



**EMPOWERING**

**H E A L T H**

# Investor Presentation Q1 FY24

August 4, 2023



**LUPIN**



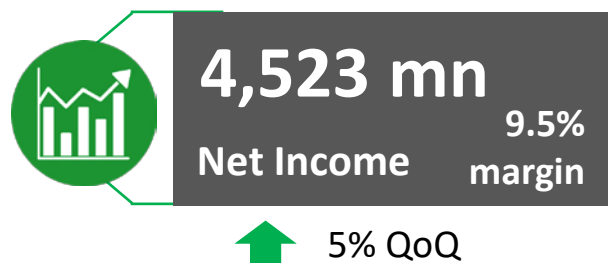
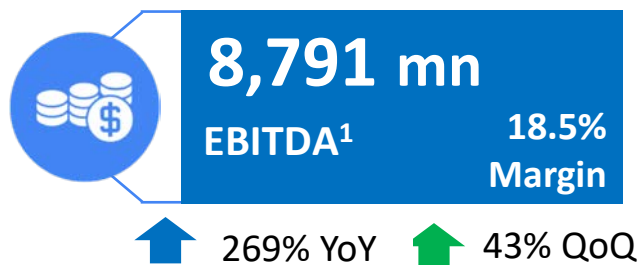
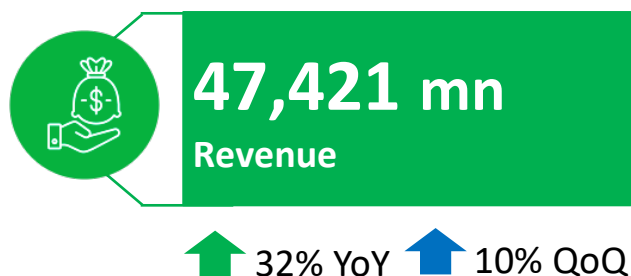
# Q1 FY24 Performance

# Q1 FY24: Key Growth Metrics

Continued focus on meaningful and profitable growth

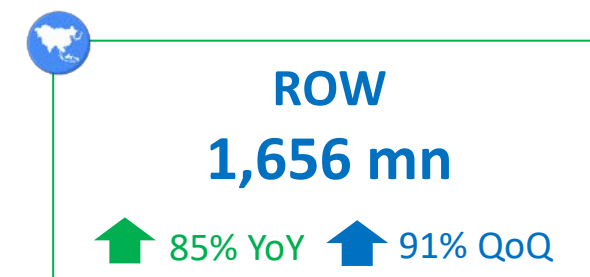
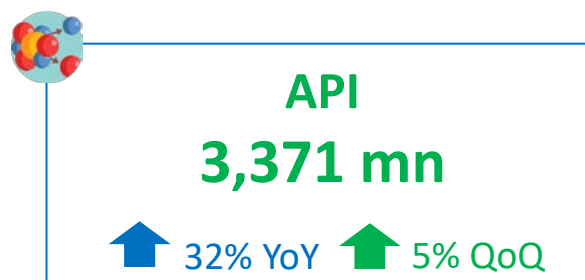
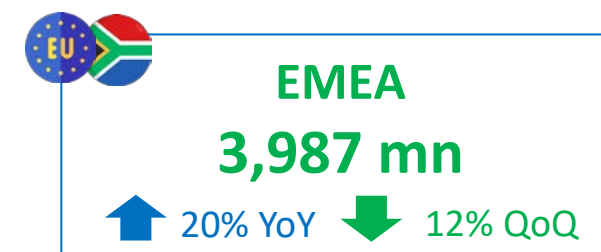
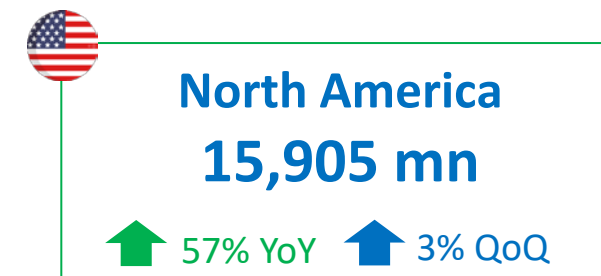
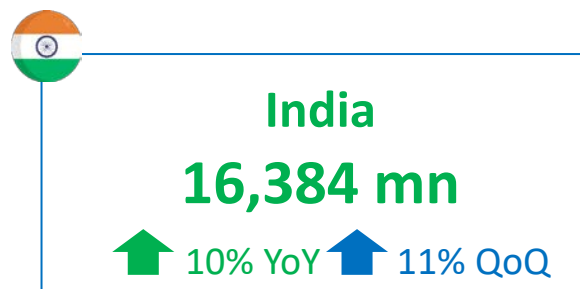


