

# Financial Results Q4 & FY23

*May 10<sup>th</sup>, 2023*

# 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, 2022 and quarterly financial statements filed in Form 6-K with the US SEC for the quarters ended Jun 30, 2022, Sep 30, 2022, Dec 31, 2022, 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.

# FY23 : Robust performance with highest ever Sales & EBITDA



- **Double digit growth** supported by new product launches
- Healthy **EBITDA and RoCE** delivery
- Generated **strong cash flows**, leading to a net cash surplus of Rs. 5,046 Cr
- Significant progress made in our **biosimilars business**: Rituximab biosimilar filed in US, EU and UK-MHRA
- Strategic **license deals** and **acquisitions** in both Horizon 1 and Horizon 2 businesses
- Progressed well in the **productivity journey**, while continuing to invest for **sustainable growth**
- FTO-3 joins **Global Lighthouse Network** of the World Economic Forum

# Financial Highlights : Strong top line momentum and margin expansion

Rs. Cr



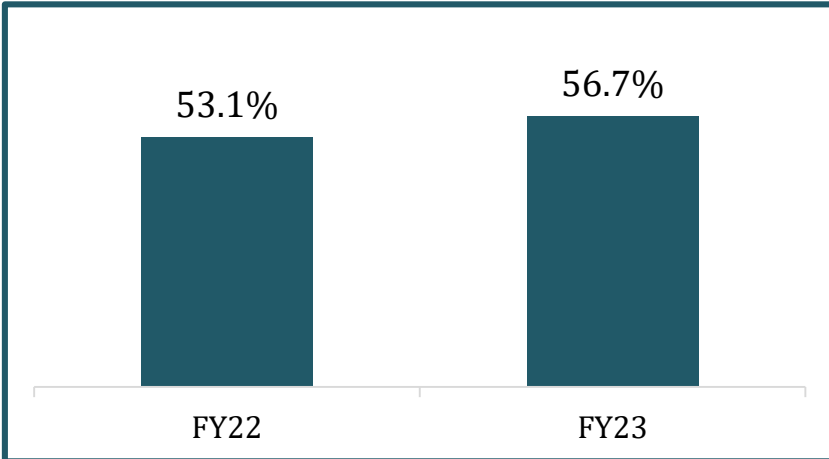
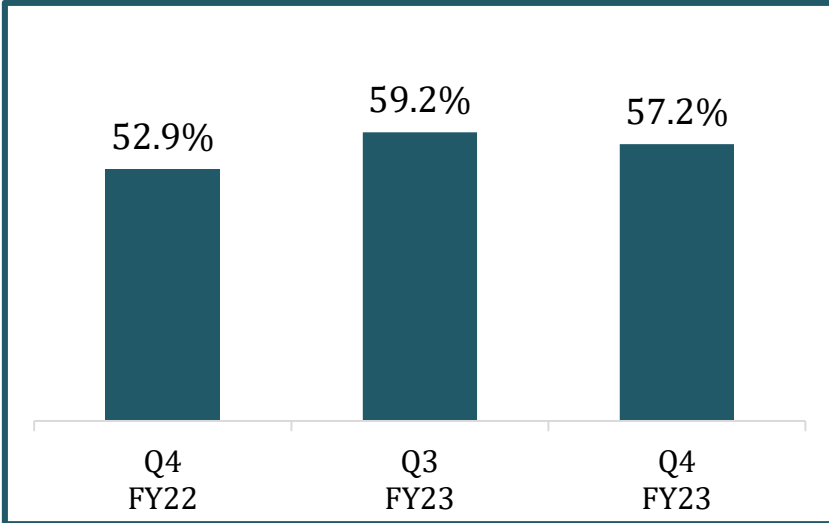
	Q4 FY23	YoY Gr%	QoQ Gr%	FY23	YoY Gr%
Revenues	6,297	16%	-7%	24,588	15%
EBITDA	1,631	26%	-17%	7,308	42%
PBT <sup>^</sup>	1,326	434%	-19%	6,037	87%
PAT	959	996%	-23%	4,507	91%

\* Excluding impairments in current & previous periods, Q4 FY 23 PBT is Rs. 1,380 Cr (growth of 38% YoY) and FY 23 PBT is Rs. 6,107 Cr (growth of 53% YoY)

