Q2FY25
FINANCIAL RESULTS

November 5, 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, 2024 and quarterly financial statements filed in Form 6-K with the US SEC for the quarter ended Jun 30, 2024 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.

Q2FY25 Performance

₹ 8,016 Cr
Revenues

↑ 17%YoY ↑ 4% QoQ

₹ 2,280 Cr | 28%
EBITDA | EBITDA %

↑ 5%YoY ↑ 6% QoQ

₹ 1,917 Cr | ~24%
PBT | PBT %

↔ 0%YoY ↑ 2% QoQ

₹ 1,255 Cr | ~16%
*PAT | PAT %

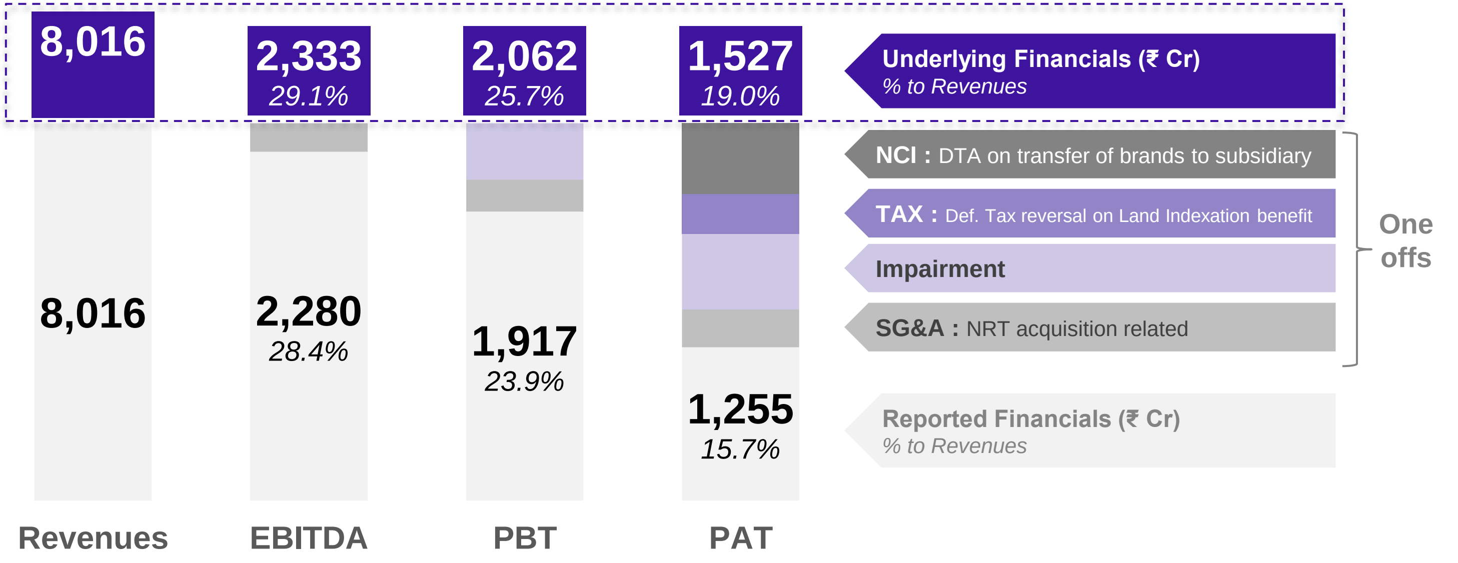
↓ 15%YoY ↓ 10% QoQ

**After adjusting for minority interest*

Highest ever quarterly revenue & PBT

FINANCIAL HIGHLIGHTS

- **Highest ever quarterly revenues** (with double digit growth) as well as **PBT**
- **Robust EBITDA @28%** and an annualised **RoCE @28.5%**



- Adjusted **ETR** for Q2 is **25.9%**
- Strong balance sheet with **net cash surplus** of **₹ 1,889 Cr** post NRT acquisition payout
- **Stock split of 1:5 completed** as approved by Board and shareholders

