

Press Presentation – Q1 FY19



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, 2018 and quarterly financial statements filed in Form 6-K with the US SEC for the quarters ended June 30, 2017, September 30, 2017, December 31, 2017 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.

Q1 Financial highlights

Revenues (₹ Cr)

YoY Gr
12%

QoQ Gr
5%

3,316

3,535

3,721

Q1 FY18

Q4 FY18

Q1 FY19

Gross profit (%)

51.6%

53.5%

55.7%

Q1 FY18

Q4 FY18

Q1 FY19

% to Sales

R&D (₹ Cr)

507

435

416

15.3

12.3

11.2

Q1 FY18

Q4 FY18

Q1 FY19

% to Sales

EBITDA (₹ Cr)

336

578

807

10.1

16.3

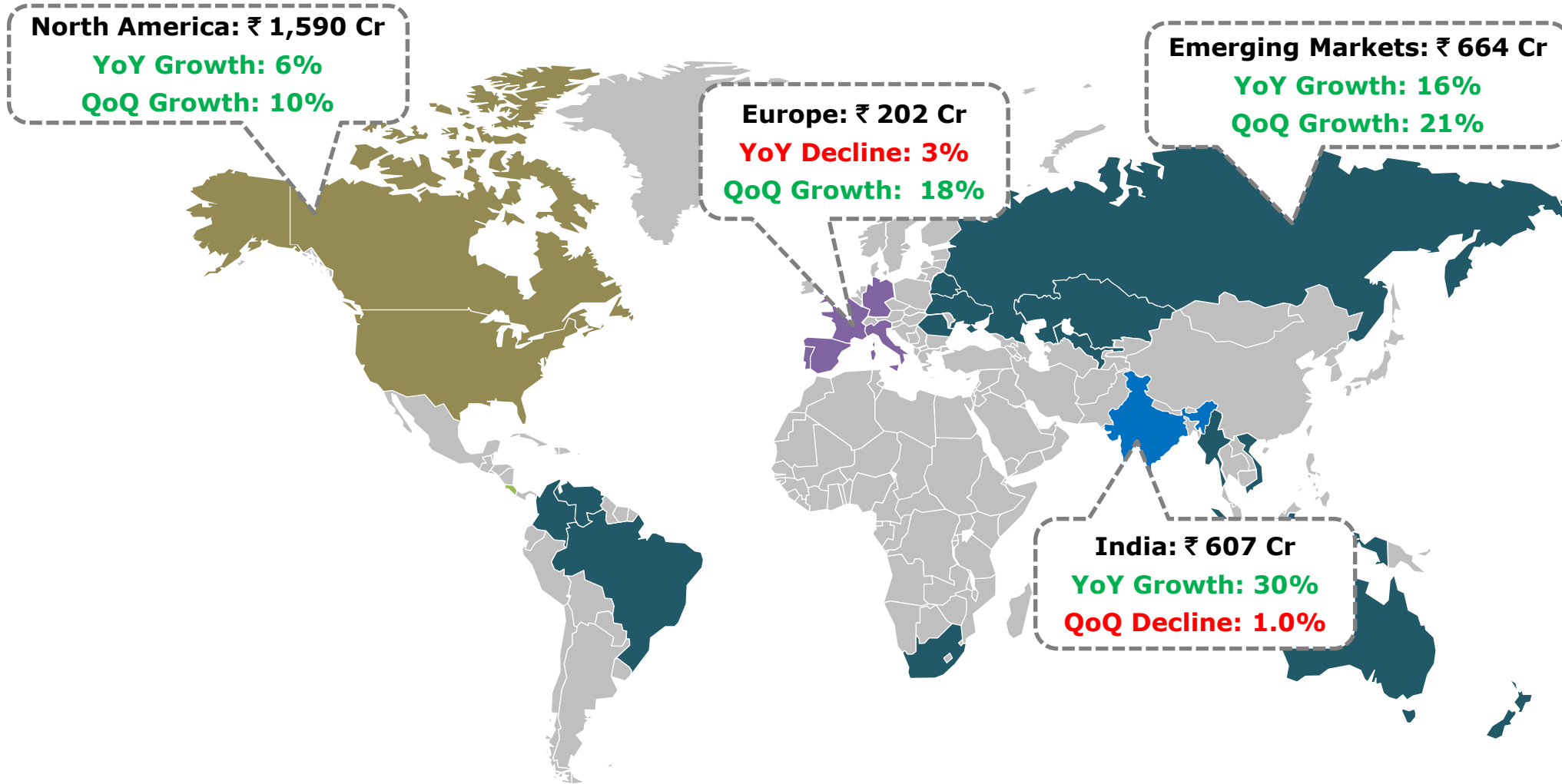
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Q1 FY18

