

NEWS RELEASE

12th Aug 2020, Hyderabad, India

Aurobindo Pharma Ltd Q1 FY21 Consolidate Financial Results

Amount in INR Cr	Q1 FY20-21	Q1 FY19-20	% Chg	Q4 FY19-20	% Chg
Revenue from Operations	5,924.8	5,444.6	8.8	6,158.4	-3.8
EBITDA before Forex and Other income	1,257.4	1,146.4	9.7	1,342.4	-6.3
EBITDA %	21.2%	21.1%		21.8%	
PBT before Forex and Exceptional Items	1,074.1	866.7	23.9	1,110.8	-3.3
Net Profit after JV share, minority interest	780.6	635.8	22.8	849.8	-8.2

Key Highlights of Q1FY21 consolidated financials

- Revenue from Operations at INR 5,924.8 Cr, witnessed a growth of 8.8% over corresponding previous period
 - US formulation revenue of INR 3,107.1 Cr vs INR 2,688.4 Cr in Q1FY20, registering a growth of 15.6% YoY
 - Europe formulation revenue at INR 1,322.2 Cr, a decline of 5.0% against Q1 last year
 - Growth Markets revenue declined by 7.6% YoY to INR 289.6 Cr
 - ARV revenue at INR 425.5 Cr vs. INR 318.5 Cr, an increase of 33.6% over corresponding previous period
 - API revenue for the quarter was at INR 780.2 Cr, an increase by 6.5% over corresponding previous period
- EBITDA before Forex and Other income at INR 1,257.4 Cr vs INR 1,146.4 Cr in Q1 last year, grew by 9.7%; EBITDA margin for the quarter was at 21.2%
- Net Profit after JV share, minority interest at INR 780.6 Cr as against INR 635.8 Cr in the corresponding previous period, witnessing a growth of 22.8% YoY.
- Basic & Diluted EPS is INR 13.32 per share.
- Research & Development (R&D) spend at INR 254.5 Cr, 4.3% of revenues
- Received final approval for 10 ANDAs from USFDA
- Interim Dividend @ 125% i.e., INR 1.25 per equity share of INR 1/- has been approved by the Board for FY20-21

Commenting on the Company's performance, Mr. N. Govindarajan, Managing Director of the company said: *"Amidst challenging times, we have started the financial year by reporting a healthy performance. We have ensured the business continuity without compromising the safety and well-being of our employees. We are committed to adhere to quality standards by investing continuously and developing a differentiated product pipeline for a sustainable 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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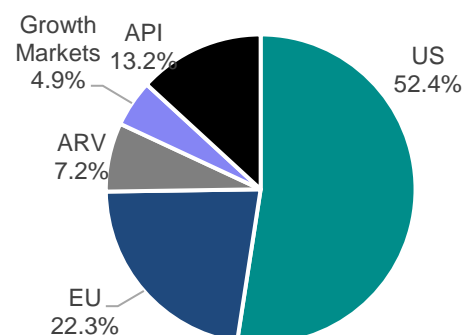
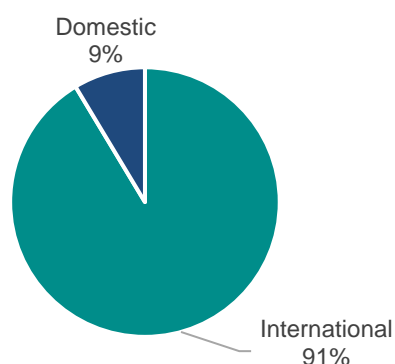
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Operational Performance (Consolidated):

