



AUROBINDO

Q1 FY16-17 EARNINGS PRESENTATION

23rd August 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



Q1 FY16-17 Update

- Abbreviated New Drug Application (ANDA)
 - 5 new ANDAs filed with USFDA
 - 20 ANDAs approved (Final: 13, Tentative: 7) by USFDA
- Launched 7 new products in US market
- Transferred manufacturing of 4 products from Europe to India; cumulative transfer of 36 products as on 30 June 2016
- Vertical integration with in-house API for ~75% of its Formulation products
- Global presence with 90% of sales from international markets, spanning across more than 150 countries

Unit wise ANDA Filings as on 30-June-2016

Site	Details	Final Approval	Tentative Approval	Under Review	Total
Unit III	Oral Formulations	93	19	12	124
Unit IV	Injectables & Ophthalmics	31	2	35	68
Unit VIB	Cephalosporins Oral	11			11
Unit VII (SEZ)	Oral Formulations	61	20	70	151
Unit XII	Penicillin Oral & Injectables	19			19
Aurolife USA	Oral Formulations	13		13	26
AuroNext	Penem Injectables			4	4
Total		228	41	134	403

*Tentative Approvals include 21 ANDAs approved under PEPFAR

Consolidated Financial Highlights



➤ Operating Income (net of Excise duty) increased by 12.9% to INR 3,725.9 cr (US\$ 557.6 Mn)

Segment wise Gross Sales

- Formulations - INR 3,032.1 cr;
 - US – INR 1,703.9 cr
 - EU – INR 831.2 cr
 - ARV – INR 303 cr
 - Emerging Market – INR 194 cr
- API- INR 734.5 cr

➤ EBITDA at INR 889.0 cr representing 23.9% margin

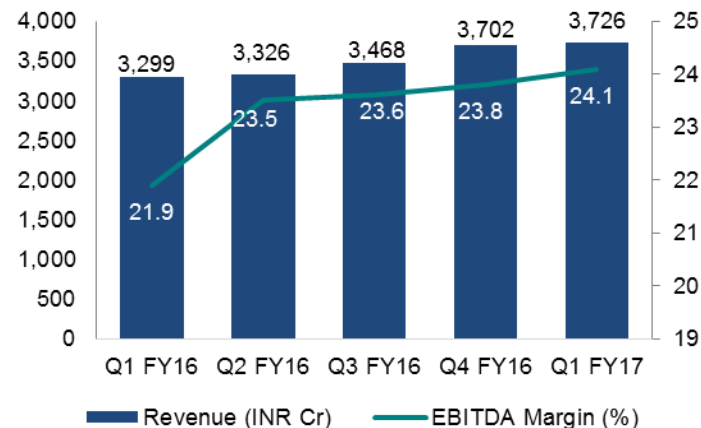
➤ R&D cost expensed is at INR 120.0 cr, 3.2% of sales

➤ PAT after JV share, minority interest and OCI at INR 584.6 cr; Margin at 15.7%

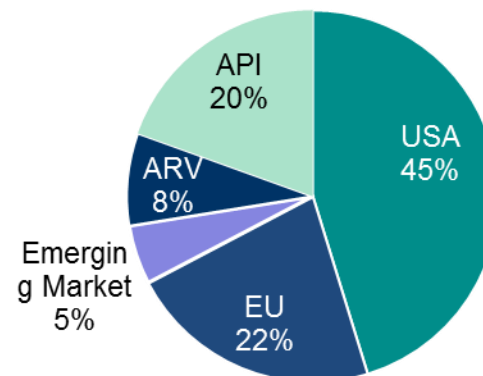
➤ Effective Tax Rate at 25.6%

➤ Capex spent is ~US\$ 56 Mn

Net Operating Income (INR Cr)



Q1 FY16-17 Gross Sales Breakup



As per Ind AS

OCI – Other Comprehensive Income

Consolidated Financial Performance



Value INR Cr	Q1 FY17	Q1 FY16	% Change
Formulations	3,032.1	2,615.7	15.9%
API	734.5	722.9	1.6%
<i>Formulations % of sales</i>	<i>80.5%</i>	<i>78.3%</i>	
Net Operating Income	3,725.9	3,298.9	12.9%
Gross Margin	2,088.9	1,786.6	16.9%
	56.1%	54.2%	
Overheads	1,200.0	1,061.5	13.0%
EBIDTA (excl. Fx & other income)	889.0	725.0	23.9%
	23.9%	22.0%	188 bps
Fx (Gain) / Loss	(7.0)	10.6	
Other Income	15.9	29.4	
Finance Cost	20.6	20.8	
Depreciation	106.2	89.0	
PBT from ordinary activities	785.0	634.0	23.8%
PAT (after JV share, minority interest and OCI)	584.6	471.3	24.0%
EPS	10.0	8.1	23.8%
Avg Fx Rate US\$ 1= INR	66.8255	63.29	

