

**LUPIN**

May 24, 2017

✓ **BSE Limited**

Department of Corporate Services,  
P. J. Towers,  
Dalal Street,  
**MUMBAI - 400 001.**

**National Stock Exchange of India Limited**

Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (East),  
**Mumbai - 400 051.**

*Dear Sirs,*

**Sub: Annual Investors Meet.**

Pursuant to Regulation 30(2) read with Schedule III Part A Para A(15) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed, is a copy of the presentation being made at the Annual Investors and Research Analysts meet today i.e. Wednesday, May 24, 2017, at Mumbai.

Kindly confirm having received and noted the above.

Thanking you,

Yours faithfully,

**FOR LUPIN LIMITED**

  
CAES 11973

**R. V. SATAM  
COMPANY SECRETARY**

Encl.: a/a.

LUPIN LIMITED

Registered Office: 3<sup>rd</sup> Floor, Kalpataru Inspire, Off W. E. Highway, Santacruz (East), Mumbai - 400 055 India. Tel : (91-22) 6640 2323.

Corporate Identity Number: L24100MH1983PLC029442

www.lupin.com



# LUPIN LIMITED

FY 2017 Investor Presentation

May 24, 2017



Aerial view of Lupin offices, Baltimore, US

01



**MARKET LEADERSHIP**



# Lupin is a Dominant Force in Global Generics



## Globally

4<sup>th</sup>

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

6<sup>th</sup>

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

2<sup>nd</sup>

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

#1

in Anti-TB  
*(globally)*

USD2.55bn  
Global Revenues

## 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

6<sup>th</sup>

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

4<sup>th</sup>

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

3

Sources:

1. Bloomberg EQS, 31 Mar 2017

2. LTM sales available as of 31 Dec 2016

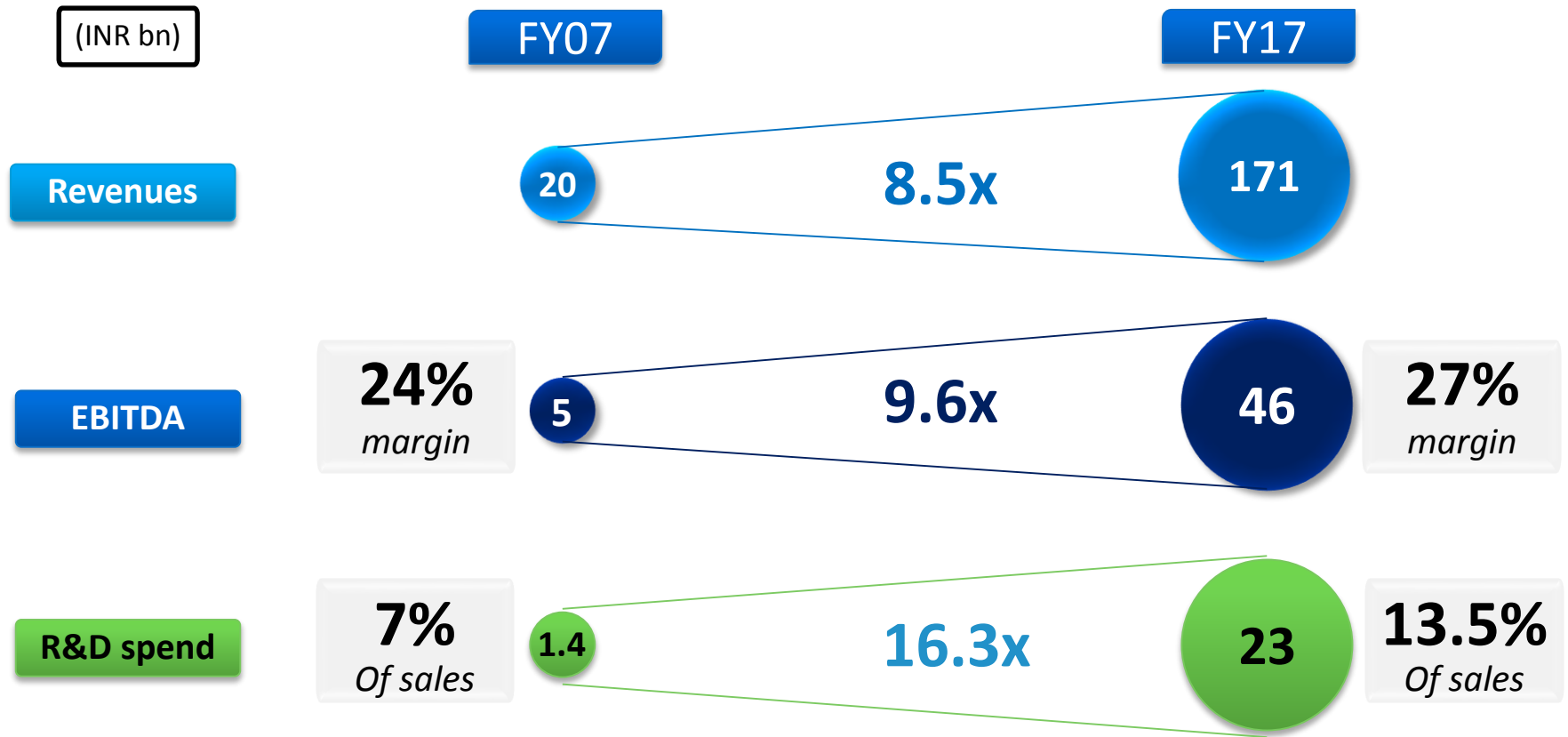
3. QuintilesIMS MAT Feb 17

4. QuintilesIMS Data Japan (As of March 2017) at NHI price basis

5. QuintilesIMS MAT Mar 17

6. QuintilesIMS MAT Mar 17

# 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 15<sup>th</sup> 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**



# 02

WHAT ARE THE  
MARKET DYNAMICS?

# 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 2021<sup>1</sup>

- 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 2021<sup>2</sup>

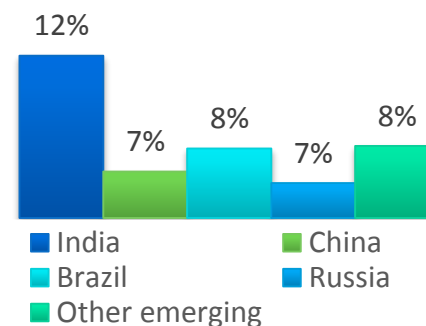
- Government continues to push generics to increase penetration
- Incentivizing channel to promote generics and penalizing low usage
- Price cuts: Proposed annual from current biennial system

