



Lupin Ltd.

Investor Presentation

Q2FY16

Oct 27, 2015

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Today Lupin is a Globally Dominant Force



Advanced Markets

Emerging Markets

6th
largest US
(by prescriptions¹)

8th
largest
Japanese
generics²

7th
India Pharma
Market Rank³

4th
largest South
Africa generics⁴

Globally

6th
largest generic
globally
(by market cap⁵)

9th
largest generic
company
(by sales⁵)

3rd
largest Indian
Pharma
(by total sales⁶)

#1
in Anti-TB
(globally)



Sources:

- 1 IMS MAT April 15
- 2 IMS MAT Dec 14
- 3 IMS MAT Sep 15

- 4 IMS MAT Aug 15
- 5 Bloomberg EQS, 30 Sep 2015
- 6 Based on FY15 sales

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Lupin – Generics to Specialty



2020+

2018

2015

Primarily a Generic /
Branded Generic
Business
3 strong geographies

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

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



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Q2 FY16

BUSINESS UPDATE

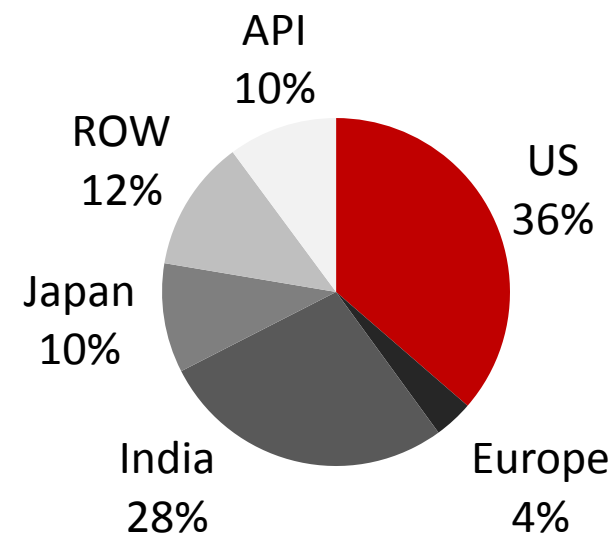
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Business Update – Q2FY16



- **Top-line grew at 2% YoY due to:**
 - US saw decline due to Suprax Gx, lower approvals and competition in key Gx
 - Japan and South Africa saw FX depreciation, but ROW grew strongly
 - India business growth on account of strong chronic business growth but was offset by lower acute growth
- **EBITDA margins at ~23% and PAT at ~13%:**
 - Lower US mix due to price erosion and lack of approvals
 - Higher R&D cost on account of bundling of no. of studies

Q2FY16 Sales Breakdown



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P&L Highlights – Q2FY16 YoY



Particulars (Rs mn)	Q2FY16	% of net sales	Q2FY15	% of net sales	YoY growth
Net sales	31,783	100.0	31,168	100.0	2.0%
Other operating income	1,430	4.5	566	1.8	
Total revenue	33,213	104.5	31,734	101.8	4.7%
Gross margin (excl. other operating income)	20,489	64.5	20,471	65.7	0.1%
EBITDA	7,136	22.5	9,428	30.2	(24.3%)
EBIT	6,068	19.1	8,341	26.8	(27.3%)
Net profit	4,088	12.9	6,300	20.2	(35.1%)



