



LUPIN LIMITED

FY 2017 Investor Presentation

May 24, 2017



Aerial view of Lupin offices, Baltimore, US

01

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MARKET LEADERSHIP
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Lupin is a Dominant Force in Global Generics



Globally

4th

largest generic
globally
(by market cap¹)

6th

largest generic
company
(by sales²)

2nd

largest Indian
Pharma Co
(by global sales²)

#1

in Anti-TB
(globally)

USD2.55bn
Global Revenues

Advanced Markets

5th

largest US
(by prescriptions³)

6th

Largest Japanese
Gx⁴

6th

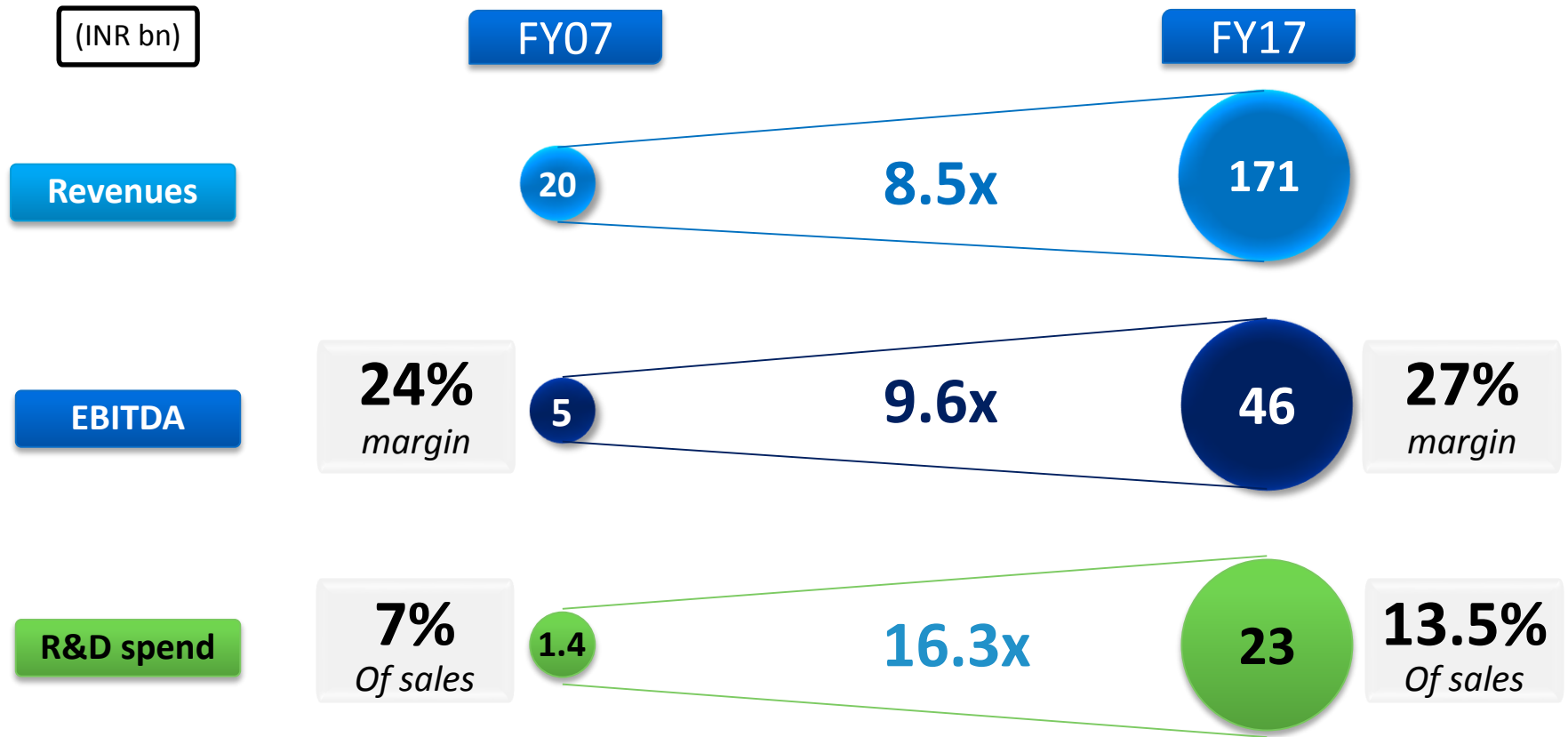
India Pharma
Market Rank⁵

4th

largest South
Africa generics⁶

Emerging Markets

A Decade of Stellar Financial Performance



Enhanced profitability despite significant step-up in R&D investments

Lupin – Awards and Accolades



- **Forbes Global 2000**, FY 2016
- **Forbes India “Super 50”**, FY 2016
- Lupin in **AON Best Employers India 2016**
- **Thomson Reuters India Innovation Awards for R&D**, FY 2015 - 16
- The **Golden Peacock Award for Excellence in Corporate Governance**, FY 2016
- Ranked 15th in the Great Places to Work “**Best Companies to Work for in Asia**”
- **Forbes India Business Leadership Awards 2016** – Vinita Gupta & Nilesh Gupta awarded the Entrepreneur of the Year
- Vinita Gupta: “**Outstanding Woman Business Leader**” – CNBC-IBLA: FY 2016
- Vinita Gupta: **Forbes Asia Power Businesswomen**, “**Power 50**”, FY 2016
- Vinita Gupta: Hall of Fame - **The Most Powerful Business Women 2016** by **Business Today**
- **Ramesh Swaminathan**: Best CFO - Best Inorganic Growth Strategy, 2017 by **BusinessWorld Best CFO Awards**



THOMSON REUTERS



MSCI EMERGING MARKETS INDEX

02

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**WHAT ARE THE
MARKET DYNAMICS?**
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Evolving Dynamics in Global Pharma Market

Markets

- Innovation led growth in Developed markets
- Emerging markets growth driven by volume

Generics

- Pricing Pressure and customer consolidation
- Increasing competition
- Shift to complex generics

Specialty

- Generics focusing to build specialty / branded business
- Focus on niche areas with small prescriber population

Biosimilars

- Mixed success in EU and US - varied by type of biologic
- US biosimilars pathway evolving

Regulatory

- Faster approvals in US – an opportunity and a challenge
- Compliance challenges increasing

Global Generics Growth Prospects

Generics growth is slowing across markets

US Generics Market

Expected to grow at mid single digits CAGR till 2021¹

- LOE of \$80 bn over the next 5 years
- Complex generics and branded generics likely to aid growth
- Pricing pressure persists
- Increased pace of approvals by FDA

Japan Generics Market

Expected to grow at 7% CAGR till 2021²

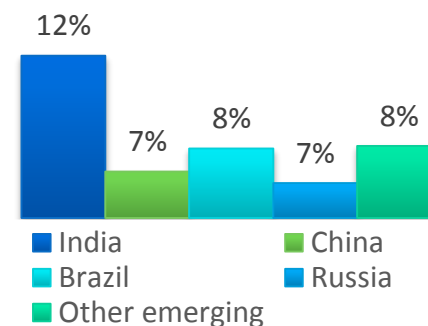
- Government continues to push generics to increase penetration
- Incentivizing channel to promote generics and penalizing low usage
- Price cuts: Proposed annual from current biennial system

