



Dr.Reddy's 



Press Presentation- Q4 FY17
May 12, 2017



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:

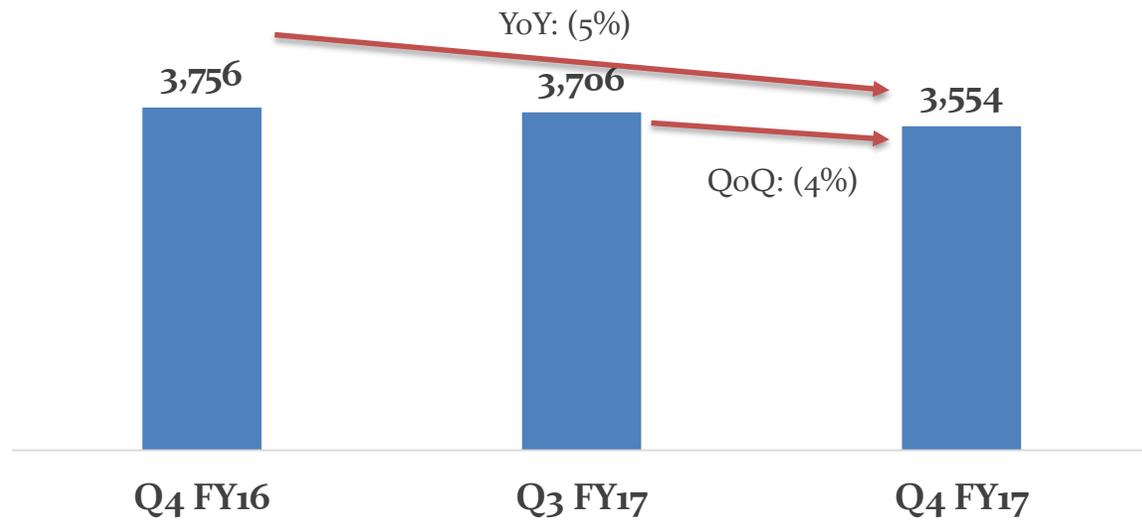
- General economic and business conditions in India and other key global markets in which we operate;
- The ability to successfully implement our strategy, our research and development efforts, growth & expansion plans and technological changes;
- Changes in the value of the Rupee and other currency 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.

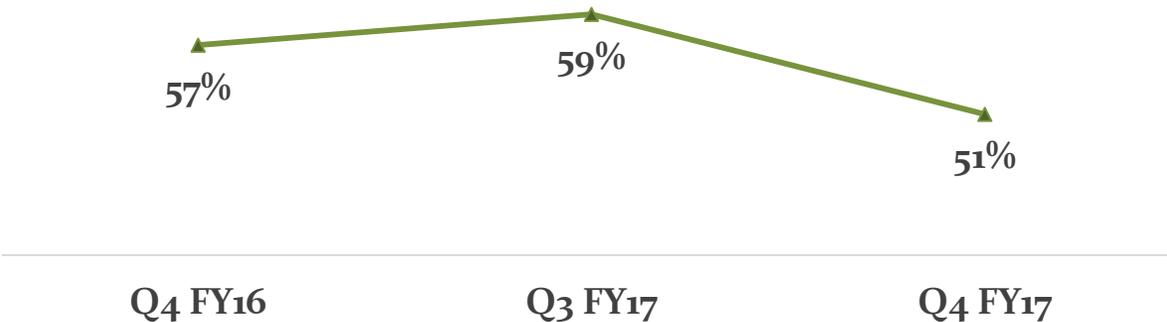
For more detailed information on the risks and uncertainties associated with the Company’s business activities, please see the company’s annual report filed in Form 20-F with the US SEC for the fiscal year ended March 31, 2016 and quarterly financial statements filed in Form 6-K with the US SEC for the quarters ended June 30, 2016, September 30, 2016 and December 31, 2016 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.

Q4 FY17 : Financial highlights

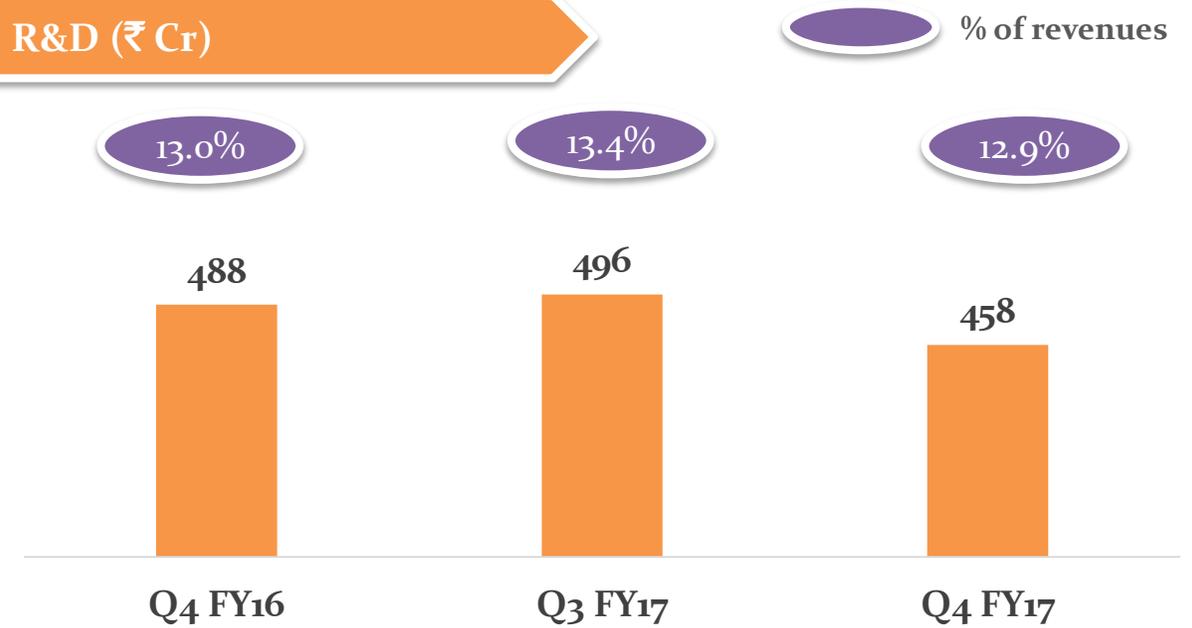
Revenues (₹ Cr)



