



# Press Meet

## Q2 FY16

Oct 29, 2015

# 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 Form 20-F for the fiscal year ended March 31, 2015, and Form 6-K for the quarter ended June 30, 2015 and its other filings with the Securities and Exchange Commission. 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

# Business Highlights



Highest ever sales and EBITDA performance despite headwinds across businesses



Strong base business

- US Generics: Sustained performance in Injectables portfolio, Valganciclovir and Habitrol®.
- India formulations: Continued momentum. Sales of newly acquired portfolio from UCB in line with expectations.
- Europe: New launches driving profitable growth.
- EM performance impacted by macro-economic uncertainties. Improvement in Russia performance on a sequential basis.



Cost control across COGS and SG&A expenses yielding desired results.



Research & Development

- Two ANDA filings in the US. Cumulatively 76 ANDAs are pending approval of which 18 are expected to be First-to-File.

# Financial highlights

Q2 FY15

Q2 FY16

## Revenues (₹Cr)

3,588

Gr%  
↑  
11%

3,989

## Gross profit (%)

% of revenues

58.5%

↑

61.3%

## R&D (₹Cr)

411

Gr%  
↑  
9%

447

11.2%

## EBITDA (₹Cr)

872

Gr%  
↑  
31%

1,139

28.6%

11.5%

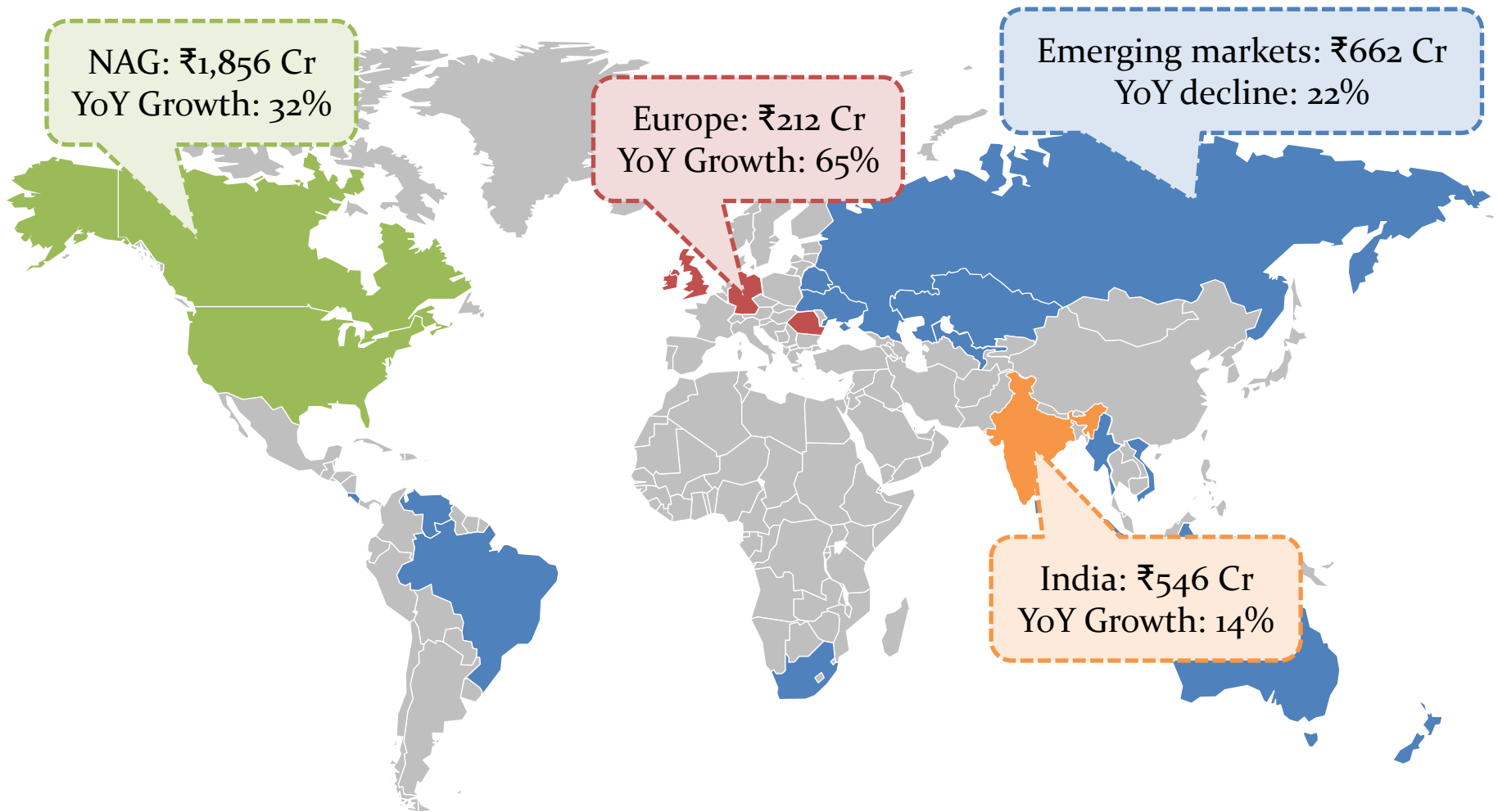
% of revenues

24.3%

% of revenues

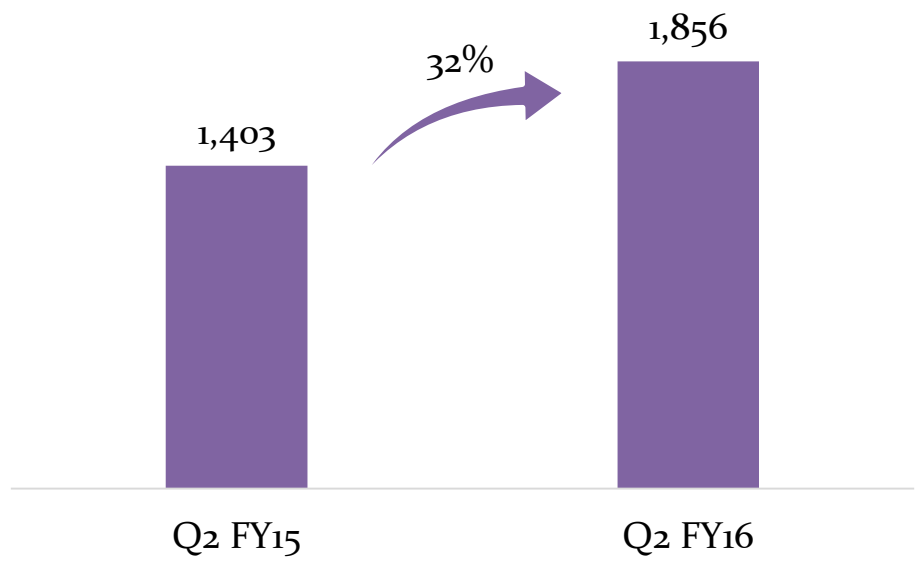


# Global generics: Q2 FY16 Revenues of ₹3,277 Cr (YoY 15% Gr)



# Global generics: US

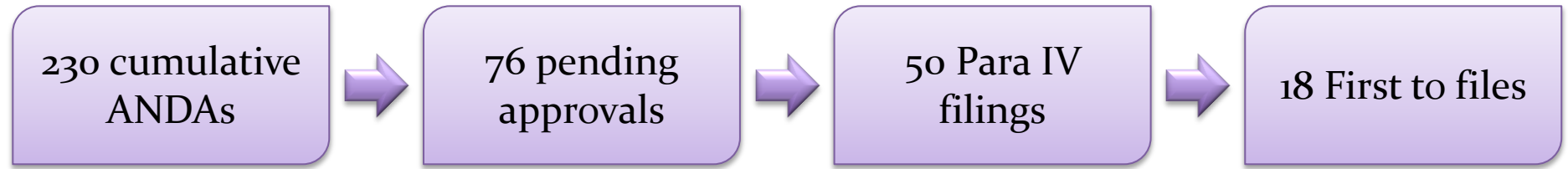
## Revenues (₹Cr)



