

Dr. Reddy's Laboratories Limited

Q2 FY14 Press Meet

October 31, 2013



Highest ever reported sales and profitability in any quarter

Sales

17%

YoY
Gr%

18%

QoQ
Gr%

Gross Margin

58%
to sales

YoY
Gr%

27%

--high margin product launches in US
--change in business mix

R & D

9%
to sales

YoY
Gr%

71%

-- Q2 FY13 at 6.1% to Sales

EBITDA

28%
to sales

YoY
Gr%

24%

-- OE control
-- better product/market mix

→ **EPS nearly double** Vs last year → **Rs. 40.47 (Q2 FY14) Vs Rs. 23.06 (Q2 FY13)**

19

New product launches

US
4

India
1

Russia
& CIS
4

Europe
3

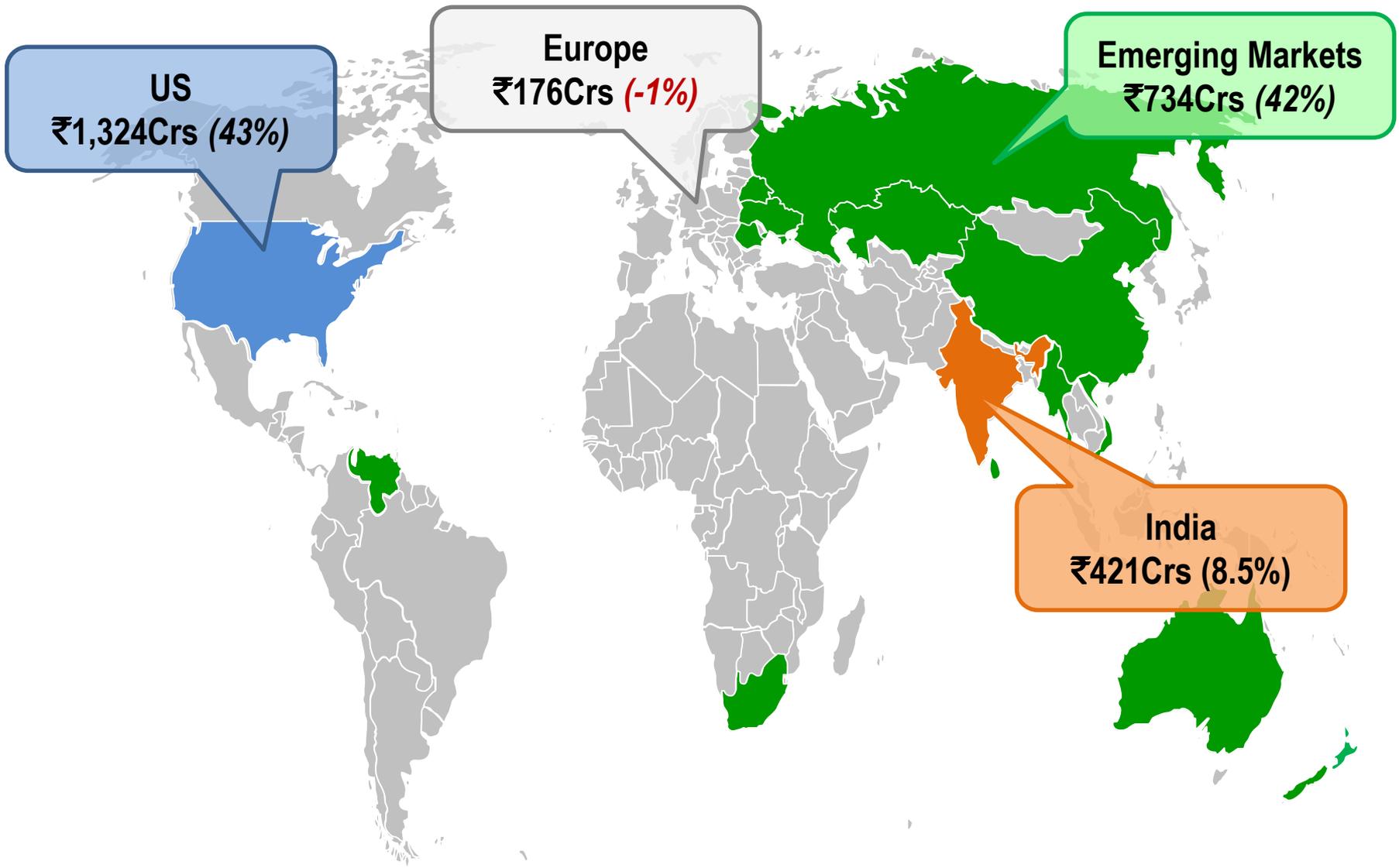
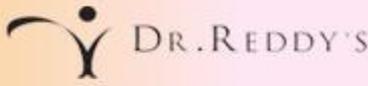
RoW
7



