

Press Presentation – Q1 FY20



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, 2019 and quarterly financial statements filed in Form 6-K with the US SEC for the quarters ended June 30, 2018, Sep 30, 2018, December 31, 2018 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

₹ Cr

	Q1 FY20	QoQ Gr%	YoY Gr%
Revenues	3,844	-4%	3%
EBITDA*	1,134	29%	41%
PBT*	850	45%	70%
PAT*	663	53%	45%

* Includes Rs. 346 cr received from Celgene towards settlement of any claim the Company or its affiliates may have had for damages under section 8 of the Canadian Patented Medicines (Notice of Compliance) Regulations in regard to the Company's ANDS for a generic version of REVLIMID brand capsules, (Lenalidomide) pending before Health Canada

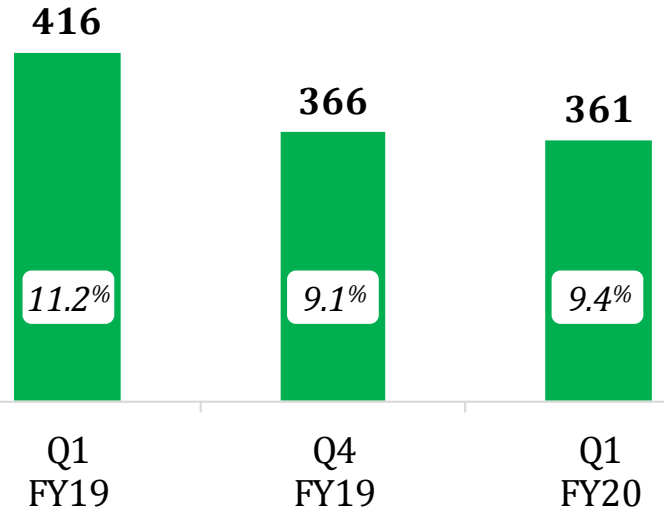
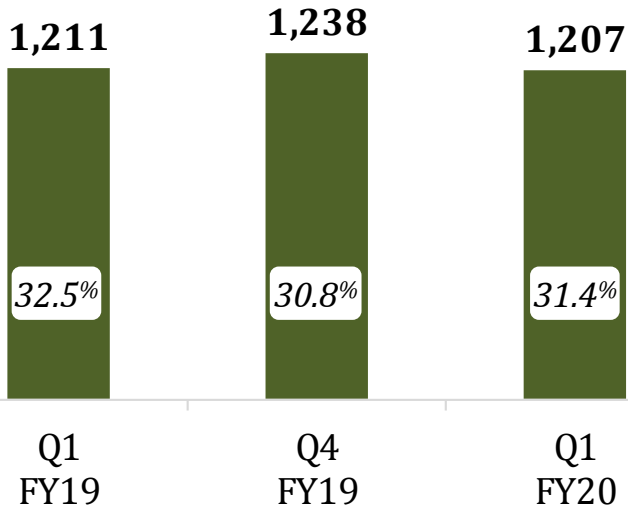
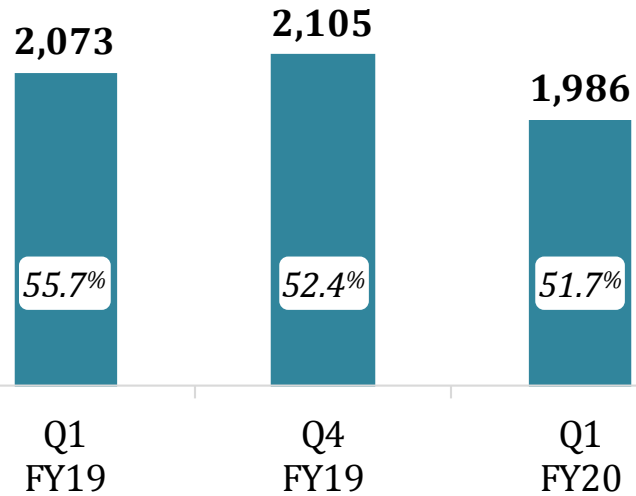
P&L Metrics

