Press Release

BSE: 500257	NSE: LUPIN	REUTERS: LUPIN.BO	BLOOMBERG: LPC IN

Fiscal year 2019 Results

Board recommends dividend of 250%

Mumbai, May 15, 2019: Pharma major Lupin Limited reported its financial performance for the fourth quarter and fiscal year ending March 31st, 2019. These audited results were taken on record by the Board of Directors at a meeting held in Mumbai today.

Key Financial & Performance Highlights

- Sales for FY2019 were INR 163,694 m. up 5.2% compared to INR 155,598 m. in FY2018
  - Sales for Q4 FY2019 were INR 43,259 m. compared to INR 43,779 m. in Q3 FY2019
  - Sales for Q4 FY2019 grew by 8.7% compared to INR 39,785 m. in Q4 FY2018

- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) for FY2019 was INR 32,462 m. (19.8% of sales) compared to INR 32,979 m. in FY2018
  - EBITDA for Q4 FY2019 was up by 20.5% at INR 9,588 m. (22.2% of sales) compared to INR 7,960 m. (18.2% of sales) in Q3 FY2019
  - EBITDA for Q4 FY2019 was up by 12.3% compared to INR 8,536 m. (21.5% of sales) in Q4 FY2018

- Net profit before exceptional items for FY2019 was INR 9,466 m. compared to INR 13,934 m. in FY2018
  - Net profit before exceptional item for Q4 FY2019 was up 50.9% at INR 2,874 m. compared to INR 1,905 m. in Q3 FY2019 and INR 3,586 m. in Q4 FY2018

- Net profit after exceptional items for FY2019 was INR 6,066 m.

- Exceptional items include a provision of EUR 43.7 m. (INR 3,400 m.) made for fine upheld by the General Court of the European Union in Lupin's appeal against the European Commission's (EC) 2014 decision on the Perindopril litigation.

- Investment in Research for the year was INR 15,731 m., representing 9.6% of sales
  - Investment in Research for the quarter was INR 3,963 m., 9.2% of sales

- The Board recommended a dividend of 250%

Commenting on the results, Mr. Nilesh Gupta, Managing Director, Lupin Limited said, *"As committed, we have been able to deliver strong growth in operational performance through consecutive quarters. On the back of solid in-line sales and important new product launches like Ranolazine and Levothyroxine, the US generics business has bounced back strongly. Resolving the compliance issues at some of our sites and delivering on our cost optimization efforts is now imperative and as we start delivering on complex generics, markets like US and India will drive our growth."*

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Consolidated Audited Financial Results - FY2019

Amount in INR m.

Particulars	FY2019	% of sales	FY2018	% of sales	Growth %
Sales	163,694[1]	*100.0%*	155,598	*100.0%*	*5.2%*
Other operating income	3,488	*2.1%*	2,443	*1.6%*	*42.8%*
Total Revenue from operations	**167,182**	***102.1%***	**158,041**	***101.6%***	***5.8%***
Material cost	58,458	*35.7%*	52,744	*33.9%*	*10.8%*
Gross Profit (Excl. Other operating income)	**105,236**	***64.3%***	**102,854**	***66.1%***	***2.3%***
Employee cost	31,513	*19.3%*	28,647	*18.4%*	*10.0%*
Manufacturing & Other expenses	48,389	*29.6%*	45,175	*29.0%*	*7.1%*
Other Income	3,640	*2.2%*	1,504	*1.0%*	*142.0%*
EBITDA	**32,462**	***19.8%***	**32,979**	***21.2%***	***-1.6%***
Depreciation & Amortization	10,850	*6.6%*	10,859	*7.0%*	*-0.1%*
EBIT	**21,612**	***13.2%***	**22,120**	***14.2%***	***-2.3%***
Finance cost	3,078	*1.9%*	2,043	*1.3%*	*50.7%*
PBT before exceptional item	**18,534**	***11.3%***	**20,077**	***12.9%***	***-7.7%***
Exceptional item	3,400[2]	*2.1%*	14,644[3]	*9.4%*	
PBT after exceptional item	**15,134**	***9.2%***	**5,433**	***3.5%***	***178.6%***
Current tax	8,727		5,350		
Deferred tax	290		(2,465) [4]		
Tax	**9,017**	***5.5%***	**2,885**	***1.9%***	***212.5%***
(+) Share of Profit from Jointly controlled entity	38		36		
(-) Share of Profit attributable to Non-Controlling Interest	89		71		
Net Profit after exceptional items	**6,066**	***3.7%***	**2,513**	***1.6%***	***141.4%***
Add: Exceptional items	3,400		11,421	*7.4%*	
Net Profit before exceptional items	**9,466**	***5.8%***	**13,934**	***9.0%***	***-32.1%***

