

Press Presentation



Press Presentation
Q3 FY18
January 25, 2018



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:

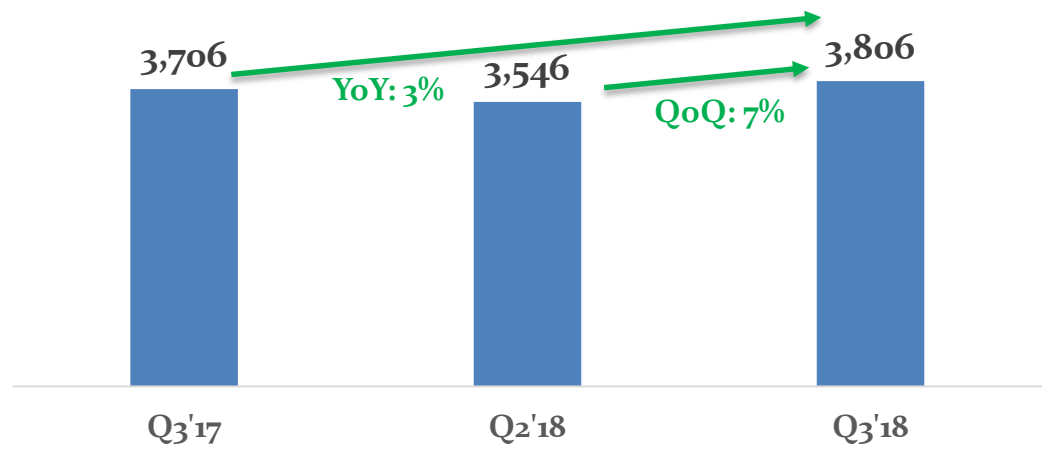
- General economic and business conditions in India and other key global markets in which we operate;
- The ability to successfully implement our strategy, our research and development efforts, growth & expansion plans and technological changes;
- Changes in the value of the Rupee and other currency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

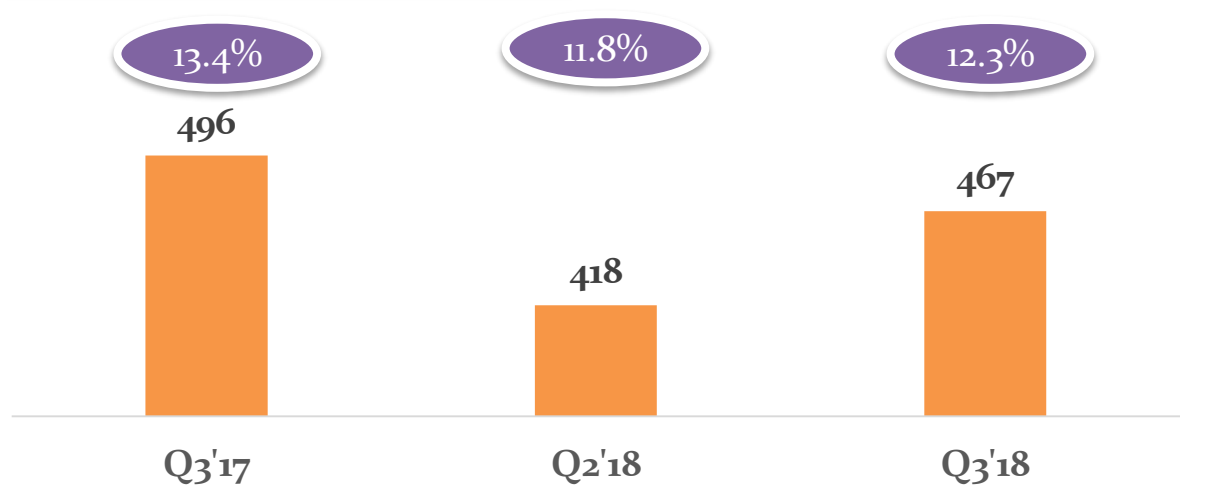
For more detailed information on the risks and uncertainties associated with the Company’s business activities, please see the company’s annual report filed in Form 20-F with the US SEC for the fiscal year ended March 31, 2017 and quarterly financial statements filed in Form 6-K with the US SEC for the quarters ended December 31, 2016, June 30, 2017 and September 30, 2017 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 FY18 : Financial highlights

