



Lupin Ltd.

Investor Presentation Q2 FY2014-15

Oct 28, 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

7th

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 Aug 14

3 Bloomberg Industries GNRC, Oct, 2014

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Awards & Accolades



- **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

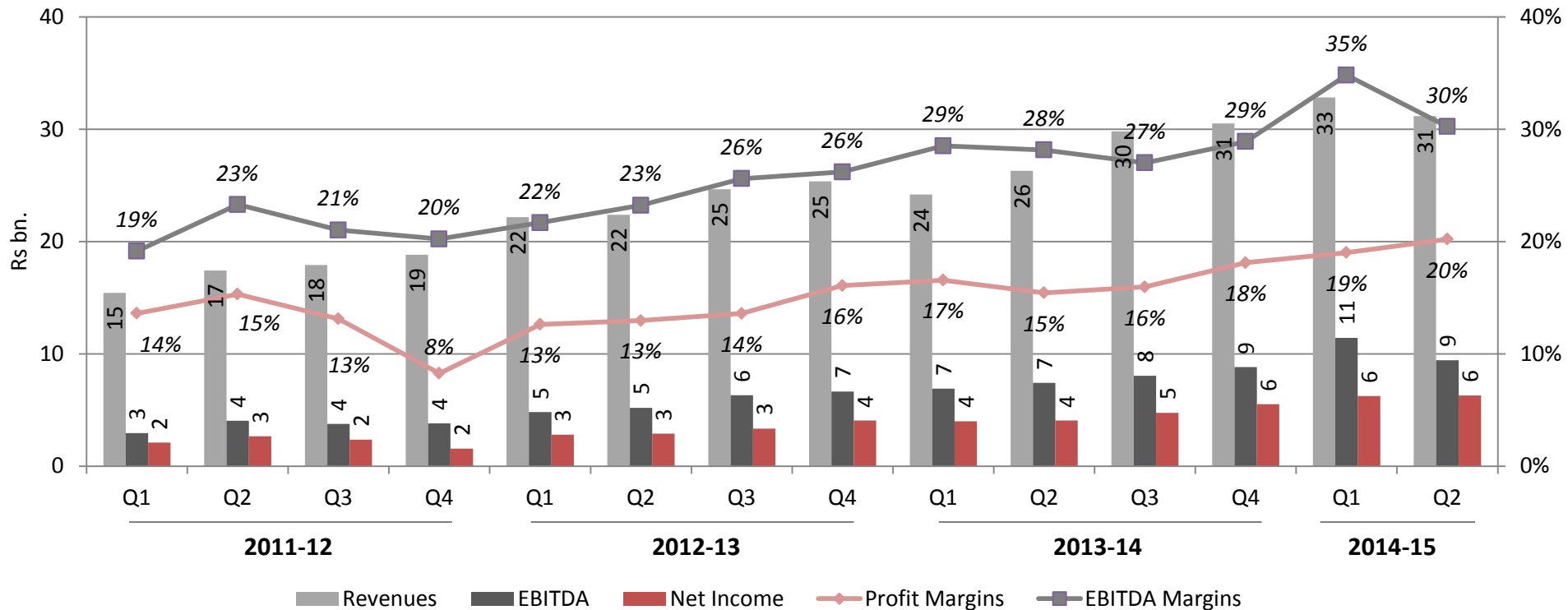


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Business Growth – Last 14 Quarters



Revenues doubled growing at a rate of **6%¹**, whereas EBITDA and Net Income tripled growing at a rate of **9%¹** since last 12 quarters...



...EBITDA margins at **30%** in Q2'15 vs **19%** in Q1'12

...Profit margins at **20%** in Q2'15 vs **14%** in Q1'12



Note:
1 Compounded quarterly growth rates

Laboratorios Grin, Mexico – Completion



- **Enters LatAm Pharma market¹**

- Mexico forms a \$13.5bn market growing at 10% CAGR (2nd largest in LatAm)
- Grin is fourth largest Ophthalmic player in Mexico (Top 4 have 80% MS)
- Ophthalmic market is ~\$275mm
- 2013 sales of \$28mm and has ~280 employees (Field force: ~90)

- **Capabilities**

- Markets branded ophthalmics, Gx and OTC products
- International standards compliant state-of -the-art manufacturing facility