### India Pharma Market

Expected to grow faster than other EMs<sup>1</sup>

- 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

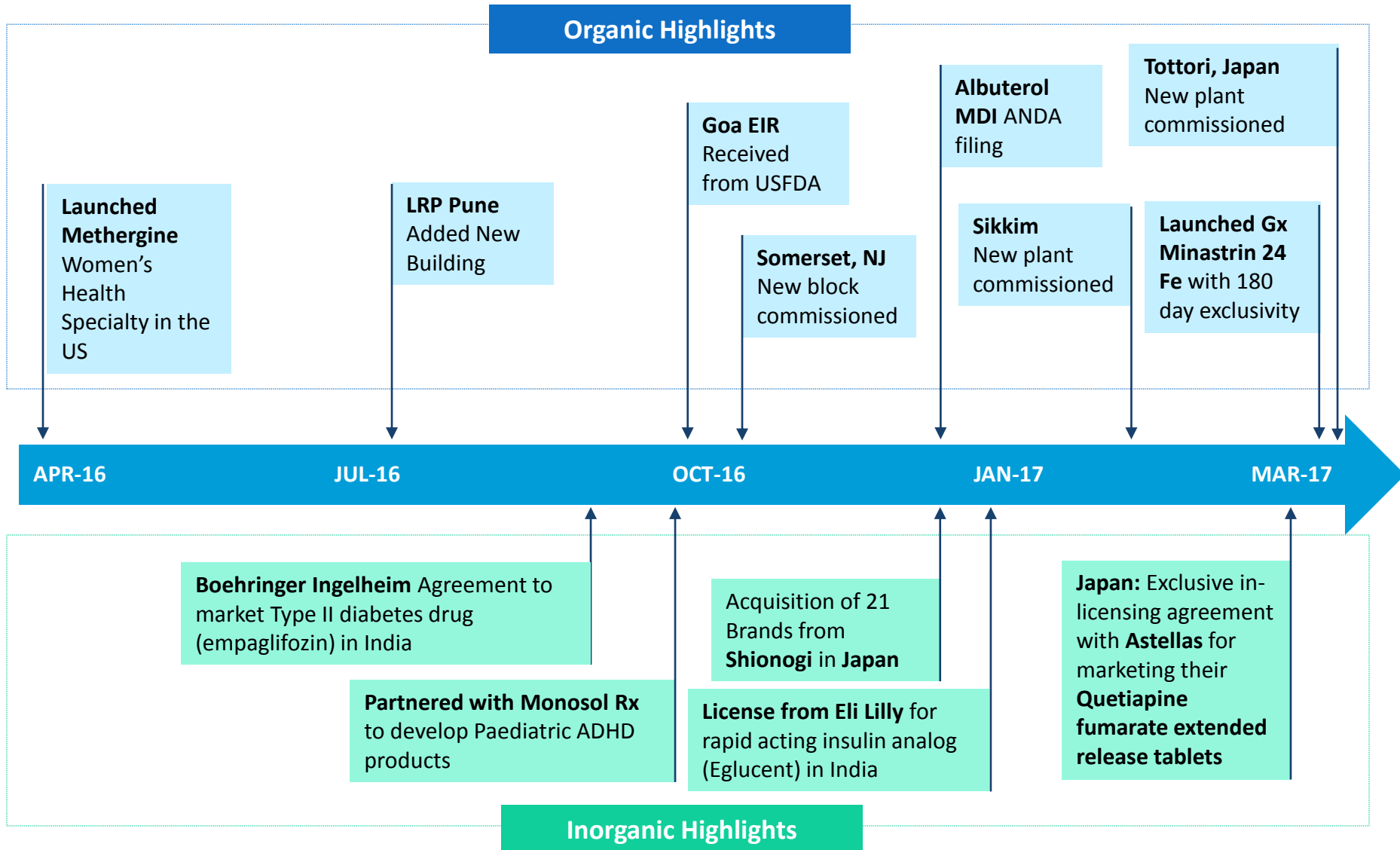
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**FY17 PERFORMANCE**

