



# Lupin Ltd.

Investor Presentation

Q3FY16

Feb 5, 2016

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# Today Lupin is a Globally Dominant Force



## Advanced Markets

6<sup>th</sup>

largest US  
*(by prescriptions<sup>1</sup>)*

9<sup>th</sup>

largest  
Japanese  
generics<sup>2</sup>

## Emerging Markets

8<sup>th</sup>

India Pharma  
Market Rank<sup>3</sup>

4<sup>th</sup>

largest South  
Africa generics<sup>4</sup>

## Globally

6<sup>th</sup>

largest generic  
globally  
*(by market cap<sup>5</sup>)*

9<sup>th</sup>

largest generic  
company  
*(by sales<sup>6</sup>)*

3<sup>rd</sup>

largest Indian  
Pharma  
*(by total sales<sup>6</sup>)*

#1

in Anti-TB  
*(globally)*



### Sources:

- 1 IMS MAT April 15
- 2 IMS MAT Mar 15
- 3 IMS MAT Dec 15

- 4 IMS MAT Dec 15
- 5 As of 30 Dec 2015 (Bloomberg EQS)
- 6 Based on FY15 sales

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# Lupin – Generics to Specialty



2015

Primarily a Generic /  
Branded Generic  
Business  
3 strong geographies

2018

Leading generics player  
with a larger specialty  
business  
Stronger geographic  
spread  
New Generic Platforms –  
Inhalation / Derm /  
Controlled Substances  
Advanced market  
Biosimilar launch

2020+

Leading global generics  
player  
Significant Specialty  
business  
Inhalation Specialty  
Vertical  
Derm Specialty Vertical  
Biosimilars  
commercialization  
NCE's



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**Q3 FY16**

**BUSINESS UPDATE**

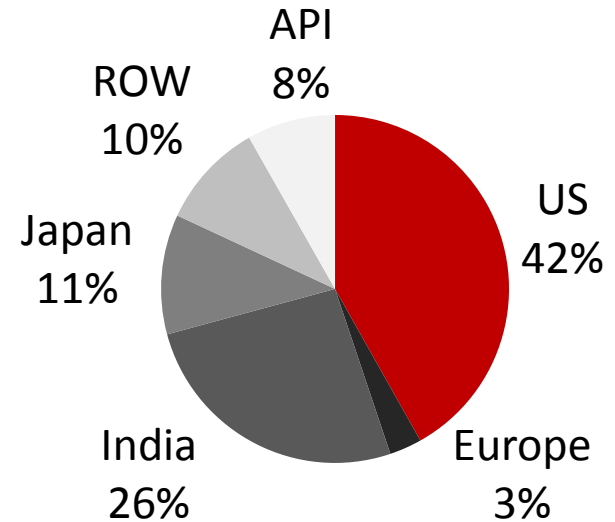
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# Business Update – Q3FY16



- **Top-line grew at 7% YoY due to:**
  - US flat YoY due to price erosion offset by growth in base business
  - Japan and South Africa grew strongly in local currency
  - India business grew YoY due to strong performance in chronic therapies
- **EBITDA margins at ~28% and PAT at 16%**
  - EBITDA down despite higher R&D spend at 11.7% vs 8.3% in Q3FY15

## Q3FY16 Sales Breakdown



# P&L Highlights – Q3FY16



Particulars (Rs mn)	Q3FY16	% of net sales	Q2FY16	% of net sales	QoQ growth	Q3FY15	% of net sales	YoY growth
Net sales	33,577	100.0	31,783	100.0	5.6%	31,449	100.0	6.8%
Other operating income	1,981	5.9	1,430	4.5		327	1.0	
<b>Total revenue</b>	<b>35,558</b>	<b>105.9</b>	<b>33,213</b>	<b>104.5</b>	<b>7.1%</b>	<b>31,776</b>	<b>101.0</b>	<b>11.9%</b>
Gross margin (excl. other operating income)	22,347	66.6	20,489	64.5	9.1%	21,214	67.5	5.3%
EBITDA	9,425	28.1	7,136	22.5	32.1%	9,663	30.7	(2.5%)
EBIT	8,311	24.7	6,068	19.1	36.9%	8,560	27.2	(2.9%)
<b>Net profit</b>	<b>5,298</b>	<b>15.8</b>	<b>4,088</b>	<b>12.9</b>	<b>29.6%</b>	<b>6,015</b>	<b>19.1</b>	<b>(11.9%)</b>



