



## Strong Margins, Robust Profitability Quarter I Results, FY 2013-14 *EBITDA up 44%, Net profit up 43%*

**Mumbai, Aug 7, 2013:** Pharma Major, Lupin Ltd. reported its performance for the first quarter ending 30<sup>th</sup> June, 2013. These unaudited results were taken on record by the Board of Directors at a meeting in Mumbai today.

### Key financial & performance highlights

- Net sales grew to Rs. 24,207 m. during Q1 FY 2013-14, up from Rs. 22,192 m. (Q1 FY 2012-13), registering a growth of 9.1%.
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) grew by 43.5% to Rs. 6,905 m. during Q1 FY 2013-14, up from Rs. 4,812 m. (Q1 FY 2012-13).
  - EBITDA margin expanded to 28.5% of net sales in Q1 FY 2013-14, as against 21.7% (Q1 FY 2012-13).
- Profit before tax (PBT) grew by 53.4% to Rs. 6,226 m. during Q1 FY 2013-14, up from Rs. 4,057 m. (Q1 FY 2012-13).
  - PBT margin expanded to 25.7% of net sales in Q1 FY 2013-14, as against 18.3% (Q1 FY 2012-13).
- Net profits grew by 43.0% to Rs. 4,011 m. during Q1 FY 2013-14, up from Rs. 2,804 m. (Q1 FY 2012-13).
  - Net profit expanded to 16.6% of net sales in Q1 FY 2013-14, as against 12.6% (Q1 FY 2012-13).

*Commenting on the results, Dr. Kamal K. Sharma, Managing Director, Lupin Limited, said "We have had a good quarter fuelled by strong business performance in the U.S. as well as improved operational efficiencies that have led to stronger margins. We continue on the road to growth in EBITDA".*

## Press Release



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### Unaudited consolidated financial results for the quarter ended June 30<sup>th</sup>, 2013 (YoY comparison)

Figures in Rs. m

Particulars	Q1 2013-14	% of net sales	Q1 2012-13	% of net sales	YoY growth %
Net sales	24,207	100%	22,192	100.0%	9.1%
Other operating income	555	2.3%	345	1.6%	60.9%
Total revenue	24,762	102.3%	22,537	101.6%	9.9%
Raw material consumed	8,748	36.1%	8,187	36.9%	6.9%
Gross margin (excl. other operating income)	15,459	63.9%	14,005	63.1%	10.4%
Employees cost	3,281	13.6%	3,049	13.7%	7.6%
Manufacturing & other expenses	6,837	28.2%	6,725	30.3%	1.7%
Operating margin	5,896	24.4%	4,576	20.6%	28.8%
Other income	1,009	4.2%	236	1.1%	327.5%
EBITDA	6,905	28.5%	4,812	21.7%	43.5%
Depreciation	624	2.6%	654	2.9%	-4.6%
EBIT	6,281	25.9%	4,158	18.7%	51.1%
Interest & finance charges	55	0.2%	101	0.5%	-45.5%
PBT	6,226	25.7%	4,057	18.3%	53.4%
Tax	2,171	8.9%	1,207	5.4%	79.9%
PAT	4,055	16.8%	2,850	12.8%	42.3%
Minority interest	44	0.2%	46	0.2%	-4.3%
Net profit	4,011	16.6%	2,804	12.6%	43.0%

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### Profit & Loss highlights

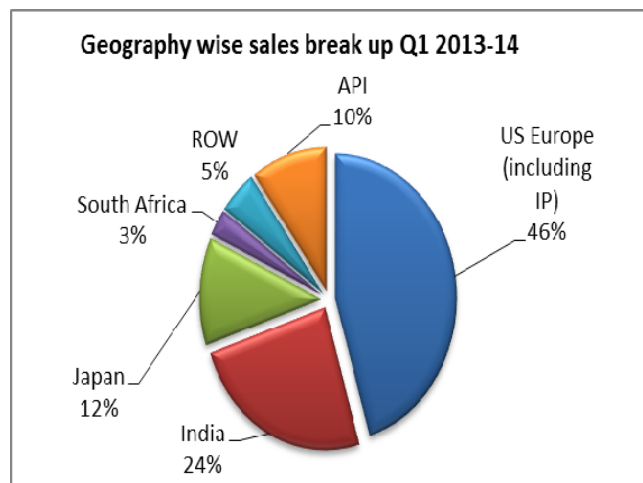
- Material cost decreased by 0.8% to 36.1% of net sales, at Rs. 8,748 m. during Q1 FY 2013-14 as compared to Rs. 8,187 m. during Q1 FY 2012-13.
- Manufacturing and other expenses decreased by 2.1% to 28.2% of net sales at Rs. 6,837 m. during Q1 FY 2013-14 as compared to Rs. 6,725 m. during Q1 FY 2012-13.
- Personnel cost decreased by 0.1% to 13.6% of net sales, at Rs. 3,281 m. during Q1 FY 2013-14, as against Rs. 3,049 m. during Q1 FY 2012-13.
- Revenue expenditure on R&D stood at 8.1% of net sales at Rs. 1,956 m. during Q1 2013-14, as compared to Rs. 1,782 m. during Q1 FY 2012-13.

