



AUROBINDO

Q1 FY18-19 EARNINGS PRESENTATION

9<sup>th</sup> August 2018

# Disclaimer

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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.

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# Consolidated Financial & Business Highlights – Q1FY19



## Key Financial Highlights

- Revenue from operations increased by 15.5% YoY to INR 4,250.3 crore, driven by healthy growth in both formulations and APIs
- EBIDTA before Forex and Other income at INR 779.2 Cr vs INR 841.6 Cr in Q1 last year; EBITDA margin for the quarter was 18.3%
- Net Profit after JV share, minority interest at INR 455.7 Cr as against INR 518.5 Cr in the corresponding previous period.
- Basic & Diluted EPS is INR 7.78 per share
- Research & Development (R&D) spend at INR 169 crore, 4.0% of revenues
- Net Capex spent is ~US\$ 70 million

## Key Business Highlights

### US Formulations

- US sales of INR 1,889.6 Cr, witnessed a growth of 11.5% YoY. On constant currency basis, sales grew by 7% YoY to US\$ 282 million.
- Filed 7 ANDAs with USFDA
- Received final approval for 13 ANDAs and tentative approval for 3 ANDAs
- Launched 14 products during the quarter

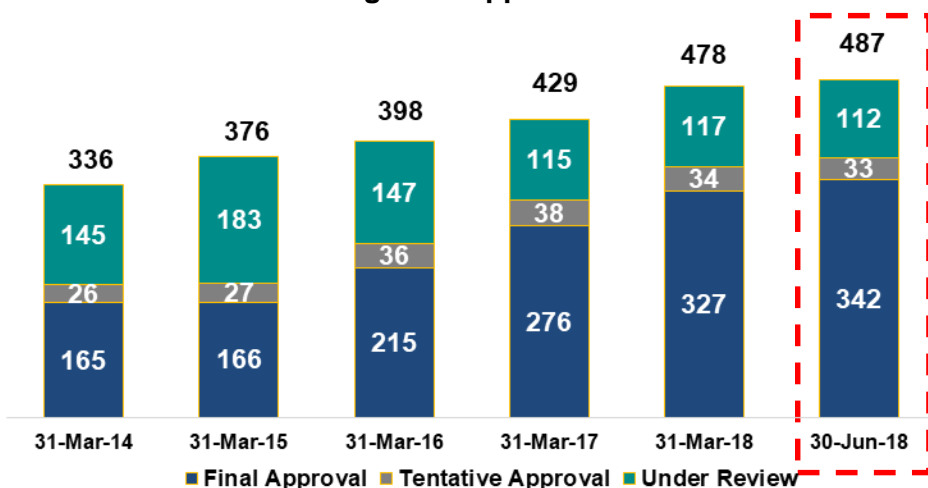
### EU Formulations

- Sales from EU formulations in Q1FY18-19 was at INR 1,199.1 Cr, an increase of 30.7% YoY. On constant currency basis, sales grew by 16.0% YoY
- As on 30<sup>th</sup> Jun, 2018, we have transferred manufacturing of 94 products from Europe to India
- In July 2018, Aurobindo Pharma has signed a definitive agreement to acquire commercial operations and supporting infrastructure in five European countries from Apotex International Inc.

# US Filings Snapshot



Cumulative ANDA Filings and Approvals



Therapy	ANDAs	Addressable Market Size (US\$ Bn)
Anti Diabetic	15	6.3
ARV**	42	6.7
CNS	91	24.5
Controlled Substances	16	1.6
CVS	79	24.3
Gastroenterological	30	4.0
Ophthalmics	11	0.5
Others	144	15.1
Penem	2	0.5
Respiratory	11	0.7
Oncology & Hormones	15	3.1
SSP & Ceph	30	0.8
Dermatology	1	0.3
<b>Total</b>	<b>487</b>	<b>88.2</b>

As per IQVIA Jun 2018, addressable Market at US\$ 88.2 Bn including ~US\$ 58.5 Bn for Under Review and TAs

## Unit wise ANDA Filings as on 30-Jun-2018

Site	Details	Final Approval	Tentative Approval*	Under Review	Total
Unit III	Oral Formulations	111	11	4	126
Unit IV	Injectables & Ophthalmics	50	2	41	93
Unit VIB	Cephalosporins Oral	11			11
Unit VII (SEZ)	Oral Formulations	125	19	16	160
Unit X	Oral Formulations		1	26	27
Unit XII	Penicillin Oral & Injectables	19		1	20
Aurolife USA	Oral Formulations	17		12	29
AuroNext	Penem Injectables	2			2
Eugia	Oral & Injectable Formulations	1		12	13
Others		6			6
<b>Total</b>		<b>342</b>	<b>33</b>	<b>112</b>	<b>487</b>

\*Tentative Approvals (TAs) include 10 ANDAs approved under PEPFAR; \*\* Does not include the addressable market of the products approved under PEPFAR