## Key Metrics



## Business Performance

INR mn



Note: 1. EBITDA margin is 14.4% Excluding NCE, Forex and Other Income; Arrows indicate Growth / degrowth

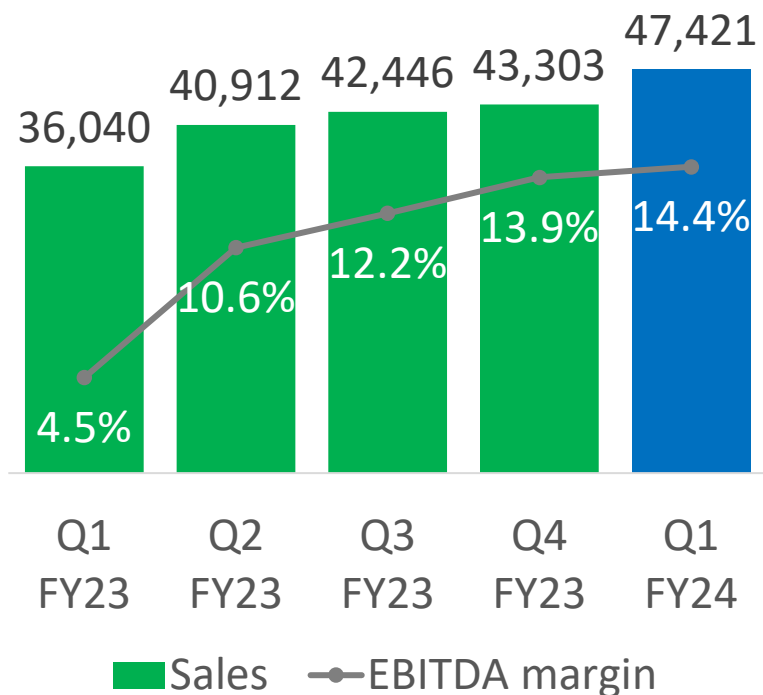
# Q1 FY24: Key Developments

Significant positive momentum on all fronts



## Financials

### Sales and Adj. EBITDA\* Margin Trajectory

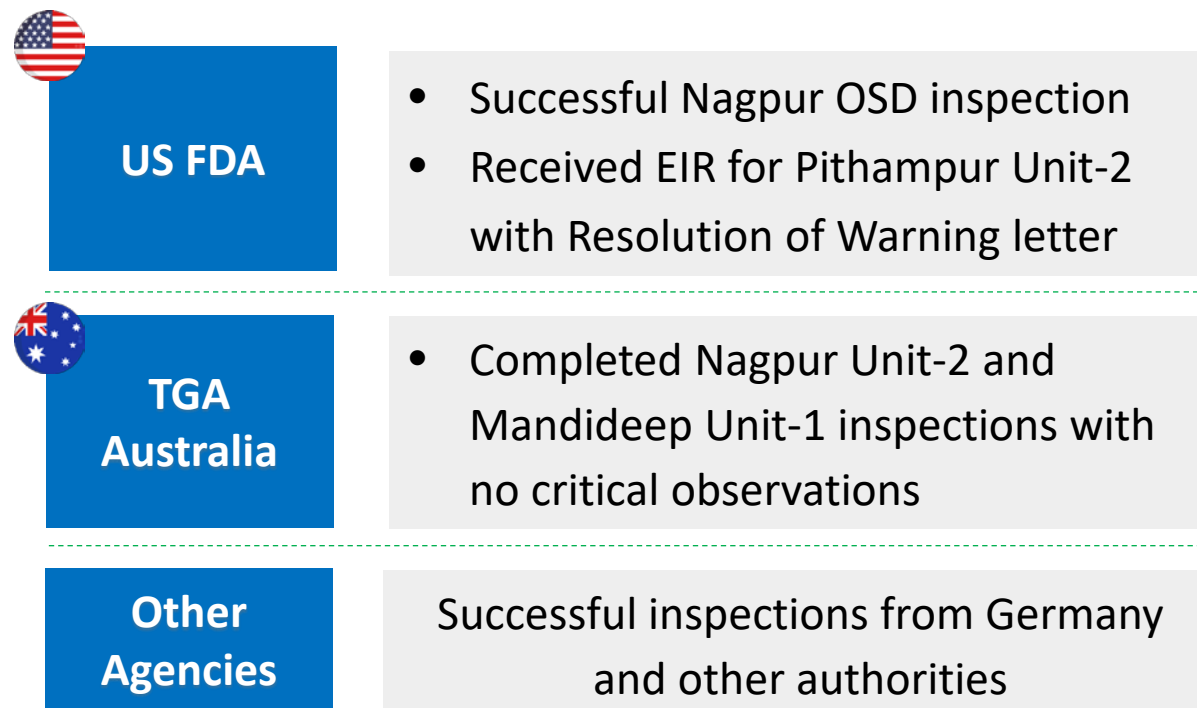


\*excludes NCE, Fx and Other Income

