

Date: February 14, 2019

To <b>NATIONAL STOCK EXCHANGE OF INDIA LIMITED</b> Exchange Plaza, Bandra Kurla Complex, Bandra (E), <b>MUMBAI -400 051</b>  <b>Company Code No. AUROPHARMA</b>	To <b>BSE LIMITED</b> Phiroz Jeejeebhoy Towers, 25 <sup>th</sup> floor, Dalal Street, <b>MUMBAI -400 001</b>  <b>Company Code No. 524804</b>
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Dear Sirs,

**Sub: Analysts / Investors Meet.**

We would like to inform you that we are attending investor conference on February 15, 2019 hosted by IIFL Securities in Mumbai. The attached presentation will be used in the aforesaid investor conference.

The presentation is also being uploaded on the website of the Company –

<https://www.aurobindo.com/investors/results-reports-presentations/investor-presentations/>

Please take the information on record.

Thanking you,

Yours faithfully,  
**For AUROBINDO PHARMA LIMITED**

*B.A.R.*

**B.Adi Reddy**  
Company Secretary





**AUROBINDO**  
Committed to healthier life!

**LEADING VERTICALLY INTEGRATED GENERIC PLAYER**

**Investor Presentation - February 2019**



# Safe Harbor Statement

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This presentation is provided for informational purposes only and does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any interest in or securities of Aurobindo Pharma, nor shall it, or any part hereof, form the basis of, or be relied on in connection with, any contract therefore.

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, such statements reflect various assumptions concerning future developments and 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, regulatory and 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.

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For updates and specific queries, please visit our website [www.aurobindo.com](http://www.aurobindo.com)

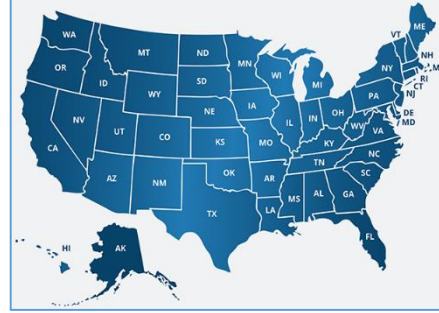
# Aurobindo Pharma – Overview



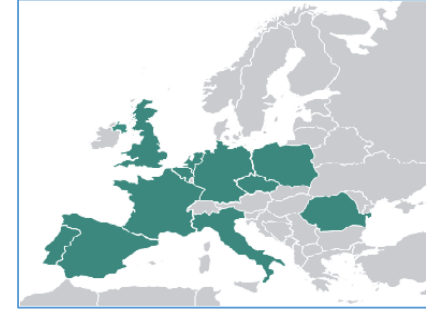
**10<sup>th</sup>** Largest generic company by sales globally#



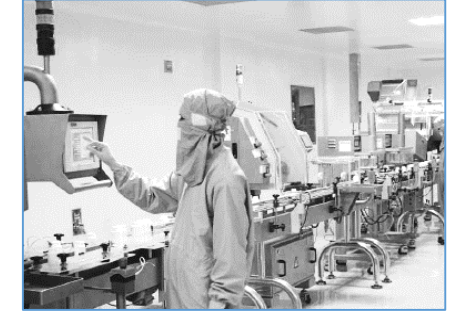
**2<sup>nd</sup>** Largest listed Indian Pharmaceutical company by revenues\*



**3<sup>rd</sup>** Largest volume supplier in the US\*\*



Amongst Top 10 Gx companies in **4 out of Top 5** Europe Countries@



**32** years in existence



**\$ 2.6 Bn**  
Global Revenues in FY18



**26** Manufacturing Facilities globally



**155+** Markets Presence



**>26 Billion** Diverse dosage forms manufactured in FY18



**>20,000** Employees



# The Journey So Far...

## 1992-2006

- Started API manufacturing
- Initial Public Offering ('95)
- Entered formulation business ('02)

**Pre-2006**

**API Focus**

## 2006-08

- Acquired UK based Milpharm
- Acquired formulations facility, AuroLife, in US

## 2009-12

- Commenced Aurolife operations
- Received first approval for controlled substance drug in US

## 2013

- Commenced marketing specialty injectables in USA
- Building capabilities in Penem and Oncology

**2006 - 2013**

**Formulation Focus  
+  
Establishing Global Footprint**

## 2014 - 16

- Acquired Western European commercial operations from Actavis
- Acquired Natrol
- Established OTC presence
- Entered into Biosimilars and Vaccines
- Filed first peptide DMF

## 2017-19

- Acquired Generis in Portugal and Apotex Inc's businesses in 5 European countries
- Focus on differentiated technology platforms and Specialty Pharmaceuticals
- Acquired R&D assets from Advent Pharmaceuticals Pty, Australia
- Entered into a definitive agreement to acquire dermatology and oral solids businesses from Sandoz Inc., USA
- Entered into a definitive agreement to acquire portfolio of seven marketed oncology injectable products from Spectrum Pharmaceuticals Inc.

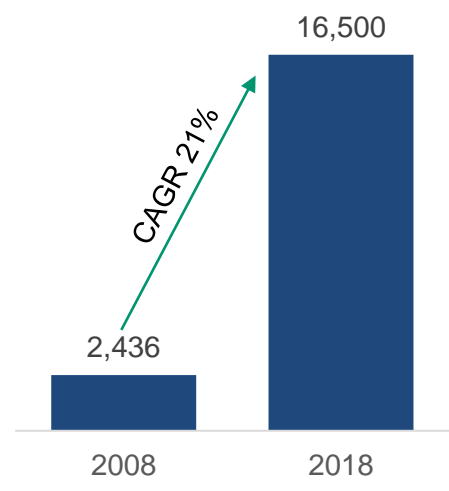
**2014-2019**

**Strengthening market penetration in the  
US & EU  
+  
Expanding into Specialty Products**

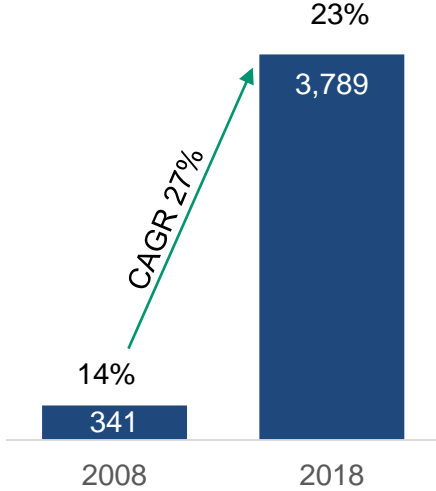


# Emerged into a leading global generic player

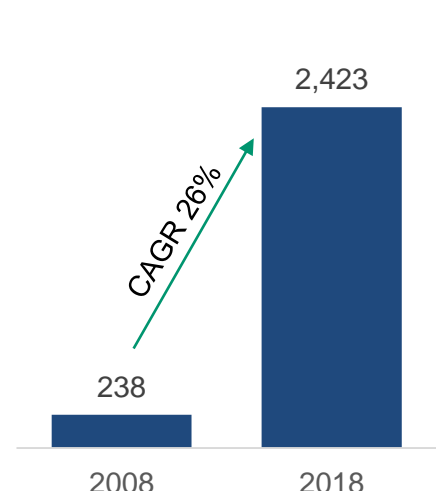
Revenue (INR Cr)



