



AUROBINDO

LEADING VERTICALLY INTEGRATED GENERIC PLAYER

JP Morgan Healthcare Conference  
January 2018

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# Aurobindo Pharma at a Glance



**12<sup>th</sup>**

Largest generic company by  
sales globally<sup>#</sup>

**3<sup>rd</sup>**

Largest listed Indian  
Pharmaceutical company by  
revenues<sup>\*</sup>

**5<sup>th</sup>**

Largest generic company by  
volume in the US<sup>\*\*</sup>

Amongst Top 10 Gx  
companies in 4 out of  
Top 5 Europe Countries<sup>@</sup>

**\$ 2.3 Bn**

Global Revenues in FY17

**150+**

Markets Presence

**>18,000**

Employees

**25**

Manufacturing Facilities  
globally

**>25 Billion**

Diverse dosage forms  
manufactured in FY17

# Key Accomplishments in the Last Year



**Increasing the complexity and diversity of the portfolio, while retaining the base; augmenting capability and capacity**

- Diversified the drug product & API pipelines:
  - Addressing Rx, Bx, and Consumer Healthcare (OTC and Dietary Supplements) segments
  - Covering key channels: hospitals, clinics, long term care, distributors, retail chains, mail order, and private label
  - Working on across the board APIs and drug delivery platforms, including biologics, vaccines, and peptides
- R&D Centers on Specialty Products and Biosimilars inaugurated; on boarded accomplished R&D teams with a strong track record of success, equipped and motivated to handle complex challenges
- Fully-automated Distribution Center in the US, meeting all track-and-trace requirements, became operational as part of enhancing supply chain excellence
- Strategic in-licensing to strengthen product portfolio



**565,000 sq. ft. state of the art  
distribution center & manufacturing unit  
East Windsor, NJ**



**Unit XV**

# Emerged into a leading global generic player



	2007*		2017
Revenue	\$ 317 Mn		\$ 2.3 Bn
EBITDA margin (%)	14.2%		22.8%
Formulations contribution	31%	→	80%
US Formulations contribution	7%		45%
EU Formulations contribution	6%		22%

# 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

- Acquired Western European commercial operations from Actavis
- Acquired Natrol (Consumer Healthcare)

## 2015-16

- Established OTC presence
- Entered into Biosimilars and Vaccines
- Filed first peptide DMF

## 2017-18

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

## 2014-2018

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

# Core Strengths



## Scale, Diversity & Leadership

- Among Top 3 in >60% of commercial portfolio in US<sup>(1)</sup> in terms of prescriptions
- Large US portfolio<sup>(2)</sup> - 465 ANDAs filed; 313 with final approval, 38 Tentative approval<sup>(3)</sup>, and 114 under review
- Strong foothold in the US and EU (~45% and ~22% of revenue in FY17)
- Extensive product portfolio & pipeline
- Experienced and forward-looking leadership team

## Operational Strengths

- Large manufacturing facilities inspected and approved by US FDA, EMA, and other regulators
- Dedicated, cutting-edge global R&D Centers for diverse technology platforms and APIs
- Focus on complying with quality and EHS standards
- Speed and effectiveness in execution

