



# Lupin Ltd.

Investor Presentation Q1 FY2014-15

July 31, 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

5<sup>th</sup>

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

8<sup>th</sup>

largest  
Japanese  
generics<sup>1</sup>

Presence  
in  
Europe

## Emerging markets

2.8%

IPM  
Market  
Share  
*(by total sales<sup>1</sup>)*

4<sup>th</sup>

largest South  
Africa generics<sup>2</sup>

Strong  
presence in  
Australia  
Philippines  
Mexico

## Globally

7<sup>th</sup>

largest  
generics  
*(by market cap<sup>3</sup>)*

10<sup>th</sup>

largest  
generics  
*(by sales<sup>3</sup>)*

3<sup>rd</sup>

largest Indian  
Pharma  
*(by total sales)*

#1

in Anti-TB &  
Cephalosporins  
*(globally)*



Sources:

1 IMS MAT March 14

2 IMS MAT June 14

3 Bloomberg Industries GNRC

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# Awards & Accolades



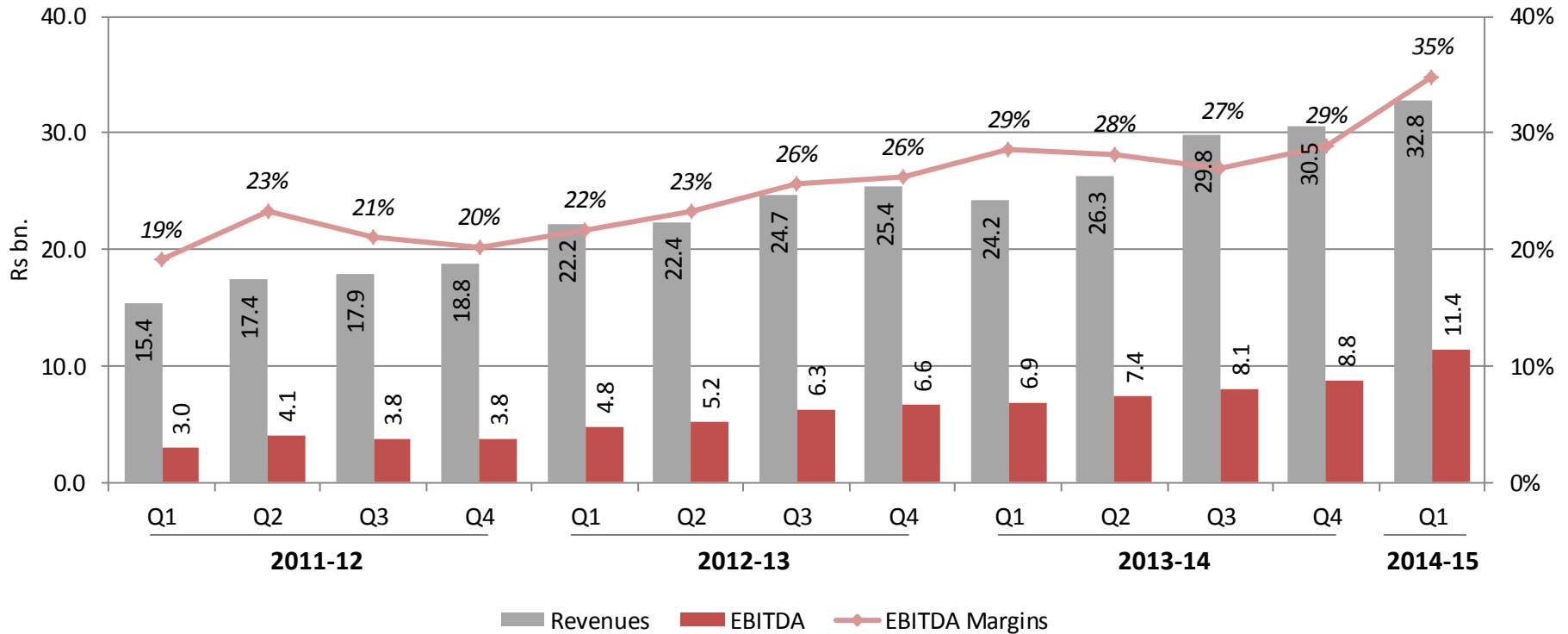
- ATD (erstwhile ASTD) BEST Award 2014 for Learning & Development
- Consistently ranked among top 2 Pharma companies for past 4 years by Great Place to Work
- The Economic Times 500 rankings - India's Most Resilient Companies – 2013-14
- Dr Kamal Sharma - Best CEO - Business Today Awards 2013
- Ms. Vinita Gupta – Forbes Asia Businesswomen - Power 50



# Business Growth – Last 12 Quarters



Revenues doubled growing at a rate of **6%<sup>1</sup>**, whereas EBITDA tripled growing at a rate of **12%<sup>1</sup>** since last 12 quarters...



