



AUROBINDO

FY15-16 EARNINGS PRESENTATION

30th May 2016



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

Business Highlights



- Well entrenched US portfolio of 398 filed ANDAs
 - 11 ANDAs filed in Q4 FY16; total 22 ANDAs filed in FY16
 - 251 total approved including 36 Tentative* Approval

- 23 approved in Q4 FY16; 58 approved in FY16
 - Final Approval 49 (20 Injectables, 29 Oral)
 - Tentative Approval 9 (2 Injectables, 7 Oral)

- Launched 28 products during the FY 2015-16

- Vertical integration with in-house API for ~75% of its Formulation products

- Global presence with 87% of sales from international markets, spanning across more than 150 countries

Unit wise ANDA Filings as on 31-Mar-2016

Unit	Details	Final Approval		Tentative Approval		Under Review		Total	
		Mar-15	Mar-16	Mar-15	Mar-16	Mar-15	Mar-16	Mar-15	Mar-16
III	Oral Formulations	91	93	19	19	4	12	114	124
IV	Inj & Ophthalmics	8	28		2	58	37	66	67
VI B	Ceph Oral	10	11			1		11	11
VII (SEZ)	Oral Formulations	29	54	8	15	101	79	138	148
XII	Penicillin Oral & Inj	19	19					19	19
Auro Life USA	Oral Formulations	9	10			17	16	26	26
Auronext	Penem Inj					2	3	2	3
Total		166	215	27	36	183	147	376	398

*Tentative Approvals include 21 ANDAs approved under PEPFAR, not for commercialization in the US market

Financial Highlights-Q4 FY15-16



➤ Revenues (net of Excise duty) increased by 19% to INR 3,747 cr (US\$ 556 Mn)

- Formulations - INR 3,011 cr;
 - US – INR 1,666cr
 - EU – INR 841cr
 - ARV – INR 328cr
 - Emerging Market – INR 176cr
- API- INR 775 cr

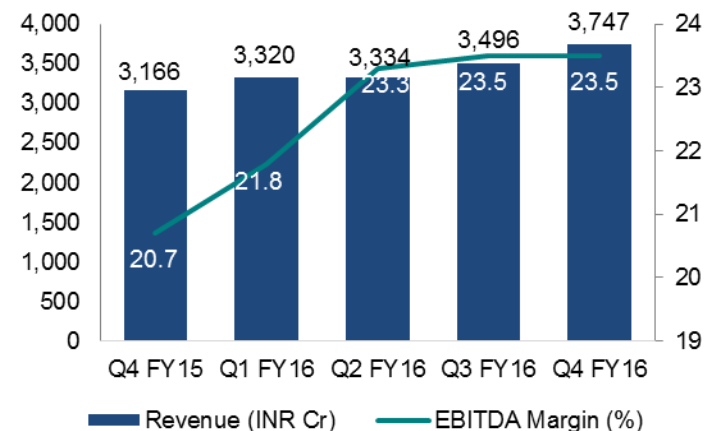
➤ EBITDA at INR 882.3 cr representing 23.5% margin

➤ R&D cost at INR 160cr, 4.3% of sales

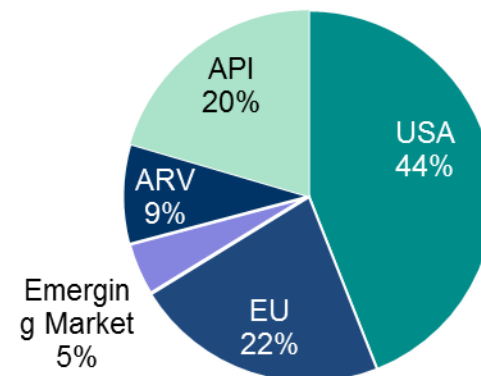
➤ PAT after minority interest at INR 562.8 cr; Margin at 15%

➤ Effective Tax Rate at 27.2%

➤ Board approved Interim dividend of INR 0.70 per equity share of INR 1/- for the quarter



Q4 FY15-16 Revenue Breakup



Financial Highlights – FY15-16



➤ Revenues (net of Excise duty) increased by 14.6% to INR 13,896 cr (US\$ 2,128 Mn)

- Formulations - INR 11,166 cr;
 - US – INR 6,144cr
 - EU – INR 3,130cr
 - ARV – INR 1,200cr
 - Emerging Market – INR 691cr
- API- INR 2,884 cr

