



PRESS MEET Q4 & FY14



Dr. Reddy's Laboratories Limited
May 13, 2014

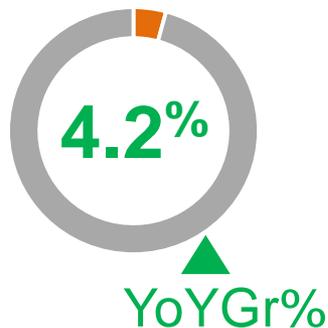


Q4 FY 14 Business Highlights

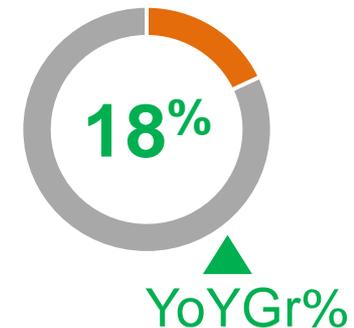
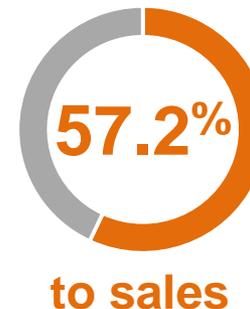
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Sales

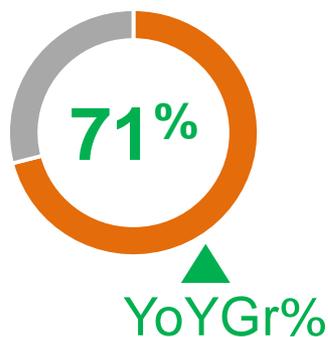
□ 3,481 Cr



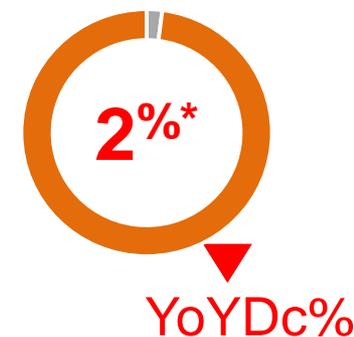
Gross Profit



R & D



Adj. EBITDA



FY 14 Business Highlights

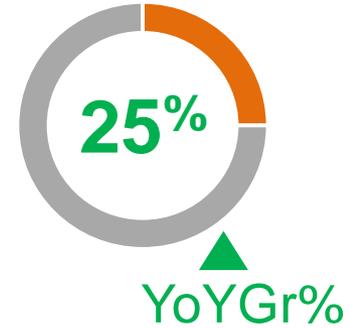
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Sales

