



Lupin Ltd.

Investor Presentation Q3 FY2014-15

Feb 3, 2014

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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.



Lupin is a globally dominant generic force



Advanced Markets

5th

largest US
generics
(by prescriptions¹)

8th

largest
Japanese
generics¹
(Market size: \$10bn)

Emerging markets

2.8% IPM
Market Share
(by total sales²)

4th

largest South
Africa generics²

Globally

8th

largest
generics
(by market cap³)

10th

largest
generics
(by sales³)

3rd

largest Indian
Pharma
(by total sales)

#1

in Anti-TB &
Cephalosporins
(globally)



Sources:

1 IMS MAT March 14

2 IMS MAT Dec 14

3 Bloomberg Industries GNRC, Dec, 2014

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Awards & Accolades



- **Outstanding Company of the Year** - CNBC-TV18 India Business Leadership Awards, 2014-15
- **ICAI** - winner of “**GOLD SHIELD**” for Excellence in Financial Reporting for the year 2013-14
- **ATD BEST** Award 2014 for Learning & Development
- Consistently ranked among top 2 Pharma companies for past 4 years by **Great Place to Work**
- Economic Times 500 rankings - **India’s Most Resilient Companies** – 2013-14
- **Business Today:**
 - Dr Kamal Sharma - **Best CEO** – BT Awards 2013
 - Vinita Gupta – **Most Powerful Women (MPW 2014)**
- **Forbes:**
 - Made it to the **Asia Fab 50 2014** 2nd year running
 - Dr Desh Bandhu Gupta – Among the 29 Asia Philanthropists 2014
 - Ms. Vinita Gupta – **Asia Businesswomen** - Power 50



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Globally integrated Research & Manufacturing network

- No 483s in last 5 FDA audits;
- No critical observations in last 10 MHRA audits and in last 8 WHO audits

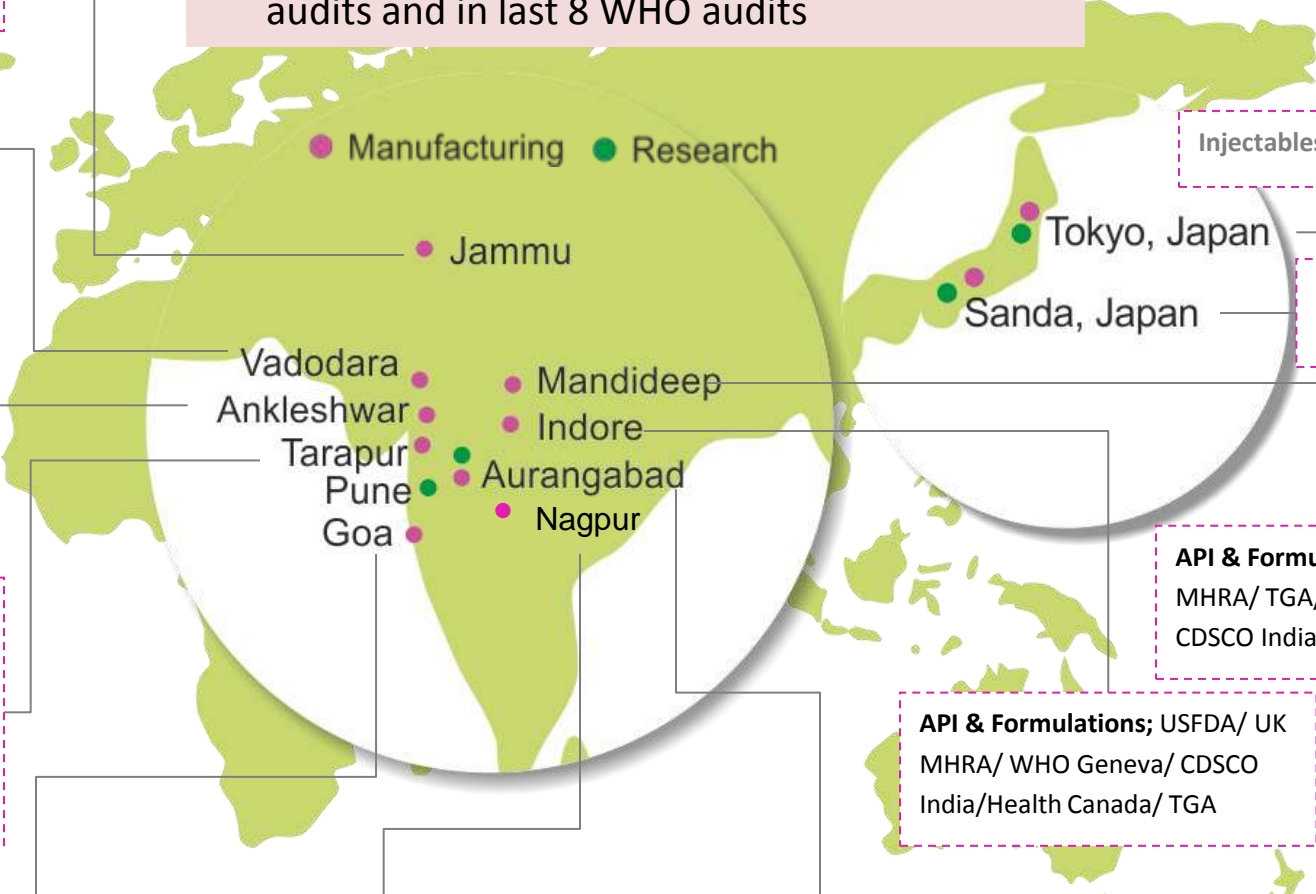
Formulations; WHO
Geneva/ CDSCO
India/ MoH Ukraine

