



AUROBINDO
Committed to healthier life!

LEADING VERTICALLY INTEGRATED GENERIC PLAYER

Investor Presentation - March 2019



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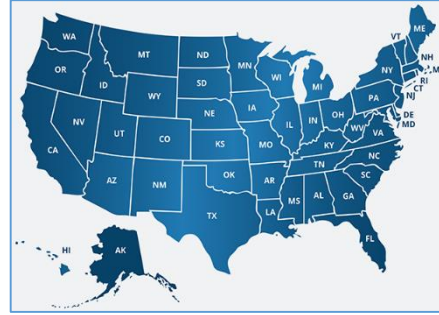
Aurobindo Pharma – Overview



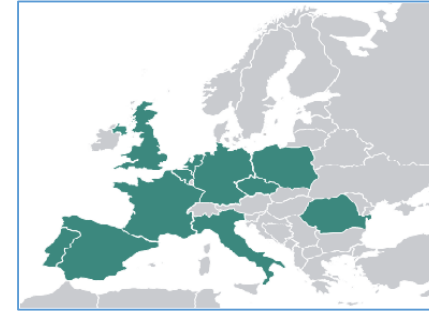
10th Largest generic
company by sales
globally#



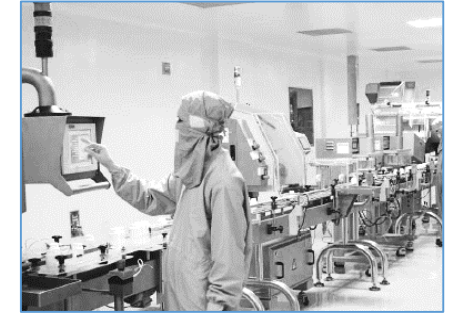
2nd Largest listed
Indian Pharmaceutical
company by revenues*



3rd 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



27 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
- Acquired a portfolio of seven marketed oncology injectable products from Spectrum Pharmaceuticals Inc.
- Entered into a definitive agreement to acquire dermatology and oral solids businesses from Sandoz Inc., USA

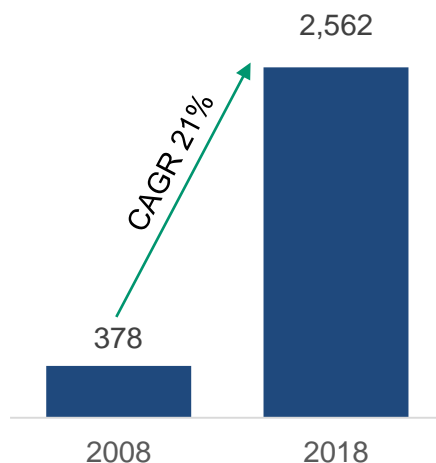
2014-2019

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

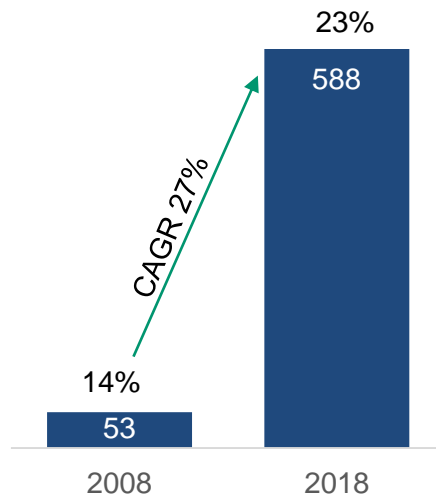
Emerged into a leading global generic player



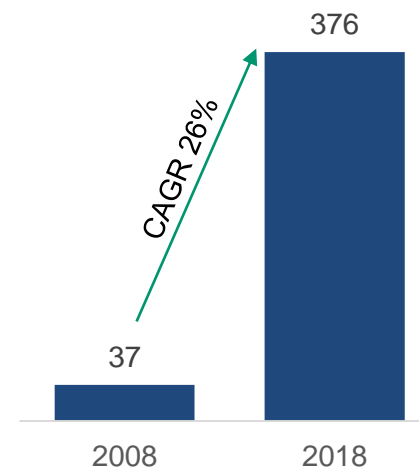
Revenue (\$ Mn)



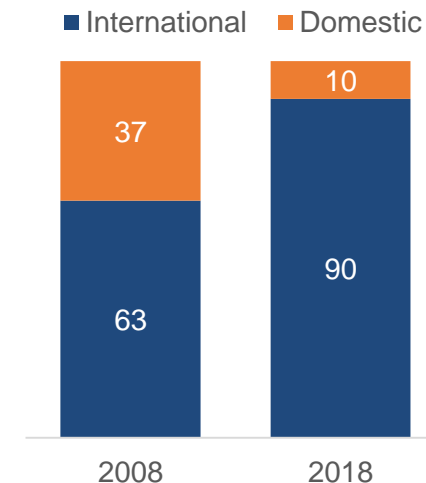
EBITDA (\$ Mn) & Margin



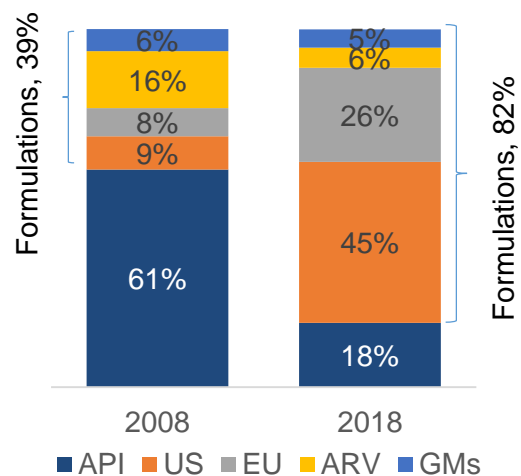
Net Profit (\$ Mn)