## Pipeline



## Compliance

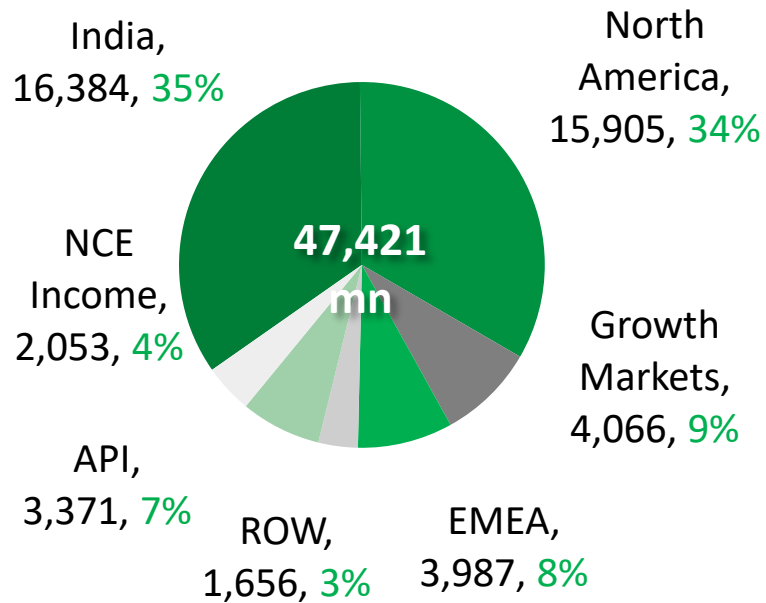


# Q1 FY24 Financial Snapshot



## Sales Mix (ex NCE income)

Revenue (INR mn and %)



## Key Financials

INR in mn

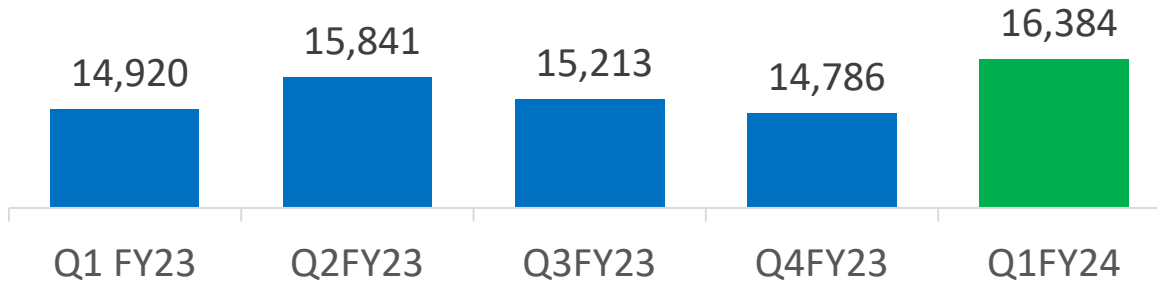
	Q1 FY24	Q4 FY23	Q1 FY23
Sales	47,421	43,303	36,040
EBITDA	8,791	6,150	2,379
PBT	5,588	2,585	23

# India: Bouncing Back



India Prescription business has grown >13% ex Cidmus and NLEM impact in Q1 FY24

India Sales (INR mn)