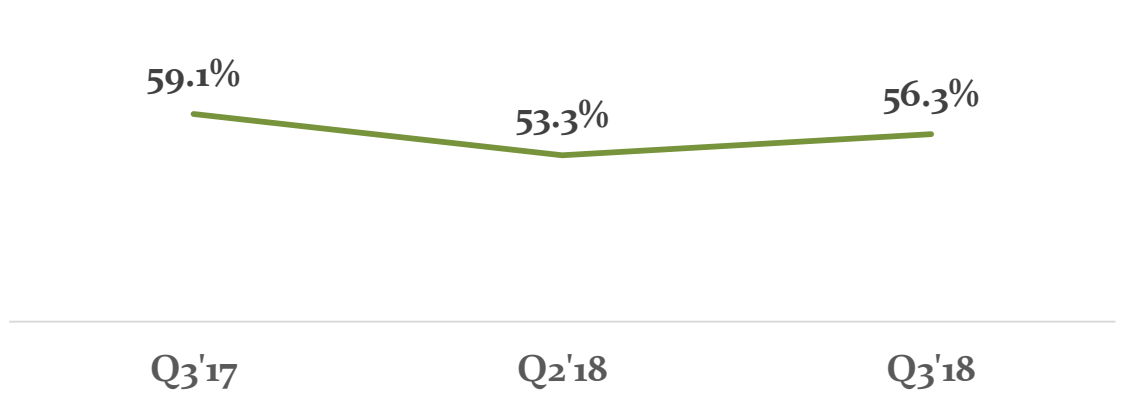
Revenues (₹ Cr)



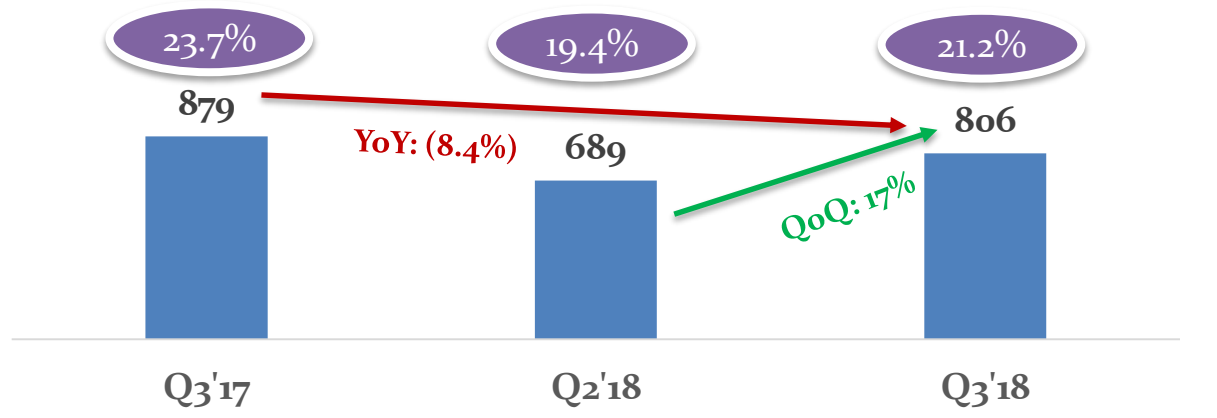
R&D (₹ Cr)



