

Lupin Limited

Annual Results FY12

Investor Presentation
May 2012

being **LUPIN**



Vision: To be an innovation led transnational company

driven

creative

global

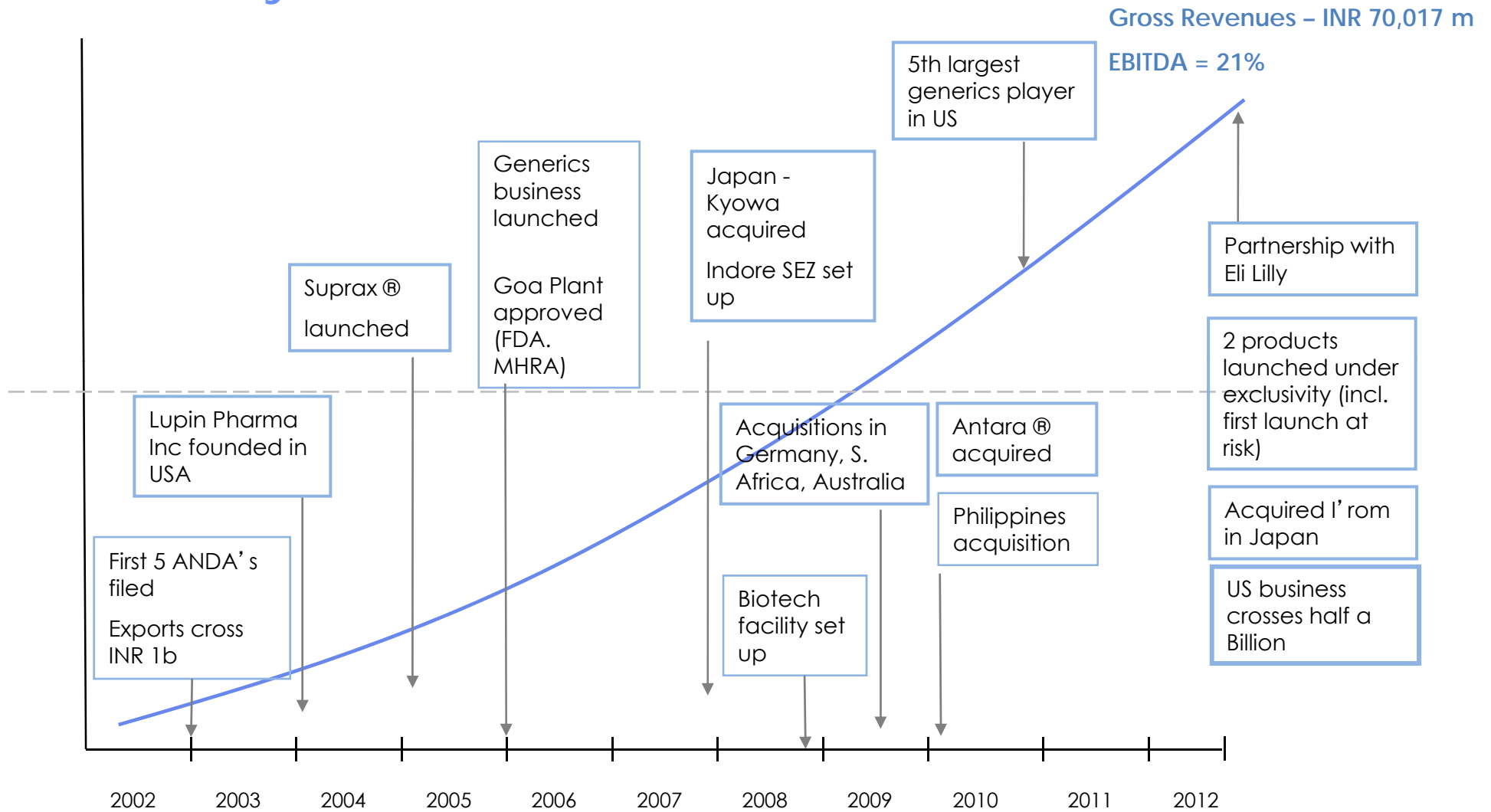
transparent

enriching

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Journey over the last decade

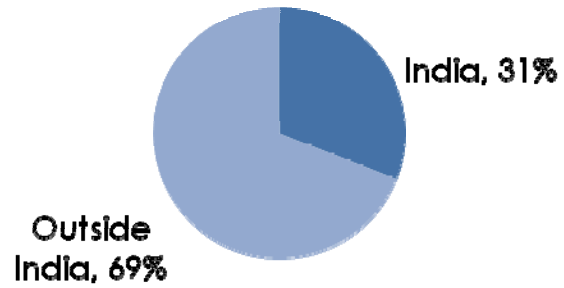


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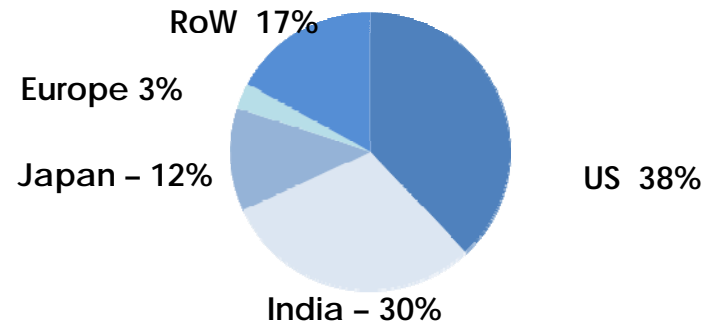