## Patient Focus

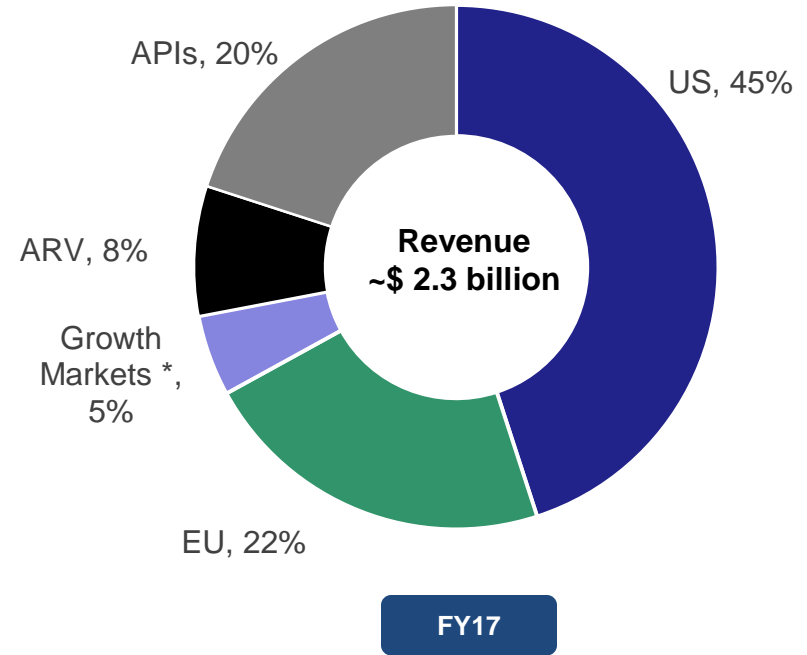
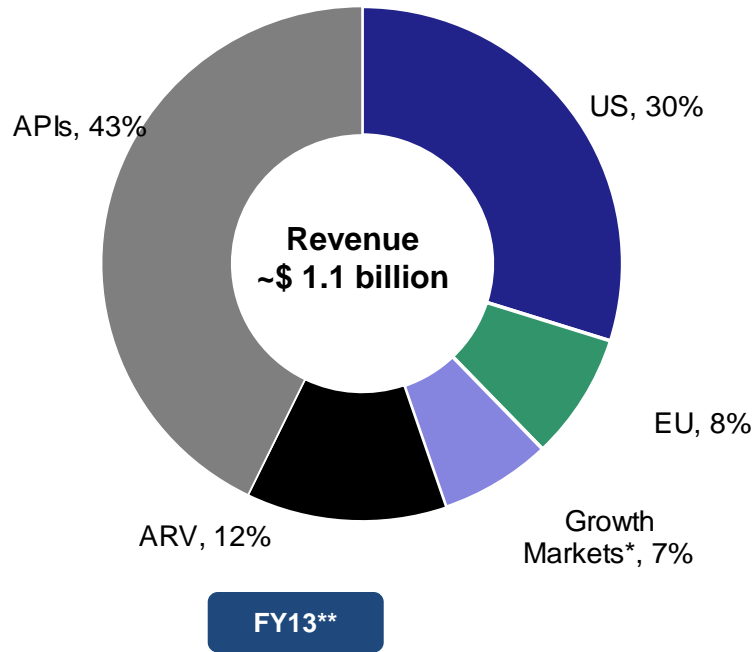
- Unwavering commitment to bring access to high-quality, low-cost generics to patients globally
- Continuous effort to maximize patient reach
- Continue to offer a broad, cost-competitive portfolio for all consumer needs
- No. 3 in number of Rx filled in US<sup>(1)</sup>

(1)Source: IMS Health QTR Sep 2017

(2) As on 31<sup>st</sup> Dec 2017

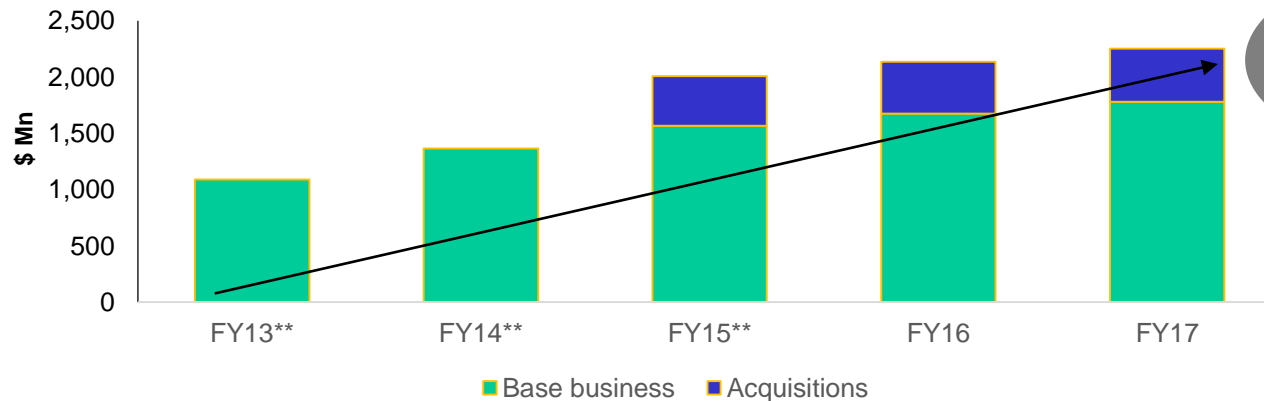
(3) Tentative approvals include 11 ANDAs approved under PEPFAR