- **Platform for specialty**

- Forms a platform for specialty pharma capability building
- Commercial platform for leveraging Lupin pipeline products



Note:
1 IMS MAT Aug 2013

Q2 2014-15 Performance Highlights



Business Update – Q2FY15



- **Top-line increasing by 18% YoY driven by:**
 - US: Increasing contributions from new launches (post Sep 2013)
 - Japan business witnessing ahead of market growth
 - India business giving strong growth in chronic TAs
- **Increased EBITDA margins at ~30% levels:**
 - Operational efficiencies
 - Improved business mix
- **Initiatives:**
 - Canada entry - rights from Salix for Zaxine[®] (rifaximin) – orphan indication
 - Merck Serono Emerging Markets deal
- **Continues to enjoy “Debt free” status**



P&L Highlights – Q2FY15



Particulars (Rs mn)	Q2FY15	% of net sales	Q2FY14	% of net sales	% YoY growth
Net sales	31,168	100.0	26,315	100.0	18.4
Other operating income	566	1.8	364	1.4	55.5
Total revenue	31,734	101.8	26,679	101.4	18.9
Gross margin (excl. other operating income)	20,471	65.7	17,902	68.0	14.4
EBITDA	9,248	30.2	7,410	28.2	27.2
EBIT	8,341	26.8	6,804	22.6	22.6
Net profit	6,300	20.2	4,062	15.4	53.2



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P&L Highlights – H1FY15



Particulars (Rs mn)	H1FY15	% of net sales	H1FY14	% of net sales	% YoY growth
Net sales	64,008	100.0	50,521	100.0	26.7
Other operating income	1,135	1.8	919	1.8	23.4
Total revenue	65,143	101.8	51,440	101.8	26.6
Gross margin (excl. other operating income)	42,236	66.0	33,360	66.0	26.6
EBITDA	20,864	32.6	14,314	28.3	45.8
EBIT	18,692	29.2	13,084	25.9	42.9
Net profit	12,548	19.6	8,227	16.3	54.3

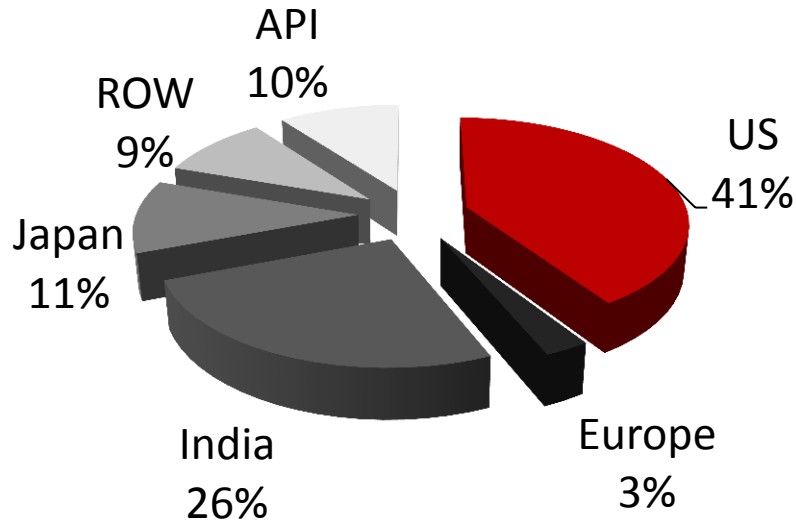


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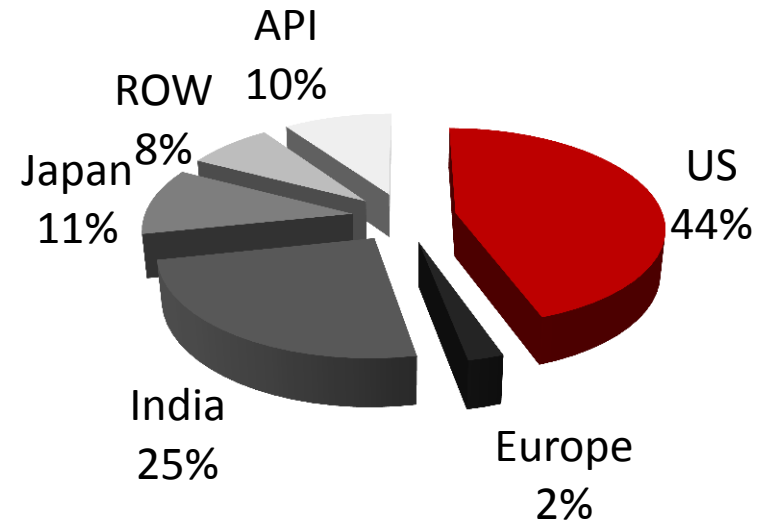
Business Split



