

# Lupin Limited

**Q4FY22 & FY22 Result Analysis & Earning Call Highlights**

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# Lupin Limited- Q4FY22 Results

Rs. Crore	Q4 FY22	Q4 FY21	YOY %	Q3 FY22	QoQ %
Revenue From Operations	3883	3783	3%	4161	-7%
EBITDA from Operations	268	717	-63%	370	-28%
EBITDA Margin	7%	19%	-12%	9%	-2%
PAT	-518	460	-213%	546	-195%
PAT Margin	-13%	12%	-25%	13%	-26%
EPS	-11.4	10.15	-21.55%	12	-22.15%

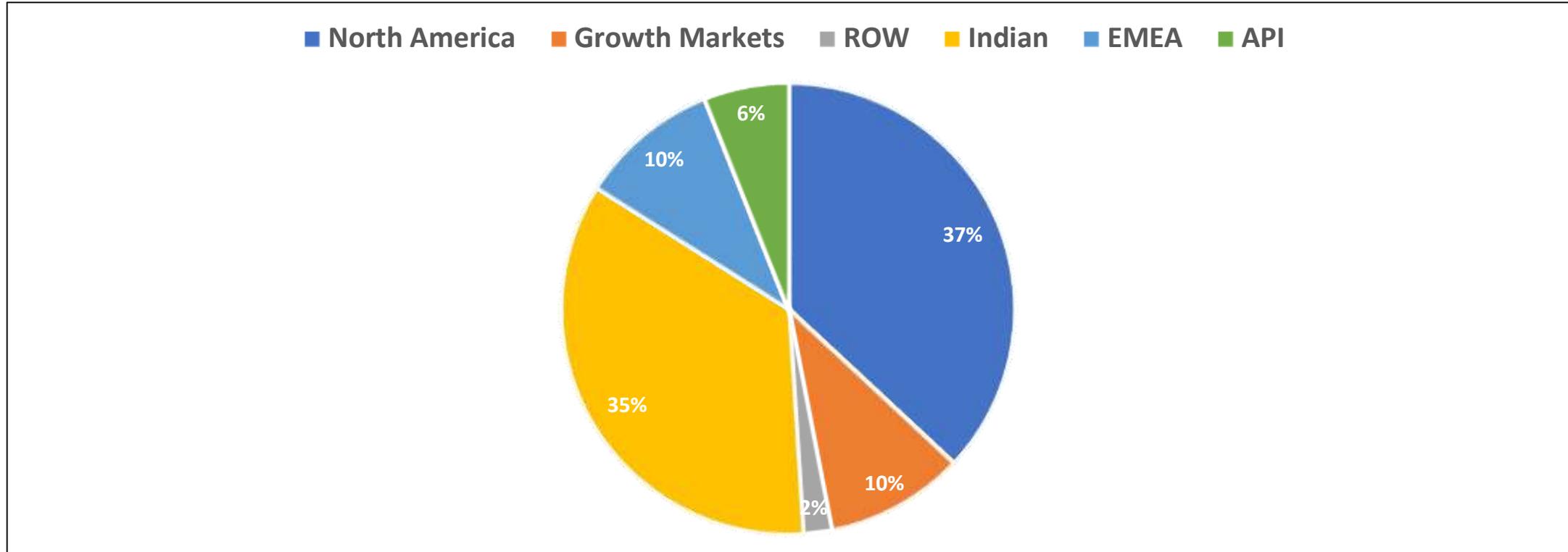
Lupin had a challenging Quarter for the due to headwinds in the U.S. and the EBITDA currently stands at Rs. 268 Cr declining by 63% YOY and 28% QOQ, on account of double digit price erosion In US, and inflation in input materials and freight. Depreciation & Amortization & impairment expense of Q4 FY22 includes Rs. 126.7 crore on account of impairment of Gavis IPs. The PAT Margins have also trembled by 213% YOY and 195% QOQ.

