

# Press Presentation – Q2 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.

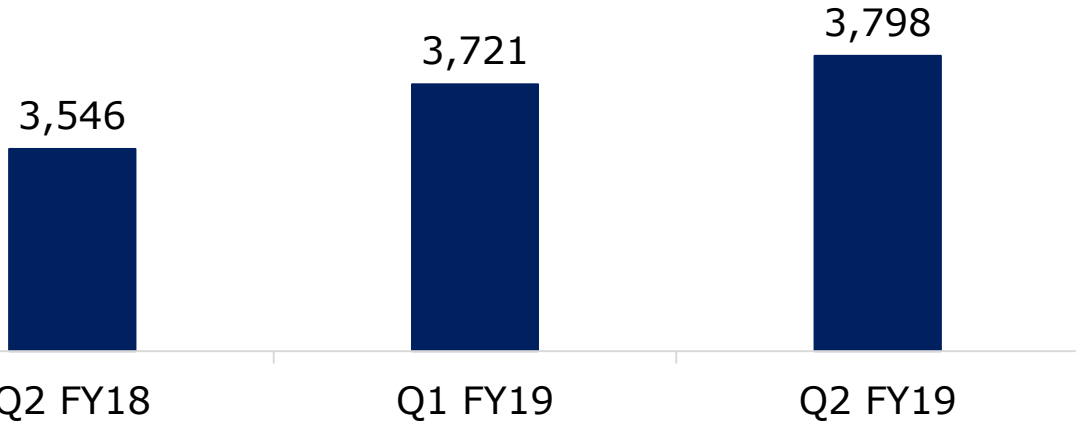
Should one or more of such risks and uncertainties materialize, or should any underlying assumption prove incorrect, actual outcomes may vary materially from those indicated in the applicable forward-looking statements.

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 September 30, 2017, December 31, 2017 and June 30, 2018, 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.

