



Aurobindo Pharma

Investor Presentation

February 2020

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1

Company Overview



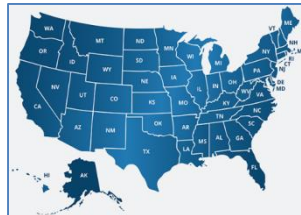
Company Overview



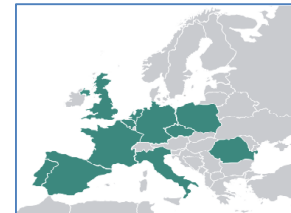
7th Largest generic
company by sales
globally[#]



2nd Largest listed
Indian Pharmaceutical
company by revenues*



2nd Largest generic
Company by Rx dispensed
in the US**



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



33 years
in existence



\$ 2.8 Bn
Global Revenues in
FY19



29 Manufacturing &
Packaging Facilities
globally



155+
Markets Presence



>33 Billion
Diverse dosage forms
manufactured in FY19



>22,000
Employees

Journey so far...

- Commencement of API Exports
- Initial Public Offering (1995)
- Began production of formulations

- Acquired formulations facility in USA (Aurolife) and Pharmacin in Netherlands

- First approval of Controlled Substance formulations in USA
- Set up AuroPeptide to foray into Peptide business

- Acquired Western European commercial operations from Actavis and US dietary supplements company, Natrol

- Acquired Generis in Portugal
- Focus on differentiated technology platforms and Specialty Pharmaceuticals

- Acquired Apotex Inc's businesses in 5 European countries
- Acquired a portfolio of 7 marketed oncology injectable products from Spectrum Pharmaceuticals Inc.
- Established a Joint Venture with Shanghai LongJin Investment Company for development, manufacturing, marketing and sale of pharmaceutical products

1992-2002

2006

2007

2010

2012

2013

2014

2016

2017

2018

2019

- Acquired UK based Milpharm

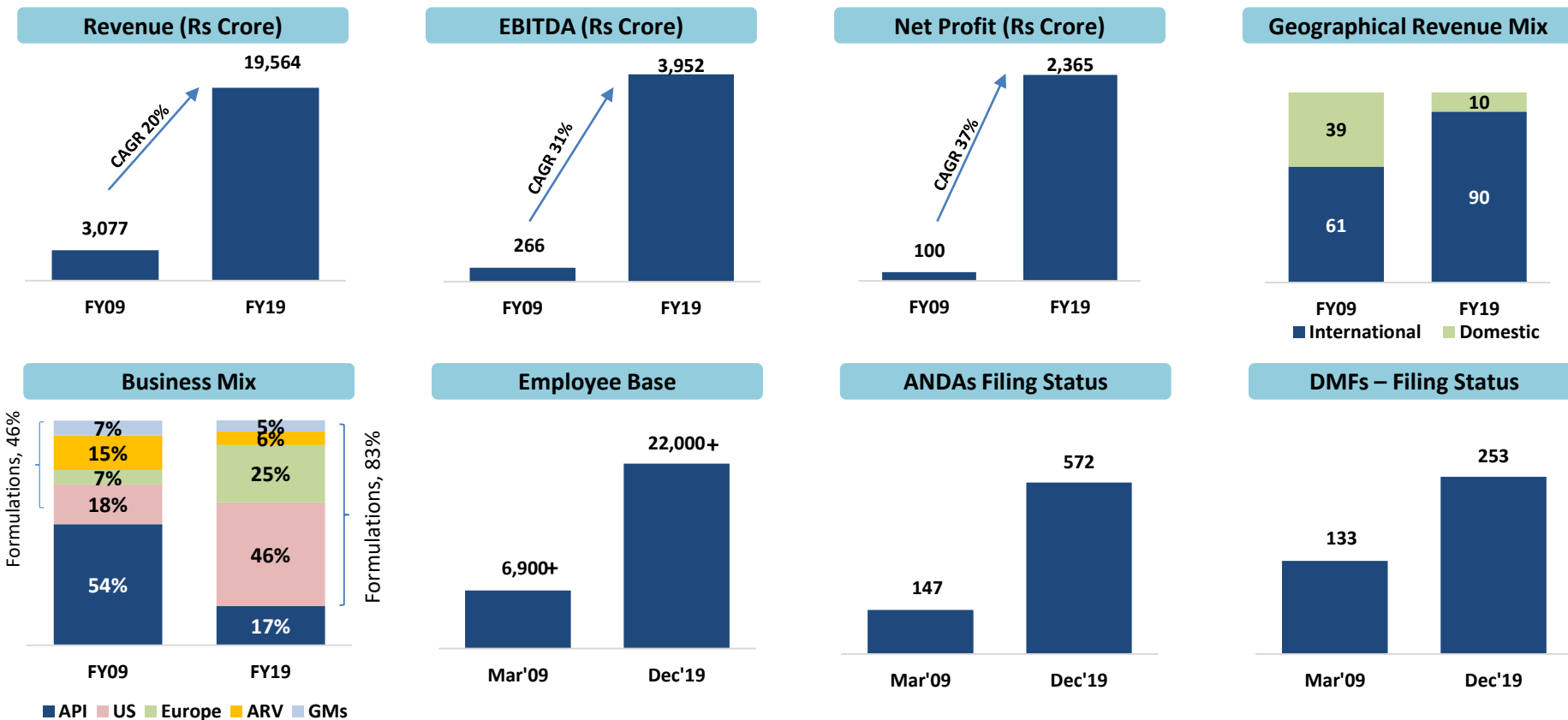
- Commenced operations of SEZ Unit VII and Aurolife, USA facilities and divested Chinese antibiotics facility