Progressed on our strategic priorities in line with our stated strategy

KEY HIGHLIGHTS

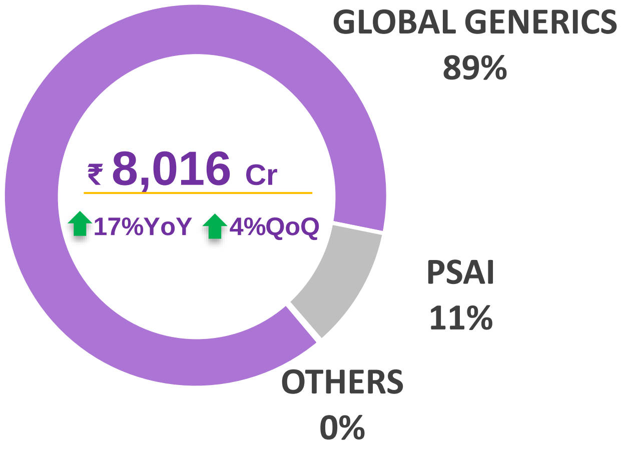
- Completed acquisition of **Nicotinell®** & related NRT brands
- Operationalised the venture with **Nestlé** for nutraceutical products in India
- Promising Phase 1 results for India's 1st trial for novel autologous **CAR-T** cell therapy for multiple myeloma
- Voluntary licensing of HIV treatment drug, Lenacapavir, from Gilead Sciences to manufacture & commercialise in 120+ countries
- In-licensed Takeda's novel gastrointestinal drug, Vonoprazan, to commercialise in India
- USFDA approval for IND for AUR-112 for treatment of lymphoid malignancies
- Secured Marketing Authorization from European Commission for rituximab biosimilar

OTHER UPDATES

- **'VAI' classification** by USFDA to Srikakulam API facility & two formulations facilities in Duvvada
- Zero and three observations by USFDA respectively after routine GMP inspection at R&D centre, Bachupally and after PAI at FTO SEZ PU1 in Srikakulam
- **'Top 15'** India's Most Sustainable Companies, 2024 by Businessworld India
- Received **ESG Excellence Award 2024** in the 'Large-cap Pharmaceuticals & Healthcare' category by KPMG India

Performance across geographies driving overall double-digit growth

REVENUE BY SEGMENT



₹ 7,158 Cr

Global Generics

↑ 17%YoY ↑ 4% QoQ

₹ 841 Cr

Pharmaceutical Services & Active Ingredients (PSAI)