₹ Cr

Gross margin

SG&A Expenses

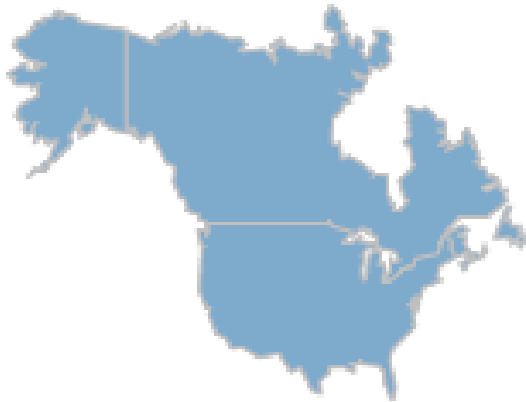
R&D Expenses



North America

Revenues

**Q1
FY20** ₹ 1,632cr YoY Gr 3%
QoQ Gr 9%



- Revenue growth driven by contribution from new products and volume traction; partly offset by price erosion in some key molecules
- 5 new products launched during the quarter - Daptomycin, Testosterone gel, Tobramycin, Vitamin K & OTC calcium carbonate
- Re-launched Isotretinoin
- **U.S. Generics filing update:**
 - 1 ANDA filed with the US FDA in this quarter
 - 107 pending approval (104 ANDAs + 3 NDAs)
 - 58 Para IV filings and we believe 34 have first to file status

India

Revenues

**Q1
FY20** ₹ **696cr** **YoY Gr 15%**
QoQ Gr 7%



- Growth driven by new products and growth in base business
- We launched 8 brands during the quarter including Cetzine, Ubil & Trisertain
- As per IQVIA, Dr. Reddy's growth better than IPM on both MQT & MAT basis
- **IQVIA IMS growth rates**

June 2019	MQT	MAT
IPM	10.4%	10.4%
Dr. Reddy's	13.0%	12.2%

Emerging Markets

Revenues

**Q1
FY20** ₹ **730cr** **YoY Gr 10%**
QoQ Gr 4%



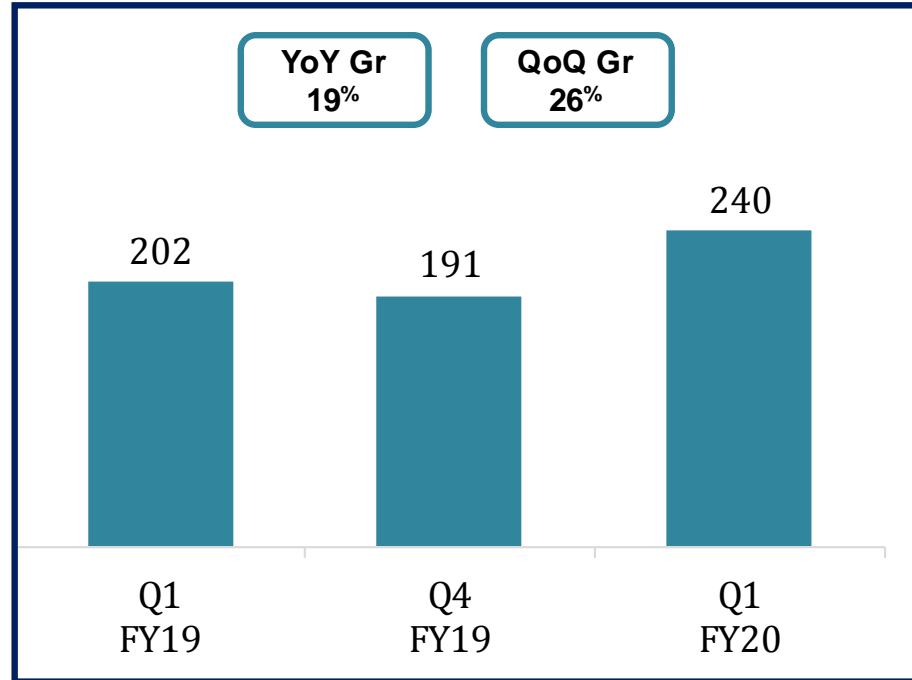
Region	Q1'20	YoY Gr	QoQ Gr
Russia	396	5%	10%
CISR	121	2%	2%
RoW	213	27%	(4)%
EM	730	10%	4%

- **Russia:** Growth largely driven by new launches and better realizations in some of the key molecules
- **CISR:** Growth driven by new products launched in this quarter
- **RoW:** YoY growth aided by new products & volume traction in base business