India Pharma Market

Expected to grow faster than other EMs¹

- India expected to enter Top 10 pharma markets by 2021

Next 5 yrs CAGR for emerging markets



Our Strategic Direction

2016

- Primarily a Generic / Branded Generic Business
- 3 strong geographies

2017-2020

- Leading generics player with a larger complex generics mix
- Building Specialty business
- Stronger geographic spread

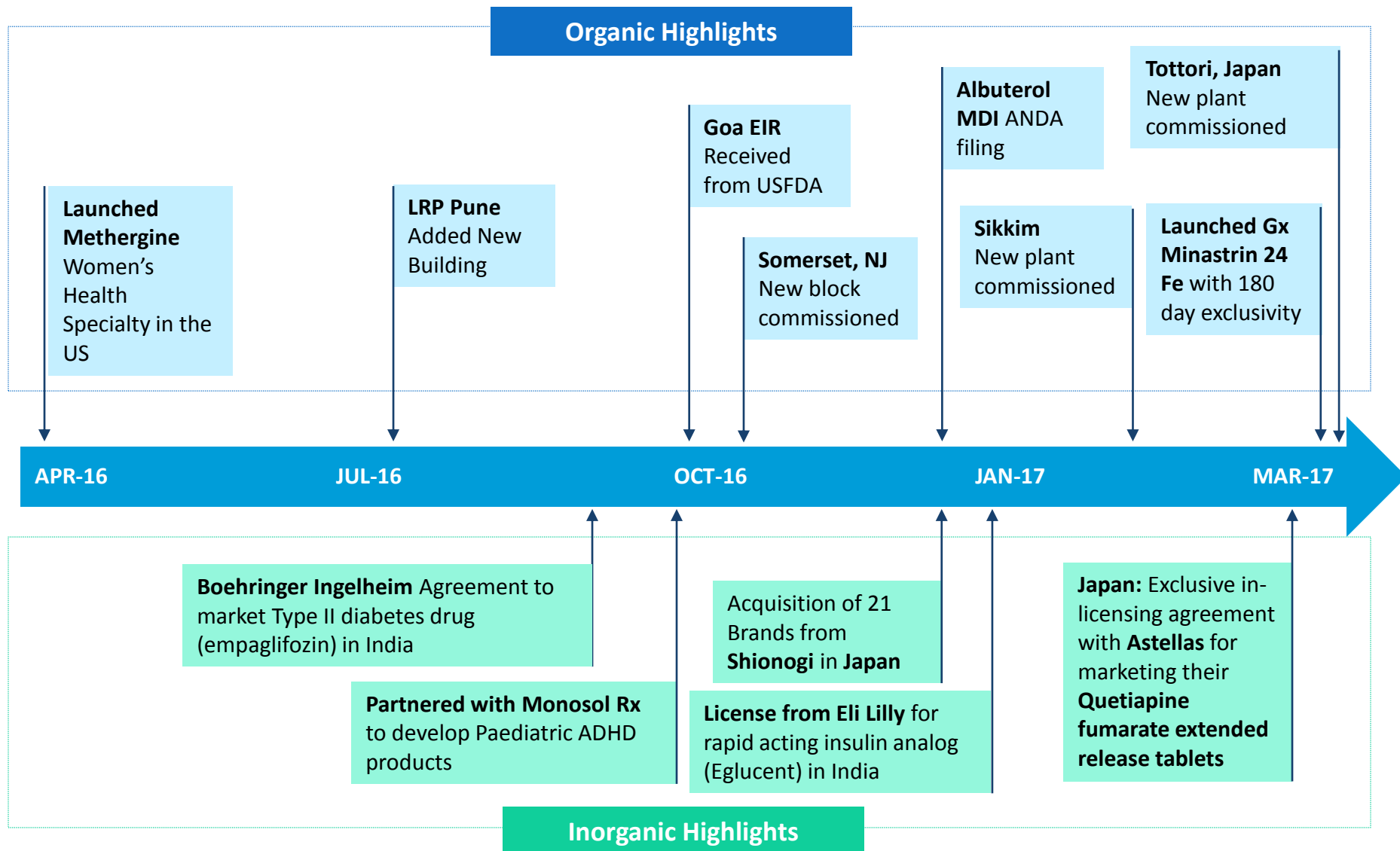
2020+

- Leading generics player with a significant complex generics mix
- Material Specialty business
- Leading Global player

03

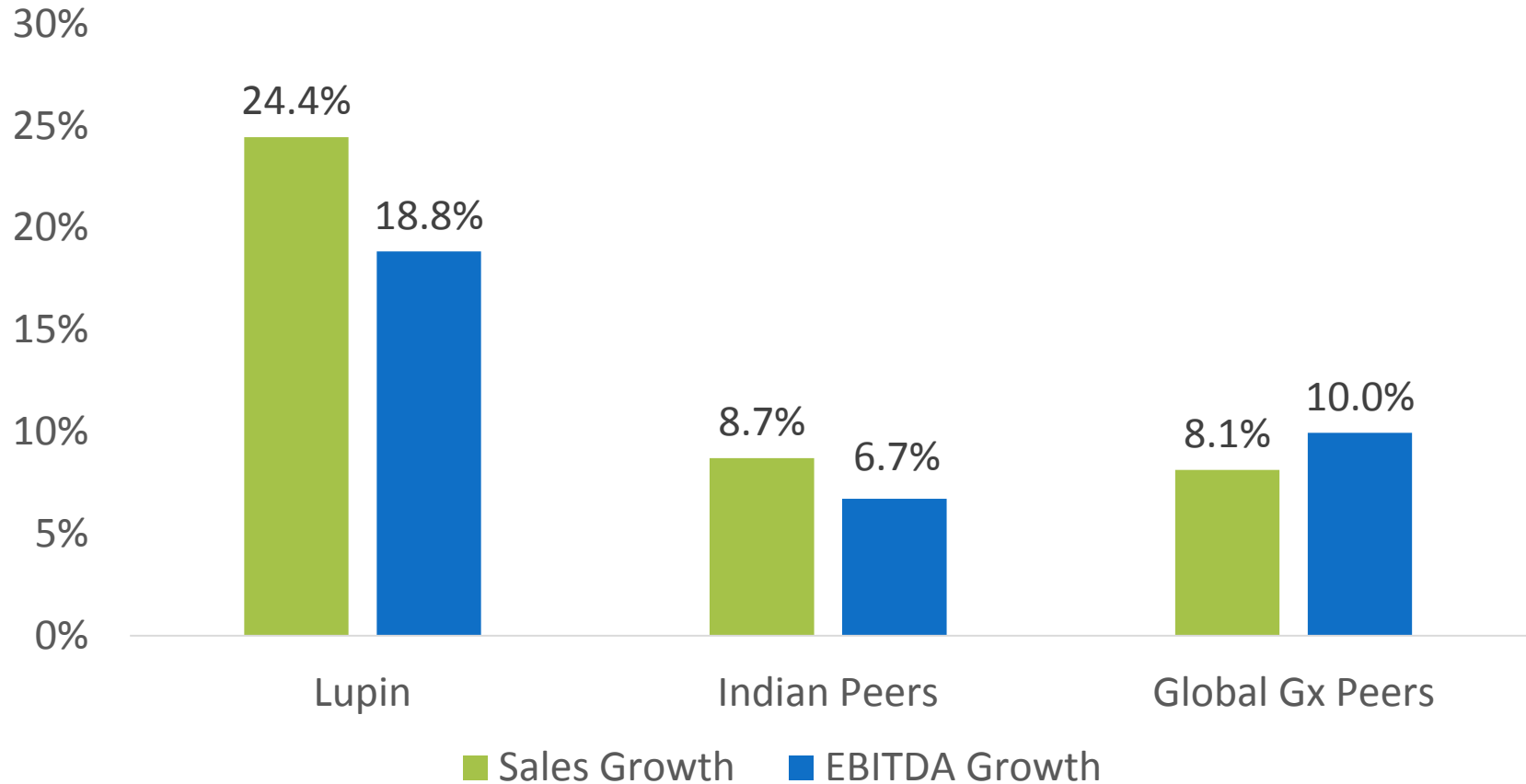
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FY17 PERFORMANCE
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FY17 Milestones