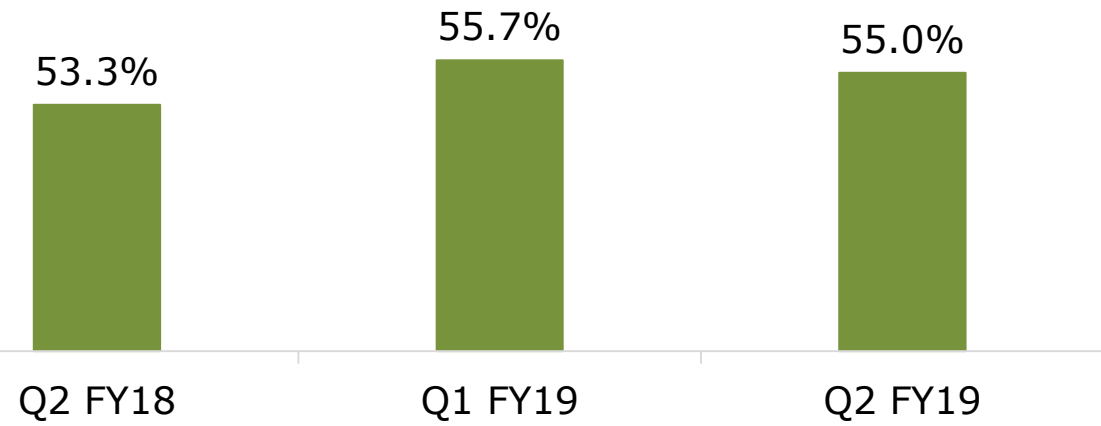
# Q2 Financial highlights

## Revenue (₹ Cr)

YoY 7%  
QoQ 2%

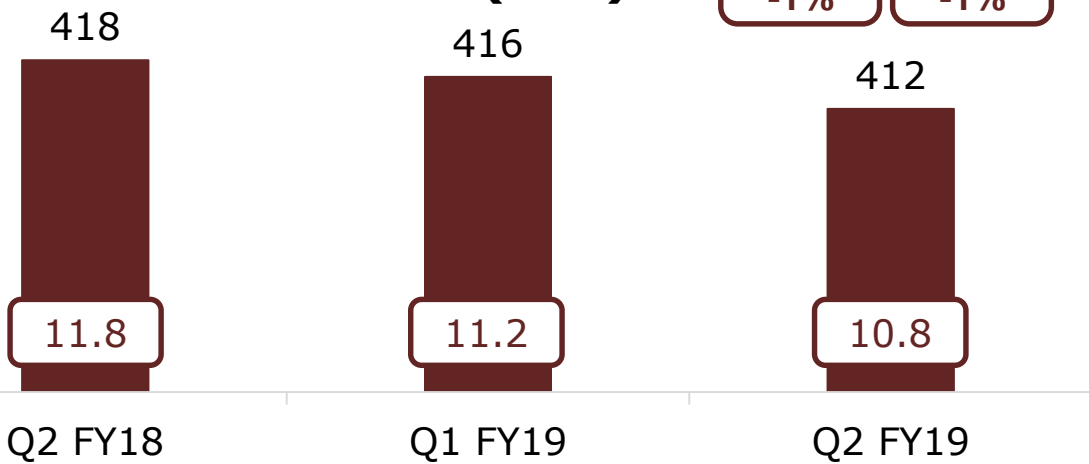


## Gross profit (%)



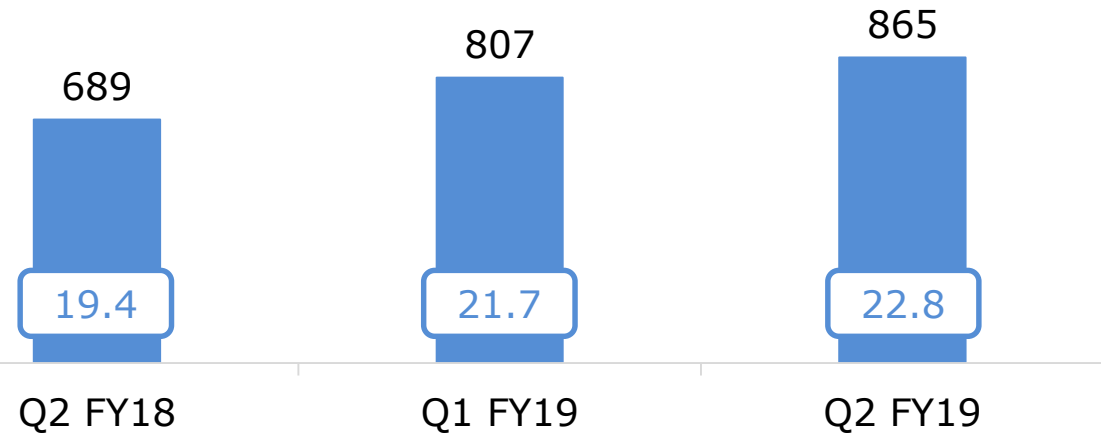
## R&D (₹ Cr)