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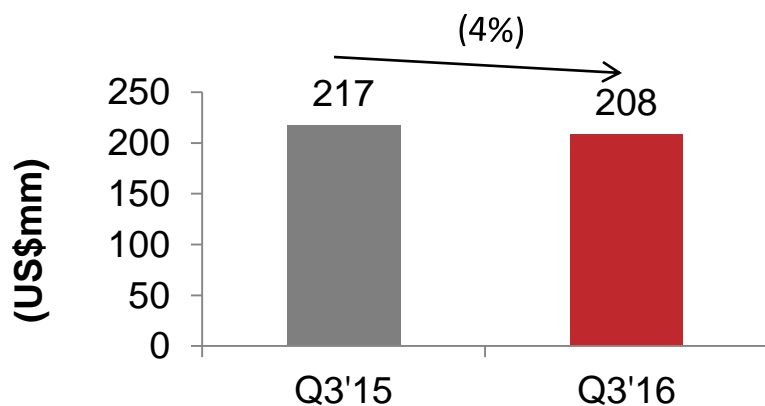
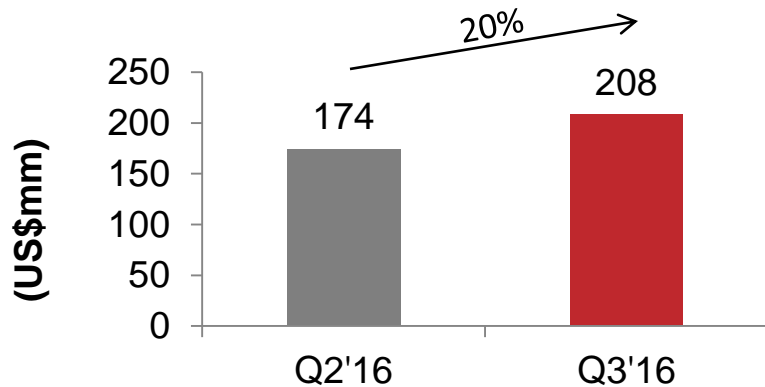
# P&L Highlights – 9MFY16



Particulars (Rs mn)	9MFY16	% of net sales	9MFY15	% of net sales	Growth
Net sales	96,102	100.0	95,457	100.0	0.7%
Other operating income	4,171	4.3	1,462	1.5	
<b>Total revenue</b>	<b>100,273</b>	<b>104.3</b>	<b>96,919</b>	<b>101.5</b>	<b>3.5%</b>
Gross margin (excl. other operating income)	63,745	66.3	63,450	66.5	0.5%
EBITDA	25,483	26.5	30,528	32.0	(16.5%)
EBIT	22,294	23.2	27,252	28.5	(18.2%)
<b>Net profit</b>	<b>14,636</b>	<b>15.2</b>	<b>18,562</b>	<b>19.4</b>	<b>(21.1%)</b>



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## Commentary

- US business grew QoQ in INR terms to Rs. 14,049 mm (including IP)
- YoY was flat in INR terms
- Lupin now has 5% prescription share and retains 6<sup>th</sup> rank
- 4 new product launches in Q3 during the quarter; Portfolio of 87<sup>1</sup> products
- US Market Share: No. 1 in 33 & top 3 in 56 products<sup>2</sup>
- Total of 225 ANDA filings till date, of which 133 have been approved (9 approvals in Q3)

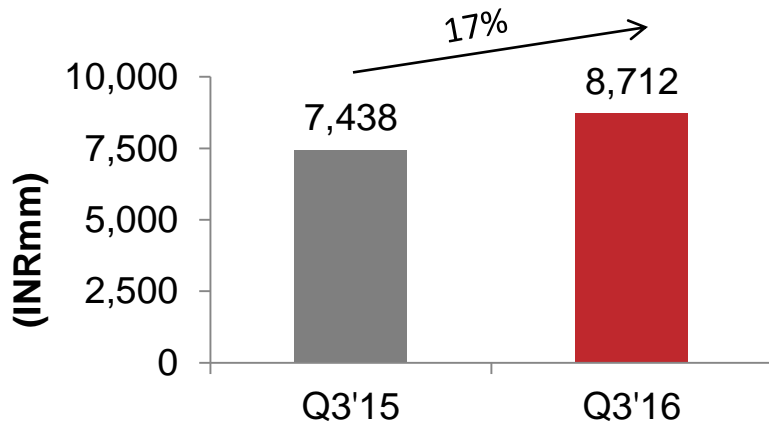
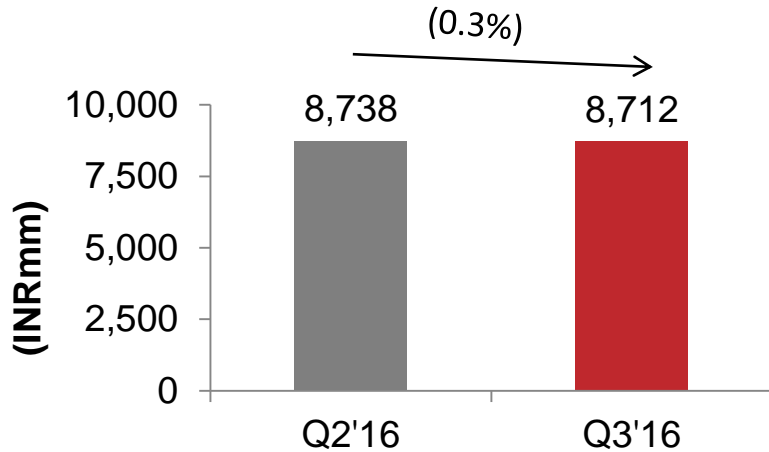