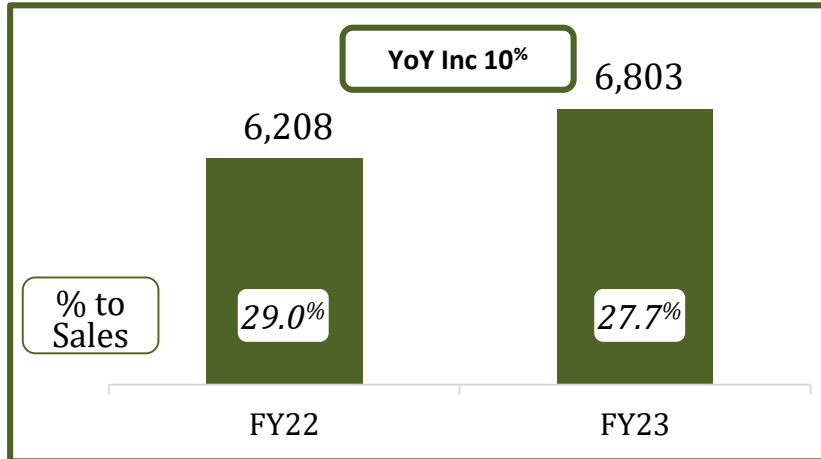
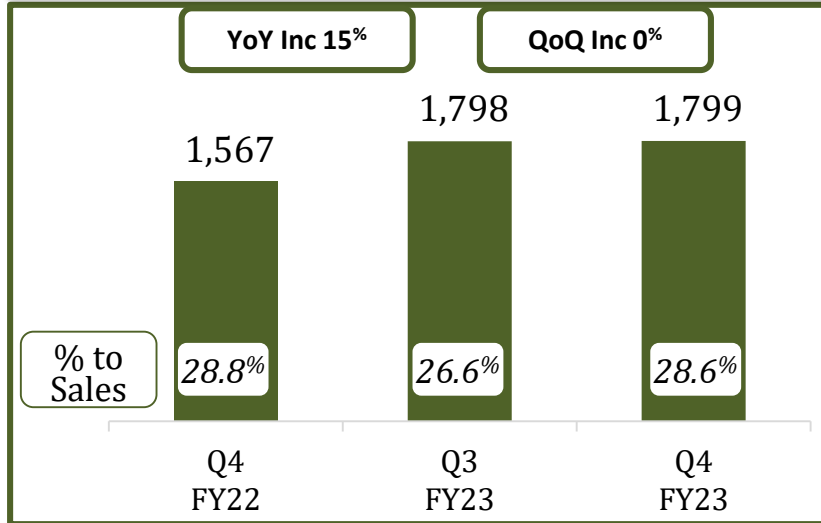
# Enhanced profitability and scaled up R&D investments

Rs. Cr

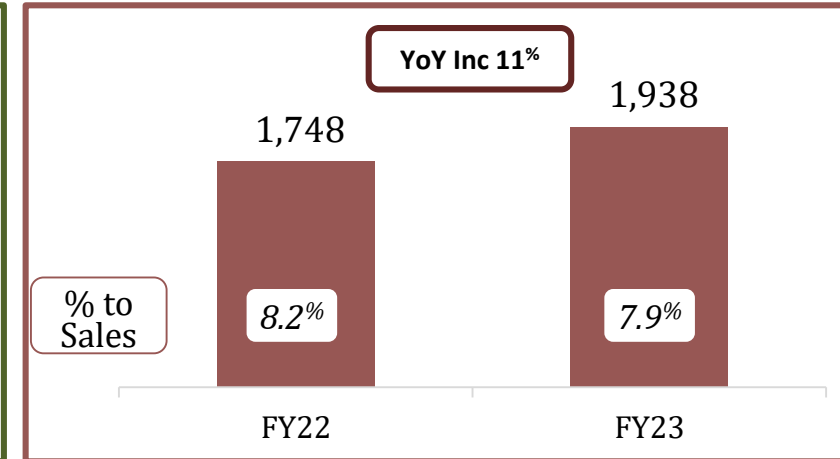
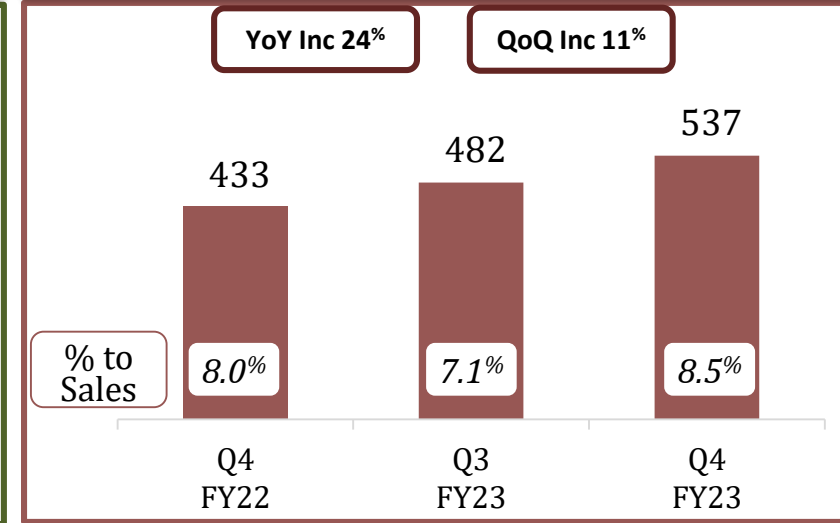
## Gross margin