API; USFDA/
TGA/ CDSCO
India

API; WHO
Geneva/ UK
MHRA/ ANVISA
Brazil/ Korean
FDA/ CDSCO
India

API; USFDA/ UK
MHRA/ WHO
Geneva/ CDSCO
India/ ANVISA
Brazil/ Korean FDA/
PMDA Japan

Formulations; USFDA/ UK MHRA/
ANVISA Brazil/ PMDA Japan/
CDSCO India/Health Canada/ TGA



Injectables; PMDA, Japan

Formulations;
PMDA, Japan

API & Formulations; USFDA/ UK
MHRA/ TGA/ Korean FDA/
CDSCO India

API & Formulations; USFDA/ UK
MHRA/ WHO Geneva/ CDSCO
India/Health Canada/ TGA

Formulations; Awaiting
regulatory inspection

Formulations; USFDA/ WHO
Geneva/ CDSCO India/ TGA/
MCC/ ANVISA/ NDA Uganda

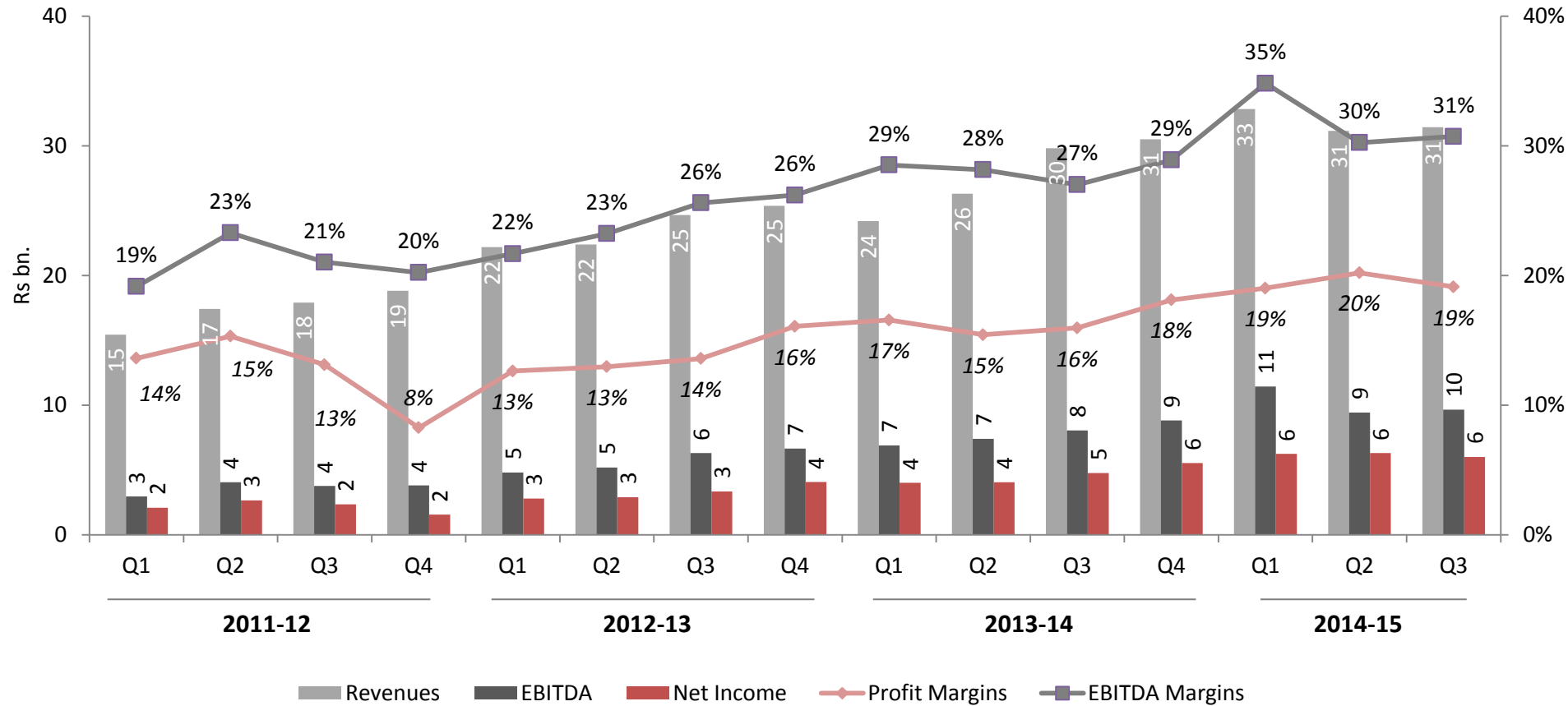
US Centers of Excellence for Research

- Florida - Inhalation
- Maryland - Complex Injectables

Business Growth – Last 15 Quarters



Revenues doubled growing at a rate of **5%¹**, whereas EBITDA and Net Income tripled growing at a rate of **9%¹** and **8%¹**, respectively since last 15 quarters...



Note:
1 Compounded quarterly growth rates

Q3 2014-15 Performance Highlights



Business Update – Q3FY15



- **Top-line increasing by 5% YoY driven by:**
 - US: Growth mainly due to new launches made in CY14 and branded biz
 - FX depreciation effect seen in Japan and South Africa
 - India business showing good growth in chronic TAs
 - Mexico first full quarter reported
- **EBITDA margins sustained at ~30% levels and PAT at 19% levels:**
 - Operational excellence resulting in cost improvements
 - Improving business mix
- **Continues to enjoy “Debt free” status**



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P&L Highlights – Q3FY15



Particulars (Rs mn)	Q3FY15	% of net sales	Q3FY14	% of net sales	% YoY growth
Net sales	31,449	100.0	29,830	100.0	5.4
Other operating income	327	1.0	390	1.3	(16.1)
Total revenue	31,776	101.0	30,220	101.3	5.0
Gross margin (excl. other operating income)	21,214	67.5	18,261	62.4	13.9
EBITDA	9,663	30.7	8,057	27.0	19.9
EBIT	8,560	27.2	7,421	24.9	15.4
Net profit	6,015	19.1	4,761	16.0	26.3