YoY -1%  
QoQ -1%



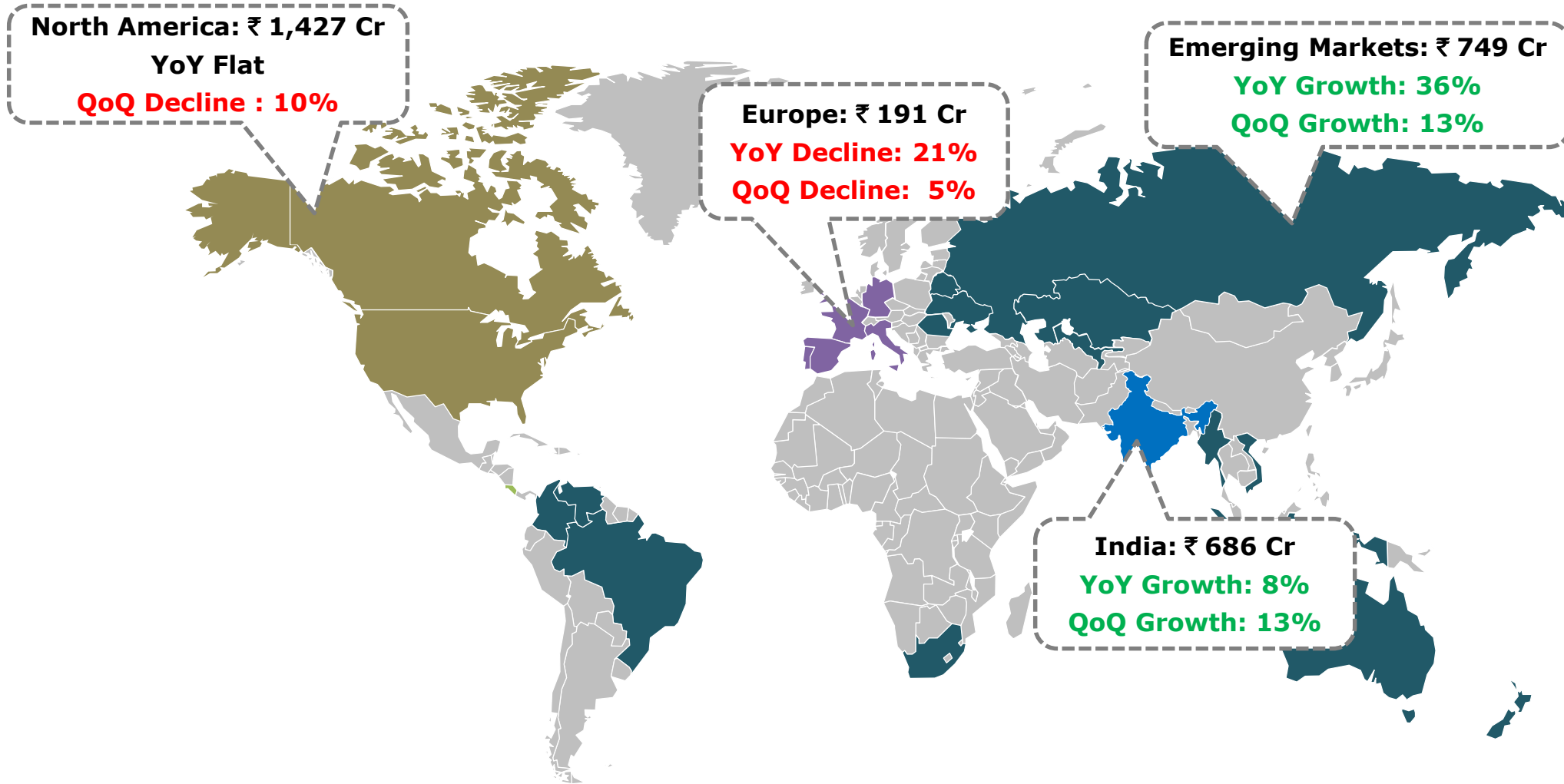
## EBITDA (₹ Cr)

YoY 26%  
QoQ 7%



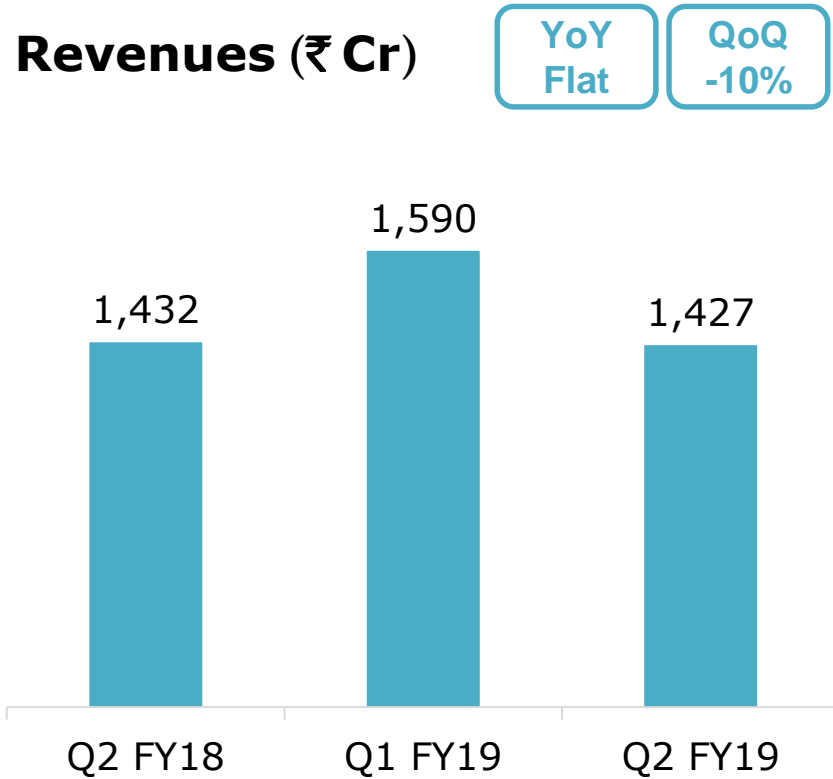
# Q2 FY19: Global Generics revenues of Rs. 3,054 Cr

