



# Lupin Ltd.

Investor Presentation

Q1FY16

July 23, 2015

fortomorrow

# Today Lupin is a Globally Dominant Force



## Advanced Markets

6<sup>th</sup>

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

8<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

8<sup>th</sup>

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

10<sup>th</sup>

largest generic  
company  
*(by sales<sup>5</sup>)*

3<sup>rd</sup>

largest Indian  
Pharma  
*(by total sales)*

#1

in Anti-TB  
*(globally)*



Sources:  
1 IMS MAT April 15  
2 IMS MAT Dec 14  
3 IMS MAT Jun 15

4 IMS MAT May 15  
5 Bloomberg EQS, 30 Jun 2015

fortomorrow

# 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



fortomorrow



**Q1 FY16**

**BUSINESS UPDATE**

**fortomorrow**

# Business Update – M&A Activities



## Generics / Technology Capabilities

- **Generic assets with complementary pipeline / technology capabilities**
- **Controlled substances, dermatology and US Govt business access**



- US based specialty generics company focused on alternative dosage forms
- Established track record of R&D with 66 ANDAs filed
- FDA approved manufacturing in US

## Geographic Expansion

- Focus on
  - EU (Russia & CEE)
  - LatAm

### Medquimica, Brazil

- Expands LatAm presence into Brazil
- Has ANVISA approved plant
- Revenues 2014 – R\$94m and has ~550 employees

### Biocom, Russia

- Operates a modern European GMP compliant plant, located in Stavropol
- Product portfolio is dominated by VED Rx products in CNS and cardiovascular segments

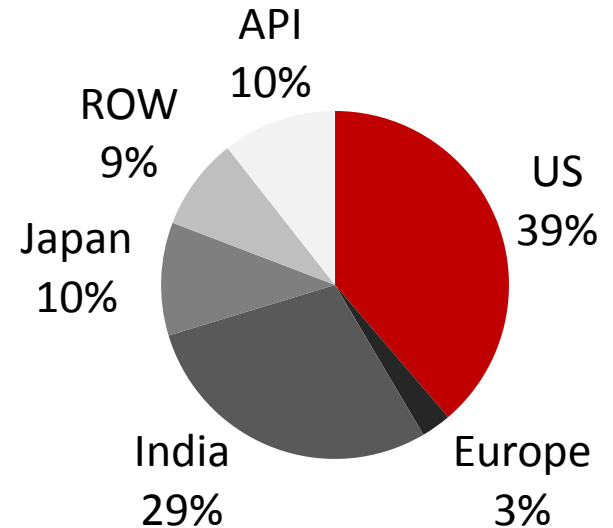


# Business Update – Q1FY16



- **Top-line declining by 6% YoY due to by:**
  - US: Lack of approvals, Suprax Gx and QoQ seasonality impact seen
  - Other businesses saw growth but offset by Fx depreciation in Japan and South Africa
  - India business showing good growth in chronic Tas and new products launch
- **EBITDA margins at ~29% levels and PAT at 17% levels:**
  - Operational excellence and Improving business mix