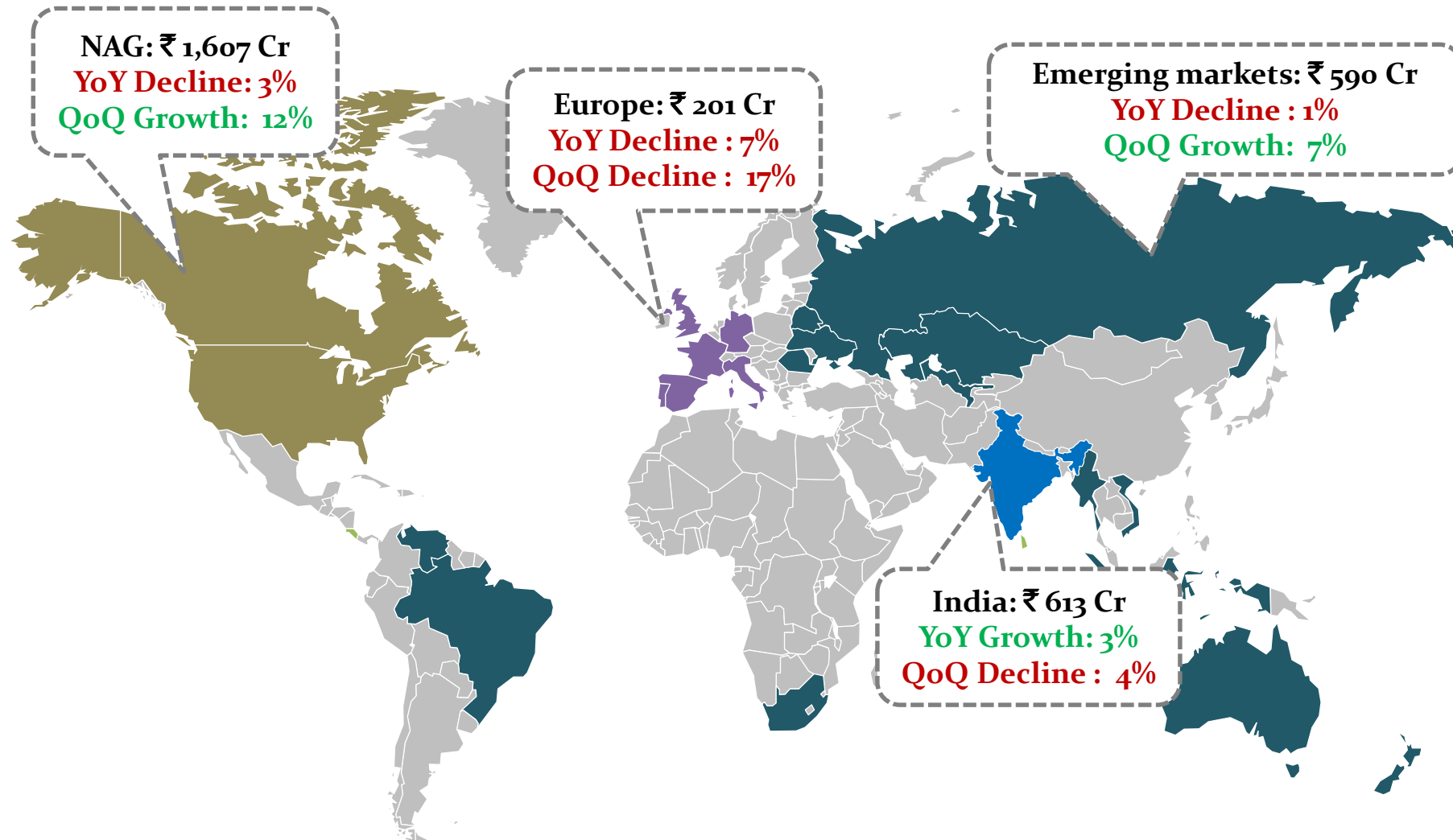
Gross profit (%)



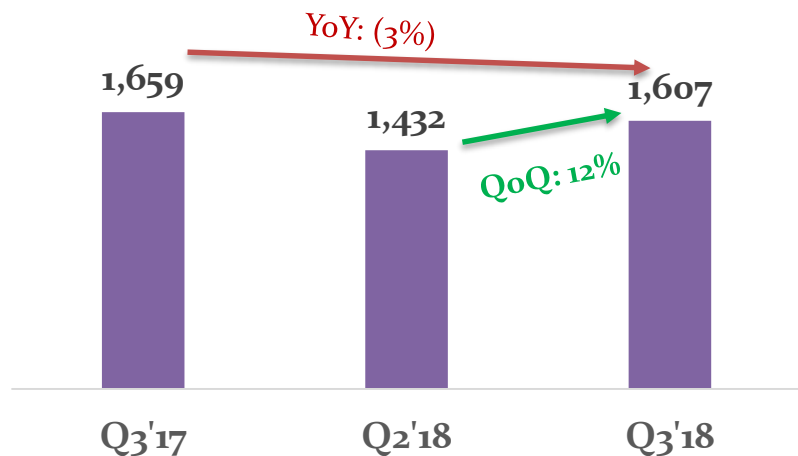
EBITDA (₹ Cr)



