



**LUPIN**

May 24, 2016

**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.**

Vide our letter dated May 19, 2016, we had, pursuant to Regulation 30(2) read with Schedule III Part A(15) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, submitted to your Exchange, a copy of the Presentation which was made at the meeting of Investors and Research Analysts held on Thursday, May 19, 2016 at Mumbai.

Regret, inadvertently, there was a typo error on Page No. 27 in respect of the FTFs number.

Enclosed is the duly corrected file which may please be taken on record.

Kindly confirm having received and noted the above.

Thanking you,

Yours faithfully,  
**FOR LUPIN LIMITED**

**R. V. SATAM**  
**COMPANY SECRETARY**

Encl.: a/a



**Lupin Limited**

Registered Office : 159, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098, India. Tel.: (91-22) 6640 2323. Fax: (91-22) 6640 2445. Website: [www.lupinworld.com](http://www.lupinworld.com)  
Corporate Identity Number : L24100MH1983PLC029442



**LUPIN**

# Lupin Limited

FY2015-16 Investor Presentation

May 19, 2016



# Safe Harbor Statement

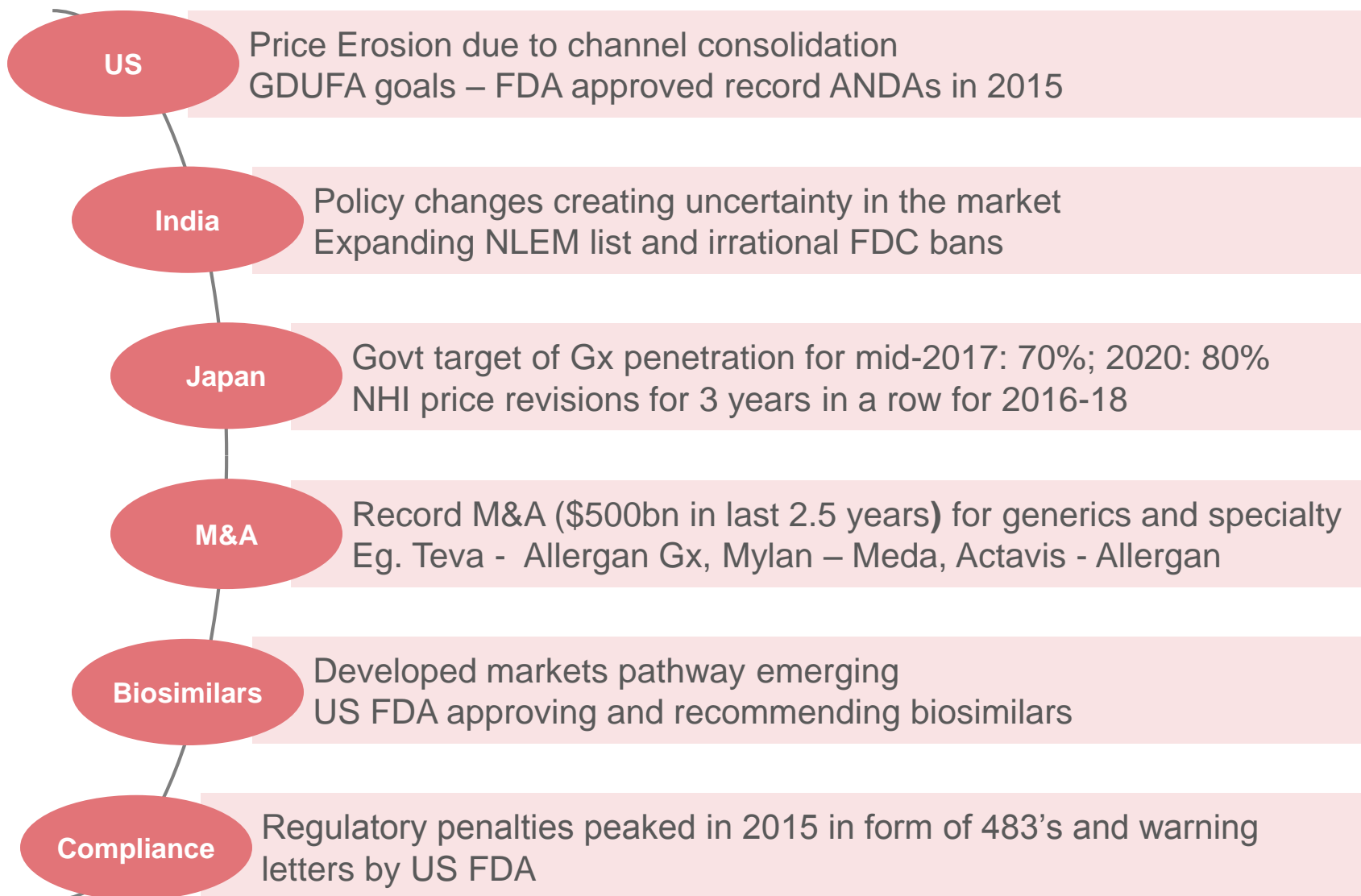
Materials and information provided during this presentation may contain 'forward-looking statements'. These statements are based on current expectations, forecasts and assumptions that are subject to risks and uncertainties which could cause actual outcomes and results to differ materially from these 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.

# Global Generics: Industry Trends

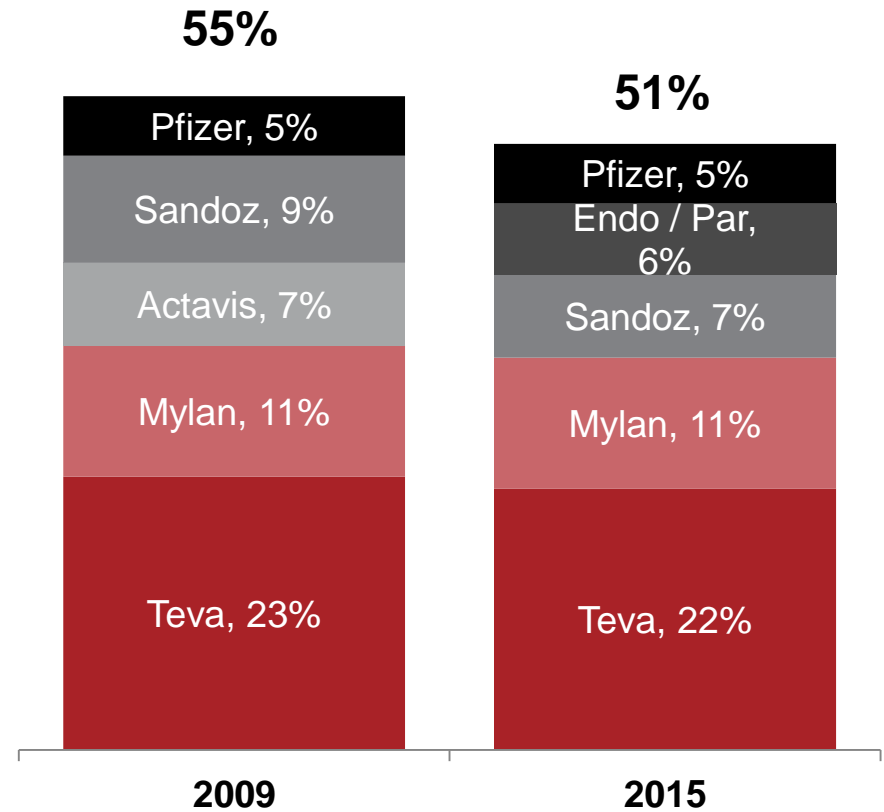


# US Generics – Drivers

## Gx will see further penetration in the US..

- Gx penetration expected to rise from 88% to 92% by 2020
- 2016-20: patent expiries of \$92bn
- Generics still underpenetrated in alternative dosage forms
- Generics still fragmented in US: Top 5 share going down despite consolidation