Business Mix - 2012

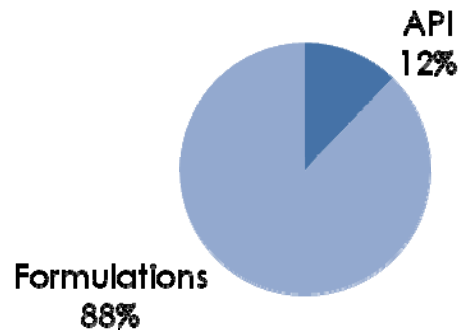
Geographical breakup



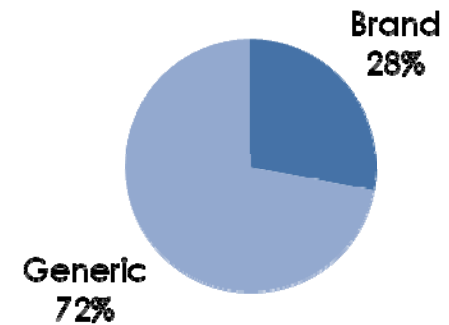
Major markets



Sales break up



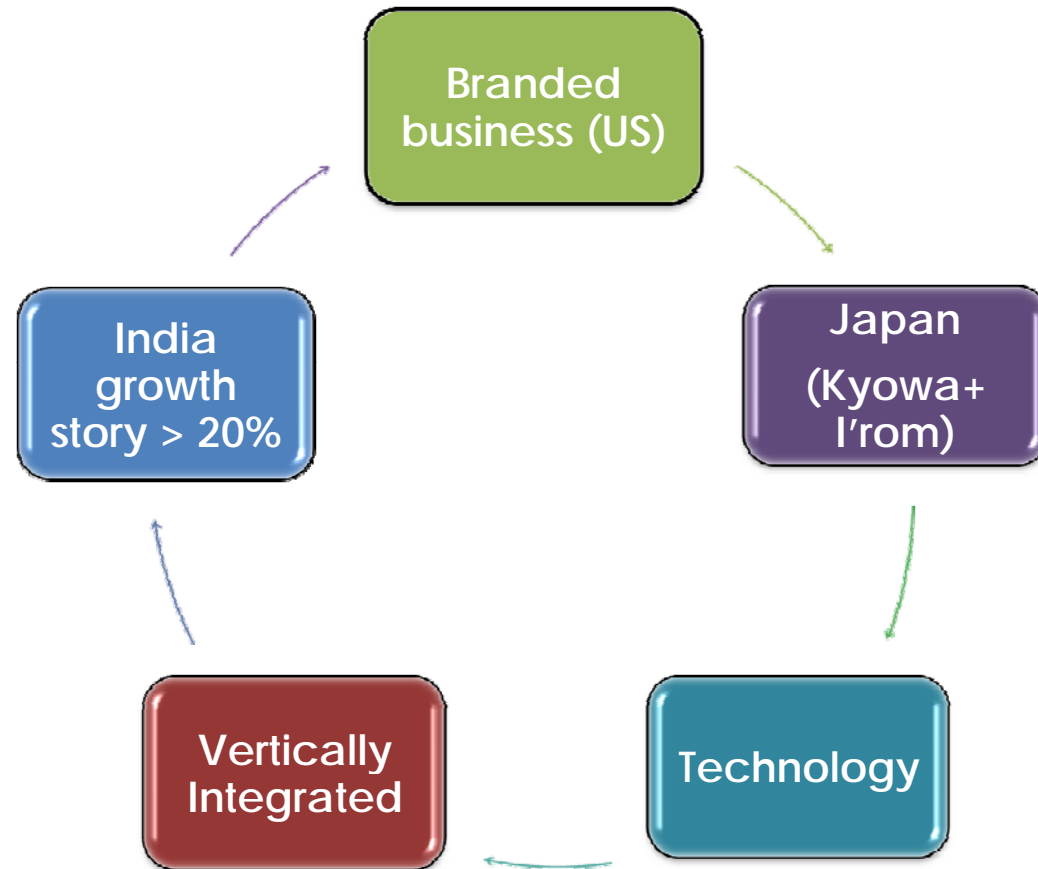
US sales split



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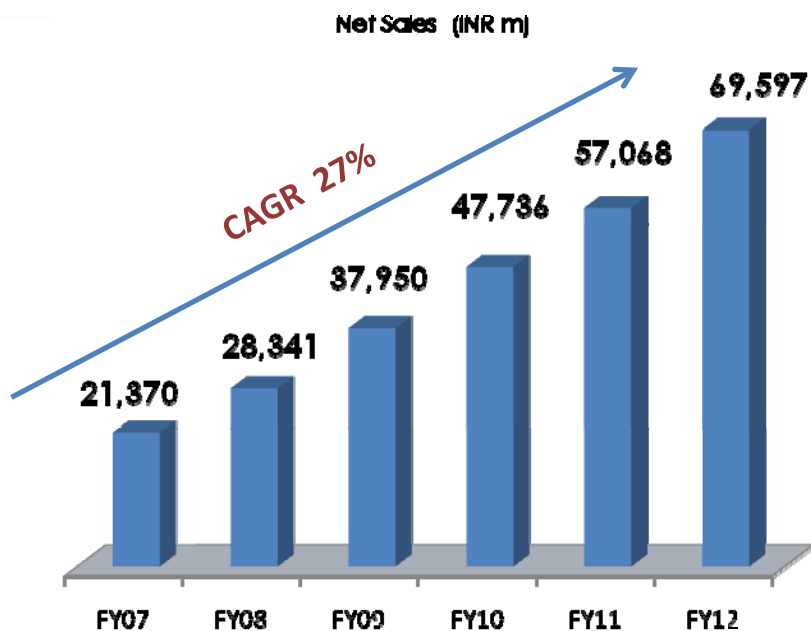
Lupins core strengths