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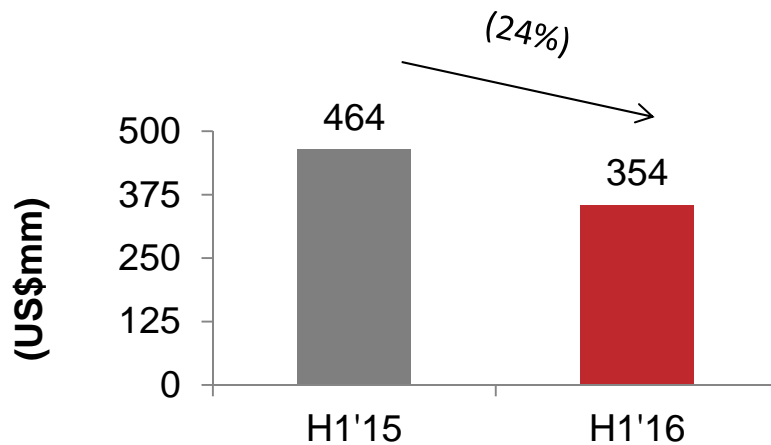
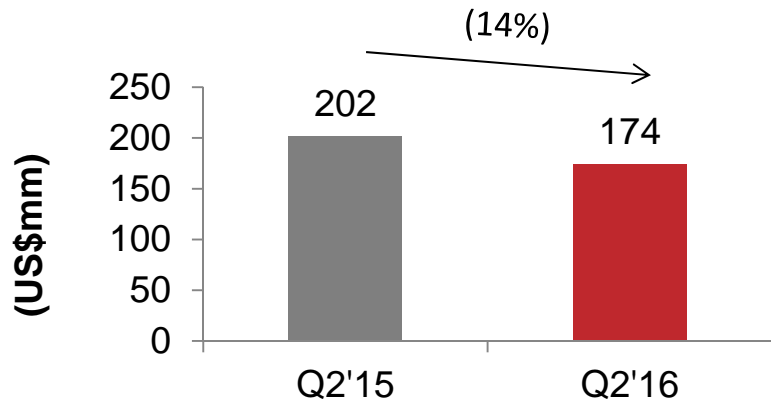
P&L Highlights – H1FY16 YoY



Particulars (Rs mn)	H1FY16	% of net sales	H1FY15	% of net sales	YoY growth
Net sales	62,526	100.0	64,008	100.0	(2.3%)
Other operating income	2,189	3.5	1,135	1.8	
Total revenue	64,715	103.5	65,142	101.8	(0.7%)
Gross margin (excl. other operating income)	41,399	66.2	42,236	66.0	(2.0%)
EBITDA	16,058	25.7	20,864	32.6	(23.0%)
EBIT	13,983	22.4	18,692	29.2	(25.2%)
Net profit	9,339	14.9	12,548	19.6	(25.6%)



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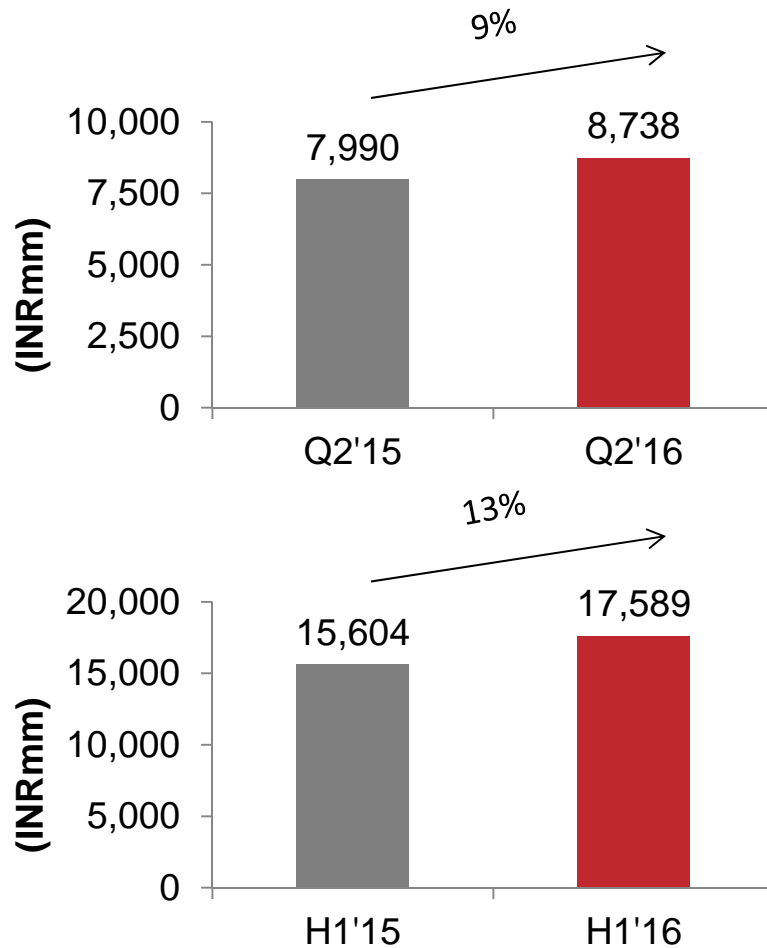
Commentary

