

Financial Results Q1 FY22

Jul 27th, 2021

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, 2021 and quarterly financial statements filed in Form 6-K with the US SEC for the quarters ended Jun 30, 2020, Sep 30, 2020, Dec 31, 2020 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.

Financial Highlights

Rs. Cr

Double digit growth in revenues | On track with strategy

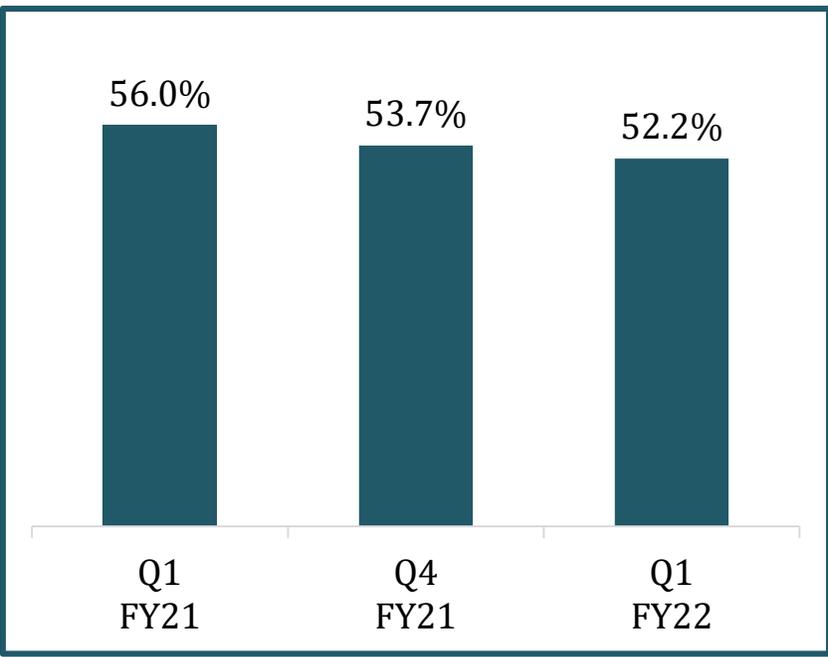
	Q1 FY22	YoY Gr%	QoQ Gr%
Revenues	4,919	11%	4%
EBITDA	1,019	-12%	-9%
PBT [^]	743	-16%	21%
PAT [^]	571	-1%	58%

* Q4 FY21 financials have been adjusted with an additional charge of Rs. 191 Cr (\$ 26.25 mn) arising out of the arbitration award in favor of Hatchtech towards the Xeglyze product as an adjusting subsequent event for filing IFRS financials with US SEC in Form 20F on June 30, 2021.

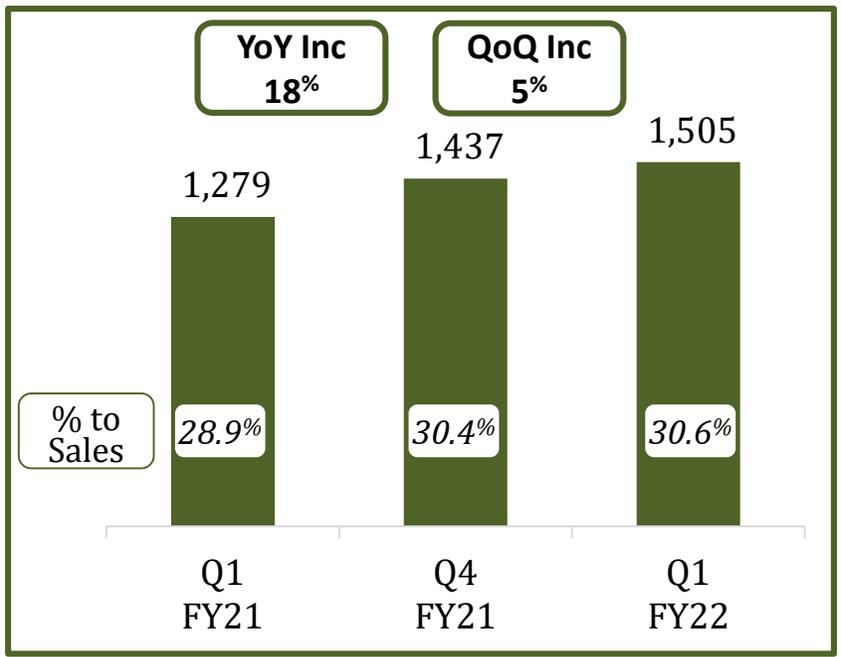
P&L Metrics – We continue to invest in brands, digitalization & pipeline for future growth

