



AUROBINDO

Q4 FY17-18 EARNINGS PRESENTATION

28th May 2018

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

Consolidated Financial – Q4FY18 & FY18



Key Financial Highlights

Q4FY18 Performance

- Revenue from operations at INR 4,049.1 crore, an increase of 11.2% YoY
- EBIDTA before forex and other income at INR 804.0 crore, up by 11.5% YoY; EBITDA margin is at 19.9%
- Net Profit after JV share, minority interest at INR 528.5 crore vs. INR 532.5 in the corresponding previous period
- Basic & Diluted EPS is INR 9.02 per share
- Research & Development (R&D) spend at INR 186.6 crore, 4.6% of revenues
- Net Capex is ~US\$ 70 million

FY18 performance

- Revenue from operations at INR 16,499.8 crore, witnessed a growth of 9.3% YoY
- EBIDTA before forex and other income registered a growth of 10.3% YoY to INR 3,788.5 crore. EBITDA margin is at 23.0%
- Net Profit after JV share, minority interest posted a growth of 5.3% YoY to INR 2,423.2 crore
- Basic & Diluted EPS is INR 41.36 per share
- Research & Development (R&D) spend at INR 666.5 crore, 4.0% of revenues
- Net Capex (excluding Generis acquisition) was ~US\$ 190 million

Business Highlights – Q4FY18 & FY18



Key Business Highlights

US Formulations

- In FY18, US revenue increased by INR 7,442.1 crore compared to INR 6,827.2 crore in FY17, accounting for 45% of consolidated revenue. On constant currency basis, revenue grew by 13.4% to US\$ 1,156 million
- US revenue for Q4FY18 witnessed a growth of 5.8% YoY to INR 1,738.8 crore, accounting for 43% of consolidated revenue. On constant currency basis, revenue grew by 10.1% YoY to US\$ 271 million
- Filed 11 ANDAs with USFDA including 2 injectables in Q4FY18 and 47 ANDAs including 16 injectables in FY18
- Received final approval for 10 ANDAs in Q4FY18 and 49 ANDAs including 7 injectables in FY18
- Launched 7 products including one injectable in Q4FY18 and 38 products including 6 injectables in FY18

EU Formulations

- In FY18, EU revenue posted a strong growth of 32.9% to INR 4,354.4 crore, accounting for 26% of consolidated revenue. On constant currency basis, revenue grew by 29.3%
- EU revenue in Q4FY18 witnessed a robust growth of 48.2% YoY to INR 1,151.6 crore, accounting for 28% of consolidated revenue. On constant currency basis, revenue grew by 33.7% YoY
- During the year, Agile Pharma B.V., Netherlands, a wholly owned step-down subsidiary of the Company has successfully completed the acquisition of Generis Farmaceutica S.A.
- As on 31st Mar, 2018, we have transferred manufacturing of 83 products from Europe to India

