

# Q4 & FY24 FINANCIAL RESULTS

May 7, 2024



# Safe Harbor Statement

This presentation contains forward-looking statements and information that involve risks, uncertainties and assumptions. Forward-looking statements are all statements that concern plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are other than statements of historical fact, including, but not limited to, those that are identified by the use of words such as “anticipates”, “believes”, “estimates”, “expects”, “intends”, “plans”, “predicts”, “projects” and similar expressions. Risks and uncertainties that could affect us include, without limitation:

- General economic and business conditions in India and other key global markets in which we operate;
- The ability to successfully implement our strategy, our research and development efforts, growth & expansion plans and technological changes;
- Changes in the value of the Rupee and other currency changes;
- Changes in the Indian and international interest rates;
- Allocations of funds by the Governments in our key global markets;
- Changes in laws and regulations that apply to our customers, suppliers, and the pharmaceutical industry;
- Increasing competition in and the conditions of our customers, suppliers and the pharmaceutical industry; and
- Changes in political conditions in India and in our key global markets.

Should one or more of such risks and uncertainties materialize, or should any underlying assumption prove incorrect, actual outcomes may vary materially from those indicated in the applicable forward-looking statements.

For more detailed information on the risks and uncertainties associated with the Company’s business activities, please see the company’s annual report filed in Form 20-F with the US SEC for the fiscal year ended March 31, 2023 and quarterly financial statements filed in Form 6-K with the US SEC for the quarters ended Jun 30, 2023, Sep 30, 2023, Dec 30, 2023 and our other filings with US SEC. Any forward-looking statement or information contained in this presentation speaks only as of the date of the statement. We are not required to update any such statement or information to either reflect events or circumstances that occur after the date the statement or information is made or to account for unanticipated events.

## Q4FY24 Performance

₹ 7,083 Cr

Revenues

↑ 12%YoY ↓ 2% QoQ

₹ 1,872 Cr | 26%  
EBITDA | EBITDA %

↑ 15%YoY ↓ 11% QoQ

₹ 1,602 Cr | ~23%  
PBT | PBT %

↑ 21%YoY ↓ 12% QoQ

₹ 1,307 Cr | ~18%  
PAT | PAT %

↑ 36%YoY ↓ 5% QoQ

## FY24 Performance

₹ 27,916 Cr

Revenues

↑ 14%YoY

₹ 8,301 Cr | ~30%  
EBITDA | EBITDA %

↑ 14%YoY

₹ 7,187 Cr | ~26%  
PBT | PBT %

↑ 19%YoY

₹ 5,569 Cr | ~20%  
PAT | PAT %

↑ 24%YoY

## Another year of strong performance with double-digit growth in revenues & profits

### FINANCIAL HIGHLIGHTS

- **Highest ever annual revenues and profits**
- Adjusted for income from brand divestment of non-core brands in India from prior year, **underlying YoY revenue growth is at 17% for Q4 and 16% for FY24**
- **Robust EBITDA and an annualised RoCE at 36%**
- **A strong balance sheet with Net cash surplus of ₹6,459 Cr**

# Q4FY24 Highlights : Collaborations with industry partners and investing in businesses of future to enable us to deliver on our purpose

## STRATEGIC INITIATIVES

- **2<sup>nd</sup> largest vaccine player in India** through **Sanofi** partnership
- Partnered with **Bayer** to distribute second brand to **Vericiguat**, in India
- Licensed **Centhaquine** in India for hypovolemic shock treatment
- Partnered with **Amgen** for osteoporosis drug, **Evenity<sup>®</sup>** (romosozumab) in India
- Acquired women's dietary supplement portfolio, **MenoLabs<sup>®</sup>**
- Launched our first Biosimilar in UK, **Bevacizumab**
- Entered **UK consumer health market** with allergy medication, **Histallay<sup>®</sup>** launch
- **Nerivio<sup>®</sup>**, now launched in Europe, starting with **Germany**



## OTHER UPDATES

- **VAI status** provided to **FTO-3 & R&D centre** in Bachupally, Hyderabad
- **CRL** issued to the **BLA** of our proposed biosimilar Rituximab
- Included in **S&P Global Sustainability Yearbook 2024** for the 4th consecutive year - **top 10% score** category for first time
- **'A'** rating in **Supplier Engagement**; **only Indian Pharma Co.** with **'A minus'** rating in **Climate Change & Water Security** in **2023 CDP**