Outpaced Peers in FY17¹

Lupin has outpaced local as well as global generic peers in terms of performance



P&L Highlights – FY17

Particulars (INRmn)	FY2017	% of net sales	FY2016	% of net sales	YoY growth
Net sales	171,198	100.0%	137,579	100.0%	24.4%
Other operating income	3,745		4,977		
Total revenue	174,943		142,556		22.7%
Gross margin (excl. other operating income)	121,184	70.8%	94,253	68.5%	28.6%
EBITDA	45,997	26.9%	38,705	28.1%	18.8%
EBIT	36,875	21.5%	33,834	24.6%	9.0%
Net profit	25,575	14.9%	22,607	16.4%	13.1%

FY17 EBITDA includes the impact of:

- Provision made for liability towards its Australian subsidiary with respect to Isabelle
- Net Impact of foreign exchange fluctuation

P&L Highlights – Q4FY17

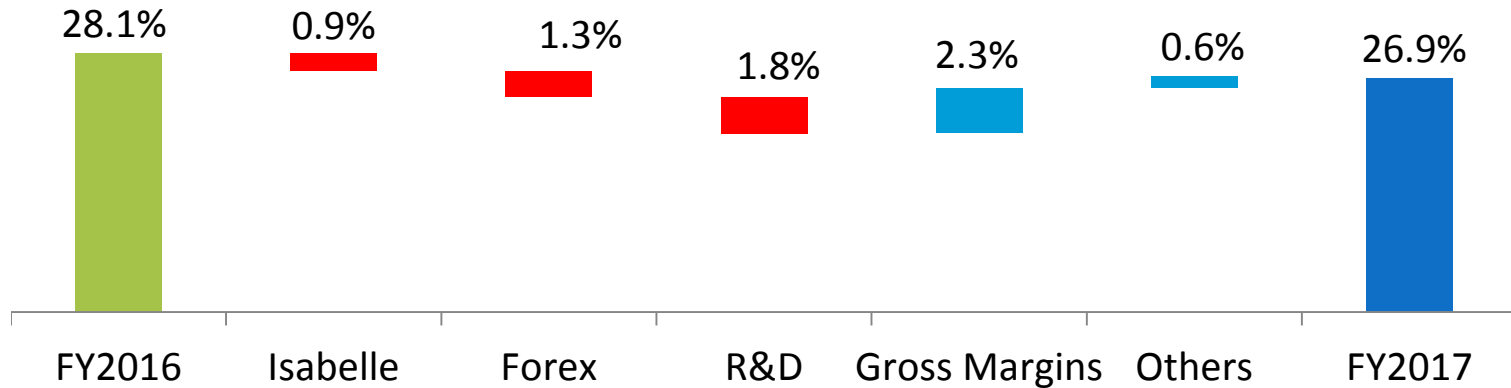
Particulars (INRmn)	Q4FY17	% of net sales	Q4FY16	% of net sales	YoY growth	Q3FY17	% of net sales	QoQ growth
Net sales	41,619	100.0%	41,090	100.0%	1.3%	44,049	100.0%	(5.5%)
Other operating income	914		884			780		
Total revenue	42,533		41,974		1.3%	44,829		(5.1%)
Gross margin (excl. other operating income)	29,768	71.5%	30,080	73.2%	(1.0%)	31,033	70.5%	(4.1%)
EBITDA	8,267	19.9%	13,497	32.8%	(38.7%)	13,219	30.0%	(37.5%)
EBIT	5,593	13.4%	12,009	29.2%	(53.4%)	10,910	24.8%	(48.7%)
Net profit	3,802	9.1%	7,479	18.2%	(49.2%)	6,331	14.4%	(39.9%)

Q4 FY17 EBITDA includes the impact of:

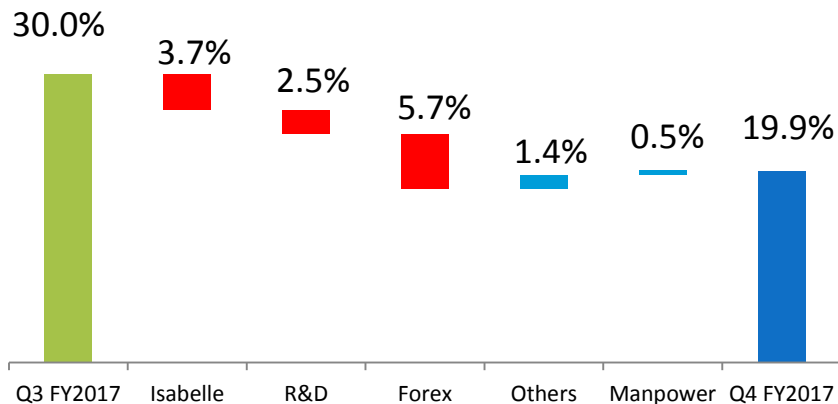
- Provision made for liability towards its Australian subsidiary with respected to Isabelle
- Net Impact of foreign exchange fluctuation