- Commenced marketing specialty injectables products in USA through AuroMedics
- Building capabilities in Penem, Oncology & Biocatalysis

- Entered into Biosimilars and Vaccines
- Filed first peptide DMF

- Entered into a definitive agreement to acquire dermatology and oral solids businesses from Sandoz Inc., USA
- Established a Joint Venture with Shandong Luoxin Pharmaceutical Group Stock Co., Ltd., China to manufacture nebulizer inhalation formulation products

Emerged into a leading global generic player



Core Strengths

Scale & Diversity

- Among Top 3 in >63% of commercial portfolio in US⁽¹⁾ in terms of prescriptions
- Large US portfolio⁽²⁾ – 572 ANDAs filed; 391 with final approval, 27 Tentative approval⁽³⁾, and 154 under review
- Extensive product portfolio & pipeline across the globe
- Experienced and focused leadership team
- Building diversified product basket in specialty 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, ~ 150 ANDAs were filed
- 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

(1)Source: IQVIA QTR Dec 2019; (2) As on 31st Dec 2019; (3) Tentative approvals include 8 ANDAs approved under PEPFAR

2

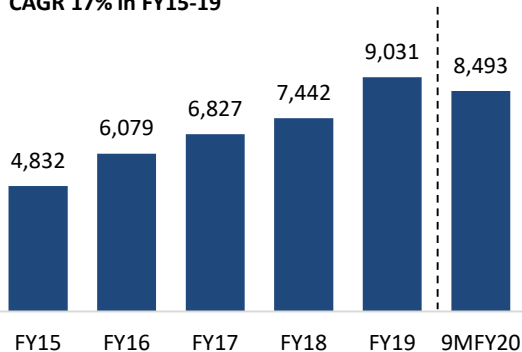
Business Highlights



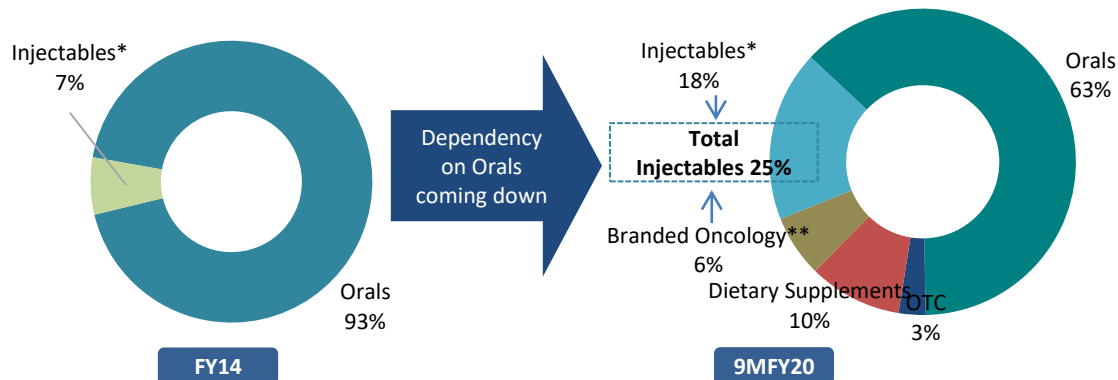
US Business Overview

Revenue (Rs Crore)

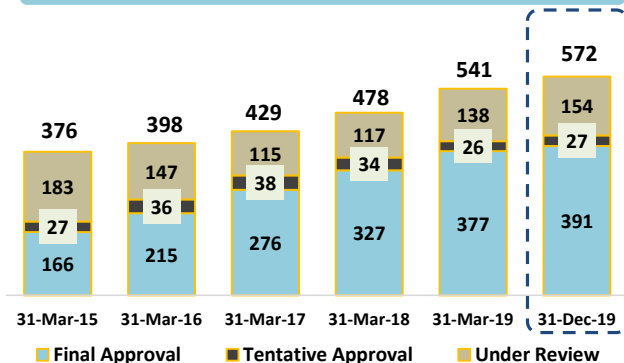
CAGR 17% in FY15-19



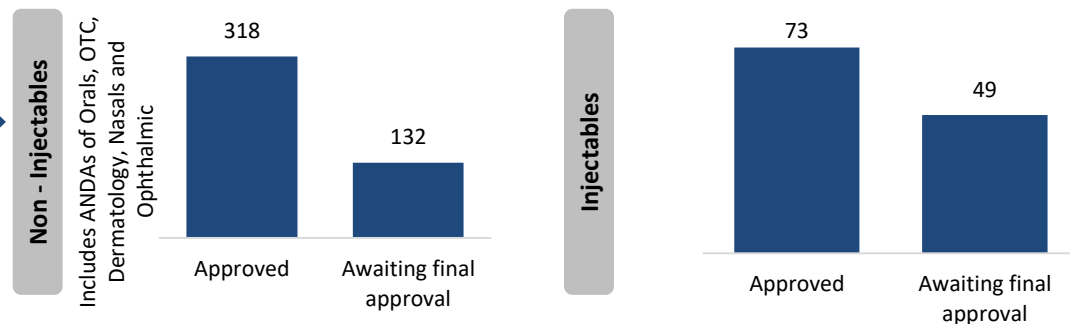
Revenue Mix



Cumulative ANDA Filings & Approvals



Filing Mix



Tentative Approvals as on 31st Dec 2019 include 8 ANDAs approved under PEPFAR; *Auro Medics; **Oncology injectables acquired from Spectrum Pharmaceuticals; Awaiting final approval includes tentative approval