# Lupin Limited- FY22 Results

Rs. Crore	FY22	FY21	YOY %
Revenue From Operations	16405	15163	8.2%
EBITDA from Operations	287	2567	-89%
EBITDA Margin	2%	17%	-15%
PAT	-1528	1216	-226%
PAT Margin	-9%	8%	-17%
EPS	-33.65	26.84	60.49%

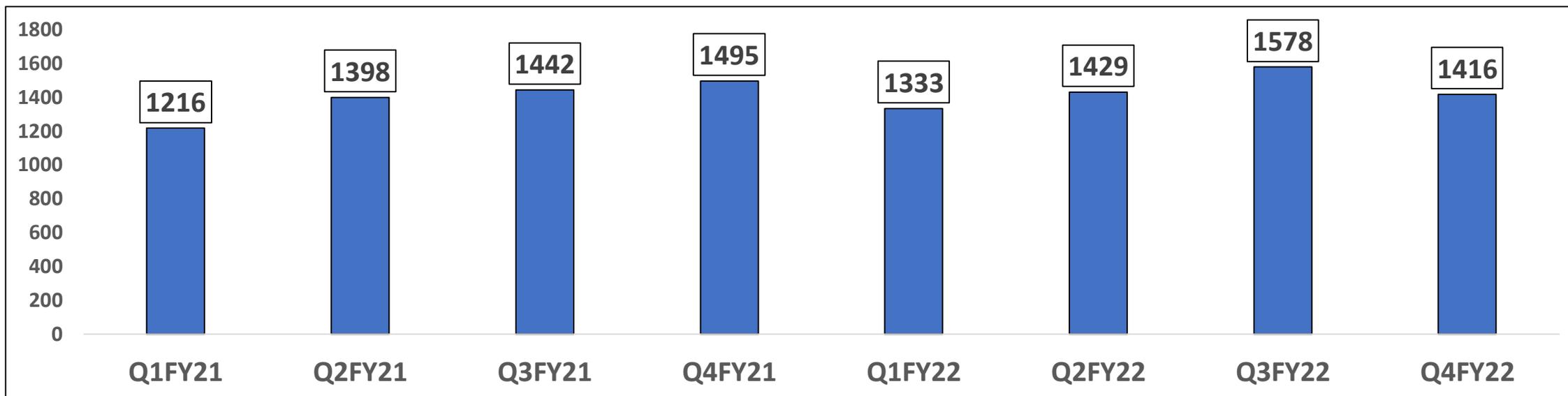
In FY22, the company had a deteriorating trend, with EBITDA falling by 89% and PAT falling by 226%. In Q3 FY22, one-time expenses of Rs. 193.2 crore related to residual Metformin returns from retail and consumers not identified previously. The company settled the Glumetza case out of court in order to avoid future taxation & litigations in USA & registered a loss of 1879 crores in books due to which bottom line has taken a bleeding. Growth & Emerging Markets were the only positives for the company in terms of topline whereas North America, India & API markets took a downtrend

# Lupin Limited- Geographical Revenue Q4FY2022



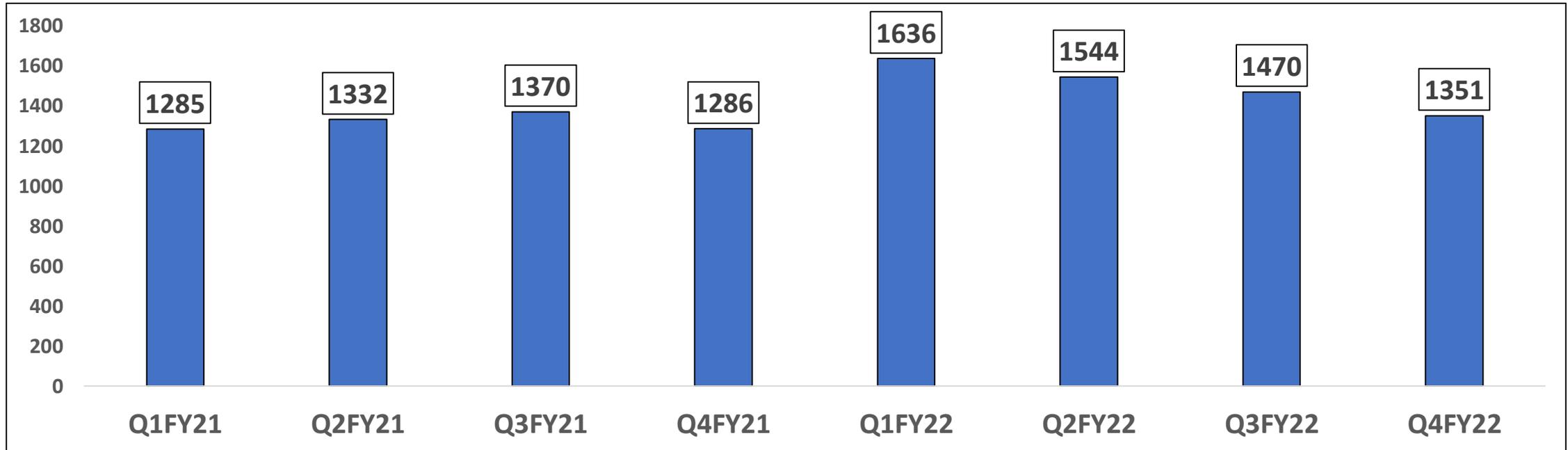
- North America & India have been the major contributor to the revenue for the company followed by Growth Markets, EMEA, API and ROW.
- In India business, there was growth of 5% YoY amid seasonal weaker quarter and lower offtake in tender business.