Q4 FY18

Q1 FY19

Q1 FY19: Global Generics revenues of Rs. 3,064 Cr (YoY 12% Growth, QoQ 10% Growth)

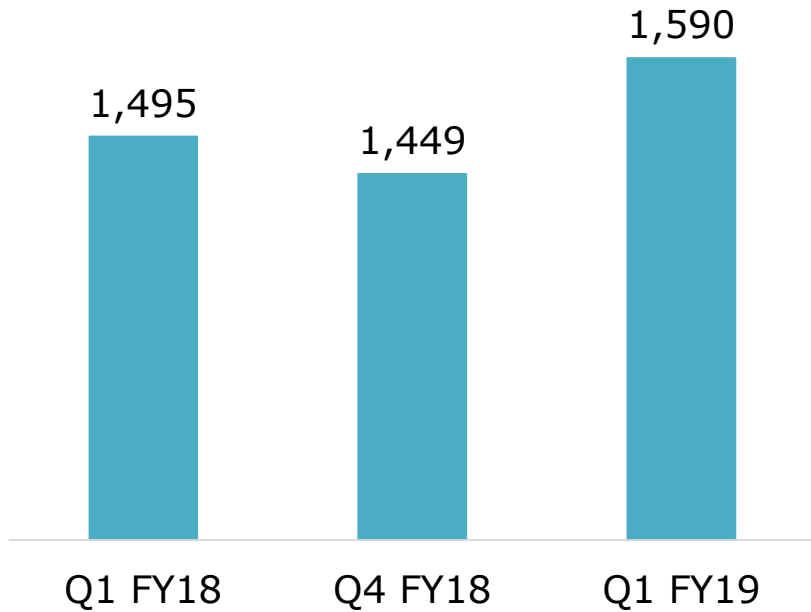


North America Generics

Revenues (₹ Cr)

YoY Gr
6%

QoQ Gr
10%



Market Share

Product	May-18	Mar-18
Liposomal Doxorubicin	39%	31%
Decitabine	46%^	54%^
Ezeti+Simva	30%	31%
Metoprolol ER	29%	31%
Azacitidine	30%	26%
Esomeprazole DR	24%^	28%^
Atorvastatin	12%	10%

^Based on total market

Generics filings update

281 cumulative filings
(277 ANDAs, 4 NDAs)



112 pending approvals
(109 ANDAs, 3 NDAs)