...EBITDA margins at **35%** in Q1'15 vs **19%** in Q1'12



Note:  
1 Compounded monthly growth rates

# Q1 2014-15 Performance Highlights



# Business Update



- **Top-line increasing by 36% driven by**
  - Strong US foothold + new launches
  - Increasing Gx penetration in Japan
  - India business giving strong growth in chronic TAs
- **Increased EBITDA margins to ~35% due to**
  - Increasing share of high margin US business
  - Cost savings in manufacturing and other expenses
  - Better Forex management
- **Better Working Capital management**
  - WC Days reduced to 76 in Q1'15 from 92 at Q4'14 end
- **Continues to enjoy *Net Cash* status; Strong muscle to acquire**



# P&L Highlights



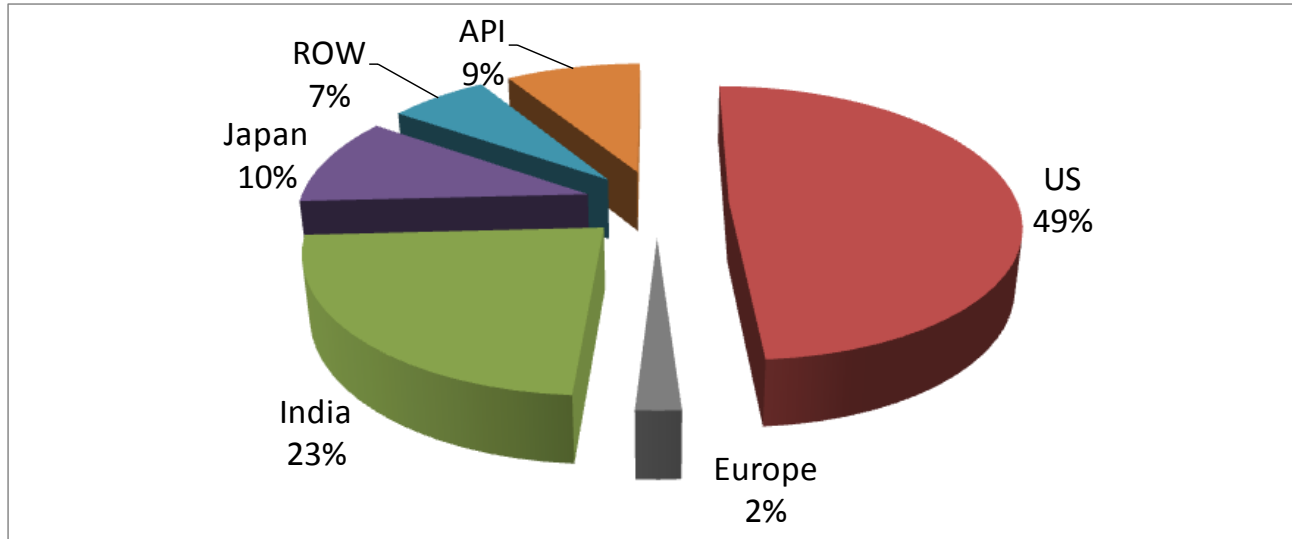
Particulars (Rs mn)	Q1FY15	% of net sales	Q1FY14	% of net sales	% YoY growth
<b>Net sales</b>	<b>32,840</b>	<b>100.0</b>	<b>24,207</b>	<b>100.0</b>	<b>35.7</b>
Other operating income	568	1.7	555	2.3	2.3
Total revenue	33,408	101.7	24,762	102.3	34.9
Gross margin (excl. other operating income)	21,766	66.3	15,459	63.9	40.8
EBITDA	11,437	34.8	6,905	28.5	65.6
EBIT	10,351	31.5	6,281	25.9	64.8
<b>Net profit</b>	<b>6,247</b>	<b>19.0</b>	<b>4,011</b>	<b>16.8</b>	<b>55.8</b>