[1] Sales for FY2019 include NCE Licensing Income of INR 2,103 m. on license of Lupin's MALT1 inhibitor to AbbVie Inc

[2] Includes provision of INR 3,400 m. for fine related to Perindopril Litigation

[3] In FY2018 the Company made impairment provision of INR 14,644 m. on certain intangible assets acquired as a part of the Gavis group acquisition

[4] Deferred tax includes deferred tax assets of INR 3,223 m. created on difference between tax and book value of certain intangible assets of Gavis

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Consolidated Audited Financial Results – Quarter IV FY2019

Amount in INR m.

Particulars	Q4 FY2019	% of sales	Q3 FY2019	% of sales	QoQ Growth %	Q4 FY2018	% of sales	YoY Growth %
Sales	43,259	*100.0%*	43,779[1]	*100.0%*	*-1.2%*	39,785	*100.0%*	*8.7%*
Other operating income	804	*1.9%*	1,269	*2.9%*	*-36.6%*	553	*1.4%*	*45.4%*
Total Revenue from operations	**44,063**	***101.9%***	**45,048**	***102.9%***	***-2.2%***	**40,338**	***101.4%***	***9.2%***
Material cost	14,078	*32.5%*	16,010	*36.6%*	*-12.1%*	13,626	*34.2%*	*3.3%*
Gross Profit (Excl. Other operating income)	**29,181**	***67.5%***	**27,770**	***63.4%***	***5.1%***	**26,159**	***65.8%***	***11.6%***
Employee cost	7,996	*18.5%*	8,085	*18.5%*	*-1.1%*	7,286	*18.3%*	*9.7%*
Manufacturing & Other expenses	13,266	*30.7%*	13,429	*30.7%*	*-1.2%*	12,338	*31.0%*	*7.5%*
Other Income	865	*2.0%*	434	*1.0%*	*99.4%*	1,449	*3.6%*	*-40.3%*
EBITDA	**9,588**	***22.2%***	**7,960**	***18.2%***	***20.5%***	**8,536**	***21.5%***	***12.3%***
Depreciation & Amortization	2,808	*6.5%*	2,798	*6.4%*	*0.4%*	2,728	*6.9%*	*2.9%*
EBIT	**6,780**	***15.7%***	**5,161**	***11.8%***	***31.4%***	**5,808**	***14.6%***	***16.7%***
Finance cost	855	*2.0%*	798	*1.8%*	*7.1%*	585	*1.5%*	*46.2%*
PBT before exceptional item	**5,925**	***13.7%***	**4,364**	***10.0%***	***35.8%***	**5,223**	***13.1%***	***13.4%***
Exceptional item	(22) [2]	*-0.1%*	3,422[2]	*7.8%*		14,644[3]	*36.8%*	
PBT after exceptional item	**5,947**	***13.7%***	**942**	***2.2%***	***531.3%***	**(9,421)**	***-23.7%***	***NM***
Current tax	3,252		2,164			1,402		
Deferred tax	(254)		314			(3,034) [4]		
Tax	**2,998**	***6.9%***	**2,478**	***5.7%***	***21.0%***	**(1,632)**	*-4.1%*	***NM***
(+) Share of Profit from Joint Controlled entity	15		12			13		
(-) Non-Controlling Interest	68		(6)			59		
Net Profit after exceptional items	**2,896**	***6.7%***	**(1,517)**	***-3.5%***	***NM***	**(7,835)**	***-19.7%***	***NM***
Add: Exceptional items	(22)		3,422	*7.8%*		11,421		
Net Profit before exceptional items	**2,874**	***6.6%***	**1,905**	***4.4%***	***50.9%***	**3,586**	***9.0%***	***-19.9%***

