

Press Release

Investor Relations | Corporate Communications
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Hyderabad, India, February 9, 2023: Aurobindo Pharma Limited (BSE: 524804 and NSE: AUROPHARMA) ("Aurobindo") today announced its consolidated financial results for the quarter ended December 31, 2022.

Aurobindo Pharma Ltd. Q3FY23 Consolidated Financial Results

Amount (INR Cr)	Q3FY23	Q3FY22	% Change YoY	Q2FY23	% Change QoQ
Revenue from operations	6,407.1	6,002.2	6.7%	5,739.4	11.6%
EBITDA before Forex and Other income	954.4	1,016.3	-6.1%	836.9	14.0%
EBITDA margin (%)	14.9%	16.9%	-	14.6%	-
EBITDA before R&D	1,369.6	1,409.6	-2.8%	1,112.5	23.1%
EBITDA margin before R&D (%)	21.4%	23.5%	-	19.4%	-
PBT before JV, Forex and Exceptional items	668.6	746.3	-10.4%	570.7	17.2%
Net Profit after Share of Profit/Loss of JV	491.2	604.3	-18.7%	409.4	20.0%

Key highlights of Q3 FY23

- Revenue from Operations at INR 6,407.1 Cr increase by 6.7% YoY
- US formulations revenue increase by 9.3% YoY to INR 3,001.2 Cr
- Europe formulation revenue stood at INR 1,701.2, with an increase of 0.4% YoY
- Growth Markets revenue grew by 25.7% YoY to INR 498.9 Cr
- ARV revenue improved by 61.3% YoY to INR 251.2 Cr
- API revenue stood at INR 954.6 Cr
- EBITDA before Forex and Other income stood at INR 954.4 Cr; EBITDA margin for the quarter was 14.9%. This quarter witnessed an accelerated spend in R&D. EBITDA before R&D stood at Rs. 1,369.6 Cr and EBITDA margin at 21.4%
- Research & Development (R&D) spend at INR 415.2 Cr, 6.5 % of revenues (Q2 FY23: 4.8%)
- Received final approval for 15 ANDAs including 4 injectable products from the USFDA
- Net Profit stood at INR 491.2 Cr as against INR 409.4 Cr in the previous quarter
- Basic & Diluted EPS is INR 8.38 per share
- Board has approved interim dividend @ 300% i.e., INR 3 per equity share of INR 1/- for the year FY22-23.

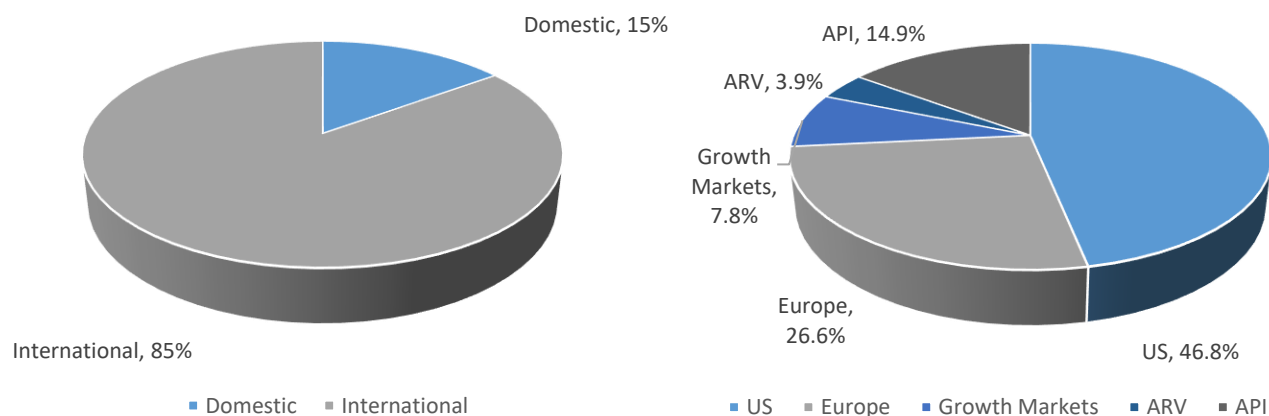
Commenting on the Company's performance, Mr. K. Nithyananda Reddy, Vice-Chairman and Managing Director of the Company said: "We witnessed an improved momentum backed by recovery across our business verticals and our endeavor is to continuously innovate and differentiate. In-line with our commitment to innovate, we increased the investments in Biosimilars. We aim to sustain the momentum with new launches, improved cost efficiencies and adherence to the highest standards of compliance, supported by our strong execution".

