



AUROBINDO

Q4 FY16-17 EARNINGS PRESENTATION

29th May 2017



Disclaimer



This presentation contains statements that constitute “forward looking statements” including and without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to our future business developments and economic performance.

While these forward looking statements represent our judgment and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that we have indicated could adversely affect our business and financial performance.

Aurobindo Pharma undertakes no obligation to publicly revise any forward looking statements to reflect future events or circumstances.

For updates and specific queries, please visit our website www.aurobindo.com

Q4 & Full Year FY17: Key Highlights



USA

- US sales cross US\$ 1billion in FY17
- Received final approval for 14 ANDAs in Q4FY17 and 61 ANDAs in FY17 from FDA
- Filed 31 ANDAs with FDA in FY17 includes 8 ANDAs for the quarter
- Launched 35 products during the year and 6 products in Q4FY17
- Received approval first Penem injection from FDA
- Started filing oncology ANDAs

Europe

- Cumulative transfer manufacturing of 69 products from Europe to India as on 31st Mar, 2017
- Strengthened presence in Portugal with acquisition of Generis Farmaceutica SA in Jan 2017
- Unit XV manufacturing facility commissioned in Mar 2017

ARV

- Received the USFDA approval for Dolutegravir (DTG) 50mg under the PEPFAR program
- Filed an ANDA application for a Triple drug combination containing DTG

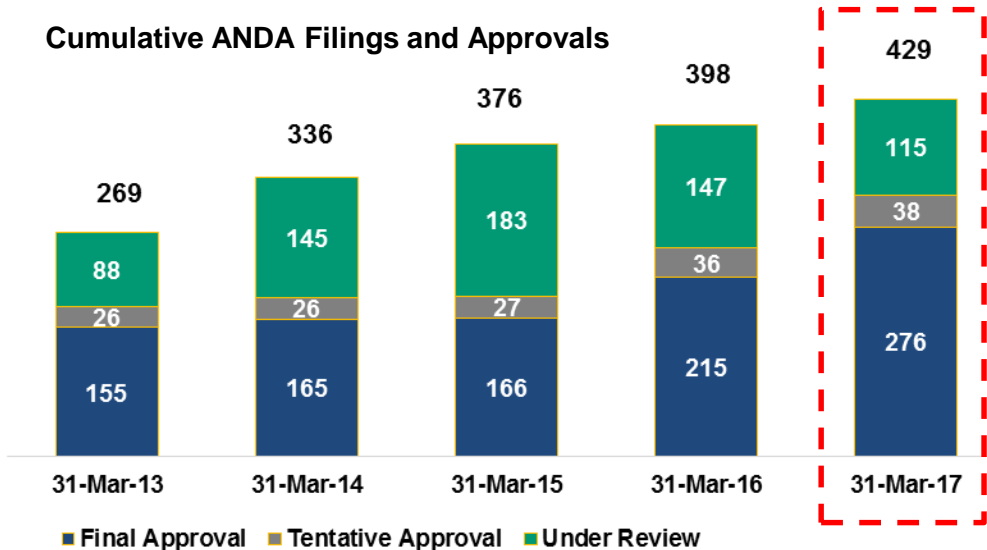
Biosimilars

- Forayed in biosimilars through acquisition of 4 molecules from TL Biopharmaceutical AG
- Commissioned dedicated R&D centre and in the process of setting up a manufacturing facility

US Filings Snapshot



Cumulative ANDA Filings and Approvals



Therapy	ANDAs	Addressable Market Size (US\$ Bn)
Anti Diabetic	13	5.4
ARV	39	8.0
CNS	82	25.7
Controlled Substances	16	2.3
CVS	69	27.4
Gastroenterological	27	5.0
Ophthalmics	10	0.6
Others	129	14.0
Penem	4	0.5
Respiratory	10	0.6
Oncology	2	0.6
SSP & Cephs	30	1.0
Total	429	91.1

As per IMS MAT Mar 2017, addressable Market at US\$ 91.1 Bn including ~US\$ 61.1 Bn for Under Review and Tentatively approved ANDAs

Unit wise ANDA Filings as on 31-Mar-2017

Site	Details	Final Approval	Tentative Approval*	Under Review	Total
Unit III	Oral Formulations	100	16	10	126
Unit IV	Injectables & Ophthalmics	41	2	35	78
Unit VIB	Cephalosporins Oral	11			11
Unit VII (SEZ)	Oral Formulations	88	20	50	158
Unit X	Oral Formulations			4	4
Unit XII	Penicillin Oral & Injectables	19		1	20
Aurolife USA	Oral Formulations	16		10	26
AuroNext	Penem Injectables	1		3	4
Eugia	Oral & Injectable Formulations			2	2
Total		276	38	115	429