[1] Sales for Q3FY2019 include NCE Licensing Income of INR 2,103 m. on license of Lupin's MALT1 inhibitors to AbbVie Inc

[2] Includes provision for fine related to Perindopril Litigation

[3] In FY2018 the Company made impairment provision of INR 14,644 m. on certain intangible assets acquired as a part of the Gavis group acquisition

[4] Deferred tax includes deferred tax assets of INR 3,223 m. created on difference between tax and book value of certain intangible assets of Gavis

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Income Statement highlights – Q4 FY2019

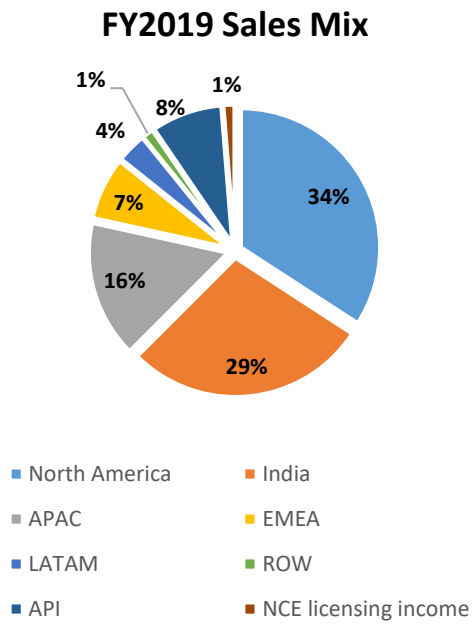
- Material cost decreased by ~400 bps to 32.5% of sales, at INR 14,078 m. compared to INR 16,010 m. in Q3 FY2019
- Employee cost was flat at 18.5% of sales, at INR 7,996 m. compared to INR 8,085 m. in Q3 FY2019
- Manufacturing and other expenses were flat at 30.7% of sales at INR 13,266 m. compared to INR 13,429 m. in Q3 FY2019

Balance Sheet highlights

- Operating working capital was INR 61,496 m. as at March 31st, 2019 compared to INR 61,299 m. as at December 31st, 2018. The net working capital number of days stands at 139 days as on March 31st, 2019 compared to 142 days as on December 31st, 2018.
- Capital Expenditure for FY2019 was INR 6,851 m. Capital Expenditure for the quarter was INR 1,817 m.
- Net Debt-Equity ratio for the company stands at 0.38:1

Sales Mix

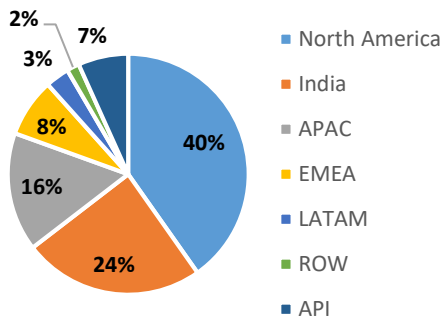
Particulars	FY2019	FY2018	YoY growth %
Formulations	**148,127**	**144,667**	**2.4%**
North America	55,924	58,939	-5.1%
India	46,382	41,253	12.4%
APAC	26,114	25,725	1.5%
EMEA	11,906	11,252	5.8%
LATAM	5,658	5,790	-2.3%
ROW	2,143	1,708	25.5%
API	**13,464**	**10,931**	**23.2%**
NCE Licensing Income	**2,103**		**NM**
Total	**163,694**	**155,598**	**5.2%**