Operational Performance (Consolidated)

Amount (INR Cr)	Q3FY23	Q3FY22	% Change YoY	Q2FY23	% Change QoQ
Formulations					
USA	3001.2	2,745.2	9.3%	2,637.6	13.8%
Europe	1,701.2	1,694.3	0.4%	1,516.2	12.2%
Growth Markets*	498.9	397.0	25.7%	451.9	10.4%
ARV	251.2	155.7	61.3%	164.3	52.9%
Total Formulations	5,452.5	4,992.2	9.2%	4,770.0	14.3%
Active Pharmaceutical Ingredients (API)					
Betalactam	623.1	683.8	-8.9%	635.8	-2.0%
Non Betalactam	331.5	326.2	1.6%	333.6	-0.6%
Total API	954.6	1,010.0	-5.5%	969.4	-1.5%
Consolidated Gross Sales	6,407.1	6,002.2	6.7%	5,739.4	11.6%
Dossier Income	0	0	--	0	--
Revenue from operations	6,407.1	6,002.2	6.7%	5,739.4	11.6%

*includes domestic formulation sales of Rs. 56.6 Crs in Q3 FY23

Q3 FY23: Consolidated revenue breakup - Geography & Segment wise



Formulations

For the quarter, Formulation revenue increase by 9.2% YoY to INR 5,452.5 Crs.

US Formulations

- In Q3 FY23, US revenue increased by 9.3% YoY to INR 3,001.2 Crs and accounted for 46.8% of consolidated revenues
- Filed 11 ANDAs including 2 Injectables with USFDA in Q3 FY23
- Received final approval for 15 ANDAs including 4 injectable products in Q3 FY23
- As on 31st December 2022, on a cumulative basis, the company has filed 767 ANDAs with USFDA and received final approval for 542 ANDAs and 38 tentative* approvals
- The company has launched 11 products during the quarter including 6 Injectable products.

*Tentative approvals include 8 ANDAs approved under PEPFAR

Europe Formulations

- Europe revenue in Q3 FY23 was flat YoY and increased by 12.2% QoQ at INR 1,701.2 Crs. Europe Formulations accounted for 26.6% of consolidated revenues. In Euro terms, Europe revenue increased by 2.5% YoY to EUR 202.9 million and 7.4% QoQ.

ARV Formulations

- ARV business revenue for Q3 FY23 stood at INR 251.2 Crs compared to INR 155.7 Crs in Q3 FY22, an increase of 61.3 % YoY, accounting for 3.9% of total revenues.

Growth Markets Formulations

- Revenue from Growth Markets formulations in Q3 FY23 posted a growth of 25.7% YoY and 10.4% QoQ to INR 498.9 Crs and accounted for 7.8% of revenue. Domestic formulation sales in Q3 FY23 was Rs. 56.6 Crs.

Active Pharmaceutical Ingredients (API)

- In Q3 FY23, API business stood at INR 954.6 Crs and contributed 14.9% to the consolidated revenues
- The company filed 6 DMFs with USFDA during the quarter.