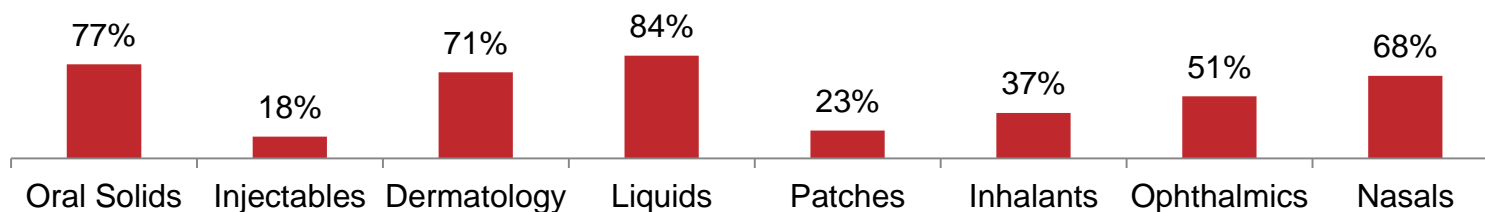
## US Gx Market Share Evolution



# Complex Generics Opportunity

- 70% of generics market (\$68bn) is oral solids and liquids
- Majority of companies lack critical mass in alternative dosage forms
  - Dermatology and injectables have 17 and 14 large players, sized at \$6bn and \$8bn, respectively
  - Rest of the areas are small (\$1-2bn), but are highly concentrated with fewer players

US Gx  
Penetration  
(by TRx)



# of players  
(>\$100mm)

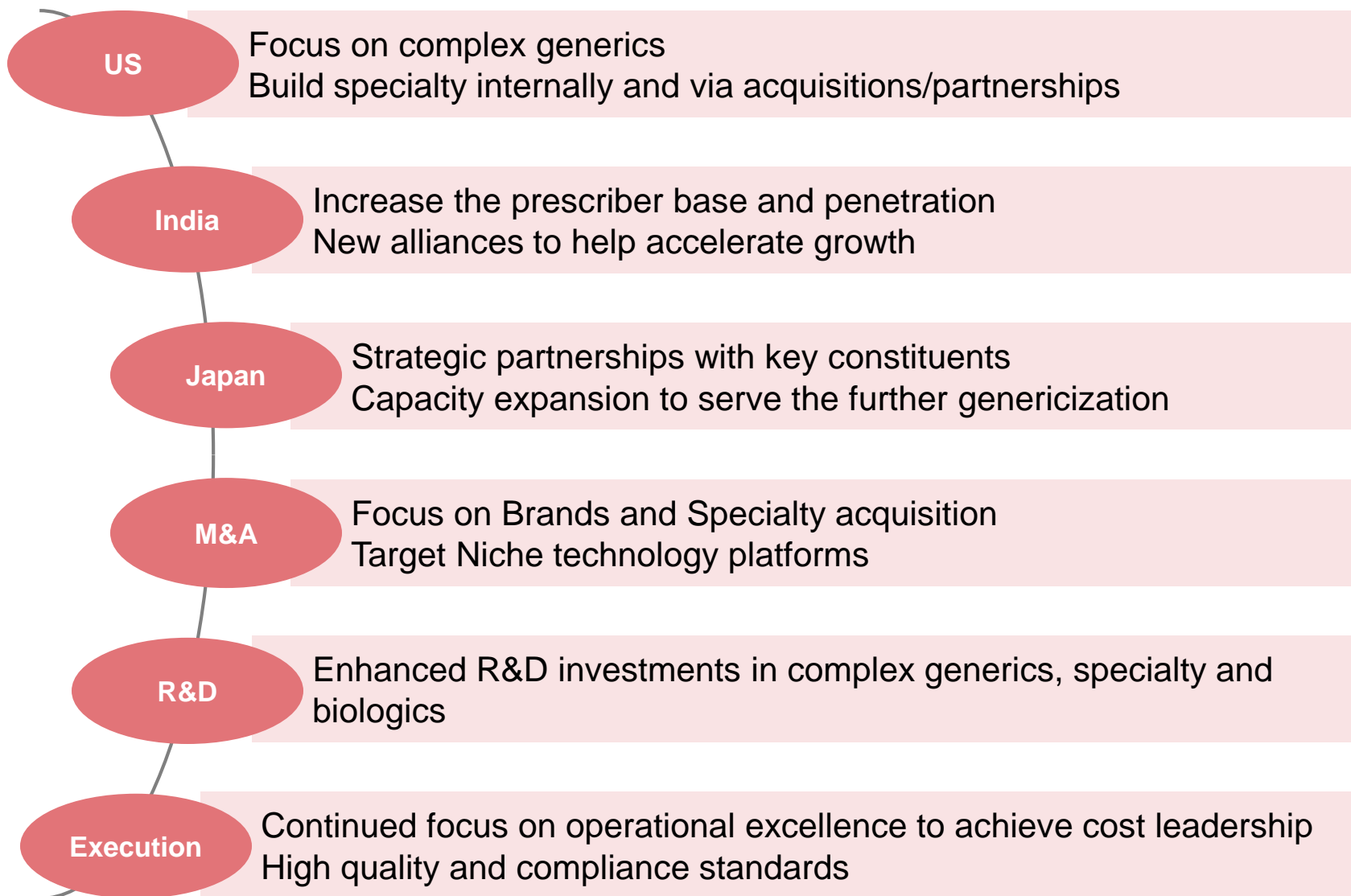
Oral Solids	47	17	14	6	6	2	5	3
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Market Size  
(\$bn)

Oral Solids	45.0	8.4	5.9	1.9	1.5	1.7	1.3	0.5
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***Complex generics still present an untapped opportunity***