Q2'FY15



H1'FY15



71% business from International markets

90% formulation business

US comprises 8% branded formulations

74% business from International markets

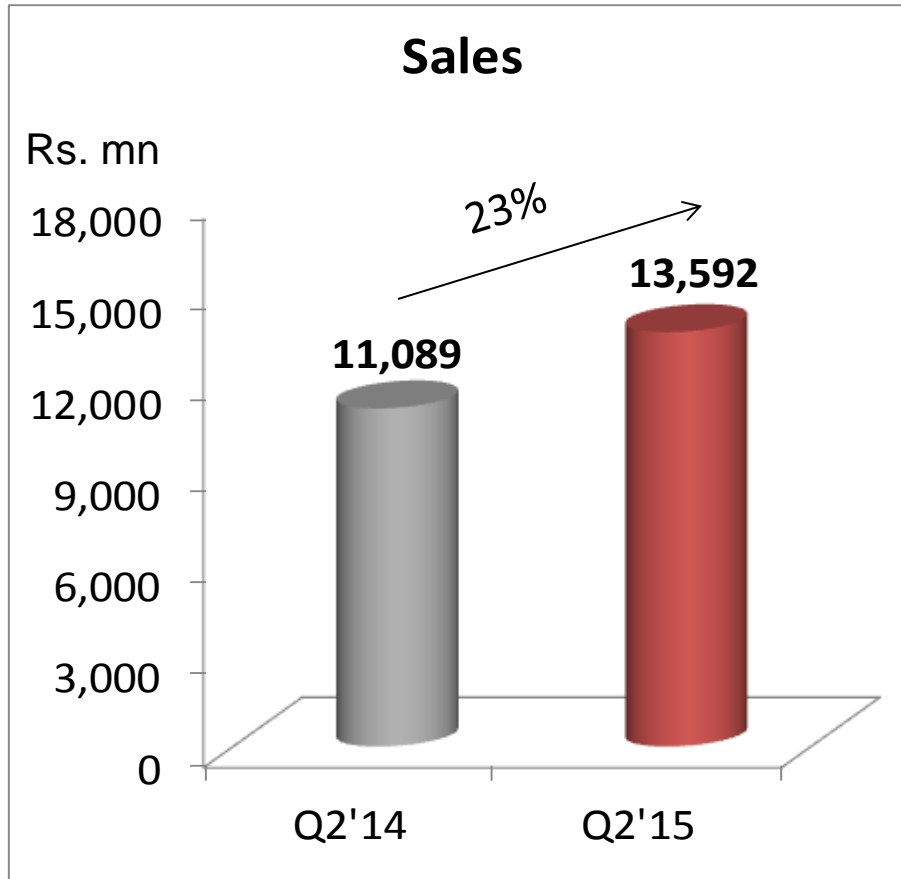
90% formulation business

US comprises 7% branded formulations



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US & Europe



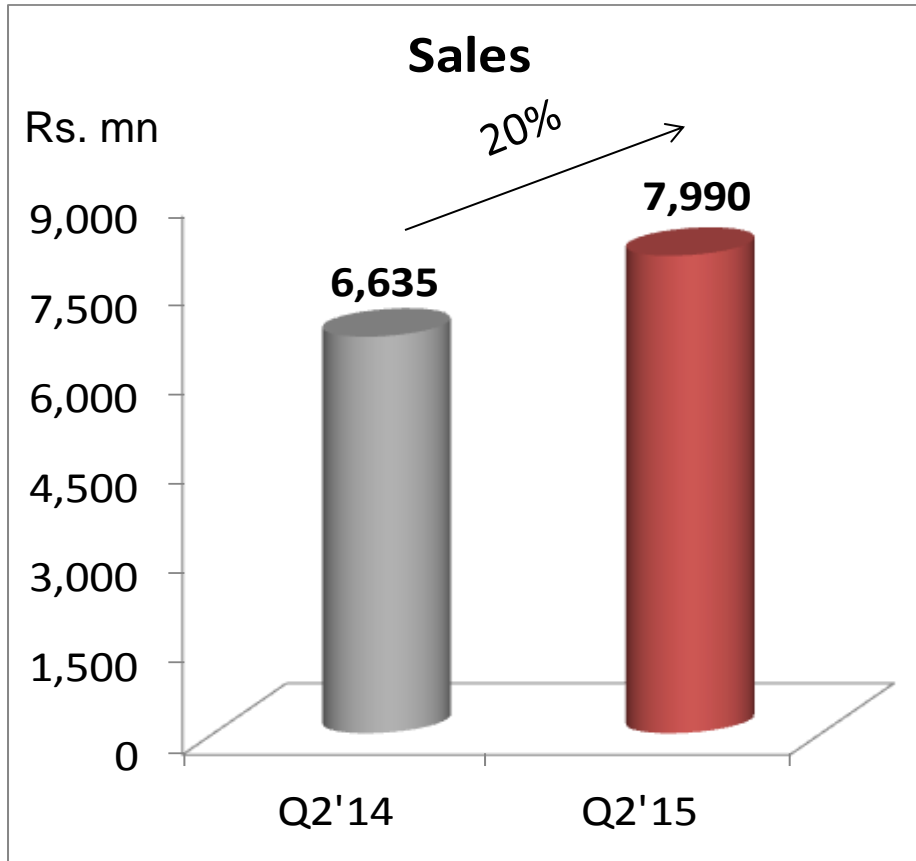