Note:

1 As of 30-Dec-15

2 IMS MAT Sep 2015



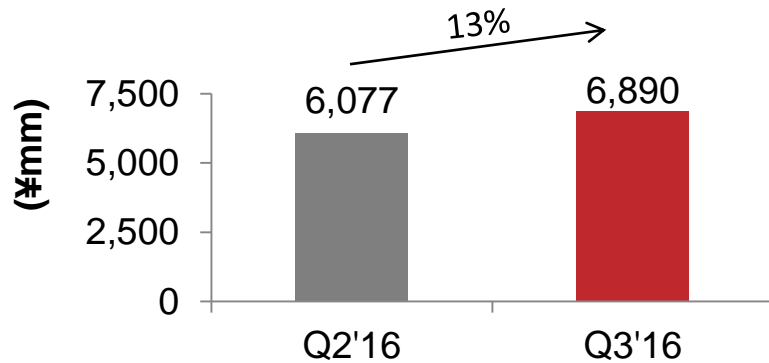


## Commentary

- India business growth YoY of 17%
- Chronic areas grew strongly: cardiovascular, anti-asthma antidiabetic, gynaecology and gastrointestinal
- Ranked 8<sup>th</sup> in the IPM<sup>1</sup>
- Current field force of 5,520



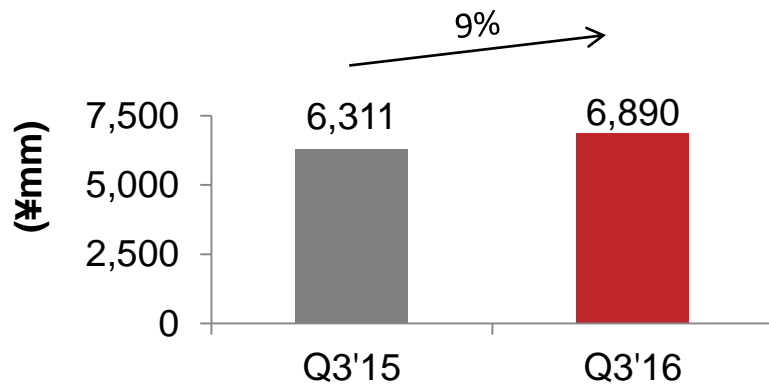
Note:  
1 IMS MAT Sep 2015



¥ growth: Kyowa: 14%, KCC: 9%  
INR growth: 16%

## Commentary

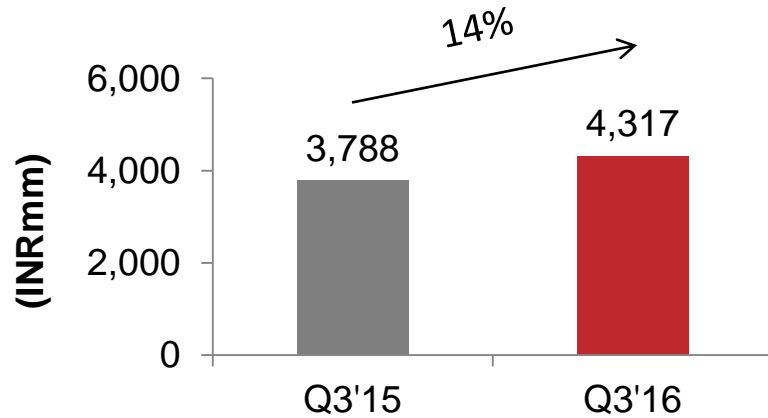
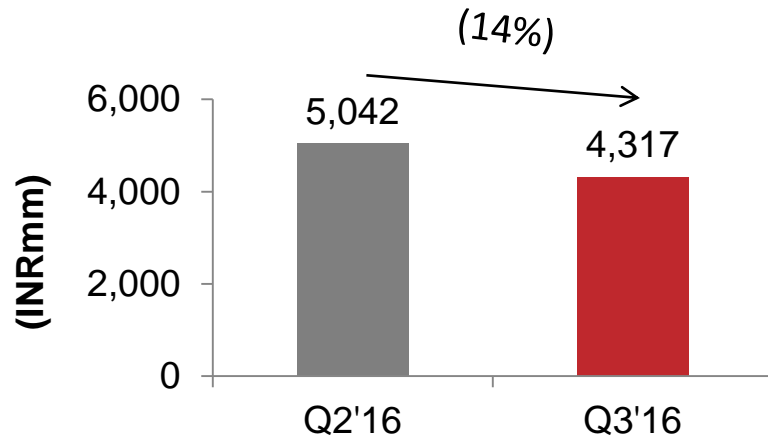
- Japan business grew both sequentially and YoY to Rs.3,739 mm
- Turnaround in KCC business