US Business Segment Wise Highlights

Orals

- 63% of US business in 9MFY20
- Rx share increased to 9.1% (QTR Dec 2019) from 7.5% (QTR Dec 2018)*
- Filed 39 ANDAs in CY2019
- Awaiting final approval for 121 ANDAs**
- Future pipeline includes
 - ✓ *Controlled substances with ADF*
 - ✓ *Oncology*
 - ✓ *505b2 products for select patient segments*

Injectables

- ~18% of US business in 9MFY20
- Filed 15 ANDAs in CY2019
- Number of Eaches grew by 28% YoY* (Qtr Dec 2019 vs Qtr Dec 2018)
- Awaiting final approval for 49 ANDAs**
- Future pipeline includes
 - ✓ *Complex injectables including depot injections*
 - ✓ *Oncology*
 - ✓ *Hormones*

Dietary Supplements

- 10% of US business in 9MFY20
- Future growth drivers includes
 - ✓ *New product introduction*
 - ✓ *Geographical expansion*

Branded oncology injectable business

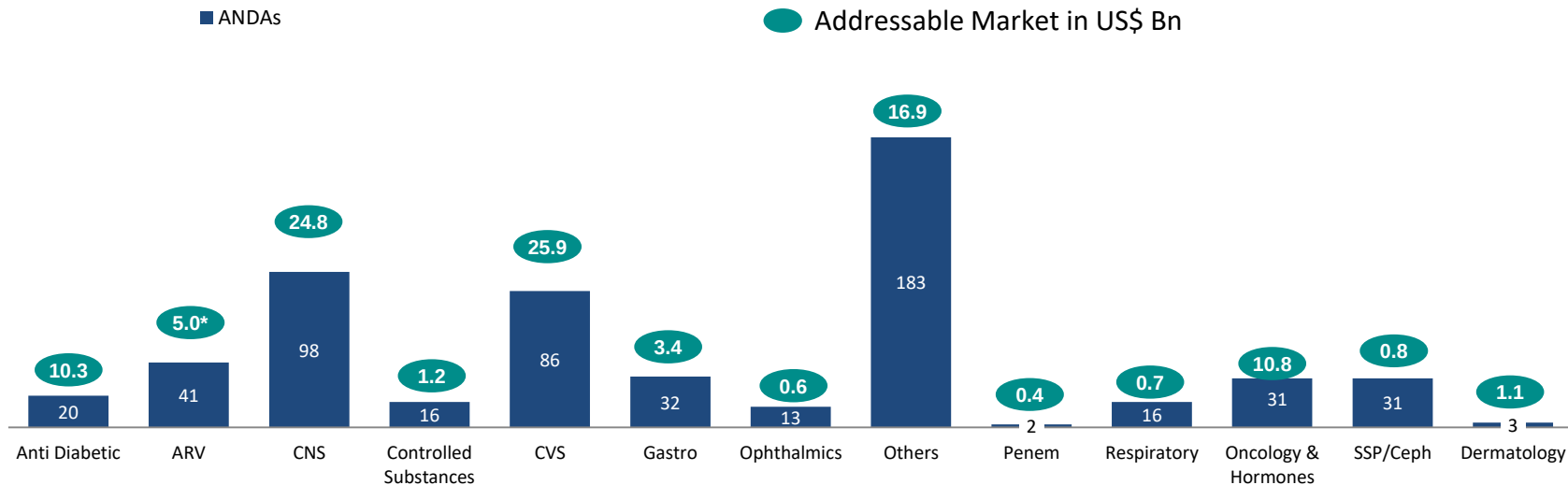
- Acquired portfolio of seven marketed oncology injectable products from Spectrum Pharmaceuticals
- ~6% of US business in 9MFY20
- Acrotech will continue building out its commercial infrastructure to maximize the value of its current and future products

OTC

- 3% of US business in 9MFY20
- Filed 6 ANDAs in CY2019**
- Future pipeline includes
 - ✓ *Rx to OTC switch opportunities*
 - ✓ *Branded OTC*

US: Expanding Portfolio Mix Towards Differentiated Products

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



Addressable Market at US\$ 102.0 Bn including ~US\$ 74.1 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 572 ANDAs filed by the company

Sandoz's Dermatology and Oral Solids Businesses – Acquisition*

- 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
- 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

Europe Business Overview

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@ 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

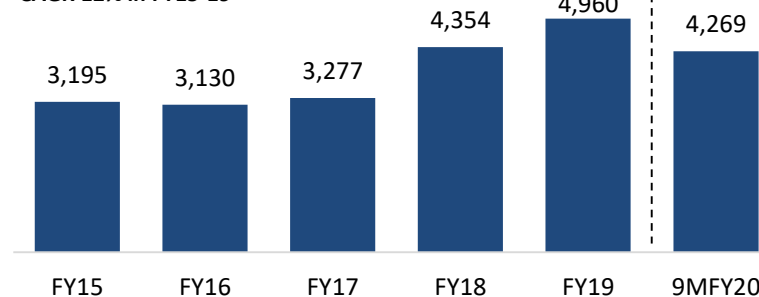
Recent Acquisition enable to enter into untapped Eastern European markets