Global Regulatory Filings

Amount (INR Cr)	Q3FY23	Cumulative Filings as on 31st Dec 2022
ANDAs* (including filings from Aurobindo USA)	11	767
DMFs (including filings from Eugia and Auro Peptides)	6	273
Formulations Dossiers in other key advanced markets (incl. multiple registrations in Europe, South Africa and Canada)	58	4,312
API DMF/COS filings in other key regulated markets (incl. multiple registrations)	35	3,965

*includes NDA

USFDA Approvals Received in Q3 FY23

Final Approvals – ANDA

#	Product	Therapy
1	Norethindrone and Ethinyl Estradiol Tablets USP (gOVCON®35)	Hormonal Drug (Oral Contraceptive)
2	Pyrimethamine Tablets USP (gDaraprim®)	Antimicrobial
3	Rufinamide Oral Suspension (gBanzel®)	Central Nervous System Drugs
4	Isosorbide Mononitrate Extended-Release Tablets USP (gImdur®)	Cardio Vascular Drugs
5	Valganciclovir for Oral Solution (gValcyte®)	Anti-Viral
6	Carbidopa and Levodopa Tablets USP (gSinemet®)	Central Nervous System Drugs
7	Ursodiol Capsules USP (gActigall®)	Gastrointestinal Agent
8	Dimethyl Fumarate Delayed-Release Capsules (gTecfidera®)	Central Nervous System Drugs
9	Sildenafil Oral Suspension (gRevatio®)	Cardio Vascular Drugs
10	Ranolazine Extended-Release Tablets (gRanexa®)	Cardio Vascular Drugs
11	Solifenacin Succinate Tablets (gVesicare®)	Genitourinary Drugs
12	Clofarabine Injection (gClolar®)	Antineoplastic Agent
13	Bimatoprost Ophthalmic Solution (gLumigan®)	Ophthalmics
14	Regadenoson Injection (gLexiscan®)	Central Nervous System Drugs
15	Amphotericin B Liposome for Injection (gAmbisome®)	Antifungal Antibiotic

Q3 FY23 Earnings Call Details

The company will host earnings call at **8.30 AM IST on 10th February 2023**, to discuss the performance and answer any questions from participants.

To join the call through Zoom:

Please pre-register by clicking here: <https://bit.ly/3HU2vQF>

About Aurobindo Pharma Limited

Aurobindo Pharma Limited (www.aurobindo.com), (NSE: AUROPHARMA, BSE: 524804, Reuters: ARBN.NS, Bloomberg: ARBP IN) headquartered at Hyderabad, India, develops, manufactures, and distributes generic pharmaceuticals, branded specialty pharmaceuticals and active pharmaceutical ingredients. The company's manufacturing facilities are approved by several leading regulatory agencies like US FDA, UK MHRA, EU, Japan PMDA, WHO, Health Canada, South Africa MCC, Brazil ANVISA. The company's robust product portfolio is spread over 7 major therapeutic/product areas encompassing CNS, Anti-Retroviral, CVS, Antibiotics, Gastroenterological, Anti-Diabetics and Anti-Allergic, supported by a strong R&D set-up. The Company is marketing these products globally in over 150 countries.

For Further Information, please contact:

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(All amounts are in ₹ millions, unless otherwise stated)