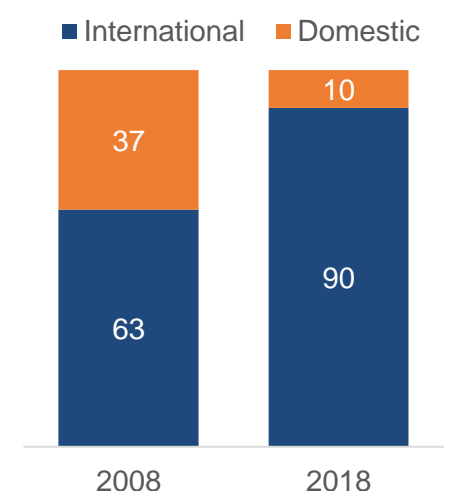
EBITDA (INR Cr) & Margin



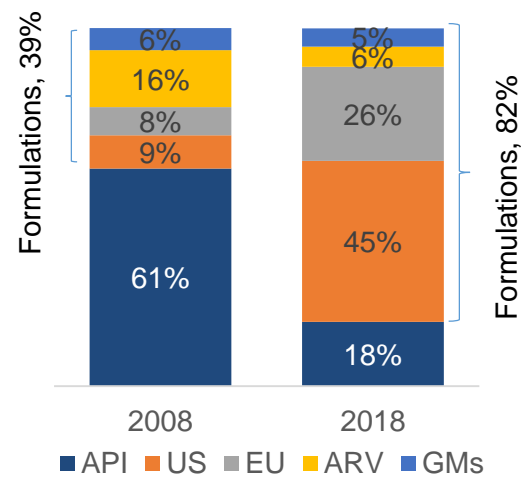
Net Profit (INR Cr)



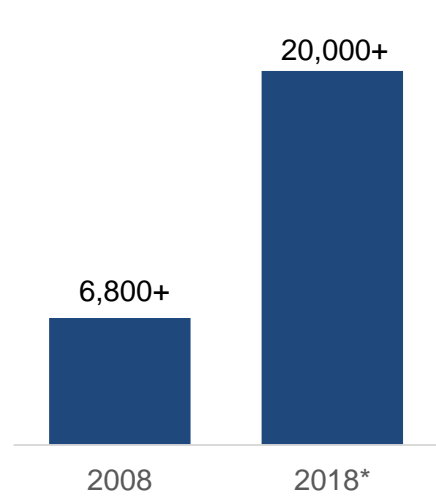
Geographical Revenue Mix



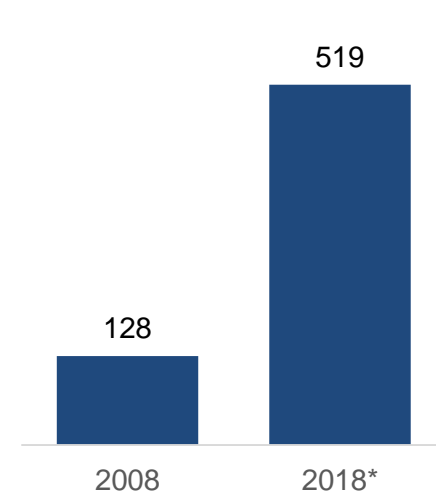
Business Mix



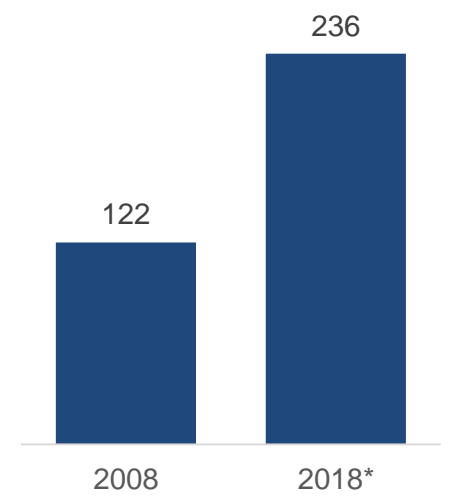
Employee Base



ANDAs – Filing Status



DMFs – Filing Status



Note: Data related to FY2008 and FY2018. GMs: Growth Markets; \* As on 31 Dec 2018

# Core Strengths



## Scale & Diversity

- Among Top 3 in >65% of commercial portfolio in US<sup>(1)</sup> in terms of prescriptions
- Large US portfolio<sup>(2)</sup> - 519 ANDAs filed; 369 with final approval, 28 Tentative approval<sup>(3)</sup>, and 122 under review
- Extensive product portfolio & pipeline across the globe
- Experienced and focused leadership team
- Building diversified product basket in speciality segments
- Through M&As, adding more specialized products, new technologies and scale in our core markets

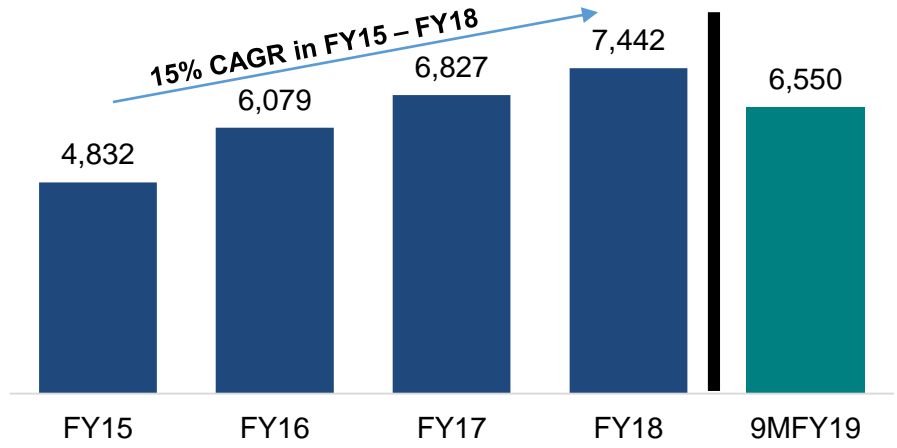
## Strengths

- Large manufacturing facilities inspected by various regulatory authorities including US FDA and EMA
- Over the last 3 years, over 125 ANDAs were filed including 52 ANDAs in the last 12 months\*
- High level of vertical integration; around 70% of API requirement is manufactured in-house
- Focus on complying with global quality and EHS standards
- Dedicated commercial and BD teams focused on developing new partnerships
- Speed and effectiveness in execution

