

INVESTOR PRESENTATION

September 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.

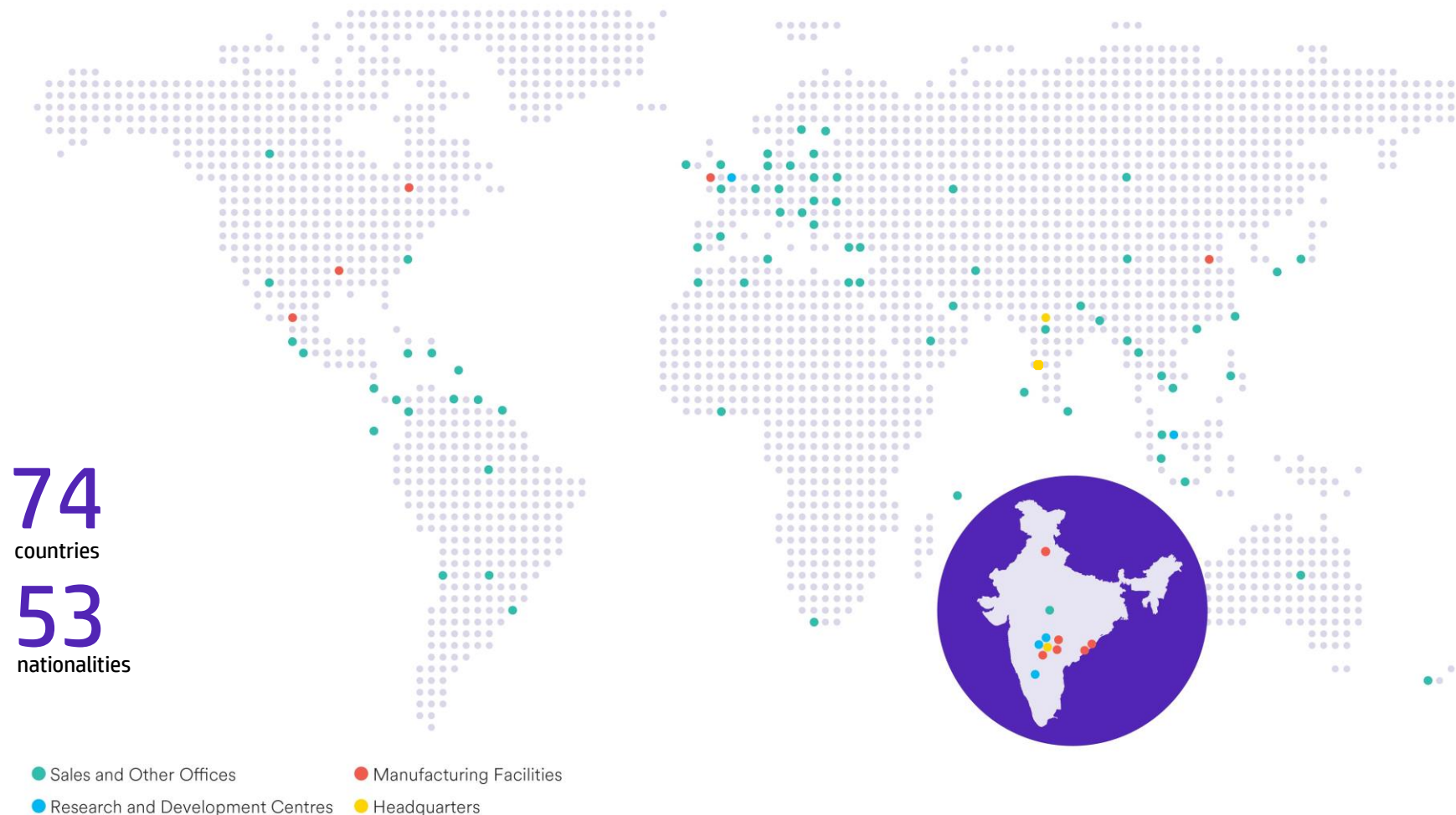
Should one or more of such risks and uncertainties materialize, or should any underlying assumption prove incorrect, actual outcomes may vary materially from those indicated in the applicable forward-looking statements.