(YoY Growth: 7%, QoQ: Flat)



# North America Generics

## Revenues (₹ Cr)



## Market Share

Product	Aug-18	May-18
Liposomal Doxorubicin <sup>^</sup>	51%	50%
Decitabine <sup>^</sup>	50%	46%
Ezeti+Simva	31%	30%
Metoprolol ER	26%	29%
Azacitidine	32%	30%
Palonosetron <sup>^</sup>	23%	16%
Atorvastatin	15%	12%

<sup>^</sup>Based on total market

## Generics filings update

**292 cumulative filings**  
(288 ANDAs, 4 NDAs)



**113 pending approvals**  
(110 ANDAs, 3 NDAs)



**63 Para IV filings**  
32 First to files

## Commentary

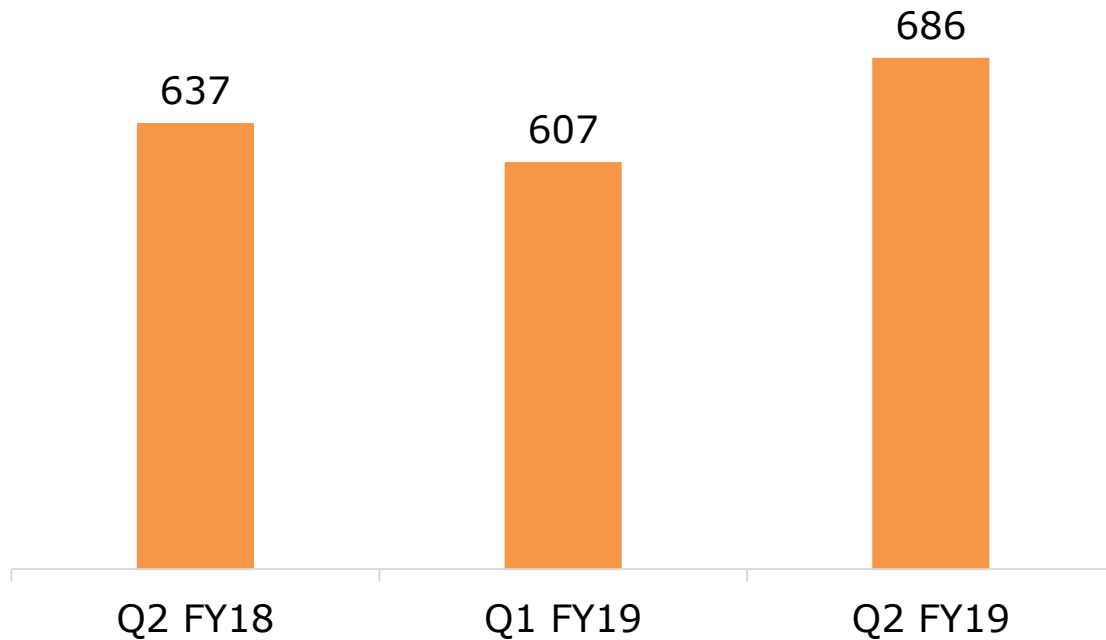
- QoQ decline primarily due to lack of gSuboxone sales, price erosion in few key products, partially offset by favourable forex benefit
- 4 new products were launched in North America in Q2 (OTC Esomeprazole, Neostigmine Inj, Hydroxychloroquine and Nitro-Dur)
- 3 ANDAs filed during the quarter with the USFDA

# India

## Revenues (₹ Cr)

YoY  
8%

QoQ  
13%



## Commentary

- YoY & QoQ growth driven by new product launches and improvement in the base business performance.
- 6 new products launched during the quarter.