- US business grew 23% to Rs. 12,716 mm & EU business grew by 9% to Rs. 807mm
- 3 new launches in US, the portfolio totaling to 75¹
- US Market Share: No. 1 in 31 products & top 3 in 54 products²
- Total of 200 ANDA filings, of which 105 have been approved (2 in the quarter)



Note:

1 As of 30-Sep-14

2 IMS MAT Jun 2014



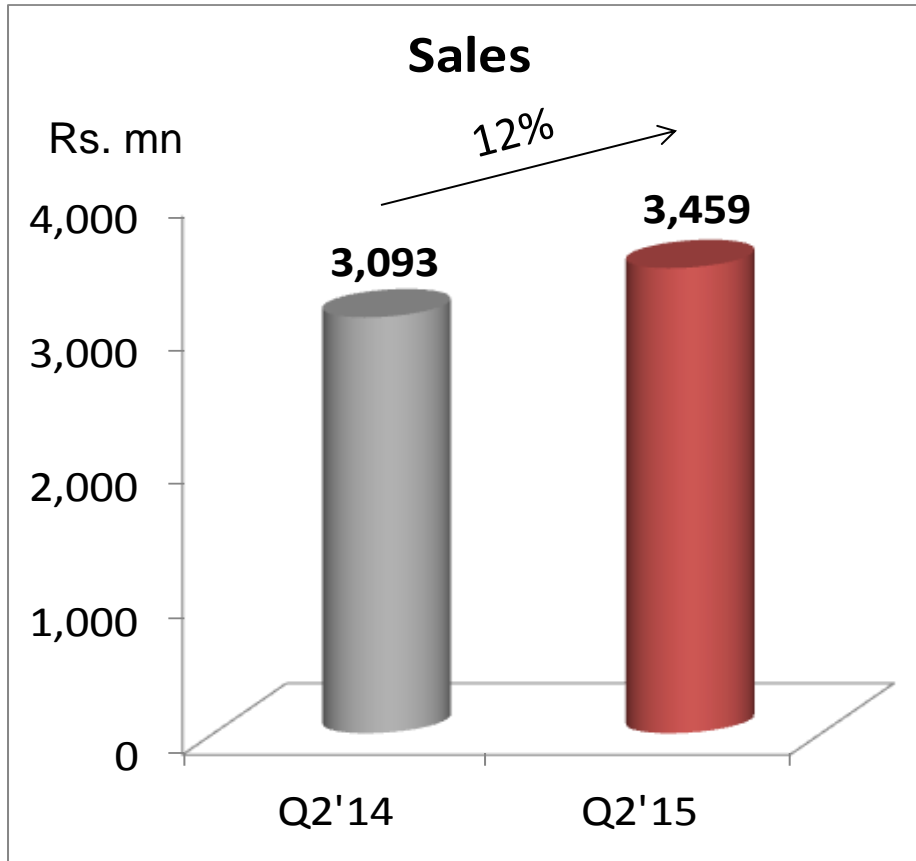
- Grew by 17% YoY¹ vs IPM growth of 12%¹
- Retains 11th position in the IPM¹