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, 2023 and quarterly financial statements filed in Form 6-K with the US SEC for the quarters ended Jun 30, 2023, Sep 30, 2023, 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.

Dr. Reddy's at a glance



We accelerate access to affordable and innovative medicines because
Good Health Can't Wait.



689mn patients reached globally

\$2.99bn Revenue

15% Revenue Growth

~30% EBITDA%

21% RoCE

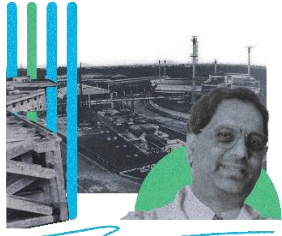
24,832 Employees globally

30 Plants (Manufacturing & R&D)

All information as of FY23

Note: The map is not to scale and is an artistic representation.

Our Journey



1984

Dr. Anji Reddy established Dr. Reddy's Laboratories



Late 80s

Dr. Reddy's went public (BSE) (1986)

1st Indian company to **export APIs to the USA** at scale (Late 80s onwards)

1980s

Early 90s

Expanded internationally by establishing presence in **Russia** and the **U.S.** by the mid-1990



1st Indian company to initiate **new drug discovery (1993)**

1997

Indian pharma company to license a novel drug to an innovator

1990s

USD 1 BILLION

2006-07

1st Indian pharma company to launch an **Authorized Generic (AG)** in the U.S

Became **fastest Indian pharma company** to cross **USD 1 bn** in revenue

Launched the **world's first monoclonal antibody biosimilar** of rituximab in India (Reditux)

2001

1st Indian pharma company to obtain **180-day marketing exclusivity** from the USFDA (fluoxetine 40mg)

1st pharma company in Asia outside Japan to list on the New York Stock Exchange

2000s

2010

Launched the world's first and India's only generic of darbeopetin alfa (Cresp)



2015

Acquired portfolio of **Belgium-based UCB's** established brands in certain South Asian countries

2019

Entered the **nutraceuticals segment** in India (Celevida)

1st Indian pharma company to get approval for supplying generic drugs to China's public hospitals

2010s

2022-23

Acquired German **medical cannabis company, Nimbus** – segment-wise, a 1st for an Indian pharma company

1 of 2 Indian pharma cos to be **recognised by World Economic Forum as part of its Global Lighthouse Network** for Hyderabad facility

2020-21

5+ million patients served during COVID - therapeutics & vaccine

Acquired select divisions of Wockhardt in India

1st Indian & 3rd Asian company to join **Science-Based targets initiative (SBTi)**



2020s

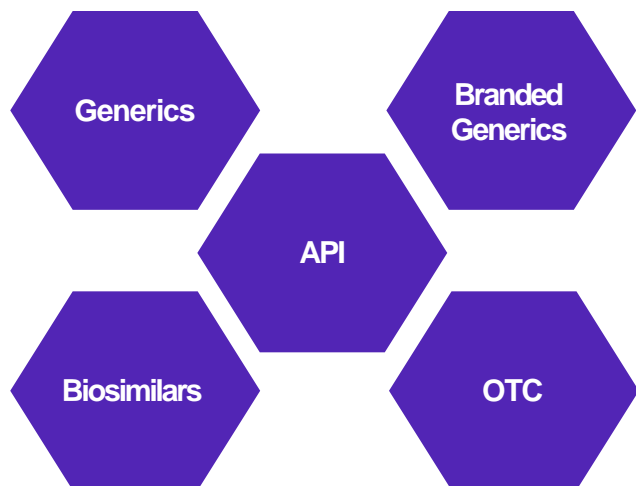


OUR STRATEGY

Progressing on our journey by...