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# Business Split



74% business from International markets

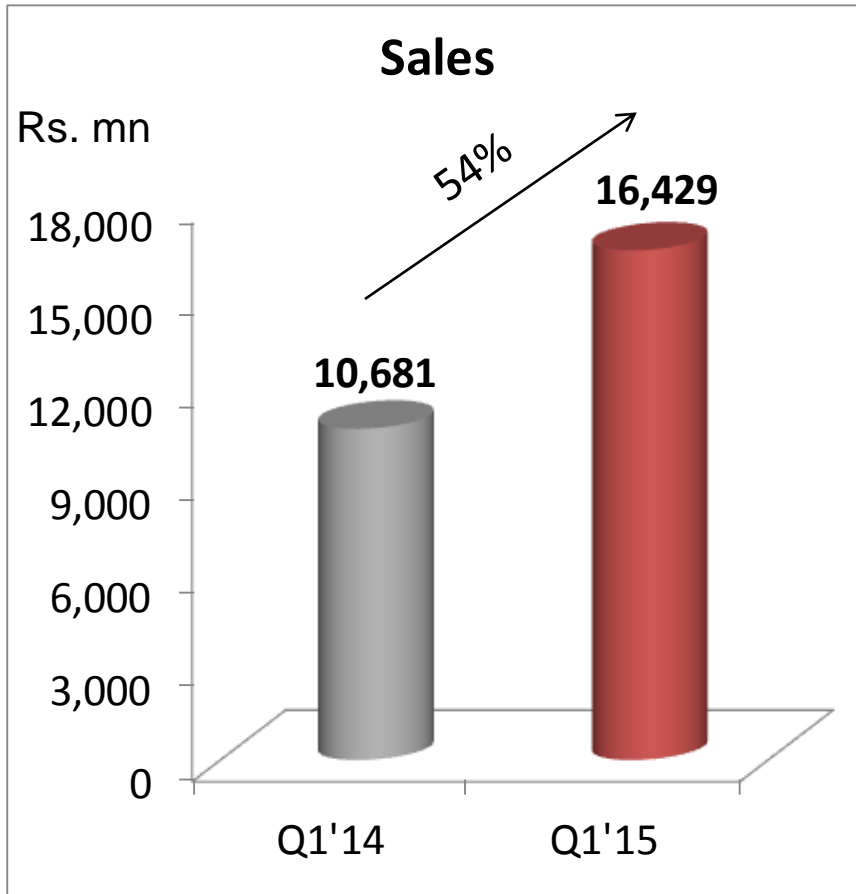
91% formulation business

US business comprises 7% branded formulations



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# US & Europe



- US business grew 58% to Rs. 15,740 mm & EU business degrew by 7% to Rs. 690mm
  - Good contribution from new launches
- 4 new launches in US, the portfolio totaling to 73<sup>1</sup>
- US Market Share: No. 1 in 31 products & top 3 in 53 products.<sup>2</sup>
- Total of 200 ANDA filings, of which 103 have been approved (4 in the quarter)
- 8 filings during the quarter
- Will see more niche / complex generics filings + launches