## Q1FY16 Sales Breakdown



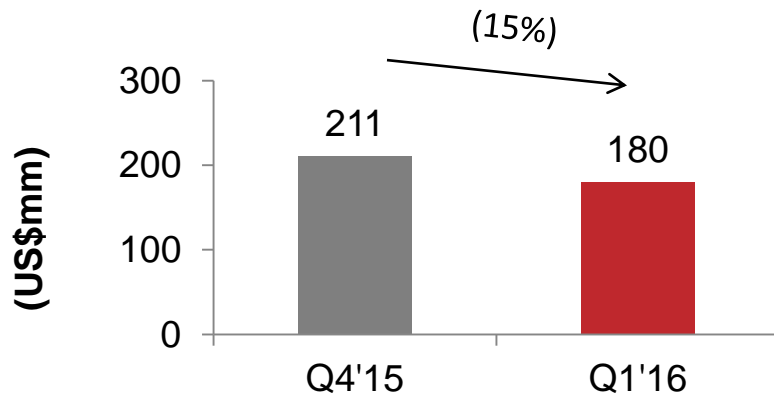
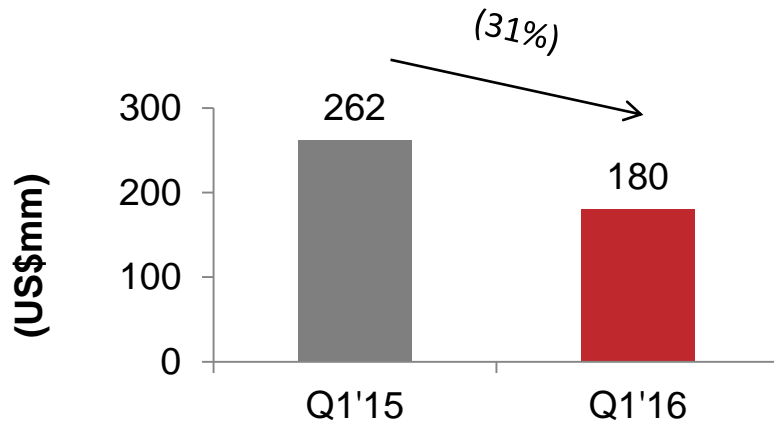
# P&L Highlights – Q1FY16 YoY



Particulars (Rs mn)	Q1FY16	% of net sales	Q1FY15	% of net sales	% YoY growth
<b>Net sales</b>	<b>30,743</b>	<b>100.0</b>	<b>32,840</b>	<b>100.0</b>	<b>(6.4%)</b>
Other operating income	759	2.5	568	1.7	
<b>Total revenue</b>	<b>31,502</b>	<b>102.5</b>	<b>33,408</b>	<b>101.7</b>	<b>(5.7%)</b>
Gross margin (excl. other operating income)	20,909	68.0	21,766	66.3	(3.9%)
EBITDA	8,922	29.1	11,437	34.8	(22.0%)
EBIT	7,915	25.8	10,351	31.5	(23.5%)
<b>Net profit</b>	<b>5,250</b>	<b>17.1</b>	<b>6,247</b>	<b>19.0</b>	<b>(16.0%)</b>



fortomorrow



## Commentary

- US business degrew 26% in INR terms to Rs. 11,906 mm (including IP)
- QoQ decline of 15% in USD terms
- Lupin now has 5% prescription share and retains 6<sup>th</sup> rank
- Total of 4 new product launches in Q1; Portfolio of 81<sup>1</sup> products
- US Market Share: No. 1 in 31 & top 3 in 55 products<sup>2</sup>
- Total of 215 ANDA filings till date, of which 117 have been approved (6 approvals in Q1)