# Lupin Limited- Geography Wise Revenue: North America(Crores)



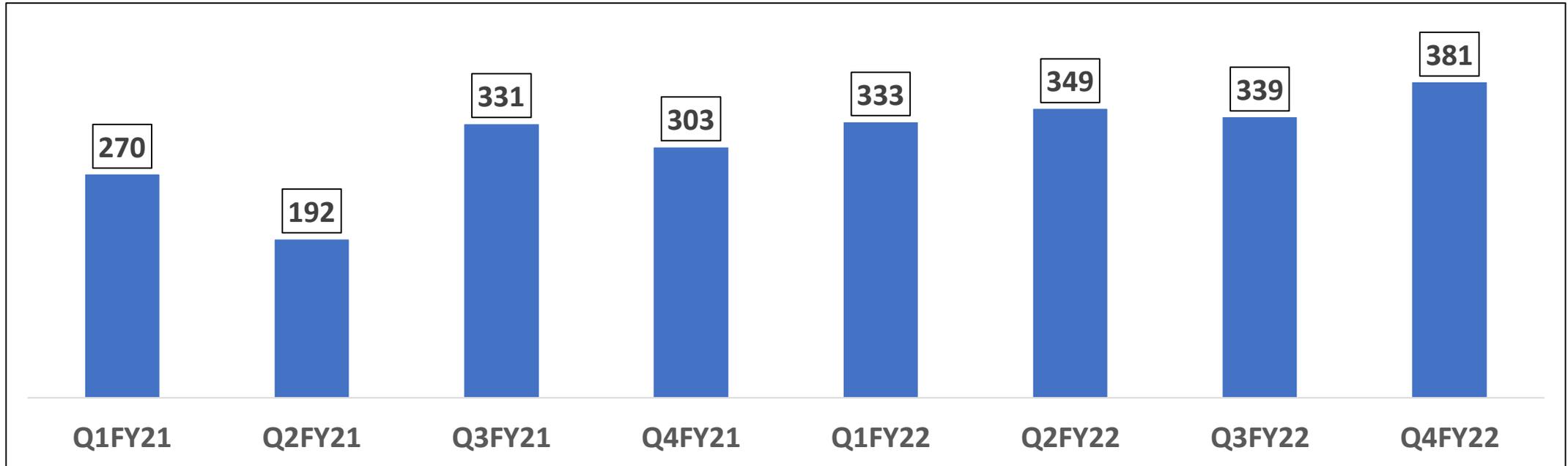
- Pressure has increased from both competition and purchasing groups. YoY price decline of 7% in January, accelerated to 16% in February
- Launched 2 products in Q4 in US (gTaytulla and gRenagel) bringing the total marketed generic products to 166

