Q3FY24
FINANCIAL RESULTS

January 30, 2024

Dr.Reddy's

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.

Q3FY24 Performance

₹ 7,215 Cr
Revenues
⬆ 7%YoY ⬆ 5% QoQ

₹ 2,111 Cr | 29%
EBITDA | EBITDA %
⬆ 7%YoY ⬇ 3% QoQ

₹ 1,826 Cr | 25%
PBT | PBT %
⬆ 12%YoY ⬇ 5% QoQ

₹ 1,379 Cr | 19%
PAT | PAT %
⬆ 11%YoY ⬇ 7% QoQ

Continued momentum with steady financial and operational results

FINANCIAL HIGHLIGHTS

- **Highest ever sales**; growth supported by volume gains and new product launches
- **Robust EBITDA and RoCE** delivery
- **Net cash surplus** of **₹5,907 Cr**

OTHER BUSINESS HIGHLIGHTS

- Received **Form 483s** at Formulations manufacturing (FTO-3) & R&D facility with 10 and 3 observations respectively. Response submitted within stipulated timeline
- Received **approval from UK MHRA** for our proposed bevacizumab biosimilar.
- **1st Indian pharma Co** in the **Dow Jones Sustainability World Index** for 2023
- Awarded **'Gold Medal'** status by **EcoVadis**
- **MSCI ESG ratings** upgraded from **BB to BBB**

STRATEGIC INITIATIVES

- Acquired **MenoLabs® branded portfolio** of women's health and dietary supplements portfolio in the U.S.
- Exclusive collaboration with **Coya Therapeutics** for development & commercialization of COYA 302
- Good traction seen in our first digital therapeutic product launched in India – **Nerivio**

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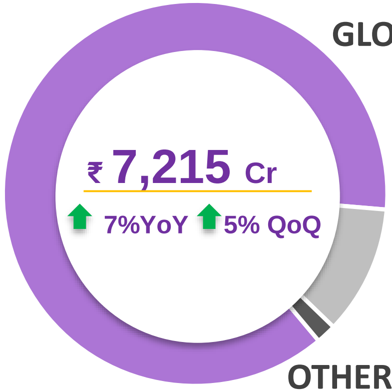
Growth driven by new launches, Europe base business & market share gains in US