S&P Global



Dr.Reddy's

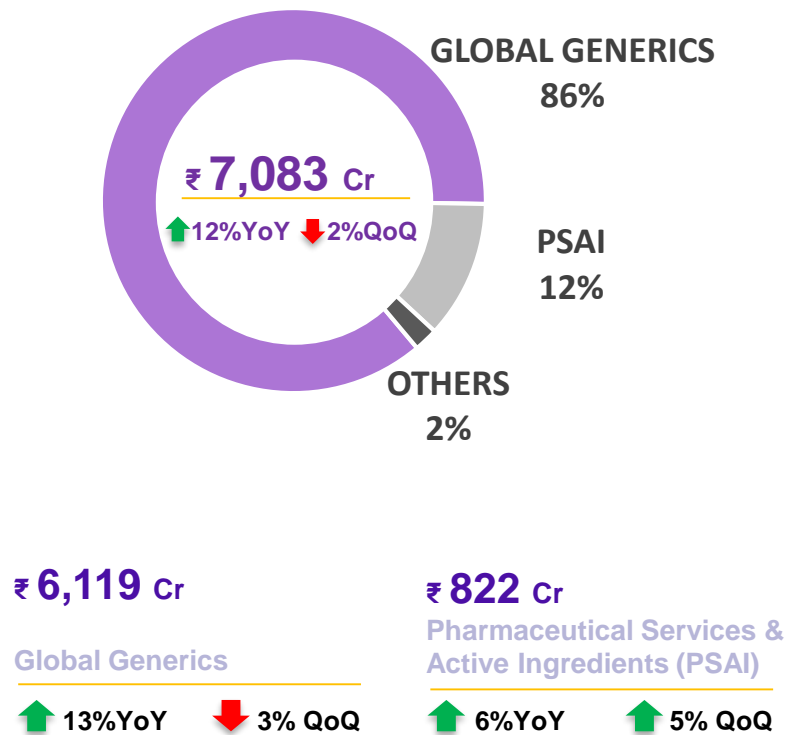
# Formed a joint venture with Nestlé India to take health science nutraceutical portfolio to consumers in India

- **Unites** global assortment of **nutritional health solutions**, including vitamins, minerals, herbals, and supplements from Nestle Health Science (NHSc), **and harnessing the commercial expertise** of Dr. Reddy's
- Nestlé Health Science brands to be licensed into the JV : **Nature's Bounty, Osteo Bi-Flex, Ester-C, Resource High Protein, Optifast, Resource Diabetic, Peptamen, Resource Renal and Resource Dialysis**
- Dr. Reddy's brands to be licensed into the JV : **Rebalanz, Celevida, Antoxid, Kidrich-D3, Becozinc**
- JV Company to become **operational** from **Q2 FY25**

