# Financial Results Q3 FY21

*Jan 29, 2021*

# 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, 2020 and quarterly financial statements filed in Form 6-K with the US SEC for the quarters ended Dec 31, 2019, Jun 30, 2020, Sep 30, 2020 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.

# Financial Highlights

Rs. Cr

## Healthy revenue growth with good EBITDA margins

| | Q3 FY21 | YoY Gr% | QoQ Gr% |
|---|---|---|---|
| Revenues | 4,930 | 12% | 1% |
| EBITDA | 1,185 | 10% | -6% |
| PBT^ | 284 | 5.8% of Revenues | |
| PAT | 20 | 0.4% of Revenues | |

***^Excluding impairment charge, PBT is Rs. 882 Cr i.e. 17.9% of Revenues***





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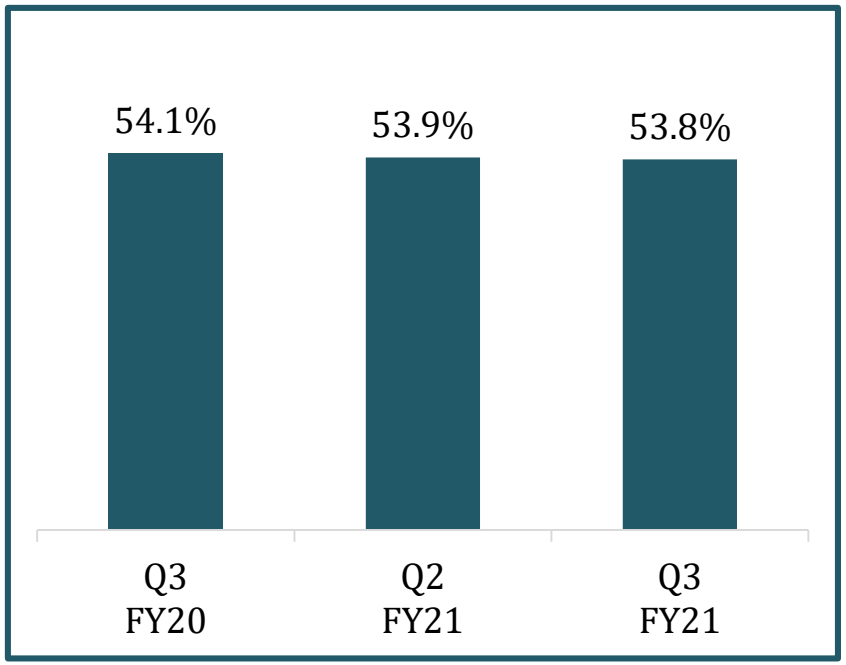
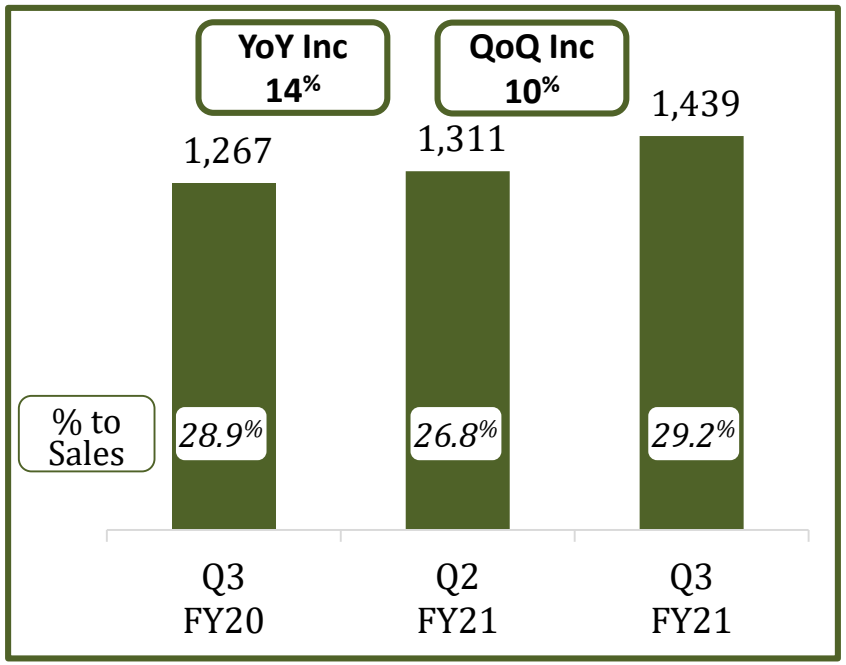
# P&L Metrics - Quarterly