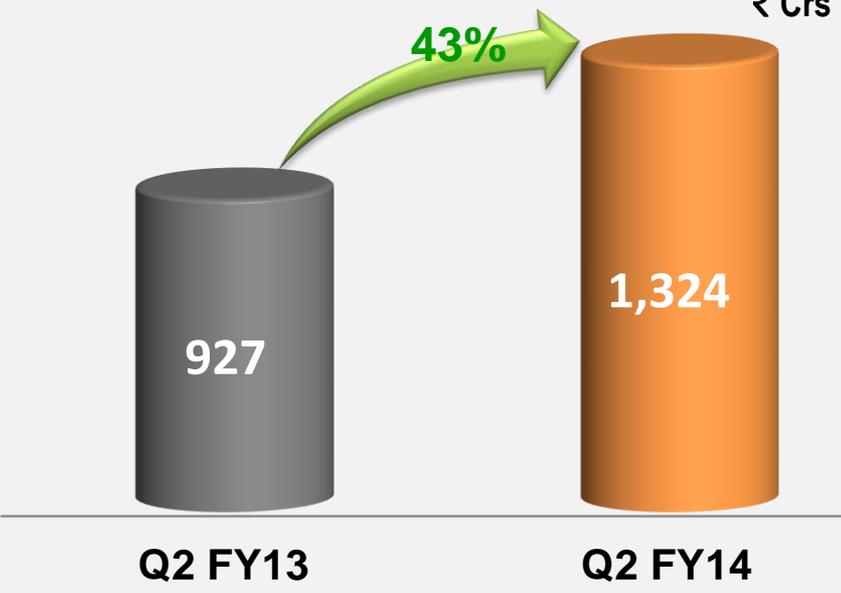
New products filings **13**
US-4

New DMF filings **8**

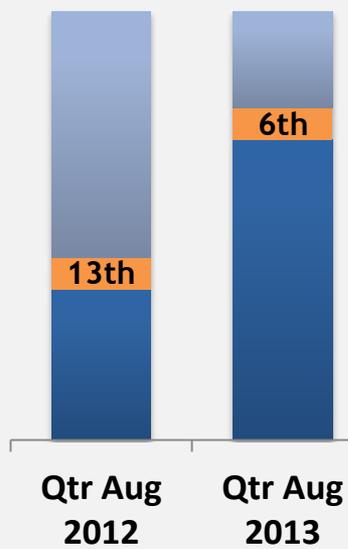
Global Generics → ₹ 2,655 Crs (Q2 FY14)



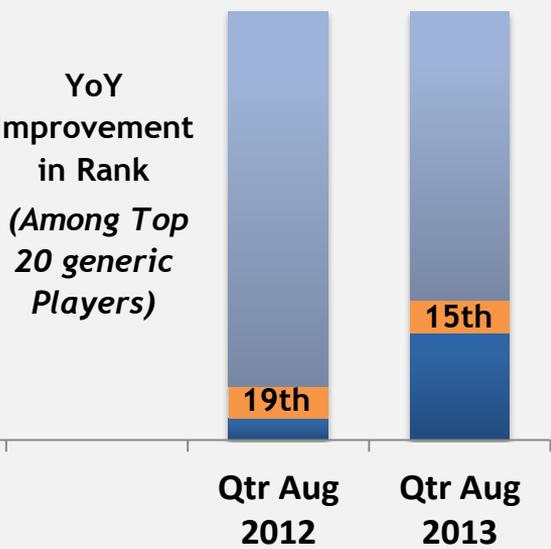
Revenues



Value



Volume



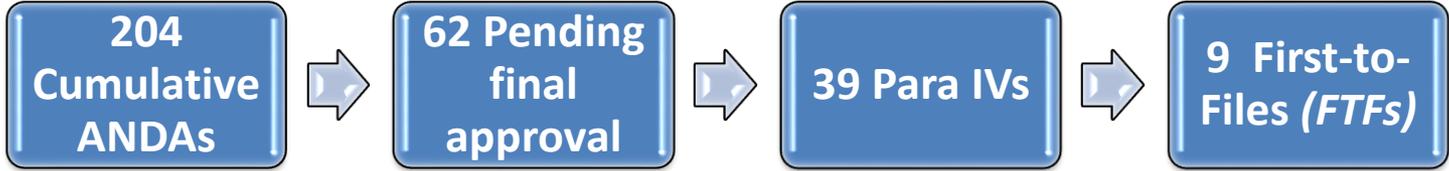
YoY Improvement in Rank (Among Top 20 generic Players)