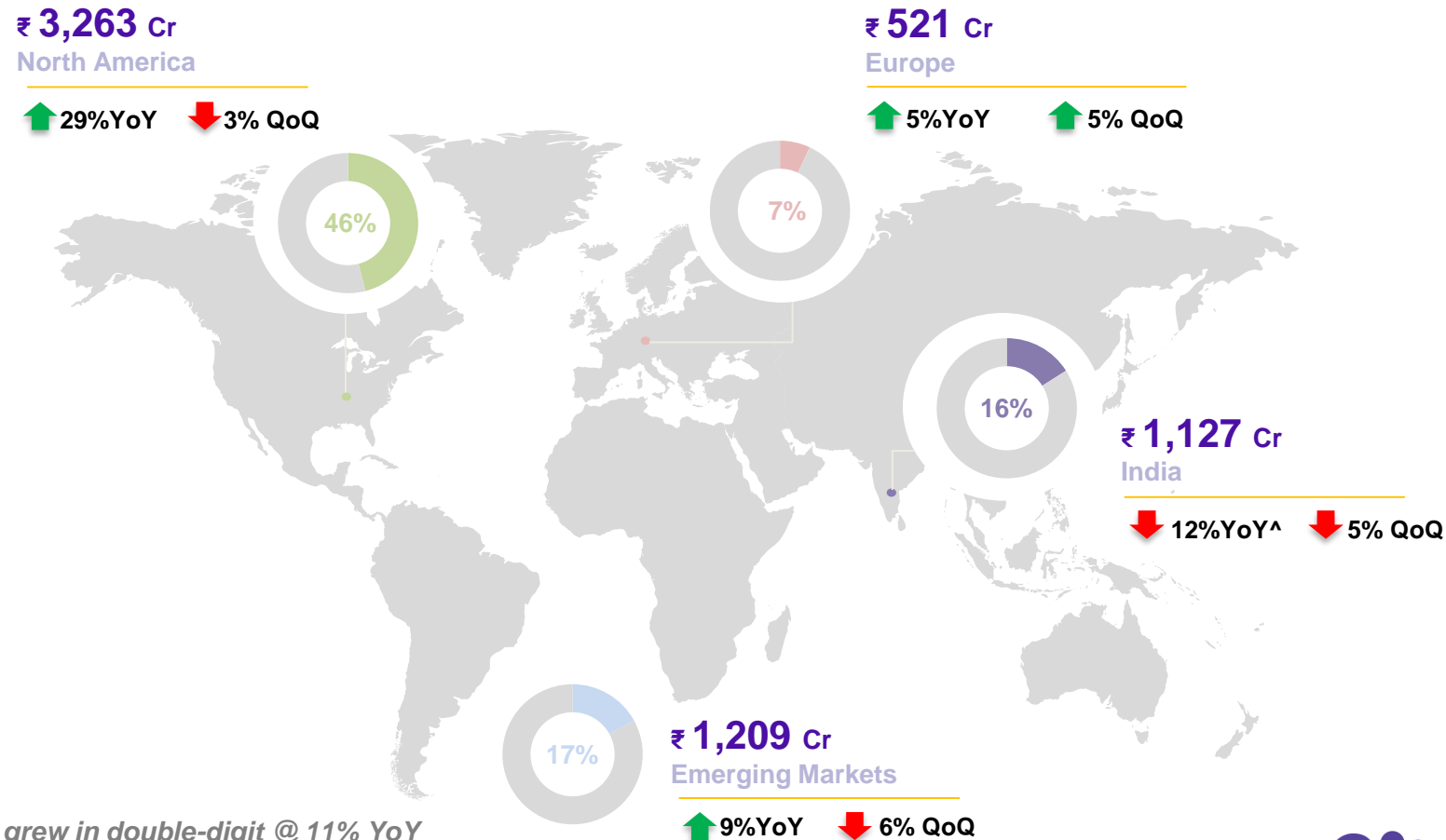


# Q4FY24 growth driven by increase in base business volumes in US and new product launches in Emerging Markets

## REVENUE BY SEGMENT



## GLOBAL GENERICS REVENUE BY GEOGRAPHY

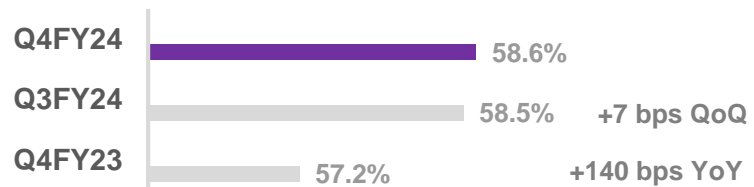


<sup>^</sup>Adjusted for brand divestment income in previous period; India grew in double-digit @ 11% YoY

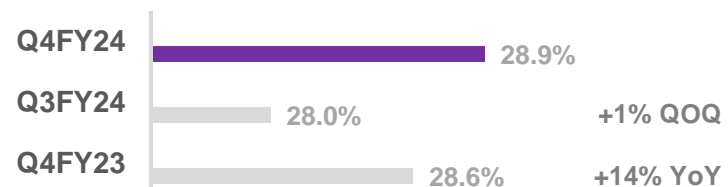


# Investing to strengthen our brands & creating future growth platforms

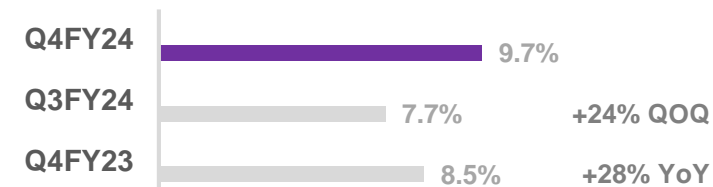
## GROSS MARGINS (% of Revenue)