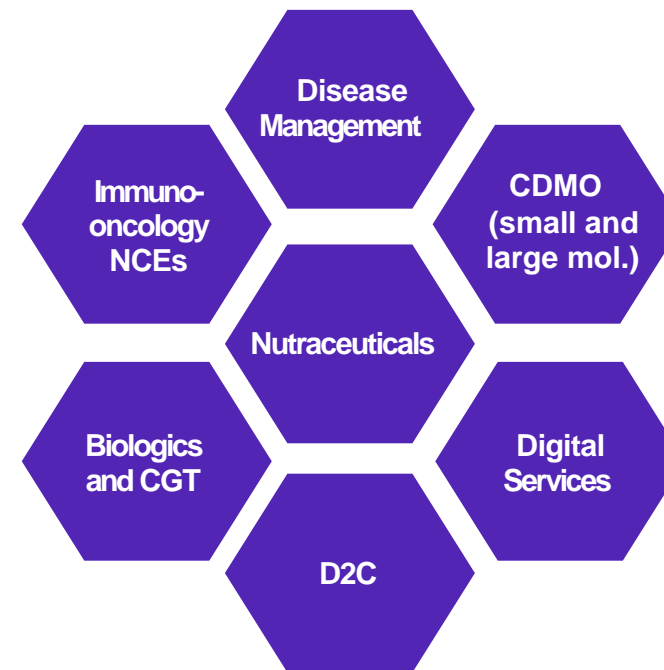
STRENGTHENING OUR CORE



(GROWTH DRIVERS IN SHORT TO MEDIUM TERM)



INVESTING IN INNOVATIVE SPACES



(GROWTH DRIVERS IN SHORT TO LONG TERM)

...to deliver on our aspirations



GROWTH

Serving 1.5 Bn+ patients
Double digit revenue
growth



RETURNS

25% EBITDA and
25% ROCE



SUSTAINABILITY

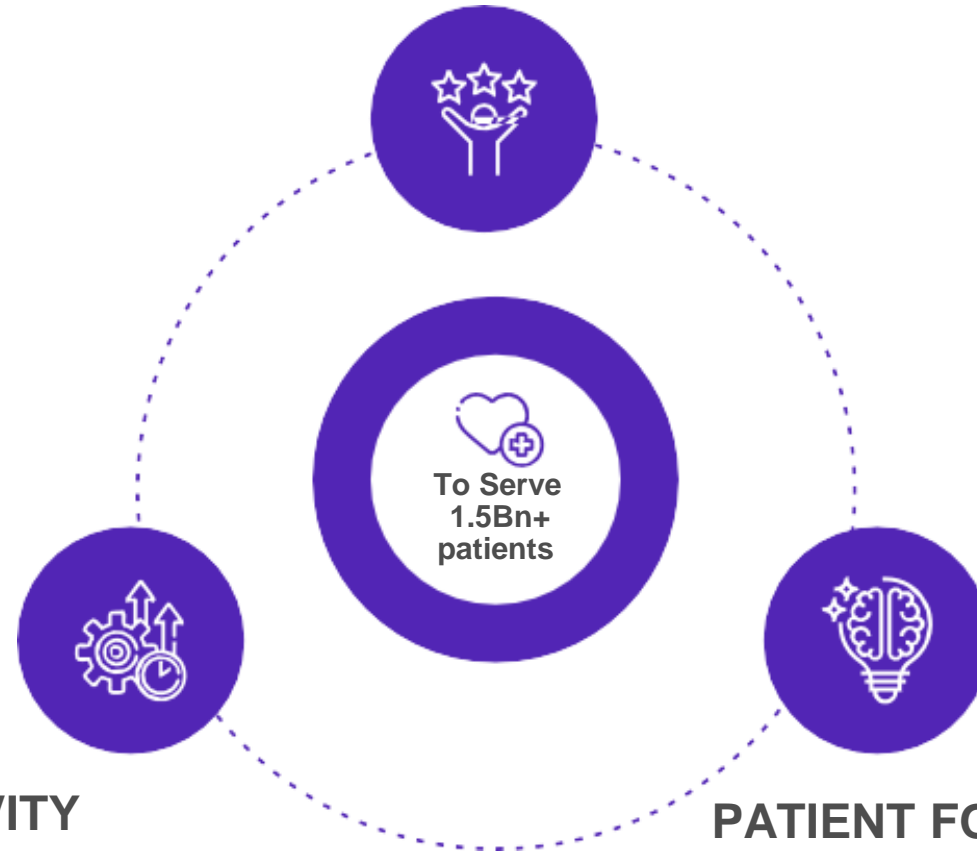
Be a leader

Our Approach

With patients at the center, our execution is driven by three pillars of Market Leadership, Productivity and Innovation