## ➤ IMS Growth rates (Aug'18):

August 2018	MQT	MAT
<b>IPM</b>	13.7%	10.8%
<b>Dr. Reddy's</b>	13.1%	7.0%

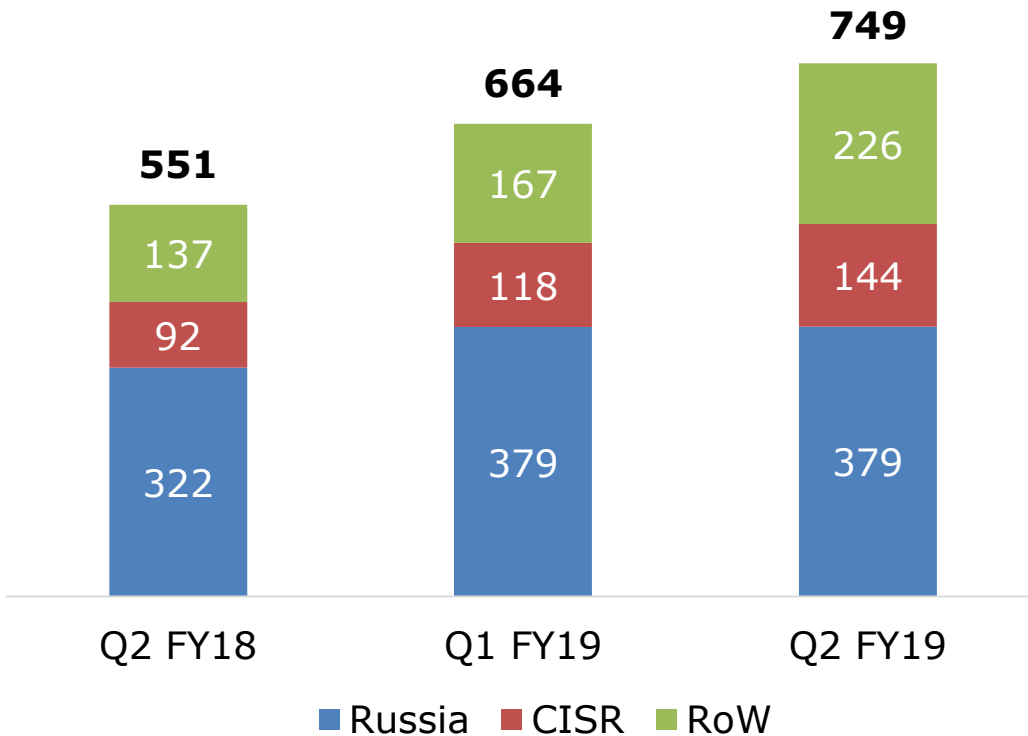
# Emerging Markets



## Revenues (₹ Cr)

YoY  
36%

QoQ  
13%



## Commentary

### Russia

- In local currency terms, YoY sales grew by 21%. Growth majorly due to new launches & improved volume uptake during the current quarter.

