



LUPIN

Lupin Limited

FY2015-16 Investor Presentation

May 19, 2016



Safe Harbor Statement

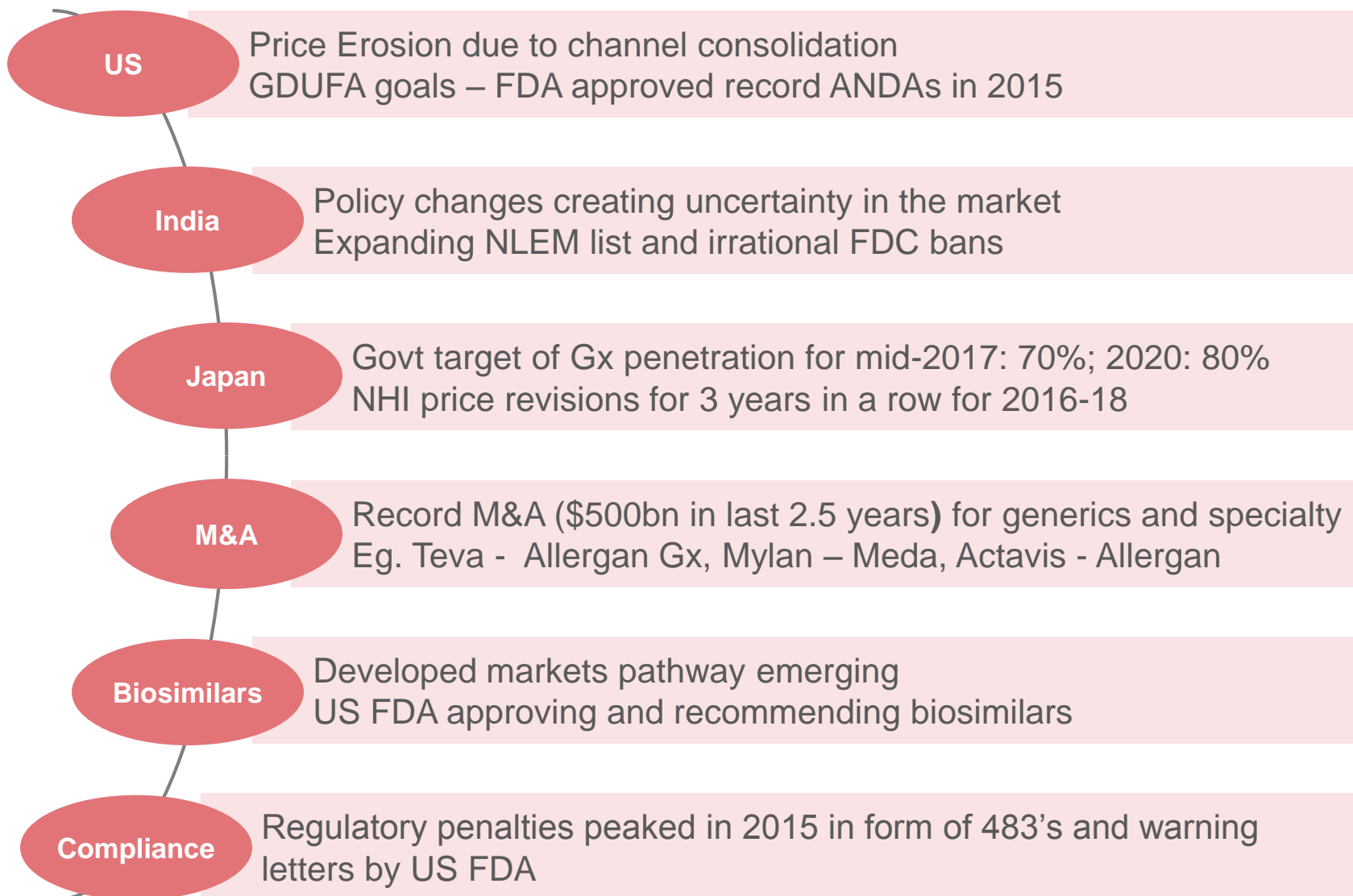
Materials and information provided during this presentation may contain 'forward-looking statements'. These statements are based on current expectations, forecasts and assumptions that are subject to risks and uncertainties which could cause actual outcomes and results to differ materially from these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

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Global Generics: Industry Trends

