



Dr.Reddy's 



Press Presentation- Q3 FY17

February 4th, 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.

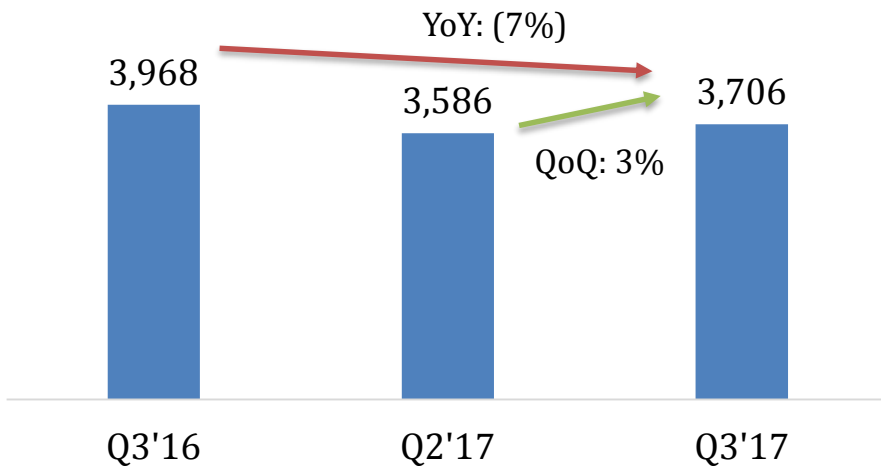
Should one or more of such risks and uncertainties materialize, or should any underlying assumption prove incorrect, actual outcomes may vary materially from those indicated in the applicable forward-looking statements.

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 December 31, 2015, June 30, 2016 and September 30, 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.

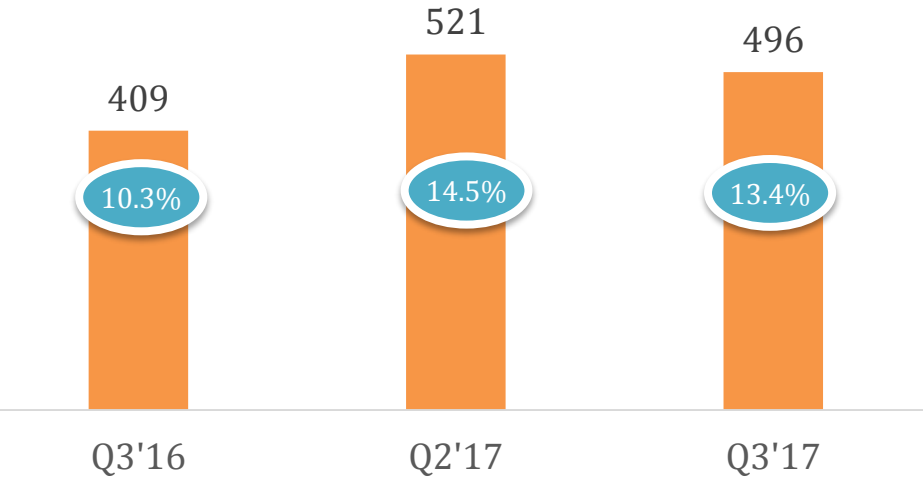
Q3 FY17 : Financial highlights

 % of revenues

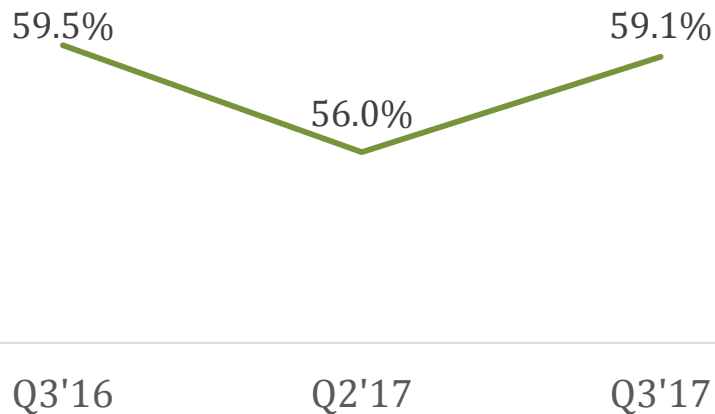
Revenues (₹ Cr)