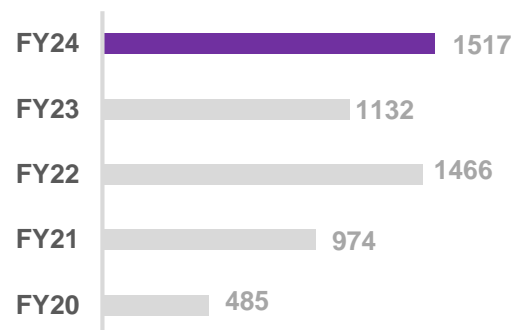
## SG&A EXPENSES (% of Revenue)



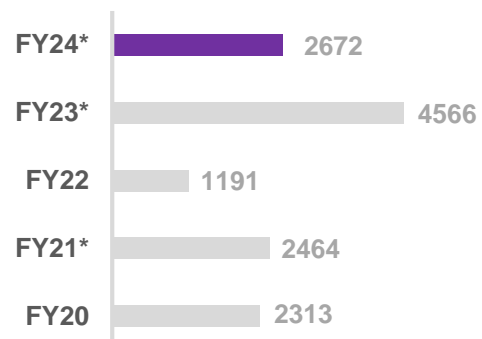
## R&D EXPENSES (% of Revenue)



## CAPEX (₹ Cr)

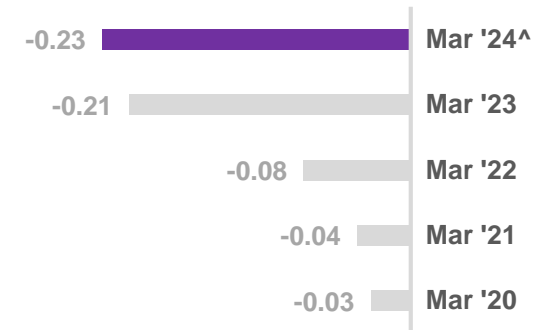


## FREE CASH FLOW (₹ Cr)



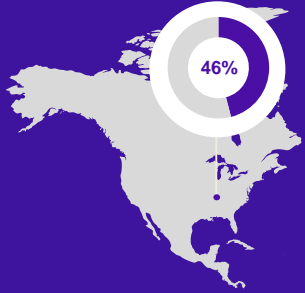
\*Before acquisition related payouts

## NET DEBT / EQUITY



^Net Cash Surplus (Adjusted for non-current cash & borrowings) stood at ₹ 6,459 Cr. as on 31<sup>st</sup> Mar 2024