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Corporate Highlights 2012



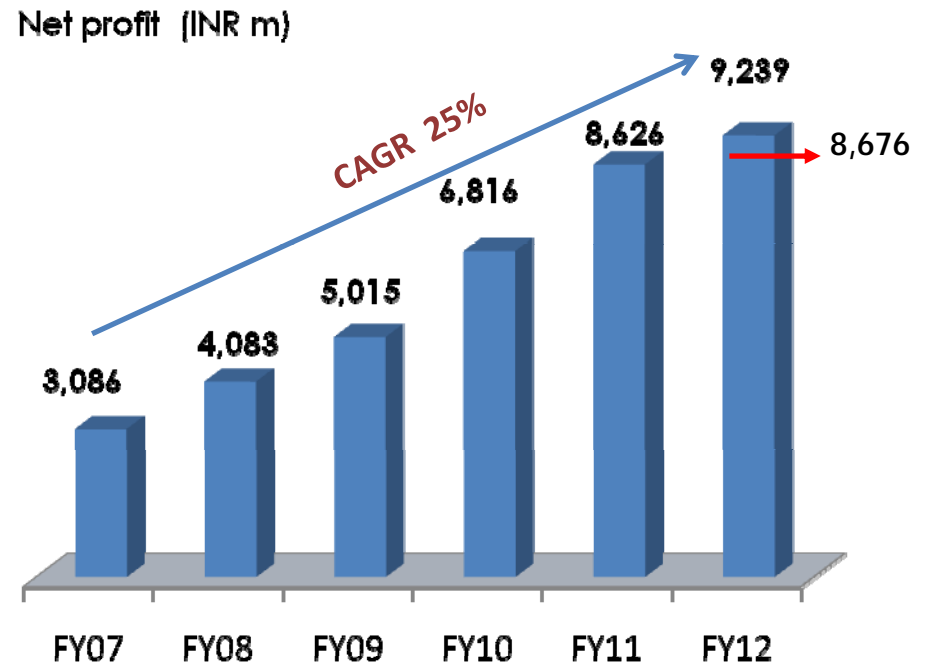
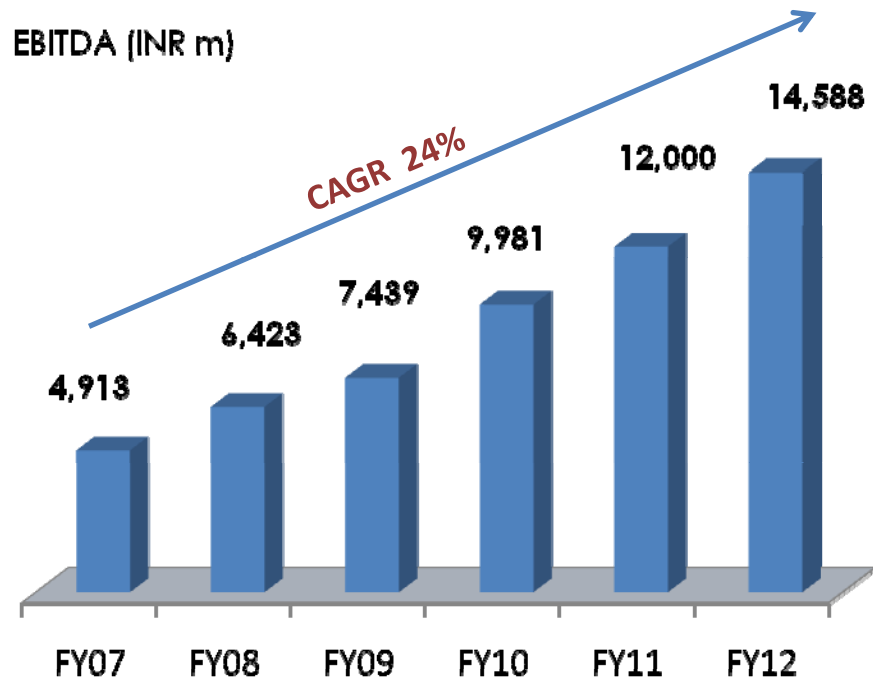
- Continued Investment for Growth
 - ▶ Capital expenditure at INR 5,514 m.
 - ▶ Revenue expenditure on R&D 7.5% of net sales at INR 5,228 m
 - ▶ R&D filed 25 ANDA's

- Consistent performance
 - ▶ Net sales grew by 22% to Rs.69,597 m in FY12
 - ▶ PBT grew by 20% to Rs. 11,960 m in FY12
- Growth across all geographies (FY12)
 - ▶ US business grew by 22%
 - ▶ India Region Formulation sales continued to grow at 23%
 - ▶ Japan grew by 38%
 - ▶ South Africa growth of 40%