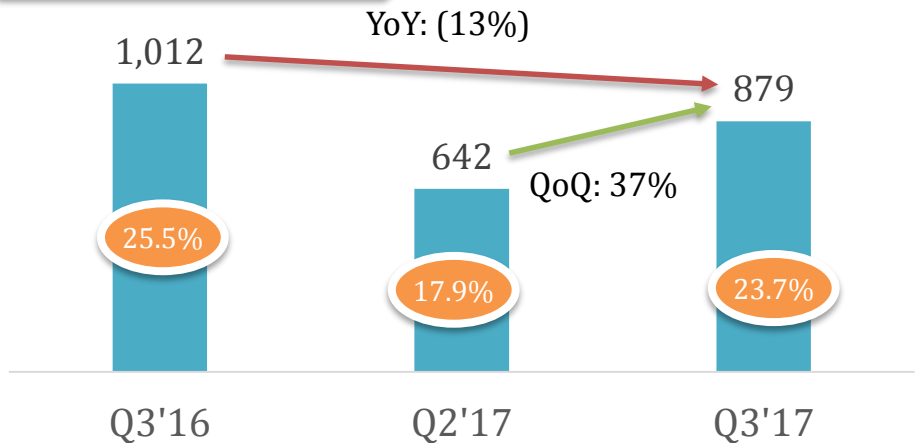
R&D (₹ Cr)



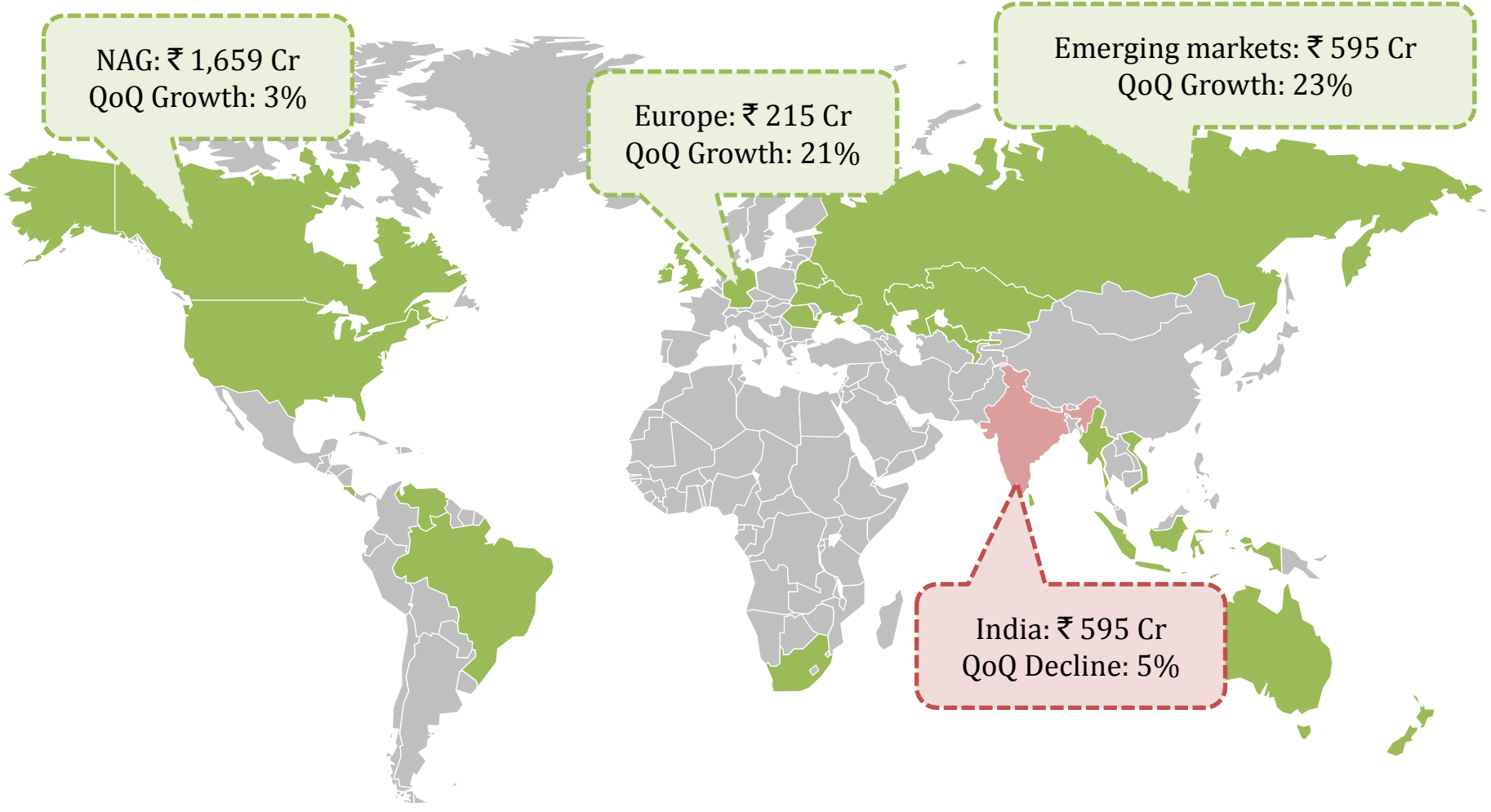
Gross profit (%)