EBITDA Margin Bridge

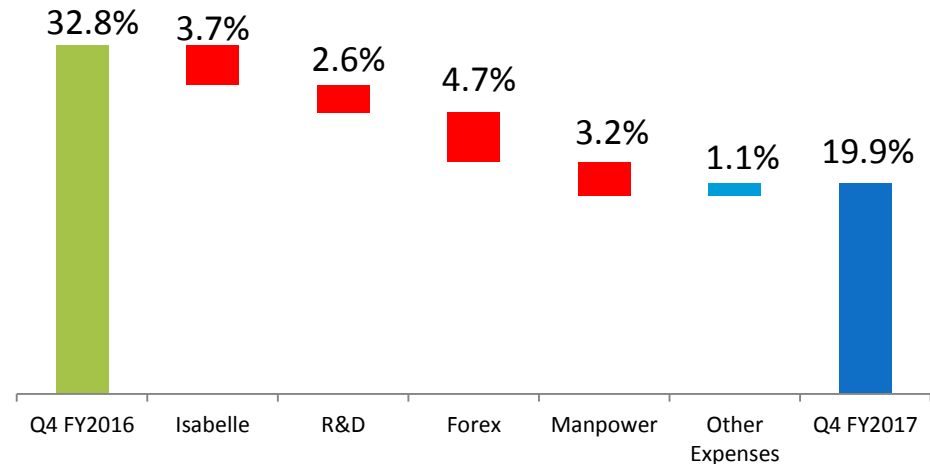
FY 17 vs FY 16

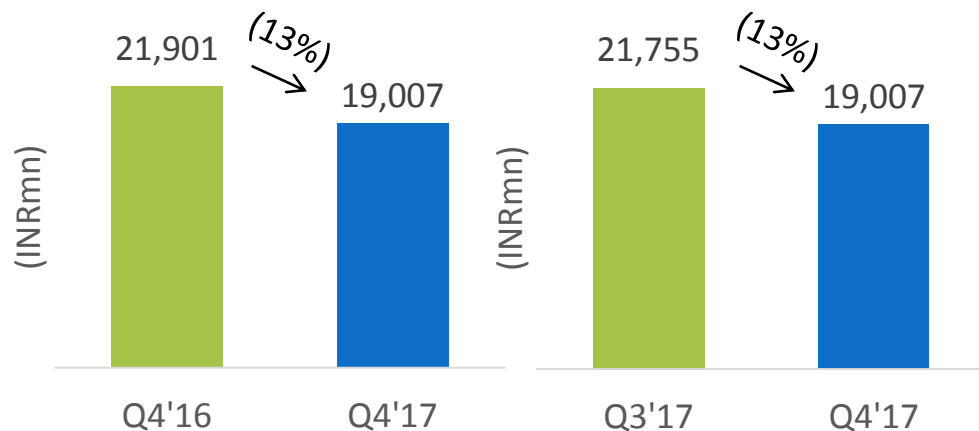
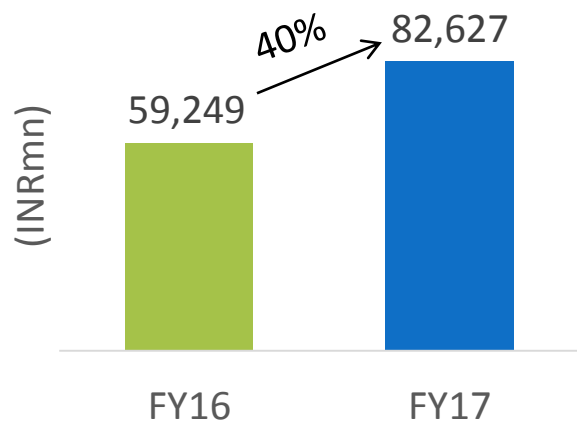