Rs. Cr

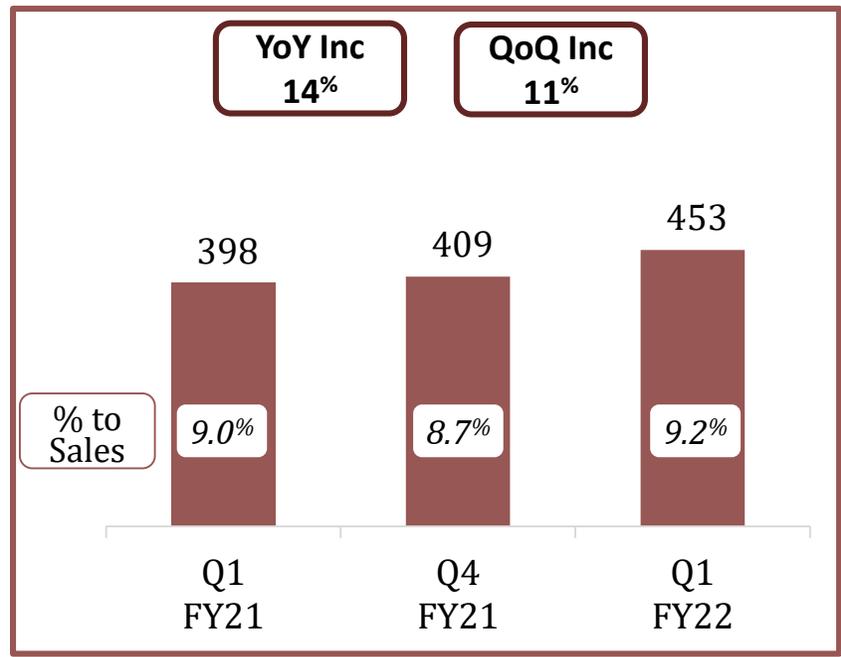
Gross margin[^]



SG&A Expenses



R&D Expenses



[^] Q1 FY21 margins benefitted from higher export incentives and favorable product mix | Q1 FY22 decline on account of price erosion primarily in US & Europe



North America – Benefits from new product launches offset with price erosion

Revenues

Q1 FY22

Rs. 1,739 cr

YoY Gr
+1%

QoQ Dc
-1%



- **Revenue:** Growth mainly driven by

- Contribution from new product launches
- Market share gain for a few key products
- Offset with price erosion

- **New launches: Six**

- US - Icosapent Ethyl Caps, Ertapenam Injection, Sapropterin sachets and Albendazole
- Canada - Sodium Nitroprusside and Alitretinoin

- **US filing update:**

- ANDAs filed – 2
- Cumulative pending for approval - 93 (90 ANDAs + 3 NDAs)
 - 47 Para IV filings
 - 24 expected to have FTF status

India – growth driven by new products, covid portfolio & base business traction

Revenues

Q1 FY22

Rs. 1,060 cr

YoY Gr
+69%

QoQ Gr
+26%



Revenue: Growth driven by traction in base business, covid product portfolio & new product launches

Six new launches including -

- Sputnik-V vaccine and 2DG for covid.
- Curhealth™, a nutritional health mix for building immunity.