- Chronic areas like Asthma, Diabetic, CVS, CNS and GI segments growing at a better rate than other TAs
- Current field force of ~5,400
- Launched 19 new products during Q2'15¹ totaling 35 for H1'15
- H1'15 Chronic / Acute split at 65% / 35%



Note:

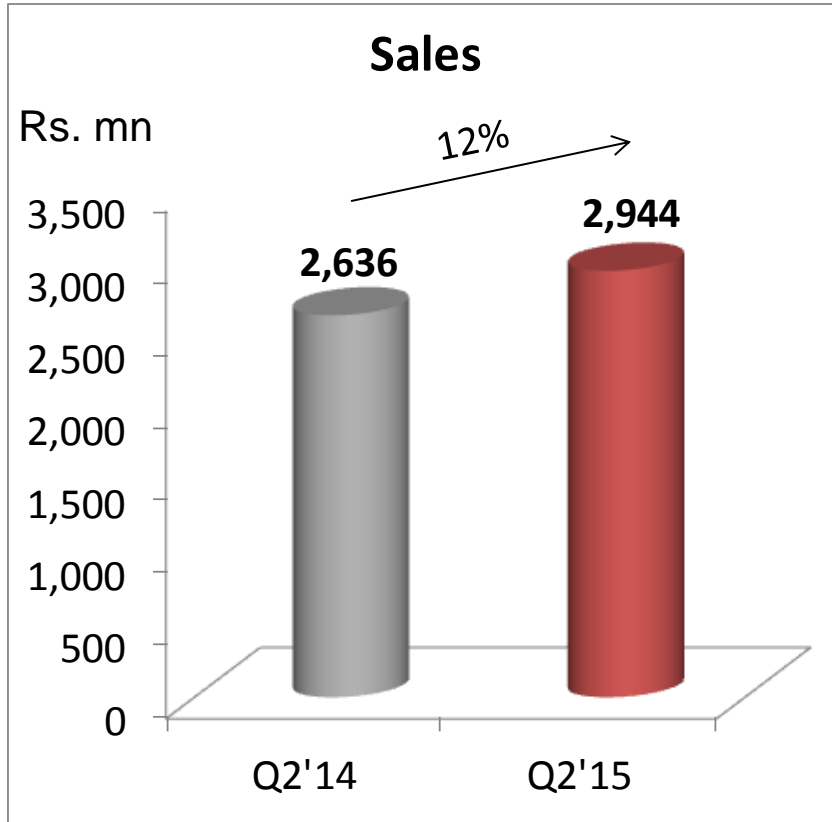
1 IMS MAT Sep 2014; 12% is the Jul-Sep quarter YoY growth for IPM



Growth in local currency 22%
Kyowa: +29%, Irom: +3%

- Kyowa (excl. Irom) grew by 18%; Irom slipped by (4%) YoY [INR terms]
 - Kyowa showed strong matured products growth
 - 2 products approved with a market size of \$1.4bn
- Irom: Cost rationalization initiatives to enhance profitability





South Africa

- Growth of 15% in local currency, due to strong matured products growth
- Continues to be 4th largest generic company¹ & #1 CVS player¹
- Launched 2 products during Q2'15