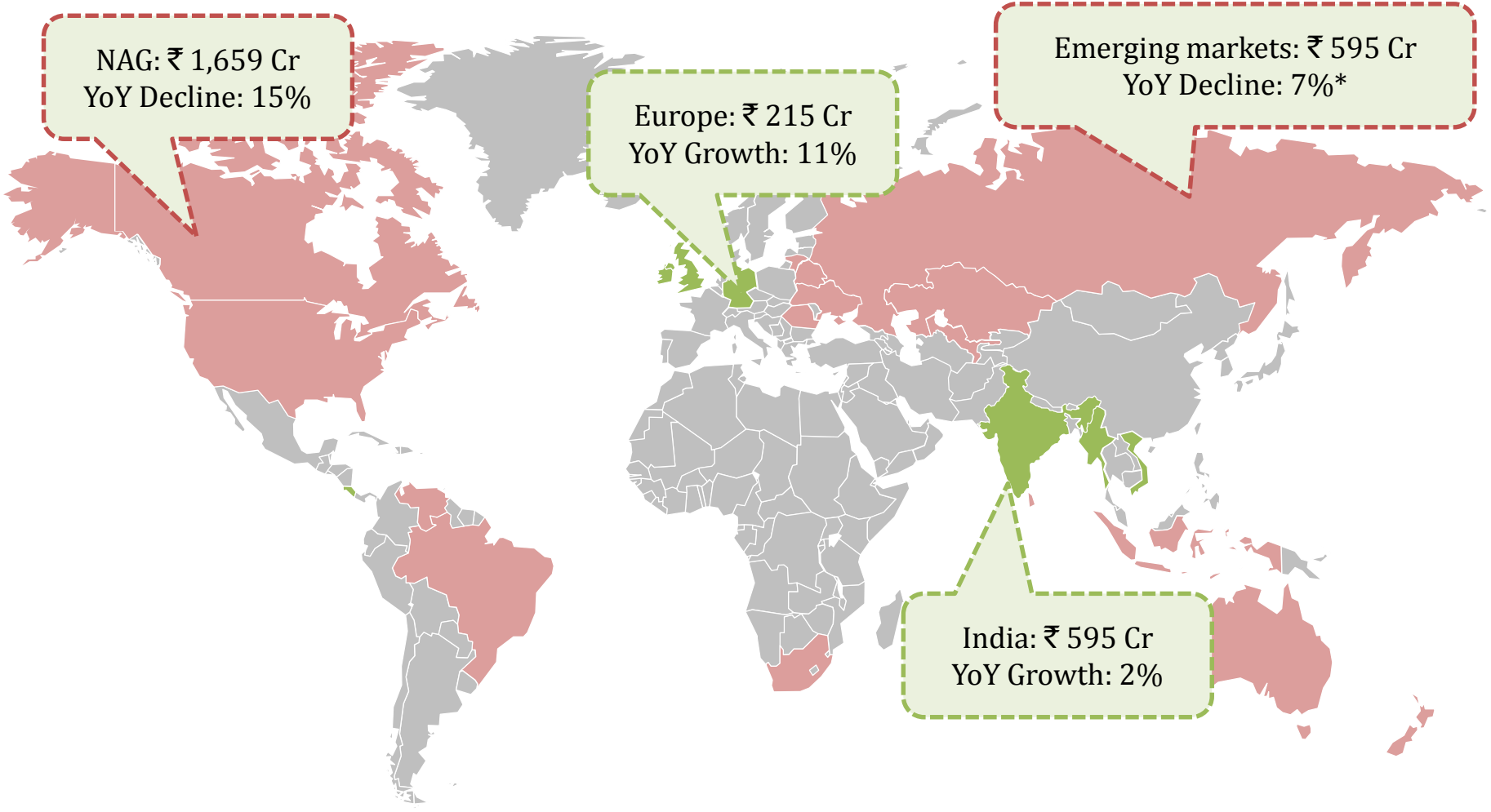
EBITDA (₹ Cr)