## Cardiac and Respiratory are back on growth trajectory

- AI, Respiratory and Gynaecology reported double-digit growth in Q1 FY24
- Three therapies – Cardiac, Anti Diabetes and Respiratory are above INR 10 bn in sales

Lupin grew at par with the market at 8.5% in Q1, ex-inlicensed portfolio



Leveraging therapy leadership by adding 6 new divisions



#2 rank  
Respiratory



#3 rank  
Diabetes Care



#3 rank  
Cardiac

- ~7,000 Total MEs<sup>1</sup> and ~9,100 total sales force
- Launched “Uday” division to cater to extra Urban

## Continued launch momentum with 4 new introductions in the quarter

### New Introductions



1 in  
Diabetes Care



1 in  
Cardiac



2 in  
respiratory

Poised to launch >21 products in FY24

# North America: Gaining Momentum

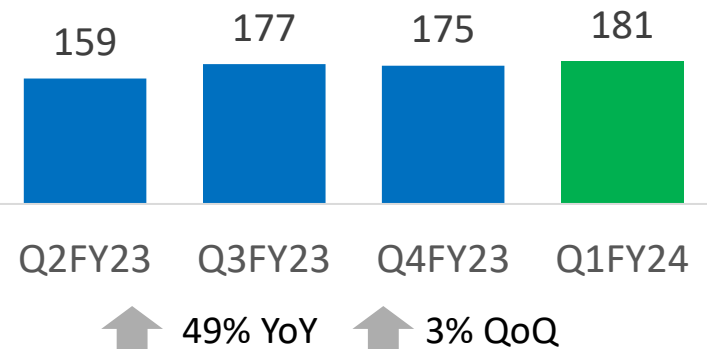
**Leadership: Delivering 5.2% TRx Gx volume of the U.S.<sup>1</sup>**

**New product sales driving US growth (\$ mn)**

**Growing Respiratory portfolio**

**#3 in the US<sup>1</sup>**  
Maintaining leadership

**#1 in 41 products<sup>2</sup>**  
Top 3 in 109 products<sup>2</sup>



**21.8%**  
Albuterol market share  
In generics

**41.0%**  
Arfomoterol market share  
Brand + generic

**Q1 FY24 Key Highlights**

- Continued focus on profitable growth
- Continued strength in Q1FY24 with FTF gDarunavir launch and gSpiriva approval
- USFDA Inspections: Successful Nagpur OSD inspection and EIR for Pithampur Unit 2

**Evolving Complex Product Portfolio through investments in Injectables and Inhalation**

- Current pipeline includes 54 FTFs incl. 21 exclusive FTFs
- Substantial investments in Inhalation, Injectables and Biosimilars pipeline and capabilities (Development and Manufacturing)
- 30+ strong pipeline of Injectables and 22+ strong inhalation pipeline

Note:  
1. IQVIA Qtr Gx Jun-23 by prescriptions  
2. IQVIA Qtr Mar-23 NSP data

# Other Markets: Key Highlights



## Other Key Markets driving growth



EU

- Luforbec, Namuscla and levetiracetam growing
- Completed Medisol acquisition in France



South Africa

- 8<sup>th</sup> largest generics player<sup>1</sup>
- 5% YoY growth to reach ZAR 295 mn sales in Q1 FY24



Australia

- 4<sup>th</sup> largest generics player<sup>2</sup>
- SCP acquisition performing well



API + Global Institutional

- API revenues grew 32% YoY in Q1 FY24 due to core API business growth
- Continued leadership in anti-TB Institutional business and increasing ARV registrations

## Emerging Markets: Steady growth



Brazil

- BRL 75 mn sales in Q1 FY24 (growth of 30% YoY) driven by ibuprofen & acquired portfolio
- In reference market, ranks 2<sup>nd</sup><sup>3</sup>



Mexico

- Recorded 59% YoY decline with MXN 86.2 Mn, due to impact of stock- outs



Philippines

YoY growth in 7% driven by renal, women's health

Note:

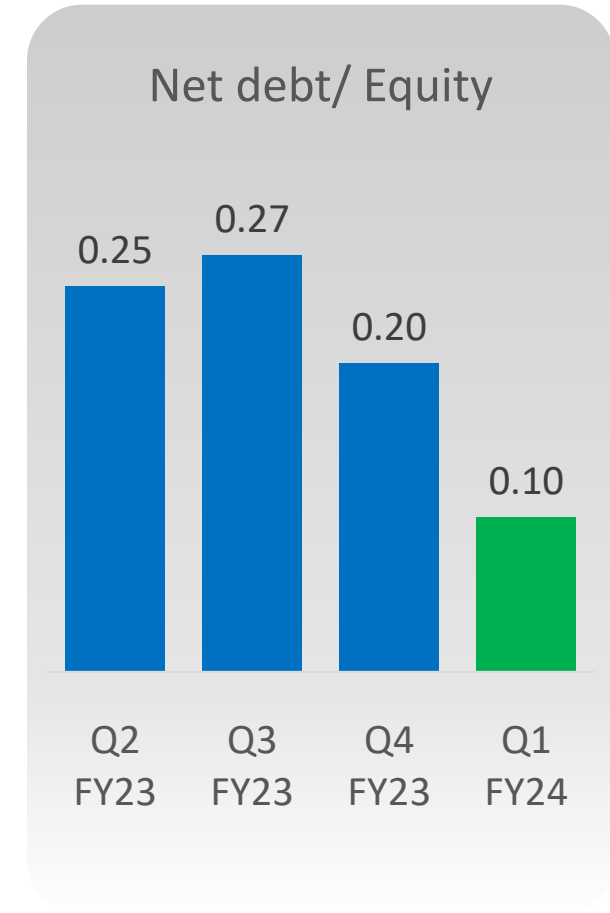
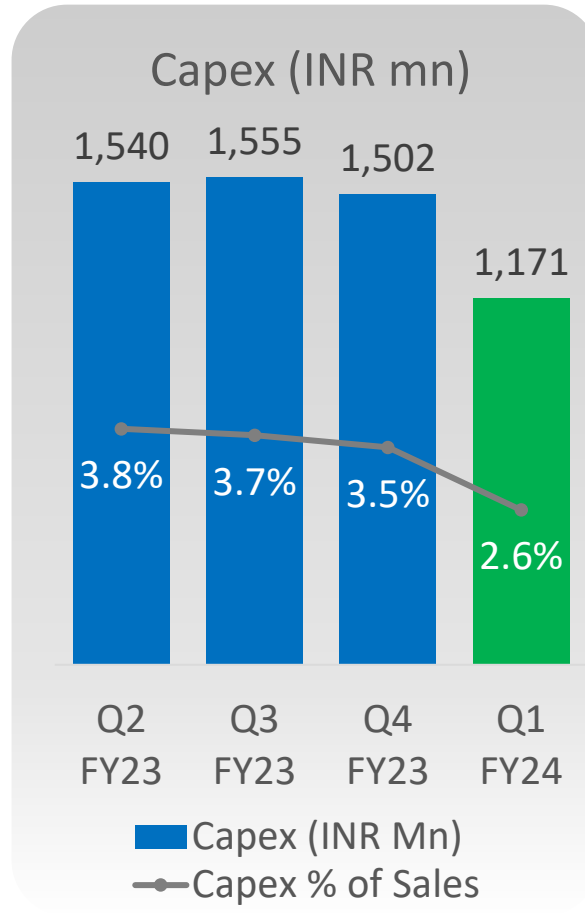
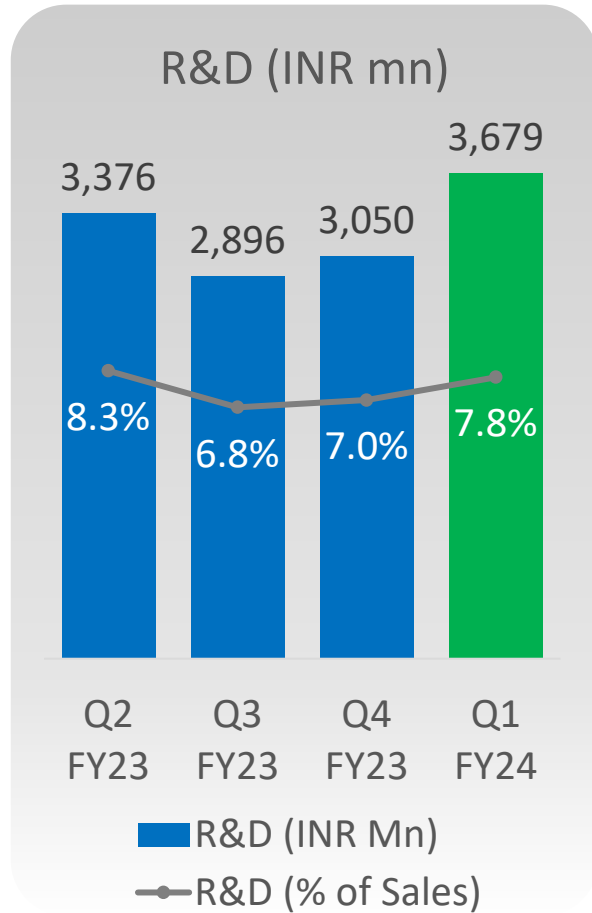
1. IQVIA May 23 by sales