Rs. Cr

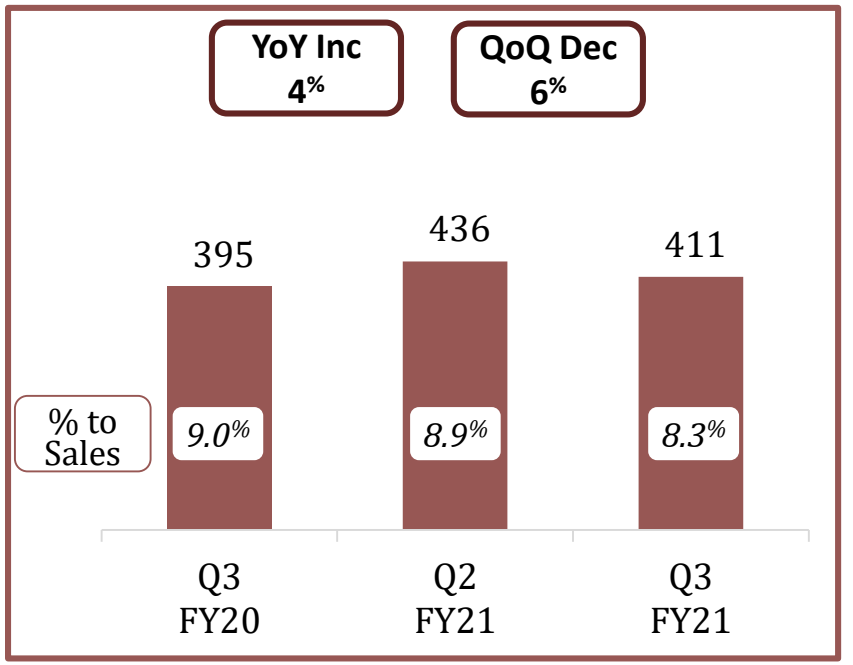
## Gross margin




## SG&A Expenses




## R&D Expenses

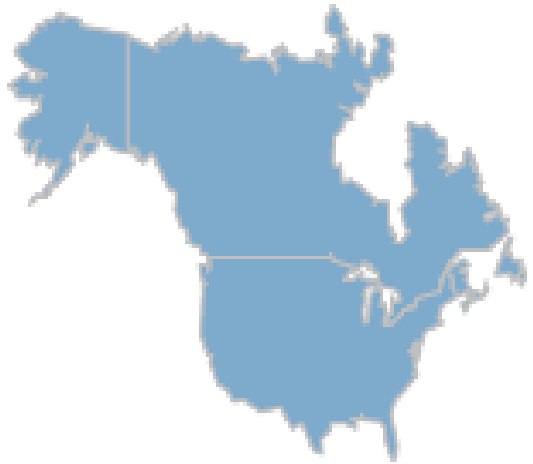


# North America – YoY growth driven by new product launches

Revenues

**Q3 FY21** Rs. **1,739 cr**

| YoY Gr | QoQ Dc |
|---|---|
| 9% | 5% |



- **Revenue:**
  - YoY – benefited from new products launches, increase in volumes and favorable forex, which was partially offset by price erosion
  - QoQ – decline primarily due to price erosion in some of the molecules
- **New launches:**
  - 4 new products - Cinacalcet Tablets, Sapropterin Dihydrochloride Tablets and Succinylcholine Chloride Injection in the US and Daptomycin Injection in Canada
  - Re-launched OTC – Famotidine in US
- **US filing update:**
  - ANDAs filed – 2
  - Cumulative pending for approval - 89 (87 ANDAs + 2 NDAs)
    - 48 Para IV filings
    - 24 expected to have FTF status