Global generics: Q3 FY17 Revenues of ₹ 3064 Cr (QoQ Growth of 6%)



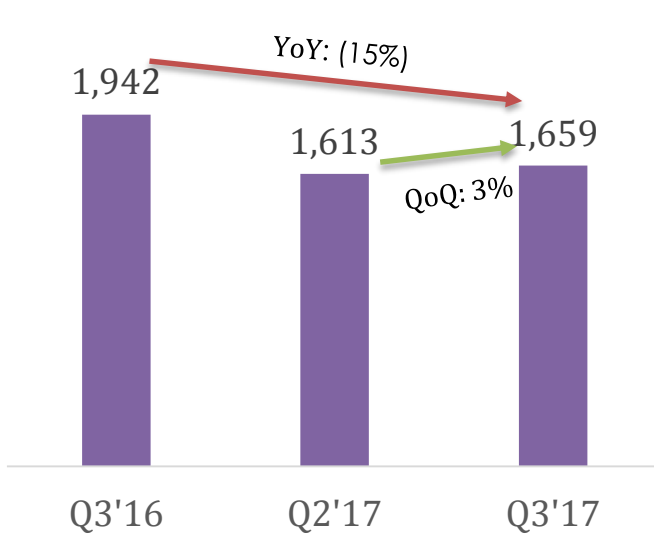
Global generics: Q3 FY17 Revenues of ₹ 3064 Cr (YOY Decline of 9%)



*Emerging markets Y-O-Y growth of 7% excluding Venezuela

Global generics: US

Revenues (₹ Cr)

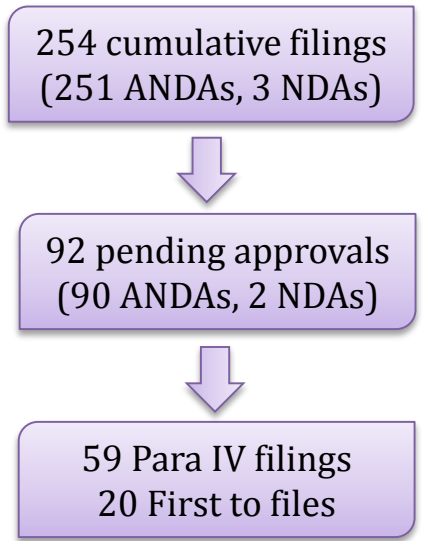


Generics Market share

Product	Aug-16	Nov-16
Decitabine Injection	72%	74%
Azacitidine	48%	44%
Metoprolol ER	28%	28%
Esomeprazole^	14%	15%
Valgancyclovir	35%	39%
Sumatriptan Inj	53%	48%
Atorvastatin	14%	13%