IQVIA growth rates

June 2021	FTM	MQT	MAT
IPM	12.4%	39.2%	14.5%
Dr. Reddy's	31.7%	60.5%	19.4%

- We were ranked 9th on FTM basis, 12th on MQT & 11th on MAT basis

FTM: For the month | MQT: Moving quarterly total | MAT: Moving annual total

Emerging Markets – Continued strong growth momentum

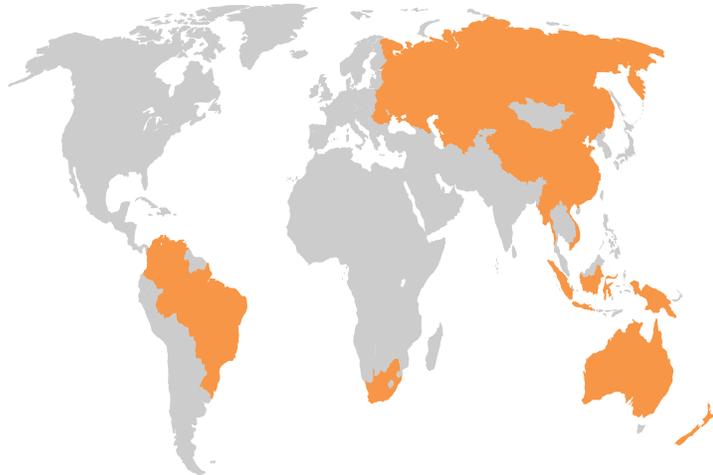
Revenues

Q1 FY22

Rs. 913 cr

**YoY Gr
+14%**

**QoQ Gr
+3%**



₹ Cr

Region	Q1 FY22	YoY Gr	QoQ Gr
Russia	353	8%	-13%
CISR	144	4%	-24%
RoW	416	25%	43%
EM	913	14%	3%

Russia:

- YoY growth driven by base business traction, price increases & new products
- QoQ decline primarily due to tender sales in Q4 FY21

CISR:

- Growth impacted mainly due to lower sales in Ukraine

RoW:

- Growth mainly driven by Brazil, China and Thailand markets

Europe – Growth driven by France, Italy & Spain

Revenues

Q1 FY22

Rs. 399 cr

**YoY Gr
+12%**

**QoQ Gr
+1%**



₹ Cr

Region	Q1 FY22	YoY Gr	QoQ Gr
Germany	223	1%	0%
UK/OL	92	11%	-3%
France, Italy, Spain & others	84	63%	9%
Europe	399	12%	1%

- Growth mainly driven by –
 - New product launches
 - Favourable forex movement
 - Volume traction
 - Offset partly by price erosion in the base business
- New market expansion – Netherlands, Portugal, Slovakia & Czech Republic

PSAI – Growth impacted due to higher base on account of covid related up-stocking

Revenues

Q1 FY22

Rs. 754 cr

YoY Dc
-12%

QoQ Dc
-5%



Revenue:

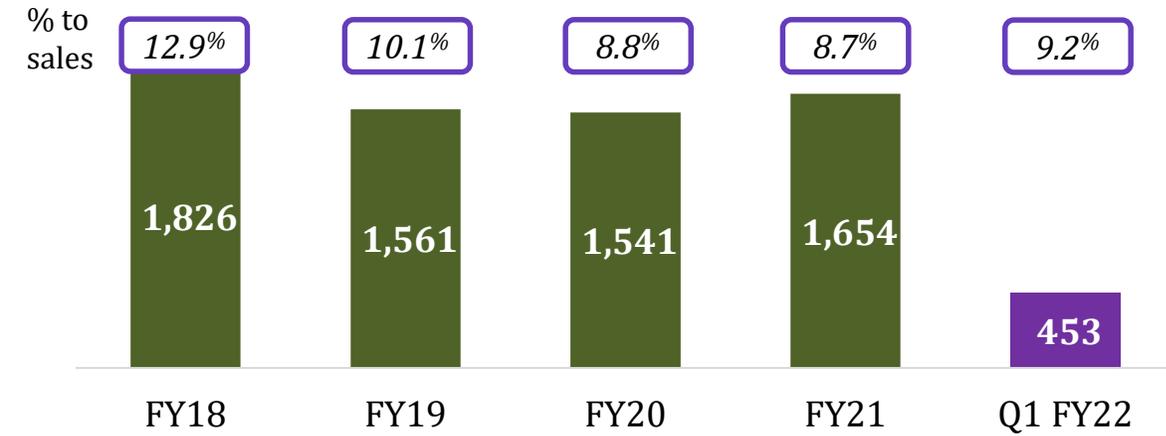
- Decline was on account of –
 - lower base business traction
 - price erosion
 - partly offset by new products
- YoY was also impacted as there was customer stocking-up in Q1 FY21