### CISR

- Growth driven by higher sales in Ukraine, Kazakhstan & Romania

### ROW

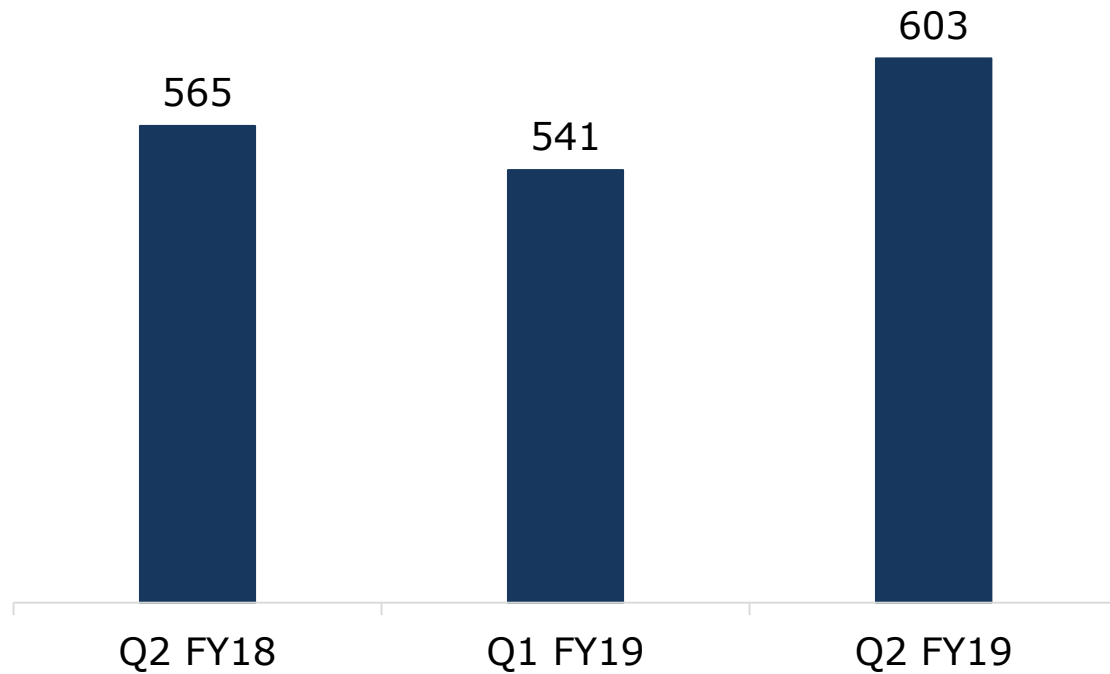
- Growth driven by higher sales in new markets & volume traction in base business

# Pharmaceutical services & active ingredients

## Revenues (₹ Cr)

YoY  
7%

QoQ  
11%



## Commentary

- YoY & QoQ growth is on account of volume traction in some of our key molecules
- Globally, 6 DMFs were filed in this quarter, of which 1 was in the US