¥ growth: Kyowa: 10%, KCC: (1%)  
INR growth: 9%



# Rest of Business



## Commentary

### South Africa

- YoY growth of 17% in ZAR
- 4<sup>th</sup> largest generic company<sup>1</sup> & #1 CVS player<sup>1</sup>

### Philippines

- YoY growth of 18% in PHP
- Multicare IMS growth of 31%<sup>2</sup> vs industry growth of 8%<sup>2</sup>
- Rank: 25<sup>2</sup>

### LatAm

- **Mexico:** 4<sup>th</sup> largest ophthalmic company; 7% MXP growth YoY
- **Brazil:** Ranks 9<sup>th</sup> in total retail market<sup>3</sup>
- Medquimica grew by 14%<sup>4</sup> vs market growth of 12%<sup>4</sup>

### Europe

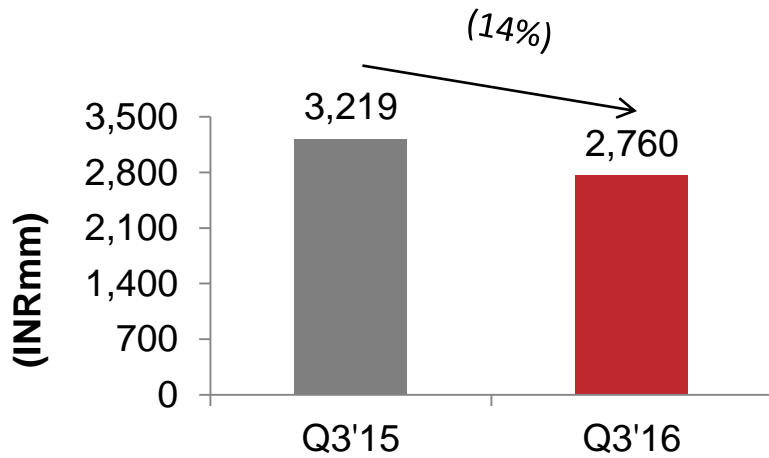
- All businesses growing strongly in 9MFY16 vs 9MFY15



Note:  
 1 SA IMS MAT Dec 15  
 2 Philippines IMS MAT Nov 15  
 3 IMS Dec 15 (volume)  
 4 IMS MAT Dec 15

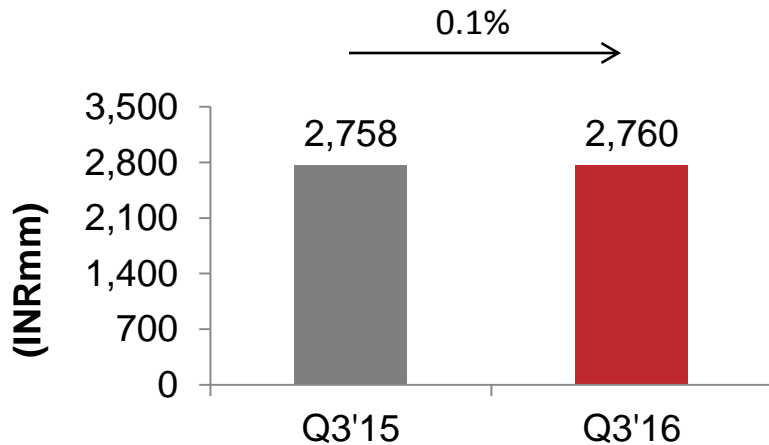
5 Rest of Business: Includes Europe, ROW (South Africa, Philippines, Mexico, Australia and Brazil)