# What does this mean for Lupin?

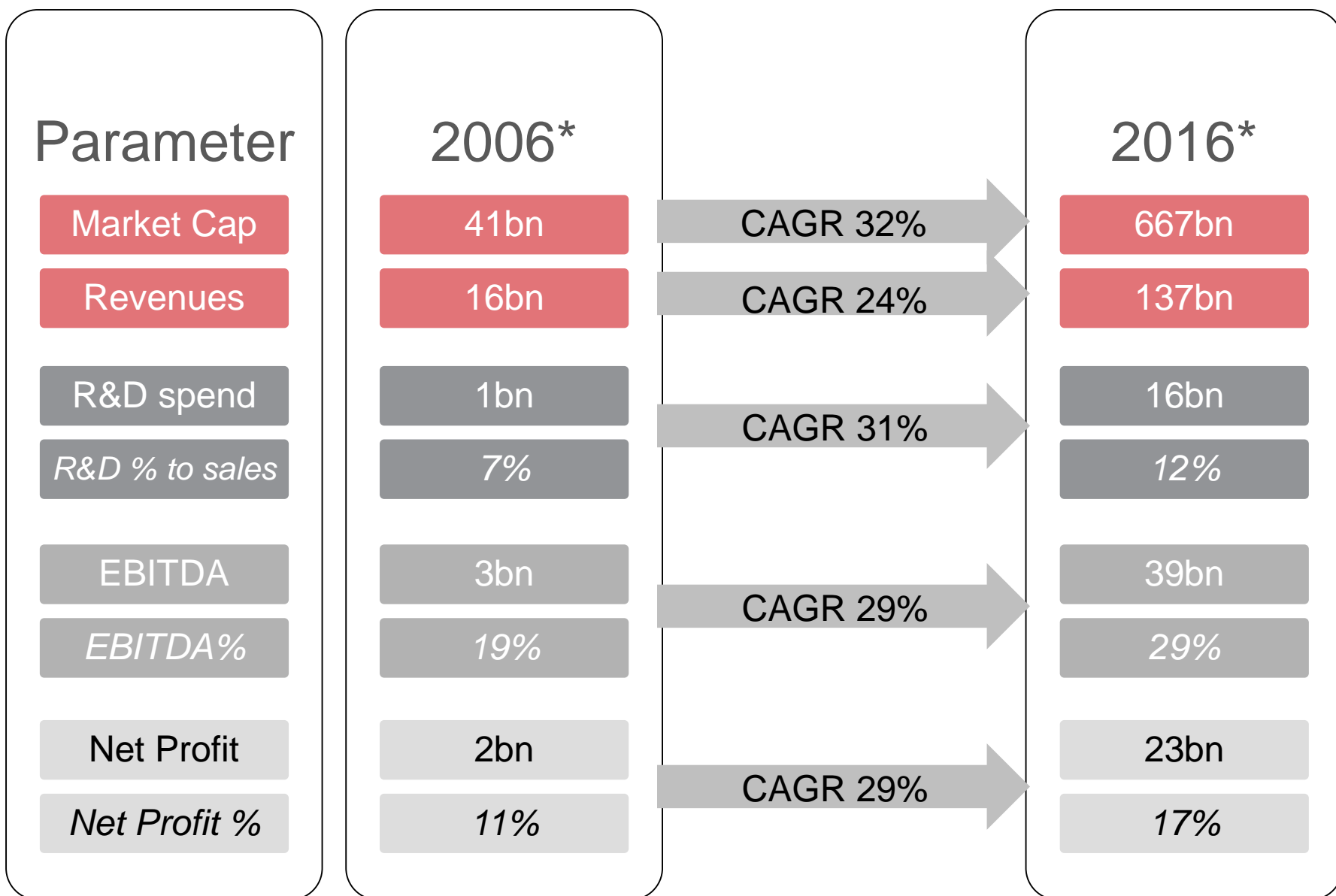


# Our Strategic Direction



# LUPIN TODAY

# A Journey of Stellar Performance



\*All figures in INR; "mm" indicates million and "bn" indicates billion

# Today Lupin is a Globally Dominant Force

## Globally

7<sup>th</sup>

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

9<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>)*

9<sup>th</sup>

Largest  
Japanese Gx<sup>4</sup>

## Emerging Markets

8<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, 31 March 2016
- 2 LTM sales available as of 19-May-16
- 3 IMS MAT Sep 15 (GPhA presentation)

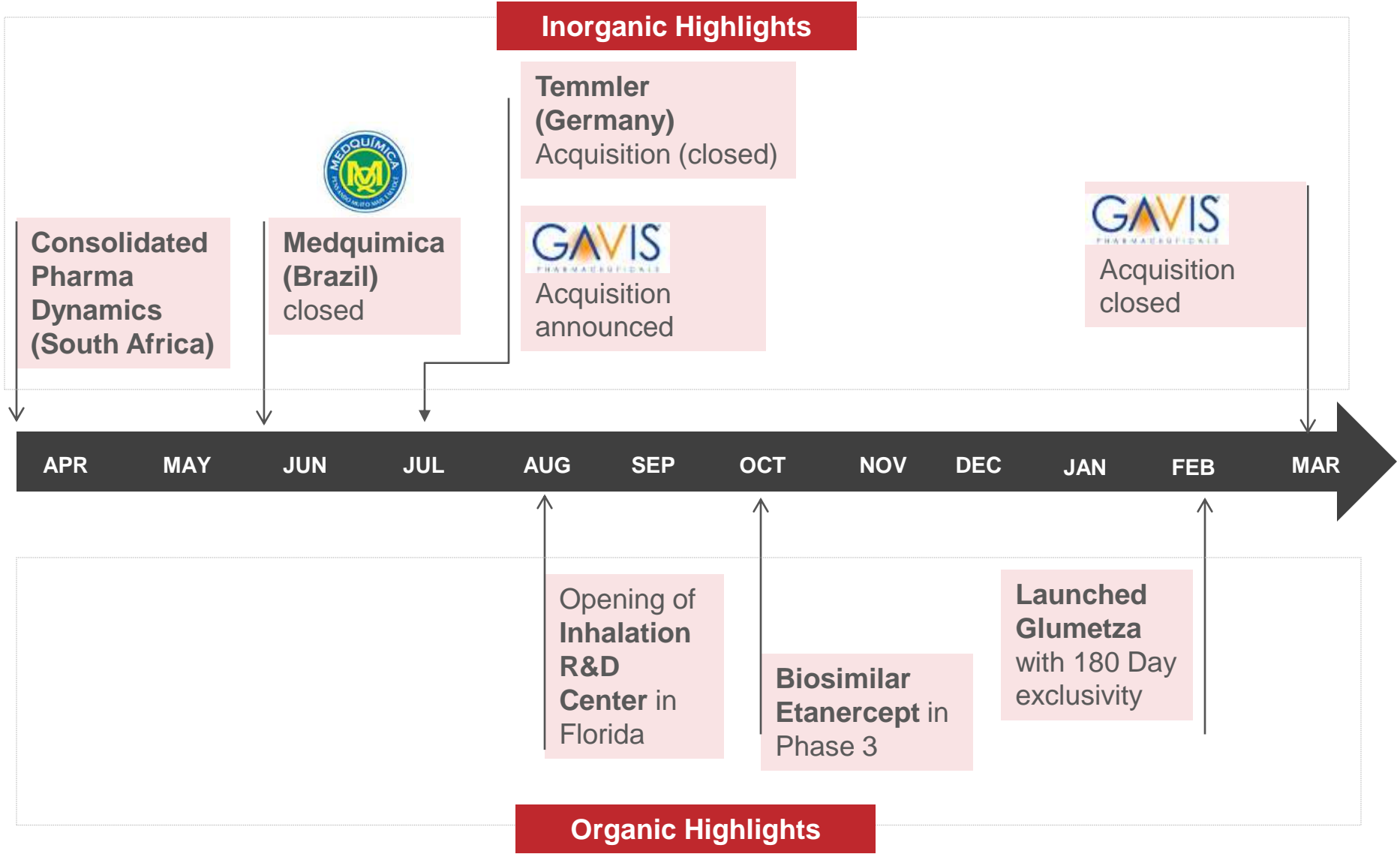
- 4 Latest reported FY sales
- 5 IMS MAT Mar 16
- 6 IMS MAT Mar 16