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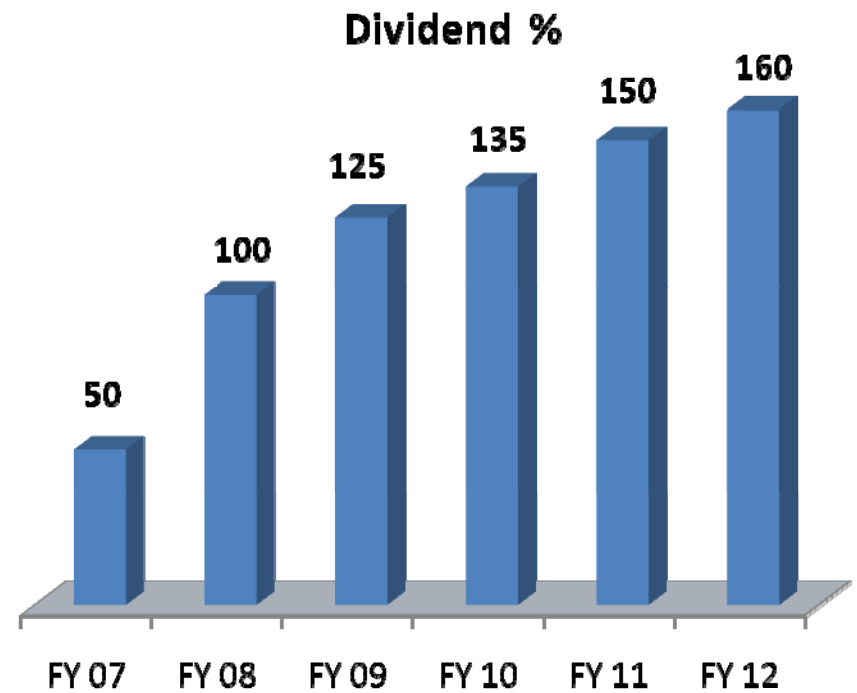
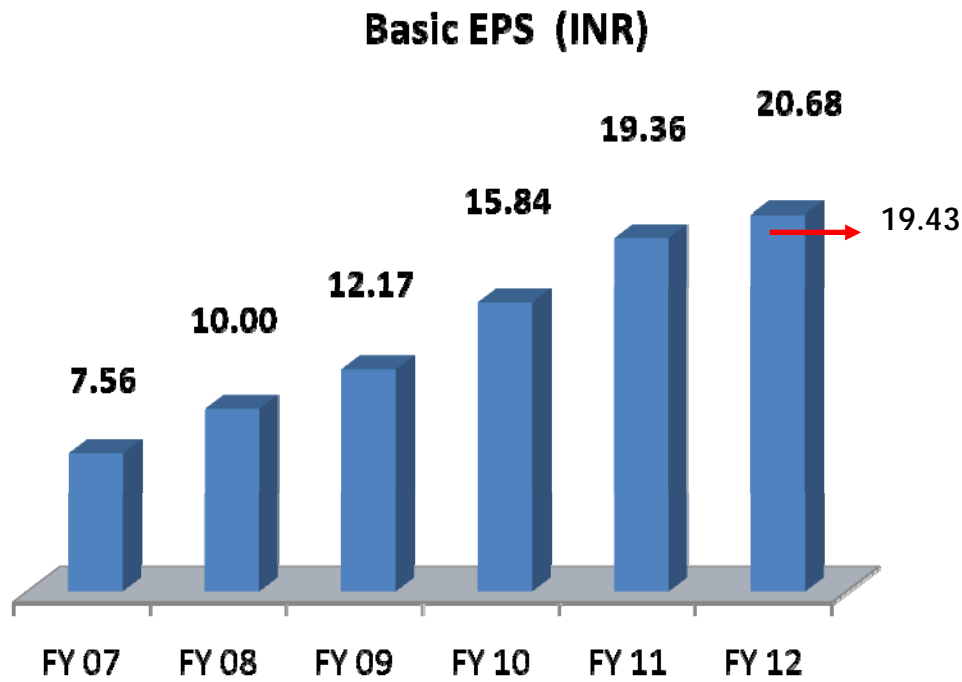
Corporate Highlights 2012



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Shareholder returns



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Financial update

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Financials 2012

INR m

	FY12	FY11		
Net Sales	69,597	57,068	↑	22%
Other operating income	1,232	1,122	↑	10%
Other income	144	222	↓	(35%)
Total Income	70,831	58,189	↑	22%
EBITDA	14,590	12,000	↑	22%
PBT	11,960	9,943	↑	20%
Less: Tax	(3,085)	(1,149)	↑	168%
PAT	8,875	8,793	↑	1%
Less: Minority interest	(199)	(168)		
Net Profit after minority interest	8,676	8,625	↑	1%
Add: Tax on unsold inventories	563	-		
PAT before tax on unsold inventories in subsidiaries	9,239	8,625	↑	7%

Increase in effective tax rates from 11.6% to 25.7% (from Rs. 1,149 m to Rs. 3,085 m) because of the following:

- ▶ Goa and Mandideep plant no longer under EoU status
- ▶ Significant dispatches from Goa to meet launch demands
- ▶ Resultant taxes on profits on unsold inventories in overseas subsidiaries