Global Generics: Q3 FY18 Revenues of Rs. 3,011 Cr (YoY 2% Decline, QoQ 5% growth)



Revenues (₹ Cr)

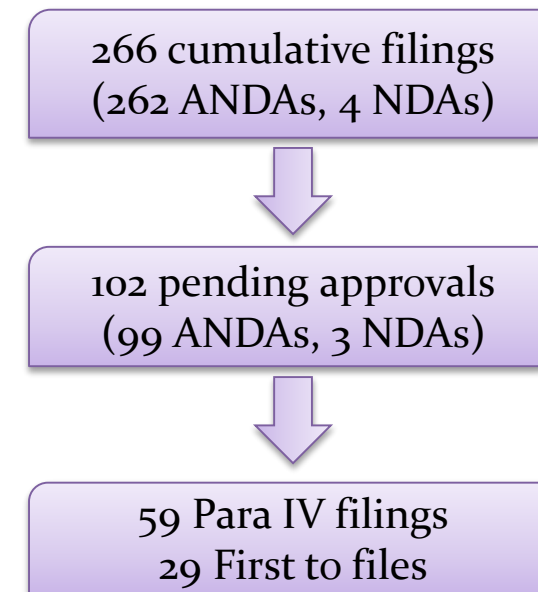


Market share

Product	Aug-17	Nov-17
Decitabine Injection [^]	71%	68%
Metoprolol ER	24%	23%
Ezetimibe+Simvastatin	33%	35%
Azacitidine	41%	37%
Atorvastatin	14%	15%
Esomeprazole DR [^]	22%	23%
Fondaparinux	55%	57%
Sumatriptan Inj	28%	29%
Liposomal Doxorubicin	22%	32%
Sevelamer	-	9%

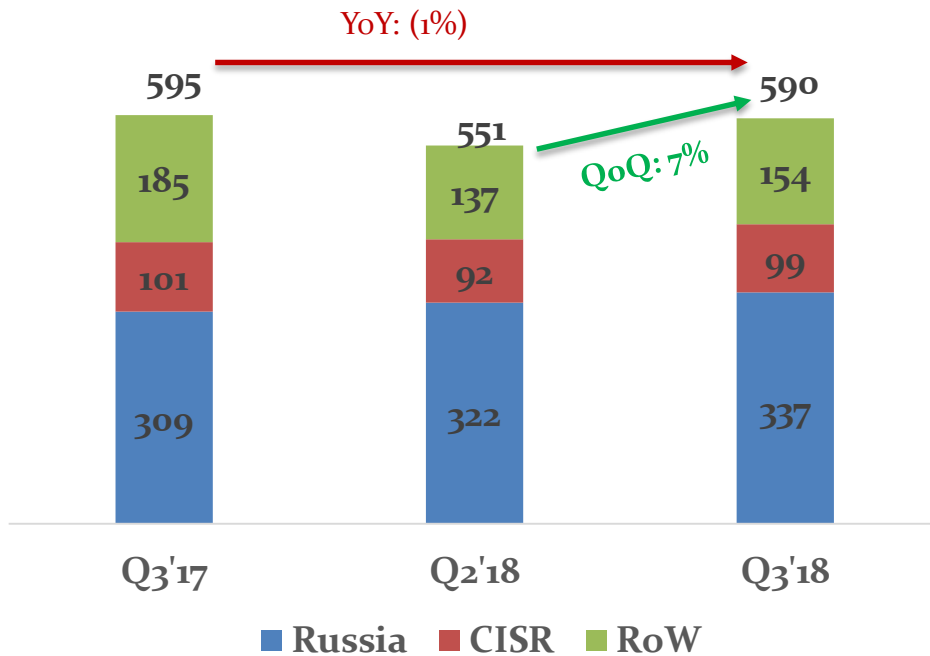
[^]Based on total market

Generics filings Pipeline



- YoY decline primarily due to price erosions on account of channel consolidation, increased competition in key products & adverse forex movement; QoQ growth majorly driven by recent launches
- 3 new products (trimipramine, clofarabine inj, melphalan) launched in the US
- First to launch generic azacitidine in Canada
- Ranked 9th amongst the Generics Rx Players in the US [IMS]

