



DR. REDDY'S ACQUISITION OF UCB BRANDS

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BACKGROUND

By the end of Quarter 1, 2019-20, Dr. Reddy's Laboratories (DRL) was one of the India's leading pharmaceutical company. A review of the company's annual report for the financial year 2018-19 also seemed impressive. The company had closed the year with consolidated revenues of INR 15,385 crores, a significant increase over the previous year, with a similar increase in earnings before interest, taxes, depreciation, and amortization (EBITDA) and profits (see [redacted] for the consolidated and standalone financial position of the company). The US market, which accounted for 42% of all sales, was seeing a consolidation of sales channels in generics among the large US buyers. Notwithstanding this, the pressure on prices as a result of this consolidation was aggravated by intense competition among generics suppliers in the US.

Competition from other generics suppliers had also made it difficult for DRL to overcome the decline in prices through