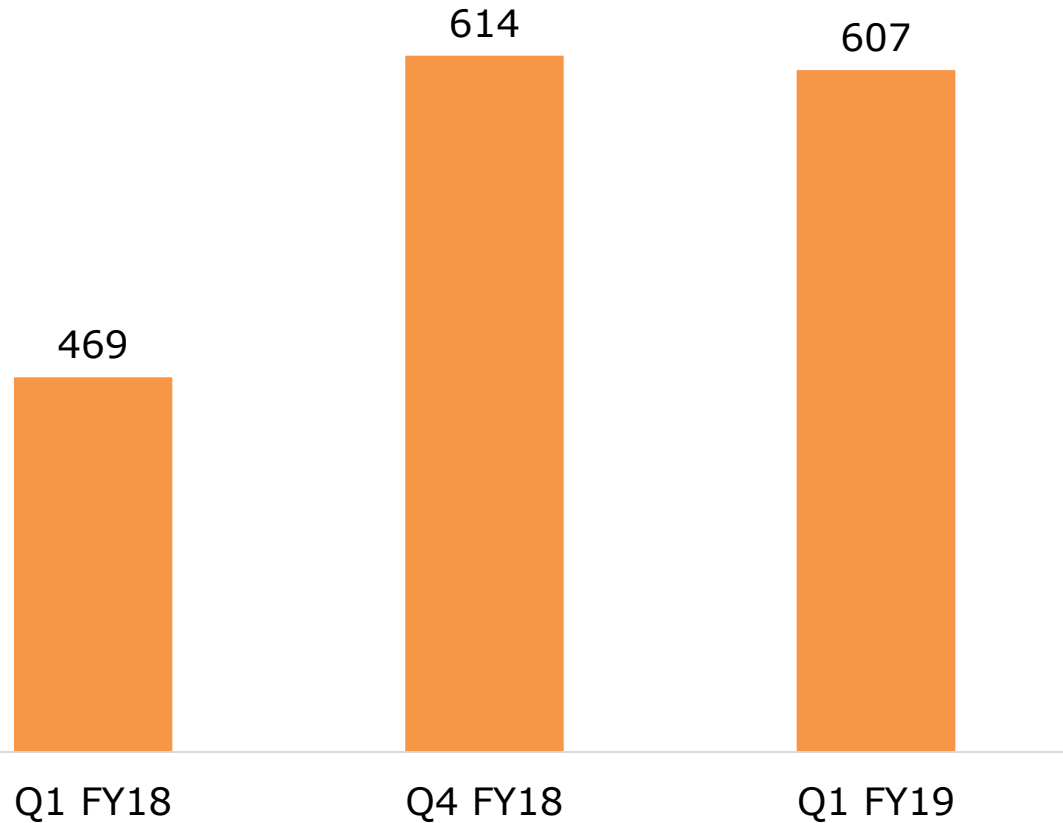


61 Para IV filings
30 First to files

- QoQ & YoY growth is primarily driven by new products and favourable forex rates
- During this quarter, we have launched 4 (four) new products in the US market which are gSuboxone, Thiotepa Inj, Aripiprazole ODT and Levetiracetam Bags.
- We have been restrained by the US court to sale gSuboxone and have filed an appeal against the Preliminary Injunction order

India

Revenues (₹ Cr)



- YoY growth is largely attributable to lower sales in Q1 FY18 on account of inventory de-stocking during GST transition.
- 7 new products launched during the quarter.

Repatha
(evolocumab) injection
140 mg/mL



- Growth rates of Dr. Reddy's vs IMS – improving trend in the recent months:

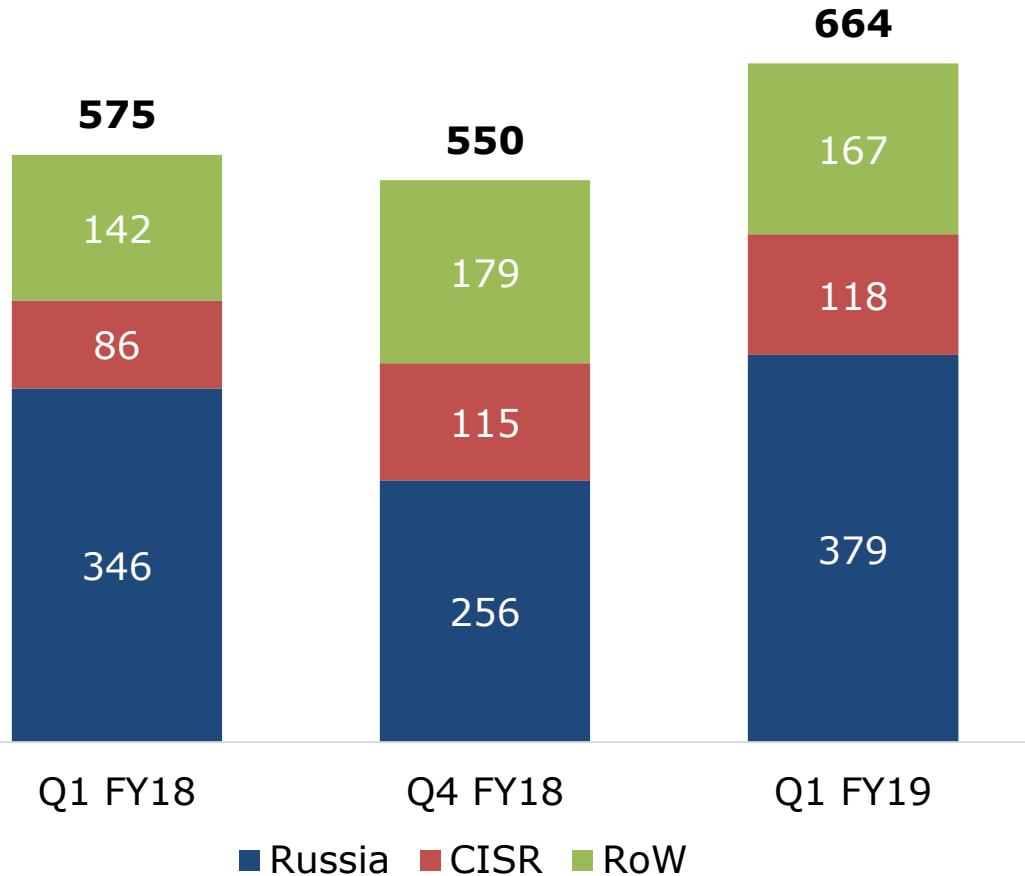
June 2018	FTM	MQT	MAT
IPM	12.8%	10.6%	7.8%
Dr. Reddy's	16.0%	9.4%	4.4%