LEADERSHIP IN CHOSEN SPACES

- Focus on 'products that matter'
- Economy of scale, complex brands and clinically differentiated products



PRODUCTIVITY

- Digital and automation
- Operational & commercial excellence
- Continuous improvement

PATIENT FOCUSED INNOVATION

- Incremental & breakthrough
- Unmet needs & user delight
- Continue to grow core generics business while investing in the innovation spaces

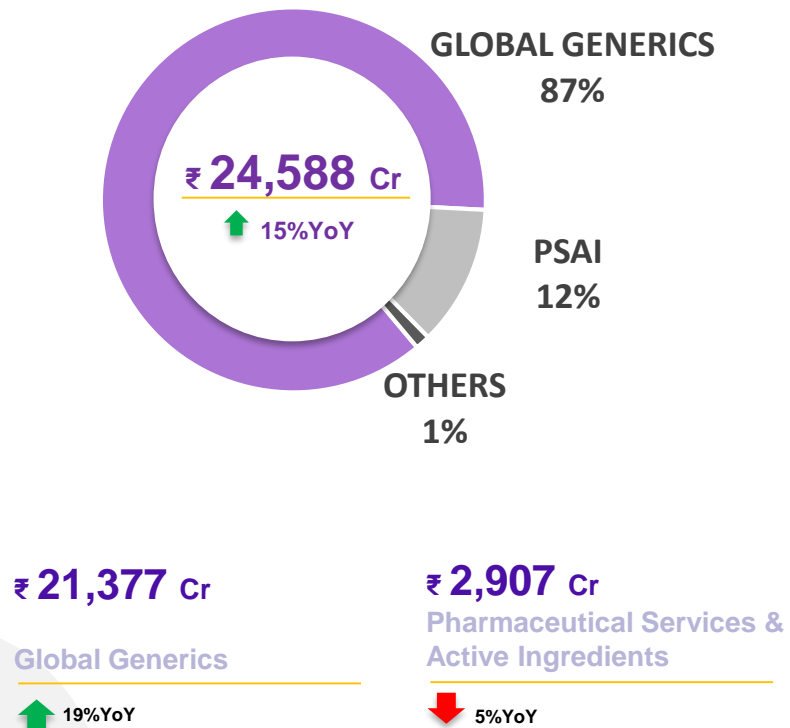


STRATEGY IN ACTION : BUSINESS OVERVIEW

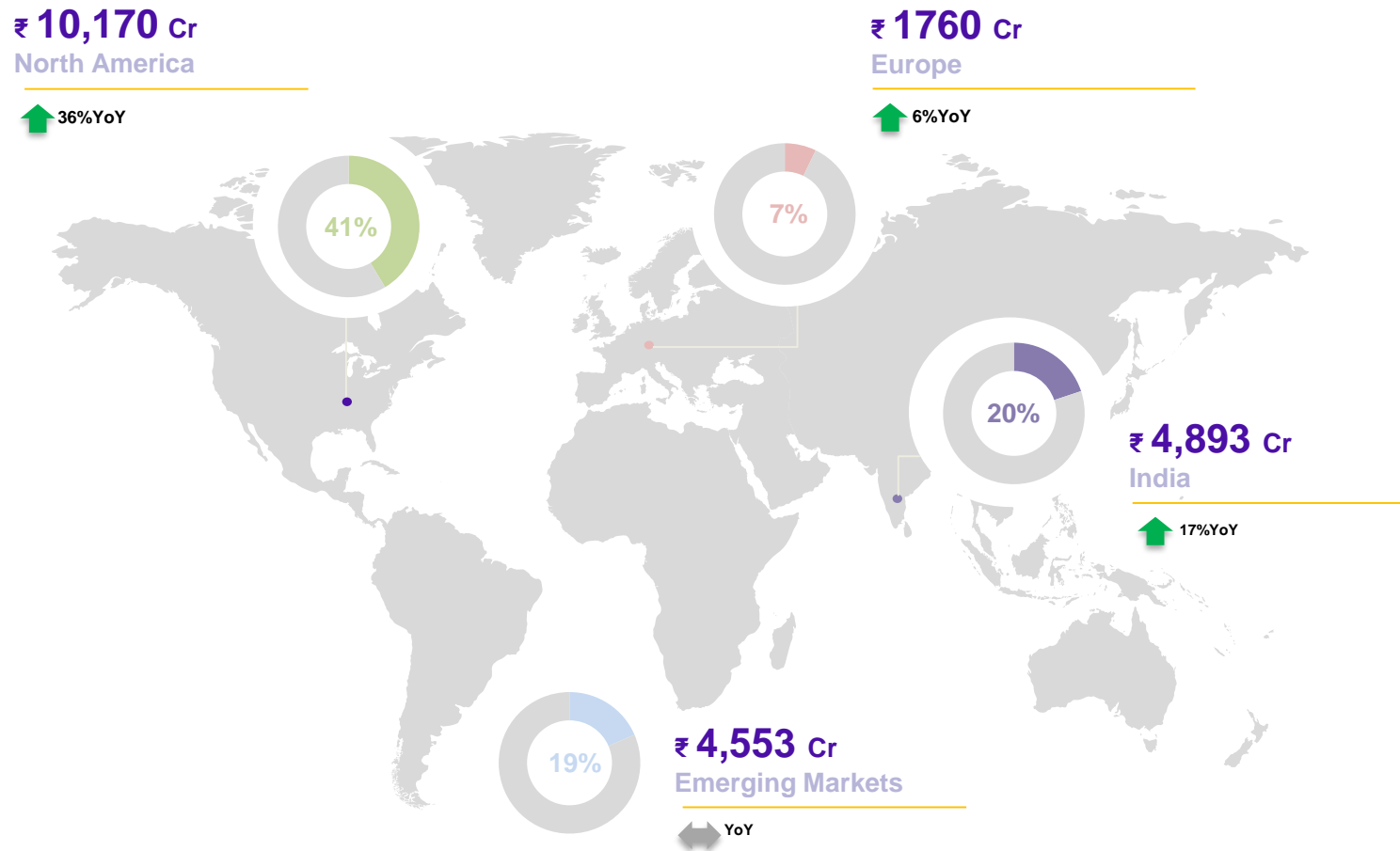
Global Revenues

For the fiscal year 2023 (Apr'22 to Mar'23)

REVENUE BY SEGMENT



GLOBAL GENERICS REVENUE BY GEOGRAPHY



Business Overview (1/3)

AREAS OF FOCUS

- **Strengthening the core :**
Injectables, retail generics productivity, OTC & direct to patients
- **Investing in Innovative Spaces:**
Biosimilars, digital solutions, drug-device combos & immune oncology

H1FY24 UPDATE

- **Integrated Mayne Pharma's** generic prescription portfolio
- Received a **Form 483** with 9 observations post completion of a product-specific **Pre-Approval Inspection (PAI)** by the USFDA at our biologics manufacturing facility in Bachupally
- **Forayed into OTC wellness space** in US with **Premama®**, a portfolio of dietary supplements.
- **9 new launches**

- **Strengthening the core :**
Build big brands, winning in chosen TAs through differentiated portfolio & inorganic play, S&M productivity
- **Investing in Innovative Spaces:**
Nutraceuticals, OTC, biologics, CAR-T, NCE/NBE, condition/disease management, digital ecosystem play

- Forayed into **trade generics** as well as **Child nutrition** space
- Launched **Nerivio**, our **first digital therapeutic product** in India
- Launched **D2C platform 'Celevidawellness.com'** for serving the needs of diabetic patients in India
- **In-licensed NCE Pyrotinib** from Hengrui
- **CAR-T asset 'DRL-1801'** approved for clinical trial in India
- **7 new launches**

North America

Top 5 rank in US

230+ commercial products

~165 products in pipeline

- **50%+** injectables/sterile
- **25+** Complex products
- **79** pending approval (incl. 4 NDAs)
- **57** products filed

India

15 brands in top 300 in IPM

10 brands with ₹100+Cr^ sales

11 MQT rank in IPM

^Last 12 months

Business Overview (2/3)