- 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

As per internal estimates – Excluding biologics; @ Source: IQVIA MAT Q2 2019

Revenue (Rs Crore)

CAGR 12% in FY15-19



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 (2021-2023)[#]
- ✓ Future growth potential in countries like Italy, Spain, Portugal & France as the penetration of generics improve

Apotex Acquisition established presence in Poland & Czech Republic

France

- ▶ Ranks #1 by volume for hospital segment; 5th position in the retail market
- ▶ Number of products currently marketed: 268

Germany

- ▶ Ranked #7
- ▶ Number of products currently marketed : 239

Portugal

- ▶ 2nd largest generic company
- ▶ Number of products currently marketed : 285
- ▶ Oral solids manufacturing facility

United Kingdom

- ▶ 7th largest generic company
- ▶ Number of products currently marketed : 98

Italy

- ▶ Market position: 8th
- ▶ Number of products currently marketed : 164

Romania

- ▶ 16th largest generic company
- ▶ Number of products currently marketed : 42



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

Spain: Existing + Acquired

- ▶ 10th largest generic company
- ▶ Number of products total marketed: 182

Netherlands: Existing + Acquired

- ▶ 3rd largest generic company, Ranks #1 in OTC
- ▶ Number of products total marketed: 306
- ▶ Oral solids manufacturing facility

Belgium: Existing + Acquired

- ▶ Market Position: 5th (Gx)
- ▶ Number of products total marketed: 90

Poland: Acquired

- ▶ Market Position: 15th (Gx)
- ▶ Number of products total marketed: 62

Czech Republic: Acquired

- ▶ Ranks #10 among generic companies and #7 in OTC segment
- ▶ Number of products total marketed: 76

Growth Markets & ARV Business – Overview

Growth Markets Business

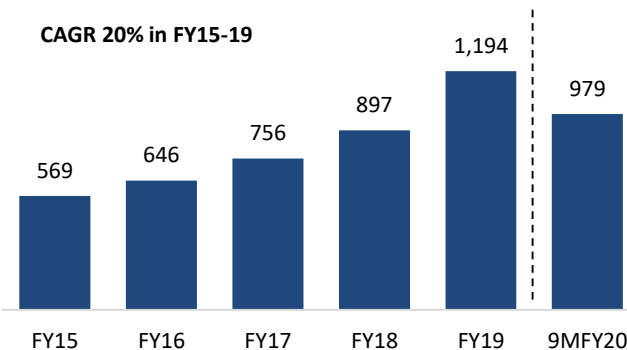
- Key markets includes Canada, Brazil, China etc..
- Targeted to build branded generics presence in select markets
- In the process of strengthening operations and portfolio in specific identified countries
- Future product launches in Oncology and Specialty injectables

ARV Business

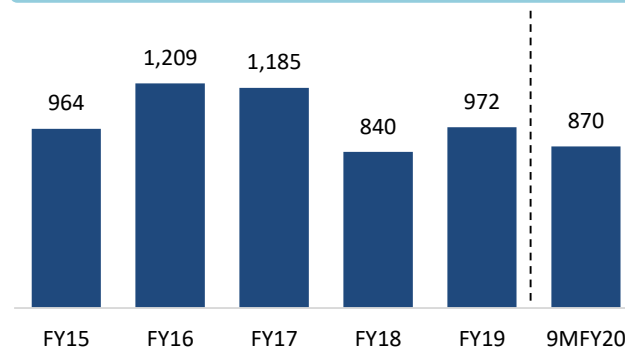
- Focus on global tenders floated by Multi-Lateral Organizations like Global Fund, USAID/PEPFAR and Country specific MOH tenders
- Supplies life-saving ARV's to ~3 Mn HIV patients spread over more than 125 countries
- Comprehensive portfolio of 32 products in 1L Adults, 2L Adults and pediatric formulations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

Revenue (Rs Crore)

CAGR 20% in FY15-19

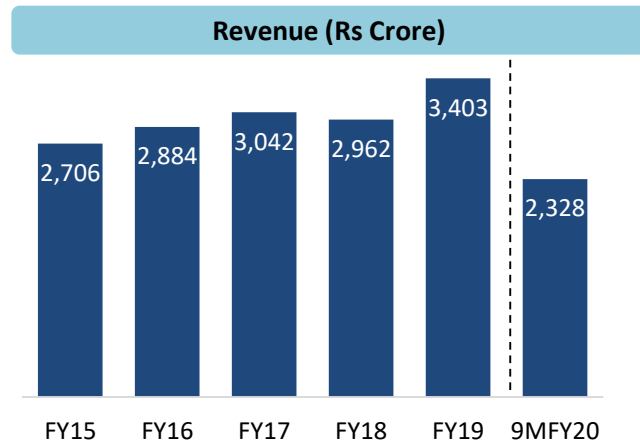


Revenue (Rs Crore)