Emerging Markets

Revenues (₹ Cr)

YoY Gr
16%

QoQ Gr
21%



Russia

- In constant currency terms, sales grew by 14% YoY
- Growth is contributed by new product launches and higher volume uptake in some of our key molecules

CISR

- Growth driven by new product launches across the markets and favourable forex rate
- Ukraine and Kazakhstan have performed well during the quarter

ROW

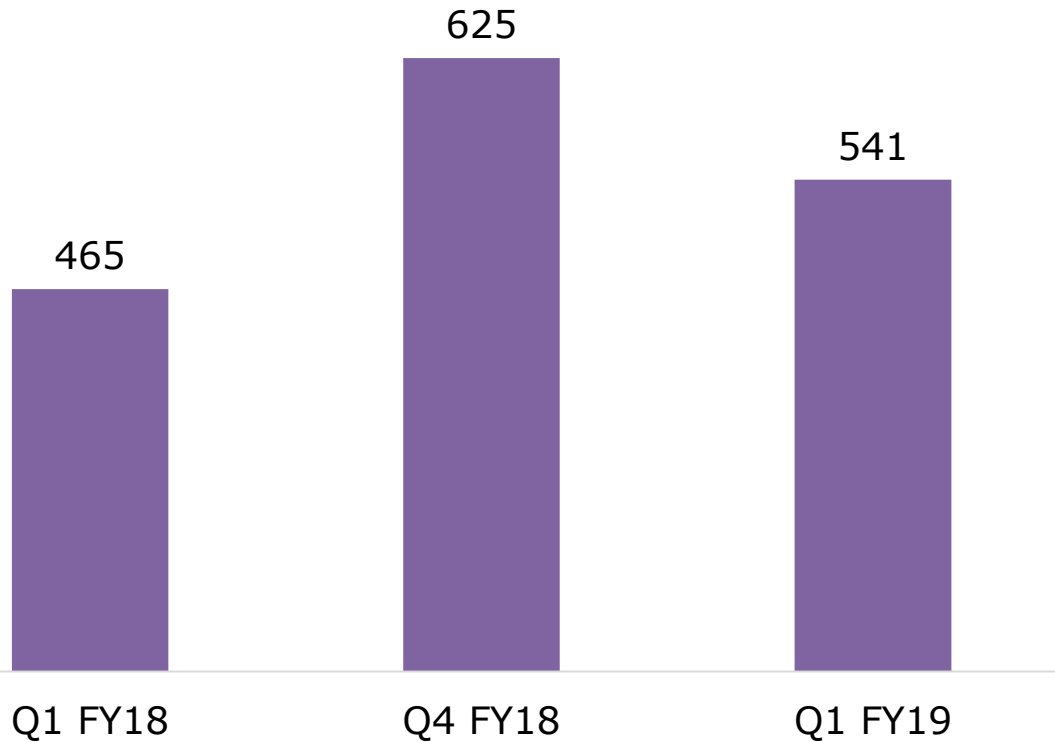
- Growth driven by China and newly entered markets of Brazil, Colombia and Turkey

Pharmaceutical services & active ingredients

Revenues (₹ Cr)