# India – YoY growth driven by new products & portfolio acquired from Wockhardt

Revenues

**Q3 FY21** Rs. **959 cr**

**YoY Gr 26%**

**QoQ Gr 5%**

- YoY revenue growth is primarily due to acquired portfolio from Wockhardt and new products contribution including Remdesivir (Redyx)
- QoQ revenue growth driven by improvement in the market conditions
- Redyx featured among IPM - Top 20

**IQVIA growth rates**

| Dec 2020 | FTM | MQT | MAT |
|---|---|---|---|
| **IPM** | 11.9% | 8.3% | 4.4% |
| **Dr. Reddy's** | **18.2%** | **13.5%** | **1.5%** |

- *We were ranked 9th on FTM basis and 11th on MQT & MAT basis, an improvement by a rank*

FTM: For the month | MQT: Moving quarterly total | MAT: Moving annual total

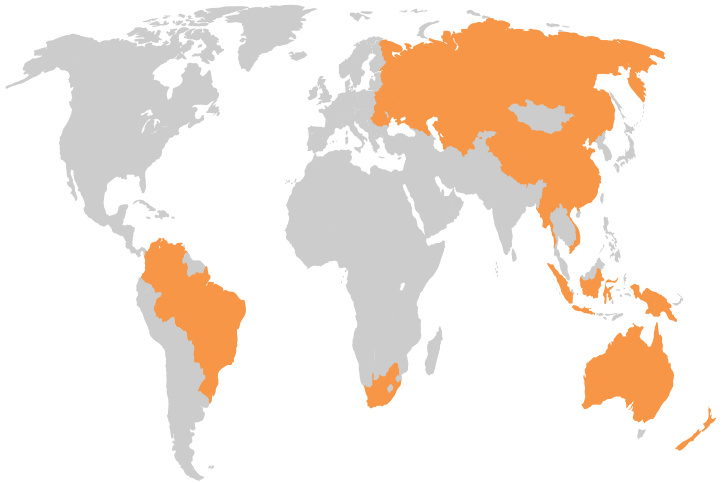
# Emerging Markets – Growth driven by volume traction & new product launches

Revenues

**Q3 FY21** Rs. **962 cr**

**YoY Gr 5%**

**QoQ Gr 11%**



*₹ Cr*

| Region | Q3 FY21 | *YoY Gr* | *QoQ Gr* |
|---|---|---|---|
| Russia | 453 | *-8%* | *14%* |
| CISR | 215 | *18%* | *8%* |
| RoW | 295 | *20%* | *10%* |
| **EM** | **962** | ***5%*** | ***11%*** |

Russia:

- YoY growth impacted due to weakening Ruble *(constant currency growth at 4%)*
- QoQ growth supported by improvement in market conditions

CISR & RoW: Growth driven by base business as well as new product launches





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# Europe – Strong growth momentum continues

Revenues

**Q3 FY21** Rs. **414 cr**

**YoY Gr 34%**

**QoQ Gr 10%**

₹ Cr

| Region | Q3 FY21 | YoY Gr | QoQ Gr |
|---|---|---|---|
| Germany | 245 | *33%* | *7%* |
| UK/OL | 88 | *0%* | *5%* |
| New Markets | 81 | *116%* | *31%* |
| **Europe** | **414** | ***34%*** | ***10%*** |

- YoY & QoQ growth mainly driven by –
  - New product launches
  - Favourable forex movement
  - Volume traction
- Offset partly by price erosion in the base business





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# PSAI – Sales impacted due to lower off-take