# Diversified Revenue Base & Strong Organic growth



\*major markets include Brazil, Canada and South Africa

## Revenue



Overall growth of 20% CAGR and organic growth of 13% CAGR in FY13-FY17



# US Business Overview



## Subsidiaries

Aurobindo Pharma  
USA

AuroMedics

AuroHealth

Natrol

## Presence

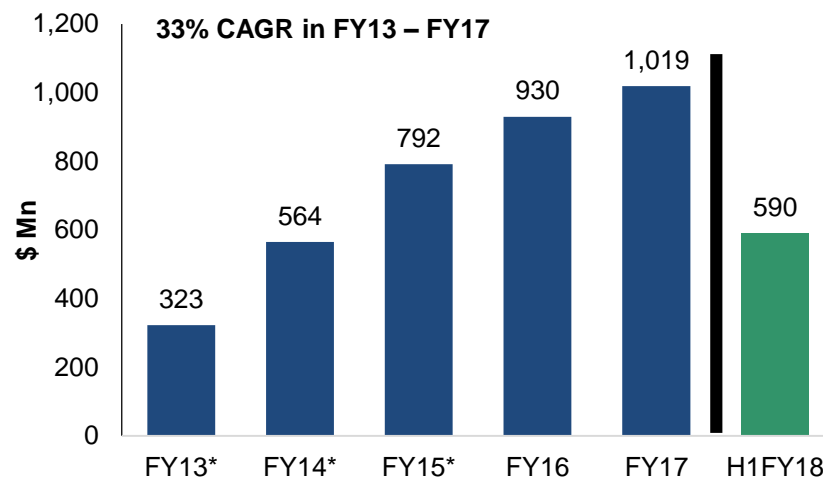
Oral Rx

Injectables

Pharma OTC

Dietary Supplements

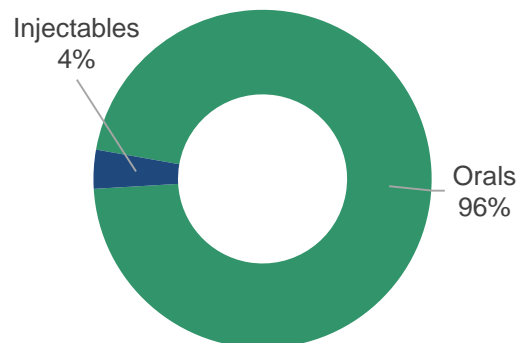
## Revenue



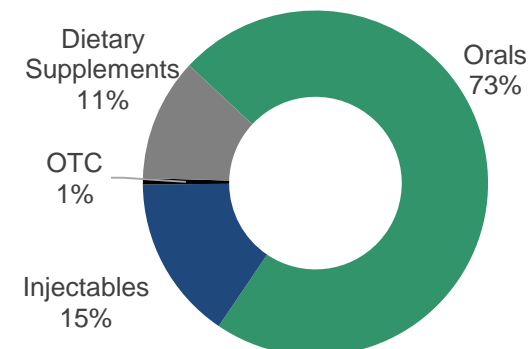
FY13\*

Revenue Mix

FY17



Share of Non-Orals significantly improved



# US Business – Segment Wise Highlights



## Orals – Aurobindo Pharma USA

- 73% of overall US business in FY17
- 20% y-o-y growth in TRx\*
- 242 approved ANDAs, 35<sup>(1)</sup> TAs, and 72 under review\*\*
- Future pipeline includes
  - *Controlled substances with ADF*
  - *Oncology*
  - *505b2 products for selected patient segments*

## Injectables - AuroMedics

- 15% of overall US business in FY17
- 4<sup>th</sup> largest Gx injectable company by volume\*
- 55 approved ANDAs, 2 TAs, and 33 under review\*\*
- Future pipeline includes
  - *Complex injectables including microspheres*
  - *Oncology*
  - *Hormones*

## OTC – AuroHealth

- Entered the market in 2015
- Launched the first set of key products in 2017
- 16 approved ANDAs, 1 TA and 9 under review\*\*
- Future pipeline includes
  - *Rx to OTC switch opportunities*
  - *Branded OTC*

