



# LUPIN LIMITED

Q1 FY17 Investor Presentation

*August 9, 2016*



Aerial view of Lupin offices, Baltimore, US

# 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 obtained 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.

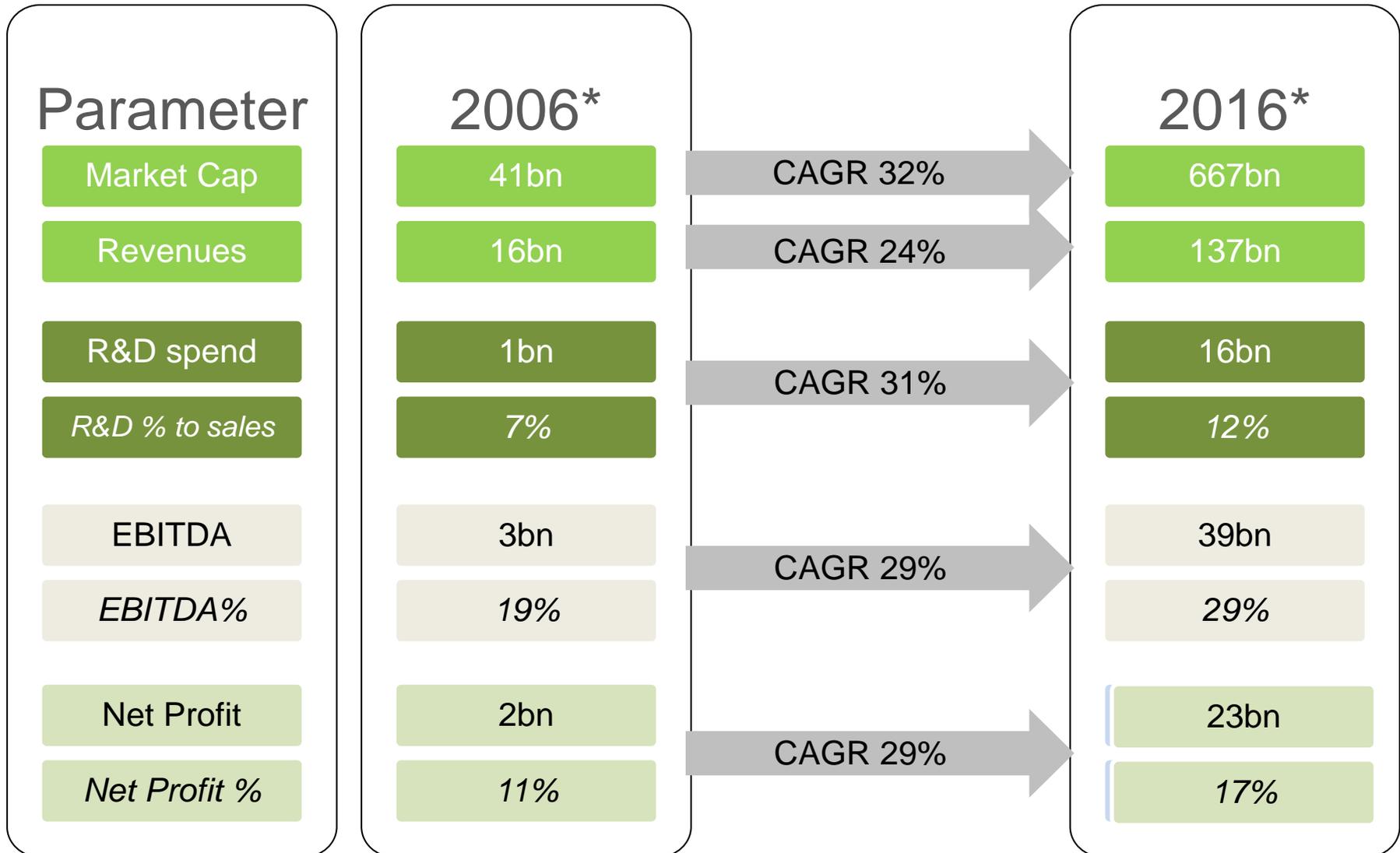
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LUPIN TODAY