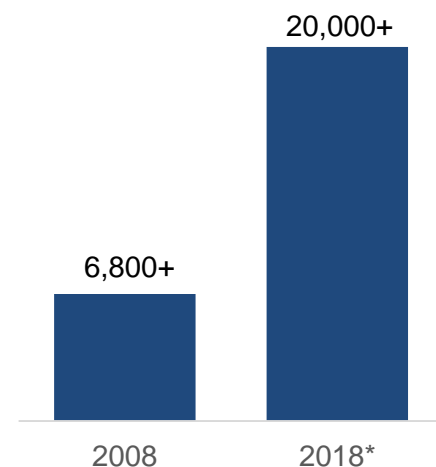
Geographical Revenue Mix



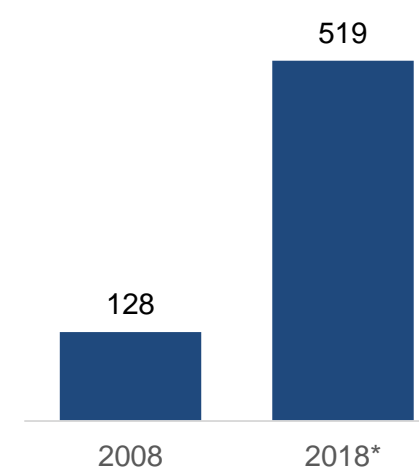
Business Mix



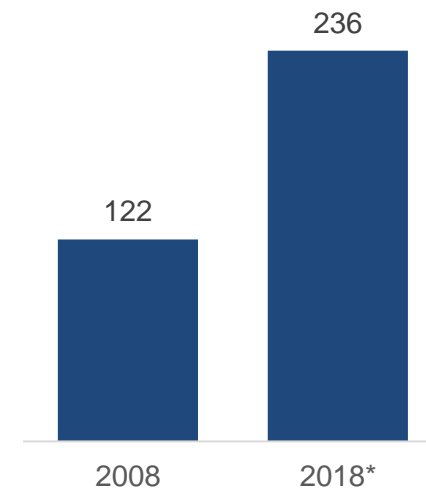
Employee Base



ANDAs – Filing Status



DMFs – Filing Status



Core Strengths



Scale & Diversity

- Among Top 3 in >65% of commercial portfolio in US⁽¹⁾ in terms of prescriptions
- Large US portfolio⁽²⁾ - 519 ANDAs filed; 369 with final approval, 28 Tentative approval⁽³⁾, 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