# North America Q4FY24 Performance



Revenues

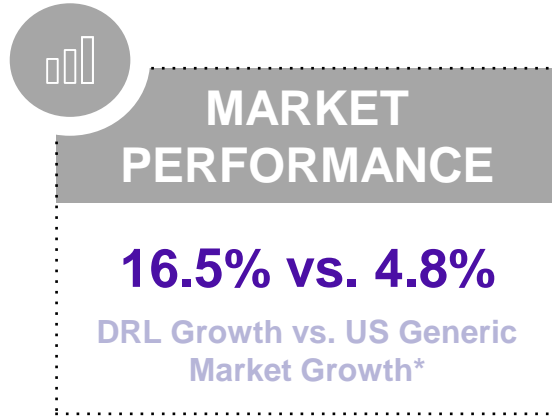
₹ 3,263 Cr

↑ 29%YoY   ↓ 3% QoQ

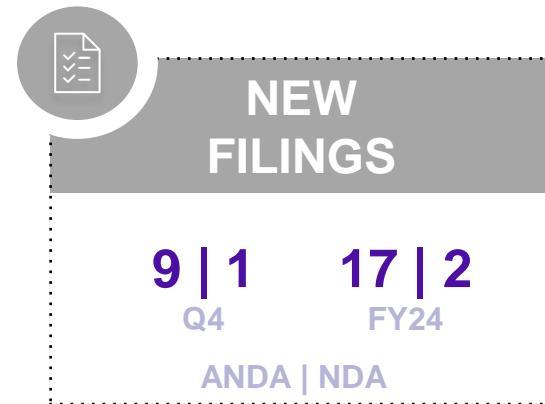
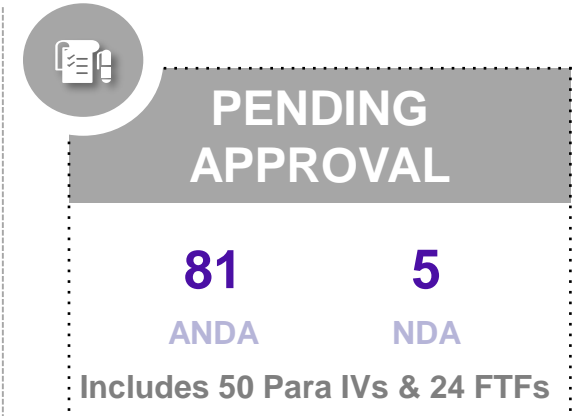
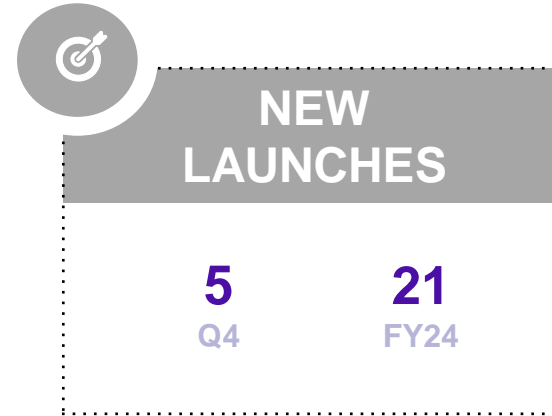
## GROWTH DRIVERS

- Driven by **market share expansion** in base business, **integration of Mayne portfolio**, partially offset by price erosion

# Good volume growth in our base business; strengthening position in OTC through acquisitions



\*As per IQVIA MAT for Feb' 24





# India Q4FY24 Performance



Revenues

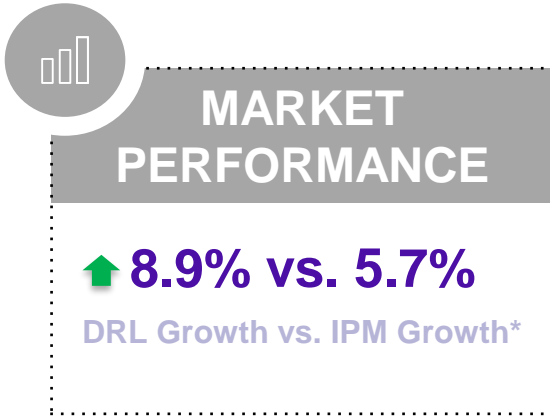
₹ 1,127 Cr

↓ 12%YoY   ↓ 5% QoQ

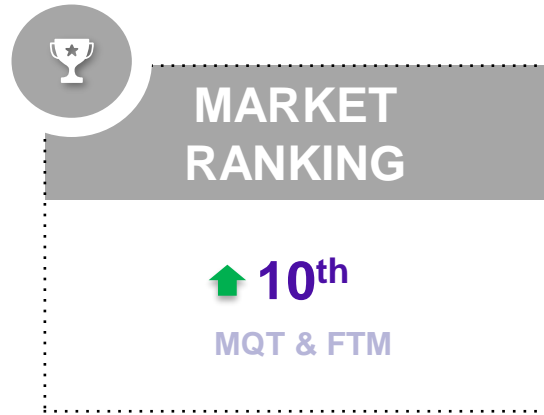
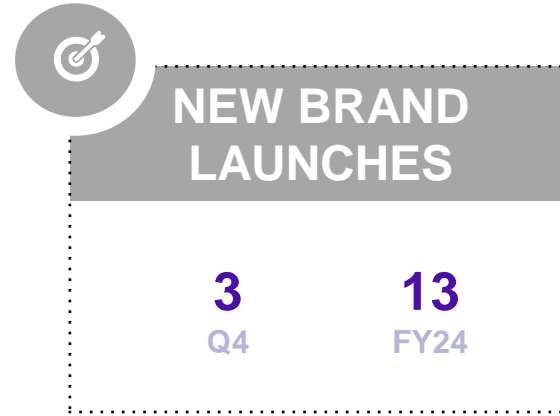
## GROWTH DRIVERS