- US business degrew 9% in INR terms to Rs. 11,550 mm (including IP)
- QoQ decline of 3% in USD terms
- Lupin now has 5% prescription share and retains 6th rank
- 4 new product launches in Q2 during the quarter; Portfolio of 84¹ products
- US Market Share: No. 1 in 33 & top 3 in 61 products²
- Total of 220 ANDA filings till date, of which 124 have been approved (7 approvals in Q2)



Note:
 1 As of 30-Sep-15
 2 IMS MAT Jun 2016

India



Commentary

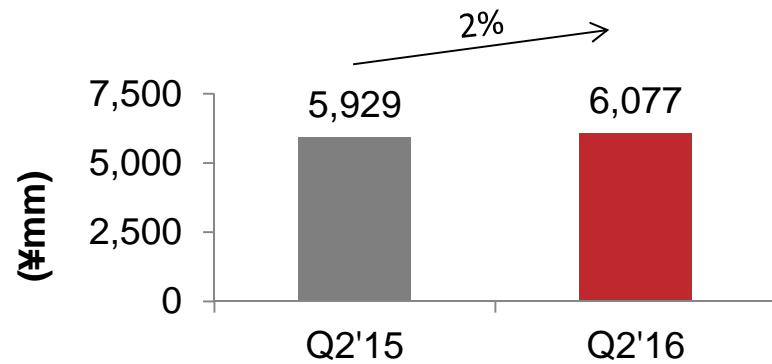
- India business growth impacted by acute areas
- Chronic areas grew strongly, key being:
 - Respiratory: 18%
 - Diabetes: 19%
 - CVS: 19%
- Ranked 7th in the IPM¹
- Current field force of ~5,400
- Chronic portfolio contributed 66% to total sales



Note:
1 IMS MAT Sep 2015

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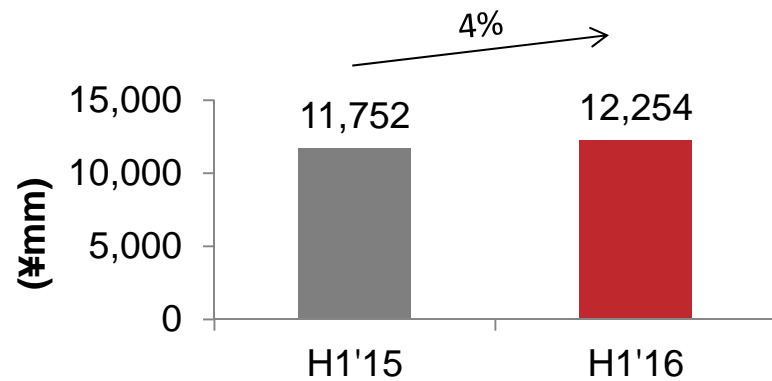
Japan



¥ growth: Kyowa: 2%, KCC: 7%
INR growth: (7%)

Commentary

- Japan business degrew by 7% in INR terms to Rs.3,234 mm
 - Yen depreciation
- Turnaround in KCC business