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P&L Highlights – 9MFY15



Particulars (Rs mn)	9MFY15	% of net sales	9MFY14	% of net sales	% YoY growth
Net sales	95,457	100.0	80,351	100.0	18.8
Other operating income	1,462	1.5	1,309	1.6	11.7
Total revenue	96,919	101.5	81,660	101.6	18.7
Gross margin (excl. other operating income)	63,450	66.5	51,981	64.7	22.1
EBITDA	30,528	32.0	22,371	27.8	36.5
EBIT	27,252	28.6	20,360	25.5	32.9
Net profit	18,562	19.4	12,834	16.0	44.6

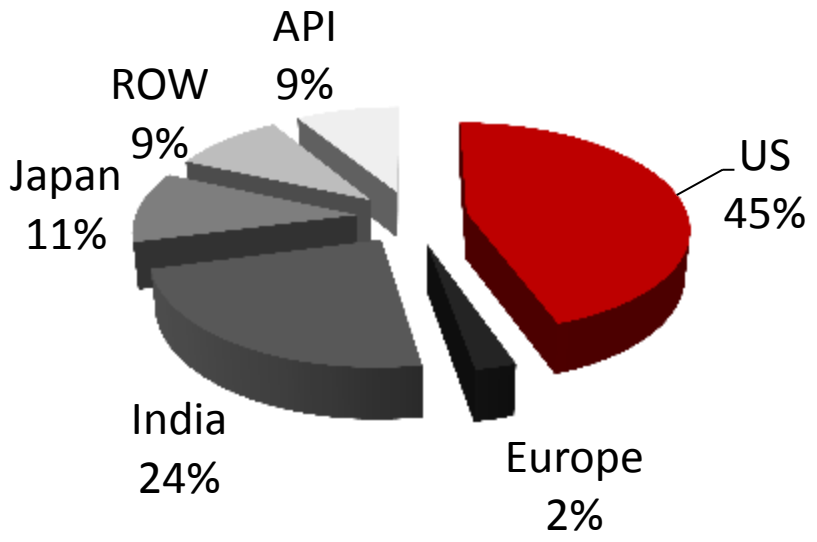


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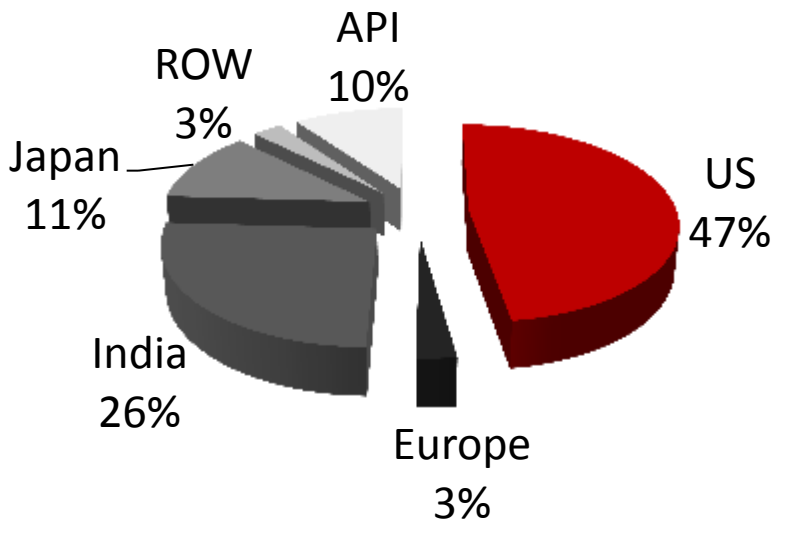
Business Split