# Lupin Limited- Geography Wise Revenue: India (Crores)



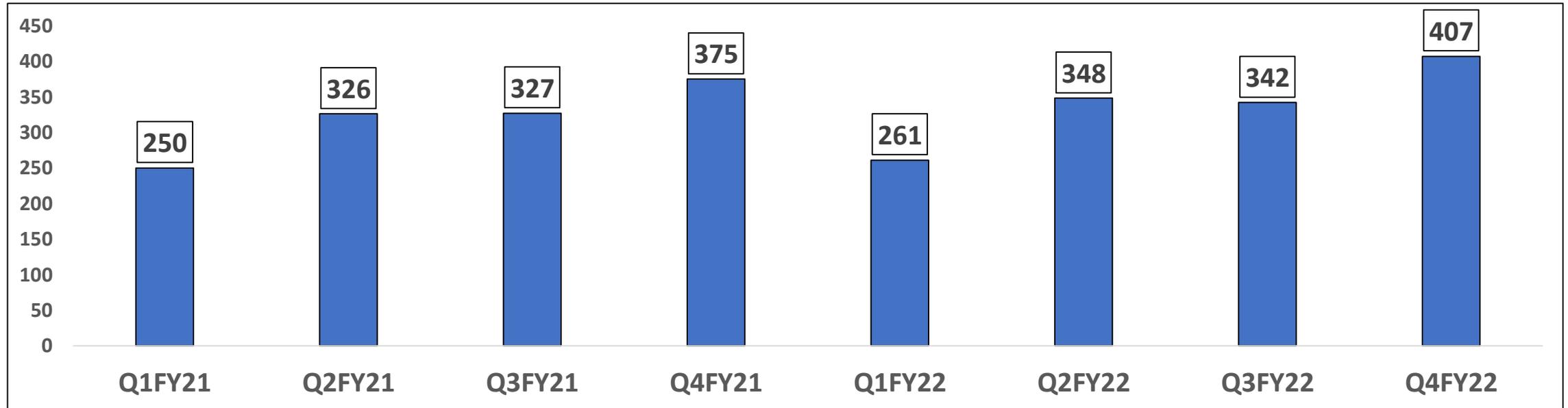
- 6th Rank in IPM; 65% Chronic contribution
- For Lupin Respiratory & Gynae registered a double-digit growth in Q4 FY22
- Two therapies- Cardiac & Anti Diabetics are above INR 1,000 Crore sales
- New divisions launched: MindNext (CNS), Lupin Inspire (Diabetes) Maxter Neo (Anti-infective)

# Lupin Limited- Geography Wise Revenue: Growth Markets (Crores)



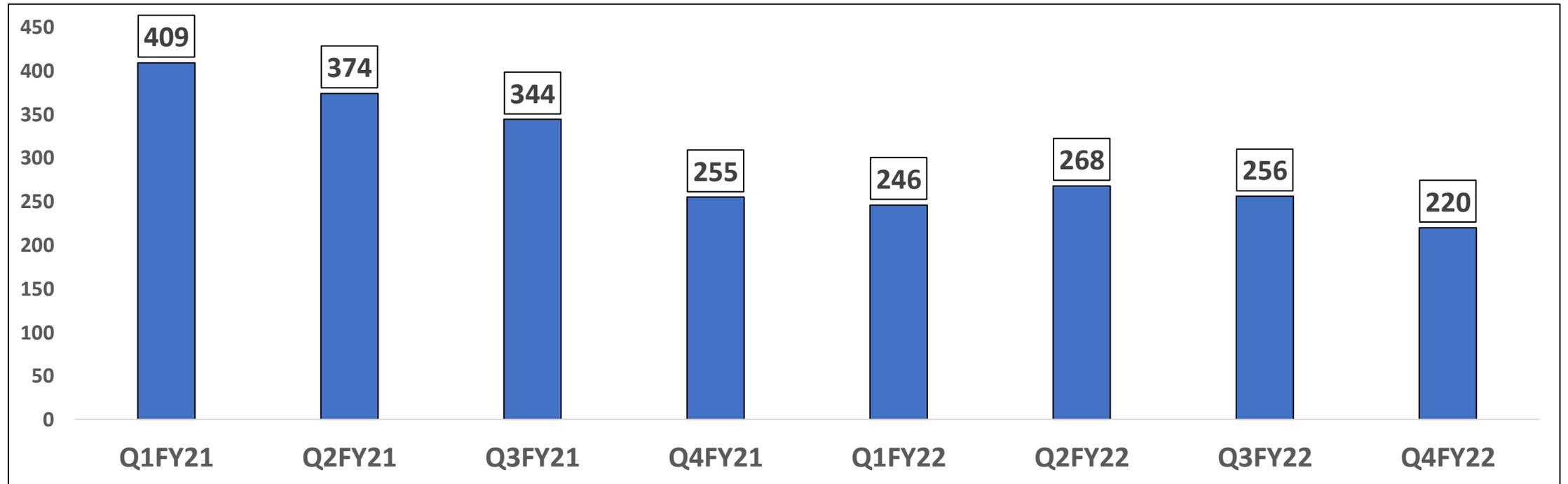
- Revenue from the growth markets such as Brazil, Mexico, Philippines & Australia has almost hit a plateau in past 3-4 quarters and has remained almost consistent with slight uptake in Q4FY22