# 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

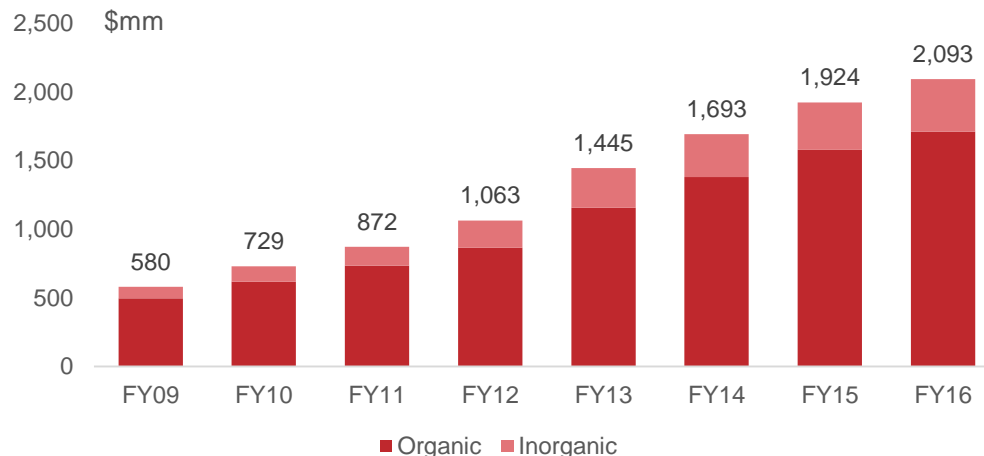


# 2016 - Year of Enhancing Global Footprint

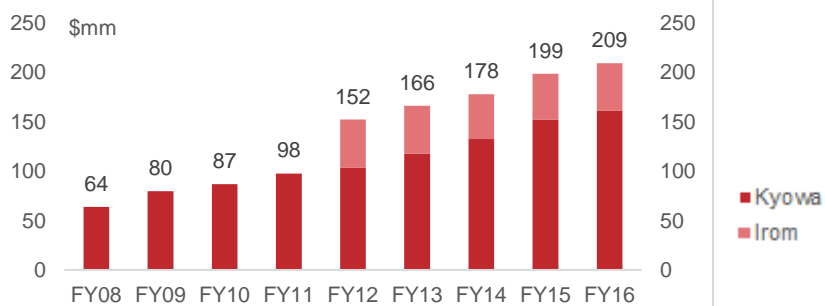


# Strong Track Record of Organic & Inorganic Growth

~20% of Lupin's FY16 Revenue is derived from acquisitions

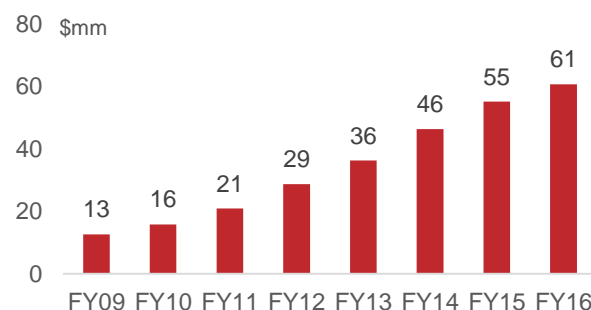


## KYOWA / Japan Acquisition



- **Kyowa's performance improved from an operating loss to one of the highest Gx margins in JP**
- **Revenue CAGR of 16% since acquisition (constant FX)**

## PHARMADYNAMICS / South Africa Acquisition



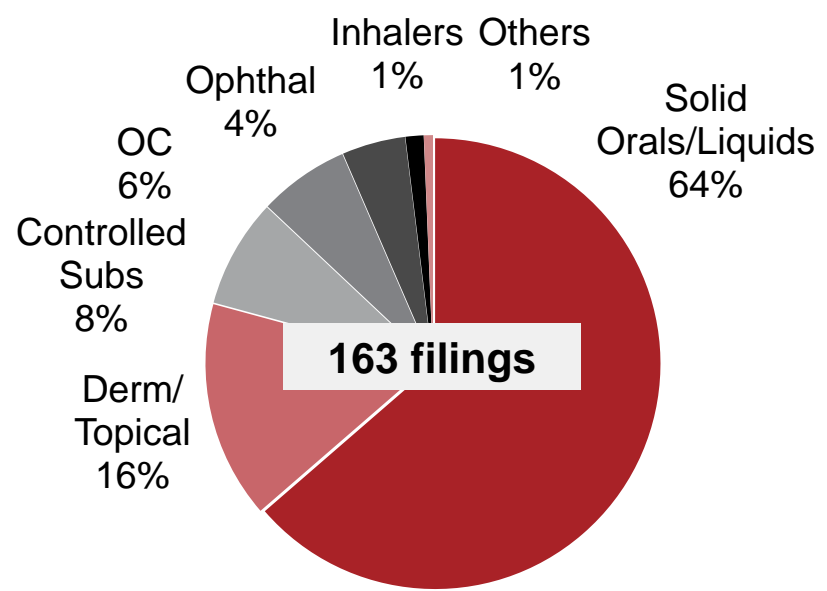
- **PBT margin increased 2.3 times since acquisition**
- **Revenue CAGR of 25% since acquisition (constant FX)**