API Business Overview

- 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



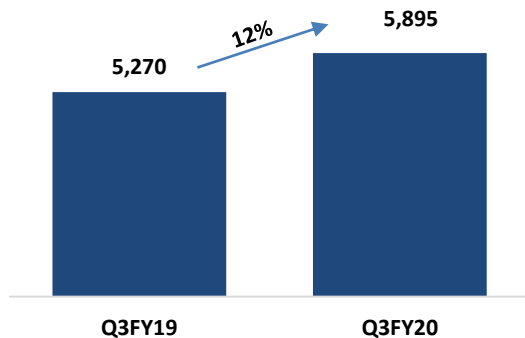
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Financial Highlights

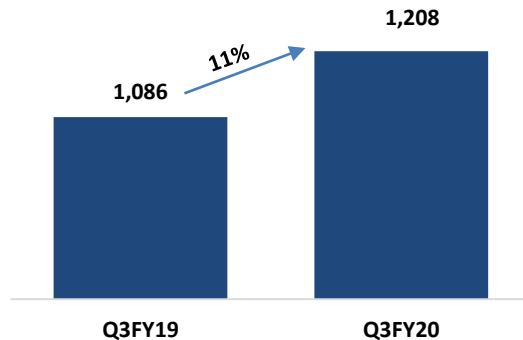


Q3 FY20 Financial Highlights

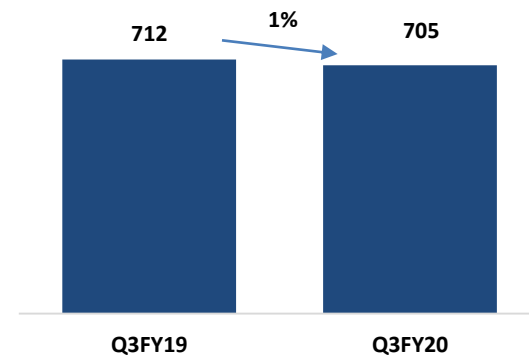
Revenue (Rs Crore)



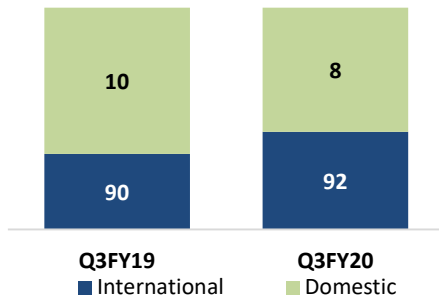
EBITDA (Rs Crore)



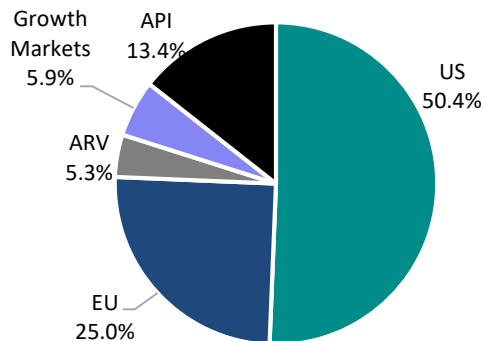
Net Profit (Rs Crore)