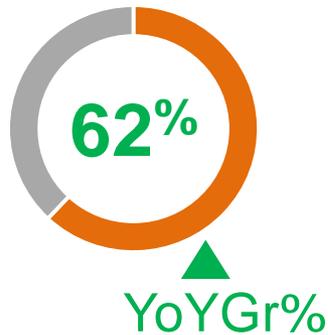
□ 13,217 Cr



Gross Profit



R & D



EBITDA



Country wise launches

▶ US

3 9

▶ Russia & CIS

3 12

▶ India

3 11

▶ Europe

- 8

▶ RoW

4 14

US Generic filings

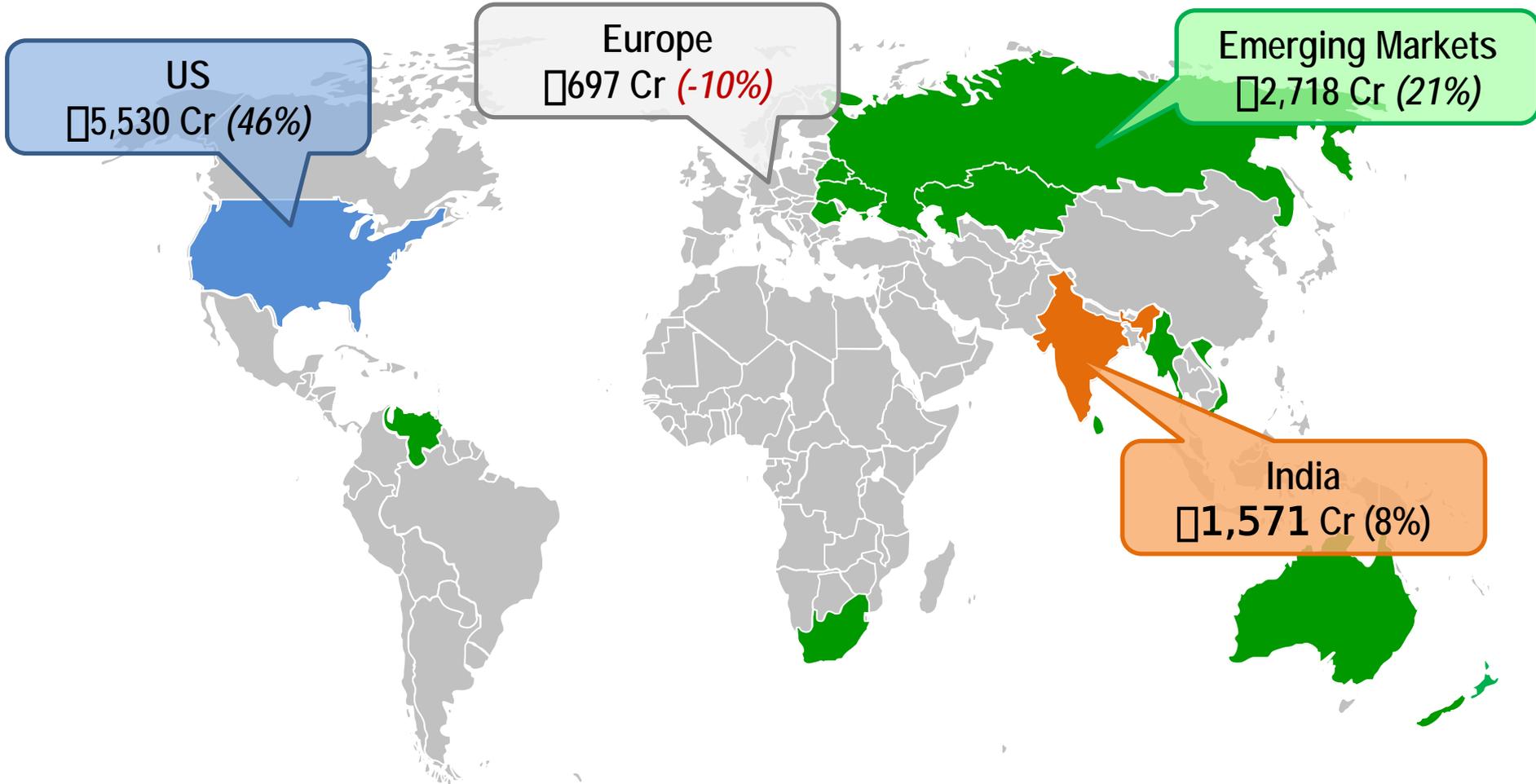
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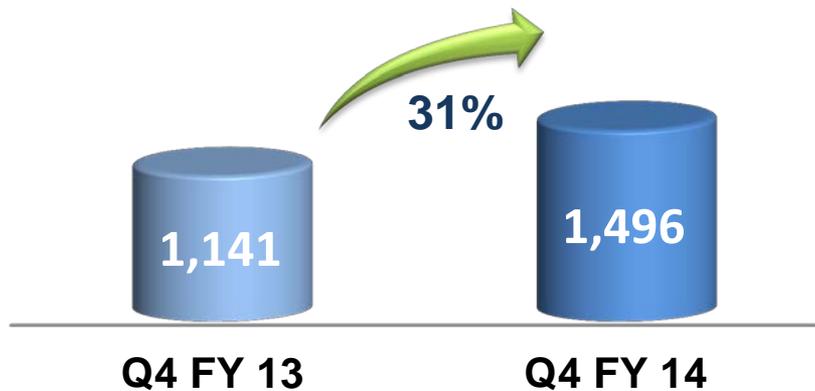
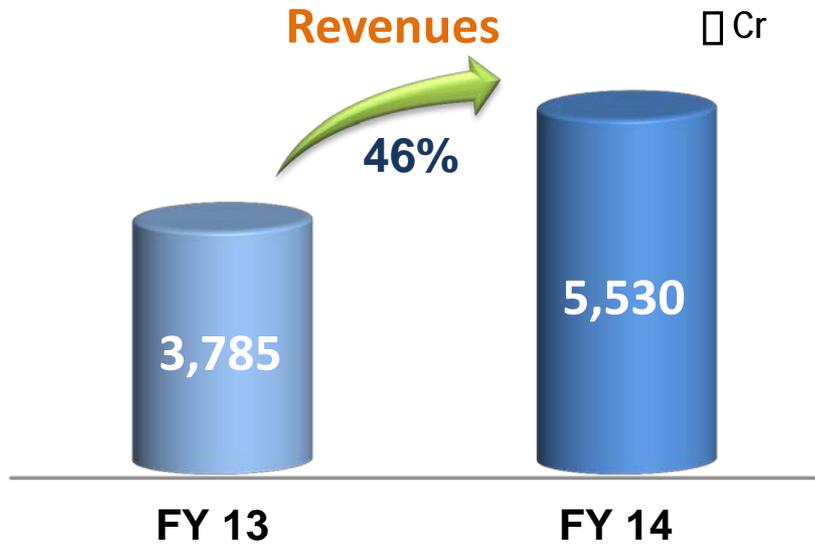
US DMF filings