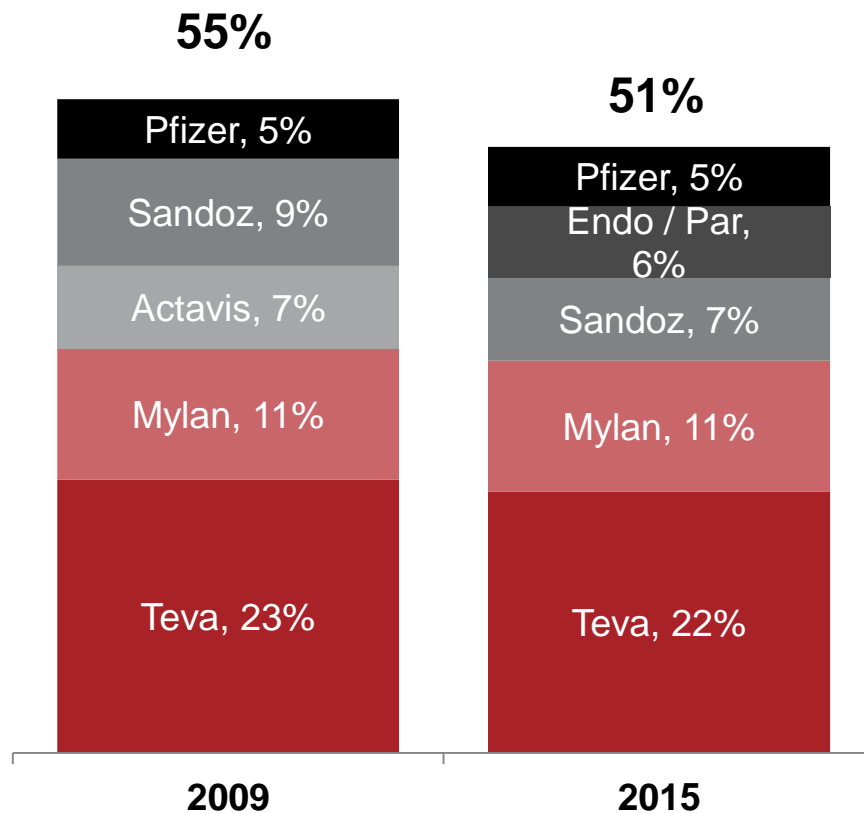


US Generics – Drivers

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

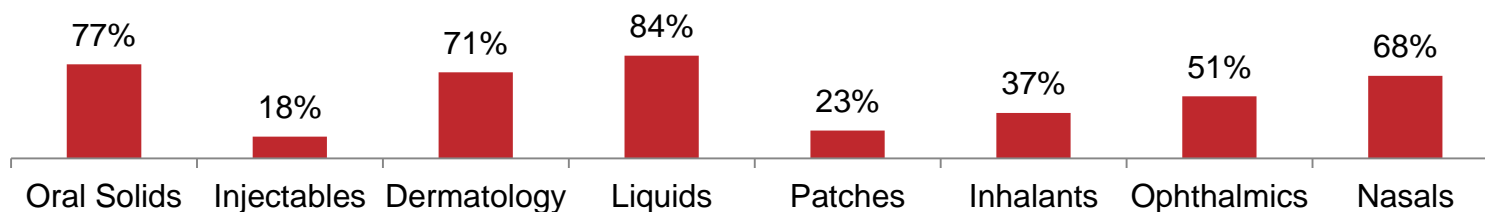
US Gx Market Share Evolution



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)

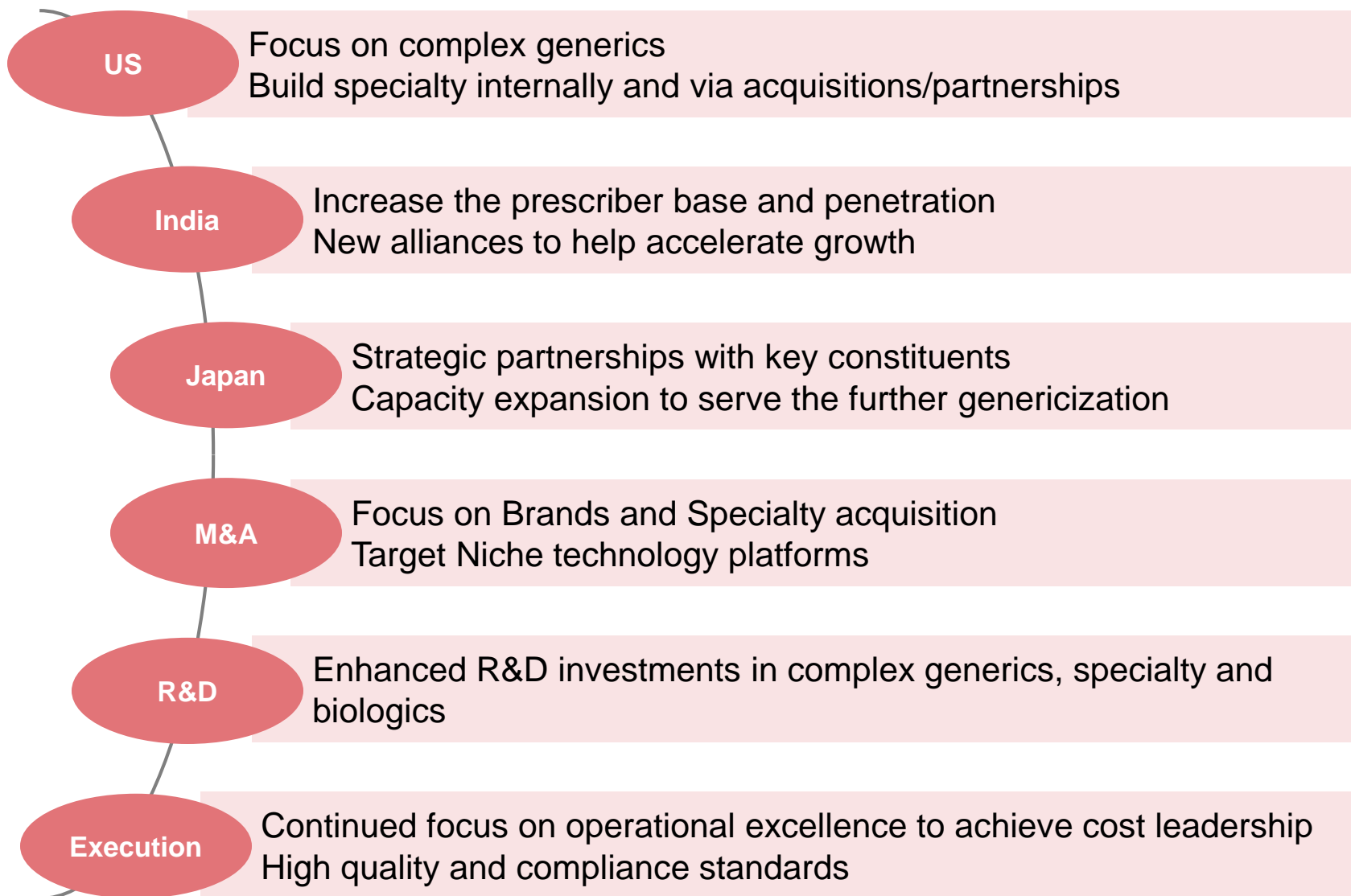
Oral Solids	47	Injectables	17	Dermatology	14	Liquids	6	Patches	6	Inhalants	2	Ophthalmics	5	Nasals	3
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Market Size
(\$bn)

Oral Solids	45.0	Injectables	8.4	Dermatology	5.9	Liquids	1.9	Patches	1.5	Inhalants	1.7	Ophthalmics	1.3	Nasals	0.5
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Complex generics still present an untapped opportunity

What does this mean for Lupin?