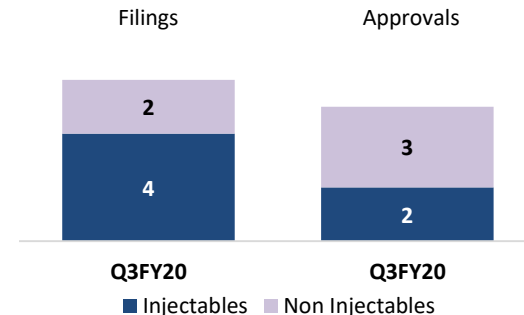
Revenue Mix



Business Revenue Mix

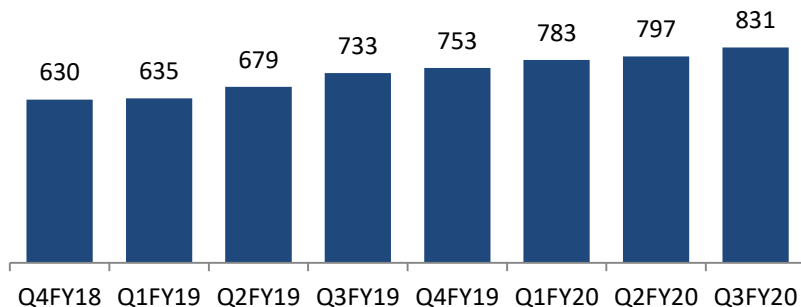


ANDAs Status

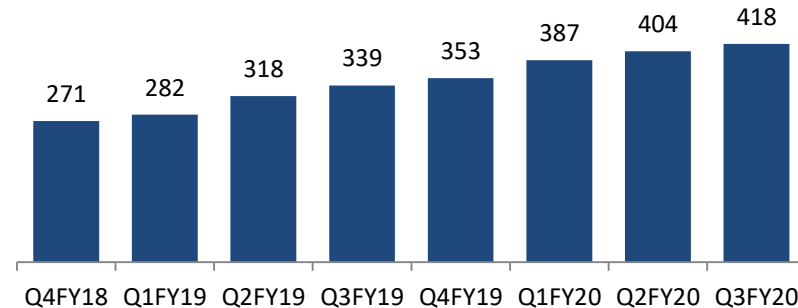


Consistent Quarterly Performance

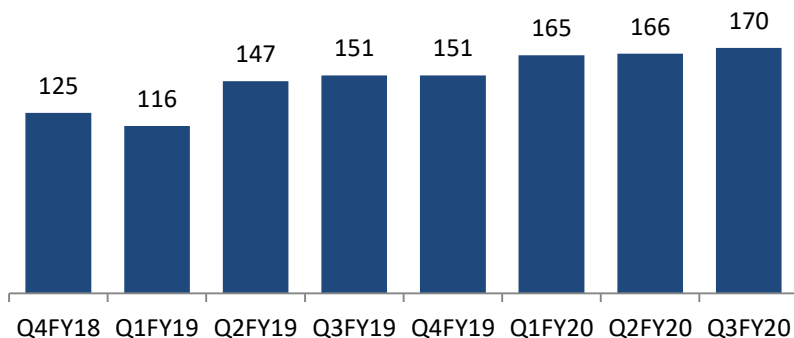
Revenue (\$ Mn)



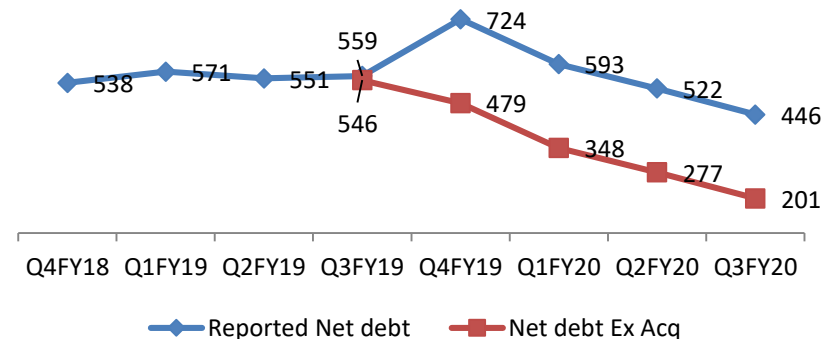
US Revenue (\$ Mn)



EBITDA (\$ Mn)



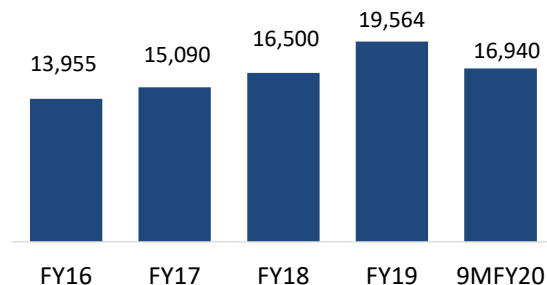
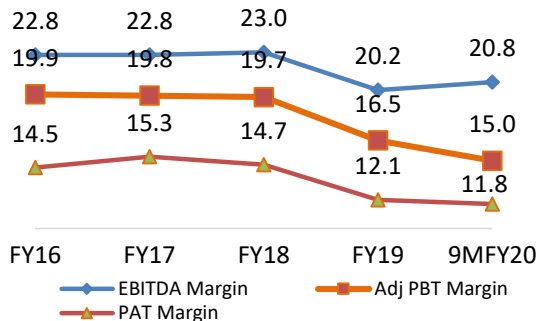
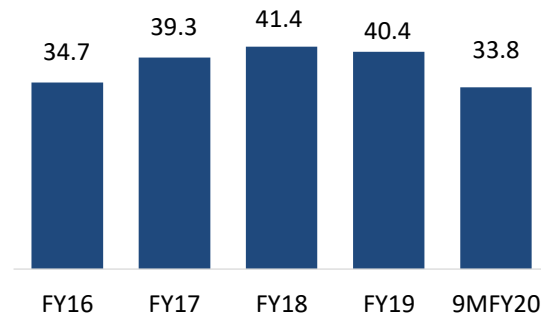
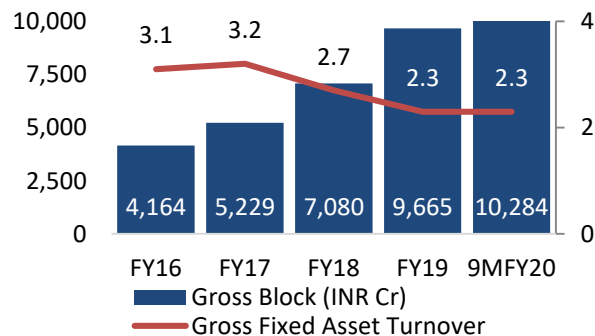
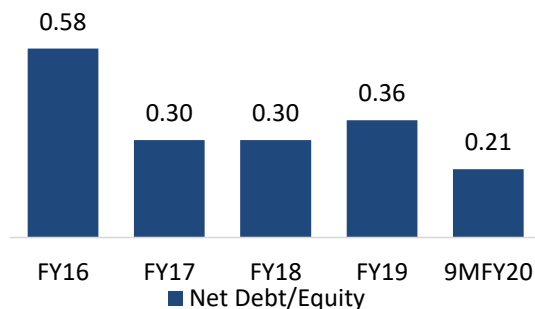
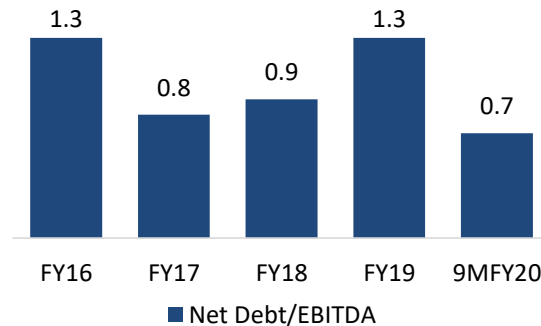
Net Debt (\$ Mn) - Reported & Without Acquisitions