Q3'FY15



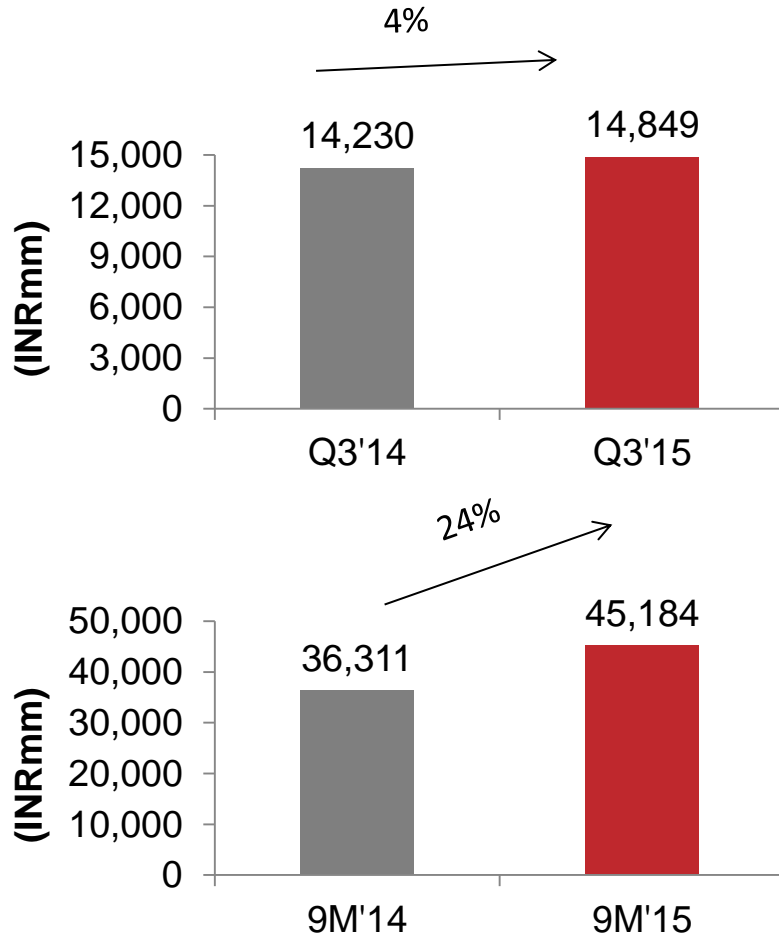
9M'FY15



- 73% business from International markets
- 91% formulation business
- US: 10% branded formulations

- 73% business from International markets
- 90% formulation business
- US: 8% branded formulations





Q3'FY15 Commentary

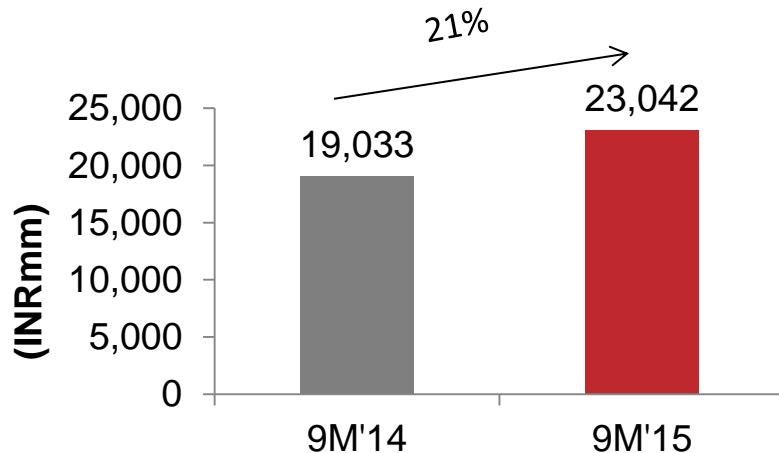
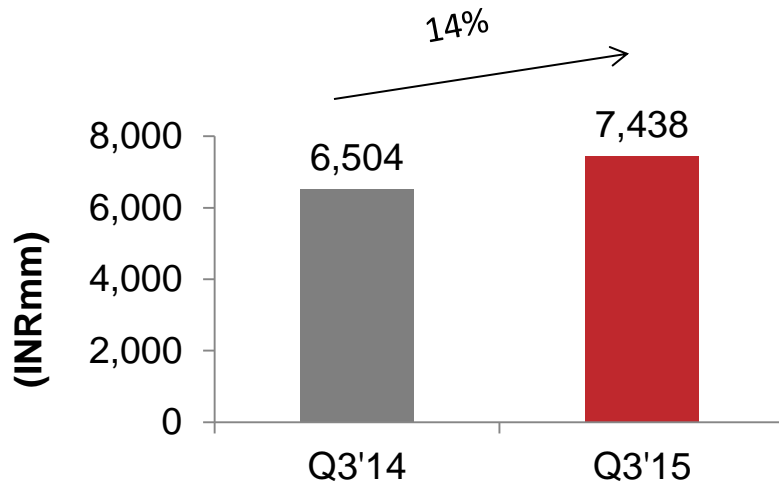
- US business grew 4% to Rs. 13,527mm & EU business grew by 15% to Rs. 806mm
 - US growth led by new launches
 - Europe saw robust growth across all businesses
- **US:** Total of 8 new product launches in 9M'15; Portfolio of 74¹ products
- US Market Share: No. 1 in 30 & top 3 in 57 products²
- Total of 203 ANDA filings, of which 108 have been approved (3 during the quarter)