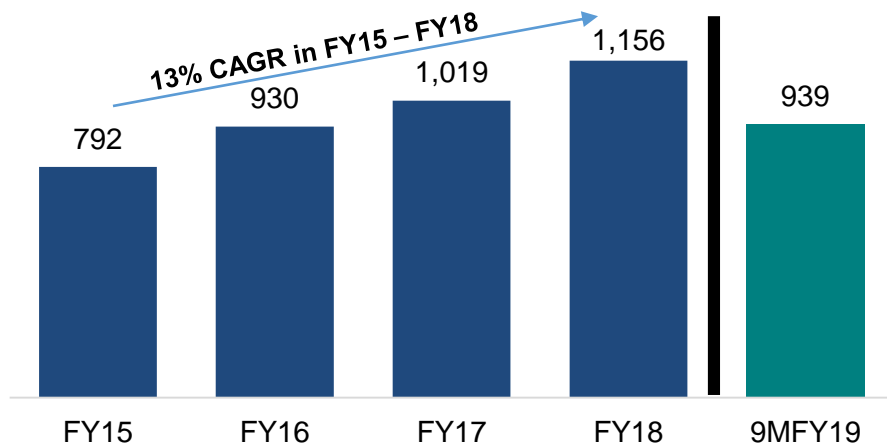
Strengths

- 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

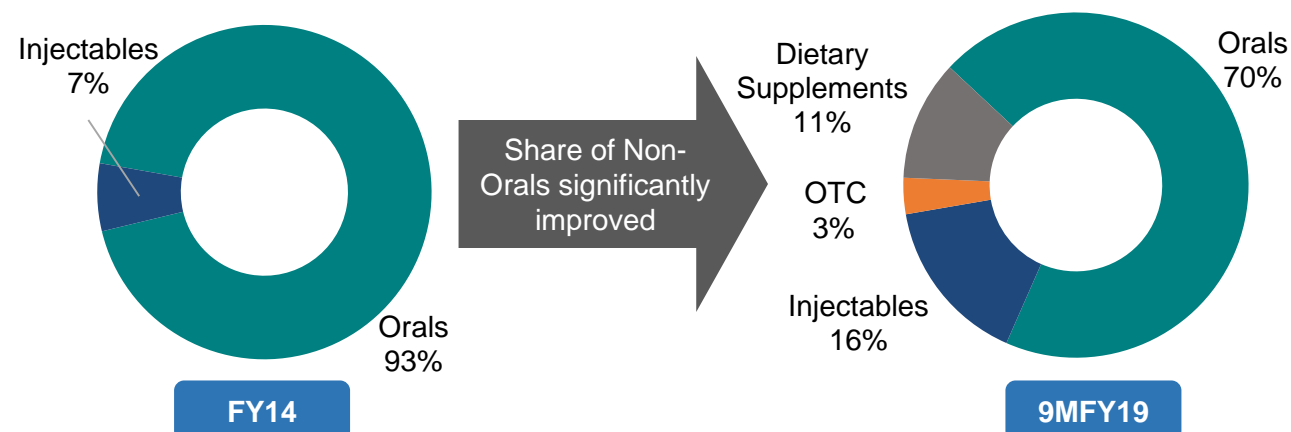
US Business Highlights



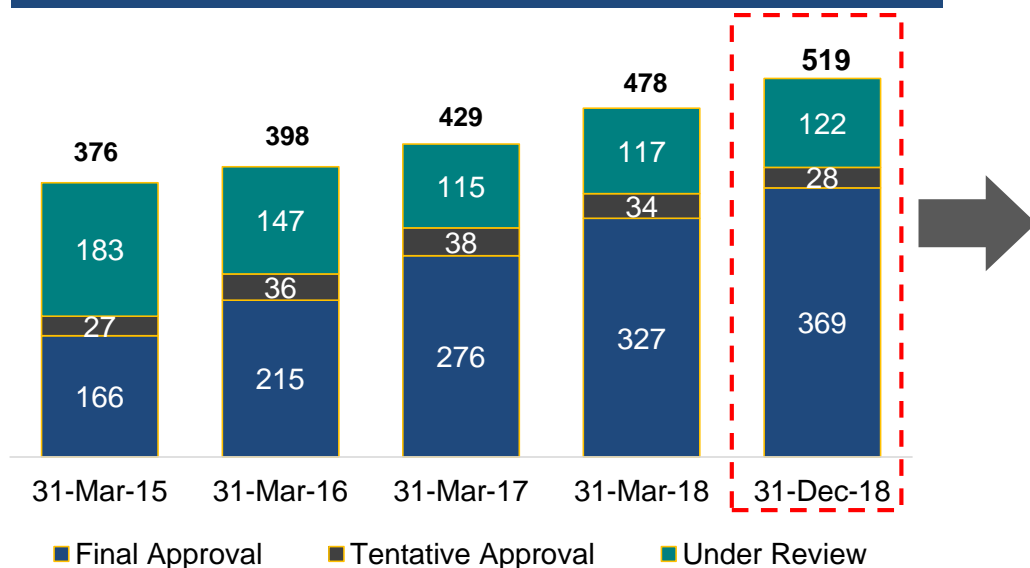
Revenue (\$ Mn)



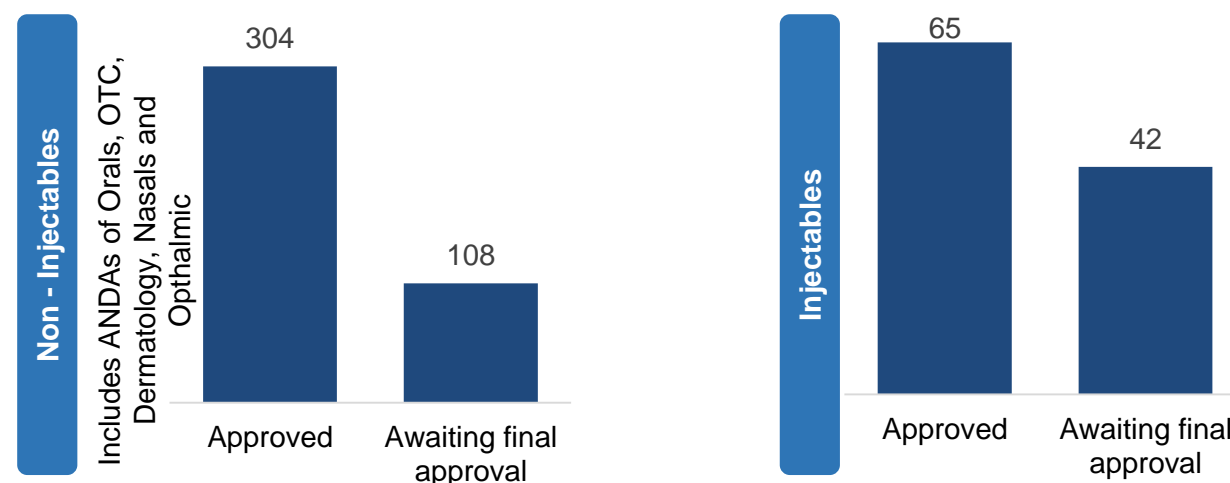
Revenue Mix



Cumulative ANDA Filings and Approvals



Filing Mix



Tentative Approvals as on 31st 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 2018
- 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 2018
- 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 2018
- Future pipeline includes
 - ✓ *Rx to OTC switch opportunities*
 - ✓ *Branded OTC*