8 12

Global Generics: FY 14 ₹10,516 Cr (27%)*

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Market Share – Key Products

- Injectable portfolio exceeds **\$225mn** for the year
- Continue to maintain leadership position in key limited competition launches
 - ❖ **decitabine:** **58%**
 - ❖ **azacitidine:** **44%**
 - ❖ **zoledronic acid (5mg/100mL):** **65%**
 - ❖ **zoledronic acid (4mg/5mL):** **35%**

(Source : IMS, Mar 2014)

ANDA Pipeline

209
Cumulative
ANDAs

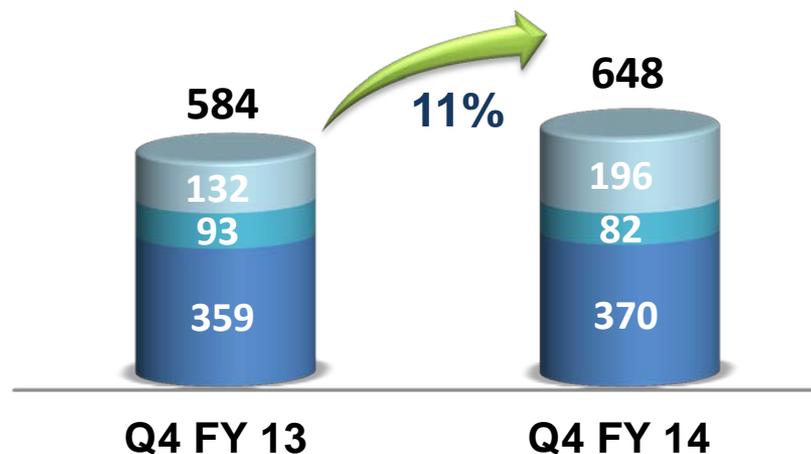
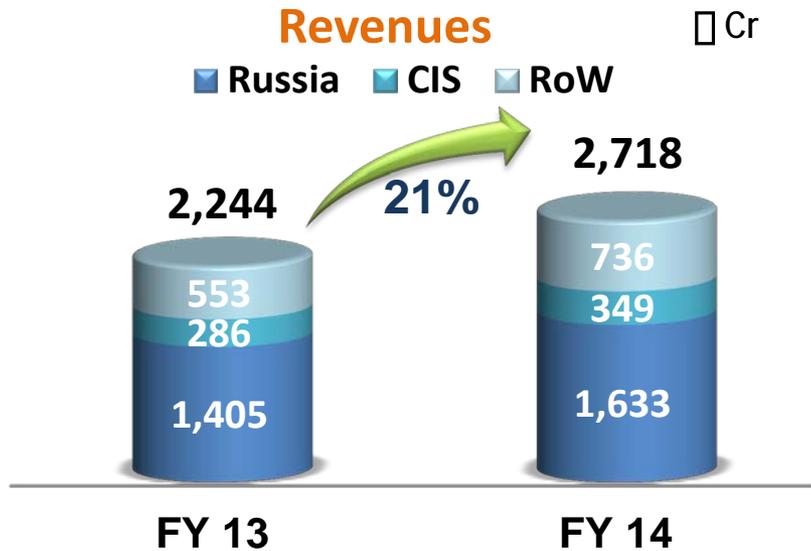
62 Pending
final
approvals