Other Businesses

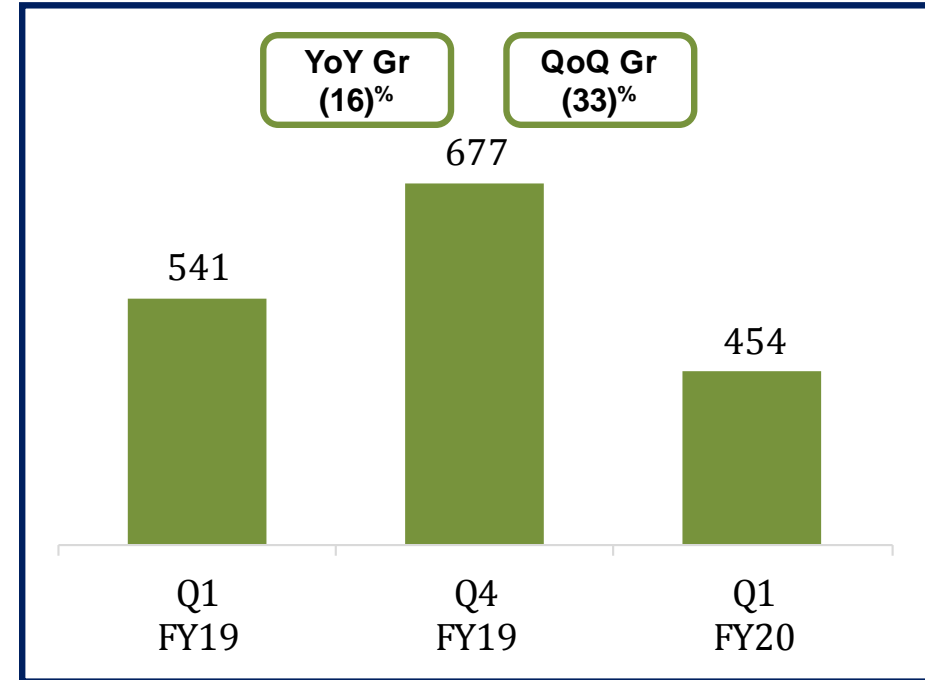
₹ Cr

Europe



Growth aided by new products and volume traction on account of improvement in supplies