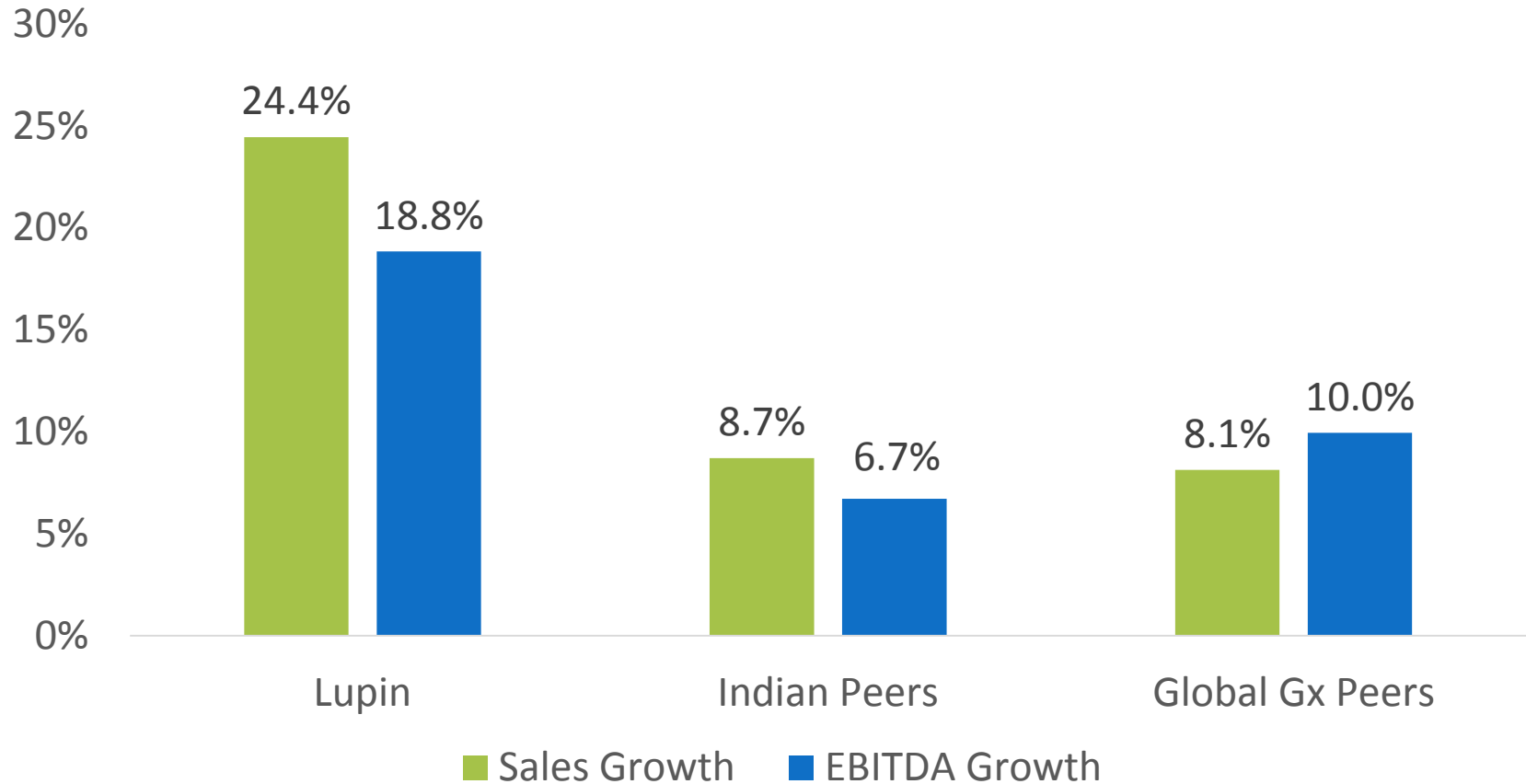


# FY17 Milestones



# Outpaced Peers in FY17<sup>1</sup>

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
<b>Net sales</b>	<b>171,198</b>	<b>100.0%</b>	<b>137,579</b>	<b>100.0%</b>	<b>24.4%</b>
Other operating income	3,745		4,977		
<b>Total revenue</b>	<b>174,943</b>		<b>142,556</b>		<b>22.7%</b>
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%
<b>Net profit</b>	<b>25,575</b>	<b>14.9%</b>	<b>22,607</b>	<b>16.4%</b>	<b>13.1%</b>

**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



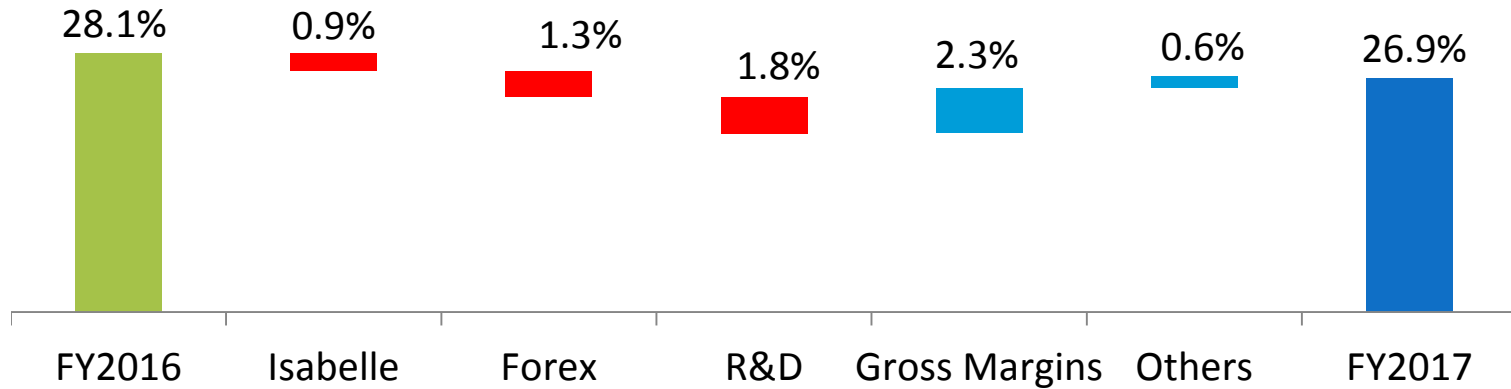
Particulars (INRmn)	Q4FY17	% of net sales	Q4FY16	% of net sales	YoY growth	Q3FY17	% of net sales	QoQ growth
Net sales	41,619	100.0%	41,090	100.0%	1.3%	44,049	100.0%	(5.5%)
Other operating income	914		884			780		
<b>Total revenue</b>	<b>42,533</b>		<b>41,974</b>		<b>1.3%</b>	<b>44,829</b>		<b>(5.1%)</b>
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%)
<b>Net profit</b>	<b>3,802</b>	<b>9.1%</b>	<b>7,479</b>	<b>18.2%</b>	<b>(49.2%)</b>	<b>6,331</b>	<b>14.4%</b>	<b>(39.9%)</b>

**Q4 FY17 EBITDA** includes the impact of:

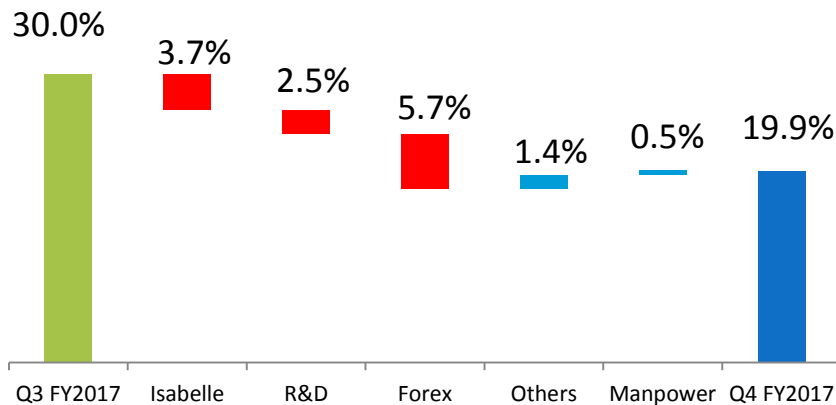
- Provision made for liability towards its Australian subsidiary with respect to Isabelle
- Net Impact of foreign exchange fluctuation