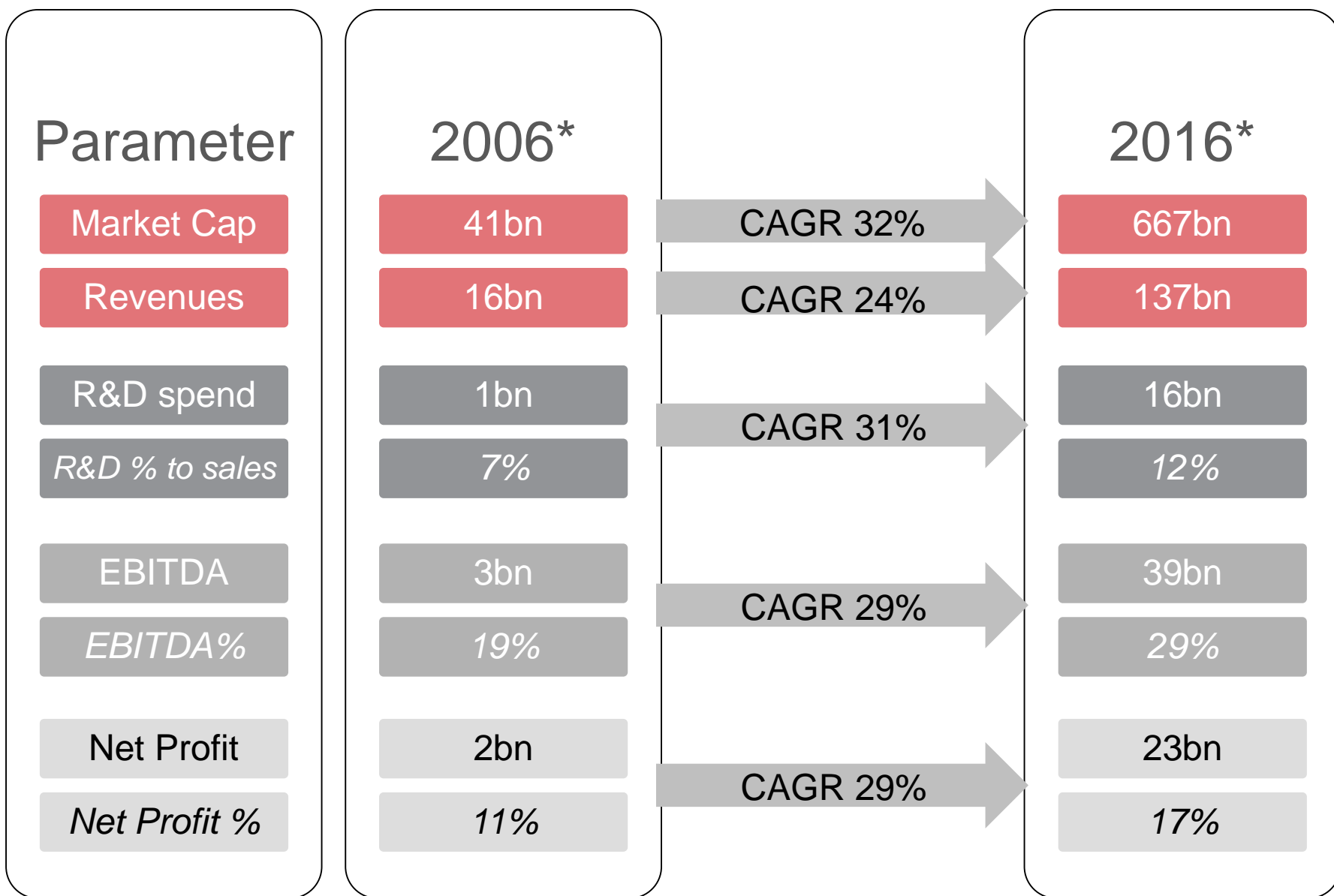


Our Strategic Direction



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

7th

largest generic
globally
(by market cap¹)

9th

largest generic
company
(by sales²)

3rd

largest Indian
Pharma
(by global sales²)

#1

in Anti-TB
(globally)

Advanced Markets

5th

largest US
(by prescriptions³)

9th

Largest
Japanese Gx⁴

Emerging Markets

8th

India Pharma
Market Rank⁵

4th

largest South
Africa
generics⁶

Sources:

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

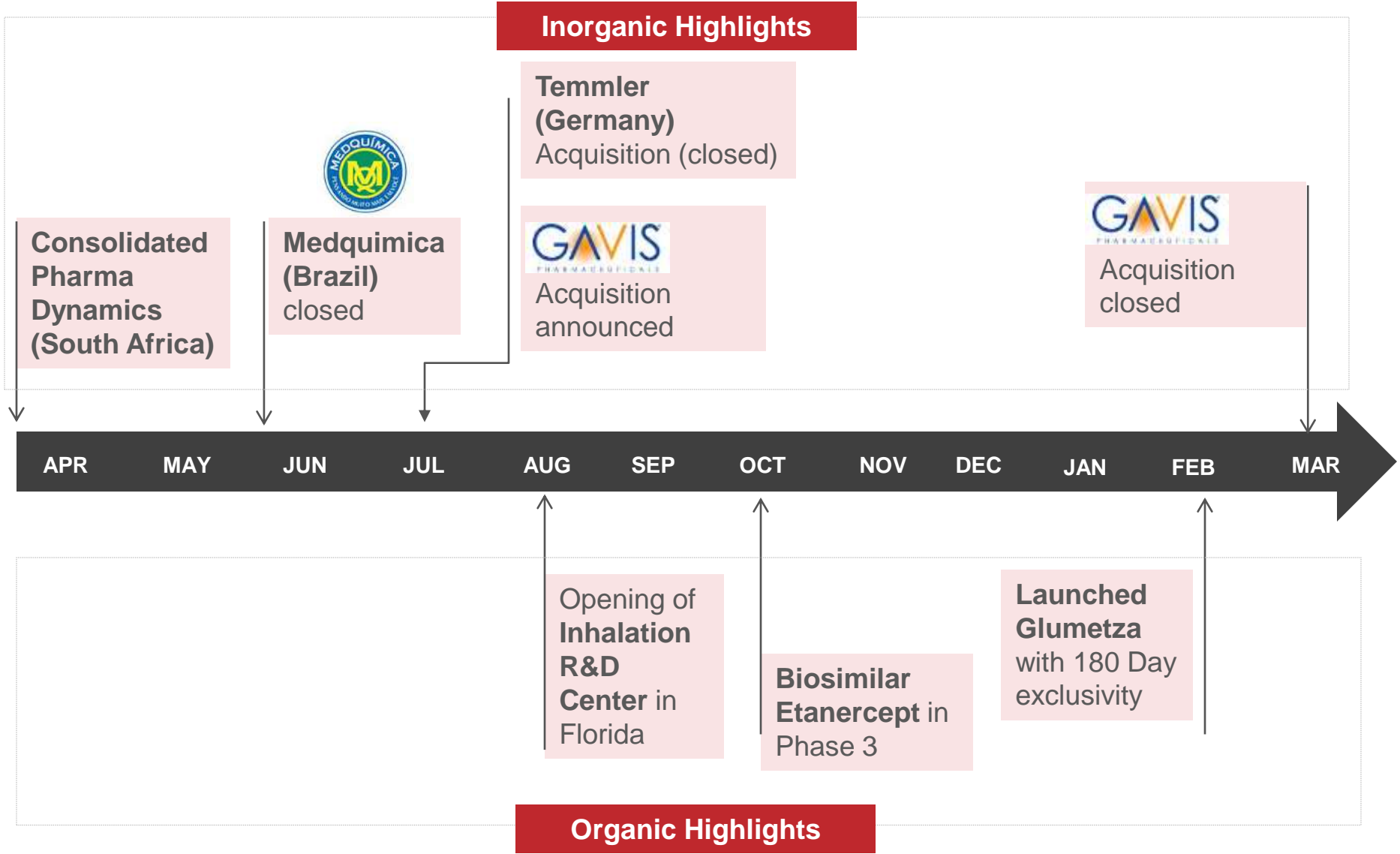
- 4 Latest reported FY sales
- 5 IMS MAT Mar 16
- 6 IMS MAT Mar 16

Lupin – Awards and Accolades

- **Outstanding Company of the Year** by CNBC-TV18
- Lupin Ranked 15th 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; 5th in Overall Ranking