Dietary Supplements

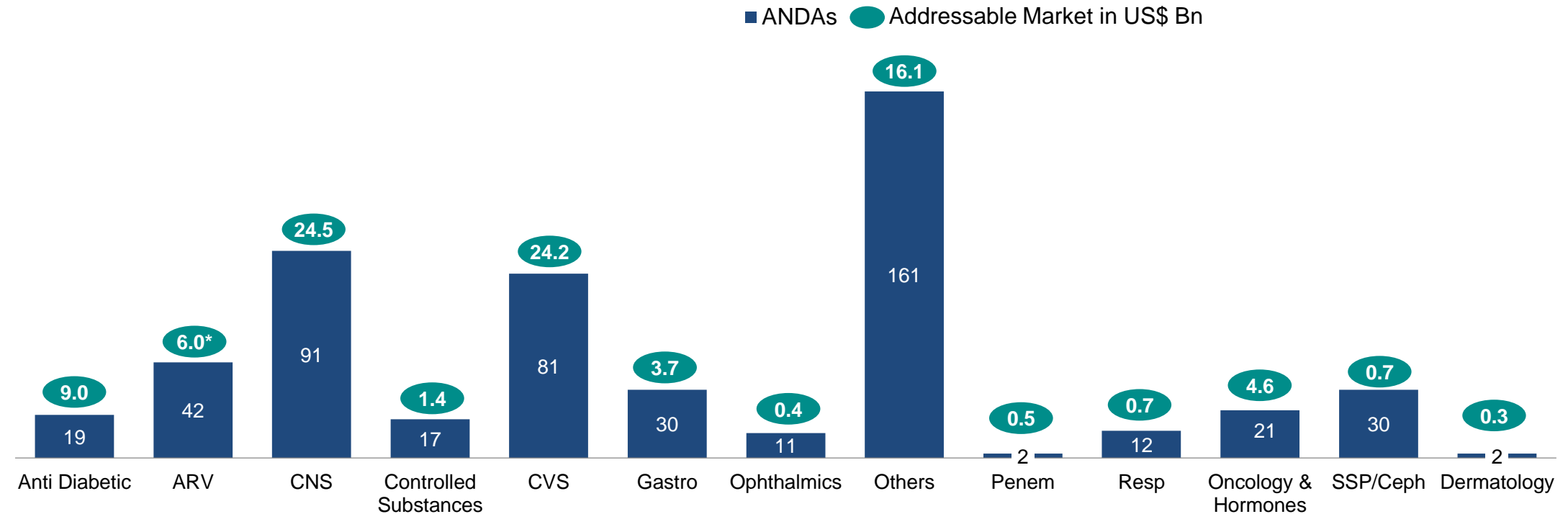
- 11% of overall US business in 9MFY19
- Introduced Gummies
- Future growth drivers includes
 - ✓ *New product introduction*
 - ✓ *Geographical expansion*





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

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 2nd 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

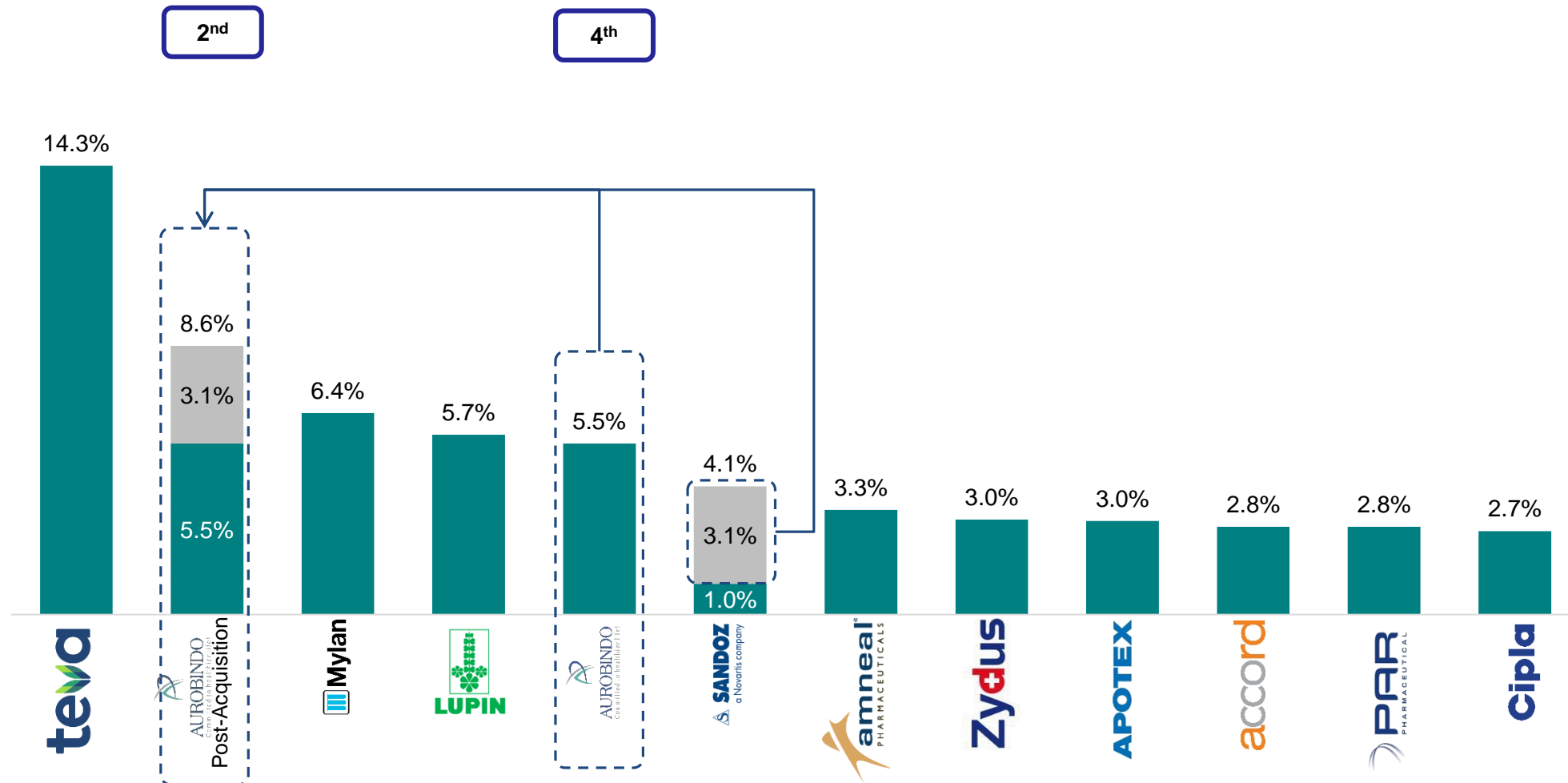


Hicksville, Long Island, NY

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



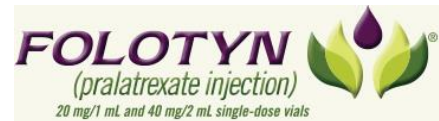
Market Share in the US by Number of Prescriptions Dispensed