REVENUE BY SEGMENT



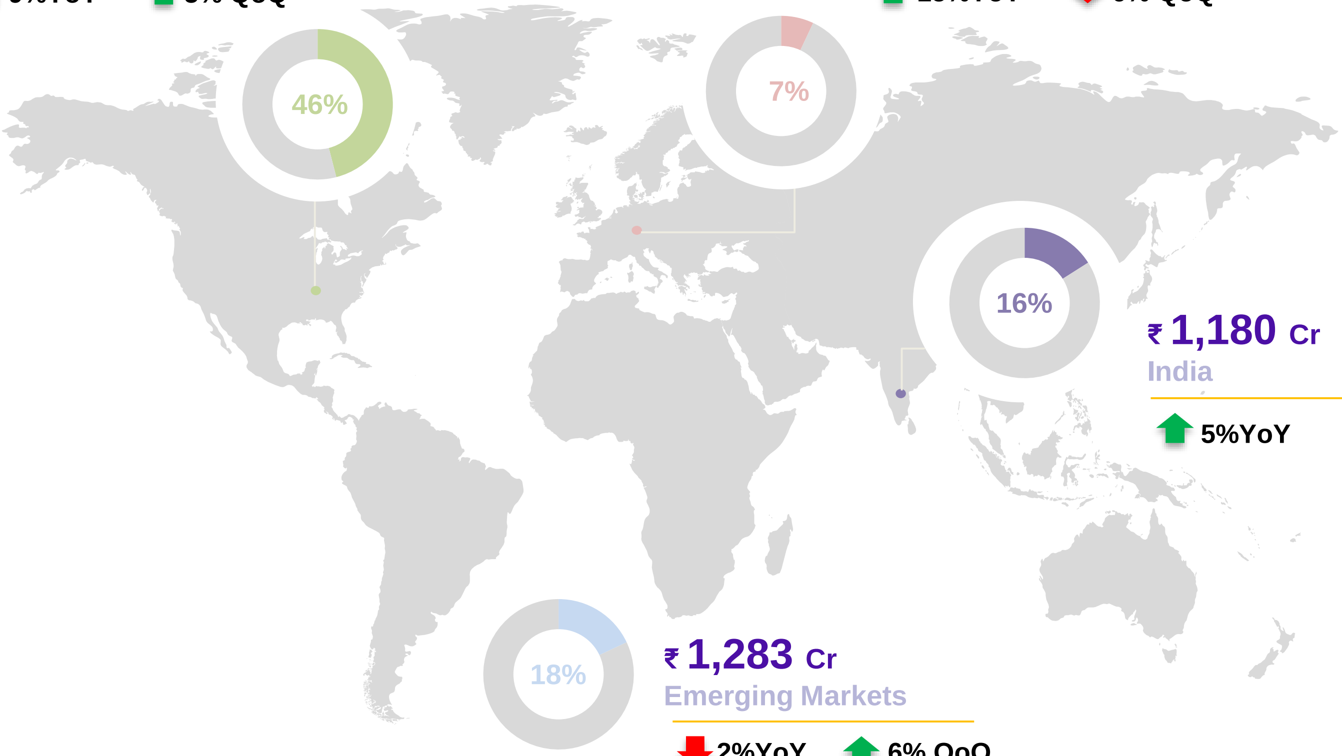
₹ 6,310 Cr
Global Generics
7%YoY 3% QoQ

₹ 784 Cr
Pharmaceutical Services & Active Ingredients
1%YoY 11% QoQ

GLOBAL GENERICS REVENUE BY GEOGRAPHY

₹ 3,349 Cr
North America
9%YoY 5% QoQ

₹ 497 Cr
Europe
15%YoY 6% QoQ



₹ 1,180 Cr
India
5%YoY 1% QoQ

₹ 1,283 Cr
Emerging Markets
2%YoY 6% QoQ

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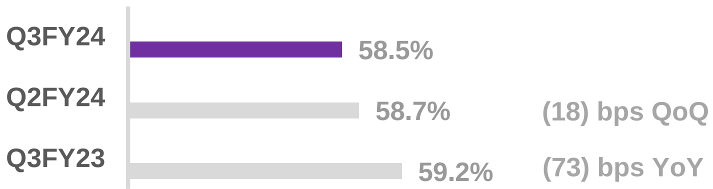
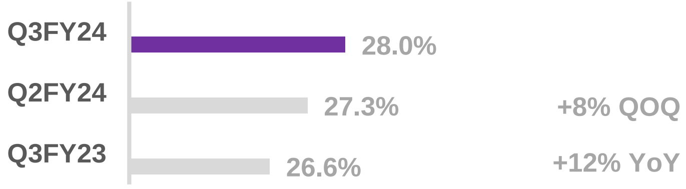
Investing for growth and strengthening our balance sheet

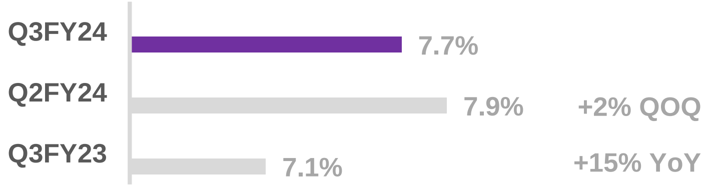
GROSS MARGINS (% of Revenue)



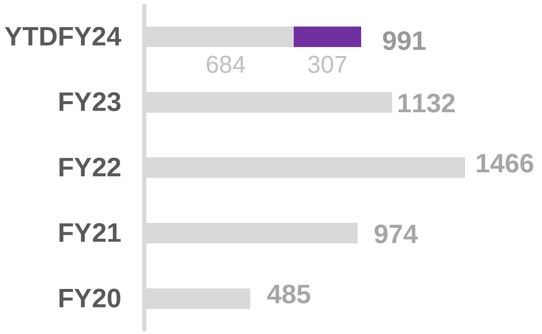
SG&A EXPENSES (% of Revenue)