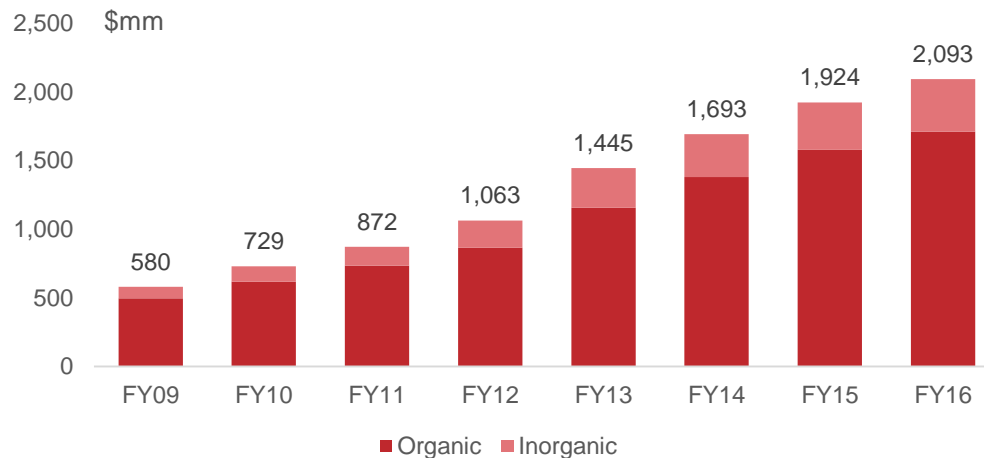


2016 - Year of Enhancing Global Footprint

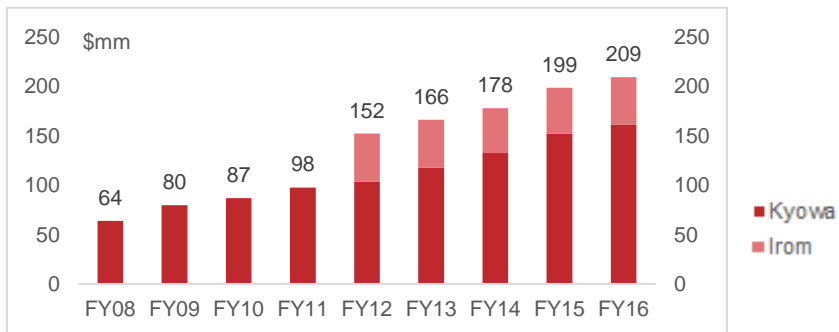


Strong Track Record of Organic & Inorganic Growth

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

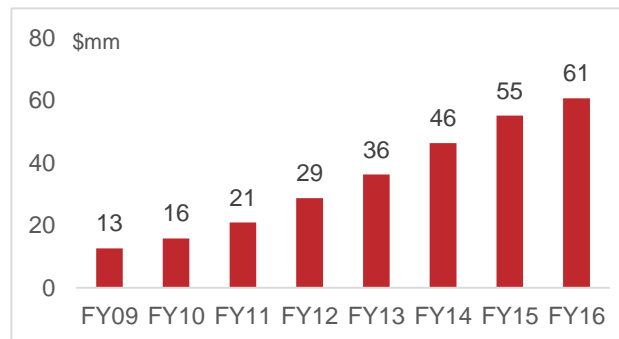


KYOWA / Japan Acquisition



- **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



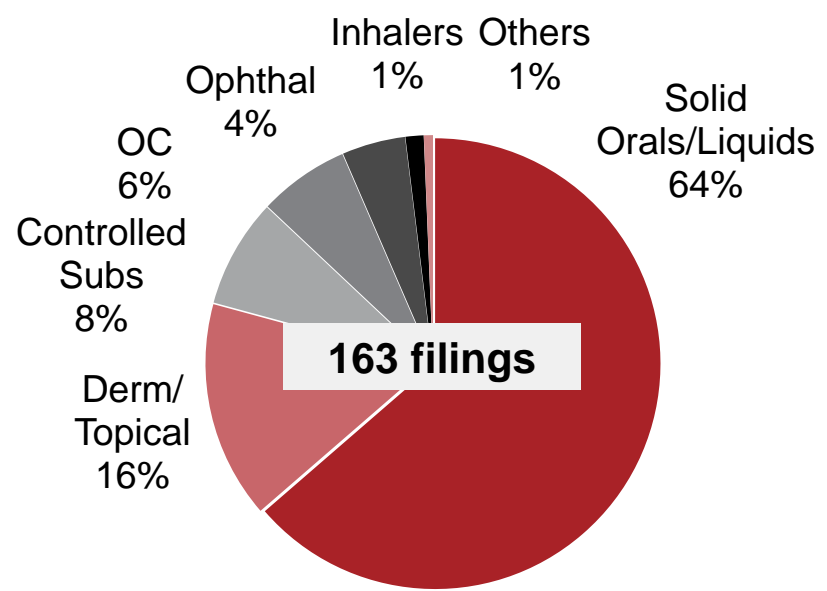
- **PBT margin increased 2.3 times since acquisition**
- **Revenue CAGR of 25% since acquisition (constant FX)**

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

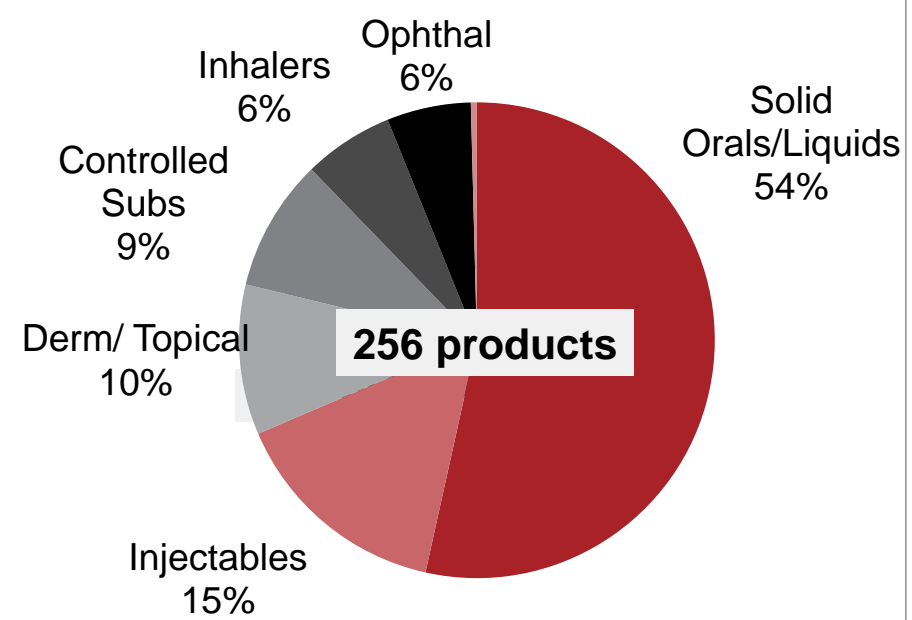
US: Combined Pipeline Update

Filed products



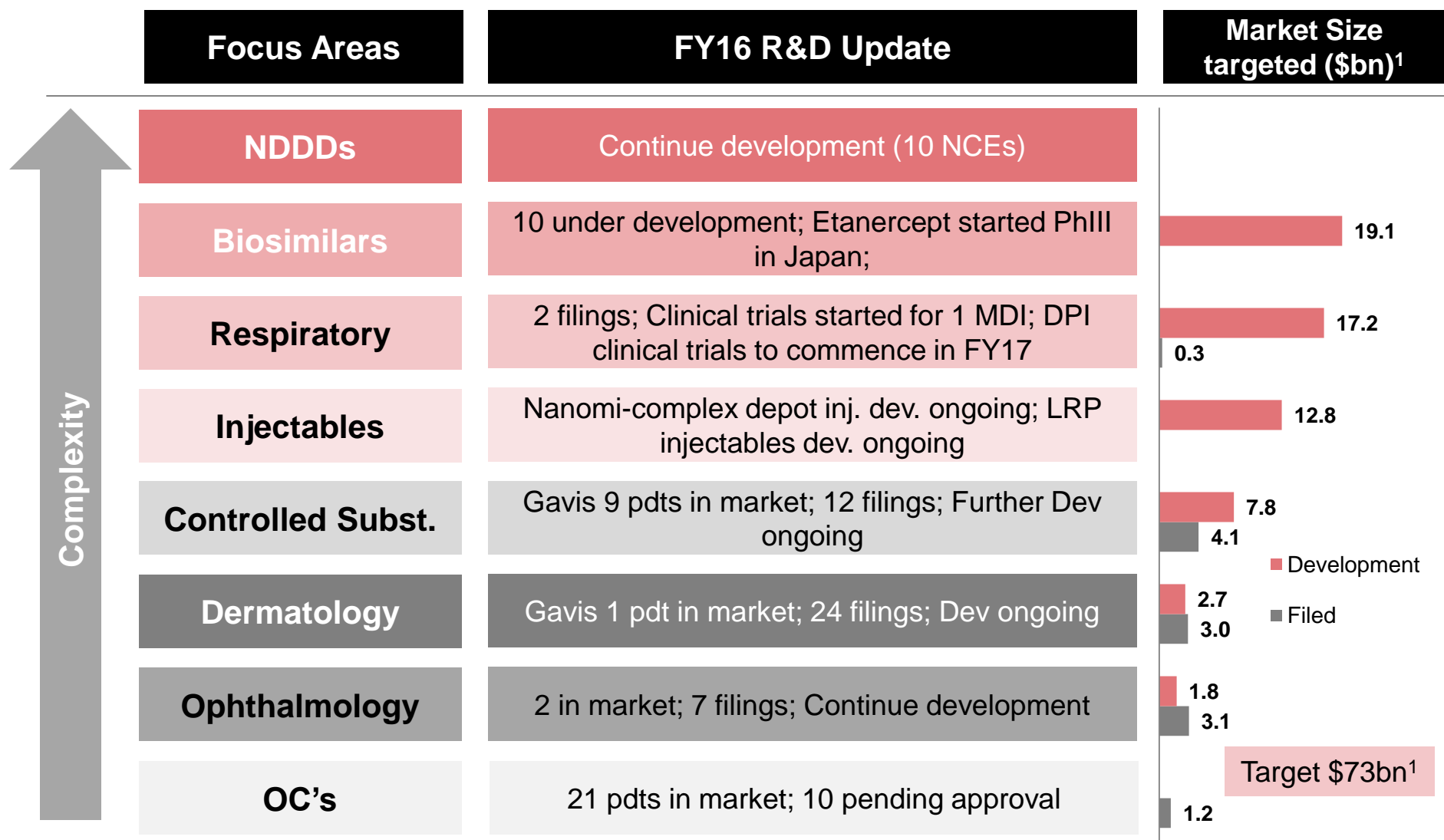
	Lupin	Somerset	Total
Total	241	102	343
Approved	136	44	180
Pending	105	58	163