Acquisition of branded oncology injectables from Spectrum Pharmaceuticals - Overview



- Acrotech Biopharma, a step-down subsidiary of Aurobindo Pharma Limited has acquired portfolio of seven marketed oncology injectable products from Spectrum Pharmaceuticals
- Acquisition brings-in an experienced branded commercial infrastructure in the US
- Acquired portfolio is expected to generate a revenue of around \$100 million for the first 12 months post completion of the transaction
- Transaction will be EPS accretive from first full year of ownership



Franchise provides leadership position in the PTCL market



Trusted community oncology franchise providing practice value and patient resources in mCRC



Market leading branded conditioning agent in bone marrow transplant



Highly effective and efficient radioimmunotherapy treatment for patients with FL



Unique treatment option for patients in rare form ALL with material growth opportunity in broader ALL and NHL markets

EU Business Highlights



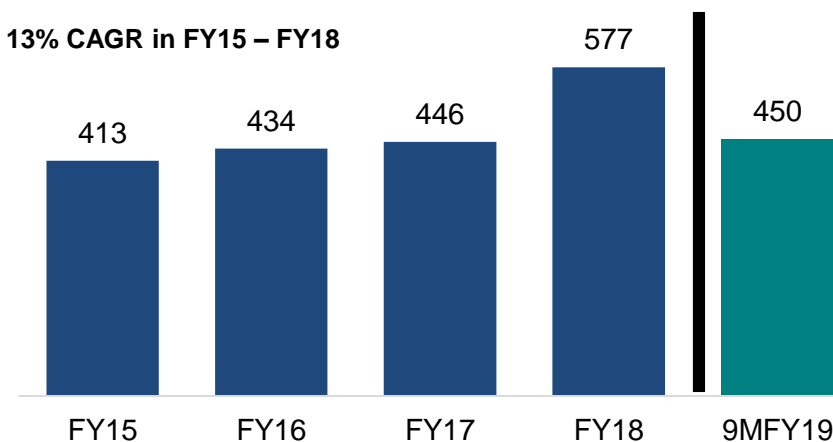
- Strong foothold in Europe
 - Operations in 11 countries with full fledged Pharmacy, Hospital and Tender sales infrastructure with commercialized 450+ INNs
 - Ranks amongst the Top 10[@] Generic companies in four out of Top-5 EU countries. France & Germany are top 2 markets for the company
 - Turned 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 (€ Mn)

