



AUROBINDO

Q2 FY16-17 EARNINGS PRESENTATION



14th November 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



Q2 FY16-17 Update

- Abbreviated New Drug Application (ANDA)
 - 9 new ANDAs filed with USFDA (Oral – 6, Injectable – 3)
 - 15 ANDAs Final approved by USFDA (Oral - 10, Injectable - 5)
- Launched 11 new products in US market; 7 Oral and 4 Injectables
- Cumulative transfer of 37 products from Europe to India as on 30th September, 2016
- Vertical integration with in-house API for ~70% of its Formulation products
- Global presence with 88% of sales from international markets, spanning across more than 150 countries

Unit wise ANDA Filings as on 30-Sept-2016

Site	Details	Final Approval	Tentative Approval	Under Review	Total
Unit III	Oral Formulations	95	18	12	125
Unit IV	Injectables & Ophthalmics	36	2	33	71
Unit VIB	Cephalosporins Oral	11			11
Unit VII (SEZ)	Oral Formulations	68	21	66	155
Unit XII	Penicillin Oral & Injectables	19		1	20
Aurolife USA	Oral Formulations	14		12	26
AuroNext	Penem Injectables			4	4
Total		243	41	128	412

*Tentative Approvals include 21 ANDAs approved under PEPFAR

Consolidated Financial Highlights



➤ Operating Income (including excise duty) increased by 12.2% to INR 3,775.5 cr (US\$ 564.6 Mn)

Segment wise Sales

- Formulations - INR 3,003.8 cr;
 - US – INR 1,735.1 cr
 - EU – INR 813.4 cr
 - ARV – INR 278.5 cr
 - Emerging Market – INR 176.8 cr
- API- INR 768.8 cr

➤ EBITDA at INR 929.2 cr representing 24.6% margin

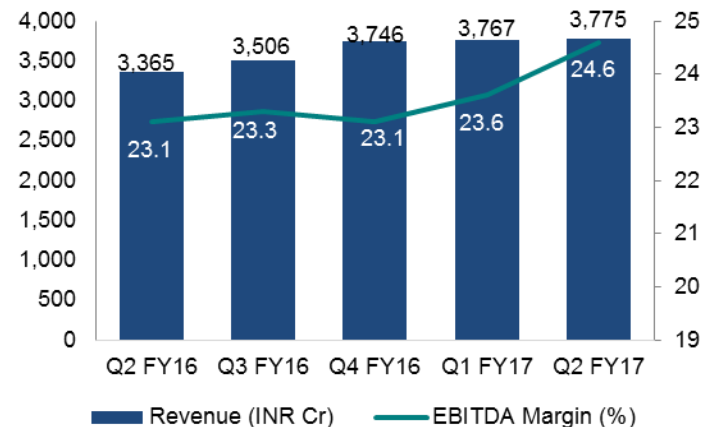
➤ R&D cost expensed is at INR 147.6 cr, 3.9% of sales

➤ PAT after JV share, minority interest and OCI at INR 602.6 cr; Margin at 16%

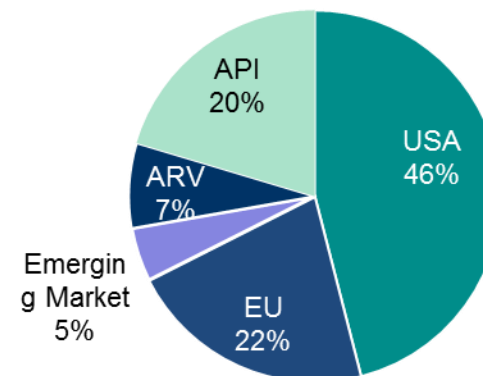
➤ Effective Tax Rate at 27%

➤ Capex spent is ~US\$ 40 Mn

Gross Operating Income (INR Cr)



Q2 FY16-17 Sales Breakup



As per Ind AS

OCI – Other Comprehensive Income

Consolidated Financial Performance



Value INR Cr	Q2 FY17	Q2 FY16	% Chg	Q1 FY17	% Chg
Formulations	3,003.8	2,673.1	12.4	3,032.1	(0.9)
API	768.8	691.0	11.3	734.5	4.7
<i>Formulations % of sales</i>	<i>79.6%</i>	<i>79.5%</i>		<i>80.5%</i>	
Operating Income (including excise duty)	3,775.5	3,365.1	12.2	3,766.6	0.2
Gross Margin	2,145.6	1,853.0	15.8	2,088.9	2.7
	56.8%	55.1%	170bps	55.5%	40bps
Overheads	1,216.4	1,074.4		1,200.0	
EBIDTA (excl. Fx & other income)	929.2	778.6	19.3	889.0	4.5
	24.6%	23.1%	150bps	23.6%	100bps
Fx (Gain) / Loss	(20.2)	43.7		(7.0)	
Other Income	8.3	12.4		15.9	
Finance Cost	17.5	24.1		20.6	
Depreciation	110.2	92.6	19	106.2	3.7
PBT from ordinary activities	829.9	630.6	31.6	785.0	5.7
PAT (after JV share, minority interest & OCI)	602.6	452.5	33.2	584.6	2.8
EPS	10.3	7.8	33.3	10.0	3.5
Avg Fx Rate US\$ 1= INR	66.872	64.8234		66.8255	