➤ EBITDA at INR 3,205.6 cr representing 23.1% margin; 190 bps higher than the previous year

➤ R&D cost up by 38% at INR 477cr, 3.4% of sales

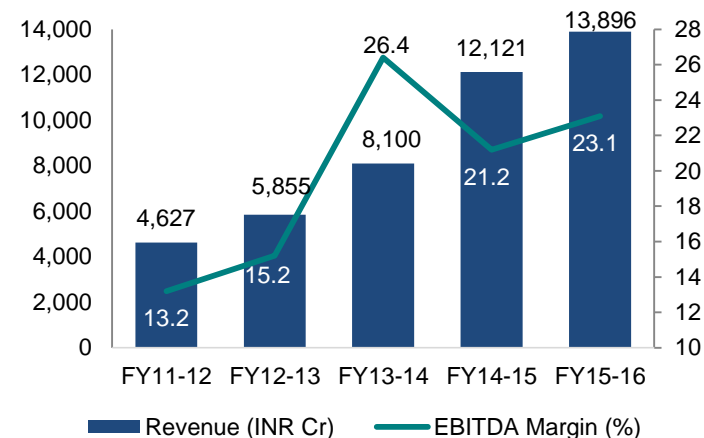
➤ PAT after minority interest at INR 1,982 cr; Margin at 14.3%

➤ Capex spent during the year is ~US\$ 212 Mn

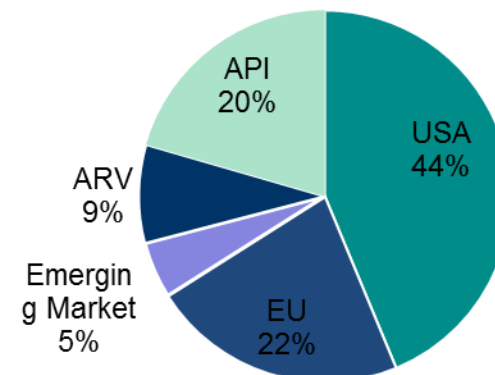
➤ Effective Tax Rate at 27.3%

➤ Board approved Interim dividend of INR 0.70 per equity share of INR 1/- for the quarter; total dividend for the financial year at INR 2.5 per equity share of INR 1/-

- Net Debt at US\$ 584 Mn as on 31 March 2016
 - Gross Debt at INR 4,708 cr (US\$ 711 Mn)
 - Cash at INR 840 cr (US\$ 127 Mn)



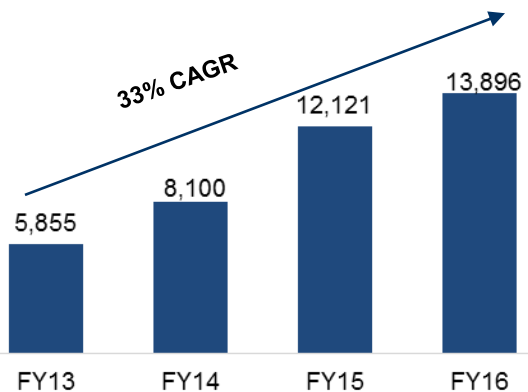
FY15-16 Revenue Breakup



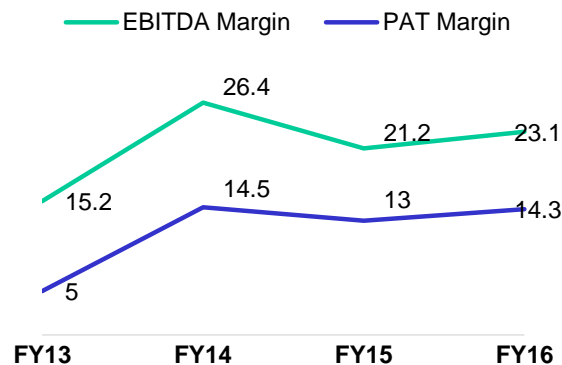
Financial Performance



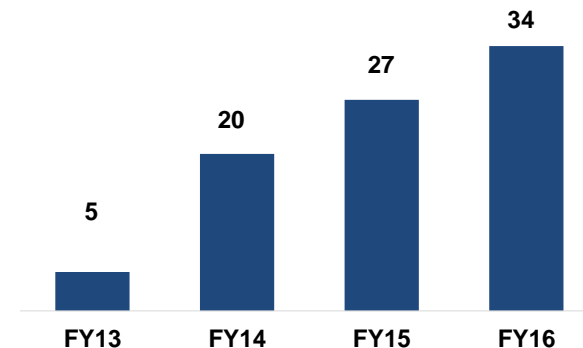
Sales (INR Cr)