Amount in INR Cr	Q1 FY20-21	Q1 FY19-20	% Chg	Q4 FY19-20	% Chg
Formulations					
USA	3,107.1	2,688.4	15.6	2,990.3	3.9
Europe	1,322.2	1,391.6	-5.0	1,652.5	-20.0
Growth Markets	289.6	313.4	-7.6	376.6	-23.1
ARV	425.5	318.5	33.6	381.8	11.5
Total Formulations	5,144.3	4,712.0	9.2	5,401.2	-4.8
Active Pharmaceuticals Ingredients (API)					
Betalactum	500.3	431.0	16.1	539.2	-7.2
Non Betalactum	279.8	301.2	-7.1	216.4	29.3
Total API	780.2	732.2	6.5	755.6	3.3
Consolidated Sales	5,924.5	5,444.2	8.8	6,156.7	-3.8
Dossier Income	0.3	0.4		1.7	
Revenue from Operations	5,924.8	5,444.6	8.8	6,158.4	-3.8

Consolidated Revenue breakup - Geography & segment wise

Q1FY21



Formulations

Formulation revenue for the quarter recorded a growth of 9.2% YoY to INR 5,144.3 Cr and accounted for 86.8% of total revenues.

US Formulations

- US revenue in Q1FY21 witnessed a growth of 15.6% YoY to INR 3,107.1 crore, accounting 52.4% of consolidated revenue. On constant currency basis, revenue grew by 6.5% YoY
- Filed 14 ANDAs with USFDA including 3 injectables in Q1FY21
- Received final approval for 10 ANDAs in Q1FY21

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- As on 30th June 2020, on a cumulative basis, the company filed 604 ANDAs with USFDA and received approval for 438 ANDAs including 28 tentative* approvals
- The company has launched 6 products during the quarter including 1 injectable

*Tentative approvals include 8 ANDAs approved under PEPFAR.

Europe Formulations

- Europe revenue in Q1FY21 declined by 5.0% YoY to INR 1,322.2 crore, accounting 22.3% of consolidated revenue. In Euro terms, revenue declined by 10.6% YoY. Europe had witnessed stocking up at the beginning of the pandemic in Q4FY20.
- During 1st half of the current calendar year (CY20), Europe revenue posted a growth of 10.0% over last year corresponding period. In Euro terms, the revenues grew by 7.0% YoY basis.

ARV Formulations

- ARV business revenue for Q1FY21 was at INR 425.5 Cr compared to INR 318.5 Cr in Q1FY20, an increase of 33.6% YoY and accounted for 7.2% of revenue

Growth Markets Formulations

- Revenue from Growth markets formulations in Q1FY21 declined by 7.6% YoY to INR 289.6 Cr and accounted for 4.9% of revenue. Growth Markets had witnessed stocking up at the beginning of the pandemic in Q4FY20.
- During 1st half of the current calendar year (CY20), Growth Markets revenue posted a growth of 10.8% over last year corresponding period. On constant currency basis, Growth Markets reported a growth of 4.7% on YoY basis

API business

- In Q1FY21, API business posted a revenue of INR 780.2 Cr, an increase of 6.5% YoY and contributed 13.2% to the consolidated revenues
- The company filed 3 DMFs with USFDA during the quarter.

Global Regulatory Filings:

Filings	Q1 FY20-21	Cumulative Filings as on 30 th June 2020
ANDAs (including filings made from Aurobindo USA)	14	604
DMFs (including filings made from AuroNext and AuroPeptide)	3	257
Formulations Dossiers in other key advanced markets (incl. Multiple registrations into Europe. South Africa and Canada) @	-	3,727
API DMF/COS filings in other key regulated markets (incl. Multiple registrations)	41	3,145

@The number of filings have come down from 3,810 as on 31st Mar 2020 due to SAHPRA backlog clearance program. As per the program, long awaiting pending dossiers are now resubmitted and some of the dossiers are withdrawn.