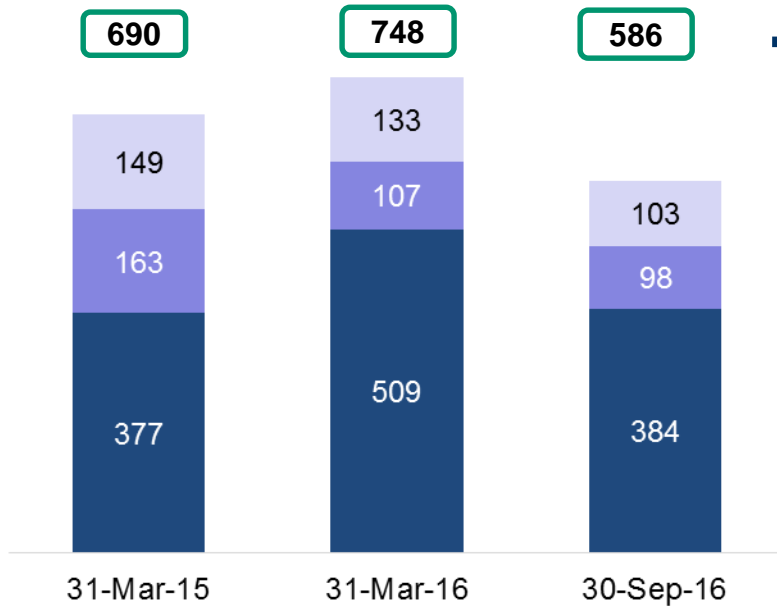
PAT Reconciliation (INR Cr)	Q2 FY16
As per IGAAP	451.8
Impact on deferred tax (including on unrealized intragroup profits on inventories)	(14.5)
Impact on foreign currency exchange differences	13.1
Difference in measurement of employee benefit expenses	0.99
Other Ind AS adjustments	2.2
As per Ind AS	453.6
Other Comprehensive Income	(1.1)
Profit after OCI	452.5

As per Ind AS

Debt Profile



Fx Loan US\$ Mn



Debt as on (INR Cr)	Mar-15	Mar-16	Sept-16
Closing Rate ¹ US\$ = INR	62.50	66.255	66.615
Fx Loan restated in INR	4,312.3	4,956.7	3901.8
Rupee Loan	37.3	46.9	34.8
Sales Tax Deferment	54.9	41.9	0.5
Gross Debt	4,404.5	5,045.6	3,937.0
Cash Balance	450.8	805.2	711.2
Net Debt	3,953.6	4,240.3	3,225.8
Net Debt (US\$ Mn)	632.6	640.0	484.2
Finance Cost	1.9%	1.8%	1.7%

- 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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Gross Sales Break-Up



INR Bn	FY15					FY16					FY17		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	H1
USA	11.1	11.6	11.8	13.3	47.7	14.1	14.7	15.6	16.3	60.8	17.0	17.4	34.4
Europe	8.0	7.7	8.6	7.7	31.9	7.4	7.6	7.8	8.4	31.3	8.3	8.1	16.4
Emerging Market	1.2	1.4	1.2	1.2	4.9	1.6	1.6	1.6	1.6	6.5	1.9	1.8	3.7
ARV	2.2	1.4	3.3	2.7	9.6	3.0	2.8	3.1	3.3	12.1	3.0	2.8	5.8
Formulations Sales	22.5	22.0	24.9	24.8	94.2	26.2	26.7	28.1	29.7	110.6	30.3	30.0	60.4
Betalactam	4.5	4.5	4.6	4.4	17.9	4.8	4.3	4.5	5.0	18.6	4.9	5.1	10.1
Non-Betalactam	2.2	2.4	2.2	2.4	9.1	2.5	2.6	2.5	2.7	10.3	2.4	2.6	5.0
API Sales	6.7	6.9	6.7	6.8	27.1	7.2	6.9	7.0	7.7	28.8	7.3	7.7	15.0
Gross Sales	29.2	28.9	31.6	31.6	121.3	33.4	33.6	35.0	37.4	139.5	37.7	37.7	75.4
Formulations as % of Gross Sales	77%	77%	79%	79%	78%	78%	80%	80%	80%	79%	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 70% of its Formulation products

Numbers as per Ind AS

Filing details as on 30th Sept 2016



Category	As at Mar 13	As at Mar 14	As at Mar 15	As at Mar 16	As at Sept 16	Approvals
Formulations						
US*	269	336	376	398	412	284 (FA: 243, TA:41)
Europe**	1,341	1,542	1,756	2,224	2,381	1,465 Dossiers (163 products)
SA**	314	334	345	376	388	178 Registrations (88 products)
Canada***	49	72	83	105	112	89 products
Total	1,973	2,284	2,560	3,103	3,293	
API						
US	172	181	192	205	210	
Europe**	1,443	1,504	1,601	1,689	1,713	
CoS	109	106	114	118	123	
Others**	565	627	681	715	731	
Total	2,289	2,418	2,588	2,727	2,777	

In total 399 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 30th Sept, 2016 additional 1,645 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 Sept 16
Promoter Group	54.0%	53.9%	53.9%
FII	29.6%	27.4%	26.7%
MF / Insurance	6.2%	7.2%	7.6%
Other Bodies Corporates	1.6%	2.4%	3.1%
Retail Investors	8.6%	9.1%	8.7%
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	500.6
Shareholder family (# '000)	75.2	115.9	134.3

Non-Promoter Holding 46.1%