- Decline largely on account of divestment of few non-core brands last year

# Double-digit growth excluding divestment income in previous year; continuous focus on strategic collaborations



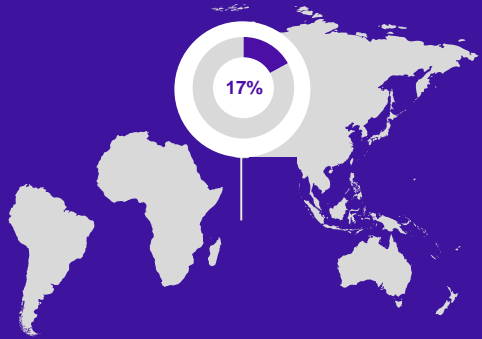
\*As per IQVIA MQT Mar' 24



\*As per IQVIA Mar'24



# Emerging Markets Q4FY24 Performance



Revenues  
**₹ 1,209 Cr**

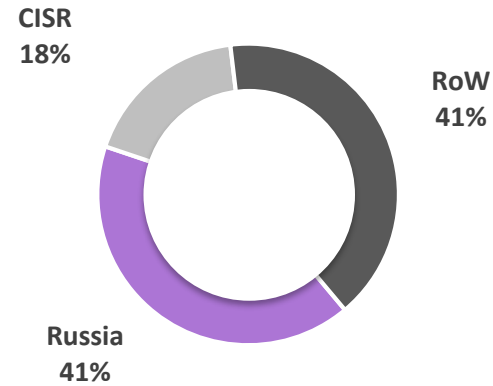
↑ 9%YoY   ↓ 6% QoQ

## GROWTH DRIVERS

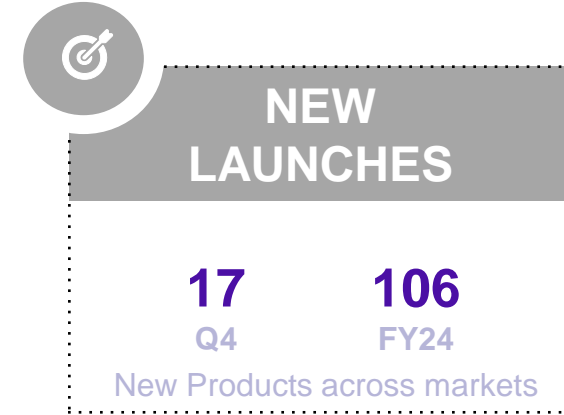
- Revenues from **new launches in RoW** and **higher volumes** in base business, offset by **unfavourable forex**

# Growth driven by new product launches in RoW and market share expansion; offset by unfavourable forex

## REVENUE SPLIT



## OTHER HIGHLIGHTS



**₹ 499 Cr**  
 Russia

↓ 4%YoY   ↓ 15% QoQ

- Constant currency growth: **YoY +9%** & **QoQ decline of 13%**

**₹ 217 Cr**  
 CISR

↓ 5%YoY   ↓ 7% QoQ

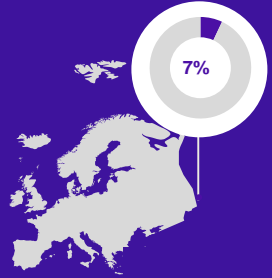
- Growth impacted by lower sales volumes

**₹ 493 Cr**  
 RoW

↑ 34%YoY   ↑ 7% QoQ

- YoY growth driven by new product launches

# Europe Q4FY24 Performance



Revenues  
₹ **521** Cr

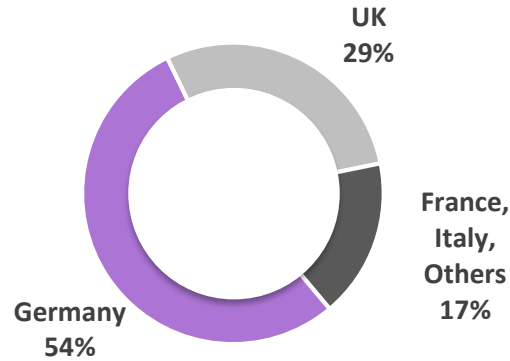
↑ 5%YoY    ↑ 5% QoQ

## GROWTH DRIVERS

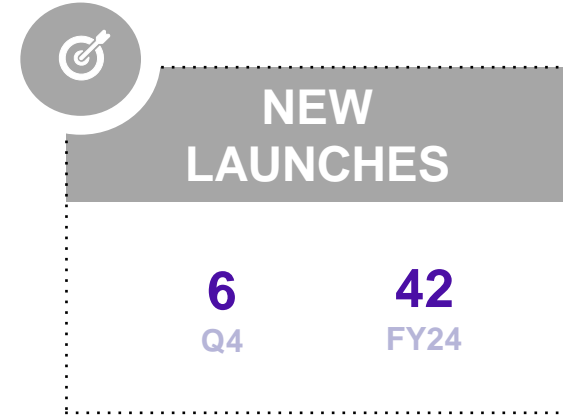
- Higher base business volumes, contribution from **new product launches**, partially offset by **price erosion**

