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## rdn key mkts' growth

REGHU BALAKRISHNAN UJWAL JAUHARI &

anti-bacterial

doxycycline.

pects are improving, primarily pipeline in the US. And, given should view any correction as a improving growth in India and led by a strong US pipeline and the company's growth to an increasi performer for quite a while due buying opportunity. The company's stock has been an outnarginally. However, investors high of \$1,003 on March 3, Lupin has corrected fter hitting an all-time ng niche products' -sord

ther gains.

apan, there is potential for fur-

margins for the generics procompetition, with better profit Its generics (identical) version of a drug going off-patent. day exclusivity. An exclusivity pharmaceuticals company by value, is further strengthening Strong US pipeline company is allowed to launch period is one during which a half a dozen generics, with 180company has launched about launches. In recent months, the its position in the US market Lupin, the third-largest Indian Usually, this period sees limited through aggressive first-to-file

The other generics launch is of treatment of infections), with ciprofloxacin oral suspension, ducer. annual US sales of \$9 million. Cipro Oral Suspension (for the the generic equivalent of Bayer's The latest launch by Lupin is

according to recent IMS data.

30 basis points to 11.5 per cent, ited competition. Cymbalta has

already seen its market share rise

quarter, Zymaxid was launched profitability to be driven by a doxycycline could fetch Lupin \$20 million of revenue in FYIS. cent market share. ed competition for the product. ends, these are likely to see lim-Zymaxid and Triplix generics 180-day exclusivity period for the in October 2013. Even after the the first three were launched at the end of the December 2013 (HIV treatment drug), Triplix (cholesterol-lowering), Cymbalta the generic launches of Trizivir strong pipeline of niche prod-ucts. In the March 2014 quarter, lysts, as they had hadn't fac-tored this into their estimates. \$5 million, the approval has Sarabjit Kaur Nangra at Angel Though some analysts such as Acqua Phanna still holds 73 per fits. This is because of a supply is likely to gamer strong benetiple players in the market, Lupin While doxycycline may see mulfirst filer, it is likely to face limitsize of \$9 million, as Lupin is the suspension has a smaller market (antibacterial eye-drops). While (anti-depressant) and Zymaxid revenue is likely to be driven by come as a surprise for most ana-Broking see lower revenues of also a reason why innovator shortage for the drug's generics. Though the ciprofloxacin oral Analysts at Nomura believe upin expects its US sales and

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	PY16E	15,814	16.8	3,797	17.5	24.0 %	456 **	17.68	54.8	17.6		

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to provide momentum. of Tricor and Triplix continue ment, Lupin's generic launches competition. In the same segauthorised generics to counter in this segment, also launched Niaspan (cholesterol-lowering), which will strengthen Lupin's company is also building its oral generics launches awaited in Lupin, which has brand Antara lipid-control drug portfolio. the near-term are those of Among the interesting

> gy) might be launched by 2016-7, strengthening its niche deratology and respiratory range. r regulatory approvals. the US by being the first to file oducts a year, with a focus on any. It expects to launch 25-30 provals in the US, the most by Indian pharmaceutica Last year, Lupin had us com-Ξ

apan, India recovering

of revenue), currently under (which accounts for 13 per cent Similarly, the Japanese business er fully by the June 2014 quarter ics may go off-patent in Japan pressure, is likely to perform well in time, as \$12-15 billion of generimproving and is likely to recovomestic growth, which was flected by the National List of ssential Medicines, is now

will get a boost from the launch-es of Yaz and Loestrin. For the company, the long-

term visibility looks good.

oral contraceptives, ophthalmic spokesperson said there was less high, with a focus on niche spe cialnes (in the US) such as der derma, complex injectables and competition for areas such as opthalmics, in which competiopment investments remain company's research and develtion is limited. A company's matology, respiratory and of ₹1,230, while analysts at raised his December 2015 target price to ₹1,160 (against ₹1,115 cartop pick, owing to high growth visibility (23 per cent com-Broking has a higher larget price during FY13-16). He had already pounded annual growth rate Markets says Lupin remains his remain upbeat on the stock through the next three years. lier). Ranjit Kapadia at Centrum Arvind Bothra at Religare Capital As a result, most analysts

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very well invest in creating a grated for the therapies, one can facturing or is vertically inte-Mahida at KR

says three of the company's products in the pipeline (two in Choksey Shares and Securities Hitesh

results

Company

respiratory and one in dermatolhigher than the current 7957

pipeline for these segments.

stands at ₹1,055, 10.2 per cent

December quarter

consensus target price (accord ing to a Bloomberg poll after the Nomura retain a 'buy' rating with a target price of 41,053. The

## tencies, be it in research, manurelevant technological compeplayers few. "So, if one has the entry are high and the number of inhalation, where the barriers to