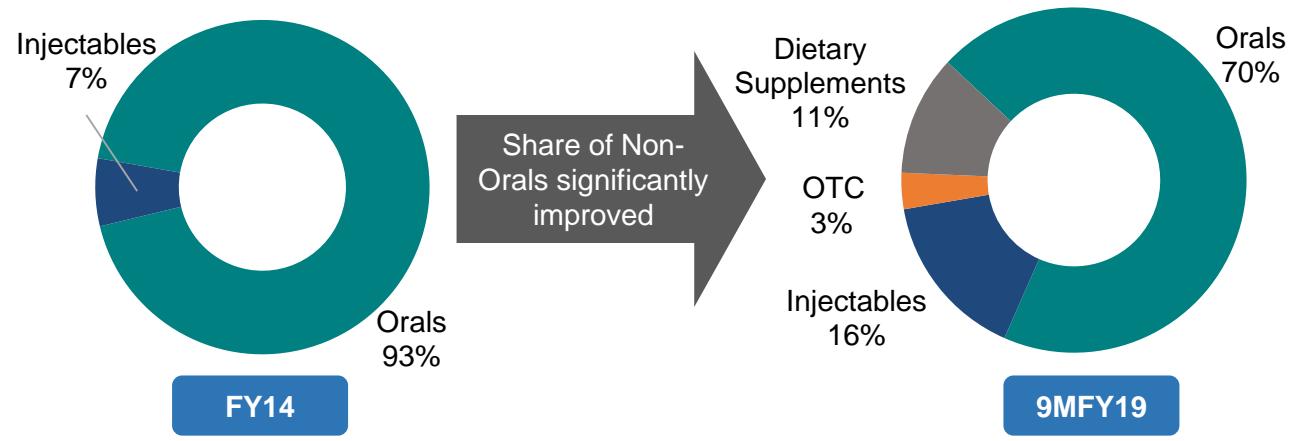


# US Business Highlights

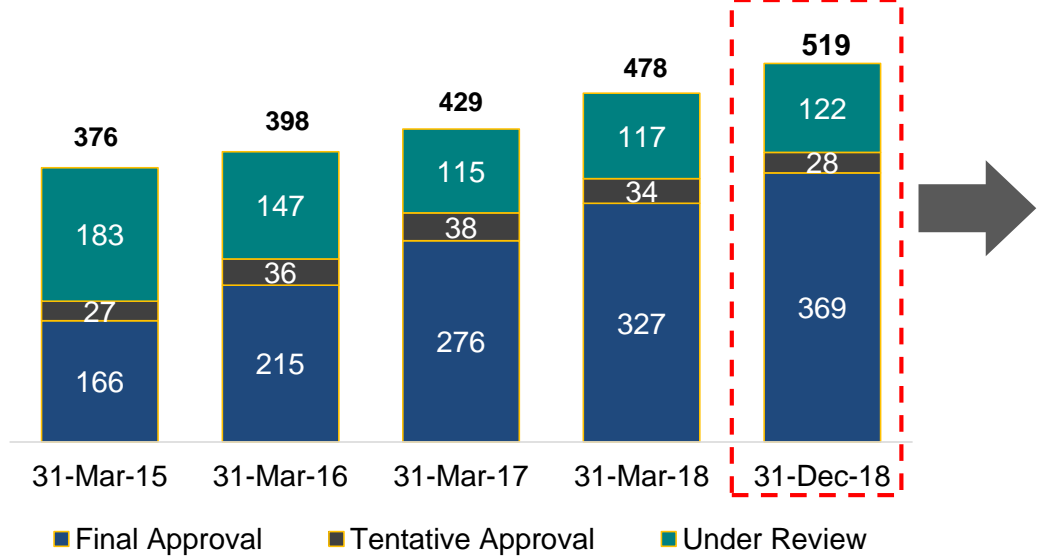
## Revenue (INR Cr)



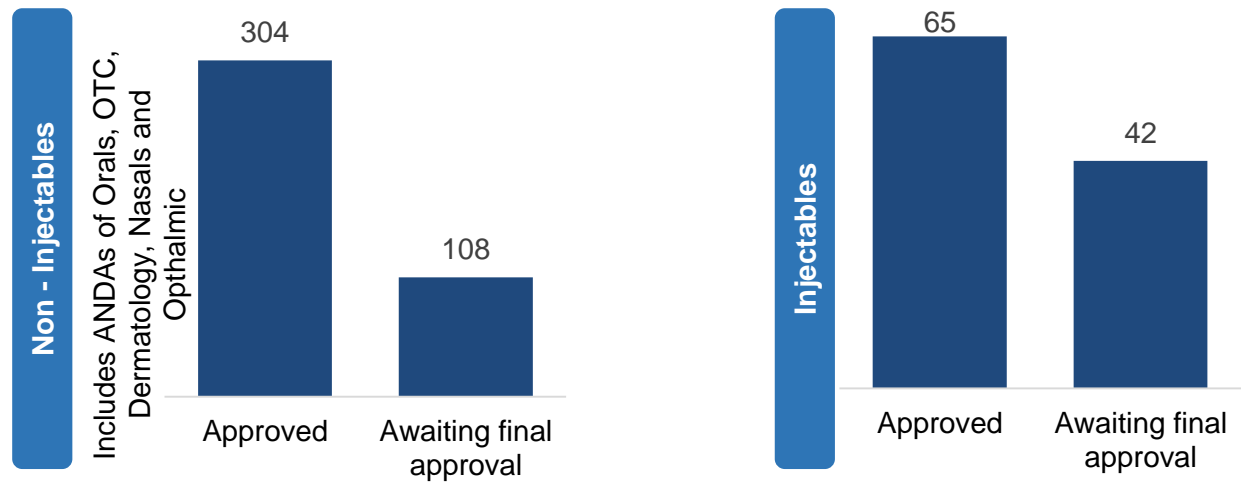
## Revenue Mix



## Cumulative ANDA Filings and Approvals



## Filing Mix



Tentative Approvals as on 31<sup>st</sup> Dec 2018 include 9 ANDAs approved under PEPFAR;

Awaiting final approval includes tentative approval





# US Business – Segment Wise Highlights



## Orals

- 70% of overall US business in 9MFY19
- Volume share increased to 5.2% (MAT Dec 2018) from 4.3% (MAT Dec 2017)\*
- Filed 29 ANDAs and launched 29 products in the last 12 months@
- Future pipeline includes
  - ✓ *Controlled substances with ADF*
  - ✓ *Oncology*
  - ✓ *505b2 products for select patient segments*