YoY Gr
16%

QoQ dec
-13 %



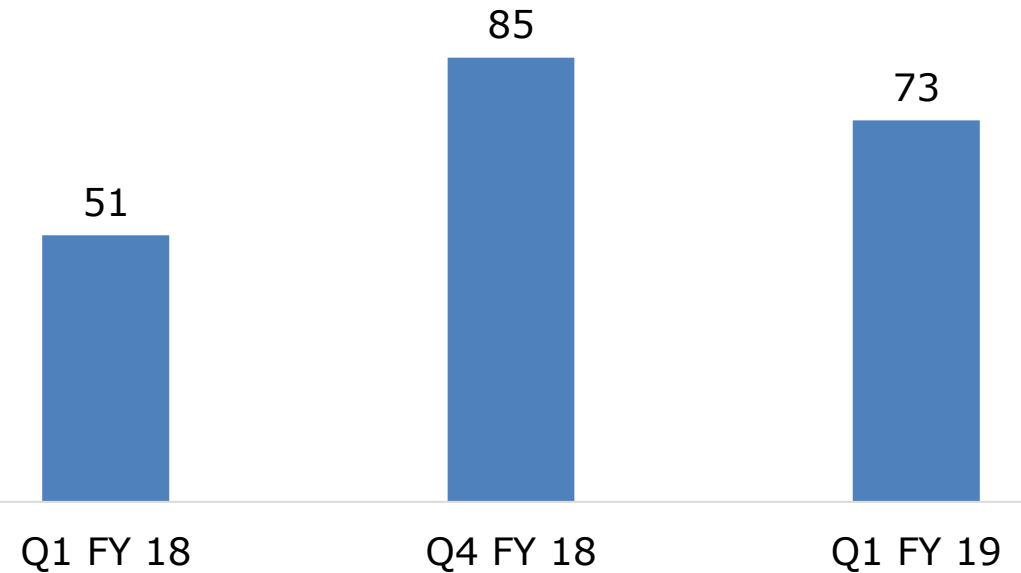
- During the quarter, we filed two DMFs with the USFDA

Proprietary Products

Revenues (₹ Cr)

YoY Gr
42%

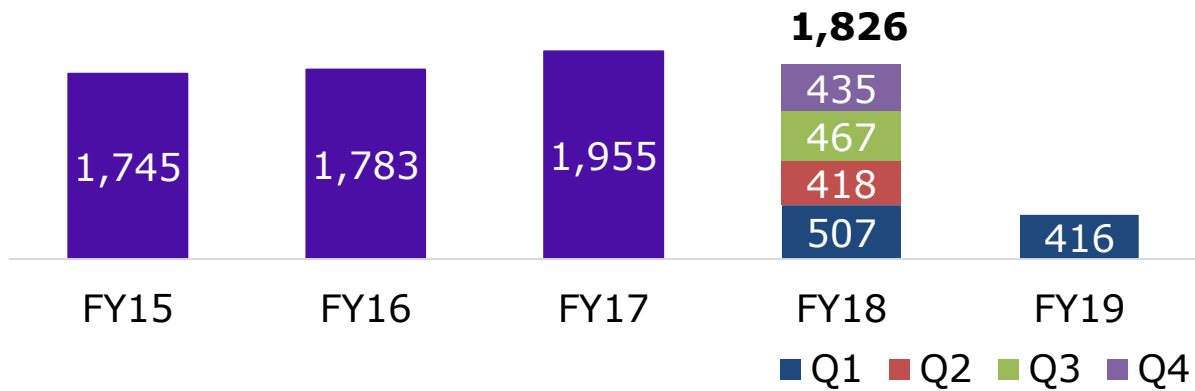
QoQ dec
-14 %



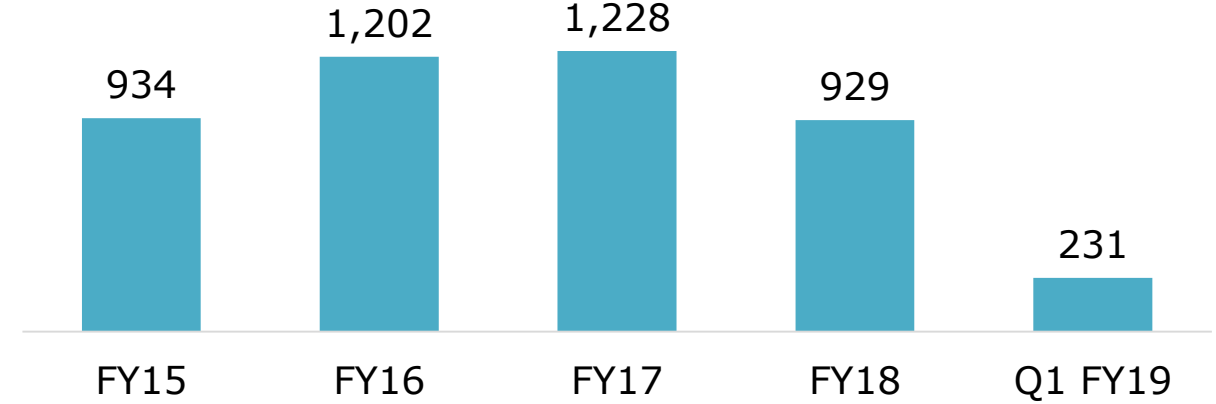
- YoY growth of 42%, is driven by volume traction coupled with better realizations in some of the key molecules.

