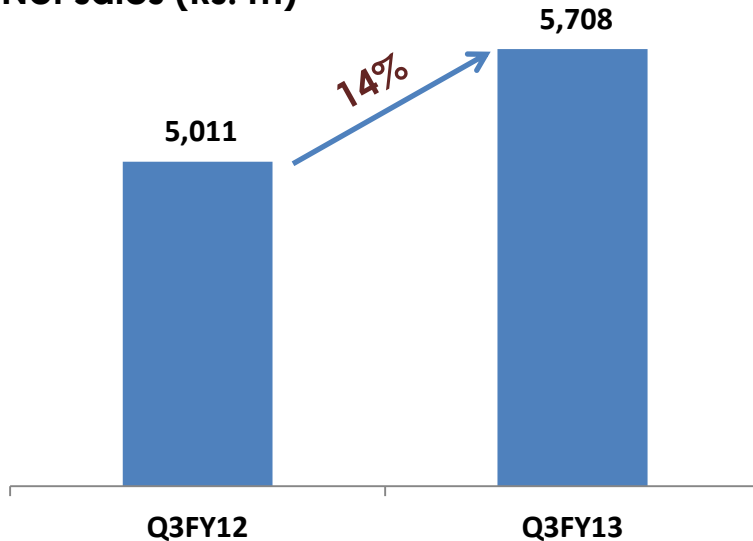
## Net sales (Rs. m)



- US business grew 68% in to Rs. 10,390 m in Q3FY13 from Rs. 6,188 in Q3FY12
- **Received 3 approvals during the quarter**
- Current product portfolio of 43 products
- No. 1 market share in 22 products & Top 3 market share in 38 products



## Net sales (Rs. m)



- 7<sup>th</sup> largest Indian company in domestic market\*\* growing at 12% in brands business
- Key drivers :
  - ▶ Growth in anti-diabetic business -24%
  - ▶ GI – 18 %
  - ▶ CNS-13%
  - ▶ Anti-infectives– 4%
  - ▶ Cardiovasculars – 20 %
  - ▶ Launched 7 new products during the quarter

- Field force strength 5,320 nos

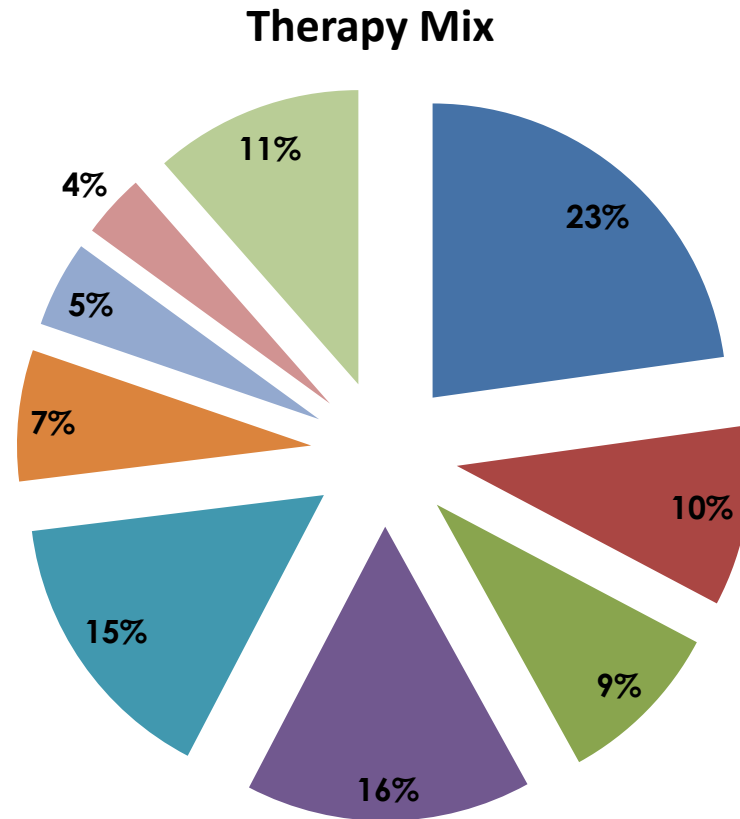
\*\* Source : (IMS MAT Nov12)



# India – Increasing contribution of chronic therapies



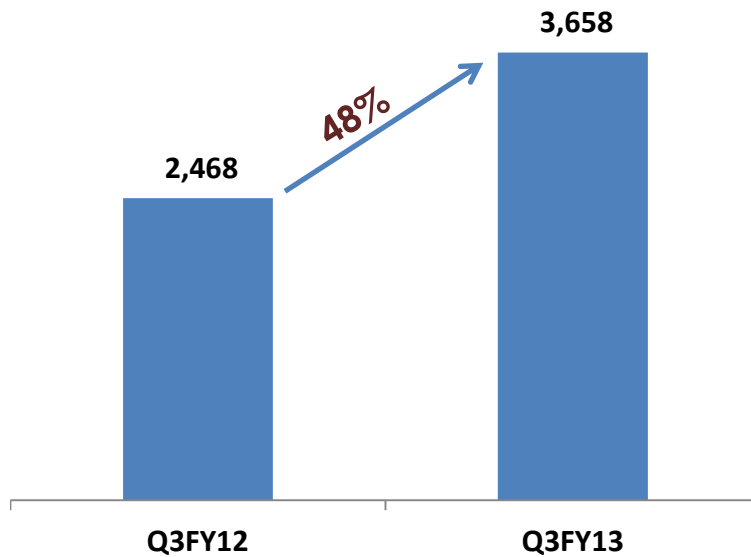
- CVS
- Anti-TB
- Anti - Asthama
- Anti Biotics + Cephalosporins  
Oral + Cephalosporins Inj.
- Anti Diabetic
- Gastro Intestinal (GI)
- CNS
- Gynaecology
- Others



