Press Release

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

Lupin Quarter II, FY2019 - Results

Mumbai, October 31, 2018: Pharma major Lupin Limited reported its financial performance for the second quarter and six months ended September 30th, 2018. These results were taken on record by the Board of Directors at a meeting held in Mumbai today.

Key Financial & Performance Highlights

- Sales for the quarter grew by 3.1% to Rs. 38,909 m. compared to Rs. 37,746 m. in Q1 FY2019
  - Sales for quarter increased by 0.4% compared to Rs. 38,742 m. in Q2 FY2018
  - **H1 FY2019:** Sales were Rs. 76,655 m. compared to Rs. 76,810 m. in H1 FY2018

- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) for the quarter grew by 9.7% to Rs. 7,803 m. (20.1% of sales) compared to Rs. 7,112 m. (18.8% of sales) in Q1 FY2019
  - EBITDA for the quarter decreased by 15.8% compared to 9,271 m. in Q2 FY2018
  - **H1 FY2019:** EBITDA was Rs. 14,915 m. compared to Rs. 17,274 m. in H1 FY2018

- Net profits for the quarter grew by 31.2 % to Rs. 2,660 m. compared to Rs. 2,028 m. in Q1 FY2019
  - Net profits for the quarter decreased by 41.5% compared to Rs. 4,550 m. in Q2 FY2018
  - **H1 FY2019:** Net profits were Rs. 4,687 m. compared to Rs. 8,131 m. in H1 FY2018

- Investment in Research for the quarter was Rs. 3,758 m., 9.7% of sales

Commenting on the results, Mr. Nilesh Gupta, Managing Director, Lupin Limited said, *"This quarter we saw promising developments on the specialty front with the Solosec launch in full swing and a positive CHMP opinion for NaMuscla. Aided by forex and markets like the US starting to stabilize, we are now getting back on growth mode. We have made meaningful progress on our cost optimization efforts and these should start playing out from the next fiscal. Our growth will be fueled by new product launches in the near term and meaningful evolution of products in the complex generic, biosimilar and specialty space in the mid to long-term."*

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Consolidated Unaudited Financial Results - Quarter II, FY2019

Amount in Rs. m.

Particulars	Q2 FY2019	% of sales	Q1 FY2019	% of sales	QoQ Growth %	Q2 FY2018	% of sales	YoY Growth %
Sales	38,909	*100.0%*	37,746	*100.0%*	*3.1%*	38,742	*100.0%*	*0.4%*
Other operating income	601	*1.5%*	814	*2.2%*	*-26.2%*	778	*2.0%*	*-22.8%*
Total Revenue from operations	**39,510**	***101.5%***	**38,560**	***102.2%***	***2.5%***	**39,520**	***102.0%***	***0.0%***
Material cost	13,928	*35.8%*	14,442	*38.3%*	*-3.6%*	12,865	*33.2%*	*8.3%*
Gross Profit (Excl. Other operating income)	**24,981**	***64.2%***	**23,304**	***61.7%***	***7.2%***	**25,877**	***66.8%***	***-3.5%***
Employee cost	7,938	*20.4%*	7,494	*19.9%*	*5.9%*	7,250	*18.7%*	*9.5%*
Manufacturing & Other expenses	12,148	*31.2%*	11,354	*30.1%*	*7.0%*	10,874	*28.1%*	*11.7%*
Other Income	2,307	*5.9%*	1,842	*4.9%*	*25.2%*	740	*1.9%*	*211.8%*
EBITDA	**7,803**	***20.1%***	**7,112**	***18.8%***	***9.7%***	**9,271**	***23.9%***	***-15.8%***
Depreciation & Amortization	2,655	*6.8%*	2,590	*6.9%*	*2.5%*	2,722	*7.0%*	*-2.5%*
EBIT	**5,148**	***13.2%***	**4,522**	***12.0%***	***13.8%***	**6,549**	***16.9%***	***-21.4%***
Finance cost	738	*1.9%*	687	*1.8%*	*7.4%*	479	*1.2%*	*54.1%*
PBT	**4,410**	***11.3%***	**3,835**	***10.2%***	***15.0%***	**6,070**	***15.7%***	***-27.3%***
Current tax	1,843		1,468			1,468		
Deferred tax	-114		343			72		
Tax	**1,729**	***4.4%***	**1,811**	***4.8%***	***-4.5%***	**1,540**	***4.0%***	***12.2%***
PAT	2,681	*6.9%*	2,024	*5.4%*	*32.5%*	4,530	*11.7%*	*-40.8%*
(+) Share of Profit from Joint Controlled entity	4		7			39		
(-) Non-Controlling Interest	25		3			19		
Net Profit	**2,660**	***6.8%***	**2,028**	***5.4%***	***31.2%***	**4,550**	***11.7%***	***-41.5%***