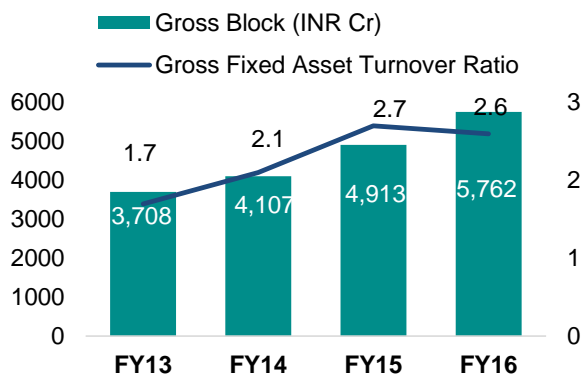
EBITDA & PAT Margin (%)



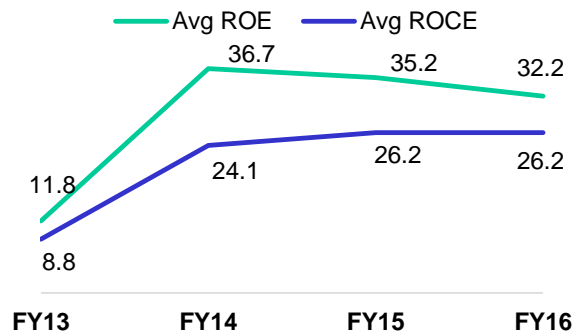
EPS (INR/Share)