## Dietary Supplements – Natrol

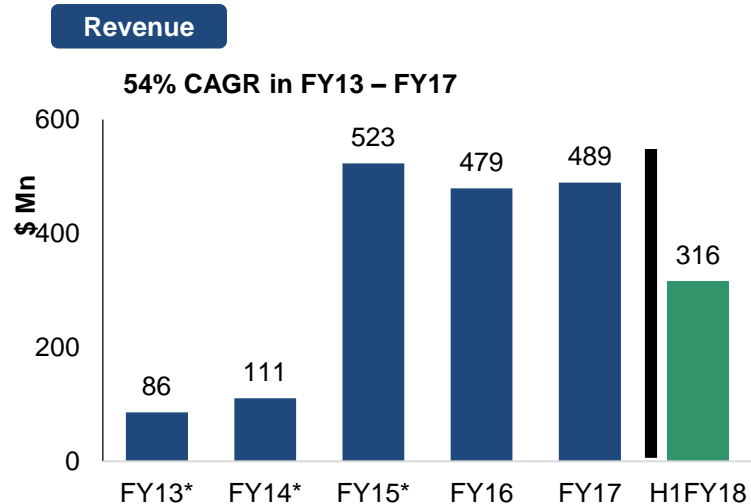
- A trusted leader in health & wellness for 35-years known for outstanding people, uncompromising quality, innovation, customer service and efficiency
- Robust product portfolio of 210 proprietary, science based formulas across nine segments and multiple product forms
- #1 in Melatonin and strong positions in Beauty, Mood, and Brain Health
- A growing international enterprise doing business in 60 countries
- Best in class, blue chip customers. Growth opportunities in every channel



# EU Business Overview



- India's Leading Gx company with strong footprint in Europe
  - Operations in 9 countries with full fledged Pharmacy, Hospital and Tender sales infrastructure with commercialized 450+ INNs
  - Ranks amongst the Top 10 Gx 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
- Completed acquisition of Generis Farmaceutica SA; catapulting APL group to # 1 position by value and volume in the Portuguese Gx market
- Completed acquisition of Orocal brand; to bolster Pharmacy products portfolio of Arrow France



## Growth Drivers

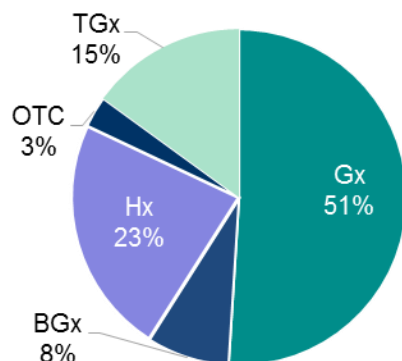
- Portfolio Expansion through targeted Day 1 launches; Orals, Hormones, Penems, Oncology Products and Niche Low volume Injectables. Pipeline of over 250 products under development
- Opportunity of > \$ 8 Bn of addressable sales coming off patent in our key markets in near term (2018-2020) and > \$ 13 Bn in the medium term (2021-2022)<sup>#</sup>
- Future growth potential in countries like Italy, Spain, Portugal & France as penetration of generics improve
- Expanding into new geographies viz. Poland and Czech Republic

\*As per IGAAP; # As per internal estimates – Excluding biologics

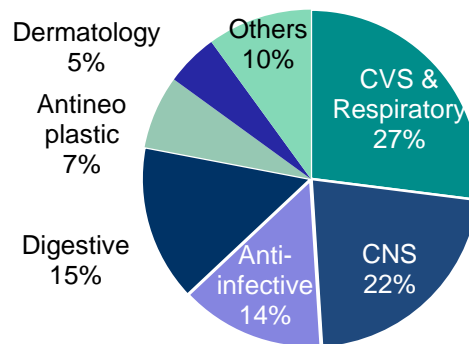
# EU: Portfolio Mix Across Channels



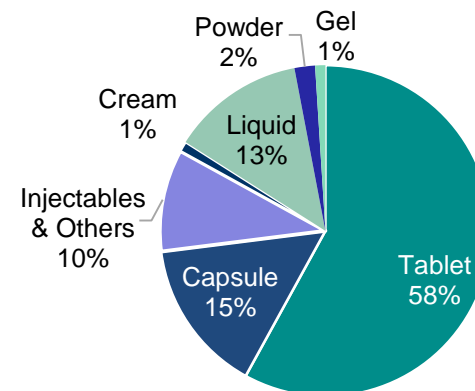
Sales split by Channel



Sales split by Therapeutic Profile



Sales split by Dosage Forms



Channels	Gx	BGx	Hx	TGx
Geographies	All 9 countries	7 countries	All 9 countries	Germany, Spain & Netherlands
# of Products	769 (primarily tablets & capsules)	37	347 (predominantly injectables)	767 (including Gx products)
Other Highlights	Amongst top 10 in most significant markets	Includes leading brands such as Orocal <sup>(1)</sup> , Neotigason, Floxapen, Bezalip among others	Focus on high value areas including oncology	Tender based business