39 Para IVs

9 First-to-
Files (FTFs)

Global Generics: Emerging markets

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RUSSIA

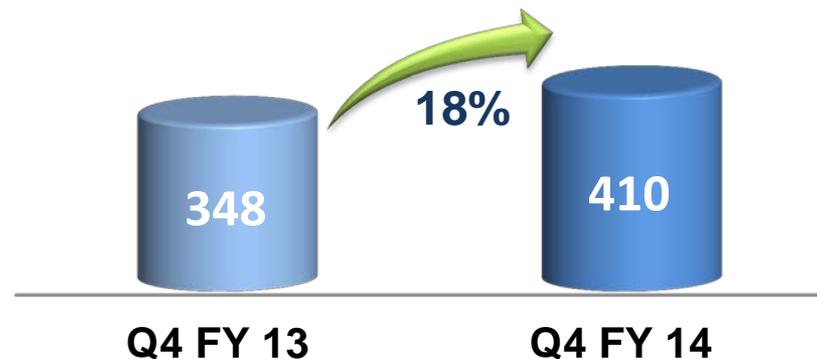
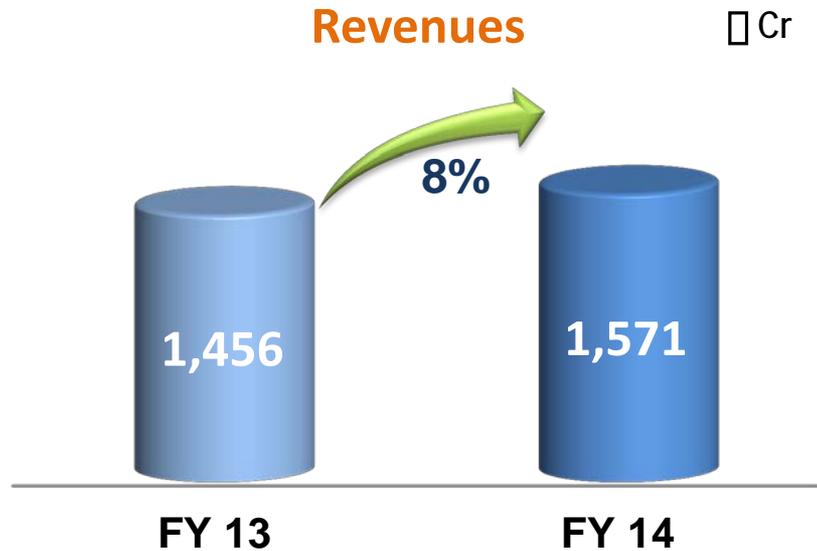
- FY 14: Fastest growing among top 20 pharma companies
- IMS OTC : Growth of 19% Vs Market growth of 1.4%. Gained 5 ranks compared with PY
- OTC is 37% to revenues

CIS

- Growth driven by continuing momentum in existing products coupled with select launches from in-licensed portfolio