Revenues

**Q3 FY21** Rs. **701 cr**

YoY Gr 1%

QoQ Dc 18%

**Revenue:**

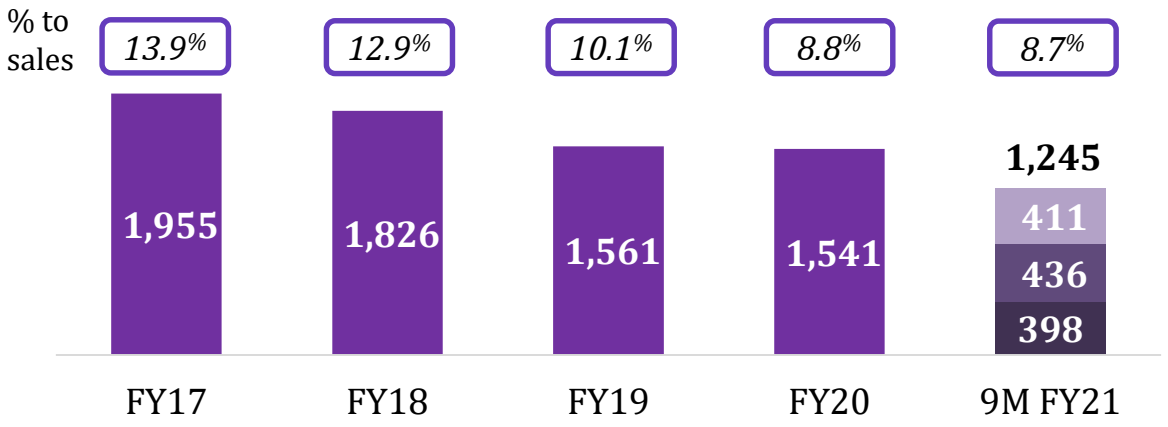
- On a Year-on-year basis revenues were supported by new products and favorable forex rate, offset by lower volumes of a few products.
- On a sequential basis, decline was primarily on account of lower volumes of certain products partially due to higher stocking-up during H1

- **DMF Filings:**

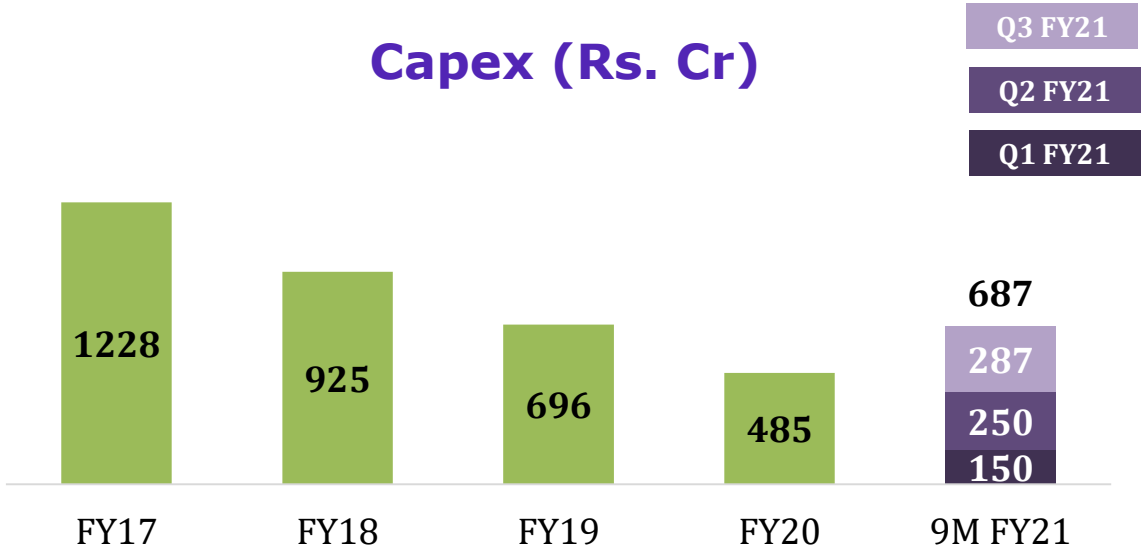
| | Q3 FY21 |
|---|---|
| Global DMFs filed incl. in US | 44 |
| US DMFs | 5 |