*Tentative Approvals include 10 ANDAs approved under PEPFAR

Consolidated Financial Highlights



Q4 FY16-17

- Operating Income at INR 3,642 crore
- EBIDTA at INR 721 Cr vs INR 866 crore; EBITDA margin at 19.8%. EBITDA impacted by one-time inventory write-off and other exceptional items
- PAT after JV share, minority interest and OCI at INR 532.9 crore
- Basic & Diluted EPS is INR 9.1 per share
- Research & Development (R&D) spend at INR 146 crore, 4.0% of revenues
- Capex spent is ~US\$ 109 million including inorganic capex of US\$ 35 million

FY 16-17

- Operating Income grew by 8% YoY to INR 15,090 crore
- EBIDTA up by 8% YoY to INR 3,434 crore; EBITDA margin is at 22.8%
- PAT after JV share, minority interest and OCI up by 13% YoY to INR 2,296 crore
- Basic & Diluted EPS is 39.33 per share respectively
- Research and Development (R&D) spend at INR 543 crore, 3.6% of revenue
- Net debt at end of 31st March 2017 is US\$ 439 million vs. US\$ 640.0 million as on 31st March 2016

Consolidated Financial Performance – Q4FY17

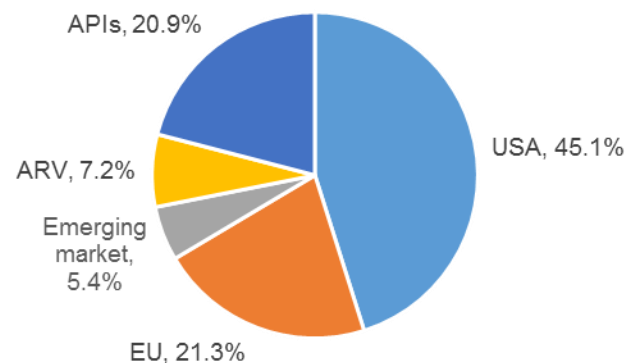


Value INR Cr	Q4 FY17	Q4 FY16	% Chg
Formulations	2,879.4	2,966.2	(2.9)
API	762.8	774.6	(1.5)
<i>Formulations % of sales</i>	<i>79.1%</i>	<i>79.3%</i>	
Operating Income (including excise duty)	3,641.6	3,745.9	(2.8)
Gross Profit	2,138.8	2,120.0	0.9
Overheads	1,417.6	1,253.7	13.1
EBIDTA (before Forex & other income)	721.3	866.3	(16.7)
	19.8%	23.1%	
Fx Gain / (Loss)	19.0	10.1	
Other Income	21.8	21.0	
Finance Cost	14.3	25.1	
Depreciation	100.1	111.4	
PBT from ordinary activities	647.7	761.0	(14.9)
PAT (after JV share, minority interest & OCI)	532.9	554.4	(3.9)
EPS	9.10	9.49	
Avg Fx Rate US\$ 1= INR	66.8915	67.3756	

EBITDA during the quarter impacted by one-time inventory write-off & other exceptional items

Operating Income - Breakup

Value in INR CR	Q4FY17	Q4FY16	% Chg
USA	1,643.2	1,634.1	0.6
EU	777.2	840.7	-7.6
Emerging markets	197.1	163.0	20.9
ARV	261.9	328.4	-20.2
Total Formulations	2,879.4	2,966.1	-2.9
Betalactum	512.1	502.0	2.0
Non Betalactum	250.6	272.6	-8.0
Total API	762.8	774.6	-1.5
Dossier Income	-0.6	5.3	
Operating income	3,641.6	3,745.9	-2.8



As per Ind AS

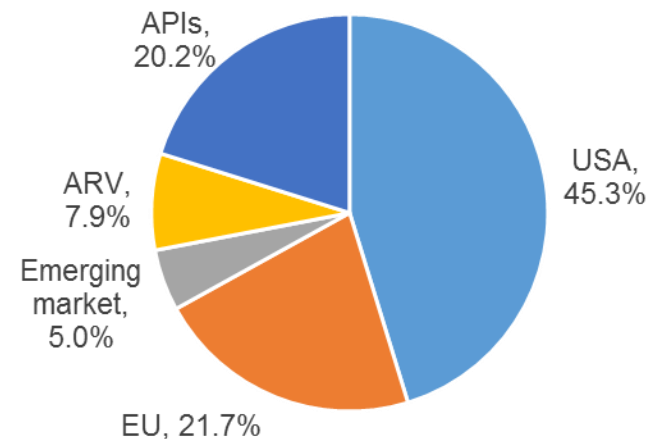
Consolidated Financial Performance – FY17