# Lupin Limited- Geography Wise Revenue: EMEA(Crores)



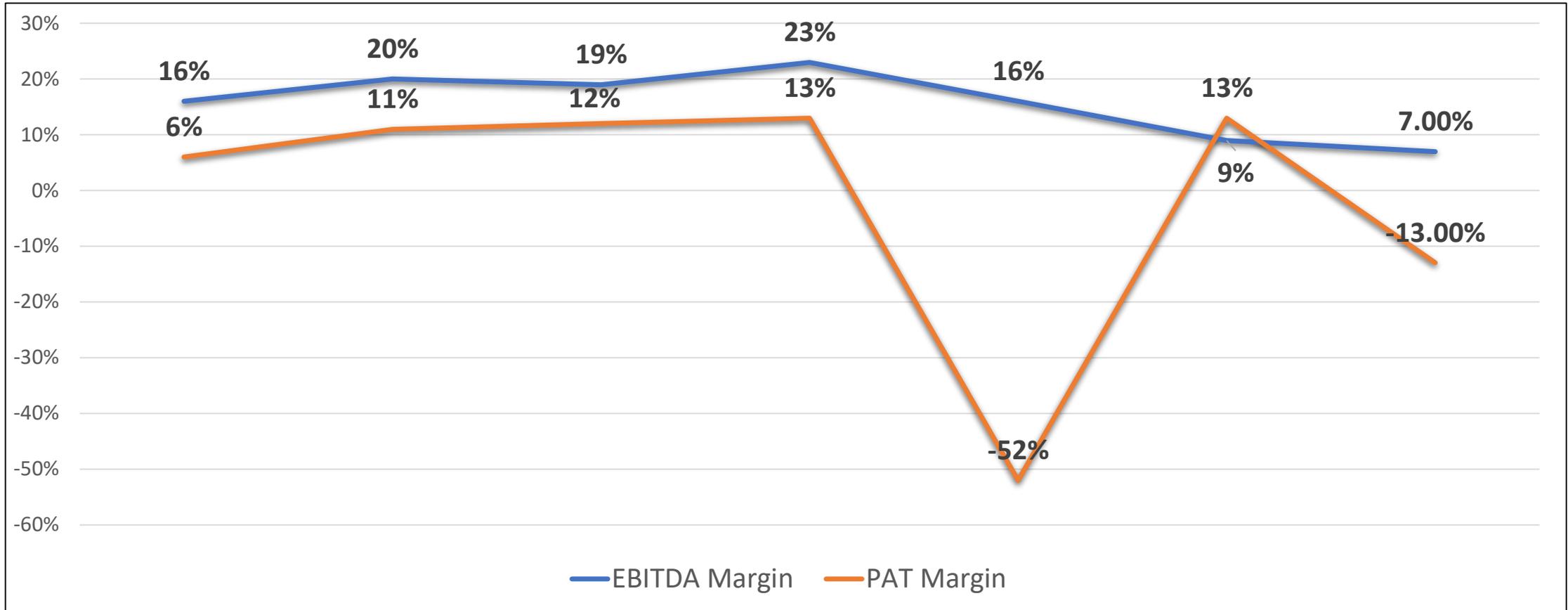
- Lupin is the 4<sup>th</sup> largest Rx generics player; Market leader in CVS space.
- Market Leader in Ophthalmology (#2 in units and #5 in values) with a national footprint in Mexico