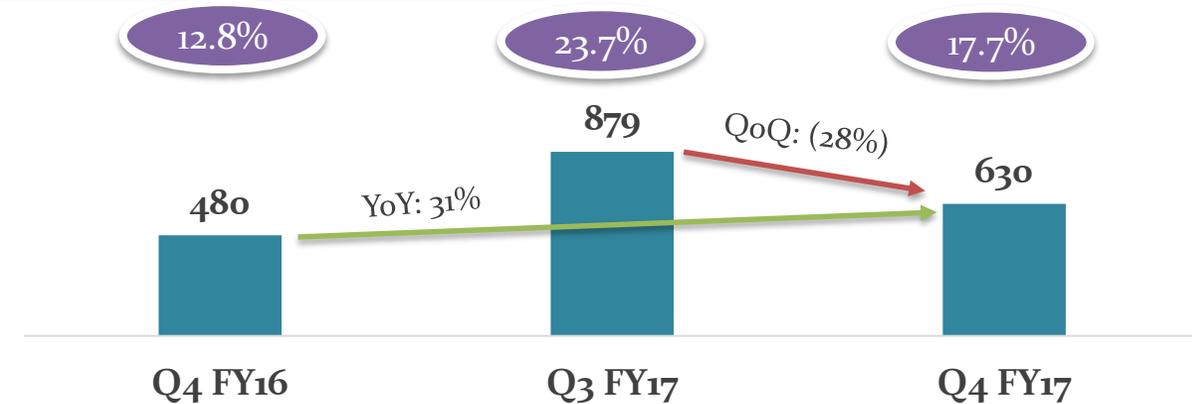
Gross profit (%)



R&D (₹ Cr)

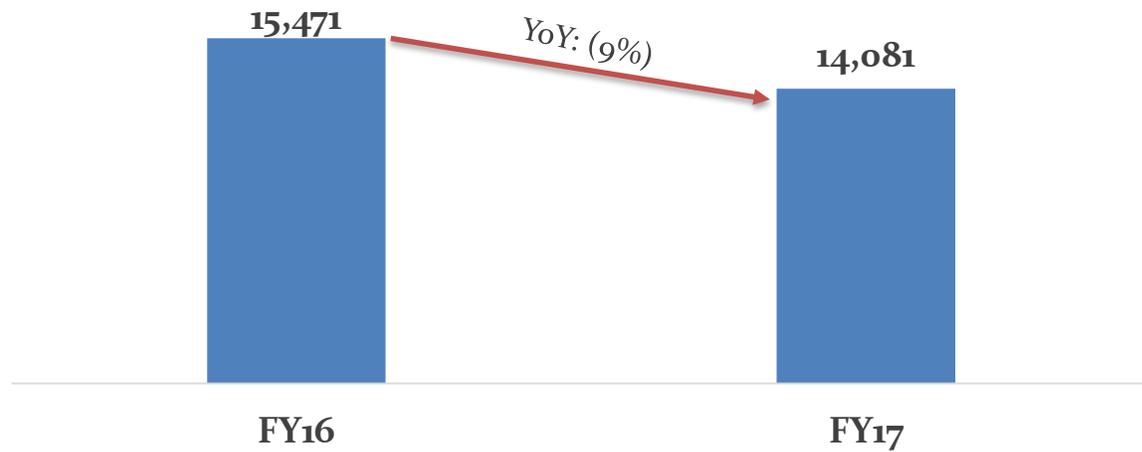


EBITDA (₹ Cr)