13% CAGR in FY15 – FY18

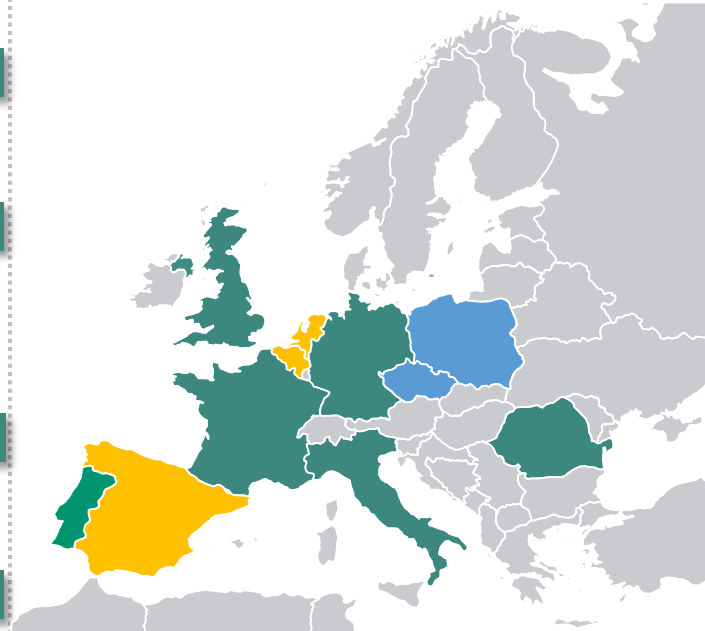


Key growth drivers

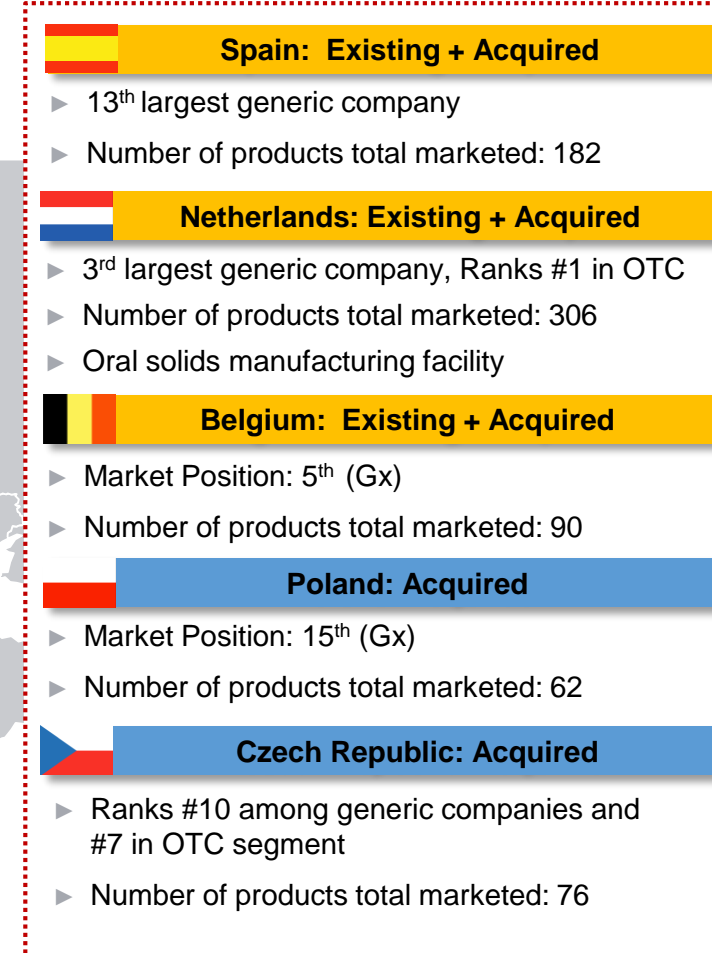
- ✓ Portfolio Expansion through launches of targeted Day 1 products, Oncology range, Hormones, Niche low volume Injectables and Orals. Pipeline of over 250 products under development
- ✓ Opportunity of > \$ 5 Bn of addressable sales coming off patent in our key markets in near term (2019-2020) and >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



Aurobindo's Footprint in Europe Post Apotex Acquisition



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





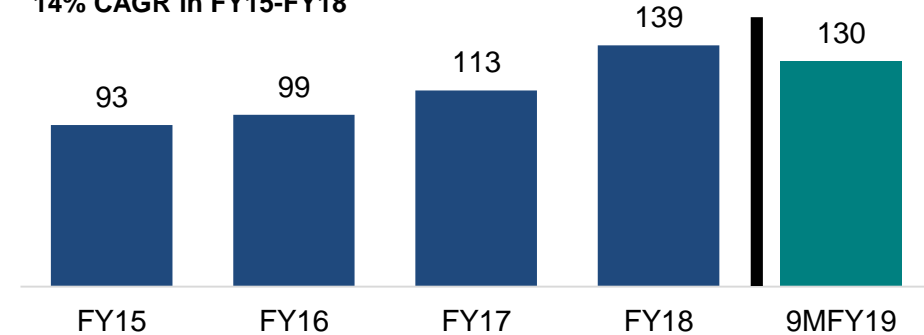
Growth Markets & ARV Business – Highlights

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 (\$ Mn)

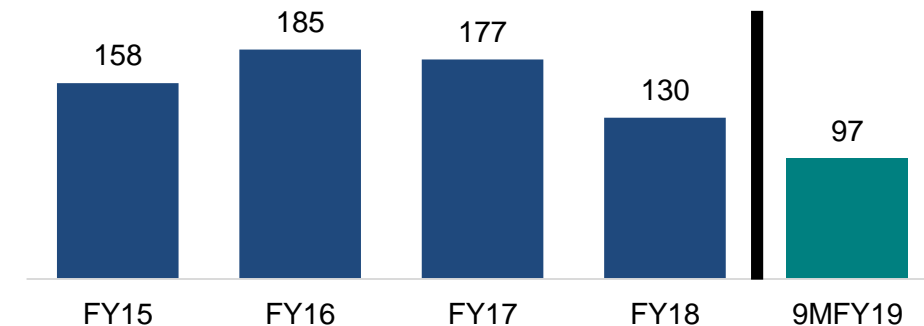
14% CAGR in FY15-FY18



ARV Business

Revenue (\$ Mn)

- 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

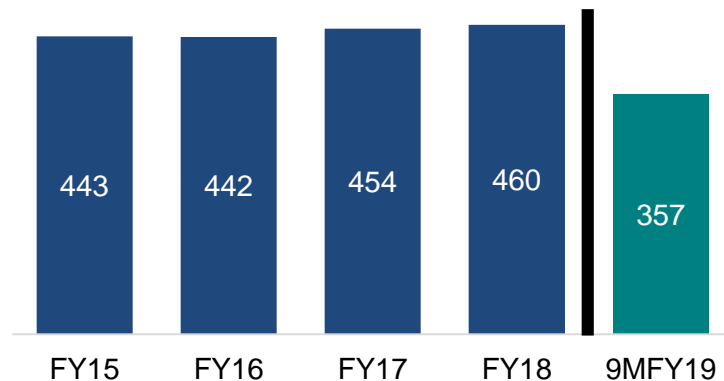




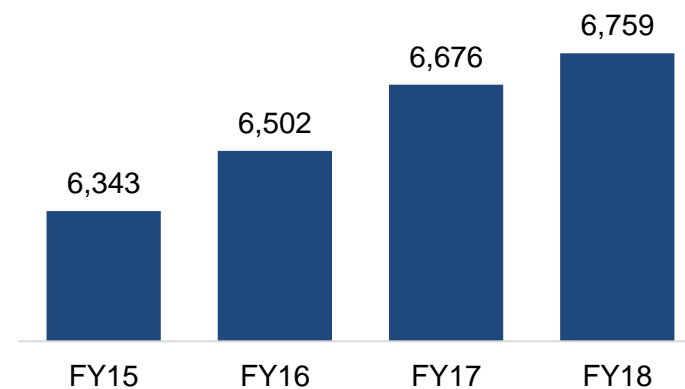
API Business - Highlights

- 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 (\$ Mn)