## Injectables

- 16% of overall US business in 9MFY19
- Volumes increased ~29%\* (MAT Dec 18 vs. MAT Dec 17)
- Filed 18 ANDAs and launched 9 products in the last 12 months@
- Future pipeline includes
  - ✓ *Complex injectables including microspheres*
  - ✓ *Oncology*
  - ✓ *Hormones*



## OTC

- 3% of overall US business in 9MFY19
- Filed 5 ANDAs and Launched key products including Omeprazole tablets in the last 12 months@
- Future pipeline includes
  - ✓ *Rx to OTC switch opportunities*
  - ✓ *Branded OTC*



## Dietary Supplements

- 11% of overall US business in 9MFY19
- Introduced Gummies
- Future growth drivers includes
  - ✓ *New product introduction*
  - ✓ *Geographical expansion*



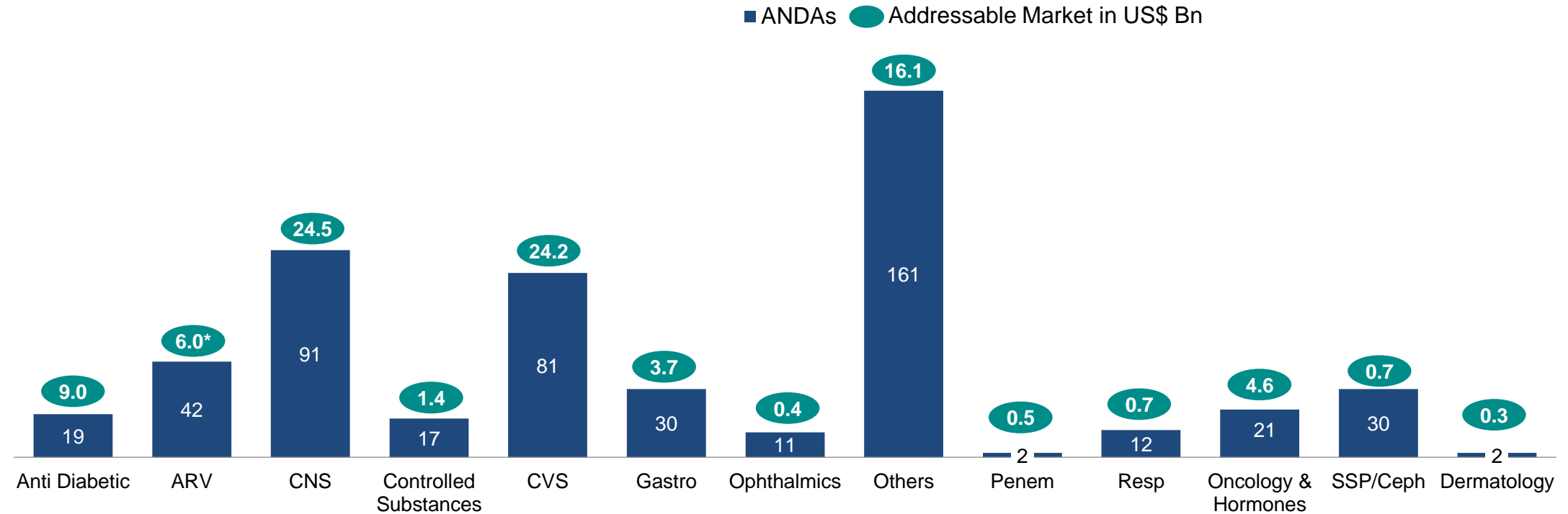
*Laci Le Beau*





# US: Expanding Portfolio Mix Towards Differentiated Products

Portfolio mix is complemented with the introduction of high-value products



Addressable Market at US\$ 92.1 Bn including ~US\$ 61.1 Bn for Under Review and Tentatively approved ANDAs

Future pipeline to include Oncology, Hormones, Depot injections, Inhalers, Biosimilars, topicals & Patches

Addressable market refers to the market size as per IQVIA. Data is for the total 519 ANDAs filed by the company

\*Does not include the addressable market of the products approved under PEPFAR  
Source: IQVIA MAT Dec 2018 data

# Sandoz's Dermatology and Oral Solids Businesses – Acquisition\* overview



- Aurobindo Pharma USA Inc. entered into a definitive agreement with Sandoz Inc., USA to acquire its dermatology and oral solids businesses
- Acquired portfolio with c.70% revenue contribution by oral solids and c.30% by dermatology, before any potential FTC – led divestments
- The acquired portfolio is expected to generate over \$0.9 billion in sales for the first 12 months after completion of the transaction for Aurobindo, before any potential FTC-led divestments
- Acquisition also adds 3 manufacturing facilities in the US
- Aurobindo would become the 2<sup>nd</sup> largest generic player in the US by number of prescriptions
- Acquired portfolio consists of authorized generics and in-licensed products opening up future opportunities for Aurobindo
- Adds a leading dermatology franchise
  - ✓ #2 Dermatology player in the US
  - ✓ Dermatology presence across generics, branded and OTC
  - ✓ Well established dermatology focused commercial and manufacturing infrastructure
- Further diversified portfolio with addition of approximately 300 products including projects in development
- Significant synergy and value creation potential from the acquisition