AREAS OF FOCUS

H1FY24 UPDATE

- **Strengthening the core :**
Grow Mega-brands (Rx & OTC), leverage global portfolio in EM, S&M excellence
- **Investing in Innovative Spaces:**
Differentiated formulations, Nutrition portfolio, Biologics, NCE / NBE, Disease management & Direct-to-Customer

- **59 new launches** across markets
- Received **five product approvals** in China

- **Strengthening the core :**
Build scale in EU5 (Germany, UK, Spain, France & Italy), selective expansion to other markets & first to market launches
- **Investing in Innovative Spaces:**
Branded businesses (Differentiated branded & OTC), New spaces (Pharmaceutical Cannabis) & Biosimilars

- **30 new launches** across markets

Emerging Markets

45 markets present in

11 brands with ₹100+ Cr sales

54 million patients served in H1

Russia : 40 products, **6** mega-brands, **900** employees

China : Double digit filings

Europe

17 markets present in

180+ commercial products

Strong Pipeline of Generics & Biosimilars

^Last 12 months

Business Overview (3/3)

AREAS OF FOCUS

- Building a **global business** with **Highly Regulated Market Approvals** focused on development of **Monoclonal Antibodies and complex fusion proteins**
- **Therapeutic Areas : Oncology & Auto-Immune diseases**

H1FY24 UPDATE

- **Rituximab biosimilar application accepted for review by FDA, EMA & MHRA**
- **Received GMP certificate** indicating closure of inspection by the **UK MHRA** for our **Bachupally biologics facility**

- Driving **economies of scale**
- Leveraging **strategic customer relationships**
- **60+ countries** for **API+ offerings** in next 5 years
- **70%+ core molecules** to be **backward integrated** in next 5 years

- **37 new DMFs** filed

Biosimilars

1 commercial product in US & Europe (PEG-GCSF[^])

6 commercial products in India & 27+ Emerging markets

6 global assets in pipeline

\$50+bn Innovative peak sales of pipeline products

[^]Launched through partner, out-licensed product

PSAI

225+ active DMFs

55+ products in pipeline

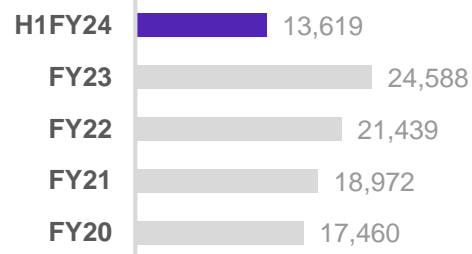
25+ countries for API+ value added offerings

3 of top 5 innovators & 120 biotechs serviced by APSL (Discovery + CDMO)

Sustaining growth & profitability while investing for the future

REVENUES

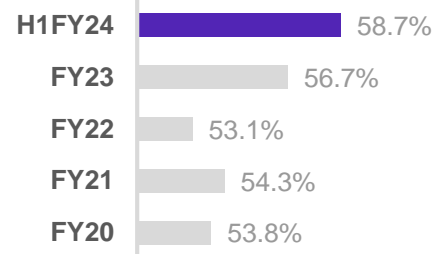
(₹ Cr)



Sustaining double digit growth in line with aspiration

GROSS MARGINS

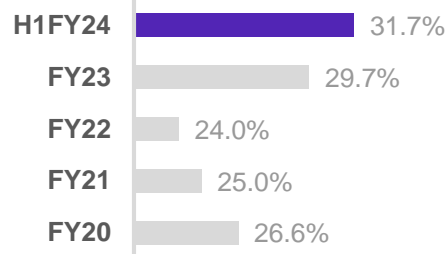
(% of Revenues)



Increase driven by high margin new products & higher government incentives

EBITDA MARGINS

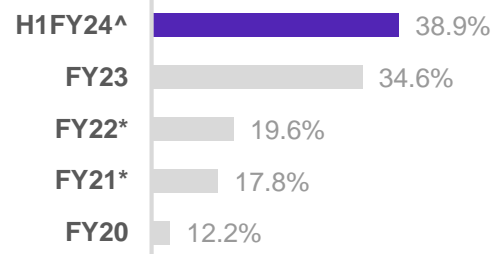
(% of Revenues)