1. Used constant fiscal year ending 2016 average exchange rates

- **Acquisition - On Track**
  - Performance on track with the business plan
  - Integration complete
  - Appointed Dr. Kurt Nielsen as President of Lupin – Somerset
  - Launched Methergine® Oral Tablets under Lupin's Women's Health division
  - Launching methylphenidate chewable tablets through Lupin's paediatrics division
- **Strengthens portfolio and Enhances near-term pipeline**
  - Adds 28 marketed products to Lupin's portfolio bringing it to a total of 124
  - Has 9 controlled substances and 1 dermatology product in market
  - Adds 102 cumulative filings of which 58 pending; 66 products in development
  - Received 14 approvals in FY2015-16

# US: Combined Pipeline Update

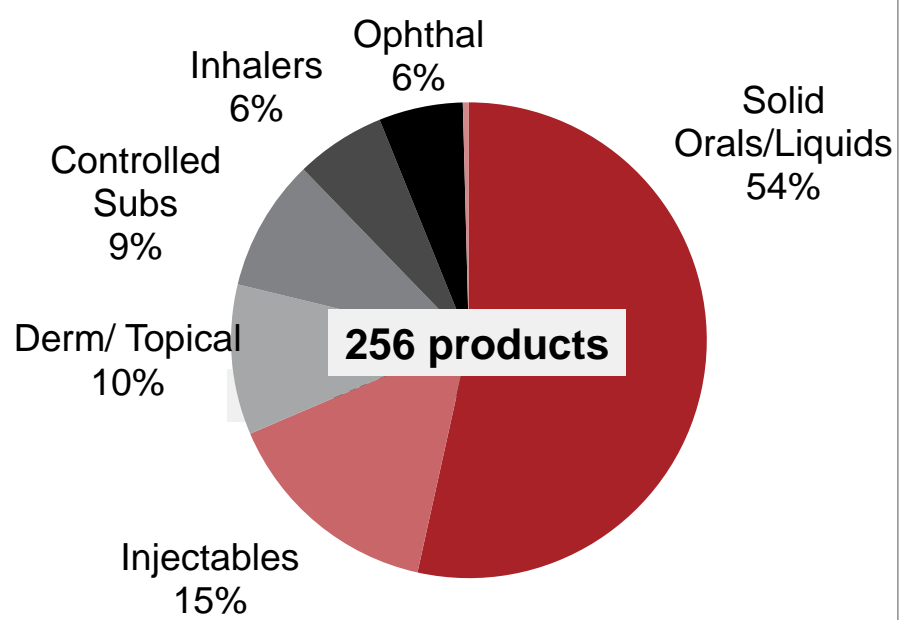
## Filed products



**163 filings**

	Lupin	Somerset	Total
<b>Total</b>	241	102	343
<b>Approved</b>	136	44	180
<b>Pending</b>	<b>105</b>	<b>58</b>	<b>163</b>

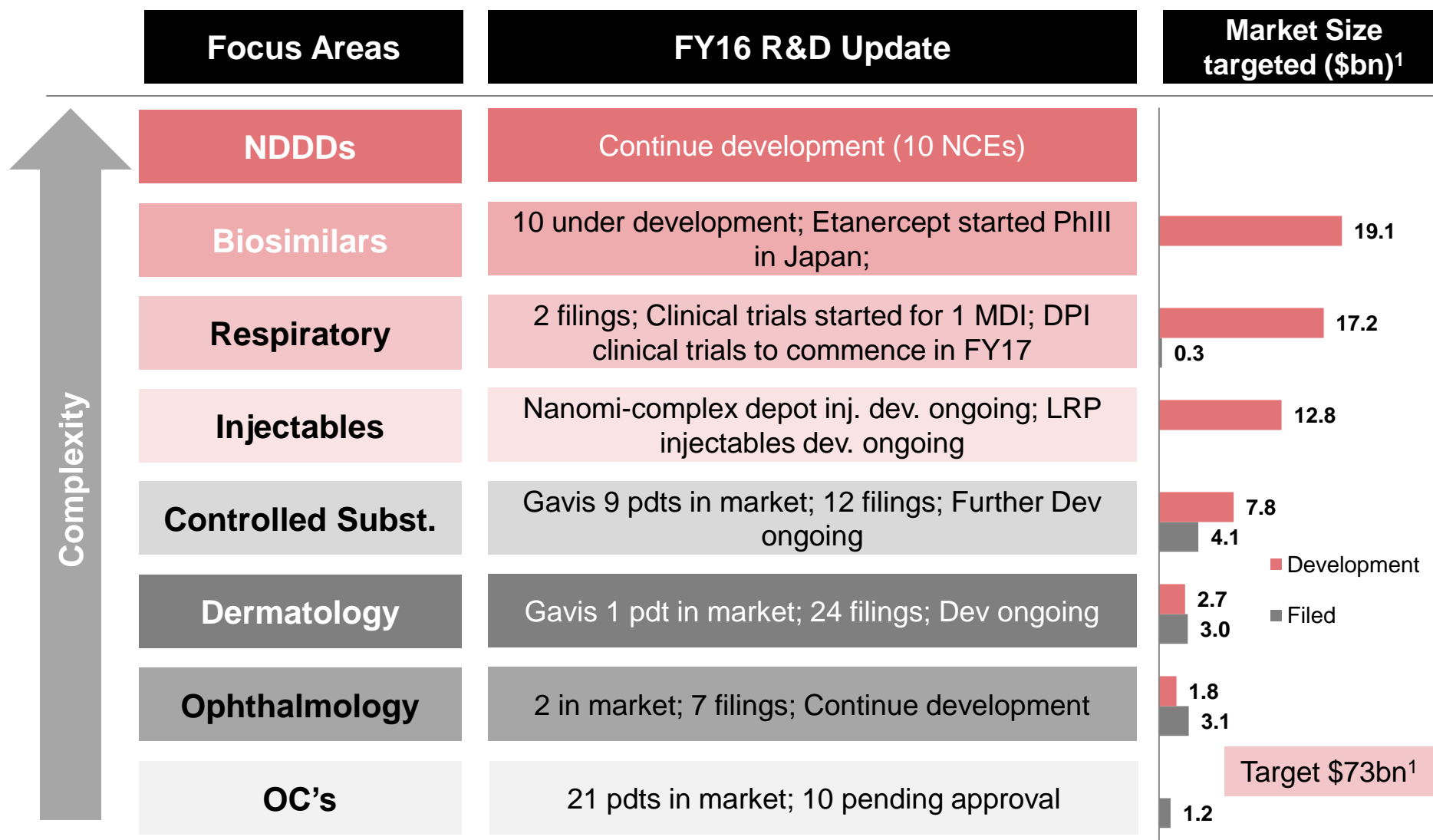
## Products in development



**256 products**

	Lupin	Somerset	Total
<b>Total</b>	<b>190</b>	<b>66</b>	<b>256</b>

# Complex Gx / Specialty Update



# Lupin Global Capabilities Footprint

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



# US FDA Compliance Record: Goa Update

Month	Site of Inspection	Outcome
Jan-15	Pithampur (Indore), Unit-2	483 with 6 observations
Mar-15	Pithampur (Indore), Unit-3	No observations
Mar-15	Nagpur	No observations
Apr-15	Aurangabad	483 with 2 observations
Jun-15	DSRM, Mumbai	No observations
Jul-15	Goa	483 with 9 observations
Aug-15	Pithampur (Indore), Unit-1	No observations
Aug-15	Tarapur	No observations
Aug-15	LBC, Pune	No observations
Jan-16	Aurangabad	483 with 3 observations
Feb-16	Mandideep Unit-1	483 with 4 observations
Mar-16	Goa	483 with 9 observations