Reaction Volumes (KL)





Consolidated Financial Performance – Q3FY19

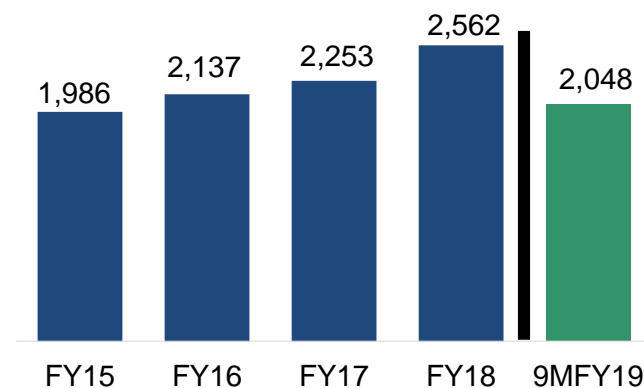
Value \$ Mn	Q3 FY19	Q3 FY18	% Chg	Q2 FY19	% Chg
Formulations	605.1	555.9	8.9	562.6	7.6
API	128.3	119.2	7.6	116.7	9.9
<i>Formulations % of sales</i>	<i>82.5%</i>	<i>82.3%</i>		<i>82.8%</i>	
Revenue from Operations	733.4	675.1	8.6	679.3	8.0
Gross Profit	400.8	392.1	2.2	387.2	3.5
Overheads	249.6	232.5	7.4	240.5	3.8
EBIDTA (before Forex & other income)	151.2	159.7	-5.3	146.7	3.1
	20.6%	23.7%		21.6%	
Fx Gain / (Loss)	7.0	1.1		-5.7	
Other Income	1.9	4.0	-53.6	3.8	-50.3
Finance Cost	6.6	2.9	125.8	5.1	31.1
Depreciation	22.7	21.5	5.6	23.4	-3.0
PBT from ordinary activities	130.7	140.4	-6.9	116.3	12.4
Exceptional Item*	-3.5	0.0		-3.8	
PAT (after JV share, minority interest)	99.1	92.6	7.0	87.4	13.4

*Exceptional items for the period represents acquisition related costs

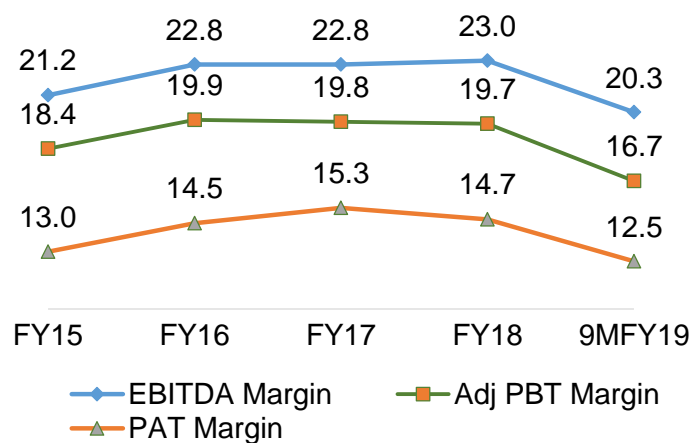
Financial Performance



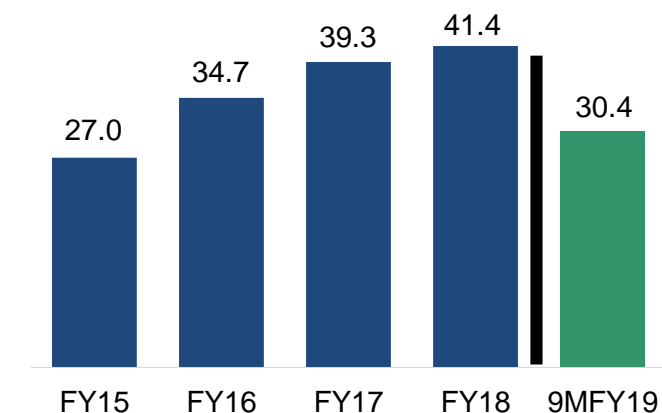
Revenue from Operations (\$ Mn)



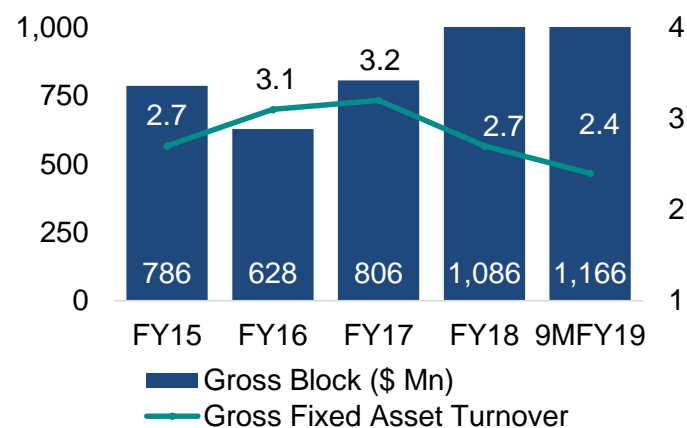
EBITDA & PAT Margin (%)