Q3 FY 17 vs Q4 FY 2017

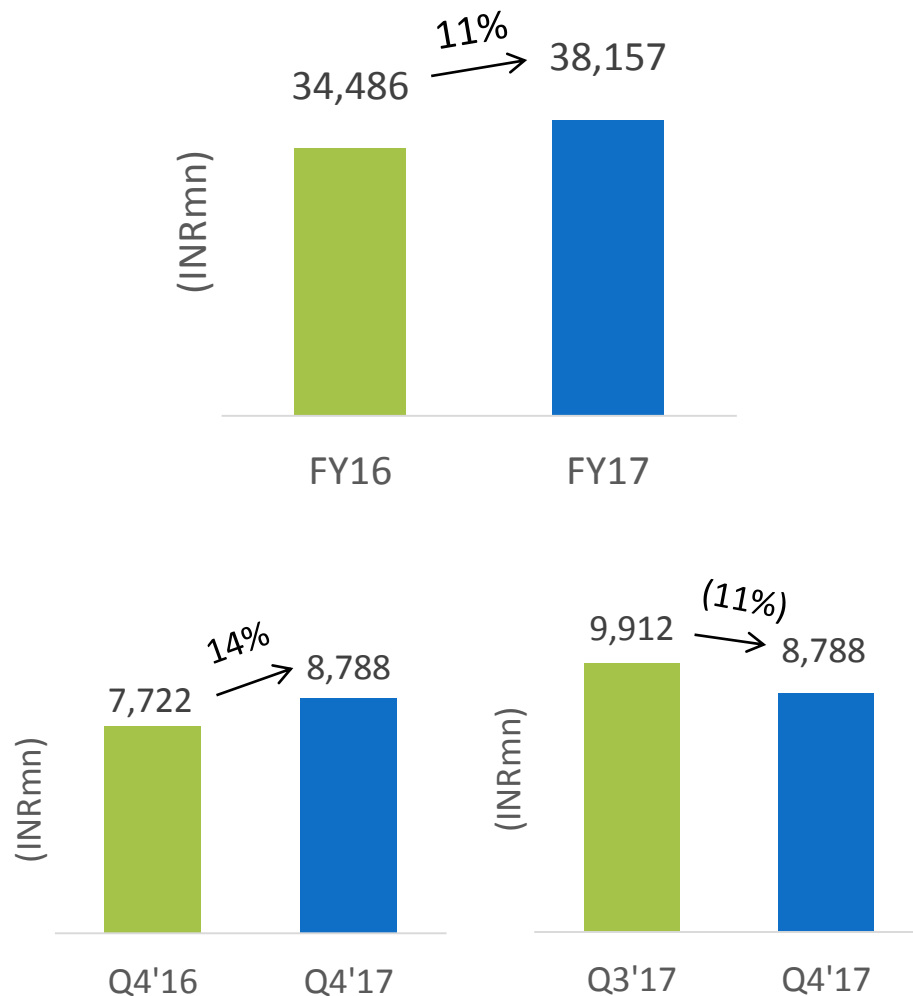


Q4 FY 16 vs Q4 FY 17

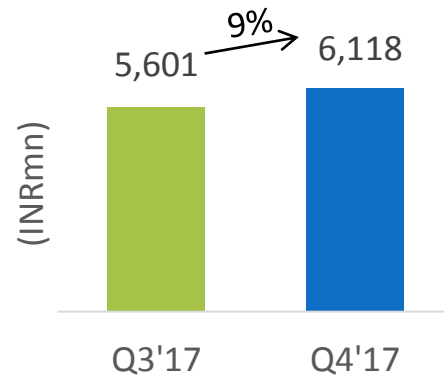
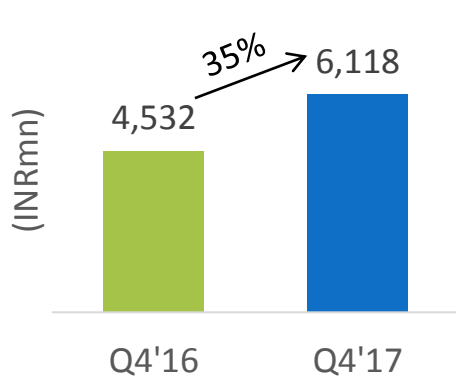
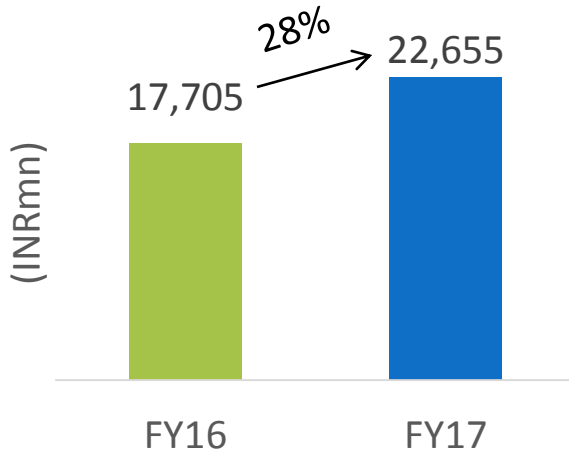




- US business crossed \$ 1 bn mark in FY17, registering 37% growth (\$1,207 mn)
 - Brands grew by 90% to \$78 mn
- Accelerated approvals (34) throughout FY17
- 18 product launches in FY17 with 11 in Q4FY17
- US Market Share: No. 1 in 45 & top 3 in 83 products¹
- 154 pending ANDAs targeting \$76 mn brand size



- Moved up to 6th rank in the IPM¹
- Total field force of 6,650+
- Launched 62 SKUs in FY17
- Therapy-wise split FY17:
 - Chronic sales – 55.4%;
 - Semi-chronic sales – 27.5%
 - Acute -17.1%
- Sustained Market Share gain in chronic therapies during FY17¹
 - Cardiac: Maintained 2nd rank
 - Antidiabetics: Moved up to 4th rank
 - Respiratory: Ranking moved up to 2nd

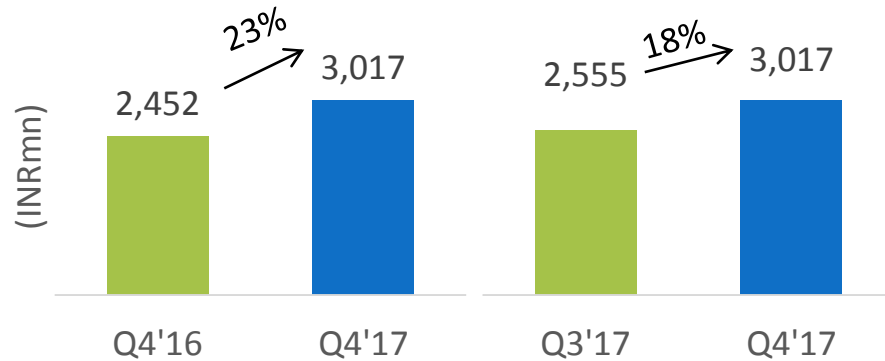
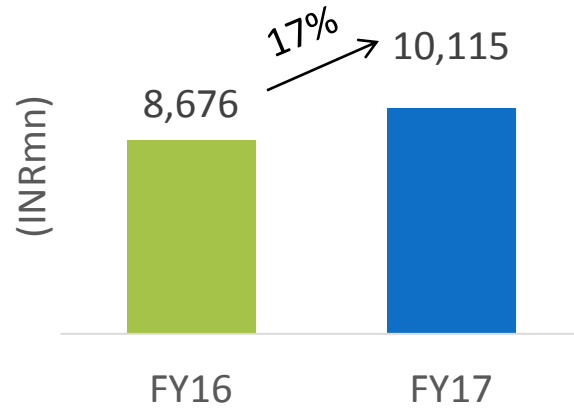


Japan

- Japan sales grew by 15% to JPY 28,756 mn during FY17
- Strengthened CNS positioning with
 - Shionogi brands acquisition in Dec-16
 - In-licensing agreement to market Quetiapine Fumarate ER tablets
- 6th largest¹ generic company
- Tottori site commissioned during the year
- Strategic partnership with a national distributor

Philippines

- Philippines business grew by 23% to PHP 1,969 mn in FY17
- Ranked 4th branded Gx player²
- Growth of 32.3%² against industry growth of 6.7%²

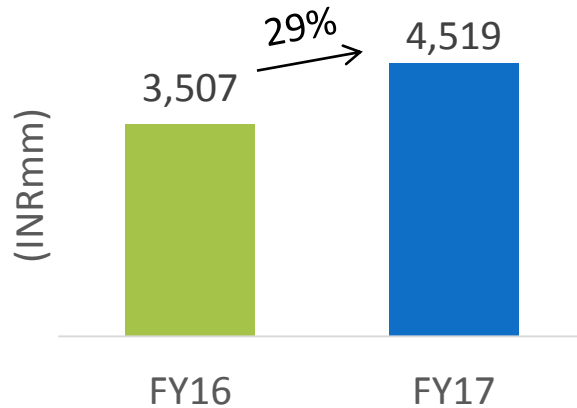


Europe

- Focus on Germany: Business grew by 24% in EUR
- EU 5 markets: Focus on neuro specialty products (viz. Temmler)
- Expanding EU Partnered Business

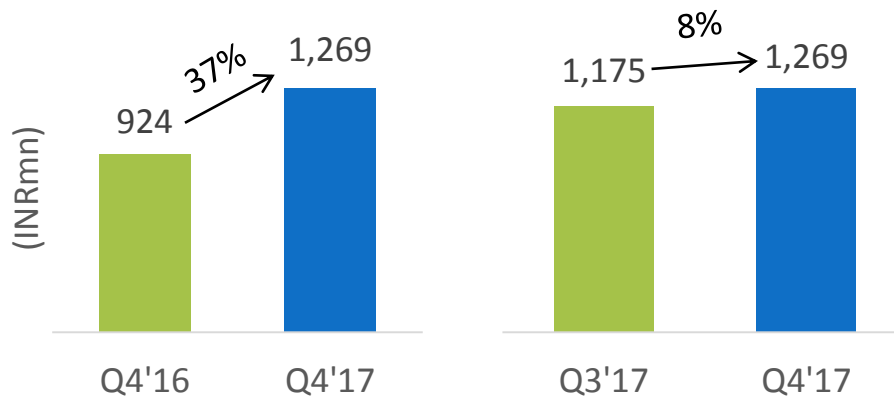
South Africa

- South Africa business grew by 21% to ZAR 1,012 mn in FY17
- 4th largest generic company¹ & #1 CVS player¹