Value INR Cr	FY17	FY16	% Chg
Formulations	12,045.4	11,064.4	8.9
API	3,042.1	2,883.6	5.5
<i>Formulations % of sales</i>	<i>79.8%</i>	<i>79.3%</i>	
Operating Income (including excise duty)	15,089.9	13,955.2	8.1
Gross Profit	8,655.6	7,793.1	11.1
Overheads	5,221.3	4,605.0	13.3
EBIDTA (excl. Fx & other income)	3,434.3	3,188.1	7.7
	22.8%	22.8%	
Fx Gain / (Loss)	62.0	(30.4)	
Other Income	53.8	70.1	
Finance Cost	66.7	92.7	
Depreciation	427.6	392.4	
PBT from ordinary activities	3,055.8	2,742.8	11.4
PAT (after JV share, minority interest & OCI)	2295.9	2,023.6	13.4
EPS	39.33	34.67	
Avg Fx Rate US\$ 1= INR	66.9685	65.3146	

Operating Income - Breakup

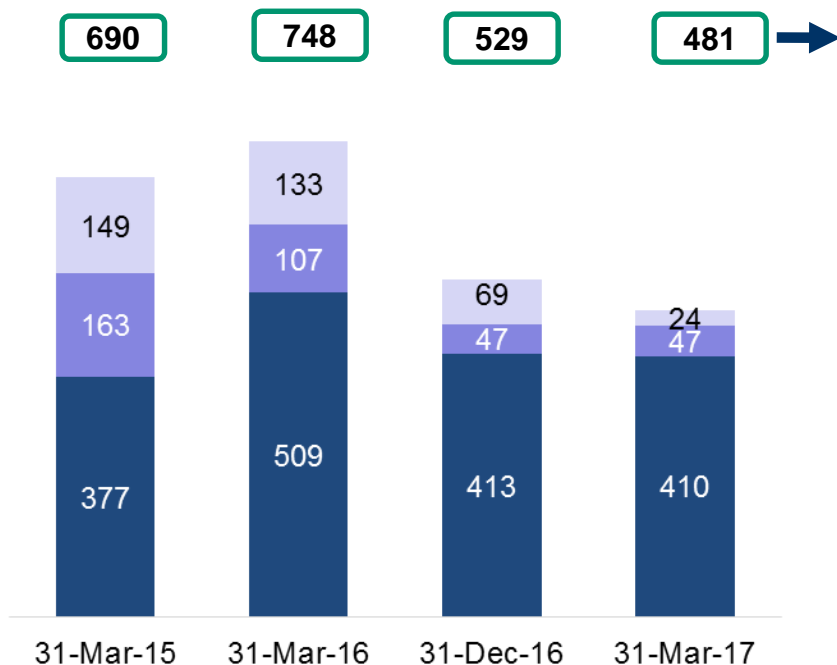
Value in INR Cr	FY17	FY16	% Chg
USA	6,827.2	6,078.6	12.3
EU	3,277.1	3,130.4	4.7
Emerging markets	755.6	646.1	17.0
ARV	1,185.4	1,209.3	-2.0
Total Formulations	12,045.4	11,064.4	8.9
Betalactum	2,043.4	1,856.5	10.1
Non Betalactum	998.6	1,027.0	-2.8
Total API	3,042.2	2,883.5	5.5
Dossier Income	2.4	7.4	
Operating income	15,089.9	13,955.2	8.1



Debt Profile



Fx Loan US\$ Mn



Debt as on (INR Cr)	Mar-15	Mar-16	Dec-16	Mar-17
Closing Rate ¹ US\$ = INR	62.50	66.255	67.925	64.85
Fx Loan restated in INR	4,312.3	4,956.7	3,593.7	3,121.5
Rupee Loan	37.3	46.9	61.9	244.8
Sales Tax Deferment	54.9	41.9	0.5	0.0
Gross Debt	4,404.5	5,045.6	3,656.0	3,366.3
Cash Balance	450.8	805.2	872.6	519.5
Net Debt	3,953.6	4,240.3	2,783.4	2,846.9
Net Debt (US\$ Mn)	632.6	640.0	409.8	438.9
Finance Cost	1.9%	1.8%	1.6%	1.5%

- Other Term Loans (Subsidiaries) & Unsecured Loans
- ECB - APL
- Working Capital

Fx Debt and Fx Cash Balance are reinstated

Thank You



For updates and specific queries, please visit our website www.aurobindo.com

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