(1) Orocal marketed in France

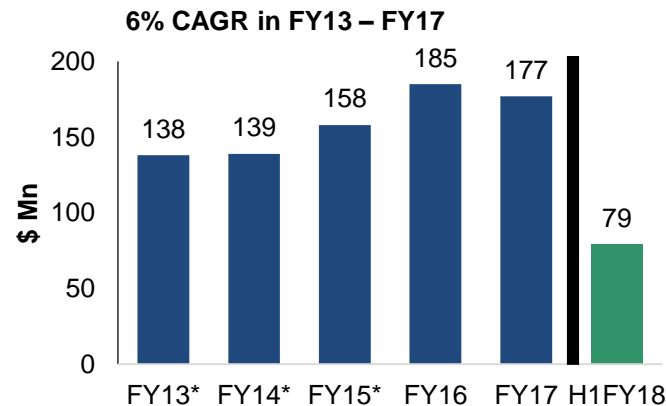
# ARV & Growth Markets Business Overview



## ARV Business

- Comprehensive portfolio of 32 products with a robust pipeline for the future
- Dolutegravir based regimens are expected to attain ~59% market share by 2021 as per CHAI\*\* report
- The HIV patient reach is expected to improve to ~5 Mn by FY19 from current level of ~3Mn

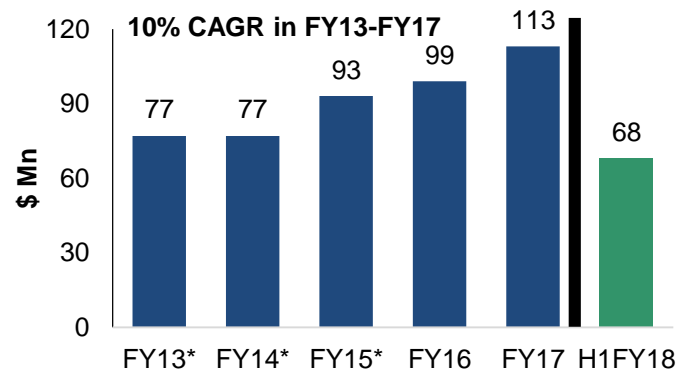
### Revenue



## Growth Markets Business

- Build branded generics presence in key markets
- Expand in selected markets through local manufacturing
- Product launches in Oncology and specialty injectables

### Revenue

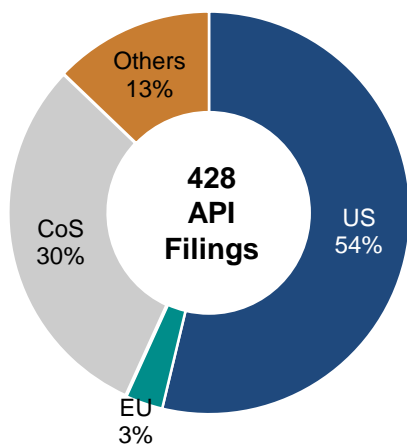


# The Base Business : API

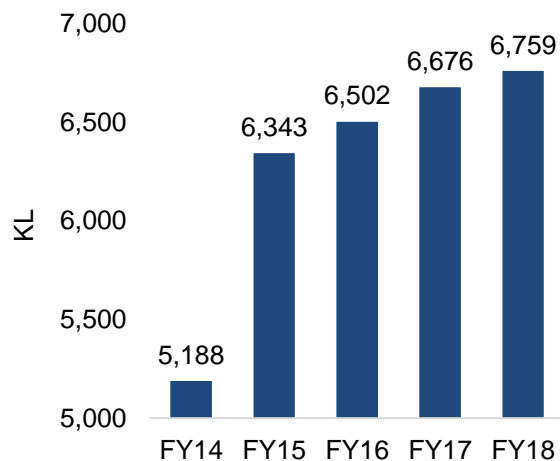


- API capacity is strategic in-terms of vertical integration and supply to regulated markets; Additional investments are made for capacity creation and capability building
- API business continue to focus on complex products with varying volumes
- Focus on continuous improvement of manufacturing processes to meet market needs
- Continue to have sustained growth in more advanced regulated markets (EU, Japan & USA)
- API facilities have been inspected by USFDA, UK MHRA, EU, Japan PMDA, Mexico COFEPRIS, Brazil-ANVISA, Korea FDA etc.