Products in development



	Lupin	Somerset	Total
Total	190	66	256

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

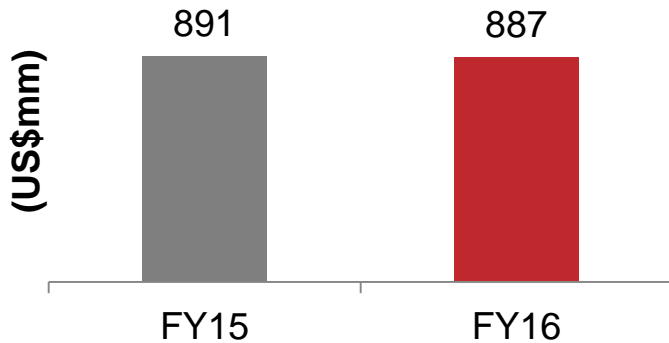
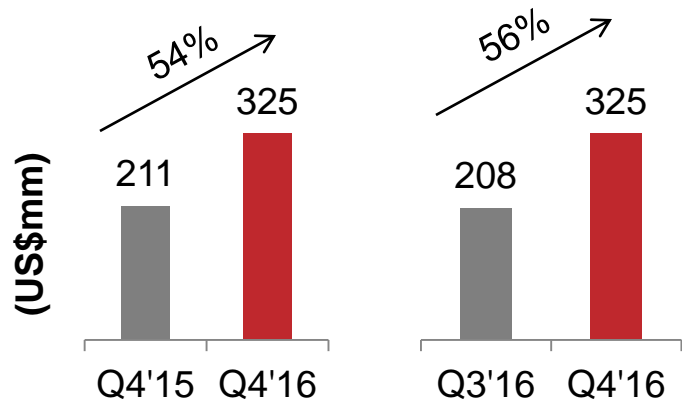
Particulars (INRmm)	Q4FY16	% of net sales	Q4FY15	% of net sales	YoY growth	Q3FY16	% of net sales	QoQ growth
Net sales	40,913	100.0%	30,540	100.0%	34.0%	33,577	100.0%	21.9%
Other operating income	899		241			1,981		
Total revenue	41,812		30,781		35.8%	35,558		17.6%
Gross margin (excl. other operating income)	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%
Net profit	8,071	19.7%	5,470	17.9%	47.5%	5,298	15.8%	52.4%

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
Net sales	137,016	100.0%	125,997	100.0%	8.7%
Other operating income	5,069		1,703		
Total revenue	142,085		127,700		11.3%
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%
Net profit	22,707	16.6%	24,032	19.1%	(5.5%)

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



Commentary

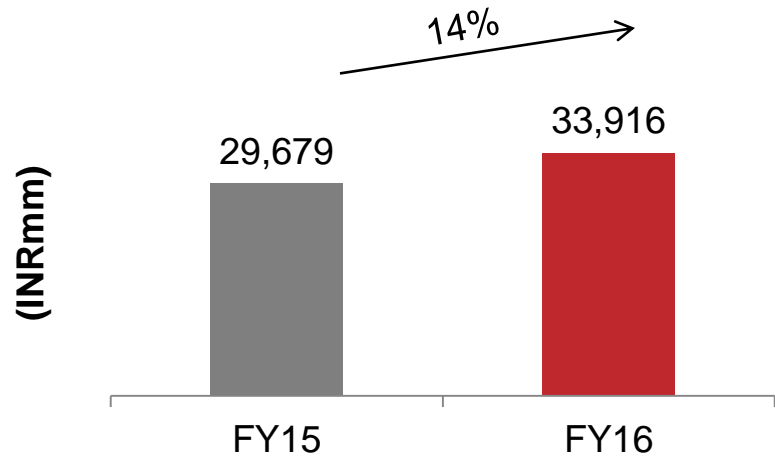
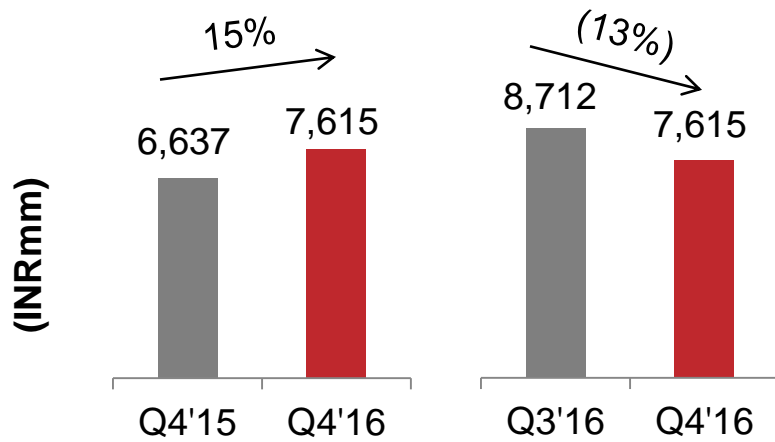
- US business grew YoY by 59% in INR terms to Rs. 21,871 mm (including IP) in Q4FY16
- QoQ growth was 56%
- **Lupin now has 5.6% Rx share and retains 5th rank¹**
- 39 approvals in FY16
- 9 new product launches during the quarter
- **Lupin supplies four of the Top 10 most commonly dispensed medicines in US**
- **Portfolio of 124² products (28 Somerset)**
- **US Market Share: No. 1 in 44 & top 3 in 79 products³**
- Total of 343² ANDA filings till date (102 Somerset), of which 180² (44 Somerset) have been approved