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Income Statement highlights – Q2 FY2019

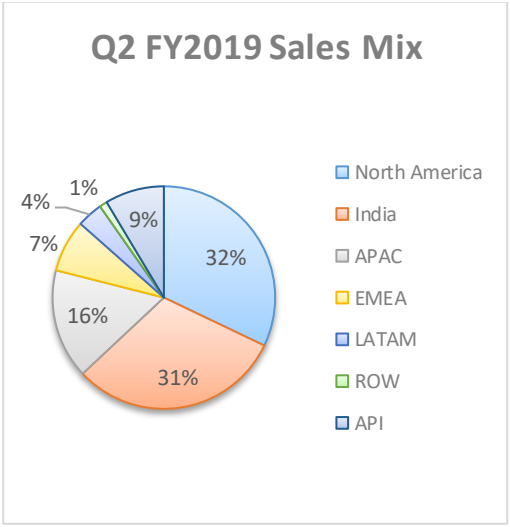
- Material cost decreased by 246 bp to 35.8% of sales, at Rs. 13,928 m. compared to Rs. 14,442 m. in Q1 FY2019
- Personnel cost increased by 55 bp to 20.4% of sales, at Rs. 7,938 m. compared to Rs. 7,494 m. in Q1 FY2019
- Manufacturing and other expenses increased by 114 bp to 31.2% of sales at Rs. 12,148 m. compared to Rs. 11,354 m. in Q1 FY2019
- Investment in Research for the quarter was Rs. 3,758 m. representing 9.7% of sales.

Balance Sheet highlights

- Operating working capital increased to Rs. 59,853 m. as on September 30th, 2018 compared to Rs. 56,395 m. as on June 30th, 2018. The working capital number of days stands at 141 days as on September 30th, 2018 compared to 133 days as on June 30th, 2018.
- Capital Expenditure for the quarter was Rs. 1,767 m.
- Net Debt-Equity ratio for the company stands at 0.45:1

Sales Mix

Particulars	Q2 FY2019	Q1 FY2019	QoQ growth %	Q2 FY2018	YoY growth %
Formulations	**35,562**	**34,165**	**4.1%**	**36,092**	**-1.5%**
North America	12,487	11,858	5.3%	13,611	-8.3%
India	12,032	11,924	0.9%	11,593	3.8%
APAC	6,199	6,077	2.0%	6,357	-2.5%
EMEA	2,949	2,760	6.9%	2,758	6.9%
LATAM	1,459	1,256	16.1%	1,395	4.6%
ROW	436	290	50.0%	378	15.3%
API	**3,347**	**3,581**	**-6.5%**	**2,650**	**26.3%**
Total	**38,909**	**37,746**	**3.1%**	**38,742**	**0.4%**



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Operational Highlights

North America

Lupin's North America sales for Q2 FY2019 were Rs. 12,487 m. compared sales of Rs. 11,858 m. during Q1 FY2019 and Rs. 13,611 m. during Q2 FY2018; accounting for 32% of Lupin's global sales.

- Q2 FY2019 sales were USD 171 m. compared to USD 168 m. during Q1 FY2019 and USD 204 m. during Q2 FY2018
- The Company launched 5 products in the US market during the quarter. The Company now has 162 products in the US generics market.
- Lupin is the 3rd largest pharmaceutical player in the US by prescriptions for the Total Market (IQVIA MAT September 2018)
- Lupin is now the market leader in 64 products in the US generics market and amongst the Top 3 in 111 of its products (market share by prescriptions, IQVIA September 2018)

India

Lupin's India formulation sales for Q2 FY2019 grew by 0.9% to Rs. 12,032 m. as compared to Rs. 11,924 m. in Q1 FY2019 and by 3.8% as compared to Rs 11,593 m. in Q2 FY2018.

India formulation sales for H1 FY2019 grew by 14.5% to Rs. 23,956 m. as compared to Rs. 20,918 m. during H1 FY2018.