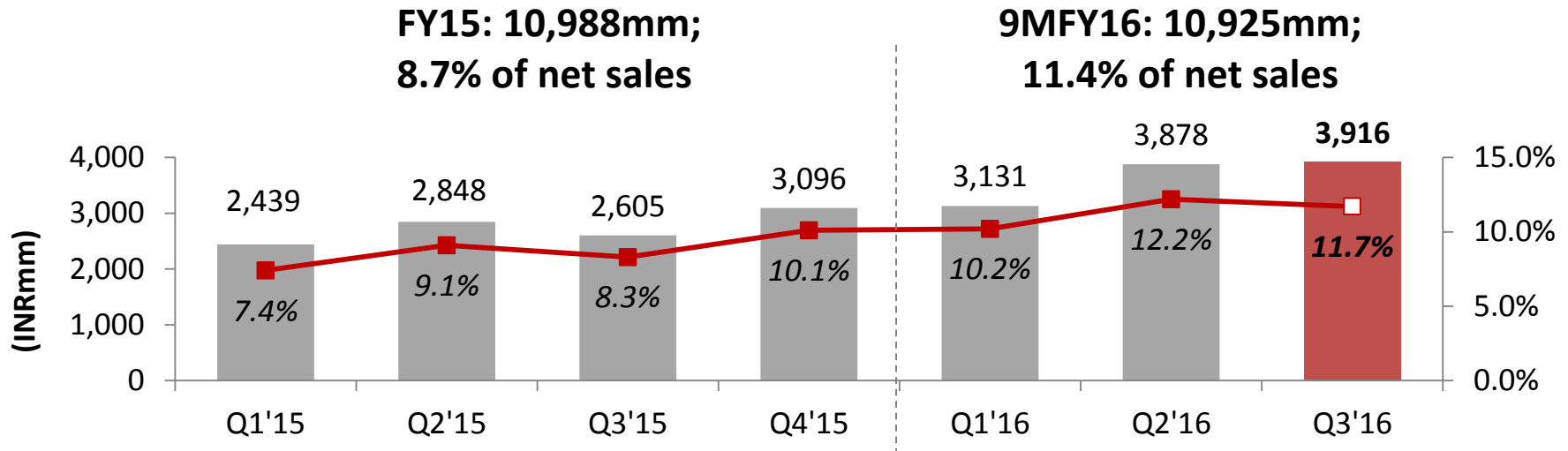
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## Commentary

- API business flat YoY at Rs. 2,760mm
- Enhanced focus on pipeline of complex and first-to-file APIs





- R&D expenses for Q3FY16 were Rs. 3,916mm, at 11.7% of net sales vs 2,605 mm, 8.3% of net sales in Q3FY15
- Talent pool of 1,700+ scientists at R&D centers across the globe
- 225 ANDA filings till date, of which 133 have been approved (9 in Q3)
- FTFs - 37 filings till date (US\$ 11.9 bn<sup>1</sup>) with 17 exclusives (US\$ 4.0 bn<sup>1</sup>)



Note: 1. IMS MAT Sep 2015

# Lupin Global Capabilities footprint



11 sites in India; 1 in US; 2 in Japan; 2 in LatAm and 1 in Russia



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# Awards & Accolades



- **Company Awards:**
  - **Forbes Global 2000** - The World's Biggest Public Companies
  - **CNBC TV18 Outstanding Company of the Year** - India Business Leadership Awards, 2014-15
  - **Forbes Asia Fab 50** , 2015 3<sup>rd</sup> year running
  - **Forbes India Super 50**
  - **CNBC TV18 Firm of the year in Pharma sector:** India Risk Management Award
  - **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 5 years** by **Great Place to Work**
- Inclusion in **S&P BSE Sensex** and **MSCI Emerging Markets Index**
- **Management Leadership Awards:**
  - **Business Today:**
    - Dr Kamal Sharma - **Best CEO** – BT Awards 2013
    - Vinita Gupta – **Most Powerful Women (MPW 2014)**
  - **Forbes:**
    - Dr Desh Bandhu Gupta – Among the 29 Asia Philanthropists 2014
    - Ms. Vinita Gupta –Asia Businesswomen - Power 50
  - **Euromoney Institutional Investor 2015 All-Asia Executive Team:**
    - Mr Ramesh Swaminathan: Nominated Second Place Best CFO Investor Relations Award for Buy-side and Sell side in Pharma

Inclusion in S&P BSE  
Sensex and MSCI  
Emerging Markets Index

MSCI EMERGING MARKETS INDEX



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