Filings:

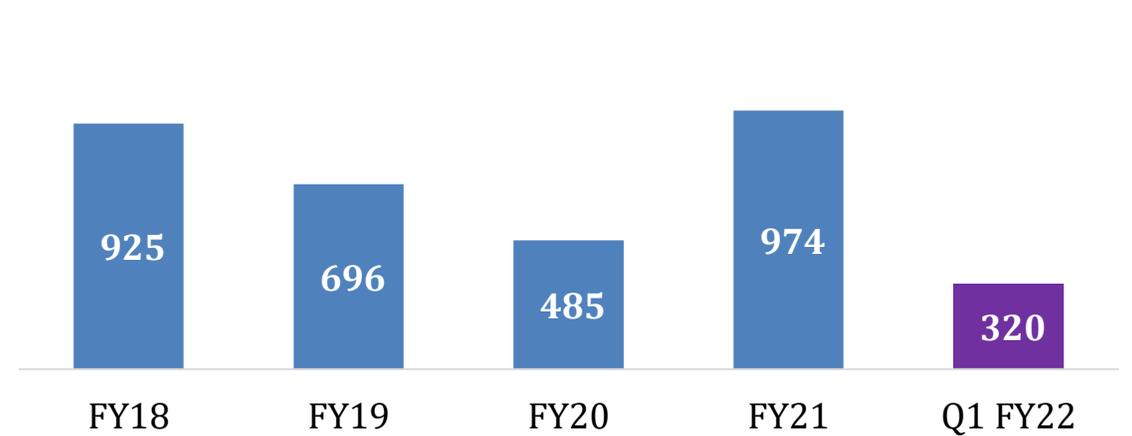
	Q1 FY22
Global DMFs filed incl. in US	30
US DMFs	2

R&D, Capex & Cash flows

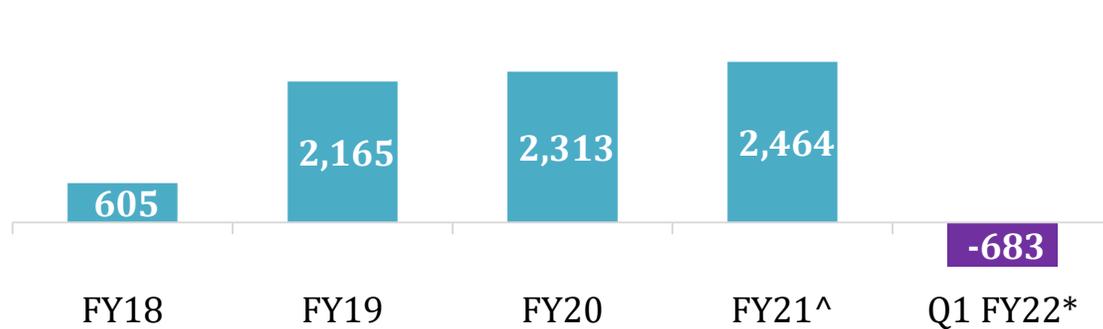
R&D expenses (Rs. Cr)



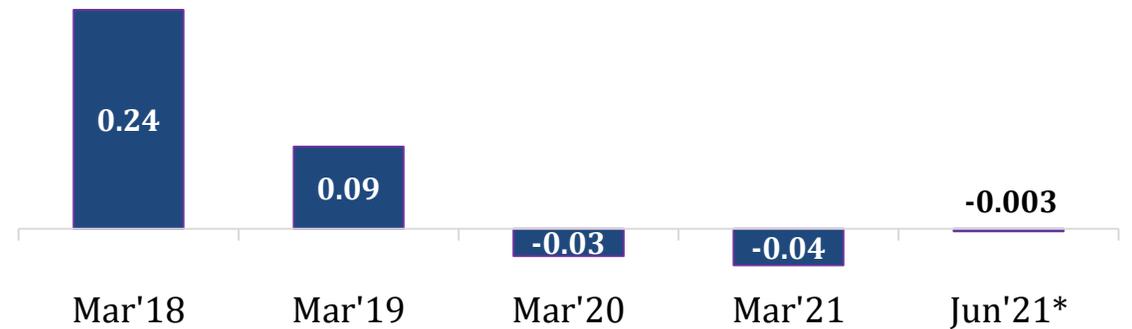
Capex (Rs. Cr)