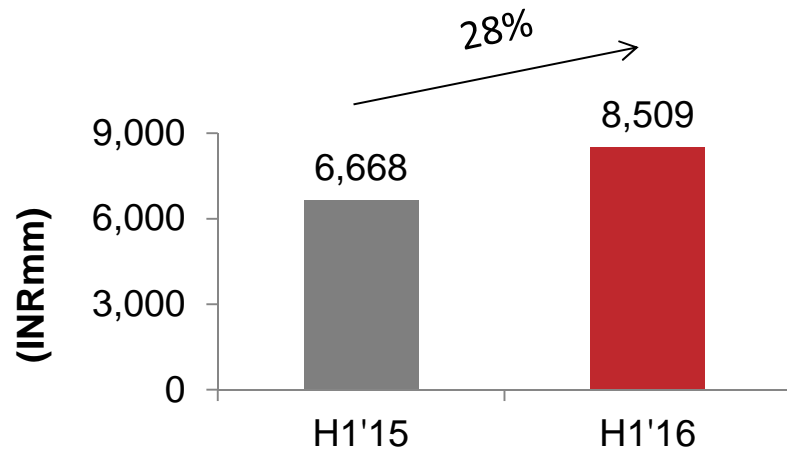
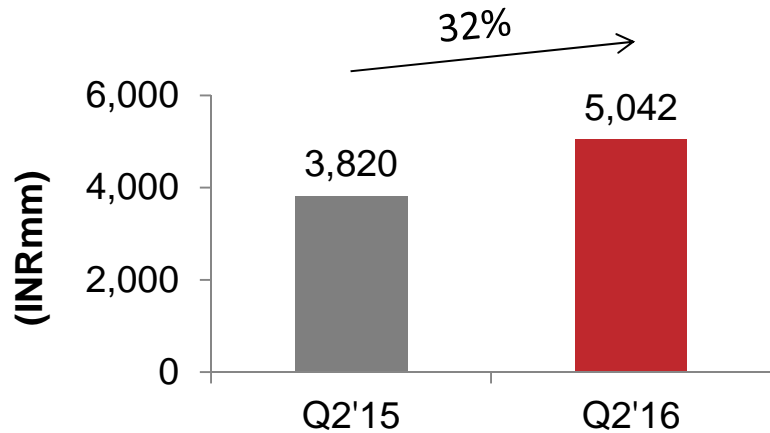


¥ growth: Kyowa: 4%, KCC: 8%
INR growth: (6%)



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Rest of Business



Commentary

South Africa

- Growth of 2% in local currency
- 4th largest generic company¹ & #1 CVS player¹

Philippines

- Growth of 37%
- Multicare IMS growth of 14%² vs industry growth of 7%²
- Rank: 26²

LatAm

- **Mexico:** 4th largest ophthalmic company
- **Brazil:** Ranks 10th in volume

Europe

- Strong growth in Europe of 32% driven by partnered biz



Note:

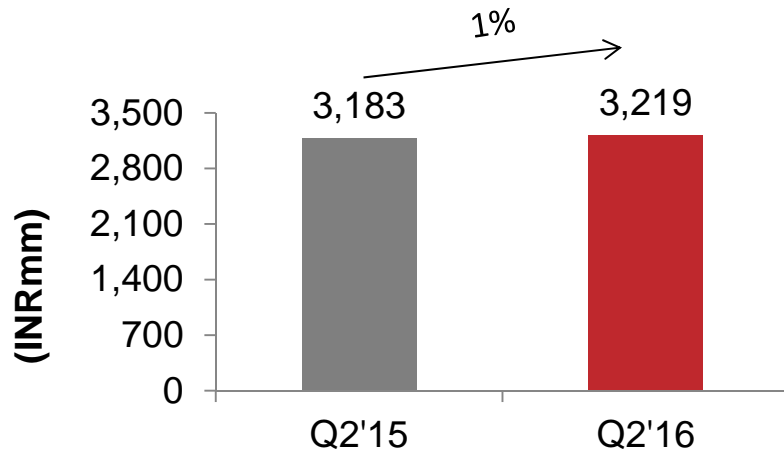
1 SA IMS MAT Sep 15

2 Philippines IMS MAT Aug 15

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

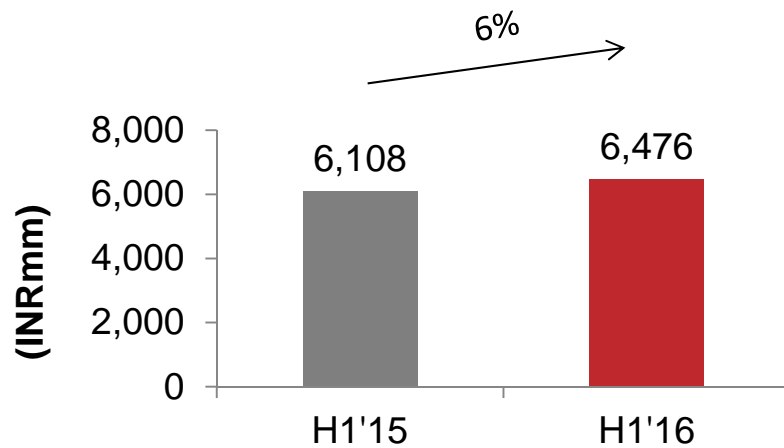
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API



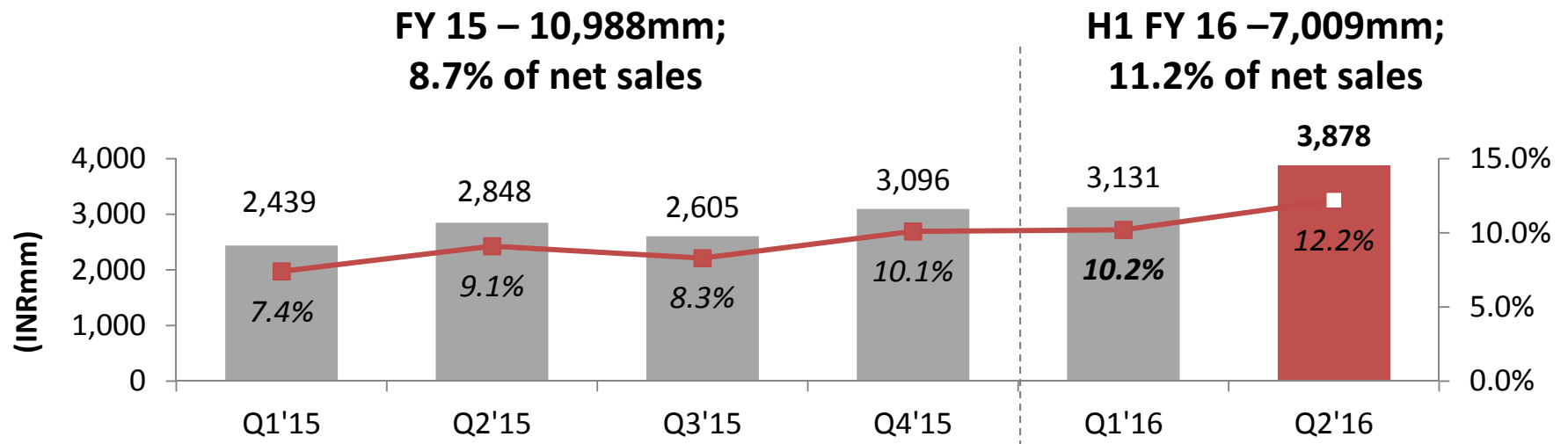
Commentary

- API business grew by 1% to Rs. 3,219mm
- Enhanced focus on pipeline of complex and first-to-file APIs



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R&D Update



- R&D expenses for Q2FY16 were Rs. 3,878mm, at 12.2% of net sales vs 2,848 mm, 9.1% of net sales in Q2FY15
- Talent pool of 1,700+ scientists at R&D centers across the globe
- 220 ANDA filings till date, of which 124 have been approved (7 in Q2)
- FTFs - 35 filings till date (US\$ 11.9 bn¹) with 15 exclusives (US\$ 3.2 bn¹)