Note: Data as per IMS

Market Share – Key Products

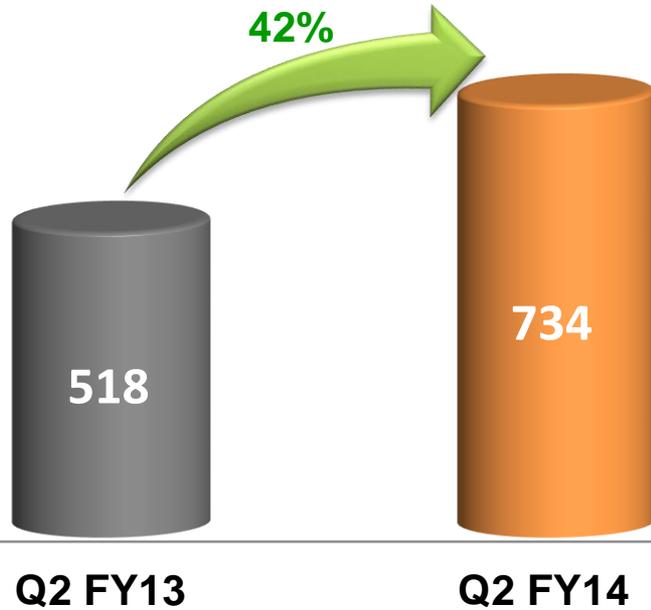
- **Fondaparinux** volume market share 33% (Aug-13) from 29%(May-13)
- Retaining share in other key products- **tacrolimus, ziprazidone** and **omeprazole DR** (Source : IMS)
- Strong New product launches – **decitabine, azacitidine, donepezil 23 Mg & divalproex ER** with Dr. Reddy's being the sole generic player in decitabine & donepezil.

ANDA Pipeline



Revenues

₹ Crs



	Q2 FY13	Q2 FY14
RUSSIA	322	465
CIS	62	87
RoW	134	182

RUSSIA

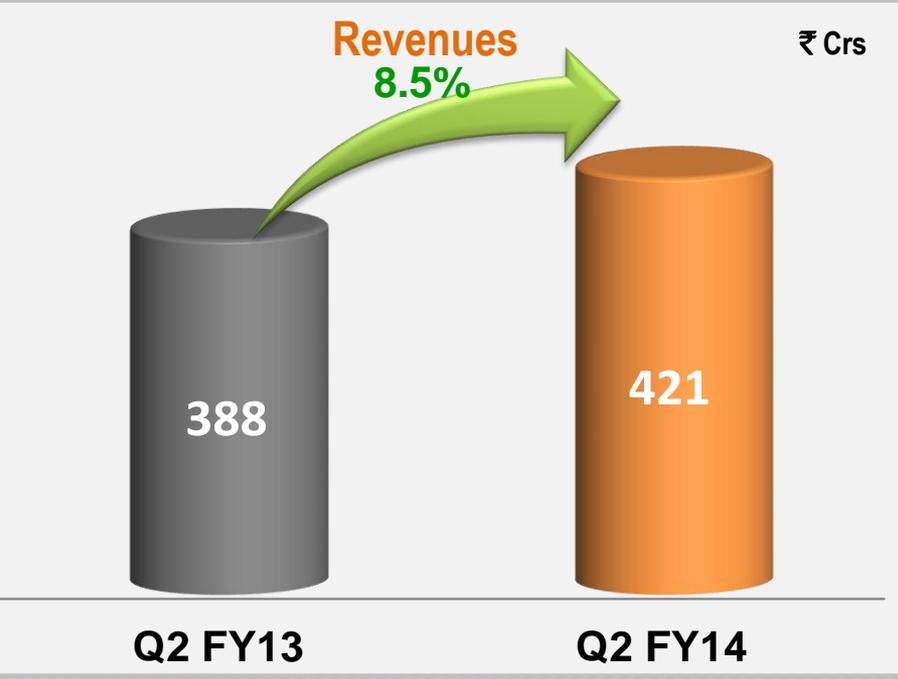
- High volume growth across all major products and price growth in select portfolio.
- Overall : YTD Aug gr@ **9.6%** Vs market gr@ 7.0% (IMS)
- OTC : @ **33%** to revenues → YTD Aug gr@ **21%** Vs market gr@ 9% (As per IMS)