## SG&A Expenses



## R&D Expenses



# North America – Strong growth supported by new product launches

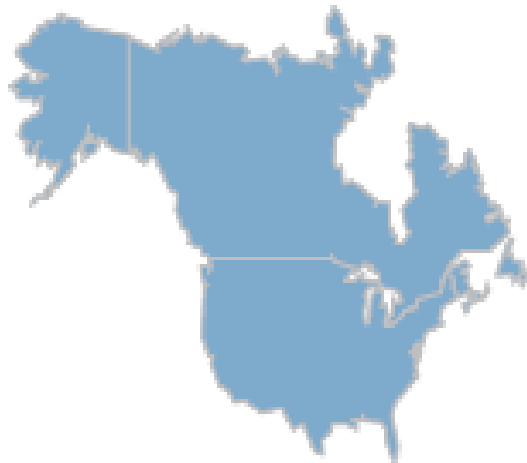
## Revenues

**Q4 FY23**

**Rs. 2,532 cr**

YoY Gr  
**+27%**

QoQ Dc  
**-17%**



**FY23**

**Rs. 10,170 cr**

YoY Gr  
**+36%**

- Strong growth in sales driven by new launches and scale up in some of the existing products
- Growth partially offset by price erosion
- Launched 23 products in US & 2 in Canada during the year
- As per IQVIA MAT for March' 2023, we have grown @ 4.6% while the generic market in US has been stagnant at 0.3%

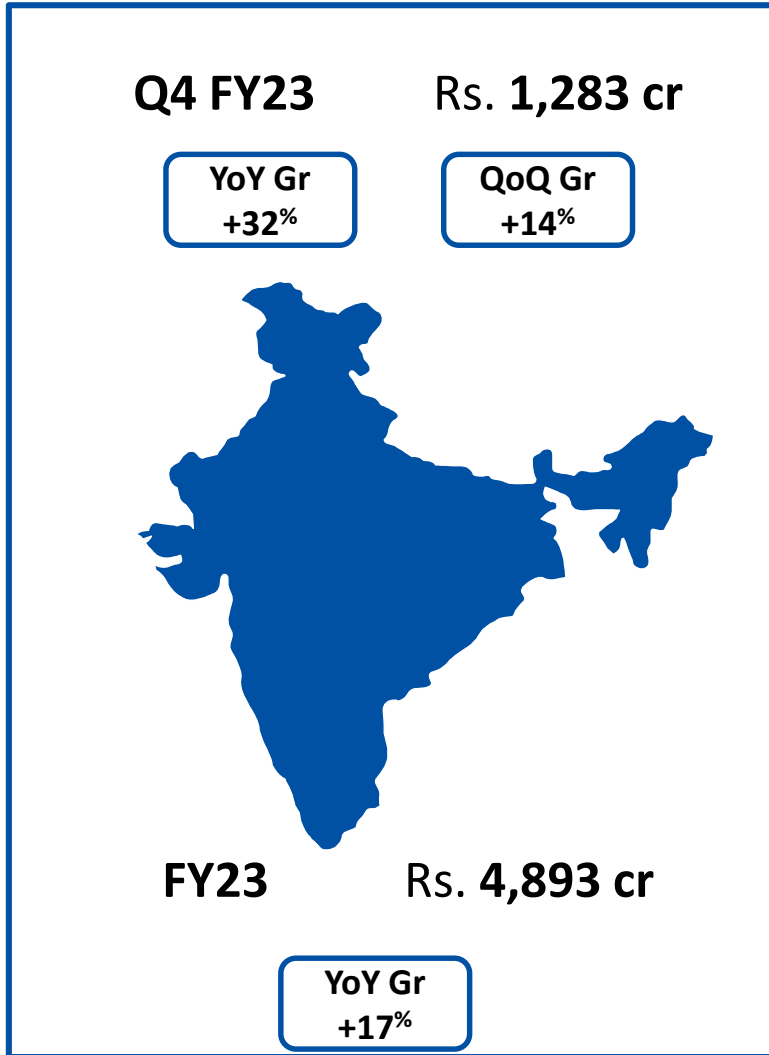
### US filing update:

	Q4 FY23	FY23
ANDAs filed	7	12
Pending for approval: 86 (81 ANDAs + 5 NDAs)		
45 Para IV filings & 18 expected to have FTF status		

- Acquired US generic prescription product portfolio of Mayne Pharma
- Successfully completed clinical studies of Rituximab biosimilar and filing done in April 2023

# Improved prices and new launches drives India growth

## Revenues



- **Growth** primarily driven by new launches including acquired / in-licensed products and increase in prices of our products
- **Divested** some non-core brands
- **Launched** 9 products during the year
- **Ranked 10<sup>th</sup>** on MAT basis as of March 2023

## IQVIA growth rates

Mar 2023	FTM	MQT	MAT
<b>IPM</b>	19.1%	14.9%	7.9%
<b>Dr. Reddy's</b>	12.0%	9.1%	2.5%

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

# Double digit YoY growth in Emerging Markets adjusted for divestment & covid product sales

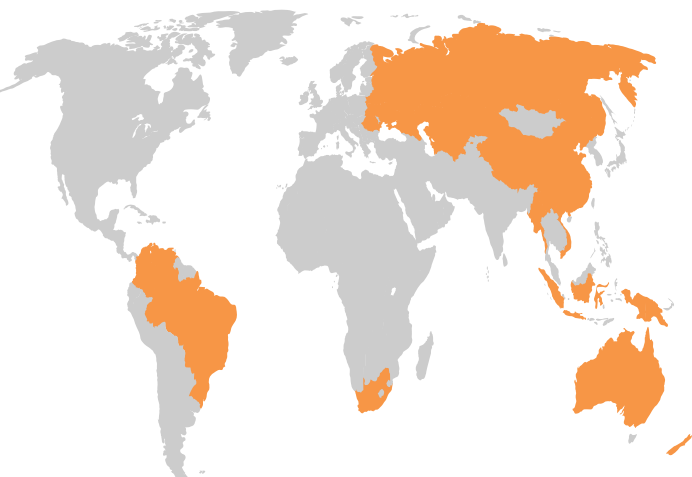
## Revenues

**Q4 FY23**

Rs. **1,114 cr**

YoY Dc  
-7%

QoQ Dc  
-15%



**FY23**

Rs. **4,553 cr**

YoY Gr  
0%


Region	Q4 FY23	YoY Gr	QoQ Gr	FY23	YoY Gr
Russia	519	-24%	-24%	2,123	2%
CISR	228	0%	2%	859	4%
RoW	367	28%	-8%	1,571	-5%
<b>EM</b>	<b>1,114</b>	<b>-7%</b>	<b>-15%</b>	<b>4,553</b>	<b>0% ^</b>

Rs Cr

^ Adjusted for the covid products and divestment income, YoY growth is 13%

- **Russia** – Favorable price variance and beneficial forex rates offset by divestment income and high channel inventory during previous year
- **CISR** – Favorable price variance partially offset by reduction in base business
- **RoW** – FY23 decline due to high FY22 base which included sales from Covid related products
- **Launched 94 new products** across emerging markets during FY23

8 | May 10<sup>th</sup>, 2023 | Q4 FY23 Press Meet | As per consolidated financial statements under IFRS