Consolidated Financial Performance

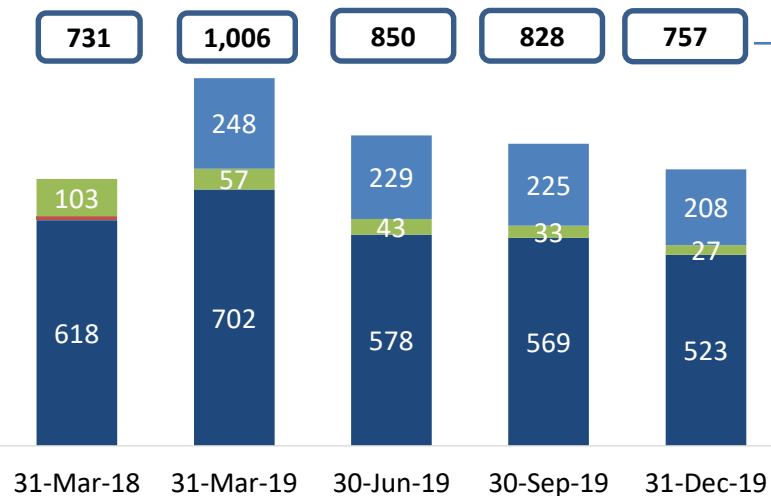
Rs Cr	Q3FY20	Q3FY19	YoY Growth(%)	Q2FY20	QoQ Growth(%)
Revenue from operations	5,895.0	5,269.7	11.9	5,600.5	5.3
Gross Profit	3,330.0	2,879.8	15.6	3,232.2	3.0
<i>Gross Margin</i>	<i>56.5%</i>	<i>54.6%</i>		<i>57.7%</i>	
Overheads	2,122.0	1,793.4	18.3	2,064.7	2.8
EBITDA (before forex and other income)	1,208.0	1,086.4	11.2	1,167.5	3.5
EBITDA Margin	20.5%	20.6%		20.8%	
Fx Gain/Loss	8.9	50.5		-27.2	
Other income	22.0	13.4	64.1	20.6	6.6
Finance Cost	37.1	47.7	-22.1	40.9	-9.4
Depreciation	250.1	163.1	53.3	243.3	2.8
PBT before Exceptional items	951.7	939.5	1.3	876.6	8.6
Exceptional item	-12.9	-25.0		-12.8	
PAT (after JV share, minority interest)	705.3	712.2	-1.0	639.5	10.3
EPS	12.04	12.15		10.92	
Average Fx rate US\$1 = INR	70.9810	71.8527		70.2658	

Financial Performance over years

Revenue (Rs Crore)

EBITDA, PBT & PAT Margin

EPS (Rs Per share)

Gross Block (Rs Crore)

Net Debt/Equity

Net Debt/EBITDA


Debt Profile

Fx Loan US\$ Mn



Debt as on (Rs Crore)	Mar-18	Mar-19	Jun-19	Sep-19	Dec-19
Closing Rate 1 US\$ = INR	65.17	69.155	69.020	70.875	71.385
Fx Loan restated in INR	4,766.9	6,959.0	5,865.4	5,866.8	5,403.2
Rupee Loan	4.1	8.1	17.8	0.1	0.8
Gross Debt	4,771.0	6,967.1	5,883.2	5,866.9	5,404.0
Cash Balance	1,263.6	1,959.1	1,789.3	2,163.5	2,222.2
Net Debt	3,507.4	5,008.1	4,093.9	3,703.5	3,181.9
Net Debt (US\$ Mn)	538.2	724.2	593.1	522.4	445.7
Finance Cost	2.0%	3.2%	2.9%	2.75%	2.6%

■ Bridge loan*

■ Other Term Loans (Subsidiaries) & Unsecured Loans

■ ECB - APL

■ Working Capital

Focus on Building a Diverse and Robust Specialty Products Portfolio



Oncology & Hormones



Biosimilars



Depot Injections



Vaccines



Topicals



Transdermal Patches



Inhalers



Nasals



Consumer Healthcare

Focus on Building a Diverse and Robust Specialty Products Portfolio



	Oncology & Hormones	Biologics	Depot Injection	Vaccines
Products under development	75+	6**	4	1
Addressable Market Size	\$45 Bn	\$35 Bn	\$3.6 Bn	\$6.2 Bn
Filing Status	ANDAs*: Oncology- 22 & Hormones- 9	FY21	To start from FY21	FY21
Filing Target	To file all products over next 3-4 years	First set of products to filed by FY22	Plans to file all products by FY23	FY21
Products Approved	9 ANDAs*	-	-	-
Revenue generation to start from	Q1FY20	FY22	FY22	FY22