Note:

1 IMS MAT Sep 2015

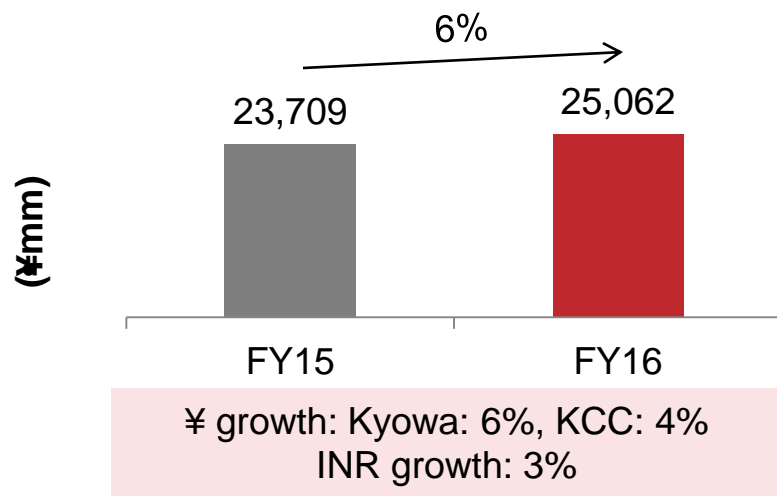
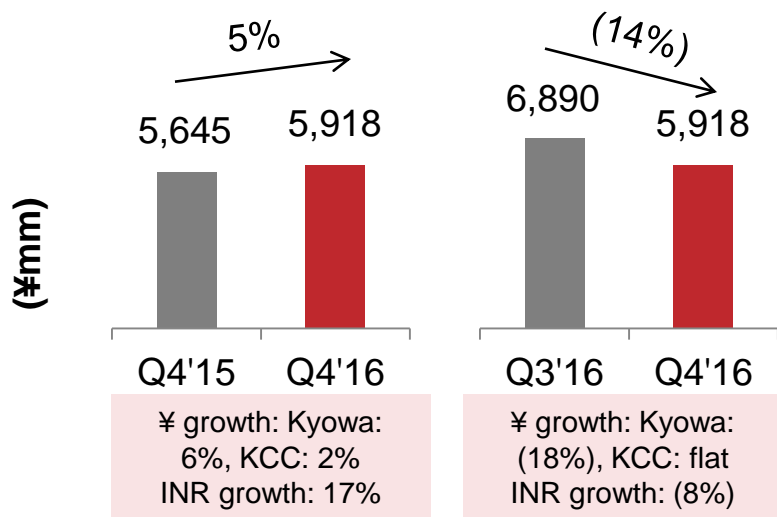
2 As of 31-Mar-16

3 IMS MAT Mar 2016



Commentary

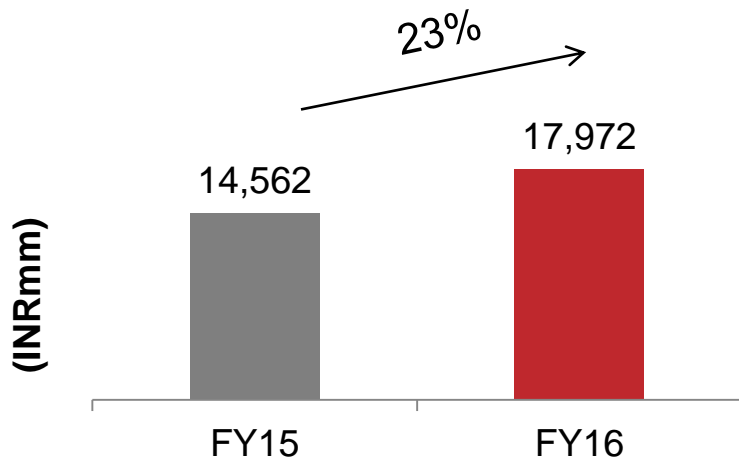
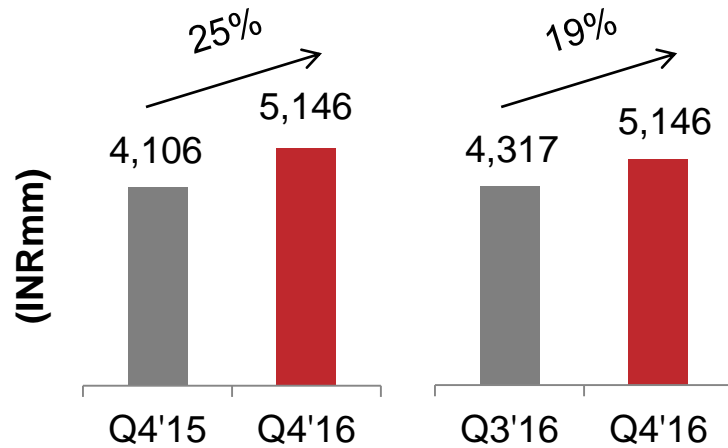
- India business growth of 14% to Rs. 33,916 mm
- Ranked 8th in the IPM¹
- Added 1,000 reps in FY16; Total sales force > 6,600
- Launched 5 new divisions to cater to high growth therapies
- Climbed to #3 ranking in Respiratory
- Launched 19 brands in FY16
- Chronic: 58%; Semi-chronic: 29% of sales in FY16



