

Dr Reddy's Q1 net profit rises to Rs.663 crore

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Dr. Reddy's Laboratories Ltd. has announced its consolidated financial results for the quarter ended June 30, 2019 under International Financial Reporting Standards (IFRS).

Commenting on the results, CEO and Co-chairman, GV Prasad said "This quarter, we grew in most of our key markets and hope to continue this momentum with a sharper focus on performance. We will continue our journey of operational excellence, cost leadership and innovation across our businesses".

Revenues from Global Generics (GG) segment at `33.0 billion. Year-on-year growth of 8%, primarily driven by Emerging Markets, India and Europe. Sequential growth is 9%.

Revenues from North America at `16.3 billion. Year-on-year growth is 3%. Sequential growth of 9%, is driven by contribution from new products and increase in volumes, partly offset by price erosion coupled with adverse foreign exchange movement.

Revenues from Emerging Markets at `7.3 billion. Year-on-year growth is 10%. Sequential growth is 4%. - Revenues from Russia at `4.0 billion.

Year-on-year growth of 5%. Growth primarily driven by new launches and better realizations in some of the key molecules. - Revenues from other CIS countries and Romania market at `1.2 billion. Year-on-year growth of 2%. - Revenues from Rest of World (RoW) territories at `2.1 billion. Year-on-year growth of 27%, primarily driven by new products, traction in new markets and volume traction in base business.

Revenues from India at `7.0 billion. Year-on-year growth of 15%, driven by volume traction and improved realizations in base business and new product launches. Sequential growth is 7%. Revenues from Europe at `2.4 billion. Year-on-year growth of 19%, primarily on account of new products and volume traction on account of improvement in supplies.

Net Finance income at `393 million compared to `156 million in Q1 FY19. The increase is primarily on account of higher profit on sales of investments by `202 million during the quarter.

Profit after Tax at `6.6 billion. The effective tax rate is around 22% for the quarter. Diluted earnings per share is at `39.91. Capital expenditure is at `1.1 billion. Organizational Update: With effect from August 1, 2019, Erez Israeli will be elevated as Chief Executive Officer (CEO) of Dr. Reddy's Laboratories Limited.

GV Prasad will continue as the Co-Chairman and Managing Director and Erez Israeli will continue to report to him. Since joining Dr. Reddy's as Chief Operating Officer (COO) in April 2018, Erez has spear-headed the transformation agenda of the organization by ensuring clear focus and strategy, setting foundations for a sustainable financial growth and leading business delivery. His appointment will help to propel the organization's growth agenda forward.