Melville, Long Island, NY

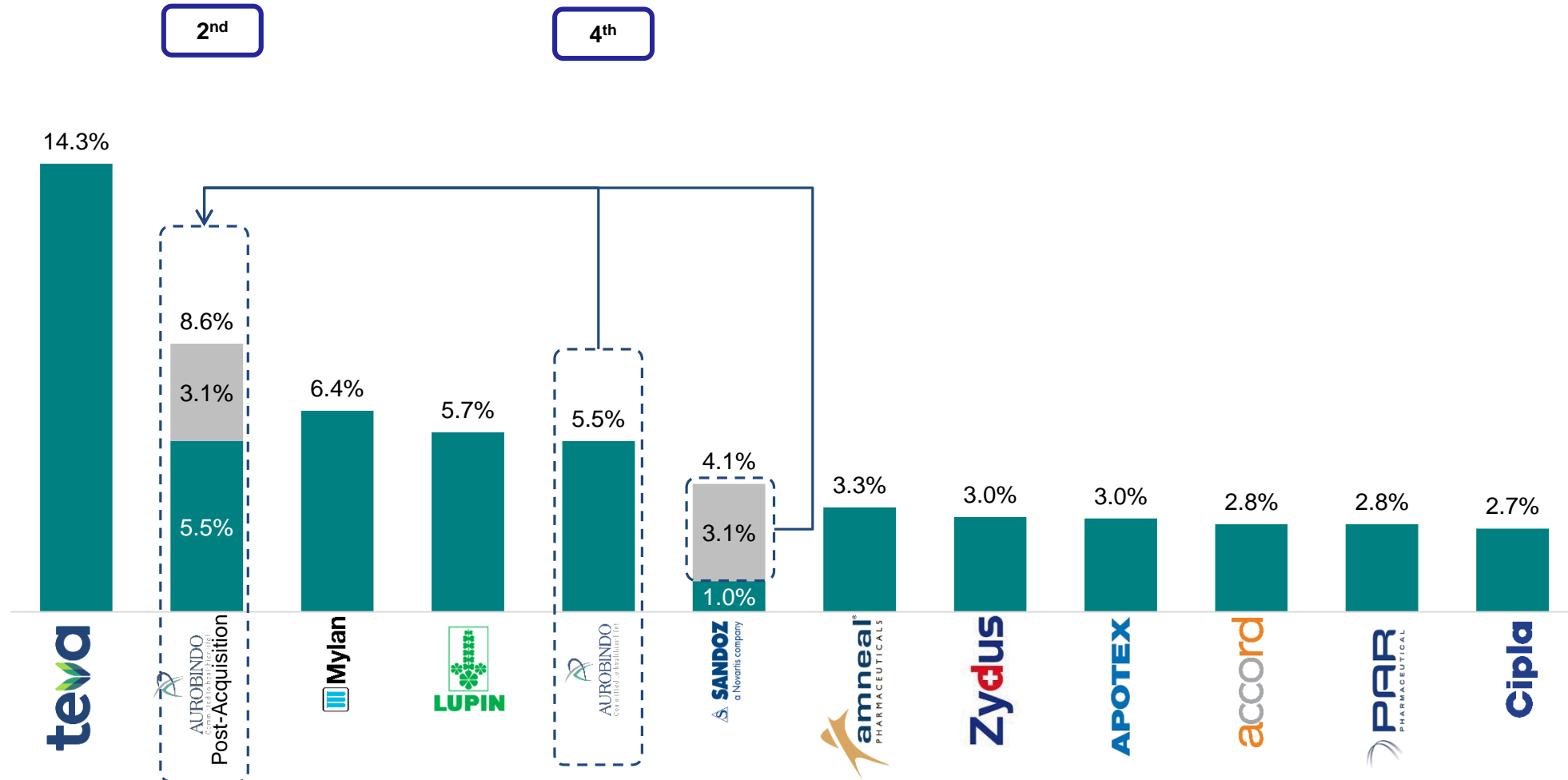


Hicksville, Long Island, NY

# Aurobindo would become the 2nd Largest Generic Player in the US Post Sandoz's businesses acquisition



## Market Share in the US by Number of Prescriptions Dispensed



2<sup>nd</sup>

4<sup>th</sup>



# EU Business Highlights

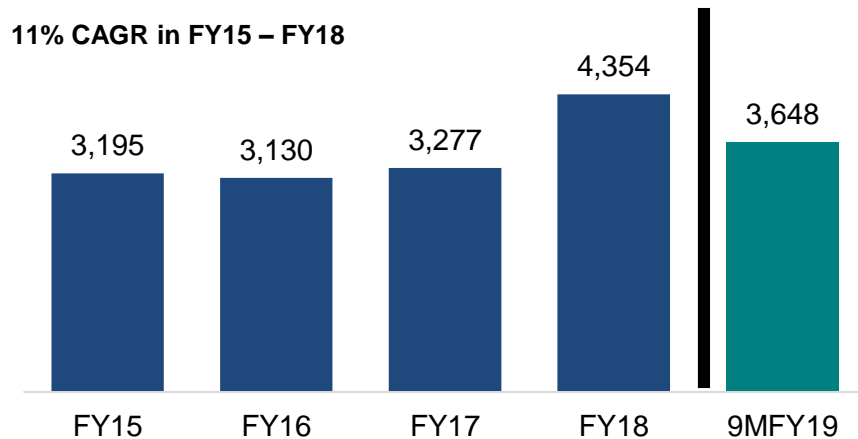
- Strong foothold in Europe
  - Operations in 11 countries with full fledged Pharmacy, Hospital and Tender sales infrastructure with commercialized 450+ INNs
  - Ranks amongst the Top 10<sup>@</sup> Generic companies in four out of Top-5 EU countries. France & Germany are top 2 markets for the company
  - Turned around loss-making business units through increasing a) switch to cost-competitive manufacturing locations and, b) operational efficiencies

## Recent Acquisition

- Acquired Apotex Inc's operations in 5 European countries in Feb 2019
  - Establishes Aurobindo as one of the leading generics companies in Europe
  - Gains well-established commercial network in 5 countries including those in Eastern European countries i.e. Poland and Czech Republic
  - Creates significant value opportunity through multiple avenues for revenue growth and cost synergies

## Revenue (INR Cr)

11% CAGR in FY15 – FY18



## Key growth drivers

- ✓ Portfolio Expansion through launches of targeted Day 1 products, Oncology range, Hormones, Niche low volume Injectables and Orals. Pipeline of over 250 products under development
- ✓ Opportunity of > \$ 5 Bn of addressable sales coming off patent in our key markets in near term (2019-2020) and > \$ 13 Bn in the medium term (2021-2022)<sup>#</sup>
- ✓ Future growth potential in countries like Italy, Spain, Portugal & France as the penetration of generics improve



# Aurobindo's Footprint in Europe Post Apotex Acquisition

	<b>France</b>
▶ Ranks #1 by volume for hospital segment; 5 <sup>th</sup> position in the retail market	
▶ Number of products currently marketed: 268	
	<b>Germany</b>
▶ Ranked #7	
▶ Number of products currently marketed : 239	
	<b>Portugal</b>
▶ 2 <sup>nd</sup> largest generic company	
▶ Number of products currently marketed : 285	
▶ Oral solids manufacturing facility	
	<b>United Kingdom</b>
▶ 7 <sup>th</sup> largest generic company	
▶ Number of products currently marketed : 98	
	<b>Italy</b>
▶ Market position: 8 <sup>th</sup>	
▶ Number of products currently marketed : 164	
	<b>Romania</b>
▶ 16 <sup>th</sup> largest generic company	
▶ Number of products currently marketed : 42	



- Existing Presence
- Existing + Acquired
- Entry into new geographies

	<b>Spain: Existing + Acquired</b>
▶ 13 <sup>th</sup> largest generic company	
▶ Number of products total marketed: 182	
	<b>Netherlands: Existing + Acquired</b>
▶ 3 <sup>rd</sup> largest generic company, Ranks #1 in OTC	
▶ Number of products total marketed: 306	
▶ Oral solids manufacturing facility	
	<b>Belgium: Existing + Acquired</b>
▶ Market Position: 5 <sup>th</sup> (Gx)	
▶ Number of products total marketed: 90	
	<b>Poland: Acquired</b>
▶ Market Position: 15 <sup>th</sup> (Gx)	
▶ Number of products total marketed: 62	
	<b>Czech Republic: Acquired</b>
▶ Ranks #10 among generic companies and #7 in OTC segment	
▶ Number of products total marketed: 76	