- Responded to the Goa observations
- Provided update thereafter
- Working on holistic quality transformation

# BUSINESS UPDATE

# P&L Highlights – Q4FY16 YoY

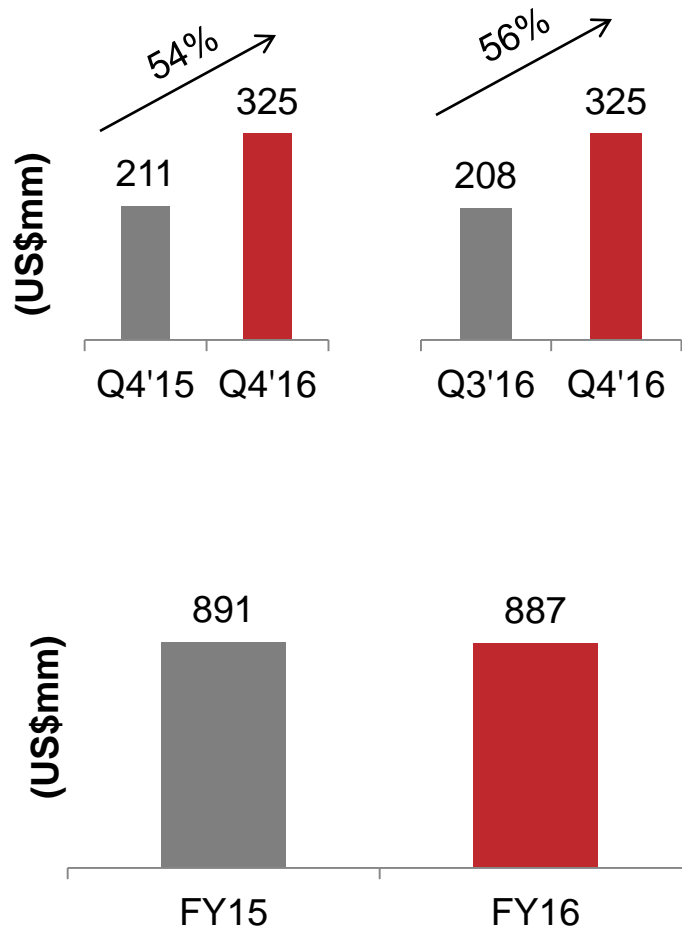
Particulars (INRmm)	Q4FY16	% of net sales	Q4FY15	% of net sales	YoY growth	Q3FY16	% of net sales	QoQ growth
<b>Net sales</b>	<b>40,913</b>	<b>100.0%</b>	<b>30,540</b>	<b>100.0%</b>	<b>34.0%</b>	<b>33,577</b>	<b>100.0%</b>	<b>21.9%</b>
Other operating income	899		241			1,981		
<b>Total revenue</b>	<b>41,812</b>		<b>30,781</b>		<b>35.8%</b>	<b>35,558</b>		<b>17.6%</b>
Gross margin ( <i>excl. other operating income</i> )	30,176	73.8%	20,977	68.7%	43.9%	22,347	66.6%	35.0%
EBITDA	13,929	34.0%	8,066	26.4%	72.7%	9,425	28.1%	47.8%
EBIT	12,482	30.5%	6,995	22.9%	78.4%	8,311	24.7%	50.2%
<b>Net profit</b>	<b>8,071</b>	<b>19.7%</b>	<b>5,470</b>	<b>17.9%</b>	<b>47.5%</b>	<b>5,298</b>	<b>15.8%</b>	<b>52.4%</b>

Crossed 4,000 Cr in sales and 800 Cr in profits for the first time in a quarter

# P&L Highlights – FY16

Particulars (Rs mn)	FY16	% of net sales	FY15	% of net sales	Growth
<b>Net sales</b>	<b>137,016</b>	<b>100.0%</b>	<b>125,997</b>	<b>100.0%</b>	<b>8.7%</b>
Other operating income	5,069		1,703		
<b>Total revenue</b>	<b>142,085</b>		<b>127,700</b>		<b>11.3%</b>
Gross margin (excl. other operating income)	93,922	68.5%	84,427	67.0%	11.2%
EBITDA	39,412	28.8%	38,593	30.6%	2.1%
EBIT	34,777	25.4%	34,246	27.2%	1.5%
PBT	34,330	25.1%	34,148	27.1%	0.5%
<b>Net profit</b>	<b>22,707</b>	<b>16.6%</b>	<b>24,032</b>	<b>19.1%</b>	<b>(5.5%)</b>

PBT maintained at previous years' level despite challenging first half and enhanced R&D investments



## Commentary

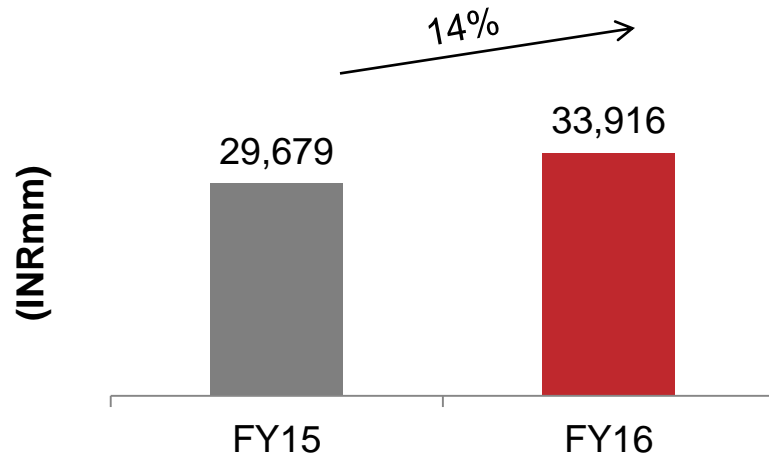
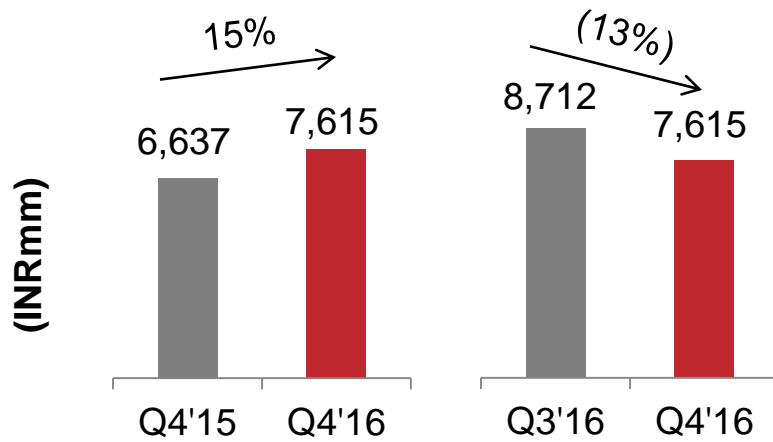
- US business grew YoY by 59% in INR terms to Rs. 21,871 mm (including IP) in Q4FY16
- QoQ growth was 56%
- **Lupin now has 5.6% Rx share and retains 5<sup>th</sup> rank<sup>1</sup>**
- 39 approvals in FY16
- 9 new product launches during the quarter
- **Lupin supplies four of the Top 10 most commonly dispensed medicines in US**
- **Portfolio of 124<sup>2</sup> products (28 Somerset)**
- **US Market Share: No. 1 in 44 & top 3 in 79 products<sup>3</sup>**
- Total of 343<sup>2</sup> ANDA filings till date (102 Somerset), of which 180<sup>2</sup> (44 Somerset) have been approved