# R&D, Capex & Cash flows

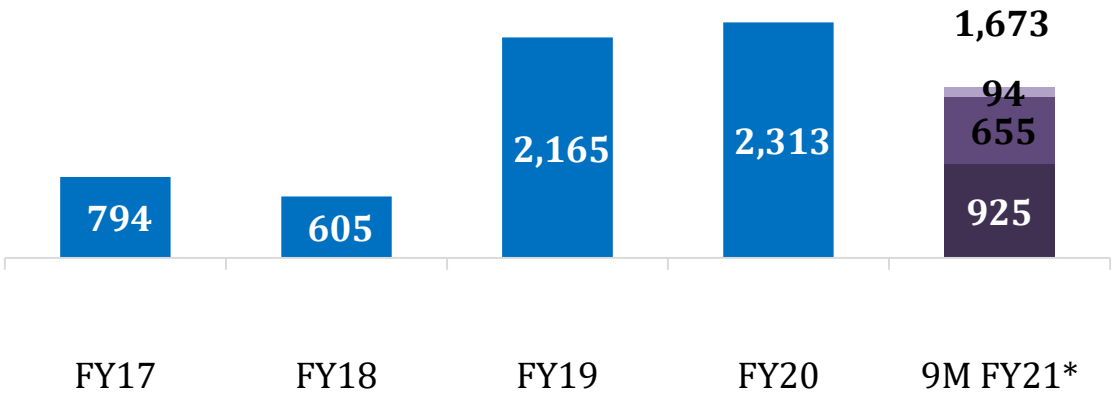
## R&D expenses (Rs. Cr)




## Capex (Rs. Cr)

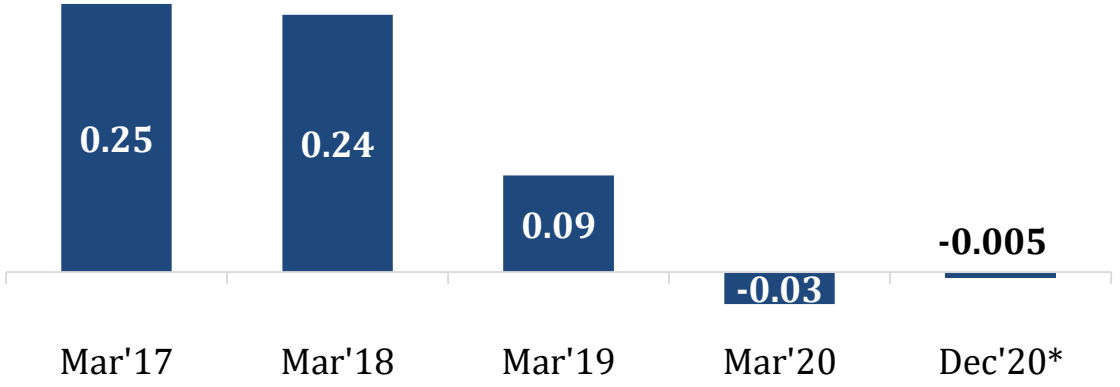



## Free cash flow (Rs. Cr)




*Free Cash Flow before acquisition related payout of Rs. 1,551 cr to Wockhardt & Rs. 152 cr to Glenmark

## Net Debt / Equity




* Net cash surplus stood at Rs. 84 Cr as on December 31st, 2020





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# Key Priorities

- Sputnik-V Vaccine: Phase-III Clinical Trials & Launch
- Achieve market leading growth across businesses
- Build healthy pipeline of products
- Continue with the productivity improvements
- Drive innovation and digitalization to fuel future growth
- Execution of Strategic initiatives & moves

# Covid-19 products: our portfolio covers full spectrum

## Sputnik-V: Dr. Reddy's and RDIF's objective is to bring a safe and efficacious vaccine, that is scientifically proven, for the people of India

- **Phase-III trial in Russia:** Large scale trial with 33,760 subjects dosed. Interim efficacy results on 22,000+ subjects show an efficacy of 91.4% with safety and immunogenicity criteria met
- **India Clinical Trial:** The Indian study is a bridging Phase II / III Trial on 1600 subjects for assessing immunogenicity and safety. Phase-II successfully completed, met primary end points, safety established. The Phase-III studies are ongoing.
- **Global situation:** Over 1.5 Million people have been vaccinated with Sputnik V. Emergency authorization in 12 countries in Europe, Asia, Latin America and Africa.

**Remdesivir (Redyx):** Became part of the IPM Top 20 brands, with market share of 24% in December.

**Favipiravir (Avigan):** Study on moderate to severe patients in hospitalized patients conducted in Kuwait terminated. Study on mild to moderate patients in out-patient setting in North America continuing.