# A Journey of Stellar Performance



# Today Lupin is a Globally Dominant Force

## Globally

5<sup>th</sup>

largest generic globally  
*(by market cap<sup>1</sup>)*

7<sup>th</sup>

largest generic company  
*(by sales<sup>2</sup>)*

3<sup>rd</sup>

largest Indian Pharma  
*(by global sales<sup>2</sup>)*

#1

in Anti-TB  
*(globally)*

## Advanced Markets

5<sup>th</sup>

largest US  
*(by prescriptions<sup>3</sup>)*

6<sup>th</sup>

Largest Japanese Gx<sup>4</sup>

## Emerging Markets

9<sup>th</sup>

India Pharma Market Rank<sup>5</sup>

4<sup>th</sup>

largest South Africa generics<sup>6</sup>

### Sources:

1 Bloomberg EQS, 30 June 2016

2 LTM sales available as of 30 June 2016

3 IMS MAT Mar 16

4 IMS Data Japan (April 2015 – March 2016) at NHI price base (including Shionogi brands acquired)

5 IMS MAT Jun 16

6 IMS MAT Jun 16

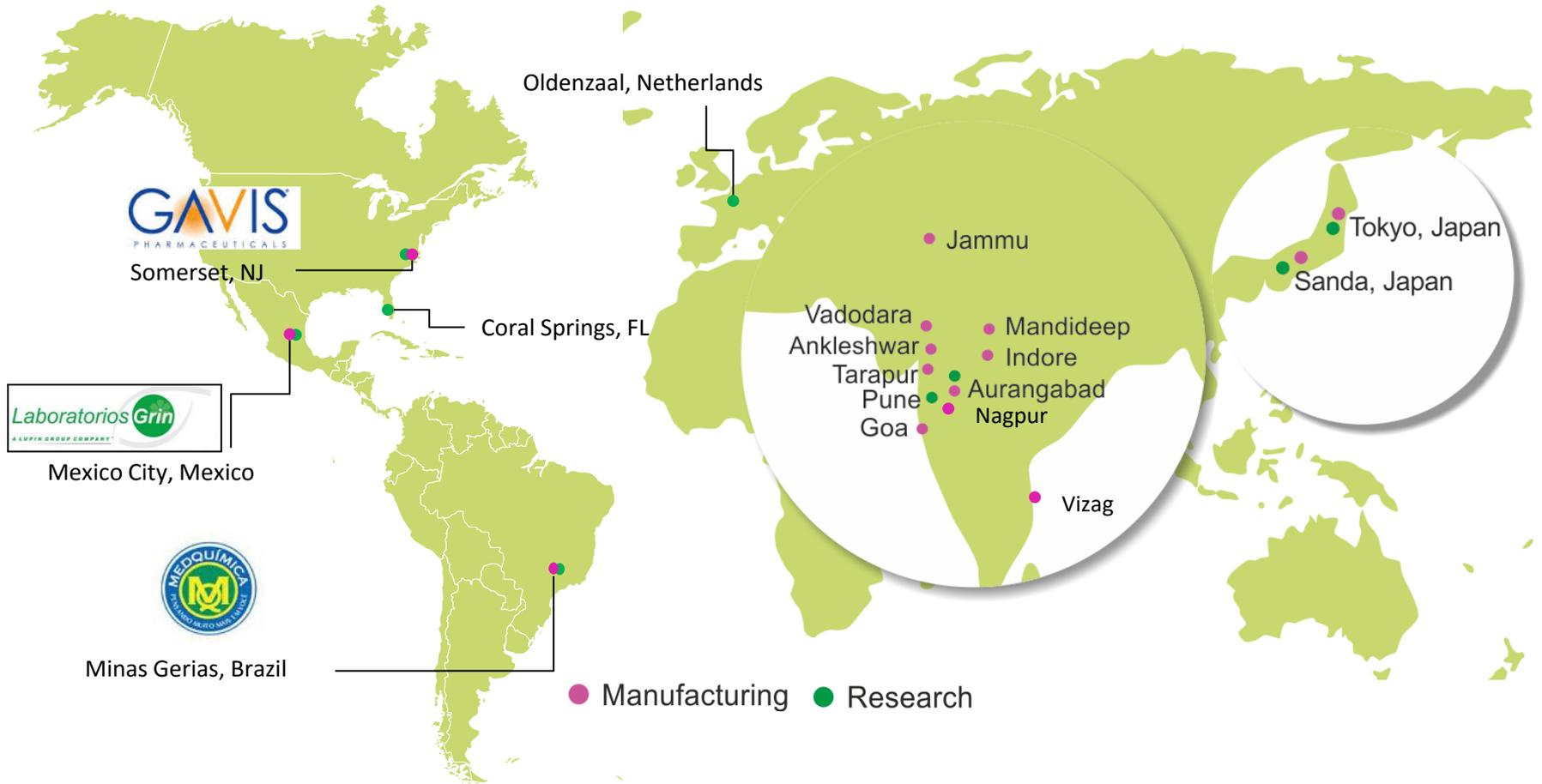
# Lupin – Awards and Accolades

- **Outstanding Company of the Year** by CNBC-TV18