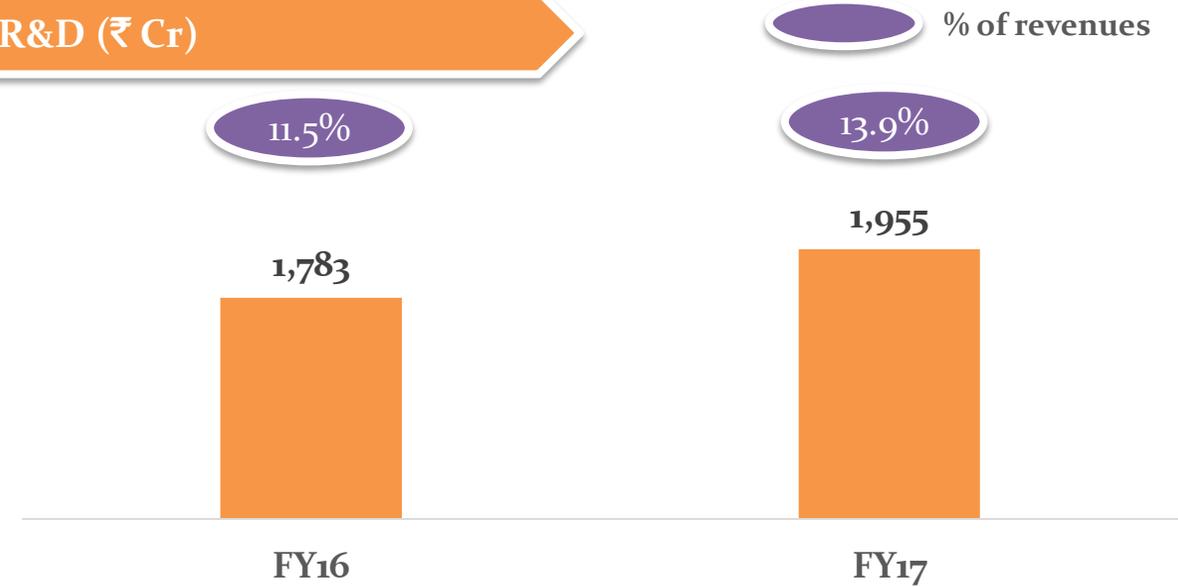


FY17 : Financial highlights

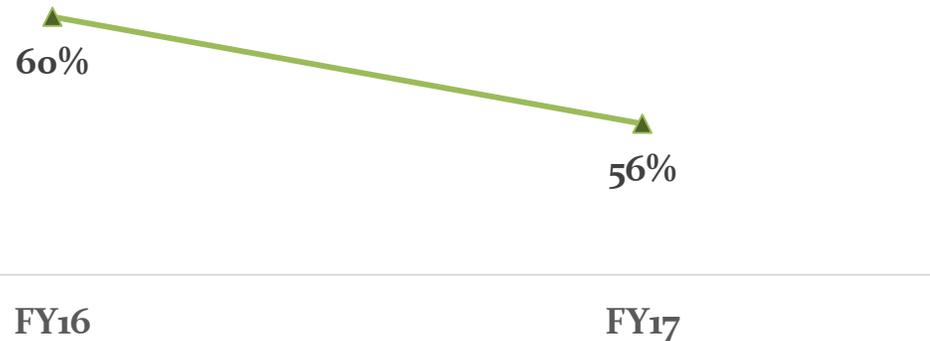
Revenues (₹ Cr)



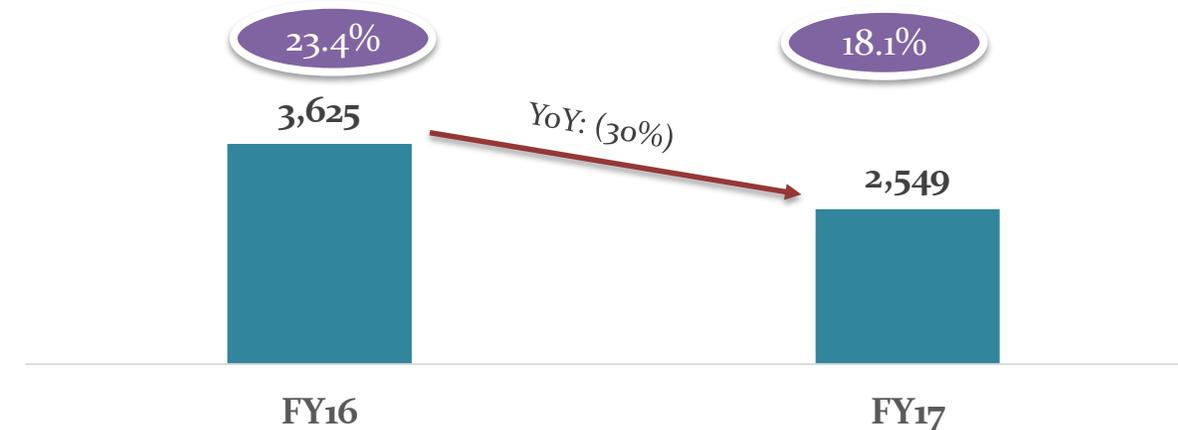
R&D (₹ Cr)



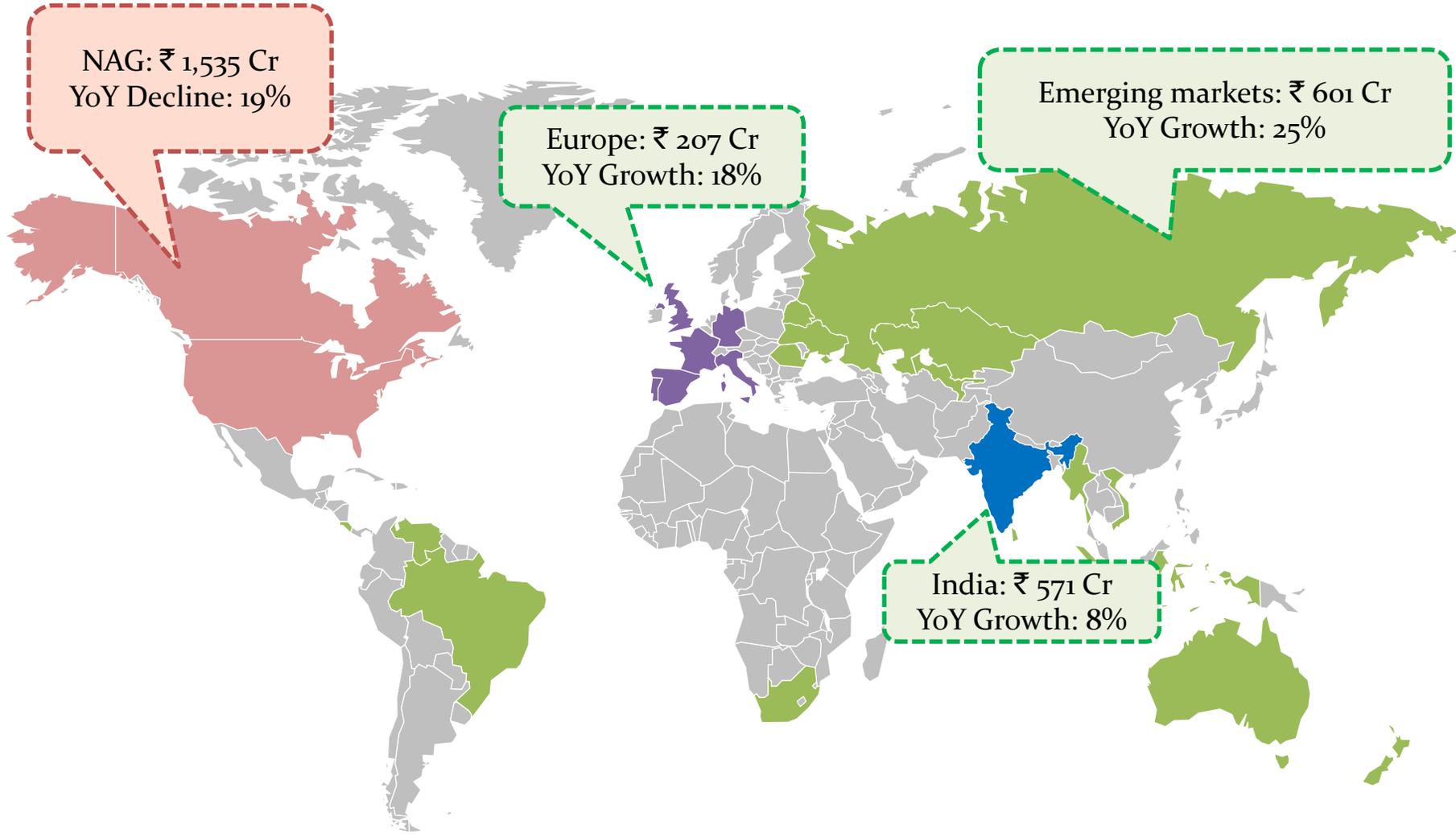
Gross profit (%)