# Lupin Limited- Geography Wise Revenue: API (Crores)



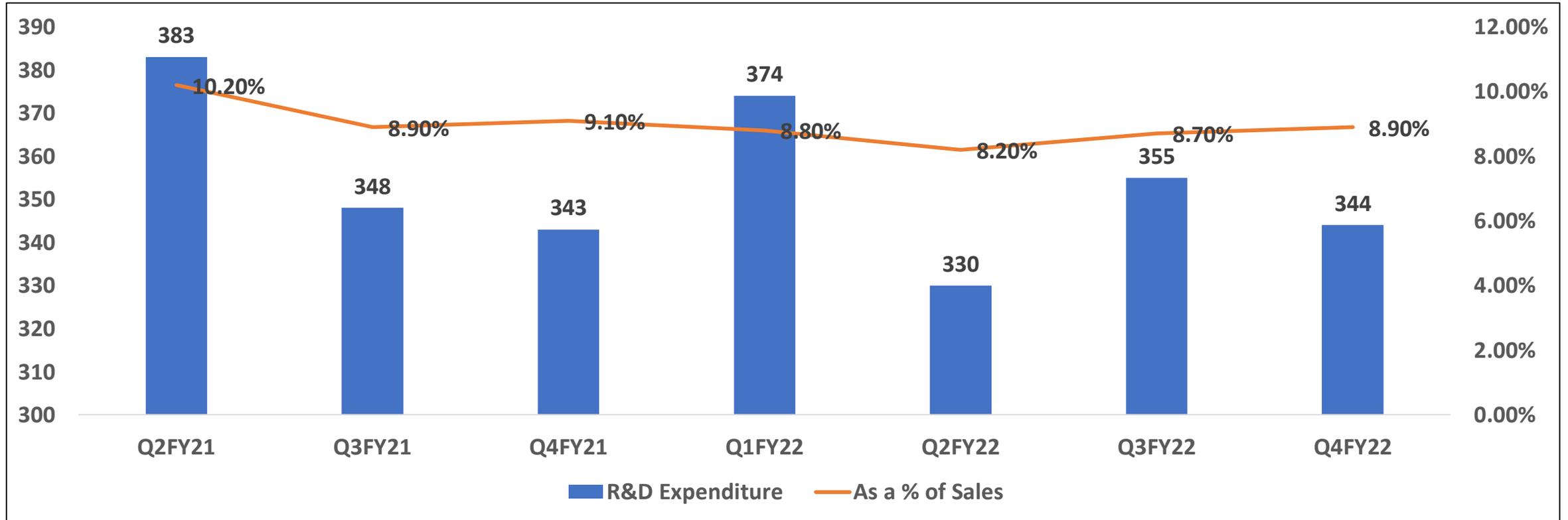
- API market for the company has been on a continuous decline in the last 2 years.
- Demand for API has also been declining in recent Quarters