# EBITDA Margin Bridge

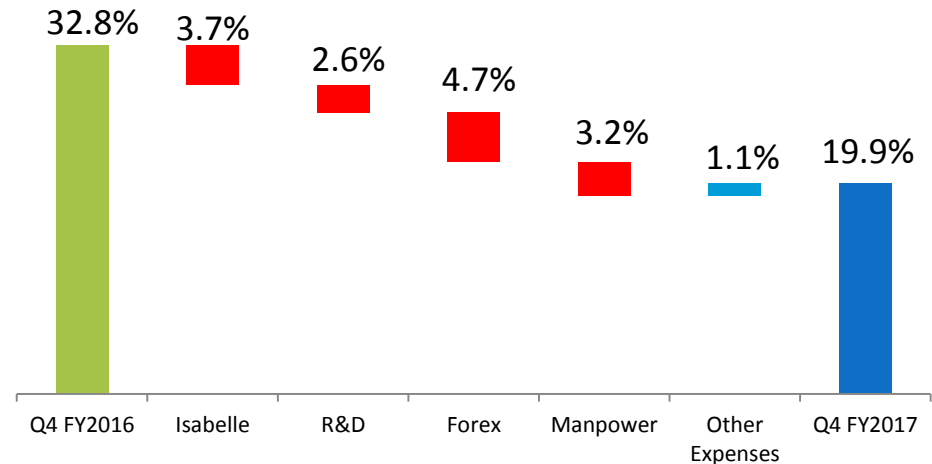
## FY 17 vs FY 16



## Q3 FY 17 vs Q4 FY 2017

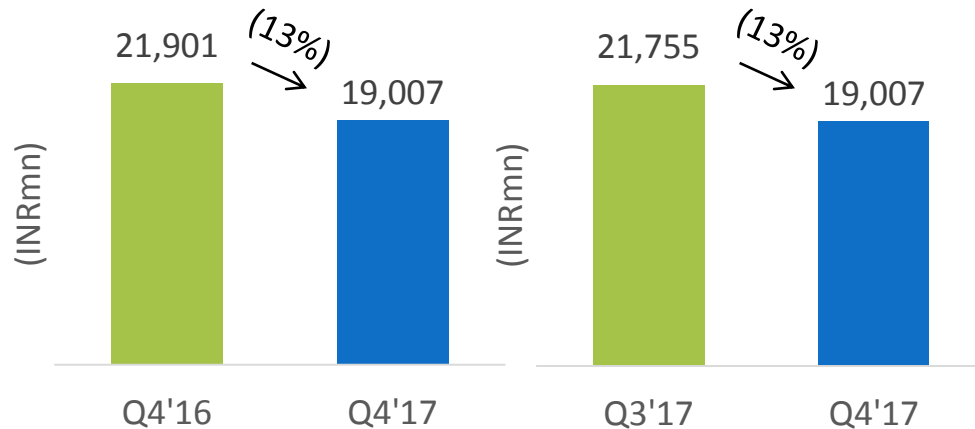
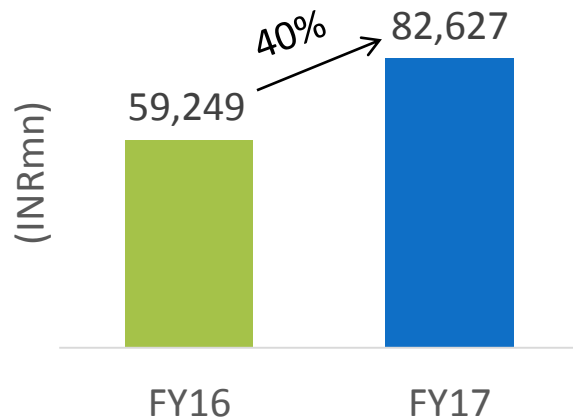


## Q4 FY 16 vs Q4 FY 17

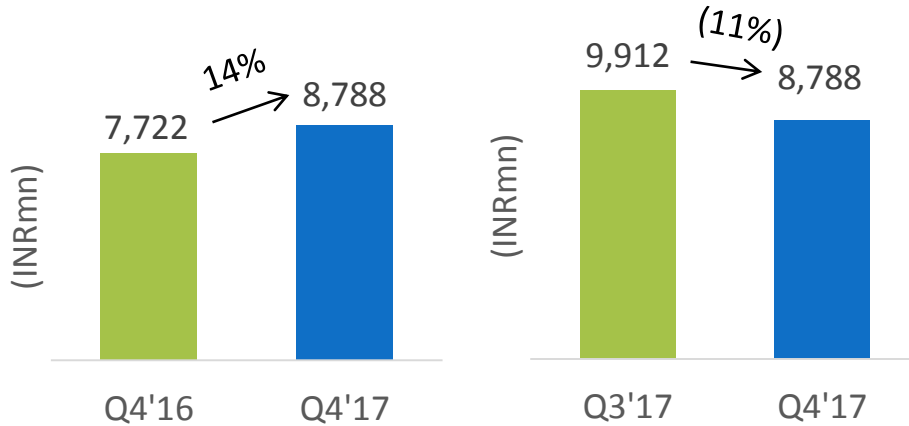
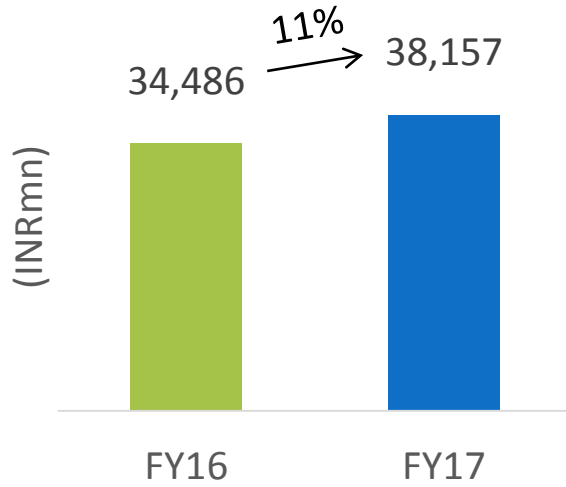




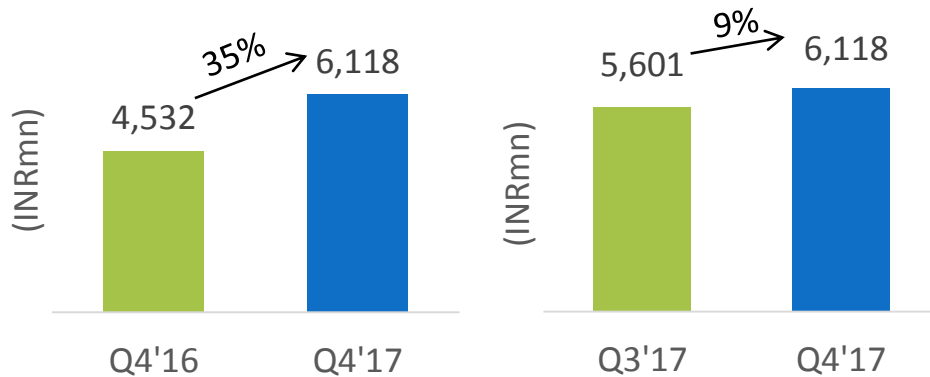
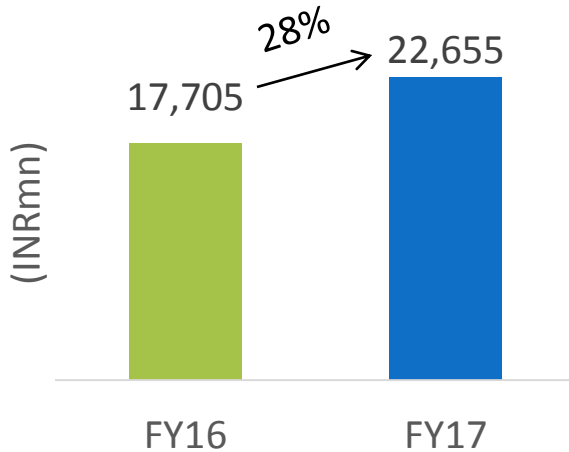
# North America



- 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 products<sup>1</sup>
- 154 pending ANDAs targeting \$76 mn brand size



- Moved up to 6<sup>th</sup> rank in the IPM<sup>1</sup>
- 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 FY17<sup>1</sup>
  - Cardiac: Maintained 2<sup>nd</sup> rank
  - Antidiabetics: Moved up to 4<sup>th</sup> rank
  - Respiratory: Ranking moved up to 2<sup>nd</sup>