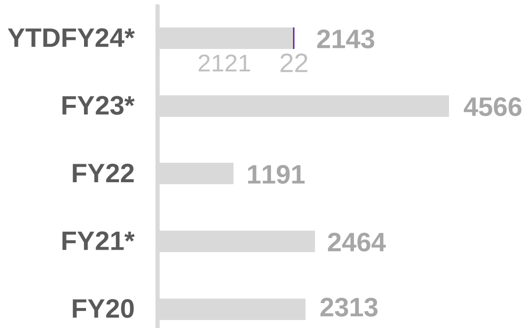
R&D EXPENSES (% of Revenue)



CAPEX (₹ Cr)

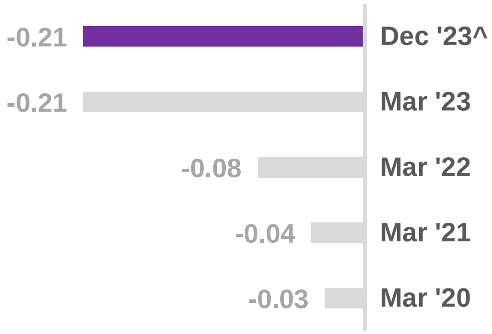


FREE CASH FLOW (₹ Cr)



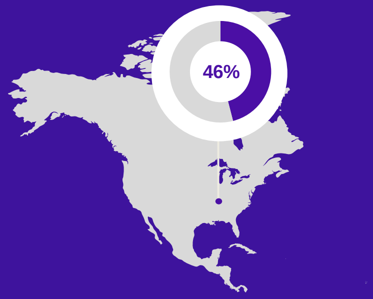
*Before acquisition related payouts

NET DEBT / EQUITY



^Net Surplus (Adjusted for non-current cash & borrowings) stood at ₹ 5,907 Cr as on Dec 31 '23

North America Q3FY24 Performance



Revenues

₹ **3,349** Cr

9%YoY   5% QoQ

GROWTH DRIVERS

- Driven by **new launches** and **market share expansion** in base business

Continuation of our growth journey in core generics

MARKET PERFORMANCE

13.6% vs. 4.4%

DRL Growth vs. US Generic Market Growth*

*As per IQVIA MAT for Nov' 23

NEW LAUNCHES

4	16
Q3	9M

PENDING APPROVAL

75	4
ANDA	NDA

Includes 41 Para IVs & 21 FTFs

PRICE EROSION

STABLE

NEW FILINGS

2 | 0	8 | 1
Q3	9M

ANDA | NDA

OTHER HIGHLIGHTS

- Acquired **MenoLabs®** branded portfolio of **women's health focused supplements**

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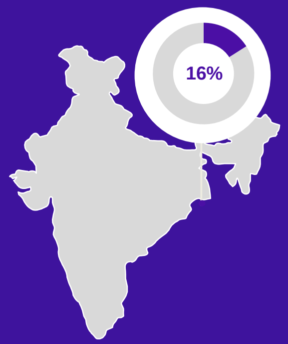
Focus on core growth and building differentiation as a pivot

India Q3FY24 Performance



Revenues

₹ **1,180** Cr

5%YoY   1% QoQ

GROWTH DRIVERS

- Primarily driven by **new launches**

MARKET PERFORMANCE

7.0% vs. 9.8%

DRL Growth vs. IPM Growth*

*As per IQVIA MAT Dec' 23

NEW LAUNCHES

3	10
Q3	9M

OTHER NEW INITIATIVES

- Good traction seen in **Nerivio**, our first digital therapeutic product in India