*As of 31st Dec 2019; **First wave

Focus on Building a Diverse and Robust Specialty Products Portfolio



	Topicals	Transdermal Patches	Inhalers	Nasals
Products under development	24	8	9	7
Addressable Market Size	\$4.4 Bn	\$3.3 Bn	\$13.3 Bn	\$1.4 Bn
Filing Status	ANDAs*: 3	FY21	FY21	ANDAs*: 2
Filing Target	To file all products over next 3-4 years	To file all products over next 3 years	To file all products over next 3-4 years	To file all products by end of FY21
Products Approved	-	-	-	-
Revenue generation to start from	FY21	FY22	FY22/FY23	FY20/FY21

Enhanced Research & Development Capabilities

5 R&D centers in Hyderabad, India >1,600 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

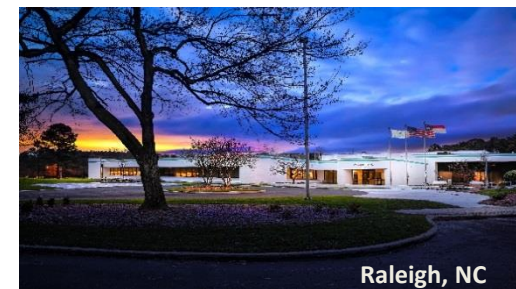
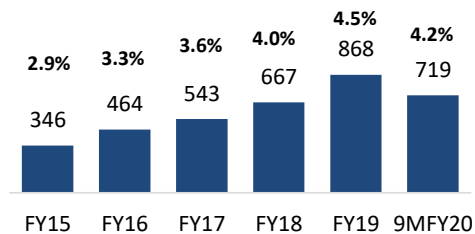
1 R&D center in Raleigh, North Carolina – 40 scientist and analysts

- 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 – Rs Cr (as % of revenue)



4

Annexure



Global Filing details

Category	As at Mar 14	As at Mar 15	As at Mar 16	As at Mar 17	As at Mar 18	As at Mar 19	As at June 19	As at Sep 19	As at Dec 19	Approvals
Formulations										
US*	336	376	398	429	478	541	551	569	572	418 (FA: 391, TA:27)
Europe**	1,542	1,756	2,224	2,521	2,848	3,003	3,082	3,140	3,197	2,555 Dossiers (279 products)
SA**	334	345	376	401	415	430	434	438	436	208 Registrations (98 products)
Canada***	72	83	105	121	137	150	154	154	158	141 products
Total	2,284	2,560	3,103	3,472	3,878	4,124	4,221	4,301	4,363	
API										
US***	181	192	205	220	227	242	250	253	253	
Europe**	1,504	1,601	1,689	1,735	1,814	1,834	1,845	1,850	1,857	
CoS	106	114	118	125	131	139	140	141	143	
Others**	627	681	715	749	803	932	968	1,013	1,072	
Total	2,418	2,588	2,727	2,829	2,975	3,147	3,203	3,257	3,325	

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

includes multiple registration; *excludes withdrawn

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
 Generis	Non antibiotics Orals
 Netherlands	Non antibiotics Orals
 Auro Packaging	FDF Packaging

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

Setting up manufacturing facilities for Biosimilars and Vaccines

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 fugal
 Silicon LS	Penems (Non-sterile)
 AuroNext	Penems (Sterile)
 AuroPeptide	Peptides

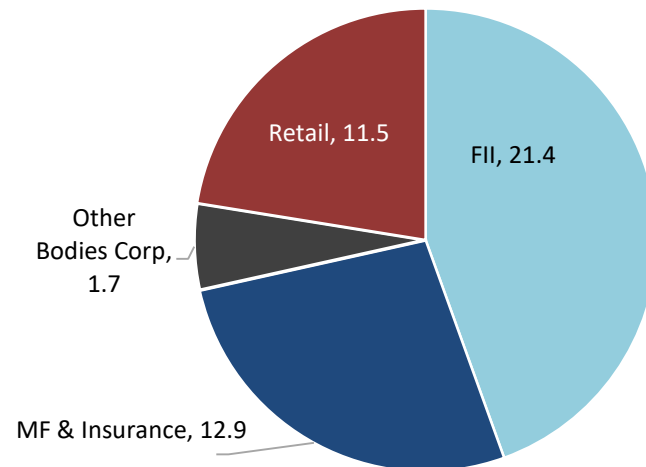
High specification manufacturing plants approved by key regulators equipped by site dedicated control laboratories located in India

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

Shareholding Pattern

Group	As on 31 Mar 17	As on 31 Mar 18	As on 31 Mar 19	As on 31 Dec 19
Promoter Group	51.9%	51.9%	51.9%	51.9%
FII	21.0%	18.0%	21.5%	21.4%
MF & Insurance	12.4%	15.6%	13.7%	13.0%
Other Bodies Corporates	3.6%	2.9%	2.9%	2.9%
Retail Investors	11.1%	11.4%	10.0%	10.8%
Total	100%	100%	100%	100%
Equity Shares (in Cr)	58.6	58.6	58.6	58.6
Face Value (INR)	1	1	1	1
Equity Capital (INR Cr)	58.6	58.6	58.6	58.6
M-Cap at close (INR Bn)	384.9	326.8	459.4	267.6
Shareholder family (# '000)	189.3	218.0	181.1	205.7

Non-Promoter Holding 48.1% as on 31st Dec 2019



APL has not raised any funds post IPO

Thank You



AUROBINDO
Committed to healthier life!

Investors Contact

Investor Relations team

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