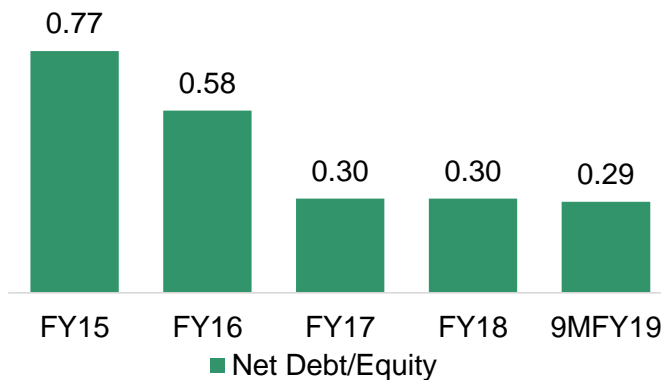
EPS (INR/Share)



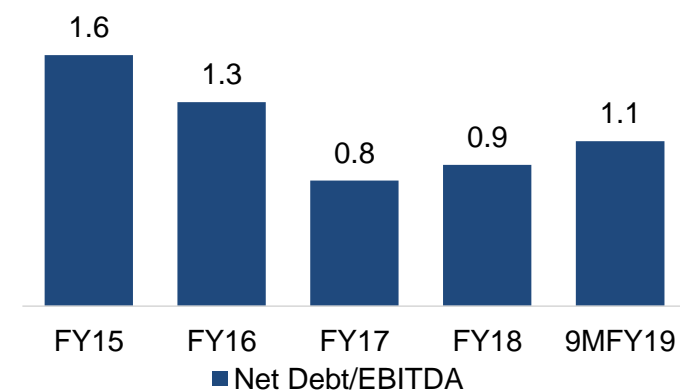
Gross Block & Fixed Asset Turnover



Net debt / Equity



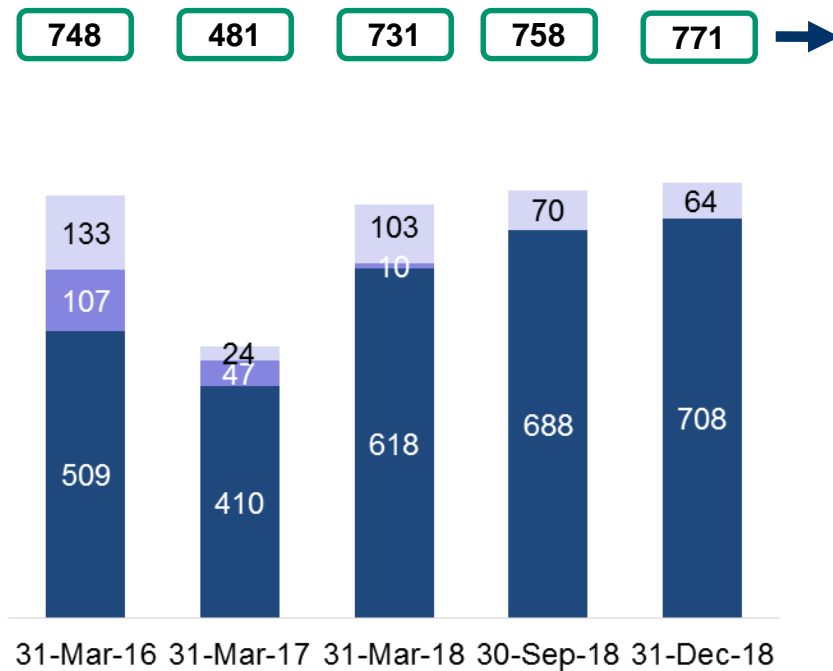
Net Debt/EBITDA



Debt Profile



Fx Loan US\$ Mn



- Other Term Loans (Subsidiaries) & Unsecured Loans
- ECB - APL
- Working Capital

\$ Mn	Mar-16	Mar-17	Mar-18	Sep-18	Dec-18
Fx Loan restated	748	481	731	758	771
Rupee Loan	7	38	1	39	42
Sales Tax Deferment	6	0	0	0	0
Gross Debt	762	519	732	797	813
Cash Balance	122	80	194	245	254
Net Debt	640	439	538	551	559
Finance Cost	1.8%	1.5%	2.0%	2.6%	3.3%

Fx Debt and Fx Cash Balance are reinstated



Focus on Building a Diverse and Robust Specialty Products Portfolio



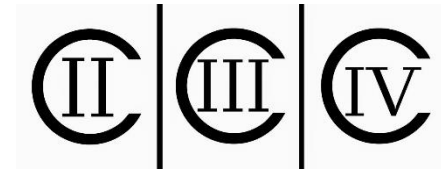
Oncology & Hormones



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

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



	Transdermal Patches	Inhalers	Biologics	Vaccines
Products under development	8	9	6*	1
Addressable Market Size	\$3.2 Bn	\$9.5 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

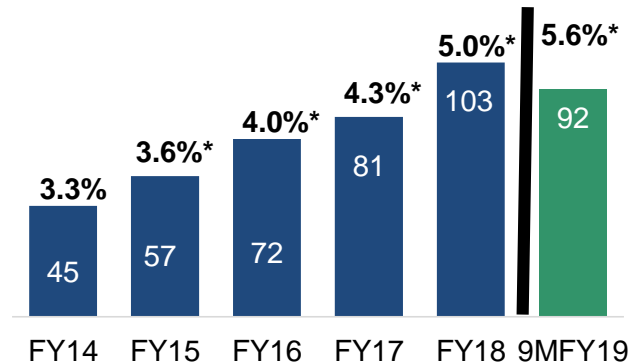
- Developing depot injectable and tamper/abuse-resistant technology products
- Concentrating on development of various niche oral formulation and controlled substances
- Portfolio of more than 30 products

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 – \$ Mn (as % of revenue)



* calculated on revenues Ex acquired Actavis business and Generis



Thank You



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