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USFDA Approvals Received in Q1FY20-21

Final Approvals

S No	Product	Therapy
1	Cisatracurium Besylate (gNimbex) Inj 2mg/ml	Nondepolarizing skeletal muscle relaxant
2	Dexamethasone Sodium Phosphate(gHexadrol) Inj 10mg/ml	Steroid
3	Albuterol Sulfate Inhalation (gAccuNeb) Sol 0.63 mg/3 ml and 1.25mg/3ml	Respiratory
4	Azelastine Hydrochloride (gAstelin) Nasal Spray 137 mcg/0.1%	Anti-Histamine
5	Fluoxetine Hydrochloride (gProzac) Tab 10mg and 20mg	CNS
6	Fluoxetine Tab 60mg	CNS
7	Minocycline Hydrochloride Tab 50mg, 75mg and 100mg	Anti-Infective
8	Flucytosine Cap (gAncobon) 250 mg and 500mg	Anti-Fungal
9	Albuterol Sulfate Tab (gProventil) 2mg and 4mg	Respiratory
10	Ibuprofen Tab (gMotrin) 400mg, 600mg and 800 mg	Pain Relief

Earnings call details

The company will host an earnings call at 8.30 AM IST on August 13th, 2020, 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 ENDED 30.06.2020				
Particulars	Quarter ended		Year ended	
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
	Unaudited	Audited	Unaudited	Audited
1 Revenue from operations				
(a) Net sales/ income from operations	5,83,523	6,06,340	5,35,684	22,73,795
(b) Other operating income	8,955	9,503	8,776	36,055
Total revenue from operations	5,92,478	6,15,843	5,44,460	23,09,850
2 Other income				
(a) Foreign exchange gain (net) (refer note 7)	2,222	-	478	-
(b) Others	9,337	3,259	1,100	8,620
Total other income	11,559	3,259	1,578	8,620
Total income (1+2)	6,04,037	6,19,102	5,46,038	23,18,470
3 Expenses				
(a) Cost of materials consumed	2,09,817	2,03,798	1,86,038	7,72,498
(b) Purchase of stock-in-trade	60,157	51,324	53,007	2,11,211
(c) Changes in inventories of finished goods, stock-in-trade and work-in-	(29,234)	(4,785)	(9,191)	(10,186)
(d) Employee benefits expense	88,799	86,433	77,986	3,21,918
(e) Finance costs	2,107	3,183	4,989	15,977
(f) Foreign exchange loss (net) (refer note 7)	-	2,619	-	3,970
(g) Depreciation and amortisation expense	25,552	23,241	24,086	96,671
(h) Other expenses	1,37,204	1,44,832	1,21,980	5,27,979
Total expenses	4,94,402	5,10,645	4,58,895	19,40,038
4 Profit before share of profit of joint ventures, exceptional items and tax (1+2-3)	1,09,635	1,08,457	87,143	3,78,432
5 Share of loss of joint ventures, net of tax	(1,200)	(1,931)	471	(1,517)
6 Profit before exceptional items and tax (4+5)	1,08,435	1,06,526	87,614	3,76,915
7 Exceptional items (refer note 4)	-	(1,225)	1,270	2,613
8 Profit before tax (6-7)	1,08,435	1,07,751	86,344	3,74,302
9 Tax expense				
Current tax	36,773	32,955	20,669	95,695
Tax credit - Minimum Alternate Tax (MAT)	-	-	(1,144)	-
Deferred tax	(6,406)	(10,103)	3,251	(4,344)
Total tax expense	30,367	22,852	22,776	91,351
10 Profit for the period/year (8-9)	78,068	84,899	63,568	2,82,951
11 Other Comprehensive Income				
A) Items that will not be reclassified subsequently to profit or loss:				
i) Re-measurement of defined employee benefit liability	(482)	(860)	(55)	(1,958)
ii) Income-tax relating to items that will not be reclassified to profit or loss	169	288	19	672
B) Items that will be reclassified subsequently to profit or loss:				
i) Exchange differences on translating the financial statements of foreign operations	6,426	15,446	1,044	29,998
ii) Income-tax on items that will be reclassified subsequently to profit or loss	-	-	-	-
Total other comprehensive income for the period/year (net of tax)	6,113	14,874	1,008	28,712
12 Total Comprehensive income for the period/year (net of tax) (10+11)	84,181	99,773	64,576	3,11,663
Attributable to:				
Owners of the Parent Company	84,171	99,857	64,591	3,11,809
Non-controlling interest	10	(84)	(15)	(146)
Out of total comprehensive income above,				
Profit for the year attributable to:				
Owners of the Parent Company	78,058	84,983	63,583	2,83,097
Non-controlling interest	10	(84)	(15)	(146)
Other comprehensive income attributable to:				
Owners of the Parent Company	6,113	14,874	1,008	28,712
Non-controlling interest	-	-	-	-
13 Paid-up equity share capital (face value Re. 1 per share)	5,859	5,859	5,859	5,859
14 Other equity				16,75,179
15 Earnings per equity share (face value Re. 1 per share)	not annualised	not annualised	not annualised	(annualised)
(a) Basic (in Rs.)	13.32	14.50	10.85	48.32
(b) Diluted (in Rs.)	13.32	14.50	10.85	48.32