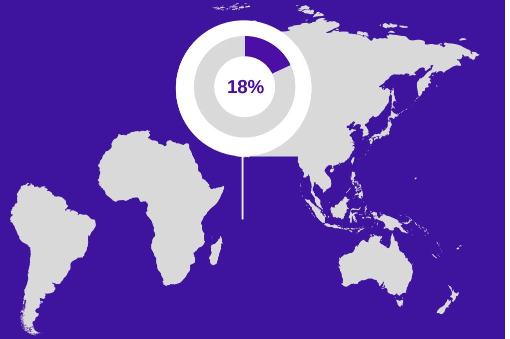
MARKET RANKING

11th

MQT & MAT (Dec'23)

*As per IQVIA

Emerging Markets Q3FY24 Performance



Revenues

₹ **1,283** Cr

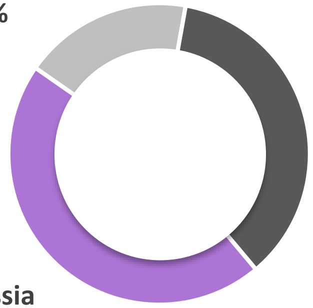
2%YoY 6% QoQ

GROWTH DRIVERS

- **Market share & pricing gains** across key markets, revenues from **new launches**, offset by **unfavourable forex**

Quarter growth impacted largely due to unfavourable forex & timing; growth momentum intact

REVENUE SPLIT



OTHER HIGHLIGHTS

NEW LAUNCHES

30	89
Q3	9M

New Products across markets

₹ 588 Cr
Russia

14%YoY 2% QoQ

- **Growth ahead of market^**
- Constant currency growth: **YoY +3% & sequentially +7%**
- Depreciation of Russian Ruble & High base, partly offset by pricing gains

₹ 233 Cr
CISR

4%YoY 7% QoQ

- YoY growth driven by new launches & favourable price variance

₹ 463 Cr
RoW

16%YoY 10% QoQ

- YoY growth driven by new product launches & favourable forex

^As per IQVIA

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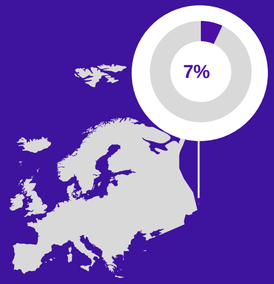
Double-digit growth driven by favourable forex and volume uptick

Europe Q3FY24 Performance



Revenues

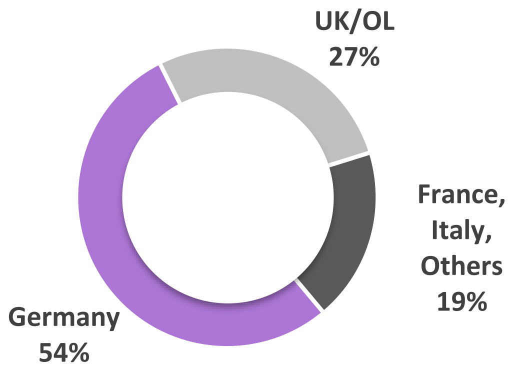
₹ **497** Cr

15%YoY 6% QoQ

GROWTH DRIVERS

- Contribution from **new product launches**, higher base business **volumes** & **favourable forex** offset by price erosion

REVENUE SPLIT BY COUNTRIES



OTHER HIGHLIGHTS

NEW LAUNCHES

6	**36**
Q3	9M

₹ **267** Cr
Germany
21%YoY 0.1% QoQ

₹ **137** Cr
UK/OL
9%YoY 22% QoQ

₹ **93** Cr
France, Italy, Others
11%YoY 7% QoQ

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Profitable growth mainly driven by new launches and improved mix

PSAI Q3FY24 Performance

11%

Revenues

₹ **784** Cr

1%YoY   11% QoQ

GROWTH DRIVERS

- Growth driven by **new product launches**, partly offset by **base business price & volumes**
- **Double-digit** growth excluding COVID product sale in base period

GROSS MARGINS

29%	21%
Q3	9M

Q3FY23 margins 18%

NEW FILINGS (DMFs)

38	75
Q3	9M

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In Summary

A diversified business model with broad based levers

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.

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