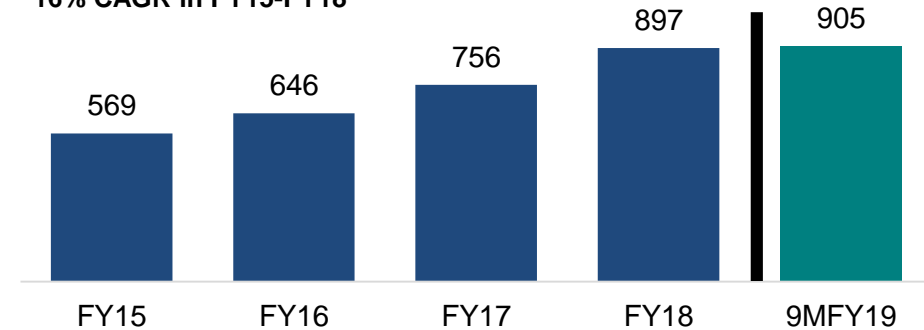
# Growth Markets & ARV Business – Highlights

## Growth Markets Business

- Key markets includes Canada, Brazil and South Africa
- Targeted to build branded generics presence in select markets
- In the process of strengthening operations and portfolio in specific identified countries
- Future product launches in Oncology and specialty injectables

## Revenue (INR Cr)

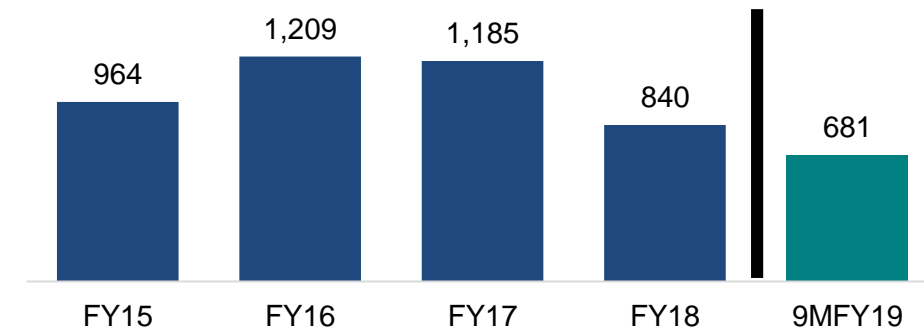
16% CAGR in FY15-FY18



## ARV Business

- Focus on global tenders floated by Multi-Lateral Organizations like Global Fund, USAID/PEPFAR and Country specific MOH tenders
- Supplies life-saving ARV's to ~3 Mn HIV patients spread over more than 125 countries
- Comprehensive portfolio of 32 products in 1L Adults, 2L Adults and pediatric formulations
- Filed over 1,100 ARV dossiers for registrations across the globe

## Revenue (INR Cr)

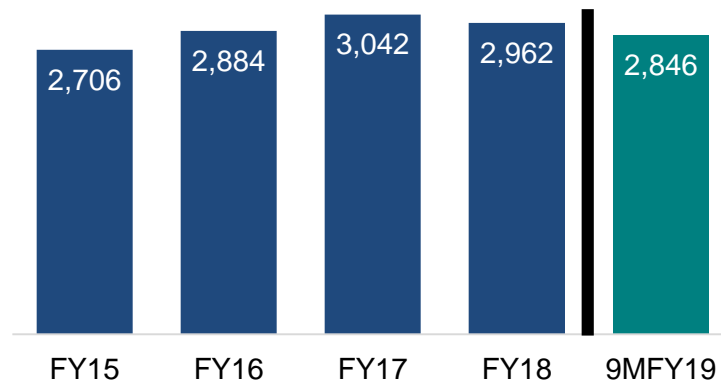




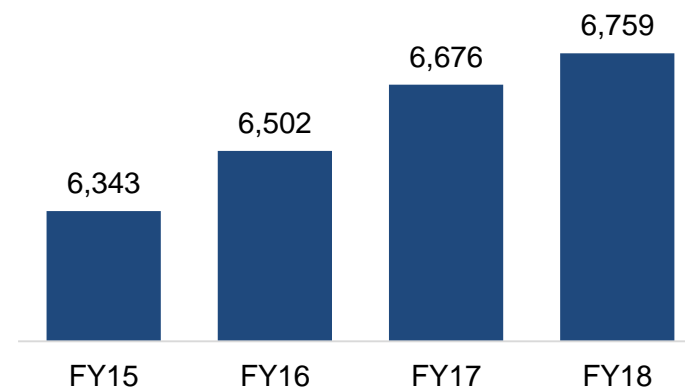
# API Business - Highlights

- API capacity is strategic in-terms of vertical integration and supply reliability
- Additional investments are made for capacity creation and capability building
- Customers include innovator and large generic companies
- API business continue to focus on complex products with varying volumes
- Focus on continuous improvement of manufacturing processes to meet market needs
- Continue to have sustained growth in more advanced regulated markets (EU, Japan & USA)
- API facilities have been inspected by various regulatory authorities including USFDA and UK MHRA

Revenue (INR Cr)



Reaction Volumes (KL)