Revenues (₹ Cr)



Russia

- In local currency terms, sales grew by 5% YoY majorly driven by higher volumes & price increase in few of the existing products
- As per IMS, MAT Nov'17, Dr. Reddy's volume growth of 0.2% against Russia market volume decline of 1.1%

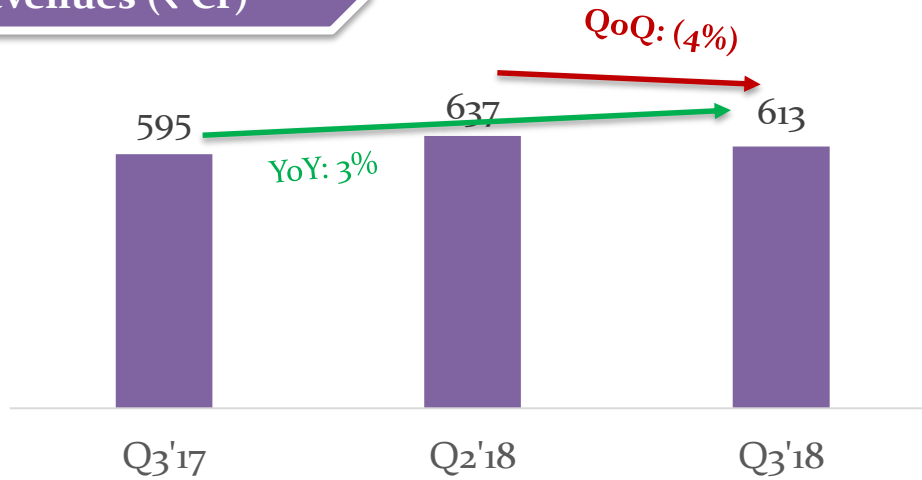
CISR

- YoY: Higher sales in Ukraine offset by lower sales in Romania due to temporary supply disruptions

ROW

- YoY decline of 17% - due to higher PY base, sequentially we have growth of 13%
- Performance in newly entered markets - Brazil & Colombia - in line with expectation.

Revenues (₹ Cr)



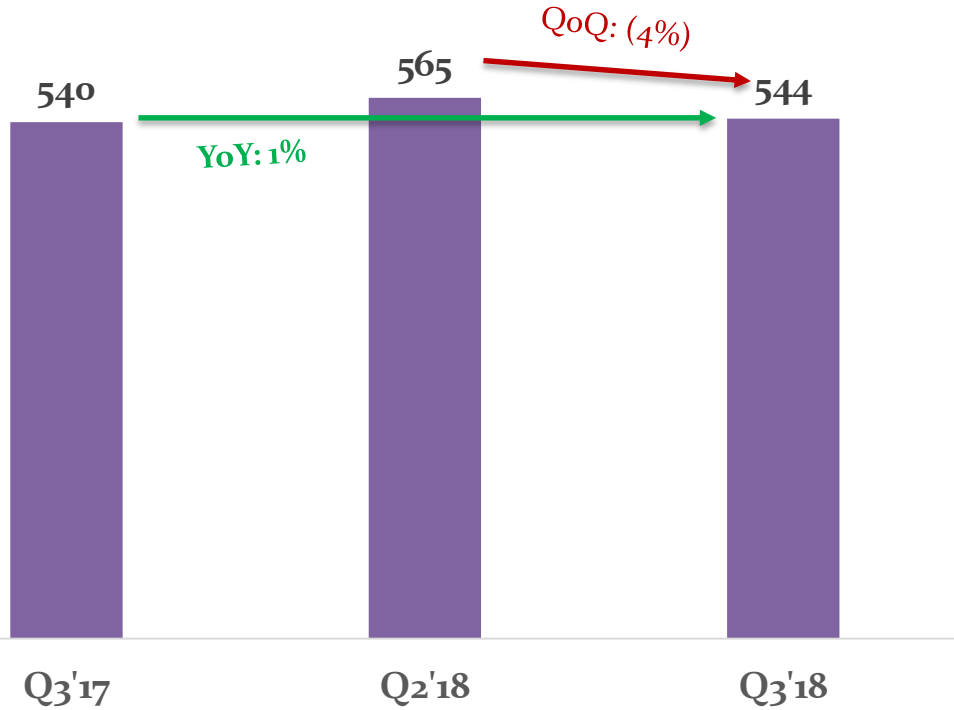
- Normalizing for GST transition related adjustments, YoY growth is @11%
- YoY growth driven by higher volumes and new products
- 7 new products launched during the quarter, major ones being Atocor CV, Prolia, Agna