RoW

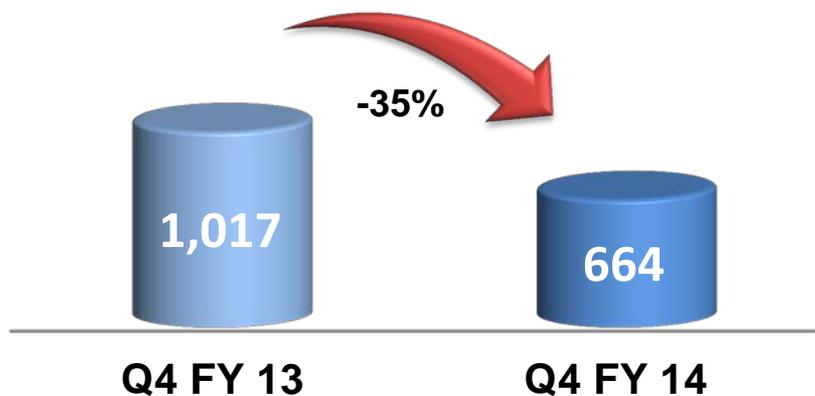
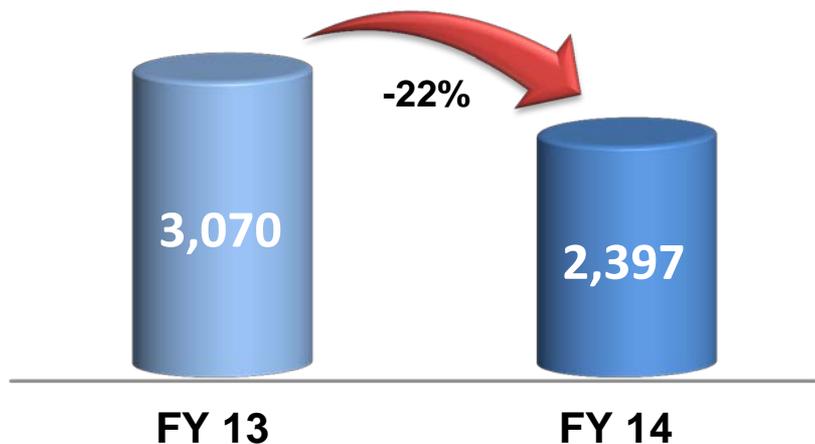
- Venezuela: FY 14 revenues grew by 53% post devaluation of its currency



- MAT March 2014 growth of 12.2% vs IPM growth of 9.9% (*Source: IMS*)
- 6th in terms of growth among Top 20
- Strong volume expansion in the NLEM portfolio during Q4
- Bio-similars revenue stable at Rs. 113 Crs

Revenues

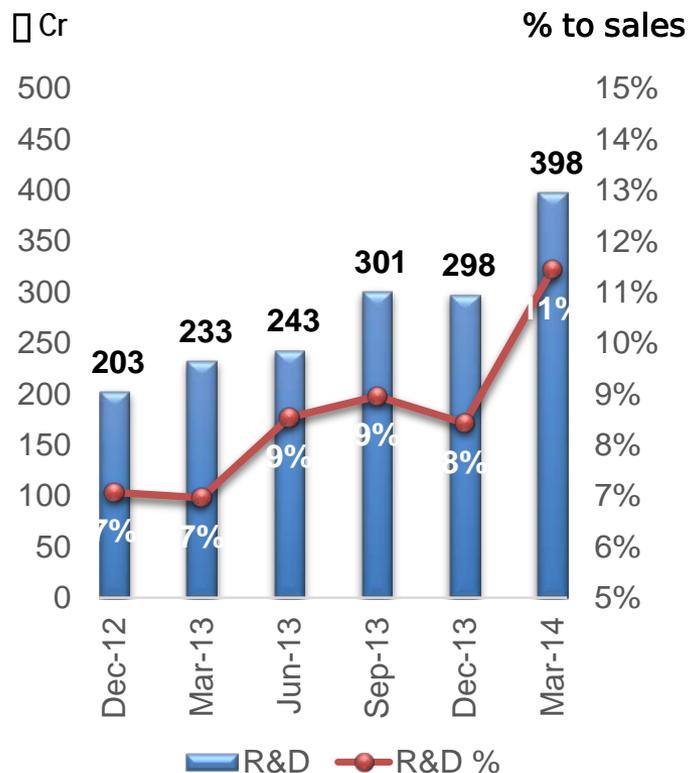
₹ Cr



- Year-on-year decline partly on account of high base and partly on account of subdued demand
- Sequential improvement in the business performance on the back of improving customer off-take
- 8 US DMF filings during the quarter

DMFs Pipeline

US	→	196
Europe	→	172
RoW	→	263
Cumulative	→	631



R&D investments likely to increase over the coming years:

- Complex Generics: Injectable, Topical etc
- Bio-similars
- Proprietary Products

Clear technology choices



Strengthening Manufacturing



Globalizing R&D



External R&D relationships



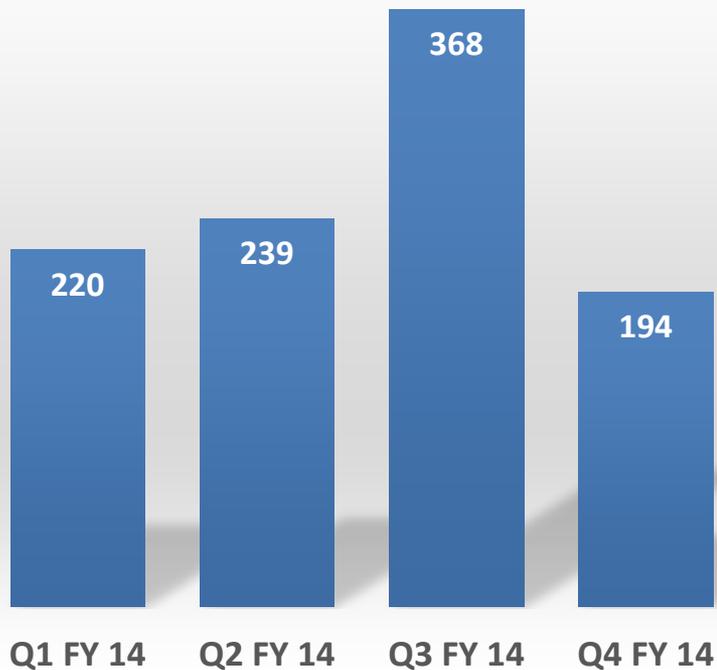
- R&D spend for FY 14 is 9.4%
- For FY 15, it is likely to be in the range of **10% to 11%**

Capital Investments (Cash flow)

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□ Cr

CAPEX



Major Investments:

- *SEZ facility in Visakhapatnam [OSD & API]*
- *Cyto-toxic injectable facility – Visakhapatnam*
- *Non-Cyto-toxic injectable facility – Visakhapatnam*
- *Capability building around topicals, heparins, peptide products*
- *Biologics: Capacity enhancement – Cell Culture block*
- *Other modernization and Capacity expansion projects*

Q&A Session

P&L – Q4 FY 14

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Cr

Particulars	Q4 FY14	Q4 FY13	Gr%
Revenue	3,481	3,340	4%
Gross Profit	1,992	1,655	18%
<i>% to sales</i>	57.2%	50.4%	
SG&A	1031	872	18%
<i>% to sales</i>	29.6%	26%	
R&D	398	233	71%
<i>% to sales</i>	11.4%	7.0%	
EBITDA	794	929	-15%
<i>% to sales</i>	22.8%	27.8%	
PAT	482	571	-16%
<i>% to sales</i>	13.8%	17.1%	

₹ Cr

Particulars	FY14	FY13	Gr%
Revenue	13,217	11,627	14%
Gross Profit	7,580	6,058	25%
% to sales	57.4%	52.10%	
SG&A	3,878	3,427	13%
% to sales	29.3%	29.5%	
R&D	1,240	767	62%
% to sales	9.4%	6.60%	
EBITDA	3,318	2,782	19%
% to sales	25.0%	24%	
PAT	2,151	1,678	28%
% to sales	16%	14.0%	

SG&A includes an impairment reversal of ₹ 50 Cr [FY 14] and impairment charge of ₹ 69 Cr [FY 13]

Key Balance Sheet Items

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□ Cr

Particulars	Mar'14	Mar'13
Cash, cash equivalents & current investments	3,353	2,210
Trade & Other receivables	3,304	3,197
Inventories	2,399	2,160
Property, plant & equipment	4,442	3,781
Loans & borrowings (current & non current)	4,474	3,676
Trade accounts payable	1,050	1,186

Net Debt to Equity ratio at 0.12 as on March'14



L I F E . R E S E A R C H . H O P E

THANK YOU