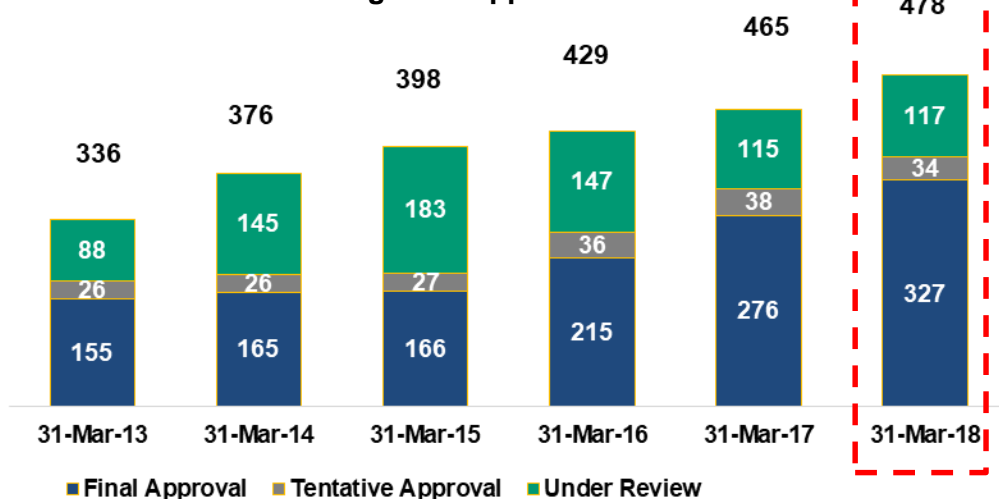
Growth Markets Formulations

- In FY18, Growth Markets revenue at INR 897.1 crore , witnessing a strong growth of 18.7% and accounted for ~6% of revenue.
- Growth Markets revenue increased by 6.4% YoY to INR 209.6 crore in Q4FY18 and accounted for ~5% of revenue

US Filings Snapshot



Cumulative ANDA Filings and Approvals



Therapy	ANDAs	Addressable Market Size (US\$ Bn)
Anti Diabetic	15	6.3
ARV**	42	7.0
CNS	90	24.6
Controlled Substances	16	1.7
CVS	76	24.5
Gastroenterological	30	4.1
Ophthalmics	11	0.5
Others	142	15.5
Penem	2	0.5
Respiratory	11	0.7
Oncology & Hormones	13	3.0
SSP & CephS	30	0.8
Total	478	89.2

As per IQVIA MAT Mar 2018, addressable Market at US\$ 89.2 Bn including ~US\$ 59.7 Bn for Under Review and Tentatively approved ANDAs

Unit wise ANDA Filings as on 31-Mar-2018

Site	Details	Final Approval	Tentative Approval*	Under Review	Total
Unit III	Oral Formulations	108	11	7	126
Unit IV	Injectables & Ophthalmics	50	2	38	90
Unit VIB	Cephalosporins Oral	11			11
Unit VII (SEZ)	Oral Formulations	117	21	22	160
Unit X	Oral Formulations			25	25
Unit XII	Penicillin Oral & Injectables	19		1	20
Aurolife USA	Oral Formulations	17		10	27
AuroNext	Penem Injectables	1		1	2
Eugia	Oral & Injectable Formulations			13	13
Others	Oral Formulations	4			4
Total		327	34	117	478

*Tentative Approvals include 11 ANDAs approved under PEPFAR; ** Does not include the addressable market of the products approved under PEPFAR

Consolidated Financial Performance – Q4FY18



Value INR Cr	Q4 FY18	Q4 FY17	% Chg
Formulations	3,248.6	2,879.4	12.8
API	799.6	762.8	4.8
<i>Formulations % of sales</i>	<i>80.2%</i>	<i>79.1%</i>	
Revenue from operations	4,049.1	3,641.6	11.2
Gross Profit	2,379.6	2,138.8	11.3
Overheads	1,575.6	1,417.6	11.1
EBIDTA (before Forex & other income)	804.0	721.2	11.5
	19.9%	19.8%	
Fx Gain / (Loss)	-15.9	19.0	
Other Income	43.8	21.8	101.5
Finance Cost	24.7	14.3	73.1
Depreciation	156.6	100.1	56.5
PBT from ordinary activities	650.6	647.7	0.4
PAT (after JV share, minority interest)	528.5	532.5	-0.7
Diluted EPS	9.02	9.09	
Avg Fx Rate US\$ 1= INR	64.2782	66.8915	

Revenue from Operations - Breakup

Value in INR Cr	Q4FY18	Q4FY17	% Chg
USA	1,738.8	1,643.2	5.8%
EU	1,151.6	777.2	48.2%
Growth markets	209.6	197.1	6.4%
ARV	148.6	261.9	-43.3%
Total Formulations	3,248.6	2,879.4	12.8%
Betalactum	532.7	512.1	4.0%
Non Betalactum	266.9	250.6	6.5%
Total API	799.6	762.8	4.8%
Dossier Income	0.8	(0.6)	
Revenue from operations	4,049.1	3,641.6	11.2%

Post implementation of GST with effect from July 1, 2017, revenue from operations of Q2FY18, Q3FY18 and Q4FY18 are net of GST