## Market share

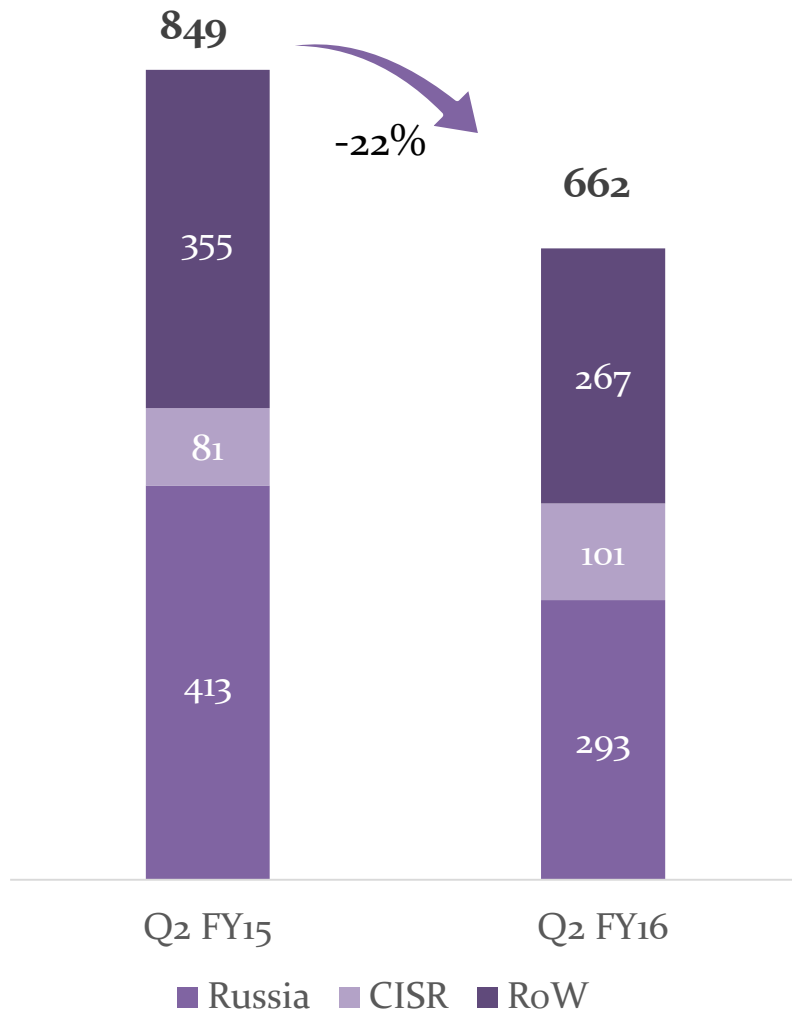
| Product                   | May-15 | Aug-15 |
|---------------------------|--------|--------|
| Decitabine                | 82%    | 72%    |
| Azacitidine               | 52%    | 51%    |
| Metoprolol                | 19%    | 27%    |
| Divalproex ER             | 18%    | 21%    |
| Zoledronic Acid (Reclast) | 65%    | 51%    |
| Fondaparinux              | 54%    | 51%    |
| Omeprazole DR             | 17%    | 16%    |

## ANDA Pipeline



# Global generics: Emerging markets

## Revenues (₹Cr)



## Russia

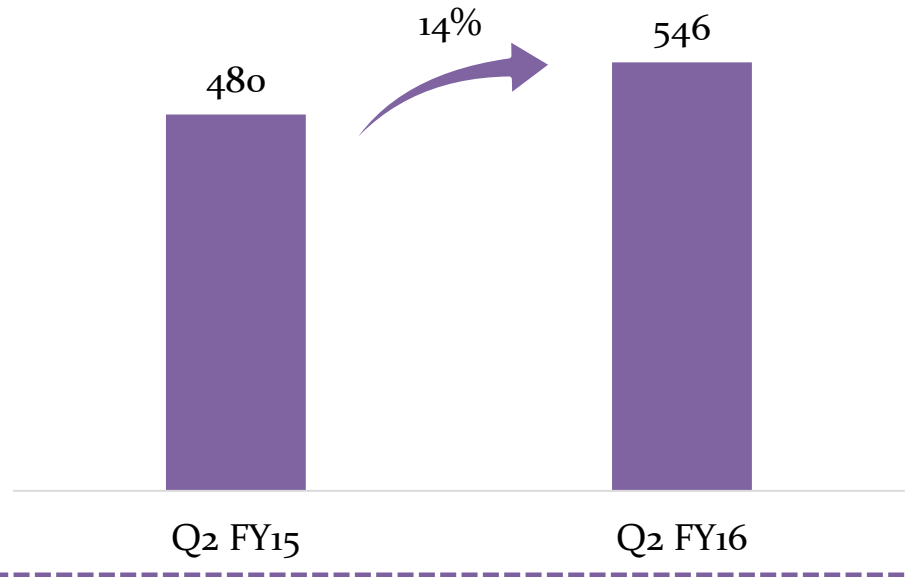
- Registered growth of 11% in constant currency terms.
- Focus on mega brands and portfolio augmentation
- OTC revenues at 40% of total revenues

## RoW

- Venezuela: Committed to the market. Cautious stand in view of lack of funds repatriation

# Global generics: India

## Revenues (₹Cr)



## India

- 2 new brands launched
- Select portfolio of products acquired from UCB fully integrated into our supply chain
- Adjusted for some of the despatches which got spilled over to October, growth is quite strong and in line with the trend of recent quarters.