Productivity driving sustained margins beyond 25% aspiration

RoCE

(%)

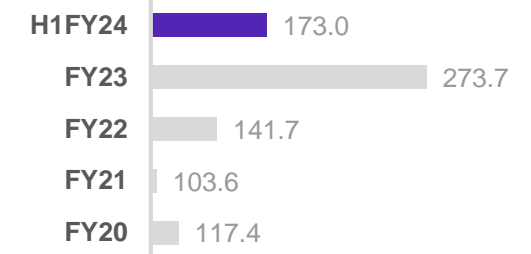


**Impacted due to impairment charge taken
^Annualized Return

Significant improvement seen beyond 25% aspiration

EPS

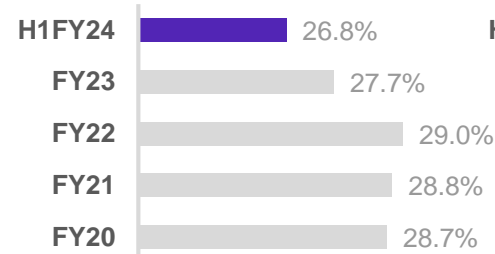
(₹)



Delivering value to shareholders

SG&A

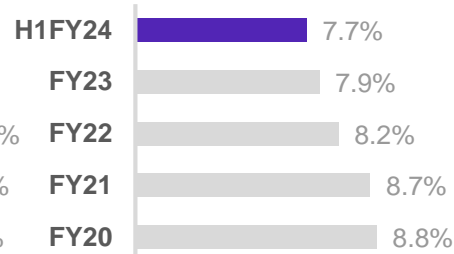
(% of Revenues)



Investing in brands & digital capabilities

R&D

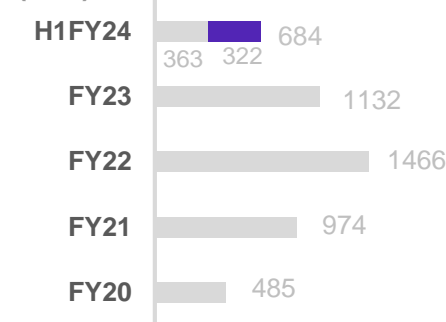
(% of Revenues)



Focus on high value generics incl. biosimilars

CAPEX

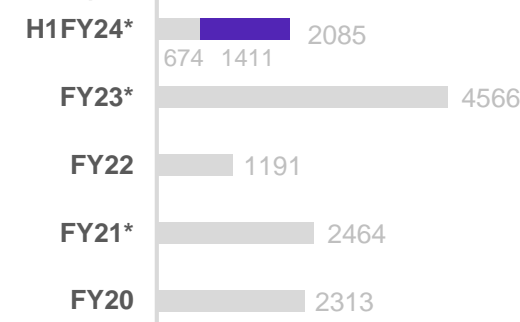
(₹ Cr)



Selectively investing to augment capabilities, incl. injectables & biosimilars

FREE CASH FLOW

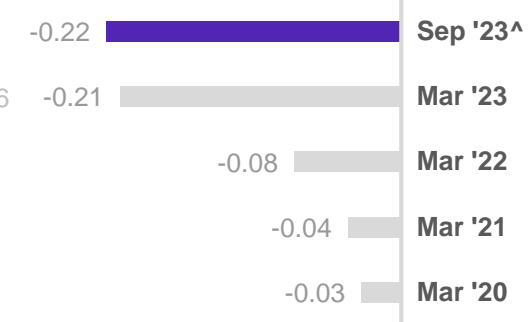
(₹ Cr)



*Before acquisition related payouts

Robust cash-flow generation from operations

NET DEBT / EQUITY



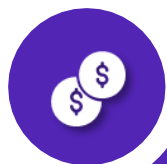
*Net Surplus (Adjusted for non-current cash & borrowings) stood at ₹ 5,906 Cr as on Sep 30 '23

Cash surplus; providing strength for expansion

Creating Shareholder Value



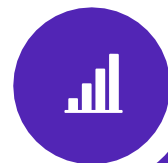
*Closing price of Dec 14th, 2023; ^Opening rate as of Dec 15th 2020