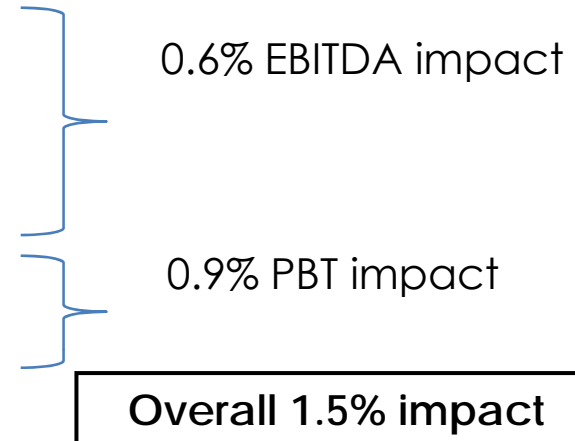
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Profitability analysis

Q) Why is Q4 EBITDA/PBT % lower than PY

- A) Other Income lower
- B) Translation losses
- C) Lower Profitability from I'rom
- D) Higher Interest Costs
- E) Higher depreciation



Q) Why is Q4 lower than Q3 despite Ziprasidone

- A) Low I'rom profitability
- B) Seasonality in IRF
- C) Higher litigation expenses
- D) Yen translation losses
- E) Increase in employee costs
- F) Higher depreciation & interest

Overall >1.6% impact

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Key financial indicators- 2012

Profitability / Returns

Returns	FY12	FY11
EBITDA	21.0%	21.0%
PBT	17.0%	17.0%
PAT	12.0%	15.0%
ROCE	20.0%	21.5%

Financial ratios

Ratio	FY12	FY11
Debt Equity ratio (Net)	0.31	0.22
Working capital days	99 days	86 days

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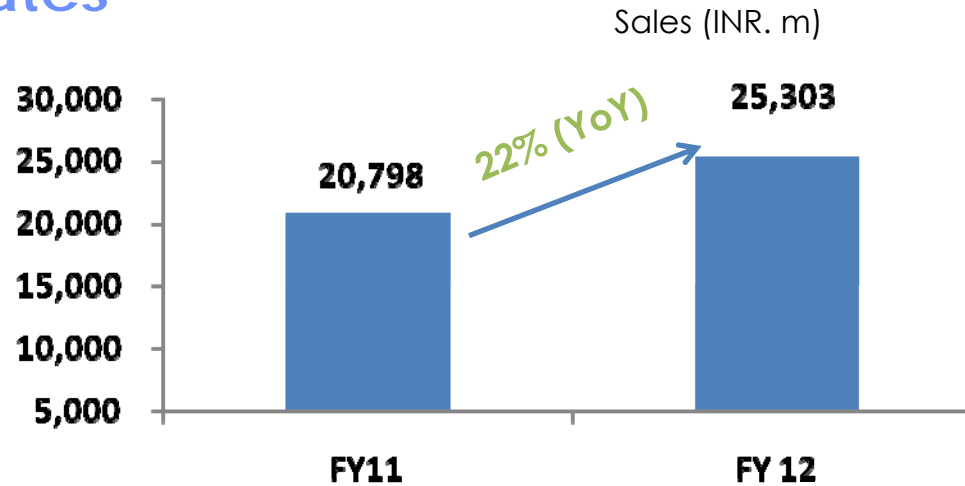


Business update

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United States



FY' 12 Performance – Brand business

- Suprax growth:
 - Tablets growth 30.1%
 - Suspension growth 16.7%
 - Successful build of the brand
 - Successful life cycle management
- Antara – de-growth by 6.3%
- 160 MRs focusing on Pediatric/ENT/PCP
- Evaluating product acquisitions for brands
- Ramp-up in capability to build own brands planned in FY13

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United States

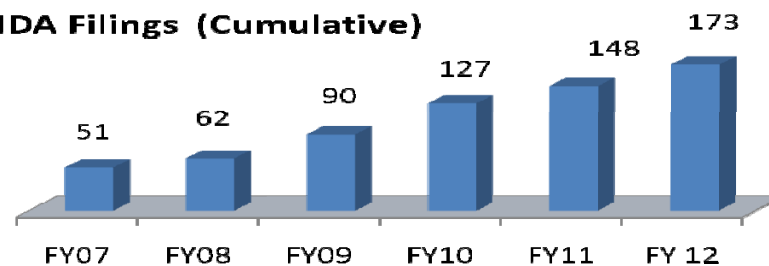
FY' 12 Performance – Generics business

- 12 new products launched which contributed 18.3% to sales
- 3 OC's launched (First AG – Femcon Fe)
- Fortamet F2F launched
- Ziprasidone - launched under shared exclusivity in March 2012
- Current product portfolio of 42 products
- No. 1 market share in 17 products & Top 3 market share in 36 products
- Seamless integration of supply chain

Healthy Pipeline

- Plan to launch 120+ products in next 3 years addressing a market of \$48 b in brand revenue
- 86 Para IV's addressing market size of US\$ 30 Billion
- 21 First to file generics, (market \$11 b) including 9 exclusives (\$ 830 m)