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31.12.2022						
Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
	Unaudited	Unaudited	Unaudited (refer note 11)	Unaudited	Unaudited (refer note 11)	Audited (refer note 11)
1 Revenue from operations						
(a) Net sales/ income from operations	63,879.7	56,736.5	59,894.3	182,384.6	175,712.1	233,665.5
(b) Other operating income	191.6	657.2	127.9	1,439.6	749.1	889.4
Total revenue from operations	64,071.3	57,393.7	60,022.2	183,824.2	176,461.2	234,554.9
2 Other income						
(a) Foreign exchange gain (net)	121.3	-	197.6	-	502.4	699.6
(b) Others	805.2	571.9	452.3	1,783.3	2,212.3	2,503.9
Total other income	926.5	571.9	649.9	1,783.3	2,714.7	3,203.5
Total income (1+2)	64,997.8	57,965.6	60,672.1	185,607.5	179,175.9	237,758.4
3 Expenses						
(a) Cost of materials consumed	26,214.9	23,487.4	18,325.2	69,819.4	54,674.1	73,718.3
(b) Purchase of stock-in-trade	5,379.5	4,346.8	6,501.6	14,616.8	14,686.9	19,517.7
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	(2,518.8)	(2,153.9)	2,615.6	(813.3)	6,799.8	8,166.8
(d) Employee benefits expense	9,217.2	8,684.5	8,689.1	26,703.5	25,976.9	34,509.2
(e) Finance costs	449.6	252.9	161.3	848.8	394.3	486.4
(f) Foreign exchange loss (net)	-	461.0	-	622.3	-	-
(g) Depreciation and amortisation expense	3,214.0	2,981.0	2,990.5	8,990.1	8,729.5	11,265.2
(h) Other expenses	16,234.4	14,660.0	13,728.0	45,937.4	40,199.8	54,775.2
Total expenses	58,190.8	52,719.7	53,011.3	166,725.0	151,461.3	202,438.8
4 Profit before share of profit of joint ventures, exceptional items and tax (1+2-3)	6,807.0	5,245.9	7,660.8	18,882.5	27,714.6	35,319.6
5 Share of loss of joint ventures, net of tax	(5.9)	(12.3)	(70.9)	(58.1)	(271.4)	(312.5)
6 Profit before exceptional items and tax (4+5)	6,801.1	5,233.6	7,589.9	18,824.4	27,443.2	35,007.1
7 Exceptional items (refer note 4)	-	-	(347.9)	-	(347.9)	1,279.7
8 Profit before tax (6-7)	6,801.1	5,233.6	7,937.8	18,824.4	27,791.1	33,727.4
9 Tax expense (refer note 9)						
Current tax	1,360.7	1,659.2	2,476.0	4,910.9	7,085.2	6,628.2
Deferred tax	530.3	(529.3)	(581.1)	(303.9)	(3.8)	628.1
Total tax expense	1,891.0	1,129.9	1,894.9	4,607.0	7,081.4	7,256.3
10 Profit for the period/year (8-9)	4,910.1	4,103.7	6,042.9	14,217.4	20,709.7	26,471.1
11 Other comprehensive income/(loss)						
A) Items that will not be reclassified subsequently to profit or loss:						
i) Re-measurement of defined employee benefit liability	22.4	45.9	(12.4)	71.9	(37.1)	12.1
ii) Equity investments through other comprehensive income – net change in fair value	54.6	(81.3)	149.5	(88.1)	210.2	81.7
iii) Income-tax relating to items that will not be reclassified to profit or loss	(5.0)	(12.2)	(47.9)	(18.6)	(39.3)	(34.4)
B) Items that will be reclassified subsequently to profit or loss:						
i) Exchange differences on translating the financial statements of foreign operations	4,693.8	736.2	(671.0)	7,259.8	376.4	2,557.1
ii) Income-tax on items that will be reclassified subsequently to profit or loss	-	-	-	-	-	-
Total other comprehensive income/(loss) for the period/year (net of tax)	4,765.8	688.6	(581.8)	7,225.0	510.2	2,616.5
12 Total comprehensive income for the period/year (net of tax) (10+11)	9,675.9	4,792.3	5,461.1	21,442.4	21,219.9	29,087.6
Attributable to:						
Owners of the Holding Company	9,678.4	4,783.1	5,465.5	21,437.3	21,227.1	29,098.0
Non-controlling interest	(2.5)	9.2	(4.4)	5.1	(7.2)	(10.4)
Out of total comprehensive income above,						
Profit for the period/year attributable to:						
Owners of the Holding Company	4,912.6	4,094.5	6,047.3	14,212.3	20,716.9	26,481.5
Non-controlling interest	(2.5)	9.2	(4.4)	5.1	(7.2)	(10.4)
Other comprehensive income/(loss) attributable to:						
Owners of the Holding Company	4,765.8	688.6	(581.8)	7,225.0	510.2	2,616.5
Non-controlling interest	-	-	-	-	-	-
13 Paid-up equity share capital (face value ₹ 1 per share)	585.9	585.9	585.9	585.9	585.9	585.9
14 Other equity						245,173.9
15 Earnings per equity share (face value ₹ 1 per share)						
(a) Basic (in ₹)	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Annualised)
(b) Diluted (in ₹)	8.38	6.99	10.32	24.26	35.36	45.19



NOTES:

- 1 The above consolidated financial results of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder and in terms of Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 2 The above consolidated financial results have been prepared in accordance with principles and procedures as set out in the Ind AS 110 on "Consolidated financial statements" and Ind AS 28 on "Investments in Associates and Joint ventures" notified under Section 133 of Companies Act, 2013 and Companies (Indian Accounting Standards) Rules, 2015, as amended.
- 3 The above consolidated financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 9, 2023. The statutory auditors have carried out limited review of the above results for the quarter and nine months ended December 31, 2022. An unmodified report has been issued by them thereon.
- 4 Exceptional items represent the following items which have been credited/(debited) to consolidated statement of profit and loss.