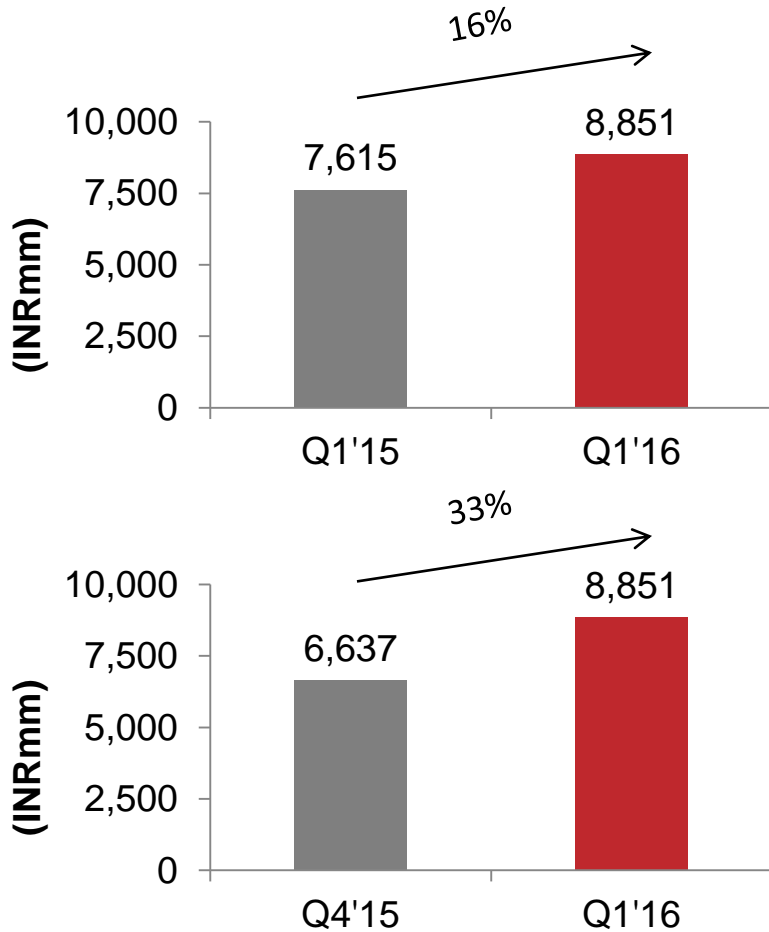


Note:

1 As of 30-Jun-15

2 IMS MAT Mar 2016



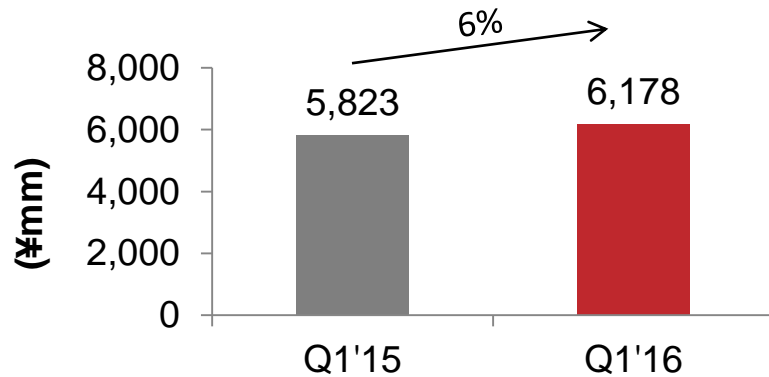


## Commentary

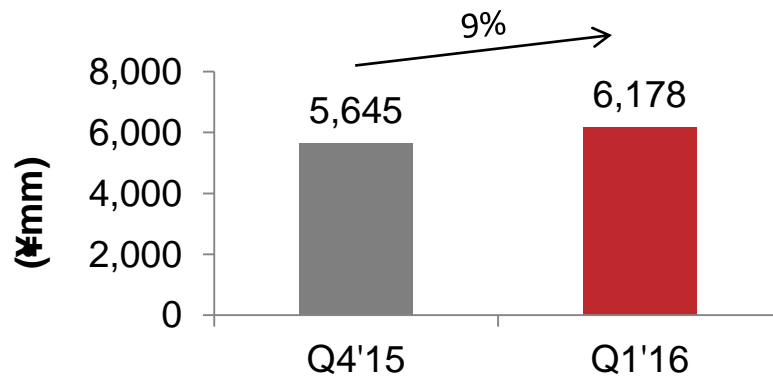
- India business grew 16% to Rs. 8,851mm
- IMS growth of 19% YoY<sup>1</sup> vs IPM growth of 14%<sup>1</sup>
- Ranked 8<sup>th</sup> in the IPM<sup>1</sup>
- Current field force of ~5,500
- Chronic portfolio contributed 66% to total sales
- Chronic areas of Asthma, Diabetes, CVS, CNS and GI leading the growth



Note:  
1 IMS MAT Mar 2015



₹ growth: Kyowa: 5%, KCC: 10%  
INR growth: (5%)