In Chronic Pancreatitis & Pancreatic Exocrine Insufficiency



Pharmaceutical services & active ingredients

Revenues (₹ Cr)



PSAI

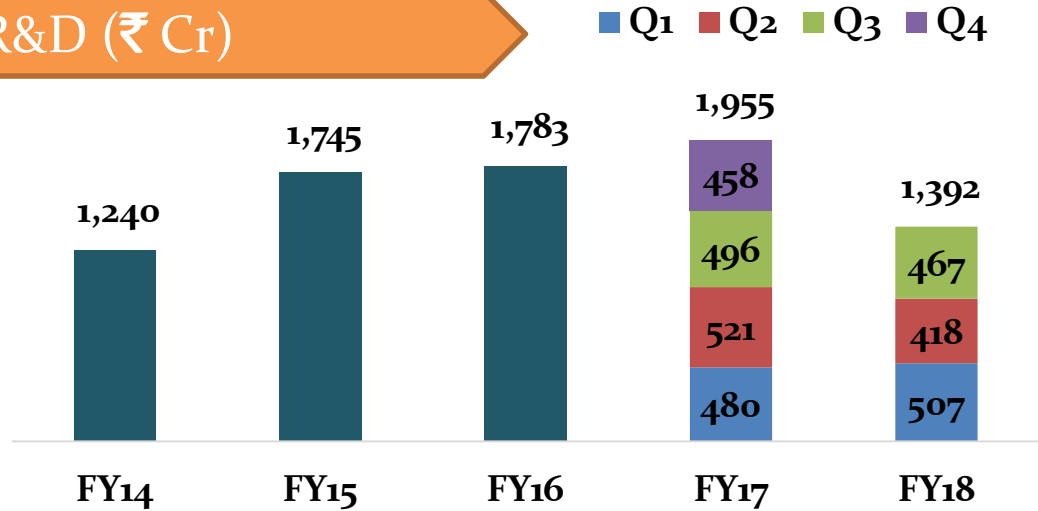
- YoY growth has been impacted by adverse forex movement
- QoQ decline is attributed to lower performance in Custom Pharmaceutical business
- Globally, 13 DMFs filed in Q3'18

DMF filings

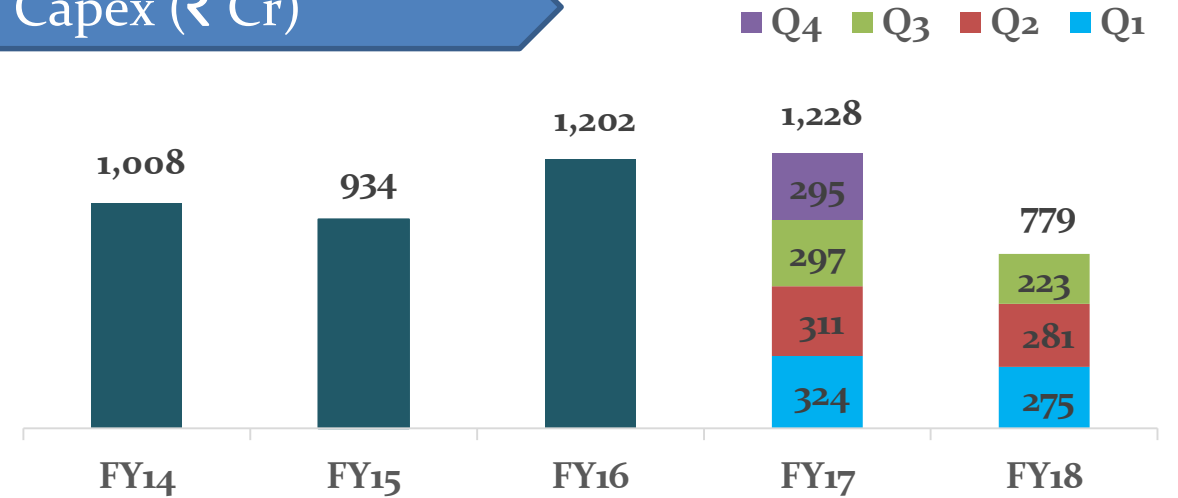
Region	Filings
US	203
Europe	167
Canada	73
RoW	348
Cumulative	791