↑ 20%YoY ↑ 10% QoQ

GLOBAL GENERICS REVENUE BY GEOGRAPHY

₹ 3,728 Cr

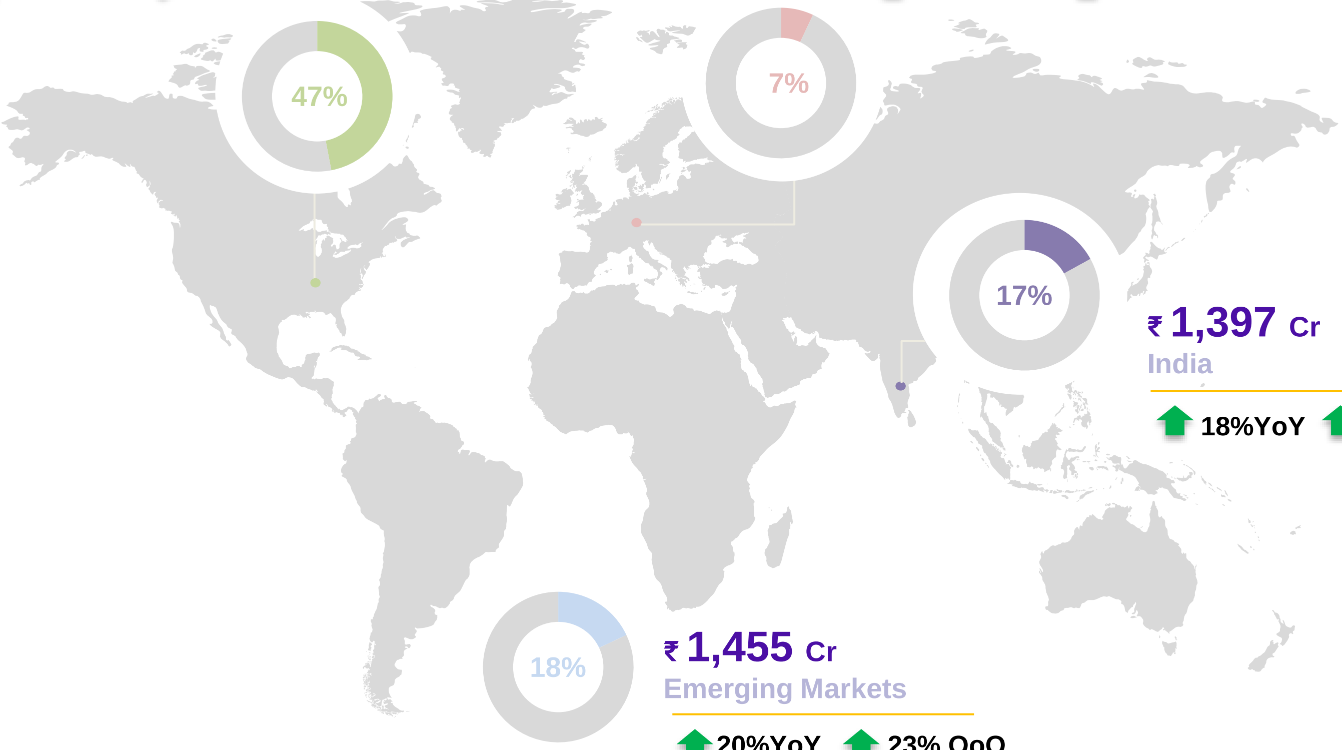
North America

↑ 17%YoY ↓ 3% QoQ

₹ 577 Cr

Europe

↑ 9%YoY ↑ 10% QoQ



₹ 1,397 Cr

India

↑ 18%YoY ↑ 5% QoQ

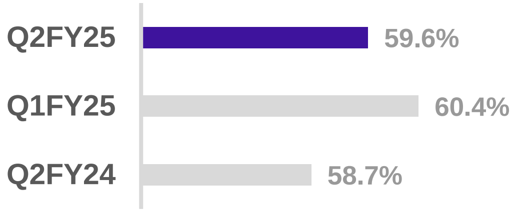
₹ 1,455 Cr

Emerging Markets

↑ 20%YoY ↑ 23% QoQ

Discipline on overheads and cost efficiency drives profit

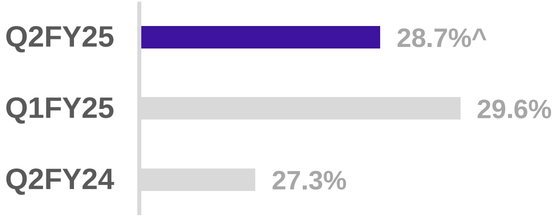
GROSS MARGINS (% of Revenues)



(81) bps QoQ

+92 bps YoY

SG&A EXPENSES (% of Revenues)

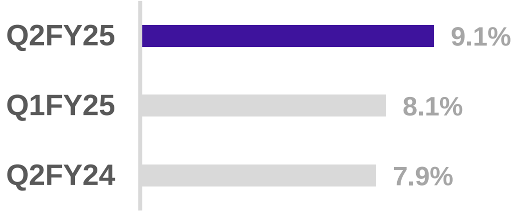


+1% QOQ

+22% YoY

^Excluding one-time NRT acquisition related expenses @28.1% of revenues

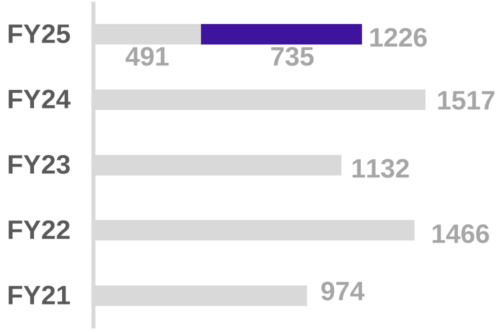
R&D EXPENSES (% of Revenues)



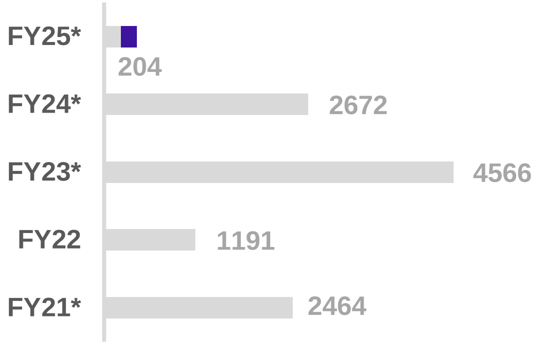
+17% QOQ

+33% YoY

CAPEX (₹ Cr)