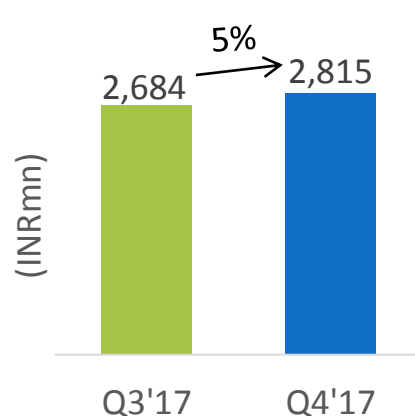
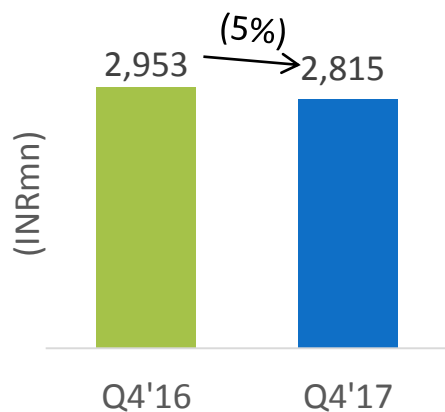
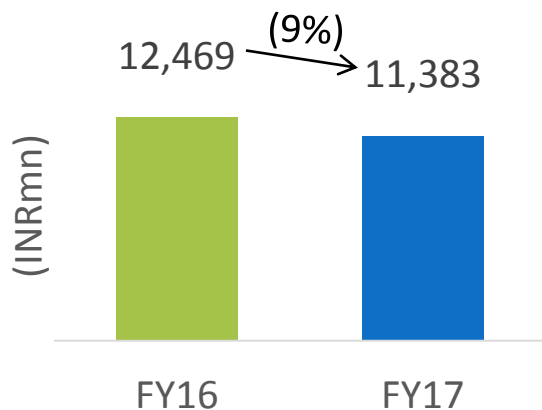
Mexico

- Mexico business grew by 5% in MXN 530 mn in FY17
- IMS growth of 12.8%¹
- Launched Omnicef brand under license from Astellas



Brazil

- Brazil business grew by 53% to BRL 126 mn in FY17
- IMS growth of 29% vs market growth of 14%²

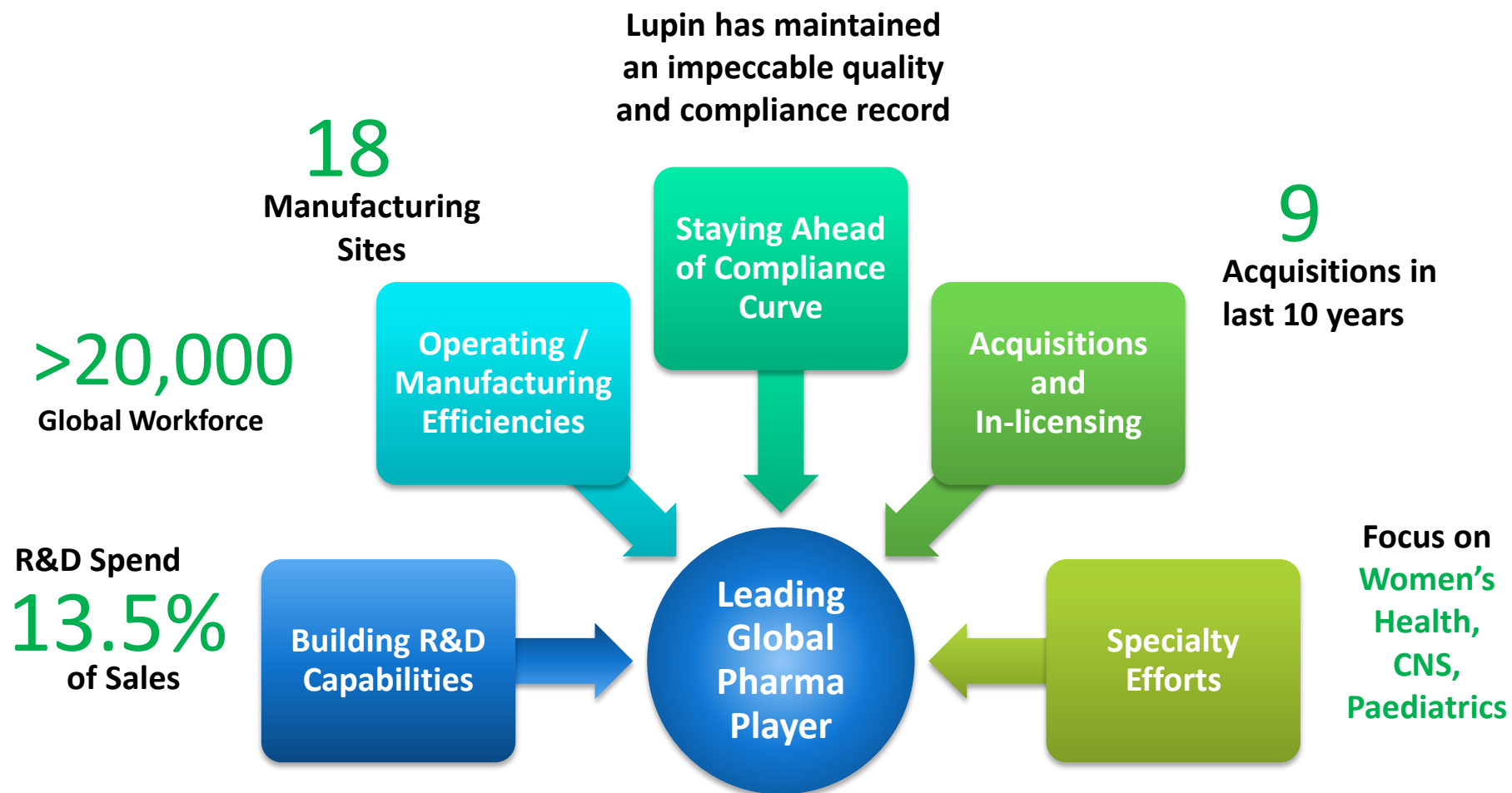


- Enhanced focus on pipeline of complex and first-to-file APIs
- Significant new product portfolio expansion to cater to US/EU/Japan markets
- Foray into Oncology APIs
- 15 US DMFs filed during the year taking cumulative filings to 187 (March 2017)

04

THE ROAD AHEAD

Uniquely positioned to become a leading Global Pharma



Manufacturing & R&D– A Diverse Global Network



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Manufacturing Sites

- 8 USFDA approved sites
- 5 USFDA inspections in FY17
- Various audits conducted by other authorities without critical observations