- Lupin Ranked 15<sup>th</sup> in the Great Places to Work “**Best Companies to Work for in Asia**”
- Lupin in AON **Best Employers India 2016**
- Lupin in Forbes World’s Most Powerful Public Companies
- **CNBC TV18 Firm of the year** in Pharma sector: India Risk Management Awards – 2015
- Vinita Gupta, CEO & Nilesh Gupta, MD awarded the Ernst & Young **Entrepreneur of the Year, India, 2015**
- Vinita Gupta awarded “Outstanding Woman Business Leader of the Year” – CNBC-IBLA: FY 2015-16
- Vinita Gupta in **Forbes Asian Businesswomen – Power 50**
- Vinita Gupta amongst The Most Powerful business Women 2015 by Business Today
- Ramesh Swaminathan the **Best CFO** by FinanceAsia
- Lupin #1 in Pharma in “**Best at Investor Relations**” by FinanceAsia; 5<sup>th</sup> in Overall Ranking



# Lupin Global Capabilities Footprint

Manufacturing sites: 11 in India; 1 in US; 2 in Japan and 2 in LatAm



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**BUSINESS UPDATE**

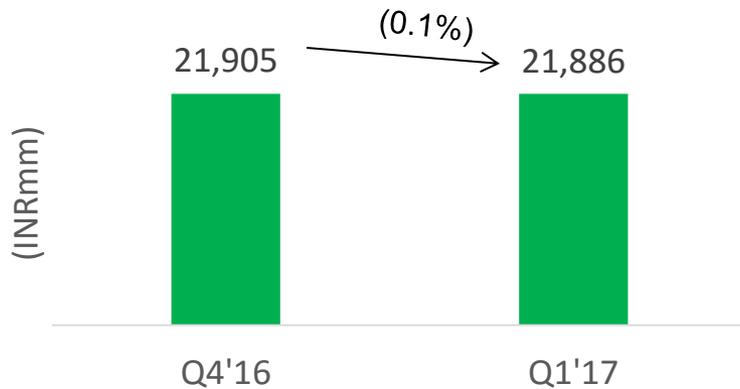
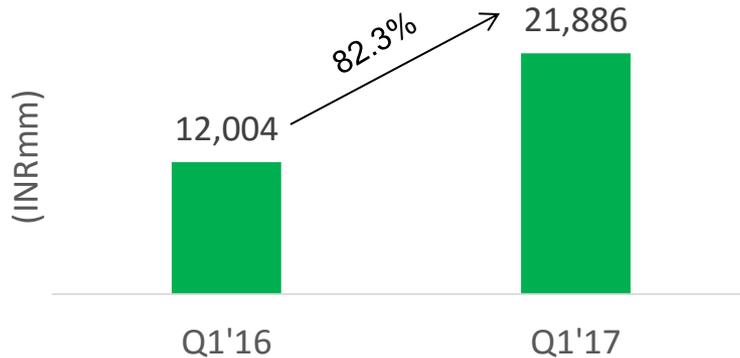