Free cash flow (Rs. Cr)



Net Debt / Equity



^ Before acquisition related payout of Rs.1,551 Cr to Wockhardt & Rs.152 Cr to Glenmark

* FCF impacted due to planned unwinding of receivable discounting & increase in inventory

* Net cash surplus (Adjusted for non-current cash & borrowings) stood at Rs. 45 Cr as on June 30th, 2021

Key Priorities



**Sputnik-V
scale-up**

**Build healthy
pipeline of
products**

**Achieve
market leading
growth across
businesses**

**Continue with
the
productivity
improvements**

**Investment in
capabilities
and brands**

**Execute
Strategic
initiatives &
moves**

With focus on execution, we remain confident that our strategy will deliver sustainable growth

Covid portfolio Update

Covid-19 treatment drugs – We continue to be at the forefront of COVID response

Remdesivir – Moderate to Severe

- **Partner** : Gilead
- Currently sold in India
- Scaled up production and capacity
- Extension –
 - 1 ml liquid (IV/SC) Injection

Favipiravir – Mild to Moderate

- **Partner** : Fujifilm
- Launched in India & a few other countries
- Manufacturing by Fuji film and also by Dr Reddy's

2-DG – Moderate to Severe

- **Partner** : DRDO (INMAS)
- Launched in India
- Extension –
 - Label expansion for mild patients
 - Ph. 3 for expanded indication planned

Molnupiravir – Mild to Moderate

- **Partner** : MSD
- **Status** :
- Clinical trial in progress with collaboration of voluntary license holders.
- Interim Data shared with the DCGI

Liposomal Amphotericin B - Mucormycosis

- Re-purposed drug for Mucormycosis
- India approval received in Jun'21
- Launch planning on-going

Other Drugs

- Additionally, we are working on re-purposing other covid treatment drugs for patients with mild, moderate, severe and critical conditions

Sputnik update

- Manufacturing, clinical and life cycle management update
- Go-to-Market and commercialization update

Supply, Manufacturing and Clinical update



Supply availability / Domestic manufacturing

- Working with RDIF for ramping-up supplies
- Working closely with six CMOs in India for manufacturing readiness

Sputnik Light

- Russia phase 3 trials will be leveraged for India filing as per recommendation from SEC. Submission will be made soon.
- Trial study on-going in Russia for adolescent segment of the population (12-18 years of age)

Go-to-market and commercialization update

Commercialization

- Commercial scale-up in progress
- We have launched it across 80 cities and 2.5+ Lakh people have been vaccinated so far
- Customer cold chain infrastructure being set-up across 300+ locations

Go-to-market update

- Ensure wide, equitable coverage - geography, demographic group, community category
- Prioritize reliable-to-implement routes to customer
- Clear and transparent about our offering and vaccine attributes
- Targeted and measured to ensure the highest standards of safety and efficacy

Sputnik V is proven to be safe and effective across all adult age groups, even in people above 60 years of age & in people with diabetes and hypertension

Svaas

SVAAS provides integrated high-quality OPD service delivery, to provide a seamless, convenient & cashless user experience

The Problems We Are Trying To Solve

Inconsistent Treatment Quality

Reliability Problems

Difficult to Navigate Patient Journey

Out-of-Pocket Payments

Inconvenient Reimbursement-based Claims Processing

SVAAS Value Proposition

Best-in-Class Doctors

Standardized Omni-Channel Fulfillment

Cashless & Seamless Patient Journey

Digital One-Stop-Solution + Delivery Synchronization

Service Excellence



Suboptimal Care & Patient Experience

Delightfully Simple & High-Quality Healthcare



THANK YOU