# Lupin Limited- Quarterly EBITDA & PAT Margin Trend(%)



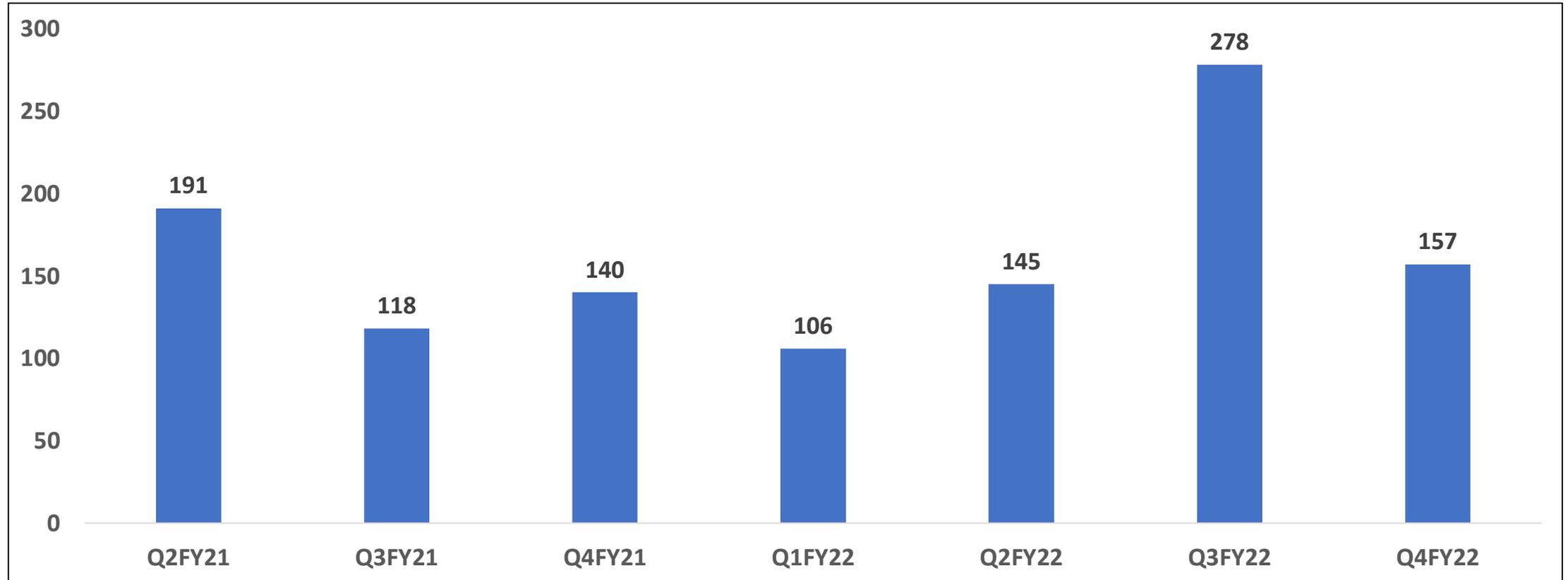
- Margins for the company were on a continuous uptrend until Q2FY2022 where they have taken a hit due to high inflationary pressure
- PAT margin has improved due to lower base but the company is facing tough times to sustain its margins

# Lupin Limited-R&D (Crores) & As a % of Sales



- The Company filed 3 ANDAs in the quarter, received 3 ANDA approvals from the U.S. FDA, and launched 2 products in the quarter in the U.S. market.
- As of Q4FY22, the R&D of the company as a % of sales stands at 8.9% slight lower than the levels of Q4FY21, where it was 9.1%

# Lupin Limited- Capex Expenditure(Crores)



The CAPEX of the company in Q4FY22 fell to Rs. 157 Cr. after a strong rebound in Q3FY22 of Rs. 278 Cr., still the level of CAPEX stands above the lower level of CAPEX until Q2FY22.

# Lupin Limited- Earning Call Highlights

The Q4FY22 impairment expense comprises Rs.126.7 crore for the impairment of Gavis IPs.

North America: Price erosion increased from 7% in January to 16% in February. Albuterol now has a 22.6 percent market share, while Brovana has lost exclusivity and new competition has emerged.

Two products were launched in the United States in Q4FY22 (gTaytulla and gRenagel).

Suprep will be available in Q2FY23, followed by Spiriva later in the year, and bPegflgrastim in FY24, according to management. Lupin is prioritising its pipeline, which includes difficult injectables, biosimilars, and specialised OSD.

# Lupin Limited- Earning Call Highlights



Indian Markets Growth likely to revert to historical range of 10-12%

High growth potential, but substantial hurdle to grow beyond market

Lupin Completes Acquisition of Brands from Anglo-French

Completed Southern Cross acquisition in Australia

Lupin and Axantia Enter into a License, Supply and Technology Sharing Agreement for Pegfilgrastim in the Middle East and North Africa

# Lupin Limited- Earning Call Highlights

India: Q4 is a seasonally worse quarter, which was worsened by decreased tender business offtake.

The prescription business increased by 13.9 percent year on year. In Q4FY22, Respiratory & Gynae grew by double digits.

MindNext (CNS), Lupin Inspire (Diabetes), and Maxter Neo are new divisions (Anti-infective).

The management expected organic growth in domestic formulations to be in the double digits.

Lupin is focused on optimising operating expenses and spend and ensuring the evolution of complex generic platforms along with global portfolio maximization while doubling down on markets like India

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