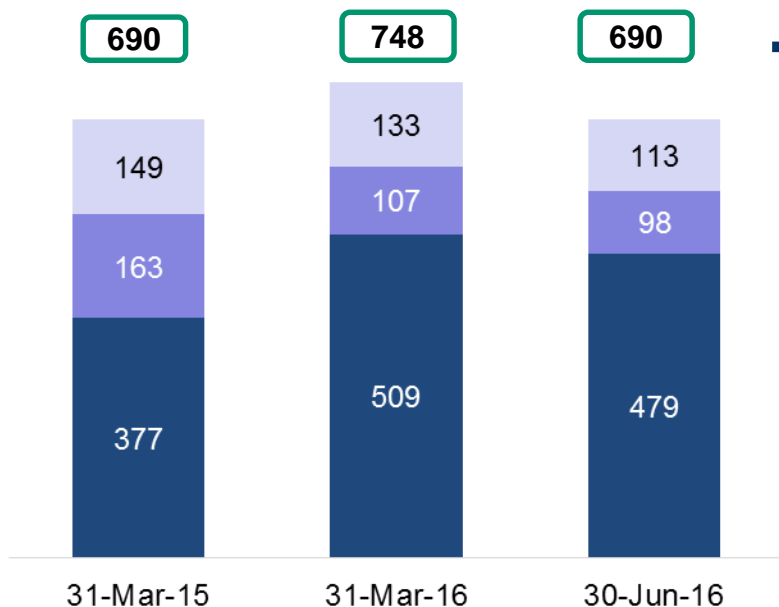
PAT Reconciliation (INR Cr)	Q1 FY16
As per IGAAP	432.4
Impact on deferred tax (including on unrealized intragroup profits on inventories)	22.9
Impact on foreign currency exchange differences	15.7
Difference in measurement of employee benefit expenses	1.9
Other Ind AS adjustments	(0.5)
As per Ind AS	472.5
Other Comprehensive Income	(1.15)
Profit after OCI	471.3

As per Ind AS

Debt Profile



Fx Loan US\$ Mn



Debt as on (INR Cr)	Mar-15	Mar-16	June-16*
Closing Rate ¹ US\$ = INR	62.50	66.255	67.525
Fx Loan restated in INR	4,312.3	4,956.7	4,661.4
Rupee Loan	37.3	46.9	46.5
Sales Tax Deferment	54.9	41.9	0.5
Gross Debt	4,404.5	5,045.6	4,708.5
Cash Balance	450.8	805.2	1,161.9
Net Debt	3,953.6	4,240.3	3,546.5
Net Debt (US\$ Mn)	632.6	640.0	525.2
Finance Cost	1.9%	1.8%	1.8%

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

Numbers as per Ind AS

Debt includes bill discounting

*Gross Debt is after netting off debt factoring of US\$ 150 Mn

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				FY17
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1*	Q2	Q3	Q4	Q1*
USA	6.2	7.3	9.3	11.2	11.2	11.7	12.0	13.4	14.1	14.8	15.7	16.7	17.0
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	8.3
Emerging Market	1.1	0.9	1.3	1.3	1.4	1.6	1.3	1.4	1.6	1.7	1.8	1.8	1.9
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	3.0
Formulations Sales	11.0	12.3	14.4	16.1	22.8	22.4	25.3	25.2	26.2	26.8	28.4	30.1	30.3
Betalactam	4.4	4.5	4.8	4.8	4.5	4.5	4.6	4.4	4.8	4.3	4.5	5.0	4.9
Non-Betalactam	2.1	2.7	2.7	2.7	2.2	2.4	2.2	2.4	2.5	2.6	2.5	2.7	2.4
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	7.3
Gross Sales	17.5	19.5	21.8	23.7	29.5	29.2	32.0	31.9	33.4	33.7	35.3	37.9	37.7
Formulations as % of Gross Sales	63%	63%	66%	68%	77%	77%	79%	79%	78%	80%	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

Filing details as on 30th June 2016



Category	As at Mar 13	As at Mar 14	As at Mar 15	As at Mar 16	As at June 16	Approvals
Formulations						
US*	269	336	376	398	403	269 (FA: 228, TA:41)
Europe**	1,341	1,542	1,756	2,224	2,327	1,380 Dossiers (154 products)
SA**	314	334	345	376	379	168 Registrations (84 products)
Canada***	49	72	83	105	110	87 products
Total	1,973	2,284	2,560	3,103	3,219	
API						
US	172	181	192	205	206	
Europe**	1,443	1,504	1,601	1,689	1,701	
CoS	109	106	114	118	121	
Others**	565	627	681	715	722	
Total	2,289	2,418	2,588	2,727	2,750	

In total 385 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 30 June 2016 additional 1,641 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 Mar 15	As on 31 Mar 16	As on 30 June 16
Promoter Group	54.0%	53.9%	53.9%
FII	29.6%	27.4%	26.1%
MF / Insurance	6.2%	7.2%	7.7%
Other Bodies Corporates	1.6%	2.4%	3.1%
Retail Investors	8.6%	9.1%	9.2%
Total	100%	100%	100%
Equity Shares (in Cr)	29.2	58.5	58.5
Face Value (INR)	1	1	1
Equity Capital (INR Cr)	29.2	58.5	58.5
M-Cap at close (INR Bn)	356.7	435.9	434.5
Shareholder family (# '000)	75.2	115.9	128.2

Non-Promoter Holding 46.1%