# P&L Highlights – Q1FY17

Particulars (INRmm)	Q1FY17	% of net sales	Q1FY16	% of net sales	YoY growth	Q4FY16	% of net sales	QoQ growth
<b>Net sales</b>	<b>43,136</b>	<b>100.0%</b>	<b>30,809</b>	<b>100.0%</b>	<b>40.0%</b>	<b>40,823</b>	<b>100.0%</b>	<b>5.7%</b>
Other operating income	1,259		752			884		
<b>Total revenue</b>	<b>44,394</b>		<b>31,561</b>		<b>40.7%</b>	<b>41,707</b>		<b>6.4%</b>
Gross margin <i>(excl. other operating income)</i>	30,416	70.5%	20,974	68.1%	45.0%	29,813	73.0%	2.0%
EBITDA	13,907	32.2%	9,005	29.2%	54.4%	13,399	32.8%	3.8%
EBIT	11,880	27.5%	7,991	25.9%	48.6%	11,912	29.2%	-0.3%
<b>Net profit</b>	<b>8,820</b>	<b>20.4%</b>	<b>5,686</b>	<b>18.5%</b>	<b>55.1%</b>	<b>7,479</b>	<b>18.3%</b>	<b>17.9%</b>

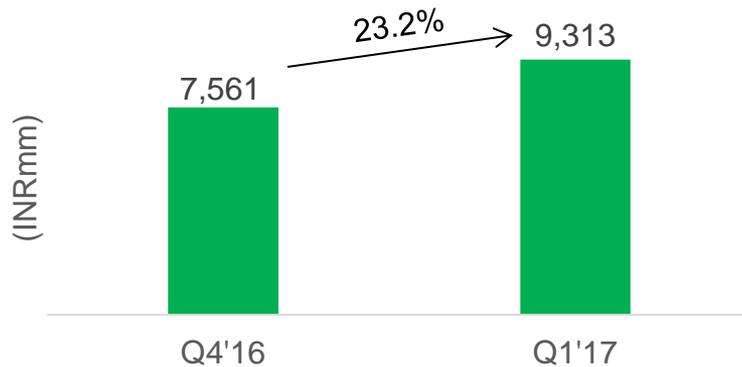
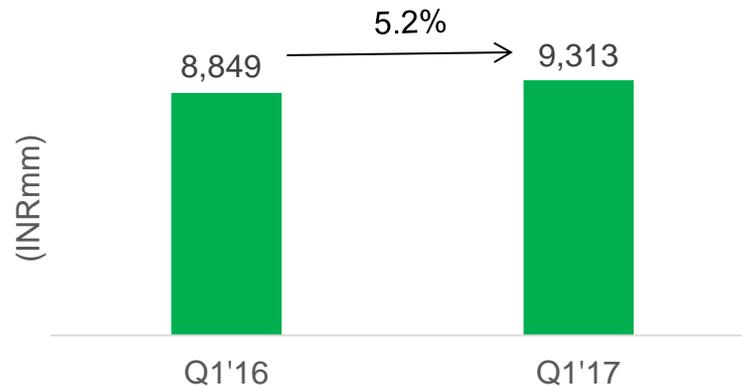
# North America