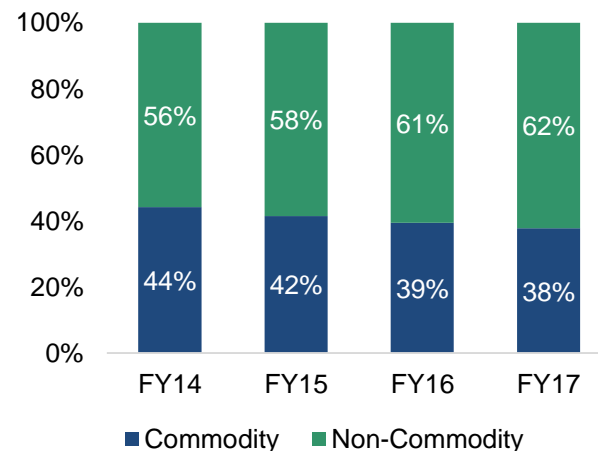
## Strong Regulatory Capability\*



## Significant increase in reaction volumes



## Consistent improvement in Non-Commodity products sales\*\*

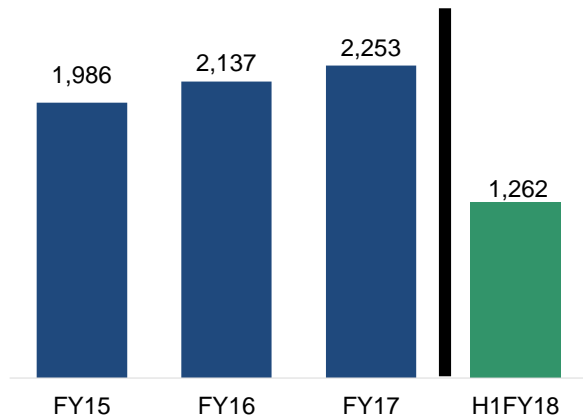


\*As on 31 Dec 2017 (excludes Multiple registrations); \*\*External sales break-up; FY14 & FY15 numbers are as per IGAAP

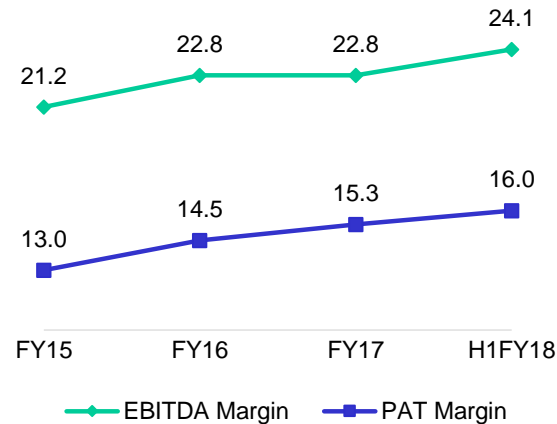
# Financial Performance



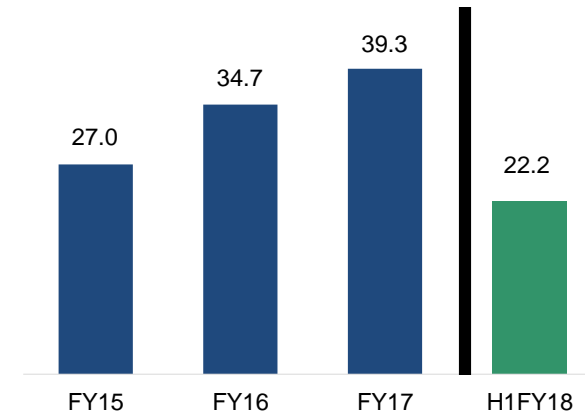
## Revenue from Operations (\$ Mn)