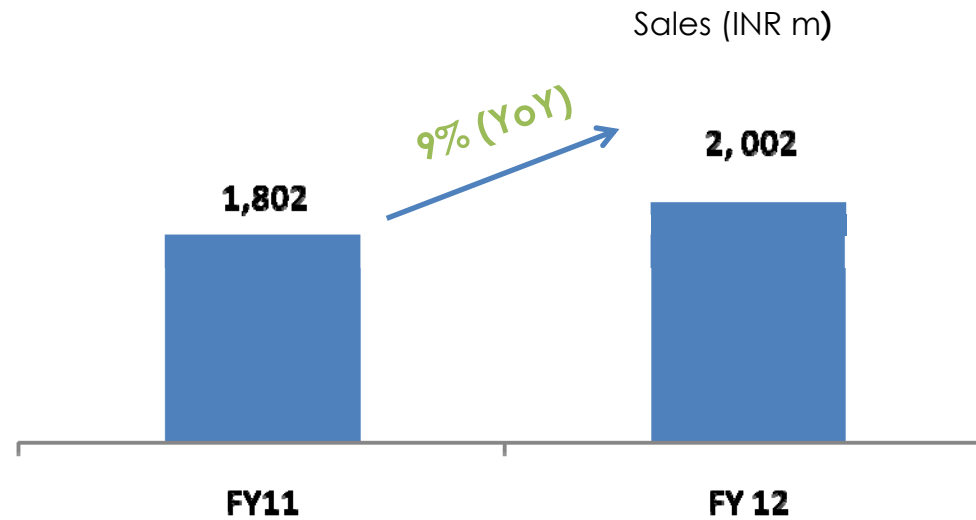
ANDA Filings (Cumulative)



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Europe



FY' 12 Performance

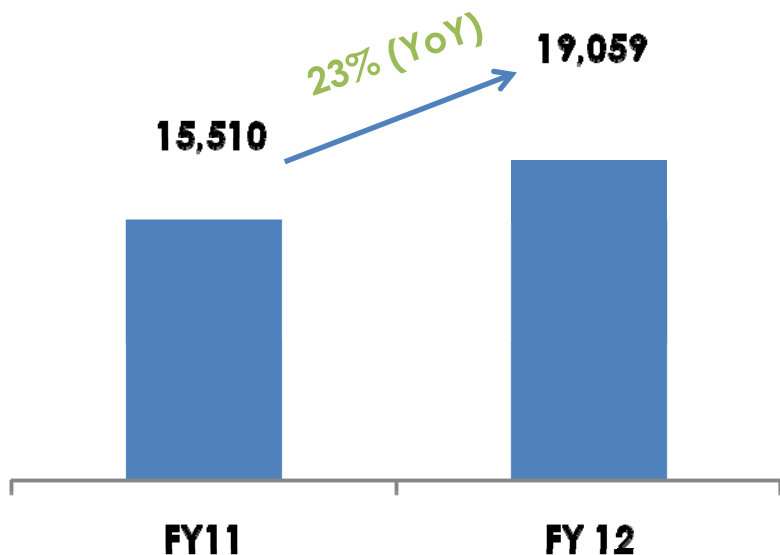
- 36 MAAs filed during the year (Total filings 127)
- 14 MAAs approved during the year
- 13 products launched
- 15 products in-licensed in Germany

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India

Net sales (INR m)



- Field force strength 4802 nos (FY11 - 4142 nos)

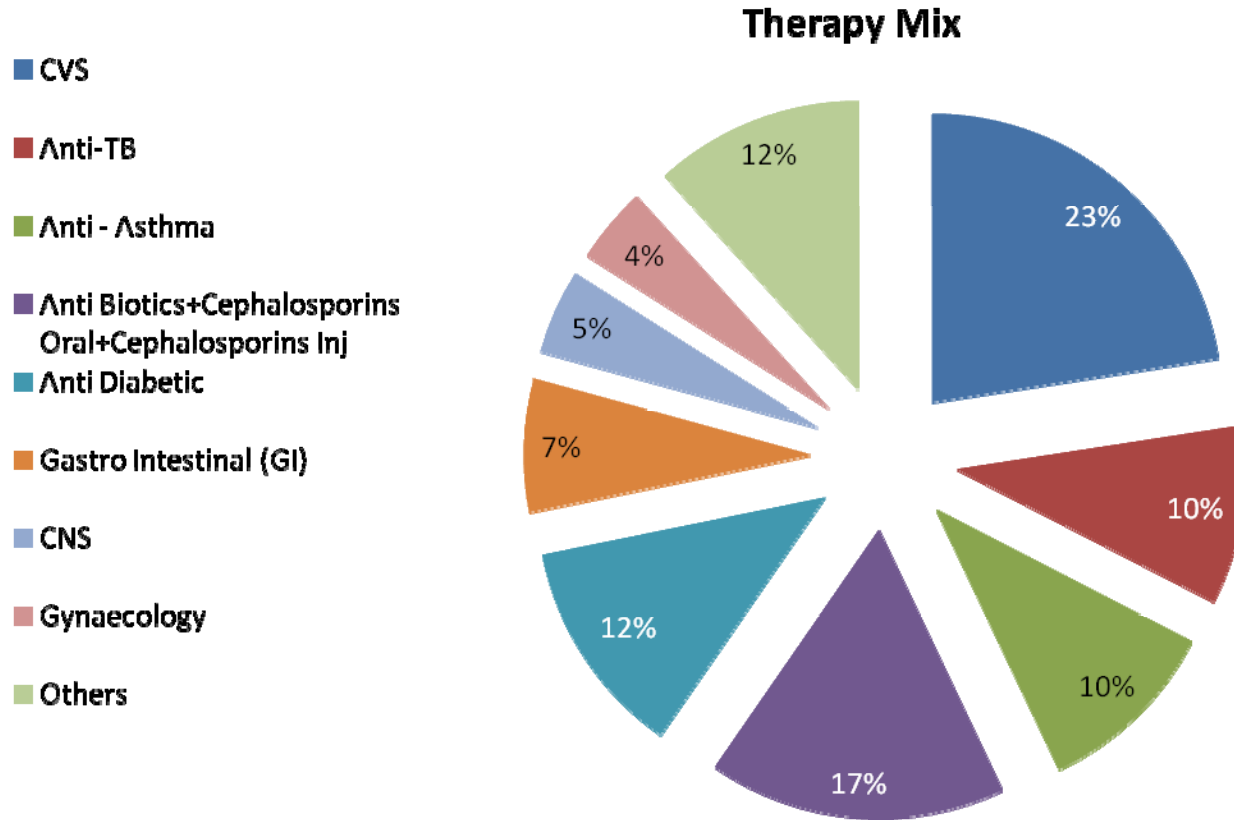
** Source : (IMS MAT Mar' 12)