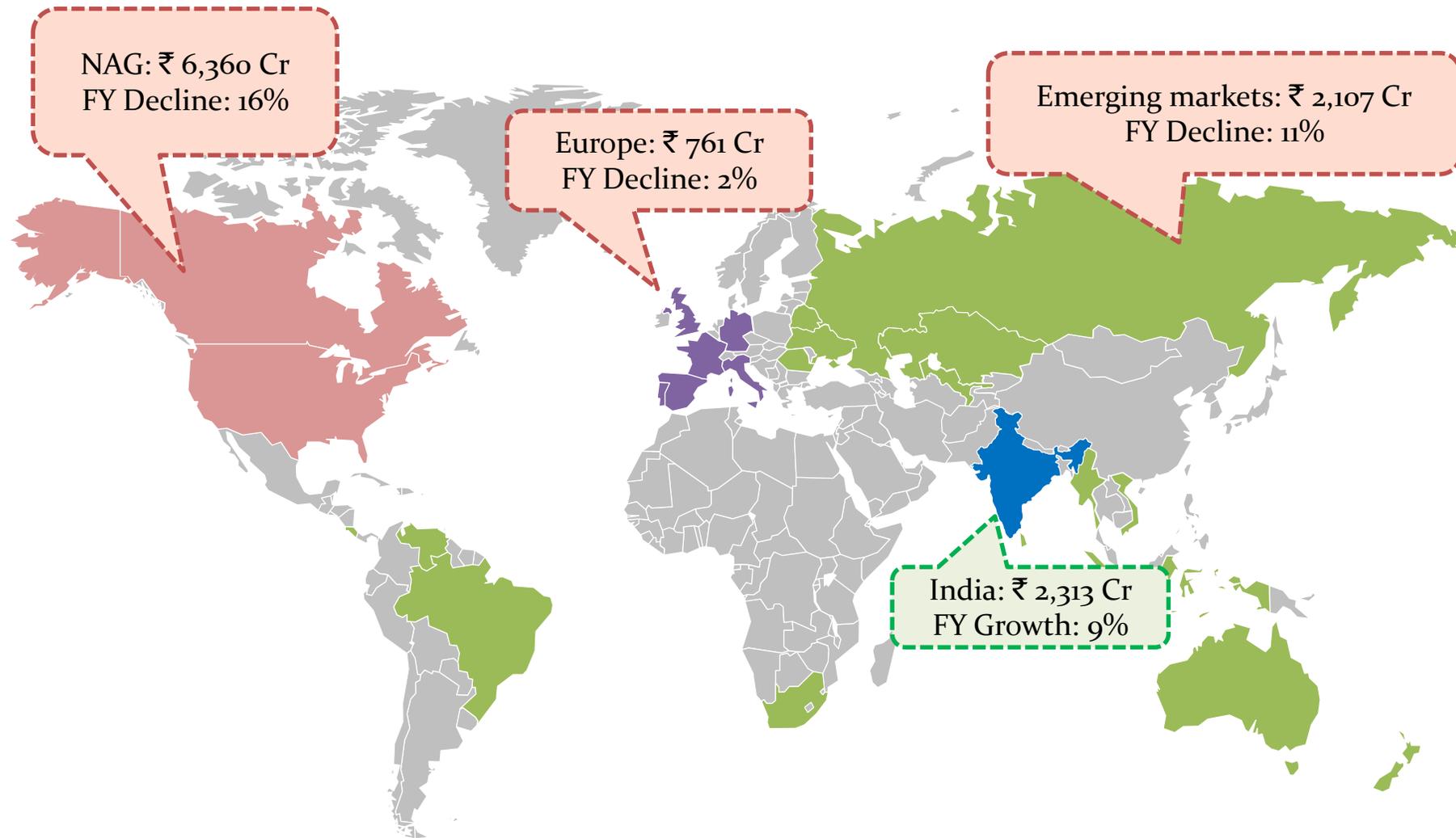
EBITDA (₹ Cr)



Global generics: Q4 FY17 Revenues of ₹ 2,914 Cr (YoY Decline of 5%)