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NOTES:

- 1 The 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.
- 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 the Board of Directors at its meeting held on 12 August 2020. The statutory auditors have carried out limited review of the above results for quarter ended 30 June 2020. An unmodified report has been issued by them thereon.
- 4 Exceptional items for the previous period/year represent acquisition related costs.
- 5 The Group operates in only one segment viz., 'Pharmaceutical Products'.
- 6 During the quarter, Curateq Biologics Private limited, India, a wholly owned subsidiary was incorporated w.e.f. 25 April 2020.
- 7 Foreign exchange gain/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.
- 8 The Government of India, on 20 September 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Ordinance inserted a new Section 115BAA in the Income tax Act, 1961, which provides an option to the Company for paying income tax at reduced rates as per the provisions/conditions defined in the said section. The Parent Company has evaluated the above Ordinance and based on its evaluation currently the management proposed to continue with the old tax rates.
- 9 The joint petition seeking sanction of the Hon'ble National Company Law Tribunal, Hyderabad Bench (NCLT) for the Scheme of Amalgamation of APL Research Centre Limited, Aurozymes Limited, Curepro Parenterals Limited, Hyacinths Pharma Private Limited, Silicon Life Sciences Private Limited and APL Healthcare Limited (all wholly owned subsidiary companies) with the Company has been admitted. The matter listed for final hearing on 28 February 2020 was adjourned to 23 March 2020, but due to Covid - 19 as on the date of this report, the matter of sanction of the Scheme by NCLT continues to be pending.
- 10 The Group continues to monitor the possible effects that may result from the pandemic relating to COVID-19. With a view to ensure minimal disruption with respect to operations including production and distribution activities, the Group has taken several business continuity measures. While the disruption has impacted overall sales due to logistical delays, considering that the Group deals with Pharmaceuticals drugs that are classified as essentials, the disruption with respect to Group's operation including production and distribution activities is not overall material. The Group has not experienced any significant difficulties with respect to market demand, financing capital expansion projects, collections or liquidity. Based on internal and external sources of information, current economic environment and future economic indicators, the Group has assessed the financial impact of the Covid 19 situation on its operations particularly on the carrying amounts of receivables, inventories, property, plant and equipment and intangible assets and concluded that the overall impact is not material. However, the impact of the pandemic could be different from those estimated today considering the uncertainties involved. The Group will continue to monitor any material changes to future economic conditions.
- 11 The figures of the quarter ended 31 March 2020 are the balancing figures between audited figures in respect of the full financial year upto 31 March 2020 and the unaudited published year to date figures upto 31 December 2019, being the date of the end of the third quarter of the financial year. The consolidated results for the nine months ended 31 December 2019 have been subjected to the limited review by the
- 12 Previous period figures have been regrouped/ rearranged wherever considered material and necessary to confirm to the current period

By Order of the Board

Place: Hyderabad
Date :12 August 2020

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N. Govindarajan
Managing Director
DIN-00050482

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