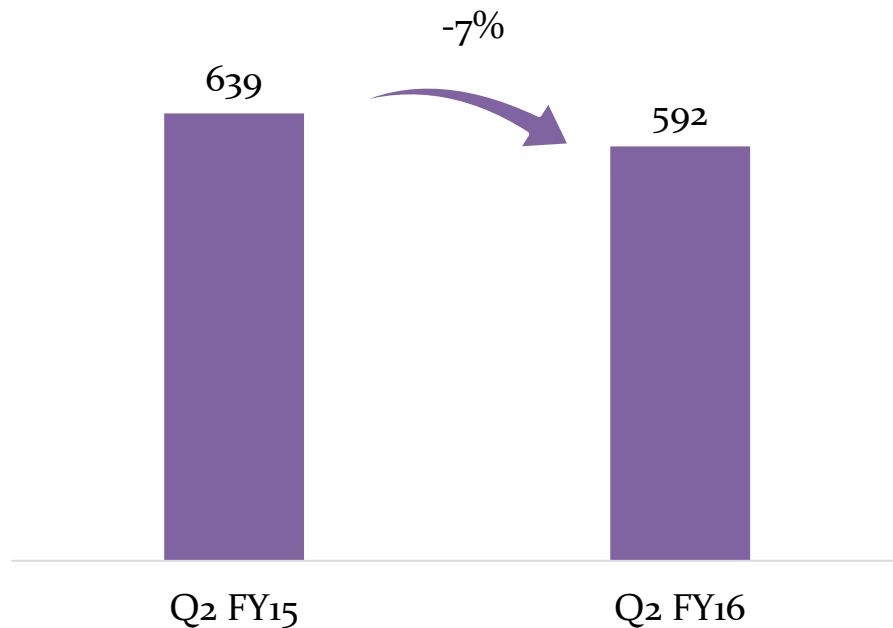
## Key product launches





# Pharmaceutical services and active ingredients

## Revenues (₹Cr)



## PSAI

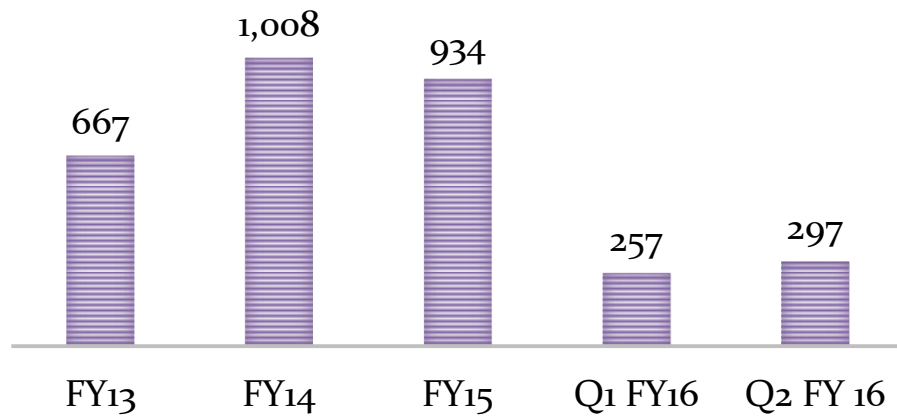
- 10 DMF filings during the quarter
- Stable performance during the quarter with improved margins sequentially
- Focus on healthy orderbook and pipeline

## DMF filings

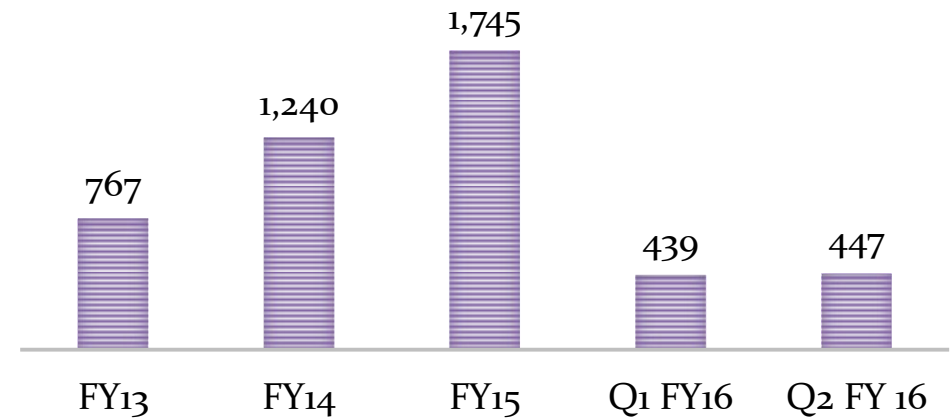
| Region            | Filings    |
|-------------------|------------|
| US                | 222        |
| Canada            | 79         |
| Europe            | 202        |
| RoW               | 252        |
| <b>Cumulative</b> | <b>755</b> |