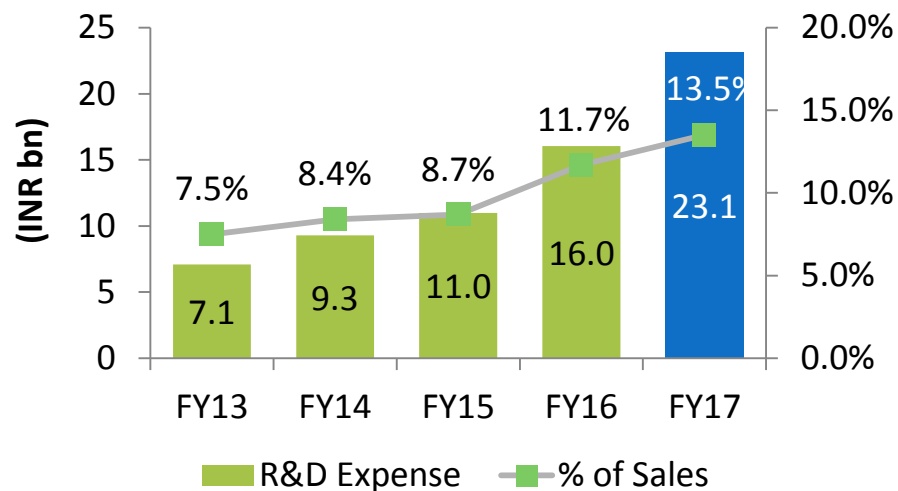
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R&D Sites

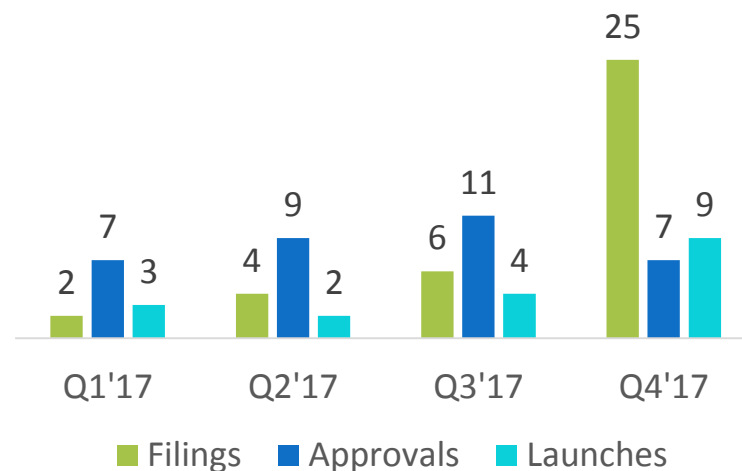
- 368 US ANDA filings
- 45 US First to Files
- 2,837 patents filed globally
- 1,700+ scientists at Global locations

Our Investments for the Future

R&D Spend



US Gx Progression in FY17



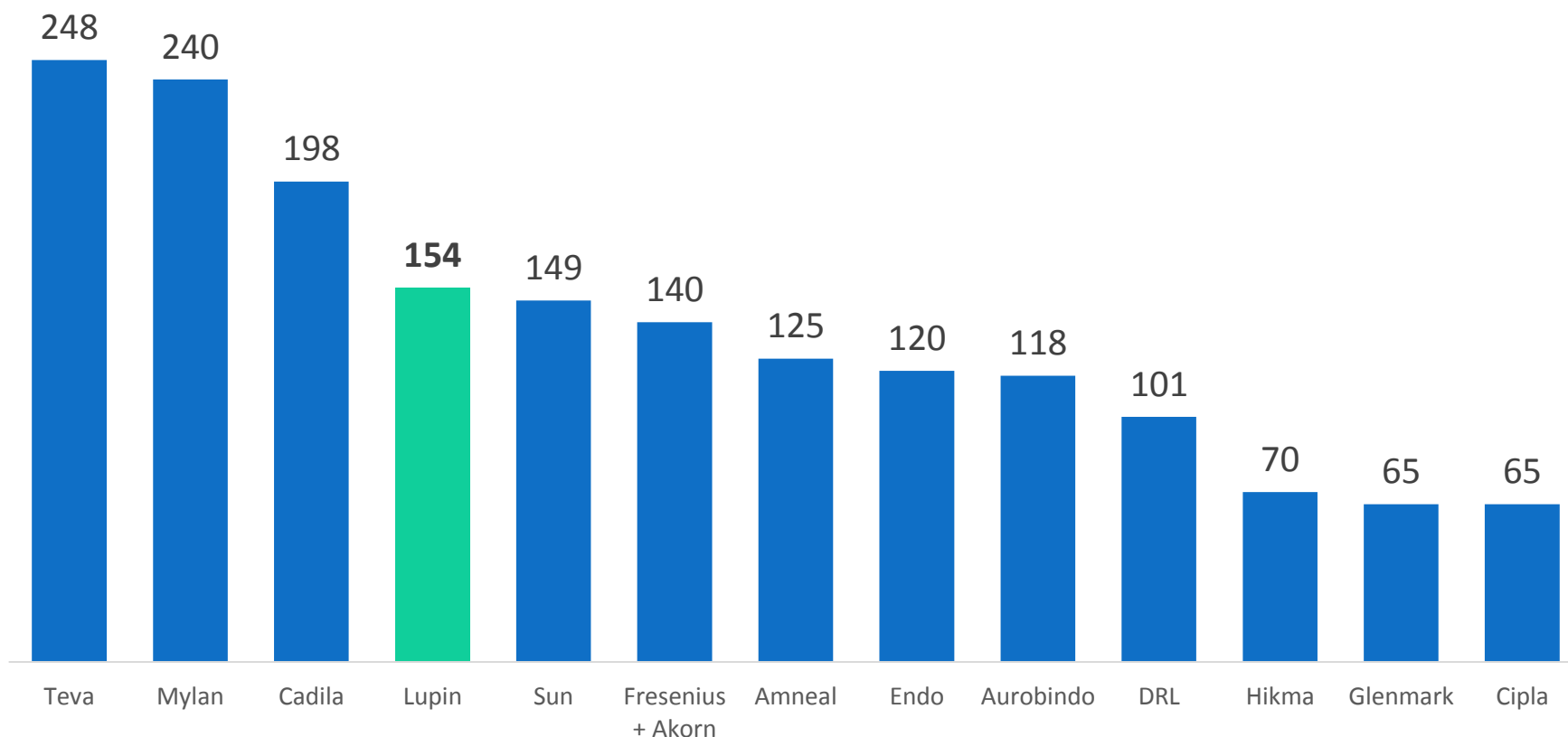
- 154 ANDA pending filings with record 37 filings and 34 approvals in FY17
 - Pending filings target market size of \$76bn
 - 28 pending FTFs targeting market size of \$12.4 bn
- Enhanced investment on inhalation, biosimilars and injectables

Lupin has the 4th largest ANDA pipeline*



Despite record approvals by FDA and heightened consolidation in the sector, Lupin holds the 4th largest USFDA ANDA pipeline