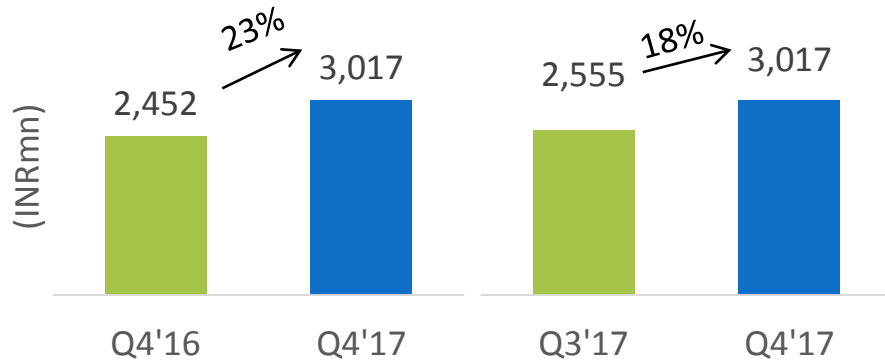
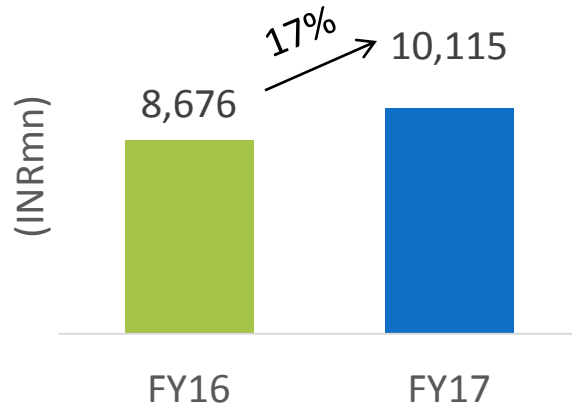


## Japan

- 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
- 6<sup>th</sup> largest<sup>1</sup> 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 4<sup>th</sup> branded Gx player<sup>2</sup>
- Growth of 32.3%<sup>2</sup> against industry growth of 6.7%<sup>2</sup>

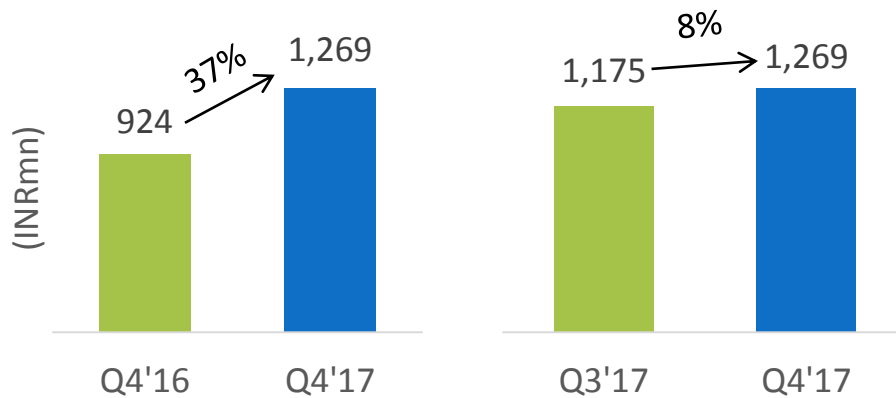
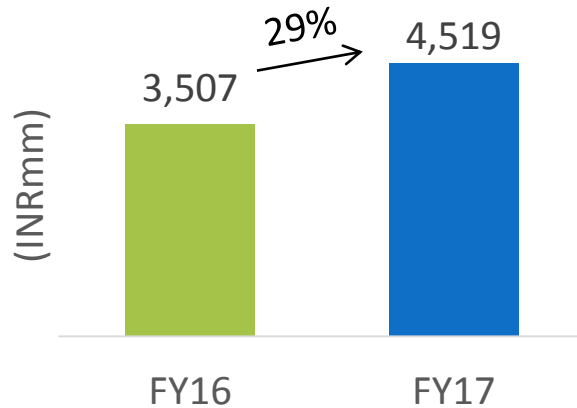


## Europe

- 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
- 4<sup>th</sup> largest generic company<sup>1</sup> & #1 CVS player<sup>1</sup>

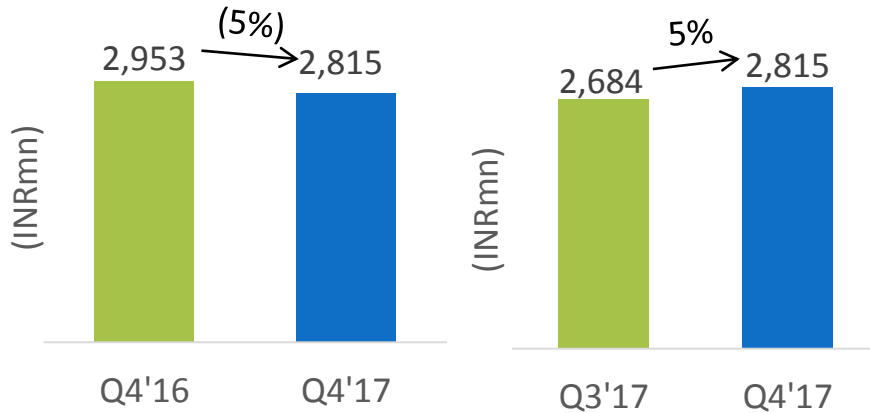
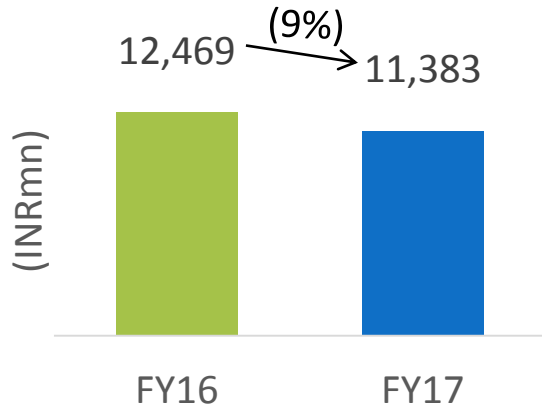


## Mexico

- Mexico business grew by 5% in MXN 530 mn in FY17
- IMS growth of 12.8%<sup>1</sup>
- 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%<sup>2</sup>



- 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)