^ -Based on Total Market

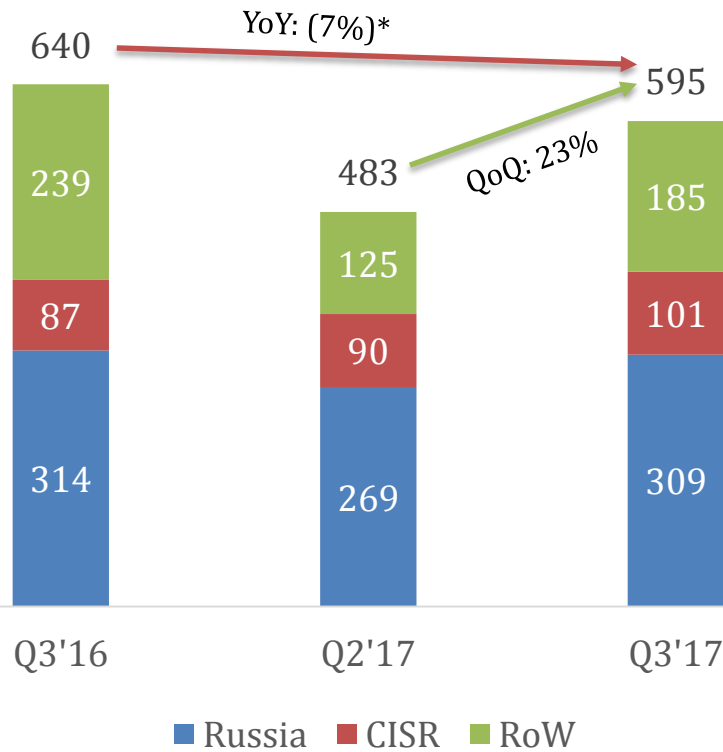
Generics filings Pipeline



- YoY decline primarily on account of increased competition in injectable franchise and valgancyclovir, coupled with pricing pressure; Loss of McNeil business
- Generics filing pipeline also includes ANDAs acquired from Teva. Total 8 ANDAs of which 7 are pending approval and 6 are PIVs.

Global generics: Emerging Markets

Revenues (₹ Cr)



***Y-O-Y growth excluding Venezuela is 7%**

Russia

- In constant currency, YoY decline of 5% | QoQ growth of 11%
- Focus on mega brands and portfolio augmentation continues.
- Future winners achieved 20% growth Q-o-Q
- YTD Dec'16 (IMS) Dr. Reddy's volume growth at 6% vs. Russian market volume growth of 4%.

CISR

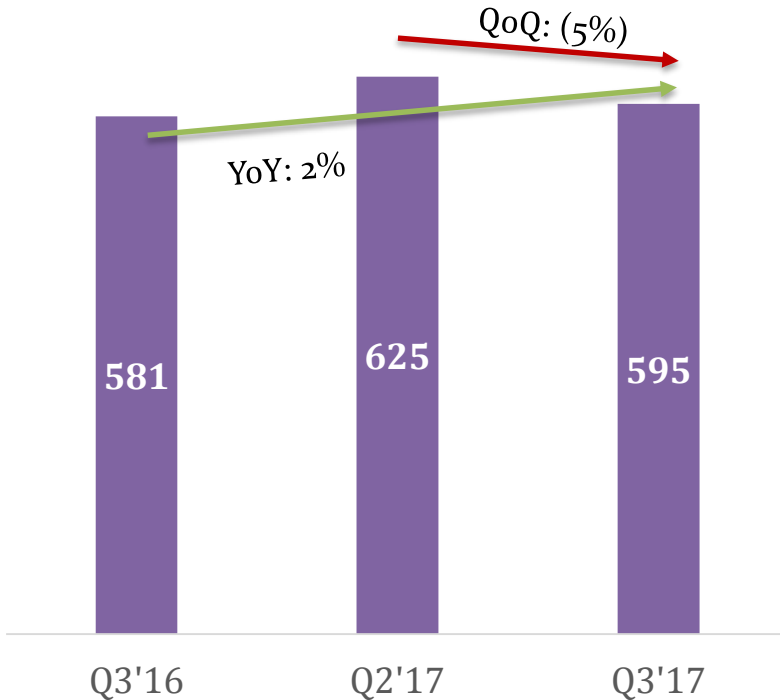
- Growth @16% majorly contributed from Ukraine & Kazakhstan.