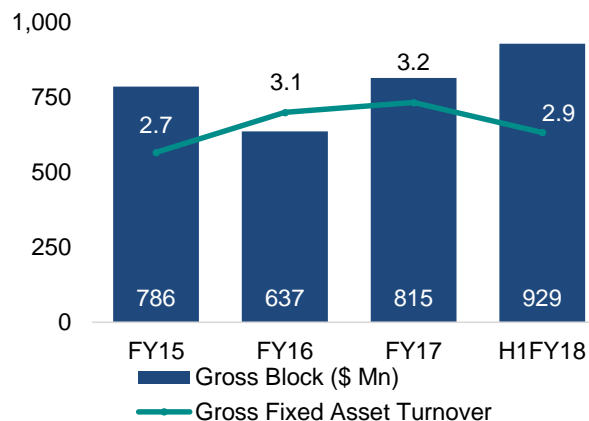
## EBITDA & PAT Margin (%)



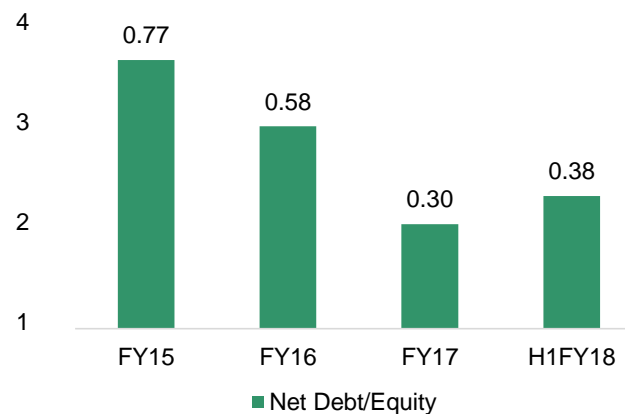
## EPS (INR/Share)