Note:

1 IMS MAT Sep 2015

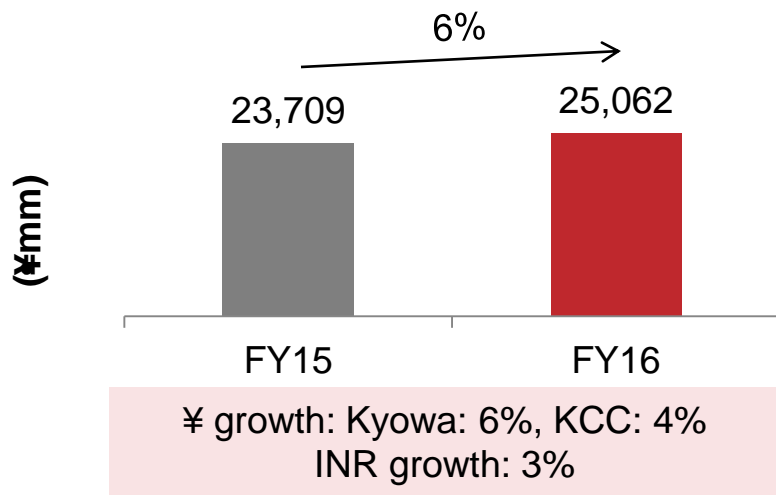
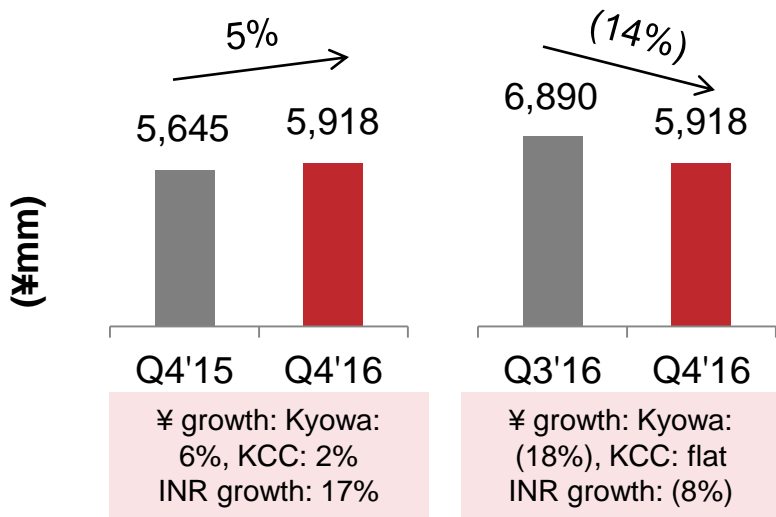
2 As of 31-Mar-16

3 IMS MAT Mar 2016



## Commentary

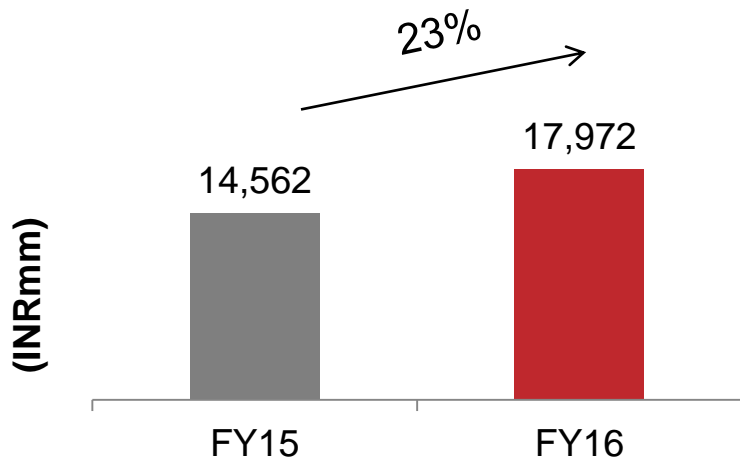
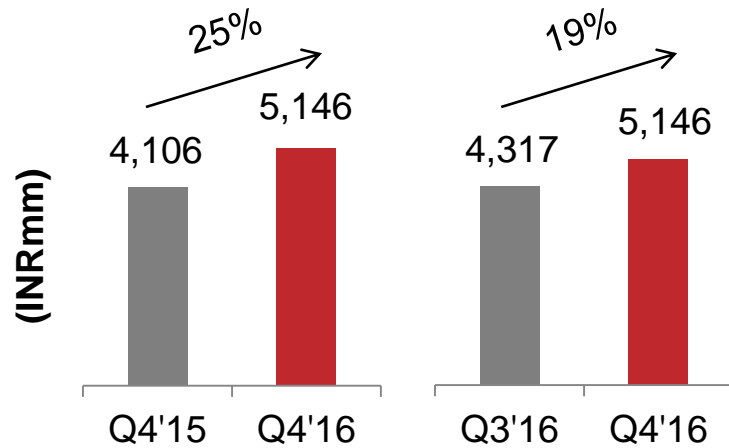
- India business growth of 14% to Rs. 33,916 mm
- Ranked 8<sup>th</sup> in the IPM<sup>1</sup>
- Added 1,000 reps in FY16; Total sales force > 6,600
- Launched 5 new divisions to cater to high growth therapies
- Climbed to #3 ranking in Respiratory
- Launched 19 brands in FY16
- Chronic: 58%; Semi-chronic: 29% of sales in FY16



## Commentary

- Japan business grew YoY by 3% to Rs.13,646 mm
- 9<sup>th</sup> largest generic company; 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