- 7th largest Indian company in domestic market** growing at 23%
- Key drivers:
 - ▶ Growth in anti-diabetic business (incl. Lilly – 96% and excl. Lilly 30%)
 - ▶ Anti-asthma – 21%
 - ▶ Anti-infectives– 13%
 - ▶ Cardiovasculars - 16%
 - ▶ Launched 30 new products
- Brand building:
 - ▶ 230 brands on the market
 - ▶ 3 brands > Rs.50 cr.
 - ▶ Revenues from Eli Lilly partnership (Aug' 11 onwards – Rs. 68 cr.)

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India – Increasing contribution of chronic therapies

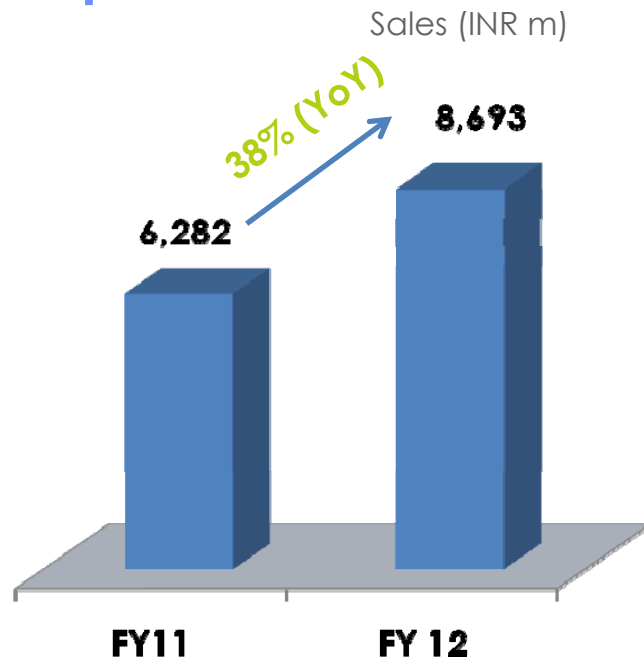


Chronic & Semi-Chronic therapies now constitute 54% of the portfolio

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Japan



- 9th largest and fastest growing generic player
- Strong presence in CNS, CVS, respiratory, allergies and GI
- Field force of 114 MRs
- Business grown 49% since FY 2007
- Growth in gross margins from 32% to 43%
- Acquisition of I`rom Pharmaceuticals to enter the \$ 9 Billion DPC Hospital market

Growth drivers

- Amlodipine API supply commenced (2 more DMFs filed) & 3 formulations planned for supply from India in FY13
- 11 products available to launch next year
- Focus on field force, product mix expansion and DPC access

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S.Africa, Philippines, Australia

South Africa

- 5th largest and fastest growing generic player (39.7% yoy)
- 2nd largest generic player in CVS
- Field force of 71 MRs
- 11 new products launched

Philippines

- 2nd fastest growing company amongst the top 50 companies in the Philippines with a growth rate of 58%
- 2 branded generics launched during the financial year

Australia

- Launched Isabelle (1st generic to Yasmin)
- Won patent challenge in Venlafaxine

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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



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Globally integrated supply chain

FY12 highlights

- Capex of INR 5,514 m in FY12
- 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

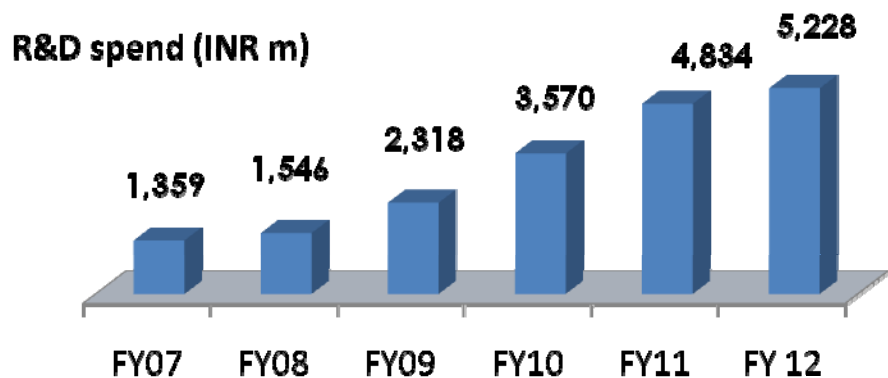
Capabilities

- 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

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Continued investments in R&D