Chronic & Semi-Chronic therapies now constitute 59% of the portfolio



## Net Sales (Rs. m)



## Highlights

- Strong presence in CNS, CVS, GI and Respiratory segments
- Established presence in DPC hospitals segment through I'rom
- New TA – Oncology
- Strengthening I'rom field force – increased from 24 to 33
- 2 new products launched in the quarter
- PMDA approval received for Goa formulation facility



## EU

- 2 MAAs filed and 2 approvals received
- Cumulative MAA filings 49 with 34 approvals to date

## South Africa

- Achieved “largest CVS company” (overall) status
- 2<sup>nd</sup> Hospital product Meropenam registered
- Pan Africa registration under way , focus on Nigeria & East Africa

## Philippines

- Ranked 36<sup>th</sup> as per IMS MAT Nov 2012
  - Growth of 21% vs. industry growth at 4%
- 2 products launched in the quarter

## Australia

- Isabelle – First and only generic in the market for Drospiridone + Ethinyl estradiol
- Isabelle has achieved 40% market share
- Senna based laxative launched
- Lupin increased its holding to 87.4%



# API and intermediates



- Cost, quality and reliability are the cornerstones of our API strategy
- Strategic input into formulations business
- Global leadership in chosen therapies
  - ▶ Ceph
  - ▶ Ceph-intermediates
  - ▶ Anti-TB range
- Achieved global cost, capacity and market share leadership in most products



# Globally Integrated Research & Manufacturing network



- 5 FDA approved sites
- All sites inspected in the last 12 months



# Globally integrated supply chain



## 9MFY13 highlights

- Capex of Rs. 3,568 m
- 2 sites inspected by U.S. FDA in last 12 months
- OCs launched in U.S. market from Indore
- Investments in - ophthalmology, derma and inhalers
- Capacity increased to 12 b dosage units for U.S.
- 2 new sites planned in FY13:
  - ▶ Mihan – Oral Solids
  - ▶ Vizag - API

## Capabilities

- 10 manufacturing locations (2 in Japan) housing 12 sites
  - ▶ 5 API sites
  - ▶ 7 formulation sites
- 5 FDA inspected sites
- Manufacturing capabilities across tablets, capsules, liquids, injectables and MDIs
- Combined capacity of ~ 20b dosage units





# Supply chain awards & accolades



2011

- ❖ HDMA honors Lupin with **DIANA Award for Best Overall Generic Product Manufacturer**
- ❖ Cardinal : **Supplier Quality Award**
- ❖ **Hall of Fame Award by Chemtech Foundation** (Leadership and Excellence Awards)
- ❖ ABC recognizes Lupin as “ **Generic Supplier of the Year**”



2012

- ❖ **Consistent Customer Feedback** that Lupin's Supply Chain & **Service Levels rank at the top within the US Pharma Market**- Includes ABC, Cardinal, CVS, Walgreens, Express Scripts, Kroger, Wal-Mart etc.,



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# Corporate Awards 2012



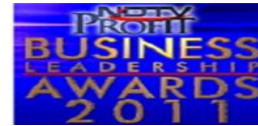
NDTV Business Leadership Awards  
**Pharmaceutical Company of the Year**

Ernst & Young Entrepreneur of the Year for Life Sciences and Health Care

**Dr Desh Bandhu Gupta**

Ernst & Young – Entrepreneur Of The Year®2012Award winner in Maryland – **Ms Vinita Gupta**

Yes Bank - Business Today Best CFO Awards for Best Leverage Management, Large Companies - **Mr Ramesh Swaminathan**



 Ernst & Young  
**Entrepreneur Of The Year®**  
2011 India

 Ernst & Young  
**Entrepreneur Of The Year®**  
2012 Award Winner



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# Great place to work



- Lupin was **ranked 1<sup>st</sup> amongst pharma companies** in the Great Place to Work survey 'Best Companies to work for 2012, India' and **amongst the Top 50 companies overall**.
- We have also been being **ranked at no. 24** among India's **large organizations** (>1000 employees)
- Continuous investments in our people
  - ▶ In-house Training center
  - ▶ Tie-ups with the best institutes for executive education for high performing employees (IIM-A, BITS Pilani, SP Jain, NMIMS, Pune University etc)
  - ▶ Process for identification of Top 100 managers and specific accelerated career paths



**Our Vision :**  
**\$ 3b by 2015**



## Growth & profitability drivers

- *US brand business (acquisitions, licensing)*
- *US generics (driven by healthy pipeline)*
- *Consistently growing India branded generics*
- *Increasing presence in Japan*
- *Geographic expansion in emerging markets*
- *Technology based/Niche opportunities*
  - *Dermatology*
  - *Ophthalmology*



## Key enablers

- **Balanced business model with brands and generics**
- **Sound financials**
- **Experienced management team**
- **Superior execution**



Thank You