Philippines

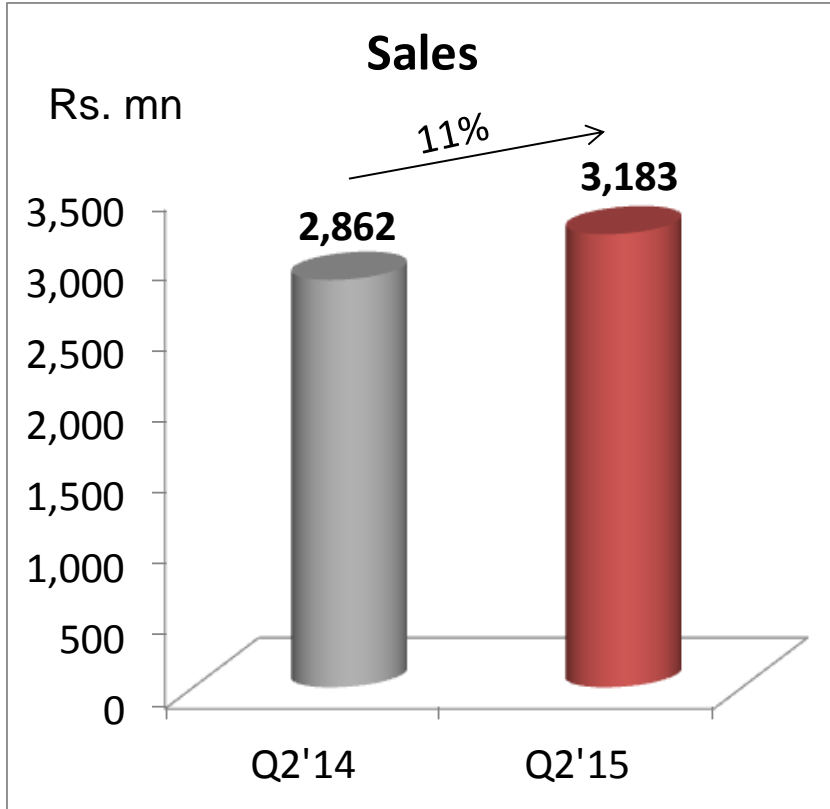
- Growth of 29%² vs industry growth of 5%²
- Ranked 24th² pharma
- Local currency growth of 48%
- Growth driven by new launches and oncology division
- 2 products launched during the quarter



Note:

1 SA IMS MAT Aug 2014

2 Philippines IMS MAT Aug 2014



US and Europe degrew by 30%

Domestic business grew by 52%

Emerging markets saw 11% increase

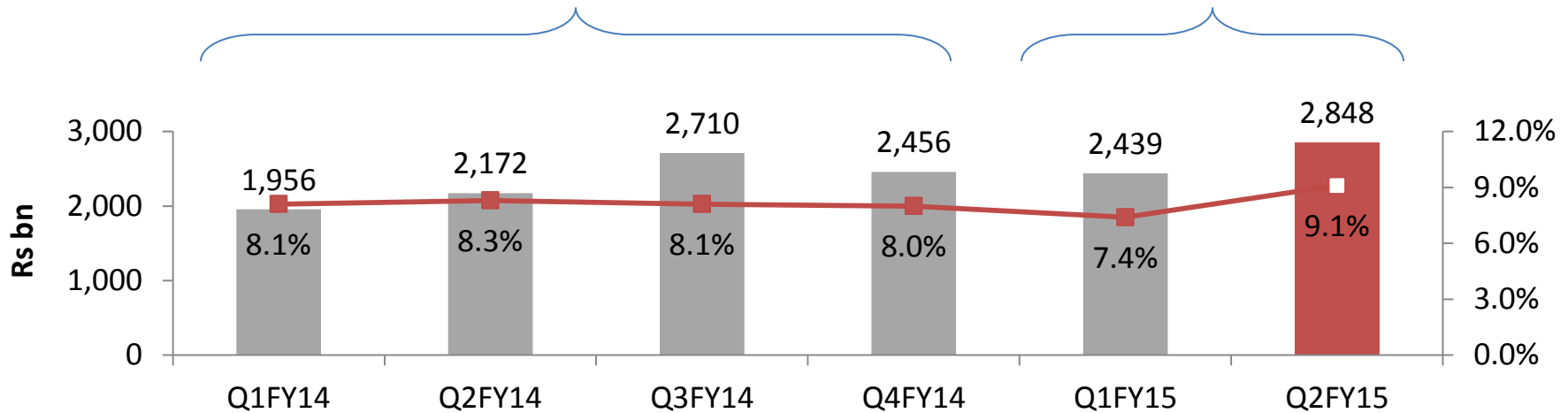


R&D Update



FY 14 – Rs.9,294 m; 8.4% of net sales

H1 FY 15 – Rs5,287 m; 8.3%



- R&D expenses for Q2FY15 are Rs. 2,848mm, at 9.1% of net sales vs 2,172mm in Q2FY14
- Talent pool of 1,400+ scientists
- 200 ANDA filings till date, of which 105 have been approved (2 in the quarter)
- FTFs - 30 filings till date (US\$ 13.7 bn) with 15 Exclusives (US\$ 1.5 bn)



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