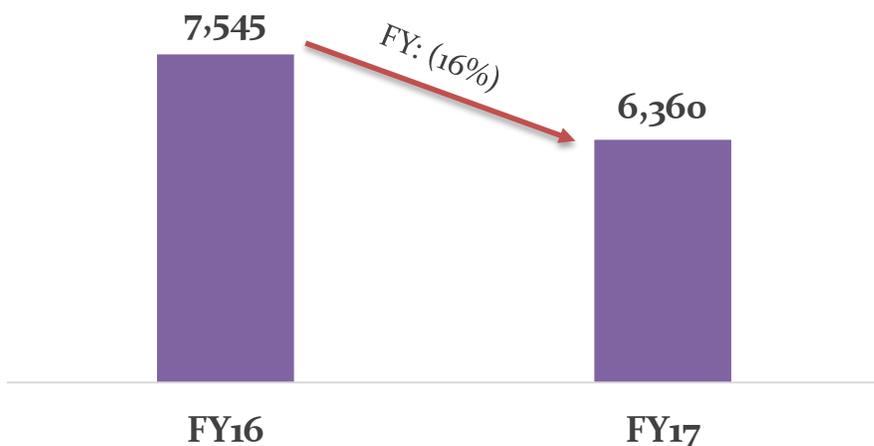
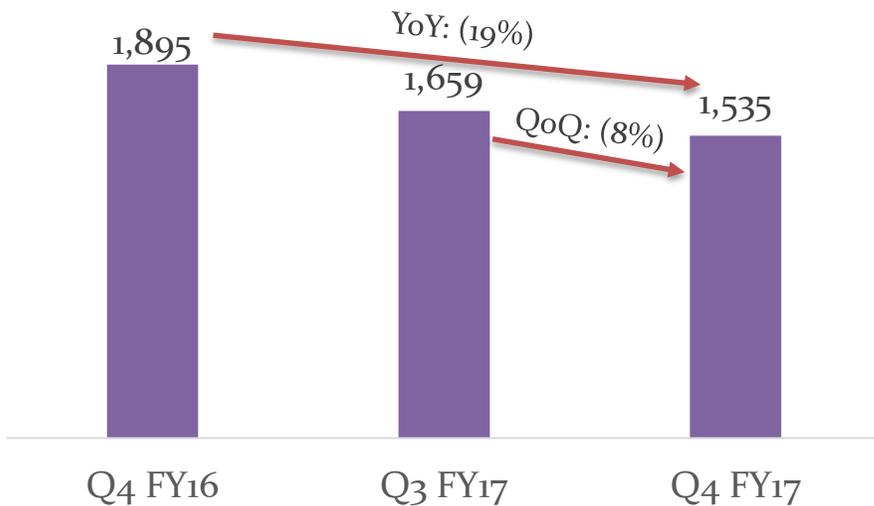


Global generics: FY17 Revenues of ₹ 11,541 Cr (FY Decline of 10%)



Global generics: US

Revenues (₹ Cr)



Generics Market share

Product	Nov-16	Mar-17
Decitabine Injection	74%	79%
Azacitidine	44%	46%
Metoprolol ER	28%	26%
Esomeprazole^	15%	17%
Valgancyclovir	39%	35%
Sumatriptan Inj	48%	29%
Atorvastatin	13%	16%

^ -Based on Total Market

Generics filings Pipeline

265 cumulative filings
(262 ANDAs, 3 NDAs)

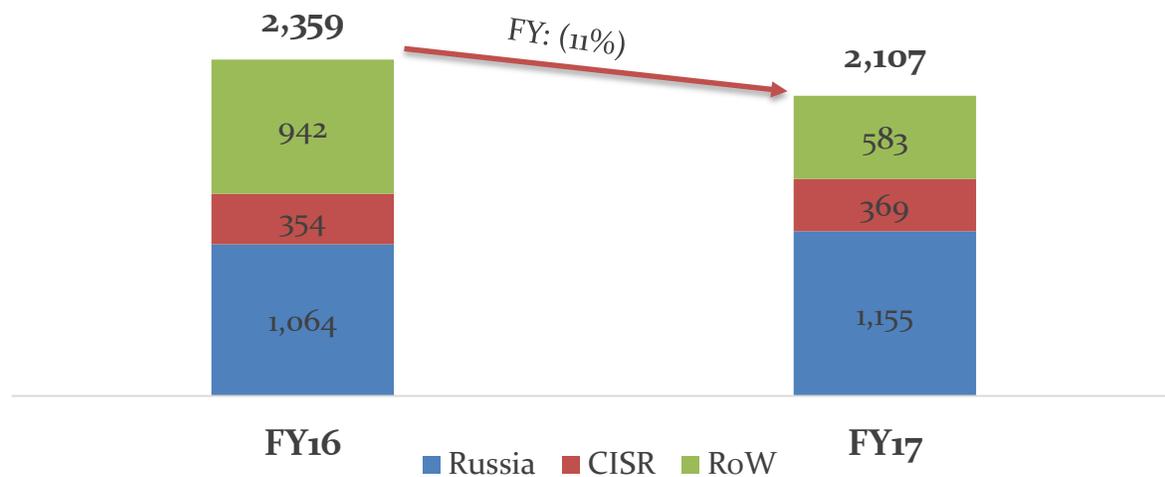
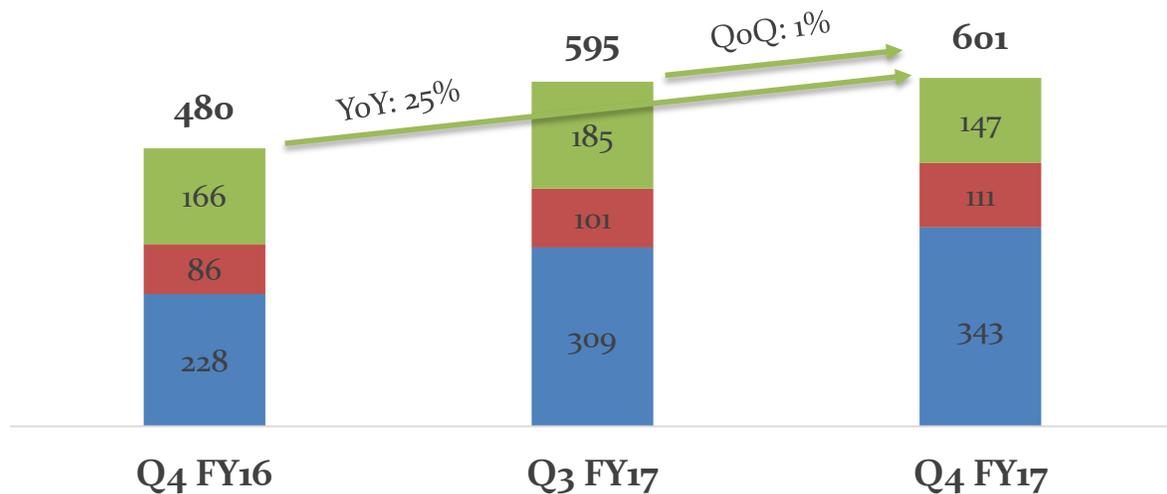
101 pending approvals
(99 ANDAs, 2 NDAs)