Lupin is the 5th largest company in the Indian Pharmaceutical Market (IQVIA MAT September 2018).

Asia-Pacific (APAC)

Lupin's APAC sales were at Rs. 6,199 m. during Q2 FY2019 compared to sales of Rs. 6,077 m. in Q1 FY2019 and Rs. 6,357 m. in Q2 FY2018.

Lupin's Japan sales were JPY 8,151 m. during Q2 FY2019 compared to JPY 8,129 m. in Q1 FY2019 and JPY 8,685 m. in Q2 FY2018.

Lupin remains the 6th largest generic player in Japan (IQVIA MAT September 2018).

Lupin's Philippines sales were PHP 383 m. during Q2 FY2019 compared to PHP 352 m. in Q1 FY2019 and PHP 504 m. in Q2 FY2018.

Europe, Middle-East and Africa (EMEA)

Lupin's EMEA sales were Rs. 2,949 m for Q2 FY2019 compared to sales of Rs. 2,760 m. in Q1 FY2019 and Rs. 2,758 m. in Q2 FY2018.

Lupin's South Africa sales were ZAR 283 m. during Q2 FY2019 compared to ZAR 261 m. in Q1 FY2019 and ZAR 270 m. in Q2 FY2018.

Lupin remains the 4th largest generic player in the South African market (IQVIA MAT September 2018).

Lupin's Germany sales were Euro 7.3 m. during Q2 FY2019 compared to Euro 7.5 m. in Q1 FY2019 and Euro 7.6 m. in Q2 FY2018.

Latin America (LATAM)

Lupin's LATAM sales were Rs. 1,459 m. during Q2 FY2019 compared to Rs. 1,256 m. in Q1 FY2019 and Rs. 1,395 m. in Q2 FY2018.

Lupin's Brazil sales were BRL 42 m. during Q2 FY2019 compared to BRL 25 m. in Q1 FY2019 and BRL 40 m. in Q2 FY2018.

Lupin's Mexico sales were MXN 164 m. during Q2 FY2019 compared to MXN 159 m. in Q1 FY2019 and MXN 154 m. in Q2 FY2018.

Global API

Global API sales were Rs. 3,347 m. during Q2 FY2019 as compared to Rs. 3,581 m. during Q1 FY2019 and Rs. 2,650 m. during Q2 FY2018; accounting for 9% of Lupin's global sales.

Global API sales for H1 FY2019 grew by 27.3% to Rs. 6,928 m. as compared to Rs. 5,442 m. during H1 FY2018.

Research and Development

Revenue Expenditure on R&D during Q2 FY2019 amounted to Rs. 3,758 m., 9.7% of sales as against Rs. 3,753 m., 9.9% of sales during Q1 FY2019 and Rs. 4,739 m., 12.2% of sales during Q2 FY2018.

Lupin filed 4 ANDA and received 7 approvals from the US FDA during the quarter. Cumulative ANDA filings with the US FDA stood at 405 as of September 30th, 2018, with the company having received 247 approvals to date. The Company now has 39 First-to-Files (FTF) filings including 14 exclusive FTF opportunities. Cumulative DMF filings stands at 192 as of September 30th, 2018.

Cumulative filings with European authorities now stands at 59 with the company having received 57 approvals to date.

About Lupin Limited

Lupin is an innovation led transnational pharmaceutical company developing and delivering a wide range of branded & generic formulations, biotechnology 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 13th largest generics pharmaceutical company in terms of market capitalization (30th September 2018, Bloomberg) and the 8th largest generics pharmaceutical company in terms of revenues (30th June 2018, Bloomberg LTM) globally. The Company is the 3rd largest pharmaceutical player in the US by prescriptions for the Total Market (IQVIA MAT September 2018); 3rd largest Indian pharmaceutical company by global revenues (30th June 2018, Bloomberg LTM); 6th largest generic pharmaceutical player in Japan (IQVIA MAT September 2018) and 5th largest company in the Indian Pharmaceutical Market (IQVIA MAT September 2018).

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For the financial year ended 31st March, 2018, Lupin's Consolidated sales and Net profits before exceptional items were at Rs. 155,598 million (USD 2.41 billion) and Rs. 13,934 million (USD 216 million) respectively. Please visit http://www.lupin.com for more information. You could also follow us on Twitter – www.twitter.com/lupinglobal

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