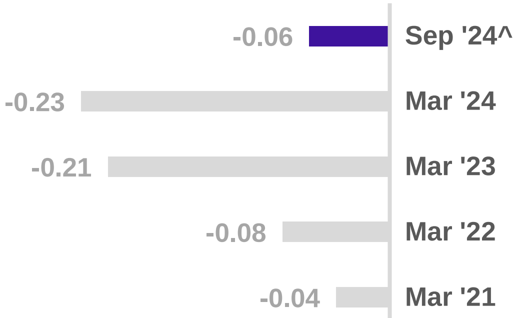


FREE CASH FLOW (₹ Cr)



**Before acquisition related payouts*

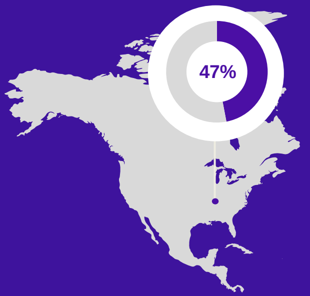
NET DEBT / EQUITY



^Net Cash Surplus (Adjusted for non-current cash & borrowings) stood at ₹ 1,889 Cr. as on 30th Sep 2024. Paid GBP 458 mn towards the acquired NRT portfolio.

Double digit growth, offset by lower price erosion

North America Q2FY25 Performance



Revenues

₹ 3,728 Cr

↑ 17%YoY ↓ 3% QoQ

GROWTH DRIVERS

- Driven by **increase in volumes,** partially offset by price erosion

MARKET PERFORMANCE

↓3.4% vs. 5.5%

DRL Growth vs. US Generic Market Growth*

*As per IQVIA MAT for Aug' 24

NEW LAUNCHES

4	**7**
Q2	6M

PENDING APPROVAL

75	**5**
ANDAs	NDAs

Includes 46 Para IVs & 22 FTFs

PRICE EROSION

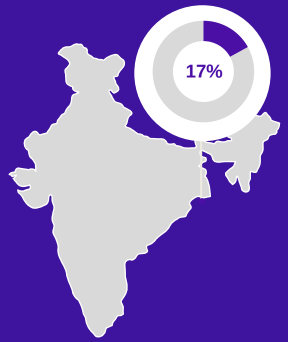
SINGLE DIGIT

NEW FILINGS

2	**3**
Q2	6M

ANDAs

India Q2FY25 Performance



Revenues

₹ **1,397** Cr

⬆ 18%YoY ⬆ 5% QoQ

GROWTH DRIVERS

- **New product launches,** incl. recently in-licensed vaccine portfolio from **Sanofi** and price increases

Growing in double digits, faster than market

MARKET PERFORMANCE

⬆ **9.5% vs. 8.0%**

DRL Growth vs. IPM Growth*

As per IQVIA MQT Sep' 24

MARKET RANKING

10th

As per IQVIA Sep'24

NEW BRAND LAUNCHES

3	**16**
+ Nestlé	**+ Sanofi**
Q2	6M

STRATEGIC HIGHLIGHTS

Nestlé

Good Food, Good Life

- 'Go Live' of Nutraceuticals venture with **Nestlé India**

Takeda

- In-licensed Takeda's novel gastro drug, Vonoprazan

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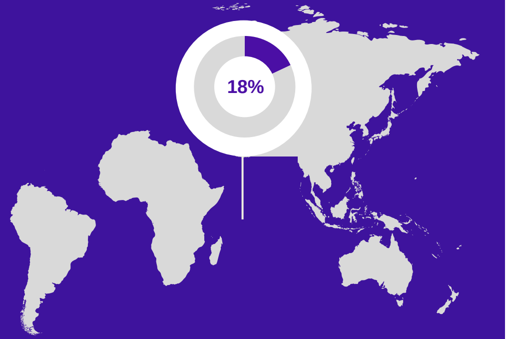
Emerging Markets Q2FY25 Performance