# Capex, R&D and Free cash flows

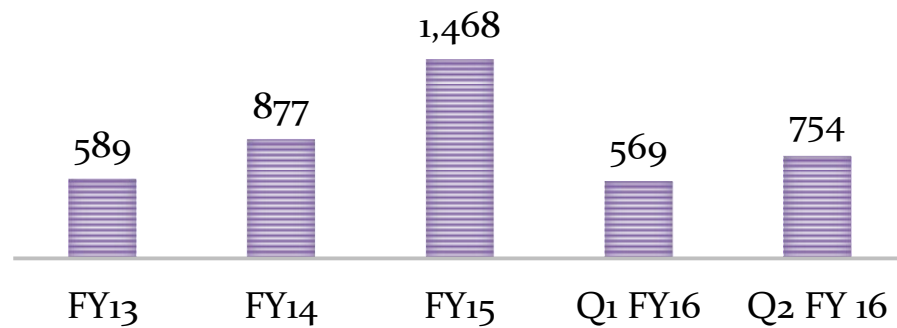
## Capex (₹Cr)



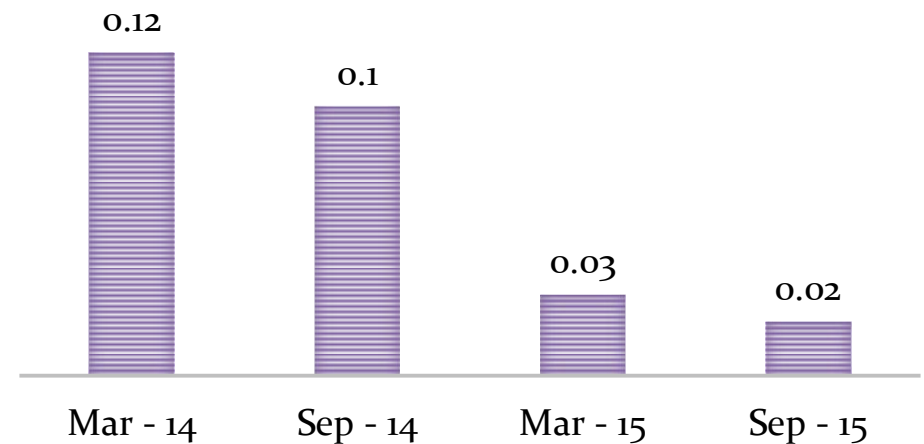
## R&D (₹Cr)



## Free cash flows (₹Cr)



## Net debt/Equity



FCF as above is before acquisition related pay-outs

# Key Priorities



Execute on the growth agenda through organic and in-organic means



Achieve the targeted development milestones for complex generics & differentiated products pipeline



Enhancement in quality management systems & infrastructure in the evolving regulatory environment

# **Q&A SESSION**

**Thank You**

# Abridged P&L – Q2 FY16

| Particulars (₹Cr) | Q2 FY16 | Q2 FY15 | Growth% |
|-------------------|---------|---------|---------|
| Revenues          | 3,989   | 3,588   | 11%     |
| Gross Profit      | 2,447   | 2,099   | 17%     |
| % to revenues     | 61.3%   | 58.5%   |         |
| SG&A              | 1,106   | 1,067   | 4%      |
| % to revenues     | 27.7%   | 29.7%   |         |
| R&D               | 447     | 411     | 9%      |
| % to revenues     | 11.2%   | 11.5%   |         |
| EBITDA            | 1,139   | 872     | 31%     |
| % to revenues     | 28.6%   | 24.3%   |         |
| PAT               | 722     | 574     | 26%     |
| % to revenues     | 18.1%   | 16.0%   |         |



# Key Balance sheet items – September 2015

| <b>Particulars (₹Cr)</b>                     | <b>Sep-15</b> | <b>Jun-15</b> |
|--|---------------|---------------|
| Cash, cash equivalents and other investments | 3,405         | 3,512         |
| Trade receivables                            | 4,284         | 4,203         |
| Inventories                                  | 2,715         | 2,615         |
| Property, plant and equipment                | 5,105         | 4,939         |
| Goodwill and Other Intangible assets         | 2,415         | 2,411         |
| Loans & borrowings (current & non-current)   | 3,707         | 4,140         |
| Trade payables                               | 1,277         | 1,145         |
| Equity                                       | 12,150        | 11,888        |

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