2. IQVIA Midas Sales Audit Mar-23

3. IQVIA MAT May-23



# Key Financial Metrics: Quarterly Trend



# P&L Highlights Q1 FY24



Amount in INR mn	Q1FY24	% of Sales	Q4FY23	% of Sales	QoQ Growth	Q1FY23	% of Sales	YoY Growth
Sales	47,421	100.0%	43,303	100.0%	9.5%	36,040	100.0%	31.6%
Other operating income	719	1.5%	998	2.3%	-27.9%	1,399	3.9%	-48.6%
<b>Total revenue</b>	<b>48,141</b>	<b>101.5%</b>	<b>44,301</b>	<b>102.3%</b>	<b>8.7%</b>	<b>37,438</b>	<b>103.9%</b>	<b>28.6%</b>
Gross Profit (excl. other operating income)	31,013	65.4%	25,803	59.6%	20.2%	19,941	55.3%	55.5%
<b>EBITDA</b>	<b>8,791</b>	<b>18.5%</b>	<b>6,150</b>	<b>14.2%</b>	<b>42.9%</b>	<b>2,379</b>	<b>6.6%</b>	<b>269.6%</b>
PBT	5,588	11.8%	2,585	6.0%	116.2%	23	0.1%	NM
Profit after Tax	4,533	9.6%	2,424	5.6%	87.0%	(868)	-2.4%	NM
<b>Profit/(Loss) for the period</b>	<b>4,523</b>	<b>9.5%</b>	<b>2,360</b>	<b>5.4%</b>	<b>91.7%</b>	<b>(891)</b>	<b>-2.5%</b>	<b>NM</b>

NM: Not Meaningful



# Lupin at a Glance



# Lupin Today

Operating from a position of strength



## Global Presence



13<sup>th</sup>

Largest Generic Company

(by sales<sup>1</sup>)



\$2 bn

Annual sales in FY23



\$233 mn

EBITDA in FY23



21,300+  
Lupinytts

Reaching lives in 100+ countries

## Local Leadership

3<sup>rd</sup>

Largest in the US  
(by prescriptions<sup>3</sup>)

6<sup>th</sup>

India Pharma Market  
(by sales<sup>3</sup>)

4<sup>th</sup>

Largest Australia Gx  
(by sales<sup>4</sup>)

8<sup>th</sup>

Largest South Africa Gx  
(by sales<sup>5</sup>)

### With Global Infrastructure

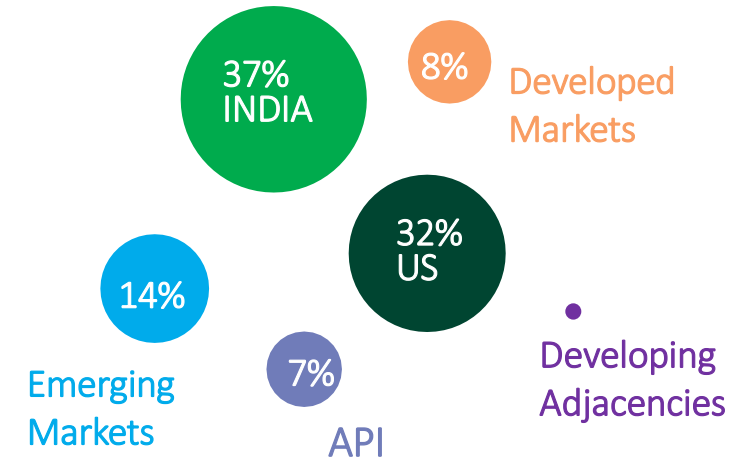
15 Manufacturing Sites

7 R&D Sites

across India, the US, Netherlands, Brazil and Mexico

## Geographically Diverse

(FY23 Sales)