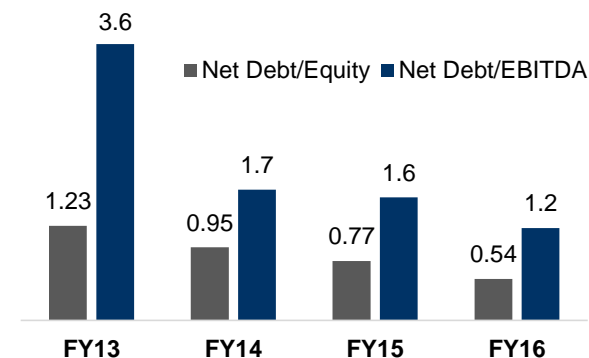
Gross Block & Fixed Asset Turnover



Average ROE & ROCE %



Net Debt/Eq & Net Debt/EBITDA



Consolidated Financial Performance

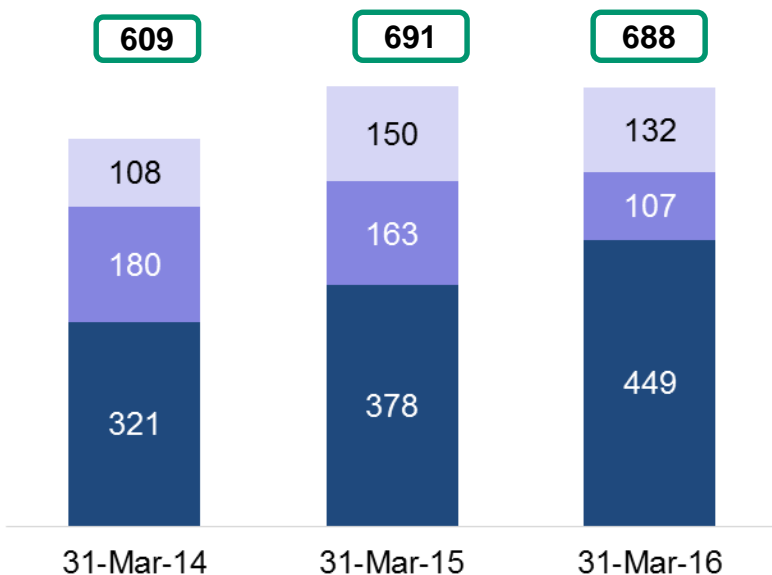


Value INR Cr	Q4 FY16	Q4 FY15	Q3 FY16	FY16	FY15	FY14
Formulations	3,011	2,517	2,837	11,166	9,559	5,378
API	775	676	695	2,884	2,706	2,864
<i>Formulations % of sales</i>	<i>80%</i>	<i>79%</i>	<i>80%</i>	<i>79%</i>	<i>77.9%</i>	<i>65%</i>
Net Operating Income	3,747	3,162	3,495	13,896	12,121	8,100
Gross Margin	2120	1,788	1,942	7,739	6,615	4,494
	56.6%	56.6%	55.6%	55.7%	54.6%	55.5%
Overheads	1237	1,132	1,119	4,533	4,051	2,359
EBIDTA (excl. Fx & other income)	882	656	823	3,206	2,564	2,134
	23.5%	20.7%	23.5%	23.1%	21.2%	26.4%
Fx (Gain) / Loss	(4.6)	(1.2)	(13)	66	60	203
Other Income	21	7	7	68	81	22
Finance Cost	25	23	23	93	84	108
Depreciation	111	85	99	393	333	313
PBT	771	557	721	2,722	2,168	1,533
PAT (after minority interest)	563	404	535	1,982	1,576	1,173
Avg Fx Rate US\$ 1= INR	67.38	62.20	65.77	65.31	61.04	60.28

Debt Profile



Fx Loan US\$ Mn



Debt as on (INR Cr)	Mar-14	Mar-15	Mar-16
Closing Rate ¹ US\$ = INR	59.92	62.50	66.26
Fx Loan restated in INR	3,651	4,355	4,600
Rupee Loan	53	50	106
Sales Tax Deferment	65	55	42
Gross Debt	3,769	4,460	4,708
Cash Balance	181	471	840
Net Debt	3,588	3,989	3,867
Net Debt (US\$ Mn)	599	638	584
Finance Cost	2.9%	1.9%	2.0%

- 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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Sales Break-Up



INR Bn	FY14				FY15				FY16			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
USA	6.2	7.3	9.3	11.2	11.2	11.7	12.0	13.4	14.3	14.8	15.7	16.7
Europe	1.7	1.7	1.5	1.8	8.0	7.7	8.6	7.7	7.4	7.6	7.8	8.4
Emerging Market	1.1	0.9	1.3	1.3	1.4	1.6	1.3	1.4	1.7	1.7	1.8	1.8
ARV	1.9	2.3	2.2	1.9	2.2	1.4	3.3	2.7	3.0	2.7	3.1	3.3
Formulations Sales	11.0	12.3	14.4	16.1	22.8	22.4	25.3	25.2	26.4	26.8	28.4	30.1
Betalactum	4.4	4.5	4.8	4.8	4.5	4.5	4.6	4.4	4.8	4.3	4.5	5.0
Non-Betalactum	2.1	2.7	2.7	2.7	2.2	2.4	2.2	2.4	2.5	2.6	2.5	2.7
API Sales	6.5	7.2	7.4	7.5	6.7	6.9	6.7	6.8	7.2	6.9	7.0	7.7
Gross Sales	17.5	19.5	21.8	23.7	29.5	29.2	32.0	31.9	33.6	33.7	35.3	37.9
Formulations as % of Gross Sales	63%	63%	66%	68%	77%	77%	79%	79%	78%	80%	80%	80%

- Formulations segment witnessed continuous growth and is now 80% of total sales up from 63% in Q1 FY14
- Vertical integration with in-house API for around 75% of its Formulation products

5 Year Financial Snapshot



Value INR Bn	FY12	FY13	FY14	FY15	FY16
Net Operating Income	46.3	58.6	81.0	121.2	138.9
Gross margin % of operating income	45.5%	48.9%	55.5%	54.6%	55.7%
EBITDA (before Fx and other income) % to Operating income	13.2%	15.2%	26.4%	21.2%	23.1%
Depreciation / Amortization	2.0	2.5	3.1	3.3	3.9
Finance Cost	1.0	1.3	1.1	0.8	0.9
PBT (before exceptional item)	1.1	3.7	15.3	21.7	27.2
PAT before exceptional items	2.0	2.9	11.7	15.7	19.8
Total Shareholder Funds	23.4	26.1	37.5	51.6	70.6
Total Gross Debt	31.0	34.4	37.7	44.6	47.1
Net Debt	30.3	32.3	35.9	39.9	38.7
Gross Fixed Assets (net of Goodwill)	30.3	37.1	41.1	49.1	57.6
Ratios					
Gross Debt / Shareholders' funds (x)	1.3	1.3	1.0	0.9	0.7
Net Debt / EBIDTA (x)	5.0	3.6	1.7	1.6	1.2
Asset Turnover Ratio (x)	1.7	1.7	2.1	2.7	2.6