# Consolidated Financial Performance

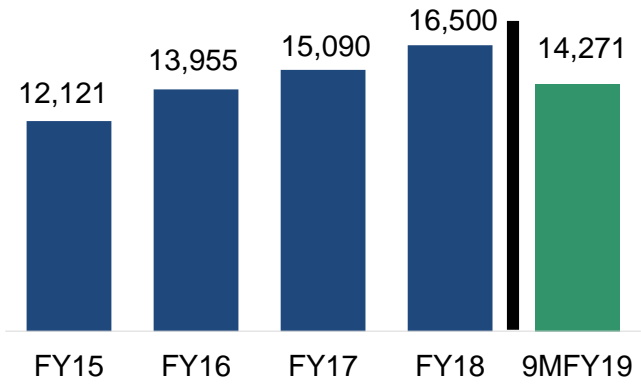
Value INR Cr	Q3 FY19	Q3 FY18	% Chg	Q2 FY19	% Chg
Formulations	4,347.8	3,570.2	21.8	3,934.8	10.5
API	921.7	765.7	20.4	816.6	12.9
<i>Formulations % of sales</i>	<i>82.5%</i>	<i>82.3%</i>		<i>82.8%</i>	
<b>Revenue from Operations</b>	<b>5,269.7</b>	<b>4,336.1</b>	<b>21.5</b>	<b>4,751.4</b>	<b>10.9</b>
Gross Profit	2,879.8	2,518.6	14.3	2,708.5	6.3
Overheads	1,793.4	1,493.0	20.1	1,682.5	6.6
<b>EBIDTA (before Forex &amp; other income)</b>	<b>1,086.4</b>	<b>1,025.6</b>	<b>5.9</b>	<b>1,026.0</b>	<b>5.9</b>
	<b>20.6%</b>	<b>23.7%</b>		<b>21.6%</b>	
Fx Gain / (Loss)	50.5	7.3		-39.7	
Other Income	13.4	25.8	-48.0	26.3	-49.0
Finance Cost	47.7	18.9	152.7	35.4	34.6
Depreciation	163.1	138.1	18.1	163.7	-0.3
PBT from ordinary activities	939.5	901.7	4.2	813.5	15.5
Exceptional items*	-25.0	0.0		-26.8	
<b>PAT (after JV share, minority interest)</b>	<b>712.2</b>	<b>595.0</b>	<b>19.7</b>	<b>611.4</b>	<b>16.5</b>
<b>EPS</b>	<b>12.15</b>	<b>10.16</b>		<b>10.44</b>	
<b>Avg Fx Rate US\$ 1= INR</b>	<b>71.8527</b>	<b>64.2272</b>		<b>69.9449</b>	

\*Exceptional items for the period represents acquisition related costs

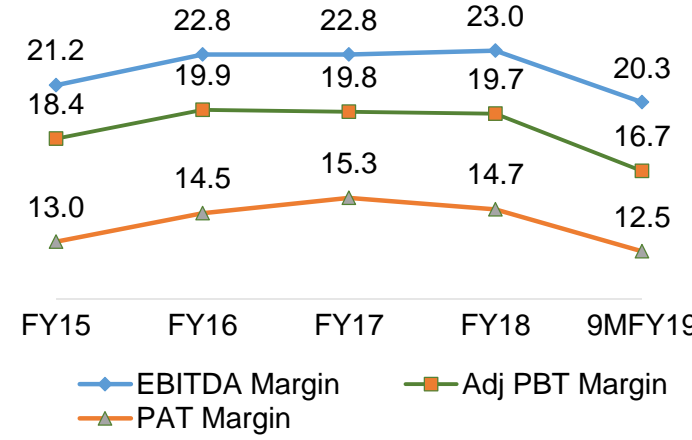


# Financial Performance

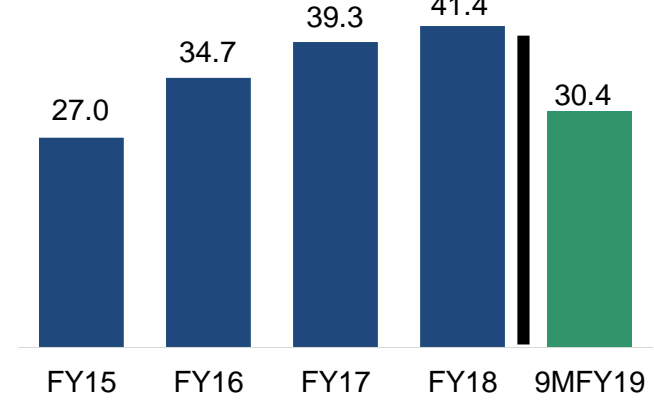
Revenue from Operations (INR Cr)



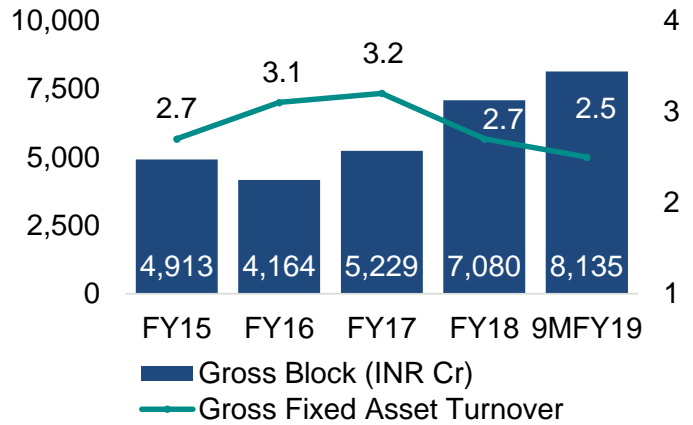
EBITDA & PAT Margin (%)



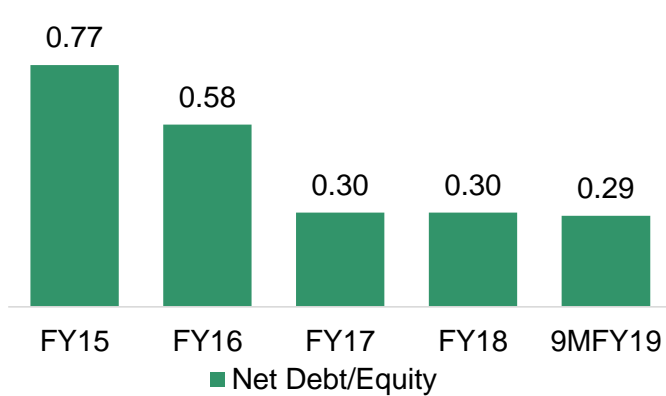
EPS (INR/Share)