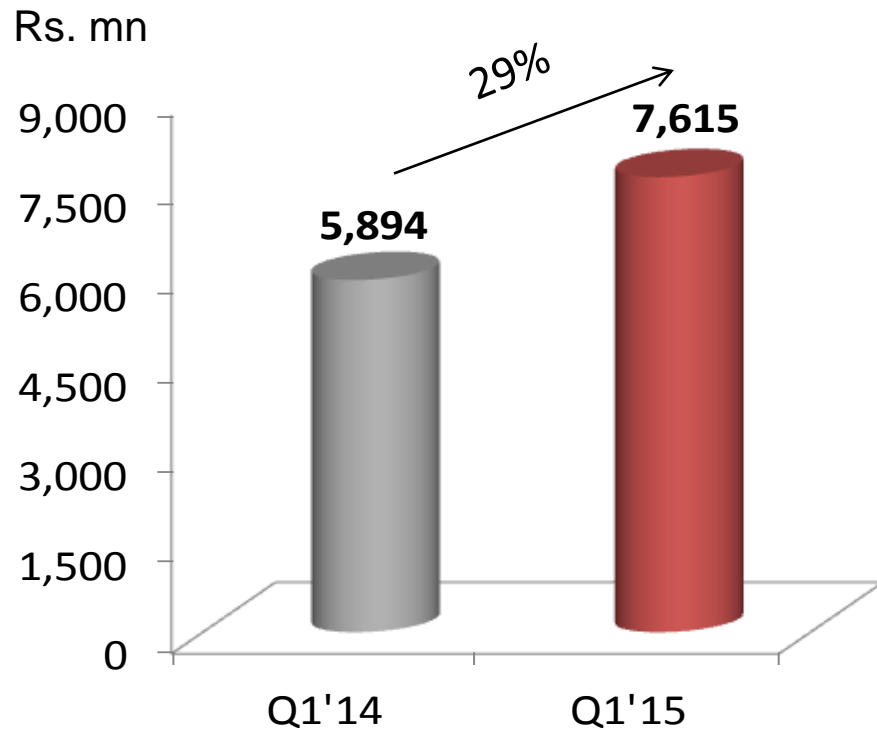
Note:

1 As of 30-June-14

2 IMS MAT Mar 2014

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## Sales



- Grew by 29% YoY vs IPM growth of 9%<sup>1</sup>

- Retains 11<sup>th</sup> position in the IPM<sup>1</sup>

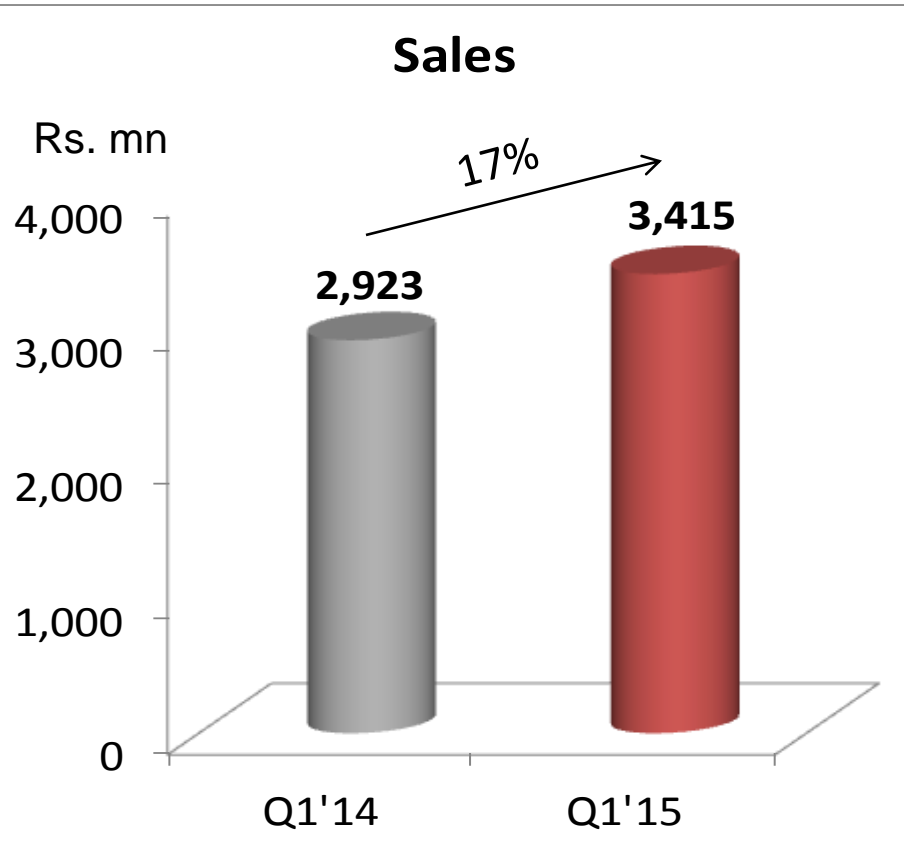
- 29% YoY growth and 32% QoQ growth

- High growth in all therapies with highest in Asthma, Diabetic, CVS and GI segments
- Current field force of 5,424 (~4,800 sales reps)
- Launched 16 new products during Q1'15<sup>1</sup>