Revenues

₹ 1,455 Cr

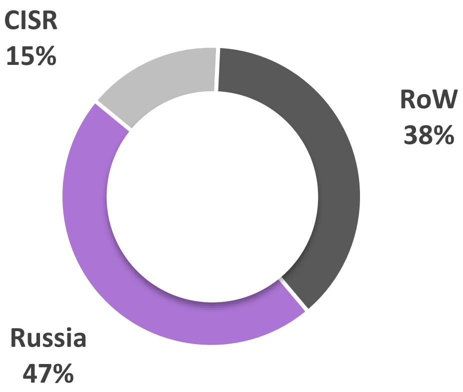
▲ 20%YoY ▲ 23% QoQ

GROWTH DRIVERS

- **Higher volumes** in base business & revenues from new launches esp. in RoW

New launches and improved volumes drive double-digit growth

REVENUE SPLIT



₹ 685 Cr
Russia

▲ 18%YoY ▲ 24% QoQ

- Growth in Constant currency : **+27% YoY**

₹ 215 Cr
CISR

▼ 2%YoY ▲ 12% QoQ

- Growth impacted by lower sales volumes

₹ 555 Cr
RoW

▲ 32%YoY ▲ 26% QoQ

- YoY growth driven by market share expansion & new launches

NEW LAUNCHES

22	39
Q2	6M

New Products across markets

STRATEGIC HIGHLIGHTS

- Licensed HIV treatment drug, **Lenacapavir**, from Gilead Sciences to manufacture & commercialise in 120+ countries

GILEAD

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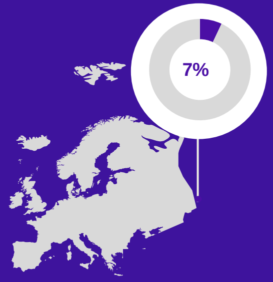
Europe Q2FY25 Performance



Revenues

₹ **577** Cr

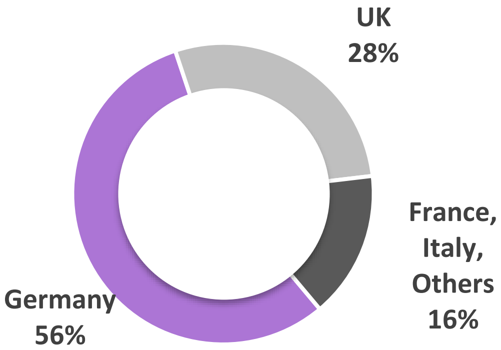
⬆ 9%YoY ⬆ 10% QoQ

GROWTH DRIVERS

- Contribution from **new product launches,** partially offset by **price erosion**

NRT acquisition completed, integration planned in phases

REVENUE SPLIT



₹ **323** Cr
Germany

⬆ 21%YoY ⬆ 16% QoQ

₹ **163** Cr
UK

⬇ 7%YoY ⬆ 3% QoQ

₹ **91** Cr
France, Italy, Others

⬆ 4%YoY ⬆ 2% QoQ

OTHER HIGHLIGHTS

NEW LAUNCHES

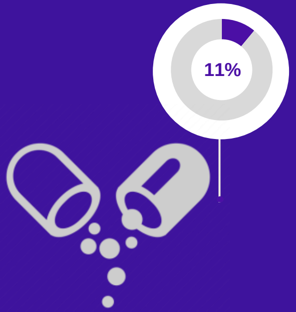
8	20
Q2	6M

New Products across markets

STRATEGIC HIGHLIGHTS

- **Completed acquisition** of Nicotinell® & related NRT brands
- **Integration** to be completed in phases
- **To be consolidated** in financials **from Q3FY25**

PSAI Q2FY25 Performance



Revenues

₹ **841** Cr

⬆ 20%YoY ⬆ 10% QoQ

GROWTH DRIVERS

- **API growth** driven by **higher volumes** and **new product launches**

Growth led by higher API volumes & CDMO business

GROSS MARGIN

30%	**18%**
Q2FY25	Q2FY24

NEW FILINGS (DMFs)

22	**36**
Q2	6M

Aurigene Oncology

STRATEGIC HIGHLIGHTS

- Promising **Phase 1** results for **India's 1st trial for novel autologous CAR-T cell therapy** for multiple myeloma
- Received **USFDA approval** for IND for **AUR-112** for treatment of lymphoid malignancies

Aurigene Oncology
Conquering Cancer

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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.