# Continued growth momentum in Europe

## Revenues

**Q4 FY23**

**Rs. 496 cr**

**YoY Gr  
+12%**

**QoQ Gr  
+15%**



**FY23**

**Rs. 1,760cr**

**YoY Gr  
+6%**

Region	Q4 FY23	YoY Gr	QoQ Gr	Rs Cr	
				FY23	YoY Gr
Germany	263	-2%	19%	939	0%
UK/OL	138	32%	10%	478	23%
France, Italy, Spain & others	95	30%	13%	343	2%
<b>Europe</b>	<b>496</b>	<b>12%</b>	<b>15%</b>	<b>1,760</b>	<b>6%</b>

- Growth driven by traction in base business volumes along with new product launches
- Growth partially offset by price erosion
- **35 new product launches** across various markets in Europe in FY23
- Rituximab filing for Europe & UK-MHRA done in April 2023

# Early signs of recovery in PSAI

## Revenues

**Q4 FY23**

**Rs. 779 cr**

YoY Gr  
**+3%**

QoQ Gr  
**0%**



**FY23**

**Rs. 2,907 cr**

YoY Dc  
**-5%**

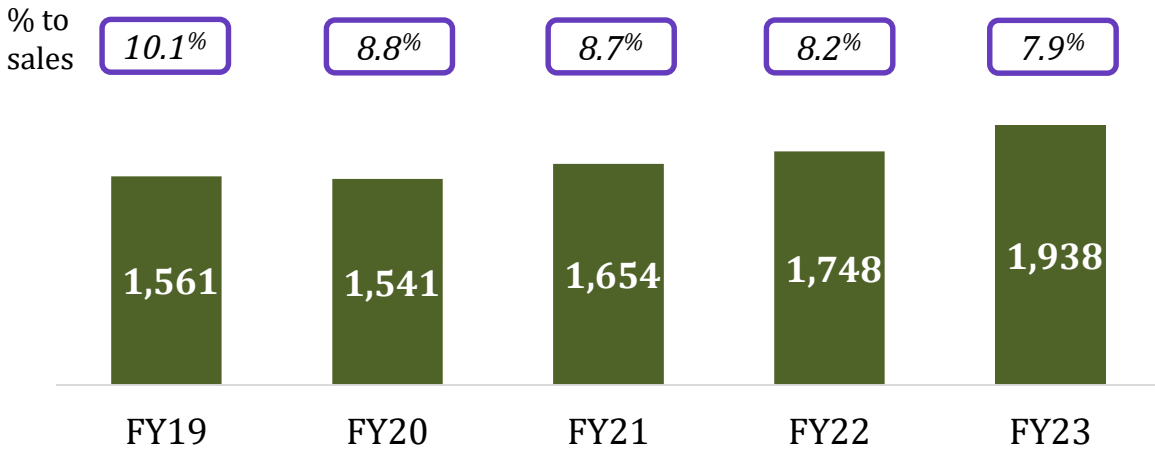
- **Q4** – YoY growth supported by new product launches and favorable forex rates
- **FY23** – Subdued performance on account of high COVID-led base and higher competitive intensity

### Filings:

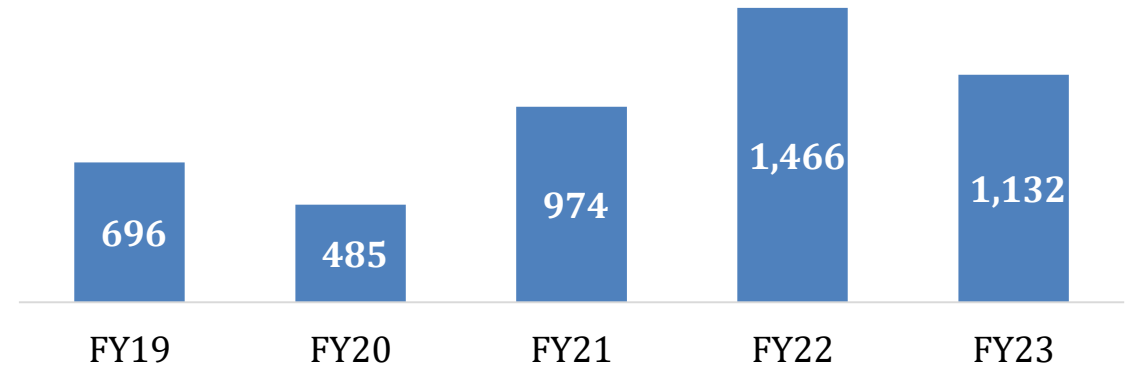
	Q4 FY23	FY23
Global DMFs filed	60	130
US DMFs included above	7	12