Consolidated Financial Performance –FY18



Value INR Cr	FY18	FY17	% Chg
Formulations	13,533.2	12,045.4	12.4
API	2,962.2	3,042.1	-2.6
<i>Formulations % of sales</i>	<i>82.0%</i>	<i>79.8%</i>	
Revenue from operations	16,499.8	15,089.9	9.3
Gross Profit	9,747.1	8,655.6	12.6
Overheads	5,958.6	5,221.3	14.1
EBIDTA (before Forex & other income)	3,788.5	3,434.3	10.3
	23.0%	22.8%	
Fx Gain / (Loss)	-16.8	62.0	
Other Income	102.0	53.8	89.4
Finance Cost	77.7	66.7	16.5
Depreciation	558.0	427.6	30.5
PBT from ordinary activities	3,238.1	3,055.8	6.0
PAT (after JV share, minority interest)	2,423.2	2,301.7	5.3
Diluted EPS	41.36	39.33	
Avg Fx Rate US\$ 1= INR	64.3928	66.9685	

Revenue from operations - Breakup

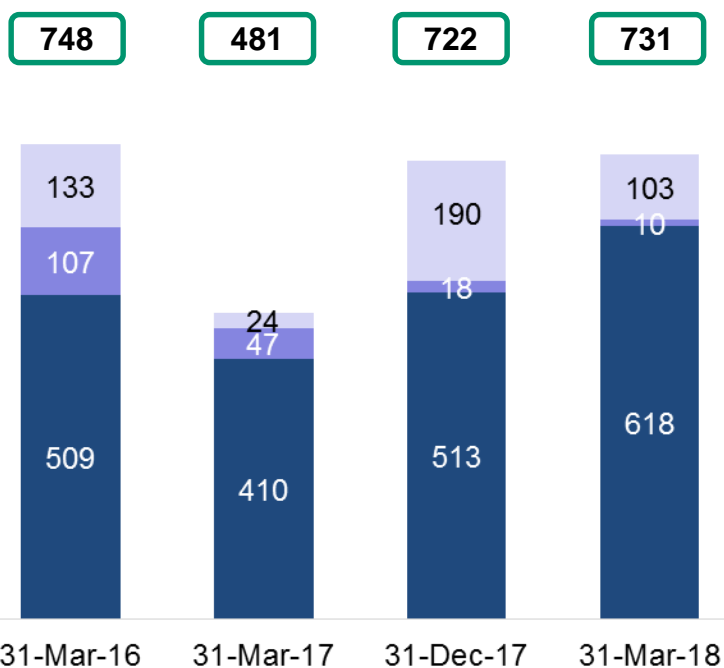
Value in INR Cr	FY18	FY17	% Chg
USA	7,442.1	6,827.2	9.0%
EU	4,354.4	3,277.1	32.9%
Growth markets	897.1	755.6	18.7%
ARV	839.6	1,185.4	-29.2%
Total Formulations	13,533.2	12,045.4	12.4%
Betalactam	1,992.3	2,043.4	-2.5%
Non Betalactam	969.9	998.6	-2.9%
Total API	2,962.2	3,042.1	-2.6%
Dossier Income	4.4	2.4	
Revenue from operations	16,499.8	15,089.9	9.3%

Post implementation of GST with effect from July 1, 2017, revenue from operations of Q2FY18 , Q3FY18 and Q4FY18 are 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	Dec-17	Mar-18
Closing Rate ¹ US\$ = INR	66.25	64.85	63.875	65.175
Fx Loan restated in INR	4,956.7	3,121.5	4,608.8	4,766.9
Rupee Loan	46.9	244.8	92.9	4.1
Sales Tax Deferment	41.9	0.0	0.0	0.0
Gross Debt	5,045.6	3,366.3	4,701.7	4,771.0
Cash Balance	805.2	519.5	1,252.2	1,263.6
Net Debt	4,240.3	2,846.9	3,449.5	3,507.4
Net Debt (US\$ Mn)	640.0	439.0	540.0	538.2
Finance Cost	1.8%	1.5%	1.5%	2.0%

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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