Capex, R&D & free cash flows

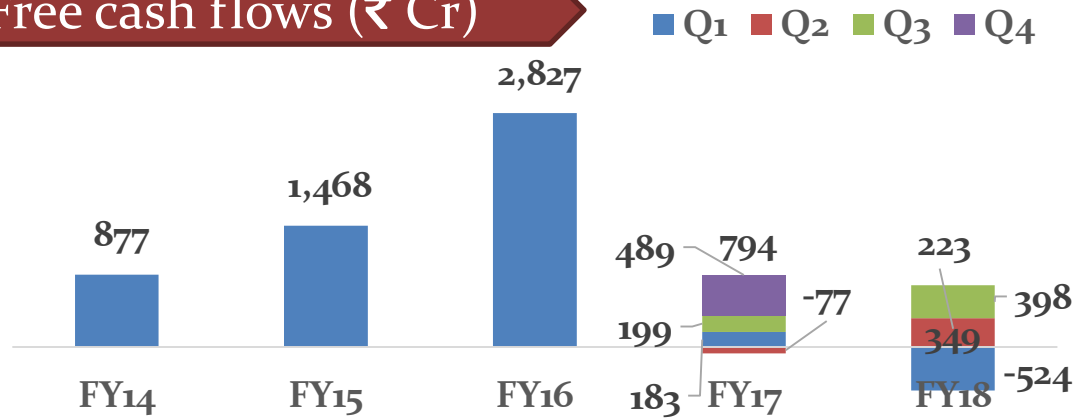
R&D (₹ Cr)



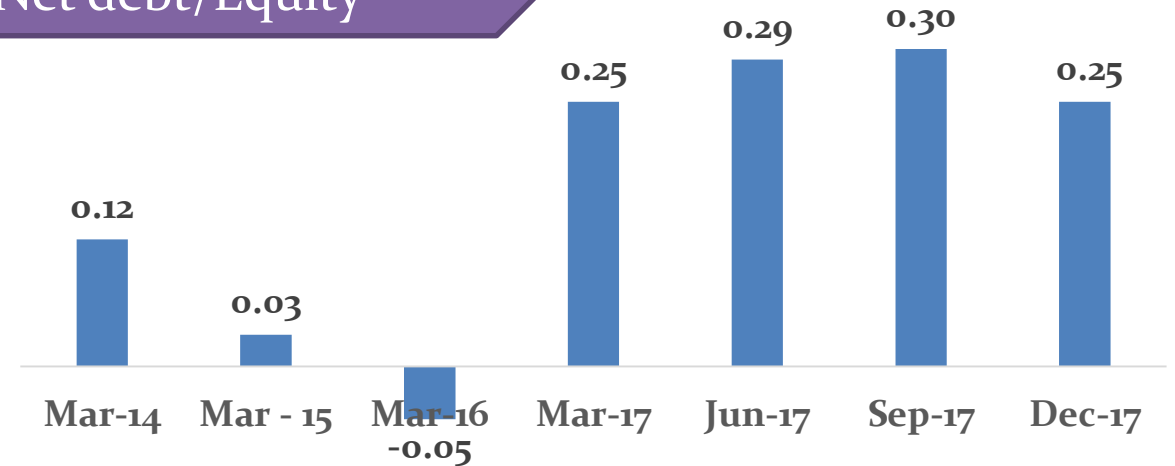
Capex (₹ Cr)



Free cash flows (₹ Cr)



Net debt/Equity



FCF as above is before acquisition related pay-outs

Key priorities



Continue on our journey of strengthening the quality systems and processes



Actively work with the US regulatory agencies for accelerating the new product approvals



Strengthening our portfolio across markets, and grow above the market growth rate



Cost optimization and productivity improvement of R&D, Manufacturing and Marketing spends

Q&A SESSION



**GOOD
HEALTH
CAN'T
WAIT.**

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