62 Para IV filings
21 First to files

- Decline factors include increased competition in injectable franchise and valgancyclovir, continuing pricing pressure and loss of McNeil business
- No new major launches during the year primarily due to delay in approvals
- Total of 26 ANDAs filed in FY'17. 13 ANDAs filed in Q4 FY'17
- In April 2017, launched Ezetimibe Simvastatin (gVytorin); first of the 8 products acquired from Teva.

Global generics: Emerging Markets

Revenues (₹ Cr)



Russia

- Q4 and FY 17 performance attributed to base business growth and improving forex
- Q4: Reditux tender was announced. Initiated supplies in April 2017.
- Focus on mega brands and portfolio augmentation continues
- As per IMS, MAT Feb'17, Dr. Reddy's volume growth is at 5.1% vs. Russian market volume growth of 4.4%.

CISR

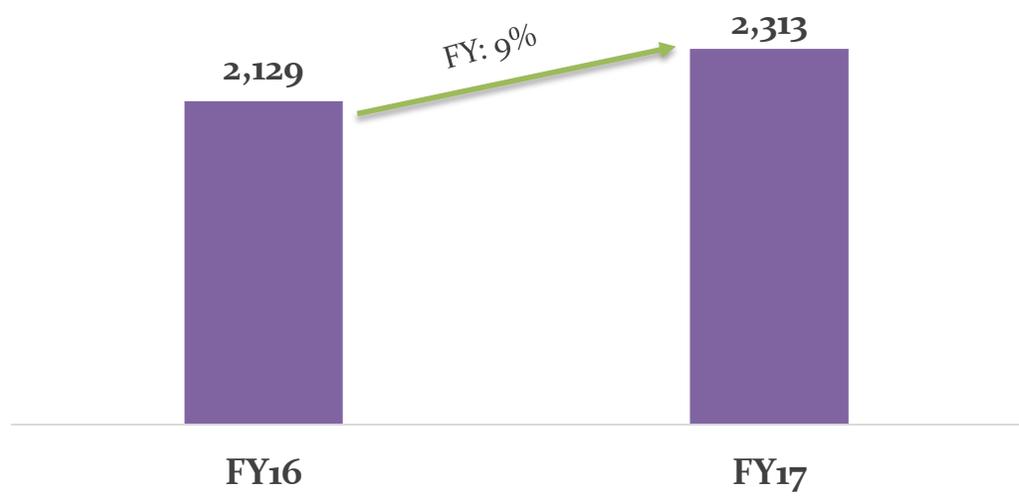
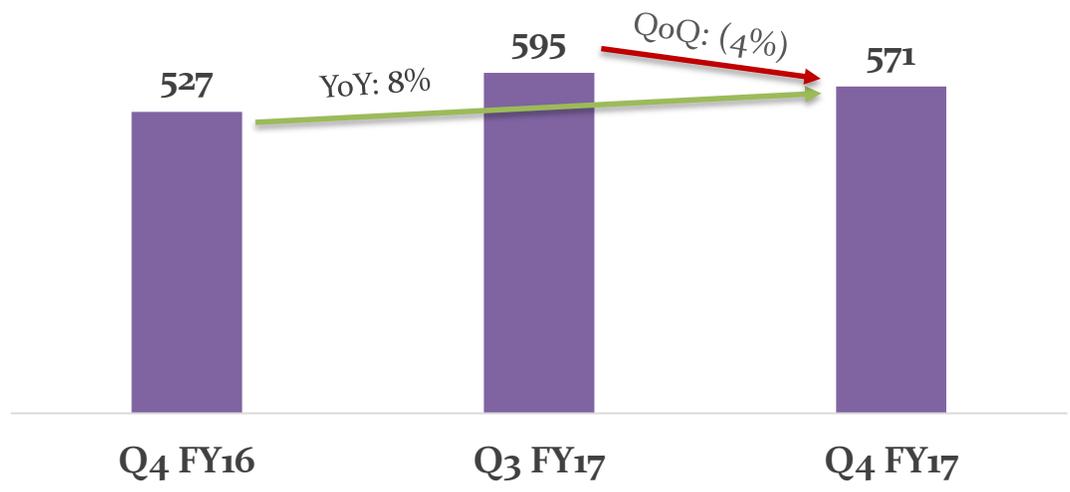
- FY 17: Growth in Ukraine & Romania is partly offset due to currency devaluation in Kazakhstan.

ROW

- Excluding Venezuela base business, FY 17 growth @22% majorly driven by Australia, China and Biologics foray into new markets.