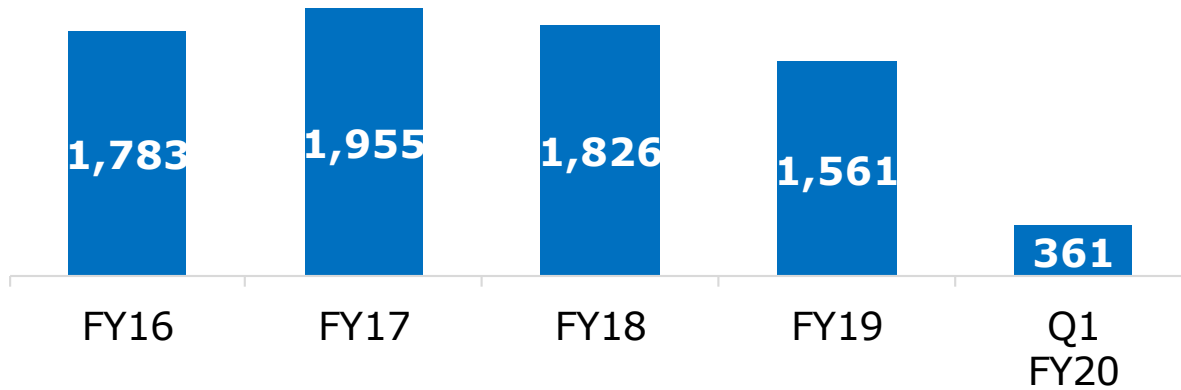
PSAI



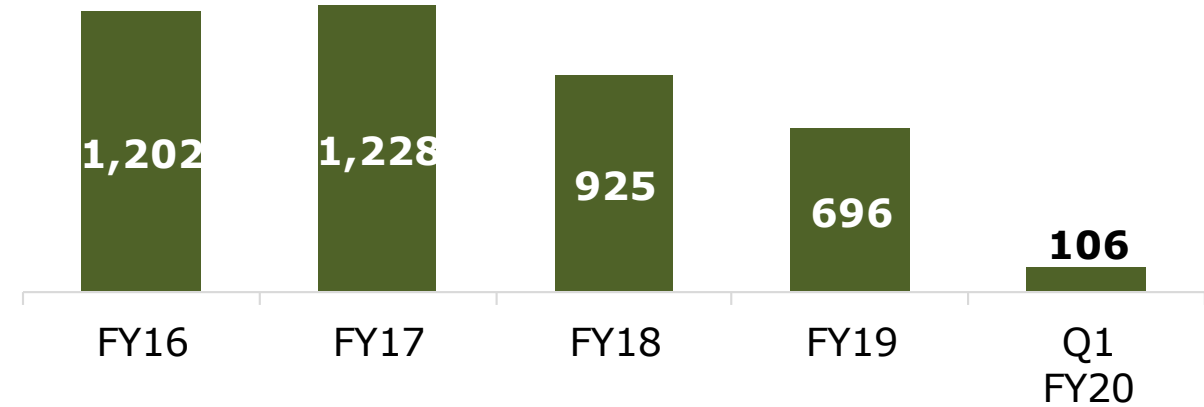
Decline in the sales volume of certain products

Capex, R&D & free cash flows

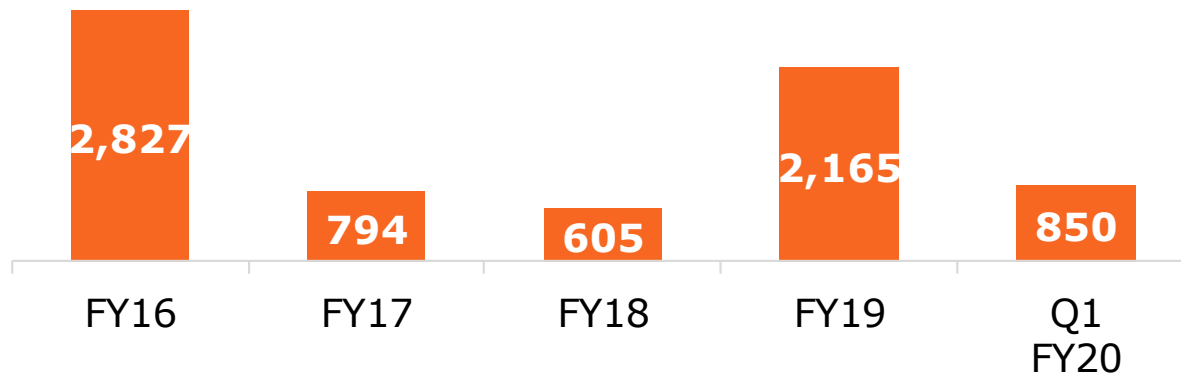
R&D expenses (₹ Cr)



Capex (₹ Cr)

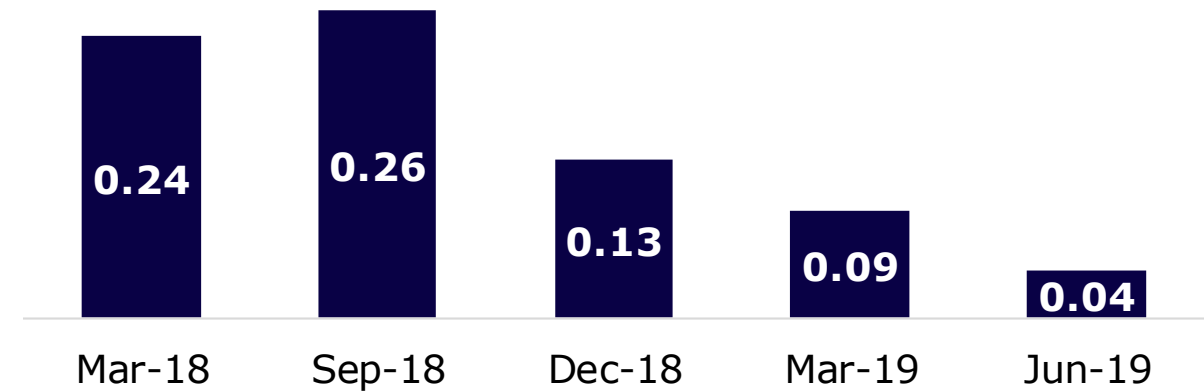


Free cash flow (₹ Cr)



FCF as above is before acquisition related pay-outs

Net Debt / Equity



Key Priorities



**Resolution of
CTO 6 Warning
Letter**

**Achieve market
leading growth
across
businesses**

**Build healthy
pipeline of
products**

**Continue with
the productivity
improvements**

**Drive
innovation to
deliver value**



**Good
Health
Can't
Wait.**