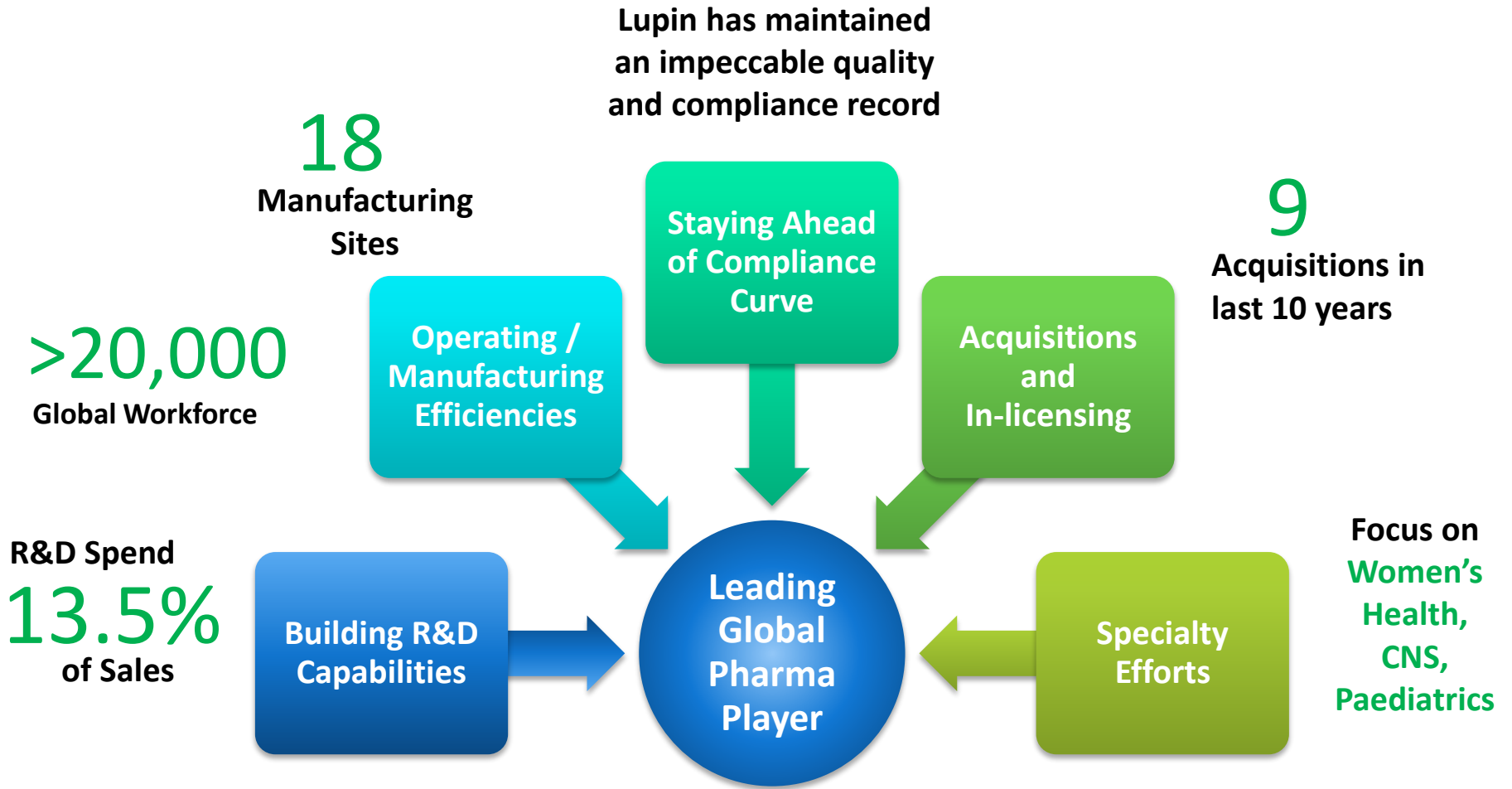
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THE ROAD AHEAD