Commentary

- Japan business grew YoY by 3% to Rs.13,646 mm
- 9th 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
- 4th largest generic company¹ & #1 CVS player¹

Philippines

- YoY growth of 42% in PHP
- Multicare IMS growth of 44%² vs industry growth of 9%²
- Rank: 22²

LatAm

- **Mexico:** 2nd largest ophthal (by volume); IMS growth of 18% vs 5% market growth³
- **Brazil:** IMS growth of 15% vs market growth of 8%⁴

Europe

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

Note:

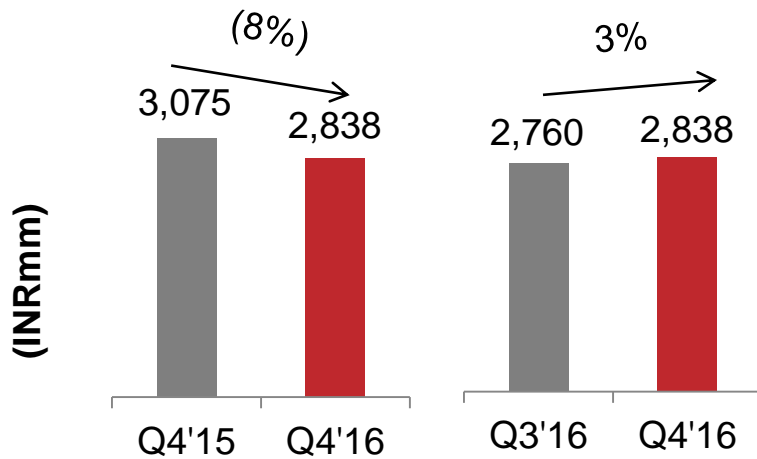
1 SA IMS MAT Mar 16

2 Philippines IMS MAT Mar 16

3 Mexico IMS Mar 16

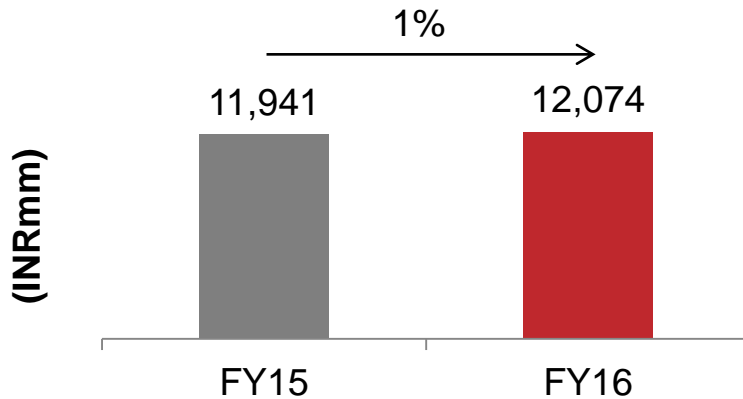
4 Brazil IMS MAT Dec 15

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

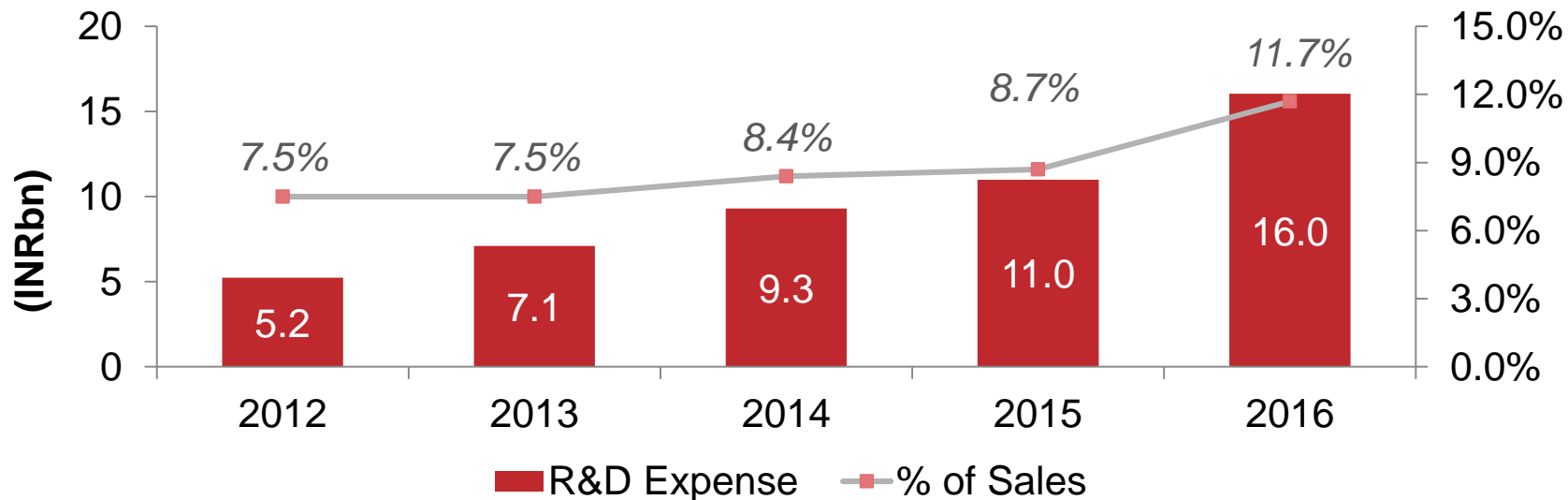


Commentary

- 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 bn¹) with 25 exclusives (US\$ 4.4 bn¹)
- Total of 343² ANDA filings till date (102 Gavis), of which 180² (44 Gavis) have been approved (25 Lupin + 14 Gavis approvals in FY16)

1. IMS MAT Mar 2016
2. As of 31-Mar-16

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