**TOTAL SHAREHOLDER RETURN
(DIVIDEND & CAPITAL GAINS)**

₹ 637

3 YEARS



**TOTAL SHAREHOLDER RETURN
CAGR**

4%

3 YEARS

~17%

5 YEARS



SUSTAINABILITY

Paving the path for sustainability for India

SUSTAINABILITY JOURNEY

2004

1st GRI based Sustainability Report

2010

1st Materiality Assessment
6 goals for 2020

2013

'Sustainability by Design' in operations

2020

2010 goals wrap up
2nd materiality assessment

2022

Renewed goals for the next decade

2023

1st Integrated Annual Report Published



Top 10 in India with 74/100 score in 2022 CSA
Dow Jones Sustainability Index 2023 - 7th year in a row in Emerging Markets
Sustainability Yearbook 2023 - 3rd successive year



IGBC Green Champions - Recognised as 'Pioneer in large-scale adoption of green factory buildings in India'



Bloomberg Gender-Equality Index 2023 - only Indian pharma company in the index; featured for the 6th year in a row

OUR CREDENTIALS



CDP Supplier Engagement Leaderboard 2023







Named by **Financial Times** (London) and Statista - as **Asia-Pacific Climate Leader 2023**



Awarded by the **President of India** for work in empowering **persons with disabilities**

Our ESG Goals

	TARGET	PROGRESS UNTIL FY23
 FOR OUR PATIENTS	By 2030, 1.5 billion patients	689 million+ patients reached
	By 2027, 25% new 'first to market' launches	39% first to market new launches
	From 2027, launch 3 innovative solutions	Key innovative set of solutions chosen for further development
 FOR OUR PEOPLE	By 2030, 35% women in senior leadership	16% representation of women in leadership
	By 2035, gender parity	20% gender diversity globally
	By 2030, 3% Persons with Disabilities (PwDs) in workforce	0.4% Persons with Disabilities in our workforce
	By 2025, ensure living wages for workforce on premises	Strategic partner, action plan identified to close gap
 FOR OUR PLANET	By 2030, 100% renewable power	42% electricity through renewable source
	By 2030, carbon neutrality in our operations (Scope 1 & 2)	30% carbon neutrality
	By 2025, water-positive	Achieved
	By 2030, reduce 12.5% indirect carbon emissions (Scope 3)	Revised inventory complete , reduction plan in progress
 FOR OUR STAKEHOLDERS	Robust corporate governance , highest standards on compliance	Strong corporate governance structure , no material deviations
	By 2025, ESG disclosures to reach top quartile	BRSR, integrated reporting, independent assurance, enhanced disclosures
	By 2030, 100% strategic suppliers compliant with ESG framework	Capability building complete, supplier audits in progress

Select ESG initiatives in H1FY24

- Forayed into **Trade Generics, Child Nutrition in India, OTC wellness in US**

- **Launched Nerivio**, our first digital therapeutic product in India

- **In-licensed NCE Pyrotinib** from Hengrui

FOR OUR PATIENTS:
Making products that are accessible & affordable



- Published our 1st **Diversity, Equity, and Inclusion** report

FOR OUR PEOPLE:
Contributing to a fairer, more socially inclusive world



- Implemented **Integrated Management Systems** for all Indian manufacturing sites [ISO 14001, ISO 45001, ISO 50001 & SA8000 certifications]

FOR OUR PLANET:
Committed to environmental stewardship



FOR OUR STAKEHOLDERS:
Enhancing trust



- Completed & audited on **ISO 20400 Sustainable Procurement guidance**

- Published our 1st **Integrated Report**



In Summary

A diversified business model with broad based levers

Dr.Reddy's



STRENGTHEN CORE BUSINESSES ACROSS MARKETS WITH A ROBUST PRODUCT PORTFOLIO



INVEST IN INNOVATIVE & DIFFRENTIATED PRODUCTS (NCEs, CDMO, NUTRA, D2C, OTHERS)



FOCUS ON QUALITY AND COMPLIANCE



STRENGTHEN CAPABILITIES – PEOPLE, DIGITAL, PROCESSES



DRIVE OPERATIONAL EFFICIENCY & 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.

**Good
Health
Can't
Wait.**