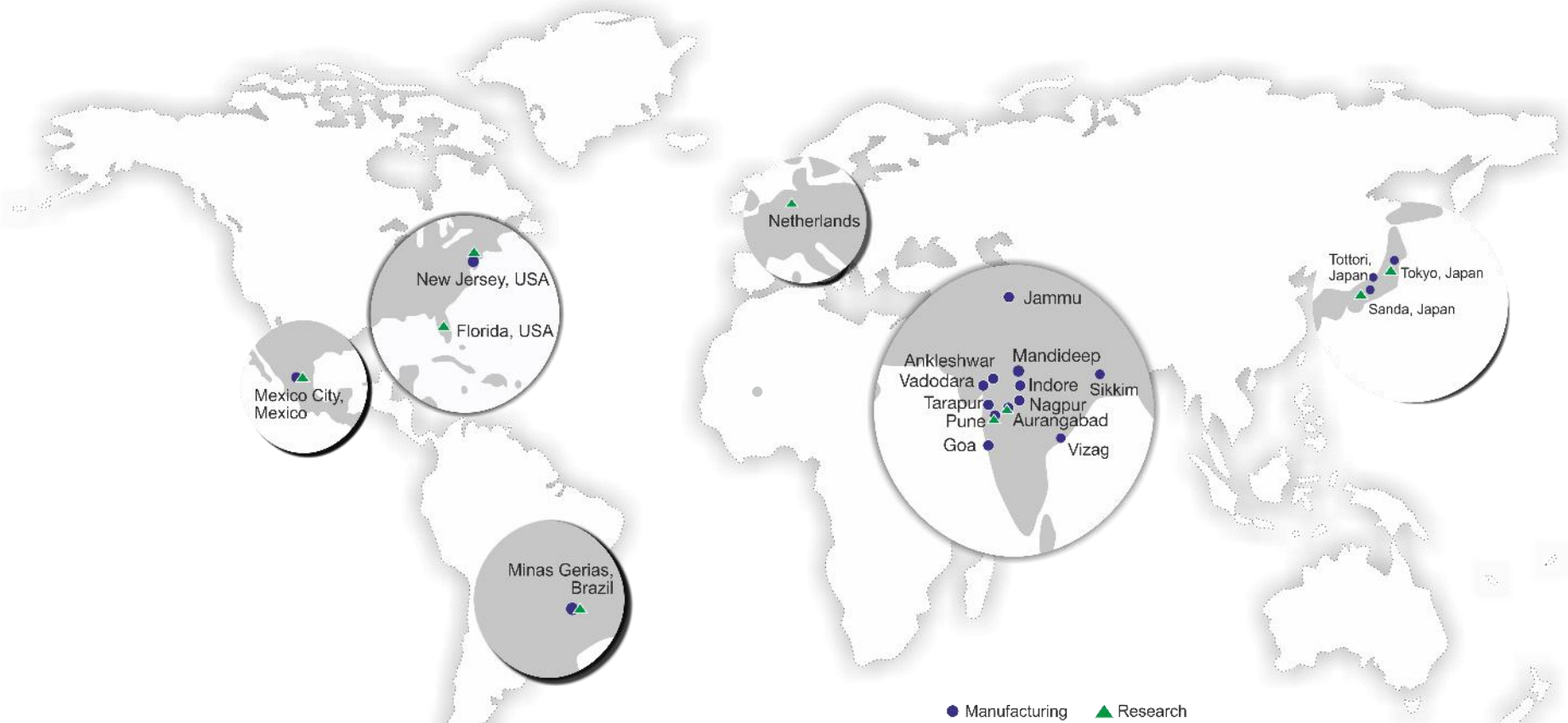


# Uniquely positioned to become a leading Global Pharma





# Manufacturing & R&D– A Diverse Global Network



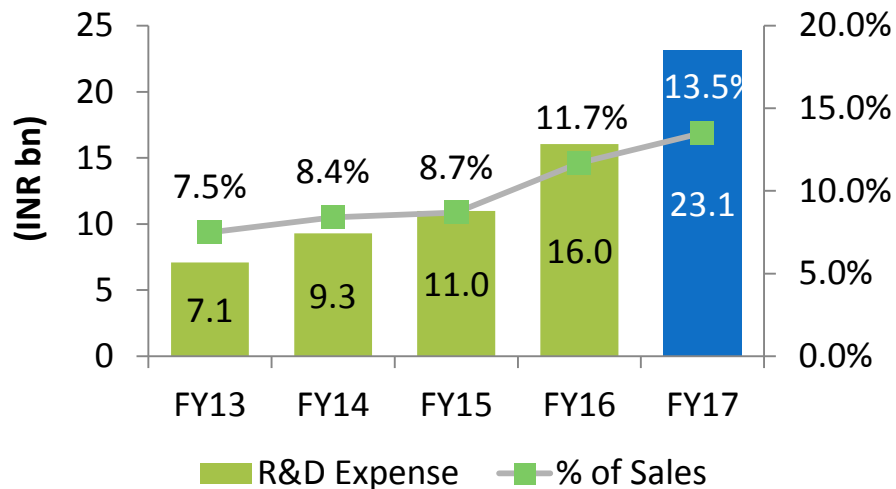
● Manufacturing ▲ Research

<h1>18</h1>	<ul style="list-style-type: none"> <li>• 8 USFDA approved sites</li> <li>• 5 USFDA inspections in FY17</li> <li>• Various audits conducted by other authorities without critical observations</li> </ul>
<b>Manufacturing Sites</b>	

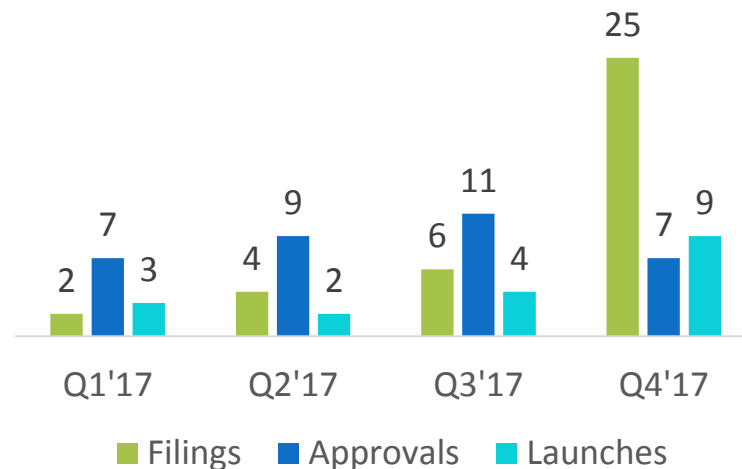
<h1>9</h1>	<ul style="list-style-type: none"> <li>• 368 US ANDA filings</li> <li>• 45 US First to Files</li> <li>• 2,837 patents filed globally</li> <li>• 1,700+ scientists at Global locations</li> </ul>
<b>R&amp;D Sites</b>	

# Our Investments for the Future

## R&D Spend



## US Gx Progression in FY17



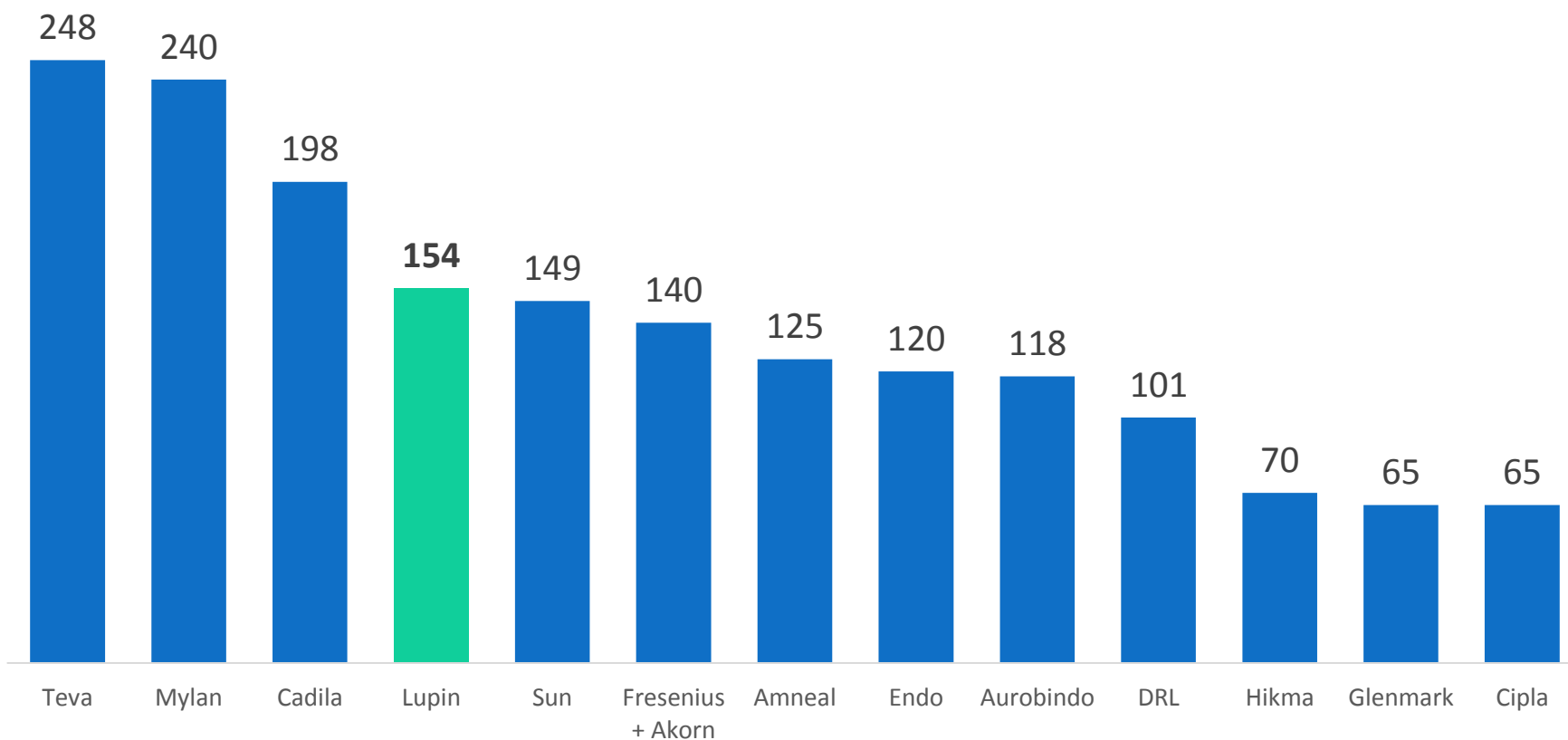
- 154 ANDA pending filings with record 37 filings and 34 approvals in FY17
  - Pending filings target market size of \$76bn
  - 28 pending FTFs targeting market size of \$12.4 bn
- Enhanced investment on inhalation, biosimilars and injectables