# Consolidated Financial Performance – Q1FY19 YoY



Value INR Cr	Q1 FY19	Q1 FY18	% Chg
Formulations	3,500.8	3,051.0	14.7
API	748.0	625.0	19.7
<i>Formulations % of sales</i>	<i>82.4%</i>	<i>83.0%</i>	
<b>Revenue from operations</b>	<b>4,250.3</b>	<b>3,678.7</b>	<b>15.5</b>
Gross Profit	2,343.0	2,180.9	7.4
Overheads	1,563.8	1,339.3	16.8
<b>EBIDTA (before Forex &amp; other income)</b>	<b>779.2</b>	<b>841.6</b>	<b>-7.4</b>
	<b>18.3%</b>	<b>22.9%</b>	
Fx Gain / (Loss)	-68.2	-7.7	
Other Income	43.7	22.1	98.0
Finance Cost	29.5	16.9	75.0
Depreciation	154.5	131.2	17.8
PBT from ordinary activities	570.7	708.0	-19.4
<b>PAT (after JV share, minority interest)</b>	<b>455.7</b>	<b>518.5</b>	<b>-12.1</b>
<b>Diluted EPS</b>	<b>7.78</b>	<b>8.85</b>	
<b>Avg Fx Rate US\$ 1= INR</b>	<b>66.8933</b>	<b>64.3840</b>	

## Revenue from Operations - Breakup

Value in INR Cr	Q1FY19	Q1FY18	% Chg
USA	1,889.6	1,694.9	11.5
EU	1,199.1	917.6	30.7
Growth markets	256.5	193.9	32.3
ARV	155.6	244.6	-36.4
<b>Total Formulations</b>	<b>3,500.8</b>	<b>3,051.0</b>	<b>14.7</b>
Betalactum	491.9	408.9	20.3
Non Betalactum	256.1	216.2	18.5
<b>Total API*</b>	<b>748.0</b>	<b>625.0</b>	<b>19.7</b>
Dossier Income	1.5	2.8	
<b>Revenue from operations</b>	<b>4,250.3</b>	<b>3,678.7</b>	<b>15.5</b>

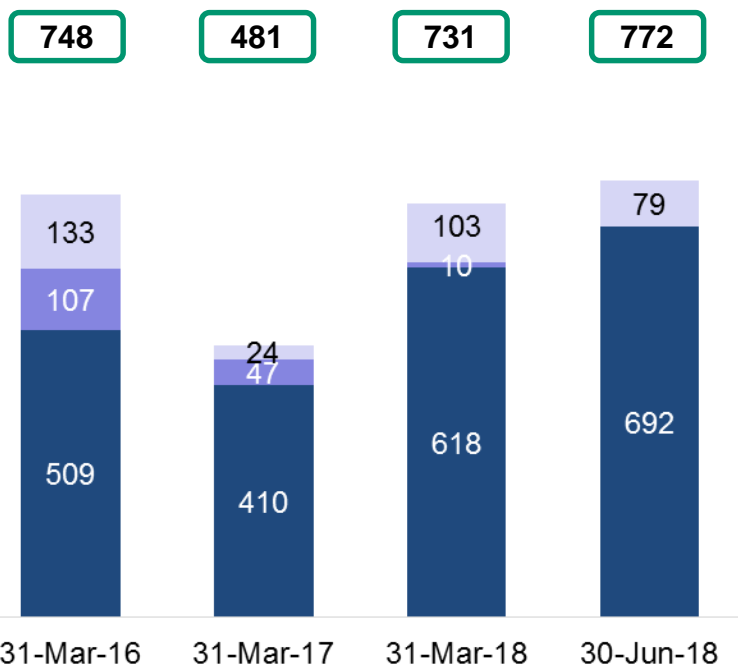
\*Q1FY18 number includes excise duty of INR 35.5 Cr

Post implementation of GST with effect from July 1, 2017, revenue from operations from Q2FY18 onwards is net of GST

# Debt Profile



## Fx Loan US\$ Mn



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



Debt as on (INR Cr)	Mar-16	Mar-17	Mar-18	Jun-18
Closing Rate <sup>1</sup> US\$ = INR	66.25	64.85	65.17	68.47
Fx Loan restated in INR	4,956.7	3,121.5	4,766.9	5,284.0
Rupee Loan	46.9	244.8	4.1	14.1
Sales Tax Deferment	41.9	0.0	0.0	0.0
<b>Gross Debt</b>	<b>5,045.6</b>	<b>3,366.3</b>	<b>4,771.0</b>	<b>5,298.1</b>
Cash Balance	805.2	519.5	1,263.6	1,386.9
<b>Net Debt</b>	<b>4,240.3</b>	<b>2,846.9</b>	<b>3,507.4</b>	<b>3,911.2</b>
<b>Net Debt (US\$ Mn)</b>	<b>640</b>	<b>439.0</b>	<b>538.2</b>	<b>571.2</b>
<b>Finance Cost</b>	<b>1.8%</b>	<b>1.5%</b>	<b>2.0%</b>	<b>2.3%</b>

Fx Debt and Fx Cash Balance are reinstated

# Thank You



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