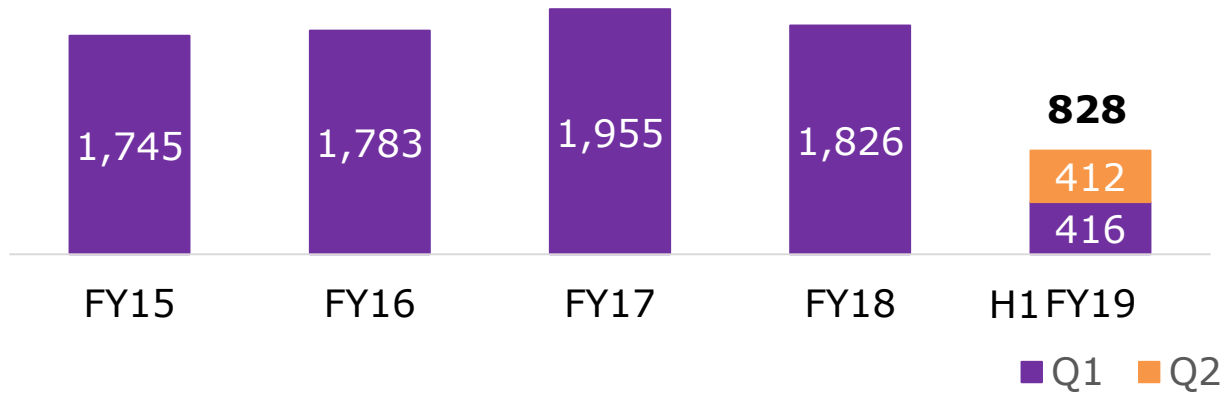
## Cumulative DMF Filings

Region	Filings
US	204
Europe	168
Canada	74
RoW	447
<b>Total</b>	<b>893</b>

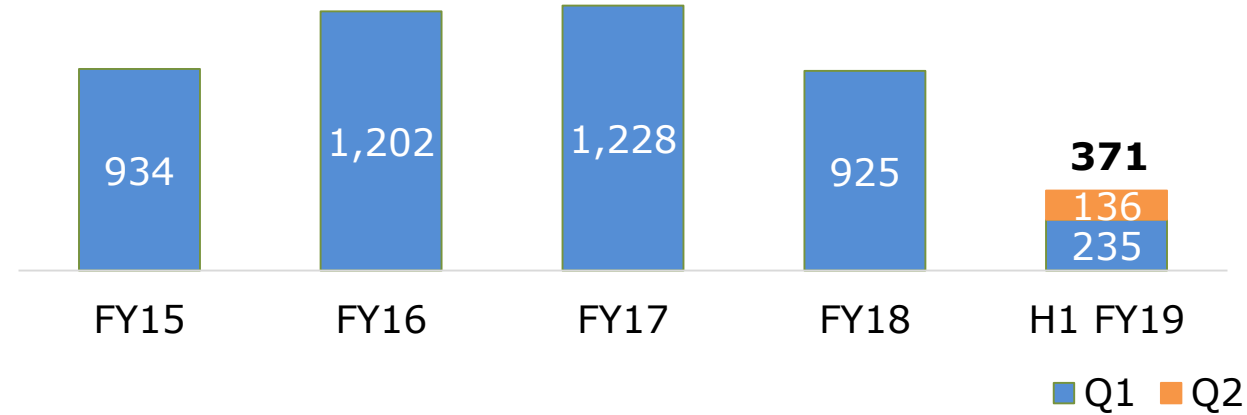


# Capex, R&D & free cash flows

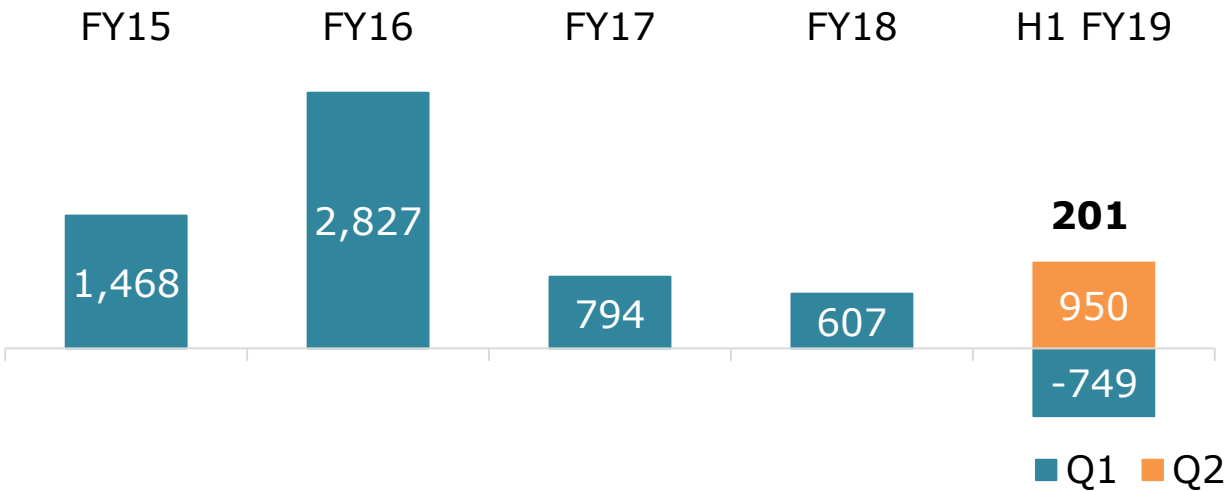
## R&D expenses (₹ Cr)



## Capex (₹ Cr)



## Free cash flow (₹ Cr)



## Net Debt / Equity



FCF as above is before acquisition related pay-outs

# Key Priorities



Actively work with the regulatory agencies for accelerating the new product approvals



Continue on our journey of strengthening the quality systems and processes



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



Cost optimization and productivity improvement of R&D, Manufacturing and Marketing spends

# **Q&A SESSION**

**THANK YOU**





#### CONTACT

##### INVESTOR RELATIONS

##### MEDIA RELATIONS

SAUNAK SAVLA [saunaks@drreddys.com](mailto:saunaks@drreddys.com)  
(PH: +91-40-49002135)

CALVIN PRINTER [calvinprinter@drreddys.com](mailto:calvinprinter@drreddys.com)  
(Ph: +91-40- 49002121)

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