

NEWS RELEASE

7th February 2019, Hyderabad, India

Aurobindo Pharma Ltd Q3 FY18-19 Financial Results

Consolidated financial results – Q3FY18-19

Amount in INR Cr	Q3 FY18-19	Q3 FY17-18	% Chg	Q2 FY18-19	% Chg
Revenue from Operations	5,269.7	4,336.1	21.5	4,751.4	10.9
EBITDA before Forex and Other income	1,086.4	1,025.6	5.9	1,026.0	5.9
EBITDA %	20.6%	23.7%		21.6%	
PBT before Forex and Exceptional Items	889.0	894.4	-0.6	853.2	4.2
Net Profit after JV share, minority interest	712.2	595.0	19.7	611.4	16.5

Key Highlights of Q3FY19 consolidated financials

- Revenue from Operations at INR 5,269.7 Cr, witnessed a strong growth of 21.5% over corresponding previous period
 - US formulation sales of INR 2,433.2 Cr vs INR 1,909.6 Cr in Q3FY18, registering a robust growth of 27.4% YoY
 - Europe formulation sales at INR 1,292.8 Cr, an increase of 10.3% against Q3 last year
 - Growth Markets posted a strong growth of 36.1% YoY to INR 340.5 Cr
 - ARV sales at INR 281.3 Cr vs. INR 238.9 Cr, an increase of 17.8% over corresponding previous period
 - API sales witnessed a healthy growth of 20.4% YoY to INR 921.7 Cr
- EBITDA before Forex and Other income at INR 1,086.4 Cr vs INR 1,025.6 Cr in Q3 last year, grew by 5.9% ; EBITDA margin for the quarter was at 20.6%
- Net Profit after JV share, minority interest at INR 712.2 Cr as against INR 595.0 Cr in the corresponding previous period, witnessing a growth of 19.7% YoY.
- Basic & Diluted EPS is INR 12.15 per share.
- Board has approved second interim dividend @ 125% i.e., INR 1.25 per equity share of INR 1/- for the year FY18-19
- Research & Development (R&D) spend at INR 254.6 Cr, 4.8% of revenues
- Received final approval for 14 ANDAs and tentative approval for 1 ANDA from USFDA

Commenting on the Company's performance, Mr. N. Govindarajan, Managing Director of the company said: *"We have delivered a robust revenue growth of 22%, driven by strong growth across all business segments and markets. Gross profit could have been better, but for certain one-time expenses. Our execution strength, pipeline evolution and recent acquisitions will drive the future growth."*

AUROBINDO PHARMA LIMITED

(CIN :L24239TG1986PLC015190)

PAN No. AABCA7366H

Corp off.: The Water Mark Building, Plot No.11, Survey No.9, Hi-tech City, Kondapur, Hyderabad – 500 084 T.S., INDIA Tel : +91 40 6672 5000 / 1200 Fax : +91 40 6707 4059

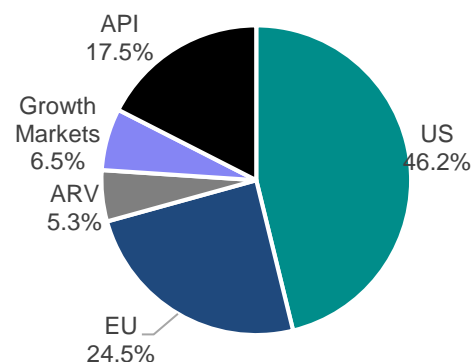
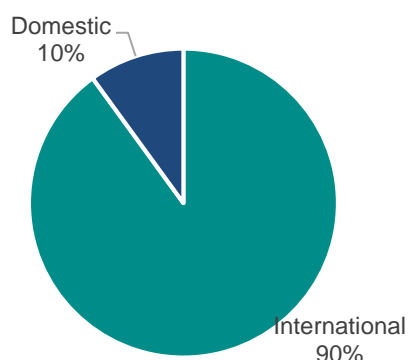
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Operational Performance (Consolidated):

Amount in INR Cr	Q3 FY18-19	Q3 FY17-18	% Chg	Q2 FY18-19	% Chg
Formulations					
USA	2,433.2	1,909.6	27.4	2,226.8	9.3
Europe	1,292.8	1,171.6	10.3	1,156.5	11.8
Growth Markets	340.5	250.2	36.1	307.5	10.8
ARV	281.3	238.9	17.8	244.0	15.3
Total Formulations	4,347.8	3,570.2	21.8	3,934.8	10.5
Active Pharmaceuticals Ingredients (API)					
Betalactum	557.7	536.6	3.9	513.4	8.6
Non Betalactum	364.1	229.2	58.9	303.2	20.1
Total API	921.7	765.7	20.4	816.6	12.9
Consolidated Sales	5,269.6	4,336.0	21.5	4,751.4	10.9
Dossier Income	0.1	0.1		0.0	
Revenue from Operations	5,269.7	4,336.1	21.5	4,751.4	10.9

Consolidated Revenue breakup - Geography & segment wise



Formulations

Formulation sales for the quarter increased by 21.8% YoY to INR 4,347.8 Cr and accounted for 82.5% of total revenues