Note:

1 As of 31-Dec-14

2 IMS MAT Sep 2014



Q3'FY15 Commentary

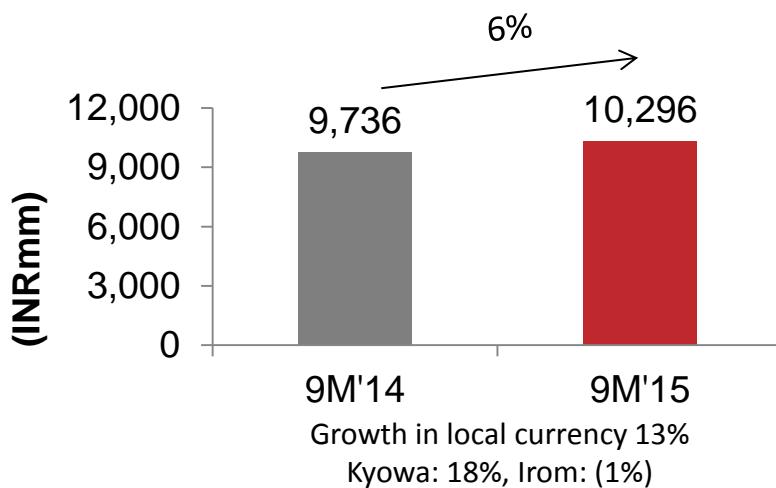
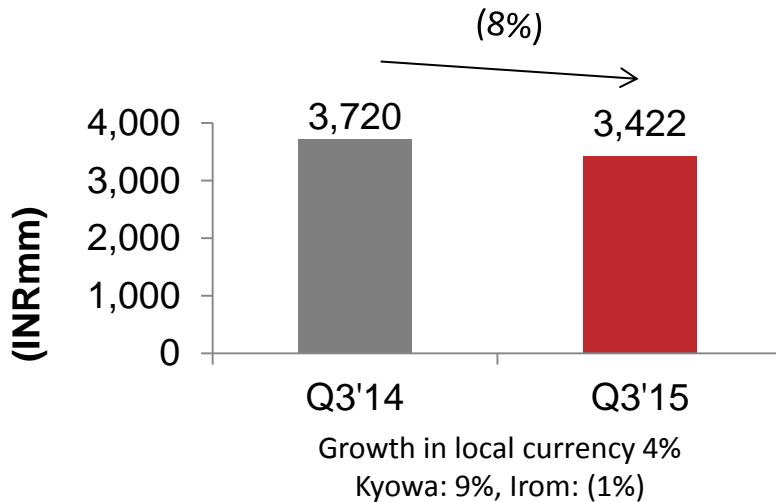
- Grew by 14% YoY¹ vs IPM growth of 11%¹
- Retains 11th position in the IPM¹

- Chronic areas of Asthma, Diabetes, CVS and GI segments leading the growth
- Current field force of ~5,400
- Launched 11 new products during Q3'15¹ cumulative 46 launches for 9M'15
- 9M'15 Chronic / Acute split at 65% / 35%