# R&D, Capex & Cash flows

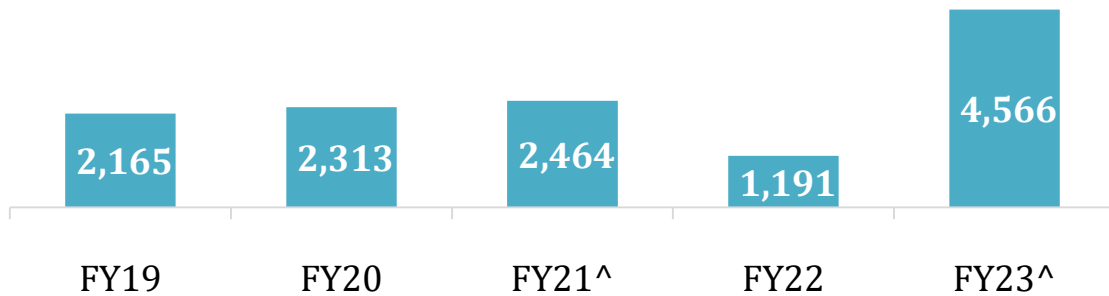
## R&D expenses (Rs. Cr)



## Capex (Rs. Cr)

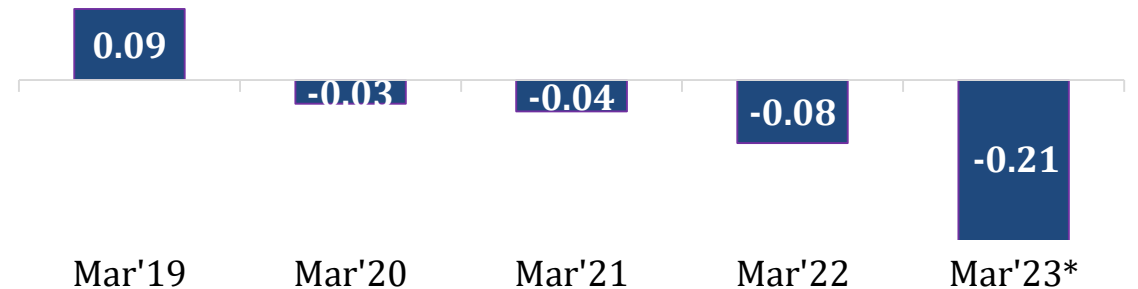


## Free cash flow (Rs. Cr)



<sup>^</sup> Before acquisition related payouts

## Net Debt / Equity



\* Net Surplus (Adjusted for non-current cash & borrowings) stood at Rs. 5,046 Cr as on March 31<sup>st</sup>, 2023

# Key Priorities



**Diversified business model with broad based growth levers**

**Build robust  
product  
pipeline**

**Strengthen  
capabilities –  
people, digital  
and processes**

**Invest in new  
avenues  
(Horizon 2) of  
growth**

**Drive  
productivity**

**Integrate ESG  
into business**

# About key metrics and non-GAAP Financial Measures



This press presentation contains non-GAAP financial measures within the meaning of Regulation G and Item 10(e) of Regulation S-K. Such non-GAAP financial measures are measures of our historical performance, financial position or cash flows that are adjusted to exclude or include amounts, as the case may be, from the most directly comparable financial measure calculated and presented in accordance with IFRS.

The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with IFRS. Our non-GAAP financial measures are not based on any comprehensive set of accounting rules or principles. These measures may be different from non-GAAP financial measures used by other companies, limiting their usefulness for comparison purposes.

We believe these non-GAAP financial measures provide investors with useful supplemental information about the financial performance of our business, enable comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key metrics used by management in operating our business.

For more information on our non-GAAP financial measures and a reconciliation of GAAP to non-GAAP measures, please refer to "Reconciliation of GAAP to Non-GAAP Results" table in the press release.



**THANK YOU**