## Commentary



- US business grew YoY by 78.9% in USD terms to \$322mm in Q1FY17
- Brands grew to \$21mm 123% due to Methergine
- 7 approvals in Q1FY17
- 3 new product launches during the quarter
- **Portfolio of 123<sup>1</sup> products**
- **US Market Share: No. 1 in 46 & top 3 in 80 products<sup>2</sup>**
- Total of 336<sup>2</sup> ANDA filings till date of which 187<sup>2</sup> have been approved

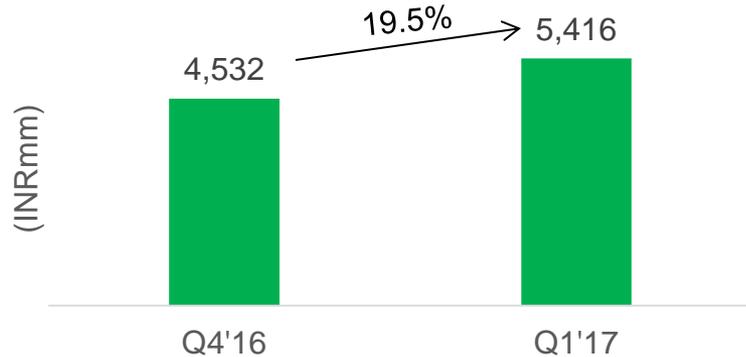
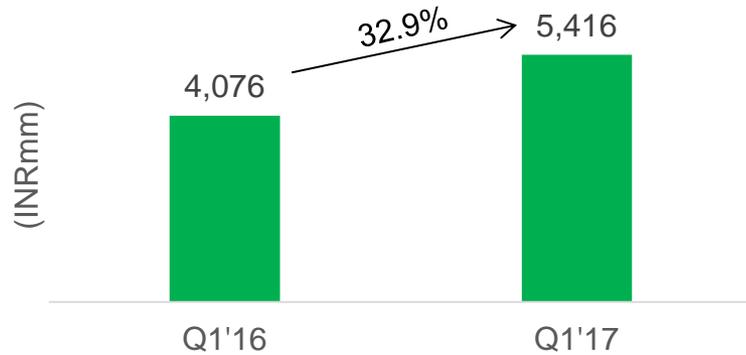
# India



## Commentary

- Ranked 9<sup>th</sup> in the IPM<sup>1</sup>
- Added 1,000 reps in FY16; Total sales force > 6,600
- Launched 5 new divisions to cater to high growth therapies
- Launched 19 SKUs in Q1
- Chronic: 58%; Semi-chronic: 29% of sales in FY16

# APAC



## Commentary

- Japan sales grew by 11.1% to JPY 6,868 m YoY
  - Acquisition of Shionogi branded portfolio of 21 products for \$150mm
  - 6<sup>th</sup> largest<sup>1</sup> generic company (with Shionogi); Strong presence in Central Nervous System, Cardiovascular, Gastroenterology & Injectables
  - A new dedicated manufacturing site for oral solids
  - New injectable line in KCC
  - Strategic partnership with national distributor
- 
- Philippines: Growth of 60%<sup>2</sup> against industry growth of 8%<sup>2</sup>
  - Ranked 21<sup>st</sup> Pharma<sup>2</sup>