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Particulars	Q4 FY2019	Q3 FY2019	QoQ growth %	Q4 FY2018	YoY growth %
Formulations	**40,347**	**38,052**	**6.0%**	**36,977**	**9.1%**
North America	17,406	14,174	22.8%	14,990	16.1%
India	10,525	11,902	-11.6%	9,647	9.1%
APAC	6,901	6,936	-0.5%	6,637	4.0%
EMEA	3,397	2,800	21.3%	3,513	-3.3%
LATAM	1,385	1,557	-11.1%	1,645	-15.8%
ROW	733	683	7.3%	545	34.5%
API	**2,912**	**3,624**	**-19.6%**	**2,808**	**3.7%**
NCE Licensing Income		**2,103**			
Total	**43,259**	**43,779**	**-1.2%**	**39,785**	**8.7%**

Q4 FY2019 Sales Mix



Operational Highlights

North America

North America sales in FY2019 were INR 55,924 m. compared to INR 58,939 m. in FY2018; accounting for 34% of global sales. Q4 FY2019 sales increased by 22.8% to INR 17,406 m. compared to Q3 FY2019 and increased by 16.1% compared to Q4 FY2018.

- FY2019 sales were USD 777 m. compared to USD 879 m. during FY2018. US sales were USD 245 m. during Q4 FY2019 up 26% compared to USD 194 m. during Q3 FY2019 and USD 224 m. during Q4 FY2018.
- The Company launched 7 products in the US market during the quarter and 30 products during the year. The Company now has 175 products in the US generics market.
- Lupin is the 3rd largest pharmaceutical player in the US by prescriptions (IQVIA MAT Mar 2019)
- Lupin is now the market leader in 65 products in the US generics market and amongst the Top 3 in 129 of its products (market share by prescriptions, IQVIA, Mar 2019).

India

India business sales in FY2019 increased by 12.4% to INR 46,382 m. compared to FY2018; accounting for 29% of global sales. Q4 FY2019 sales were INR 10,525 m. compared to INR 11,902 m. in Q3 FY2019 and INR 9,647 m. in Q4 FY2018.

Lupin is the 5th largest company in the Indian Pharmaceutical Market (IQVIA MAT Mar 2019).

Asia-Pacific (APAC)

APAC business sales in FY2019 increased by 1.5% to INR 26,144 m. compared to FY2018; accounting for 16% of global sales. Q4 FY2019 sales were INR 6,901 m. compared to INR 6,936 m. in Q3 FY2019 and INR 6,637 m. in Q4 FY2018.

Lupin's Japan FY2019 sales increased by 8.3% to JPY 33,889 m. compared to FY2018. Q4 FY2019 sales were JPY 8,580 m. compared to JPY 9,028 in Q3 FY2019 and increased by 1% compared to Q4 FY2018.

Lupin is the 6th largest generic player in Japan (IQVIA MAT Mar 2019).

Lupin's Philippines sales in FY2019 were PHP 1,696 m. compared to PHP 2,070 m. in FY2018. Q4 FY2019 sales were PHP 557 m. compared to PHP 404 m. in Q3 FY2019 and PHP 760 m. in Q4 FY2018.

Europe, Middle East and Africa (EMEA)

EMEA business sales in FY2019 increased by 5.8% to INR 11,906 m. compared to FY2018; accounting for 7% of global sales. Q4 FY2019 sales were INR 3,397 m. compared to INR 2,800 m. in Q3 FY2019 and INR 3,513 m. in Q4 FY2018.

Lupin's South Africa sales in FY2019 increased by 11.1% to ZAR 1,162 m. compared to FY2018. Q4 FY2019 sales increased by 23.8% to ZAR 342 m. compared to Q3 FY2019 and increased by 10.3% compared to Q4 FY2018.

Lupin is the 4th largest generic player in the South African market (IQVIA MAT Mar 2019).