CIS

- YoY growth of **39%**
- OTC revenues growth: **83%**

RoW

- YoY growth of **36%** (Volume growth in Venezuela & Australia)
- Volume growth in key brands and **7** new product launches

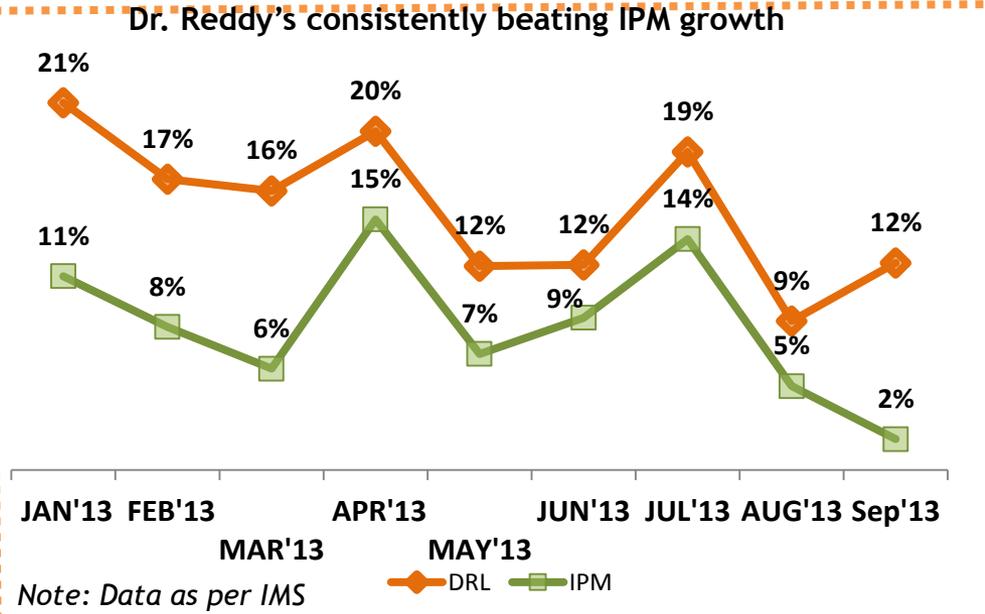


MQT Sep growth at **13%** vs IPM gr@6.3% (As per IMS). (4th in terms of growth among Top20)

Higher growth despite:

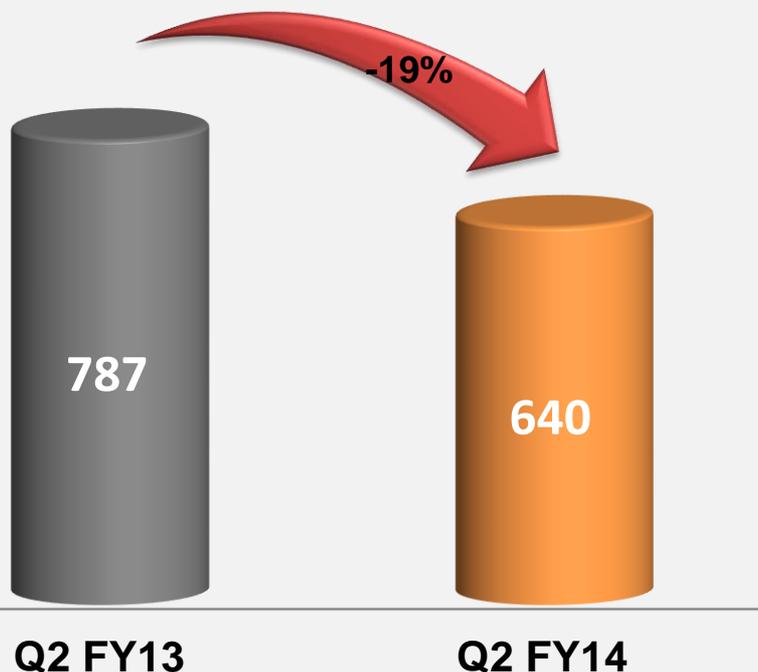
- Channel disruptions in markets post implication of the pricing policy

Biosimilar revenues at ₹ 29 Crs



Revenues

₹ Crs



API

- De-growth on account of high base in previous year, as Q2FY13 had higher contribution from new products
- Lower volume off take by key customers and deferment of sales.