ROW

- Steady growth across most of the markets
- Gaining traction in newly entered Columbia

Global generics: India

Revenues (₹ Cr)

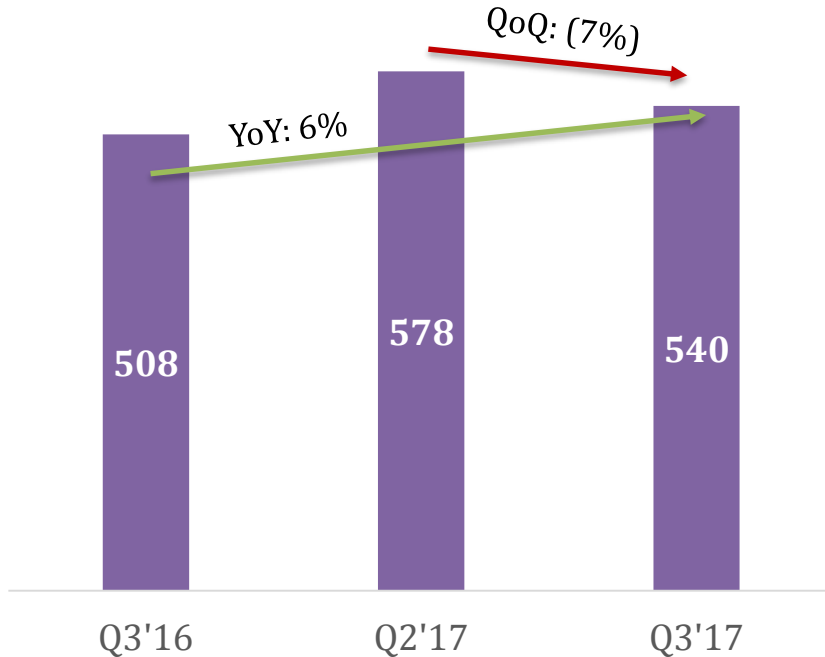


- Y-o-Y growth impacted by higher base in the previous year, demonetization and NLEM notifications.
- Continued momentum in MEGA brands.
- Commercialized two of the six in-licensed products under strategic collaboration arrangement with Amgen



Pharmaceutical services and active ingredients

Revenues (₹ Cr)



PSAI

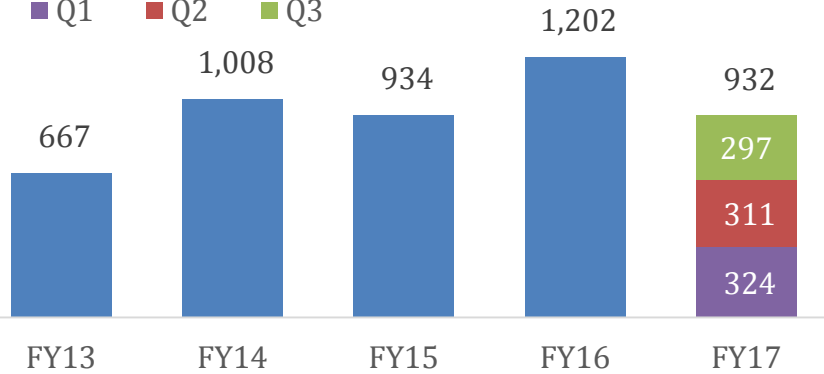
- Sequential decline impacted by buying pattern
- Globally, 16 DMFs filed in Q3'17; out of which 1 was for US