Lupin's Germany sales in FY2019 were EUR 29 m. compared to EUR 31 m. in FY2018. Q4 FY2019 sales were EUR 7.1 m. compared to EUR 6.9 m. in Q3 FY2019 and EUR 8.1 m. in Q4 FY2018.

Latin America (LATAM)

LATAM business sales in FY2019 were INR 5,658 m. compared to INR 5,790 m. in FY2018; accounting for 4% of global sales. Q4 FY2019 sales were INR 1,385 m. compared to INR 1,557 m. in Q3 FY2019 and INR 1,645 m. in Q4 FY2018.

Lupin's Brazil sales in FY2019 were BRL 145 m. compared to BRL 157 m. in FY2018. Q4 FY2019 sales were BRL 36 m. compared to BRL 42 m. in Q3 FY2019 and BRL 44 m. in Q4 FY2018.

Lupin's Mexico sales in FY2019 increased by 4.9% to MXN 674 m. compared to FY2018. Q4 FY2019 sales increased by 3.5% to MXN 178 m. compared to Q3 FY2019 and increased by 6.9% compared to Q4 FY2018.

Global API

Global API business increased by 23.2% to INR 13,464 m. compared to FY2018; accounting for 8% of global sales. Q4 FY2019 sales were INR 2,912 m. compared to INR 3,624 m. in Q3 FY2019 and INR 2,808 m. in Q4 FY2018.

Research and Development

Revenue Expenditure on R&D for FY2019 amounted to INR 15,731 m., 9.6% of sales as against INR 18,510 m., 11.9% of sales for FY2018. Revenue expenditure on R&D for Q4 FY2019 amounted to INR 3,963 m., 9.2% of sales.

Lupin filed 27 ANDAs and received 30 ANDA approvals from the U.S. FDA during the year. Cumulative ANDA filings with the U.S. FDA stand at 422 as of March 31st, 2019, with the company having received 265 approvals to date. The Company now has 40 First-to-Files (FTF) filings including 15 exclusive FTF opportunities. Cumulative DMF filings stand at 201 as of March 31st, 2019.

The Company filed 3 MAA and received 1 approval from the European authority during the year. Cumulative filings with European authorities now stand at 59 with the company having received 55 approvals to date.

About Lupin Limited

Lupin is an innovation led transnational pharmaceutical company developing and delivering a wide range of branded and generic formulations, biosimilar products and APIs globally. The Company is a significant player in the Cardiovascular, Diabetology, Asthma, Pediatric, CNS, GI, Anti-Infective and NSAID space and holds global leadership position in the Anti-TB segment.

Lupin is the 8th largest generics pharmaceutical company by revenues (31st Dec 2018, Bloomberg LTM). The Company is the 3rd largest pharmaceutical player in the US by prescriptions (IQVIA MAT Mar 2019); 3rd largest Indian pharmaceutical company by global revenues (31st Dec 2018, Bloomberg LTM); 5th largest company in the Indian Pharmaceutical Market and 6th largest generic pharmaceutical player in Japan (IQVIA MAT Mar 2019).

For the financial year ended 31st March 2019, Lupin's Consolidated sales and Net profits before exceptional items were at INR 163,694 million (USD 2.34 billion) and INR 9,466 million (USD 136 million) respectively. Please visit http://www.lupin.com for more information. You could also follow us on Twitter at – www.twitter.com/lupinglobal

CIN: L24100MH1983PLC029442 Registered Office: Lupin Ltd, 3rd Floor, Kalpataru Inspire, Off Western Express Highway, Santacruz (East), Mumbai 400 055.

For further information or queries please contact –

Pooja Thakran
VP – Corporate communications
Ph: +91-22 6640 2531 / 9811665000
Email: poojathakran@lupin.com

Arvind Bothra
Head – Investor Relations
Ph: +91-22 6640 2137
Email: arvindbothra@lupin.com

Safe Harbor Statement