# Lupin has the 4<sup>th</sup> 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

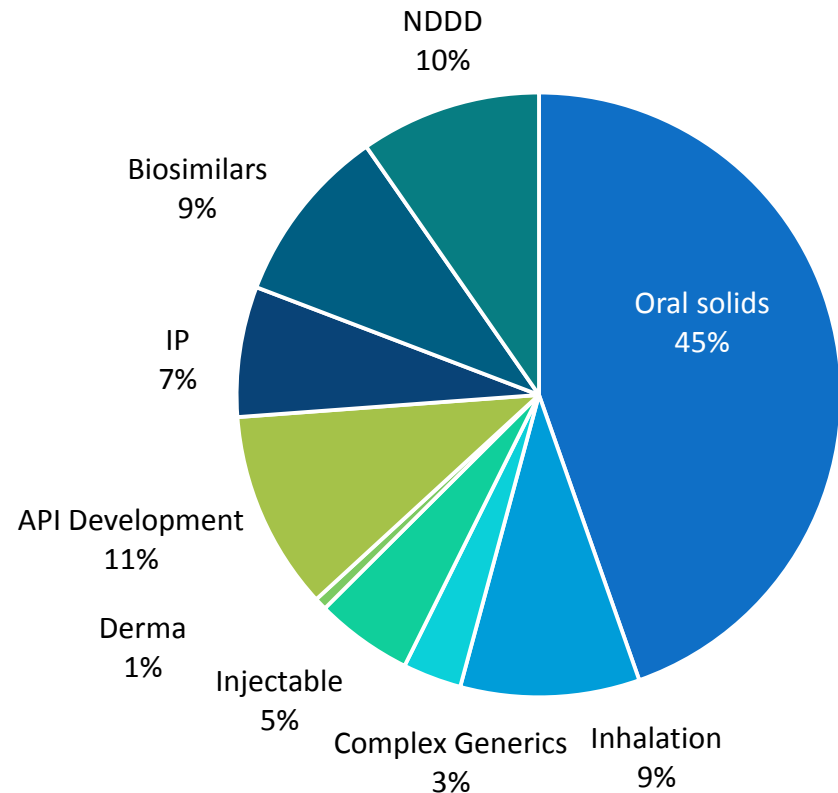
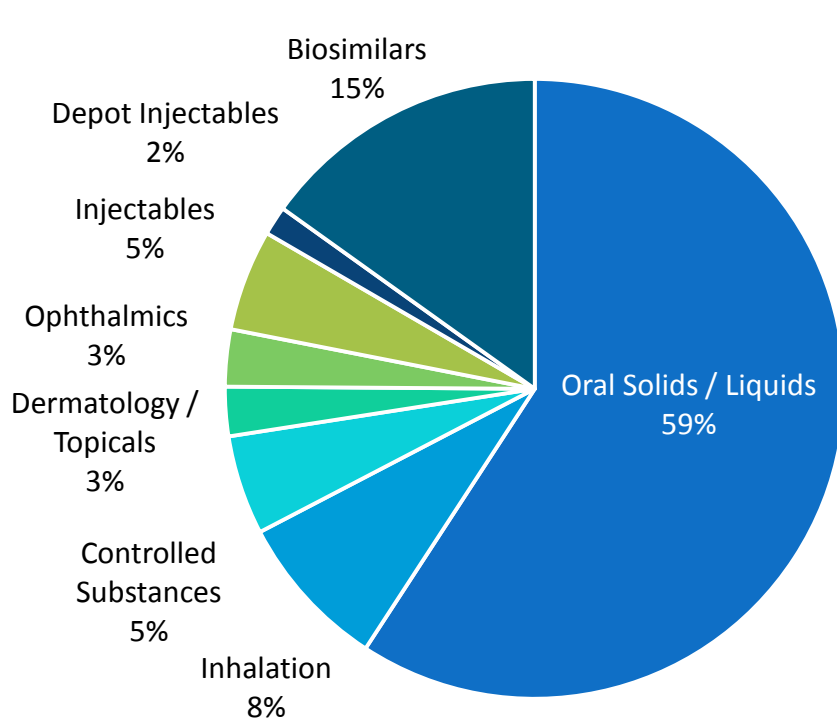


>400 products in pipeline targeting total US market of ~\$200bn..

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

Pipeline Market Size Split

FY17 R&D Spend Split



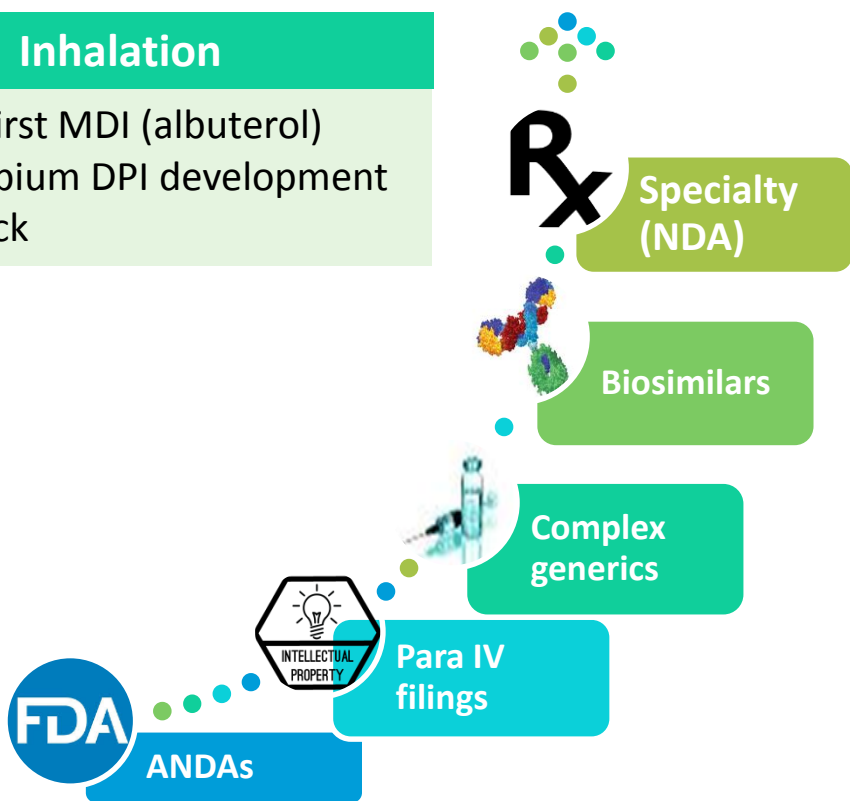
# Evolving in Complex Generics and Specialty

## 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**