Global generics: India

Revenues (₹ Cr)

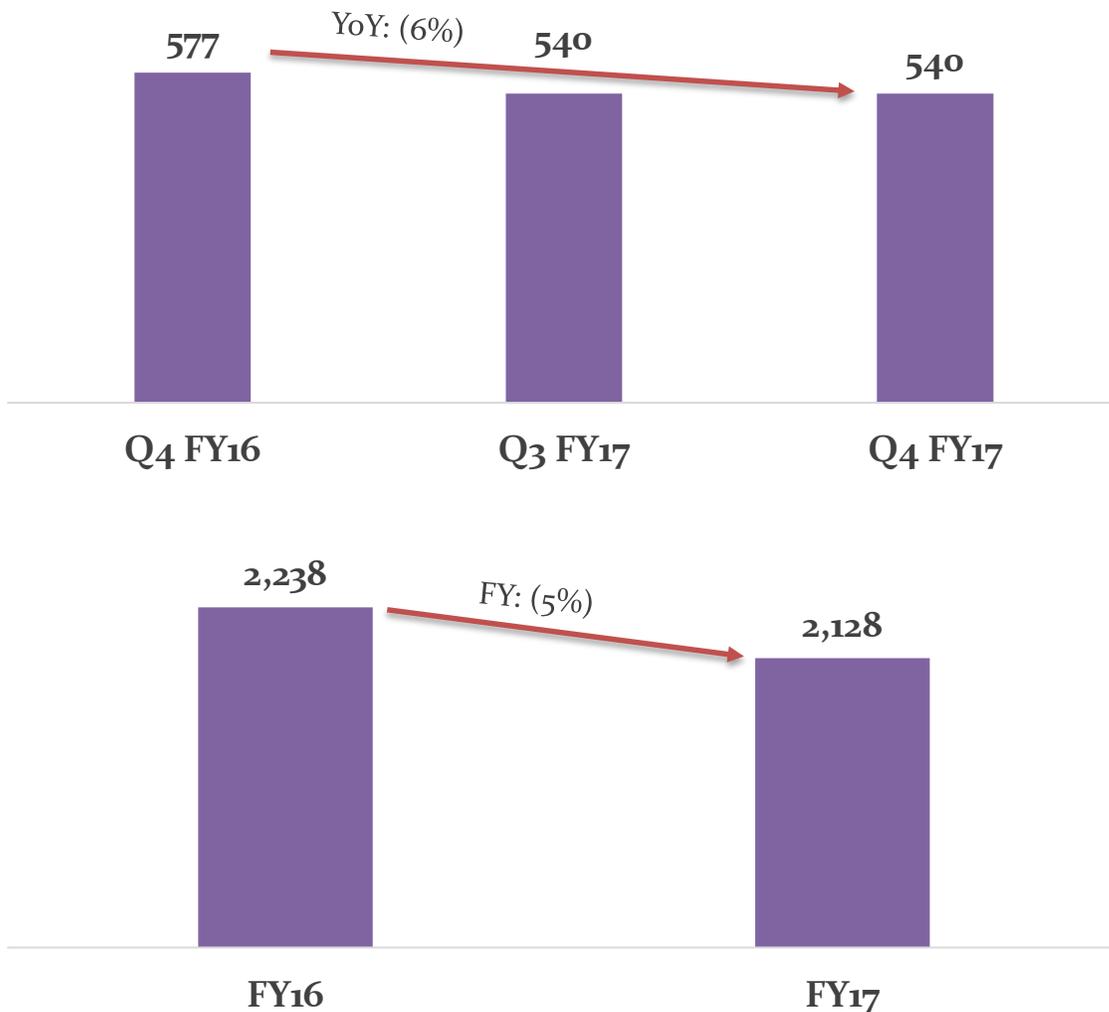


- Q4 Fy 17 growth driven by volume growths and new product launches partly offset by NLEM impact
- XGEVA & VECTIBIX - products launched through strategic collaboration with Amgen performed in line with expectations



Pharmaceutical services and active ingredients

Revenues (₹ Cr)



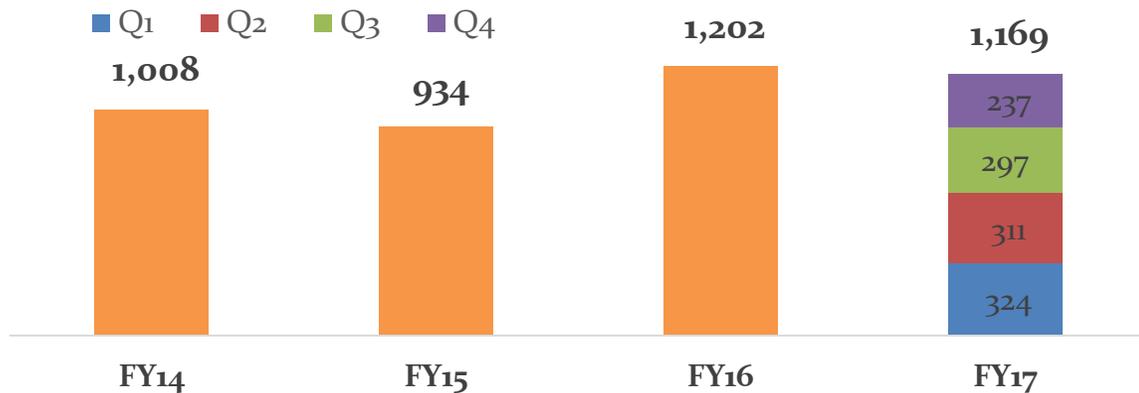
PSAI

- Growth is flat on sequential basis
- On yearly basis, decline is on account of reduced off-take for key products
- Globally, 32 DMFs filed in Q4'17; out of which 3 are in the US