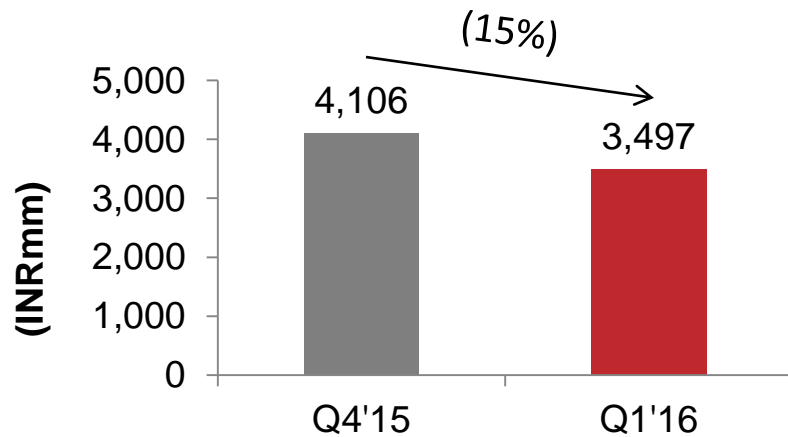
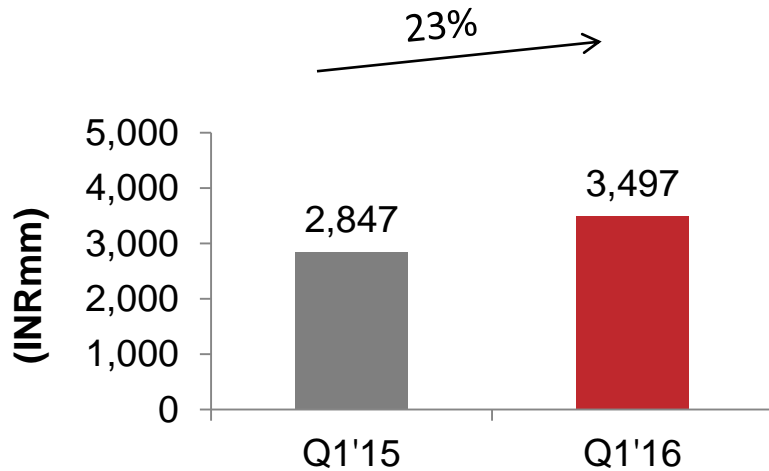
₹ growth: Kyowa: 13%, KCC: 1%  
INR growth: 10%

## Commentary

- Japan business degrew by 5% in INR terms to Rs.3,231 mm
  - Yen depreciation
- KCC: New product launches during the year contributed to growth
- Turnaround in KCC business



# Rest of Business



## Commentary

### South Africa

- Growth of 2% in local currency
- 4<sup>th</sup> largest generic company<sup>1</sup> & #1 CVS player<sup>1</sup>

### Philippines

- Growth of 47% in local currency
- IMS growth of 14%<sup>2</sup> vs industry growth of 4%<sup>2</sup>
- Rank: 26<sup>2</sup>

### LatAm

- **Mexico:** 3<sup>rd</sup> largest ophthal company<sup>3</sup>
- 21% YoY topline growth for Q1
- **Brazil:** Ranks 10<sup>th</sup> in volume
- Closed by end of Q1

### Europe

- Strong growth in Europe of 21% driven by all businesses

### Canada

- Commenced operations
- GI play with in-licensed Salix portfolio



Note:

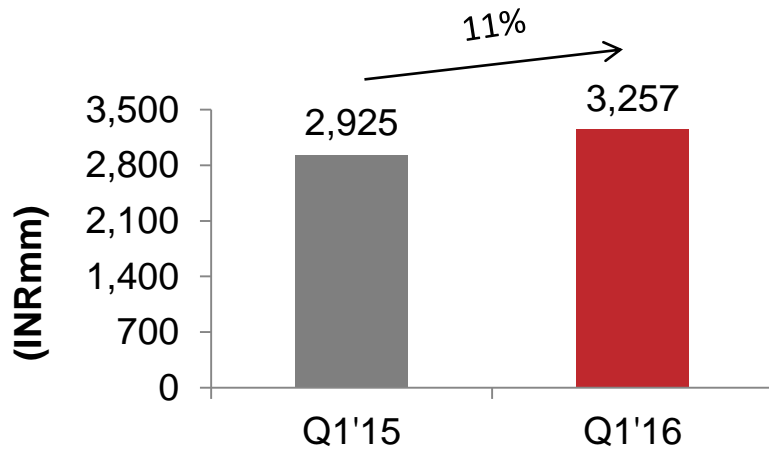
1 SA IMS MAT May 15

2 Philippines IMS MAT May 15

3 Mexico IMS MAT Feb 2015

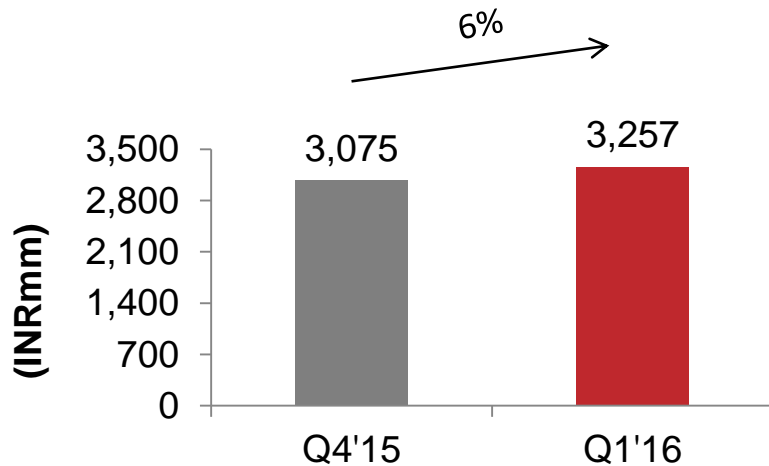
4 Rest of Business: Includes Europe, ROW (South Africa, Philippines, Mexico, Australia and others) and non-US IP income

fortomorrow

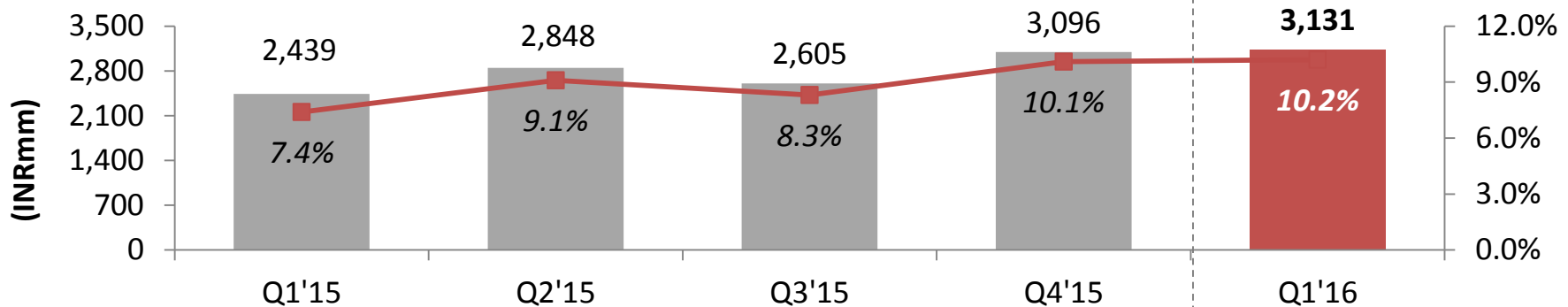


## Commentary

- API business grew by 11% to Rs. 3,257mm
- Enhanced focus on pipeline of complex and first-to-file APIs



**FY 15 – Rs10,988mm;  
8.7% of net sales**



- R&D expenses for Q1FY16 were Rs. 3,131mm, at 10.2% of net sales vs 2,429 mm in Q1FY15
- Talent pool of 1,700+ scientists at R&D centers across the globe
- 215 ANDA filings till date, of which 117 have been approved (6 in Q1)
- FTFs - 35 filings till date (US\$ 11.9 bn<sup>1</sup>) with 15 exclusives (US\$ 3.2 bn<sup>1</sup>)



Note: 1. IMS MAT Mar 2015

# Lupin Global Capabilities footprint



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



fortomorrow

# 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



fortomorrow