### And Growing Sustainably<sup>2</sup>



~13% reduction in Scope 1 and 2 emissions

Renewable energy share of ~5%

Adding 22MW Renewable energy capacity in FY24

1 - Global ranking based on LTM Mar23 sales

2 Reduction from base of FY230

3 - IQVIA Qtr Jun-23

4 - IQVIA MAT Mar-23

5 - IQVIA MAT may-23

# Vision

*A pharmaceutical company focused on delivering high quality medicines to patients around the world*



## United States

**Evolving portfolio and pipeline in Complex platforms** (Inhalation, Biosimilars and Injectables)  
Scaled product platforms in legacy oral, ophthalmic and dermatology

## Global Developed Markets

**Global operational efficiency and presence** driving leverage on CAPEX and R&D across the platforms through markets with similar regulatory regimes (UK, Europe, Canada and Australia)

## India Region

**Delivering innovative brands at above market Growth** through organic and in-organic means, as well as establishing strategic market adjacencies

## Other Emerging Markets

**Global reach and scale** positions us as a partner of choice in South Africa, Brazil, Mexico, Philippines  
Enhancing Access to Medicines in anti-TB in low and middle income nations

## API

**Meaningful scale achieving competitive costs** to serve internal as well as external customers and contribute meaningfully to Global Public Health

**Continuous Improvement Culture**

**Best in Class Global Quality**

# Lupin's ESG goals

In the context of double materiality, our goals are aligned to material topics impacting both enterprise value & environment / society



## Product Accessibility and Affordability

### Access to Medicines

- Targeting 80+ registrations of anti-TB and ARV medicines in 2024

### Implementation of Patient Assistance Programs

- Two programs by 2025, each benefitting 100,000 patients

### Education for Patients and Doctors

- Touching 1 million Patients by 2028 and 20,000 doctors by 2030

### Local Manufacturing Partnership

- Developing partnerships in African firm by 2027 to improve accessibility

### Material Issues

- Accessibility and Affordability
- Community Development and CSR

## Innovation Management

### Complex Generics: Launches in Regulated Markets by 2028

- 20 complex product launches in the areas of inhalation, injectables, among others

### Biosimilar and Novel Complex Products

- Complete 3 biosimilar filings in regulated markets by 2028
- Launch 10 novel complex pipeline products in India by 2028

### Process/Open Innovations

- Target 15-20 process innovations annually, resulting in \$2-3 million in savings
- Pursue open innovation partnerships in API, formulations, digital solutions, and diagnostics

### Material Issues

- Innovation Management and Research
- Digitization

## Regulatory Compliance, Quality, and Patient Safety

### Regulatory Compliance

- Zero sites with Warning Letter status (WL) by FY25

### Recalls

- Maintain zero class I recalls

### Data Integrity

- No data integrity-related observations in any regulatory audits

### Quality Audits

- Lupin's India sites undergo annual audits, while supplier sites are audited every three years and during vendor qualification

### cGMP Training

- Ensure 100% completion of mandatory training to applicable employees

### Material Issues

- Regulatory Compliance, Consumer and Patient Safety & Pharmacovigilance
- Data Integrity, Data Privacy and Cyber Security

## Patient Centricity

### Diagnosis

- By 2030, assist in the diagnosis of lung disease using fractional exhaled nitric oxide (FENO) and Spirometry tests for more than 1 million patients
- Target the diagnosis of breast cancer in 1,400 women in FY24

### Rehabilitation

- "Lungs on Care" campaign: Provide in-clinic services for Interstitial Lung Diseases (ILD) rehabilitation in 300 clinics by 2030
- Atharv Ability, our neuro rehabilitation center is targeting an outreach to 10,000 patients in FY24

### Full care

- Lyfe provides post ACS (acute coronary syndrome) patient care, aiming to reach 25,000 patients in FY24

### Material Issues

- Community Engagement and Development
- Regulatory Compliance, Consumer and Patient Safety & Pharmacovigilance