Note:

<sup>1</sup> IMS MAT Jun 2014; 9% is the Apr-Jun quarter YoY growth for IPM

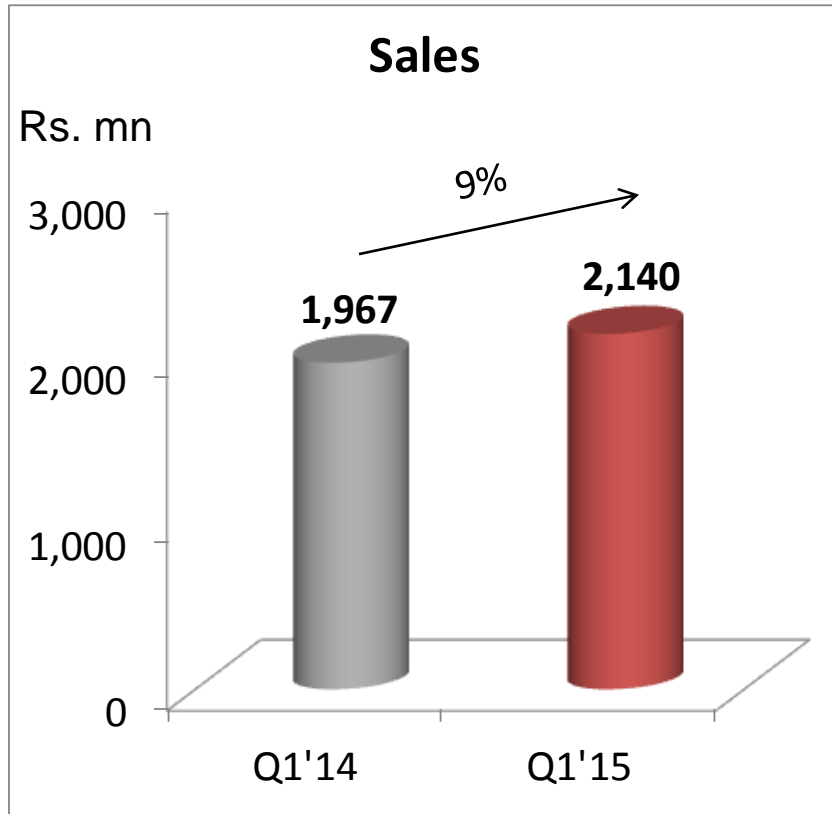




Growth in local currency 13%

- Kyowa (excl. Irom) grew by 19%; Irom slipped by (4%) YoY
  - Kyowa showed strong matured products growth
  - Irom decrease due to dip in outlicensing business
- Product Launches- Kyowa: 2; Irom: 1





## South Africa

- Growth of 20% in local currency, due to strong matured products growth
- 4th largest generic company & #1 CVS player<sup>1</sup>
- Registered one product during the quarter

## Philippines

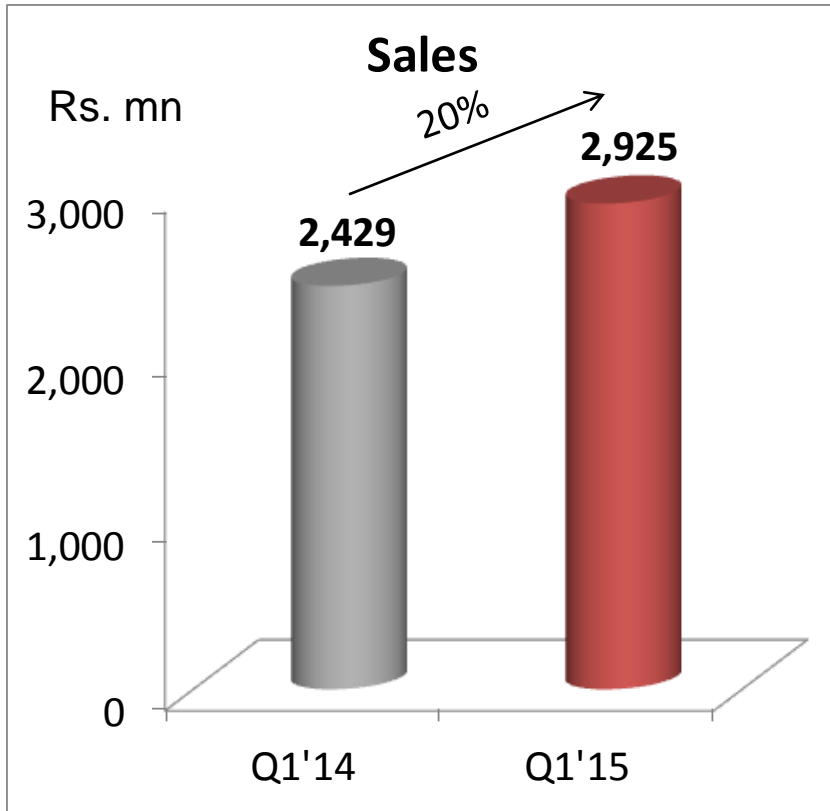
- Growth of 28% vs industry growth of 8%<sup>2</sup>
- Grew mainly due to new launch and oncology division
- Ranked 25th<sup>2</sup> pharma
- 5 products launched during the quarter