# Momentum in base business & new product launches driving growth

## REVENUE SPLIT



## OTHER HIGHLIGHTS



₹ **281** Cr  
Germany

↑ 7%YoY    ↑ 5% QoQ

₹ **151** Cr  
UK

↑ 9%YoY    ↑ 10% QoQ

₹ **89** Cr  
France, Italy, Others

↓ 7%YoY    ↓ 5% QoQ

# PSAI Q4FY24 Performance



Revenues

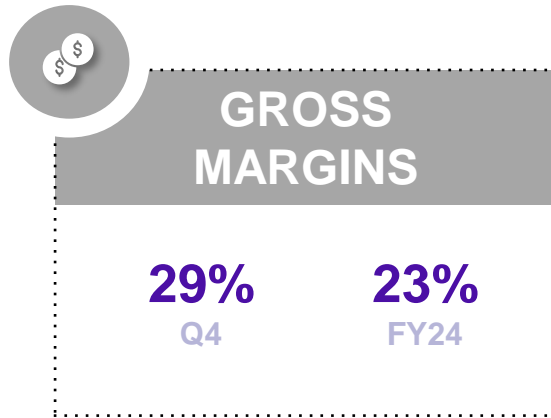
₹ 822 Cr

↑ 6%YoY    ↑ 5% QoQ

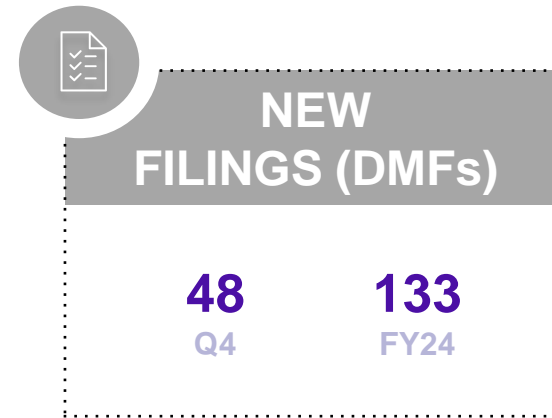
## GROWTH DRIVERS

- Growth driven by **new product launches** and **favourable forex**, partly offset by **price erosion**

## Growth driven by new launches and forex gains



Q4FY23 margins @25%



# In Summary

*A diversified business model with broad based levers*



STRENGTHEN CORE BUSINESSES ACROSS MARKETS WITH A ROBUST PRODUCT PORTFOLIO



INVEST IN INNOVATIVE & DIFFERENTIATED PRODUCTS (NCEs, CDMO, NUTRA, D2C, OTHERS)



FOCUS ON QUALITY AND COMPLIANCE



STRENGTHEN CAPABILITIES – PEOPLE, DIGITAL, PROCESSES



DRIVE OPERATIONAL EFFICIENCY & PRODUCTIVITY



INTEGRATE ESG INTO BUSINESS

Dr.Reddy's



Dr.Reddy's 

# About key metrics and non-GAAP Financial Measures

This press presentation contains non-GAAP financial measures within the meaning of Regulation G and Item 10(e) of Regulation S-K. Such non-GAAP financial measures are measures of our historical performance, financial position or cash flows that are adjusted to exclude or include amounts, as the case may be, from the most directly comparable financial measure calculated and presented in accordance with IFRS.

The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with IFRS. Our non-GAAP financial measures are not based on any comprehensive set of accounting rules or principles. These measures may be different from non-GAAP financial measures used by other companies, limiting their usefulness for comparison purposes.

We believe these non-GAAP financial measures provide investors with useful supplemental information about the financial performance of our business, enable comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key metrics used by management in operating our business.

For more information on our non-GAAP financial measures and a reconciliation of GAAP to non-GAAP measures, please refer to "Reconciliation of GAAP to Non-GAAP Results" table in the press release.

**Good  
Health  
Can't  
Wait.**