Note:

1 IMS MAT Dec 2014; 10% is the Oct-Dec quarter YoY growth for IPM

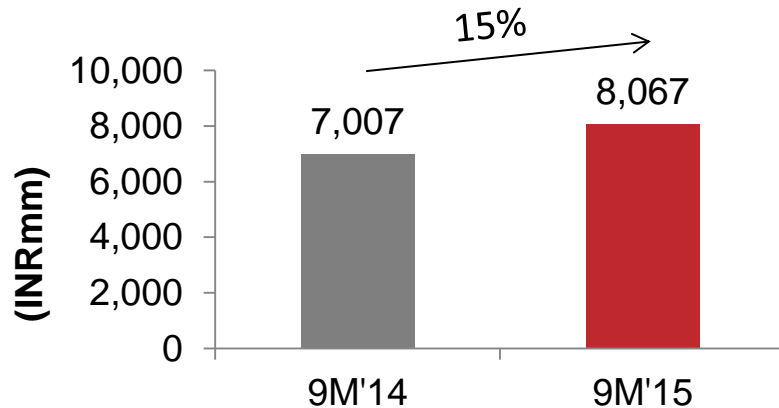
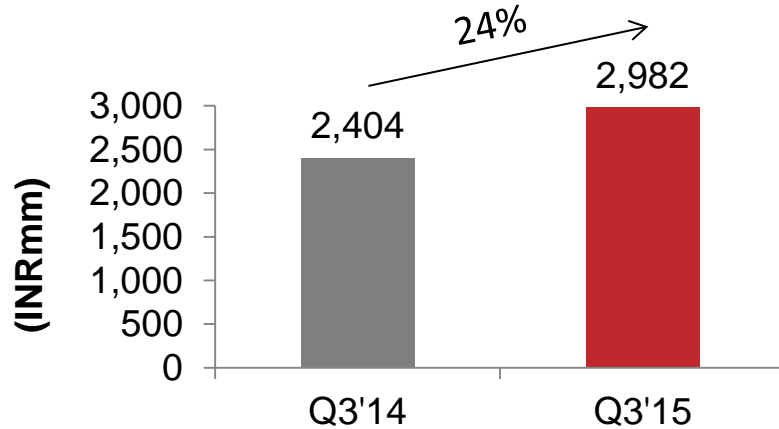




Q3'FY15 Commentary

- Japan business degrew by 8% mainly due to Yen depreciation
 - Kyowa showed good matured products growth despite Yakka cuts
- Irom: Cost rationalization initiatives to enhance profitability





Q3'FY15 Commentary

South Africa

- Growth of 19% in local currency, due to strong matured products growth
- 4th largest generic company¹ & #1 CVS player¹

Philippines

- Growth of 12%² vs industry growth of 4%²
- Ranked 24th² pharma
- Local currency growth of 15%

Mexico

- 44% YoY topline growth for the first quarter post acquisition
- 4th largest Ophthalmic company

Note:

1 SA IMS MAT Dec 2014

2 Philippines IMS MAT Nov 2014

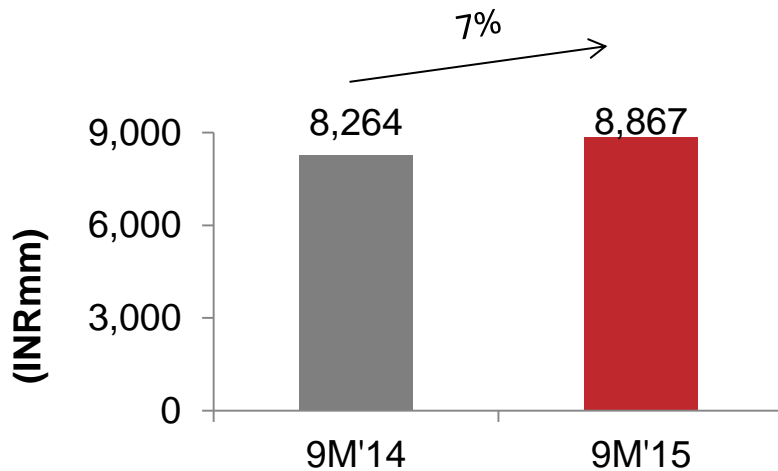
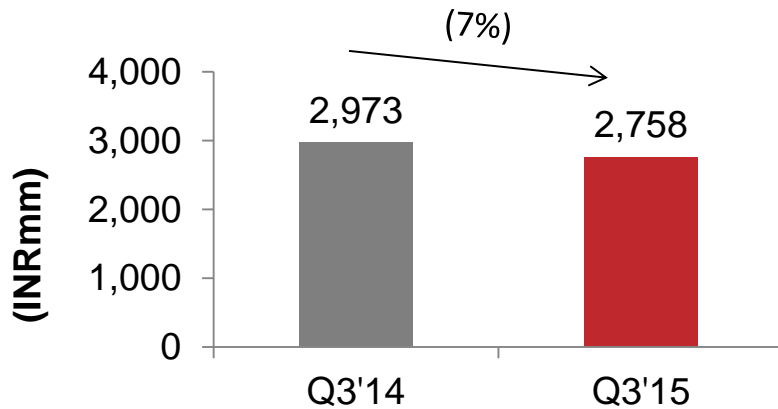


Q3'FY15 Commentary

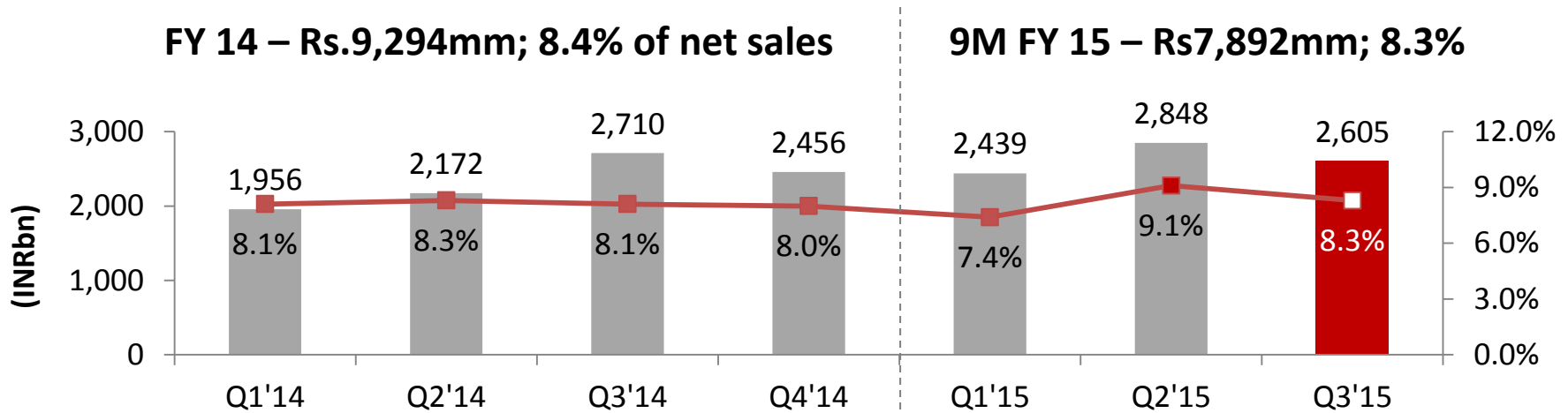
Domestic business grew by 3%

Emerging markets saw 5% increase

US and Europe degrew by 71%



R&D Update



- R&D expenses for Q3FY15 are Rs. 2,605mm, at 8.3% of net sales vs 2,710mm in Q3FY14
- Talent pool of 1,400+ scientists
- 203 ANDA filings till date, of which 108 have been approved (3 in the quarter)
- FTFs - 30 filings till date (US\$ 13.7 bn) with 15 Exclusives (US\$ 1.5 bn)