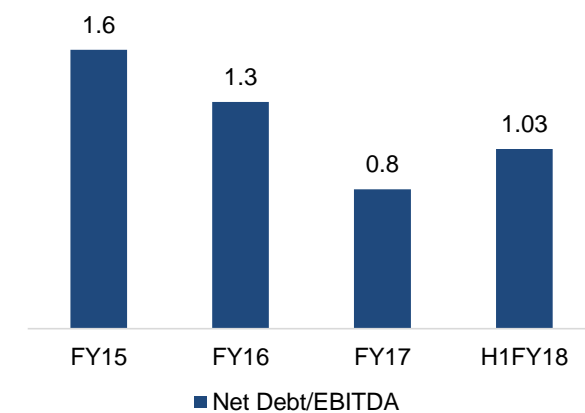
## Gross Block & Fixed Asset Turnover



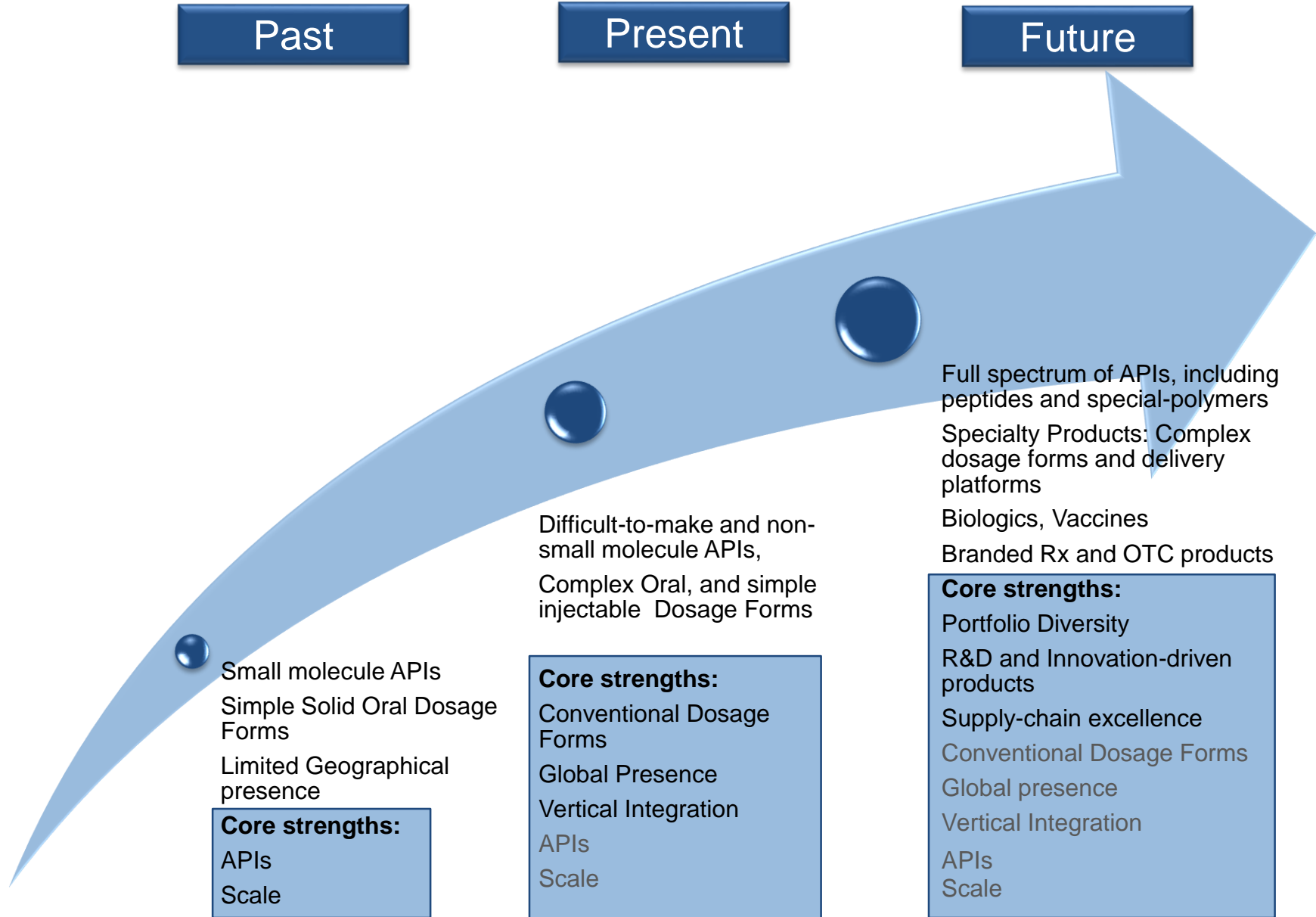
## Net debt / Equity



## Net Debt/EBITDA



# Shifting Paradigms ...





# Focus on Building a Diverse and Robust Specialty Products Portfolio



## Short Term - 2018

- Strengthen & Diversify Portfolio  
biosimilars, oncology, peptides, respiratory, topicals, vaccines etc
- R&D and Manufacturing capability & capacity in India and US  
acquire talent, build capacity, and secure external partnerships if and when necessary.
- Supply chain and marketing structure  
fully-automated distribution center, brand building etc



## Medium Term - 2019-2021

- Ramp-up filing specialty products and 505b2s
- Launch first set of oncology, respiratory, complex injectables, topical products and ADF products in the US
- Launch first set of biosimilars and vaccines in Growth Markets
- Focus on securing IP



## Long Term - 2022 onwards

- Launch of inhalers, transdermals, biosimilars, and branded (both Rx and OTC) products in advanced markets
- File 505b2s for rare and orphan diseases, secure exclusivity
- Work on BLAs

# Enhanced Research & Development Capabilities



## 5 R&D centers in Hyderabad, India >1500 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
- Developing diverse pipeline of biosimilars in Oncology and Immunology. CHO-GS based cell lines with productivity of ~ 4.0 g/L
- Portfolio of more than 800 products

## 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

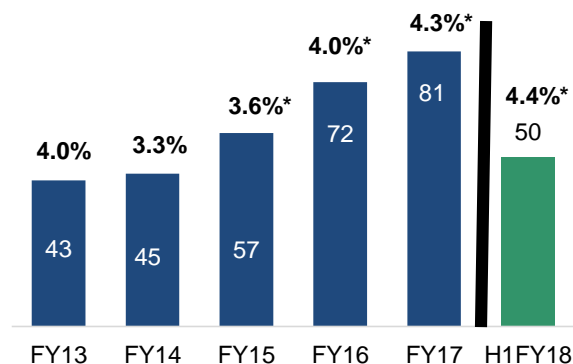
## 1 R&D center in Raleigh, North Carolina – 40 scientist and analysts

- Developing various respiratory and nasal products, including MDIs
- 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)



# Thank You



For updates and specific queries, please visit our website [www.aurobindo.com](http://www.aurobindo.com)

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