Particulars	Quarter and nine months ended December 31, 2021	Year ended March 31, 2022
Gain on sale of tangible assets *	1,156.7	1,160.3
Impairment of intangible assets and goodwill **	(808.8)	(1,490.0)
Impairment of capital work in progress**	-	(950.0)
Total	347.9	(1,279.7)

* Gain on sale and lease back of Group's real estate property situated in Dayton, New Jersey, USA.

** Due to uncertain regulatory development and change in business plan impacting the goodwill, intangible assets, capital work in progress relating to certain products, the Group recorded an impairment charge of ₹ 2,440.1.

- 5 The Group operates in only one reportable segment viz., 'Pharmaceutical Products'.
 - 6 During the quarter, Auro Steriles LLC was dissolved w.e.f September 30, 2022.
 - 7 During the previous quarter,
 - a) Auro Cure Private Limited, India renamed itself as Eugia Steriles Private Limited, w.e.f. July 26, 2022.
 - b) Wytells Pharma Private Limited, India renamed itself as Eugia SEZ Private Limited, w.e.f. September 2, 2022.
 - c) Auro Medics Pharma LLC, USA renamed itself as Eugia US LLC, w.e.f. August 8, 2022.
 - d) TheraNyM Biologics Private Limited, India was incorporated w.e.f. September 22, 2022.
 - e) PT Aurogen Pharma Indonesia was incorporated w.e.f. July 1, 2022.
 - 8 a) The Board of Directors of the Aurobindo Pharma limited (Holding Company) at its meeting held on March 28, 2022 approved the acquisition of business including certain assets of Veritaz Healthcare Limited (Veritaz). Consequently the Holding Company entered into a definitive agreement with Veritaz for the said acquisition for total consideration of ₹ 1,710 and obtained control effective April 1, 2022 over such business and assets.
 - b) The Board of Directors of the Holding Company at its meeting held on June 17, 2022 approved investment in GLS Pharma Limited (GLS) through subscription of 204,819 equity shares for an aggregate consideration of ₹ 93.5 (constituting 17% of the equity share capital of GLS) and acquisition of 409,339 equity shares from the selling shareholders for an aggregate consideration of ₹ 187 (constituting 34% of equity share capital of GLS). During the quarter ended June 30, 2022, the Holding Company subscribed to 204,819 equity shares of GLS consequent to execution of share subscription and purchase agreement. During the previous quarter on satisfaction of the closing conditions, the Company acquired the additional 409,339 equity shares.
- Consequent to the above acquisitions, the results of the current quarter/period are strictly not comparable to the previous quarters/periods.
- 9 During the quarter ended March 31, 2022, the Holding Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Holding Company has recognised provision for income tax for the year ended March 31, 2022 and re-measured its deferred tax assets /liabilities based on the rate prescribed in the said Section. The impact of this change has been recognised in the statement of profit and loss during the year ended March 31, 2022.
 - 10 The Board of Directors at their meeting held on February 9, 2023 declared an interim dividend of ₹ 3 per equity share (Face value ₹ 1).
 - 11 The consolidated financial results of the Group for the quarter and nine months ended December 31, 2021 were reviewed by the predecessor auditors (M/s BSR & Associates LLP, Chartered Accountants), who have expressed an unmodified review conclusion. The consolidated financial results of the Group for the year ended March 31, 2022 were audited by the predecessor auditors (M/s BSR & Associates LLP, Chartered Accountants), who have expressed an unmodified audit opinion.

By Order of the Board



K.Nithyananda Reddy
Vice Chairman & Managing Director
DIN-01284195

Place: Hyderabad
Date : February 9, 2023