Markets	Filings	Approvals
US	173	64
EU	127	58

- 173 ANDA filings, of which 64 have been approved by the U.S. FDA & 123 US DMFs filed to date
- 16 ANDAs approved during FY12
- Novel Drug Discovery & Development - One NCE entering into clinic in 2012/13
- Bio-similars - Pipeline of 8 drugs in various phases of development

R&D Strength and Capabilities

- Talent pool of 1000+ scientists
- Research
 - ▶ Dedicated team for Inhalers – MDI/DPI
 - ▶ Dedicated team for Dermatology
- NDDD
 - ▶ Pipeline of 10 programs in discovery phase

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Awards 2012

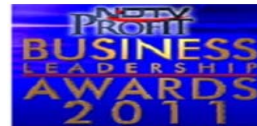
NDTV Business Leadership Awards
Pharmaceutical Company of the Year

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

Dr Desh Bandhu Gupta

Yes Bank - Business Today Best CFO Awards for Best Leverage Management, Large Companies -

Mr Ramesh Swaminathan



Ernst & Young
Entrepreneur Of The Year®
2011 India



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Great place to work

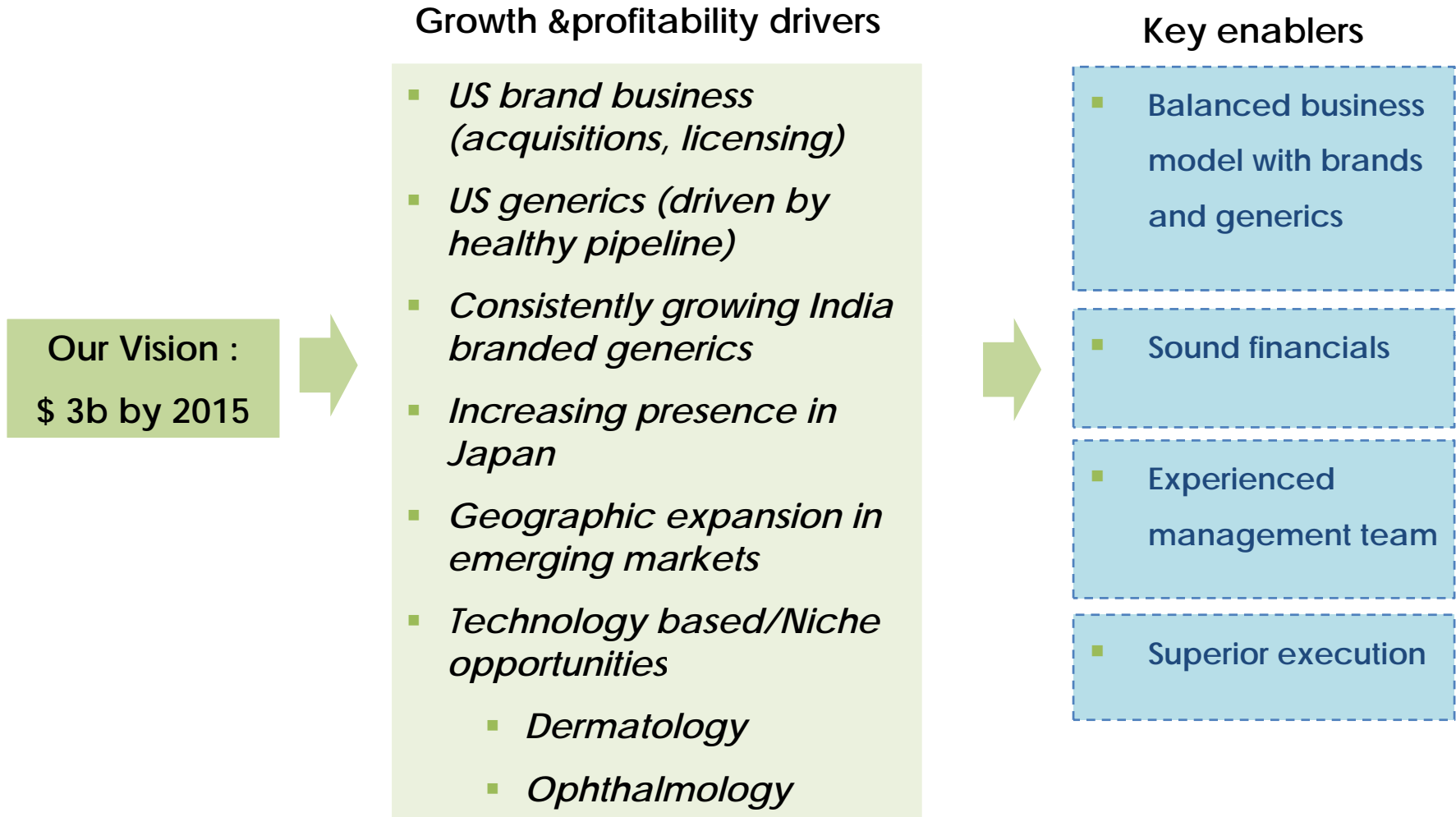
- Lupin was **ranked 2nd amongst pharma companies** in the Great Place to Work survey ‘Best Companies to work for 2011, India’ and **amongst the Top 50 companies overall**
- Continuous investments in our people
 - ▶ In-house Training center
 - ▶ Tie-ups with the best institutes for executive education 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



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Looking ahead



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Thank You

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