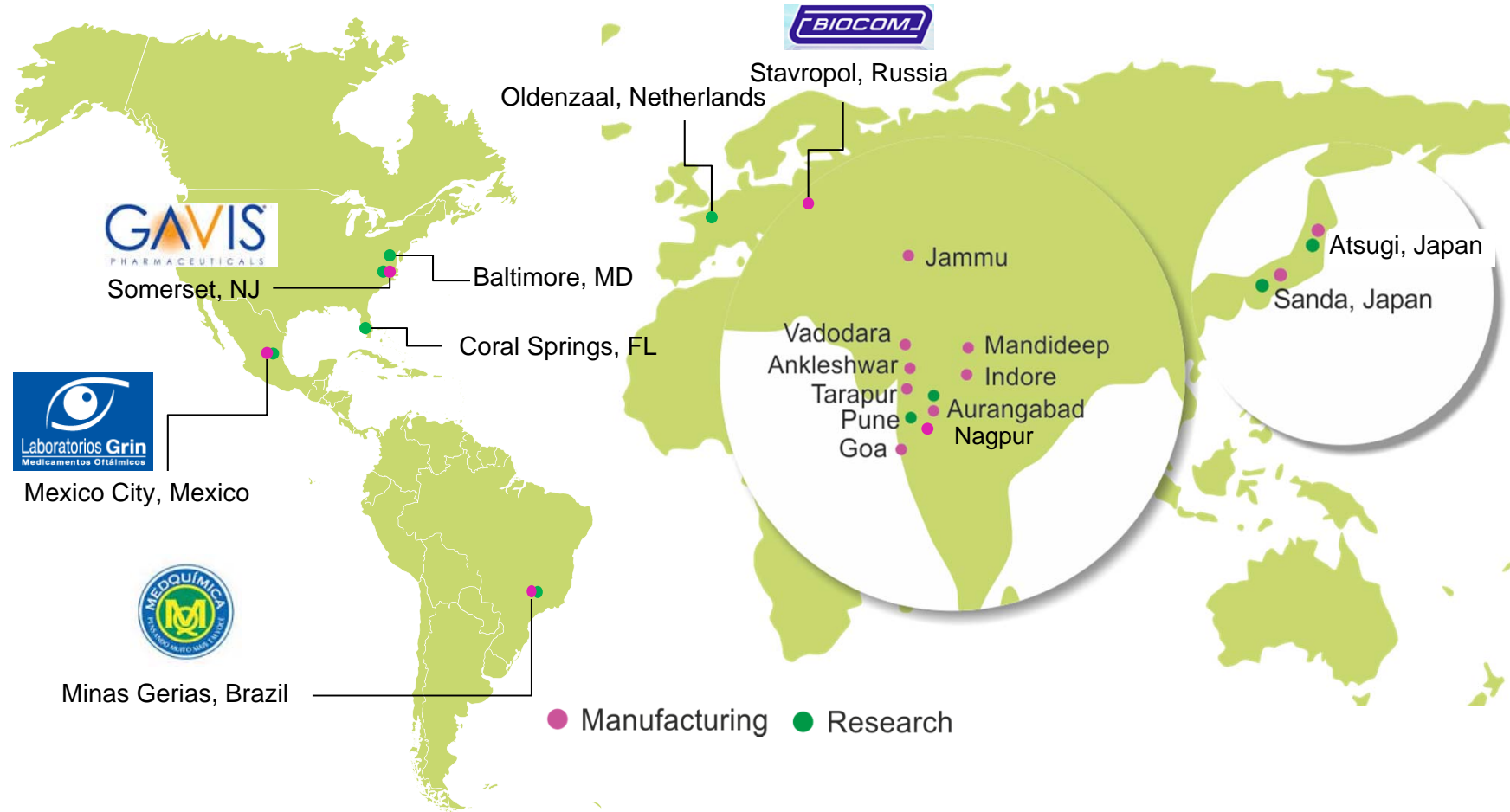
Note: 1. IMS MAT Mar 2015

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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 3rd 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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