R&D, Capex and Free cash flow

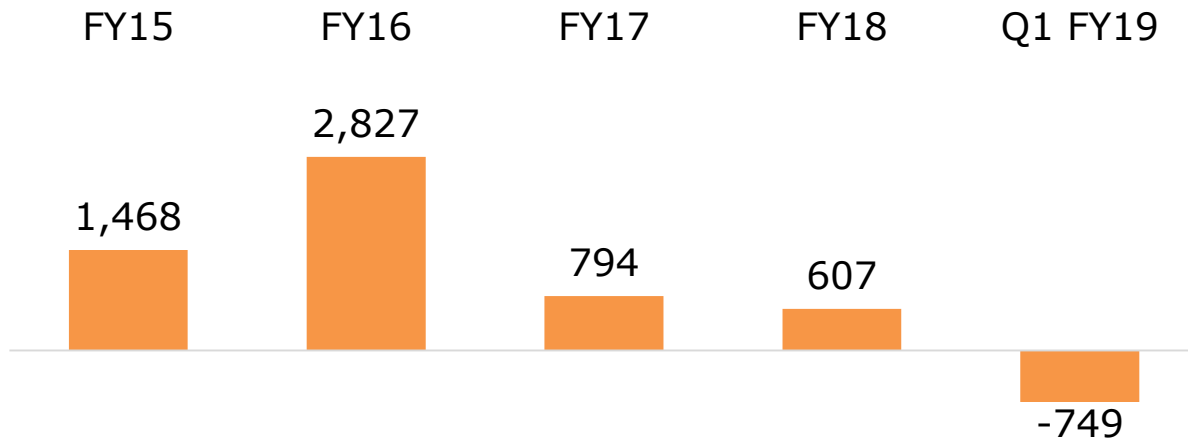
R&D expenses (₹ Cr)



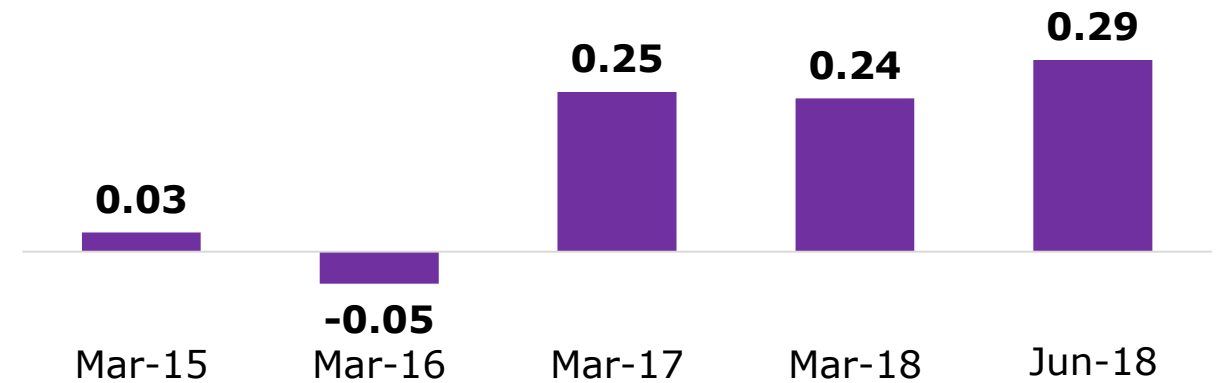
Capex (₹ Cr)



Free cash flow (₹ Cr)



Net Debt / Equity



FCF as above is before acquisition related pay-outs

Key Priorities



✓ gSuboxone: Favourable outcome in the appeal case

✓ Accelerate the new product approvals and launch

✓ Continue to strengthen the quality management systems and processes, and work towards successful resolution of the USFDA concerns at the two warning letter impacted plants

✓ Strengthen our portfolio across markets, and grow better than the market growth rate

✓ Continue our journey towards cost efficiencies and improvement in the spend productivity across R&D, Manufacturing and Marketing

Q&A SESSION

THANK YOU





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