Region	Filings
US	202
Europe	210
Canada	73
RoW	297
Cumulative	782

Capex, R&D & Free cash flows

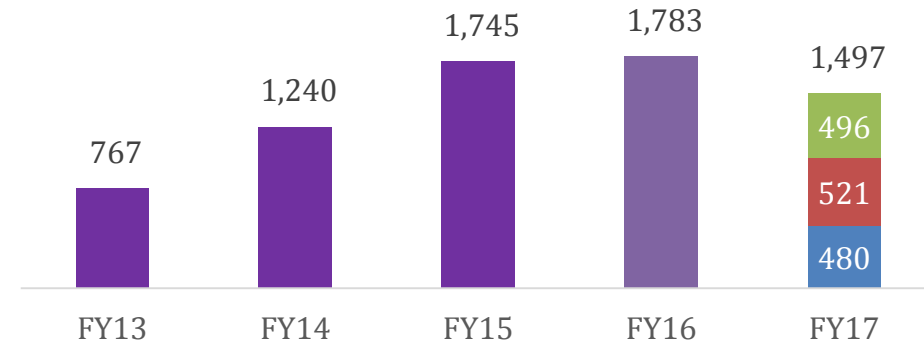
Capex (₹ Cr)

■ Q1 ■ Q2 ■ Q3



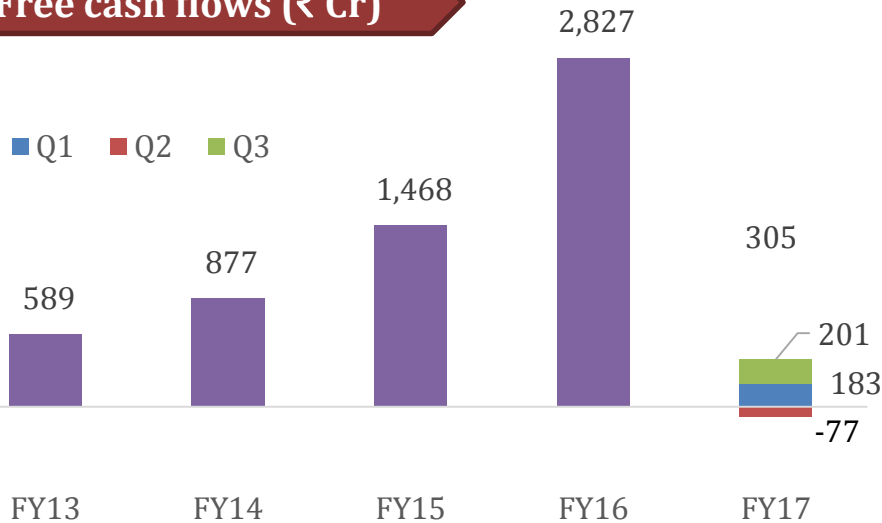
R&D (₹ Cr)

■ Q1 ■ Q2 ■ Q3

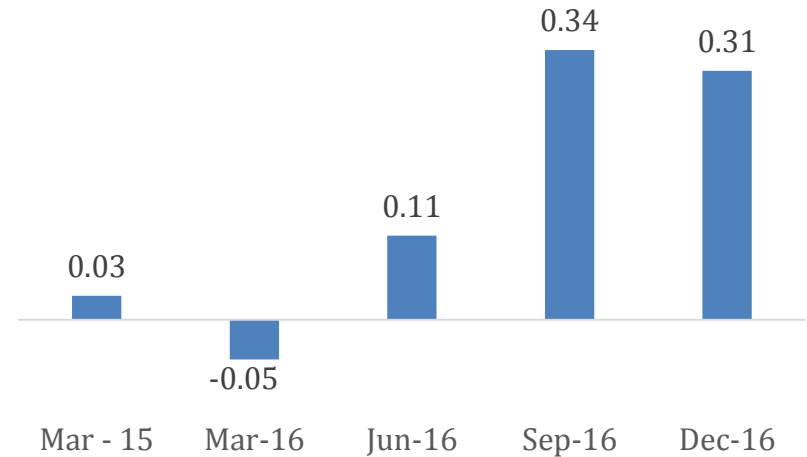


Free cash flows (₹ Cr)

■ Q1 ■ Q2 ■ Q3



Net debt/Equity



FCF as above is before acquisition related pay-outs

Key priorities



Meet new product development timelines & strengthen product pipeline



Successfully conclude audits of the Warning Letter impacted plants



Expanding biosimilars footprint across select EM geographies



Scaling up the newly entered geographies across Europe and EM



Continue focus on operational excellence to achieve cost leadership and optimal working capital levels

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)

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