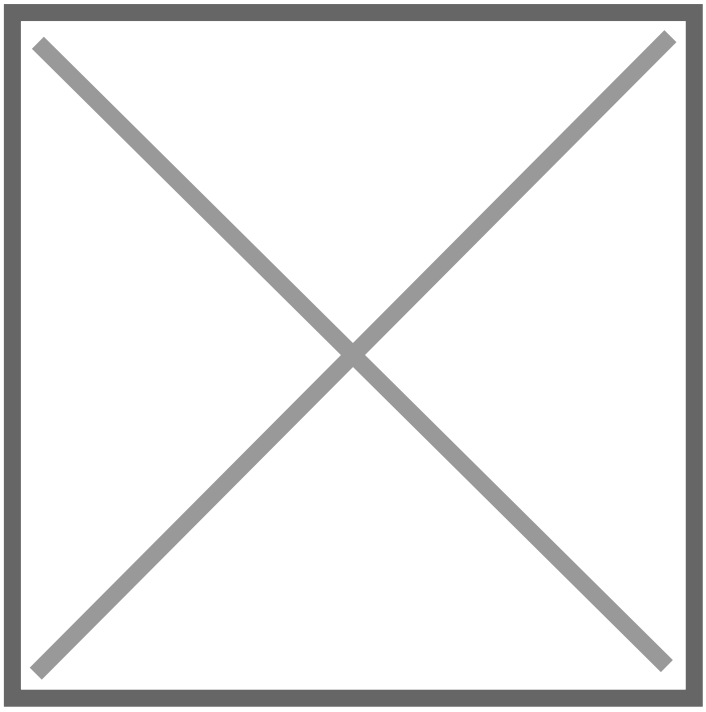
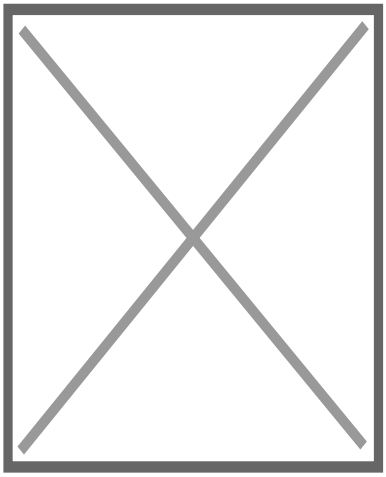
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Dr Reddy's Laboratories

14 June 2007 | News



Dr Reddy's Laboratories



Business: Biopharmaceuticals

Biotech Revenue: Rs 9 crore

CEO: GV Prasad

Start-up Year: 1984

Address: 7-1-27, Ameerpet, Hyderabad Ã¢â?¬â?? 500 016

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The total revenue of Dr Reddy's Lab oratories touched $1.5b (Ã¢â??Â¬1.1b), which was up from $563m for the year before. Substantial growth in the international market showed a massive 250 percent increase from the previous year compared to an 11 per cent increase in revenue from India alone. Sales grew by 168 percent, whereas operating margin has improved to about 17 percent during the current year-end from 6 percent during the last year.

Excluding acquisitions and authorised generics' turnover, the company recorded an impressive 58 percent growth in its topline. Revenues from authorized generics and acquisitions contributed 24 percent and 21 percent, respectively to the total revenue. In terms of growth by geographic regions, all regions barring India, which grew by 11 percent during the year, showed impressive growth.

Authorized generics and acquisitions such as that of Betapharm in Germany in March last year, played a strong role in the growth with authorized generics and acquisitions contributing 24 percent and 21 percent respectively to the total revenue. Revenue from APIs increased by 44 per cent to $276m and contributed 18 percent to the total revenue, primarily driven by sales of sertraline, rabeprazole and ramipril. APIs showed a strong increase in the international market (64 per cent), but this was matched with a 10 percent decline in the Indian API market because of a decrease in sales of quinolones resulting from a decline in prices.

Dr Reddy's is setting up two SEZs - one each at Hyderabad and Visakhapatnam in Andhra Pradesh. While one SEZ would be exclusively for APIs, the other would develop pharmaceutical products. The company would be launching 10 new products in the current financial year.