US Formulations

- US sales of INR 2,433.2 Cr compared to INR 1,909.6 Cr in Q3FY18, witnessing a strong growth of 27.4% YoY. On a constant currency basis, sales increased by 14.7% YoY. US accounted for 46.2% of total revenues.
- The company filed 10 ANDAs with USFDA including 4 ANDAs for injectable products
- Received final approval for 14 ANDAs and tentative approval for 1 ANDA

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- As on 31st Dec 2018, on a cumulative basis, the company filed 519 ANDAs with USFDA and received approval for 397 ANDAs including 28 tentative* approvals
- The company has launched 7 products including 2 injectables during the quarter

*Tentative approvals include 9 ANDAs approved under PEPFAR.

EU Formulations

Sales from EU formulations in Q3FY18-19 increased by 10.3% YoY to INR 1,292.8 Cr. The business accounted for 24.5% of revenues. In Euro terms, sales increased by 2.5% YoY.

ARV Formulations

ARV business sales increased by 17.8% YoY to INR 281.3 Cr compared to INR 238.9 Cr in Q3FY18 and accounted for 5.3% of revenues.

Growth Markets Formulations

Sales from Growth Markets formulations posted a strong growth of 36.1% YoY to INR 340.5 Cr in Q3FY18-19 and accounted for 6.5% of revenues.

API business

API business posted a growth of 20.4% to INR 921.7 Cr and contributed 17.5% of the total revenue during the quarter. The growth was on the back of increase in Non-Betalactum segment. The company filed 1 DMFs with USFDA during the quarter taking total DMFs filing to 236 as on 31st Dec 2018.

Global Regulatory Filings:

Filings	Q3 FY18-19	Cumulative Filings as on 31 st Dec 2018
ANDAs (including filings made from Aurobindo USA)	10	519
DMFs (including filings made from AuroNext and AuroPeptide)	1	236
Formulations Dossiers in other key advanced markets (incl. Multiple registrations into Europe. South Africa and Canada)	43	3,553
API DMF/COS filings in other key regulated markets (incl. Multiple registrations)	46	2,880

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USFDA approvals received in Q3 FY18-19:

Final Approvals

1 Abacavir Sulfate / Lamivudine (gEpzicom) Tab 600 mg / 300 mg Tab	Anti-Retrovirals
2 Palonosetron Hydrochloride (gAloxi) Inj 0.25 mg/5 mL	Gastrointestinal
3 Ketorolac Tromethamine (gAcular LS) Sol 0.4% w/v	Ophthalmic
4 Paricalcitol (gZemplar) Inj 2 mcg/mL and 5 mcg/mL	Calcium Regulator
5 Vecuronium Bromide Inj 10 mg/vial and 20 mg/vial	CNS
6 Azithromycin (gZithromax) Oral Susp 100 mg per 5 mL and 200 mg per 5 mL	Antibiotic
7 Argatroban Inj in 0.9% Sodium Chloride 50 mg/50 mL	Anti-Thrombotic
8 Teriflunomide (gAubagio) Tab 7 mg and 14 mg	CNS
9 Glycopyrrolate(gRobinul) Inj 0.2 mg/mL	Anti-Cholinergic
10 Silodosin (gRapaflo) Cap 4 mg and 8 mg	Genitourinary
11 Potassium Chloride (gKlor-Con) ER Tab 8 mEq and 10 mEq	Electrolyte Replacement
12 Progesterone Injection 500 mg/10 mL	Steroid Hormone
13 Methylphenidate HCl (gRitalin) Tab 5 mg, 10 mg and 20 mg	CNS
14 Progesterone (gPrometrium) Cap 100 mg and 200 mg	Harmonal Drug

Tentative approvals

1 Mirabegron (gMyrbetriq) ER Tab 50 mg	Genitourinary
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Earnings call details

The company will host an earnings call at 8.30 AM IST on February 8th 2019, to discuss the performance and answer any questions from participants.

Participants can dial-in on the numbers below

Primary Number: +91 22 6280 1437 / +91 22 7115 8825

Local Access Number: +91 70456 71221 (Available all over India)

About Aurobindo Pharma Limited:

Aurobindo Pharma Limited (www.aurobindo.com), (NSE: AUROPHARMA, BSE: 524804, Reuters: ARBN.NS, Bloomberg: ARBP:IN) headquartered at Hyderabad, India, manufactures generic 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 6 major therapeutic/product areas encompassing Antibiotics, Anti-Retroviral, CVS, CNS, Gastroenterological, Pain management and Anti-Allergic, supported by an outstanding R&D set-up. The Company is marketing these products globally in over 150 countries.

For further information, please contact:

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Disclaimer:

This press release contain statements that may constitute “forward looking statements” including and without limitation, statements relating to product characteristics and uses, sales potential and target dates for product launch, 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 factors could cause actual developments and results to differ materially from our expectations. The company undertakes no obligation to publicly revise any forward looking statements to reflect future events or circumstances and will not be held liable for any use of this information.