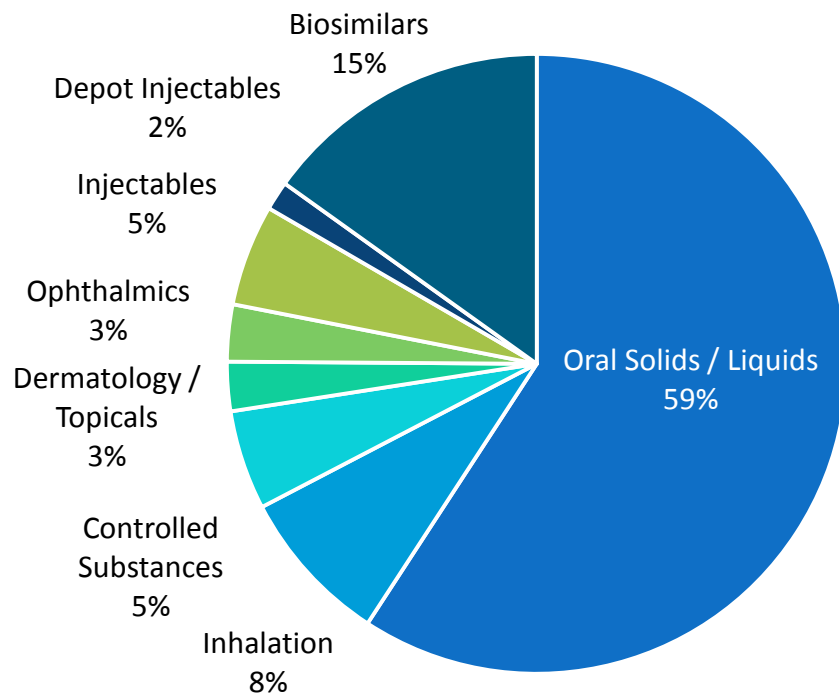
USFDA Pending ANDA Pipeline



Development Pipeline and Spend across Focus Areas

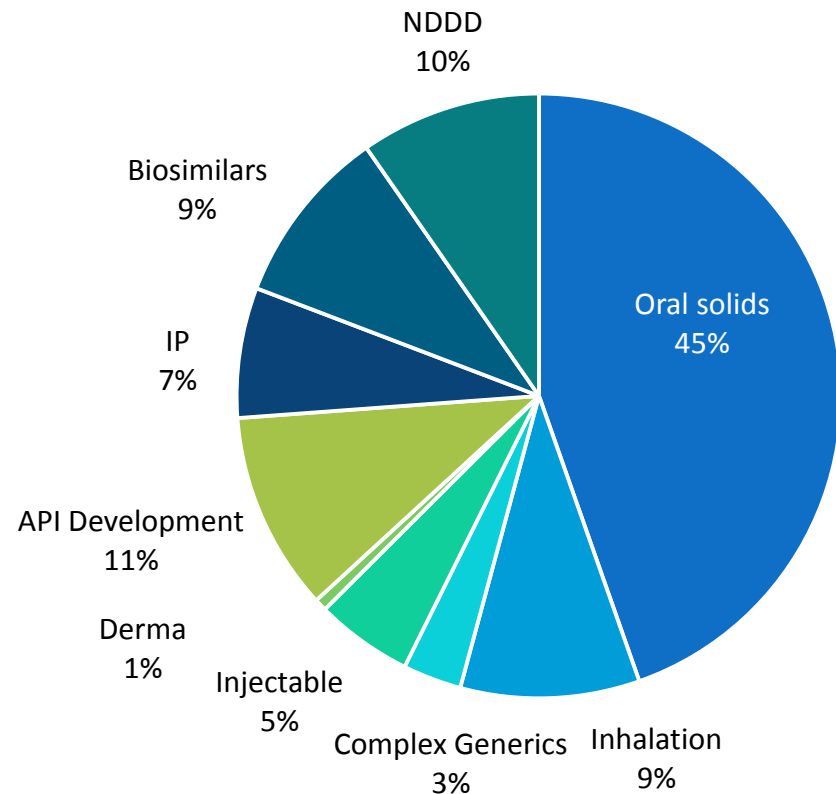
>400 products in pipeline targeting total US market of ~\$200bn..

Pipeline Market Size Split



...with Investment across key R&D Focus Areas in FY17

FY17 R&D Spend Split



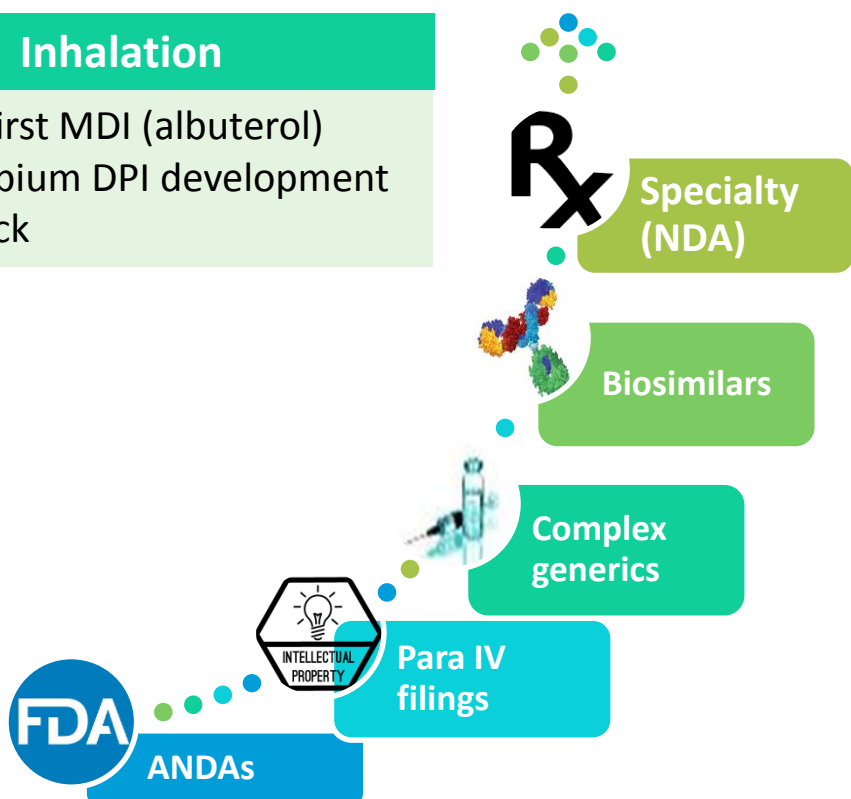
Evolving in Complex Generics and Specialty

Complex Injectables

- Microsieve emulsification technology
- Targeting first filing in FY19

Inhalation

- Filed first MDI (albuterol)
- Tiotropium DPI development on track



CNS

- CNS franchise in Japan boosted by acquisition (Shionogi) & in-licensing (Quetiapine Fumarate ER)
- Product development for movement disorder in Germany

Women's Health

- US Women's health foray with Methergine launch
- Dedicated OB/GYNs fieldforce

Biosimilars

- Etanercept development on track

Paediatrics

- Partnership with Monosol Rx

Success hinges on Continued Execution

Delivering on complex generic pipeline, our impeccable compliance record backed by strong execution will help sustain our growth momentum in the mid to long-term

Research

- Investments towards new capabilities
- High-barrier generics, biosimilars and Specialty

Manufacturing

- Build the right capacities in time
- Focus on Operational Efficiencies
- Truly global supply chain

Quality and Regulatory

- Maintain our impeccable compliance record
- Focus on timely approval of the right products

Inorganic

- Focus on Specialty areas in developed markets
- Continue in-licensing initiatives

Specialty

- Establish legitimacy and depth in areas of focus
- Women's health, paediatric and CNS

Thank You