## Environmental Stewardship

### Greenhouse Gas Emissions

- By 2030, reduce Scope 1 and Scope 2 GHG emissions by 15% from 2019-20 levels

### Water Conservation

- By 2025, we aim to recycle 50% of our total water withdrawal

### Hazardous Waste Management

- By 2025, re-direct 60% of incinerable hazardous waste from Indian operations to co-processing such as cement plants

### Regularly review and revise goals

- In alignment with our decarbonization strategy and Scope 3 reduction objectives



### Material Issues



- Environmental Impact Management
- Climate Change and Impact on Business
- Opportunities in Renewable Energy
- Opportunities in Green Building
- Antimicrobial Resistance

# ESG: Progress against goals in FY22

For our other material topics where we had taken targets in FY22



	Targets	Progress in FY23
 <b>Supply Chain</b>	Undertaking detailed ESG audits of 100% of only raw material and packaging materials Tier 1 <sup>1</sup> suppliers by 2025.	Kick-started Supplier Assessment. We assessed ~50% of Tier-1 Direct Material Suppliers for ESG Risks (basis third party secondary research).
	Incorporation of ESG aspects in the evaluation criteria for onboarding all new vendors by 2025.	Finalized Sustainable Procurement Strategy. We are also developing a Sustainable Procurement Policy to supplement our strategy.
 <b>Environmental Performance</b>	Reduce our Scope 1 and Scope 2 GHG emissions by 15% from 2019-20 levels, by 2030.	We have added to our renewable energy capacity, thus resulting in an 8% reduction in Scope 1 and 2 emissions.
	Recycling 50% of our total water withdrawal in our Indian operations by 2025.	Recycled 42% water withdrawal in our operations.
	60% of the hazardous waste generated in its Indian operations will be sent to cement plants for co-processing by 2025.	61% of hazardous waste has been sent to cement plants for co-processing.

	Targets	Progress in FY23
 <b>Social Value Creation and Preservation</b>	15% women employees across all business units by 2027.	8.79% of permanent employees are women.
	10% year-on-year reduction in the Lost Time Injury Frequency Rate (LTIFR), Severity Rate, Accident Frequency Rate, and Incident Frequency Rate, taking FY19 as the base year.	66% reduction in reduction in LITFR as compared to previous year for employees and contractors. Overall Reduction from 0.34 in FY20 to 0.07 in FY23.
 <b>Biodiversity</b>	Plant 1,600,000 trees by 2025.	Through our employee volunteering program, we have planted 10,000 trees in India (FY23 estimate). Furthermore, ~137,000 trees planted by LHWRF Initiatives. We have also planted more than ~5,000 trees on World Asthma Day.

# Lupin – Awards and Accolades



## Organizational Awards

- **ATD** (Association of Talent Development) **BEST Award**
- **‘Factories of the Future’** at the **Economic Times Promising Plant Awards 2022**
- Excellence in Patient Centric Initiative at **Zee Health Awards 2022**
- **‘Digital Pharma Marketing Excellence Award’** for **‘in Pharma Digital Marketing & Awards 2022**
- Businessworld's **Diversity and Inclusion Award 2022** for **"Outstanding Diversity Network"**
- **Cyber Security Excellence Awards 2022** for the **Best Zero Security** in Healthcare
- **Bioprocessing Excellence in South Asia Award** at Asia Pacific Bioprocessing Excellence Awards 2022 by **IMAPAC**

## Leadership and Other Awards

- **Vinita Gupta**, named among India’s **20 Most Influential Women** in Healthcare by 2022 **BW Healthcare World**
- **Goa and Nagpur** awarded **Gold Medal** at the National Awards for **Manufacturing Competitiveness 2022-23**
- **Pithampur** team wins **two awards** - at the **CII National Technology Competition** and won **four** awards at **43rd CII National Kaizen Competition**
- **Dabhasa** Recognized in the **silver category** at the **India Green Manufacturing Challenge 2021-22** organized by International Research Institute for Manufacturing
- Pithampur team won **Platinum and Gold Awards** at the **16th CII National 3M Competition**
- Team **Quality and Operational Excellence** on winning the platinum category award from **CII Institute of Quality**
- **LHWRF** won the Water Sustainability Awards 2022-23 for Excellence in **Participatory Water Management**
- Lupin Diagnostics won **Best Pathology Lab (National Category)** at **The Economic Times ET Healthcare Awards 2022**





# Thank You


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