Region	Filings
US	202
Europe	165
Canada	73
RoW	314
Cumulative	754

Capex, R&D & Free cash flows

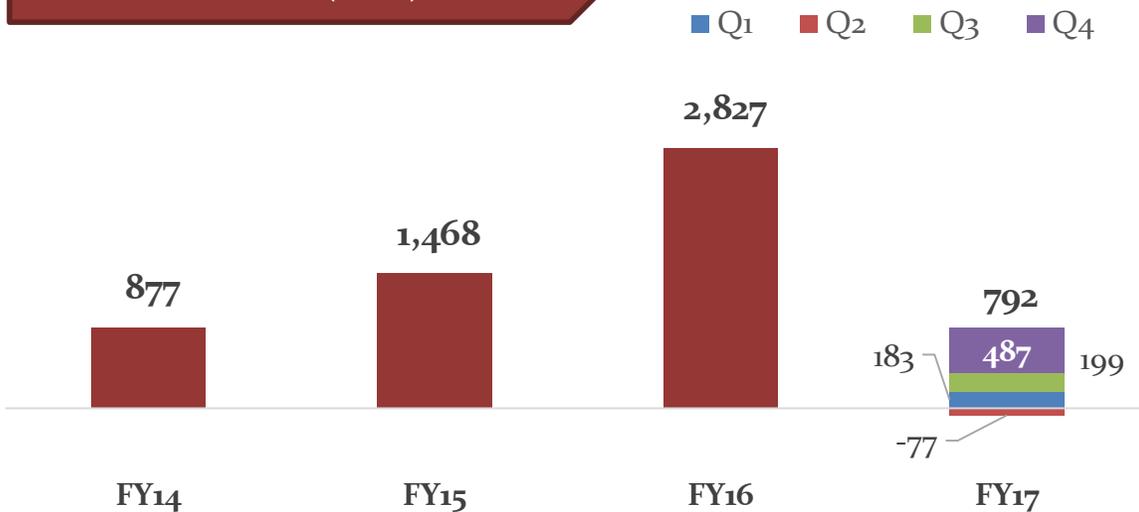
Capex (₹ Cr)



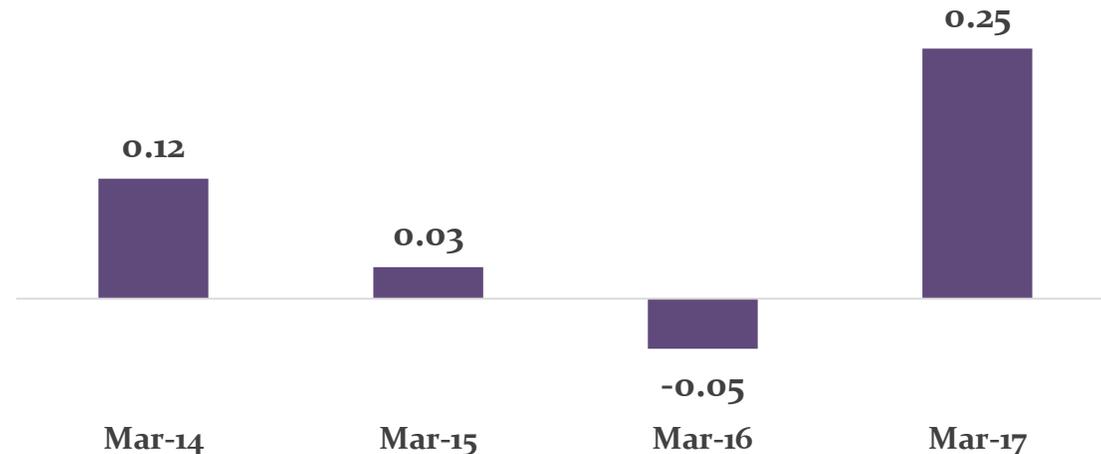
R&D (₹ Cr)



Free cash flows (₹ Cr)



Net debt/Equity



Key priorities

- ✓ Resolve/address FDA observations on recently concluded plant audits
- ✓ Launch readiness & optimization of revenue potential of new launches in the US
- ✓ New market scale up across Europe and EM
- ✓ Focus on improving the R&D productivity & cost optimization across organization

Q&A SESSION



**GOOD
HEALTH
CAN'T
WAIT.**

CONTACT	
INVESTOR RELATIONS	MEDIA RELATIONS
SAUNAK SAVLA saunaks@drreddys.com (PH: +91-40-49002135)	CALVIN PRINTER calvinprinter@drreddys.com (Ph: +91-40- 49002121)

.....
About Dr. Reddy's: Dr. Reddy's Laboratories Ltd. (BSE: 500124, NSE: DRREDDY, NYSE: RDY) is an integrated pharmaceutical company, committed to providing affordable and innovative medicines for healthier lives. Through its three businesses - Pharmaceutical Services & Active Ingredients, Global Generics and Proprietary Products – Dr. Reddy's offers a portfolio of products and services including APIs, custom pharmaceutical services, generics, biosimilars and differentiated formulations. Our major therapeutic areas of focus are gastro-intestinal, cardiovascular, diabetology, oncology, pain management and dermatology. Dr. Reddy's operates in markets across the globe. Our major markets include – USA, India, Russia and other CIS countries. For more information, log on to: www.drreddys.com

Disclaimer: This press release may include statements of future expectations and other forward-looking statements that are based on the management's current views and assumptions and involve known or unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, the words "may", "will", "should", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" and similar expressions identify forward-looking statements. Actual results, performance or events may differ materially from those in such statements due to without limitation, (i) general economic conditions such as performance of financial markets, credit defaults, currency exchange rates, interest rates, persistency levels and frequency / severity of insured loss events (ii) mortality and morbidity levels and trends, (iii) changing levels of competition and general competitive factors, (iv) changes in laws and regulations and in the policies of central banks and/or governments, (v) the impact of acquisitions or reorganisation, including related integration issues.

The company assumes no obligation to update any information contained herein.