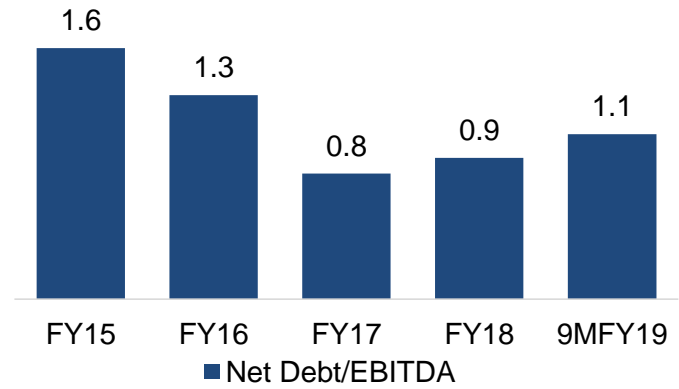
Gross Block & Fixed Asset Turnover



Net debt / Equity



Net Debt/EBITDA

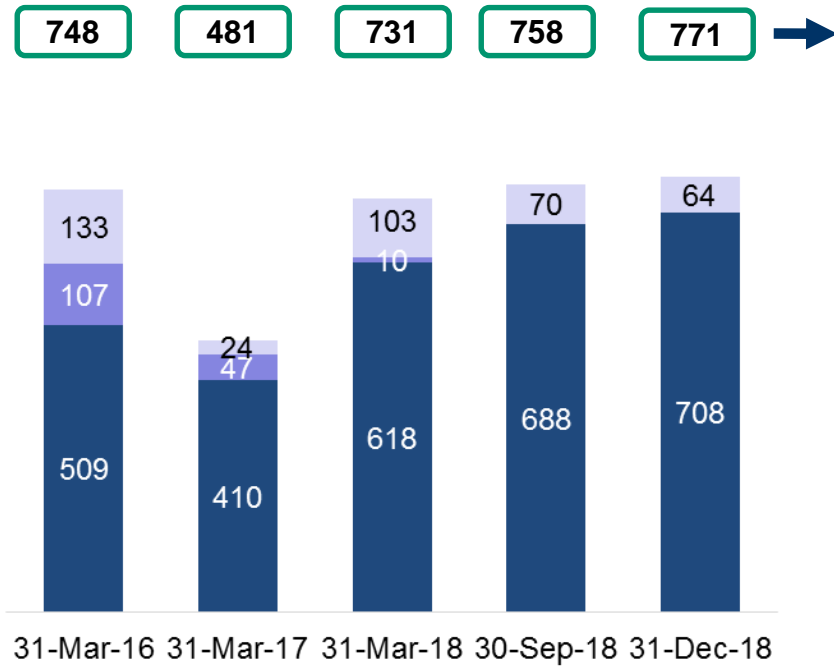


FY15 numbers are as per IGAAP; Gross Block is calculated as Tangible Assets + Intangible Assets excluding Goodwill



# 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	Sep-18	Dec-18
Closing Rate <sup>1</sup> US\$ = INR	66.25	64.85	65.17	72.485	69.775
Fx Loan restated in INR	4,956.7	3,121.5	4,766.9	5,493.4	5,381.8
Rupee Loan	46.9	244.8	4.1	282.2	289.7
Sales Tax Deferment	41.9	0.0	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>5,775.5</b>	<b>5,671.5</b>
Cash Balance	805.2	519.5	1,263.6	1,779.2	1,774.2
<b>Net Debt</b>	<b>4,240.3</b>	<b>2,846.9</b>	<b>3,507.4</b>	<b>3,996.4</b>	<b>3,897.3</b>
<b>Net Debt (US\$ Mn)</b>	<b>640</b>	<b>439.0</b>	<b>538.2</b>	<b>551.3</b>	<b>558.6</b>
<b>Finance Cost</b>	<b>1.8%</b>	<b>1.5%</b>	<b>2.0%</b>	<b>2.6%</b>	<b>3.3%</b>

Fx Debt and Fx Cash Balance are reinstated



# Focus on Building a Diverse and Robust Specialty Products Portfolio



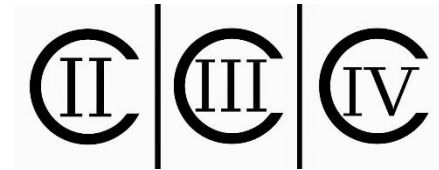
Oncology & Hormones



Peptides



Depot Injections



Controlled Substances



Topicals



Transdermal Patches



Inhalers



Nasals



Biosimilars



Vaccines








505(b)(2) products



Consumer Healthcare

# Focus on Building a Diverse and Robust Specialty Products Portfolio (1/2)



	 Oncology & Hormones	 Topicals	 Nasals	 Peptides	 Depot Injection
Products under development	79	22	5	14	4
Addressable Market Size	\$45 Bn	\$5 Bn	\$0.5 Bn	\$12.2 Bn	\$3.6 Bn
Filing Status	ANDAs*: Oncology- 11 & Hormones- 8	ANDAs*: 2	ANDAs*: 2	6 DMFs filed*	To start from 2HFY20
Filing Target	To file all products over next 3 years	To file all products over next 2-3 years	To file all products by FY20	Plans to file 5 more DMFs over next 18 months	Plans to file all products by FY22
Products Approved	3 ANDAs*	-	-	6 DMFs	-
Revenue generation to start from	Q1FY20	FY21	FY20 / FY21	FY21	FY22

\*As on 31 Dec 2018;

# Focus on Building a Diverse and Robust Specialty Products Portfolio (2/2)



	Transdermal Patches	Inhalers	Biologics	Vaccines
Products under development	8	8	6*	1
Addressable Market Size	\$3.2 Bn	\$7.5 Bn	\$35 Bn	\$6.2 Bn
Filing to start from	FY20	FY20	FY21	FY21
Filing Target	To file all products over next 3 years	To file all products over next 3 years	First set of products to filed by FY22	FY21
Products Approved	-	-	-	-
Revenue generation to start from	FY21	FY22	FY22	FY22

\*First wave;



# Enhanced Research & Development Capabilities

## 5 R&D centers in Hyderabad, India >1,500 scientists and analysts

- Focused on difficult to develop APIs, peptides, etc.
- Develop modern process technologies like enzyme chemistry
- Dosage Form R&D for developing niche oral, sterile and specialty injectable products
- Portfolio of more than 800 products
- **Biologics:** Developing diverse pipeline of biosimilars in Oncology and Immunology. CHO-GS based cell lines with productivity of ~ 4.0 g/L

## 1 R&D center in Dayton, New Jersey – 25 scientists and analysts

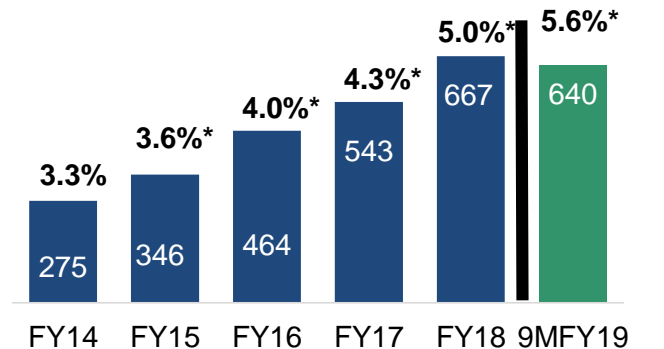
- Developing depot injectable and tamper/abuse-resistant technology products
- Concentrating on development of various niche oral formulation and controlled substances
- Portfolio of more than 30 products

## 1 R&D center in Raleigh, North Carolina – 40 scientist and analysts

- Developing various respiratory and nasal products, including inhalers
- Dermal Delivery portfolio including transdermal and topical products
- Portfolio of more than 40 products

All R&D centres have world-class talent and are equipped with state of the art infrastructure Supported by well qualified and trained Regulatory and Intellectual Property teams

R&D Spend – INR Cr (as % of revenue)



\* calculated on revenues Ex acquired Actavis business and Generis



# Thank You



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