# Rest of Business



## Commentary

### South Africa

- YoY growth of 10% in ZAR
- 4<sup>th</sup> largest generic company<sup>1</sup> & #1 CVS player<sup>1</sup>

### Philippines

- YoY growth of 42% in PHP
- Multicare IMS growth of 44%<sup>2</sup> vs industry growth of 9%<sup>2</sup>
- Rank: 22<sup>2</sup>

### LatAm

- **Mexico:** 2<sup>nd</sup> largest ophthal (by volume); IMS growth of 18% vs 5% market growth<sup>3</sup>
- **Brazil:** IMS growth of 15% vs market growth of 8%<sup>4</sup>

### Europe

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

Note:

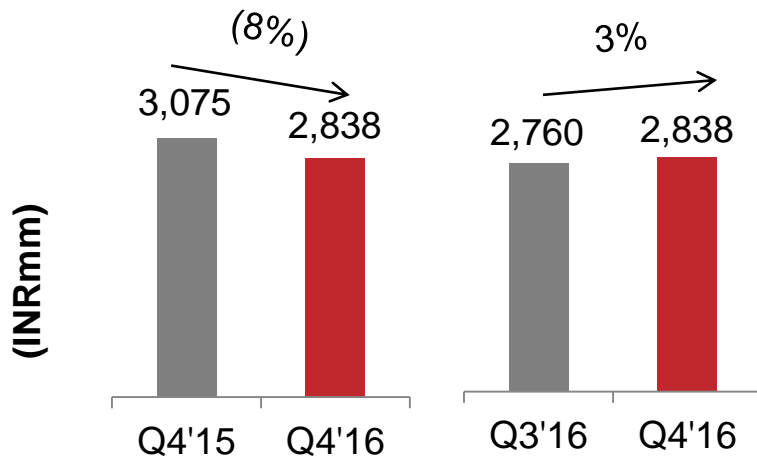
1 SA IMS MAT Mar 16

2 Philippines IMS MAT Mar 16

3 Mexico IMS Mar 16

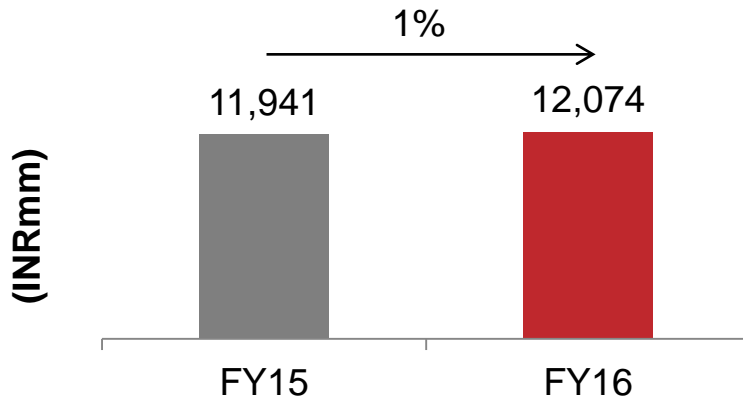
4 Brazil IMS MAT Dec 15

5 Rest of Business: Includes Europe, ROW (South Africa, Philippines, Mexico, Australia and Brazil)

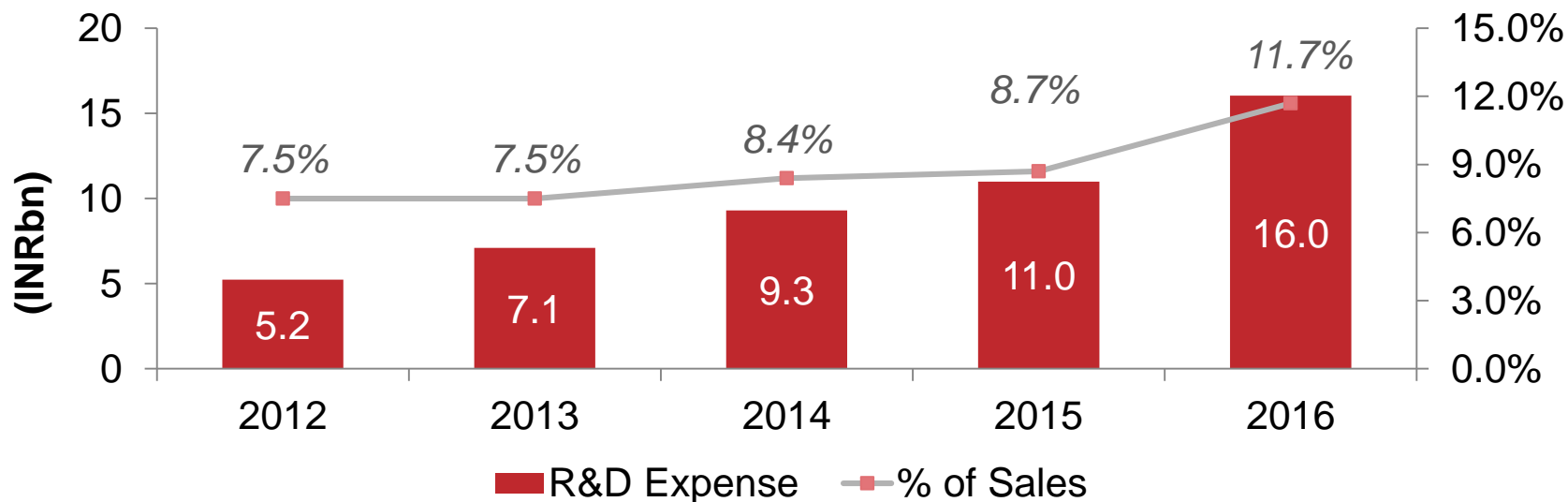


## Commentary

- API business flat YoY at Rs. 12,074mm
- Enhanced focus on pipeline of complex and first-to-file APIs
- 172 US DMFs with 16 filings in FY16



# R&D Expenses



- R&D expenses for Q4FY16 were Rs. 5,113 mm, at 12.5% of net sales vs 3,096 mm, 10.1% of net sales in Q4FY15
- 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 343<sup>2</sup> ANDA filings till date (102 Gavis), of which 180<sup>2</sup> (44 Gavis) have been approved (25 Lupin + 14 Gavis approvals in FY16)

# 2017 Expectations

## Generics

### Strong Organic Growth in Key Markets

- Grow US and Japan by new launches and grow base business
- Increase penetration in emerging markets

## Specialty

### Continue Efforts to Build Specialty

- Add specialty via acquisitions of assets, brands and companies
- Create specialty pipeline (File NDAs, 505b2)

## R&D

### Global R&D centers

- Deliver on the pipeline by filing across geographies
- Evolve complex generics and specialty pipeline

## Op. Ex.

### Global Operations

- Focus on operational excellence to achieve cost leadership

## Compliance

### High thrust on compliance