Filing details as on 31st March 2016



Category	As at Mar 13	As at Mar 14	As at Mar 15	As at 31.03.16	Approvals
Formulations					
US*	269	336	376	398	251 (FA: 215, TA:36)
Europe**	1,341	1,542	1,756	2,224	1,328 Dossiers (149 products)
SA**	314	334	345	374	167 Registrations (84 products)
Canada***	49	72	83	105	84 products
Total	1,973	2,284	2,560	3,101	
API					
US	172	181	192	202	
Europe**	1,443	1,504	1,601	1,689	
CoS	109	106	114	118	
Others**	565	627	681	715	
Total	2,289	2,418	2,588	2,724	

In total 376 APIs are filed across geographies with multiple registrations

*Includes filings made from AuroLife Pharma LLC, USA (net of ANDAs withdrawn)

includes multiple registration; *excludes withdrawn

For Europe Formulations, as on 31 March 2016 additional 1,601 MAs have been transferred from Actavis

Extensive Manufacturing Base with High Quality Control and Compliance



Finished Dose Formulations

Site	Product Capabilities
Unit III	Non antibiotics, ARVs / Orals
Unit IV	Injectables (Non-antibiotics)&Ophthalmics
Unit VI B	Cephalosporin / Orals
Unit VII	Non antibiotics, ARVs / Orals
Unit XII	Antibiotics, injectables, Orals
AuroNext	Penem formulations
Brazil Unit	Antibiotics
Eugia*	Oncology & Hormones
AuroLife	Non antibiotic & Controlled substances
AuroHealth	Pharma OTC / Orals and Liquids
Natrol	Nutraceuticals
Unit X*	Non antibiotics, Solid Orals
Unit XV	Non antibiotics, Solid & Liquid Orals (EU)
Unit XVI*	Antibiotics, Injectables
APL Healthcare	Pharma OTC, Solid Orals

Large manufacturing capabilities approved by key regulators for a diversified product portfolio with technology & expertise for specialty formulations

Vertically integrated operations from conception to commercialization

* Under construction / Yet to be operationalized

Active Pharma Ingredients

Site	Product Capabilities
Unit I	CVS, CNS, Anti-Allergics, Non-Sterile
Unit IA	Cephalosporin
Unit II	Intermediates for non antibiotics, Penems
Unit V	Antibiotics (Sterile & Non-sterile)
Unit VIA	Cephalosporins (Sterile)
Unit VIII	ARV, CVS, CNS (Non-sterile)
Unit IX	Intermediates
Unit XI	Non antibiotics
Unit XI U	Antibiotics (Non-sterile)
Unit XIV	CVS, Anti fungal
Silicon LS	Penems (Non-sterile)
AuroNext	Penems (Sterile)
AuroPeptide	Peptides

High specification manufacturing plants approved by key regulators equipped by site dedicated control laboratories located in India

API plants equipped with particle size modifications systems to supply compacted and micronized materials

Shareholding Pattern



Group	As on 31.03.13	As on 31.03.14	As on 31.03.15	As on 31.03.16
Promoter Group	54.9%	54.6%	54.0%	53.9%
FII	16.8%	23.7%	29.6%	27.4%
MF / Insurance	13.4%	9.8%	6.2%	7.2%
Other Bodies Corporates	5.5%	2.2%	1.6%	2.4%
Retail Investors	9.4%	9.7%	8.6%	9.1%
Total	100%	100%	100%	100%
Equity base (shares # Cr)	29.1	29.1	29.2	58.5
Face Value (INR)	1	1	1	1
Equity Capital (INR Cr)	29.1	29.1	29.2	58.5
M-Cap at close (INR Bn)	42.4	149.1	356.7	435.9
Shareholder family (# '000)	82.5	70.1	75.2	115.9

Non-Promoter Holding 46.1%