Note:

1 IMS MAT Mar 2014

2 IMS MAT May 2014



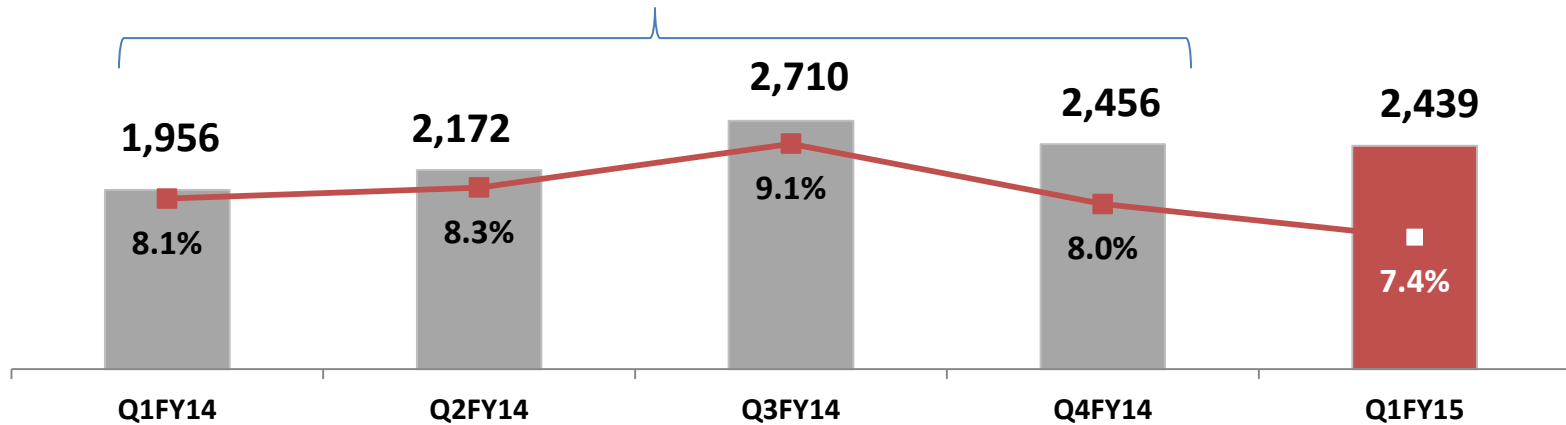
US and Europe grew by 256%

Domestic business grew by 42%

Emerging markets saw marginal decline



**FY 14 – Rs.9,294 m; 8.4% of net sales**



- R&D expenses for Q1FY15 are Rs. 2,439 m, 7.4% of net sales vs 1,956m in Q1FY14
- Talent pool of 1,400+ scientists
- 200 ANDA filings, of which 103 have been approved (4 in the quarter)
- FTFs - 30 filings till date (US\$ 13.7 bn) with 15 Exclusives (US\$ 1.5 bn)
- New R&D center in the US for Inhalation
- Acquired Nanomi – Complex Injectables depot platform
- First NCE moving into Phase II & two additional NCEs' entering into Phase I
- Pipeline of 10 bio-similar drugs in various phases of development