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(Rs. In lakhs)

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31.12.2018						
Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Revenue from operations						
(a) Net sales/ income from operations (refer note 4)	517,526	466,712	426,899	1,402,394	1,224,424	1,623,287
(b) Other operating income	9,441	8,428	6,712	24,740	20,651	26,697
Total revenue from operations	526,967	475,140	433,611	1,427,134	1,245,075	1,649,984
2 Other income						
(a) Foreign exchange gain (net)	5,045	-	726	-	-	-
(b) Others	1,340	2,626	2,579	8,339	5,815	10,198
Total other income	6,385	2,626	3,305	8,339	5,815	10,198
Total income (1+2)	533,352	477,766	436,916	1,435,473	1,250,890	1,660,182
3 Expenses						
(a) Cost of materials consumed	192,256	187,436	138,371	545,370	420,158	562,937
(b) Purchases of stock-in-trade	55,184	44,402	44,283	143,099	113,915	160,588
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	(8,452)	(27,549)	(904)	(54,467)	(25,746)	(48,251)
(d) Employee benefits expense	64,980	62,548	54,068	187,141	154,957	213,084
(e) Finance costs	4,765	3,539	1,886	11,258	5,299	7,771
(f) Foreign exchange loss (net) (refer note 9)	-	3,973	-	5,744	84	1,676
(g) Depreciation and amortisation expense	16,312	16,368	13,808	48,133	40,134	55,797
(h) Other expenses	114,361	105,703	95,235	316,831	283,342	382,774
Total expenses	439,406	396,420	346,747	1,203,109	992,143	1,336,376
4 Profit before share of profit of joint ventures, exceptional item and tax (1+2-3)	93,946	81,346	90,169	232,364	258,747	323,806
5 Share of profit of joint ventures, net of tax	257	24	11	322	258	314
6 Profit before exceptional item and tax (4+5)	94,203	81,370	90,180	232,686	259,005	324,120
7 Exceptional item (refer note 6)	2,504	2,684	-	5,188	-	-
8 Profit before tax (6-7)	91,699	78,686	90,180	227,498	259,005	324,120
9 Tax expense	20,478	17,542	30,694	49,574	69,589	81,828
10 Net profit for the period (8-9)	71,221	61,144	59,486	177,924	189,416	242,292
11 Share of profit/(loss) attributable to non-controlling interest	(1)	1	(15)	(7)	(51)	(26)
12 Net profit after taxes attributable to owners of the Parent Company (10-11)	71,222	61,143	59,501	177,931	189,467	242,318
13 Other Comprehensive income						
i) items that will not be reclassified subsequently to profit or loss (net of tax)	(35)	9	(137)	(89)	(433)	(237)
ii) items that will be reclassified subsequently to profit or loss	(17,309)	19,154	(4,729)	5,371	5,007	15,191
Total other comprehensive income	(17,344)	19,163	(4,866)	5,282	4,574	14,954
14 Total Comprehensive income for the period (12+13)	53,878	80,306	54,635	183,213	194,041	257,272
15 Paid-up equity share capital (face value Re. 1 per share)	5,859	5,859	5,859	5,859	5,859	5,859
16 Other equity						1,162,183
17 Earnings per equity share	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(annualised)
(a) Basic (in Rs.)	12.15	10.44	10.16	30.37	32.34	41.36
(b) Diluted (in Rs.)	12.15	10.44	10.16	30.37	32.34	41.36

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NOTES:

- 1 The financial results of the Company 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.
- 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 as reviewed by the audit committee have been approved by Board of Directors at its meeting held on 07 February 2019. The statutory auditors have carried out limited review of the above results for the quarter and nine months ended 31 December 2018 and have issued an unmodified opinion.
- 4 Post implementation of Goods and Services Tax ('GST') with effect from 01 July 2017, revenue from operations is disclosed net of GST. Revenue from operations for the quarter and nine months ended 31 December 2018, quarter ended 30 September 2018 and 31 December 2017 are reported net of GST. The year ended 31 March 2018 and nine months ended 31 December 2017 include excise duty upto 30 June 2017.
- 5 Effective 01 April 2018, the Group has adopted Ind AS 115 "Revenue from Contracts with Customers". The adoption of the standard did not have material impact on the financial results of the Group.
- 6 Exceptional items for the current period represents acquisition related costs.
- 7 The Group operates in only one segment viz., 'Pharmaceutical Products'.
- 8 During the quarter, Aurobindo Pharma USA Inc., USA, has completed the acquisition of a product under development and related assets from 'Advent Pharmaceuticals Pty Ltd., Australia, through AuroScience Pty Limited, Melbourne, a 100% subsidiary of Aurobindo Pharma USA Inc., USA.
- 9 Foreign exchange loss includes exchange difference arising from foreign currency borrowings to the extent that they are regarded as an adjustment to finance cost as per para 6(e) of Ind AS 23 on "Borrowing costs".
- 10 Previous period figures have been regrouped/ rearranged wherever considered necessary to conform to the current period presentation.

By Order of the Board

Place: Hyderabad

Date : 07 February 2019

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N. Govindarajan

Managing Director

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