# Shionogi Brands Acquisition

## Transaction Overview

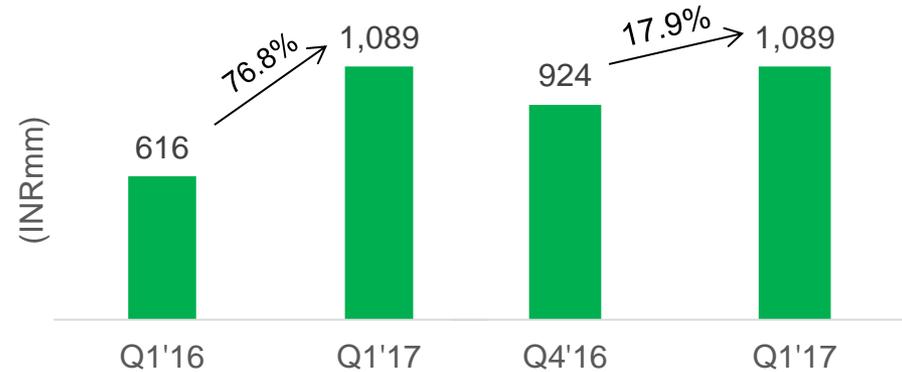
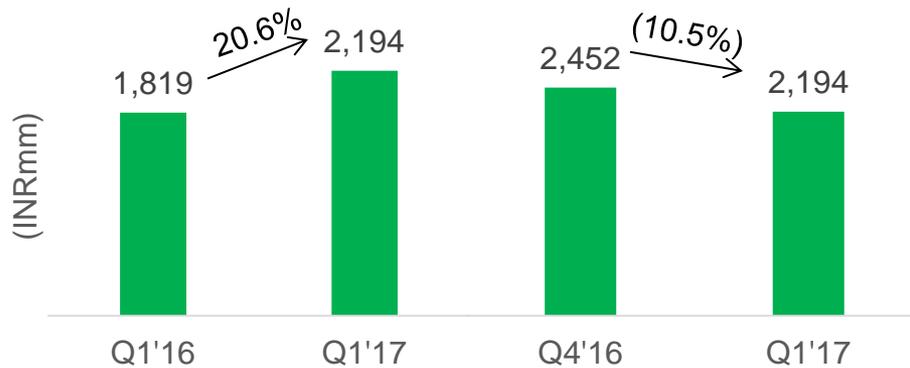
- Acquisition of Shionogi's 21 long-listed brands in Japan for JPY 15.4bn (~\$150mm)
  - 9 out of 19 Products are CNS
  - 4 brands or 6 products (4 anti-infectious, 1 CNS, and 1 oncology) are the “essential (basic)” medicine which has minimum NHI price and will see no further price cut
- Sales of JPY 9,400mm (~\$90mm) collectively on NHI price basis indicating 1.57 multiples of sales

## Strategic Rationale

- Will bring critical mass, hybridization (or transformation to branded business)
- Synergies with Kyowa CNS business
- Will provide access to wider Oroshi channels resulting in a wider customer base including non-CNS primary care accounts

# EMEA

# LatAm



## Europe

- All businesses growing strongly
- Foray into Branded / Specialty segment with the acquisition of Temmler portfolio in Germany

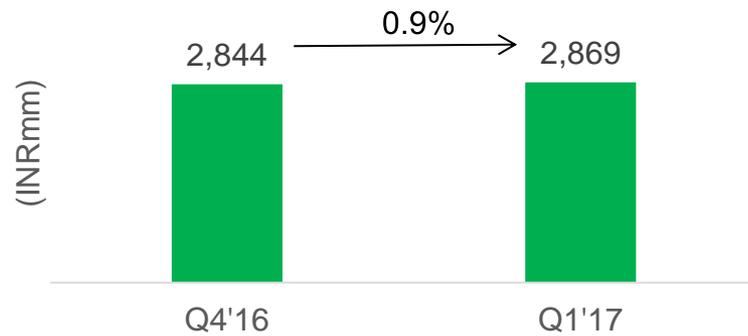
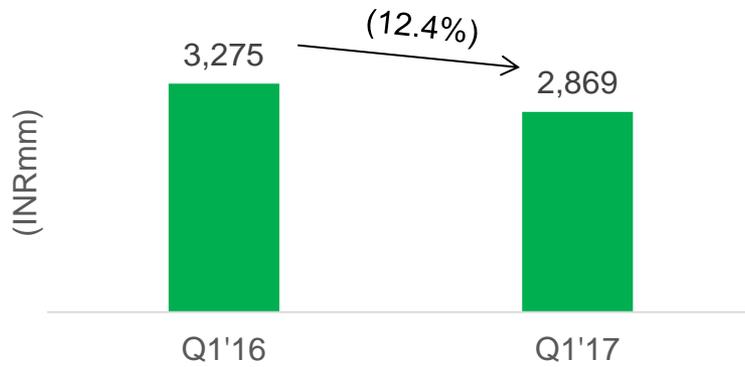
## South Africa