### Balance sheet highlights

- Operating working capital increased to Rs. 25,160 m. as on 30<sup>th</sup> June, 2013 as against Rs. 24,312 m. as on 31<sup>st</sup> March, 2013. The working capital number of days stands at 94 days as on 30<sup>th</sup> June, 2013 as against 93 days on 31<sup>st</sup> March, 2013.
- Capital Expenditure stood at Rs. 1,089 m. during the quarter.
- Debt Equity Ratio as on 30<sup>th</sup> June, 2013 was 0.07.

### Business Segments - Revenue Mix

Particulars	Q1 2013-14	Q1 2012-13	YoY growth
Formulations	21,778	19,875	10%
US & EU (including IP)	10,994	8,497	29%
India	5,894	6,212	-5%*
Japan	2,923	3,329	-12%**
South Africa	746	663	13%
Rest of world	1,221	1,174	4%
API	2,429	2,317	5%
<b>Total net sales</b>	<b>24,207</b>	<b>22,192</b>	<b>9%</b>



\*Sequential Growth (QoQ) for the Indian Business was 4%

\*\* Sequential Growth (QoQ) for the Japanese Business was 6%



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### Operational highlights

#### US and Europe

US and Europe formulation sales (including IP) grew by 29% to Rs. 10,994 m. during Q1 FY 2013-14, as against Rs. 8,497 m in Q1 FY 2012-13, contributing 46% to overall sales. US brands business contributed 11% of total US sales whereas the generics business contributed 89% during Q1 2013-14.

- US formulations revenues increased by 20% to USD 180 m. during Q1 FY 2013-14.
- The Company launched 4 products in the US during the quarter.
- Lupin is now the market leader in 25 products out of the 52 products marketed in the US generics market. The Company is amongst the Top 3 by market share in 40 of these products. (IMS Health, June 2013).

#### India formulations

The India formulations business contributed 24% of the Company's overall revenues, recording net revenues of Rs. 5,894 m. during Q1 FY 2013-14. The quarter saw a growth of 4% sequentially (QoQ).

#### Japan

Lupin's Japan sales (Kyowa + I'rom) increased to JPY 5,151 m. for Q1 FY 2013-14 up from JPY 4,921 m. in Q1 FY 2012-13, a growth of 5% in JPY terms. In INR terms, Japanese sales stood at Rs. 2,923 m. during Q1, FY 2013-14. The quarter saw a growth of 6% sequentially (QoQ).

In JPY terms, Kyowa revenues (excluding I'rom) increased from JPY 3,368 m to JPY 3,772 m in Q1 2013-14, a growth of 12%.

#### South Africa

Lupin's South African subsidiary, Pharma Dynamics clocked revenues of Rs. 746 m. during Q1 FY 2013-14, representing a growth of 13%. The Company remains 5<sup>th</sup> largest generic company in the South African market with a clear leadership in the cardiovascular space.

#### API

API sales grew by 5% to Rs. 2,429 m. during Q1 2013-14 contributing 10% to Lupin's consolidated revenues.

#### R&D

Revenue expenditure on R&D for Q1 2013-14 amounted to Rs. 1,956 m., 8.1% of net sales as against Rs. 1,782 m., 8.0% to net sales in Q1 FY 2012-13.

Lupin filed 1 ANDA and received 8 approvals from the US FDA during the quarter. Cumulative ANDA filings with the US FDA as of June 30<sup>th</sup>, 2013 stood at 177 with the company having received 86 approvals to date.

The Company got approval of 2 MAAs with European regulatory authorities during the quarter. Cumulative filings with European authorities now stand at 53 with the company having received 40 approvals to date.

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### **About Lupin Limited**

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

Lupin is the 5<sup>th</sup> largest and fastest growing top 5 generics player in the US (5.3% market share by prescriptions, IMS Health) and the 3<sup>rd</sup> largest Indian pharmaceutical company by sales. The Company is also the fastest growing top 10 generic pharmaceutical players in Japan and South Africa (IMS).

For the financial year ended March 2013, Lupin's Consolidated turnover and Net Profit were Rs. 94,616 million (USD 1.74 billion) and Rs. 13,142 million (USD 242 million) respectively. Please visit <http://www.lupinworld.com> for more information.

### **For further information or queries please contact -**

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