CPS

Muted growth due to presence of certain high value orders in Q2 FY13 leading to higher base in previous year.

PSAI: Sequential (QoQ) growth of 9%

8 DMF filings during Q2 FY14

DMFs Pipeline

US	→	188
Europe	→	159
RoW	→	243
Cumulative	→	590

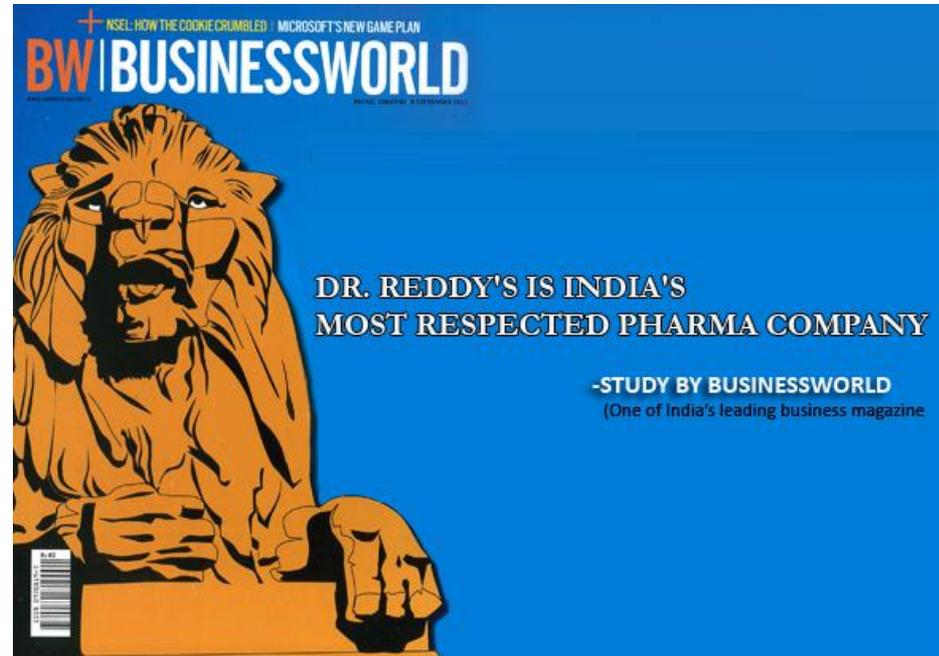


Asia's Best CSR practices for 2013

CSR practices undertaken up our PSAI business were recognized as Asia's Best CSR practices for 2013 by CMO Asia and World CSR Day.

India's most respected companies 2013

Ranked first in the Pharmaceutical sector in India's most respected companies 2013 study conducted by Businessworld



Q&A Session

October 31, 2013



P&L → Q2 FY14

₹ Crs

Particulars	Q2 FY14	Q2 FY13	Gr%
Revenue	3,357	2,881	17%
Gross Profit	1,947	1,510	29%
<i>% to sales</i>	58.0%	52.4%	
SG&A	974	801	21%
<i>% to sales</i>	29.0%	27.8%	
R&D	301	176	71%
<i>% to sales</i>	9.0%	6.1%	
EBITDA	950	747	27%
<i>% to sales</i>	28.3%	25.9%	
PAT	690	393	76%
<i>% to sales</i>	20.6%	13.6%	

Note: Q2 FY 13 Income Statement considered is as submitted to the US SEC in the form 6K.

Key Balance Sheet Items

Particulars	₹ Crs	
	Sep'13	June'13
Cash, cash equivalents & current investments	2,720	2,991
Trade & Other receivables	3,329	2,917
Inventories	2,387	2,254
Property, plant & equipment	4,248	3,939
Loans & borrowings (current & non current)	4,920	4,394
Trade accounts payable	1,083	1,008

Net Debt – Equity ratio at 0.28 as on September'13



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

THANK YOU