- YoY growth of 32% in ZAR
- 4<sup>th</sup> largest generic company<sup>1</sup> & #1 CVS player<sup>1</sup>

## LatAm

- **Mexico:** 2<sup>nd</sup> largest ophthalmal (by volume); IMS growth of 16% vs 7% market growth<sup>2</sup>
- **Brazil:** IMS growth of 12% vs market growth of 9%<sup>3</sup>

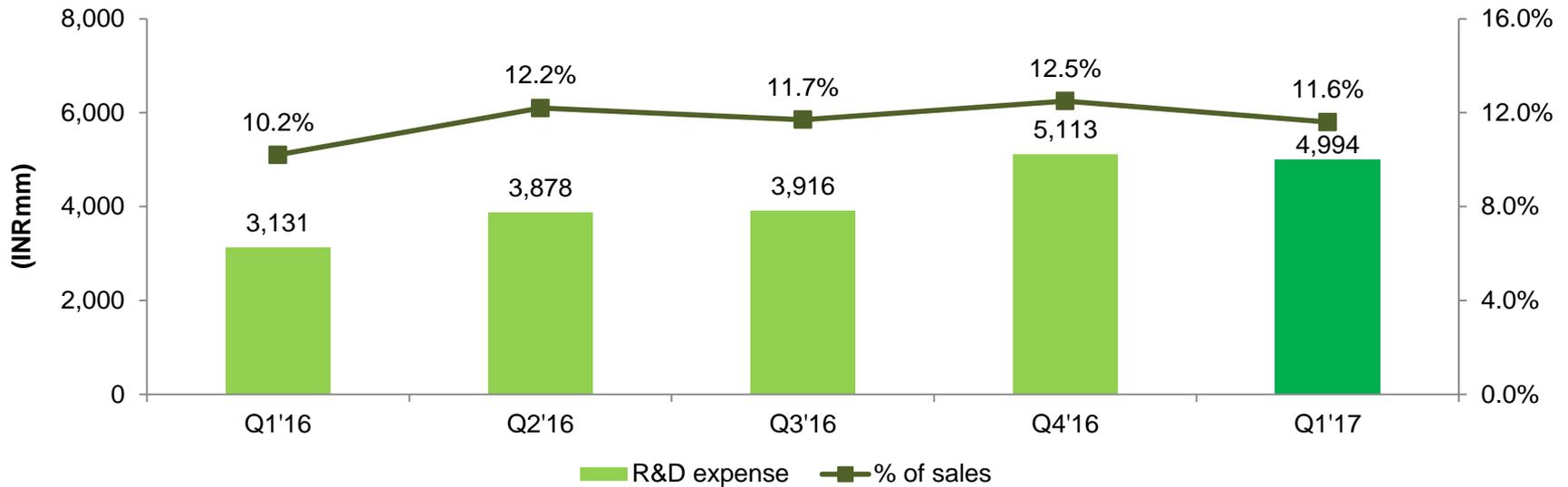
# API



## Commentary

- Enhanced focus on pipeline of complex and first-to-file APIs
- 172 US DMFs as of end Q1 FY17

# R&D Expenses



- R&D expenses for Q1FY17 were Rs. 4,994 mm, at 11.6% of net sales vs 3,131 mm, 10.2% of net sales in Q1FY16
- Talent pool of 1,700+ scientists at R&D centers across the globe
- FTFs - 45 filings till date (US\$ 11.9 bn<sup>1</sup>) with 25 exclusives (US\$ 4.4 bn<sup>1</sup>)
- Total of 336<sup>2</sup> ANDA filings till date, of which 187<sup>2</sup> have been approved (7 approvals in Q1FY17)